

## Investor Presentation Q3FY2018-19

January 2019



## CreditAccess Grameen Limited

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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.

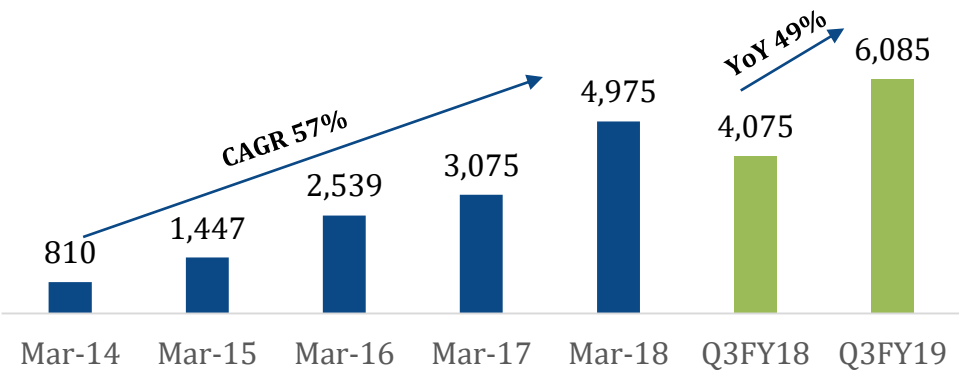
# **Executive Summary**

# Performance driven by strong fundamentals

## Overview

- » Leading NBFC-MFI in India with gross loan portfolio of INR 6,085 Cr, 26.4 lakhs customers and 659 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 49.3 % (YoY) to INR 6,085 Cr as of Dec'2018
- » PAT Q3FY19 grew by 55%( YoY) to INR 99.76 Cr
- » Listed on NSE and BSE on 23<sup>rd</sup> August 2018

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



## Financial Metrics

### Strong Balance Sheet and Liquidity

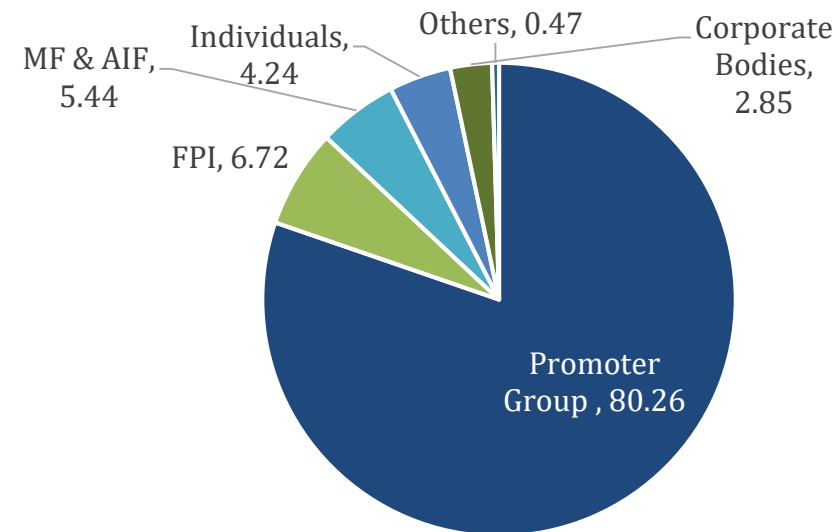
	Q3FY19
Networth (INR Cr)	2299.23
Capital Adequacy (%) #	41.15%
Cash & Bank Balances (INR Cr)	917.01

### Efficiency and Profitability

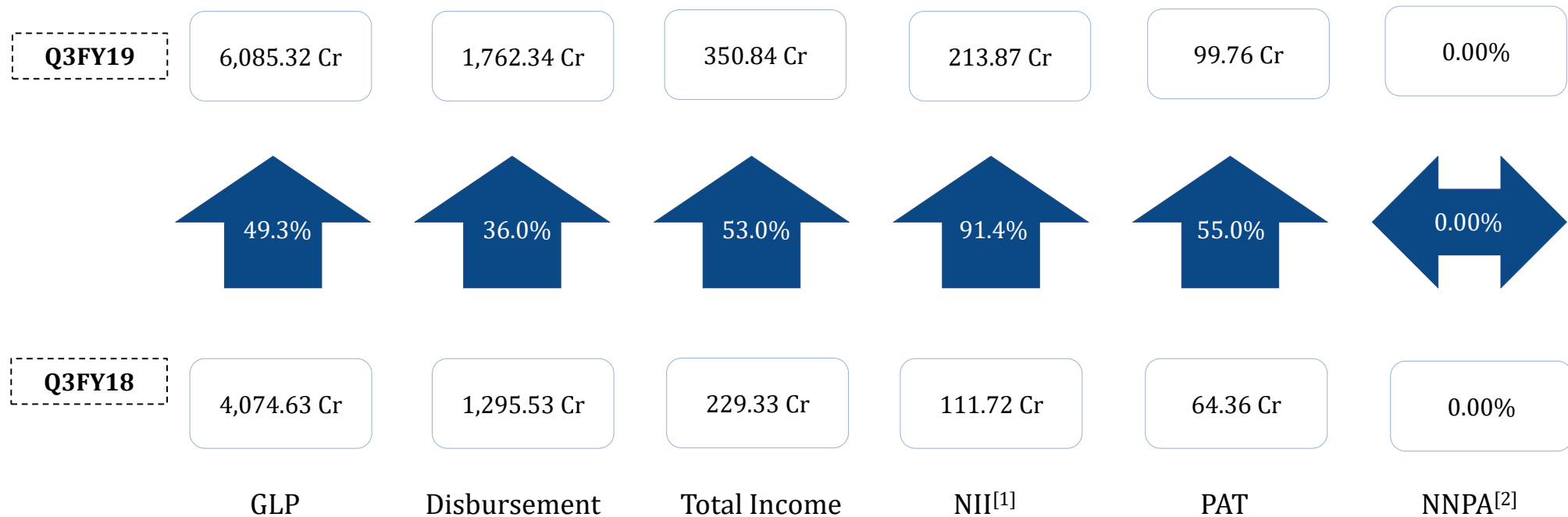
	Q3FY19
Marginal Cost of Borrowing(TTM) <sup>[1]</sup>	9.63%
Cost to Income <sup>[2]</sup>	31.9%
Return on Asset <sup>[3]</sup>	6.0%
Return on Equity <sup>[4]</sup>	17.7%

[1] TTM for loan availed ,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

## Shareholding Pattern



# Strong business performance



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

[2] NNPA= After considering management overlay



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 generally 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	Jan-19	For the month Feb-19	Mar-19	For the Financial year 2019-20
Opening Cash & Equivalents* (A)	917.01	964.85	1,126.50	-
Loan recovery [Principal](B)	460.58	442.42	416.16	2,909.68
<b>Total Inflow(C=A+B)</b>	<b>1,377.58</b>	<b>1,407.26</b>	<b>1,542.66</b>	<b>2,909.68</b>
Debt Repayment Obligations [Principal]				
Term loans and Others (D)	276.03	164.11	223.81	1,711.54
NCDs (E)	30.00	-	-	228.40
Securitisation and DA (F)	106.71	116.65	89.60	525.87
<b>Total Outflow (G=D+E+F)</b>	<b>412.74</b>	<b>280.77</b>	<b>313.41</b>	<b>2,465.81</b>
<b>Closing Cash and equivalents (H=C-G)</b>	<b>964.85</b>	<b>1,126.50</b>	<b>1,229.25</b>	<b>443.87</b>

<b>Static Liquidity(B-G)</b>	<b>47.84</b>	<b>161.65</b>	<b>102.75</b>	<b>443.87</b>
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\* Details of Opening Cash & Equivalents

Particulars	INR in Crore
Cash and Bank Balance	467.87
Short Term Deposits with Banks	400.00
Term Deposits with Banks	49.14
<b>Total</b>	<b>917.01</b>

