



CreditAccess Grameen Limited – Fourth Quarter & Full Year FY20-21 Results

Sustained Business Growth Momentum, Improved Asset Quality and Robust Collections Trend

Bengaluru, 6th May 2021: CreditAccess Grameen Limited (NSE: CREDITACC, BSE: 541770, 'CAGL'), country's leading microfinance institution, today announced its audited financial performance for the fourth quarter and financial year ending March 31,2021.

Consolidated Business Highlights:

- GLP grew by **13% YoY** (from INR 11,996 crore) and **10% QoQ** (from INR 12,321 crore) to **INR 13,587 crore**.
- Disbursements grew by **42% YoY** (from INR 3,331 crore) and **3% QoQ** (from INR 4,590 crore) to **INR 4,726 crore**. New Disbursals forms **69% of GLP** and have been displaying stable asset quality.
- Active borrowers declined by **3.5% YoY** from 40.55 lakh to **39.12 lakh**.
- March-21 **Collection Efficiency** improved to **94%** (excl. arrears) / **97%** (incl. arrears) for **CAGL** and **90%** (excl. arrears) / **91%** (incl. arrears) for **MMFL**.

Consolidated Financial Highlights: Q4 FY21

- Total income grew by **51% YoY** from INR 482.1 crore to **INR 726.2 crore**. NII grew by **59% YoY** from INR 292.2 crore to **INR 463.7 crore**, despite de-recognition of INR 19.9 crore interest income on stage 3 portfolio.
- Pre-provision operating profit grew by **83% YoY** from INR 179.5 crore to **INR 329.1 crore**.
- Impairment of financial instruments increased from INR 139.0 crore to **INR 250.4 crore**.
 - **Strong profitability in Q4 FY21 was utilized to absorb accelerated write-offs and build additional provisioning buffer ahead of FY22.**
 - Write-offs were **INR 317.9 crore** (incl. accelerated write-offs of **INR 273.4 crore**).
 - **Additional provisioning buffer of INR 112.2 crore** on account of COVID-19 pandemic impact.
 - Total ECL provisions were **INR 622.6 crore** (**5.01%** of loan portfolio) against **GNPA of 4.43%**.
- Despite conservative provisioning and write-offs, Profit After Tax grew by **83% YoY** from INR 30.8 crore to **INR 56.3 crore**.
- **Adjusted Profit After Tax**, excluding the impact of accelerated write-offs and additional COVID buffer, grew by **94.9% YoY** from INR 93.8 crore to **INR 182.7 crore**
- Liquidity position remained robust with **INR 2,484.4 crore cash & cash equivalents** as on 31st March 2021, amounting to **16.5% of total assets**.
- Healthy capital position with standalone **CRAR of 31.8%** and consolidated **CRAR of 26.8%**.
- **A+ (Stable) Credit Rating** affirmed by leading rating agencies in India.

Consolidated Financial Highlights: FY21

- Total income grew by **45% YoY** from INR 1,705.5 crore to **INR 2,466.1 crore**. NII grew by **36% YoY** from INR 1,092.3 crore to **INR 1,483.9 crore**, although there is de-recognition of INR 98.8 crore interest income on stage 3 portfolio during the period
- Pre-provision operating profit grew by **36% YoY** from INR 698.9 crore to **INR 951.8 crore**.
- Impairment of financial instruments increased from INR 237.3 crore to **INR 771.3 crore**
 - Write-offs were **INR 461.1 crore** (incl. accelerated write-offs of **INR 273.4 crore** and **pre-COVID GNPA of INR 142 crore**).
 - **Additional provisioning buffer of INR 112.2 crore** on account of COVID-19 pandemic impact.
- Conservative provisioning/ write-offs led to Profit After Tax decline from INR 335.5 crore to **INR 131.4 crore**.



- **Adjusted Profit After Tax**, excluding the impact of accelerated write-offs and additional COVID buffer, declined from INR 395.7 crore to **INR 260.0 crore**.

