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AND  
SOCIALY  
RELEVANT**



CreditAccess Grameen Limited

Corporate Presentation

June 2022

[www.creditaccessgrameen.in](http://www.creditaccessgrameen.in)

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# Quick Snapshot

- One of the Leading NBFC-MFIs in India
- Joint Liability Group (JLG) based lending model focused on rural women
- Diverse product suite catering to entire customer life cycle
- Calibrated, contiguous district-based expansion strategy focusing on deep rural penetration
- Superior customer service resulting in high customer retention
- Track record of consistently delivering high growth as well as financial performance

## Consolidated Financial and Operational Snapshot (March 2022)

GLP	Total Equity	PAT (FY22)	GNPA (@ 60+ dpd) / Provisioning	ROA / ROE (FY22)	CRAR (Standalone/ Consolidated)
INR 16,599 Cr	INR 4,076 Cr	INR 357 Cr	3.61% / 3.44%	2.2% / 9.1%	26.5% / 22.8%



**38.24 Lakh**  
Active Borrowers



**1,635** Branches  
**319** Districts



**15,667** Employees  
**10,770** Loan Officers



**84%**  
CA Grameen Borrower Retention Rate

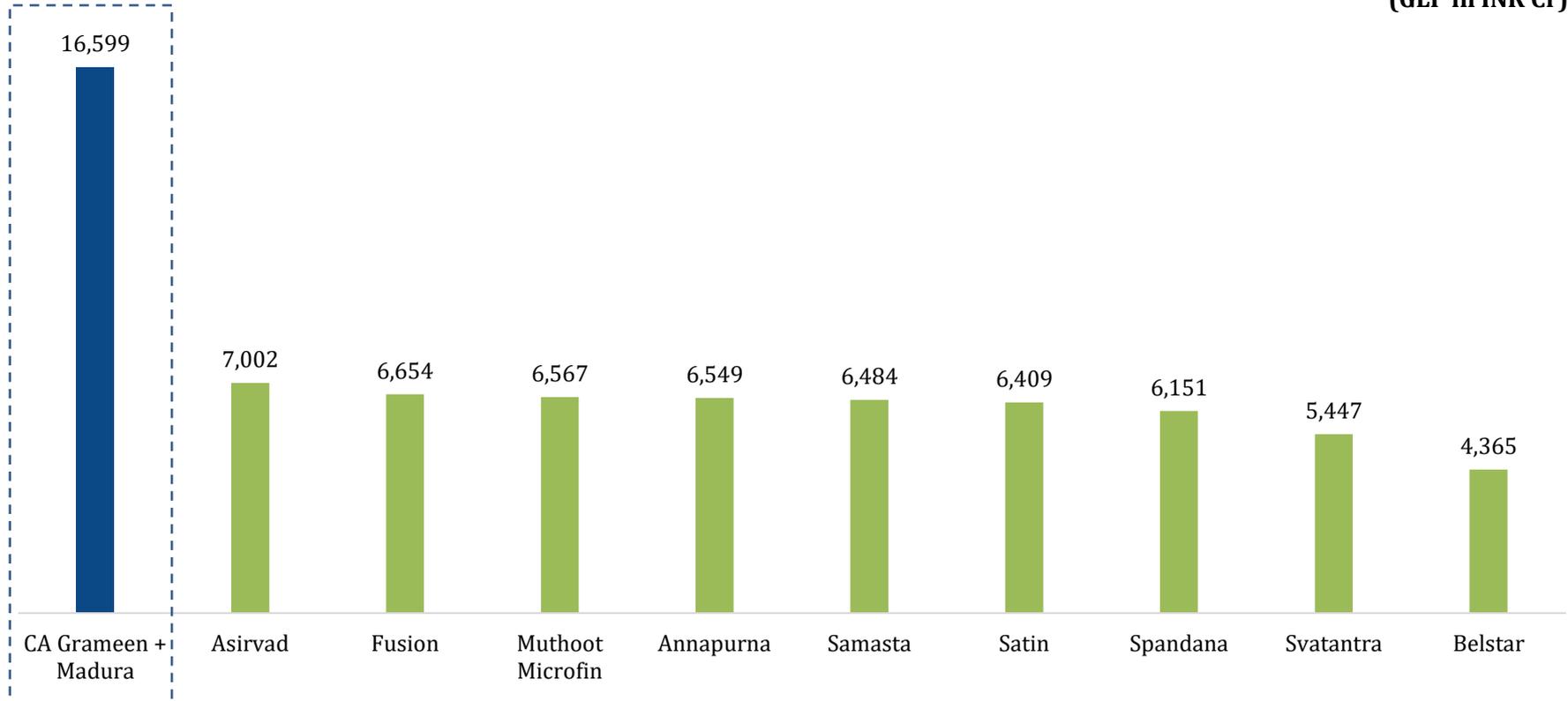


**INR 43.4K**  
Avg. O/S Per Borrower

Uniquely Positioned to Capitalise on the Highly Underpenetrated Credit in Rural Areas