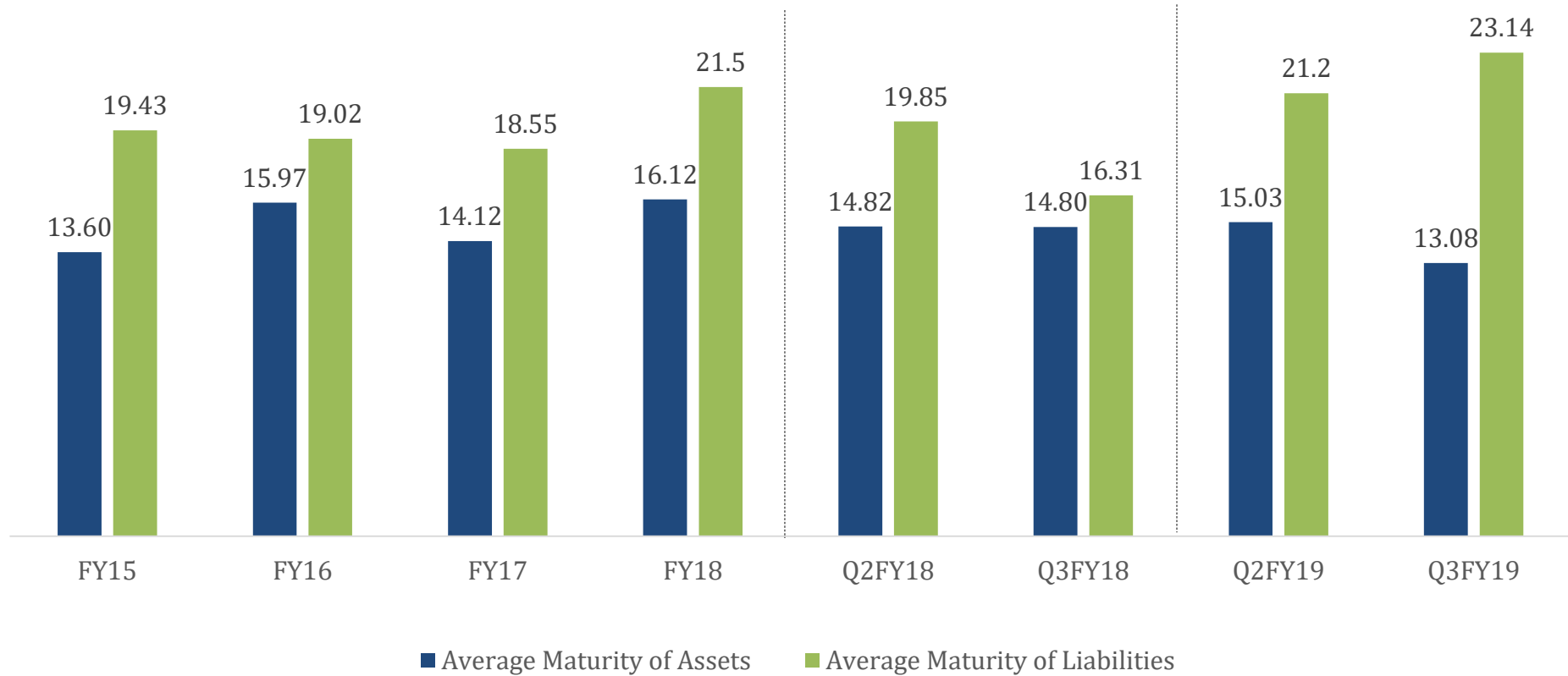
- » Diversified funding sources with mix of Domestic and Foreign sources (All are Term Loans)
  - » 32 Commercial Banks
  - » 3 Financial Institutions (Long term )
  - » 8 Foreign Institutional Investors (Long term)
  - » 3 NBFCs
- » There are no Commercial Papers
- » No Bonds/NCDs from Mutual funds
- » Limited exposure to NBFCs stands at 4.7%

**Month on month positive Static Liquidity Gap**  
**Sanctions available for drawdown INR 1,431 Crore (Banks and FIs)**



# 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, 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, creating a warm and energetic atmosphere. The people are wearing a variety of colorful clothing, including saris and blouses in shades of pink, blue, yellow, and green. Many are wearing traditional Indian jewelry like bangles and necklaces. 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: 6% ROE:17.7%
06	Strong Risk Management Practices	NNPA 0.00%

Data For Q3FY19



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 image is brightly lit, with a white background, creating a sense of unity and collective effort. The people are wearing various colorful traditional Indian clothing, including saris and blouses. The text "Industry Fundamentals" is superimposed in the center of the image.

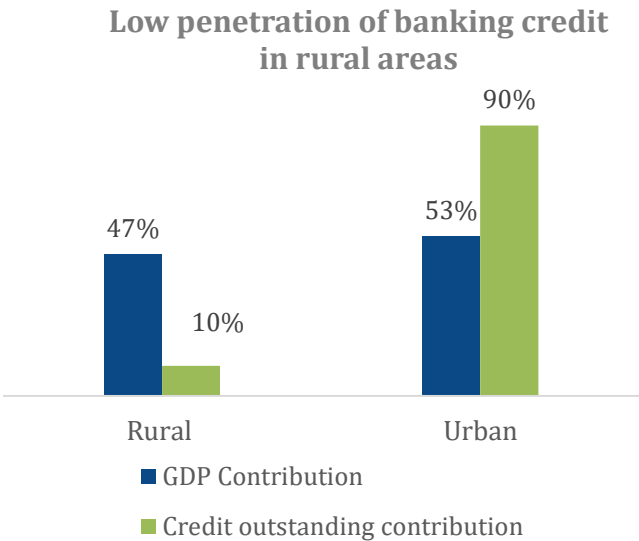
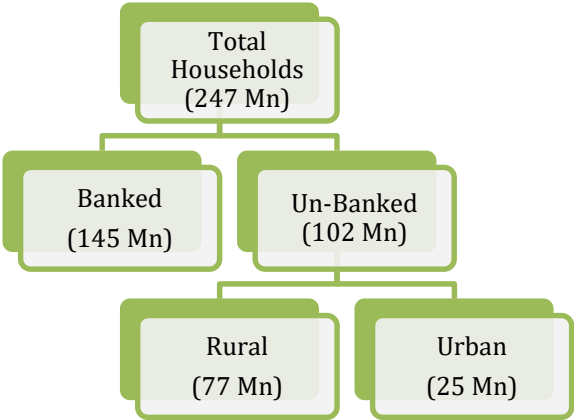
# Industry Fundamentals

# NBFC-MFIs best placed to address rural credit needs

## 75% Unbanked Households in Rural Areas<sup>1</sup>- 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

<sup>1</sup> 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

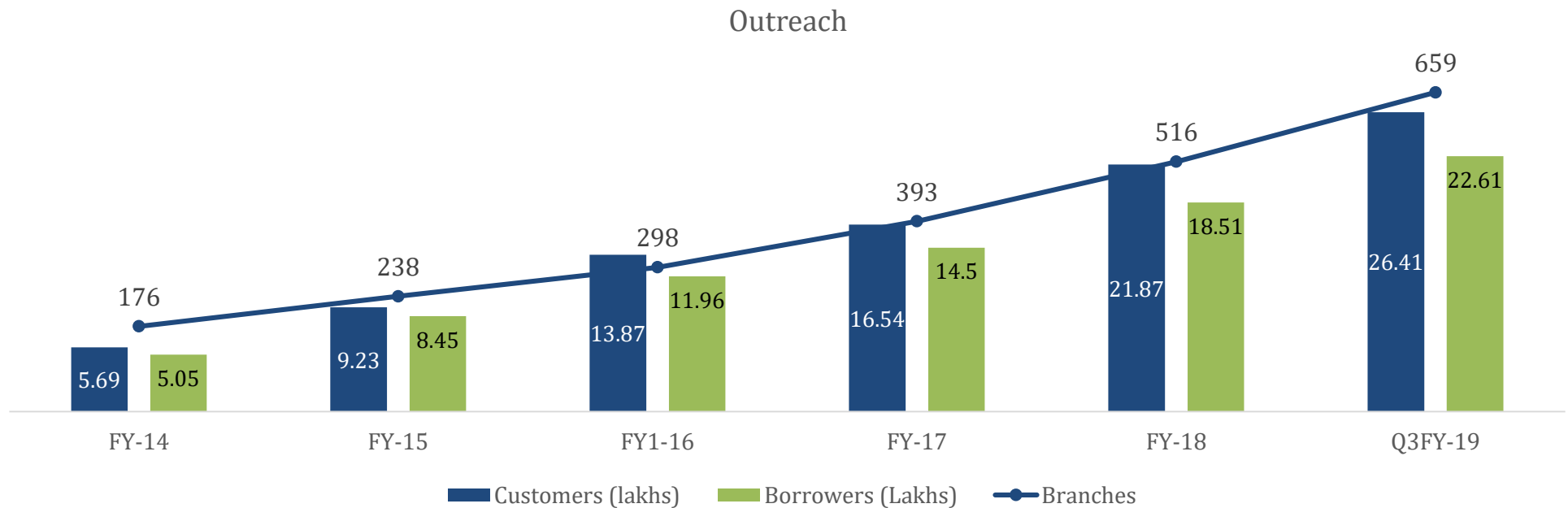


A low-angle, upward-looking photograph of a diverse group of people, primarily women, gathered in a circle. They are all looking upwards with expressions of joy and anticipation, and their hands are raised towards the center of the frame. The people are wearing a variety of colorful traditional Indian clothing, including saris and blouses in shades of pink, blue, yellow, and green. Many are wearing bangles and other traditional jewelry. The background is a bright, clear sky, creating a high-contrast, positive atmosphere. The overall composition suggests a sense of unity, celebration, and collective achievement.

