ANNUAL REPORT FY2017/2018

For the year ended 31 March 2018

CreditAccess Asia

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General information

Mission

CreditAccess Asia N.V. (the `Company´ or CAA) and its subsidiaries (jointly referred to as the `Group´) aims to establish as the market leading financial partner of micro and small (“MSE”) businesses and underbanked workers in India and South-East Asia; providing - at fair conditions - simple, innovative and customized financial services matching their evolving needs.

Core activities

Products & Services - CAA offers simple and transparent loan products;
- Micro-lending products (based on the group-lending methodology) to informal businesses, with a typical loan size of between € 100 and € 500
- Retail-lending products (based on the individual-lending methodology) to small businesses, with a typical loan size of between € 500 and € 2,000

Besides credit services, CAA also distributes other financial services such as health insurances, life insurances and pension services.

Geographical areas - CAA head office is located in the Netherlands and a regional head office is located in Bangkok. The Operating Companies (`OpCos´) are located in India, Indonesia, Philippines and Vietnam. CAA commenced operations in India in 2008 and then expanded operations in South-East Asia. The four Operating Companies are:
- CreditAccess Grameen Pvt Ltd in India (“CA-Grameen”)
- PT Bina Artha Ventura in Indonesia (“CA-Indonesia”)
- CreditAccess Philippines Financing Company Inc. (trading name `OnePuhunan´) in the Philippines (“CA-Philippines”)
- CreditAccess Vietnam ("CA-Vietnam") started operations in 2016 and is currently in pilot phase.

Customers - The Group’s core customers are low-income self-employed individuals, usually managing a small trade business or operating in agriculture-related activities, earning between € 2 and € 10 a day. In addition, the Group serves a higher customer segment, composed of small businesses, usually generating income between € 10 and € 100 per day.

Business Strategy

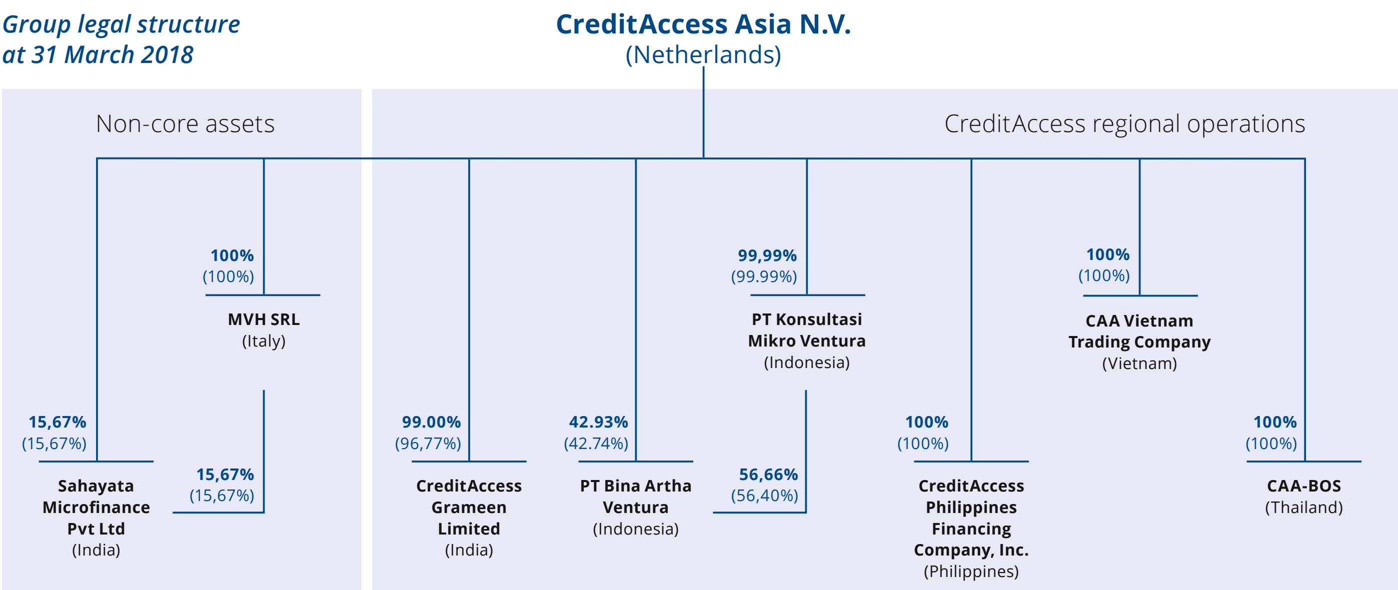
The Group envisions achieving the following medium term strategic and financial goals by FY 2020:

- 6 million customers
- € 2.5 billion loan portfolio
- 20% return on average equity
- Gain a public listed positioning on one or more major stock exchanges.

CreditAccess Asia N.V.

During financial year 2018 there was no significant change in the legal structure of the Group. In august 2018 CreditAccess Grameen Ltd (India) performed the Initial Public Offering as a result of which the controlling stake of CreditAccess Asis NV in CreditAccess Grameen reduced to 80.3% post IPO.

Group legal structure at 31 March 2018



Percentage without brackets indicates non diluted ownership, percentage in brackets indicate fully diluted ownership.

Course of events during the financial year

CreditAccess is approaching 10 years in business and the accomplishment of the first “life-cycle” of the initiative: not only in term of size (from 0 to 10,000 employees and 2.6 million clients) but furthermore in terms of maturity and public recognition. Today it is an emerging multinational financial group, well respected within the global microfinance and MSE lending industry, gaining visibility and appreciation in capital markets too.

Highlights
CreditAccess has demonstrated a consistent growth and profitability trajectory in past years, while sailing through extraordinary external shocks like the demonetization in India or the civil unrest in south-west Philippines. The proven resilience of he core business combined with the unique ability to leverage a still untapped “financial inclusion” market opportunity, has paved the way to gaining positive recognition in the public capital markets.
During the financial year 2018, the Group CreditAccess launched the second IPO. After the successful listing of Equitas Holdings in May 2016, CreditAccess launched the public listing of its flagship subsidiary CreditAccess Grameen in India. The objective of such a strategic move, beyond the opportunity to raise fresh capital to support the growth of our business in India, is to gain exposure and start discovering the value of our venture to the public equity capital markets. The IPO was successfully completed in August 2018, for a size of € 141 million which was welcomed by the capital maket with an oversubscription of 2.2 times from investors all over the world (23 anchor investors from the US, Asia and the UK and overall around 150,000 investors). The market capitalization of CreditAccess Grameen at listing was € 766 milion and CreditAccess Asia NV maintains post listing a controlling stake of 80.3%.

In the mean-time the businesses in Indonesia and Philippines have been growing and becoming more sustainable and we expect to reach full profitability within the next 24 months.

In Vietnam we have been successfully piloting an innovative credit model, however we did not manage to get a definitive license from the Ministry of Finance to scale-up operations. For this reason we are currently scaling down operations and we will continue exploring alternative legal and business models, to create an enabling environment for the development of a sustainable business in Vietnam.

Future outlook
CreditAccess came out of the demonetization stronger and well recognized as top performer in the Indian market on account of sound operations and processes and of the unparalleled resilience of its clients. The subsidiaries are well capitalized and geared up for leveraging the still untapped, unbanked market opportunity. We expect that financial year 2019 will be very satisfactory, with high growth in all market where we are established and a strong come back on performance in India, while Indonsia positive profitability is gaining steam and Philippines should reach break even. Expansion means not only increase the portfolio book size but it signifies also opening new branches, new districts, new states which add up in terms of geographical diversification. Furthermore, we hope that the new verticals introduced for the individual lending products will delivere good results in terms of expansion, portfolio quality and customer retention and will soon become a relevant part of the core business of the CreditAccess Group.

Consolidated key financial information

	For the year ended 31 March 2018 EURO	For the year ended 31 March 2017 EURO	For the year ended 31 March 2016 EURO
Cash and Cash Equivalents	34,426,354	71,280,913	54,674,996
Loan portfolio outstanding - net	651,877,500	469,559,492	356,565,791
Total assets	**726,092,586**	**629,261,703**	**507,295,124**
Borrowing	516,833,847	409,384,130	376,030,317
Total liabilities	**532,290,565**	**423,401,043**	**425,617,841**
Total capital and reserves	**193,802,021**	**205,860,660**	**81,677,283**
Interest income and fees	138,134,827	114,946,109	74,263,452
Interest expenses and fees	- 51,545,576	-53,529,611	- 37,345,581
Net interest income and fees	**86,589,251**	**61,416,498**	**36,917,871**
Loan loss provision & write-off	- 23,705,809	- 15,178,393	- 1,042,283
Total operating expenses	- 52,872,346	- 41,530,902	- 31,286,490
Value adjustments & gain from Equitas Holding Ltd.	23,618,504	4,170,136	- 2,780,811
Net Income after taxation	**29,236,783**	**574,535**	**- 2,919,280**

The financial year 2018 has demonstrated the strengths of the business model of CreditAccess Asia across the different countries.
At March 2018 India represents 92% of the group operations measured by Gross Loan Portfolio to customers, Indonesia 5% and Philippines 3%.

CreditAccess Grameen India has clearly moved forward from demonetization, the operations went back to normal and all operational and financial indicators have shown remarkable improvements: cost to income ratio decreased from 41.5% to 38.3%, operating expense ratio from 5.4% to 5.1%, return on equity improved from 12.3% to 13% and return on asset from 2.3% to 2.9%, while capitalization remained strong at around 29%. The portfolio grew 62% YoY and the company expanded in 36 more districts while the recovery rate improved from the deep of demonetization 89.3% to 98.3%.
The company keeps putting a lot of effort recovering the portfolio affected by demonetization, however it follows a stringent provisioning and write off policy which resulted in € 22.7 million of credit cost for FY2017/2018.
The new portfolio originate after the demonetization (i.e. from Feb 2017) has performed in line with the historical trends in terms of quality with PAR30 lower than 1%.

Indonesia posted a small profit for the year, while expanding the business across Java and landing on the next big island of Indonesia, Sulawesi, while our nascent operations in Philippines, which are still in investment phase, kept expanding the distribution infrastructure and are gaining economies of scale.

CAA N.V. successfully managed the sale of the remaining equity stake in Equitas Holding. The investment has been financially rewarding (capital gain of approximately € 47 million or annualised IRR of 27%), but it has also been an unparalleled learning experience to accompany Equitas in its journey from few months after incorporation, to maturity, diversification from pure microfinance to secured lending, obtaining a banking license and finally the IPO.
Furthermore, the Netherlands secured € 17.2 million of additional equity investments, mainly from Olympus Capital, and started to attract debt loans on its balance sheets to ensure further financing to the subsidiaries.

At consolidated level the Group achieved the following results:

- Group consolidated net interest and fee income rose 41% to approximately € 86.6 million
- Group consolidated operating results increased by 116% to € 11.9 million
- Group net results, after the impact from value-adjustments and taxation, came in at € 29.2 million positive (FY2016/2017 € 0.6 million positive)

Total comprehensive income, which include reversal of gains from disposal of Equitas Holdings and the unrealized foreign exchange loss arising on translation of foreign subsidiaries, came in at € 31 million negative (FY2016/2017: € 17 million positive).

State of affairs as at balance sheet

Balance sheet position

The consolidated Group balance sheet total, as at the end of financial year 2018, was € 726 million, an increase of € 97 million compared with FY2016/2017.
The key assets are the loan portfolio to customers, which increased with € 182 million (39%) to € 652 million.

Quality of Portfolio

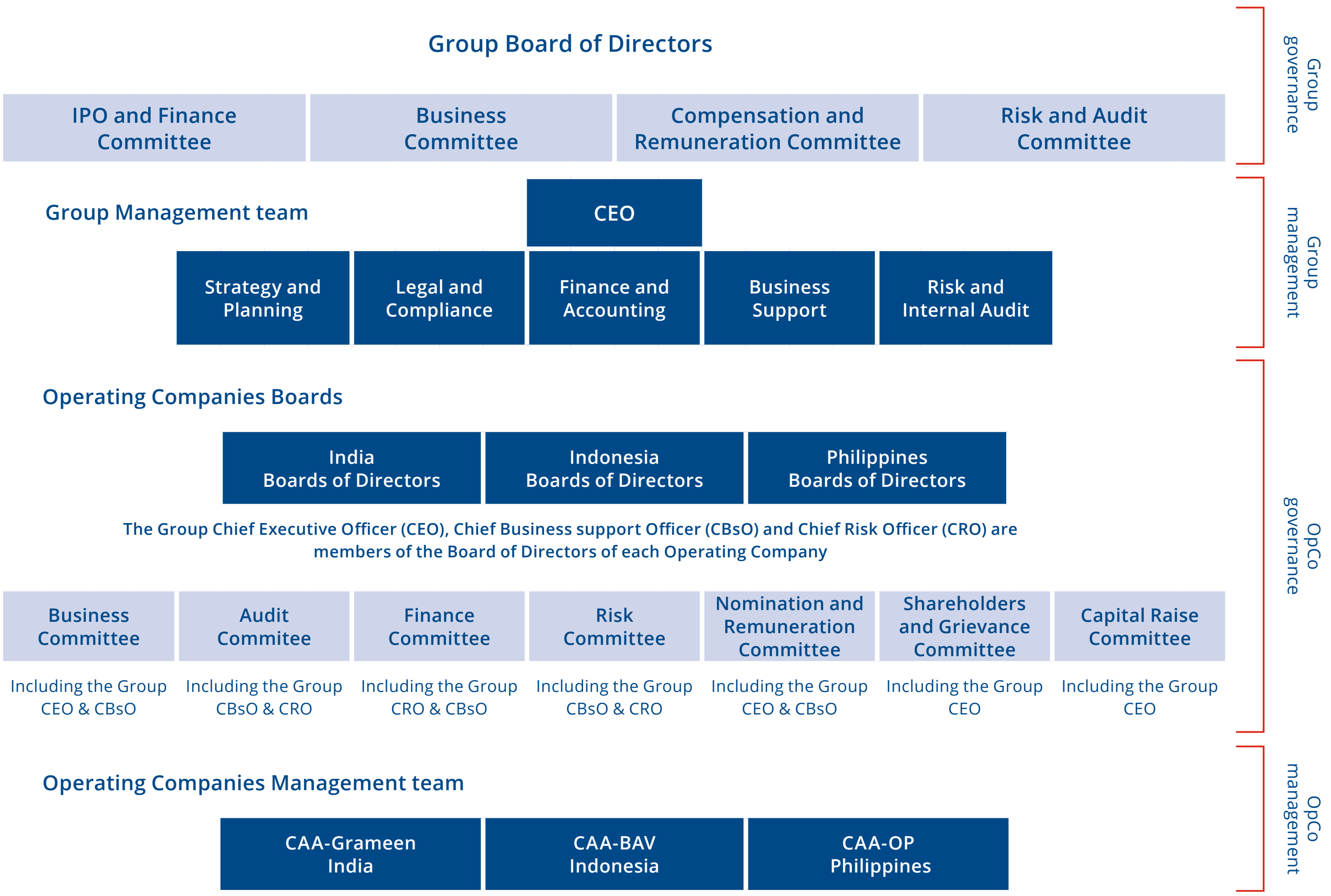
The quality of portfolio has largely improved from the peak after demonetization in India and is now at a very good level. In fact the initially severe deterioration of portfolio due to demonetization in India has gradually and steadily been recovered or written off. The portfolio disbursement post demonetization has witnessed quality performance that is comparable to pre demonetization levels and we believe the quality of operations of our subsidiaries together with the improving market context will show further improving trends in the quality of portfolio going forward. Quantitative figures about portfolio quality, including overdue amounts per bucket and per country is given in note 5.2 to the accounts. The consolidated gross loans to customers overdue at 31 March 2018 was equal to 1.54% of the total portfolio. However, impairment provision sufficiently covers the full consolidated gross loan portfolio.

Interest-bearing debt

The Group strategic priority is to ensure the business expansion and a proper asset-liability management.
Group net interest-bearing debt amounted to € 517 million at 31 March 2018, a net increase with 26% compared with FY2016/2017.
Currently, the Group's borrowing needs are financed by 60+ lenders, mainly consisting of local and international banks, international MIVs (Microfinance Investment Vehicles) and DFIs (Development Finance Institutions). The Group keeps expanding the lenders' base, while increasing the weight of the international lenders. The group targets funding in the operating currency, with the only exception of CreditAccess Asia NV which can source funding in other currency because it has the internal capability to hedge the currency risk. In the medium term, the Company is aiming for further diversification of its funding sources, to maintain a healthy asset-liability management and finally to minimize the cost of funding. The cost of borrowing has shown an improving trend in FY2017/2018 and we are of the opinion this will continue on account of the ameliorating performance of the business and of the higher recognition of the group by the debt and equity capital markets.

Organisation and Governance structure

The Group has a dual level governance structure, the first level is at the Company level and second level is at each Operating Company level. Each level has its own board and committees to steer, supervise, control and monitor the business. The management team of the Group connects the two levels of governance to provide effective control and management.



Note: Not all committees are present in our smaller OpCos. These are gradually being introduced.

Significant risks and uncertainties

The Group's risks and mitigation:

Risk profile and appetite

The risk appetite articulates the type and quantum of risk that the Group is able and willing to accept in pursuit of its strategy. The risk appetite is subsequently translated into the different risk metrics which define the tolerance for the individual risk types. The Board determines what risks the Group may assume, the appetite levels for these risks and the principles for calculating and measuring such risks. The Group's risk profile consists of financial risks and non-financial risks that are further categorized into concentration risk, reputational risk, compliance risk, operational risk, counterparty credit risk, market risk and liquidity risk.

The Group has in place a structured risk governance, ensuring an effective level of alignment between oversight and management responsibility for risk. The risk based roles and responsibilities in the Operating Companies are organized in adherence to the 'three lines of defense' principle to ensure appropriate levels of segregation. There are two levels of risk governance, first at the Group level and second at the operating company level.
Group level risk governance includes Group Board of Directors and Group Risk and Audit Committee, meeting on quarterly basis and providing risk and control oversight in addition to business oversight.
At Operating Company level in addition to Board of Director's oversight, there are various functional committees including Board Risk Committee, Asset Liability Committee and Board Audit Committee that meet, on a regular basis, to evaluate, monitor and mitigate the risks.

- Group governance risk - The dual level governance system gives local management the ability to manage and control risk, through their local governance structure, and report major issues up to the Group board and committees.
- Monitoring risk - Risk methodology based on monitoring Key Risk Indicators (KRI) within each category. KRIs are regularly updated to keep pace with organisational changes and process improvements. They are subsequently reported to the relevant board and committees on a quarterly basis.
- Reporting risk - Compliant and transparent reporting systems provide timely, accurate and informative reports.

A summary of how the Group mitigate these risks have been provided below:

Key Risks

Non-Financial risks

The non-financial risks to which the Group is exposed to are:

- Portfolio concentration risk – mitigated by the diversity of the markets in which the Group operates (both geographically, such as different countries and different states within each country, and in terms of customers).
- Political and reputational risk - managed at each company level by adopting strategies of low cost, low pricing, transparency, social focus, client protection, grievance redressal mechanism and by adopting customer centric approach.
- Regulatory or compliance risk – mitigated by adherence to regulatory guidelines in letter and spirit.
- Operational risk - managed at each operating company level through its risk governance structures and framework by regularly evaluating, monitoring, mitigating and reporting the key risk indicators for human resources, information technology, internal processes & systems, quality assurance and external events. In order to mitigate operational risk from human resources the Group adopted measures to strengthen local brands, company culture, training programs, proactive and responsible management style and to attract and retain the skilled workforce.

Financial risks

The financial risks to which the Group is exposed to are:

- Credit risk - mitigated through our group lending methodologies for selection of customers, individual credit scoring and external factors such as geography, type of business, expansion of exposure to vintage customers, short tenure and quick turnaround of cash flow.
- Liquidity risk - mitigated through diversification of lending sources across sectors (e.g. from mission driven funds to commercial mutual funds), different debt instruments and tenures, and across geographies. This limits concentration risk against any specific sector, maintaining a healthy capitalization of the businesses and structure of the asset and liabilities (assets with relatively shorter maturity compared to external borrowings).
- Interest rate risk – mitigated through relatively short loan tenure therefore they can be recycled quickly. Additionally, the growth phase of the business and a dynamic pricing policy lets us maintain a healthy net interest margin.

Major risk that impacted current year's performance was a consequence of demonetization resulting into higher than usual impairment and write-offs in CreditAccess Grameen.

Management statements

The financial statements and the annual report have been prepared in accordance with the applicable laws of the Netherlands and the International Financial Reporting Standards (IFRS) which have been adopted by the European Union.

The financial statements offer a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and its consolidated companies.

The Director´s report offers a true and fair view of the position at the balance sheet date, the course of business during the financial year of the Company and its group companies included in the annual financial statements and describes the principal risks to which the Company is exposed.

Corporate social responsibility

The Group is compliant with local laws and regulations. In addition, group wide policies have been implemented over and above the local requirements.

The Company aims for the highest level of transparency, integrity, fairness and professionalism in all its operations.

The Group strives to:
- Execute social leadership programmes for top management and all operational leaders;
- Continue with social and environmental programmes and exchanging best practices across the Operating Companies, and
- Increase transparency of HR and social performance data.

The Group uses internationally recognised customer protection principles. These principles guide all employees in conducting the core business of providing responsible financial services to the Company's customers. In addition to adding value by offering access to financial services, the Group also provides additional benefits to its customers and their families through specific socially responsible initiatives that are undertaken directly by the Operating Companies. The overall aim is to help customers to improve their standard of living.

