

CreditAccess Grameen Limited

Corporate Presentation

December 2023

A large decorative graphic on the left side of the slide, consisting of multiple concentric, hand-drawn style circular lines in shades of blue and green, with small white dots scattered along the lines.

Forging a Path
Towards a
Stronger Future



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Indian MFI Industry Overview

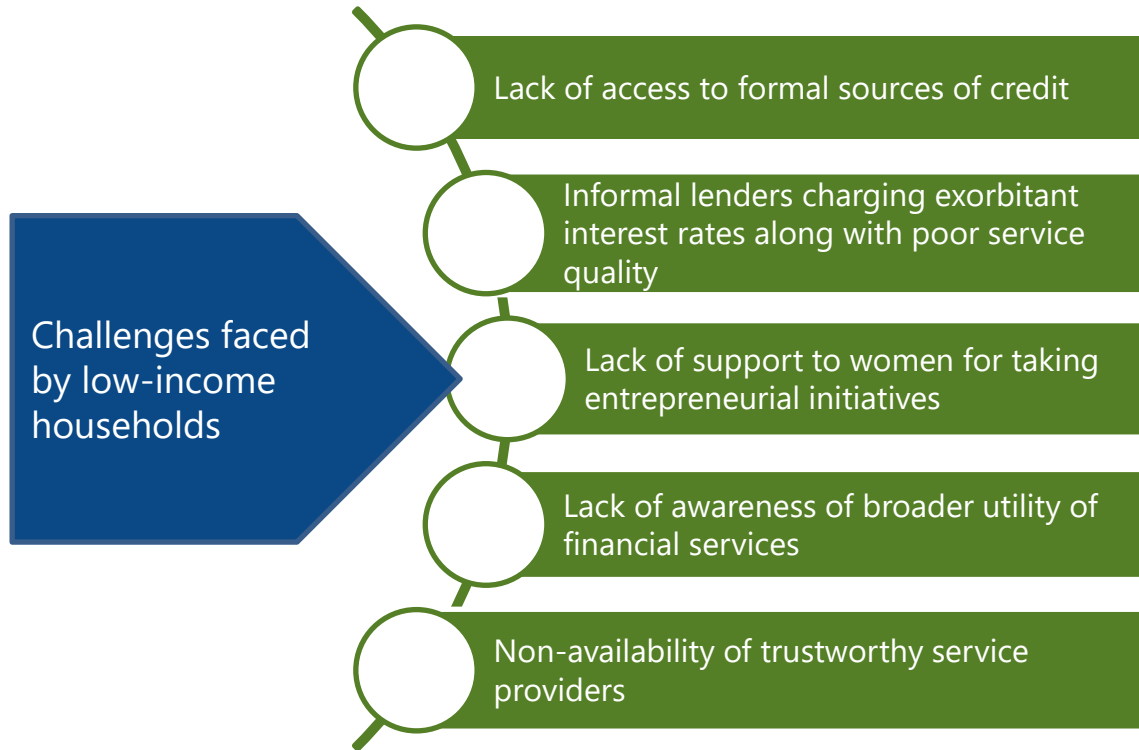
Business Overview & Strategy

Performance Track Record

ESG Adherence



Why Microfinance (micro-credit) ?



Low-income households, unserved / underserved by formal credit system, fall into the trap of local money lenders / loan sharks who exploit them by charging usurious interest rates, unethical lending / recovery practices, and unacceptable terms and conditions for availing the financial support

JLG (Joint Liability Group) Model



- Individual women living in same village, with mutual know-how and trust, form a group
- The group is subject to verification by the microfinance institution
- 5-7 member groups formed



- Group training conducted to educate on microfinance mechanism, loan terms & conditions, processes, credit discipline, loan products & services
- 2-3 member groups form a centre



- Upon successful completion of trainings, interested eligible customers are provided with loans for income generation activity
- Members are jointly liable to repay the loan obligations



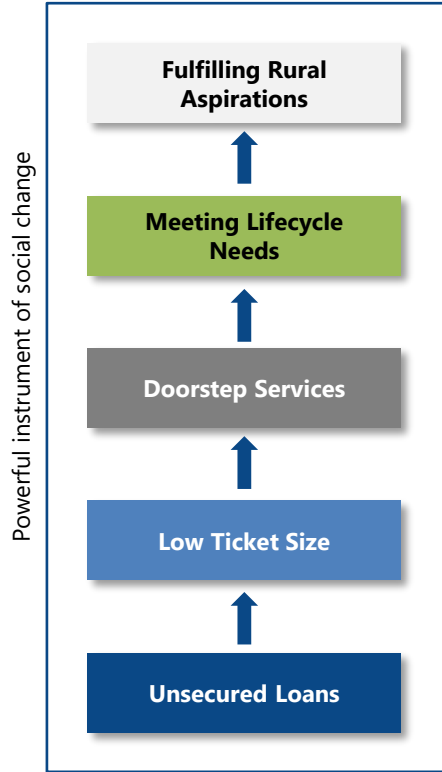
- Centre meetings are conducted for customer engagement, loan repayments, new loan originations, other services
- Meeting frequency - weekly / bi-weekly / four-weekly

Benefits of Group Lending Model to Women Borrowers

- Women have demonstrated higher responsibility towards building financial capabilities and better credit discipline
- Peer pressure / Social Collateral to encourage credit discipline
- Group approval mechanism for new loan applications
- Door-step service at highly efficient delivery cost
- Frequent customer engagement allowing to capture early warning indicators

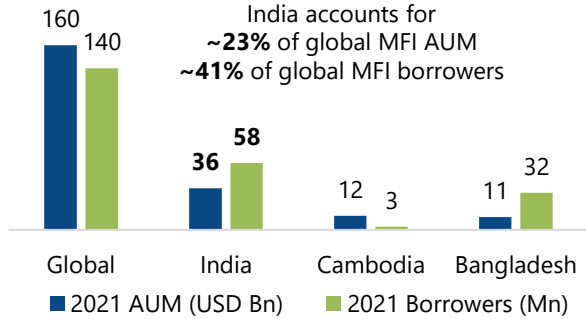
Indian MFI: Largest In The World, Powering Rural Entrepreneurship

Serves 70 million households

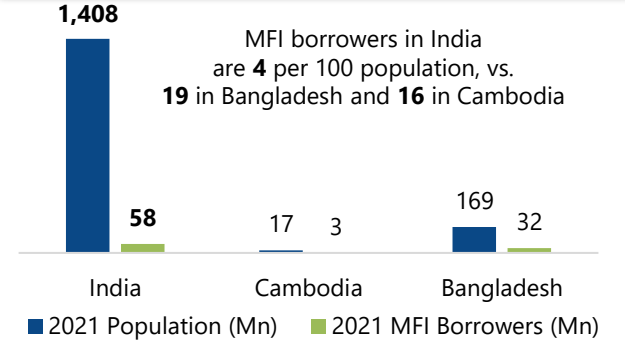


Unlocking rural potential

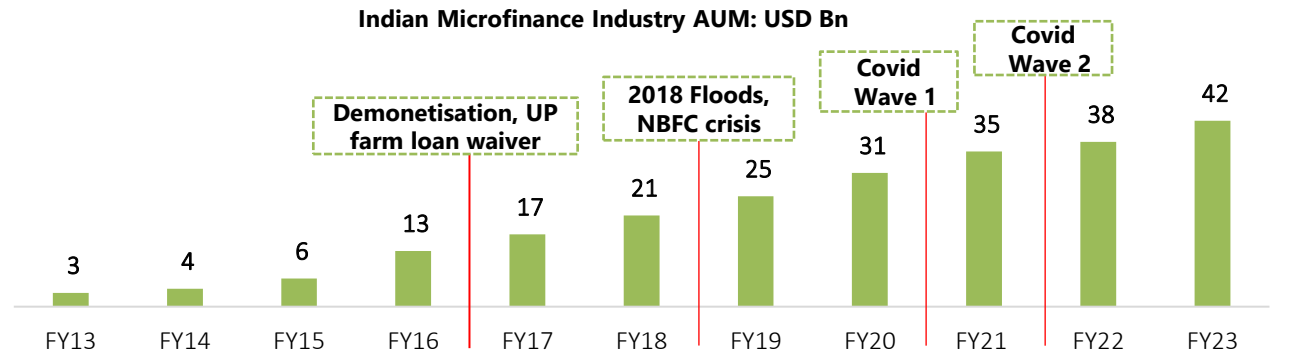
India MFI: Significant Share in Global MFI



India MFI: Low Penetration, High Growth Potential



35% CAGR Since 2013 And Weathering Multiple Macroeconomic & Business Cycles



211 Operating Entities: Banks 34%, NBFC-MFIs 40%, SFBs 17%, NBFCs 8%, Others 1%

Source: Impact Finance Barometer 2021, MFIN, 1 USD ~ Prevalent INR at the end of each financial year (FY). FY is the period between 1 April and 31 March



Evolution of Regulatory Environment Over Past Three Decades

Pre-2005

Mostly NGOs with support from DFIs, SIDBI, NABARD

The transition from SHG to JLG model in the late '90s

Very little ecosystem developed

Relatively very small market

2006 – 2011

NGOs converting into NBFCs and new NBFCs starting up

Foreign capital and debt funding inflow commences

Concentrated in few states, especially in Andhra Pradesh

2012 to 2022

Most consequential period

New structure of NBFC-MFIs in place with regulatory support

Ecosystem developed in a very large way across funding, credit bureaus, technology systems and professionals' entry on talent side

2022 Onwards

A significant change to the regulatory structure

Expected to spur product innovation

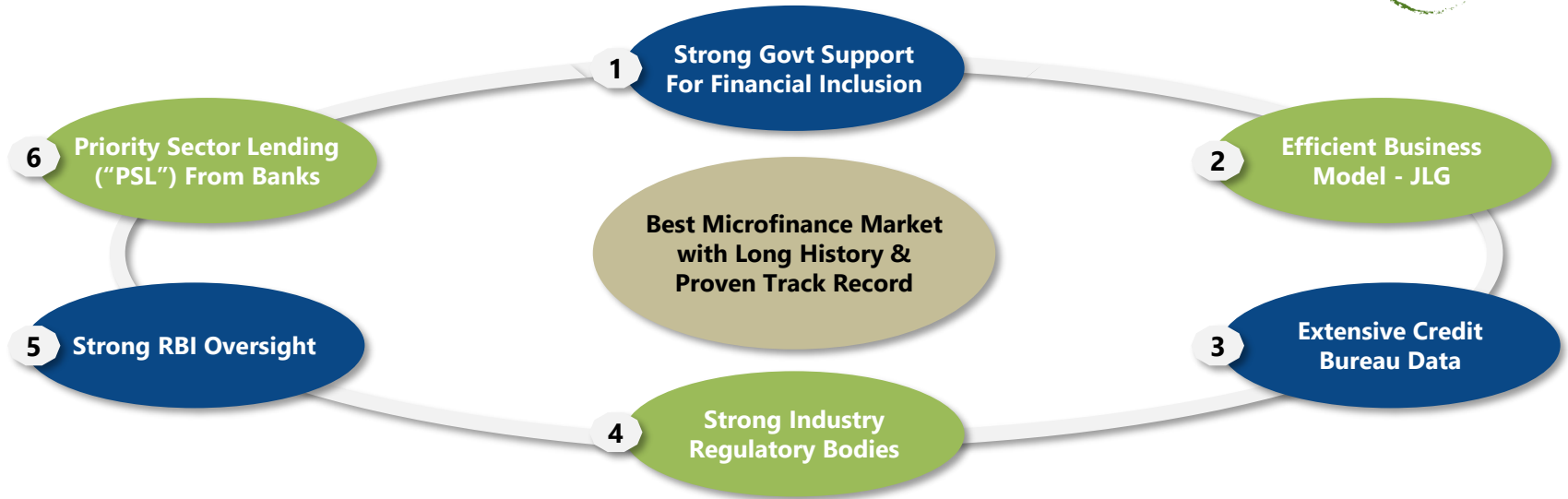
Increased customer protection irrespective of lender type