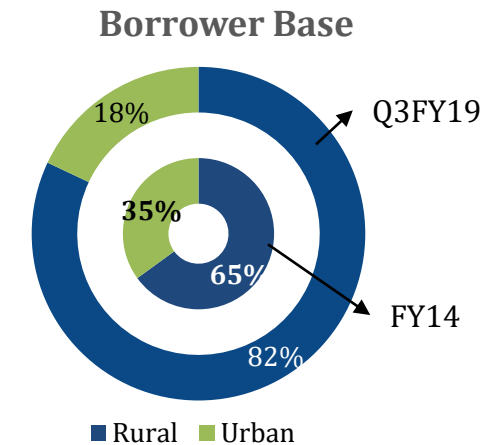
# **Operational Highlights**



# Strong rural growth story

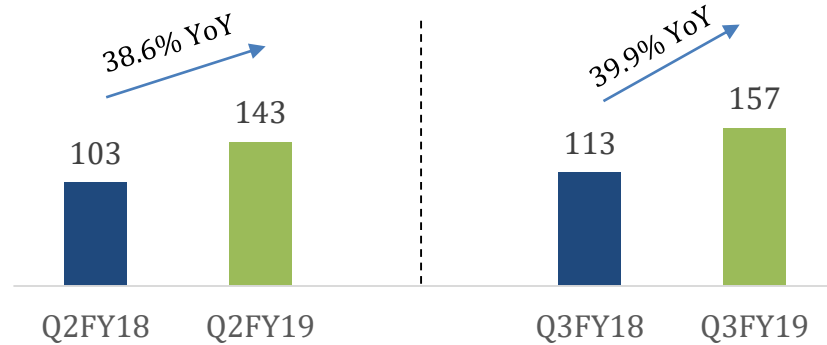


- » 659 branches spread across 156 districts in 9 States / UT
- » 26.41 lakh customer base, CAGR of ~ 38.1% over 4.75 years.
- » 143 branches opened during FY19
- » 82% rural borrowers
- » Weekly touch points with borrowers

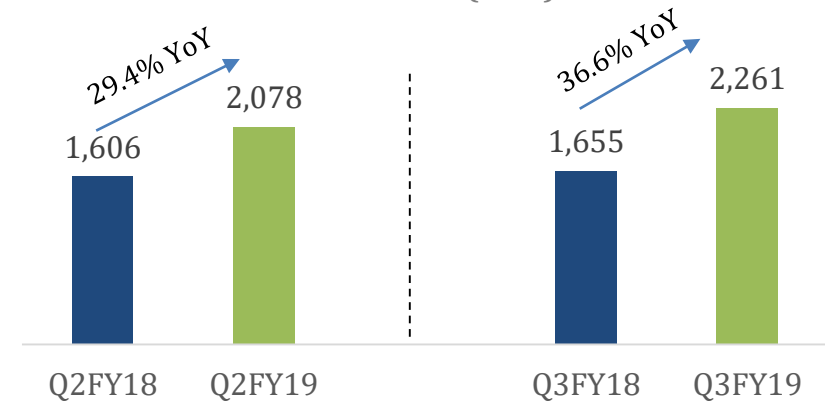


# Demonstrated robust growth

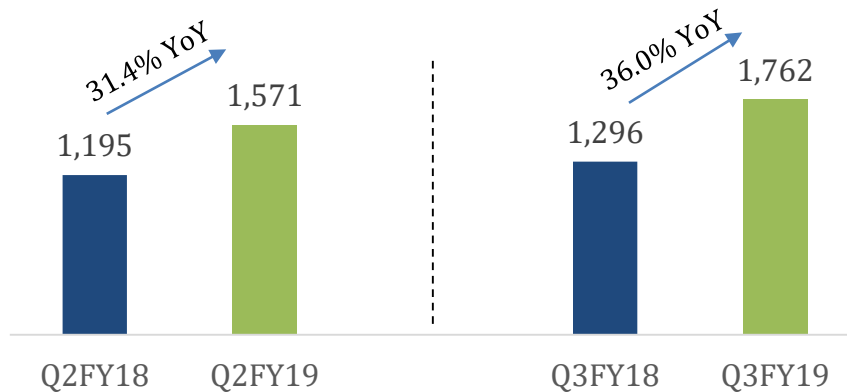
Kendras ('000)



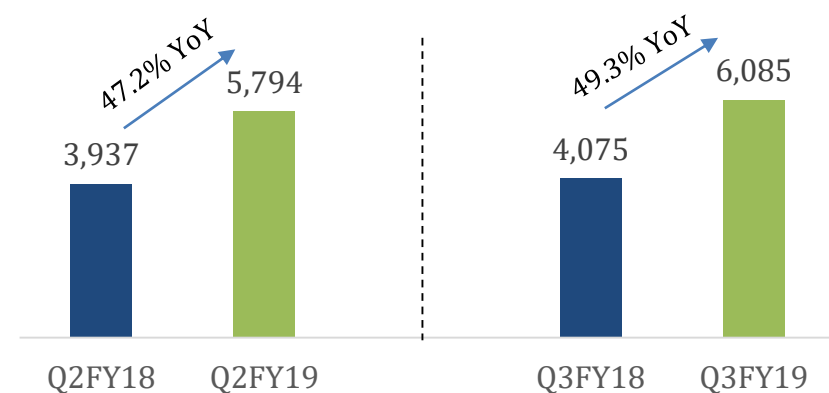
Borrowers ('000)



Disbursement(Cr)

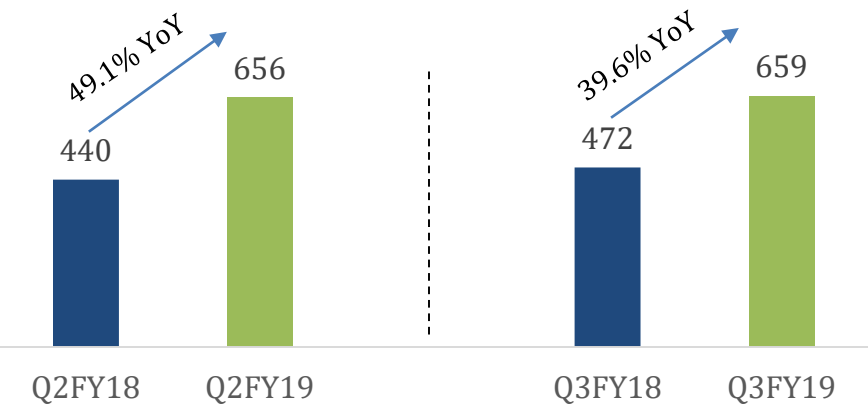


Gross Loan Portfolio (Cr)

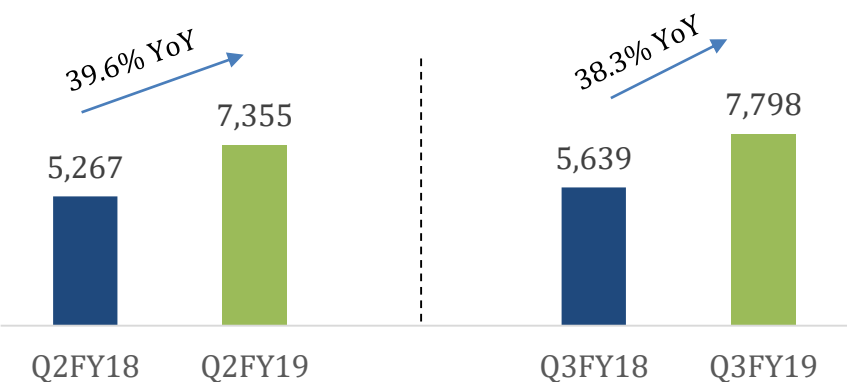


# Infrastructure in place to fuel further growth

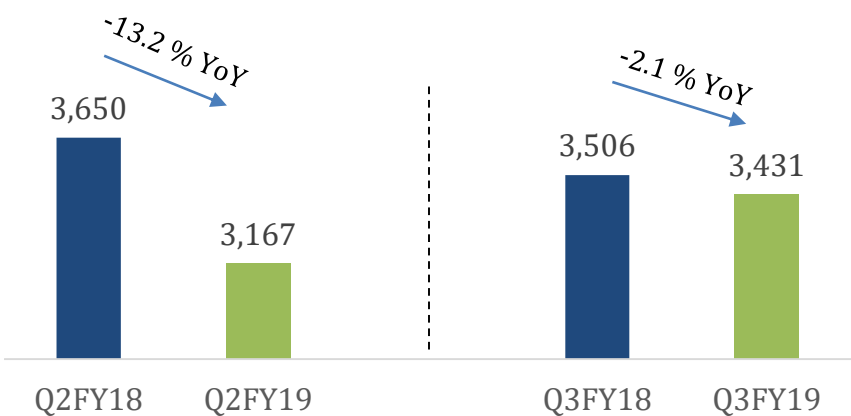
Branches



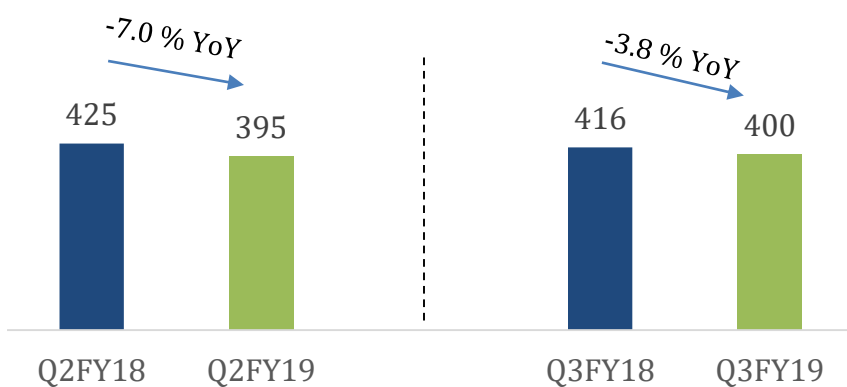
Employees



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.841.84 Cr cashless disbursements in Q3FY19 as against Rs.38.54 Cr  
in Q3FY18

## Portfolio growth in Q3FY19 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 to contiguous district after in depth study on potential to grow and risks.
- » Portfolio growth in Q3FY19 powered by districts outside the Top 10
- » Portfolio concentration of Top 10 districts has reduced from 41% as of FY16 to 32% as of Q3FY19
- » Contiguous district wise expansion approach reduces
  - » Expansion Risk
  - » Expansion cost
  - » District Concentration
    - » 79% of districts where we operate have portfolio concentration of < 1% of overall portfolio
    - » 97% 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



