

October 21, 2022

**To**  
**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,

**Sub.: Investor Presentation**

We hereby submit the Investor Presentation for the Quarter and Half year ended September 30, 2022. The same will also be hosted on the website of the company at [www.creditaccessgrameen.in](http://www.creditaccessgrameen.in)

We request you to take the same on record.

Thanking you,

**Yours Truly**  
For **CreditAccess Grameen Limited**

**M.J. Mahadev Prakash**  
**Company Secretary & Chief Compliance Officer**

*Encl.: As above*



CreditAccess Grameen Limited

Q2 & H1 FY23 Investor Presentation

October 2022



STOOD THE TEST OF  
**TIME AND TRUST**

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## Key Business Updates

Consolidated Overview

CA Grameen: Financial Metrics

MMFL: Financial Metrics

Investment Rationale

Annexure



# Q2 FY23: Key Consolidated Business Highlights

**1** Best 2<sup>nd</sup> Quarter Performance Till Date  
Highest Quarterly PAT

**Strongly Positioned to Deliver Robust Growth & Profitability**

**2** Performance on Track to Achieve Annual Guidance

**5** Liability Strategy Playing Well

**4** Asset Quality Largely Normalised, with Improved Visibility

**3** Comfortably Placed to Protect NIMs in a Rising Interest Rate Scenario

# Q2 FY23: Best 2nd Quarter Performance Till Date - Strong Business Momentum

	Q2 FY23	YoY% Change	QoQ% Change
<b>GLP (INR Cr)</b>	<b>16,539</b>	<b>+24.0%</b>	<b>+5.9%</b>
CA Grameen	13,772	+23.1%	+6.0%
MMFL	2,767	+28.8%	+5.5%
Write-off	163	1.0% of Jun-22 GLP	
<b>Borrowers<sup>1</sup> (Lakh)</b>	<b>37.98</b>	<b>+1.2%</b>	<b>+3.0%</b>
CA Grameen	29.96	+8.8%	+5.2%
MMFL	8.30	-20.6%	-4.9%
Write-off	1.00	2.7% of Jun-22 Borrowers	
<b>Disbursements (INR Cr)</b>	<b>4,375</b>	<b>+12.5%</b>	<b>+103.9%</b>
CA Grameen	3,646	+6.8%	+95.9%
MMFL	729	+52.8%	+156.3%
<b>Q2 FY23 Collections Efficiency (Excl. Arrears)</b>			<b>97%</b>
<b>Q2 FY23 Collections Efficiency (Incl. Arrears)</b>			<b>98%</b>
<b>GNPA % (largely @ 60+ dpd)</b>			<b>2.17%</b>
<b>ECL Provisioning</b>			<b>2.46%</b>
<b>NNPA %</b>			<b>0.77%</b>
<b>PAR 90+ %</b>			<b>1.72%</b>

1) Excluding 28,477 common borrowers

	Q2 FY23	YoY% Change	QoQ% Change
NII (INR Cr)	516	+39.9%	+11.8%
PPOP (INR Cr)	334	+52.9%	+15.4%
<b>PAT (INR Cr)</b>	<b>176</b>	<b>+195.0%</b>	<b>+26.2%</b>
NIM %	12.0%	+80 bps	+97 bps
ROA %	4.0%	+238 bps	+86 bps
<b>ROE %</b>	<b>16.1%</b>	<b>+990 bps</b>	<b>+269 bps</b>

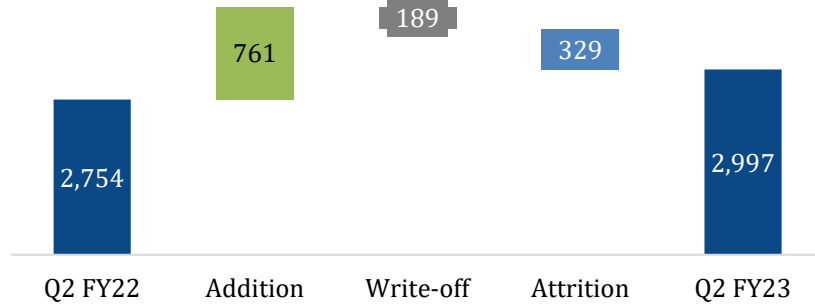
Capital	Total	Tier 1	Liquidity (INR Cr)
<b>CRAR %</b>	<b>25.0%</b>	<b>24.3%</b>	<b>C &amp; CE</b>
CA Grameen	29.0%	28.2%	Undrawn Sanctions
MMFL	22.5%	14.8%	Sanctions in Pipeline
			<b>1,147</b>
			4,024
			5,638

- **Highest Disbursements in 2<sup>nd</sup> Quarter**
- **Highest Borrower Addition in 2<sup>nd</sup> Quarter**
- **Highest Quarterly Profit After Tax, despite 2<sup>nd</sup> Quarter being seasonally moderate**

# Q2 FY23: Robust New Borrower Addition

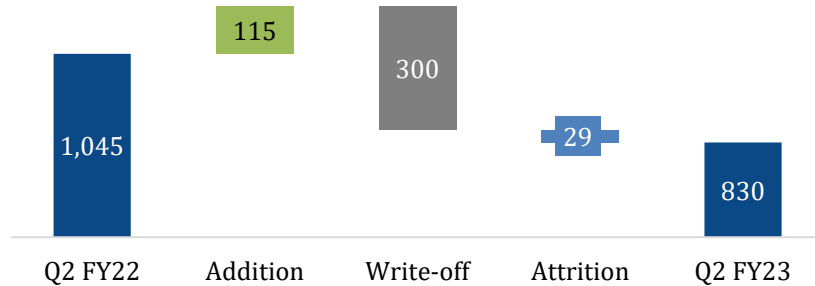
CA Grameen Borrowers ('000)

**Pre-Write-off Borrower Growth of 15.7%**



MMFL Borrowers ('000)

**Pre-Write-off Borrower Growth of 8.2%**



New Borrower Addition over past 12 Months	Total	% Share
Tamil Nadu	1,59,341	18.2%
Karnataka	1,55,794	17.8%
Maharashtra	1,49,029	17.0%
<b>Other States</b>	<b>4,12,279</b>	<b>47.0%</b>
<b>Total</b>	<b>8,76,443</b>	
Q3 FY22	2,00,595	
Q4 FY22	2,98,358	
Q1 FY23	92,642	
Q2 FY23	2,84,848	

**Strongest new borrower addition momentum in Q2 till date**

**47% of the new borrower addition over the past 12 months was from outside of the top 3 states**

# Q2 FY23: Performance on Track to Achieve Annual Guidance



Key Indicators – Consolidated	FY23 Guidance	Q2 FY23 Performance	H1 FY23 Performance	Remarks
GLP – Growth %	24.0% - 25.0%	24.0%	24.0%	<ul style="list-style-type: none"> <li>Strong business momentum, post adhering with new RBI guidelines</li> <li>Growth driven by new borrower additions</li> </ul>
Credit Cost (Provisions + Write-offs) – % of Avg. On-Book Loan Portfolio	1.8% - 2.0%	0.7% (non annualized)	1.4% (non annualized)	<ul style="list-style-type: none"> <li>Credit cost front loaded in H1 FY23 due to residual Covid related write-offs</li> </ul>
Return on Assets %	4.0% - 4.2%	4.0%	3.5%	<ul style="list-style-type: none"> <li>ROA / ROE improved from 3.1% / 13.4% in Q1 FY23 to 4.0% / 16.1% in Q2 FY23</li> </ul>
Return on Equity %	16.0% - 18.0%	16.1%	14.8%	<ul style="list-style-type: none"> <li>Return ratios to further improve in H2 FY23 driven by better NIMs, stable operational efficiency and lower credit cost</li> </ul>

Note: The guidance provided considers a stable operating environment

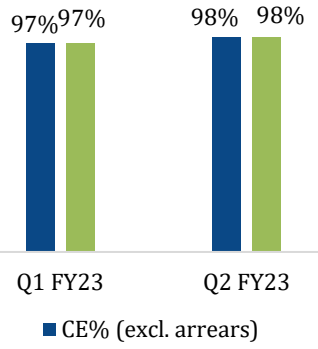


# Q2 FY23: Comfortably Placed to Protect NIMs in a Rising Interest Rate Scenario

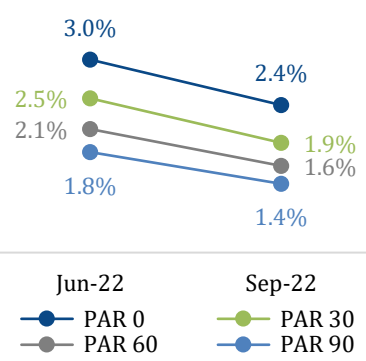
Consolidated Metrics	Q1 FY23	Q2 FY23	H1 FY23	Remarks
Avg. New Disbursement Interest Rate %	20.3%	20.8%	20.6%	<ul style="list-style-type: none"> <li>Revised pricing continues to be very competitive</li> </ul>
Portfolio Yield %	18.4%	19.1%	18.6%	<ul style="list-style-type: none"> <li>Improvement in yields driven by revised pricing and lower interest de-recognition</li> </ul>
Weighted Avg. Cost of Borrowing %	9.1%	9.2%	9.2%	<ul style="list-style-type: none"> <li>Weighted Avg. COB higher by only 30 bps and marginal COB higher by only 50 bps compared to Q4 FY22</li> </ul>
Marginal Cost of Borrowing % (CA Grameen Standalone)	8.6%	8.8%	8.7%	
NIM %	11.1%	12.0%	11.4%	<ul style="list-style-type: none"> <li>NIM during H1 FY23 is higher by 50 bps compared to FY22</li> </ul>
Supportive Credit Rating	<ul style="list-style-type: none"> <li>Ind-Ra upgrades rating from A+ to AA- with 'Stable' outlook</li> <li>ICRA &amp; CRISIL upgrade outlook from 'Stable' to 'Positive'</li> </ul>			<ul style="list-style-type: none"> <li>Highest rating of 'AA-' amongst NBFC-MFI, without factoring any parent support</li> </ul>

# Q2 FY23: Asset Quality Update (CA Grameen)

## Collections Trend



## PAR Trend



## Adequate Provisioning Coverage

INR Cr	CA Grameen Policy (IND-AS)			
Q2 FY23 Asset Classification (dpd)	EAD (INR Cr)	EAD%	ECL%	
Stage 1	0 - 15 (GL), 0 - 30 (RF)	12,791.0	97.8%	0.8%
Stage 2	16 - 60 (GL), 31 - 90 (RF)	65.5	0.5%	57.0%
Stage 3	60+ (GL), 90+ (RF)	226.6	1.7%	73.1%
<b>Total</b>		<b>13,083.2</b>	<b>100.0%</b>	<b>2.3%</b>
<b>GNPA (Gross Stage 3)</b>			<b>1.7%</b>	
<b>NNPA (Net Stage 3)</b>			<b>0.5%</b>	

Revised ECL Policy applicable from Q2 FY23, leading to higher ECL coverage ratios

EAD: Exposure at default includes principal and accrued interest

## Payment wise Breakup of EAD

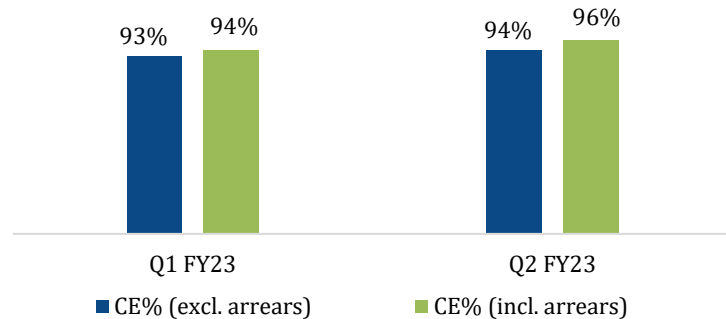
Contribution of Borrowers as on Sep-22	Stage 1 EAD%	Stage 2 EAD%	Stage 3 EAD%	Total EAD%
Full Payment	97.5%	0.0%	0.0%	97.5%
Partial Payment	0.3%	0.3%	0.3%	0.9%
No Payment	0.0%	0.2%	1.4%	1.6%
<b>Total</b>	<b>97.8%</b>	<b>0.5%</b>	<b>1.7%</b>	<b>100.0%</b>

## Restructuring at 0.5% of GLP

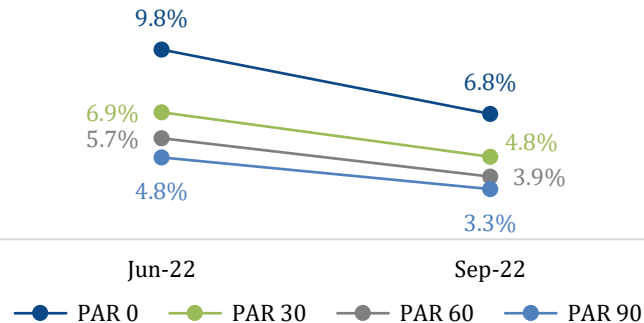
Loan Restructuring (INR Cr)	Amount	GLP as on Sep-22	PAR 31-60	PAR 61-90	PAR 90+
Restructuring - FY21	77.1	7.8	0.2	0.2	1.8
Restructuring - FY22	143.6	60.6	1.2	1.2	11.5
Restructuring - H1 FY23	2.8	2.7	0.0	0.0	0.0
<b>Total</b>	<b>223.4</b>	<b>71.1</b>	<b>1.5</b>	<b>1.4</b>	<b>13.3</b>

# Q2 FY23: Asset Quality Update (MMFL)

## Collections Trend



## PAR Trend



## Adequate Provisioning Coverage

INR Cr	CA Grameen Policy (IND-AS)				
Q2 FY23 Asset Classification (dpd)	EAD (INR Cr)	EAD%	ECL%		
Stage 1	0 - 15, 0 - 30	2,457.8	94.6%	0.9%	
Stage 2	16 - 60, 31 - 90	27.1	1.0%	32.2%	
Stage 3	60+	113.4	4.4%	49.1%	
<b>Total</b>		<b>2,598.3</b>	<b>100.0%</b>	<b>3.3%</b>	
<b>GNPA (Gross Stage 3)</b>			<b>4.4%</b>		
<b>NNPA (Net Stage 3)</b>			<b>2.3%</b>		

## Payment wise Breakup of EAD

Contribution of Borrowers as on Jun-22	Stage 1 EAD%	Stage 2 EAD%	Stage 3 EAD%	Total EAD%
Full Payment	92.6%	0.0%	0.0%	92.6%
Partial Payment	2.0%	1.0%	2.0%	5.0%
No Payment	0.0%	0.1%	2.3%	2.4%
<b>Total</b>	<b>94.6%</b>	<b>1.0%</b>	<b>4.4%</b>	<b>100.0%</b>

EAD: Exposure at default includes principal and accrued interest



**USD 35 million  
ESG-linked loan from DFC**

**First of its kind direct loan from  
DFC to a NBFC-MFI in India**

- U.S. International Development Finance Corporation (DFC) sanctions **USD 35 Mn ESG-linked loan for up to 7 years** in Oct-22
- The loan facility will focus on performance targets linked to ESG principles to strengthen women's entrepreneurship and leadership
- This is the **second ESG-linked loan for CA Grameen** after receiving the first ESG loan sanction of USD 25 Mn from Swedfund in Jul-21



## Strong Traction in Foreign Funding

**External Commercial Borrowings sanctions / drawdowns during H1 FY23:**

- **USD 50 Mn from IFC**
  - Sanctioned in Jun-22, drawn in Aug-22 & Oct-22
- **USD 20 Mn from Blue Orchard**
  - Sanctioned in Mar-22, drawn in Jun-22
- **USD 90 Mn Syndicated loan led by HSBC**
  - Sanctioned in Aug-22
- **USD 35 Mn from DFC**
  - Sanctioned in Oct-22
- **All loans are 100% hedged**

