

November 06, 2020

BSE Limited

Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400001
Scrip code: **541770**

National Stock Exchange of India Limited

The Exchange Plaza
Bandra Kurla Complex Bandra
(East) Mumbai 400051
Scrip code: **CREDITACC**

Dear Sir/Madam,

Subject: Press Release –Q2 FY21 Results

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and with reference to the above subject, we hereby submit the enclosed press release for your kind information and records.

Thanking you,

Yours sincerely,

For CreditAccess Grameen Limited

M J Mahadev Prakash

Head - Compliance, Legal & Company Secretary

Membership No: A16350

Our Financial Products



Micro Finance



Retail Finance



CreditAccess Grameen Limited – Second Quarter FY20-21 Results

Gross Loan Portfolio up 41.5% YoY to INR 11,183 crore
Borrower Base up 47.0% YoY to 38.8 lakh borrowers
PPOP up 26.9% YoY to INR 197 crore
Consolidated PAT of INR 80 crore

Bengaluru, 6th November 2020: CreditAccess Grameen Limited (NSE: CREDITACC, BSE: 541770, 'CAGL'), country's leading microfinance institution, today announced its unaudited and limited reviewed financial performance for the second quarter and first half of financial year ending March 31, 2021.

Consolidated Highlights Q2 FY21:

- Gross loan portfolio grew by **41.5% YoY** from INR 7,905 crore to **INR 11,183 crore**
- Borrowers grew by **47.0% YoY** from 26.4 lakh to **38.8 lakh**
- NII grew by **31.6% YoY** from INR 251.4 crore to **INR 330.9 crore**
- PPOP grew by **26.9% YoY** from INR 155.1 crore to **INR 196.9 crore**
- Total ECL provisions were **INR 561.9 crore (5.17% of loan portfolio)**. This includes additional provisions on account of COVID-19 impact, apart from overlay built in for previous comparable risk events in the ECL methodology in FY21
- The total standard asset provisioning (excl. GNPA) was **INR 369.8 crore (3.40% of loan portfolio)**
- Hence, PBT declined by 16.0% YoY from INR 127.0 crore to **INR 106.7 crore**
- PAT declined by **21.1% YoY** from INR 100.9 crore to **INR 79.6 crore**
- **ROA of 2.4% and ROE of 10.7%**
- **Stable asset quality with GNPA of 1.77% and NNPA of 0.00%.** However, considering no change in NPA recognition after 31st August in accordance with hon'ble Supreme Court Order, the GNPA is 1.58%
- Robust liquidity position with **INR 1,905.8 crore cash / bank balance and liquid investments** as on 30th September 2020, amounting to 14.8% of total assets.
- Well capitalised with standalone **CRAR of 26.4%**
- **A+ (Stable) Credit Rating** affirmed by leading rating agencies in India

Improving Collections Trend & Disbursement Growth

- **Collection efficiency continued to improve on MoM basis despite increased intermittent lockdowns/local restrictions**
 - CAGL's collection efficiency improved from 74% in June to **88% in September/ 89% in October**
 - MMFL's collection efficiency from 54% in June to **83% in September/ 85% in October**
- **Proportion of paying customers continued to improve on MoM basis**
 - CAGL: ~**92%** customers made full/partial payments in September compared to 83% in June
 - MMFL: ~**93%** customer groups made full/partial payments in September compared to 60% in June
- **Focus on activation of non-paying customers in October**
 - CAGL: ~**24%** of customers who didn't pay in September, have paid in October
 - MMFL: ~**33%** of customers who didn't pay in September, have paid in October
- **Increased traction in disbursements along with new customer acquisition in October**
 - CAGL: Disbursement of **INR 972 crore** in October vs. **INR 1,420 crore** in Q2 FY21
 - MMFL: Disbursement of **INR 160 crore** in October vs. **INR 228 crore** in Q2 FY21



Key Metrics Q2 FY21:

Particulars	CAGL	MMFL
Gross Loan Portfolio (INR Cr)	9,207	1,975
Borrowers (Lakh) *	28.0	11.4
Branches	929	459
Loan Officers	7,627	2,056
Employees	10,698	3,756

* only 59,172 common borrowers

Particulars (INR Cr)	CAGL	MMFL
Net Interest Income (NII)	272.8	57.2
Pre-Provision Operating Profit (PPOP)	170.1	30.0
Profit Before Tax (PBT)	104.8	5.0
Profit After Tax (PAT)	78.2	3.7

Key Ratios	CAGL	MMFL
Net Interest Margin (NIM)	11.1%/ 11.7% *	11.2%/ 11.6% *
Cost/Income Ratio	39.2%	49.9%
Opex/GLP Ratio	4.6%	5.9%
Gross NPA	1.82%/ 1.66% #	1.52%/ 1.21% #
Provisioning	5.35%	4.30%
Net NPA	0.00%	0.00%
Return on Assets (ROA)	2.7%	0.7%
Return on equity (ROE)	11.3%	3.5%

* NIM adjusted for negative carry impact on account of maintaining higher liquidity position on balance sheet

GNPA considering no change in NPA recognition after 31st August in accordance with hon'ble Supreme Court Order

