

September 07, 2026

BSE Limited

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,

Sub: Notice of the 10th Annual General Meeting (“AGM”) and Annual Report of Fino Payments Bank Limited (“Bank”) for the FY2025-26

Pursuant to the Regulation 30 and 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”), we wish to inform that the 10th AGM of the members of the Bank will be held on Tuesday, September 29, 2026 at 12:00 Noon (IST) through Video Conferencing/Other Audio Visual Means in compliance with the applicable regulatory provisions.

In this regard, please find attached the following:

1. Notice convening the 10th AGM (“**Notice**”),
2. Annual Report of the Bank (“**Annual Report**”) comprising, inter alia, the audited financial statements for the financial year ended March 31, 2026, the Boards’ Report, the Auditors’ Report, the Management’s Discussion and Analysis and the Business Responsibility and Sustainability Report (“**BRSR**”);

Further, the schedule for the 10th AGM including e-Voting details are given below:

Cut-Off Date	Tuesday, September 22, 2026
Remote e-Voting Start Date and Time	Friday, September 25, 2026 at 9:00 a.m. (IST)
Remote e-Voting End Date and Time	Monday, September 28, 2026 at 5:00 p.m. (IST)

Further, the Bank has commenced the dispatch of the Annual Report for the FY2025-26 along with the Notice of the AGM through electronic mode to those members whose e-mail addresses are registered with the Depository Participants/ RTA/ Bank. The Bank has dispatched the physical letters containing the web-link of Annual Report to those members whose e-mail addresses are not registered with Depository Participants/ RTA/ Bank.

The Notice, Annual Report and BRSR shall be available on the website of the Bank at www.fino.bank.in and also on the websites of the Stock Exchanges viz. BSE Limited at www.bseindia.com, National Stock Exchange of India Limited at www.nseindia.com and on the website of the e-voting service provider engaged by the Bank viz. National Securities Depository Limited at www.evoting.nsdl.com.

Kindly take the same on record.

Yours faithfully,

For Fino Payments Bank Limited

Basavraj
Shivanand
Loni

Digitally signed by
Basavraj Shivanand
Loni
Date: 2026.09.07
22:12:11 +05'30'

Basavraj Loni
Company Secretary & Compliance Officer

Place: Navi Mumbai

Encl.: As above

FINO PAYMENTS BANK LIMITED**CIN:** L65100MH2007PLC171959**Regd. Office:** Mindspace Juinagar, Plot No Gen 2/1/F, Tower 1,
8th Floor, TTC Industrial Area, MIDC Shirwane, Juinagar, Navi Mumbai,
Thane - 400706**Phone:** +91 22 7104 7000**E-mail:** cs@fino.bank.in | website: www.fino.bank.in

NOTICE

NOTICE is hereby given that the **10th (Tenth) Annual General Meeting ("AGM")** of the members of **Fino Payments Bank Limited ("Bank")** will be held on **Tuesday, September 29, 2026 at 12:00 Noon**, Indian Standard Time ("**IST**") through Video Conferencing ("**VC**") or Other Audio-Visual Means ("**OAVM**"), in compliance with the relevant provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with relevant circulars issued by Ministry of Corporate Affairs ("**MCA**") and Securities and Exchange Board of India ("**SEBI**") in this regard, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Bank for the financial year ended March 31, 2026 together with the reports of the Board of Directors and Auditors thereon.

By order of the Board of Directors
For 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, Thane - 400706
CIN: L65100MH2007PLC171959
Email: cs@fino.bank.in
Website: www.fino.bank.in

Place: Navi Mumbai
Date: August 24, 2026

Basavraj Loni
Company Secretary & Compliance Officer
ICSI Membership No. ACS: 23095

NOTES:

1. As per the current composition of the Board, the Bank has five Independent Directors, and two Nominee Directors representing the Holding Company. Pursuant to Section 152(6)(c) of the Companies Act, 2013 (“**Act**”), Independent Directors are not liable to retire by rotation. Further, in accordance with the provisions of the Articles of Association of the Bank, the Nominee Directors of the Holding Company are appointed by the shareholders of the Bank, on a non-retiring basis. In view of the same, none of the Directors on the Board of the Bank are subject to retirement by rotation. Accordingly, the agenda item relating to the retirement of Directors by rotation and their re-appointment does not form part of the Notice convening the 10th Annual General Meeting.
2. The MCA vide General Circular No. 03/2025 dated September 22, 2025 have permitted the companies to hold Annual General Meetings through VC / OAVM, without physical presence of the members at a common venue and provided relaxation from dispatching of physical copy of Annual Report till further notice.
3. In compliance with the provisions of the Act, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”) and MCA Circulars, the AGM of the Bank is being held through VC/ OAVM. Hence, the members can attend and participate in the ensuing AGM through VC/ OAVM only. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Bank which shall be the deemed Venue of the AGM.
4. In compliance with the MCA Circulars and SEBI Circulars, the Notice of the AGM along with the Annual Report for the FY2025-26 are being sent only through electronic mode to those members whose e-mail addresses are registered with the Bank/ Registrar and Transfer Agent (“**RTA**”) i.e. KFin Technologies Limited (“**KFIN**”) or with the Depository Participant (“**DP**”). A letter providing the web-link for accessing the Annual report, including the exact path, will be sent to those members who have not registered their email address with the Bank/RTA/DP.
5. The members will be entitled to get a physical copy of the Annual Report for the FY2025-26, free of cost, upon sending a request to the Bank on cs@fino.bank.in. The members may note that the Notice of the AGM and the Annual Report are also available on the Bank’s website at www.fino.bank.in and on the websites of Stock Exchanges i.e. BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com. The Notice of the AGM and the Annual Report is also available on website of e-Voting agency i.e., National Securities Depository Limited (“**NSDL**”) at www.evoting.nsdl.com.

The Bank has enabled the members to participate at the AGM through the VC/ OAVM facility provided by NSDL. The instructions for participation by members are given in the subsequent paragraphs.

6. PROXIES:

Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/ her behalf and the proxy need not be a member of the Bank. Since this AGM is being held pursuant to the MCA Circulars and SEBI Circulars through VC/ OAVM, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip including the route map are not annexed to this Notice.

7. The Institutional/ Corporate members (i.e. other than individuals/ HUF, NRI, etc.) intending their authorized representatives to attend the AGM through VC/ OAVM on its behalf and to vote through remote e-Voting are requested to send scanned certified true copy (PDF/JPEG Format) of the Board Resolution/ Authority Letter etc. to the Scrutinizer by e-mail through its registered e-mail address at cskaushikjoshi@gmail.com with a copy marked to cs@fino.bank.in.

The Institutional / Corporate members can also upload the aforesaid documents by clicking on “**Upload Board Resolution / Authority Letter**” displayed under “**e-Voting**” tab in their login.

8. In case of joint holders, only such joint holder who is higher in the order of names as per the Register of members of the Bank will be entitled to vote at the AGM.
9. The members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
10. All relevant documents referred to in this Notice requiring the approval of the members at the AGM will be available for inspection by the members. Members who wish to inspect the documents are requested to send an e-mail to cs@fino.bank.in mentioning their name, folio no. / Client ID and DP ID, and the documents they wish to inspect, with a self-attested copy of their PAN card attached to the e-mail.
11. The information related to the unpaid dividend has not been provided in this Notice as the Bank has not declared any dividend during any preceding years and hence, the provisions of Section 124 of the Act read with IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016 are not applicable.

12. Members are requested to update their details such as name, postal address, e-mail address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code etc. with their DPs. Members may contact their respective DPs for availing the nomination facility.
13. The SEBI vide its circulars has mandated the submission of PAN by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN details to their DP for KYC updation.
14. **Updation of PAN, e-mail address, Bank account and other details:**

Members may follow the process detailed below for registration of e-mail address, updation of bank account details, etc.

Type of holder

▪ Shareholder holding shares in Physical form:

For availing the following investor services, send a written request in the prescribed forms to KFIN by email to einward.ris@kfintech.com or by post to Selenium Building, Tower B, Plot nos. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Telangana – 500 032.

- Form to register / change / update PAN, bank details, signature, e-mail address, mobile no. and address: **Form ISR-1**
- Form for confirmation of signature of securities holder by the Banker: **Form ISR-2**
- Form for nomination pursuant to Section 72 of the Act: **Form SH-13**
- Form for declaration to opt-out of nomination: **Form ISR-3**
- Form for cancellation or variation of nomination: **Form SH-14**
- Form for requesting issue of duplicate certificate and other service requests for shares / debentures / bonds, etc., held in physical form: **Form ISR-4**

The forms for updating the above details are available at <https://www.fino.bank.in/investor-relations>

▪ Shareholder holding shares in Dematerialized mode:

Please contact your DP to register / update your e-mail address, bank account details, address, etc. in your demat account, as per the process advised by your DP.

15. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form. Further, as per SEBI Circular dated January 25, 2022, the request of transmission or transposition of securities shall only be processed in dematerialized form by following the steps mentioned in the said circular. In view of the above and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Member is advised to dematerialize the share held by him in physical form. For this purpose, Member can contact the Bank at cs@fino.bank.in or KFIN at einward.ris@kfintech.com for assistance in this regard.
16. **Procedure & Instructions for e-Voting and joining the AGM through VC/ OAVM are as follows:-**
 - A. **VOTING THROUGH ELECTRONIC MEANS:**
 - a. In terms of Section 108 and other applicable provisions, if any, of the Act, read with the Companies (Management and Administration) Rules, 2014 and other relevant rules made thereunder, as amended, Regulation 44 of the SEBI Listing Regulations and MCA Circulars read with SEBI Circulars, the Bank is pleased to provide the facility of remote e-Voting and e-Voting during the AGM to its members holding shares as on Tuesday, September 22, 2026 ("cut-off date"), to exercise their right to vote through electronic means on the business specified in this Notice. The Bank has engaged the services and made necessary arrangements with NSDL for facilitating voting through electronic means, as authorized e-Voting agency.
 - b. The Remote e-voting commences on Friday, September 25, 2026 at 9:00 a.m. (IST) and ends on Monday, September 28, 2026 at 5:00 p.m. (IST). The e-Voting module shall be disabled by NSDL for voting thereafter.
 - c. A person who is not a shareholder as on the cut-off date should treat this Notice for information purpose only.

Those members, who will be present in the AGM through VC/ OAVM facility and have not cast their vote on the Resolution through Remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system during the AGM.
 - d. The members who have cast their vote by Remote e-Voting prior to the AGM may also attend/ participate in the AGM through VC/ OAVM but shall not be entitled to cast their vote again.
 - e. The voting rights of the members shall be in proportion to their shares of the paid-up equity share capital of the Bank as on the cut-off date, subject to the provisions of the Banking Regulation Act, 1949, as amended from time to time and Reserve Bank of India (Payments Banks – Acquisition and Holding of Shares or Voting Rights) Directions, 2025 dated November 28, 2025.
 - f. Only a person whose name is recorded in the Register of members or in the Register of Beneficial Owners maintained by the RTA as on the cut-off date, shall be entitled to avail the facility of remote e-voting or casting vote through e-Voting system during the AGM.

- g. The members are strongly advised to use the e-voting procedure by themselves and not through any other person.
- h. The Board of Directors has appointed Mr. Tribhuvneshwar Kaushik (Membership No: F10607) and in his absence, Mr. Savyasachi Joshi (Membership No: F12752) of M/s. Kaushik Joshi & Co., Practising Company Secretaries, as the Scrutinizer to scrutinize the Remote e-Voting process and the e-Voting process during the AGM, in a fair and transparent manner.

The details of the process and the way to vote electronically on NSDL e-Voting system consists of 'Two Steps' which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting for Individual shareholders holding securities in demat mode

In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020 on e-Voting facility provided by listed companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and DPs. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual shareholders holding securities in demat mode with NSDL	- Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. - If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp - Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Bank name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. - Shareholders can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on  App Store  Google Play  

Type of shareholders	Login Method
Individual shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by the Bank. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL:

Login type	Helpdesk details
Individual shareholders holding securities in demat mode with NSDL	Shareholders facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual shareholders holding securities in demat mode with CDSL	Shareholders facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode.

How to Log-in to NSDL e-Voting website

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com> either on a Personal Computer or on a mobile.
 2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
 3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
- Alternatively, if you are registered for NSDL e-services i.e. IDeAS, you can log-in at <https://eservices.nsdl.com> with your existing IDeAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	User ID
a) For members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 141949 then user ID is 141949001***

5. Password details for shareholders other than Individual shareholders are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- How to retrieve your 'initial password'?
 - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account. The .pdf file contains your 'User ID' and your 'initial password'.
 - If your email ID is not registered, please follow the detailed procedure with respect to registration of e-mail addresses as mentioned in note no. 14 of this Notice.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option is available on www.evoting.nsdl.com.
- If you are still unable to get the password by aforesaid option, you can send a request at evoting@nsdl.com mentioning your demat account number, your PAN, your name and your registered address etc.

- Shareholders can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

- After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- Now, you will have to click on "Login" button.
- After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system

- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- Select "EVEN" of Fino Payments Bank Limited i.e. 141949
- Now you are ready for e-Voting as the voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

The instructions for shareholders for e-voting on the day of the AGM are as under:-

- The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.
- Only those shareholders, who will be present in the AGM through VC/OAVM and have not cast their vote on the Resolution through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- Shareholders who have voted through remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for remote e-Voting.

General guidelines for shareholders

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot User Details/Password?' or 'Physical User Reset Password?' option available on <https://www.evoting.nsdl.com> to reset the password.
2. In case of any queries, you may refer the Frequently Asked Questions ("FAQs") for shareholders and e-Voting user manual for shareholders available at the download section of <https://www.evoting.nsdl.com> or call on toll free no.: 022-4886 7000 or send a request at evoting@nsdl.com
3. In case of any grievances connected with the facility of e-voting, please contact Ms. Pallavi Mhatre, Deputy Vice President, NSDL, 3rd Floor, Naman Chamber, Plot C-32, G-Block, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra - 400 051 or write to evoting@nsdl.com.

Process for those shareholders whose e-mail IDs are not registered with the depositories for procuring user ID and password and registration of e-mail IDs for e-Voting for the resolution set out in this notice:

1. For the shares held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN Card), Aadhaar (self-attested scanned copy of Aadhaar Card) to cs@fino.bank.in. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at Step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
2. Alternatively, shareholders may send a request to evoting@nsdl.com for procuring user ID and password for e-voting by providing above mentioned documents.
3. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and DPs. Shareholders are required to update their mobile number and e-mail ID correctly in their demat account in order to access e-Voting facility.

INSTRUCTIONS FOR SHAREHOLDERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

- i. The shareholder will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. The shareholders may access by following the steps mentioned above for 'Access to NSDL e-Voting system'. After successful login, you can see link of "VC/OAVM link" placed under "Join meeting" menu against company name. You are requested to click on VC/ OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in "Shareholder/ Member" login where the EVEN of the Bank will be displayed. Please note that the shareholders who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice to avoid last minute rush.
- ii. In accordance with the MCA Circulars, the VC/ OAVM will have a capacity to allow at least 1000 Shareholders to participate in the AGM and such participation shall be on a first-come-first-served basis. However, please note that pursuant to the MCA Circulars, large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. may be allowed to attend the AGM without restriction on account of first-come-first-served principle.
- iii. The link for joining the AGM through VC/ OAVM will be activated 30 minutes before the time scheduled for commencement of the AGM and will be closed 30 minutes after conclusion of the AGM. The shareholders may join the AGM by following the procedure mentioned in this Notice.
- iv. The shareholders are encouraged to join the Meeting through laptops for better experience. Further, the shareholders will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting. Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- v. The shareholders who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending request from their registered e-mail ID mentioning their name, DP ID and Client ID/ folio number, PAN, mobile number at cs@fino.bank.in in advance i.e. at least seven (7) days prior to date of AGM. Those shareholders who have registered themselves as a speaker will only be

allowed to express their views/ ask questions during the AGM. The Bank reserves the right to restrict the number of questions and number of speakers depending on the availability of time for the AGM.

17. A person, who acquire shares of the Bank and becomes shareholder of the Bank after the date of sending of this Notice and hold shares as on the cut-off date i.e. Tuesday, September 22, 2026 can cast the vote by following instructions as mentioned in this Notice under "Access to NSDL e-voting system"
18. In line with "Green Initiative" the shareholders whose email addresses are not registered with the Bank/RTA or with their respective DP are requested to register and update their email address through respective DP.
19. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM thereafter unblock the votes cast through remote e-Voting and make a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Part-Time Chairperson or Company Secretary who shall countersign the same, in accordance with the applicable provisions of law. The results of voting will be announced within 2 (two) working days of the conclusion of AGM and same along with the Scrutinizer's Report will be available on the Bank's website at www.fino.bank.in and on the e-Voting agency's website i.e. NSDL at <https://www.evoting.nsdl.com> and communication of the same will be sent to BSE Limited and National Stock Exchange of India Limited. The Bank will also display the results of the AGM on the notice board at its Registered Office.

Rooted in trust. **Gearing up for** **the future.**



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Disclaimer

We have exercised utmost care in the preparation of this report. It contains forecasts and/or information relating to forecasts. Forecasts are based on facts, expectations and/or past figures. As with all forward-looking statements, forecasts are connected with known and unknown uncertainties, which may mean the actual result deviate significantly from the forecast. Forecasts prepared by the third parties, or data or evaluations used by third parties and mentioned in this communication, may be inappropriate, incomplete, or falsified. We cannot assess whether information in this report has been taken from third parties, or these provide the basis of our own evaluations, such use is made known in this report. As a result of the above-mentioned circumstances, we can provide no warranty regarding the correctness, completeness and up-to-date nature of information taken and declared as being taken, from third parties, as well as for forward looking statements, irrespective of whether these derive from third parties or ourselves. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

For reasons of brevity, Fino Payments Bank has been referred to as 'Fino Bank' or 'Fino' in this report



Growth snapshot

1,587.9 ₹ Crore, Total revenue, FY26	4.64 ₹ Lakh Crore, Total transaction throughput, FY26	2.48 ₹ Lakh Crore, UPI throughput, FY26
1,847.1 ₹ Crore, Total revenue, FY25	4.61 ₹ Lakh Crore, Total transaction throughput, FY25	2.14 ₹ Lakh Crore, UPI throughput, FY25
267.8 ₹ Crore, Renewal revenue, FY26	52.5 ₹ Crore, PAT, FY26	182.6 ₹ Crore, Cash profit, FY26
210.8 ₹ Crore, Renewal revenue, FY25	92.5 ₹ Crore, PAT, FY25	191.2 ₹ Crore, Cash profit, FY25
2,576 ₹ Crore, Average total deposits, FY26	2,009 ₹ Crore, Average total deposits, FY25	



Seven principal messages of this Annual Report

1

Fino Bank strengthened its franchise in FY26 through resilient, compliance-led growth amid a challenging operating environment.

2

Fino Bank deepened customer trust with a record 1.75 Crore customer base, highest-ever quarterly renewal income of ₹69.9 Crore in the 4th Quarter of FY26 and 31.5 Lakh CASA account additions in FY26.

3

Fino Bank reinforced its liability-led model through strong CASA growth and a structurally low-cost deposit base.

4

Fino Bank adopted a calibrated digital strategy by tightening merchant onboarding and strengthening risk controls.

5

Fino Bank completed its Finacle migration, building a scalable and future-ready technology backbone.

6

Fino Bank expanded its secured lending referral ecosystem, laying the foundation for its future lending franchise.

7

Fino Bank advanced steadily towards its transition into a differentiated, technology-led Small Finance Bank.

Before you read this Annual Report



Understanding the tree metaphor on the Annual Report FY26 cover

The cover design of Annual Report FY26 depicting a tree embodies Fino's growth over the years. Just as every tree begins with a seed, Fino started around two decades ago with a simple purpose to make banking accessible across Bharat.

Over time, that purpose took root, growing into a trusted Payments Bank built on strong relationships and financial inclusion. Today, those roots remain firmly grounded as Fino enters its next chapter towards becoming a differentiated Small Finance Bank.

Through the metaphor of a seed growing into a flourishing tree, the Annual Report tracks Fino's journey of steady growth, expanding possibilities, and a future built on the same trusted foundation.



