

July 27, 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")**

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In continuation to our letter dated July 26, 2022 and pursuant to Regulation 30 of the SEBI Listing Regulations, please find attached the investor presentation on Unaudited Financial Results of Fino Payments Bank Limited ("the Bank") for the first quarter ended June 30, 2022.

The said presentation is also available on the Bank's website i.e. [www.finobank.com](http://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](http://www.finobank.com)



# Fino

Payments Bank  
फिनो पेमेंट्स बैंक

## Q1FY23 Board Presentation

27<sup>th</sup> July 2022



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- ☆ Strategic Overview
- ☆ Q1FY23 Highlights
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- ☆ Product Strategy and Performance Trends
- ☆ Understanding Fino's Products





# Fino

Payments Bank  
फिनो पेमेंट्स बैंक

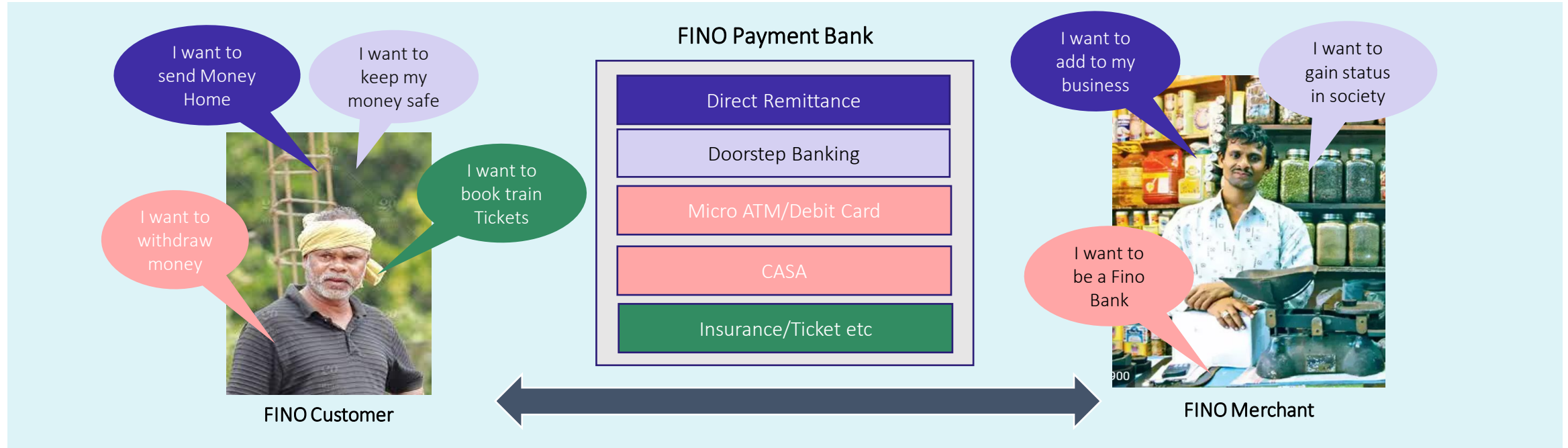
## Strategic Overview

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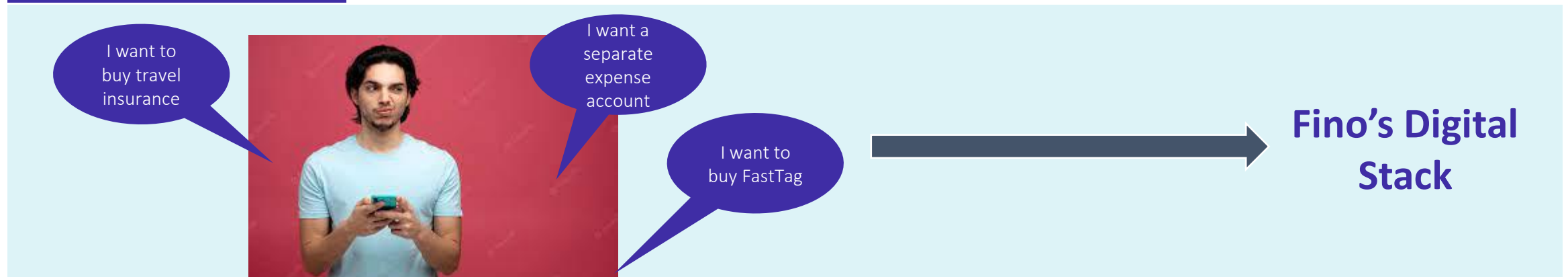


# Fino's Solutions for Common Man's Problem

## FINO 1.0



## FINO 2.0





# Driving Social Transformation: Touching Lives

## REMOVE BANKING BARRIERS

The vast Phygital network brings banking to doorstep

## GENERATE RURAL EMPLOYMENT

Second income opportunity as bankers earn around Rs 1,000 to Rs 50,000 a month!

## IMPROVE QUALITY OF LIFE

Customers use time productively; Merchants earn extra, expand business, gain goodwill

## COMFORT TO CUSTOMERS

Lower need for cash withdrawal due to easy accessibility in every neighbour

## CASH DIGITALIZATION

Last mile cash digitalisation- precursor for digital payments.



**Here for the hardworking Indian.**

At Fino Payments Bank, we believe that no bank balance is too small, and that every effort deserves a rewarding bank account. By using technology but never losing touch, we aspire to bring easy banking closer to everyone, in every part of the country.

Current Account • Savings Account • Insurance  
BC Lending • Remittance Services

2500+ Touchpoints • 410 Bank Branches • Instant Account Opening • Paperless Banking  
Instant Money Transfer • Anywhere Banking • Anytime Banking • Mobile Banking

To know more, SMS 'FPB' to or give a missed call on 7836878368.

Fino Payments Bank Limited • Fino Payments Bank Private Limited • Fino Payments Bank

**Fino Payments Bank**  
QADAR AAPKI MEHNAT KI

# Presence in both the Eco-system: Physical and Digital

## Option 1 – Physical: Merchants as Bankers



- Merchants points and banking points; financial services is an add on product
- A typical Fino merchant could be a kinara store owner



## Option 2 – Digital: FINO App

- Customers can access Fino Products directly through the Fino APP

### Revenue Model

- All Fino Products have a underlying revenue model [eg: subscription fee; transaction fee]
- Fino earns commission on every transaction which is shared with customers

- Higher margins as Fino earns transaction income directly from customer
- Upfront subscription fee for opening a bank account

### Benefit for Customer

- Access to a neighbourhood banking branch
- Facility available beyond banking hours
- Assisted banking

- Can access products anytime and anywhere
- Facility available beyond banking hours
- Assisted banking

## Merchant Onboarded

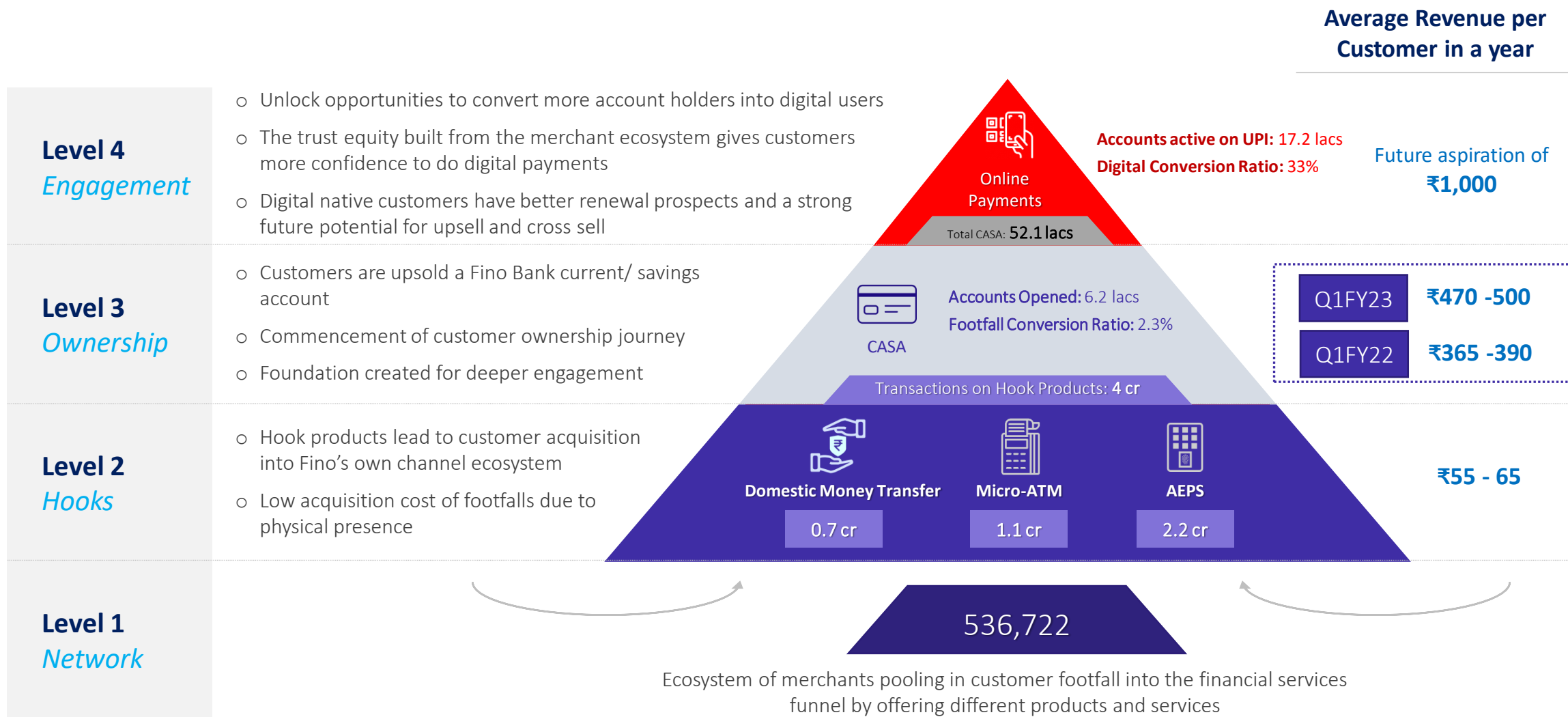
## Fino Pay Registrations

As on 31 <sup>st</sup> Mar 2019	As on 31 <sup>st</sup> Mar 2020	As on 31 <sup>st</sup> Mar 2021	As on 31 <sup>st</sup> Mar 2022	As on 30 <sup>th</sup> Jun 2022
101,230	277,399	641,892	1,020,527	11,42,061

	Apr 22	May 22	Jun 22
Downloads	155,907	128,835	150,718
Activeness	165,841	173,201	202,676

# Business Model of Fino Payments Bank

Conversion ratios of customers within the financial services funnel on a steady path of incline



PS: Transaction counts for DMT, MATM & AEPS are only for own channel and during the period Q1FY23

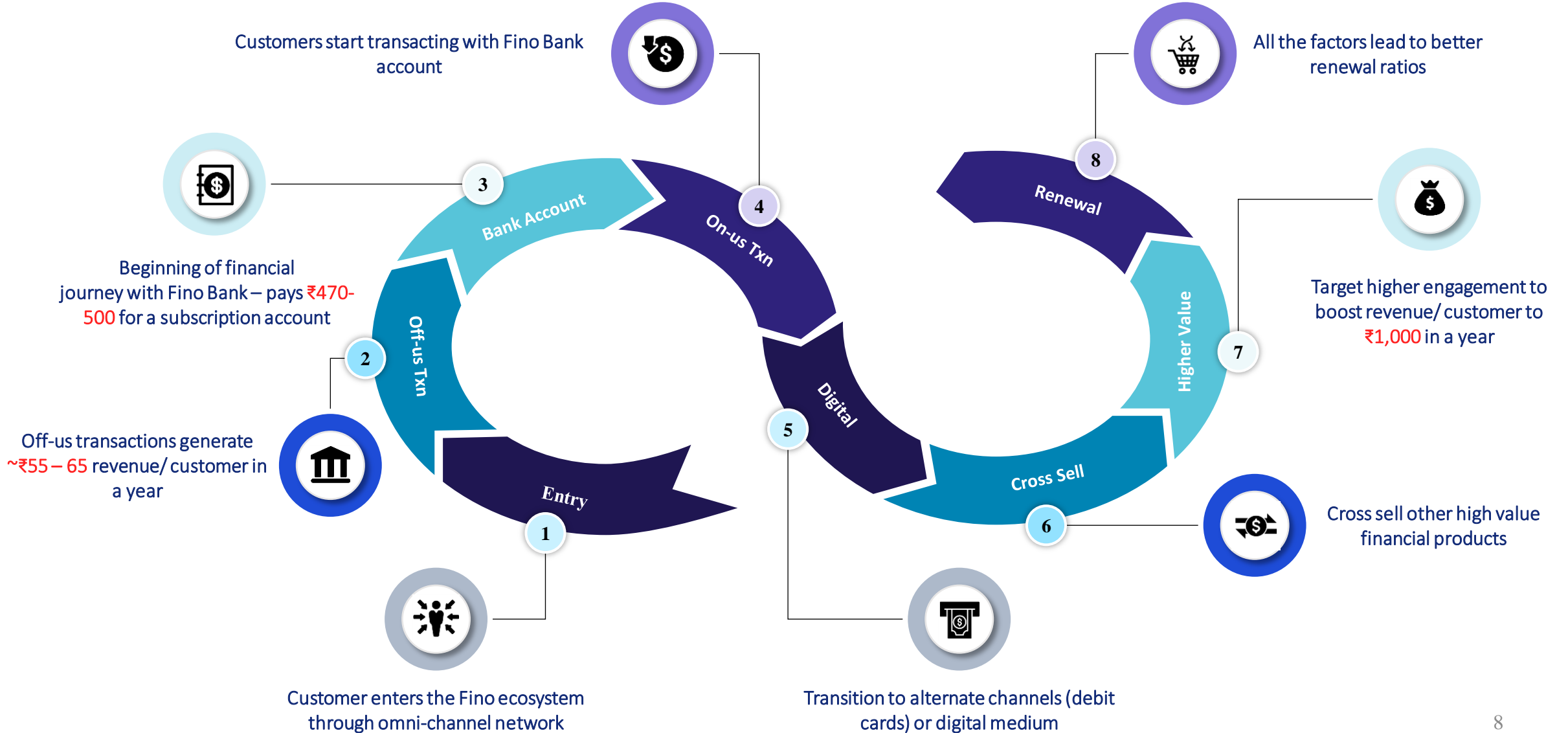
Accounts opened data pertains to count of accounts opened during Q1FY23 while total CASA is count of all accounts opened till 30<sup>th</sup> June 2022

It has been assumed that a customer on an average transacts for 6 times in an FY – this is a conservative assumption sourced from feedbacks from channel teams