Commenting on the performance, Mr. Udaya Kumar Hebbar, Managing Director and CEO of CreditAccess Grameen, said, "We recorded 16.5% YoY growth in standalone loan portfolio to INR 9,207 crore and 6.1% YoY growth in borrower base to 28.0 lakh. This was further augmented by MMFL acquisition, leading to consolidated loan portfolio growth of 41.5% YoY to INR 11,183 crore and 47.0% YoY growth in borrower base to 38.8 lakh. In line with the first quarter, we continued to focus on stabilising field collections, maintaining continuous customer connect and mobilising sufficient liquidity in the second quarter. Despite several intermittent localised lockdowns/ restrictions, we were able to increase our collection efficiency from 74% in June to 88% in September and 89% in October. Even in case of MMFL, the collection efficiency improved from 54% in June to 83% in September and 85% in October. Collections temporarily slowed in second half of October due to cyclonic floods in certain districts of Maharashtra and Karnataka, intermittent lockdown imposed in Chhattisgarh and brief period of festivities in October. Now, with the end in loan moratorium and restrictions getting largely relaxed to allow normative functioning of the economy, we expect further improvement in collections trend in November and December as more and more customers resume normal repayments.

With an increasing comfort on our customers' repayment behaviour, we gradually started stepping-up our disbursements, reaching INR 1,420 crore at CAGL and INR 228 crore at MMFL in Q2 FY21 compared to INR 46 crore at CAGL and INR 0.4 crore at MMFL in Q1 FY21. Our combined disbursements in the month of October stood at INR 1,132 crore, indicating normative business growth going forward. Our standalone liquidity position further improved during the second quarter, with cash & bank balance of INR 1,662 crore as on 30th September, on the back of continued support from our lenders and improving collections from field. We also successfully completed Qualified Institutional Placement of INR 800 crore in October, further bolstering our liquidity position. Overall, on the back of improving



collections from field, robust liquidity position, adequate new branches, trained employees and adequate risk and capital buffers in place, our business strategy during remaining five months of FY21 will focus on portfolio growth and new customer additions, leveraging our leadership position in the microfinance industry."

Other Key Updates:

Successful completion of Qualified Institutional Placement ('QIP') of INR 800 crore

- In line with the company's plan to raise funds from equity capital markets in Q3 FY21, the company decided to take the QIP route. The QIP issue opened on 5th October 2020 and closed on 8th October 2020. The entire process was completed within 30 days
- The primary objective of the QIP was to comply with SEBI's Minimum Public Shareholding ('MPS') norm well in advance of the stipulated timeline before August 2021 (within 3 years post IPO)
- Further, QIP also presented an opportunity to raise adequate capital to support the combined business growth (CAGL & MMFL) from FY22 onwards
- The company required to raise base amount of INR 675 crore to comply with MPS norm. However, considering the 1.4x subscription on base amount, the actual amount raised was INR 800 crore.
- 1,13,15,323 new shares were issued at an issue price of INR 707.00 (floor price - INR 707.69), resulting in an overall dilution of 7.9% on pre-issue basis and 7.3% on post-issue basis
- Promoter shareholding has reduced from 79.9% pre-issue to 74.1% post issue (comfortably within the 75% threshold)
- Overall, around 60%/ 61% of the amount raised was allocated to new investors/ foreign investors respectively. This has helped the company to further diversify its shareholding base

Transition of Mr Diwakar B R as Group CFO & Director at CreditAccess India N.V. ('CAI') and appointment of Mr Balakrishna Kamath as CFO at CreditAccess Grameen Ltd

- Mr Diwakar B R has stepped down as the CFO & Director-Finance at CAGL to assume a larger role as Group CFO & Director at our parent, CAI. The focus will be to strengthen our access in global debt capital markets and increase the share of international borrowings. Well-diversified liability profile across domestic and foreign sources will be pivotal to CAGL's long term strategy of delivering consistent high growth while operating within the current construct of NBFC-MFI
- Subsequent to above, Mr Balakrishna Kamath has assumed the role of CFO at CAGL. Mr Kamath joined CAGL as Deputy CFO in March 2020. He has solid 27 years of experience across various Tata group companies. Prior to joining CAGL, he was associated with Tata Capital Housing Finance Limited as CFO and Compliance Officer. He holds a bachelor's degree in commerce from Mahatma Gandhi University. He is a member of the Institute of Company Secretaries of India and Institute of Chartered Accountants of India.

Completion of tenure of Mr. R Prabha as an Independent Director

- The term of office of Mr. R. Prabha, as an Independent Director, came to an end on 3rd November 2020 and consequently, he ceased to be a Director of the Company. Mr. Prabha was a Director of the Company for two successive terms of 5 years each.

Appointment of Independent (Additional) Director

- Ms. Jessie Paul has been appointed as Independent (Additional) Director with effect from 16th September 2020. Ms. Jessie has completed her BE Computer Science from NIT Trichy and PGDM Marketing from IIM Calcutta. She has 25 years of experience in marketing. She was Global Brand Manager of Infosys, headed marketing for challenger brand iGATE and went on to be Chief Marketing Officer of Wipro Technologies. In 2010, she founded Paul Writer a marketing SE advisory firm that works with global and Indian clients to maximise marketing impact through a combination of consulting, content and community management. She also serves on the Boards of Expleo Solutions, Royal Orchid Hotels and Bajaj Consumer Care.



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 is now operating in 230 districts in the 13 states (Karnataka, Maharashtra, Tamil Nadu, Chhattisgarh, Madhya Pradesh, Odisha, Kerala, Goa, Gujarat, Rajasthan, Uttar Pradesh, Bihar and Jharkhand) and one union territory (Puducherry) in India through 929 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@grameenkoota.org

Sanchi Yadav

PR Consultant
Adfactors PR
sanchi.yadav@adfactorspr.com