

QUARTERLY NEWSLETTER

JULY-SEPTEMBER 2020

Message from the Managing Director & CEO

In the second Quarterly Newsletter of the financial year 2020-21, I am delighted to welcome our new additional and independent board member, Jessie Paul, to our CreditAccess Grameen family. She is the founder of Paul Writer, a marketing SE advisory firm. We sincerely hope that her expertise will help the company achieve greater heights.

It is my utmost pleasure to share that CreditAccess Grameen Ltd has achieved yet another milestone by raising INR 800 crores by successfully completing the Qualified Institutional Placement process. The QIP process has proved to be very helpful for the company in terms of broadening its institutional investor base. Over 60% of the QIP issue has been placed with new investors across the globe while the remaining 40% is with the existing investors which contribute towards reinforcing their confidence in the company.

Furthermore, all of you are aware of the merger between CreditAccess Grameen and Madura Microfinance. We have now started our integration journey, which is named Project Aikya-together towards a brighter future. To make the integration process successful, we have partnered with PricewaterhouseCoopers (PwC). I hope that this integration will strengthen our organization and move a step closer towards our Vision 2025.

In the midst of fighting with the COVID-19 pandemic and embracing the 'new-normal', we at CreditAccess Grameen have started to operate from our offices. However, we are taking extra care of the hygiene, sanitization, and social distancing in the process to ensure the absolute safety of our employees. Despite challenges posed by the pandemic situations, we are happy to announce that we have achieved improvement in collections for the 4th month in a row now and have commenced disbursements to support our customers' needs. This is a testimony of the strong relationship between our branch teams and customers.

Once again, I would like to appreciate and encourage the hard work and determination of our employees and customers. With their constant trust, we have achieved great heights and will continue to rise higher. At last, I would like to urge you all to keep taking all the necessary precautions and stay safe because the fight against the COVID-19 pandemic is still not over.

- Udaya Kumar Hebbar

CreditAccess Grameen Limited raised Rs. 800 crores through QIP process

CreditAccess Grameen Ltd has successfully completed the Qualified Institutional Placement (QIP) process and raised Rs. 800 crores. The QIP issue opened on 5 October 2020 and closed on 8 October 2020.

MD and CEO Mr. Udaya Kumar, stated that "The QIP has helped the company to broaden its institutional investor base with over 60% of the QIP issue placed with new investors across the globe while remaining 40% are with the existing investors reinforcing their confidence in the company." According to him, the issue proceeds will be used to facilitate the company's growth over the coming years.

Integration of CreditAccess Grameen Limited and Madura Microfinance Limited

After the acquisition of Madura Microfinance Limited (MMFL) by CreditAccess Grameen Limited (CA Grameen) the company's strength has grown manifolds. The Company started the integration journey of the two companies in June 2020 and the integration process is led by PricewaterhouseCoopers (PwC). The Company named this integration journey as Project Aikya- together towards a brighter future. This has proved to be a very big step forward for CA Grameen's vision of becoming the preferred business partner for approximately 10 million low-income households that are lacking the access to credit, by the year 2025. Both CAGL & MMFL complement each other and we envisage the identified synergies to help us in our growth plans.

Appointment of Jessie Paul as a new board member



Jessie Paul has joined the CreditAccess Grameen Limited family as an additional and independent board member. She has 25 years of experience in marketing. She worked as the Chief Marketing Officer for Wipro Technologies and has also worked with Tata Elxsi and Ogilvy Advertising. In 2010, she founded Paul Writer, a marketing SE advisory firm, that works with global and Indian clients to maximize marketing impact through a combination of consulting, content, and community management. She is also a board member of Expleo Solutions, Royal Orchid Hotels and Bajaj Consumer Care.