 CORPORATE SNAPSHOT

Fino Payments Bank is what financial inclusion looks like in practice.

Not a line on a report cover, but millions of small transactions.

Transactions happening quietly, every day, in the towns and villages of Bharat where formal banking has long struggled to reach.

That work starts with putting the customer first. Every rupee the Bank mobilises builds towards a liability-led franchise designed to hold steady in a difficult year and compound in a good one.

At its core, Fino is a digitally driven bank solving an unglamorous but essential problem: making everyday transactions and payments simple, secure and available to a customer base that keeps growing because it keeps showing up.

Accessibility, simplicity and trust are not abstractions here - they are how Fino has earned its place as a dependable neighbourhood banking partner in communities that banks have historically overlooked.

Rather than chasing scale the traditional way, by expensive branches, Fino built a leaner path to it: a scalable, asset-light framework that grows efficiency and inclusion together, instead of trading one for the other.

The result, over eight years into being a bank, is an institution steadily earning the right to call itself national - with the local reach and relevance to back that claim.

One neighbourhood at a time.



Vision

To catalyse nation building by making every citizen financially secure.

Mission

To become the preferred bank for our customers by providing the simplest and most accessible financial services to grow their wealth.

Values

Courage
We believe, we challenge and we act.

Empathy
We understand and care about people's needs.

Frugal
We do more with less.

Reliability
We keep the promises we make and we are here to stay.

Our identity

Founded in 2017, Fino Payments Bank Limited set out to do banking differently: build access from the ground up for the customers - underserved households, emerging earners, first-time savers - that mainstream banking had left behind.

The Bank addresses the evolving banking and payment needs of low-income households, rural communities, micro-entrepreneurs and the growing workforce participating in the informal and gig economy through a wide range of accessible financial solutions.

Our promoters

Fino PayTech Limited, the Bank's sole promoter, has spent over a decade and a half proving that technology-led financial inclusion is not just possible in India, but profitable - and Fino Payments Bank is the clearest expression of that conviction.

Our footprint

Fino Payments Bank's footprint is not measured in branches - it is measured in trust, built one merchant counter at a time through a phygital model that pairs digital capability with genuine on-ground presence.

Built on an asset-light framework, the Bank leverages a growing merchant network that serves as the local touchpoint for delivering accessible banking and financial services within communities.

As of the end of FY26, this network comprised approximately 20.8 Lakh merchants spread across all States and Union Territories, enabling deep penetration across urban, semi-urban and rural India.

Our people

Behind every transaction is a person who made it possible. As of March 31, 2026, Fino Payments Bank Limited had a workforce of 2,848 employees. Women represented around 10% of the employee base, while the average age of employees stood at 31 years.

Honours and recognition

Great Place to Work

Great Place To Work Certified
FEB 2025 - FEB 2026
INDIA

Rural Fintech Financial Inclusion Forum

BFSI Excellence in Rural Banking - delivering scalable rural banking solutions (API Banking)

Rural Fintech Financial Inclusion Forum

Rural Financial Inclusion Champion - for exceptional work in extending financial services to underserved regions

IBS India Banking Summit & Awards 2026

Best Open Banking & API Implementation

Finnoviti Awards 2026

Best API Banking Platform

Finnoviti Awards 2026

ESG Project

Current and savings account (CASA)

Cash management services (CMS)

Micro ATM / Aadhaar enabled Payment System (AePS)

Domestic Money Transfer

Mobile banking through the FinoPay app

Digital savings account



Digital Stack / UPI offerings

Bill payments

Referral loans with partners

API / Open banking platform

Fixed Deposit services with a partner bank

Life, Health, Motor and Shopkeeper Insurance with partners

Business Correspondent Banking

How we built our business across the years

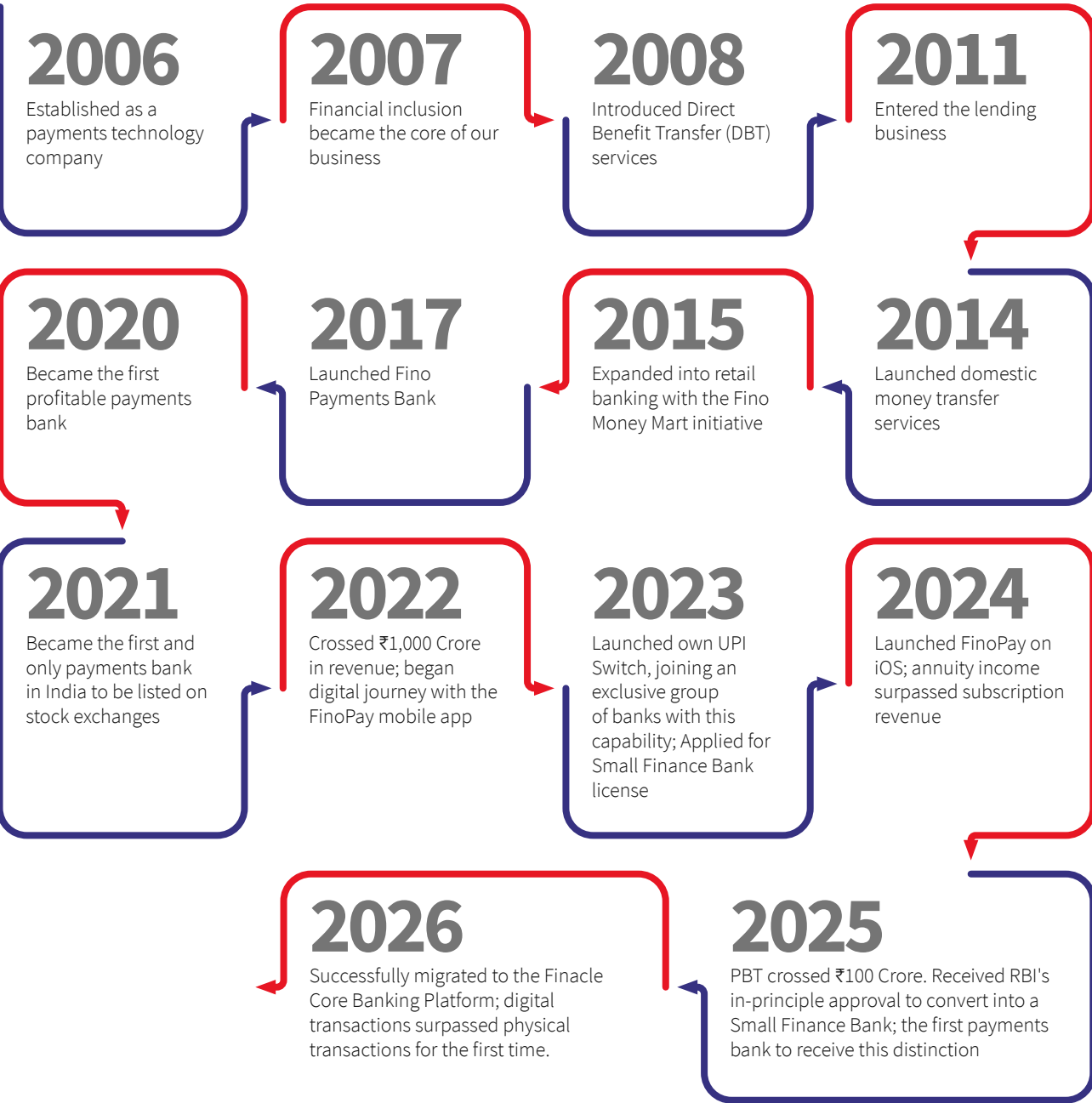
Fino's story spans two decades of steady reinvention.

What began in 2006 as a payments technology company evolved, within a year, into an enterprise built around financial inclusion - a shift that has anchored every decision since.

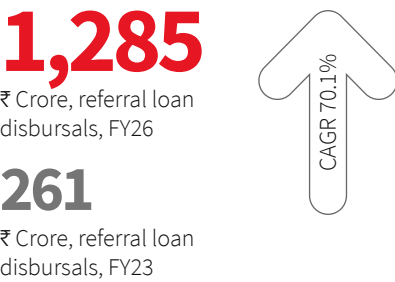
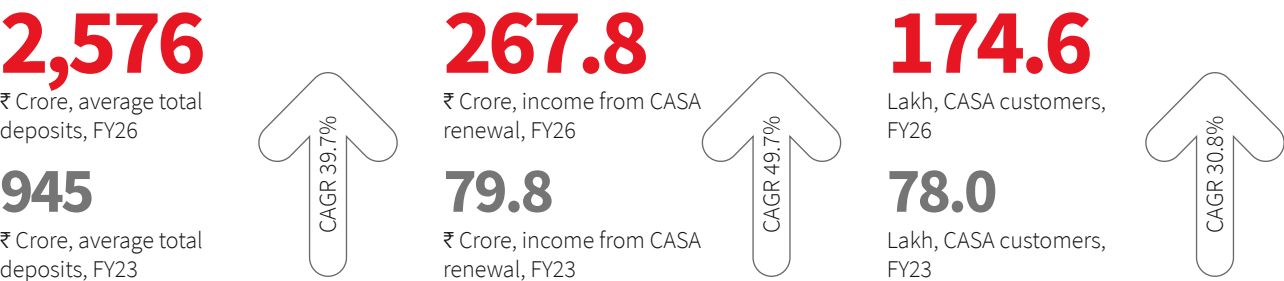
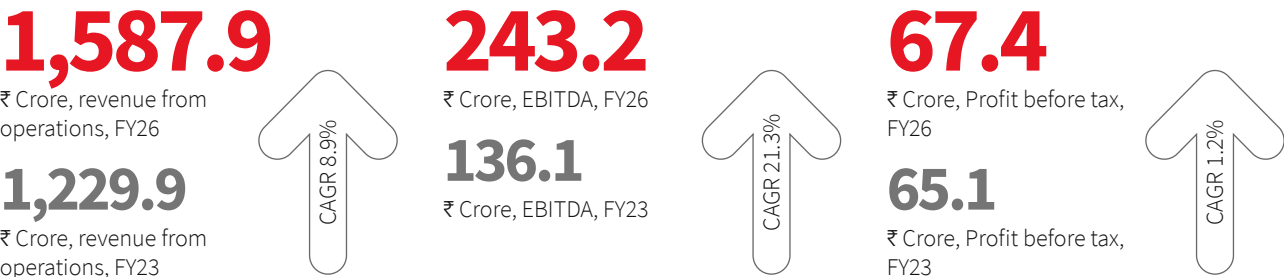
Through the years that followed, Fino expanded from enabling government transfers and lending to building its own retail banking and money transfer capabilities, culminating in 2017 with the launch of Fino Payments Bank itself.

Since then, the Bank has moved from proving the model - turning profitable in 2020, listing in 2021, crossing ₹1,000

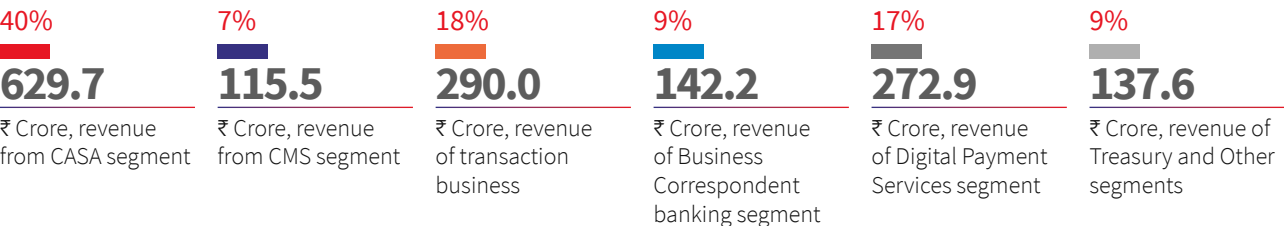
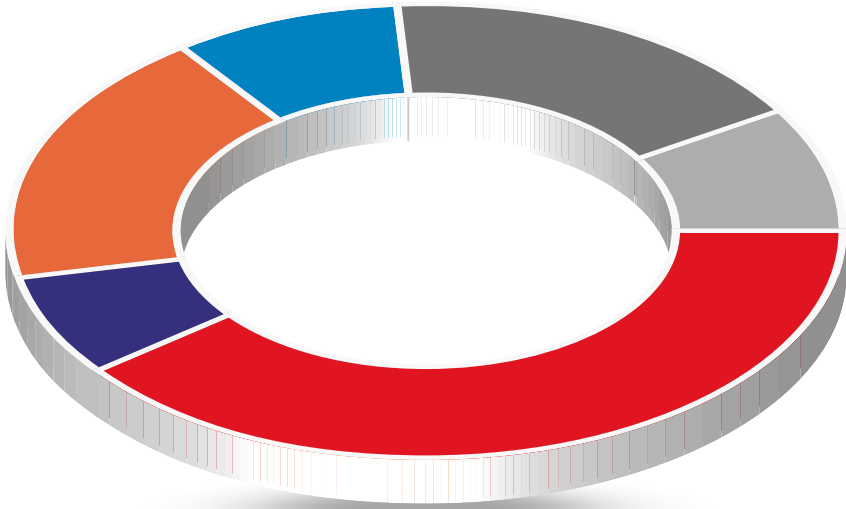
Crore in revenue in 2022 - to building the technology and regulatory foundation for its next chapter, most recently with RBI's in-principle approval to convert into a Small Finance Bank. The milestones below trace that journey.



Our performance snapshot: How we have grown across the years



Our revenue breakup, FY26



The impressive achievements of Fino Bank

Helping transform rural India - at scale



389.3

Crore, number of transactions addressed by Fino Bank in FY26

8,638

Number of bank accounts opened by Fino Bank on an average per day in FY26

2,576

₹ Crore, average total deposits in FY26

63

Lakh, digitally active customers in March 2026

2.48

₹ Lakh Crore, UPI throughput in FY26, 53.4% of total throughput

4.64

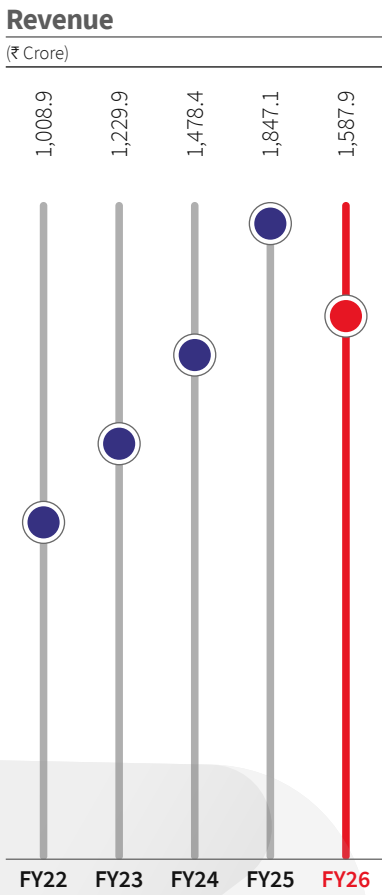
₹ Lakh Crore, total throughput in FY26

1,285

₹ Crore, referral lending disbursements in FY26

FINANCIAL HIGHLIGHTS

How we have performed
across the last few years

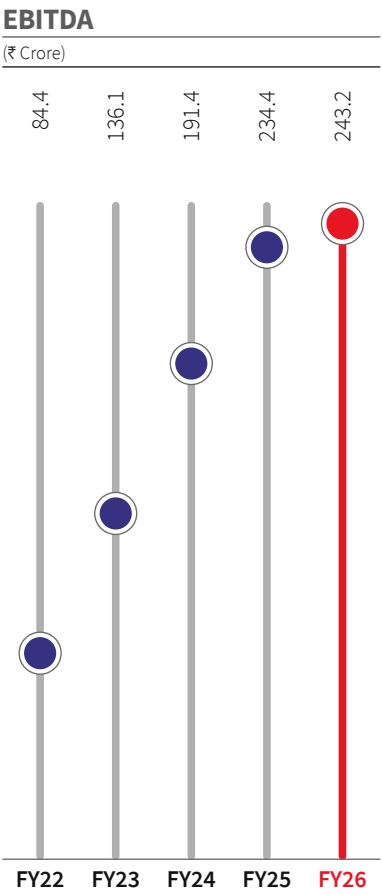


Definition
Growth in sales net of taxes.

Why this is measured
It is an index that showcases the Bank's ability to maximise revenue, which provided a basis against which the Bank's success can be compared with sectoral peers.

What this means
The growth in revenue provides the Bank with the critical mass to amortise fixed costs, service customers with on-time and in-full deliveries and enhance profitability.

Value impact
Revenue moderated in FY26 against a high FY25 base with a continued pressure on transaction-led income. However, a higher share of ownership-led businesses, with CASA contributing 40% of revenue (versus 30% in FY25), expanded Net Revenue Margin by 530 bps to 36.8%, reflecting improved revenue quality.

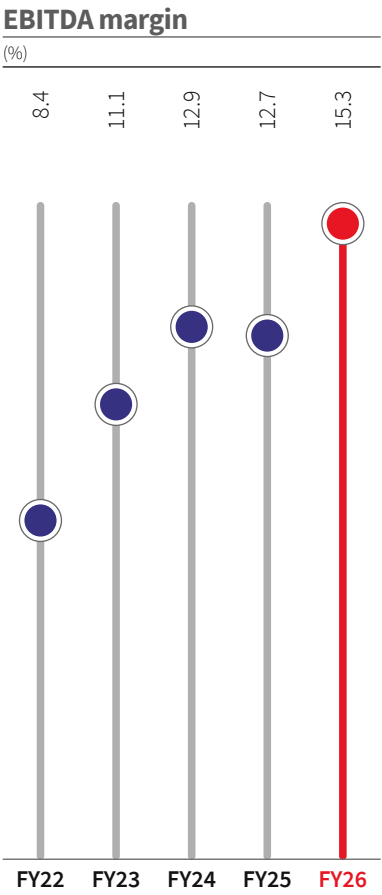


Definition
Earnings before the deduction of fixed expenses (interest, depreciation, extraordinary items and tax).

Why this is measured
It is an index that showcases the Bank's ability to generate a surplus after optimising operating costs, providing a base for comparison with sectoral peers.

What this means
Helps create a robust surplus-generating growth engine that enhances reinvestment.

Value impact
EBITDA grew 4% as the Bank's operating cost base stayed broadly flat (₹341.2 Crore in FY26 vs ₹347.5 Crore in FY25), reflecting the benefit of the asset-light, merchant-led distribution model even as throughput growth slowed.

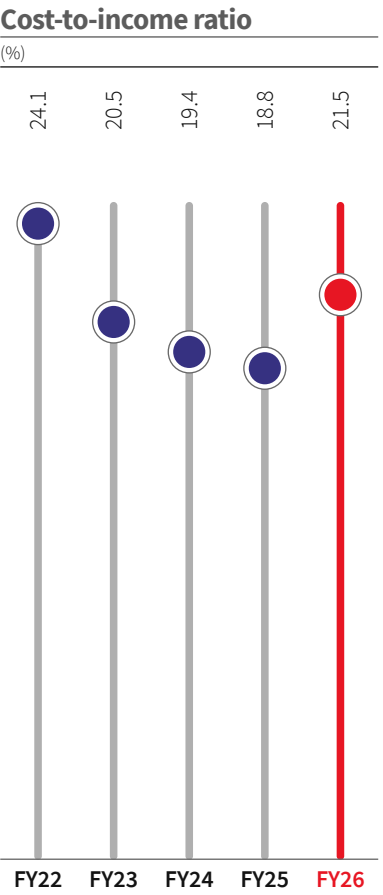


Definition
EBITDA margin is a profitability measure to ascertain a Bank's operating efficiency.

Why this is measured
The EBITDA margin provides an idea of how much a Bank earns (before accounting for interest and taxes) on each rupee of sales.

What this means
This measure demonstrates the buffer in the business, which, when multiplied by scale, can potentially enhance the surplus.

Value impact
The 260 bps margin expansion is the clearest evidence of the shift towards a more profitable revenue mix, supporting the Bank's stated FY30 target of building a lower-cost, higher-margin franchise ahead of its conversion into a small finance bank.