Group Lending

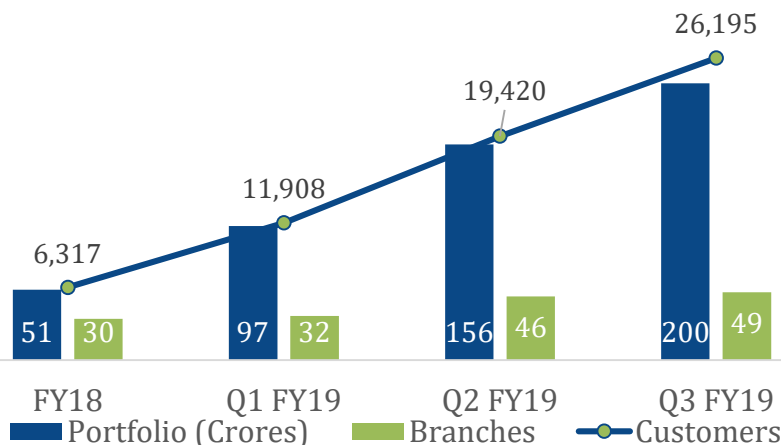


Individual lending

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

**242 Cr+** Disbursement  
**200 Cr+** Portfolio  
**26,000+** Customers  
**750+** Staff  
**49** Branches  
**4** States

## Journey of Retail finance

First branch opened in Bangalore

Expansion started

Loan Book crossed 25 Cr

Borrowers crossed 10,000

Nov 2016

Mar 2017

Aug 2017

Jan 2018

Jun 2018

Dec 2018

5 branches operational

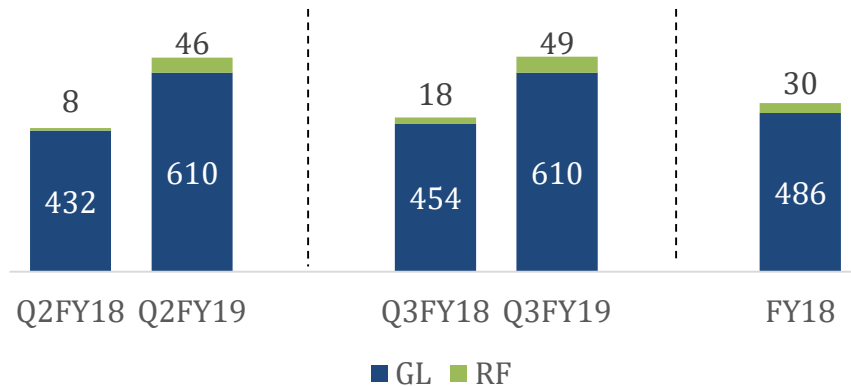
Expanded in Maharashtra & Tamil Nadu

Loan Book crossed 200 Cr

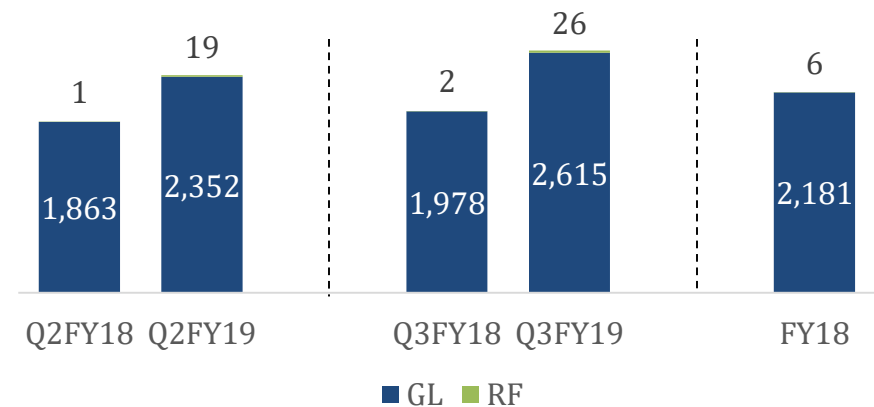
**Retail Finance ensures Company acts as one stop financial partner**

# Retail finance contributes 3.29% of total portfolio

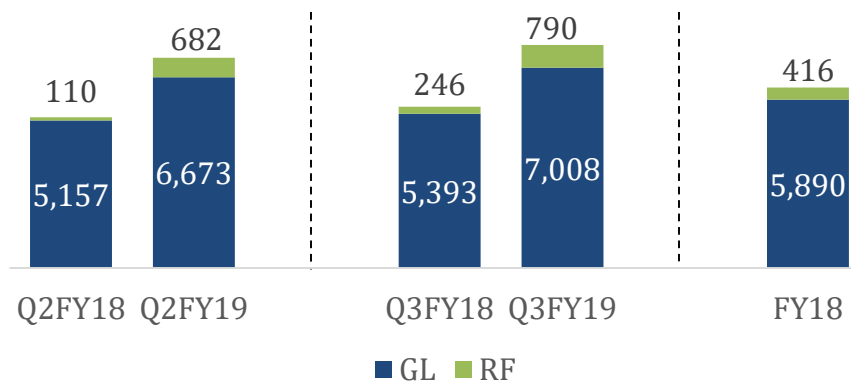
Branches



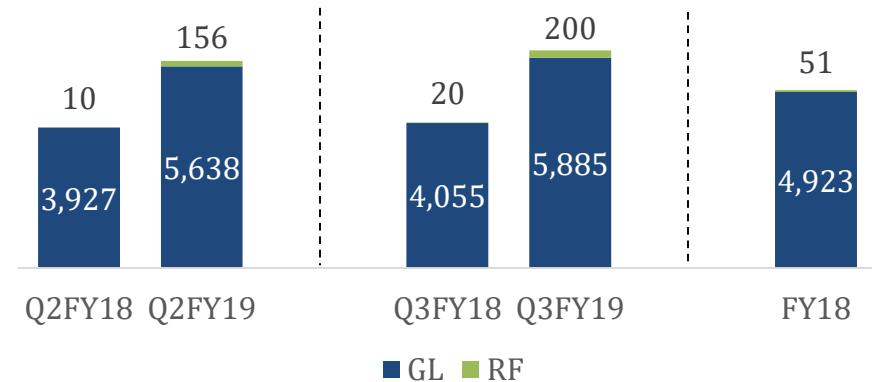
Customers ('000)



Staff



Portfolio (INR Cr)



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 people are wearing a variety of colorful traditional Indian attire, including saris and blouses in shades of pink, blue, yellow, and green. Many of the women are wearing bangles and other traditional jewelry. The overall mood is one of unity and collective aspiration.

# Product Offerings

# Customer centric product suite

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 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 joy and anticipation, and their hands are raised towards the center of the frame. The hands are open, palms facing up, creating a sense of collective effort and shared success. The people are wearing colorful, patterned clothing, including saris and blouses in shades of pink, blue, yellow, and green. The background is a bright, overexposed white, which emphasizes the hands and the faces of the participants. The overall mood is one of celebration and community.

# **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 Q3 FY19 are compliant with Ind AS
- » Corresponding figures for Q3 FY18 have been restated to be compliant with Ind AS
- » Provisioning of 1.63% for Q3FY19 made based on ECL methodology, includes management overlay ; GNPA is 1.20%

Particulars`	Q2FY18	Q2FY19	Q3FY18	Q3FY19
<b>Spread Analysis (as % of Avg. Quarterly Gross Loan Portfolio)</b>				
Gross Yield <sup>[1]</sup>	22.3%	22.0%	22.9%	23.6%
Portfolio Yield <sup>[2]</sup>	20.7%	20.5%	21.2%	21.8%
Finance Cost	9.2%	7.6%	10.0%	7.4%
NII	11.5%	12.9%	11.2%	14.4%
Operating Cost	4.8%	5.2%	4.9%	5.2%
Impairment on Financial Instruments	-1.8%	1.2%	-1.9%	0.7%
Taxes	3.6%	2.9%	3.4%	3.6%
Return on Avg. Gross Loan Portfolio	6.5%	5.2%	6.4%	6.7%
<b>Cost Efficiency</b>				
Cost to Income Ratio	36.9%	35.7%	38.2%	31.9%
<b>Credit Quality</b>				
Gross NPA <sup>[3]</sup>	5.84%	1.01%	1.19%	1.20%
Net NPA <sup>[4]</sup>	0.0%	0.0%	0.0%	0.0%
<b>Leverage</b>				
Debt: Equity <sup>[5]</sup>	4.6	1.8	2.2	1.8
<b>Capital Adequacy</b>	25.3%	40.4%	33.6%	41.2%
<b>Profitability</b>				
Return on Equity	36.3%	15.7%	24.4%	17.7%
Return on Assets	6.2%	4.9%	6.0%	6.0%

Amongst the most cost efficient players in the industry

[1] Gross Yield (as % of Avg. Quarterly Gross Loan Portfolio) = Total Income/Avg. Quarterly Gross Loan Portfolio

[2] Portfolio Yield (as % of Avg. Quarterly Gross Loan Portfolio) = (Interest on portfolio loans + Income from securitization and asset assignment)/ Avg. Quarterly Gross Loan Portfolio

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

[4] NNPA= After considering management overlay

[5]Debt includes Debt Securities, Borrowings (other than debt securities), subordinated liabilities and Loans repayable on demand from banks (as per IndAS)