**Strong visibility on foreign sourcing:**

- 38% share in undrawn sanctions (CA Grameen)
- 19% share in sanctions in pipeline (CA Grameen)

## Classification of Loans at 'Amortised Cost' with Effect from Q2 FY23

- During the previous quarter, the Company had reassessed its business model and concluded that Income Generating Loan (IGL) is primarily intended to collect contractual cash flows being solely payments of principal and interest on the principal amount outstanding
- Accordingly, as required under Ind AS 109, the IGL loan portfolio which was earlier classified as and valued at "Fair Value through Comprehensive Income" have now been classified as and valued at "Amortised Cost" with effect from Q2 FY23
- The Company has consequently reversed accumulated fair value loss on such IGL loans amounting INR 63.0 Cr and related deferred tax in other equity

## Best Technology of the Year 2022 - Financial Services



- Quantic India Technology Excellence Awards Bengaluru Edition recognizes technology leaders and innovators who demonstrate excellence through their solutions and impact on the business
- It is an opportunity for the industry to celebrate, recognize, and acknowledge the technology powerhouses situated in the South part of India
- With a foundational goal to experiment and excel, Quantic India extensive research and analysis has taken the transformational journey of Technology Excellence Awards to the next level of evolution

Key Business Updates

**Consolidated Results Overview**

CA Grameen: Financial Metrics

MMFL: Financial Metrics

Investment Rationale

Annexure



# Q2 FY23: Consolidated Performance Highlights

**GLP: INR 16,539 Cr**  
**(+24.0% YoY)**

**NIM**  
**12.0%**

**Cost/Income Ratio**  
**38.2%**

**PPOP**  
**INR 334 Cr**  
**(+52.9% YoY)**

**Weighted Avg. COB**  
**9.2%**

**Opex/GLP Ratio**  
**5.1%**

**PAT: INR 176 Cr**  
**(+195.0% YoY)**

**ROA**  
**4.0%**

**Capital Adequacy Ratio**  
**25.0%**

**Total Equity**  
**INR 4,493 Cr**

**ROE**  
**16.1%**

**Tier 1 Ratio**  
**24.3%**

**D/E Ratio**  
**2.7**

**GNPA (GS3): 2.17%**

**Provisioning**  
**2.46%**

**Branches 1,684**  
**(+9.0% YoY)**

**Active Borrowers**

**NNPA: 0.77%**

**Write-off**  
**INR 163 Cr**

**16,018 Employees**  
**(+4.6% YoY)**

**37.98 Lakh<sup>1</sup>**  
**(+1.2% YoY)**

**PAR 90+: 1.72%**

1) 1,00,050 borrowers were written off during Q2 FY23 while 2,84,848 new borrowers were added during the same period



# Q2 & H1 FY23: Consolidated P&L Statement



Profit & Loss Statement (INR Cr)	Q2 FY23	Q2 FY22	YoY%	Q1 FY23	QoQ%	H1 FY23	H1 FY22	YoY%	FY22
Interest Income	771.3	597.4	29.1%	736.2	4.8%	1,507.6	1,184.8	27.2%	2,567.3
- Interest on Loans <sup>1</sup>	762.1	588.1	29.6%	727.6	4.8%	1,489.7	1,163.7	28.0%	2,533.0
- Income from Securitisation	0.0	0.2	-	0.0	-	0.0	0.7	-	0.6
- Interest on Deposits with Banks and FIs	9.2	9.0	1.6%	8.7	5.9%	17.9	20.4	-12.3%	33.8
Income from Direct Assignment	18.1	0.0	-	5.1	253.9%	23.2	14.7	57.7%	70.0
Finance Cost on Borrowings	273.2	228.5	19.6%	279.8	-2.3%	553.0	477.7	15.8%	984.0
Cost on Financial Liability towards Securitisation	0.0	0.0	-	0.0	-	0.0	0.2	-	0.2
<b>Net Interest Income</b>	<b>516.2</b>	<b>368.9</b>	<b>39.9%</b>	<b>461.5</b>	<b>11.8%</b>	<b>977.7</b>	<b>721.6</b>	<b>35.5%</b>	<b>1,653.2</b>
Non-interest Income & Other Income <sup>2</sup>	24.9	21.1	17.8%	19.2	29.8%	44.1	36.5	20.9%	112.8
<b>Total Net Income</b>	<b>541.1</b>	<b>390.0</b>	<b>38.7%</b>	<b>480.7</b>	<b>12.6%</b>	<b>1,021.8</b>	<b>758.1</b>	<b>34.8%</b>	<b>1,766.0</b>
Employee Expenses	129.7	111.9	15.9%	123.9	4.7%	253.6	212.6	19.3%	437.7
Other Expenses	64.2	47.4	35.4%	55.2	16.4%	119.4	87.1	37.0%	203.6
Depreciation, Amortisation & Impairment	12.8	11.9	7.3%	11.9	7.6%	24.7	23.2	6.7%	47.2
<b>Pre-Provision Operating Profit</b>	<b>334.3</b>	<b>218.7</b>	<b>52.9%</b>	<b>289.7</b>	<b>15.4%</b>	<b>624.1</b>	<b>435.2</b>	<b>43.4%</b>	<b>1,077.5</b>
Impairment of Financial Instruments	105.4	139.9	-24.7%	100.9	4.4%	206.3	327.8	-37.1%	596.7
<b>Profit Before Tax</b>	<b>229.0</b>	<b>78.8</b>	<b>190.6%</b>	<b>188.8</b>	<b>21.3%</b>	<b>417.8</b>	<b>107.4</b>	<b>289.2%</b>	<b>480.8</b>
Total Tax Expense	52.9	19.1	176.9%	49.2	7.3%	102.1	27.4	273.2%	123.7
<b>Profit After Tax</b>	<b>176.1</b>	<b>59.7</b>	<b>195.0%</b>	<b>139.6</b>	<b>26.2%</b>	<b>315.7</b>	<b>80.0</b>	<b>294.6%</b>	<b>357.1</b>
Key Ratios	Q2 FY23	Q2 FY22		Q1 FY23		H1 FY23	H1 FY22		FY22
Portfolio Yield	19.1%	18.8%		18.4%		18.6%	18.4%		18.3%
Cost of Borrowings	9.2%	9.5%		9.1%		9.2%	9.6%		9.3%
NIM	12.0%	11.2%		11.1%		11.4%	10.6%		10.9%
Cost/Income Ratio	38.2%	43.9%		39.7%		38.9%	42.6%		39.0%
Opex/GLP Ratio	5.1%	5.3%		4.7%		4.9%	4.9%		4.9%

1) Interest income (on Stage 3 portfolio) de-recognized was INR 20.5 Cr in Q2 FY23 (vs INR 20.6 Cr in Q2 FY22) and INR 42.5 Cr in H1 FY23 (vs INR 41.9 Cr in H1 FY22)

2) Bad debt recovery was INR 14.5 Cr in Q2 FY23 (vs INR 13.6 Cr in Q2 FY22) and INR 24.8 Cr in H1 FY23 (vs INR 18.4 Cr in H1 FY22)

# Q2 & H1 FY23: Consolidated Balance Sheet

Balance Sheet (INR Cr)	Q2 FY23	Q2 FY22	YoY%	Q1 FY23	QoQ%	H1 FY23	H1 FY22	FY22
Cash & Other Bank Balances	757.9	1,515.9	-50.0%	1,369.2	-44.6%	757.9	1,515.9	1,761.4
Investments	389.2	107.0	263.7%	172.6	125.5%	389.2	107.0	0.0
Loans - (Net of Impairment Loss Allowance)	15,195.9	11,772.9	29.1%	14,137.6	7.5%	15,195.9	11,772.9	14,765.3
Loans - Securitised Assets	0.0	3.2	-	0.0	-	0.0	3.2	0.0
Property, Plant and Equipment	30.9	26.3	17.1%	30.6	0.8%	30.9	26.3	31.8
Intangible Assets	139.6	157.7	-11.5%	144.3	-3.3%	139.6	157.7	149.7
Right to Use Assets	68.6	66.6	3.0%	73.1	-6.2%	68.6	66.6	74.8
Other Financial & Non-Financial Assets	284.3	299.1	-4.9%	256.9	10.7%	284.3	299.1	294.2
Goodwill	317.6	317.6	0.0%	317.6	0.0%	317.6	317.6	317.6
<b>Total Assets</b>	<b>17,183.9</b>	<b>14,266.4</b>	<b>20.5%</b>	<b>16,501.9</b>	<b>4.1%</b>	<b>17,183.9</b>	<b>14,266.4</b>	<b>17,394.8</b>
Debt Securities	1,094.9	1,683.6	-35.0%	1,176.2	-6.9%	1,094.9	1,683.6	1,418.1
Borrowings (other than debt securities)	11,131.8	8,263.9	34.7%	10,624.3	4.8%	11,131.8	8,263.9	11,424.9
Subordinated Liabilities	81.4	106.6	-23.6%	79.5	2.4%	81.4	106.6	77.7
Financial Liability towards Portfolio Securitized	0.0	0.0	-	0.0	-	0.0	0.0	0.0
Lease Liabilities	81.1	76.3	6.3%	84.4	-3.9%	81.1	76.3	85.0
Other Financial & Non-financial Liabilities	301.5	265.5	13.6%	291.1	3.6%	301.5	265.5	313.0
<b>Total Equity</b>	<b>4,388.9</b>	<b>3,771.7</b>	<b>16.4%</b>	<b>4,146.1</b>	<b>5.9%</b>	<b>4,388.9</b>	<b>3,771.7</b>	<b>3,977.6</b>
Minority Interest	104.2	98.8	5.5%	100.2	4.1%	104.2	98.8	98.4
<b>Total Liabilities and Equity</b>	<b>17,183.9</b>	<b>14,266.4</b>	<b>20.5%</b>	<b>16,501.9</b>	<b>4.1%</b>	<b>17,183.9</b>	<b>14,266.4</b>	<b>17,394.8</b>
Key Ratios	Q2 FY23	Q2 FY22		Q1 FY23		H1 FY23	H1 FY22	FY22
ROA	4.0%	1.6%		3.1%		3.5%	1.0%	2.2%
D/E	2.7	2.6		2.8		2.7	2.6	3.2
ROE	16.1%	6.2%		13.4%		14.8%	4.2%	9.1%
GNPA (GL: 60+ dpd, RF: 90+ dpd)	2.17%	7.67%		3.11%		2.17%	7.67%	3.61%
Provisioning	2.46%	5.90%		3.01%		2.46%	5.90%	3.44%

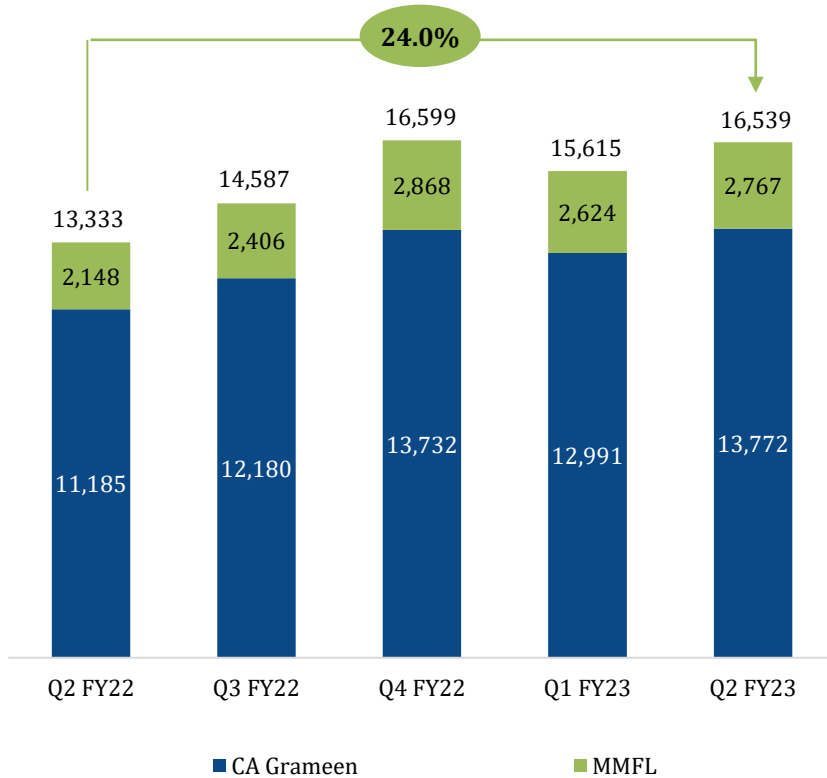
## Q2 & H1 FY23: Understanding the Credit Cost Impact

Consolidated (INR Cr)	Q2 FY23	H1 FY23
Opening ECL - (A)	443.7	533.9
Additions (B)		
- Provisions as per ECL	53.2	92.2
Reversals (on account of write-off) (C)	110.7	240.0
Closing ECL (D = A+B-C)	386.1	386.1
Write-off (E)	162.9	354.0
<b>Credit Cost (F = B-C+E)</b>	<b>105.4</b>	<b>206.3</b>
<b>Credit Cost (Provisions + Write-offs) - % of Avg. On-Book Loan Portfolio (non-annualised)</b>	<b>0.7%</b>	<b>1.4%</b>
Bad-Debt Recovery (G)	14.5	24.8
<b>Net P&amp;L Impact (F - G)</b>	<b>90.9</b>	<b>181.5</b>
<b>Net P&amp;L Impact - % of Avg. On-Book Loan Portfolio (non-annualised)</b>	<b>0.6%</b>	<b>1.2%</b>

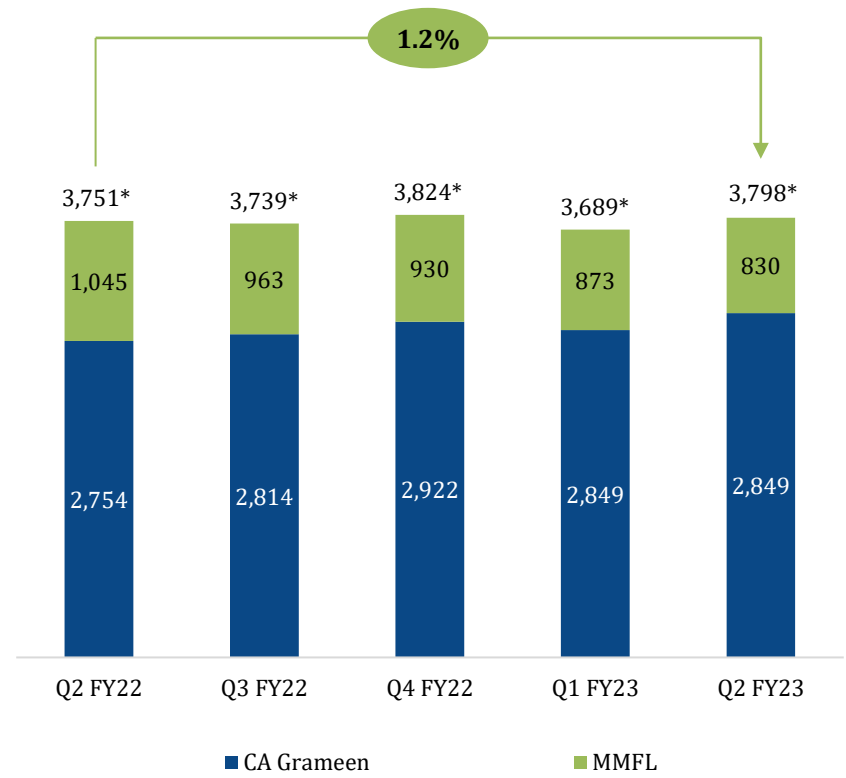
# Q2 FY23: Continued Business Traction with Rural Focus