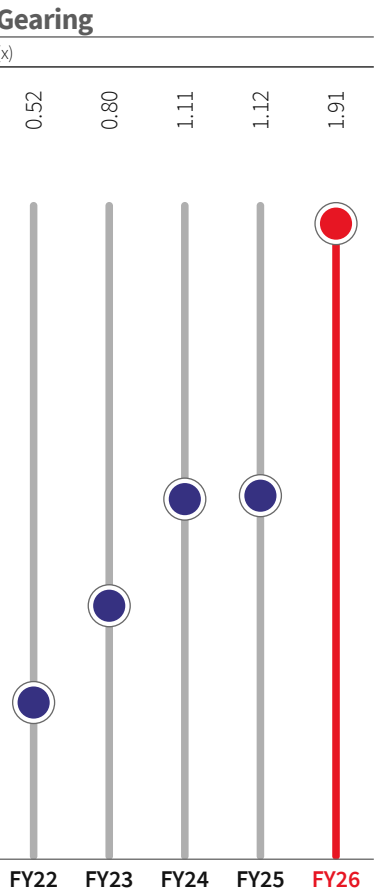


Definition
The cost-to-income ratio measures the operating costs as a percentage of total income.

Why this is measured
This ratio helps to evaluate the operational efficiency and cost discipline of the business. It reflects how efficiently a company manages its expenses in relation to its revenue-generating capability.

What this means
A well-managed cost-to-income ratio signifies prudent expense management and efficient operations, supporting long-term value creation for stakeholders.

Value impact
Cost-to-income rose 270 bps, driven by the one-off/elevated cost of the Finacle core banking migration (live from January 2026, whose benefits will accrue over the years) and fall in revenue led by transaction business, rather than a deterioration in the underlying cost base.



Definition
This is the ratio of debt to net worth.

Why this is measured
This is one of the defining measures of a Bank's financial health. This indicates the ability of the Bank to remunerate shareholders over debt providers (the lower the gearing the better).

What this means
This indicates whether the Bank enhances shareholder value by keeping the equity side constant while moderating debt.

Value impact
Fino Bank's gearing stood at 1.91 in FY26 compared to 1.12 in FY25.

THE BIG PICTURE

The India that is ready to **earn more, spend more, and borrow more**

Overview

For most of the last three decades, household budgets across much of India were shaped by necessity. Food, fuel, rent - everything else waited.

That is changing. Fast.

India's GDP grew at an estimated 7.4% in FY26, keeping it among the world's fastest-growing major economies. Per capita income crossed USD 2,800. Historically, economies crossing this threshold see a meaningful acceleration in discretionary spending, credit uptake, and financial formalisation.

India is at that turning point right now.



The middle-class story

India's biggest growth story is not a sector. It is the rise of its middle class.

Some 338 Mn people joined it between 1995 and 2021. The next two decades are expected to be even bigger, powered by urbanisation, rising productivity, wider workforce participation, and sustained economic growth.

The spending follows the numbers. Middle-income consumers spend is projected to climb from USD 1.9 Trn to USD 5.2 Trn by 2031. Total private consumption is set to cross USD 4 Trn by 2030, placing India among the world's largest consumer markets.

Households are forming faster too. And with them, demand for housing finance, insurance, savings products, secured lending, business credit, and everyday banking is rising.

None of this is cyclical. This is a structural shift in how Indian households earn, spend, save, borrow, and participate in the formal economy.



A young country, entering its earning years

India's median age is 29.2. By 2030, Gen Z is expected to account for nearly 27% of the country's population and close to USD 1.3 Trn in consumption spending. Digitally native. Financially aspirational. Comfortable with UPI, credit, and mobile banking in a way no earlier generation was.

The customer base is expanding at exactly the moment the infrastructure to serve them is coming of age.



The gap and the opportunity

Rising income is meeting a formal financial system that still has room to deepen.

Large sections of semi-urban and rural India, informal businesses, self-employed individuals and first-time borrowers, remain underserved by traditional financial systems despite having rising income and improving repayment capacity. Many lack conventional documentation trails or long banking relationships. But they transact digitally, they participate formally, and they want organised products.

The data footprint they leave, through UPI, GST, Aadhaar, is what makes them addressable now in a way they were not a decade ago.

Outlook

The next winners in Indian finance won't just be the biggest. They will be the most accessible.

Scale still matters, but the next phase of Indian financial services will be defined by accessibility, distribution reach, trust, digital integration, and the ability to participate in India's broad-based consumption expansion.

The institutions best placed are those already embedded in emerging India - in tier 3 towns, *mandi* lanes, *kirana* counters, and on the phones in every pocket.

The story in numbers

338

Mn, people added to India's middle-class between 1995 and 2021

1.9 → 5.2

USD Trn, expected rise in middle-class consumer spending, 2021 to 2031

31 → 61

%, share of population classified as middle-class, 2021 to 2047

2,818

USD, India's per capita income in 2025, more than six times the level at the turn of the century

What changes when incomes rise

Families start buying two-wheelers, smartphones, consumer durables.

Small businesses start looking for working capital.

First-time home ownership stops being a distant dream.

Savings get organised.

Borrowing becomes purposeful.

The economic equation

Economic growth ↔ Per capita income ↔ Consumption expansion ↔ Financial formalisation ↔ Credit penetration ↔ Financial sector deepening

The Fino leap: From payments bank to small finance bank

Overview

For twenty years, Fino has been in the business of getting banking to places banking usually does not reach, be it merchant counters, village mandis or semi-urban high streets. It comprises a phygital network that today spans 20.8 Lakh merchants across 98% of India’s PIN codes.

The one thing missing all these years was the ability to lend on its own Balance Sheet.

That changed on December 5, 2025.

Fino became the first payments bank in India to receive the RBI’s in-principle approval to convert into a Small Finance Bank (SFB). From no hope, to in-principle approval, to the roadmap on the next page.

Why the timing lines up

India’s payments bank experiment has thinned considerably since 2015. Of the eleven original licensees, several withdrew before launch. Of the six that became operational, only three ever reached sustained profitability. The model rewarded institutions with deep distribution, a real customer base, and the scale to survive a zero-MDR environment.

Fino is one of them. And now it moves into the next weight class.

At the same time, the country’s Financial Inclusion Index has climbed from 53.9 in 2018 to 67 in 2026. Jan Dhan accounts crossed 58.15 Crore, with deposits over ₹3 Lakh Crore, 78% of them rural and semi-urban.

This is the terrain Fino has been operating on all along.

Capital ready. Growth ready.

The Balance Sheet is ready; now comes the scale.

Fino’s capital base is nearly twice the regulatory requirement for a Small Finance Bank, giving it the financial firepower to pursue growth through FY30 without raising fresh capital.

But capital alone does not build a franchise, distribution does. Fino intends to grow its lending business the way it built its deposit franchise-through its trusted merchant network, not a costly branch rollout. With a predominantly secured portfolio across affordable housing, MSME finance, loan against property, gold loans and personal loans,

the Bank is creating a capital-efficient lending engine powered by two decades of last-mile presence.

Where this leaves Fino

We are sitting at the intersection of three of India’s biggest financial trends rising middle-class income; deepening formal financial inclusion; a digital payments infrastructure that already processes half the world’s real-time payment volume.

Every one of these tailwinds is a customer Fino already has a relationship with. The SFB licence is what turns that relationship into a lifetime one.

From payments, to participation, to full-service banking. The customer stayed the same.

The Bank grew up around them.



The three-phase roadmap

Phase one

The Bank completed its move to the Finacle core banking platform in January 2026, laying the foundation for a full-service SFB stack.

Phase two

SFB operationalisation over the next 12 to 18 months, with an estimated investment of around ₹100 Crore.

Phase three

Scaling towards an AUM of ₹8,000 to ₹10,000 Crore by FY30. Lending is targeted to begin in Q1 FY28, with medium-term aspirations of RoE above 20%, credit cost below 1%, and cost of funds under 4%.

Big numbers

500

Mn, Indians estimated to be underserved by formal or digital banking

2.62

₹ Lakh Crore, digital throughput in FY26, up 16% year-on-year, with digital contributing 56% of total throughput

20.8

Lakh, merchants across Fino’s network, covering 98% of India’s PIN codes

8k-10k

₹ Crore, targeted AUM by FY30 as a Small Finance Bank

1.75

Crore, CASA accounts, up 22% year-on-year

90

%, secured portfolio aimed as a Small Finance Bank

What was already in place

The SFB licence did not create the opportunity. It unlocked the one that was already sitting there.

Customer

Already on the books

Data

Already in the transaction footprint

Distribution

Already at 98% of India’s PIN codes

Trust

Already earned across two decades

The RBI’s December 2025 pathway is a door, not a lift.

Whoever walks through it needs to build the credit muscle from scratch.

Which is why the first name through the door matters.

CHAIRMAN'S MESSAGE

Fino played a pivotal role in transforming the rural banking landscape across the country.

Along the way, the organisation underwent transformative upgrades: from a Fintech firm to a Business Correspondent service provider to a Payments Bank and now graduating into a differentiated Small Finance Bank.



Dear Shareholders,

The past year has been one of transition for the Indian economy, for the banking system, and for our institution. India continued to be one of the fastest-growing major economies in the world, anchored by the deepening of digital public infrastructure, the formalisation of household savings, and the expansion of credit and financial services into segments that traditional banking has historically underserved.

The government's sustained push to build a digital-first economy has been a defining force behind this shift. The payments ecosystem, driven by Aadhaar and Unified Payments Interface (UPI), continued its remarkable trajectory, and the centre of gravity of Indian banking has, more visibly than ever, shifted towards Tier 3 and rural India. Within this larger story, the role of an institution like Fino Payments Bank, one that sits at the intersection of digital, physical, and partner-led finance, has only grown in significance.

For an institution built to reach the underserved, this public scaffolding is the foundation on which inclusive, technology-led banking now rests. Over the years, we have witnessed how technology fast-tracked financial inclusion in India. From improving banking access and opening bank accounts, financial inclusion is now entering a deeper phase, one that seeks greater customer engagement, leading to financial independence and security. For Fino, this is less of a market to capture than a responsibility to honour. It is this purpose that has guided our work for years.

At the same time, the year under review reminded us that growth in financial services cannot be separated from trust. Across the banking and payments industry, regulators have rightly raised the bar on customer protection, transaction monitoring, and fit-and-proper standards. Mule accounts, digital fraud, and partner-led malpractice have emerged as systemic concerns. These are not abstract themes. They are the very issues that define how a bank earns the right to grow and the responsibility that comes with serving millions of customers in Bharat. As we move ahead, Fino being a digital-led bank, cyber security, risk management, compliance, and strong governance remain top priorities and focus areas.

FY26 was, in many ways, a defining year for Fino Payments Bank.

It was a year in which our institution received an extraordinary opportunity and faced an unprecedented challenge. The Reserve Bank of India granted us its in-principle approval for the conversion from a Payments Bank to a Small Finance Bank, making Fino the first payments bank in India to achieve this milestone. Close to nine years after the bank began operations and recording sustained growth, this approval represents an institutional inflection point. It also represents a quiet validation of the years of work that has gone into building a strong deposit franchise, an asset-light merchant network, and a technology backbone that the regulator believes can responsibly carry a lending mandate.

In the same fiscal year, the institution also faced an unforeseen development: a GST-related investigation into programme managers and a leadership change. I want to state, at the very outset, that the investigation does not concern the Bank's own GST compliance. The matter relates to programme managers and Technology Service Providers operating across multiple banks in the industry.

For any bank, a moment of this nature is difficult. It calls for a swift, composed, transparent, and institution-first response. The Board and the interim leadership acted with that responsibility in mind. This event, while unfortunate, served as an important catalyst for introspection and strategic realignment. The Bank undertook a comprehensive review of the relevant business segment, resulting in a calibrated approach aligned with the Bank's long-term objectives and risk framework. The Board has remained closely engaged with the management team throughout this process, providing oversight and strategic guidance to ensure the Bank continues to operate with the highest standard of governance, compliance, and stakeholder responsibility.

Value creation over the years

In its nearly two decades of existence as a pioneering organisation in tech-led financial inclusion, Fino played a pivotal role in changing the rural banking landscape across the country. Along the way, the organisation underwent transformative upgrades from a Fintech firm to a Business Correspondent service provider to a Payments Bank and now

converting into a differentiated Small Finance Bank. With each upgrade, Fino brought simple and convenient banking closer to millions of Indians aided by technology solutions.

Since becoming a payments bank in 2017, the Bank's revenue grew by around 7 times (from ₹230 Crore in FY18 to ₹1,588 Crore in FY26) exploring innovative growth opportunities within the payments bank framework and creating immense value to stakeholders. As the only listed payments bank in the country and the only one to register six consecutive years of profitability from FY21 to FY26, Fino is now at the cusp of unlocking new market opportunities in Bharat and achieving greater outcomes.

Looking ahead, new chapter: The SFB transition

The Board is closely monitoring the progress of SFB conversion against every condition set out by the Reserve Bank of India. Our ambition is to build a differentiated SFB, not a conventional one. We will build on the strengths we already possess and avoid the legacy mistakes that have weighed on the sector. We will pace our growth to the readiness of our systems, people, and risk frameworks.

As we move forward, our priorities are clear. We will continue to strengthen governance, risk management, and compliance. We will also continue to augment our talent pool across critical functions, ensuring that the organisation is equipped with the expertise required for future growth and SFB conversion. We will deepen our liability franchise by leaning further into the CASA-anchored funding model that has differentiated Fino for years. We will build processes that are more robust, more traceable, and more scalable. We will continue investing in technology and deploying AI to build an agile, new-age bank. We will engage transparently with all stakeholders through every phase of the transition.

A foundational step in this direction was taken during FY26. The Bank migrated its core banking system to Finacle along with hollow the core architecture. This is a scalable, modular, and future-ready platform built for the next phase of growth. The new architecture provides the institution the resilient technology backbone that a Small Finance Bank requires.

I want to take this opportunity to express my deepest gratitude to our customers

and merchants, who continue to bank with us, renew with us, transact with us, and keep entrusting us with their deposits. Your confidence is the most valuable asset on our Balance Sheet.

I would also like to extend my gratitude to our regulators for their engagement, guidance, and patience with the institution throughout a demanding year. To our institutional shareholders, whose long-term commitment to this institution has been a source of stability and strength. And most of all, to the Fino team across our merchant points, regional offices, head office, and the leadership group that held the institution steady in the most difficult quarter we have collectively faced. Your maturity, composure, and professionalism were the institution's most important defence when it needed them most.

I would also like to take this opportunity to say a few words about Mr. Rishi Gupta, who took voluntary early retirement from the position of MD & CEO of the Bank. Through his leadership and steadfast dedication, he played an instrumental role in steering the Bank to become the first profitable and listed payments bank in India and in obtaining the RBI in-principle approval for the transition of our Payments Bank into an SFB. The institution shall always remain grateful to him for the strong foundation he built and the legacy of excellence he leaves behind. On behalf of the Board, I express my profound appreciation and gratitude to Rishi for his contribution and commitment to the Bank.

FY26 tested us. It also made us sharper.

We entered the new fiscal year with humility, discipline, and confidence. Our purpose remains unchanged: to bring banking closer to millions of Indians in a responsible, inclusive, and sustainable manner, and to do so as the first and most differentiated technology-driven payments bank-turned Small Finance Bank in this country.

Warm regards,

Rajat Kumar Jain

Part-Time Chairperson and Independent Director

INTERIM CEO'S MESSAGE

Our goal is simple:
to build a next-generation, asset-light, differentiated, and digital-first Small Finance Bank.



Overview

Nine years ago, there was considerable uncertainty about whether a payments bank could build a sustainable business without a lending license. We took a different view, grounded in our deep understanding of Bharat and our technological capabilities.

Following our launch in 2017, we quickly developed a differentiated payments bank model that demonstrated strong potential for profitability and sustainability. Our experience has shown that with the right technology, scale, and understanding of customers, a payments-led model can create a successful and sustainable financial services business.

Confidence and trust in our model was further reinforced on December 5, 2025, when the Reserve Bank of India rewarded our efforts with in-principle approval for conversion into a Small Finance Bank (SFB).

The above shift defines our story. It is a journey from industry uncertainty to an institution that has delivered sustained growth for eight years, built one of India's largest distribution networks, and is now poised to transition into a Small Finance Bank. This annual report captures that spirit—what we've built, how we've grown, and where we're headed next.

FY26: Resilience in action

Before we dive into the numbers, it's important to acknowledge the context of this year. The final quarter brought an unprecedented challenge: a GST investigation related to third-party programme managers in the industry. While this created headlines, it did not reflect on Fino's own robust compliance or governance.

While the departure of our co-founder and MD & CEO, Mr. Rishi Gupta, marks a transition, our strategic direction remains unwavering. Our leadership team is fully focused on executing our roadmap with continuity and stability.

The result? A bank that is financially sound, stable, and future-ready. This resilience is best reflected in our deposit growth: we achieved our highest-ever

monthly CASA acquisition in three years (3.2 Lakh new accounts) and a peak total deposit of ₹2,957 Crore in March 2026. Our disciplined risk approach ensures we are not just surviving challenges, but emerging stronger and ready for new growth.

What we built: A foundation for growth

FY26 was a year of sustained progress, and our numbers tell a story of a franchise that is deepening its roots even as it prepares to branch out.

- CASA Customer Base: Reached 1.75 Crore, growing by 22% YoY.
- Merchant Network: Expanded beyond 20 Lakh touch points, now covering 98% of India's PIN codes.
- CASA Renewal Income: Continued its strong trajectory, rising from ₹80 Crore in FY23 to ₹268 Crore in FY26, creating a predictable annuity income base.
- Average Total Deposits: Grew by 28% YoY to ₹2,576 Crore, with a peak of ₹2,957 Crore in March 2026.
- Fee-Based Income: Exceeded ₹1,300 Crore, creating a resilient revenue base that will remain intact through our SFB transition.
- Referral lending: Disbursals crossed ₹1,285 Crore, up 3x times YoY, reinforcing SFB preparedness.

While our top-line revenue saw a 14% decline to ₹1,587.9 Crore due to moderation in low-margin transaction businesses and risk calibration of our B2B UPI P2M business, our EBITDA actually grew by 4% to ₹243.2 Crore. This highlights our operational efficiency and our ability to prioritise quality over quantity.

These outcomes weren't achieved overnight. They are the result of years of deliberate decisions: investing in technology ahead of the curve, building our distribution network before demand peaked, and earning customer trust one merchant at a time and most importantly the un-wavering focus of each and every Finoite.

What comes next: A different kind of small finance bank

The RBI's approval is not a change in direction; it is the natural next step in a journey we started on day one. But let me be clear: Fino will not become a conventional Small Finance Bank.

We are not here to replicate the old playbook of branch-led expansion or balance-sheet-heavy lending. Instead, we are building a differentiated SFB—one with agile technology, an asset-light model, and a digital framework at its core.

Here is how we are different

Distribution first: A pan-India network of over 2 Mn touch points operating on a variable-cost model.

Technology second: We have successfully migrated to Finacle's core banking platform with a 'hollow the core' architecture, enabling faster API development and greater scalability.

Digital DNA: A robust foundation with 6.3 Mn customers on UPI and our proprietary FinoPay app, ready to leverage agentic AI capabilities.

Liability strength: With average total deposits exceeding ₹2,575 Crore and the removal of the ₹2 Lakh deposit cap, we are positioned as a liability-first bank—a rare advantage for a new lender.

Low cost of funds: Our cost of funds stands at below 2%, giving us a competitive edge in pricing and margins.

Secured lending focus: Around 90% of our lending portfolio will comprise secured assets, ensuring measured, disciplined growth.

AI-first, not AI-later

This is where our green-field advantage truly shines. While our liability franchise is already established, we are building our lending and underwriting capabilities from the ground up. Unlike traditional banks burdened by legacy systems, we are embedding Artificial Intelligence and Machine Learning into our credit architecture from inception.

Our goal is simple: to build a next-generation bank, not just put a digital layer over an old model.

Looking ahead with optimism

At Fino, we view this phase as both an inflection point and a moment of reflection. Our lending license will unlock the asset side of our business, while the removal of the deposit cap widens our liability franchise. Combined with our enhanced Finacle CBS and nationwide network, our competitive advantage has never been stronger.

We remain committed to strengthening our governance, deepening our compliance framework, and making every decision through a disciplined, risk-calibrated lens.