Sustainability of lenders to increase

New Harmonized Guidelines To Protect Customer Interest

Area of Regulation	Pre-April 2022 Regulations NBFC-MFIs	Pre-April 2022 Regulations Banks & SFBs	Post-April 2022 Regulations Uniform Across All Entities
Borrower Profile	A maximum borrowing cap of ~USD 1,560	No Restrictions	All collateral free loans provided to households having an annual income till ~USD 3,750 will be classified as Microfinance
Household Income	Rural Areas: ~USD 1,560 Urban Areas: ~USD 2,500	No Restrictions	<p style="text-align: center;"><u>Annual Household Income</u></p> <ul style="list-style-type: none"> Up to ~USD 3,750 in both urban & rural <p style="text-align: center;"><u>Loan Ticket Size</u></p> <ul style="list-style-type: none"> Depends on the fixed obligation which can't exceed 50% of the annual household income
Loan Ticket Size	Up to USD 938 in the first cycle & USD 1,560 in the subsequent cycles		
Loan Tenure	To be at least 2 years for loans above ~USD 375		
Loan Pricing	Margin Cap @10% for Large MFIs Margin Cap @12% for Small MFIs	No Restrictions	<ul style="list-style-type: none"> No pricing cap; underwriting on a risk-based analysis and risk premium will be charged based on the borrower profile Board-approved pricing policy required with all minute details
Processing Fees	A maximum of 1% of the gross loan amount		
Qualifying Criteria	85% loans to be unsecured	Meet targets set under the Priority Sector Loans	<ul style="list-style-type: none"> Minimum requirement of microfinance loans for NBFC-MFIs revised to 75% Maximum limit of microfinance loans for other NBFCs at 25% (earlier 10%)

India Is The Best Place For Microfinance Business



1

- MFI tagged as "Essential Service"
- Support measures during Covid:
 - i) Partial credit guarantee scheme
 - ii) Credit guarantee fund for micro units
 - iii) Emergency Credit Line Guarantee Scheme

2

- Group meeting / group cohesion / group approval
- Social collateral - peer pressure
- Door-step service
- Strong customer engagement

3

- TransUnion CIBIL
- Equifax
- Experian
- CRIF High Mark
- Pin-code level information on MFI penetration, competition, and delinquency trends

4

- MFIN
- Sa-dhan
- State specific industry bodies
- Fair practices code
- Customer protection
- Active part of macroeconomic discussions

5

- Focus on reducing state intervention
- Harmonisation of MFI guidelines
- Extensive monitoring and compliance
- Liquidity support during Covid – (TLTRO , SLS)

6

- PSL mandate for lenders - % ANBC:
 - i) Banks: 40%
 - ii) SFBs & RRBs: 75%
- Categories:
 - i) Agri (incl. SMF)
 - ii) Micro enterprises
 - iii) Weaker sections
- MFI falls under all categories

TLTRO: Targeted Long Term Repo Operations, SLS: Special Liquidity, ANBC: Adjusted Net Bank Credit, Scheme, SMF: Small & Marginal Farmers



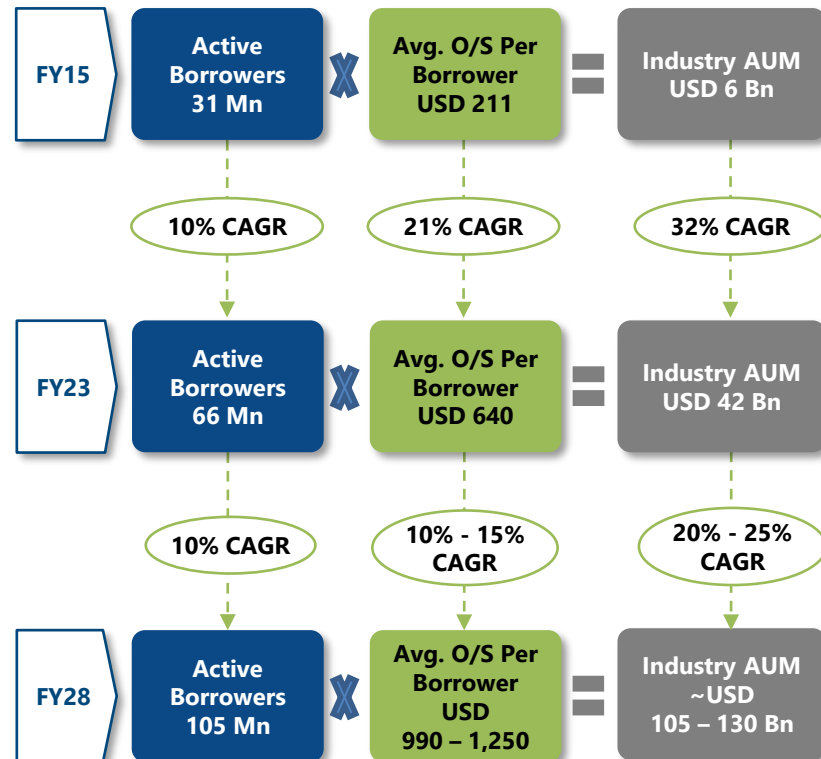
Indian MFI Industry Offers Significant Growth Potential

Low Industry Penetration Levels, Large Untapped Opportunity

States	HHs (Mn)	Addressable HH (Mn)	Borrowers FY23 (Mn)	Rural Penetration %	Urban Penetration %	Total Penetration %
Tamil Nadu	21.2	14.9	8.0	50%	57%	54%
Bihar	21.7	12.6	9.3	73%	86%	74%
West Bengal	23.0	15.3	5.5	25%	64%	36%
Karnataka	15.1	9.7	5.1	42%	72%	52%
Uttar Pradesh	37.7	22.8	7.1	28%	43%	31%
Maharashtra	27.3	18.0	5.4	30%	30%	30%
Madhya Pradesh	17.1	9.8	4.4	37%	68%	45%
Odisha	11.1	6.4	3.7	49%	100%	58%
Rajasthan	14.3	10.3	3.4	26%	59%	33%
Kerala	8.8	6.6	2.2	29%	40%	33%
Assam	7.3	4.3	1.3	27%	51%	30%
Gujarat	13.8	9.3	2.3	21%	29%	24%
Jharkhand	7.0	3.7	2.2	53%	80%	59%
Chhattisgarh	6.4	3.2	1.4	39%	54%	43%
Punjab	6.2	4.7	1.4	24%	40%	29%
AP & Telangana	24.0	18.1	1.1	5%	9%	6%
Top 17 States	259.0	167.9	61.1	33%	47%	37%

Source: MOSPI, MFIN, Internal Workings & Estimates

Potential To Grow by 2.5x – 3.1x over Next Five Years



1 USD = 82 INR for FY23 & FY28



Indian MFI Industry Overview

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Performance Track Record

ESG Adherence



Quick Snapshot

- The largest and best credit rated NBFC-MFI in India with over 2 decades of experience
- 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



(Key Metrics: September 2023)

AUM	Total Equity	PAT	GNPA/ Provisioning	ROA /ROE	CRAR	Market Capitalization*
INR 22,488 Cr (USD 2.7 Bn)	INR 5,798 Cr (USD 707 Mn)	H1 FY24: INR 696 Cr (USD 85 Mn) FY23: INR 826 Cr (USD 101 Mn)	0.77% / 1.60% (@ 60+ dpd) Net NPA 0.24%	H1 FY24 5.7% / 25.5% FY23 4.2% / 18.0%	25.0%	INR 26,947* Cr (USD 3.2 Bn)



4.6 Mn
Active Borrowers



1,877 364
Branches Districts



19,241 13,336
Employees Loan Officers



88%
Borrower
Retention Rate



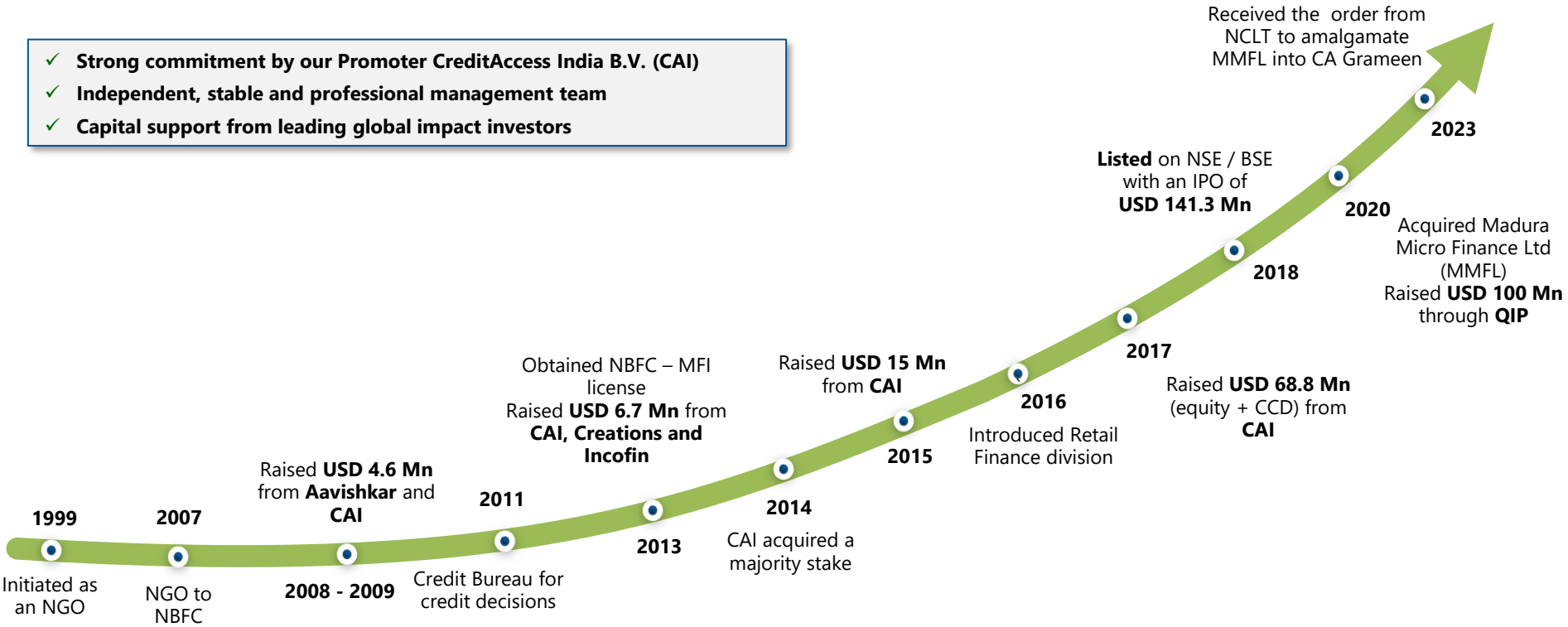
INR 48.9K (USD 596)
Avg. O/S Per
Borrower

1 USD = 82 INR, *As on 1st December 2023



Growth Journey Supported By Our Promoter And Leading Global And Domestic Investors Over The Years

- ✓ **Strong commitment by our Promoter CreditAccess India B.V. (CAI)**
- ✓ **Independent, stable and professional management team**
- ✓ **Capital support from leading global impact investors**



- Wide shareholding base: 247 shareholders
- **Key Investors:**
 - **Olympus ACF Pte Ltd. 15.4%**
 - **Asian Development Bank 8.8%**
 - **Asia Impact Invest SA 8.8%**

