


Letter No. FMFL/SEC/2024-25/SE-27
Date: 18.05.2024

The Manager Listing Department National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block Bandra Kurla Complex, Bandra (E), Mumbai - 400 051 Scrip Code: FUSION	The Manager Listing Department BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400 001 Scrip Code: 543652
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Sub: Submission of Investor & Analyst Meet Presentation

Dear Sir/Ma'am,

In continuation to our Letter No. **FMFL/SEC/2024-25/26** dated **May 16, 2024**, and pursuant to Regulation 30 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the "Investor & Analyst Meet" Presentation held on May 17, 2024.

The same is also available on the website of company i.e. www.fusionmicrofinance.com.

The "Investor & Analyst Meet" commenced at 4:00 P.M. (IST) and concluded at 7:00 P.M. (IST).

Request you to take the same on records.

**Thanking you,
Sincerely,**

For Fusion Micro Finance Limited

**Deepak Madaan
Company Secretary & Chief Compliance Officer
Membership No. A24811
Place: Gurugram**



***Fusion Micro Finance
Limited***

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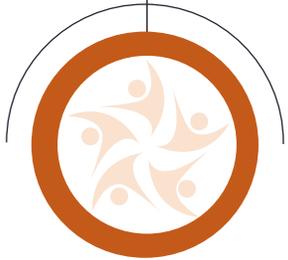
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Agenda – Investor & Analyst Meet 17th May 2024



01

• Strategic Overview by MD & CEO

02

• MFI Business

03

• MSME Business

04

• Finance & Treasury

05

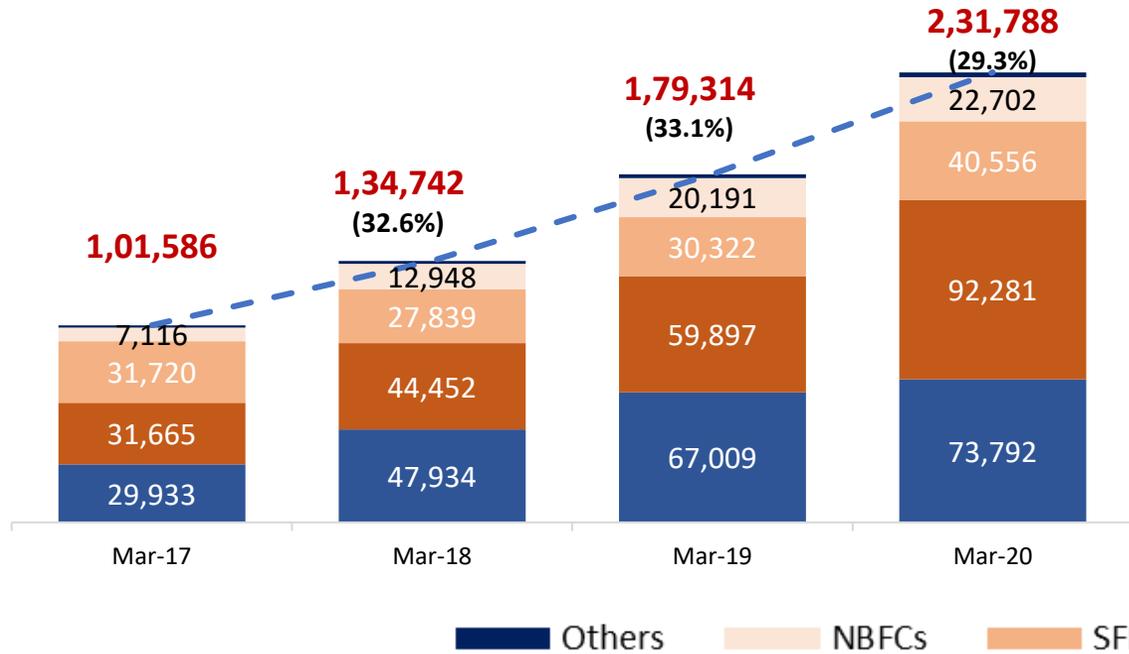
• Information Technology

06

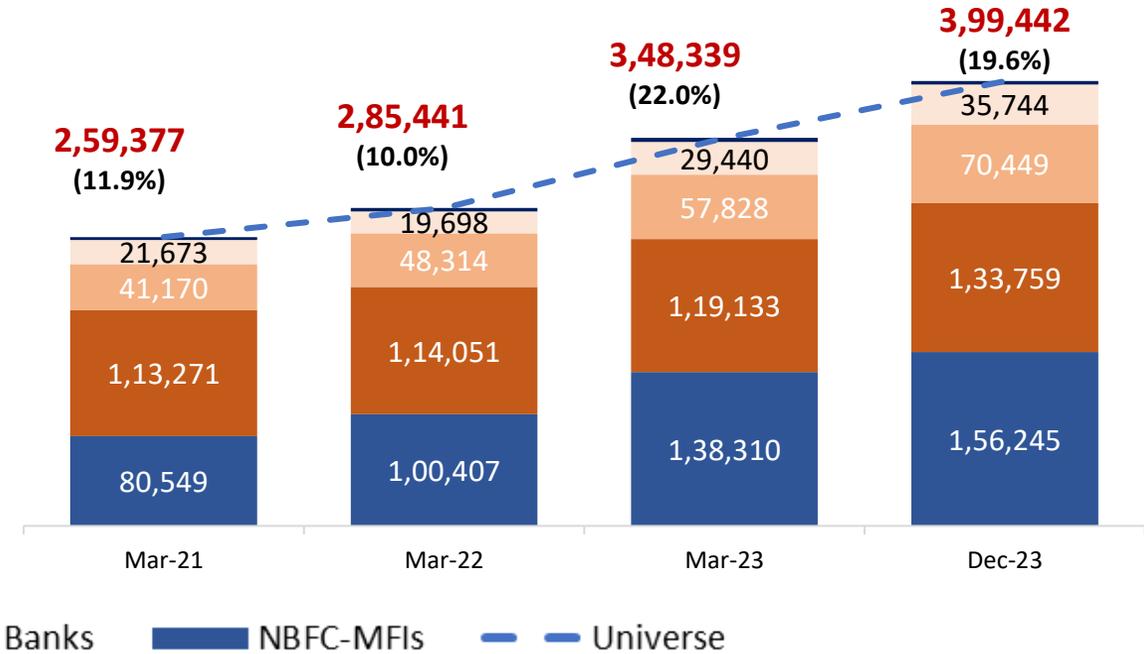
• Risk Management & Audit

“Impacting lives and communities, our aspiration is to be a large and respectable financial institution in India.”

Post Demonetization (₹ Cr)



Post Covid (₹ Cr)



✿ **Post demon**, GLP CAGR of 32% (Mar'17 to Mar'20)

✿ **Post Covid**, GLP CAGR just 16% (Mar'20 to Dec'23) – depicts longer-term impact, institutional variations evident.

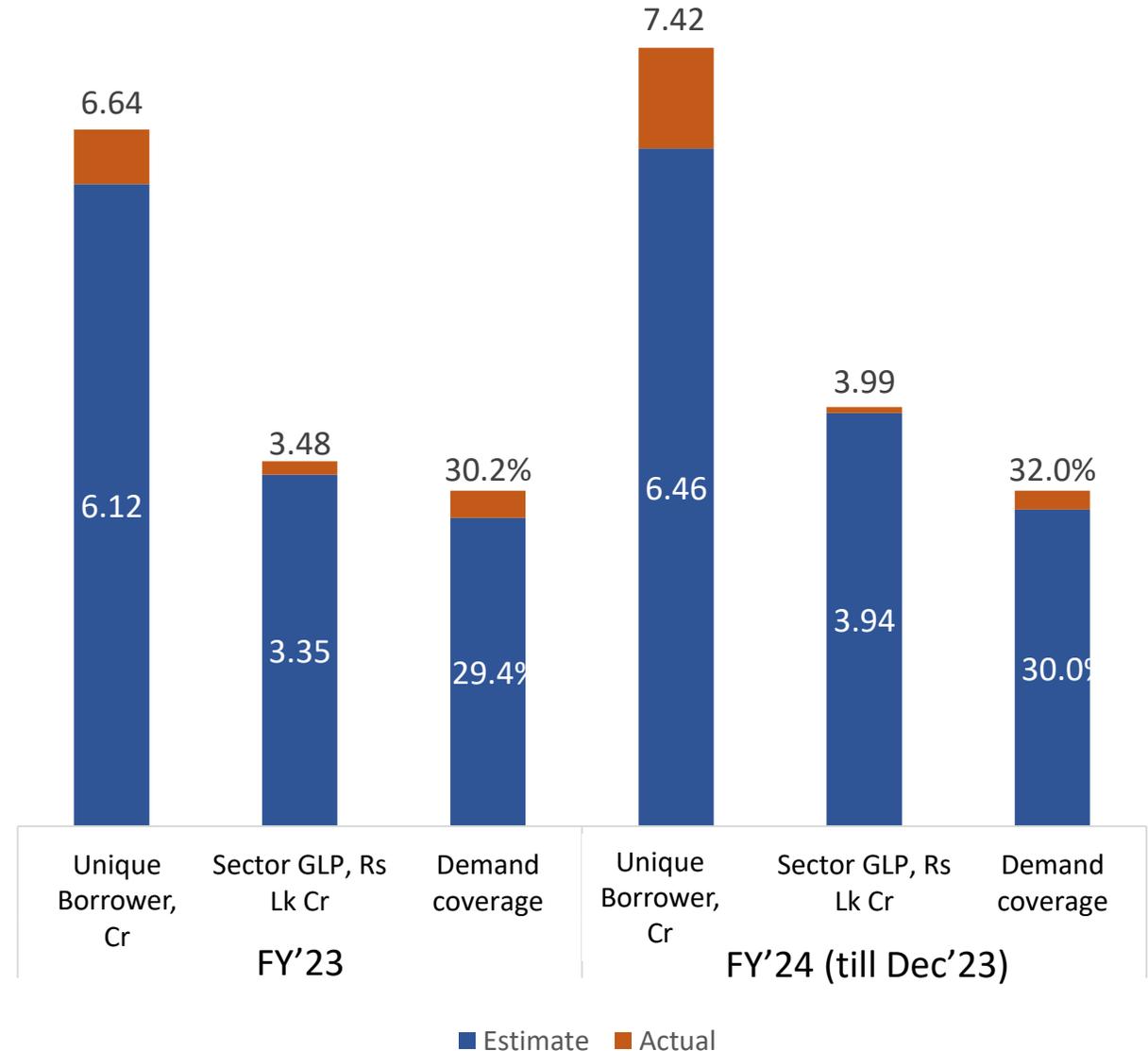
✿ However, overall YOY growth seems to have normalized Mar'23 onwards

✿ **# Unique borrowers:** 7.4 Cr (Dec'23); 6.4 Cr (Dec'22) – shows addition of 1 Cr NTC customers in 1 year

- ✦ **Micrometer report:** MFIN’s estimate of micro finance market size
 - ✦ GLP of ₹ 3.35 Lakh Cr, Mar’23, potential demand Rs 11.42 Lakh Cr
 - ✦ ₹ 3.94 Lakh by Mar’24, potential demand Rs 13.03 Lakh Cr

- ✦ The sector had overachieved the Mar’23 estimate and has already gone past the Mar’24 estimate in Dec’23 itself.

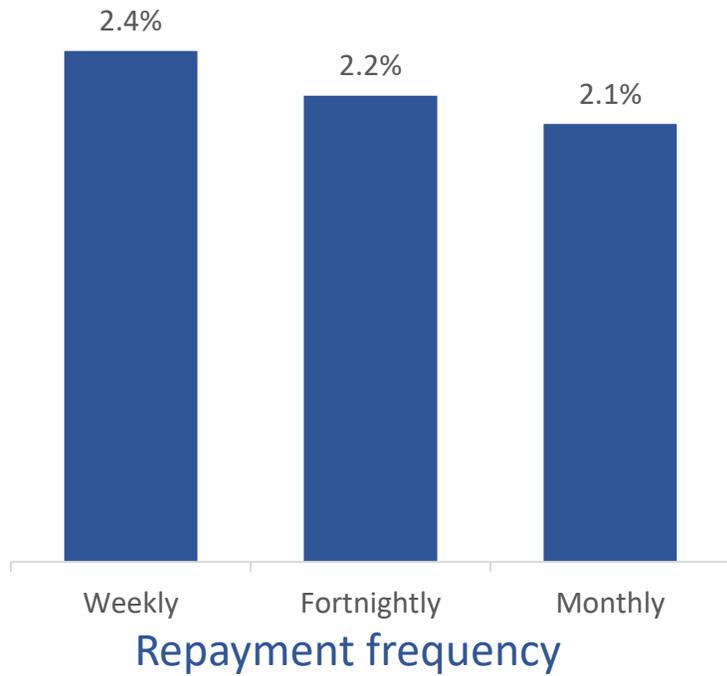
- ✦ At the current growth rate, sector well poised to exceed the estimated size of Rs 5.43 Lakh Cr by Mar’26.



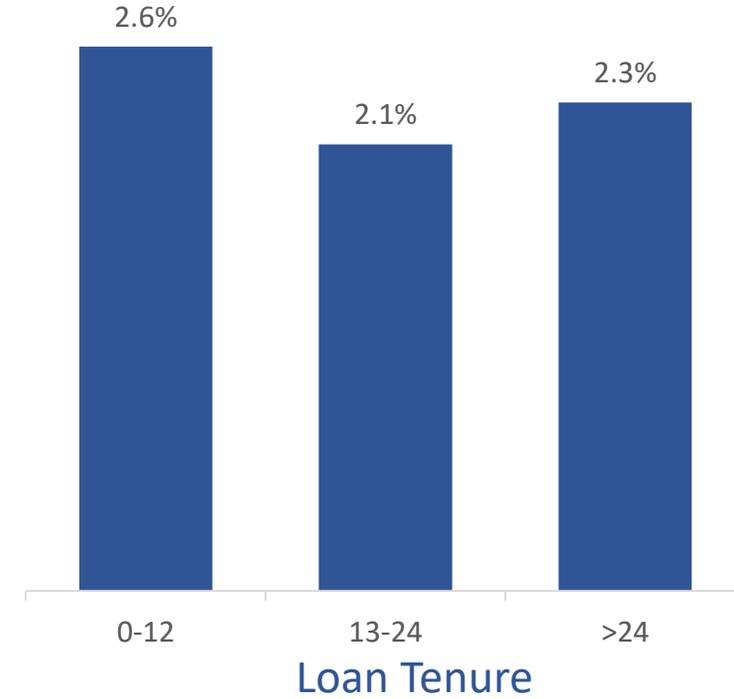
- ✿ India's rural growth potential and demographic composition attracting large no. of financial institutions , banks in the microfinancing segment
- ✿ Harmonized guidelines design to ensure a level playing field
- ✿ Proactive regulatory orientation...enhanced focus on customer protection
- ✿ A mix of household consumption driven by need / aspiration influencing product ticket size, longer tenure options
- ✿ Post covid - basic fabric of center meeting discipline / center size /door-to-door collection have impacted operations ...SRO and all leading practitioners have taken various initiatives to motivate customers for resuming center meeting attendance and discipline

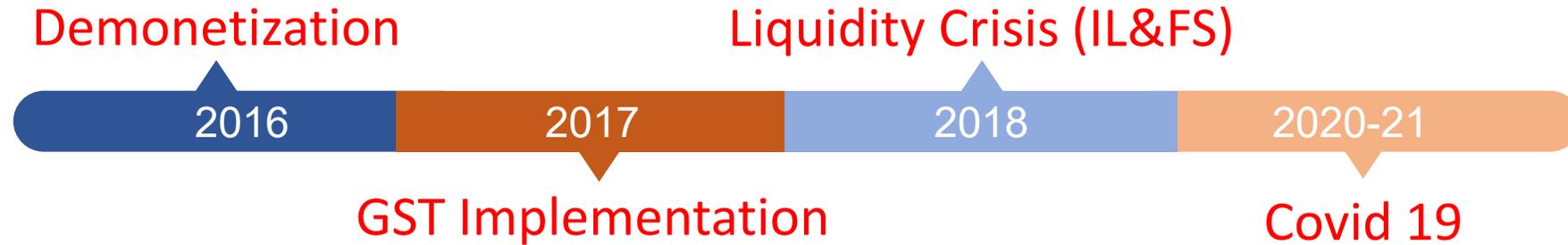
- ❁ Companies focusing and investing in technology to drive productivity as well as early warning systems / framework to mitigate control issue in a distributed environment
- ❁ MF continues to remain an assisted model and hence People are the most in-valuable resource for organization
- ❁ Sector credit cost settling at a new plane versus pre-demon era
- ❁ Constant evolution and innovation in business model and delivery platform has become a need of the hour