Gross Loan Portfolio (GLP) (INR Cr)



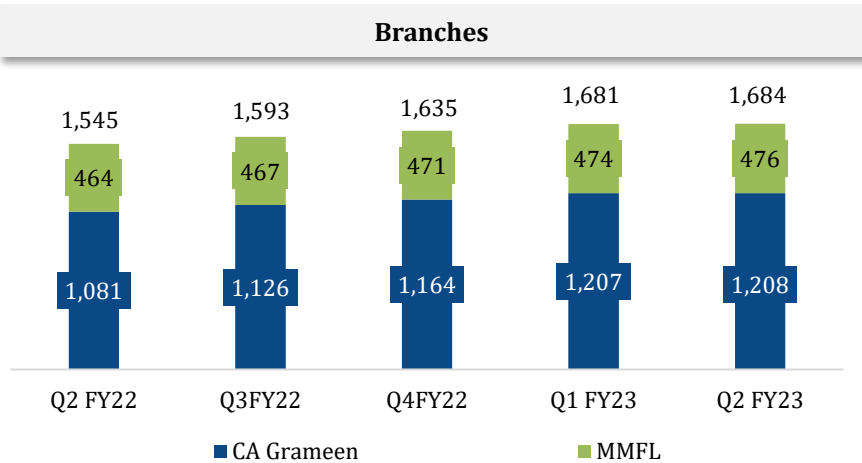
Borrowers ('000)



\* Excluding common borrowers

# Q2 FY23: Consistent Growth in Infrastructure

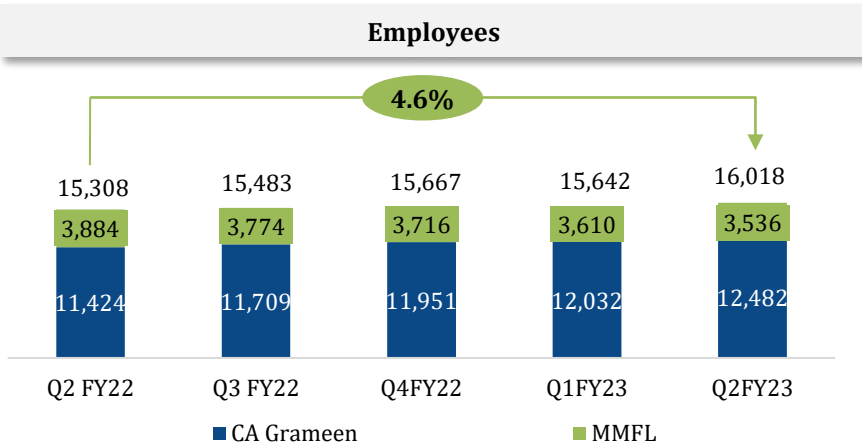
## Branches



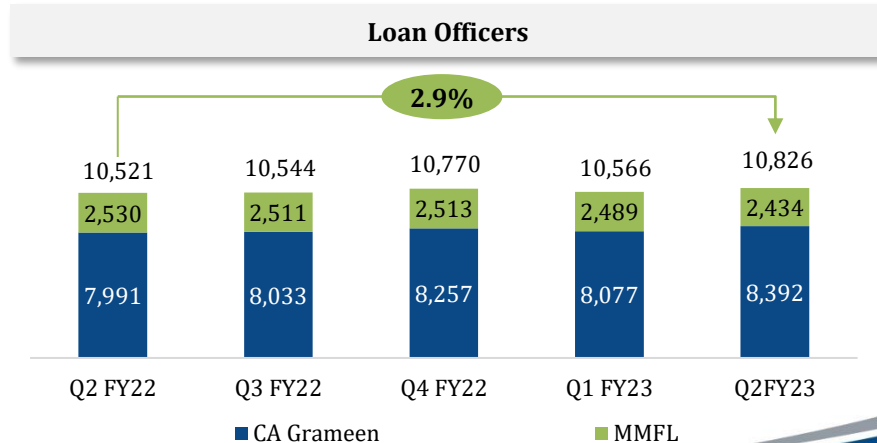
States	FY22	Q1 FY23	Q2 FY23
Bihar	35	10	-
Chhattisgarh	5	2	-
Gujarat	28	5	1
Jharkhand	10	5	-
Madhya Pradesh	20	1	-
Karnataka	10	-	-
Kerala	6	-	-
Maharashtra	6	9	-
Odisha	9	-	-
Rajasthan	35	6	-
Tamil Nadu	1	-4 *	-
Uttar Pradesh	35	5	-
West Bengal	11	7	2
<b>Total</b>	<b>211</b>	<b>46</b>	<b>3</b>

\* At MMFL, 2 branches were merged while 2 business correspondent (BC) branches got closed

## Employees

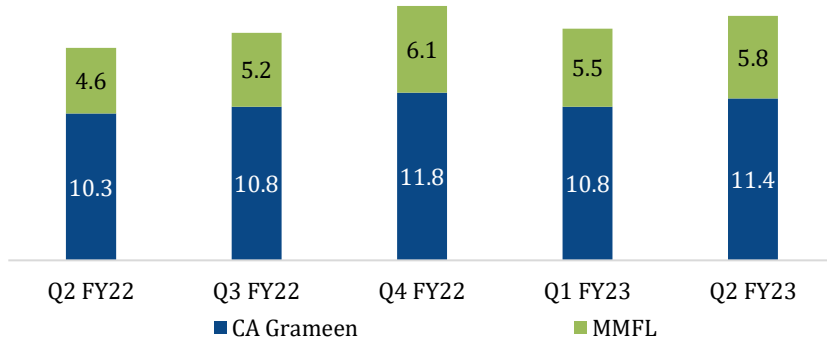


## Loan Officers

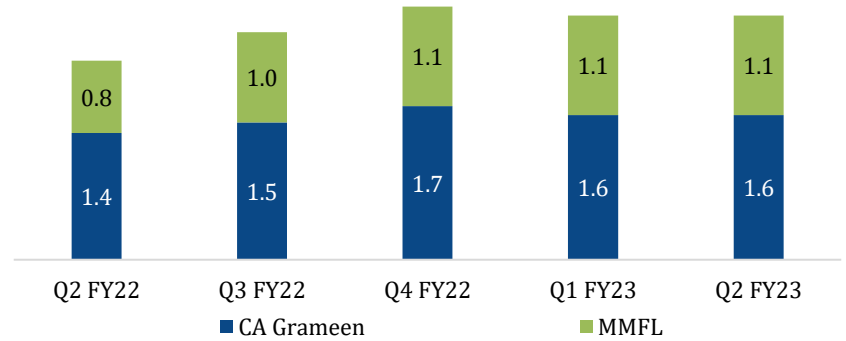


# Q2 FY23: Sustainable Operational Efficiency

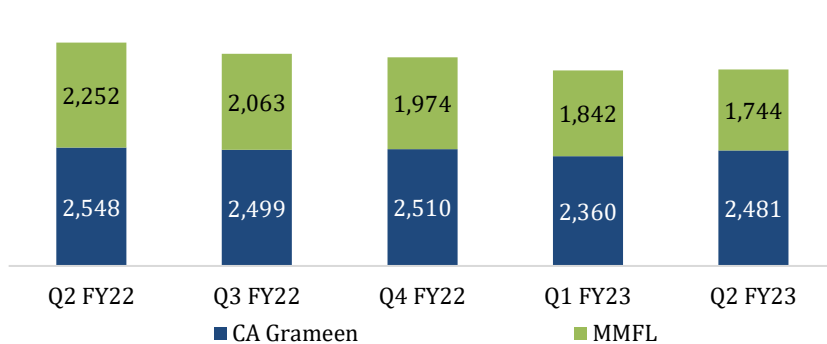
GLP / Branch (INR Cr)



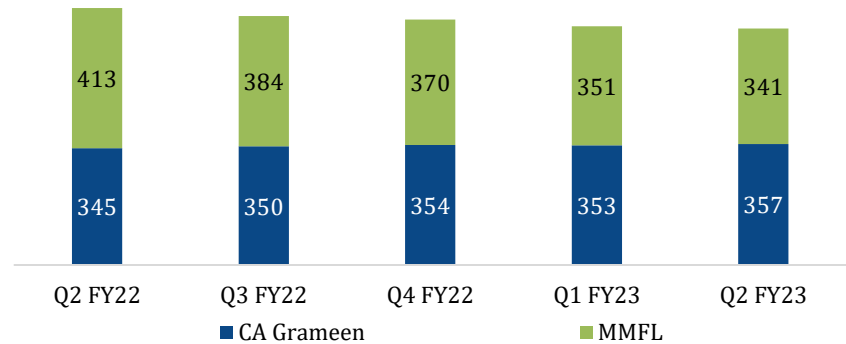
GLP / Loan Officer (INR Cr)



Borrowers / Branch



Borrowers / Loan Officer



# Q2 FY23: Product Range To Meet Diverse Customer Needs



GLP - Product Mix	Q2 FY22		Q3 FY22		Q4 FY22		Q1 FY23		Q2 FY23	
	(INR Cr)	% of Total	(INR Cr)	% of Total	(INR Cr)	% of Total	(INR Cr)	% of Total	(INR Cr)	% of Total
IGL (Incl. MMFL)	12,613	95%	13,894	95%	15,949	96%	14,937	96%	15,801	96%
Family Welfare	55	0%	59	0%	38	0%	121	1%	185	1%
Home Improvement	331	3%	371	3%	414	3%	408	2%	429	2%
Emergency	3	0%	1	0%	3	0%	4	0%	7	0%
Retail Finance	330	2%	263	2%	196	1%	145	1%	117	1%
<b>Total</b>	<b>13,333</b>	<b>100%</b>	<b>14,587</b>	<b>100%</b>	<b>16,599</b>	<b>100%</b>	<b>15,615</b>	<b>100%</b>	<b>16,539</b>	<b>100%</b>

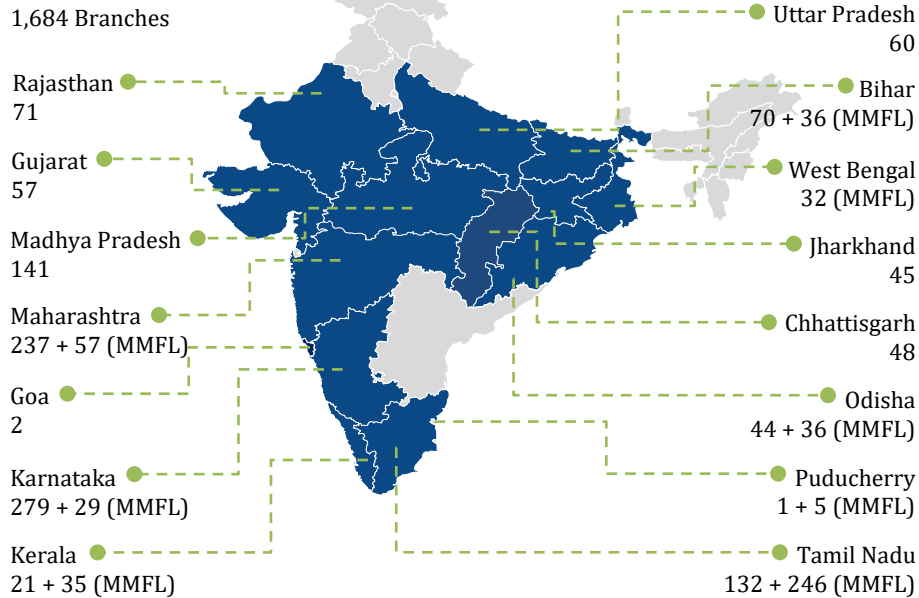
GLP - Avg. O/S Per Loan (INR '000)	Q2 FY22	Q3 FY22	Q4 FY22	Q1 FY23	Q2 FY23
IGL (Incl. MMFL)	26.6	29.5	32.1	30.3	30.0
Family Welfare	4.5	4.5	3.7	9.4	11.0
Home Improvement	9.3	9.6	10.0	9.7	9.4
Emergency	0.9	0.6	0.6	0.8	0.5
Retail Finance	52.9	48.9	47.2	48.8	48.0
<b>Total</b>	<b>25.1</b>	<b>27.6</b>	<b>29.8</b>	<b>28.1</b>	<b>27.4</b>

GLP - Avg. O/S Per Borrower (INR '000)	Q2 FY22	Q3 FY22	Q4 FY22	Q1 FY23	Q2 FY23
CA Grameen	40.6	43.3	47.0	45.6	46.0
MMFL	20.6	24.9	30.8	30.1	33.3
<b>Total</b>	<b>35.5</b>	<b>39.0</b>	<b>43.4</b>	<b>42.3</b>	<b>43.5</b>

# Q2 FY23: Well-Diversified Presence Across India

## Our Presence as on Sep-22

14 States & 1 UT  
333 Districts  
1,684 Branches



Consolidated Exposure of Districts (% of GLP)	Q2 FY23	
	No. of Districts	% of Total Districts
< 0.5%	271	81%
0.5% - 1%	37	11%
1% - 2%	21	6%
2% - 4%	4	1%
> 4%	0	0%
<b>Total</b>	<b>333</b>	<b>100%</b>

Consolidated District in terms of GLP	Q2 FY23 % of Total GLP
Top 1	3%
Top 3	9%
Top 5	13%
Top 10	21%
Other	79%

Q2 FY23 Consolidated	Branches	% Share	Borrowers ('000)	% Share	GLP (INR Cr)	% Share
Karnataka	308	18.3%	1,047	27.6%	5,829	35.2%
Maharashtra	294	17.5%	771	20.3%	3,491	21.1%
Tamil Nadu	378	22.4%	853	22.5%	3,460	20.9%
Madhya Pradesh	141	8.4%	307	8.1%	1,114	6.7%
Other States & UT	563	33.4%	821	21.6%	2,645	16.0%
<b>Total</b>	<b>1,684</b>	<b>100.0%</b>	<b>3,798*</b>	<b>100.0%</b>	<b>16,539</b>	<b>100.0%</b>

\* Excluding 28,477 Common Borrowers



Key Business Updates

Consolidated Results Overview

**CA Grameen: Financial Metrics**

MMFL: Financial Metrics

Investment Rationale

Annexure



# Q2 FY23: CA Grameen Standalone Performance Highlights



**GLP: INR 13,772 Cr**  
**(+23.1% YoY)**

**NIM**  
**12.1%**

**Cost/Income Ratio**  
**36.9%**

**PPOP**  
**INR 285 Cr**  
**(+51.2% YoY)**

**Weighted Avg. COB**  
**9.1%**

**Opex/GLP Ratio**  
**5.0%**

**PAT: INR 159 Cr**  
**(+120.5% YoY)**

**ROA**  
**4.2%**

**Capital Adequacy Ratio**  
**29.0%**

**Total Equity**  
**INR 4,332 Cr**

**ROE**  
**15.1%**

**Tier 1 Ratio**  
**28.2%**

**D/E Ratio**  
**2.3**

**GNPA (GS3): 1.73%**

**Provisioning**  
**2.29%**

**Branches 1,208**  
**(+11.7% YoY)**

**Active Borrowers**

**29.96 Lakh<sup>1</sup>**  
**(+8.8% YoY)**

**NNPA: 0.47%**

**Write-off**  
**INR 113 Cr**

**12,482 Employees**  
**(+9.3% YoY)**

**PAR 90+: 1.39%**

1) 33,909 borrowers were written off during Q2 FY23 while 2,43,715 new borrowers were added during the same period