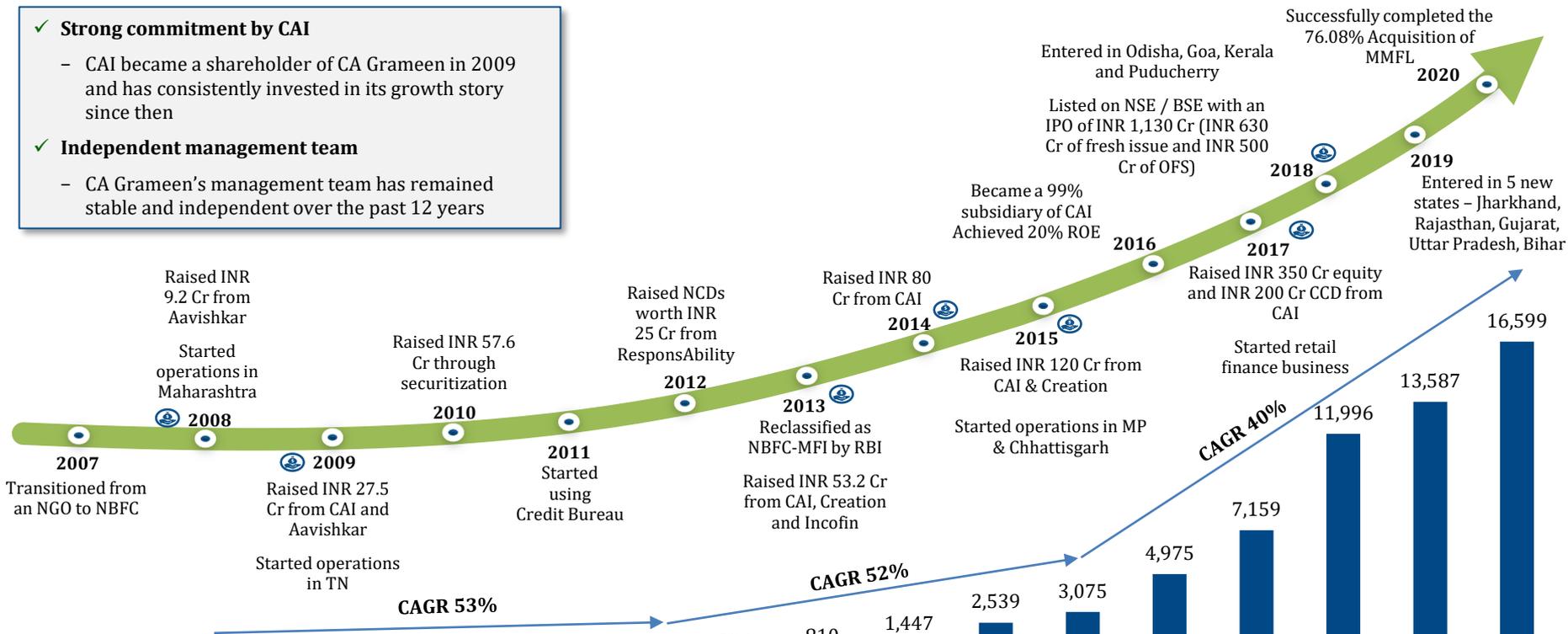
## CA Grameen is the Largest NBFC-MFI in India

(GLP in INR Cr)



# Key Milestones

- ✓ **Strong commitment by CAI**
  - CAI became a shareholder of CA Grameen in 2009 and has consistently invested in its growth story since then
- ✓ **Independent management team**
  - CA Grameen's management team has remained stable and independent over the past 12 years



GLP (INR Cr)	46	83	181	330	251	381	524	810	1,447	2,539	3,075	4,975	7,159	11,996	13,587	16,599
<b>Consolidated</b>	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
Branches	44	51	82	146	215	168	161	176	238	298	393	516	670	1,393	1,424	1,635
Borrowers ('000)	83	118	212	353	323	314	347	520	845	1,196	1,450	1,851	2,470	4,055	3,912	3,824

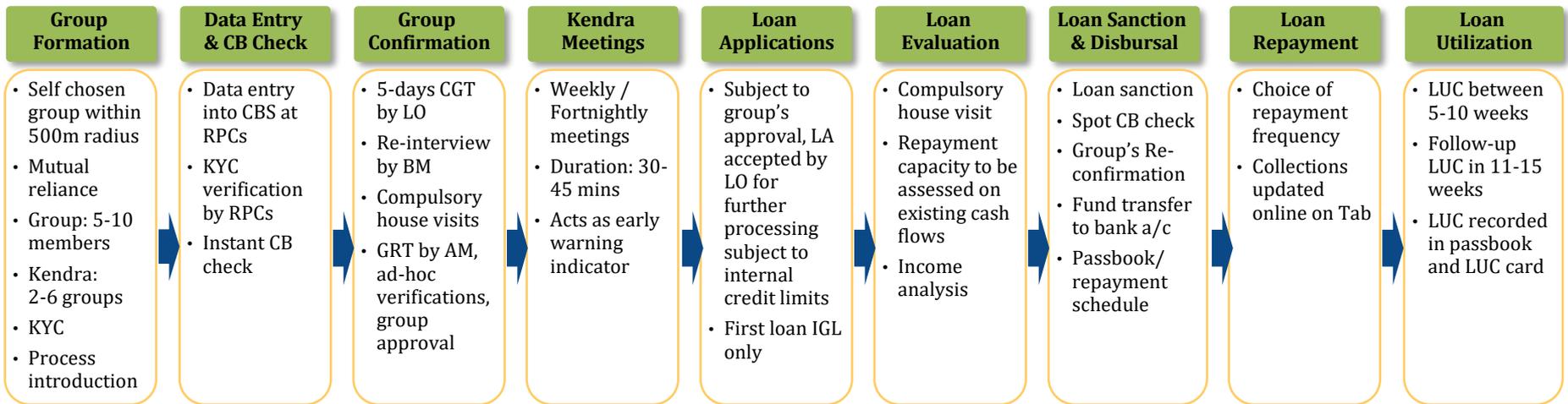
# Committed To Basics Through Classical JLG Lending Model

