

Ref: CAGL/EQ/2024-25/58

July 19, 2024

To
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400001
Scrip code: 541770

National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G
Bandra Kurla Complex Bandra (East),
Mumbai - 400051
Symbol: CREDITACC

Dear Sir/Madam,

Sub.: Investor Presentation

Pursuant to Regulation 30 and 46(2)(o) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Investor Presentation for the quarter ended June 30, 2024. The same is also available on the website of the company at www.creditaccessgrameen.in

We request you to take the same on record.

Thanking you,

Yours Truly
For **CreditAccess Grameen Limited**

M. J. Mahadev Prakash
Company Secretary & Chief Compliance Officer

Encl.: As Above

Being **Sustainable** & **Responsible**



CreditAccess Grameen Limited

Q1 FY25 Investor Presentation

July 2024



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Key Business Updates



Financial Results Overview



Liability Strategy



Cross-cycle Performance Track Record



Investment Rationale

	Q1 FY25	YoY%	QoQ%
GLP (INR Cr)	26,304	+20.6%	-1.5%
Borrowers (Lakh)	49.84	+12.7%	+1.3%
Disbursements (INR Cr)	4,476	-6.2%	-44.4%
NII (INR Cr)	953	+24.8%	+3.3%
PPOP (INR Cr)	709	+30.4%	+3.9%
PAT (INR Cr)	398	+14.1%	+0.1%
Interest Spread %	11.2%	+1 bps	0 bps
NIM %	13.0%	0 bps	-1 bps
ROA %	5.4%	-40 bps	-22 bps
ROE %	23.5%	-290 bps	-143 bps

Collections Efficiency (Excl. Arrears) %	97.8%
GNPA (largely @ 60+ dpd) %	1.46%
ECL Provisioning %	2.29%
NNPA %	0.45%
PAR 90+ %	1.13%
CRAR %	25.2% (Tier 1: 24.3%)

- Muted business momentum and transitory increase in delinquencies due to –
 - i) severe heat wave across several regions
 - ii) operational limitations during general elections
- Seasonally moderate quarter for microfinance as estimated; however, retail finance book delivered healthy growth
- Robust NIM driven by stable interest spread and improved capital position
- Healthy return ratios, in line with annual guidance, with ROA >5% and ROE >20% for the 6th consecutive quarter
- 1,976 active branches (9 new branched added in Q1)
- New customer addition of 1.90 lakh in Q1
- Despite the temporary increase in delinquencies, asset quality remained best-in-class with 97.8% collections (excl. arrears), net NPA of 0.45% (largely @ 60+ dpd) and PAR 90+ of 1.13%
- The Company reiterates the annual growth & profitability guidance

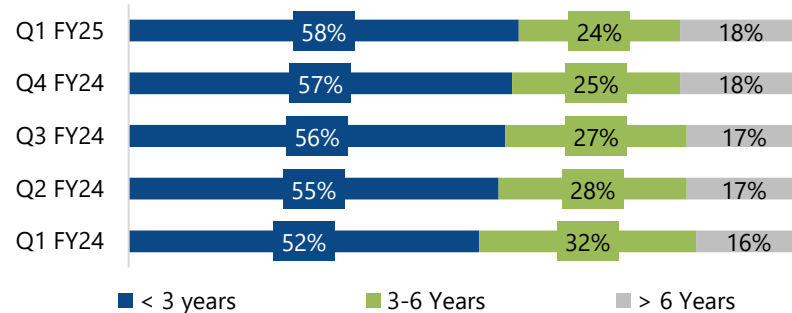
Customer Growth Led By Robust Additions & High Retention

Robust Borrower Additions

Borrowers ('000)



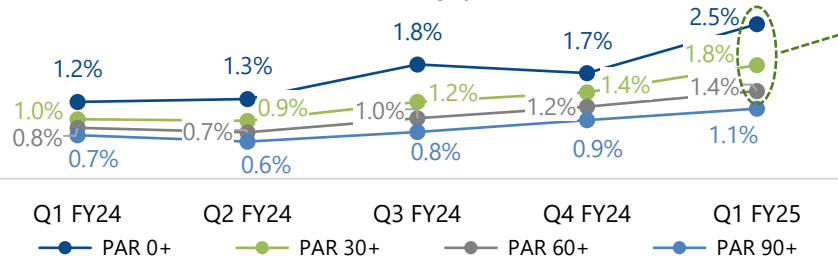
Borrower Vintage



New Borrower Addition over past 12 Months	Total	% Share
Karnataka	2,15,123	17.6%
Maharashtra	2,20,284	18.1%
Tamil Nadu	2,45,159	20.1%
Other States	5,39,098	44.2%
Total	12,19,664	100.0%

GLP / Borrower Vintage-wise (Group Loans)	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25
< 3 Years	40,843	40,462	40,423	42,422	40,664
3-6 Years	53,014	53,482	56,205	63,564	62,885
> 6 Years	68,858	66,827	66,675	74,303	73,748
Total	49,021	48,335	49,085	53,321	51,724

PAR Trend

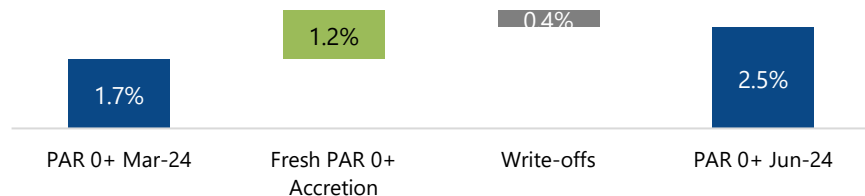


PAR 0-60 Portfolio Continues to Witness Partial Repayments

Borrower Payment Status – Jun-24	Stage 1 EAD (<= 15 dpd)	Stage 2 EAD (16–60 dpd)	Stage 3 EAD (>60 dpd)	Total EAD
Full Payment	97.4%	0.0%	0.0%	97.4%
Partial Payment	0.4%	0.3%	0.1%	0.8%
No Payment	0.0%	0.4%	1.3%	1.8%
Total	97.8%	0.7%	1.5%	100.0%

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

PAR Movement



* Write-offs % computed on Mar-24 loan portfolio

Top 5 States	% GLP	PAR 0+	PAR 30+	PAR 60+	PAR 90+
Karnataka	31.7%	1.2%	0.9%	0.7%	0.5%
Maharashtra	20.7%	2.1%	1.6%	1.2%	1.0%
Tamil Nadu	19.9%	3.7%	2.7%	2.1%	1.7%
Madhya Pradesh	6.5%	2.2%	1.7%	1.3%	1.1%
Bihar	5.7%	3.1%	2.1%	1.6%	1.2%
Others	15.5%	4.1%	2.9%	2.2%	1.8%
Total	100%	2.5%	1.8%	1.4%	1.1%

Transitory increase in delinquency trend:

- 1.5% QoQ GLP reduction marginally impacted the PAR %, in line with our internal estimates
- Extended impact of low rainfall during last year followed by a severe heat wave during Apr-24 and May-24 across several regions
- Operational limitations during general elections impacted regular collections and follow-ups in delinquent buckets

Expected increase in business-as-usual delinquencies over the past three quarters:

- Temporary customer migrations, rising customer leverage, and third-party loan utilisation issues
- Higher steady-state delinquencies outside Karnataka

The Company has taken adequate measures to mitigate delinquency flow-rates and control fresh PAR accretion –

- Tightening filters while onboarding new customers / extending new loans to existing customers
- Deploying senior field staff & business support teams to control PAR trend

Q1 FY25 (INR Cr)		Consolidated		
Asset Classification (dpd)		EAD	EAD%	ECL%
Stage 1	0 – 15 (GL), 0 – 30 (RF)	24,895.4	97.8%	0.90%
Stage 2	16 – 60 (GL), 31 – 90 (RF)	179.8	0.7%	56.64%
Stage 3	60+ (GL), 90+ (RF)	371.0	1.5%	69.16%
Total		25,446.1	100.0%	2.29%

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

Building Buffers Through Conservative Provisioning Policy

- The Company has further strengthened the ECL provisioning policy in Q1 FY25 by aligning the provisioning rates basis district specific risk (vs. state-specific risk earlier) along with customer vintage
- The granular risk assessment helps to build adequate provisioning buffers as the Company expands its presence / acquires new customers across existing / newer geographies
- **The Company continues to hold ~116 bps higher provisioning over PAR 90+ and ~130 bps higher compared to IRAC prudential norms**
- The Company plans to implement the district-based loan pricing in Q2 FY25, leveraging the business rule engine
- This would help in aligning the loan pricing with the loan provisioning rates, thus protecting the overall profitability

Credit Cost (INR Cr)	Q1 FY25
Opening ECL - (A)	503.4
Additions (B)	
- Provisions as per ECL	146.5
Reversals (on account of write-off) (C)	66.3
Closing ECL (D = A+B-C)	583.6
Write-off (E)	94.4
Credit Cost (F = B-C+E)	174.6
Credit Cost (Provisions + Write-offs) – % of Avg. On-Book Loan Portfolio (non-annualised)	0.68%
Bad-Debt Recovery (G)	8.1
Net P&L Impact (F – G)	166.5
Net P&L Impact – % of Avg. On-Book Loan Portfolio (non-annualised)	0.65%