100%



66.69%

76.00%

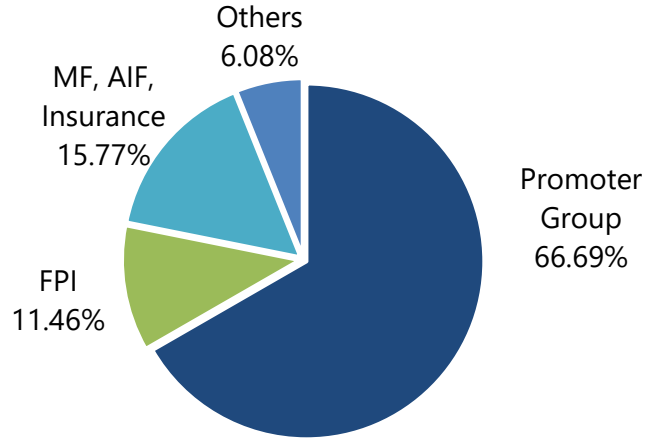
CreditAccess Grameen Ltd
(Focused on becoming preferred financial partner to low income households in India)

CreditAccess Life Insurance Ltd
(Secured IRDAI approval to commence micro life insurance business in India)

Committed to Micro Finance Business

- CreditAccess India B.V. (CAI) specializes in Micro and Small Enterprises financing
- Headquartered in Amsterdam, The Netherlands
- Provides access to global fundraising opportunities in the debt capital markets

Shareholding Pattern – September 2023



Top 10 Institutional Investors – September 2023

Axis Mutual Fund

Canara Robeco Mutual Fund

Government Pension Fund Global (Ashmore Investments)

ICICI Prudential Life Insurance

Invesco Mutual Fund

Nippon India Mutual Fund

PGIM India Mutual Fund

T Rowe Price

UTI Mutual Fund

Vanguard

Experienced Management Team & Robust Board Governance

Management Team with Decades of Experience across Banking and Finance Industries



Udaya Kumar Hebbar
Managing Director



Ganesh Narayanan
Chief Executive Officer



Balakrishna Kamath
Chief Financial Officer



Sudesh Puthran
Chief Technology Officer



Firoz Anam
Chief Risk Officer



Gururaj K S Rao
Chief Audit Officer

Diverse and Experienced Board with Strong Governance Standards



George Joseph
Chairman and Lead Independent Director



Paolo Brichetti
Vice-Chairman and Additional Director (Non-Executive)



Udaya Kumar
Managing Director



Sumit Kumar
Non-Executive Director



Massimo Vita
Non-Executive Director



Manoj Kumar
Independent Director



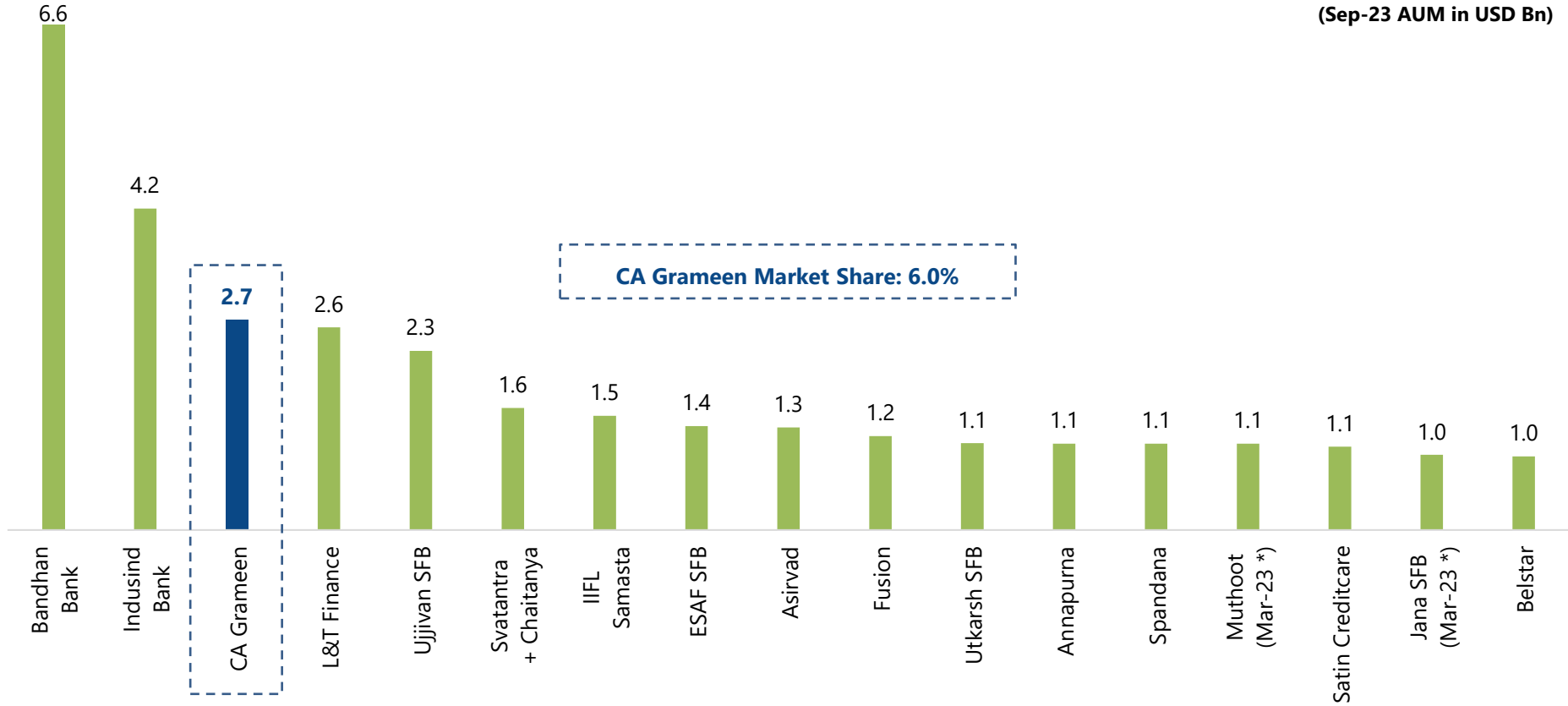
Lilian Jessie Paul
Independent Director



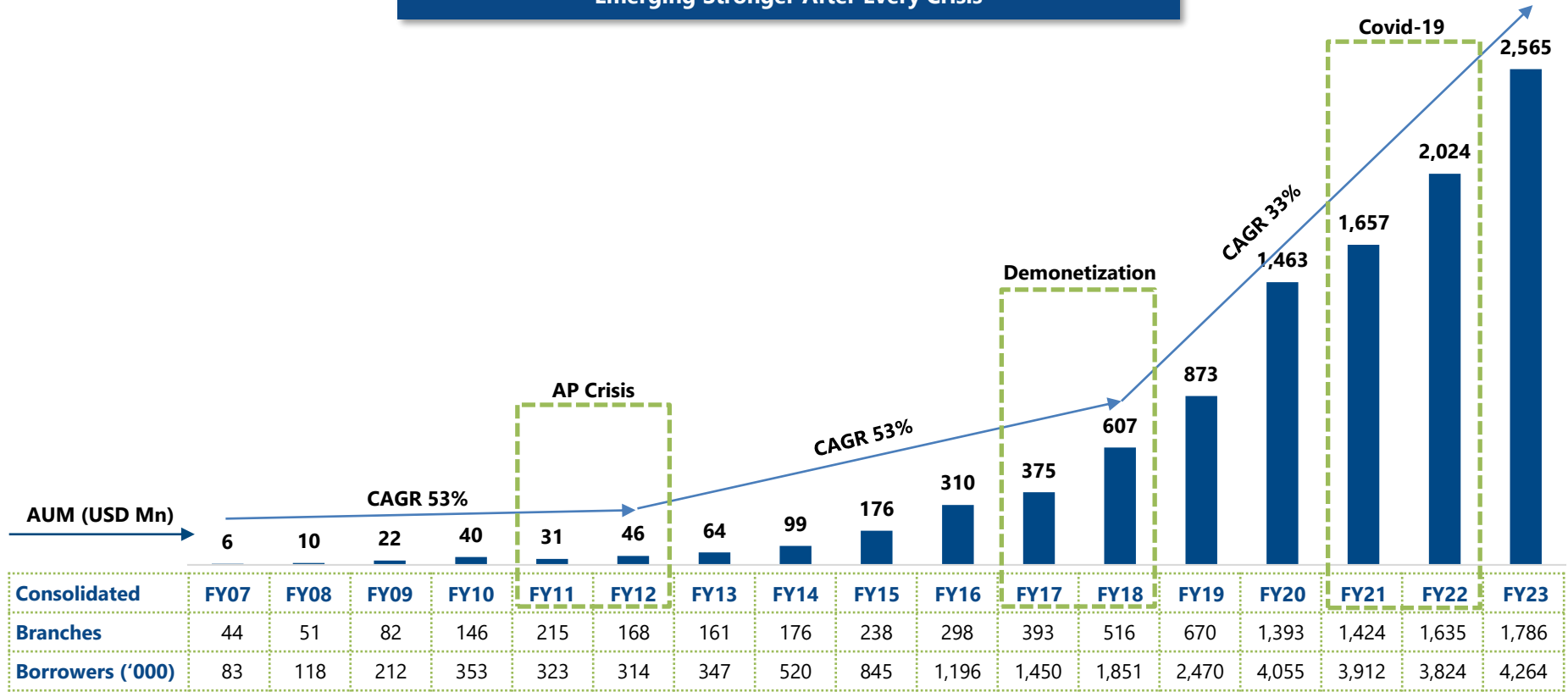
Rekha Warriar
Additional Director (Independent)

Largest Standalone NBFC-MFI As On September 30, 2023

(Sep-23 AUM in USD Bn)



Emerging Stronger After Every Crisis



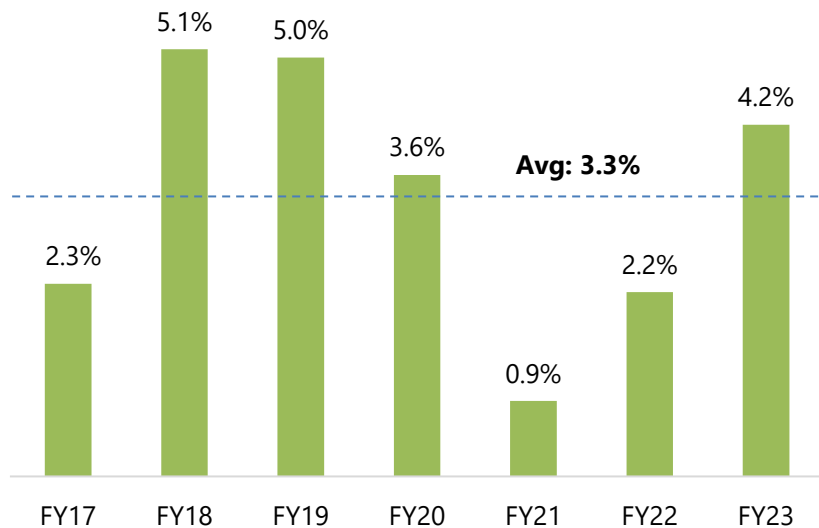
1 USD = 82 INR

Robust Cross-Cycle Profitability

Cross-Cycle ROA (%)

