CreditAccess Grameen

Forging a Path Towards a Stronger Future

CreditAccess Grameen Limited

Q3 & 9M FY24 Investor Presentation

January 2024

CreditAccess Grameen 25 Years of Excellence & Women Empowerment

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Discussion Summary

Key Business Updates

Financial Results Overview

Investment Rationale

Q3 FY24: Key Business Highlights

CreditAccess® Grameen

Robust Business Momentum, Sustainable Operating Profitability, Best In Class Asset Quality

	Q3 FY24	YoY%	QoQ%
GLP (INR Cr)	23,382	+31.5%	+4.0%
Borrowers (Lakh)	46.93	+19.2%	+2.0%
Disbursements (INR Cr)	5,344	+10.3%	+7.6%
NII (INR Cr)	802	+41.6%	+3.9%
PPOP (INR Cr)	602	+58.6%	+7.0%
PAT (INR Cr)	353	+63.8%	+1.8%
NIM %	13.1%	+120 bps	-3 bps
ROA %	5.5%	+94 bps	-12 bps
ROE %	23.6%	+521 bps	-106 bps

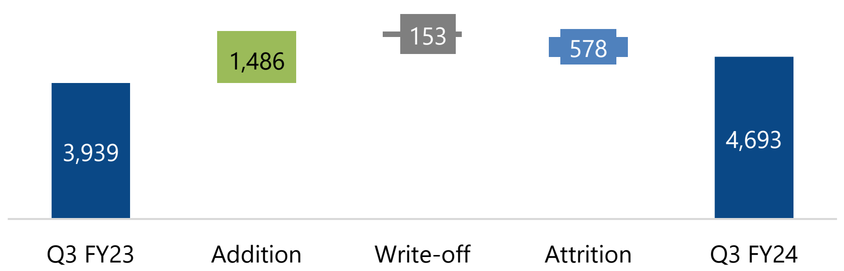
Collections Efficiency (Excl. Arrears) %	98.3%
GNPA (largely @ 60+ dpd) %	0.97%
ECL Provisioning %	1.81%
NNPA %	0.29%
PAR 90+ %	0.75%
CRAR %	24.5% (Tier 1: 23.6%)

- Achieved major milestone in the 25th year of business - INR 1,049 Cr PAT in 9M FY24, higher than INR 826 Cr PAT in FY23
- Successful upgradation of core banking solution
- Portfolio growth driven by robust customer additions
- Strong NIM despite one of the lowest lending rates in the MFI industry
- Operating cost trending lower driven by positive operating leverage
- Best-in-class asset quality
- Healthy return ratios leading to self-sustaining growth
- Robust balance sheet with adequate capital & liquidity
- CRISIL upgraded rating from A+/Positive to AA-/Stable on 30th November 2023, highest rating in MFI industry

Customer Growth Led By Robust Additions & High Retention

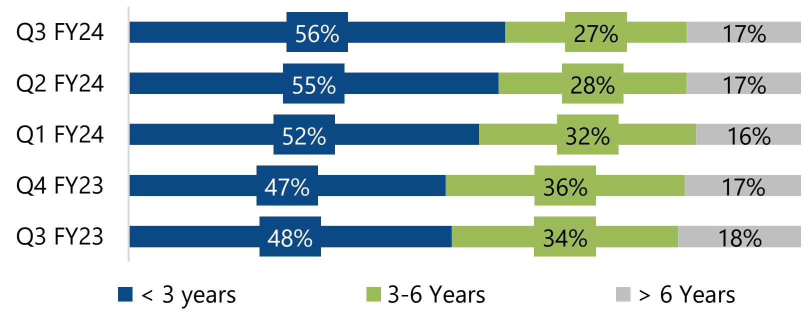
Robust Borrower Additions

Borrowers ('000)



New Borrower Addition over past 12 Months	Total	% Share
Karnataka	2,74,155	18.4%
Maharashtra	2,50,210	16.8%
Tamil Nadu	3,06,910	20.7%
Other States	**6,54,830**	**44.1%**
Total	**14,86,105**	**100.0%**

Borrower Vintage



GLP / Borrower Vintage-wise	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24
< 3 Years	40,244	40,912	40,611	40,666
3-6 Years	51,948	53,369	54,146	57,127
> 6 Years	67,234	69,526	68,002	68,299
Total	**49,320**	**49,319**	**48,852**	**49,879**

Focus on 3-Year Loans for High Vintage Borrowers

Loan Tenure	Avg. Weekly Installment per INR 10,000 loan
1 Year	~ INR 217 – 219
2 Years	~ INR 118 – 120
3 years	~ INR 86 - 88

- Loans with Ticket Size >= INR 75,000 are offered for 3-years
- 3-years loans: **31.3% of GLP**

Successful Completion of Core Banking Solution Upgrade

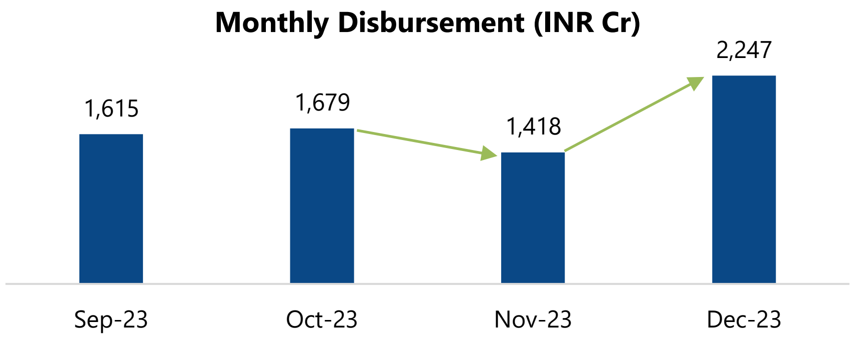
Temenos Core Banking Solution Upgrade Project

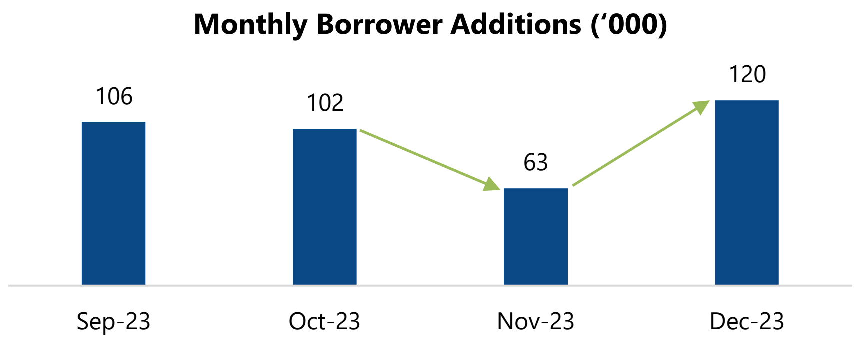
- Successful completion of CBS upgrade without any significant impact on the business operations
- Focus on process stabilization post completion of CBS upgrade resulted in an expected impact on disbursements and customer additions during 2-3 weeks in Nov-23. However, the business momentum returned to normalcy in Dec-23

Key benefits of CBS upgrade:

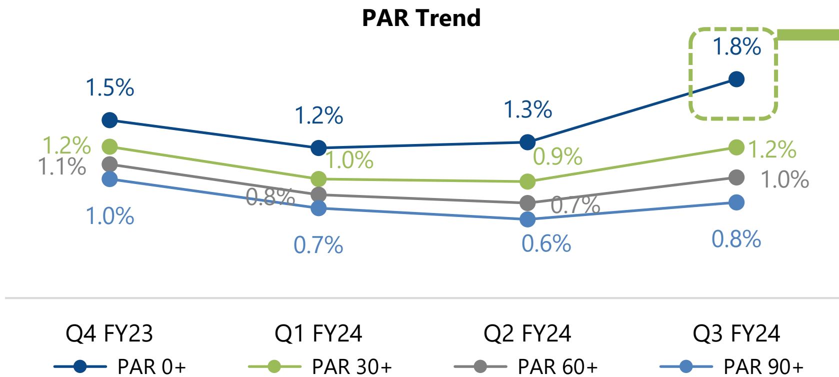
- Improved stability and robustness of the core banking platform leading to higher scalability in the future
- Enhanced functional flexibilities –
  - Centre meeting scheduling leading to travel optimization
  - Managing advance collections, part payments, part pre-closures with an ability to realign loan installments / tenures
- Retail Finance to benefit from flexible product configurations / customizations leading to faster go-to-market
- Enhanced digital initiatives leveraging the API banking opportunities
- Improved decision-making and risk management
- Continued support in the form of access to recent updates / feature releases

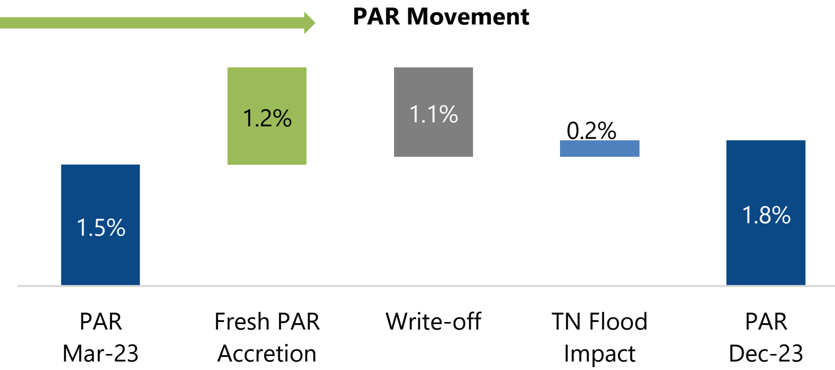
Temporary Impact on Business Momentum





Asset Quality Update (1/2)