Stable Net Interest Margin Profile

Key Metrics	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25
Avg. New Disbursement Interest Rate %	21.9%	22.0%	21.8%	21.4%	21.3%
Portfolio Yield %	20.7%	21.1%	21.0%	21.0%	21.0%
Weighted Avg. Cost of Borrowing %	9.6%	9.8%	9.8%	9.8%	9.8%
Marginal Cost of Borrowing %	9.7%	9.6%	9.7%	9.3%	9.4%
Interest Spread %	11.1%	11.3%	11.2%	11.2%	11.2%
NIM %	13.0%	13.1%	13.1%	13.1%	13.0%

Performance Vs. Annual Guidance

Key Indicators	FY25 Guidance	Q1 FY25 Performance	Variance
GLP Growth %	23.0% - 24.0%	20.6%	<ul style="list-style-type: none"> GL book grew by 18.2%, in line with internal estimates (muted business momentum due to severe heat wave across several regions, operational limitations during general elections, seasonally moderate Q1) RF book grew by 260.7%
NIM %	12.8% - 12.9%	13.0%	<ul style="list-style-type: none"> NIM and Interest spread were largely stable on the back of steady portfolio yield and strong control on cost of borrowing
Cost-to-Income Ratio %	30.0% - 31.0%	29.2%	<ul style="list-style-type: none"> Improved total income profile and lower operating costs
Credit Cost (Provisions + Write-offs) – % of Avg. On-Book Loan Portfolio (Annualized)	2.2% - 2.4%	2.7% (gross) 2.6% (net of bad debt recoveries)	<ul style="list-style-type: none"> Credit cost was higher due to transitory increase in delinquencies coupled with Company's conservative ECL policy
Return on Assets %	5.4% - 5.5%	5.4%	<ul style="list-style-type: none"> Improved total income profile Healthy CRAR
Return on Equity %	23.0% - 23.5%	23.5%	<ul style="list-style-type: none"> Robust overall profitability



Key Business Updates



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Investment Rationale

Q1 FY25: Key Performance Highlights

GLP
INR 26,304 Cr
(+20.6% YoY)

Disbursements
INR 4,476 Cr
(-6.2% YoY)

NIM
13.0%
Wgtd. Avg. COB
9.8%

Cost/Income Ratio
29.2%
Opex/GLP Ratio
4.4%

PPOP
INR 709 Cr
(+30.4% YoY)

PAT
INR 398 Cr
(+14.1% YoY)

ROA
5.4%
ROE
23.5%

CRAR Total
25.2%
CRAR Tier 1
24.3%

Total Equity
INR 6,961 Cr
D/E Ratio
2.9

GNPA: 1.46%
NNPA: 0.45%
PAR 90+: 1.13%

Collection Efficiency
(Excl. Arrears)
97.8%

Provisioning:
2.29%
Write-off
INR 94 Cr

Branches
1,976
(+8.2% YoY)
9 New Branches
Opened

Employees
19,659
(+13.0% YoY)

Active Borrowers
49.84 Lakh
(+12.7% YoY)

Q1 FY25: P&L Statement

Profit & Loss Statement (INR Cr)	Q1 FY25	Q1 FY24	YoY%	Q4 FY24	QoQ%	FY24
Interest Income	1,437.2	1,105.2	30.0%	1,363.2	5.4%	4,900.1
- Interest on Loans ¹	1,411.5	1,086.2	29.9%	1,340.5	5.3%	4,812.5
- Interest on Deposits with Banks and FIs	25.6	19.0	34.7%	22.7	12.7%	87.6
Income from Direct Assignment	25.7	43.0	-40.3%	40.9	-37.2%	91.9
Finance Cost on Borrowings	510.3	384.9	32.6%	482.2	5.8%	1,732.4
Net Interest Income	952.5	763.3	24.8%	921.9	3.3%	3,259.6
Non-interest Income & Other Income ²	49.7	22.6	120.4%	55.0	-9.6%	180.6
Total Net Income	1,002.3	785.8	27.5%	976.9	2.6%	3,440.2
Employee Expenses	187.8	156.3	20.1%	194.6	-3.5%	669.4
Other Expenses	90.8	73.6	23.3%	85.8	5.9%	328.7
Depreciation, Amortisation & Impairment	14.3	12.1	19.0%	13.8	4.3%	51.2
Pre-Provision Operating Profit	709.3	543.8	30.4%	682.8	3.9%	2,391.0
Impairment of Financial Instruments	174.6	76.4	128.5%	153.3	13.9%	451.8
Profit Before Tax	534.7	467.4	14.4%	529.5	1.0%	1,939.2
Total Tax Expense	137.1	118.9	15.3%	132.4	3.6%	493.2
Profit After Tax	397.7	348.5	14.1%	397.1	0.1%	1,445.9
Key Ratios	Q1 FY25	Q1 FY24		Q4 FY24		FY24
Portfolio Yield	21.0%	20.7%		21.0%		20.9%
Cost of Borrowings	9.8%	9.6%		9.8%		9.8%
Interest Spread	11.2%	11.1%		11.2%		11.0%
NIM	13.0%	13.0%		13.1%		13.0%
Cost/Income Ratio	29.2%	30.8%		30.1%		30.5%
Opex/GLP Ratio	4.4%	4.5%		4.7%		4.5%

1) Interest income (on Stage 3 portfolio) de-recognised was INR 20.1 Cr in Q1 FY25 Vs 14.8 Cr in Q1 FY24

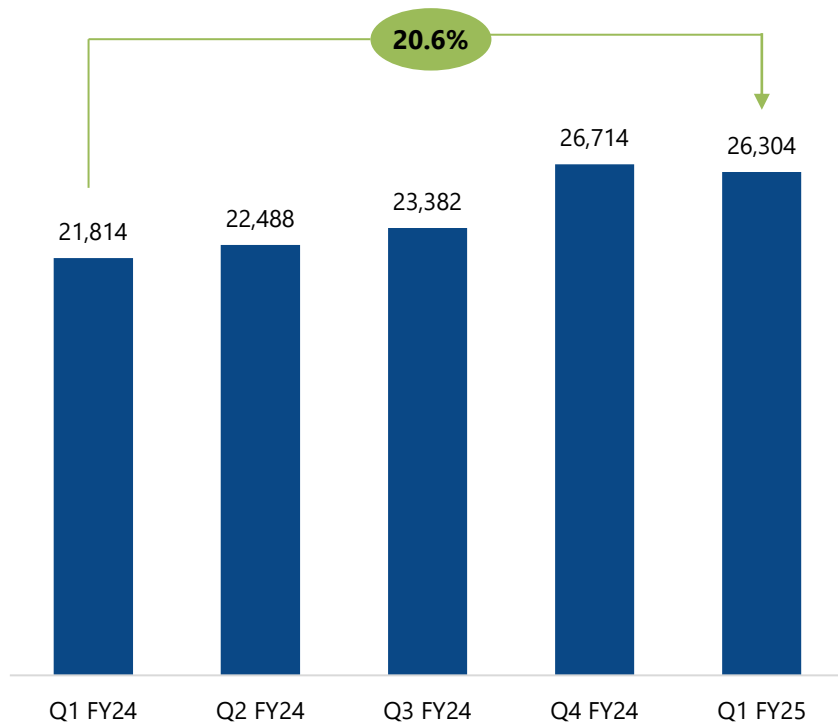
2) Bad debt recovery was INR 8.1 Cr in Q1 FY25 Vs 12.0 Cr in Q1 FY24

Q1 FY25: Balance Sheet

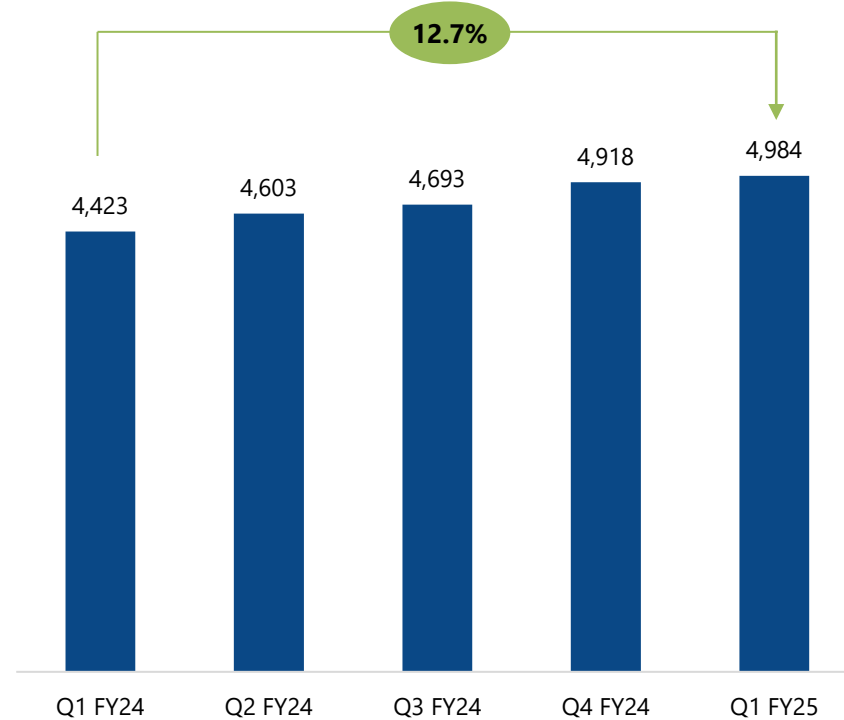
Balance Sheet (INR Cr)	Q1 FY25	Q1 FY24	YoY%	Q4 FY24	QoQ%	FY24
Cash & Other Bank Balances	887.7	1,303.3	-31.9%	1,313.9	-32.4%	1,313.9
Investments	1,206.9	731.2	65.1%	1,438.9	-16.1%	1,438.9
Loans - (Net of Impairment Loss Allowance)	24,646.9	19,820.2	24.4%	25,105.0	-1.8%	25,105.0
Property, Plant and Equipment	40.4	30.8	31.1%	32.1	26.0%	32.1
Intangible Assets	112.9	125.5	-10.0%	116.6	-3.1%	116.6
Right to Use Assets	101.2	72.7	39.1%	89.3	13.3%	89.3
Other Financial & Non-Financial Assets	352.2	313.8	12.2%	374.7	-6.0%	374.7
Goodwill	375.7	375.7	0.0%	375.7	0.0%	375.7
Total Assets	27,723.9	22,773.2	21.7%	28,846.2	-3.9%	28,846.2
Debt Securities	1,914.6	1,433.8	33.5%	2,042.1	-6.2%	2,042.1
Borrowings (other than debt securities)	18,326.8	15,304.7	19.7%	19,773.7	-7.3%	19,773.7
Subordinated Liabilities	25.2	79.7	-68.3%	25.2	0.0%	25.2
Lease Liabilities	119.4	87.2	37.0%	106.3	12.3%	106.3
Other Financial & Non-financial Liabilities	376.7	418.9	-10.1%	328.9	14.5%	328.9
Total Equity	6,961.1	5,449.0	27.8%	6,570.0	6.0%	6,570.0
Total Liabilities and Equity	27,723.9	22,773.2	21.7%	28,846.2	-3.9%	28,846.2
Key Ratios	Q1 FY25	Q1 FY24		Q4 FY24		FY24
ROA	5.4%	5.8%		5.7%		5.6%
D/E	2.9	3.1		3.3		3.3
ROE	23.5%	26.4%		24.9%		24.9%
GNPA (GL: 60+ dpd, RF: 90+ dpd)	1.46%	0.89%		1.18%		1.18%
Provisioning	2.29%	1.59%		1.95%		1.95%

