



**Forging a Path**  
Towards a  
**Stronger Future**

CreditAccess Grameen Limited

Corporate Presentation

August 2023



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## Business Overview

## Business Model & Strategy

## Key Performance Highlights



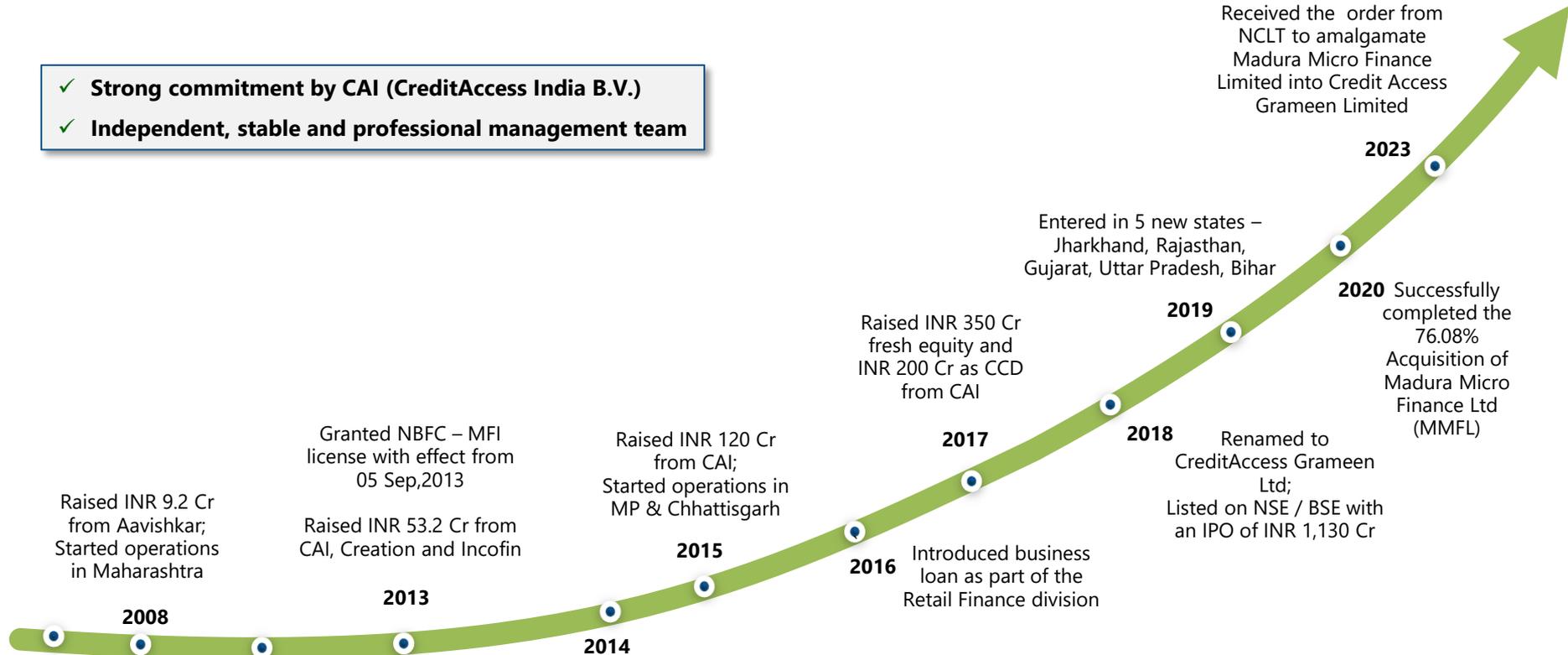
- ✔ One of the Leading NBFC-MFIs in India headquartered in Bengaluru
- ✔ Joint Liability Group (JLG) based lending model focused on rural women predominantly in the rural areas of India
- ✔ Diverse product suite catering to entire customer life cycle
- ✔ Calibrated, contiguous district-based expansion strategy focusing on deep rural penetration
- ✔ Well designed product delivery and collection systems resulting in high customer retention
- ✔ Track record of delivering consistent growth as well as financial performance

## Consolidated Financial and Operational Snapshot (June 2023)

Gross AUM	Active Customers	Branches / Districts	Employees	Loan Officers	Q1 FY24 PAT
INR 21,814 Cr	44.2 Lakh	1,826 / 353	17,391	12,044	INR 348 Cr

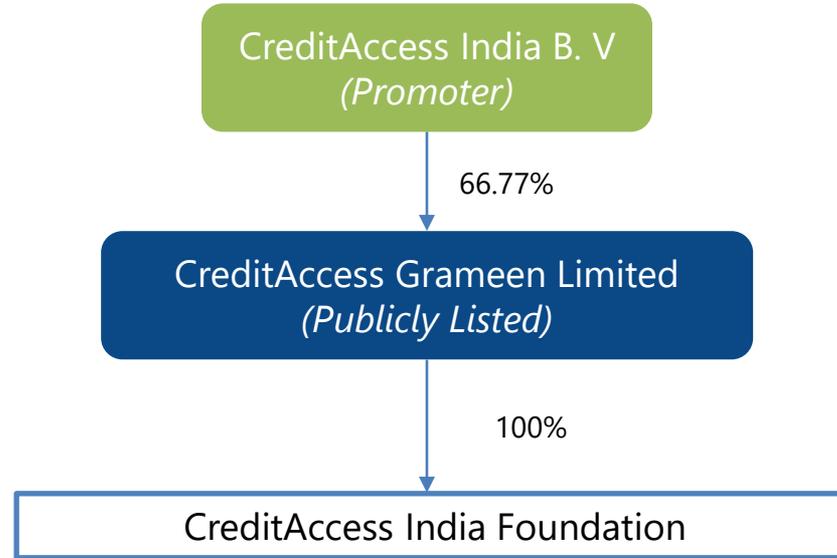
# Key Milestones

- ✓ **Strong commitment by CAI (CreditAccess India B.V.)**
- ✓ **Independent, stable and professional management team**