What gives me the greatest optimism is the opportunity ahead. We are staring at one of the world's largest digital rural banking markets. With a proven distribution network, a scalable technology platform, and the strategic flexibility of an SFB, we are uniquely positioned to seize this opportunity.

We are poised, prepared, and excited for what comes next.

Ketan Merchant
Interim CEO

A review of our financial performance in FY26

1,587.9	584.4	243.2	805.2
₹ Crore, revenue in FY26	₹ Crore, net revenue in FY26	₹ Crore, EBITDA in FY26	₹ Crore, net worth in FY26
1,847.1	581.8	234.4	746.9
₹ Crore, revenue in FY25	₹ Crore, net revenue in FY25	₹ Crore, EBITDA in FY25	₹ Crore, net worth in FY25

36.8	15.3
%, net revenue margin in FY26	%, EBITDA margin in FY26
31.5	12.7
%, net revenue margin in FY25	%, EBITDA margin in FY25

2,576	1,285
₹ Crore, average total deposits in FY26	₹ Crore, referral loan disbursements in FY26
2,009	368
₹ Crore, average total deposits in FY25	₹ Crore, referral loan disbursements in FY25

1.75	20.84
Crore, CASA accounts in FY26	Lakh, merchant network in FY26
1.43	19.03
Crore, CASA accounts in FY25	Lakh, merchant network in FY25

A year of strategic transformation

FY26 represented one of the most defining years in the evolution of Fino Payments Bank. The year was marked by a combination of strategic achievements, operating resilience and business model transformation that collectively strengthened the Bank's foundation for its next phase of growth.

The most significant development was the receipt of an in-principle approval from the Reserve Bank of India for our conversion into a Small Finance Bank. This landmark positioned Fino as the first payments bank in India to secure such an approval. This validated the strength of its operating model, governance framework, customer franchise and long-term strategic direction.

The Bank also completed the migration of its core banking platform to Finacle, a future-ready technology architecture capable of supporting a broader suite of banking products and significantly higher business volumes.

At Fino, FY26 was also characterised by deliberate portfolio rebalancing. The Bank's management accelerated its transition from low-margin, transaction-intensive businesses towards an increased focus on higher-margin, annuity-oriented and ownership-driven products. This strategic shift moderated revenue, but improved revenue quality and net revenue margin.

The year therefore demonstrated an important characteristic of the Bank's franchise: the ability to prioritise long-term value creation over short-term revenue expansion while continuing to strengthen its Balance Sheet, customer base, deposit franchise and technology capabilities.

FINACLE
Future-ready core banking platform

Finacle provides a modern, scalable, API-driven core banking platform that enables banks to transform from product-centric organisations into customer-centric, digital-first enterprises. It supports business growth, operational resilience, regulatory compliance, and rapid innovation while laying the foundation for future banking models.

What Finacle can do

Enhanced scalability - Supports significantly higher transaction volumes and customer growth - Enables rapid expansion of products and services - Supports exponential customer acquisition without core redesign - Capable of handling peak transaction loads driven by UPI, digital channels, card transactions, and ecosystem integrations	Comprehensive product capability - Supports savings, current accounts, deposits, loans, payments, cards, and digital banking products - Facilitates faster product launches and customisation - New products can be configured rather than coded - Supports evolving market and regulatory requirements	Superior customer experience - Real-time transactions and faster processing - Delivers seamless omni-channel banking across branches, mobile, internet, and assisted channels 360-degree customer relationship management
Operational efficiency - Harmonised processes across business units - Automates workflows and reduces manual intervention - Improves processing speed, accuracy, and service delivery	Advanced analytics and insights - Provides data-driven insights for customer engagement and business decision-making - Supports personalised offerings and cross-selling opportunities - AI readiness - Provides foundation for Machine Learning models, AI-powered customer service and Intelligent decision engines	Security and regulatory compliance - Strengthens data security and risk management - Supports evolving regulatory and compliance requirements - Technology Modernisation Service-Oriented Architecture to support Microservices, API-led integration and Event-driven architecture

Fino’s financial performance, FY26



Strengthening revenue quality

Revenue for FY26 stood at ₹1,587.9 Crore compared with ₹1,847.1 Crore in FY25. This was Fino’s first revenue decline since the inception of the payments bank in 2017.

The decline reflected a strategic decision at Fino to reduce its dependence on low-margin businesses like Domestic

Money Transfer (DMT), Micro ATM (MATM) and Aadhaar Enabled Payment System (AEPS), which encountered industry headwinds and offered limited long-term value creation potential.

The moderation in gross revenue should therefore be seen as portfolio optimisation rather than a weakening of the Bank’s business fundamentals.

The traditional transaction businesses that witnessed expected declines comprised the following:

- DMT revenue declined 58%
- MATM revenue declined 25%
- AEPS revenue declined 19%

These declines were partially attributable to industry-wide behavioural shifts

towards UPI-based payments and lower DBT activity.

Digital Payment Services revenue declined by 30% as the Bank consciously adopted a measured approach as part of a strategic recalibration of this business segment. The endeavour of the Bank is to ensure the business is built on a more sustainable and risk-calibrated foundation for durable, long-term growth.

Revenue from the CMS business declined by 26% due to increasing pricing competition, ecosystem challenges and structural shift from cash-based transactions to UPI.

The reduction in low-margin businesses was offset by the sustained growth in higher-quality revenue streams:

CASA emerged as the Bank’s largest revenue contributor, accounting for 40% of total revenue compared with 30% in FY25, underscoring the Bank’s focus on deepening customer relationships and growing low-cost liabilities.

Margin expansion

The most significant financial achievement of Fino in FY26 was the improvement in revenue quality.

Despite lower gross revenue, net revenue increased marginally to ₹584.4 Crore from ₹581.8 Crore in FY25.

Consequently, net revenue margin expanded sharply from 31.5% to 36.8%, an improvement of 530 basis points.

This improvement reflected the success of the Bank’s strategic transition towards businesses that generate superior economic value and recurring income streams. The progression was encouraging, with quarterly net revenue

margins improving steadily and touching a record 40% in Q4 FY26.

The expanding contribution of CASA income, including subscription renewals and other ownership-led products, created a stronger earnings base that is expected to support prospective profitability and scalability.

Operating discipline and EBITDA growth

Fino’s cost management remained disciplined despite substantial investments in technology infrastructure and Small Finance Bank (SFB) preparedness.

Operating expenses declined marginally to ₹341.2 Crore compared with ₹347.5 Crore in FY25.

EBITDA increased 4% to ₹243.2 Crore while EBITDA margin expanded by 262 basis points to 15.3%.

The ability to improve EBITDA despite lower revenue demonstrates the benefits of a richer product mix with

a higher contribution from margin-accretive segments and validates the management’s commitment to revenue quality over revenue quantity.

Fino’s operational productivity continued to improve through increased digitisation, automation and platform efficiencies, empowering the Bank to absorb strategic investments without materially increasing its cost base.

Profitability

Profit before tax declined to ₹67.4 Crore from ₹108.3 Crore in FY25, while profit after tax stood at ₹52.5 Crore compared with ₹92.5 Crore in the previous year.

The reduction in profitability was attributable to the following factors:

- Higher depreciation associated with the Finacle core banking implementation

- Impact of ₹4.3 Crore relating to new labour code provision

These factors were largely non-operational in nature and should be viewed in the context of long-term investments undertaken to support prospective growth.

The underlying performance remained resilient, evidenced by the following:

- Stable net revenue

- Higher EBITDA
- Margin expansion
- Strong deposit growth
- Continued positive cash generation

Cash profit remained healthy at ₹182.6 Crore, demonstrating the strength of the Bank’s underlying earnings.

Notably, FY26 marked the Bank’s sixth consecutive year of profitability, reinforcing the sustainability of its operating model.

Cash flow and capital allocation

Investing for long-term scalability

Fino's capital allocation focus in FY26 was on strengthening foundational capabilities to support the Bank's transition into an SFB.

Total capital expenditure during the year amounted to ₹142.7 Crore compared with ₹164.5 Crore in the previous year.

A significant portion of this investment was made to modernise core banking platform, one of the most important technology transformation programmes undertaken by the Bank since inception. The investment was designed to achieve multiple strategic objectives:

- Create a scalable banking architecture
- Enhance lending capabilities

- Support product diversification
- Strengthen operational resilience
- Enhance customer experience
- Accelerate digital banking adoption

The successful implementation of the platform establishes a robust foundation for growth while improving the Bank's ability to serve customers across liability and asset products without a corresponding increase in costs.

Capital allocation priorities

The Bank's capital deployment was focused on three priorities:

Strengthening the liability franchise: Continued investments were directed toward customer acquisition, merchant expansion and digital engagement initiatives to support deposit mobilisation and CASA growth.

Building future lending capabilities:

Referral lending partnerships were scaled significantly during the year, enabling the Bank to build customer insights, underwriting capabilities and distribution readiness ahead of the SFB transition.

Investing in technology and digital infrastructure: Technology remained a critical investment area, reflecting our management's conviction that scalable digital infrastructure will be a key differentiator in the next phase of growth.

The resulting balance between growth investments and cost discipline enabled the Bank to preserve profitability while enhancing future earnings potential.

Balance Sheet strength

Strong capital position

The Bank closed FY26 with a net worth of ₹805.2 Crore, compared with ₹746.9 Crore in FY25.

The increase was driven entirely through internally generated profits and retained earnings, highlighting the self-sustaining nature of the Bank's business model.

In the last five years, net worth increased from approximately ₹480 Crore to more than ₹805 Crore without external equity infusion, strengthening shareholder value.

This strong capital position provides significant flexibility; it places the Bank in a competitive position as it prepares for SFB operations.

The management estimates that current capital levels are sufficient to support planned growth through FY30 under the approved business plan, substantially reducing capital raising and dilution risks.

Liability franchise continues to strengthen

Fino's average total deposits increased 28% YoY to ₹2,576 Crore during FY26, while total deposits reached ₹2,815 Crore at year-end. The growth reflected the following:

- Increasing customer trust
- Higher account activation levels
- Strong merchant engagement
- Expanding digital transaction activity
- Greater penetration across rural and semi-urban markets

The Bank's deposit franchise remained one of its most significant strengths.

The cost of funds declined to 1.7% during FY26, a structural advantage over many financial institutions, positioning Fino favourably for prospective lending.

CASA momentum and franchise deepening

The CASA account base increased 22% year-on-year to 1.75 Crore accounts. Our customer engagement metrics were strengthened:

- 31.5 Lakh new accounts were opened during the year
- 63 Lakh digitally active customers in March 2026
- 25% YoY growth transpired in active FinoPay users in March 2026
- Higher average balances were maintained among digitally engaged customers

These trends indicate increasing customer stickiness and a deeper engagement with the Bank's ecosystem.

The strong growth in renewal income demonstrates the durability of customer relationships and the increasing annuity nature of the Bank's revenue base.

Risk management and governance

FY26 presented a combination of industry, regulatory and organisational challenges.

The Bank navigated the following:

- Structural decline in legacy transaction businesses
- Regulatory changes affecting digital payment flows
- Core banking platform migration

- Leadership transition
- Preparatory investments for SFB conversion

Despite these developments, operational continuity was maintained, profitability stayed positive and customer growth was sustained.

Governance remained an important area of focus during the year. The Board implemented measures

aimed at strengthening oversight, enhancing accountability and aligning governance frameworks with the prospective requirements of an SFB.

These actions reinforced the Bank's commitment to maintaining high standards of transparency, risk management and institutional stewardship.

Positioned for sustainable growth

Supported by strong capital buffers, a low-cost deposit franchise, healthy cash generation and limited Balance Sheet risk, the Bank enters its next phase of growth from a position of financial stability. This conservative financial foundation provides confidence as the Bank progresses towards becoming an SFB and expands its long-term growth opportunities.

Outlook

Fino Payments Bank enters FY27 from a position of strength. The Bank now possesses four distinct competitive advantages:

- A rapidly growing low-cost deposit franchise
- One of India's largest merchant-led banking networks
- A modern and scalable technology architecture
- A clear regulatory pathway toward becoming a differentiated SFB

The management's priorities for FY27 will remain centred on:

- Expanding deposits and CASA balances

- Increasing digital customer engagement
- Growing annuity-based revenue streams
- Scaling referral lending partnerships
- Completing key milestones for SFB operationalisation
- Maintaining prudent cost and capital discipline

As the transition toward SFB status progresses, Fino is expected to benefit from a more diversified earnings profile through the addition of lending income to its already established fee-based revenue streams.

The progress achieved during FY26 demonstrates that the Bank's transformation is not only about a

change in its licence category, but the evolution of a proven financial inclusion platform into a broader, technology-enabled banking institution catering to the aspirations of new age customers, capable of delivering sustainable growth, stronger profitability and long-term stakeholder value.

 BUSINESS DRIVERS

Customer ownership to value creation through relationships



Building the next chapter of inclusive banking

India represents one of the world's largest financial inclusion opportunities. Despite remarkable progress over the past decade, millions of individuals and small businesses remain underserved by formal financial services, particularly across rural and semi-urban markets. Bringing this vast population into the formal banking ecosystem is not

merely a domestic priority it carries significant implications for global economic growth. A financially empowered population accelerates consumption, entrepreneurship, savings and investment, strengthening India's contribution to the global economy. Against this backdrop, financial inclusion has evolved from a developmental agenda into one of the country's most powerful long-term economic growth drivers.

Integrated operating framework

At the heart of Fino's business model lies an integrated operating framework built around Distribution, Technology and Partnerships (DTP). Rather than functioning as independent capabilities, these three pillars reinforce one another to create a scalable and efficient banking ecosystem.

Distribution provides reach through one of India's largest merchant networks, enabling banking services to be delivered close to customers.

Technology powers this network by ensuring secure, interoperable and real-time service delivery while supporting continuous innovation across products and channels.

Partnerships expand capability by connecting the Bank with financial institutions, fintech companies, payment ecosystem participants and technology providers, allowing it to broaden its offerings without significantly increasing operational complexity.

This integrated model has enabled Fino to scale efficiently while remaining asset-light and customer-centric. Through a robust API-enabled architecture, partners can seamlessly integrate with the Bank's infrastructure, reducing implementation timelines, accelerating service deployment and enhancing customer experience.

Today, the combined strength of the merchant network and API-enabled

partner ecosystem extends banking services through more than 20 Lakh customer touchpoints covering 98% of India's pin codes. It provides the flexibility required to respond quickly to changing customer expectations and emerging market opportunities.

The DTP framework serves as a key differentiator, positioning the Bank to expand its capabilities while remaining focused on its core purpose of making banking more accessible and relevant across India.

The DTP framework

Distribution
Creates customer reach

Technology
Enables seamless, secure banking

Partnerships
Expands products, capabilities and scale

Outcome

The strength of the DTP framework extends to enabling banking services and powering two complementary business platforms. Current Account and Savings Account (CASA) form the pillar of Fino's offerings as the

neighbourhood merchant network helps strengthen its customer ownership strategy. Cash Management Services (CMS) addresses the cash management needs of businesses through the Bank's merchant-led network, while API Banking extends Fino's services through a growing ecosystem of digital partners.

Together, these three products and services help diversify revenue streams, strengthen customer engagement and reinforce the Bank's scalable, asset-light operating model.

CASA: Customer ownership and liability first approach

Fino's customer ownership strategy over the years has allowed the Bank to differentiate itself from its peers in the payments bank space. The Bank introduced the country's first annuity or subscription-based savings account, **SHUBH**. Over the years multiple variants on the same model, such as **Jan, Gati**, were launched to cater to the needs of customers. Today, close to 98% of the new Fino Bank CASA accounts are subscription-based that bring additional revenue and recurring annuity income.

CASA, a high margin product for the Bank, recorded a 54% margin in FY26, contributing 40% to the overall revenue of ₹1,588 Crore.

For the Bank, an increasing customer base means recurring engagement, increased transactions, improved deposits leading to higher treasury income and regular annuity renewal income owing to the subscription nature of the accounts.

In FY26, the Bank had 1.75 Crore customers with average total deposits reaching ₹2,576 Crore, up 28% YoY, while renewal income at ₹268 Crore grew 27% YoY.

In FY23, Fino Bank introduced digital savings account that can be opened and operated through the FinoPay mobile banking app. Since then, more than 10 Lakh digital savings accounts have been opened, with over 4 Lakh opened in FY26 alone.

As a part of its SFB conversion plan, by FY30, the Bank aims to have a customer base of 3.19 Crore with total deposits crossing ₹13,000 Crore, deepening the role of customer ownership as a crucial growth driver.



CMS: Solving India's cash logistics challenge

Although digital payments continue to grow rapidly across India, cash remains an integral part of the country's economic fabric, particularly across rural and semi-urban markets. Millions of merchants, microfinance institutions (MFIs), NBFCs, retailers, logistics companies and other cash-intensive businesses continue to require efficient, secure and reliable cash collection

and delivery solutions. Leveraging its extensive merchant-led distribution network and technology platform, Fino built one of India's largest assisted cash management ecosystems.

The Bank enables diversified corporates to deposit and withdraw cash closer to their business locations, significantly reducing cash handling costs, operational risks and turnaround times. Beyond supporting corporate cash cycles, the business facilitates an

efficient cash recycling mechanism that circulates cash within the local economy, ensuring the ready availability of cash for millions of customers who continue to depend on assisted banking services.

In doing so, CMS serves commercial and social objectives addressing cash management challenges for businesses while reinforcing financial inclusion through uninterrupted cash availability across Bharat.

API Banking: Enabling digital financial inclusion

To complement its physical distribution network, the Bank has developed an open API architecture that enables fintechs, corporates, payment aggregators and digital platforms to seamlessly integrate with Fino's banking infrastructure. This partner-led model enables banking services to reach underserved customers through familiar digital channels, lowering entry barriers and

supporting the growth of embedded finance.

Through APIs spanning AePS, DMT, Micro ATMs, UPI, account opening, collections, merchant settlements and other banking services, Fino enables partners to extend formal financial services to millions of customers beyond the Bank's own distribution network without proportionately expanding its physical infrastructure.

API Banking has evolved into a scalable, fee-based business engine that strengthens partner relationships,

accelerates customer acquisition and creates new opportunities across the retail and corporate ecosystems. By combining technology with strategic partnerships, the platform enables the Bank to expand its reach efficiently while maintaining an asset-light operating model.

As Fino prepares for its next phase of growth, API Banking will continue to strengthen the Bank's ability to scale through partnerships, deepen financial inclusion and build a future-ready banking franchise.

Preparing for the next chapter

The proposed transition to an SFB represents the next phase in Fino's evolution. More importantly, it reflects years of deliberate preparation rather than a change in strategic direction.

Recognising that building a lending franchise requires far more than regulatory approval, the Bank began developing the necessary capabilities well in advance. It is focused on understanding market dynamics, identifying customer credit needs and repayment behaviour while assessing product financing preferences, strengthening operational processes and enabling credit solutions within regulated banking environments to support sustainable portfolio growth.

Referral lending became an important part of this journey.

Instead of taking lending exposure directly onto its own book, Fino took a more measured approach by partnering established financial institutions. Customers enjoyed access to the right credit products, while the Bank built its real experience in credit assessment, portfolio monitoring and servicing. This approach paid off in two ways.

First, it widened the Bank's value proposition - customers could now tap into a broader set of financial solutions through a channel they already trusted.

Second, it built institutional knowledge that will directly support the Bank as it stands up its own lending business under the proposed Small Finance Bank transition.

The results were encouraging.

Loan referral disbursements grew nearly 5x, from ₹261 Crores in FY23 to ₹1,285 Crores in FY26, reflecting a growing customer acceptance and strength of Bank's partner ecosystem.

This momentum carried into Q4 FY26 - the first full quarter after receiving in-principle approval for the SFB transition - when referral loan disbursements hit a quarterly high of ₹592 Crores, nearly double the Q3 FY26 figure.

The performance reinforced the Bank's readiness for the SFB transition and indicated a strong underlying credit demand in its target markets.

Initially centred on personal loans, the referral lending portfolio expanded to include gold loans and loans against

property, allowing the Bank to address a wider range of customer requirements.