Business As Usual PAR Accretion

- Fresh PAR accretion of 1.2% (1.6% annualized) during Mar-23 to Dec-23 is within the guided range
- PAR 30+ as on Dec-23 is stable compared to Mar-23
- Sep-23 to Dec-23 PAR increase is primarily driven by –
  - Business as usual PAR accretion due to seasonality
  - Higher steady-state PAR outside Karnataka (Karnataka PAR 0+ is 1.0%)
  - TN flood impact

TN Flood Impact

- Impact: 0.2% increase in overall PAR 0

	Total		Flood Impacted		PAR 0+ (INR Cr) (Impacted Customers)		
District	**Branches**	**GLP (INR Cr)**	**Branches**	**GLP (INR Cr)**	**Peak Value**	**Dec-23**	**15-Jan**
Tiruvallur	4	61.7	3	44.6	18.4 (7-Dec)	0.5	0.4
Tirunelveli	12	110.8	7	71.7	10.0 (22-Dec)	3.0	1.5
Thoothukudi	10	136.7	7	97.4	58.8 (22-Dec)	44.0	24.3

- Tiruvallur district (Chennai region) delinquencies have been normalised
- Tirunelveli & Thoothukudi districts witnessing healthy recoveries –
  - While PAR 0+ (impacted customers) is INR 25.8 Cr, PAR 15+ is INR 8.2 Cr
  - PAR 0+ (impacted customers): 80% (>50% recovery), 11% (<=50% recovery), 9% (no recovery)

Asset Quality Update (2/2)

Q3 FY24 (INR Cr) Asset Classification (dpd)		Consolidated EAD	EAD%	ECL%
Stage 1	0 – 15 (GL), 0 – 30 (RF)	22,383.5	98.6%	0.9%
Stage 2	16 – 60 (GL), 31 – 90 (RF)	95.9	0.4%	54.7%
Stage 3	60+ (GL), 90+ (RF)	219.7	0.97%	70.4%
Total		**22,699.2**	**100.0%**	**1.8%**
GNPA (Gross Stage 3)		**0.97%**		
NNPA (Net Stage 3)		**0.29%**		

Note: RF only accounts for 2.1% of overall loan book

EAD: Exposure at default = on-balance sheet loan principal + interest

Credit cost & ECL provisioning:

- The ECL provisioning rates, both for standard and delinquent loans, are higher in other states vs. Karnataka

ECL %	Stage 1	Stage 2	Stage 3	Total
Karnataka	0.5%	46.0%	64.7%	1.0%
Other States	1.1%	57.1%	74.4%	2.2%

- The steady-state credit cost is higher in other states vs. Karnataka. Hence, higher growth outside Karnataka will result in higher ECL provisioning
- However, the higher ECL and credit cost are adequately compensated by higher loan pricing in other states vs. Karnataka

Credit Cost (INR Cr)	Q3 FY24	9M FY24
Opening ECL - (A)	343.2	347.8
Additions (B)		
- Provisions as per ECL	106.4	218.5
Reversals (on account of write-off) (C)	38.9	155.7
Closing ECL (D = A+B-C)	410.7	410.7
Write-off (E)	58.7	235.6
Credit Cost (F = B-C+E)	**126.2**	**298.5**
Credit Cost (Provisions + Write-offs) – % of Avg. On-Book Loan Portfolio (non-annualised)	**0.6%**	**1.4%**
Bad-Debt Recovery (G)	11.2	35.0
Net P&L Impact (F – G)	**115.0**	**263.5**
Net P&L Impact – % of Avg. On-Book Loan Portfolio (non-annualised)	**0.5%**	**1.3%**

Comfortably Placed to Maintain Healthy NIMs

Key Metrics	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24
Avg. New Disbursement Interest Rate %	21.5%	21.9%	21.9%	22.0%	21.8%
Portfolio Yield %	19.6%	19.7%	20.7%	21.1%	21.0%
Weighted Avg. Cost of Borrowing %	9.6%	9.5%	9.6%	9.8%	9.8%
Marginal Cost of Borrowing %	10.2%	9.4%	9.7%	9.6%	9.7%
NIM %	11.9%	12.2%	13.0%	13.1%	13.1%

CA Grameen has reduced the lending rates by 50 bps across both microfinance and retail finance business during Dec-23 and Jan-24 in line with the board-approved pricing policy.

Key drivers for rate reduction –

- Consistent improvement in operating efficiency (Opex/AUM declining from 4.9% to 4.5% over the past one year)
- Cost of borrowing has peaked in Q2 / Q3 FY24 and is anticipated to remain stable from Q4 FY24 onwards

- **Net interest margin and return ratios to remain in steady range**
  - The full impact of the revised pricing on the portfolio yield will be gradually realized over the coming 18-20 months
  - Strong control on the cost of borrowing on the back of a diversified liability profile, continued access to PSL-linked funds, improved credit ratings, and well capitalized balance sheet
  - Well managed operating cost structure

Performance Vs. Annual Guidance

Key Indicators	Initial FY24 Guidance	Revised FY24 Guidance	9M FY24 Performance	Variance
GLP Growth %	24.0% - 25.0%	24.0% - 25.0%	31.5%	• YoY growth is higher on a low base of 9M FY23
NIM %	12.0% - 12.2%	12.7% – 12.8%	13.0%	• Superior asset quality leading to minimal interest reversals • Strong control on cost of borrowing • Higher share of portfolio growth funded through internal accruals (CRAR: 24.5%)
Cost-to-Income Ratio %	35.0% - 36.0%	31.0% - 33.0%	30.7%	• Improved total income profile
Credit Cost (Provisions + Write-offs) – % of Avg. On-Book Loan Portfolio (non annualized)	1.6% - 1.8%	1.6% - 1.8%	1.4% (gross) 1.3% (net of bad debt recoveries)	• Net credit cost within the guided range
Return on Assets %	4.7% - 4.9%	5.4% - 5.6%	5.6%	• More balanced growth across all quarters • Improved total income profile • Robust CRAR
Return on Equity %	20.0% - 21.0%	24.0% - 25.0%	24.8%	• Improved overall profitability

Awards & Recognition

Microfinance Organisation of the Year:
Global Inclusive Finance Summit 2023

Best Small NBFC 2023:
Mint BFSI Summit & Awards

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Q3 FY24: Key Performance Highlights

GLP INR 23,382 Cr (+31.5% YoY)	Disbursements INR 5,344 Cr (+10.3% YoY)	NIM 13.1% Wgtd. Avg. COB 9.8%	Cost/Income Ratio 29.5% Opex/GLP Ratio 4.4%	PPOP INR 602 Cr (+58.6% YoY)
PAT INR 353 Cr (+63.8% YoY)	ROA 5.5% ROE 23.6%	CRAR Total 24.5% CRAR Tier 1 23.6%	Total Equity INR 6,169 Cr D/E Ratio 3.1	GNPA: 0.97% NNPA: 0.29% PAR 90+: 0.75%
Collection Efficiency (Excl. Arrears) 98.3%	Provisioning: 1.81% Write-off INR 58.7 Cr	Branches 1,894 (+9.7% YoY) 17 New Branches Opened	Employees 19,041 (+13.3% YoY)	Active Borrowers 46.93 Lakh (+19.2% YoY)

9M FY24: Key Performance Highlights

GLP **INR 23,382 Cr** **(+31.5% YoY)**	**Disbursements** **INR 15,081 Cr** **(+32.7% YoY)**	**NIM** **13.0%** **Wgtd. Avg. COB** **9.7%**	**Cost/Income Ratio** **30.7%** **Opex/GLP Ratio** **4.5%**	**PPOP** **INR 1,708 Cr** **(+70.2% YoY)**
PAT **INR 1,049 Cr** **(+97.0% YoY)**	**ROA** **5.6%** **ROE** **24.8%**	**CRAR Total** **24.5%** **CRAR Tier 1** **23.6%**	**Total Equity** **INR 6,169 Cr** **D/E Ratio** **3.1**	**GNPA: 0.97%** **NNPA: 0.29%** **PAR 90+: 0.75%**
Collection Efficiency **(Excl. Arrears)** **98.6%**	**Provisioning:** **1.81%** **Write-off** **INR 235.6 Cr**	**Branches** **1,894** **(+9.7% YoY)** **108 New Branches Opened**	**Employees** **19,041** **(+13.3% YoY)**	**Active Borrowers** **46.93 Lakh** **(+19.2% YoY)**