# Customer Lifecycle Journey

Convert an off-us customer to an on-us customer and then transform him into a high value digital customer



# Management Focus and Strategy

Differentiated allocation of management focus basis the stage of product lifecycle



## **GROWTH PRODUCTS – CASA & CMS**

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

Growth Continues; Revenue contribution increasing

## **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

AEPS showing strong growth; 51% YOY Revenue 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

IR set to launch at merchant point in Q2

## **DIGITAL JOURNEY – UPI and more**

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

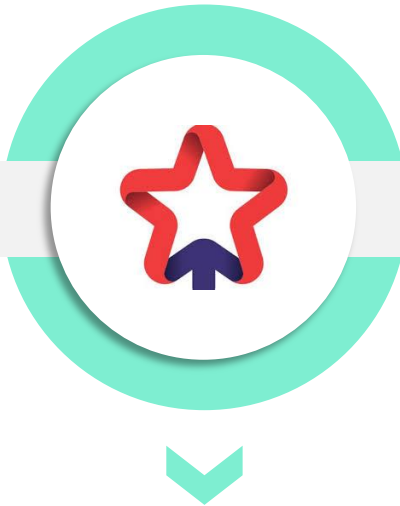
Digital throughput increasing; 16% of total throughput

# The Digital 2.0 Roadmap

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

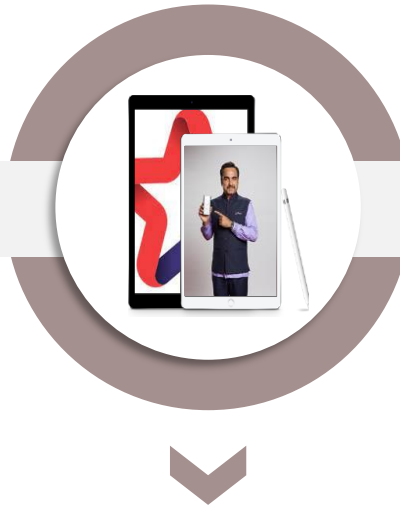
Investing in Digital Infrastructure; Digital Throughput increasing

Fino 1.0



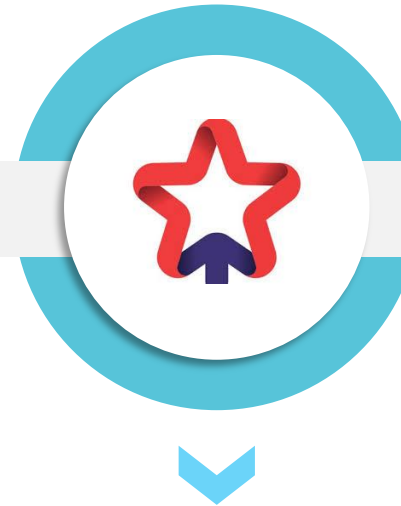
- ✓ DTP model – Distribution, Technology and Partnership
- ✓ Own customers through bank accounts
- ✓ Profitable business model

FinoPay App



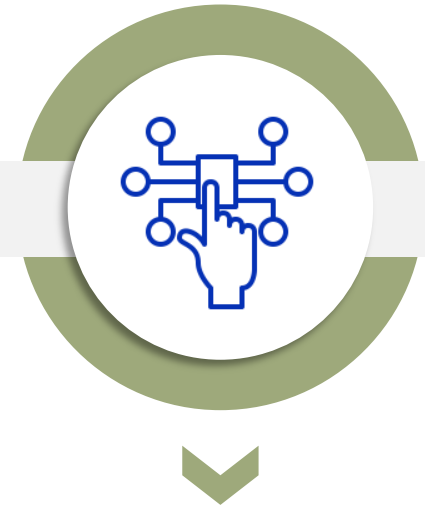
- ✓ Focus on more app downloads
- ✓ Open accounts digitally
- ✓ More services to users of app to drive up engagement, throughput and renewal ratios

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



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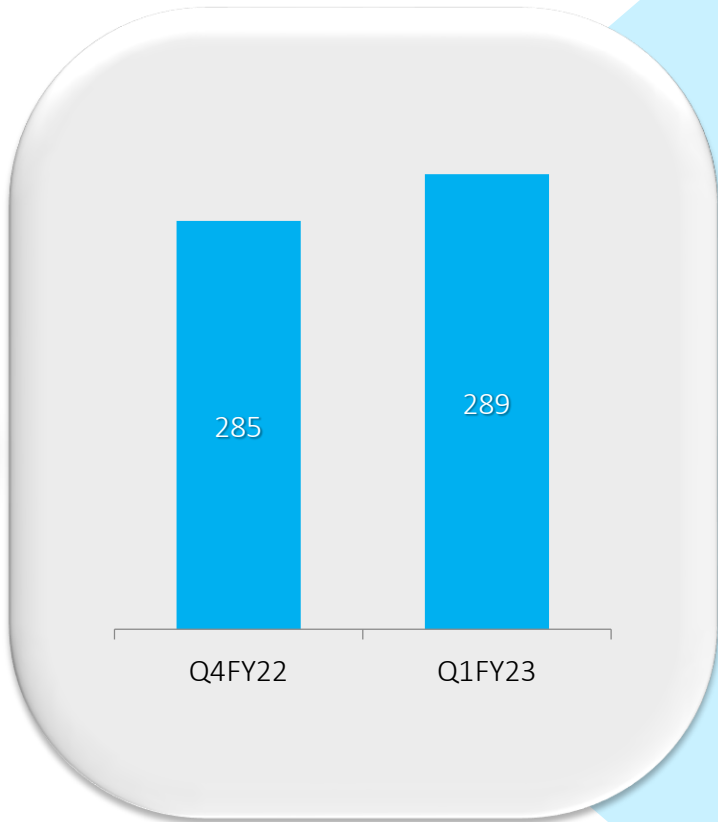
**Highlights in Q1FY23**

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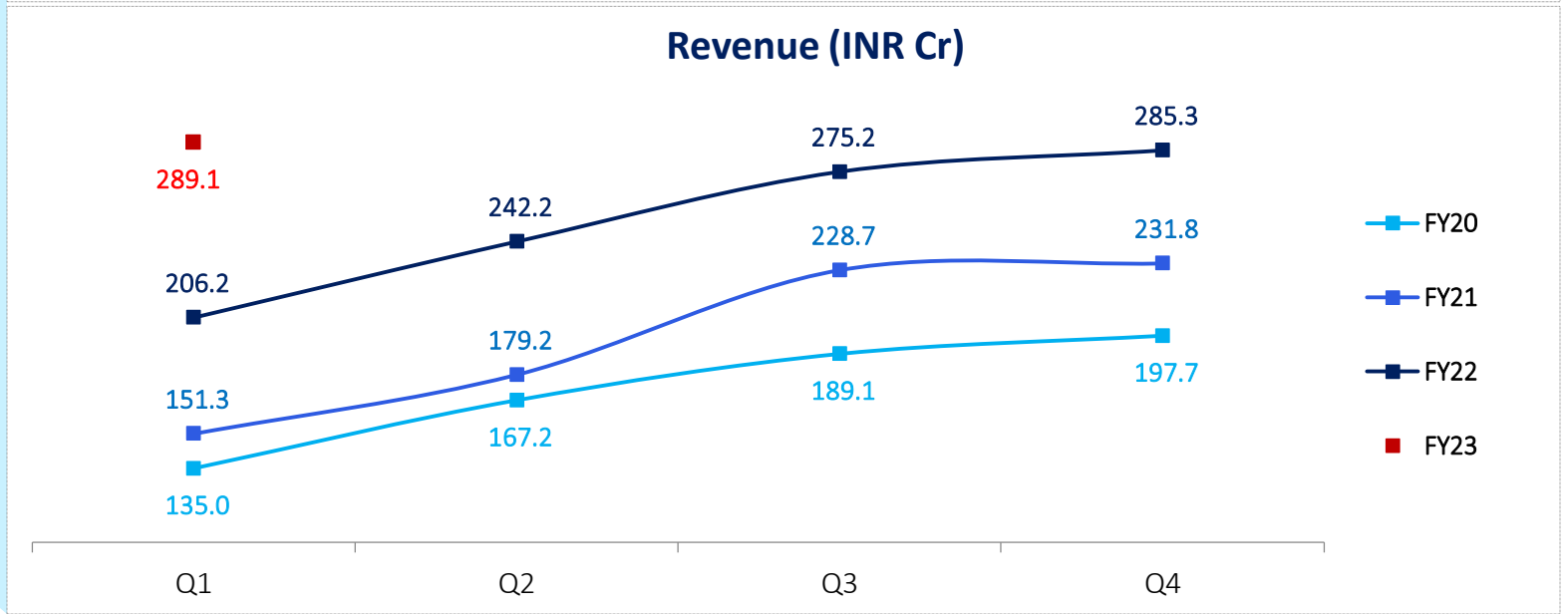


# Another First!

Sequential Revenue Growth in Q1 over Q4 for the first time in the history of Fino Payments Bank



- ★ Achieved Topline of INR 1,000 cr in FY22
- ★ Q1 performance surpasses Q4 (a seasonally stronger quarter) despite challenging operating environment
- ★ Some of the macro headwinds during Q1 in general are as below:
  - Reverse migration from urban areas to rural geographies
  - Investment towards oncoming crop season constrict spends

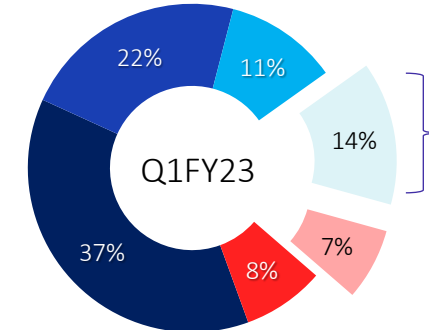
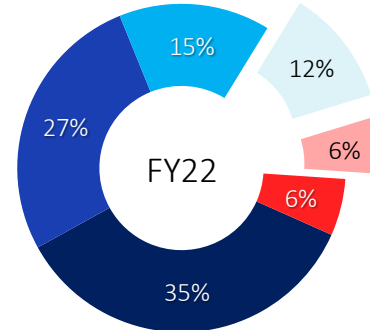
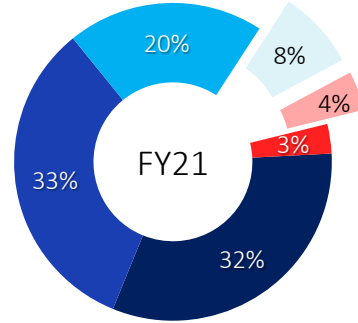
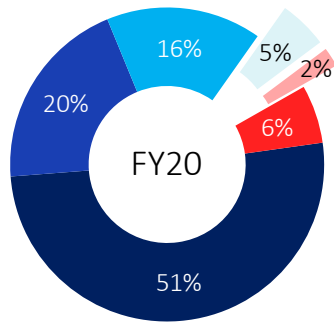




# The Key Growth Drivers

Sequential Revenue Growth in Q1 over Q4 for the first time in the history of Fino Payments Bank

Customer Trust-Built and Acquisition Phase Ongoing



Foundation of 2.0 journey

■ Remittance ■ Micro-ATM & AEPS ■ BC Banking ■ CASA ■ CMS ■ Others

## Evolving Product Mix by Revenue Towards High Growth Products

CASA & CMS – 2 emerging businesses – contributed 7% combined to the revenue in FY20



CASA & CMS businesses grew exponentially in last 3 years and crossed 20% of revenue in Q1FY23

# Industry Leading Performance Highlights in Q1FY23

Demonstrating strong growth in business volumes, revenue and profitability

Highest Ever (ex- digital) Throughput of ₹ 50,000 crore!

25 Cr

Transactions on Fino platforms

▲ 102%

₹60,784 Cr\*

Total Throughput

▲ 47%

11.4 lac

Registered merchants on Fino

▲ 58%

6.2 lac

Accounts Opened

▲ 83%

₹289.1 Cr

Revenue

▲ 40%

₹23.6 Cr

EBITDA

▲ 111%

₹10.1 Cr

PAT

▲ 223%

8.4%

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

Revenue in Q1FY23

₹289.05 Cr

▲ 40% growth over Q1FY22

## Own Banking Channel

₹105.38 Cr ▲ 6%

Transaction Revenue (excl BC Banking)

₹73.97 Cr ▲ 22%

Transaction Revenue (incl BC Banking)

₹73.32 Cr ▲ 68%

Subscription, onboarding and other revenue

47%

Gross Margin

10%

EBITDA Margin

## Open Banking Channel

₹110.35 Cr ▲ 73%

Transaction Revenue

4%

Gross Margin

4%

EBITDA Margin

### 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

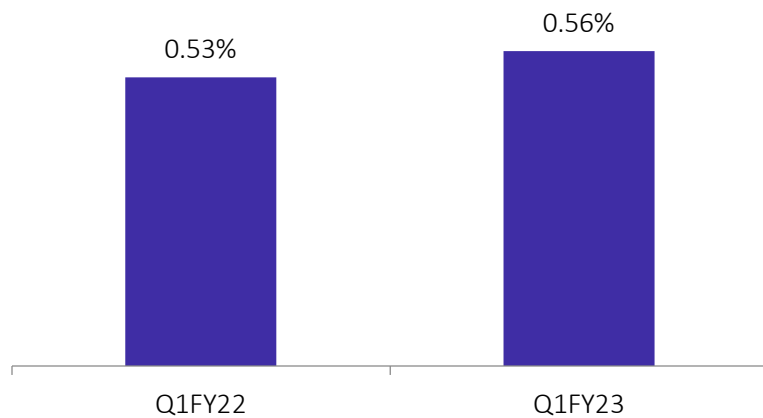
- ★ Merchants managed by partner

- ★ No marginal costs to Fino after gross margins, hence it is equal to EBITDA margins