PAR 31-180 days



PAR 31-180 days





✿ Re-engineered business processes

✿ Built a strong capital base

✿ Strengthened core team

✿ Diversified liability mix

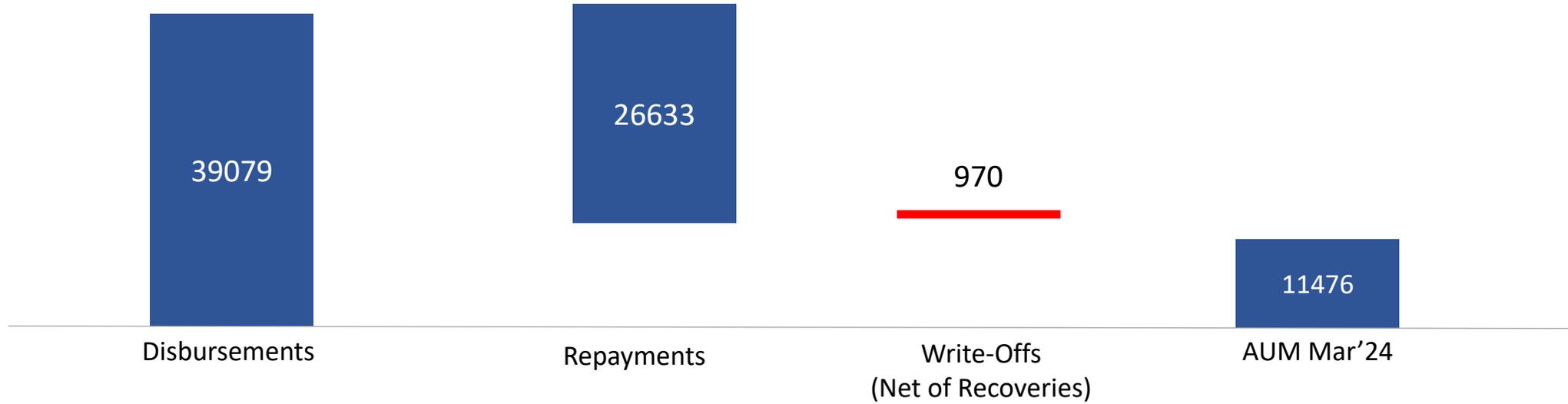
✿ Attracted Warburg Pincus, marquee investor

✿ Seeded a new product – MSME

✿ Developed a robust IT platform

✿ Created path to public listing

Performance Apr'10 to Mar'24



✦ Only 2.5% Write-offs (Net Of Recoveries) Over The Past 14 Years, In spite of events like Demonetization and COVID

Metrics	Pre-IPO FY'22	FY'24
AUM (₹ Cr)	6,786	11,476
No. of Client (Lakhs)	27.23	38.62
NIM (%)	8.39%	11.22%
Branches	934	1,297
CRAR (%)	21.94%	27.53%
Ratings	A- (Stable)	A+ (Stable)
Net-worth (₹ Cr)	1,338	2,848
ROA (%)	0.33%	4.78%
ROE (%)	1.68%	19.55%

MD & CEO





Business Lines

- Core MFI
- MSME
- Graduated MFI
- Adjacent Products

Distribution Network and Domain expertise

- 10%-12% Cust Addition
- 15%-20% Branch Addition

**Mid 20s
Growth**

Human Capital

- Capability Building
- Deepen Connect
- Encouraging diversity

Strong Liability

- Diversification
- Add new instruments

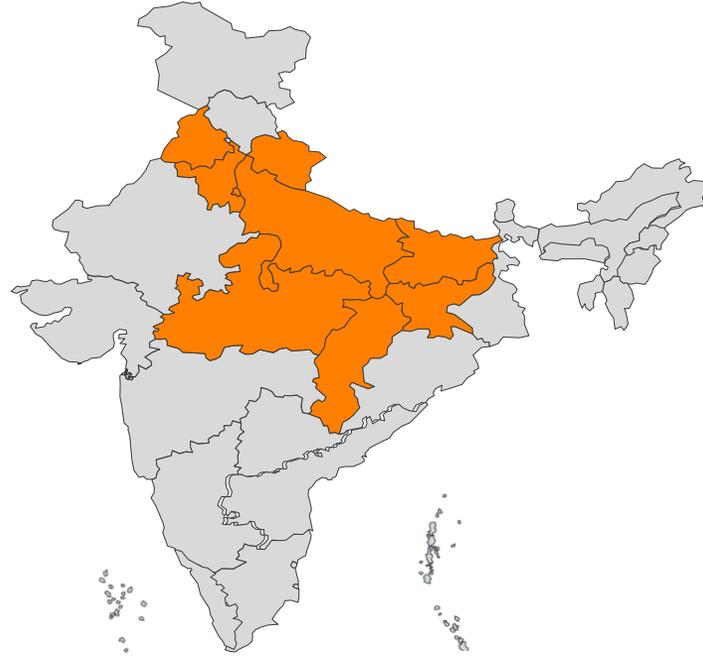
Based on a future ready Tech Platform

MFI

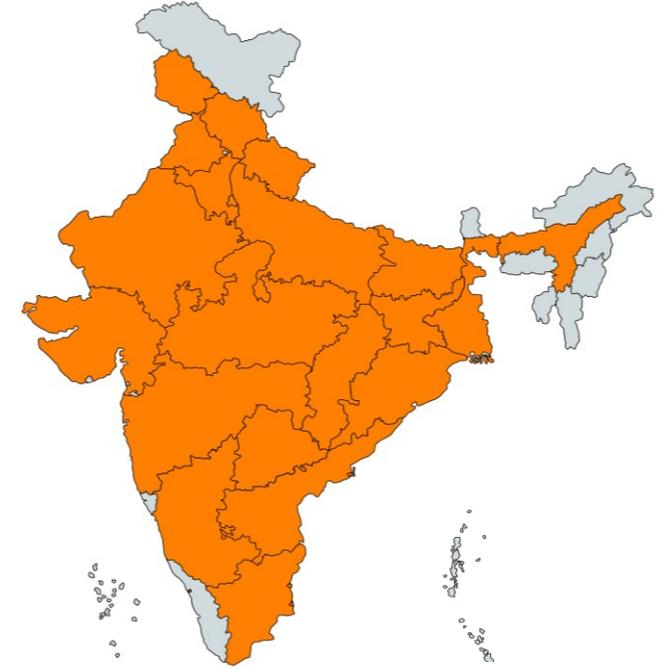
Business Operations



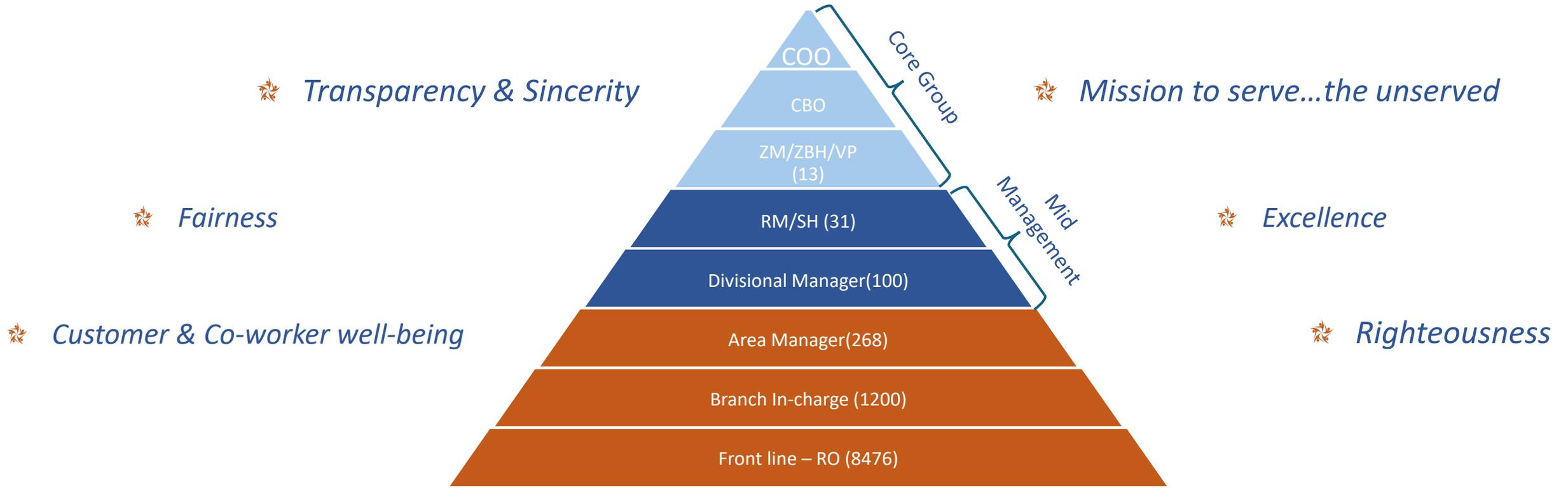
Particulars	FY 10-15
States	5
Districts	38
Branches	75
AUM (₹ Cr)	295



Particulars	FY 16
States	9
Districts	88
Branches	173
AUM (₹ Cr)	647



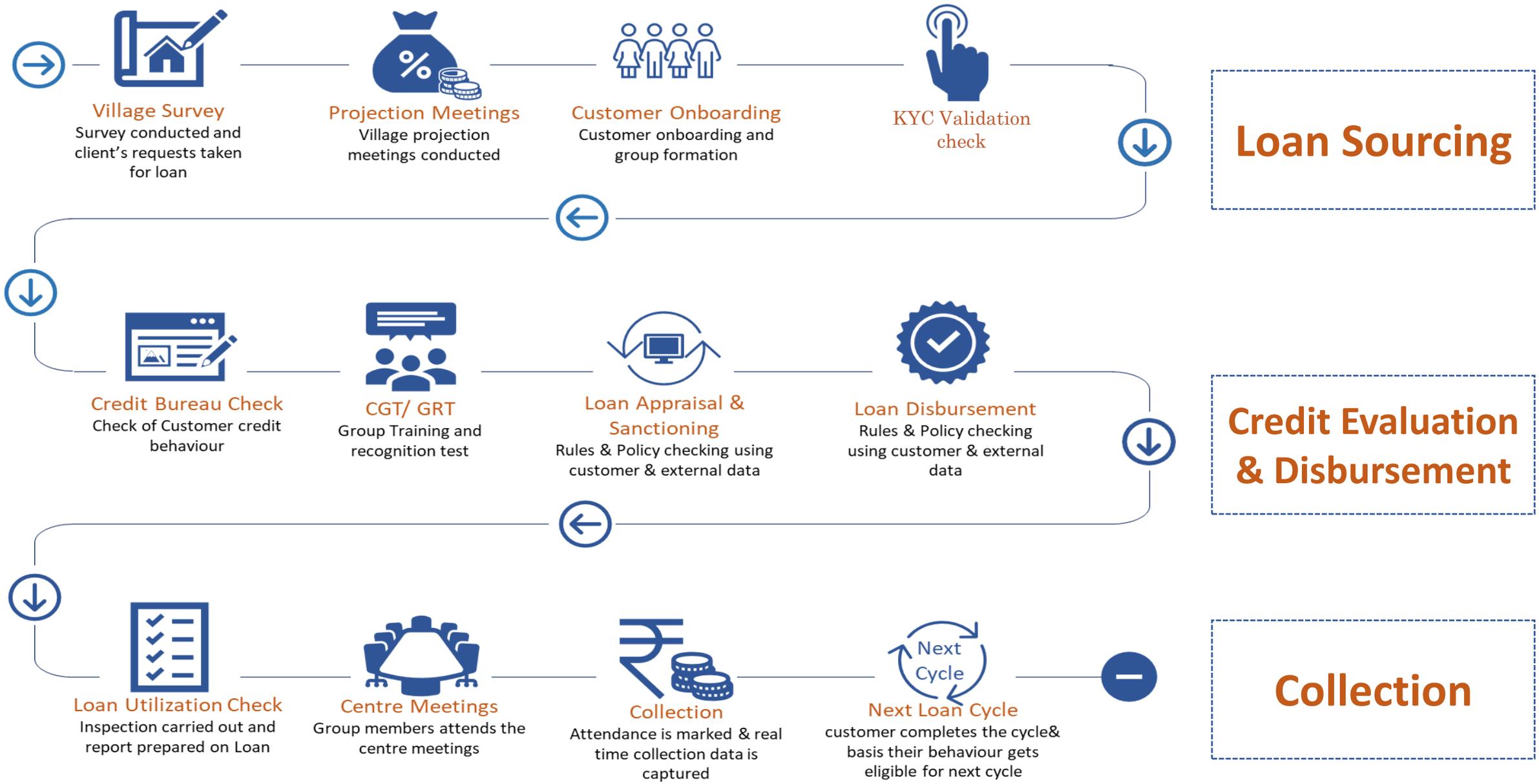
Particulars	FY24
States	22
Districts	453
Branches	1297
AUM (₹ Cr)	11,476



Level	<3 Year	3-5 Year	> 5 Year	Total
CBO, COO			2	2
AVP to VP	2	1	10	13
RM	5	4	22	31
DM/SDM	24	12	64	100
Grand Total	31	17	98	146

We believe that MF will continue to remain an assisted model with technological adoption playing a key role in strengthening it's form factor

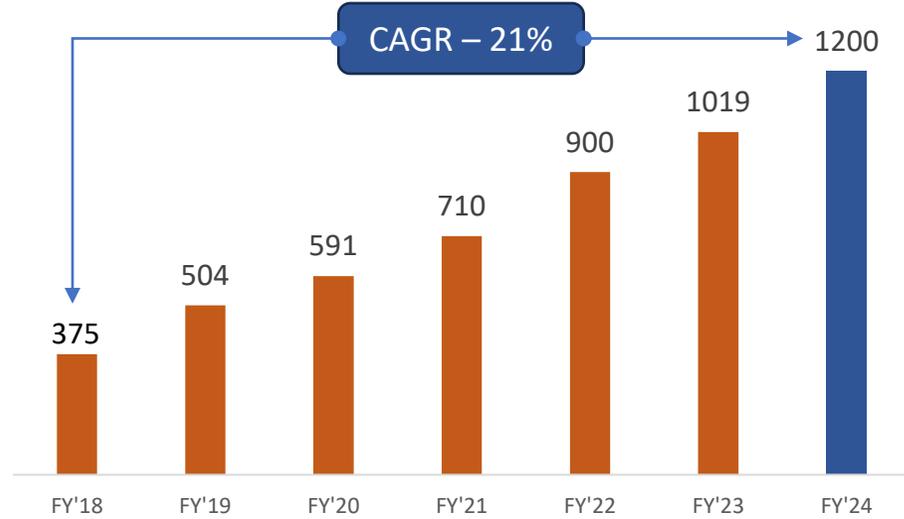
Fusion Business Process



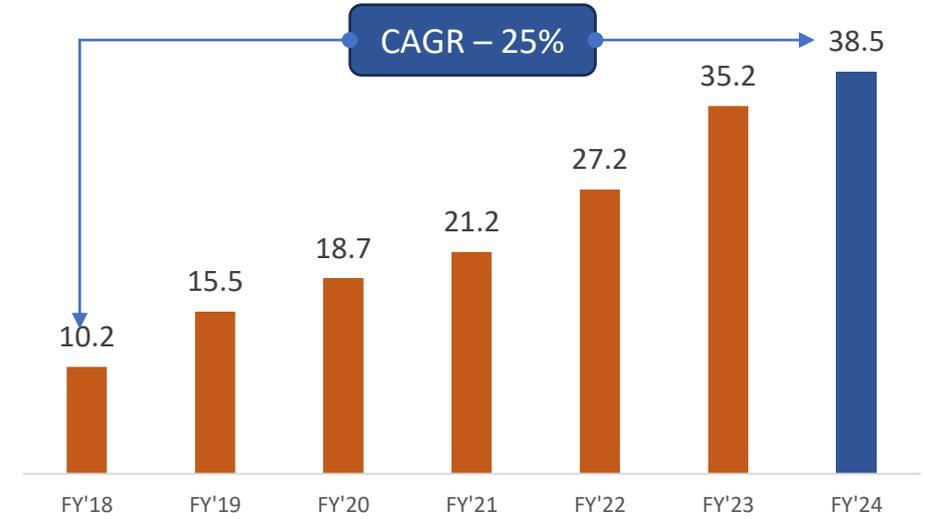


-  Digital Disbursement & Collections
-  2FA - OTP
-  LAT-LONG Mapping
-  In-house LMS “Gurukul” / **Training Academy*
-  **E-KYC, E-Sign*
-  Building Diversity
-  **Customer Loyalty Program “Humara Fusion”*

