

Ref: CAGL/EQ/2023-24/17

May 16, 2023

**To**  
**BSE Limited**  
**Phiroze Jeejeebhoy Towers**  
**Dalal Street**  
**Mumbai - 400001**  
Scrip code: 541770

**National Stock Exchange of India Limited**  
**The Exchange Plaza, C-1, Block G**  
**Bandra Kurla Complex**  
**Bandra (East), Mumbai - 400051**  
Symbol: CREDITACC

Dear Sir/Madam,

**Sub.: Investors Presentation**

Pursuant to Regulation 30 and 46(2)(o) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit the Investors Presentation for the Fourth Quarter and Financial Year ended March 31, 2023. The same is also hosted on the website of the company at [www.creditaccessgrameen.in](http://www.creditaccessgrameen.in).

Thanking you,

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

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

Encl.: As Above



CreditAccess Grameen Limited

Q4 & FY23 Investor Presentation

May 2023



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**TIME** AND **TRUST**

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## Key Business Updates

Financial Results Overview

Investment Rationale



- ✓ First Pure-play MFI To Cross INR 20,000 Crore Portfolio Mark
- ✓ Credit Rating Upgrade From ICRA And Ind-Ra To AA- (Stable), Highest Rating For Standalone MFI
- ✓ Maiden Public NCD Issue Worth INR 500 Crore
- ✓ First-of It's Kind USD 35 Million Direct Funding From DFC (USA)
- ✓ Completion Of Legal Merger With Madura Micro Finance
- ✓ Featured In The Top Five Of Fortune India Next 500 List
- ✓ "Great Place To Work" Certification And Ranked Amongst The Top 30 BFSI Companies For The 4<sup>th</sup> Consecutive Year
- ✓ ESG Rating From Sustainalytics And S&P Global

# Q4 FY23: Key Business Highlights

## Robust Business Momentum, Strong Operating Profitability, And Best In Class Asset Quality

	Q4 FY23	YoY% Change	QoQ% Change
<b>GLP (INR Cr)</b>	<b>21,031</b>	<b>+26.7%</b>	<b>+18.2%</b>
CA Grameen	17,561	+27.9%	+18.5%
MMFL	3,470	+21.0%	+17.1%
Write-off	102	0.6% of Dec-22 GLP	
<b>Borrowers<sup>1</sup> (Lakh)</b>	<b>42.64</b>	<b>+11.5%</b>	<b>+8.3%</b>
CA Grameen	34.13	+16.8%	+9.1%
MMFL	8.75	-5.9%	+4.8%
Write-off	0.45	1.2% of Dec-22 Borrowers	
<b>Disbursements (INR Cr)</b>	<b>7,171</b>	<b>+23.8%</b>	<b>+47.9%</b>
CA Grameen	5,993	+28.9%	+48.2%
MMFL	1,178	+3.0%	+46.6%

Q4 FY23 Collections Efficiency (Excl. Arrears) **98.2%**

Q4 FY23 Collections Efficiency (Incl. Arrears) **98.4%**

GNPA % (largely @ 60+ dpd) **1.21%**

ECL Provisioning **1.78%**

NNPA % **0.42%**

PAR 90+ % **0.96%**

1) Excluding 23,297 common borrowers

	Q4 FY23	YoY% Change	QoQ% Change
NII (INR Cr)	690	+32.7%	+21.8%
PPOP (INR Cr)	503	+36.3%	+32.5%
<b>PAT (INR Cr)</b>	<b>297</b>	<b>+86.4%</b>	<b>+37.4%</b>
NIM %	12.2%	+90 bps	+30 bps
ROA %	5.5%	+187 bps	+95 bps
<b>ROE %</b>	<b>24.0%</b>	<b>+836 bps</b>	<b>+555 bps</b>

Capital	Total	Tier 1	Liquidity (INR Cr)
			<b>Cash &amp; Cash Equivalents</b> <b>1,891</b>
<b>CRAR %</b>	<b>23.6%</b>	<b>22.7%</b>	Undrawn Sanctions 4,675
			Sanctions in Pipeline 3,900

- Highest quarterly disbursements
- Highest quarterly customer additions of ~5.5 Lakh
- Normalised collection efficiency
- Best-in-class asset quality
- Highest ever quarterly profitability
- Strong balance sheet, adequate capital and liquidity position
- Added 71 branches in new markets for future growth

# Q4 FY23: Strong New Customer Addition Momentum

## Robust New Borrower Addition over Past 12 Months, partially offset by Write-offs

CA Grameen Borrowers ('000)

**Pre-Write-off Borrower Growth of 21.1%**



MMFL Borrowers ('000)

**Pre-Write-off Borrower Growth of 17.1%**



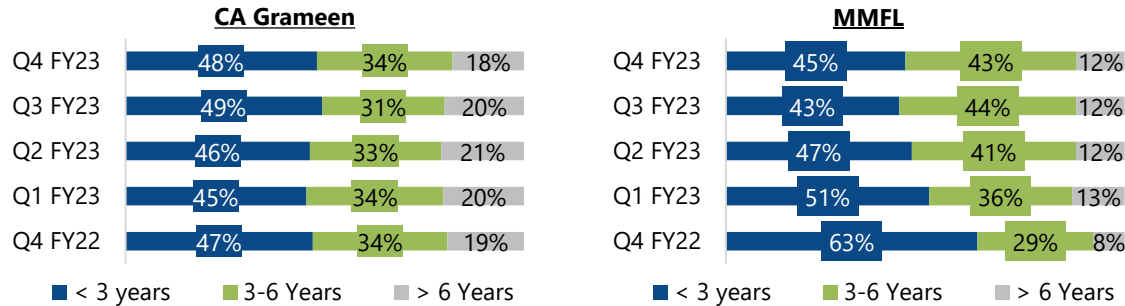
New Borrower Addition over past 12 Months	Total	% Share
Karnataka	2,26,531	18.4%
Maharashtra	2,09,963	17.1%
Tamil Nadu	2,32,827	18.9%
<b>Other States</b>	<b>5,61,768</b>	<b>45.6%</b>
<b>Total</b>	<b>12,31,089</b>	
Q1 FY23	92,642	<b>Sustained new borrower addition momentum in Q4 FY23</b>
Q2 FY23	2,84,848	
Q3 FY23	3,05,387	
Q4 FY23	5,48,212	

**45.6% of the new borrower addition over the past 12 months was from outside of the top 3 states**

# Q4 FY23: Superior Vintage Profile with High Borrower Retention

Supporting the Retained / Higher Vintage Borrowers, whilst consciously Adding New Borrowers with Deep Rural Focus

## 1 Borrower Vintage Analysis



## 3 Focus on 3-Year Loans for High Vintage Borrowers

Loan Tenure	Avg. Weekly Installment per INR 10,000 loan
1 Year	INR 217 – 219
2 Years	INR 118 – 120
3 years	INR 86 – 88

## 2 Borrower Leverage Analysis

CA Grameen				MMFL			
GLP / Borrower Vintage-wise	Q4 FY22	Q4 FY23	YoY%	GLP / Borrower Vintage-wise	Q4 FY22	Q4 FY23	YoY%
< 3 Years	38,038	40,463	6.4%	< 3 Years	30,071	39,339	30.8%
3-6 Years	48,896	55,925	14.4%	3-6 Years	31,768	39,744	25.1%
> 6 Years	65,555	71,661	9.3%	> 6 Years	32,086	40,623	26.6%
<b>Total</b>	<b>47,002</b>	<b>51,457</b>	<b>9.5%</b>	<b>Total</b>	<b>30,838</b>	<b>39,667</b>	<b>28.6%</b>

Within Acceptable 10-15% Annual Increase, Despite the Impact of Higher Write-offs

Ticket size increase due to gradual alignment with CA Grameen model

- The average GLP per borrower in the top 3 states is ~ INR 54,000 and in other states is ~ INR 39,400
- Graduated customers seeking > INR 60,000 loan are offered 3-year tenure loans, leading to lower instalment size and improved serviceability
- 29% of consolidated group loans GLP is constituted of 3-year loans



# Q4 FY23: Continued Improvement in Asset Quality

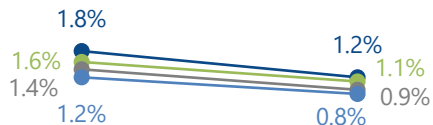
## CA Grameen

### Collection Efficiency (excl. arrears)



Q3 FY23 Q4 FY23  
■ CE% (excl. arrears) ■ CE% (incl. arrears)

### PAR Trend



Dec-22 Mar-23  
● PAR 0 ● PAR 30 ● PAR 60 ● PAR 90

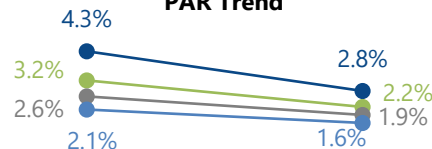
## MMFL

### Collection Efficiency (excl. arrears)



Q3 FY23 Q4 FY23  
■ CE% (excl. arrears) ■ CE% (incl. arrears)

### PAR Trend



Dec-22 Mar-23  
● PAR 0 ● PAR 30 ● PAR 60 ● PAR 90

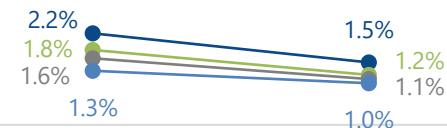
## Consolidated

### Collection Efficiency (excl. arrears)



Q3 FY23 Q4 FY23  
■ CE% (excl. arrears) ■ CE% (incl. arrears)