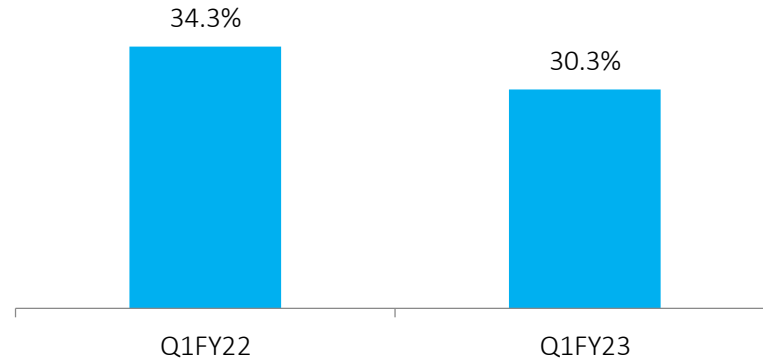
# Key Financial Ratios

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

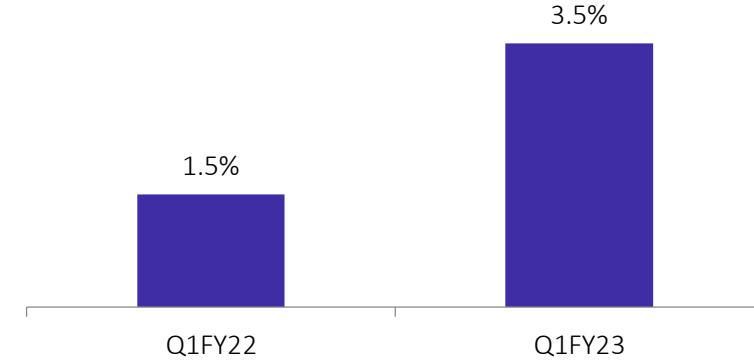
## Take Rate (ex. UPI throughput)



## Blended Gross Margins



## PAT Margins



- ☆ Take rate improved in Q1FY23 on account of change in product mix towards higher take rate products
- ☆ Slight moderation in blended gross margins due to increase in open banking business on AEPS
- ☆ Expansion in PAT margin to 3.5% in Q1FY23 on the back of operating leverage

# Product Portfolio: Diversified Offerings to meet Various Customer Needs

Product	Throughput (Cr)	Revenue (Cr)	Margin	Remarks
<b>DMT</b>	12,345	107 67%	6%	Low margin hook product that attracts customer footfalls to Fino ecosystem primarily in the urban geographies
<b>MATM</b> <i>(incl one time)</i>	5,280	31 (24%)	49%	Cash withdrawal business is the key to attract customer footfalls pan-India
<b>AEPS</b>	10,957	34 44%	30%	
<b>CASA</b> <i>New Subs</i> <i>Renewals</i> <i>Others</i>	- - -	41 19 13 9	57% - - -	
<b>CMS</b>	9,855	21 63%	40%	High growth high margin business cash digitization business that has immense growth opportunity given the large cash-in-circulation in the economy
<b>BC Banking</b>	10,728	31 (18%)	35%	Mature institutional business that has been our core since our inception



# PAT lower due to expensing of digital investments

PAT for Q1FY23 at

## ₹10.10 Cr

▲ 223% growth over Q1FY22

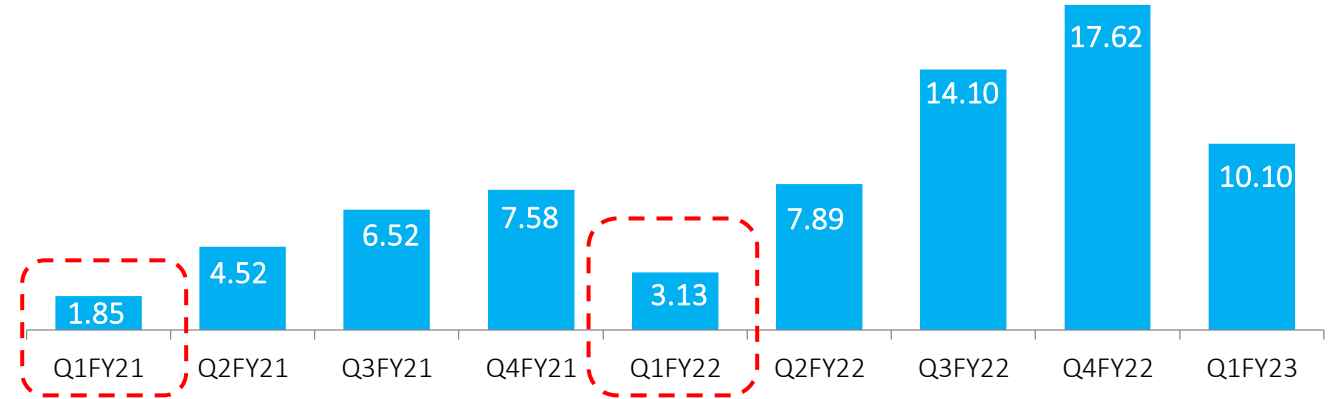
Annualized ROE of Q1FY23

## 8.4%

Actual ROE lower due to cash on balance sheet from IPO proceeds which will be utilized for Digital Investments

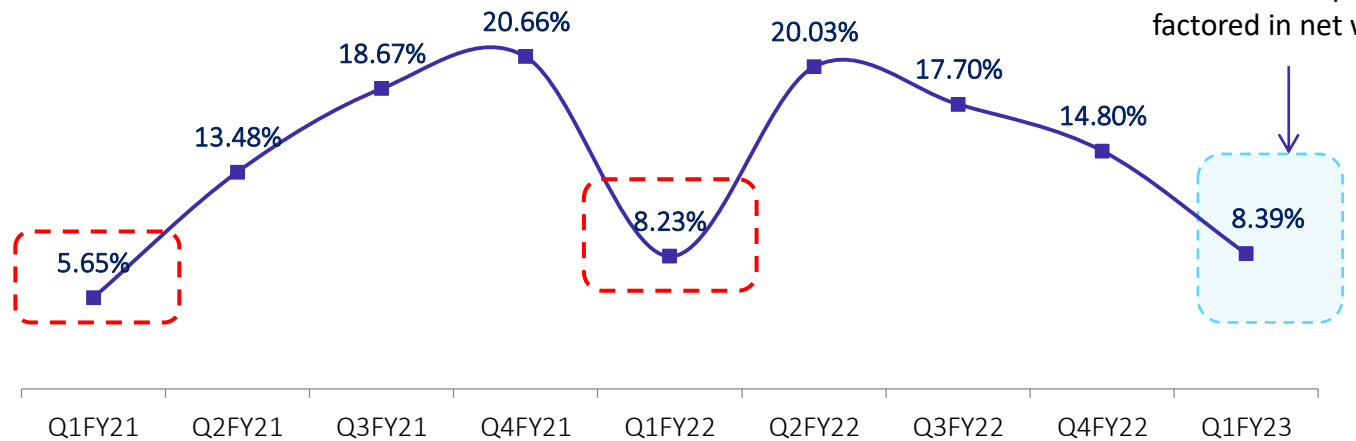
### Profit After Tax

(in ₹ cr)



### Return on Equity

Primary proceeds from IPO completely factored in net worth



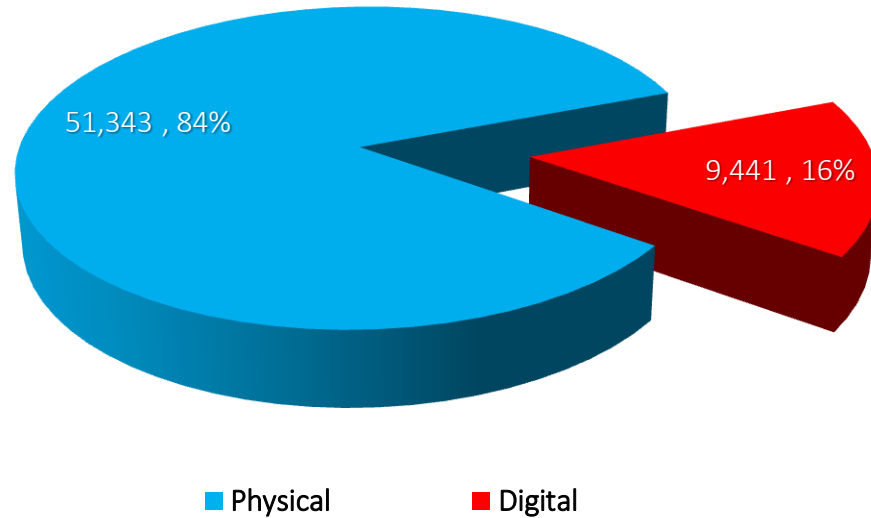
\*Annualized ROEs

Covid impacted quarter

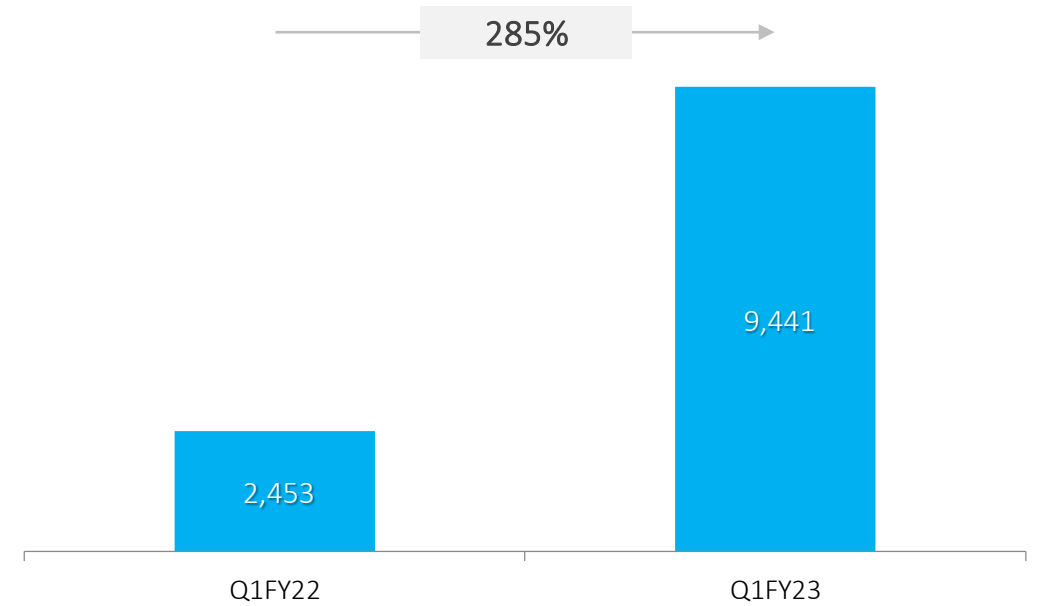
# Digital Throughput is a Material Growth Driver Now

The pathway to a 2.0 journey is seamlessly getting created by traction in digital throughput

### Q1FY23 Throughput Mix



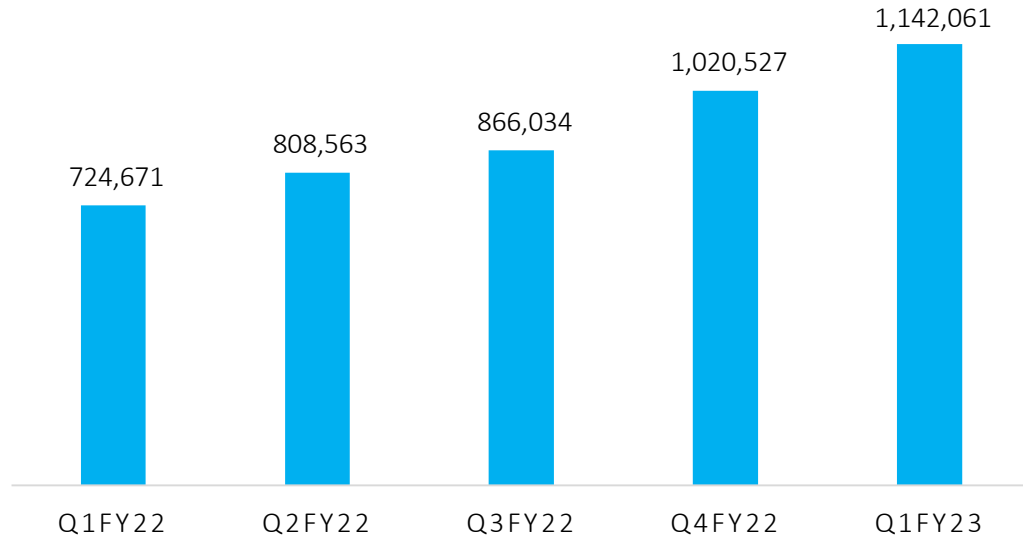
### Digital Throughput Growth



- ★ Digital throughput is currently non-revenue accretive for Fino Bank – in fact, it entails a burn like most other banks due to various regulatory and platform charges
- ★ But more importantly, digital transactions build customer loyalty and engagement to Fino’s ecosystem and platforms
- ★ This stickiness will be leveraged to tailor innovative products and solutions and push up sell and cross sell of various other financial products
- ★ To Fino Bank, digital stickiness helps in improving subscription renewal probability – data also suggests that such customers renew their accounts more

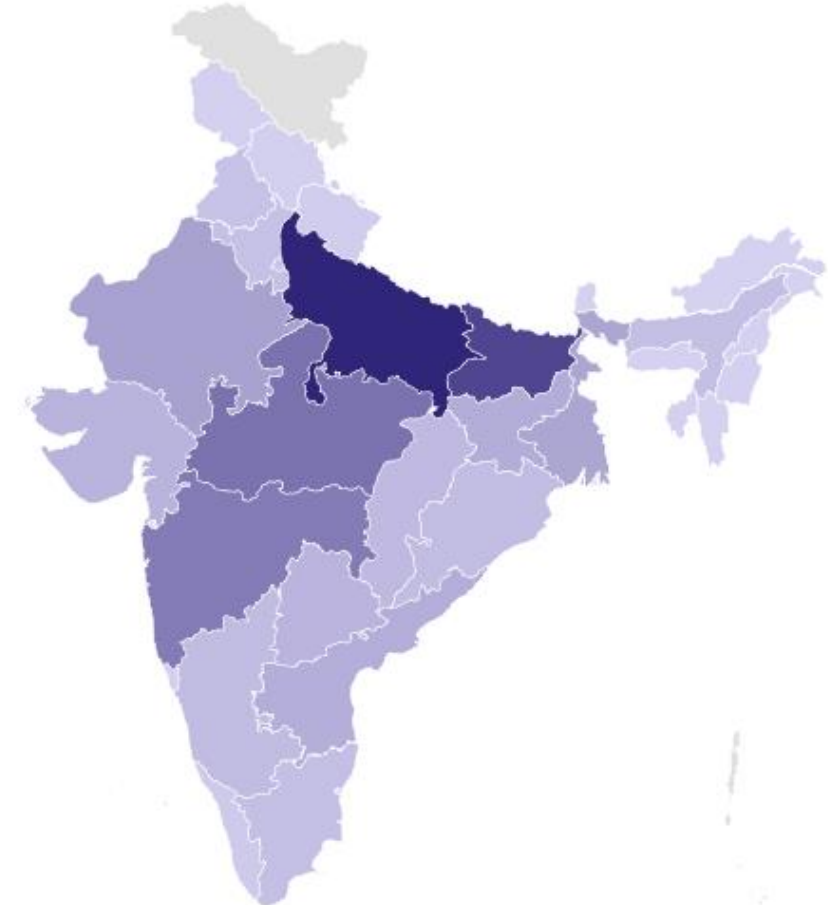
# Expanding Reach: Growing Distribution Network