**Microfinance loans are unsecured. JLG mechanism acts as security/ loan collateral**

JLG Benefits:

- ✓ Strong group bonding
- ✓ Mutual support – both financial & emotional
- ✓ Guidance & grievance resolution
- ✓ Building awareness – Jagruti initiative
- ✓ High quality customer – good behaviour & strong credit discipline

## JLG Mechanism allows Multiple Layers of Checks before and after disbursement of loan



Note: CB: Credit Bureau, CBS: Core Banking System, RPC: Regional Processing Center, CGT: Compulsory Group Training, LO: Loan Officer, BM: Branch Manager, AM: Area Manager, LA: Loan Application, LUC: Loan Utilization Check

# Focus On Customer Centricity, Loyalty & Retention

“Credit Line Concept: Multiple Products with Repayment Flexibility” – Unique Feature in the MFI Industry across the globe

✓ **One of the lowest lending rates in the MFI industry**

✓ **Diverse product suite:**

- Income generation, education, festival, medical, emergency, water, sanitation, home improvement, livelihood improvement, business expansion

✓ **Loan size flexibility:**

- Ability to borrow as required within assigned credit limit
- Ability to avail multiple loans with flexible size

✓ **Repayment flexibility:**

- Weekly/ bi-weekly/ monthly repayment options
- Ability to choose repayment frequency based on cashflow cycle
- No pre-payment penalty

Loan Type	Customer Centric Products	Purpose	Ticket Size (INR)	Tenure (months)
Group	Income Generation Loan (IGL)	Business Investments and Income Enhancement activities	5,000 - 100,000	12-36
Group	Home Improvement Loans	Water Connections, Sanitation and Home Improvement & Extensions	5,000 - 50,000	12-48
Group	Family Welfare Loans	Festival, Medical, Education and Livelihood Improvement	1,000 - 15,000	3-12
Group	Special Situation Loans	Emergencies	2,000	6
Group	Emergency Loans	Emergencies	1,000	3
Individual	Retail Finance Loans	Purchase of inventory, machine, assets or for making capital investment in business or business expansion	Up to 5,00,000	6-60

**High customer satisfaction**  
84% Borrower retention rate

**Sustainable & Socially Relevant**

**Significant growth from existing customer**

**Lower customer acquisition cost**

# Calibrated Expansion Through Contiguous District-Based Approach



Systematic geography selection based on availability of infrastructure, competition, historical performance trend, social/ economic/ political/ climate risk, growth potential



Ensures consistent replication of processes/ controls



Familiarity with demographics/ culture of nearby districts enables effective customer evaluation and better servicing



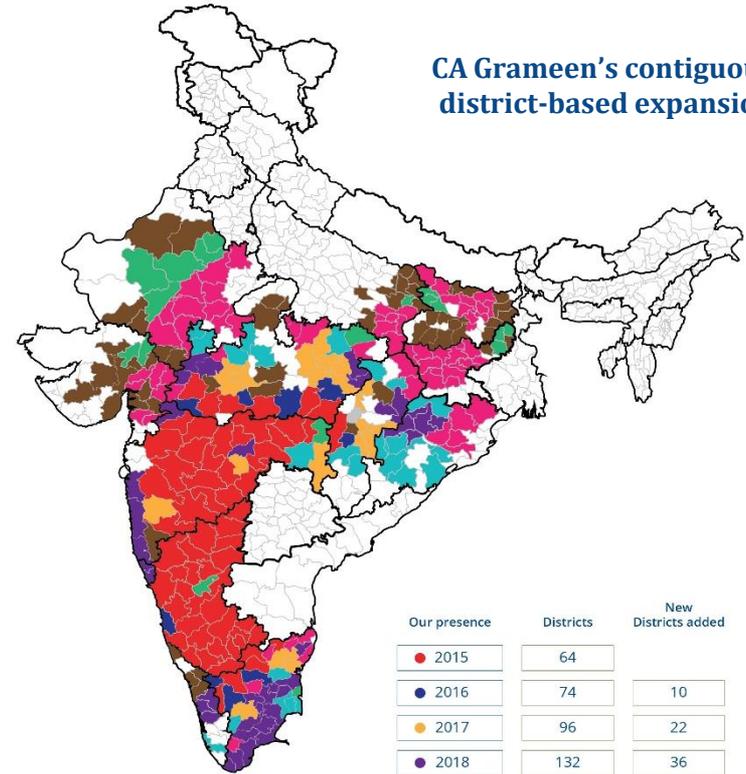
Achieving deeper penetration within a particular district within three years of commencement of operations



Gradual expansion into the next (typically adjoining) district



Lower exposure to a particular district (99% of districts  $\leq$  2% of GLP, No single district has > 4% of total GLP)

