GrameenKoota
financial services

October 31, 2018

The General Manager
Department of Corporate Services –
Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400001

The Vice President, Listing Department
National Stock Exchange of India Limited
The Exchange Plaza
Bandra Kurla Complex
Bandra (East)
Mumbai 400051

Dear Sir/Ma'am,

Subject: Investor Presentation

This is to inform you that the Board of Directors of the Company at its meeting held on October 30, 2018, had approved unaudited financial results for the quarter and half year ended September 30, 2018 and the same have been sent to you. A copy of the Investor Presentation for the quarter and half year ended September 30, 2018, which we plan to host on our website www.grameenkoota.org is attached for your information and records.

We request you to kindly take the above information on your record.

Thank you.

Yours Sincerely

CREDITACCESS GRAMEEN LIMITED

CreditAccess Grameen Limited Regd. & Corp. Office Bengaluru

Syam Kumar R
Company Secretary

CreditAccess Grameen Limited
(Formerly known as Grameen Koota Financial Services Pvt. Ltd.)
Regd. & Corporate Office: # 49, 46th Cross, 8th Block, Jayanagar, Bangalore - 560071. Phone: 080-22637300 Fax: 080-26643433
E-Mail: info@grameenkoota.org I Website: www.grameenkoota.org I CIN: U51216KA1991PLC053425

Investor Presentation Q2FY2018-19

October 2018

CreditAccess Grameen Limited

BSE: 541770 NSE: CREDITACC
Corporate Identity No. U51216KA1991PLC053425
www.grameenkooota.org

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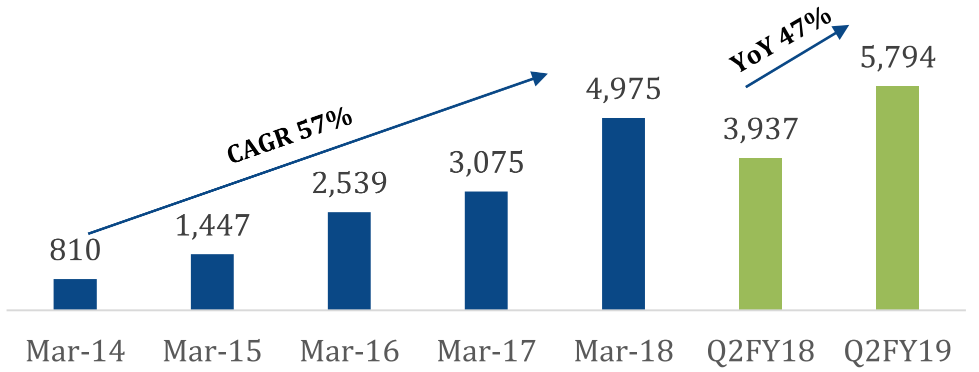
Executive Summary

Performance driven by strong fundamentals

Overview

- Leading NBFC-MFI in India with gross loan portfolio of INR 5,794 Cr, 23.71 lakhs customers and 656 Branches
- Predominantly offers micro loans under group liability (MFI loans) at 18% to 21% interest rate (one of the lowest in the industry)
- Company's portfolio grew by 47.17 % (YoY) to INR 5,794 Cr as of Sep 2018
- PAT Q2FY19 and H1FY19 grew by ~20%(YoY) and 94%(YoY) to INR 73.47 Cr. and INR 145.68 Cr. respectively
- Listed on NSE and BSE on 23rd August 2018

Growth in Gross Loan Portfolio (GLP) (INR Cr)



Financial Metrics

Strong Balance Sheet and Liquidity

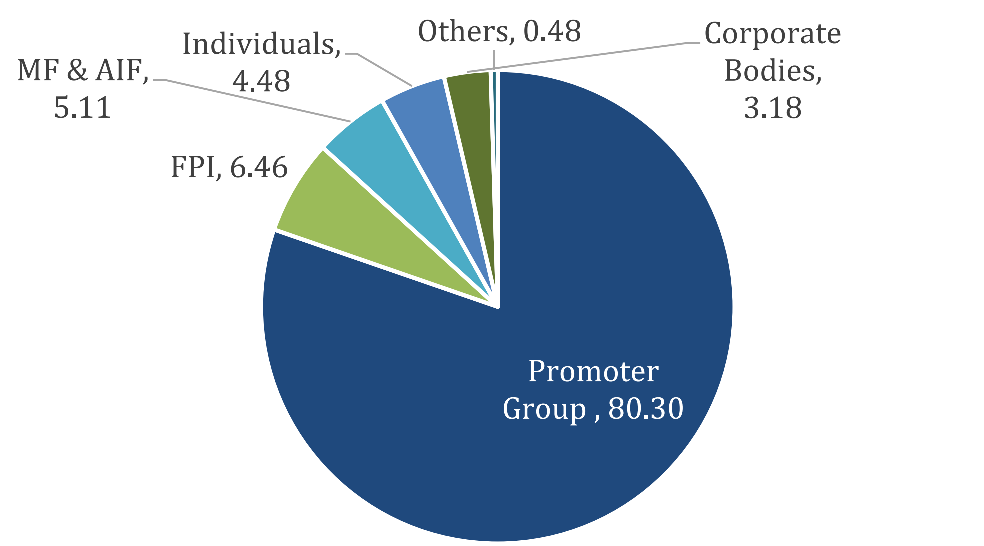
	Q2FY19	H1FY19
Networth (INR Cr)	**2,213.14**	**2213.14**
Capital Adequacy (%) #	**40.4%**	**40.4%**
Cash & Bank Balances (INR Cr)	**411.25**	**411.25**

Efficiency and Profitability

	Q2FY19	H1FY19
Marginal Cost of Borrowing[1]	**9.2%**	**9.2%**
Cost to Income[2]	**35.7%**	**34.4%**
Return on Asset[3]	**4.9%**	**5.1%**
Return on Equity[4]	**15.7%**	**16.9%**

[1] TTM Includes on and off b/s borrowings and processing fees
[2] (Employee Benefit Expenses + Other Expenses + Depreciation & Amortization)/(Total Income - Financial Cost)
[3] PAT/Quarterly Average Assets (including direct assignment) (Annualized)
[4] PAT/Quarterly Average Equity (Annualized)
As per IGAAP

Shareholding Pattern



Strong rebound in business performance

GrameenKoota financial services

	GLP	Disbursement	Total Income	NII[1]	PAT	NNPA[2]
Q2FY19	5,794 Cr	1,571 Cr	310.08 Cr	181.46 Cr	73.46 Cr	0.05%
Growth	47.17%	31.5%	44.83%	64.19%	20.69%	(0.15)%
Q2FY18	3,937 Cr	1,195 Cr	214.10 Cr	110.42 Cr	61.03 Cr	0.2%

	GLP	Disbursement	Total Income	NII[1]	PAT	NNPA[2]
H1FY19	5,794 Cr	3,187 Cr	596.15 Cr	353.7 Cr	145.68 Cr	0.05%
Growth	47.17%	10.9%	52.14%	84.87%	93.80%	(0.15)%
H1FY18	3,937 Cr	2,875 Cr	391.85 Cr	191.32 Cr	75.17 Cr	0.2%

[1] NII = Interest on portfolio loans + Income from securitization and asset assignment – Finance Cost
[2] (Stage III (ECL) exposure at default – Provision for Stage III)/ (Sum of exposure at default of Stage I, Stage II and Stage III)

Update on Liquidity

NBFC-MFIs well placed on liquidity position

Type of Institutions	Asset Tenure	ALM Mismatch	Lenders Profile
NBFCs	Medium to Long Term (>=2 to > 10 years)	For most NBFCs average asset maturity tenure is higher than average liability maturity tenure	Majority exposure to CPs, NCDs & debt market instruments and borrowing from Mutual Funds which has a shorter maturity and these are of higher risk in the current scenario
NBFC – MFIs	Short Term (< 2years)	Average asset maturity tenure is always lower than average liability maturity tenure	Majority exposure to Banks and FIs with a longer maturity and these are of lower risk in the current scenario Exposure to NBFCs and Mutual Funds are limited for larger NBFC-MFIs

Comfortable liquidity to meet obligations and fulfil growth requirements

GrameenKoota financial services

INR in Crore			For the month				For the Financial year
Particulars	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	2019-20
Opening Cash & Equivalents* (A)	411	550	706	829	937	1,098	1,228
Loan recovery [Principal](B)	461	442	416	452	383	391	2,910
Total Inflow(C=A+B)	**872**	**993**	**1,123**	**1,281**	**1,319**	**1,488**	**4,138**
Borrowing Repayment [Principal]							
Term loans and Others (D)	129	145	213	242	155	215	1,341
NCDs (E)	100	46	0	30	0	0	228
Securitisation and DA (F)	92	95	81	72	67	45	93
Total Outflow (G=D+E+F)	**321**	**286**	**294**	**344**	**222**	**260**	**1,663**
Closing Cash and equivalents (H=C-G)	**550**	**706**	**829**	**937**	**1,098**	**1,228**	**2,475**
Static Liquidity(B-F)	**139**	**156**	**123**	**108**	**161**	**131**	**1,247**