# Q2 & H1 FY23: CA Grameen Standalone P&L Statement



Profit & Loss Statement (INR Cr)	Q2 FY23	Q2 FY22	YoY%	Q1 FY23	QoQ%	H1 FY23	H1 FY22	YoY%	FY22
Interest Income	644.7	492.0	31.0%	607.3	6.1%	1,252.0	975.6	28.3%	2,124.8
- Interest on Loans <sup>1</sup>	637.1	485.2	31.3%	599.9	6.2%	1,236.9	960.5	28.8%	2,099.3
- Interest on Deposits with Banks and FIs	7.6	6.8	12.2%	7.5	2.1%	15.1	15.1	0.0%	25.5
Income from Direct Assignment	10.9	0.0	-	-1.4	-	9.5	14.7	-35.3%	70.0
Finance Cost on Borrowings	221.3	182.7	21.1%	225.6	-1.9%	446.9	379.1	17.9%	788.1
<b>Net Interest Income</b>	<b>434.3</b>	<b>309.3</b>	<b>40.4%</b>	<b>380.3</b>	<b>14.2%</b>	<b>814.6</b>	<b>611.2</b>	<b>33.3%</b>	<b>1,406.6</b>
Non-interest Income & Other Income <sup>2</sup>	16.7	18.3	-9.0%	15.3	8.9%	32.8	31.1	2.6%	96.4
<b>Total Net Income</b>	<b>451.0</b>	<b>327.6</b>	<b>37.7%</b>	<b>395.6</b>	<b>14.0%</b>	<b>846.6</b>	<b>642.3</b>	<b>31.8%</b>	<b>1,503.1</b>
Employee Expenses	105.9	90.4	17.1%	99.2	6.8%	205.0	170.5	20.3%	353.5
Other Expenses	52.6	42.5	24.0%	43.9	19.8%	96.6	74.1	30.3%	161.3
Depreciation, Amortisation & Impairment	7.9	6.5	22.0%	6.8	15.8%	14.8	12.6	17.4%	26.2
<b>Pre-Provision Operating Profit</b>	<b>284.5</b>	<b>188.2</b>	<b>51.2%</b>	<b>245.7</b>	<b>15.8%</b>	<b>530.2</b>	<b>385.2</b>	<b>37.6%</b>	<b>962.1</b>
Impairment of Financial Instruments	78.0	91.1	-14.4%	66.3	17.5%	144.3	247.4	-41.7%	449.4
<b>Profit Before Tax</b>	<b>206.6</b>	<b>97.1</b>	<b>112.7%</b>	<b>179.3</b>	<b>15.2%</b>	<b>385.9</b>	<b>137.8</b>	<b>180.0%</b>	<b>512.6</b>
Total Tax Expense	47.8	25.1	90.5%	46.8	2.3%	94.6	36.2	161.1%	130.5
<b>Profit After Tax</b>	<b>158.7</b>	<b>72.0</b>	<b>120.5%</b>	<b>132.6</b>	<b>19.7%</b>	<b>291.3</b>	<b>101.6</b>	<b>186.8%</b>	<b>382.1</b>
Key Ratios	Q2 FY23	Q2 FY22		Q1 FY23		H1 FY23	H1 FY22		FY22
Portfolio Yield	19.1%	18.5%		18.4%		18.6%	18.2%		18.3%
Cost of Borrowings	9.1%	9.3%		9.0%		9.1%	9.3%		9.2%
NIM	12.1%	11.3%		11.2%		11.6%	10.7%		11.1%
Cost/Income Ratio	36.9%	42.5%		37.9%		37.4%	40.0%		36.0%
Opex/GLP Ratio	5.0%	5.1%		4.5%		4.7%	4.7%		4.6%

1) Interest income (on Stage 3 portfolio) de-recognized was INR 14.8 Cr in Q2 FY23 (vs INR 20.6 Cr in Q2 FY22) and INR 32.4 Cr in H1 FY23 (vs INR 40.5 Cr in H1 FY22)

2) Bad debt recovery was INR 7.9 Cr in Q2 FY23 (vs INR 11.9 Cr in Q2 FY22) and INR 14.7 Cr in H1 FY23 (vs INR 15.4 Cr in H1 FY22)

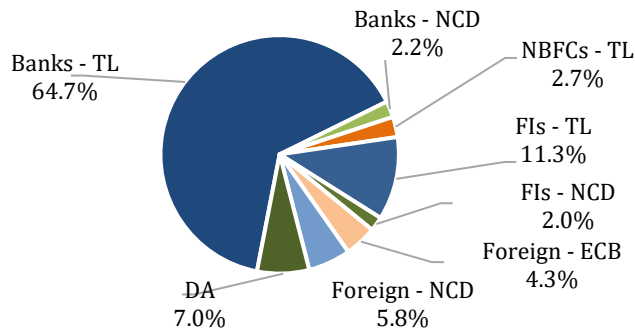
# Q2 & H1 FY23: CA Grameen Standalone Balance Sheet



Balance Sheet (INR Cr)	Q2 FY23	Q2 FY22	YoY%	Q1 FY23	QoQ%	H1 FY23	H1 FY22	FY22
Cash & Other Bank Balances	482.7	1,260.0	-61.7%	1,122.8	-57.0%	482.7	1,260.0	1,534.3
Investments	389.2	107.0	263.7%	172.6	125.5%	389.2	107.0	0.0
Loans - (Net of Impairment Loss Allowance)	12,834.2	9,857.8	30.2%	11,865.1	8.2%	12,834.2	9,857.8	12,201.6
Property, Plant and Equipment	25.8	20.0	29.4%	25.3	2.4%	25.8	20.0	26.1
Intangible Assets	15.9	16.7	-5.2%	16.3	-2.5%	15.9	16.7	17.4
Right to Use Assets	68.6	66.2	3.7%	73.0	-6.1%	68.6	66.2	74.6
Other Financial & Non-Financial Assets	260.3	278.8	-6.6%	235.1	10.7%	260.3	278.8	277.8
Investment in MMFL	663.3	662.7	0.1%	663.3	0.0%	663.3	662.7	663.3
<b>Total Assets</b>	<b>14,740.0</b>	<b>12,269.2</b>	<b>20.1%</b>	<b>14,173.4</b>	<b>4.0%</b>	<b>14,740.0</b>	<b>12,269.2</b>	<b>14,795.1</b>
Debt Securities	1,094.4	1,569.2	-30.3%	1,175.7	-6.9%	1,094.4	1,569.2	1,372.8
Borrowings (other than debt securities)	8,971.8	6,635.2	35.2%	8,550.7	4.9%	8,971.8	6,635.2	9,112.3
Subordinated Liabilities	0.0	25.0	-100.0%	0.0	-	0.0	25.0	0.0
Lease Liabilities	81.1	75.8	7.1%	84.4	-3.9%	81.1	75.8	84.8
Other Financial & Non-financial Liabilities	260.4	233.6	11.4%	260.1	0.1%	260.4	233.6	285.4
<b>Total Equity</b>	<b>4,332.2</b>	<b>3,730.4</b>	<b>16.1%</b>	<b>4,102.5</b>	<b>5.6%</b>	<b>4,332.2</b>	<b>3,730.4</b>	<b>3,939.8</b>
<b>Total Liabilities and Equity</b>	<b>14,740.0</b>	<b>12,269.2</b>	<b>20.1%</b>	<b>14,173.4</b>	<b>4.0%</b>	<b>14,740.0</b>	<b>12,269.2</b>	<b>14,795.1</b>
Key Ratios	Q2 FY23	Q2 FY22		Q1 FY23		H1 FY23	H1 FY22	FY22
ROA	4.2%	2.2%		3.4%		3.8%	1.5%	2.7%
D/E	2.3	2.2		2.4		2.3	2.2	2.7
ROE	15.1%	7.8%		13.2%		14.1%	5.5%	10.1%
GNPA (GL: 60+ dpd, RF: 90+ dpd)	1.73%	7.18%		2.54%		1.73%	7.18%	3.12%
Provisioning	2.29%	5.51%		2.73%		2.29%	5.51%	3.19%

# Q2 FY23: Well-Diversified Liability Mix

## Liability Mix - Institution / Instrument Wise (%)

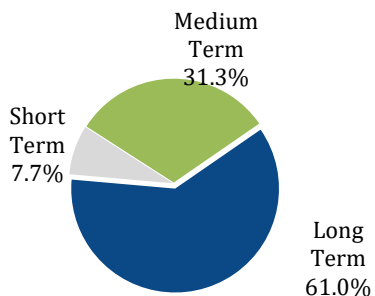


Note: O/S Direct Assignment (Sold Portion) - INR 758.5 Cr

### Focus on dynamic liability management

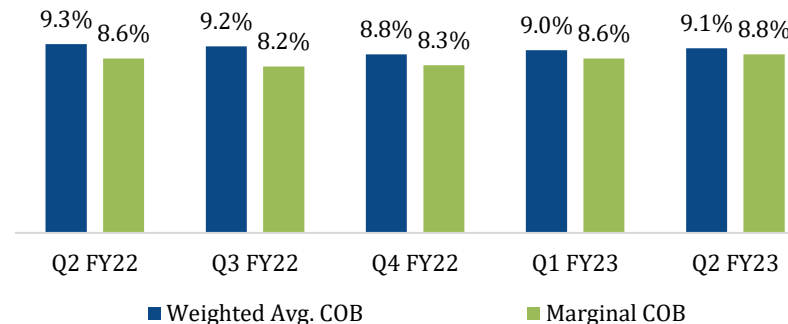
- Focus on long-term funding with strong diversification between domestic & foreign sources
- Target to meet funding requirements through foreign/long-term sources over the medium term, with diversified products
- Diverse lenders' base:
  - 41 Commercial Banks, 2 Financial Institutions, 8 Foreign Institutional Investors, 5 NBFCs
- Continued focus to minimize the cost of borrowing
- **Optimal cost of borrowing despite rising interest rates:** Weighted average cost and the marginal cost of borrowing increased by only 30 bps and 50 bps respectively from Q4 FY22 to Q2 FY23

## Liability Mix - Tenure Wise (%)



	Source	% Mix
Short Term <= 1 year (incl. DA)	Domestic	7.7%
	Foreign	1.6%
Medium Term > 1 year, <= 2 years	Domestic	29.7%
	Foreign	1.6%
Long Term > 2 years	Domestic	50.9%
	Foreign	10.1%

## Cost of Borrowing (%)



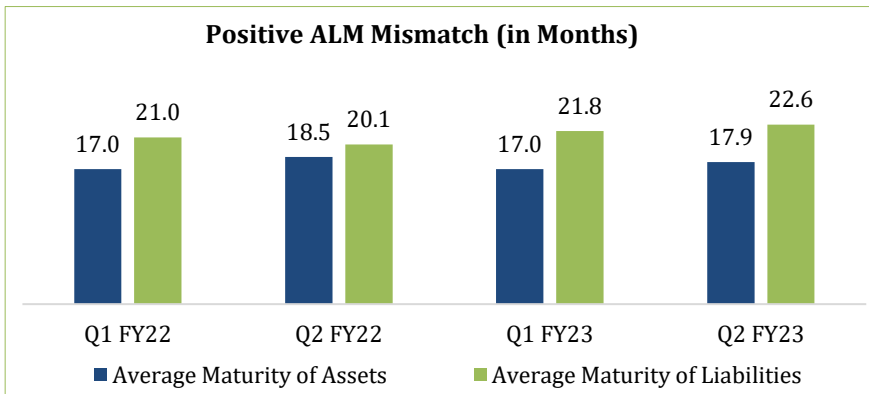
# Q2 FY23: Stable Liquidity/ ALM Position/ Credit Ratings



Static Liquidity / ALM Position Particulars (INR Cr)	For the Month			For the Financial Year	
	Oct-22	Nov-22	Dec-22	FY23 (Oct-22 to Mar-23)	FY24
Opening Cash & Equivalents (A)	983.3	1,220.5	1,558.8	1,763.9	2,898.4
Loan recovery [Principal] (B)	806.4	848.7	824.0	4,732.9	6,659.3
<b>Total Inflow (C=A+B)</b>	<b>1,789.8</b>	<b>2,069.2</b>	<b>2,382.8</b>	<b>6,496.8</b>	<b>9,557.7</b>
Borrowing Repayment [Principal]					
Term loans and Others (D)	434.8	384.2	503.2	2,790.0	3,997.0
NCDs ( E )	0.0	0.0	0.0	171.0	604.0
Direct Assignment (F)	134.4	126.3	115.6	637.4	468.5
<b>Total Outflow G=(D+E+F)</b>	<b>569.2</b>	<b>510.5</b>	<b>618.9</b>	<b>3,598.4</b>	<b>5,069.5</b>
Closing Cash & equivalents (H= C-G)	1,220.5	1,558.8	1,763.9	2,898.4	4,488.1
<b>Static Liquidity (B-G)</b>	<b>237.2</b>	<b>338.2</b>	<b>205.2</b>	<b>1,134.5</b>	<b>1,589.7</b>

Debt Diversification	Q2 FY23
<b>Total Drawdowns</b>	<b>2,305.5</b>
Domestic *	91%
Foreign	9%
<b>Undrawn Sanction</b>	<b>3,839</b>
Domestic	62%
Foreign	38%
<b>Sanctions in Pipeline</b>	<b>5,113</b>
Domestic	81%
Foreign	19%

\* Includes Direct Assignment of 201.1 Cr

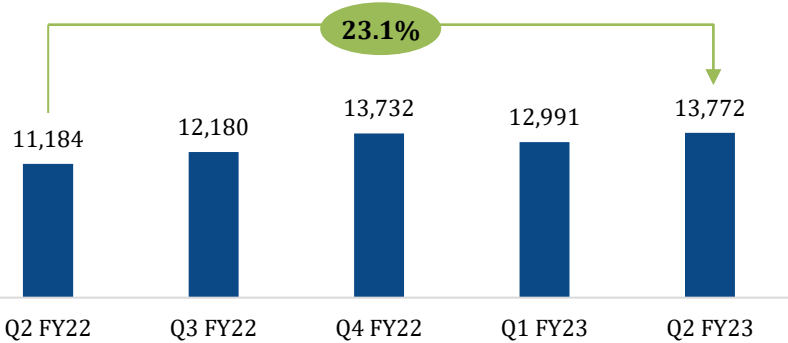


Rating Instrument	Rating Agency	Rating/Grading
Bank Facilities	Ind-Ra	AA- (Stable)
	ICRA	A+ (Positive)
	CRISIL	A+ (Positive)
Non-Convertible Debentures	Ind-Ra	AA- (Stable)
	ICRA	A+ (Positive)
	CRISIL	A+ (Positive)
Commercial Paper	ICRA	A1+
Comprehensive Microfinance Grading *	CRISIL	M1C1
Client Protection Certification	M-CRIL	Gold Level

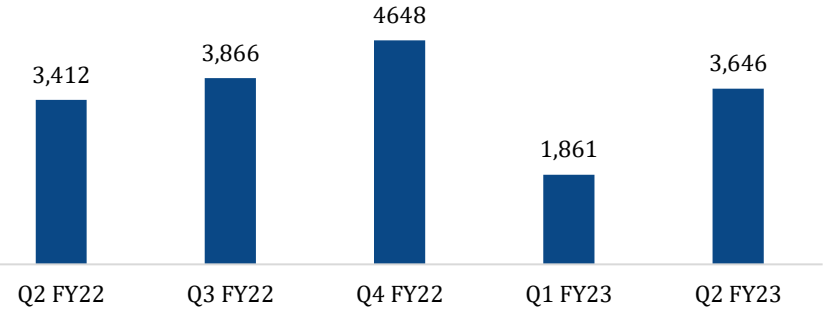
\* Institutional Grading/Code of Conduct Assessment (COCA)

