



Fusion Microfinance Limited

(Formerly known as Fusion Micro Finance Private Limited)

Date: 11.02.2023

Letter No. FMFL/SEC/2022-23/SE-121

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 Earnings Presentation

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 Earnings Presentation with respect to Financial Results for Quarter and Nine Months Period ended on December 31, 2022. 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

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***

***Investor Presentation
Q3 FY23***

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Presentation Path

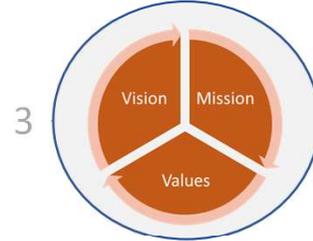
Executive Summary



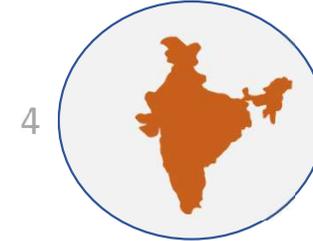
Overview



*Vision, Mission
& Values*



Our Presence



Key Strengths



*Business
Performance*



Executive Summary

1



2

Overview



3

Vision, Mission & Values



4

Our Presence



5

Key Strengths



6

Business Performance



Company continues to demonstrate robust growth in portfolio , stable asset quality and has achieved highest PAT since inception. Consistent focus on adding new clients – added ~0.7 Mn clients in 9 months while continuing to retain existing clients. Uptick in NIM by 10 bps QoQ

AUM

₹ 86,536 Mn
YoY growth 45%

PAT

₹ 2,726 Mn
YoY growth 3085%

NIM

9.92%

ROE

20.52%

ROA

4.46%

Performance Highlights – 9M FY'23

ECL

₹ 2,894 Mn
Including Management
overlay of ₹ 252.5 Mn

Cost to Income

39.41%

Net worth

₹ 22,052 Mn

CRAR

28.15%

NNPA

0.98%

Total Income

₹ 12,793 Mn

NII

₹ 6,735 Mn

OPEX

5.52%

Cost of Borrowing

10.26%

PPOP

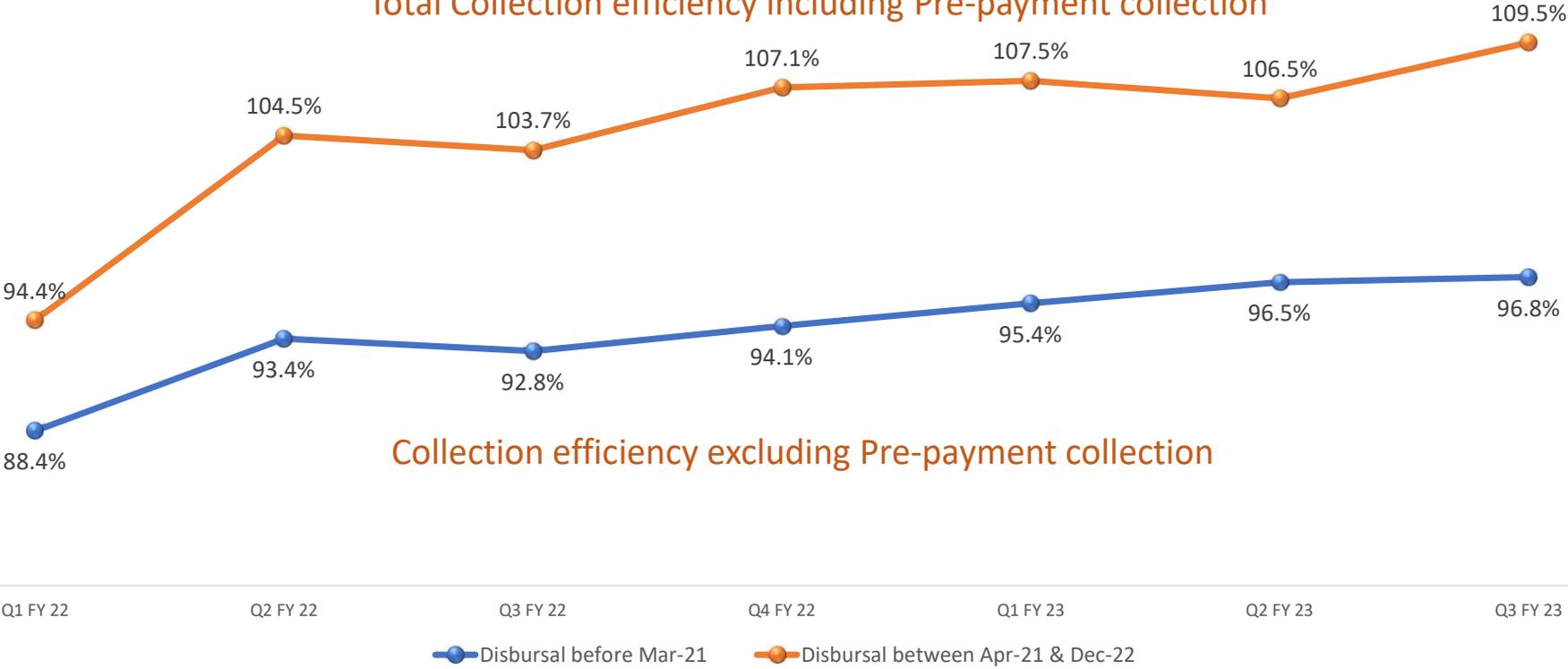
₹ 4,912 Mn
YoY growth 102%

Collection Efficiency

Pre-Mar-21 Portfolio ₹ 2,529 mn 3% of MFI-AUM

Post Mar-21 Portfolio ₹ 81,806 mn 97% of MFI-AUM

Total Collection efficiency including Pre-payment collection



Collection efficiency excluding Pre-payment collection

Impact of Credit Cost

₹ in Million

Understanding the Credit Cost Impact	Q3 FY 23	Q2 FY23	9M FY 23	FY 22
- Opening ECL- [A]	2,850.8	2,442.7	3,603.5	2,853.0
- Provisions as per ECL [B]	494.0	610.9	1,305.1	3,684.9
- Reversals (on account of write-off) [C]	450.4	202.8	2,014.2	2,934.4
- Closing ECL [D = A+B-C]	2,894.4	2,850.8	2,894.4	3,603.5
Impairment [F]	494.0	610.9	1,305.1	3,684.9
- Credit Cost (Provisions) /				
% of Avg. On-Book Loan Portfolio (non-annualized)	0.65%	0.86%	1.85%	6.75%
Bad-Debt Recovery [G]	40.8	48.2	131.2	69.7
Net P&L Impact [F – G]	453.2	562.7	1,173.9	3,615.1
Net P&L Impact – % of Avg. On-Book Loan Portfolio (non-annualized)	0.60%	0.79%	1.66%	6.62%

Slab	Asset Classification (dpd)	Gross Loans (₹ Mn)	ECL (₹ Mn)	Gross Loans (%)	ECL (%)
- Stage I	0 - 30	74,867.15	466.12	95.39%	0.62%
- Stage II	31 - 90	722.76	285.20	0.92%	39.46%
- Stage III	90 +	2,894.37	2,143.04	3.69%	74.04%
Total		78,484.28	2,894.37	100%	3.69%
- GNPA (Stage III)					3.69%
- NNPA (Net Stage III)					0.98%

- ✿ ₹ 1,336.7 Mn portfolio has been restructured under Resolution Framework 2.0 which was ~2.5% of AUM as on September 30, 2021. The current outstanding ₹ 257.12 Mn, which is only ~ 0.3 % of AUM.
- ✿ Management overlay of ₹ 77.76 Mn is included in ₹ 494 Mn of provision as per ECL in Q3 FY'23. Total Management overlay of ₹ 252.5 Mn as on December 31, 2022.