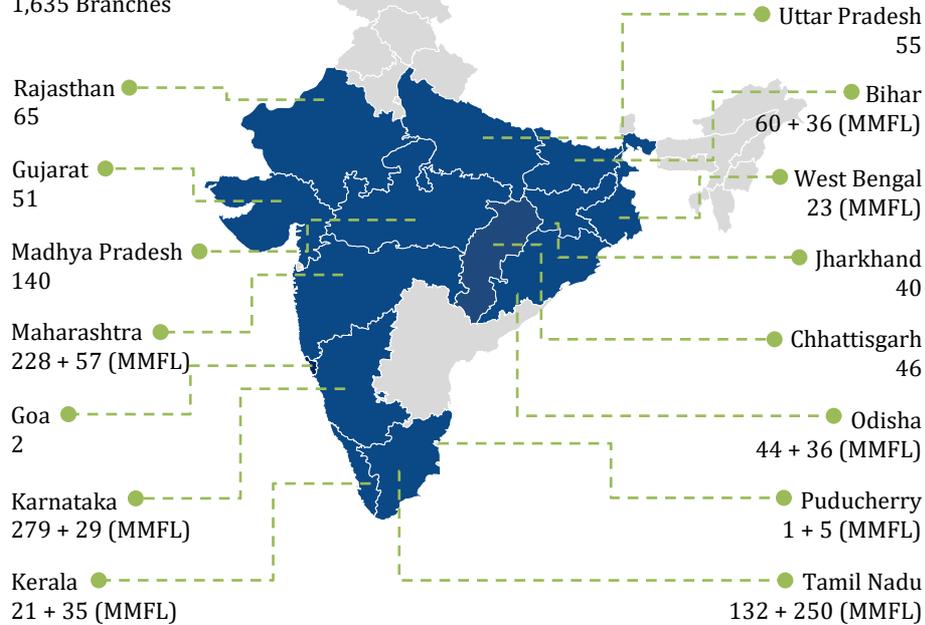


Our presence	Districts	New Districts added
● 2015	64	
● 2016	74	10
● 2017	96	22
● 2018	132	36
● 2019	157	25
● 2020	230	73
● 2021	247	17
● 2022	301	54

# Well-Diversified Presence Across India

## Our Presence as on Mar-22

14 States & 1 UT  
319 Districts  
1,635 Branches



### Diversification Trend

	Mar-18	Mar-20	Mar-22
<b>Branches - % Share</b>			
Top 3 States	80%	69%	60%
Others	20%	31%	<b>40%</b>
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

	Mar-18	Mar-20	Mar-22
<b>Borrowers - % Share</b>			
Top 3 States	88%	81%	73%
Others	12%	19%	<b>27%</b>
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

	Mar-18	Mar-20	Mar-22
<b>GLP - % Share</b>			
Top 3 States	92%	84%	78%
Others	8%	16%	<b>22%</b>
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Q4 FY22 Consolidated	Branches	% Share
Karnataka	308	18.8%
Maharashtra	285	17.4%
Tamil Nadu	382	23.4%
Madhya Pradesh	140	8.6%
Other States & UT	520	31.8%
<b>Total</b>	<b>1,635</b>	<b>100.0%</b>

Borrowers ('000)	% Share
1,077	28.2%
792	20.7%
911	23.8%
312	8.2%
731	19.1%
<b>3,824*</b>	<b>100.0%</b>

GLP (INR Cr)	% Share
5,964	35.9%
3,568	21.5%
3,458	20.8%
1,224	7.4%
2,385	14.4%
<b>16,599</b>	<b>100.0%</b>

\* Excluding 27,690 Common Borrowers

## Well-Established Operational Structure



## Multi-Pronged Approach For Risk Management

- ✓
**Internal Audit (IA):**
  - IA frequency – 6 times in a year at branches, 4 times at RO, 4 times at HO
  - The entire audit process is automated enabling real-time data analytics
  - The Audit Committee of our Board is updated every quarter on significant internal audit observations, compliances, risk management practices and control systems
  
- ✓
**Quality Control (Business Support):**
  - Fort-nightly branch visits
  - Complements internal audit function by early identification of operational risks
  - Branch sanitization, fraud investigation, PAR investigation, support new business expansion
  
- ✓
**Field Risk Control (FRC):**
  - FRC adds strength to proactive operational risk management
  - FRC complements the field operations supervision, quality control and internal audit function

## Ensures Quick And Seamless Delivery of Need Based Financial Products and Services backed by Robust Technology Infrastructure



### High touch-high tech delivery model:

- Digitized all customer touchpoints
- Field force equipped with handheld tabs for managing kendra meetings & collections
- Automated/ paperless customer on-boarding, faster KYC, and instant CB checks
- Lower TAT, same day and on-field loan disbursements
- Geotagging of kendra locations to optimize field visits
- Cashless disbursement / digital repayment options for customers
- Robust CBS to support innovative product features, enhanced data analytics for anticipating future trends
- Strong tech-enabled internal audit, risk and control systems to enable real-time field risk monitoring

