

May 16, 2022

BSE Limited
Corporate Relationship Department,
2nd Floor, New Trading Wing,
Rotunda Building, P.J. Towers,
Dalal Street, Mumbai- 400 001
(Scrip Code: 543386)

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra - Kurla Complex,
Bandra (E), Mumbai - 400 051
(Symbol: FINOPB)

Dear Sir/Madam,

Re: Investor Presentation

Sub: Intimation under Regulation 30 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")

In continuation to our letter dated May 12, 2022 and pursuant to Regulation 30 of the SEBI Listing Regulations, please find attached a presentation on Audited Financial Results of Fino Payments Bank Limited ("the Bank") for the fourth quarter and financial year ended March 31, 2022.

The said presentation is also available on the website of the Bank i.e. www.finobank.com

Kindly take the same on record.

Thanking You,

Yours faithfully,
For Fino Payments Bank Limited

Basavraj Loni
Company Secretary & Compliance Officer
Place: Navi Mumbai

Encl: a/a

Fino Payments Bank Limited

Registered Office: Mindspace Juinagar, Plot No Gen 2/1/F, Tower 1, 8th Floor, TTC Industrial Area, MIDC Shirwane, Juinagar, Navi Mumbai - 400 706
CIN: L65100MH2007PLC171959 Tel: (+91 22) 7104 7000, website: www.finobank.com



Fino

Payments Bank
फिनो पेमेंट्स बैंक

Q4FY22 Investor Presentation

16th May 2022



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- ☆ Network Engagement and Expansion
- ☆ Core Technology and Digital Strategy





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Strategic Overview



A Revenue Milestone!!!

Achieved a major revenue landmark with only a transaction business at core

Revenue of Fino Payments Bank in FY22

₹ 1,009 cr

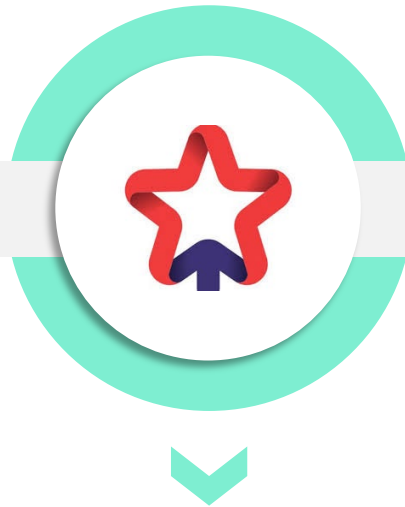
▲ 28% YOY growth

- ✓ A journey commenced in 2017 amid extraordinary speculation on the viability of the payments bank model
- ✓ Fino Bank rode through multiple headwinds like demonetization, COVID and competition from various well funded digital fintechs
- ✓ Today, it has broken even, is profitable with robust margins and generates industry leading ROEs
- ✓ Going forward, it is building a new digital journey to establish a scalable, sustainable and annuity based business model

Commencement of Journey towards a New Star

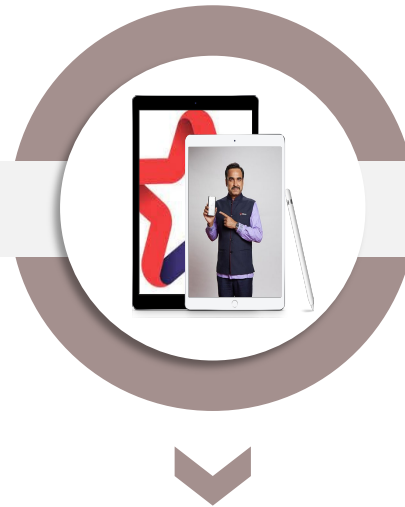
Transition from a phygital focused Fino 1.0 to an end-to-end digital Fino 2.0

Fino 1.0



- ✓ DTP model – Distribution, Technology and Partnership
- ✓ Own customers through bank accounts
- ✓ Profitable business model

FinoPay App



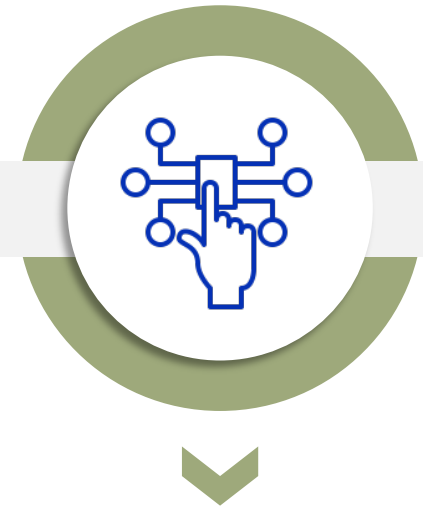
- ✓ Focus on more app downloads
- ✓ Open accounts digitally
- ✓ More services to users of app to drive up engagement, throughput and renewal ratios

Fino 2.0



- ✓ BAAS platform to directly engage with customers
- ✓ Use distribution network for customer service and off-us transaction facilitation

Digital

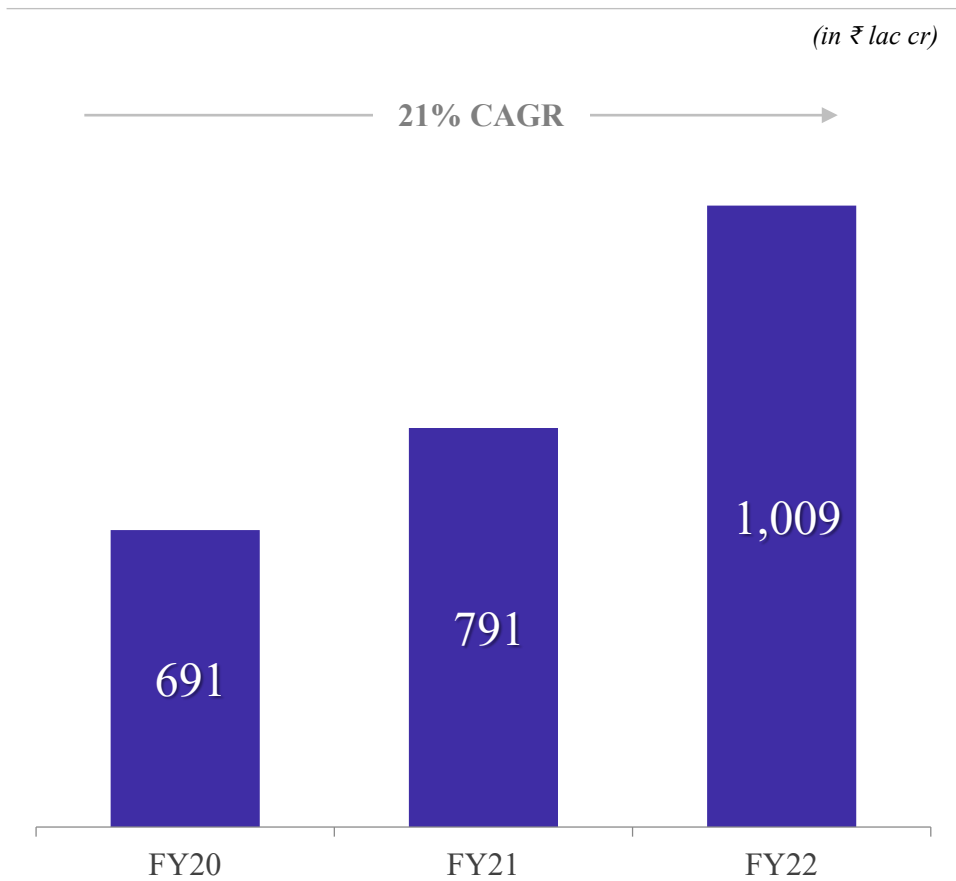


- ✓ Create more end-to-end customer digital journeys
- ✓ Omni-channel and multi-product Bank
- ✓ Largest physical network and most downloaded mobile app

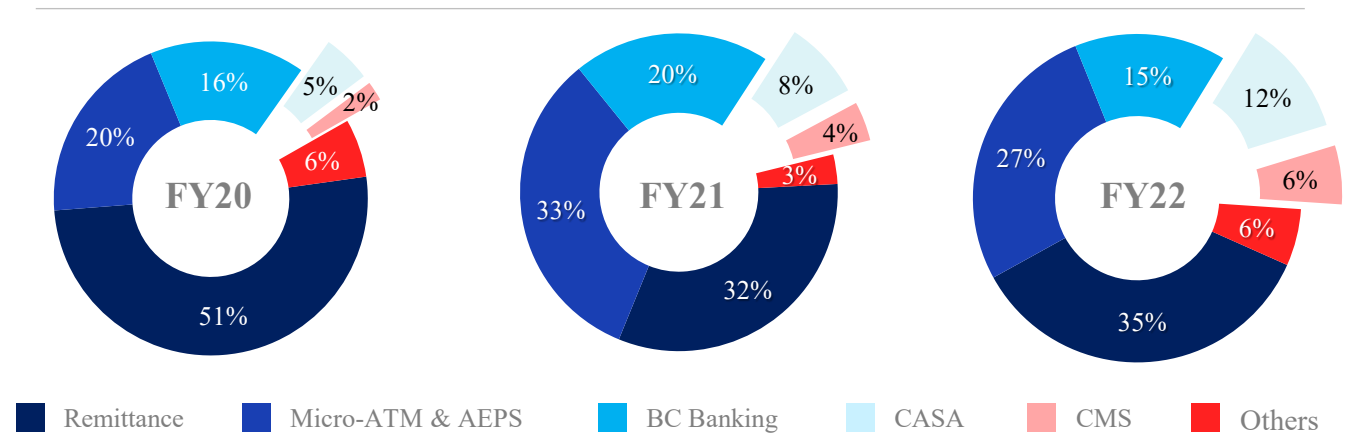
Highlights from Fino 1.0 Journey

Product innovation and penetration of network are the core reasons for a sustained revenue growth

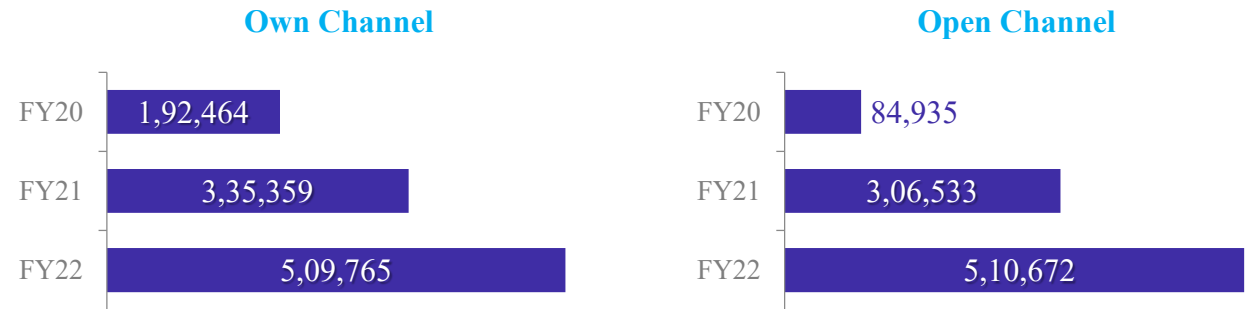
Steep Revenue Growth



Evolving Product Mix



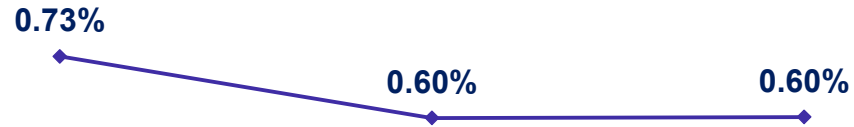
Rapidly Growing Merchant Network



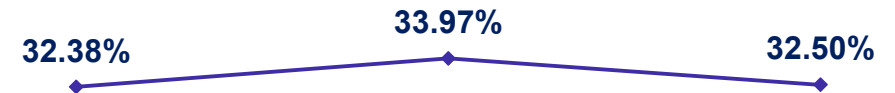
Key Financial Ratios

Operating leverage leading to consistent rise in PAT Margins even with a stable Take Rate and Gross Margins

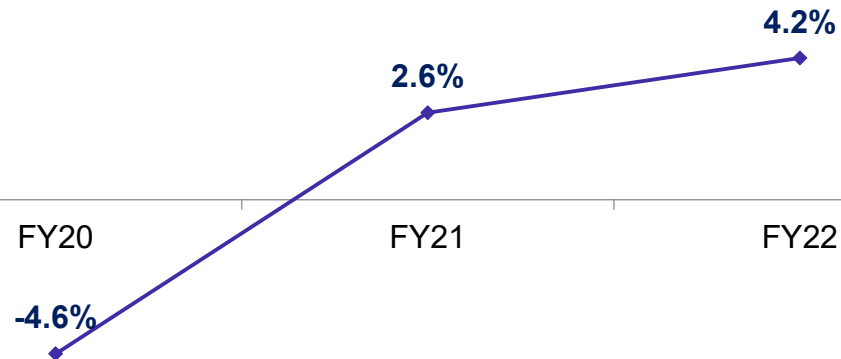
Take Rate (ex. UPI throughput)



Blended Gross Margins



PAT Margins



Pat Margins for Q4FY22 at 6.2%

☆ Take Rate and Blended Gross Margins have remained range bound for last two years

Pillars of Fino Payments Bank

An asset light, scalable and last mile fintech with a banking license

Pioneering Branchless Banking

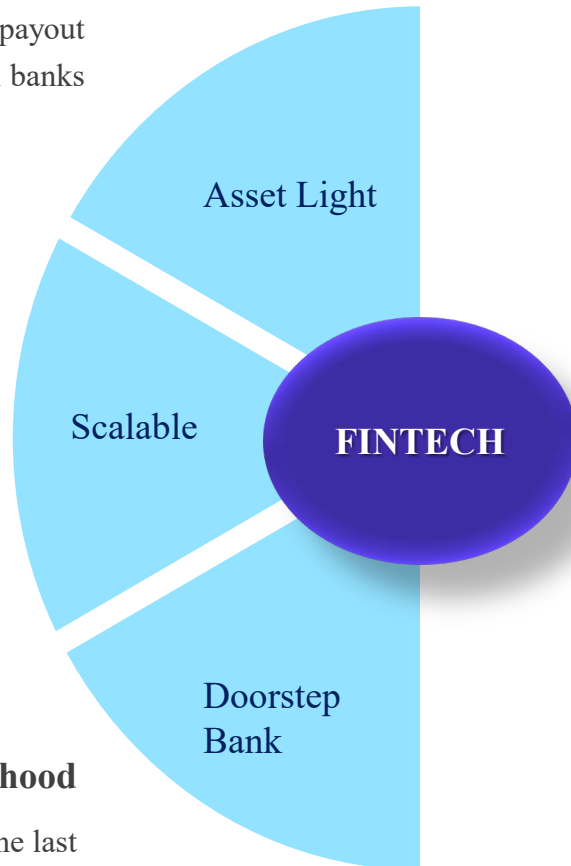
Asset light merchant model with a variable payout structure is largely untested by Indian banks

Scalable

The low fixed cost nature of business enables scale and outreach

Bank In Your Neighbourhood

Extending access to financial services at the last mile right at the customers' doorsteps

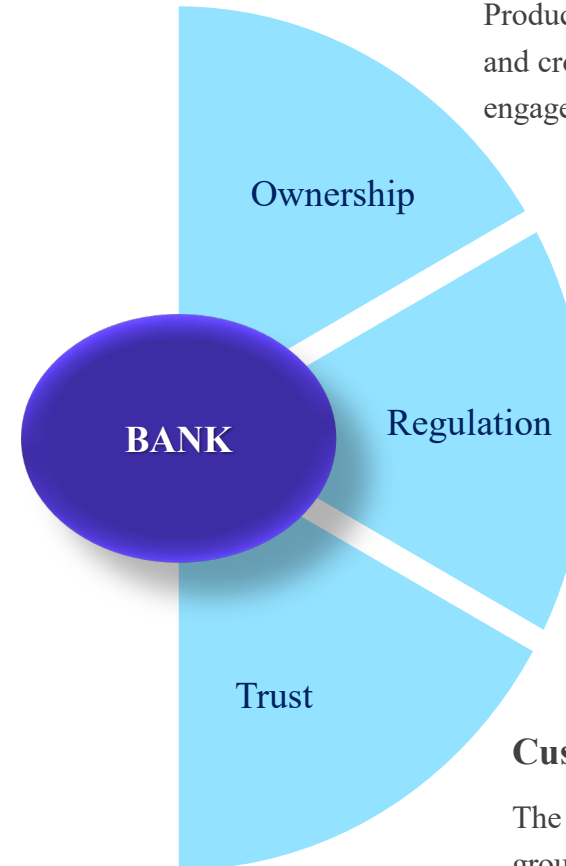


Product and Customer Ownership

Products like bank accounts will help own customers and cross sell products on referral will help in deeper engage with customers

Central Bank Regulator

Reduce risk of regulatory oversight as all products are launched post approval

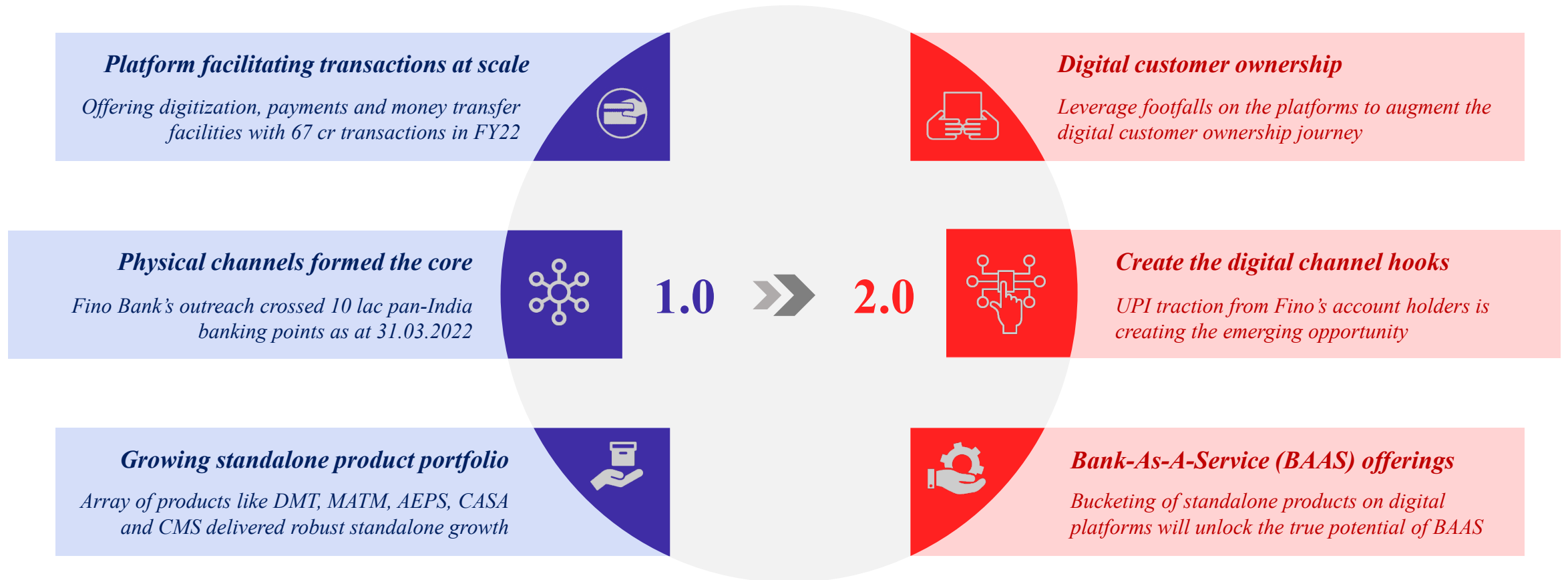


Customer Trust

The regulation and long existence as a group builds brand equity

FY22 Set Up a Strong Base for Transformation

Scale and efficiency of transactions through the network will boost digital transformation