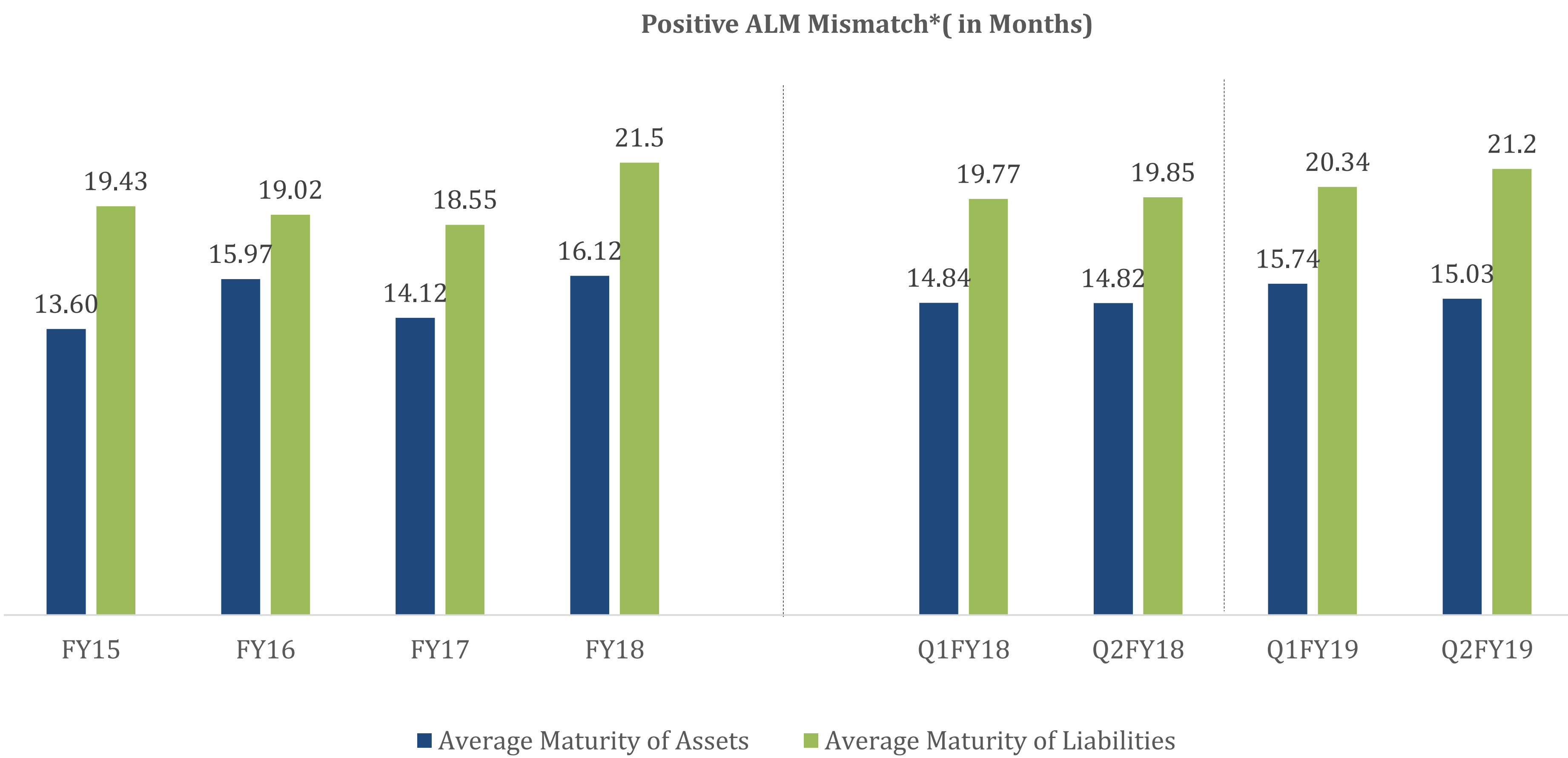
* Details of Opening Cash & Equivalents

Particulars	**INR in Crore**
Cash and Bank Balance	206
Short Term Deposits with Banks	160
Term Deposits with Banks	45
Total	411

- Diversified funding sources with mix of Domestic and Foreign sources (All are Term Loans)
  - 32 Commercial Banks
  - 3 Financial Institutions (Long term)
  - 8 Foreign Institutional Investors (Long term)
  - 6 NBFCs (3 are Long term)
- There are no Commercial Papers
- No Bonds/NCDs from Mutual funds
- Limited exposure to NBFCs ~7%
- Sanctions available for drawdown INR 695 Crore (Banks and DFIs)

Month on month positive Static Liquidity Gap

Positive ALM continues to contribute growth



Note: As per IGAAP

Company Overview

Proven track record of retaining and strengthening fundamentals of micro-credit model in rural areas

GrameenKoota financial services

01	Rural focus enabling the Company to operate in a segment with low competitive intensity	82% Rural Borrower base
02	Experienced & stable management team with strong promoter group backing	Key Management with 8+ years with company
03	Multiple products to address all key financial needs of the customers	Group and Retail lending models
04	Contiguous district centric expansion resulting in resilient business model	Spanning 156 districts in 9 states/union territory
05	Best in class financial performance	ROA: 5.1% ROE:16.9%
06	Strong Risk Management Practices	NNPA 0.05 %

Data For H1FY19


Industry Fundamentals

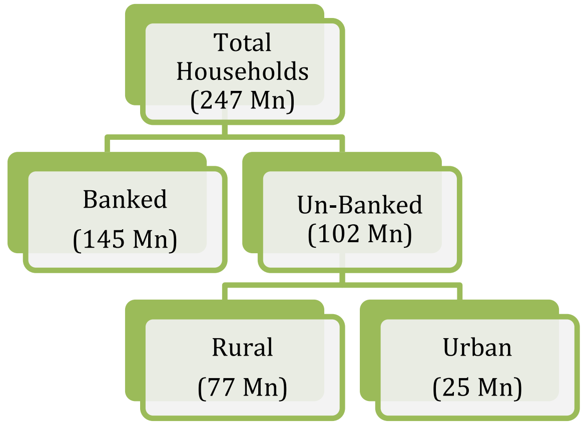
NBFC-MFIs best placed to address rural credit needs

GrameenKoota financial services

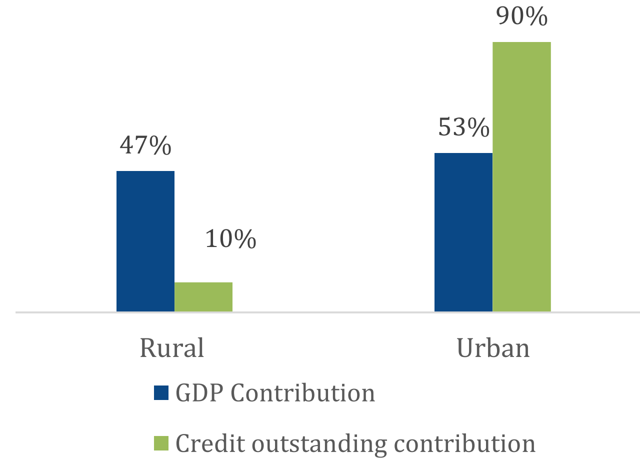
75% Unbanked Households in Rural Areas[1]- Large Untapped Opportunity

- Massive Govt. thrust to boost financial inclusion - NBFC-MFIs to play a key role in furthering this.
- Significant opportunity to capture share from unorganized players will continue to drive MFI industry growth.
- Pan India MFI presence.
- Rural areas accounted for only 10% of overall o/s bank-credit while comprising of 2/3rd households and contributing ~47% of FY16 GDP in India

[1] India Census 2011



Low penetration of banking credit in rural areas



Favourable Factors (For NBFC-MFI Industry)

Funding Certainty

- MFI's continues to be under priority sector
- Pure play NBFC MFI's are proven successful model for catering to un-banked segment

Proven Operating Model

- Distribution reach, where traditional banks do not lend
- Default rates are lowest in financial sector
- High customer/s touch points, 52 times in a year

Government and Regulatory Support

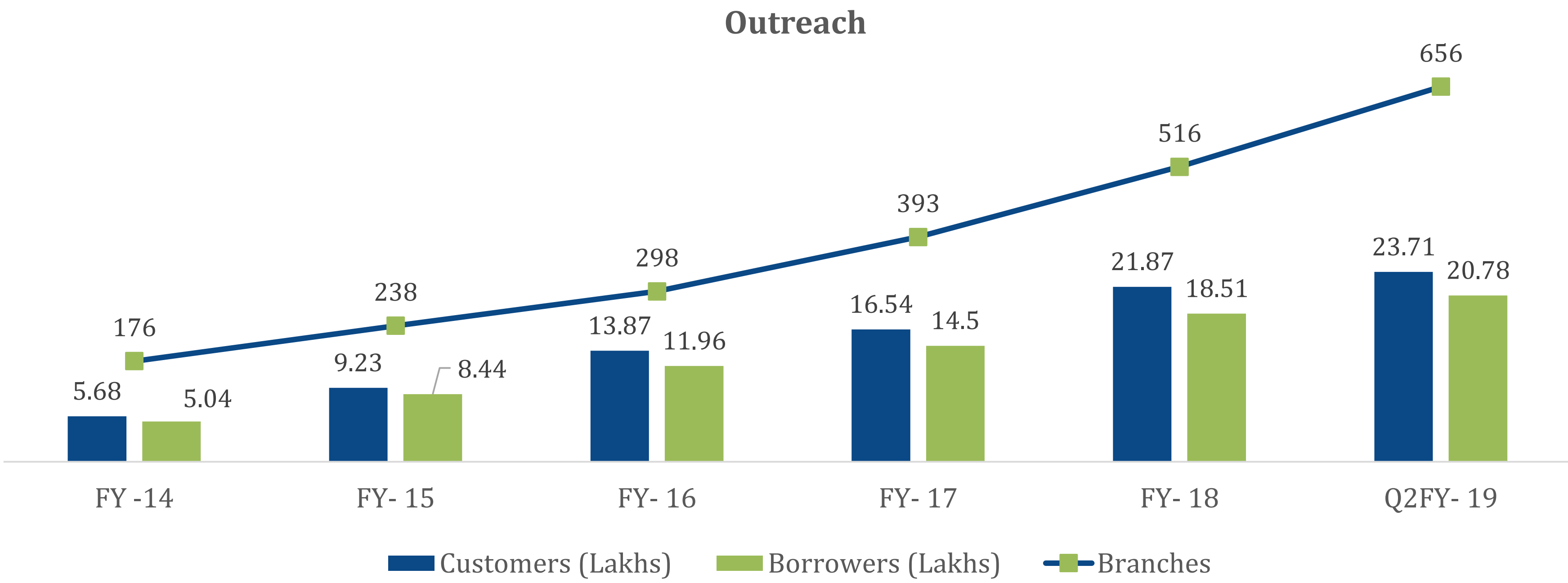
- Massive Govt. thrust to boost financial inclusion and double rural income
- Relaxation of maximum outstanding to customer/s
- Institutional Infrastructure (Credit Bureaus)