## TOTAL MERCHANTS



Merchant Count	As on 30.06.2022	YoY Growth
Total Merchants	11,42,061	58%
Own Channel Merchants	5,36,722	46%
Open Banking Merchants	6,05,339	69%

## MERCHANT COUNT HEAT-MAP



Strong network

Opportunity to deepen network



## Q1FY23 Financial Performance

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# Bank Level Profit & Loss

Revenue growth of 40% in Q1FY23 leading to a YOY PAT growth of 223%

Particulars (in ₹ cr)	Q1FY23	Q4FY22	Q1FY22	YOY	FY22
<b>Revenue</b>	<b>289.05</b>	<b>285.29</b>	<b>206.24</b>	<b>40%</b>	<b>1,008.85</b>
Product Cost	201.51	195.81	135.48	49%	680.94
<b>Net Revenue</b>	<b>87.54</b>	<b>89.48</b>	<b>70.76</b>	<b>24%</b>	<b>327.92</b>
Operating Cost	63.97	60.06	59.57	7%	243.53
<b>EBITDA</b>	<b>23.57</b>	<b>29.42</b>	<b>11.19</b>	<b>111%</b>	<b>84.38</b>
Other Fin. Cost, Dep. & Others	13.47	11.80	8.06	67%	41.64
<b>PAT</b>	<b>10.10</b>	<b>17.62</b>	<b>3.13</b>	<b>223%</b>	<b>42.74</b>
<i>EBITDA Margins</i>	<i>8.2%</i>	<i>10.3%</i>	<i>5.4%</i>	<i>2.8%</i>	<i>8.4%</i>
<i>PAT Margins</i>	<i>3.5%</i>	<i>6.2%</i>	<i>1.5%</i>	<i>2%</i>	<i>4.2%</i>



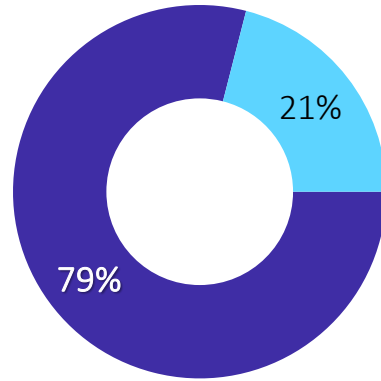
# Balance Sheet

Particulars ( <i>in ₹ cr</i> )	As at 30 <sup>th</sup> June 2022	As at 31 <sup>st</sup> March 2022
<b>Capital and Liabilities</b>		
Capital	83.21	83.21
Reserves & Surplus	403.53	396.62
Deposits	581.53	500.69
Borrowings	581.18	249.66
Other Liabilities and Provisions	440.37	449.82
<b>Total</b>	<b>2,095.82</b>	<b>1,680.00</b>
<b>Assets</b>		
Cash and balances with Reserve Bank of India	64.59	223.86
Balances with banks and money at call and short notice	584.72	542.31
Investments	1,102.81	631.40
Advances	0.21	0.24
Fixed Assets	99.02	92.75
Other Assets	244.46	189.45
<b>Total</b>	<b>2,095.82</b>	<b>1,680.00</b>

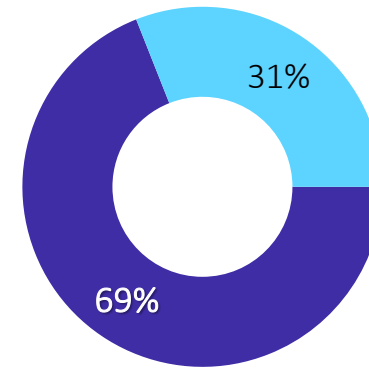
# Revenue Mix Across Parameters in Q1FY23

Q1FY22

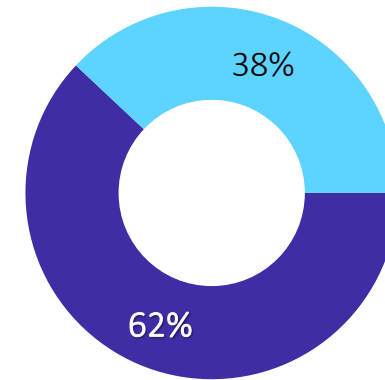
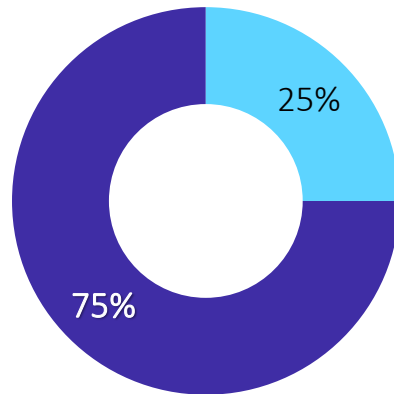
Income Breakup: Transaction & Subscription



Income Breakup: Own and Open Banking Channel



Q1FY23

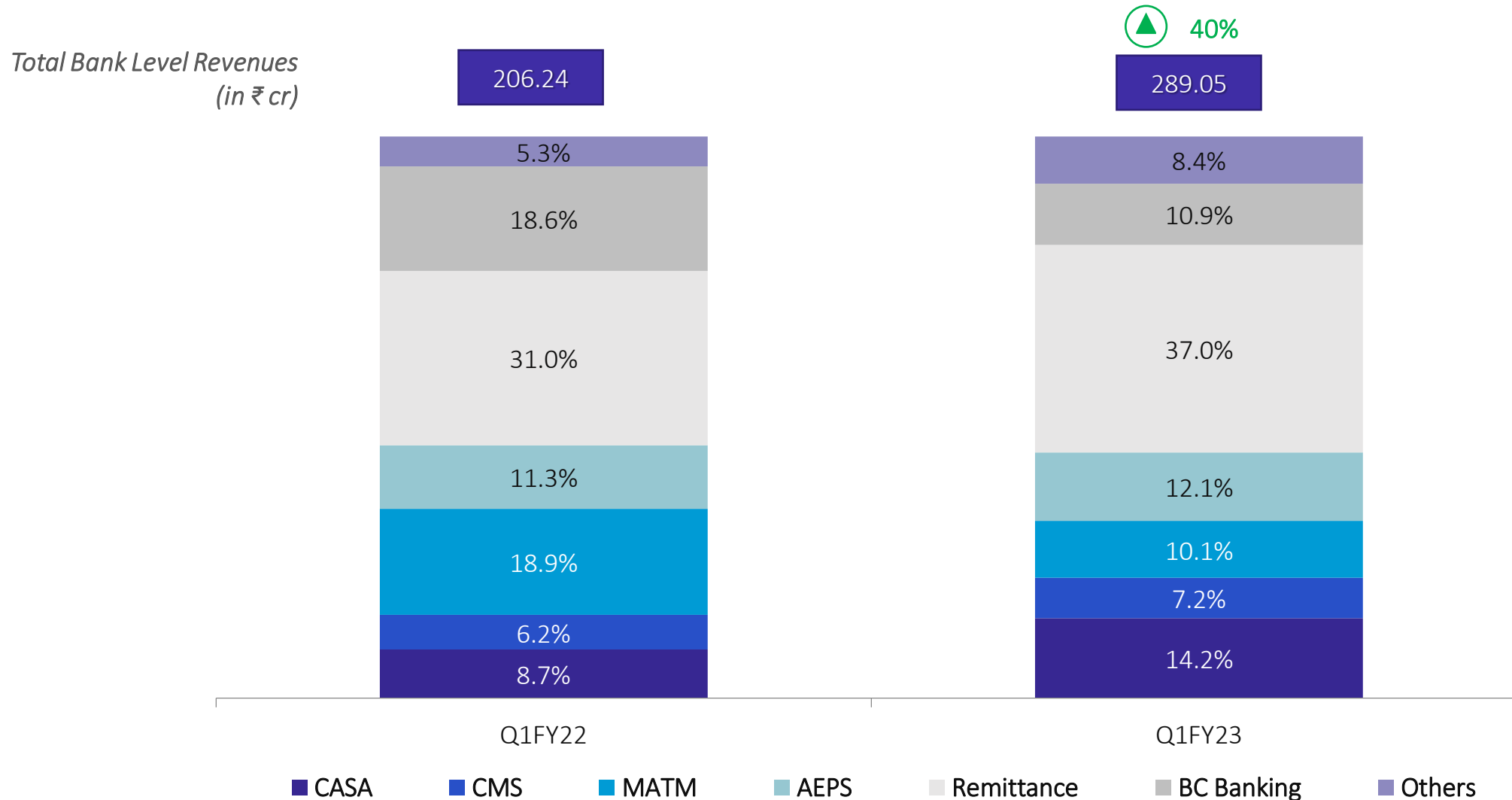


■ Transaction Income    ■ Subscription, On-boarding & Other Income

■ Own Banking Channel    ■ Open Banking Channel

# Revenue Mix Across Products

*CMS & CASA occupy 21.4% of the revenue pie in Q1FY23 vis-à-vis 14.9% as compared to Q1FY22 – these two are also the high growth and high margin products*





**Fino**

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**Product Strategy & Performance Trends**

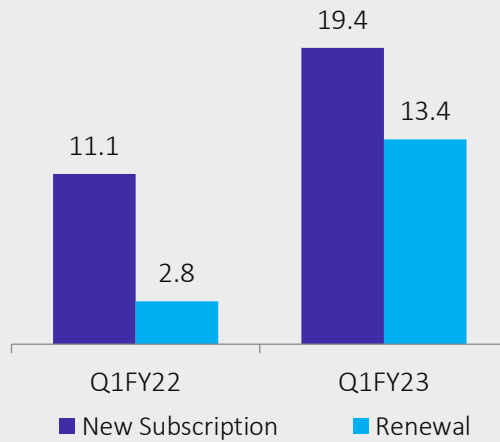
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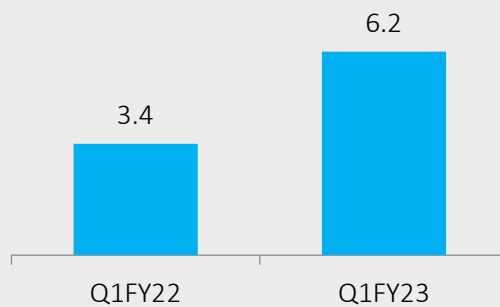
# CASA and Debit Card

Subscription based account opening now unlocking the potential of annuity through renewals

## Revenue (INR Crore)

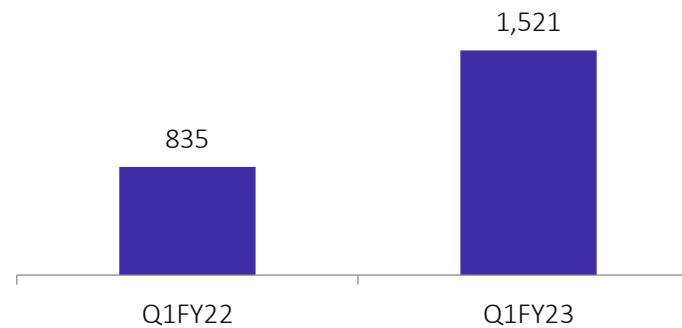


## Accounts Opened

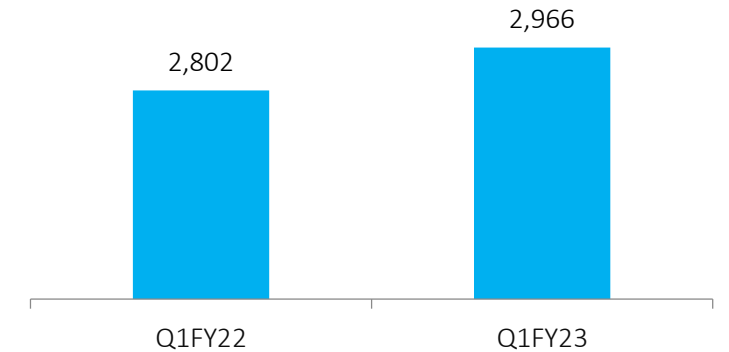


- ★ Renewal income growth in Q1FY23 was 379% YOY and 26% sequentially leading to an exponential growth in our annuity business
- ★ Accounts opened as on 30th June 2022 at 52.1 lacs, up from 29 lacs as on 30th June 2021, setting the base for a strong potential in cross sell and up sell
- ★ 33% of accounts as on 30<sup>th</sup> June 2022 were active on digital payments
- ★ Total deposits grew 131% YOY from ₹251.25 cr on 30<sup>th</sup> June 2021 to ₹581.53 cr on 30<sup>th</sup> June 2022
- ★ Average deposit balance grew by 29% YOY from ₹866 in Q1FY21 to ₹1,116 in Q1FY23
- ★ Average spends on debit card continue to rise with a 6% YOY growth on every spends; indicating a growing base of transaction based customers

## Debit Card Spends (INR crore)



## Debit Card Spends Per Transaction (INR)

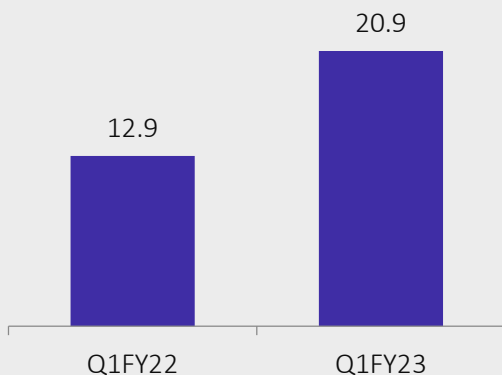




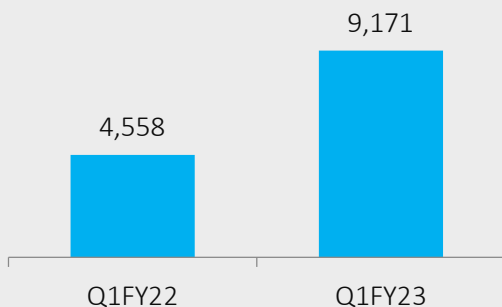
# Cash Management Services

Strong potential of cash digitization in India continuing to reflect on sustained growth in CMS

