**Date: 10.08.2026**

**Letter No. FFL/SEC/2026-27/SE-57**

To,
The Manager
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, C/1, G Block,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051
Symbol: FUSION

To,
The Manager
Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai - 400 001

Scrip Code: 543652, 977381, 977412

**Sub: <u>Earnings Presentation on Unaudited Financial Results for quarter ended June 30, 2026</u>**

Dear Sir/Ma'am,

Pursuant to Regulation 30 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Earnings Presentation with respect to Unaudited Financial Results of the Company for quarter ended June 30, 2026.

The Board Meeting in which the aforesaid Unaudited Financial Results are approved, commenced at 03:15 PM (IST) and concluded at 05:00 PM (IST).

The copy of this letter is also available on the website of the Company viz. www.fusionfin.com.

You are requested to take the above on record.

Thanking you,

For **Fusion Finance Limited**

VIKRANT SADANA

Digitally signed by VIKRANT SADANA
Date: 2026.08.10 17:15:25 +05'30'

**Vikrant Sadana**
**Company Secretary & Compliance Officer**
**Place: Gurugram**

**Enc.: a/a**

# Investor Presentation

## Q1 FY27

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# PRESENTATION PATH

01 Executive Summary

02 Overview

03 Our Presence

04 Business Overview

05 Key Strengths

06 Financial Performance

# Executive Summary

# Executive Summary – Q1 FY27

| Sustained Profitability | Strong Asset Quality | Strong Capital & Liquidity | Prudent Disbursement Strategy |
|---|---|---|---|
| **Rs 62 Cr Profit Before Tax**<br>Profit momentum continued with ~67% QoQ growth from Rs 37 Cr in Q4 FY26 | **Rs 40 Cr Credit cost**<br>~29% decline in credit cost from 56 Cr in Q4 FY26<br>7th Straight quarter of Credit cost reduction | **36.95% CRAR**<br>~49 bps QoQ growth from 36.46% in Q4 FY26<br>Well Capitalized Balance sheet | **Rs 1,783 Cr Disbursements**<br>~ 88% YoY growth from 950 Cr in Q1 FY26, 85% of customers with <2 lenders, reflecting high portfolio quality & disciplined lending |
| **11.93 % NIM**<br>~49 Bps QoQ improvement | **2.51% GNPA**<br>~70 bps QoQ improvement from 3.21% in Q4 FY26 | **Rs 1,880 Cr Liquidity**<br>~1,600 Cr of fresh borrowing drawn in Q1 FY27 | **36% New Customers #**<br>~ 2.76 lacs loans disbursed. |
| **Rs 102 Cr PPOP**<br>Operating efficiency driven ~10% QoQ growth from 93 Cr in Q4 FY26 | **99.76 % Avg. CE (MFI)**<br>~10 bps QoQ improvement from 99.66% in Q4 FY26<br>Net Forward flow rate <0.1% in Q1 FY27 | **2.3 times D/E**<br>Maintained healthy gearing with disciplined capital management | **5.1 Cr AUM Per Branch**<br>~ 6% increase in AUM per branch QoQ |
| **Rs 7,702 Cr AUM**<br>AUM grew ~4.0 % QoQ from 7,407 Cr in Q4 FY26 | | | |

# Key Growth Drivers

## Focused initiatives to accelerate profitable growth and strengthen our franchise

### Technology Enablement

- Deploying next generation LOS and LMS platforms to boost process efficiency.
- Automated end-to-end Call centre to improve operational efficiency.
- Scaled customer engagement through AI-powered platform, driving 6Mn+ customer interactions, and proving the model can grow efficiently.

### Geographical Expansion

- Entering new markets while rationalizing the existing branch network.
- Scaling the MSME franchise in Tamil Nadu as a priority market.
- Leverage the existing MFI branch footprint to drive MSME sourcing and disbursements, enabling capital-efficient growth and strong operating leverage.

### Strengthened Risk Framework

- Leading industry-wide deleveraging with risk guardrails calibrated tighter than industry norms.
- Redesigned the underwriting architecture to improve credit quality, collection efficiencies, and strengthen portfolio performance.

### Product Expansion

- Received approval under the Credit Guarantee Scheme (CGS MFI 2.0), unlocking lower cost of fund and more competitive pricing proposition to accelerate customer acquisition and business growth.

# Fusion Finance – Q1 FY27 Snapshot

| | | |
|---|---|---|
| AUM | ₹7,702 Cr | ↑ ~4% QoQ |
| Disbursement | ₹1,783 Cr | ↑ ~88% YoY |
| Total Income | ₹458 Cr | ↑ ~7% QoQ |
| NIM | 11.9% | ↑ ~49 Bps QoQ |
| PPOP | ₹102 Cr | ↑ ~10% QoQ |
| Credit Cost | ₹40 Cr | ↓ ~29% QoQ |
| PBT | ₹62 Cr | ↑ 67% QoQ |
| ROA | 3.0% | ↑ ~108 Bps* QoQ |
| ROE | 10.0% | ↑ ~378 Bps* QoQ |
| GNPA | 2.51% | ↓ ~70 Bps QoQ |
| CRAR | 36.95% | |
| Net Worth | 2,521 Cr | |
| D / E | 2.3 | |
| Branches | 1,512 | |
| ATS (MFI) | ₹61 K | |

** Excludes recognition of deferred tax assets (DTA) of ₹ 76.8 Cr in Q4 FY26.*

# FY26: A Year of Stabilization
# FY27 Onwards: Building a Foundation for Sustainable Growth

Fusion Finance

## FY26 | Year of Stabilization

**Portfolio Recalibration**
Tightened underwriting and strengthened credit guardrails for healthier growth

**Asset Quality Recovery**
Marked improvement in collection performance and reduction in delinquencies

**Stronger Leadership & Governance**
Enhanced leadership team, risk oversight and institutional capabilities

**Capital Reinforced**
Rights Issue to strengthen capital base and liquidity position

**Operational Discipline**
Sharper processes, digital enablement and focus on sustainable profitability

From **Stabilization** → to **Sustainable Growth**

## FY27 | Foundation for Sustainable Growth

**Strong Capitalization**
Robust Capital Base to Support Sustainable Growth

**Strengthened Risk Framework**
Industry-wide deleveraging combined with enhanced risk management and next-generation underwriting

**Technology Enablement**
Capabilities Technology driven Operating Leverage

**Growth Momentum**
MSME is emerging as a key growth driver, supported by the MFI branch infra and strategic expansion into Tamil Nadu.

**New Product**
Individual Loan Product with MSME oversight will be launched.

# Fusion Finance Overview

Building an inclusive financial institution driven by purpose, customer trust, and sustainable growth

## About Fusion Finance

- Established in 2010 as a registered NBFC-MFI
- Providing financial services to underserved women in rural and semi-rural India
- Customer-centric approach driving financial inclusion in underserved markets.
- Well-positioned to broaden its financial product portfolio across high-potential rural markets.

## Our Business Verticals

### Microfinance

Loans to women entrepreneurs through the Joint Liability Group (JLG) model

### MSME Loans

Loans against property for MSME's in Tier 3 & 4

## Key Milestones

**2010**
Started operations

**2017**
Achieved AUM of Rs 1,000 Cr

**2019**
Diversified to MSME Loans

**2022-23**
Listed on NSE & BSE

**2026**
Focus on sustainable growth

## Our Vision

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

## Our Mission

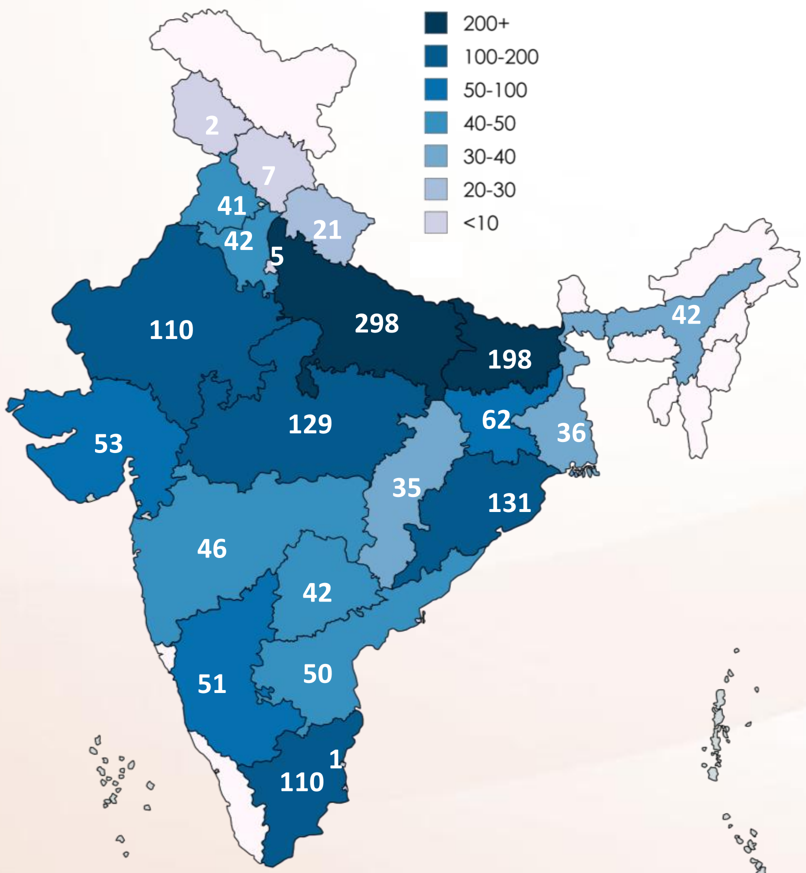
A self-sustainable financial institution which leverages the distribution network to channel products and services.