# Profit for Q3FY19 grew by 55 % YoY

Profit & Loss Statement (INR Cr)	Q2FY18	Q2FY19	YoY%	Q3FY18	Q3FY19	YoY%
Interest Income (A)	209.36	301.34	43.9%	223.95	318.47	42.2%
Dividend Income (B)	0.09	0.00	-100.0%	0.04	0.00	-100.0%
Net gain on Fair Value Changes (C)	1.77	2.81	58.2%	1.14	3.39	198.5%
Others (D) <sup>[1]</sup>	0.09	4.34	4639.0%	2.63	27.33	941.1%
<b>Total Revenue from Operations (F) = (A+B+C+D)</b>	<b>211.31</b>	<b>308.48</b>	<b>46.0%</b>	<b>227.75</b>	<b>349.19</b>	<b>53.3%</b>
Other Income (G)	2.79	1.60	-42.6%	1.58	1.64	4.0%
<b>Total Income (H) = (G+F)</b>	<b>214.10</b>	<b>310.08</b>	<b>44.8%</b>	<b>229.33</b>	<b>350.84</b>	<b>53.0%</b>
Finance Costs (I)	88.41	106.61	20.6%	100.60	110.19	9.5%
Employee Benefit Expenses (J)	31.26	46.58	49.0%	31.29	48.99	56.6%
Depreciation and Amortization Expenses (K)	1.17	2.13	81.4%	1.48	2.02	36.5%
Other Expenses (L)	14.00	23.89	70.6%	16.40	25.64	56.3%
<b>Total Operating Cost (M) = (J+K+L)</b>	<b>46.43</b>	<b>72.60</b>	<b>56.4%</b>	<b>49.16</b>	<b>76.65</b>	<b>55.9%</b>
Impairment of Financial Instruments (N)	(17.37)	16.83	196.9%	(19.33)	10.28	-153.2%
<b>Total Expenses (O) = (I+M+N)</b>	<b>117.47</b>	<b>196.03</b>	<b>66.9%</b>	<b>130.43</b>	<b>197.12</b>	<b>51.1%</b>
<b>Profit before Tax (P) = (H-O)</b>	<b>96.63</b>	<b>114.05</b>	<b>18.0%</b>	<b>98.90</b>	<b>153.72</b>	<b>55.4%</b>
Tax (Q)	34.35	40.59	18.1%	34.54	53.96	56.2%
<b>Profit after Tax (R) = (P-Q)</b>	<b>62.28</b>	<b>73.47</b>	<b>18.0%</b>	<b>64.36</b>	<b>99.76</b>	<b>55.0%</b>
Other Comprehensive Income (S)	(1.30)	(9.04)	592.6%	(0.42)	(11.35)	2634.9%
<b>Total Comprehensive Income (T) = (R+S)</b>	<b>60.98</b>	<b>64.43</b>	<b>5.7%</b>	<b>63.94</b>	<b>88.40</b>	<b>38.3%</b>

[1] Under Ind AS: Total gain from the Direct Assignments on the contract is recognized on transaction date. Recognized Amount for Q2FY19 is 3.04 Cr. and for Q3FY19 is 25.33 Cr.]

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)	Q2FY18	Q2FY19	YoY%	Q3FY18	Q3FY19	YoY%
Equity Share Capital	90.57	143.36	58.3%	128.21	143.41	11.9%
Other Equity	655.18	2,069.78	215.9%	1,234.21	2,155.82	74.7%
<b>Total Equity</b>	<b>745.75</b>	<b>2,213.14</b>	<b>196.8%</b>	<b>1,362.42</b>	<b>2,299.23</b>	<b>68.8%</b>
Debt Securities	1,026.17	1,116.87	8.8%	729.53	835.92	14.6%
Borrowings (other than debt securities)	2,279.52	2,710.76	18.9%	2,136.97	3,380.34	58.2%
Subordinated liabilities	85.94	80.02	-6.9%	145.46	36.66	-74.8%
Loans repayable on demand from banks*	20.00	0.00	-100.0%	20.00	0.00	-100.0%
Other financial liabilities	10.78	40.21	273.1%	11.54	51.19	343.6%
Current tax liabilities (net)	12.97	4.56	-64.9%	0.30	0.00	-100.0%
Provisions	6.29	9.98	58.8%	6.57	11.24	71.1%
Deferred tax liabilities (net)	-	-	-	-	-	-
Other non-financial liabilities	19.98	29.73	48.8%	21.73	37.25	71.5%
<b>Total Liabilities</b>	<b>3,461.64</b>	<b>3,992.13</b>	<b>15.3%</b>	<b>3,072.10</b>	<b>4,352.61</b>	<b>41.7%</b>
<b>Total Equity and Liabilities</b>	<b>4,207.39</b>	<b>6,205.27</b>	<b>47.5%</b>	<b>4,434.53</b>	<b>6,651.84</b>	<b>50.0%</b>
Cash and cash equivalents	201.62	230.49	14.3%	301.49	867.87	187.9%
Bank balance other than above	25.48	180.76	609.3%	14.91	49.15	229.5%
Loans	3,695.76	5,682.93	53.8%	3,997.63	5,598.00	40.0%
Investments	166.73	0.20	-99.9%	24.64	0.20	-99.2%
Other financial assets	10.10	37.91	275.2%	21.44	45.19	110.8%
Current tax assets (net)	2.86	4.83	68.8%	21.44	17.80	-17.0%
Deferred tax assets (net)	83.23	37.03	-55.5%	31.56	37.80	19.8%
Property, plant and equipment	6.72	14.42	114.6%	8.36	16.85	101.5%
Capital work-in-progress	-	-	-	-	-	-
Intangible assets under development	0.33	1.54	371.5%	0.41	2.01	389.3%
Intangible assets	7.46	6.75	-9.4%	6.94	6.32	-8.9%
Other non-financial assets	7.09	8.38	18.1%	5.70	10.64	86.6%
<b>Total Assets</b>	<b>4,207.39</b>	<b>6,205.27</b>	<b>47.5%</b>	<b>4,434.53</b>	<b>6,651.84</b>	<b>50.0%</b>

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

# Q3FY18 Ind AS Vs Previous Indian GAAP

Particulars (INR Cr)	Ind AS (A)	IGAAP (B)	Variance (A-B)	Remark
Interest Income (A)				<i>Under Ind AS:</i>
				<i>Interest Income is based on effective interest rate</i>
	223.95	226.53	(2.58)	<i>Securitisation is considered On-Balance Sheet and hence income is considered under interest income</i>
				<i>Interest Income also includes interest on margin money and fixed deposit</i>
Dividend Income (B)	0.04	0.04	0.00	
Net gain on Fair Value Changes (C)	1.14	1.14	0.00	
Others (D)	2.63	2.63	0.00	
<b>Total Revenue from Operations (F) = (A+B+C+D)</b>	<b>227.75</b>	<b>230.33</b>	<b>(2.58)</b>	
Other Income (G)	1.58	1.58	0.00	
<b>Total Income (H) = (G+F)</b>	<b>229.33</b>	<b>231.90</b>	<b>(2.58)</b>	
<b>Finance Costs (I)</b>				<i>Under Ind AS:</i>
	<b>100.60</b>	<b>92.55</b>	<b>8.05</b>	<i>Processing Fees and other costs are amortised</i>
				<i>Securitisation is considered On-Balance Sheet and hence expense is considered under financial costs</i>
Employee Benefit Expenses (J)	31.29	30.67	0.62	<i>Under Ind AS Employee stock options is accounted as per fair valuation method</i>
Depreciation and Amortization Expenses (K)	1.48	1.48	0.00	
Other Expenses (L)	16.40	16.72	(0.32)	
<b>Total Operating Cost (M) = (J+K+L)</b>	<b>49.16</b>	<b>48.86</b>	<b>0.30</b>	
<b>Impairment of Financial Instruments (N)</b>	<b>(19.33)</b>	<b>87.71</b>	<b>(107.04)</b>	<i>Under Ind AS Loan loss provision is accounted as per Expected credit loss methodology</i>
<b>Total Expenses (O) = (I+M+N)</b>	<b>130.43</b>	<b>229.12</b>	<b>(98.70)</b>	
<b>Profit before Tax (P) = (H-O)</b>	<b>98.90</b>	<b>2.78</b>	<b>96.12</b>	
Tax (Q)	34.54	0.87	33.67	
<b>Profit after Tax (R) = (P-Q)</b>	<b>64.36</b>	<b>1.92</b>	<b>62.44</b>	
Other Comprehensive Income (S)	(0.42)	0.00	(0.42)	<i>Includes actuarial gain/loss on gratuity valuation and fair value impact on financial assets</i>
<b>Total Comprehensive Income (T) = (R+S)</b>	<b>63.94</b>	<b>1.92</b>	<b>62.03</b>	