Executive Summary



Overview



Vision, Mission & Values



Our Presence



Key Strengths



Business Performance



12+ years of robust performance

Diversified

Organically diversified since beginning

Client Growth

31% for last 5 years

AUM Growth

51% for last 5 years

Technology

On Cloud since 2013

Cost of Funds

Reduced by 335 bps in last 5 years

Ranking

2nd largest NBFC – MFI

Marquee Investor

Warburg Pincus - 2018

Rating

3 upgrades in last 5 years, currently “A” stable (CRISIL, CARE, ICRA)

New Product

Started MSME in 2019

IPO
2022

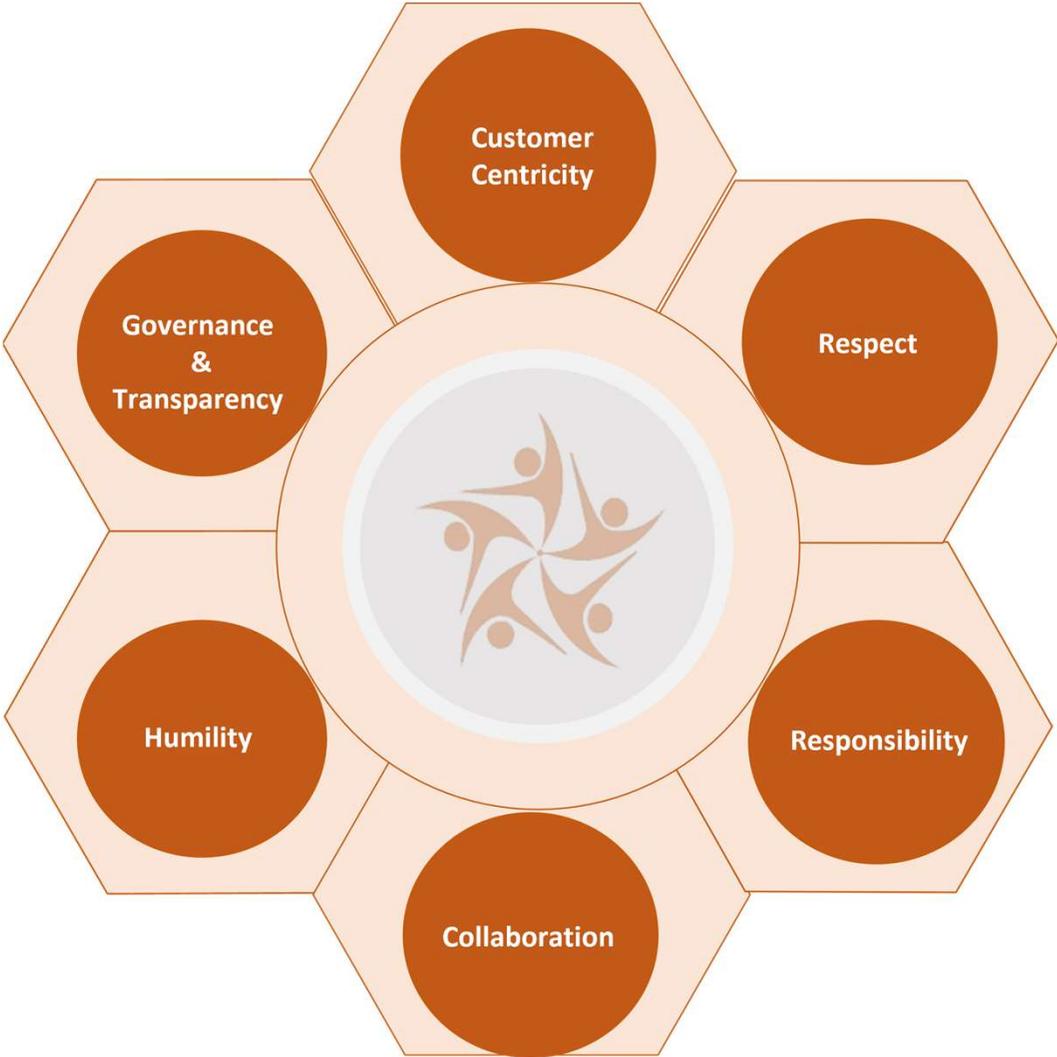




Vision, Mission and Values

Vision:

“Fusion Micro Finance with a social vision and business orientation aims to provide underprivileged women with economic opportunities to transform the quality of their lives.”



Mission:

“A self sustainable financial institution which leverages the distribution network to channel other products and services.”

