

Dear Shareholder,

We are pleased to inform you that momentum of your company's successful growth story of FY 19 continues in H1'20. Through this newsletter, we are providing a performance update & believe that you find it engaging and insightful.

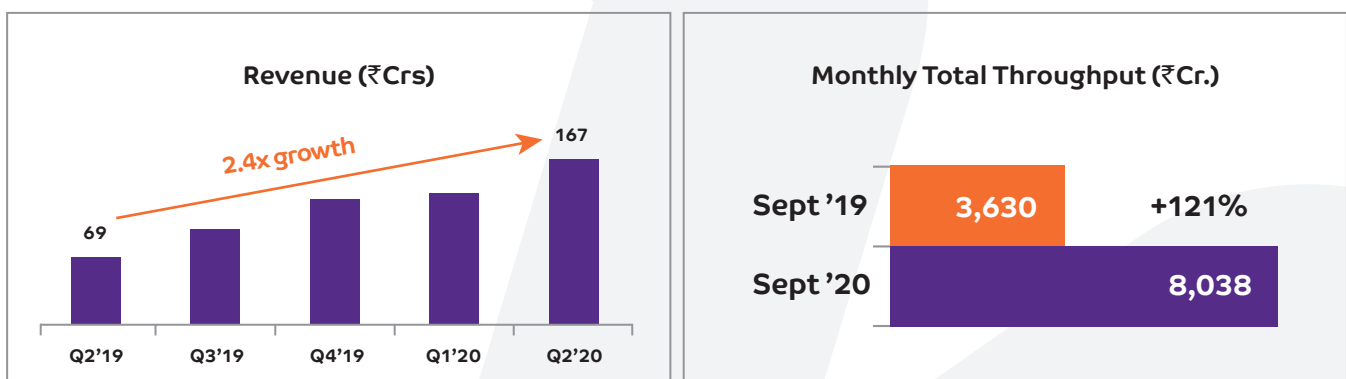
## Business performance:

- Operating profit continued to grow in H1'20, reached ₹7 Cr.
- Revenue growth of 72% in H1'20 against H1'19
  - Registered an all-time high quarterly revenue in Q2'20 (₹214 Cr.)
  - 3/4<sup>th</sup> of FY 19 revenue already achieved in H1'20
- Employee efficiency improvement of 36% in Sept. '19 vs. April '19

### Fino Group



### Fino Payments Bank



## Growth achieved through:

- Focused shift to variable low cost operating model - 1.38 lakhs merchants (150% growth from Sept '19) have already been on boarded
- Introduction of new geography based organisational structure
  - Synergies of different channels & achieve enhanced sales – improving employee efficiency
  - Expansion in unchartered territories (i.e. Northeast, West Bengal, Kerala & Tamil Nadu)
  - Revenue share from new geographies has increased by 3.2% to 15.2%

- 79% growth in CASA accounts from Sept '18 - 12.32 lakhs as on 30<sup>th</sup> Sept '19. Newly introduced subscription based CASA product (“Shubh”) complemented transaction banking momentum. “Shubh” constituted 64% of a/c opened in Q2 with 95% debit card penetration
- Flagship products like Micro ATM & remittance continue to drive business across the country
- Total number of partners (Cash management, BC banking & API) grew by 124% to 83

## Outlook for H2'20

- o **Your Bank continues to grow the business by adding more banking outlets & doing more with banking outlets. The plan is to add 50k+ banking outlets in H2'20**
- o **Your Bank is also generating more products aiming at better customer servicing & increase in income for banking outlets**
- o **On-boarding of 2 new business correspondent mandates**

### Conversion to Small Finance Bank (SFB)

Recently, RBI has issued guidelines for “on tap” licensing of Small Finance Bank (SFB). Eligible Payments Bank can apply for conversion to SFB on completion of 5 years of operations as Payments Bank. SFB will open a gateway for comprehensive financial products (FD/RD/Credit) which are currently restricted under Payments Bank. Your company is exploring opportunity in light of RBI guidelines.

### Accolades

- Fino Payments Bank has received the award for **outstanding performance in digital payments** for FY 18-19 from Meity. Ranked 1<sup>st</sup> in digital transaction scorecard for the month of June '19 amongst all banks
- Best Emerging Payment Bank of the Year – ETBFSI Excellence Awards 2019

We thank you for your continued support as a shareholder and welcome your feedback.

Please write to us, at [corporatecommunication@finopaytech.com](mailto:corporatecommunication@finopaytech.com)