



## CreditAccess Grameen Limited – First Quarter FY21-22 Results

# Poised For Strong Growth Post COVID 2.0 Backed by Business Resilience, Improved Collections Trend, And Strong Asset Quality Control

**Bengaluru, 11<sup>th</sup> August 2021:** CreditAccess Grameen Limited (NSE: CREDITACC, BSE: 541770, 'CA Grameen'), country's leading microfinance institution, today announced its unaudited and limited reviewed financial performance for the first quarter of the financial year 2021-22.

### Consolidated Business Highlights: Q1 FY22

- GLP grew by **8% YoY** (from INR 11,724 crore) to **INR 12,664 crore**
- Disbursements of **INR 1,065 crore** in Q1 FY22 compared to **INR 46 crore** in prior period. Disbursements sharply picked up in Jul-21 at **INR 1,259 crore**
- Active borrowers declined by **5.6% YoY** from 40.1 lakh to **37.9 lakh** owing to write-offs during the period
- Jul-21 **Collection Efficiency** improved significantly to **91%** (excl. arrears)/ **97%** (incl. arrears) for **CA Grameen** and **83%** (excl. and incl. arrears) for **MMFL**, compared to **81%** (excl. arrears) / **84%** (incl. arrears) for **CA Grameen** and **66%** (excl. and incl. arrears) for **MMFL** in Jun-21
- Regained focus on expansion by opening **66 branches** across newer markets in Jul-21

### Consolidated Financial Highlights: Q1 FY22

- Total income was flat at **INR 617.4 crore**. NII declined by **8% YoY** from INR 384.5 crore to **INR 352.7 crore**, due to de-recognition of INR 21.3 crore interest income on stage 3 portfolio
- Pre-provision operating profit declined by **15% YoY** from INR 255.6 crore to **INR 216.4 crore**
- Impairment of financial instruments increased from INR 155.1 crore to **INR 187.9 crore**
  - With **the business growth being back to pre-COVID levels**, prudential approach was taken towards **early recognition of risk and conservative provisioning**
  - This increased total ECL provisions to **INR 731.8 crore (6.30%** of loan portfolio) against GNPA of **7.56%**
  - Write-offs were **INR 78.7 crore**
- Profit After Tax declined by **73% YoY** from INR 74.6 crore to **INR 20.3 crore** on account of higher provisions and excess liquidity maintained in the wake of unprecedented situation
- Liquidity position remained robust with **INR 2,221.9 crore cash & cash equivalents** as on 30<sup>th</sup> June 2021, amounting to **16.0% of total assets**
- Healthy capital position with standalone **CRAR of 33.8%** and consolidated **CRAR of 28.6%**
- **A+ (Stable) Credit Rating** affirmed by leading rating agencies in India

### Key Metrics: Q1 FY22

Particulars	CA Grameen	MMFL
Gross Loan Portfolio (INR Cr)	10,625	2,038
Borrowers (Lakh) *	27.8	10.5
Branches	964	460
Loan Officers	7,393	2,149
Employees	10,641	3,716

\*only 52,181 common borrowers



Particulars (INR Cr)	CA Grameen	MMFL
Net Interest Income (NII)	301.9	50.7
Pre-Provision Operating Profit (PPOP)	197.0	23.6
Profit Before Tax (PBT)	40.7	-8.0
Profit After Tax (PAT)	29.6	-6.2
Key Ratios	CA Grameen	MMFL
Net Interest Margin (NIM)	10.5% / 12.0% <sup>1</sup>	8.9% / 10.7% <sup>1</sup>
Cost/Income Ratio	37.4%	56.4%
Opex/GLP Ratio	4.3%	5.7%
Gross NPA	8.12%	4.76%
Provisioning	6.40%	5.79%
Return on Assets (ROA)	0.9%	-1.0%
Return on equity (ROE)	3.2%	-6.2%