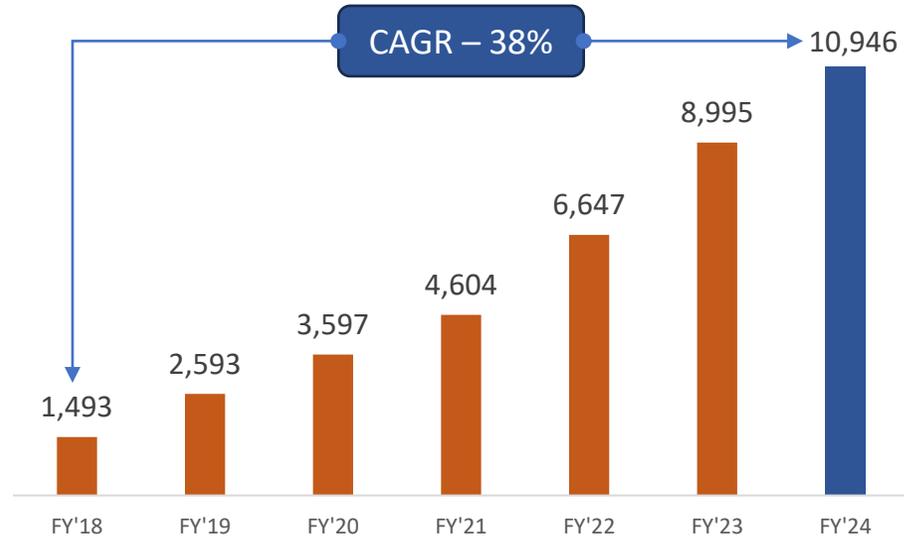
Network Distribution



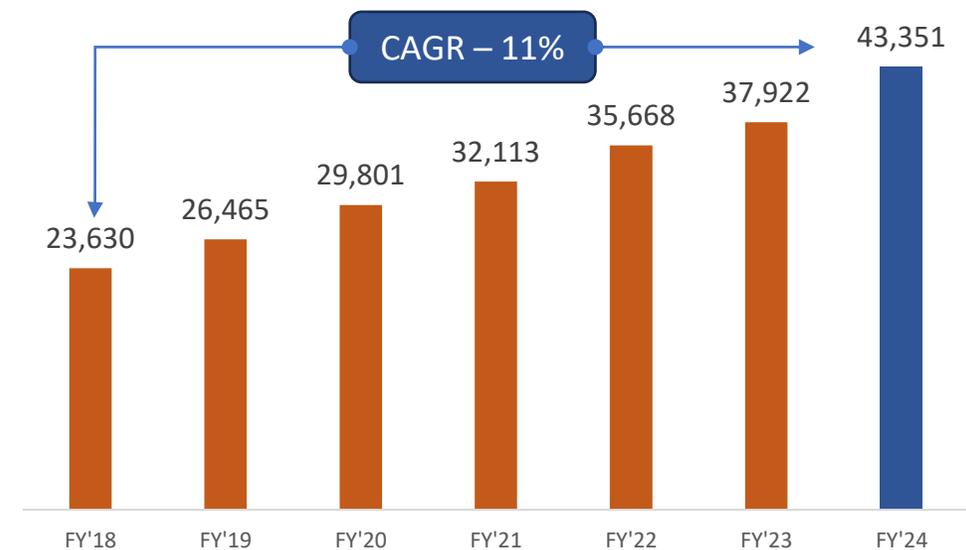
Active Clients (in Lakh)



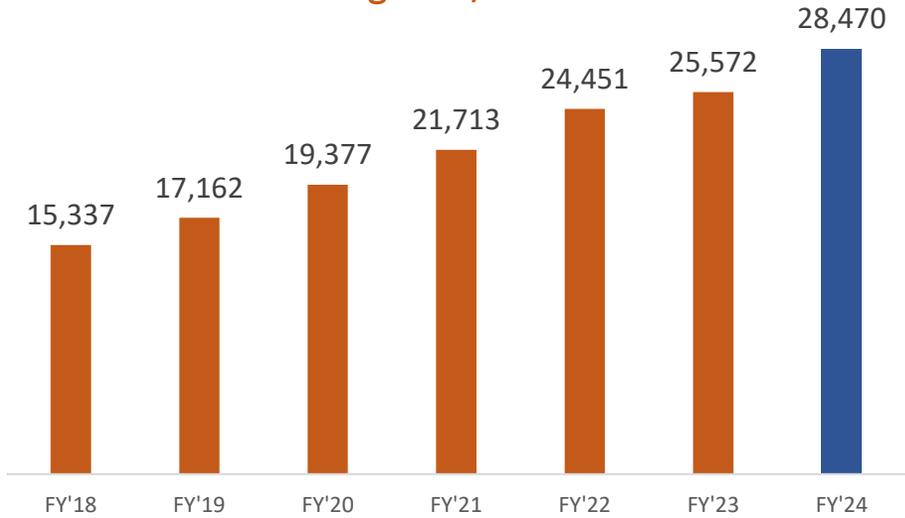
AUM (₹ Cr)



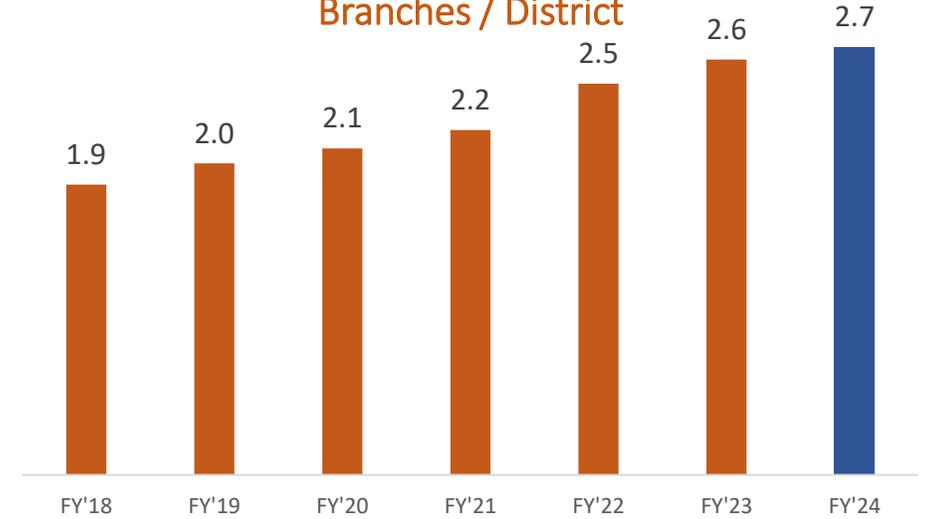
Avg Ticket Size



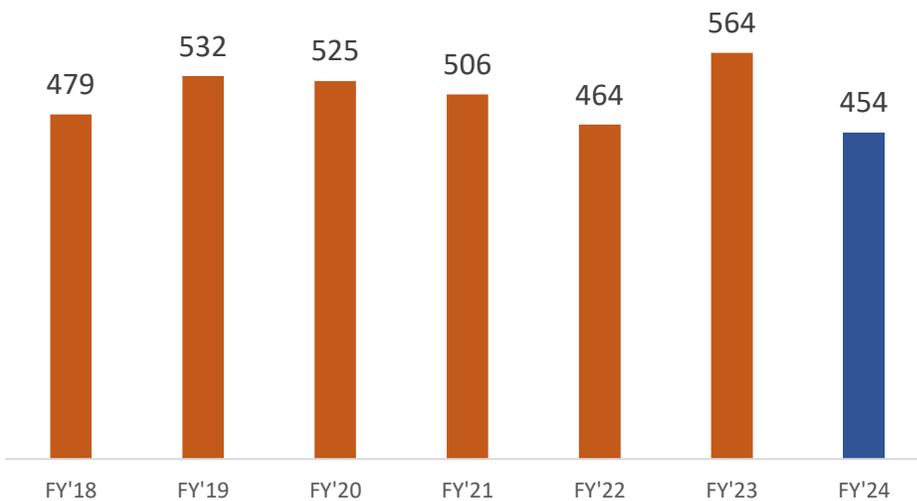
Avg POS / Client



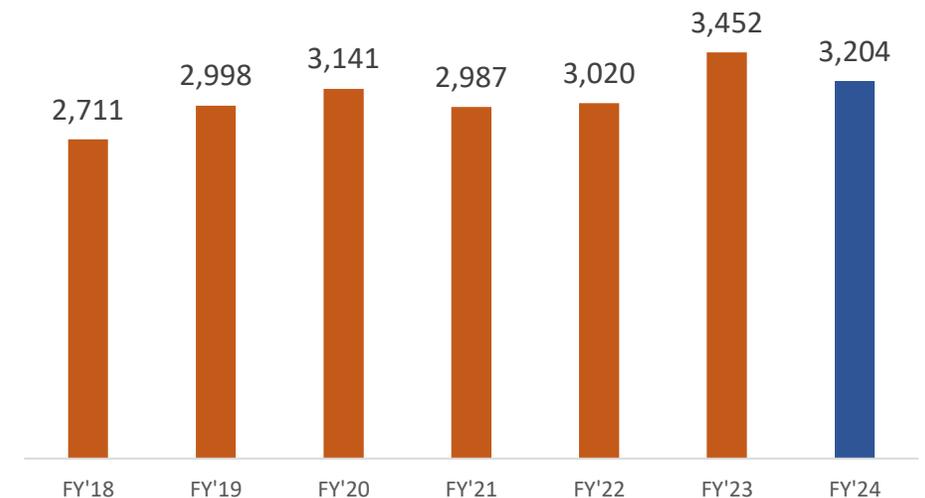
Branches / District



Avg Clients / RO



Avg Clients / Branch



Metrics	Q4 FY24	
Avg Gross O/s per customer	Fusion	 <p>28470</p> <p>Sector range : 30000-53000</p>
Branches	Fusion	 <p>1200</p> <p>Sector range : 1236 - 1967</p>
Borrowers Per Branch	Fusion	 <p>3204</p> <p>Sector range : 2021-2780</p>

Metrics	Q4 FY24	
AUM per Branch (₹ Cr)	Fusion	 <p>9.1</p> <p>Sector range : 7.3 Cr – 13.6 Cr</p>
Borrowers per Loan officers	Fusion	 <p>454</p> <p>Sector range : 344-456</p>

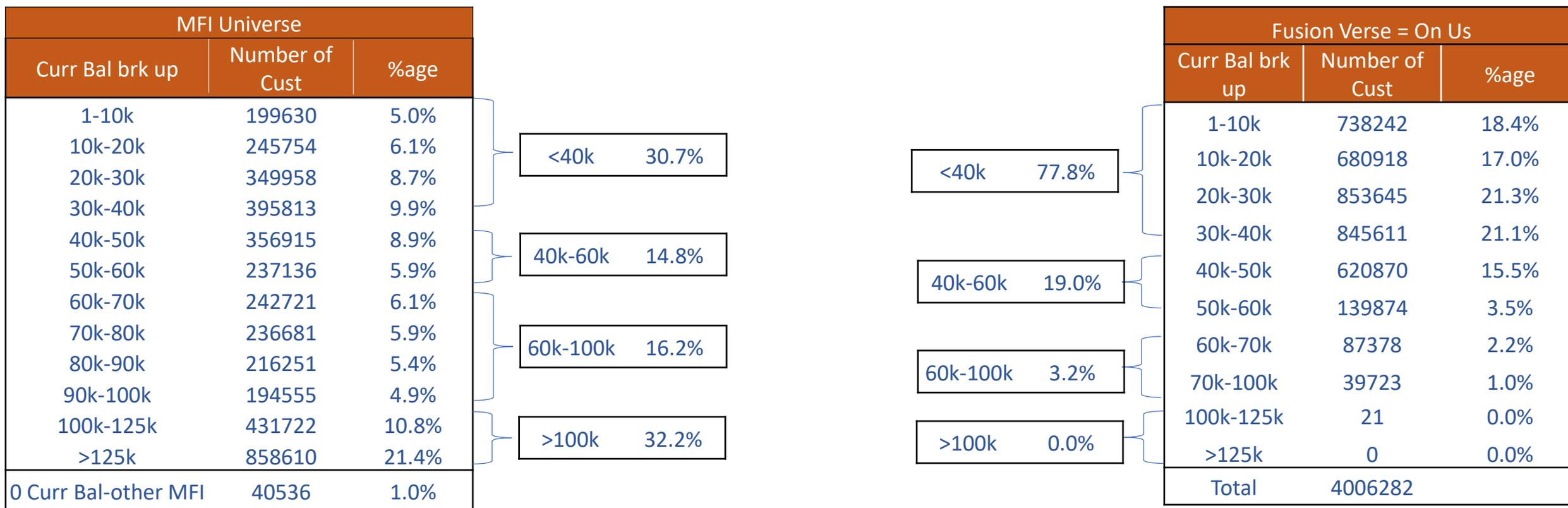
- ✿ Maintained prudent levels of ticket size and gross exposure across years
- ✿ Demonstrated sustainable growth with strong focus on organic customer addition, network expansion and productivity optimization

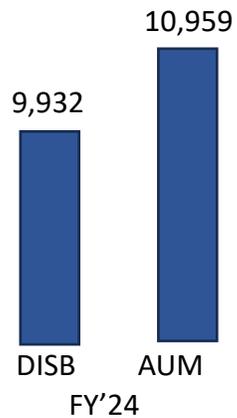
Branch Vintage

Branch Vintage (Years)	Mar'22		Mar'23		Mar'24	
	Branches	POS Contribution	Branches	POS Contribution	Branches	POS Contribution
<1 Yrs	190	7%	121	4%	181	4%
1 - 2 Yrs	119	10%	190	14%	121	7%
2 - 3 Yrs	87	9%	118	11%	190	15%
> 3 Yrs	504	74%	590	71%	708	74%
Grand Total	900	100%	1019	100%	1200	100%

Fusion customer base composition

Total customers	Unique to Us	%age	Us+1	%age	Us+2	%age	Us+3	%age	Us+4	%age	Us+ >=5	%age
4006282	1236821	30.9%	789376	19.7%	715063	17.8%	586254	14.6%	422594	10.5%	256174	6.4%





Existing Top 5

- + Mining deeper
- + Leverage vintage branches
- + Efficiency in productivity / Process
- + Focus on existing customer retention
- + Analytics to drive increase in Ticket size / Gross exposure

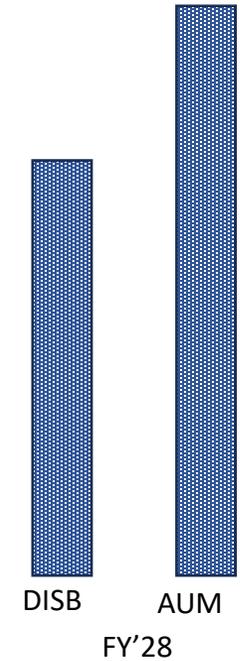
Next growth States

- + Network expansion
- + Focus on new customer addition
- + Comparable entry level ticket sizes
- + Gross exposure inline with bureau score / past track record

Adjacencies

- + Targeting existing customer base for
 - + Need based requirements
- + Aspirational consumption
- + Enterprises productivity accretion
- + Building Health & wealth

Path to mid 20's growth in AUM over the next 3-4 years



UP
Bihar
MP
Odisha
TN

Andhra Pradesh
Telangana
Karnataka



MSME Business Operations



* Industry report on small business in India 2022 CRISIL

- Dedicated Business Unit launched in 2019
- Building Underwriting Capabilities
- Embargo to lend to existing MFI customer during pilot phase