Continued Business Traction with Rural Focus

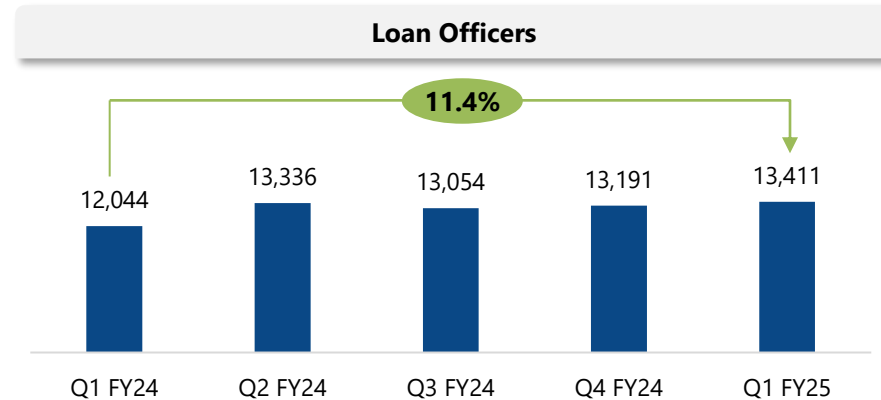
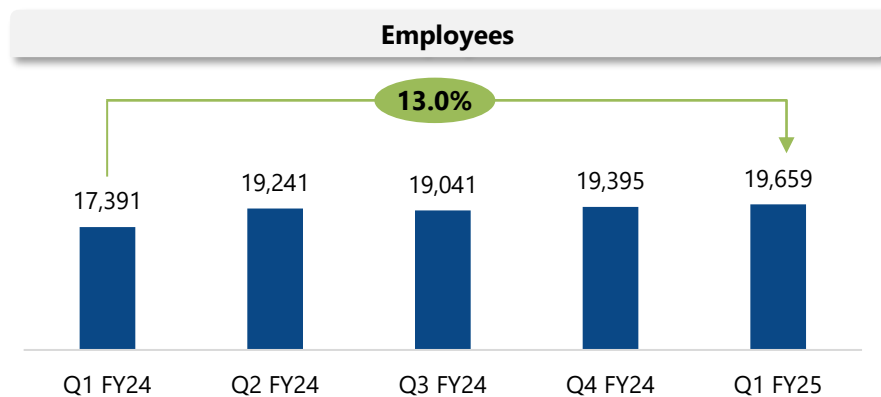
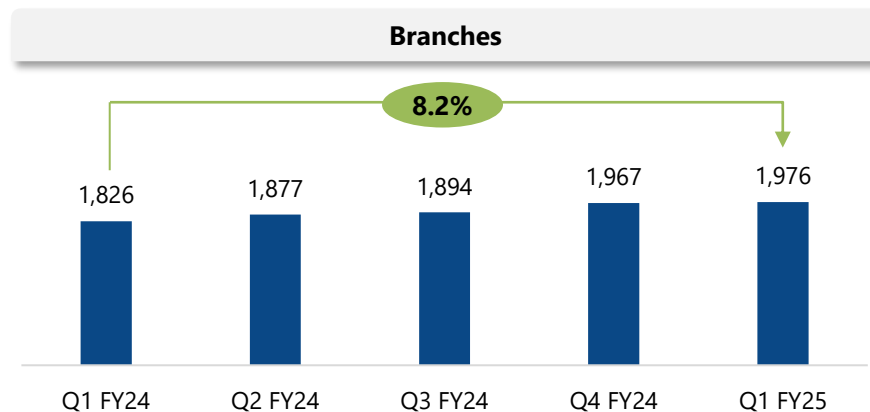
Gross Loan Portfolio (INR Cr)



Borrowers ('000)

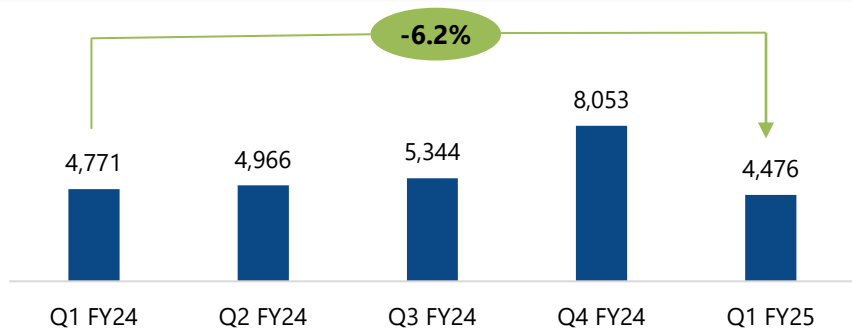


Consistent Growth in Infrastructure

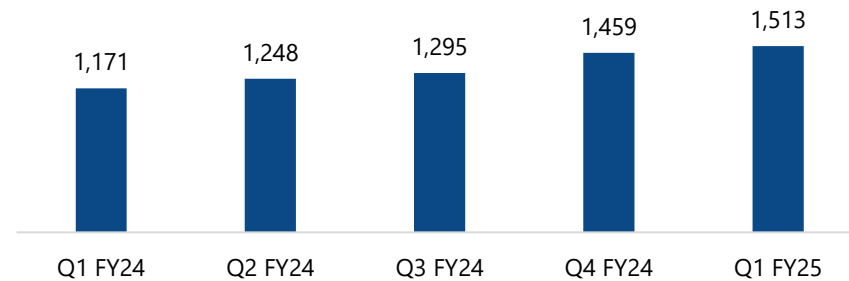


Robust Quarterly Performance Trend (1/2)

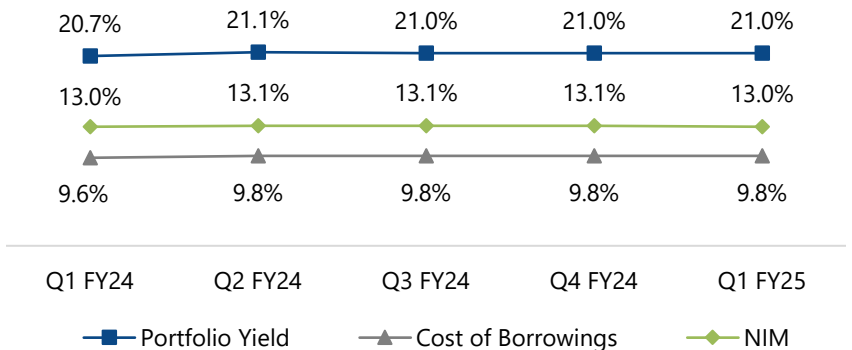
Disbursements (INR Cr)



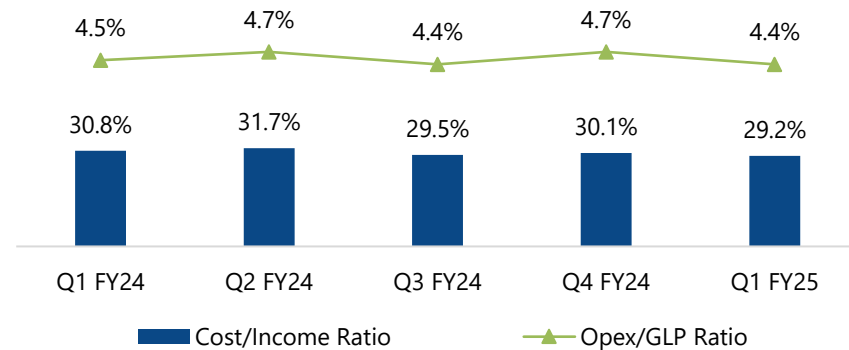
Total Income (INR Cr)