Financial and non-financial performance indicators regarding environment and personnel

Expansion of our operating companies on an annual basis is on the rise:
- 28% increase in new branches. Current total is 945
- 25% increase in full time equivalent personnel. Current total is 9,747
- 29% increase in customers. Current total is 2,343,885
- 39% increase in overall financing to customers. Current total is € 652 million

Board of Directors
The Company is managed by a one-tier board which reports to the General Meeting of Shareholders. Only the CEO is an Executive Director, while all other Board members are Non-Executive Directors The composition of the board has changed this financial year and now comprises of the following:

Board members	Date of appointment	Date of resignation
Mr. K.J.M. Slobbe (Chairman)	12-06-2014	
Mr. P. Brichetti (CEO)	12-06-2014	
Mr. G. Siccardo	11-10-2014	
Mr. F.G.M. Moccagatta	11-10-2014	
Mr. D.R. Mintz	24-12-2015	
Mr. F. Carini	24-03-2017	
Mr. J.L. Epstein	24-03-2017	
Ms. C.A. Engstrom	24-03-2017	14-12-2017
Ms. E.C.M. Boerhof	14-12-2017	

*Only the CEO is an Executive Director. All other members are non-Executive Directors.

The Company aims to have a gender balance by having at least 30% men and at least 30% women amongst its Board members. However, due to the fact that the Company needs to balance several relevant selection criteria when composing its Board (including, but not limited to, gender balance, executive experience, experience in the financial services and general industry), the composition of the Board - one female and seven male Board members - did not meet the gender balance objective in financial year 2017. We will continue our mission to eventually have more gender balance among our board members, by continued effort in having female potential candidates apply in case of a board vacancy.

Compensation of Directors
All members of the board of CreditAccess Asia NV are remunerated based on the compensation policy as adopted by the General Meeting of Shareholders held on 10 October 2017. The compensation is based on a fixed base fee per board and committee position and the actual amounts are disclosed in note 33 of the FS. There are no loans outstanding, paired or waived and no advance payments and guarantees granted to any of the (former) members of the Board in FY2017/2018. The compensation of CreditAccess Grameen (India) is based on a system of sitting fees on a "per meeting day" basis.

Future outlook

The Company will go on pursuing its vision to establish as regional leading provider of financial services to micro and small businesses ("MSE"), expanding the current distribution network in India, Indonesia and the Philippines and consolidating the leading market position in each country by increasing its loan portfolio and customer base organically and possibly through acquisitions of high quality competitors, while at the same time focusing relentlessly on optimizing operational processes, designing innovative products answering our client's demands; leveraging cross synergies and implementing technological solutions to stay ahead of competition.
Beside the growth of the core business, CreditAccess will go on exploring the opportunity to expand in Vietnam and to design new business models aimed at serving the evolving financial needs of the lower-middle class in the countries where the company is operating.
Furthermore, through the public listing of CreditAccess Grameen, the Company will initiate a medium term strategic journey aimed at establishing a strong positioning in the global capital markets.

Board of Directors:

Executive Board:
P. Brichetti (Chief Executive Officer of the Company)
Non-executive Board:
K.J.M. Slobbe (Chairman of the Company)
F. Carini
J. Epstein
D.R. Mintz
F.G.M. Moccagatta
G. Siccardo
E.C.M. Boerhof (from 14 December 2017)

The financial statements were approved and authorised for issue on behalf of the Board of Directors on 13 September 2018 and were signed on its behalf by:

Paolo Brichetti (CEO)
Amsterdam, 13 September 2018

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For the year ended 31 March 2018

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Consolidated statement of profit or loss and other comprehensive income/(loss)

Statement of profit or loss	Note	2017/2018 EURO	2016/2017 EURO
Interest income and fees	6	138,134,827	114,946,109
Interest expenses and fees	7	-51,545,576	-53,529,611
Net interest income and fees		**86,589,251**	**61,416,498**
Other income	8	1,864,088	793,111
Total income		**88,453,339**	**62,209,609**
Impairment allowance and write-off	9	-23,705,809	-15,178,393
Gross result		**64,747,530**	**47,031,216**
Personnel expenses	10	32,465,804	25,705,450
Depreciation and amortisation	11	2,696,210	2,433,656
Other operating expenses	11	17,710,332	13,391,796
Operating expenses		**52,872,346**	**41,530,902**
Operating result before value adjustments		**11,875,184**	**5,500,314**
Results from foreign currency denominated transactions		-176,405	-1,247,438
Results from financial instruments	12	-	-7,835,751
Realised gains from disposal of Available-for-sale investments	19	23,794,909	13,253,325
Value adjustments		**23,618,504**	**4,170,136**
Result before taxation		**35,493,688**	**9,670,450**
Taxation on result	13	-6,256,905	-9,095,915
Net result for the period		**29,236,783**	**574,535**

Statement of other comprehensive income/(loss)	Note	2017/2018 EURO	2016/2017 EURO
Items that will or may be reclassified to profit or loss:	29		
Change in fair value available-for-sale investments		-	17,300,861
Cumulative gains/(losses) from disposal of Available-for-sale investments		-32,066,553	-13,948,305
Foreign exchange gains/(losses) arising on translation of foreign operations		-27,706,402	10,178,753
Cash-fow hedge reserve - Effective portion of changes in fair-value		15,506	-
Income tax relating to components of other comprehensive income		-	3,556,536
		-59,757,449	**17,087,845**
Other comprehensive income/(loss) for the year, net of tax		-59,757,449	17,087,845
Total comprehensive income/(loss) for the year		**-30,520,666**	**17,662,380**
Net result for the year attributable to:			
Owners of the parent		29,119,329	516,784
Non-controlling interest		117,454	57,751
		29,236,783	**574,535**
Total comprehensive income/(loss) for the year attributable to:			
Owners of the parent		-30,638,120	17,604,629
Non-controlling interest		117,454	57,751
		-30,520,666	**17,662,380**

Consolidated statement of financial position

	Note	31 March 2018 EURO	31 March 2017 EURO
Assets			
Non-current assets			
Intangible fixed assets	14	17,452,408	21,555,890
Tangible fixed assets	15	3,468,261	3,125,939
Available-for-sale investments	19	-	42,917,761
Financial assets at fair value through profit or loss		24,908	491,102
Loans and advances to customers - net	18	190,135,349	128,069,485
Deferred tax assets	26	7,272,125	7,651,418
Long-term receivables	21	1,621,067	2,514,975
		219,974,118	**206,326,570**
Current assets			
Trade receivables	22	18,540	-
Loans and advances to customers - net	18	461,742,151	341,490,007
Derivative financial instruments	20	167,007	-
Other receivables	22	9,764,416	10,164,213
Cash and cash equivalents	35	34,426,354	71,280,913
		506,118,468	**422,935,133**
Total assets		**726,092,586**	**629,261,703**
Liabilities			
Non-current liabilities			
Finance debt	24	242,793,895	147,820,965
Trade and other payables	23	41,154	-
Deferred tax liabilities	26	329,968	743,882
Post employment benefit obligations	31	559,994	479,477
		243,725,011	**149,044,324**
Current liabilities			
Finance debt	24	274,039,952	261,563,165
Derivative financial instruments	20	37,554	-
Trade and other payables	23	13,388,567	10,489,214
Tax and social security	23	1,099,481	2,304,340
		288,565,554	**274,356,719**
Total liabilities		**532,290,565**	**423,401,043**
Assets minus liabilities		**193,802,021**	**205,860,660**

	Note	31 March 2018 EURO	31 March 2017 EURO
Capital and reserves attributable to owners of the Company			
Share capital	27	41,942,188	39,639,182
Share premium	28	138,536,809	123,639,815
Treasury shares	28	-321,452	-321,452
Revaluation reserve	28	-	31,700,924
Translation reserve	28	-18,847,035	8,848,479
Merger reserve	28	798,915	798,915
Cash flow hedge reserve	28	15,506	-
Other reserves	28	10,130,465	10,349,970
Retained earnings / (Accumulated losses)	28	19,588,068	-9,531,261
		191,843,464	**205,124,572**
Non-controlling interest	17	**1,958,557**	**736,088**
Total equity		**193,802,021**	**205,860,660**
Total equity and liabilities		**726,092,586**	**629,261,703**

Consolidated statement of cash flows

	Note	2017/2018 EURO	2016/2017 EURO
Cash flows from operating activities			
Result before taxation		35,493,688	9,670,450
Adjustments for:			
Loan loss allowance	9	23,705,809	15,178,393
Depreciation of tangible fixed assets	15	1,236,797	1,132,753
Impairment of property, plant and equipment	15	-	-
Amortisation of intangible assets	14	1,459,413	1,291,847
Impairment of intangible assets	14	-	-
Goodwill impairment charge	16	-	-
(Profit)/loss on disposal of tangible fixed assets		22,901	9,056
Stock options		634,318	154,099
Employee benefit obligations		355,402	324,088
Finance expenses		1,931,510	7,236,294
Unrealised foreign exchange (gain)/loss		181,626	1,425,504
Results from financial instruments		-	7,835,751
Working capital movements:			
Trade and other receivables	22	1,155,675	-1,147,512
Trade and other payables	23	3,240,389	-18,523,625
Others		-47,440	532,331
Bond interest paid		-1,820,000	-2,600,000
Income taxes paid		-8,958,268	-13,579,121
Loans granted		-917,278,714	-525,747,492
Loan repayments received		630,544,769	431,625,659
Net cash flows used in operating activities		**-228,142,125**	**-85,181,525**
Investing activities			
Purchases of tangibles and intangibles		-2,578,910	-2,466,528
Proceeds from sale of tangibles and intangibles		40,008	5,963
Net proceeds from sale of available-for-sale investments		10,854,560	16,703,012
Net proceeds / (placements) of margin money deposits and other liquid investments		1,068,315	3,513,478
Net cash from/(used in) investing activities		**9,383,973**	**17,755,925**

	Note	2017/2018 EURO	2016/2017 EURO
Financing activities			
Proceeds from issuance of ordinary shares		17,200,000	47,800,000
Proceeds from borrowings		383,523,133	250,854,788
Acquisitions of subsidiaries, net of cash acquired		-25,880,936	-9,599,574
Purchase of shares from non-controlling interest holders		-	-22,026,225
Repayments of borrowings		-186,647,789	-186,996,551
Net cash from financing activities		**188,194,408**	**80,032,438**
Net increase/(decrease) in cash and cash equivalents		**-30,563,744**	**12,606,838**
Cash and cash equivalents at the start of the financial year		**71,280,913**	**54,674,996**
Cash and cash equivalents acquired from business combinations, other than merged entities		**-**	**-**
Net exchange (losses)/gains on cash and cash equivalents		-6,290,915	3,999,079
Cash and cash equivalents at end of period	35	**34,426,354**	**71,280,913**

Consolidated statement of changes in equity

	Share capital	Share premium	Treasury shares	Revaluation reserve/ Available-for-sale reserve	Translation reserve	Merger reserve	Cash flow hedge reserve	Other reserves	Retained earnings	Total equity attributable to owners of the company	Non-controlling interest	Total equity
	EURO	EURO	EURO	EURO	EURO	EURO	EURO	EURO	EURO	EURO	EURO	EURO
31 March 2017	**39,639,182**	**123,639,815**	**-321,452**	**31,700,924**	**8,848,479**	**798,915**	**-**	**10,349,970**	**-9,531,261**	**205,124,572**	**736,088**	**205,860,660**
Capital increases/decreases (note 27)	2,303,006	14,896,994	-	-	-	-	-		-	17,200,000	-	17,200,000
Conversions of convertible bonds	-	-	-	-	-	-	-	-	-	-,	-	-
Transaction costs incurred	-	-	-	-	-	-		-	-	-	-	-
Total contributions by owners	**2,303,006**	**14,896,994**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**17,200,000**	**-**	**17,200,000**
Comprehensive incom/(loss) for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net result for the year	-	-	-	-	-	-	-	-	29,119,329	29,119,329	117,454	29,236,783
Other comprehensive Income/ (loss) for the year (note 28/29)	-	-	-	-31,700,924	-27,695,514	-	-	-362,277	-	-59,758,715	-	-59,758,715
Total comprehensive income for the year	**-**	**-**	**-**	**-31,700,924**	**-27,695,514**	**-**	**-**	**-362,277-**	**29,119,329**	**-30,639,386**	**117,454**	**-30,521,932**
Other movements												
Share-based payments	-	-	-	-	-	-	-	142,772	-	142,772	-	142,772
Net change in cash-flow hedge reserve	-	-	-	-	-	-	15,506	-	-	15,506	-	15,506
Total other movements	**-**	**-**	**-**	**-**	**-**	**-**	**15,506**	**142,772**	**-**	**158,278**	**-**	**158,278**
Movements in non-controlling interest (note 17)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,105,015**	**1,105,015**
31 March 2018	**41,942,188**	**138,536,809**	**-321,452**		**--18,847,035**	**798,915**	**15,506**	**10,130,465**	**19,588,068**	**191,843,464**	**1,958,557**	**193,802,021**

	Share capital	Share premium	Treasury shares	Revaluation reserve/ Available-for-sale reserve	Translation reserve	Merger reserve	Cash flow hedge reserve	Other reserves	Retained earnings	Total equity attributable to owners of the company	Non-controlling interest	Total equity
	EURO	EURO	EURO	EURO	EURO	EURO	EURO	EURO	EURO	EURO	EURO	EURO
31 March 2016	**25,070,801**	**31,041,645**	**-321,452**	**24,791,832**	**-1,330,274**	**798,915**	**-**	**9,449,946**	**-10,048,045**	**79,453,368**	**2,223,915**	**81,677,283**
Capital increases/decreases (note 27)	6,400,216	41,399,784	-	-	-	-	-		-	47,800,000	-	47,800,000
Conversions of convertible bonds	8,168,165	52,283,163	-	-	-	-	-	2,500,006	-	62,951,334	-	62,951,334
Transaction costs incurred	-	-1,084,777	-	-	-	-	-	-	-	-1,084,777	-	-1,084,777
Total contributions by owners	**14,568,381**	**92,598,170**	**-**	**-**	**-**	**-**	**-**	**2,500,006**	**-**	**109,666,557**	**-**	**109,666,557**
Comprehensive incom/(loss) for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net result for the year	-	-	-	-	-	-	-	-	516,784	516,784	57,751	574,535
Other comprehensive Income/ (loss) for the year (note 28/29)	-	-	-	6,909,092	10,178,753	-	-	-	-	17,087,845	-	17,087,845
Total comprehensive income for the year	**-**	**-**	**-**	**6,909,092**	**10,178,753**	**-**	**-**	**-**	**516,784**	**17,604,629**	**57,751**	**17,662,380**
Other movements												
-	-	-	-	-	-	-	-	-	-	-	-	-
Total other movements	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Movements in non-controlling interest (note 17)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-1,599,982**	**-**	**-1,599,982**	**-1,545,578**	**-3,145,560**
31 March 2017	**39,639,182**	**123,639,815**	**-321,452**	**31,700,924**	**8,848,479**	**798,915**	**-**	**10,349,970**	**-9,531,261**	**205,124,572**	**736,088**	**205,860,660**

Notes forming part of the consolidated financial statements

1. General

CreditAccess Asia N.V. (the “Company” or “CreditAccess”) was incorporated on 20 March 2014 and has its legal seat in Amsterdam, the Netherlands. The principal activities of the Company are the holding and financing of CreditAccess group of companies (the “Group”). The main activity of the Group is providing financial services to micro- and small businesses and self-employed people in emerging countries.

The Company is registered at the Chamber of Commerce in Amsterdam under number 60281758 and has its registered address at Strawinskylaan 1043, tower C-10, 1077 XX Amsterdam.

2. Application of new and revised International Financial Reporting Standards (IFRS’s)

a) New standards, interpretations and amendments effective from 1 Jan 2017

Implementation of new and revised IFRS-EU over the year ended 31 March 2018 did not have a material impact on our Consolidated Financial Statements. Accordingly, the Group has not made significant changes to its accounting policies in FY2017/2018.
The amendment and the Annual Improvements to IFRS’s that are effective but not yet adopted since not yet endorsed by IASB:
- Amendments to IAS 7 Statement of Cash Flows (effective from 1 January 2017)
- Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses (effective from 1 January 2017)

b) New standards, interpretations and amendments not yet effective

As of 31 March 2018 the following standards and interpretations have been issued, however, these are not yet effective and/ or have not yet been adopted by the EU and the Group. Information on standards expected to be relevant to the CreditAccess Asia financial statements is provided below. Management anticipates that all relevant pronouncements will be adopted in the Group’s accounting policies for the first period beginning after the effective date of the standards. New standards, interpretations and amendments are not adopted or listed below, the group expects those not to have a material impact on the CreditAccess Asia financial statements.

The most likely impacting new standards, interpretations and amendments are:

IFRS 9 ‘Financial Instruments’

IFRS 9 ‘Financial Instruments’ was released by the IASB, representing the completion of its project to replace IAS 39 ‘Financial Instruments: Recognition and Measurement’. The new IFRS 9 introduces extensive changes to IAS 39’s guidance on the classification and measurement of financial assets and introduces a single, new ‘expected credit loss’ model for the impairment of financial assets. IFRS 9 also provides new guidance on the application of hedge accounting.

IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.
Management has started to assess the impact of IFRS 9 but is not yet in a position to provide quantified information. At this stage the main areas of expected impact are as follows:

Classification and measurement

From initial assessment, the Group expects that:
- the majority of loans and advances to customers, short term receivables and cash balances that are classified as loans and receivables under IAS 39 would continue to be measured at amortized cost under IFRS 9 because it meets both of the following conditions and is not designated as at FVTPL:
  - it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
  - its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI)on the principal amount outstanding,
- Financial assets held for trading and financial assets designated at fair-value through profit or loss (FVTPL) would continue to be measured at FVTPL under IFRS 9
- Equity investment classified as available for sale would be measured at either FVTPL or FVOCI (fair-value through Other Comprehensive Income) under IFRS 9

Hedge accounting

IFRS 9 requires the Group to ensure that hedge accounting relationships are aligned with the Group’s risk management objectives and strategy and to apply a more qualitative and forward-looking approach to assessing hedge effectiveness. IFRS 9 also introduces new requirements on rebalancing hedge relationships and prohibiting voluntary discontinuation of hedge accounting.

A valid hedge relationship exists when a specific relationship can be identified between financial instruments in which the change in value of one instrument, the ‘hedge instrument’, is correlated highly negatively to the change in value of the other, the ‘hedged item’. To qualify for hedge accounting, this correlation must be within 80% to 125%, with any ineffectiveness recognized in the profit and loss account.

The Group started using hedge accounting during the current financial year. Due to the international scope of operations, CAA grants loans to subsidiaries denominated in the subsidiary’s local currency. As a result, CAA is exposed to the risk of volatility in cash flows from movements in foreign currency exchange rates. CAA is exposed to fluctuations in the value of the Euro against a number of foreign currencies. CAA uses derivative financial instruments to hedge its exposure to foreign currency exchange rate fluctuations relating to settlement of intercompany loans for which CAA applies hedge accounting.

The types of hedge accounting relationships that the Group currently designates meet the requirements of IFRS 9 and are aligned with the entity's risk management strategy and objective. For details please refer to notes to the financial statements.

Impairment of financial assets

Impact assessment of application of IFRS 9 ECL approach
The Group will apply IFRS 9 as issued in July 2014 initially from 1 April 2018. However, based on preliminary assessments undertaken to date (March 31, 2018), the estimated impact of the adoption of IFRS 9 for the impairment allowance on loans to customers, which is core business of the Group, is not significant.

Impairment methodology

IFRS 9 fundamentally changes the loan loss impairment methodology. The standard replaces IAS 39's incurred loss approach with a forward-looking Expected Credit Loss (ECL) approach. The Group estimates impact of allowance for expected losses for loans and receivables to customers.

ECL measurement

To calculate the ECL, the Group estimates the risk of a default occurring on the financial instrument following the "General approach" of the IFRS 9 and defines a model in line with the standard's requirements towards the assessment of ECL allowance.

Inputs into measurement of ECLs:
The key inputs into the measurement of ECLs are – in general – the following variables:
Probability of Default (PD);
Loss given default (LGD);
Exposure at default (EAD);
ECL = PD%xLGDxEAD
and
Forward looking information

Impairment stages

Following the General approach, the management has distributed the total outstanding portfolio of the group into three impairment stages as at the reporting date:
Stage 1- Performing loans: Includes loans that have not had significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. Management allocates to this stage the loans for which no single instalment is either overdue or overdue maximum up to 30 days. Management is of the opinion that short delays in the repayment may be due to material issues (e.g. inability to attend the repayment meeting due to business or personal circumstances) that are not indicator of the unwillingness or inability of the debtor to repay the loan.

Stage 2- Underperforming loans: Includes loans that have had Significant Increase in Credit Risk since initial recognition but that do not have objective evidence of impairment at the reporting date with a 30 days past due 'backstop' indicator. Management allocates to this stage the loans overdue more than 30 days and only up to 90 days.
Stage 3- Nonperforming or default loans: include the loans that are more than 90 days past due on the respective credit obligation to the Group. Management defines the default loans as:
A financial asset is in default when there is available information that:
a) the borrower is unlikely to pay its credit obligations in full; or
b) the loan is more than 90 days overdue

The loans falling into each stage will be treated as below:
a) For Stage 1 loans, 12-month ECLs are recognised i.e. credit loss expected in the next 12 months.
b) For Stage 2 loans, Lifetime ECLs are recognised i.e. credit loss expected in the remaining lifetime of the loans.
c) For Stage 3 loans, Lifetime ECLs are recognised i.e. credit loss expected in the remaining lifetime of the loans.

Significant increase in credit risk

IFRS 9 requires financial assets to be classified in Stage 2 when their credit risk has increased significantly since initial recognition. Group entities assess each of its customers and loans individually by means of a qualitative assessment process that is based on current and historical past-due status, indebtedness of the client, credit bureau checks, the client's business and particularly whether the loan amount had been utilized for the purpose the loan was requested. Group entities are able to identify changes in credit risk since initial recognition on individual customers and loans through internal methodologies and procedures, however the management is of the opinion that no other indicator except 30 days overdue points toward Significant Increase in Credit Risk.
This is in line with the IFRS 9 that there is a rebuttable presumption that the credit risk has increased significantly if contractual payments are more than 30 days past due. The Group entities have policies, procedures and software in place to calculate and report overdues consistently.