### PAR Trend



Dec-22 Mar-23  
● PAR 0 ● PAR 30 ● PAR 60 ● PAR 90

Q4 FY23 (INR Cr)		Consolidated		
Asset Classification (dpd)		EAD	EAD%	ECL%
Stage 1	0 – 15 (GL), 0 – 30 (RF)	19,286.8	98.6%	0.9%
Stage 2	16 – 60 (GL), 31 – 90 (RF)	43.7	0.2%	48.1%
Stage 3	60+ (GL), 90+ (RF)	236.8	1.2%	65.7%
<b>Total</b>		<b>19,567.3</b>	<b>100.0%</b>	<b>1.8%</b>
<b>GNPA (Gross Stage 3)</b>		<b>1.21%</b>		
<b>NNPA (Net Stage 3)</b>		<b>0.42%</b>		

EAD: Exposure at default = on-balance sheet loan principal + interest

**Management overlay of INR 13.8 Cr**  
(included in Stage 1 ECL) set aside against the **legacy MMFL book of INR 131 Cr**, which now only accounts for only **0.6% of overall GLP**

# Q4 FY23: Comfortably Placed to Protect NIMs



Key Metrics	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	FY23
Avg. New Disbursement Interest Rate %	20.3%	20.8%	21.5%	21.9%	21.3%
Portfolio Yield %	18.4%	19.1%	19.6%	19.7%	18.9%
Weighted Avg. Cost of Borrowing %	9.1%	9.2%	9.6%	9.5%	9.4%
Marginal Cost of Borrowing %	8.7%	8.9%	10.2%	9.4%	9.4%
NIM %	11.1%	12.0%	11.9%	12.2%	11.6%

# Q4 FY23: Performance in line with Annual Guidance



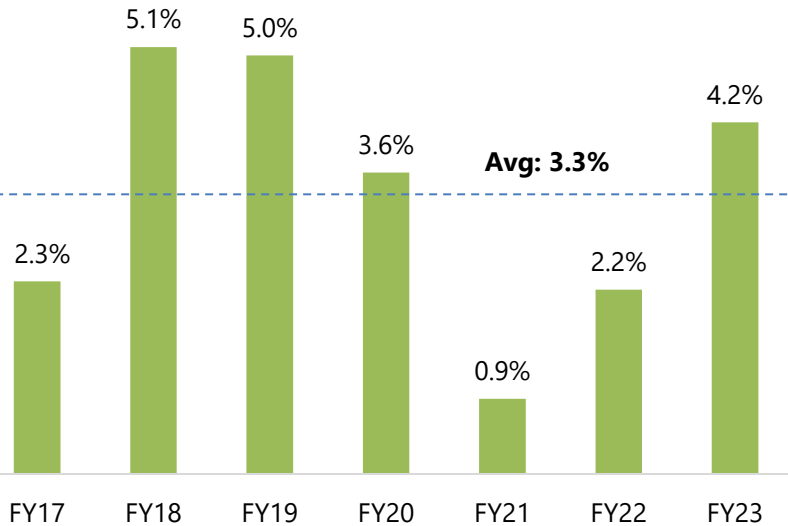
Key Indicators	FY23 Guidance	Q4 FY23 Performance	FY23 Performance
GLP – Growth %	24.0% - 25.0%	26.7%	<b>26.7%</b>
Credit Cost (Provisions + Write-offs) – % of Avg. On-Book Loan Portfolio (non annualized)	1.8% - 2.0% (revised to 2.3% - 2.4%)	0.6% (gross credit cost)	<b>2.4%</b> <b>(gross credit cost)</b>
		0.5% (net credit cost post bad debt recovery)	<b>2.1%</b> <b>(net credit cost post bad debt recovery)</b>
Return on Assets %	4.0% - 4.2%	5.5%	<b>4.2%</b>
Return on Equity %	16.0% - 18.0%	24.0%	<b>18.0%</b>

# Consistent Delivery Of Best-In-Class Cross Cycle Return Metrics

**Cross-Cycle ROA (%)**

**Strong Cross Cycle Performance Despite Several Crisis**

**FY17-FY18  
Demonetisation, UP farm loan waiver**

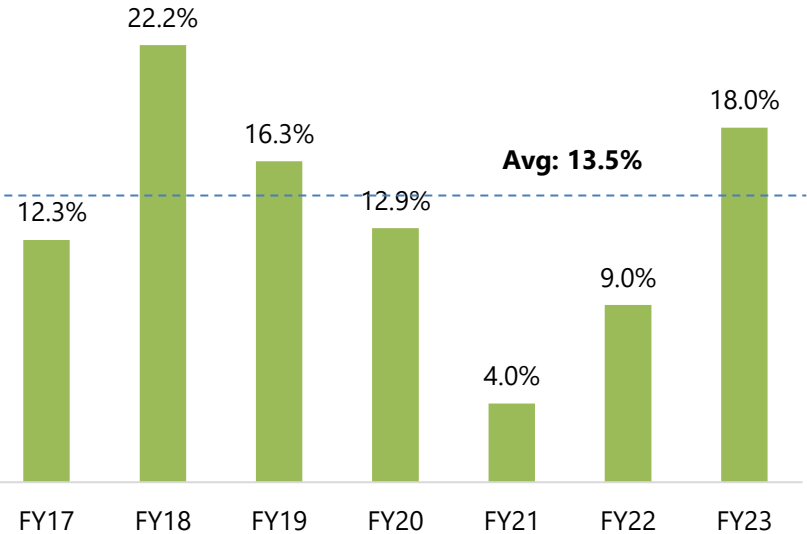


**Cross-Cycle ROE (%)**

**FY19  
Floods, NBFC crisis**

**FY21  
Covid Wave 1**

**FY22  
Covid Wave 2**



# FY24 Performance Guidance: Key Indicators



Key Indicators	FY24 Guidance
GLP Growth %	24.0% - 25.0%
NIM %	12.0% - 12.2%
Cost-to-Income Ratio %	35% - 36%
Credit Cost (Provisions + Write-offs) – % of Avg. On-Book Loan Portfolio (non annualized)	1.6% - 1.8%
Return on Assets %	4.7% - 4.9%
Return on Equity %	20.0% - 21.0%

Note: The guidance provided considers a stable operating environment



Key Business Updates

**Financial Results Overview**

Investment Rationale



# Q4 FY23: Key Performance Highlights



**GLP: INR 21,031 Cr**  
**(+26.7% YoY)**

**NIM**  
**12.2%**  
**Weighted Avg. COB**  
**9.5%**

**Cost/Income Ratio**  
**30.2%**  
**Opex/GLP Ratio**  
**4.5%**

**PPOP**  
**INR 503 Cr**  
**(+36.3% YoY)**

**PAT: INR 297 Cr**  
**(+86.4% YoY)**

**ROA**  
**5.5%**  
**ROE**  
**24.0%**

**Capital Adequacy Ratio**  
**23.6%**  
**Tier 1 Ratio**  
**22.7%**

**Total Equity**  
**INR 5,107 Cr**  
**D/E Ratio**  
**3.2**

**GNPA (GS3): 1.21%**  
**NNPA: 0.42%**  
**PAR 90+: 0.96%**

**Provisioning**  
**1.78%**  
**Write-off**  
**INR 102 Cr**

**Branches 1,786**  
**(+9.2% YoY)**  
**16,759 Employees**  
**(+7.0% YoY)**

**Active Borrowers**  
**42.64 Lakh**  
**(+11.5% YoY)**

# Q4 & FY23: P&L Statement

Profit & Loss Statement (INR Cr)	Q4 FY23	Q4 FY22	YoY%	Q3 FY23	QoQ%	FY23	FY22	YoY%
Interest Income	964.8	728.5	32.4%	854.8	12.9%	3,327.1	2,567.3	29.6%
- Interest on Loans <sup>1</sup>	950.1	721.1	31.8%	837.6	13.4%	3,277.4	2,533.0	29.4%
- Income from Securitisation	0.1	0.6	-	0.0	-	0.1	0.6	-
- Interest on Deposits with Banks and FIs	14.6	6.8	114.5%	17.2	-14.7%	49.7	33.7	47.3%
Income from Direct Assignment	70.6	58.3	21.1%	25.9	172.6%	119.7	70.0	71.0%
Finance Cost on Borrowings	345.6	267.2	29.4%	314.2	10.0%	1,212.9	984.1	23.3%
Cost on Financial Liability towards Securitisation	0.0	0.0	-	0.0	-	0.0	0.2	-
<b>Net Interest Income</b>	<b>689.8</b>	<b>519.6</b>	<b>32.7%</b>	<b>566.5</b>	<b>21.8%</b>	<b>2,234.0</b>	<b>1,653.1</b>	<b>35.1%</b>
Non-interest Income & Other Income <sup>2</sup>	30.8	37.7	-18.2%	29.0	6.3%	104.0	112.8	-7.8%
<b>Total Net Income</b>	<b>720.6</b>	<b>557.3</b>	<b>29.3%</b>	<b>595.5</b>	<b>21.0%</b>	<b>2,337.9</b>	<b>1,765.9</b>	<b>32.4%</b>
Employee Expenses	134.5	112.2	19.8%	127.1	5.8%	515.2	437.6	17.7%
Other Expenses	70.7	63.8	10.9%	76.3	-7.3%	266.4	203.5	30.9%
Depreciation, Amortisation & Impairment	12.5	12.5	0.2%	12.6	-0.9%	49.8	47.2	5.5%
<b>Pre-Provision Operating Profit</b>	<b>502.9</b>	<b>368.8</b>	<b>36.3%</b>	<b>379.5</b>	<b>32.5%</b>	<b>1,506.2</b>	<b>1,077.5</b>	<b>39.8%</b>
Impairment of Financial Instruments	105.3	151.0	-30.3%	89.4	17.8%	401.0	596.7	-32.8%
<b>Profit Before Tax</b>	<b>397.6</b>	<b>217.8</b>	<b>82.5%</b>	<b>290.0</b>	<b>37.1%</b>	<b>1,105.4</b>	<b>480.8</b>	<b>129.9%</b>
Total Tax Expense	101.0	58.7	72.0%	74.3	36.0%	279.4	127.7	118.7%
<b>Profit After Tax</b>	<b>296.6</b>	<b>159.1</b>	<b>86.4%</b>	<b>215.8</b>	<b>37.5%</b>	<b>826.1</b>	<b>353.1</b>	<b>134.0%</b>
Key Ratios	Q4 FY23	Q4 FY22		Q3 FY23		FY23	FY22	
Portfolio Yield	19.7%	18.5%		19.6%		18.9%	18.3%	
Cost of Borrowings	9.5%	8.9%		9.6%		9.4%	9.3%	
NIM	12.2%	11.3%		11.9%		11.6%	10.9%	
Cost/Income Ratio	30.2%	33.8%		36.3%		35.6%	39.0%	
Opex/GLP Ratio	4.5%	4.8%		5.0%		4.7%	4.9%	

