Q3FY22 Investor Presentation
27th January 2022
Fino Payments Bank is the first ever payments bank to list in India.

Fino Payments Bank is a profitable fintech bank.

Fino Payments Bank is the first private Scheduled Bank in the payment bank space in India.

Fino Payments Bank is a unique fintech player which owns its customers by opening subscription bank accounts for them.

Fino Payments Bank offer banking services through merchant network – in other words, the merchant points are converted into mini banking outlets through new age agile banking technology.

Highlights of Fino Payments Bank’s differentiating factors
Table of Contents

- 9MFY22 Highlights
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- Key Strategies for a Digital Future
- Q3FY22 Financial Performance
- Product Performance Trends
- Core Technology and Digital Strategy
- ESG, Board and Management Team
The Journey of Profitability: Onwards and Upwards

Fino Bank continues to chart disproportionate profit growth every quarter

Reasonable and sustainable growth in revenue leading to….

<table>
<thead>
<tr>
<th>Total Revenue (in ₹ cr)</th>
<th>% Increase</th>
<th>9MFY21</th>
<th>9MFY22</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>29%</td>
<td>559.19</td>
<td>723.56</td>
</tr>
</tbody>
</table>

.... Disproportionate growth in profits

<table>
<thead>
<tr>
<th>PAT (in ₹ cr)</th>
<th>% Increase</th>
<th>9MFY21</th>
<th>9MFY22</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>95%</td>
<td>12.89</td>
<td>25.12</td>
</tr>
</tbody>
</table>

The rationale behind disproportionate profit growth:

- Reasonable revenue growth with a product mix that continues to keep gross margins range-bound around 32-33%
- Controlled cost growth in existing businesses – focus on emerging products and digital expansion to continue
- This will result in operating leverage leading to disproportionate growth in profits
- We have already reached PAT of ₹14.1 cr in Q3FY22 – higher than PAT in entire H1FY22 at ₹11.0 cr
9MFY22 comparison over 9MFY21

Financial performance and operating parameters

**Total Throughput**
- **9MFY21**: 94,507 (in ₹ cr)
- **9MFY22**: 134,043 (in ₹ cr)
- Increase: 42%

**Total Revenue**
- **9MFY21**: 559.19 (in ₹ cr)
- **9MFY22**: 723.56 (in ₹ cr)
- Increase: 29%

**EBITDA**
- **9MFY21**: 37.66 (in ₹ cr)
- **9MFY22**: 54.96 (in ₹ cr)
- Increase: 46%

**PAT**
- **9MFY21**: 12.89 (in ₹ cr)
- **9MFY22**: 25.12 (in ₹ cr)
- Increase: 95%

**UPI Throughput**
- **9MFY21**: 2,428 (in ₹ cr)
- **9MFY22**: 10,962 (in ₹ cr)
- Increase: 351%

**Accounts Opened**
- **9MFY21**: 828.2 (in 000)
- **9MFY22**: 1,352.5 (in 000)
- Increase: 63%

**Merchant Count**

<table>
<thead>
<tr>
<th>Total Merchants</th>
<th>As on 31.12.2021</th>
<th>YOY Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Own Channel Merchants</td>
<td>457,653</td>
<td>51%</td>
</tr>
<tr>
<td>Open Banking Channel Merchants</td>
<td>408,381</td>
<td>68%</td>
</tr>
</tbody>
</table>

**Accounts Opened**

<table>
<thead>
<tr>
<th>Merchant Count</th>
<th>As on 31.12.2021</th>
<th>YOY Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Merchants</td>
<td>866,034</td>
<td>58%</td>
</tr>
</tbody>
</table>
Q3FY22 Highlights
Milestones achieved in Q3FY22

Reclaiming pre-COVID levels in one business and touching new milestones in two other businesses

- Monthly Remittance Throughput: 100% of Feb-20 (pre-COVID)
- CASA Opened in a month: 2 lac +
- CMS Monthly Throughput: ₹ 2,000 cr +
Industry Leading Performance Highlights in Q3FY22

Demonstrating strong growth in business volumes, revenue and profitability

- **18 Cr+**
  - Transactions on Fino platforms
  - Growth: 58%

- **₹49,168 Cr**
  - Total Throughput in Q3FY22
  - Growth: 29%

- **8.7 lac**
  - Registered merchants on Fino
  - Growth: 58%

- **₹956K**
  - Revenue per employee in Q3FY22
  - Growth: 7%

- **₹275.16 Cr**
  - Revenue in Q3FY22
  - Growth: 20%

- **₹25.93 Cr**
  - EBITDA in Q3FY22
  - Growth: 84%

- **₹14.10 Cr**
  - PAT in Q3FY22
  - Growth: 116%

- **18%**
  - Q3FY22 Annualized ROE

All growth figures are YOY growth over Q3FY21
# Revenue and Margins on Own and Open Banking Channels

Strong margins in own banking channel and high revenue growth in open banking channel