Consolidated	FY21	FY22	FY23	Q1 FY24
Branches (#)	1,424	1,635	1,786	1,826
Gross AUM (INR Cr)	13,587	16,599	21,031	21,814





\* Based on equity shareholding as on June 30, 2023



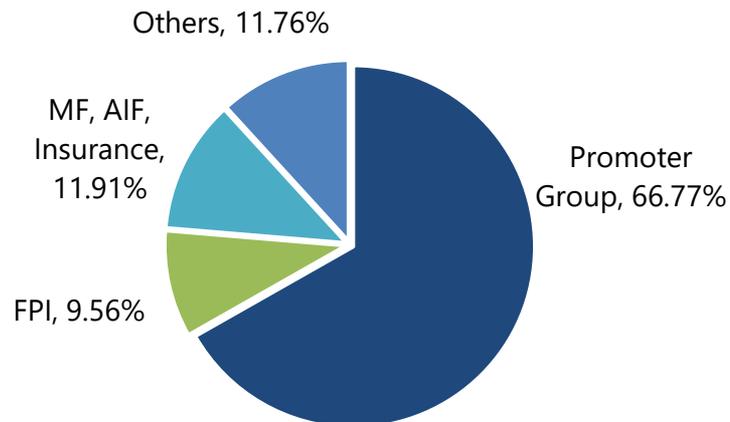
## Committed to Micro Finance Business

- 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%
  - Conferenza Episcopale Italian 8.1%
  - Individuals/HNIs/Family Offices 58.95%
- Headquartered in Amsterdam, The Netherlands

## Strong Financial Support

- Invested through multiple rounds of capital funding along with secondary purchases during 2009 to 2017
- Displayed trust in our business model post Demonetization by infusing INR 500 Cr in FY17
- Provides access to global fundraising opportunities leveraging CAI's network and relationships
- Holds 66.77% in CA Grameen, committed to holding up to the regulatory requirement in the future

## Shareholding Pattern – June 30, 2023



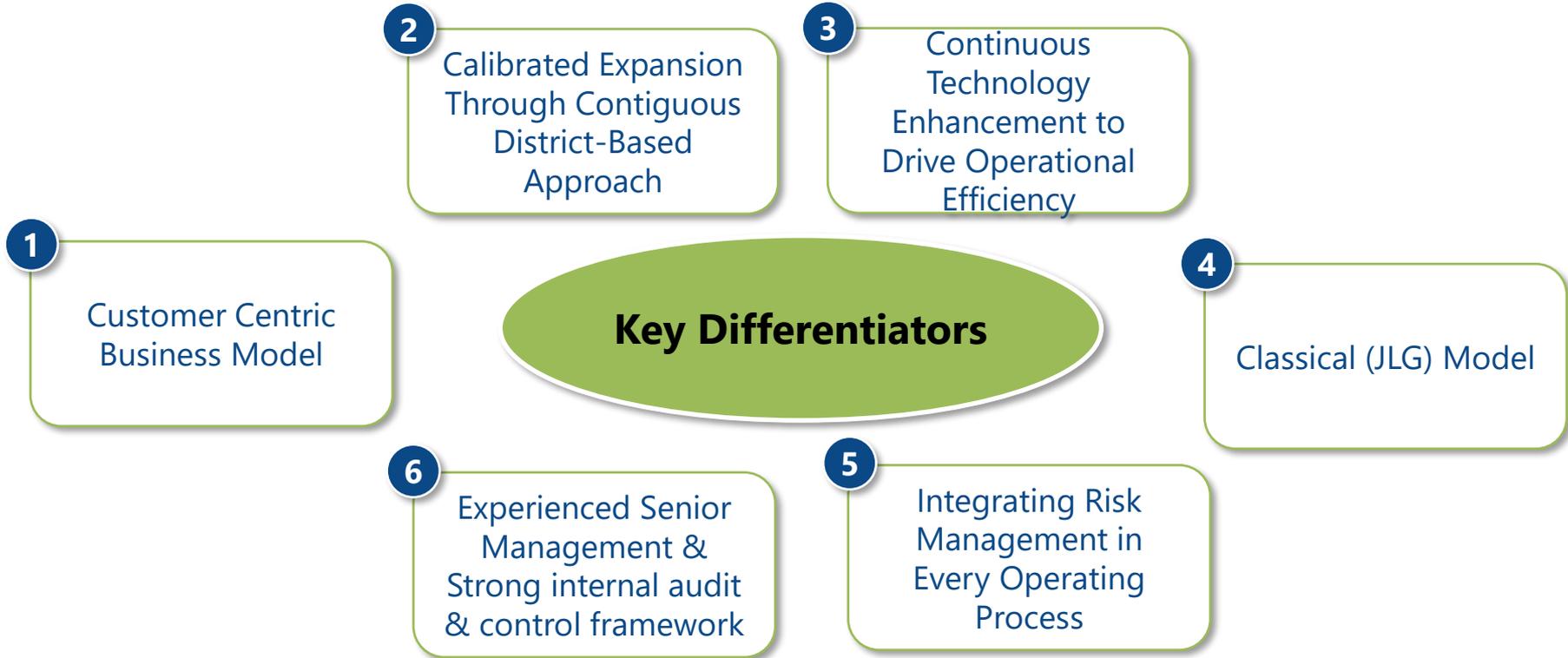
CA Grameen	June 30, 2023	FY23	FY22	FY21
<b>Credit Rating – ICRA</b>	AA- (Stable)	AA- (Stable)	A+ (Stable)	A+ (Stable)
<b>Credit Rating – Ind-Ra</b>	AA- (Stable)	AA- (Stable)	A+ (Stable)	A+ (Stable)
<b>Credit Rating – CRISIL</b>	A+ (Positive)	A+ (Positive)	A+ (Stable)	A+ (Stable)
<b>Comprehensive Microfinance Grading (Institutional Grading/ Code of Conduct Assessment (COCA)) – CRISIL</b>	M1C1	M1C1	M1C1	M1C1

