

QUARTERLY NEWSLETTER – Q3

October – December 2023

Message from Managing Director

Dear Friends,

As we embark on the new year 2024, we express our deepest gratitude towards all our stakeholders especially stalwart women entrepreneurs who are the pillar of our success. Together we will chart new peaks and make a lasting impact on the rural financial landscape.

The Q3 FY24 holds a special significance towards our long-term vision as we surpassed various records solidifying our leadership positioning. The 9M FY24 profitability at INR 1,049 crore touched a new high, we successfully completed the core banking solution (CBS) upgrade process to the Temenos R19 version enabling scalability and making us future ready. Technology is just not an enabler but a business partner in our growth story.

We received the due credit rating upgrade by CRISIL to AA-stable from A+ positive, resulting in the same stance from all three leading rating agencies in India. Further, we were honoured with the prestigious 'Microfinance Organisation of the Year 2023' and 'Best Small NBFC 2023' awards.

We have always believed that the quality of the lending business is equally determined by the quality of the liability franchise for achieving a sustainable growth path. Our liability franchise continues to flourish marked by lower category concentration and vast geographical lender presence. We raised INR 830 crore or USD 100 million in Oct-23, the second tranche of the USD 200 million syndication loan resulting in our share of foreign borrowing increasing to 21.5% from 18.4% a quarter ago while bank share stood at 50.1% aligning with our diversification philosophy.

We remain firm on achieving our FY24 annual guidance of 24-25% portfolio growth helping cross the INR 25,000 crore mark in the 25th year of our inclusive journey.

Brief Synopsis of our Financial Results for the Third Quarter Q3 FY 2023-24

Particulars (Cr)	Q3 FY 24	Q3 FY 23	% Change
Total Income	1,295.2	909.7	42.4% ↑
NII	802.4	566.5	41.6% ↑
PPOP	601.8	379.5	58.6% ↑
PAT	353.3	215.8	63.8% ↑

Growth and expansion

Particulars	Q3 FY 24	Q3 FY 23	% Change
Gross AUM (Cr)	23,382	17,786	31.5% ↑
No. of Borrowers	46.93 lakh	39.38 lakh	19.2% ↑
No. of Branches	1,894	1,727	9.7% ↑
No. of Employees	19,041	16,807	13.3% ↑



MD Interview:

Read excerpts from our interview with **Mr. Udaya Kumar Hebbar**, Managing Director, CA Grameen.

Q1) Could you elaborate on how the last decade fared for CreditAccess Grameen?

The CA Grameen brand has earned a reputation as a trusted financial institution given our grounded approach. The philosophy is driven by evolving with customer needs and creating value addition in their credit journey. The premise of high customer centricity, strong governance, best-in-class technology, patient capital from our promoter, and access to international markets helped tide various odds to emerge stronger. At the juncture of the 25th year of our operations, the company associated with ~47 lakh families has evolved as a leading player in the microfinance industry playing a crucial role in shaping Rural India's economic narrative.

Q2) How has your banking experience shaped the modern-age inclusive finance landscape?

As a lender to the microfinance institutions in my previous avatar, I came across various business models following inappropriate pricing and inefficient operations leading to such costs being loaded to customers. I genuinely believe that this social business has much relevance to make a meaningful impact if conducted diligently and efficiently. The orientation toward a commercial mindset was the starting point for accumulating efficiencies along our inclusive journey. The biggest beneficiaries are our women entrepreneurs who get these benefits once economies of scale kick. At the same time, it is important to cultivate a harmonious relationship between employees and customers where both thrive leading to an empowering environment.

Q3) Do you think unsecured lending is inherently a risky business?

Any lending business poses a certain degree of default risk which can be minimised through strong underwriting standards and with trusted relationship. Unsecured lending to the bottom of the pyramid poses a vast opportunity, especially in Rural India. The microfinance model over the last 25 years through group dynamics has demonstrated responsible lending practices. By planting the concept of affinity, the social collateral became the driving force to mainstream the industry with one of the lowest credit costs, sometimes more than secured lending.

Awarded as the 'Microfinance Organization of the Year'



We received the 'Microfinance Organization of the Year Award (Large category)' at the Global Inclusive Finance Awards 2023, organized by ACCESS Development Services in association with HSBC India. Dr. Vivek Joshi, Secretary, Dept. of Financial Services, Ministry of Finance, presented the

award to our MD, Mr. Udaya Kumar Hebbar. This marks the fourth time we have been honoured with this esteemed title, which stands as a testament to our innovative and best-in-class industry practices.