Q3 & 9M FY24: P&L Statement

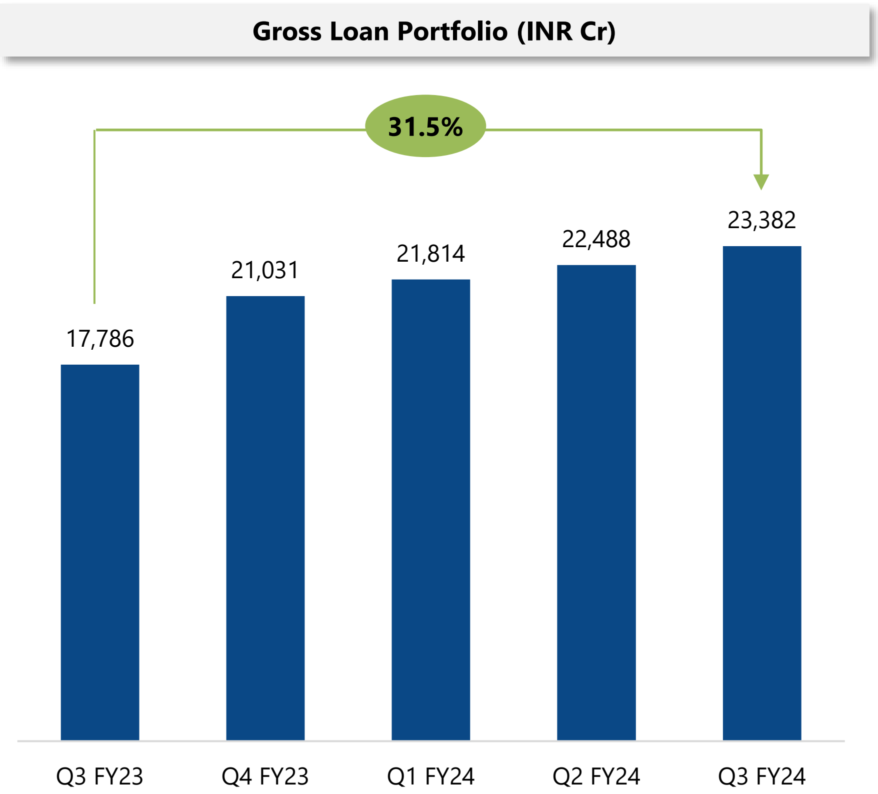
Profit & Loss Statement (INR Cr)	Q3 FY24	Q3 FY23	YoY%	Q2 FY24	QoQ%	9M FY24	9M FY23	YoY%	FY23
Interest Income	1,244.4	854.8	45.6%	1,187.4	4.8%	3,536.9	2,362.3	49.7%	3,327.1
- Interest on Loans [1]	1,220.0	837.6	45.7%	1,165.9	4.6%	3,472.1	2,327.3	49.2%	3,277.4
- Interest on Deposits with Banks and FIs	24.3	17.2	41.8%	21.5	13.1%	64.8	35.0	85.1%	49.7
Income from Direct Assignment	-0.4	25.9	-101.7%	8.5	-105.1%	51.0	50.6	0.9%	119.7
Finance Cost on Borrowings	441.5	314.2	40.5%	423.9	4.2%	1,250.3	867.2	44.2%	1,212.9
Net Interest Income	**802.4**	**566.5**	**41.6%**	**772.0**	**3.9%**	**2,337.7**	**1,545.7**	**51.2%**	**2,234.0**
Non-interest Income & Other Income [2,3]	51.3	29.0	76.7%	51.7	-0.8%	125.6	71.8	74.9%	104.0
Total Net Income	**853.7**	**595.5**	**43.4%**	**823.7**	**3.6%**	**2,463.3**	**1,617.5**	**52.3%**	**2,337.9**
Employee Expenses	156.7	127.1	23.3%	161.8	-3.1%	474.8	380.7	24.7%	515.2
Other Expenses	82.2	76.3	7.7%	87.1	-5.6%	242.9	195.9	24.0%	266.4
Depreciation, Amortisation & Impairment	13.1	12.6	3.6%	12.3	6.4%	37.4	37.4	0.1%	49.8
Pre-Provision Operating Profit	**601.8**	**379.5**	**58.6%**	**562.6**	**7.0%**	**1,708.2**	**1,003.5**	**70.2%**	**1,506.4**
Impairment of Financial Instruments	126.2	89.4	41.1%	95.9	31.7%	298.5	295.7	0.9%	401.0
Profit Before Tax	**475.6**	**290.0**	**64.0%**	**466.8**	**1.9%**	**1,409.7**	**707.8**	**99.2%**	**1,105.4**
Total Tax Expense	122.2	74.3	64.6%	119.7	2.1%	360.9	175.4	105.8%	279.4
Profit After Tax	**353.3**	**215.8**	**63.8%**	**347.0**	**1.8%**	**1,048.8**	**532.5**	**97.0%**	**826.1**
Key Ratios	**Q3 FY24**	**Q3 FY23**		**Q2 FY24**		**9M FY24**	**9M FY23**		**FY23**
Portfolio Yield	21.0%	19.6%		21.1%		20.9%	18.9%		18.9%
Cost of Borrowings	9.8%	9.6%		9.8%		9.7%	9.3%		9.4%
NIM	13.1%	11.9%		13.1%		13.0%	11.5%		11.6%
Cost/Income Ratio	29.5%	36.3%		31.7%		30.7%	38.0%		35.6%
Opex/GLP Ratio	4.4%	5.0%		4.7%		4.5%	4.9%		4.7%

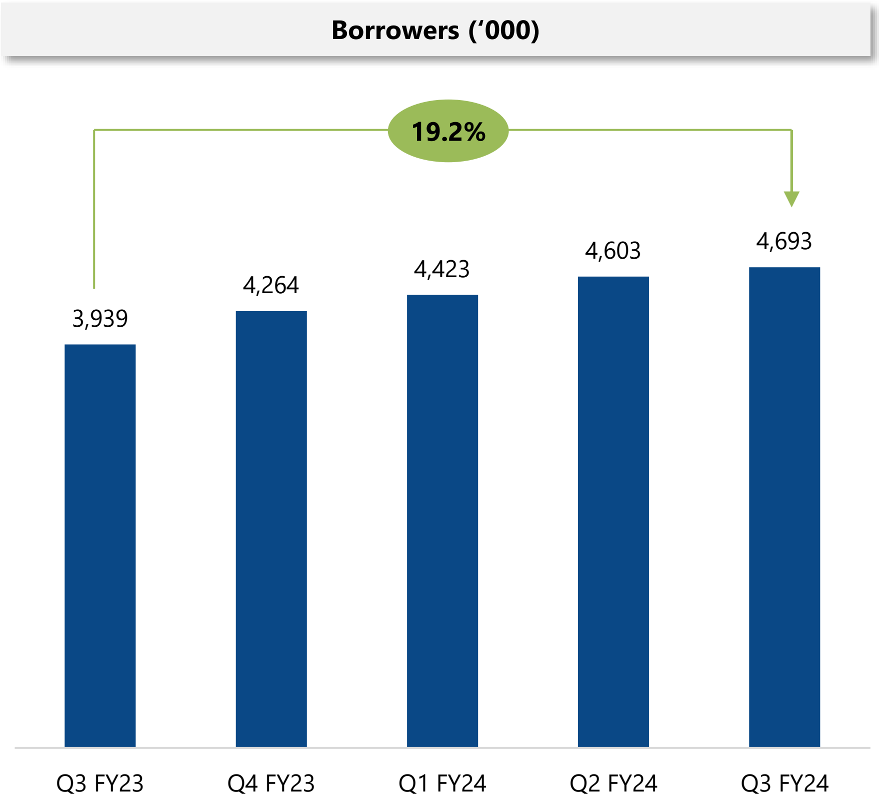
1) Interest income (on Stage 3 portfolio) de-recognized was INR 12.2 Cr in Q3 FY24 (Q3 FY23: INR 22.2 Cr) and INR 39.7 Cr in 9M FY24 (9M FY23: INR 64.7 Cr)
2) Bad debt recovery was INR 10.9 Cr in Q3 FY24 (Q3 FY23: INR 16.5 Cr) and INR 34.7 Cr in 9M FY24 (9M FY23: INR 41.3 Cr)
3) Insurance distribution income was INR 27.1 Cr in Q3 FY24 (Q3 FY23: 5.0 Cr) and INR 62.9 Cr in 9M FY24 (9M FY23: INR 10.1 Cr)

Q3 & 9M FY24: Balance Sheet

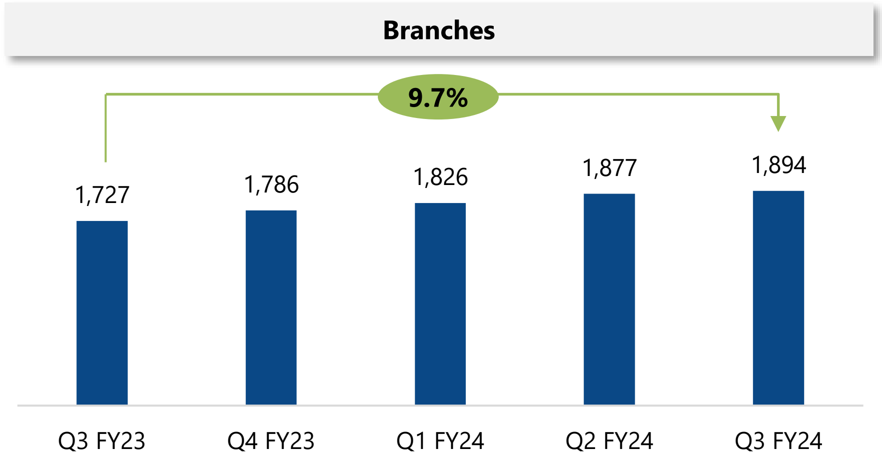
Balance Sheet (INR Cr)	Q3 FY24	Q3 FY23	YoY%	Q2 FY24	QoQ%	9M FY24	9M FY23	FY23
Cash & Other Bank Balances	1,168.5	1,001.2	16.7%	1,408.3	-17.0%	1,168.5	1,001.2	1,436.4
Investments	1,390.2	438.3	217.2%	740.5	87.7%	1,390.2	438.3	454.5
Loans - (Net of Impairment Loss Allowance)	22,089.2	16,402.3	34.7%	20,880.1	6.1%	22,089.2	16,402.3	18,939.8
Property, Plant and Equipment	30.2	30.7	-1.8%	30.3	-0.4%	30.2	30.7	32.1
Intangible Assets	118.4	134.7	-12.1%	120.9	-2.0%	118.4	134.7	130.5
Right to Use Assets	77.3	67.3	14.9%	71.7	7.8%	77.3	67.3	64.7
Other Financial & Non-Financial Assets	331.5	313.4	5.8%	326.3	1.6%	331.5	313.4	320.8
Goodwill	375.7	375.7	0.0%	375.7	0.0%	375.7	375.7	375.7
Total Assets	**25,581.1**	**18,763.6**	**36.3%**	**23,953.8**	**6.8%**	**25,581.1**	**18,763.6**	**21,858.1**
Debt Securities	2,173.8	1,839.2	18.2%	2,227.7	-2.4%	2,173.8	1,839.2	1,672.3
Borrowings (other than debt securities)	16,723.3	11,650.9	43.5%	15,359.4	9.3%	16,723.3	11,650.9	14,463.2
Subordinated Liabilities	83.4	83.4	0.1%	81.5	2.4%	83.4	83.4	77.9
Lease Liabilities	93.4	80.4	16.2%	86.9	7.6%	93.4	80.4	78.9
Other Financial & Non-financial Liabilities	338.6	315.1	7.5%	400.6	-15.5%	338.6	315.1	360.0
Total Equity	**6,168.5**	**4,794.6**	**28.7%**	**5,797.7**	**6.4%**	**6,168.5**	**4,794.6**	**5,107.0**
Total Liabilities and Equity	**25,581.1**	**18,763.6**	**36.3%**	**23,953.8**	**6.8%**	**25,581.1**	**18,763.6**	**21,858.1**
Key Ratios	**Q3 FY24**	**Q3 FY23**		**Q2 FY24**		**9M FY24**	**9M FY23**	**FY23**
ROA	5.5%	4.5%		5.6%		5.6%	3.8%	4.2%
D/E	3.1	2.8		3.0		3.1	2.8	3.2
ROE	23.6%	18.4%		24.7%		24.8%	15.9%	18.0%
GNPA (GL: 60+ dpd, RF: 90+ dpd)	0.97%	1.71%		0.77%		0.97%	1.71%	1.21%
Provisioning	1.81%	2.04%		1.60%		1.81%	2.04%	1.78%

