GrameenKoota
financial services

Investor Presentation Q4FY2018-19

May 2019

CreditAccess Grameen Limited

BSE: 541770 NSE: CREDITACC

Corporate Identity No. U51216KA1991PLC053425

www.grameenkooota.org

Disclaimer

By accessing this presentation, you agree to be bound by the following terms and conditions. This presentation (which may reflect some price sensitive information in terms of SEBI regulations and Companies Act, 2013, as amended from time to time) has been prepared by CreditAccess Grameen Limited (the "Company"). The Company may alter, modify or otherwise change in any manner the contents of this presentation, without obligation to notify any persons of such change or changes.

This presentation may contain certain "forward looking statements". These statements include descriptions regarding the intent, belief or current expectations of the Company or its management and information currently available with its management, including with respect to the results of operations and financial condition of the company. By their nature, such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those in such forward-looking statements as a result of various factors and assumptions which the Company believes to be reasonable in light of its operating experience in recent years. Many factors could cause the actual results, performances, or achievements of the Company to be materially different from those contemplated by the relevant forward looking statement. Significant factors that could make a difference to the Company's operations include domestic and international economic conditions, changes in government regulations, tax regime and other statutes. There may be additional material risks that are currently not considered to be material or of which the Company and its advisors or representatives are unaware. Against the background of these uncertainties, readers should not rely on these forward-looking statements. Neither the Company nor any of its advisors or representatives, on the behalf of the Company, assumes any responsibility to update or revise any forward-looking statement that may be made from time to time by or on behalf of the Company or to adapt such forward-looking statement to future events or developments.

This presentation contains certain supplemental measures of performance and liquidity that are not required by or presented in accordance with Ind AS, and should not be considered an alternative to profit, operating revenue or any other performance measures derived in accordance with Ind AS or an alternative to cash flow from operations as a measure of liquidity of the Company. Q1FY 18 numbers wherever mentioned are unaudited and based on management estimates.

No representation, warranty, guarantee or undertaking (express or implied) is made as to, and no reliance should be placed on, the accuracy, completeness or correctness of any information, including any projections, estimates, targets and opinions, contained herein, and no liability whatsoever is accepted as to any errors, omissions or misstatements contained herein and, accordingly, none of the Company, its advisors and representative and any of its or their affiliates, officers, directors, employees or agents, and anyone acting on behalf of such persons accepts any responsibility or liability whatsoever, in negligence or otherwise, for any loss or damage, direct, indirect, consequential or otherwise arising directly or indirectly from use of this presentation or its contents or otherwise arising in connection therewith.

This presentation includes certain industry data and projections that have been obtained from industry publications and surveys. Industry publications and surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but there is no assurance that the information is accurate or complete. Neither the Company nor any of its advisors or representatives have independently verified any of the data from third-party sources or ascertained the underlying economic assumptions relied upon therein. No representation or claim is made that the results or projections contained in this presentation will actually be achieved. All industry data and projections contained in this presentation are based on data obtained from the sources cited and involve significant elements of subjective judgment and analysis, which may or may not be correct. For the reasons mentioned above, you should not rely in any way on any of the projections contained in this presentation for any purpose.

This presentation is based on information regarding the Company and the economic, regulatory, market and other conditions as in effect on the date hereof. It should be understood that subsequent developments may affect the information contained in this presentation, which neither the Company nor its advisors or representatives are under an obligation to update, revise or affirm.

You must make your own assessment of the relevance, accuracy and adequacy of the information contained in this presentation and must make such independent investigation as you may consider necessary or appropriate for such purpose. Any opinions expressed in this presentation are subject to change without notice and past performance is not indicative of future results. By attending this presentation you acknowledge that you will be solely responsible for your own assessment of the market and the market position of the Company and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the Company's business.

This presentation and its contents are not and should not be construed as a prospectus or an offer document, including (as defined under the Companies Act, 2013, to the extent notified and in force) or an offer document under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended. The information contained herein does not constitute or form part of an offer, or solicitation or invitation of an offer to purchase or subscribe, for securities nor shall it or any part of it form the basis of or be relied on in connection with any contract, commitment or investment decision in relation thereto.

By accessing this presentation, you accept that this disclaimer and any claims arising out of the use of the information from this presentation shall be governed by the laws of India and only the courts in Bangalore, and no other courts, shall have jurisdiction over the same.

Executive Summary

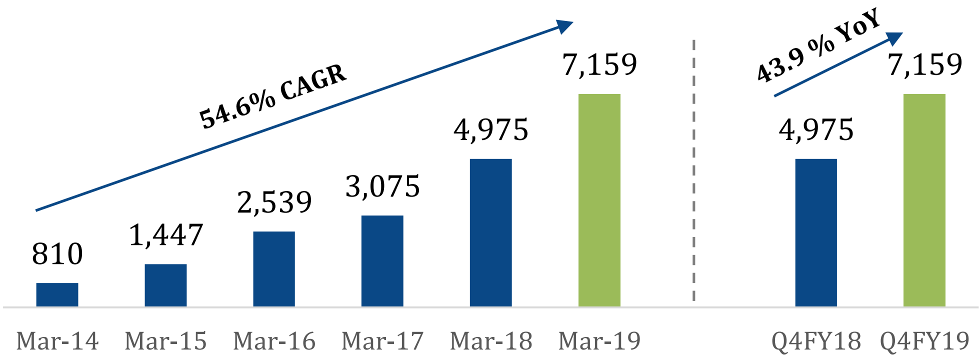
Performance driven by strong fundamentals

GrameenKoota financial services

Overview

- Leading NBFC-MFI in India with gross loan portfolio of Rs. 7,159 Cr, 24.70 lakhs borrowers and 670 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 43.9 % (YoY) to Rs. 7,159 Cr as of Mar'2019
- PAT grew by 51.4% (YoY) to Rs. 321.76 Cr in FY19
- Listed on NSE and BSE on 23rd August 2018

Growth in Gross Loan Portfolio (GLP) (Rs. Cr)



Financial Metrics

Strong Balance Sheet and Liquidity

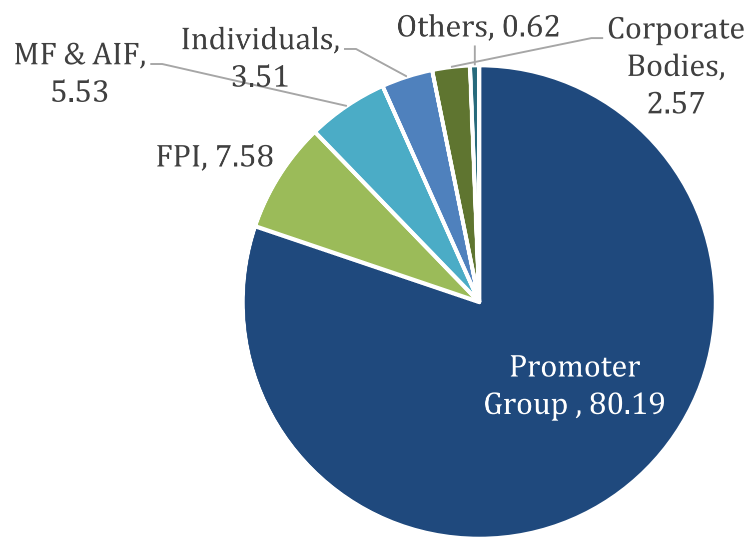
	Q4FY19	FY19
Networth (Rs. Cr)	**2365.06**	**2365.06**
Capital Adequacy (%) #	**35.74%**	**35.74%**
Cash & Bank Balances (Rs. Cr)	**615.55**	**615.55**

Efficiency and Profitability

	Q4FY19	FY19
Marginal Cost of Borrowing (TTM)[1]	**9.82%**	**9.82%**
Cost to Income[2]	**35.2%**	**33.9%**
Return on Asset[3]	**4.1%**	**5.0%**
Return on Equity[4]	**13.1%**	**16.3%**

[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

	GLP (Rs. Cr)	Disbursement (Rs. Cr)	Total Income (Rs. Cr)	NII[1] (Rs. Cr)	PAT (Rs. Cr)	NNPA[2] (%)
Q4FY19	7,159.33	3,271.90	336.44	202.92	76.31	0.0
	43.9%	**71.2%**	**34.4%**	**33.6%**	**6.4%**	**0.0%**
Q4FY18	4,974.66	1,910.85	250.37	151.90	71.71	0.0

	GLP (Rs. Cr)	Disbursement (Rs. Cr)	Total Income (Rs. Cr)	NII[1] (Rs. Cr)	PAT (Rs. Cr)	NNPA[2] (%)
FY19	7,159.33	8,221.16	1,283.32	770.80	321.76	0.0
	43.9%	**35.2%**	**47.3%**	**69.2%**	**51.4%**	**0.0%**
FY18	4,974.66	6,081.72	871.53	455.48	212.48	0.0

[1] NII = Interest on portfolio loans (excluding Loan Processing Fee) + Net gain on derecognition of loans sold under assignment transaction – Finance Cost
[2] NNPA= After considering management overlay