Business Overview

**Business Model & Strategy**

Key Performance Highlights





Uniquely positioned to capitalize on the highly underpenetrated credit in rural areas

## One Stop Shop providing Support to Various Lifecycle Needs of the Customer

Loan Type	Customer Centric Products	Purpose	Ticket Size (INR)	Tenure (weeks / months)
Group	Income Generation Loan (IGL)	Business Investments and Income Enhancement activities	Up to 1,10,000	52 – 156 weeks
Group	Family Welfare Loan	Festival, Medical, Education and Livelihood Improvement	Up to 20,000	24 – 104 weeks
Group	Emergency Loan	Emergencies	1,000	11 – 12 weeks
Retail Finance	Retail Finance Loan	Purchase of inventory, machine, assets or for making capital investment in business or business expansion	Up to 20,00,000	3 – 180 months

### ✓ 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 cash flow cycle
- No pre-payment penalty

High customer satisfaction & customer retention rate

Sustainable & Socially Relevant

Significant contribution from existing customer

Optimising operating costs

# Calibrated Expansion Through Contiguous District-Based Approach

- ✓ Systematic geography selection based on availability of infrastructure, competition, historical performance trend and growth potential
- ✓ 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 (93% of districts < 1% of consolidated Gross AUM, No single district has > 3% of total consolidated Gross AUM)

## 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 staff equipped with handheld tabs for managing Kendra meetings & collections
- Automated/ paperless customer on-boarding, faster KYC, and CB checks
- Tailor-made product offerings providing flexibility to customers
- Cashless disbursement / digital repayment options for customers
- Robust CBS customized for our business operations, with higher levels of automation, controls and flexibility
- Strong tech-enabled internal audit, risk, and control systems to enable real-time field risk monitoring

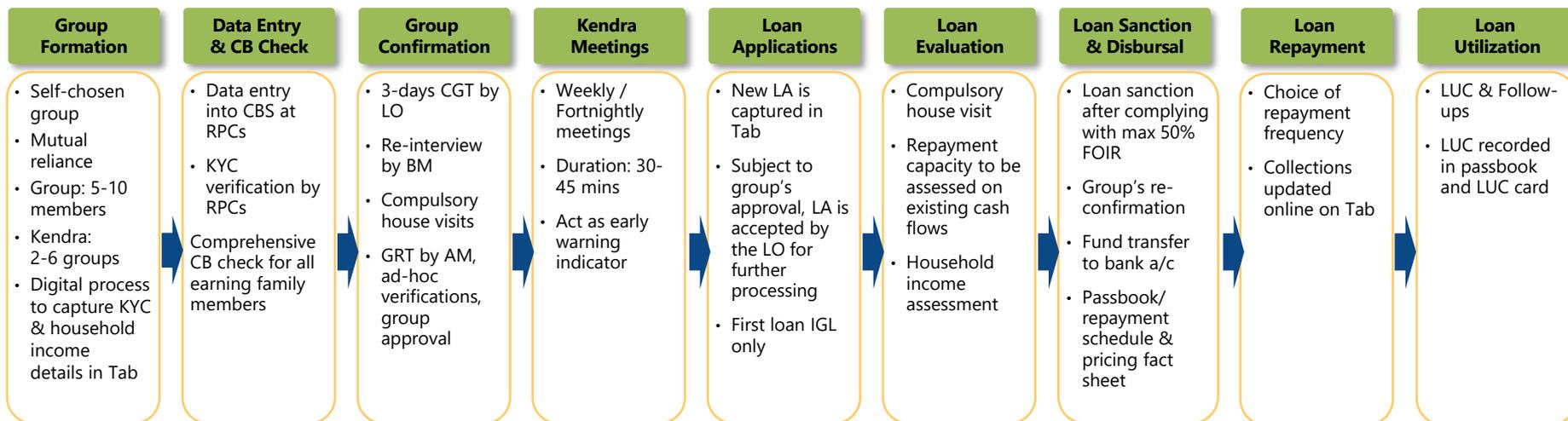
## Microfinance loans are unsecured. JLG mechanism acts as security/ loan collateral –

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

## Fully aligned with new harmonized guidelines in terms of -

- ✓ Formulation of Board approved policies
- ✓ Process modifications
- ✓ Underwriting changes
- ✓ Technology changes in Core Banking System
- ✓ Training to all the employees