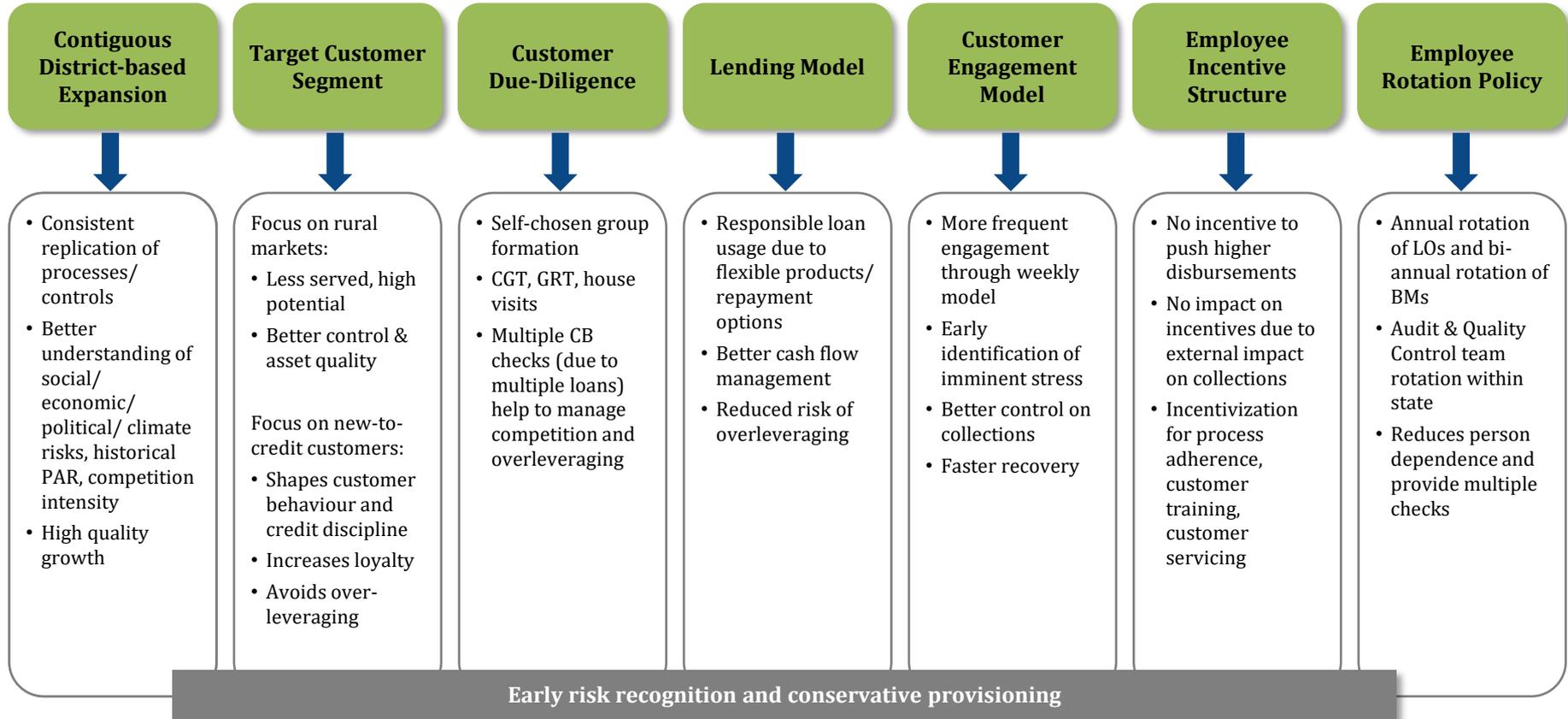


### Future Upgrades & Investments

- Upgradation of CBS to the latest version over next 18-24 months to enable higher business scalability
- Investment in Enterprise Service Bus and Microservices Architecture will allow us to be more agile and connect seamlessly with external financial and fintech ecosystems
- Enhancement of existing mobility apps including automation of entry through image reading, single platform for all apps
- Extension of workflow capabilities for process automation and more RPA enabled processes for faster processing
- Active exploration of partnerships with fintech players to implement innovative digital solutions
- Investment in zero code platforms and tools leading to faster implementation of new technologies

# Integrating Risk Management In Every Operating Process

Microfinance is a Collection Business, hence Risk Management is Integral to Core Strategy and Operating Processes