1) Interest income (on Stage 3 portfolio) de-recognized was INR 16.3 Cr in Q4 FY23 (vs INR 30.8 Cr in Q4 FY22) and INR 80.9 Cr in FY23 (vs INR 95.1 Cr in FY22)

2) Bad debt recovery was INR 16.8 Cr in Q4 FY23 (vs INR 26.5 Cr in Q4 FY22) and INR 58.1 Cr in FY23 (vs INR 74.1 Cr in FY22)

# Q4 & FY23: Balance Sheet



Balance Sheet (INR Cr)	Q4 FY23	Q4 FY22	YoY%	Q3 FY23	QoQ%	FY23	FY22
Cash & Other Bank Balances	1,436.4	1,761.4	-18.4%	1,001.2	43.5%	1,436.4	1,761.4
Investments	454.5	0.5	-	438.3	3.7%	454.5	0.5
Loans - (Net of Impairment Loss Allowance)	18,939.8	14,765.3	28.3%	16,402.3	15.5%	18,939.8	14,765.3
Loans - Securitised Assets	103.6	0.0	-	0.0	-	103.6	0.0
Property, Plant and Equipment	32.1	31.8	0.9%	30.7	4.5%	32.1	31.8
Intangible Assets	130.5	149.7	-12.9%	134.7	-3.1%	130.5	149.7
Right to Use Assets	64.7	74.8	-13.4%	67.3	-3.8%	64.7	74.8
Other Financial & Non-Financial Assets	320.8	322.7	0.3%	313.4	2.4%	320.8	322.7
Goodwill	375.7	375.7	-	375.7	-	375.7	375.7
<b>Total Assets</b>	<b>21,858.1</b>	<b>17,482.0</b>	<b>25.0%</b>	<b>18,763.6</b>	<b>16.5%</b>	<b>21,858.1</b>	<b>17,482.0</b>
Debt Securities	1,672.3	1,418.1	17.9%	1,839.2	-9.1%	1,672.3	1,418.1
Borrowings (other than debt securities)	14,463.2	11,424.9	26.6%	11,650.9	24.1%	14,463.2	11,424.9
Subordinated Liabilities	77.9	77.7	0.2%	83.4	-6.6%	77.9	77.7
Financial Liability towards Portfolio Securitized	98.8	0.0	-	0.0	-	98.8	0.0
Lease Liabilities	78.9	87.4	-9.8%	80.4	-1.9%	78.9	87.4
Other Financial & Non-financial Liabilities	360.0	306.9	17.3%	315.1	14.3%	360.0	306.9
<b>Total Equity</b>	<b>5,107.0</b>	<b>4,166.9</b>	<b>22.6%</b>	<b>4,794.6</b>	<b>6.5%</b>	<b>5,107.0</b>	<b>4,166.9</b>
<b>Total Liabilities and Equity</b>	<b>21,858.1</b>	<b>17,482.0</b>	<b>25.0%</b>	<b>18,763.6</b>	<b>16.5%</b>	<b>21,858.1</b>	<b>17,482.0</b>
Key Ratios	Q4 FY23	Q4 FY22		Q3 FY23		FY23	FY22
ROA	5.5%	3.6%		4.5%		4.2%	2.2%
D/E	3.2	3.1		2.8		3.2	3.1
ROE	24.0%	15.6%		18.4%		18.0%	9.0%
GNPA (GL: 60+ dpd, RF: 90+ dpd)	1.21%	3.61%		1.71%		1.21%	3.61%
Provisioning	1.78%	3.44%		2.04%		1.78%	3.44%

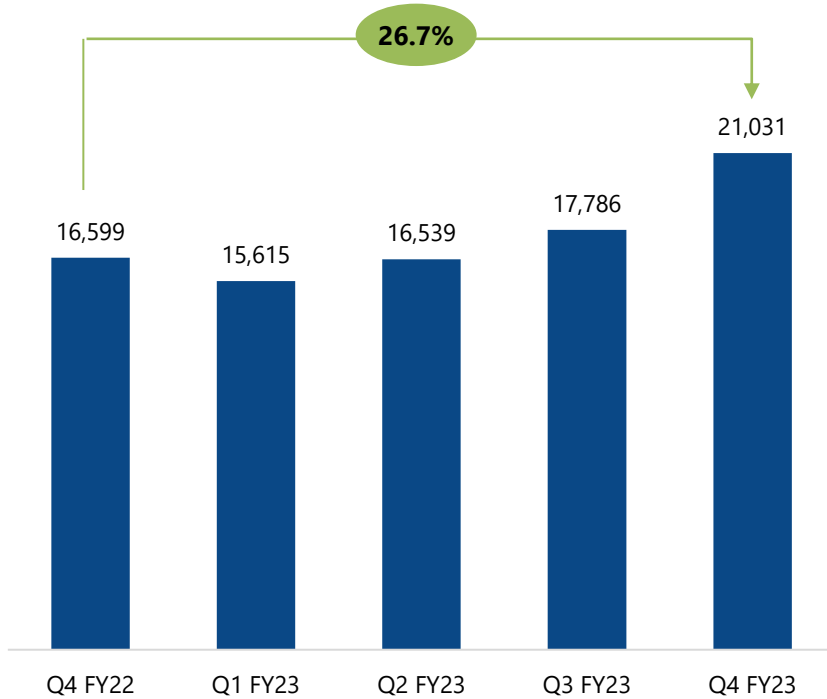
## Q4 & FY23: Understanding the Credit Cost Impact

Consolidated (INR Cr)	Consolidated	
	Q4 FY23	FY23
Opening ECL - (A)	344.6	533.9
Additions (B)		
- Provisions as per ECL	57.4	194.2
- Management Overlay on MMFL's legacy book	13.8	13.8
Reversals (on account of write-off) (C)	68.0	394.1
Closing ECL (D = A+B-C)	347.8	347.8
Write-off (E)	102.1	587.0
<b>Credit Cost (F = B-C+E)</b>	<b>105.3</b>	<b>401.0</b>
<b>Credit Cost (Provisions + Write-offs) – % of Avg. On-Book Loan Portfolio (non-annualised)</b>	<b>0.6%</b>	<b>2.4%</b>
Bad-Debt Recovery (G)	16.8	58.1
<b>Net P&amp;L Impact (F – G)</b>	<b>88.5</b>	<b>342.9</b>
<b>Net P&amp;L Impact – % of Avg. On-Book Loan Portfolio (non-annualised)</b>	<b>0.5%</b>	<b>2.1%</b>

