

QUARTERLY NEWSLETTER – Q3

OCTOBER-DECEMBER 2021

Message from MD & CEO

CreditAccess Grameen witnessed significant improvement in the financial performance during the third quarter backed by sustained business momentum and consistent improvement in asset quality. We have reclaimed our quarterly PAT of more than INR 100 crore after 2 years.

I am happy to inform you that we have been again certified as "Great Place to Work" successively for the third time. This reinforces our strong work culture, employee morale, and commitment to reach greater heights in the future.

We continue to maintain our focus on foraying into newer rural markets as a part of our geographical diversification strategy and tap the unserved and underserved markets. A total of 204 branches have been opened during the last calendar year, primarily across the newer markets.

While the country did face temporary challenges on account of the Omicron variant during January, our business remained unaffected without any disruptions. The institution achieved a major milestone with our consolidated loan portfolio crossing the USD 2 billion mark in January.

The government has made its stance clear during the Budget 2022-23 with capital expenditure push and inclusive development agenda being the drivers of creating long-term job opportunities for millions of low-income households. Given our strategic position of deep rural presence, we are proud to partner in this growth journey and contribute towards the next level of the capital creation story of Bharat.

- Mr. Udaya Kumar Hebbar

CXO Box: CFO Interview



"We have fine-tuned our processes over the years that helped us weather various odds." - Mr. Balakrishna Kamath, CFO, CA Grameen

Read the excerpts from the interview

Q1) We have crossed the remarkable \$2 billion portfolio mark. Can you highlight the strategies adopted to reach this feat?

We have achieved the \$2 billion feat fuelled by both organic and inorganic factors. In the organic space, our contiguous district-based expansion model has enabled cost-effectiveness and excellent operational controls. We are expanding to newer rural geographies, especially to Northern states (Bihar, Madhya Pradesh, Rajasthan, Uttar Pradesh, & Jharkhand) where we see immense potential. Our affordable products based on the 'credit line' concept help us to keep a rigorous check on the credit history & indebtedness level of our client base and maintain a high portfolio quality.

We are a pioneer to undertake an inorganic growth route in the MFI space through the acquisition of MMFL, a good cultural fit that helped us cement our leadership position in the Indian microfinance market.

Q2) In your view, how have we overcome the challenges given CA Grameen has disbursed over Rs.54,000 crore since

last decade in a bid to contribute to the capital creation story?

We have an advantage of a solid parent group 'CreditAccess India N.V.' who supported us through thick and thin since 2009. They helped us provide capital at various courses of our journey and continuous support from our lenders who always reposed faith in us. It is further supported by the relentless effort of our employees who helped the company to grow even in difficult times.

We received seed funding from Grameen Trust, which laid the foundation of the microfinance model across the world. We have fine-tuned our systems and processes over the years to create a resilient model. This has helped us weather various odds and remain stick to our vision of serving the bottom of the economic pyramid in a most affordable manner.

Q3) How do you foresee funding from foreign channels to mitigate unsystematic risk?

We have set a goal of sourcing 30% of funding from foreign sources by FY 2025 which currently stands at ~10%. We are working on all the necessary steps to increase the stable and diversified long-term international borrowings helping us maintain ALM positive mismatch, diversify country risk and free up our cash flows to fuel the growth.

Brief Synopsis of our Financial Results for the Third Quarter FY 2021-22

Particulars (Cr)	Q3 FY 22	Q3 FY 21	% Change
Total Income	689.7	543.0	27.0 ↑
NII	412.0	304.1	35.5 ↑
PPOP	273.5	170.3	60.6 ↑
PAT	117.0	79.1	247.9 ↑

Growth and Expansion

Particulars	Q3 FY 22	Q3 FY 21	% Change
Gross AUM (Cr)	14,587	12,321	18.4 ↑
No. of Borrowers*	37.39	39.06	4.3 ↓
No. of Branches	1,593	1,389	14.7 ↑
No. of Employees	15,483	14,704	5.3 ↑

*3.91 lakh clients have been written-off during trailing 12 months

New Launch: Grameen Swarna and Grameen Vikas Loans



The company launched Grameen Swarna Loan – a gold loan scheme up to Rs 3 lakhs for its existing customers at its Kanakapura - Retail Finance Branch on Dec 06, 2021. Customers can now avail

the loan for a multitude of purposes like business, agriculture allied, education, medical, festival, personal expenses, etc.