## Revenue (INR Crore)

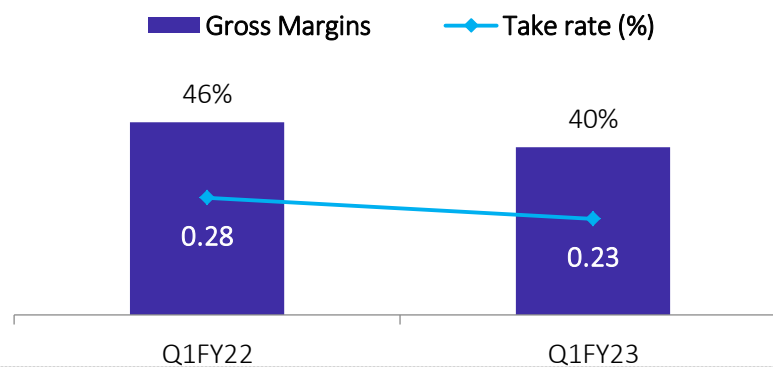


## Throughput (INR Crore)

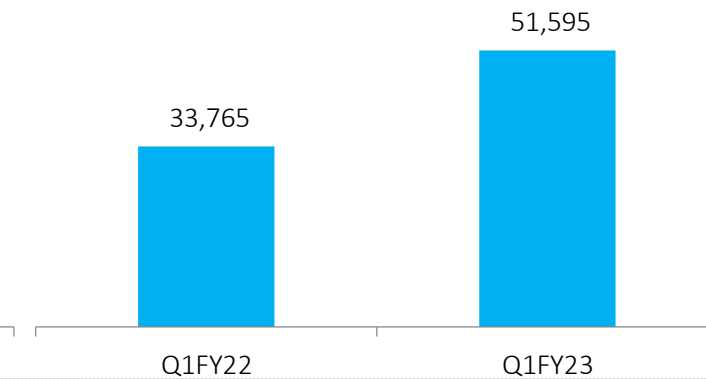


- ★ Throughput more than doubled YOY to grow at 101% in Q1FY23
- ★ No. of partners on CMS up from 131 as on 31st March 2022 to 152 as on 30<sup>th</sup> June 2022
- ★ Throughput share from NBFC & MFI partners reduced from 93% in Q1FY22 to 60% in Q1FY23
- ★ 53% YOY growth in average ticket size (throughput per transaction) in Q1FY23 on the back of new marquee institutional partners leading to higher revenue per transaction
- ★ Absolute Net Revenue on CMS grew by 42% YOY from ₹5.9 cr in Q1FY22 to ₹8.3 cr in Q1FY23 – margins to moderate on account of mix of partners in the portfolio – however, volume growth to compensate the drop in margins

## Take Rate & Margins

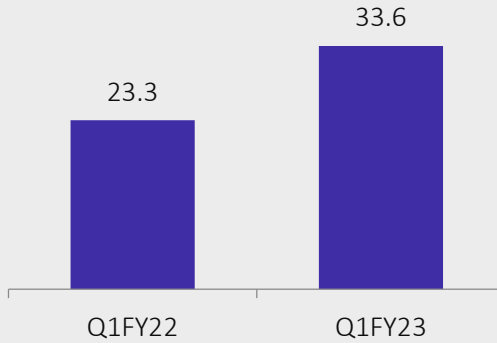


## Average Ticket Size (INR)

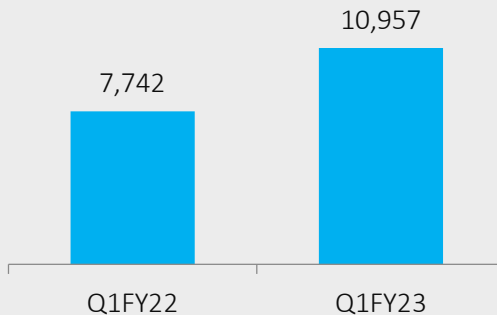


## Demonstrating robust growth in a faster growing market in the cash withdrawal space

### Revenue (INR Crore)

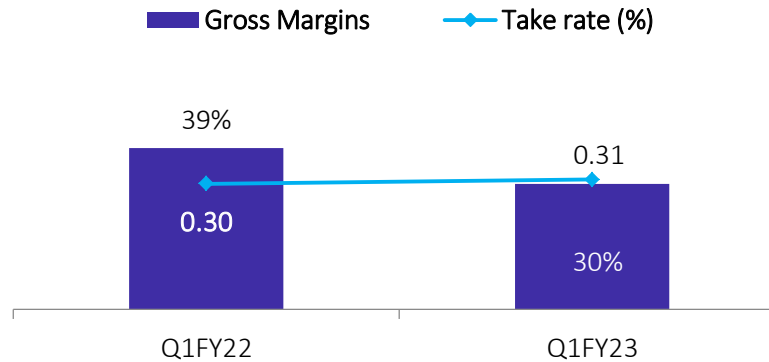


### Throughput (INR Crore)

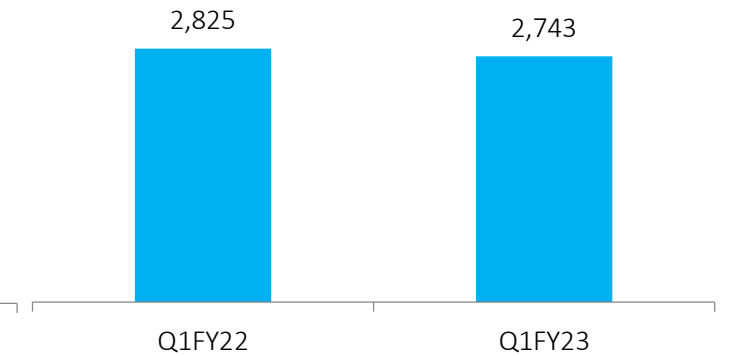


- ★ The AEPS industry was 5x the size of micro-ATM industry in Q1FY23
- ★ The AEPS industry grew by 28% YOY in Q1FY23 wherein the throughput of Fino ecosystem grew by 42% YOY – helping Fino to improve market share from 10.65% in Q1FY22 to 11.98% in Q1FY23
- ★ Emerging Aadhaar based products for Fino are AEPS cash deposit and Aadhaar Pay that are already seeing strong traction

### Transaction Take Rate & Margins



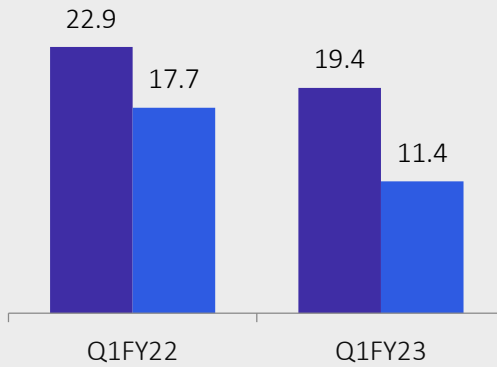
### Average Ticket Size (INR)



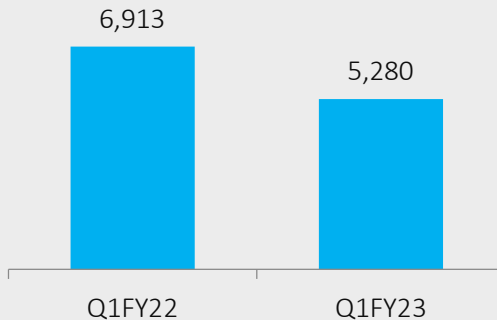
# Micro-ATM

## Mainstay for Customer Acquisition

### Revenue (INR Crore)

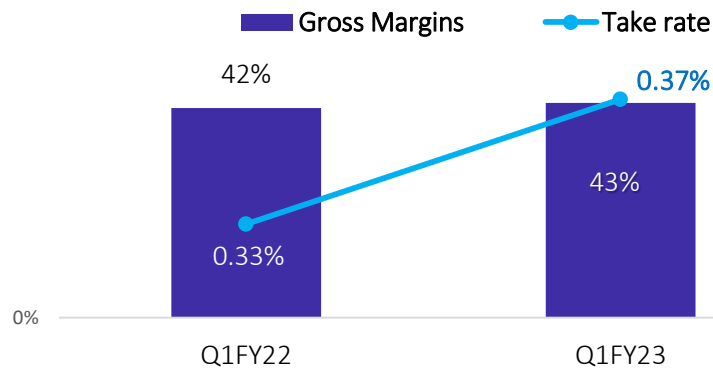


### Throughput (INR Crore)

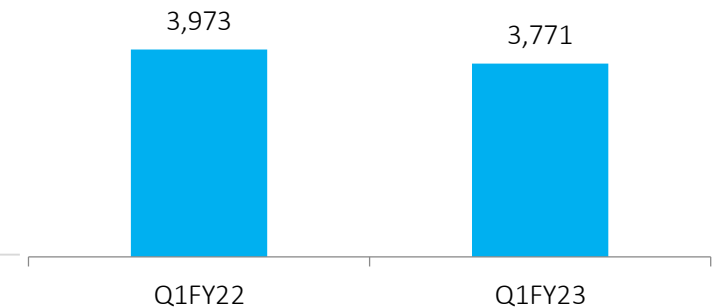


- ★ Continue to be the dominant player in the Industry - Cumulative market share of Top 5 players 82% as of April'22 – Fino's share in Micro-ATMs is more than that of the top banks like HDFC Bank, SBI, Kotak, IDFC
- ★ Competitors aggressive on commercials for transactions and devices – Fino ramped up devices to own merchants (*22% growth YOY in active terminals on own channel*)
- ★ Own channel share increased from 68% in Q1FY22 to 77% in Q1FY23 resulting in gross margins improving by 326 bps YOY
- ★ Important product to attract footfalls and convert them to CASA customers

### Transaction Take Rate & Margins



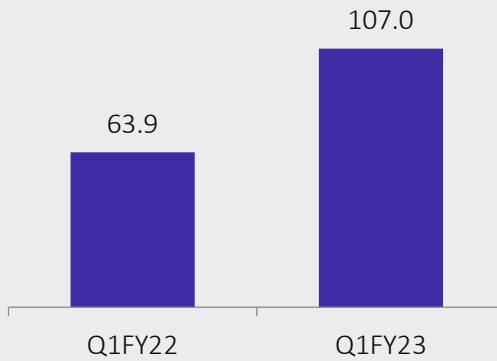
### Average Ticket Size (INR)



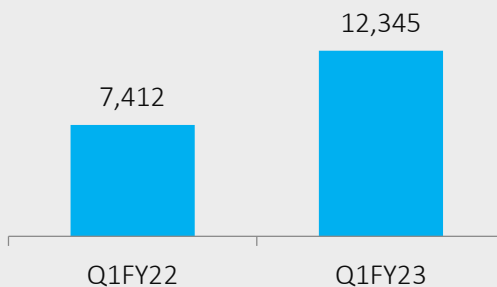
# Remittance

The primary hook product in to the Fino ecosystem

### Revenue (INR Crore)

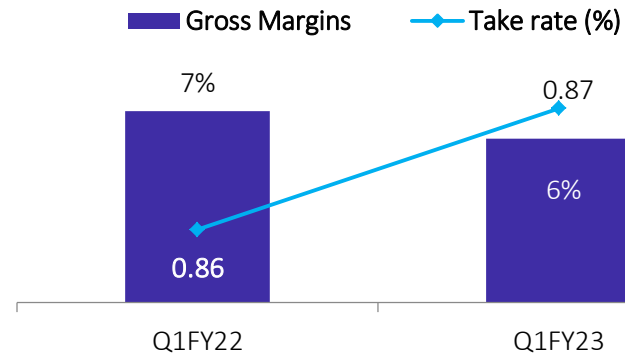


### Throughput (INR Crore)

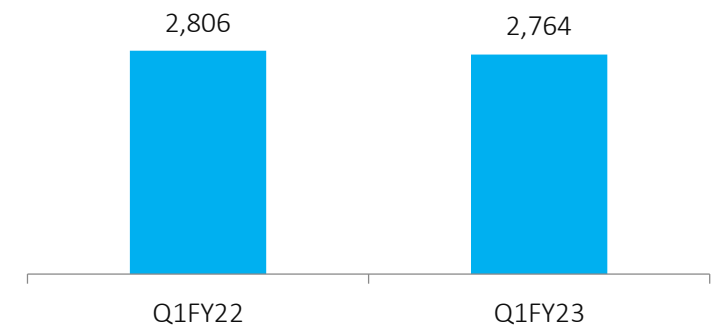


- ★ Remittance is the hook product that attracts footfall into the Fino ecosystem
- ★ Fino is one of the early movers in the remittance product and is still a market leader
- ★ 67% YOY growth in revenue as well as throughput in Q1FY23
- ★ Net revenue also grew by 36% YOY in Q1FY23
- ★ Share of Open banking channel 78% in Q1FY22 to 85% in Q1FY23 leading to margin compression from 7% to 5%
- ★ Own channel revenue grew by 20% YOY and throughput grew by 17% YOY in Q1FY23
- ★ Own channel margins increased from 15% in Q4FY22 to 18.3% in Q1FY23

### Take Rate & Margins



### Average Ticket Size (INR)



# Strong Growth Outlook

**Customer Ownership:** Foundation of Fino 2.0 where we can move up the relationship value chain

**Digital:** 33% active accounts on digital validate our 2.0 platform approach

**CMS:** B2B business with strong potential – Doubled throughput in Q1FY23 on the back of marquee partner addition

**AEPS:** Product showing strong growth; high conversion propensity of customers to CASA

**Micro ATMs:** Maintained market leadership despite competition – important product to drive customer footfalls

**Cross Sell:** With more ownership and digital stickiness, revenue from cross sell will become the next growth lever



Thank You







Annexures



# Current and Savings Account (1/2)

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

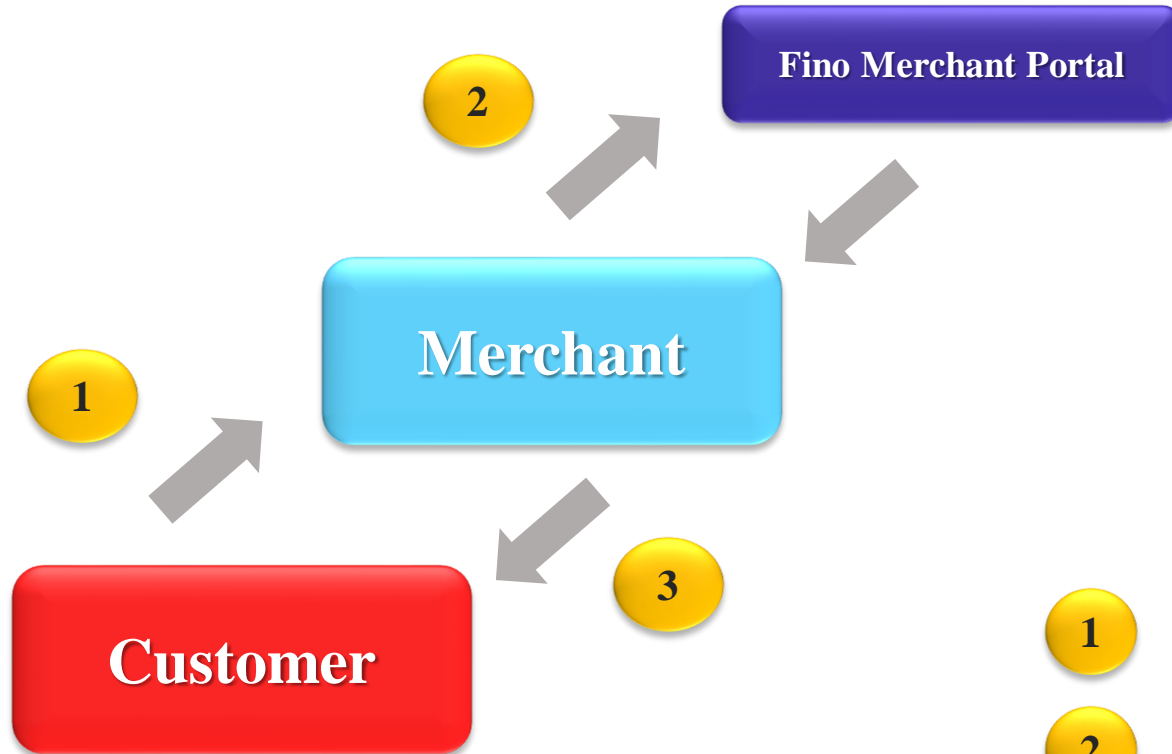
**Use Case:** A bank branch in tier 3 and below city is generally very crowded and is far away. It is also open during limited banking hours on weekdays. Through Fino Bank, the idea here is to provide a bank account at the doorstep of the customer