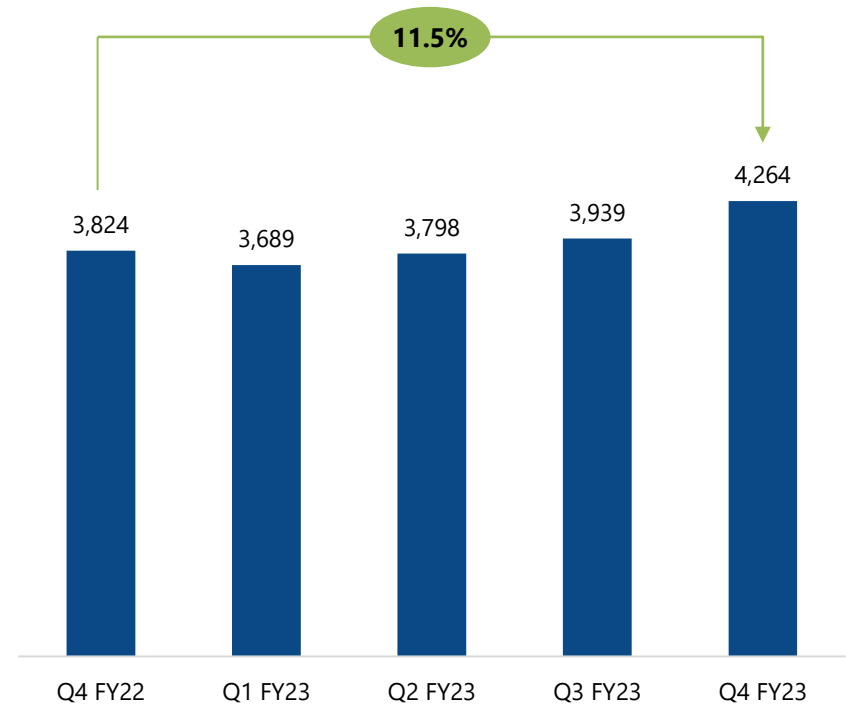


# Q4 FY23: Continued Business Traction with Rural Focus

### Gross Loan Portfolio (INR Cr)

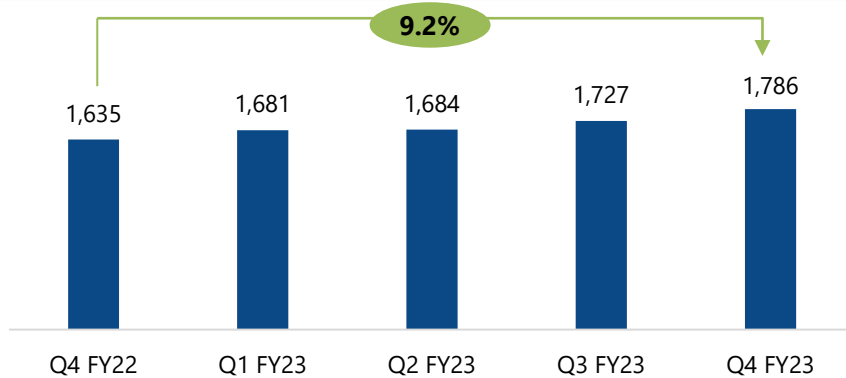


### Borrowers ('000)

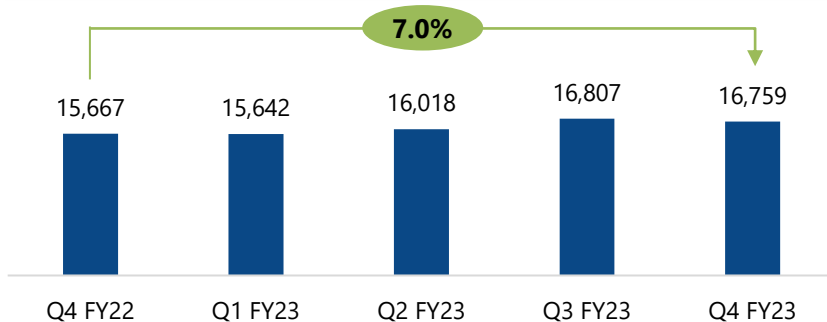


# Q4 FY23: Consistent Growth in Infrastructure

## Branches



## Employees

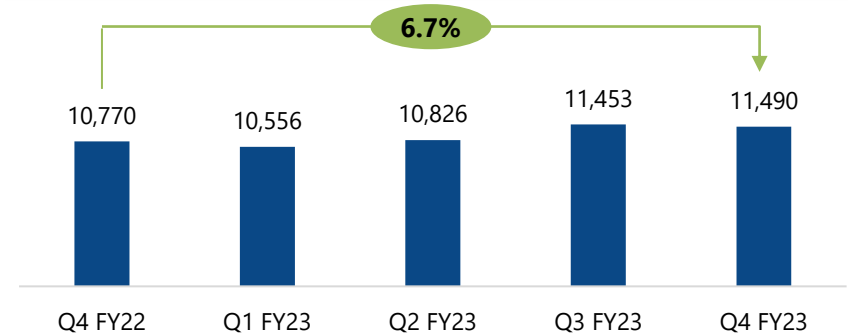


## Branch Additions

States	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23
Bihar	10	-	19	13
Chhattisgarh	2	-	-	-
Gujarat	5	1	-	11
Jharkhand	5	-	-	-
Madhya Pradesh	1	-	6	1
Karnataka	-	-	-	3
Kerala	-	-	-	0
Maharashtra	9	-	6	1
Odisha	-	-	-	-
Puducherry	-	-	-	0
Rajasthan	6	-	5	17
Tamil Nadu	-4	-	-	9
Uttar Pradesh	5	-	7	8
West Bengal	7	2	-	8
<b>Total</b>	<b>46</b>	<b>3</b>	<b>43</b>	<b>59*</b>

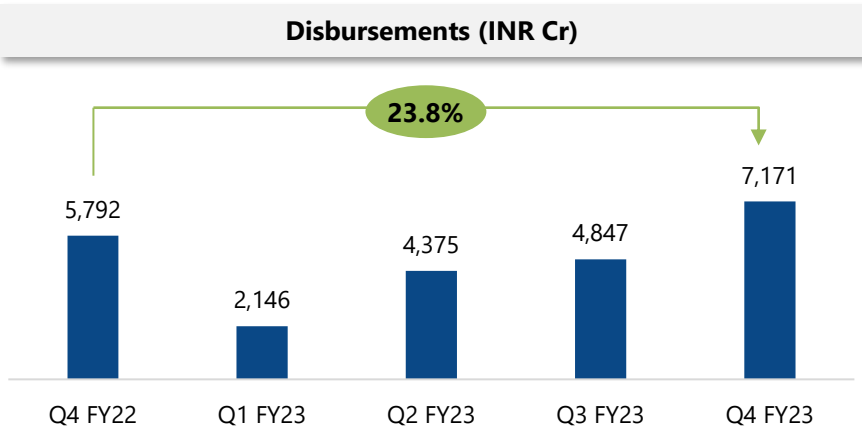
\* 71 branches added, 12 branches closed (Kerala: 3, Tamil Nadu 9)

## Loan Officers

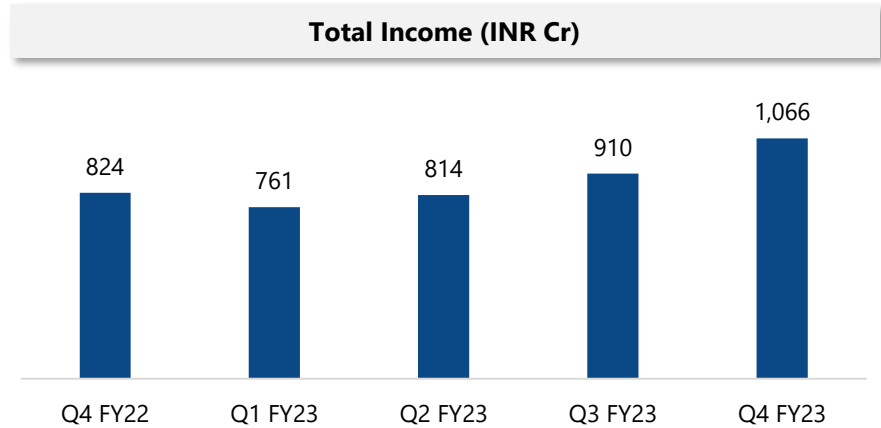


# Q4 FY23: Robust Quarterly Performance Trend (1/2)

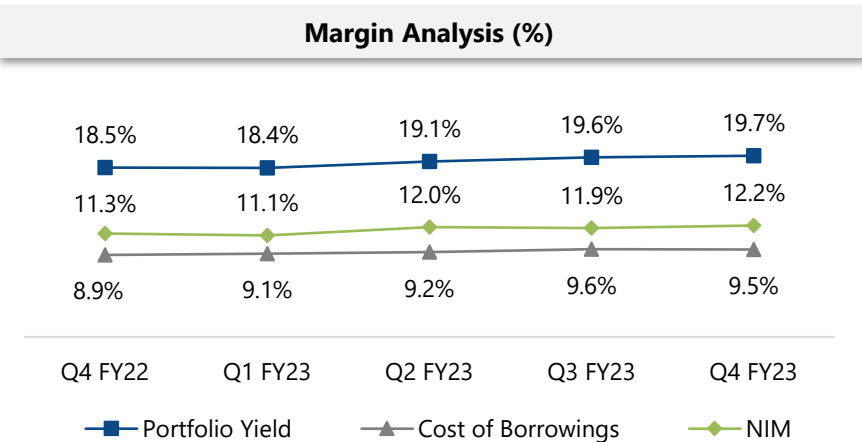
### Disbursements (INR Cr)



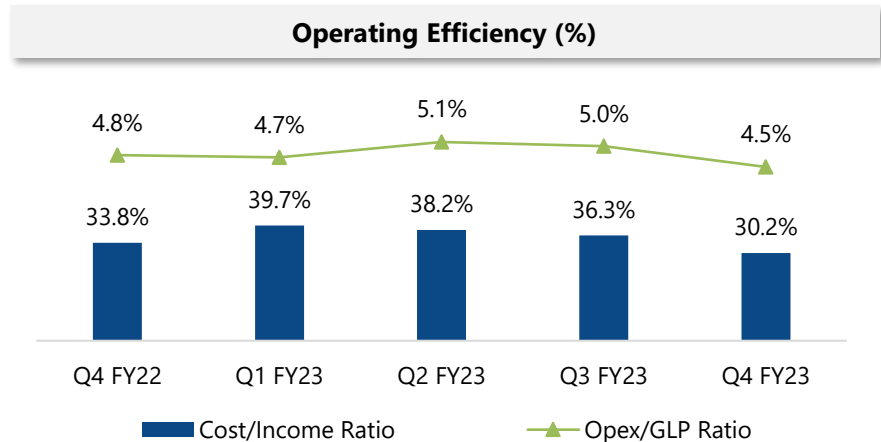
### Total Income (INR Cr)