# Q2 FY23: Robust Quarterly Performance Trend (1/2)

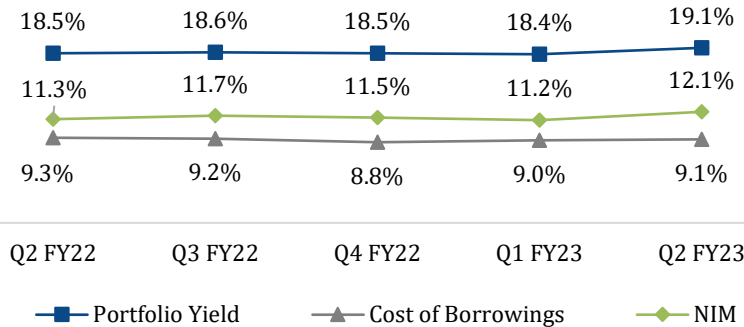
## Gross Loan Portfolio (GLP) (INR Cr)



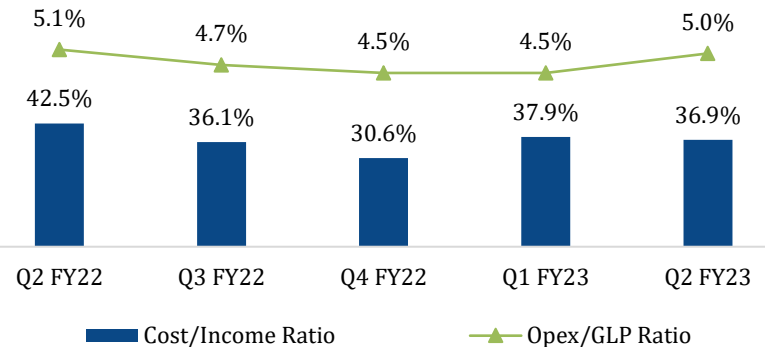
## Disbursements (INR Cr)



## Margin Analysis (%)

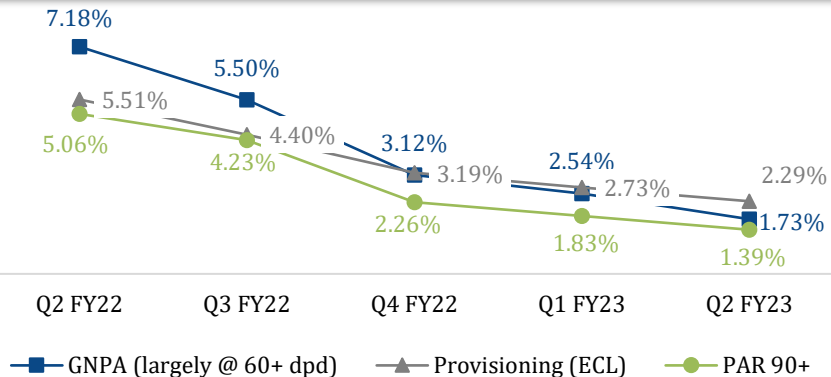


## Operating Efficiency (%)

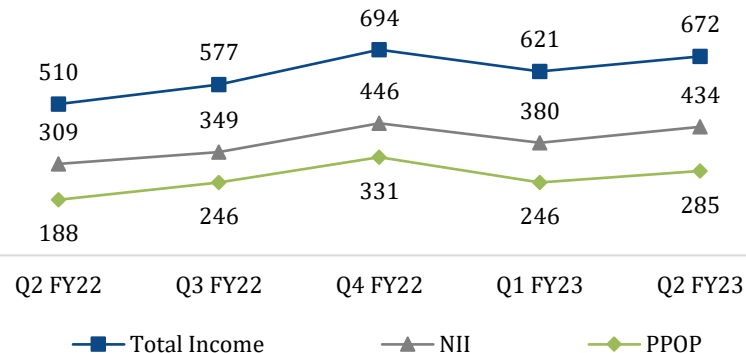


# Q2 FY23: Robust Quarterly Performance Trend (2/2)

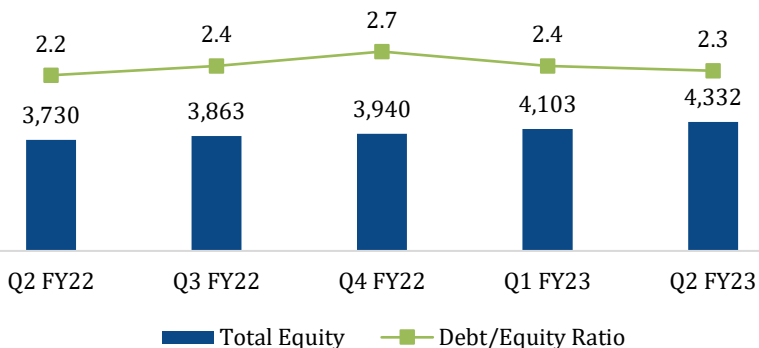
### Asset Quality (%)



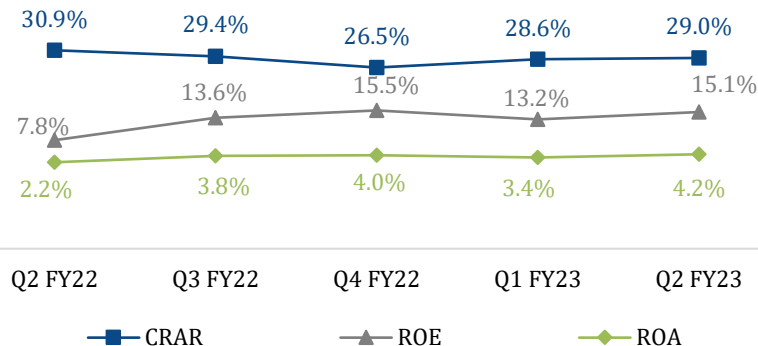
### Total Income, NII, PPOP (INR Cr)



### Total Equity (INR Cr) & Debt/Equity Ratio



### Return Ratios & Capital Adequacy (%)





Key Business Updates

Consolidated Results Overview

CA Grameen: Financial Metrics

**MMFL: Financial Metrics**

Investment Rationale

Annexure



# Q2 FY23: MMFL Performance Highlights



**GLP**  
INR 2,767 Cr  
(28.8% YoY)

**NIM**  
10.4%

**Weighted Avg. COB**  
9.9%

**Cost/Income Ratio**  
40.2%

**Opex/GLP Ratio**  
5.4%

**PPOP**  
INR 54 Cr  
(81.5%)

**PAT**  
INR 20 Cr  
(247.5% YoY)

**ROA**  
2.8%

**Capital Adequacy Ratio**  
22.5%

**Total Equity**  
INR 419 Cr

**ROE**  
20.0%

**Tier 1 Ratio**  
14.8%

**D/E Ratio**  
5.7x

**GNPA (GS3): 4.37%**

**Provisioning**  
3.35%

**Branches 476**  
(2.6% YoY)

**Active Borrowers**  
8.30 Lakh<sup>1</sup>  
(-20.6%)

**NNPA: 2.27%**

**Write-off**  
50 Cr

**Employees 3,536**  
(-9.0% YoY)

**PAR 90+: 3.33%**

1) 66,141 borrowers were written off during Q2 FY23 while 41,133 new borrowers were added during the same period

# Q2 & H1 FY23: MMFL P&L Statement

Profit & Loss Statement (INR Cr)	Q2 FY23	Q2 FY22	YOY%	Q1 FY23	QoQ %	H1 FY23	H1 FY22	YoY%	FY22
Interest income	131.7	105.4	25.0%	134.0	-1.6%	265.7	209.2	27.0%	446.1
- Interest on Loans	130.2	102.9	26.5%	132.8	-1.9%	262.9	203.2	29.4%	437.3
- Income from Securitisation	0.0	0.2	-	0.0	-	0.0	0.7	-100.0%	0.6
- Interest on Deposits with Banks and FIs	1.6	2.2	-30.4%	1.2	30.0%	2.8	5.3	-47.6%	8.3
Income from Direct Assignment	7.2	0.0	-	6.5	10.7%	13.7	0.0	-	0.0
Finance Cost on Borrowings	57.1	46.7	22.3%	59.2	-3.6%	116.3	99.5	16.9%	201.0
Cost on Financial Liability towards Securitisation	0.0	0.0	-	0.0	-	0.0	0.2	-100.0%	0.2
<b>Net Interest Income</b>	<b>81.9</b>	<b>58.7</b>	<b>39.4%</b>	<b>81.2</b>	<b>0.8%</b>	<b>163.1</b>	<b>109.4</b>	<b>49.0%</b>	<b>244.9</b>
Non-interest Income & Other Income	8.2	2.9	189.0%	4.0	108.5%	12.2	6.2	96.6%	16.7
<b>Total Net Income</b>	<b>90.1</b>	<b>61.6</b>	<b>46.4%</b>	<b>85.2</b>	<b>5.8%</b>	<b>175.3</b>	<b>115.6</b>	<b>51.6%</b>	<b>261.6</b>
Employee Expenses	23.8	21.4	11.2%	24.7	-3.8%	48.6	42.0	15.5%	84.1
Other Expenses	11.6	9.1	27.3%	11.3	2.5%	22.8	17.9	27.4%	42.6
Depreciation, Amortisation & Impairment	0.8	1.4	-41.0%	1.0	-17.2%	1.8	2.4	-26.7%	4.6
<b>Pre-Provision Operating Profit</b>	<b>53.9</b>	<b>29.7</b>	<b>81.5%</b>	<b>48.2</b>	<b>11.9%</b>	<b>102.1</b>	<b>53.3</b>	<b>91.7%</b>	<b>130.3</b>
Impairment of Financial Instruments	27.4	48.8	-43.9%	34.6	-20.8%	62.0	80.4	-22.9%	147.3
<b>Profit Before Tax</b>	<b>26.5</b>	<b>-19.1</b>	<b>238.8%</b>	<b>13.6</b>	<b>94.8%</b>	<b>40.1</b>	<b>-27.1</b>	<b>247.9%</b>	<b>-17.0</b>
Total Tax Expense	6.1	-5.2	215.8%	3.5	71.9%	9.6	-7.1	235.7%	-3.1
<b>Profit After Tax</b>	<b>20.5</b>	<b>-13.9</b>	<b>247.5%</b>	<b>10.1</b>	<b>102.8%</b>	<b>30.6</b>	<b>-20.1</b>	<b>252.2%</b>	<b>-13.9</b>
Key Ratios	Q2 FY23	Q2 FY22		Q1 FY23		H1 FY23	H1 FY22		FY22
Portfolio Yield	19.3%	20.0%		18.8%		18.8%	19.5%		18.6%
Cost of Borrowings	9.9%	10.6%		9.7%		9.8%	10.6%		10.2%
NIM	10.4%	10.6%		9.9%		10.1%	9.6%		9.7%
Cost/Income Ratio	40.2%	51.8%		43.4%		41.7%	53.9%		50.2%
Opex/GLP Ratio	5.4%	6.1%		5.4%		5.3%	5.8%		5.6%

1) Interest income (on Stage 3 portfolio) de-recognized was INR 5.7 Cr in Q2 FY23 (vs INR 0.0 Cr in Q2 FY22) and INR 10.1 Cr in H1 FY23 (vs INR 1.4 Cr in H1 FY22)

2) Bad debt recovery was INR 6.6 Cr in Q2 FY23 (vs INR 1.7 Cr in Q2 FY22) and INR 10.1 Cr in H1 FY23 (vs INR 3.0 Cr in H1 FY22)

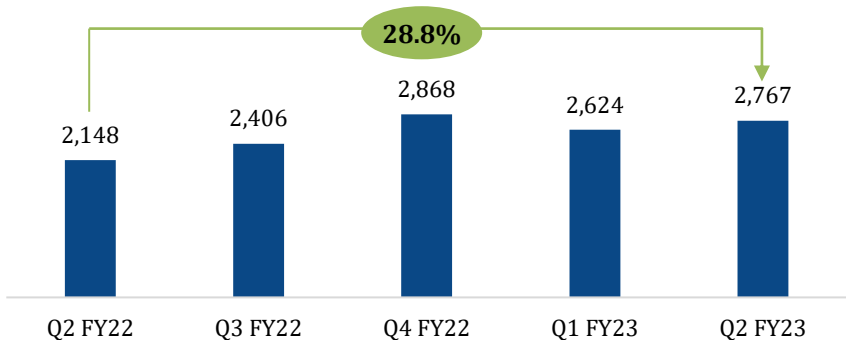
# Q2 & H1 FY23: MMFL Balance Sheet

Balance Sheet (INR Cr)	Q2FY23	Q2FY22	YOY%	Q1FY23	QoQ %	H1 FY23	H1 FY22	FY22
Cash & Other Bank Balances	274.4	251.9	8.9%	244.6	12.2%	274.4	251.9	227.0
Balance Sheet Assets (Net of Impairment Loss Allowance)	2,511.3	1,915.1	31.1%	2,422.1	3.7%	2,511.3	1,915.1	2,713.3
Securitized Assets	0.0	3.3	-100.0%	0.0		0.0	3.3	0.0
Property, Plant and Equipment	5.0	6.4	-21.7%	5.3	-6.6%	5.0	6.4	5.6
Intangible Assets	2.5	3.3	-25.5%	2.7	-7.9%	2.5	3.3	2.9
Right to Use Assets	0.0	0.5	-100.0%	0.0	-100.0%	0.0	0.5	0.1
Other Financial & Non-Financial Assets	56.0	57.3	-2.3%	54.8	2.1%	56.0	57.3	49.2
<b>Total Assets</b>	<b>2,849.1</b>	<b>2,237.6</b>	<b>27.3%</b>	<b>2,729.6</b>	<b>4.4%</b>	<b>2,849.1</b>	<b>2,237.6</b>	<b>2,998.2</b>
Debt Securities	0.0	114.1	-100.0%	0.0		0.0	114.1	44.8
Borrowings (other than debt securities)	2,160.0	1,627.9	32.7%	2,073.6	4.2%	2,160.0	1,627.9	2,312.5
Subordinated Liabilities	228.3	78.6	190.4%	226.4	0.8%	228.3	78.6	224.5
Financial Liability towards Portfolio Securitized	0.0	0.1	-100.0%	0.0		0.0	0.1	0.0
Lease Liabilities	0.0	0.5	-100.0%	0.1	-100.0%	0.0	0.5	0.2
Other Financial & Non-financial Liabilities	42.3	35.0	21.1%	31.3	35.2%	42.3	35.0	28.4
<b>Total Equity</b>	<b>418.6</b>	<b>381.4</b>	<b>9.7%</b>	<b>395.2</b>	<b>5.9%</b>	<b>418.6</b>	<b>381.4</b>	<b>387.7</b>
<b>Total Liabilities and Equity</b>	<b>2,849.1</b>	<b>2,237.6</b>	<b>27.3%</b>	<b>2,726.6</b>	<b>4.5%</b>	<b>2,849.1</b>	<b>2,237.6</b>	<b>2,998.2</b>
Key Ratios	Q2FY23	Q2FY22		Q1FY23		H1 FY23	H1 FY22	FY22
ROA	2.8%	-2.3%		1.4%		2.1%	-1.6%	-0.5%
D/E	5.7	4.8		5.8		5.7	4.8	6.7
ROE	20.0%	-14.3%		10.3%		15.2%	-10.2%	-3.6%
GNPA (60+ dpd beginning from Q2 FY22)	4.37%	10.15%		5.83%		4.37%	10.15%	5.82%
Provisioning	3.35%	7.83%		4.33%		3.35%	7.83%	4.57%