Customer centric practises

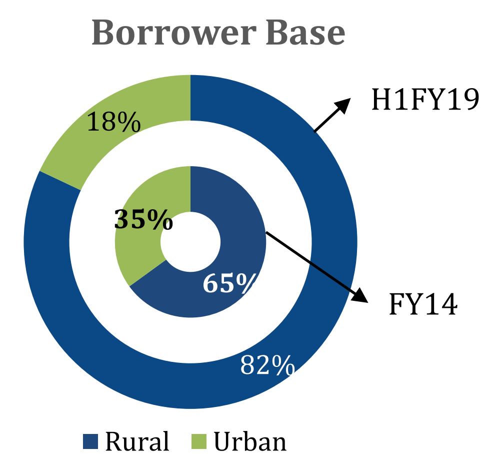
- Doorstep delivery of services
- High focus on financial literacy of customer/s

Operational Highlights

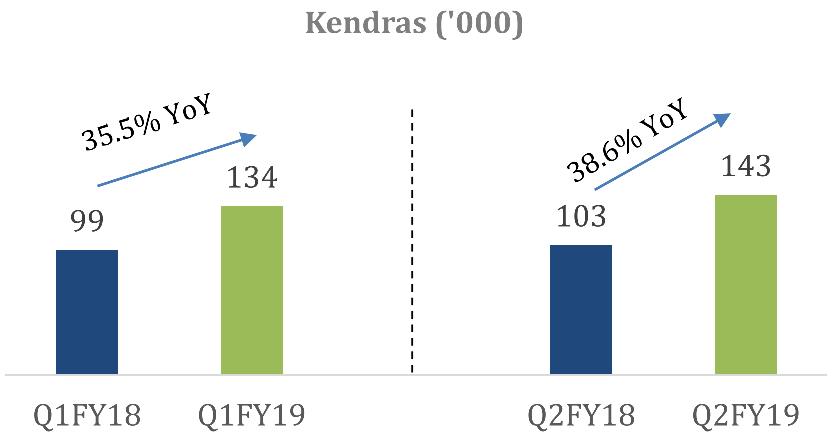
Strong rural growth story

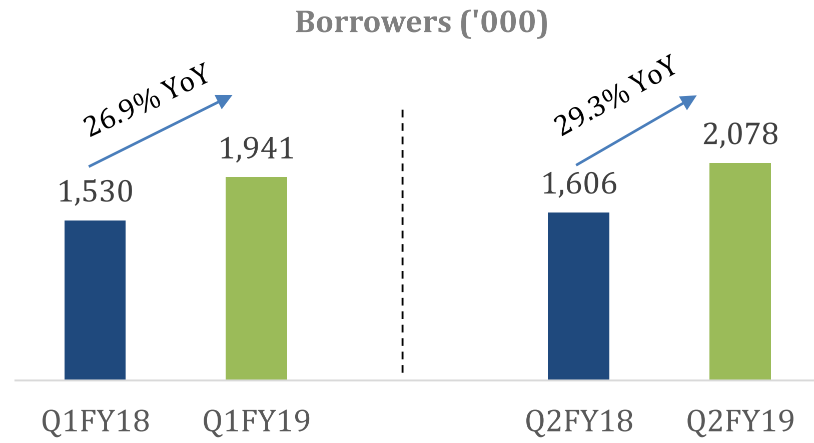


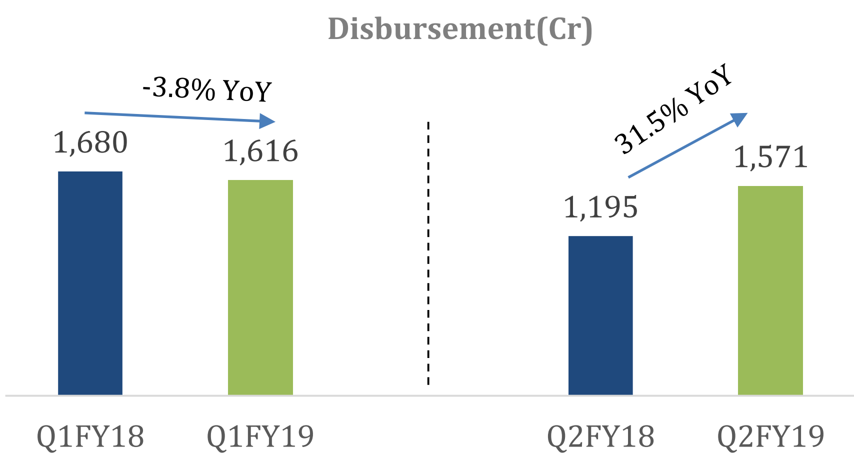
- 656 branches spread across 156 districts in 9 states / UT
- 23.7 lakh customer base, CAGR of ~ 37.3% over 4.5 years.
- 140 branches opened during H1FY19
- 82% rural borrowers
- Weekly touch points with borrowers

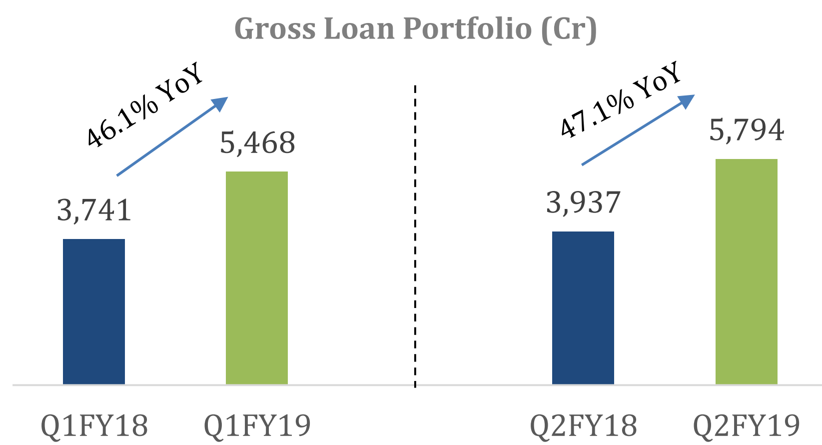


Demonstrated robust growth



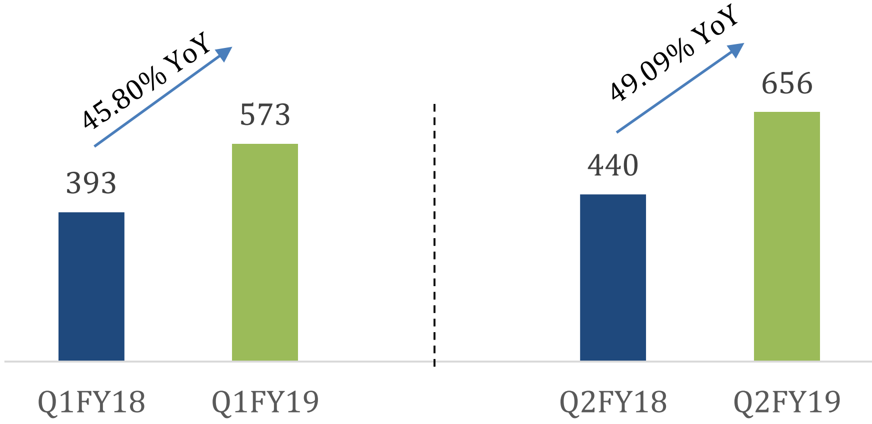




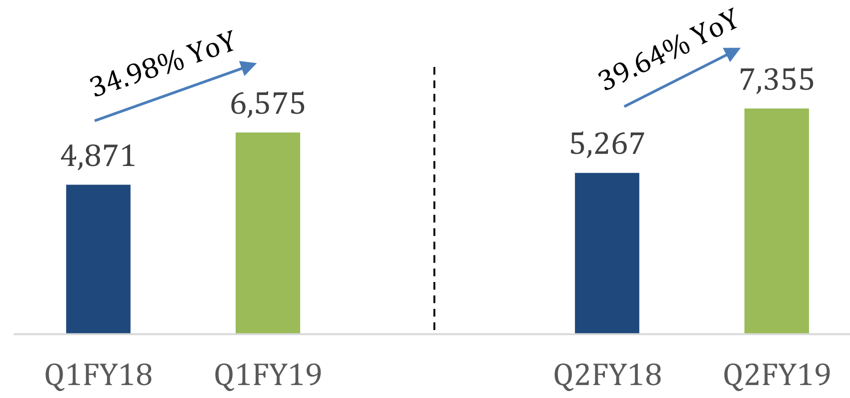


Infrastructure in place to fuel further growth

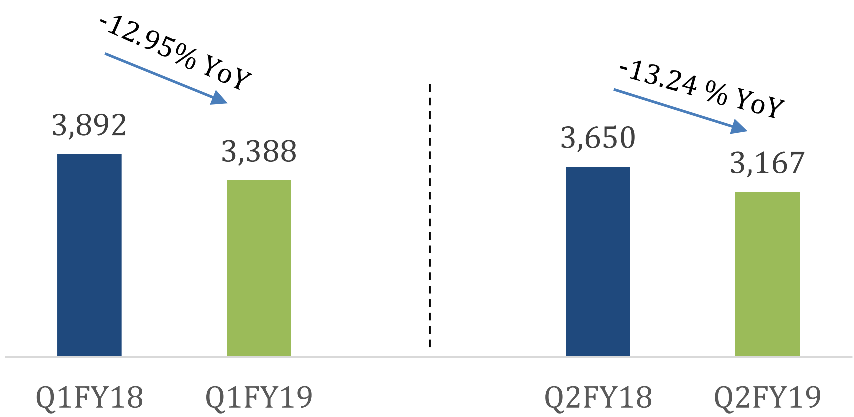
Branches



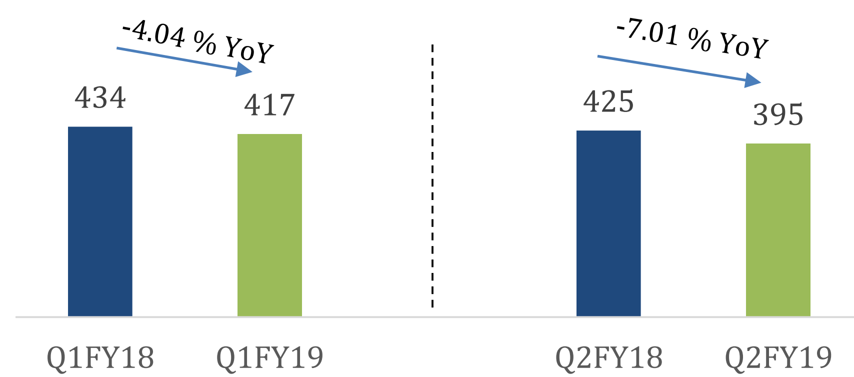
Employees('000)



Borrowers / Branch



Borrowers/ Loan Officers



Cashless shift based on customer's preference

Long term strategy is to move to cashless disbursement mode in phased manner based on customers' preference.