### Margin Analysis (%)

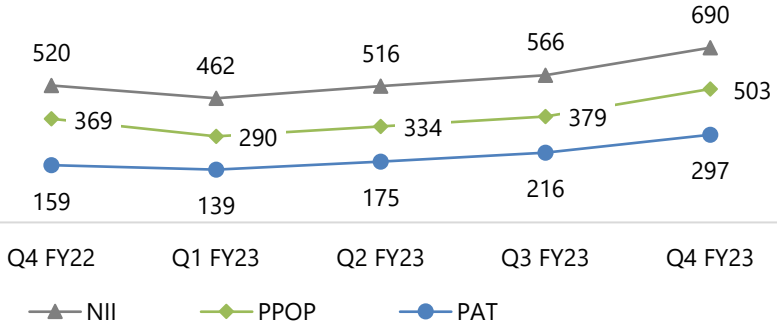


### Operating Efficiency (%)

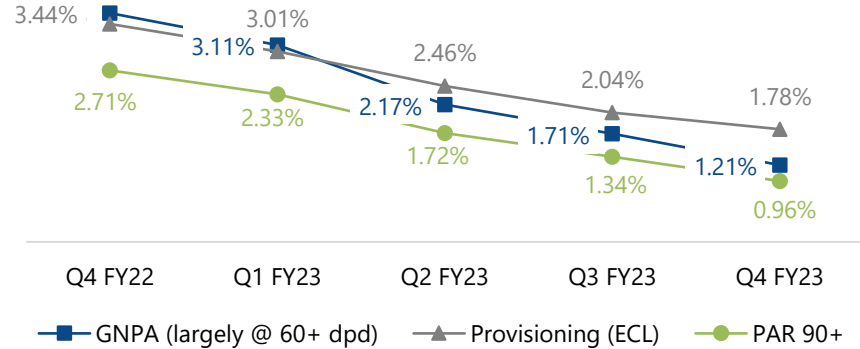


# Q4 FY23: Robust Quarterly Performance Trend (2/2)

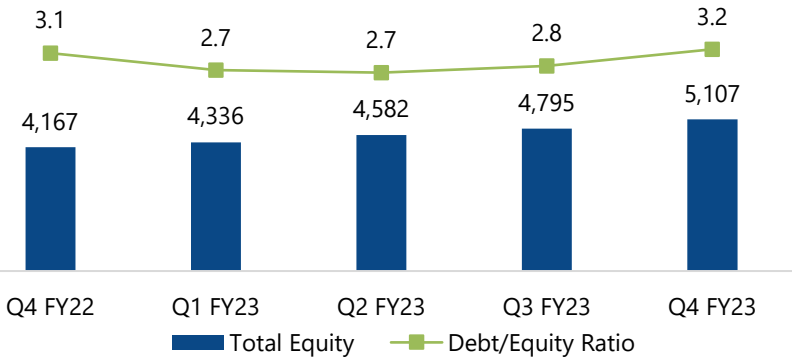
**NII, PPOP, PAT (INR Cr)**



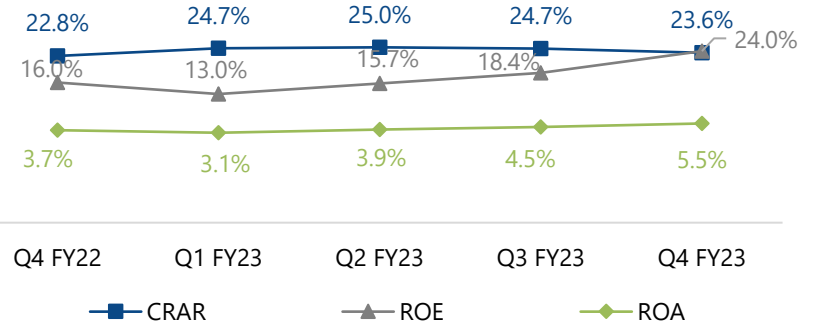
**Asset Quality (%)**



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



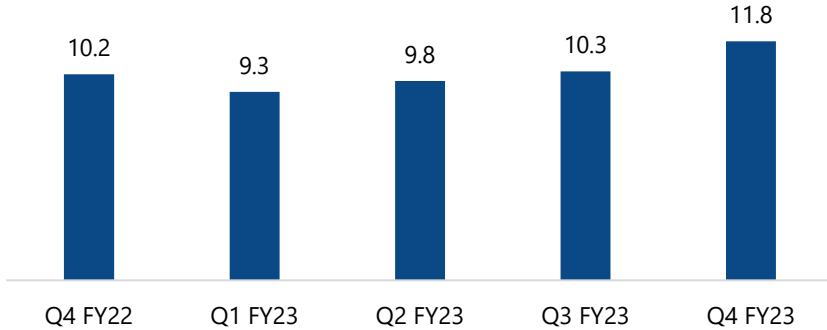
**Return Ratios & Capital Adequacy (%)**



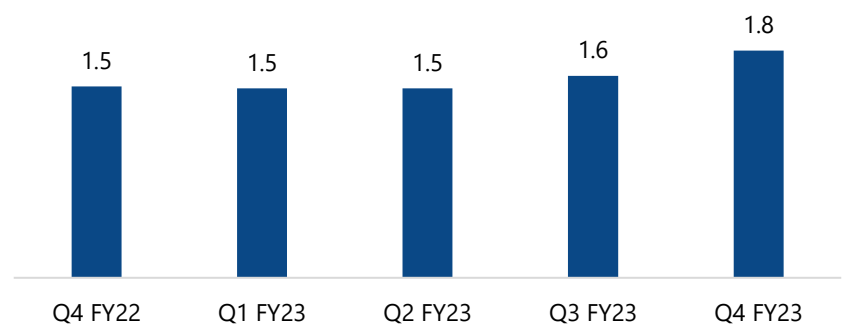
# Q4 FY23: Sustainable Operational Efficiency



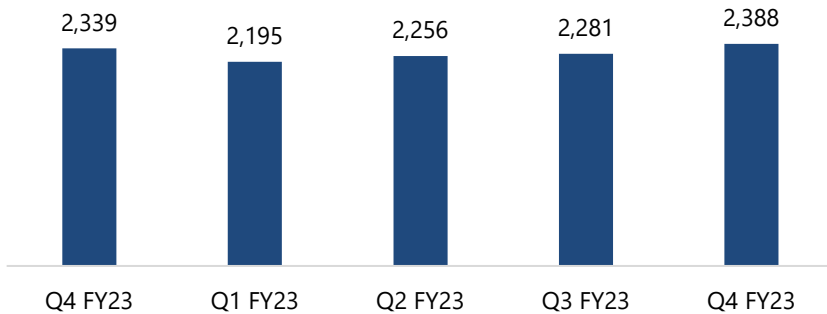
### GLP / Branch (INR Cr)



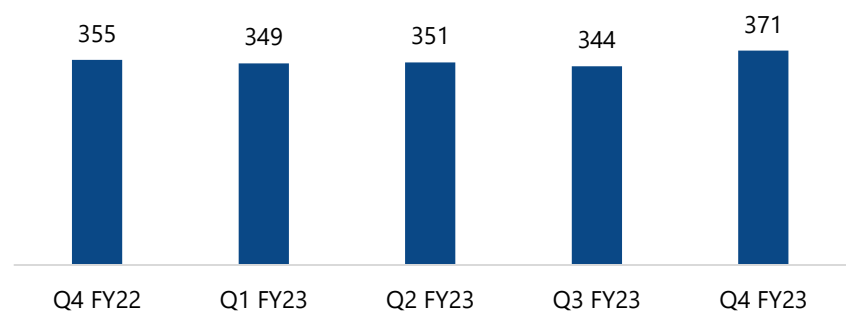
### GLP / Loan Officer (INR Cr)



### Borrowers / Branch



### Borrowers / Loan Officer





# Q4 FY23: Product Range To Meet Diverse Customer Needs



GLP - Product Mix	Q4 FY22		Q1 FY23		Q2 FY23		Q3 FY23		Q4 FY23	
	(INR Cr)	% of Total	(INR Cr)	% of Total	(INR Cr)	% of Total	(INR Cr)	% of Total	(INR Cr)	% of Total
IGL	15,949	96%	14,937	96%	15,801	96%	17,054	96%	20,090	96%
Family Welfare	38	0%	121	1%	185	1%	125	0.7%	67	0%
Home Improvement	414	3%	408	2%	429	2%	486	3%	698	3%
Emergency	3	0%	4	0%	7	0%	9	0%	9	0%
Retail Finance	196	1%	145	1%	117	1%	113	0.6%	168	1%
<b>Total</b>	<b>16,599</b>	<b>100%</b>	<b>15,615</b>	<b>100%</b>	<b>16,539</b>	<b>100%</b>	<b>17,786</b>	<b>100%</b>	<b>21,031</b>	<b>100%</b>

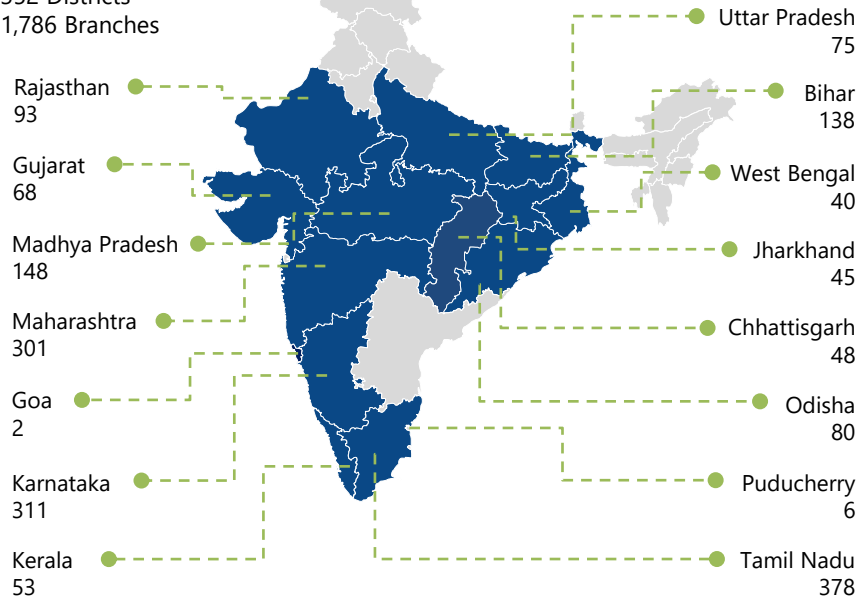
GLP – Avg. O/S Per Loan (INR '000)	Q4 FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23
IGL	32.1	30.3	30.0	31.1	34.2
Family Welfare	3.7	9.4	11.0	7.7	4.7
Home Improvement	10.0	9.7	9.4	9.3	10.8
Emergency	0.6	0.8	0.5	0.5	0.6
Retail Finance	47.2	48.8	48.0	51.2	86.9
<b>Total</b>	<b>29.8</b>	<b>28.1</b>	<b>27.4</b>	<b>28.1</b>	<b>30.6</b>