Margin Analysis (%)

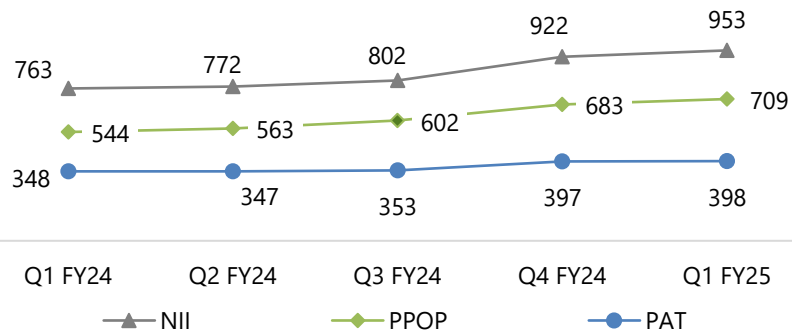


Operating Efficiency (%)

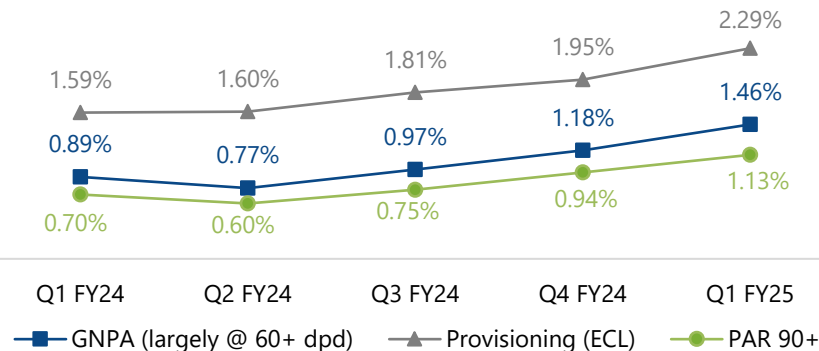


Robust Quarterly Performance Trend (2/2)

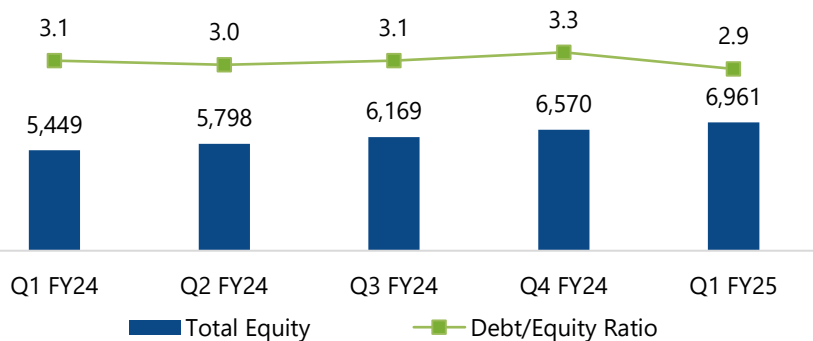
NII, PPOP, PAT (INR Cr)



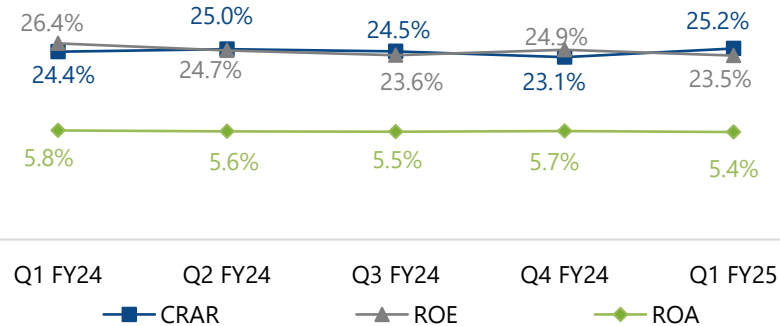
Asset Quality (%)



Total Equity (INR Cr) & Debt/Equity Ratio

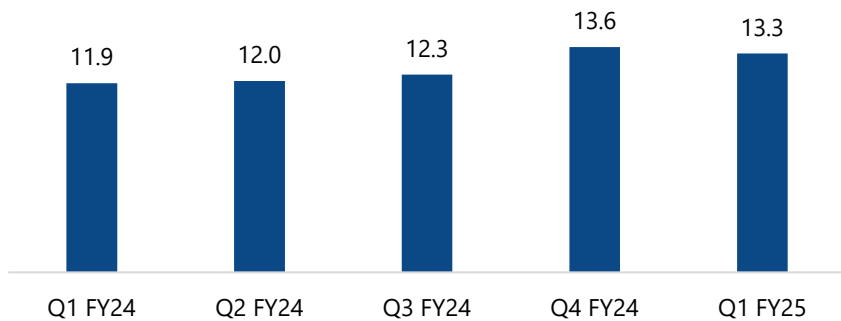


Return Ratios & Capital Adequacy (%)

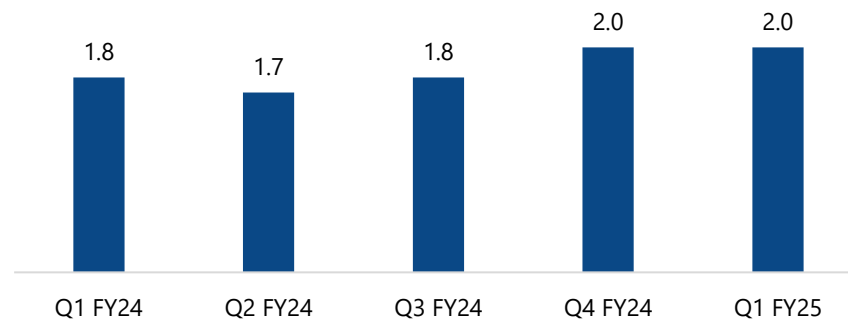


Stable Operational Efficiency

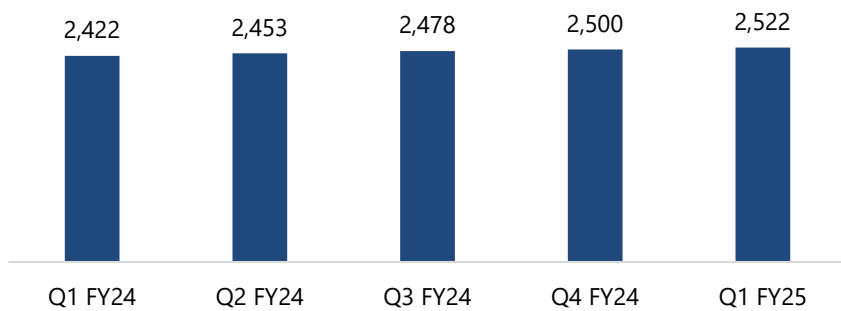
GLP / Branch (INR Cr)



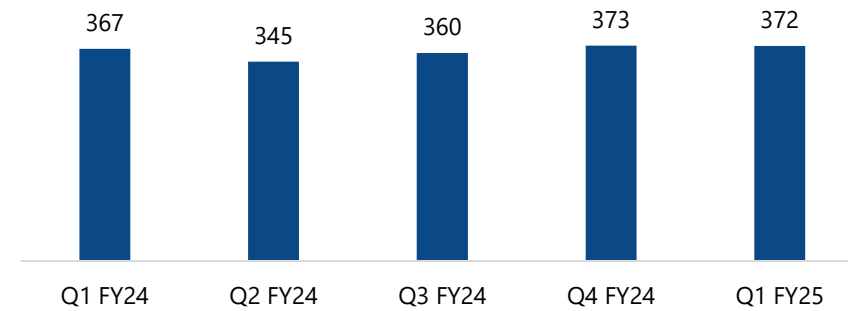
GLP / Loan Officer (INR Cr)



Borrowers / Branch



Borrowers / Loan Officer



Product Range To Meet Diverse Customer Needs

GLP - Product Mix	Q1 FY24		Q2 FY24		Q3 FY24		Q4 FY24		Q1 FY25	
	(INR Cr)	% of Total	(INR Cr)	% of Total	(INR Cr)	% of Total	(INR Cr)	% of Total	(INR Cr)	% of Total
IGL	20,670	95%	21,103	94%	21,800	93%	24,741	93%	24,076	92%
Family Welfare	148	1%	150	1%	102	1%	82	0%	221	1%
Home Improvement	778	3%	877	4%	986	4%	1,178	4%	1,241	5%
Emergency	7	0%	9	0%	3	0%	5	0%	4	0%
Retail Finance	211	1%	349	1.6%	492	2%	708	3%	762	3%
Total	21,814	100%	22,488	100%	23,382	100%	26,714	100%	26,304	100%

GLP – Avg. O/S Per Loan (INR '000)	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25
IGL	33.1	32.7	33.4	36.0	34.3
Family Welfare	9.2	9.9	6.6	5.0	11.3
Home Improvement	10.8	11.1	11.3	12.0	11.6
Emergency	0.5	0.6	0.5	0.6	0.7
Retail Finance	128.9	149.3	162.5	168.9	164.8
Total	30.1	29.7	30.6	32.8	31.4

GLP – Avg. O/S Per Borrower (INR '000)	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25
Group Lending	49.0	48.3	49.1	53.3	51.7
Retail Finance	130.4	151.4	164.6	173.5	170.2
Total	49.3	48.9	49.8	54.3	52.8