## Committed to Micro Finance Business

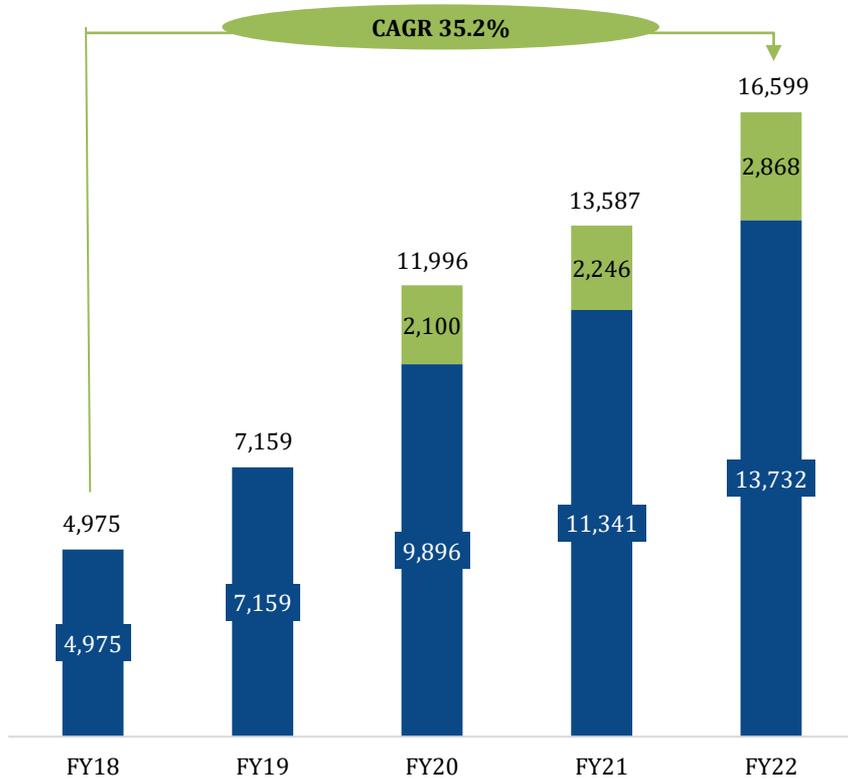
- CreditAccess India N.V. (CAI) specialises in Micro and Small Enterprises financing
- Widely held shareholding base: 253 shareholders
- Olympus ACF Pte Ltd. 15.4%, Asian Development Bank 8.7%, individuals/HNIs/Family Offices 75.9%
- Headquartered in Amsterdam, The Netherlands

## Strong Financial Support

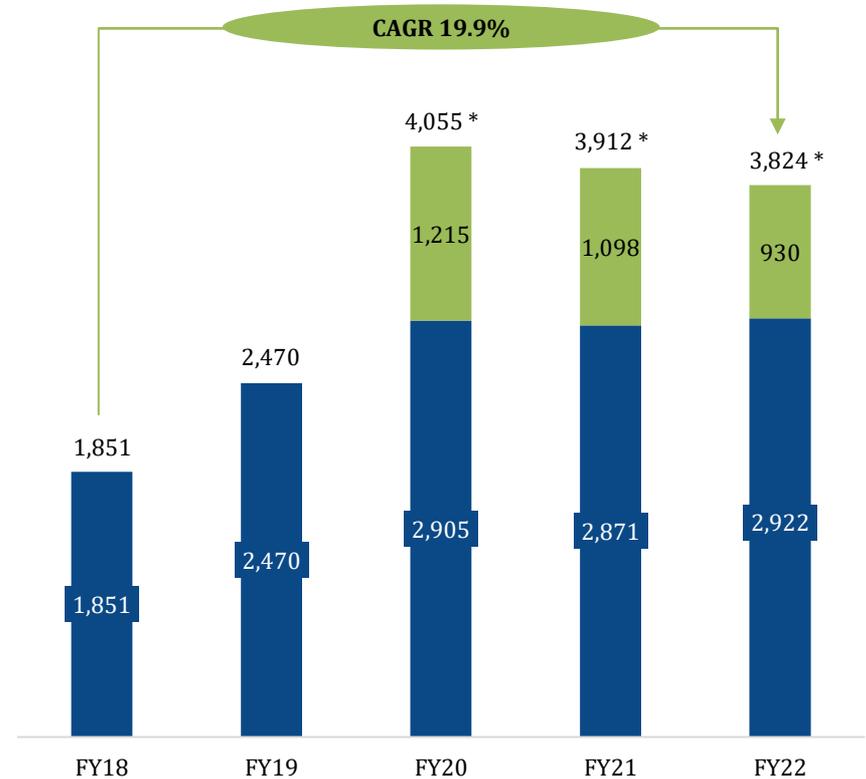
- Invested through multiple rounds of capital funding along with secondary purchase during 2009 to 2017
- Displayed trust in our business model post demonetisation by infusing INR 550 Cr in FY17
- Provides access to global fundraising opportunities leveraging CAI's network and relationships
- Holds 73.85% in CA Grameen, committed to holding up to the regulatory requirement in future