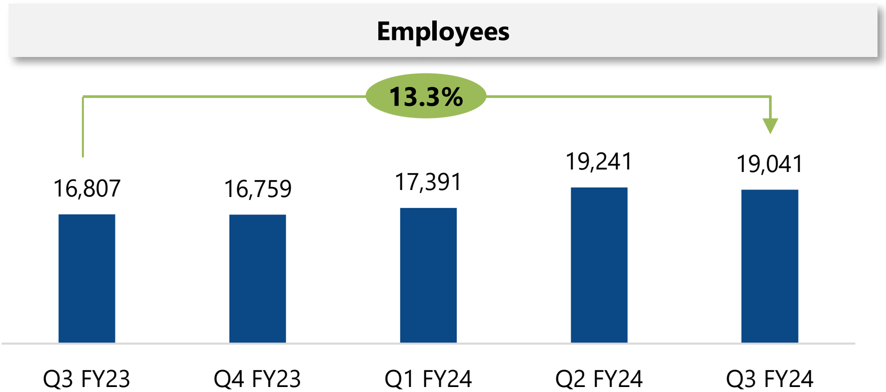
Continued Business Traction with Rural Focus

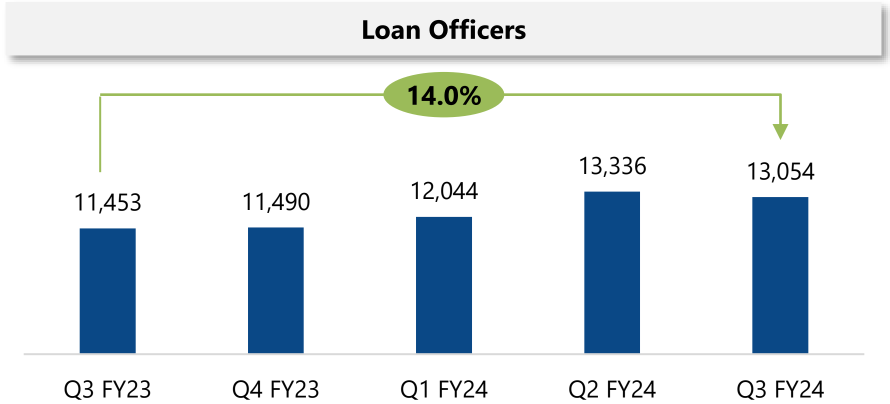




Consistent Growth in Infrastructure

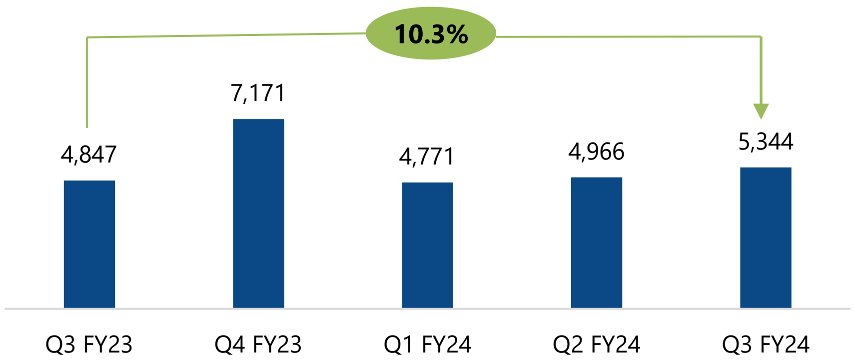




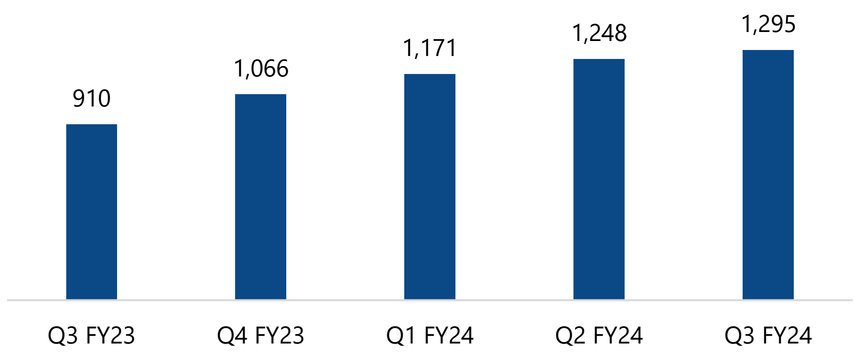


Robust Quarterly Performance Trend (1/2)

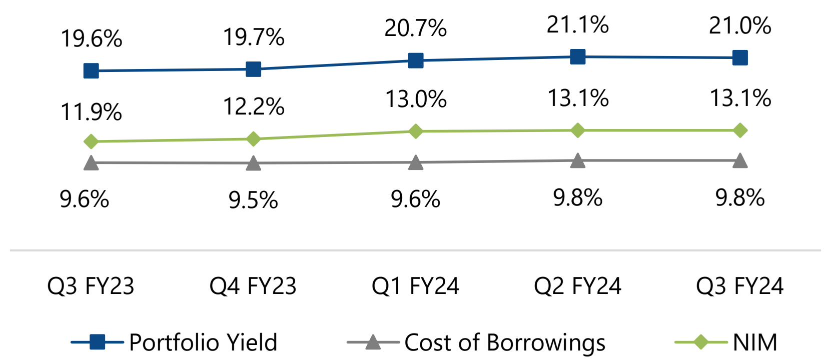
Disbursements (INR Cr)



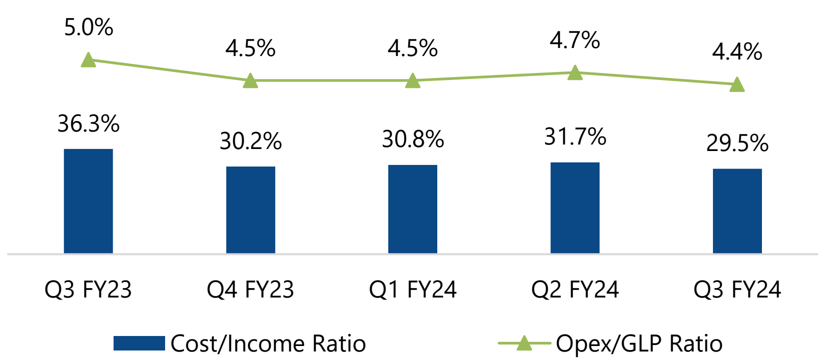
Total Income (INR Cr)



Margin Analysis (%)



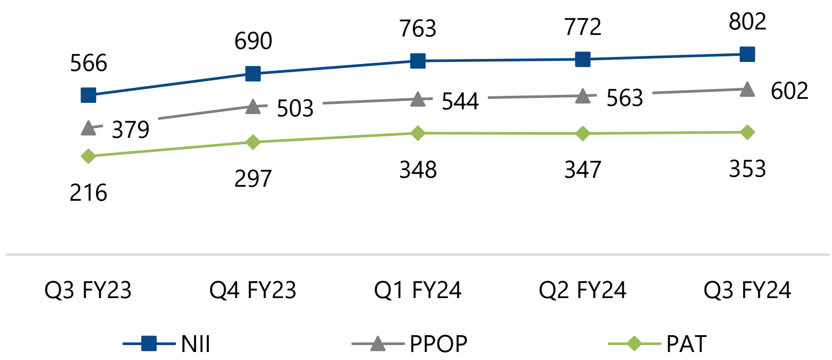
Operating Efficiency (%)



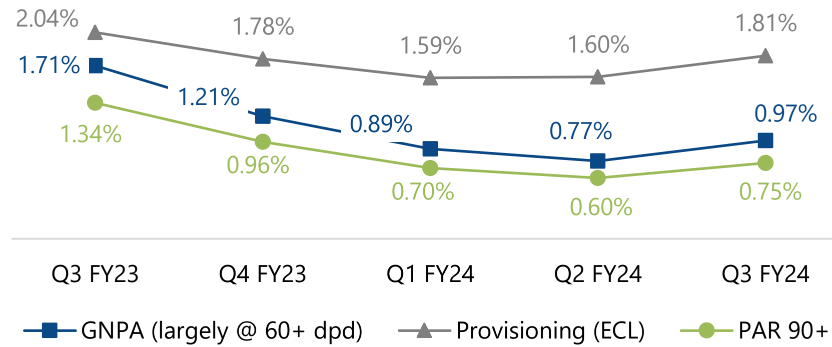
Robust Quarterly Performance Trend (2/2)