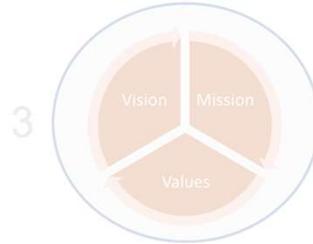
Executive Summary



Overview



Vision, Mission & Values



Our Presence



Key Strengths



Business Performance



Our Presence

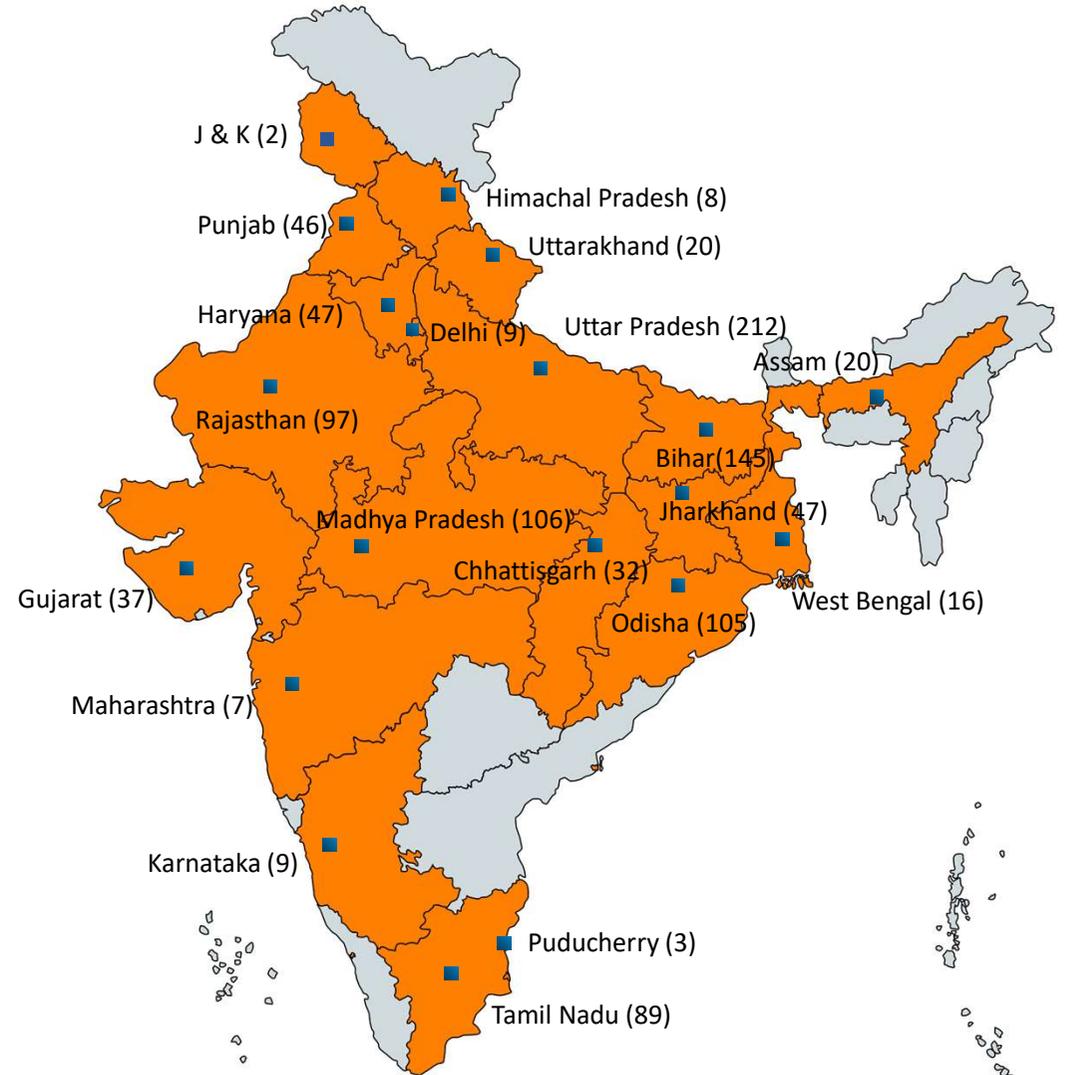
~3.4_{Mn}
Active Clients

20
States
(including 2 UTs)

1057
Branches

396
Districts

>121_k
Villages



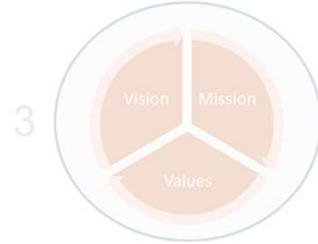
Executive Summary



Overview



*Vision, Mission
& Values*



Our Presence



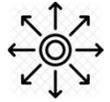
Key Strengths



*Business
Performance*



Key Strengths



Diversification

Liability Management



Consistency

Digital Orientation



People



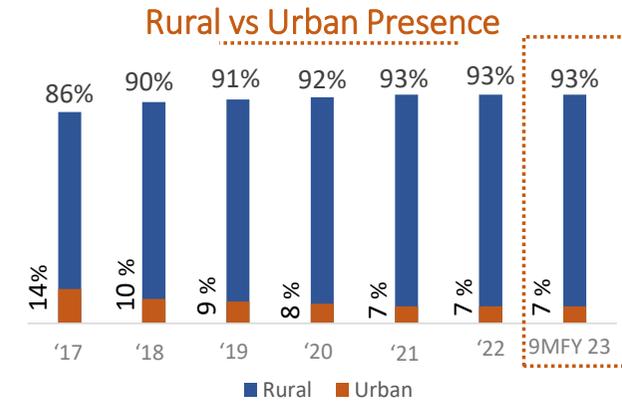
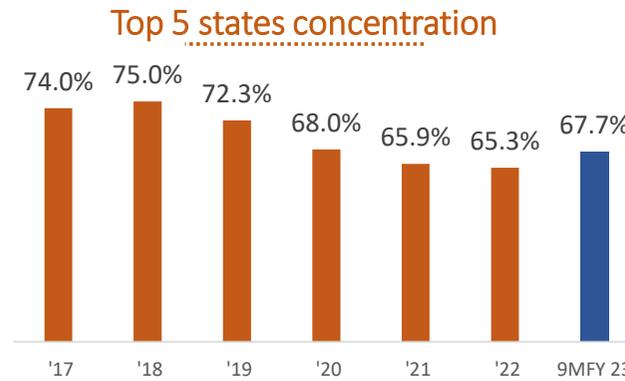
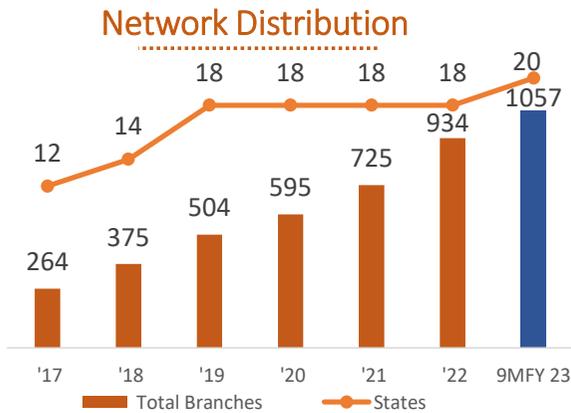
Operational Prudence

Strong Governance

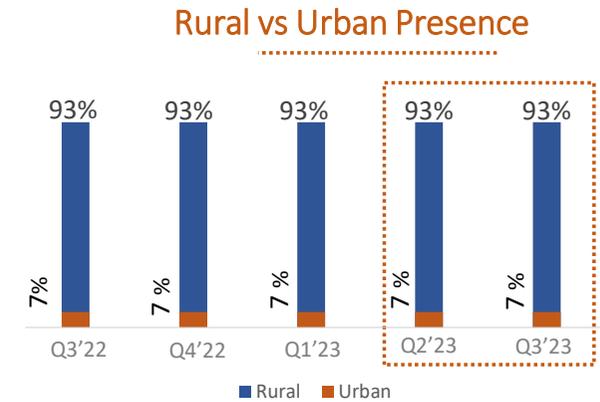
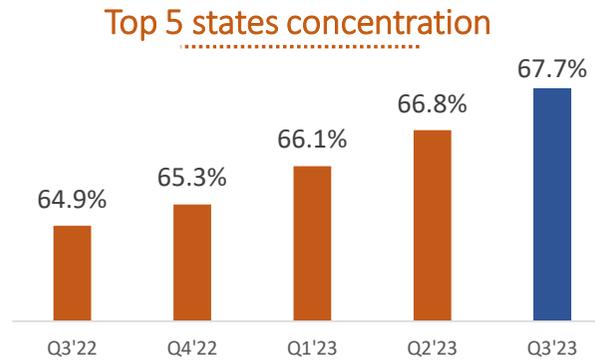
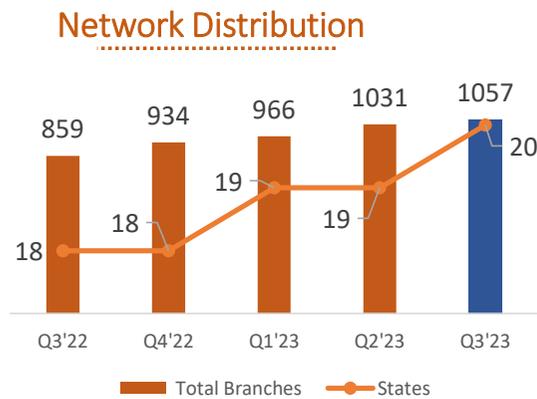


Key Strengths : Diversification

YoY



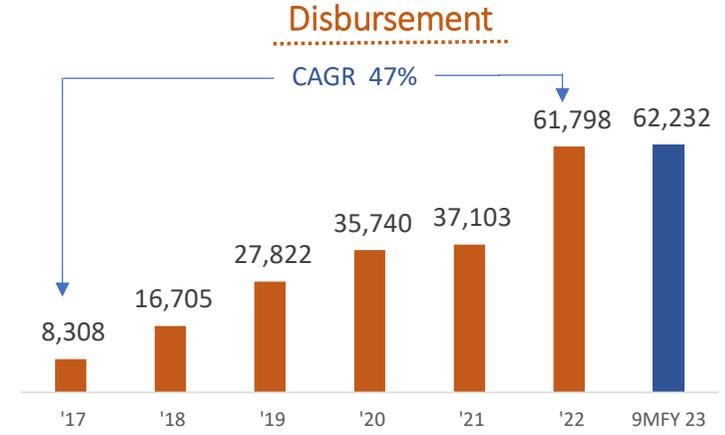
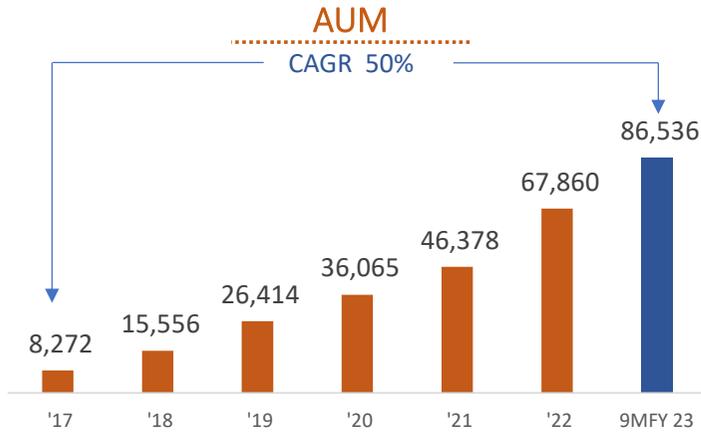
QoQ



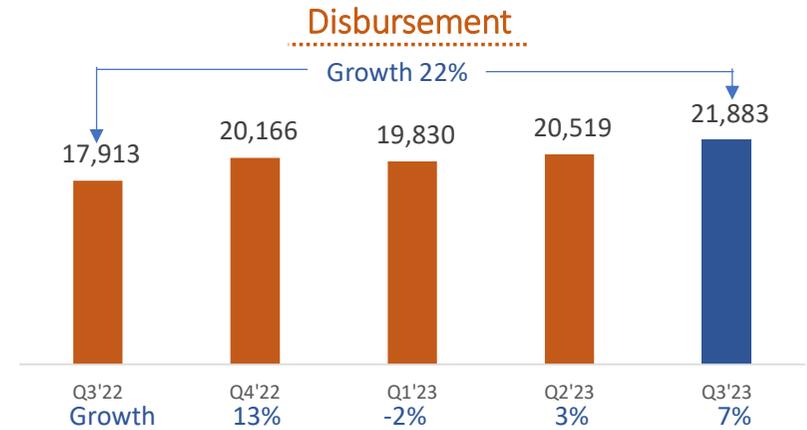
Key Strengths : Consistency

₹ in Million

YoY



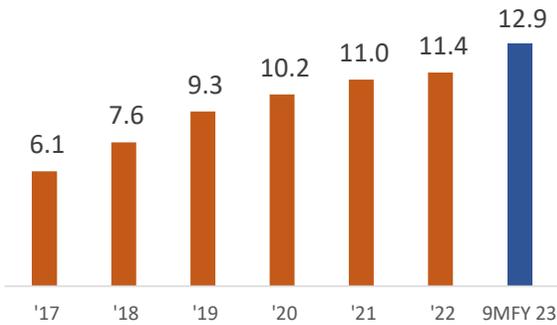
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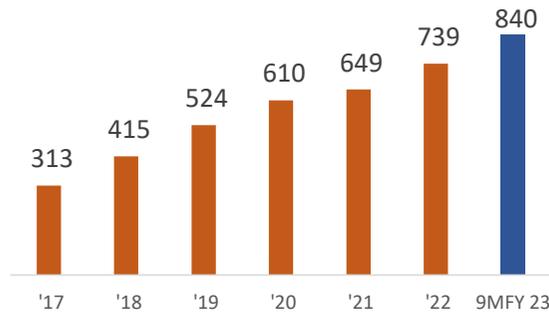
Key Strengths : Consistency (Contd...)

