

Investor Presentation Q2FY2018-19

October 2018



CreditAccess Grameen Limited

BSE: 541770 NSE: CREDITACC

Corporate Identity No. U51216KA1991PLC053425

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A photograph of a diverse group of people, mostly women, standing in a circle and raising their hands towards the center. They are wearing colorful traditional Indian clothing like saris and blouses. The background is a bright, clear sky. The text "Executive Summary" is overlaid in the center of the image.

Executive Summary

Performance driven by strong fundamentals

Overview

- » Leading NBFC-MFI in India with gross loan portfolio of INR 5,794 Cr, 23.71 lakhs customers and 656 Branches
- » Predominantly offers micro loans under group liability (MFI loans) at 18% to 21% interest rate (one of the lowest in the industry)
- » Company's portfolio grew by 47.17 % (YoY) to INR 5,794 Cr as of Sep 2018
- » PAT Q2FY19 and H1FY19 grew by ~20%(YoY) and 94%(YoY) to INR 73.47 Cr. and INR 145.68 Cr. respectively
- » Listed on NSE and BSE on 23rd August 2018

Financial Metrics

Strong Balance Sheet and Liquidity

	Q2FY19	H1FY19
Networth (INR Cr)	2,213.14	2213.14
Capital Adequacy (%) #	40.4%	40.4%
Cash & Bank Balances (INR Cr)	411.25	411.25

Efficiency and Profitability

	Q2FY19	H1FY19
Marginal Cost of Borrowing ^[1]	9.2%	9.2%
Cost to Income ^[2]	35.7%	34.4%
Return on Asset ^[3]	4.9%	5.1%
Return on Equity ^[4]	15.7%	16.9%

[1] TTM Includes on and off b/s borrowings and processing fees

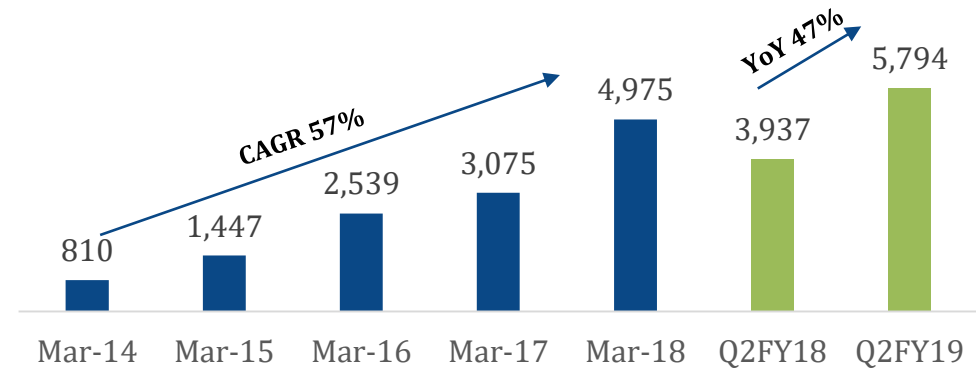
[2] (Employee Benefit Expenses + Other Expenses + Depreciation & Amortization)/(Total Income - Financial Cost)

[3] PAT/Quarterly Average Assets (including direct assignment) (Annualized)

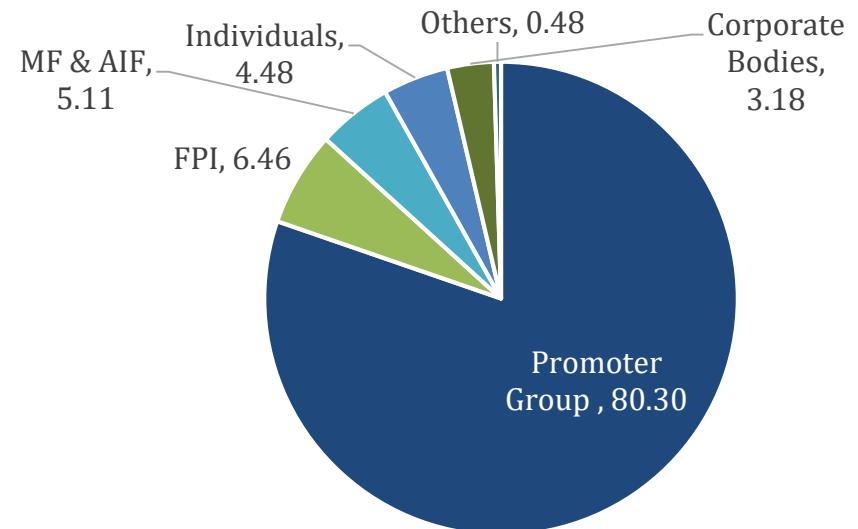
[4] PAT/Quarterly Average Equity (Annualized)

As per IGAAP

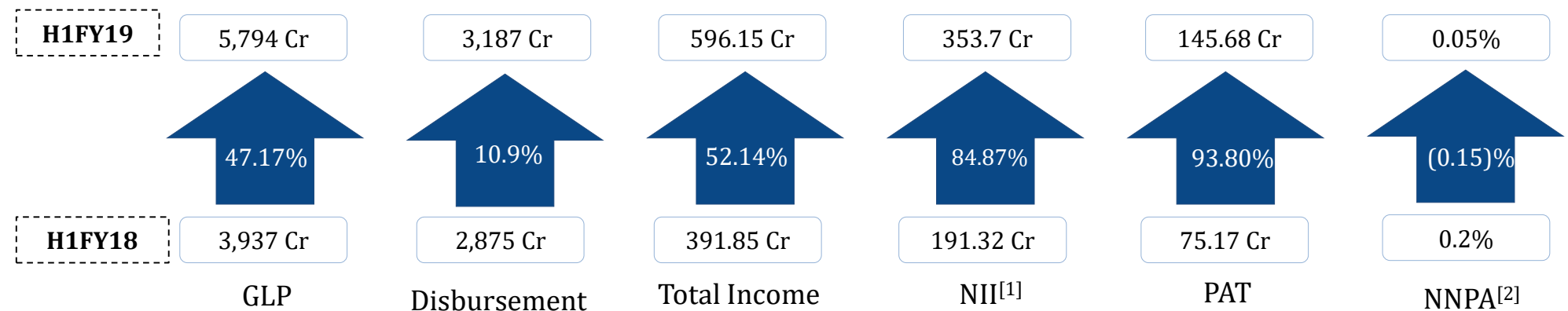
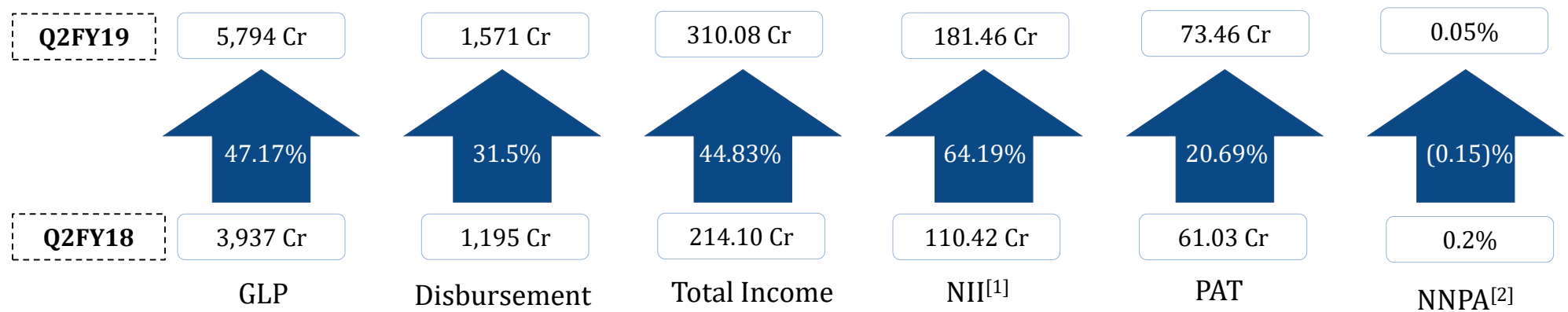
Growth in Gross Loan Portfolio (GLP) (INR Cr)



Shareholding Pattern



Strong rebound in business performance



[1] NII = Interest on portfolio loans + Income from securitization and asset assignment – Finance Cost

[2] (Stage III (ECL) exposure at default – Provision for Stage III)/ (Sum of exposure at default of Stage I, Stage II and Stage III)

A photograph of a diverse group of people, mostly women, standing in a circle and raising their hands towards the center. They are wearing colorful traditional Indian clothing like saris and blouses. The background is a bright, clear sky. The overall mood is one of unity and participation.

Update on Liquidity

NBFC-MFIs well placed on liquidity position

Type of Institutions	Asset Tenure	ALM Mismatch	Lenders Profile
NBFCs	Medium to Long Term (>=2 to > 10 years)	For most NBFCs average asset maturity tenure is higher than average liability maturity tenure	Majority exposure to CPs, NCDs & debt market instruments and borrowing from Mutual Funds which has a shorter maturity and these are of higher risk in the current scenario
NBFC – MFIs	Short Term (< 2years)	Average asset maturity tenure is always lower than average liability maturity tenure	Majority exposure to Banks and FIs with a longer maturity and these are of lower risk in the current scenario Exposure to NBFCs and Mutual Funds are limited for larger NBFC-MFIs

Comfortable liquidity to meet obligations and fulfil growth requirements

INR in Crore							
Particulars	Oct-18	Nov-18	For the month Dec-18	Jan-19	Feb-19	Mar-19	For the Financial year 2019-20
Opening Cash & Equivalents* (A)	411	550	706	829	937	1,098	1,228
Loan recovery [Principal](B)	461	442	416	452	383	391	2,910
Total Inflow(C=A+B)	872	993	1,123	1,281	1,319	1,488	4,138
Borrowing Repayment [Principal]							
Term loans and Others (D)	129	145	213	242	155	215	1,341
NCDs (E)	100	46	0	30	0	0	228
Securitisation and DA (F)	92	95	81	72	67	45	93
Total Outflow (G=D+E+F)	321	286	294	344	222	260	1,663
Closing Cash and equivalents (H=C-G)	550	706	829	937	1,098	1,228	2,475

Static Liquidity(B-F)	139	156	123	108	161	131	1,247
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* Details of Opening Cash & Equivalents