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

# Q3FY19 Ind AS Vs Previous Indian GAAP

Particulars (INR Cr)	Ind AS (A)	IGAAP (B)	Variance (A-B)	Remark
Interest Income (A)				<i>Under Ind AS:</i>
				<i>Interest Income is based on effective interest rate</i>
	318.47	299.02	19.45	<i>Securitisation is considered On-Balance Sheet and hence income is considered under interest income</i>
				<i>Interest Income also includes interest on margin money and fixed deposit</i>
Dividend Income (B)	0.00	0.00	0.00	
Net gain on Fair Value Changes (C)	3.39	3.39	0.00	
Others (D)				<i>Under Ind AS: Total gain from the Direct Assignments on the contract is recognized on transaction date . Recognized amount for Q2FY19 is 3.04 Cr.</i>
	27.33	15.87	11.46	<i>and for Q3FY19 is 25.33 Cr.</i>
<b>Total Revenue from Operations (F) = (A+B+C+D)</b>	<b>349.19</b>	<b>318.28</b>	<b>30.91</b>	
Other Income (G)	1.64	1.64	0.00	
<b>Total Income (H) = (G+F)</b>	<b>350.84</b>	<b>319.92</b>	<b>30.91</b>	
<b>Finance Costs (I)</b>				<i>Under Ind AS:</i>
	110.19	101.27	8.91	<i>Processing Fees and other costs are amortised</i>
				<i>Securitisation is considered On-Balance Sheet and hence expense is considered under financial costs</i>
Employee Benefit Expenses (J)	48.99	48.13	0.86	<i>Under Ind AS Employee stock options is accounted as per fair valuation method</i>
Depreciation and Amortization Expenses (K)	2.02	2.02	0.00	
Other Expenses (L)	25.64	25.71	(0.07)	
<b>Total Operating Cost (M) = (J+K+L)</b>	<b>76.65</b>	<b>75.86</b>	<b>0.79</b>	
<b>Impairment of Financial Instruments (N)</b>	<b>10.28</b>	<b>7.45</b>	<b>2.83</b>	<i>Under Ind AS Loan loss provision is accounted as per Expected credit loss methodology.</i>
<b>Total Expenses (O) = (I+M+N)</b>	<b>197.12</b>	<b>184.58</b>	<b>12.54</b>	
<b>Profit before Tax (P) = (H-O)</b>	<b>153.72</b>	<b>135.35</b>	<b>18.38</b>	
Tax (Q)	53.96	47.43	6.53	
<b>Profit after Tax (R) = (P-Q)</b>	<b>99.76</b>	<b>87.91</b>	<b>11.84</b>	
Other Comprehensive Income (S)	(11.35)	0.00	(11.35)	<i>Includes actuarial gain/loss on gratuity valuation and fair value impact on financial assets</i>
<b>Total Comprehensive Income (T) = (R+S)</b>	<b>88.40</b>	<b>87.91</b>	<b>0.49</b>	

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



# Well diversified borrowing mix

INR Cr

	Q2 FY 18		Q2 FY 19		Q3 FY 18		Q3FY 19	
<b>Banks</b>	1,559.01	46.22%	2,094.83	53.09%	1,443.49	48.25%	2,231.49	47.38%
<b>NBFCs</b>	104.61	3.10%	285.57	7.24%	83.52	2.79%	222.22	4.72%
<b>FIs</b>	671.47	19.91%	371.22	9.41%	659.31	22.04%	821.21	17.44%
<b>Foreign Sources</b>	1038.28	30.78%	725.53	18.39%	805.65	26.93%	674.40	14.32%
<b>PTC</b>	-	-	426.17	10.80%	-	0.00%	310.36	6.59%
<b>Direct Assignment</b>	-	-	42.74	1.08%	-	0.00%	449.74	9.55%
<b>Total (A + B)</b>	<b>3,373.36</b>	<b>100.00%</b>	<b>3,946.05</b>	<b>100.00%</b>	<b>2,991.96</b>	<b>100.00%</b>	<b>4,709.41</b>	<b>100.00%</b>

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

# Marginal Cost of Borrowings amongst the lowest

Metrics	Q2FY18	Q2FY19	Q3FY18	Q3FY19
<b>Marginal Cost of Borrowings for the Quarter<sup>[1]</sup> (on and off b/s loans including processing fees )</b>	10.7%	8.9%	8.95%	10.37%
<b>Weighted Avg. Cost of Borrowings for the Quarter<sup>[2]</sup> (on and off b/s loans including processing fees and other charges)</b>	11.6%	9.9%	11.63%	9.36%
<b>Drawdowns (INR Cr)</b>	706.50	747.53	185.00	1,644.96

[1] Marginal Cost of Borrowings - [Funds availed during the period\* rate of interest/ Funds availed during the period]

[2] Weighted Avg. Cost of Borrowings - [Financial expenses during the period/monthly average borrowing]

Note: As per IGAAP

# Highest Grading reaffirmed for the Comprehensive Microfinance Grading by CRISIL

Rating Instrument	Rating Agency	Q3 FY18	Q3 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+
Comprehensive Microfinance Grading(Institutional Grading/Code of Conduct Assessment (COCA) )	CRISIL/SMERA	mfR1/C1	M1C1*
Social Rating	M-CRIL	$\Sigma\alpha$	$\Sigma\alpha$

\* As per SIDBI guidelines, comprehensive Microfinance grading should be done by the same organization (CRISIL is our rating agency)  
M1 - Microfinance Institutional Grading – Reflects CRISIL’s opinion on the ability of an MFI to conduct its operations in a scalable and sustainable manner  
C1 - 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 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 colors of the clothing and the gesture of the hands stand out. The overall mood is one of unity, support, and collective effort.

# Guidance

Gross Loan Portfolio

7,300 – 7,500 Cr

PAT

310 – 325 Cr



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 word "Annexures" is written in a dark blue serif font in the center of the image.

# Annexures

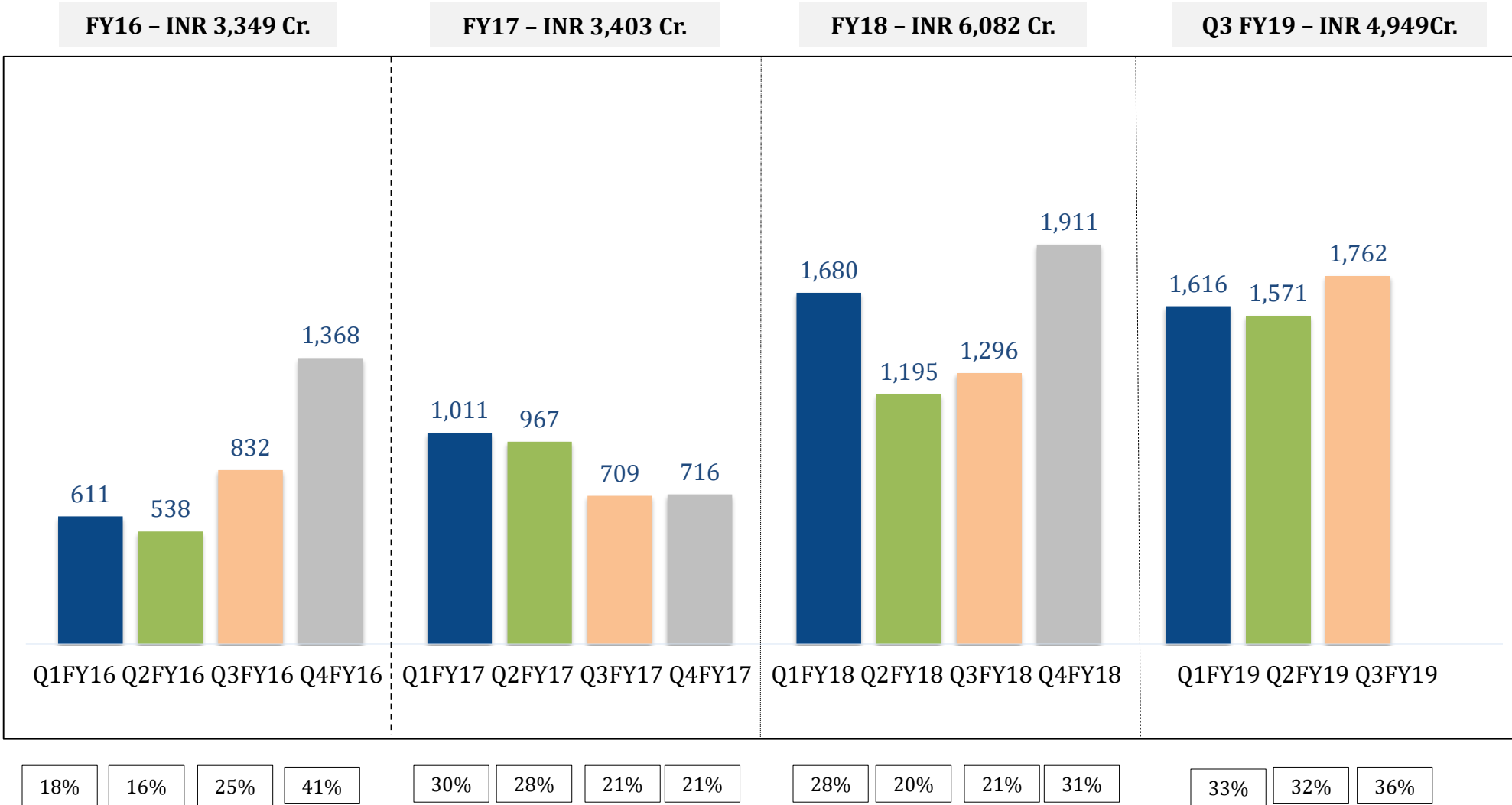


A high-angle, low-key photograph of a diverse group of people, primarily women, gathered in a circle. They are all looking upwards with expressions of hope and anticipation, and their hands are raised towards the center of the circle. The lighting is bright, creating a strong glow around the hands and faces. The people are wearing colorful, patterned clothing, including saris and blouses. The overall mood is one of unity and collective aspiration.