Alongside business growth, the Bank strengthened its network of lending partners and enhanced capabilities across customer acquisition, credit

assessment and portfolio growth. These investments created a strong operational foundation for the next phase of growth.

The journey reinforced an approach that has consistently shaped the

organisation's evolution-build capabilities first, then scale responsibly.



The transition to an SFB is the outcome of years of capability building, creating a strong foundation for sustainable long-term growth.



Building lending capabilities

1,285

₹ Crores referral lending in FY26

5x

Growth in 3 years

~6

Active lending partners

23,800+

Customers served through referral lending in FY26



Lending portfolio

Personal loans

Gold loans

Loan against property

Two-wheeler loans

TECHNOLOGY TRANSFORMATION

How we are strengthening Fino's digital backbone to **create a modern and competitive small finance bank**

Overview

Technology is no longer supporting banking-it is redefining it.

Across the global financial services landscape, technology has emerged as the primary determinant of competitiveness. The institutions winning today are not necessarily those with the largest branch networks, but those capable of delivering faster innovation, superior customer experiences, stronger security and scalable operations through digital infrastructure. In an environment shaped by real-time payments, rising customer expectations, evolving regulations and

fintech disruption, technology has become the foundation upon which future-ready banks are built.

For Fino Payments Bank, technology served as a strategic growth engine during FY26. It enabled the Bank to simplify banking journeys, strengthen customer engagement, improve operational efficiency and create a scalable platform capable of supporting future expansion. Every technology investment was guided by a clear objective: making banking faster, smarter, safer and more accessible for millions of customers across India.

The year marked a significant step forward in Fino's transformation journey. The successful migration to the Finacle Core Banking System (CBS), continued advancement of the Bank's modular 'Hollow the Core' architecture, strengthening of the digital payments ecosystem and enhancement of cybersecurity capabilities collectively created a modern technology backbone designed for agility and scale.

Together, these initiatives improved resilience, accelerated innovation and positioned the Bank to compete effectively in an increasingly digital banking landscape.



Technology at a glance

Successful

Migration to Finacle core banking platform

Completed

Hollowing out the core architecture

Near-zero

Downtime across UPI infrastructure

ISO 27001 & PCI-DSS

Certified information security framework

Core banking transformation

Unlocking agility through Finacle migration

A modern bank is only as agile as its core banking platform. As customer expectations evolve and regulatory requirements become more dynamic, banks require technology foundations that enable rapid innovation, seamless integration and real-time responsiveness. Legacy or outsourced environments can create operational constraints, increase dependence on external vendors and slow the pace of product development.

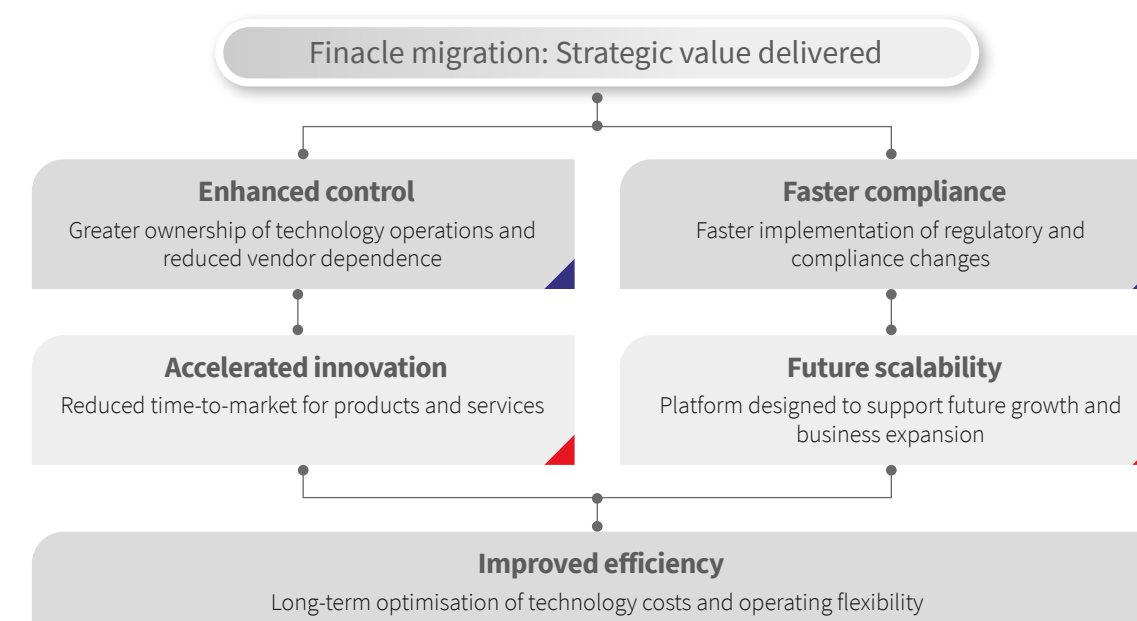
Against this backdrop, the successful migration to the Finacle CBS represented one of the most important strategic technology initiatives undertaken by Fino Payments Bank during FY26.

The transformation represented a strategic shift from an outsourced managed-services environment to a fully controlled and institution-owned banking platform, significantly strengthening the Bank's technological independence, flexibility and scalability.

The migration delivered multiple strategic benefits. It enhanced the Bank's ability to implement regulatory changes more efficiently, reduced reliance on external vendors, improved operational control and provided greater flexibility to introduce new products and services. The new platform also strengthened the Bank's long-term technology architecture by creating a scalable

foundation capable of supporting business expansion and evolving customer requirements.

The migration was completed within the planned timeline, with operational stability achieved shortly after implementation and without any material disruption to customer services.



Hollow the Core



Creating a modular and scalable technology architecture

Alongside the CBS, the Bank continued to advance its 'Hollow the Core' architecture.

As banking ecosystems become increasingly complex, traditional core systems often face a growing pressure from rising transaction volumes, product expansion and regulatory requirements.

To address this challenge, the Bank continued to decouple non-core and high-frequency services from the CBS and deploy them through independent service layers.

This approach enabled a greater flexibility and faster innovation while preserving the stability and performance of the core platform. By creating a modular architecture, the Bank reduced technology dependencies, shortened development cycles and accelerated the deployment of new products and services.

Value delivered

- Faster product innovation with a reduced dependence on the core banking platform

- Improved system performance and transaction processing speeds
- Greater operational resilience and reduced risk of system-wide disruptions
- Shorter technology project timelines and accelerated go-to-market execution

- A scalable foundation for onboarding new products, partners, and customer segments

The architecture also maintained strong synchronisation and governance mechanisms, ensuring data consistency across the technology ecosystem while enabling independent development and deployment.

Fino 2.0



Delivering a seamless digital banking experience

Banking customers increasingly expect the same simplicity, speed and personalisation from financial services that they experience across leading

digital platforms. Traditional banking journeys built around fragmented channels and manual processes are rapidly giving way to integrated, real-time and mobile-first experiences.

Recognising this shift, Fino Payments Bank continued to advance its Fino 2.0 strategy during FY26. The initiative represented the next phase of the Bank's digital evolution-moving beyond digital access to creating a fully connected customer lifecycle spanning onboarding, payments, servicing, engagement and retention.

The objective was simple yet ambitious: make every customer interaction faster, easier and more relevant while enabling scalable growth through a digital-first operating model.

The Bank's in-house UPI switch continued to enhance transaction processing capabilities while reducing third-party dependencies and supporting high service availability. As a result, the Bank served more than 6 Mn active UPI customers during the year under review.

Cybersecurity and digital trust

As digital adoption continued to accelerate, the Bank remained focused on strengthening its cybersecurity and fraud risk management framework.

The Bank's security architecture combined advanced technology controls, real-time monitoring capabilities and proactive governance mechanisms to safeguard customer information, protect transactions and strengthen stakeholder trust.

Our security highlights comprised the following:

Fraud risk management & AML monitoring: Advanced systems continuously monitored transaction

activity and supported real-time risk identification.

AI & ML-based risk intelligence:

Artificial intelligence and machine learning capabilities enhanced the detection of suspicious transaction patterns and strengthened fraud prevention mechanisms.

Security Operations Centre (SOC):

Centralised monitoring capabilities provided real-time visibility and faster response to potential security incidents.

Advanced security infrastructure: Next-generation firewalls, threat intelligence feeds and forensic tools strengthened the Bank's cyber resilience framework.

Customer-centric security innovation:

The Bank introduced an industry-first Real-Time Fraud Reporting feature, enabling customers to raise and track fraud complaints directly through the mobile application.

Global standards & compliance

The Bank continued to maintain internationally recognised certifications and standards, including:

- ISO 27001 Certification
- PCI-DSS Compliance

These certifications reflected the Bank's commitment to maintaining robust information security practices and protecting customer data across all digital channels.

Our technology roadmap

The Bank's technology investments during FY26 established a foundation for expansion. Looking ahead, the technology roadmap remained focused on strengthening infrastructure scalability, enhancing

customer-centric innovation, deepening ecosystem partnerships and further reinforcing cybersecurity capabilities.

Strategic priorities included expanding cloud-native infrastructure, leveraging

advanced analytics and artificial intelligence for personalised customer engagement, strengthening security and compliance frameworks and broadening API-led integrations across the financial services ecosystem.

Value created through technology

Faster innovation

Accelerated deployment of products and services through a modern and modular technology architecture.

Superior customer experience

Enhanced accessibility, convenience and reliability across digital banking channels.

Operational excellence

Improved efficiency, scalability and technology governance through modernised infrastructure.

Stronger security & trust

Strengthened cyber resilience and proactive fraud management capabilities.

Future readiness

Established a scalable digital foundation capable of supporting long-term growth and transformation.



A platform built for the future

Technology remained a critical enabler of Fino Payments Bank's transformation journey during FY26. Through strategic investments in core banking infrastructure, digital platforms, cybersecurity and ecosystem partnerships, the Bank strengthened its ability to innovate, scale and serve customers more effectively. With a resilient and future-ready technology foundation now in place, the Bank is well positioned to support its next phase of growth and value creation.



CASE STUDY #1

Technology transforming customer lives

From account opening to daily banking in minutes

For many first-time banking customers, activating banking services often involves multiple visits, paperwork and delays before transactions can begin. Fino Payments Bank reimagined this experience for customers through physical and digital platforms.

A customer opening an account can now access essential payment

capabilities, including UPI and fund transfer services, almost immediately after activation. Supported by intuitive onboarding journeys, guided activation flows and seamless digital servicing, customers can begin transacting from day one

The impact extends beyond convenience. Faster activation improves confidence, allows customers to engage more frequently in banking transactions, accelerate

digital adoption and participation in digital economy. What previously took days can now be accomplished in minutes, creating a significantly improved banking experience.

Impact

- Faster customer activation
- Increased engagement in banking activity
- Higher digital adoption
- Improved customer satisfaction

CASE STUDY #2

Technology transforming intermediary lives

Empowering business correspondents through a stronger digital ecosystem

Fino's network of banking merchants and intermediaries plays a critical role in extending financial access across India. As transaction volumes increase, these partners require reliable technology platforms that minimise downtime, simplify transactions and improve service quality.

During FY26, the Bank strengthened its technology backbone through the Finacle migration, enhanced UPI infrastructure and modular architecture initiatives. These investments improved platform stability, accelerated transaction processing and strengthened service availability.

For intermediaries, this translated into smoother customer servicing, faster transaction execution and greater

operational confidence. By reducing technology friction, the Bank enabled its merchant network to focus on what matters most-serving customers and expanding financial inclusion.

Impact

- Improved service reliability
- Faster transaction processing
- Reduced operational disruptions
- Enhanced productivity for banking partners



DIGITALISATION & CUSTOMER EXPERIENCE

Creating seamless, intelligent and inclusive banking experiences



Digital at a glance, FY26

600,000+

Active mobile app users

40+

Banking services available on FinoPay App

Overview

In today's banking environment, customers judge institutions not only by the products they offer but by the quality of the experiences they deliver. The ability to open an account instantly, make payments seamlessly, resolve issues quickly and access services anytime-anywhere has become fundamental to customer satisfaction and loyalty. As a result, digitalisation has evolved from a technology initiative into a strategic driver of growth, engagement and competitive differentiation.

At Fino Payments Bank, digitalisation remained central to the Bank's ambition of creating a more inclusive,

accessible and customer-centric banking ecosystem. By combining intelligent technology, data-driven insights and customer-focused design, the Bank continued to simplify banking journeys while strengthening engagement across every stage of the customer lifecycle.

During FY26, the Bank accelerated its Fino 2.0 agenda, expanding digital adoption, enhancing payment capabilities, strengthening personalisation and improving customer trust through innovative security solutions. These initiatives enabled the Bank to deepen customer relationships, improve convenience and create more meaningful digital experiences at scale.

Highlights, FY26

Expanded digital adoption

Strengthened customer journeys across onboarding, payments, servicing and engagement channels.

Enhanced UPI ecosystem

Expanded digital payment capabilities through an in-house UPI switch and new UPI-based solutions.

Extended digital reach

Launched the FinoPay App on iOS, extending access to digital banking services across platforms.

Improved customer engagement

Leveraged analytics-led customer journeys and personalised engagement tools to enhance activation, retention and cross-selling.

Strengthened digital trust

Introduced real-time fraud reporting, enabling customers to raise and track fraud complaints directly through the mobile application.

Fino 2.0



Reimagining the customer lifecycle

The Bank advanced its Fino 2.0 strategy during FY26, with the objective of creating a fully digital customer lifecycle spanning onboarding, payments, servicing and product engagement.

Aligned with the Bank's asset-light operating model, Fino 2.0 enabled timely customer acquisition, activation and engagement without a corresponding expansion in physical infrastructure. This approach enhanced operational efficiency while supporting scalable growth and deeper customer relationships.

Strategic focus areas

Seamless digital onboarding

Simplified customer acquisition and activation through intuitive and accessible digital journeys.

Frictionless transactions

Enabled secure, convenient and reliable payment experiences across digital channels.

Self-service banking

Empowered customers to independently manage banking requirements through digital platforms.

Personalised customer engagement

Leveraged customer insights to deliver relevant products, services and experiences.

Data-led product development

Utilised behavioural analytics to support customer-centric innovation.

Scalable digital infrastructure

Strengthened technology capabilities to support growing customer adoption and transaction volumes.



Enabling first-day value

Accelerating customer activation

The Bank strengthened customer onboarding journeys by enabling essential payment services, including UPI and fund transfer capabilities, immediately upon account activation.

This approach reduced the time between account opening and active usage, ensuring customers could derive value from their banking relationship from day one. Automated customer lifecycle management capabilities further supported customer activation by guiding users through key onboarding milestones and encouraging digital adoption.

Enhancements to the mobile banking experience, including improved navigation, contextual engagement and a more intuitive interface, further simplified the customer journey and lowered adoption barriers for first-time digital banking users.

Customer benefit

Immediate access to essential banking services enabled customers to transact, transfer funds and engage digitally from the moment their accounts became operational.

Powering India's digital payment journey

Scaling the UPI ecosystem

The UPI ecosystem remained one of the most significant drivers of digital engagement during FY26. The Bank served more than 5 Mn active UPI customers, reflecting the growing adoption of digital payments across its customer base.

A key enabler of this growth was the Bank's in-house UPI switch infrastructure, which enhanced transaction processing efficiency, reduced dependence on third-party service providers and supported high service availability.

Digital payment innovations

UPI Lite: Enabled faster and more convenient low-value transactions.

UPI Credit Card: Expanded digital payment flexibility through credit-linked transactions.

UPI Circle: Enabled delegated payment experiences and enhanced customer convenience.

Merchant Payment Solutions: Strengthened collection and payout capabilities for business partners.

These initiatives expanded the utility of digital payments while enhancing customer convenience and transaction efficiency.

Ecosystem expansion

The Bank strengthened its digital ecosystem through partnerships with 19 fintech and lending institutions, enabling UPI-as-a-Service capabilities and expanding access to innovative financial products and services through API-driven integrations.

The launch of the FinoPay App on iOS extended the Bank's digital reach, providing customers with access to more than 40 banking services through a secure and integrated digital platform.

Personalisation and customer engagement

Deepening customer relationships through data and insights

As digital adoption increased, the Bank remained focused on strengthening customer engagement and improving the relevance of customer interactions.

The integration of advanced customer engagement and analytics capabilities provided deeper visibility into customer behaviour and usage patterns. These insights enabled the Bank to personalise customer journeys, deliver relevant product recommendations and improve engagement across digital channels.

The deployment of a rewards module strengthened customer retention by encouraging digital engagements and enhancing customer loyalty.

Creating more relevant experiences

The Bank leveraged behavioural insights and digital intelligence to:

- Improve customer activation and engagement
- Deliver personalised product recommendations
- Enhance cross-selling effectiveness
- Strengthen customer retention
- Create more relevant digital experiences

The revamped corporate website also supported customer acquisition and engagement through improved navigation, enhanced discoverability and targeted cross-selling opportunities.



Building digital trust

Security, transparency and customer confidence

Trust remained fundamental to the adoption and sustained usage of digital banking services.

To strengthen customer confidence, the Bank introduced an industry-first

Real-Time Fraud Reporting capability, enabling customers to raise and monitor fraud complaints directly through the mobile application. The initiative enhanced transparency, improved accessibility and empowered customers to manage fraud-related concerns more effectively.

The launch of Net Banking 2.0 further strengthened the digital banking experience through enhanced security protocols, improved usability and a refreshed user interface.

Together, these initiatives reinforced customer trust while supporting broader adoption of digital banking services.

Digital experience roadmap

Advancing the next generation of customer engagement

The Bank's digital investments during FY26 established a strong foundation for future growth and innovation.

Going forward, the Bank's digital agenda will remain focused on accelerating customer acquisition, strengthening AI-led personalisation, developing digitally native financial solutions and expanding ecosystem partnerships to create a richer and more integrated banking experience.

Strategic priorities

Accelerating digital acquisition:

Enhancing onboarding journeys and engagement platforms to improve customer conversion and activation.

AI-led personalisation: Leveraging artificial intelligence and advanced analytics to deliver highly relevant and contextual customer experiences.

Next-generation financial solutions: Developing personalised financial products tailored to evolving customer needs.

Ecosystem expansion: Deepening fintech partnerships and expanding API-driven integrations across the financial services ecosystem.

Value created through digitalisation

Higher customer engagement:

Strengthened customer interaction and activity across digital channels.

Greater convenience: Provided seamless access to banking services anytime and anywhere.

Stronger customer relationships: Delivered personalised experiences and relevant financial solutions.

Enhanced operational efficiency: Supported scalable growth through a digital-first operating model.

Sustainable growth: Created a foundation for long-term customer acquisition, engagement and value creation.



A digital-first future

Digitalisation continued to be a powerful enabler of customer experience transformation at Fino Payments Bank during FY26. Through sustained investments in digital platforms, payment infrastructure, customer engagement capabilities and trusted digital experiences, the Bank strengthened its ability to serve customers more effectively at scale.

With a growing digital ecosystem, more than 5 Mn active UPI customers and a customer-centric Fino 2.0 strategy, the Bank remained well positioned to deepen customer relationships and drive sustainable growth in an increasingly digital financial landscape.



SALES AND DISTRIBUTION

Fino powering Bharat - one merchant at a time



Every merchant, a growth engine

Across Bharat, banking did not always begin at a branch; it often began with a trusted neighbourhood merchant.

At Fino Payments Bank, these merchants, also known as business correspondent (BC) agents, served as the Bank's face, bringing formal banking services closer to millions of customers.

More than a distribution channel, the merchant network formed the foundation of the Bank's business model, creating sustainable livelihood opportunities while extending banking access to underserved communities.

Guided by a simple philosophy - 'When the merchant grows, Fino grows' - the Bank invested in technology, capability building and network expansion.

Our growth at a glance

15,000

Average merchants added every month during FY26

14,000

BPCL fuel outlets enabled as banking touchpoints as on FY26

31.5

Lakh, new customers added in FY26

10

%, of merchants are women, enabled through community focused initiatives like BC Sakhis and Jeevika Didis as enterprising rural women

2,500+

Fino-Hamesha outlets as on FY26

1,285

₹ Crore, Gold loan referral throughput during FY26



Growth was measured not only by the number of merchants onboarded, but by the quality, activity and compliance of the network. Every active merchant strengthened Fino's ability to serve Bharat, one neighbourhood at a time.