- Long Term Secured Loan
- Unsecured Business Loan

- Branch Led Direct Distribution
- Adjacent to MFI distribution network
- Hiring Sales Officer from Neighboring Area

- Lending Strictly to Micro SME
- Business Purpose Loans

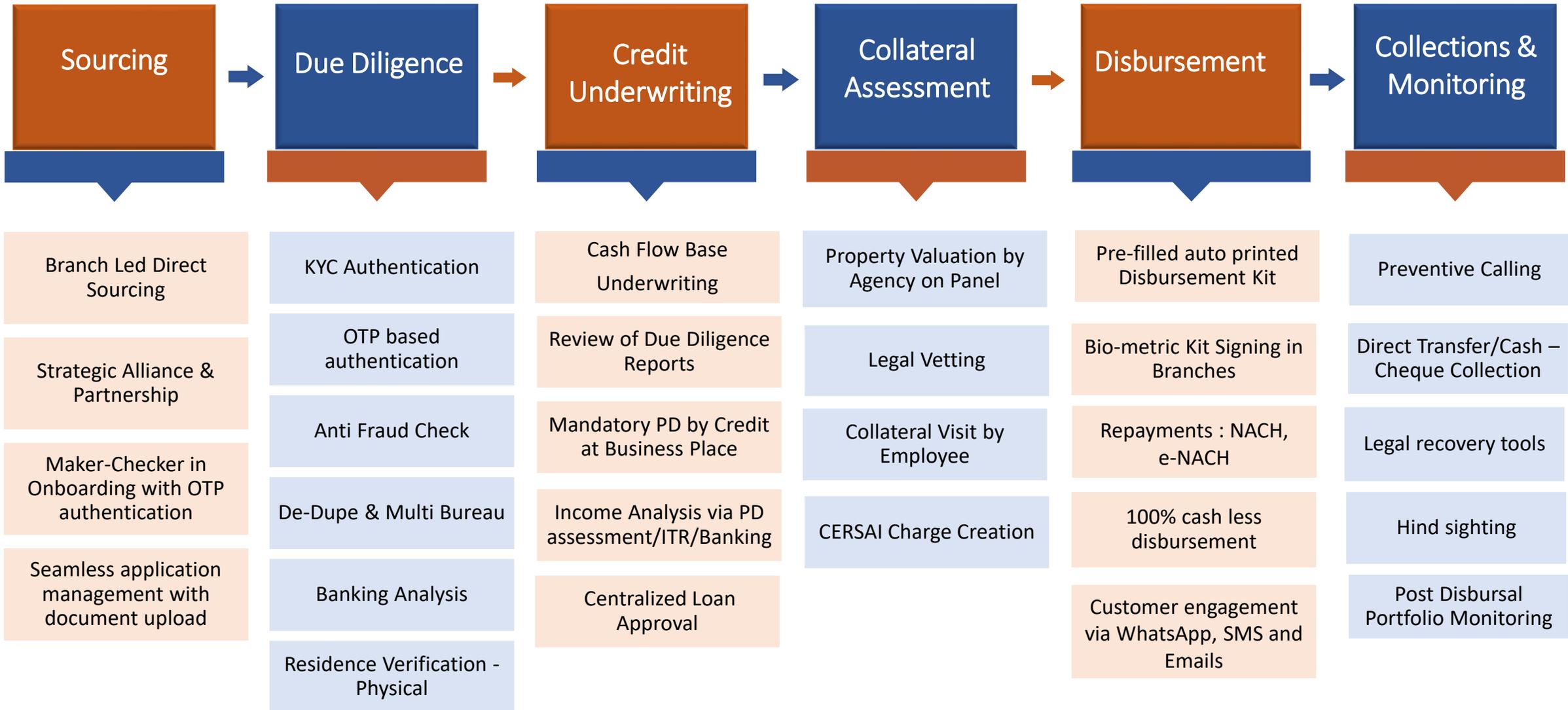
- Cash Flow Base Underwriting
- Ability to Underwrite Informal Customer Segment, Imperfect and Rural Properties
- Centralized Decisioning

- Mandatory Credit PD at Customer Business Place
- Using 22 API in lending process
- 90% Digital collections



Wing to Wing Lending Process

Touch & Tech driven comprehensive customer assessment process

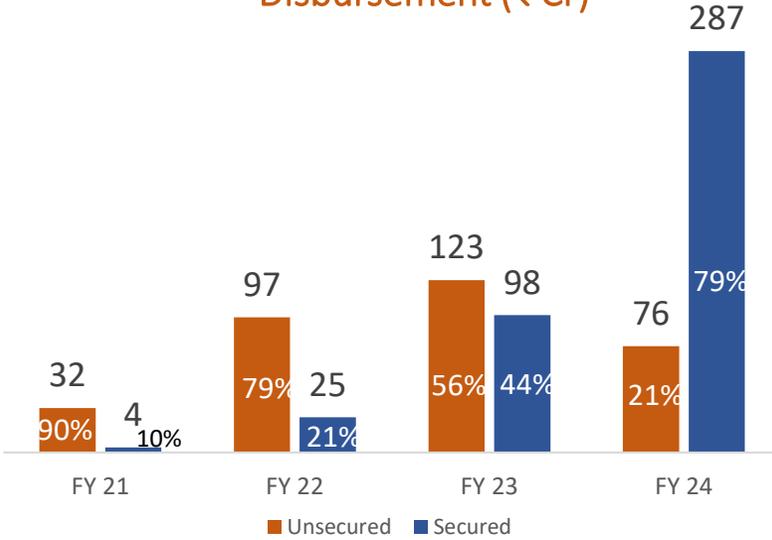


*NDC –Non- Discrepant Check

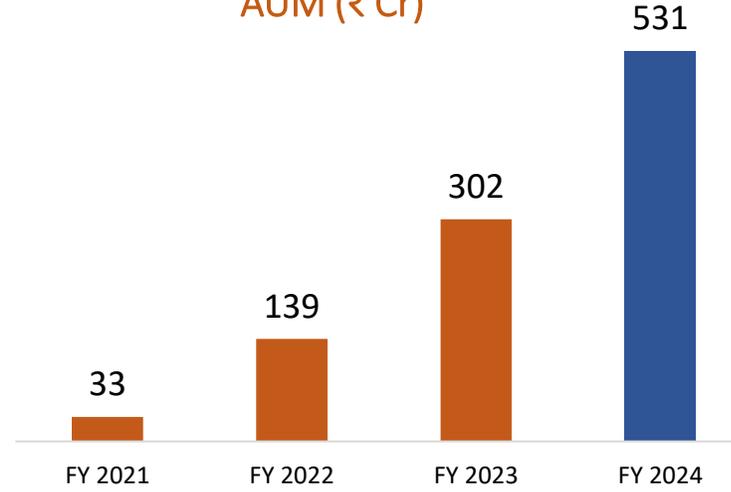
	Secured Business Loan	Unsecured Business Loan	
Loan Range (Lakhs)	₹1 - ₹15	₹1 - ₹5	AUM ₹ 531 Cr
Tenure (Months)	12 - 120	12 - 36	
ROI Range	18% - 24%	24% - 28%	Branch 97
AUM (Cr.)	361	170	
Customer	8018	9318	Employee 1024
Weighted LTV	42%	NA	
ATS (Lakhs)	4.84	2.94	Frontline Sales 547

Credit life insurance - 100% | CERSAI Charge creation - 100%

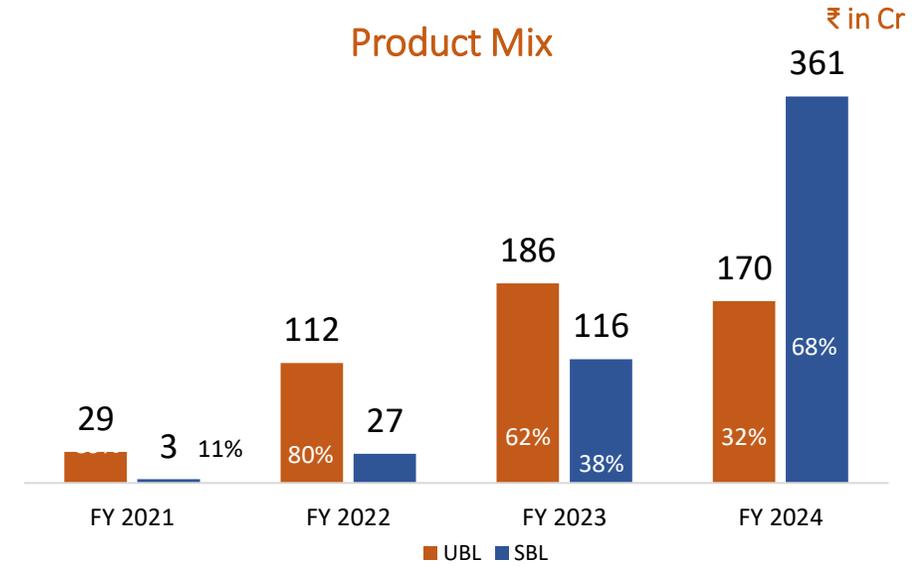
Disbursement (₹ Cr)



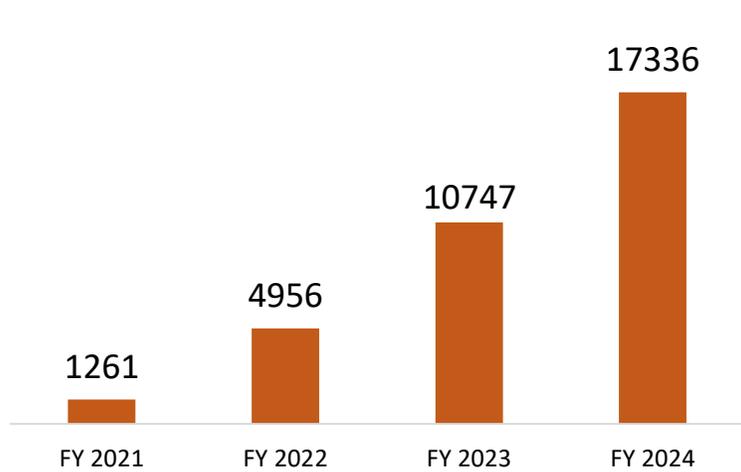
AUM (₹ Cr)



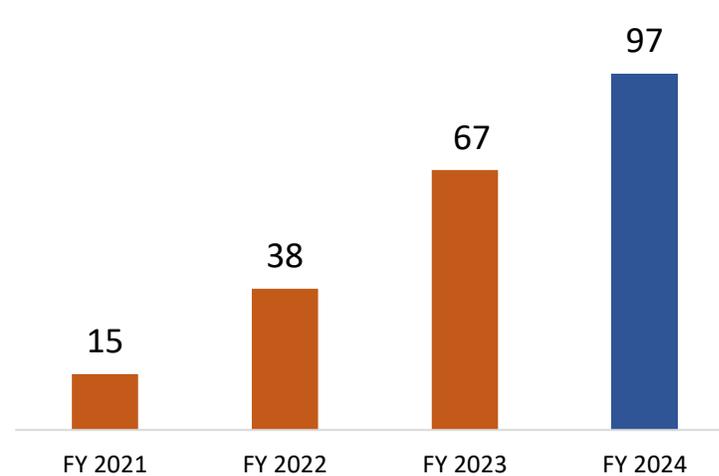
Product Mix



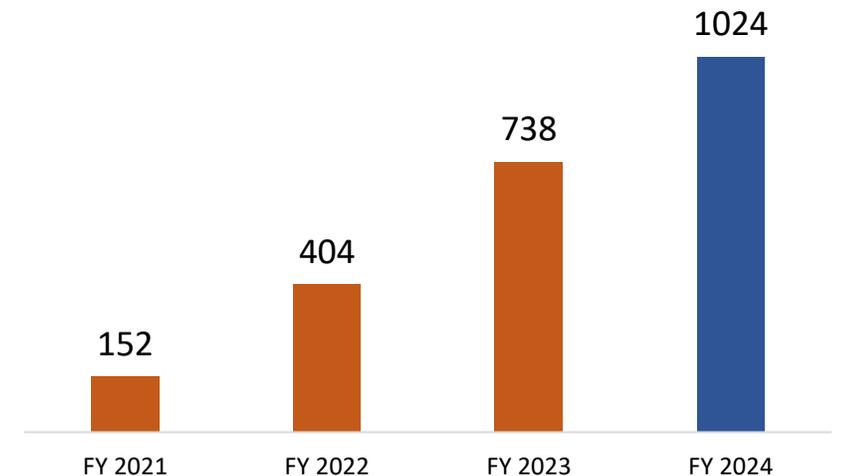
Customer (in k)



Network Distribution



Employee



Growth Plan – Entering into the Next Growth Phase

-  Productivity Enhancement in Vintage Branches | Mining Deeper in UP, Bihar, MP and Rajasthan
-  Leveraging Captive Business Channel
-  Strategic Alliance and Partnerships with Industry, Market Places etc.
-  New Age Lending System and Mobility Solutions to Enhance Response Time, Access and Customer Experience
-  Segment Focus Purpose Led Products/Programs
-  Talent acquisition and upskilling of team to support the growth

Finance & Treasury

Robust Capitalization

- ❖ Consistent track record of robust capitalization, CRAR remained above 20% since inception
- ❖ Prudent Debt Equity Ratio, never surpassed 5 times
- ❖ Raised ₹ 1,667 Cr equity since inception

Competitive Cost of Borrowing

- ❖ One of the most cost-effective borrowers in MFI industry, provides a competitive advantage to offer lower lending rates to our clients
- ❖ Rated A+ (Stable) by CRISIL/ICRA/CARE
- ❖ 2 rating upgrades in 11 months post IPO