Forward looking information

The Group incorporates forward-looking information in the measurement of the ECL using the following quantitative and qualitative approaches.

Quantitative:
The Group uses an overlay derived from the model that was based on available historical information and used the growth of PAR>90 over time as an indicator to project future trend of defaults.

Qualitative:
The Group used qualitative information from reliable published sources (S&P global ratings) stating that the 'economic environment is stable' in the countries where the Group operates. The Group further used qualitative information from India Rating & Research "A Fitch Group

Company" stating that in India 'the microfinance institutions (MFI) segment should witness stabilization' in FY2018/2019. Furthermore, the information from ICRA (an Indian independent and professional investment information & credit rating agency) on microfinance outlook is also used to incorporate forward looking effect in the ECL.

Impact

On the adoption of IFRS 9, the impact of the new impairment requirements is limited.

IFRS 15 'Revenue from Contracts with Customers' (effective from 1 January 2018)

IFRS 15 presents new requirements for the recognition of revenue, replacing IAS 18 'Revenue', IAS 11 'Construction Contracts', and several revenue-related interpretations. The new standard is based on the principle that revenue is recognized when control of a good or service transfers to a customer, so the notion of control replaces the existing notion of risks and reward. A five-step process must be applied efore revenue can be recognized:

1. identify contracts with customers
2. identify the separate performance obligation
3. determine the transaction price of the contract
4. allocate the transaction price to each of the separate performance obligations, and
5. recognize the revenue as each performance obligation is satisfied.

Additionally, the new standard provides additional guidance in many areas not covered in detail under existing IFRSs, including how to account for arrangements with multiple performance obligations, variable pricing, customer refund rights, supplier repurchase options, and other common complexities. IFRS 15 has been adopted by the EU. However, the 'Clarifications to IFRS 15 Revenue from Contracts with Customers' (issued on 12 April 2016) has not been adopted yet. The effective date of IFRS 15 including the amendments in Clarifications to IFRS 15 is annual reporting periods beginning on or after 1 January2018. Management has started to assess the impact of IFRS 15 but is not yet in a position to provide quantified information.

IFRS 16 Leases (effective from 1 January 2019)

IFRS 16 was issued in January 2016. It will result in almost all leases being recognized on the Statement of Financial Position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognized. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change. IFRS 16 will affect primarily the accounting for the group's operating leases. Management has started to assess the impact of IFRS 16 but is not yet in a position to provide quantified information. IFRS 16 is mandatory for financial years commencing on or after 1 January 2019.

Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions (effective from 1 January 2018)

These amendments (issued in June 2016) address the classification and measurement of share-based payment transactions for a number of situations where existing guidance is not clear. The following is a summary of the clarifications and additional guidance:

- The effects of vesting and non-vesting conditions on the measurement of a cash-settled share-based payment transaction are accounted for in accordance with the guidance for equity-settled share-based payments.
- Share-based payment transactions with certain net settlement features are classified as equity-settled if they would have been classified as equity settled without the net settlement feature. This applies to certain arrangements where an employer is required to withhold an amount for an employee's tax obligation related to a share-based payment, and pays the tax authority in cash.
- Accounting for a modification that changes the classification of a share-based payment agreement from cash-settled to equity-settled has been clarified with regard to the measurement of, and accounting for, the replacement equity-settled share-based payment, de-recognition of the liability, and accounting for any difference between the carrying amount of the liability and the amount recognized for the equity-settled award (these amounts will reflect the extent to which goods and services have been received at the date of modification).

The amendments are mandatory for financial years commencing on or after 1 January 2018 and they have not yet been adopted by the EU. They are expected to have limited impact on the financial statements.

Amendments to IAS 28 Investments in Associates and Joint Ventures: Long-term Interests in Associates and Joint Ventures (effective from 1 January 2019) nnual Improvements to IFRS Standards 2014-2016 Cycle

The amendments to IAS 28 Investments in Associates and Joint Ventures clarify that companies account for long-term interests in an associate or joint venture – to which the equity method is not applied – using IFRS 9. These amendments are not expected to have significant impact on the Group's financial statements.

Amendments to IAS 19: Plan Amendment, Curtailment or Settlement (effective from 1 January 2019)

In February 2018 the IASB issued narrow-scope amendments to pension accounting. The amendments specify how companies determine pension expenses when changes to a defined benefit pension plan occur. The amendments require a company to use the updated assumptions from this remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. These Amendments are not expected to have significant impact on the Group's financial statements. These amendments are not expected to have significant impact on the Group's financial statements.

Annual Improvements to IFRS Standards 2014-2016 Cycle (effective from 1 January 2018)

There were three amendments as part of the 2014-2016 Annual Improvements Cycle (issued in December 2016). Out of the amendments contained in the 2014-2016 Cycle, the amendments to IFRS 1 and IAS 28 are effective from 1 January 2018. The amendments to IFRS 1 is not relevant to the Group.
IAS 28 was amended to specify that a qualifying entity may elect to measure investments in associates and joint ventures at fair value through profit or loss on an investment-by-investment basis, upon initial recognition. The amendments to IAS 28 is effective for financial year commencing on or after 1 January 2018. These are not expected to have material impact on the financial statements.

IFRIC 22 Foreign Currency Transactions and Advance Consideration

IFRIC 22 (issued in December 2016) addresses how to determine the date of transaction for the purpose of determining the spot exchange rate used to translate foreign currency transactions on initial recognition in circumstances when an entity pays or receives some or all of the foreign currency consideration in advance of the recognition of the related asset, expense or income. The interpretation states that the date of the transaction, for the purpose of determining the spot exchange rate used to translate the related asset, expense or income (or part of it) on initial recognition, is the earlier of:
(a) The date of initial recognition of the non-monetary prepayment asset or the non-monetary deferred income liability; and
(b) The date that the asset, expense or income (or part of it) is recognized in the financial statements.
IFRIC 22 is mandatory for financial years commencing on or after 1 January 2018 and it has not yet been adopted by the EU. It is expected to have limited impact on the financial statements.

IFRIC 23 Uncertainty over Income Tax Treatments (issued on 7 June 2017, effective from 1 January 2019)

IFRIC 23 (issued In June 2017) clarifies how to apply the recognition and measurement requirements in IAS 12 Income Taxes when there is uncertainty over income tax treatments, addressing four specific issues

1. Whether an entity considers uncertain tax treatments separately;
2. The assumptions an entity should make about the examination of tax treatments by taxation authorities;
3. How an entity determines taxable profit or loss, tax bases, unused tax losses, unused tax credits and tax rates; and
4. How an entity considers changes in facts and circumstances

IFRIC 23 is mandatory for financial years commencing on or after 1 January 2019 and it has not yet been adopted by the EU. It is expected to have limited impact on the financial statements.

The following IFRS, IFRIC and amendments have not yet been adopted by the EU and are not expected to have material impact on the Group:

IFRS 17 Insurance Contracts (issued May 2017, effective 1 January 2021)

Amendments to IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (issued September 2016, effective 1 January 2018)
Amendments to IAS 40: Transfers of Investment Property (issued December 2016 effective 1 January 2018)

3. Summary of significant accounting policies

3.1 Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), including International Accounting Standards (IASs), promulgated by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB as adopted endorsed by the European Union and with Section 2:362(9) of the Netherlands Civil Code.
These financial statements are based on the 'going concern' principle.

According to the Articles of Association, the financial year of the Company runs from 1 April to 31 March.

The consolidated financial statements are presented in euros, which is also the Company's functional currency. Amounts are rounded to the nearest euro, unless otherwise stated.

The preparation of financial statements in compliance with adopted IFRS, requires the use of certain critical accounting estimates. It also requires the management to exercise judgment in applying the Group's accounting policies.
The areas where significant judgments and estimates have been made in preparing the financial statements and their effects are disclosed in note 4.

Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis unless otherwise stated.

Fair value measurement

A number of assets and liabilities included in the Group's financial statements require measurement at, and/or disclosure of, fair value.

The fair value measurement of the Group's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

- *Level 1:* Quoted prices in active markets for identical items (unadjusted).
- *Level 2:* Observable direct or indirect inputs other than Level 1 inputs.
- *Level 3:* Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

The Group measures a number of items at fair value:
- Available-for-sale investments (valuation based on the stock exchange price, which is a level 1 valuation).
- Derivative Financial instruments (note 20).

For more detailed information in relation to the fair value measurement of the items above, please refer to the applicable notes.

3.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its controlled subsidiaries (including structured entities) and are prepared for the same reporting period as the Parent Company using consistent accounting policies.
Control is achieved when the Company:
- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than the majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:
- the size of the Company's holding of voting rights relative to the size and dispersion of holdings to the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control over the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year, are included in the consolidated statement of profit or loss from the date the Company gains control until the date the Company ceases to control the subsidiary. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income
of subsidiaries is attributed to the owners of the Company and to the non-controlling interest even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the stand-alone financial statements of subsidiaries to bring their local accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash-flows relating to transactions between members of the Group are eliminated in full on consolidation. Profits and losses resulting from inter-company transactions are also eliminated.

The list of all consolidated subsidiaries of CreditAccess as of is as follows:

Subsidiary	Place, country	Share on 31 March 2018	Share on 31 March 2017
CreditAccess Grameen Ltd.	Bangalore. India	98.88 %	99.44 %
PT Konsultasi Mikro Ventura	Jakarta, Indonesia	99.99 %	99.99 %
PT Bina Artha Ventura	Jakarta, Indonesia	99.59 %	99.59 %
CreditAccess Philippines Financing Company Inc.	Pasig City, Philippines	100.00 %	100.00 %
MV Microfin Private Limited	Bangalore, India	-	100.00 %
MVH S.r.L	Brescia, Italy	100.00 %	100.00 %
CAA Vietnam Trading Company Ltd.	Ho Chi Min City, Vietnam	100.00 %	100.00 %
CAA BOS Ltd.	Bangkok, Thailand	100.00 %	-
Stichting CreditAccess Asia ("STAK CAA")	The Netherlands	-	n/a

The share percentage is reported on non-diluted basis, not counting stock option schemes for which equity shares may be issued at a future stage. PT Konsultasi Mikro Ventura, PT Bina Artha Ventura and MVH S.R.L. prepare their statutory accounts for a period that is different from that of the consolidated financial statements. These subsidiaries prepare statutory financial statements for the period ending 31 December, except for MVH S.R.L., which prepares the statutory financial statement for the period ending 30 June.
Sahayata had discontinued operations during prior financial year. CreditAccess Asia NV is putting effort in trying to initiate its liquidation and dissolution but, being a minority shareholder, it doesn't have the ultimate control of such entity. The Group does not consolidate Sahayata and it's equity shares are reported at a value of 0 euro

Changes in shareholding of subsidiaries are explained as follows:

- Ownership in CreditAccess Grameen Ltd decreased slightly on account of exercise of stock options by its employees.
- MV Microfin was merged into CreditAccess Grameen Ltd during the financial year.
- Stichting CreditAccess Asia was dissolved during the financial year.
- CAA BOS was incorporated during the financial year as regional office in South East Asia.

(a) Acquisition of subsidiaries

Subsidiaries are all entities (including structured entities) over which CreditAccess has control. CreditAccess applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred and the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on the acquisition date. CreditAccess recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest’s proportionate share of the recognised amounts of acquiree’s identifiable net assets.

Acquisition-related costs are expensed as incurred. Any contingent consideration to be transferred by the Group is recognised at fair value on the acquisition date. Subsequent changes to the fair value of the contingent consideration, that is deemed to be an asset or liability, is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

(b) Disposal of subsidiaries

When CreditAccess ceases to have control, any retained interest in the entity is re-measured to its fair value on the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if CreditAccess had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Non-controlling interests

The total comprehensive income of non-wholly owned subsidiaries is attributed to owners of the parent and to the non-controlling interests in proportion to their relative ownership interests.

3.3 Significant accounting policies

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Interest income /expenses and fees

For all financial instruments measured at amortised cost, interest income or expense is recorded using the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate,
to the initial net carrying amount of the financial asset or financial liability.

The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not future credit losses.

The carrying amount of the financial asset or financial liability is adjusted if the Group revises its estimates of payments or receipts. The adjusted carrying amount is then calculated based on the original effective interest rate.

Once the recorded value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Profit sharing refers to income based on Islamic bank financing, which is seperately listed but is subject to same accounting policy. It follows the same contractual requirements as interest, thus the accounting treatment follows the conventional lending.

Other income from operations
Other income earned from services provided to customers are recognised depending on the type of service/income it regards:

Fee income earned from services that are provided over a certain period of time
Fees earned for the provision of services over a period of time are accrued over that period. Such fees include for example commission income and asset management, custody and other management and advisory fees. Loan commitment fees for loans that are likely to be drawn down and other credit related fees are deferred (together with any incremental costs) and recognised as an adjustment to the effective interest on the loan. When it is unlikely that a loan will be drawn down, the loan commitment fees are recognised over the commitment period on a straight line basis.

Results from financial instruments
Results arising from trading activities include all gains and losses from changes in fair value and related interest income or expense and dividends for financial assets and financial liabilities 'held-for-trading'.

Expenses recognition
Expenses that are directly attributable to the fee and commission income are included in the cost of revenues. Revenue and expenses that relate to the same transaction or other event are recognised simultaneously. Expenses can normally be measured reliably when the other conditions for the recognition of revenue have been satisfied. However, revenue should not be recognised when the expenses cannot be measured reliably; in such circumstances, any consideration already received for the sale of the services or goods is recognised as a liability.

Expenses are accounted for in the period they relate to, regardless of whether these have already resulted in payments in that particular period. Herewith any relation between recognised revenue and associated cost is taken into account.

Impairment of non-financial assets
(excluding deferred tax assets)
Impairment tests on goodwill is undertaken annually at the financial year end.
Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units ('CGUs'). Goodwill is allocated on initial recognition to each of the Group's CGUs that are expected to benefit from a business combination that gives rise to the goodwill.

Impairment charges are included in profit or loss, except to the extent when they reverse gains previously recognised in other comprehensive income. An impairment loss recognised for goodwill is not reversed.

Tangible assets, intangible assets, trade and other receivables are all reviewed for impairment whenever triggering events indicate that the carrying amount of the assets may not be recoverable. Where the carrying amount of such asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains and losses on disposal of assets are determined by reference to their carrying amount and are reported in operating profit.

Results from foreign currency denominated transactions
Transactions entered into by Group entities in a currency other than the currency of the primary economic environment in which they operate (their "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling on the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss, except for foreign currency borrowings qualifying as a hedge of a net investment in a foreign operation, in which case exchange differences are recognised in other comprehensive income and accumulated in the foreign exchange reserve along with the exchange differences arising on the retranslation of the foreign operation.

Exchange gains and losses arising on the retranslation of monetary available-for-sale financial assets are treated as a separate component of the change in fair value and recognised in profit or loss. Exchange gains and losses on non-monetary available-for-sale financial assets form part of the overall gain or loss recognised in respect of that financial instrument.

When preparing the annual consolidated accounts, assets and liabilities of foreign subsidiaries and CAA's share in associates are translated at the exchange rates at the balance sheet date, while income and expense items are translated at average rates for the period. Differences resulting from the use of closing and average exchange rates, and from translating the opening net assets at a closing rate that differs from the previous closing rate, are recognized directly in the translation reserve within shareholders' equity. These translation differences are maintained in the translation reserves until disposal of the subsidiary and/or associate.

Exchange differences recognised in the profit or loss in Group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the overseas operation concerned are reclassified to other comprehensive income and accumulated in the foreign exchange reserve on consolidation.

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are transferred to the consolidated statement of profit or loss as part of the gain or loss on disposal.

Recognition of financial assets and financial liabilities:

Financial assets and liabilities are initially recognized in the statement of financial position when the Group becomes a party to the contractual provisions of the instrument. The classification at initial recognition depends on the purpose, characteristics and the management's intention for which the financial instrument was acquired.

Financial assets

The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired.

Other than financial assets in a qualifying hedging relationship, the Group's accounting policy for each category is as follows:

Financial assets or financial liabilities at fair value through profit or loss:

Financial assets or financial liabilities held-for-trading

All derivatives concerned (except those designated hedging instruments) and financial assets acquired or held for the purpose of selling in the short term or for which there is a recent pattern of short-term profit taking, are held for trading. Financial assets or financial liabilities held-for-trading are recorded in the statement of financial position at fair value. Changes in fair value are recognised immediately in the income statement.
Included in this classification are debt securities, equities and short positions.
The Group currently does not have any assets held for trading.

Designated as at fair value through profit or loss

These are carried in the statement of financial position at fair value with changes in fair value recognised in the consolidated statement of profit or loss.

Loans and receivables

The Group's loans and receivables comprise loans and advances to customers, other receivables and cash and cash equivalents in the consolidated statement of financial position.

Loans and advances to customers

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. For the Groups this mainly relate to the loans and advances to customers and cash. They arise principally through the provision of goods and services to customers, but also incorporate other types of contractual monetary assets. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, minus allowance for impairment.

Impairment allowances are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms receivable, the amount of such a allowance being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For the loans and receivables to customers, which are reported net, such allowances are recorded in a separate allowance account with the loss being recognised under the loan loss allowance in the consolidated statement of profit or loss.
On confirmation that the receivable will not be collectable, the gross carrying value of the asset is written off against the associated allowance.

Operating Companies where insurance is obtained to reduce the the credit risk impact, the impairment allowance is created net of the any such insurance amount expected to be recovered.

All operating entities calculate impairment allowance on every loan customer based on number of days the customer falls overdue. Time buckets are identified based on number of days overdue showing the amount of Portfolio At Risk (PAR) belonging to each time bucket. Various impairment percentages are allocated to each time bucket based on roll rate methodology.

From time to time, the Group elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history.
Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the consolidated statement of profit or loss (operating profit).

Trade and other receivables

Trade receivables consists of all receivables related to the loans and advances. It includes for example interest receivable , penalty receivable, insurance receivable and cash collateral receivable etc.
Other receivables consists of all receivable other than trade receivables. Other receivables include for example the security deposits for rental premises, advances to staff, prepayments, tax receivables, interest receivable on term deposit and liquidity management instruments, dividend receivable, technical assistance receivable etc.
Receivables, which have maturity of not more than one year from the reporting date, are classified as current. Receivables maturing after one year from the reporting date are classified as long term.
At the end of each year, the impairment on receivables is assessed and deducted (if any) from the carrying amount of the asset.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and – for the purpose of the statement of cash flows – bank overdrafts.
Bank overdrafts are shown separately in current liabilities on the consolidated statement of financial position.

Available-for-sale

Non-derivative financial assets not included in the above categories are classified as available-for-sale and comprise principally the Group's strategic investments in entities not qualifying as subsidiaries, associates or jointly controlled entities.

They are carried at fair value with changes in fair value recognised in other comprehensive income and accumulated in available-for-sale reserve net of applicable income taxes until such investments are sold, collected or otherwise disposed of, or until such investment is determined to be impaired. Foreign exchange differences for foreign currency denominated investment in equity securities classified as available-for-sale are included in fair value changes. For interest-bearing securities classified as available-for-sale, exchange rate differences on investments denominated in a foreign currency and interest calculated using the effective interest method are recognised in profit or loss.

Where there is a significant or prolonged decline in the fair value of an available-for-sale financial asset (which constitutes objective evidence of impairment), the full amount of the impairment, including any amount previously recognised in other comprehensive income, is recognised in profit or loss.

Purchases and sales of available-for-sale financial assets are recognised on the settlement date with any change in fair value between trade date and settlement date being recognised in the revaluation reserve/available-for-sale reserve.

On sale, the cumulative gain or loss recognised in other comprehensive income is reclassified from the available-for-sale reserve to profit or loss.

Financial liabilities

The Group classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired.

Other than financial liabilities in a qualifying hedging relationship (see below), the Group's accounting policy for each category is as follows:

Fair value through profit or loss

This category comprises derivatives. They are carried in the consolidated statement of financial position at fair value with changes in fair value recognised in the consolidated statement of profit or loss. The Group opted to designate one of its financial instruments as being at fair value through profit or loss in its entirety, which was the convertible preferred equity certificate liability as per 31 March 2015, which was however reclassified to equity during the reporting period ended 31 March 2016.

Other financial liabilities

Other financial liabilities include the following items:

- Finance debts are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.
- Trade and other payables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Hedge accounting

The Group applies cash flow hedge accounting to reduce the volatility in cash flows from loans granted by the parent company to its subsidiaries in local currencies.
If certain eligibility and qualification criteria are met, hedge accounting allows the Group to reflect risk management activities in the financial statements by matching gains or losses on financial hedging instruments with losses or gains on the risk exposures they hedge.

A hedging relationship qualifies for hedge accounting only if all of the following criteria are met:

1. the hedging relationship consists only of eligible hedging instruments and eligible hedged items.
2. at the inception of the hedging relationship there is

formal designation and documentation of the hedging relationship and the entity's risk management objective and strategy for undertaking the hedge.
3. the hedging relationship meets all of the hedge effectiveness requirements [IFRS 9 paragraph 6.4.1]

Only cash flow hedges of balance sheet positions are relevant to the Group.

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in OCI, until such time as the hedged item affects the profit and loss account, and any remaining gain or loss is treated as hedge ineffectiveness which is recognised in profit or loss.

When the Group discontinues hedge accounting for a cash flow hedge, if the hedged future cash flows are still expected to occur, the amount that has been accumulated in the cash flow hedge reserve remains there until the future cash flows occur; if the hedged future cash flows are no longer expected to occur, that amount is immediately reclassified to profit or loss [IFRS 9 paragraph 6.5.12].