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

GrameenKoota financial services

Particulars (Rs Cr)	For the month Apr-19	May-19	Jun-19	For the Financial year 2019-20
Opening Cash & Equivalents* (A)	615.55	920.87	1,215.74	615.55
Loan recovery [Principal] (B)	522.99	548.47	458.62	5,031.63
Total Inflow (C=A+B)	**1,138.54**	**1,469.34**	**1,674.36**	**5,647.18**
Borrowing Repayment [Principal]				
Term loans and Others (D)	142.27	161.89	184.16	2,196.70
NCDs (E)	-	11.40	-	228.40
Securitisation and DA (F)	75.40	80.30	80.26	707.73
Total Outflow G=(D+E+F)	**217.67**	**253.59**	**264.42**	**3,132.83**
Closing Cash and equivalents (H= C-G)	**920.87**	**1,215.74**	**1,409.94**	**2,514.35**
Static Liquidity (B-G)	**305.32**	**294.87**	**194.19**	**1,898.80**

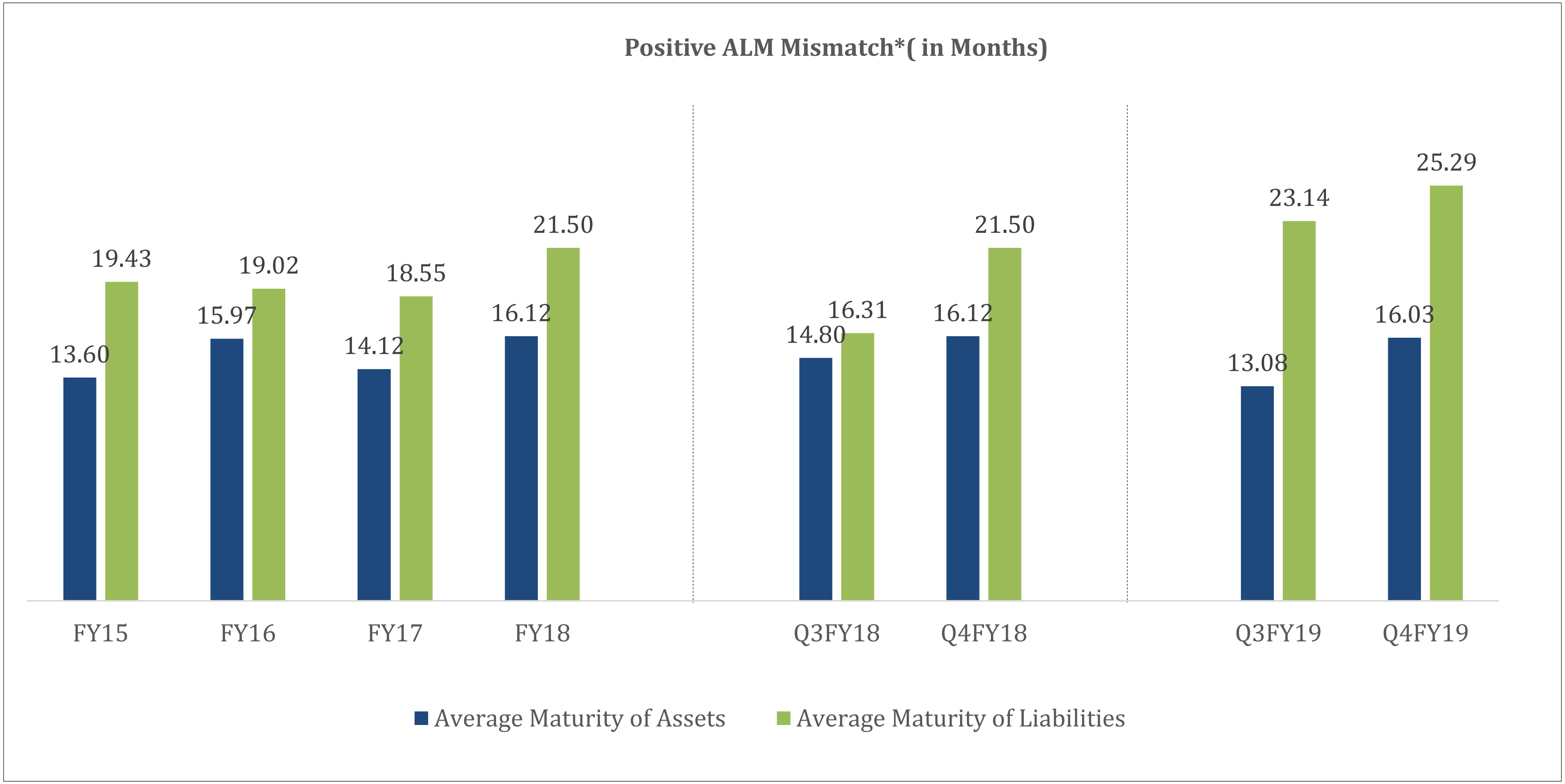
* Details of Opening Cash & Equivalents

Particulars	Rs. Cr
Cash and Bank Balance	288.58
Short Term Deposits with Banks	285.15
Term Deposits with Banks	41.82
Total	**615.55**

- Diversified funding sources with mix of Domestic and Foreign sources (All are Term Loans)
  - 30 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 ~3%

Month on month positive Static Liquidity Gap
Funds in pipeline Rs. 1,171.75 Crore (Banks and FIs)

Positive ALM continues to contribute growth



Company Overview

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

GrameenKoota financial services

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 9+ 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 157 districts in 9 States/Union Territory
05	Best in class financial performance	ROA: 5.0% ROE:16.3%
06	Strong Risk Management Practices	NNPA 0.00% (provisioning of 1.17% against GNPA of 0.61%)

Data For FY19

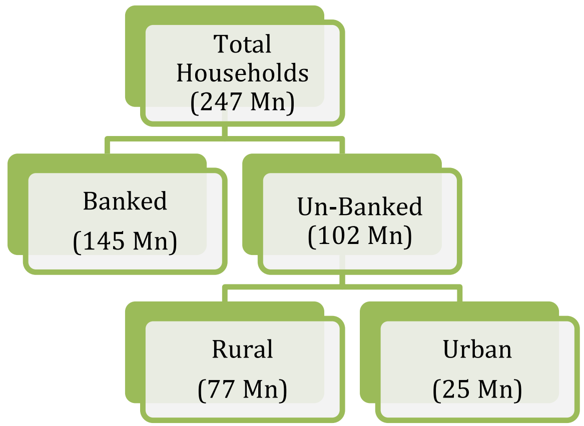

Industry Fundamentals

NBFC-MFIs best placed to address rural credit needs

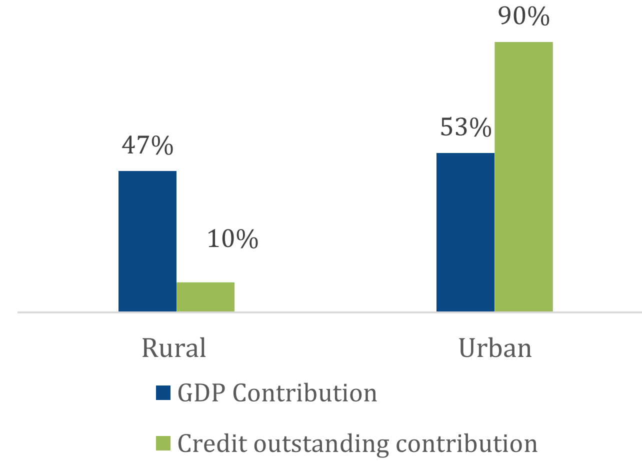
75% Unbanked Households in Rural Areas[1]- Large Untapped Opportunity

- 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



Low penetration of banking credit in rural areas



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

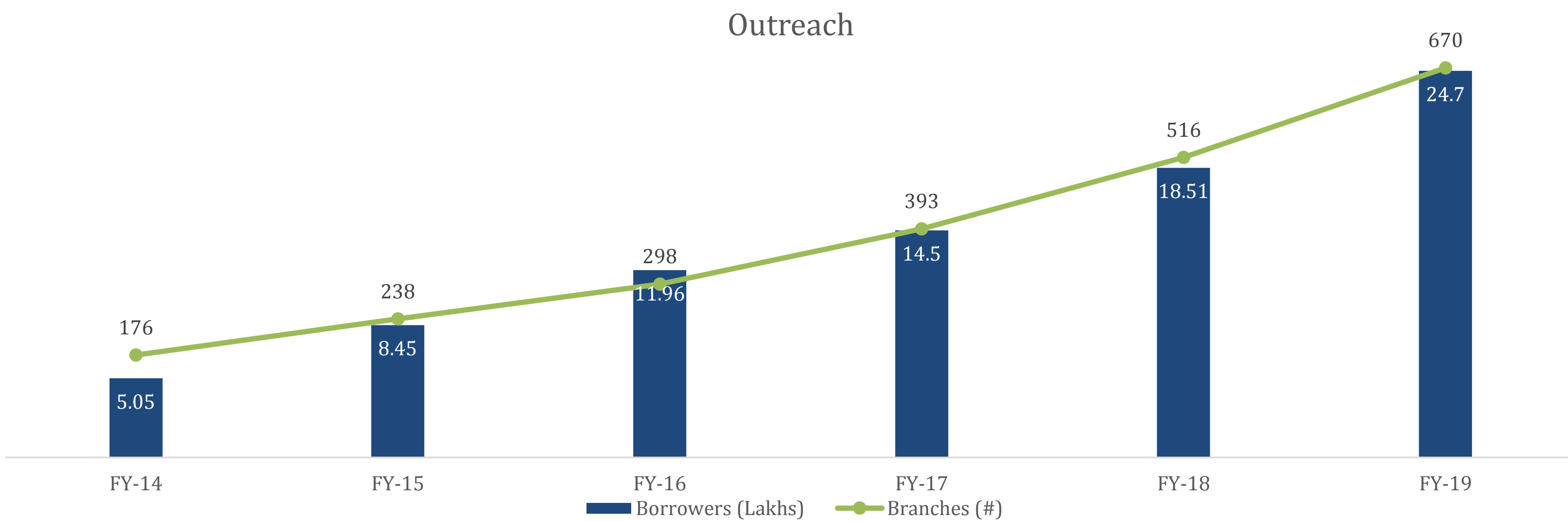
- Massive Govt. thrust to boost financial inclusion and double rural income
- Relaxation of maximum outstanding to customer/s
- Institutional Infrastructure (Credit Bureaus)