**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

# Current and Savings Account (2/2)

Understanding the process flow of an account opening



Revenue source

**Subscription Fee  
charged to Customer**

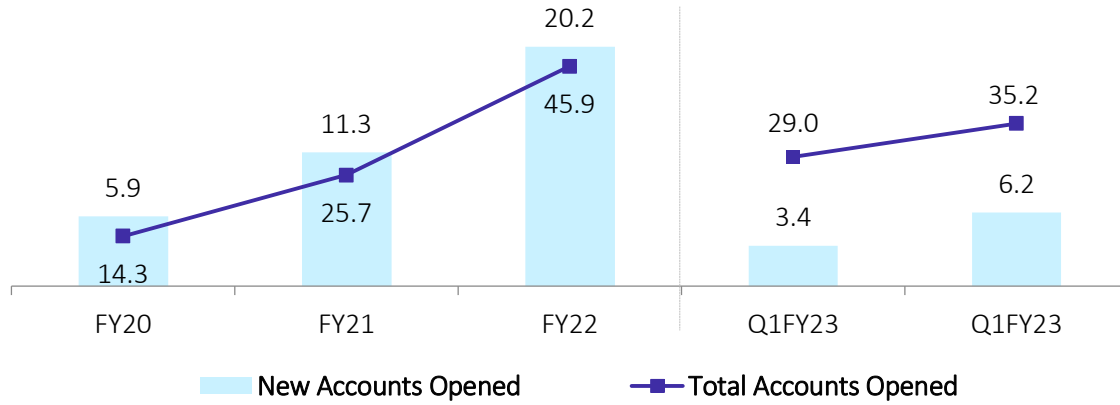
- 1 Customer approaches a merchant for account opening
- 2 Merchant seeks various customer details and enters in the Fino portal
- 3 Once verification process is completed, merchant shares the welcome kit and debit card to the customer over the counter and an annual subscription is upfront collected

# CASA and Debit Cards

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

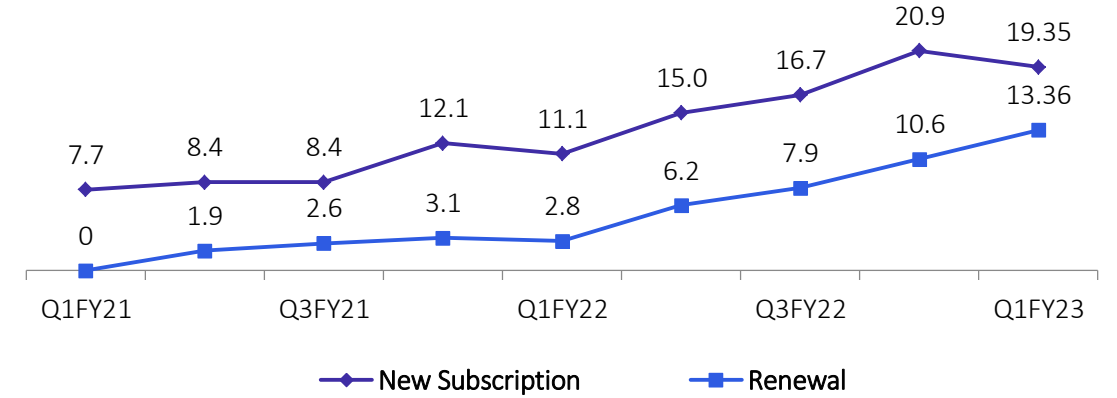
(in lacs)

### Accounts Opened



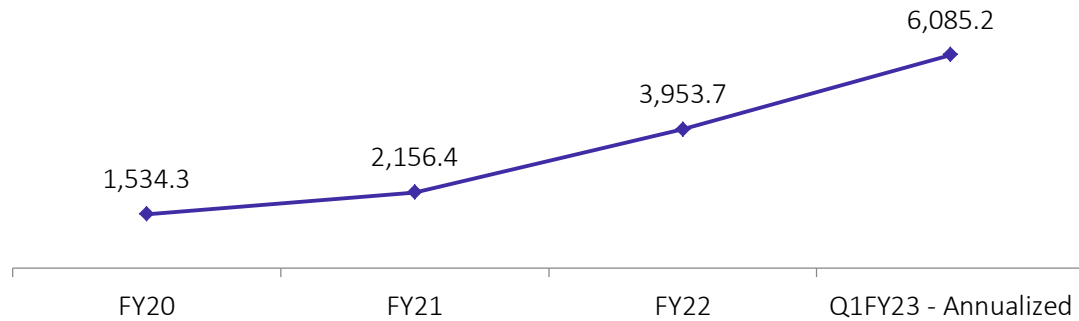
### Subscription Revenue

(in ₹ cr)



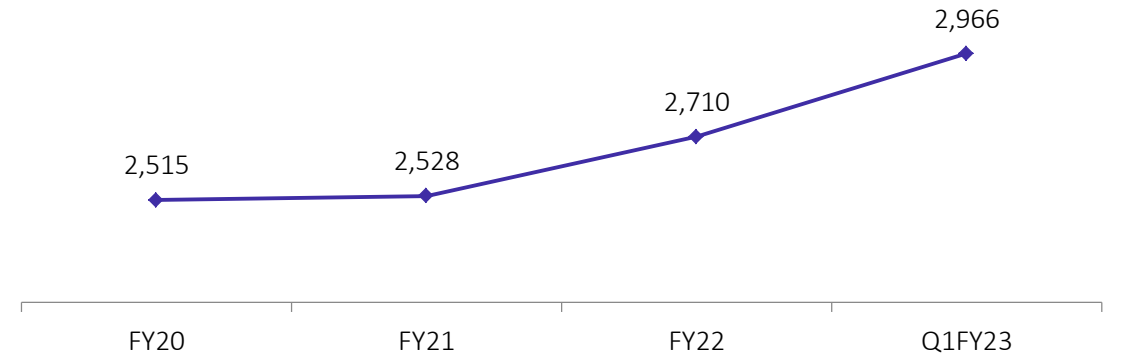
(in ₹ cr)

### Debit Cards Spends \*



### Debit Card Spends Per Transaction

(in ₹)



★ Combined Subscription revenue from renewal and new subscription in CASA grew by 136% YOY in Q1FY23

★ 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 and Q1FY23 are as per RBI disclosures which does not include transactions done by Fino customers; Q1FY23 numbers annualized for Debit Card Spends

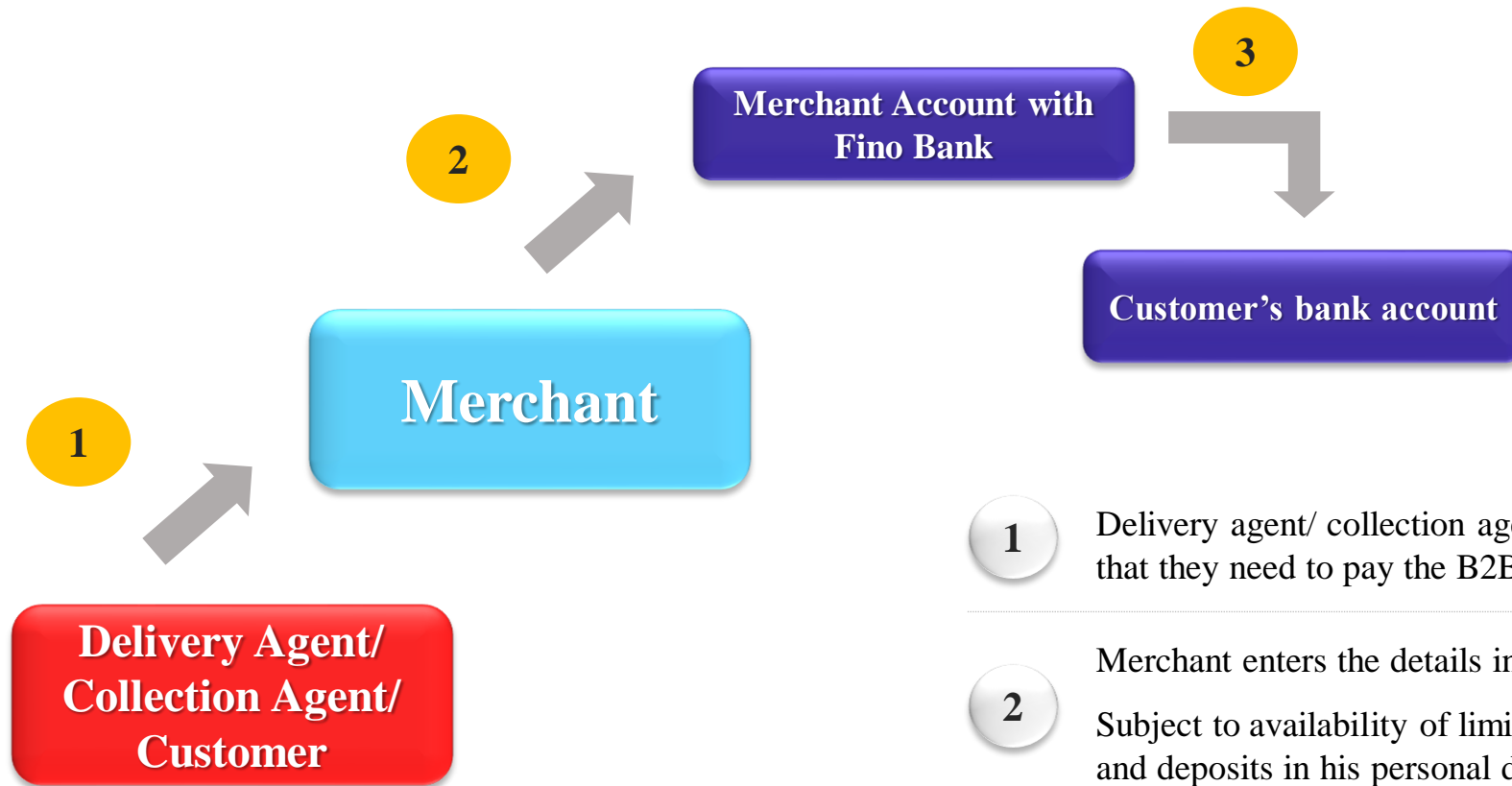
# Cash Management Services (1/2)

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

# 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

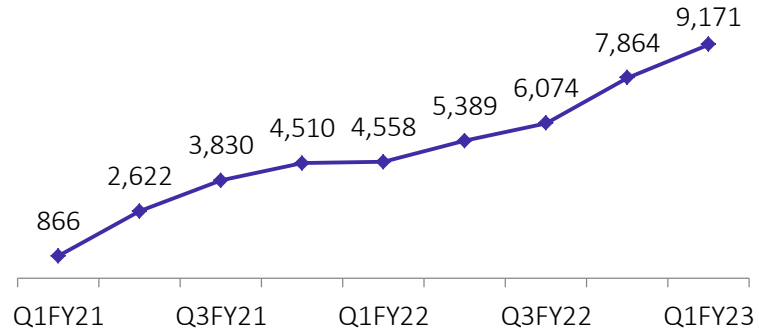
*Delivery agent/ collection agent/ customers will get an automated receipt confirmation*

# Cash Management Services

Accelerated growth path helped by aggressive partner on-boarding

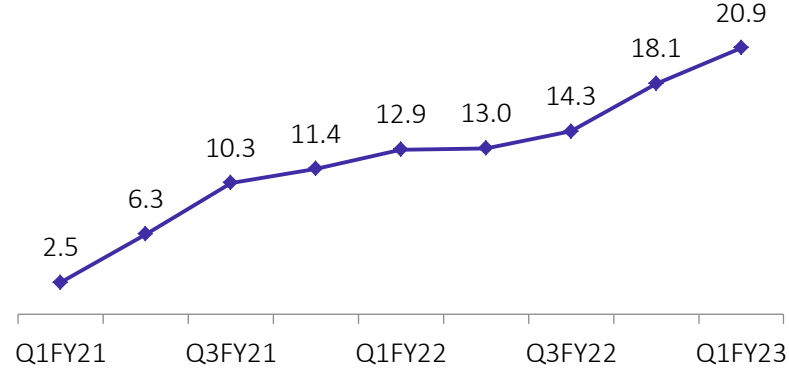
(in ₹ cr)

### Throughput

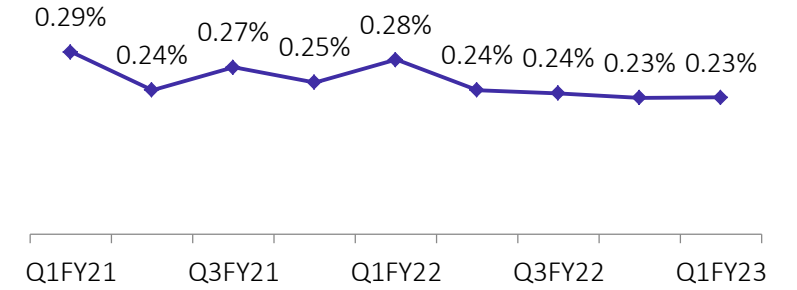


(in ₹ cr)

