

QUARTERLY NEWSLETTER
JANUARY - MARCH 2019
Message from the Managing Director & CEO

Financial year 2018-19 will always be remembered as a 'Historic Year' in the life of team CreditAccess Grameen. The Year started with final lap of our IPO journey and we successfully listed on both stock exchanges on August 23, 2018. Historic event thus achieved has resulted in making ourselves responsible to the public market, taking much larger responsibility towards minority shareholders, institutional investors, new regulators, and as always to our esteemed women customers and our ever-supporting employees. I am sure, the responsible governance framework we have been practicing for long will continue to guide us to meet the expectation of all our stakeholders.

Challenge of liquidity crisis was in front of NBFCs within few weeks of listing and our philosophy of diversified liability management was tested successfully. A positive ALM mismatch thanks to significant long-term funding sources from International Lenders and domestic Financial Institutions and continued support from existing banks ensured sufficient liquidity for our planned growth. Additionally, we have been active participants in securitisation and direct assignment deals while diversifying our funding sources. In summary, we did not face any liquidity issues for our business.

Two major natural disasters, floods in Kerala and Coorg in Karnataka as well as Gaja Cyclone in Tamilnadu impacted some of our customers. Our employees made every efforts to support our customers in the hour of need and our committed customers once again demonstrated their resolve to overcome such disasters on ground and continued to maintain strong credit discipline. I salute the resilience of our women customers for their unhindered courage in the face of such disasters.

As usual, Q4 witnessed fantastic growth and our borrower base increased by 2.1 lakhs, and our Gross AUM grew by 17.6% from Rs 6,085 crs in Dec'18 to Rs 7,159 crs in Mar'19.

We at CAGL continue our journey towards greater heights and look forward for exciting financial year 2019-20.

- Mr Udaya Kumar Hebbar

CreditAccess Grameen donates sewing machines to women

CreditAccess Grameen donated 90 sewing machines to women belonging to families impacted by untimely loss of their main bread earner in Maharashtra to enable them to start their own unit and support their families economically.

Government officials from District and Tahsil (Sub-division) level participated in a ceremony to hand over the sewing machines to the beneficiaries from Dhule, Sakri, Shirpur and Sindkheda. Dignitaries present at the event included:

Dhule: Mr Rahul Rekarwar, District Collector, Dhule and Mrs S K Shaik, District Justice, Dhule

Sakri: Dr. Nandkumar Besde, Depute Collector, Dhule and Mr Sandip Bosle, Tahsildar

Shirpur: Mr. CS Desmuke, Tashildar, Shirpur

Sindkheda: Mr Saheb Rao Sonavane, Tashildar, Sindkheda


Social Awareness Campaign organized for customers

In the last quarter of the FY 2018-19, 55 Social Awareness Campaigns were held benefitting around 17,000 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.

Health Awareness and Well-Being Camp for employees at the branches

Health Awareness and Well-Being Camps were conducted for employees of CreditAccess Grameen in 221 branches this quarter. The camp was conducted in association with Medi Assist. As part of the camp, more than 2500 employees underwent free physical examination and diagnostic tests.

Financial Result for the Fourth Quarter and FY 2018-19
(INR Crore)

Q4 FY 19	Q4 FY 18	Shift%	Particulars	FY19	FY18	Shift%
336.4	250.4	34.4% ↑	Total Income	1,283.3	871.5	47.2% ↑
202.9	151.9	33.6% ↑	Net Interest Income	770.8	455.5	69.2% ↑
117.6	110.6	6.3% ↑	Profit Before Tax	497.7	328.2	51.6% ↑
76.3	71.7	6.4% ↑	Profit After Tax	321.8	212.5	51.4% ↑
35.2%	36.0%	-0.8% ↓	Cost to Income	33.9%	39.2%	-5.3% ↓

Growth and Expansion

Particulars	FY19	FY18	Growth%
Gross AUM	7,159.3	4,974.7	43.9% ↑
No. of Borrowers (in Lakhs)	24.7	18.5	33.4% ↑
Number of Branches	670	516	29.8% ↑
Number of Employees	8,064	6,306	27.9% ↑

CreditAccess Grameen appoints Chief Operating Officer and Head- New Business & Innovation

Mr. Venkatesh Prasad has joined CreditAccess Grameen as Chief Operating Officer. Prior to taking on his new role, Mr. Prasad was the Chief Business Support Officer at CreditAccess Asia, Bangkok.