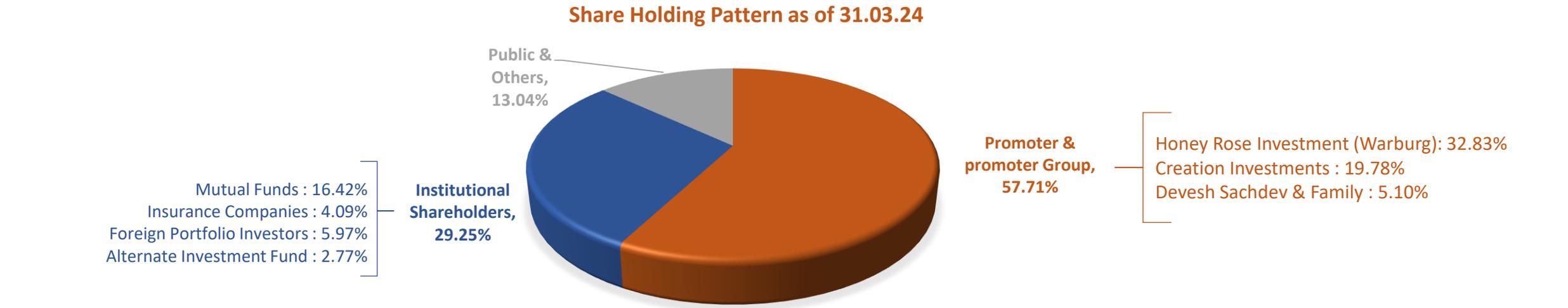
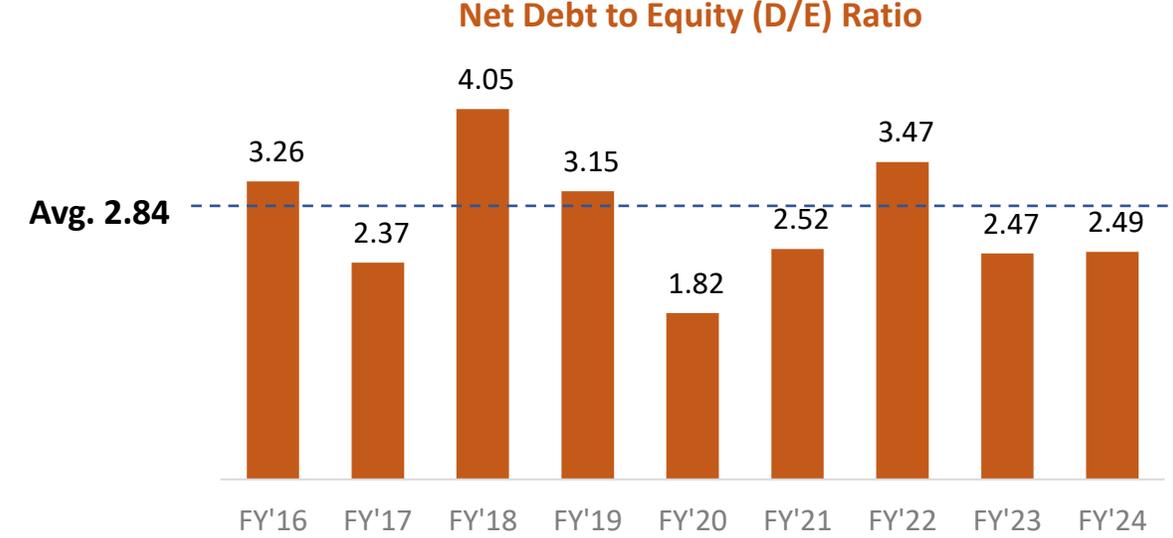
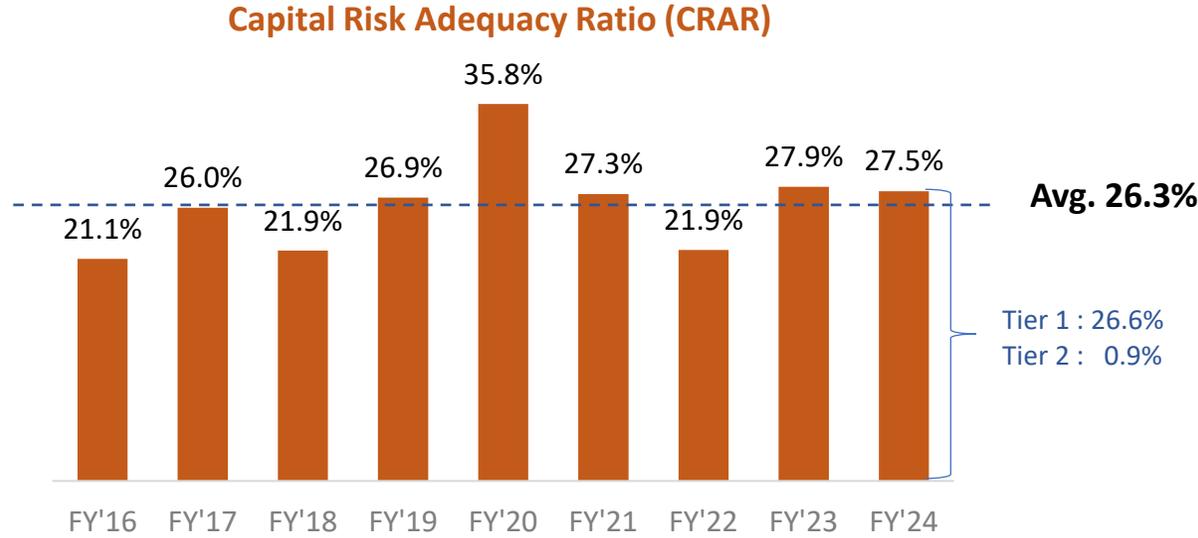
Diversified Sources of Funds

- ❖ Well-diversified funding portfolio, strong relationship with 50+ lenders
- ❖ Ahead of the curve in leveraging new instruments to raise funds
- ❖ Raised ₹ 30,983 Cr debt since inception

Healthy ALM Mix

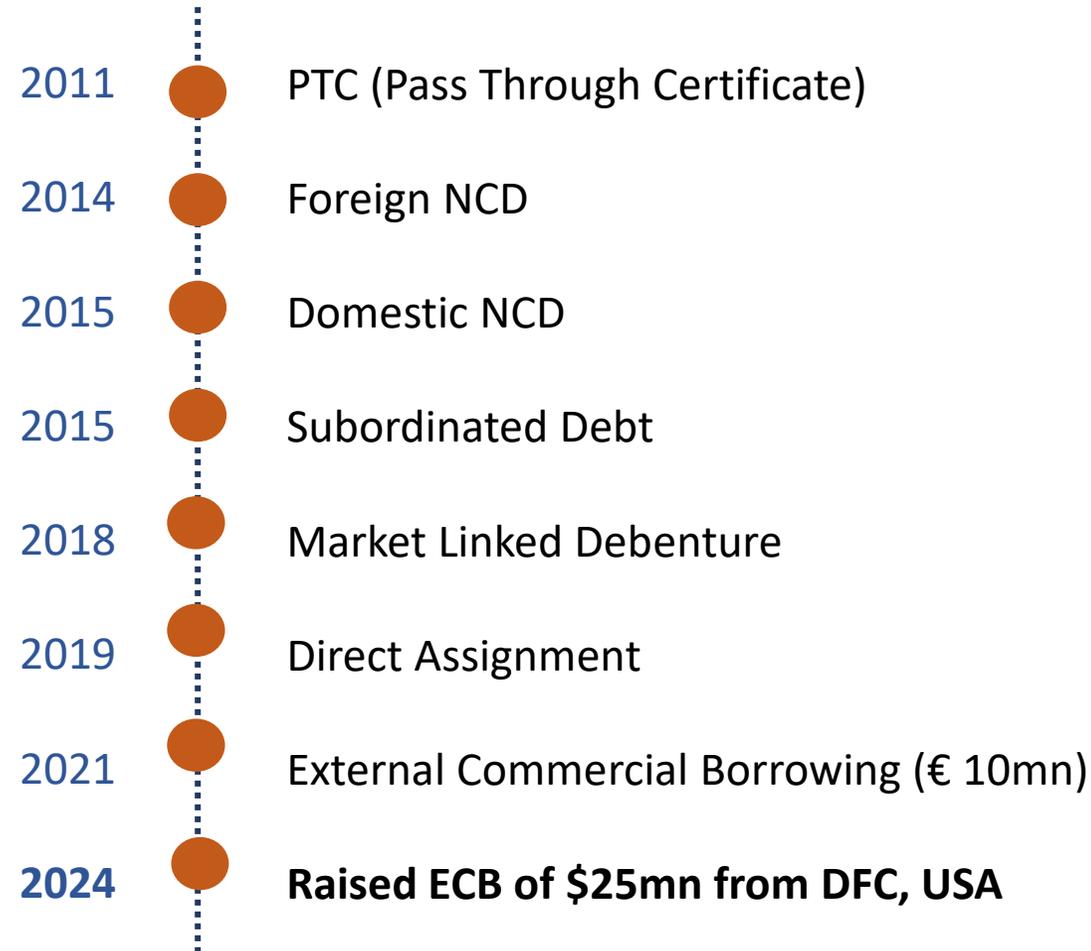
- ❖ Maintaining a healthy ALM through longer tenure borrowing to enhance our resilience in the dynamic market conditions
- ❖ Comfortable liquidity buffer and sufficient cash flows on ongoing basis

Strong Capitalization & Optimal Leverage



🌟 20% of promoter shareholding locked until Nov-25; our listing grants unparalleled access to capital, propelling us towards profitable future expansion

Decisively accessed fresh funding channels, ensuring we stay ahead in securing resources vital for our continued growth and diversification



Timeline of first-time issuance of various instruments by Fusion

Category wise mix of lenders (FY17 Vs FY19 Vs FY24)

Particulars	FY17	FY19	FY24
Public Sector Bank (PSU)	13.1%	1.1%	29.4%
Development Financial Institutions (DFI)	13.4%	5.9%	8.3%
Private Sector Bank (Pvt)	7.9%	50.3%	42.4%
Foreign Bank (FB)	3.0%	10.4%	14.4%
Non-Banking Financial Institutions (NBFC)	30.3%	18.1%	3.6%
Foreign Portfolio Investor (FPI)	32.2%	14.3%	1.9%
Total	100.0%	100.0%	100.0%

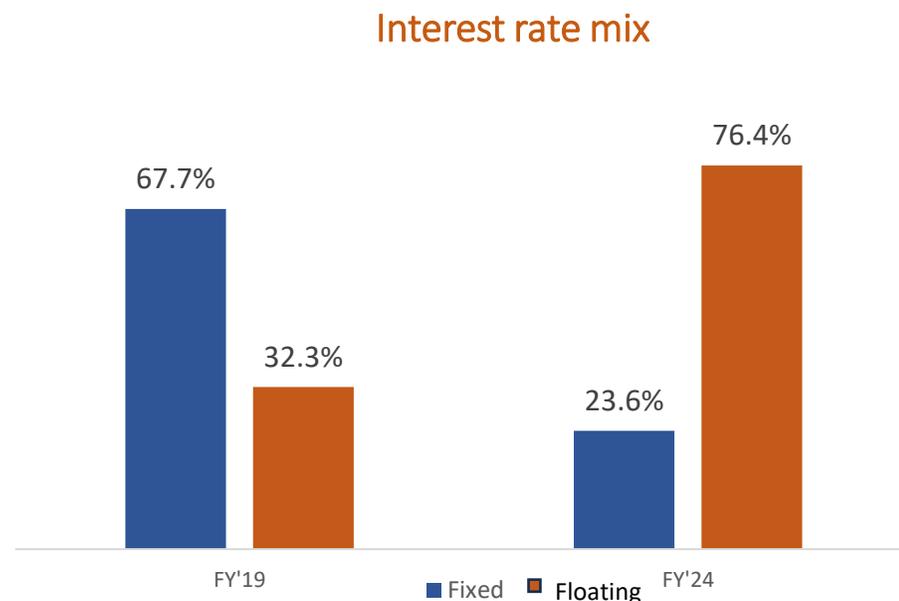
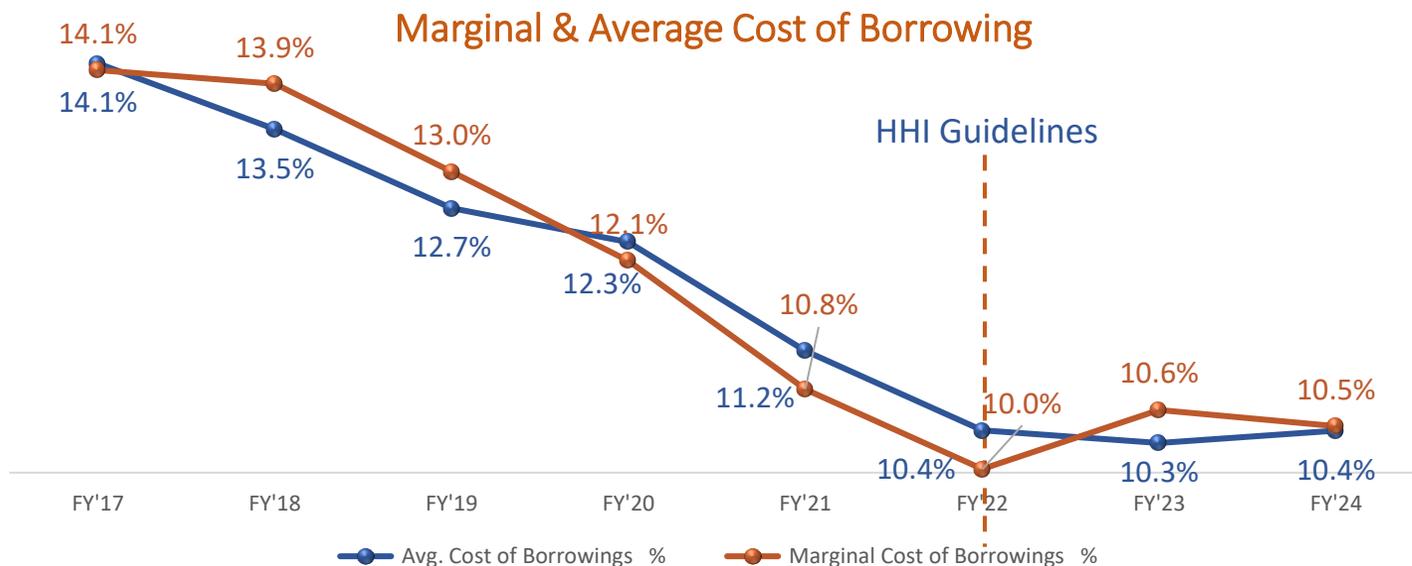
Instrument wise mix of Borrowings (FY17 Vs FY19 Vs FY24)

Particulars	FY17	FY19	FY24
TERM LOAN	48.4%	64.0%	81.0%
REFINANCE	10.8%	6.1%	3.4%
NCD	32.8%	17.2%	2.1%
DA	0.0%	0.0%	12.1%
SUB DEBT	5.9%	4.0%	0.5%
ECB	0.0%	0.0%	0.9%
PTC	2.1%	8.7%	0.0%
Total	100.0%	100.0%	100.0%

Key Lenders

Name of Lender	Category
State Bank of India	PSU
Bank of Baroda	PSU
Union Bank of India	PSU
HDFC Bank	Pvt
AXIS Bank	Pvt
ICICI Bank	Pvt
Kotak Mahindra Bank	Pvt
NABARD	DFI
SIDBI	DFI
HSBC Bank	FB
Standard Chartered Bank	FB
Bajaj Finance	NBFC
BlueOrchard	FPI

Consistent Focus on Cost of Funds



Trend	Period	AUM ₹ Cr	Credit Rating	MFI Grading	MIR*	COCA [^]
↑	FY 2024	11,476	A+	MFI 1	α+ Neutral	C1
↑	FY 2023	9,296	A	MFI 1	α positive	C1
↑	FY 2019	2,641	A-	MFI 1	α- Neutral	C1
	FY 2017	827	BBB+	MFI 2+	β+ positive	C1

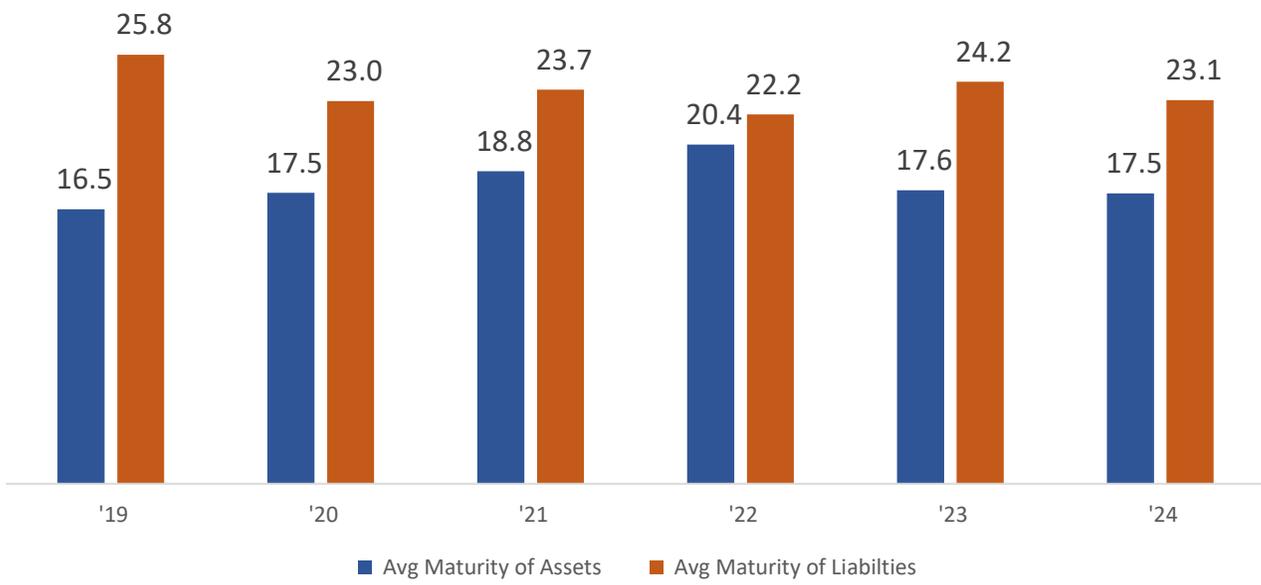
- ✦ In spite of 250 bps increase in Repo by MPC, the Company was able to restrict its average cost of funds in both FY23 & FY24 at FY 22 levels
- ✦ As a tactical decision, we have increased the share of floating rate loan to 76.4% in FY24
- ✦ In last 8 years, we have reduced our annual cost of funds by 370 bps. This is an outcome of our ability to raise Capital, Debt and deliver strong operational and financial performance