YoY

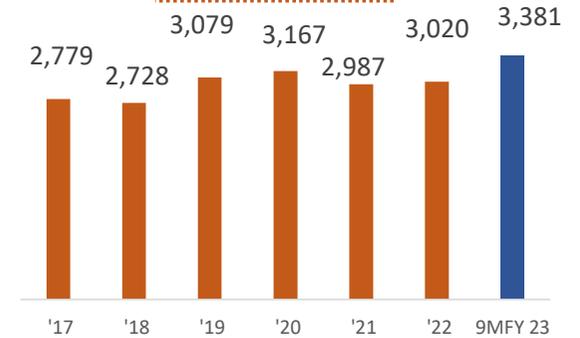
AUM/ RO (₹ in Mn)



AUM/Branch (₹ in Mn)

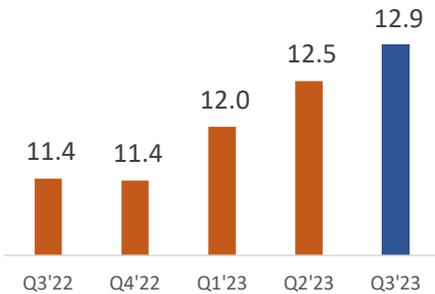


Borrower/ Branch

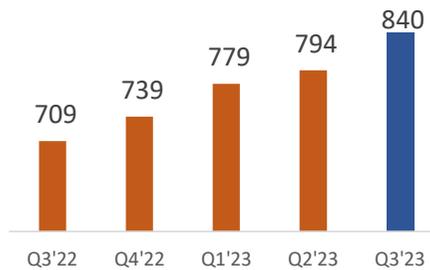


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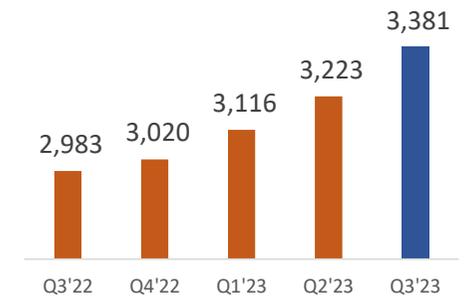
AUM/ RO (₹ in Mn)



AUM/Branch (₹ in Mn)



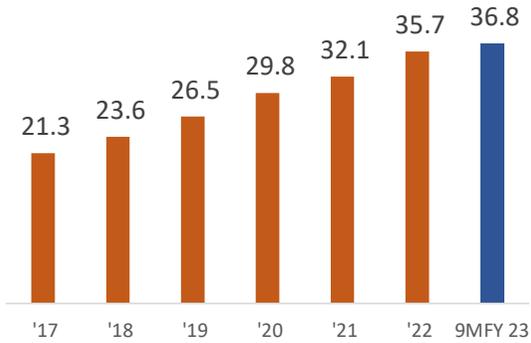
Borrower/ Branch



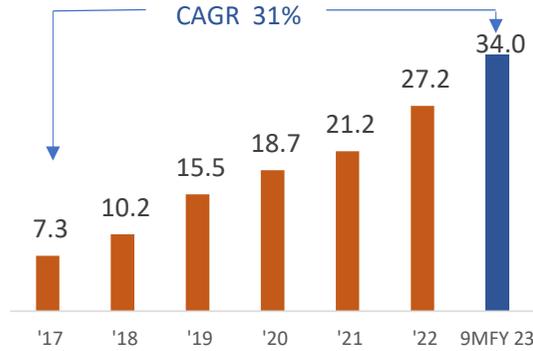
Key Strengths : Operational Prudence

YoY

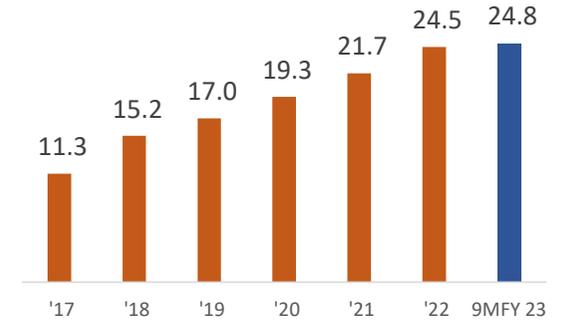
Avg. Ticket Size (₹ in K)



Borrowers (in Lacs)

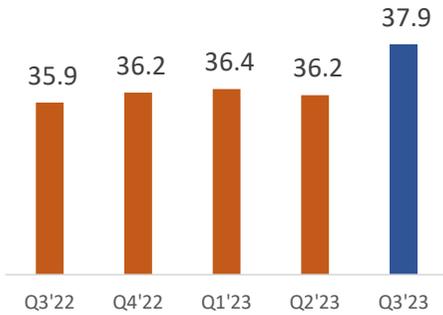


Avg. OS / Borrower (₹ in K)

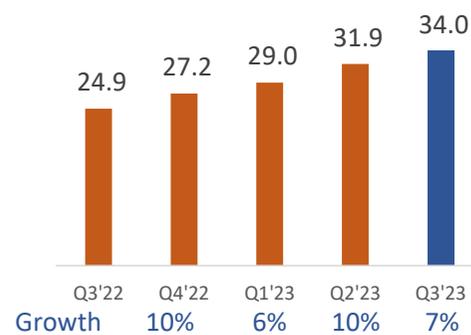


QoQ

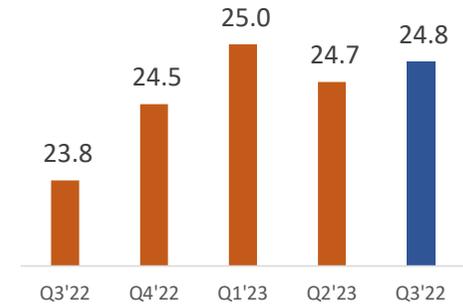
Avg. Ticket Size (₹ in K)



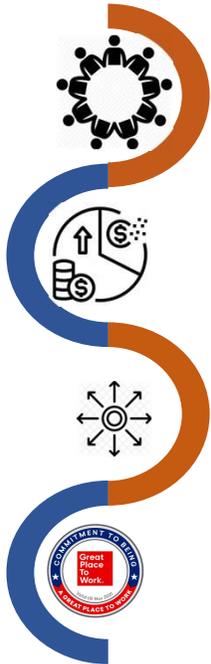
Borrowers (in Lacs)



Avg. OS / Borrower (₹ in K)



Key Strengths : People



Stable and Experienced core management team with avg. tenure of ~7 years in Fusion

Strong second line with diversified experience and progressive orientation

Focus on home grown talent

Awarded 'Great Place to Work' in our debut year of participating and the next two subsequent years, which validates our people centric approach