# Disbursement Trend



# Disbursement Trend



A high-angle, low-contrast photograph of a diverse group of people, primarily women, 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 individuals are wearing various colorful traditional Indian clothing, including saris and blouses. The background is a bright, uniform white, which emphasizes the hands and the faces of the participants. The overall mood is positive and collaborative.

# **District and State wise diversification**

# District-wise Exposure Trend (1/2)

Portfolio	FY16		FY17		FY 18		Q1FY19		Q2FY19		Q3FY19	
Exposure of Districts (% of Portfolio)	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	No. of Districts	% of Total Districts
< 0.5%	28	38%	43	45%	78	59%	91	62%	101	65%	103	66%
0.5% - 1%	11	15%	18	19%	22	17%	23	16%	24	15%	20	13%
1% - 3%	28	38%	29	30%	26	20%	26	18%	26	17%	29	19%
3% - 5%	4	5%	4	4%	5	4%	5	3%	4	3%	3	2%
> 5%	3	4%	2	2%	1	1%	1	1%	1	1%	1	1%
Total	74	100%	96	100%	132	100%	146	100%	156	100%	156	100%

Customers	FY16		FY17		FY 18		Q1FY19		Q2FY19		Q3FY19	
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	No. of Districts	% of Total Districts
< 0.5%	21	28%	37	39%	66	50%	81	55%	91	58%	94	60%
0.5% - 1%	18	24%	20	21%	30	23%	30	21%	31	20%	28	18%
1% - 3%	28	38%	33	34%	32	24%	31	21%	30	19%	30	19%
3% - 5%	6	8%	6	6%	4	3%	4	3%	4	3%	4	3%
> 5%	1	1%	-	0%	-	0%	-	0%	-	0%	-	0%
Total	74	100%	96	100%	132	100%	146	100%	156	100%	156	100%

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

- 97% 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.

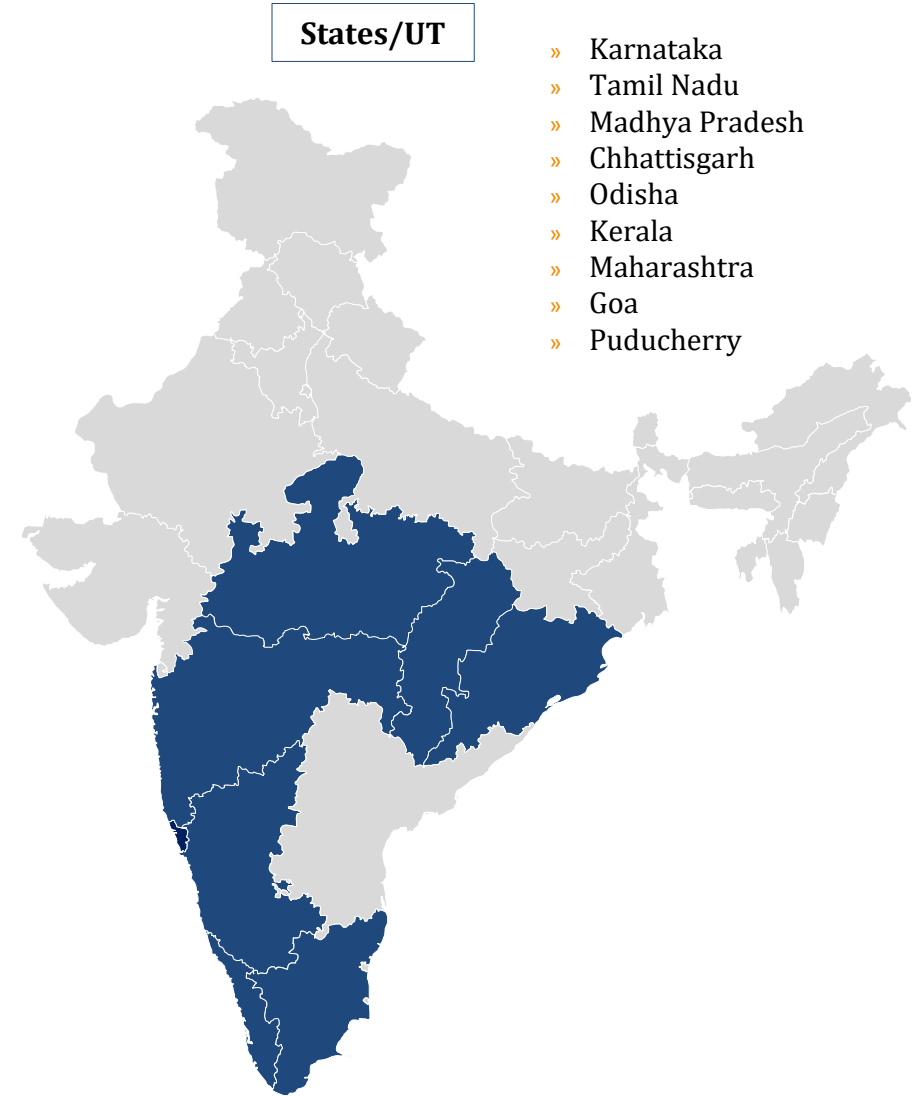
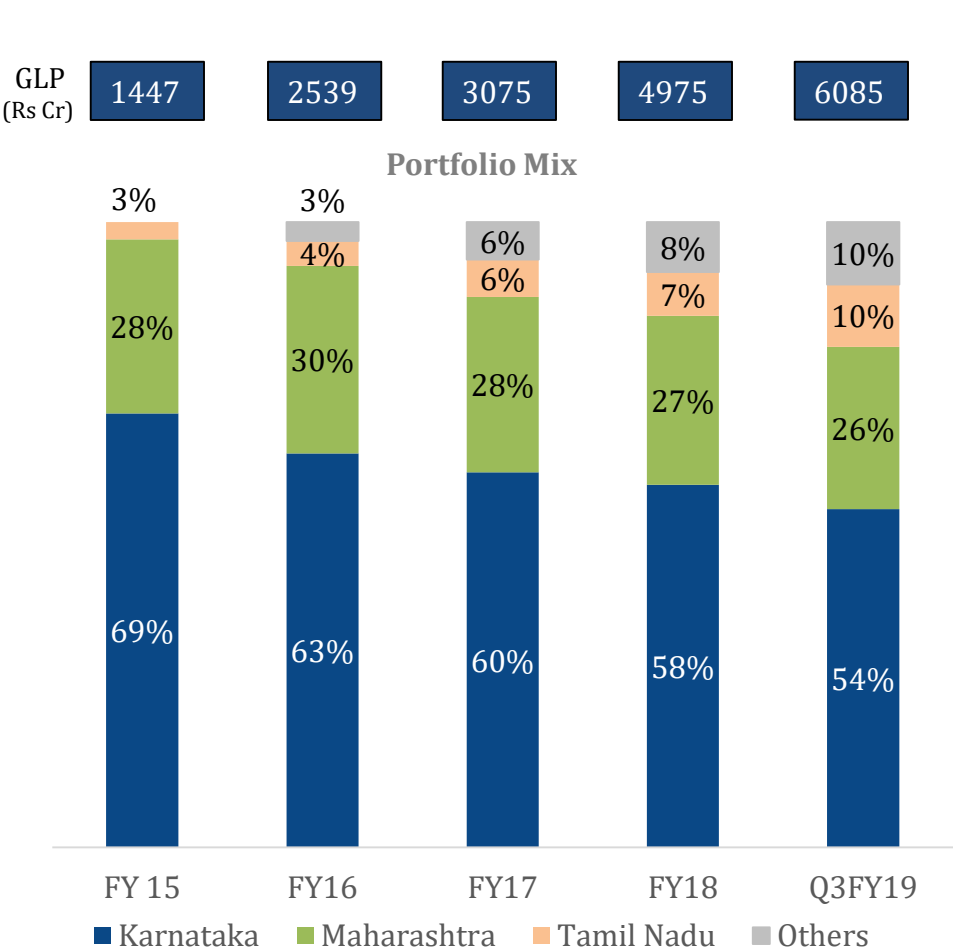
# District-wise Exposure Trend (2/2)

District in terms of portfolio	FY16		FY17		FY 18		Q1FY19		Q2FY19		Q3FY19	
	% 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 %	% of Total Portfolio	Contribution to overall growth %
Top 1	6%	4%	6%	4%	6%	6%	6%	5%	5%	3%	5%	-1%
Top 3	17%	13%	15%	9%	15%	13%	14%	12%	14%	12%	13%	2%
Top 5	26%	20%	23%	13%	22%	21%	22%	20%	21%	11%	20%	1%
Top 10	41%	32%	37%	15%	36%	34%	35%	31%	34%	18%	32%	-4%
Other	59%	68%	63%	85%	64%	66%	65%	69%	66%	82%	68%	104%

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



# Geographical Diversification



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, creating a warm and positive atmosphere. The people are wearing a variety of colorful clothing, including saris and blouses in shades of pink, blue, yellow, and green. Many are wearing traditional Indian jewelry like bangles and necklaces. The background is a plain, light color, making the group stand out.

