



CreditAccess Grameen Limited

Investor & Analyst Meet

18th May 2023

Building A Stronger,
Scalable & Sustainable
Rural Financing Growth Engine



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Discussion Summary

Going From Strength To Strength

- Mr. Udaya Kumar Hebbar
MD & CEO

1

Tapping Rural Financing Potential

- Mr. Ganesh Narayanan
Deputy CEO & CBO

2

Building Solid Liability Franchise

- Mr. Balakrishna Kamath
CFO

3

Powered By Robust Technology Stack

- Mr. Sudesh Puthran
CTO

4

Governed By Integrated Risk Management System

- Mr. Firoz Anam
CRO

5

Disciplined By Strong Internal Controls

- Mr. Gururaj Rao
CAO

6



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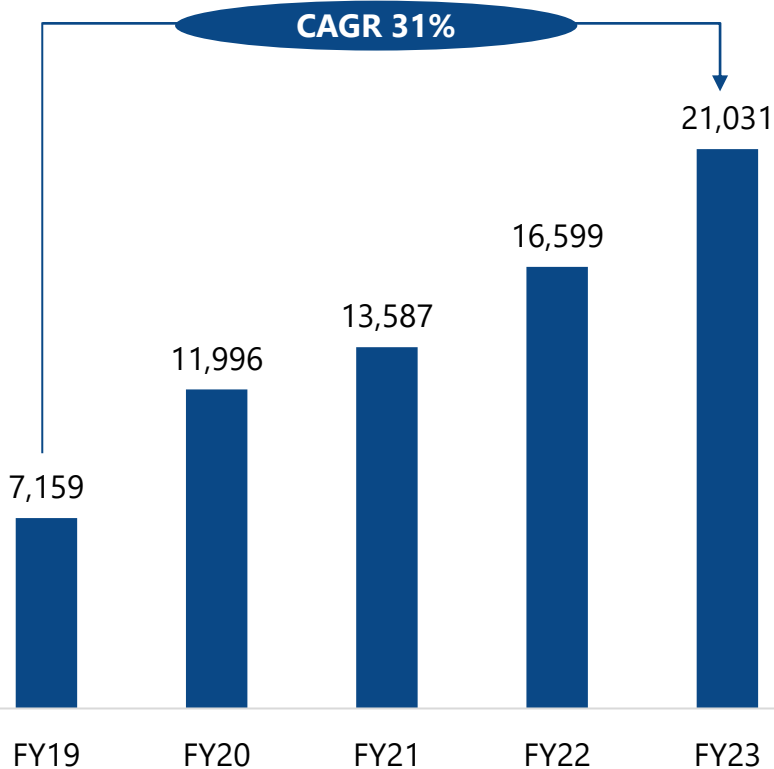


Discussion Summary

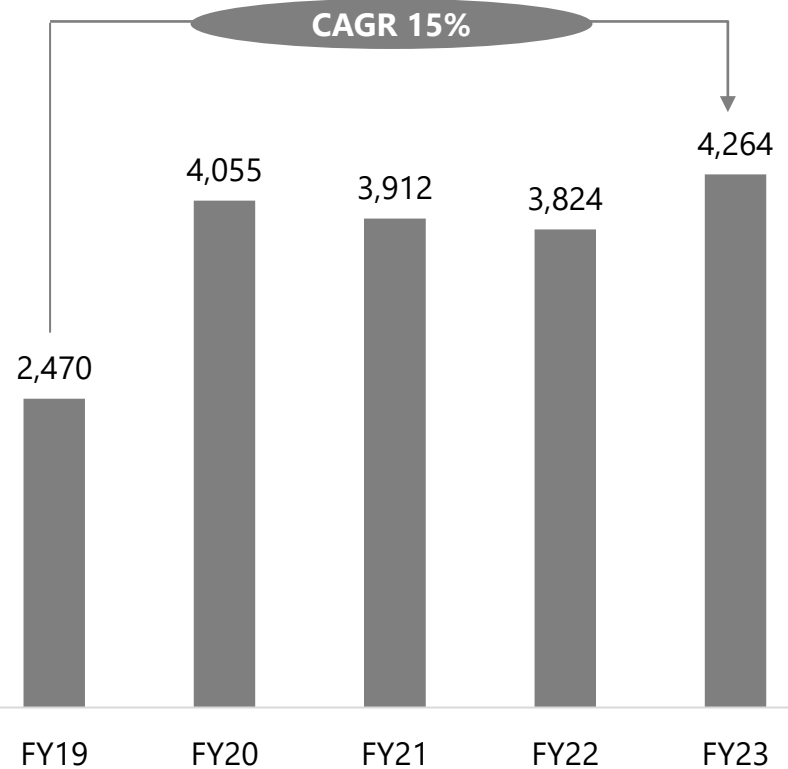


Largest Pure-Play Microfinance Institution In India

Gross Loan Portfolio (INR Cr)

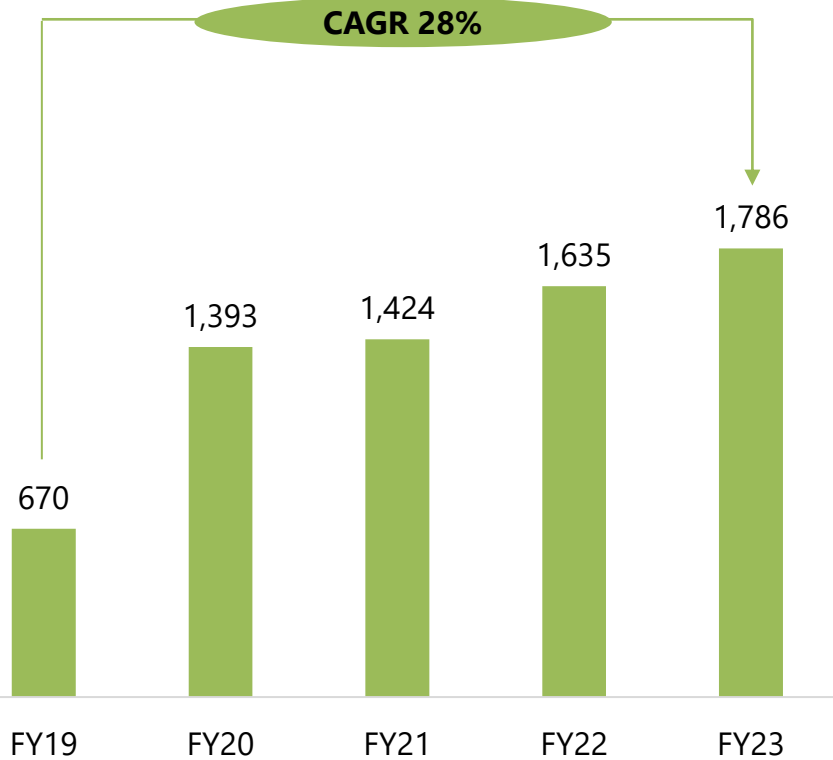


Active Borrowers ('000)

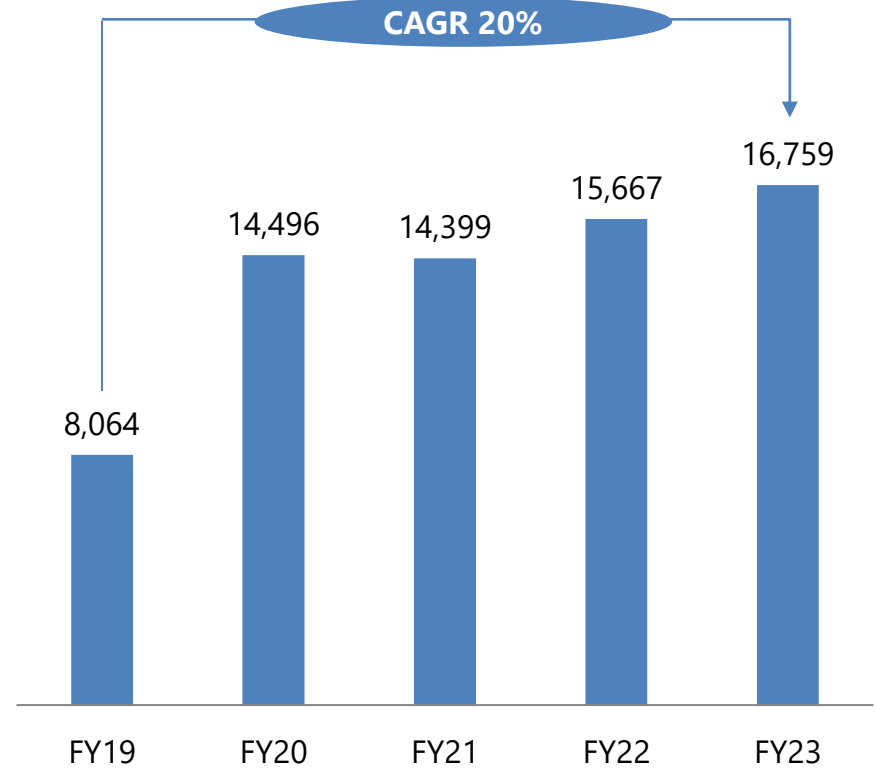


Largest Pure-Play Microfinance Institution In India

Branch Network



Employee Base



Aiming To Build Market Leadership Across Various Geographies Over Medium To Longer Term

Karnataka

CA Grameen: INR 6,977 Cr

MFI Industry (Dec-22): INR 28,399 Cr

CA Grameen Market Share: 22%

Maharashtra

CA Grameen: INR 4,390 Cr

MFI Industry (Dec-22): INR 24,896 Cr

CA Grameen Market Share: 15%

Tamil Nadu

CA Grameen: INR 4,250 Cr

MFI Industry (Dec-22): INR 42,529 Cr

CA Grameen Market Share: 9%

Madhya Pradesh & Chhattisgarh

CA Grameen: INR 1,844 Cr

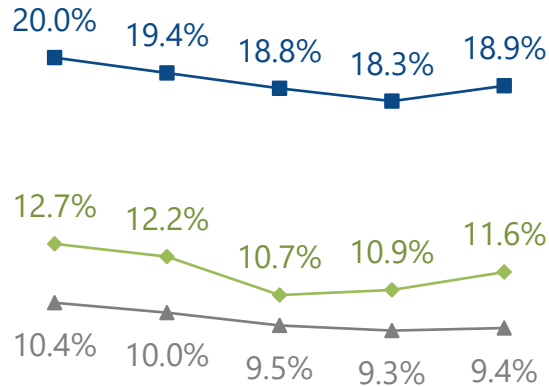
MFI Industry (Dec-22): INR 24,988 Cr

CA Grameen Market Share: 6%

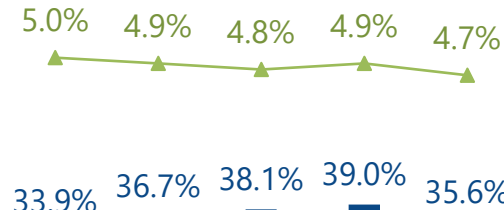
Building Presence In Other States Like OD 3.3%, BH 2.2%, UP 1.4%, RJ 2.1% & GJ 2.4%

Demonstrating Strong Operating Profitability

Net Interest Margin (%)



Operating Efficiency (%)



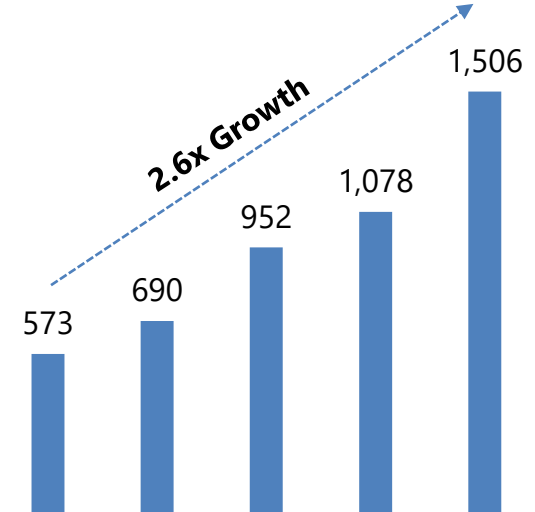
FY19 FY20 FY21 FY22 FY23

■ Cost/Income Ratio

▲ Opex/GLP Ratio

PPOP (INR Cr)

Pre-Provision Operating Profit



FY19 FY20 FY21 FY22 FY23

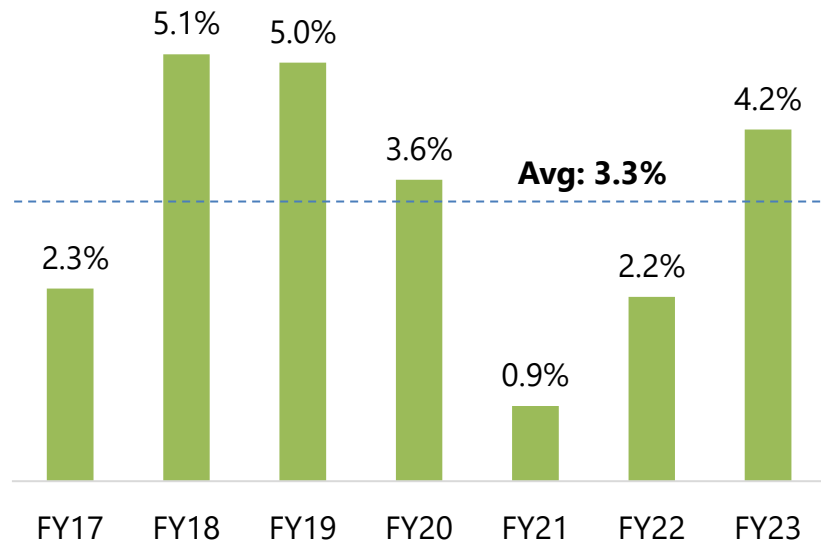
- Portfolio Yield
- ▲ Cost of Borrowings
- ◆ NIM

Consistently Delivering Best-In-Class Cross Cycle Return Metrics

Cross-Cycle ROA (%)

Strong Cross Cycle Performance Despite Several Crisis

FY17-FY18
Demonetisation, UP farm loan waiver

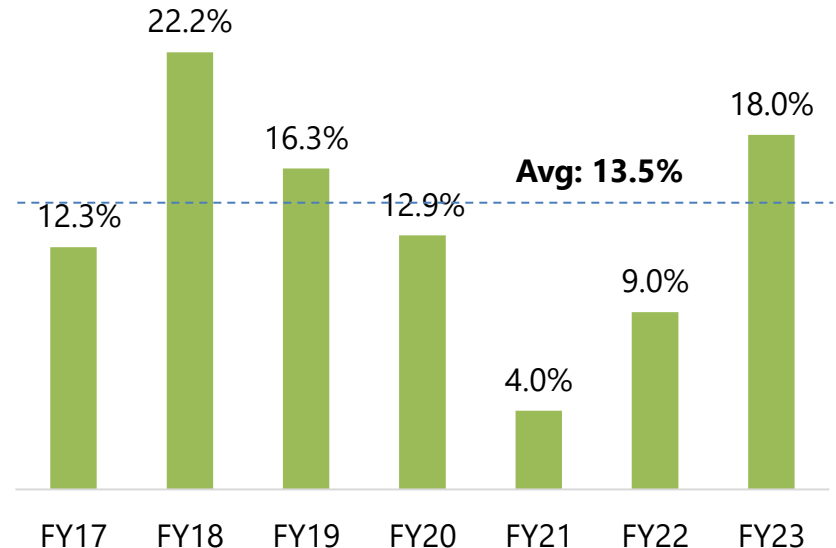


Cross-Cycle ROE (%)