Customer centric practises

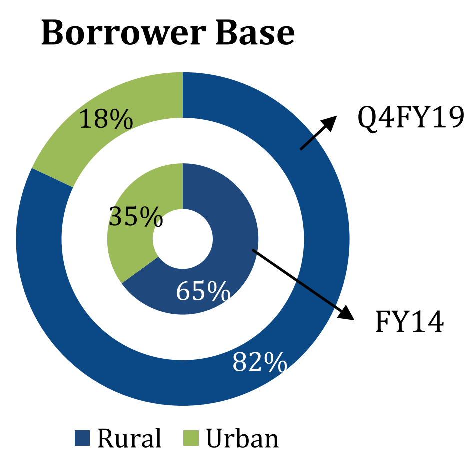
- Doorstep delivery of services
- High focus on financial literacy of customer/s

Operational Highlights

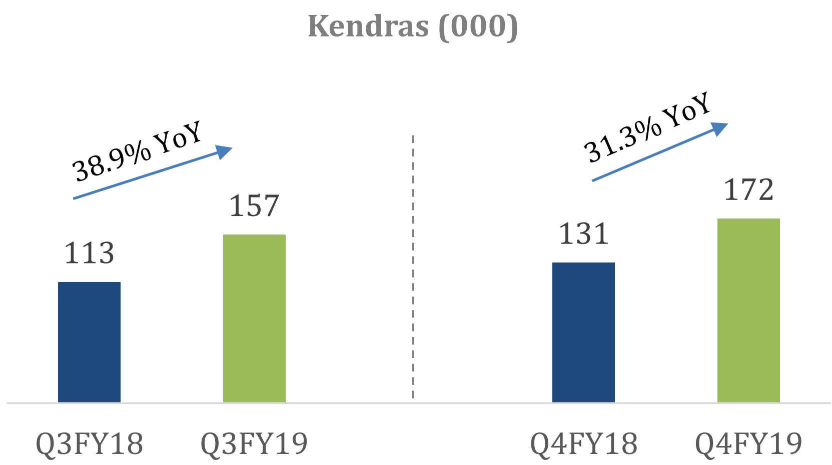
Strong rural growth story

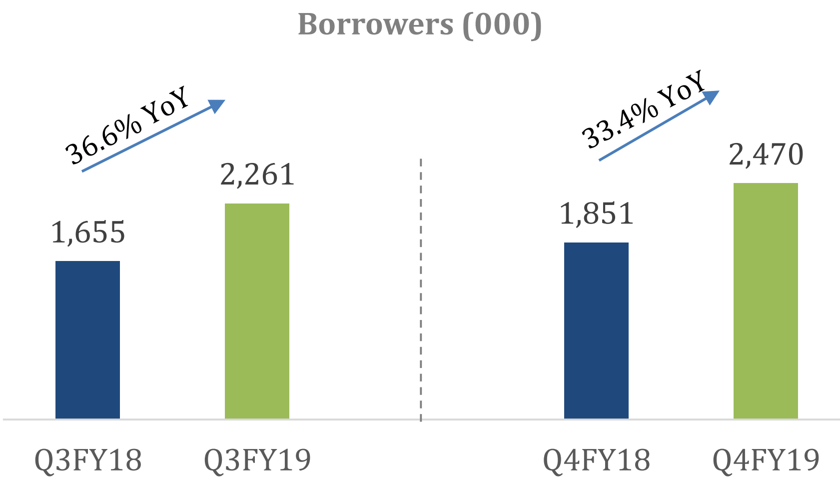


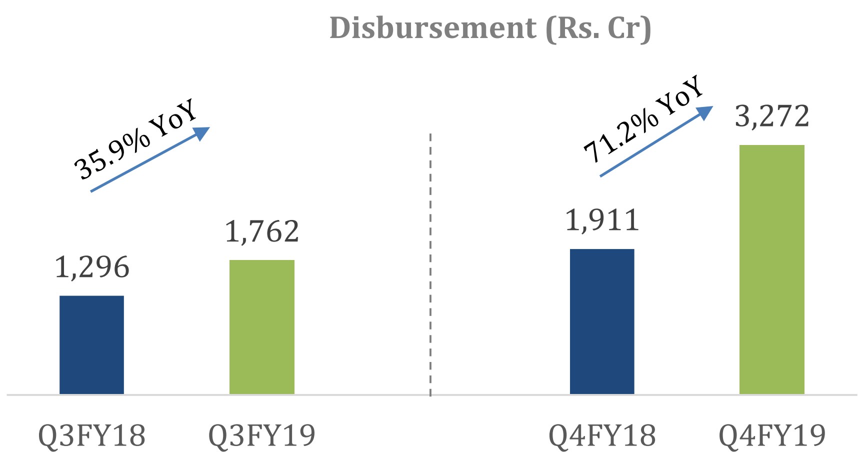
- 670 branches spread across 157 districts in 9 states / UT
- 24.70 lakh borrower base, CAGR of ~ 37.4% over 5 years.
- 154 branches opened during FY19
- 82% rural borrowers
- Predominantly weekly touch points with borrowers