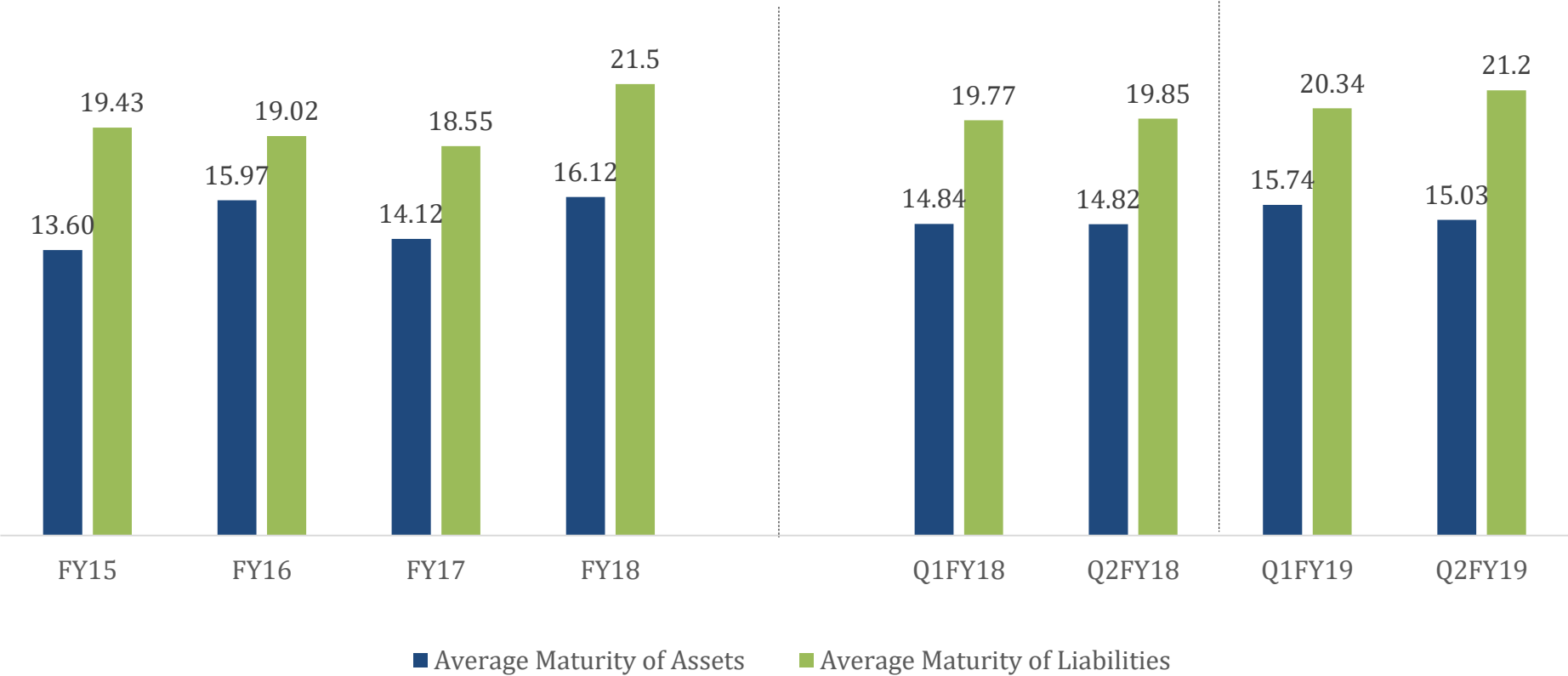
Particulars	INR in Crore
Cash and Bank Balance	206
Short Term Deposits with Banks	160
Term Deposits with Banks	45
Total	411

- » Diversified funding sources with mix of Domestic and Foreign sources (All are Term Loans)
 - » 32 Commercial Banks
 - » 3 Financial Institutions (Long term)
 - » 8 Foreign Institutional Investors (Long term)
 - » 6 NBFCs (3 are Long term)
- » There are no Commercial Papers
- » No Bonds/NCDs from Mutual funds
- » Limited exposure to NBFCs ~7%
- » Sanctions available for drawdown INR 695 Crore (Banks and DFIs)

Month on month positive Static Liquidity Gap

Positive ALM continues to contribute growth

Positive ALM Mismatch* (in Months)



Note: As per IGAAP

A high-angle, low-key photograph of a diverse group of people, primarily women, gathered in a circle. They are all looking upwards with expressions of joy and anticipation, and their hands are raised towards the center of the circle. The lighting is bright and warm, creating a sense of unity and positivity. The people are wearing a variety of colorful clothing, including saris and blouses in shades of pink, blue, yellow, and green. The background is a plain, light color, which makes the group stand out.

Company Overview

Proven track record of retaining and strengthening fundamentals of micro-credit model in rural areas

01	Rural focus enabling the Company to operate in a segment with low competitive intensity	82% Rural Borrower base
02	Experienced & stable management team with strong promoter group backing	Key Management with 8+ years with company
03	Multiple products to address all key financial needs of the customers	Group and Retail lending models
04	Contiguous district centric expansion resulting in resilient business model	Spanning 156 districts in 9 states/union territory
05	Best in class financial performance	ROA: 5.1% ROE:16.9%
06	Strong Risk Management Practices	NNPA 0.05 %

Data For H1FY19

A high-angle, low-contrast photograph of a diverse group of people, primarily women, arranged in a large circle. They are all looking upwards towards the center, and their hands are raised, palms facing the center, creating a sense of unity and collective effort. The people are wearing a variety of colorful clothing, including saris and blouses in shades of pink, blue, green, and yellow. The background is a bright, solid white, which emphasizes the hands and the faces of the participants. The overall mood is positive and collaborative.

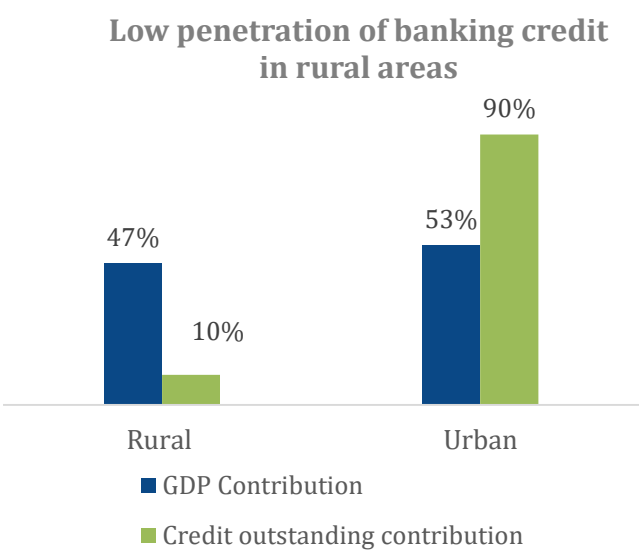
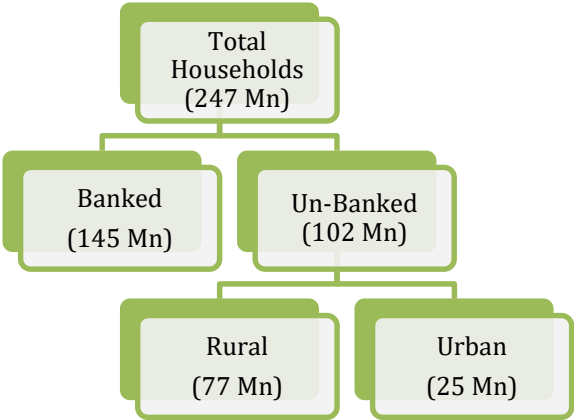
Industry Fundamentals

NBFC-MFIs best placed to address rural credit needs

75% Unbanked Households in Rural Areas¹- Large Untapped Opportunity

- » Massive Govt. thrust to boost financial inclusion - NBFC-MFIs to play a key role in furthering this.
- » Significant opportunity to capture share from unorganized players will continue to drive MFI industry growth.
- » Pan India MFI presence.
- » Rural areas accounted for only 10% of overall o/s bank-credit while comprising of 2/3rd households and contributing ~47% of FY16 GDP in India

¹ India Census 2011



Favourable Factors (For NBFC-MFI Industry)

Funding Certainty

- MFI's continues to be under priority sector
- Pure play NBFC MFI's are proven successful model for catering to un-banked segment

Proven Operating Model

- Distribution reach, where traditional banks do not lend
- Default rates are lowest in financial sector
- High customer/s touch points, 52 times in a year

Government and Regulatory Support

- Massive Govt. thrust to boost financial inclusion and double rural income
- Relaxation of maximum outstanding to customer/s
- Institutional Infrastructure (Credit Bureaus)

Customer centric practises

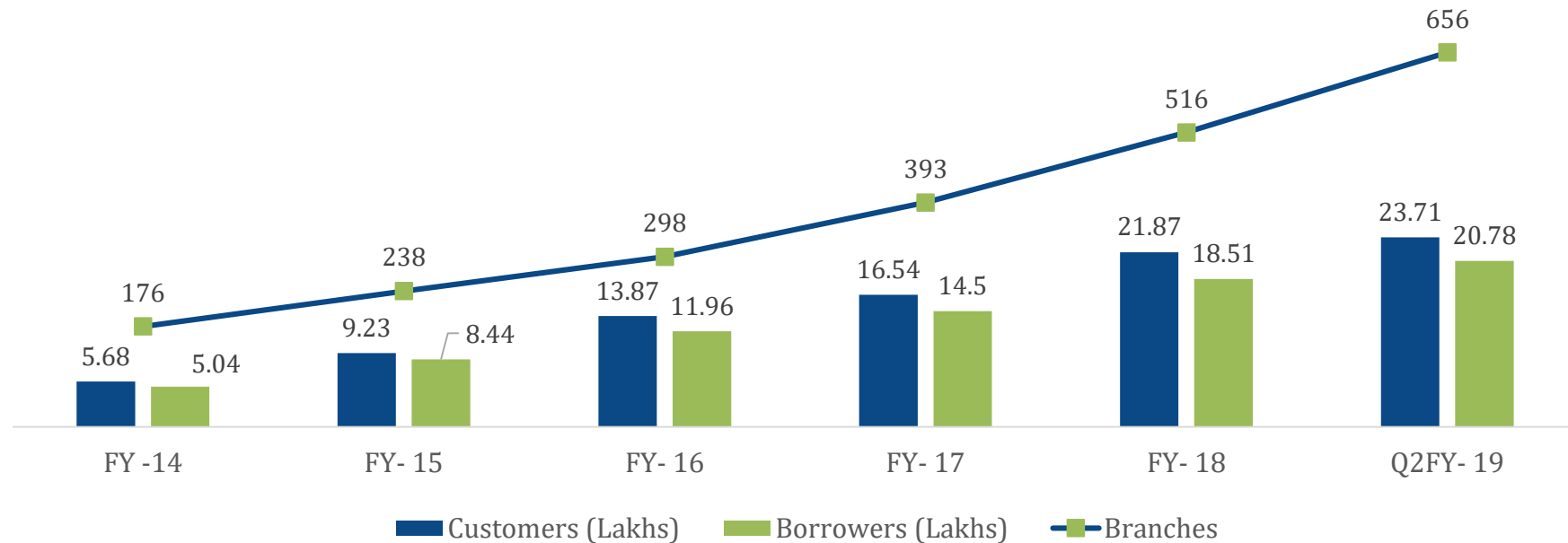
- Doorstep delivery of services
- High focus on financial literacy of customer/s

A photograph of a diverse group of people, mostly women, standing in a circle and raising their hands towards the center. They are wearing colorful traditional Indian clothing like saris and blouses. The background is a bright, clear sky. The text "Operational Highlights" is superimposed in the center of the image.