Strong Cross Cycle Performance Despite Several Crisis

FY17-FY18 Demonetisation

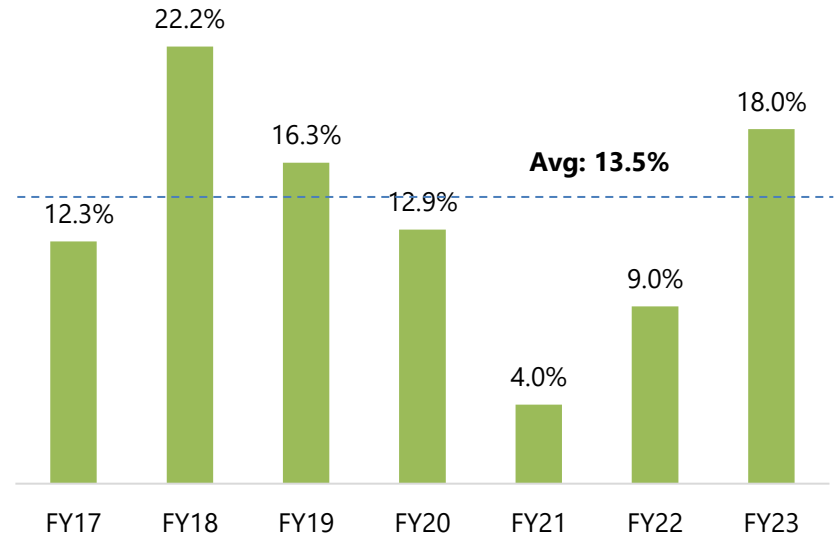


Cross-Cycle ROE (%)

FY19 Floods, NBFC crisis

FY21 Covid Wave 1

FY22 Covid Wave 2



Backed By Strong Investor Confidence, INR 800 Cr (USD 100 Mn) QIP Was Successfully Completed In October 2020, In Middle Of Covid 1.0

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

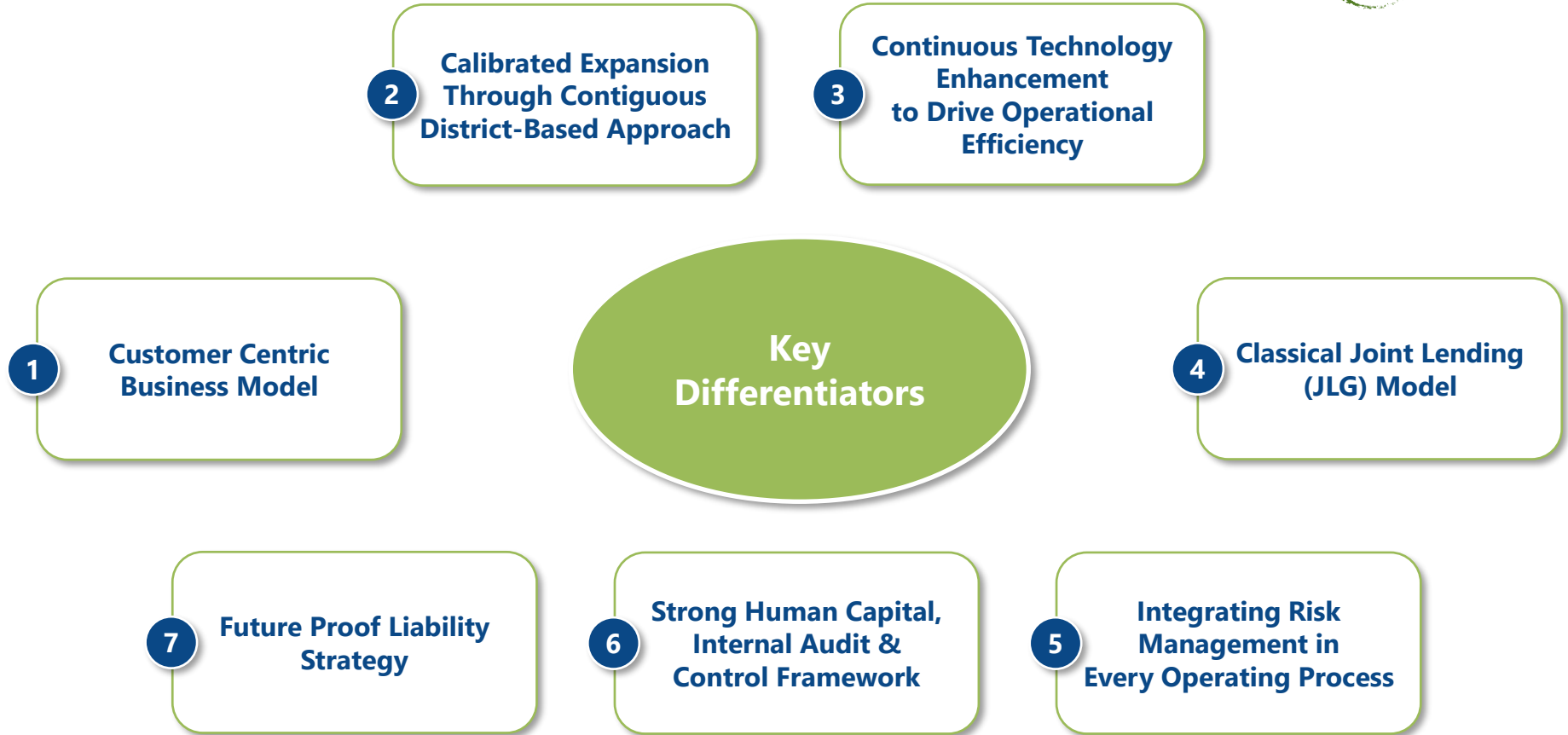
Excluding Covid Period, Effective Write-offs Were Only 0.5% Of The Total Disbursement
Over The Past 13 Years

Performance Over April 2010 to March 2023

USD Mn



1 USD = 82 INR



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

“One of the Lowest Cost Organised Financer” - One Stop Shop providing Support to Various Lifecycle Needs of the Customer

✓ **One of the lowest lending rates in 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 cash flow cycle
- No pre-payment penalty

Loan Type	Customer Centric Products	Purpose	Ticket Size (INR)	Tenure (months)
MFI	Income Generation Loan (IGL)	Business Investments and Income Enhancement activities	5,000 - 1,00,000 (USD 60 – 1,250)	12 – 36
MFI	Home Improvement Loan	Water Connections, Sanitation and Home Improvement & Extensions	5,000 - 50,000 (USD 60 – 625)	12 – 36
MFI	Family Welfare Loan	Festival, Medical, Education and Livelihood Improvement	Up to 20,000 (up to USD 250)	3 – 12
MFI	Emergency Loan	Emergencies	1,000 (USD 12)	3
Non-MFI	Individual Unsecured Loan Secured Business Loan Home Loan 2W Loan Gold Loan	Purchase of inventory, machine, assets or for making capital investment in business or business expansion	Up to 20,00,000 (up to USD 25,000)	6 – 180
Non-Credit	Insurance	Wage Loss Insurance	INR 245 (USD 3) annual premium providing cover up to INR 30,000 (USD 375) per year	
Non-Credit	AEPS Cash Withdrawal	Cash withdrawal at centre meeting	N.A.	

88% borrower retention rate signaling high customer satisfaction

Sustainable & Socially Relevant

Significant growth from existing customer

Lower customer acquisition cost

1 USD = 82 INR, AEPS: Aadhaar Enabled Payment System



Calibrated Expansion Through Contiguous District-Based Approach



Systematic geography selection based on the 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



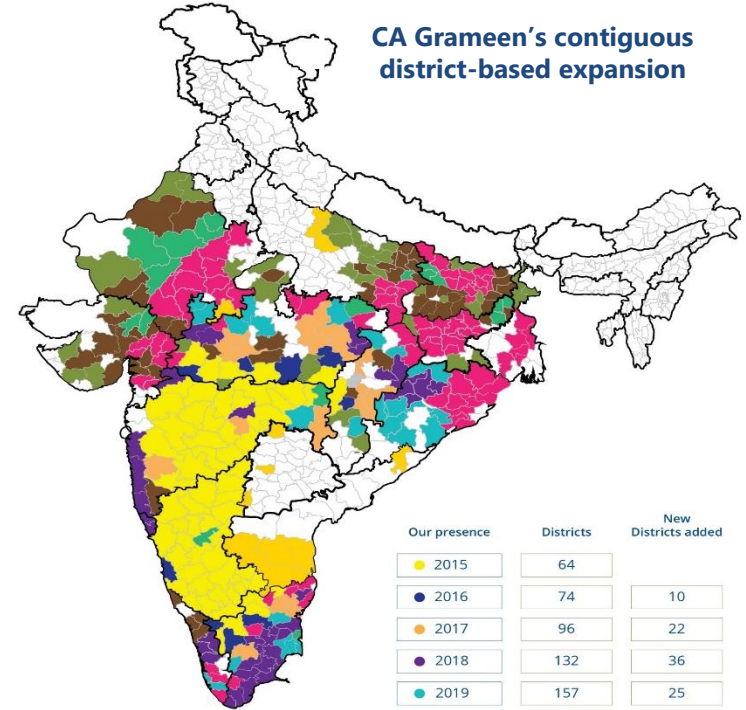
Achieving deeper penetration within a particular district within three years of commencement of operations



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 $>$ 3% of total GLP)



Our presence	Districts	New Districts added
● 2015	64	
● 2016	74	10
● 2017	96	22
● 2018	132	36
● 2019	157	25
● 2020	248	91
● 2021	265	17
● 2022	319	54
● 2023	352	33
● H1 2024	364	12

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
- 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, and 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 the 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

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

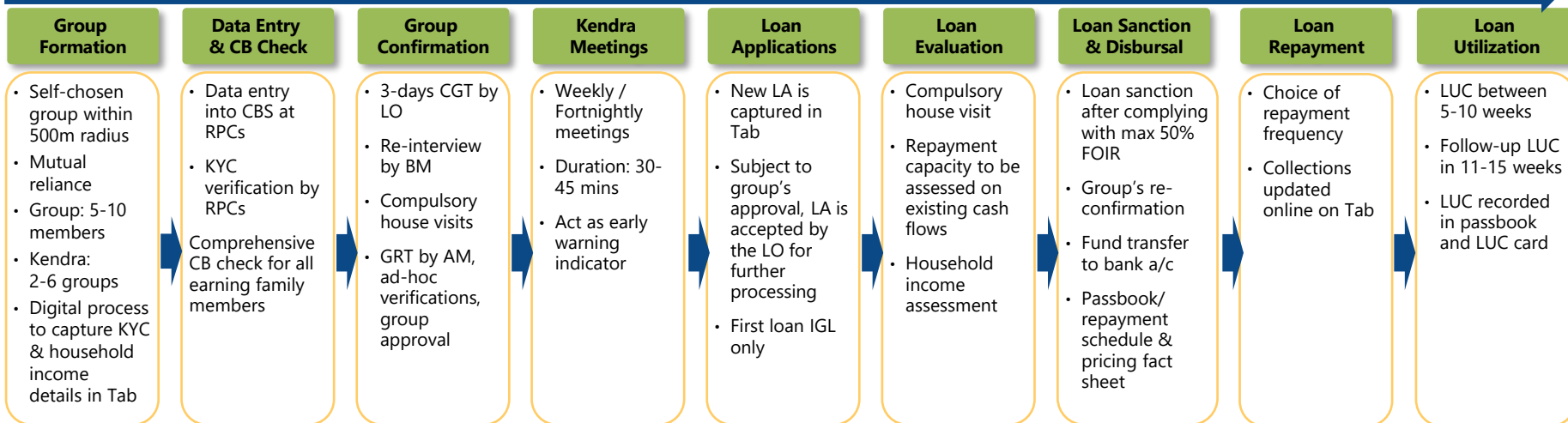
JLG Benefits:

- ✓ Strong group bonding
- ✓ Mutual support – both financial & emotional
- ✓ Guidance & grievance resolution
- ✓ Building awareness
- ✓ 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