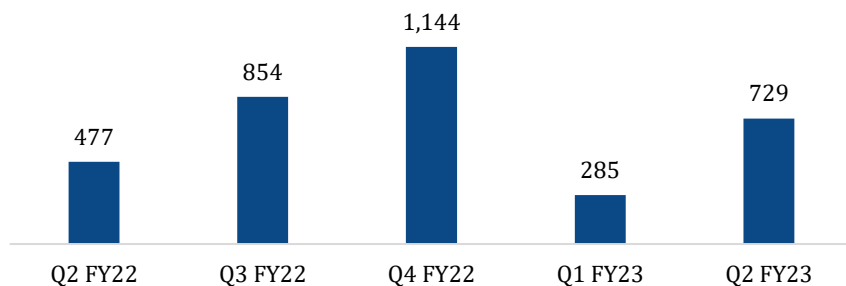
# Q2 FY23: MMFL Quarterly Performance Trend (1/2)



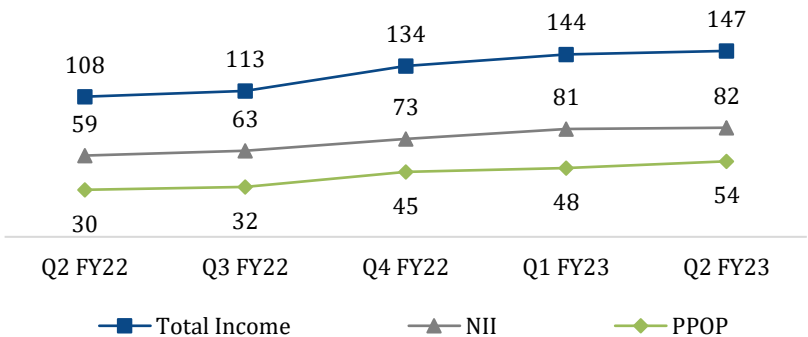
**Gross Loan Portfolio (GLP) (INR Cr)**



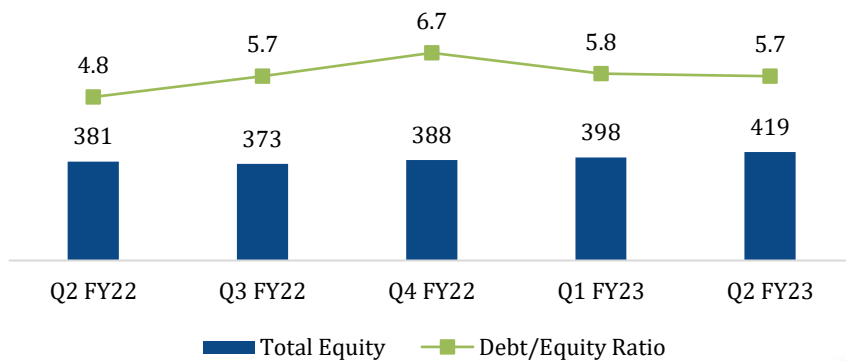
**Disbursements (INR Cr)**



**Total Income, NII, PPOP (INR Cr)**

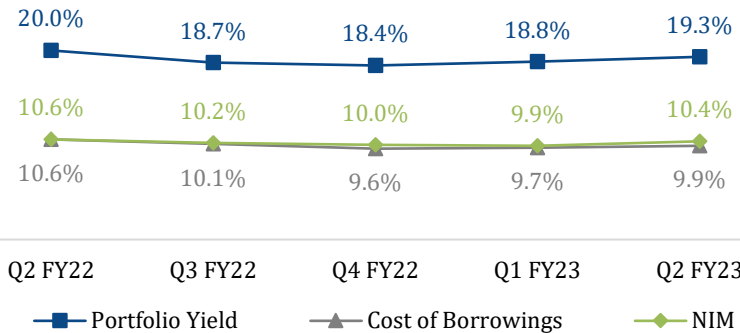


**Total Equity (INR Cr) & Debt/Equity Ratio**

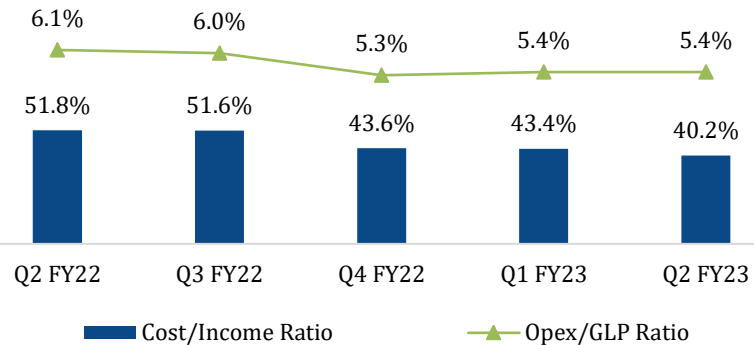


# Q2 FY23: MMFL Quarterly Performance Trend (2/2)

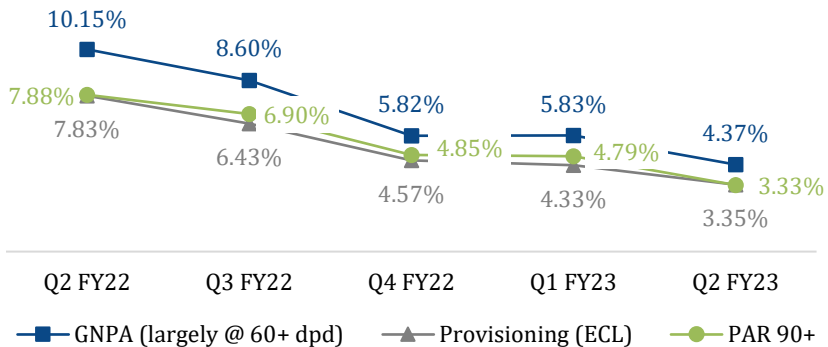
## Margin Analysis (%)



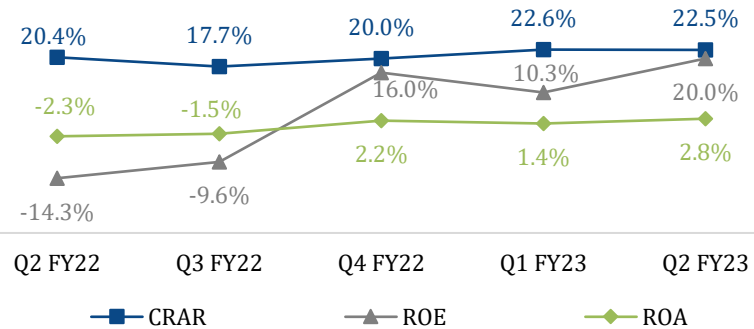
## Operating Efficiency (%)



## Asset Quality (%)



## Return Ratios & Capital Adequacy (%)



# Q2 FY23: MMFL Diversified Liability, Stable Liquidity, Positive ALM



Liability Mix - Institution / Instrument Wise	Q2 FY23
Banks – Term Loan	71.7%
FIs – Term Loan	6.2%
NBFCs – Term Loan	6.5%
Sub-Debt	8.8%
Direct Assignment <sup>1</sup>	6.7%

1) O/S Direct Assignment (Sold Portion): INR 172.3 Cr

Liability Mix – Tenure Wise	Q2 FY23
<= 1 Years	3.2%
> 1 & <= 2 Years	62.2%
> 2 Years	34.6%

Credit Rating	Rating Agency	Rating / Grading
Bank Facilities	ICRA CARE	A- (OWP)
Sub- Debt	ICRA	A- (OWP)
MFI	CARE	MF12+

OWP – On watch with positive implication

Static Liquidity / ALM Position Particulars (INR Cr)	For the month		
	Oct-22	Nov-22	Dec-22
Opening Cash & Equivalents (A)	262.0	303.0	357.0
Loan recovery [Principal] (B)	210.9	215.4	222.1
<b>Total Inflow (C=A+B)</b>	<b>472.9</b>	<b>518.4</b>	<b>579.1</b>
Borrowing Repayment [Principal]			
Term loans and Others (D)	153.4	145.4	162.6
Securitisation and DA (E)	16.5	16.0	15.9
<b>Total Outflow G=(D+E)</b>	<b>169.9</b>	<b>161.4</b>	<b>178.5</b>
Closing Cash & equivalents (H= C-G)	303.0	357.0	400.6
<b>Static Liquidity (B-G)</b>	<b>41.0</b>	<b>54.0</b>	<b>43.6</b>

Debt Drawdowns (INR Cr)	Q2 FY23	Undrawn Sanctions as on 30 <sup>th</sup> September 2022	Sanctions in Pipeline as on 30 <sup>th</sup> September 2022
NBFCs – TL	45.0	INR 185 Cr	INR 525 Cr
Banks – TL	434.0		
Direct Assignment	108.8		
<b>Total</b>	<b>587.8</b>		

Key Business Updates

Consolidated Results Overview

CA Grameen: Financial Metrics

MMFL: Financial Metrics

**Investment Rationale**

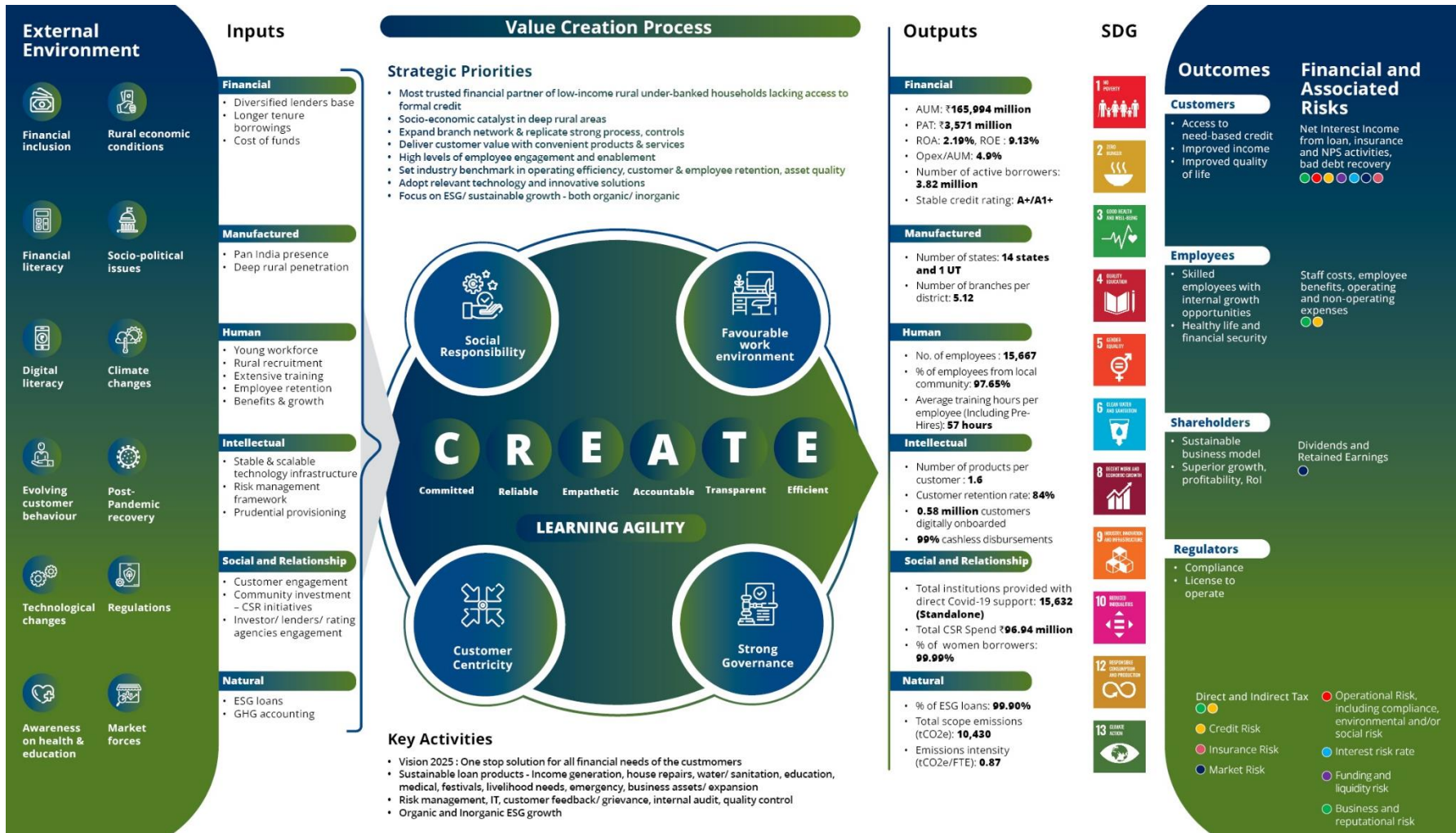
Annexure





# Business Model with Inherent ESG Adherence (1/2)

Note: All performance metrics are as on FY22



- ### Key Activities
- Vision 2025 : One stop solution for all financial needs of the customers
  - Sustainable loan products - Income generation, house repairs, water/ sanitation, education, medical, festivals, livelihood needs, emergency, business assets/ expansion
  - Risk management, IT, customer feedback/ grievance, internal audit, quality control
  - Organic and Inorganic ESG growth

# Business Model with Inherent ESG Adherence (2/2)

Note: All performance metrics are as on FY22

## Environmental

- **Positive E & S impact:** 99.9% loans
- **Emissions Measurement: (Standalone)**

Emissions	Intensity (tCO2/FTE)
Scope 1	0.00
Scope 2	0.28
Scope 3	0.59

- **Aim to achieve Net Zero operations in long term**

## Community Focus / Strategic CSR:

- **Covid support:** 758,144 beneficiaries from 16,667 institutions
- **Vaccination drive:** 35,344 beneficiaries
- **Anganawadi improvement program:** 21,613 beneficiaries
- **Disaster relief support:** 23,893 beneficiaries
- **Other initiatives & plans:**
  - Mobile health check-up vehicles
  - Improvements in rural health infrastructure
  - Improvements in rural education
  - Livelihood & skill development for rural youth and differently abled children
  - Rainwater harvesting
  - Groundwater improvement programme

## Social

- **Customer Protection / Fair Practices:**



- **Employee Centricity / Well-Being:**



## Governance

- **Board structure:**
  - 57% independent, 29% women
- **Committees of the Board:**

Stakeholders' Relationship	Asset Liability Management
Nomination and Remuneration	Executive Borrowings & Investment
CSR & ESG	Audit
Risk Management	IT Strategy

- **ESG Policy framework**

ESG Policy
ESMS Policy
Energy Management Policy
Waste Management Policy
Anti-Bribery Policy & Anti-Corruption Policy
Anti-Money Laundering & Anti-Terrorism Financing Policy
IT/Cyber Security Policy
Business Continuity Policy
Board Diversity and Inclusion Policy
Whistleblower Policy
Tax Policy
Corporate Governance Policy
Gender/Equal Opportunity Policy
Human Rights Policy
Corporate Social Responsibility Policy
Employees Code of Conduct Policy
Remuneration Policy
Vendor Management Policy
Non-Discrimination and Anti-Harassment Policy
Prevention of Sexual Harassment (POSH) Policy
Client Data Privacy Policy