Operational Highlights

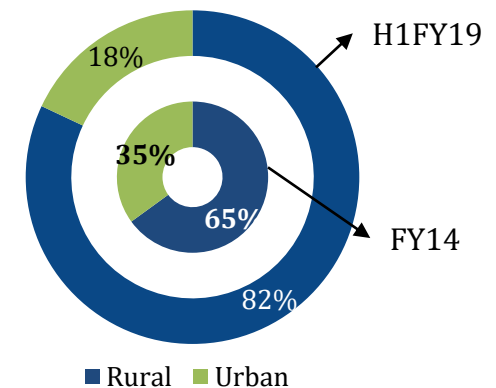
Strong rural growth story

Outreach



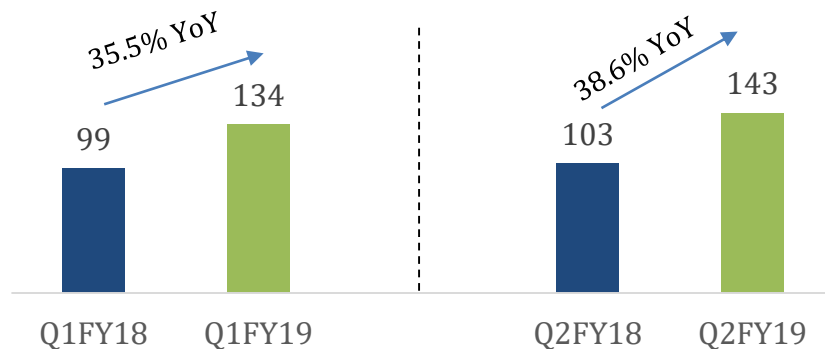
- » 656 branches spread across 156 districts in 9 states / UT
- » 23.7 lakh customer base, CAGR of ~ 37.3% over 4.5 years.
- » 140 branches opened during H1FY19
- » 82% rural borrowers
- » Weekly touch points with borrowers

Borrower Base

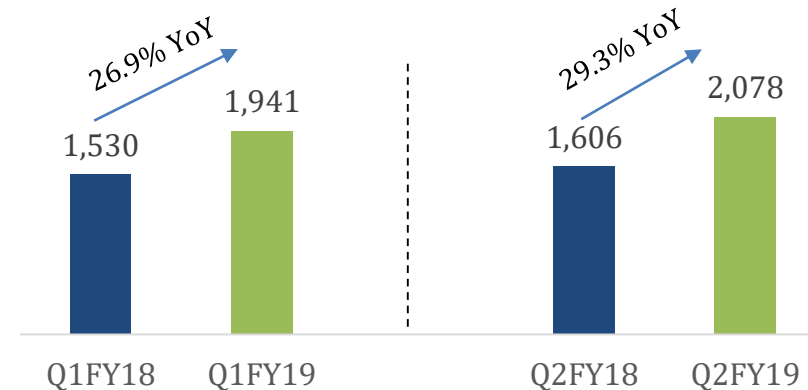


Demonstrated robust growth

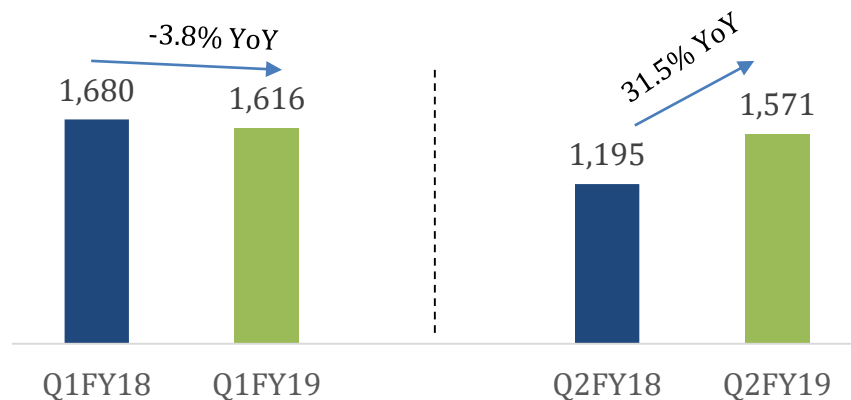
Kendras ('000)



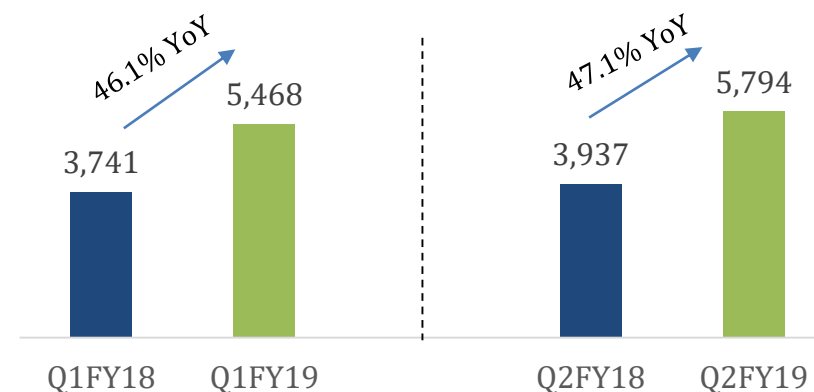
Borrowers ('000)



Disbursement(Cr)

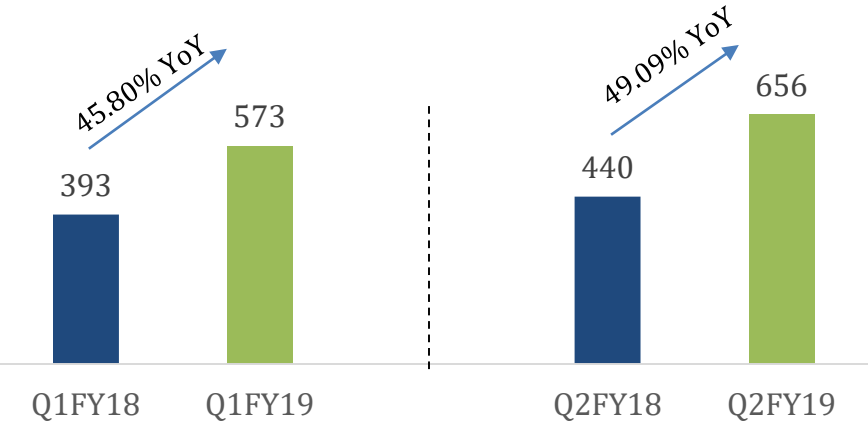


Gross Loan Portfolio (Cr)

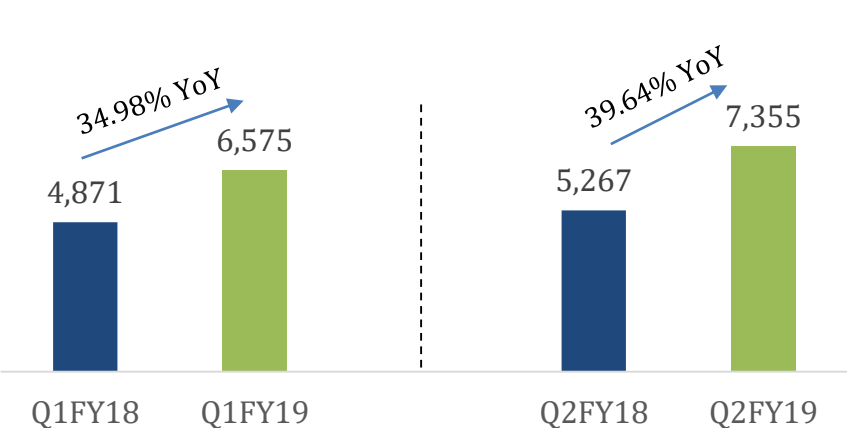


Infrastructure in place to fuel further growth

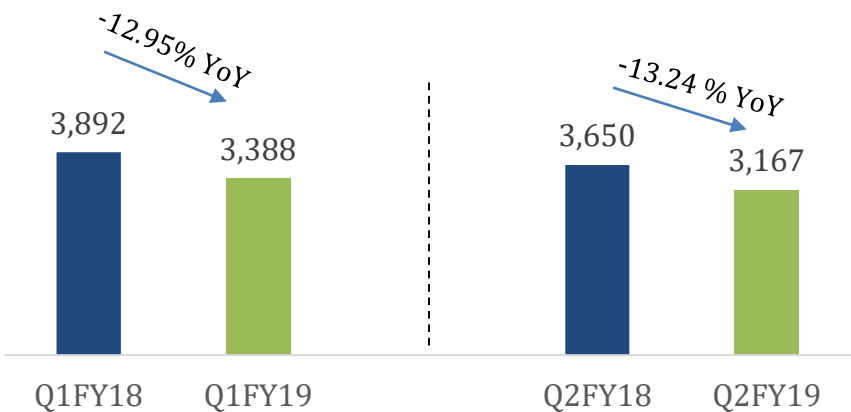
Branches



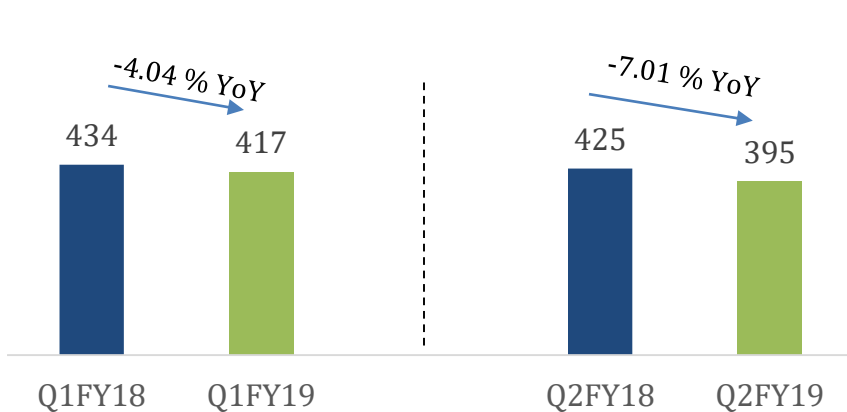
Employees('000)



Borrowers / Branch



Borrowers/ Loan Officers



Cashless shift based on customer's preference



Long term strategy is to move to cashless disbursement mode in phased manner based on customers' preference.



Preference for cashless disbursement given to customers:
Small loans: Cash/Cashless based on customers' preference
Larger Loans: Cashless



100% of branches enabled for cashless disbursements



More than 40% disbursements done through cashless mode on a daily basis



Rs.801 Cr cashless disbursements in H1FY19 as against Rs.23 Cr in H1 FY18

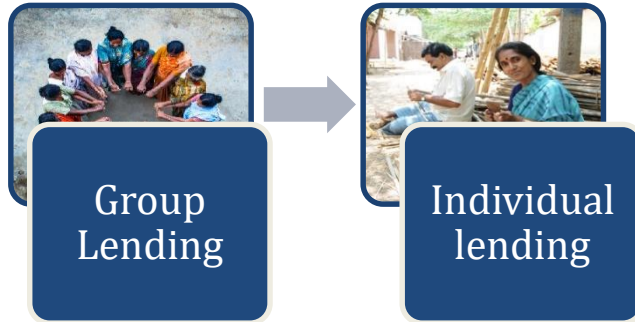
82% portfolio growth in Q2FY19 came from districts outside the Top 10

- » District is the unit of risk in microfinance business, therefore our unit of expansion is district
- » Geographical expansion strategy:
 - » Penetrate through district centric approach
 - » Expansion through contiguous district approach
- » 82% portfolio growth in Q2FY19 came from districts outside the Top 10
- » Portfolio concentration of Top 10 districts has reduced from 41% as of FY16 to 34% as of Q2FY19
- » Contiguous district wise expansion approach reduces exposure to a particular district
 - » 96% of districts where we operate have portfolio concentration of < 3% of overall portfolio
 - » None of the districts where we operate have concentration of > 5% of total customers

A low-angle, upward-looking photograph of a diverse group of people, primarily women, gathered in a circle. They are all looking upwards with expressions of hope and anticipation, and their hands are raised towards the center of the frame. The background is a bright, clear blue sky. The people are wearing a variety of colorful traditional Indian clothing, including saris and blouses in shades of pink, blue, yellow, and green. Many of the women are wearing traditional Indian jewelry, such as bangles and necklaces. The overall mood is one of unity, optimism, and collective aspiration.