Our Network & Presence

Our Presence as on Jun-24

16 States & 1 UT
388 Districts
1,976 Branches

Rajasthan
107

Gujarat
74

Madhya Pradesh
151

Maharashtra
300

Goa
2

Karnataka
343

Kerala
56

Uttar Pradesh
98

Bihar
158

West Bengal
65

Jharkhand
45

Chhattisgarh
52

Odisha
80

Telangana
16

Andhra Pradesh
36

Puducherry
6

Tamil Nadu
387

Exposure of Districts - Q1 FY25		
(% of GLP)	Districts	% of Total Districts
< 0.5%	324	83.5%
0.5% - 1%	41	10.6%
1% - 2%	20	5.2%
2% - 3%	3	0.8%
> 3%	0	0%
Total	388	100.0%

Q1 FY25 – Top Districts	
Top Districts	% of GLP
Top 1	2.7%
Top 3	7.6%
Top 5	11.1%
Top 10	18.5%
Other	81.5%

Branch Network	Q1 FY25	% Share	Q1 FY24	% Share
Karnataka	343	17.4%	319	17.5%
Maharashtra	300	15.2%	306	16.8%
Tamil Nadu	387	19.6%	383	21.0%
Madhya Pradesh	151	7.6%	148	8.1%
Bihar	158	8.0%	145	7.9%
Other States & UT	637	32.2%	525	28.8%
Total	1,976	100.0%	1,826	100.0%

Borrowers ('000)	Q1 FY25	% Share	Q1 FY24	% Share
Karnataka	1,238	24.8%	1,152	26.1%
Maharashtra	978	19.6%	873	19.7%
Tamil Nadu	998	20.0%	917	20.7%
Madhya Pradesh	371	7.4%	337	7.6%
Bihar	341	6.9%	263	5.9%
Other States & UT	1,057	21.2%	882	19.9%
Total	4,984	100.0%	4,423	100.0%

GLP (INR Cr)	Q1 FY25	% Share	Q1 FY24	% Share
Karnataka	8,348	31.7%	7,204	33.0%
Maharashtra	5,432	20.7%	4,484	20.6%
Tamil Nadu	5,237	19.9%	4,331	19.9%
Madhya Pradesh	1,716	6.5%	1,420	6.5%
Bihar	1,490	5.7%	1,058	4.9%
Other States & UT	4,080	15.5%	4,374	15.2%
Total	26,304	100.0%	21,814	100.0%



Key Business Updates



Financial Results Overview



Liability Strategy

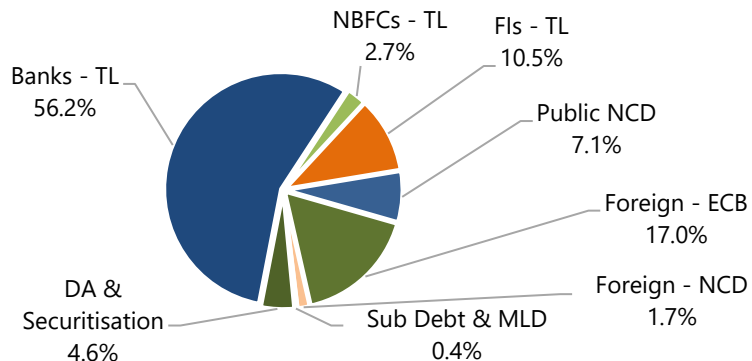


Cross-cycle Performance Track Record



Investment Rationale

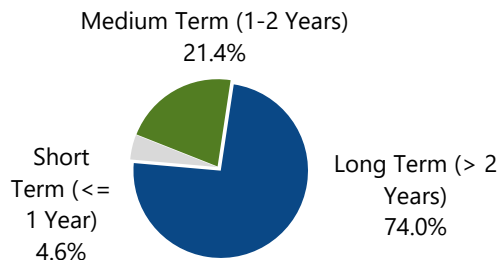
Diversified Liability Mix - Institution / Instrument Wise (%)



Note: O/S Direct Assignment (Sold Portion) - INR 959.3 Cr

Share of Bank Borrowings at 56.2% & Foreign Borrowings at 18.6%

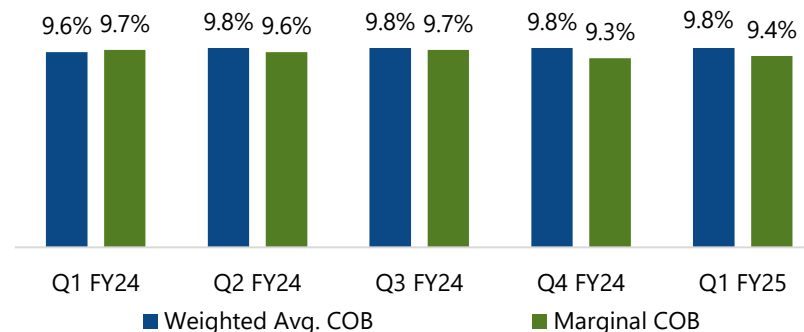
Liability Mix - Tenure Wise (%)



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:
 - 45 Commercial Banks, 15 Foreign Lenders, 7 NBFCs, 3 Financial Institutions
- Continued focus on minimising the cost of borrowing

Cost of Borrowing (%)

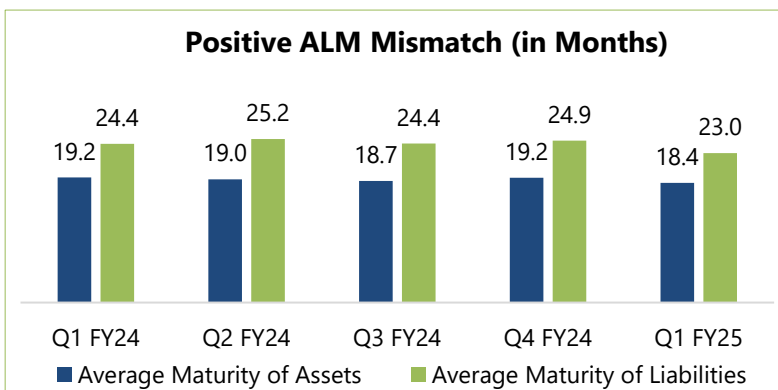


Stable Liquidity/ ALM Position/ Credit Ratings / ESG Ratings

Static Liquidity / ALM Position Particulars (INR Cr)	For the Month			For the Financial Year	
	Jul-24	Aug-24	Sep-24	FY25 (Jul-24 - Mar-25)	FY26
Opening Cash & Equivalents (A)	2,001.5	2,460.8	3,103.6	3,638.9	8,330.4
Loan recovery [Principal] (B)	1,642.6	1,581.0	1,485.1	13,227.6	10,384.0
Total Inflow (C=A+B)	3,644.2	4,041.8	4,588.8	16,866.5	18,714.5
Borrowing Repayment [Principal]					
Term loans and Others (D)	1,043.7	791.5	816.6	7,268.2	6,476.3
NCDs (E)	0.0	0.0	0.0	379.1	628.1
Direct Assignment (F)	139.7	146.7	133.3	888.8	297.8
Total Outflow G=(D+E+F)	1,183.4	938.2	949.9	8,536.0	7,402.2
Closing Cash & equivalents (H= C-G)	2,460.8	3,103.6	3,638.9	8,330.4	11,312.3
Static Liquidity (B-G)	459.2	642.9	535.3	4,691.5	2,981.9

Debt Diversification	Q1 FY25
Total Drawdowns	1,099
Domestic	100%
Foreign	0%
Undrawn Sanction	3,041
Domestic	100%
Foreign	0%
Sanctions in Pipeline	7,846
Domestic	84%
Foreign	16%

Positive ALM Mismatch (in Months)



Rating Instrument	Rating Agency	Rating/Grading
Bank Facilities	Ind-Ra, ICRA, CRISIL	AA- (Stable)
Non-Convertible Debentures	Ind-Ra, ICRA, CRISIL	AA- (Stable)
Commercial Paper	ICRA	A1+
Microfinance Grading *	CRISIL	M1C1
ESG Rating	Sustainalytics	Score: 17.3, Rating: "Low Risk"
ESG Rating	S&P Global	50 / 100
ESG Rating	CDP	"C" - Awareness Band
Client Protection Certification	M-CRIL	Gold Level
Social Bond & Loan Framework	Sustainalytics	Certified

* Institutional Grading/Code of Conduct Assessment (COCA)



 **Key Business Updates**

 **Financial Results Overview**

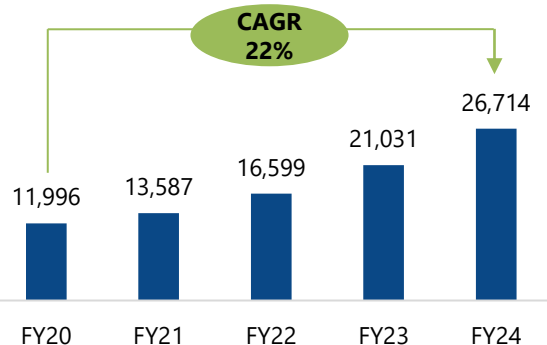
 **Liability Strategy**

 **Cross-cycle Performance Track Record**

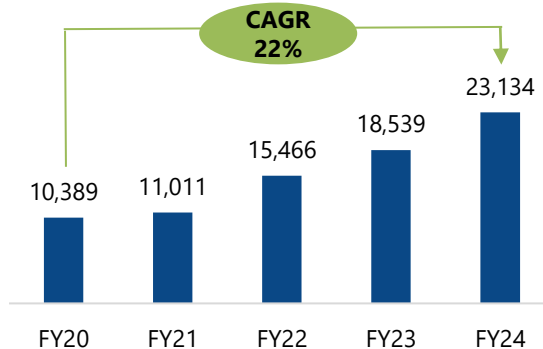
 **Investment Rationale**

Past Five Years Performance Track Record (1/2)