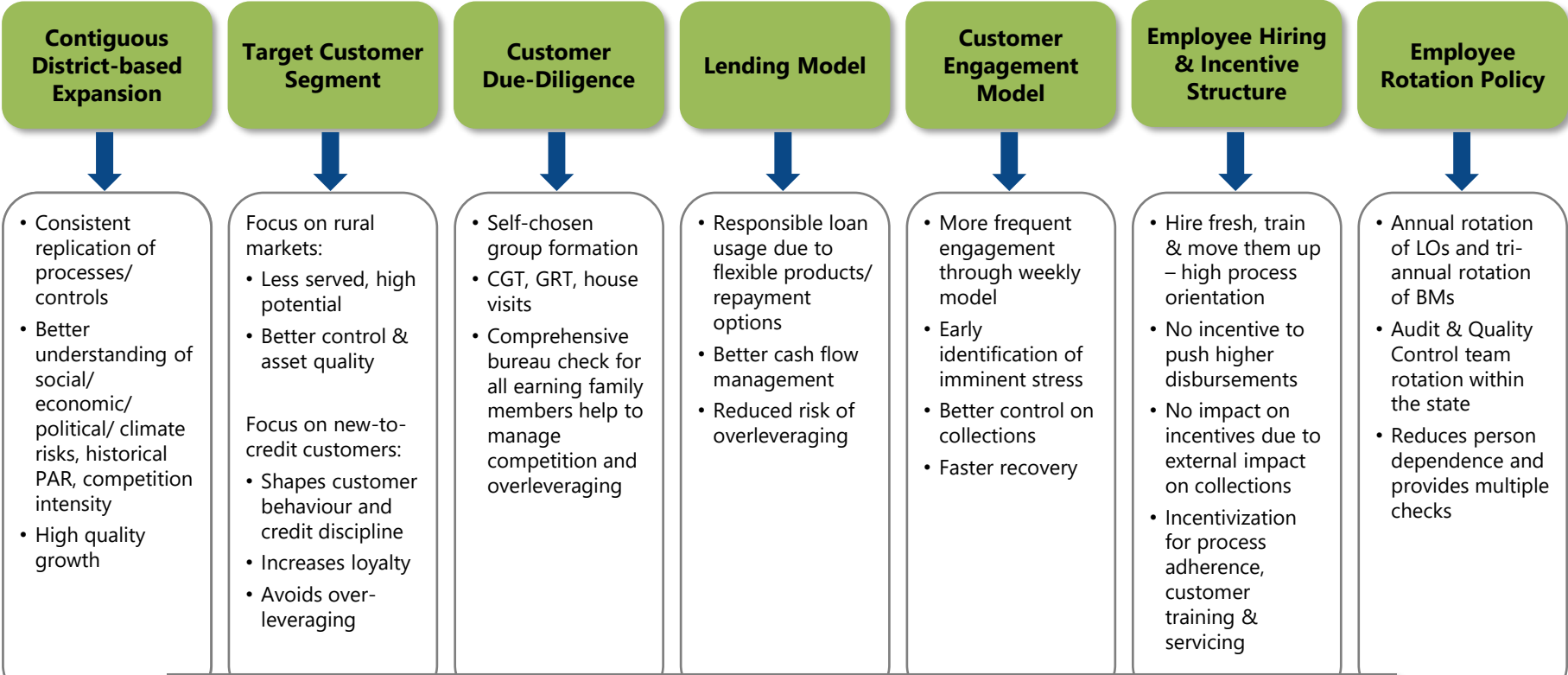
JLG Mechanism allows Multiple Layers of Checks before and after disbursement of loan



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



Early Risk Recognition and Conservative Provisioning



Well-Established Operational Structure

4 Business Heads



14 Zonal Managers



82 Regional / Divisional Heads



496 Area Managers



3,080 Branch Managers



13,336 Loan Officers



1,877 Branches

Employee Hiring & Incentive Structure

- ~90% of employees are hired fresh from rural communities
- ~50%-60% of employees are from families of active customers
- In-house 2-3 weeks pre-hiring training program
- Hiring fresh and internal growth opportunity – resulting in high process orientation culture
- 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):

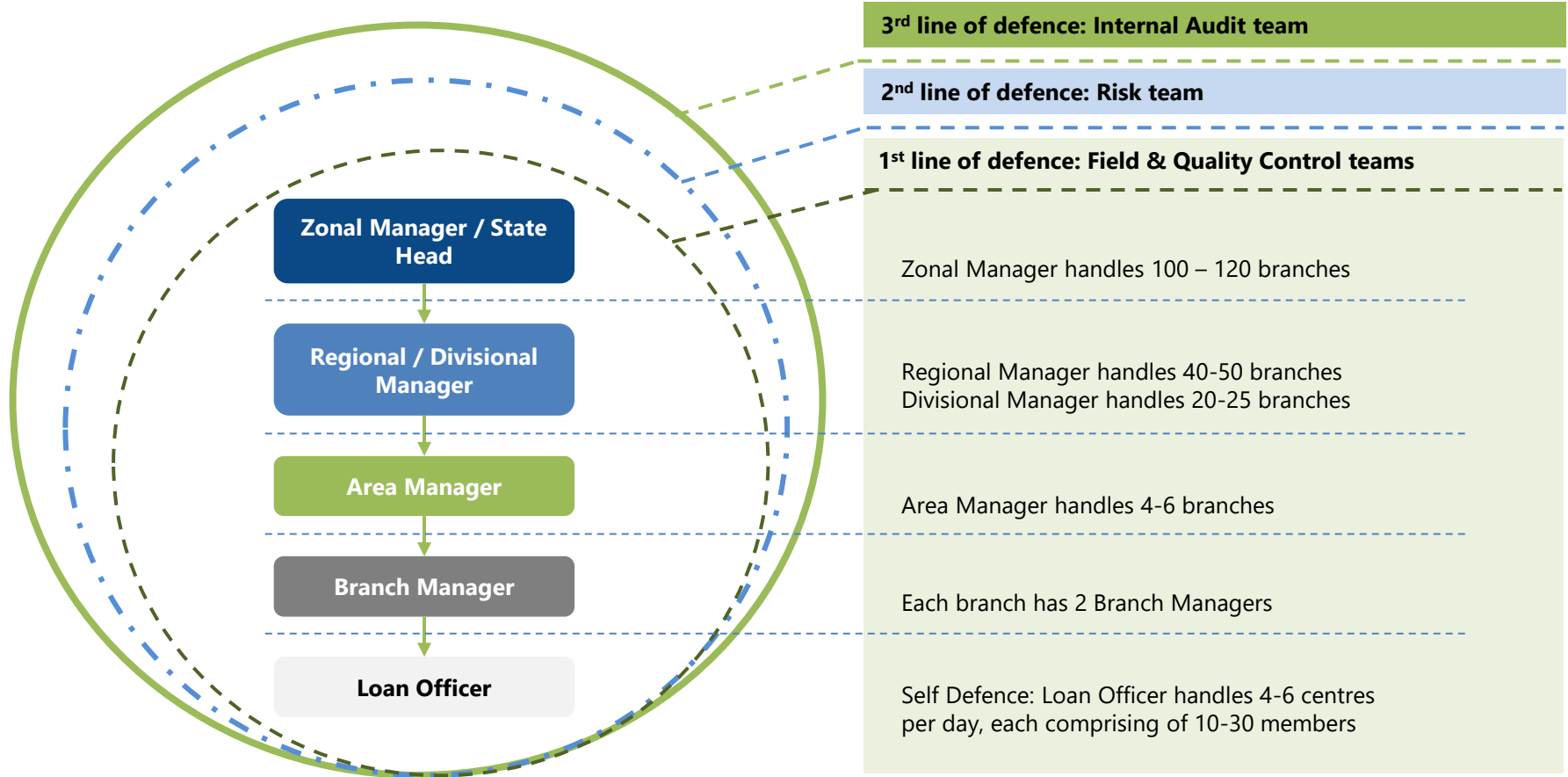
- Fort-nightly branch visits
- Complements internal audit function by early identification of operational risks
- Branch sanitization, fraud investigation, PAR investigation, support new business expansion



Field Risk Control (FRC):

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

Strong Internal Control Structure: Three Lines Of Defence



Well-Diversified Presence Across India

Our Presence as on Sep-23

16 States & 1 UT
364 Districts
1,877 Branches

Rajasthan
102

Gujarat
68

Madhya Pradesh
149

Maharashtra
310

Goa
2

Karnataka
334

Kerala
53

Uttar Pradesh
84

Bihar
148

West Bengal
50

Jharkhand
45

Chhattisgarh
50

Odisha
80

Telangana
4

Andhra Pradesh
8

Puducherry
6

Tamil Nadu
384

Exposure of Districts (% of AUM)	Q2 FY24	
	No. of Districts	% of Total Districts
< 0.5%	301	82.7%
0.5% - 1%	41	11.3%
1% - 2%	19	5.2%
2% - 3%	3	0.8%
> 3%	0	0%
Total	364	100.0%

Branch Network	Q2 FY24	% Share	Q2 FY23	% Share
Karnataka	334	17.8%	308	18.3%
Maharashtra	310	16.5%	294	17.5%
Tamil Nadu	384	20.5%	378	22.5%
Madhya Pradesh	149	7.9%	141	8.4%
Other States & UT	700	37.3%	563	33.4%
Total	1,877	100.0%	1,684	100.0%

Borrowers ('000)	Q2 FY24	% Share	Q2 FY23	% Share
Karnataka	1,184	25.7%	1,047	27.6%
Maharashtra	897	19.5%	771	20.3%
Tamil Nadu	959	20.8%	853	22.5%
Madhya Pradesh	340	7.4%	307	8.1%
Other States & UT	1,223	26.6%	821	21.6%
Total	4,603	100.0%	3,798	100.0%

AUM (USD Mn)	Q2 FY24	% Share	Q2 FY23	% Share
Karnataka	903	32.9%	711	35.2%
Maharashtra	565	20.6%	426	21.1%
Tamil Nadu	547	20.0%	422	20.9%
Madhya Pradesh	172	6.3%	136	6.7%
Other States & UT	555	20.2%	323	16.0%
Total	2,742	100.0%	2,017	100.0%

Q2 FY24 – Top Districts	% of Total GLP
Top 1	2.7%
Top 3	7.9%
Top 5	11.6%
Top 10	19.1%
Other	80.9%

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

New Products	Target Segment	Targeted Average Ticket Size	Pilot Launch
Unsecured Individual Loans	Captive MFI customers	INR 150k (USD 1,875)	Launched in Q1 FY22
Mortgage-Backed Business Loans	Captive MFI/ Open market customers	INR 6 - 8 Lakh (USD 7,500 - 10,000)	Launched in Q4 FY22
Affordable Housing Loans	Captive MFI/ Open market customers	INR 6 - 8 Lakh (USD 7,500 - 10,000)	To be Launched in H2 FY24
New 2W Loans	Captive MFI	INR 70k (USD 875)	Launched in Q3 FY23

Necessary Investments Already In Place with 88 Non-MFI branches, Technology, And Separate Workforce For End-to-End Operations – Sourcing, Underwriting, Collections, Monitoring

Potential To Tap Large Rural Financing Opportunity

~4.6 Mn 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 (USD 300 Mn)** Mortgage Loan Book