The Group discontinues hedge accounting prospectively only when the hedging relationship (or a part of a hedging relationship) ceases to meet the qualifying criteria (after any rebalancing). This includes instances when the hedging instrument expires or is sold, terminated or exercised.

The Group uses Currency forward contracts that are traded on the Over The Counter market. The fair value of currency forward contracts is determined using "observable inputs other than Level 1 inputs" (Level 2 of the Fair Value Hierarchy), such as spot and forward currency exchange rates, applied to notional amounts and to the expiration dates stated in the applicable contract.

Share capital

Financial instruments issued by the Group are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The Group's ordinary shares are classified as equity instruments.

Treasury shares

Consideration paid/received for the purchase/sale of treasury shares is recognised directly in equity. The cost of treasury shares held is presented as a separate reserve (the "treasury shares").

Convertible debt

The proceeds received on issue of the Group's convertible debt are allocated into their different components. The amount initially attributed to the debt component equals the discounted cash flows using a market rate of interest that would be payable on a similar debt instrument that does not include an option to convert. Subsequently, the debt component is accounted for as a financial liability measured at amortised cost until extinguished on conversion or maturity of the bond.

The classification of the other component depends on whether the 'fixed-for-fixed' requirement of IFRS is met. This requirement is met if a contract that will be settled by the Group receiving or delivering a fixed number of its own equity instruments in exchange for a fixed amount of cash or another financial asset. If this requirement is met, then the remainder of the proceeds is allocated to the conversion option and is recognised in the "Convertible debt option reserve" within shareholders' equity, net of income tax effects. If this requirement is not met, then that amount is recognised as a liability and valued at fair value through profit or loss.

Defined contribution schemes

Contributions to defined contribution pension schemes are charged to the consolidated statement of comprehensive income in the period to which they relate.

Post employment benefit obligations
Defined benefit scheme surpluses and deficits are measured at:
- The fair value of plan assets on the reporting date; less
- Plan liabilities calculated using the projected unit credit method discounted to its present value using yields available on high quality corporate bonds that have maturity dates approximating to the terms of the liabilities; plus
- Unrecognised past service costs; less
- The effect of minimum funding requirements agreed with scheme trustees.

Re-measurements of the net defined obligation are recognised directly in other comprehensive income. The re-measurements include:
- Actuarial gains and losses;
- Return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and
- Any asset ceiling effects (interest exclusive).

Service costs are recognised in profit or loss, and include current and past service costs as well as gains and losses on curtailments.

Net interest expense (income) is recognised in profit or loss, and is calculated by applying the discount rate used to measure the defined benefit obligation (asset) at the beginning of the annual period to the balance of the net defined benefit obligation (asset), considering the effects of contributions and benefit payments during the period. Gains or losses arising from changes to scheme benefits or scheme curtailment are recognised immediately in profit or loss.

Settlements of defined benefit schemes are recognised in the period in which the settlement occurs.

Other long-term service benefits
Other employee benefits that are expected to be settled wholly within 12 months after the end of the reporting period are presented as current liabilities.

Other employee benefits that are not expected to be settled wholly within 12 months after the end of the reporting period are presented as non-current liabilities and calculated using the projected unit credit method and then discounted using yields available on high quality corporate bonds that have maturity dates approximating to the expected remaining period to settlement.

Share-based payments
Where equity-settled share options are awarded to employees, the fair value of the options on the date of grant is charged to the consolidated statement of profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest on each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the consolidated statement of profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the consolidated statement of profit or loss is charged with the fair value of goods and services received.

Leased assets
Where substantially all of the risks and rewards incidental to ownership of a leased asset have been transferred to the Group (a “finance lease”), the asset is treated as if it had been purchased outright. The amount initially recognised as an asset is the lower of the fair value of the leased property and the present value of the minimum lease payments payable over the term of the lease. The corresponding lease commitment is shown as a liability. Lease payments are analysed between capital and interest. The interest element is charged to the consolidated statement of profit or loss over the period of the lease and is calculated so that it represents a constant proportion of the lease liability. The capital element reduces the balance owed to the lessor.

Where substantially all of the risks and rewards incidental to ownership are not transferred to the Group (an “operating lease”), the total rentals payable under the lease are charged to the consolidated statement of profit or loss on a straight-line basis over the lease term. The aggregate benefit of lease incentives is recognised as a reduction of the rental expense over the lease term on a straight-line basis.

Externally acquired intangible assets
Intangible assets are initially recognised at cost and subsequently amortised on a straight-line basis over their useful economic lives.

Intangible assets are recognised on business combinations if they are separable from the acquired entity or give rise to other contractual/legal rights. The amounts ascribed to such intangibles are arrived at by using appropriate valuation techniques.

The significant intangibles recognised by the Group, their useful economic lives and the methods used to determine the cost of intangibles acquired in a business combination are as follows:

Intangible asset	Useful economic life	Valuation method
Trade name and customer relations	5 years	Multi-Period Earnings Method

Dividends
Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when declared by the Board of Directors. In the case of final dividends, this is when approved by the shareholders at the annual general meeting.

Current Taxation
Income tax on profits is recognized as an expense based on the applicable tax laws in each jurisdiction in the period in which profits arise.
Current tax for the current and prior periods is recognised as a liability to the extent that it has not yet been settled, and as an asset to the extent that the amounts already paid exceed the amount due.

Deferred tax assets and liabilities
Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the consolidated statement of financial position differs from its tax base, except for differences arising on:
- The initial recognition of goodwill;
- The initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit; and
- Investments in subsidiaries and jointly controlled entities where CreditAccess is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable income will be available against which the difference can be utilised.

Deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:
- The same taxable Group company, or
- Different Group entities which intend either to settle current tax assets and liabilities on a net basis, or
- To realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Tangible fixed assets
Included in tangible fixed assets is property, plant and equipment which are initially recognised at cost. Cost includes all costs necessary to bring the asset to working condition for its intended use.
After initial recognition, a tangible asset shall be carried at its cost less any accumulated depreciation and any accumulated impairment losses.

Freehold land is not depreciated. Depreciation on assets under construction does not commence until they are complete and available for use. Depreciation is provided on all other items of tangible fixed assets so as to write off their carrying value over their expected useful economic lives. Following useful life policy is recommended by the Group:

Category of tangible assets	Useful life
Buildings	30 years
Furniture and fittings	10 years
Office equipment	5 years
Computer equipment	3 years
Electrical equipment	10 years
Vehicles	8 years
Leasehold improvements	10 years or Lease term (whichever is lower)

Current versus non-current
Assets and liabilities with a maturity date within one year are classified as current. Assets and liabilities with a maturity date of more then one year are classified as non-current.

Offsetting of financial instruments
Assets and liabilities are offset and reported net insofar the Company has a legal enforceable right to set-off the recognised amounts and intents to settle them on a net basis.

Provisions
Provisions are recognized when:
1. The Group has a present legal or constructive obligation as a result of past events; and
2. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
3. A reliable estimate of the amount of the obligation can be made.

Cash flow statement
The cash flow statement has been prepared using the indirect method. The cash items disclosed in the cash flow statement comprise cash in hand and at banks except for deposits with a maturity longer than three months. Cash flows denominated in foreign currencies have been translated at average estimated exchange rates. Exchange differences affecting cash items are shown separately in the cash flow statement. Interest paid and received, dividends received and income taxes are included in cash from operating activities. Dividends paid are recognised as cash

used in financing activities. The purchase consideration paid for the acquired group company has been recognised as cash used in investing activities where it was settled in cash. Any cash at banks and in hand in the acquired group company have been deducted from the purchase consideration. Transactions not resulting in inflow or outflow of cash, including finance leases, are not recognised in the cash flow statement. Payments of finance lease instalments qualify as repayments of borrowings under cash flow from financing activities and as interest paid under cash flow from operating activities.

4. Critical accounting judgements and estimation uncertainty

The preparation of the consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historic experience and various other factors that are believed to be reasonable and appropriate under the circumstances, the results of which form the basis of the judgments about the carrying values of assets and liabilities that cannot readily be determined from other sources. Although these estimates are based on management's best knowledge of current events and actions, there is an inherent risk that actual results could differ from such estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below.

4.1 Critical judgements in applying accounting policies

Impairment of intangible assets
Estimate of future cash flows and determination of the discount rate (see note 15).

Impairment of loans and advances to customers
Estimate of defaults of repayments (see note 18).

Defined benefit scheme
Actuarial assumptions (see note 31).

Leases
Agreements whereby the lessor conveys to the lessee in return for payments the right to use an asset for an agreed period of time. If substantially all the risks and rewards are transferred to the lessee, the lease is considered a Financial lease. If a significant portion of the risks and rewards are not transferred to the Group, it is considered a Operational lease.

Legal proceedings
During, and after balance sheet date, there have not been any significant claims nor legal proceedings.

Income taxes and deferred income taxes
Assets and provisions for income taxes in various jurisdictions (see note 13).

4.2 Assumptions and estimation uncertainties

- Measurement of defined benefit obligations: Key actuarial assumptions (note 31)
- Recognition of deferred tax assets: Availability of future taxable income against which tax losses carried forward can be used (note 26)
- Determining the fair value of financial instruments (note 5.2); and
- Impairment of non-financial assets (note 3.3)

5 Risk management

Risk governance

The Group has in place a structured risk governance, ensuring an effective level of alignment between oversight and management responsibility for risk. The risk based roles and responsibilities in the Operating Companies are organized in adherence to the 'three lines of defense' principle to ensure appropriate levels of segregation. Following are the various levels for risk governance:

At Goup level – 1st level of governance
Group Board of Directors (Group BoD)
Group Risk and Audit Committee (Group R&A Committee)
This Committee is mandated by the Group BoD to assist in fulfilling its oversight responsibilities regarding the effectiveness of the risk management (including compliance) and internal control framework performed across the operating subsidiaries of the Group.

• The Committee conducts quarterly review of the Key Risks Indicators (KRIs) and the status of the mitigation measures adopted for each Operating Company for the most relevant and strategic risks. For this purpose the Group CRO participates at the Risk and Audit Committees meetings and the Board meetings of the Operating Companies and provide recommendations and feedback on all risk related matters on behalf of the Group R&A Committee.

• The Group CRO submits to this Committee a quarterly Risk Oversight Report (including credit risk management) which typically covers:

- The status and evolution of the Risk Management and Internal Control Framework of the Operating Companies.
- The KRIs dashboard and status of mitigation measures adopted by each Operating Company for the most relevant and strategic risks.
- Information about any critical issues and risks at the Operating Companies and the effective risk management and mitigation and the plan to improve the internal controls.

- The role of this Committee is not to directly control and monitor the risks of the businesses, because these activities are already carried out by the Board and the Risk Committee of the Operating Companies and through their local management team. The Group delegated the responsibility to review and approve all the policies (including the credit policies) including all risk management policies to the Local Board of Directors (and their Risk and Audit Committees).

At Operating Company level – 2nd level of governance

Board of Directors - at Operating Company level
Board Risk Committee - at Operating Company level
This Committee assists the Board to evaluate, monitor and steer the risk profile of the Company in accordance with the risk appetite. The Board Risk Committee (BRC) is to meet at least four times in a year and in all cases before the meeting of the board of directors. Specifically the BRC stands responsible for:

- Advise on and evaluating yearly Risk Management Plan for approval by the Board. The Risk Committee is to oversee the risk management plan approved by the Board.
- Revise and approve the identification of the major risks by the management (based on the risk profile of the Operating Company) who has to monitor closely and to be reported to the Committee.
- Revise, approve and quarterly monitor the strategies with respect to managing these major risks.
- Oversee working of risk management practices/strategies by approving Key Results Expected and reviewing the same on an annual basis.

Board Asset Liability Committee - at Operating Company level
This Committee assists the Board in looking after funding and capital Planning, asset and liability management, reporting compliance, liquidity and interest rate risk management in accordance to the risk appetite as approved by the BoD. The ALCO approves the treasury and risk policies, the limit framework, the emergency liquidity and recovery plan and discusses capital and liquidity adequacy planning.

Board Audit Committee - at Operating Company level
The Audit Committee assists the board in the dissemination of financial information and in overseeing the controls in financial and accounting processes in the company. The terms of reference broadly include review of internal audit reports and action taken reports, assessment of the efficacy of the internal control systems/financial reporting systems and reviewing the adequacy of the financial policies and practices followed by the Company. The Audit Committee reviews the compliance with legal and statutory requirements, the quarterly and annual financial statements and related party transactions and reports its findings to the Board. The committee also recommends the appointment of statutory auditor.

Risk profile and appetite
The risk appetite articulates the type and quantum of risk that the Group is able and willing to accept in pursuit of its strategy. The Group has to accept the risks that are required or necessary to conduct its core business of loans and advances to customers. It is therefore needed to have a risk appetite that supports a stable organisation that can continue in the long run. The group actively pursues credit risk resulting from loans and advances to customers. Other risks cannot always be avoided, but the Group mitigates these risks as much as possible. The risk appetite is subsequently translated into the different risk metrics which define the tolerance for the individual risk types. The Board determines what risks the Group may assume, the appetite levels for these risks and the principles for calculating and measuring such risks. The Group's risk profile consists of financial risk and non-financial risk that are further categorized into concentration risk, counterparty credit risk, market risk, liquidity risk, reputational risk, operational risk and compliance risk. Risk appetite for each category of risk is provided later in this note.

Non-financial risk management

The Operating Companies predominantly provide loans under group lending model to eligible women customers from poor and low-income households without any collateral / guarantee. This exposes our companies to risks of repayment issues due to external factors such as political, community influence, and regulatory changes. Therefore, the main non-financial risks identified for our Operating Companies are:

Political and reputational risk
Political risk is the risk of negative impact on business operations due to political changes, interference or adverse decisions. In addition, there is a reputational risk linked to how our business is perceived in terms of responsible lending and fair pricing.
The Group's operations in developing economies cause an exposure to reputational risks such as environmental, political and social risks and various types of legal risks. The Group has a limited appetite for reputation risk where such risks could prompt key stakeholders to intervene in the decision making or running of the day to day business. Reputational risk of the Operating Companies can result in higher credit risk in them or in loss of business and supervisory and legal issues. We provide loans under group lending model to women and low-income households without any collateral. This exposes our Operating Companies to risks from intentional default by customers (contagious risk) arising from external factors such as political decisions/interventions, community influence and regulatory changes.

Regulatory or compliance risk
Regulatory risk is the risk of a change in regulations and law that might affect the industry or business. Such changes in regulations can make significant changes in the framework of an industry, changes in cost-structure etc. The Group has low appetite for regulatory risk.

Some strategies and policies to manage these key non-financial risks include:
- Low cost operations and Low pricing for customers
- Customer centric approach, high customer retention
- Systematic customer awareness activities
- High social focused activities
- Adherence to client protection guidelines
- Robust grievance redressal mechanism
- Adherence to regulatory guidelines in letter and spirit

Operational risk
Operational risk is the risk of loss from inadequate or failed internal processes, people and systems, or from external events (including legal risk). Given the nature of business, of small size loans and advances to customers, the Group has extensive governance and internal control environment and therefore low appetite for operational risk from human resources. Operating Companies mitigate this risk through internal control systems, automation, IT innovation and internal audit.

Financial risk management

5.1 Capital management

The Group aims to optimize the business which can only be achieved with a sound financial framework in place, combining healthy long-term profitability, sound capital adequacy and maximising the return to stakeholders through the optimisation of the debt and equity balance. Therefore, the Group seeks to maintain a strong capital position, by means of an integrated captial planning and control, regularly reviewed by the ALCO at each Operating Company level. Capital management risk is therefore considered low. The Group's overall strategy remains unchanged from the previous period.

The capital structure of the Group consists of net debt (borrowings as detailed in note 24 offset by cash and bank balances) and equity of the Group (comprising issued capital, reserves, retained earnings and non-controlling interests as detailed in notes 27, 28 and note 17).
No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2018.

The Group is not subject to any externally imposed capital requirements at consolidated level. CreditAccess Grameen Limited is subject to compliance with statutory requirements on 'Capital to risk assets ratio' ("CRAR"), as imposed by the Reserve Bank of India ("RBI") of a minimum of 15%. As per the audited statutory financial statements of 31 March 2018 the CRAR of CreditAccess Grameen Limited is reported well above the statutory requirements at 28.94% (31 March 2017; 29.71%).

5.2 Risk management

The Group is exposed through its operations to the following financial risks:
- Credit risk;
- Fair value or cash flow interest rate risk;
- Foreign exchange risk;
- Other market price risk; and
- Liquidity risk.

This note describes risk governance and the Group's objectives, policies and processes for identifying, measuring and managing those risks. Further, the quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them, unless otherwise stated in this note.

(i) Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, include:
- Loans and receivables (measured at amortized cost):
- Cash and cash equivalents
- Trade and other receivables (including Deferred tax assets and Long term receivables but excluding prepayments)
- Loans and advances to customers

Other financial liabilities (measured at amortized cost):
- Trade and other payables
- Finance debt

(ii) Financial instruments not measured at fair value

Financial instruments not measured at fair value includes cash and cash equivalents, trade and other receivables, loans and advances to customers, long-term receivables, bank overdrafts, trade and other payables, social security and finance debt.
Management believes that the carrying values of the current financial assets and liabilities approximate their fair values.

The following table gives an overview of the financial instruments valued at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.
Level 1 inupts are in accordance with the defined fair value hierarchy presented in section 3.1 (fair value measurements) of these financial statements.
No financial instrument was measured using significant level 3 inputs.

(iii) Financial instruments measured at fair value

	Level 1	
	2017/2018 EURO	2016/2017 EURO
Financial assets		
Financial assets at fair value through profit or loss	-	491,102
Hedging derivative financial instruments	-	-
Available-for-sale investments	-	42,917,761
	-	**43,408,863**
Financial liabilities		
	-	**-**

	Level 2	
	2017/2018 EURO	2016/2017 EURO
Financial assets		
Hedging derivative financial instruments	167,007	-
	167,007	
Financial liabilities		
Hedging derivative financial instruments	37,554	-
	37,554	**-**

The Available-for-sale investment was transferred from level 2 to level 1 as per 31 March 2017, since the related investment had been listed and actively traded, on Mumbai Stock Exchange, since 21 April 2016. During FY2017/2018 the investment was sold.

The Group uses Currency forward contracts that are traded on the Over The Counter market. The fair value of currency forward contracts is determined using standardized model observable inputs (Level 2 of the Fair Value Hierarchy), such as spot and forward currency exchange rates, applied to notional amounts and to the expiration dates stated in the applicable contract.

General objectives, policies and processes

The overall objective of the Board of CreditAccess is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. The Board of CreditAccess has established committees that focus on the guidance and monitor of the different aspects of business. The Board and the committees meet at least quarterly.

Within the Group guidelines, the Board of each subsidiary is responsible for the determination of the risk management objectives and policies of the subsidiary. It is also in charge of designing processes and tools that ensure the effective implementation of such objectives and policies at the subsidiary level. The Board of CreditAccess ensures uniformity and compliance with common principles by holding one or more board seats in each and any subsidiary. Through its representatives in the local boards, the Board of CreditAccess reviews and ensures the effectiveness of the processes and tools put in place for managing the risks.

Further details regarding these policies are set out below.

Credit risk

Credit risk is the risk of financial loss to the Group if the counterparty to a financial instrument, whether a customer or otherwise, fails to meet its contractual obligations toward the Group. Credit risk is the core business risk of the Group. The Group therefore has low appetite for this risk and the governance structures including the internal control systems are particularly designed to manage and mitigate this risk. The Group is mainly exposed to credit risk from loans and advances to customers.

Operating companies of the Group are credit-only Institutions and they are predominantly involved in Group Lending. The credit risk may arises due to, over borrowing by customers or over lending by other financial institutions competitors, gaps in joint-liability collateral and repayment issues due to external factors such as political, community influence, regulatory changes and natural disasters (storm, earthquakes, fires, floods) and intentional default by customers.

To address credit risk, Operating Companies have stringent credit policies for customer selection. To ensure the credit worthiness of the customers, stringent underwriting policies such as credit investigation, both in-house and field credit verification, is in place. In addition, operating companies follow a systematic methodology in the selection of new geographies where to open branches considering factors such as the portfolio at risk and over indebtedness of the proposed area/region, potential for micro-lending and socio-economic risk evaluation (e.g.; the risk of local riots or natural disasters). Loan sanction and rejections are carried out at the head office of each operating company. In India, a credit bureau rejections analysis is also regularly carried out.

Credit risk is being managed by continuously monitoring the borrower's performance if borrowers are paying on time based on their amortization dues. Operating companies ensure stringent monitoring and quality operations through both field supervision (branch/area/region staff supervision, quality control team supervision) and management review. Management at the each company's head office closely monitors credit risk through system generated reports (e.g., PAR status and PAR movement, portfolio concentration analysis, vintage analysis) and Key Risk Indicators (KRIs) which include proactive actionable thresholds limits (acceptable, watch and breach) developed by the Risk Management Committee, revised and ratified at the Risk Committee at the Board level.

Some of the main strategies to mitigate credit risk are:
1. Maintain stringent customer enrolment process
2. Undertake systematic customer awareness activities/ programs
3. Reduce geographical concentration of portfolio
4. Maximum loan exposure to member as determined from time to time
5. Modify product characteristics if needed (e.g., longer maturity for group clients in case the loan is above a certain threshold).
6. Carry out due diligence of new employees and adequate training and induction.
7. Decrease field staff turnover.
8. Supporting technologies: credit bureau checks, GPS, automated KYC checks and biometric.

Further, the credit risk in PT Bina Artha Ventura is insured for 75% of the loss amount on all customers, both principal and interest. Therefore, the overall credit risk for the entity is limited to 25% of its loans and advances to customers. Impairment allowance of Bina Artha Ventura Indonesia as at reporting date is EUR 321,868. In the absence of insurance scheme, the impairment allowance would have amounted to EUR 1,236,995. Therefore, the impact of insurance on LLP is EUR 915,127. The insurance is for both principal and interest and can be claimed on all loans overdue above 180 days. The maximum cover is 75% of the loss amount and any subsequent recoveries made on such loans, after the claims are received, are reimbursed to insurance company upto 75% of the recovered amount. The loan impairment allowance (expected credit loss) is therefore limited to only 25% of the total estimated impairment on loans and advances to customers.

The exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the country in which the customers are located, as these factors may have an influence on the credit risk.

The breakdown by classification of performing, under-performing and non-performing of the loans and advances to customers of each country is given in the table below.

Comparative figures of the loans and advances classification is given in note 18

31 March 2018	India	Indonesia	Philippines	Total
Gross loans and advances to customers				
Loans with 0 days overdue	609,560,989	30,774,216	17,230,268	657,565,473
Loans overdue up to 30 days	1,664,805	236,898	150,513	2,052,216
Loans overdue by 31-90 days	1,430,368	323,651	127,566	1,881,585
Loans overdue by 91-180 days	1,908,215	386,560	143,357	2,438,132
Loans overdue by more than 180 days	2,871,149	595,635	447,298	3,914,082
Total	**617,435,526**	**32,316,960**	**18,099,002**	**667,851,488**
Impairment allowance				
Beginning balance	15,577,751	191,343	645,375	16,414,469
Additions during the year	22,720,643	385,547	604,787	23,710,977
Adjustments re written-off accounts	-21,406,165	-212,371	-156,081	-21,774,617
Foreign exchange and other movements	-2,192,916	-42,652	-141,273	-2,376,841
Ending balance	**14,699,313**	**321,867**	**952,808**	**15,973,988**
Carrying amount	**602,736,213**	**31,995,093**	**17,146,194**	**651,877,500**

Following impairment %ages are applied to various PAR buckets by each operating company:

	India	Indonesia*	Philippines
Standard assets	1.3%	0.1%	2.0%
1-30 days overdue	34.4%	1.3%	5.0%
31-90 days overdue	87.5%	6.7%	35.3%
above 90 days overdue	100.0%	26.3%	94.1%

* For Indonesia %age impairment are obtained after taking into account the credit insurance effect.

As at reporting date, the imapirment allowance is 2.39% of the gross loan and advances to customers. A further 100 basis points increase in the impairment (resulting in 3.39%) on gross outstanding loans and advances to customers would have a negative impact of 6,678,515 on profit before tax.

Cash and cash equivalents and derivative instruments contain an element of risk of the counterparties being unable to meet their obligations. This financial credit risk is monitored and minimized per type of financial instrument by limiting Group's counterparties to a sufficient number of major financial institutions.
The Group maintains the idle liquidity with primary institutions of the country where they operate. The gross amount of financial assets represents the maximum credit exposure. The credit risk on cash and cash equivalent is considered negligible, since the counterparties are reputable entities with high quality external credit ratings.

The ratings for the counterparties where the Group has undrawn commitments as at reporting date are as below:

- AXIS BANK: AAA (outlook stable)
- INDUSIND BANK: AA+ (outlook stable)
- HSBC: AAA (outlook stable)

(Source: Fitch subsidiary in India "India rating & research" - long term issuer rating - march 2018)
The Group has no outstanding commitments towards its customers.
Further, disclosures regarding trade and other receivables, which are neither past due nor impaired, are provided in note 21 and 22.

Below table shows maximum on balance sheet credit risk exposure:

	EURO
Financial assets at FVTPL	24,908
Loans and advances	651,877,500
Long term-receivables	1,621,067
Trade receivables	18,540
Other receivables	6,926,446
Cash and cash equivalents	34,426,354
Total	**694,894,815**

Credit concentration risk

Credit risk includes portfolio concentration risk that is the risk of financial losses related to the composition of the overall loan portfolio, caused by inadequate portfolio diversification. The Group has low appetite for this risk and hence it follows a strong diversification strategy ranging from country level to state/region level to product level.

Operating Companies monitor and analyse the concentration risk and the trends (in terms of gross loan portfolio and portfolio at risk both for amount and number of clients) at various levels such as:

• By product and methodology
• By geography (i.e. by branch/area/district/region/state)
• By economic sector and
• By loan cycle.

At group level, the concentration risk in various countries is monitored by the Board.

Country risk

Country risk arises from country-specific events that adversely impact the Group's exposure in a specific country. Within the Group, country risk is broadly defined. It includes all relevant factors that have a common impact on Group's portfolio in a country such as economic, banking and currency crises, sovereign default and political risk events. The assessment of the country rating is based on a benchmark of external rating agencies and other external information.

Sovereign Risk* Most recent available

	India	Indonesia	Philippines
Fitch Ratings	BBB- (stable)	BBB- (stable)	BBB- (stable)
Moody's	Baa2 (stable)	Baa2 (stable)	Baa2 (stable)
Standard & Poor's	BBB- (stable)	BBB- (stable)	BBB (positive)

Source: Trading Economics
* Long-term, foreign currency

Market risk

Market risk arises from the Group's use of interest bearing, tradable and foreign currency denominated financial instruments. Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

Cash flow interest rate risk

Interest rate risk arises as an associated risk from the Group's primary business. Overall interest rate risk appetite for the Group is considered at low level.

The Group is exposed to cash flow interest rate risk mainly from borrowings at a variable rate.
As at 31 March 2018 a significant portion of Group's external borrowing bears floating interest rate. During FY2017/2018, the Group's borrowings at variable rate were denominated in INR, IDR and PHP, whilst fixed rate

borrowing were denominated in INR, IDR, PHP and EUR currencies.
Operating Companies analyse the interest rate exposure on a quarterly basis and perform sensitivity analysis by applying simulation techniques in order to monitor and control the current and projected interest rate margin.

As at reporting date, if interest rate on INR, IDR, PHP and EUR denominated interest bearing assets and liabilities are estimated to be 100 basis points higher/lower, all other variables held constant, profit before tax would have an estimated decrease/increase of EUR 466,786 (31 March 2017; EUR -680,152) respectively.

In this sensitivity test the assumptions for a rate change is applied to:

a) Regenerated loans and advances after maturity of existing ones, for the remaining term estimated by using weighted average maturity for all loans and advances maturing within one year
b) Cash and cash equivalents estimated to be invested for 12 months
c) Fixed rate borrowings obtained after maturity of existing ones, for the remaining term estimated by using the weighted average maturity of liabilities maturing within one year
d) All variable rate borrowing for 12 months

The management considers that 100 basis points will be the likely change in INR and IDR PHP and EUR interest rates over the next year, being the period up to the next point at which the Group expects to make these disclosures.

The Company is of the opinion that the interest rate sensitivity analyses is not fully representative of the quantum of risk that the Group is exposed to. Indeed, the Group has the tools and ability to maintain over time a stable interest rate margin and therefore minimising the interest rate risk.

This conclusion is based on the reason that the combined effect of the short-term duration of the loan book together with a double digit growth of the portfolio is such that a large portion of the Group portfolio is recycled on quarterly basis. The Group applies a fixed interest rate on the loans to customers, however fresh loans bear an interest rate that factors in the prevailing cost of funding at the time of the disbursement.

At 31 March 2018	Between Up to 3 months EURO	Between 3 and 12 months EURO	Sub-total Current EURO	Between 1 and 2 years EURO	2 and 5 years EURO	Over 5 years EURO	Sub-total non-current EURO
Loans and advances to customers	144,049,556	317,692,595	461,742,151	182,061,566	8,073,617	166	190,135,349

At 31 March 2017	Between Up to 3 months EURO	Between 3 and 12 months EURO	Sub-total current EURO	Between 1 and 2 years EURO	2 and 5 years EURO	Over 5 years EURO	Sub-total non-current EURO
Loans and advances to customers	89,610,972	251,879,035	341,490,007	127,141,471	928,014	-	128,069,485

The interest rate profile of the Group's interest bearing financial instruments measured at amortised cost is as follows:

	31 March 2018 EURO	31 March 2017 EURO
Fixed rate instruments		
Financial assets	695,596,663	553,519,593
Financial liabilities	326,984,759	303,616,919
Variable rate instrumens		
Financial assets	-	-
Financial liabilities	203,278,636	116,256,425

A 100 basis-point increase/decrease of the variable interest rates borrowings only, would decrease/increase the consolidated pre-tax profit by EUR 2,032,786 (2016/2017: EUR 1,162,564).

Foreign exchange risk

Foreign exchange risk arises when Group entities enter into transactions denominated in a currency other than their functional currency. Currency risk arises as an associated risk from the Group's primary business and the Group does not actively take trading positions. Group's appetite on market risk is low and direct currency risk is largely hedged to remain within conservative boundaries. Overall interest rate risk for the Group is considered at medium level.

The Group is not exposed to currency risk on debt financing instruments, neither on loans to customers which are all denominated in the functional currency of the respective entity. However, CAA N.V. grants loans to subsidiaries denominated in the subsidiary's local currency. As a result, CAA N.V. is exposed to the risk of volatility in cash flows from movements in foreign currency exchange rates against EURO. CAA N.V. hedges the foreign currency exchange rate risks on intercompany loans which are denominated in foreign currencies through the use of forward foreign currency exchange contracts with broadly matching terms e.g. nominal amount, period of risk exposure).
The exposure is the nominal amount of loan balance as at the balance sheet date. CAA N.V. may choose to hedge full or portion of the foreign currency exposure. CAA N.V. may also choose to hedge or not the interest on the loan.

The effectiveness of all outstanding hedge contracts is monitored on a regular basis throughout the life of the hedges.

CAA N.V. hedges its foreign currency positions with forward foreign exchange contracts with the following two counterparties:
1- ING Group NV - S&P Foreign Issuer credit rating "A-" with stable outlook.
2- Alpha - listed on London Stock Exchange - unrated

The Group aims to fund expenses and investments in the respective currency and to manage foreign exchange risk at a local level by matching the currency in which revenue is generated and expenses are incurred. Only products and services purchased from abroad may lead to foreign currency denominated expenses and liabilities. The Group's net exposure to foreign exchange risk was as follows:

Functional currency of individual entity

	EUR 2017/2018 in EURO	IDR 2017/2018 in EURO	PHP 2017/2018 in EURO	Total 2017/2018 in EURO
Net foreign currency				
Monetary financial assets/(liabilities)				
Denominated in EUR	-	14,325	10,708	25,033
Denominated in IDR	3,543,172	-	-	3,543,172
Denominated in USD	128,784	84,781	-5,044	208,521
Denominated in THB	212	-	-	212
Total net exposure	**3,672,168**	**99,106**	**5,664**	**3,776,938**

	EUR 2016/2017 in EURO	VND 2016/2017 in EURO	PHP 2016/2017 in EURO	Total 2016/2017 in EURO
Net foreign currency				
Monetary financial assets/(liabilities)				
Denominated in EUR	-	-	11,052	11,052
Denominated in USD	189,826	90,742	-2,801	277,767
Denominated in INR	80,068	-	-	80,068
Denominated in IDR	-117,919	-	-	-117,919
Denominated in PHP	90	-	-	90
Total net exposure	**152,065**	**90,742**	**8,251**	**251,059**

The effect of a 10% strengthening of the local currencies against EUR at the reporting date on the consolidated unhedged foreign currency denominated net assets carried at the reporting date would, all other variables held constant, result in an increase in pre-tax profit of EUR 377,694 (2016/2017: EUR 35,783 on INR and USD) and a 10% weakening in the exchange rates would, on the same basis, decrease pre-tax profit by EUR 377,694 (2016/2017: EUR 35,783 on INR and USD).

Other market price risk
At the reporting date, The group does not hold assets that are exposed to market price risk. The Group fully sold the equity investment in Equitas Holding during the financial year.

Liquidity risk
Liquidity risk arises from the Group's management of working capital and the repayment obligations of principal and interest on debt instruments. It explains the risk that the Group may encounter difficulty in meeting its financial obligations as they fall due.

The Group's risk appetite is to maintain enough liquidity to meet its obligations and to ensure that each operating company disburses loans to its borrowers and repay loans to its lenders and therefore is considered at medium level.

The Boards of Directors of the subsidiaries are responsible to ensure that the relevant company will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, the policy is to seek equity and long term debt to finance the loans to customers.

Each Operating Company receiving debt financing has an Asset and Liability policy and a committee in charge of its supervision and application.

The liquidity risk policies of each Group entity are maintained and applied locally by the treasury function, whilst the Assets and Liabilities committees are responsible to verify full compliance to the policy periodically. At the end of the financial period, the cash flow projections indicated that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

Loans and advances to customers have shorter maturities compared to financial liabilities. Shorter maturities of assets allow sufficient flexibility to be liquid for all the liabilities at their maturity.

The following table shows liquidity gap by categorization of the balance sheet per contractual maturities of the carrying amounts of assets and liabilities. It presents, per instrument, the timing of the cash flows of undiscounted principal as well as of the fair market values, wherever required, as described in balance sheet and accompanying notes to the accounts. Expected cash flows resulting from undrawn commitments are not included in the liquidity gap.

At 31 March 2018	Upto 3 months EURO	Between 3 and 12 months EURO	Sub-total current EURO	Between 1 and 2 years EURO	Between 2 and 5 years EURO	Over five years EURO	Matuirity undefined EURO	Sub-total non-current EURO	Total EURO
Assets									
Cash and cash equivalents	34,426,354	-	34,426,354	-	-	-	-	-	**34,426,354**
Other receivables	968,366	8,796,050	9,764,416	-	-	-	-	-	**9,764,416**
Derivative financial instruments	-	167,007	167,007	-	-	-	-	-	**167,007**
Loans and advances to customers (net)	144,049,556	317,692,595	461,742,151	182,061,566	8,073,617	166	-	190,135,349	**651,877,500**
Trade receivables	18,540	-	18,540	-	-	-	-	-	**18,540**
Long Term receivables	-	-	-	-	1,621,067	-	-	1,621,067	**1,621,067**
Deferred tax assets	-	-	-	-	-	-	7,272,125	7,272,125	**7,272,125**
Financial assets at fair value through profit or loss	-	-	-	-	-	-	24,908	24,908	**24,908**
Available-for-sale investments	-	-	-	-	-	-	-	-	**-**
Tangible fixed assets	-	-	-	-	-	-	3,468,261	3,468,261	**3,468,261**
Intangible fixed assets	-	-	-	-	-	-	17,452,408	17,452,408	**17,452,408**
Total assets	**179,462,816**	**326,655,652**	**506,118,468**	**182,061,566**	**9,694,684**	**166**	**28,217,702**	**219,974,118**	**726,092,586**
Liabilities									
Trade and other payables	7,537,075	5,851,492	13,388,567	3,900	37,254	-	-	41,154	**13,429,721**
Finance debt	51,311,961	222,727,991	274,039,952	152,005,353	90,788,542	-	-	242,793,895	**516,833,847**
Derivative financial instruments	-	37,554	37,554	-	-	-	-	-	**37,554**
Tax and social security	474,026	625,455	1,099,481	-	-	-	-	-	**1,099,481**
Post employment benefit obligations	-	-	-	-	-	-	559,994	559,994	**559,994**
Deferred tax liabilities	-	-	-	-	-	-	329,968	329,968	**329,968**
Total liabilities	**59,323,062**	**229,242,492**	**288,565,554**	**152,009,253**	**90,825,796**	**-**	**889,962**	**243,725,011**	**532,290,565**
Equity			-				193,802,021	193,802,021	**193,802,021**
Total equity and liabilities	**59,323,062**	**229,242,492**	**288,565,554**	**152,009,253**	**90,825,796**	**-**	**194,691,983**	**437,527,032**	**726,092,586**
Gap per bucket	**120,139,754**	**97,413,160**	**217,552,914**	**30,052,313**	**-81,131,112**	**166**	**-166,474,281**	**-217,552,914**	**-**
Cumulative Gap	120,139,754	217,552,914	217,552,914	247,605,227	166,474,115	166,474,281	-	-	-
Cumulative Gap %age	203%	75%	75%	56%	31%	31%	0%	0%	0%

Capital Disclosures

The Group monitors "adjusted capital" which comprises all components of equity (i.e. share capital, share premium, non-controlling interest, retained earnings, and revaluation reserve).

The Group's objectives when maintaining capital are to safeguard the entity's ability to continue as a going concern, while expanding the business and providing returns for shareholders commensurate with the level of underlying risk.

When reviewing and approving the business plan of each subsidiaries the Group sets the target capitalization at the level of each subsidiary. The capitalization is measured as the ratio between the total assets of the subsidiary minus its cash, cash equivalents and liquid investments versus its equity. Another parameter that is used to measure and monitor the levarge of subsidiaries is the ratio Finance Debt over Equity (D:E). During FY2017/2018 the Group has maintained a moderate leverage ratio between 164% and 249% and the Group may leverage further and expand the business without needing to fund raise additional equity capital. The Company would inject equity capital into a subsidiary that expands its business beyond a D:E ratio of 500%.

	2017/2018 EURO	2016/2017 EURO
Loans and borrowings	516,833,847	409,384,130
Less: cash and cash equivalents	-34,426,354	-71,280,913
Net debt	**482,407,493**	**338,103,217**
Total equity	193,802,021	205,860,660
Adjustments	-15,506	-
Total adjusted capital	193,786,515	205,860,660
Debt to adjusted capital ratio (%)	**249%**	**164%**

Notes to the financial statements

6. Interest income and fees

	2017/2018 EURO	2016/2017 EURO
By category:		
Interest income	117,225,766	99,046,211
Profit sharing from working capital	14,385,653	10,964,479
Loan processing and other fees	6,523,408	4,935,419
Total	**138,134,827**	**114,946,109**
By geographical area:		
Europe	-	61,257
South-east Asia	138,134,827	114,884,852
Total	**138,134,827**	**114,946,109**

Interest income and fees contains interest income on loan to customers, on investment, bank account, saving account, mutual funds (even if in the form of dividends or change in NAV value, whereas the underlying investment of the fund is fixed income securities), loan processing and loan administration fees.

7. Interest expenses and fees

	2017/2018 EURO	2016/2017 EURO
Interest costs and fees on external borrowings	51,545,576	53,529,611

Interest expenses consist of interest and other costs (e.g. disbursement fees, upfront fees, admin fees, monitoring fees, commitment fees etc) that an entity incurs in connection with the borrowing of funds (e.g. loan, overdraft).

8. Other income

	2017/2018 EURO	2016/2017 EURO
Miscellaneous proceeds	1,864,088	793,111

This relates mainly to proceeds from the distribution of third party services, technical assistance contributions received, donations and recoveries from earlier written-off loans and interest.

9. Impairment allowance & write off

	2017/2018 EURO	2016/2017 EURO
Joint liability group loans (unsecured)	23,581,068	15,163,651
Individual loans	124,741	14,742
Total	**23,705,809**	**15,178,393**

The impairment allowance and write offs have been significantly high for both FY2017/2018 and FY2016/2017 compared to historical records primarily due to the incident and consequences of demonetisation in India.
For FY2017/2018 the write-off for joint liability group loans amounts to EUR 21,750,138 and for individual loans to EUR 19,312. All loans affected by demonetization period have been assessed for impairment esitmation.

10. Personnel expenses

	2017/2018 EURO	2016/2017 EURO
Personnel expenses comprise:		
Wages and salaries	28,852,898	22,766,038
Social security costs	1,370,205	1,441,317
Share options granted to employees and CEO	634,318	154,099
Pension costs – defined contribution plans	742,487	754,166
Pension costs – defined benefit plans	536,967	369,586
Other staff welfare costs	94,854	24,753
Other post-employment benefits	234,075	195,491
Total	**32,465,804**	**25,705,450**

Key management personnel compensation
Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including the directors of CreditAccess. Compensation is disclosed under the Related parties (note 33).

The average number of employees (full time equivalent) based on their function:

	2017/2018 FTE	2016/2017 FTE
Field staff	8,870	7,113
Back office staff	877	699
Total	**9,747**	**7,812**

The average number of employees (full time equivalent) based on their geographical location:

	2017/2018 FTE	2016/2017 FTE
The Netherlands	8	6
Europe (other than the Netherlands)	-	1
Asia	9,739	7,805
Total	**9,747**	**7,812**

11. Expenses by nature

	2017/2018 EURO	2016/2017 EURO
Amortisation of intangible assets (note 14)	1,305,103	1,291,847
Depreciation of tangible assets (note 15)	1,367,117	1,132,753
Others	23,991	9,056
Sub total	2,696,210	2,433,656
Travel and lodging	4,486,031	3,335,505
Rental	2,521,063	2,027,910
Communication and IT	1,234,314	1,058,454
Other professional fees	1,352,041	929,857
Taxes and licenses	1,288,703	818,992
HR and benefits expenses	247,564	717,864
Repairs and maintenance	678,060	711,069
Office expenses	1,025,434	647,924
Other operating expenses	2,099,872	680,952
Legal fees	223,016	458,854
Bank charges	525,072	451,370
Insurances	333,549	389,231
Utilities	435,203	334,419
Audit and accounting	252,530	315,058
Donations	540,185	299,280
Directors fees	332,,385	83,862
Pre operating expenses	88,709	73,529
Marketing and advertising	46,604	57,666
Sub total	17,710,332	13,391,796
Total	**20,406,542**	**15,825,452**

Insurance expenses include insurance premium relating to PT Bina Artha Ventura to obtain credit risk insurance on loans and advances to customers.

Auditor's fees

The fees listed below relate to the services provided to the Group by Ernst & Young Accountants LLP (the Netherlands) as well as by other, Dutch and foreign-based, individual partnerships and legal entities, including their tax services and advisory group. Ernst & Young Accountants LLP is the external auditor of CreditAccess Asia N.V., as referred to in Section 1(1) of the Dutch Accounting Firms Oversight Act ('Wet toezicht accountantsorganisaties' or 'Wta')

EURO	2017/2018 EURO	2016/2017 EURO
Audit annual accounts	144,039	83,396
Other audit assignments	19,867	24,579
Other non-audit services	5,298	32,100
Total	**169,204**	**140,075**

Comparative amounts for FY2016/2017 relate to prior auditor (BDO Audit and Assurance B.V.) and the respective assignments.