FY19
Floods, NBFC crisis

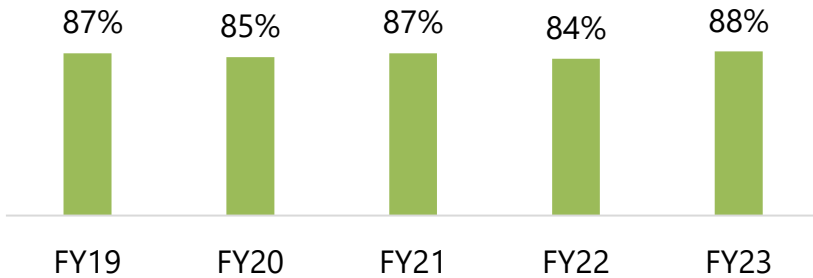
FY21
Covid Wave 1

FY22
Covid Wave 2

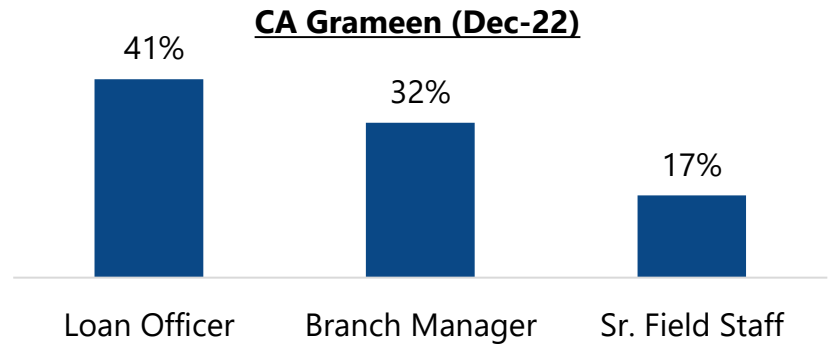


Nurturing Both Customer & Employee Relationships

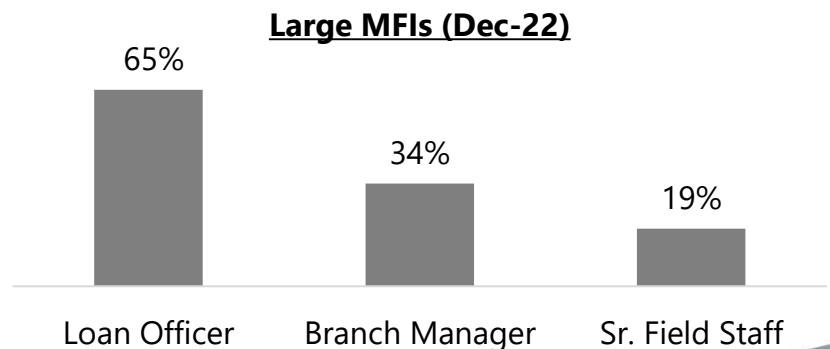
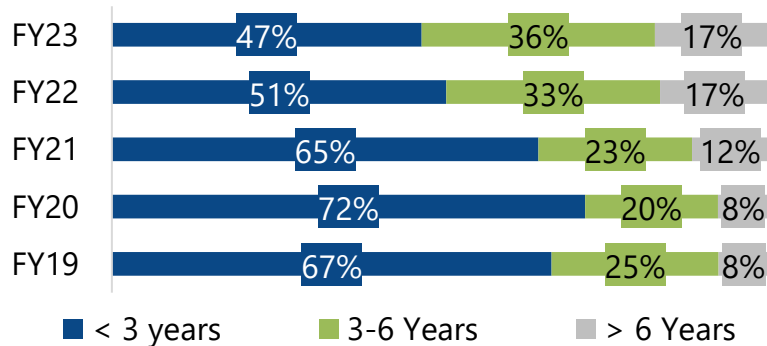
High Customer Retention



Low Employee Attrition Vs. MFI Industry



Increased Share Of High Vintage Borrowers



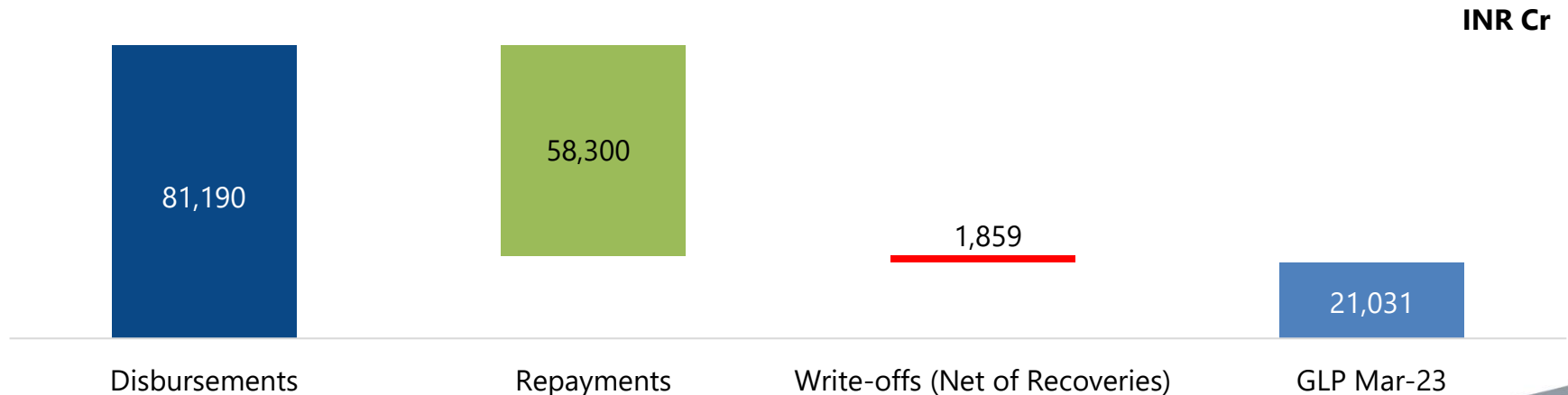
Source: Industry data (MFIN)

Consistently Displaying Strong Asset Quality Trend

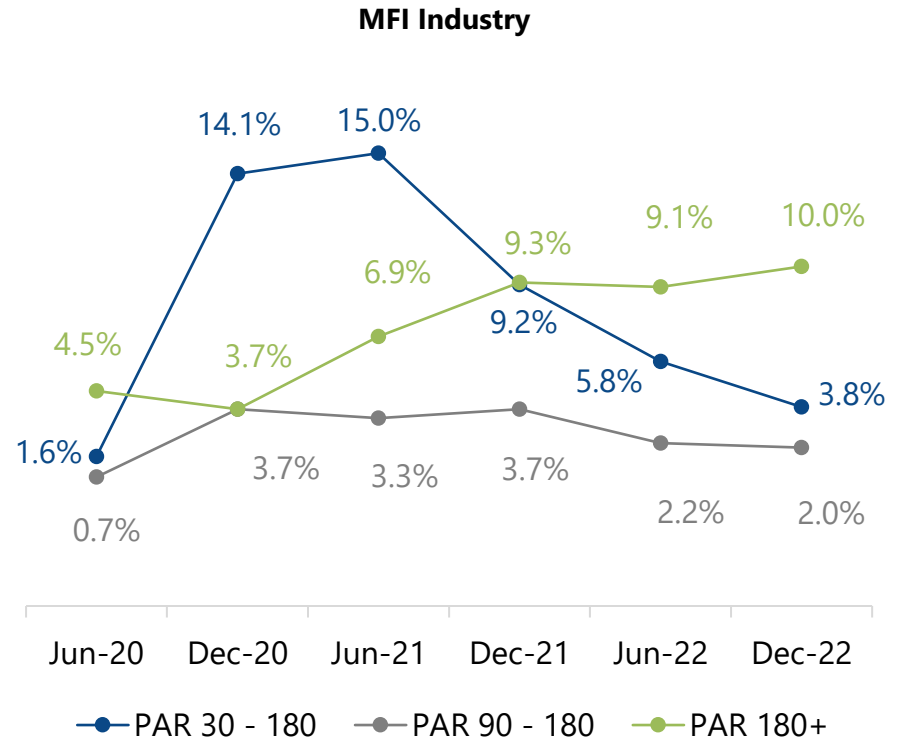
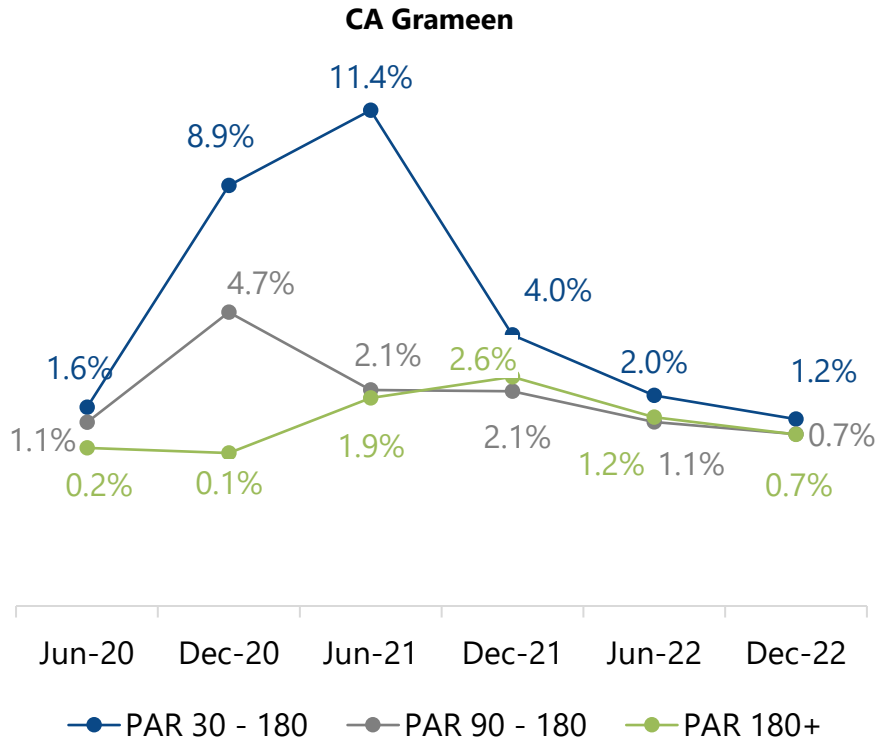
Only 2.3% Write-offs (Net Of Recoveries) Over The Past 13 Years,
Of Which ~80% Is Attributed To Covid

Excluding Covid Period, Effective Write-offs Were Only 0.5% Of The Total Disbursement
Over The Past 13 Years

Performance Over April 2010 to March 2023



Our Asset Quality Trend Was Superior To MFI Industry During Covid Period

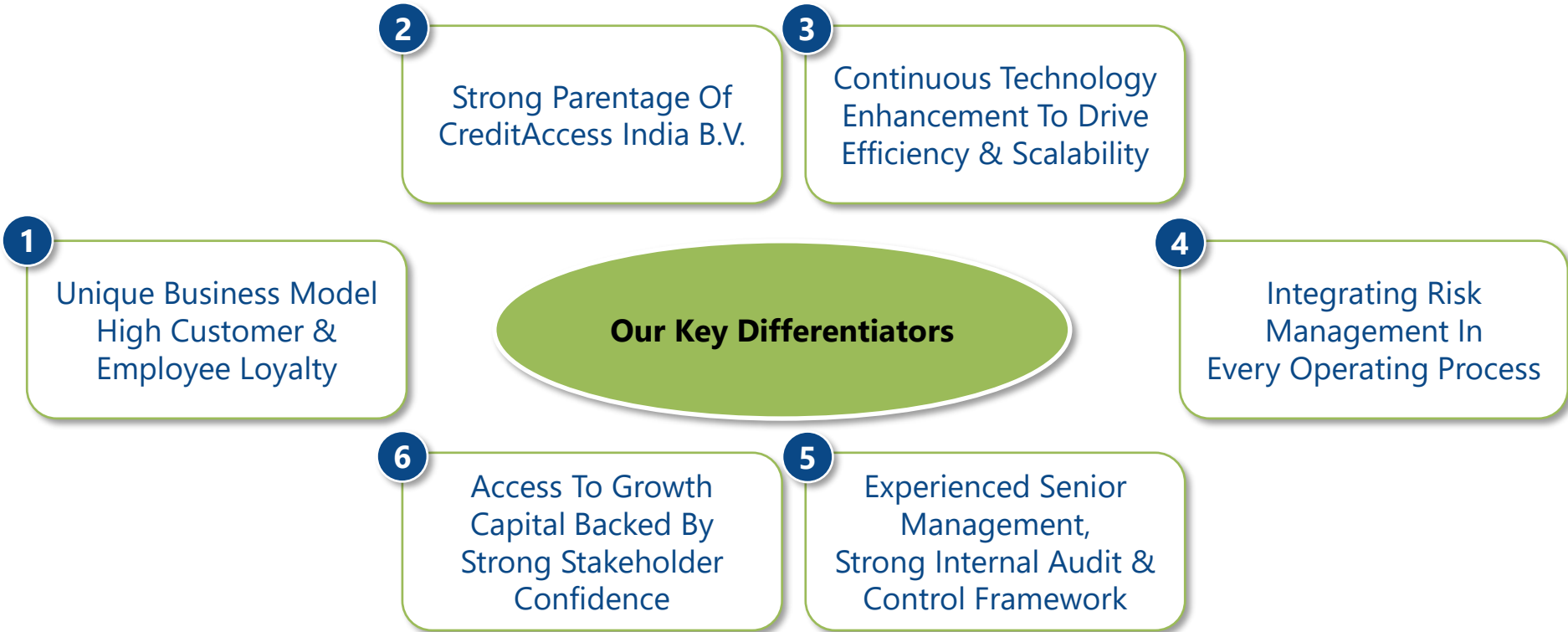


Source: Industry data (CRIF Highmark)

Our Q4 FY23 Performance Indicates Strong Operating Profitability Trend In Future

Profitability Metrics	Q4 FY23
GLP Growth %	26.7%
NIM %	12.2%
NII	INR 690 Cr
PPOP	INR 503 Cr
PAT	INR 297 Cr
ROA	5.5%
ROE	24.0%

Where Do We Stand Today



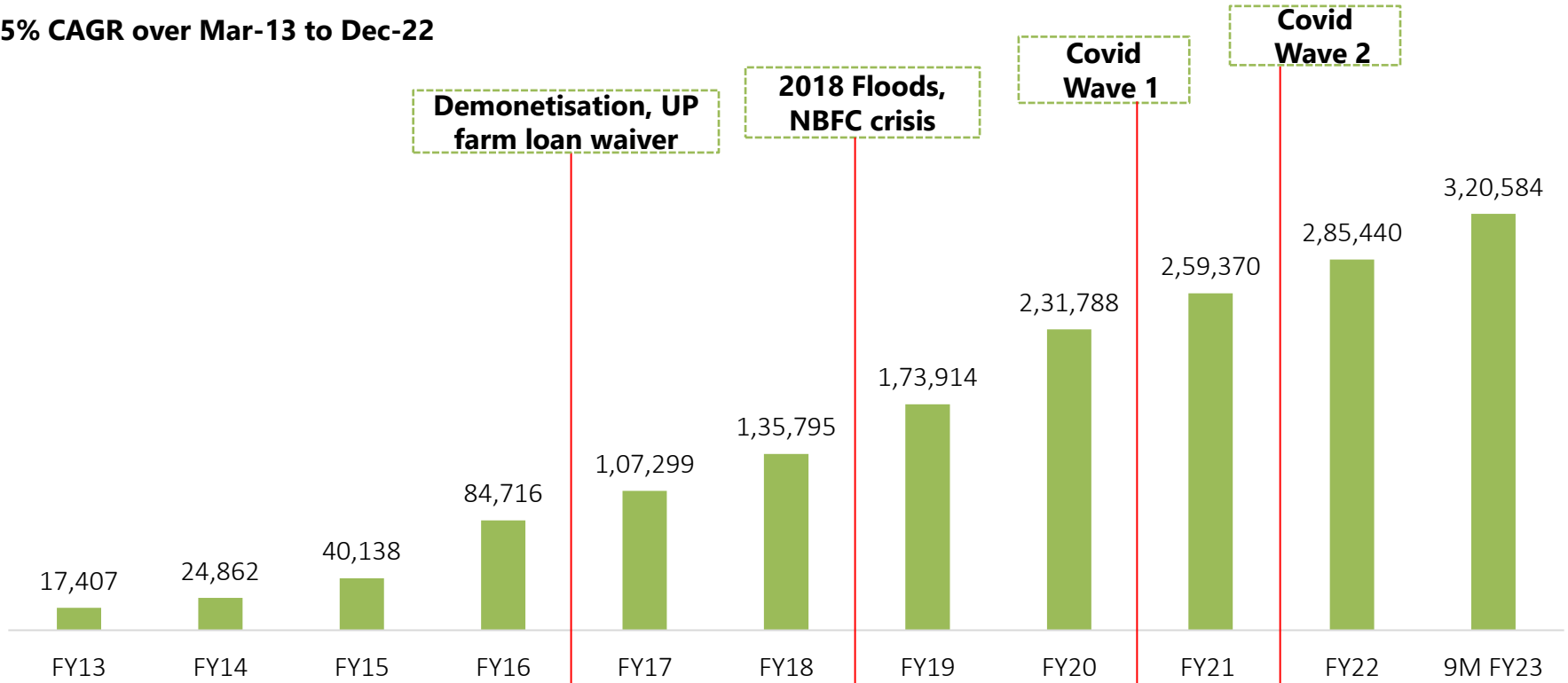
**Uniquely Positioned To Capitalize On The Rural Financing Opportunity
With One Of The Lowest Lending Rate & One Of The Best Operating Cost Efficiency**