GLP – Avg. O/S Per Borrower (INR '000)	Q4 FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23
<b>Total</b>	<b>43.4</b>	<b>42.3</b>	<b>43.5</b>	<b>45.2</b>	<b>49.3</b>

# Q4 FY23: Well-Diversified Presence Across India

## Our Presence as on Mar-23

14 States & 1 UT  
352 Districts  
1,786 Branches



Branch Network	Q4 FY23	% Share	Q4 FY22	% Share
Karnataka	311	17.4%	308	18.8%
Maharashtra	301	16.9%	285	17.4%
Tamil Nadu	378	21.2%	382	23.4%
Madhya Pradesh	148	8.3%	140	8.6%
Other States & UT	648	36.2%	520	31.8%
<b>Total</b>	<b>1,786</b>	<b>100.0%</b>	<b>1,635</b>	<b>100.0%</b>

Borrowers ('000)	Q4 FY23	% Share	Q3 FY23	% Share
Karnataka	1,121	26.3%	1,077	28.2%
Maharashtra	850	19.9%	792	20.7%
Tamil Nadu	920	21.6%	911	23.8%
Madhya Pradesh	326	7.6%	312	8.2%
Other States & UT	1,047	24.6%	731	19.1%
<b>Total</b>	<b>4,264</b>	<b>100.0%</b>	<b>3,824</b>	<b>100.0%</b>

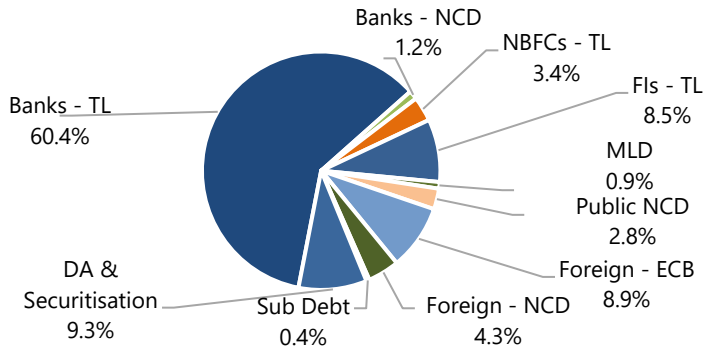
GLP (INR Cr)	Q4 FY23	% Share	Q3 FY23	% Share
Karnataka	6,977	33.2%	5,964	35.9%
Maharashtra	4,390	20.9%	3,568	21.5%
Tamil Nadu	4,250	20.2%	3,458	20.8%
Madhya Pradesh	1,410	6.7%	1,224	7.4%
Other States & UT	4,004	19.0%	2,385	14.4%
<b>Total</b>	<b>21,031</b>	<b>100.0%</b>	<b>16,599</b>	<b>100.0%</b>

Exposure of Districts (% of GLP)	Q4 FY23	
	No. of Districts	% of Total Districts
< 0.5%	290	82%
0.5% - 1%	38	11%
1% - 2%	20	6%
2% - 4%	4	1%
> 4%	0	0%
<b>Total</b>	<b>352</b>	<b>100%</b>

Q4 FY23 – Top Districts	% of Total GLP
Top 1	3%
Top 3	7%
Top 5	11%
Top 10	18%
Other	82%

# Q4 FY23: Well-Diversified Liability Mix

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

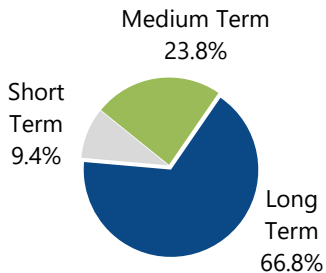


Note: O/S Direct Assignment (Sold Portion) - INR 1,551.7 Cr

### 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:
  - 45 Commercial Banks, 3 Financial Institutions, 8 Foreign Institutional Investors, 6 NBFCs
- Continued focus to minimize the cost of borrowing

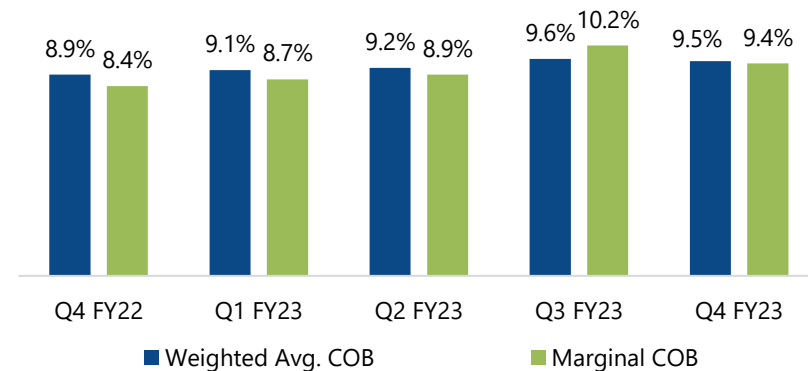
## Liability Mix - Tenure Wise (%)



	Source	% Mix
Short Term <= 1 year (incl. DA)	Domestic	9.4%
	Foreign	0.6%
Medium Term > 1 year, <= 2 years	Domestic	23.2%
	Foreign	0.6%
Long Term > 2 years	Domestic	53.6%
	Foreign	13.2%

**Share of Foreign Borrowings at 14%**

## Cost of Borrowing (%)



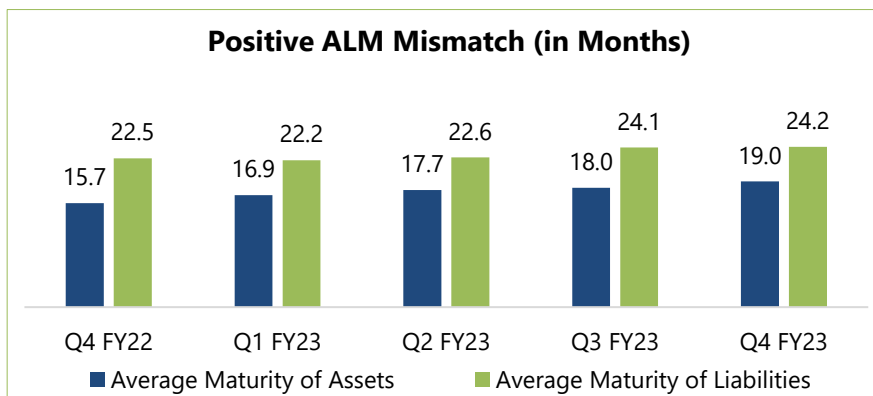
# Q4 FY23: Stable Liquidity/ ALM Position/ Credit Ratings



Static Liquidity / ALM Position Particulars (INR Cr)	For the Month			For the Financial Year	
	Apr-23	May-23	Jun-23	FY24	FY25
Opening Cash & Equivalents (A)	1,895.0	1,912.8	2,156.9	2,282.6	3,520.1
Loan recovery [Principal] (B)	878.0	1,022.5	982.9	10,997.6	6,899.3
<b>Total Inflow (C=A+B)</b>	<b>2,772.9</b>	<b>2,935.3</b>	<b>3,139.7</b>	<b>13,280.2</b>	<b>10,419.5</b>
Borrowing Repayment [Principal]					
Term loans and Others (D)	531.2	531.7	591.0	7,193.1	4,830.7
NCDs ( E )	124.2	53.5	50.0	603.5	553.6
Direct Assignment (F)	204.8	193.2	216.1	1,963.4	420.3
<b>Total Outflow G=(D+E+F)</b>	<b>860.2</b>	<b>778.4</b>	<b>857.1</b>	<b>9,760.0</b>	<b>5,804.5</b>
Closing Cash & equivalents (H= C-G)	1,912.8	2,156.9	2,282.6	3,520.1	4,615.0
<b>Static Liquidity (B-G)</b>	<b>17.8</b>	<b>244.1</b>	<b>125.7</b>	<b>1,237.5</b>	<b>1,094.8</b>

Debt Diversification	Q4 FY23
<b>Total Drawdowns</b>	<b>5,840</b>
Domestic *	97%
Foreign	3%
<b>Undrawn Sanction</b>	<b>4,675</b>
Domestic	75%
Foreign	25%
<b>Sanctions in Pipeline</b>	<b>3,900</b>
Domestic	87%
Foreign	13%

\* Includes Direct Assignment of INR 937 Cr



Rating Instrument	Rating Agency	Rating/Grading
Bank Facilities	Ind-Ra	AA- (Stable)
	ICRA	AA- (Stable)
	CRISIL	A+ (Positive)
Non-Convertible Debentures	Ind-Ra	AA- (Stable)
	ICRA	AA- (Stable)
	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)