During the month of August 2017 the Internal Audit Team of PT Bina Artha Ventura (Indonesia) had detected a fraud event. The responsible person had been detected, reported to the authorities and arrested. Authorities had also ordered the return of the assets and the company is also in the process of seizing the assets of the fraudster and selling them.
The management is of the opinxion that the seized assets will cover for most of the amount embezzled. However, an amount equal to EUR 41,000 has been expensed in the FY2017/2018, as the estimated amount to be less likely to be recovered

12. Results from financial instruments

	2017/2018 EURO	2016/2017 EURO
Fair-value adjustment on conversion option of Olympus Bond	-	-7,835,751

This related to the re-measurement of the embedded derivative component of the Olympus Bond.
The subscriber exercised the conversion option on 23 March 2017 whereupon the derivative component was remeasured and the respective fair-value adjustment was then recorded via the Results from financial instruments.
Thereafter the cumulative amounts of both the derivative- and the liability component have been recognised in equity.

13. Tax expense

	2017/2018 EURO	2016/2017 EURO
(i) Tax expense and share of tax of equity accounted associates and joint ventures		
Current tax expense/(income)		
Current tax on profits for the period	7,409,512	11,151,392
Adjustment for under provision of prior periods	5,098	17,753
Total current tax	**7,414,611**	**11,169,145**
Deferred tax expense/(income)		
Origination and reversal of temporary differences (note 26)	-1,532,532	-1,789,922
Recognition of previously unrecognised deferred tax assets	374,826	-283,308
Total deferred tax	**-1,157,705**	**-2,073,230**
Total	**6,256,905**	**9,095,915**

The reasons for the difference between the actual tax charged for the period and the standard rate of corporate tax applied to profits for the period are as follows:

	2017/2018 EURO	2016/2017 EURO
Result before taxation	**35,493,688**	**9,670,450**
Tax using the Company’s domestic tax rate of 25% (2015/2016: 25%)	8,873,422	2,427,613
Difference in tax rates foreign jurisdictions	1,536,400	538,062
(De)recognition of deferred tax assets	1,452,463	2,561,324
Adjustment in respect to prior years	28,720	26,741
Impairment allowance relating to loans and advances to customers	-1,927,917	4,975,325
Gains from disposal of Avalable-for-sale investments	-5,948,622	-
Tax impact of conversion from local GAAP to IFRS	2,877,062	393,714
Other expenses not deductible/(income not taxable)	549,038	-37,059
Remeasurement of deferred tax positions	-1,183,661	-1,789,805
Total tax expense	**6,256,905**	**9,095,915**

The impairment allowance on loans and advances to customers relates to non-deductible expenses in India. The amount for FY2017/2018 is impacted by last years reversals and the respective effect.
Gains from disposal of AfS-investments are not subject to tax, because of the Dutch Participation-exemption.
The derecognition of the deferred tax assets is related to the fact that tax losses may be no longer refundable and therefore loss compensation will not be realized. It also includes the effect from deferred tax assets being not recognised because of uncertainty of recovery.

	2017/2018 EURO	2016/2017 EURO
Effective tax rate	**17.6%**	**94.1%**

Effective tax rate is highly effeced by the fact that some companies within the group generate profits, while others suffer losses. Also in India, additions to the loan loss provision are not deductible from taxable income. Only write offs are deductible from taxable income. Movements in the loan loss provision cause temporary differences and lead therefore to movements in the deferred tax position thus affects the ETR. In FY2016/2017, the loan loss provision increased significantly due to the demonetization in India, resulting in a high ETR. In FY2017/2018, the loan loss provision increased further due to deterioration of the portfolio as a result of the demonetization. However, in FY2016/2017 a significant part of loans was written off as a result of the demonetization, damping the ETR effect.

Estimates and assumptions

The Group companies are subject to income tax in the jurisdictions where they run business and judgements are required in determining the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the Group recognises tax liabilities based on estimates of whether additional taxes and interest will be due. These tax liabilities are recognised when, despite the management's belief that the tax return positions are supportable, it believes that certain positions may be challenged and may not be fully sustained upon review by tax authorities. The Company believes that its accruals for tax liabilities are adequate for all open audit years based on its assessment of many factors including past experience and interpretations of tax law. This assessments on deferred tax relies on estimates and assumptions and may involve a series of complex judgments about future events. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact income tax expense in the period in which such determination is made.

Unrecognised DTA

Deferred tax assets have been recognised in respect of all tax losses and other temporary differences giving rise to deferred tax assets where management believes it is probable that these assets will be recovered.
Total unused tax losses in certain jurisdictions for which no deferred tax assets has been recognised amounts to EUR 22.8 mln. (31 March 2017; EUR 19.1 mln. (note 26).

Tax on each component of other comprehensive income is as follows (see note 29):

	2017/2018			2016/2017		
	Before tax EURO	Tax EURO	After tax EURO	Before tax EURO	Tax EURO	After tax EURO
Available-for-sale investments:						
(i) Valuation (losses)/gains on available-for-sale investments	-	-	-	17,300,861	-	17,300,861
(ii) Transferred to profit or loss on sale	-32,066,553	-	-32,066,553	-13,948,305	3,556,536	-10,391,769
Cash flow hedges:						
(i) Gains recognised on hedging instruments	15,506	-	15,506	-	-	-
(ii) Transferred to profit or loss for the year	-	-	-	-	-	-
(iii) Transferred to initial carrying amount of hedged items	-	-	-	-	-	-
Exchange (losses)/gains on the translation of foreign operations	**-27,706,402**	**-**	**-27,706,402**	**10,178,753**	**-**	**10,178,753**
Share of associates' other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**
Actuarial gain on defined benefit pension schemes	-	-	-	-	-	-
	-59,757,449	**-**	**-59,757,449**	**13,531,309**	**3,556,536**	**17,087,845**

14. Intangible assets

	Client base and trademark	Goodwill	Software	Intangible assets under development	Total
	EURO	EURO	EURO	EURO	EURO
(i) Cost					
At 31 March 2016	4,949,070	17,793,382	1,191,085	-	23,933,537
Additions - externally acquired	-	-	283,198	411,929	695,127
Disposals	-	-	-	-	-
Foreign exchange rate movements	430,116	211,942	103,857	24,836	770,751
Reclassifications	-	-	-	-	-
At 31 March 2017	**5,379,186**	**18,005,324**	**1,578,140**	**436,765**	**25,399,415**
At 31 March 2017	5,379,186	18,005,324	1,578,140	436,765	25,399,415
Additions - externally acquired	11,050	-	241,180	-	252,230
Additions - internally developed	-	-	-	-	-
Disposals	-	-	-9,971	-	-9,971
Foreign exchange rate movements	-731,024	-2,631,586	-246,237	-43,723	-3,652,570
Reclassifications	-	-	260,713	-260,713	-
At 31 March 2018	**4,659,212**	**15,373,738**	**1,823,825**	**132,329**	**21,989,104**
(ii) Accumulated amortisation and impairment					
At 31 March 2016	1,981,846	-	317,967	-	2,299,813
Amortisation charge	1,013,915	-	277,932	-	1,291,847
Disposals	-	-	-	-	-
Foreign exchange movements	233,296	-	18,569	-	251,865
At 31 March 2017	**3,229,057**	**-**	**614,468**	**-**	**3,843,525**
At 31 March 2017	3,229,057	-	614,468	-	3,843,525
Amortisation charge	990,923	-	314,180	-	1,305,103
Impairment losses	-	-	-	-	-
Disposals	-	-	-9,971	-	-9,971
Foreign exchange movements	-497,575	-	-104,386	-	-601,961
At 31 March 2018	**3,722,405**	**-**	**814,291**	**-**	**4,536,696**

14. Intangible assets

	Client base and trademark	Goodwill	Software	Intangible assets under development	Total
	EURO	EURO	EURO	EURO	EURO
(iii) Net book value					
At 31 March 2017	2,150,129	18,005,324	963,672	436,765	21,555,890
At 31 March 2018	**936,807**	**15,373,738**	**1,009,534**	**132,329**	**17,452,408**

The client base and trademark originates from the purchase price allocation on acquiring the controlling interest in CreditAccess Grameen in March 2014. It is amortised on a straight line basis over the useful economic life of 5 years, financial year 2017/2018 being the fourth year.
Goodwill is furher disclosed in note 16.

Intangible assets under development relates mainly to the core banking IT System (Temenos T24) at CreditAccess Grameen.

15. Tangible fixed assets

	Leasehold Improvements	Office Equipment	Fixtures and fittings	Computer equipment	Vehicles	Total
	EURO	EURO	EURO	EURO	EURO	EURO
(i) Cost or valuation						
At 31 March 2016	706,742	423,839	736,348	1,309,093	766,409	3,942,431
Additions	394,888	184,345	203,428	578,642	354,442	1,715,745
Disposals	-	-31,250	-14,203	-25,610	-9,044	-80,107
Re-classified to non-current assets held for sale	-	-	-	-	-	-
Fair value gain (loss) recognised in other comprehensive income	-	-	-	-	-	-
Foreign exchange movements	37,495	36,618	34,420	73,129	-11,182	170,480
At 31 March 2017	**1,139,125**	**613,552**	**959,993**	**1,935,254**	**1,100,625**	**5,748,549**
At 31 March 2017	1,139,125	613,552	959,993	1,935,254	1,100,625	5,748,549
Additions	851,294	340,340	297,603	640,638	198,831	2,328,707
Disposals	-156,627	-12,643	-2,842	-18,760	-21,689	-212,561
Reclassifications	-	15,796	-15,127	-669	-	--
Fair value gain (loss) recognised in other comprehensive income	-	-	-	-	-	-
Foreign exchange movements	-213,736	-113,381	-160,705	-335,585	-193,389	-1,016,796
At 31 March 2018	**1,620,057**	**843,664**	**1,078,922**	**2,220,878**	**1,084,377**	**6,847,899**

15. Tangible fixed assets

	Leasehold Improvements	Office Equipment	Fixtures and fittings	Computer equipment	Vehicles	Total
	EURO	EURO	EURO	EURO	EURO	EURO
(ii) Accumulated depreciation and impairment						
At 31 March 2016	210,683	192,253	335,071	578,018	150,485	1,466,510
Depreciation	253,054	86,126	214,593	383,264	195,716	1,132,753
Revaluations	-	-	-	-	-	-
Impairment losses	-	-	-	-	-	-
Re-classified to non-current assets held for sale	-	-	-	-	-	-
Disposals	-	-23,625	-10,128	-21,674	-9,044	-64,471
Foreign exchange movements	13,900	17,020	24,264	35,532	-2,898	87,818
At 31 March 2017	**477,637**	**271,774**	**563,800**	**975,140**	**334,259**	**2,622,610**
At 31 March 2016	477,637	271,774	563,800	975,140	334,259	2,622,610
Depreciation	346,431	128,610	192,817	479,706	219,553	1,367,117
Impairment losses	-	-	-	-	-	-
Reclassifications	-	1,929	-1,660	-269	-	-
Disposals	-82,881	-10,093	-2,952	-21,181	-9,544	-126,651
Foreign exchange movements	-90,499	-48,382	-95,129	-179,023	-70,405	-483,438
At 31 March 2018	**650,688**	**343,838**	**656,876**	**1,254,373**	**473,863**	**3,379,638**
(iii) Net book value						
At 31 March 2017	661,488	341,778	396,193	960,114	766,366	3,125,939
At 31 March 2018	**969,369**	**499,826**	**422,046**	**966,505**	**610,515**	**3,468,261**

16. Goodwill and impairment

The carrying amount of goodwill is allocated to the cash generating units (CGUs) as follows:

	Goodwill carrying amount 2017/2018 EUR 000	Goodwill carrying amount 2016/2017 EUR 000
CreditAccess Grameen		
- Opening balance	10,015	9,214
- Exchange difference	-1,359	801
	8,656	10,015
PT Konsultasi Mikro Ventura		
- Opening balance	7,990	7,572
- Exchange difference	-1,272	418
	6,718	7,990
Total	**15,374**	**18,005**

The Group is required to test, on an annual basis, whether recognised goodwill has suffered any impairment.

The CGU to which Goodwill has been allocated are CreditAccess Grameen (CAG) and PT Konsultasi Mikro Ventura (KMV). For the period under review the impairment test on the goodwill associated to CAG and KMV resulted in no impairment.

An impairment is necessary in the event that the carrying amount of a specific CGU exceeds the estimated recoverable amount of such CGU. The recoverable amount is measured as the greater of value in use (i.e. discount cash flow) and fair value less cost to sell.

The recoverable amounts for CAG and KMV have been measured from the discounted cash fows, whereby the projections until March 2021 and March 2023 respectively are explicit and approved by the respective board of directors, while the projections for the remaining period has been extrapolated.

Other major assumptions for CAG are as follows: growth rate year-on-year 15% (31 March 2017; 2.3%) and discount rate 17.5% (31 March 2017; 17.5%).

Other major assumptions for KMV are as follows: growth rate year-on-year 15% (31 March 2017; 15%) and discount rate 27.5% (31 March 2017; 27.5%).

The growth rate assumptions above apply only to the period beyond the explicit projections of CAG and KMV. These have been based on past track record and on future expectations in the light of anticipated economic and market conditions.

The discount rate is applied to all cash flow projections and these reflect management's assessment of the risk profile of the single CGUs.

The management has measured the following head room for the CGUs: for CAG the recoverable amount exceeds the carrying amount by EUR 352 million; for KMV the recoverable amount exceeds its carrying amount by EUR 37 million.

Management believes that any reasonably possible change in the key assumptions on which the recoverable amounts of CAG and KMV are based would not cause the carrying amount of the same to exceed the estimated recoverable amounts of the respective CGU.

17. Non-controlling Interests (NCI)

CreditAccess Grameen Private Limited
As per 31 March 2018 the Company holds 98.88% (31 March 2017; 99.44%) in CreditAccess Grameen Private Limited (India).

During FY2017/2018 there have been no significant transaction with Non-contolling interest holders.

Summarised financial information is provided on the next page.

For the year ended 31 March	2017/2018 EURO	2016/2017 EURO
CreditAccess Grameen Private Limited:		
Total income	**112,654,419**	**96,435,518**
Profit after tax	10,448,942	10,307,428
Attributable to:		
Controlling Interest	10,331,914	10,249,706
Non-controlling Interest	117,028	57,722
Other comprehensive income allocated to NCI	-	-
Total comprehensive income allocated to NCI	117,028	57,722
Cash flows from operating activities	-232,092,010	-49,459,075
Cash flows from investing activities	690,893	2,364,238
Cash flows from financing activities	204,636,939	67,402,324
Net cash inflows/(outflows)	**-26,764,178**	**20,307,487**

At 31 March	2017/2018 EURO	2016/2017 EURO
Assets	633,543,702	496,503,600
Liabilities	458,738,845	365,215,114
Equity	**174,804,857**	**131,288,486**
Accumulated non-controlling interests	**1,957,814**	**735,216**

The total non-controlling interest at year-end consists of the following:

	2017/2018 EURO	2016/2017 EURO
Grameen Koota Financial Services Private Limited	1,957,814	735,216
PT Konsultasi Mikro Ventura, incl. PT Bina Artha Ventura	742	872
Total	**1,958,557**	**736,088**

18. Loans and advances to customers

	2017/2018 EURO	2016/2017 EURO
Non-current portion:		
Joint liability group loans	189,722,369	127,028,034
Individual loans	5,070,954	1,041,451
Gross non-current portion	194,793,323	128,069,485
Less: impairment allowance	-4,657,974	-
Net non-current	**190,135,349**	**128,069,485**
Current portion:		
Joint liability group loans	463,771,214	354,931,858
Individual loans	9,286,953	2,972,618
Gross current portion	473,058,168	357,904,476
Less: impairment allowance	-11,316,016	-16,414,469
Net current	**461,742,151**	**341,490,007**
Total loans and advances to customers - net	**651,877,500**	**469,559,492**

The carrying value of the current and non-current portion of loans and advances to customers approximates the fair value. For the year 2016/2017 the allowance for impairmant was calculated on the total loan portfolio but allocated in full to the current portion.

The redemption schedule of the loans and advances to customers is as follows:

	2017/2018 EURO	2016/2017 EURO
Up to 3 months	144,049,556	89,610,972
3 to 6 months	122,239,212	101,592,383
6 to 12 months	195,453,383	150,286,652
1 year to 2 years	182,061,566	127,141,471
More than 2 years	8,073,783	928,014
Total Loans and advances to customers - net	**651,877,500**	**469,559,492**

Movements in the impairment allowance for loans are as follows:

	2017/2018 EURO	2016/2017 EURO
Opening balance	**16,414,469**	**861,893**
Adjustments re written-off accounts	-21,769,449	-323,154
Additions during the year	23,705,809	15,178,393
Foreign exchange and other movements	-2,376,841	697,337
Ending balance	**15,973,988**	**16,414,469**

The movement in the impairment allowance for loans has been included in the 'Impairment allowance and write off' line in the consolidated statement of profit or loss. Impairment allowance in Bina Artha Ventura is net of credit insurance income benefiting from the cover obtained for 75% of credit risk of principal and interest amount. Credit insurance premium expense is part of operating expenses included in note 11.

The ageing analysis of the gross amount of the loans and advances to customers is as follows:

	2017/2018 EURO	2016/2017 EURO
Loans with 0 days overdue	657,565,473	419,067,842
Loans overdue up to 90 days	3,933,801	65,443,413
Loans overdue by 91 to 180 days	2,438,132	531,589
Loans overdue by more than 180 days	3,914,082	931,117
Total gross loans and advances to customers	**667,851,488**	**485,973,961**

19. Available-for-sale investments

	2017/2018 EURO	2016/2017 EURO
Opening balance	**42,917,761**	**50,372,410**
Additions	-	-
Disposals	-42,917,761	-24,755,510
Net gains recognised through other comprehensive income	-	17,300,861
Closing balance	**-**	**42,917,761**
Reconciliation		
Acquisition value	10,851,208	
Fair-value adjustments	32,066,553	
	42,917,761	
Acquisition value	10,851,208	
Net proceeds received	34,646,117	
Realised gains recognised via profit- and loss account	**23,794,909**	
Net proceeds at historical foreign-exchange rates	43,629,196	
Effect of foreign-exchange	-8,983,079	
Net proceeds at actual foreIgn-exchange rates	**34,646,117**	

Available-for-sale financial assets consists of only one item as below:

	2017/2018 EURO	2016/2017 EURO
Equitas Holdings Pvt Ltd (India)	-	42,917,761

The investment is listed at the Mumbai Stock Exchange sinde 21 April 2016. The remaining 17,566,159 shares held by the Group have been fully sold in several treanches during the the financial year.

20. Derivative financial instruments

	2017/2018 EURO	2016/2017 EURO
Derivative financial assets		
Non deliverable forward contracts	167,007	-
Derivative financial iabilities		
Non deliverable forward contracts	37,554	-
Balance	**129,453**	

The Company has entered into hedging derivative financial instruments to hedge its exposure to foreign currency exchange rate fluctuations relating to settlement of intercompany loans amounting to EUR 9.3 mln.
It relates to 14 forward contracts as follows:

PHP	265.2 million notional amount, with a fair-value of	EUR 108,337
IDR	37,683.5 million notional amount, with a fair value of	EUR 21,116
		EUR 129,453

Maturity dates range between April 2018 and March 2019.
Hedge effectiveness is 100% as profit or loss effect of derivative offsets 100% the profit or loss effect of the loan, bringing net effect to zero.

Foreign exchange risk arises when a Group's company enters into transaction(s) denominated in a currency other than its functional currency. Where the risk is considered to be significant, the treasury will enter into a matching hedging contract with a primary financial institution according to the prevailing foreign exchange risk policy.

21. Long-term receivables

	2017/2018 EURO	2016/2017 EURO
Security deposits	703,346	616,903
Cash collateral against long-term borrowing	594,156	1,588,385
Tax and social security	-	198,468
Others	323,565	111,219
Total	**1,621,067**	**2,514,975**

The carrying value of these long-term receivables approximates the fair value.

Security deposits relate mainly to the rent of offices and branches.

22. Trade receivables and Other receivables

	2017/2018 EURO	2016/2017 EURO
Trade receivables	**18,540**	**-**
Security deposits	1,174,678	4,748,467
Interest receivable	968,366	1,453,196
Advances	1,196,193	1,346,988
Prepayments	2,195,687	1,716,167
Others	3,568,669	705,530
Tax and social security	660,823	193,865
Other receivables	**9,764,416**	**10,164,213**
Total	**9,782,956**	**10,164,213**

The carrying values of Trade receivables and Other receivables approximate the fair values.

Financial assets included within Trade receivables and Other receivables do not contain impaired assets.

Security deposits relate to short-term cash collateral.

23. Trade and other payables and Tax and social security

	2017/2018 EURO	2016/2017 EURO
Non-current liabilities		
Trade and other payables	41,154	-
Total non current	**41,154**	-
Current liabilities		
Trade payables	803,919	524,139
Accrued interest payable on borrowings	2,321,050	1,896,852
Employee liabilities	2,685,532	2,615,482
Insurances	237,621	611,202
Provision for donation	652,953	399,677
Client responsibility fund	3,889,335	3,011,073
Other liabilities	2,416,152	866,357
Accrued expenses	382,005	564,432
Tax and social security	1,099,481	2,304,340
Total current	**14,488,048**	**12,793,554**
Total	**14,529,202**	**12,793,554**

The carrying values of all Trade and other payables and Tax and social security approximate the fair values.

The 'Client responsibility fund' relates to approximately 8% collateral as security on working capital granted for part of its Indonesian customers. This relates to two instalments (approximately 8%) for group-lending, and one instalment (approximately 10%) for individual lending.