Expanding Bharat's banking footprint

Fino strengthened its last-mile presence by adding an average of nearly 15,000 merchants every month. The expanding distribution network comprised individual merchants, BPCL fuel outlets and API partner ecosystems, enabling customers to access banking services closer to where they lived and worked. Taking financial inclusion a step further is the participation of women as banking merchants in remote areas, which in turn witnessed increased engagement from women customers. Most importantly, the proactive role of state livelihood missions, especially in Uttar Pradesh and Bihar, resulted in BC Sakhis and Jeevika Didis taking banking to the doorsteps of customers.

The Bank network's reach in the hinterlands proved extremely beneficial to the direct benefit transfer (DBT) beneficiaries of various government schemes across the country. They need not spend money and travel long distance to withdraw cash, it's possible to do in their neighbourhood.

While the Bank had traditionally maintained a strong presence across West, Central and North India, FY26 marked a strategic expansion into South, East and Northeast India. The expansion was supported by continuous merchant training, ensuring higher levels of engagement, operational capability and regulatory compliance.

Technology that empowered merchants

Following the successful migration of its core banking platform to Finacle, the Bank strengthened its merchant ecosystem through the launch of a

revamped merchant portal Fino Mitra that is faster, smarter and has more efficient banking capabilities. The upgraded digital infrastructure delivered faster transaction processing, real-time MIS reporting and a simplified operating experience for merchants.

Designed to perform efficiently even in low-connectivity locations, the lightweight platform ensured uninterrupted access across rural and remote geographies, helping merchants serve customers more efficiently.

Technology highlights, FY26

Faster transaction processing

Real-time MIS reporting

Simplified operations through the revamped Fino Mitra platform

Reliable performance in low-bandwidth locations

Technology designed for Bharat

The upgraded merchant platform was built to perform efficiently even in low-connectivity areas, enabling faster transactions and uninterrupted service across remote locations. It reflected Fino's commitment to ensuring that geography never became a barrier to accessing banking services.



Building a trusted network

The merchant, a familiar face in the local community, is trusted by customers for being friendly, helpful and acts as an advisor for millions in Bharat. The growing customer base and increasing transactions at the merchant points are a testimony to the **TRUST** earned by the network. As the technology-enabled merchant network expanded, the Bank strengthened its governance and security framework and leveraged analytics to proactively identify fraud patterns during

customer onboarding, further enhancing customer trust.

Service quality was reinforced through structured merchant training, regular field audits, customer Net Promoter Score (NPS) surveys and continuous engagement with regulators and industry bodies to remain aligned with evolving standards. Together, these initiatives ensured that growth was matched by trust, consistency and operational discipline.

Preparing for the next phase

There was a marked progress in FY26 in expanding beyond transaction banking. Referral-based lending emerged as an important growth driver while strengthening capabilities

for the Bank's long-term aspiration of becoming a Small Finance Bank.

The referral loan business gained a strong momentum during the year with ₹1,285 Crore of disbursements. Gold

loans accounted for around 95% of the disbursement while pilots are underway for home loan (HL), loan against property (LAP), two-wheeler and personal loans that make up the rest.

What the network achieved in FY26

Preparing for tomorrow's bank

The expansion into lending referrals diversified merchant offerings while enabling the Bank to build operational capabilities for its future Small Finance Bank journey. It also empowered merchants to serve customers with a broader suite of financial solutions through a single trusted touchpoint.

Banking beyond branches

In addition to having neighbourhood small business owners as merchants, Fino strengthened its network through Fino-Hamesha outlets and its partnership with BPCL.

Fino Hamesha outlets provide full time banking services and act like mini-branches. By March 2026, Fino had crossed 2,515 Hamesha outlets, providing customers with access to the Bank's complete suite of products and services.

Simultaneously, banking services were available across the Bank's strategic partner Bharat Petroleum Corporation Limited's (BPCL) 14000 fuel outlets nationwide, transforming everyday fuel stations into convenient banking touchpoints. BPCL's outlets are present across all the national highways connecting Bharat to India, significantly improving banking access across rural areas.

Fino's neighbourhood banking - reimaged

Dedicated Hamesha outlets and BPCL fuel stations brought essential banking services closer to customers, improving convenience while extending the Bank's physical reach. Every new touchpoint reduced the distance between customers and formal banking.

Creating opportunities, one community at a time

Fino's merchant-led model generated livelihood opportunities by engaging local residents and women from Self-Help Groups (SHGs) as banking agents.

Initiatives such as the BC Sakhi programme in Uttar Pradesh and SHG-linked banking agent programmes in Bihar demonstrated how community participation strengthened local entrepreneurship while widening access to formal banking. Importantly, these initiatives increased the participation of

rural women in banking paving the way for their financial empowerment and security.

The introduction of referral-based lending enhanced merchant earning opportunities. Merchants who had previously offered only transaction and liability products could now facilitate gold loan, home loan and loan against property referrals, enabling customers to access a broader suite of financial solutions closer to home while creating additional earning opportunities for the merchants themselves.



Every Fino merchant empowered another neighbourhood. Every new Fino banking touchpoint strengthened livelihoods while bringing trusted financial services closer to the communities that needed them the most.



A stronger ecosystem for inclusive growth

Every Fino merchant added, every Fino technology upgrade and every new Fino service reinforced Fino Payments Bank's commitment to build an inclusive banking ecosystem. By combining an expanding merchant network with digital innovation, sound governance and diversified financial solutions, Fino strengthened customer access, empowered local entrepreneurs and laid the foundation for its next phase of growth. For Fino, every merchant added another trusted banking address, bringing the Bank closer to its vision of making

banking accessible, convenient and relevant for every Indian.



TALENT MANAGEMENT

How we mentor and manage talent at Fino



Overview

Long before a customer trusted an app, a QR code or a passbook, they first trusted a person.

Across villages, small towns and last-mile corners that Fino Payments Bank served, that person — a banking correspondent, a field officer, a relationship manager — was often the only face of the Bank a family ever met.

FY26 was the year when trust shaped every people-related decision the Bank made: that its workforce was not a function supporting the business, but the business itself - door to door, one relationship at a time.

What followed was a year of building on that foundation — sharpening how Fino found, trained, motivated and retained its people who extended financial inclusion to the last mile.

The face of financial inclusion

In rural India, banking remained relationship-led rather than system-led, and Fino's field officers, banking correspondents and customer relationship managers stood at the centre of that relationship. They explained a digital process in a familiar language, hand-held a first-time user through a transaction, and turned a wary villager into a repeat customer.

Technology - be it our mobile app or the Aadhaar-based payment system or

even the micro-ATM – it all extended the Bank's reach. But people made that reach meaningful, overcoming digital illiteracy, fraud fear, and cultural as well as language barriers that no interface could alone resolve.

This mattered commercially and socially. Fino operated on high-volume, low-margin transactions, so retention and cross-selling of insurance, pension and remittance products depended on trust built face-to-face.

Besides, locally hired talent brought cultural compatibility and language fluency that reduced attrition among customers and employees; frontline feedback shaped product and process innovation - from simplified onboarding to vernacular interfaces.

As the Bank's rural landscape shifted — new policy, technology upgrades to UPI and the Aadhaar stack, and rising competition from FinTechs and NBFCs — people remained the mechanism through which Fino absorbed change and enhanced relevance.

Building the engine: Recruitment and reach

In FY26, Fino reworked its recruitment architecture to become more agile, inclusive and future-ready. Regional job fairs widened the Bank's reach into under-served and rural geographies, bringing in talent that better reflected the communities it served, while strengthened referral programmes

lifted the quality of hires and cut time-to-hire.

Hiring criteria were recalibrated to weigh digital fluency and behavioural competencies alongside experience, preparing new recruits for a hybrid, phygital service model.

The year's staffing challenges comprised frontline talent retention,

hiring at scale, and closing digital literacy gaps with a hyperlocal response. Recruitment drives were run closer to where the staff would actually work, shortening deployment timelines and strengthening community alignment. Besides, blended learning programmes paired digital modules with on-ground, field-level training to accelerate capabilities.

Diversity, wellbeing and retention

Diversity and inclusion: The Bank built gender representation across field and organisation roles. Around 10% of the merchant network as well as Fino employees are women.

Wellbeing: Flexible HR policies stayed focused on mental wellness, particularly through high-stress periods, so employees felt supported and resilient through demanding stretches of the year.

Retention and mobility: Investment in leadership development and internal growth pathways aimed to reduce attrition and the Bank's dependence on external hiring.

Culture, capability and performance

In the area of culture, three commitments anchored the employee experience through the year:

Induction: A streamlined induction that gave new joiners early integration and clarity of purpose

Communication: Regular communication forums, peer-connect programmes and region-specific

celebrations that kept engagement local and personal;

Recognition: A performance-linked recognition framework that rewarded effort, innovation and sustained contribution.

In the area of capability, the Bank ran curated learning journeys across compliance, cybersecurity, risk management and interpersonal effectiveness, with continued emphasis on POSH awareness, insider-trading norms, whistleblower mechanisms

and AML/KYC and risk-governance understanding — keeping the workforce equipped to meet both regulatory and business demands.

In the area of performance, Fino refined its evaluation systems further this year, cascading individual goals from organisational priorities and encouraging manager-led, ongoing performance conversations in place of a single annual review — reinforcing meritocracy and accountability in how outcomes were recognised.

The year's markers

81%

Trust Index Score® (Great Place to Work®)

958

Apprentices trained under the national apprentice programme

Great Place To Work®

Certified

FEB 2025 - FEB 2025

INDIA

Beyond the numbers, performance-linked rewards continued to sustain a merit-driven culture, lifting motivation and supporting stronger performance across verticals through the year.

How Fino countered challenges

Challenge and Response

High attrition	Digital literacy gaps	Stress and wellbeing	Hiring in remote areas
↓	↓	↓	↓
Incentives + internal mobility	Blended learning + Gyan Kosh	Flexible HR policies + Fino WOW initiative	Hyperlocal recruitment drives

Fino Wealth of Wellness (WOW)

Various initiatives were taken to ensure overall mental and physical well-being of employees across corporate and regional offices. These included:

- Wellness zones and fitness challenges
- Health checks and cardiovascular sessions
- Fun games
- Sound healing sessions
- Desktop ergonomics
- Employee assistance program
- 21 days Stepathon challenge
- Wall of gratitude and stress management webinars

Outlook

Fino is building a future-ready, engaged and resilient workforce. The Bank aims to deepen digital HR interventions that strengthen real-time engagement,

retention and performance tracking, and to drive employee financial literacy so its people can make informed decisions, both professionally and personally. Strengthening succession pipelines for

critical roles remains a priority, alongside plans to expand employee voice through structured feedback loops, pulse surveys and focused group interactions.

‘When we take care of our people, they take care of our customers - and the business takes care of itself.’



Grooming and growth



Fino is more than a workplace; it is an environment where people are encouraged to learn, take responsibility and create an impact. What I value most is the culture of trust and the opportunities to contribute beyond defined roles. I am proud to be part of an organization that is growing with its people at the heart of its journey.

Bhavika Bindra
Human Resource



In the last 11 years I have witnessed the organization grow from a BC company to a payments bank and now gearing up for the next phase. Fortunate to have been part of this journey and proud to have played a part in this transformation with the support of my seniors and colleagues. As I continue to learn and grow, I wish to see the Bank attain great heights.

Sonal Bharat Kadam
Ticket Management



My journey with Fino since 2012 has been truly enriching and rewarding. Open-door culture, supportive leadership and collaborative colleagues encourage us to look at challenges from different perspectives, share ideas and suggestions, and work together towards practical solutions.

Sushil Kambli
BC Banking



For over 13 years I have seen the Bank evolve, while my exposure to different operational verticals helped gain extensive experience in banking and payment operations. My journey here has been full of learning, challenges and growth, and I continue to learn and contribute every day.

Vinod Bhilare
Payments & Clearing



Being part of a growing Organisation that serves the rural masses has been truly rewarding. During my 1.5 years at Fino Bank I have had opportunity to learn and contribute through valuable guidance from seniors and team members. As the Bank gears up to be an SFB, I look forward to making a meaningful contribution to the team's efforts and grow professionally.

Pooja More
Anti-Fraud Unit



At Fino I was presented with the opportunity to contribute to a dynamic phase of organizational transformation and growth. Being part of this transformation has been both enriching and inspiring, providing opportunities to learn, contribute and create meaningful impact.

Vrushali Sonawane
Human Resource

Banking beyond branches:
Inclusive and sustainable



Our talent dashboard

Employees

	FY22	FY23	FY24	FY25	FY26
Persons	3,028	2,868	2,682	2,769	2,848

Employees by gender

	FY22	FY23	FY24	FY25	FY26
Male	2,773	2,602	2,419	2,486	2,576
Female	255	266	263	283	272
Total	3,028	2,868	2,682	2,769	2,848

Employees by age group

	FY22	FY23	FY24	FY25	FY26
18-35	2,405	2,198	1,974	1,989	1,938
36-45	548	588	612	668	761
46-60	75	82	96	112	149
Total	3,028	2,868	2,682	2,769	2,848

Employees as per their academic qualifications

	FY22	FY23	FY24	FY25	FY26
Graduate	2,760	2,573	2,219	2,344	2,326
Masters/MBAs/PG	137	141	306	281	361
Chartered Accountants	10	9	12	12	10
Engineers	121	145	145	132	151
Total	3,028	2,868	2,682	2,769	2,848

Employee cost

	FY22	FY23	FY24	FY25	FY26
Employee cost as a percentage of revenue	13.2	12.7	12	11.52	14.28

Employees by tenure

	FY22	FY23	FY24	FY25	FY26
More than 5 years (as % of total)	0	18	22	23	23
Less than 5 years (as % of total)	100	82	78	77	77

Overview

For millions of Indians, banking does not begin inside a branch. It begins at the neighbourhood store: a familiar face, a trusted merchant and a banking experience that is already a part of everyday life.

That simple idea has shaped Fino's journey from day one and continues to define how the Bank brings formal banking closer to millions.

By transforming local businesses into banking touchpoints, Fino has

reimagined how financial services are delivered. Customers no longer need to travel long distances or wait in queues to access essential banking services. Instead, they can deposit or withdraw money, make payments, transfer funds, or open an account at a merchant they already know and trust.

This model has done far more than simply improve convenience. It has expanded financial access, created livelihood opportunities for local entrepreneurs, financially empowered local communities and enabled the Bank

to grow with a lighter physical footprint than conventional branch-led banking.

At Fino, ESG is not a separate programme or a reporting exercise. It is embedded in the way the Bank serves customers, empowers merchants, develops employees and earns trust every single day. As Fino transitions towards becoming a Small Finance Bank, these principles will continue to shape how it grows; responsibly, sustainably and with the customer at the centre of every decision.

ESG performance dashboard, FY26

Environment

100
%, Digital account opening enabled

>3
tons of e-waste recycling

LED
Energy-efficient lighting deployed across offices

Neighbourhood banking: Low-fuel consumption, less travel, saves effort and cost

Tech-enabled banking: Paperless transactions, low maintenance, low power consumption



Social

20.8
Lakh, Merchants serving customers nationwide

70+
%, Rural merchant presence

10
%, merchants are women

1.75
Crore CASA customers

30
%, CASA customers are women

2,848
Employees driving inclusive banking

10.3
%, of employees are women

~1,000
Multi-lingual financial literacy and digital inclusion campaigns

Governance

8
Members on our Board

37.5
%, women Directors

10
Material ESG topics

Tech & ML-enabled
Fraud monitoring systems

3-tier
ESG governance framework

- ~350 Cyber Fraud Awareness Training for merchants in 10 vernacular languages
- ~1,100 employees trained on cyber security

- ESG ratings
- CRISIL ESG Rating - 54/100 (Adequate)
 - ESG Risk Assessment - 56/100 (Adequate)

Awards & recognition
FINNOVITI 2026 by Banking Frontiers: *ESG Project*



Social

For Fino, financial inclusion is not measured by the number of branches it operates, but by the number of people who can bank with confidence, convenience and dignity.

Its merchant network has enabled millions of customers to use formal financial services closer to where they live and work, making banking more convenient, accessible and relevant to everyday life.

The impact extends far beyond customers.

Merchant become more than just Banking correspondents. They become trusted financial partners, local entrepreneur and an important bridge between formal banking and the underserved communities.

This is where Fino's business model creates its greatest social impact; creating value simultaneously for customers, merchants and communities.

Investing in people

Behind every customer interaction is a workforce equipped to operate in an increasingly digital banking environment. As the Bank expands its capabilities, it continues to invest in strengthening technical expertise, regulatory knowledge, digital banking skills and customer service excellence. As digital adoption grows, so do challenges associated with it; to address that over 1,100 employees were trained in cyber security in FY26.

Continuous learning, leadership development and capability building programmes equip employees to thrive in an organisation growing in an increasingly digital environment. But growth at Fino extends beyond careers. A diverse, inclusive and equitable workplace, transparent policies and holistic wellbeing initiatives spanning physical, mental, emotional and social health enable every employee to grow

with confidence and purpose. As the Bank believes, empowered people build empowered communities.

Creating opportunities for women

True financial inclusion is only possible when more women participate in the financial ecosystem.

Fino continues to encourage women's participation in the financial ecosystem as employees, customers, merchants and board members. The Bank's association with State Rural Livelihood Missions such as BC Sakhi in Uttar Pradesh and Jeevika in Bihar created livelihood opportunities, increased access to formal banking services in underbanked areas, improved financial literacy and empowered women to participate in banking.

The impact extends well beyond banking. It creates local role models, strengthens household incomes and encourages greater financial independence.



Governance

Every banking relationship begins and grows with trust. In a digital-first world, protecting that trust has never been more important.

For Fino, governance extends beyond regulatory compliance. It shapes every decision, every transaction and every customer interaction. It encompasses prudent risk management, transparent decision-making, ethical conduct and disciplined oversight that protect customer interests while supporting sustainable business growth. Fino integrates these principles into strategic planning, operational execution and day-to-day business decisions.

As Fino continues its transition into a Small Finance Bank, governance will remain central to how the organisation manages growth, protects customer

interests and responds to a rapidly changing financial landscape. Rather than treating governance as a compliance requirement, the Bank integrates it into everyday decision-making; from strategic oversight at the Board level to operational execution across functions.

A defined governance structure ensures that sustainability, risk management and business priorities remain closely aligned, enabling the Bank to make informed decisions while maintaining accountability and transparency.

Protecting digital trust: As customer adoption of digital banking accelerates, safeguarding information, transactions and digital identities becomes increasingly critical. Fino continues to strengthen its technology infrastructure through robust cybersecurity frameworks, data privacy practices, resilient digital architecture and machine learning-enabled fraud monitoring. These capabilities enhance transaction security, improve fraud detection and reinforce customer confidence across merchant-assisted and digital banking channels.

A culture of integrity: Policies and systems alone do not create strong governance; culture does. Fino promotes a workplace where ethical conduct, accountability and compliance are embedded into everyday operations. Clearly defined codes of conduct, whistle-blower mechanisms, internal controls and periodic compliance reviews reinforce responsible business practices across the organisation. This culture of integrity enables the Bank to build stronger relationships with customers, regulators, investors and employees, creating a governance framework that supports long term sustainable business performance rather than simply meeting regulatory expectations.

Managing risk responsibly: The banking landscape continues to evolve rapidly, driven by technological innovation, changing regulations and evolving customer expectations. Fino integrates enterprise risk management into strategic planning, enabling the organisation to anticipate emerging risks while maintaining operational resilience. Cybersecurity, regulatory compliance, business continuity and



Environment

Unlike conventional banks that expand through physical branches, Fino grows through an extensive merchant network already embedded within local communities. The result is an asset-light model that delivers greater reach with lower infrastructure intensity, reduced resource consumption and a smaller operational footprint.

Digital technology further makes this model even more efficient. Digital account opening, e-KYC, paperless documentation and mobile-enabled banking reduce paperwork, accelerate onboarding and simplify banking for customers while lowering the environmental impact.

