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**CreditAccess Grameen Limited**

**Q2 & H1 FY22 Results Presentation**

**November 2021**

[www.creditaccessgrameen.in](http://www.creditaccessgrameen.in)

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# Discussion Summary

## Key Business Updates

### Consolidated Overview

### CA Grameen: Financial Metrics

### MMFL: Financial Metrics

### Investment Rationale

### Annexure



Note: The presentation includes certain provisional figures for October 2021 which are yet to be approved by the audit committee, statutory auditors and the Board of Directors of CA Grameen & MMFL

# Key Consolidated Business Highlights – Q2 FY22

## Business Growth Momentum Maintained in Q2 FY22

### GLP grew by 19% YoY and 5% QoQ to INR 13,333 Cr

- CA Grameen: INR 11,184 Cr (+21% YoY, +5% QoQ)
- MMFL: INR 2,148 Cr (+9% YoY, +5% QoQ)

### Borrowers<sup>1</sup> declined by 3% YoY to 37.5<sup>2</sup> Lakh

- CA Grameen: 27.5 Lakh (1,18,867 new added in Q2 FY22)
- MMFL: 10.5 Lakh (25,284 new added in Q2 FY22)

### Disbursements grew by 136% YoY and 265% QoQ to INR 3,890 Cr

- CA Grameen: INR 3,412 Cr (+140% YoY, +276% QoQ)
- MMFL: INR 477 Cr (+109% YoY, +202% QoQ)

### Gradual pick-up in monthly collections (excl. arrears)

- CA Grameen: **93.3%** in Sep-21
- MMFL: **87%** in Sep-21

## Early Risk Recognition and Conservative Provisioning

### CA Grameen: Continued focus on early risk recognition & provisioning

- ECL of 5.51% against GNPA of 7.18% (predominantly @ 60+ dpd)
- By industry norms, ECL would be 5.07% against GNPA of 5.98% (@ 90+ dpd), leading to provisioning being lower by INR 47 Cr
- Only 1.5% restructured assets, with 28.8% provisioning
- Write-off of INR 129.6 Cr in Q2 FY22
- INR 20.6 Cr interest income (on Stage 3 portfolio) de-recognized in Q2 FY22

### MMFL: Alignment of Provisioning Policy with CA Grameen

- ECL of 7.83% against GNPA of 10.15% (recognized at 60+ dpd as per revised policy)
- Additional provision of INR 13.4 Cr on account of alignment of provisioning policy
- Only 0.2% restructured assets, with 10.0% provisioning

## Strong Balance Sheet Position to Enable Consistent Growth in Future

### Adequate Liquidity & continued support from lenders

- INR 1,622.9 Cr C&CE (11.4% of total assets) as on 30<sup>th</sup> September 2021
- INR 3,011 Cr undrawn sanctions as on 30<sup>th</sup> September 2021
- INR 2,165 Cr sanctions in pipeline as on 30<sup>th</sup> September 2021

### Healthy Capital Position even after early risk recognition and provisioning

- CRAR: CA Grameen 30.9% (Tier 1: 30.3%)
- CRAR: MMFL 20.4% (Tier 1: 16.8%)
- CRAR: Consolidated 26.1% (Tier 1: 24.9%)

1) Excluding 47,989 common borrowers

2) 3.29 lakh borrowers were written off during trailing 12 months

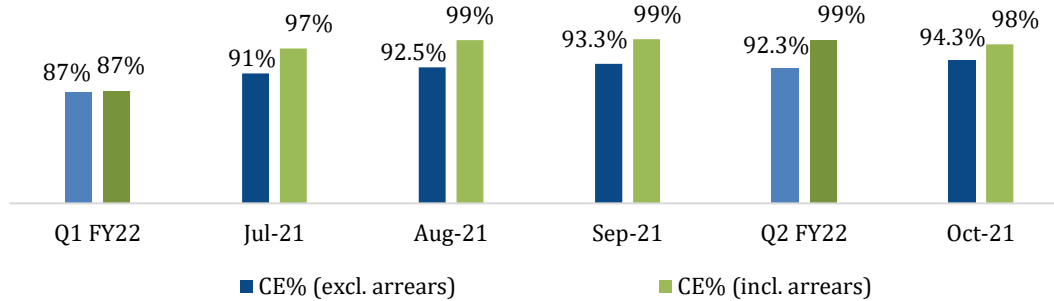


# Key Consolidated Business Highlights – October 2021

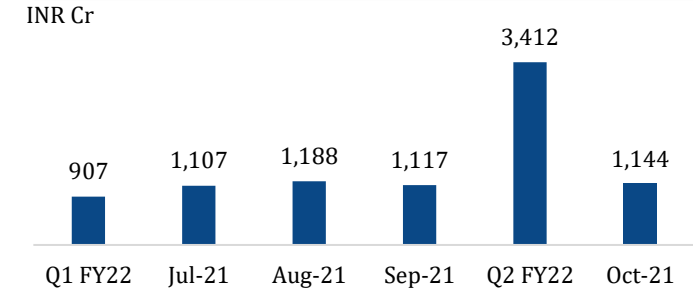
	CA Grameen	MMFL
GLP	INR 11,443 Cr (+22.3% YoY)	INR 2,203 Cr (+10.5% YoY)
Disbursements	INR 1,144 Cr (+18.2% YoY)	INR 227 Cr (+42.1% YoY)
New Borrower Additions	51,583	3,998
Collection Efficiency	94.3% excl. arrears 98% incl. arrears	87% excl. arrears 90% incl. arrears
Portfolio at Risk (PAR)	PAR 0: 9.9%, PAR 30: 8.0%, PAR 60: 6.5%, PAR 90: 5.5%	PAR 0: 20.0%, PAR 30: 13.7%, PAR 60: 10.7%, PAR 90: 8.7%
Branch Network	1,102 (21 branches opened in Oct-21)	464

# Navigating the Impact of COVID 2.0 (CA Grameen) (1/2)

## Consistent MoM improvement in collections



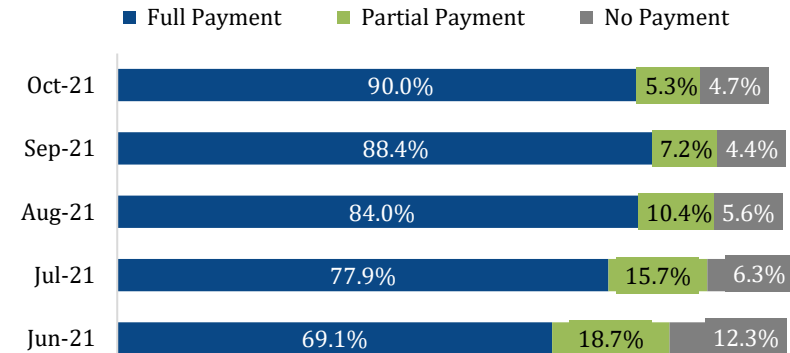
## Disbursements aligned with collections



## State-wise collection trend

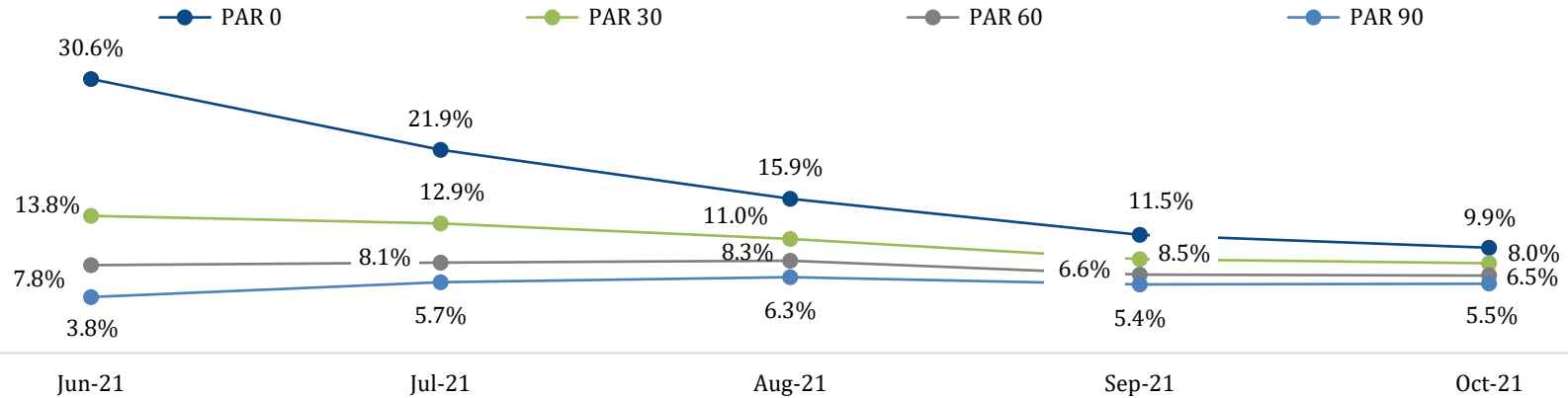
CE % (excl. arrears)	Jul-21	Aug-21	Sep-21	Oct-21
Karnataka	92%	94%	95%	96%
Maharashtra	88%	89%	90%	91%
Tamil Nadu	90%	93%	94%	95%
Madhya Pradesh	90%	90%	91%	92%
Chhattisgarh	91%	92%	92%	93%
Odisha	96%	97%	98%	98%
Others	97%	98%	99%	99%
<b>Total</b>	<b>91%</b>	<b>92.5%</b>	<b>93.3%</b>	<b>94.3%</b>

## Reduction in % GLP of non-paying customers



# Navigating the Impact of COVID 2.0 (CA Grameen) (2/2)

## Consistent decline in PAR backed by improvement in collections during Jun-21 to Oct-21



Note: Loan accounts with >270 dpd and zero repayment during Jul-21 to Sep-21, amounting to INR 129.6 Cr were written-off with effect from Sep-21, while retaining the loan accounts with > 270 dpd and making partial payments during the same period, amounting to INR 38.3 Cr

PAR 0	Jul-21	Aug-21	Sep-21	Oct-21
Karnataka	25.5%	16.5%	10.8%	8.8%
Maharashtra	20.8%	18.3%	15.0%	14.0%
Tamil Nadu	20.9%	14.1%	9.7%	7.6%
Madhya Pradesh	19.4%	16.2%	13.4%	12.4%
Others	11.0%	7.9%	5.6%	5.0%
<b>Total</b>	<b>21.9%</b>	<b>15.9%</b>	<b>11.5%</b>	<b>9.9%</b>

PAR 60	Sep-21	Oct-21
Karnataka	5.0%	5.0%
Maharashtra	10.4%	10.4%
Tamil Nadu	5.3%	4.8%
Madhya Pradesh	8.9%	9.0%
Others	3.2%	3.1%
<b>Total</b>	<b>6.6%</b>	<b>6.5%</b>

PAR 90	Sep-21	Oct-21
Karnataka	3.7%	4.0%
Maharashtra	9.2%	9.2%
Tamil Nadu	4.1%	4.0%
Madhya Pradesh	7.5%	7.7%
Others	2.5%	2.6%
<b>Total</b>	<b>5.4%</b>	<b>5.5%</b>

# Early Risk Recognition & Conservative Provisioning (CA Grameen)

CA Grameen adopts conservative approach leading to early recognition of risk backed by accelerated provisioning coverage

INR Cr		CA Grameen Policy (IND-AS)			NBFC Industry Norms (IND-AS)				Additional ECL vs. NBFC Industry
Asset Classification (dpd)		EAD (INR Cr)	EAD%	ECL%	Asset Classification (dpd)	EAD	EAD%	ECL%	
Stage 1	0 – 15 (GL) 0 – 30 (RF)	9,336.6	88.8%	0.7%	Stage 1: 0 – 30	9,465.1	90.0%	0.7%	INR 47 Cr
Stage 2	16 – 60 (GL) 31 – 90 (RF)	426.1	4.1%	13.4%	Stage 2: 31 – 90	423.3	4.0%	16.1%	
Stage 3	60+ (GL) 90+ (RF)	754.6	7.2%	60.4%	Stage 3: 90+	628.9	6.0%	63.2%	
<b>Total</b>		<b>10,517.4</b>	<b>100.0%</b>	<b>5.5%</b>		<b>10,517.4</b>	<b>100.0%</b>	<b>5.1%</b>	

## Payment wise breakup of EAD

Contribution of Borrowers as on Sep-21	Stage 1 EAD%	Stage 2 EAD%	Stage 3 EAD%	Total EAD%
Full Payment	86.9%	0.8%	0.4%	88.1%
Partial Payment	1.8%	2.9%	2.6%	7.3%
No Payment	0.0%	0.4%	4.2%	4.6%
<b>Total</b>	<b>88.8%</b>	<b>4.1%</b>	<b>7.2%</b>	<b>100.0%</b>

EAD: Exposure at default includes principal and accrued interest

## Total restructuring amounting to 1.5% of GLP as on Sep-21

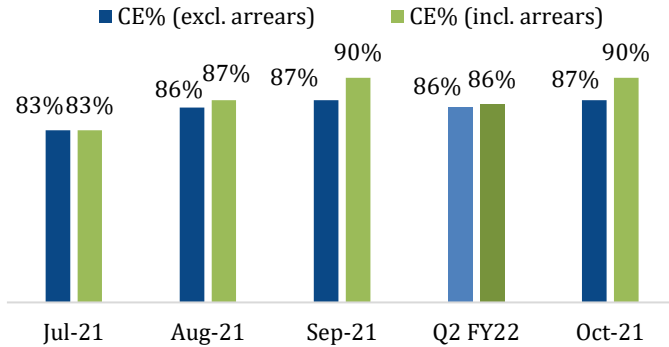
Loan Restructuring (INR Cr)	Amount	GLP as on Sep-21	PAR 1-30	PAR 31-60	PAR 61-90	PAR 90+
Restructuring done in FY21	77.1	60.5	3.4	2.9	3.4	26.6
Restructuring done in Q1 FY22	6.9	5.8	0.4	0.3	0.4	1.2
Restructuring done in Q2 FY22	99.1	97.1	5.4	1.1	0.0	0.0
<b>Total</b>	<b>183.1</b>	<b>163.5</b>	<b>9.3</b>	<b>4.3</b>	<b>3.8</b>	<b>27.8</b>

Note: Total provisioning on restructured loans is 28.8%

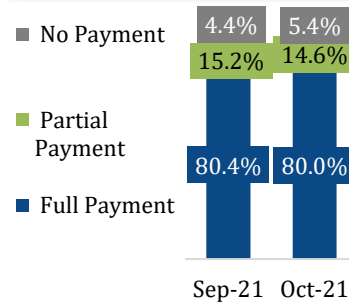


# Update on Collections & Delinquencies at MMFL

## MoM improvement in collection efficiency

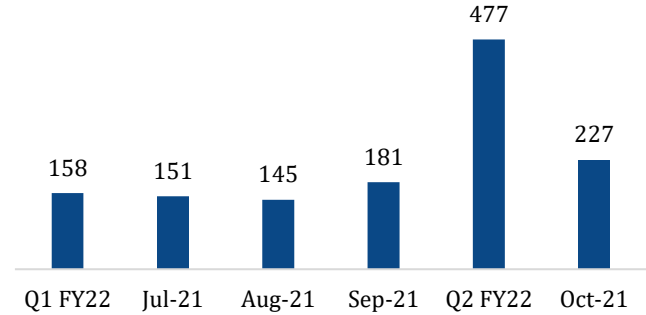


## % GLP of Non-Paying Groups



## Disbursements aligned with collections

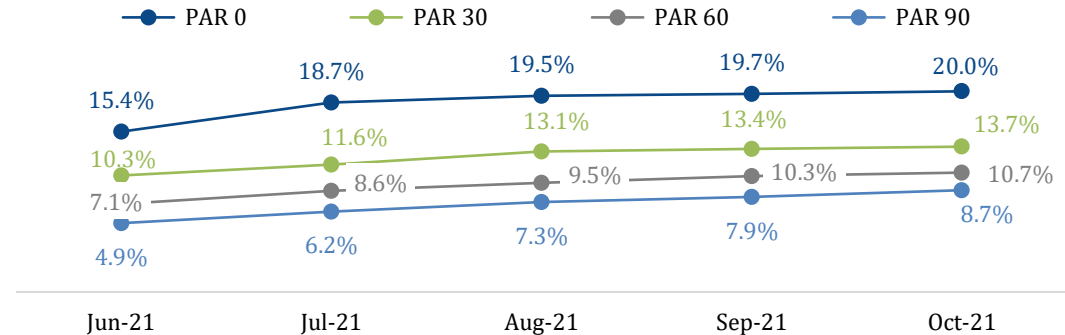
INR Cr



## State-wise collection trend

States	CE% (excl. arrears)			
	Jul-21	Aug-21	Sep-21	Oct-21
Tamil Nadu	82%	86%	87%	87%
Maharashtra	76%	77%	79%	79%
Odisha	94%	94%	94%	94%
Bihar	91%	91%	93%	92%
Others	78%	84%	86%	86%
<b>Total</b>	<b>83%</b>	<b>86%</b>	<b>87%</b>	<b>87%</b>