Insurances relate to life insurance claims and premiums originated by insurance products distributed by CreditAccess Gameen.

Employee liabilities are further detailed in note 25

24. Finance debt

	2017/2018 EURO	2016/2017 EURO
Non-Current Finance debt	242,793,895	147,820,965
Current Finance debt	274,039,952	261,563,165
Total Finance debt	**516,833,847**	**409,384,130**

The book value of the of the current and non-current portion approximates the fair value, because there are no sharp changes to the interest rate environment and to the credit-risk of group companies from the date of securing the finance debt and the closing date.

The currency profile of the Group's loans and borrowings is as follows:

	2017/2018 EURO	2016/2017 EURO
EUR	31,500,000	19,951,561
INR	451,873,573	358,633,260
IDR	21,402,748	18,877,823
PHP	12,057,526	11,921,486
Total	**516,833,847**	**409,384,130**

The EUR bucket contains the IPO Incentive Bond which was issued on 31 October 2014. The bond was originally issued for the amount of 40 mio EUR and on 24 March 2017 50% or 20 mio EUR have been converted into equity of the Company, while 50% remains outstanding as fix rate plain vanilla bond with maturity 15 Febraury 2019. The bond is measured at amortized cost based on the effective interest rate of 9.31% per annum, whilst the nominal interest rate is equal to 6.5% per annum

The INR, IDR and PHP buckets represent borrowings from third parties typically in the form of senior loans. The weighted average rate on INR, IDR and PHP denominated financing liabilities are 12.0%, 14.4% and 13.2% respectively as of 31 March 2018.
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Breach of loan covenants

All loans given to Group entities contain operational, financial and legal covenants. A breach of one or more covenants by the borrower may empower the lender to request an acceleration of the repayment of the outstanding amount of principal and interests. During FY2017/2018, none of the Group companies have been requested to prepay any outstanding loan.

Pledged assets

The Group (mainly CreditAcces Grameen) has placed deposits as collateral for borrowings. Reference is made to notes 21 and 22 for the related amounts.

The terms and conditions stipulate that these securities shall be held by the lender on account of borrower for the repayment of the said loan and/or any other amount payable by the borrower to the lender, while the lender is authorised to withdraw/utilise/appropriate the proceeds, interest due thereon or of any other fixed-/short-term deposit opened in renewal/reinvestment thereof whether before or after due date thereof towards repayment of loan or any other amount without reference to the borrower.

The terms and conditions stipulate the borrower to authorise and irrevocably appoint the lender and/or its officer as its attorney to do whatever the borrower may be required to do in the exercise of all or any of the powers conferred on the lender including to recover, receive, collect, demand, sue for any of book debts, money receivables, money outstanding, claims, bills, supply bills of the borrower while the borrower shall bear the expenses that may be incurred in this regard. The lender or any person or persons appointed or nominated by it shall have the right at all times with or without notice to the borrower and if so required as attorney for and in the name of the borrower to enter in all premises, where the hypothecated assets including the premises where the books of accounts or other records documents etc. relating to the hypothecated assets are lying or left and to inspect value and take particulars of the same and/or to take abstracts from such books of account etc and the borrower shall produce all such records, books, vouchers, evidences and other information as the bank or the person(s) appointed or nominated as aforesaid by the lender may require.

Bank borrowings

The Group has undrawn committed borrowing facilities available at financial year end, for which all conditions have been met, as follows:

2017/2018	Floating rate EURO	Fixed rate EURO	Total EURO
Expiry within 1 year	2,553,054	-	2,553,054
Expiry within 1 and 2 years	9,963,136	-	9,963,136
Expiry in more than 2 years	460,120	-	460,120
Total	**12,976,310**	**-**	**12,976,310**

2016/2017	Floating rate EURO	Fixed rate EURO	Total EURO
Expiry within 1 year	-	910,412	910,412
Expiry within 1 and 2 years	7,954,395	6,628,662	14,583,057
Expiry in more than 2 years	-	3,977,197	3,977,197
Total	**7,954,395**	**11,516,271**	**19,470,666**

25. Employee benefit liabilities

Liabilities for employee benefits comprise:

	2017/2018 EURO	2016/2017 EURO
Accrual for annual leave	683,332	905,867
Other employee payables (salaries, bonus etc.)	2,002,199	1,679,214
Total	**2,685,532**	**2,585,081**
Categorised as:		
Current	2,685,532	2,585,081
Non-current	-	-
Total	**2,685,532**	**2,585,081**

26. Deferred tax

Deferred tax is calculated in full on temporary differences under the liability method using the local tax rates (India: 34.61%, Netherlands: 25%, Indonesia: 25%, Philippines: 30%).

The movement on the deferred tax account is as shown below:

	Asset 2017/2018 EURO	Liabilities 2017/2018 EURO	Asset 2016/2017 EURO	Liabilities 2016/2017 EURO
Opening balance	**7,651,418**	**743,882**	**1,988,457**	**4,583,289**
Recognised in profit and loss account				
Tax benefit	-409,272	9,207	283,308	-
Amortisation of Intangibles	-	-341,862	-	-371,941
Others	-114,213	-	-63,983	-
Other reconciling items				
Foreign currency translation	-1,118,712	-81,259	79,291	89,245
Impact of difference between tax depreciation and depreciation/amortisation charged to profit and loss account	59,110	-	35,588	-
Impact of disallowance of leave encashment	74,374	-	73,722	-
Impact of allowance against other assets	87,849	-	13,529	-
Impact of allowance against standard and non-performing assets	-1,888,066	-	5,275,354	-
Impact of amortisation of ancillary borrowing cost	-	-	384,607	-
Impact of conversion from Indian GAAP to IFRS	2.845,016	-	-418,455	-
Tax charge (credit) relating to components of other comprehensive income	-	-	-	3,556,711
Other	84,622	-	-	-
Closing balance	**7,272,125**	**329,968**	**7,651,418**	**743,882**

Deferred tax assets have been recognised in respect of all tax losses and other temporary differences giving rise to deferred tax assets where the management believe it is probable that these assets will be recovered. The movements in deferred tax assets and liabilities (after offsetting of balances within the same jurisdiction as permitted by IAS 12) during the period are shown below.

Details of the deferred tax liability, amounts recognised in profit or loss and amounts recognised in other comprehensive income are as follows:

	Asset 2017/2018 EURO	Liability 2017/2018 EURO	Net 2017/2018 EURO	(Charged)/ credited to profit or loss 2017/2018 EURO	(Charged)/ credited to equity 2017/2018 EURO
Tax losses carried forward	667,152	-	667,152	-374,826	-
Temporary differences on property and equipment	117,898	-	117,898	59,087	-
Employee retirement benefit liabilities	51,666	12,571	39,095	448	-
Other liabilites and provisions	80,467	-	80,467	-	-
Other temporary and deductible differences	384,264	-4,059	388,323	118,928	-
Impact of conversion from Indian GAAP to IFRS	1,987,340	-	1,987,340	2,845,016	-
Intangible assets	-	321,456	-321,456	341,862	-
Impairment allowance	3,983,338	-	3,983,338	-1,832,810	
Tax charge (credit) relating to components of other comprehensive income	-	-	-	-	-
Tax asset/(liabilities)	7,272,125	329,968	6,942,157	1,157,705	-
Effects of offsetting	-	-	-	-	-
Net tax assets/(liabilities)	**7,272,125**	**329,968**	**6,942,157**	**1,157,705**	**-**

	Asset 2016/2017 EURO	Liability 2016/2017 EURO	Net 2016/2017 EURO	(Charged)/ credited to profit or loss 2016/2017 EURO	(Charged)/ credited to equity 2016/2017 EURO
Tax losses carried forward	1,380,474	-	1,380,474	382,274	-
Temporary differences on property and equipment	72,170	-	72,170	29,619	-
Employee retirement liabilities	38,168	-	38,168	-12,114	-
Other provisions	363,055	-	363,055	185,193	-
Other temporary and deductible differences	6,593,433	-	6,593,433	5,088,837	-
Impact of conversion from Indian GAAP to IFRS	-795,882	-	-795,882	-394,660	-
Intanginble assets	-	743,882	-743,882	350,792	-
Tax charge (credit) relating to components of other comprehensive income	-	-	-	-3,556,711	-
Tax asset/(liabilities)	7,651,418	743,882	6,907,536	2,073,230	-
Effects of offsetting	-	-	-	-	-
Net tax assets/(liabilities)	**7,651,418**	**743,882**	**6,907,536**	**2,073,230**	**-**

A deferred tax asset has not been recognised for the following:

	2017/2018 EURO	2016/2017 EURO
Unused tax losses	22,761,601	19,089,940
	22,761,601	**19,089,940**

The unused tax losses expire as folows:

Country	**Amount**	**Expiry**
Indonesia	EUR 0.2 mln	2021
Vietnam	EUR 0.8 mln	2022-2023
Netherlands	EUR 21.7 mln	2024-2027

27. Share capital

Authorised

	2017/2018 Number	2017/2018 EURO	2016/2017 Number	2016/2017 EURO
Ordinary shares of 1 euro each	100,000,000	100,000,000	100,000,000	100,000,000
Preference shares “V” of 1 euro each	-	-	7,500,000	7,500,000
Total	**100,000,000**	**100,000,000**	**107,500,000**	**107,500,000**

Persuant to the cancellation, on 21st March 2017, of all issued and outstanding class "V" preferred shares in the Company's capital, the authorized capital has been adjusted, whereby the class "V" preferred shares have been removed.

Issued and fully paid	2017/2018 Number	2017/2018 EURO	2016/2017 Number	2016/2017 EURO
Ordinary shares of 1 euro each				
Opening balance	**39,639,182**	**39,639,182**	**25,070,801**	**25,070,801**
Issue of share capital	2,303,006	2,303,006	6,400,216	6,400,216
Conversions of convertible bonds	-	-	8,168,165	8,168,165
Closing balance	**41,942,188**	**41,942,188**	**39,639,182**	**39,639,182**

Issued and for 25% paid	2017/2018 Number	2017/2018 EURO	2016/2017 Number	2016/2017 EURO
Preference "V" shares of 1 euro each				
Opening balance	**6,001,174**	**1,500,294**	**6,001,174**	**1,500,294**
Cancellation of shares	-6,001,174	-1,500,294	-	-
Closing balance	**-**	**-**	**6,001,174**	**1,500,294**

The Company issued 2,303,006 ordinary shares subscribed for EUR 17,200,000 resulting in an increase in share-premium of EUR 14,896,994.

During the financial year 2015/2016 there had been 6,001,174 preference shares “V” issued to Stichting CreditAccess Asia, of which 25% haven been paid up for an amount of EURO 1,500,294. These "V" shares bear full voting rights, however distribution of profits may be restricted by the Board of Directors to a maximum of EUR 0.01. As CreditAccess Asia NV was considered to be in control of the CAA Stichting as per 31 March 2017 this have been eliminated in the consolidated Financial Statements.

During the financial year 2017/2018 these shares were cancelled and the Stichting CreditAccess Asia was dissolved.

28. Reserves

The following describes the nature and purpose of each reserve within equity:

Reserve	Description and purpose
Share premium	Amount subscribed for share capital in excess of nominal value.
Treasury shares	Treasury shares represent own Ordinary equity shares at purchase price. The total number of shares held in treasury is 283,000.
Revaluation reserve/ Available-for-sale reserve	The revaluation reserve refers to available-for-sale reserve, which relates to gains/losses arising on financial assets classified as available-for-sale, net of applicable income taxes.
Translation reserve	Gains/losses arising on retranslating the net assets of foreign operations into EUR.
Merger reserve	A merger reserve is recognised as the difference between the carrying amount of assets and liabilities acquired against (i) the value of paid up capital (including share premium) of the outstanding shares of the acquired entity (in case of the reverse merger with MFG SA) or (ii) the amount of the investment in the acquired entity as carried in the books of CreditAccess (in case of the merger with MFA SARL and SA SICAR).
Cash flow hedge reserve	The Company uses derivative instruments, primarily forward contracts, to hedge foreign currency exposures arising from loans to subsidiaries.
Other reserves	Other reseves includes the amount of EUR 8,909,100 pertaining to 3,563,640 Convertible Preferred Equity Certificates (CPEC) with the face value of EUR 1.00 each which have been reclassified from liability to equity in accordance with amended terms and conditions in financial year 2015/2016. The CPEC holder does not have voting rights in the Company General Meeting of Shareholders. There are no restrictions on the distribution of dividends of the Company.
Retained earnings	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

29. Analysis of amounts recognised in other comprehensive income

	Revaluation reserve	Cash flow hedging reserve	Translation reserve	Retained earnings
	EURO	EURO	EURO	EURO
Period up to 31 March 2018				
Items that are or may be reclassified subsequently to profit or loss:				
Available-for-sale investments:				
Valuation (losses)/gains on available-for-sale investments	-	-	-	-
Transferred to profit or loss on sale	-31,700,924	-	-	-
Exchange differences arising on translation of foreign operations	-	-	-27,695,514	-
Tax relating to items that may be reclassified	-	-	-	-
	-31,700,924	**-**	**-27,695,514**	**-**
Period up to 31 March 2017				
Items that are or may be reclassified subsequently to profit or loss:				
Available-for-sale investments:				
Valuation (losses)/gains on available-for-sale investments	17,300,861	-	-	-
Transferred to profit or loss on sale	-13,948,305	-	-	-
Exchange differences arising on translation of foreign operations	-	-	10,178,753	-
Tax relating to items that may be reclassified	3,556,536	-	-	-
	6,909,092	**-**	**10,178,753**	**-**

30. Commitments and contingent liabilities

This relates to commitments mainly in relation to the future value of mimimum lease payments for offices and branches and committed expenditure for (in-) tangible fixed assets.
Amounts are due as follows:

	2017/2018 EURO	2016/2017 EURO
Not later than one year	752,271	2,669,050
Later than one year and not later than five years	675,286	867,266
Later than five years	-	-
Total	**1,427,557**	**3,526,316**

31. Defined benefit schemes

(i) Defined benefit scheme characteristics and funding

The Group operates three post-employment defined benefit schemes for its employees in India, Indonesia and The Philippines.

- Scheme A provides employees in India with a pension on retirement in the form of provident fund and superannuation

Scheme A is funded by the Company and employees contribute to the scheme. Contributions by the Company are calculated by a separate actuarial valuation based on the funding policies detailed in the scheme agreement. Scheme A is insured. The insurer is responsible for the administration of the plan assets and for the definition of the investment strategy.

- Scheme B provides employees in Indonesia a pension on retirement.

- Scheme C provides employees in The Philippines a pension on retirement.

Schemes B and C are unfunded.

All three schemes are legally separate from the Group.

The scheme A pension plan in the insurance contract does not contain real assets, the plan asset is the value of the insurance contract (accrued benefits against discount rate). There is no direct relation between the value of the insurance contract and the value of CreditAccess Asia N.V. or any other Group companies.

The schemes are exposed to a number of risks, including:

- *Investment risk:* movement of discount rate used (high quality corporate bonds) against the return from plan assets.
- *Interest rate risk:* decreases/increases in the discount rate used (high quality corporate bonds) will increase/ decrease the defined benefit obligation.
- *Longevity risk:* changes in the estimation of mortality rates of current and former employees.
- *Salary risk:* increases in future salaries increase the gross defined benefit obligation.

Estimates and assumptions

The costs, assets and liabilities of the defined benefit schemes operating by the Group are determined using methods relying on actuarial estimates and assumptions. The Group takes advice from independent actuaries relating to the appropriateness of the assumptions. Changes in the assumptions used may have a significant effect on the consolidated statement of comprehensive income and the consolidated statement of financial position.

(ii) Reconciliation of post employment defined benefit obligation and fair value of scheme assets

Scheme A, Scheme B and Scheme C are all exposed to materially the same risks and therefore the reconciliation below is presented in aggregate.

	Defined benefit obligation		Fair value of scheme assets		Net defined scheme liability	
	2017/2018 EURO	2016/2017 EURO	2017/2018 EURO	2016/2017 EURO	2017/2018 EURO	2016/2017 EURO
Opening balance	**898,541**	**693,059**	**419,064**	**300,209**	**479,477**	**392,850**
Current service cost	297,502	227,306	-	-	297,502	227,306
Interest cost (income)	39,717	142,280	-	-	39,717	142,280
Included in profit or loss	337,219	369,586	-	-	337,219	369,586
Return on plan assets	-	-	33,182	21,599	-33,182	-21,599
Actuarial changes arising from changes in demographical assumptions	-38,390	-37,905	-	-	-38,390	-37,905
Actuarial changes arising from changes in financial assumptions	56,941	-31,964	-	-	56,941	-31,964
Experience adjustments	-160,517	-51,850	7,273	5,064	-167,790	-56,914
Included in other comprehensive income	-141,966	-121,719	40,455	26,663	-182,421	-148,382
Employer contributions	-	-	190,514	153,413	-190,514	-153,413
Past service cost and settlements	199,748	-	199,748	-	-	-
Benefits paid	-20,408	-34,676	-20,408	-34,676	-	-
Other Movements	-20,408	-34,676	170,106	118,737	-190,514	-153,413
Foreign exchange differences	-140,293	-7,709	-56,778	-26,545	-83,515	18,836
Closing balance	**1,132,841**	**898,541**	**572,847**	**419,064**	**559,994**	**479,477**
Represented by:						
- Scheme A (India)					220,104	207,277
- Scheme B (Indonesia)					218,423	160,690
- Scheme C (Philippines)					121,467	111,510
Total					**559,994**	**479,477**

(iii) Disaggregation of defined benefit scheme assets

The Plan assets consist for 100% of investments with the insurer.

(iv) Defined benefit obligation - actuarial assumptions

The principal actuarial assumptions used in calculating the present value of the defined benefit obligation of Scheme A, Scheme B and Scheme C (weighted average) include:

	2017/2018	2016/2017
Discount rate	7.20%	7.47%
Growth in future salaries	6.97%	6.30%

32. Share-based payment

The CreditAccess Grameen India operates an equity-settled share based remuneration scheme for its employees.

Options	2017/2018 Weighted average exercise price (EUR)	2017/2018 Number	2016/2017 Weighted average exercise price (EUR)	2016/2017 Number
Outstanding at beginning of period	0.62 (INR 43.37)	1,646,500	0.41 (INR 30.38)	1,655,015
Granted during the period	1.36 (INR 102.67)	1,492,000	1.04 (INR 76.85)	431,000
Forfeited during the period	-	-	0.43 (INR 31.29)	-439,515
Exercised during the period	0.57 (INR 42.68)	-1,013,750	-	-
Lapsed during the period	0.57 (INR 42.68)	-37,500	-	-
Outstanding at end of period	**1.07 (INR 85.56)**	**2,087,250**	**0.62 (INR 43.37)**	**1,646,500**

The exercise price of options outstanding at 31 March 2018 ranged between EUR 0.34 (INR 27.0) and EUR 1.51 (INR 120.87) with weighted average exercize price of EUR 1.14 (INR 91.24) and a weighted average remaining contractual life of 5.41 years. As at 31 March 2018, 301,500 options had vested and were exercisable. The fair-value of the options granted was determined using a Black-Scholes method of valuation.

Furthermore in this financial year CreditAccess Asia N.V. continued an equity-settled share based remuneration scheme for key management personnel and senior employees across the whole Group. Under this programm participants may be granted options which vest upon completion of three years of service; once vested, the options can be exercised on successful IPO or liquidy event, before 30 June 2021. When exercised each option is converted into one Ordinary equity share of CreditAccess Asia N.V. The fair-value of the options granted was determined using a Black-Scholes method of valuation.

Options	2017/2018 Weighted average exercise price (EUR)	2017/2018 Number	2016/2017 Weighted average exercise price (EUR)	2016/2017 Number
Outstanding at beginning of period	4.79	161,907	-	-
Granted during the period	7.46	195,923	4.79	161,907
Forfeited during the period	-	-	-	-
Exercised during the period	-	-	-	-
Lapsed during the period	-	-	-	-
Outstanding at end of period	**6.25**	**357,830**	**4.79**	**161,907**

The weighted average exercise price of options outstanding at 31 March 2018 was EUR 6.25 and their weighted average remaining contractual life was 4.44 year. Of the total number of options outstanding at 31 March 2018, none had vested and none were exercisable.

The share-based remuneration expense (note 10) comprises:

	2017/2018 EURO	2016/2017 EURO
Equity-settled schemes	634,318	154,099

During the current or previous period, the Group did not enter into any share-based payment transactions with parties other than employees of the group as detailed in the note above.

33. Related party transactions

Subsidiaries
The financial statements include the financial statements of the Company and its direct and indirect subsidiaries listed in the following table on a non-diluted basis:

Company	Country	Ownership 31 March 2018	Ownership 31 March 2017
CreditAccess Grameen Ltd.	India	98.88 %	99.44 %
PT Konsultasi Mikro Ventura	Indonesia	99.99 %	99.99 %
PT Bina Artha Ventura	Indonesia	99.59 %	99.59 %
CreditAccess Philippines Financing Company Inc.	Philippines	100.00 %	100.00 %
MV Microfin Private Ltd.	India	-	100.00 %
MVH S.r.L.	Italy	100.00 %	100.00 %
CAA Vietnam Trading Company Ltd.	Vietnam	100.00 %	100.00 %
CAA BOS Ltd.	Thailand	100.00 %	-
Stichting CreditAccess Asia	The Netherlands	-	n/a

Other Investees
Other investees
Other investees considered as related parties are:

Company	Country	Ownership 31 March 2018	Ownership 31 March 2017
Equitas Holdings Pvt Ltd.	India	0 %	5.20 %

Significant transactins within the Group
Apart from the transactions disclosed in note 42,44 and 47, there have been no significant inter-company transactions.

All related party transactions have been dealt with taking into account arm's length conditions

There have been no significant transactions with any shareholders.