Preference for cashless disbursement given to customers:

Small loans: Cash/Cashless based on customers' preference

Larger Loans: Cashless

100% of branches enabled for cashless disbursements

More than 40% disbursements done through cashless mode on a daily basis

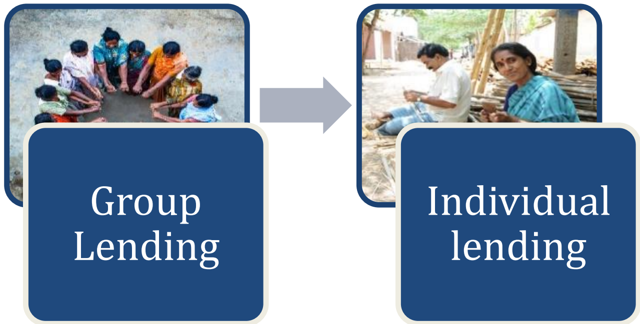
Rs.801 Cr cashless disbursements in H1FY19 as against Rs.23 Cr in H1 FY18

82% portfolio growth in Q2FY19 came from districts outside the Top 10

- District is the unit of risk in microfinance business, therefore our unit of expansion is district
- Geographical expansion strategy:
  - Penetrate through district centric approach
  - Expansion through contiguous district approach
- 82% portfolio growth in Q2FY19 came from districts outside the Top 10
- Portfolio concentration of Top 10 districts has reduced from 41% as of FY16 to 34% as of Q2FY19
- Contiguous district wise expansion approach reduces exposure to a particular district
  - 96% of districts where we operate have portfolio concentration of < 3% of overall portfolio
  - None of the districts where we operate have concentration of > 5% of total customers

Update on Retail Finance Business

Launched retail finance vertical to support customers' growing needs



Maximum credit that can extended to a customer/s is limited by the capacity of group to accept joint liability

Retail finance acts as a one stop solution to the credit needs of such customer/s

Key drivers

- Focus on captive and graduated group lending customers
- Separate vertical - Separate team , structure and processes .
- End to end cashless process
- Technology driven

Key numbers

178 Cr+ Disbursement

156 Cr+ Portfolio

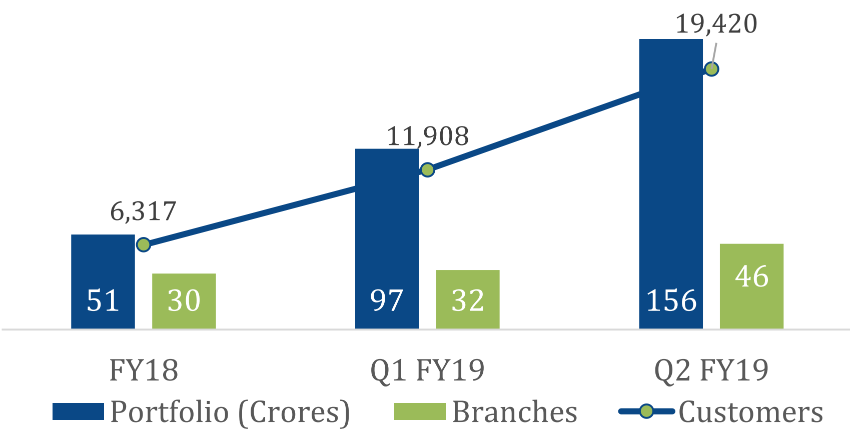
19,000+ Customers

650+ Staff

46 Branches

3 States

Performance over the years



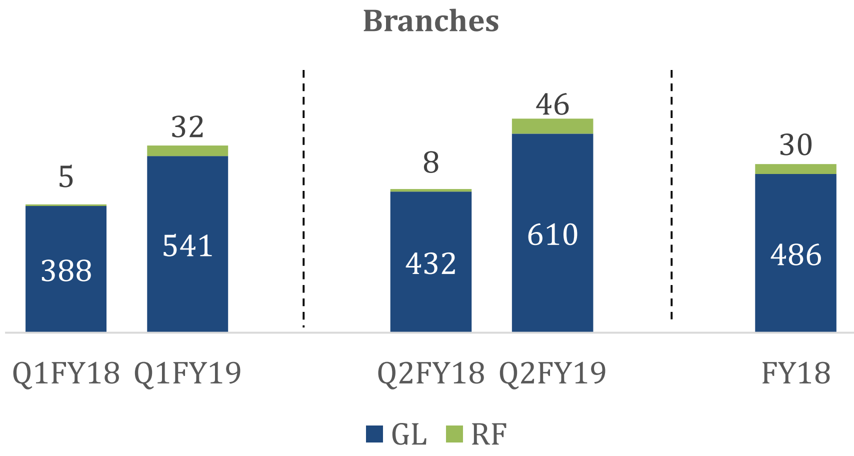
Journey of Retail finance

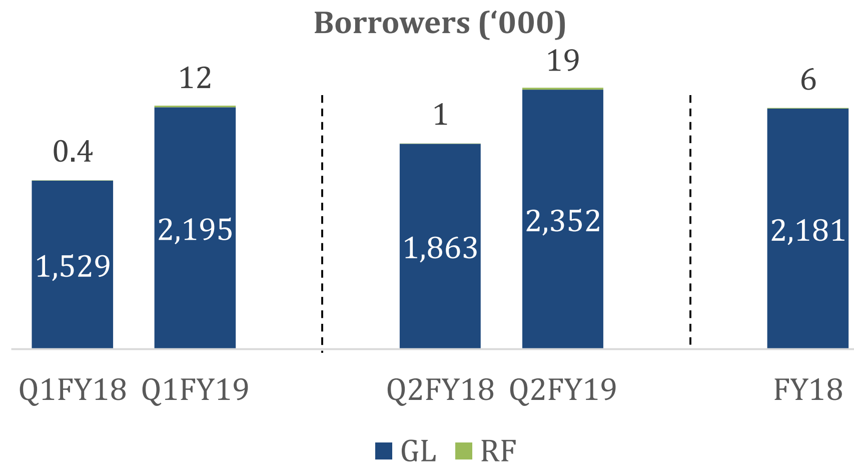
Nov 2016	*First branch opened in Bangalore*
Mar 2017	*5 branches operational*
Aug 2017	*Expansion started*
Jan 2018	*Loan Book crossed 25 Cr*
Jan 2018	*Expanded in Maharashtra & Tamil Nadu*
Jun 2018	*Borrowers crossed 10,000*
Sept 2018	*Loan Book crossed 150 Cr*

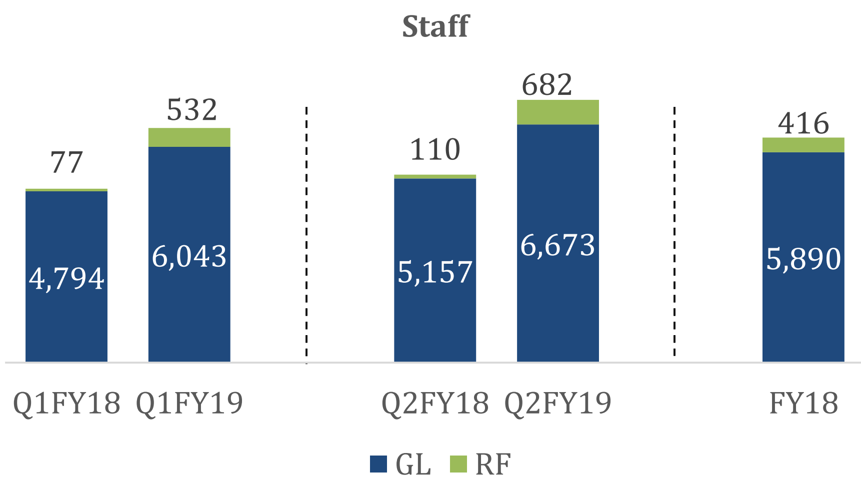
Retail Finance ensures Company acts as one stop financial partner

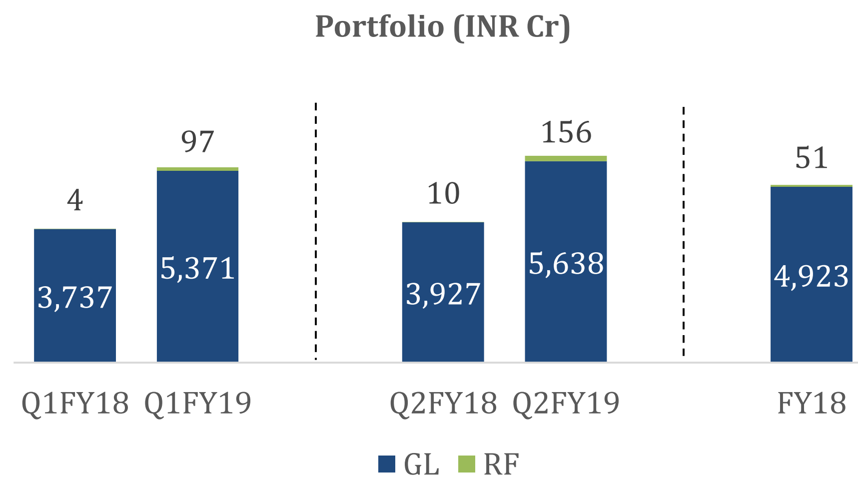
- 14 % of Group Lending dropout customers have availed retail product