While MFI Industry Has Matured Over the Years, There Is Still A Long Runway

Microfinance Industry Is No More Micro

Indian Microfinance Industry GLP (INR Cr)

35% CAGR over Mar-13 to Dec-22



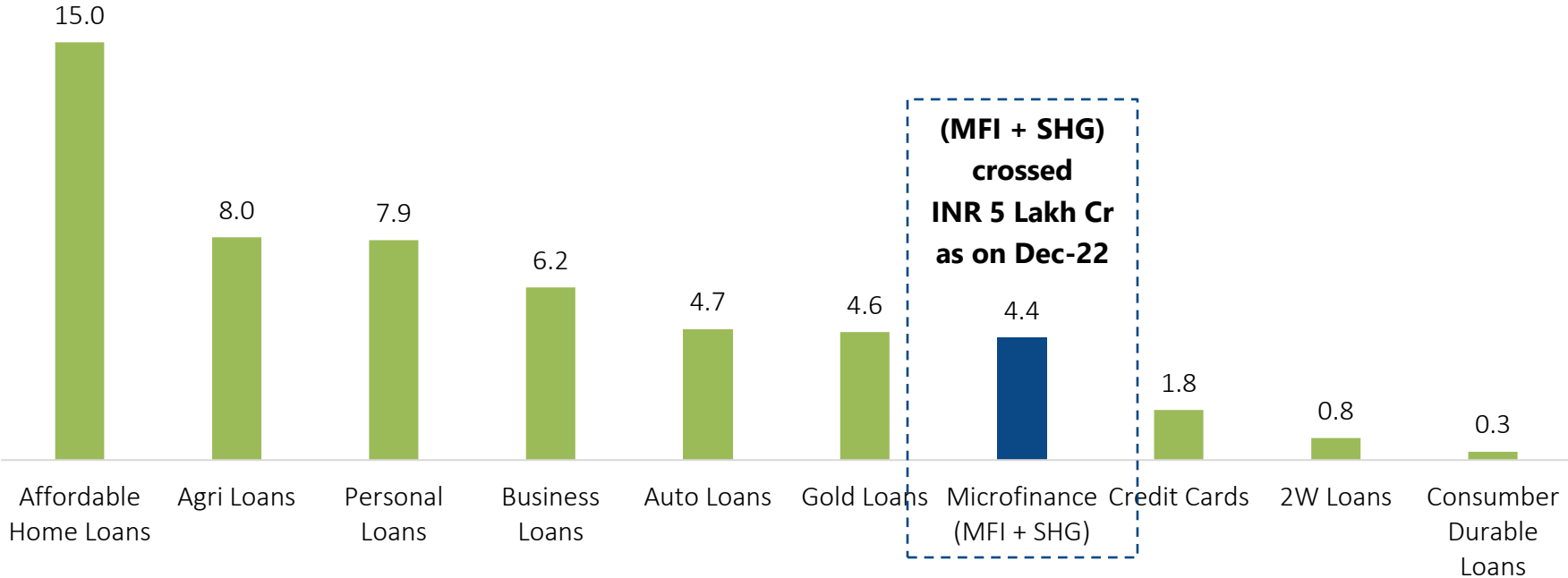
Source: Industry data (MFIN)

While MFI Industry Has Matured Over the Years, There Is Still A Long Runway

Microfinance Industry Is No More Micro

Comparing Microfinance Sector With Other Retail Lending Segments

INR Lakh Cr
GLP as on FY22



Source: Industry data (CRIF Highmark)

While MFI Industry Has Matured Over the Years, There Is Still A Long Runway

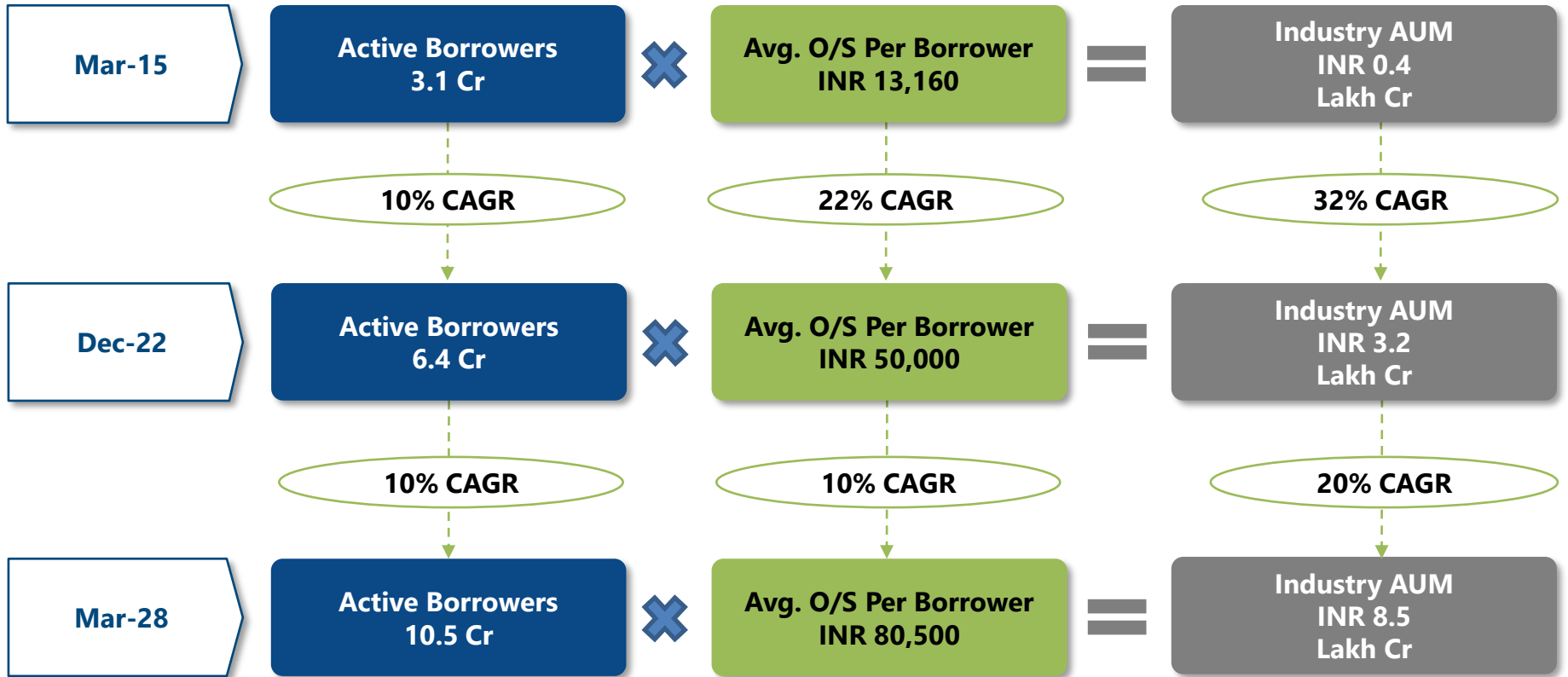
Industry Penetration Still At Only 35-38%

States	HHs (Cr)	Addressable HH (Cr)	Borrowers Dec-22 (Cr)	Rural Penetration %	Urban Penetration %	Total Penetration %
Tamil Nadu	2.1	1.5	0.8	49%	59%	53%
Bihar	2.1	1.2	0.9	67%	88%	69%
West Bengal	2.3	1.5	0.6	24%	66%	36%
Karnataka	1.5	1.0	0.5	40%	71%	51%
Uttar Pradesh	3.7	2.3	0.7	26%	42%	29%
Maharashtra	2.7	1.8	0.5	28%	31%	29%
Madhya Pradesh	1.7	1.0	0.4	34%	71%	44%
Odisha	1.1	0.6	0.4	46%	100%	56%
Rajasthan	1.4	1.0	0.4	25%	60%	32%
Kerala	0.9	0.7	0.2	28%	40%	33%
Assam	0.7	0.4	0.2	30%	67%	35%
Gujarat	1.4	0.9	0.2	20%	29%	24%
Jharkhand	0.7	0.4	0.2	49%	82%	56%
Chhattisgarh	0.6	0.3	0.1	36%	55%	40%
Punjab	0.6	0.5	0.1	23%	42%	29%
AP & Telangana	2.4	1.8	0.1	5%	9%	6%
Top 17 States	25.9	16.8	6.1	32%	48%	36%

Source: MOSPI, MFIN, Internal Workings & Estimates

While MFI Industry Has Matured Over the Years, There Is Still A Long Runway

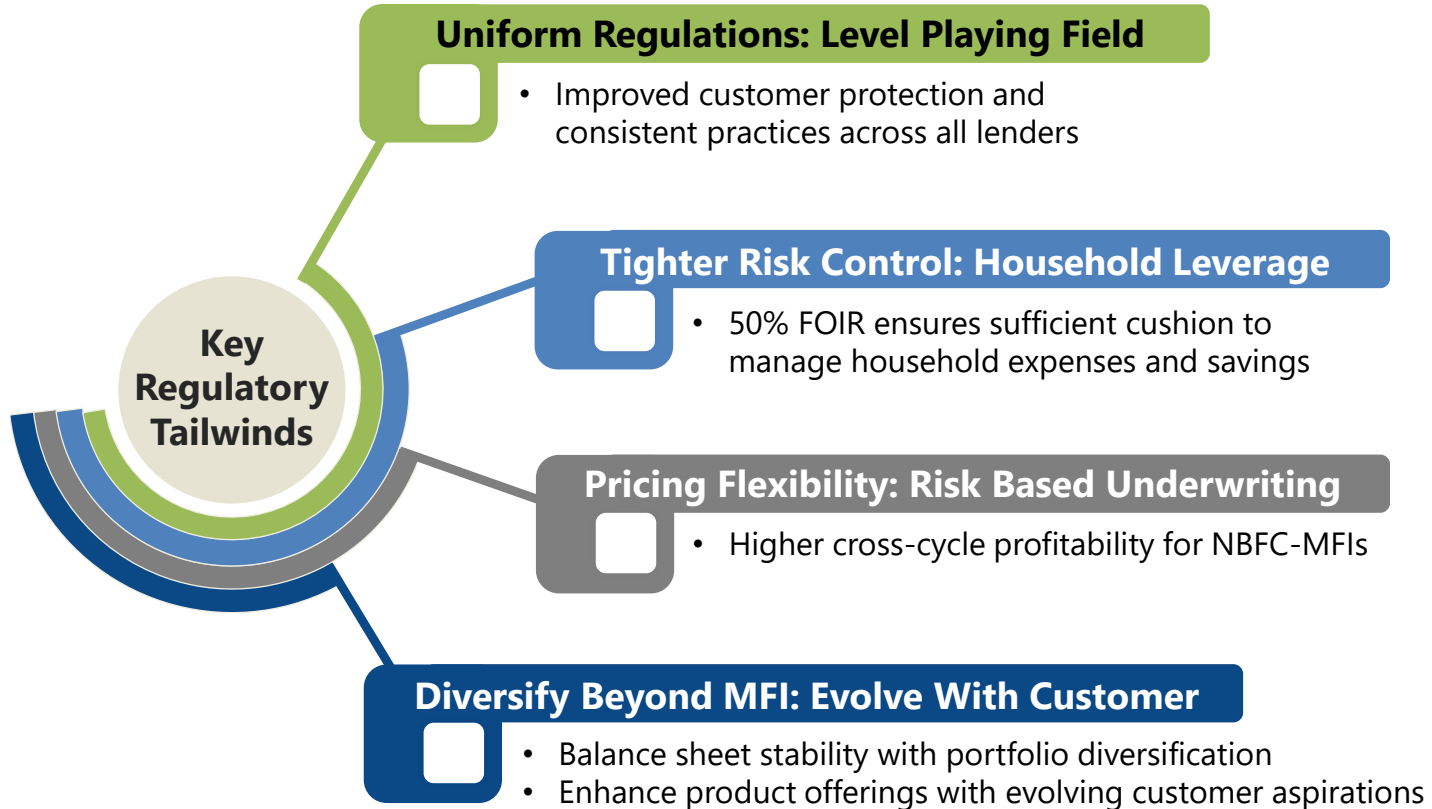
Potential To Grow >2.5x Over Next Five Years



Source: MOSPI, MFIN, Internal Workings & Estimates

While MFI Industry Has Matured Over the Years, There Is Still A Long Runway

Conducive MFI Regulatory Environment



Ability To Deliver Sustained Growth In Customer Base Over Longer Term

Deep Rural Presence

1,786 Branches

352 Districts

3,00,000+ Villages

5.1 Branches Per District

Along With

Strong New Customer Acquisition:

- Growth from under-penetrated markets
- Growth from market share acquisition

Strong Borrower Retention:

- Healthy share of higher vintage borrowers
- Providing adequate funding to meet their increasing needs

Driven By

Suitable Product

Lifecycle support, flexible loan size, loan tenure, and repayment frequency

Suitable Process

Digitized customer journey, robust technology, instant eligibility check, on-tap access to credit

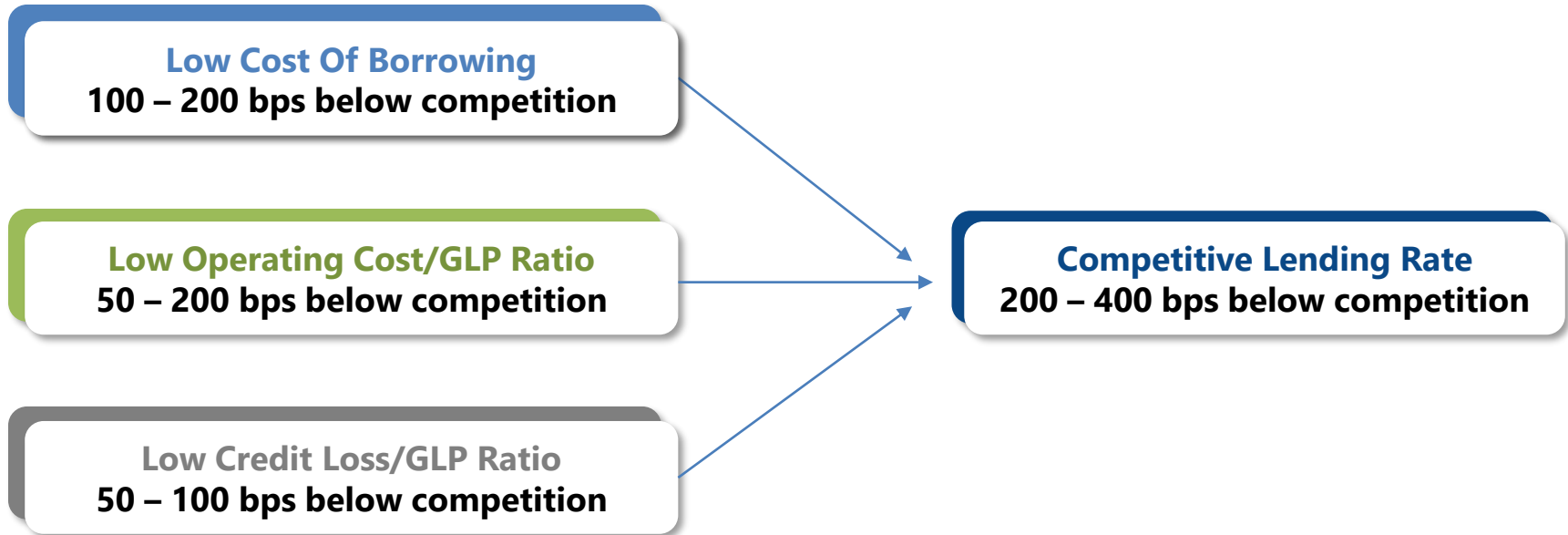
Suitable Pricing

Lowest lending rate, pricing benefit to high vintage customers

In FY23, 11% Of ETC Customers Who Migrated To CA Grameen, Became UNIQUE To Us

One Of The Lowest Loan Pricing In Microfinance Industry

Why Is CA Grameen Able To Offer One Of the Lowest Interest Rates To The Customers