Remuneration of the key management personnel

The amounts disclosed below are the amounts recognised as an expense during the reporting period related to Key Management Personnel.
Key Management Personnel include: the Chief Executive Officer, being the sole executive of the Company, and the non-executive directors (equivalent to statutory board members).

The non-executive directors receive a fixed annual remuneration (2016/2017; Sitting fees per attended meetings).

The remuneration of the CEO consists of annual fixed remuneration and long term variable remuneration (during the financial year, the CEO has been granted 62,500 options, under the equity-settled share based remuneration scheme of CreditAccess Asia N.V. as further described in note 32).

The Company did neither provide post-employment benefits, long-term employee benefits and termination benefits nor share-based payments, bonuses and profit shares to the other Key Management Personnel during the reporting year.

Mr. P. Brichetti, Mr. G. Siccardo and Mr. F.Carini hold equity interest in the Company.

Non-executive directors

	Remuneration 2017/2018 EURO	Remuneration 2016/2017 EURO
Mr. K.J.M. Slobbe (chairman)	50,000	8,100
Mr. D. Mintz	43,500	4,500
Mr. J. Epstein	43,000	-
Mr. F.G.M. Moccagatta	41,000	4,200
Mr. G. Siccardo	38,500	4,500
Mr. F. Carini	36,000	-
Mrs. C.Engstrom	32,854	-
Mrs. E.C.M. Boerhof	8,646	-
Ms. M. Pittini	-	4,300
Mr. E.M.T. Ludding	-	4,000
Mr. A. Stoffela	-	400
	293,500	**30,000**

Executive directors

	Remuneration 2017/2018 EURO	Remuneration 2016/2017 EURO
Mr. P. Brichetti (CEO)	308,240	299,360
Mr. D. Legger	-	7,200
Mr. W.L. Nienhuis	-	7,200
	308,240	**313,760**

Related party transactions

During the periods under review there have been no other related party transactions.

34. Subsequent events

CreditAccess launched the public listing of its flagship subsidiary CreditAccess Grameen in India. The IPO was successfully completed in August 2018, welcomed by the capital maket with an oversubscription of 2.2 times from investors all over the world (23 anchor investors from the US, Asia and the UK and overall around 150,000 investors). The IPO size was EUR 141 million and comprised a primary issuance (EUR 79 million) and a secondary sale by CreditAccess Asia N.V. (EUR 63 million).
At the issue price of INR 422 (EUR 5.24) per share, CreditAccess Grameen had a market capitalization after listing of EUR 766 milion.
CreditAccess Asia NV held 98.88% of CreditAccess Grameen before listing which reduced to a current 80.3% after listing. 20% of the current holding is subject to a lock up period of 3 years, while the remainder is locked up for a period of 1 year.

35. Notes supporting statement of cash flows

Cash and cash equivalents for purposes of the statement of cash flows comprises:

	2017/2018 EURO	2016/2017 EURO
Cash at bank and in hand available on demand	34,170,332	62,953,899
Short-term deposits	256,022	8,327,014
Total	**34,426,354**	**71,280,913**

Significant non-cash transactions are as follows:

	2017/2018 EURO 000	2016/2017 EURO 000
Financing activities		
Conversion of IPO bond	-	23,520
Conversion of Olympus bond	-	39,432
Total significant non-cash transactions	**-**	**62,952**

Company statement of profit and loss

	Note	2017/2018 EURO	2016/2017 EURO
Interest income and fees		3,006,276	114,379
Interest expenses and fees	37	-2,035,148	-7,411,500
Net interest income and fees		**971,128**	**-7,297,121**
Other income		-	5,882
Total income		**971,128**	**-7,291,239**
Impairment allowance and write-off		-	-
Gross result		**971,128**	**-7,291,239**
Personnel expenses	38	1,319,627	886,639
Depreciation and amortisation		17,416	11,104
Other operating expenses	39	2,043,744	1,197,379
Operating expenses		**3,380,787**	**2,095,122**
Operating result before value adjustments		**-2,409,659**	**-9,386,361**
Result from foreign currency denominated transactions		-175,966	-960,358
Result from financial instruments	40	-	-7,835,751
Realised gains from disposal of Available-for-sale investments		23,794,909	-
Share in result of subsidiaries		7,910,045	18,699,254
		31,528,988	**9,903,145**
Result before taxation		**29,119,329**	**516,784**
Taxation on result		-	-
Result for the period		**29,119,329**	**516,784**

Company balance sheet

(before appropriation of result)	Note	31 March 2018 EURO	31 March 2017 EURO
Assets			
Non-current assets			
Intangible fixed assets	41	15,405,944	18,005,324
Tangible fixed assets		69,325	70,931
Investments in subsidiaries	42	185,300,628	155,279,723
Investments in equity securities	43	-	42,917,761
Non-current loans receivable - related parties	44	5,314,758	-
		206,090,655	**216,273,739**
Current assets			
Accounts receivable		-	-
Accounts receivable – related parties	44	26,595	2,043,689
Current loans receivable - related parties	44	3,992,295	-
Other current receivables - related parties	44	43,584	-
Other receivables		1,062,484	108,580
Derivative financial instruments		167,007	-
Cash and cash equivalents	45	13,813,543	10,849,412
		19,105,508	**13,001,681**
Total assets		**225,196,163**	**229,275,420**

Liabilities			
Current liabilities			
Finance debt	48	21,500,000	-
Trade and other payables	46	1,630,343	1,711,287
Trade payables - related parties	47	43,463	117,925
Current liabilities - related parties	47	-	770,000
Derivative financial instruments		37,554	-
Taxation and social security premiums		100,011	40,388
		23,311,371	**2,639,600**
Current assets minus current liabilities		**-4,205,863**	**10,362,081**
Assets minus current liabilities		**201,884,792**	**226,635,820**
Non-current liabilities			
Finance debt	48	10,000,000	20,010,780
Trade and other payables		41,154	-
		10,041,154	**20,010,780**
Total liabilities		**33,352,525**	**22,650,380**
Assets minus liabilities		**191,843,638**	**206,625,040**

	Note	31 March 2018 EURO	31 March 2017 EURO
Capital and reserves attributable to owners of the company	49		
Share capital		41,942,188	41,139,476
Share premium		138,536,809	123,639,815
Treasury shares		-321,452	-321,452
Merger reserve		798,915	798,915
Revaluation reserve		-	32,165,901
Translation reserve		-18,847,035	8,848,479
Cash flow hedge reserve		15,506	-
Other reserves		10,595,442	10,349,970
Retained earnings / (Accumulated losses)		19,123,265	-9,996,064
Total equity		**191,843,638**	**206,625,040**
Total equity and liabilities		**225,196,163**	**229,275,420**

Notes to the Company financial statements

36. Accounting policies for the Company financial statements

The Company financial statements of CreditAccess Asia N.V., which form part of the consolidated financial statements for 31 March 2018 of the Company, have been prepared in accordance with the provisions of Part 9, Book 2 of the Dutch Civil Code. Pursuant to Section 362(8) of this Code, the same accounting policies were used as in the consolidated financial statements.

Assets and liabilities are measured, foreign currencies translated and profit determined in accordance with the same accounting policies of the consolidated financial statements as described earlier in this report.

The carrying amount of the current portion of financial instruments approximates fair value.

In the Company financial statements, subsidiaries over which the Company has significant control are recognised using the equity method of accounting. If the share of losses of CreditAccess Asia N.V. exceeds the value of the ownership interest in a subsidiary, the book value of the subsidiary is reduced to nil in the balance sheet and further losses are no longer recognised except to the extent that CreditAccess Asia N.V. has legally enforceable or constructive obligation

37. Interest expenses and fees

	2017/2018 EURO	2016/2017 EURO
Interest on IPO Incentive Bond	1,824,187	4,212,981
Interest on Olympus Bond	-	3,023,313
Interest on Global bond	102,759	-
Others	108,202	175,206
Total	**2,035,148**	**7,411,500**

Interest on IPO Incentive Bond represents the effective interest of 9.31% per annum (nominal interest: 6.5%)
Interest on Global Bond represents the effective interest of 3.8% per annum (nominal interest: 3.75%)

38. Personnel expenses

	2017/2018 EURO	2016/2017 EURO
Personnel expenses (including CEO) comprise:		
Wages and salaries	1,119,478	793,942
Social security costs	87,778	62,296
Share options granted to employees and the CEO	112,371	30,401
Total	**1,319,627**	**886,639**

The average number of employees (full time equivalent, rounded) was 8 (2016/2017: 6)

39. Other operating expenses

	2017/2018 EURO	2016/2017 EURO
Travel and lodging	198,746	132,226
Rental and office expenses	103,464	90,858
Communication and IT	23,653	17,358
HR and benefits expenses	80,218	29,755
Equity advisory	551,463	-
Business advisory	333,379	526,902
Legal fees	125,194	37,764
Audit and accounting	114,786	181,931
Directors fees	289,782	52,700
Other professional fees	111,409	65,075
Bank charges	3,074	7,299
Marketing and advertising	42,526	45,116
Other operating expenses	66,050	10,395
Total	**2,043,744**	**1,197,379**

40. Results from financial instruments

This item refers to the fair-value adjustments on conversion option of Olympus Bond which was converted into equity in the financial year ended 31 March 2017.

41. Intangible fixed assets

Intangible fixed assets consists of Goodwill (EUR 15,373,738) and Software (EUR 32,206)
For the Goodwill the movements during the period are as follows:

			2017/2018		EURO	2016/2017 EURO
			Goodwill			Goodwill
	Cost	Accumulated amortisation and impairment	Net book value	Cost	Accumulated amortisation and impairment	Net book value
Opening balance	**18,005,324**	**-**	**18,005,324**	**16,785,825**	**-**	**16,785,825**
Acquired through business combinations	-	-	-	-	-	-
Amortisation and impairment	-	-	-	-	-	-
Foreign exchange rate movements	-2,631,586	-	-2,631,586	1,219,499	-	1,219,499
Closing balance	**15,373,738**	**-**	**15,373,738**	**18,005,324**	**-**	**18,005,324**

42. Investments in subsidiaries

The movements during the period are as follows:

	2017/2018 EURO	2016/2017 EURO
Opening balance	**155,279,723**	**103,507,398**
Additions arising from direct acquisitions;	47,661,575	54,994,594
Capital reductions and dividends	-490,000	-18,889,026
Share in result of subsidiaries	7,910,045	18,699,254
Share in participations, directly through equity	3,351	-10,331,664
Exchange rate differences	-25,064,066	7,299,167
Closing balance	**185,300,628**	**155,279,723**

Included in "Investment in subsidiaries" are the investments made by the Company (i) in five compulsory convertible debentures ("CCD") with a face value of INR 100,000,000 each, issued by MV Microfin Private Limited and (ii) one CCD issued by CreditAccess Grameen, amounting to INR 2,000,000,000. These interest-bearing debentures have been converted during the financial year 2017/2018 into a fixed number of equity shares of the issuers.

In the financial year 2016/2017 these instruments were treated as equity like because they met fixed for fixed criteria.

Management noted no indication for impairment of Investment in subsidiaries.

43. Investments in equity securities

This relates to the investment in Equitas Holdings Pvt Ltd (India) which was fully sold during the financial year 2017/2018. The movements during the period are as follows:

	2017/2018 EURO	2016/2017 EURO
Opening balance	**42,917,761**	**25,616,900**
Net gains recognised through revaluation reserve	-	17,300,861
Sale of investments	-42,917,761	-
Closing balance	**-**	**42,917,761**

44. Receivables – related parties

	2017/2018 EURO	2016/2017 EURO
PT Bina Artha Ventura: Long-term borrowing	5,314,758	-
PT Bina Artha Ventura: Interest	8,653	-
PT Bina Artha Ventura: On-charged expenses	26,595	-
CreditAccess Philippines: Short-term borrowing	3,992,295	-
CreditAccess Philippines: Interest	34,931	
MV Microfin Private Ltd.: Interest	-	20,789
Grameen Koota Financial Services Pvt Ltd.: Interest	-	59,219
MVH S.p.A.: Dividends	-	270,013
CAA Vietnam Trading Company Ltd.: Short-term bridge financing	-	187,073
Stichting CreditAccess Asia: Capital to be paid-up & advanced expenses	-	1,506,595
Total	**9,377,232**	**2,043,689**

Management noted no indication for impairment of Receivables from related parties.

45. Cash and cash equivalents

	2017/2018 EURO	2016/2017 EURO
Cash at bank and in hand available on demand	13,813,543	10,849,412

The amout consits of direct available bank current-account balances and petty-cash.

46. Trade and other payables

	2017/2018 EURO	2016/2017 EURO
Trade payables	100,048	79,786
Accrued interest on borrowings	1,181,631	1,059,341
Other liabilities and accrued expenses	348,664	572,160
Total	**1,630,343**	**1,711,287**

47. Trade- and other current liabilities - related parties

	2017/2018 EURO	2016/2017 EURO
PT Konsultasi Mikroventura	43,463	117,925
MVH S.r.L.	-	770,000
Total	**43,463**	**887,925**

The amounts with KMV relates to on-charged expenses. The amount with MVH related to short-term revolving credit facility.

48. Finance debt

The movements during the period are as follows:

Financial year 2017/2018	Non-current EURO	Current EURO	Total EURO
Opening balance	**20,010,780**	**-**	**20,010,780**
Issued bonds	10,000,000	-	10,000,000
Senior loans received		1,500,000	1,500,000
Transfer to short-term (IPO incentive bond due Feb 2019)	-20,000,000	20,000,000	-
Movements through profit or loss account: Interest	-10,780	-	-10,780
Closing balance	**10,000,000**	**21,500,000**	**31,500,000**

Current part consists of;
- IPO incentive bond; EUR 20 mln. Maturity; 28 February 2019. Nominal interest; 6.50%. Effective interest; 9.31% (31 March 2017: EUR 20.01 mln)
- Loans from ResponsAbility; EUR 1.5 mln, Maturity 12 September 2018, Nominal interest; 5.85%. Effective interest; 6.02%.

Non-current part consists of;
- 'Global-bond' issued via BNY-Mellon; EUR 10 mln. Maturity; 21 December 2021. Nominal interest; 3.75%. Effective interest; 3.80%

The fair value of the non-current finance debt amounts to EUR 10.1 million (discounted at 3.80%, equal to the effective interest rate).

The movements during the prior period are as follows:

Financial year 2016/2017	Non-current EURO	Current EURO	Total EURO
Opening balance	**55,925,738**	**13,326,869**	**69,252,607**
Movements through profit and loss account:			
Fair-value adjustments		7,835,751	7,835,751
Interest	7,236,293	-	7,236,293
Foreign exchange	1,162,913	-	1,162,913
Movements through equity:			
Conversions	-44,314,164	-21,162,620	-65,476,784
Closing balance	**20,710,780**	**-**	**20,710,780**

49. Equity

The share capital of the company is disclosed in note 27.
The capital decrease refers to equity subscribed by CreditAccess Stichting in connection with the Olympus Bond, whereby the bond was converted into equity in financial year 2016/2017 and the equity shares held by the Stichting were cancelled only in financial year 2017/2018.

The movements during the year are as follows:	Issued and paid-up capital	Share premium	Treasury shares	Merger reserve	Revaluation reserve	Translation reserve	Cash flow hedge reserve	Other reserves	Retained earnings / Accum.losses	Total
	EURO	EURO	EURO	EURO	EURO	EURO	EURO	EURO	EURO	EURO
31 March 2017	**41,139,476**	**123,639,815**	**-321,452**	**798,915**	**32,165,901**	**8,848,479**	**-**	**10,349,970**	**-9,996,064**	**206,625,040**
Capital increases	2,303,006	14,896,994	-	-	-	-	-	-	-	17,200,000
Capital decreases	-1,500,294	-	-	-	-	-	-	-	-	-1,500,294
Other movements during the period	-	-	-	-	-32,165,901	-27,695,514	15,506	245,472	-	-59,600,437
Net result for the period	-	-	-	-	-	-	-	-	29,119,329	29,119,329
31 March 2018	**41,942,188**	**138,536,809**	**-321,452**	**798,915**	**-**	**-18,847,035**	**15,506**	**10,595,442**	**19,123,265**	**191,843,638**

	Issued and paid-up capital	Share premium	Treasury shares	Merger reserve	Revaluation reserve	Translation reserve	Cash flow hedge reserve	Other reserves	Retained earnings / Accum.losses	Total equity
	EURO	EURO	EURO	EURO	EURO	EURO	EURO	EURO	EURO	EURO
31 March 2016	**26,571,095**	**31,041,645**	**-321,452**	**798,915**	**25,256,635**	**-1,330,274**	**-**	**9,449,946**	**-10,512,848**	**80,953,662**
Capital increases	6,400,261	41,399,784	-	-	-	-	-	-	-	47,800,000
Conversion of convertible bonds	8,168,165	52,283,163	-	-	-	-	-	2,500,006	-	62,951,334
Transaction costs incurred	-	-1,084,777	-	-	-	-	-	-	-	-1,084,777
Other movements during the period	-	-	-	-	6,909,266	10,178,753	-	-1,599,982	-	15,488,037
Net result for the period	-	-	-	-	-	-	-	-	516,784	516,784
31 March 2017	**41,139,476**	**123,639,815**	**-321,452**	**798,915**	**32,165,901**	**8,848,479**	**-**	**10,349,970**	**-9,996,064**	**206,625,040**

49. Equity

The Revaluation reserve relates to the change in value of the investments in equity-securities (i.e. Equitas Holdings Pvt Ltd, India), while the Translation reserve relates to retranslating the net assets of foreign subsidiaries into EUR.

Within Other reserves an amount of EUR 9,264,564 (31 March 2017: EUR 47,955,322) is to be considered as restricted-/legal reserve ("Wettelijke reserve") relating to applicable items as per Dutch civil code, book 2:373-4 and Dutch reporting standards ("RJ 240.229").

50. Commitments and contingent liabilities

This Company has future obligations for its rented office amounting to EUR 261,251 (31 March 2017: EUR 345,644). An amount of EUR 74,000 (31March 2017; EUR 74,000) is due within one year and EUR 187,000 (31March 2017; EUR 272,000) is due between 2 and 5 years.

51. Subsequent events

CreditAccess launched the public listing of its flagship subsidiary CreditAccess Grameen in India. The IPO was successfully completed in August 2018, welcomed by the capital maket with an oversubscription of 2.2 times from investors all over the world (23 anchor investors from the US, Asia and the UK and overall around 150,000 investors). The IPO size was EUR 141 million and comprised a primary issuance (EUR 79 million) and a secondary sale by CreditAccess Asia N.V. (EUR 63 million).
At the issue price of INR 422 (EUR 5.24) per share, CreditAccess Grameen had a market capitalization after listing of EUR 766 milion.
CreditAccess Asia NV held 98.88% of CreditAccess Grameen before listing which reduced to a current 80.3% after listing. 20% of the current holding is subject to a lock up period of 3 years, while the remainder is locked up for a period of 1 year.

52. Proposed appropriation of the result

The result of EUR 29,119,329 for the year ended 31 March 2018 is shown as 'Result for the period' until the shareholders of the Company approve the FY2017/2018 financial statements and the appropriation of result.

At the general meeting of the shareholders a proposal will be put forth to approve the financial statements and to deduct the FY2017/2018 net result after taxes from 'Retained earnings/(deficit)'.

Amsterdam, 13 September 2018
CreditAccess Asia N.V.

Executive Board:
P. Brichetti (CEO)

Non-executive Board:
K. J. M. Slobbe (Chairman of the Company)
F. Carini
J. Epstein
D.R. Mintz
F.G.M. Moccagatta
G. Siccardo
E.C.M Boerhof (from 14 December 2017)

Other information

Statutory rules concerning appropriation of result

Article 21 of the Company articles of association

1. The net result after tax is at the free disposal of the general shareholders' meeting.

2a. The Company can only pay out the amount of profit, which is approved for distribution, to the shareholders and other recipients. The distributions are only allowed by law when the shareholders' equity is greater than the paid up and requested amount of the accumulated retained capital including retained earnings.

2b. Profit distributions occur after the approval of the financial statement at which can be distributed if permitted, by law and the shareholders.

2c. No distributions are allowed from the Company's paid up share capital.

3. When calculating the amount available for profit distribution the share capital which the Company maintains is not taken into account, unless the shares are charged for beneficial interest or in cooperation with the entity certificates are issued.
4. The Company may only pay out interim dividends when article 21.2a is fulfilled.

Building a better working world

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Independent auditor's report

To: the shareholders and board of directors of CreditAccess Asia N.V.

Report on the audit of the financial statements for the year ended 31 March 2018 included in the annual report

Our opinion

We have audited the financial statements for the year ended 31 March 2018 of CreditAccess Asia N.V., based in Amsterdam, the Netherlands. The financial statements include the consolidated financial statements and the company financial statements.

In our opinion:

- The accompanying consolidated financial statements give a true and fair view of the financial position of CreditAccess Asia N.V. for the year ended 31 March 2018, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.
- The accompanying company financial statements give a true and fair view of the financial position of CreditAccess Asia N.V. for the year ended 31 March 2018, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

- The consolidated statement of financial position as at 31 December for the year ended 31 March 2018
- The following statements for the year then ended: the consolidated statement of profit or loss, the consolidated statements of comprehensive income, changes in equity and cash flows
- The notes comprising a summary of the significant accounting policies and other explanatory information

The company financial statements comprise:

- The company balance sheet for the year ended 31 March 2018
- The company profit and loss account for the year then ended
- The notes comprising a summary of the accounting policies and other explanatory information

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial statements" section of our report.

We are independent of CreditAccess Asia N.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:
- The directors report
- Other information pursuant to Part 9 of Book 2 of the Dutch Civil Code

Based on the following procedures performed, we conclude that the other information:
- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the management board's report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities for the financial statements

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.,:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Amsterdam, 13 September 2018

Ernst & Young Accountants LLP

signed by R.A.J.M. Emmerink

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