Retail finance contributes 2.69% of total portfolio









Product Offerings

Customer centric product suite

Loan Type	Product	Purpose	Ticket Size (INR)	Yield	Tenure (months)
Group	Income Generation Loan(IGL)	Business Investments and Income Enhancement activities	5,000 - 60,000	19%-21%	12-24
Group	Home Improvement Loans	Water Connections, Sanitation and Home Improvement & Extensions	5,000 - 50,000	18%	12-48
Group	Family Welfare Loans	Festival, Medical, Education and Livelihood Improvement	1,000 - 15,000	18%	3-12
Group	Emergency Loans	Emergencies	1,000	18%	3

Retail finance products cater to the enhanced credit needs of our graduated customers

Loan Type	Product	Purpose	Ticket Size (INR)	Yield	Tenure (months)
Individual	Retail Finance Loans	Purchase of inventory, machine, assets or for making capital investment in business or business expansion	Up to 5,00,000	20 % -22%	6-60

Financial Highlights

Adoption of Ind As Accounting Standards

- The company has adopted Indian Accounting Standards (Ind AS) with effect from April 2018
- Consolidated figures for Q1 FY19 and Q2 FY19 are compliant with Ind AS
- Corresponding figures for Q1 FY18 and Q2 FY18 have been restated to be compliant with Ind AS
- Provisioning of 1.53% for Q2FY19 made based on ECL methodology

ROA for H1FY19 is 5.1%

GrameenKoota financial services

Particulars	Q1FY18	Q1FY19	Q2FY18	Q2FY19	H1FY18	H1FY19
Spread Analysis (as % of Avg. Quarterly Gross Loan Portfolio)						
Gross Yield	20.9%	21.9%	22.3%	22.0%	21.9%	22.0%
Portfolio Yield	19.4%	20.7%	20.7%	20.5%	20.3%	20.6%
Finance Cost	9.9%	7.5%	9.2%	7.6%	9.6%	7.5%
NII	9.5%	13.2%	11.5%	12.9%	10.7%	13.1%
Operating Cost	5.4%	4.8%	4.9%	5.2%	5.2%	5.0%
Impairment on Financial Instruments	3.0%	1.1%	-1.3%	1.2%	0.7%	1.1%
Taxes	0.9%	3.1%	3.2%	2.9%	2.2%	3.0%
Return on Avg. Gross Loan Portfolio	1.7%	5.5%	6.4%	5.2%	4.2%	5.4%
Cost Efficiency						
Cost to Income Ratio	49.2%	33.0%	37.0%	35.7%	42.2%	34.4%
Credit Quality						
Gross NPA[1]	7.2%	0.9%	5.8%	1.0%	5.8%	1.0%
Net NPA[2]	0.8%	0.05%	0.2%	0.05%	0.2%	0.05%
Leverage						
Debt: Equity	5.0	2.7	4.6	1.8	4.6	1.8
Capital Adequacy	25.38%	27.77%	25.31%	40.37%	25.31%	40.37%
Profitability						
Return on Equity	9.1%	19.4%	35.6%	15.7%	22.7%	16.9%
Return on Assets	1.6%	5.3%	6.1%	4.9%	4.0%	5.1%

Amongst the most cost efficient player in the industry
Strong come back from demonetization related issues

[1] (Stage III (ECL) exposure at default)/ (Sum of exposure at default of Stage I + Stage II + Stage III)
[2] (Stage III (ECL) exposure at default – Provision for Stage III)/ (Sum of exposure at default of Stage I, Stage II and Stage III)

Profit for H1FY19 grew by 94% YoY

Profit & Loss Statement (INR Cr)	Q1FY18	Q1FY19	YoY%	Q2FY18	Q2FY19	YoY%	H1FY18	H1FY19	YoY%
Interest Income (A)	177.01	284.00	60%	211.99	302.27	43%	389.00	586.27	51%
Dividend Income (B)	-	-	-	0.09	-	-100%	0.09	-	-100%
Net gain on Fair Value Changes (C)	0.49	0.91	83%	1.77	2.81	58%	2.27	3.71	64%
Others (D)	0.08	0.85	943%	0.09	4.34	4639%	0.17	5.19	2896%
Total Revenue from Operations (F) = (A+B+C+D)	**177.58**	**285.76**	61%	**213.96**	**309.42**	45%	**391.53**	**595.17**	52%
Other Income (G)	0.16	0.31	91%	0.16	0.67	325%	0.32	0.98	207%
Total Income (H) = (G+F)	**177.74**	**286.07**	61%	**214.10**	**310.09**	45%	**391.85**	**596.15**	52%
Finance Costs (I)	84.26	97.55	16%	88.41	106.61	21%	172.67	204.16	18%
Employee Benefit Expenses (J)	29.21	40.51	39%	31.39	46.58	48%	60.60	87.10	44%
Depreciation and Amortization Expenses (K)	1.00	1.60	61%	1.17	2.13	81%	2.17	3.73	72%
Other Expenses (L)	15.75	20.18	28%	14.00	23.89	71%	29.75	44.06	48%
Total Operating Cost (M) = (J+K+L)	**45.96**	**62.29**	36%	**46.56**	**72.60**	56%	**92.52**	**134.89**	46%
Impairment of Financial Instruments (N)	25.48	13.87	-46%	(12.85)	16.83	-231%	12.63	30.70	143%
Total Expenses (O) = (I+M+N)	155.70	173.71	12%	122.12	196.04	61%	277.82	369.74	33%
Profit before Tax (P) = (H-O)	**22.05**	**112.36**	410%	**91.98**	**114.05**	24%	**114.03**	**226.40**	99%
Tax (Q)	**7.91**	**40.14**	407%	**30.95**	**40.59**	31%	**38.86**	**80.72**	108%
Profit after Tax (R) = (P-Q)	**14.13**	**72.22**	411%	**61.03**	**73.46**	20%	**75.17**	**145.68**	94%
Other Comprehensive Income (S)	**(0.99)**	**22.28**	-2343%	**(1.30)**	**(9.03)**	593%	**(2.29)**	**13.24**	-677%
Total Comprehensive Income (T) = (R+S)	**13.14**	**94.50**	619%	**59.73**	**64.43**	8%	**72.88**	**158.92**	118%

Note: All financials given in this presentation are on Ind AS basis unless specified

Strong balance sheet supported by high capital base and robust liquidity

Balance Sheet (INR Cr)	Q1FY18	Q1FY19	YoY%	Q2FY18	Q2FY19	YoY%
Equity Share Capital	85.68	128.43	50%	90.57	143.36	58%
Other Equity	541.79	1,404.82	159%	654.06	2,069.78	216%
Total Equity	**627.47**	**1,533.25**	**144%**	**744.63**	**2,213.14**	**197%**
Debt Securities	875.00	859.65	-2%	1,026.17	1,116.87	9%
Borrowings (other than debt securities)	2,172.38	3,187.69	47%	2,299.52	2,710.76	18%
Subordinated liabilities	85.12	79.70	-6%	85.94	80.02	-7%
Other financial liabilities	16.67	22.82	37%	10.78	40.21	273%
Current tax liabilities (net)	13.45	10.89	-19%	12.97	4.56	-65%
Provisions	5.69	9.13	61%	6.29	9.98	59%
Deferred tax liabilities (net)	-	-	-	-	-	-
Other non-financial liabilities	11.66	27.56	136%	19.98	29.73	49%
Total Liabilities	**3,179.97**	**4,197.44**	**32%**	**3,461.64**	**3,992.13**	**15%**
Total Equity and Liabilities	**3,807.44**	**5,730.69**	**51%**	**4,206.27**	**6,205.27**	**48%**
Cash and cash equivalents	170.79	187.42	10%	201.62	230.49	14%
Bank balance other than above	35.77	18.49	-48%	25.48	180.76	609%
Loans	3,468.73	5,414.97	56%	3,691.24	5,682.93	54%
Investments	1.24	40.51	3155%	166.73	0.20	-100%
Other financial assets	6.15	17.79	189%	7.81	35.32	352%
Current tax assets (net)	5.73	4.84	-15%	2.86	4.83	69%
Deferred tax assets (net)	96.12	21.43	-78%	86.63	37.03	-57%
Property, plant and equipment	5.67	10.71	89%	6.72	14.42	115%
Capital work-in-progress	0.77	-	-100%	-	-	-
Intangible assets under development	2.33	1.29	-45%	0.33	1.54	371%
Intangible assets	5.92	6.11	3%	7.46	6.75	-9%
Other non-financial assets	8.21	7.14	-13%	9.39	10.96	17%
Total Assets	**3,807.44**	**5,730.69**	**51%**	**4,206.27**	**6,205.27**	**48%**

Note: All financials given in this presentation are on Ind AS basis unless specified

Q1FY18 Ind AS Vs Previous Indian GAAP

Particulars (INR Cr)	Ind AS (A)	IGAAP (B)	Variance (A-B)	Remark
Interest Income (A)	177.01	167.04	9.96	*Under Ind AS:* *Interest Income is based on effective interest rate* *Securitisation is considered On-Balance Sheet and hence income is considered under interest income* *Interest Income also includes interest on margin money and fixed deposit*
Dividend Income (B)	-	-	-	
Net gain on Fair Value Changes (C)	0.49	0.49	-	
Others (D)	0.08	0.08	-	
Total Revenue from Operations (F) = (A+B+C+D)	**177.58**	**167.62**	**9.96**	
Other Income (G)	0.16	0.16	-	
Total Income (H) = (G+F)	**177.74**	**167.78**	**9.96**	
Finance Costs (I)	**84.26**	**83.16**	**1.10**	*Under Ind AS:* *Processing Fees and other costs are amortised* *Securitisation is considered On-Balance Sheet and hence expense is considered under financial costs*
Employee Benefit Expenses (J)	29.21	28.52	0.69	*Under Ind AS Employee stock options is accounted as per fair valuation method*
Depreciation and Amortization Expenses (K)	1.00	1.00	-	
Other Expenses (L)	15.75	15.82	(0.07)	
Total Operating Cost (M) = (J+K+L)	**45.96**	**45.34**	**0.62**	
Impairment of Financial Instruments (N)	25.48	0.38	25.10	*Under Ind AS Loan loss provision is accounted as per Expected credit loss methodology.*
Total Expenses (O) = (I+M+N)	**155.70**	**128.88**	**26.82**	
Profit before Tax (P) = (H-O)	**22.05**	**38.90**	**(16.86)**	
Tax (Q)	**7.91**	**13.55**	**(5.64)**	
Profit after Tax (R) = (P-Q)	**14.13**	**25.36**	**(11.22)**	
Other Comprehensive Income (S)	**(0.99)**	**-**	**(0.99)**	*Includes actuarial gain/loss on gratuity valuation and fair value impact on financial assets*
Total Comprehensive Income (T) = (R+S)	**13.14**	**25.36**	**(12.22)**	