## Revenue in Q3FY22

<table>
<thead>
<tr>
<th>Channel</th>
<th>Revenue (Cr)</th>
<th>% Change</th>
<th>Gross Margin</th>
<th>EBITDA Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Own Banking Channel</strong></td>
<td>₹72.38</td>
<td>▲ 9%</td>
<td>45%+</td>
<td>12.9%</td>
</tr>
<tr>
<td>Transaction Revenue (ex BC Banking)</td>
<td>₹109.28</td>
<td>▼ 3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transaction Revenue (incl BC Banking)</td>
<td>₹97.85</td>
<td>▲ 26%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subscription, onboarding and other revenue</td>
<td>₹68.03</td>
<td>▲ 75%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Open Banking Channel

<table>
<thead>
<tr>
<th>Revenue (Cr)</th>
<th>% Change</th>
<th>Gross Margin</th>
<th>EBITDA Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>₹109.28</td>
<td>▼ 3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>₹68.03</td>
<td>▲ 75%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>₹97.85</td>
<td>▲ 26%</td>
<td>3.1%</td>
<td>3.1%</td>
</tr>
</tbody>
</table>

### Gross Margin

- This is derived after deducting merchant payouts and other transaction charges from revenue earned
- Exclusive merchants to Fino Bank
- An extensive channel team manages the entire network
- Merchants managed by partner
- No marginal costs to Fino after gross margins, hence it is equal to EBITDA margins

All growth figures are YOY growth over Q3FY21
Strong Revenue Momentum in Q3FY22

Emerging products like CMS, subscription and renewal income contributing to steady revenue growth alongside legacy products

Revenue in Q3FY22

₹275.16 Cr

▲ 20% growth over Q3FY21

Q1FY22 got marginally impacted due to lockdowns and restrictions

Q3FY22 showing strong YOY revenue growth even over a steep Q3FY21
Revenue Trajectory Mirroring Trends but at an Elevated Growth Level

Revenue levels in FY22 is much higher than FY20 and FY21 levels, but mirroring similar sequential growth trends

- Q1FY21 started 12.1% higher over Q1FY20 and then growth momentum picked up
- As compared to that, Q1FY22 started at 36.3% higher over Q1FY21

<table>
<thead>
<tr>
<th>YOY Growth</th>
<th>FY21</th>
<th>FY22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>12.1%</td>
<td>36.3%</td>
</tr>
<tr>
<td>Q2</td>
<td>7.2%</td>
<td>35.1%</td>
</tr>
<tr>
<td>Q3</td>
<td>20.9%</td>
<td>20.3%</td>
</tr>
<tr>
<td>Q4</td>
<td>17.2%</td>
<td></td>
</tr>
</tbody>
</table>

- Q1FY22 was 11% lower over Q4FY21 as compared to 28% in Q1FY21 over Q4FY20
- This implies that we were much better off in wave 2 as compared to wave 1
- Historically witnessing strong sequential growth in Q2 & Q3
Highest ever quarterly PAT in Fino Bank History!

Q3FY22 PAT higher than H1FY22 PAT

**PAT** for Q3FY22 at

₹14.10 Cr

116% growth over Q3FY21

**Annualized ROE** of Q3FY22

17.70%

ROE numbers to be lower in subsequent quarter as primary issue proceeds from IPO will get fully factored in the average net worth calculation.
Outlook for Q4FY22

Strong exit trends in Q3FY22 gives us confidence of an even better Q4FY22 ahead

**Business Outlook in Q4FY22**

**Legacy products – DMT and MATM & AEPS**
- Normalization in economy to boost Remittance business
- Recovery in MATM & AEPS transaction business in Q3FY22 – momentum to continue
- Legacy products will continue to be hook to attract customers into the acquisition funnel

**High margin products – CASA and CMS**
- Account opening monthly run rate of 200k+ in Dec-21 to grow in Q4 – legacy products to boost footfall growth
- Renewal income to grow further in Q4FY22 given 12 month renewal cycle and strong account opening in Q4FY21
- Collections by NBFC/ MFIs and more mandates from retail, logistics, ecommerce & CRA companies to boost CMS in Q4

**Financials Outlook in Q4FY22**

**Revenue and Throughput**
- Momentum in legacy products to drive up revenue
- YOY revenue growth over FY21 to be in the range of 27-29% despite headwinds posed by wave 2 & 3 of COVID
- In addition, digital throughput expected to grow exponentially

**PAT**
- High margin product growth to drive up sequential profit in Q4 by 12-15% and overall in FY22 by around 2x YOY
- PAT margin for Q4FY22 to be in the range of 5.2-5.5%
Key Strategies for a Digital Future
Physical to Digital Transition at the Middle of the Pyramid

Fino incorporating best of both the worlds through a PHYGITAL ecosystem

PHYGITAL STRATEGY

- Ecosystem provided by Fino to new-to-financial services customers towards digital transition
- Merchants will be primary customer acquiring engine on-the-ground
- As customers experience convenience of digital banking, they will gradually migrate to the digital platform
- Opening a Fino bank account will enable customer ownership and ability to cross sell other higher value products
- Digital products and services to further optimize costs and result in improved margin play
The Phygital World – PHYsical and diGITAL

The shift from physical to digital is a gradual transition for customers at the middle of the pyramid – a sweet spot for Fino