Key Business Updates

Financial Results Overview

**Investment Rationale**





# Committed to Basics Through Classical JLG Lending Model

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

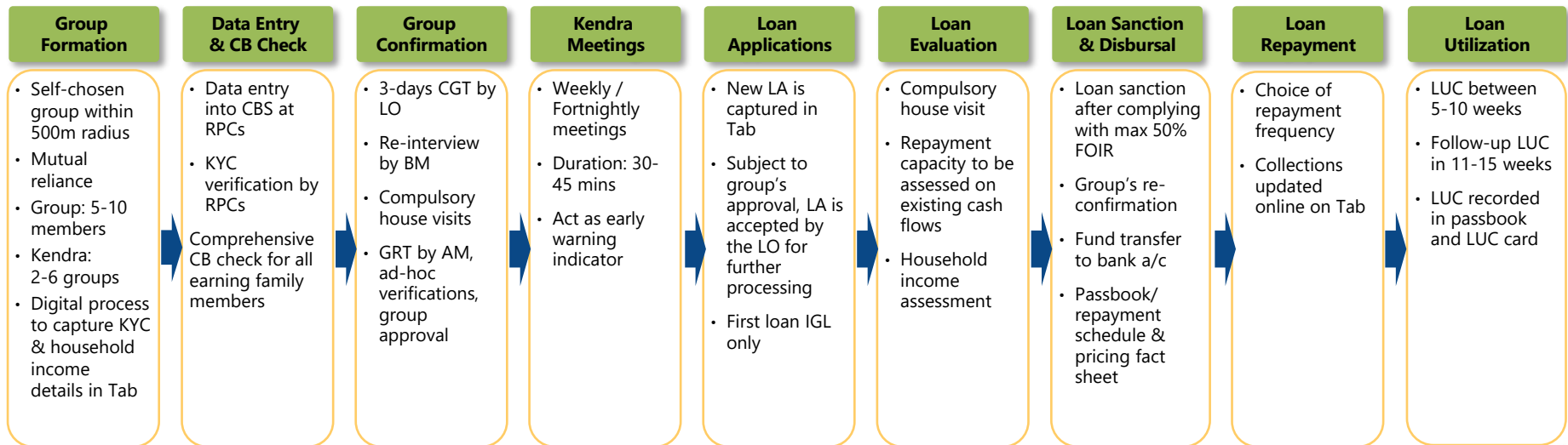
JLG Benefits:

- ✓ 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



# 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

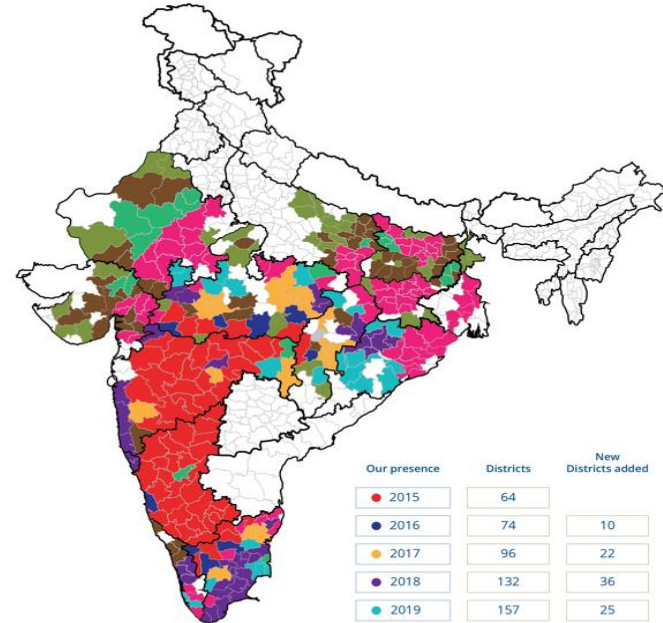


Gradual expansion into the next (typically adjoining) district

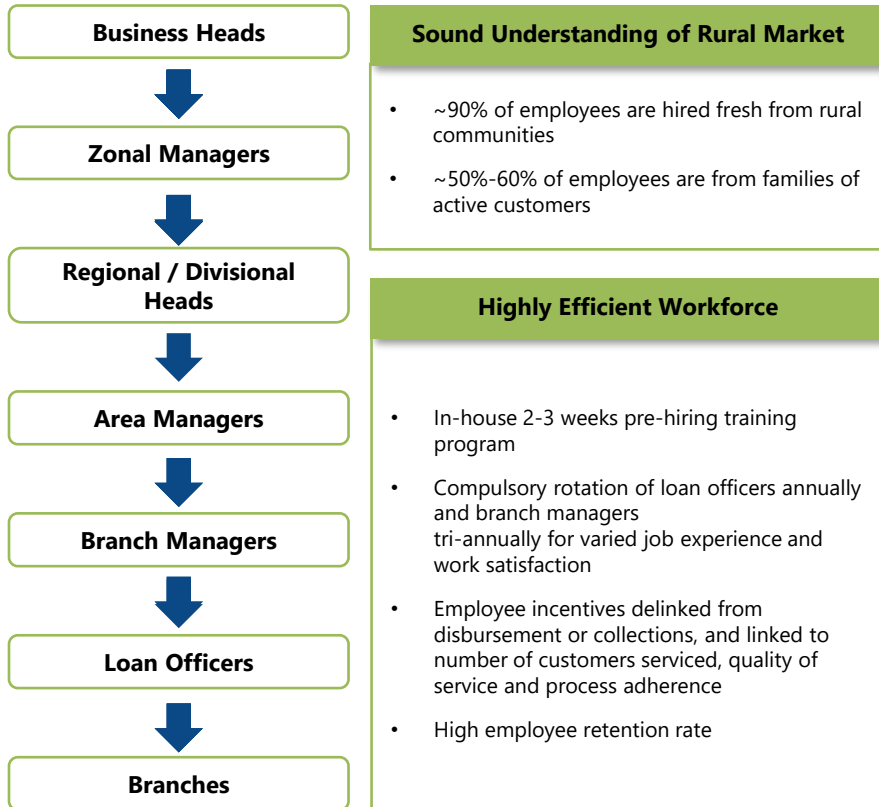


Lower exposure to a particular district (99% of districts  $\leq$  2% of GLP, No single district has > 4% of total GLP)

## CA Grameen's contiguous district-based expansion



## 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:

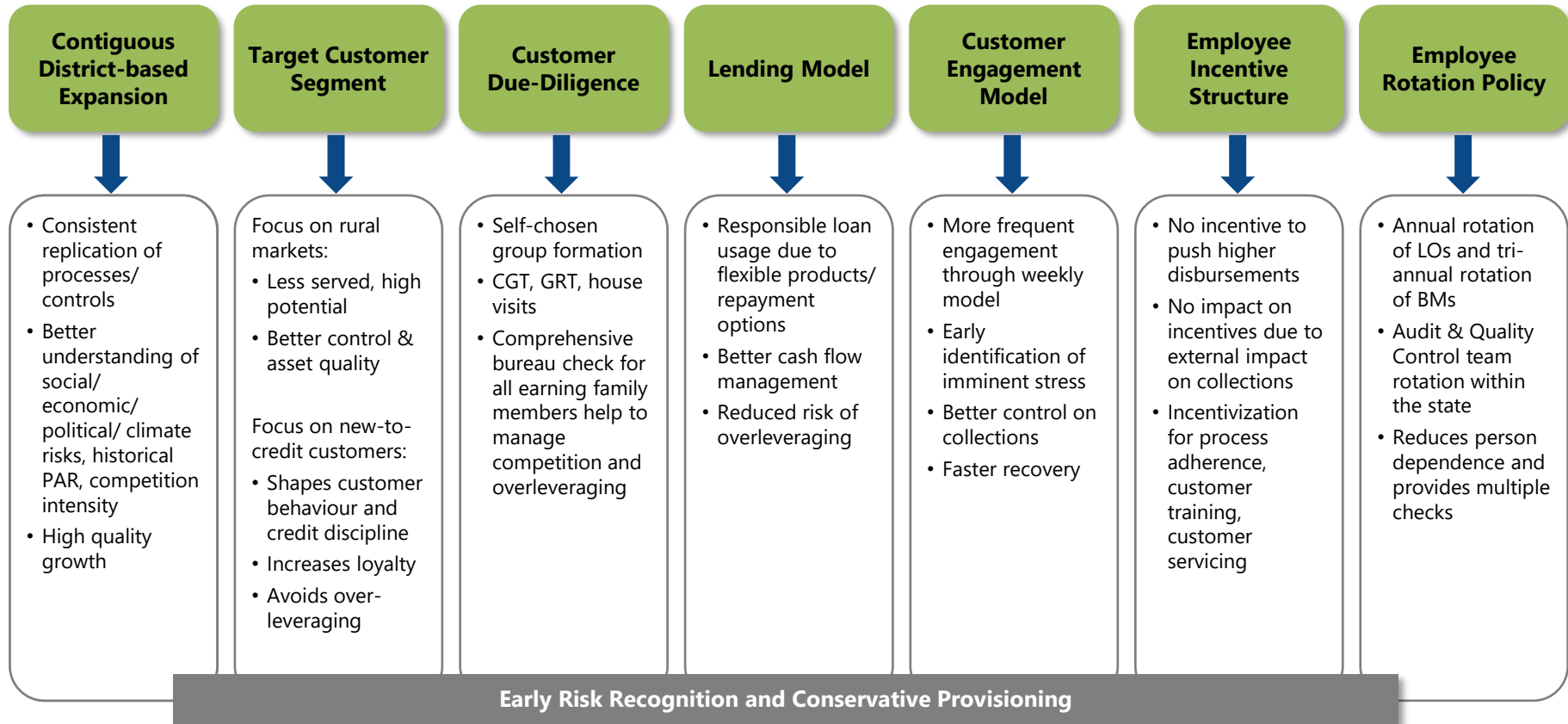
- Digitized all customer touchpoints
- Field staff equipped with handheld tabs for managing Kendra meetings & collections
- Automated/ paperless customer on-boarding, faster KYC, and CB checks
- Lower TAT, same day and on-field loan disbursements
- Geotagging of Kendra locations to optimize field visits
- 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





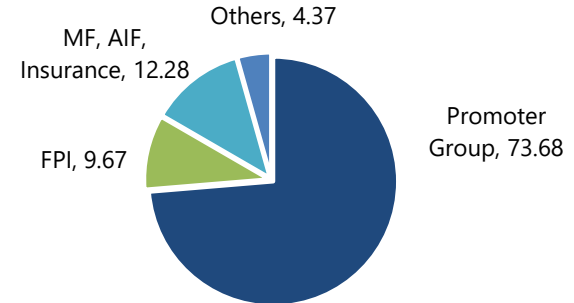
## Committed to Micro Finance Business

- CreditAccess India B.V. (CAI) specialises in Micro & Small Enterprises financing
- Widely held shareholding base: 247 shareholders
- Olympus ACF Pte Ltd. 15.4%, Asian Development Bank 8.8%, Asia Impact Invest SA 8.8%, individuals/HNIs/Family Offices 67.1%
- Headquartered in Amsterdam, The Netherlands

