



CreditAccess Grameen Limited – Third Quarter FY22-23 Results

Significant Improvement in Profitability Metrics

Profit After Tax of INR 217 crore, up 85.3% YoY

Pre-provision Operating Profit of INR 379 crore, up 38.7% YoY

Gross Loan Portfolio of INR 17,786 crore, up 21.9% YoY

ROA of 4.6%, ROE of 18.8%, GNPA of 1.71%, NNPA of 0.59%

Bengaluru, 07th February 2023: 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 third quarter and nine months of the period ended 31 December 2022.

Consolidated Business Highlights: Q3 FY23

- GLP grew by **21.9% YoY** from INR 14,587 crore to **INR 17,786 crore**
- Borrower base of **39.4 Lakh** across **1,727** branches
- Collection Efficiency of **98%** (excl. arrears)

Consolidated Financial Highlights: Q3 FY23

- Total income increased by **31.9% YoY** from INR 689.7 crore to **INR 909.7 crore**
- Net interest income (NII) increased by **37.7% YoY** from INR 412.0 crore to **INR 567.4 crore**
- Pre-provision operating profit (PPOP) increased by **38.7% YoY** from INR 273.5 crore to **INR 379.5 crore**
- Impairment of financial instruments declined by **24.2% YoY** from INR 117.9 crore to **INR 89.4 crore**
 - Total ECL provisions were **INR 344.6 crore (2.04%)** against GNPA (**largely @ 60+ dpd**) of **1.71%**, and PAR 90+ of **1.34%**. **NNPA** further reduced to **0.59%**
 - Write-offs were **INR 130.9 crore**
- Profit After Tax (PAT) increased by **85.3% YoY** from INR 117.0 crore to **INR 216.8 crore**
- Robust liquidity of **INR 1,439.9 crore** of cash & cash equivalents, amounting to **7.7%** of the total assets
- Healthy capital position with standalone **CRAR of 28.4%** and consolidated **CRAR of 24.7%**
- Credit Rating: **AA-/Stable** by India Ratings, **A+/Positive** by CRISIL & ICRA



Consolidated Key Metrics: Q3 FY23

Particulars	Q3 FY23	Q3 FY22	YoY %
Gross Loan Portfolio (INR Cr)	17,786	14,586	21.9%
Borrowers (Lakh)	39.4	37.4	5.3%
Branches	1,727	1,593	8.4%

Particulars (INR Cr)	Q3 FY23	Q3 FY22	YoY%
Net Interest Income (NII)	567.4	412.0	+37.7%
Pre-Provision Operating Profit (PPOP)	379.5	273.5	+38.7%
Profit After Tax (PAT)	216.8	117.0	+85.3%

Key Ratios	Q3 FY23	Q3 FY22	YoY%
Net Interest Margin (NIM)	11.9%	11.4%	+44 bps
Cost/Income Ratio	36.3%	39.3%	-299 bps
Opex/GLP Ratio	5.0%	5.1%	-3 bps
Gross NPA	1.71%	6.02%	-431 bps
Net NPA	0.59%	2.60%	-201 bps
Return on Assets (ROA)	4.6%	3.0%	+163 bps
Return on equity (ROE)	18.8%	11.9%	+695 bps

Commenting on the performance, Mr. Udaya Kumar Hebbar, MD and CEO of CreditAccess Grameen, said, *"The third quarter witnessed robust sequential improvement in business momentum, operating efficiency, asset quality and return ratios, culminating in yet another milestone of surpassing INR 200 crore in quarterly net profit. We are confident of sustaining this profitability trend and further improving it over the coming quarters. Our gross loan portfolio grew by 21.9% YoY to INR 17,786 crore. We added 3.05 lakh new borrowers taking the total borrower base to 39.39 lakh. Our asset quality remains amongst the best in class with collection efficiency of 98% and net NPA (predominantly at 60+ dpd) of 0.59%. Q3 FY23 PAT grew by 85.3% YoY and 23.1% QoQ to INR 217 crore, resulting in ROA of 4.6% and ROE of 18.8%. Whereas 9M FY23 PAT significantly grew by 170.3% YoY to INR 533 crore. We reiterate our FY23 guidance of 4.0% - 4.2% ROA and 16.0% - 18.0% ROE.*

Our balance sheet continues to get stronger every quarter with robust liquidity and capital position. We have further cemented our asset liability position by raising significant long term borrowings in Q3 FY23, consisting of foreign borrowings, both ECB and NCD, as well as our maiden domestic retail NCD issue. Our public NCD issue was the first in the microfinance industry and it received an overwhelming response from the investors leading to 3.03X subscription of the base size issue. We raised INR 500 crore in first tranche, with a board approval to raise another INR 1,000 crore until November 2023.

We foresee a very exciting future for the microfinance industry, and we shall continue to further strengthen our leadership position, being the preferred financial partner of low-income households across India. We draw comfort from the recent announcements made in the union budget FY 2023-24 focusing on women empowerment, inclusive development and reaching the last mile, as the key drivers towards strengthening the rural ecosystem which shall benefit the rural financing opportunity, including microfinance business, over the coming years."



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 344 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 1,727 branches. The Company's Promoter is CreditAccess India B.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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