Addressing problems of the present

Cash In Circulation – Industry

<table>
<thead>
<tr>
<th>Month</th>
<th>Amount (₹ lac cr)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar-17</td>
<td>12.6</td>
</tr>
<tr>
<td>Mar-18</td>
<td>18.3</td>
</tr>
<tr>
<td>Mar-19</td>
<td>21.4</td>
</tr>
<tr>
<td>Mar-20</td>
<td>24.5</td>
</tr>
<tr>
<td>Mar-21</td>
<td>28.6</td>
</tr>
<tr>
<td>Dec-21</td>
<td>30.0</td>
</tr>
</tbody>
</table>

While investing for the future

UPI Payments – Industry

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount (₹ lac cr)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY17</td>
<td>0.1</td>
</tr>
<tr>
<td>FY18</td>
<td>1.1</td>
</tr>
<tr>
<td>FY19</td>
<td>8.8</td>
</tr>
<tr>
<td>FY20</td>
<td>22.7</td>
</tr>
<tr>
<td>FY21</td>
<td>41.0</td>
</tr>
<tr>
<td>9MFY22</td>
<td>58.0</td>
</tr>
</tbody>
</table>

Cash Throughput – Fino Payments Bank

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount (₹ cr)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY19</td>
<td>45,685</td>
</tr>
<tr>
<td>FY20</td>
<td>94,453</td>
</tr>
<tr>
<td>FY21</td>
<td>132,931</td>
</tr>
<tr>
<td>9MFY22</td>
<td>123,081</td>
</tr>
</tbody>
</table>

UPI Throughput – Fino Payments Bank

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount (₹ cr)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY19</td>
<td>412</td>
</tr>
<tr>
<td>FY20</td>
<td>1,966</td>
</tr>
<tr>
<td>FY21</td>
<td>4,327</td>
</tr>
<tr>
<td>9MFY22</td>
<td>10,962</td>
</tr>
</tbody>
</table>

Cash is still a convenient mode of transaction in India
Cash-in-circulation is still growing at a rapid pace
Sense of security of transacting in cash with a trusted brand is higher among many customers

Fino enjoys unique advantage

It handholds its customers’ transition journey from physical to digital banking mediums, gradually over a period of time

Convenience of digital transactions is propelling a gradual shift to alternate channels
Digital adoption by tech savvy customers improve cross-sell potential of other high value products
Digital Marketplace Ecosystem
Seamless movement of cash in the merchant ecosystem – generating revenue in all legs

Open a Fino Bank savings account

- Converted a cost centre into a revenue centre by opening subscription accounts
- A new product for the merchants to earn additional revenue on

Facilitated by a state-of-the-art mobile application, FinoPay, which got revamped recently

From One Revenue Centre…

To

… Another Revenue Centre

Cross sell opportunities to customers on the Fino Bank mobile application

- Opportunity to cross sell higher value products like various types of loans, deposit products, investment and wealth products among others
- Larger impact expected on bottom line

Bill Payments
Myriad loan products
Insurance

Fino Bank Branch
Fino Bank Merchant
Fino Bank App
Cash Marketplace Ecosystem

Seamless movement of cash in the merchant ecosystem – generating revenue in all legs

- Cash inflow into Fino’s merchant ecosystem
  - Converted a cost centre into a revenue centre
  - Helped merchants improve their unit economics and thereby stickiness for Fino
  - Value proposition for merchants having more cash outflow in their core business

- Cash Management

- Remittance

- Cash Deposit

- Merchant’s core business cash flow

Facilitated by an end-to-end technology platform that seamlessly connects customers having excess cash with customers having requirement of cash

- Merchant’s financial services business cash flow

- Micro ATM & AEPS

- Cash outflow from Fino’s merchant ecosystem

- Merchants use cash sourced from their core business as well as financial services to disburse cash
- Notional costs of digitizing cash by the merchants is saved
- Value proposition for merchants having more cash inflow in their core business
Q3FY22 Financial Performance
Bank Level Profit & Loss