Update on Retail Finance Business

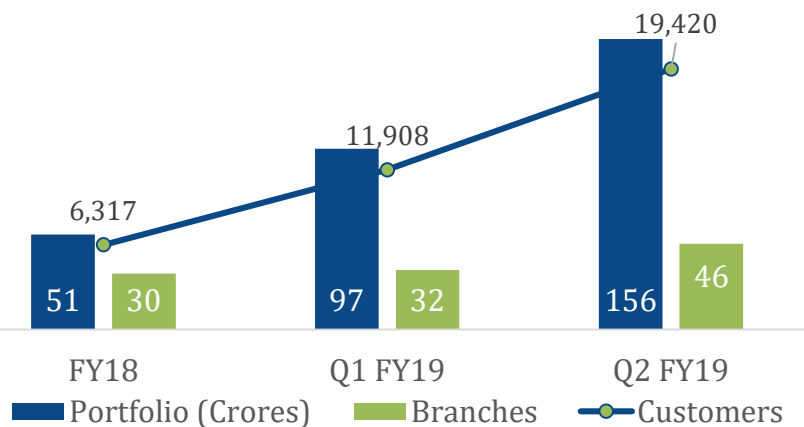
Launched retail finance vertical to support customers' growing needs



Maximum credit that can be extended to a customer/s is limited by the capacity of group to accept joint liability

Retail finance acts as a one stop solution to the credit needs of such customer/s

Performance over the years



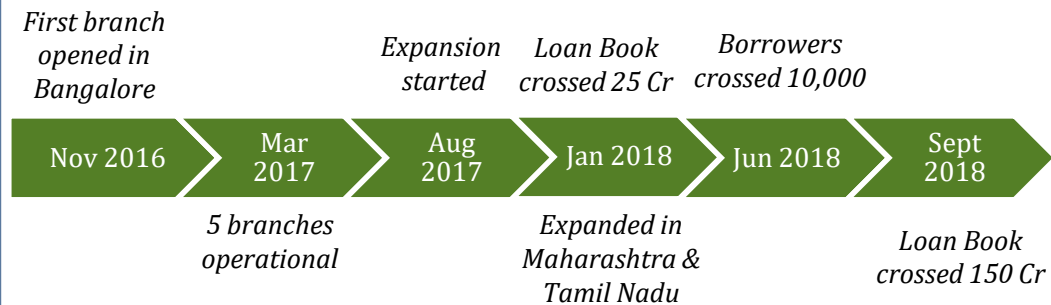
Key drivers

- » Focus on captive and graduated group lending customers
- » Separate vertical - Separate team , structure and processes .
- » End to end cashless process
- » Technology driven

Key numbers

178 Cr+ Disbursement
156 Cr+ Portfolio
19,000+ Customers
650+ Staff
46 Branches
3 States

Journey of Retail finance

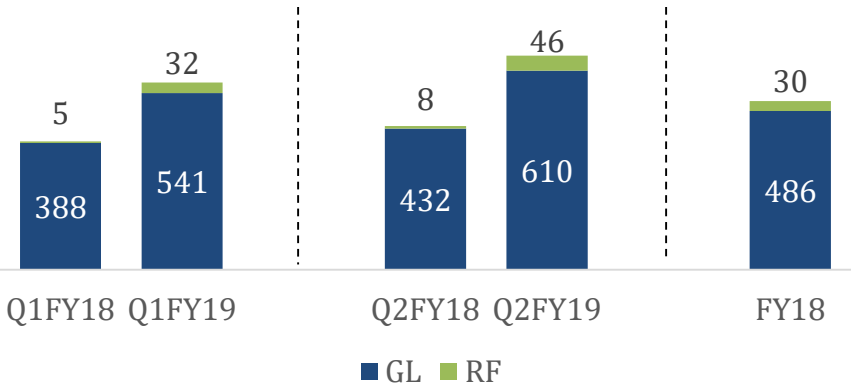


Retail Finance ensures Company acts as one stop financial partner

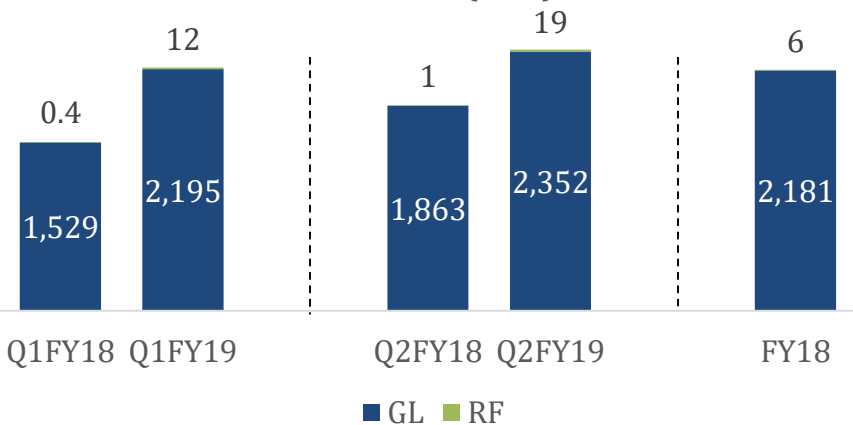
- » 14 % of Group Lending dropout customers have availed retail product

Retail finance contributes 2.69% of total portfolio

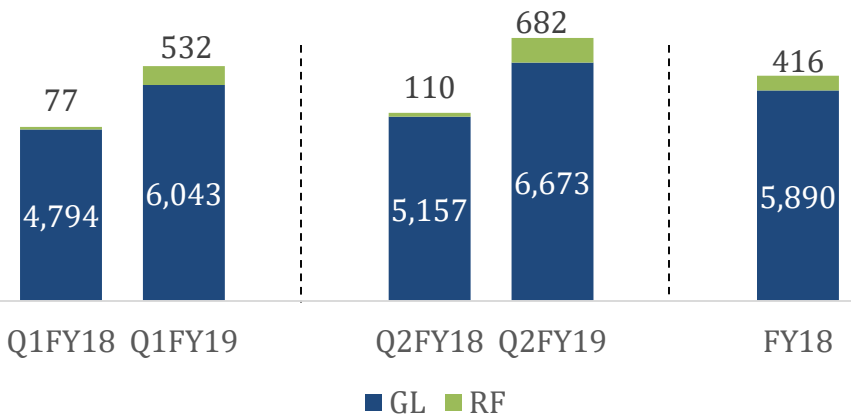
Branches



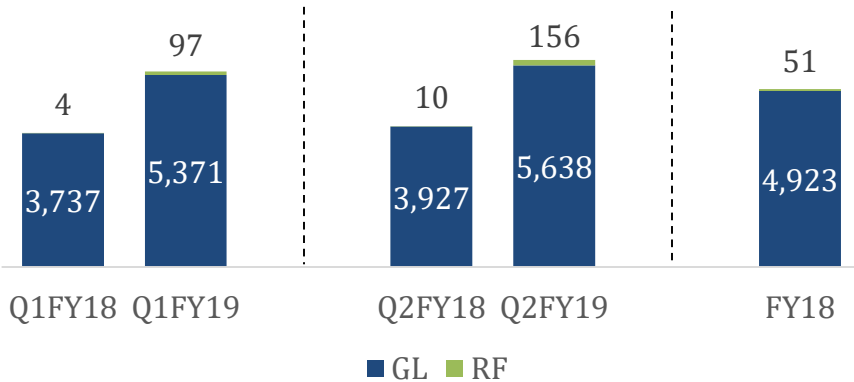
Borrowers ('000)



Staff



Portfolio (INR Cr)



A high-angle, low-key photograph of a diverse group of people, primarily women, arranged in a circle. They are all looking upwards with expressions of joy and anticipation, and their hands are raised towards the center of the circle. The lighting is bright and warm, creating a sense of unity and celebration. The people are wearing colorful, patterned clothing, including saris and blouses. The background is a plain, light color, making the group the central focus.

Product Offerings

Loan Type	Product	Purpose	Ticket Size (INR)	Yield	Tenure (months)
Group	Income Generation Loan(IGL)	Business Investments and Income Enhancement activities	5,000 - 60,000	19%-21%	12-24
Group	Home Improvement Loans	Water Connections, Sanitation and Home Improvement & Extensions	5,000 - 50,000	18%	12-48
Group	Family Welfare Loans	Festival, Medical, Education and Livelihood Improvement	1,000 - 15,000	18%	3-12
Group	Emergency Loans	Emergencies	1,000	18%	3



Retail finance products cater to the enhanced credit needs of our graduated customers

Loan Type	Product	Purpose	Ticket Size (INR)	Yield	Tenure (months)
Individual	Retail Finance Loans	Purchase of inventory, machine, assets or for making capital investment in business or business expansion	Up to 5,00,000	20 % -22%	6-60

A photograph of a diverse group of people, mostly women, standing in a circle and raising their hands towards the center. They are wearing colorful traditional Indian clothing like saris and blouses. The background is a bright, clear sky. The text "Financial Highlights" is superimposed in the center of the image.