Highly Motivated Team, Strong Management Foresight And Execution Strength

Management Team with Decades of Experience across Banking and Finance Industries



Udaya Kumar Hebbar
*Managing Director &
Chief Executive Officer*



Ganesh Narayanan
*Deputy Chief Executive Officer
& Chief Business Officer*



Balakrishna Kamath
Chief Financial Officer



Sudesh Puthran
Chief Technology Officer



Firoz Anam
Chief Risk Officer



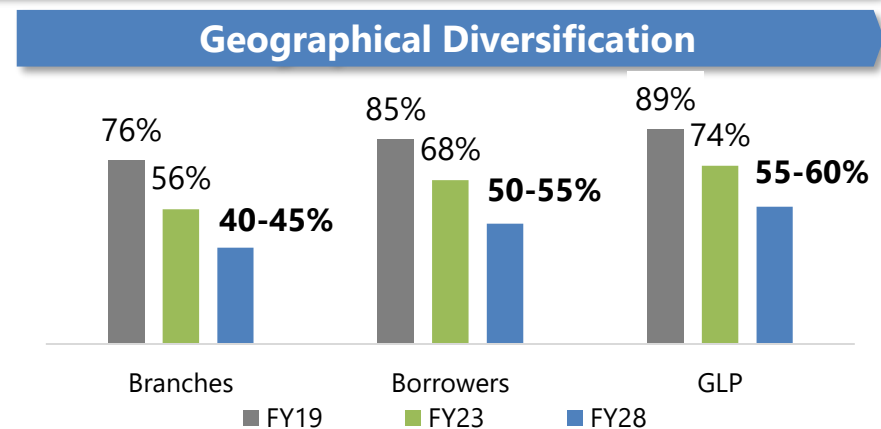
Gururaj K S Rao
Chief Audit Officer

- We created a **strong CXO layer** 3 years back to support future business growth and scalability
- Current Senior Management team is **sufficient for managing business expansion** over the next 5 years
- Highly **stable senior field staff** enabling consistency in processes and controls and strong asset quality
- Consistent emphasis on training and **employee retention strategies**
- Robust pipeline of **internal job opportunities** (Top 10-15% at hierarchal level being elevated to higher responsibilities)
- 30-50% of senior/ management team **goals are aligned with strategic projects'** execution

Geographical Diversification Will Drive Growth Beyond Core Markets

Share of Top 3 States to Reduce From 74% in FY23 to 55-60% Over Next 5 Years

FY23 - States	Branches	Borrower ('000)	GLP (INR Cr)
Karnataka	311	1,121	6,977
Maharashtra & Goa	302	853	4,402
Tamil Nadu & Puducherry	385	931	4,299
Madhya Pradesh	148	326	1,410
Chhattisgarh	48	102	434
Odisha	80	168	625
Jharkhand	45	98	359
Rajasthan	93	97	307
Gujarat	68	67	221
Kerala	53	122	524
Bihar	138	235	934
Uttar Pradesh	75	108	416
West Bengal	40	39	122
Total	1,786	4,264	21,031
% Share			
Karnataka	17%	26%	33%
Maharashtra & Goa	17%	20%	21%
Tamil Nadu & Puducherry	22%	22%	20%
Other States	44%	32%	26%



Over 45-50% Of New Borrower Additions Will Be Outside Of the Top 3 States, Driving The Diversification Across Newer Markets Over The Next 5 Years

New States To Enter In The Future:
Andhra Pradesh, Telangana, Haryana,
Himachal Pradesh & Uttarakhand

What Makes Us Think Beyond Microfinance

To Be The Preferred Financial Partner
Of Indian Households Lacking
Access To Formal Credit,
Providing Convenient And Reliable
Solutions Matching Their Evolving Needs



The Head Room Of 25% Assets Under
Non-microfinance As Provided By The
Regulator, Provides Us The Opportunity
To Diversify Our Lending Portfolio Into
Secured Lending Segments And Improve
The Overall Balance Sheet Stability

Necessary Investments Already In Place
With 82 Retail Finance Branches,
Technology, And Separate Workforce For
End-to-end Operations – Sourcing,
Underwriting, Collections, Monitoring

Aiming 20-25% CAGR To Cross INR 50,000 Crore GLP Over Next 4-5 Years



- Microfinance: 85-90%
 - Non-Microfinance: 10-15% (60-65% secured book)
 - **Growth: 8-10% Branch, 10-15% Customer, 20-25% GLP**
- Diversify across domestic & foreign sources
 - Diversify across institutional & retail sources
 - Strengthen credit ratings – domestic, international, & ESG
- Build inhouse development team
 - Enhance tech scalability & high availability
 - Enhance tech integrations for faster go-to-market
 - Work on process automation / transformation
 - Data automation / visualisation for better decisioning
- Implement rule engine, credit scoring models
 - Automate risk management system
 - Refine credit policy, build data granularity, adopt ICAAP
- Automate internal audit system
 - Implement integrated analytics, continuous monitoring and dashboards
 - Increase collaboration with other control departments

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Discussion Summary



Key Customer Survey Insights

Household's Income / Assets Profile

54% Income > INR 20k p.m. { **72%** Kar, **46%** Mah, **74%** TN-Kr, **26%** Bihar, **19%** MP-CG }

53% Wage Labour **41%** Agri **32%** Business **31%** Livestock **20%** Salaried

85% TV **85%** Smartphone **68%** Two-Wheeler
41% Refrigerator **9%** Washing Machine **5%** Laptop/ Computer

33% <2 Acre **13%** >2 Acre **51%** Residential Land
 Agriculture Land **90%** Own House

Note: 1,600+ clients' sample study in May 2022, States covered – Mah, Kar, MP, CHG, TN, KER, BR, ODI

Key Customer Survey Insights

Household's Financial Habits & Preferences

53% Active Banking Users

57% Invest in Income Generating Assets (Livestock, Inventory)

26% Monthly Savings > 4k

48% Debit Card Users

48% Invest in Gold

61% HH Indebtedness < 1 Lakh

80% Only MFI Loans

5% Vehicle Loans

3% Home Loans

12% Access To Insurance Products

Key Customer Survey Insights

Household's Aspirations

82% Grow HH Income

91% Home Improvement

83% Construction of Better House

63% Purchase Vehicle

62% Purchase Land For House Construction

68% Better Child Education

Household's Consumption Patterns

84% Monthly Living Expense of ≤ 6000

69% Annual Clothing Expense of ≤ 6000

90% Annual Recreation Expense of ≤ 6000

We Are Best Placed To Capitalise On The Large Untapped Rural Financing Opportunity

Customer's Typical Financing Journey →
Supporting Household Financial Needs For Better Lifestyle & Aspirations

Financing For Business / Income Generation

Informal Lending

Unsecured (JLG)

Unsecured (Individual)

Secured (LAP)

Financing For Asset Ownership

Home Loan

Vehicle Loan

Financing For Better Lifestyle

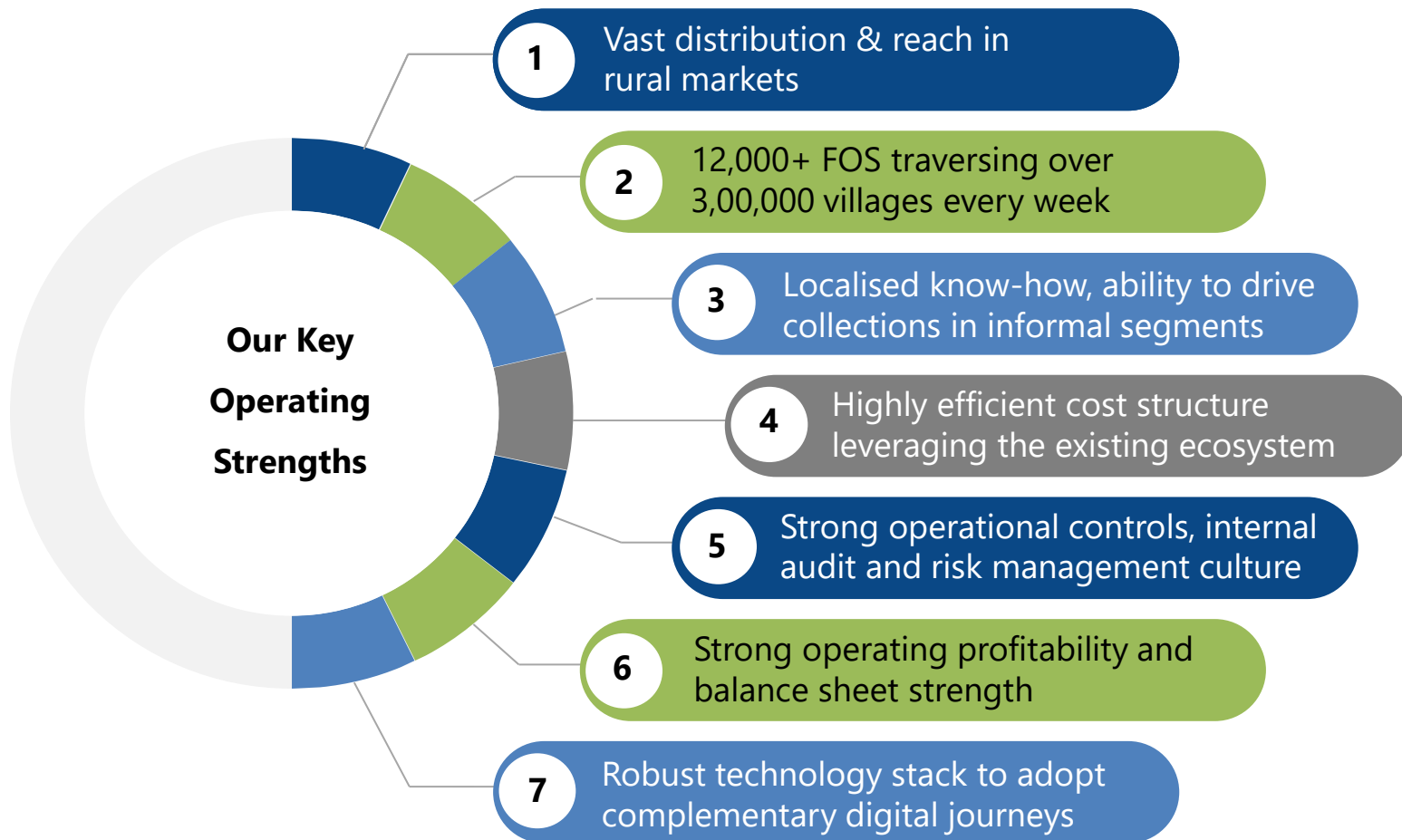
Education Loan

Consumption Loan

Products Identified By CA Grameen Under Retail Finance Segment:

- ✓ Individual Unsecured Loans,
- ✓ Mortgage-backed Business Loans
- ✓ Affordable Home Loans
- ✓ Two Wheeler Loans
- ✓ Gold Loans

We Are Best Placed To Capitalise On The Large Untapped Rural Financing Opportunity



We Are Best Placed To Capitalise On The Large Untapped Rural Financing Opportunity



Potential To Tap Large Rural Financing Opportunity

~43 Lakh MFI Customer Base Offers Significant Rural Financing Potential Beyond Microfinance

23% Of Our Existing Customers Have Availed Retail Loans Beyond Microfinance

1% Conversion: > INR 2,500 Cr Mortgage Loan Book

5% Conversion: > INR 2,500 Cr Individual Unsecured Loan Book

10% Conversion: > INR 2,500 Cr Two-wheeler Loan Book

Strong "Word-of-mouth" Pull Factor

The Potential Grows With Expanding MFI Customer Base (10-15% CAGR)

Product Roll-out Through Existing MFI Branches, Leveraging Existing MFI Customer Relationships

- Target Customer**
 - Graduated MFI customers with enhanced funding needs
 - 2+ years of vintage, having multiple sources of income
- Product Features**
 - ATS: INR 150k, ROI: 22.5%
 - Flexible tenure: 1/ 2/ 3 years based on the loan amount
 - Repayment flexibility: Weekly/ Bi-weekly/ Four weekly
- Sourcing Strategy**
 - Leads are sourced by MFI branch managers / loan officers
- Credit Underwriting**
 - Separate credit appraisal/ sanctioning team at branch/ area/ regional levels
 - Automated credit bureau rules, Income assessment, FOIR computation
- Collections**
 - Regular collections by MFI loan officers at centre meeting
 - Various options for cash and digital mode
 - Cash collections is the preferred repayment option

Key Metric	FY23
Number of branches	192 (Rollout At Existing MFI Branches)
ATS	INR 1.5 Lakh
GLP	INR 85.2 Cr
PAR (30+)	Nil

Launched In Q1 FY22

Successful Pilot Completion In FY23

Product Scale-up In FY24 Across 500+ MFI Branches

Product Roll-out Through Retail Finance Branches Across Our Existing Markets

Target Customer

- Graduated MFI customers + open market customers
- Self-employed individuals

Product Features

- ATS: INR 6 – 8 Lakh, LTV: 45-60%
- ROI: 18% - 22.5%
- Tenure: <= 15 years

Sourcing Strategy

- 100% in-house customer sourcing
- Leads sourced by MFI branch managers / loan officers
- Direct sourcing by Retail Finance loan officers

Credit Underwriting

- Separate teams for credit, legal, technical, operations
- Decentralized underwriting by branch credit team
- Personal discussion/ property visit/ employer visit
- Cashflow assessment

Collections

- NACH mandatory for all customers
- Various options for digital modes of repayment
- Part payment as well as foreclosure options available

Key Metric	FY23
Number of branches	82 (Rollout At Retail Finance Branches)
ATS	INR 5.5 Lakh
GLP	INR 53.1 Cr
PAR (30+)	Nil

Launched in Q4 FY22

Successful Pilot Completion in FY23

**Product Scale-Up In FY24
Across 82 Retail Finance Branches**

Product Roll-out Through Retail Finance Branches Across Our Existing Markets

Target Customer

- Graduated MFI customers + open market customers
- Salaried and Self-employed individuals

Product Features

- ATS: INR 6 – 8 Lakh, LTV: $\leq 75\%$
- ROI: 14% - 16%
- Tenure: ≤ 20 years

Sourcing Strategy

- 100% in-house customer sourcing
- Leads sourced by MFI branch managers / loan officers
- Direct sourcing by Retail Finance loan officers

Credit Underwriting

- Separate teams for credit, legal, technical, operations
- Decentralized underwriting by branch credit team
- Personal discussion/ property visit/ employer visit
- Cashflow assessment

Collections

- NACH mandatory for all customers
- Various options for digital modes of repayment
- Part payment as well as foreclosure options available

Pilot Launch in H2 FY24

New Two-Wheeler Loan: Our Operating Model

Product Roll-out Through Existing MFI Branches, Leveraging Existing MFI Customer Relationships

- Target Customer**
 - Existing MFI customers with vintage > 1 year
- Product Features**
 - ATS: INR 80k , ROI: 22.5%
 - Flexible tenure: 2/ 3 years
 - Repayment flexibility: Weekly/ Bi-weekly/ Four weekly
- Sourcing Strategy**
 - Pre-approved list of MFI customers
 - Leads are sourced by MFI field force
 - Simplified process making product adoption easier
- Credit Underwriting**
 - Pre-approved customer base, basis preset parameters
 - Decentralized verification, approval process at branch
 - MFI branch managers to sanction all loans
- Collections**
 - Regular collections in cash by MFI loan officers at designated centre meeting
 - Various options for cash and digital mode
 - Part payment as well as foreclosure options available