CreditAccess® Grameen

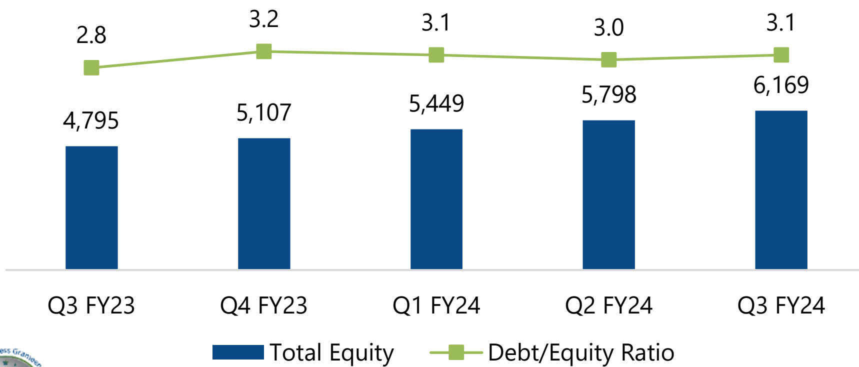
NII, PPOP, PAT (INR Cr)



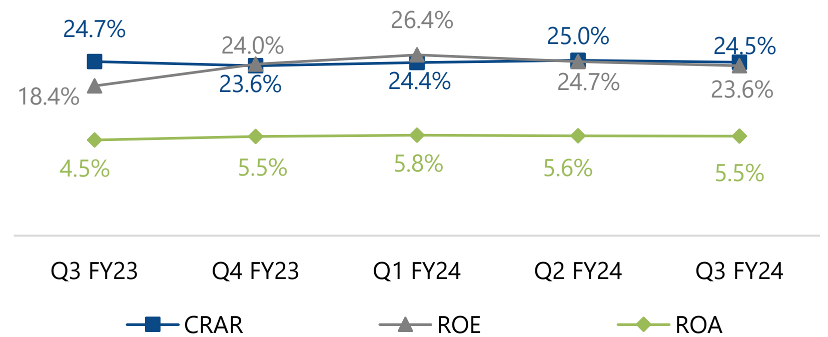
Asset Quality (%)



Total Equity (INR Cr) & Debt/Equity Ratio

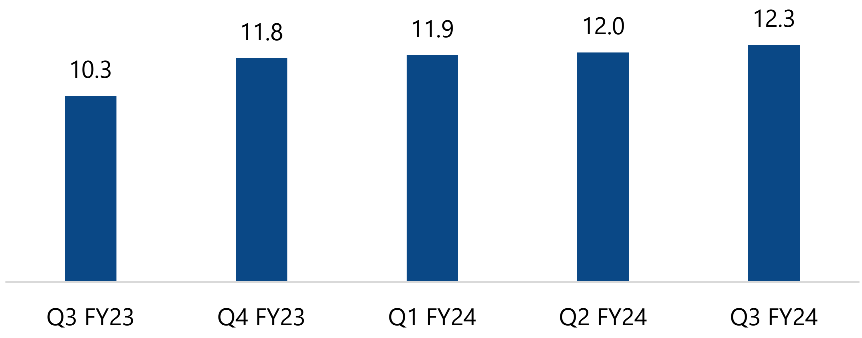


Return Ratios & Capital Adequacy (%)

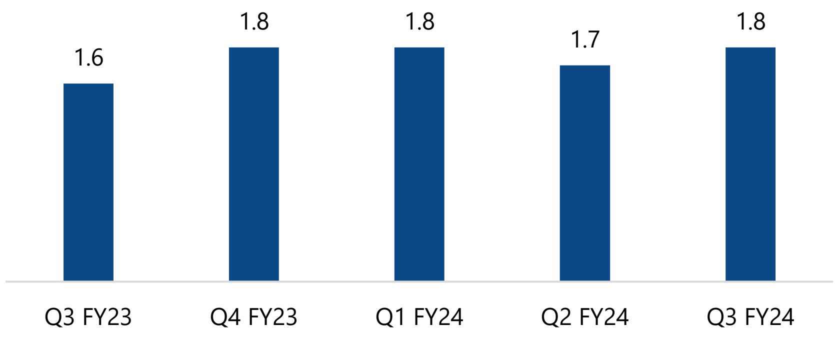


Stable Operational Efficiency

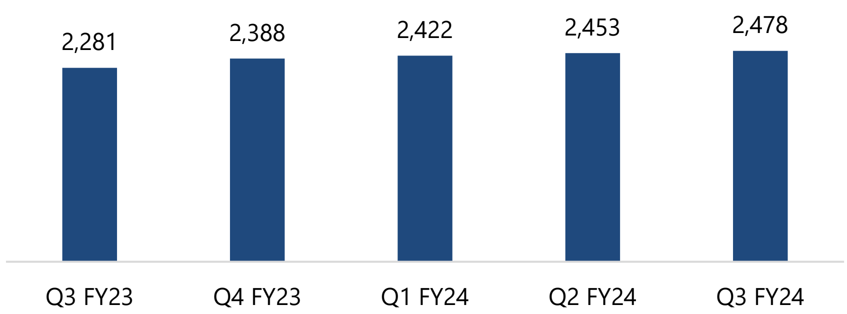
GLP / Branch (INR Cr)



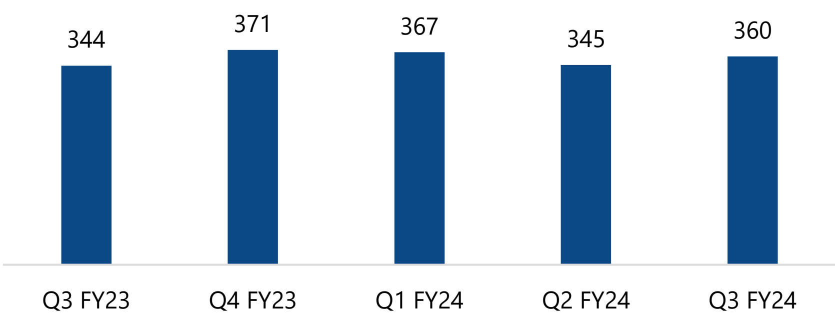
GLP / Loan Officer (INR Cr)



Borrowers / Branch



Borrowers / Loan Officer



Product Range To Meet Diverse Customer Needs

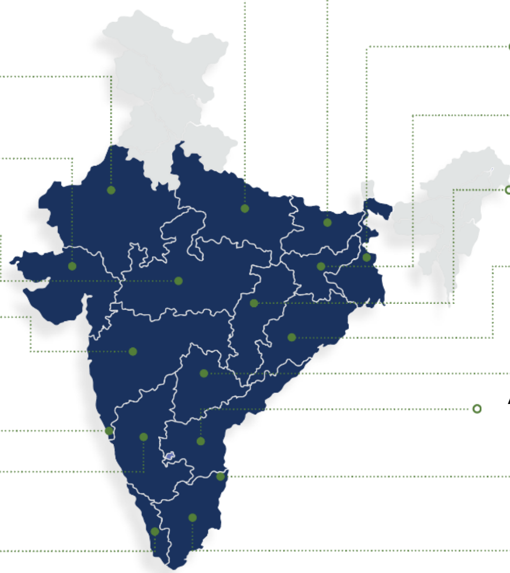
GLP - Product Mix	Q3 FY23 (INR Cr)	Q3 FY23 % of Total	Q4 FY23 (INR Cr)	Q4 FY23 % of Total	Q1 FY24 (INR Cr)	Q1 FY24 % of Total	Q2 FY24 (INR Cr)	Q2 FY24 % of Total	Q3 FY24 (INR Cr)	Q3 FY24 % of Total
IGL	17,054	96%	20,090	96%	20,670	95%	21,103	94%	21,800	93%
Family Welfare	125	0.7%	67	0%	148	1%	150	1%	102	1%
Home Improvement	486	3%	698	3%	778	3%	877	4%	986	4%
Emergency	9	0%	9	0%	7	0%	9	0%	3	0%
Retail Finance	113	0.6%	168	1%	211	1%	349	1.6%	492	2%
Total	**17,786**	**100%**	**21,031**	**100%**	**21,814**	**100%**	**22,488**	**100%**	**23,382**	**100%**

GLP – Avg. O/S Per Loan (INR '000)	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24
IGL	31.1	34.2	33.1	32.7	33.4
Family Welfare	7.7	4.7	9.2	9.9	6.6
Home Improvement	9.3	10.8	10.8	11.1	11.3
Emergency	0.5	0.6	0.5	0.6	0.5
Retail Finance	51.2	86.9	128.9	149.3	162.5
Total	**28.1**	**30.8**	**30.1**	**29.7**	**30.6**

GLP – Avg. O/S Per Borrower (INR '000)	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24
Group Lending	45.1	49.1	49.0	48.3	49.1
Retail Finance	51.7	87.7	130.4	151.4	164.6
Total	**45.2**	**49.3**	**49.3**	**48.9**	**49.8**

Well Diversified Presence Across India

Our Presence as on Dec-23
16 States & 1 UT
367 Districts
1,894 Branches



Branch Network	Q3 FY24	% Share	Q3 FY23	% Share
Karnataka	337	17.8%	308	17.8%
Maharashtra	311	16.4%	300	17.4%
Tamil Nadu	384	20.3%	378	21.9%
Madhya Pradesh	149	7.9%	147	8.5%
Other States & UT	713	37.6%	594	34.4%
Total	**1,894**	**100.0%**	**1,727**	**100.0%**

Borrowers ('000)	Q3 FY24	% Share	Q3 FY23	% Share
Karnataka	1,200	25.6%	1,071	27.2%
Maharashtra	913	19.5%	786	19.9%
Tamil Nadu	966	20.6%	874	22.2%
Madhya Pradesh	344	7.3%	308	7.8%
Other States & UT	1,270	27.0%	900	22.8%
Total	**4,693**	**100.0%**	**3,939**	**100.0%**