## MoM PAR trend



The restructured book as on Sep-21 was INR 3.7 Cr, executed in Sep-21

# Building Adequate Provisioning at MMFL

Provisioning policy at MMFL has now been aligned with CA Grameen, recognizing GNPA at 60+ dpd

Q2 FY22		Based on Revised ECL Policy		
Asset Classification (dpd)		EAD (INR Cr)	EAD%	ECL%
Stage 1	0-15, 0-30	1,808.9	87.0%	2.0%
Stage 2	16-60, 31-60	59.5	2.9%	36.3%
Stage 3	60+	211.0	10.1%	52.0%
<b>Total</b>		<b>2,079.4</b>	<b>100%</b>	<b>7.8%</b>

Note: Total provisioning on restructured loans of INR 3.7 Cr is 10%

## Payment wise break-up of EAD

Contribution of Groups as on Sep-21	Stage 1 EAD%	Stage 2 EAD%	Stage 3 EAD%	Total EAD%
Full Payment	82.5%	0.0%	0.0%	82.5%
Partial Payment	4.4%	2.6%	6.1%	13.1%
No Payment	0.1%	0.2%	4.0%	4.3%
<b>Total</b>	<b>87.0%</b>	<b>2.9%</b>	<b>10.1%</b>	<b>100%</b>

EAD: Exposure at default includes principal and accrued interest

Key Indicators – Consolidated		FY22
GLP – Growth %		17% - 19%
Credit Cost (Provisions + Write-offs) - % of Avg. On-Book Loan Portfolio		4.7% - 4.9%
Return on Assets %		1.8% - 2.0%

**NOTE: The above key guidance indicators do not factor the possibility of any severe business disruptions on account of Covid during H2 FY22**

# Discussion Summary

Key Business Updates

**Consolidated Results Overview**

CA Grameen: Financial Metrics

MMFL: Financial Metrics

Investment Rationale

Annexure



## Q2 FY22: Consolidated Performance Highlights

**GLP: INR 13,333 Cr**  
**(+19.2% YoY)**

**NIM**  
**11.2% / 11.9%<sup>1</sup> / 12.4%<sup>2</sup>**  
**Weighted Avg. COB**  
**9.5%**

**Cost/Income Ratio**  
**43.9%**  
**Opex/GLP Ratio**  
**5.3%**

**PPOP**  
**INR 218.7 Cr**  
**(11.1% YoY)**

**PAT: INR 59.7 Cr**  
**(-25.0% YoY)**

**ROA**  
**1.6%**  
**ROE**  
**6.2%**

**Capital Adequacy Ratio**  
**26.1%**  
**Tier 1 Ratio**  
**24.9%**

**Total Equity**  
**INR 3,870.5 Cr**  
**D/E Ratio**  
**2.6x**

**GNPA**  
**(GL: 60+ dpd, RF: 90+ dpd)**  
**7.67%**  
**PAR 90+**  
**5.78%**

**Provisioning**  
**5.90 %**  
**Write-off**  
**INR 129.6 Cr**

**Branches 1,545**  
**(+11.3% YoY)**  
**Employees 15,308**  
**(+5.9% YoY)**

**Active Borrowers**  
**37.51 Lakh<sup>3</sup> (-3.3% YoY)**

- 1) Figures adjusted excluding impact of interest income (on Stage 3 portfolio) de-recognition of INR 20.6 Cr in Q2 FY22
- 2) Figures adjusted excluding impact of interest income de-recognition and impact of maintaining higher liquidity on balance sheet
- 3) 3.29 lakh borrowers were written off during trailing 12 months

# Q2 & H1 FY22: Consolidated P&L Statement

Profit & Loss Statement (INR Cr)	Q2 FY22	Q2 FY21	YoY%	Q1 FY22	QoQ%	H1 FY22	H1 FY21	YoY%	FY21
Interest income	597.4	567.4	5.3%	587.3	1.7%	1,184.8	1,164.8	1.7%	2,290.0
- Interest on Loans <sup>1</sup>	588.1	556.5	5.7%	575.6	2.2%	1,163.7	1,146.1	1.5%	2,251.5
- Income from Securitisation	0.2	4.4	-94.4%	0.4	-44.5%	0.7	9.8	-92.9%	13.0
- Interest on Deposits with Banks and FIs	9.0	6.5	39.6%	11.3	-20.2%	20.4	9.0	127.2%	25.6
Income from Direct Assignment	0.0	0.0	-	14.7	-	14.7	18.5	-20.5%	122.6
Finance Cost on Borrowings	228.5	235.2	-2.8%	249.2	-8.3%	477.7	465.0	2.7%	924.5
Cost on Financial Liability towards Securitisation	0.0	1.3	-99.4%	0.1	-94.7%	0.2	3.0	-94.8%	4.2
<b>Net Interest Income</b>	<b>368.9</b>	<b>330.9</b>	<b>11.5%</b>	<b>352.7</b>	<b>4.6%</b>	<b>721.6</b>	<b>715.4</b>	<b>0.9%</b>	<b>1,483.9</b>
Non-interest Income & Other Income	21.1	9.6	120.3%	15.4	37.5%	36.5	13.5	169.4%	53.5
<b>Total Net Income</b>	<b>390.0</b>	<b>340.5</b>	<b>14.6%</b>	<b>368.0</b>	<b>6.0%</b>	<b>758.1</b>	<b>728.9</b>	<b>4.0%</b>	<b>1,537.4</b>
Employee Expenses	111.9	92.1	21.5%	100.6	11.2%	212.6	189.3	12.3%	380.0
Other Expenses	47.4	40.2	18.0%	39.7	19.4%	87.1	65.2	33.7%	161.5
Depreciation, Amortisation & Impairment	11.9	11.3	5.7%	11.2	6.3%	23.2	22.0	5.6%	44.1
<b>Pre-Provision Operating Profit</b>	<b>218.7</b>	<b>196.9</b>	<b>11.1%</b>	<b>216.4</b>	<b>1.1%</b>	<b>435.2</b>	<b>452.4</b>	<b>-3.8%</b>	<b>951.8</b>
Impairment of Financial Instruments	139.9	90.2	55.2%	187.9	-25.5%	327.8	245.3	33.6%	771.4
<b>Profit Before Tax</b>	<b>78.8</b>	<b>106.7</b>	<b>-26.2%</b>	<b>28.6</b>	<b>175.9%</b>	<b>107.4</b>	<b>207.2</b>	<b>-48.2%</b>	<b>180.4</b>
Total Tax Expense	19.1	27.1	-29.7%	8.3	130.5%	27.4	53.0	-48.4%	49.0
<b>Profit After Tax</b>	<b>59.7</b>	<b>79.6</b>	<b>-25.0%</b>	<b>20.3</b>	<b>194.5%</b>	<b>80.0</b>	<b>154.2</b>	<b>-48.1%</b>	<b>131.4</b>
Key Ratios	Q2 FY22	Q2 FY21		Q1 FY22		H1 FY22	H1 FY21		FY21
Portfolio Yield	18.8%	19.9%		18.6%		18.4%	20.2%		18.8%
Cost of Borrowings	9.5%^	9.8%		9.6%^		9.6%^	9.8%		9.5%
NIM	11.2%	11.2%		10.2%		10.6%	11.8%		10.7%
Cost/Income Ratio	43.9%	42.2%		41.2%		42.6%	37.9%		38.1%
Opex/GLP Ratio	5.3%	5.0%		4.6%		4.9%	4.8%		4.8%

1) Interest income (on Stage 3 portfolio) de-recognized was INR 20.6 Cr in Q2 FY22 and INR 41.9 Cr in H1 FY22, ^ calculated on daily average borrowings



## Q2 & H1 FY22: Consolidated Balance Sheet

Balance Sheet (INR Cr)	Q2 FY22	Q2 FY21	YoY%	Q1 FY22	QoQ%	H1 FY22	H1 FY21	FY21
Cash & Other Bank Balances	1,515.9	1,855.4	-18.3%	2,221.9	-31.7%	1,515.9	1,855.4	2,484.4
Investment in Mutual Funds	107.0		-			107.0		
Loans - Balance sheet assets (Net of Impairment Loss Allowance)	11,772.9	10,137.2	16.1%	10,813.2	9.0%	11,772.9	10,137.2	11,707.4
Loans - Securitised assets	3.2	60.3	-94.6%	8.2	-60.5%	3.2	60.3	13.1
Property, plant and equipment	26.3	27.0	-2.4%	23.7	11.3%	26.3	27.0	24.2
Intangible assets	157.7	168.1	-6.2%	162.5	-3.0%	157.7	168.1	164.2
Right to use assets	66.6	61.7	8.0%	69.6	-4.3%	66.6	61.7	67.5
Other Financial & Non-Financial Assets	299.1	231.3	29.3%	280.4	5.7%	299.1	231.3	281.0
Investment in MMFL	317.6	317.6	0.0%	317.6	0.0%	317.6	317.6	317.6
<b>Total Assets</b>	<b>14,266.4</b>	<b>12,858.6</b>	<b>10.9%</b>	<b>13,897.1</b>	<b>2.7%</b>	<b>14,266.4</b>	<b>12,858.6</b>	<b>15,059.2</b>
Debt Securities	1,683.6	1,466.1	14.8%	1,670.2	0.8%	1,683.6	1,466.1	1,675.0
Borrowings (other than debt securities)	8,263.9	7,936.2	4.1%	8,001.4	3.3%	8,263.9	7,936.2	9,154.5
Subordinated Liabilities	106.4	106.5	0.0%	104.5	1.8%	106.4	106.5	102.7
Financial liability towards Portfolio securitised	0.0	47.2	-100.0%	2.7	-100.0%	0.0	47.2	9.2
Lease liabilities	76.3	68.3	11.6%	78.4	-2.7%	76.3	68.3	75.3
Other Financial & Non-financial Liabilities	265.5	239.1	11.0%	222.1	19.3%	265.5	239.1	246.2
<b>Total Equity</b>	<b>3,771.8</b>	<b>2,883.7</b>	<b>30.8%</b>	<b>3,715.1</b>	<b>1.7%</b>	<b>3,771.8</b>	<b>2,883.7</b>	<b>3,691.6</b>
Minority Interest	98.8	111.3	-11.2%	102.6	-3.9%	98.8	111.3	104.8
<b>Total Liabilities and Equity</b>	<b>14,266.4</b>	<b>12,858.6</b>	<b>10.9%</b>	<b>13,897.1</b>	<b>2.7%</b>	<b>14,266.4</b>	<b>12,858.6</b>	<b>15,059.2</b>
Key Ratios	Q2 FY22	Q2 FY21		Q1 FY22		H1 FY22	H1 FY21	FY21
ROA	1.6%	2.4%		0.5%		1.0%	2.3%	0.9%
D/E	2.6	3.2		2.6		2.6	3.2	2.9
ROE	6.2%	10.7%		2.1%		4.2%	10.6%	4.0%
GNPA (GL: 60+ dpd, RF: 90+ dpd)	7.67%	1.62%		7.56%		7.67%	1.62%	4.43%
Provisioning	5.90%	5.03%		6.30%		5.90%	5.03%	5.01%

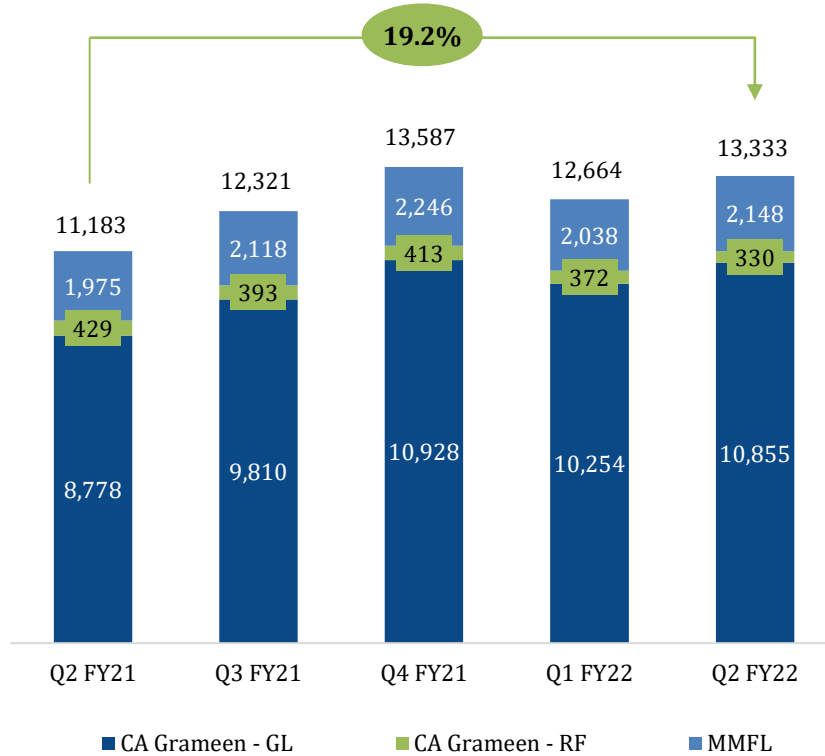
## Q2 & H1 FY22: Understanding the Credit Cost Impact

CA Grameen (INR Cr)	Q2 FY22	H1 FY22
Opening ECL - (A)	618.5	515.8
Additions (B)		
- Provisions as per ECL	58.7	202.3
Reversals (on account of write-off) (C)	97.2	138.1
Closing ECL (D = A+B-C)	580.0	580.0
Write-off (E)	129.6	183.2
P&L Charge (F = B-C+E)	91.1	247.4

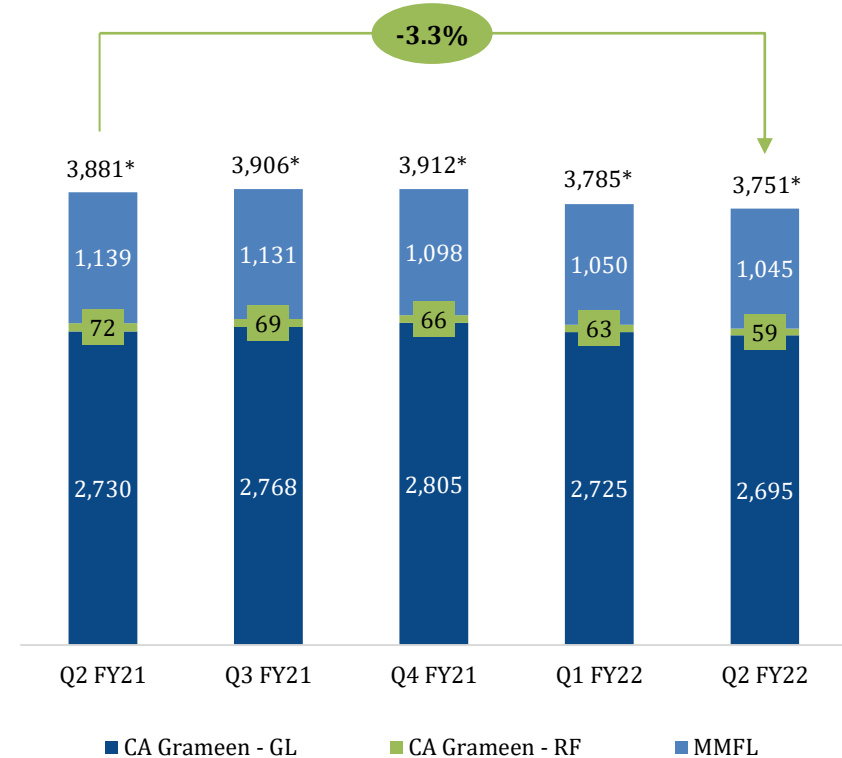
MMFL (INR Cr)	Q2 FY22	H1 FY22
Opening ECL - (A)	113.3	106.9
Additions (B)		
- Provisions as per ECL	48.8	72.2
Reversals (on account of write-off) (C)	0.0	16.9
Closing ECL (D = A+B-C)	162.1	162.1
Write-off (E)	0.0	25.2
P&L Charge (F = B-C+E)	48.8	80.4