Key Metric	FY23
Number of branches	55 (Rollout At Existing MFI Branches)
ATS	INR 80k
GLP	INR 3.7 Cr
PAR (30+)	Nil

Pilot Launched in Q3 FY23

Continued Pilot Followed By Scale-Up in FY24 To 400+ MFI Branches

Product Roll-out Through Retail Finance Branches Across Our Existing Markets

- Target Customer**
 - Existing MFI customers within 50km radius from retail finance branch
- Product Features**
 - ATS: INR 36k, LTV: <=75%
 - ROI: 16% - 18%
 - Flexible tenure: 3/ 12 months
- Sourcing Strategy**
 - MFI customers
 - Leads are sourced by MFI branch managers / loan officers
- Credit Underwriting**
 - Approved by BM/BCMs in RF branches
 - Certified employees for Gold Appraisal
- Collections**
 - Bullet and quarterly repayment at the branch
 - No part payment & pre-closure charges

Key Metric	FY23
Number of branches	15 (Rollout At Retail Finance Branches)
ATS	INR 36k
GLP	INR 1.9 Cr
PAR (30+)	Nil

Pilot Launched in Q3 FY22

Pilot To Be Continued in FY24

Internal Capabilities Built For New Lending Products

Agile Technology

- Adapt to evolving market needs
- Automation / digitization / enhancements
- API led 3rd party integrations

02

Robust Income Assessment

- HH income assessment
- Localised understanding of repayment capacity
- Conservative FOIR filters

01

Collection & Legal Capabilities

- Dedicated collections team
- Strong legal team for recoveries
- Collection management flows setup in Loan System

04

Data Analytics

- Build credit scoring models
- Track customer profile / behaviour
- Portfolio monitoring, periodic scrubs, early warning indicators, cross-sell

03

Collateral Verification / Assessment

- Leverage third party capabilities
- In-house technical and legal team
- Collaterals with clear demarcation, identifiable, can be legally repossessed

05

Product - Audit & Risk Controls

- Credit policy - credit parameters and approval / deviation process
- Risk appetite matrix – deviations/ collaterals/ businesses

06

Internal Capabilities Built For New Lending Products



82 Dedicated Branches

700+ Retail Finance Employees

500+ Field Employees (Loan Officers, Branch Managers, Area/ Regional/ Zonal work-force)

170+ Credit Appraisal Team at Branch/ Area/ Regional/ Zonal/ Centralized

Technology Stack Customer Onboarding/ Loan Management/ Origination/ Collection System

Lead Management System for managing referrals from MFI ecosystem

Retail Finance Will Maintain Organisational ROAs:

- RF Products – Individual Loans, 2-wheeler Loans, Mortgage-backed Business Loans Have Interest Rates Similar To MFI Loans
- Infrastructure Cost (People + Technology) Already Part Of Existing Cost Structure
- Operating Cost Efficiencies Through Leveraging MFI Ecosystem
- In Case Of Affordable Housing Loans, We Will Explore Co-lending Opportunities
- Positive Operating Leverage Will Play Out With Scale Up Of Retail Finance Products

Hospicash: Wage/ income loss protection

- ✓ Flagship scheme exclusively designed for our members and their spouses (18-65 age)
- ✓ **Annual premium at only INR 245** per policy
- ✓ **INR 1,000 per day cash benefit** for ICU/ Non-ICU hospitalization for a total of **30 days in a year**, to compensate for inability to work
- ✓ **Digital enrolment process** with minimal documentation
- ✓ Digital journey and **seamless claim settlement** experience
- ✓ Applicable on at least 24 hours of hospitalization in a registered Govt. or private hospital
- ✓ **Available pre-existing disease** and maternity-related hospitalisation covered
- ✓ **Voluntary participation**
- ✓ **Improved member affinity and satisfaction**

CreditAccess Life Insurance would be our Life Insurance partner, working at an arms-length basis, with an ability to introduce innovative products for the rural population

Key Metric	FY23
Number of branches (roll-out)	346
Members & Spouses Enrolled	1,42,605
% Conversion	12%
Premium Collected	INR 3.5 Cr
Claims Settled	6,505
Avg. Claim Amount	INR 6,145
Claim Ratio	4.1%

Pilot Launched in Q3 FY22

Successful Pilot Completion in FY23

Product Scale-Up In FY24 Across All 1,700+ MFI Branches

Grameen Pay: AEPS Enabled Cash Withdrawals

- ✓ Cash withdrawal from bank account & mini statement at centre meeting
- ✓ Enhance customer convenience with timely & doorstep service
- ✓ Aadhaar enabled service providing a seamless experience
- ✓ Active member participation in rural areas
- ✓ 60-65% success rate for transactions – in line with industry

Key Metric	FY23
Number of branches (roll-out)	718
Number of Cash Withdrawals	1,54,731
Amount of Cash Withdrawn	INR 61.7 Cr
Number of Mini Statements	81,960
Number of Users (Loans Officers)	6,893
Transactions Per User Per Month	3.4

Pilot Launched in Q2 FY22

Successful Pilot Completion in FY23

Product Scale-Up In FY24 Across All 1,700+ MFI Branches



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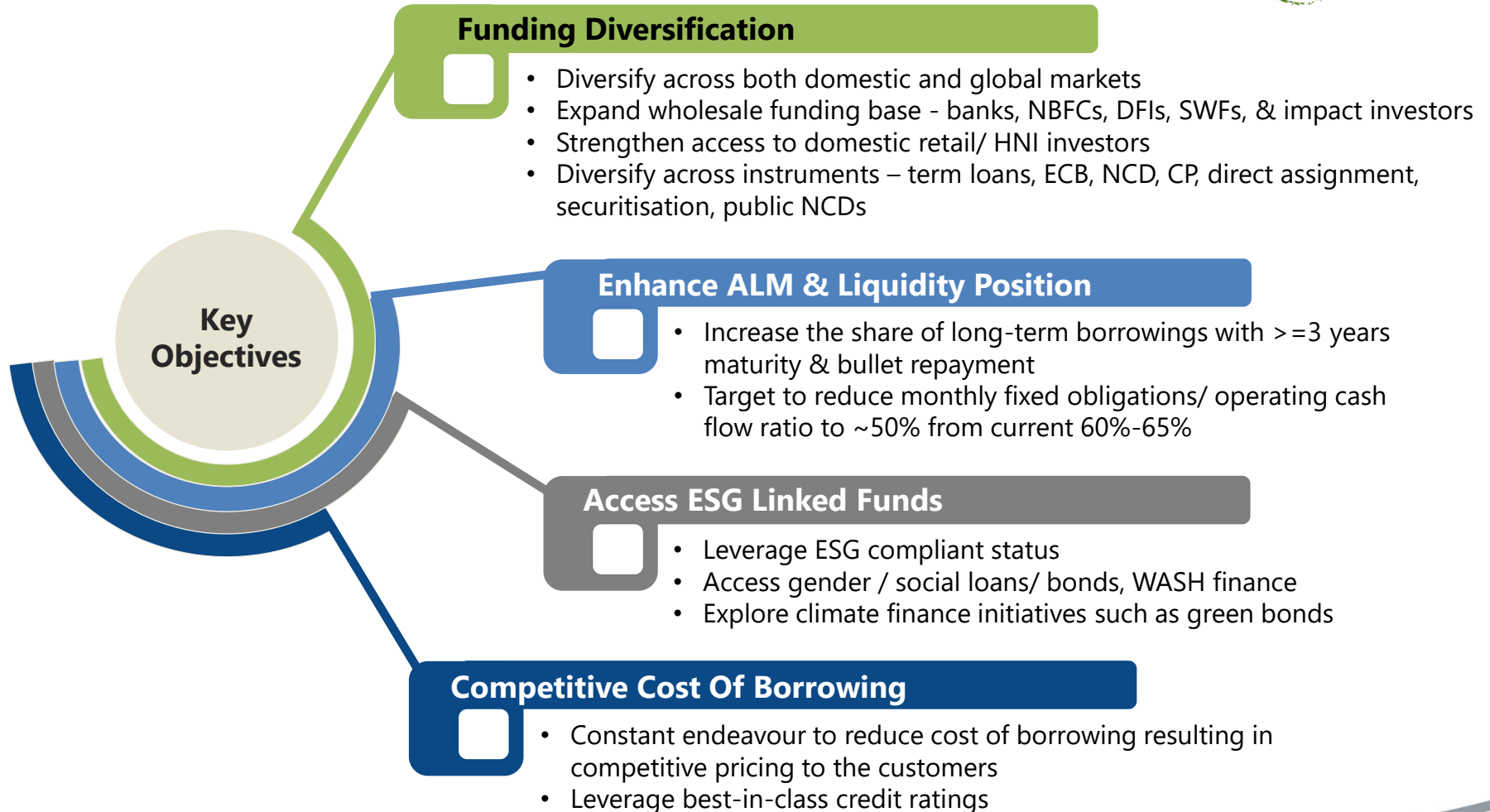
5

Disciplined By Strong Internal Controls

- Mr. Gururaj Rao
CAO

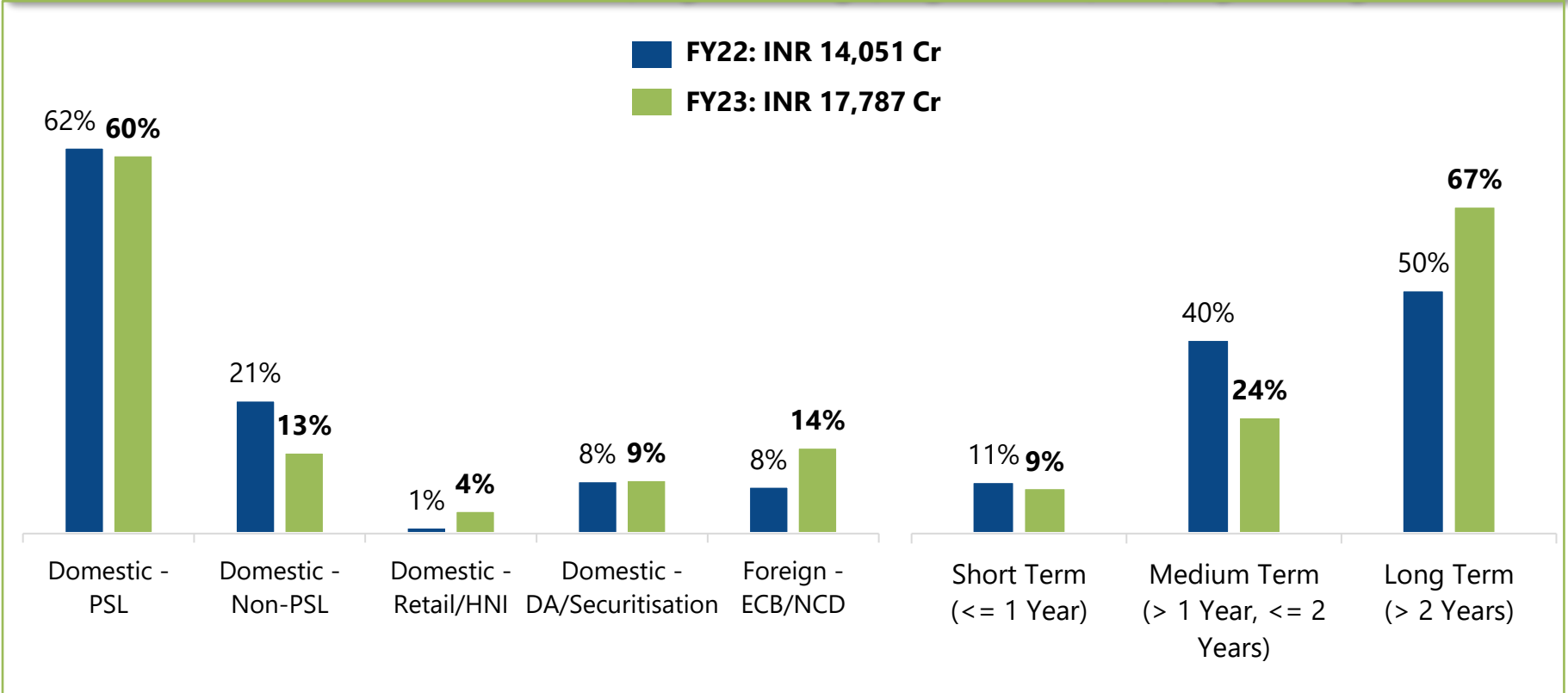
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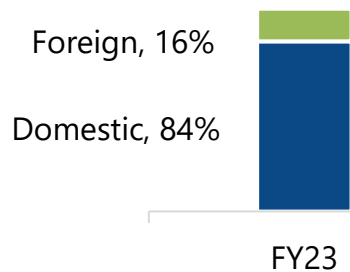
Liability Strategy – Progress In FY23

Shift In Liabilities Mix: Lower PSL, Higher Foreign, Higher Retail/HNI, Higher Long Term

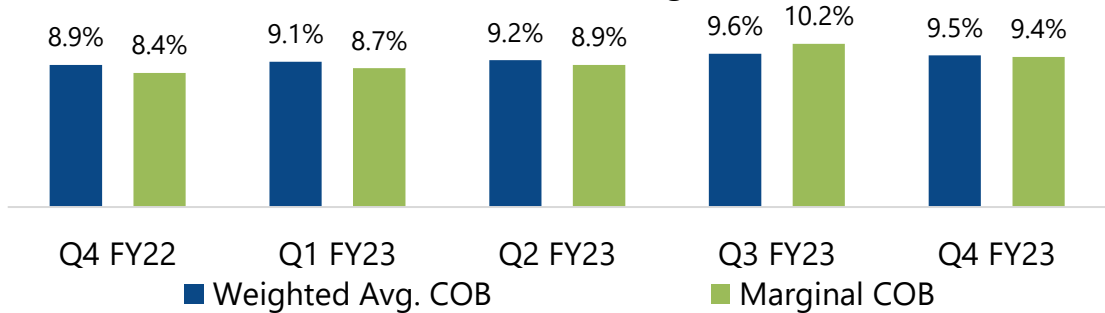


Diversified Funding With Strong Control on Cost Of Borrowing

FY23 Drawdowns: INR 13,432 Cr

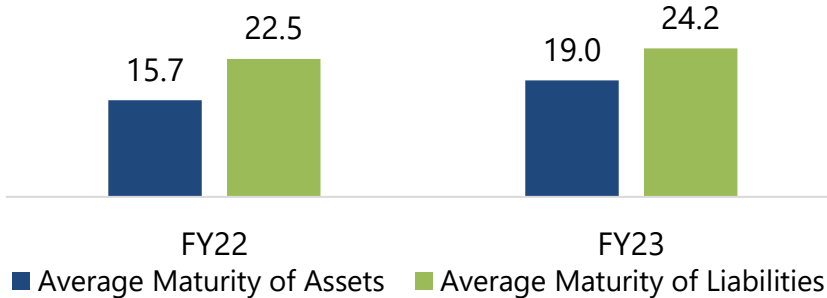


FY23 Cost Of Borrowing Trend

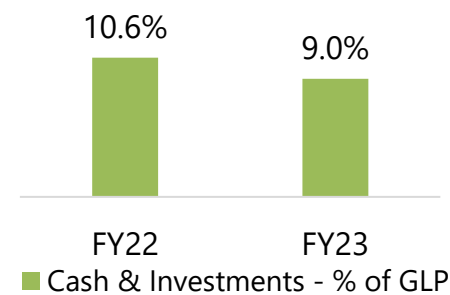


Robust ALM & Liquidity Position

Positive Asset Liability Mismatch



Adequate Liquidity



- Conservative Policy:**
- 5-8% of GLP in cash & investments
 - 15% of GLP in undrawn sanctions

Significant Progress In Mobilisation Of Foreign Funds

USD 245 Mn Foreign Funding Mobilized in FY23

- USD 20 Mn, 5-Year ECB from Blue Orchard
- USD 50 Mn, 3-Year ECB from IFC
- USD 90 Mn, 4-Year ECB from HSBC (syndication)
- USD 30 Mn, 4-Year NCD from FMO Netherlands
- USD 20 Mn, 5-Year ECB from OeEB Austria (ESG-Linked)
- USD 35 Mn, 7-Year from DFC (ESG-Linked) (Drawn in Q1 FY24)