Financial Highlights

Adoption of Ind As Accounting Standards

- » The company has adopted Indian Accounting Standards (Ind AS) with effect from April 2018
- » Consolidated figures for Q1 FY19 and Q2 FY19 are compliant with Ind AS
- » Corresponding figures for Q1 FY18 and Q2 FY18 have been restated to be compliant with Ind AS
- » Provisioning of 1.53% for Q2FY19 made based on ECL methodology

Particulars	Q1FY18	Q1FY19	Q2FY18	Q2FY19	H1FY18	H1FY19
Spread Analysis (as % of Avg. Quarterly Gross Loan Portfolio)						
Gross Yield	20.9%	21.9%	22.3%	22.0%	21.9%	22.0%
Portfolio Yield	19.4%	20.7%	20.7%	20.5%	20.3%	20.6%
Finance Cost	9.9%	7.5%	9.2%	7.6%	9.6%	7.5%
NII	9.5%	13.2%	11.5%	12.9%	10.7%	13.1%
Operating Cost	5.4%	4.8%	4.9%	5.2%	5.2%	5.0%
Impairment on Financial Instruments	3.0%	1.1%	-1.3%	1.2%	0.7%	1.1%
Taxes	0.9%	3.1%	3.2%	2.9%	2.2%	3.0%
Return on Avg. Gross Loan Portfolio	1.7%	5.5%	6.4%	5.2%	4.2%	5.4%
Cost Efficiency						
Cost to Income Ratio	49.2%	33.0%	37.0%	35.7%	42.2%	34.4%
Credit Quality						
Gross NPA ^[1]	7.2%	0.9%	5.8%	1.0%	5.8%	1.0%
Net NPA ^[2]	0.8%	0.05%	0.2%	0.05%	0.2%	0.05%
Leverage						
Debt: Equity	5.0	2.7	4.6	1.8	4.6	1.8
Capital Adequacy	25.38%	27.77%	25.31%	40.37%	25.31%	40.37%
Profitability						
Return on Equity	9.1%	19.4%	35.6%	15.7%	22.7%	16.9%
Return on Assets	1.6%	5.3%	6.1%	4.9%	4.0%	5.1%

Amongst the most cost efficient player in the industry
Strong come back from demonetization related issues

[1] (Stage III (ECL) exposure at default)/ (Sum of exposure at default of Stage I + Stage II + Stage III)

[2] (Stage III (ECL) exposure at default – Provision for Stage III)/ (Sum of exposure at default of Stage I, Stage II and Stage III)

Profit for H1FY19 grew by 94% YoY

Profit & Loss Statement (INR Cr)	Q1FY18	Q1FY19	YoY%	Q2FY18	Q2FY19	YoY%	H1FY18	H1FY19	YoY%
Interest Income (A)	177.01	284.00	60%	211.99	302.27	43%	389.00	586.27	51%
Dividend Income (B)	-	-	-	0.09	-	-100%	0.09	-	-100%
Net gain on Fair Value Changes (C)	0.49	0.91	83%	1.77	2.81	58%	2.27	3.71	64%
Others (D)	0.08	0.85	943%	0.09	4.34	4639%	0.17	5.19	2896%
Total Revenue from Operations (F) = (A+B+C+D)	177.58	285.76	61%	213.96	309.42	45%	391.53	595.17	52%
Other Income (G)	0.16	0.31	91%	0.16	0.67	325%	0.32	0.98	207%
Total Income (H) = (G+F)	177.74	286.07	61%	214.10	310.09	45%	391.85	596.15	52%
Finance Costs (I)	84.26	97.55	16%	88.41	106.61	21%	172.67	204.16	18%
Employee Benefit Expenses (J)	29.21	40.51	39%	31.39	46.58	48%	60.60	87.10	44%
Depreciation and Amortization Expenses (K)	1.00	1.60	61%	1.17	2.13	81%	2.17	3.73	72%
Other Expenses (L)	15.75	20.18	28%	14.00	23.89	71%	29.75	44.06	48%
Total Operating Cost (M) = (J+K+L)	45.96	62.29	36%	46.56	72.60	56%	92.52	134.89	46%
Impairment of Financial Instruments (N)	25.48	13.87	-46%	(12.85)	16.83	-231%	12.63	30.70	143%
Total Expenses (O) = (I+M+N)	155.70	173.71	12%	122.12	196.04	61%	277.82	369.74	33%
Profit before Tax (P) = (H-O)	22.05	112.36	410%	91.98	114.05	24%	114.03	226.40	99%
Tax (Q)	7.91	40.14	407%	30.95	40.59	31%	38.86	80.72	108%
Profit after Tax (R) = (P-Q)	14.13	72.22	411%	61.03	73.46	20%	75.17	145.68	94%
Other Comprehensive Income (S)	(0.99)	22.28	-2343%	(1.30)	(9.03)	593%	(2.29)	13.24	-677%
Total Comprehensive Income (T) = (R+S)	13.14	94.50	619%	59.73	64.43	8%	72.88	158.92	118%

Note: All financials given in this presentation are on Ind AS basis unless specified

Strong balance sheet supported by high capital base and robust liquidity

Balance Sheet (INR Cr)	Q1FY18	Q1FY19	YoY%	Q2FY18	Q2FY19	YoY%
Equity Share Capital	85.68	128.43	50%	90.57	143.36	58%
Other Equity	541.79	1,404.82	159%	654.06	2,069.78	216%
Total Equity	627.47	1,533.25	144%	744.63	2,213.14	197%
Debt Securities	875.00	859.65	-2%	1,026.17	1,116.87	9%
Borrowings (other than debt securities)	2,172.38	3,187.69	47%	2,299.52	2,710.76	18%
Subordinated liabilities	85.12	79.70	-6%	85.94	80.02	-7%
Other financial liabilities	16.67	22.82	37%	10.78	40.21	273%
Current tax liabilities (net)	13.45	10.89	-19%	12.97	4.56	-65%
Provisions	5.69	9.13	61%	6.29	9.98	59%
Deferred tax liabilities (net)	-	-	-	-	-	-
Other non-financial liabilities	11.66	27.56	136%	19.98	29.73	49%
Total Liabilities	3,179.97	4,197.44	32%	3,461.64	3,992.13	15%
Total Equity and Liabilities	3,807.44	5,730.69	51%	4,206.27	6,205.27	48%
Cash and cash equivalents	170.79	187.42	10%	201.62	230.49	14%
Bank balance other than above	35.77	18.49	-48%	25.48	180.76	609%
Loans	3,468.73	5,414.97	56%	3,691.24	5,682.93	54%
Investments	1.24	40.51	3155%	166.73	0.20	-100%
Other financial assets	6.15	17.79	189%	7.81	35.32	352%
Current tax assets (net)	5.73	4.84	-15%	2.86	4.83	69%
Deferred tax assets (net)	96.12	21.43	-78%	86.63	37.03	-57%
Property, plant and equipment	5.67	10.71	89%	6.72	14.42	115%
Capital work-in-progress	0.77	-	-100%	-	-	-
Intangible assets under development	2.33	1.29	-45%	0.33	1.54	371%
Intangible assets	5.92	6.11	3%	7.46	6.75	-9%
Other non-financial assets	8.21	7.14	-13%	9.39	10.96	17%
Total Assets	3,807.44	5,730.69	51%	4,206.27	6,205.27	48%

Note: All financials given in this presentation are on Ind AS basis unless specified

Q1FY18 Ind AS Vs Previous Indian GAAP

Particulars (INR Cr)	Ind AS (A)	IGAAP (B)	Variance (A-B)	Remark
Interest Income (A)	177.01	167.04	9.96	<i>Under Ind AS: Interest Income is based on effective interest rate Securitisation is considered On-Balance Sheet and hence income is considered under interest income Interest Income also includes interest on margin money and fixed deposit</i>
Dividend Income (B)	-	-	-	
Net gain on Fair Value Changes (C)	0.49	0.49	-	
Others (D)	0.08	0.08	-	
Total Revenue from Operations (F) = (A+B+C+D)	177.58	167.62	9.96	
Other Income (G)	0.16	0.16	-	
Total Income (H) = (G+F)	177.74	167.78	9.96	
Finance Costs (I)	84.26	83.16	1.10	<i>Under Ind AS: Processing Fees and other costs are amortised Securitisation is considered On-Balance Sheet and hence expense is considered under financial costs</i>
Employee Benefit Expenses (J)	29.21	28.52	0.69	<i>Under Ind AS Employee stock options is accounted as per fair valuation method</i>
Depreciation and Amortization Expenses (K)	1.00	1.00	-	
Other Expenses (L)	15.75	15.82	(0.07)	
Total Operating Cost (M) = (J+K+L)	45.96	45.34	0.62	
Impairment of Financial Instruments (N)	25.48	0.38	25.10	<i>Under Ind AS Loan loss provision is accounted as per Expected credit loss methodology.</i>
Total Expenses (O) = (I+M+N)	155.70	128.88	26.82	
Profit before Tax (P) = (H-O)	22.05	38.90	(16.86)	
Tax (Q)	7.91	13.55	(5.64)	
Profit after Tax (R) = (P-Q)	14.13	25.36	(11.22)	
Other Comprehensive Income (S)	(0.99)	-	(0.99)	<i>Includes actuarial gain/loss on gratuity valuation and fair value impact on financial assets</i>
Total Comprehensive Income (T) = (R+S)	13.14	25.36	(12.22)	

Note: All financials given in this presentation are on Ind AS basis unless specified

Q2FY18 Ind AS Vs Previous Indian GAAP

Particulars (INR Cr)	Ind AS (A)	IGAAP (B)	Variance (A-B)	Remark
Interest Income (A)	211.99	215.61	(3.62)	<i>Under Ind AS: Interest Income is based on effective interest rate Securitisation is considered On-Balance Sheet and hence income is considered under interest income Interest Income also includes interest on margin money and fixed deposit</i>
Dividend Income (B)	0.09	0.09	-	
Net gain on Fair Value Changes (C)	1.77	1.77	-	
Others (D)	0.09	0.09	-	
Total Revenue from Operations (F) = (A+B+C+D)	213.94	217.57	(3.62)	
Other Income (G)	0.16	0.16	-	
Total Income (H) = (G+F)	214.10	217.73	(3.62)	
Finance Costs (I)	88.41	94.04	(5.64)	<i>Under Ind AS: Processing Fees and other costs are amortised Securitisation is considered On-Balance Sheet and hence expense is considered under financial costs</i>
Employee Benefit Expenses (J)	31.39	32.13	(0.74)	<i>Under Ind AS Employee stock options is accounted as per fair valuation method</i>
Depreciation and Amortization Expenses (K)	1.17	1.17	-	
Other Expenses (L)	14.00	14.07	(0.07)	
Total Operating Cost (M) = (J+K+L)	46.56	47.37	(0.81)	
Impairment of Financial Instruments (N)	(12.85)	20.58	(33.43)	<i>Under Ind AS Loan loss provision is accounted as per Expected credit loss methodology.</i>
Total Expenses (O) = (I+M+N)	122.12	162.00	(39.88)	
Profit before Tax (P) = (H-O)	91.98	55.73	36.26	
Tax (Q)	30.95	20.36	10.59	
Profit after Tax (R) = (P-Q)	61.03	35.36	25.67	
Other Comprehensive Income (S)	(1.30)	-	(1.30)	<i>Includes actuarial gain/loss on gratuity valuation and fair value impact on financial assets</i>
Total Comprehensive Income (T) = (R+S)	59.73	35.36	24.37	

Note: All financials given in this presentation are on Ind AS basis unless specified

Q1FY19 Ind AS Vs Previous Indian GAAP

Particulars (INR Cr)	Ind AS (A)	IGAAP (B)	Variance (A-B)	Remark
Interest Income (A)	284.00	283.29	0.72	<i>Under Ind AS: Interest Income is based on effective interest rate Securitisation is considered On-Balance Sheet and hence income is considered under interest income Interest Income also includes interest on margin money and fixed deposit</i>
Dividend Income (B)	-	-	-	
Net gain on Fair Value Changes (C)	0.91	0.91	-	
Others (D)	0.85	0.85	-	
Total Revenue from Operations (F) = (A+B+C+D)	285.76	285.05	0.72	
Other Income (G)	0.31	0.31	-	
Total Income (H) = (G+F)	286.07	285.35	0.72	
Finance Costs (I)	97.55	97.87	(0.31)	<i>Under Ind AS: Processing Fees and other costs are amortised Securitisation is considered On-Balance Sheet and hence expense is considered under financial costs</i>
Employee Benefit Expenses (J)	40.51	41.15	(0.64)	<i>Under Ind AS Employee stock options is accounted as per fair valuation method</i>
Depreciation and Amortization Expenses (K)	1.60	1.60	-	
Other Expenses (L)	20.18	20.25	(0.07)	
Total Operating Cost (M) = (J+K+L)	62.29	62.99	(0.70)	
Impairment of Financial Instruments (N)	13.87	12.09	1.78	<i>Under Ind AS Loan loss provision is accounted as per Expected credit loss methodology.</i>
Total Expenses (O) = (I+M+N)	173.71	172.95	0.76	
Profit before Tax (P) = (H-O)	112.36	112.40	(0.04)	
Tax (Q)	40.14	39.96	0.18	
Profit after Tax (R) = (P-Q)	72.22	72.44	(0.23)	
Other Comprehensive Income (S)	22.28	-	22.28	<i>Includes actuarial gain/loss on gratuity valuation and fair value impact on financial assets</i>
Total Comprehensive Income (T) = (R+S)	94.50	72.44	22.06	