Revenue growth of 20% in Q3FY22 leading to a PAT growth of 116%

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Q3FY22</th>
<th>Q2FY22</th>
<th>Q3FY21</th>
<th>Q3FY22/ Q3FY21</th>
<th>9MFY22</th>
<th>9MFY21</th>
<th>YoY Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>275.16</td>
<td>242.15</td>
<td>228.65</td>
<td>20%</td>
<td>723.56</td>
<td>559.19</td>
<td>29%</td>
</tr>
<tr>
<td>Product Cost</td>
<td>188.85</td>
<td>160.77</td>
<td>158.04</td>
<td>19%</td>
<td>485.11</td>
<td>362.76</td>
<td>34%</td>
</tr>
<tr>
<td>Net Revenue</td>
<td>86.31</td>
<td>81.38</td>
<td>70.62</td>
<td>22%</td>
<td>238.45</td>
<td>196.43</td>
<td>21%</td>
</tr>
<tr>
<td>Operating Cost</td>
<td>60.38</td>
<td>63.54</td>
<td>56.50</td>
<td>7%</td>
<td>183.49</td>
<td>158.77</td>
<td>16%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>25.93</td>
<td>17.84</td>
<td>14.12</td>
<td>84%</td>
<td>54.96</td>
<td>37.66</td>
<td>46%</td>
</tr>
<tr>
<td>Other Fin. Cost, Dep. &amp; Others</td>
<td>11.83</td>
<td>9.95</td>
<td>7.60</td>
<td>56%</td>
<td>29.84</td>
<td>24.77</td>
<td>20%</td>
</tr>
<tr>
<td>PAT</td>
<td>14.10</td>
<td>7.89</td>
<td>6.52</td>
<td>116%</td>
<td>25.12</td>
<td>12.89</td>
<td>95%</td>
</tr>
<tr>
<td>EBITDA Margins</td>
<td>9.4%</td>
<td>7.4%</td>
<td>6.2%</td>
<td>3.3%</td>
<td>7.6%</td>
<td>6.7%</td>
<td>82 bps</td>
</tr>
<tr>
<td>PAT Margins</td>
<td>5.1%</td>
<td>3.3%</td>
<td>2.9%</td>
<td>2.3%</td>
<td>3.5%</td>
<td>2.3%</td>
<td>1.2%</td>
</tr>
</tbody>
</table>
Revenue Mix Across Parameters in Q3FY22

Annuity subscription business to continue to boost contribution of subscription revenue in the overall revenue pie

**Income Breakup: Transaction & Subscription**
- 38% Subscription, On-boarding & Other Income
- 62% Transaction Income

**Income Breakup: Own and Open Banking Channel**
- 36% Own Banking Channel
- 64% Open Banking Channel
Revenue Mix Across Products

Shift in revenue mix towards higher margin products like CASA & CMS and high take rate products like Remittance in Q3FY22

CMS & CASA occupy 16.1% of the revenue pie in Q3FY22 vis-à-vis 11.3% as compared to Q3FY21 – these two are also the high growth and high margin products.
Key Ratios at Bank Level

PAT Margins on a rise despite Take Rates and Gross Margins being range-bound – implies strong Operating Leverage

**Take Rate (ex. UPI throughput)**

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>FY20</th>
<th>FY21</th>
<th>9MFY22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Take Rate</td>
<td>0.73%</td>
<td>0.60%</td>
<td>0.59%</td>
</tr>
</tbody>
</table>

**Blended Gross Margins**

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>FY20</th>
<th>FY21</th>
<th>9MFY22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blended Gross Margins</td>
<td>32.38%</td>
<td>33.97%</td>
<td>32.96%</td>
</tr>
</tbody>
</table>

**PAT Margins**

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>FY20</th>
<th>FY21</th>
<th>9MFY22</th>
</tr>
</thead>
<tbody>
<tr>
<td>PAT Margins</td>
<td>-4.6%</td>
<td>2.6%</td>
<td>3.5%</td>
</tr>
</tbody>
</table>

Pat Margins for Q3FY22 at 5.1%
Operating Leverage

Strong operating leverage playing out despite addition in teams to support exponential future business growth

- Growth in revenue per employee by 29.6% for Q3FY22 annualized for full year over FY21
- This is despite an increase in employee count by 7.2% in 9 months
- Rise in employee count is primarily on account of rapid expansion of teams across several geographies – like West Bengal, Orissa, Rajasthan, Telangana, Assam, Tamil Nadu, Kerala, Chattisgarh, Uttarakhand and Madhya Pradesh among others
- Majority of the new employees are part of the feet-on-street teams
Product Performance Trends
CASA and Debit Cards

A high margin-high growth product now showing robust annuity income through subscription renewal

- Both renewal and subscription income in CASA is growing every quarter along with rise in new accounts opened
- Debit card spends per transaction have further grown in 9MFY22 from FY21 levels despite COVID headwinds

* Data for FY20 & FY21 are from FINOPB RHP and data for 9MFY22 are as per RBI disclosures which does not include transactions done by Fino customers
Cash Management Services

The cash-in product in the ecosystem continues to show massive traction

Throughput (in ₹ cr)

<table>
<thead>
<tr>
<th></th>
<th>Q1FY21</th>
<th>Q2FY21</th>
<th>Q3FY21</th>
<th>Q4FY21</th>
<th>Q1FY22</th>
<th>Q2FY22</th>
<th>Q3FY22</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>866</td>
<td>2,622</td>
<td>3,830</td>
<td>4,510</td>
<td>4,558</td>
<td>5,389</td>
<td>6,074</td>
</tr>
</tbody>
</table>

Revenue (in ₹ cr)

<table>
<thead>
<tr>
<th></th>
<th>Q1FY21</th>
<th>Q2FY21</th>
<th>Q3FY21</th>
<th>Q4FY21</th>
<th>Q1FY22</th>
<th>Q2FY22</th>
<th>Q3FY22</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2.5</td>
<td>6.3</td>
<td>10.3</td>
<td>11.4</td>
<td>12.9</td>
<td>13.0</td>
<td>14.3</td>
</tr>
</tbody>
</table>