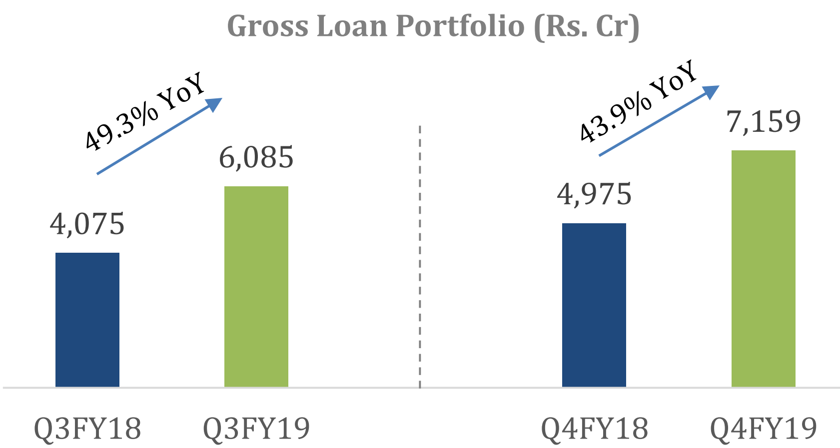


Demonstrated robust growth

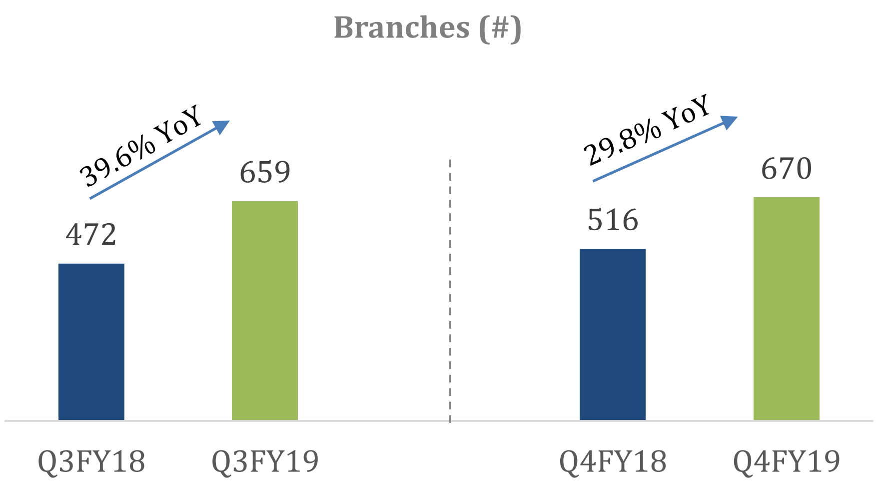


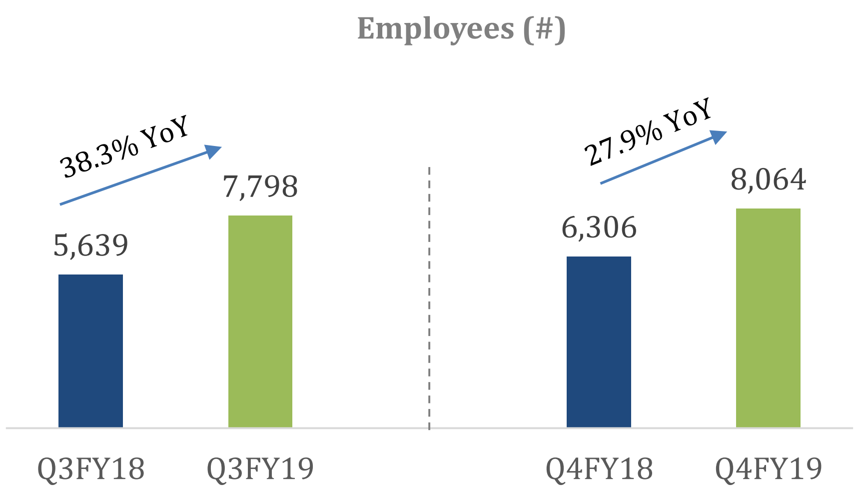


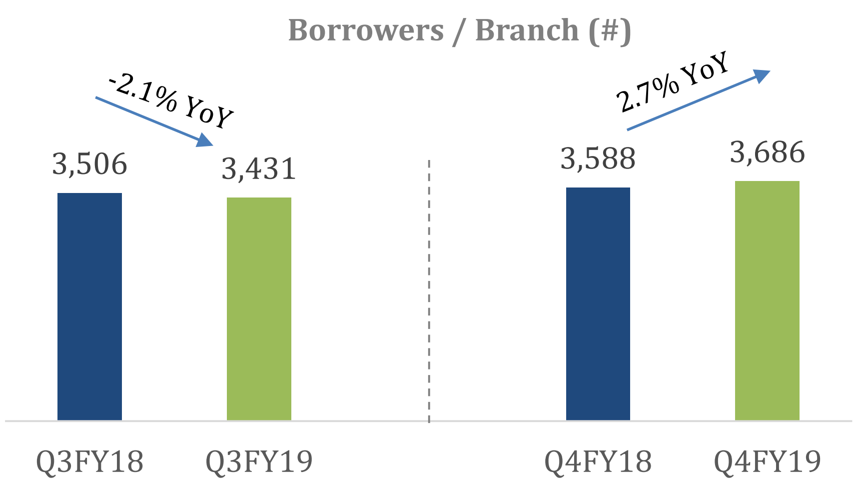


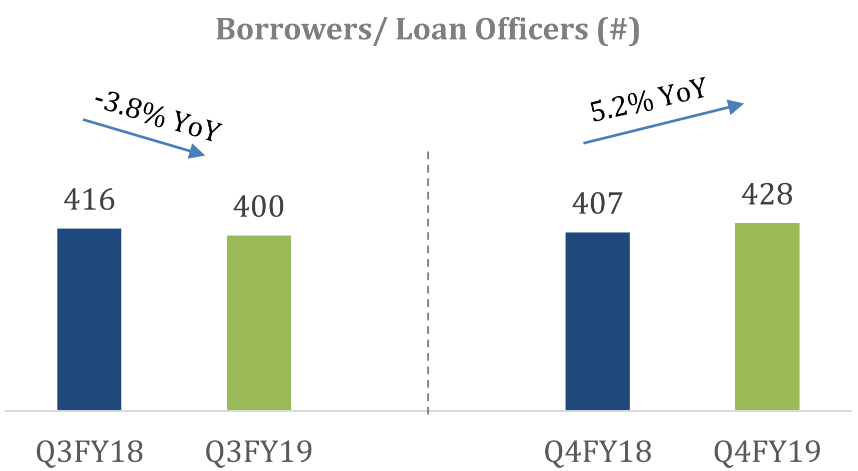


Infrastructure in place to fuel further growth









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 29% disbursements done through cashless mode on a daily basis during FY19

Rs.736.16 Cr cashless disbursements in Q4FY19 as against Rs.86.19 Cr in Q4FY18

Portfolio growth in Q4FY19 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 Q4FY19 powered by districts outside the Top 10
- Portfolio concentration of Top 10 districts has reduced from 41% as of FY16 to 32% as of Q4FY19
- Contiguous district wise expansion approach reduces
  - Expansion Risk
  - Expansion cost
  - District Concentration
    - 80% of districts where we operate have concentration of <=1% of total borrowers
    - 97% of districts where we operate have concentration of <=3% of total borrowers
    - None of the districts where we operate have concentration of > 5% of total borrowers

Update on Retail Finance Business

Launched retail finance vertical to support customers' growing needs

Group Lending

Individual lending

Maximum credit that can 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

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

395 Cr+ Disbursement

300 Cr+ GLP

41,000+ Borrowers

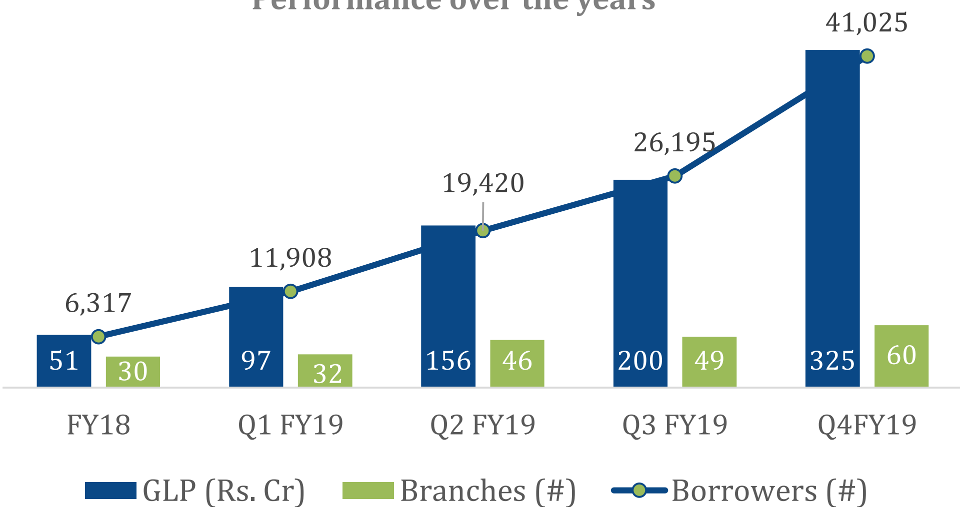
900+ Staff

60 Branches

5 States

0.24% GNPA

Performance over the years



Journey of Retail finance

Nov 2016 — *First branch opened in Bangalore*

Mar 2017 — *5 branches operational*

Aug 2017 — *Expansion started*

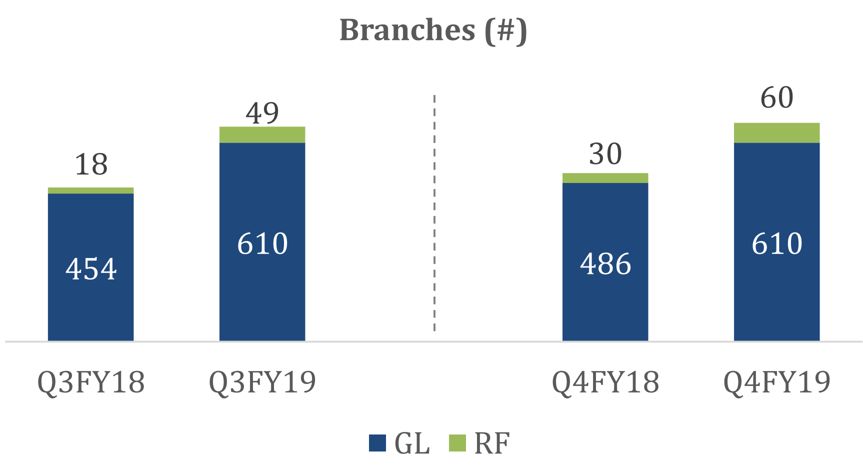
Jan 2018 — *Loan Book crossed Rs.25 Cr*; *Expanded in Maharashtra & Tamil Nadu*