5% Conversion: > **INR 2,500 Cr (USD 300 Mn)** Individual Unsecured Loan Book

10% Conversion: > **INR 2,500 Cr (USD 300 Mn)** Two-wheeler Loan Book

Strong **“Word-of-mouth”** Pull Factor

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

88 Dedicated Branches

700+ Retail Finance Employees

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

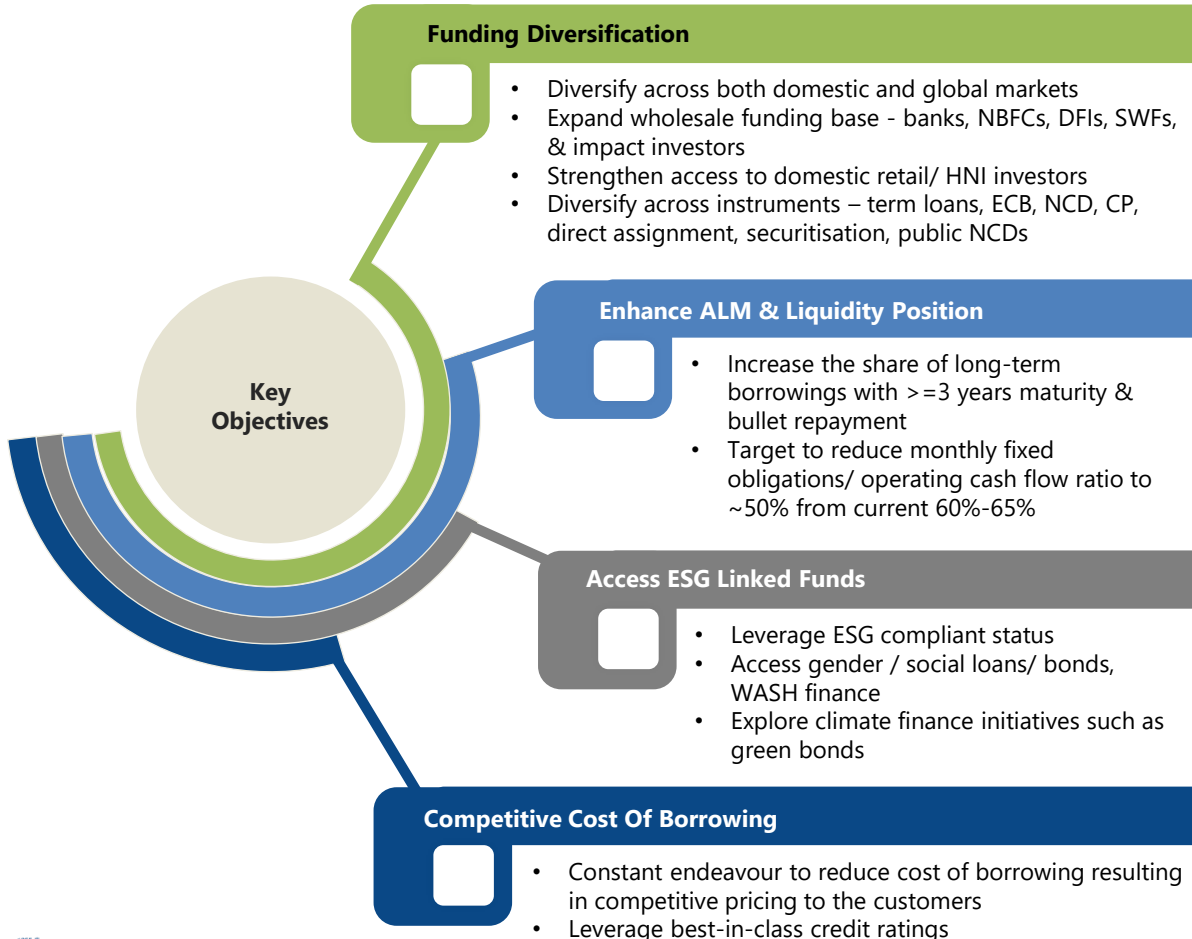
170+ Credit Appraisal Team at Branch/ Area/ Regional/ Zonal/ Centralized

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



✓ **Highest standalone rating of AA- / Stable in MFI industry**

✓ **Only NBFC-MFI to have >18% foreign borrowings**

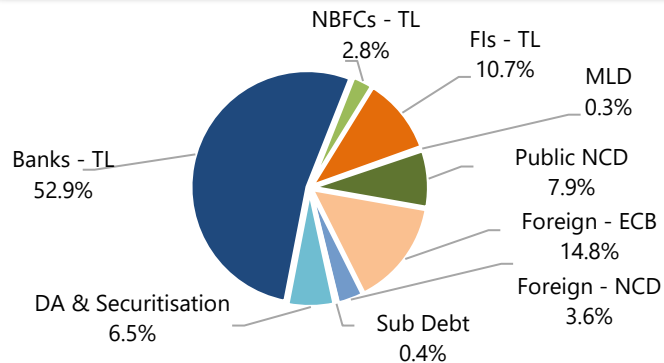
✓ **Only NBFC-MFI to raise syndicated social loan through ECB route**

✓ **Only NBFC-MFI to raise debt through public NCDs**

✓ **Only NBFC-MFI to secure ESG ratings from Sustainalytics and S&P Global**

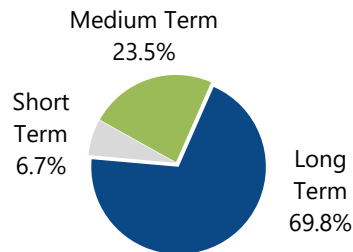
Future-Proof Liability Strategy (1/2)

Liability Mix - Institution / Instrument Wise (%)

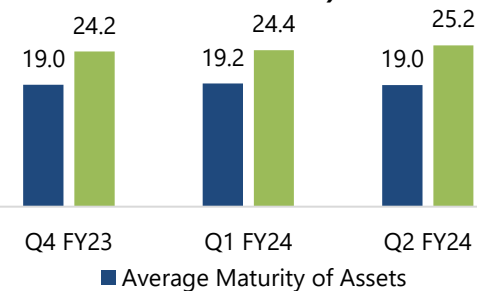


Share of Foreign Borrowings at 18.4%

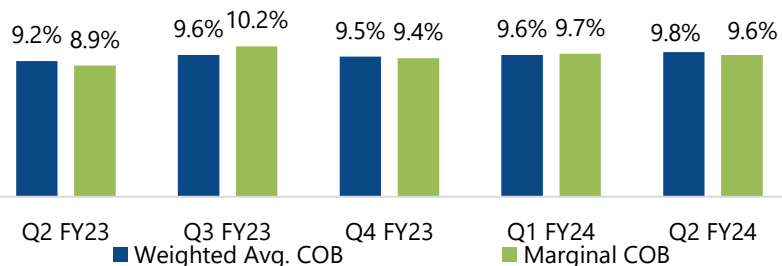
Liability Mix - Tenure Wise (%)



Positive ALM Mismatch (in Months)



Cost of Borrowing (%)



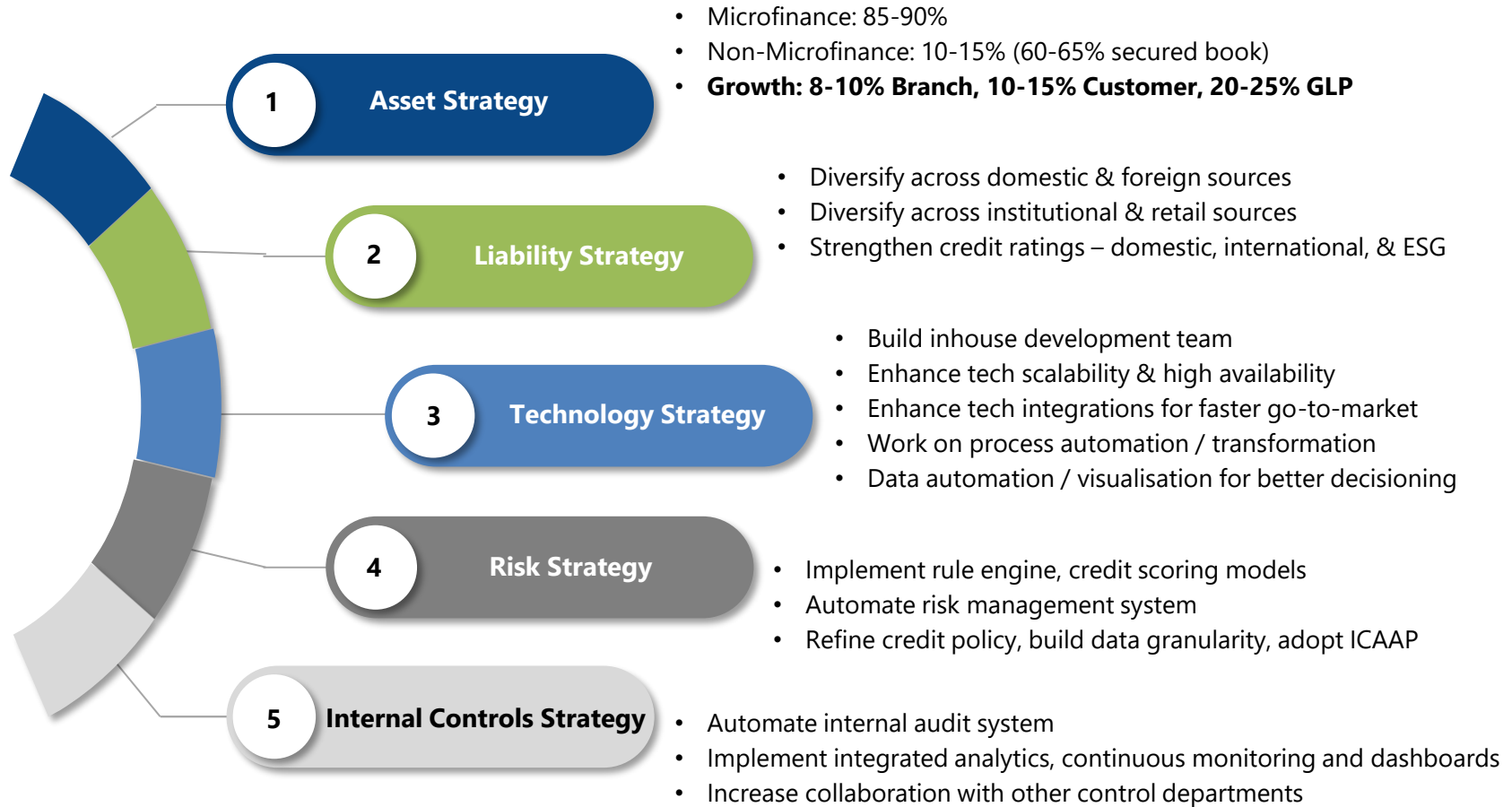
Rating Instrument	Rating Agency	Rating/Grading
Bank Facilities	Ind-Ra	AA- (Stable)
	ICRA	AA- (Stable)
	CRISIL	AA- (Stable) **
Non-Convertible Debentures	Ind-Ra	AA- (Stable)
	ICRA	AA- (Stable)
	CRISIL	AA- (Stable) **
Commercial Paper	ICRA	A1+
Comprehensive Microfinance Grading *	CRISIL	M1C1
Client Protection Certification	M-CRIL	Gold Level
Social Bond & Loan Framework	Sustainalytics	Certified

* Institutional Grading/Code of Conduct Assessment (COCA)

** CRISIL upgraded rating from A+/Positive to AA-/Stable on 30th November 2023



Aiming 20-25% CAGR To Cross INR 50,000 Cr (USD 6 Bn) AUM Over Next 4-5 Years



Target ROA/ ROE Profile Over Next 5 Years

Profitability Metrics	FY24	FY25 - FY28
GLP Growth %	24% - 25%	20% - 25%
NIM %	12.7% - 12.8%	12% - 12.2%
Cost-to-Income Ratio %	31% - 33%	33% - 35%
Operating Costs / AUM %	4.7% - 4.8%	4.5% - 4.7%
Credit Cost %	1.6% - 1.8%	1.6% - 1.8%
ROA %	5.4% - 5.6%	4.8% - 5.1%
ROE %	24% - 25%	21% - 23%
Capital Adequacy	23% - 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**

MFI Industry Overview

Business Overview & Strategy

Performance Track Record

ESG Adherence



H1 FY24: Key Performance Highlights

GLP
INR 22,488 Cr
(USD 2.7 Bn)
(+36.0% YoY)

Disbursements
INR 9,737 Cr
(USD 1.2 Bn)
(+49.3% YoY)

NIM
13.1%

Wtd. Avg. COB
9.7%

Cost/Income Ratio
31.3%

Opex/GLP Ratio
4.6%

PPOP
INR 1,106 Cr
(USD 135 Mn)
(+77.3% YoY)