Take Rate

<table>
<thead>
<tr>
<th></th>
<th>Q1FY21</th>
<th>Q2FY21</th>
<th>Q3FY21</th>
<th>Q4FY21</th>
<th>Q1FY22</th>
<th>Q2FY22</th>
<th>Q3FY22</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.29%</td>
<td>0.24%</td>
<td>0.27%</td>
<td>0.25%</td>
<td>0.28%</td>
<td>0.24%</td>
<td>0.24%</td>
</tr>
</tbody>
</table>

Number of partners

<table>
<thead>
<tr>
<th></th>
<th>31st Mar 20</th>
<th>31st Mar 21</th>
<th>30th Sept 21</th>
<th>31st Dec 21</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>39</td>
<td>85</td>
<td>110</td>
<td>127</td>
</tr>
</tbody>
</table>

Net Revenue (in ₹ cr)

<table>
<thead>
<tr>
<th></th>
<th>Q1FY21</th>
<th>Q2FY21</th>
<th>Q3FY21</th>
<th>Q4FY21</th>
<th>Q1FY22</th>
<th>Q2FY22</th>
<th>Q3FY22</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.1</td>
<td>3.1</td>
<td>4.1</td>
<td>4.9</td>
<td>5.9</td>
<td>6.1</td>
<td>6.5</td>
</tr>
</tbody>
</table>

Gross Margins

<table>
<thead>
<tr>
<th></th>
<th>Q1FY21</th>
<th>Q2FY21</th>
<th>Q3FY21</th>
<th>Q4FY21</th>
<th>Q1FY22</th>
<th>Q2FY22</th>
<th>Q3FY22</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>45.8%</td>
<td>44.8%</td>
<td>42.3%</td>
<td>42.8%</td>
<td>46.0%</td>
<td>46.6%</td>
<td>45.2%</td>
</tr>
</tbody>
</table>

 CMS is a collection-in-the-last-mile product – targeted to various companies across multiple sectors

 Currently, our CMS clientele includes companies from banks, SFBs, NBFCs, MFIs, B2B ecommerce, retail ecommerce, logistics, agritech, cab aggregators, retail and even cash logistics operators themselves
Micro-ATM & AEPS

A high margin-moderate take rate product where the one-time income implies first mover advantage

Throughput 
(in ₹ cr)

Revenue 
(in ₹ cr)

Transaction Take Rates

Throughput On Open Banking Channels

Own Channel Transaction Margin

Open Banking Transaction Margin

Micro ATM & AEPS are products wherein customers of other bank accounts primarily walk to a Fino merchant points to withdraw cash

As a bank, there is a tremendous opportunity to open Fino Bank accounts of these customers – funnel to attracting more future transactions
Remittance

A low margin-high take rate product that attracts more customers into Fino’s ecosystem

- Remittance is a product wherein customers of other bank accounts primarily walk to a Fino merchant points to digitize cash.
- As a bank, there is a tremendous opportunity to open Fino Bank accounts of these customers – funnel to attracting more future transactions.
Core Technology and Digital Strategy
Core Technology Strengths
A healthy balance of in-house developments as well as best-in-class tech developed with partners

**Video KYC**
Implemented seamless merchant on-boarding

**RPA**
Implemented with partner; development WIP in-house

**PTA**
Custom transaction system under development

**Chatbot**
Integrated merchant and customer channels

**Central KYC**
Initially outsourced but now being maintained in-house

**FIS**
CBS, Switching, UPI, SFMS

**Prepaid**
Partner platform integrated with background

**Virtual engagement**
Central IVR calling integrated with system
Customer Engagement Initiatives

Campaign strategy that is focused more on the value proposition than freebies
Our Digital Footprint

Omni channel presences on the digital landscape increases our ability to outreach

**Merchant**
61,700+ leads sourced in the Q3FY22

**Account Opening**
1.39 lac leads sourced in the Q3FY22

---

**Instagram**
7,690 followers

**LinkedIn**
70,583 followers

**Twitter**
5031 followers

**Facebook**
1,45,773 Followers

**YouTube**
47,552 subscribers
ESG, Board and Management Team
### Positive Impact on Environment

Fino’s new age banking model is bringing down emissions and carbon footprints significantly

<table>
<thead>
<tr>
<th><strong>Innovation in the Physical Ecosystem</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Branchless banking</strong></td>
</tr>
<tr>
<td>Fino operates through very low branches which leads to lesser use of energy consuming electronic gadgets like computers, ATMs, printers, air-conditioners, etc.</td>
</tr>
<tr>
<td><strong>Handheld ATM devices</strong></td>
</tr>
<tr>
<td>Compact, energy efficient, handheld machines that work without any air-conditioned rooms – reducing carbon footprints and real estate space occupation</td>
</tr>
<tr>
<td><strong>Local cash for local use</strong></td>
</tr>
<tr>
<td>Transportation costs incurred for cash logistics are reduced substantially – leading to lower emissions and hence lower carbon footprints</td>
</tr>
<tr>
<td><strong>Neighbourhood banking</strong></td>
</tr>
<tr>
<td>Customers need not travel to far away bank branches or ATMs to avail banking services thereby reducing emissions and carbon footprints</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Innovation through Digital Ecosystem</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Lesser documentation</strong></td>
</tr>
<tr>
<td>Using modern technologies like eKYC, vKYC, and mobile apps to fulfill compliance needs, thereby reducing the usage of papers</td>
</tr>
<tr>
<td><strong>Better productivity</strong></td>
</tr>
<tr>
<td>Quicker, leaner and more efficient processes help in improved turnaround time for transactions</td>
</tr>
<tr>
<td><strong>Digital payments</strong></td>
</tr>
<tr>
<td>Usage of lower number of devices and lesser paper cash to carry out a payment transaction</td>
</tr>
<tr>
<td><strong>Digital leads for cross-sell</strong></td>
</tr>
<tr>
<td>On ground sales and marketing efforts that generate cross sell potential are optimized through digital channels</td>
</tr>
</tbody>
</table>
Well Governed Board of Directors
Board comprising reputed professionals across different sectors