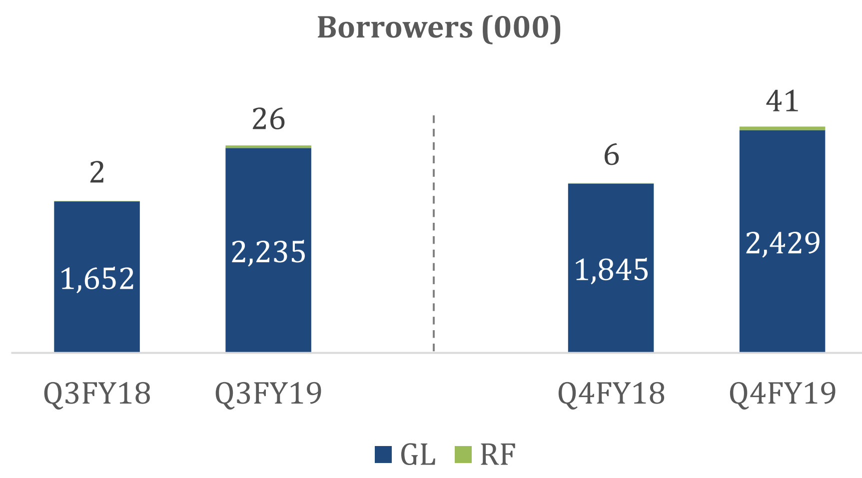
Jun 2018 — *Borrowers crossed 10,000*

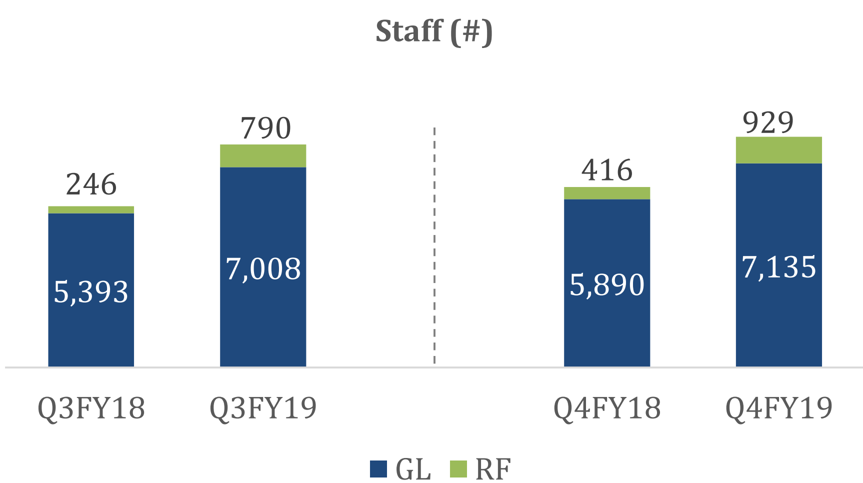
March 2019 — *Loan Book crossed Rs.300 Cr*

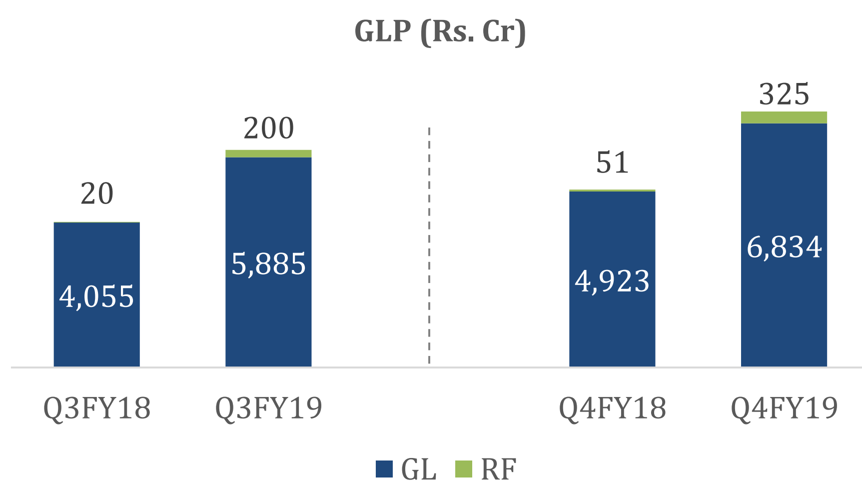
Retail Finance ensures Company acts as one stop financial partner

Retail finance contributes 4.5 % of total portfolio









Product Offerings

Customer centric product suite

Loan Type	Product	Purpose	Ticket Size (Rs.)	Yield	Tenure (months)
Group	Income Generation Loan(IGL)	Business Investments and Income Enhancement activities	5,000 - 80,000	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 (Rs.)	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


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 Q4 FY19 are compliant with Ind AS
- Consolidated figures for FY19 are compliant with Ind AS
- Corresponding figures for Q4 FY18 have been restated to be compliant with Ind AS
- Provisioning of 1.17 % for Q4FY19 made based on ECL methodology against GNPA of 0.61%

ROA for FY19 is 5%

Particulars	Q3FY19	Q4FY18	Q4FY19	FY18	FY19
Spread Analysis (as % of Avg. Quarterly Gross Loan Portfolio)					
Gross Yield[1]	23.6%	22.1%	20.3%	22.0%	21.8%
Portfolio Yield[2]	21.8%	20.6%	18.5%	20.4%	20.1%
Finance Cost	7.4%	7.2%	6.2%	8.9%	7.1%
NII	14.4%	13.4%	12.3%	11.5%	13.1%
Operating Cost	5.2%	5.4%	5.0%	5.1%	5.0%
Impairment on Financial Instruments	0.7%	-0.2%	2.0%	-0.3%	1.3%
Taxes	3.6%	3.4%	2.5%	2.9%	3.0%
Return on Avg. Gross Loan Portfolio	6.7%	6.3%	4.6%	5.4%	5.5%
Cost Efficiency					
Cost to Income Ratio	31.9%	36.0%	35.2%	39.2%	33.9%
Credit Quality					
Gross NPA[3]	1.19%	0.82%	0.61%	0.82%	0.61%
Net NPA[4]	0.0%	0.0%	0.0%	0.0%	0.0%
Leverage					
Debt: Equity[5]	1.8	2.5	2.1	2.5	2.1
Capital Adequacy	41.2%	28.9%	35.7%	28.9%	35.7%
Profitability					
Return on Equity	17.7%	20.5%	13.1%	22.2%	16.3%
Return on Assets	6.0%	6.0%	4.1%	5.1%	5.0%

Strengthened ECL methodology (Stage III reclassified to 60 days dpd from 90 days dpd) & Aggressive Write off in Q4 (write off of > 270 days dpd)

[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) [Stage I = 0 to 15 days, Stage II= 16 to 60 days, Stage III > 60 days]
[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 FY19 grew by 51% YoY

GrameenKoota financial services

Profit & Loss Statement (Rs. Cr)	Q3FY19	Q4FY18	Q4FY19	QoQ%	YoY%	FY18	FY19	YoY%
Revenue from operations								
Interest income	319.61	245.36	312.44	-2%	27%	859.69	1,218.32	42%
Fees and commission	0.00	0.00	0.11	-	-	0.00	0.41	-
Dividend income	0.00	0.04	0.00	-	-	0.17	0.00	-
Net gain on fair value changes	28.84	0.67	20.96	-27%	3026%	4.11	56.55	1276%
Recovery against loans written offs	1.89	3.85	2.02	7%	-48%	6.61	6.05	-8%
Total revenue from operations (I)	350.34	249.92	335.53	-4%	34%	870.58	1,281.33	47%
Other income	0.42	0.45	0.91	117%	105%	0.95	1.99	110%
Total income (III =I+II)	**350.76**	**250.37**	**336.44**	**-4%**	**34%**	**871.53**	**1283.32**	**47%**
Expenses								
Finance costs	110.08	80.93	102.73	-7%	27%	353.65	416.75	18%
Impairment of financial instruments	10.28	(2.19)	33.88	230%	1646%	(13.42)	74.86	658%
Employee benefits expenses	48.99	38.68	49.97	2%	29%	130.44	186.05	43%
Depreciation, amortisation and impairment	2.02	1.52	2.05	1%	35%	5.17	7.79	51%
Other expenses	25.67	20.79	30.21	18%	45%	67.46	100.13	48%
Total expenses (IV)	**197.04**	**139.73**	**218.84**	**11%**	**57%**	**543.30**	**785.58**	**45%**
Profit Before tax (V= III-IV)	**153.72**	**110.64**	**117.60**	**-23%**	**6%**	**328.23**	**497.74**	**52%**
Total tax expense (VI)	**53.97**	**38.93**	**41.29**	**-23%**	**6%**	**115.75**	**175.98**	**52%**
Profit After Tax (V-VI)	**99.75**	**71.71**	**76.31**	**-23%**	**6%**	**212.48**	**321.76**	**51%**
Other comprehensive income	(11.35)	1.32	(11.83)	4%	-999%	(1.39)	(9.93)	616%
Total Comprehensive Income (VII+VIII)	**88.40**	**73.03**	**64.48**	**-27%**	**-12%**	**211.09**	**311.83**	**48%**

[1] *Under Ind AS: Total gain from the Direct Assignments on the contract is recognized on transaction date . Recognized amount for Q3FY19 is 25.45 Cr and for Q4FY19 is Rs. 17.51 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 (Rs. Cr)	Q3FY19	Q4FY18	Q4FY19	QoQ%	YoY%
Financial Assets					
Cash and cash equivalents	867.87	130.03	573.73	-34%	341%
Bank balance other than cash and cash equivalents	49.15	13.03	41.82	-15%	221%
Receivables	1.57	5.46	0.29	-82%	-95%
Loans	5598	4,895.53	6,602.84	18%	35%
Investments	0.2	0.2	0.2	0%	0%
Other financial assets	44.25	12.56	46.7	6%	272%
Non-financial Assets					
Current tax assets (net)	17.8	4.84	13.23	-26%	173%
Deferred tax assets (net)	37.8	30	43.14	14%	44%
Property, plant and equipment	16.85	9.48	18.73	11%	98%
Intangible assets under development	2.01	1.06	2.36	17%	123%
Intangible assets	6.32	6.68	6.01	-5%	-10%
Other non-financial assets	10.67	4.70	8.31	-22%	77%
Total Assets	**6652.48**	**5,113.57**	**7,357.36**	**11%**	**44%**
Liabilities					
Financial liabilities					
Payables	78.15	35.08	103.94	33%	196%
Debt securities	836.97	786.41	715	-15%	-9%
Borrowings (other than debt securities)	3379.29	2,754.46	4,114.50	22%	49%
Subordinated liabilities	36.66	82.59	37.07	1%	-55%
Other financial liabilities	-	-	-		
Non-financial liabilities					
Current tax liabilities (net)	-	-	-		
Provisions	11.24	6.53	11.88	6%	82%
Other non-financial liabilities	10.94	11.02	9.92	-9%	-10%
Equity					
Equity share capital	143.41	128.43	143.55	0%	12%
Other equity	2155.82	1,309.05	2,221.51	3%	70%
Total Liabilities and Equity	**6652.48**	**5,113.57**	**7,357.36**	**11%**	**44%**

