



CreditAccess Grameen Limited – Second Quarter FY22-23 Results

Highest Quarterly Profit After Tax of INR 176 crore, up 195.0% YoY

Pre-provision Operating Profit of INR 334 crore, up 52.9% YoY

Gross Loan Portfolio of INR 16,539 crore, up 24.0% YoY

ROA of 4.0%, ROE of 16.1%, GNPA of 2.17%, NNPA of 0.77%

Bengaluru, 21st October 2022: CreditAccess Grameen Limited (NSE: CREDITACC, BSE: 541770, 'CA Grameen'), the country's largest Non-Banking Financial Company-Micro Finance Institution (NBFC-MFI), today announced its unaudited and limited reviewed financial performance for the second quarter of the financial year 2022-23.

Consolidated Business Highlights: Q2 FY23

- GLP grew by **24.0% YoY** from INR 13,333 crore to **INR 16,539 crore**
- Disbursements grew by **12.5% YoY** to **INR 4,375 crore**
- Collection Efficiency of **97%** (excl. arrears) / **98%** (incl. arrears)
- Borrower base of **38.0 Lakh** across **1,684** branches

Consolidated Financial Highlights: Q2 FY23

- Total income increased by **31.6% YoY** from INR 618.6 crore to **INR 814.3 crore**
- Net interest income (NII) increased by **39.9% YoY** from INR 368.9 crore to **INR 516.2 crore**
- Pre-provision operating profit (PPOP) increased by **52.9% YoY** from INR 218.7 crore to **INR 334.3 crore**
- Impairment of financial instruments declined by **24.7% YoY** from INR 139.9 crore to **INR 105.4 crore**
 - Total ECL provisions were **INR 386.1 crore (2.46%)** against GNPA (**largely @ 60+ dpd**) of **2.17%**, and PAR 90+ of **1.72%**. NNPA further reduced to **0.77%**
 - Write-offs were **INR 163.0 crore**
- Profit After Tax (PAT) increased by **195.0% YoY** from INR 59.7 crore to **INR 176.0 crore, recording the highest quarterly PAT till date**
- Robust liquidity of **INR 1,147.0 crore** of cash & cash equivalents, amounting to **6.7%** of the total assets
- Healthy capital position with standalone **CRAR of 29.0%** and consolidated **CRAR of 25.0%**
- Credit Rating: **AA-/Stable** by India Ratings, **A+/Positive** by CRISIL & ICRA. CRISIL upgraded the rating outlook from 'Stable' to 'Positive' in Q2 FY23

Consolidated Key Metrics: Q2 FY23

Particulars	Q2 FY23	Q2 FY22	YoY %
Gross Loan Portfolio (INR Cr)	16,539	13,333	24.0%
Borrowers (Lakh)	38.0	37.5	1.2%
Branches	1,684	1,545	9.0%



Particulars (INR Cr)	Q2 FY23	Q2 FY22	YoY%
Net Interest Income (NII)	516.2	368.9	+39.9%
Pre-Provision Operating Profit (PPOP)	334.3	218.7	+52.9%
Profit After Tax (PAT)	176.1	59.7	+195.0%
Key Ratios	Q2 FY23	Q2 FY22	YoY%
Net Interest Margin (NIM)	12.0%	11.2%	+80 bps
Cost/Income Ratio	38.2%	43.9%	-571 bps
Opex/GLP Ratio	5.1%	5.3%	-13 bps
Gross NPA	2.17%	7.67%	-550 bps
Provisioning	2.46%	5.90%	-344 bps
Return on Assets (ROA)	4.0%	1.6%	+238 bps
Return on equity (ROE)	16.1%	6.2%	+990 bps

Commenting on the performance, Mr. Udaya Kumar Hebbar, MD and CEO of CreditAccess Grameen, said, *“We witnessed the strongest second quarter, recording our highest quarterly PAT of INR 176 crore. There has been healthy growth across all parameters ranging from borrower addition, disbursements, collection efficiency, asset quality, net interest margin, return ratios and traction in foreign funding. We added over 2.8 lakh borrowers during Q2 FY23 and disbursed INR 4,375 crore, the highest ever during the second quarter to date. Our asset quality largely normalised with 97%-98% collection efficiency, and Net NPA of 0.77%.*

Given our strong control over the cost of borrowings coupled with one of the lowest lending rates in the industry, we are best placed to protect our Net Interest Margin (NIM), in a rising interest rate scenario. Over the past 6 months, our cost of borrowing increased by only 30 bps to 9.2% whereas our NIM expanded by 70 bps to 12.0%. The improved operating performance helped us generate a ROA of 4.0% and an ROE of 16.1% in Q2 FY23. H1 FY23 performance gives us the confidence to comfortably achieve our annual performance guidance for FY23.

We are extremely happy to announce that the United States International Development Finance Corporation (DFC) supported us with a USD 35 million ESG-linked loan for up to 7 years, first of its kind direct lending to an Indian MFI. Overall, in the past 6 months, we received sanctions of around USD 195 Mn, aiding our strategy of diversifying liability profile. Today, we have strong visibility on foreign sourcing, backed by 38% share in undrawn sanctions and 19% share in sanctions in the pipeline.”



Appointment of Independent & Non-Executive Director:

Ms. Rekha Warriar has been appointed as an Independent Director with effect from 21st October 2022. She holds a Master's degree in Applied Mathematics from the University of Bombay and a Master's in Public Policy from Princeton University, USA. She has an experience of over three decades with the Reserve Bank of India in various departments, retiring as Chief General Manager and Regional Director, Kolkata. She has headed the departments of Financial Stability and Internal Debt Management. She has also worked as a member of the faculty in RBI's training colleges and at the National Institute of Banking Management, Pune. Currently, she is an Independent Director on the Board of IIFL Securities Limited, IIFL Wealth Prime Limited and IIFL Facilities Services Limited.

Mr. Paolo Brichetti has rejoined us after a brief break as the Vice Chairman and Non-Executive Director with effect from 21st October 2022. He is the Founder and Non-Executive Director of our Promoter, CreditAccess India. He has been associated with CA Grameen for over a decade at the board level.

Speaking on the appointments, Mr. Udaya Kumar, MD & CEO, said, *"We are fortunate to have Ms. Warriar and Mr. Brichetti back in the oversight role and for their commitment to serve in the field of financial inclusion. As we step into a new microfinance era with immense opportunities ahead, we are confident that we have the right leadership guidance that focuses on customer well-being intertwined with community development."*

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 a consolidated basis, is now operating in 333 districts in 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 1,684 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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