



Fusion Microfinance Limited

(Formerly known as Fusion Micro Finance Private Limited)

Date: 28.11.2022

Letter No. FMFL/SEC/2022-23/SE-72

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: Regulation 30, Regulation 51 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 – 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 Half Year ended on September 30, 2022. The same is also available on the website of company i.e. www.fusionmicrofinance.com.

Kindly take the same on your record.

Thank you.

**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 – FY23 Q2 results press release

Asset under Management (AUM) grew 54.46% YoY to INR 80,471.78 Million
Pre-provision Operating Profit (PPOP) grew 156.34% YoY to INR 1,872.59 Million
Profit After Tax (PAT) grew 2860.35% YoY to INR 950.57 Million
ROA of 4.78% (Annualised) and ROE of 25.95% (Annualised)

Delhi, 28th November 2022: Fusion Micro Finance Limited [BSE (BOM: 543652) and NSE (NSE: FUSION)], the second largest NBFC-MFI in India, today announced its unaudited and limited reviewed financial performance for the second quarter of the financial year 2022-23.

Business Highlights: Q2 FY23

- Asset under Management (AUM) grew **54.46% YoY** from **INR 52,097.93 Million** to **INR 80,471.78 Million**
- Disbursements grew **27.42% YoY** to **INR 20,519.31 Million**
- Net NPA **1.12%**
- Borrower base of **3.20 Million** across **1031** branches in 19 States including 2 Union Territories

Financial Highlights: Q2 FY23

- Total income increased **69.34% YoY** from **INR 2,671.13 Million** to **INR 4,523.28 Million**
- Net interest income (NII) increased **118.20% YoY** from **INR 1,104.83 Million** to **INR 2,410.71 Million**
- Pre-provision operating profit (PPOP) increased **156.34% YoY** from **INR 730.51 Million** to **INR 1,872.59 Million**
- Impairment of financial instruments declined **12.26% YoY** from **INR 697.33 Million** to **INR 611.81 Million**
 - Total Expected Credit Loss (ECL) were **INR 2,850.83 Million (3.89%)** (includes management overlay of INR 174.74 Million) against GNPA of **INR 2,802.61 Million (3.83%)** and **NNPA** further reduced to **1.12% from 1.35%**.
 - Write-offs were **INR 202.79 Million**
- Profit After Tax (PAT) increased by **2,860.35% YoY** from **INR 32.11 Million** to **INR 950.57 Million**, delivering **the highest quarterly PAT till date**
- Healthy capital position with **CRAR of 20.97%**.
- Credit Rating **upgraded to A/Stable** by CRISIL in November 2022 from 'A- / Stable'

Financial Snapshot: Q2 FY2022-23

(Rs. in millions unless otherwise stated)

Particulars	Q2 FY23	Q2 FY22	Y-o-Y%	Q1 FY23	Q-o-Q%	H1 FY23	H1 FY22	Y-o-Y%
Interest Income	3,997.58	2,302.28	73.64%	3,293.61	21.37%	7,291.19	4,802.02	51.84%
Total Income	4,523.28	2,671.13	69.34%	3,604.47	25.49%	8,127.75	5,320.71	52.76%
Finance Cost	1,573.31	1,176.97	33.67%	1,431.89	9.88%	3,005.20	2,411.16	24.64%
Profit Before Tax	1,260.78	33.18	3699.82%	1,001.29	25.92%	2,262.07	87.39	2488.48%
Profit After Tax	950.57	32.11	2860.35%	751.02	26.57%	1,701.59	76.22	2132.47%
EPS (Basic) (Rs)	11.48	0.38		9.07		20.56	0.95	
EPS (Diluted) (Rs)	11.36	0.38		8.98		20.33	0.94	



Key Metrics: Q2 FY 2022-23

(Rs. in millions unless otherwise stated)

Particulars	Q2 FY23	Q1 FY23	QoQ %	Q2 FY22	YoY %
AUM	80,471.78	73,890.23	8.91%	52,097.93	54.46%
Borrowers	3.20	2.90	10.34%	2.25	42.22%
Branches	1031	966	6.73%	783	31.67%
Particulars (INR Million)	Q2 FY23	Q1 FY23	QoQ %	Q2 FY22	YoY%
Net Interest Income (NII)	2,410.71	1,846.67	30.54%	1104.83	118.20%
Pre-Provision Operating Profit (PPOP)	1,872.59	1,201.93	55.80%	730.51	156.34%
Profit After Tax (PAT)	950.57	751.02	26.57%	32.11	2860.35%
Key Ratios	Q2 FY23	Q1 FY23	QoQ %	Q2 FY22	YoY%
Net Interest Margin (NIM)	10.21%	9.38%	8.91%	8.78%	16.27%
Cost/Income Ratio	36.52%	44.68%	-18.25%	51.11%	-28.54%
Opex/Average AUM	5.58%	5.48%	1.93%	6.21%	-10.06%
Gross NPA	3.83%	3.67%	4.36%	4.49%	-14.71%
Expected Credit Loss (ECL)	2,850.83	2442.74	16.71%	2,737.12	4.15%
Return on Assets (ROA) (Annualised)	4.78%	4.03%	18.61%	0.22%	2049.25%
Return on equity (ROE)(Annualised)	25.95%	21.81%	18.98%	1.00%	2498.65%

Commenting on the performance, **Devesh Sachdev, Managing Director and CEO, Fusion Micro Finance Ltd.** said *“We have clocked a strong Q2 FY23, wherein our Profit After Tax (PAT) increased 2,860.35% YoY from INR 32.11 Million to INR 950.57 Million, delivering the highest quarterly PAT till date. Our Asset under Management (AUM) grew 54.46% YoY from INR 52,097.93 Million to INR 80,471.78 Million and our borrower base grew to 3.20 Million across 1031 branches in 19 States including 2 Union Territories. These positive results are a testament to our well executed diversification strategy, maintaining adequate capital reserves, consistently managing a prudent balance of risk and growth, efficient liability management and a robust touch-and-tech model for ensuring operational excellence. These strong foundations combined with our deep understanding of the sector have helped us grow at a CAGR of 37% in the last 3 years.”*

“CRISIL had also recently upgraded its long-term rating on our bank facilities and debt instruments to ‘A/Stable’ from ‘A-/Stable’ added Devesh.

About Fusion Micro Finance Limited:

Fusion Micro Finance [BSE (BOM: 543652) and NSE (NSE: FUSION)] founded in 2010, is the second largest NBFC-MFI in India, touching the lives of 3.2 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 a strong network of 1031 branches spread across in 19 states including 2 Union Territories, as of September 30th, 2022. Fusion believes in robust business practices and transparent policies as expressed in its customer centric efforts towards clients, and is committed to creating sustained and balanced stakeholder value.

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

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