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

Q4FY18 Ind AS Vs Previous Indian GAAP

Profit & Loss Statement (Rs. Cr)	Ind AS (A)	IGAAP (B)	Variance (A-B)	Remark
Revenue from operations				
Interest income	245.36	252.77	(7.41)	*Under Ind AS: Interest Income is based on effective interest rate* *Securitization is considered On-Balance Sheet and hence income is considered under interest income* *Interest Income also includes interest on margin money and fixed deposit*
Fees and commission	0.00	0.00	0.00	
Dividend income	0.04	0.17	(0.13)	
Net gain on fair value changes	0.67	0.55	0.13	
Recovery against loans written offs	3.85	3.85	0.00	
Total revenue from operations (I)	**249.92**	**257.34**	**(7.41)**	
Other income	0.45	0.45	0.00	
Total income (III =I+II)	**250.37**	**257.78**	**(7.41)**	
Expenses				
Finance costs	80.93	84.61	(3.69)	*Under Ind AS: Processing Fees and other costs are amortized* *Securitization is considered On-Balance Sheet and hence expense is considered under financial costs*
Impairment of financial instruments	(2.19)	19.44	(21.64)	*Under Ind AS Loan loss provision is accounted as per Expected credit loss methodology.*
Employee benefits expenses	38.68	35.89	2.79	*Under Ind AS: Employee stock options is accounted as per fair valuation method*
Depreciation, amortisation and impairment	1.52	1.52	0.00	
Other expenses	20.79	20.87	(0.08)	
Total expenses (IV)	**139.73**	**162.34**	**(22.61)**	
Profit Before tax (V= III-IV)	**110.64**	**95.44**	**15.20**	
Total tax expense (VI)	**38.93**	**33.44**	**5.49**	
Profit After Tax (V-VI)	**71.71**	**62.00**	**9.71**	
Other comprehensive income	1.32	0.00	1.32	*Includes actuarial gain/loss on gratuity valuation and fair value impact on financial assets*
Total Comprehensive Income (VII+VIII)	**73.03**	**62.00**	**11.03**	

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

Q4FY19 Ind AS Vs Previous Indian GAAP

Profit & Loss Statement (Rs. Cr)	Ind AS (A)	IGAAP (B)	Variance (A-B)	Remark
Revenue from operations				
Interest income	312.44	314.75	(2.31)	*Under Ind AS: Processing Fees and other costs are amortized Securitization is considered On-Balance Sheet and hence expense is considered under financial costs*
Fees and commission	0.11	0.11	0.00	
Dividend income	0.00	0.00	0.00	
Net gain on fair value changes	20.96	25.06	(4.10)	*Under Ind AS: Total gain from the Direct Assignments on the contract is recognized on transaction date . Recognized amount for Q3FY19 is 25.45 Cr and for Q4FY19 is Rs. 17.51 Cr*
Recovery against loans written offs	2.02	2.02	0.00	
Total revenue from operations (I)	**335.53**	**341.94**	**(6.41)**	
Other income	0.91	0.91	0.00	
Total income (III =I+II)	**336.44**	**342.85**	**(6.41)**	
Expenses				
Finance costs	102.73	100.39	2.34	*Under Ind AS: Processing Fees and other costs are amortized Securitization is considered On-Balance Sheet and hence expense is considered under financial costs*
Impairment of financial instruments	33.88	65.17	(31.29)	*Under Ind AS Loan loss provision is accounted as per Expected credit loss methodology.*
Employee benefits expenses	49.97	49.42	0.55	*Under Ind AS Employee stock options is accounted as per fair valuation method*
Depreciation, amortisation and impairment	2.05	2.05	0.00	
Other expenses	30.21	30.27	(0.07)	
Total expenses (IV)	**218.84**	**247.29**	**(28.45)**	
Profit Before tax (V= III-IV)	**117.60**	**95.56**	**22.04**	
Total tax expense (VI)	**41.29**	**33.10**	**8.19**	
Profit After Tax (V-VI)	**76.31**	**62.46**	**13.85**	
Other comprehensive income	(11.83)	0.00	(11.83)	*Includes actuarial gain/loss on gratuity valuation and fair value impact on financial assets*
Total Comprehensive Income (VII+VIII)	**64.48**	**62.46**	**2.02**	

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

Well diversified borrowing mix

Rs. Cr

	Q3 FY 18		Q3 FY 19		Q4 FY 18		Q4FY 19	
Banks	1,443.49	48.25%	2,231.49	47.38%	2,216.72	61.53%	2,692.75	49.94%
NBFCs	83.52	2.79%	222.22	4.72%	61.27	1.70%	185.34	3.44%
FIs	659.31	22.04%	821.21	17.44%	519.22	14.41%	1,098.28	20.37%
Foreign Sources	805.65	26.93%	674.40	14.32%	805.65	22.36%	708.20	13.13%
PTC	-	0.00%	310.36	6.59%	-	0.00%	201.20	3.73%
Direct Assignment	-	0.00%	449.74	9.55%	-	0.00%	506.13	9.39%
Total (A + B)	**2,991.96**	**100.00%**	**4,709.41**	**100.00%**	**3,602.86**	**100.00%**	**5,391.90**	**100.00%**

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

Marginal Cost of Borrowings amongst the lowest

Metrics	Q3FY18	Q3FY19	Q4FY18	Q4FY19	FY18	FY19
Marginal Cost of Borrowings (on and off b/s loans including processing fees*)	8.95%	10.37%	9.15%	9.89%	9.81%	9.82%
Weighted Avg. Cost of Borrowings (on and off b/s loans including processing fees and other charges)	11.63%	9.36%	10.29%	7.96%	11.31%	8.87%
Drawdowns (Rs. Cr)	185.00	1,644.96	1,115.50	1,730.93	2,690.00	5,093.11

[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

GrameenKoota financial services

		Q4 FY18	Q4 FY19
Rating Instrument	**Rating Agency**	**Rating/Grading**	**Rating/Grading**
Bank facilities	ICRA	ICRA A (Stable)	ICRA A+ (Stable)
Non-convertible debentures	ICRA	ICRA A	ICRA A+ (Stable)
Subordinated debt	ICRA	ICRA A	ICRA A+ (Stable)
Commercial Paper	ICRA	ICRA A1	ICRA A1+
Comprehensive Microfinance Grading(Institutional Grading/Code of Conduct Assessment (COCA))	CRISIL/SMERA	mfR1	M1C1*
Social Rating	M-CRIL	∑α	∑α