Management Strategy for the Transition

Differentiated allocation of management focus basis the stage of product lifecycle



MATURE PRODUCTS – DMT, MATM & AEPS

These are the hook products that will continue to grow at a reasonable pace owing to a brand, network and processes

GROWTH PRODUCTS – CASA & CMS

Incremental enablers across the growth products to further boost the Bank level blended growth

NEW PRODUCTS – IR, Referral products

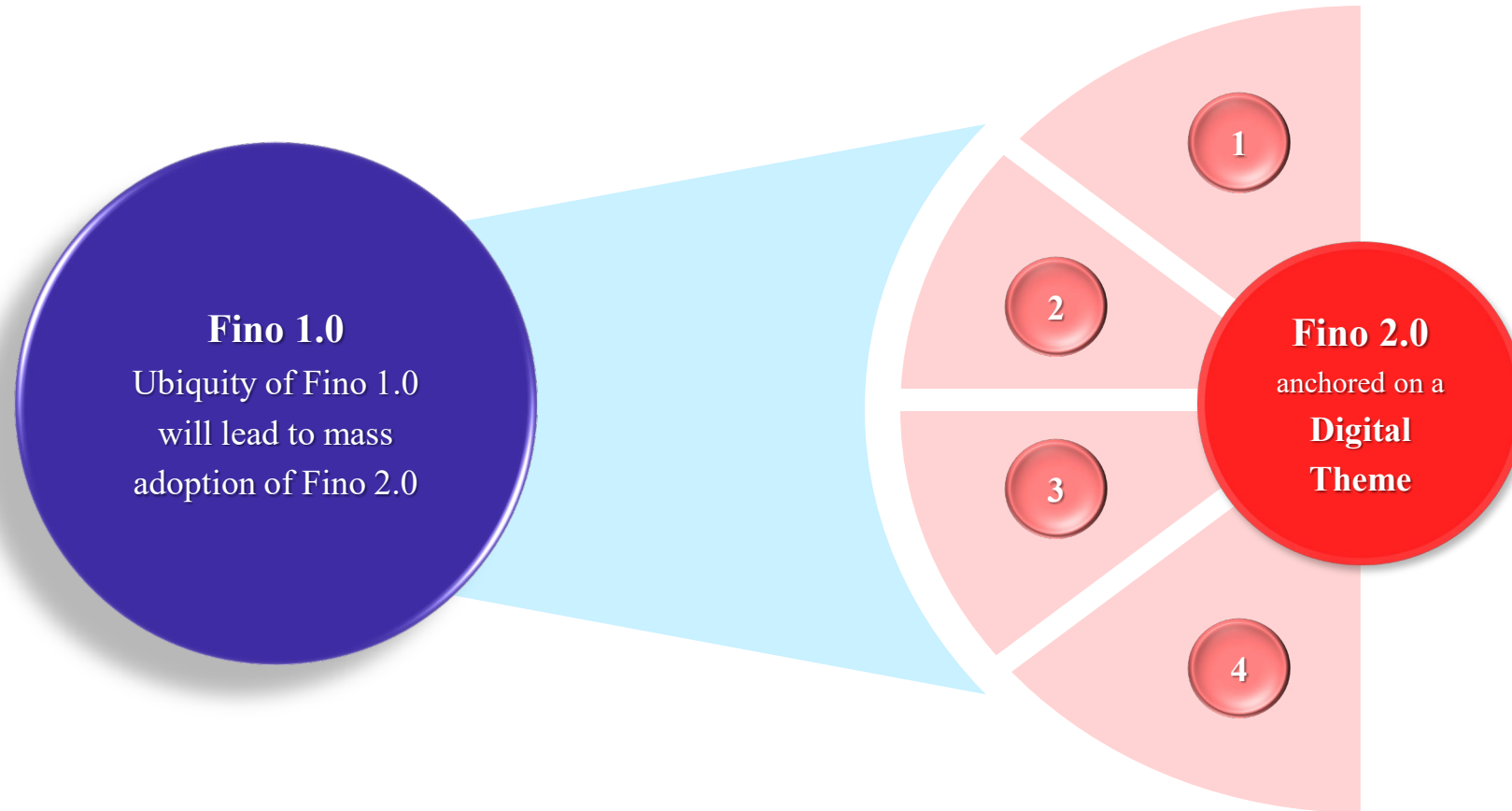
With network in place, new products have a set customer base to take off subject to the right product-fit market

DIGITAL JOURNEY – UPI and more

The 2.0 journey on digital is where the maximum bandwidth of the management will be anchored upon

Digital Strategy

Goal is to build Fino 2.0 into a scalable and profitable digital asset



Invest in the right team and the right set of products

Build interactive omni-channel platforms for all segments of customers

Data science team to identify higher revenue generating customers

Drive more cross sell products through digital channels

Trends across Digital & Digitization Products

Healthy growth across key digital and digitization products to hold the key in the 2.0 journey

₹ 64,948 cr

Cash Digitization in FY22

Fino Bank's cash digitization throughput from Domestic Remittance and Cash Management products increased by 58% YOY and transaction count increased by 41% YOY

₹ 18,393 cr

UPI Throughput in FY22

Current and Savings account holders of Fino Payments Bank transacted digitally on UPI – this has touched nearly 10% of the overall throughput of the Bank

₹ 38,971

CMS Unit Economics in FY22

The average value per transaction has increased by 40% YOY from ₹ 27,766 per transaction in FY21 and is rising consistently due to addition of marquee B2B partnerships across different sectors

₹ 7,628

Loan Cross Sell Unit Economics in March 2022

The average ticket size for every loan disbursed has grown by 45% in March 2022 over October 2021 (when the product was launched in pilot) from ₹ 5,258



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FY22 Highlights



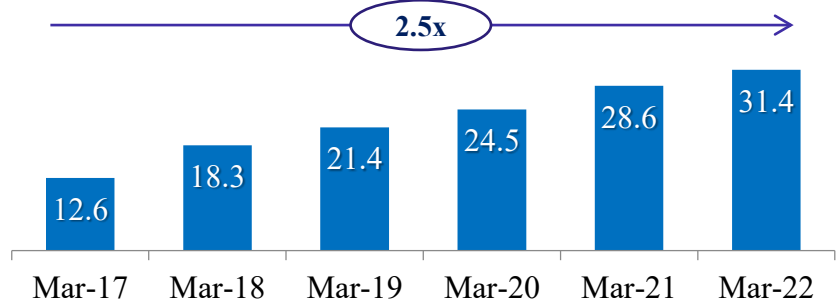
Economy CIC continues to exhibit robust growth

The digital shift is still not impeding growth of CIC and cash throughput in the economy

Addressing problems of the present

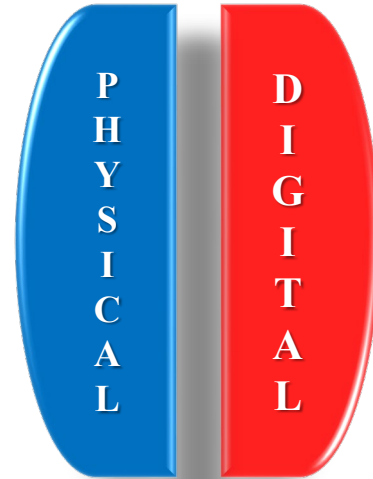
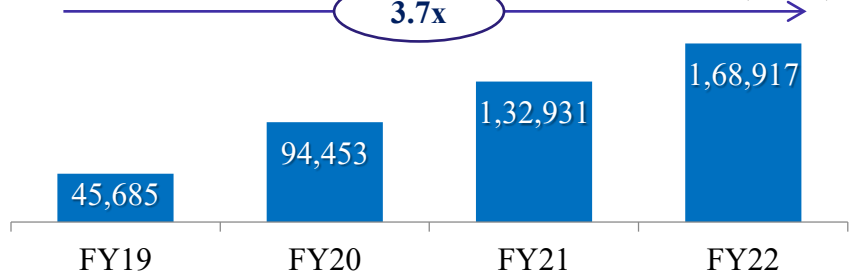
Cash In Circulation – Industry

(in ₹ lac cr)



Cash Throughput – Fino Payments Bank

(in ₹ cr)



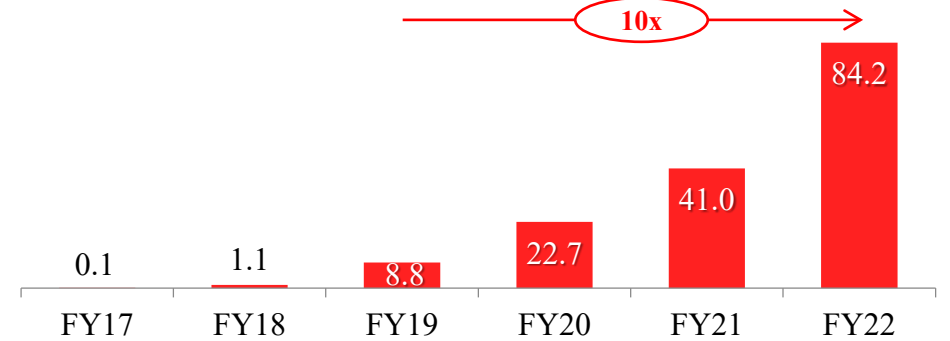
- ☆ Cash is still a convenient mode of transaction in India
- ☆ Cash-in-circulation is still growing at a rapid pace
- ☆ Sense of security of transacting in cash with a trusted brand is higher among many customers

Fino enjoys unique advantage
It handholds its customers' transition journey from physical to digital banking mediums, gradually over a period of time

While investing for the future

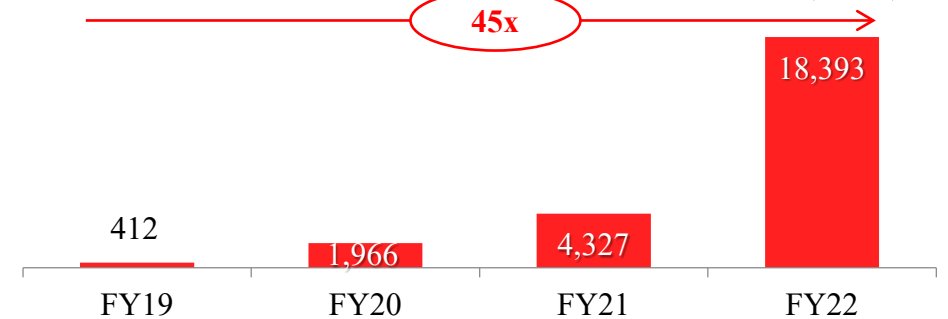
UPI Payments – Industry

(in ₹ lac cr)



UPI Throughput – Fino Payments Bank

(in ₹ cr)

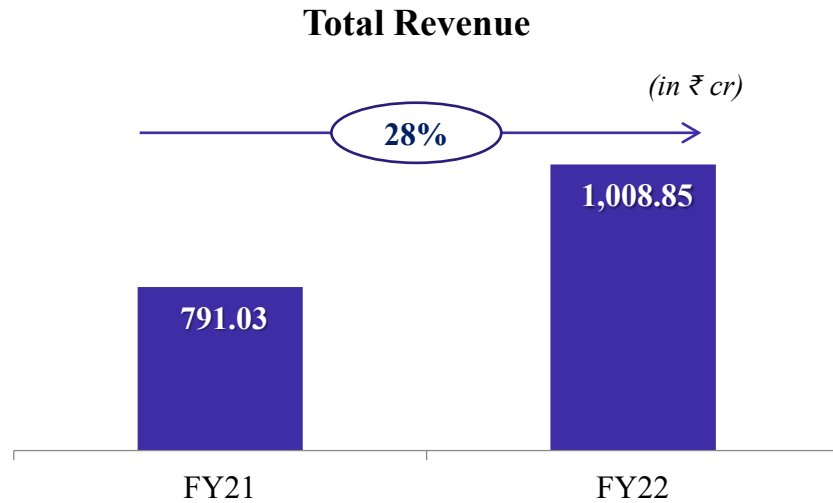


- ☆ Convenience of digital transactions is propelling a gradual shift to alternate channels
- ☆ Digital adoption by tech savvy customers improve cross-sell potential of other high value products

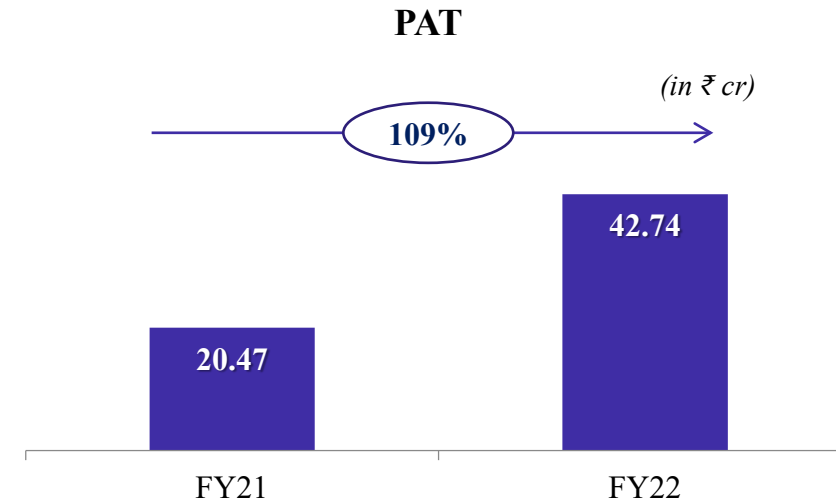
The Journey of Profitability: Onwards and Upwards

Fino Bank continues to chart disproportionate profit growth every quarter

Reasonable and sustainable growth in revenue leading to....



.... Disproportionate growth in profits



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 ₹17.6 cr in Q4FY22 – higher than PAT in entire H1FY22 at ₹11.0 cr

Industry Leading Performance Highlights in FY22

Demonstrating strong growth in business volumes, revenue and profitability

67 Cr+

Transactions on Fino platforms

 55%

₹187,311 Cr*

Total Throughput in FY22

 41%

10.2 lac

Registered merchants on Fino

 59%

₹34.9 lac

Revenue per employee in FY22

 18%

₹1,008.85 Cr

Revenue in FY22

 28%

₹84.38 Cr

EBITDA in FY22

 62%

₹42.74 Cr

PAT in FY22

 109%

14%

ROE FY22

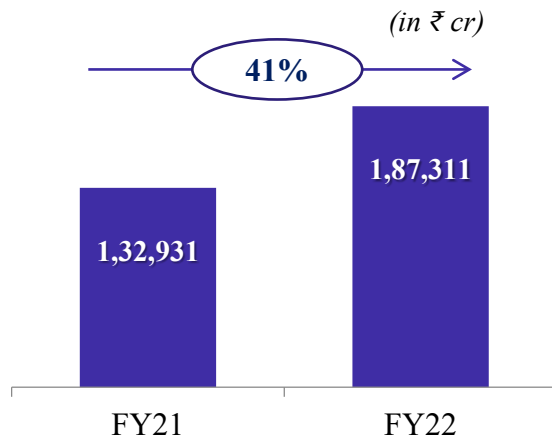
All growth figures are YOY growth over FY21

* Includes ₹2,453 cr UPI throughput in Q1FY22 that was not a part of total throughput in RHP