*MIR – Microfinance Institutional Rating by M-CRIL

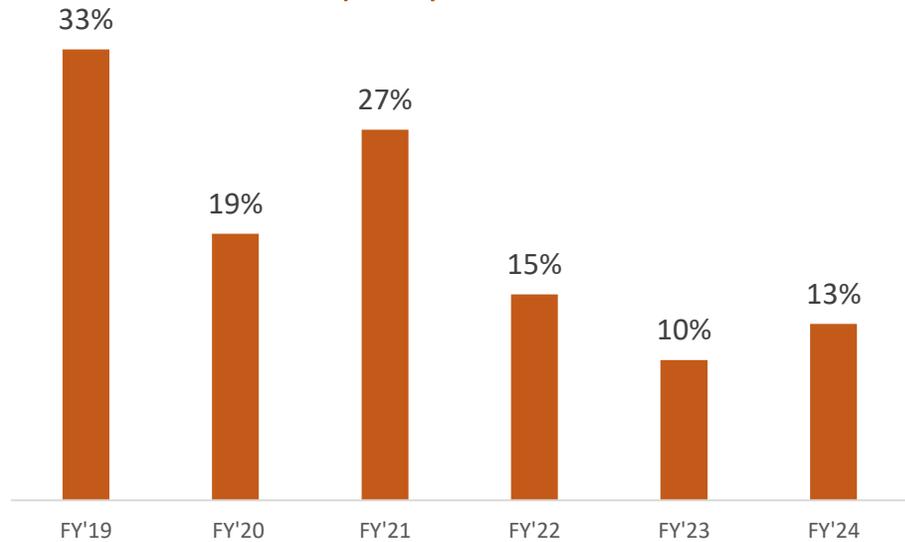
[^]COCA – Code of Conduct Assessment for MFIs in India by M-CRIL

Track Record of Sufficient Liquidity & Positive ALM

Positive ALM (Months)



Liquidity to AUM Ratio



Tenure mix of Borrowings – Mar'24

Tenure	% Share
Less than 2 YEAR	NIL
2 – 5 YEAR	99.0%
> 5 YEAR	1.0%
Total	100.0%

- All the borrowings are for a minimum tenure of 2 years
- Longer tenure borrowing will bolster the ALM position further
- Will continue to maintain adequate liquidity & sanctions in hand

Borrowing Mix	Mar-24	Mar-27
Term Loan	85%	60%-65%
Non-Convertible Debenture (NCD)	2%	10%-15%
Sub Debt	1%	1%-3%
Commercial Paper	0%	1%-3%
External Commercial Borrowings (ECB)	1%	10%-15%
Direct Assignments / PTC	12%	10%-15%

✿ We plan to increase share of **NCD & ECBs** to reduce the dependence on Bank Loans

✿ Exploring opportunities in debt capital market and **Social/ESG/Impact loan** from outside India

Information Technology

- 01 “**Business First**” approach while driving innovation & creating value
- 02 “**Customer Centric**” mindset, enabling frictionless solution for our field force
- 03 “**Responsive, Flexible & Scalable**” tech framework
- 04 “**Zero Tolerance**” on Security & Compliance
- 05 Enabling “**Data Driven**” decision making



01 IT Governance



02 IT Policy



03 Information & Cybersecurity



04 IT Operations



05 IS Audit



06 Business Continuity Plan



07 IT Outsourcing



✓ 14 Domains



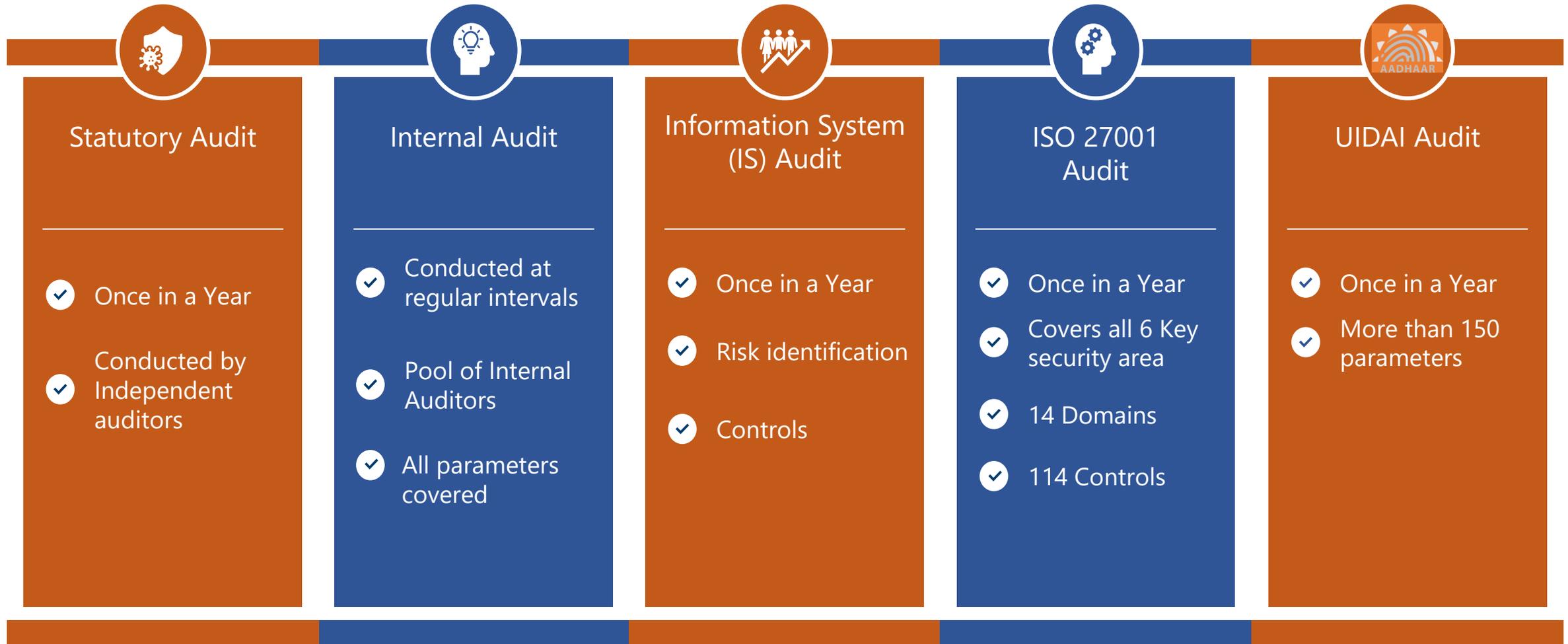
✓ 114 Controls

✓ Fusion Awarded ISO certification in March-2022

Protects reputation of the organization from security threats

Strong data protection framework

Improves organization processes with focus on information security (assess risks & mitigate)



2018

2019

2020

2021

2022

2023



ECS



Paperless Loan
Processing



Mobile
onboarding



Customer
Literacy
Platform



Realtime
Credit Check



Open API
Integrations



AI / ML



UPI
Collection



Robotic Process
Automation



Data
Lake



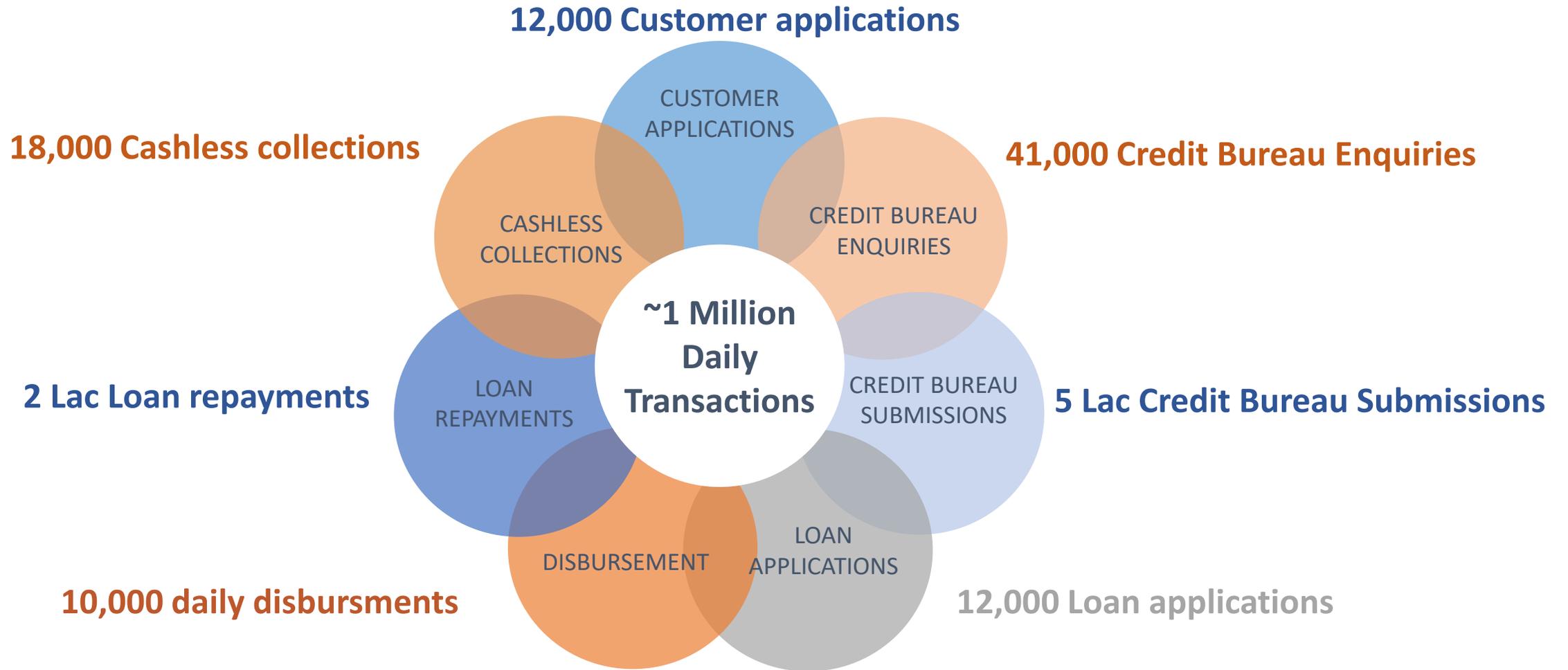
Automated
Credit
Decisioning



Data Analytics

SINCE INCEPTION

- ✿ Well-defined IT strategy – Focus on cloud adoption & modern IT systems since 2010
- ✿ System based Loan Processing
- ✿ Realtime Application tracking



Managing
1300+ branches

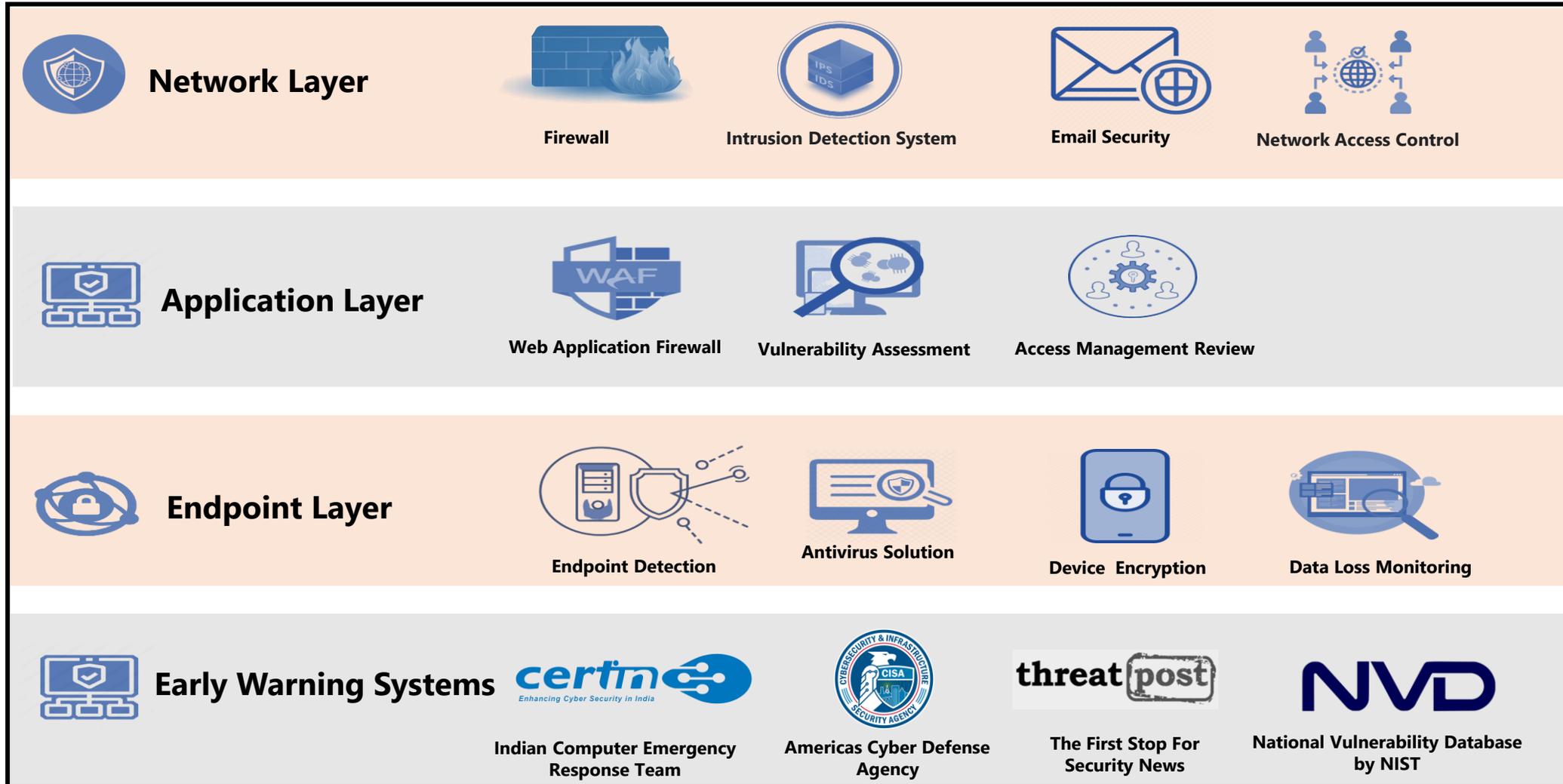
Analysing
~4 mn customers

Supporting workforce
13000+

TAT reduction
(12 days to 3.3 days)

Managing diversified
product portfolio

- ❁ Geo-location tagging & tracking(Enables w2w sourcing, collections & customer service)
- ❁ OTP based customer on-boarding (Ensures seamless connect with our customer)
- ❁ Robotic process automation (Enhanced productivity by 15% & error reduction by 14%)
- ❁ Transparent Centre Meeting schedules to ensure process control & efficiency
- ❁ Alternate automated Credit Rule Engine - Strategy One (Rule engine to strengthen credit underwriting)
- ❁ Digital platform for Audit review & control (Audit grading scorecard for branches)
- ❁ Self sufficient reporting portal for all functions leading to significant improvement in TAT
- ❁ Multiple data cuts based on geographical, business dimensions & graphical representation



New Tech Platform (Hybrid Approach)

- ✿ Agile in-house development for tailor-made solutions for core business requirements
- ✿ Integrate pre-built solutions available in the market for non-core functionalities
- ✿ Leveraging “Time to Market” advantage

Monolithic to Microservices

- ✿ Greater agility & flexibility in software development & deployment
- ✿ Enhanced scalability by breaking down applications in independent services
- ✿ Improved fault isolation – as failures in one service do not affect others

Adoption of AI/ML

- ✿ Improved decision making through data driven insights
- ✿ Credit Scoring & Underwriting
- ✿ Better control on Compliance & Regulatory Reporting

Self-Serving Analytics

- ✿ Empowering users to analyse data independently, reducing reliance on IT
- ✿ Diverse tools for data exploration, visualization, and insight generation.
- ✿ Scalability to meet increasing data volumes and user requirements.