* 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


Guidance

Guidance FY20

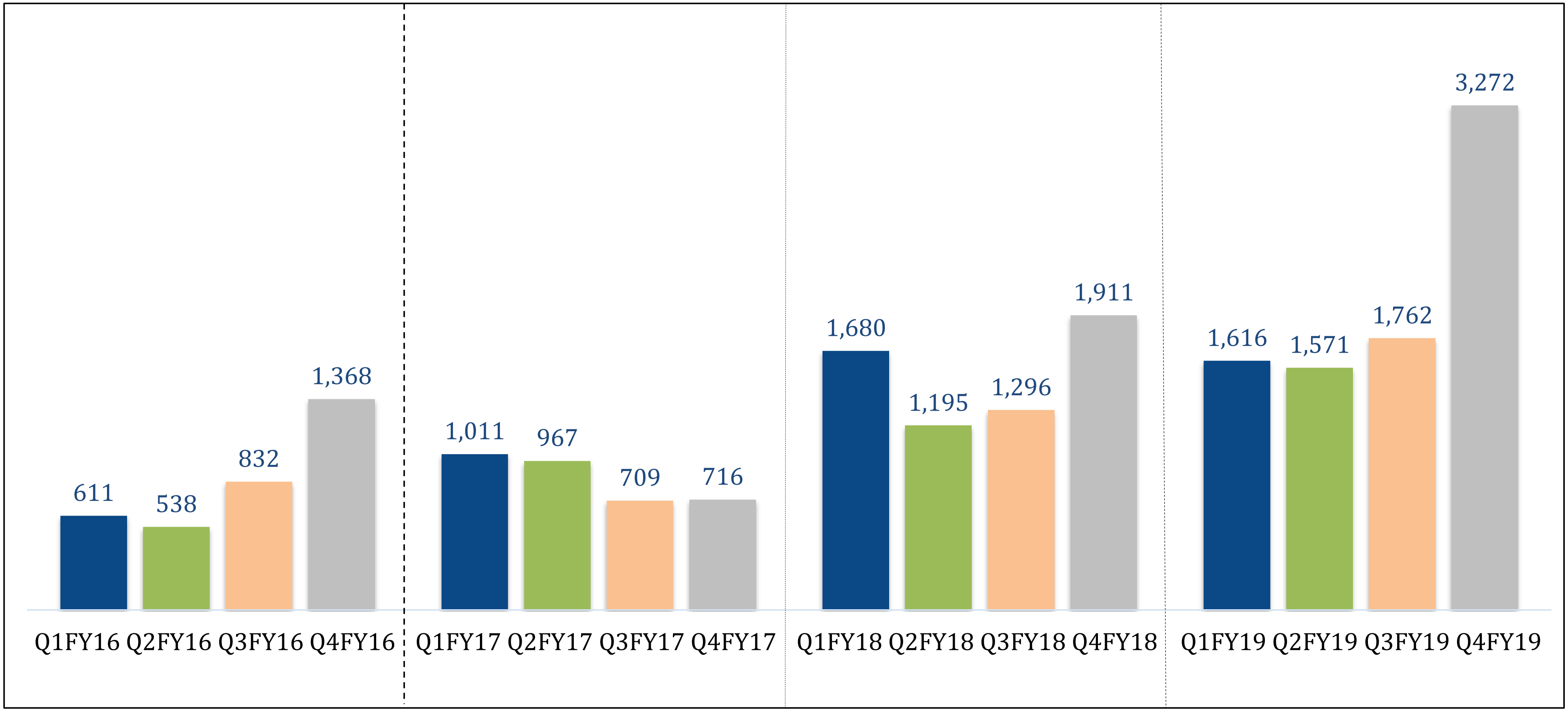
PAT (Rs. Cr)	425 - 450

Annexures

Disbursement Trend

Disbursement Trend

FY16 – Rs. 3,349 Cr. | **FY17 – Rs. 3,403 Cr.** | **FY18 – Rs. 6,082 Cr.** | **FY 19 - Rs. 8,221Cr.**



18%	16%	25%	41%	30%	28%	21%	21%	28%	20%	21%	31%	20%	19%	21%	40%

District and State wise diversification

District-wise Exposure Trend (1/2)

Portfolio	FY16		FY17		FY 18		Q1FY19		Q2FY19		Q3FY19		Q4FY19	
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	No. of Districts	% of Total Districts
< 0.5%	28	38%	43	45%	78	59%	91	62%	101	65%	103	66%	105	67%
0.5% - 1%	11	15%	18	19%	22	17%	23	16%	24	15%	20	13%	19	12%
1% - 3%	28	38%	29	30%	26	20%	26	18%	26	17%	29	19%	29	18%
3% - 5%	4	5%	4	4%	5	4%	5	3%	4	3%	3	2%	3	2%
> 5%	3	4%	2	2%	1	1%	1	1%	1	1%	1	1%	1	1%
Total	74	100%	96	100%	132	100%	146	100%	156	100%	156	100%	157	100%

Borrowers	FY16		FY17		FY 18		Q1FY19		Q2FY19		Q3FY19		Q4FY19	
Exposure of Districts (% of Borrowers)	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	No. of Districts	% of Total Districts
< 0.5%	22	30%	39	41%	70	53%	84	58%	94	60%	97	62%	100	64%
0.5% - 1%	18	24%	19	20%	25	19%	25	17%	26	17%	25	16%	25	16%
1% - 3%	26	35%	32	33%	33	25%	33	23%	32	21%	30	19%	28	18%
3% - 5%	6	8%	6	6%	4	3%	4	3%	4	3%	4	3%	4	3%
> 5%	2	3%		0%		0%	-	0%	-	0%	-	0%	-	0%
Total	74	100%	96	100%	132	100%	146	100%	156	100%	156	100%	157	100%

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

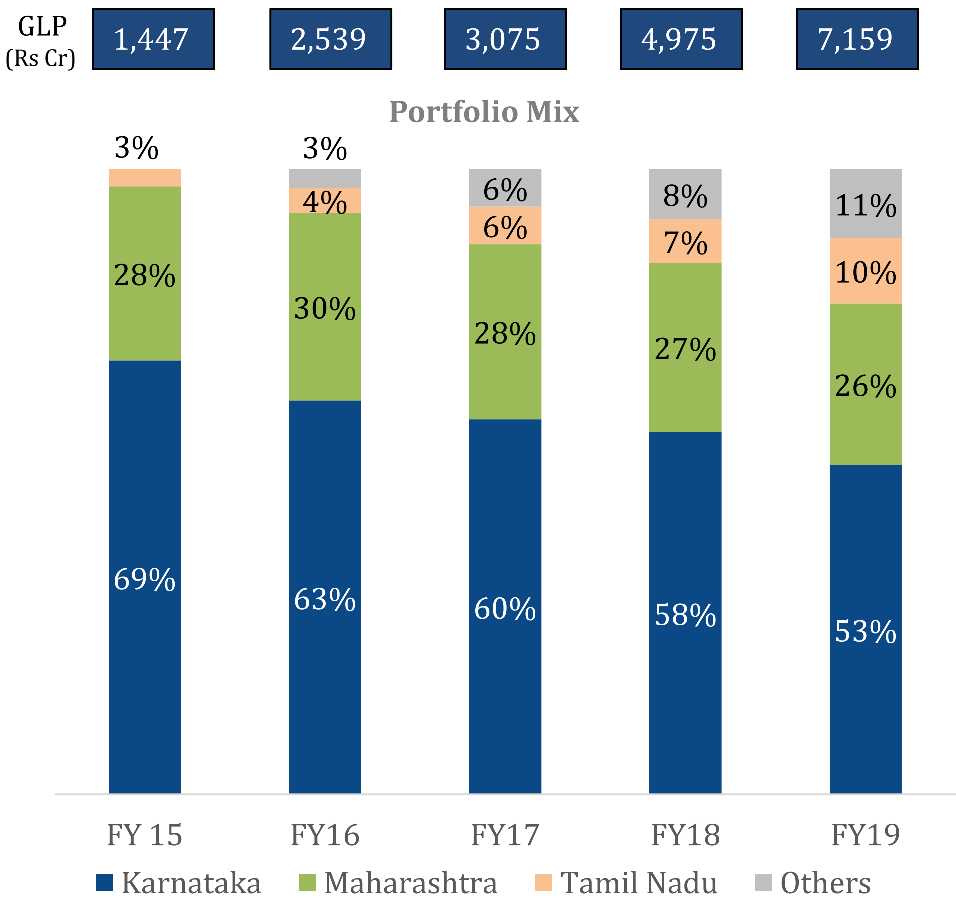
- 97% of districts were we operate have portfolio concentration of < =3% of overall portfolio.
- None of the districts were we operate have concentration of > 5% of total Borrowers.

District-wise Exposure Trend (2/2)

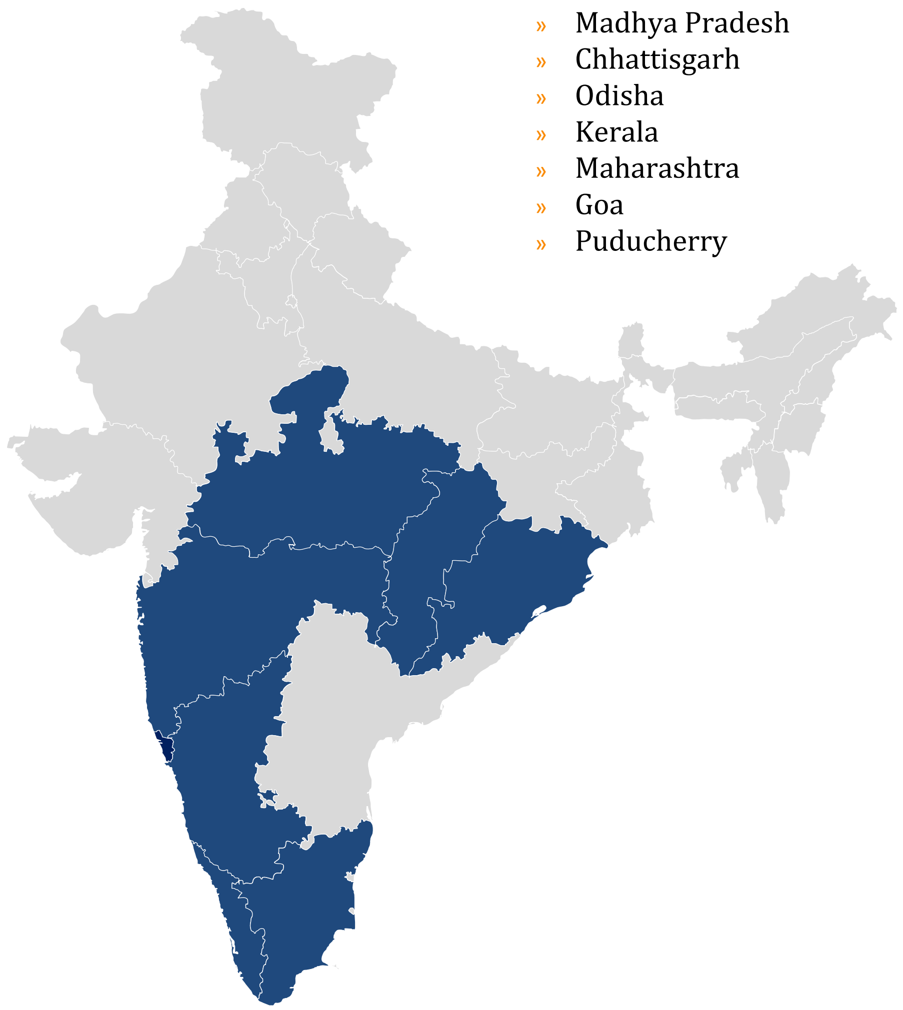
District in terms of GLP	FY16		FY17		FY 18		Q1FY19		Q2FY19		Q3FY19		Q4FY19	
	% of Total GLP	Contribution to overall growth %	% of Total GLP	Contribution to overall growth %	% of Total GLP	Contribution to overall growth %	% of Total GLP	Contribution to overall growth %	% of Total GLP	Contribution to overall growth %	% of Total GLP	Contribution to overall growth %	% of Total GLP	Contribution to overall growth %
Top 1	6%	4%	6%	4%	6%	6%	6%	5%	5%	3%	5%	-1%	5%	5%
Top 3	17%	13%	15%	9%	15%	13%	14%	12%	14%	12%	13%	2%	13%	11%
Top 5	26%	20%	23%	13%	22%	21%	22%	20%	21%	11%	20%	1%	20%	16%
Top 10	41%	32%	37%	15%	36%	34%	35%	31%	34%	18%	32%	-4%	32%	27%
Other	59%	68%	63%	85%	64%	66%	65%	69%	66%	82%	68%	104%	68%	73%

