



Fusion Microfinance Limited

(Formerly known as Fusion Micro Finance Private Limited)

Letter No. FMFL/SEC/2023-24/SE-23

Date:22.05.2023

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	The Manager Listing Department BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400 001
Scrip Code: FUSION	Scrip Code: 543652

Sub: Submission of Press Release

Dear Sir/Ma'am,

Pursuant to Regulation 30, Regulation 51 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Press Release issued by the Company in regards to Financial Results for Quarter and Financial Year ended on March 31, 2023.

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

Request you to take the same on records.

**Thanking you ,
Sincerely,**

**For Fusion Micro Finance Limited
(Formerly Fusion Micro Finance Private Limited)**

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

Fusion Micro Finance Limited – Financial Results for Q4 FY23 and year ending March 31, 2023
Profit After Tax (PAT) grew 1679.57% YoY to INR 3,871.45 million
Asset under Management (AUM) grew 36.99% YoY to INR 92,962.19 million
Pre-provision Operating Profit (PPOP) grew 81.21% YoY to INR 7,123.53 million
ROA of 4.65% and ROE of 21.16%

Delhi, 22nd May 2023: Fusion Micro Finance Limited [BSE (BOM: 543652) and NSE (NSE: FUSION)], today announced its audited financial performance for the fourth quarter and financial year ending 31st March 2023. The company demonstrated strong results year on year and closed with highest profit since inception.

Highlights: FY 2023

- Disbursements grew 39.10% YoY from INR 61,797.77 million to INR 85,961.13 million
- Borrower base increased to 3.53 million across 1086 branches
- Addition of ~ 0.8 Million new clients during the year
- Cost of Funds reduced by 13 bps
- Net NPA dropped to 0.87% from 1.64%

Highlights: Q4 FY23

- Total income increased 39.76% YoY from INR 3,725.55 million to INR 5,206.92 million
- Net interest income (NII) increased 62.37% YoY from INR 1,685.95 million to INR 2,737.55 million
- Pre-provision operating profit (PPOP) increased 47.77% YoY from INR 1,496.37 million to INR 2,211.23 million
- Impairment of financial instruments declined 48.36% YoY from INR 1,340.02 million to INR 691.96 million
- Total Expected Credit Loss (ECL) is INR 3,126.62 million (3.74%) (includes management overlay of INR 512.50 million) against GNPA of INR 2,888.99 million (3.46%) and NNPA further reduced from 0.98% to 0.87% QoQ
 - Write-offs were INR 457.80 million
- Profit After Tax (PAT) increased by 767.93% YoY from INR 131.95 million to INR 1,145.24 million
- Healthy capital position with CRAR of 27.94%
- Credit Rating remains at “A” Stable by CRISIL, CARE and ICRA

Key Developments: Q4 FY23

- Fusion Micro Finance won “*Best Data Analytics Initiative of the Year*” at the 2nd Annual NBFC & Fintech Excellence Awards 2023, hosted by Quantic and presented by Expleo. Fusion won this accolade owing to innovative technological advancements which led to enhanced customer experience, increase in revenue, profitability, and efficient risk management.

Financial Snapshot: Q4 FY 2022-23

(INR in millions unless otherwise stated)

Particulars	FY23	FY22	YoY%	Q4 FY23	Q4 FY22	YoY%	Q3 FY23	QoQ%
Interest Income	16,001.03	10,643.19	50.34%	4,507.39	3,071.87	46.73%	4,202.45	7.26%
Total Income	17,999.70	12,013.49	49.83%	5,206.92	3,725.55	39.76%	4,665.03	11.62%
Finance Cost	6,427.77	4,959.64	29.60%	1,742.36	1,365.54	27.59%	1,680.21	3.70%
Profit Before Tax	5,119.84	244.26	1996.06%	1,519.27	156.35	871.71%	1,338.50	13.51%
Profit After Tax	3,871.45	217.55	1679.57%	1,145.24	131.95	767.93%	1,024.62	11.77%
EPS (Basic) (INR)	43.29	2.67		12.81	1.59		11.14	
EPS (Diluted) (INR)	43.13	2.64		12.76	1.58		11.10	