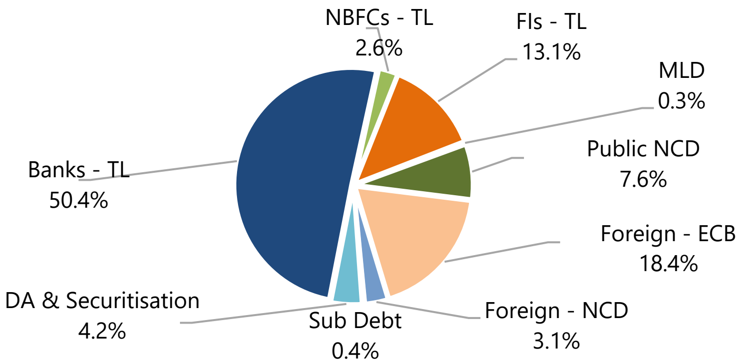
GLP (INR Cr)	Q3 FY24	% Share	Q3 FY23	% Share
Karnataka	7,519	32.2%	6,176	34.7%
Maharashtra	4,829	20.7%	3,738	21.0%
Tamil Nadu	4,761	20.4%	3,695	20.8%
Madhya Pradesh	1,450	6.2%	1,173	6.6%
Other States & UT	4,824	20.6%	3,004	16.9%
Total	**23,382**	**100.0%**	**17,786**	**100.0%**

Exposure of Districts (% of GLP)	Q3 FY24	
	No. of Districts	% of Total Districts
< 0.5%	305	83.1%
0.5% - 1%	39	10.6%
1% - 2%	20	5.4%
2% - 3%	3	0.8%
> 3%	0	0%
Total	**367**	**100.0%**

Q3 FY24 – Top Districts	% of Total GLP
Top 1	2.7%
Top 3	7.7%
Top 5	11.3%
Top 10	18.7%
Other	81.3%

Progressing Well on Liability Strategy

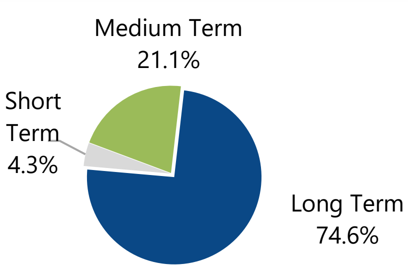
Diversified Liability Mix - Institution / Instrument Wise (%)



Note: O/S Direct Assignment (Sold Portion) - INR 779.3 Cr

Share of Bank Borrowings at 50.4% & Foreign Borrowings at 21.5%

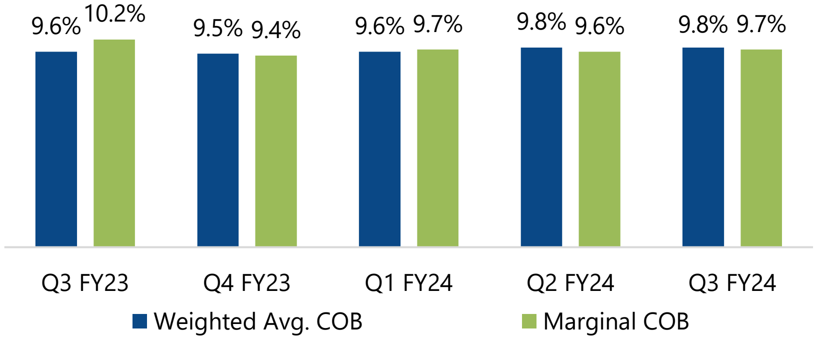
Liability Mix - Tenure Wise (%)



Focus on dynamic liability management

- Focus on long-term funding with strong diversification between domestic & foreign sources
- Target to meet funding requirements through foreign/long-term sources over the medium term, with diversified products
- Diverse lenders' base:
    - 46 Commercial Banks, 3 Financial Institutions, 15 Foreign Lenders, 6 NBFCs
- Continued focus to minimize the cost of borrowing

Cost of Borrowing (%)

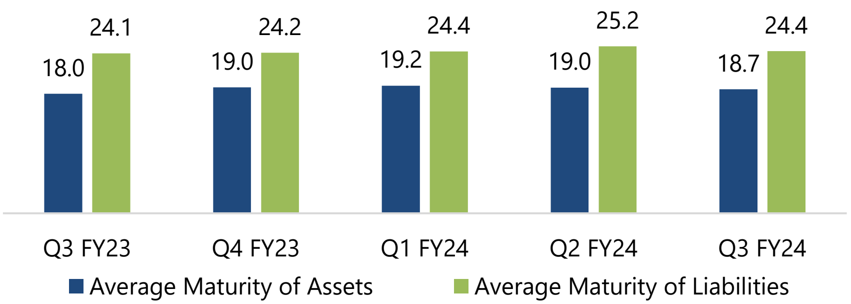


Stable Liquidity/ ALM Position/ Credit Ratings

Static Liquidity / ALM Position	For the Month			For the Financial Year	
Particulars (INR Cr)	Jan-24	Feb-24	Mar-24	Jan-24 – Mar-24	FY25
Opening Cash & Equivalents (A)	2,486.5	2,829.0	3,382.5	3,658.6	4,830.8
Loan recovery [Principal] (B)	1,409.4	1,283.0	1,254.2	3,946.7	13,594.1
Total Inflow (C=A+B)	**3,895.9**	**4,112.0**	**4,636.7**	**7,605.3**	**18,424.9**
Borrowing Repayment [Principal]					
Term loans and Others (D)	944.4	605.7	719.7	2,269.7	7,460.8
NCDs (E)	0.0	0.0	145.0	145.0	503.6
Direct Assignment (F)	122.5	123.9	113.4	359.8	645.7
Total Outflow G=(D+E+F)	**1,066.9**	**729.6**	**978.1**	**2,774.5**	**8,610.0**
Closing Cash & equivalents (H= C-G)	2,829.0	3,382.5	3,658.6	4,830.8	9,814.9
Static Liquidity (B-G)	**342.5**	**553.4**	**276.2**	**1,172.2**	**4,984.1**

Debt Diversification	Q3 FY24
Total Drawdowns	**3,317**
Domestic	75%
Foreign	25%
Undrawn Sanction	**6,340**
Domestic	100%
Foreign	0%
Sanctions in Pipeline	**5,115**
Domestic	78%
Foreign	22%

Positive ALM Mismatch (in Months)



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)

Discussion Summary

CreditAccess® Grameen

Key Business Updates

Financial Results Overview

Investment Rationale

Committed to Basics Through Classical JLG Lending Model

CreditAccess® Grameen

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

Group Formation	Data Validation & CB Check	Group Confirmation	Kendra Meetings	Loan Applications	Loan Evaluation	Loan Sanction & Disbursal	Loan Repayment	Loan Utilization
• Self-chosen group within 500m radius • Mutual reliance • Group: 5-10 members • Kendra: 2-6 groups • Digital process to capture KYC & household income details in Tab	• Data validation at RPCs • KYC verification by RPCs • Complete CB check for all earning family members	• 3-days CGT by LO • Re-interview by BM • Compulsory house visits • GRT by AM, ad-hoc verifications, group approval	• Weekly / Fortnightly meetings • Duration: 30-45 mins • Act as early warning indicator	• New LA is captured in Tab • Subject to the group's approval, LA is accepted by the LO for further processing • Real-time CB check done • First loan IGL only	• Compulsory house visit • Repayment capacity to be assessed on existing cash flows • Household income assessment	• Loan sanction after complying with max 50% FOIR • Group's re-confirmation • Fund transfer to bank a/c • Passbook/ repayment schedule & pricing fact sheet	• Choice of repayment frequency • Collections updated online on Tab	• LUC between 5-10 weeks • Follow-up LUC in 11-15 weeks • LUC recorded in the passbook

Note: CB: Credit Bureau, RPC: Regional Processing Center, CGT: Compulsory Group Training, GRT: Group Recognition Test, LO: Loan Officer, BM: Branch Manager, AM: Area Manager, LA: Loan Application, LUC: Loan Utilization Check

Focus on Customer Centricity, Loyalty & Retention

"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)
Group	Income Generation Loan (IGL)	Business Investments and Income Enhancement activities	5,000 - 1,50,000	12 – 36
Group	Home Improvement Loan	Water Connections, Sanitation and Home Improvement & Extensions	5,000 - 20,000	12 – 24
Group	Family Welfare Loan	Festival, Medical, Education and Livelihood Improvement	Up to 20,000	3 – 12
Group	Emergency Loan	Emergencies	1,000	3
Retail Finance	Retail Finance Loan	Purchase of inventory, new two-wheeler, buying a home, home improvement or for making capital investment in business or business expansion	Up to 20,00,000	3 – 240

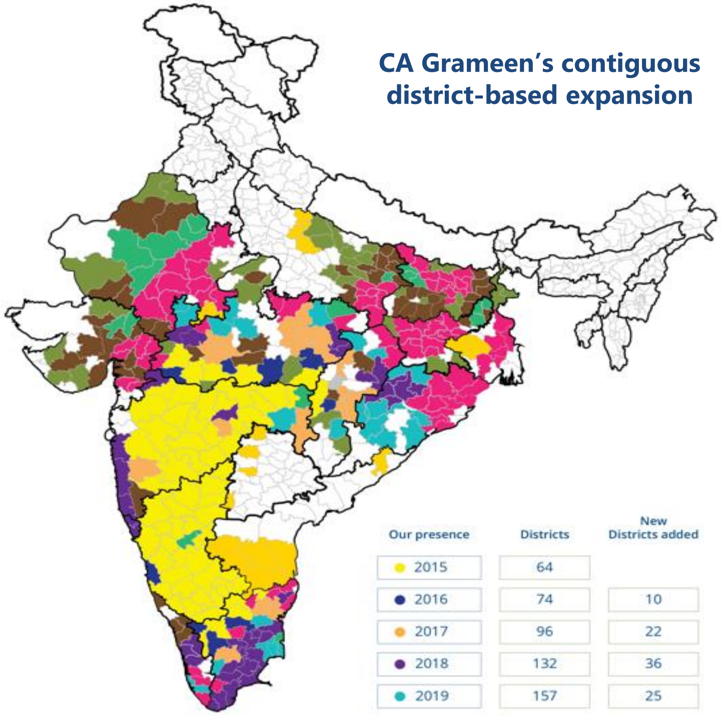
88% borrower retention rate signaling high customer satisfaction → **Sustainable & Socially Relevant** → **Significant growth from existing customer** → **Lower customer acquisition cost**