Note: All financials given in this presentation are on Ind AS basis unless specified

Q2FY18 Ind AS Vs Previous Indian GAAP

Particulars (INR Cr)	Ind AS (A)	IGAAP (B)	Variance (A-B)	Remark
Interest Income (A)	211.99	215.61	(3.62)	*Under Ind AS:* *Interest Income is based on effective interest rate* *Securitisation is considered On-Balance Sheet and hence income is considered under interest income* *Interest Income also includes interest on margin money and fixed deposut*
Dividend Income (B)	0.09	0.09	-	
Net gain on Fair Value Changes (C)	1.77	1.77	-	
Others (D)	0.09	0.09	-	
Total Revenue from Operations (F) = (A+B+C+D)	**213.94**	**217.57**	**(3.62)**	
Other Income (G)	0.16	0.16	-	
Total Income (H) = (G+F)	**214.10**	**217.73**	**(3.62)**	
Finance Costs (I)	**88.41**	**94.04**	**(5.64)**	*Under Ind AS:* *Processing Fees and other costs are amortised* *Securitisation is considered On-Balance Sheet and hence expense is considered under financial costs*
Employee Benefit Expenses (J)	31.39	32.13	(0.74)	*Under Ind AS Employee stock options is accounted as per fair valuation method*
Depreciation and Amortization Expenses (K)	1.17	1.17	-	
Other Expenses (L)	14.00	14.07	(0.07)	
Total Operating Cost (M) = (J+K+L)	**46.56**	**47.37**	**(0.81)**	
Impairment of Financial Instruments (N)	(12.85)	20.58	(33.43)	*Under Ind AS Loan loss provision is accounted as per Expected credit loss methodology.*
Total Expenses (O) = (I+M+N)	**122.12**	**162.00**	**(39.88)**	
Profit before Tax (P) = (H-O)	**91.98**	**55.73**	**36.26**	
Tax (Q)	**30.95**	**20.36**	**10.59**	
Profit after Tax (R) = (P-Q)	**61.03**	**35.36**	**25.67**	
Other Comprehensive Income (S)	**(1.30)**	**-**	**(1.30)**	*Includes actuarial gain/loss on gratuity valuation and fair value impact on financial assets*
Total Comprehensive Income (T) = (R+S)	**59.73**	**35.36**	**24.37**	

Note: All financials given in this presentation are on Ind AS basis unless specified

Q1FY19 Ind AS Vs Previous Indian GAAP

Particulars (INR Cr)	Ind AS (A)	IGAAP (B)	Variance (A-B)	Remark
Interest Income (A)	284.00	283.29	0.72	*Under Ind AS: Interest Income is based on effective interest rate Securitisation is considered On-Balance Sheet and hence income is considered under interest income Interest Income also includes interest on margin money and fixed deposut*
Dividend Income (B)	-	-	-	
Net gain on Fair Value Changes (C)	0.91	0.91	-	
Others (D)	0.85	0.85	-	
Total Revenue from Operations (F) = (A+B+C+D)	**285.76**	**285.05**	**0.72**	
Other Income (G)	0.31	0.31	-	
Total Income (H) = (G+F)	**286.07**	**285.35**	**0.72**	
Finance Costs (I)	**97.55**	**97.87**	**(0.31)**	*Under Ind AS: Processing Fees and other costs are amortised Securitisation is considered On-Balance Sheet and hence expense is considered under financial costs*
Employee Benefit Expenses (J)	40.51	41.15	(0.64)	*Under Ind AS Employee stock options is accounted as per fair valuation method*
Depreciation and Amortization Expenses (K)	1.60	1.60	-	
Other Expenses (L)	20.18	20.25	(0.07)	
Total Operating Cost (M) = (J+K+L)	**62.29**	**62.99**	**(0.70)**	
Impairment of Financial Instruments (N)	13.87	12.09	1.78	*Under Ind AS Loan loss provision is accounted as per Expected credit loss methodology.*
Total Expenses (O) = (I+M+N)	**173.71**	**172.95**	**0.76**	
Profit before Tax (P) = (H-O)	**112.36**	**112.40**	**(0.04)**	
Tax (Q)	**40.14**	**39.96**	**0.18**	
Profit after Tax (R) = (P-Q)	**72.22**	**72.44**	**(0.23)**	
Other Comprehensive Income (S)	**22.28**	**-**	**22.28**	*Includes actuarial gain/loss on gratuity valuation and fair value impact on financial assets*
Total Comprehensive Income (T) = (R+S)	**94.50**	**72.44**	**22.06**	

Note: All financials given in this presentation are on Ind AS basis unless specified

Q2FY19 Ind AS Vs Previous Indian GAAP

Particulars (INR Cr)	Ind AS (A)	IGAAP (B)	Variance (A-B)	Remark
Interest Income (A)	302.27	280.37	21.90	*Under Ind AS:* *Interest Income is based on effective interest rate* *Securitisation is considered On-Balance Sheet and hence income is considered under interest income* *Interest Income also includes interest on margin money and fixed deposut*
Dividend Income (B)	-	-	-	
Net gain on Fair Value Changes (C)	2.81	2.81	-	
Others (D)	4.34	14.65	(10.31)	
Total Revenue from Operations (F) = (A+B+C+D)	**309.41**	**297.83**	**11.59**	
Other Income (G)	0.67	0.67	-	
Total Income (H) = (G+F)	**310.08**	**298.50**	**11.59**	
Finance Costs (I)	**106.61**	**99.12**	**7.49**	*Under Ind AS:* *Processing Fees and other costs are amortised* *Securitisation is considered On-Balance Sheet and hence expense is considered under financial costs*
Employee Benefit Expenses (J)	46.58	46.12	0.46	*Under Ind AS Employee stock options is accounted as per fair valuation method*
Depreciation and Amortization Expenses (K)	2.13	2.13	-	
Other Expenses (L)	23.89	23.96	(0.07)	
Total Operating Cost (M) = (J+K+L)	**72.60**	**72.21**	**0.39**	
Impairment of Financial Instruments (N)	16.83	5.48	11.34	*Under Ind AS Loan loss provision is accounted as per Expected credit loss methodology.*
Total Expenses (O) = (I+M+N)	**196.04**	**176.81**	**19.22**	
Profit before Tax (P) = (H-O)	**114.05**	**121.69**	**(7.64)**	
Tax (Q)	**40.59**	**43.04**	**(2.45)**	
Profit after Tax (R) = (P-Q)	**73.46**	**78.65**	**(5.18)**	
Other Comprehensive Income (S)	**(9.03)**	**-**	**(9.04)**	*Includes actuarial gain/loss on gratuity valuation and fair value impact on financial assets*
Total Comprehensive Income (T) = (R+S)	**64.43**	**78.65**	**(14.22)**	

Note: All financials given in this presentation are on Ind AS basis unless specified

Impact on Networth on Transition Date

Particulars (INR Cr)	01-04-2017	Remarks
Net worth as per previous GAAP	690.80	
Ind AS adjustments increase /(decrease) Net worth		
Expected Credit Loss Impact	(118.28)	Provisioning based on ECL methodology
Effective Interest Rate impact on financial assets	(18.54)	Change from upfront recognition of processing fees to Effective Interest Rate
Effective Interest Rate impact on borrowings	14.75	Amortization of processing fees and other direct charges on borrowings
Fair value gain on financial assets	3.46	
Others	(0.39)	
Tax impact on above items	41.21	
Net worth as per Ind AS	**613.0**	

Well diversified borrowing mix

INR Cr

	Q1 FY 18		Q1 FY 19		Q2 FY 18		Q2 FY 19	
Banks	1,426.88	46.09%	2,451.43	59.94%	1,559.01	46.22%	2,094.83	53.09%
NBFCs	128.20	4.14%	267.13	6.53%	104.61	3.10%	285.57	7.24%
FIs	641.55	20.72%	504.15	12.33%	671.47	19.91%	371.22	9.41%
Foreign Sources	899.28	29.05%	725.53	17.74%	1038.28	30.78%	725.53	18.39%
PTC	-	-	141.26	3.45%	-	-	426.17	10.80%
Direct Assignment	-	-	-	-	-	-	42.74	1.08%
Total (A + B)	**3,095.91**	**100.00%**	**4,089.50**	**100.00%**	**3,373.36**	**100.00%**	**3,946.05**	**100.00%**

Note: All financials given in this presentation are on Ind AS basis unless specified

Sub 9% Marginal Cost of Borrowings for Q2FY19

Metrics	Q1FY18	Q1FY19	Q2FY18	Q2FY19
Marginal Cost of Borrowings (on and off b/s loans including processing fees*)	10.2%	9.5%	10.7%	8.9%
Weighted Avg. Cost of Borrowings (on and off b/s loans including processing fees and other charges)	11.5%	10.2%	11.6%	9.9%
Drawdowns (INR Cr)	683.00	969.69	706.50	747.53

Processing fees is amortized for marginal cost calculation
Marginal Cost of Borrowings - [Funds availed during the period* rate of interest/ Funds availed during the period]
Weighted Avg. Cost of Borrowings - [Financial expenses during the period/monthly average borrowing]

Note: All financials given in this presentation are on Ind AS basis unless specified