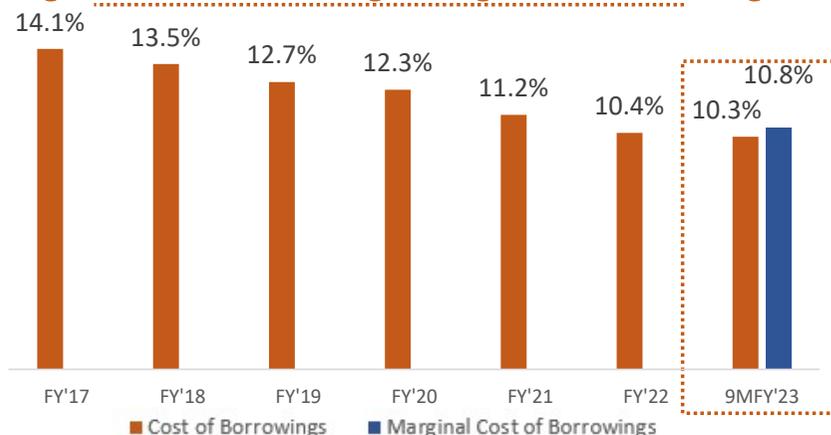
Team Size

>10k

**Across 1057
locations**

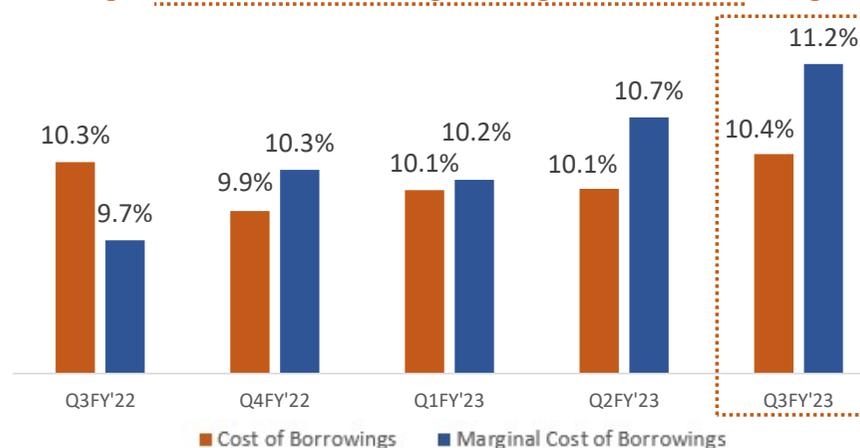
Key Strengths : Liability Management

Marginal Cost of Borrowings & Avg Cost of Borrowing %



YoY QoQ

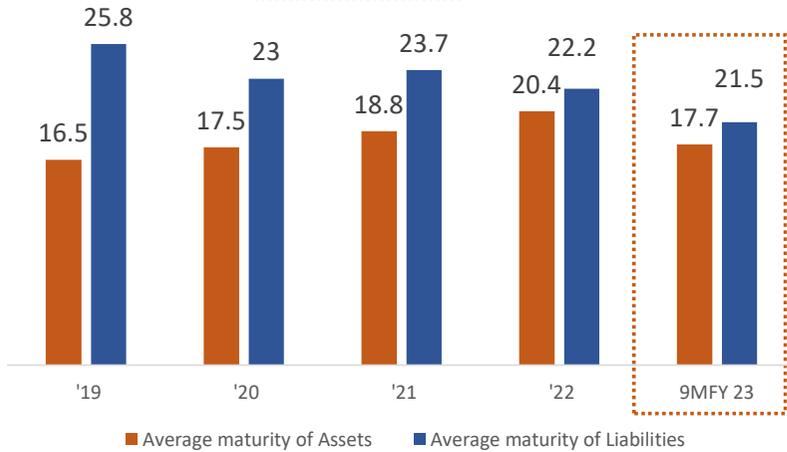
Marginal Cost of Borrowings & Avg Cost of Borrowing %



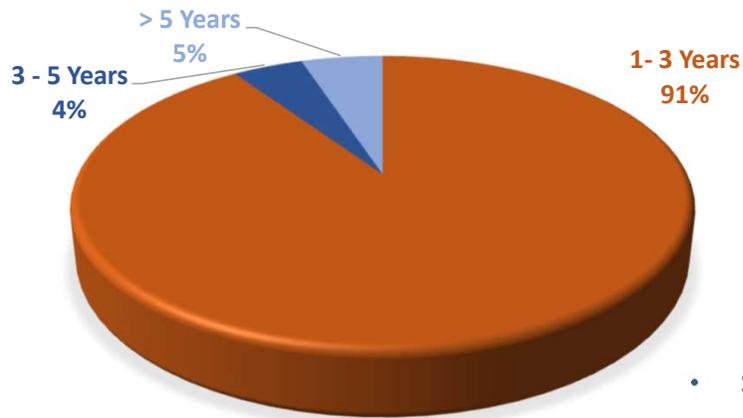
Institutions / Banks	9MFY23	Q2FY23	Q1FY23	FY'22	FY'21	FY'20	FY'19	FY'18	FY'17
Public Sector Bank	26.4%	26.8%	20.2%	21.4%	13.3%	5.4%	1.1%	6.6%	13.1%
Development financial Institutions	6.9%	7.6%	9.9%	11.7%	13.3%	12.7%	5.9%	7.2%	13.4%
Private Sector Bank	33.4%	34.8%	35.6%	36.5%	36.4%	39.9%	50.3%	23.6%	7.9%
Foreign-Bank	15.4%	13.3%	14.7%	13.7%	16.4%	20.3%	10.4%	6.6%	3.0%
Non-Banking Financial Institutions	11.0%	10.6%	10.4%	8.8%	7.1%	10.1%	18.1%	32.6%	30.3%
Non-Convertible Debentures	6.9%	7.0%	9.2%	8.0%	13.5%	11.7%	14.3%	23.5%	32.2%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%

Key Strengths : Liability Management (Contd...)

Positive ALM (in Months)



Loan Maturity (Tenure)



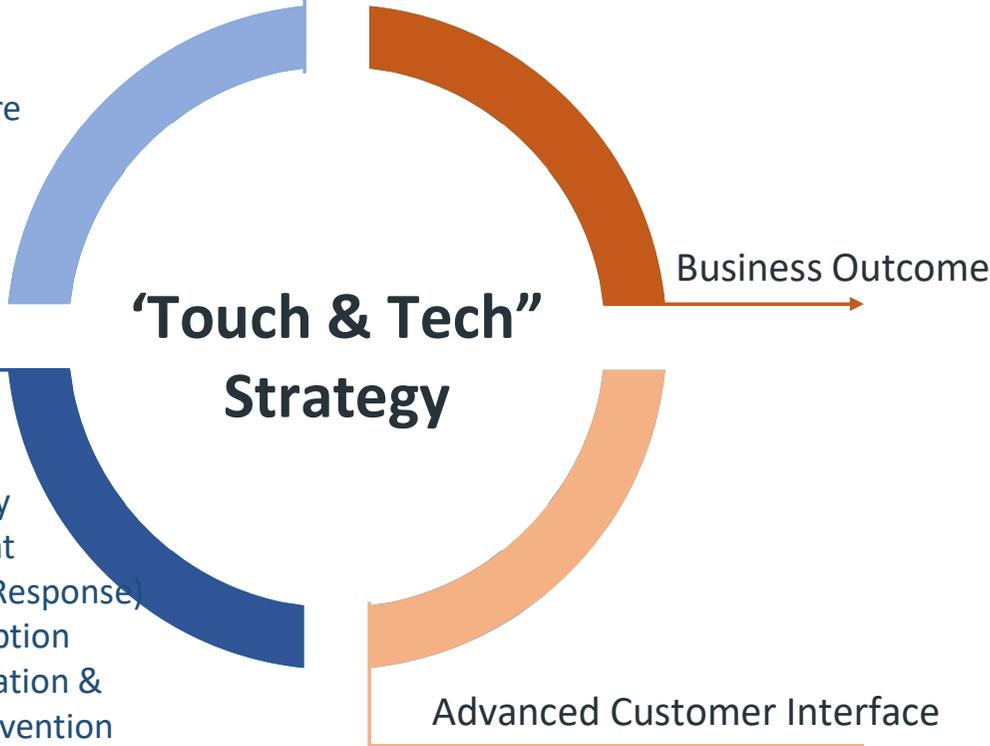
Tenure	Ratings
FY 2023	A 
FY 2022	A- 
FY 2017	BBB+ 

Rating Instrument	Rating Agency	Ratings
Long-term debt	CRISIL	A Stable
	CARE	A Stable
NCD	CRISIL	A Stable
	CARE	A Stable
	ICRA	A Stable
Grading	CART	MFI 1
Comprehensive MFI Grading (COCA)	M-CRIL	M2C1
Client Protection Certification	M-CRIL	Gold Level

Key Strengths : Digital Orientation

Technology – Infrastructure

- Early Cloud adopters
- Scalable
- Open API Architecture



‘Touch & Tech’ Strategy

Business Outcome

Customer Experience



- Digital onboarding improved from 30% in 2018 to **100% in 2022**.
- Cashless disbursement improved from 20% in 2018 to **97% in 2022**.