# Strong Performance Track Record (1/3)

**Gross Loan Portfolio (GLP) (INR Cr)**



**Active Borrowers ('000)**



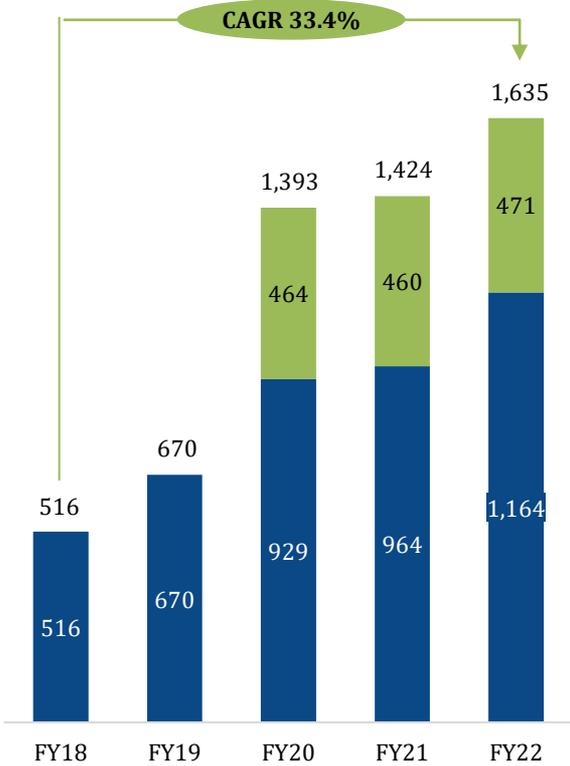
■ CA Grameen    ■ MMFL

\* Excluding Common Borrowers

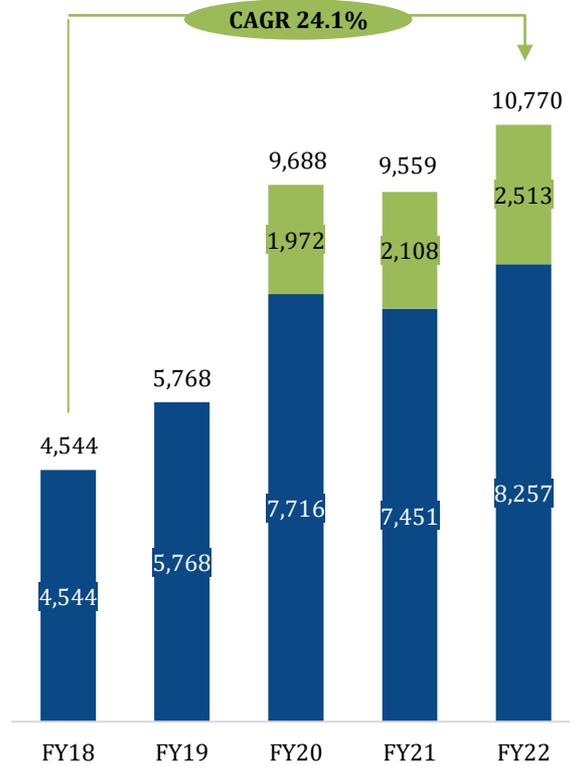
# Strong Performance Track Record (2/3)



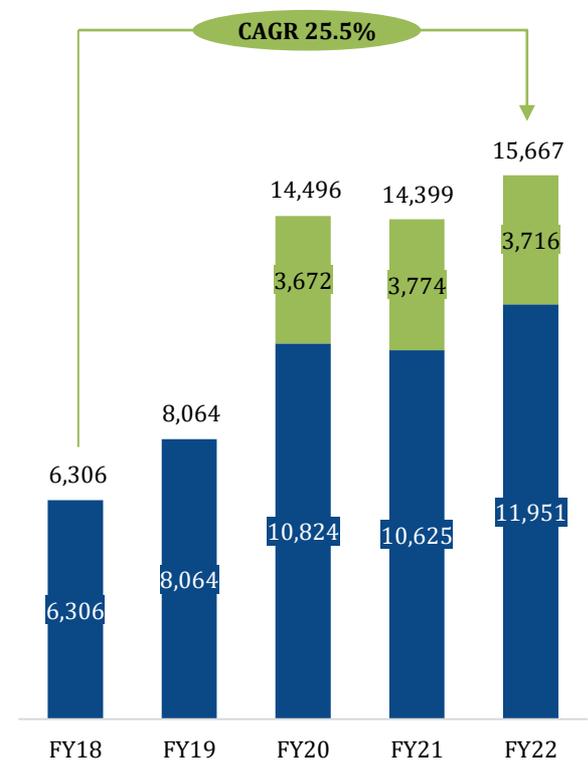
## Branch Network



## Loan Officers



## Employees

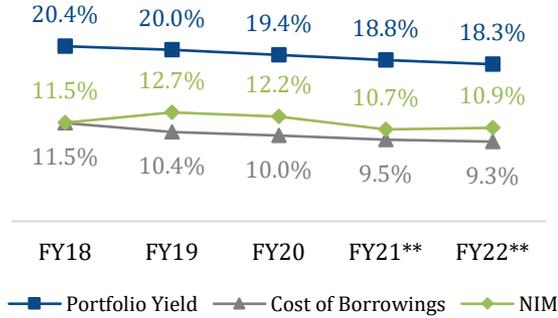


■ CA Grameen ■ MMFL

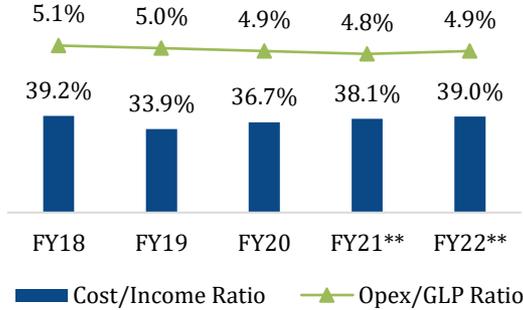
# Strong Performance Track Record (3/3)

Note: Refer Annexure for definition of key ratios

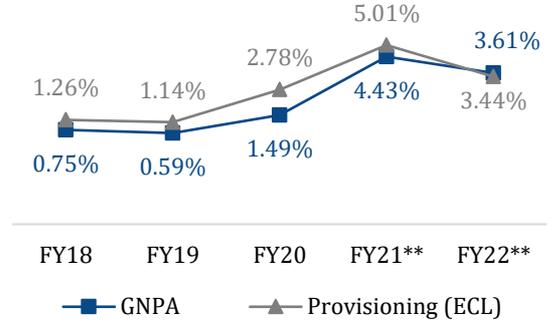
## Margin Analysis (%)