# Diversified Geographical Presence

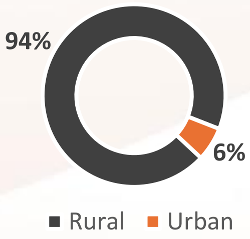
| 20 Lakh+ | 3 Union Territories \| 22 States \| 489 Districts | 1,512 | ~68% |
|---|---|---|---|
| Active Customers | | Total No. of Branches | Top 5 states concentration |

## Our footprint across India

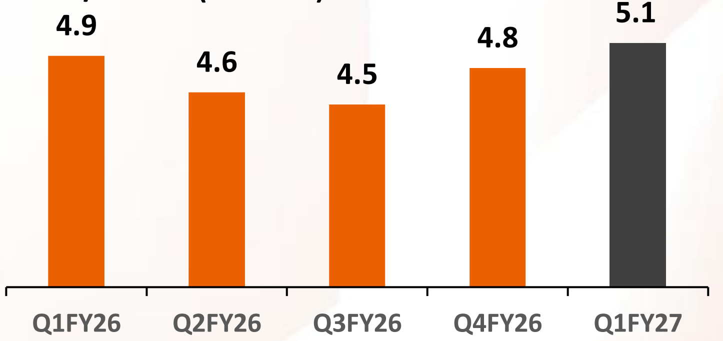
State wise branches



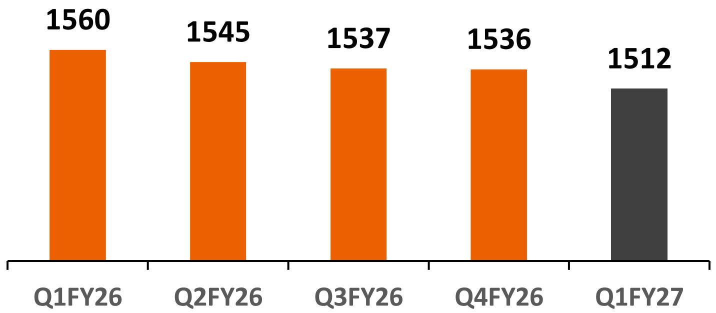

Presence Mix




AUM/Branch (In Rs. Cr)




No. of Branches




**Plan to open ~50 new branches while rationalizing ~100 existing branches**

# *MFI Business*

# Book composition || Borrower deleveraging

| Timelines | Fusion only | Fusion+1 | Fusion+2 | Fusion+ ≥ 3 |
|---|---|---|---|---|
| **Jun’26** | **37.7%** ↑ | **33.9%** ↑ | **21.6%** ↓ | **6.8%(4.37% on POS)** ↓ |
| Mar’26 | 37.1% | 32.8% | 22.4% | 7.7% (4.98% on POS) |
| Mar’25 | 35.5% | 26.8% | 19.6% | 18.1% |
| Mar’24 | 30.9% | 19.7% | 17.8% | 31.5% |

**Fusion Customers***

| Timelines → / Bucket ↓ | Mar’25 | June’25 | Sep’25 | Dec’25 | Mar’26 | Jun’26 |
|---|---|---|---|---|---|---|
| <=40k | 84% | 67% | 59% | 49% | 38% | 34% |
| >40k-60k | 13% | 21% | 24% | 28% | 30% | 31% |
| >60k-100k | 4% | 12% | 16% | 23% | 32% | 35% |
| >100k | 0% | 0% | 0% | 0% | 0% | 0% |
| **Total** | 100% | 100% | 100% | 100% | 100% | 100% |

**Fusion Customers having MFI Exposure***

| Timelines → / Bucket ↓ | Mar’25 | June’25 | Sep’25 | Dec’25 | Mar’26 | Jun’26 |
|---|---|---|---|---|---|---|
| <=40k | 38% | 37% | 38% | 38% | 33% | 29% |
| >40k-60k | 15% | 15% | 15% | 16% | 16% | 16% |
| >60k-100k | 24% | 25% | 25% | 24% | 24% | 25% |
| >100k | 23% | 23% | 22% | 22% | 26% | 29% |
| **Total** | 100% | 100% | 100% | 100% | 100% | 100% |

**PR data Source : Equifax*
*Data calculations done on all Fusion customers*

# Shifting share of disbursement towards less leveraged customers

| | Q4 FY25 (Avg.) | Q1 FY26 (Avg.) | Q2 FY26 (Avg.) | Q3 FY26 (Avg.) | Q4 FY26 (Avg.) | Q1 FY27 (Avg.) |
|---|---|---|---|---|---|---|
| Fusion + 0 | 42% | 43% | 41% | 44% | 46% | 51% |
| Fusion + 1 | 32% | 35% | 34% | 35% | 34% | 34% |
| Fusion + 2 | 21% | 22% | 24% | 22% | 20% | 15% |
| Fusion + 3 | 5% | 0% | 0% | 0% | 0% | 0% |
| Approval rate | **13%** | **14%** | **24%** | **25%** | **30%** | **25%** |
| Avg. Monthly Customers (#) | 70,371 | 55,739 | 74,896 | 84,893 | 1,10,589 | 92,124 |
| Avg. Monthly Disbursement (₹ Cr) | 354 | 297 | 406 | 506 | 672 | 563 |

***Fusion only onboards customers if they are in current bucket for all their MFI loans***

# Customer segmentation & Cycle wise ATS

| Period → Customers ↓ | FY24 | FY25 | Q1 FY26 | Q2 FY26 | Q3 FY26 | Q4 FY26 | Q1 FY27 |
|---|---|---|---|---|---|---|---|
| New | 46% | 26% | 24% | 25% | 24% | 27% | **27%** |
| Existing | 54% | 74% | 76% | 75% | 76% | 73% | **73%** |

*Calculations on Disbursement values*

| Cycle No | FY24 | FY25 | Q1 FY26 | Q2 FY26 | Q3 FY26 | Q4 FY26 | Q1 FY27 |
|---|---|---|---|---|---|---|---|
| 1 | 41,299 | 42,772 | 40,715 | 41,108 | 43,107 | 44,539 | **45,019** |
| 2 | 53,201 | 62,836 | 57,940 | 59,279 | 64,311 | 66,215 | **65,991** |
| 3 + | 51,426 | 68,618 | 69,936 | 70,734 | 71,259 | 74,877 | **74,538** |
| Overall | 46,797 | 57,700 | 55,308 | 56,414 | 59,584 | 60,826 | **61,127** |

# Disbursement || Cycle wise and Lenders association

| Q1 FY27 | | | | | |
|---|---|---|---|---|---|
| Cycle No | Fusion Only | Fusion+1 | Fusion+2 | Fusion+>=3 | Overall |
| 1 | 24% | 10% | 1% | 0% | **36%** |
| 2 | 14% | 12% | 6% | 0% | **32%** |
| 3 + | 12% | 12% | 7% | 0% | **32%** |

| Q4 FY26 | | | | | |
|---|---|---|---|---|---|
| Cycle No | Fusion Only | Fusion+1 | Fusion+2 | Fusion+>=3 | Overall |
| 1 | 21% | 11% | 5% | 0% | **37%** |
| 2 | 14% | 11% | 7% | 0% | **32%** |
| 3 + | 11% | 12% | 8% | 0% | **31%** |

| Q3 FY26 | | | | | |
|---|---|---|---|---|---|
| Cycle No | Fusion Only | Fusion+1 | Fusion+2 | Fusion+>=3 | Overall |
| 1 | 19% | 11% | 5% | 0% | **35%** |
| 2 | 14% | 12% | 8% | 0% | **34%** |
| 3 + | 11% | 11% | 9% | 0% | **31%** |

| Q2 FY26 | | | | | |
|---|---|---|---|---|---|
| Cycle No | Fusion Only | Fusion+1 | Fusion+2 | Fusion+>=3 | Overall |
| 1 | 13% | 8% | 3% | 0% | **25%** |
| 2 | 14% | 12% | 10% | 0% | **36%** |
| 3 + | 13% | 14% | 12% | 0% | **39%** |

# Disbursement trend || Quarterly Avg || State wise

*All figures in ₹ Cr.*

| State | Q1 FY26 | Q2 FY26 | Q3 FY26 | Q4 FY26 | Q1 FY27 | QoQ % | YoY % | Proportion % (Q1 FY27) |
|---|---|---|---|---|---|---|---|---|
| Uttar Pradesh | 72 | 108 | 129 | 169 | 151 | -11% | 110% | 27% |
| Bihar | 59 | 73 | 97 | 134 | 109 | -19% | 85% | 19% |
| Odisha | 23 | 35 | 46 | 60 | 46 | -23% | 100% | 8% |
| Madhya Pradesh | 28 | 31 | 38 | 52 | 48 | -8% | 71% | 9% |
| Tamil Nadu | 13 | 24 | 28 | 33 | 24 | -27% | 85% | 4% |
| Jharkhand | 18 | 23 | 31 | 42 | 35 | -17% | 94% | 6% |
| Other States | 83 | 112 | 137 | 183 | 150 | -18% | 81% | 27% |
| **Total** | **297** | **406** | **506** | **672** | **563** | **-16%** | **90%** | **100%** |

# Sustained improvement in current collections

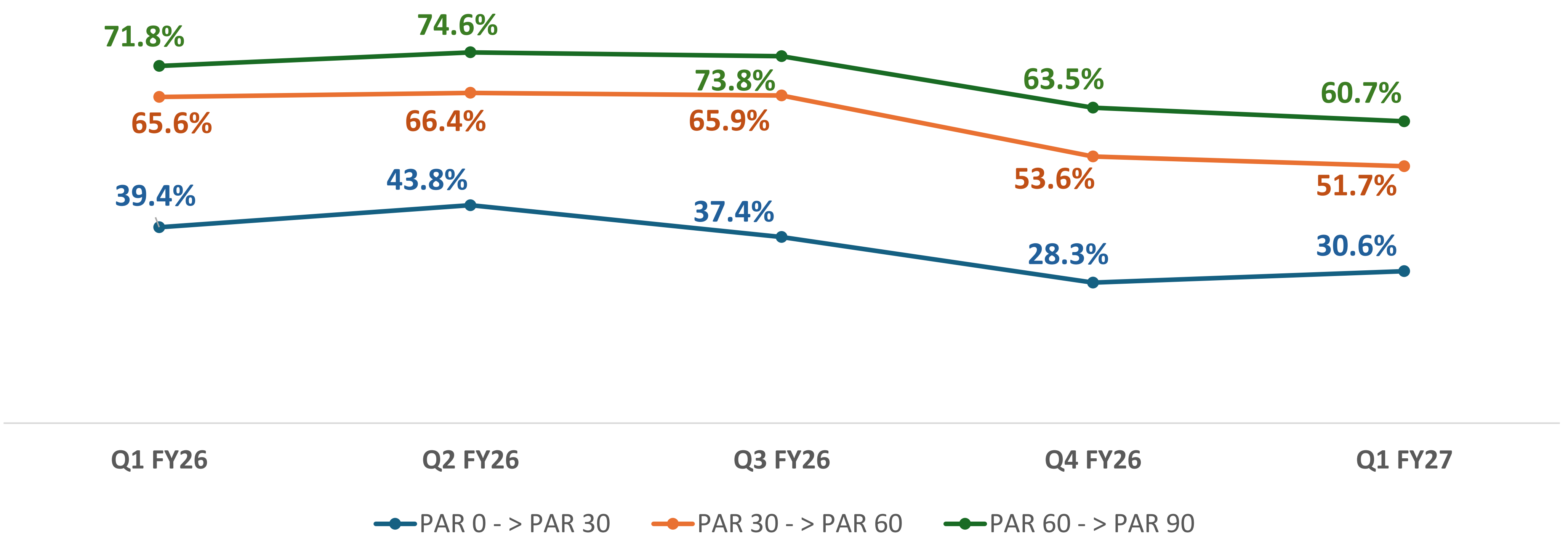
| % Net flow | Q3 FY25 | Q4 FY25 | Q1 FY26 | Q2 FY26 | Q3 FY26 | Q4 FY26 | Q1 FY27 |
|---|---|---|---|---|---|---|---|
| Current to PAR | 1.80% | 0.57% | 0.54% | 0.60% | 0.25% | **0.03%** | **0.08%** |

| Top 5 State Current CE% on POS (EOM) | Dec'24 | Mar'25 | Jun'25 | Sep'25 | Dec'25 | Mar'26 | Jun'26 |
|---|---|---|---|---|---|---|---|
| Uttar Pradesh | 97.99% | 98.93% | 98.96% | 98.93% | 99.47% | 99.79% | 99.77% |
| Bihar | 96.83% | 98.21% | 98.74% | 98.86% | 99.44% | 99.83% | 99.84% |
| Odisha | 96.35% | 98.14% | 98.05% | 98.50% | 99.25% | 99.76% | 99.76% |
| Madhya Pradesh | 97.88% | 98.61% | 98.29% | 98.40% | 99.18% | 99.64% | 99.64% |
| Tamil Nadu | 97.55% | 98.42% | 98.83% | 99.10% | 99.56% | 99.82% | 99.74% |
| **All India** | **97.58%** | **98.63%** | **98.80%** | **98.81%** | **99.41%** | **99.79%** | **99.76%** |