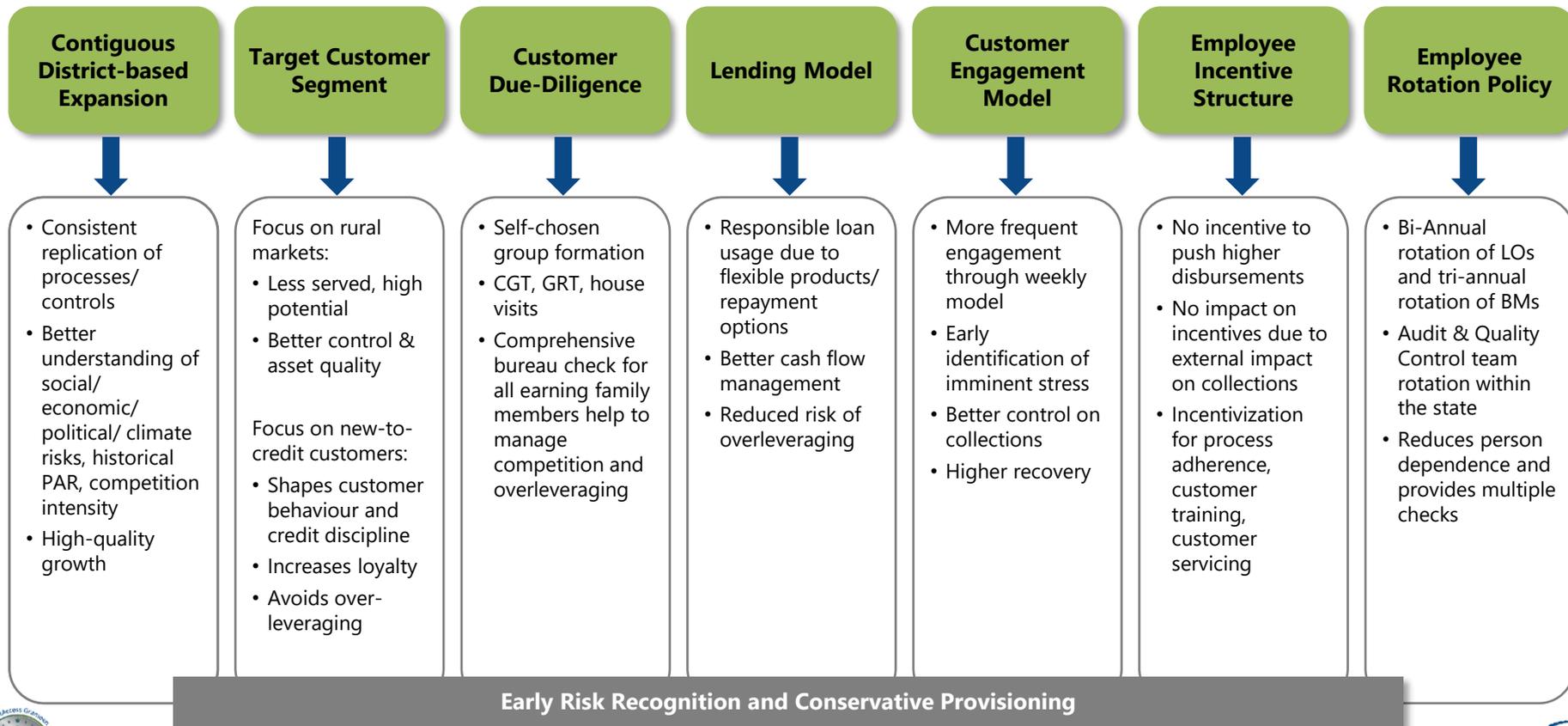
## JLG Mechanism allows Multiple Layers of Checks before and after disbursement of loan



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



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



## Well-Established Operational Structure



### Sound Understanding of Rural Market

Employees are predominantly hired fresh from rural communities

### Highly Efficient Workforce

- In-house 2-3 weeks pre-hiring training program
- Compulsory rotation of loan officers bi-annually and branch managers tri-annually for varied job experience and work satisfaction
- Employee incentives delinked from disbursement or collections, and linked to number of customers serviced, quality of service and process adherence
- High employee retention rate

## 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):

- Complements internal audit function by early identification of operational risks
- Ensures proactive and comprehensive review of processes, accurate documentation in branches and kendra meetings and adherence to the code of conduct



### Field Risk Control (FRC):

- FRC adds strength to proactive operational risk management
- FRC complements the field operations supervision, quality control and internal audit function