# Product Mix

# Product Category Mix

Period	Parameters	Group Lending				Retail Finance	Total
		IGL	Family Welfare	Home Improvement	Emergency		
Q3FY18	No. of Loans Disb ('000)	457	75	76	71	1	680
	%Mix	67.18%	11.03%	11.15%	10.43%	0.21%	100.00%
	Amount Disbursed (INR Cr.)	1,158	21	98	7	11	1,296
	%Mix	89.39%	1.63%	7.59%	0.55%	0.84%	100.00%
	Portfolio (INR Cr.)	3,623	216	212	4	20	4,075
	%Mix	88.91%	5.31%	5.21%	0.09%	0.49%	100.00%
	Avg. Ticket Size (000' INR)	25.34	2.81	12.96	1.00	75.58	19.04
FY18	No. of Loans Disb ('000)	1,833.42	586.31	420.1	245.25	6.7	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	81.92	19.67
Q3FY19	No. of Loans Disb ('000)	544	76	219	100	7	947
	%Mix	57.49%	8.08%	23.09%	10.56%	0.77%	100.00%
	Amount Disbursed (INR Cr.)	1,372	27	289	10	64	1,762
	%Mix	77.85%	1.51%	16.42%	0.57%	3.65%	100.00%
	Portfolio (INR Cr.)	4,725	261	894	5	200	6,085
	%Mix	77.65%	4.29%	14.69%	0.08%	3.29%	100.00%
	Avg. Ticket Size (000' INR)	25.20	3.48	13.24	1.00	88.64	18.62

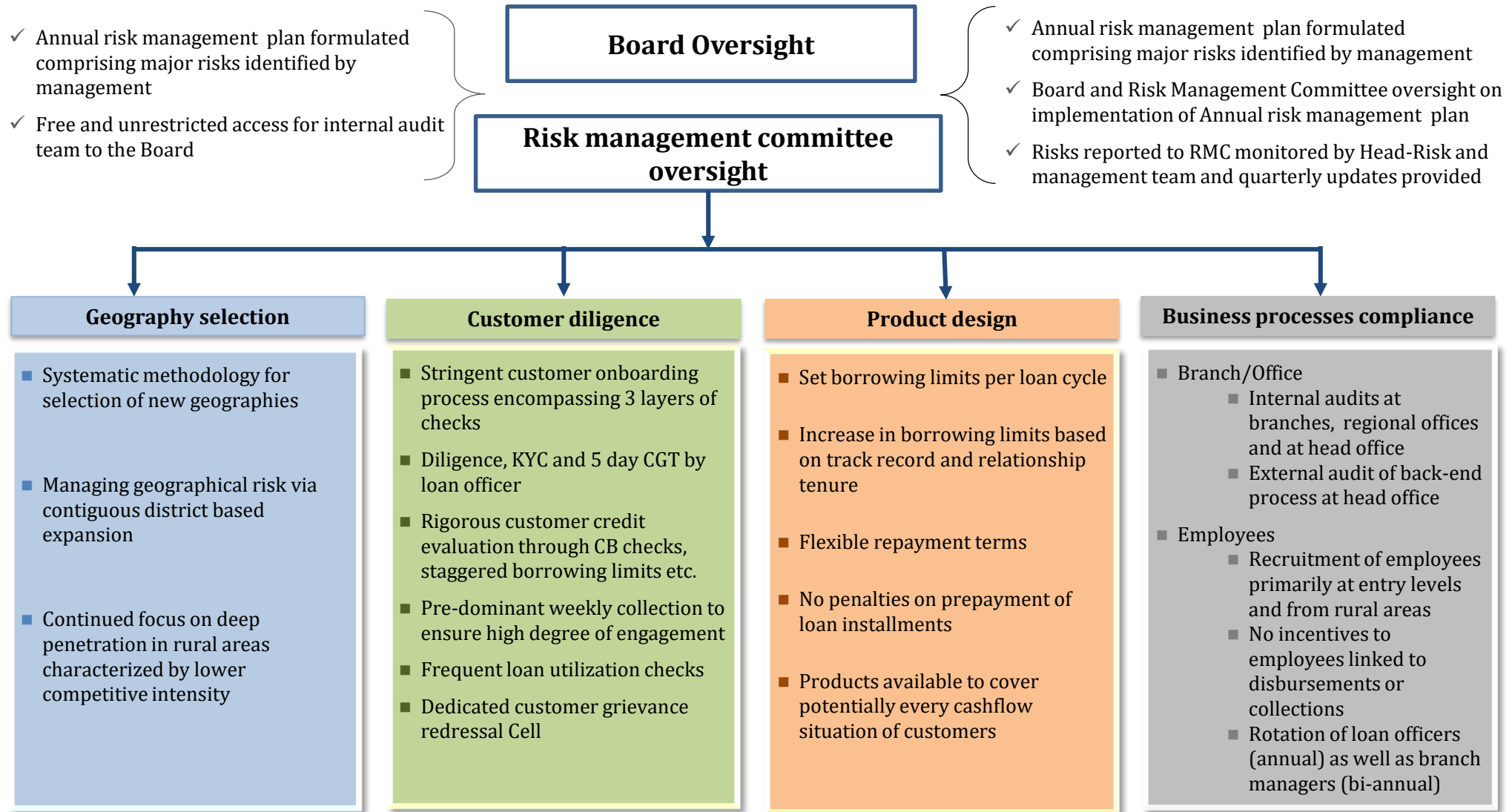


A high-angle, low-key photograph of a diverse group of people, primarily women, gathered in a circle. They are all looking upwards with expressions of hope and anticipation, and their hands are raised towards the center of the circle. The lighting is bright, creating a strong rim light effect on their arms and hands. The background is a plain, light color. The overall mood is one of unity, support, and collective effort.

# **Risk Management**



# Prudent risk management and control framework

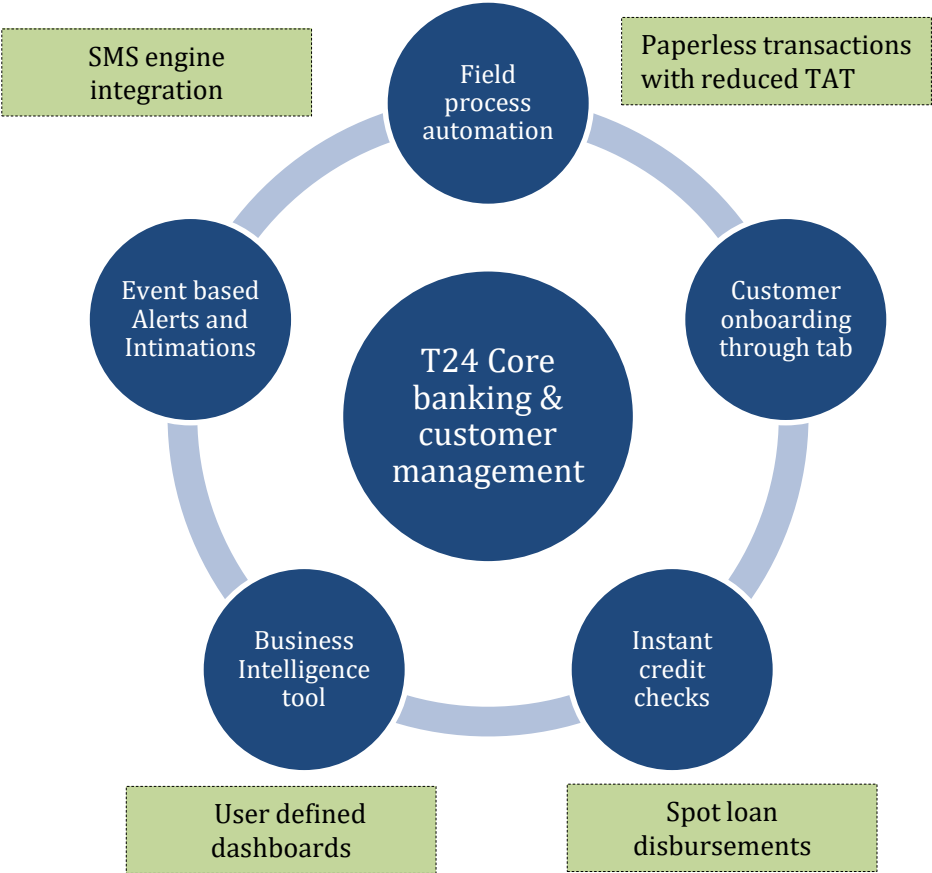


Note: RMC - Risk Management Committee, CGT – Compulsory Group Training, GRT – Group Recognition Test, CB – Credit Bureau

A high-angle, low-key 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 lighting is bright and warm, creating a sense of unity and optimism. The people are wearing colorful, traditional Indian clothing, including saris and blouses in shades of pink, blue, yellow, and green. Many are wearing bangles and jewelry. The background is a plain, light color, making the group stand out.

# 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, arranged 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 "Credit Plus Activities" is superimposed in the center of the image.

# Credit Plus Activities





Comprehensive Micro Finance  
Grading – M1C1



SKOCH Resilient India Award  
2017 for 'Sanitation Loan'



2017 ISC FICCI Sanitation  
Awards for Best Financial  
Accessibility



STAR MFI Certification - 100%  
Compliance



2015 Large MFI Award



Client Protection Principles  
Recertification



Social Rating -  $\sum \alpha$  (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.*

WASH (Water Sanitation, Hygiene)

Events Conducted  
3,627

Beneficiaries  
166,927



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.

SUSHIKSHANA

Events Conducted  
2,238

Beneficiaries  
117,694



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

SUGRAMA

Open Defecation Free % in GPs

Hosa Vantamuri	Urdigere
82%	97%



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](mailto:csinvestors@grameenkoota.org)