Note: All financials given in this presentation are on Ind AS basis unless specified

Q2FY19 Ind AS Vs Previous Indian GAAP

Particulars (INR Cr)	Ind AS (A)	IGAAP (B)	Variance (A-B)	Remark
Interest Income (A)	302.27	280.37	21.90	<i>Under Ind AS: Interest Income is based on effective interest rate Securitisation is considered On-Balance Sheet and hence income is considered under interest income Interest Income also includes interest on margin money and fixed deposit</i>
Dividend Income (B)	-	-	-	
Net gain on Fair Value Changes (C)	2.81	2.81	-	
Others (D)	4.34	14.65	(10.31)	
Total Revenue from Operations (F) = (A+B+C+D)	309.41	297.83	11.59	
Other Income (G)	0.67	0.67	-	
Total Income (H) = (G+F)	310.08	298.50	11.59	
Finance Costs (I)	106.61	99.12	7.49	<i>Under Ind AS: Processing Fees and other costs are amortised Securitisation is considered On-Balance Sheet and hence expense is considered under financial costs</i>
Employee Benefit Expenses (J)	46.58	46.12	0.46	<i>Under Ind AS Employee stock options is accounted as per fair valuation method</i>
Depreciation and Amortization Expenses (K)	2.13	2.13	-	
Other Expenses (L)	23.89	23.96	(0.07)	
Total Operating Cost (M) = (J+K+L)	72.60	72.21	0.39	
Impairment of Financial Instruments (N)	16.83	5.48	11.34	<i>Under Ind AS Loan loss provision is accounted as per Expected credit loss methodology.</i>
Total Expenses (O) = (I+M+N)	196.04	176.81	19.22	
Profit before Tax (P) = (H-O)	114.05	121.69	(7.64)	
Tax (Q)	40.59	43.04	(2.45)	
Profit after Tax (R) = (P-Q)	73.46	78.65	(5.18)	
Other Comprehensive Income (S)	(9.03)	-	(9.04)	<i>Includes actuarial gain/loss on gratuity valuation and fair value impact on financial assets</i>
Total Comprehensive Income (T) = (R+S)	64.43	78.65	(14.22)	

Note: All financials given in this presentation are on Ind AS basis unless specified

Impact on Networth on Transition Date

Particulars (INR Cr)	01-04-2017	Remarks
Net worth as per previous GAAP	690.80	
Ind AS adjustments increase /(decrease) Net worth		
Expected Credit Loss Impact	(118.28)	Provisioning based on ECL methodology
Effective Interest Rate impact on financial assets	(18.54)	Change from upfront recognition of processing fees to Effective Interest Rate
Effective Interest Rate impact on borrowings	14.75	Amortization of processing fees and other direct charges on borrowings
Fair value gain on financial assets	3.46	
Others	(0.39)	
Tax impact on above items	41.21	
Net worth as per Ind AS	613.0	

Well diversified borrowing mix

INR Cr

	Q1 FY 18		Q1 FY 19		Q2 FY 18		Q2 FY 19	
Banks	1,426.88	46.09%	2,451.43	59.94%	1,559.01	46.22%	2,094.83	53.09%
NBFCs	128.20	4.14%	267.13	6.53%	104.61	3.10%	285.57	7.24%
FIs	641.55	20.72%	504.15	12.33%	671.47	19.91%	371.22	9.41%
Foreign Sources	899.28	29.05%	725.53	17.74%	1038.28	30.78%	725.53	18.39%
PTC	-	-	141.26	3.45%	-	-	426.17	10.80%
Direct Assignment	-	-	-	-	-	-	42.74	1.08%
Total (A + B)	3,095.91	100.00%	4,089.50	100.00%	3,373.36	100.00%	3,946.05	100.00%

Note: All financials given in this presentation are on Ind AS basis unless specified

Sub 9% Marginal Cost of Borrowings for Q2FY19

Metrics	Q1FY18	Q1FY19	Q2FY18	Q2FY19
Marginal Cost of Borrowings (on and off b/s loans including processing fees*)	10.2%	9.5%	10.7%	8.9%
Weighted Avg. Cost of Borrowings (on and off b/s loans including processing fees and other charges)	11.5%	10.2%	11.6%	9.9%
Drawdowns (INR Cr)	683.00	969.69	706.50	747.53

Processing fees is amortized for marginal cost calculation
 Marginal Cost of Borrowings - [Funds availed during the period* rate of interest/ Funds availed during the period]
 Weighted Avg. Cost of Borrowings - [Financial expenses during the period/monthly average borrowing]

Note: All financials given in this presentation are on Ind AS basis unless specified

ICRA upgraded long term rating from A to A+ and short term rating from A1 to A1+

Rating Instrument	Rating Agency	Q2 FY18	Q2 FY19
		Rating/Grading	Rating/Grading
Bank facilities	ICRA	[ICRA]A (Stable)	[ICRA]A+(Stable)
Non-convertible debentures	ICRA	[ICRA]A (Stable)	[ICRA]A+(Stable)
Subordinated debt	ICRA	[ICRA]A (Stable)	[ICRA]A+(Stable)
Commercial Paper	ICRA	[ICRA]A1	[ICRA]A1+
Institutional Grading	CRISIL	mfR1	mfR1
Code of Conduct Assessment (COCA)	SMERA	C1	C1
Social Rating	M-CRIL	$\Sigma\alpha$	$\Sigma\alpha$

Microfinance Institutional Grading – Reflects CRISIL’s opinion on the ability of an MFI to conduct its operations in a scalable and sustainable manner
 Social Rating – Expert opinion in the social performance of a financial institution , and likelihood that it meets social goals in line with accepted social values

A high-angle, low-contrast photograph of a diverse group of people, primarily of South Asian descent, gathered in a circle. They are all looking upwards with expressions of hope and anticipation, their hands raised towards the center. The hands are open, palms facing up, creating a circular pattern of fingers and palms. The people are wearing colorful traditional Indian clothing, including saris and kurta. The background is a bright, overexposed white, which emphasizes the hands and the faces of the participants. The overall mood is one of collective support and guidance.

Guidance

Gross Loan Portfolio

7,500 – 7,750 Cr

PAT

270 – 285 Cr

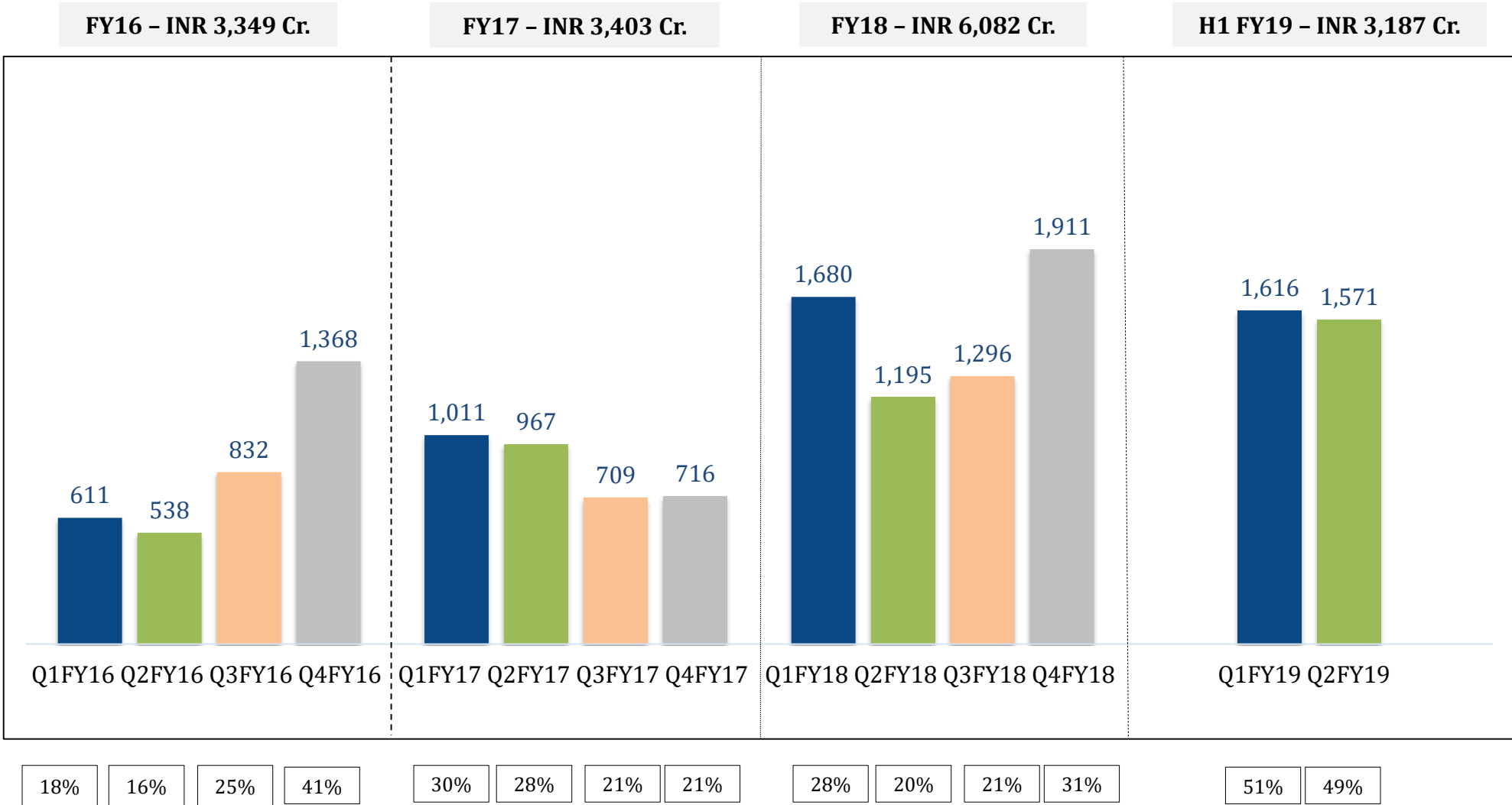
A photograph of a diverse group of people, including men and women of various ages, standing in a circle and raising their hands towards the center. They are wearing colorful traditional Indian clothing like saris and dhotis. The background is a bright, clear sky. The word "Annexures" is written in a dark blue serif font in the center of the image.