Efficiency



- Loan Approval TAT reduced from 13 days in 2016 to **~4 days In 2022**

Scalability & Optimization of Resources



- Branches increased from 375 in 2018 to **1057 in 2022** with presence in **20 states & 396 districts**

Safe & Secure

- Email Security
- EDR (Endpoint Detection & Response)
- Device Encryption
- Data classification & Data Loss Prevention

Advanced Customer Interface

- UPI Collections
- Facial Recognition
- Realtime Credit Check

Awarded ISO 27001:2013



Key Strengths : Digital Orientation (Building for future)

- ✿ Real-time insights with Data Lake and Analytics
- ✿ Driving operational efficiency with automated Credit Decisioning
- ✿ Continuous investment in core technology
- ✿ Best-in-class cyber resilience framework

Key Strengths : Strong Governance



Risk Management:

- ❖ Dedicated & Independent risk management function with strong focus on Credit, Operational, Market and other risk factors
- ❖ Strong governance mechanism consisting of Board Risk Mgmt. Committee (BRMC) & Mgmt. Risk committee (MRC) meetings on quarterly /monthly basis respectively
- ❖ Continuous monitoring of organization wide Risk Appetite, Key Risk Indicators and various other portfolio limits
- ❖ Systematic mechanism of identification of emerging risk through extensive use of data analytics and mitigation of identified risk & continuous engagement with Business Operation verticals



Audit:

- ❖ Independent audit function reporting to Board Audit Committee on significant audit findings along with mitigation plan with focus on continuous improvement in control environment
- ❖ Strong & one of the biggest audit team in comparison to portfolio size in the industry
- ❖ Comprehensive risk-based audit of branches through detailed field visit & process coverage along with internal audit of IT, Credit Operation & other function using advanced technology solution
- ❖ Continuous review of adequacy and effectiveness of internal controls environment with focus on continuous process improvement & ensuring compliance with regulations
- ❖ Comprehensive grievance redressal mechanism

ESG - seeking to be a responsible Financial Institution

Responsible approach towards environment , community and employees as well as towards internal governance standards

Continuous Engagement with Community and Employees



Established approximately 2,831 initiatives across 333 districts in 21 states, which have benefitted over 700,000 people



Started a skills development program aiming to provide livelihood opportunities to women and provided scholarships to students



Initiatives like funding cataract surgeries, providing reusable sanitary napkins to women and wheelchairs to the disabled



Supporting environmental sustainability through plantations, distribution of solar lights and support to World Wildlife Fund



Featured on India's "Great Place to Work" list consecutively in FY 22, FY21 and FY20. Also, ensured no pay cuts/layoffs due to Covid-19

Governance Standards



50% representation to independent directors on the board as well as 2 nominee directors and only one executive director



Special veto powers for Chief Risk Officer and Head of Audit within new area approval committee



Risk Management Committee to review risk management policies in relation to various risks and regulatory compliance issues



Dedicated ALM committee to monitor maturity schedule of financial liabilities



Awarded a score of 96.0% on the Code of Conduct Assessment for MFIs in India by M-CRIL⁽¹⁾



Highest number of branches in states like Bihar and UP that have a large majority of districts rated low on financial inclusion⁽²⁾



Received "Financial Inclusion & Literacy Leadership Award" from AWOKE India Foundation at India Financial Literacy Conclave in 2020



Awarded the "Gold" Client Protection Certification from SPTF and CERISE in 2022

1. Rated 96.0% on the Code of Conduct Assessment for MFIs in India, based on indicators of transparency, client protection, governance, recruitment, client education, grievance redress and data sharing, by M-CRIL, a global leader in the financial rating of microfinance institutions
2. States such as Uttar Pradesh and Bihar have a CRISIL Inclusix (index measuring the extent of financial inclusion) score below 45, with – 50% of districts in Uttar Pradesh and 65% districts in Bihar – having Inclusix scores below 40 as of FY16

Corporate Social Responsibility

Fusion creates a positive impact on economic, social, and environmental growth of disadvantaged communities through integrated and sustainable development initiatives