The company has also launched Grameen Vikas – open market loans up to Rs 20 lakhs for business and personal requirements. The loans could be availed for purchasing machinery, expanding businesses, fulfilling children's education requirements, pre-closure of any outstanding loans, etc.

Anganwadi improvement programs launched



CA Grameen has instituted a branch-level community development project, "Anganwadi Improvement Program" to strengthen the existing infrastructure at select

Anganwadis. The pilot phase of the project was launched on 15th and 16th November 2021, at the Tumkur, Magadi, and Jigani areas of Karnataka. Through this program, the company distributed 60 baby chairs, 12 side chairs, and 6 playmats to over 87 beneficiaries. In the following months, the company will extend similar community development programs to other Anganwadis that require assistance, in its select operating areas across India.

ICU equipment worth 5.6 lakhs donated to the District Hospital in Davanagere.



CA Grameen donated ICU equipment worth INR 5.6 lakhs including, ICU cots, side tables, and crash carts to the Chigateri District Hospital, Davanagere, Karnataka,

in an event conducted on Oct 08th, 2021. Dignitaries including District Collector Mr. Mahantesh Bilagi, IAS, District Health Officer (DHO) Dr. Nagaraj, Lead District Manager Mr. Shusruth, Superintendent and Surgeon of Government Hospital Dr. Jayaprakash, other Government officials, representatives of Dr. Sachidananda Memorial Education Trust, etc. graced the occasion. Some of our customers who were present at the event handed over the equipment to the hospital on our behalf.

COVID-19 Response

A Brief Synopsis of Our COVID-19 Relief Efforts for the Third Quarter FY 2021-22

Activities	Q3 - No. of Kits Distributed	Cumulative No. of Kits (Q1-Q3 for FY 2021-22)	Q3- No. of Beneficiaries	Cumulative No. of Beneficiaries (Q1-Q3 for FY 2021-22)
Health and/PPE Kits	112	29,026	6,050	4,87,602
Equipment	34	1,550	64	16,063
Total	146	30,576	6,114	5,03,665

COVID-19 Community Vaccination Drive in Maharashtra

In association with Zila Parishad, Aurangabad, and Jeevika Health Pvt Ltd, CA Grameen facilitated a COVID-19 Community Vaccination Drive in Khuldabad, Maharashtra. Around 2557 beneficiaries availed vaccination in the drive. The company has also launched a mobile vaccination van equipped with a doctor, nurse, attender, driver, and a community mobilizer to further strengthen the vaccine management process.

Medical relief camp facilitated in flood-affected Bihar

CA Grameen collaborated with MFIN, an industry consortium of RBI-regulated microfinance institutions, to organize free medical relief camps for the flood victims in Bettiah and Lakhisarai districts of Bihar. The events were organized on 08th and 09th Oct 2021, to provide immediate medical relief to the flood-affected communities and educate them on safe drinking water and sanitation. About 515 beneficiaries availed treatment through these camps.

Building a Progressive Life: Neelamma's Story of Hard Work and Determination



Mrs. Neelamma, a resident of Tumkur, lives with her husband, son, and daughter. She runs a tea shop for a living and has been a CA Grameen customer for 15 years now. Life had turned upside down for Neelamma and her family when her husband, Mr. Manjunath met with an accident 15 years ago. Manjunath was the sole earning member of the family and the accident rendered him unable to work.

The family's responsibility fell entirely on Neelamma's shoulder and she had to find out a way to support her family. It was then, she resorted to CA Grameen which was already operating in her village. At first, she availed a loan of Rs 7,000 to buy raw materials required to set up her tea shop.

As her business accelerated, she gradually started to avail higher loan amounts up to Rs 80,000. She says, "With the progress in our business, our life has improved a lot. We were even able to purchase our own house." Apart from business loans, Neelamma has also availed education loans from the company to support her children's education.

Sharing her opinion about the company, she remarks, "CA Grameen offers a bouquet of loan to help us meet several life-cycle needs. Be it for availing tap water connection, toilet construction, festive expenses, or even emergency needs. I have availed loans for toilet construction and with a private toilet on my premises, I am saved from the ill-effects of open defecation. Thanking the company, she adds, "I feel proud to be associated with CA Grameen and look forward to more fruitful years."

Our Financial Products



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