**Experienced Board of Directors...**

**Rishi Gupta**
MD & CEO
- Co-founder of Fino and has been associated with Fino Paytech
- Previously worked at IFC, ICICI Bank Ltd and Maruti Udyog Ltd
- Awarded “100 top most influential BFSI leaders” in Feb 2019

**Mahendra Kumar Chouhan**
Independent Director
- Served on SEBI committee on corporate governance
- Part of the MCA committee for national policy on corporate governance

**Punita Kumar Sinha**
Independent Director
- Experience in investment management and financial markets
- Previously worked as SMD of Blackstone – Asia Advisory Group
- Founder and managing partner of Pacific Paradigm Advisors, LLC

**Suresh Kumar Jain**
Independent Director
- Has worked 36 years as a banker and was a General manager at Bank of India
- Experience in dealing in credit and foreign exchange as well
- Certified associate of the Indian Institute of Bankers

**Deena Mehta**
Independent Director
- Served as Director and acting President of BSE Ltd
- Was also a Director of Central Depository Services Ltd
- Qualified chartered accountant and a member of ICAI

**Rajat Kumar Jain**
Additional Director - Independent
- Several years of experience in leadership roles across Consumer and TMT in India
- Founder Director of PadUp Ventures
- Alumnus of IIT Delhi and IIM Ahmedabad

**Avijit Saha**
Nominee Director
- Has been working with ICICI Bank for c.15 years
- Previously worked with Operations Research Group and ICI Paints
- Holds a post graduate diploma in management from IIM, Lucknow

**P.S. Ravi**
Nominee Director
- c.30 years of experience in the oil industry
- Joined Bharat Petroleum Corporation Ltd in 1987
- Holds a master’s degree in financial management.
Founder’s Passion: The Team

Committed and professional management team

Ketan Merchant
Chief Financial Officer
- Joined Fino in 2018
- Qualified chartered accountant from the ICAI
- Previously worked at Barclays Shared Services Ltd, HSBC and Standard Chartered Bank amongst others

Anand Bhatia
Chief Marketing Officer
- Joined Fino in 2018
- Previously worked at Subhiksha Trading Services Ltd, Career Launcher India Ltd and Ormax Money Pvt Ltd
- Holds a PGDM from IIM, Lucknow

Amit Kumar Jain
Head – Business Alliance
- Joined Fino in 2017
- Previously worked with Geosansar Advisors Pvt Ltd, ICICI Bank Ltd and Mudra Communications Ltd

Ashish Ahuja
Chief Operations Officer
- Joined Fino in 2017
- Served as a Major in the Indian Army for 11 years
- Also worked with ICICI Bank Ltd as Deputy General Manager

Vinod Kumar K B
Chief Information Officer
- Joined Fino in 2017
- Previously worked at Teletech Services India Ltd, ICICI Bank Ltd and Rakbank amongst others

Pratima Pinto Thomas
Head HR
- Joined Fino in 2019
- Served in the Indian army for 10 years
- Also worked with Vijay Sales, The Mobile Store Ltd and BDO India LLP

Shailesh Pandey
Chief Sales Officer
- Joined Fino in 2017
- Previously worked at BPL Mobile Communications Ltd, ICICI Prudential Life Insurance Company Ltd, Aviva Life Insurance Company India Ltd and Fino PayTech

Bharat Bhanushali
Head – Business Technology
- Joined Fino in 2017
- Previously worked with Genesys International Corporation Ltd, Goldfiled Services Pvt Ltd and Fino PayTech amongst others

Basavraj Loni
Company Secretary & Compliance Officer
- Experienced in secretarial, legal, corporate governance and compliance domains
- Previously worked at Priya Ltd, Raj Oils Mills Ltd, GOL Offshore Ltd, and Mahindra & Mahindra Financial Services Ltd
Thank You
Annexure

Understanding Fino’s Products
### Current and Savings Account (1/2)

**Defining the problem statement, customer segment, potential and market size opportunity**

**Use Case:** A bank branch in tier 3 and below city is generally very crowded and is far away. It is also open during limited banking hours on weekdays. Through Fino Bank, the idea here is to provide a bank account at the doorstep of the customer.