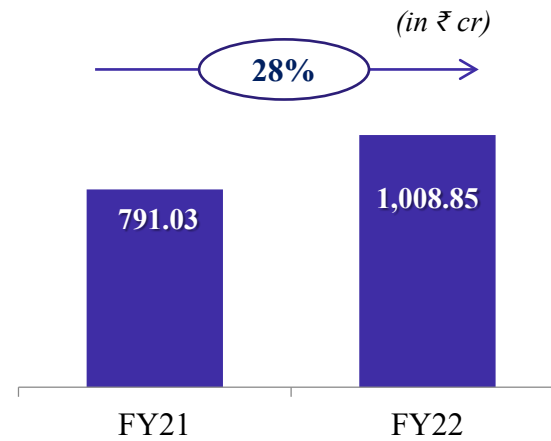
FY22 comparison over FY21

Financial performance and operating parameters

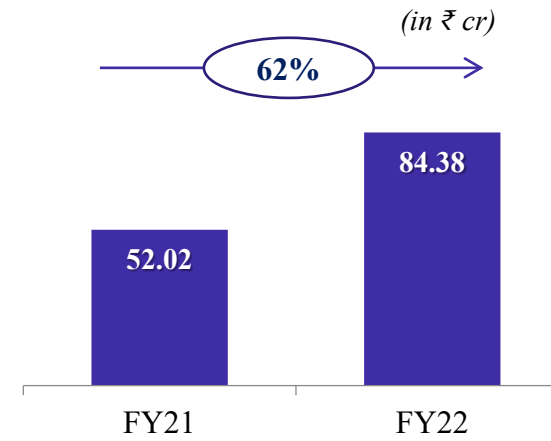
Total Throughput



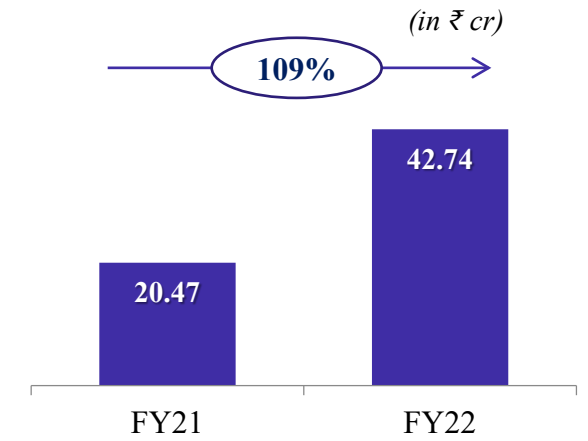
Total Revenue



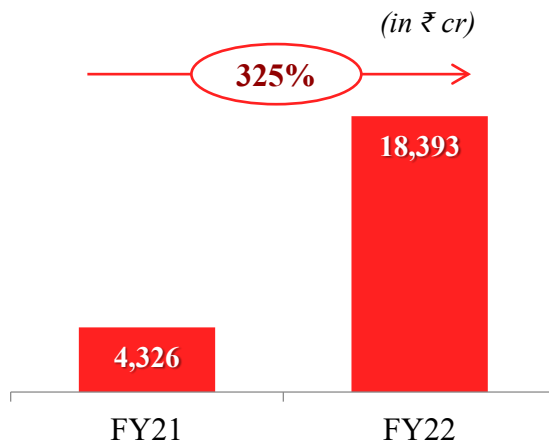
EBITDA



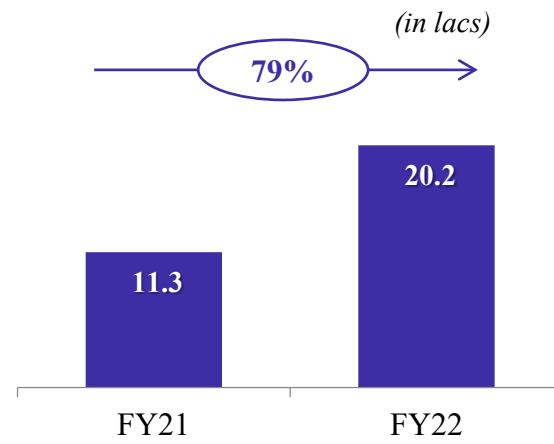
PAT



UPI Throughput



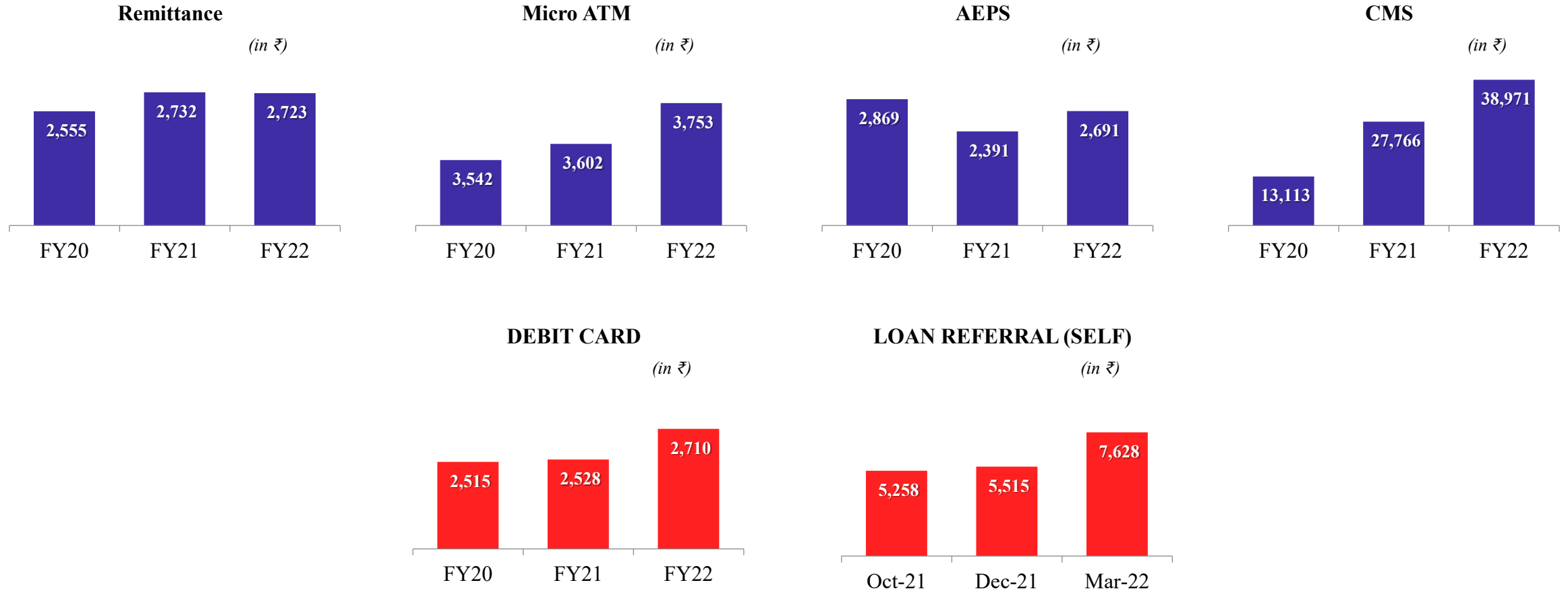
Accounts Opened



Merchant Count	As on 31.03.2022	YOY Growth
Total Merchants	10,20,437	59%
Own Channel Merchants	509,765	52%
Open Banking Channel Merchants	510,672	67%

Throughput Unit Economics

Average Size of Throughput per Transaction across different products





Q4FY22 Highlights



Industry Leading Performance Highlights in Q4FY22

Demonstrating strong growth in business volumes, revenue and profitability

21 Cr+

Transactions on Fino platforms



₹53,267 Cr

Total Throughput in Q4FY22



10.2 lac

Registered merchants on Fino



₹986K

Revenue per employee in Q4FY22



₹285.29 Cr

Revenue in Q4FY22



₹29.42 Cr

EBITDA in Q4FY22



₹17.62 Cr

PAT in Q4FY22



15%

Q4FY22 Annualized ROE

Revenue and Margins on Own and Open Banking Channels

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

Own Banking Channel

Open Banking Channel

Revenue in Q4FY22

₹285.29 Cr

▲ 23% growth over Q4FY21

₹72.97 Cr ▲ 19%

Transaction Revenue (ex BC Banking)

₹107.53 Cr ▲ 6%

Transaction Revenue (incl BC Banking)

₹78.10 Cr ▲ 57%

Subscription, onboarding and other revenue

46%

% Gross Margin

13.7%

% EBITDA Margin

₹99.65 Cr ▲ 24%

Transaction Revenue

4.0%

% Gross Margin

4.0%

% EBITDA Margin

Gross Margin

★ This is derived after deducting merchant payouts and other transaction charges from revenue earned

All growth figures are YOY growth over Q4FY21

★ 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

Strong Revenue Momentum in Q4FY22

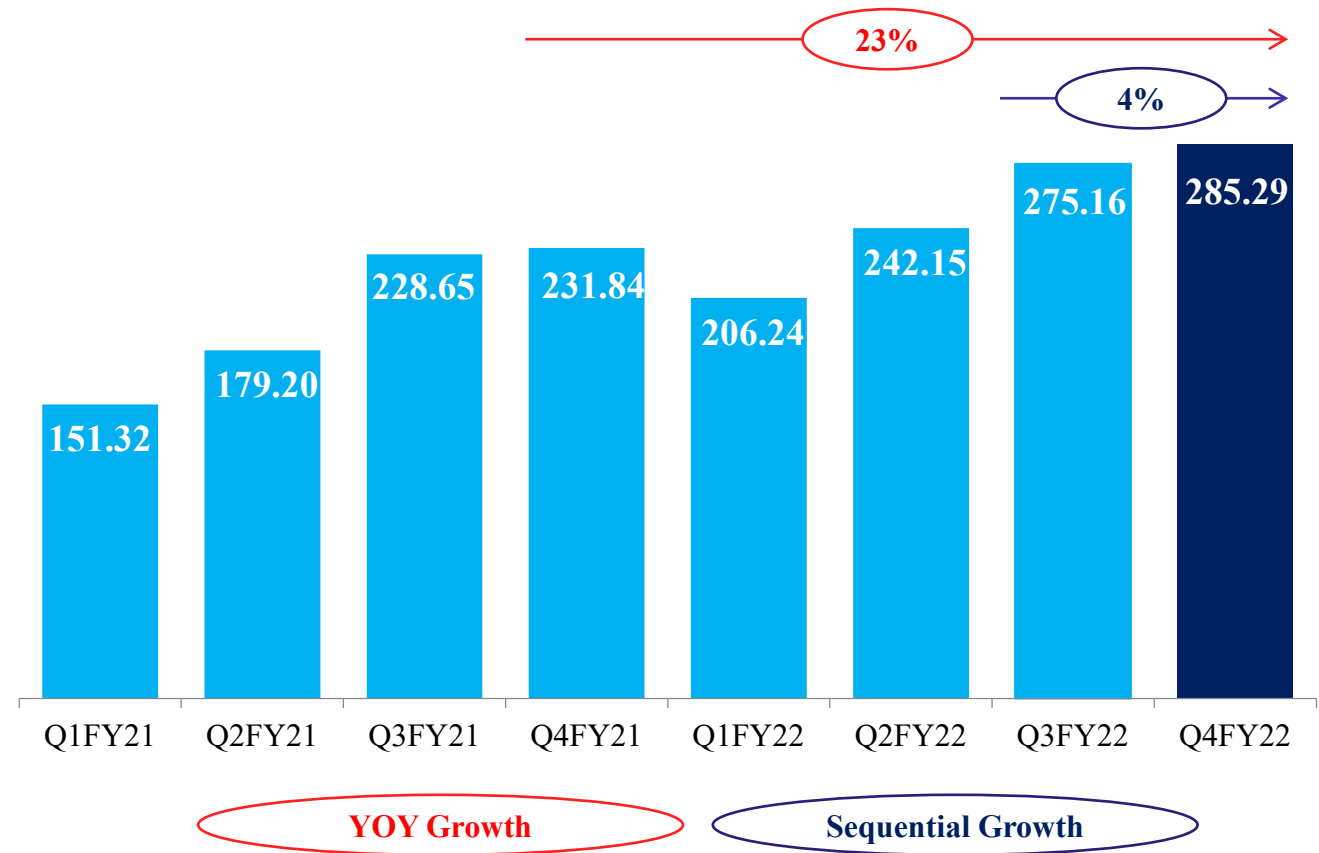
Emerging products like CMS, subscription and renewal income contributing to steady revenue growth alongside legacy products

(in ₹ cr)

Revenue in Q4FY22

₹285.29 Cr

▲ 23% growth over Q4FY21



- ✦ Q1FY22 got marginally impacted due to lockdowns and restrictions
- ✦ Q4FY22 showing strong YOY revenue growth even over a steep Q4FY21

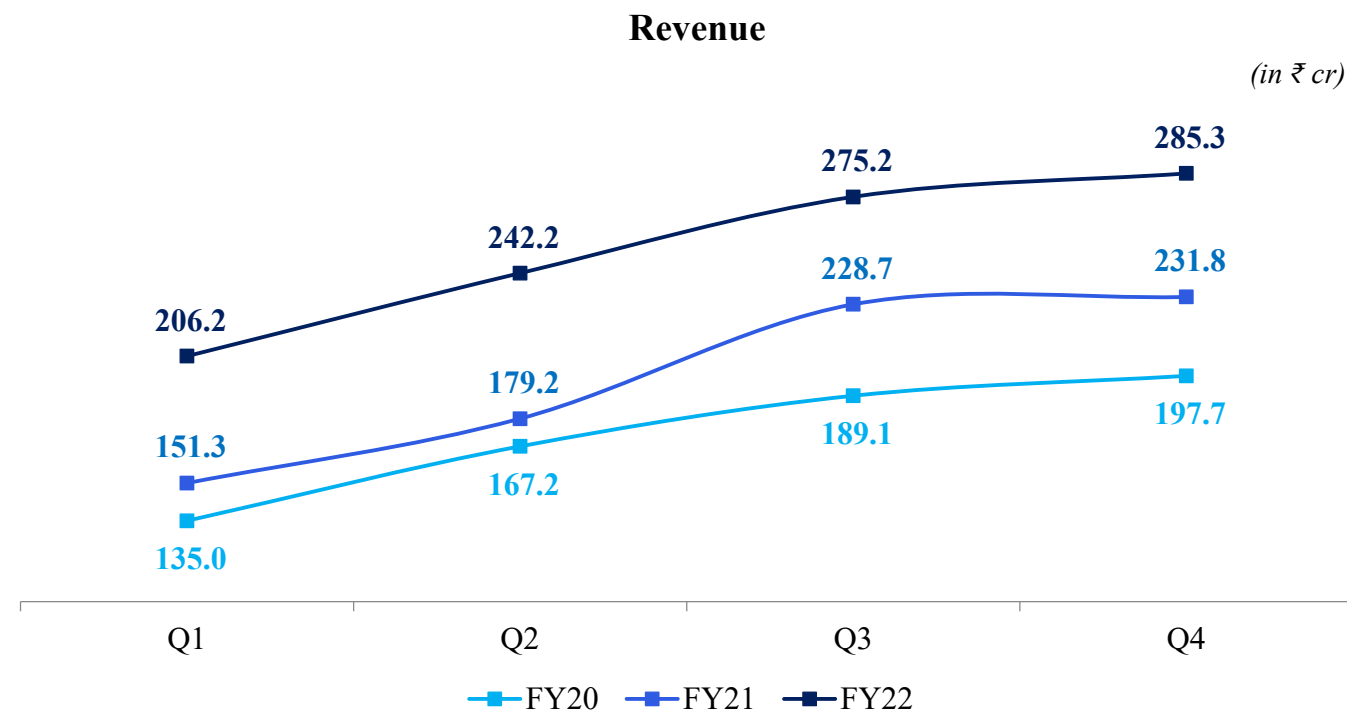
Revenue Trajectory Mirroring Trends but at an Elevated Growth Level

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

YOY Growth		
	FY21	FY22
Q1	12.1%	36.3%
Q2	7.2%	35.1%
Q3	20.9%	20.3%
Q4	17.2%	23.1%

- ✦ 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



Sequential Growth				
	Q1	Q2	Q3	Q4
FY20		23.9%	13.1%	4.5%
FY21	-23.5%	18.4%	27.6%	1.4%
FY22	-11.0%	17.5%	13.6%	3.7%

Highest ever quarterly PAT in Fino Bank History!

Q4FY22 PAT higher than H1FY22 PAT

PAT for Q4FY22 at

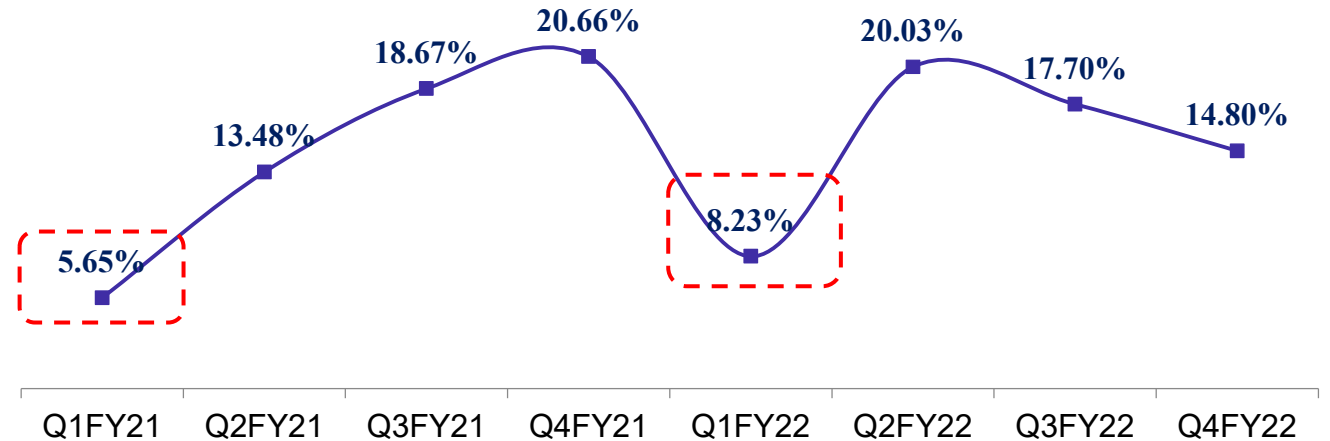
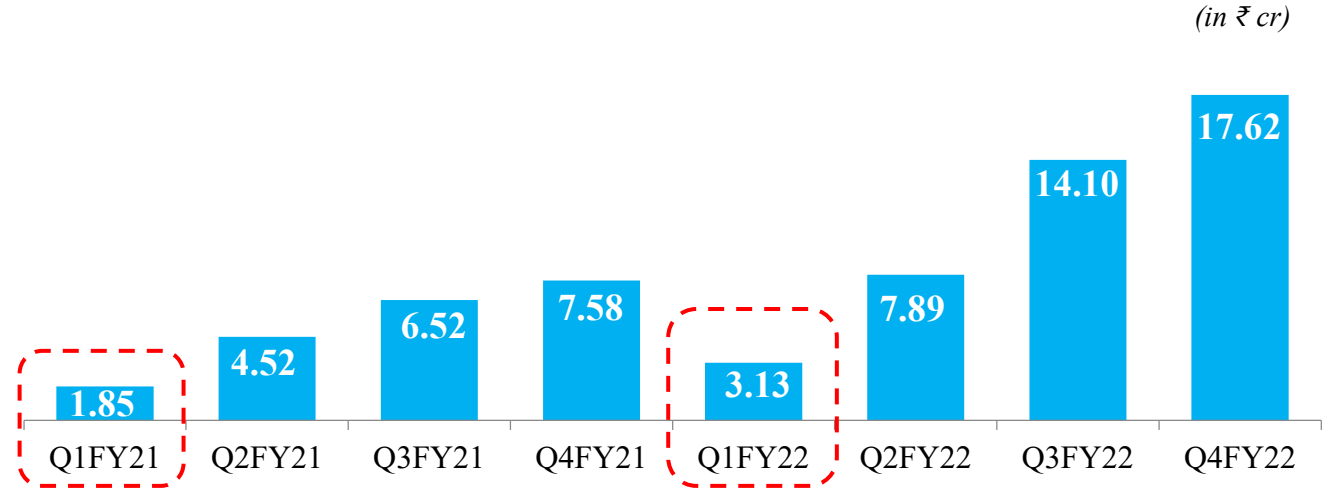
₹17.62 Cr

▲ 132% growth over Q4FY21

Annualized ROE of Q4FY22

14.80%

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



*Annualized ROEs

Covid impacted quarter



Q4FY22 Financial Performance



Bank Level Profit & Loss

Revenue growth of 23% in Q4FY22 leading to a PAT growth of 132%

Particulars (in ₹ cr)	Q4FY22	Q3FY22	Q4FY21	Q4FY22/ Q4FY21	FY22	FY21	YoY Growth
Revenue	285.29	275.16	231.84	23%	1008.85	791.03	28%
Product Cost	195.81	188.85	159.53	23%	680.94	522.29	30%
Net Revenue	89.48	86.31	72.31	24%	327.92	268.74	22%
Operating Cost	60.06	60.38	57.95	4%	243.53	216.72	12%
EBITDA	29.42	25.93	14.36	105%	84.38	52.02	62%
Other Fin. Cost, Dep. & Others	11.80	11.83	6.78	74%	41.64	31.55	32%
PAT	17.62	14.10	7.58	132%	42.74	20.47	109%
EBITDA Margins	10.3%	9.4%	6.2%	4.1%	8.4%	6.6%	1.8%
PAT Margins	6.2%	5.1%	3.3%	2.9%	4.2%	2.6%	1.6%