Key Metrics: Q4 FY 2022-23
(INR in millions unless otherwise stated)

Particulars	FY23	FY22	YoY%	Q4 FY23	Q4 FY22	YoY%	Q3 FY23	QoQ%
AUM	92,962.19	67,859.71	36.99%	92,962.19	67,859.71	36.99%	86,535.56	7.43%
Borrowers	3.53	2.72	29.78%	3.53	2.72	29.78%	3.40	3.82%
Branches	1086	934	16.27%	1086	934	16.27%	1057	2.74%
Particulars	FY23	FY22	YoY%	Q4 FY23	Q4 FY22	YoY%	Q3 FY23	QoQ%
Net Interest Income (NII)	9,472.11	5,606.67	68.94%	2,737.55	1,685.95	62.37%	2,477.19	10.51%
Pre-Provision Operating Profit (PPOP)	7,123.53	3,931.19	81.21%	2,211.23	1,496.37	47.77%	1,837.78	20.32%
Profit After Tax (PAT)	3,871.45	217.55	1679.57%	1,145.24	131.95	767.93%	1,024.62	11.77%
Key Ratios	FY23	FY22	YoY%	Q4 FY23	Q4 FY22	YoY%	Q3 FY23	QoQ%
Net Interest Margin (NIM)	10.15%	8.39%	20.98%	10.57%	7.78%	35.86%	10.31%	2.52%
Cost/Income Ratio	38.44%	44.27%	-13.17%	36.18%	36.59%	-1.12%	38.43%	-5.85%
Opex/Average AUM	5.53%	5.47%	1.10%	5.59%	5.41%	3.33%	5.49%	1.82%
Gross NPA	3.46%	5.71%	-39.40%	3.46%	5.71%	-39.40%	3.69%	-6.23%
Expected Credit Loss (ECL)	3,126.62	3,603.50	-13.23%	3,126.62	3,603.50	-13.23%	2894.37	8.02%
Return on Assets (ROA) (Annualised)	4.65%	0.33%	1309.09%	4.99%	0.75%	565.33%	4.74%	5.27%
Return on equity (ROE) (Annualised)	21.16%	1.68%	1159.52%	20.24%	3.97%	409.82%	22.04%	-8.17%

Commenting on the performance, **Devesh Sachdev, Managing Director and CEO, Fusion Micro Finance Ltd.** said, “FY23 has been a milestone year for the Company as we successfully got listed and have demonstrated strong performance consistently across all operational and financial metrics. Our AUM has grown by 36.99% YoY to INR 92,962.19 million. We reached a base of 3.53 million borrowers and clocked the highest PAT since inception resulting in ROA of 4.65% and ROE of 21.16 %.”

“We have achieved these results due to our focused strategy of geographical diversification, building an extensive network, investing in human capital, technology, sound risk management and building for the future. We are well-positioned to achieve robust and sustainable long-term growth.” he added.

About Fusion Micro Finance Limited:

Fusion Micro Finance [BSE (BOM: 543652) and NSE (NSE: FUSION)] founded in 2010, is amongst India’s leading NBFC-MFIs, touching the lives of 3.53 million rural clients in the country. Fusion Micro Finance was established with the core idea to create opportunities at the bottom of the pyramid by providing financial services to the underserved and unserved women entrepreneurs in rural areas. It is one of the youngest companies to be among the top NBFC MFIs in the country, growing consistently with an extensive network of 1,086 branches spread across 20 states including 3 Union Territories, as of 31st March 2023. Fusion believes in robust business practices and transparent policies as expressed in its customer-centric efforts toward clients and is committed to creating sustained and balanced stakeholder value.

For further information, please visit www.fusionmicrofinance.com OR contact:

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Fusion Micro Finance Limited

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