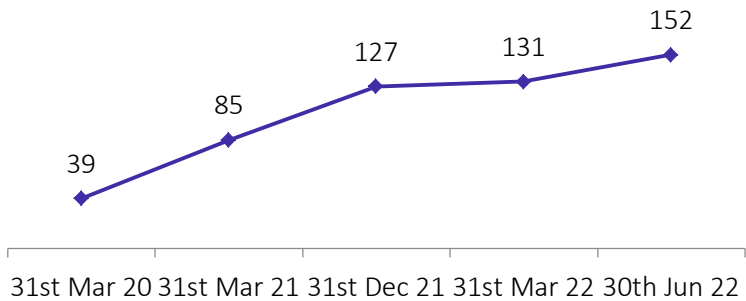
### Revenue



### Take Rate

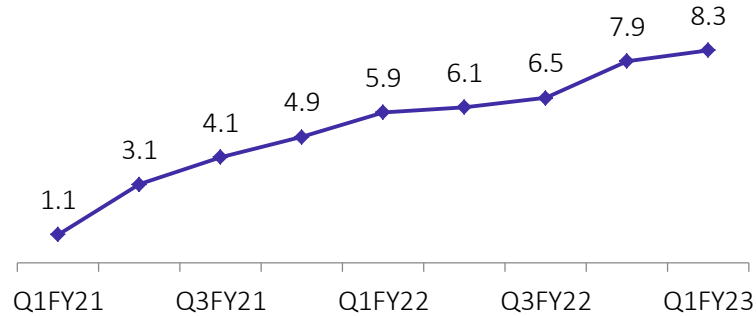


### Number of partners

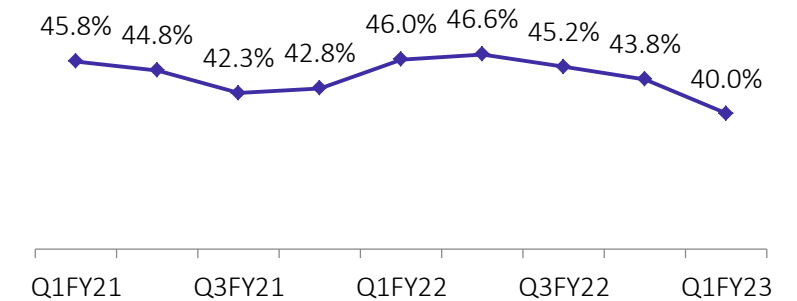


(in ₹ cr)

### Net Revenue



### Gross Margins





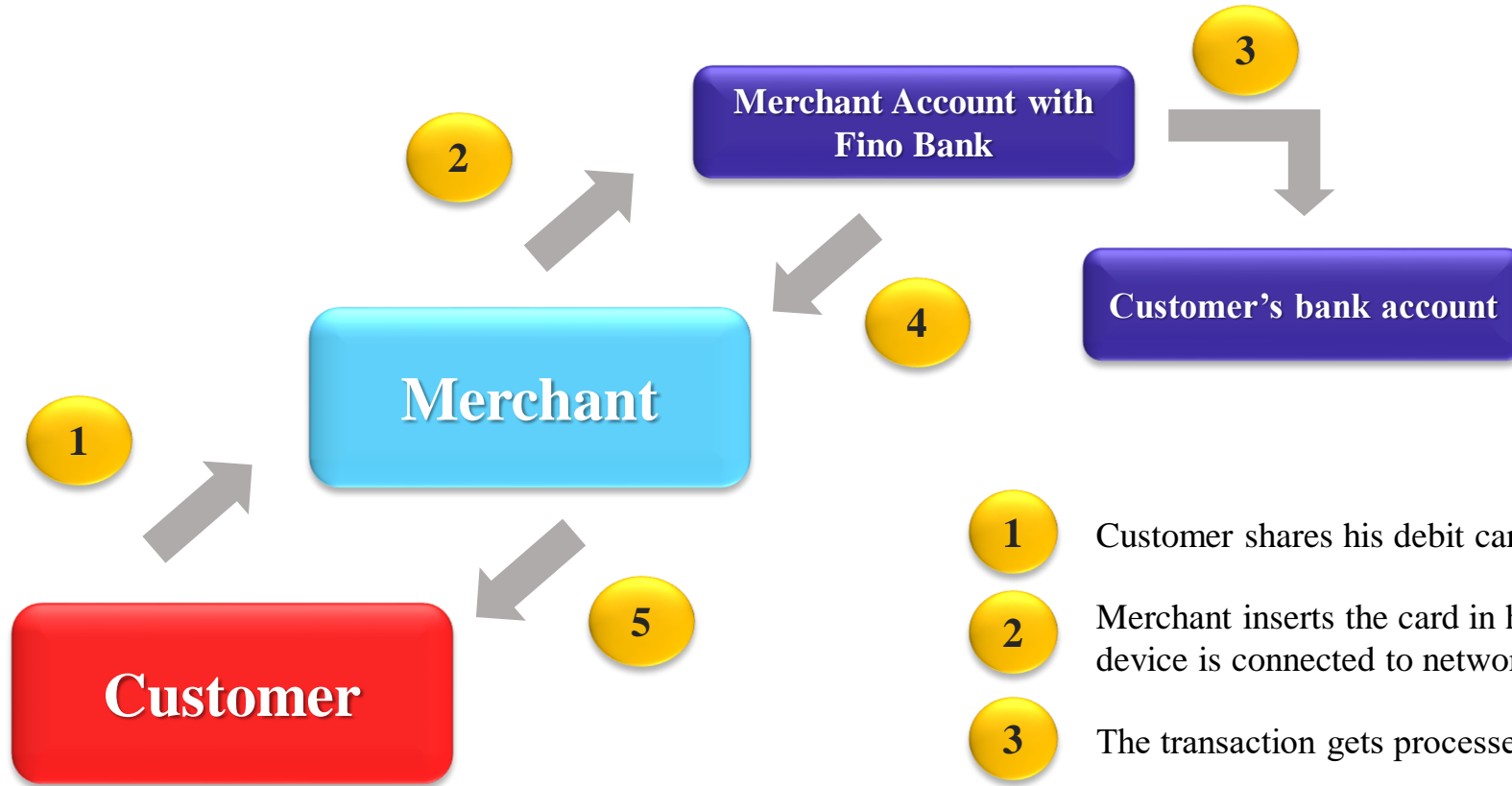
# Micro-ATM (1/2)

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

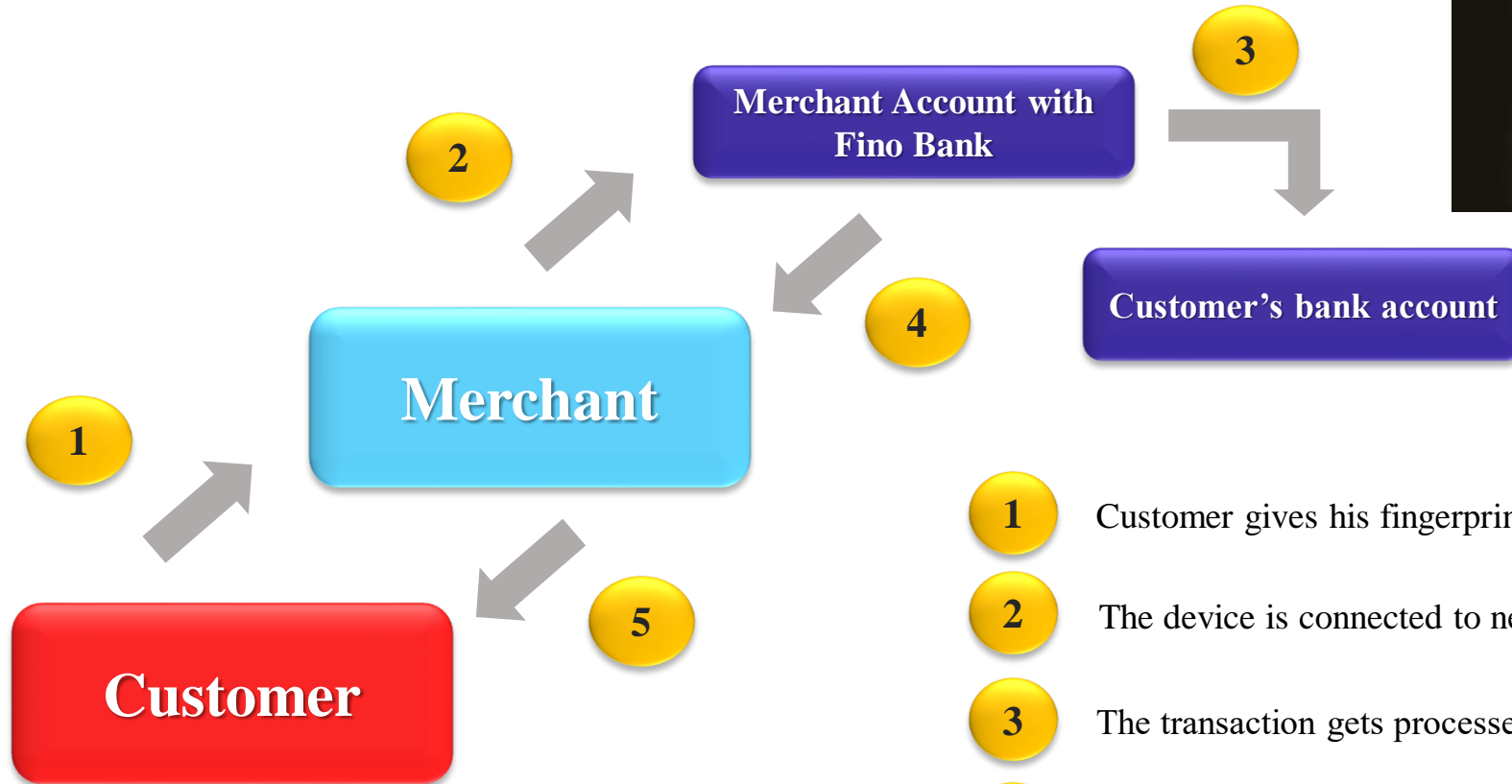
**Use Case:** Customers often don't carry their ATM cards with them. Many at the bottom of the pyramid may not even have an ATM card. Most ATM kiosks will not be suitable for such customers – they have to visit a bank branch

**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



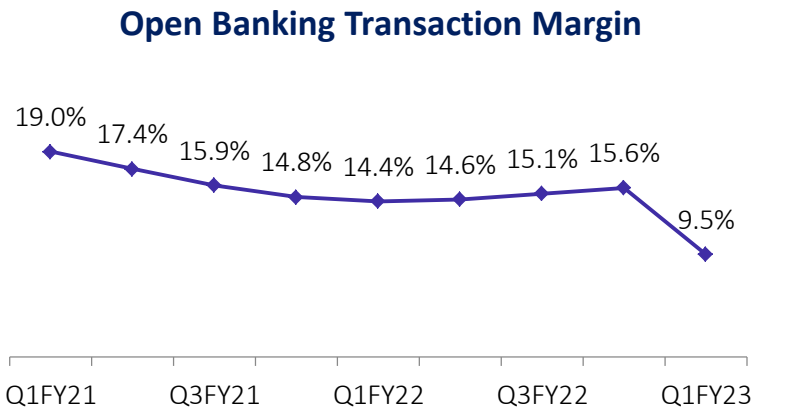
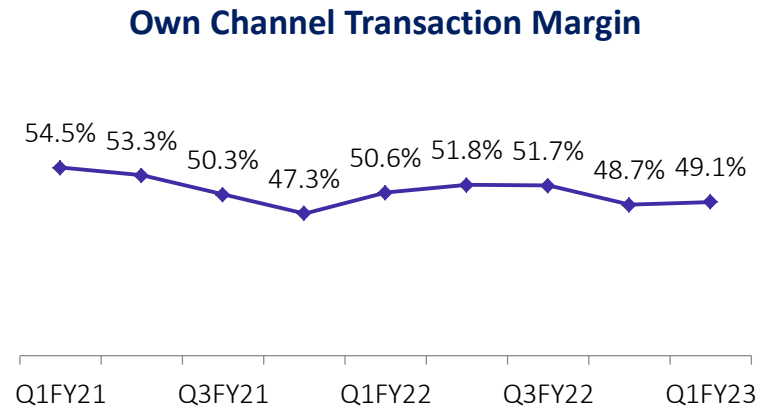
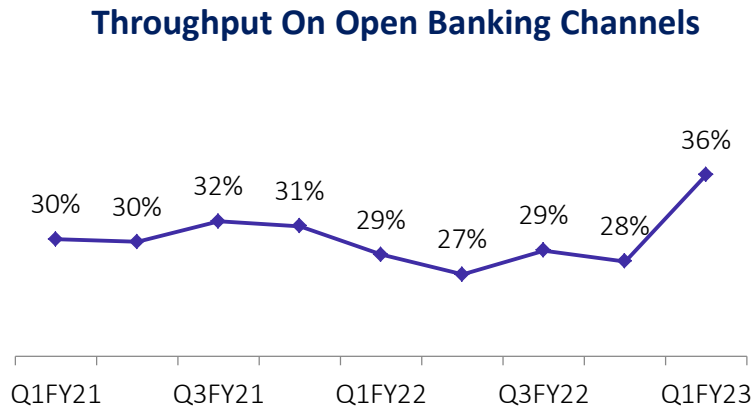
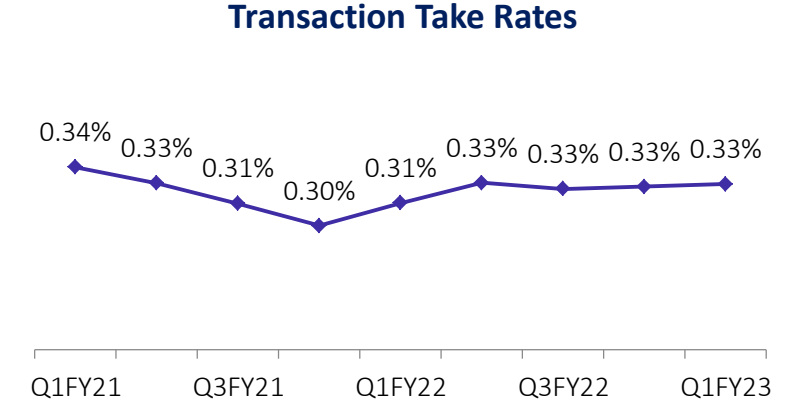
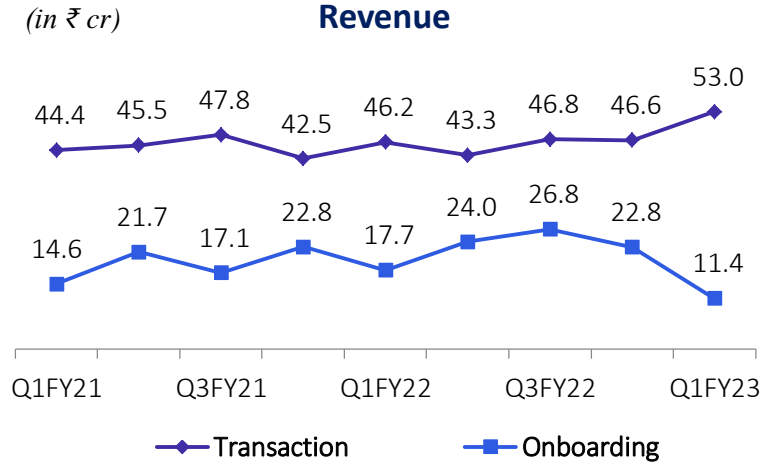
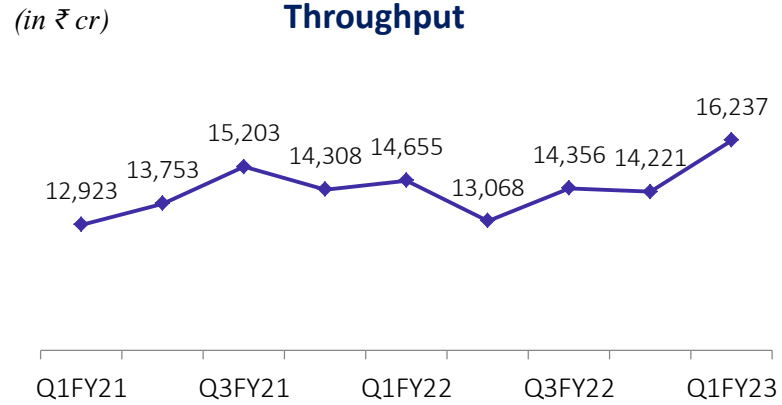
- 1 Customer gives his fingerprint on bio-authentication device of the merchant
- 2 The device is connected to network and also to the merchant portal of Fino
- 3 The transaction gets processed through Fino's CBS platform
- 4 Merchant gets credit of amount in his merchant account with Fino
- 5 Merchant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