PAT
INR 696 Cr
(USD 85 Mn)
(+121.7% YoY)

ROA
5.7%

ROE
25.5%

CRAR Total
25.0%

CRAR Tier 1
24.1%

Total Equity
INR 5,798 Cr
(USD 707 Mn)

D/E Ratio
3.0

GNPA: 0.77%

NNPA: 0.24%

PAR 90+: 0.60%

Collection Efficiency
(Excl. Arrears)
98.7%

Provisioning:
1.60%

Write-off
INR 177 Cr
(USD 22 Mn)

Branches
1,877
(+11.5% YoY)

Employees
19,241
(+20.1% YoY)

Active Borrowers
4.6 Mn
(+21.2% YoY)

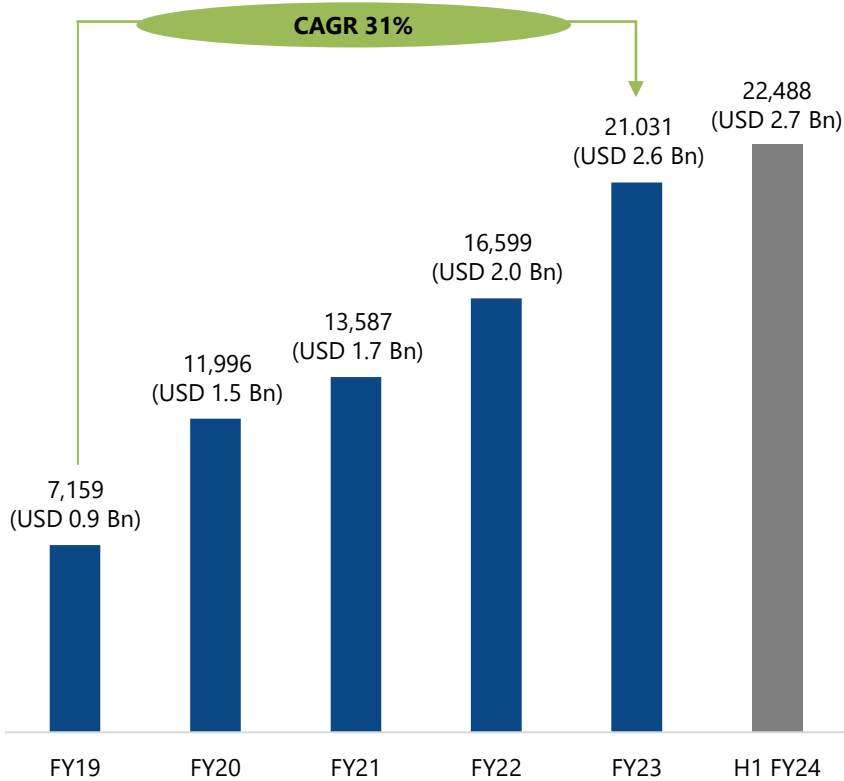
1 USD = 82 INR

Performance Vs. Annual Guidance

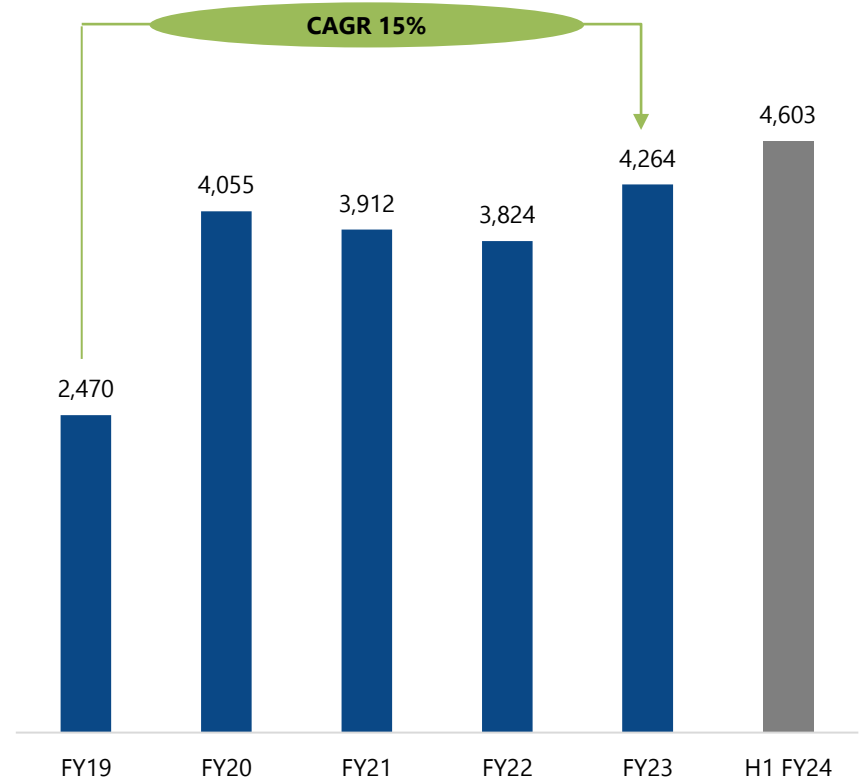
Key Indicators	FY24 Guidance	H1 FY24 Performance	Reasons For Outperformance	Revised FY24 Guidance
GLP Growth %	24.0% - 25.0%	36.0%	<ul style="list-style-type: none"> YoY growth is higher on a low base of H1 FY23 	24.0% - 25.0%
NIM %	12.0% - 12.2%	13.1%	<ul style="list-style-type: none"> Superior asset quality leading to minimal interest reversals Strong control over the cost of borrowing Higher share of portfolio growth funded through internal accruals (CRAR: 25%) 	12.7% - 12.8%
Cost-to-Income Ratio %	35.0% - 36.0%	31.3%	<ul style="list-style-type: none"> Improved total income profile 	31.0% - 33.0%
Credit Cost (Provisions + Write-offs) – % of Avg. On-Book Loan Portfolio (non annualized)	1.6% - 1.8%	0.8%	<ul style="list-style-type: none"> Healthy asset quality 	1.6% - 1.8%
Return on Assets %	4.7% - 4.9%	5.7%	<ul style="list-style-type: none"> More balanced growth across all quarters Improved total income profile Robust CRAR 	5.4% - 5.6%
Return on Equity %	20.0% - 21.0%	25.5%	<ul style="list-style-type: none"> Improved overall profitability 	24.0% - 25.0%

Past Five Years Performance Track Record (1/4)

Gross Loan Portfolio (AUM) (INR Cr)



Active Borrowers ('000)

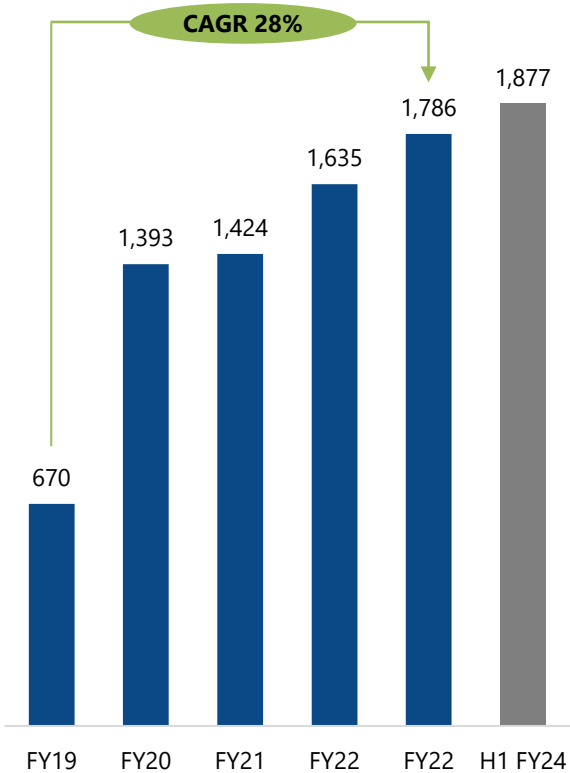


1 USD = 82 INR

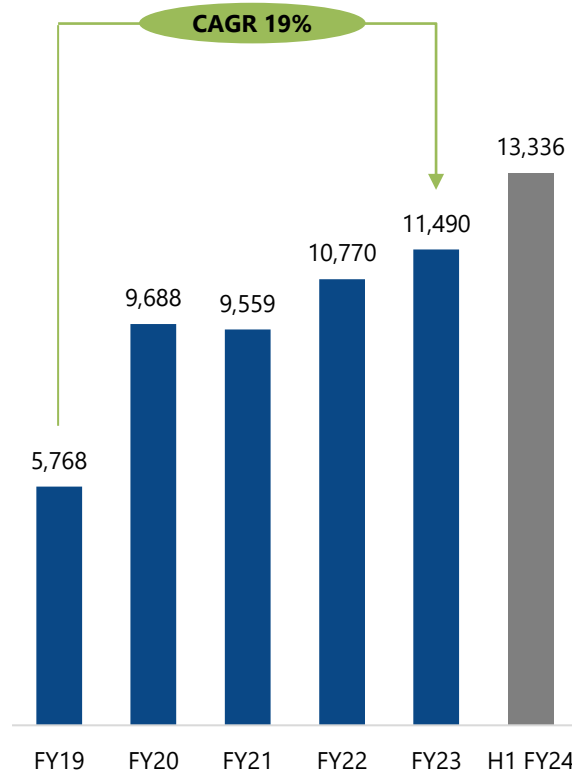


Past Five Years Performance Track Record (2/4)

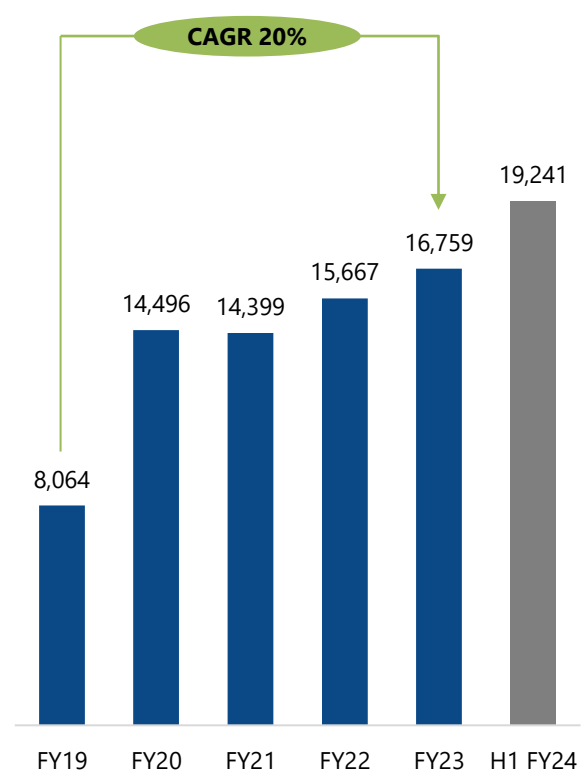
Branch Network



Loan Officers

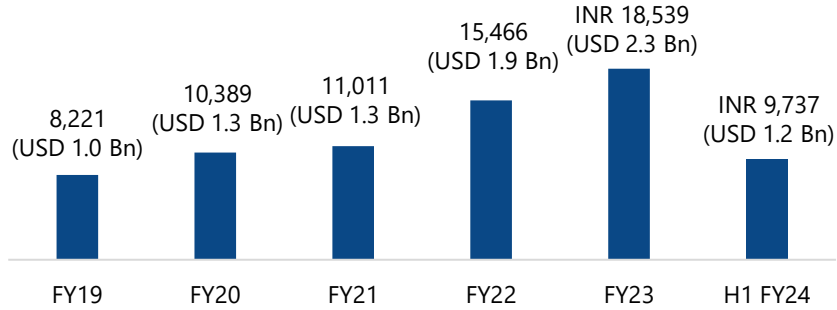


Employees

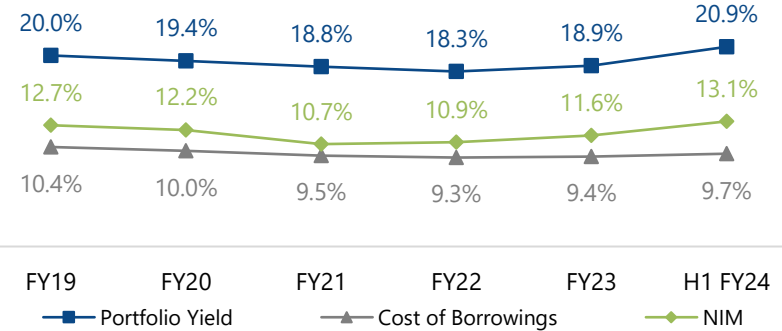


Past Five Years Performance Track Record (3/4)