Across its offices, Fino complements this digital-first approach with responsible workplace practices, including energy-efficient infrastructure, prudent resource management and continuous efforts to optimise operational efficiency. While each initiative may appear modest, together they reinforce a culture of responsible resource stewardship across the organisation.

Environmental priorities

Fino integrates sustainability into everyday operations by:

- Expanding paperless customer journeys across banking services
- Increasing digital transactions and self-service banking adoption
- Optimising energy consumption across offices
- Encouraging responsible consumption of resources
- Monitoring environmental performance to drive continuous improvement

ESG considerations are increasingly embedded within the Bank's broader risk management framework, supporting responsible and sustainable growth.

By combining proactive risk oversight with disciplined governance, the Bank is well positioned to grow responsibly

while protecting the trust placed in it by customers and stakeholders.

Outlook

As Fino enters its next phase as a Small Finance Bank, it is positioned to expand its impact and relevance. The Bank will continue to deepen customer relationships, strengthen digital capabilities, broaden its product portfolio and leverage its merchant network to extend formal banking services to underserved communities.

To reinforce transparency and keep stakeholders closely engaged with

this journey, the Bank is working on introducing two new ESG communication initiatives - a Quarterly ESG Employee Newsletter, which will share regular updates on the progress and priorities with internal stakeholders, and an Annual ESG Bulletin, offering a deeper view of the year's impact in alignment with the Bank's broader disclosures. Together, these initiatives, expected to be rolled out in FY27, reflect a commitment to open, consistent and

structured ESG communication aimed at creating awareness and tracking impact.

ESG will continue to evolve alongside Fino's journey; not as a standalone initiative, but as a natural outcome of responsible business decisions. Every digital innovation, every merchant empowered, every customer included and every governance enhancement contributes to creating long-term and sustainable value for customers, communities, shareholders and the society.

Banking where customers already are

For many customers, the nearest bank branch may be several kilometres away, but the neighbourhood grocery store is only a few minutes from home.

Fino's model empowers these familiar local businesses to become trusted

banking touchpoints, enabling customers to deposit or withdraw cash, make payments, transfer money or open an account close to where they live.

The paperless and tech-driven transactions not only improve

customer convenience and create an additional source of income for the merchant but also reduces carbon footprint, demonstrating how one business model generates value for customers, entrepreneurs and communities alike, while being environmentally friendly.



CORPORATE SOCIAL RESPONSIBILITY (CSR)

Strengthening communities

Fino's commitment to inclusion extends beyond banking. Through focused CSR initiatives, the Bank invests in stronger, more resilient communities.

Overview

Fino's vision for Corporate Social Responsibility (CSR) is to integrate it with business operations and invest funds in socially and environmentally beneficial outcomes.

In line with this philosophy, during FY26, the Bank partnered credible implementation agencies across

multiple states and invested in initiatives that improve employability through skill development, strengthen education, expand healthcare access and support child welfare. Although each programme addresses a different need, they share one common objective; creating long-term community capability that deliver a lasting impact rather than one-time assistance.

A particular emphasis continues to be placed on skill development, helping young people become more employable and financially independent. Investments in education and healthcare complement this effort by strengthening the foundations that enable individuals and communities to thrive.

FY26 CSR highlights

1.73

₹ Crore, CSR investment: Invested in programmes that advanced education, healthcare, employability and community development, creating meaningful and measurable social impact.

15,469

Lives impacted: Beneficiaries reached through initiatives focused on skill development, education, healthcare and child welfare across diverse communities.

15

NGO partners: Collaborated with trusted implementation partners to deliver scalable, sustainable and community-centric development programmes.

6

States covered: Expanded the Bank's social footprint by supporting impactful initiatives across six states in India.

593

Apprentices trained: Strengthened youth employability by providing practical workplace exposure and industry-relevant skills through apprenticeship programmes.

66

% towards skill development: The largest share of CSR investment was directed towards enhancing employability and creating sustainable livelihood opportunities for young people.

17

% towards education: Supported initiatives that improved access to quality education, strengthened learning infrastructure and encouraged holistic student development.

14

% towards healthcare: Enhanced access to healthcare and wellbeing initiatives, supporting vulnerable communities through preventive and curative interventions.

3

% towards child welfare: Supported programmes that nurtured children's health, wellbeing and overall development, helping create a brighter future for the next generation.

Outlook

Fino's CSR focused on creating long-term community capabilities rather than engage in short-term interventions. Skill development remained the primary area of investment, complemented by education, healthcare and child welfare initiatives across six states.

Our Board members



Mr. Rajat Kumar Jain
Part-time Chairperson
and Independent Director



Mrs. Deena Asit Mehta
Independent Director



Mr. Rakesh Bhartia
Independent Director



Mrs. Anita Sudhir Pai
Independent Director



Mrs. Neeta Ananda Mukerji
Independent Director



Mr. Pankaj Kumar
Nominee Director



Mr. Prateek Roongta
Nominee Director



Mr. Rishi Gupta
Managing Director
and Chief Executive Officer
(ceased w.e.f. May 21, 2026)

- Membership of Committees**
- Audit Committee
 - Nomination and Remuneration Committee
 - Risk and Asset Liability Management Committee
 - Stakeholders Relationship Committee
 - Corporate Social Responsibility & ESG Committee
 - IT Strategy Committee
 - Customer Service Committee
 - Committee of Directors (Operations)
 - Strategic Investment Committee
 - Business & Corporate Restructuring Committee
 - Special Committee of Board for monitoring and follow-up of cases of frauds
 - SFB Execution Committee
 - Crisis Management Committee
- Note: CP - Chairperson

Our leadership team



Mr. Rishi Gupta
Managing Director
& Chief Executive Officer
(ceased w.e.f. May 21, 2026)

Rishi Gupta, the former Managing Director and Chief Executive Officer of Fino Payments Bank was the driving force in the transformation of Fino from a fledging fintech to a leader in the payments bank

space. He spearheaded the bank to profitability within three years of its launch in 2017 and played a pivotal role in Fino becoming the first payments bank to be listed on the Indian stock exchanges in November 2021.

He was actively involved in the industry and represented the Bank at the Payments Council of India, a premier

payment and fintech industry association in India. Under his stewardship, the Bank played a key role in transforming the rural banking landscape by taking digital-led banking services closer to the masses. As a founding member of Fino Paytech, the parent company of Fino Payments Bank, Rishi brought valuable experience to his role.



Ketan Merchant
Interim Chief Executive Officer
(appointed Interim CEO w.e.f. February 27, 2026)

Ketan Merchant joined Fino Bank in 2018. Backed by over 27 years of deep corporate banking and financial oversight experience with organizations like

HSBC, Standard Chartered and Barclays in India and overseas, he has played a pivotal role in the formulation of the strategy of the Bank and managing its balance sheet. He has been a principal architect of Fino's sustainable business model in a dynamic and evolving banking landscape, with a key focus on accelerating

growth-oriented strategies for the bank. It is under his stewardship that the bank as adopted the three-pronged strategy of DDD (Data, Distribution & Digital) for Fino 2.0. One of his most remarkable achievements has been the Bank's successful public listing (IPO) in 2021.



Shailesh Pandey
Chief Business Officer

Shailesh Pandey has over two decades of experience in the BFSI space. He has been a part of Fino Payments Bank since its inception in 2017 and took over as Chief

Business Officer (CBO) in April 2025. Shailesh has been instrumental in managing Fino's business lines, (B2B, BC banking, API, CMS), products (DMT, Micro ATM, AePS, Assets), customer experience and marketing.



Vinod Kumar
Chief Information Officer
and SEVP - Operations

Vinod Kumar joined Fino Payments Bank in 2018 as the Chief Information Officer (CIO). He plays a vital role in establishing a robust IT infrastructure system and is currently leading the digital transformation initiatives to create a future-ready

Bank. Vinod is instrumental in setting up strong cyber security measures, Robotic Process Automation and driving continuous efforts towards capacity building to manage increasing transaction volumes of the bank.

As the Head of Central Operations function Vinod's vision is to establish long-term operational strategies

that align with the Bank's objectives and also focus on automation and new-age technology to improve efficiency, scalability, and agility. Prior to Fino Bank, he worked at Teletech Services India Limited, ICICI Bank Limited, Rakbank, and K-Infosystems – FZE.



Tejas Maniar

Chief Digital
and Liabilities Officer

Tejas Maniar joined Fino Payments Bank in April 2022 as Chief Digital Officer (CDO) to build and scale up its Fino 2.0 strategy, with digital transformation at its helm. He started out when digital was at a nascent stage and has built credible experience

of over two decades with organizations like HDFC Bank and IDFC FIRST Bank setting up digital domains including products, applications, business and sales.

Tejas has been instrumental in driving Fino's end-to-end digital transformation agenda, scaling our technology platforms for future growth and ensuring

integration of digital banking across all channels and services. He also manages the Liabilities Product portfolio, spearheading the Bank's overall liability strategy including design, development & implementation of new products, while ensuring profitability and competitive advantage.



Darpan Anand

National Head
(Channel Sales)

Darpan Anand has over two decades of experience in BFSI and FMCG sectors. He has been associated with Fino for more than 17 years and has handled multiple roles including channel management, customer

acquisition, international business, account management and business development.

He played a critical role in business structuring, process alignments and setting up Fino's distribution network. Darpan's contribution to the growth of the organization over the years has been

immense. In 2024 he was recognized among the 'Top 100 Managers' in the country in a survey done by Great Manager Institute.

An electronics engineer and a management graduate, Darpan was previously associated with Hindustan Lever Limited (HUL), Max New York Life Ltd and Metlife.



Anup Agarwal

Interim Chief Financial Officer
(appointed Interim CFO w.e.f March 6, 2026)

Anup Agarwal is a Chartered Accountant with over two decades of experience in finance, reporting, and risk. He joined Fino Payments Bank in June 2022 and has since played a central role in strengthening the bank's

financial foundations, investor communications, and analytics capabilities.

His work spans financial and regulatory reporting, operational risk oversight, financial controls, and building data-driven insights that support strategic decision and is an important member in the leadership team

Before Fino, Anup built his career across global institutions including Deutsche Bank India, Standard Chartered Bank India, and Maersk Group, where he held diverse roles across finance and control functions. This breadth of experience has helped him bring both rigour and pragmatism to Fino's finance function.



Basavraj Loni

Company Secretary and
Compliance Officer-Head
Legal

Basavraj Loni has been with Fino Payments Bank since November 2017 over two stints, and currently holds the positions of Company Secretary and Head of Legal. He holds a bachelor's degree

in law and is an associate member from ICSI.

With expertise in secretarial, legal, corporate governance, and compliance matters, Basavraj has previously worked at Priya Limited, Raj Oils Mills Limited, GOL Offshore Limited, and Mahindra & Mahindra Financial Services Limited & Kotak Mahindra Bank.

Board's Report

Dear members

Your Board takes pleasure in presenting the Tenth (10th) Annual Report of Fino Payments Bank Limited ("Bank") covering business and operations together with the Audited Financial Statements for the financial year ended March 31, 2026.

FINANCIAL HIGHLIGHTS

The financial highlights for the year under review are presented below:

	(₹ in Crore)	
Particulars	2025-26	2024-25
Balance Sheet:		
Savings Bank Deposits	2,342.43	1,908.01
Current Account Deposits	37.06	31.42
Total Assets/ Liabilities	5,311.90	4,205.93
Total Income	1,587.92	1,847.10
Less: Expenses	1,371.79	1,615.99
Profit /(Loss) before Interest, Depreciation and Tax	216.13	231.11
Less: Depreciation	76.15	62.15
Less: Finance Charges	72.57	60.61
Profit /(Loss) before Tax and prior period items	67.41	108.35
Profit /(Loss) before Tax	67.41	108.35
Taxes	14.95	15.82
Net Profit /(Loss) after Tax	52.46	92.53
Other Comprehensive Income	-	-
Balance of Profit /(Loss) carried forward to next year	52.46	92.53
Appropriations		
Transfer to Statutory Reserve	13.11	23.13
Transfer to Investment fluctuation Reserve	17.32	12.87

BUSINESS OPERATIONS AND STATE OF AFFAIRS OF THE BANK

The brief details on business operations and state of affairs of the Bank during the financial year ended March 31, 2026 are given below:

- The Bank became the first Payments Bank to receive in-principle approval from the Reserve Bank of India ("RBI") for conversion into a Small Finance Bank ("SFB").
- The Bank processed 389.3 Crore transactions in FY2025-26, a 15% growth compared to the previous year.
- Digital throughput grew by 16% to ₹2,62,009 Crore, contributing more than 56% of the overall throughput in FY2025-26.
- The Bank has opened approx. 0.32 Crore current and savings accounts of customers in FY2025-26, of which approx 98.30% were subscription-based accounts.
- The Bank delivered a healthy Return on Equity ("ROE") of 6.8% in FY2025-26.

- Merchant network went up by 10%, the Bank's physical outreach reached to 0.21 Crore banking points in FY2025-26.
- Average total deposits for FY2025-26 stood at ₹2,576 Crore, a solid 28% year-on-year growth.
- Active FinoPay (application of the Bank) users in March 2026 increased by 25% to 8.2 lakh compared to previous year.
- Referral loan disbursements surged exponentially by 3.5 times to ₹1,285 Crore for FY2025-26 reinforcing SFB preparedness.

Further, the total revenue of the Bank was ₹1,587.92 Crore for the financial year ended March 31, 2026 as compared to ₹1,847.10 Crore in previous financial year. The Bank's Profit after tax stood at ₹ 52.46 Crore for the financial year ended March 31, 2026 as compared to ₹92.53 Crore in previous financial year.

Your Bank is a public limited company holding a license from the RBI to carry on business of Payments Bank in India. The Bank became a Scheduled Bank with effect from January 01, 2021 vide Notification dated January 01, 2021 published in the Government of India Gazette and continues to comply with all the applicable regulations and guidelines prescribed by RBI from time to time.

Your Bank is pleased to inform that it has been granted in-principle approval for conversion from a Payments Bank into a SFB from the RBI vide its letter dated December 05, 2025. This marks a significant milestone in the Bank's growth journey and reflects the confidence reposed by the regulator in the Bank's operational capabilities, governance standards and long-term vision. The proposed transition to a SFB is expected to strengthen the Bank's ability to offer a wider range of banking products and services, deepen financial inclusion, and create sustainable value for all stakeholders. The Bank is taking required steps to comply with the conditions stipulated in the said in-principle approval and obtain the requisite approvals for the proposed transition.

The detailed operational performance of the Bank during the year has been discussed in the Management Discussion and Analysis Report which forms an integral part of this Annual Report.

CHANGE IN NATURE OF BUSINESS

During the year under review, there has been no change in the nature of business of the Bank.

The Bank believes that it has the relevant expertise, technology and team to cater to additional dimensions of the banking sector and contribute further towards the Government led initiatives of financial inclusion.

TRANSFER TO RESERVES

The Bank has appropriated ₹13.11 Crore to Statutory Reserves and ₹17.32 Crore to Investment Fluctuation Reserve for the financial year ended March 31, 2026.

DIVIDEND

In accordance with Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("**SEBI Listing Regulations**") the Bank has formulated a Dividend Distribution Policy, which ensures a fair balance between rewarding its members and retaining enough capital for the Bank's future growth and expansion plan. The Dividend Distribution Policy is available on the Bank's website at <https://www.fino.bank.in/investor-relations#code-policies>.

Your Bank is in its growing stage and with a view to conserve capital to support its future growth, your Board does not recommend any dividend for the financial year ended March 31, 2026.

CAPITAL STRUCTURE

During the year under review, there has been no change in the authorised share capital of the Bank. As on March 31, 2026, the authorised share capital of the Bank stood at 90,00,00,000/- (Rupees Ninety Crore only) divided into 9,00,00,000 (Nine Crore) Equity Shares of face value of ₹ 10/- (Rupees Ten Only) each.

During the year under review, the Bank has not raised any capital, therefore the issued, subscribed and paid-up share capital of the Bank as on March 31, 2026 was ₹83,21,84,020/- (Rupees Eighty Three Crore Twenty One Lakh Eighty Four Thousand and Twenty

Only) comprising of 8,32,18,402 (Eight Crore Thirty Two Lakh Eighteen Thousand Four Hundred and Two) Equity Shares of face value of ₹10/- (Rupees Ten Only) each.

Your Bank has not issued any Equity Shares with differential voting rights.

CAPITAL ADEQUACY RATIO

Your Bank is well capitalised and has a strong capital adequacy ratio. As on March 31, 2026, the Capital to Risk Assets Ratio ("**CRAR**") of your Bank was 83.95% which is well above the minimum regulatory requirement of 15% CRAR prescribed by the RBI.

Out of the above, Tier I capital adequacy ratio stood at 75.04% and Tier II capital adequacy ratio stood at 8.91%.

STRATEGIC INITIATIVES DURING THE YEAR UNDER REVIEW AND TILL THE DATE OF THIS REPORT

The Bank has successfully migrated its Core Banking System ("**CBS**") to the Finacle platform in January 2026, marking a massive upgrade to the bank's digital backbone.

Further, to build upon its advanced foundation, the Bank has partnered with AI fintech Ezee.ai to establish a seamless digital lending ecosystem for seamless SFB transition.

During the year, the Bank has made significant progress towards its strategic transformation into a SFB. This milestone represents a key step in the Bank's long-term growth strategy and reflects its commitment to expanding access to financial services and deepening financial inclusion.

The transition to a SFB will enable the Bank to offer a comprehensive range of banking products and services, strengthen its liability franchise, diversify revenue streams, and enhance value creation for customers and other stakeholders. The Board believes that this strategic initiative will position the Bank for sustainable long-term growth while creating value for all stakeholders. In preparation for this transformation, the Bank continues to strengthen its governance framework, risk management practices, technology infrastructure, operational capabilities, and human capital to ensure readiness for the proposed transition.

MATERIAL CHANGES AND COMMITMENTS

Apart from the details given in this Report, there were no material changes or commitments affecting the financial position of the Bank which have occurred between the end of the financial year i.e. March 31, 2026 and up to the date of this Report.

TRANSFER TO INVESTORS EDUCATION AND PROTECTION FUND

During the year under review, the Bank was not required to transfer any funds or Equity Shares to the Investor Education and Protection Fund as per the provisions of Section 125 of the Companies Act, 2013 ("**Act**") read with applicable Rules framed thereunder, as amended from time to time.

EMPLOYEES STOCK OPTION SCHEMES

The Bank has formulated and implemented Fino Payments Bank Limited - Employees Stock Option Policy, 2020 (**"ESOP 2020"**), Fino Payments Bank Limited - Employees Stock Option Policy, 2023 (**"ESOP 2023"**) and Fino Payments Bank Limited-Employee Stock Option Policy, 2024 (**"ESOP 2024"**) with a view to attract, retain, incentivize and motivate employees of the Bank by way of rewarding their performance and promoting their increased participation in the overall corporate growth and profitability. The ESOP 2020 has been amended from time to time in view of regulatory changes/ business requirements. None of these amendments were prejudicial to the interest of the employees.

The Nomination and Remuneration Committee (**"NRC"**) which also acts as a Compensation Committee of the Board is entrusted with the responsibility of implementation and administration of the ESOP policies of the Bank.

The details and disclosures as required under Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (**"SBEB & SE Regulations"**) and circulars issued thereunder, have been uploaded on the Bank's website at www.fino.bank.in under the Investor Relations section. The Equity Shares issued and allotted under ESOP 2020, ESOP 2023 and ESOP 2024 shall rank pari-passu with the existing Equity Shares of the Bank.

Further, disclosure as per the 'Guidance Note on Accounting for Employee Share-based Payments' issued by the Institute of Chartered Accountants of India (**"ICAI"**) are disclosed in the Notes to the Financial Statements of the Bank for the financial

year ended March 31, 2026, which forms an integral part of this Annual Report.

ESOP 2020, ESOP 2023 and ESOP 2024 (**"ESOP Schemes"**) are in compliance with the SBEB & SE Regulations. A certificate from the Secretarial Auditor of the Bank that the ESOP Schemes of the Bank have been implemented in accordance with the SBEB & SE Regulations and in accordance with the resolutions passed by the shareholders of the Bank, shall be placed before the members at the 10th Annual General Meeting (**"AGM"**) of the Bank.