Blood Donation Drive to Benefit Children with Thalassemia



We organized a blood donation drive in association with our CSR wing, CreditAccess India Foundation and Rashtrottana Blood Centre, on December 20, 2023 at our head office. Over 72

employees volunteered to donate blood in the drive which marked the maiden event in the lead-up to our 25th Foundation Day (May 31, 2024.) The blood units collected from the Drive were used to treat children with thalassemia – a rare genetic disorder that affects the body's ability to produce haemoglobin.

Lighting the Lamp of Hope and Love



We celebrated Diwali, the festival of lights, with fun and fervour across our branches. Employees donned traditional attire and enjoyed a gala time decking up their workspaces with colourful lights and

rangolis. A team-based 'Cooking without Fire' contest was organized for employees on this occasion. The participants enthusiastically whipped up spreads of delicacies, and the winning team was awarded a trophy. Adding more sparkle to our celebrations, the best traditionally-dressed male and female employees were bestowed with gifts and the title of 'Mr. and Ms. Elegance'.

Training Programs Conducted During October – December 2023



Email Etiquette Training:

Organized for around 125 employees from the Centralized Operations department to help them communicate more effectively over professional emails and foster a harmonious working environment.

People Management Program:

Leadership training program conducted for 43 Branch Managers, 163 Area Managers, and other departmental

executives to promote team spirit. It comprised engaging skill-building activities to help participants enhance their managerial abilities and support organizational growth.

Clinched the 'Gold Cup' in the Corporate Cricket Tournament



Team CA Grameen emerged as a winner in the 'Gold Cup' category of the 39th Corporate Tennis Ball Cricket Tournament organized by One Dream Sports. Playing the finals against Carelon Hornets on December 16, 2023, our team won the title by 10 wickets. It chased the target of 51 runs in four overs without losing a wicket.

Highlights of our CSR Initiatives During October - December 2023:

- Conferred 'Grameen Vidya Pratibha' scholarships worth over ₹23.5 lakh to 157 government school girls from underprivileged backgrounds for their excellent performance in class 10 board exams
- Imparted life skills training in WASH (Water, Sanitation, and Hygiene), financial literacy, and career guidance for 31,294 students from rural high schools in Karnataka, Maharashtra, and Tamil Nadu
- Distributed grocery kits and relief material to over 17,535 beneficiaries affected by various disasters in Karnataka, Gujarat, Uttar Pradesh, and Odisha
- Upgraded the facilities of 598 Anganwadis across the nation by providing ~11,960 baby chairs, ~2,392 armless chairs, and ~1,196 carpets, aiding ~19,059 beneficiaries
- Facilitated special education and vocational training for 108 differently-abled students
- Collaborated with Kerwadi Social Welfare Society to impart nursing and bedside assistant training to over 69 candidates in Gujarat
- Imparted job-oriented skill development training like electrical, masonry, and sewing machine operator courses to over 55 candidates in Maharashtra in association with Swades Foundation
- Facilitated cancer screening and primary healthcare services via mobile clinics for 3,516 beneficiaries in Jharkhand
- Donated RO drinking water dispensers, barricades, and chairs to 501 rural police stations, aiding around 20,354 beneficiaries
- Donated wheelchairs, pillows, stretchers, and water filters to 16 government hospitals, aiding around 720 beneficiaries
- Donated water coolers, study tables, and chairs to 37 government schools, aiding around 14,053 beneficiaries
- Organised 18 community-based cancer screening camps in association with Indian Cancer Society, aiding over 1,750 beneficiaries in Karnataka

Spinning the Threads of Success



Ms. Maheshwari from Tirupur, Tamil Nadu has been our customer for five years now. She resides with her family and runs a power loom unit for a living.

Burdened with her father's death and financial troubles at a very young age, life hasn't been smooth for her. She had to toil endlessly as a labourer in power loom units to make ends meet. But she was determined and eventually ventured into her own power loom business that changed her life for good.

Speaking about her business, she shares, "With the aid of Grameen Unnati loan (the company's high-ticket business loan), I added three power loom machines to my unit and purchased thread rolls,

My business has taken off, and I earn a decent profit too." Sharing her plans for the future, she says, "I currently procure thread rolls to weave garments which costs me a fortune. Soon, I intend to manufacture thread rolls in-house and sell them while also employing more people to fulfil ever-growing orders."

Maheshwari's business has transformed her into a successful businesswoman, and we are proud to have fuelled her entrepreneurial journey!

Our Offerings

GrameenKoota
Micro Finance

GrameenKoota
Retail Finance

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