# Committed to Basics Through Classical JLG Lending Model

**Microfinance loans are unsecured. JLG mechanism acts as security/ loan collateral**

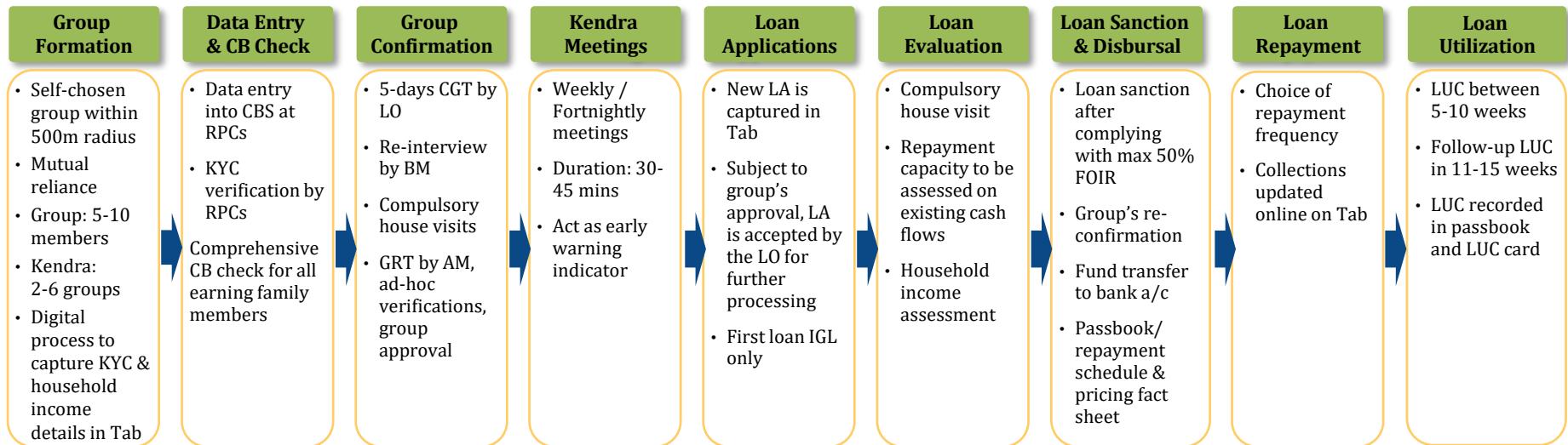
JLG Benefits:

- ✓ Strong group bonding
- ✓ Mutual support – both financial & emotional
- ✓ Guidance & grievance resolution
- ✓ Building awareness
- ✓ High quality customer – good behaviour & strong credit discipline

**Fully aligned with new harmonized guidelines in terms of -**

- ✓ Formulation of Board approved policies
- ✓ Process modifications
- ✓ Underwriting changes
- ✓ Technology changes in Core Banking System
- ✓ Training to all the employees

## JLG Mechanism allows Multiple Layers of Checks before and after disbursement of loan



Note: CB: Credit Bureau, CBS: Core Banking System, RPC: Regional Processing Center, CGT: Compulsory Group Training, LO: Loan Officer, BM: Branch Manager, AM: Area Manager, LA: Loan Application, LUC: Loan Utilization Check

“One of the Lowest Cost Organised Financer” - One Stop Shop providing Support to Various Lifecycle Needs of the Customer

✓ One of the lowest lending rates in MFI industry

✓ **Diverse product suite:**

- Income generation, education, festival, medical, emergency, water, sanitation, home improvement, livelihood improvement, business expansion

✓ **Loan size flexibility:**

- Ability to borrow as required within assigned credit limit
- Ability to avail multiple loans with flexible size

✓ **Repayment flexibility:**

- Weekly/ bi-weekly/ monthly repayment options
- Ability to choose repayment frequency based on cash flow cycle
- No pre-payment penalty

Loan Type	Customer Centric Products	Purpose	Ticket Size (INR)	Tenure (months)
Group	Income Generation Loan (IGL)	Business Investments and Income Enhancement activities	5,000 - 1,00,000	12 - 36
Group	Home Improvement Loan	Water Connections, Sanitation and Home Improvement & Extensions	5,000 - 50,000	12 - 36
Group	Family Welfare Loan	Festival, Medical, Education and Livelihood Improvement	Up to 20,000	3 - 12
Group	Emergency Loan	Emergencies	1,000	3
Retail Finance	Retail Finance Loan	Purchase of inventory, machine, assets or for making capital investment in business or business expansion	Up to 20,00,000	6 - 180

High customer satisfaction & borrower retention rate

Sustainable & Socially Relevant

Significant growth from existing customer

Lower customer acquisition cost

# Calibrated Expansion Through Contiguous District-Based Approach



Systematic geography selection based on availability of infrastructure, competition, historical performance trend, social/ economic/ political/ climate risk, growth potential



Ensures consistent replication of processes/ controls



Familiarity with demographics/ culture of nearby districts enables effective customer evaluation and better servicing



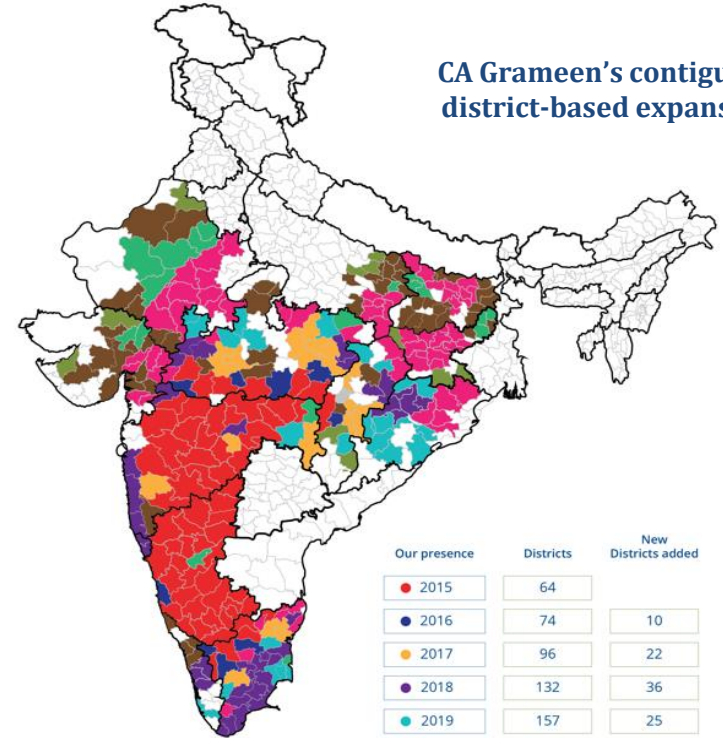
Achieving deeper penetration within a particular district within three years of commencement of operations



Gradual expansion into the next (typically adjoining) district

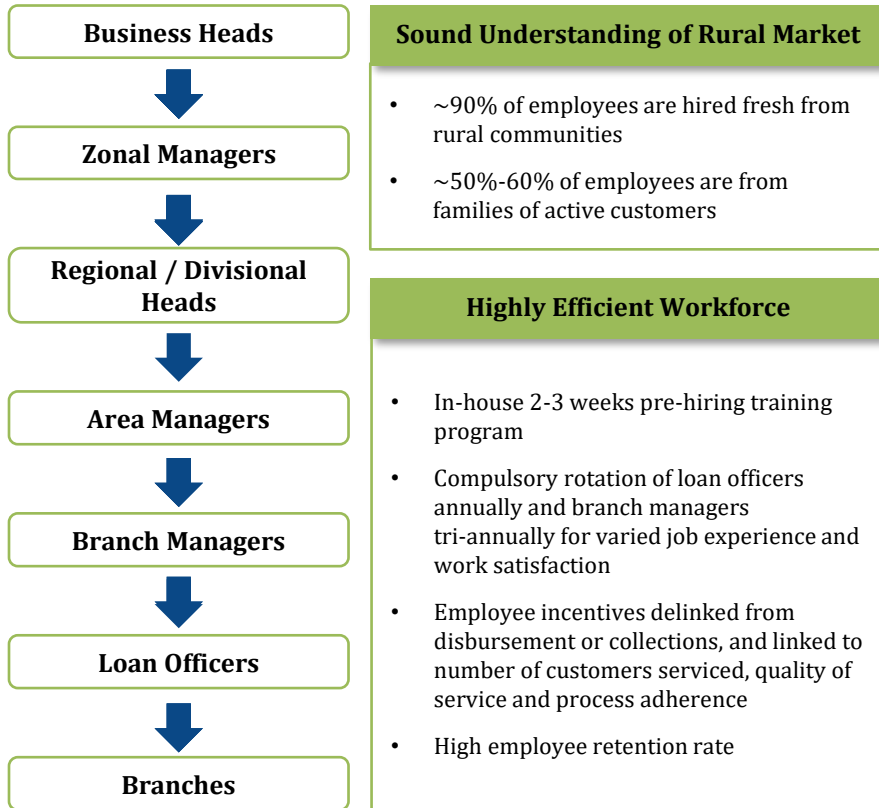


Lower exposure to a particular district (99% of districts  $\leq$  2% of GLP, No single district has > 4% of total GLP)



Our presence	Districts	New Districts added
● 2015	64	
● 2016	74	10
● 2017	96	22
● 2018	132	36
● 2019	157	25
● 2020	230	73
● 2021	247	17
● 2022	301	54
● 3M 2023	312	11

## Well-Established Operational Structure



## Multi-Pronged Approach For Risk Management

- ✓

**Internal Audit (IA):**

  - IA frequency – 6 times in a year at branches, 4 times at RO, 4 times at HO
  - The entire audit process is automated enabling real-time data analytics
  - The Audit Committee of our Board is updated every quarter on significant internal audit observations, compliances, risk management practices and control systems
  
- ✓

**Quality Control (Business Support):**

  - Fort-nightly branch visits
  - Complements internal audit function by early identification of operational risks
  - Branch sanitization, fraud investigation, PAR investigation, support new business expansion
  
- ✓

**Field Risk Control (FRC):**

  - FRC adds strength to proactive operational risk management
  - FRC complements the field operations supervision, quality control and internal audit function

Ensures Quick And Seamless Delivery of Need Based Financial Products and Services backed by Robust Technology Infrastructure



## High touch-high tech delivery model:

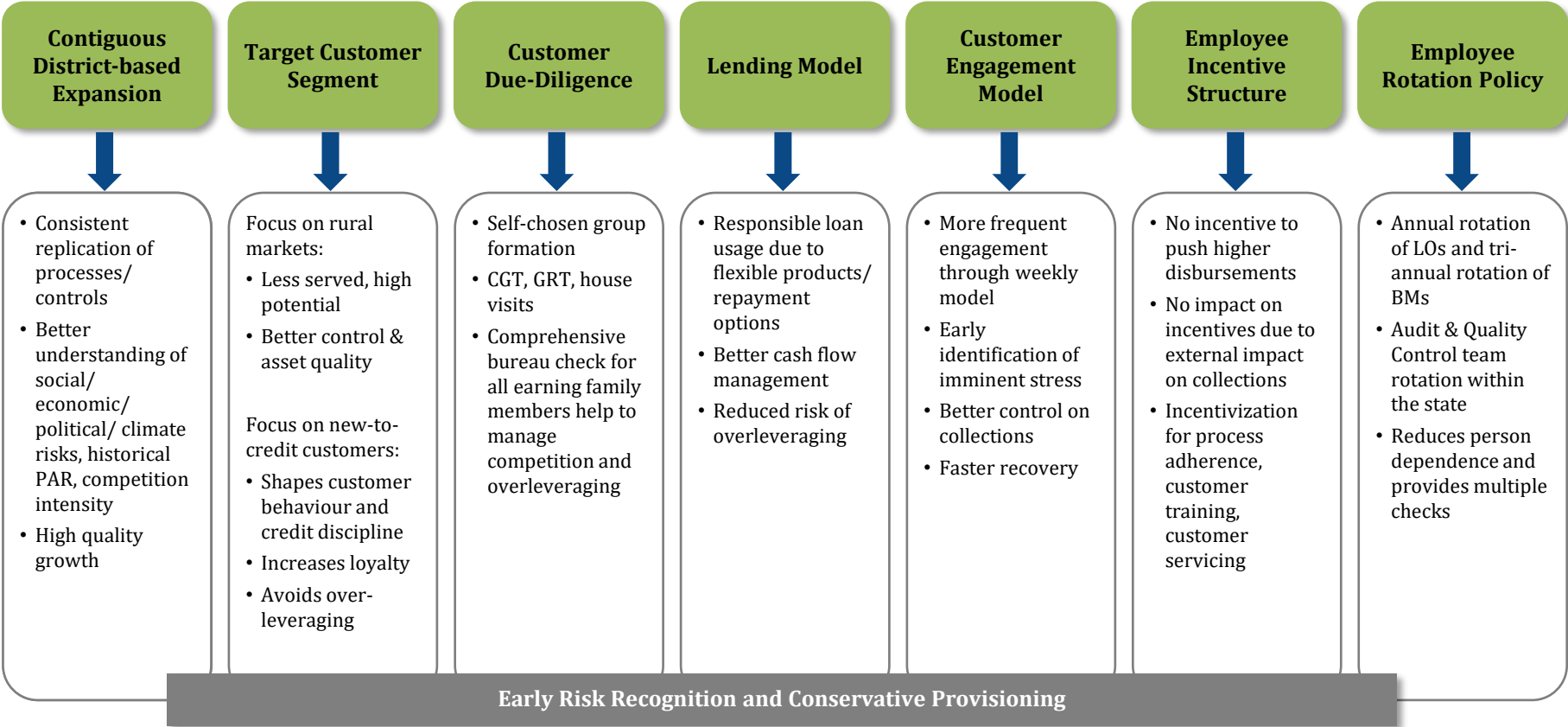
- Digitized all customer touchpoints
- Field staff equipped with handheld tabs for managing Kendra meetings & collections
- Automated/ paperless customer on-boarding, faster KYC, and CB checks
- Lower TAT, same day and on-field loan disbursements
- Geotagging of Kendra locations to optimize field visits
- Cashless disbursement / digital repayment options for customers
- Robust CBS to support innovative product features, and enhanced data analytics for anticipating future trends
- Strong tech-enabled internal audit, risk, and control systems to enable real-time field risk monitoring



## Future Upgrades & Investments

- Upgradation of CBS to the latest version over the next 18-24 months to enable higher business scalability
- Investment in Enterprise Service Bus and Microservices Architecture will allow us to be more agile and connect seamlessly with external financial and fintech ecosystems
- Enhancement of existing mobility apps including automation of entry through image reading, single platform for all apps
- Extension of workflow capabilities for process automation and more RPA enabled processes for faster processing
- Active exploration of partnerships with fintech players to implement innovative digital solutions
- Investment in zero code platforms and tools leading to faster implementation of new technologies