Mr. Prasad comes with rich leadership experience from previous stints such as Executive Director and CFO of Lakshmi Electrical Control Systems Limited; as Director and CEO of SLET AG, Singapore; and CFO at Polyflex Industries.

The Company has also appointed Mr. Sundar Arumugam as the Head - New Business & Innovation. Mr. Arumugam was earlier the Head of Business Innovation at CreditAccess Asia, Bangkok. He was part of the start-up team at Equifax India and was instrumental in setting up the microfinance bureau for the company, leading the business unit for 4 years. He started his career with Infosys Technologies where he spent 7 years and was associated with Genpact for around 3 years.

CreditAccess Grameen represented in IRR's CEO Round Table

Mr. Udaya Kumar Hebbar, MD & CEO, CreditAccess Grameen participated in the CEO Round Table 2019 Bengaluru Edition hosted by India Ratings & Research (IRR) on 28th February 2019. IRR presented the Credit Outlook for FY20 which was followed by a Round Table discussion between CEOs and CFOs of various companies across industries including NBFCs, MFIs, Infrastructure, Steel, Real Estate etc. The discussion revolved around recent developments in the global environment and their impact, current liquidity situation in the domestic market and various challenges around growth, investments and risk that Corporate India will have to deal with during the next year.

CreditAccess Grameen re-certified in Client Protection Principles

CreditAccess Grameen has been re-certified as being compliant with standards of Client Protection Principles. According to the award citation, "this certifies that CreditAccess Grameen Limited has been evaluated according to the standards of the Client protection certification program and found to take adequate care to implement Client Protection Principles as promoted by the Smart Campaign." The Smart Campaign embodies a set of core principles for the treatment of clients - the minimum standards that clients should expect to receive when doing business with a financial institution.

In their communication to the Company, Smart Campaign stated, "This achievement demonstrates the continued and strong commitment from management to promote growth and institutional development within a client protection framework."



CreditAccess Grameen Celebrates International Women's Day on March 8

CreditAccess Grameen celebrated International Women's Day on 8th March 2019 at their head office in Bengaluru and at many branches across the operational areas. The Company also organised an essay competition exclusively for Women employees titled "The Power Starts with You". Customers also received a special "Women's Day message" under the 'Jagruti' initiative, to recognize and respect the role of women in society.

CASE STUDY

Manjula and Nagaveni: Charting own path to success

Manjula, a customer of CreditAccess Grameen and her daughter Nagaveni, hailing from a rural area in Tumkur (Karnataka), chose a path of entrepreneurship.

A few years ago, Nagaveni started an eco-friendly plate making unit but had to shut it down due to challenges of labour, electricity and capital. She joined a company as a HR assistant, but she was not happy with the job. She knew the potential of running her own business could be financially rewarding apart from being her own boss. But she needed capital to purchase an additional machine to restart her eco-friendly plate making unit.

As her mother is a customer of CreditAccess Grameen, she learnt that the Company offers business loans to support aspiring entrepreneurs like her. She asked her mother to apply for a business loan. Encouraged by the daughter's determination, her mother applied for and receive a loan of INR 1 lakh from Retail finance, an individual lending unit of CreditAccess Grameen. With this loan, Nagaveni not only restarted her unit but grew the business by increasing production, leading to increase in profits. The

enterprising mother-daughter duo is now successfully running their business of eco-friendly plates. Best of all, they have created employment opportunities in the village by employing local women in their unit.

"CreditAccess Grameen proved to be life changing for our household", they say. Availing loans from CreditAccess Grameen has provided them an impetus to realize their entrepreneurship goals.

Leading a successful life now, Manjula and Nagaveni dream of expanding their business. This mother-daughter duo, with their sheer hard-work and courage proved their mettle and are a shining example of woman entrepreneurship and success despite the many odds they faced.



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