Business Overview

Business Model & Strategy

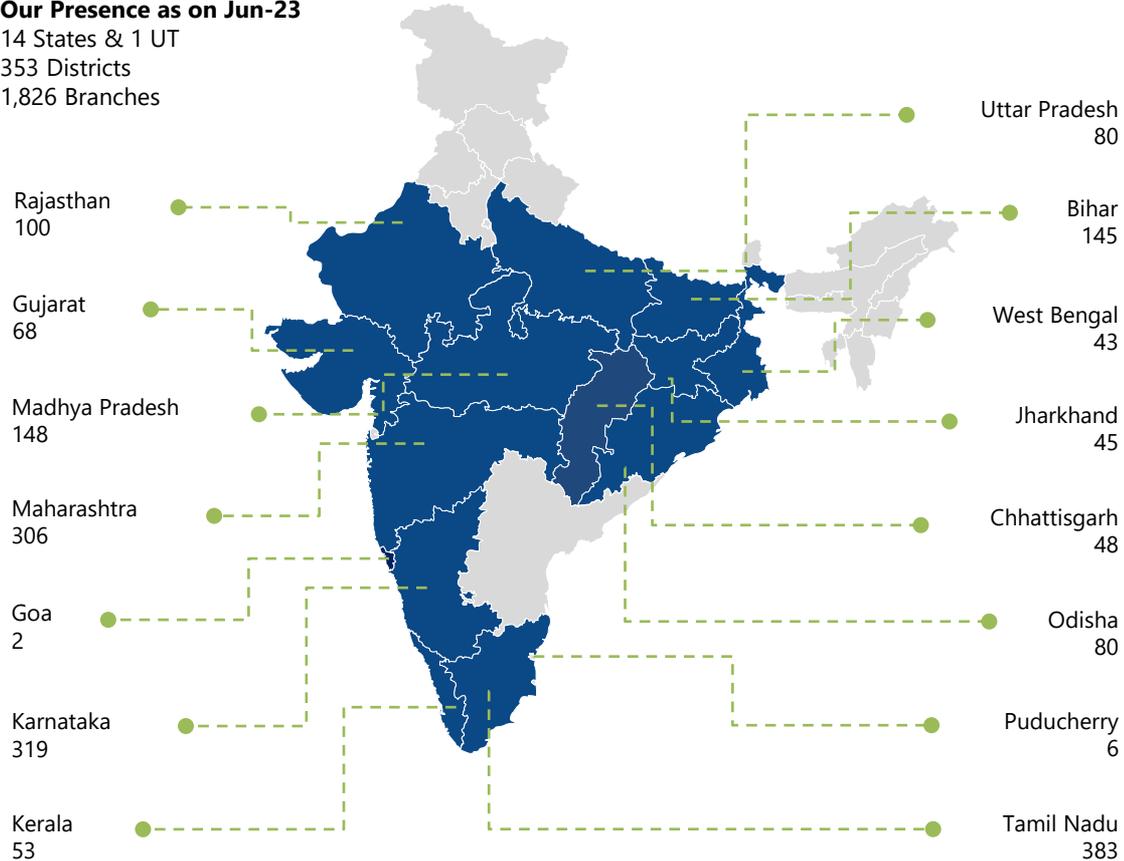
**Key Performance Highlights**



# Well-Diversified Presence Across India

## Our Presence as on Jun-23

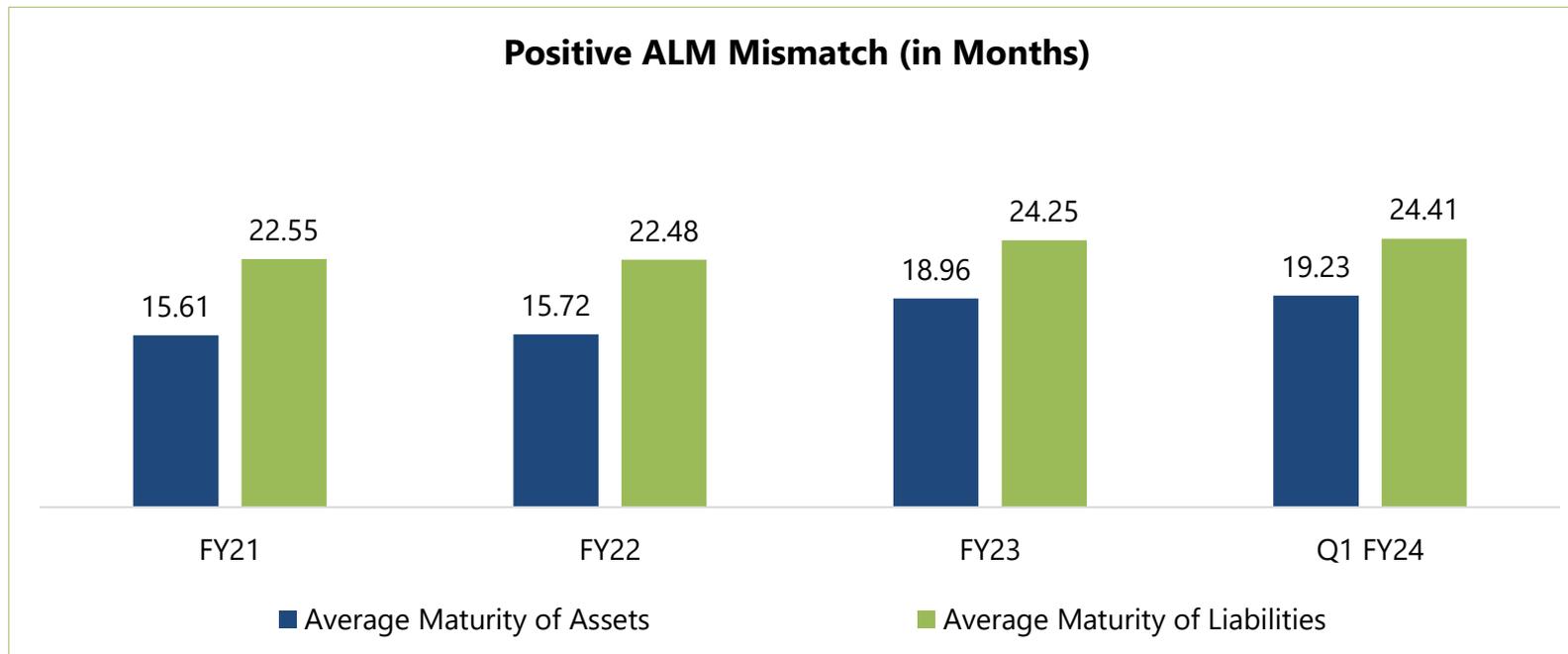
14 States & 1 UT  
353 Districts  
1,826 Branches



June 2023	Branches
Karnataka	319
Maharashtra	306
Tamil Nadu	383
Madhya Pradesh	148
Other States & UT	670
<b>Total</b>	<b>1,826</b>

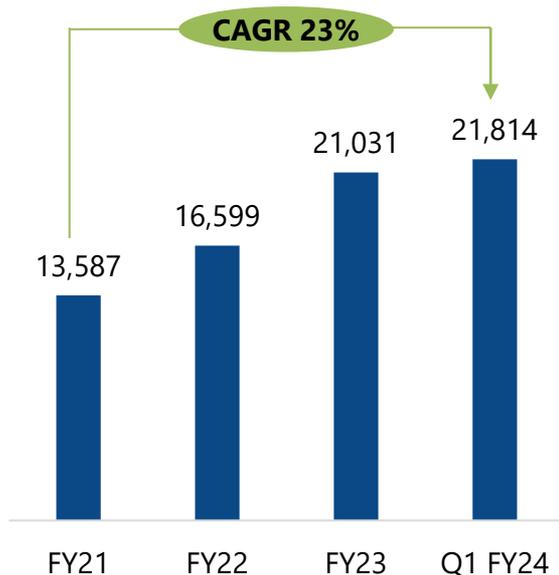
June 2023	Customers ('000)
Karnataka	1,152
Maharashtra	873
Tamil Nadu	917
Madhya Pradesh	337
Other States & UT	1,145
<b>Total</b>	<b>4,423</b>