*CE – Collection Efficiency, calculated as* ***(closing POS – Roll forward POS) /closing POS***
*Flow rate on POS – Quarterly Average*
*EOM – End of Month*
*Previous EOM CE have been re-calculated on POS*

# COLLECTIONS

Avg. Monthly Flow Rates and QoQ bucket movement




*average monthly flow rates*

# *MSME Business*

# MSME Business

Empowering India's Entrepreneurs, Driving Sustainable Growth

## Product Offerings

### SECURED BUSINESS LOAN

- Lending for established businesses, backed by collateral
- Introduced collateral backed Loans upto 25 Lac in Focused States.

## Key Metrics

Serving underserved rural & semi-urban entrepreneurs across India

| OPERATIONAL METRICS | FINANCIAL METRICS |
| --- | --- |
| 90 Branches<br>8 States | Rs. 796 Cr.<br>AUM ( As at June 30, 2026) |
| 19K +<br>Active Customers | Rs. 98 Cr.<br>Disbursements (Q1 FY27) |
| 74<br>Avg Tenor (Months) | 42.5%<br>LTV |

## Who we lend to

- Retail Shop Traders
- Wholesalers
- Manufacturers
- Service Providers

## Growth Strategies

- Scale secured MSME franchise profitability
- Drive cross-sell opportunities across branch network
- Real-time payment links & digital servicing
- ~ 50 MFI branches infra to be used in MSME.
- Strategic expansion in Tamil Nadu.

# Performance Highlights & Credit Cost

# Performance Highlights

*All figures in ₹ Cr.*

| Key Metrics | Q1 FY27 | Q4 FY26 | QoQ | Q1 FY26 | YoY |
|---|---|---|---|---|---|
| AUM | **7,702** | 7,407 | **4%** | 7,688 | **0.2%** |
| Disbursement | **1,783** | 2,140 | **(17%)** | 950 | **88%** |
| NII | **236** | 222 | **6%** | 268 | **(12%)** |
| NIM (%) | **11.93%** | 11.44% | **49 Bps** | 10.29% | **164 Bps** |
| Total Income | **458** | 430 | **7%** | 445 | **3%** |
| OPEX | **206** | 205 | **1%** | 210 | **(2%)** |
| PPOP | **102** | 93 | **10%** | 87 | **17%** |
| Credit Cost* | **40** | 56 | **(29%)** | 179 | **(78%)** |
| PBT | **62** | 37 | **67%** | (92) | **n.m.** |
| PAT | **62** | 114** | **(45%)** | (92) | **n.m.** |
| Net worth | **2,521** | 2,456 | **3%** | 1,943 | **30%** |

** It includes Credit cost on other financial assets.*
*** Includes recognition of Deferred Tax Assets (DTA) of ₹ 76.8 Cr in Q4 FY26*

# Credit Cost

*All figures in ₹ Cr.*

| Particulars | Q1 FY27 | Q4 FY26 | Q1 FY26 | FY 26 |
|---|---|---|---|---|
| **Opening ECL [A]** | **270** | **353** | **887** | **887** |
| - Provisions as per ECL[B] | 38 | 53 | 178 | 421 |
| **Reversals (on account of write-off) [C]** | **75** | **136** | **486** | **1,038** |
| **Closing ECL [D = A+B-C]** | **233** | **270** | **579** | **270** |
| **Impairment [E]*** | **38** | **53** | **178** | **421** |
| Credit Cost (Provisions) / % of Avg. On-Book Loan Portfolio** | 0.6% | 0.9% | 2.3% | 5.8% |
| **Bad-Debt Recovery [F]** | **21** | **21** | **6** | **54** |
| **Net P&L Impact [E – F]** | **17** | **32** | **172** | **367** |
| **Net P&L Impact – % of Avg. On-Book Loan Portfolio**** | **0.3%** | **0.5%** | **2.3%** | **5.1%** |

** Represent Credit Cost on Loan Portfolio*
*** Non-annualized for quarter ended*

| Slab | Loans (Gross) (₹ Cr) | Loans (Gross) (%) | ECL (₹ Cr) | ECL (%) Q1 FY27 | ECL (%) Q4 FY26 |
|---|---|---|---|---|---|
| - Stage I | 6,426 | 96.8% | 67 | 1.0% | **0.9%** |
| - Stage II | 46 | 0.7% | 30 | 64.5% | **71.5%** |
| - Stage III | 167 | 2.5% | 136 | 81.5% | **84.4%** |
| **Total** | **6,639** | **100%** | **233** | **3.5%** | **4.3%** |
| - GNPA (Stage III) | | | | **2.5%** | **3.2%** |
| - NNPA (Net Stage III) | | | | **0.5%** | **0.5%** |

- ₹ 19.5 Cr management overlay.
- ECL% decline is driven by Stage II and Stage III portfolio mix (Between MSME and MFI); no change in ECL methodology.

# *Tech Capabilities & ESG*

# Building AI-Enabled Microfinance Leader

AI is transforming Fusion Finance from excellence in execution to a technology-driven, customer-centric leader.

## AI Across Value Chain

**Customer Onboarding**
AI enabled onboarding, multilingual engagement

**Collections**
Reminder calls for Pre Due and Overdue, Higher Stage Collections across MFI and MSME

**Customer Service**
AI Call Quality Monitoring, improved experience and cost to serve

**Credit Assessment**
AI Video PD & Income Assessment (Pilot): faster underwriting, fraud reduction

**Risk & Fraud**
Employee and Portfolio Verification: stronger controls and auditability

## Key Strategic Highlights

**Superior Customer Experience**

- AI-first philosophy: automation for repetitive work; people focus on judgement and credit decisions
- AI deployed across the full customer lifecycle
- Scalable Multilingual AI interactions and engagement
- Faster onboarding
- Improved call quality and customer sentiment
- 24×7 scalable engagement

## Current Scale

**6 Mn+**
AI driven customer interactions

**1.1 Mn+**
Customers engaged through AI

**15K**
Calls monitored for quality by GenAI

**74%**
Reduction in call charges

## Long Term Roadmap

FY27 — FY30

- AI powered underwriting
- Behavioural credit scoring
- Predictive delinquency management
- Hyper personalised customer service
- Autonomous low-risk credit decisions
- AI led hiring and onboarding, scalable workforce productivity

## Better Risk & Quality Profile

- AI-driven fraud detection
- Video identity verification
- Early warning systems
- Continuous portfolio monitoring
- Consistent compliance documentation

# Tech Interventions || Strengthening compliance, reducing fraud, and enabling seamless digital onboarding

## Digital Onboarding

### Real-Time Voter ID Validation
- ✓ 100% real-time validation across all branches
- ✓ Reduces identity fraud

### Aadhaar-Based Face Authentication
- ✓ Integrated with government database for live authentications
- ✓ Future-ready: Video KYC for Guarantor under development

### Paperless Digital Signing
- ✓ OTP based secure virtual document execution (V-sign) to ensure non-repudiation
- ✓ PAN verification/Form 60 auto generation
- ✓ Automated Receipt Generation Upon payment Collection

## Field Tech Transformation (In Progress)

### Geo-Fencing & Location Intelligence
- ✓ Village level geo-fencing to monitor route planning
- ✓ Distance-based policies for smarter resource deployment
- ✓ Event-based tagging throughout loan lifecycle

### AI/ML-Driven Credit Operations
- ✓ Intelligent KYC validation and live face recognition
- ✓ Automated credit decisioning with traffic-light model
- ✓ (e.g., risk grading)
- ✓ Minimizes human bias & enhances underwriting consistency

### Omni-Channel Collections Enablement
- ✓ Unified collection interface across digital, AI tele-calling, and field teams
- ✓ AI/ML to identify high-risk customers and guide outreach
- ✓ Personalized nudges via SMS/WhatsApp to improve recovery rates

## Key Impact
- Strengthens compliance
- Reduces operational fraud
- Accelerates onboarding with fully digital customer journeys
- Aligns with a field-friendly, frictionless execution mindset

## Key Impact
- Boosts operational productivity
- Enhances credit discipline
- Enables proactive customer engagement
- Drives down costs with intelligent automation

# ESG : Aspiring to become a responsible Financial Institution

## Environmental

**Reducing Environmental Impact**

- Continued adherence to the IFC Exclusion List
- Sustainable Operations: Expanded digital receipts, SMS confirmations and paperless workflows, reducing paper usage and enhancing efficiency.
- Ensured compliance with India's E-Waste Rules 2022 with compliant disposal via CPCB-registered channels.
- Strengthened customer-centric practices aligned with Cerise+SPTF standards.

## Social

**Empowering Community & Employees through various Initiatives**

- Under 6 CSR programs, 19 activities implemented and covered 16 districts across 12 states and UTs , touching 1593 lives.
- Under Health & Hygiene thematic area, 3 Health camps conducted across 3 states and touched 459 lives
- Under Education and skill development thematic area, 4 FLP conducted across 4 states and touched 348 lives
- Under Relief work covered Sorada locations in Orissa states and touched 92 lives.
- Mandatory training launched.

## Governance

**Responsible business practices through transparency, integrity & accountability**

- More than 50% board comprising independent directors including 1 women independent directors
- Risk Management Committee to review management policies in relation to various risks related issues.
- Awarded a score of 96% on the Code of Conduct Assessment (CoCA) for MFIs in India by M-CRIL*.
- Awarded the Gold Level Certification by M-CRIL according to the Client Protection Certification Framework promoted by SPTF and CERISE.
- Received Alpha rating for MIR (Microfinance Institutional Rating) by M-CRIL.
- Dedicated ALM committee to monitor maturity schedule of financial liabilities & assets.