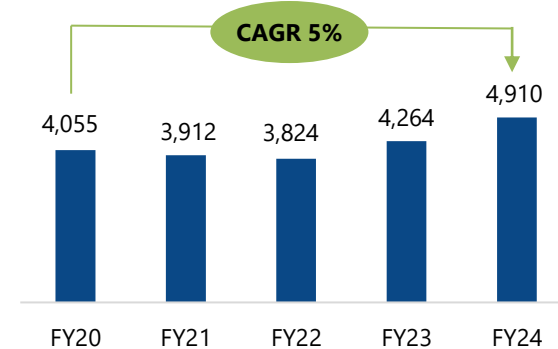
Gross Loan Portfolio (GLP) (INR Cr)



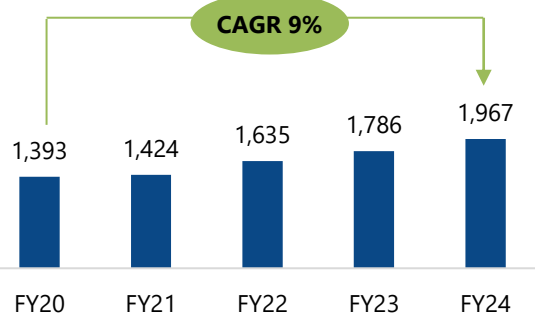
Disbursements (INR Cr)



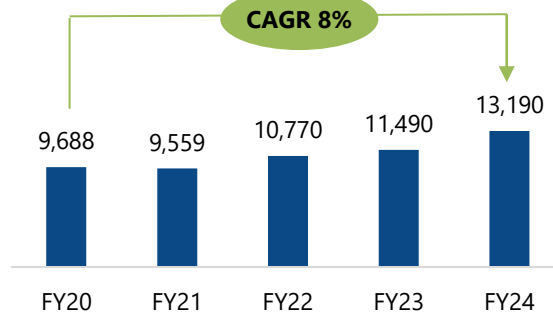
Borrowers ('000)



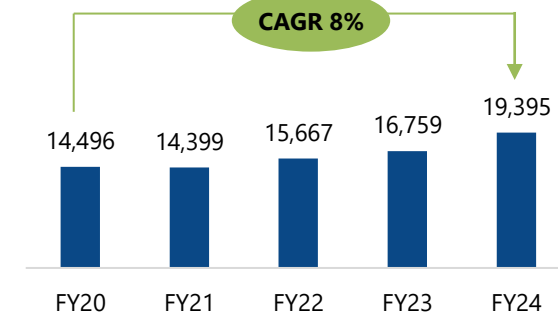
Branch Network



Loan Officers



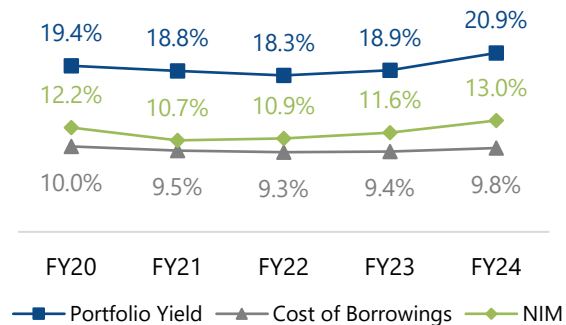
Employees



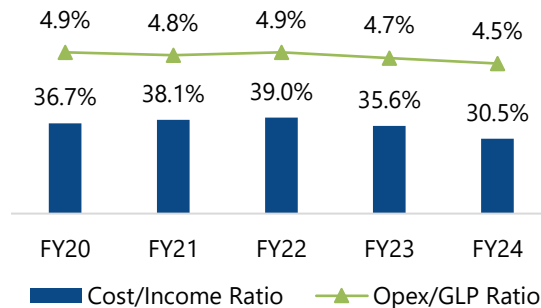
Past Five Years Performance Track Record (2/2)

Note: Refer Annexure for definition of key ratios

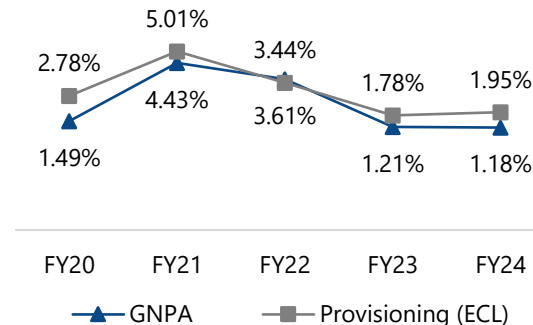
Margin Analysis (%)



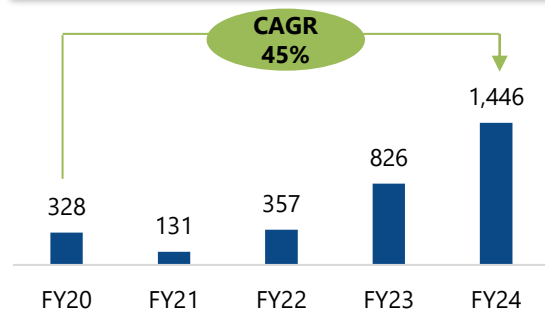
Operating Efficiency (%)



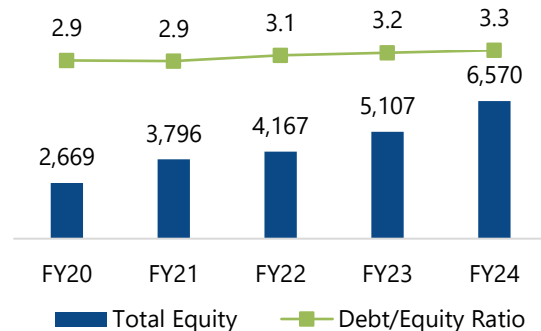
Asset Quality (%)



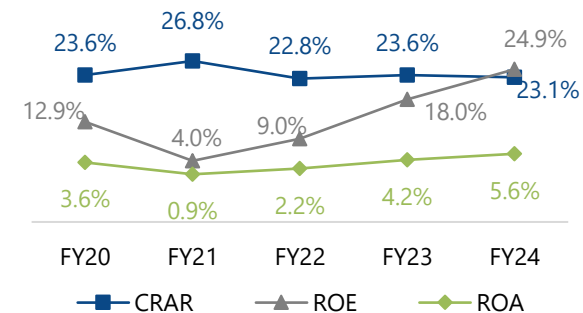
PAT (INR Cr)



Total Equity (INR Cr) & Debt/Equity Ratio



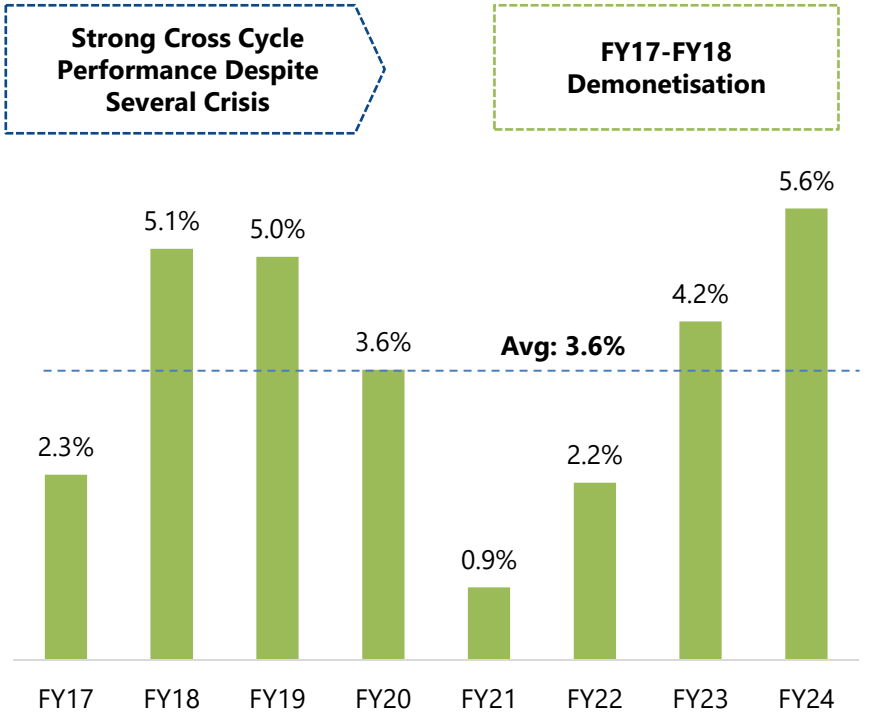
Return Ratios & Capital Adequacy (%)