Successful Completion of Maiden Public NCD Issuance

INR 500 Cr Raised In Tranche I In Nov-22

- Overwhelming Response with subscription of 3.03x times the base issue size of INR 250 Cr
- ~42% allotment was for 2-years tenure @ 9.45%
- ~45% allotment was for 3-years tenure @ 9.60%
- ~13% allotment was for 5-years tenure @ 10.00%
- Overall avg. tenure of 3 years @ 9.60%
- Allotment to around 7,200+ Investors
 - Institutional: 25%
 - Non-Institutional: 35%
 - HNI: 15%
 - Retail: 25%

Highest Standalone Credit Rating In Microfinance Industry

Increasing Confidence Of Rating Agencies: Rating Upgrade From ICRA And IND-Ra And Outlook Upgrade From CRISIL

CA Grameen	FY23	FY22	FY21	FY20
Credit Rating – ICRA	AA- (Stable)	A+ (Stable)	A+ (Stable)	A+ (Stable)
Credit Rating – Ind-Ra	AA- (Stable)	A+ (Stable)	A+ (Stable)	A+ (RWN)
Credit Rating – CRISIL	A+ (Positive)	A+ (Stable)	A+ (Stable)	A+ (Stable)
Comprehensive Microfinance Grading (Institutional Grading/ Code of Conduct Assessment (COCA)) – CRISIL	M1C1	M1C1	M1C1	M1C1

Key Banking Relationships

Key Banks



Key Non-Banking Relationships



Undrawn Sanctions As on Mar-23 Were INR 4,675 Cr

Top 25 Lenders = 80% Of Total Borrowings As On Mar-23

Type Of Lender	Name Of Lender
Domestic PSB	Bank Of Baroda
	Bank Of India
	Punjab National Bank
	State Bank Of India
	UCO Bank
Domestic PVB	Union Bank Of India
	Axis Bank
	Bandhan Bank
	HDFC Bank
	ICICI Bank
	IDBI Bank
	IDFC First Bank
	Kotak Mahindra Bank
Domestic DFI	RBL Bank
	Nabard
	Mudra
Foreign Bank	Sidbi
	DBS Bank India
Foreign Investors	HSBC
	Standard Chartered Bank
FPI/ DFI/ DFB	FMO – Netherlands
	IFC
NBFC	Blue Orchard MFI Fund
	OEEB, Austria
	Bajaj Finance



Focus On Supporting Growing Aspirations Of Rural Households Through Bespoke Financing & Insurance Solutions

- CreditAccess India B.V. (CAI) specialises in Micro & Small Enterprises financing
- Widely held shareholding base: 247 shareholders
 - Olympus ACF Pte Ltd. 15.4%
 - Asian Development Bank 8.8%
 - Asia Impact Invest SA 8.8%
 - Individuals/HNIs/Family Offices 67.1%
- Headquartered in Amsterdam, The Netherlands

Continued Financial Support via Patient Capital

- Invested through multiple rounds of capital funding along with secondary purchases 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 73.68% in CA Grameen

1

Inherent Business Strengths

- 99.9% loans with positive E & S impact
- Responsible Lending at one of the lowest interest rates
- 99.9% women customers
- 97% workforce from rural communities
- 50-60% of loan officers from customer families

3

Governance

- **Board structure:** 50% independent, 25% women, 8 Supervisory Committees
- **Strong ESG Policy framework:**
 - **Environmental:** E & S compliant loans
 - **Social:** Gender equality, human rights, employee / supplier code of conduct, non-discrimination, POSH, client protection, fair practices
 - **Governance:** Board diversity & inclusion, whistle-blower, anti-bribery, anti-corruption, anti-money laundering, IT security, taxation

2

Strategic CSR Initiatives

- Mobile health check-up vehicles
- Improvements in rural health infrastructure
- Improvements in rural education
- Livelihood & skill development for rural youth
- Special workshops for differently abled children
- Rainwater harvesting
- Groundwater improvement programme

- **Gold Standard in Client Protection** Certification
- **Great Place to Work & Amongst Top 30 BFSI** companies for 4th consecutive time
- **ESG Ratings from Sustainalytics & S&P Global**, rated better than many leading BFSI companies in India
- Already obtained ESG linked Funds from **Swedfund, OeEB (Austria), and DFC (USA)**

Second Party Opinion (SPO) From Sustainalytics

Sustainalytics Is Of The Opinion That The Ca Grameen's **Social Bond & Loan Framework Is Credible And Impactful** And Aligns With The Social Bond Principles 2021 & The Social Loan Principles 2023

Social Bond / Loan: Use Of Proceeds

- Employment generation, small & medium enterprise financing
- Businesses co-developed and co-managed by women
- Businesses located in rural /semi-urban areas of India
- Affordable housing

Achieving United Nations' Social Development Goals

- Decent work & economic growth
- Good health & well- being
- Quality education
- Gender equality
- Clean water & sanitation
- Reduced inequalities
- Revitalize economically depressed areas & reduce poverty

Social Bond & Loan Committee

- Chaired by MD & CEO
- Comprising of representatives from –
 - Corporate Finance Department
 - Sustainability Department
 - Business Units developing Eligible Social Loans
 - Audit and risk functions

Target Funding Mix Over Next 3-5 Years

Target Funding Mix	FY23	FY26	FY28
Banks (PSL Funding)	60%	50-55%	45-50%
Foreign Sources (ECB/NCD)	14%	20-25%	25-30%
Domestic NBFCs / FIs	13%	5-10%	5-10%
Domestic Public NCDs	4%	5-10%	5-10%
DA / Securitisation	9%	5-10%	5-10%
Total	100%	100%	100%

Why Are We A Preferred NBFC For Our Funding Partners

- As on Mar-23, we have 60+ lenders: 45 banks, 3 financial institutions, 6 NBFCs, 8 FIs
- Highest Standalone Credit Rating Of AA- (Stable) In The MFI Industry
- Top Quality PSL Portfolio For Scheduled Commercial Banks & DFIs
- Strong Profitability And Asset Quality Track Record
- Consistent Shareholder Value Creation Creates Strong Demand From Retail Funding Through Public NCDs
- ESG Compliant Business Model To Enable Access To Global Impact / ESG-linked Debt And Equity Fund Flows

Target ROA/ ROE Profile Over Next 5 Years

Profitability Metrics	FY24	FY25 - FY28
GLP Growth %	24% - 25%	20% - 25%
NIM %	12% - 12.2%	12% - 12.2%
Cost-to-Income Ratio %	35% - 36%	33% - 35%
Operating Costs / AUM %	4.8% - 4.9%	4.5% - 4.7%
Credit Cost %	1.6% - 1.8%	1.6% - 1.8%
ROA %	4.7% - 4.9%	4.8% - 5.1%
ROE %	20% - 21%	21% - 23%
Capital Adequacy	22.5% - 23.5%	> 20%
Debt /Equity	3.3x – 3.4x	< 4.0x

**Sustainable Growth Engine Capable
To Grow At 20-25% CAGR**



**Strong Internal Accrual Generation
With 20-23% ROEs
On A Sustainable Basis**



**No Capital Requirement
Over Next Two Years**



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CAO

6



Being Highly Responsive To Evolving Business Requirements And Achieving Growth Targets



Significant Rise In Daily Transaction Volumes of Over 20 Lakh

9k – 10k Customer applications & KYCs

40k – 50k Credit Bureau enquiries

10 – 11 Lakh Credit Bureau data submissions

25k – 30k Loan applications

12k – 15k Loan disbursements

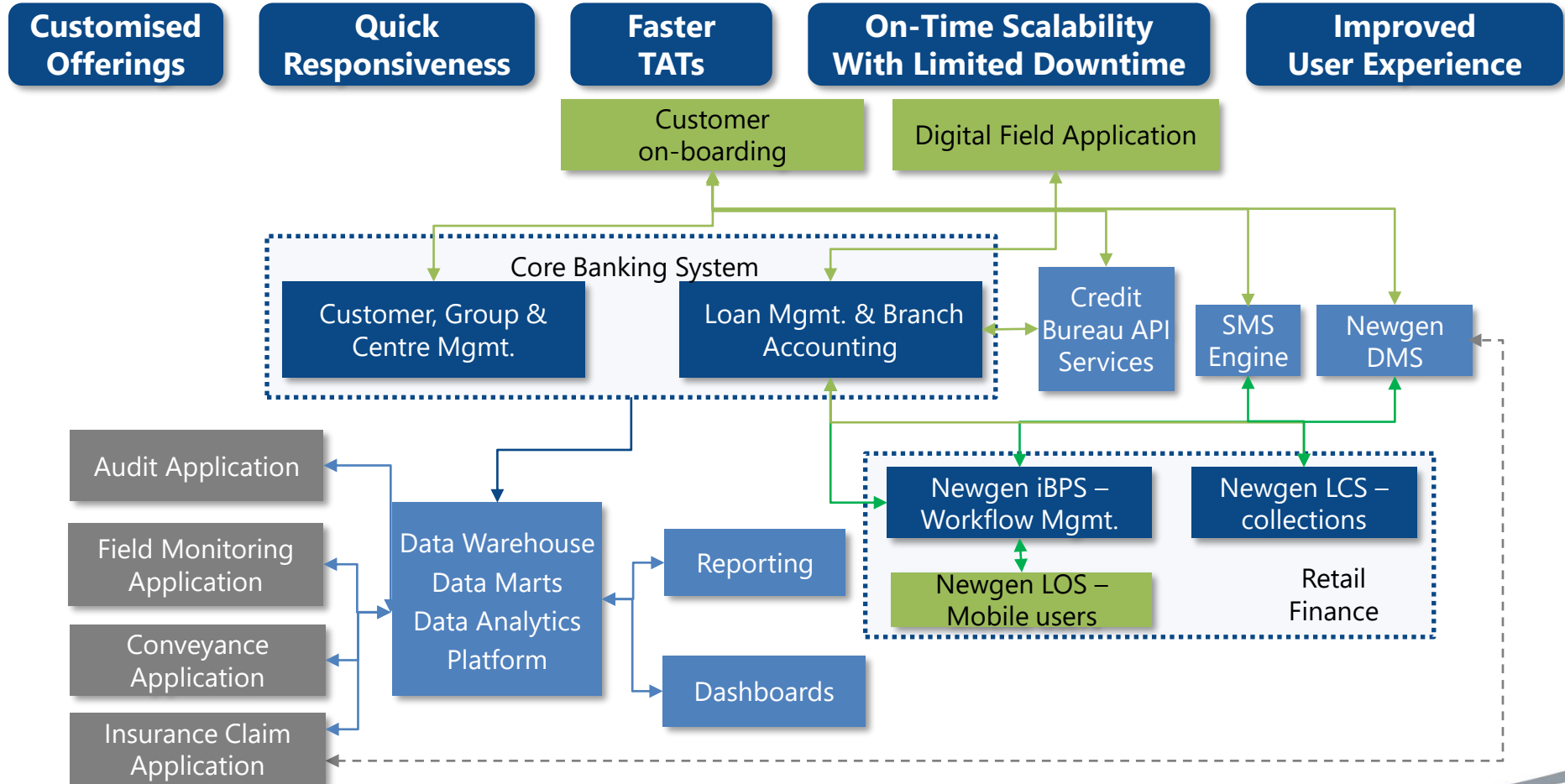
10 – 11 Lakh Loan repayments

2k – 3k AEPS based cash withdrawals, mini-statements

12k – 15k Cashless collections


















2k – 3k Insurance applications, claim processing

“High Tech High Touch” Model, “Mobile First” Approach



“High Tech High Touch” Model, “Mobile First” Approach

Our Technology Stack Overview

Technology Solution	Partner	Technology Solution	Partner	Technology Solution	Fintech Partners
T24 CBS	 TEMENOS The software specialist for banking and finance	ERP		Whatsloan	
Retail Finance		Managed Infrastructure		Karza	
Mobility Solution		Cloud Infrastructure		Digitap	
Client on-boarding		Network & Server Protection		Fingpay	
Insurance		Data Warehouse		Scienaptic	
Internal Audit		Business Intelligence & Reporting			

Key Initiatives Taken To Improve Agility, Scalability & Operational Efficiency

Managing Covid Induced Business Exigences

- Enhancements in CBS to allow flexible repayments & moratoriums
- Enabling UPI based cashless collections
- Passing interest subvention benefit of INR 56 Cr across 28 lakh loan A/Cs

Aligning With Changing Regulatory Requirements

- Daily NPA tagging
- HH income assessment built in customer on-boarding app
- HH bureau data integration
- Instant loan eligibility / CB check / FOIR adherence

Improving Customer & Employee Experience & Engagement

- Same day loan disbursements
- SMS messaging (vernacular)
- 100% digital customer on-boarding
- Customer specific QR code for cashless repayments
- Unified mobility platform

Increasing Application & Infrastructure Scalability

- Handling concurrent loads & high volumes
- Offline functionality to reduce CBS dependency
- CBS upgrade to allow functional flexibilities, API integration

Expanding RPA Across Multiple Functions

- Credit bureau validations
- Cashless disbursements / reconciliations
- RPC processes
- Loan sanctions
- Field performance metrics
- Business process management

Partnering & Enabling Other Business Strategic Initiatives

- Retail Finance loan products – launch & stabilization
- Digital lending initiatives
- Future proofing the business operations
- Implementing rule engine

Data Platform & Analytics

- MIS Automation
- Build data marts for various applications
- Analytics workbench to process high volumes of data including real-time analytics

Forecasting & Modelling

- Enhance decision making abilities
- Enhance forecasting techniques for business KPIs
- Explore predictive analytics for customer behaviour

Data Visualisation

- Enhance management level dashboards & reporting with self-service options
- Real-time performance dashboards for field executives

In-house Development

- Build in-house development team on latest technology framework
- Full stack development experience for digital bank and other development projects

Agile Technology

- Low-code platform for enterprise mobility solutions
- Enhance integration with external eco-systems, for faster go-to-market
- Focus on design & architecture of business applications for agility

Robotic Process Automation

- Build in-house Centre of Excellence (COE) for RPA
- Enable automation of high-volume repetitive tasks

Scalability & High Availability

- Enhance infrastructure & high availability to ensure all business applications are scalable
- Enhance integration capabilities at scale for high volumes of transactions
- Implement ESB to build robust digital ecosystem and aid API banking

Digital Lending Pilot

- Building customer self-service digital lending platform
- New age tech - Microservices and UI rich and agile development methodology
- Personalization, Offer UX and Risk models by using data analytics

Focusing On Energy Efficiency Through Use of Renewables At Our Data Centres

Kyndryl	Ctrl-S
<ul style="list-style-type: none"> • On-site solar roof top plants / Windmills • Recycling wastes through Govt. approved recyclers • Signed contract with Bloom Energy to install 1st hydrogen ready fuel cell based captive power plant at one of the DCs in the state of KA to further reduce emissions 	<ul style="list-style-type: none"> • Solar power generation • Cold Aisle Containments • Sensor based taps • Motion based sensors installed to control LED lights • Auto cleaning system for chiller condenser tube line • Reuse of treated water for flushing and gardening • Green chemicals for house keeping

- **Kyndryl:** In Bangalore DC, already achieved utilizing **78%** of energy through Renewable Energy (RE). Target: **90%** by FY24.
- **Ctrl-S:** Have commenced few Green-IT initiatives. Target: **70%** by FY24

Our Tech Mantra: Being Agile, Consistent, & Scalable



Daily Transactions Scaling From Over 20 Lakh To Over 50 Lakh

MOBILE FIRST APPROACH

HIGH-TECH HIGH-TOUCH

CREDIT BUREAU HITS

Cashless Disbursements

ENTERPRISE SERVICE BUS

API BANKING

Tailored Experience

Business Scalability

Digitized Customer Touch Points

LOW CODE PLATFORM

ROBOTIC PROCESS AUTOMATION

AGILE

WEEKLY

COLLECTIONS

PREDICTIVE CAPABILITIES

Machine Learning

On-line Off-line Functionality

Data Analytics

METAVVERSE

Core Banking Solution

Artificial Intelligence

CONSISTENT

Digital Lending

QUICK

RESPONSIVENESS

Automated Risk & Audit

Information Security

Rule Engine

CALL TO ACTION

Best Technology Of The Year 2022 – Financial Services



Impactful Contribution In Financial Inclusion: Elets 12th NBFC 100 Tech Summit



Best In Enterprise Mobility & Data Centre: Technology Senate – Indian Express Group