** Rated 96% 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*

# CSR Footprint : Driving Impact Across Communities

**6**
CSR Programs

**2**
SDG's Covered

**1,590+**
Lives Touched

**68+**
Govt. / Key officials

**85+**
Employees Volunteering

**12**
States

**16**
Districts

**2**
Aspirational Districts

**3**
Partnership with NGO's

**6**
Branding & Visibility

## Glimpses of our CSR Programs


### Program : Health Camp

Providing basic health care facilities for underserved communities.


### Program : Nanhi Pahel

Supporting access to quality early childhood education and holistic development for children up to 5 years of age.

### Program : Financial Literacy

Enhancing financial and digital literacy through awareness programs..

# Risk Governance & Internal Audit Structure

## Risk Governance Framework

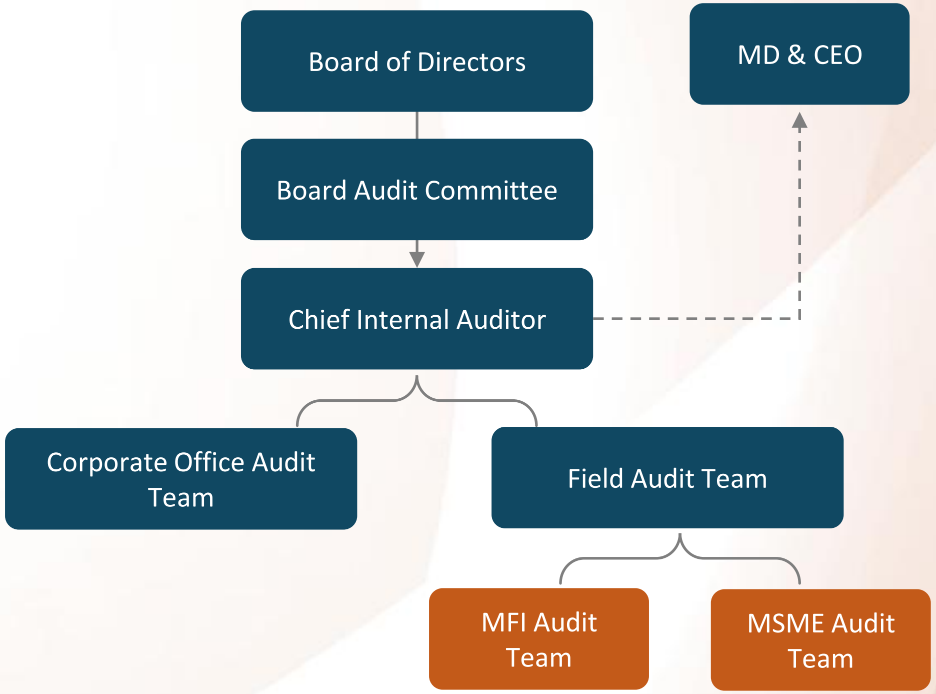

### Board Risk Management Committee (BRMC)

- 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

## Internal Audit Structure




### 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

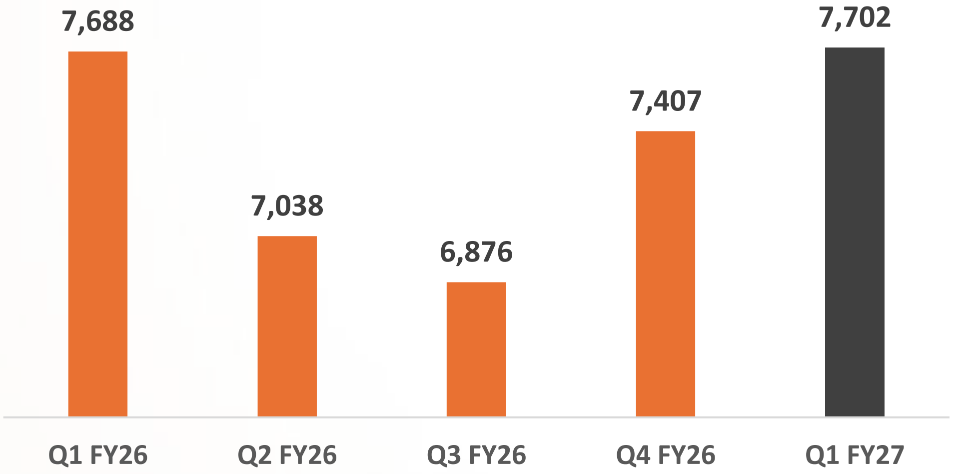
# Key Strengths & Liability Management

# Key Strengths || Agility across business cycles

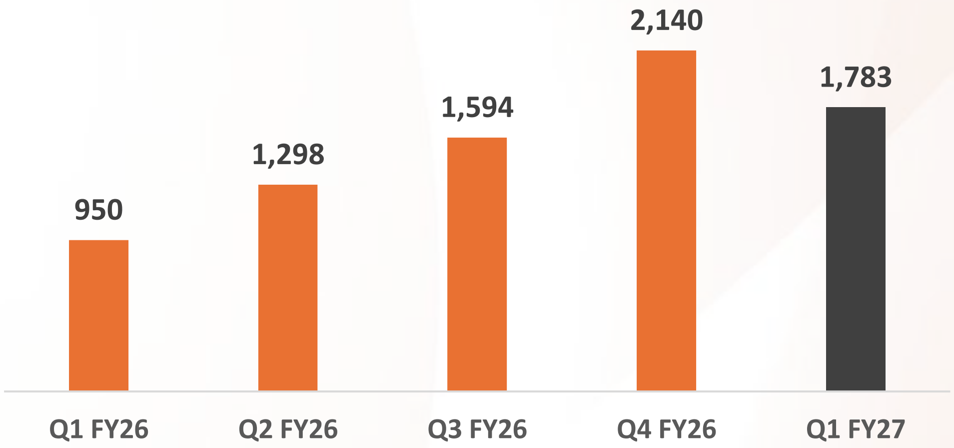
*All figures in ₹ Cr.*

**QoQ**

**AUM**

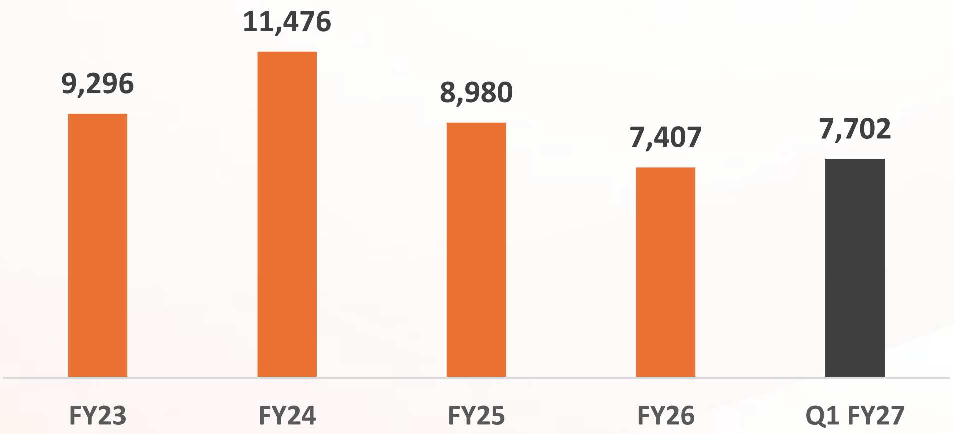



**Disbursement**

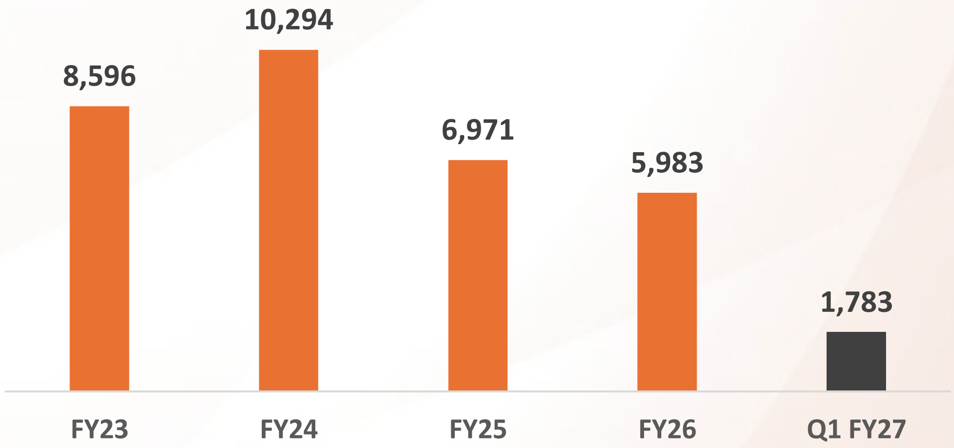



**YoY**

**AUM**




**Disbursement**



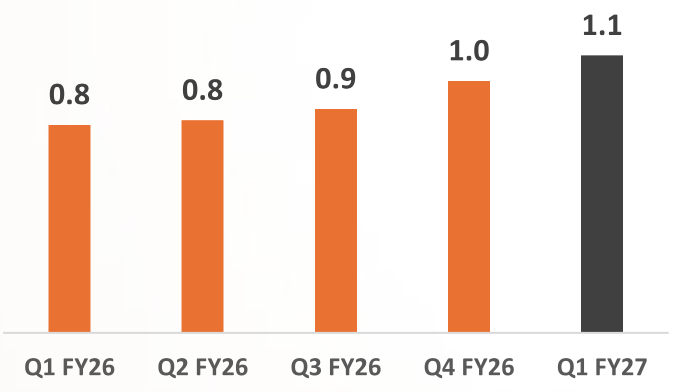
# Key Strengths || Agility across business cycles

Fusion Finance

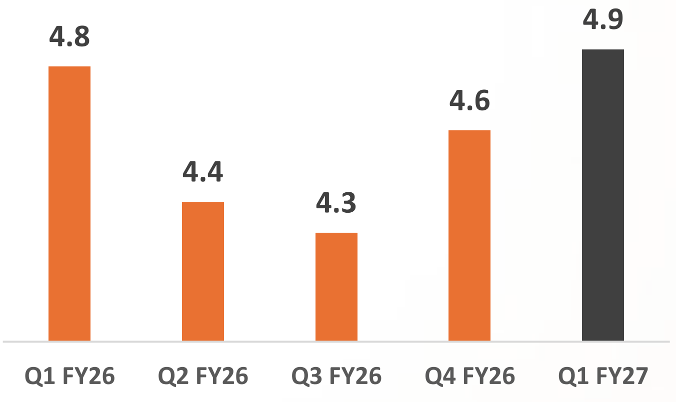
*For MFI Vertical only*

**QoQ**

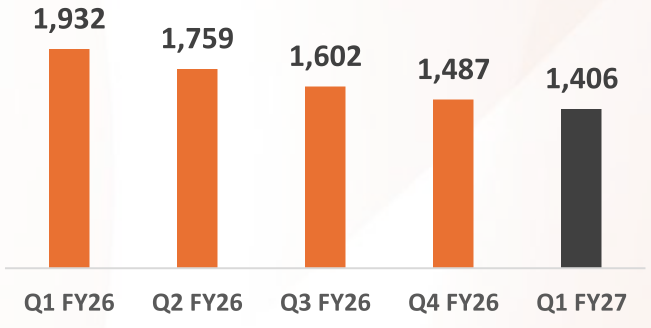
AUM/ RO (₹ in Cr)