Fraud detection and prevention

Customer Service & Personalization
(AI enabled chatbots)

Credit Scoring & Underwriting

Compliance & Regulatory Reporting

RPA
(Robotic Process Automation) 

Predictive Analysis

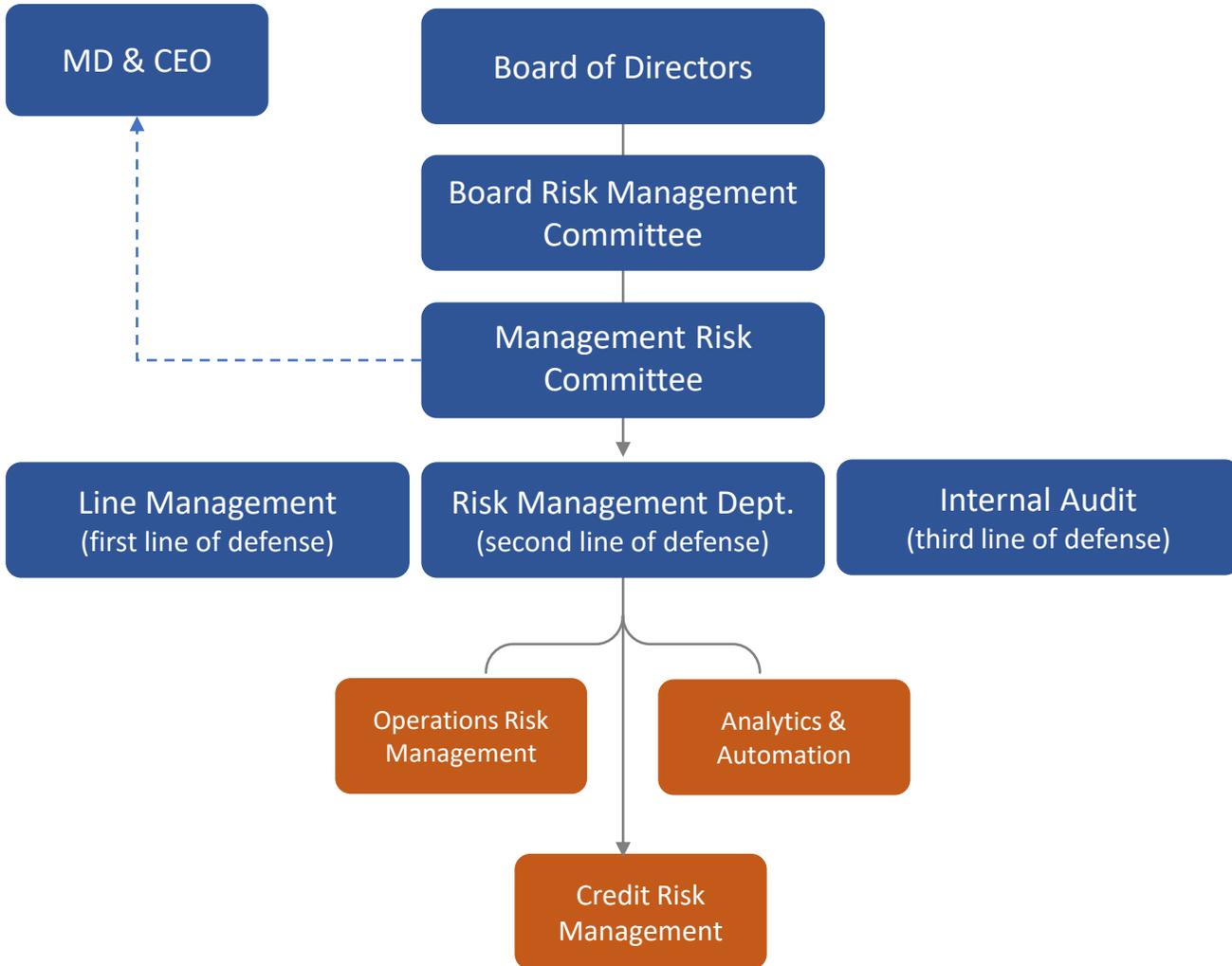
Live Face Recognition for enhanced security

KYC & Critical Documents Masking 

Better Quality Document Management 

Risk Management





Board Risk Management Committee (BRMC)

- ✿ Board Level Committee chaired by independent director
- ✿ Approves Risk Management Policies & Framework
- ✿ Quarterly review of the Organizational Risk environment
- ✿ Comprehensive coverage of all the risk management areas

Management Risk Committee (MRC)

- ✿ Committee of Senior Management
- ✿ Monthly review of risk areas of all departments
- ✿ Detailed presentation by all departments
- ✿ Strategic actionable are agreed & tracked

Pricing of MFI Loans

- ❁ RBI deregulated MFI loan pricing in Apr 2022
- ❁ Separate Pricing committee formed
- ❁ Customer priced based on associated risk
- ❁ Pricing differentiated based on state risk categorization
- ❁ One of the lowest pricing in industry
- ❁ Adherence to norms on Pricing / Processing Fees / Disclosure (website/factsheet)

Harmonized Regulation

FOIR Based Credit Assessment Methodology

- ❁ Household Level Assessment - Income and Obligations
- ❁ HH income ≤ 3 lacs
- ❁ HH FOIR $\leq 50\%$

Solution adopted with additional policy based layers for assessment

- ❁ Indebtedness limit
- ❁ No. of lenders limit

Enterprise Risk Framework (ERM)

- ✿ Identification of Financial & Non - Financial Risk
- ✿ Assessment of Existing Controls
- ✿ Limit set-up through Loss Appetite statement
- ✿ Enhancing of control environment
- ✿ Sensitivity Analysis - ICAAP / Stress Testing

Credit Risk

- ✿ Geography / Branch approvals
- ✿ Credit Policies & Framework
- ✿ Portfolio Monitoring
- ✿ Early Warning Signals (EWS)
- ✿ Evaluation through various Committee Meetings

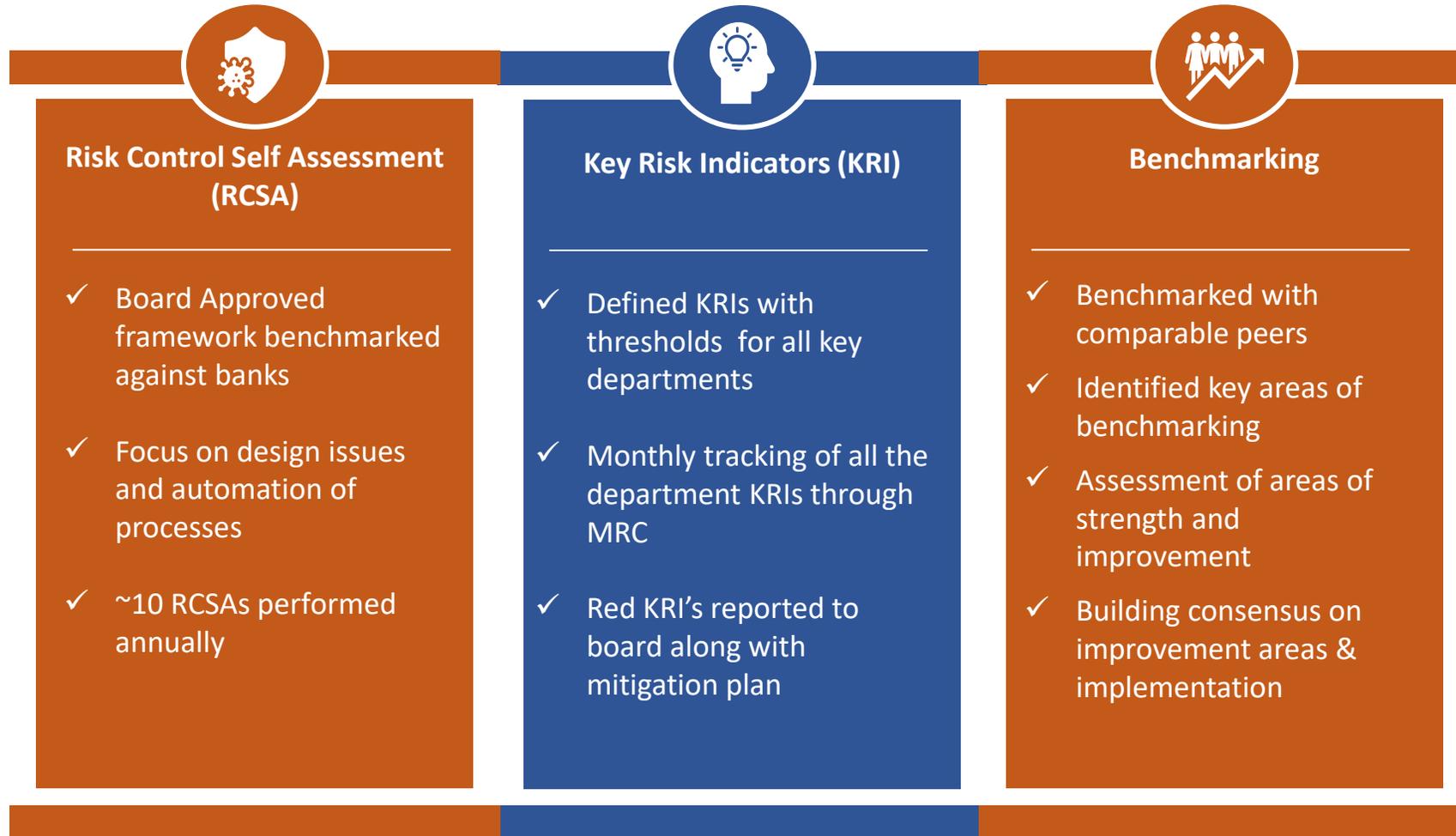


Operational Risk Management

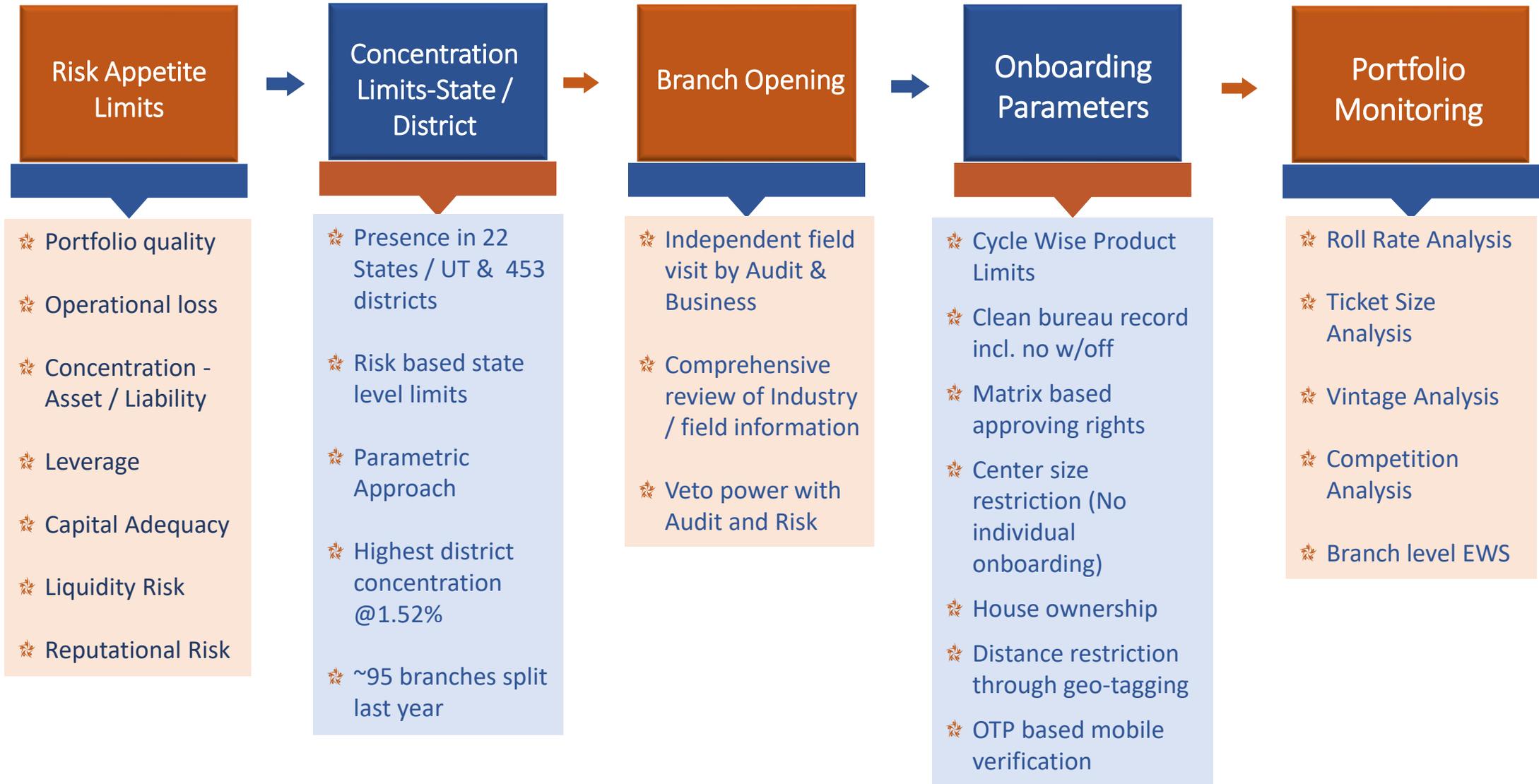
- ✿ Focus on Process design improvement & automation
- ✿ Risk Control Self-Assessment (RCSA)
- ✿ Key Risk Indicators (KRI)
- ✿ Loss Data Management (LDM)
- ✿ Industry Benchmarking

Analytics & Automation

- ✿ Credit rule automation through decisioning engine
- ✿ Rating of Branches
- ✿ Customer Data Analytics



Credit Risk Management Framework



*NDC –Non- Discrepant Check

Credit Decisioning Engine

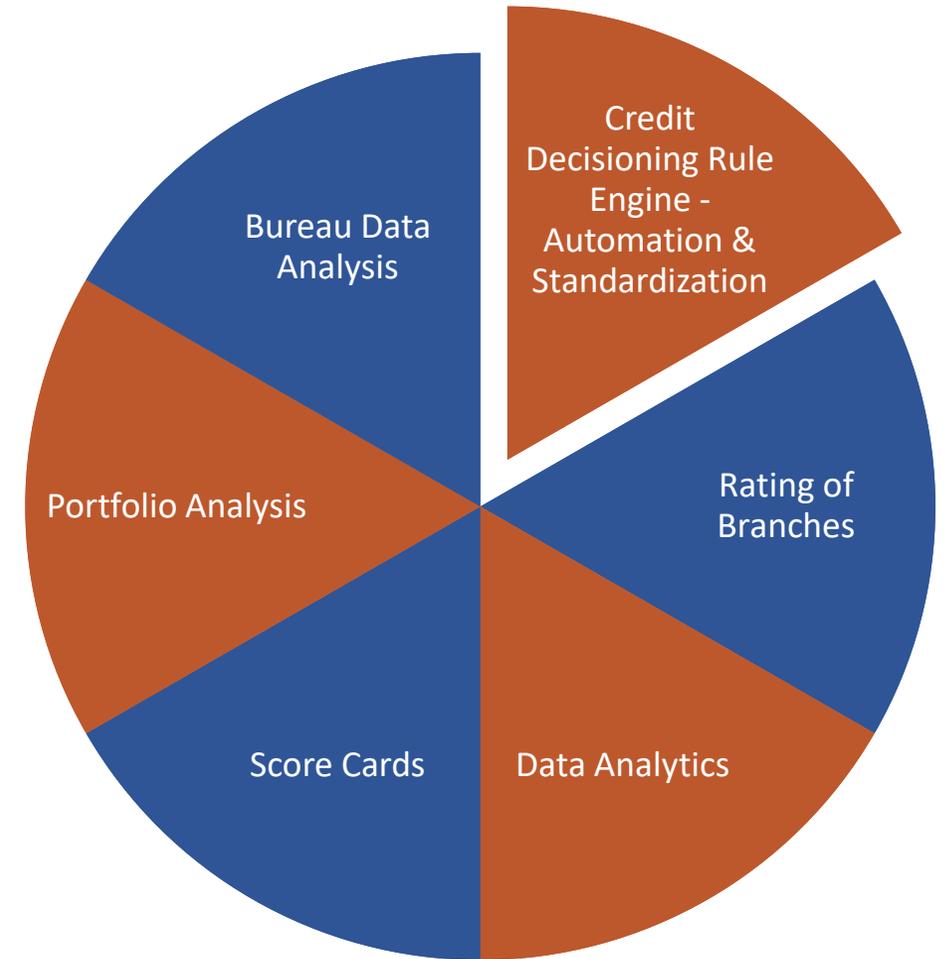
- Automation of decisioning parameters
- Decision standardization across regions
- ~70 % application auto approved through Green channel
- Application & Bureau Score card

