

Financial Results for Q3FY22 of Fino Payments Bank

PAT jumps by 116% YOY to ₹14.1 crore; Revenue in Q3FY22 at ₹275.16 crore

The Board of Directors of Fino Payments Bank Limited (**BSE: 543386; NSE: FINOPB**) (“Fino Bank” or “the Bank”) at its meeting on Thursday, January 27, 2022, approved the financial statements accounts of the Bank for the quarter ended December 31, 2021.

Performance highlights for the quarter ended December 31, 2021

- ✓ Overall throughput value (TPV) grew by 29% YOY to ₹49,168 crores in Q3FY22 and by 42% YOY to ₹134,043 crores in 9MFY22
- ✓ UPI throughput during 9MFY22 grew by a whopping 351% YOY to ₹ 10,962 crores
- ✓ 39.2 lakh Fino Bank accounts have been opened till 31st Dec 2021 with more than 2 lakhs accounts opened in December 2021 alone.
- ✓ 866,034 merchants have been on boarded in the Fino ecosystem till 31st Dec 2021; growth of 58% YOY
- ✓ Over 18 crore transactions were carried out on Fino’s platforms in Q3FY22
- ✓ Revenue during the quarter grew by 20% YOY to ₹275.16 crores on the back of a 75% YOY growth in subscription income
- ✓ EBITDA grew by 84% YOY to ₹25.93 crores in Q3FY22
- ✓ EBITDA margins improved by 205 basis points sequentially from 7.4% in Q2FY22 to 9.4% in Q3FY22
- ✓ Profit After Tax (PAT) grew by 116% YOY to ₹ 14.1 crores in Q3FY22
- ✓ PAT margins improved by 186 basis points sequentially from 3.3% in Q2FY22 to 5.1% in Q3FY22
- ✓ Annualised Return on Equity (RoE) of Q3FY22 is at 18%
- ✓ CASA total subscription revenue grew by 124% YOY (new account subscription grew by 99% YOY to ₹16.7 crores and renewal annuity income grew by 204% YOY to ₹7.9 crores)
- ✓ Transaction revenue of MATM & AEPS registered sequential growth of 8% in Q3FY22 with transaction margins remaining steady
- ✓ Revenue from remittance grew by 26% YOY and 29% sequentially in Q3FY22
- ✓ Debit card spends continue to register strong momentum with average spends per transaction during 9MFY22 at ₹2,657 vis-à-vis ₹2,528 during FY21
- ✓ On-boarded 17 new partners in CMS business taking the tally of partners to 127

Rishi Gupta, CEO & Managing Director said, “It is another standout quarter for us with emerging businesses like liabilities accounts and CMS achieving record volumes. The third quarter is traditionally marked by festivities in India that leads to a surge in payment businesses like those of Fino Bank. Our consistent focus and execution excellence resulted in capitalising the festive spirit in

Q3FY22. Our sequential revenue growth in Q3FY22 is 13.6% over Q2FY22 while the year-on-year growth is at 20%.

Our continuous efforts towards customer centric innovation and digitization have led to rise in UPI transactions and debit card spends of Fino Bank customers. This further validates the increased adoption of digital payments by our consumers in emerging Bharat. Going forward, we expect revenues from digital banking business to contribute a larger share in our overall revenue pie.”

Ketan Merchant, Chief Financial Officer said, “Operating leverage in our lean cost model is showing impact in our profitability. Our strategy to focus on growth in high margin products not only ensured robust revenues but also a resounding growth in our PAT to ₹14.1 crore in Q3FY22. In the process helping improve our PAT margin by 186 basis points sequentially from 3.26% in Q2FY22 to 5.12% in Q3FY22.

Our annualised ROE in Q3FY22 is at 18% after factoring in the IPO proceeds that came in November 2021. If we exclude the IPO proceeds from our net worth, our average annualized ROE in Q3FY22 would be 33.5%. No credit risk and a risk-free prepaid model representing limited downsides enable a sustainable high ROE trajectory in the long run.”

Some important milestones of Fino Bank in Q3FY22:

1. Remittance or Domestic Money Transfer (DMT) business regained pre-COVID levels in terms of throughput in Oct-21
2. CMS throughput value for a month crossed ₹2,000 crores in Dec-21 and ₹6,000 crores in a quarter for the first time.
3. Opened more than 2 lakh bank accounts in a month for the first time in Dec-21. This is an outcome of converting organic footfalls generated by legacy businesses like DMT and Micro ATM & AEPS
4. UPI throughput value crossed ₹5,000 crores for the first time in a quarter
5. Received the RBI approval to commence cross-border remittance through MTSS scheme

About Fino Payments Bank Ltd (www.finobank.com); (BSE: 543386; NSE: FINOPB):

Fino Payments Bank is a fully owned subsidiary of Fino Paytech which had last raised funds in 2016. Fino Paytech is backed by marquee investors like Bharat Petroleum, ICICI group, Blackstone, IFC, Intel and LIC among others. Frugal innovation is the key that has given the fintech a leadership position at the middle of the pyramid which primarily constitutes emerging India customers. The Mumbai-based fintech operates on an asset light business model that principally relies on fee and commission based income generated from merchant network and strategic commercial relationships.

The fintech bank turned profitable in the fourth quarter of FY20 and has been profitable in subsequent quarterly periods. The bank registered first full year profit of ₹20.5 crore in FY21. In 9MFY22 the Bank registered a Profit After Tax (PAT) of Rs 25.12 crores, a 95% increase on 9MFY21 profit.

By the end of December 2021, the transactions-led fintech had a customer base of over 3.9 million and a neighbourhood merchant network of more than 0.86 million points.