Annexures

A high-angle, low-key photograph of a diverse group of people, primarily women, arranged in a circle. They are all looking upwards with expressions of hope and anticipation, and their hands are raised towards the center of the circle. The lighting is bright and warm, creating a sense of unity and optimism. The people are wearing various colorful traditional Indian clothing, including saris and blouses. The background is a plain, light color, making the group the central focus.

Disbursement Trend

Disbursement Trend



A photograph of a diverse group of people, including men and women of various ages, gathered in a circle. They are all looking upwards with their hands raised towards the center, creating a sense of unity and collective effort. The background is a bright, clear sky. The text "District and State wise diversification" is overlaid in the center of the image.

District and State wise diversification

District-wise Exposure Trend (1/2)

Portfolio	FY16		FY17		FY18		Q1FY19		Q2FY19	
Exposure of Districts	No. of Districts	% of Total Districts	No. of Districts	% of Total Districts	No. of Districts	% of Total Districts	No. of Districts	% of Total Districts	No. of Districts	% of Total Districts
< 0.5%	28	38%	43	45%	78	59%	91	62%	101	65%
0.5% - 1%	11	15%	18	19%	22	17%	23	16%	24	15%
1% - 3%	28	38%	29	30%	26	20%	26	18%	26	17%
3% - 5%	4	5%	4	4%	5	4%	5	3%	4	3%
> 5%	3	4%	2	2%	1	1%	1	1%	1	1%
Total	74	100%	96	100%	132	100%	146	100%	156	100.00%

Customers	FY16		FY17		FY18		Q1FY19		Q2FY19	
Exposure of Districts (% of Customers)	No. of Districts	% of Total Districts	No. of Districts	% of Total Districts	No. of Districts	% of Total Districts	No. of Districts	% of Total Districts	No. of Districts	% of Total Districts
< 0.5%	21	28%	37	39%	66	50%	81	55%	91	58%
0.5% - 1%	18	24%	20	21%	30	23%	30	21%	31	20%
1% - 3%	28	38%	33	34%	32	24%	31	21%	30	19%
3% - 5%	6	8%	6	6%	4	3%	4	3%	4	3%
> 5%	1	1%	0	0%	-	-	-	0%	-	-
Total	74	100%	96	100%	132	100%	146	100%	156	100%

Contiguous district wise expansion approach reduces exposure to a particular district.

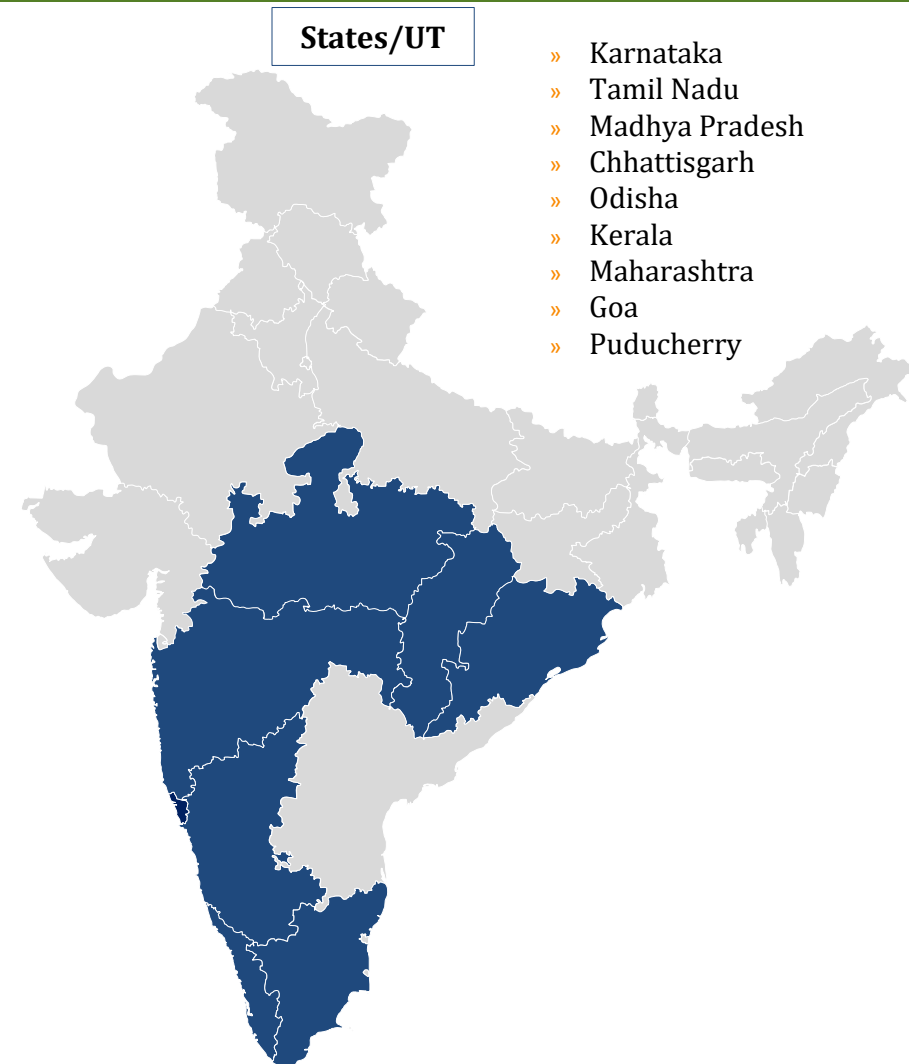
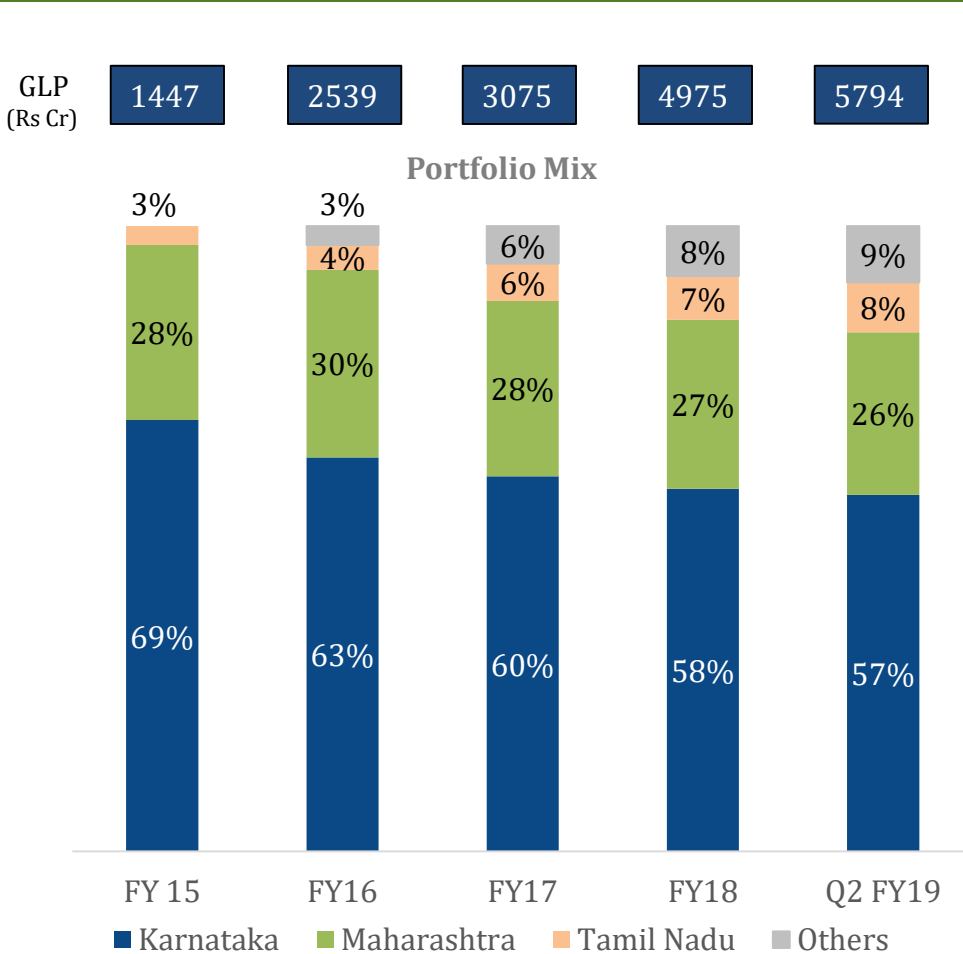
- 96% of districts where we operate have portfolio concentration of < 3% of overall portfolio.
- None of the districts where we operate have concentration of > 5% of total customers.

District-wise Exposure Trend (2/2)

District in terms of portfolio	FY16		FY17		FY 18		Q1FY19		Q2FY19	
	% of Total Portfolio	Contribution to overall growth %	% of Total Portfolio	Contribution to overall growth %	% of Total Portfolio	Contribution to overall growth %	% of Total Portfolio	Contribution to overall growth %	% of Total Portfolio	Contribution to overall growth %
Top 1	6%	4%	6%	4%	6%	6%	6%	5%	5%	3%
Top 3	17%	13%	15%	9%	15%	13%	14%	12%	14%	12%
Top 5	26%	20%	23%	13%	22%	21%	22%	20%	21%	11%
Top 10	41%	32%	37%	15%	36%	34%	35%	31%	34%	18%
Other	59%	68%	63%	85%	64%	66%	65%	69%	66%	82%

Growth spread across districts and majority portfolio growth contributed by smaller districts

Geographical Diversification



A high-angle, low-contrast photograph of a diverse group of people, primarily women, arranged in a large circle. They are all looking upwards towards the center, and their hands are raised, palms facing the center. The people are wearing a variety of colorful clothing, including saris and blouses in shades of pink, blue, green, yellow, and purple. Many are wearing traditional Indian jewelry, such as bangles and necklaces. The background is a bright, solid white, which makes the colorful clothing and the raised hands stand out. The overall mood is one of unity, celebration, or collective participation.