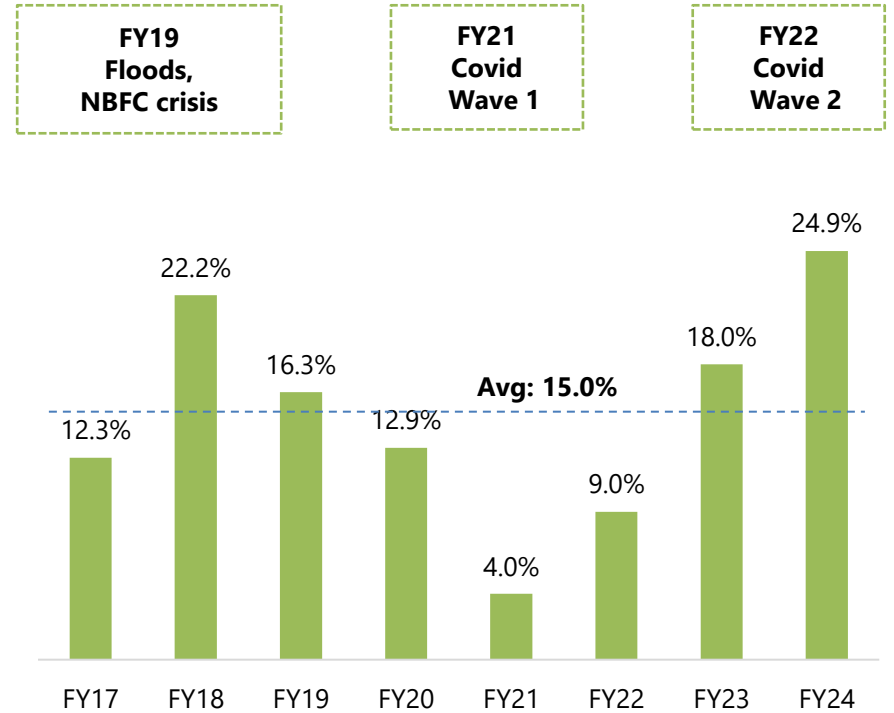
Note: FY23 figures have been restated post-completion of CA Grameen - MMFL legal merger

Past Eight Years Cross Cycle Performance

Cross-Cycle ROA (%)



Cross-Cycle ROE (%)





Key Business Updates



Financial Results Overview



Liability Strategy



Cross-cycle Performance Track Record



Investment Rationale

The third-party study was performed on a probability sample of 3,189 women customers across 13 states, who were interviewed using a structured questionnaire. The study findings reinforce the significance of CA Grameen in the economic upliftment of the customer families along with an improved quality of life.

Economic Impact

- Strong **+ve** correlation between vintage with CA Grameen and the income growth
- **64%** reported a **25%-100%** income increase since becoming CA Grameen customer
- **54%** invested in business assets
- **75%** started new income activity
- **27%** reported **INR 5,000 – 15,000** savings per month
- Sources of income: agriculture, daily wage labour, livestock, business, salary, pension, remittances

Risk Management & Resilience

- **93%** feel financially more secure
- **94%** have reduced reliance on informal credit
- **85%** feel able to cope with income shocks
- **96%** feel improvement in managing expenses
- **87%, 96%, and 91%** feel better awareness about savings/ investments, life insurance and health insurance respectively
- To cope with major disruption, **25%** use own savings, **53%** take loan from CA Grameen, **22%** take loan from informal sources

Quality of Life

- **86%** can spend more on education (**47%** spending **>INR 2,000** per month)
- **98%** can access better healthcare services
- **99%** can access improved nutrition
- **69%** have moved to better-quality housing
- **80%** aspired to buy a new house / renovate an existing house using credit from CA Grameen over the next 2-3 years
- **87%** reported major improvement in overall well-being since engaging with CA Grameen

Social Impact & Women Empowerment

- **96%** manage/actively involved in new income activity
- **99%** feel more confident to take household decisions
- **82%** reported increased participation in community affairs
- **87%** reported increased decision-making power in household affairs

Customer Satisfaction & Service Quality

- **96%** use loans for their stated purpose as diverse loans are available for various life-cycle needs
- **93%** understand loan pricing
- **95%** aware about CA Grameen charging the lowest interest rate
- **93%** satisfied with CA Grameen's services
- Most common gain from association with CA Grameen: better income (**83%**), improved quality of life (**73%**), social status (**46%**), financial awareness (**46%**), access to financial services (**39%**)

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

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

Committed to Basics Through Classical JLG Lending Model

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

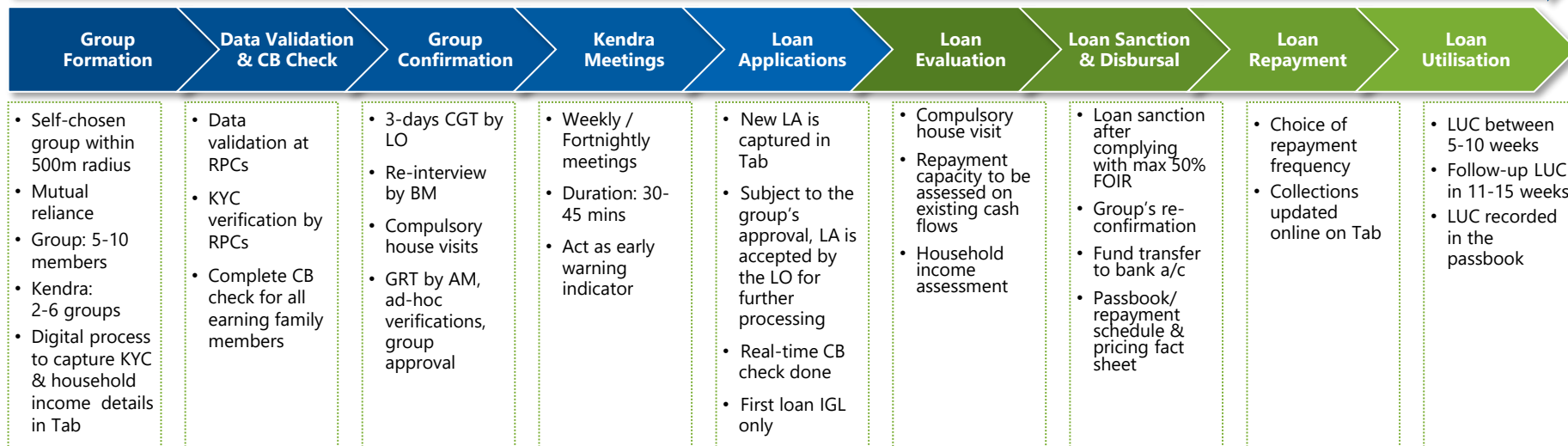
JLG Benefits:

- ✓ 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 the Disbursement of a Loan



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

“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:**

- Flexibility to borrow 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



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



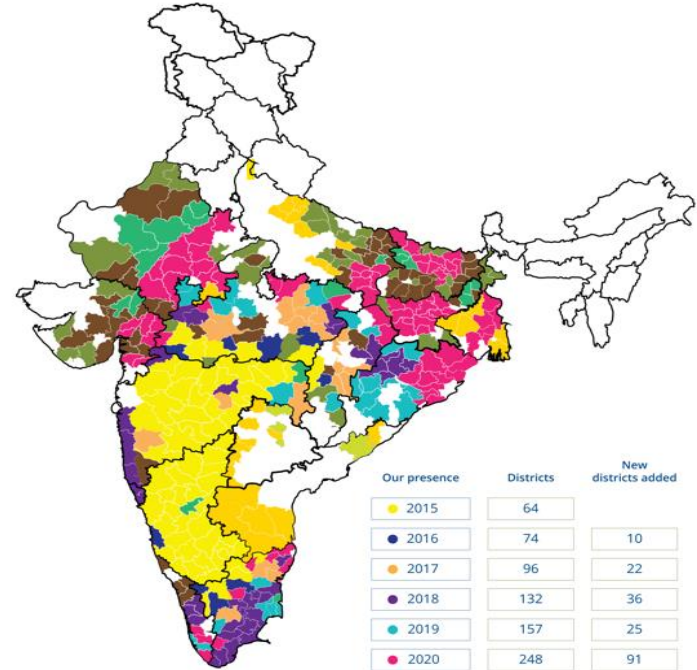
Achieving deeper penetration within a particular district within three years of commencement of operations



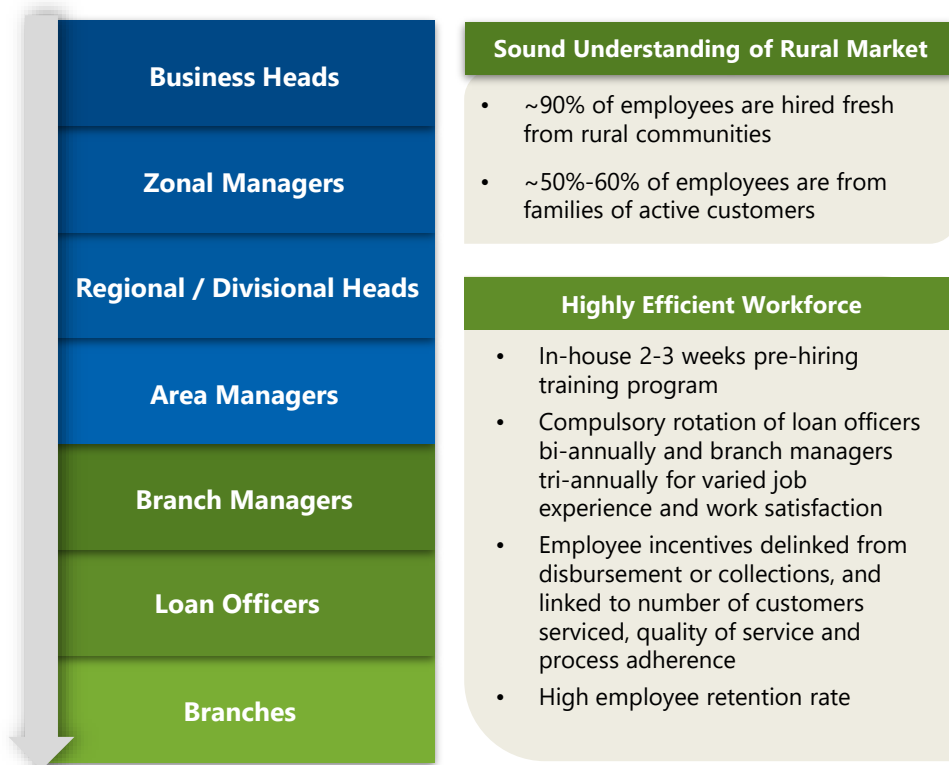
Gradual expansion into the next (typically adjoining) district