# Q2 FY22: Continued Business Traction With Rural Focus

**Gross Loan Portfolio (GLP) (INR Cr)**



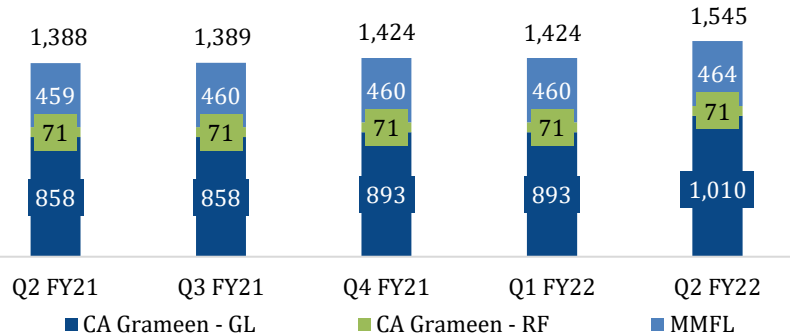
**Borrowers ('000)**



\* Excluding common borrowers

## Q2 FY22: Consistent Growth In Infrastructure

### Branches

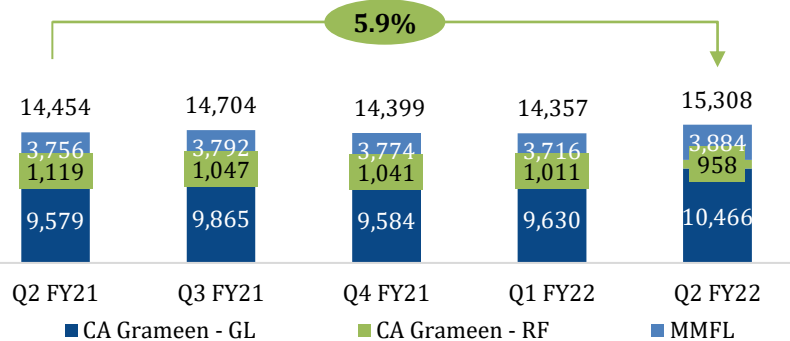


### 121 new branches opened primarily in newer states

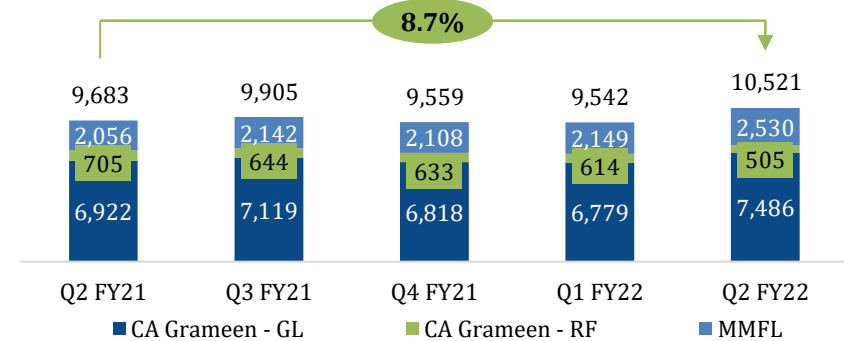
#### Additions in Q2 FY22

Bihar	15
Chhattisgarh	5
Gujarat	10
Jharkhand	10
Madhya Pradesh	10
Kerala	5
Maharashtra	5
Odisha	5
Rajasthan	17
Uttar Pradesh	35
West Bengal	4
<b>Total</b>	<b>121</b>

### Employees

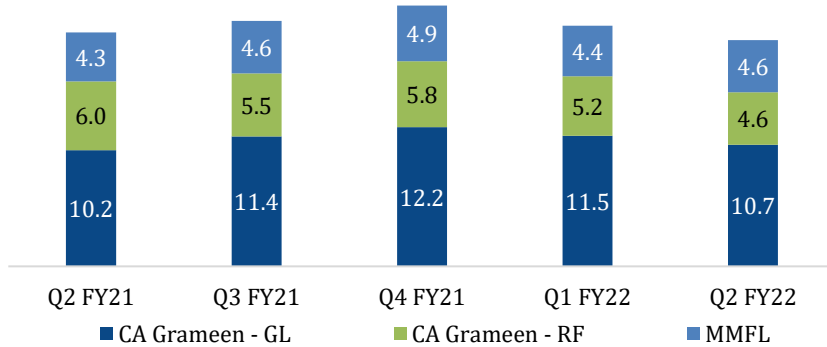


### Loan Officers

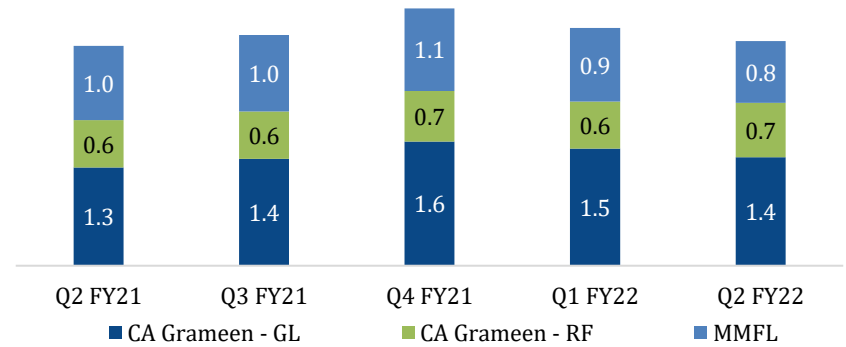


# Q2 FY22: Sustainable Operational Efficiency

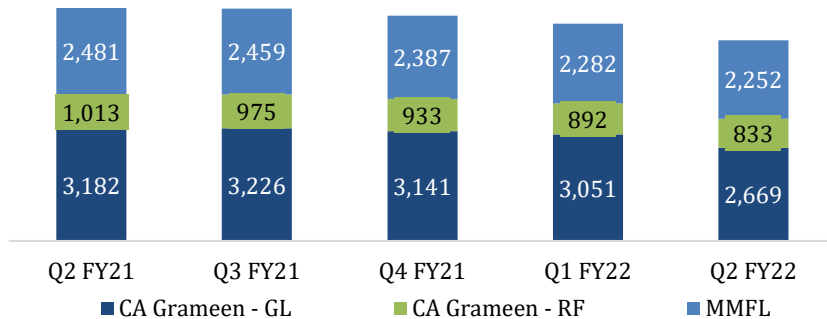
GLP / Branch (INR Cr)



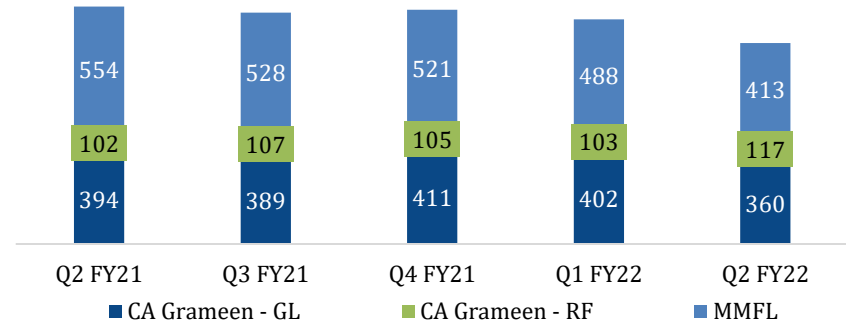
GLP / Loan Officer (INR Cr)



Borrowers / Branch



Borrowers / Loan Officer



## Q2 FY22: Product Range To Meet Diverse Customer Needs

GLP - Product Mix	Q2 FY21		Q3 FY21		Q4 FY21		Q1 FY22		Q2 FY22	
	(INR Cr)	% of Total	(INR Cr)	% of Total	(INR Cr)	% of Total	(INR Cr)	% of Total	(INR Cr)	% of Total
IGL (Incl. MMFL)	10,072	90%	11,499	93%	12,838	94%	11,962	94%	12,613	95%
Family Welfare	67	1%	35	0%	23	0%	32	0%	55	0%
Home Improvement	608	5%	388	3%	311	2%	297	2%	331	2%
Emergency	7	0%	5	0%	2	0%	1	0%	3	0%
Retail Finance	429	4%	393	3%	413	3%	372	3%	330	2%
<b>Total</b>	<b>11,183</b>	<b>100%</b>	<b>12,321</b>	<b>100%</b>	<b>13,587</b>	<b>100%</b>	<b>12,664</b>	<b>100%</b>	<b>13,333</b>	<b>100%</b>

GLP – Avg. O/S Per Loan (INR '000)	Q2 FY21	Q3 FY21	Q4 FY21	Q1 FY22	Q2 FY22
IGL (Incl. MMFL)	20.1	23.1	25.9	24.6	26.6
Family Welfare	2.2	2.6	2.6	3.4	4.5
Home Improvement	8.2	8.0	8.6	8.5	9.3
Emergency	0.6	0.5	0.6	0.5	0.9
Retail Finance	59.0	54.3	59.5	56.1	52.9
<b>Total</b>	<b>17.9</b>	<b>21.3</b>	<b>24.7</b>	<b>23.5</b>	<b>25.1</b>

GLP – Avg. O/S Per Borrower (INR '000)	Q2 FY21	Q3 FY21	Q4 FY21	Q1 FY22	Q2 FY22
CA Grameen – GL	32.2	35.4	38.9	37.6	40.3
CA Grameen – RF	59.7	56.8	62.3	58.7	55.7
MMFL	17.3	18.7	20.4	19.4	20.6
<b>Total</b>	<b>28.8</b>	<b>31.8</b>	<b>34.7</b>	<b>33.4</b>	<b>35.5</b>



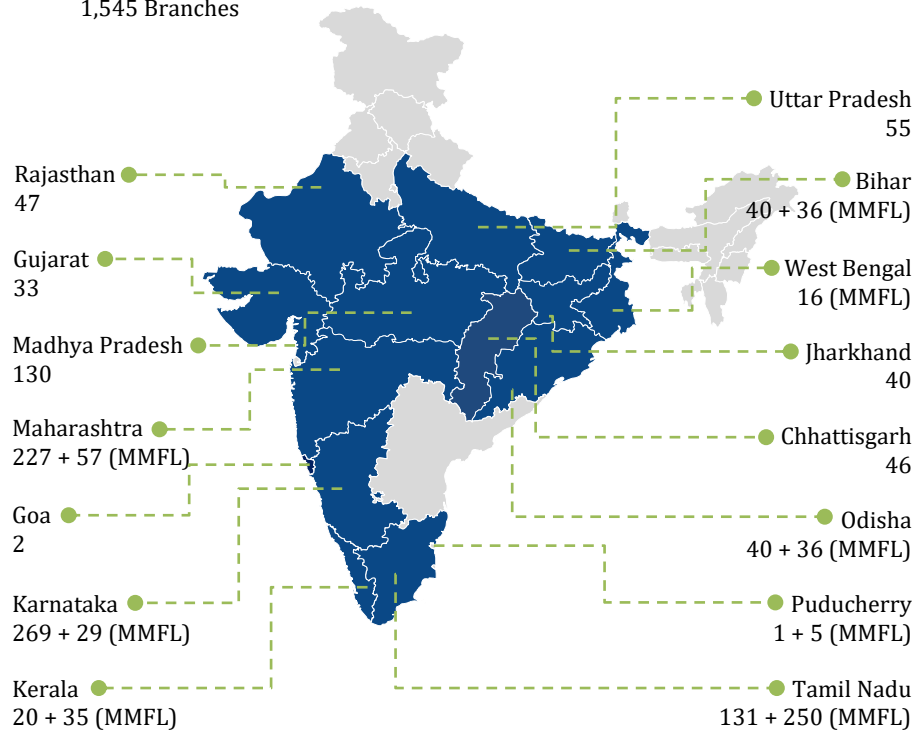
## Q2 FY22: Well-Diversified Presence Across India

### Our Presence as on Sep-21

14 States / 1 UT

298 Districts

1,545 Branches



Branch Network	Q2 FY22 Consolidated	Q2 FY22 % Share
Karnataka	298	19.3%
Maharashtra	284	18.4%
Tamil Nadu	381	24.7%
Madhya Pradesh	130	8.4%
Other States & UT	452	29.3%
<b>Total</b>	<b>1,545</b>	<b>100.0%</b>

Borrowers ('000)	Q2 FY22 Consolidated	Q2 FY22 % Share
Karnataka	1,092	29.1%
Maharashtra	793	21.1%
Tamil Nadu	957	25.5%
Madhya Pradesh	306	8.2%
Other States & UT	604	16.1%
<b>Total</b>	<b>3,751</b>	<b>100.0%</b>

GLP (INR Cr)	Q2 FY22 Consolidated	Q2 FY22 % Share
Karnataka	5,084	38.1%
Maharashtra	3,050	22.9%
Tamil Nadu	2,579	19.3%
Madhya Pradesh	1,047	7.9%
Other States & UT	1,573	11.8%
<b>Total</b>	<b>13,333</b>	<b>100.0%</b>

\* Excluding 47,989 Common Borrowers

## Q2 FY22: District Wise Exposure Trend

Consolidated	Q2 FY21		Q3 FY21		Q4 FY21		Q1 FY22		Q2 FY22	
Exposure of Districts (% of GLP)	No. of Districts	% of Total Districts	No. of Districts	% of Total Districts	No. of Districts	% of Total Districts	No. of Districts	% of Total Districts	No. of Districts	% of Total Districts
< 0.5%	186	75%	190	76%	205	77%	206	78%	240	81%
0.5% - 1%	27	11%	27	11%	28	11%	26	10%	27	9%
1% - 2%	28	11%	25	10%	27	10%	28	11%	25	8%
2% - 4%	7	3%	7	3%	5	2%	5	2%	6	2%
> 4%	0	0%	0	0%	0	0%	0	0%	0	0%
Total	248	100%	249	100%	265	100%	265	100%	298	100%

Consolidated	Q2 FY21	Q3 FY21	Q4 FY21	Q1 FY22	Q2 FY22
District in terms of GLP	% of Total GLP	% of Total GLP	% of Total GLP	% of Total GLP	% of Total GLP
Top 1	3%	3%	3%	3%	3%
Top 3	9%	9%	9%	9%	9%
Top 5	14%	14%	14%	14%	14%
Top 10	24%	24%	23%	23%	23%
Other	76%	76%	77%	77%	77%

# Discussion Summary

Key Business Updates

Consolidated Results Overview

**CA Grameen: Financial Metrics**

MMFL: Financial Metrics

Investment Rationale

Annexure



# Q2 FY22: CA Grameen Standalone Performance Highlights

**GLP: INR 11,184 Cr**  
**(+21.5% YoY)**

**NIM**  
**11.3%/ 12.1%<sup>1</sup>/ 12.5%<sup>2</sup>**  
**Weighted Avg. COB**  
**9.3%**

**Cost/Income Ratio**  
**42.5%**  
**Opex/GLP Ratio**  
**5.1%**

**PPOP**  
**INR 188.2 Cr**  
**(+10.6% YoY)**

**PAT: INR 72.0 Cr**  
**(-7.9% YoY)**

**ROA**  
**2.2%**  
**ROE**  
**7.8%**

**Capital Adequacy Ratio**  
**30.9%**  
**Tier 1 Ratio**  
**30.3%**

**Total Equity**  
**INR 3,730.4 Cr**  
**D/E Ratio**  
**2.2x**

**GNPA**  
**(GL: 60+ dpd, RF: 90+ dpd)**  
**7.18%**  
**PAR 90+**  
**5.4%**

**Provisioning**  
**5.51%**  
**Write-off**  
**INR 129.6 Cr**

**Branches 1,081**  
**(+16.4% YoY)**  
**11,424 Employees**  
**(+6.8% YoY)**

**Active Borrowers**  
**27.54 Lakh<sup>3</sup> (-1.7% YoY)**

- 1) Figures adjusted excluding impact of interest income (on Stage 3 portfolio) de-recognition of INR 20.6 Cr in Q2 FY22
- 2) Figures adjusted excluding impact of interest income de-recognition and impact of maintaining higher liquidity on balance sheet
- 3) 2.0 lakh borrowers were written off during trailing 12 months