Scholarship Program
Beneficiaries: 299
Programs: 53



Livelihood Program
Beneficiaries: 988
Programs: 27



Water Sanitation & Hygiene
Beneficiaries: 13,426
Programs: 35



Promoting Sports
Beneficiaries: 730
Programs: 11

Corporate Social Responsibility



COVID19 Welfare Program

Beneficiaries: 5,07,263

Programs: 1,953



Flood relief work

Beneficiaries: 58,543

Programs: 109



Menstrual Hygiene

Beneficiaries: 6,653

Programs: 8



Eye-care Program

Beneficiaries: 7,245

Programs: 7



Wheelchair Distribution

Beneficiaries: 187

Programs: 76



Financial & Digital Literacy

Beneficiaries: 39,621

Programs: 161



Environment Sustainability

Beneficiaries: 16,950

Programs: 8



Health Check-up camps

Beneficiaries: 22,398

Programs: 129

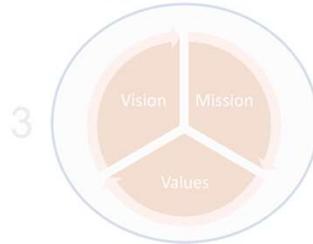
Executive Summary



Overview



*Vision, Mission
& Values*



Our Presence



Key Strengths



*Business
Performance*



Profit and Loss Statement

₹ in Million

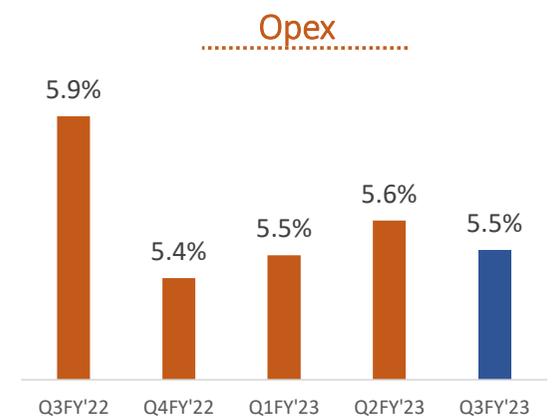
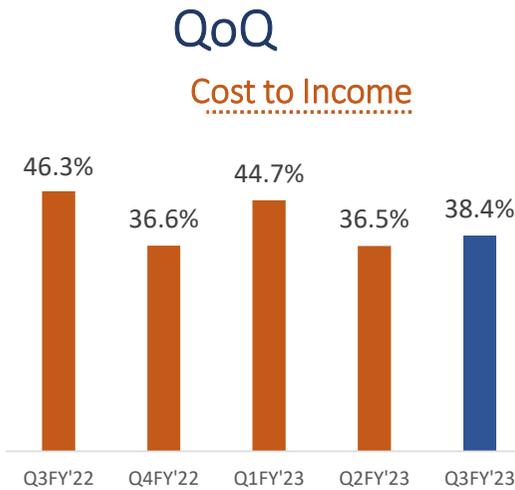
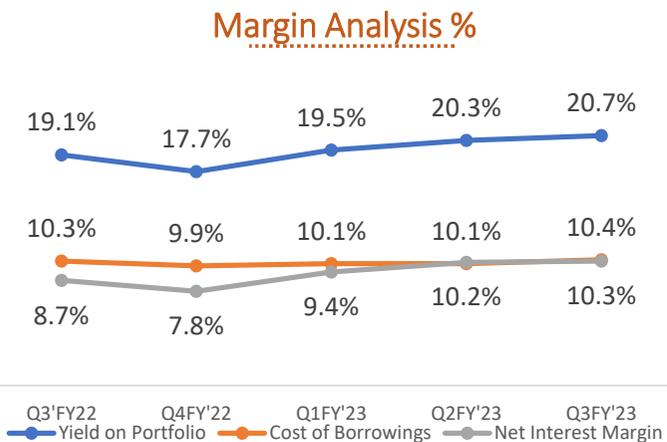
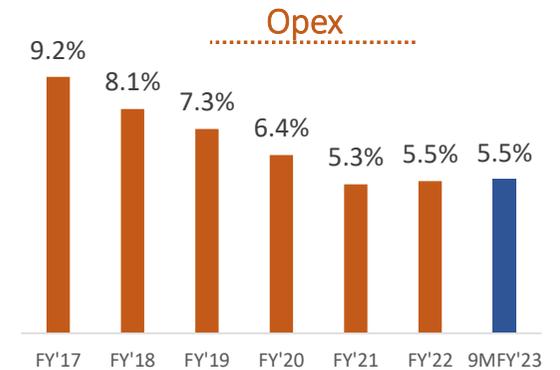
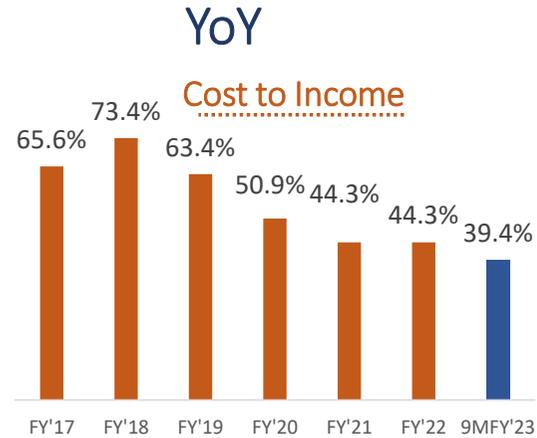
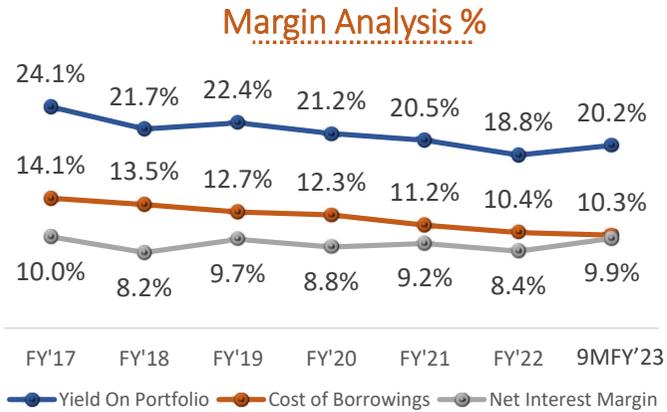
Profit & Loss Statement	Q3 FY 23	Q3 FY 22	YoY %	Q2 FY 23	QoQ %	9M FY 23	9M FY 22	YoY %	FY22
Revenue from operations									
- Interest income	4,202.4	2,769.3	51.7%	3,997.6	5.1%	11,493.6	7,571.3	51.8%	10,643.2
- Other than interest income	383.8	49.3	678.3%	399.3	(3.9)%	916.7	436.6	110.0%	869.5
Total revenue from operations	4,586.2	2,818.6	62.7%	4,396.9	4.3%	12,410.3	8,007.9	55.0%	11,512.7
- Other income	78.8	148.6	(47.0)%	126.4	(37.7)%	382.5	280.0	36.6%	500.8
Total income	4,665.0	2,967.2	57.2%	4,523.3	3.1%	12,792.8	8,287.9	54.4%	12,013.5
Expenses									
- Finance costs	1,680.2	1,183.0	42.0%	1,573.3	6.8%	4,685.4	3,594.1	30.4%	4,959.6
- Employee benefit expense	841.8	612.7	37.4%	797.1	5.6%	2,361.2	1,686.3	40.0%	2,330.7
- Depreciation and amortization expense	19.5	14.6	33.6%	16.8	16.1%	51.1	36.6	39.6%	53.7
- Others expenses	285.7	198.7	43.8%	263.6	8.4%	782.8	536.1	46.0%	738.3
- Impairment of financial instruments	499.3	957.8	(47.9)%	611.8	(18.4)%	1,311.7	2,346.9	(44.1)%	3,686.9
Total expenses	3,326.5	2,966.8	12.1%	3,262.6	2.0%	9,192.2	8,200.0	12.1%	11,769.2
Profit before tax	1,338.5	0.4	-	1,260.7	6.2%	3,600.6	87.9	-	244.3
- Tax expense	313.9	(8.9)	-	310.2	1.2%	874.4	2.3	-	26.7
Profit after tax for the period/year	1,024.6	9.3	-	950.5	7.8%	2,726.2	85.6	-	217.6
Pre-provision operating profit (PPOP)	1,837.8	958.2	91.8%	1,872.6	(1.9)%	4,912.3	2,434.8	101.8%	3,931.2
Net Interest Income (NII)	2,477.2	1,569.9	57.8%	2,410.7	2.8%	6,734.6	3,920.7	71.8%	5,606.6

Balance Sheet

₹ in Million

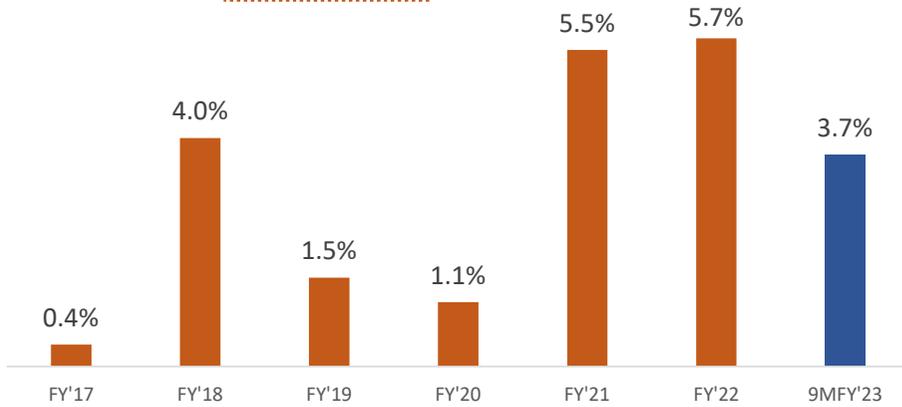
Financial Position	Q3 FY 23	Q3 FY 22	YoY %	Q2 FY 23	QoQ%	FY22
Financial and Non financial assets						
- Cash & Other Bank Balances	11,031.8	9,767.9	12.9%	9,167.0	20.3%	10,113.7
- Bank balances other than cash and cash equivalents	1,156.2	1,360.9	(15.0)%	1,128.6	2.4%	1,422.3
- Loans - (Net of Impairment Loss Allowance)	75,589.9	55,117.3	37.1%	70,356.9	7.4%	59,181.9
- Current and deferred tax assets	1,182.0	1,236.9	(4.4)%	990.2	19.4%	1,221.2
- Property, plant and equipment, Right of use asset and Intangible assets	210.1	189.4	10.9%	206.4	1.8%	191.9
- Other financial assets	854.8	428.3	99.6%	947.1	(9.8)%	712.1
- Other non-financial assets	91.3	67.1	36.1%	100.0	(8.7)%	61.7
Total assets	90,116.1	68,167.8	32.2%	82,896.2	8.7%	72,904.8
Financial and Non Financial liabilities						
- Debt securities	6,355.0	8,528.1	(25.5)%	6,570.6	(3.3)%	7,837.8
- Borrowings (other than debt securities)	57,412.2	43,648.3	31.5%	57,267.6	0.3%	48,294.7
- Subordinated liabilities	1,628.8	1,098.0	48.3%	1,627.7	0.1%	1,625.7
- Trade payables & Derivative financial instrument	1,023.7	389.5	162.8%	740.4	38.3%	451.5
- Other financial liabilities	1,428.1	1,068.4	33.7%	1,378.5	3.6%	1,136.5
- Other non-financial liabilities	217.0	199.1	9.0%	174.8	24.1%	179.2
Total liabilities	68,064.8	54,931.4	23.9%	67,759.6	0.5%	59,525.3
Total equity	22,051.3	13,236.4	66.6%	15,136.6	45.7%	13,379.5
Total liabilities and equity	90,116.1	68,167.8	32.2%	82,896.2	8.7%	72,904.8