AUM/Branch (₹ in Cr)

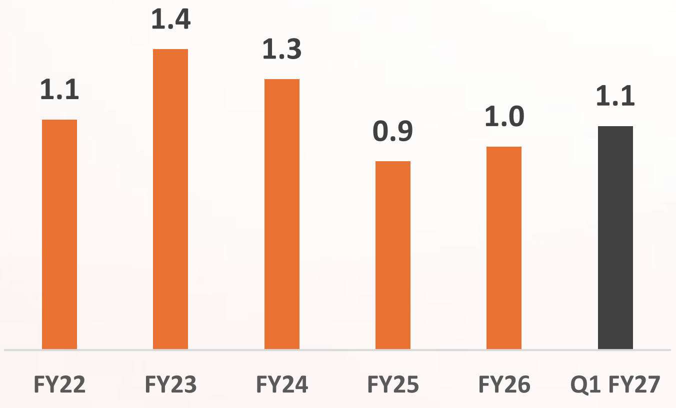



Borrower/ Branch

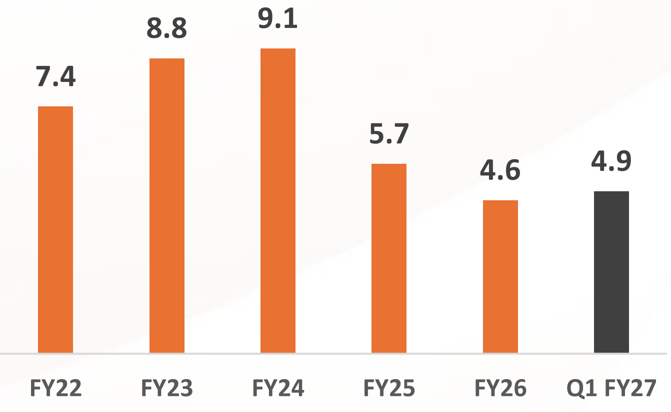



**YoY**

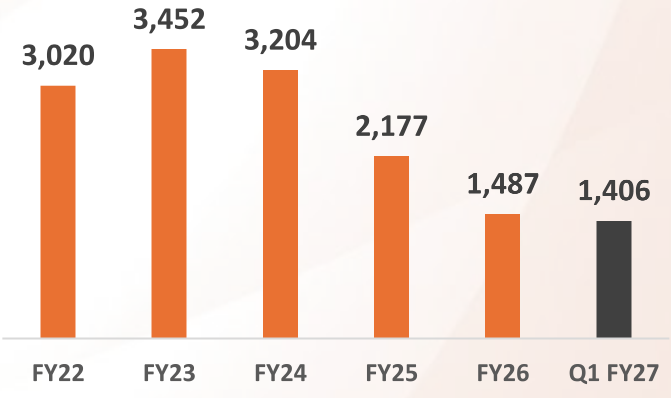
AUM/ RO (₹ in Cr)




AUM/Branch (₹ in Cr)