# Q2 & H1 FY22: CA Grameen Standalone P&L Statement

Profit & Loss Statement (INR Cr)	Q2 FY22	Q2 FY21	YoY%	Q1 FY22	QoQ%	H1 FY22	H1 FY21	YoY%	FY21
Interest income	492.0	464.5	5.9%	483.6	1.7%	975.6	<b>953.6</b>	2.3%	<b>1,877.1</b>
- Interest on Loans <sup>1</sup>	485.2	459.3	5.7%	475.3	2.1%	960.5	947.0	1.4%	1,858.2
- Income from Securitisation	0.0	0.0		0.0		0.0	0.0		0.0
- Interest on Deposits with Banks and FIs	6.8	5.3	29.4%	8.3	-18.1%	15.1	6.5	131.1%	19.0
Income from Direct Assignment	0.0	0.0		14.7	-100.0%	14.7	<b>18.5</b>	-20.6%	<b>112.9</b>
Finance Cost on Borrowings	182.7	191.0	-4.3%	196.3	-6.9%	379.1	374.9	1.1%	740.1
Cost on Financial Liability towards Securitisation	0.0	0.0		0.0		0.0	0.0		0.0
<b>Net Interest Income</b>	<b>309.3</b>	<b>273.5</b>	<b>13.1%</b>	<b>301.9</b>	<b>2.4%</b>	<b>611.2</b>	<b>597.2</b>	<b>2.3%</b>	<b>1,249.9</b>
Non-interest Income & Other Income	18.3	6.9	165.6%	12.8	42.8%	31.1	10.0	210.7%	41.1
<b>Total Net Income</b>	<b>327.6</b>	<b>280.4</b>	<b>16.8%</b>	<b>314.8</b>	<b>4.1%</b>	<b>642.3</b>	<b>607.2</b>	<b>5.8%</b>	<b>1,291.1</b>
Employee Expenses	90.4	72.5	24.8%	80.1	12.9%	170.5	149.2	14.3%	299.6
Other Expenses	42.5	31.7	33.9%	31.7	34.1%	74.1	51.8	43.0%	126.8
Depreciation, Amortisation & Impairment	6.5	6.1	6.1%	6.1	6.8%	12.6	11.6	8.3%	23.4
<b>Pre-Provision Operating Profit</b>	<b>188.2</b>	<b>170.1</b>	<b>10.6%</b>	<b>197.0</b>	<b>-4.4%</b>	<b>385.2</b>	<b>394.6</b>	<b>-2.4%</b>	<b>841.2</b>
Impairment of Financial Instruments	91.1	65.3	39.5%	156.3	-41.7%	247.4	204.3	21.1%	646.9
<b>Profit Before Tax</b>	<b>97.1</b>	<b>104.8</b>	<b>-7.3%</b>	<b>40.7</b>	<b>138.6%</b>	<b>137.8</b>	<b>190.3</b>	<b>-27.6%</b>	<b>194.3</b>
Total Tax Expense	25.1	26.6	-5.8%	11.1	125.7%	36.2	48.6	-25.4%	51.9
<b>Profit After Tax</b>	<b>72.0</b>	<b>78.2</b>	<b>-7.9%</b>	<b>29.6</b>	<b>143.4%</b>	<b>101.6</b>	<b>141.8</b>	<b>-28.4%</b>	<b>142.4</b>
Key Ratios	Q2 FY22	Q2 FY21		Q1 FY22		H1 FY22	H1 FY21		FY21
Portfolio Yield	18.5%	19.7%		18.4%		18.2%	20.1%		18.6%
Cost of Borrowings	9.3%^	9.6%		9.3%^		9.3%^	9.5%		9.3%
NIM	11.3%	11.2%		10.5%		10.7%	11.9%		10.8%
Cost/Income Ratio	42.5%	39.3%		37.4%		40.0%	35.0%		34.8%
Opex/GLP Ratio	5.1%	4.7%		4.3%		4.7%	4.4%		4.5%

1) Interest income (on Stage 3 portfolio) de-recognized was INR 20.6 Cr in Q2 FY22 and INR 40.5 Cr in H1 FY22, ^ calculated on daily average borrowings

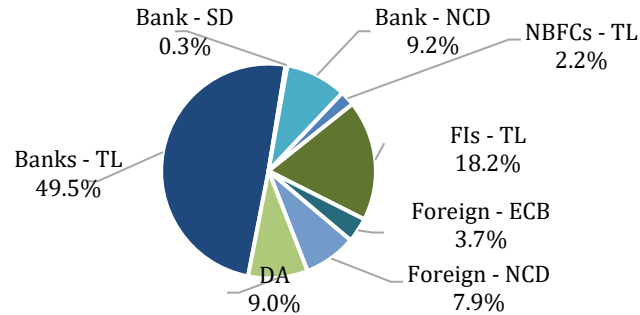
## Q2 & H1 FY22: CA Grameen Standalone Balance Sheet

Balance Sheet (INR Cr)	Q2 FY22	Q2 FY21	YoY%	Q1 FY22	QoQ%	H1 FY22	H1 FY21	FY21
Cash & Other Bank Balances	1,260.0	1,662.0	-24.2%	1,800.4	-30.0%	1,260.0	1,662.0	1,946.0
Investment in Mutual Funds	107.0	-	-	-	-	107.0	-	-
Loans- Balance sheet assets (Net of Impairment Loss Allowance)	9,857.8	8,377.8	17.7%	8,977.2	9.8%	9,857.8	8,377.8	9,717.8
Property, plant and equipment	20.0	20.8	-4.1%	17.9	11.8%	20.0	20.8	18.4
Intangible assets	16.7	13.4	25.0%	17.3	-3.2%	16.7	13.4	16.4
Right to use assets	66.2	60.4	9.5%	68.9	-4.0%	66.2	60.4	66.7
Other Financial & Non-Financial Assets	278.8	191.3	45.7%	287.3	-2.9%	278.8	191.3	268.9
Investment in MMFL	662.7	661.3	0.2%	662.9	0.0%	662.7	661.3	662.7
<b>Total Assets</b>	<b>12,269.1</b>	<b>10,987.0</b>	<b>11.7%</b>	<b>11,831.7</b>	<b>3.7%</b>	<b>12,269.1</b>	<b>10,987.0</b>	<b>12,696.8</b>
Debt Securities	1,569.2	1,303.5	20.4%	1,538.2	2.0%	1,569.2	1,303.5	1,506.0
Borrowings (other than debt securities)	6,635.2	6,572.1	1.0%	6,315.2	5.1%	6,635.2	6,572.1	7,249.7
Subordinated Liabilities	25.0	25.0	0.0%	25.0	0.0%	25.0	25.0	25.0
Lease liabilities	75.8	66.6	13.7%	77.7	-2.4%	75.8	66.6	74.4
Other Financial & Non-financial Liabilities	233.6	211.1	10.7%	210.3	11.1%	233.6	211.1	206.9
<b>Total Equity</b>	<b>3,730.4</b>	<b>2,808.6</b>	<b>32.8%</b>	<b>3,665.4</b>	<b>1.8%</b>	<b>3,730.4</b>	<b>2,808.6</b>	<b>3,634.8</b>
<b>Total Liabilities and Equity</b>	<b>12,269.2</b>	<b>10,987.0</b>	<b>11.7%</b>	<b>11,831.7</b>	<b>3.7%</b>	<b>12,269.2</b>	<b>10,987.0</b>	<b>12,696.8</b>
Key Ratios	Q2 FY22	Q2 FY21		Q1 FY22		H1 FY22	H1 FY21	FY21
ROA	2.2%	2.7%		0.9%		1.5%	2.5%	1.2%
D/E	2.2	2.8		2.1		2.2	2.8	2.4
ROE	7.8%	11.3%		3.2%		5.5%	10.3%	4.6%
GNPA (GL: 60+ dpd, RF: 90+ dpd)	7.18%	1.64%		8.12%		7.18%	1.64%	4.38%
Provisioning	5.51%	5.18%		6.40%		5.51%	5.18%	5.00%



## Q2 FY22: Well-Diversified Liability Mix

### Liability Mix - Institution / Instrument Wise (%)

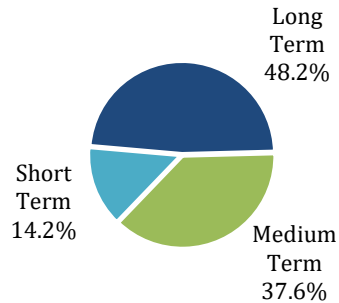


Note: O/S Direct Assignment (Sold Portion) - INR 806.2 Cr

### Focus on dynamic liability management

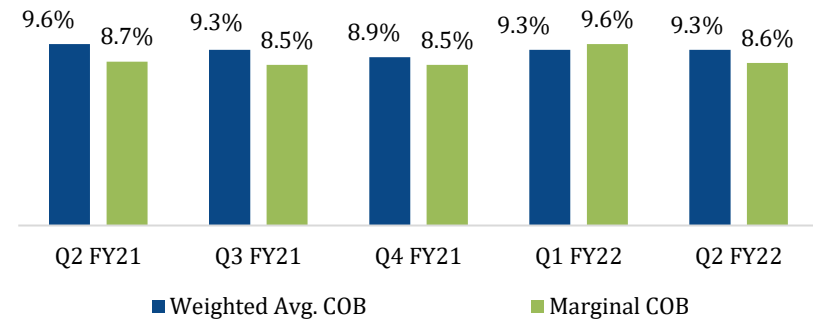
- Focus on long-term funding with a mix of domestic & foreign sources
- Target to meet funding requirement through foreign/longer term sources over medium term
- Diverse lenders' base:
  - 35 Commercial Banks, 2 Financial Institutions, 8 Foreign Institutional Investors, 3 NBFCs
- Strong parentage of CreditAccess India providing access to diverse global lender base

### Liability Mix - Tenure Wise (%)



	Source	% Mix
Short Term <= 1 year (incl. DA)	Domestic	12.6%
	Foreign	1.6%
Medium Term > 1 year, <= 2 years	Domestic	36.6%
	Foreign	1.0%
Long Term > 2 years	Domestic	36.5%
	Foreign	11.7%

### Cost of Borrowing (%)



## Q2 FY22: Stable Liquidity / ALM Position

Static Liquidity / ALM Position	For the Month			For the Financial Year	
Particulars (INR Cr)	Oct-21	Nov-21	Dec-21	FY22 (Jan-21 - Mar-22)	FY23
Opening Cash & Equivalents (A)	1,282.5	1,568.7	1,899.6	2,069.1	2,577.7
Loan recovery [Principal] (B)	667.2	694.4	722.0	1,938.3	5,675.3
<b>Total Inflow (C=A+B)</b>	<b>1,949.7</b>	<b>2,263.2</b>	<b>2,621.6</b>	<b>4,007.4</b>	<b>8,252.9</b>
Borrowing Repayment [Principal]					
Term loans and Others (D)	261.0	255.1	421.2	913.3	2,126.9
NCDs (E)	0.0	0.0	25.0	235.2	499.6
Direct Assignment (F)	120.0	108.5	106.3	281.3	532.2
<b>Total Outflow G=(D+E+F)</b>	<b>381.0</b>	<b>363.6</b>	<b>552.4</b>	<b>1,429.8</b>	<b>3,158.6</b>
Closing Cash & equivalents (H= C-G)	1,568.7	1,899.6	2,069.1	2,577.7	5,094.4
<b>Static Liquidity (B-G)</b>	<b>286.2</b>	<b>330.8</b>	<b>169.6</b>	<b>508.5</b>	<b>2,516.7</b>

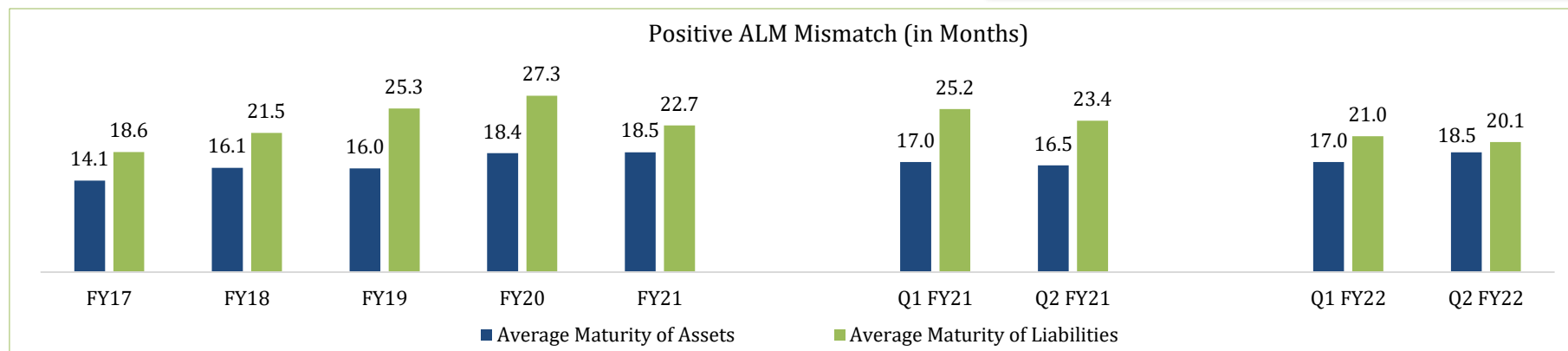
Debt Drawdowns (INR Cr)	Q2 FY22
Banks – TL	1,015.0
FIs – TL	150.0
NBFCs – TL	130.0
MLD/NCD	100.0
Foreign ECB	111.8
<b>Total</b>	<b>1,506.8</b>

Undrawn Sanctions as on 30<sup>th</sup> Sep 2021

INR 2,391 Cr

Sanctions in pipeline as on 30<sup>th</sup> Sep 2021

INR 1,190 Cr



## Q2 FY22: Stable Credit Ratings

Rating Instrument	Rating Agency	Q2 FY21	Q2 FY22
		Rating/Grading	Rating/Grading
Bank facilities	CRISIL	A+ (Stable)	A+ (Stable)
	ICRA	A+ (Stable)	A+ (Stable)
	Ind-Ra	A+ (RWN)	A+ (Stable)
Non-convertible debentures	CRISIL	A+ (Stable)	A+ (Stable)
	ICRA	A+ (Stable)	A+ (Stable)
	Ind-Ra	A+ (RWN)	A+ (Stable)
	BWR	-	A+ (Positive)
Commercial Paper	ICRA	A1+	A1+
Comprehensive Microfinance Grading(Institutional Grading/Code of Conduct Assessment (COCA))	CRISIL	M1C1	M1C1
Social Rating	M-CRIL	Σα	Σα
Social Bond Framework	Sustainalytics	Certified	Certified

1) As per SIDBI guidelines, comprehensive Microfinance grading should be done by the same organization (CRISIL is our rating agency)

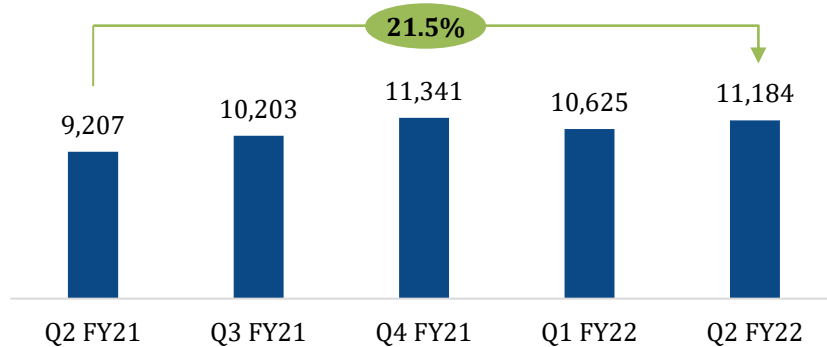
M1 - Microfinance Institutional Grading – Reflects CRISIL’s opinion on the ability of an MFI to conduct its operations in a scalable and sustainable manner