Revenue source

**Interchange Fees**

# Micro-ATM & AEPS

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



- ★ 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
- ★ Moderation of margins primarily on account of growth of open banking business in AEPS

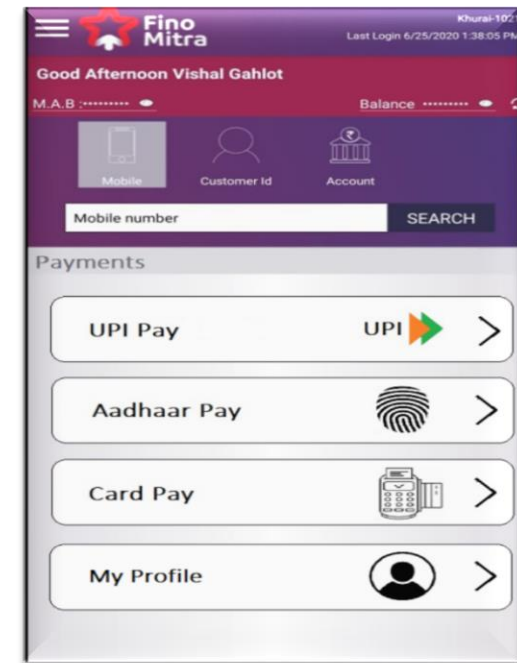
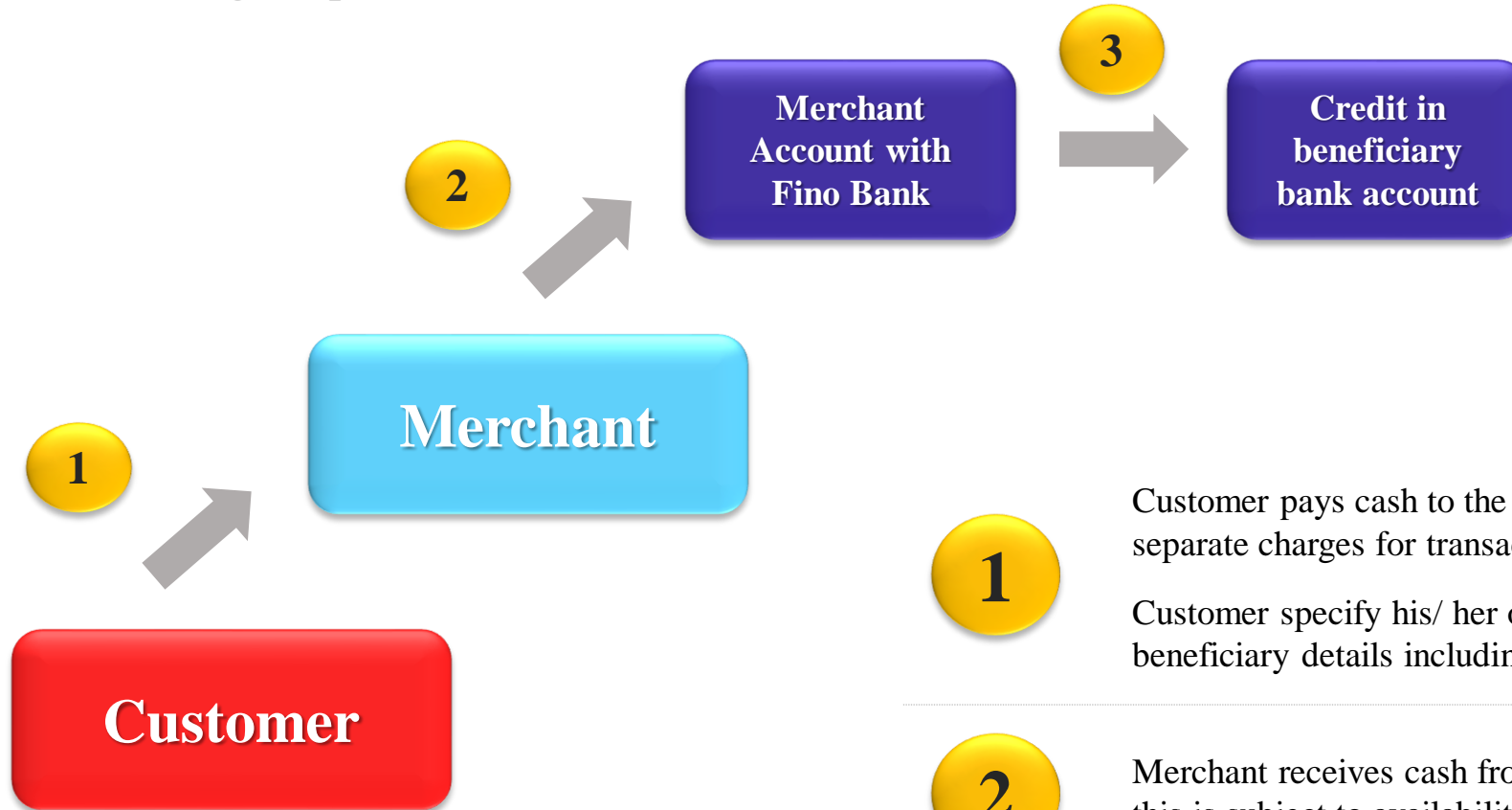
# Remittance (1/2)

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

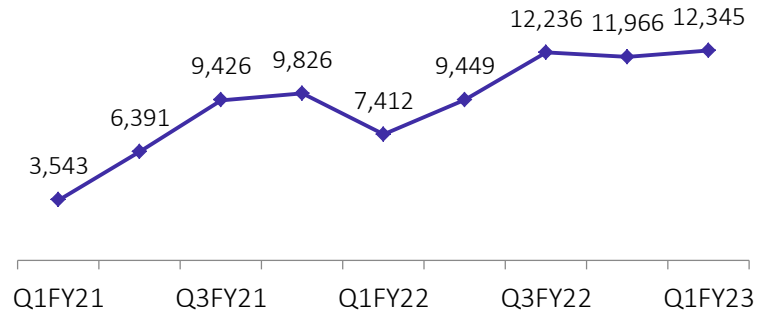


# Remittance

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

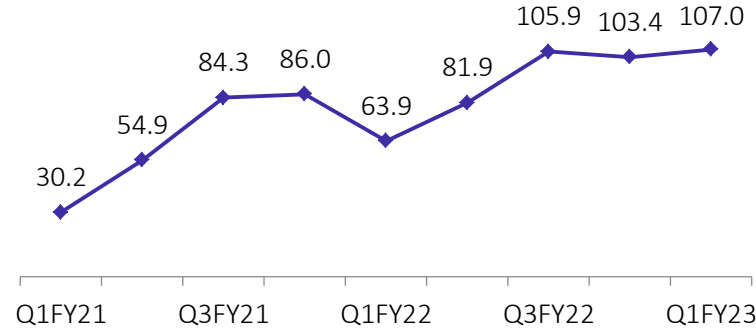
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### Throughput

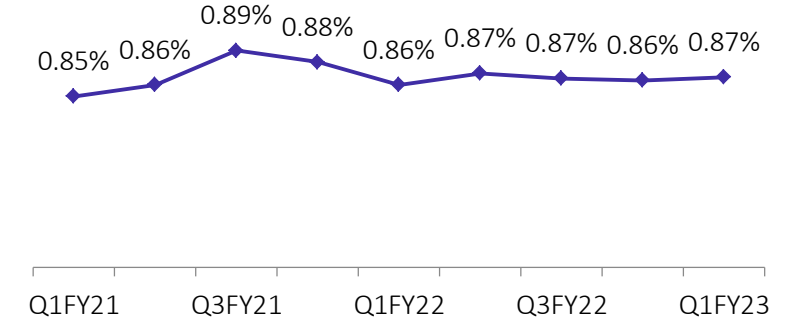


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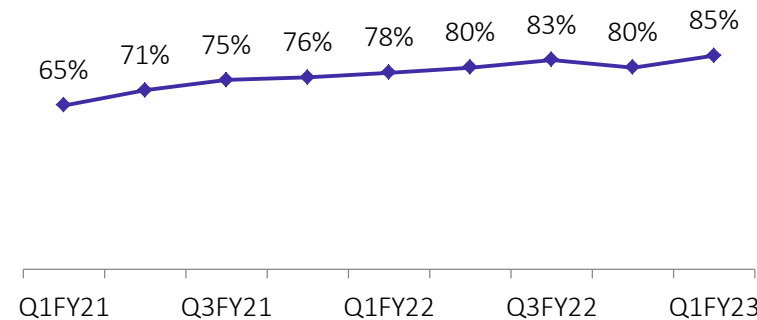
### Revenue



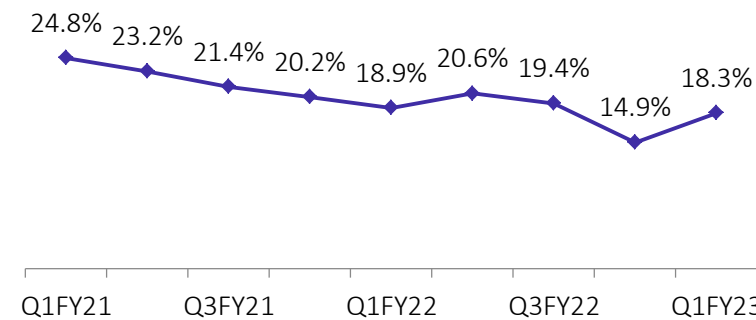
### Take Rate



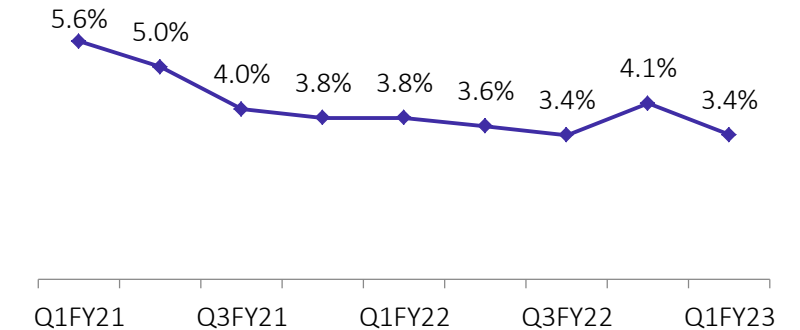
### Throughput On Open Banking Channels



### 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

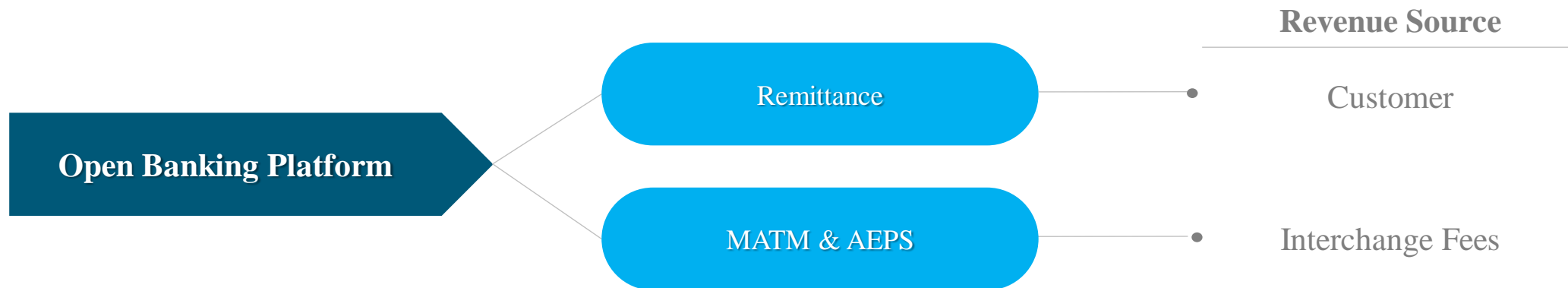
# Open Banking Platform (1/2)

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

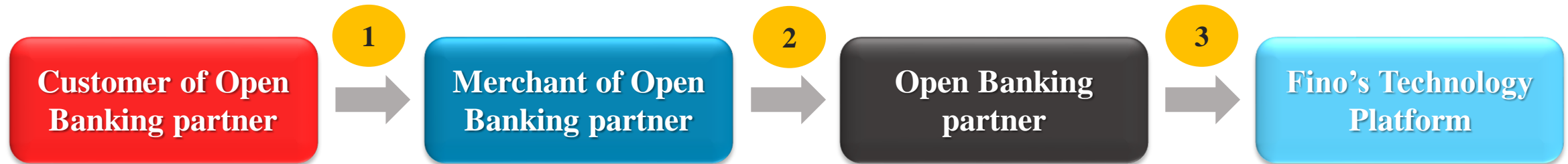
**Customer Segment:** Fintech partners who do not have a banking license of RBI

**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*