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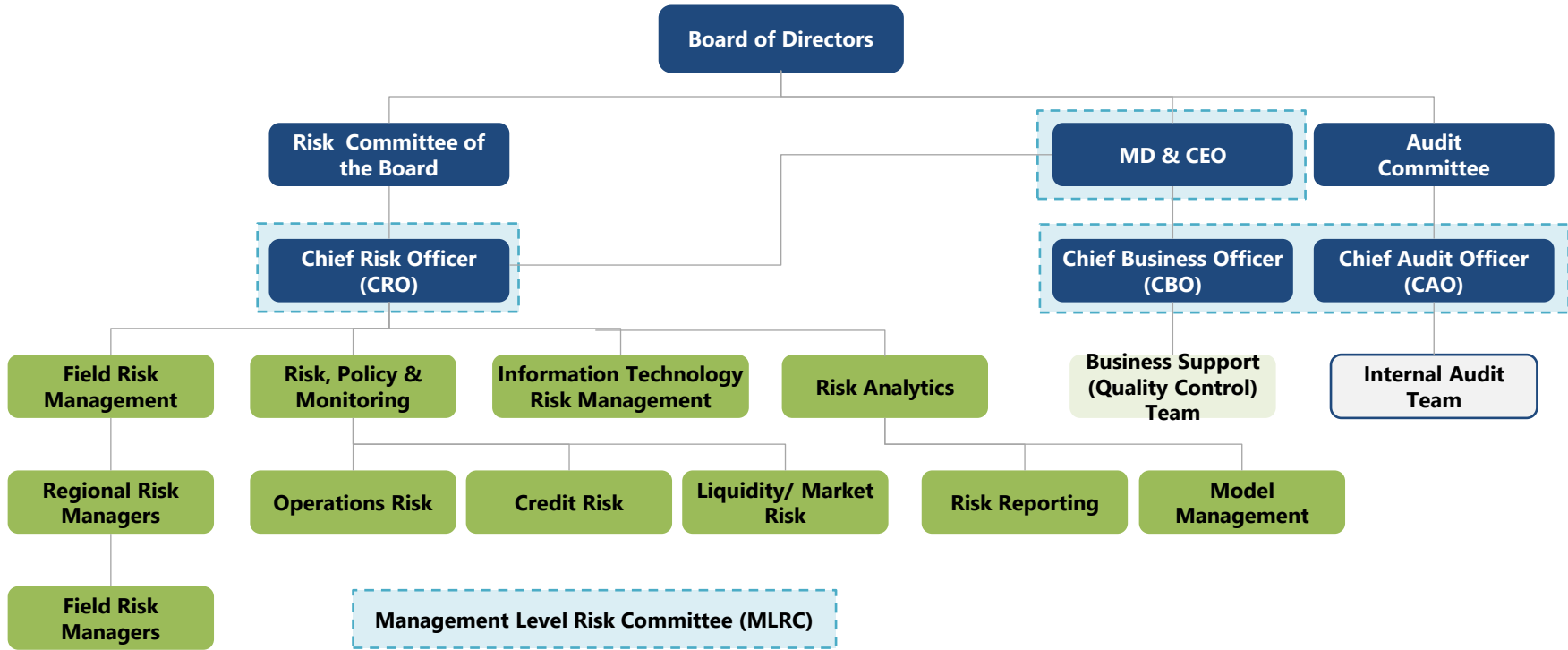
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CAO

6



Risk Governance Structure



Inherent Challenges

- Informal / un-organised customer segment
- Geographic concentration
- External forces – natural & man-made
- Climate risk impact

Identification & Monitoring

- Daily/ Weekly/ Monthly delinquency monitoring
- Tracking at branch / district/ state level
- Roll rate analysis
- Vintage analysis
- Continuous profiling of high-risk segments

Delinquency Management

- Control slippages from early delinquency buckets
- Frequent interaction with borrower/ regular visits
- Deploy quality control team for PAR recovery
- Enhanced collection efforts beyond specific delinquency levels
- Comply with regulatory reporting to CICs
- Revisit credit policy and recalibrate exposures
- Recalibrate loss forecasting model

Guiding Parameters

- Extensive customer engagement, robust CB data, strong due diligence pre/post disbursements
- Unsecured loan exposure to customers with HH monthly obligation > INR 9,000 should be $\leq 50\%$
- State exposure $\leq 30\%$, district exposure $\leq 2\%$ by 2024

Expected Credit Loss (ECL)

ECL staging

Group Lending: (Conservative Approach)

- Stage I: <16 dpd (vs. Industry @ 30 dpd)
- Stage II: 16 – 60 dpd (vs. Industry @ 30 – 90 dpd)
- Stage III (GNPA): 61 dpd (vs. Industry at 90 dpd)
- Write-offs: 270+ dpd

Retail Finance: (Aligned with Industry)

- Stage I: <31 dpd
- Stage II: 31 – 90 dpd
- Stage III: 91 dpd
- Write-offs: 365+ dpd

ECL Components

$$\text{ECL} = \text{EAD} * \text{PD} * \text{LGD}$$

- EAD (Exposure at Default) = O/S principal + accrued interest
- PD (Probability of Default) = % EAD likely to go into default (Stage III)
- LGD = 1 - % recovery over 36 months

PD Estimation:

- Stage I: 12 months PD
- Stage II: If residual loan tenure < 2 years then 12 months PD, else lifetime PD
- Stage III: Lifetime PD

Risk segmentation:

- Geography: high/ medium/ low risk
- Customer vintage: > 4 years / <= 4 years

Group Lending ECL Matrix as on Mar-23		Customer Vintage					
		<= 4 Years			> 4 Years		
		Stage I	Stage II	Stage III	Stage I	Stage II	Stage III
Risk	High Risk	1.7%	73.1%	84%	0.7%	58.8%	74%
	Medium Risk	1.0%	61.5%	75%	0.5%	50.2%	66%
Category	Low Risk	0.6%	56.4%	71%	0.3%	46.9%	63%

Retail Finance ECL Matrix as on Mar-23

- Stage I: 2%, Stage II: 50%, Stage III: 100%

ECL Back Testing: To Check If ECL Provision Is Sufficient To Cover Write-off In The Next 12 Months

Period	ECL Provisions (POS) (INR Cr)	Write-off Net of Recovery in Next 12 Months (INR Cr)	Write-off as % ECL Provisions	Remarks
FY18	63	55	87%	Excess Provision
FY19	77	45	58%	Excess Provision
FY20	264	386	146%	Impact of Covid was truly visible around July-Sep FY21, accordingly additional INR 204 Cr provision was made in Q1-Q2 FY21
FY21	514	496	96%	Excess Provision
FY22	402	374	93%	Excess Provision

Note: Figures are for CA Grameen excluding the MMFL loan portfolio

Strong Credit Filters To Control Asset Quality

Microfinance New Customer & New Loan Applications – Approval Rate Analysis H2 FY23

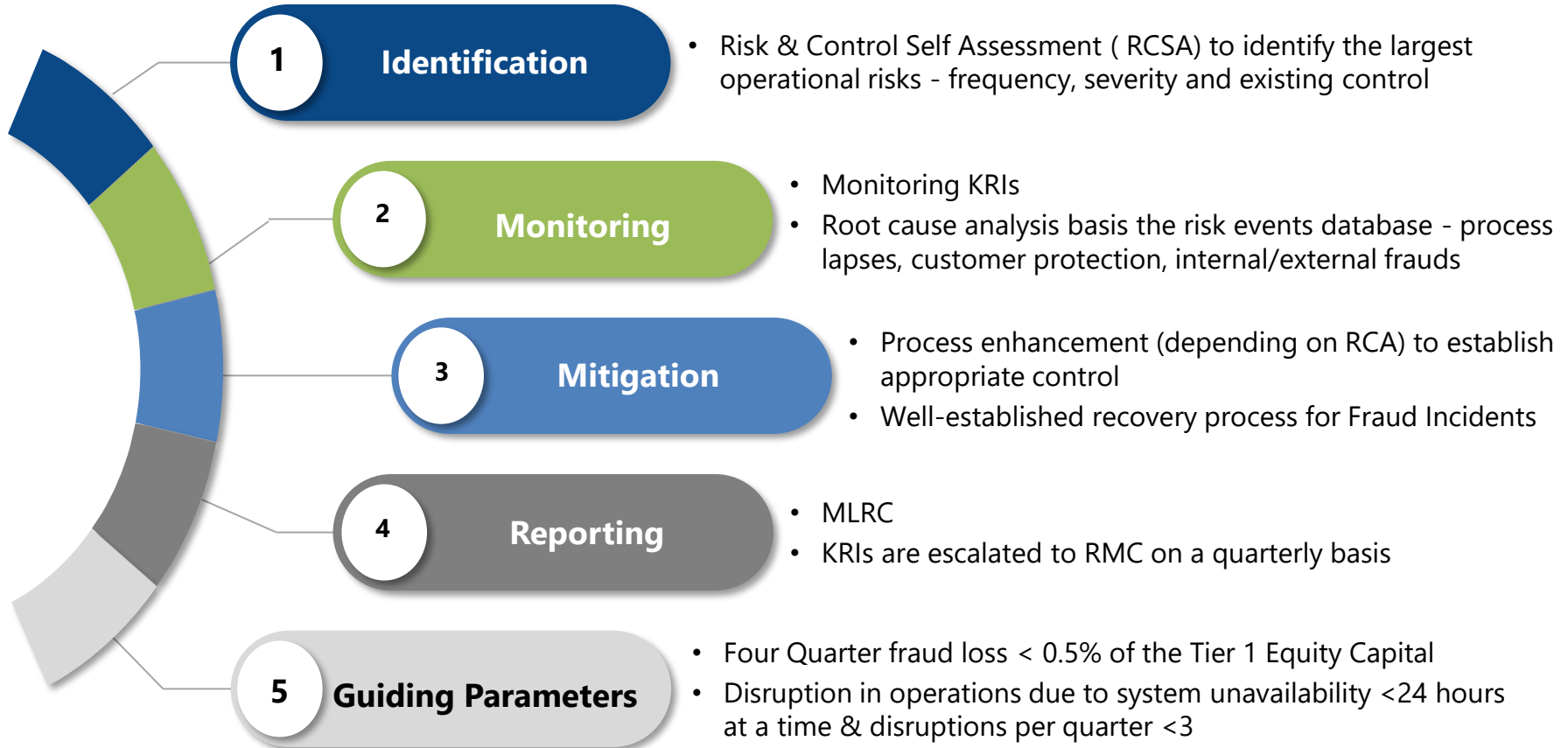
New Microfinance Customer Approval / Rejection Analysis – H2 FY23	
CB Fail	30%
- Delinquency	19%
- FOIR & Indebtedness	10%
- Others	1%
CGT/ Re-interview/ GRT Fail	6%
Documentation & Others	13%
Overall Rejection Rate – New Customer On-Boarding	49%
Overall Approval Rate – New Customer On-Boarding	51%

Microfinance Loan Approval / Rejection Analysis – H2 FY23	
Reject – Loan spacing policy	10%
Reject – FOIR & Unsecured Indebtedness	8%
Reject – Overdues/ Write-offs	1%
Overall Rejection Rate – New Loan Applications	18%
Overall Approval Rate – New Loan Applications	82%

FY23 Slippage / Recovery Analysis

Particulars (INR Cr)	Stage I	Stage II	Stage III	Total
Gross Carrying Value - March 2022	14,555	186	559	15,299
New Loan Assets Disbursed	18,424	0	0	18,424
Loan Assets derecognised / repaid	-13,570	-77	-98	-13,745
Loan Assets Written-off	0	0	-587	-587
Movement between stages				
Transfer from Stage I	-380	185	194	
Transfer from Stage II	51	-253	202	
Transfer from Stage III	31	2	-34	
Gross Carrying Value - March 2023	19,111	43	236	19,391

Operational Risk Management Process



Interest Rate Risk arises on account of interest rate related fluctuations which could have a potential impact on earnings if the assets and liabilities have a mismatch on tenure

Currency Risk arises when the Company borrows in foreign currency from institutions abroad, while the loan assets are in domestic currency

1

GAP Analysis Framework for measuring, monitoring, managing and reporting interest rate risks

2

Time bucketing of interest rate sensitive assets, liabilities and off-balance sheet exposures

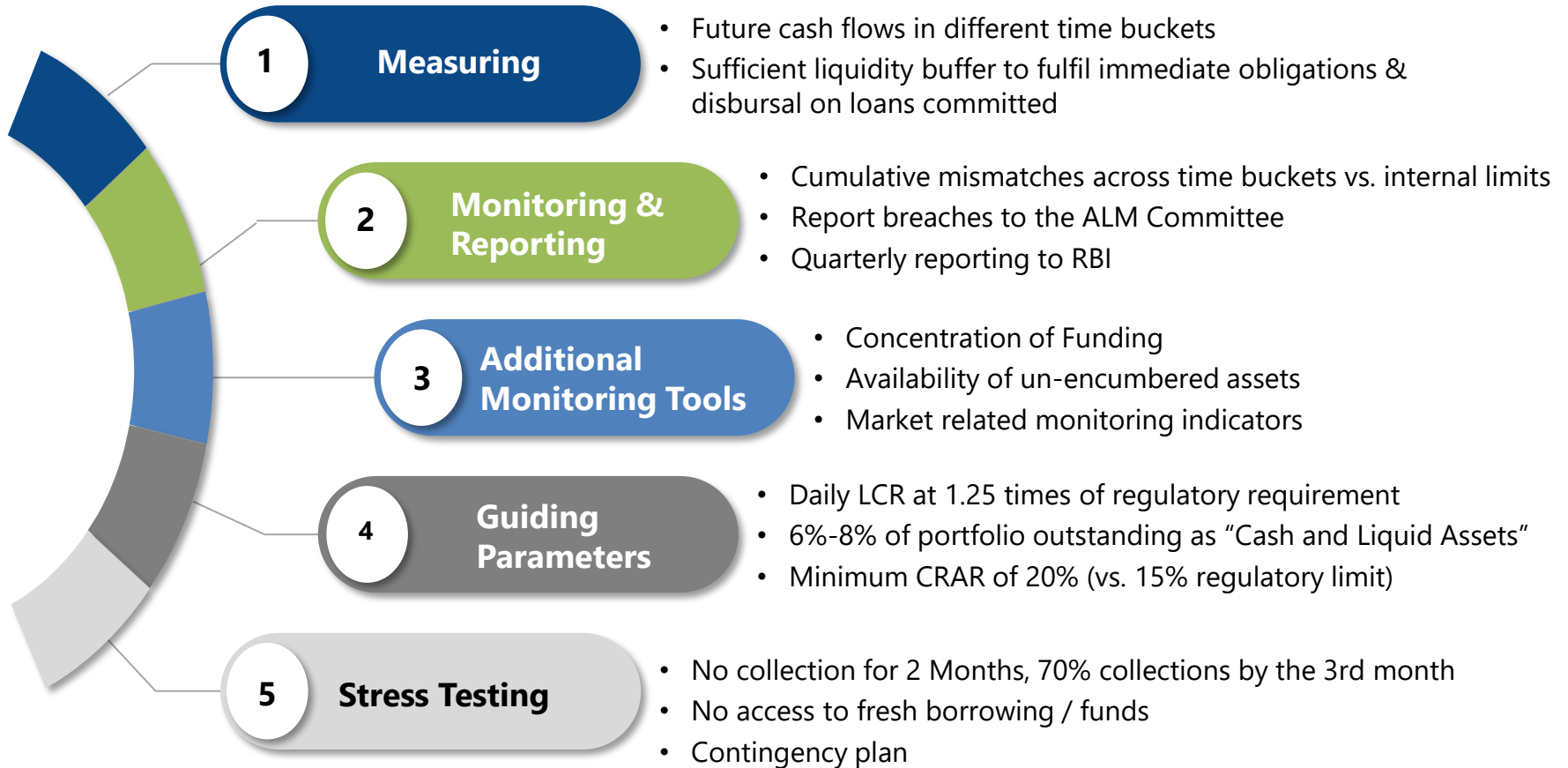
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Running scenario analysis to measure the impact of probable interest rate movements