C1 - Social Rating – Expert opinion in the social performance of a financial institution , and likelihood that it meets social goals in line with accepted social values

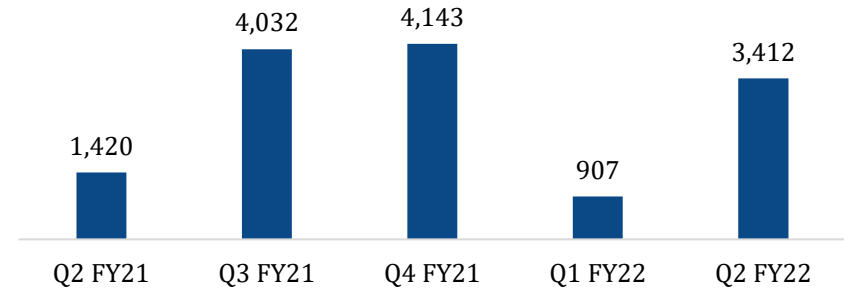
2) CA Grameen has developed the Social Bond Framework under which it intends to issue social bonds to global investors. CA Grameen had engaged Sustainalytics to review the Social Bond Framework, dated November 2019 and provide a second-party opinion on the Framework’s social credentials and its alignment with the Social Bond Principles 2018 (SBP). Sustainalytics is of the opinion that the CA Grameen’s Social Bond Framework is credible and impactful and aligns with the four core components of the SBP

# Q2 FY22: Robust Quarterly Performance Trend (1/2)

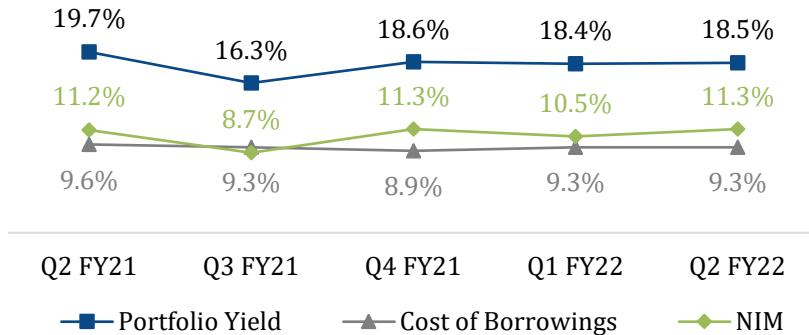
**Gross Loan Portfolio (GLP) (INR Cr)**



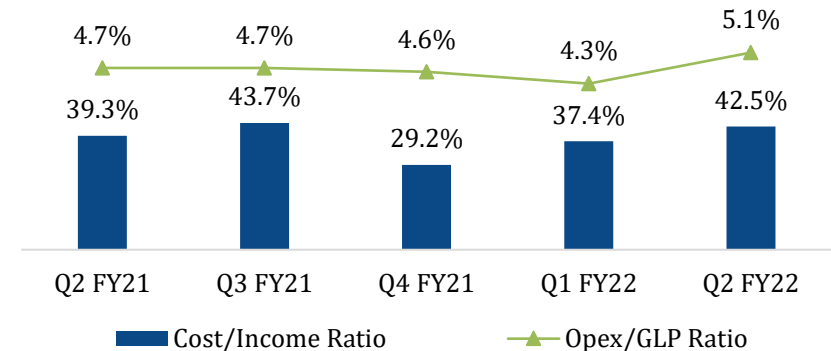
**Disbursements (INR Cr)**



**Margin Analysis (%)**

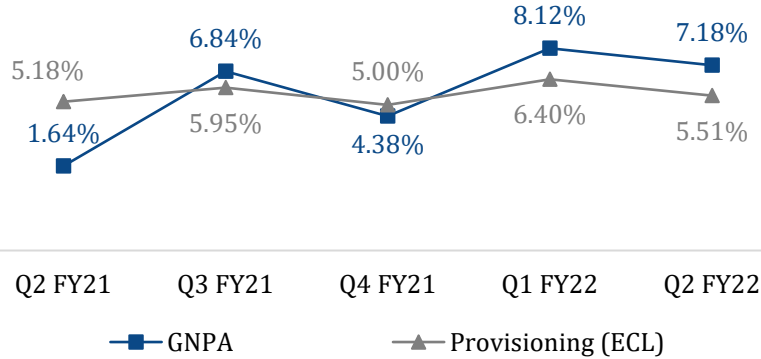


**Operating Efficiency (%)**

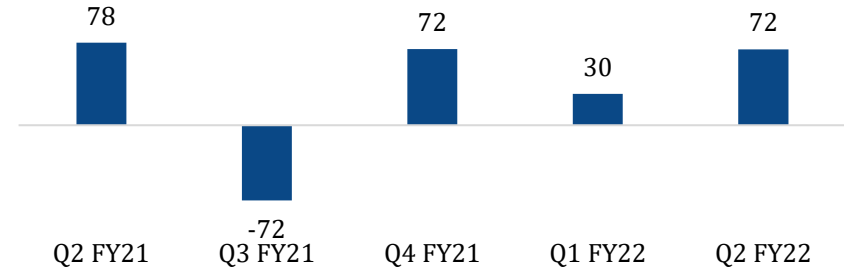


## Q2 FY22: Robust Quarterly Performance Trend (2/2)

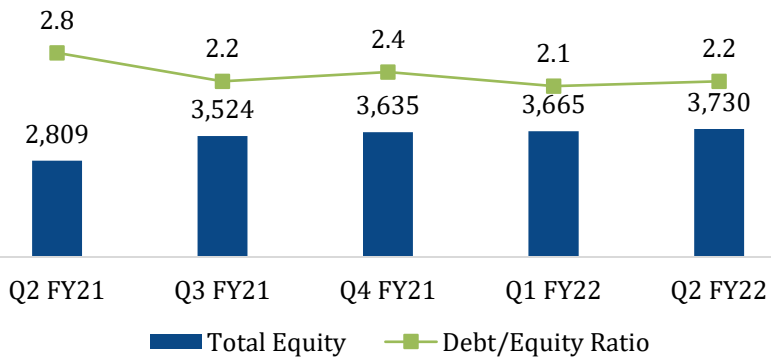
**Asset Quality (%)**



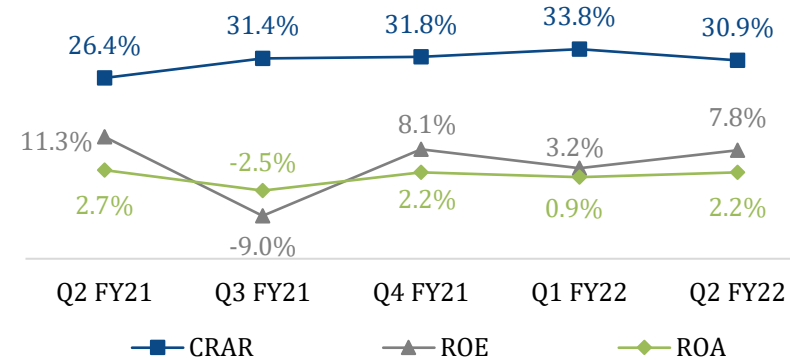
**PAT (INR Cr)**



**Total Equity (INR Cr) & Debt/Equity Ratio**



**Return Ratios & Capital Adequacy (%)**



# Discussion Summary

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CA Grameen: Financial Metrics

**MMFL: Financial Metrics**

Investment Rationale

Annexure





## Q2 FY22: MMFL Performance Highlights

**GLP**  
INR 2,148 Cr  
(8.8% YoY)

**NIM**  
10.6%/ 11.4%<sup>1</sup>  
**Weighted Avg. COB**  
10.6%

**Cost/Income Ratio**  
51.8%  
**Opex/GLP Ratio**  
6.1%

**PPOP**  
INR 29.7 Cr  
(-0.7%)

**PAT**  
INR -13.9 Cr  
(-471.8% YoY)

**ROA**  
-2.3%  
**ROE**  
-14.3%

**Capital Adequacy Ratio**  
20.4%  
**Tier 1 Ratio**  
16.8%

**Total Equity**  
INR 381.4 Cr  
**D/E Ratio**  
4.8x

**GNPA (60+ dpd)**  
10.15%  
**PAR 90+**  
7.9%

**Provisioning**  
7.83%

**Branches 464**  
(1.1% YoY)  
**Employees 3,884**  
(+3.4% YoY)

**Active Borrowers**  
10.45 Lakh<sup>2</sup> (-8.2%)

- 1) Figures adjusted excluding impact of maintaining higher liquidity on balance sheet  
2) 1.29 lakh borrowers were written off during trailing 12 months

## Q2 & H1 FY22: MMFL P&L Statement

Profit & Loss Statement (INR Cr)	Q2 FY22	Q2 FY21	YoY%	Q1 FY22	QoQ%	H1 FY22	H1 FY21	YoY%	FY21
Interest income	105.4	102.9	2.5%	103.7	1.6%	209.2	211.0	-0.9%	412.6
- Interest on Loans <sup>1</sup>	102.9	97.3	5.8%	100.3	2.7%	203.2	198.8	2.2%	393.0
- Income from Securitisation	0.2	4.4	-94.5%	0.5	-46.7%	0.7	9.8	-92.9%	13.0
- Interest on Deposits with Banks and FIs	2.2	1.2	83.4%	3.0	-26.1%	5.3	2.4	116.5%	6.7
Income from Direct Assignment	0.0	0.0		0.0		0.0	0.0		9.7
Finance Cost on Borrowings	46.7	44.3	5.3%	52.9	-11.7%	99.5	90.0	10.5%	185.9
Cost on Financial Liability towards Securitisation	0.0	1.4	-98.5%	0.2	-86.7%	0.2	3.1	-94.5%	4.4
<b>Net Interest Income</b>	<b>58.7</b>	<b>57.2</b>	<b>2.7%</b>	<b>50.7</b>	<b>15.7%</b>	<b>109.4</b>	<b>117.9</b>	<b>-7.1%</b>	<b>232.0</b>
Non-interest Income & Other Income	2.9	2.7	6.7%	3.4	-14.9%	6.2	3.5	77.6%	13.0
<b>Total Net Income</b>	<b>61.6</b>	<b>59.8</b>	<b>2.9%</b>	<b>54.1</b>	<b>13.8%</b>	<b>115.6</b>	<b>121.3</b>	<b>-4.7%</b>	<b>245.0</b>
Employee Expenses	21.4	19.7	9.0%	20.6	4.0%	42.0	40.2	4.6%	80.4
Other Expenses	9.1	9.2	-1.2%	8.9	2.6%	17.9	14.0	27.8%	35.3
Depreciation, Amortisation & Impairment	1.4	1.1	24.3%	1.1	28.3%	2.4	2.2	9.5%	4.3
<b>Pre-Provision Operating Profit</b>	<b>29.7</b>	<b>29.9</b>	<b>-0.7%</b>	<b>23.6</b>	<b>26.0%</b>	<b>53.3</b>	<b>64.9</b>	<b>-17.9%</b>	<b>125.0</b>
Impairment of Financial Instruments	48.8	24.9	96.3%	31.6	54.4%	80.4	41.0	96.2%	124.5
<b>Profit Before Tax</b>	<b>-19.1</b>	<b>5.0</b>	<b>-478.4%</b>	<b>-8.0</b>	<b>137.8%</b>	<b>-27.1</b>	<b>23.9</b>	<b>-213.3%</b>	<b>0.5</b>
Total Tax Expense	-5.2	1.3	-497.1%	-1.8	185.9%	-7.1	6.2	-213.5%	0.7
<b>Profit After Tax</b>	<b>-13.9</b>	<b>3.7</b>	<b>-471.8%</b>	<b>-6.2</b>	<b>123.6%</b>	<b>-20.1</b>	<b>17.7</b>	<b>-213.3%</b>	<b>-0.2</b>
Key Ratios	Q2 FY22	Q2 FY21		Q1 FY22		H1 FY22	H1 FY21		FY21
Portfolio Yield	20.0%	20.8%		19.5%		19.5%	21.0%		19.8%
Cost of Borrowings	10.6%^	10.9%		10.6%^		10.6%^	11.1%		10.9%
NIM	10.6%	11.2%		8.9%		9.6%	11.4%		10.2%
Cost/Income Ratio	51.8%	50.0%		56.4%		53.9%	46.5%		49.0%
Opex/GLP Ratio	6.1%	6.0%		5.7%		5.8%	5.5%		5.7%

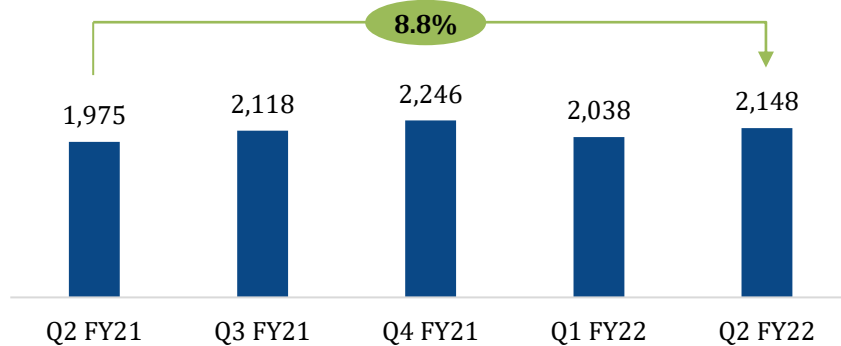
<sup>1</sup> calculated on daily average borrowings

## Q2 & H1 FY22: MMFL Balance Sheet

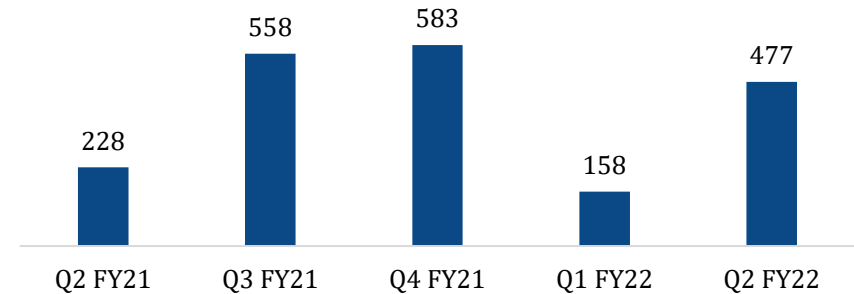
Balance Sheet (INR Cr)	Q2 FY22	Q2 FY21	YoY%	Q1 FY22	QoQ%	H1 FY22	H1 FY21	FY21
Cash & Other Bank Balances	251.9	193.4	30.2%	421.7	-40.3%	251.9	193.4	538.4
Investment in Mutual Funds	0.0	50.4	-	0.0	-	0.0	50.4	0.0
Loans - Balance sheet assets (Net of Impairment Loss Allowance)	1,915.1	1,759.4	8.8%	1,836.1	4.3%	1,915.1	1,759.4	1,989.5
Loans - Securitised assets	3.3	60.3	-94.6%	8.2	-60.5%	3.3	60.3	13.1
Property, plant and equipment	6.4	6.2	3.1%	5.8	9.7%	6.4	6.2	5.8
Intangible assets	3.3	0.6	410.6%	3.5	-6.0%	3.3	0.6	1.9
Right to use assets	0.5	1.2	-63.1%	0.6	-29.7%	0.5	1.2	0.8
Other Financial & Non-Financial Assets	57.3	26.8	113.7%	46.3	23.7%	57.3	26.8	48.6
<b>Total Assets</b>	<b>2,237.6</b>	<b>2,098.4</b>	<b>6.6%</b>	<b>2,322.3</b>	<b>-3.6%</b>	<b>2,237.6</b>	<b>2,098.4</b>	<b>2,598.3</b>
Debt Securities	114.1	162.4	-29.8%	132.0	-13.6%	114.1	162.4	168.9
Borrowings (other than debt securities)	1,627.9	1,361.5	19.6%	1,684.3	-3.3%	1,627.9	1,361.5	1,902.9
Subordinated Liabilities	78.6	78.6	0.0%	76.7	2.5%	78.6	78.6	74.9
Financial liability towards Portfolio securitised	0.1	47.1	-99.9%	2.7	-97.4%	0.1	47.1	9.2
Lease liabilities	0.5	1.4	-60.6%	0.8	-29.9%	0.5	1.4	1.0
Other Financial & Non-financial Liabilities	35.0	28.1	24.5%	30.6	14.4%	35.0	28.1	40.1
<b>Total Equity</b>	<b>381.4</b>	<b>419.4</b>	<b>-9.0%</b>	<b>395.2</b>	<b>-3.5%</b>	<b>381.4</b>	<b>419.4</b>	<b>401.4</b>
<b>Total Liabilities and Equity</b>	<b>2,237.6</b>	<b>2,098.4</b>	<b>6.6%</b>	<b>2,322.3</b>	<b>-3.6%</b>	<b>2,237.6</b>	<b>2,098.4</b>	<b>2,598.3</b>
Key Ratios	Q2 FY22	Q2 FY21		Q1 FY22		H1 FY22	H1 FY21	FY21
ROA	-2.3%	0.7%		-1.0%		-1.6%	1.6%	-0.01%
D/E	4.8	3.8		4.8		4.8	3.8	5.3
ROE	-14.3%	3.6%		-6.2%		-10.2%	8.6%	-0.05%
GNPA (60+ dpd beginning from Q2 FY22)	10.15%	1.52%		4.76%		10.15%	1.52%	4.70%
Provisioning	7.83%	4.30%		5.79%		7.83%	4.30%	5.07%