**Microfinance is a Collection Business, hence Risk Management is Integral to Core Strategy and Operating Processes**







## Committed to Micro Finance Business

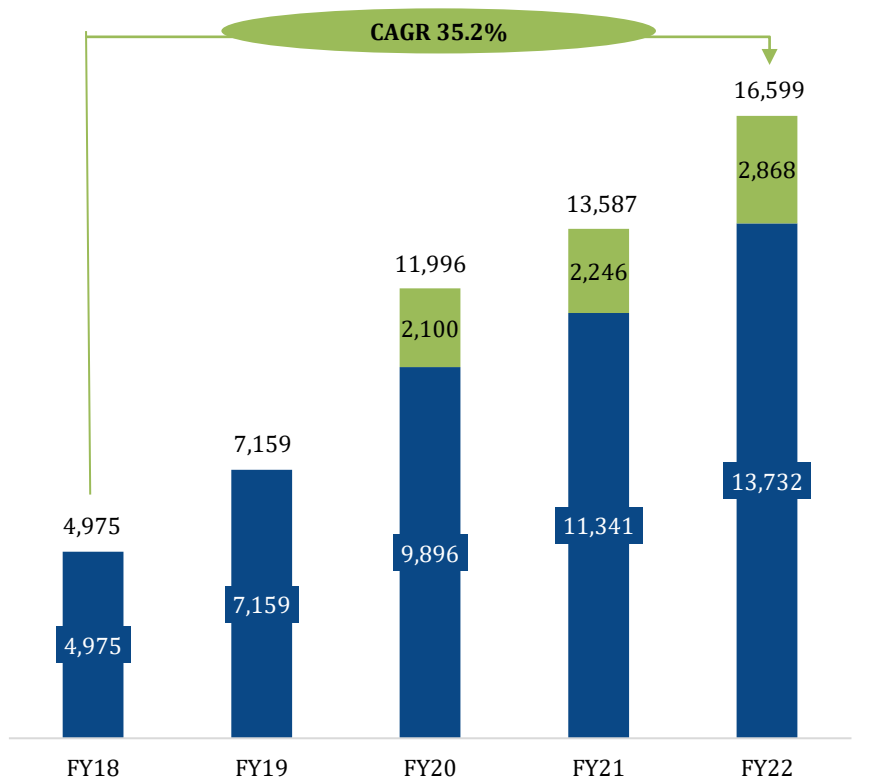
- CreditAccess India N.V. (CAI) specialises in Micro and Small Enterprises financing
- Widely held shareholding base: 253 shareholders
- Olympus ACF Pte Ltd. 15.4%, Asian Development Bank 8.8%, individuals/HNIs/Family Offices 75.8%
- Headquartered in Amsterdam, The Netherlands

## Strong Financial Support

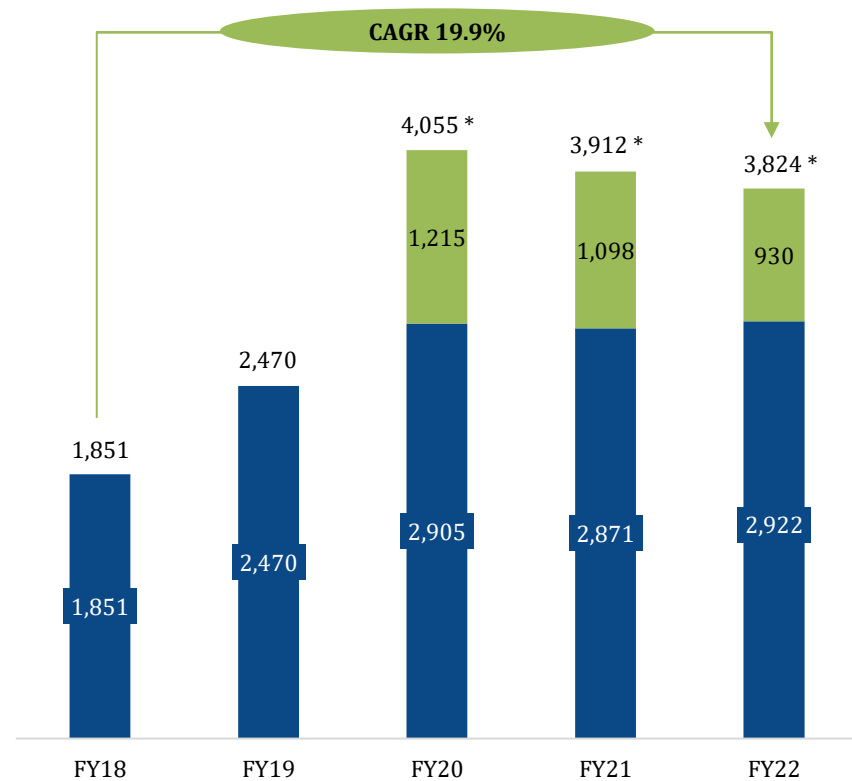
- Invested through multiple rounds of capital funding along with secondary purchases during 2009 to 2017
- Displayed trust in our business model post demonetisation by infusing INR 550 Cr in FY17
- Provides access to global fundraising opportunities leveraging CAI's network and relationships
- Holds 73.74% in CA Grameen, committed to holding up to the regulatory requirement in future

# Past Five Years Performance Track Record (1/3)

**Gross Loan Portfolio (GLP) (INR Cr)**



**Active Borrowers ('000)**

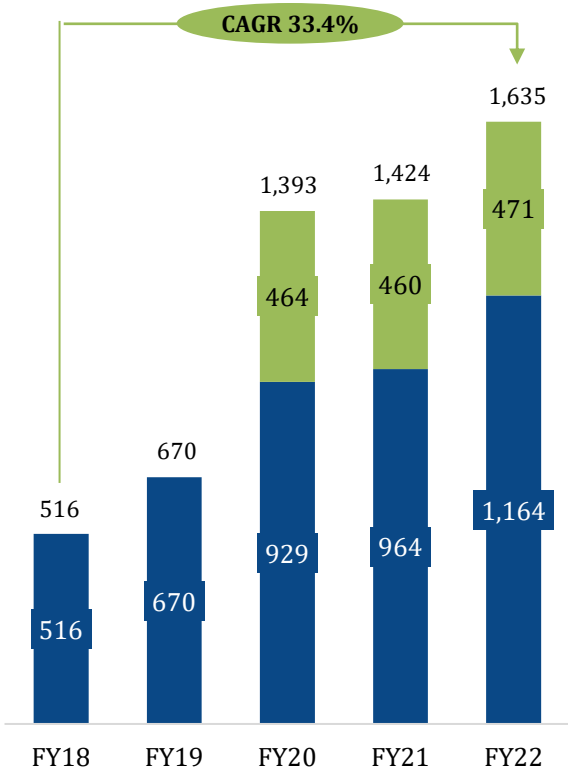


■ CA Grameen    ■ MMFL

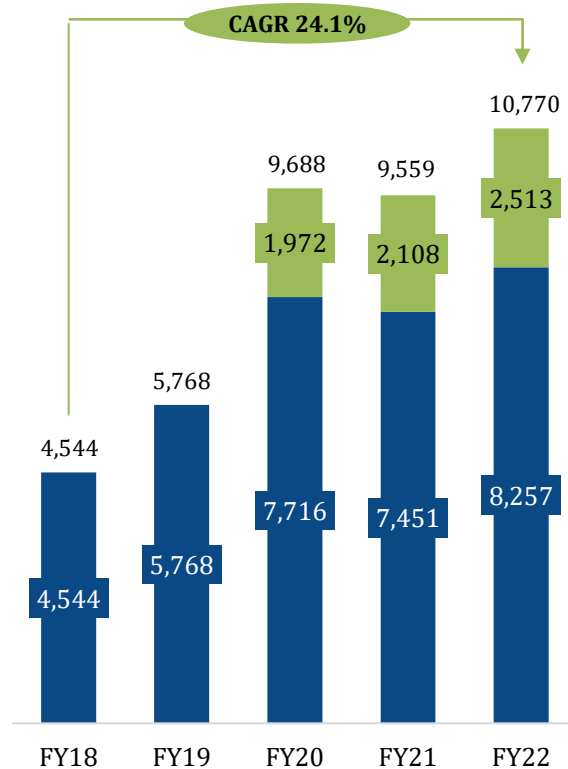
\* Excluding Common Borrowers

# Past Five Years Performance Track Record (2/3)

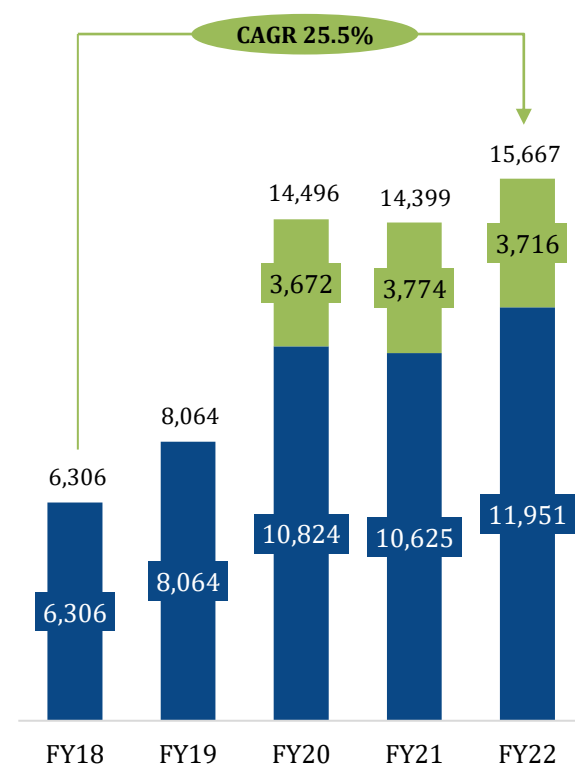
## Branch Network



## Loan Officers



## Employees

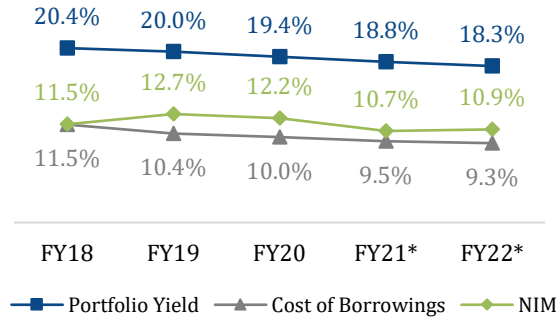


■ CA Grameen    ■ MMFL

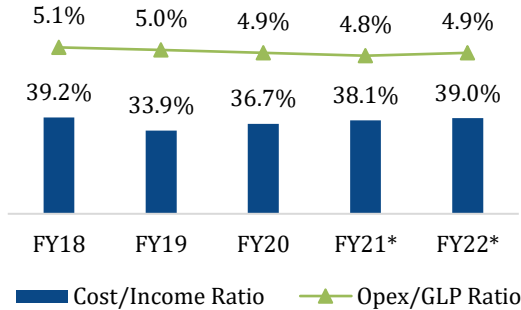
# Past Five Years Performance Track Record (3/3)

Note: Refer Annexure for definition of key ratios

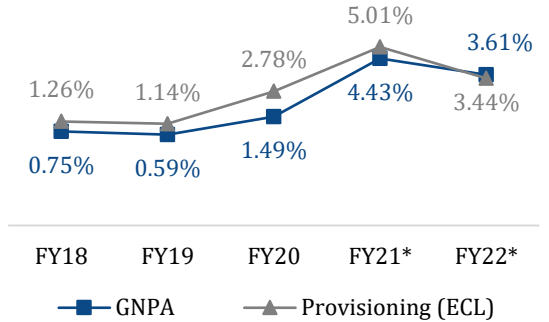
## Margin Analysis (%)



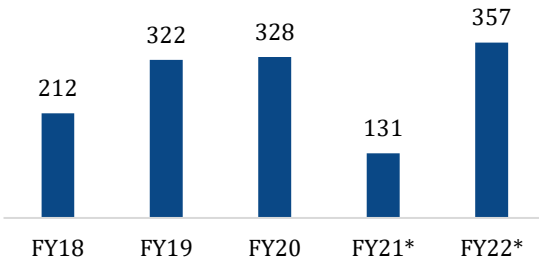
## Operating Efficiency (%)



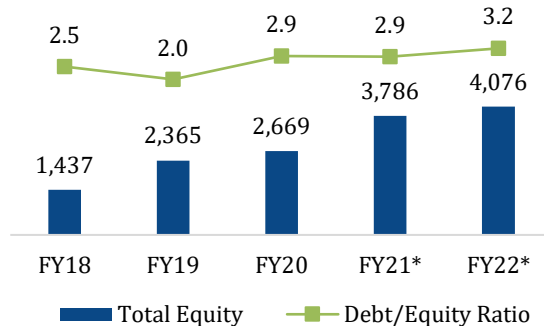
## Asset Quality (%)



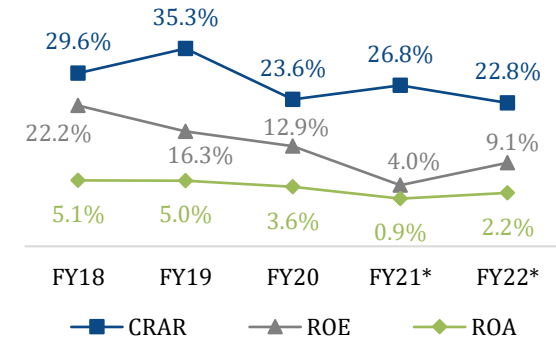
## PAT (INR Cr)



## Total Equity (INR Cr) & Debt/Equity Ratio



## Return Ratios & Capital Adequacy (%)



\*Consolidated Figures

Key Business Updates

Consolidated Results Overview

CA Grameen: Financial & Operational Metrics

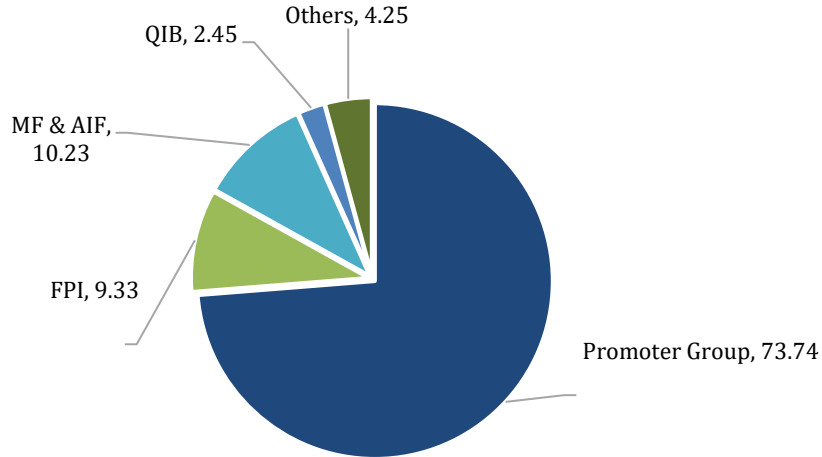
MMFL: Financial & Operational Metrics

Investment Rationale

**Annexure**



## Shareholding Pattern – September 2022



## Top 10 Institutional Investors – September 2022

**Eastspring Investments**

**Edelweiss Mutual Fund**

**Government Pension Fund Global**

**ICICI Prudential Life Insurance**

**Nippon Mutual Fund**

**SBI Mutual Fund**

**T Rowe Price**

**Tata AIA Life Insurance**

**UTI Mutual Fund**

**Vanguard**

## Key Ratios: Definitions

1. Portfolio Yield = (Interest on loans – processing fees + Income from securitisation) / Avg. quarterly on-book loans
2. Cost of Borrowings / Weighted Avg. COB = (Borrowing cost – finance lease charges) / Daily average borrowings
3. Marginal COB = (Borrowings availed during the period \* interest rate + processing fees and other charges) / Borrowings availed during the period
4. NIM = (NII – processing fees, interest on deposits, income from direct assignment + finance lease charges) / Avg. quarterly on-book loans
5. Cost/Income Ratio = Operating cost / Total Net Income
6. Opex/GLP Ratio = Operating cost / Avg. quarterly GLP
7. ROA = PAT/Avg. Quarterly Total Assets (including direct assignment) (Annualized), ROE = PAT/Avg. Quarterly Total Equity (Annualized)
8. Debt = Debt Securities + Borrowings (other than debt securities) + Subordinated Liabilities
9. GNPA = Stage III exposure at default / (Sum of exposure at default of Stage I + Stage II + Stage III)
10. NNPA = (Stage III exposure at default – Stage III ECL) / (Sum of exposure at default of Stage I + Stage II + Stage III – Stage III ECL)



## For Further Queries:

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