**Customer Segment:** Typically Emerging India customers who wish to have a bank account with features like those of regular banks but at a fraction of the cost and at a much greater convenience.

**Potential:** Branch penetration in India is low. Due to high fixed costs of operating a branch, banks are averse to expand the network. To bring more Indians into the banking ecosystem, asset light and scalable network through merchant points is critical.

---

<table>
<thead>
<tr>
<th>Year</th>
<th>Bank Accounts Opened (in lacs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY20</td>
<td>5.9</td>
</tr>
<tr>
<td>FY21</td>
<td>11.3</td>
</tr>
</tbody>
</table>

119% of accounts opened in FY21 has already been opened in 9MFY22
Current and Savings Account (2/2)

Understanding the process flow of an account opening

Customer approaches a merchant for account opening

Merchant seeks various customer details and enters in the Fino portal

Once verification process is completed, merchant shares the welcome kit and debit card to the customer over the counter and an annual subscription is upfront collected

Revenue source
Subscription Fee charged to Customer
Cash Management Services (1/2)

Defining the problem statement, customer segment, potential and Fino’s business value

**Use Case:** Companies which collect cash from their customers need to deposit the same at a bank branch for money in the account. They do the same at a nearest Fino merchant point. This saves the agent of time & travel to a branch and risk of carrying the cash.

**Customer Segment:** NBFCs, MFIs, logistics, retail & B2B ecommerce, cab aggregators, agritech, retail, among others are the segment of companies – they collect cash either for loan EMIs or on COD orders from their retail customers.

**Potential:** Companies require a massive network for collection activities on the ground. With overall growth in business of such companies, their collection requirements will also keep growing. They prefer pan-India players which cover a large geography. CMS is also a **cash digitizing product** wherein merchants receive cash which they can use to disburse through MATM & AEPS.

---

CMS No. of Partners – Fino Payments Bank

<table>
<thead>
<tr>
<th>Date</th>
<th>No. of Partners</th>
</tr>
</thead>
<tbody>
<tr>
<td>31st Mar 20</td>
<td>39</td>
</tr>
<tr>
<td>31st Mar 21</td>
<td>85</td>
</tr>
<tr>
<td>30th Sep 21</td>
<td>110</td>
</tr>
<tr>
<td>31st Dec 21</td>
<td>127</td>
</tr>
</tbody>
</table>

CMS Transaction Value – Fino Payments Bank (in ₹ cr)

<table>
<thead>
<tr>
<th>Period</th>
<th>Transaction Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY19</td>
<td>852</td>
</tr>
<tr>
<td>FY20</td>
<td>4,301</td>
</tr>
<tr>
<td>FY21</td>
<td>11,828</td>
</tr>
</tbody>
</table>

273% CAGR

135% of FY21

Throughput has already been achieved in 9MFY22
Cash Management Services (2/2)
Understanding the process flow of a CMS transaction

1. Delivery agent/collection agent/customer visits merchant point with cash that they need to pay the B2B partner company.

2. Merchant enters the details in the Fino merchant portal (Mitra App).
   Subject to availability of limit in merchant account, he accepts the cash and deposits in his personal drawer physically.

3. Fino debits the merchant and credits the B2B partner in T+1 time period.
   
   Delivery agent/collection agent/customers will get an automated receipt confirmation.

Revenue source
Fee Income from B2B partners

Merchant Account with Fino Bank
Customer’s bank account

Revenue source
Fee Income from B2B partners

Customer's bank account
**Micro-ATM (1/2)**

Defining problem statement, customer segment, potential and Fino’s business volume and value

**Use Case:** Beyond the metro and tier 1 cities, ATM penetration is low. Customers have to travel a distance to withdraw cash. The genesis of micro-ATM is to facilitate convenient cash withdrawal in the customers’ neighbourhood at low costs to the merchant.

**Customer Segment:** Customers in markets which don’t have a deep ATM penetration. These would be the emerging India customers at the middle of the pyramid.

**Potential:** As it becomes increasingly expensive for banks to maintain an ATM network and manage the cash logistics, micro-ATMs are poised to grow to fill up the void – plus the positive cost arbitrage for setting up a micro-ATM network also is an advantage.

---

**Micro ATM Transaction Volume – Fino Payments Bank**

* (in cr)

<table>
<thead>
<tr>
<th>Year</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.8</td>
<td>4.7</td>
<td>8.6</td>
</tr>
</tbody>
</table>

**Micro ATM Transaction Value – Fino Payments Bank**

* (in ₹ cr)

<table>
<thead>
<tr>
<th>Year</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>3,390</td>
<td>16,651</td>
<td>31,110</td>
</tr>
</tbody>
</table>

CAGR

61% of FY21 Throughput has already been achieved in 9MFY22
Micro ATM (2/2)

Understanding the process flow of an MATM transaction

1. Customer shares his debit card to the merchant
2. Merchant inserts the card in his/ her micro-ATM handheld device – device is connected to network and also to the merchant portal of Fino
3. The transaction gets processed through Fino’s CBS platform
4. Merchant gets credit of amount in his merchant account with Fino
5. Merchant then dispenses cash physically to the customer from his own drawer

Revenue source

Interchange Fees
AEPS (1/2)

Defining problem statement, customer segment, potential, market size and Fino’s business value

**Use Case:** Customers often don’t carry their ATM cards with them. Many at the bottom of the pyramid may not even have an ATM card. Most ATM kiosks will not be suitable for such customers – they have to visit a bank branch.