## Q2 FY22: Quarterly Performance Trend (1/2)

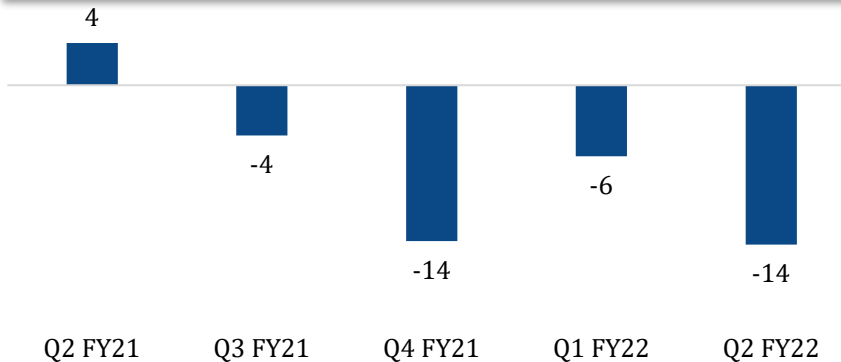
Gross Loan Portfolio (GLP) (INR Cr)



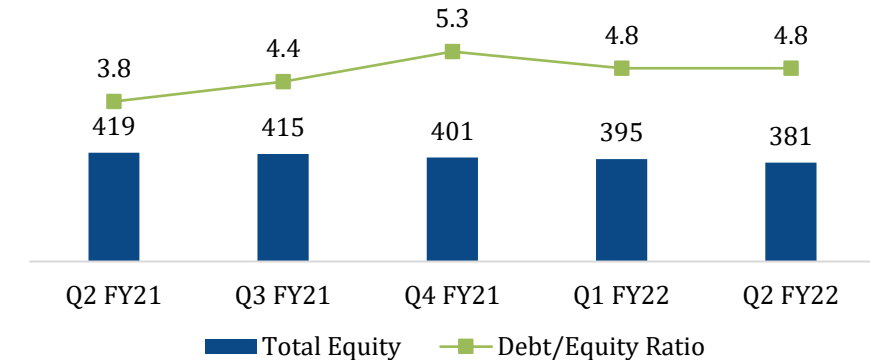
Disbursements (INR Cr)



PAT (INR Cr)

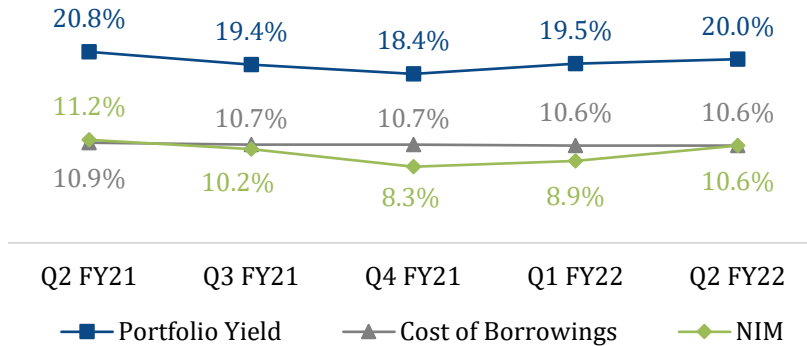


Total Equity (INR Cr) & Debt/Equity Ratio

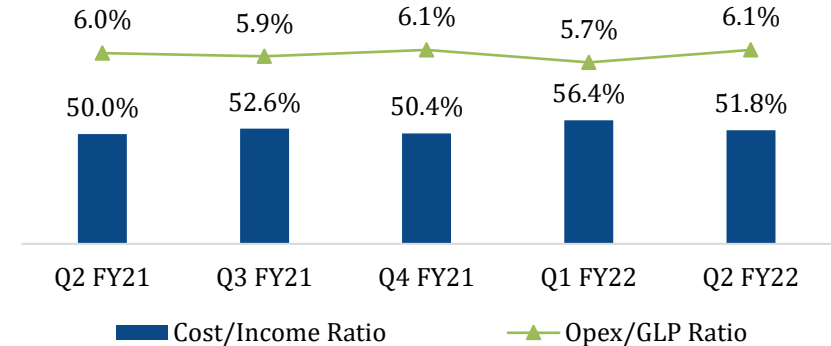


## Q2 FY22: Quarterly Performance Trend (2/2)

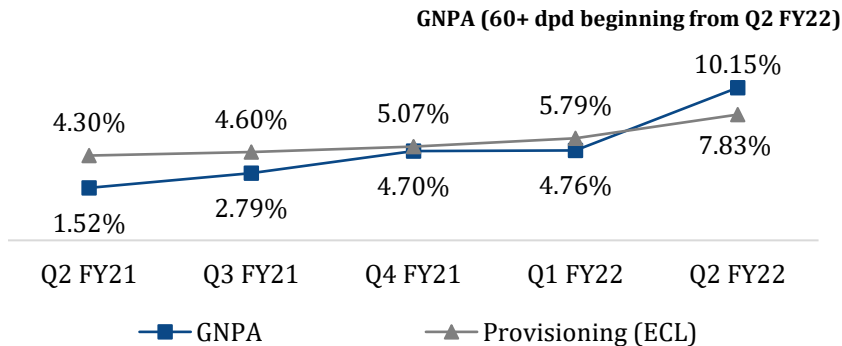
### Margin Analysis (%)



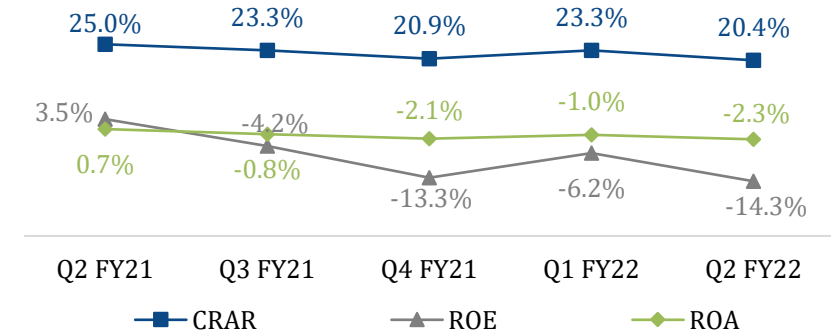
### Operating Efficiency (%)



### Asset Quality (%)



### Return Ratios & Capital Adequacy (%)



## Q2 FY22: Diversified Liability, Stable Liquidity, Positive ALM

Liability Mix – Institution / Instrument Wise	Q2 FY22
Banks – Term Loan	53.3%
FIs – Term Loan	17.1%
NBFCs – Term Loan	15.1%
Domestic – NCD	4.0%
Foreign – NCD	2.0%
Sub-Debt	4.0%
Direct Assignment <sup>1</sup>	4.5%

Liability Mix – Tenure Wise	Q2 FY22
<= 1 Years	17.8%
< 1 & <= 2 Years	50.3%
< 2 Years	31.9%

Credit Rating	Rating Agency	Rating / Grading
Bank facilities & NCDs	ICRA CARE	A- (OWP) BBB+ (OWP)
Sub- Debt	ICRA	A- (OWP)
MFI	ICRA	M2+

OWP – On watch with positive implication

1) Direct Assignment (Sold Portion): INR 87.2 Cr

Static Liquidity / ALM Position	For the month		
Particulars (INR Cr)	Oct-21	Nov-21	Dec-21
Opening Cash & Equivalents (A)	200.2	222.2	234.5
Loan recovery [Principal] (B)	162.0	165.5	172.1
<b>Total Inflow (C=A+B)</b>	<b>362.2</b>	<b>387.7</b>	<b>406.6</b>
Borrowing Repayment [Principal]			
Term loans and Others (D)	127.0	140.8	157.9
Securitisation and DA (E)	13.1	12.4	11.8
<b>Total Outflow G=(D+E)</b>	<b>140.0</b>	<b>153.2</b>	<b>169.7</b>
Closing Cash & equivalents (H= C-G)	222.2	234.5	237.0

<b>Static Liquidity (B-G)</b>	<b>22.0</b>	<b>12.3</b>	<b>2.4</b>
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Debt Drawdowns (INR Cr)	Q2 FY22	Undrawn Sanctions as on 30 <sup>th</sup> September	Sanctions in Pipeline as on 30 <sup>th</sup> September
NBFCs – TL	20.0	INR 620 Cr	INR 975 Cr
FIs – TL	186.0		
Banks – TL	115.0		
<b>Total</b>	<b>321.0</b>		

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Consolidated Results Overview

CA Grameen: Financial Metrics

MMFL: Financial Metrics

**Investment Rationale**

Annexure





# Business Model: Sustainable, Resilient and Socially Relevant

## External Environment



Financial Inclusion



Rural economic conditions



Financial Literacy



Socio-political issues



Digital literacy



Climate changes



Evolving customer behaviour



Pandemic



Technological changes



Regulations



Awareness on health & education



Market forces

## Inputs

### Financial

- Diversified lenders' base
- Longer tenor borrowings
- Cost of funds

### Manufactured

- Pan India presence
- Deep rural penetration
- Branches
- Offices

### Human

- Young workforce
- Rural recruitment
- Extensive training
- Employee retention
- Benefits & growth

### Intellectual

- Stable & scalable technology infrastructure
- Risk management framework
- Prudential provisioning

### Social & Relationship

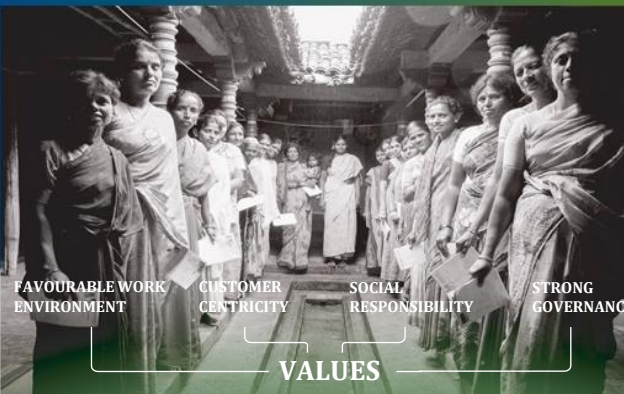
- Customer engagement
- Community investment – CSR initiatives
- Investor/ lenders/ rating agencies engagement
- Regulators

### Natural

- Tree Plantations
- Loans having E & S impact
- WASH projects

## Strategic priorities

- Most trusted financial partner of low-income rural under-banked households lacking access to formal credit
- Socio-economic catalyst in deep rural areas
- Expand branch network & replicate strong process, controls
- Deliver customer value with convenient products & services
- High levels of employee engagement and enablement
- Set industry benchmark in operating efficiency, customer & employee retention, asset quality
- Adopt relevant technology and innovative solutions
- Focus on ESG/ sustainable growth - both organic/ inorganic



FAVOURABLE WORK ENVIRONMENT

CUSTOMER CENTRICITY

SOCIAL RESPONSIBILITY

STRONG GOVERNANCE

VALUES

**C R E A T E**  
Committed Reliable Empathetic Accountable Transparent Efficient

LEARNING AGILITY

## Outputs

### Financial

- GLP: **INR 13,587 Cr**
- PAT: **INR 131 Cr**
- ROA: **0.9%**, ROE: **4.0%**
- CRAR: **26.8%**
- Opex/GLP: **4.8%**
- Borrowers: **39.1 Lakh**
- Credit Rating: **A+/A1+**

### Manufactured

- **5.4 branches/district**
- Presence: **14 states & 1 UT**

### Human

- **14,399 employees** (97.9% from local community)
- Avg. training/employee: **44 hrs**

### Intellectual

- **1.5 loans/customer** (standalone)
- **87% customer retention rate** (standalone)
- Only MFI to integrate world standard CBS
- Digitization of field operations

### Social & Relationship

- **99.9% women borrowers**
- **5,65,826 beneficiaries** under direct Covid-19 support
- CSR Spend: **INR 9.7 Cr**

### Natural

- **99.8% loans** having positive environmental & social impact

## SDG



## Outcomes

### Customers

- Access to need-based credit
- Improved income
- Improved quality of life

### Employees

- Skilled employees with internal growth opportunities
- Healthy life and financial security

### Shareholders

- Sustainable business model
- Superior growth, profitability, RoI

### Regulators

- Compliance
- License to operate



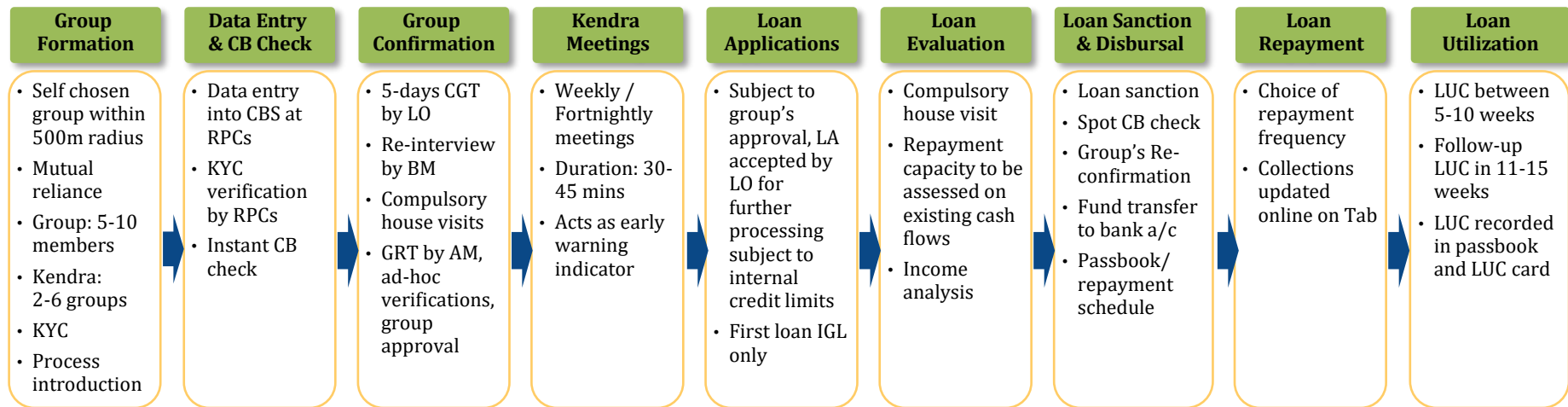
# Committed To Basics Through Classical JLG Lending Model

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

JLG Benefits:

- ✓ Strong group bonding
- ✓ Mutual support – both financial & emotional
- ✓ Guidance & grievance resolution
- ✓ Building awareness – Jagruti initiative
- ✓ High quality customer – good behaviour & strong credit discipline

## JLG Mechanism allows Multiple Layers of Checks before and after disbursement of loan



Note: CB: Credit Bureau, CBS: Core Banking System, RPC: Regional Processing Center, CGT: Compulsory Group Training, LO: Loan Officer, BM: Branch Manager, AM: Area Manager, LA: Loan Application, LUC: Loan Utilization Check

# Focus On Customer Centricity, Loyalty & Retention

**“Lowest Cost Organised Financer” - One Stop Shop providing Support to Various Lifecycle Needs of the Customer**



**Lowest lending rates among MFIs:** 19.25% starting from Q3 FY22



**Diverse product suite:**

- Income generation, education, festival, medical, emergency, water, sanitation, home improvement, livelihood improvement, business expansion



**Loan size flexibility:**

- Ability to borrow as required within assigned credit limit
- Ability to avail multiple loans with flexible size



**Repayment flexibility:**

- Weekly/ bi-weekly/ monthly repayment options
- Ability to choose repayment frequency based on cashflow cycle
- No pre-payment penalty

Loan Type	Customer Centric Products	Purpose	Ticket Size (INR)	Tenure (months)
Group	Income Generation Loan (IGL)	Business Investments and Income Enhancement activities	5,000 - 100,000	12-36
Group	Home Improvement Loans	Water Connections, Sanitation and Home Improvement & Extensions	5,000 - 50,000	12-48
Group	Family Welfare Loans	Festival, Medical, Education and Livelihood Improvement	1,000 - 15,000	3-12
Group	Special Situation Loans	Emergencies	2,000	6
Group	Emergency Loans	Emergencies	1,000	3
Individual	Retail Finance Loans	Purchase of inventory, machine, assets or for making capital investment in business or business expansion	Up to 5,00,000	6-60

**High customer satisfaction**  
87% Borrower retention rate

**Sustainable & Socially Relevant**

**Significant growth from existing customer**

**Lower customer acquisition cost**

# Calibrated Expansion Through Contiguous District-Based Approach



Systematic geography selection based on availability of infrastructure, competition, historical performance trend, social/ economic/ political/ climate risk, growth potential



Ensures consistent replication of processes/ controls



Familiarity with demographics/ culture of nearby districts enables effective customer evaluation and better servicing



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

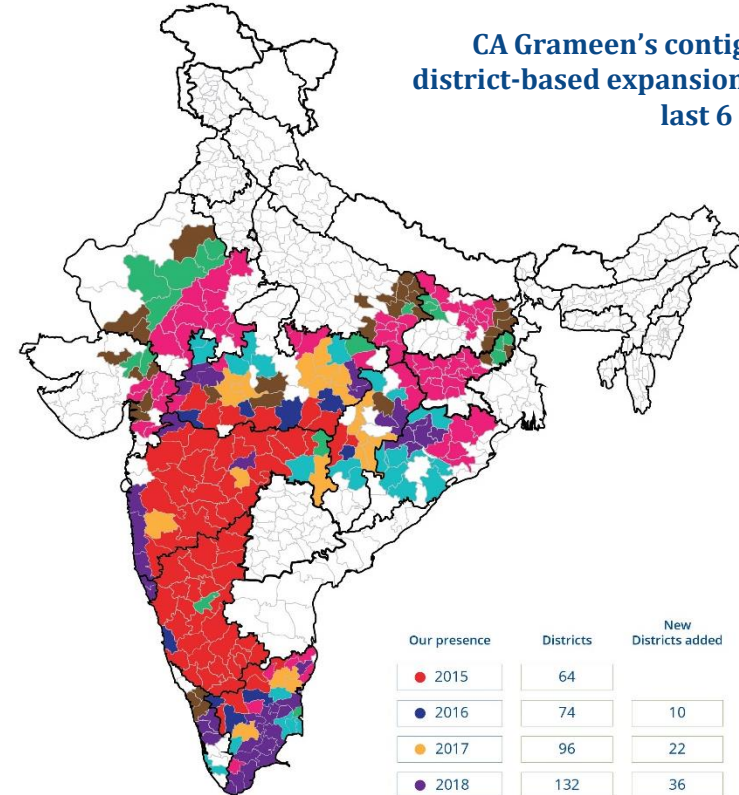


Gradual expansion into the next (typically adjoining) district



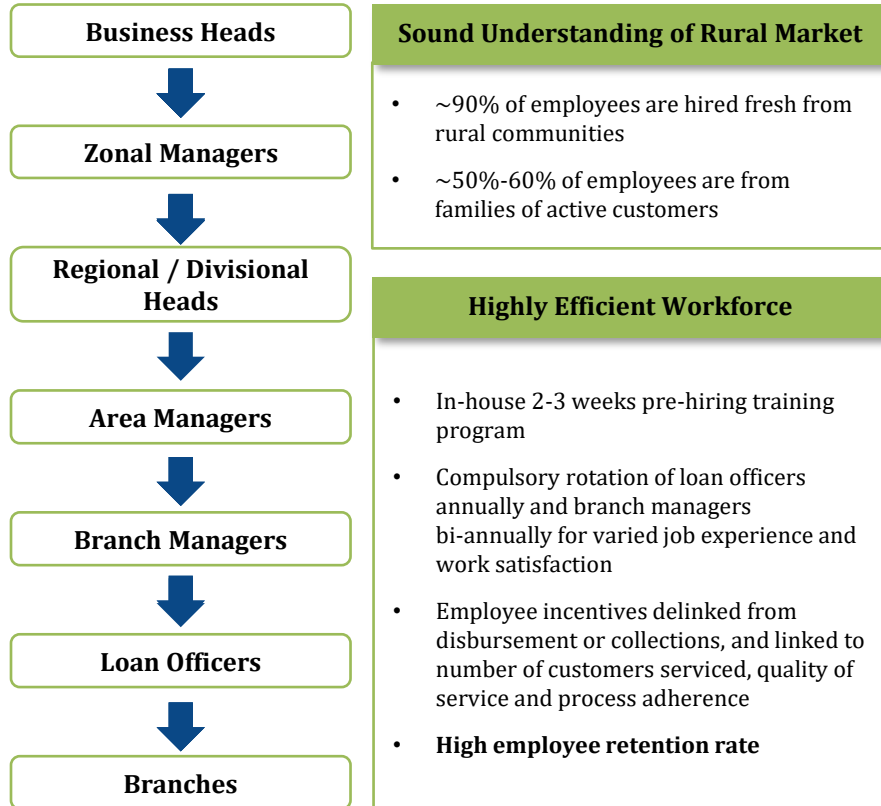
Lower exposure to a particular district (98% of districts  $\leq 2\%$  of GLP, No single district has  $> 4\%$  of total GLP)

CA Grameen's contiguous  
district-based expansion over  
last 6 years

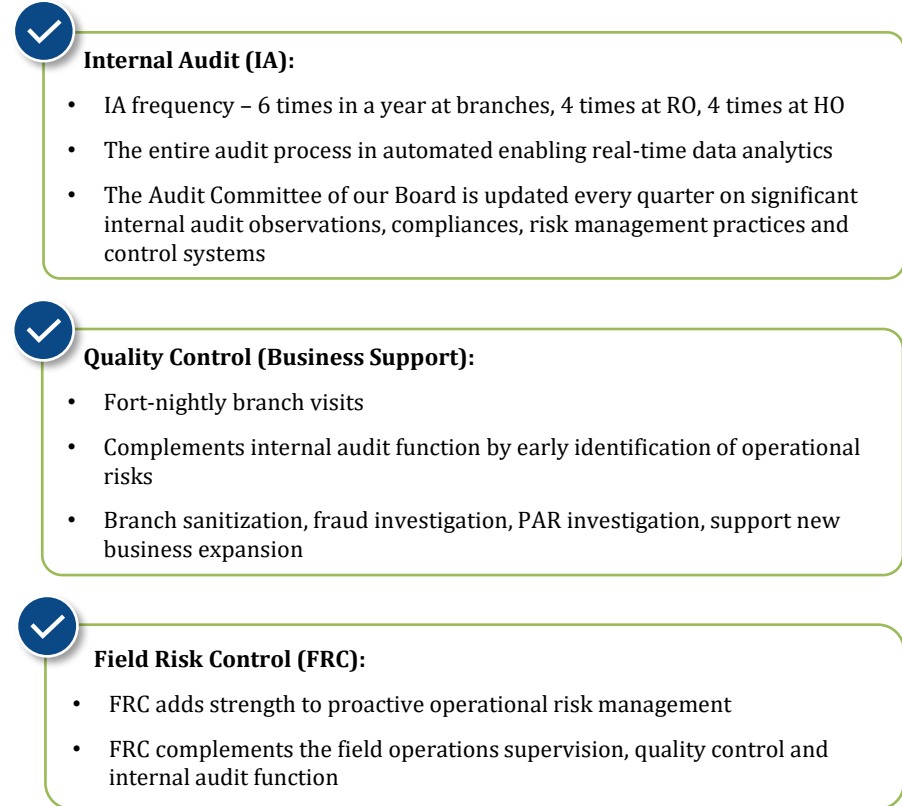


Our presence	Districts	New Districts added
● 2015	64	
● 2016	74	10
● 2017	96	22
● 2018	132	36
● 2019	157	25
● 2020	230	73
● 2021	247	17
● H1 2022	279	32

## Well-Established Operational Structure



## Multi-Pronged Approach For Risk Management



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



### High touch-high tech delivery model:

- Digitized all customer touchpoints
- Field force equipped with handheld tabs for managing kendra meetings & collections
- Automated/ paperless customer on-boarding, faster KYC, and instant CB checks
- Lower TAT, same day and on-field loan disbursements
- Geotagging of kendra locations to optimize field visits
- Cashless disbursement / digital repayment options for customers
- Robust CBS to support innovative product features, enhanced data analytics for anticipating future trends
- Strong tech-enabled internal audit, risk and control systems to enable real-time field risk monitoring

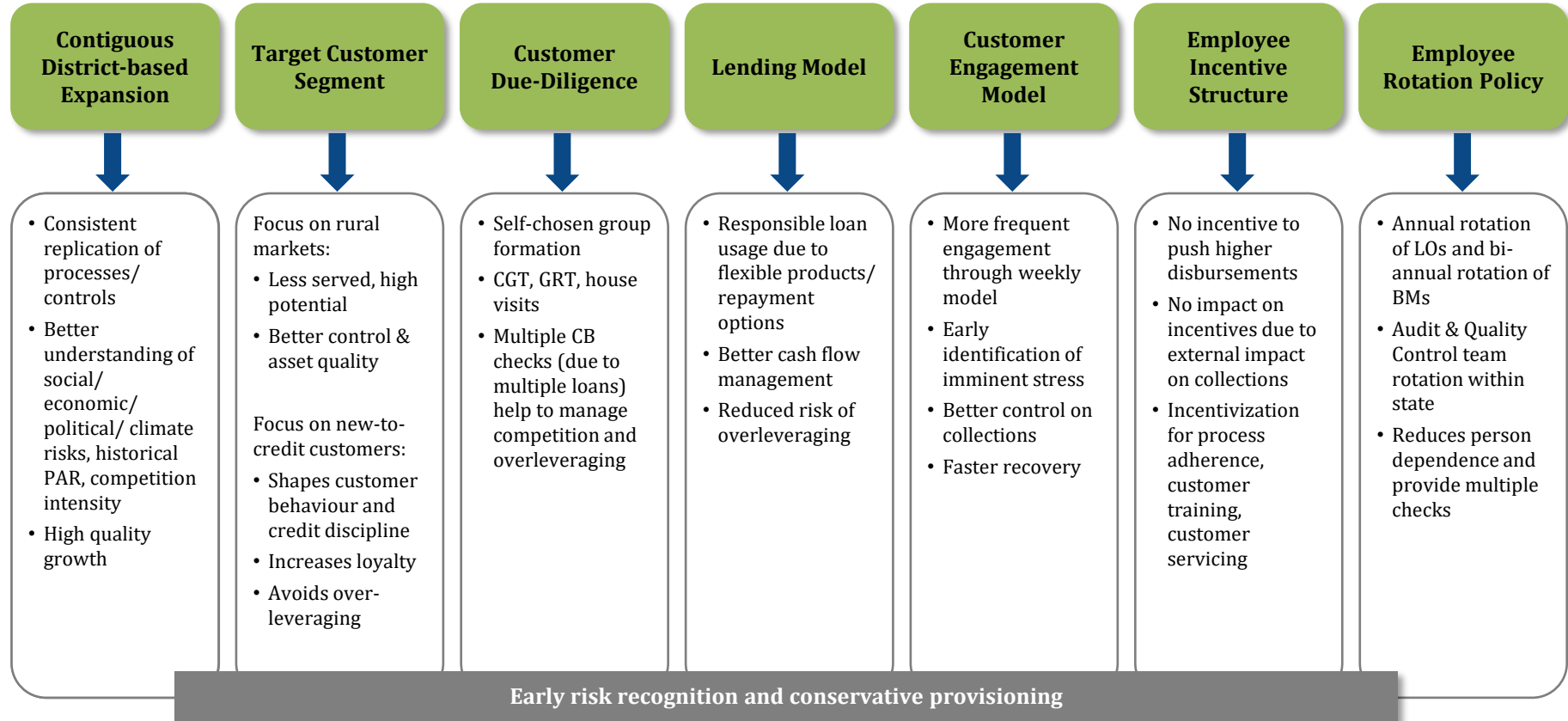


### Future Upgrades & Investments

- Upgradation of CBS to the latest version over next 18-24 months to enable higher business scalability
- Investment in Enterprise Service Bus and Microservices Architecture will allow us to be more agile and connect seamlessly with external financial and fintech ecosystems
- Enhancement of existing mobility apps including automation of entry through image reading, single platform for all apps
- Extension of workflow capabilities for process automation and more RPA enabled processes for faster processing
- Active exploration of partnerships with fintech players to implement innovative digital solutions
- Investment in zero code platforms and tools leading to faster implementation of new technologies

# Integrating Risk Management In Every Operating Process

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





## Committed to Micro Finance Business

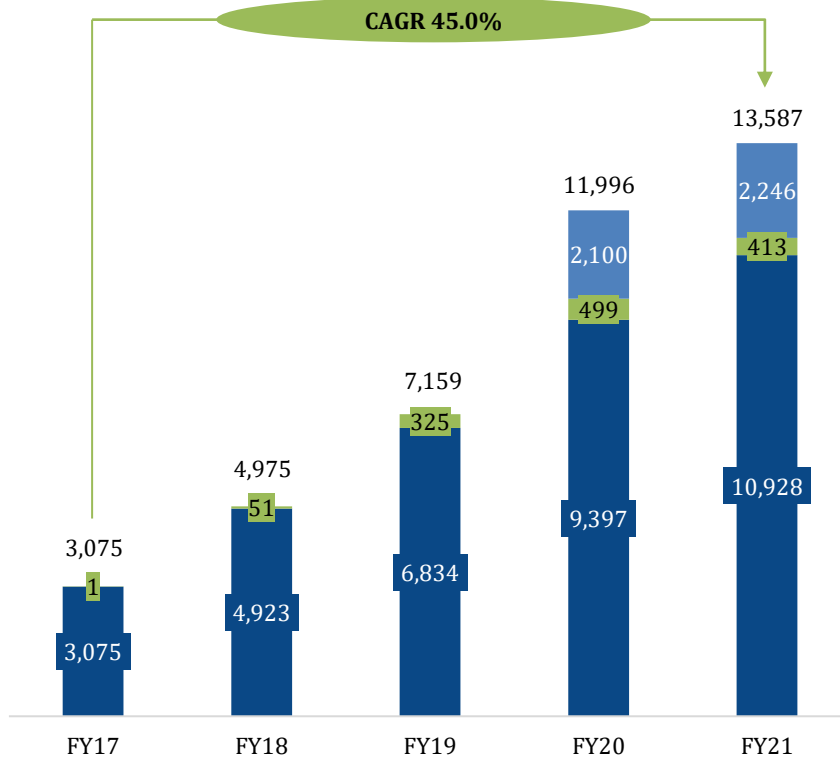
- CreditAccess India N.V. (CAI) specialises in Micro and Small Enterprises financing
- Widely held shareholding base: 260 shareholders
- Olympus ACF Pte Ltd. 15.1%, Asian Development Bank 8.6%, individuals/HNIs/Family Offices 76.3%
- Headquartered in Amsterdam, The Netherlands