ICRA upgraded long term rating from A to A+ and short term rating from A1 to A1+

Rating Instrument	Rating Agency	Q2 FY18 Rating/Grading	Q2 FY19 Rating/Grading
Bank facilities	ICRA	[ICRA]A (Stable)	[ICRA]A+(Stable)
Non-convertible debentures	ICRA	[ICRA]A (Stable)	[ICRA]A+(Stable)
Subordinated debt	ICRA	[ICRA]A (Stable)	[ICRA]A+(Stable)
Commercial Paper	ICRA	[ICRA]A1	[ICRA]A1+
Institutional Grading	CRISIL	mfR1	mfR1
Code of Conduct Assessment (COCA)	SMERA	C1	C1
Social Rating	M-CRIL	∑α	∑α

Microfinance Institutional Grading – Reflects CRISIL's opinion on the ability of an MFI to conduct its operations in a scalable and sustainable manner
Social Rating – Expert opinion in the social performance of a financial institution , and likelihood that it meets social goals in line with accepted social values

Guidance

Guidance FY19

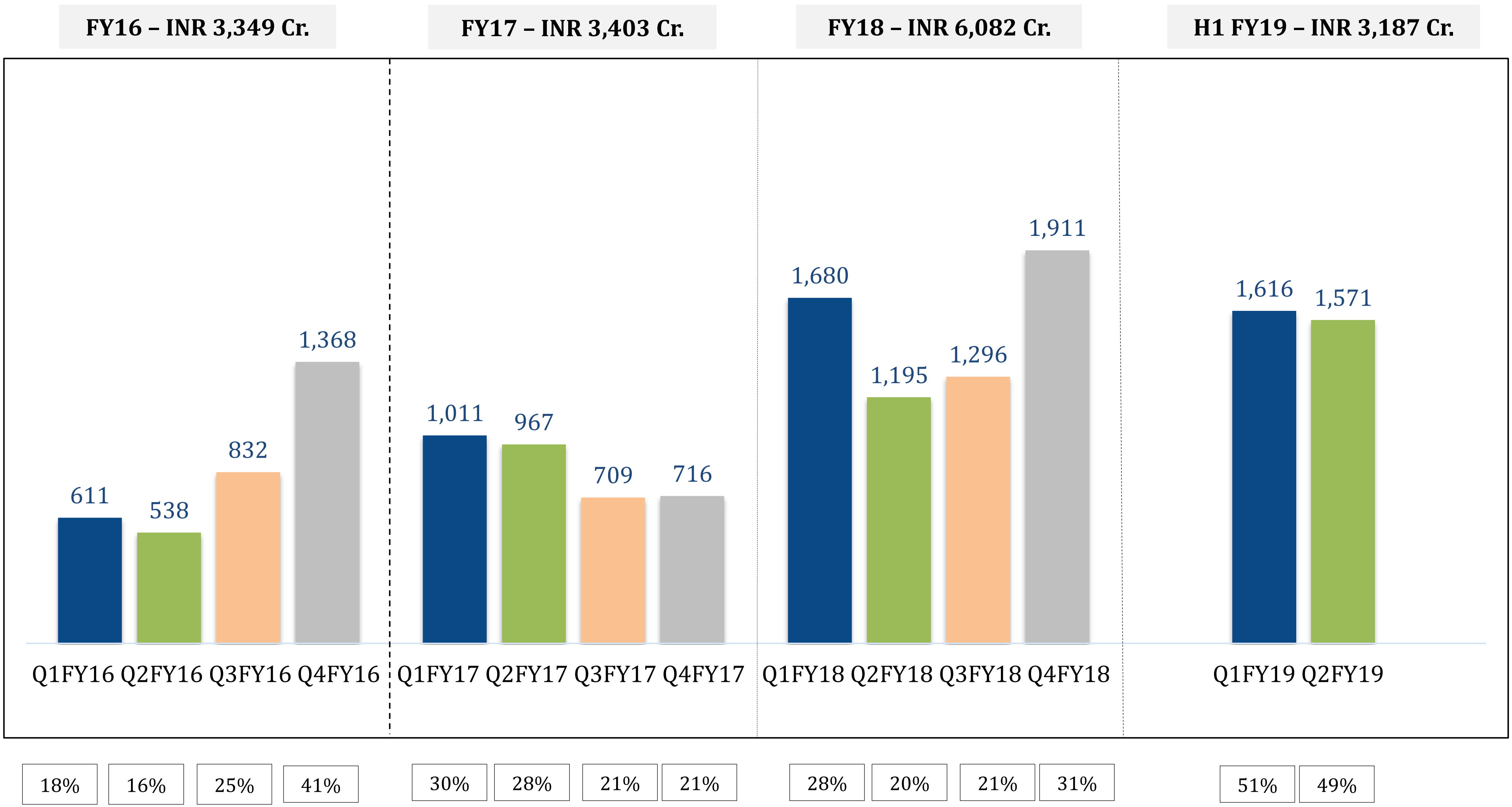
GrameenKoota financial services

Gross Loan Portfolio	7,500 – 7,750 Cr
PAT	270 – 285 Cr

Annexures


Disbursement Trend

Disbursement Trend



District and State wise diversification

District-wise Exposure Trend (1/2)

GrameenKoota financial services

Portfolio	FY16		FY17		FY18		Q1FY19		Q2FY19	
Exposure of Districts	No. of Districts	% of Total Districts	No. of Districts	% of Total Districts	No. of Districts	% of Total Districts	No. of Districts	% of Total Districts	No. of Districts	% of Total Districts
< 0.5%	28	38%	43	45%	78	59%	91	62%	101	65%
0.5% - 1%	11	15%	18	19%	22	17%	23	16%	24	15%
1% - 3%	28	38%	29	30%	26	20%	26	18%	26	17%
3% - 5%	4	5%	4	4%	5	4%	5	3%	4	3%
> 5%	3	4%	2	2%	1	1%	1	1%	1	1%
Total	74	100%	96	100%	132	100%	146	100%	156	100.00%

Customers	FY16		FY17		FY18		Q1FY19		Q2FY19	
Exposure of Districts (% of Customers)	No. of Districts	% of Total Districts	No. of Districts	% of Total Districts	No. of Districts	% of Total Districts	No. of Districts	% of Total Districts	No. of Districts	% of Total Districts
< 0.5%	21	28%	37	39%	66	50%	81	55%	91	58%
0.5% - 1%	18	24%	20	21%	30	23%	30	21%	31	20%
1% - 3%	28	38%	33	34%	32	24%	31	21%	30	19%
3% - 5%	6	8%	6	6%	4	3%	4	3%	4	3%
> 5%	1	1%	0	0%	-	-	-	0%	-	-
Total	74	100%	96	100%	132	100%	146	100%	156	100%

Contiguous district wise expansion approach reduces exposure to a particular district.

- 96% of districts were we operate have portfolio concentration of < 3% of overall portfolio.
- None of the districts were we operate have concentration of > 5% of total customers.

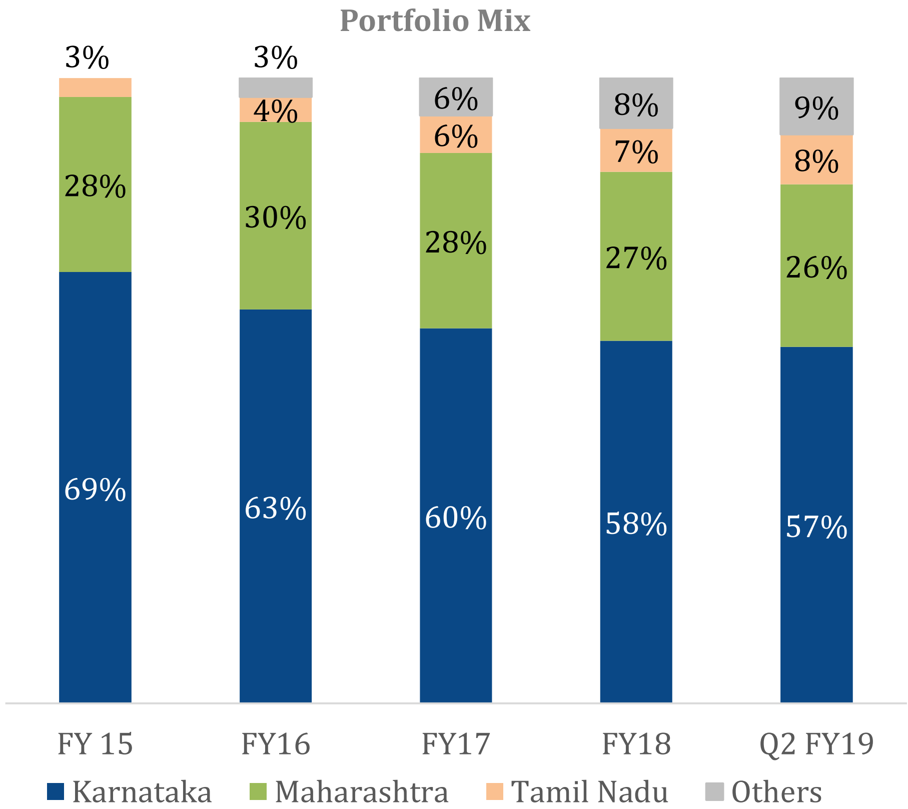
District-wise Exposure Trend (2/2)

District in terms of portfolio	FY16		FY17		FY 18		Q1FY19		Q2FY19	
	% of Total Portfolio	Contribution to overall growth %	% of Total Portfolio	Contribution to overall growth %	% of Total Portfolio	Contribution to overall growth %	% of Total Portfolio	Contribution to overall growth %	% of Total Portfolio	Contribution to overall growth %
Top 1	6%	4%	6%	4%	6%	6%	6%	5%	5%	3%
Top 3	17%	13%	15%	9%	15%	13%	14%	12%	14%	12%
Top 5	26%	20%	23%	13%	22%	21%	22%	20%	21%	11%
Top 10	41%	32%	37%	15%	36%	34%	35%	31%	34%	18%
Other	59%	68%	63%	85%	64%	66%	65%	69%	66%	82%