## Strong Financial Support via Patient Capital

- 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 73.68% in CA Grameen, committed to holding up to the regulatory requirement in future

## Shareholding Pattern – March 2023

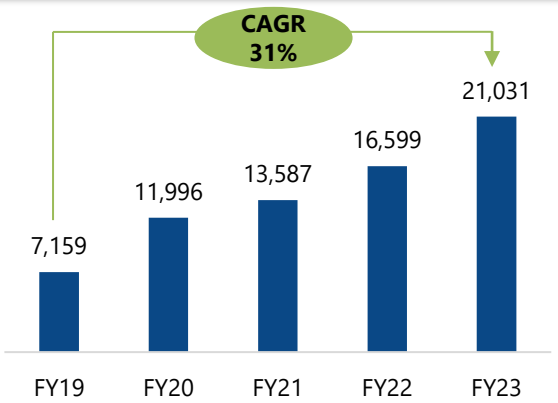


## Top 10 Institutional Investors – March 2023

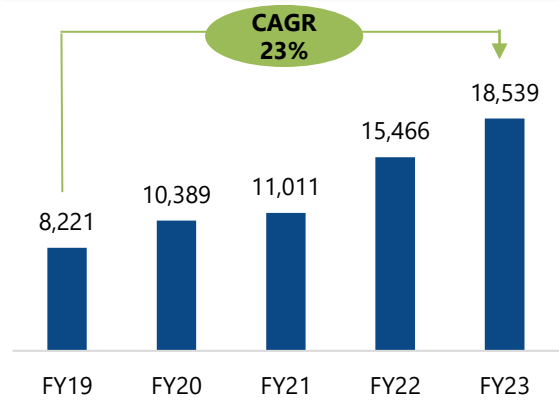
Edelweiss Mutual Fund  
Government Pension Fund Global  
ICICI Prudential Life Insurance  
Nippon Mutual Fund  
PGIM India Mutual Fund  
SBI Mutual Fund  
T Rowe Price  
Tata AIA Life Insurance  
UTI Mutual Fund  
Vanguard

# Past Five Years Performance Track Record (1/2)

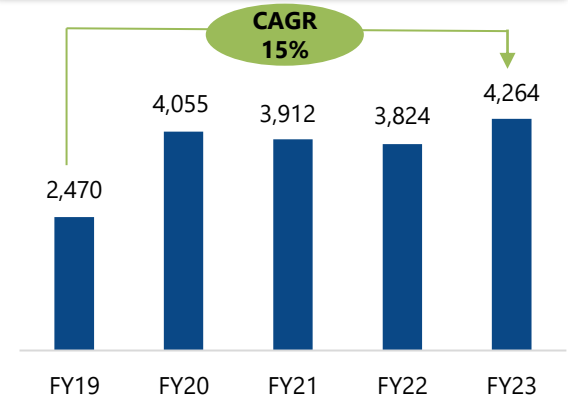
**Gross Loan Portfolio (GLP) (INR Cr)**



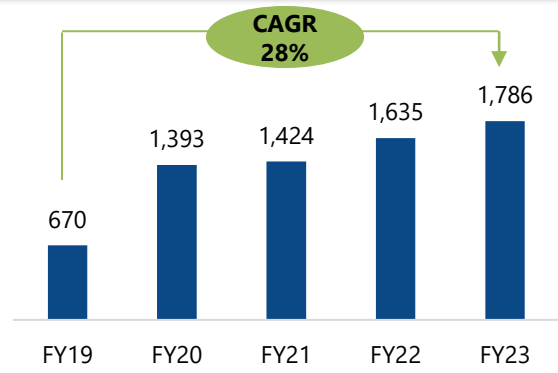
**Disbursements**



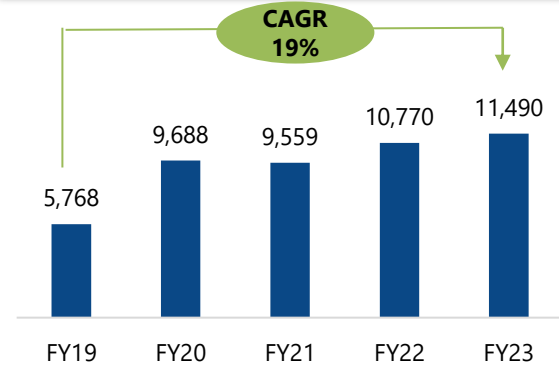
**Active Borrowers ('000)**



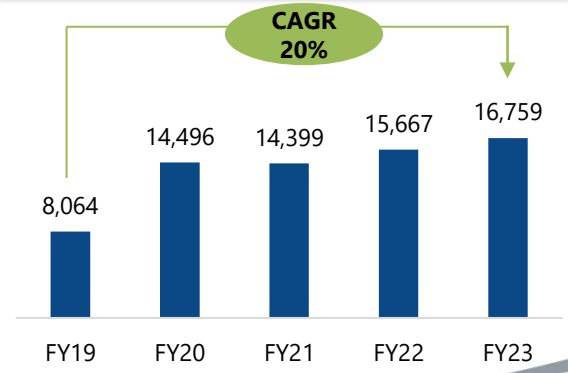
**Branch Network**



**Loan Officers**



**Employees**

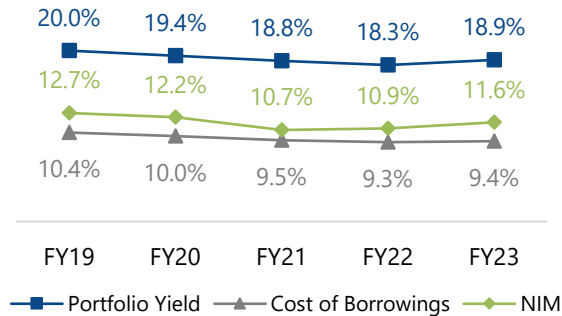




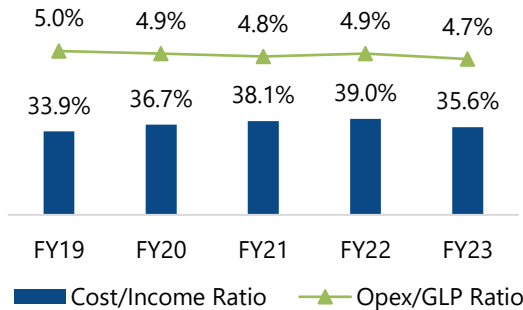
# Past Five Years Performance Track Record (2/2)

Note: Refer Annexure for definition of key ratios

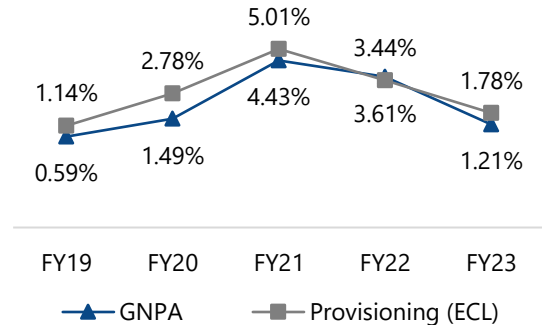
## Margin Analysis (%)



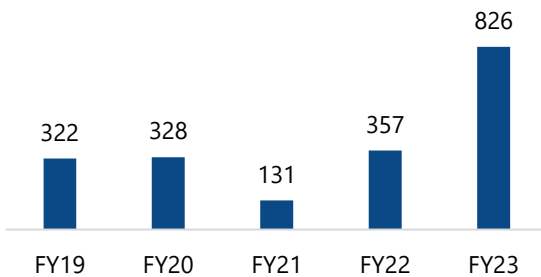
## Operating Efficiency (%)



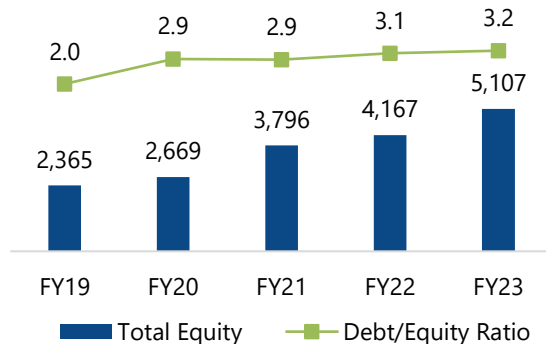
## Asset Quality (%)



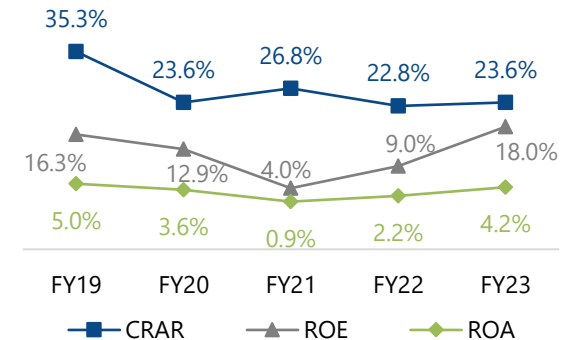
## PAT (INR Cr)



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



## Return Ratios & Capital Adequacy (%)



Note: FY23 figures have been restated post completion of CA Grameen - MMFL legal merger

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)
11. Provisioning (ECL) = (Stage I ECL + Stage II ECL + Stage III ECL) / (Sum of exposure at default of Stage I + Stage II + Stage III)



## For Further Queries:

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