## Strong Financial Support

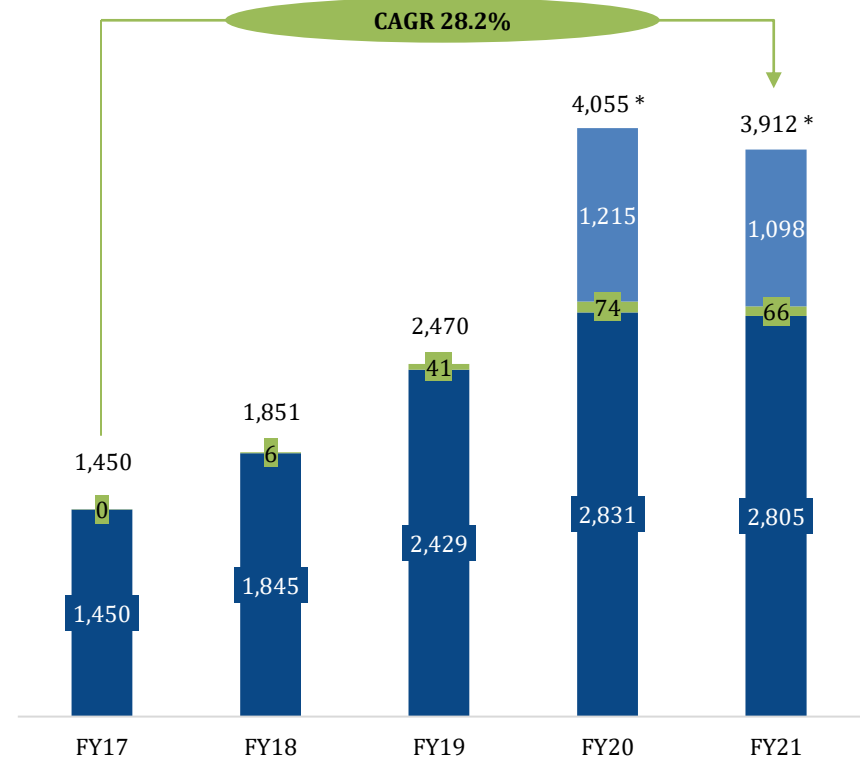
- Invested through multiple rounds of capital funding along with secondary purchase during 2009 to 2017
- Displayed trust in our business model post demonetisation by infusing INR 550 Cr in FY17
- Provides access to global fundraising opportunities leveraging CAI's network and relationships
- Holds 73.91% in CA Grameen, committed to hold up to the regulatory requirement in future

# Past Five Years Performance Track Record (1/3)

Gross Loan Portfolio (GLP) (INR Cr)



Active Borrowers ('000)



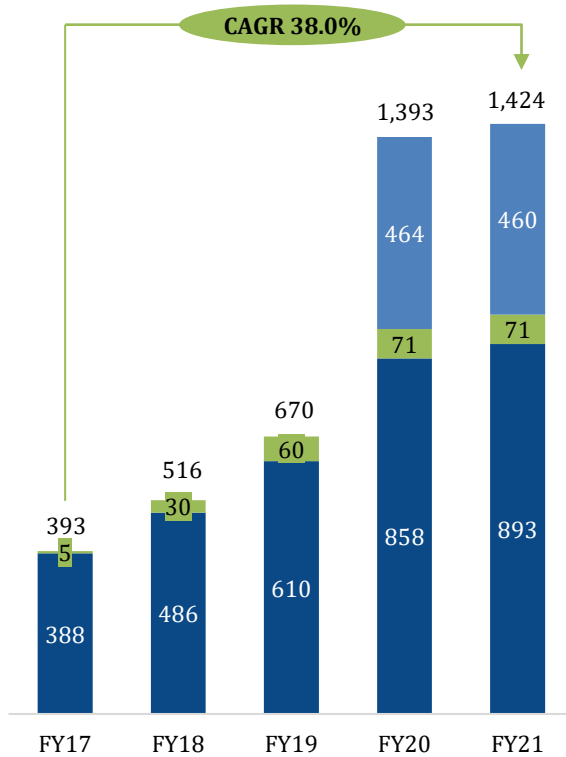
\* Excluding Common Borrowers

■ CA Grameen - GL ■ CA Grameen - RF ■ MMFL

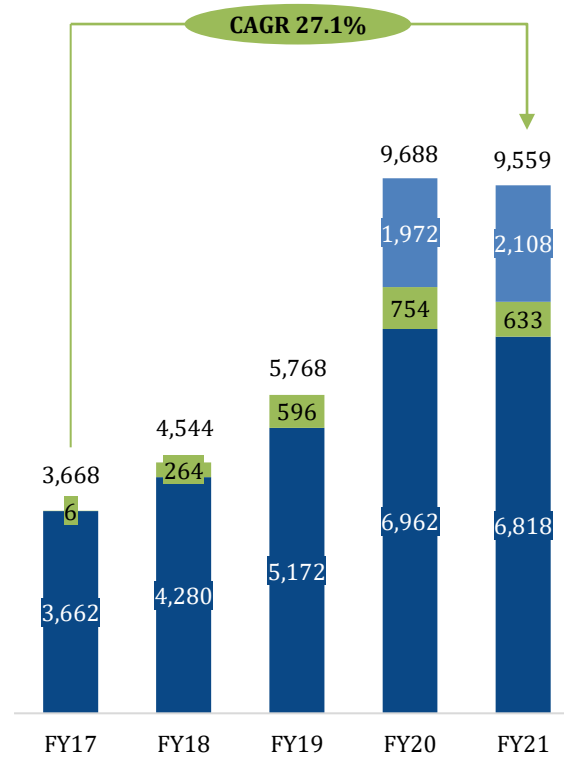


# Past Five Years Performance Track Record (2/3)

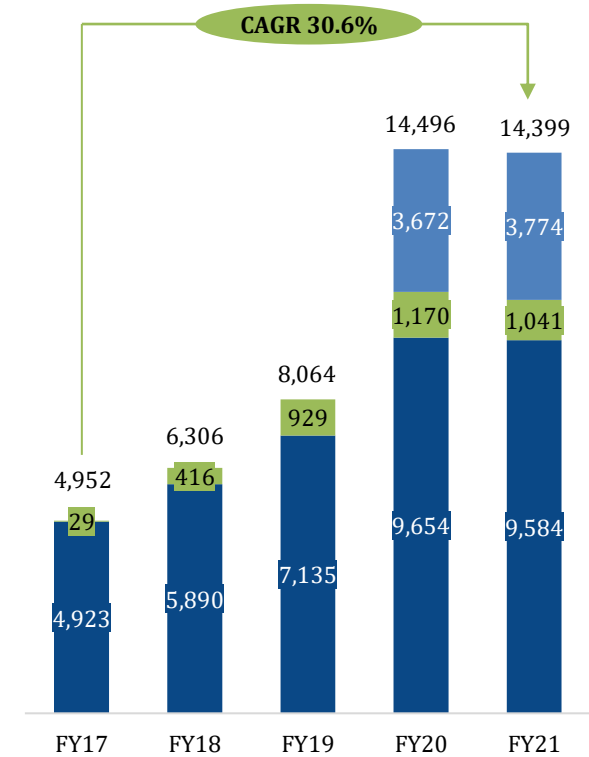
## Branch Network



## Loan Officers



## Employees

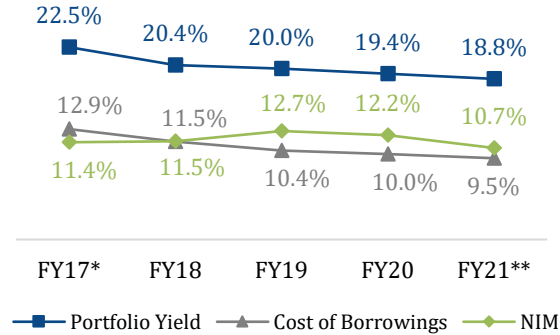


■ CA Grameen - GL ■ CA Grameen - RF ■ MMFL

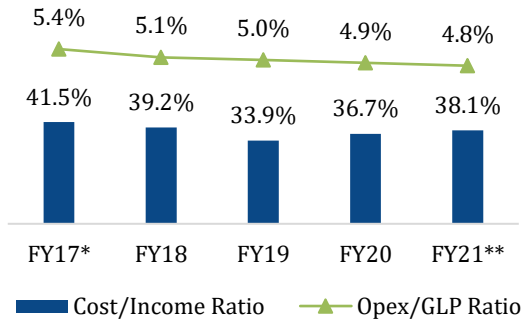
# Past Five Years Performance Track Record (3/3)

Note: Refer Annexure for definition of key ratios

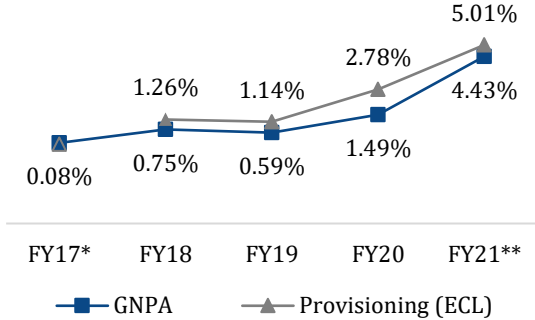
## Margin Analysis (%)



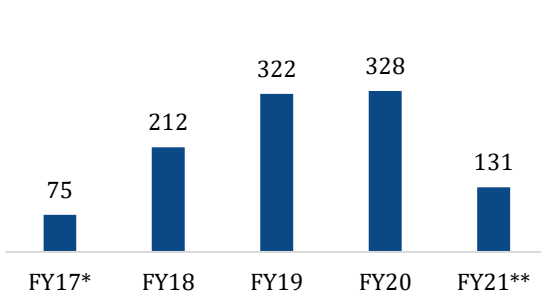
## Operating Efficiency (%)



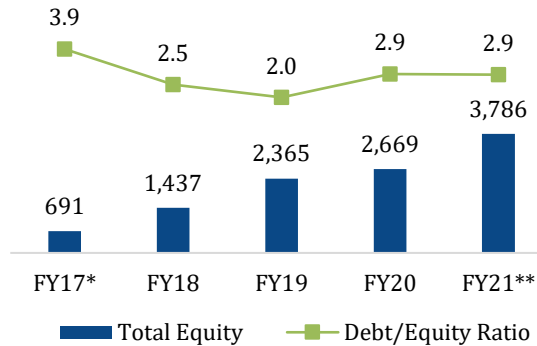
## Asset Quality (%)



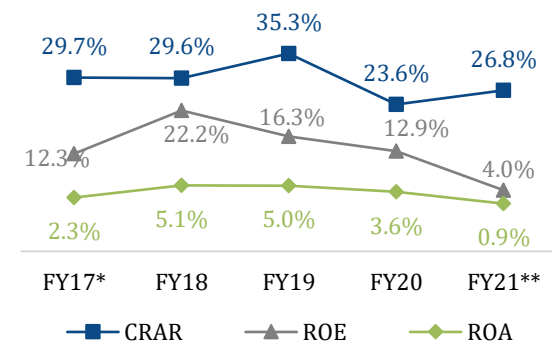
## PAT (INR Cr)



## Total Equity (INR Cr) & Debt/Equity Ratio



## Return Ratios & Capital Adequacy (%)



\* Based on I-GAAP, \*\* Consolidated Figures

# Discussion Summary

Key Business Updates

Consolidated Results Overview

CA Grameen: Financial & Operational Metrics

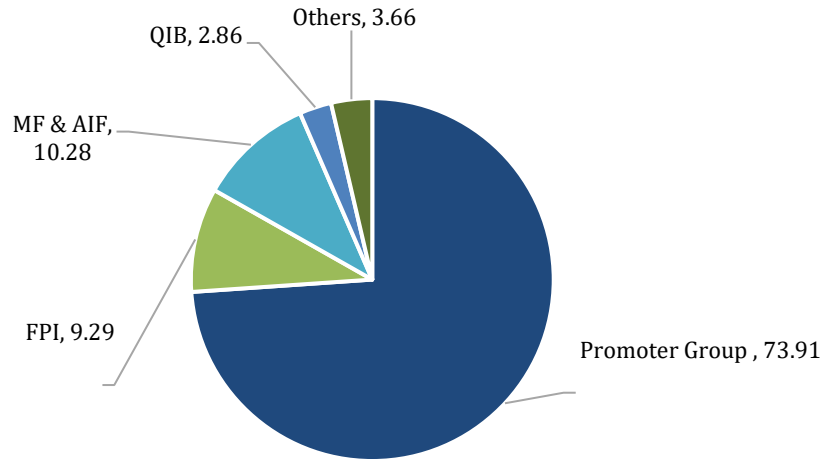
MMFL: Financial & Operational Metrics

Investment Rationale

**Annexure**



## Shareholding Pattern – September 2021



## Top 10 Institutional Investors – September 2021

**ICICI Prudential Life Insurance Company**

**ICICI Prudential MF**

**IIFL AMC**

**Nippon MF**

**SBI MF**

**T Rowe Price**

**Taiyo Pacific Partners**

**Tata AIA Life Insurance**

**Vanguard**

**WCM Investment Management**

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

## Q2 FY22: COVID-19 CSR Initiatives

In the backdrop of COVID-19 pandemic situation in India, CA Grameen has decided to focus its CSR activities in towards following activities –

- Preventive and Precautionary Activities
- Support communities to deal with issues caused by CORONA infection
- Post recovery support to Covid-19 infected community members
- Extend support to CA Grameen member's family who have been deceased due to CORONA

The following activities were selected and executed in the COVID-19 affected areas in all CA Grameen operating states and districts

- Distribution of PPE kits - N95 mask, sanitizers, hand gloves, shoe rapper, spectacle, gown, cotton and spirit
- Distribution of medical kits - masks, sanitizers - 100ml and pair of hand gloves
- Distribution of groceries
- Distribution of Work Equipment

CA Grameen has undertaken Flood relief activities and Humanitarian Aid

Type Of Activity	Target Beneficiaries	Number of Institutions / Locations	Number of Beneficiaries	Number of Kits
Grocery Kits	Flood affected members, Covid-19 affected customers, CA Grameen staff and branches, GK Members, Police Stations, Gram Panchayat Staff, Asha Workers, Anganwadi Teachers, Health Centers, Media Offices, General Public, Quarantine Centers, Municipal Office, Tahsildar Office, General Community, Govt. Hospital	-	1,795	1,795
Health Kits		4,646	1,41,817	8,461
PPE Kits		1	1,000	1,000
Covid Care Facilities		1	600	24
Flood Relief		-	8,461	8,461
Humanitarian Aid		1	1	1
Work Equipment		6	368	36
<b>Total</b>		<b>4,655</b>	<b>1,54,042</b>	<b>19,778</b>



## Q2 FY22: COVID-19 CSR Initiatives

State	Estimated Expenditures	Total Amount (From 1 <sup>st</sup> July 2021 to 30 <sup>th</sup> September, 2021)
Karnataka	69,60,000	61,46,659
Maharashtra	61,80,000	60,92,791
Tamil Nadu	38,40,000	6,57,583
Chhattisgarh	12,30,000	36,38,789
Odisha	10,80,000	2,31,650
Jharkhand	7,50,000	2,55,285
Bihar	6,00,000	4,11,080
Kerala	4,20,000	5,69,268
<b>Grand Total</b>	<b>2,10,60,000</b>	<b>1,80,03,105</b>





## For Further Queries:

Nilesh Dalvi

Head – Investor Relations

Contact No – 9819289131

Email ID – [nilesh.dalvi@cagrameen.in](mailto:nilesh.dalvi@cagrameen.in)

Sahib Sharma

AGM – Investor Relations

Contact No – 7066559383

Email ID – [sahib.Sharma@cagrameen.in](mailto:sahib.Sharma@cagrameen.in)



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