

Message from the Managing Director & CEO

I'm happy to present our Quarterly Newsletter for the third quarter of the financial year 2019-20. We've been through many significant developments in this quarter. Our Company has achieved yet another feat by receiving the Microfinance Institution of the Year Award 2019 at the Inclusive Finance India Awards held in New Delhi. I express our sincere appreciation and thanks to HSBC and ACCESS for conferring this prestigious award of the industry. This would not have been possible without the strong and continuous support from our customers and employees, especially those who serve at the field every day. This is significant achievement and the award is dedicated to our Employees and to our Customers.

I am also delighted to share that our Company achieved a major milestone this quarter as we received the approval from the respective board of directors for the acquisition of 11th largest NBFC-MFI, Madura Microfinance Limited into CreditAccess Grameen Limited. This acquisition will further strengthen our Company's leadership position as the largest NBFC-MFI in India. The business integration process between both companies will commence once regulatory approvals are in place. The combined employee base of CreditAccess Grameen and Madura Microfinance will play a very important role in scaling up of our business to the new heights in the coming years and gaining significant market share in the fast-growing microfinance industry.

We had a successful journey in the last decade. As we have stepped into the new decade now, maintaining the same success story amidst the rapidly changing financial landscape will be the most challenging going forward. I am sure, strong will power of our staff, trust of customers, an unstinted support from our board of directors, management team and lenders will help us overcome any new challenge and achieve newer heights for CreditAccess Grameen.

Please join me in this challenging journey into a new decade, let us make the journey enjoyable, successful and memorable. Thank you for your continuous support. Looking forward to your feedback. A Happy New Decade to all our stake holders...!!!

- Mr Udaya Kumar Hebbar

Board approvals for the acquisition of Madura Microfinance Limited

The Board of Directors of Credit Access Grameen Limited (CAGL) and the Board of Directors of Madura Microfinance Limited (MMFL) at their respective meetings held in this quarter have approved the proposal for acquisition of MMFL by CAGL. This acquisition will further strengthen the company's leadership position as the largest NBFC-MFI in India. Credit Access Grameen will achieve superior geographical diversification with stronger competitive positioning, larger business scale, more profound presence, portfolio diversification, better profitability, and operating efficiency with this acquisition. The business integration process between both companies will commence once regulatory approvals are in place.

Visits
19th October 2019: SBI Managing Director (Retail & Digital Banking) visits Credit Access Grameen

State Bank of India's Managing Director (Retail & Digital Banking), Mr. Praveen Kumar Gupta, along with his Karnataka Circle team, has paid a visit to the company Head Office in Bengaluru.

20th November 2019: US Consul General, Chennai Pays Visit to Credit Access Grameen


Mr. Robert Burgess, Consul General of the United States of America in Chennai, paid a visit to Credit Access Grameen recently to familiarize himself with the company's microfinance operations and its social initiatives.

Financial Result for the Third Quarter & Nine Months ended December 31,2019
(INR Crore)

Q3 FY20	Q3 FY19	Shift%	Particulars	9M FY20	9M FY19	Shift%
453.5	350.8	29.3% ↑	Total Income	1,223.3	946.9	29.2% ↑
300.9	235.0	28.1% ↑	Net Interest Income	799.3	620.3	28.8% ↑
145.9	153.7	-5.1% ↓	Profit Before Tax	421.1	380.1	10.8% ↑
108.0	99.8	8.2% ↑	Profit After Tax	304.7	245.4	24.1% ↑
34.8%	31.9%		Cost to Income	36.5%	33.5%	

Growth and Expansion

Particulars	Q3 FY 20	Q3 FY 19	Growth%
Gross AUM	8,872.4	6,085.3	45.8% ↑
No. of Borrowers (in Lakhs)	27.7	22.6	22.5% ↑
Number of Branches	928	659	40.8% ↑
Number of Employees	10,465	7,798	34.2% ↑

Credit Access Grameen participates in Grameen Foundation India's Jobs Conference 2019

Grameen Foundation India, a social impact organization, providing technical assistance to development institutions in India, has conducted a first-ever conference dedicated to the theme of jobs, self-employment, and entrepreneurship on December 9th-10th,2019, in New Delhi. It deliberated on the issues affecting employment in India. Mr. Sundar Arumugam, Head of Strategy and Innovation of Credit Access Grameen, participated on the panel, "Jobs in Financial Services Sector." CreditAccess Grameen was also one of the sponsors of the event. companies will commence once regulatory approvals are in place.

CSR Activities

Health Awareness Campaign

This quarter, we have conducted five health awareness campaigns in partnership with Narayana Health and implemented by our CSR partner, Navya Disha. 841 customers at our Tumkur branch across 72 Kendra's have been screened for Hypertension, Diabetes, Anaemia, BMI, and Oral Cancer. These customers also underwent breast cancer screening by Niramai.

Social Awareness Campaign

In this quarter, 61 social awareness campaigns were held, benefitting around 16,000 customers across the states of Karnataka, Madhya Pradesh, Maharashtra, and Tamil Nadu. These campaigns were addressed by a host of local government officials, district health officers, and leaders.



Tree Saplings

CA Grameen distributed around 44000 plant saplings from April 2019 to Dec 2019 in social awareness campaigns and Sugrama programs. This quarter, we have provided 8500 saplings through 61 social awareness campaigns.



Collaborative Leadership Programs

The Company has conducted 4 Collaborative Leadership Programs in various part of the country, attended by 124 Area Managers.

Credit Access Grameen awarded with Micro Finance Organization of the Year Award 2019

Credit Access Grameen has achieved yet another feat by receiving the Micro Finance Organization of the Year Award 2019 at the Inclusive Finance India Awards 2019 held in New Delhi. This award is an initiative of ACCESS, institutionalized in partnership with HSBC India.

Mr. Udaya Kumar Hebbar, who received the award on behalf of Credit Access Grameen family, said: "The brand Grameen Koota is built with the trust of over 26 lakh women borrowers from low-income households and the dedicated services of over 9000 employees from rural India." "This award rightfully goes to all our borrowers and employees," he added.



CASE STUDY

Giving wings to one's dreams

Ms. Kautika hails from Waraseoni district in Madhya Pradesh. She and her husband are among the few families who have strived to preserve the ancient form of the Chanderi weave. The paucity of working capital forces many such artisans to work as daily wage laborers on their looms earning a meagre INR 250 per day. "It was so difficult for us to make ends meet." They always felt they could earn more if they purchased raw material in bulk and sold the finished products in the market.

After learning about Credit Access Grameen's microfinance program, Kautika joined the group and availed an Income Generation Loan from CreditAccess Grameen. The collateral-free, easy to access and low-cost nature of the microloan allowed her to work independently. She could now purchase raw material in bulk and sell the finished products in the market, fetching better profits. "We make 10-15 Chanderi Sarees every month, earning a profit of 10,000 to 18,000 rupees after expenses," says Kautika.

"We are delighted we could eliminate the role of a contractor with the help of income generation loan from CreditAccess Grameen," she added.



Financial Products



Micro Finance



Retail Finance

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