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

Geographical Diversification



States/UT



- Karnataka
- Tamil Nadu
- Madhya Pradesh
- Chhattisgarh
- Odisha
- Kerala
- Maharashtra
- Goa
- Puducherry

Product Mix

Product Category Mix

Period	Parameters	Group Lending				Retail Finance	Total
		IGL	Family Welfare	Home Improvement	Emergency		
Q4FY18	No. of Loans Disb (000)	552.65	62.20	282.08	49.42	4.05	950.41
	%Mix	58.15%	6.54%	29.68%	5.20%	0.43%	100.00%
	Amount Disbursed (Rs. Cr)	1,490.88	18.30	362.74	4.94	33.99	1,910.85
	%Mix	78.02%	0.96%	18.98%	0.26%	1.78%	100.00%
	Avg. Ticket Size (Rs.000)	26.98	2.94	12.86	1.00	83.92	20.11
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 (Rs. 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 (Rs. 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 (Rs.000)	27.02	8.58	12.99	1.00	81.92	19.67
Q4FY19	No. of Loans Disb (000)	841.67	47.10	101.75	188.04	15.87	1,194.43
	%Mix	70.47%	3.94%	8.52%	15.74%	1.33%	100.00%
	Amount Disbursed (Rs. Cr)	2,951.78	14.23	133.67	18.80	153.42	3,271.90
	%Mix	90.22%	0.43%	4.09%	0.57%	4.69%	100.00%
	Avg. Ticket Size (Rs.000)	35.07	3.02	13.14	1.00	96.67	27.39
FY19	No. of Loans Disb (000)	2,193.79	606.04	643.52	364.84	37.19	3,845.37
	%Mix	57.05%	15.76%	16.73%	9.49%	0.97%	100.00%
	Amount Disbursed (Rs. Cr)	6,447.18	551.32	845.93	36.48	340.24	8,221.16
	%Mix	78.42%	6.71%	10.29%	0.44%	4.14%	100.00%
	Portfolio (Rs. Cr)	6,087.81	92.77	643.33	9.94	325.48	7,159.33
	%Mix	85.03%	1.30%	8.99%	0.14%	4.55%	100.00%
	Avg. Ticket Size (Rs.000)	29.39	9.10	13.15	1.00	91.49	21.38

Risk Management

Prudent risk management and control framework

GrameenKoota financial services

- ✓ Annual risk management plan formulated comprising major risks identified by management
- ✓ Free and unrestricted access for internal audit team to the Board

Board Oversight

Risk management committee oversight

- ✓ Annual risk management plan formulated comprising major risks identified by management
- ✓ Board and Risk Management Committee oversight on implementation of Annual risk management plan
- ✓ Risks reported to RMC monitored by Head-Risk and management team and quarterly updates provided

Geography selection

- Systematic methodology for selection of new geographies
- Managing geographical risk via contiguous district based expansion
- Continued focus on deep penetration in rural areas characterized by lower competitive intensity

Customer diligence

- Stringent customer onboarding process encompassing 3 layers of checks
- Diligence, KYC and 5 day CGT by loan officer
- Rigorous customer credit evaluation through CB checks, staggered borrowing limits etc.
- Pre-dominant weekly collection to ensure high degree of engagement
- Frequent loan utilization checks
- Dedicated customer grievance redressal Cell

Product design

- Set borrowing limits per loan cycle
- Increase in borrowing limits based on track record and relationship tenure
- Flexible repayment terms
- No penalties on prepayment of loan installments
- Products available to cover potentially every cashflow situation of customers

Business processes compliance

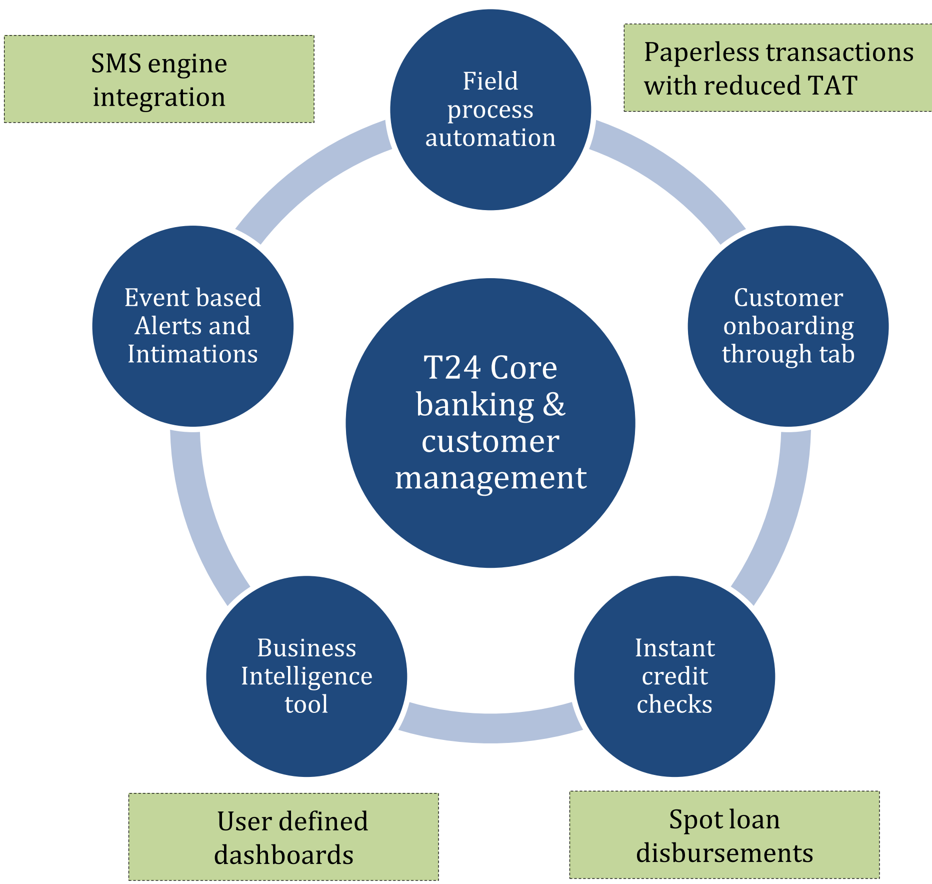
- Branch/Office
  - Internal audits at branches, regional offices and at head office
  - External audit of back-end process at head office
- Employees
  - Recruitment of employees primarily at entry levels and from rural areas
  - No incentives to employees linked to disbursements or collections
  - Rotation of loan officers (annual) as well as branch managers (bi-annual)

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

Information Technology

Information Technology

Key Technology Initiatives



Key Technology Partners

TEMENOS
(Core Banking Solution)

IBM
(Data Centre & Disaster Recovery Infrastructure)

Microsoft
(Email and Collaboration)

SoftwareGroup
(Mobility solution)

iexceed
(End to end insurance claim management)

IceWarp
(Cloud based email solution)

SOPHOS
(Network & Server protection)

SYSFORE
(Audit automation)

Lera Technologies
(Data Warehouse solution)

Power BI
(Business Intelligence Tool)

IMImobile
(Digital customer engagement platform)

TIBCO Jaspersoft
(Business Intelligence & Reporting)


Credit Plus Activities

Community Focus

GrameenKoota financial services

- Client Protection Certification
- 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
- 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	Beneficiaries
2,981	123,969

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	Beneficiaries
4,197	225,210

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^{th}, 9^{th} and 10^{th} 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