June 2023	Gross AUM (INR Cr)
Karnataka	7,204
Maharashtra	4,484
Tamil Nadu	4,331
Madhya Pradesh	1,420
Other States & UT	4,374
<b>Total</b>	<b>21,814</b>

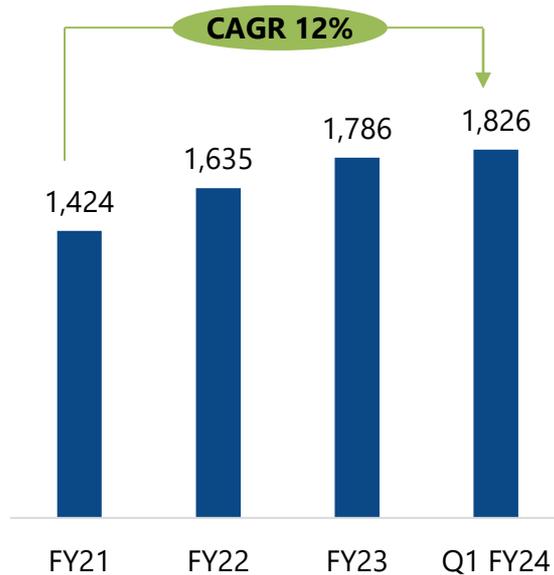


# Consolidated Historical Performance Trend (1/4)

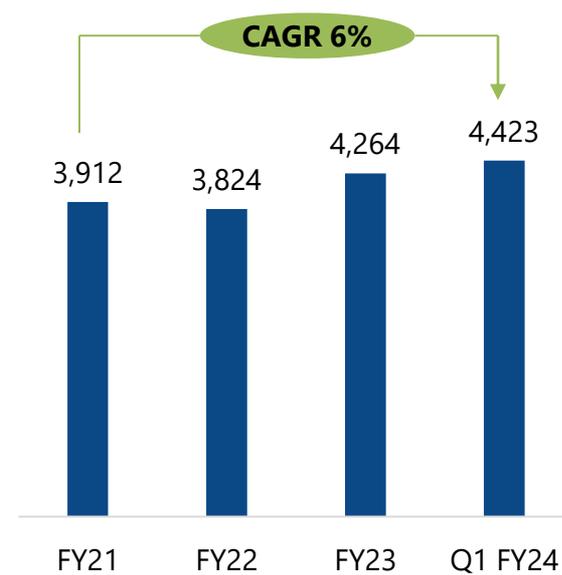
Gross AUM (INR Cr)



Branch Network



Active Customers ('000)

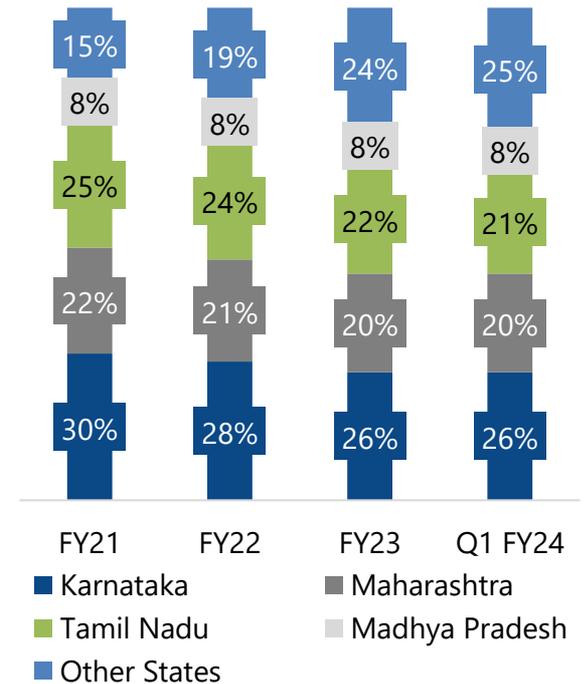
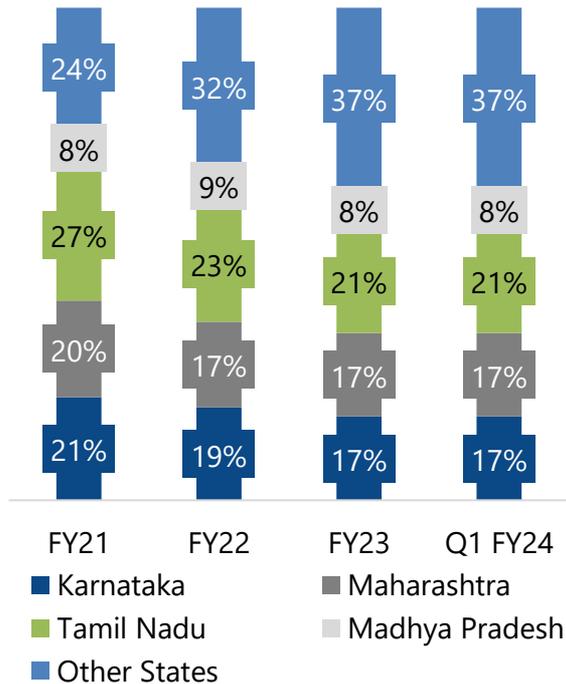
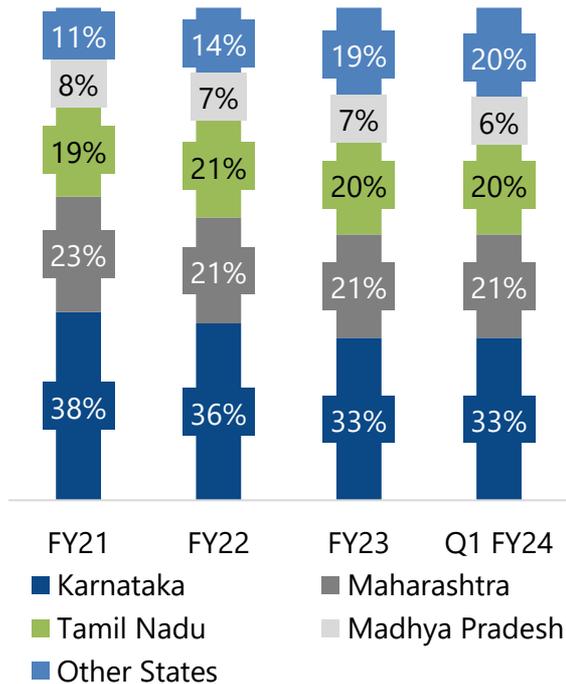