Branch Ratings

- Quarterly rating of branches
- ~17 parameters covering Portfolio quality and Process efficiency
- Each branch assigned Ranking & Rating
- States / Divisions and Clusters are also rated

Data Analytics

- Analytics of customer database
- Provides insights and variation analysis
- Exceptions are highlighted
- Helps in understanding customer dynamics



Internal Audit

FRAMEWORK

Audit Philosophy

- No surprise environment
- Consultative role

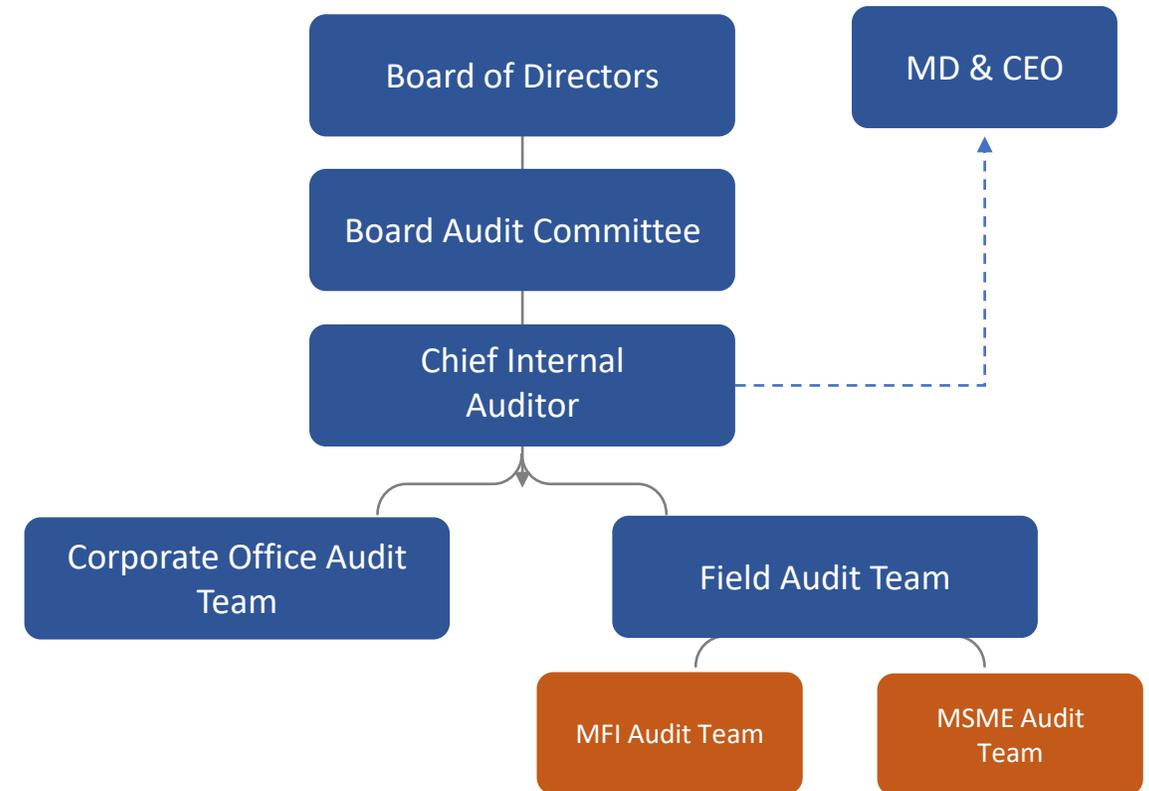
Board

- Audit Committee chaired by Independent Director
- Majority of Committee members are independent

Independent Team

- Independent team structure and reporting
- Complete access to data, system and information

STRUCTURE



Level	Branches	Vintage with Fusion > 5 Years
Zonal Heads	~ 300	86%
AVP	~ 100 – 140	67%
RM	~ 60 – 70	59%
DM/SDM	~ 24 – 32	
AM	~ 12 – 16	
Audit Officer	~ 4	

Audit Function Evolution

Year	2010 -15	2016	2021	2024
States	5	9	18	22
Branches	75	173	725	1297
AUM ₹ Cr	295	647	4638	11476

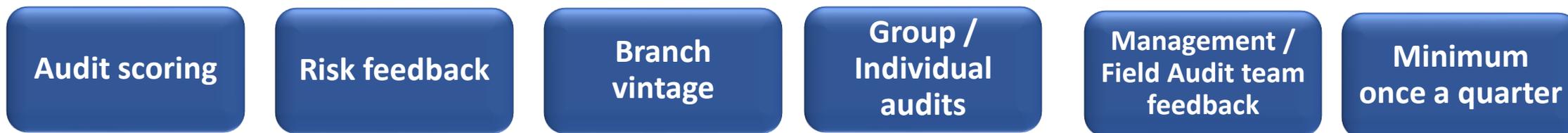
Internal Audit since inception

Audit & Risk Team of 150 team members

Risk and Audit segregated - 294 team members

Digitization, Audit and Vigilance Segregated - ~400 team members

Risk Based Audit Plan – Assessment Factors



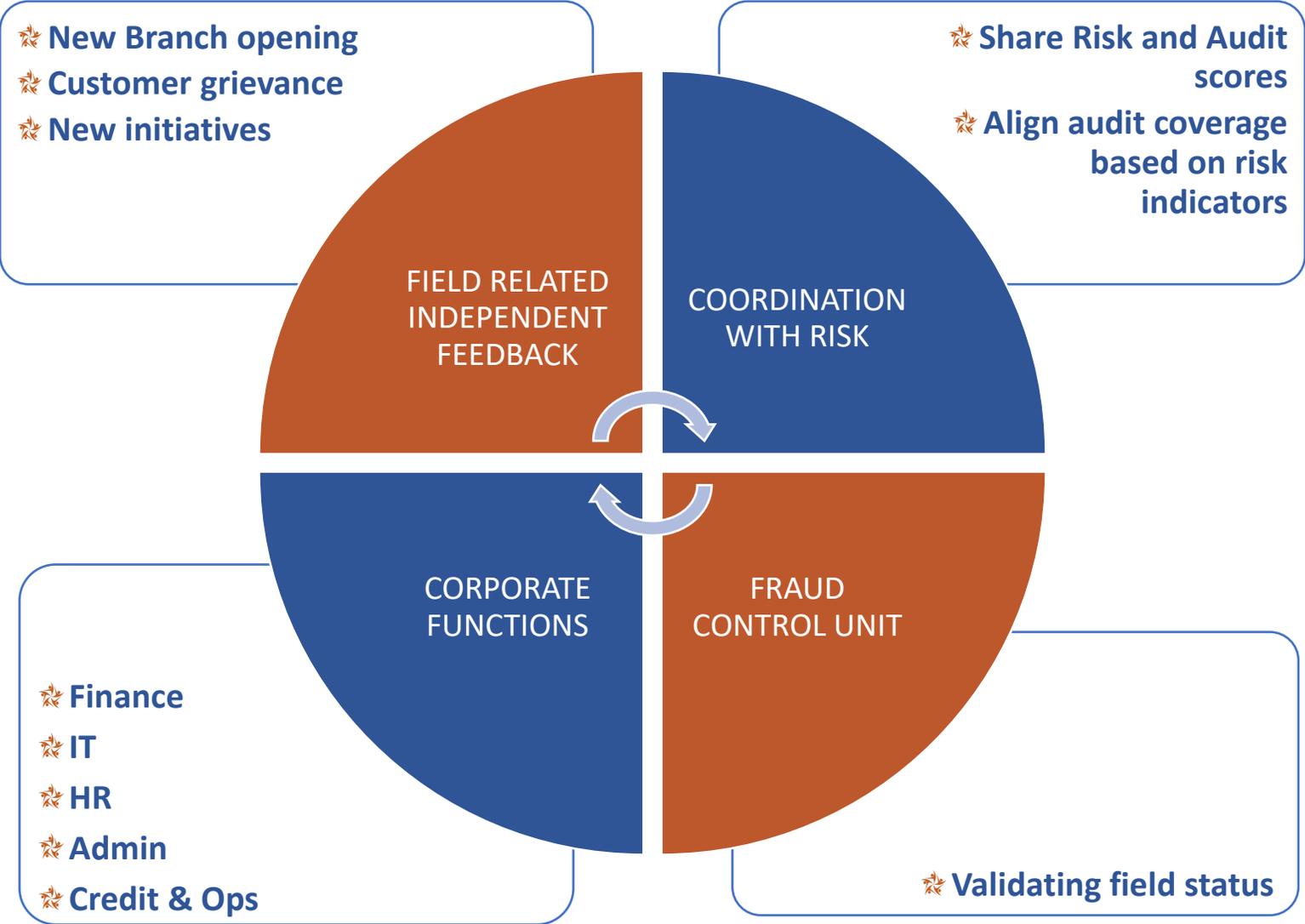
Reassess the risks at regular intervals

Grading	Indicators	Audit Frequency	Rationale
GREEN	Acceptable	Quarterly	Based on last 2 consecutive audit scores
YELLOW	Strive to get better	Quarterly	
RED	Focus on process adherence	Once in 2 months	Based on last audit score
BLACK	Immediate action needed	Monthly	
Unrated	Mock Audits (New Branches)	Within 3 months of branch opening	

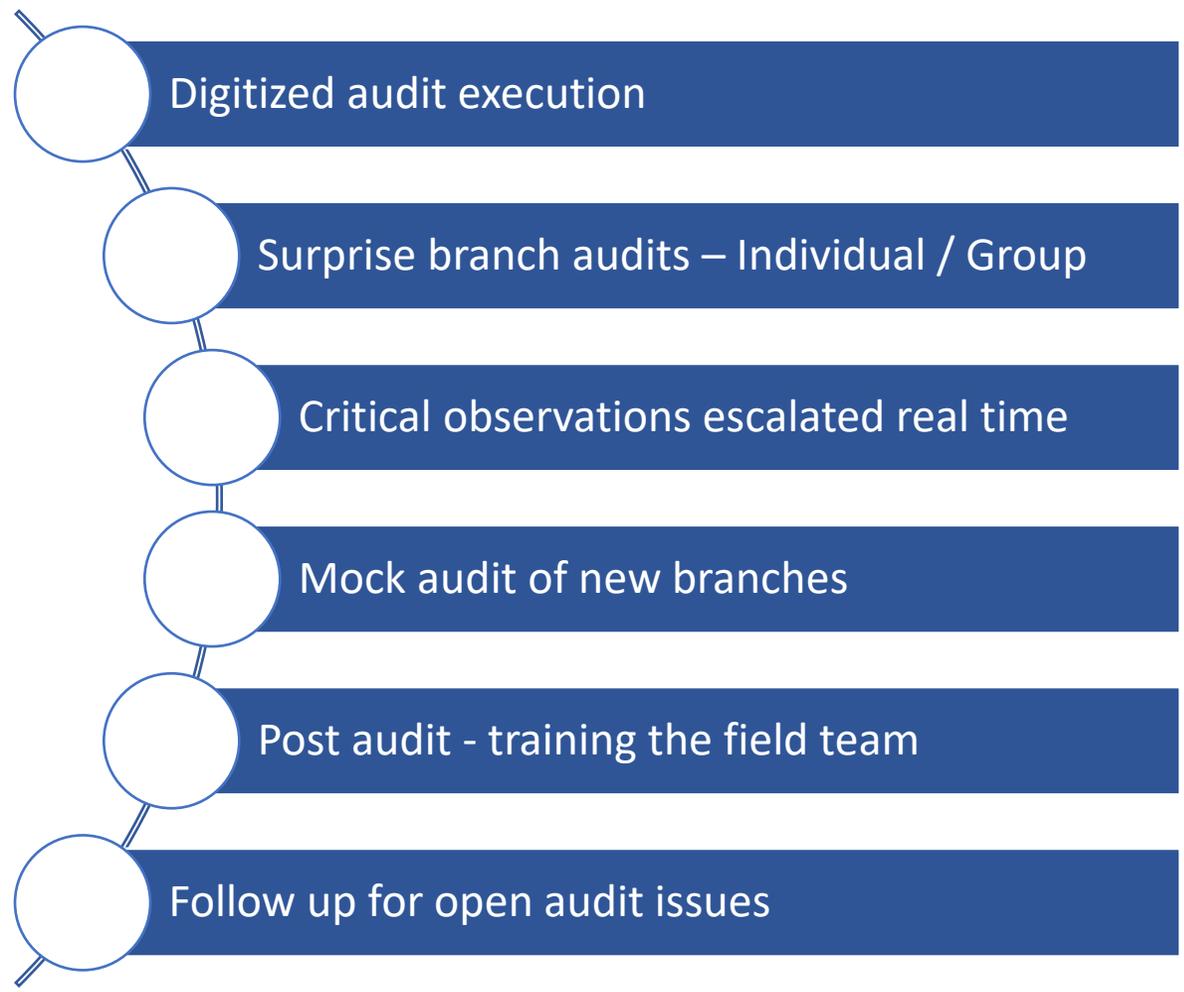
BRANCHES



CORPORATE OFFICE





- 
- Digitized audit execution
 - Surprise branch audits – Individual / Group
 - Critical observations escalated real time
 - Mock audit of new branches
 - Post audit - training the field team
 - Follow up for open audit issues



Abbreviations

AUM	Asset Under Management
PAT	Profit After Tax
NIM	Net Interest Margin
ROE	Return on Equity
ROA	Return on Assets
ECL	Expected Credit Loss
CRAR	Capital Risk Adequacy Ratio
GNPA	Gross Non-Performing Assets
NNPA	Net Non-Performing Assets
NII	Net Interest Income
PPOP	Pre-Provision Operating Profit before tax
COB	Cost of Borrowing
CAGR	Compound Annual Growth Rate
Opex	Operating Expenses
YoY	Year on Year
QoQ	Quarter on Quarter
Cr	Crore
L	Lakh
Mn	Million
K	Thousand
FY	Financial Year
Bps	Basis points

FY	Financial Year
H	Half Yearly
Bps	Basis points
Q	Quarter
ALM	Asset Liability Management
TAT	Turn Around Time
API	Application Programming Interface
UPI	Unified Payments Interface
ISO	International Organization for Standardization
GLP	Gross Loan Portfolio
MFIN	Micro Finance Industry Network
SRO	Self Regulatory Organization

- **AUM** represents the aggregate of principal outstanding for all loans including the assigned portfolio as of the last day of the relevant period/year
- **Net Interest Income** represents interest income on loan portfolio for the relevant period/year reduced by finance costs for such period/year
- **Yield** represents interest income as a percentage of average outstanding owned portfolio for the relevant period/year
- **Cost of Borrowing** represents finance cost as a percentage of average outstanding borrowings for the relevant period/year
- **Net Interest Margin** represents the difference between the Yield and Cost of Borrowing for the relevant period/year
- **Return on Assets** represents profit for the relevant period/year as a percentage of average gross AUM/total assets for such period/year
- **Return on Equity** represents profit for the relevant period/year as a percentage of average equity for such period/year
- **Pre-Provision Operating Profit** represents the sum of profit before tax for the relevant period/year and impairment on financial instruments for such period/year
- **Debt to Equity ratio** represents our total borrowings divided by total equity attributable to shareholders as of the last day of the relevant period/year. Total borrowings represent the aggregate of debt securities, subordinate liabilities, borrowings (other than debt securities) as of the last day of the relevant period/year
- **Marginal Cost of Borrowing** represents the weighted average cost of borrowings as a percentage of borrowings availed for the relevant period/year.
- **Cost to Income ratio** represents operating expenses (which comprises the aggregate of employee benefits expense, depreciation and amortization and other expenses) as a percentage of total income less finance costs for the relevant period/year
- **Gross NPA** represents our portfolio of Stage III Assets as of the last day of the relevant period/year
- **Net NPA** represents Stage III Assets (Gross NPAs) as of the last day of the relevant period/year as reduced by ECL on Stage III Assets for such period/year.



Thank You

For Investor queries contact:

Mr. Deepak Madaan | Email: investor.relations@fusionmicrofinance.com | +91-9289224563