



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

### Regained Focus on Growth & Expansion Improved Collections Trend Strong Sequential Growth in Profitability

**Bengaluru, 9<sup>th</sup> November 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 second quarter and first half of the financial year 2021-22.

#### Consolidated Business Highlights: Q2 FY22

- GLP grew by **19.2% YoY** from INR 11,183 crore to **INR 13,333 crore**
- Disbursements grew by **136.0% YoY** from INR 1,648 crore to **INR 3,890 crore**
- Sep-21 **Collection Efficiency** further improved to **93.3%** (excl. arrears)/**99%** (incl. arrears) for **CA Grameen** and **87%** (excl. arrears)/**90%** (incl. arrears) for **MMFL**
- Regained focus on expansion by opening **121 branches** across newer markets and acquired **1.4 Lakh new borrowers** in Q2 FY22

#### Consolidated Financial Highlights: Q2 FY22

- Total income increased by **7.2% YoY** to **INR 618.6 crore**. NII increased by **11.5% YoY** from INR 330.9 crore to **INR 368.9 crore**
- Pre-provision operating profit increased by **11.1% YoY** from INR 196.9 crore to **INR 218.7 crore**
- Impairment of financial instruments increased from INR 90.2 crore to **INR 139.9 crore**
  - Prudential approach was taken by **aligning MMFL's provisioning policy with CA Grameen**, recognising **GNPA at 60+ dpd compared to 90+ dpd** earlier. This led to higher provisions by **INR 13.4 crore**
  - Total ECL provisions were **INR 742.9 crore (5.90%** of loan portfolio) against GNPA of **7.67%**
  - Write-offs were **INR 129.6 crore**
- Profit After Tax (PAT) declined by **25% YoY** from INR 79.6 crore to **INR 59.7 crore**. However, PAT increased **194.5% QoQ** from INR 20.3 crore in Q1 FY22 to INR 59.7 crore in Q2 FY22
- Liquidity was strong at **INR 1,622.9 crore** cash & cash equivalents as on 30<sup>th</sup> September 2021, amounting to **11.4%** of the total assets
- Healthy capital position with standalone **CRAR of 30.9%** and consolidated **CRAR of 26.1%**
- **A+ (Stable) Credit Rating** affirmed by leading rating agencies in India

#### Key Metrics: Q2 FY22

Particulars	CA Grameen	MMFL
Gross Loan Portfolio (INR Cr)	11,184	2,148
Borrowers (Lakh) *	27.54	10.45
Branches	1,081	464
Loan Officers	7,991	2,530
Employees	11,424	3,884

\*only 47,989 common borrowers



Particulars (INR Cr)	CA Grameen	MMFL
Net Interest Income (NII)	309.3	58.7
Pre-Provision Operating Profit (PPOP)	188.2	29.7
Profit Before Tax (PBT)	97.1	-19.1
Profit After Tax (PAT)	72.0	-13.9
Key Ratios	CA Grameen	MMFL
Net Interest Margin (NIM)	11.3% / 12.5% <sup>1</sup>	10.6% / 11.4% <sup>1</sup>
Cost/Income Ratio	42.5%	51.8%
Opex/GLP Ratio	5.1%	6.1%
Gross NPA	7.18%	10.15%
Provisioning	5.51%	7.83%
Return on Assets (ROA)	2.2%	-2.3%
Return on equity (ROE)	7.8%	-14.3%

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

**October 2021 Business Update:** (This 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)

- GLP grew by **20.2% YoY** from INR 11,352 crore to **INR 13,647 crore**
- Disbursements grew by **21.6% YoY** from INR 1,128 crore to **INR 1,372 crore**
- Oct-21 **Collection Efficiency** was **94.3%** (excl. arrears)/**98%** (incl. arrears) for **CA Grameen** and **87%** (excl. arrears)/**90%** (incl. arrears) for **MMFL**
- Branch network further increased to **1,566**, with 21 new branches opened in Oct-21. Overall, **142 new branches were opened during Apr-21 to Oct-21 and near 2 lakh new borrowers were acquired**

**Commenting on the performance, Mr. Udaya Kumar Hebbar, MD and CEO of CreditAccess Grameen, said,** “The signs of significant rebound in the rural economy during Q2 FY22 augurs well for our company as we were able to disburse INR 3,890 crore and contribute to the rural capital creation story across the country. Our consolidated portfolio grew by 19.2% YoY to INR 13,333 crore in Q2 FY22. Our collection efficiency consistently improved to 93.3% at CA Grameen and 87% at MMFL in Sep-21. We opened 121 branches in Q2 FY22, primarily in the newer markets like Uttar Pradesh, Bihar, Chhattisgarh, Gujarat, Jharkhand and Rajasthan. As a part of completion of the process integration with MMFL, we have aligned MMFL’s provisioning policy with CA Grameen, recognising GNPA at 60+ dpd compared to 90+ dpd. While this led to higher provisioning during the second quarter, we considered this at an appropriate time given that all the process, policies and operating model have been integrated under one umbrella.

We maintained strong business momentum in Oct-21, disbursing INR 1,372 crore resulting in consolidated portfolio growth of 20.2% YoY to INR 13,647 crore. Collection efficiency further improved in Oct-21 to 94.3% for CA Grameen and 87% for MMFL. We opened another 21 branches in Oct-21, taking the total branch network to 1,566. Overall, we added near 2 lakh new borrowers during Jul-21 to Oct-21.

With the reduced severity of the pandemic situation and with increasing vaccination throughout the country, thanks to the huge efforts from Govt. of India, we are confident of delivering strong business growth in the second half of the FY22 as well as coming years. Assuming that there are no further severe business disruptions on account of Covid, we look forward to achieving loan portfolio growth of 17%-19% with a credit cost of 4.7%-4.9% resulting in an ROA of 1.8%-2.0% for the FY22. Our integrated platform along with MMFL, underpinned by our rural focus, customer centric approach, strong liquidity, capital adequacy, highly experienced management and strong balance sheet places us in the forefront to drive growth in the microfinance industry.”



### **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 303 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 1,566 branches. The Company's Promoter is CreditAccess India N.V., a multinational company specializing in micro and small enterprise financing. It is backed by institutional investors and has a micro-lending experience in India of over more than a decade.

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