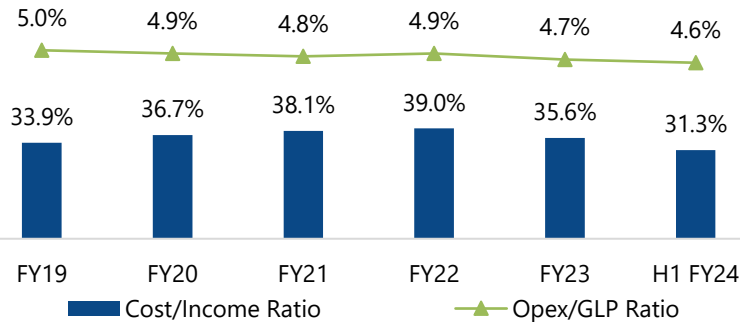
Disbursements (INR Cr)



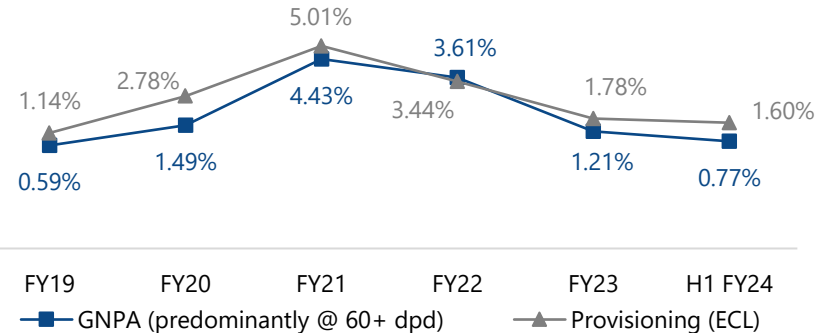
Margin Analysis (%)



Operating Efficiency (%)



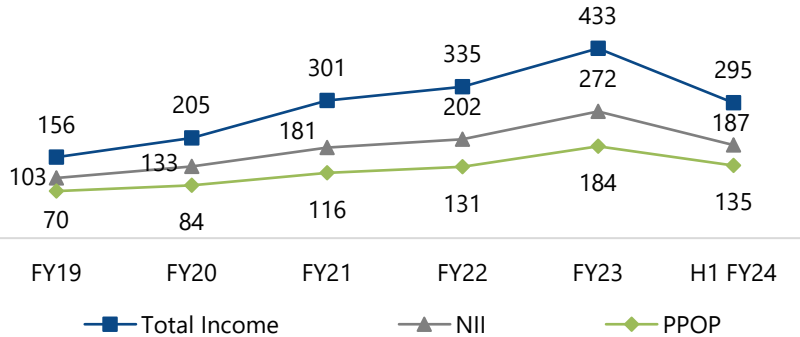
Asset Quality (%)



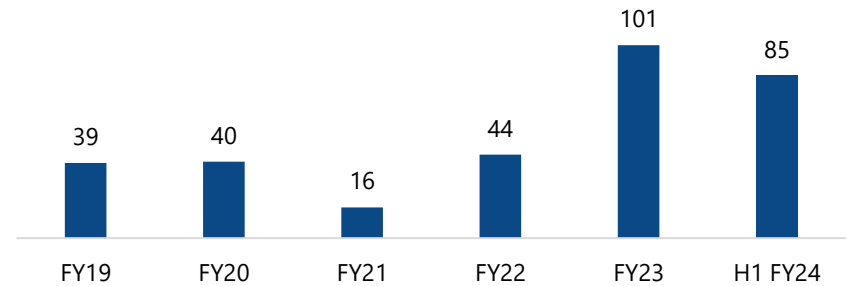
1 USD = 82 INR

Past Five Years Performance Track Record (4/4)

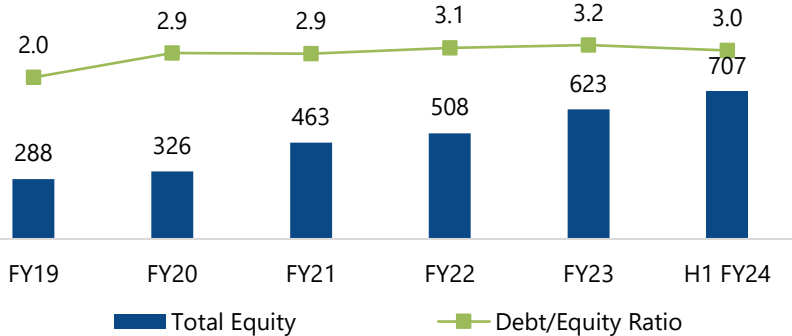
Total Income, NII, PPOP (USD Mn)



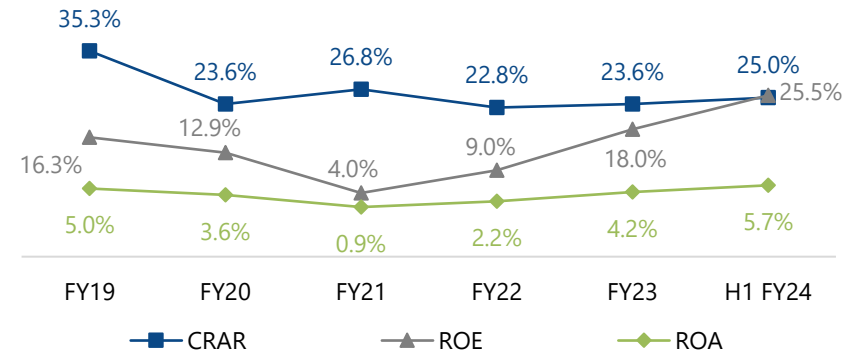
PAT (USD Mn)



Total Equity (USD Mn) & Debt/Equity Ratio



Return Ratios & Capital Adequacy (%)



Note: Standalone figures in FY19, FY20

1 USD = 82 INR



Early Risk Recognition & Conservative Provisioning Policy

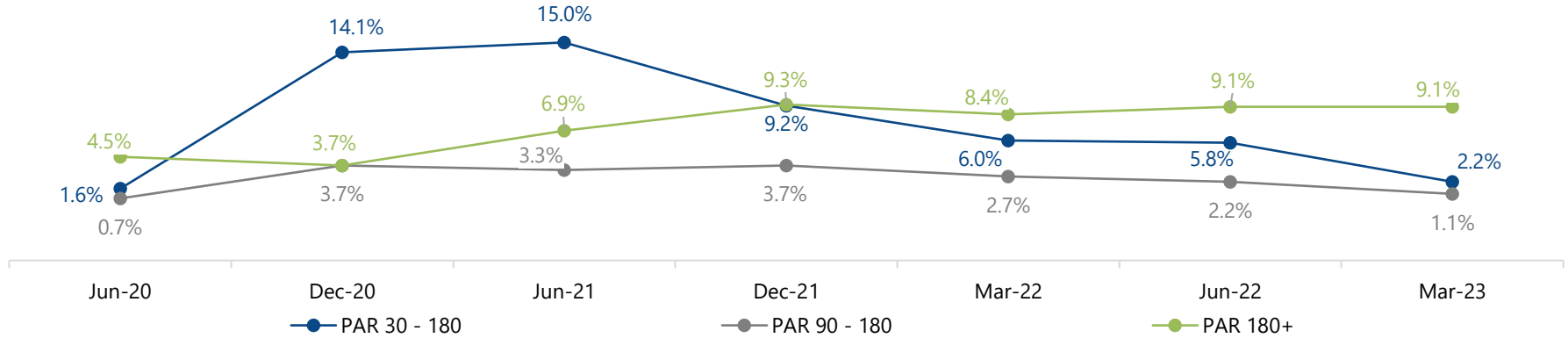
	RBI Norms		IND-AS (NBFC_MFI)		CA Grameen Policy	
Asset Classification	Standard Assets	0-90 days	Stage I	0-30 days	0-15 days (MFI) 0-30 days (Non-MFI)	
	Sub-Standard Assets	91-180 days	Stage II	31-90 days	16-60 days (MFI) 31-90 days (Non-MFI)	
	Loss Assets	>180 days	Stage III	>90 days	>60 days (MFI) >90 days (Non-MFI)	

	RBI (IRAC) Norms	CA Grameen Policy	
		Provisioning	Write-offs
Provisioning Norms (NBFC-MFI)	Higher value among the following: <ul style="list-style-type: none"> • 1% of on-book Loan Assets; or • [50% of aggregate overdue loan installments in respect of Sub-Standard Loan Assets; and • 100% of aggregate overdue loan installments in respect of Loss Loan Assets] 	Stage I	(As on Sep-23)
		Stage II	Stage I: 0.9%
		Stage III	Stage II: 54.0%
			Stage III: 69.3%
		Overall: 1.6%	>270 days (MFI) >365 days (Non-MFI)

IRAC - Income Recognition and Asset Classification Norms

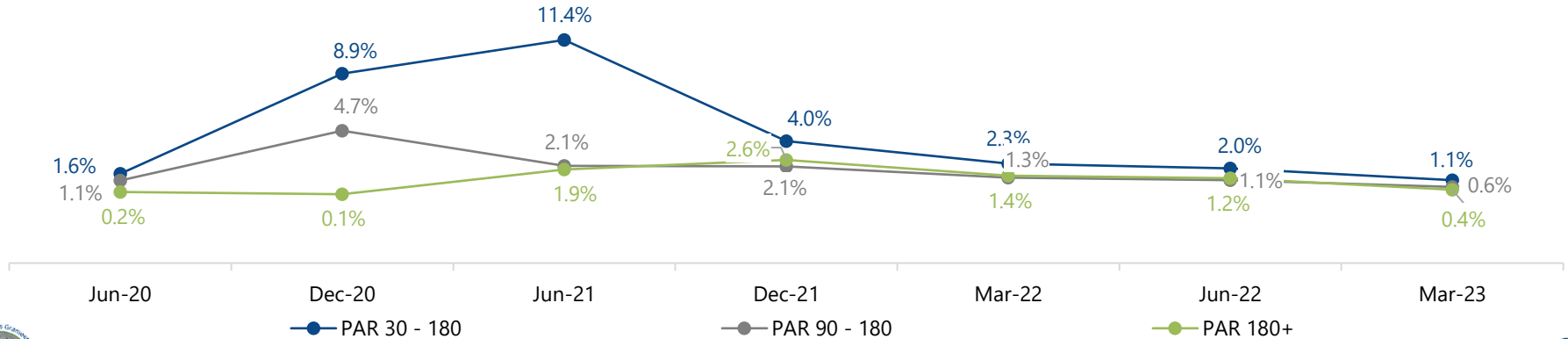
CA Grameen Vs. MFI Industry: Asset Quality Trend During Covid

MFI Industry



Note: PAR – Portfolio at Risk at various dpd (due past date)

CA Grameen



MFI Industry Overview

Business Overview & Strategy

Performance Track Record

ESG Adherence



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

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

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), DFC (USA), Social Loan Syndication**

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



Thank You