# Consolidated Historical Performance Trend (2/4)

**Gross AUM – State-wise % Mix**

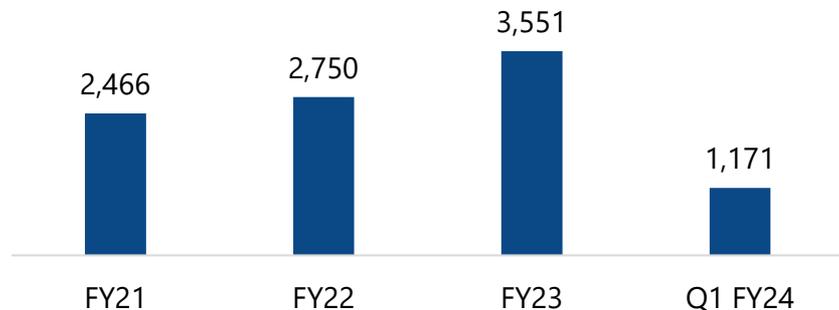
**Branch – State-wise % Mix**

**Active Customers – State-wise % Mix**

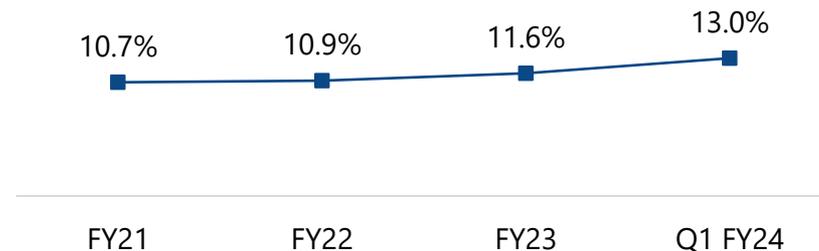


# Consolidated Historical Performance Trend (3/4)

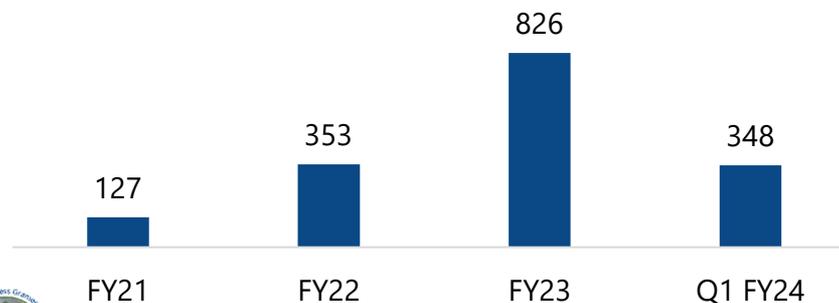
### Total Revenues (INR Cr)



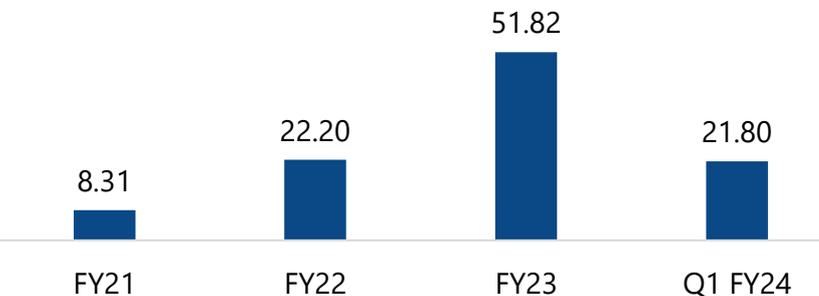
### Net Interest Margin (%)