**Customer Segment:** As opposed to micro-ATMs, these are customers who don’t have debit cards or don’t carry one frequently with them. They find it more convenient withdrawing with a fingerprint authentication.

**Potential:** New-to-financial services customers will initially use basic services like AEPS before they migrate to other transaction mediums on alternate and digital channels as they gradually get familiar and comfortable with the system.

---

### AEPS Transaction Value – Industry

- **FY19:** 0.7
- **FY20:** 1.2
- **FY21:** 2.3
- **FY25E:** 6.4

(In ₹ lac cr)

- **Current Industry:** 84%
- **AEPS:** 29%

**Source:** As per CRISIL report in Fino Payments Bank RHP

### AEPS Transaction Value – Fino Payments Bank

- **FY19:** 3,993
- **FY20:** 13,488
- **FY21:** 25,077

(In ₹ cr)

- **Current Fino Payments Bank:** 153%

92% of FY21 Throughput has already been achieved in 9MFY22

---

CAGR
Understanding the process flow of an AEPS transaction

1. Customer gives his fingerprint on bio-authentication device of the merchant
2. The device is connected to network and also to the merchant portal of Fino
3. The transaction gets processed through Fino’s CBS platform
4. Merchant gets credit of amount in his merchant account with Fino
5. Merchant then dispenses cash physically to the customer from his own drawer

Revenue source
Interchange Fees
Remittance (1/2)

Defining problem statement, customer segment, potential, market size and Fino’s business value

**Use Case:** Customers having cash with them can visit a merchant point to transfer the same to a bank account on the beneficiary side. Remittance is essentially a cash digitizing product wherein customers on the transferring side need not have a bank account.

**Customer Segment:** Typically Emerging India customers at the middle of the pyramid are our target segment. Such customers earn in the range of ₹10,000-40,000 per month. Other customers who deal in cash are also our target customers for this product.

**Potential:** There has to be a player to digitize the cash till the last mile for commencement of a customer’s digital journey – with a growing cash in circulation, the opportunity for this business is expected to multiply – remittance also leads to withdrawal of the cash, partly or full, on the other side through a micro-ATM or AEPS.

### Domestic Remittance – Industry

<table>
<thead>
<tr>
<th></th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
<th>FY25E</th>
</tr>
</thead>
<tbody>
<tr>
<td>(in ₹ lac cr)</td>
<td>1.8</td>
<td>2.1</td>
<td>2.1</td>
<td>3.4</td>
</tr>
</tbody>
</table>

Source: As per CRISIL report in Fino Payments Bank RHP

### Domestic Remittance Throughput – Fino Payments Bank

<table>
<thead>
<tr>
<th></th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>(in ₹ cr)</td>
<td>23,492</td>
<td>40,683</td>
<td>29,187</td>
</tr>
</tbody>
</table>

100% of FY21 Throughput has already been achieved in 9MFY22
Remittance (2/2)
Understanding the process flow of a remittance transaction

1. Customer specify his/ her own details as per AADHAR card as well as beneficiary details including bank account number to the merchant

2. Merchant receives cash from customer and deposits in his own drawer – this is subject to availability of limit in merchant account with Fino

3. He then transfers the amount to the respective beneficiary bank account

- Customer pays cash to the merchant for transfer to beneficiary account – separate charges for transaction is also paid by customer to merchant

- Merchant Account with Fino Bank

- Credit in beneficiary bank account

Revenue source
Customer
Open Banking Platform (1/2)

Defining the problem statement, customer segment, potential and market size opportunity

**Use Case:** Fintech players offering various payment products require a bank at the back-end to process a transaction. Being a bank, Fino can offer its technology platform to such fintechs

**Customer Segment:** Fintech partners who do not have a banking license of RBI

**Potential:** India is a huge country with a massive addressable market which cannot be catered by any single player. Multiple fintechs will have the last mile reach. However, not everyone can be given access to the secure banking platforms that are periodically audited by RBI. Such fintechs with the last mile reach will need a banking rail to carry out a transaction and for the banks, it is a perfect way to leverage their technology investments at no marginal costs

---

**Open Banking Platform**

- **Remittance**
- **MATM & AEPS**

**Revenue Source**

- Customer
- Interchange Fees
Open Banking Platform (2/2)

Understanding the process flow of a remittance transaction

1. Customers visit the merchant points of the Open Banking partner (API partners)
2. Merchant uses the technology front end of the Open Banking partner
3. Transaction is processed end-to-end through Fino’s technology platforms

Revenue source

Customer (Remittance)
Interchange Fees (MATM & AEPS)

- Fino Bank earns commission on every transaction
- Part of the commission is shared with the merchant and API partner
- Share of commission to Fino Bank is lower in Open Banking Channel as compared to same products on own banking channel