Borrower/ Branch

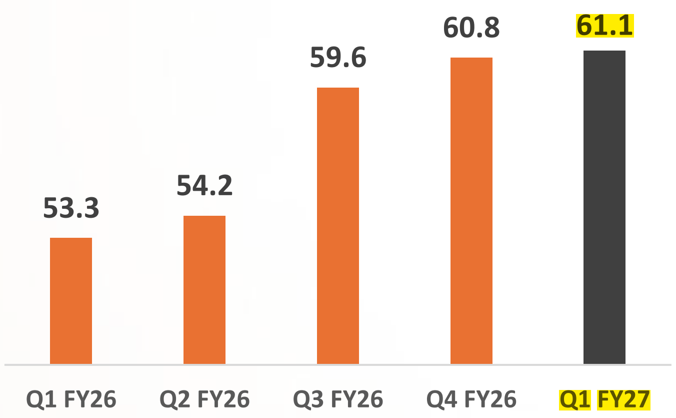


# Key Strengths || Operational Prudence

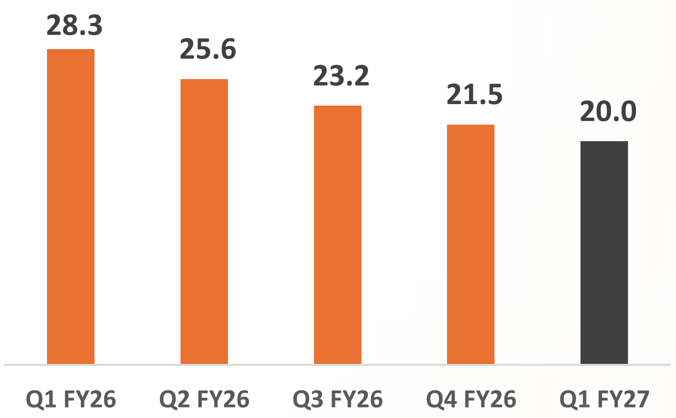
*For MFI Vertical only*

**QoQ**

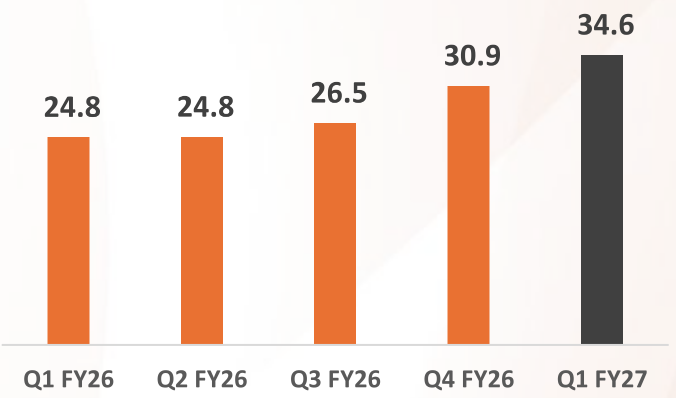
**Avg. Ticket Size (₹ in K)**




**Borrowers (in Lacs)**

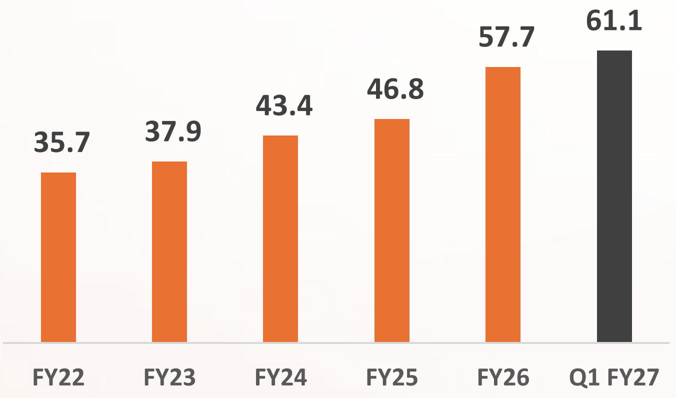



**Avg. OS / Borrower (₹ in K)**

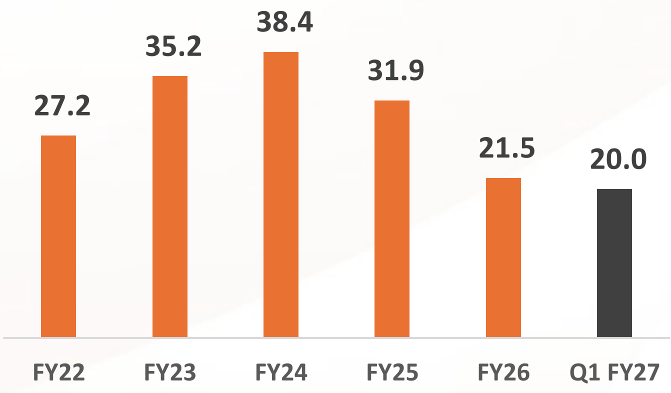



**YoY**

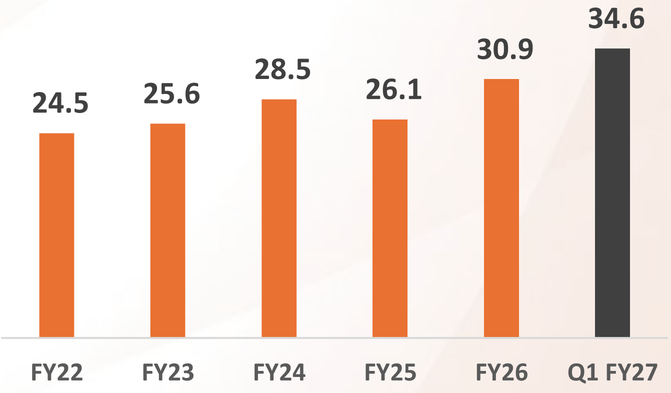
**Avg. Ticket Size (₹ in K)**



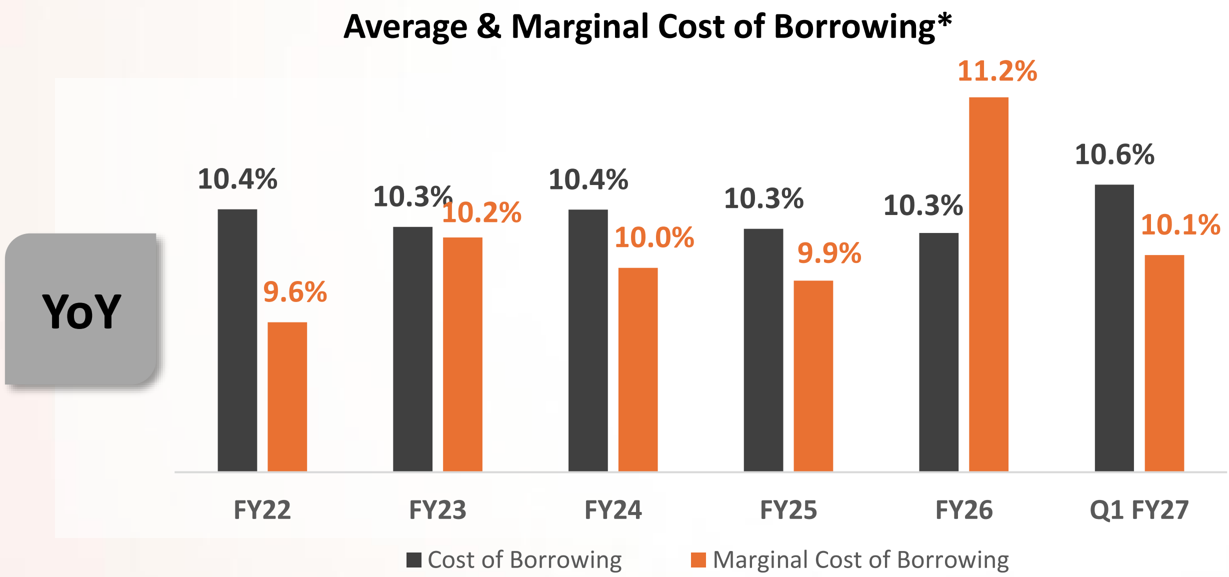

**Borrowers (in Lacs)**

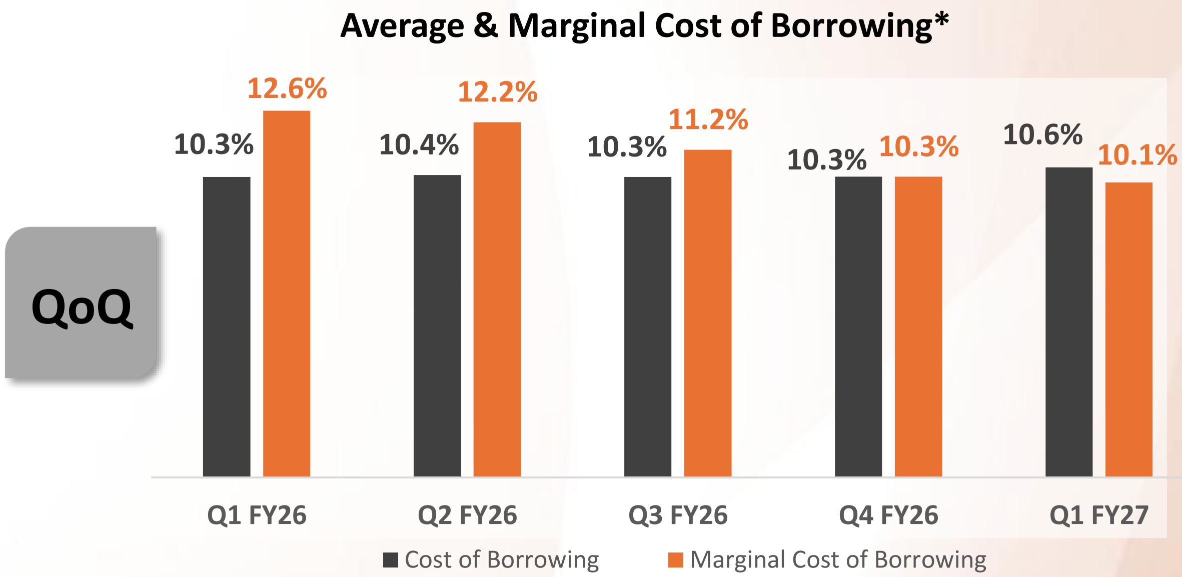



**Avg. OS / Borrower (₹ in K)**



# Key Strengths || Liability Management



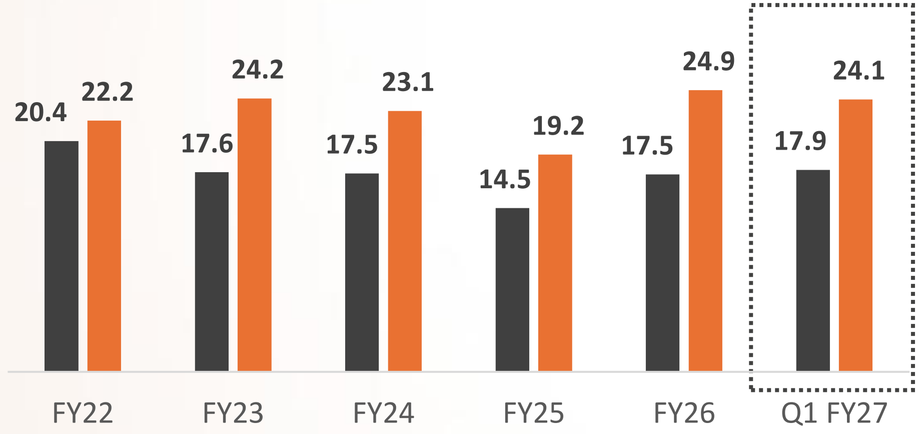

| Institutions / Banks | Q1 FY27 | FY26 | FY25 | FY24 | FY23 | FY22 |
|---|---|---|---|---|---|---|
| Public Sector Banks | 11% | 16% | 27% | 29% | 26% | 21% |
| Development Financial Institutions - Domestic | 3% | 3% | 7% | 8% | 8% | 12% |
| Private Sector Banks | 47% | 43% | 36% | 43% | 37% | 36% |
| Foreign-Banks | 21% | 18% | 20% | 14% | 13% | 14% |
| Non-Banking Financial Institutions | 13% | 14% | 5% | 4% | 9% | 9% |
| Foreign Portfolio Investors | 3% | 2% | 2% | 2% | 7% | 8% |
| Development Financial Institutions - Foreign | 2% | 4% | 3% | 0% | 0% | 0% |
| **Total** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** |

** Avg. Cost of borrowing without impact of exchange rate fluctuation is 10.3% for Q1 FY27 and 10.4% for Q4 FY26.*

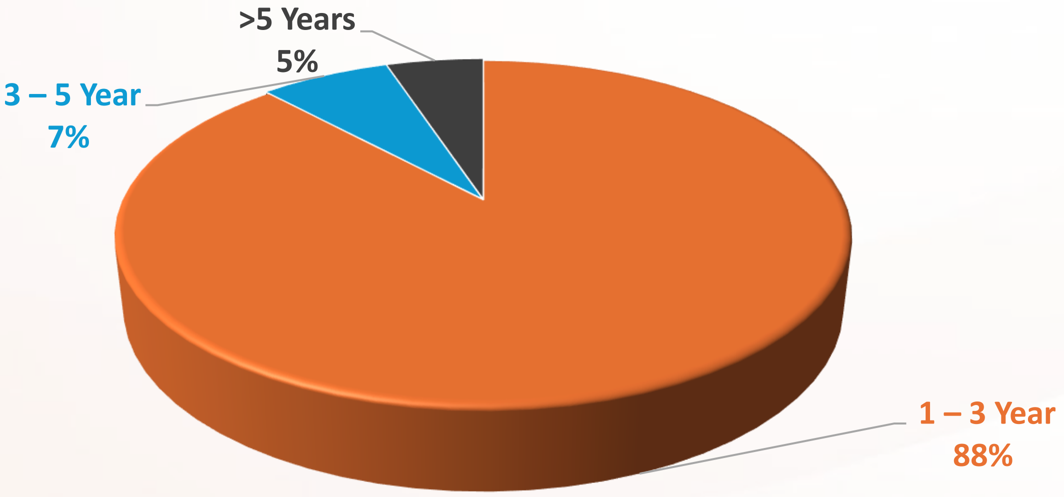
# Key Strengths || Liability Management

*All figures in ₹ Cr.*

### Positive ALM (Months)




### Loan Maturity




| Stable Liquidity Position | | | | |
|---|---|---|---|---|
| **Particulars (₹ Cr)** | **Jul26(P)** | **Aug 26(P)** | **Sep26(P)** | **OCT26 - Dec26(P)** |
| Opening Cash & Equivalents (A) | 1,880* | 1,844 | 1,732 | 1,600 |
| Loan Recovery [Principal + Interest] **(B) | 509 | 464 | 462 | 1,546 |
| **Total Inflow C= (A + B)** | **2,389** | **2,308** | **2,194** | **3,146** |
| Borrowing Payment [Principal + Interest] (D) | 333 | 344 | 387 | 982 |
| DA/PTC/BC [Principal + Interest] (E) | 137 | 156 | 128 | 653 |
| Opex (F) | 75 | 76 | 79 | 255 |
| **Total Outflow G = (D + E + F )** | **545** | **576** | **594** | **1,890** |
| **Closing Cash & equivalents H = (C - G)** | **1,844** | **1,732** | **1,600** | **1,256** |

**Includes Lien free deposits*
** *Loan Recovery taken as 90% of scheduled demand*

| Rating Instrument | Rating Agency | Ratings |
|---|---|---|
| Long-term debt | CRISIL | A - / Stable |
| | CARE | A / Stable |
| NCD | ICRA | A - / Stable |
| PTC | CRISIL | AA+(SO) /AA-(SO)/ A(SO) |
| | ICRA | AA+(SO) |
| Commercial Paper (CP) | CRISIL | A1 |
| Grading | CART | MFI 1 |
| Comprehensive MFI Grading (COCA) | M-CRIL | M2C1 |
| Client Protection Certification | M-CRIL | Gold Level |

- **Sanctions in hand ₹ 2,302 Cr**

# Financial Performance

# Profit and Loss Statement

*All figures in ₹ Cr.*

| Profit & Loss Statement | Q1 FY27 | Q4 FY26 | QoQ% | Q1 FY26 | YoY% | FY26 |
|---|---|---|---|---|---|---|
| - Interest Income on portfolio | 386.08 | 354.44 | 9% | 416.85 | (7%) | 1,513.13 |
| - Finance Cost | 149.84 | 132.1 | 13% | 148.89 | 1% | 538.72 |
| **Net Interest Income** | **236.24** | **222.34** | **6%** | **267.96** | **(12%)** | **974.41** |
| - Treasury Income | 25.09 | 19.96 | 26% | 11.21 | 124% | 49.77 |
| - Net gain on derecognition of financial instruments | 14.21 | 17.34 | (18%) | 6.02 | 136% | 57.21 |
| - Other operating Income | 32.79 | 32.28 | 2% | 8.2 | 300% | 78.42 |
| - Non-operating Income | 0.14 | 6.12 | (98%) | 3.29 | (96%) | 33.97 |
| **Gross Income (Net of Finance Cost)** | **308.47** | **298.04** | **3%** | **296.68** | **4%** | **1,193.78** |
| - Employee benefit expense | 155.49 | 155.18 | 0% | 154.16 | 1% | 616.92 |
| - Depreciation and amortization expense | 1.74 | 2.2 | (21%) | 2.42 | (28%) | 9.60 |
| - Other expenses | 49.15 | 47.61 | 3% | 53.49 | (8%) | 205.02 |
| **Total Operating Expenses** | **206.38** | **204.99** | **1%** | **210.07** | **(2%)** | **831.54** |
| **Pre-Provision Operating Profit (PPOP)** | **102.09** | **93.05** | **10%** | **86.61** | **18%** | **362.24** |
| - Impairment of financial instruments | 39.68 | 55.64 | (29%) | 178.86 | (78%) | 425.17 |
| **Profit/(loss) before tax** | **62.41** | **37.41** | **67%** | **(92.25)** | **n.m.** | **(62.93)** |
| - Tax expense/(credit) | - | (76.78) | n.m. | - | n.m. | (76.78) |
| **Profit/(loss) after tax** | **62.41** | **114.19** | **(45%)** | **(92.25)** | **n.m.** | **13.85** |