### PAT (INR Cr)

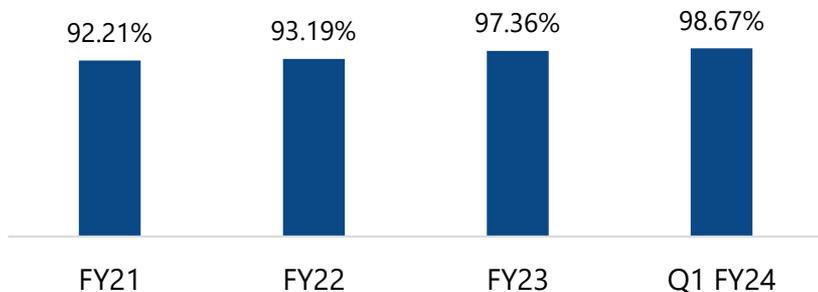


### EPS - Diluted (INR)

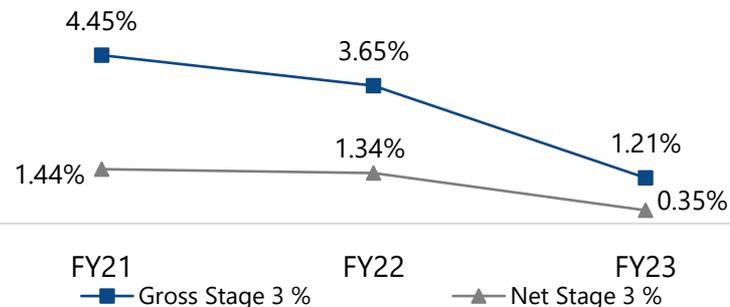


# Consolidated Historical Performance Trend (4/4)

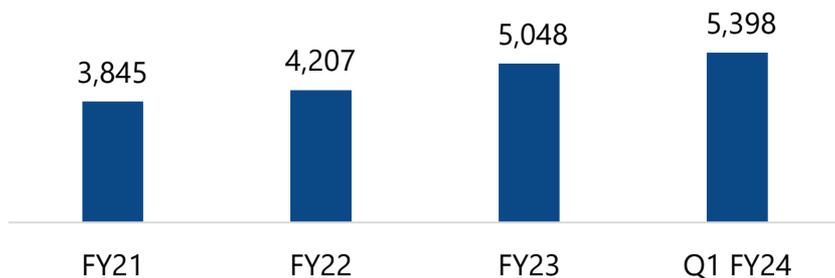
## Repayment Rate %



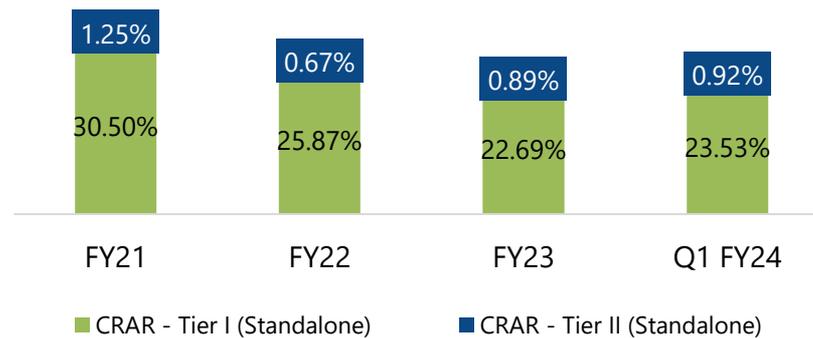
## Asset Quality %



## Net Worth (INR Cr)



## Capital Adequacy (%)



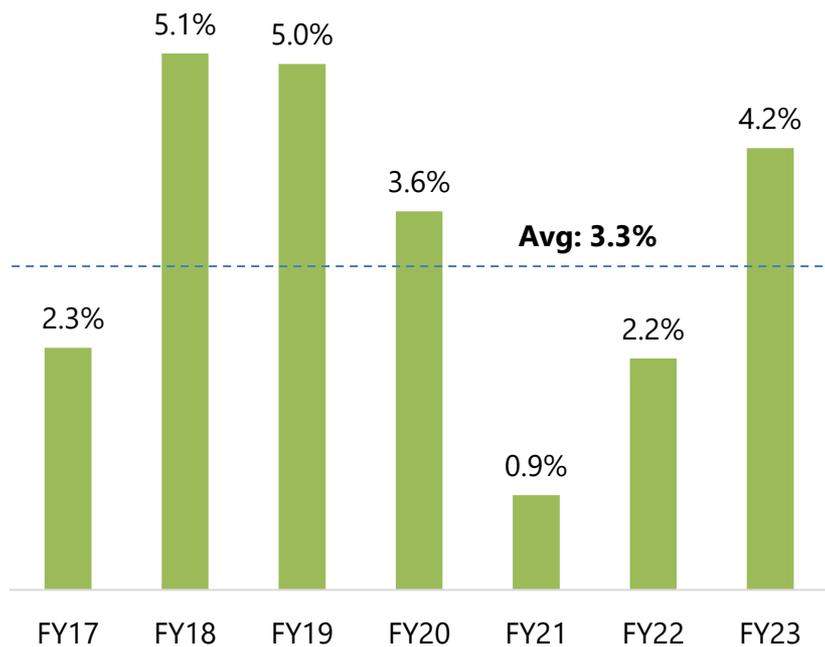
*FY22 and FY21 figures pertain to pre-merger standalone CreditAccess Grameen Limited*



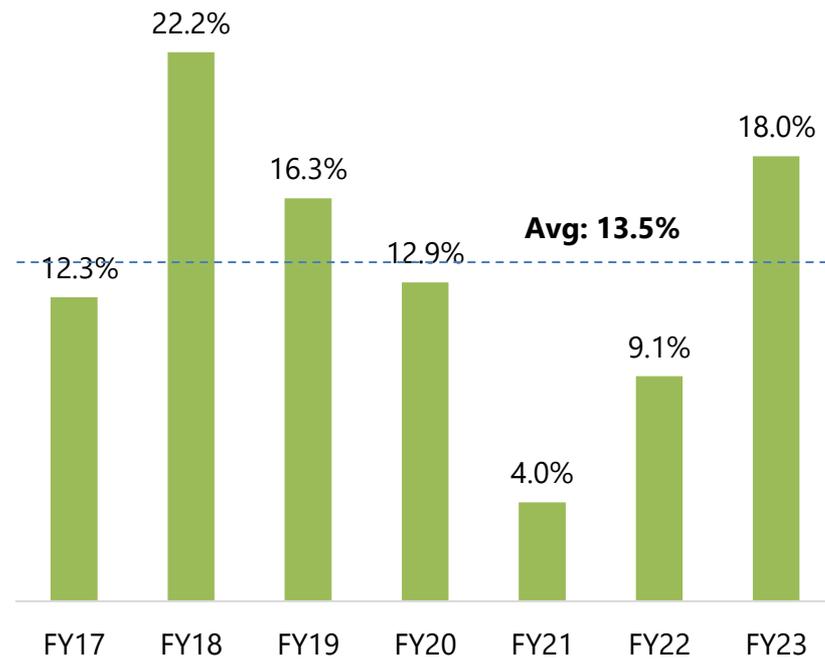
# Best-In-Class Cross-Cyclical Performance in the Last 7 Financial Years

## Consistently Delivering Best-In-Class Cross Cycle Return Metrics

### Cross-Cycle ROA (%)



### Cross-Cycle ROE (%)





**Thank You**