Product Mix

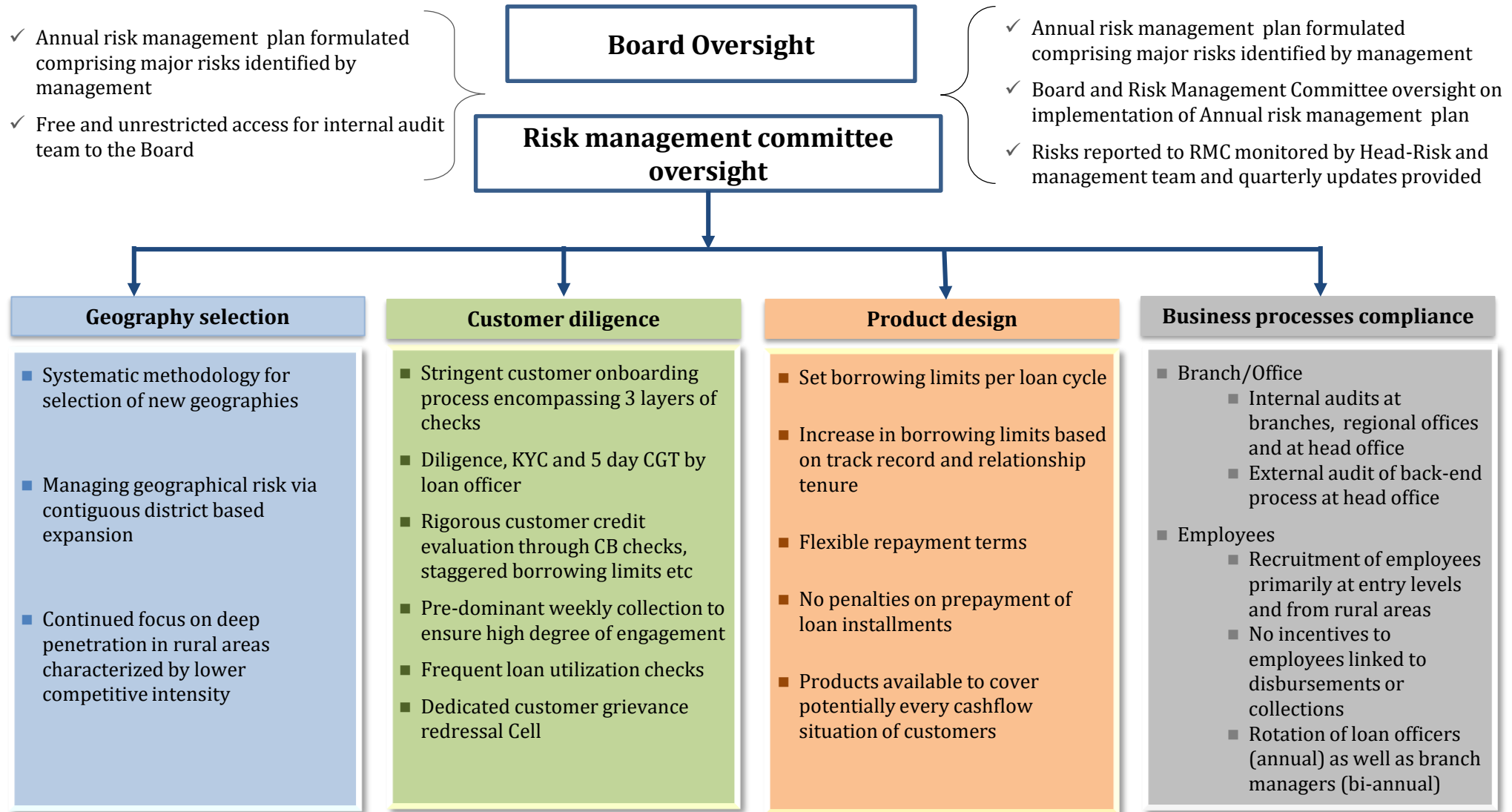
Product Category Mix

Period	Parameters	Group Lending				Retail Finance	Total
		IGL	Family Welfare	Home Improvement	Emergency		
Q2FY18	No. of Loans Disb ('000)	374.14	171.85	32.33	70.03	0.84	649.19
	%Mix	57.63%	26.47%	4.98%	10.79%	0.13%	100.00%
	Amount Disbursed (INR Cr.)	1,000.67	137.28	43.40	7.00	7.08	1,195.44
	%Mix	83.71%	11.48%	3.63%	0.59%	0.59%	100.00%
	Portfolio (INR Cr.)	3,408.69	334.30	180.40	3.39	10.20	3,936.97
	%Mix	86.58%	8.49%	4.58%	0.09%	0.26%	100.00%
	Avg. Ticket Size (000' INR)	26.75	7.99	13.42	1.00	83.91	18.41
FY18	No. of Loans Disb ('000)	1,833.42	586.31	420.10	245.25	6.70	3,091.78
	%Mix	59.30%	18.96%	13.59%	7.93%	0.22%	100.00%
	Amount Disbursed (INR Cr.)	4,953.42	503.33	545.54	24.53	54.92	6,081.72
	%Mix	81.45%	8.28%	8.97%	0.40%	0.90%	100.00%
	Portfolio (INR Cr.)	4,284.09	117.22	519.77	2.24	51.34	4,974.66
	%Mix	86.12%	2.36%	10.45%	0.05%	1.03%	100.00%
	Avg. Ticket Size (000' INR)	27.02	8.58	12.99	1.00	81.92	19.67
Q2FY19	No. of Loans Disb ('000)	476.77	161.72	183.27	42.83	8.06	872.64
	%Mix	54.64%	18.53%	21.00%	4.91%	0.92%	100.00%
	Amount Disbursed (INR Cr.)	1,135.58	129.58	230.93	4.28	70.75	1,571.13
	%Mix	72.28%	8.25%	14.70%	0.27%	4.50%	100.00%
	Portfolio (INR Cr.)	4,509.08	378.13	748.74	2.17	156.01	5,794.12
	%Mix	77.82%	6.53%	12.92%	0.04%	2.69%	100.00%
	Avg. Ticket Size (000' INR)	23.82	8.01	12.60	1.00	87.84	18.00

A photograph of a diverse group of people, mostly women, standing in a circle and raising their hands towards the center. They are wearing colorful traditional Indian clothing like saris and blouses. The background is a bright, clear sky. The text "Risk Management" is superimposed in the center of the image.

Risk Management

Prudent risk management and control framework

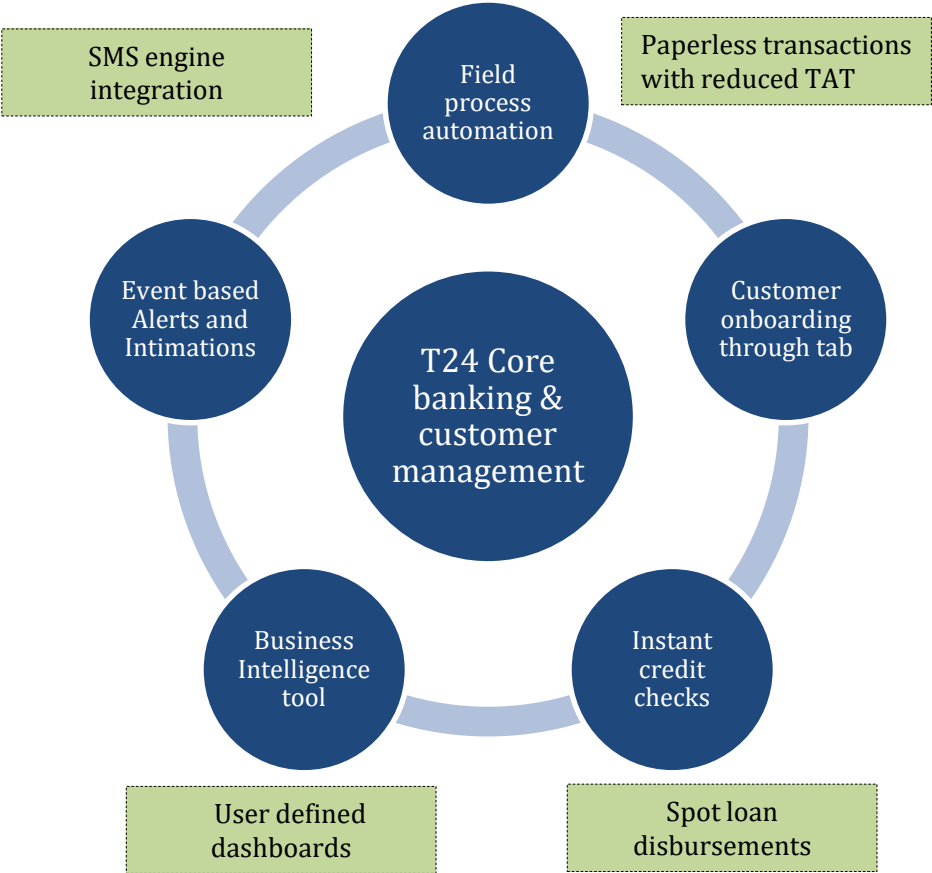


Note: RMC - Risk Management Committee, CGT – Compulsory Group Training, GRT – Group Recognition Test, CB – Credit Bureau

A high-angle, low-contrast photograph of a diverse group of people, primarily women, gathered in a circle. They are all looking upwards with expressions of hope and anticipation, and their hands are raised towards the center of the circle. The image is brightly lit, with a white background that makes the colors of their clothing and the skin tones of their hands stand out. The text 'Information Technology' is superimposed in the center of the image, in a dark blue, serif font.

Information Technology

Key Technology Initiatives



Key Technology Partners



TEMENOS

(Core Banking Solution)



(Data Centre & Disaster Recovery Infrastructure)



Microsoft

(Email and Collaboration)



SoftwareGroup
doing it right

(Mobility solution)



(End to end insurance claim management)



(Cloud based email solution)



SYSFORE

(Audit automation)



(Network & Server protection)



Lera Technologies

(Data Warehouse solution)



(Business Intelligence Tool)



(Digital customer engagement platform)



(Business Intelligence & Reporting)

A photograph of a diverse group of people, mostly women, standing in a circle and raising their hands towards the center. They are wearing colorful traditional Indian clothing like saris and blouses. The background is a bright, clear sky. The text "Credit Plus Activities" is superimposed in the center of the image.

Credit Plus Activities



SKOCH Resilient India Award
2017 for 'Sanitation Loan'



2017 ISC FICCI Sanitation
Awards for Best Financial
Accessibility



Code of Conduct Assessment -
COCA 1 (retained)



STAR MFI Certification - 100%
Compliance



2015 Large MFI Award



Client Protection Principles
Recertification





Social Rating - $\Sigma\alpha$ (retained)

- » Company aims to meet its responsibility towards society through:
 - » Diligently follow responsible financing practices & client protection principles
 - » Ensure transparency with all stakeholders
 - » Design products & processes appropriate to customers changing needs
 - » Conduct awareness programs on financial literacy, water, sanitation, education etc.
 - » Undertake Customer/s awareness workshops to promote financial literacy to the customers through associate entities
 - » Track social performance and poverty progress on a continuous basis

Client Protection Principles, Responsible Financing & Social Values continue to reflect in company's positioning in the industry with relevant products and processes

Effective use of CSR funds



Conducts various activities spread across states of Karnataka, Maharashtra, Tamil Nadu and Madhya Pradesh which complement its regular microfinance operations by contributing to improving living conditions of the customer/s.

<div>WASH (Water Sanitation, Hygiene)</div>	<div>Events Conducted</div> <div>7,299</div>	<div>Beneficiaries</div> <div>243,410</div>		
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Encourage hygienic practices by building awareness about the impact of unsanitary practices on health and wellbeing. The program is conducted at Village, Taluk and District levels with different activities campaign, trainings, orientation etc.

<div>SUSHIKSHANA</div>	<div>Events Conducted</div> <div>325</div>	<div>Beneficiaries</div> <div>19,085</div>		
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Education program, with the objective of educating school children on non-curricular topics such as water, sanitation, hygiene, financial literacy and career guidance for 8th, 9th and 10th Standard Government/Aided school students.

<div>SUGRAMA</div>	<div>Open Defecation Free % in GPs</div>			
	<div>Hosa Vantamuri</div> <div>82%</div>	<div>Urdigere</div> <div>97%</div>		

Achieve 100% sanitation coverage in its target areas and to conduct and be part of various community development activities - Two GPs (Hosa Vanatamuri – Belgaum and Urdigere –Tumkur a total of 26 Villages) have been adopted to make the villages Open Defecation Free



Thank You

For any investor related queries , please mail to email id csinvestors@grameenkoota.org