Key Metrics: FY21

Particulars	CAGL	MMFL
Gross Loan Portfolio (INR Cr)	11,341	2,246
Borrowers (Lakh) *	28.71	10.98
Branches	964	460
Loan Officers	7,451	2,108
Employees	10,625	3,774

* only 57,737 common borrowers

Particulars (INR Cr)	CAGL	MMFL
Net Interest Income (NII)	1,249.9	232.0
Pre-Provision Operating Profit (PPOP)	841.2	125.0
Profit Before Tax (PBT)	194.3	0.5
Profit After Tax (PAT)	142.4	-0.2
Adjusted PAT ²	265.3	6.4

Key Ratios	CAGL	MMFL
Net Interest Margin (NIM)	10.8/12.1% ¹	10.2%/ 11.3% ¹
Cost/Income Ratio	34.8%	49.0%
Opex/GLP Ratio	4.5%	5.7%
Gross NPA	4.38%	4.70%
Provisioning	5.00%	5.07%
Return on Assets (ROA)	1.2%/ 2.2% ²	-0.01%/ 0.3% ²
Return on equity (ROE)	4.6%/ 8.6% ²	-0.05%/ 1.6% ²

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

2) Figures adjusted excluding the impact of accelerated write-offs and additional COVID provisioning buffer created for FY22

Support Measures to help Employees with COVID:

- Reimbursement of the vaccination cost for all employees and one immediate family member.
- Any employee who is tested positive for COVID, and if not covered under ESIC or Insurance, will receive reimbursement of INR 50,000.
- In case of hospitalisation due to COVID, current month salary will be paid in advance. Further, 14 days of quarantine leaves and 28 days of COVID leaves will be granted over and above the sick leaves.
- All employees are covered with adequate Mediclaim and life cover.
- In case of unfortunate demise of any employee, company will check if any immediate family member can be offered an employment at CAGL, else a monthly contribution for a period of twelve months, equivalent to the last drawn salary, shall be made to the family of the deceased employee.

Commenting on the performance, Mr. Udaya Kumar Hebbar, Managing Director and CEO of CreditAccess Grameen, said, “We recorded 15% YoY and 11% QoQ growth in standalone loan portfolio to INR 11,341 crore with an active borrower base to 28.7 lakh. On consolidated basis including MMFL, loan portfolio grew by 13% YoY and 10% QoQ to INR 13,587 crore with an active borrower base of 39.1 lakh. Our disbursements grew by 42% YoY to INR 4,143 crore at CAGL and 41% YoY to INR 583 crore at MMFL. The new disbursements made during FY21 are displaying stable asset quality which forms 69% of loan portfolio on consolidated basis. Our resilient business model and strong customer connect helped us to increase collection efficiency from 91% in Dec-20 to 94% in Mar-21. Overall collections (including arrears) reached 97% in Mar-21. Even in case of MMFL, collection efficiency improved from 86% in Dec-20 to 90% in Mar-21, and overall collections (including arrears) reached 91% in Mar-21. We continue to



maintain solid liquidity position with INR 2,484.4 Cr cash and cash equivalents amounting to 16.5% of total assets as on 31st March 2021.

While we ended FY21 on a very strong footing with robust business growth and significant improvement in asset quality, the sudden spread of second wave of COVID-19 pandemic has again created a challenging operating environment. We are anticipating the collections to witness a temporary decline in Q1 FY22 on account of several intermittent lockdowns/restrictions being imposed across various states. As a precautionary measure, we have already taken accelerated write-offs and built additional COVID provisioning buffer in FY21. Our focus in these testing times will be on safeguarding the health of our employees and customers. We shall closely evaluate the business impact of the on-going disruptions and use our experience of FY21 to stabilise our business. We will evaluate and support our borrowers using various measures announced by RBI on 5th May 2021. Our strong balance sheet, adequate liquidity and capital position, stable credit rating, and strong relationship with our lenders should enable us to receive continued funding access over coming months. Further our demonstrated capability of managing asset quality stress, witnessed multiple times in the past, backed by our resilient business model coupled with highly experienced stable management team, should give comfort and confidence to our lenders, investors and various stakeholders.”

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.

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