Brief synopsis of our Financial Results for the Second Quarter FY 2020-21

(INR Crore)

Particulars	Q2 FY 21	Q2 FY 20	Shift%
Total Income	471.4	393.1	19.9% ↑
Net Interest Income	272.8	257.6	8.5% ↑
Profit Before Tax	104.8	127.0	-17.5% ↓
Profit After Tax	78.2	100.9	-22.5% ↓
Cost to Income	39.2%	39.8%	

Growth and Expansion

Particulars	Q2 FY 21	Q2 FY 20	Growth%
Gross AUM	9,207	7,905	16.5% ↑
No. of Borrowers (in Lakhs)	28.02	26.40	6.1% ↑
Number of Branches	929	887	4.7% ↑
Number of Employees	10,698	9,817	9.0% ↑

CreditAccess Grameen wins the Silver Stevie® Award 2020

CreditAccess Grameen Limited was named the winner of a "Silver Stevie® Award" for "Excellence in Innovation in Financial Industries - More than 100 Employees category" in the seventh annual Asia-Pacific Stevie Awards. The Stevie Awards are widely considered to be the world's premier business awards, conferring recognition for achievement in programs such as The International Business Awards® for 18 years.

Gold, Silver and Bronze Stevie Award winners were determined by the average scores of more than 100 executives around the world acting as judges in May and June. More than 1,000 nominations from organizations across the Asia-Pacific region were considered this year. Nicknamed the Stevies for the Greek word for "crowned," the award was presented during a virtual (online) awards ceremony on Tuesday, 22 September. We thank our valued technology solution partner @Software Group for helping us innovate through technology.

CA Grameen's COVID-19 Relief Measures

CA Grameen salutes the commitment, dedication, and bravery of doctors, nurses, paramedics, health workers, local administration, police personnel, and everyone else who are fighting at the frontline in this unprecedented crisis. In order to join hands with the with the corona warriors in fight against the COVID-19 pandemic, the company has pledged INR 5 crores under its CSR for COVID-19 Relief Program. Under this program, the company has undertaken several supports and relief initiatives and will continue to actively contribute towards the cause.

As on September 30th, 2020 (Cumulative)

Activities	No. of Kits	No. of Beneficiaries
Health Kits <ul style="list-style-type: none">Distributed to Govt. Hospitals & Govt. OfficesEach health kit consists of 50 masks & 50 sanitizers	9,426	3,66,946
Grocery Kits <ul style="list-style-type: none">Distributed to Municipal WorkersEach Grocery kit includes essential items such as rice, pulses, edible oil, flour, spices etc.	8,919	8,919
PPE Kits & Quarantine Centre Items <ul style="list-style-type: none">Distributed to Govt. Hospitals, Quarantine CentersEach PPE kit consists of N95 mask, sanitizers, hand gloves, shoe rappers, spectacles, gowns etc.	195	615
Thermal Scanners and other items	350	52,294
	18,890	4,28,774

Impact Story

Shashikala's journey of financial independence

Shashikala, 35 years, a resident of Kanakapura district in Karnataka has been a CreditAccess customer for four years now. A few years ago, her husband faced a huge loss in his business that brought unseen troubles for the household. Due to the loss, she was unable to support her family of 5 and could not afford to pay the school fees of her 3 children.

To overcome the financial problems, her husband's friend suggested her to open a provision store. It was then Shashikala became a microfinance customer. Aided by CreditAccess Grameen, Shashikala took her first collateral-free, easy to access income generation loan of INR 35000/- to successfully set up her provision store and overcome the financial problems. She could now purchase products on a wholesale price from her husband's friend and sell them in her retail store. Since then Shashikala has successfully taken several other loans to expand her business as well as education loans to pay the fee of her children on time. With the support of her family and timely loans from CreditAccess Grameen Limited, she is now a proud independent owner of her store.

"CreditAccess Grameen came as a savior in my life. It helped me and my family when we needed it the most. With hassle-free and timely loans from CreditAccess at affordable rates and small EWI's, I can now run my store in an efficient manner," says Shashikala.

Owning her own business has given tremendous confidence to Shashikala, she is now a well-respected member of her family as well as her community. She has proved to be an inspiration to many women in her area who wish to do something of their own. With her entrepreneurial skills and help of CreditAccess Grameen, Shashikala hopes to expand her business in future to further help her family.



Our Financial Products



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