1) NIM adjusted excl. impact of interest income de-recognition and maintaining higher liquidity on balance sheet

**Commenting on the performance, Mr. Udaya Kumar Hebbar, Managing Director and CEO of CreditAccess Grameen, said,** *“The first quarter was quite challenging due to resurgence of COVID with much higher intensity, causing large scale impact on human lives. This was followed by lockdowns across various states with high infection rates, impacting the business operations and livelihood activities of our customers. We decided to momentarily shift focus from growth to collections, employees’, and customers’ well-being. However, with improving operating conditions in later part of June and July, we witnessed strong improvement in monthly collections which increased to 91% at CA Grameen and 83% at MMFL. We resumed our business growth with disbursements of INR 1,259 crore in July, surpassing our overall disbursements during Q1 FY22 and addition of 66 new branches expanding our presence in newer markets.*

*We remain cautious of the possible third wave, however, with increasing vaccination throughout the country, we believe that the impact of virus on both businesses and personal lives will reduce going forward paving the way for back to normal course of business. We shall continue to capture the growth opportunity, being the largest and trusted microfinance institution in the country. With an improving business environment, opening of new branches, our strong liquidity, capital adequacy and balance sheet will help us to drive business growth over coming months, surpassing our last year’s performance.”*

#### **Appointment of Chairman:**

Mr. George Joseph has been appointed as Chairman of the Board with effect from 11<sup>th</sup> August 2021 from his earlier stint as Vice Chairman and Lead Independent Director. He is a banking industry veteran with diverse experience spanning over four decades. He is a certificated associate of the Indian Institute of Bankers and the Institute of Bankers, London. He retired as Chairman and Managing Director of Syndicate Bank. He was earlier associated with Canara Bank for a period of over 36 years. He also serves as a Director on the boards of Wonderla Holidays Limited, Muthoot Asset Management Private Limited, and Madura Micro Finance Limited and has been associated with CA Grameen Board as an Independent Director since September 2015.



**Speaking on the appointment, Mr. Udaya Kumar, Managing Director & CEO, said,** *“I am pleased to announce Mr. Joseph as our Chairman and guide our work towards financial inclusion agenda across the hinterland. He brings wealth of experience on board and across various committees helping CA Grameen with strategic guidance and maintaining high standards of customer service, accounting discipline, corporate governance, transparency and integrity.”*



**Commenting on the new role, Mr. George Joseph** said, *"I am delighted to continue my association with CA Grameen family in a larger role as its Chairman. It shall be my endeavour to scale up excellence in all spheres of our business to remain a model organisation and the most trusted microfinance institution in the country. I look forward to working in an environment, with a thrust on disciplined lending alongside community development initiatives, which are the cornerstones of our business model."*

#### **About CreditAccess Grameen Limited**

CreditAccess Grameen limited is a leading Indian microfinance institution headquartered in Bengaluru, focused on providing micro-loans to women customers predominantly in rural areas across India. The Company, on consolidated basis, is now operating in 265 districts in the 14 states (Karnataka, Maharashtra, Tamil Nadu, Chhattisgarh, Madhya Pradesh, Odisha, Kerala, Goa, Gujarat, Rajasthan, Uttar Pradesh, Bihar, Jharkhand and West Bengal) and one union territory (Puducherry) in India through 1,424 branches. The Company's Promoter is CreditAccess India N.V., a multinational company specializing in MSE financing (micro and small enterprise financing), which is backed by institutional investors and has a micro-lending experience in India over more than a decade.

#### **For more information, please contact:**

**Nilesh Dalvi**

Vice President – Investor Relations  
CreditAccess Grameen Ltd  
[nilesh.dalvi@cagrameen.in](mailto:nilesh.dalvi@cagrameen.in)

**Girish Dikey**

PR Consultant  
Ketchum Sampark  
[girish.dikey@ketchumsampark.com](mailto:girish.dikey@ketchumsampark.com)