Lower exposure to a particular district (99% of districts \leq 2% of GLP, No single district has > 3% of total GLP)



Well-Established Operational Structure



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

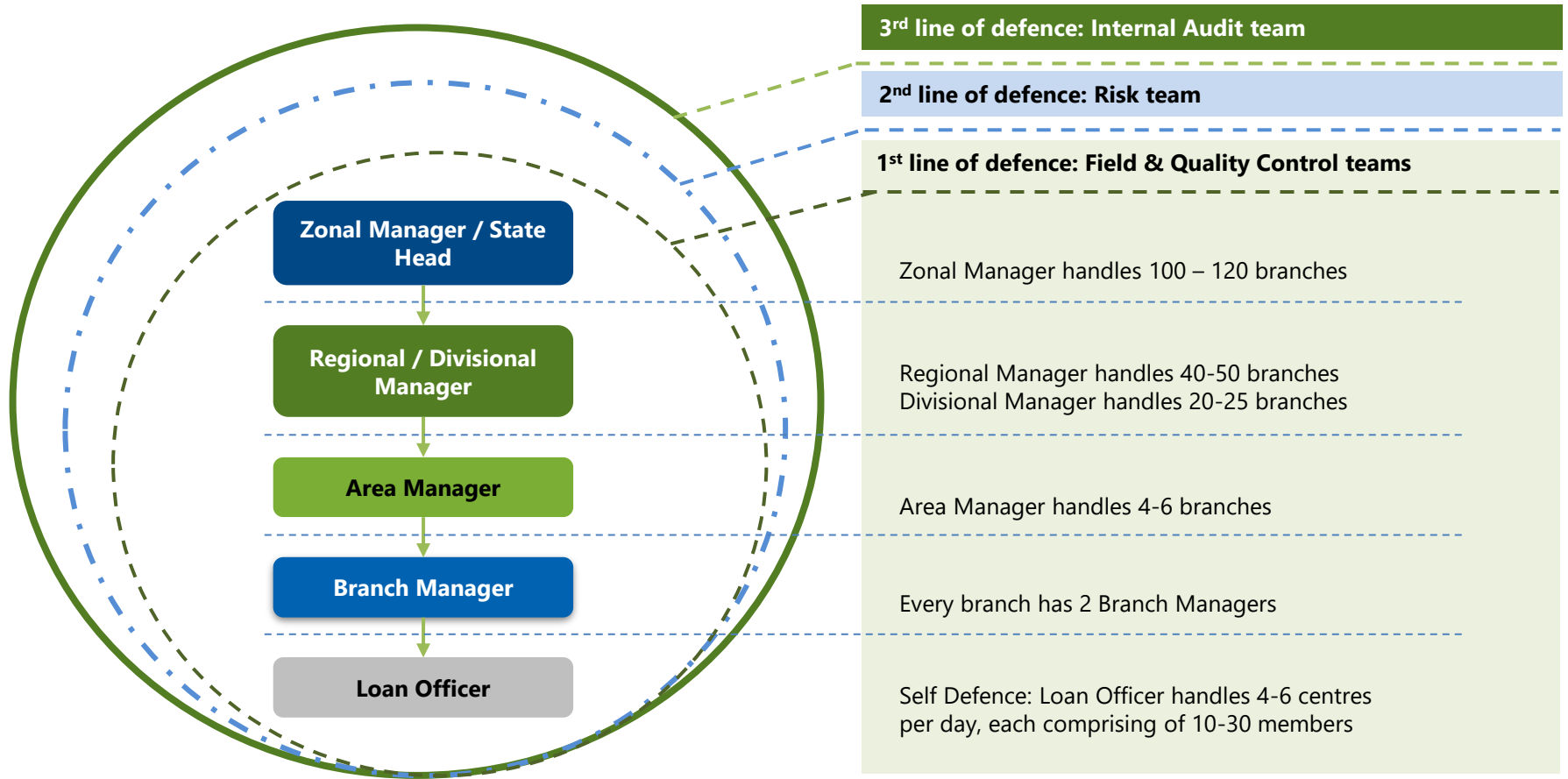
Quality Control (Business Support):

- 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



Ensures Quick And Seamless Delivery of Need Based Financial Products and Services backed by Robust Technology Infrastructure



High touch-high tech delivery model:

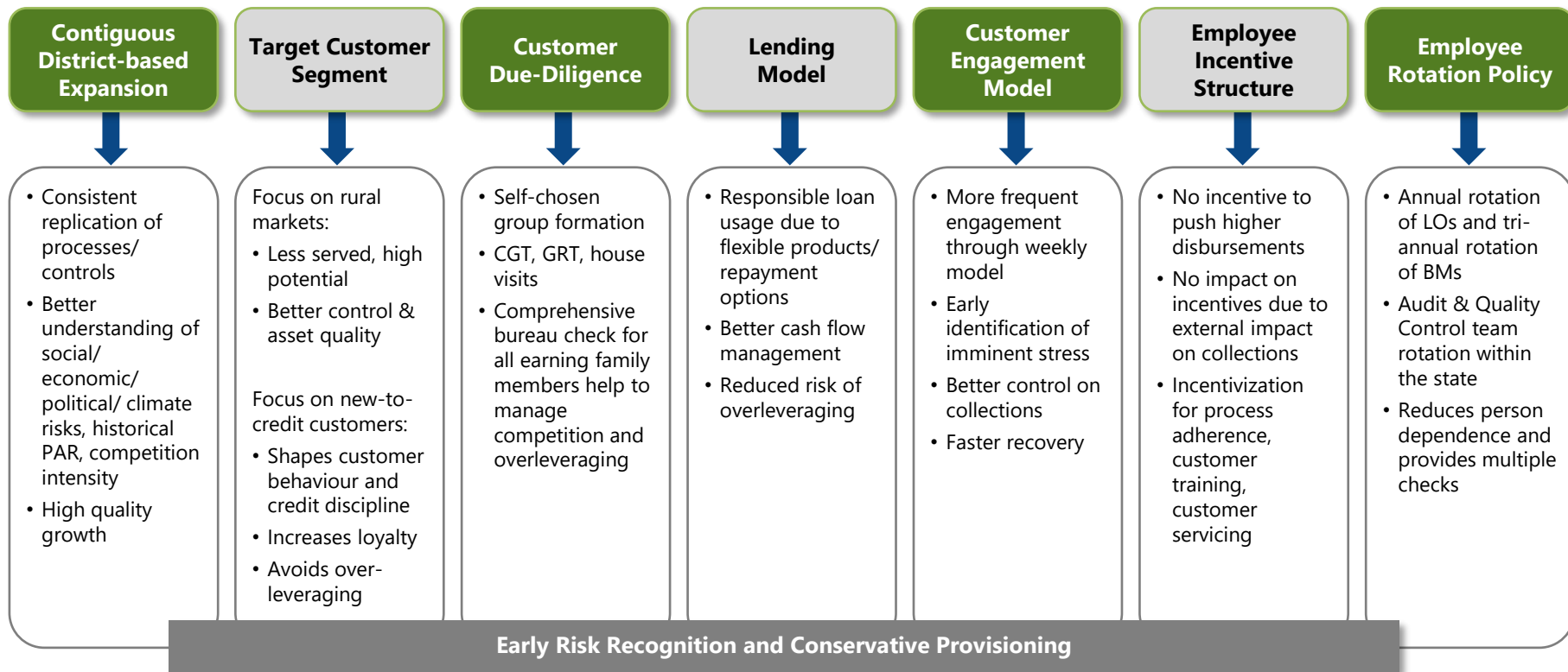
- Digitised all customer touchpoints
- Field staff equipped with handheld tabs for managing Kendra meetings & collections
- Automated/ paperless customer on-boarding, faster KYC, and CB checks
- Lower TAT, same day and on-field loan disbursements
- Geotagging of Kendra locations to optimize field visits
- 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

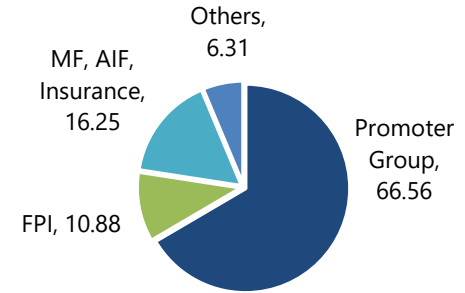
Microfinance is a Collection Business, hence Risk Management is Integral to Core Strategy and Operating Processes



Strong Parentage & Shareholder Base



Shareholding Pattern – June 2024



Top 10 Institutional Investors – June 2024

Axis Mutual Fund
 Canara Robeco Mutual Fund
 ICICI Prudential Life Insurance
 Invesco Mutual Fund
 Nippon India Mutual Fund
 PGIM India Mutual Fund
 Schroders
 T Rowe Price
 UTI Mutual Fund
 Vanguard

Committed to Micro Finance Business

- CreditAccess India B.V. (CAI) specialises in Micro & Small Enterprises financing
- Widely held shareholding base: 279 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

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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