4

Guiding parameters

- Loss in economic value due to a rise/fall of 200 bps over next 4 quarters: <5% of Tier 1 Equity Capital
- Open Foreign currency position <1% of Tier 1 Equity Capital
- Open position with respect to forex borrowing shall be Nil



Key Initiatives On Integrated Risk Management

Develop Credit Scoring Models For New Products, Services & Cross-selling

02

01

Implement Rule Engine For Agile Underwriting Using Data Analytics

Refine Credit Policy, Build Data Granularity, Expand Scope Within Acceptable Risk Tolerance Limits, Build ICAAP

04

03

Explore Methodologies For Robust Income Estimation Through Analytical Approach

Build Data Around Climate Risk To Manage Impact On Portfolio Growth And Quality

06

05

Automation Of Risk Processes Through Implementation Of Risk Management System



Discussion Summary

Going From Strength To Strength

- Mr. Udaya Kumar Hebbar
MD & CEO

1

Tapping Rural Financing Potential

- Mr. Ganesh Narayanan
Deputy CEO & CBO

2

Building Solid Liability Franchise

- Mr. Balakrishna Kamath
CFO

3

Powered By Robust Technology Stack

- Mr. Sudesh Puthran
CTO

4

Governed By Integrated Risk Management System

- Mr. Firoz Anam
CRO

5

Disciplined By Strong Internal Controls

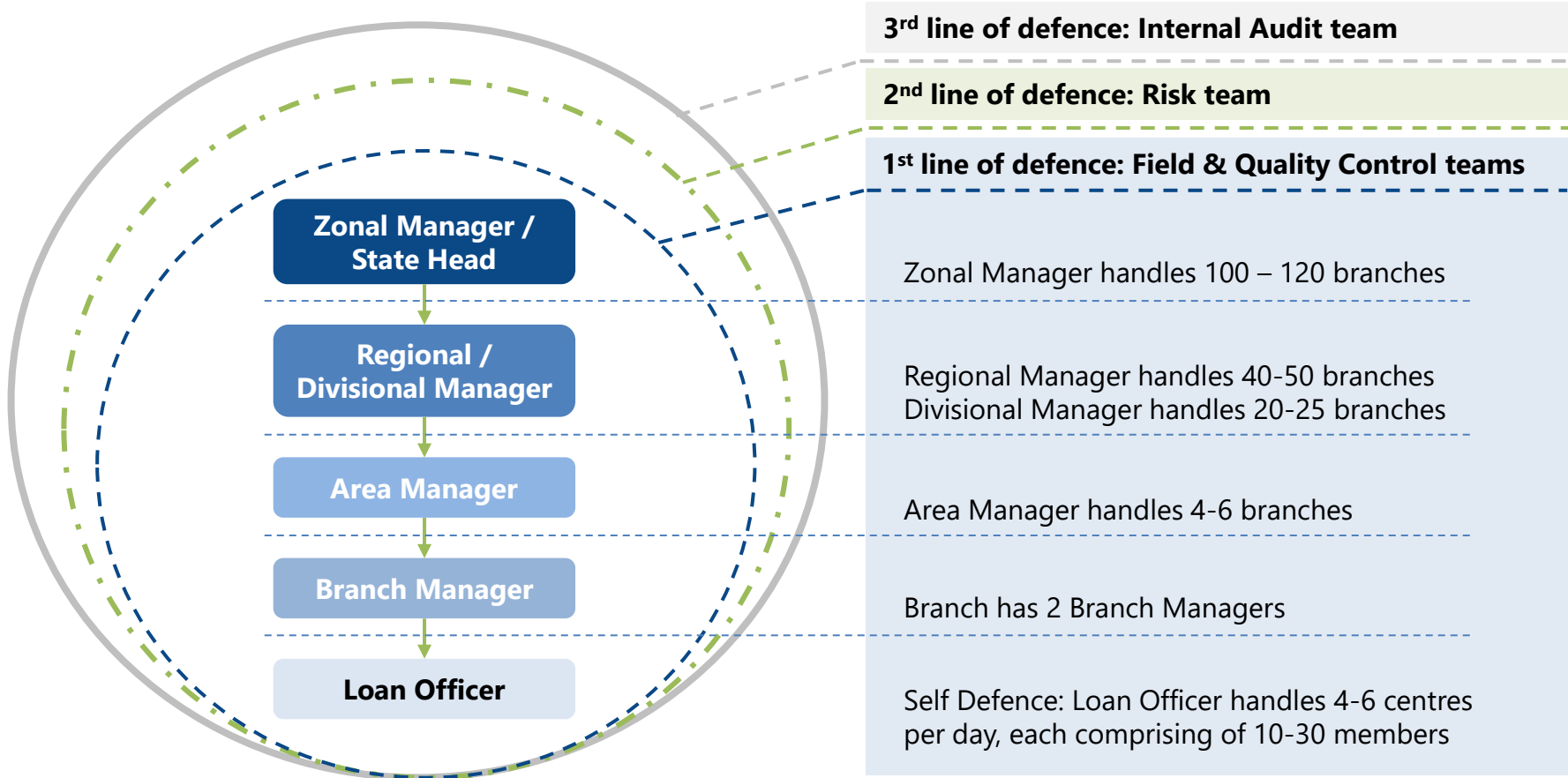
- Mr. Gururaj Rao
CAO

6



- ✓ Bad News First! Good news can wait
- ✓ Build policy, process and controls that hold good during bad times
- ✓ Loan officer's behaviour and attitude, he being face of the company, is key to shape customer perception
- ✓ Continuous reiteration of discipline and transparency at all levels in the company
- ✓ Business resilience depends on successful replication of culture and process across different geographies
- ✓ All policies and processes must be customer friendly. Organisation needs to be agile and adapt

Internal Control Structure: Three Lines Of Defence



Quality Control / Business Support Team

- Reports to state heads
- Protects the quality side of the business
- Oversees continuous, proactive and comprehensive review of processes, documentation and information in the field
- Ensures process adherence, complete and accurate documentation in branches and centre meetings
- This team consists of experienced resources sourced from branch operations

Review branch operations

Visit centres and shadow loan officers

Sanitize branch operations & investigate frauds

Around 340+ Quality Control Team

Visit member house, check loan utilisation, verify insurance claims

Monitor portfolio quality and PAR recovery

Review customer onboarding process (CGT, GRT)

Field Risk Control: 2nd Line Of Defence

- 1 Field Risk Officer for every 20 branches
- Branch / Center/Customer visits are conducted based on risk triggers
- Minimum 50% branch coverage every quarter

67

Field Risk Team

Branch Operations Risk Monitoring

- Monitoring of operational risks at branches and centres
- RCA of the risk incidence identified across branches under coverage
- Geographical risk assessment for business expansion

Customer Survey

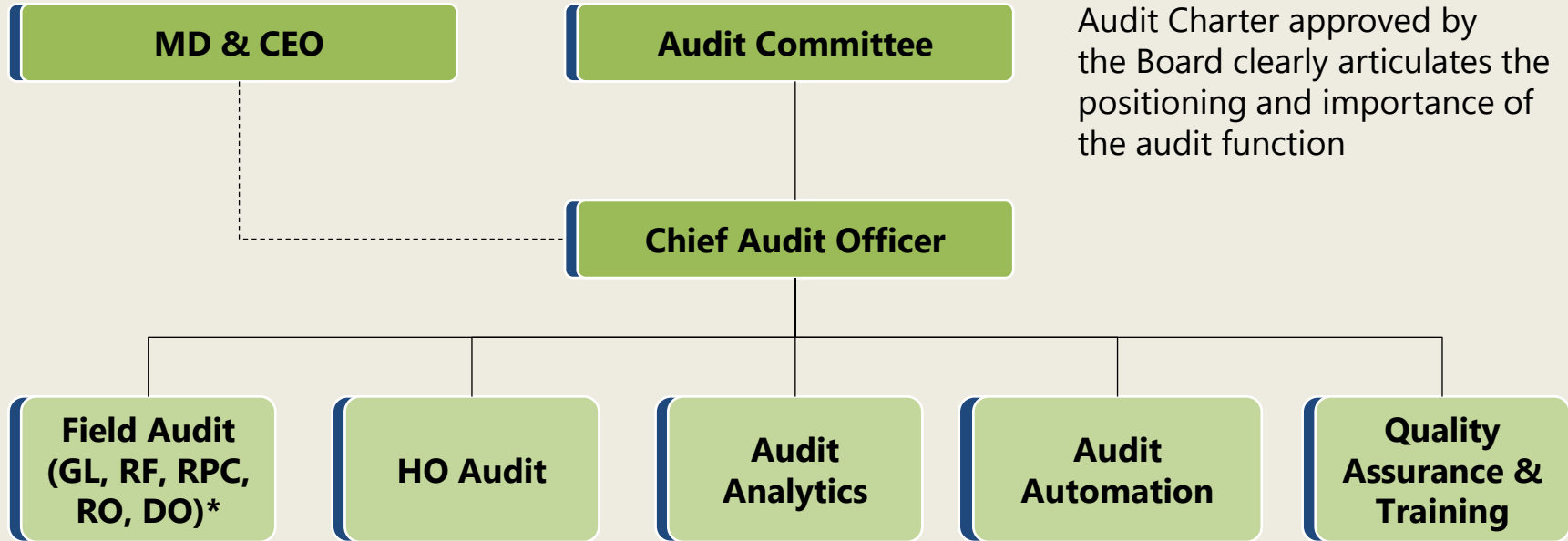
- PAR customer survey to identify drivers of delinquency
- Detection of internal fraud and external fraud incidents
- Fraud/other incident Investigation
- Adherence of client protection principles

Local Intelligence

- Identify potential external risks / community risks
- Monitor risk events (Social, Political, Industry)
- Capture and report the perception of local community

Risk Based Internal Audit Framework Acts As A Strong Guardrail For Our Business

Governance & Audit Structure



*GL: Group Loans , RF: Retail Finance, RPC: Regional Processing Centre, RO: Regional Office, DO: Divisional Office, HO: Head Office



Branch and Field Operations

- Fully automated audit process
- Field intelligence sharing analytical data support
- High frequency of audits
- Emphasis on kendra meeting visits
- Independent, experienced and trained audit staff
- Comprehensive scope of audit
- Immediate reporting of time critical observations
- Faster TAT for audit reports, compliance and closure
- Risk based grading
- Grading system acting as early warning signal for weak branches



Head Office Functions

- Risk based audit policy
- Independent and skilled audit resources
- Full understanding of policy, data, system and processes
- Continuous iteration for process adherence and improvement
- Comprehensive scope, risk-based rating of functions, continuous risk assessment
- Audit analytics to complement field and HO audit functions
- Quality assurance and capacity development team for continuous improvement

Branch Grading & Audit Frequency

Grading Ensures Continuous Adherence To Systems, Policies & Procedures

Grading Is Valid Only Till The Next Audit

Grade	Risk Weighted Score	Audit Frequency	% Of Branches
A +	> 95	75 days	4.6%
A	85 – 95	60 days	42.3%
B	80 – 85	60 days	48.1%
C	75 – 80	45 days	4.9%
D	< 75	30 days	0.2%

Frequency During FY23	% of Branches
<45 Days	29%
46-60 Days	50%
61-70 Days	18%
70-90 Days	3%

154 Check-points Across, 12 Key Audit Parameters

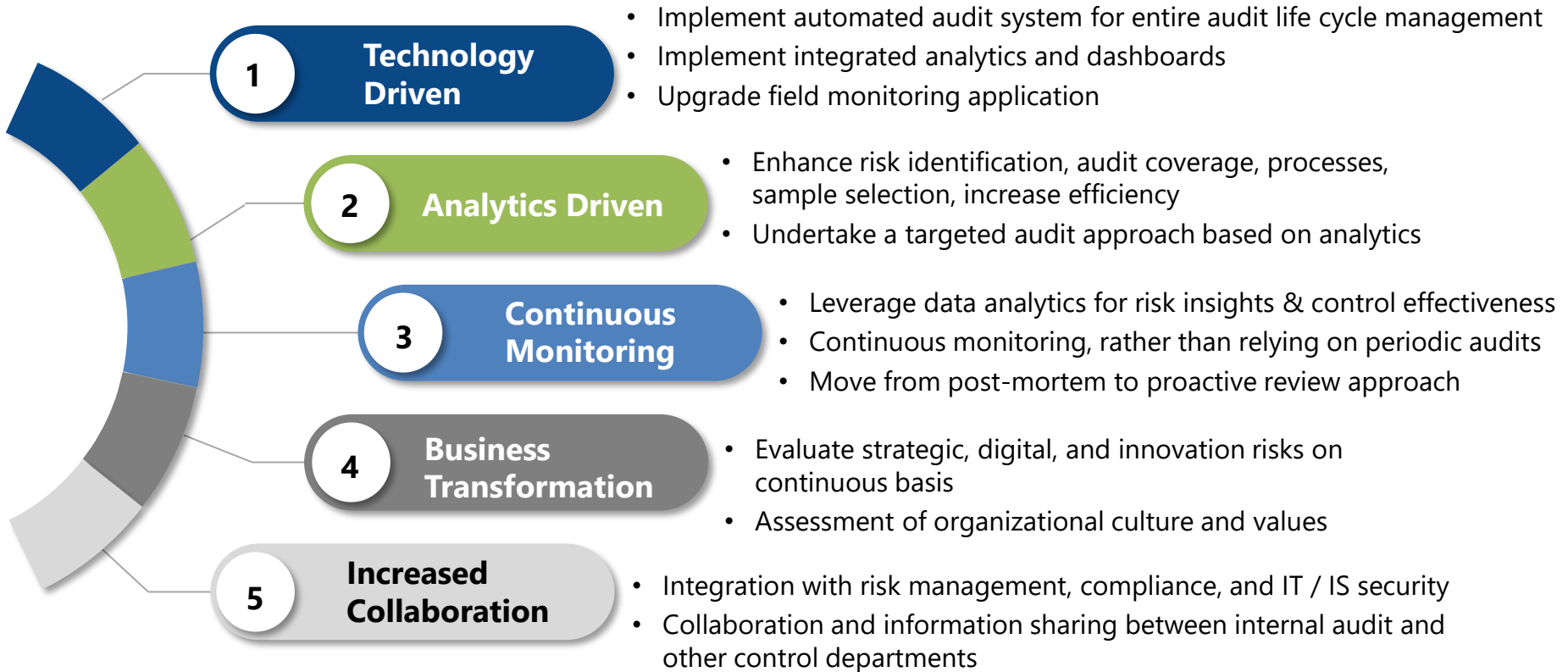
- Cash Controls
- Kendra Meetings
- Member Onboarding
- Lending Process
- Branch Monitoring & Controls
- Collections & Accounting
- Expenses Control
- Statutory Compliances
- Code of Conduct
- HR Management
- Insurance Claims Management
- Previous Audit Compliance

Audit Structure Built to Scale

- End-to-end audit process is digitized
- Decentralized - one audit person per 5-6 branches
- All branch audits are surprise in nature, over 6-10 man-days
- Snap audits or special audits to review specific operational issues
- Monitoring early warning signal for weak branches
- Time critical observations escalated on real-time basis
- Centralized team for reporting, compliance follow up and closure
- Close collaboration with second line of defence
- Field monitoring application for tracking field visits

- ✓ **320+** strong audit team
- ✓ **41%** of audit staff have vintage of >5 years
- ✓ **80%** of audit managers have vintage of >5 years
- ✓ **10,293** branch audits performed in FY23
- ✓ Report issuance TAT of **3 days**
- ✓ Compliance closure in **12 days**
- ✓ Every centre is visited by one independent staff once in **37 days**
- ✓ Every branch is visited by one independent staff once in **10 days**

Transforming Internal Audit - Integrated Technology, Analytics Driven And Collaborative Approach





Thank You

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