# Balance Sheet

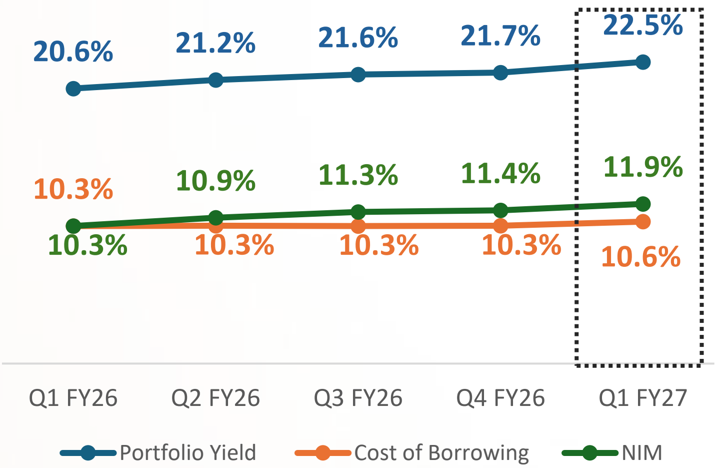
All figures in ₹ Cr.

| Financial Position (₹ Cr) | Q1 FY27 | Q4 FY26 | QoQ % | Q1 FY26 | YoY % |
|---|---|---|---|---|---|
| **Financial and Non-financial assets** | | | | | |
| - Cash & Other Bank Balances | 1,880.18 | 1,874.84 | 0% | 561.78 | 235% |
| - Bank balances other than cash and cash equivalents | 113.22 | 130.6 | (13%) | 225.2 | (50%) |
| - Loans (Net of Impairment Loss Allowance) | 6,405.93 | 6,000.83 | 7% | 6,472.10 | (1%) |
| - Investments | 2.02 | 2.06 | (2%) | 2.05 | (1%) |
| - Current and deferred tax assets | 84.93 | 82.51 | 3% | 34.03 | 150% |
| - PPE, Right of use asset and Intangible assets & Capital WIP | 45.00 | 45.05 | 0% | 32.05 | 40% |
| - Trade Receivables, Derivative financial & Other financial assets | 114.84 | 140.4 | (18%) | 55.34 | 108% |
| - Other non-financial assets | 11.64 | 18.51 | (37%) | 42.05 | (72%) |
| **Total assets** | **8,657.76** | **8,294.80** | **4%** | **7,424.60** | **17%** |
| **Financial and Non-Financial liabilities** | | | | | |
| - Debt securities | 306.41 | 305.93 | 0% | - | n.m. |
| - Borrowings (other than debt securities) | 5,479.57 | 5,210.60 | 5% | 5,211.80 | 5% |
| - Subordinated liabilities | 54.36 | 54.23 | 0% | 53.89 | 1% |
| - Trade payables & Derivative financial instrument | 32.46 | 32.34 | 0% | 20.46 | 59% |
| - Other financial liabilities | 221.22 | 201.12 | 10% | 160.5 | 38% |
| - Current tax, Provisions & Other non-financial liabilities | 43.05 | 34.65 | 24% | 34.48 | 25% |
| **Total liabilities** | **6,137.07** | **5,838.87** | **5%** | **5,481.13** | **12%** |
| **Total equity** | **2,520.69** | **2,455.93** | **3%** | **1,943.47** | 30% |
| **Total liabilities and equity** | **8,657.76** | **8,294.80** | **4%** | **7,424.60** | **17%** |