Calibrated Expansion Through Contiguous District-Based Approach

CreditAccess® Grameen

- 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 <=2% of GLP, No single district has > 3% of total GLP)

CA Grameen's contiguous district-based expansion



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
9M 2024	367	15

Unique Human Capital, Internal Audit & Risk Management

Well-Established Operational Structure

Business Heads → **Zonal Managers** → **Regional / Divisional Heads** → **Area Managers** → **Branch Managers** → **Loan Officers** → **Branches**

Sound Understanding of Rural Market

- ~90% of employees are hired fresh from rural communities
- ~50%-60% of employees are from families of active customers

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 – 8 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

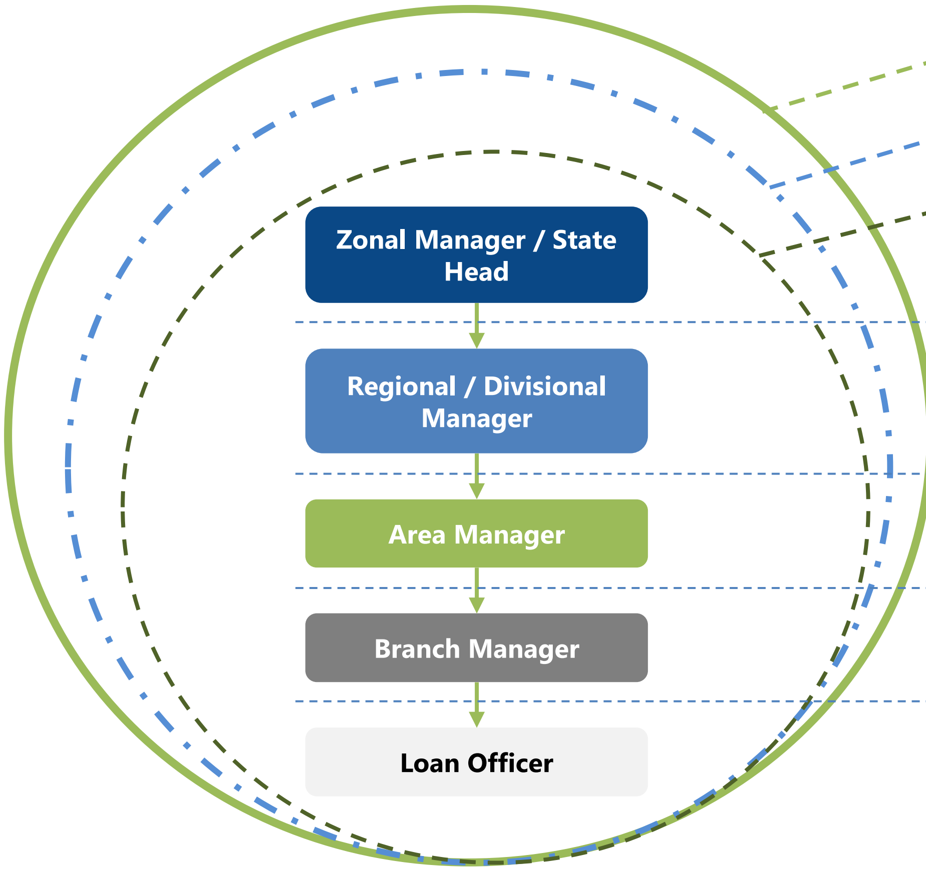
Quality Control (Business Support):

- 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



3rd line of defence: Internal Audit team

2nd line of defence: Risk team

1st line of defence: Field & Quality Control teams

Zonal Manager handles 100 – 120 branches

Regional Manager handles 40-50 branches
Divisional Manager handles 20-25 branches

Area Manager handles 4-6 branches

Every branch has 2 Branch Managers

Self Defence: Loan Officer handles 4-6 centres per day, each comprising of 10-30 members

Continuous Technology Enhancement to Drive Operational Efficiency

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

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

Integrating Risk Management in Every Operating Process

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

Contiguous District-based Expansion

- Consistent replication of processes/ controls
- Better understanding of social/ economic/ climate political/ climate risks, historical PAR, competition intensity
- High quality growth

Target Customer Segment

Focus on rural markets:

- Less served, high potential
- Better control & asset quality

Focus on new-to-credit customers:

- Shapes customer behaviour and credit discipline
- Increases loyalty
- Avoids over-leveraging

Customer Due-Diligence

- Self-chosen group formation
- CGT, GRT, house visits
- Comprehensive bureau check for all earning family members help to manage competition and overleveraging

Lending Model

- Responsible loan usage due to flexible products/ repayment options
- Better cash flow management
- Reduced risk of overleveraging

Customer Engagement Model

- More frequent engagement through weekly model
- Early identification of imminent stress
- Better control on collections
- Faster recovery

Employee Incentive Structure

- No incentive to push higher disbursements
- No impact on incentives due to external impact on collections
- Incentivization for process adherence, customer training, customer servicing

Employee Rotation Policy

- Annual rotation of LOs and tri-annual rotation of BMs
- Audit & Quality Control team rotation within the state
- Reduces person dependence and provides multiple checks

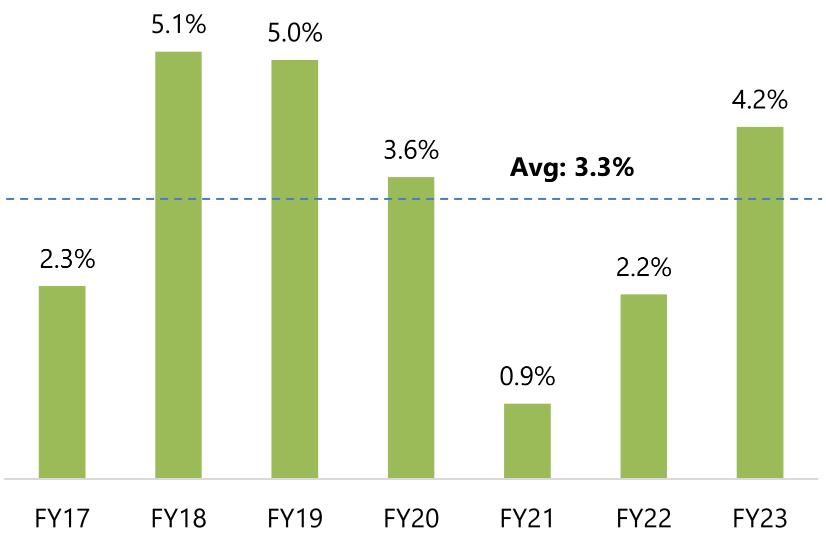
Early Risk Recognition and Conservative Provisioning

Cross Cycle Business Resiliency

Cross-Cycle ROA (%)

Strong Cross Cycle Performance Despite Several Crisis

FY17-FY18 Demonetisation

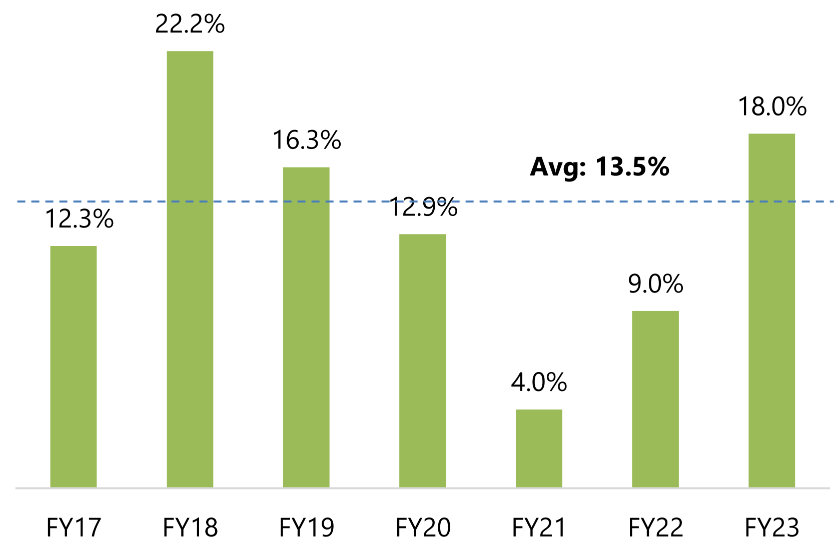


Cross-Cycle ROE (%)

FY19 Floods, NBFC crisis

FY21 Covid Wave 1

FY22 Covid Wave 2



Strong Parentage & Shareholder Base

CreditAccess India

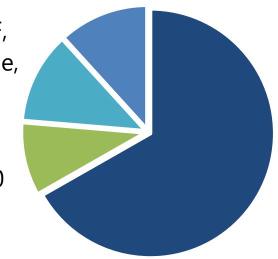
Committed to Micro Finance Business

- CreditAccess India B.V. (CAI) specialises in Micro & Small Enterprises financing
- Widely held shareholding base: 272 shareholders
- Olympus ACF Pte Ltd. 15.4%, Asian Development Bank 8.8%, Asia Impact Invest SA 8.8%, individuals/HNIs/Family Offices 67.0%
- Headquartered in Amsterdam, The Netherlands

Strong 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 66.66% in CA Grameen, committed to holding up to the regulatory requirement in future