Balance Sheet

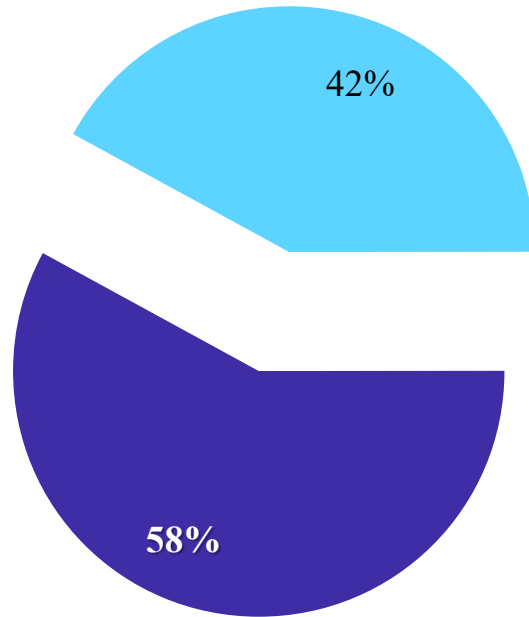
(₹. Cr)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Capital and Liabilities		
Capital	83.21	44.58
Reserves & Surplus	396.62	105.97
Deposits	500.69	242.84
Borrowings	249.66	180.80
Other Liabilities and Provisions	449.82	436.11
Total	1,680.00	1,010.29
Assets		
Cash and balances with Reserve Bank of India	223.86	88.32
Balances with banks and money at call and short notice	542.31	182.50
Investments	631.40	503.56
Advances	0.24	0.13
Fixed Assets	92.75	64.22
Other Assets	189.45	171.57
Total	1,680.00	1,010.29

Revenue Mix Across Parameters in Q4FY22

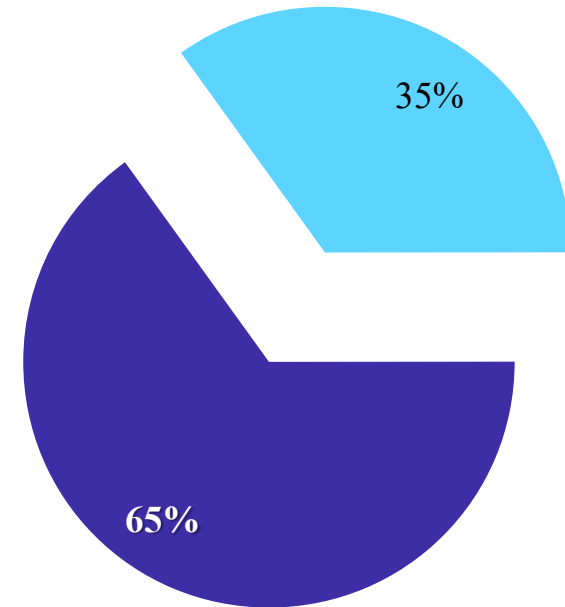
Annuity subscription business to continue to boost contribution of subscription revenue in the overall revenue pie

Income Breakup: Transaction & Subscription



■ Transaction Income ■ Subscription, On-boarding & Other Income

Income Breakup: Own and Open Banking Channel

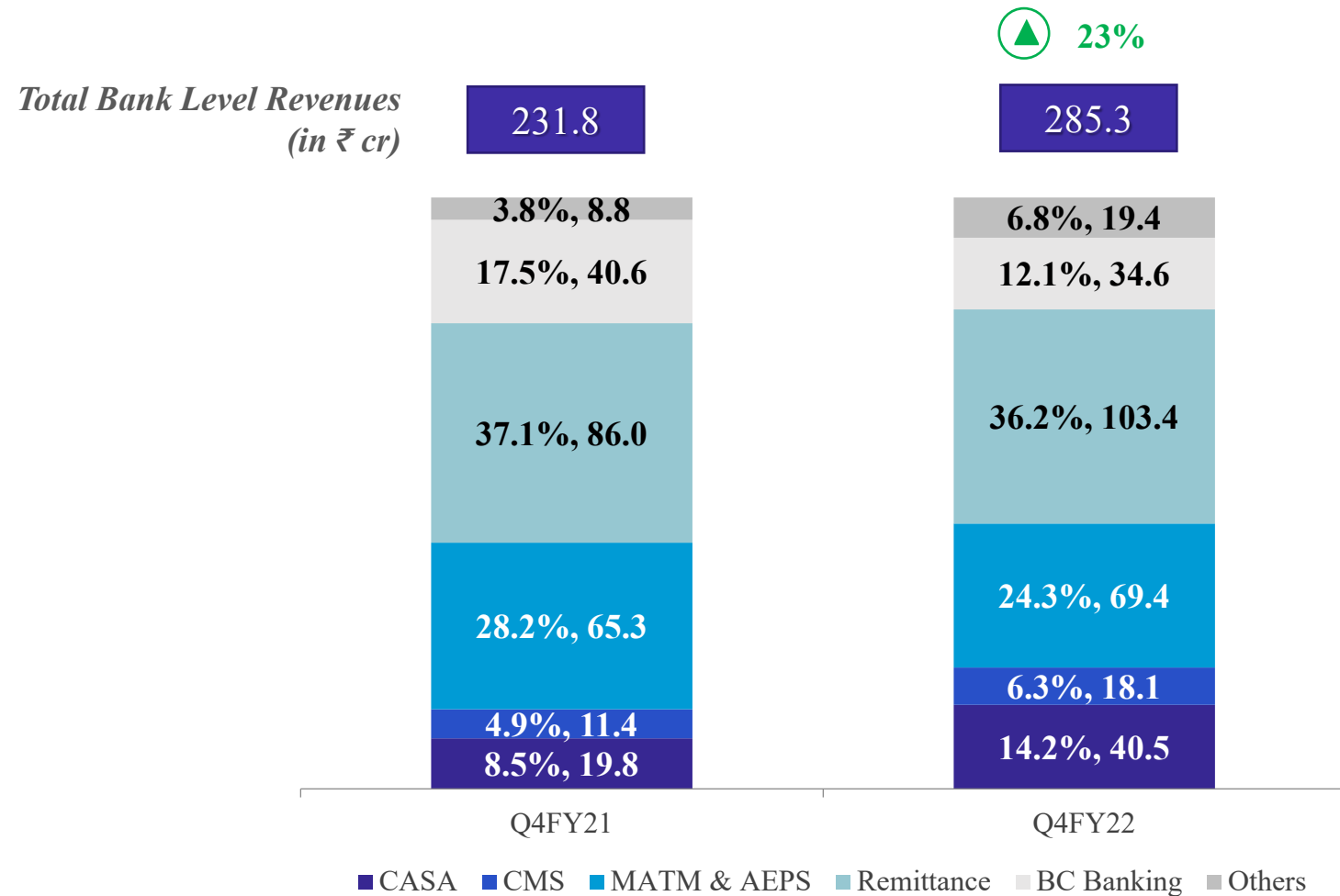


■ Own Banking Channel ■ Open Banking Channel

Revenue Mix Across Products

Shift in revenue mix towards higher margin products like CASA & CMS and high take rate products like Remittance in Q4FY22

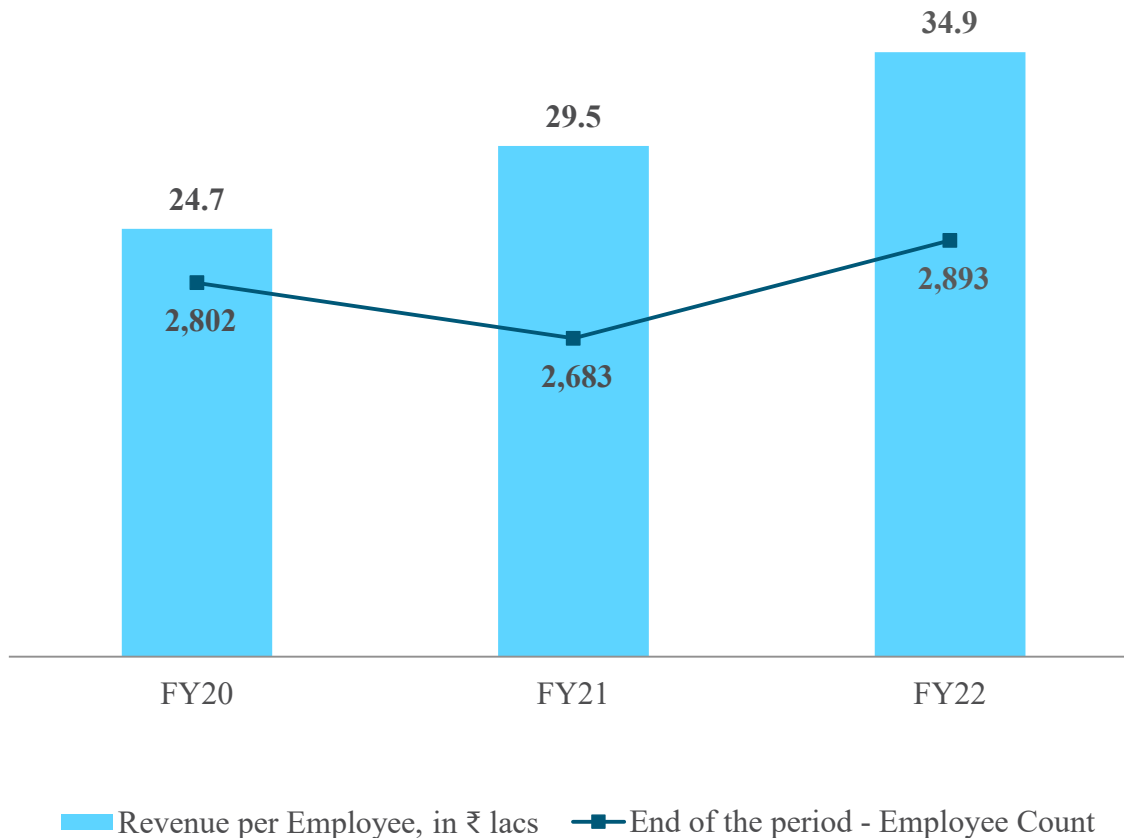
CMS & CASA occupy 20.5% of the revenue pie in Q4FY22 vis-à-vis 13.4% as compared to Q4FY21 – these two are also the high growth and high margin products



Operating Leverage

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

Revenue per Employee & Total Employee count



- ✦ Growth in revenue per employee by 33.8% for Q4FY22 annualized for full year over FY21
- ✦ This is despite an increase in employee count by 7.8% for the year
- ✦ Rise in employee count is primarily on account of rapid expansion of teams across several geographies – like West Bengal, Orissa, Rajasthan, Telengana, Assam, Tamil Nadu, Kerala, Chattisgarh, Uttarakhand and Madhya Pradesh among others
- ✦ Majority of the new employees are part of the feet-on-street teams



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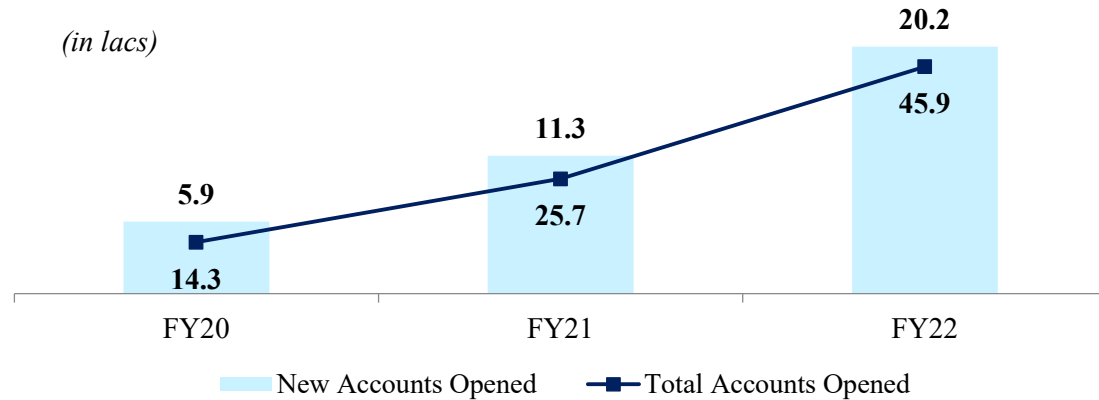
Product Strategy & Performance Trends



CASA and Debit Cards

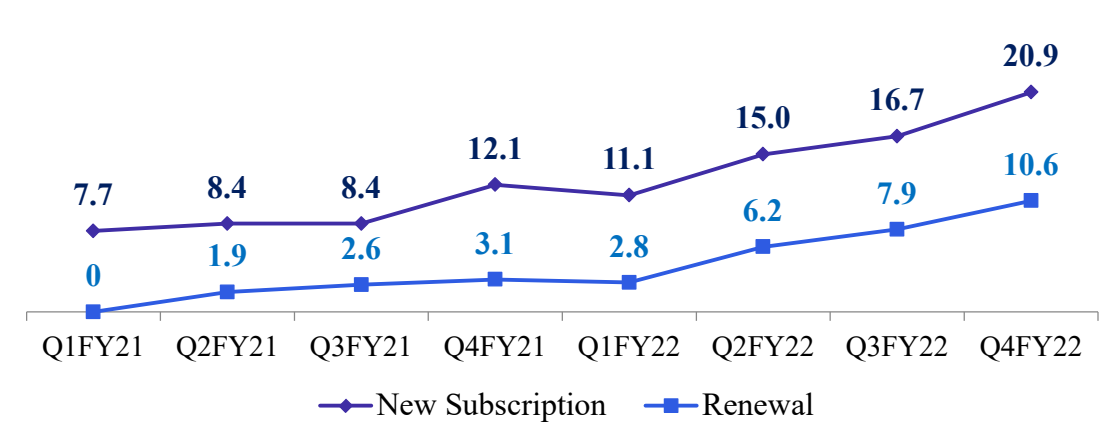
A high margin-high growth product now showing robust annuity income through subscription renewal

Accounts Opened



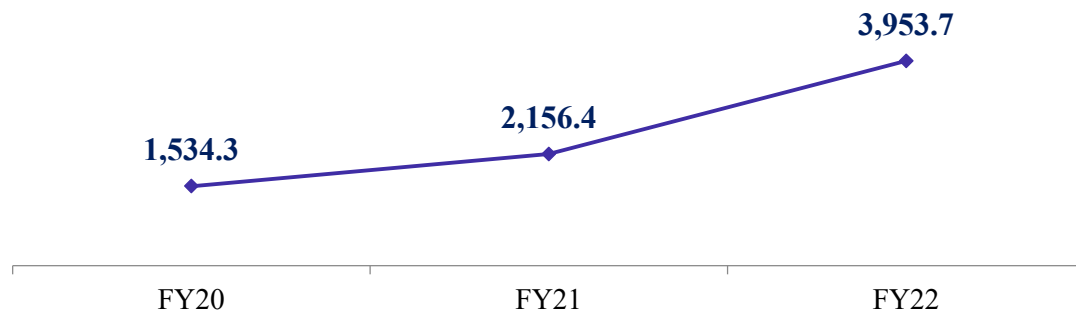
Subscription Revenue

(in ₹ cr)



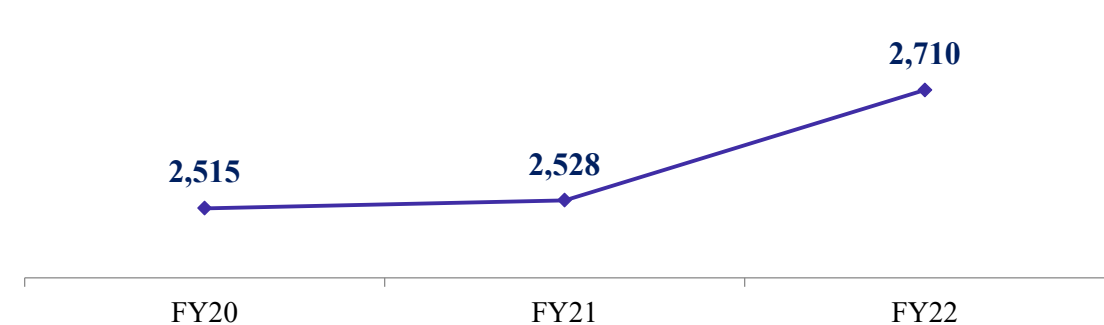
Debit Cards Spends *

(in ₹ cr)



Debit Card Spends Per Transaction

(in ₹)

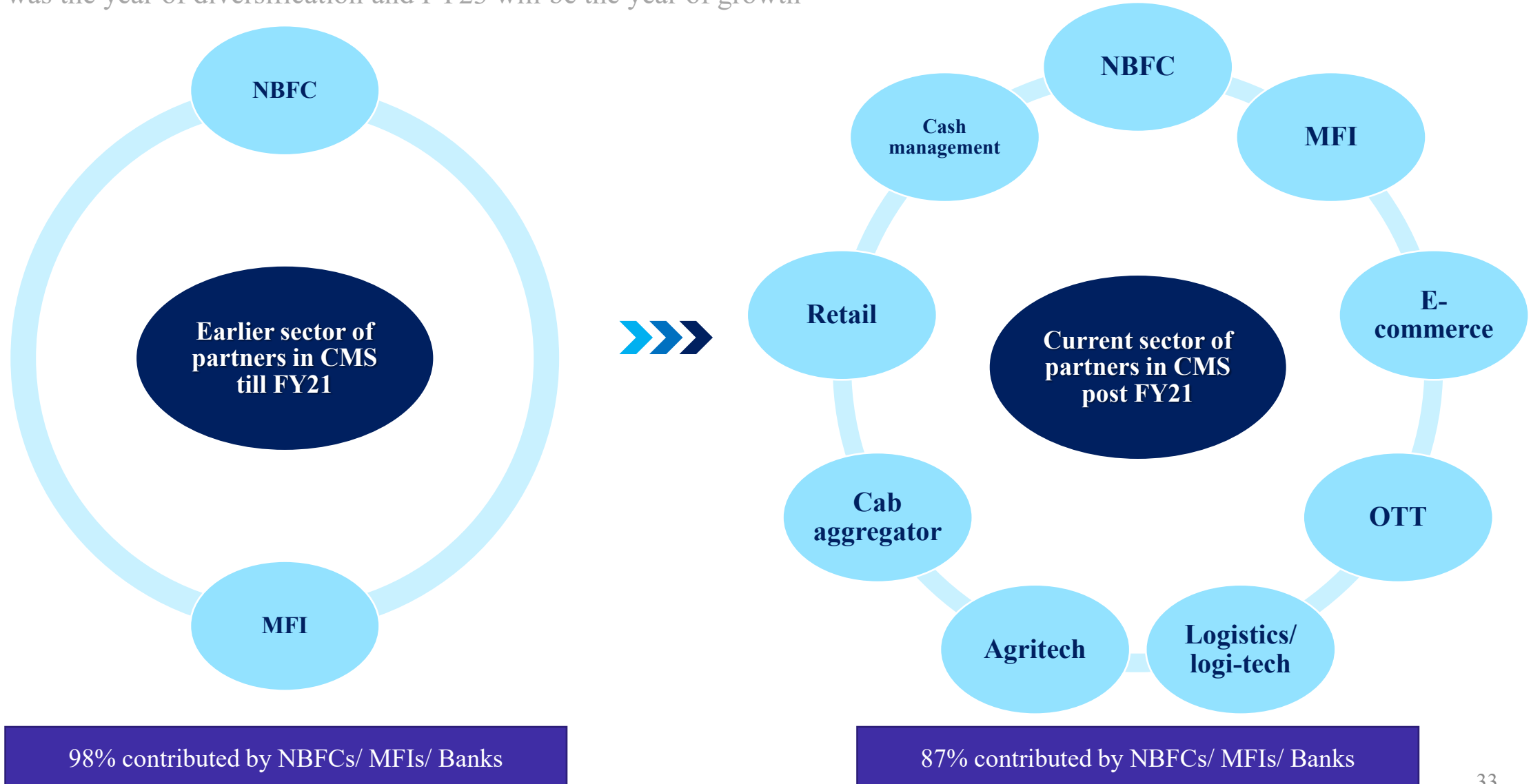


- ★ Subscription revenue from both renewal and new subscription in CASA grew by 106% YOY in FY22 while new accounts opened jumped by 79% YOY
- ★ Debit card overall spends grew by 83% YOY in FY22 while spends per transaction grew by 72% YOY in FY22