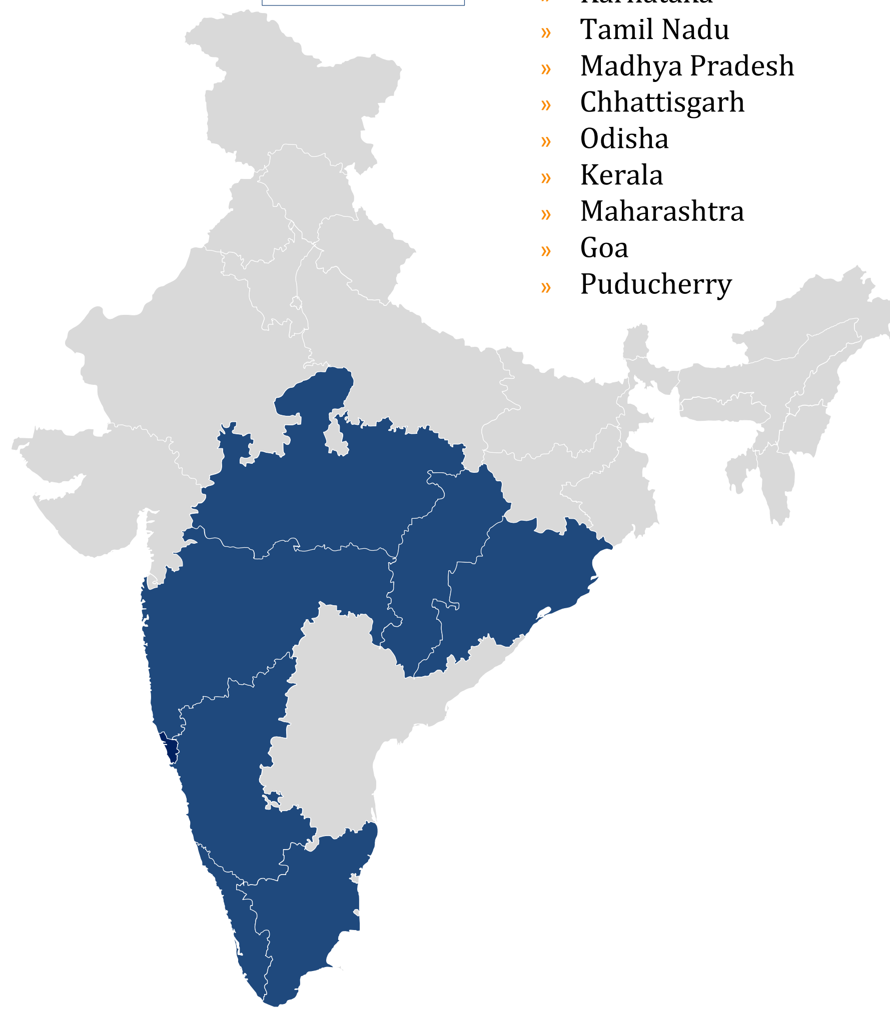
Growth spread across districts and majority portfolio growth contributed by smaller districts

Geographical Diversification

GLP (Rs Cr)	1447	2539	3075	4975	5794



States/UT



- Karnataka
- Tamil Nadu
- Madhya Pradesh
- Chhattisgarh
- Odisha
- Kerala
- Maharashtra
- Goa
- Puducherry

Product Mix

Product Category Mix

Period	Parameters	Group Lending				Retail Finance	Total
		IGL	Family Welfare	Home Improvement	Emergency		
Q2FY18	No. of Loans Disb ('000)	374.14	171.85	32.33	70.03	0.84	649.19
	%Mix	57.63%	26.47%	4.98%	10.79%	0.13%	100.00%
	Amount Disbursed (INR Cr.)	1,000.67	137.28	43.40	7.00	7.08	1,195.44
	%Mix	83.71%	11.48%	3.63%	0.59%	0.59%	100.00%
	Portfolio (INR Cr.)	3,408.69	334.30	180.40	3.39	10.20	3,936.97
	%Mix	86.58%	8.49%	4.58%	0.09%	0.26%	100.00%
	Avg. Ticket Size (000' INR)	26.75	7.99	13.42	1.00	83.91	18.41
FY18	No. of Loans Disb ('000)	1,833.42	586.31	420.10	245.25	6.70	3,091.78
	%Mix	59.30%	18.96%	13.59%	7.93%	0.22%	100.00%
	Amount Disbursed (INR Cr.)	4,953.42	503.33	545.54	24.53	54.92	6,081.72
	%Mix	81.45%	8.28%	8.97%	0.40%	0.90%	100.00%
	Portfolio (INR Cr.)	4,284.09	117.22	519.77	2.24	51.34	4,974.66
	%Mix	86.12%	2.36%	10.45%	0.05%	1.03%	100.00%
	Avg. Ticket Size (000' INR)	27.02	8.58	12.99	1.00	81.92	19.67
Q2FY19	No. of Loans Disb ('000)	476.77	161.72	183.27	42.83	8.06	872.64
	%Mix	54.64%	18.53%	21.00%	4.91%	0.92%	100.00%
	Amount Disbursed (INR Cr.)	1,135.58	129.58	230.93	4.28	70.75	1,571.13
	%Mix	72.28%	8.25%	14.70%	0.27%	4.50%	100.00%
	Portfolio (INR Cr.)	4,509.08	378.13	748.74	2.17	156.01	5,794.12
	%Mix	77.82%	6.53%	12.92%	0.04%	2.69%	100.00%
	Avg. Ticket Size (000' INR)	23.82	8.01	12.60	1.00	87.84	18.00

Risk Management

Prudent risk management and control framework

GrameenKoota financial services

- ✓ Annual risk management plan formulated comprising major risks identified by management
- ✓ Free and unrestricted access for internal audit team to the Board

Board Oversight

Risk management committee oversight

- ✓ Annual risk management plan formulated comprising major risks identified by management
- ✓ Board and Risk Management Committee oversight on implementation of Annual risk management plan
- ✓ Risks reported to RMC monitored by Head-Risk and management team and quarterly updates provided

Geography selection

- Systematic methodology for selection of new geographies
- Managing geographical risk via contiguous district based expansion
- Continued focus on deep penetration in rural areas characterized by lower competitive intensity

Customer diligence

- Stringent customer onboarding process encompassing 3 layers of checks
- Diligence, KYC and 5 day CGT by loan officer
- Rigorous customer credit evaluation through CB checks, staggered borrowing limits etc
- Pre-dominant weekly collection to ensure high degree of engagement
- Frequent loan utilization checks
- Dedicated customer grievance redressal Cell

Product design

- Set borrowing limits per loan cycle
- Increase in borrowing limits based on track record and relationship tenure
- Flexible repayment terms
- No penalties on prepayment of loan installments
- Products available to cover potentially every cashflow situation of customers

Business processes compliance

- Branch/Office
  - Internal audits at branches, regional offices and at head office
  - External audit of back-end process at head office
- Employees
  - Recruitment of employees primarily at entry levels and from rural areas
  - No incentives to employees linked to disbursements or collections
  - Rotation of loan officers (annual) as well as branch managers (bi-annual)

Note: RMC - Risk Management Committee, CGT – Compulsory Group Training, GRT – Group Recognition Test, CB – Credit Bureau


Information Technology

Information Technology

GrameenKoota financial services

Key Technology Initiatives

T24 Core banking & customer management

- Field process automation
- Customer onboarding through tab
- Instant credit checks
- Business Intelligence tool
- Event based Alerts and Intimations

SMS engine integration

Paperless transactions with reduced TAT

User defined dashboards

Spot loan disbursements

Key Technology Partners

TEMENOS (Core Banking Solution)

IBM (Data Centre & Disaster Recovery Infrastructure)

Microsoft (Email and Collaboration)

SoftwareGroup doing it right (Mobility solution)

iexceed (End to end insurance claim management)

IceWarp (Cloud based email solution)

SOPHOS (Network & Server protection)

SYSFORE (Audit automation)

Lera Technologies (Data Warehouse solution)

Power BI (Business Intelligence Tool)

IMImobile (Digital customer engagement platform)

TIBCO Jaspersoft (Business Intelligence & Reporting)

Credit Plus Activities

Community Focus

- SKOCH Resilient India Award 2017 for 'Sanitation Loan'
- 2017 ISC FICCI Sanitation Awards for Best Financial Accessibility
- Code of Conduct Assessment - COCA 1 (retained)
- STAR MFI Certification - 100% Compliance
- 2015 Large MFI Award
- Client Protection Principles Recertification
- Social Rating - ∑α (retained)

» Company aims to meet its responsibility towards society through:

  » Diligently follow responsible financing practices & client protection principles

  » Ensure transparency with all stakeholders

  » Design products & processes appropriate to customers changing needs

  » Conduct awareness programs on financial literacy, water, sanitation, education etc.

  » Undertake Customer/s awareness workshops to promote financial literacy to the customers through associate entities

  » Track social performance and poverty progress on a continuous basis

Client Protection Principles, Responsible Financing & Social Values continue to reflect in company's positioning in the industry with relevant products and processes

Effective use of CSR funds

GrameenKoota financial services

Conducts various activities spread across states of Karnataka, Maharashtra, Tamil Nadu and Madhya Pradesh which complement its regular microfinance operations by contributing to improving living conditions of the customer/s.

WASH (Water Sanitation, Hygiene)	Events Conducted	Beneficiaries
	7,299	243,410

Encourage hygienic practices by building awareness about the impact of unsanitary practices on health and wellbeing. The program is conducted at Village, Taluk and District levels with different activities campaign, trainings, orientation etc.

SUSHIKSHANA	Events Conducted	Beneficiaries
	325	19,085

Education program, with the objective of educating school children on non-curricular topics such as water, sanitation, hygiene, financial literacy and career guidance for 8th, 9th and 10th Standard Government/Aided school students.

Open Defecation Free % in GPs

SUGRAMA	Hosa Vantamuri	Urdigere
	82%	97%

Achieve 100% sanitation coverage in its target areas and to conduct and be part of various community development activities - Two GPs (Hosa Vanatamuri – Belgaum and Urdigere –Tumkur a total of 26 Villages) have been adopted to make the villages Open Defecation Free

Thank You

For any investor related queries , please mail to email id csinvestors@grameenkoota.org