



CreditAccess Grameen Limited - Third Quarter FY24-25 Results

Business Regained Growth Momentum Early Risk Recognition To Strengthen Future Profitability

Bengaluru, 24th January 2025: CreditAccess Grameen Limited (NSE: CREDITACC, BSE: 541770, 'CA Grameen'), the country's largest Non-Banking Financial Company-Micro Finance Institution (NBFC-MFI), today announced its unaudited and limited reviewed financial performance for the third quarter and nine months of the financial year 2024-25.

Business Highlights: Q3 FY25

- AUM grew by **6.1% YoY** from INR 23,382 crore to **INR 24,810 crore**
- Borrower base grew by **2.4% YoY** from 46.93 lakh to **48.05 lakh**
- Branch network grew by **8.7% YoY** from 1,894 to **2,059 branches**
- Collection efficiency of **93.3%** (excl. arrears) and **94.1%** (incl. arrears)
- **Collection efficiency of X bucket was over 99.2% for Dec-24 and improving trend in Jan-25**

Financial Highlights: 9M FY25

- Total income increased by **17.1% YoY** from INR 3,713.5 crore to **INR 4,348.4 crore**
- Pre-provision operating profit (PPOP) grew by **17.3% YoY** from INR 1,708.2 crore to **INR 2,004.4 crore**
- Profit After Tax was **INR 484.2 crore** resulting in **ROA of 2.3%** and **ROE of 9.4%**

Financial Highlights: Q3 FY25

- Total income increased by **6.7% YoY** from INR 1,295.2 crore to **INR 1,381.9 crore**
- Net interest income (NII) increased by **7.4% YoY** from INR 802.4 crore to **INR 861.7 crore**
- Pre-provision operating profit (PPOP) increased by **3.5% YoY** from INR 601.8 crore to **INR 622.9 crore**
- Impairment of financial instruments was **INR 751.9 crore**
 - Total ECL provisions were **INR 1,244.0 crore (5.07%)** against GNPA (**largely @ 60+ dpd**) of **3.99%**, and PAR 90+ of **2.64%**. **NNPA** stood at **1.28%** and write-offs were **INR 376.7 crore**
- While early risk recognition, conservative provisioning & accelerated write-off resulted in a loss of INR 99.5 crore in Q3 FY25, **it will safeguard our profitability over coming quarters with growth rate getting normalised**
- Robust liquidity of **INR 3,222.2 crore** of cash, cash equivalents, and investments, **11.7%** of the total assets
- Healthy capital position with a **CRAR of 25.9%**
- Credit Rating: **AA-/Stable** by CRISIL, ICRA & India Ratings

Commenting on the performance, Mr. Udaya Kumar Hebbar, Managing Director of CreditAccess Grameen, said, "The third quarter was encouraging, marked by sustained reversal in new delinquency accretion rate beginning mid-November 2024 and positive business momentum beginning December 2024. This trend of reversing delinquencies, robust customer additions, and sustained AUM growth further improved in January 2025. The collection efficiency in X bucket was over 99.2% in December 2024 and further improved in January 2025. While Q3 FY25 profits were impacted by our early risk recognition, conservative provisioning, and accelerated write-offs, we still delivered ROA of 2.3% and ROE of 9.4% for 9M FY25. We foresee 7-8% loan portfolio growth for FY25 with ROA of 2.3-2.4% and ROE of 9.5-10.0%. We anticipate asset quality to normalise by Q1 FY26 and profitability to normalise by Q2 FY26. Our preliminary outlook for FY26 suggests AUM growth of 18-20% driven by robust customer additions, improved customer retention, and higher share of retail finance. We expect to deliver ROA of 4.2-4.5% and ROE of 17-19% in FY26."



Mr. Ganesh Narayanan, Chief Executive Officer of CreditAccess Grameen, said, *“The sharp increase in delinquencies since July 2024 was primarily due to implementation of tighter underwriting norms by the industry. We are witnessing significant deleveraging at our borrower level over past five months. Our data shows that in case of borrowers with loans from 4 or more lenders, their AUM share declined from 25.3% in August 2024 to 18.8% in December 2024. Further, more than 84% of borrowers with loans from 4 or more lenders, are promptly repaying, making them eligible for future loans. Hence, we believe that MFIN guardrails will not have any major impact on our customer retention and future growth. Our Retail Finance portfolio, central to our ‘Evolve with Customer’ strategy, has experienced significant growth reflecting robust customer demand and our ability to deliver tailored solutions. The retail finance portfolio currently accounts for 5.0% of AUM amounting to INR 1,245 crore compared to 2.1% a year ago. Moving forward, all our efforts are focused on strengthening the balance sheet, normalising the asset quality, and positioning the Company for sustained growth in the future.”*

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 across 422 districts in 16 states (Andhra Pradesh, Bihar, Chhattisgarh, Goa, Gujarat, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Odisha, Rajasthan, Tamil Nadu, Telangana, Uttar Pradesh & West Bengal) and one union territory (Puducherry) through 2,059 branches. The Company’s Promoter is CreditAccess India B.V., a multinational company specializing in micro and small enterprise financing. It is backed by institutional investors and has a micro-lending experience in India of more than a decade.

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