* Data for FY20 & FY21 are from FINOPB RHP and data for FY22 are as per RBI disclosures which does not include transactions done by Fino customers

CMS: Transition through Sector Diversification (1/3)

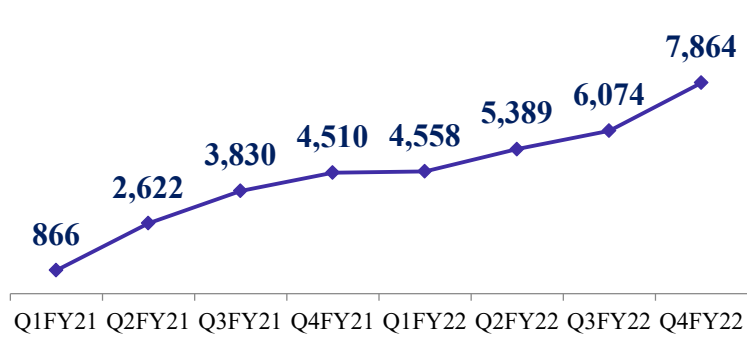
FY22 was the year of diversification and FY23 will be the year of growth



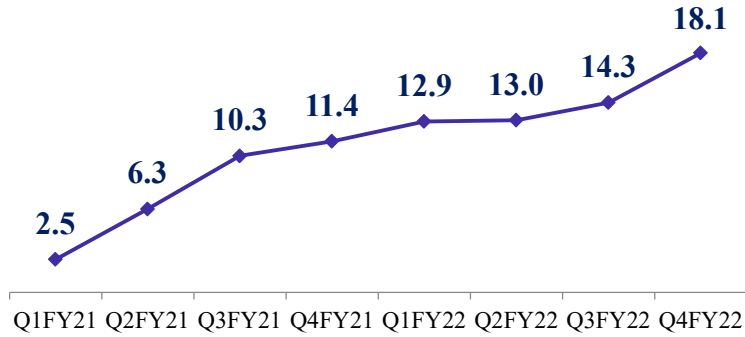
Cash Management Services (2/3)

Accelerated growth path helped by aggressive partner on-boarding

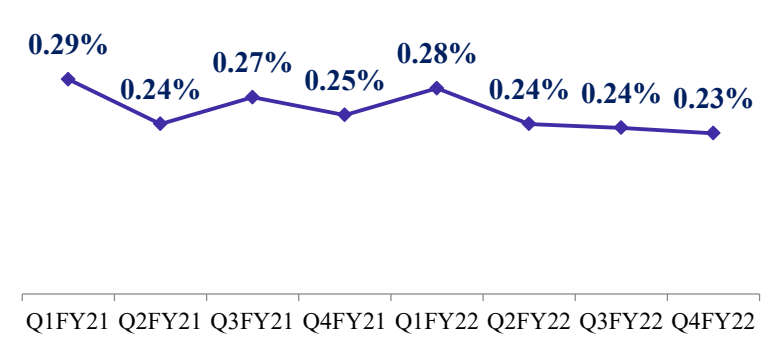
Throughput (in ₹ cr)



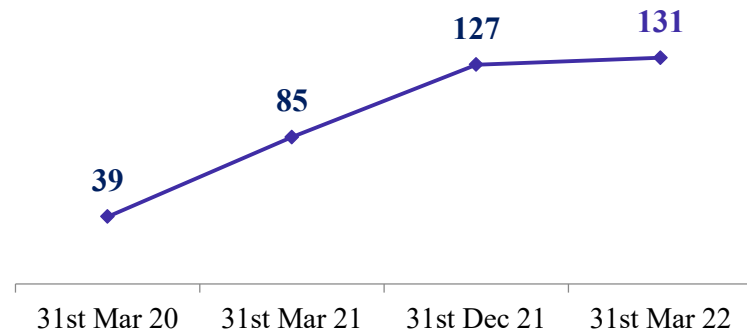
Revenue (in ₹ cr)



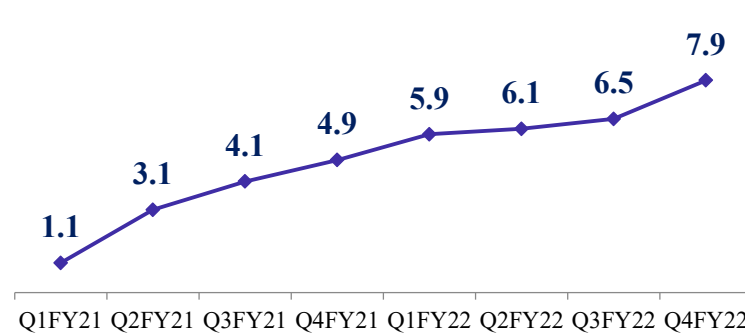
Take Rate



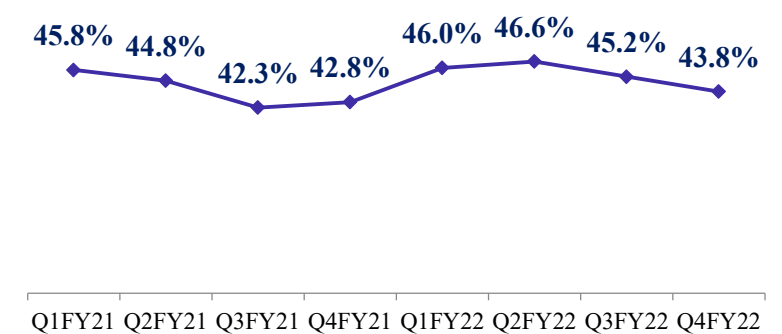
Number of partners



Net Revenue (in ₹ cr)



Gross Margins

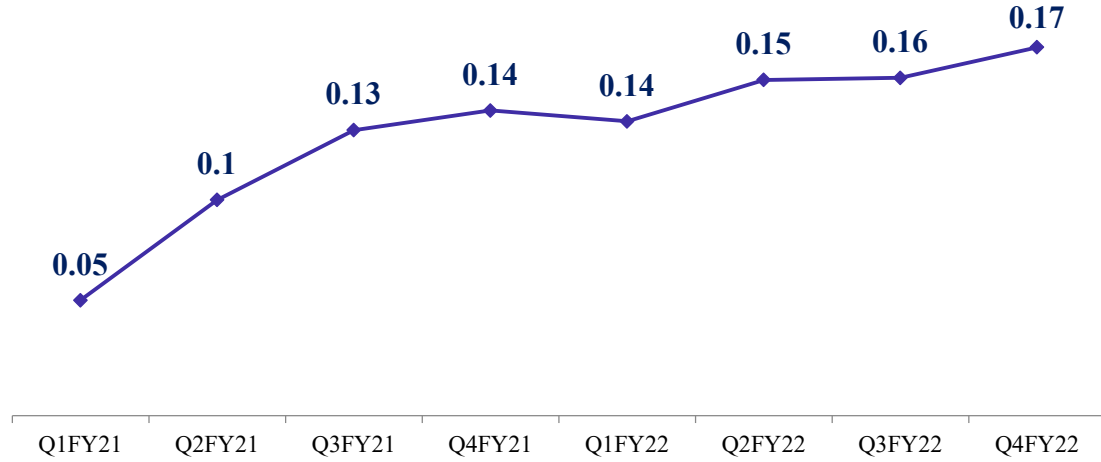


Cash Management Services (3/3)

Despite a rapidly increasing business volume, the unit economics are on an upward curve

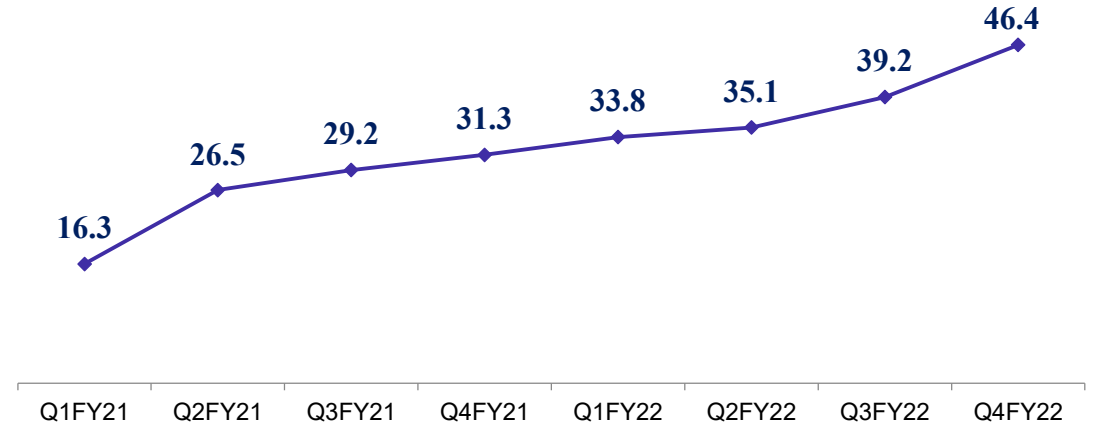
Transaction Count

(in ₹ cr)

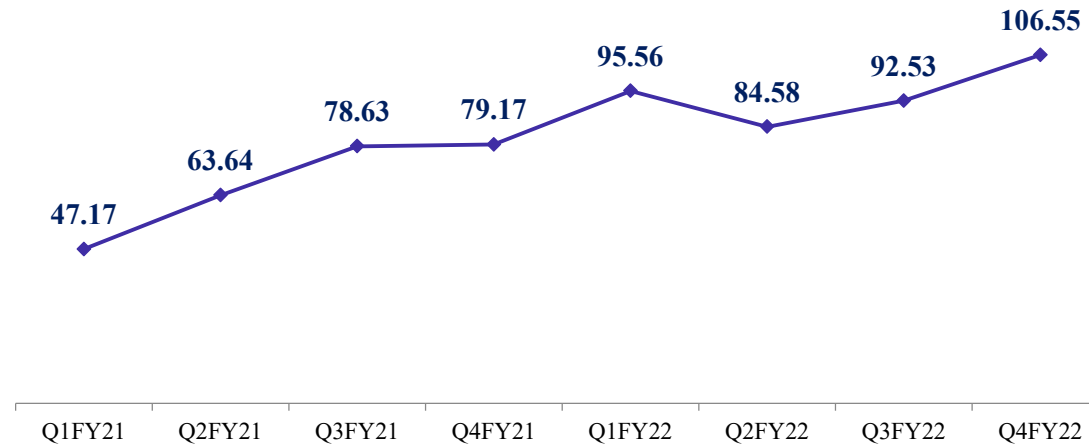


Average Ticket Size

(in ₹'000)

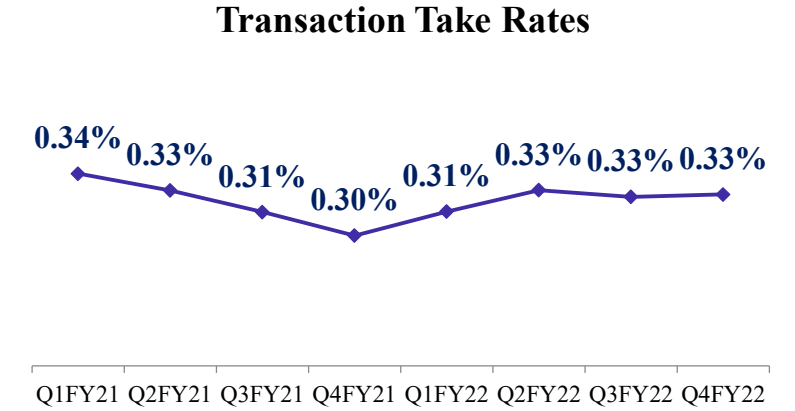
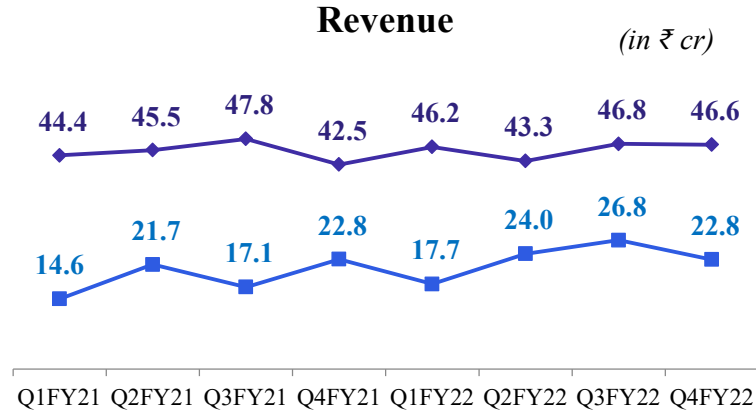
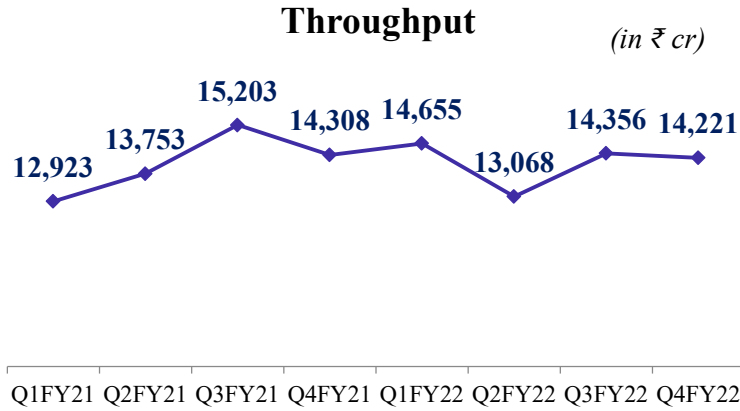


Average Revenue Per Transaction



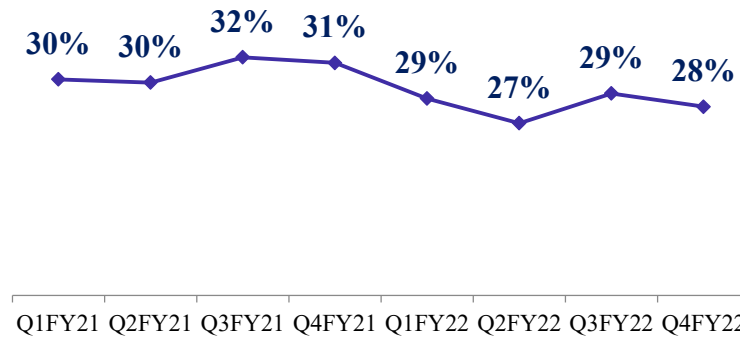
Micro-ATM & AEPS

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

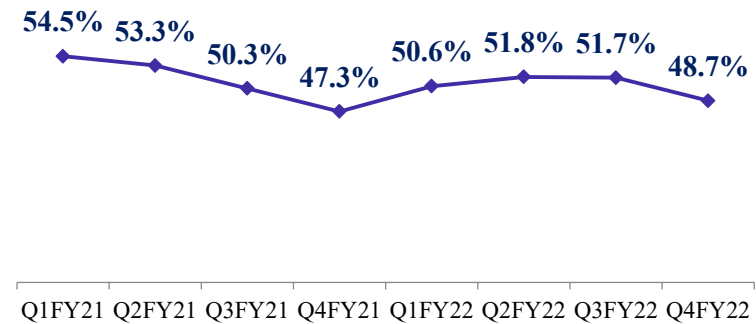


◆ Transaction ■ Onboarding

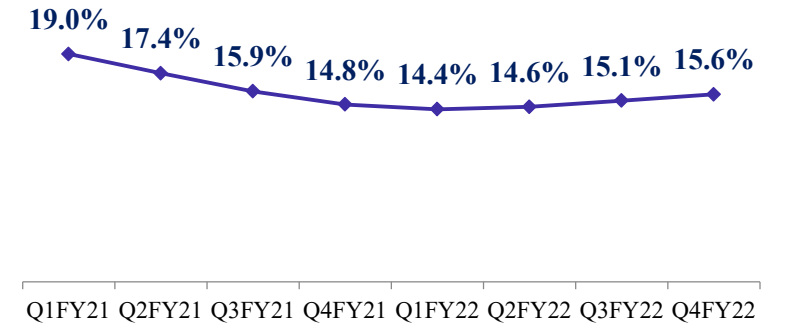
Throughput On Open Banking Channels



Own Channel Transaction Margin



Open Banking Transaction Margin



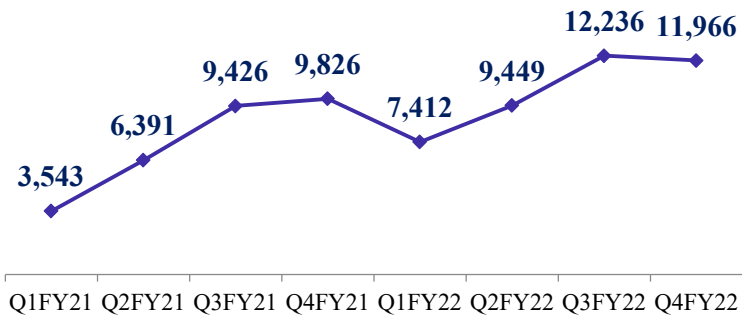
- ✦ *Micro ATM & AEPS are products wherein customers of other bank accounts primarily walk to a Fino merchant points to withdraw cash*
- ✦ *As a bank, there is a tremendous opportunity to open Fino Bank accounts of these customers – funnel to attracting more future transactions*

Remittance

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

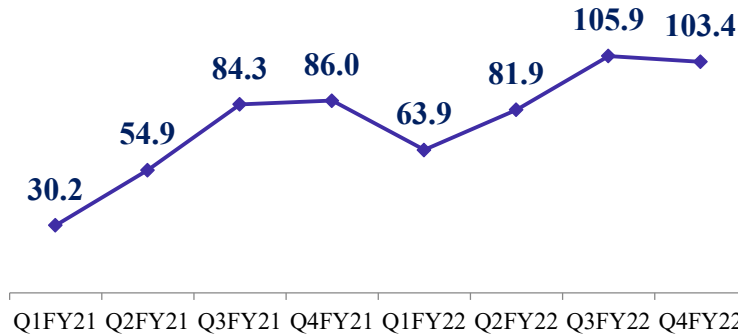
Throughput

(in ₹ cr)