Shareholding Pattern – December 2023

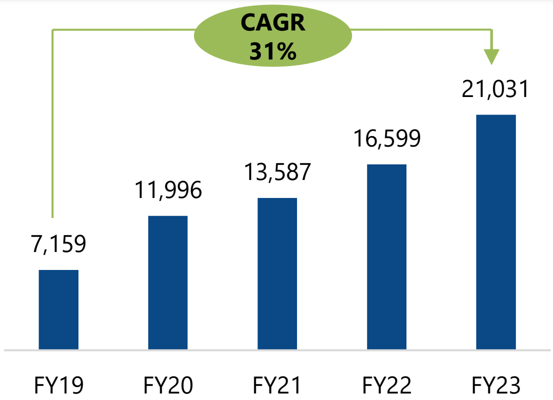


Top 10 Institutional Investors – December 2023
Axis Mutual Fund
Canara Robeco Mutual Fund
Government Pension Fund Global
ICICI Prudential Life Insurance
Invesco Mutual Fund
Nippon India Mutual Fund
PGIM India Mutual Fund
Schroders
T Rowe Price
Vanguard

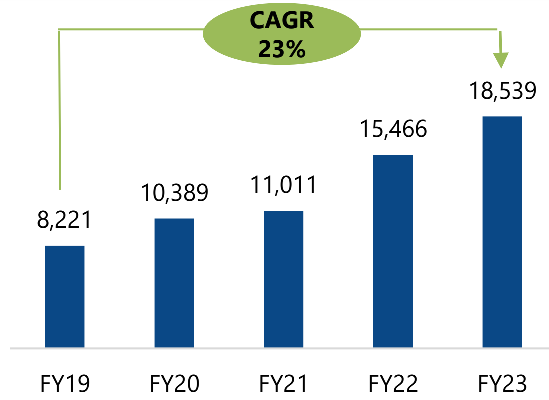
Past Five Years Performance Track Record (1/2)

CreditAccess® Grameen

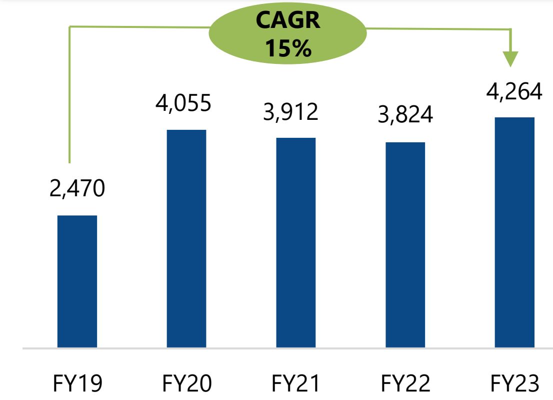
Gross Loan Portfolio (GLP) (INR Cr)



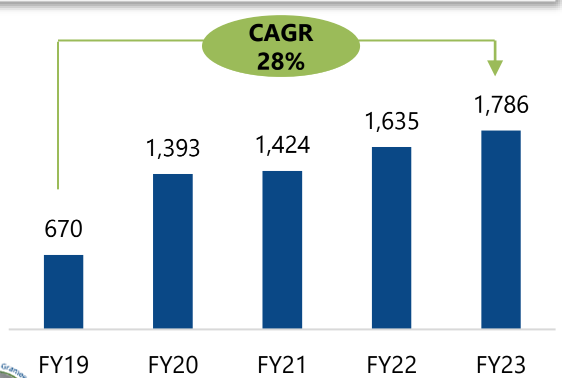
Disbursements



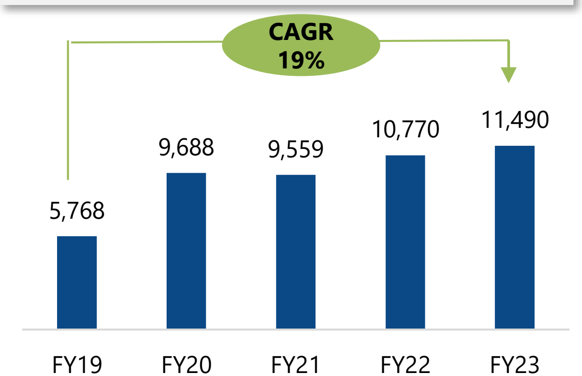
Active Borrowers ('000)



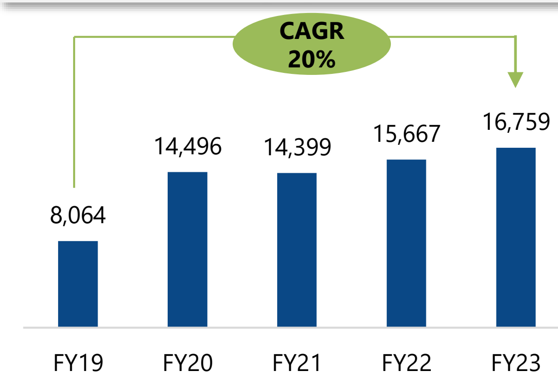
Branch Network



Loan Officers



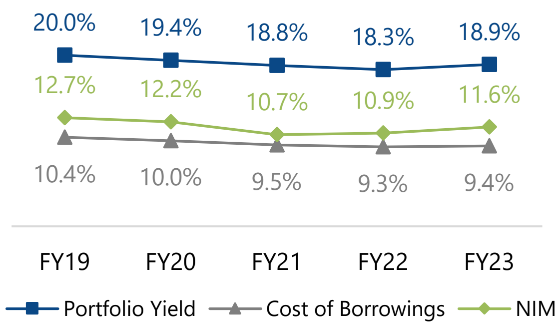
Employees



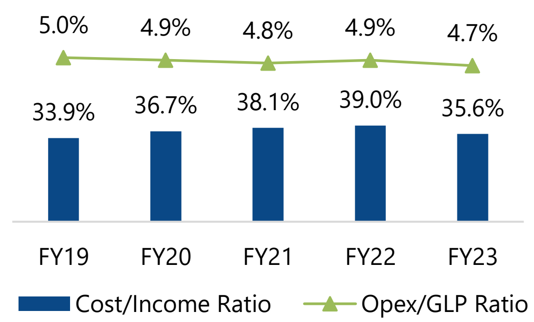
Past Five Years Performance Track Record (2/2)

Note: Refer Annexure for definition of key ratios

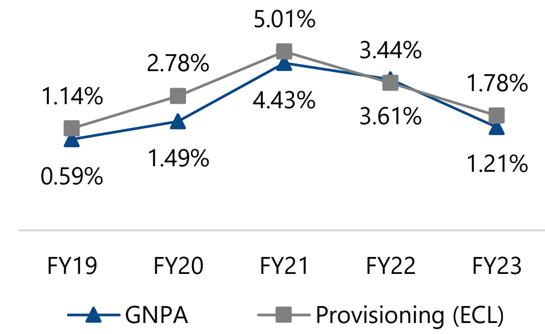
Margin Analysis (%)



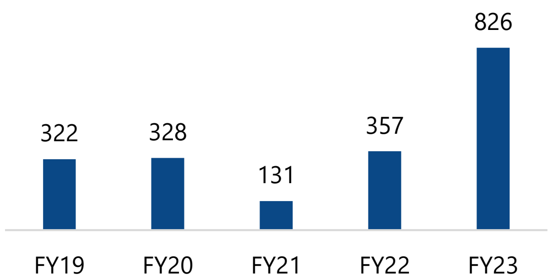
Operating Efficiency (%)



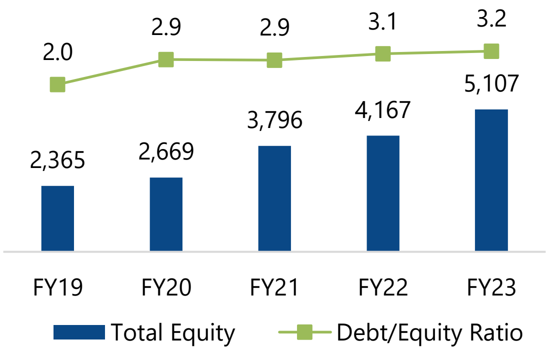
Asset Quality (%)



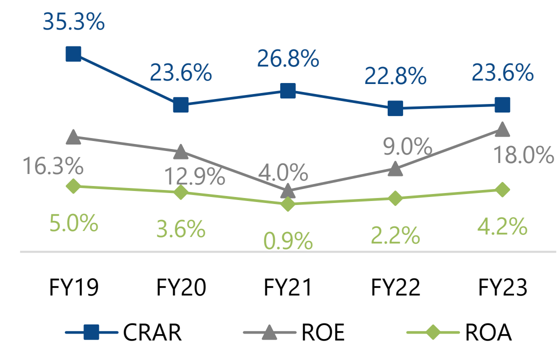
PAT (INR Cr)



Total Equity (INR Cr) & Debt/Equity Ratio



Return Ratios & Capital Adequacy (%)



Note: FY23 figures have been restated post-completion of CA Grameen - MMFL legal merger

Key Ratios: Definitions

1. Portfolio Yield = (Interest on loans – processing fees + Income from securitisation)/ Avg. quarterly on-book loans
2. Weighted Avg. COB = (Borrowing cost – finance lease charges) / Daily average borrowings (excl. Financial Liability towards Portfolio Securitized)
3. Marginal COB = (Borrowings availed during the period * interest rate + processing fees and other charges) / Borrowings availed during the period
4. NIM = (NII – processing fees, interest on deposits, income from direct assignment + finance lease charges) / Avg. quarterly on-book loans
5. Cost/Income Ratio = Operating cost / Total Net Income
6. Opex/GLP Ratio = Operating cost / Avg. quarterly GLP
7. ROA = PAT/Avg. Quarterly Total Assets (including direct assignment) (Annualized), ROE = PAT/Avg. Quarterly Total Equity (Annualized)
8. Debt = Debt Securities + Borrowings (other than debt securities) + Subordinated Liabilities + Financial Liability towards Portfolio Securitized
9. GNPA = Stage III exposure at default / (Sum of exposure at a default of Stage I + Stage II + Stage III)
10. NNPA = (Stage III exposure at default – Stage III ECL) / (Sum of exposure at a default of Stage I + Stage II + Stage III – Stage III ECL)
11. Provisioning (ECL) = (Stage I ECL + Stage II ECL + Stage III ECL) / (Sum of exposure at a default of Stage I + Stage II + Stage III)

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