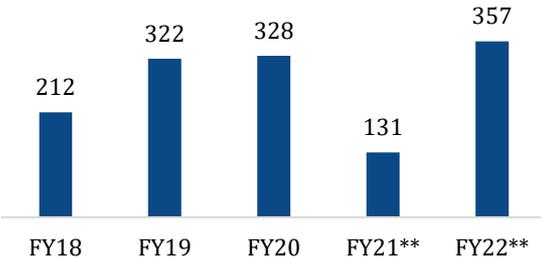
## Operating Efficiency (%)



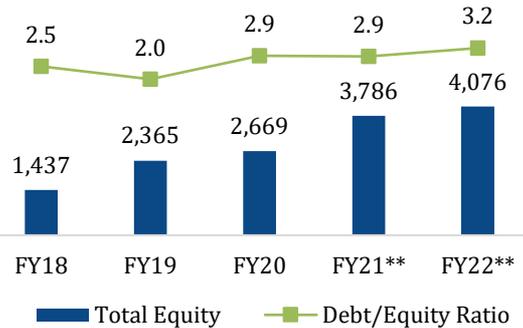
## Asset Quality (%)



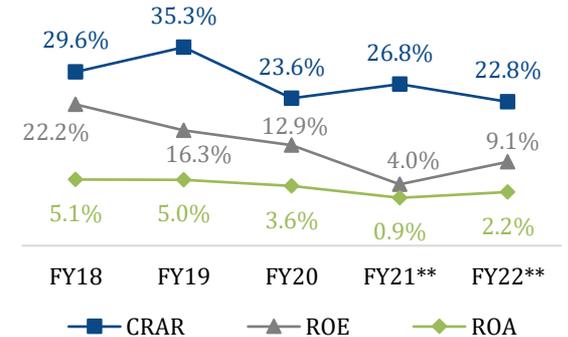
## PAT (INR Cr)



## Total Equity (INR Cr) & Debt/Equity Ratio

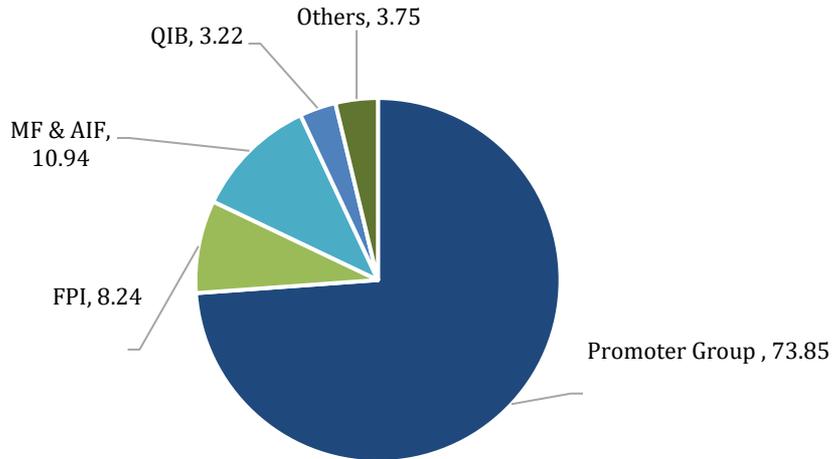


## Return Ratios & Capital Adequacy (%)



\*\* Consolidated Figures

## Shareholding Pattern – March 2022



## Top 10 Institutional Investors – March 2022

**Government Pension Fund Global**

**ICICI Prudential Life Insurance Company**

**ICICI Prudential MF**

**Nippon MF**

**SBI MF**

**T Rowe Price**

**Taiyo Pacific Partners**

**Tata AIA Life Insurance**

**UTI Mutual Fund**

**Vanguard**

# FY22: Consolidated Performance Highlights

**GLP: INR 16,599 Cr**  
**(+22.2% YoY)**

**NIM**  
**10.9%/ 11.6%<sup>1</sup>**

**Cost/Income Ratio**  
**39.0%**

**PPOP**  
**INR 1,078 Cr**  
**(+13.2% YoY)**

**Weighted Avg. COB**  
**9.3%**

**Opex/GLP Ratio**  
**4.9%**

**PAT: INR 357 Cr**  
**(+171.8% YoY)**

**ROA**  
**2.2%**

**Capital Adequacy Ratio**  
**22.8%**

**Total Equity**  
**INR 4,076 Cr**

**ROE**  
**9.1%**

**Tier 1 Ratio**  
**21.8%**

**D/E Ratio**  
**3.2**

**GNPA (GS3)**  
**(GL: 60+ dpd, RF: 90+ dpd)**  
**3.61%**

**Provisioning**  
**3.44%**

**Branches 1,635**  
**(+14.8% YoY)**

**Active Borrowers**  
**38.2 Lakh<sup>2</sup> (-2.2% YoY)**

**PAR 90+**  
**2.71%**

**Write-off**  
**INR 694 Cr**

**Employees 15,667**  
**(+8.8% YoY)**

- 1) Figures adjusted excluding impact of interest income (on Stage 3 portfolio) de-recognition of INR 95.1 Cr in FY22
- 2) 3.8 lakh borrowers were written off during FY22 while 6.9 lakh new borrowers were added during the same period



**Thank You**



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FEB 2022 - FEB 2023

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