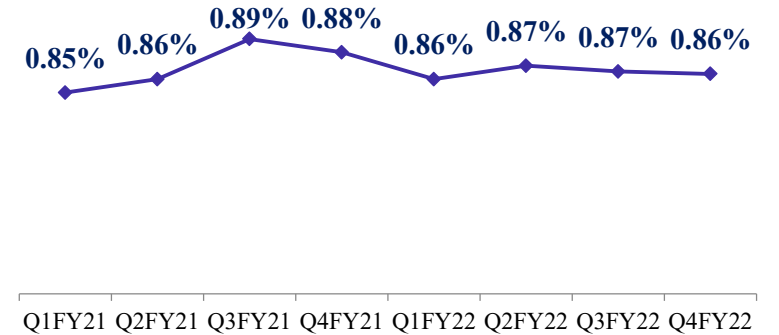


Revenue

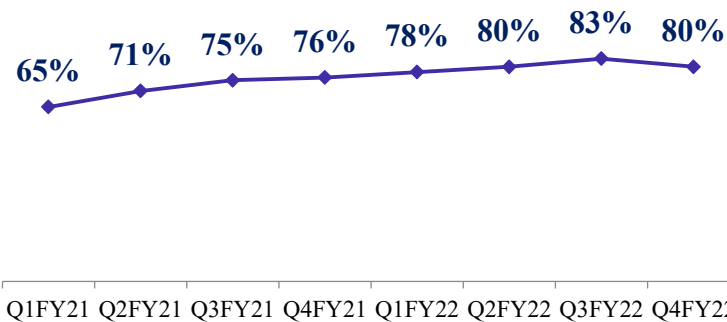
(in ₹ cr)



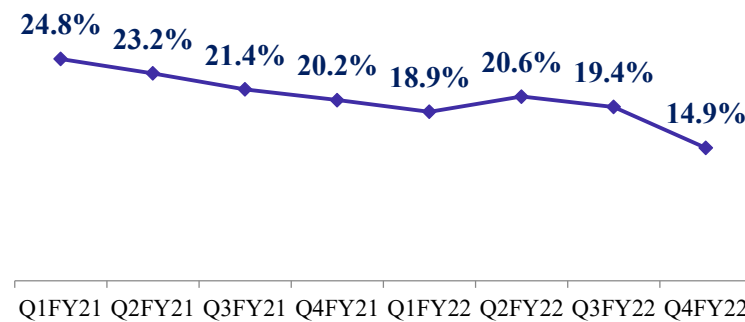
Take Rate



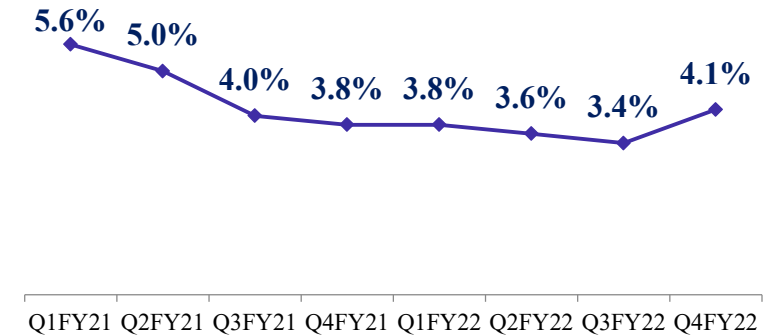
Throughput On Open Banking Channels



Own Channel Margins



Open Banking Margins













- ✦ 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



Competitive Landscape Across Industry


Competition helps in the ecosystem to develop and expand

Whole Bank

At a macro level, Fino Payments Bank does not have a meaningful standalone competitor barring the active payments banks

	Banks, SFBs, RRBs	Non-digital Fintechs	Payments Banks & India Post
CASA	 		
CMS			
DMT		 	
MATM & AEPS		 	

  *High competitive intensity*

 *Reasonable competitive intensity*

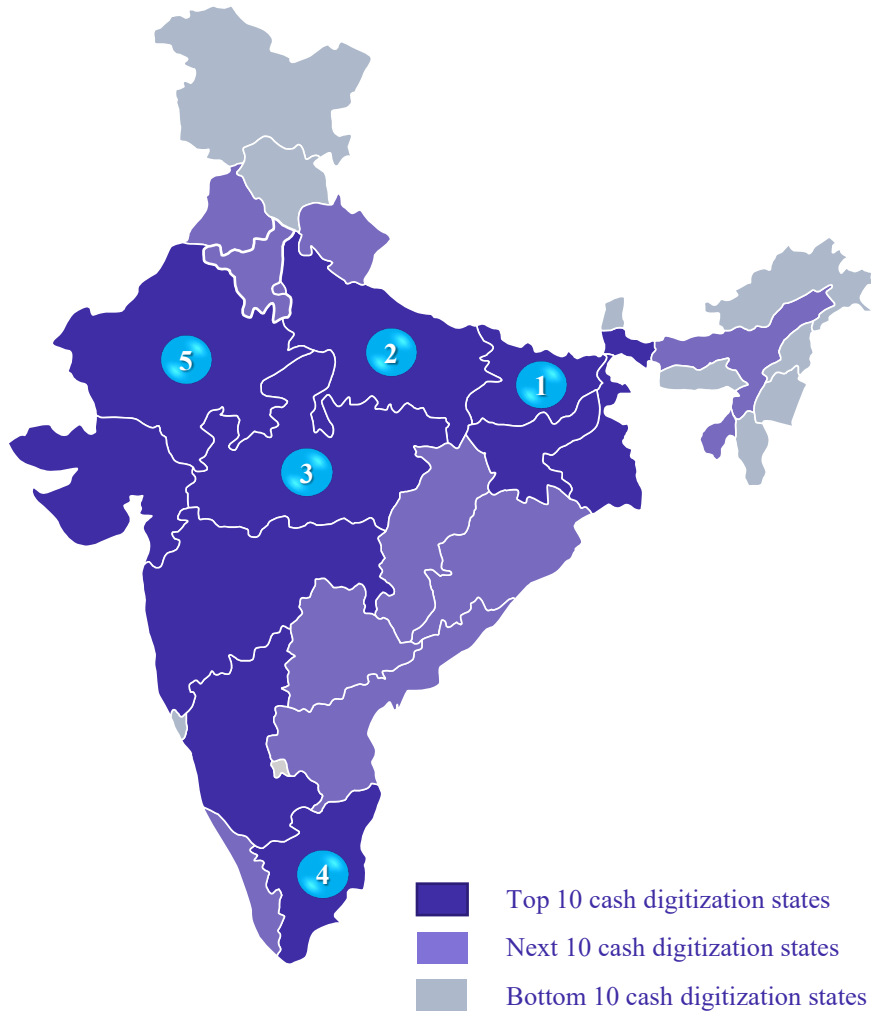


Inside India Insights



Fino Bank's Cash Digitization Landscape

4 out of top 5 states in CMS cash digitization for Fino Bank are states having no metro cities



A district in Bihar does more CMS than an entire state of Chattisgarh, Punjab & Kerala individually

Darbhangha > Chattisgarh
Punjab
Kerala

6 districts of Bihar does more CMS than an entire state of Uttar Pradesh, which is also the 2nd biggest cash digitizer on CMS in India

6 districts of Bihar combined > Entire state of UP

Approx 9 Indian states are digitizing cash through CMS on a monthly basis

State in Southern India which digitizes the most cash

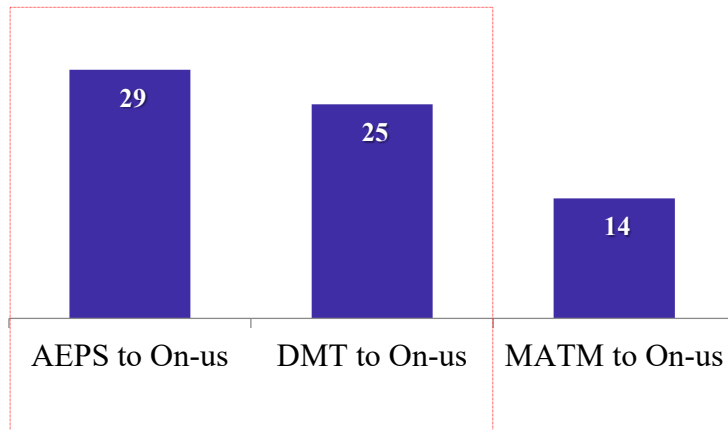
₹100 cr

Tamil Nadu

AEPS to CASA Conversion Correlation is the Highest

Amongst all off-us products, AEPS conversion to Fino Bank accounts (on-us) is positive in the most number of states

No. of States & UTs with positive correlation between an off-us to on-us conversion



The value proposition to open a Fino Bank account offering an over-the-counter debit card is more relevant to customers using AEPS for cash withdrawal and DMT for money transfer

States that majorly contribute to the off-us revenue pool have a much higher share of AEPS over MATM

Eastern States	Western States	Central States	Southern States
Bihar	Uttar Pradesh	Madhya Pradesh	Andhra Pradesh
Jharkhand	Delhi	Chattisgarh	Telengana
West Bengal	Rajasthan		

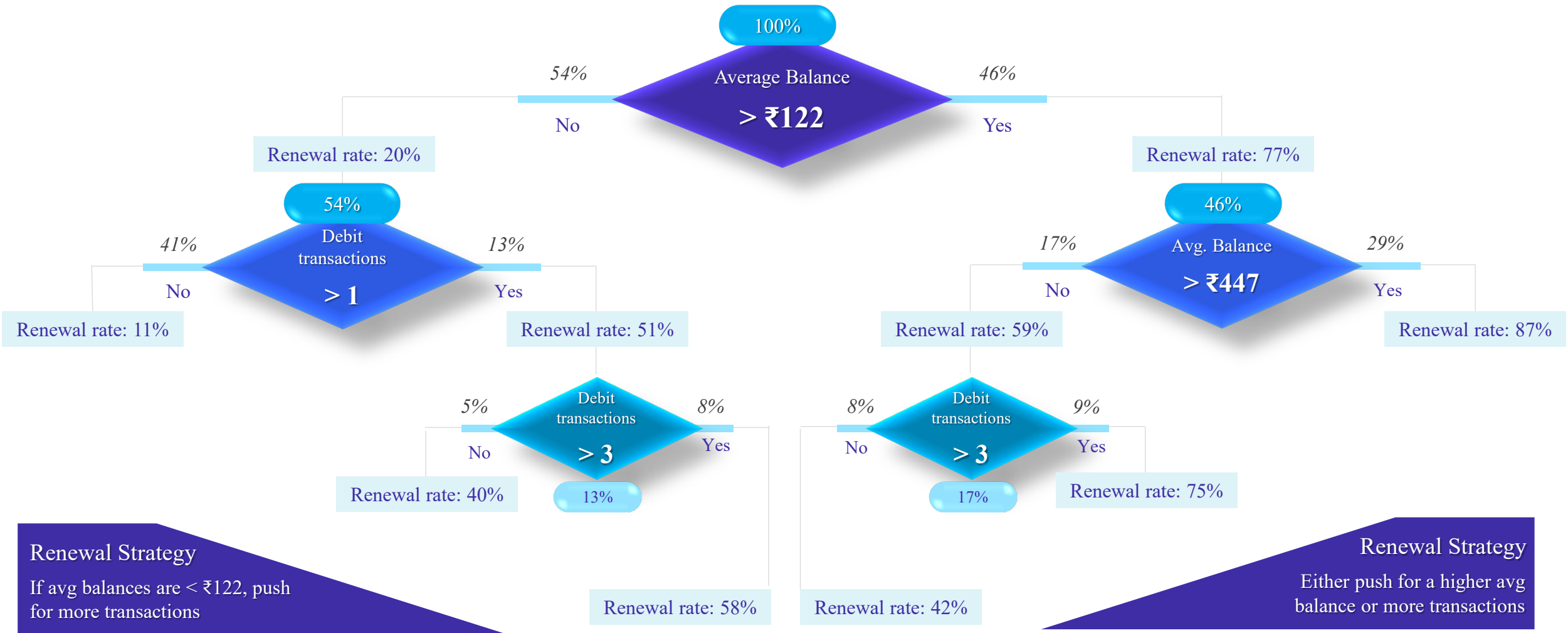
In fact around 48% of the MATM & AEPS own channel throughput is contributed by only the AEPS throughput of these 10 states

Interesting Facts:

- ★ Of the top 6 states having the highest correlation of AEPS to CASA conversion, 4 states are from Southern India
- ★ Kerala is the only Indian state to be in top 2 correlation rank for off-us to on-us conversion across micro-ATM, AEPS and DMT products independently

Average Balance > ₹447 has the Highest Propensity to Renew Subscription

Either higher average balance or more transaction frequency helps in higher renewal ratios



Renewal Strategy

If avg balances are < ₹122, push for more transactions

Renewal Strategy

Either push for a higher avg balance or more transactions

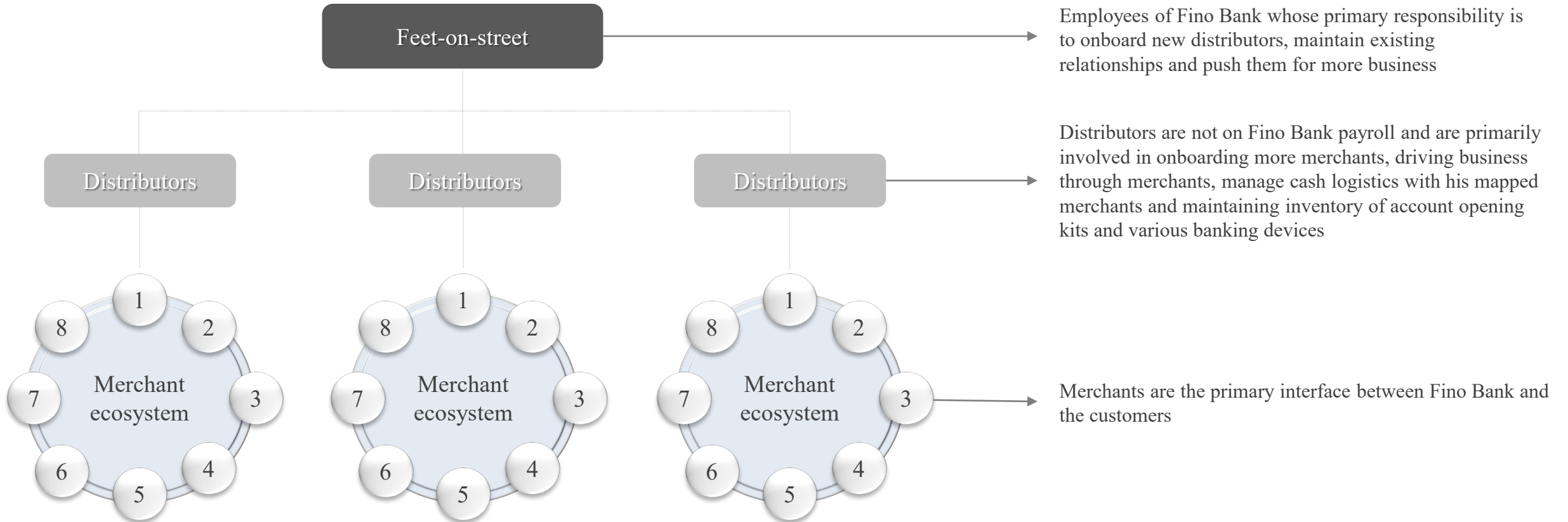


Network Engagement and Expansion



Fino Bank's Distribution Ecosystem

An operating framework that is similar to model followed by FMCG and telecom sector companies



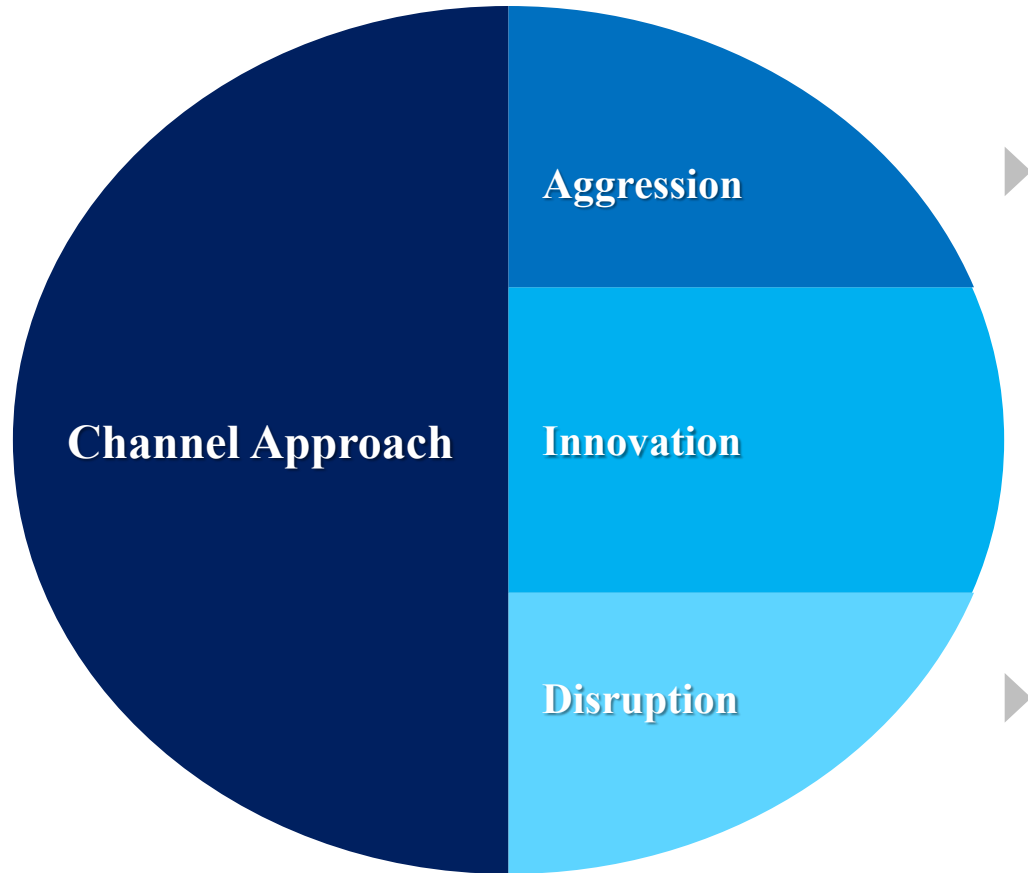
Distributor Engagement Initiatives

Engagement rolled out for distributors will also be replicated for merchants in due course



Network Expansion Initiatives

Widening and deepening of the network will allow more products and partnerships to leverage the outreach



- ☆ Volume based pricing strategy for merchants on MATM & AEPS and for both merchants and distributors for DMT
 - ☆ Distributor payout component on unique active merchant on MATM & AEPS
 - ☆ Revised commission structure for merchants in the 35k & 59k model
-
- ☆ Passbook printing by leveraging PSU counters
 - ☆ Fino Lite and optimal web portal for quick processing
 - ☆ New organization structure to streamline and fasten coordination with other teams like products, technology, compliance and HR among others
-
- ☆ Continue on rationalization of branches and deployment of staff towards relationship roles
 - ☆ Price products aggressively to gain market share from competitors



Core Technology and Digital Strategy



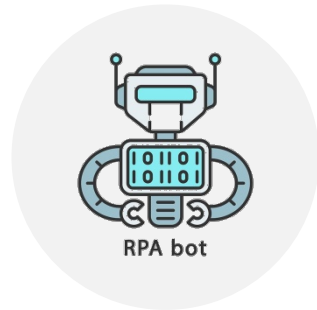
Core Technology Strengths

A healthy balance of in-house developments as well as best-in-class tech developed with partners



Video KYC

Implemented seamless merchant on-boarding



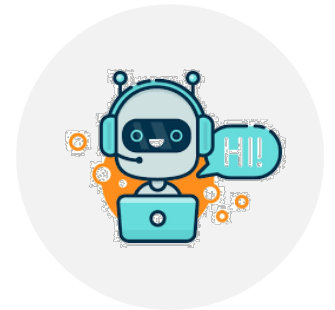
RPA

Implemented with partner; development WIP in-house



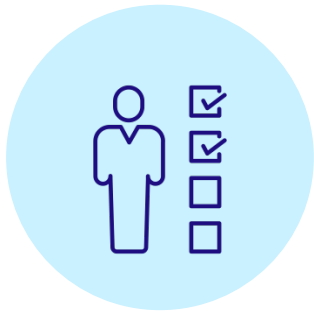
PTA

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



Fino Payments Bank
फिनो पेमेंट्स बैंक

Powered By
NPCI **B BHARAT BILLPAY**

#BindaasJeeto
12th Oct 2021 – 12th Nov 2021

BillPay Karo
indaas rewards jeeto

This festive season, there is something special for you!