Key Ratios

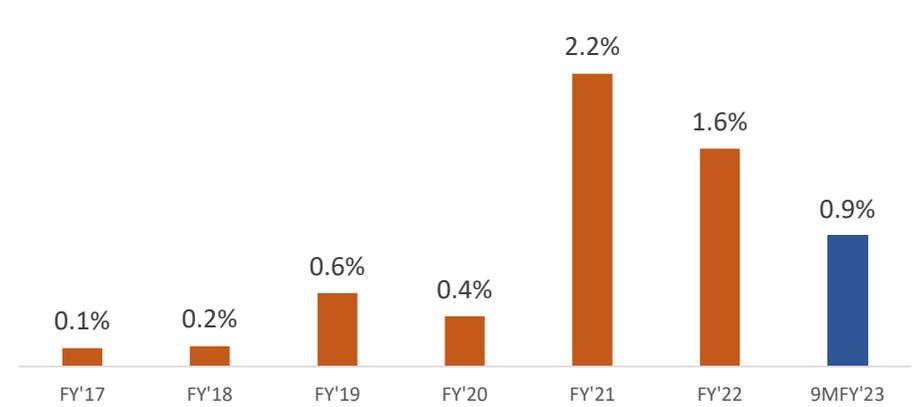


Key Ratios

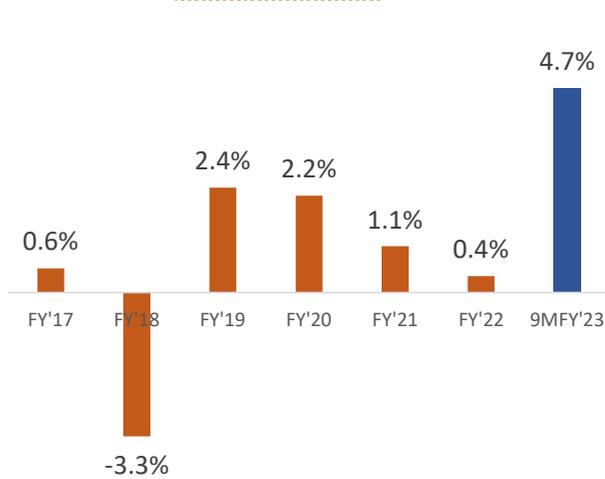
GNPA



NNPA



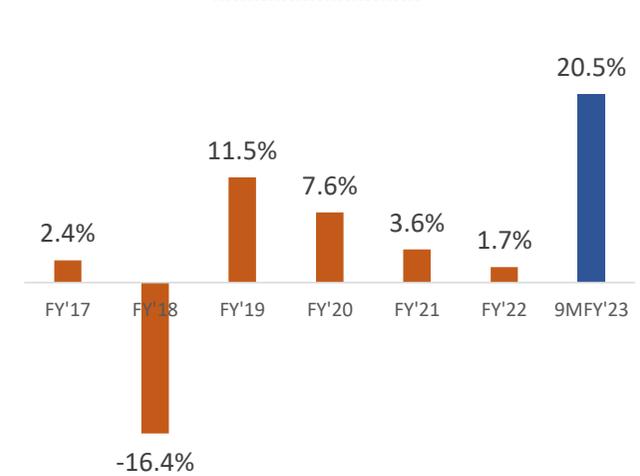
ROA (On Avg. AUM)



ROA (On Avg. Assets)



ROE



- ✿ MSME vertical launched in Dec 2019 to tap the potential of the ‘missing middle’
- ✿ Building credit assessment capability ...nucleus of our MSME strategy
- ✿ Clear focus on mapping adjacencies and potential thereof
- ✿ Business Update (As of 9M FY23) :
 - ✿ Total Clients : 8560
 - ✿ GLP (₹ Mn) : 2,312
 - ✿ States : 8
 - ✿ Branches : 54
 - ✿ Team Size : 592

Recent Awards & Accolades



We are honoured and proud to have received the
“ MICROFINANCE ORGANIZATION OF THE YEAR (LARGE)”
award by Inclusive India Awards 2022, a joint initiative of Access Development
Services and Niti Aayog. The award was handed over by
Dr. V. Anantha Nageswaran, CEA Govt. of India.

Highly Experienced Board with Strong Governance

Experienced Board of Directors



Devesh Sachdev
Promoter, MD & CEO

- Chairperson of the governing board of Microfinance Institutions Network
- Over 26 years of experience in service industry
- Holds a Post-Graduate Certificate from XLRI, Jamshedpur and has also completed HBS Accion Program from Harvard Business School, USA



Narendra Ostawal
Nominee Director

- Managing Director at Warburg Pincus India Limited
- 20 years of experience
- Previously worked with 3i India and Mckinsey & Company
- Holds a PGDM in business management from IIM Bangalore



Kenneth Dan Vander Weele
Nominee Director

- Served on the board of Creditaccess Grameen and Muthoot Microfinance, among others
- Over 15 years of experience
- Holds a PhD from the Oxford Centre for Mission Studies, Open University



Ratna Dharashree Vishwanathan
Independent Director

- Over 35 years of experience working with the Government of India, MFIN, and Oxfam India among others
- Currently, on the board of Moneyboxx Finance Limited, and Dilip Buildcon Limited



Namrata Kaul
Independent Director

- Over 34 years of experience working with companies like Grindlays Bank and Deutsche Bank
- Currently on the board of Havells India, and Schneider Electric among others



Pankaj Vaish
Independent Director

- Currently on the board of IIFL Wealth Management, Krishna Institute of Medical Sciences and Indium Software (India)
- Over 35 years of work experience
- Bachelor from IIT – BHU and MBA from University of Minnesota, U.S.A.

Supported by Marquee Investor Base

Other Promoters

WARBURG PINCUS

(Honey Rose)



CREATION INVESTMENTS

(Creation I and Creation II)

Stable & Experienced Management Team



Tarun Mehndiratta
COO - MFI

- Previously worked with companies like GE India, SBI Cards & Payments Services, Citicorp Finance (India) and SRF Finance
- Holds a PGDM in Mktg Science from IMM, Delhi



Kamal Kumar Kaushik
COO- MSME

- Previously worked with companies such as Religare Housing Development Finance Corporation, HDFC Bank, ICICI Bank, among others
- Qualified CA



Gaurav Maheshwari
CFO

- Previously worked with Essel Mining (Aditya Birla Group) and Avantha Holdings
- Qualified Chartered Accountant



Deepak Madaan
CS and
Compliance Officer

- Previously worked with Almondz Capital, Management Services and Megha Technical Engineers
- Qualified CS and holds a Bachelor's degree in Law



Pooja Mehta
CHRO

- She has over 20 years of experience working extensively in HR domain. She has been associated with organization likes PwC and Mercer.
- She is a post-graduate in psychology from Delhi University and completed her post graduation from XLRI



Ankush Ahluwalia
SVP – Business
Operations

- Previously worked with Magma Fincorp and Development Credit Bank among others
- Holds a Master's in Business Economics from Kurukshetra University



Naveen Kumar Mangle
CTO

- Several years of work experience with Tata Consultancy Services, GE Capital, Mahindra Satyam, Location Labs among others
- MBA from IIFT and BE from Delhi University



Satish Mani
SVP – Audit

- Previously worked with GE Capital, ICICI Bank, Kotak Mahindra Bank, and Sundaram Finance
- B. Com from Delhi University and has also completed HBS Accion Program



Sanjay Vishwanath Choudhary
CRO

- Previously worked with Axis Bank, Tata Consultancy Services, Satin Creditcare Network, WIMCO and ICICI Bank
- Qualified CA and completed FRM certification from GARP

Abbreviations

AUM	Asset Under Management
PAT	Profit After Tax
NIM	Net Interest Margin
ROE	Return of 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
Mn	Million
K	Thousand
FY	Financial Year
9M	Nine Months
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

Definitions

- **AUM** represents the aggregate of principal outstanding for all loans to customers and assets pertaining to securitization, assignment and business correspondent portfolio, as of the last day of the relevant period/year
- **Net Interest Margin** represents net interest income for the relevant period/year as a percentage of average loans to customers for such period/year. Average loans to customers represent the simple average of our loans to customers as of the last day of the relevant period/year and that as of the last day of the previous period/year derived from our Restated Financial Statements.
- **Net Interest Income** represents interest income on loan portfolio for the relevant period/year reduced by finance costs for such period/year
- **Return on Assets** represents profit for the relevant period/year derived from our Financial Statements as a percentage of average gross AUM for such period/year
- **Return on Equity** represents profit for the relevant period/year derived from our Financial Statements as a percentage of average equity for such period/year
- **Pre-Provision Operating Profit before tax** 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 derived from our Restated Financial Statements. 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 of Borrowing** represents finance cost as a percentage of average outstanding borrowings 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 (overdue for more than 90 days) 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 impairment allowance on Stage III Assets for such period/year.



Thank You

For Investor queries contact:

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