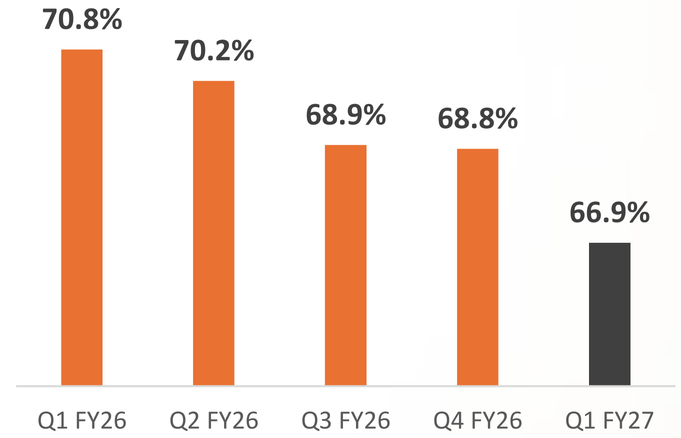
# Key Ratios

QoQ

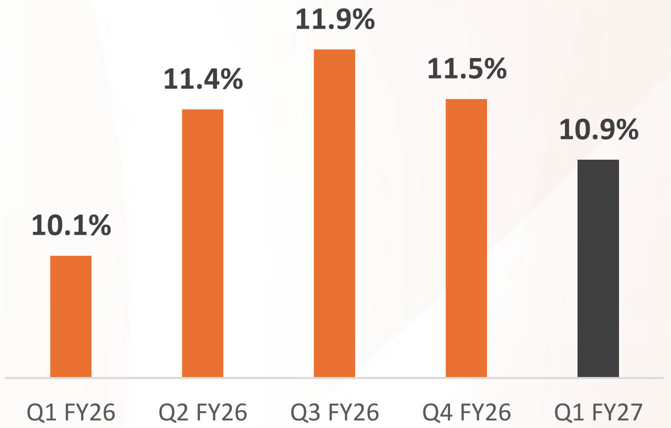
## Margin Analysis




## Cost to Income

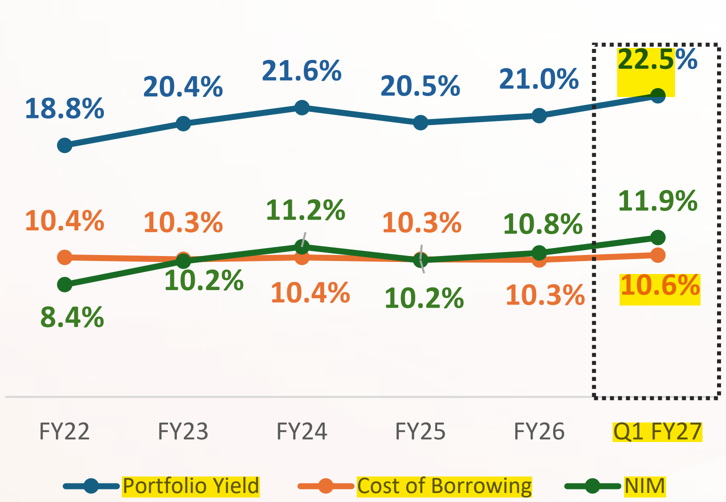



## Opex to Avg. AUM

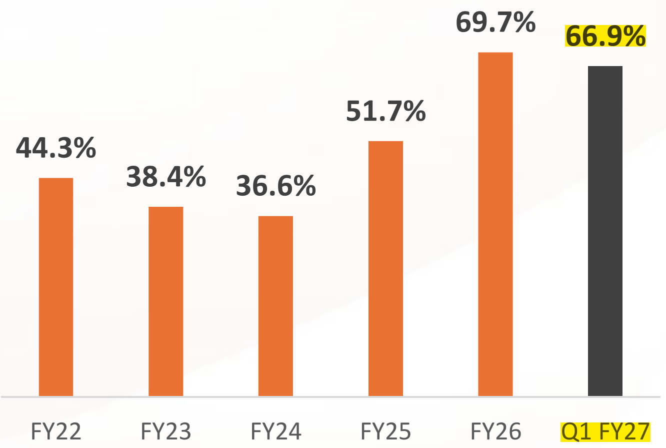



YoY

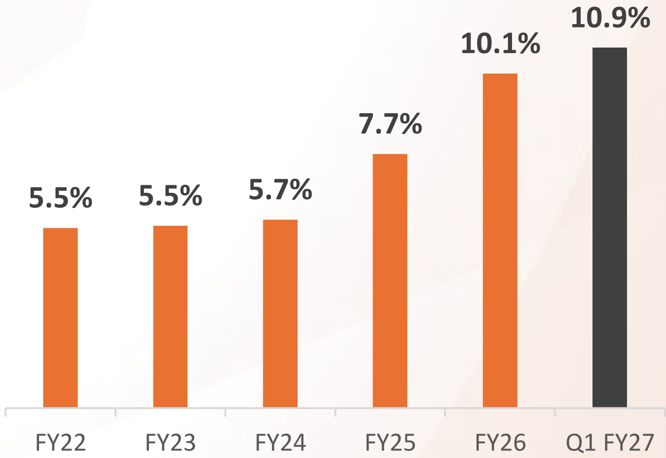
## Margin Analysis




## Cost to Income

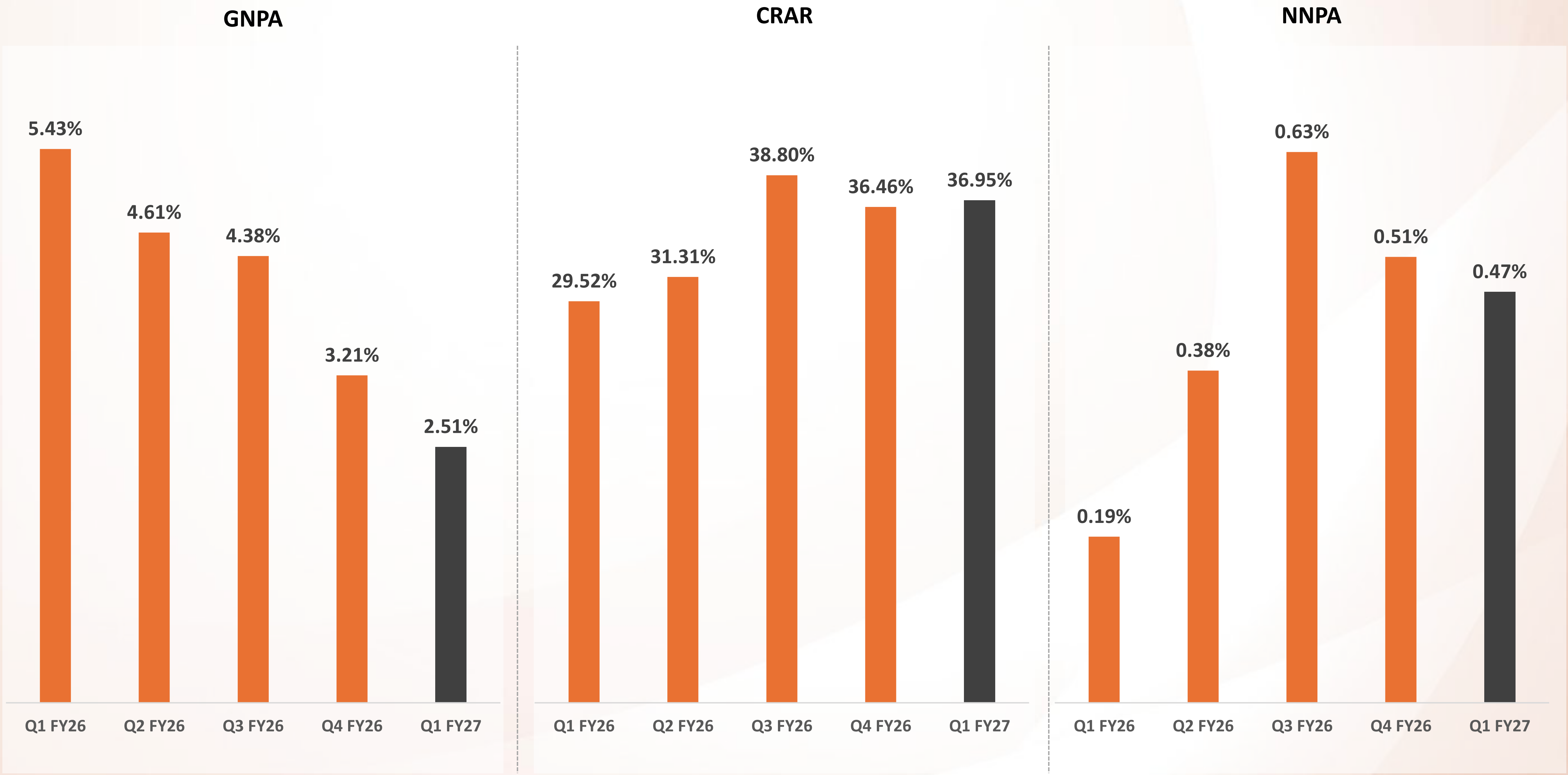



## Opex to Avg. AUM

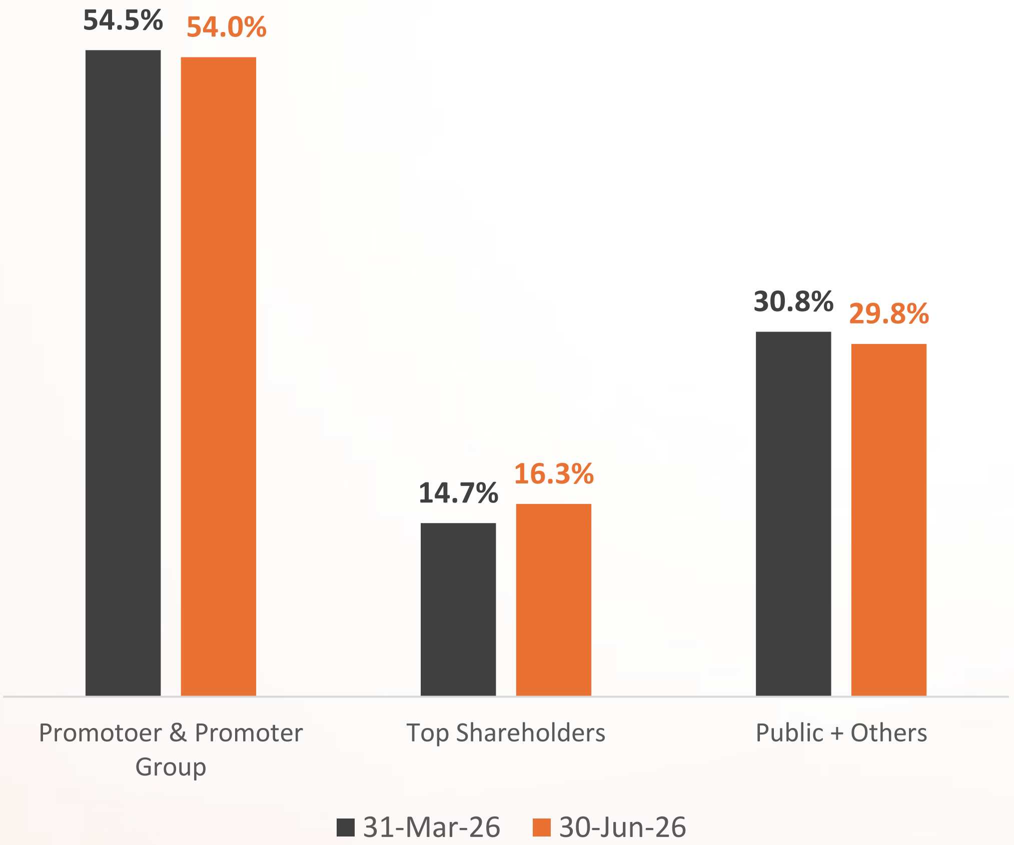



*Note - Avg. Cost of borrowing without impact of exchange rate fluctuation is 10.3% for Q1 FY27 and 10.4% for Q4 FY26.*

# Key ratios


GNPA
5.43%
4.61%
4.38%
3.21%
2.51%
Q1 FY26
Q2 FY26
Q3 FY26
Q4 FY26
Q1 FY27
CRAR
29.52%
31.31%
38.80%
36.46%
36.95%
Q1 FY26
Q2 FY26
Q3 FY26
Q4 FY26
Q1 FY27
NNPA
0.19%
0.38%
0.63%
0.51%
0.47%
Q1 FY26
Q2 FY26
Q3 FY26
Q4 FY26
Q1 FY27

# Stakeholder Management




| Category | Top Share Holders |
|---|---|
| Mutual Fund | HDFC TRUSTEE COMPANY LTD. A/C HDFC BALANCED ADVANTAGE FUND |
| Mutual Fund | INDIA CAPITAL FUND LIMITED |
| Mutual Fund | NIPPON LIFE INDIA TRUSTEE LTD-A/C NIPPON INDIA VALUE FUND |
| Mutual Fund | ICICI PRUDENTIAL BANKING AND FINANCIAL SERVICES FUND |
| Insurance Company | GENERALI CENTRAL LIFE INSURANCE COMPANY LIMITED SH/ NON UNIT LINKED |
| Mutual Fund | BANDHAN BALANCED ADVANTAGE FUND |
| Mutual Fund | ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE BANKING AND FINANCIAL SERVICES FUND |
| Alternate Investment Fund | NUVAMA CROSSOVER OPPORTUNITIES FUND - SERIES III |
| Alternate Investment Fund | AIONIOS ALPHA FUND - AIONIOS ALPHA FUND I |
| Alternate Investment Fund | NUVAMA CROSSOVER OPPORTUNITIES FUND - SERIES III B . |
| Insurance Company | GENERALI CENTRAL INSURANCE COMPANY LIMITED |
| Body Corporate | ALROX ENTERPRISES PRIVATE LIMITED |
| Insurance Company | INDUSIND GENERAL INSURANCE COMPANY LIMITED |

# Highly Experienced Board with Strong Governance

## Sanjay Garyali, *MD and CEO*

- 28+ years of expertise in retail financial markets and a deep understanding of the key drivers in the sector. Prior to joining Fusion Sanjay led the Urban Finance business of L&T Finance, managing a large portfolio consisting of two-wheeler, consumer loans, and mortgages.

## Remika Agarwal, *Non-Executive Director*

- Served on the Boards of Sonata Finance, Kissandhan Agri Financial Services and North End Foods Marketing
- Over 2 decades extensive experience in Non-Banking Financial Companies and Credit Markets

## Brahmanand Hegde, *Independent Director*

- Brahmanand Hegde, a 30+ year veteran in microfinance and financial inclusion, founded Vistaar Finance and led key initiatives at ICICI Bank and Fullerton India.
- He also serves as Independent Director with Varthana Finance and Kaabil Finance.

## Puneet Gupta, *Independent Director*

- Dr. Puneet Gupta, with nearly 30 years of experience in private equity and fintech, founded Simplilend and is an adjunct professor at IMT Ghaziabad

## Hemant Mundra, *Non-Executive Director*

- Hemant Mundra is a Managing Director at Warburg Pincus. Mr. Mundra is a postgraduate from Indian Institute of Management, Ahmedabad and BTech in Chemical Engineering from IIT, Bombay

## Rajeev Sardana, *Independent Director*

- Rajeev Sardana is an ex-member of the Executive Management at HDFC, with expertise in financial services, lending, retail assets, and credit risk management. Since 2024, he has been serving as Senior Director for Strategy and Planning at Greenfinch Global Consulting.

## Namrata Kaul, *Independent Director*

- Over 34 years of experience working with companies like Grindlays Bank and Deutsche Bank

# The Management Team

**Krishan Gopal**
CFO

**Sunil Mundra**
COO-MFI

**Jitender Sharma**
Deputy COO– MSME

**Sushil Menon**
CIO

**Nishant Monga**
Chief Compliance Officer

**Anurag Srivastava**
CCO

**Gautam Munjal**
Head – Internal Audit

**Sanjay V Choudhary**
CRO

**Pooja Mehta**
CHRO

**Priyanka Seth Wadhera**
CSO

# Abbreviations

| | |
|---|---|
| AUM | Asset Under Management |
| PAT | Profit After Tax |
| NIM | Net Interest Margin |
| 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 |
| Opex | Operating Expenses |
| YoY | Year on Year |
| QoQ | Quarter on Quarter |
| PAR | Portfolio at risk |
| ATS | Average Ticket Size |
| CE | Collection Efficiency |
| PBT | Profit Before Tax |
| RoA | Return on Assets |
| RoE | Return on Equity |
| D/E | Debt to Equity |
| EOM | End of Month |
| AI | Artificial Intelligence |

| | |
|---|---|
| Cr | Crore |
| L | Lac |
| Mn | Million |
| K | Thousand |
| FY | Financial Year |
| Bps | Basis points |
| H | Half Yearly |
| 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 |
| LTV | Loan to Value |
| Avg. | Average |
| LOS | Loan origination system |
| LMS | Loan management system |
| ESG | Environment, Social and Governance |
| POS | Portfolio Outstanding |
| RO | Relationship Officer |

# Definitions

- **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 on-book portfolio for the relevant period/year
- **Cost of Borrowing** represents finance cost excluding interest on finance lease as a percentage of average principal outstanding of 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 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 (IRR) 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

**Prashant Kumar**
investor.relations@fusionfin.com

## Adfactors PR

**Hanishi Shah**

Hanishi.shah@adfactorspr.com