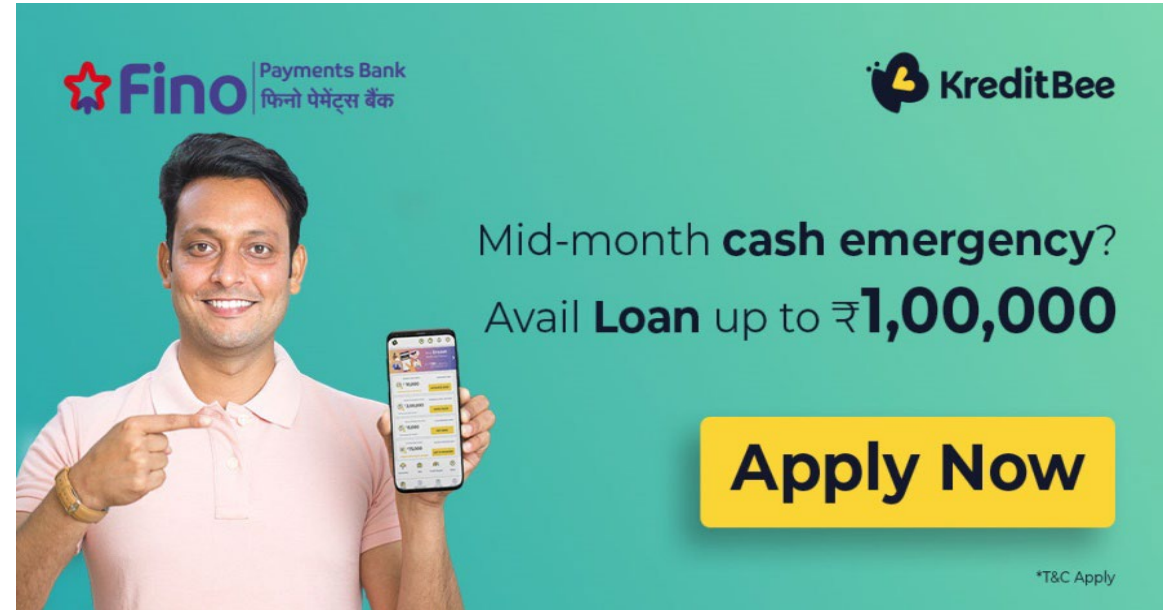
Make all your bill payments easily via Bharat BillPay enabled **Fino Payments Bank** & win exciting prizes!

Top 8 customers with highest number of transactions to be rewarded with

1 st Prize iPhone 13 1 Winner	2 nd Prize Smartphone 3 Winners	3 rd prize Alexa Echo Dot 4 Winners
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[Know more](#)

T&C Apply



Fino Payments Bank
फिनो पेमेंट्स बैंक

KreditBee

Mid-month **cash emergency?**
Avail **Loan** up to ₹**1,00,000**

Apply Now

*T&C Apply

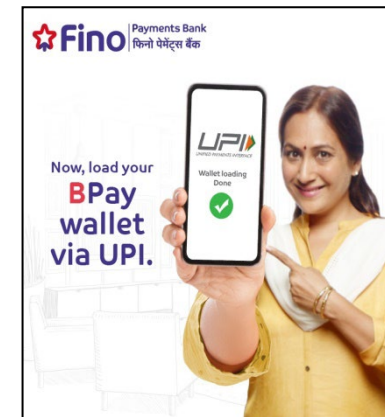


Fino Payments Bank
फिनो पेमेंट्स बैंक

WHY TYPE MANUALLY, WHEN YOU CAN PAY DIRECTLY.

Introducing 'UPI to Contact' feature on your bpay app.

UPI
UNIFIED PAYMENTS INTERFACE



Fino Payments Bank
फिनो पेमेंट्स बैंक

Now, load your **BPay** wallet via UPI.

Wallet loading Done

Our Digital Footprint

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



Facebook

1,46,164 Followers



Instagram

8,349 followers



Merchant

3.5 lac leads sourced in FY22



YouTube

59,992 subscribers



Twitter

5,746 followers



Account Opening

4.4 lac leads sourced in FY22

Digital Overlay Strategy

A digital overlay on the physical model will add robustness to resilience

Favorable Demographics

Increasingly younger customer profile

A millennial and Gen Z customer profile to use more digital platforms on long term basis

Digital Overlay

Immense potential of online banking and UPI platforms

Early traction of cross sell already visible like for merchant referral product – a long pipeline of such exciting products await launch

Tech Infrastructure

Robust tech infra already in place

Significant capex incurred in setting up robust banking channels and equipping them with necessary devices

Network

10.2 lac merchant network

Pan-India banking access points (including customers of other commercial banks, small finance banks, payment banks & fintechs)



Thank You



Annexure



Understanding Fino's Products



Current and Savings Account (1/2)

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

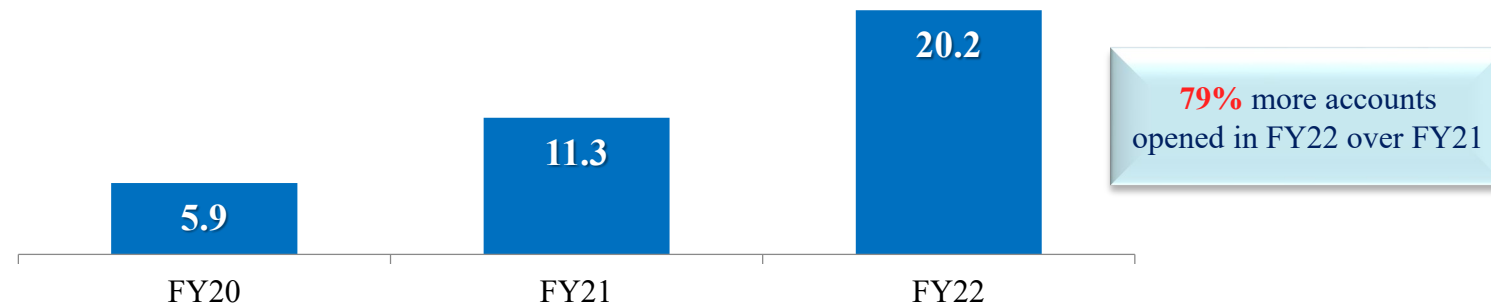
Use Case: A bank branch in tier 3 and below city is generally very crowded and is far away. It is also open during limited banking hours on weekdays. Through Fino Bank, the idea here is to provide a bank account at the doorstep of the customer

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

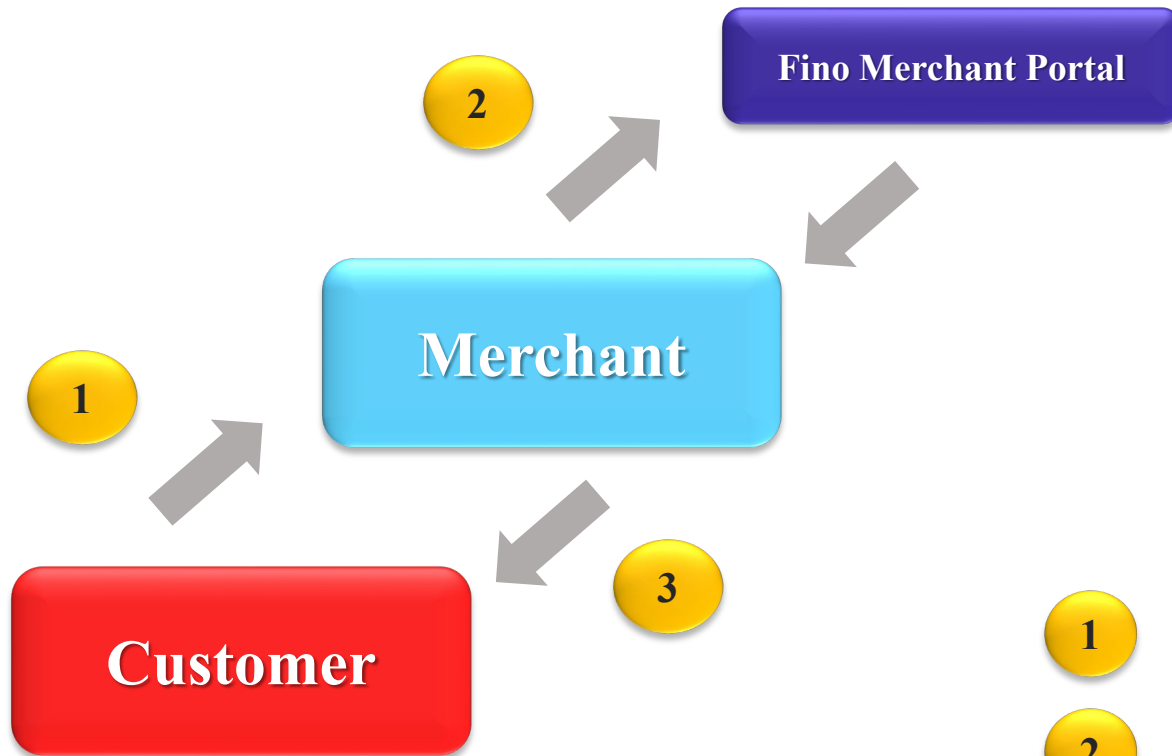
Bank Accounts Opened – Fino Payments Bank

(in lacs)



Current and Savings Account (2/2)

Understanding the process flow of an account opening



Revenue source

**Subscription Fee
charged to Customer**

- 1 Customer approaches a merchant for account opening
- 2 Merchant seeks various customer details and enters in the Fino portal
- 3 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

Cash Management Services (1/2)

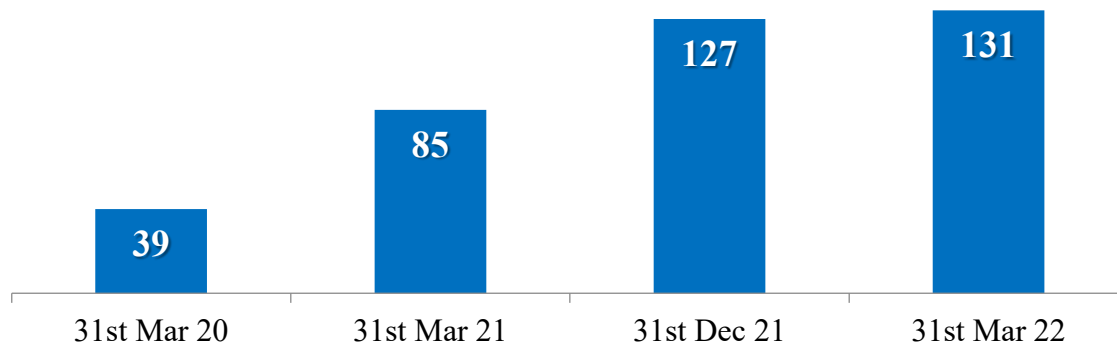
Defining the problem statement, customer segment, potential and Fino's business value

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

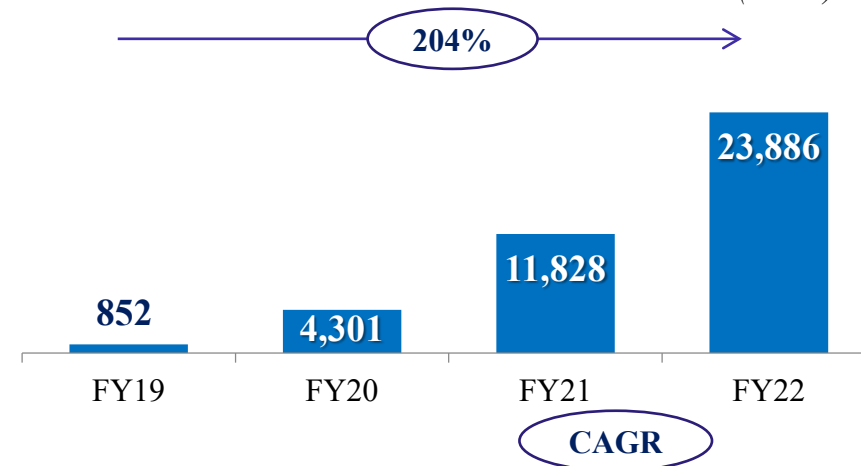
Customer Segment: NBFCs, MFIs, logistics, retail & B2B ecommerce, cab aggregators, agritech, retail, among others are the segment of companies – they collect cash either for loan EMIs or on COD orders from their retail customers

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

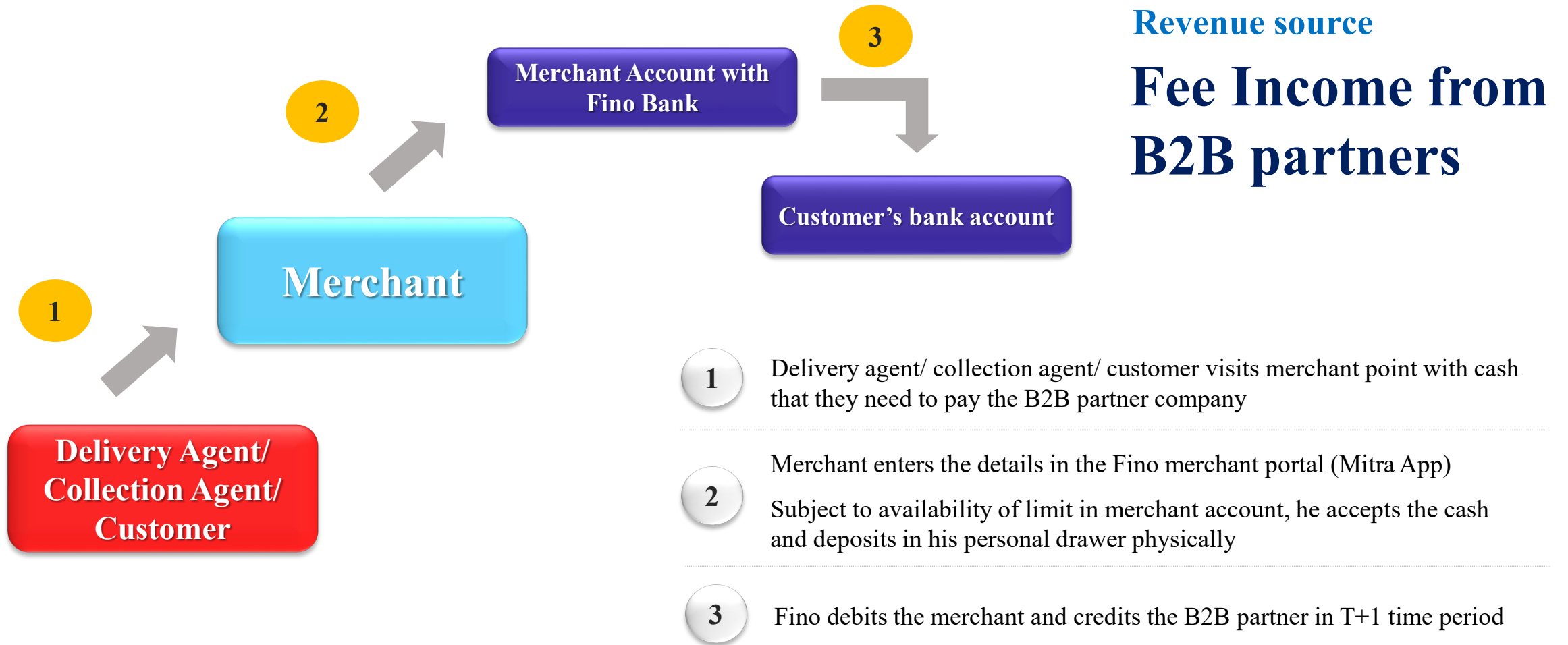


CMS Transaction Value – Fino Payments Bank
(in ₹ cr)



Cash Management Services (2/2)

Understanding the process flow of a CMS transaction



Delivery agent/ collection agent/ customers will get an automated receipt confirmation

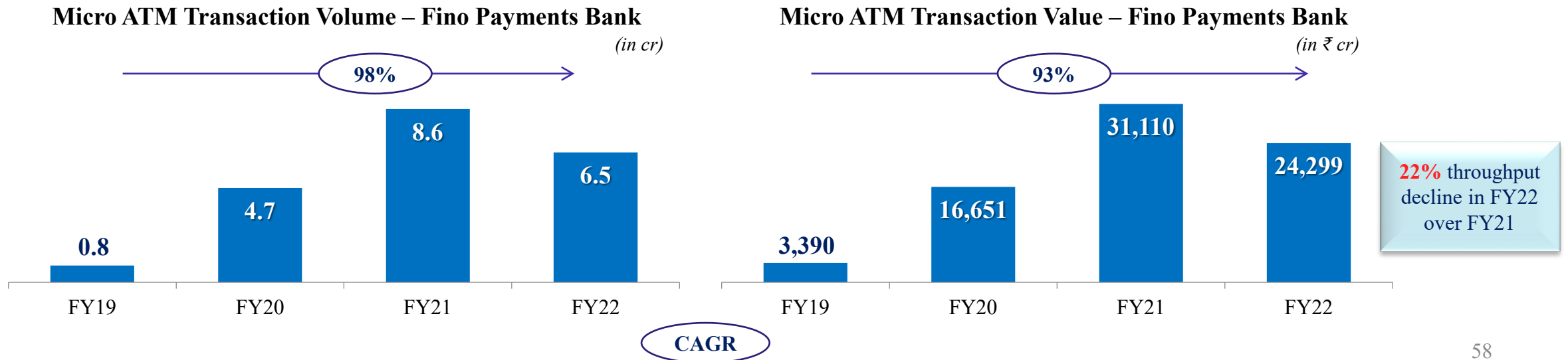
Micro-ATM (1/2)

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

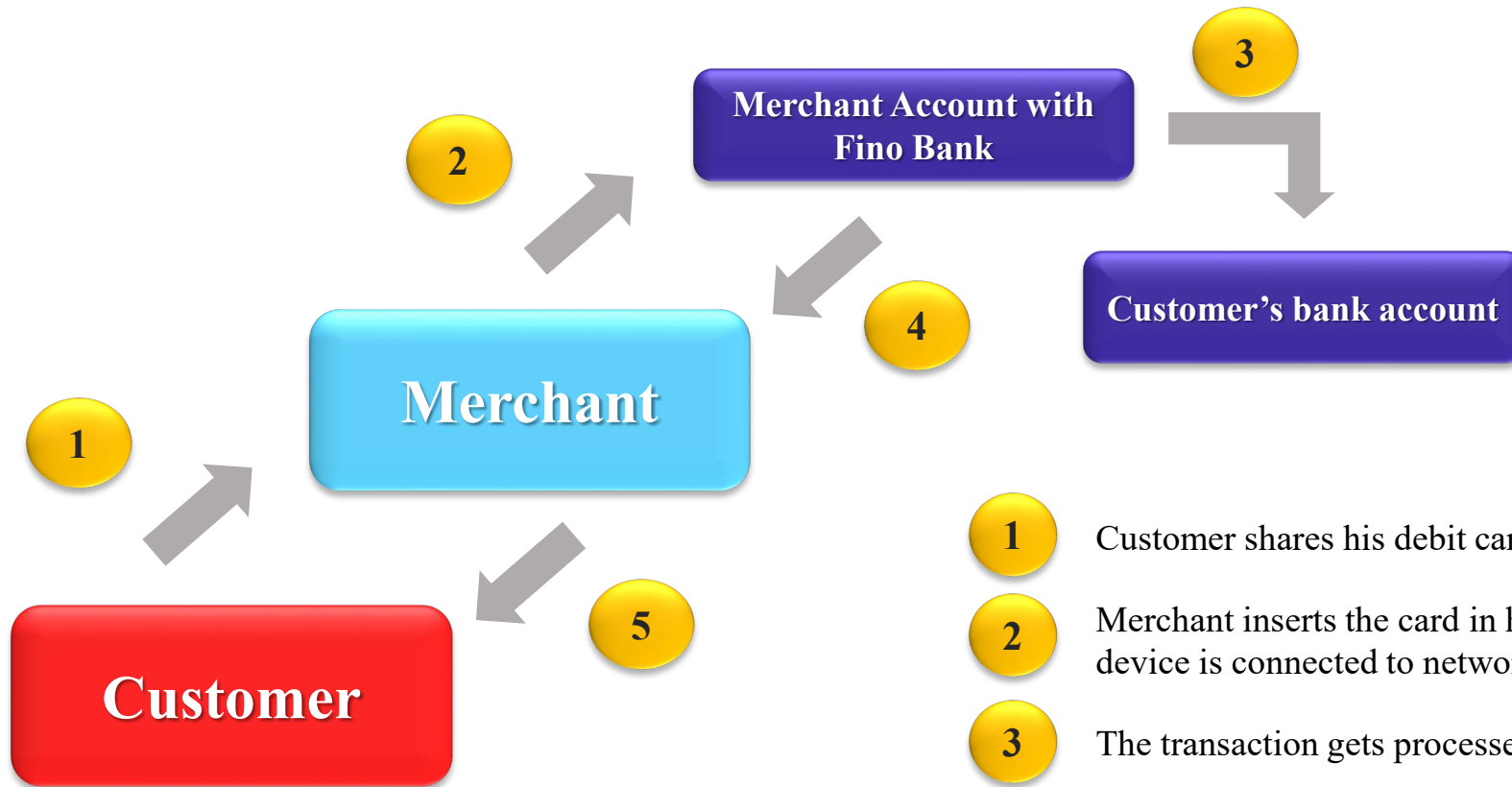
Customer Segment: Customers in markets which don't have a deep ATM penetration. These would be the emerging India customers at the middle of the pyramid

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 (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

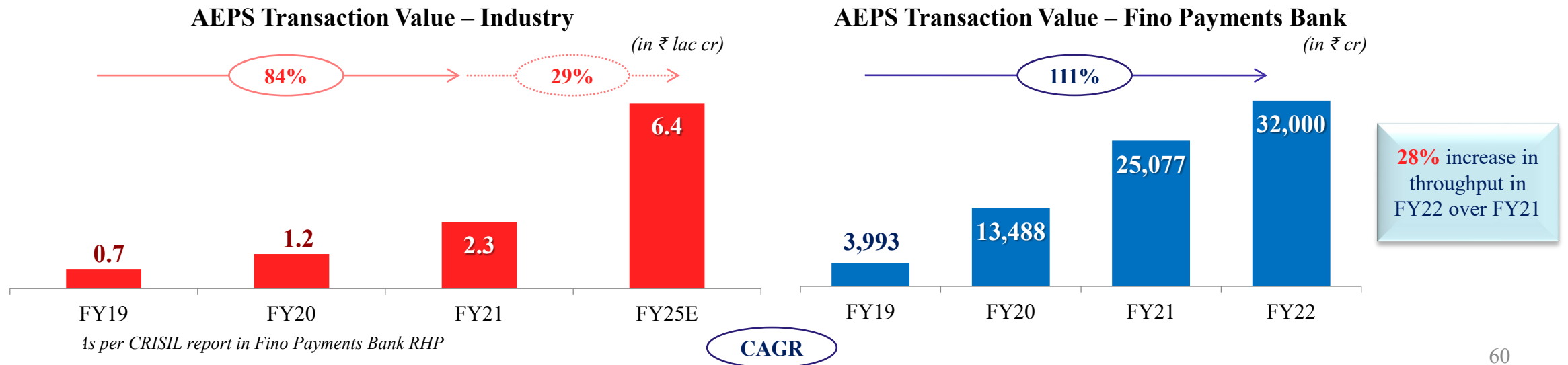
AEPS (1/2)

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

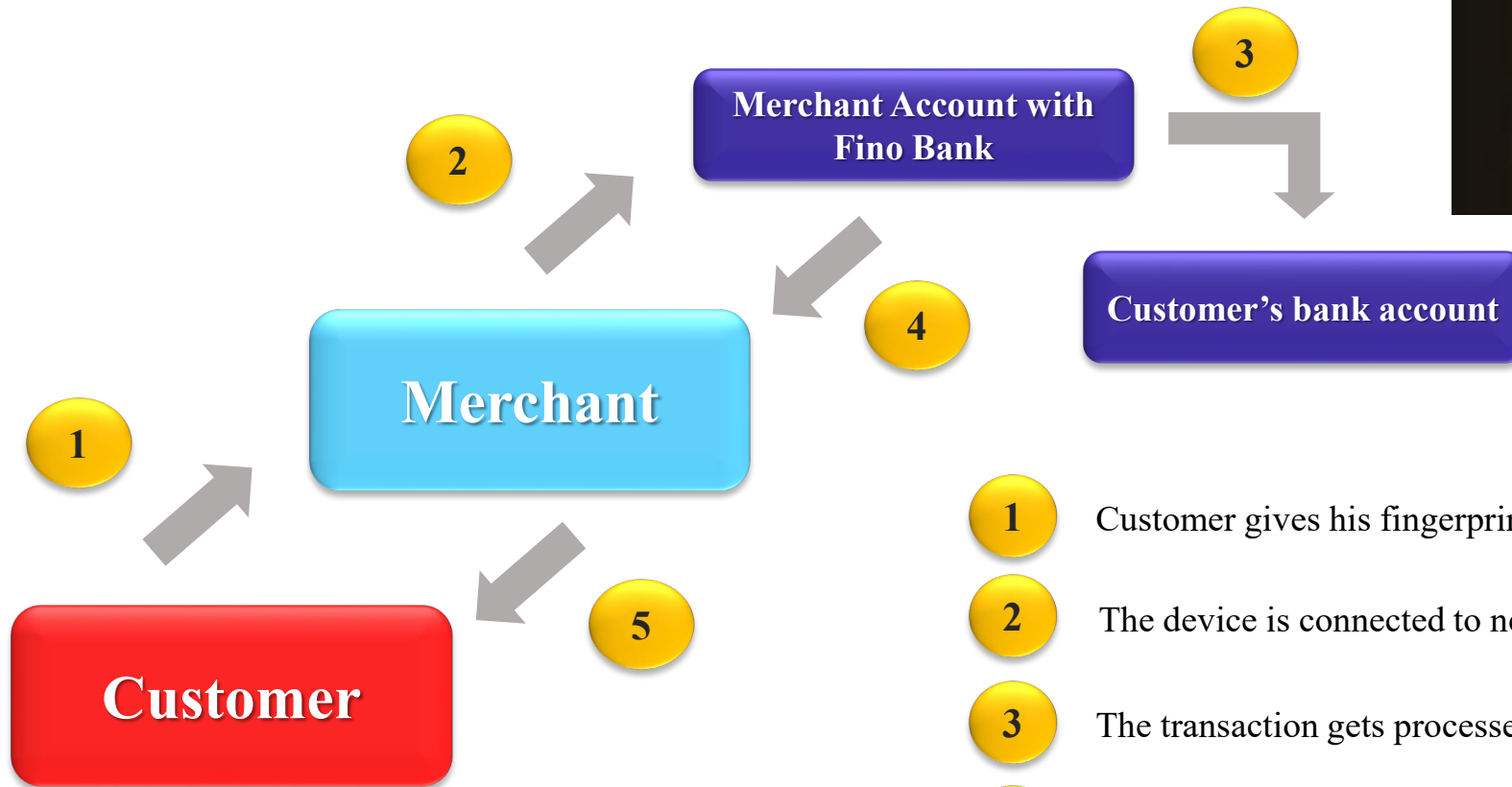
Customer Segment: As opposed to micro-ATMs, these are customers who don't have debit cards or don't carry one frequently with them. They find it more convenient withdrawing with a fingerprint authentication

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 (2/2)

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

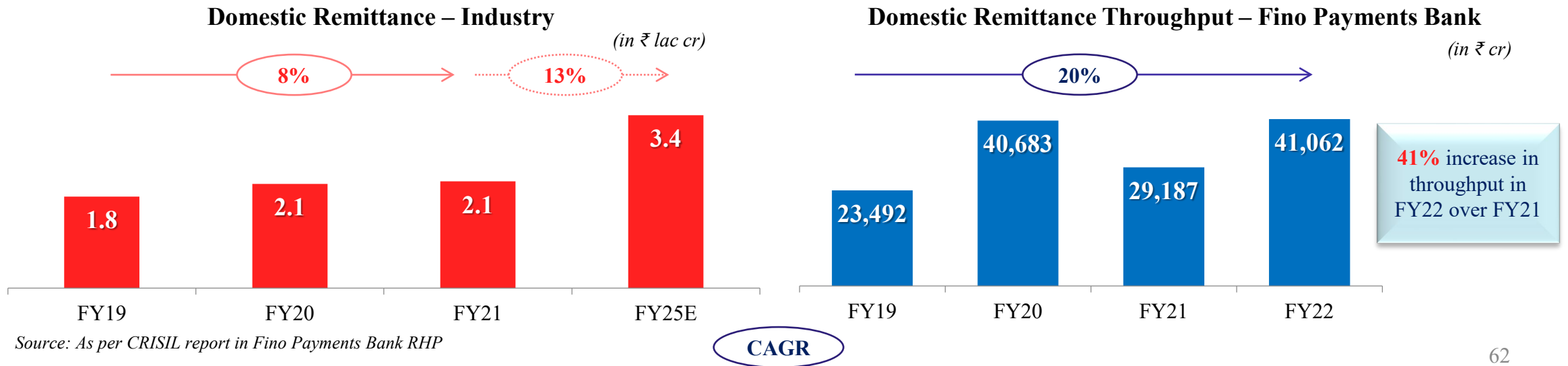
Remittance (1/2)

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

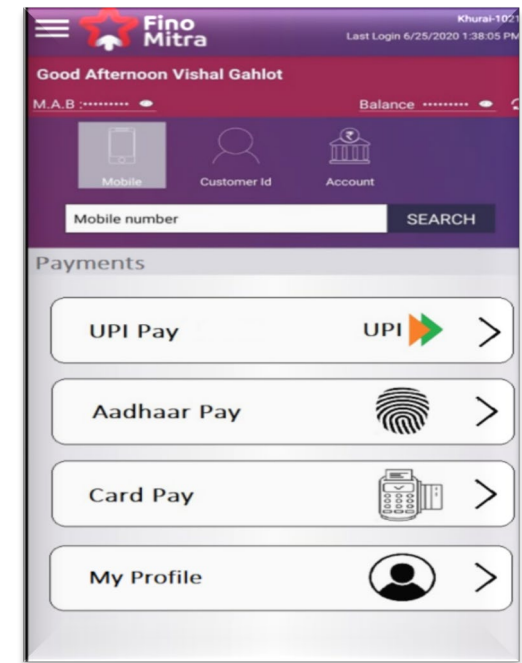
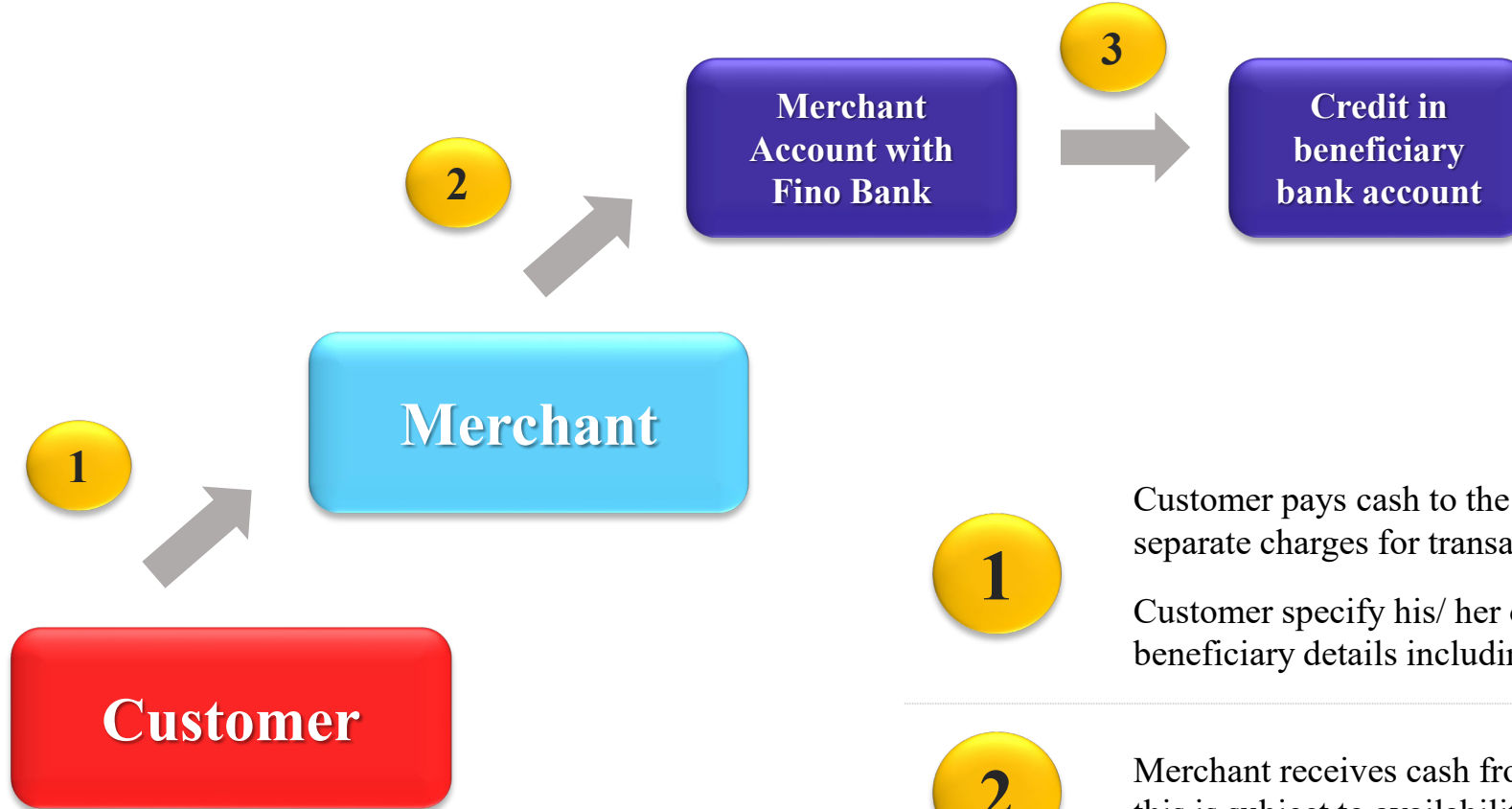
Customer Segment: Typically Emerging India customers at the middle of the pyramid are our target segment. Such customers earn in the range of ₹10,000-40,000 per month. Other customers who deal in cash are also our target customers for this product

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



Remittance (2/2)

Understanding the process flow of a remittance transaction



1

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

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

Post successful transfer, there will be an automated acknowledgement SMS sent to the transferring customer

Revenue source

Customer

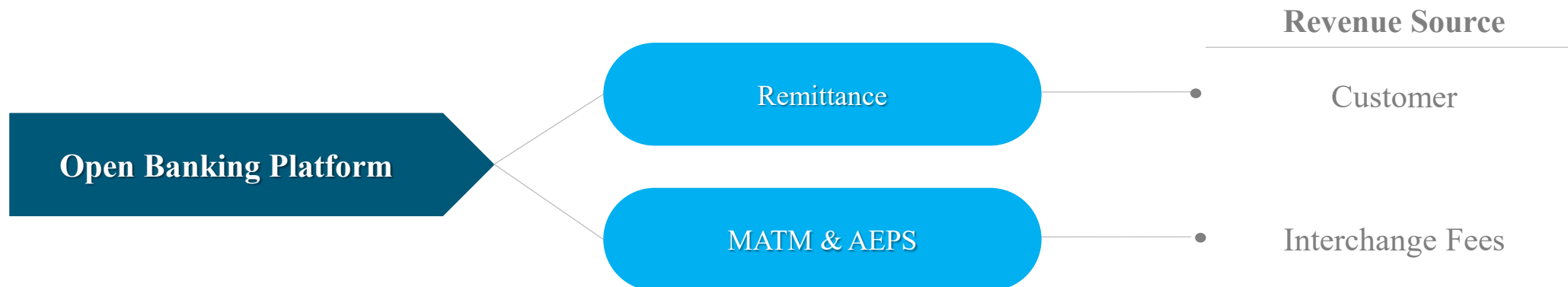
Open Banking Platform (1/2)

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

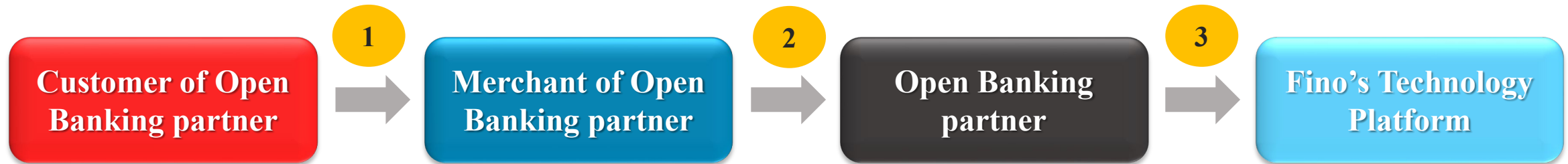
Customer Segment: Fintech partners who do not have a banking license of RBI

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 (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*