UTILIZATION OF NET PROCEEDS FROM THE INITIAL PUBLIC OFFER ("IPO")

All net proceeds raised from the IPO in November 2021, have now been fully utilized by the Bank as per the objects of the issue. The funds were successfully applied toward augmenting the Bank's Tier-I capital and covering IPO-related expenses, in accordance with the objects stated in the offer documents. The Bank in compliance with SEBI Listing Regulations, affirmed to Stock Exchanges that there is no deviation in the utilization of these proceeds from the objects stated in the offer documents.

With the receipt of the in-principle approval for transition to a SFB, the Bank expects to undertake investments towards business expansion, technology infrastructure, operational capabilities, and regulatory readiness to support its present and future business requirements. Though the Bank is already well capitalised to fund these requirements, it may evaluate and raise additional capital, as and when required, through appropriate avenues, subject to applicable laws, regulatory approvals, and approval of the shareholders, wherever necessary.

HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

The Bank does not have any subsidiary, joint venture or associate Company. The details of the Holding Company are given below:

Name of the Company	Whether incorporated/ acquired/ converted	Year of incorporation	Status
Fino PayTech Limited	Incorporated	2006	Public Limited Company

ANNUAL RETURN

In accordance with the provision of Section 92 (3) of the Act, the Annual Return in the prescribed form MGT-7 is uploaded on the Bank's website at <https://www.fino.bank.in/investor-relations#annual-reports>

CREDIT RATING

The details of credit rating as on March 31, 2026 along with its outlook are given here under:

Rating	Outlook	Rating Agency	Comments
Long Term: [ICRA] BBB+	Rating Watch with Developing Implications	ICRA Limited	Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations.
Short Term: [ICRA] A2+	Rating Watch with Developing Implications	ICRA Limited	Instruments with this rating are considered to have strong degree of safety regarding timely payment of financial obligations.

DEPOSITS

Being a banking company, the disclosures relating to deposits as required in accordance with Sections 73 and 74 of the Act read with Companies (Accounts) Rules, 2014 and other applicable provisions of the Act are not applicable to the Bank.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL(KMP)

As on March 31, 2026, the composition of the Board was in compliance with the provisions of the Act, the SEBI Listing Regulations, Guidelines for licencing of Payments Bank dated November 27, 2014 and the Reserve Bank of India (Payments Banks - Governance) Directions 2025 dated November 28, 2025 issued by the RBI and the Articles of Association of the Bank.

As on March 31, 2026, the Board of the Bank was duly constituted with an optimum combination of Executive and Non-Executive Directors including Independent Directors and Women Directors. The changes in the composition of the Board that took place during the period under review were carried out in compliance with the provisions of the Act, SEBI Listing Regulations and applicable RBI Regulations.

In terms of the requirement of the SEBI Listing Regulations and Banking Regulation Act, 1949, the Board has identified core skills, expertise and competencies of the Directors in the context of the Bank's businesses for effective functioning. The list of key skills, expertise and core competencies of the Board of Directors is detailed in the Corporate Governance Report.

In the opinion of the Board, all the directors possess the requisite qualifications, experience and expertise and hold high standards of integrity.

In terms of SEBI Listing Regulations, the Bank has received Certificate from M/s. Alwyn Jay & Co., Practicing Company Secretaries, the Secretarial Auditors of the Bank, that none of the Directors on the Board of the Bank have been debarred or disqualified from being appointed or continuing as a Director of any Company by the Securities and Exchange Board of India ("SEBI"), Ministry of Corporate Affairs ("MCA") or any such other statutory authority. The said certificate is annexed to the Corporate Governance Report forming part of this Annual Report.

Appointment/re-appointment/cessation of Directors and Key Managerial Personnel made during the financial year 2025-26 and till the date of this report.

Reappointment of Independent Director & Part-time Chairperson

The NRC and Board at its meetings held on July 29, 2025 and July 30, 2025, respectively recommended the re-appointment of Mr. Rajat Kumar Jain (DIN: 00046053) as Independent Director & Part-time Chairperson ("PTC") for a second term of three years to hold office from November 02, 2025 to November 01, 2028 (both days inclusive), not liable to retire by rotation. The re-appointment of Mr. Rajat Kumar Jain as an Independent Director has been approved by the members in Annual General

Meeting held on August 29, 2025. Further, the RBI approved the re-appointment of Mr. Jain as PTC vide its letter dated October 17, 2025.

Re-appointment and cessation of Managing Director & Chief Executive Officer ("MD & CEO")

The Board at its meeting held on October 17, 2025 on recommendation of NRC approved the re-appointment of Mr. Rishi Gupta (DIN:01433190) as the MD & CEO of the Bank for a period of three years from May 02, 2026 to May 01, 2029 (both days inclusive). Further, the RBI vide its letter dated January 27, 2026 approved the re-appointment of Mr. Rishi Gupta as the MD & CEO for a period of three (3) years w.e.f. May 02, 2026. The proposal was dispatched to the members on February 26, 2026 through Postal Ballot to seek their approval for the said re-appointment. However, Mr. Rishi Gupta, Former MD&CEO of the Bank was arrested on February 27, 2026, by the Directorate General of GST Intelligence ("DGGI"), Hyderabad, under Sections 132(1) (a) and 132(1)(i) of the CGST and SGST Act, 2017 in relation to the investigation of the program managers associated with various banking institutions including the Bank. The said investigation relates to certain program managers associated with multiple banks including the Bank and does not relate to the Bank's GST compliance. Mr. Rishi Gupta was subsequently granted bail by the Hon'ble Special Judge for Economic Offences Nampally, Hyderabad based on the bail application filed by him on merits. The Bank has made necessary disclosures to the Stock Exchanges in this regard, from time to time. In view of the circumstances, the Board at its meeting held on March 26, 2026, in the interest of due process and sound corporate governance practices resolved to withdraw the agenda pertaining to his re-appointment through issuing an Addendum to the Postal Ballot Notice without withdrawing the candidature of Mr. Rishi Gupta.

The Board at its meeting held on May 21, 2026, based on the consideration of the documents available with the Bank including the legal opinions & reports received from legal firms/lawyer & consultants and the facts emanated therefrom, was of the view that no prima facie case could be made out against Mr. Rishi Gupta and accordingly, was of the view that Mr. Rishi Gupta is 'fit and proper' to continue as MD & CEO of the Bank. However, Mr. Rishi Gupta, tendered his request for voluntary early retirement from the position of MD & CEO of the Bank, effective May 21, 2026 and the Board, after due consideration, accepted his request for voluntary early retirement effective May 21, 2026 (after the end of business day). Accordingly, Mr. Rishi Gupta ceased to be the MD & CEO (KMP and Senior Managerial Personnel ("SMP")) of the Bank after the end of business day on May 21, 2026.

Further, in order to ensure compliance with the provisions of Section 152 & 196 of the Act and Regulation 17(1C) of SEBI Listing Regulations, the Bank sought approval/ratification of the members vide Postal Ballot Notice dated June 24, 2026 for re-appointment of Mr. Rishi Gupta as MD & CEO of the Bank with effect from May 02, 2026 to May 21, 2026 (both days inclusive). The said resolution was approved by the members on July 26, 2026 by passing an ordinary resolution.

Re-appointment of Director retiring by rotation

As per the current composition of the Board, the Bank has five Independent Directors ("IDs") and two Nominee Directors representing the Holding Company. Pursuant to Section 152(6) (c) of the Act, Independent Directors are not liable to retire by rotation. Further, in accordance with the provisions of the Articles of Association of the Bank, the Nominee Directors of the Holding Company are appointed by the shareholders of the Bank on a non-retiring basis. In view of the same, none of the Directors on the Board of the Bank are subject to retirement by rotation at the ensuing AGM.

Declaration of Independence

All IDs of the Bank have submitted a declaration that each of them meets the criteria of independence as provided in Section 149(6) of the Act read with Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations. There has been no change in the circumstances affecting their status as IDs of the Bank. In the opinion of the Board, the IDs possess the requisite integrity, experience, expertise and proficiency required under all applicable laws and the policies of the Bank.

All IDs of the Bank have complied and affirmed to abide by Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, with respect to enrolling their name in the online databank of IDs maintained by Indian Institute of Corporate Affairs ("IICA") and qualifying the online proficiency self-assessment test, as applicable.

KMP and changes therein

As of March 31, 2026, following were the KMP pursuant to the provisions of Section 203 of the Act:

Mr. Rishi Gupta (Cessation effective May 21, 2026)
MD & CEO

Mr. Ketan Merchant (Appointed effective February 27, 2026)
Interim Chief Executive Officer

Mr. Anup Agarwal (Appointed effective March 06, 2026)
Interim Chief Financial Officer

Mr. Basavraj Loni (Appointed effective August 21, 2025)
Company Secretary & Compliance Officer

Mr. Basavraj Loni resigned as the Company Secretary ("CS") and VP- Legal & Compliance Officer of the Bank w.e.f May 31, 2025. He rejoined the Bank and was appointed as the CS and VP-Legal (KMP and SMP) under the Act and Compliance Officer of the Bank under the SEBI Listing Regulations and SEBI (Prohibition of Insider Trading) Regulations, 2015, with effect from August 21, 2025.

Pursuant to the arrest of Mr. Rishi Gupta on February 27, 2026, to ensure administrative and operational continuity, the Board at its meeting held on the same day, approved the appointment of Mr. Ketan Merchant as Head of the organisation. Based on the recommendation of NRC, the Board at its meeting held on March 06, 2026, approved the appointment of Mr. Ketan Merchant as

Interim Chief Executive Officer ("Interim CEO") of the Bank for carrying out duties of MD & CEO as per provisions of Section 10B(9) of the Banking Regulation Act, 1949. The RBI vide its letter dated March 06, 2026 approved the appointment of Mr. Ketan Merchant as Interim CEO for a period of three months w.e.f. February 27, 2026 or till the NRC and Board reassesses fit and proper status of Mr. Rishi Gupta and a view is taken in this matter by the RBI, whichever is earlier.

Subsequently, basis the recommendation of NRC and approval of the Board, the RBI vide its letter dated May 25, 2026, approved the extension of tenure of Mr. Ketan Merchant as Interim CEO of the Bank, for a further period of three months w.e.f. May 27, 2026. The Board at its meeting held on August 24, 2026 further approved the extension of tenure of Mr. Ketan Merchant as Interim CEO for an additional period of three months w.e.f. August 27, 2026, subject to approval of RBI.

Consequent to Mr. Ketan Merchant stepping into the Interim CEO role, Mr. Anup Agarwal, Head of Finance, Investor Relations, and Analytics was appointed as the Interim Chief Financial Officer ("Interim CFO") and KMP & SMP for a period of four months w.e.f. March 06, 2026. The Board had further extended his tenure as Interim CFO for a period of up to three months w.e.f. July 06, 2026.

POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS AND KMP

The appointment of Directors and KMPs is in accordance with the provisions of the Act, SEBI Listing Regulations, Banking Regulation Act, 1949 and RBI guidelines on appointment/re-appointment of Directors.

In accordance with the provisions of Section 178(3) of the Act read with Rules made thereunder, SEBI Listing Regulations and Reserve Bank of India (Payments Banks - Governance) Directions 2025 dated November 28, 2025, the Board of Directors has formulated and adopted a comprehensive Compensation Policy which inter-alia covers criteria for remuneration of its Directors, KMP, Material Risk Takers ("MRTs") and SMP of the Bank.

The proposals for appointment/re-appointment of Directors are submitted to the NRC along with requisite documents/disclosures received in the prescribed format from proposed candidates as Director. The NRC carries out the fit and proper assessment after ascertaining the veracity of documents submitted, experience and qualifications required for the post and if deems fit, recommends the profile of proposed candidate for appointment to the Board for its approval.

The terms of reference of the NRC are available on the website of the Bank at <https://www.fino.bank.in/investor-relations#code-policies>.

The NRC and the Board ensures that the remuneration to be paid to the proposed appointee is in accordance with the Compensation Policy of the Bank and applicable RBI guidelines issued in this regard. During financial year 2025-26, the Board

reviewed the Compensation Policy, which regulates the appointment and remuneration of Directors, KMP, MRTs and SMP of the Bank.

Remuneration of Directors, KMP, MRTs and SMP are recommended by the NRC and approved by the Board in accordance with the applicable laws. The Compensation Policy of the Bank is available on the Bank's website at <https://www.fino.bank.in/investor-relations#code-policies>.

MEETINGS OF THE BOARD AND COMMITTEES

As on March 31, 2026, in compliance with the statutory requirements, the Board has eight mandatory Committees viz. Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility and Environmental, Social, and Governance Committee, Risk & Asset Liability Management Committee, Stakeholders Relationship Committee, IT Strategy Committee, Customer Service Committee and Special Committee of Board on Monitoring and Follow-up of cases of frauds. The Bank also has three operating/ special purpose Committees for better administration viz. Committee of Directors (Operations), Strategic Investment Committee and Small Finance Bank Execution Committee.

Pursuant to the circumstances leading to the arrest of Mr. Rishi Gupta, the Bank constituted a special Committee of the Board and the senior management team with the nomenclature of 'Crisis Management Committee' to monitor the situation and the business operations of the Bank.

The Board met 11 (Eleven) times during the year and the details of meeting date, attendance etc. forms part of the Corporate Governance Report.

All the recommendations made by all Board Committees, were accepted by the Board. A detailed update on the composition, governance and terms of reference of Board Committees, attendance of Directors at Board and Committee meetings held during financial year 2025-26 is provided in the Corporate Governance Report and forms part of this Annual Report.

BOARD PERFORMANCE EVALUATION

In accordance with the provisions of the Act and SEBI Listing Regulations, the annual performance evaluation of the Board, its Committees, PTC, MD & CEO and individual Directors has been carried out for the year under review. The Bank engaged an independent professional services firm for issuing a report on the performance evaluation & the evaluation was conducted through a structured evaluation process comprising questionnaires covering various aspects, including Board composition, effectiveness, roles and responsibilities, quality of deliberations, decision-making processes, and the adequacy and timeliness of flow of information etc. The aforesaid questionnaire was circulated to all the Directors of the Bank for the annual performance evaluation. The effectiveness of the Board's functioning and that of its Committees, Part-time Chairperson and individual Directors was evaluated through the annual Board Evaluation process.

The IDs too, reviewed the performance of Non-Independent Directors, the Board and the Chairman of the Bank, taking into account the views of the Executive and other Non-Executive Directors. The evaluation report was discussed and reviewed at the ID meeting, NRC and Board meetings. The performance of Board as a whole including its Committees and Individual Directors (including PTC and MD & CEO) was found to be satisfactory. The suggestions and areas identified for further improvement have been discussed and would be addressed to further strengthen the Board effectiveness.

The Policy on the Board's Evaluation framework is made available on the Bank's website at <https://www.fino.bank.in/investor-relations#code-policies>.

SUCCESSION PLANNING

Pursuant to the recommendation of NRC, the Board has framed a Policy on Succession Planning at the Board and Senior Management levels. The Policy is periodically reviewed by the NRC and the Board. The Board composition and the desired skill sets/ areas of expertise at the Board level are continuously reviewed and vacancies, if any, are reviewed in advance through a systematic due diligence process.

Succession planning at Senior Management levels, including business and assurance functions, is continuously reviewed to ensure continuity and depth of leadership at one level below the MD & CEO. Successors are identified prior to the position being vacant to ensure a smooth and seamless transition. In the event of any unexpected occurrence in respect of any member in the senior management team, the next person as per the organisation chart and hierarchy shall take interim charge of the position subject to the approval of the NRC and Board as may be applicable, pending a regular appointment in terms of the succession plan. The Policy on Succession Planning is made available on the Bank's website at <https://www.fino.bank.in/investor-relations#code-policies>.

FAMILIARIZATION PROGRAMME

In accordance with Regulation 25(7) of the SEBI Listing Regulations and RBI guidelines, various training programmes were organized for the Board Members, which inter-alia covered topics related to the Corporate Social Responsibility, Corporate Governance, Generative Artificial Intelligence, Cyber Security, Risk Management, Information Technology, Regulatory & Sustainability trends and overview of the fintech functions.

The details of familiarization programmes for Independent Directors are available on the Bank's website at <https://www.fino.bank.in/investor-relations#code-policies>.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(3)(c) and 134(5) of the Act, it is hereby confirmed that:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

- b. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Bank as on March 31, 2026 and of the profit of the Bank for that period;
- c. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Bank and for preventing and detecting fraud and other irregularities;
- d. the Directors had prepared the annual accounts on a going concern basis;
- e. the Directors had laid down internal financial controls to be followed by the Bank and that such internal financial controls are adequate and were operating effectively; and
- f. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INTERNAL CONTROLS AND THEIR ADEQUACY

The Bank has in place three lines of defence for ensuring adherence to Internal Controls: 1) Business – Business functions as per the laid down policies and processes approved at the appropriate level of authority. 2) Risk and Compliance – Monitors compliance with the laid down policies and processes as per the regulatory framework and the Bank's risk appetite. 3) Internal Audit – Overviews quality and effectiveness of the internal controls and their adherence by the first line of defence & their monitoring by the second line of defence. All the internal control functions work independently as per regulatory guidelines and report to the Audit Committee of the Board ("**ACB**") or the Risk & Asset Liability Management Committee of the Board as applicable. In compliance with the RBI's Guidelines on Risk Based Internal Audit ("**RBIA**"), the Bank has adopted a robust Internal Audit Policy and undertakes a comprehensive Risk Based Audit of operating units duly approved by the ACB. The Internal Audit Department works under the guidance of ACB which reviews the efficacy of the Internal Audit Department, the effectiveness of controls laid down by the Bank and compliance with internal and regulatory guidelines, thus ensuring the alignment with the best practices on Corporate Governance and directs necessary steps to further improve the Internal Control System.

AUDITORS

Statutory Auditors and their Report

M/s. Bilimoria Mehta & Co, Chartered Accountants (ICAI Firm Registration Number: 101490W) the Statutory Auditors of the Bank have conducted Statutory Audit of the financial statements of the Bank for the financial year ended March 31, 2026. The Notes referred in the Auditors Report are self-explanatory. The Auditors Report forms an integral part of this Annual Report. There are no qualifications or reservations or adverse remark or disclaimers given by the Statutory Auditors.

The total fees paid to the Statutory Auditors of the Bank for the financial year ended March 31, 2026 is disclosed in the Note No. 56 to financial statements for the financial year ended March 31, 2026 forming part of this Annual Report.

M/s. Bilimoria Mehta & Co., Chartered Accountants were appointed as the Statutory Auditors in the 9th AGM for a period of Three (3) years until the conclusion of the 12th AGM of the Bank to be held in the year 2028, subject to the approval of the RBI on annual basis. Accordingly, RBI vide its letter dated July 23, 2026 has approved the said appointment of M/s. Bilimoria Mehta & Co., Chartered Accountants as the Statutory Auditors of the Bank for FY2026-27.

The Statutory Auditors have confirmed that they satisfy the independence criteria and other eligibility norms required under the applicable laws and the Code of Ethics issued by the ICAI.

Secretarial Auditors and their Report

In compliance with the provisions of Section 204 of the Act and the Rules framed thereunder, M/s. Alwyn Jay & Co., the Secretarial Auditors of the Bank undertook the Secretarial Audit for the financial year ended March 31, 2026. There were no qualifications or reservations or adverse remark or disclaimers given by the Secretarial Auditors in their Report. The Secretarial Audit Report for financial year 2025-26 is annexed as **Annexure-I** to this Report.

Pursuant to Regulation 24A of the SEBI Listing Regulations read with Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. Alwyn Jay & Co., Company Secretaries, (Firm Registration No.: P2010MH021500) were appointed as the Secretarial Auditors of the Bank for a term of five (5) consecutive years, commencing from financial year 2025-26 till financial year 2029-30 by the shareholders in the 9th AGM of the Bank.

The Secretarial Auditors have confirmed their eligibility under Section 204 of the Act and the Rules framed thereunder and Regulation 24A of the SEBI Listing Regulations for appointment as Secretarial Auditors of the Bank. As required under the SEBI Listing Regulations, the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of The Institute of Company Secretaries of India ("**ICSI**").

Cost Auditor

The provisions for maintenance of cost records as specified by the Central Government under Section 148(1) of the Act are not applicable to the Bank and the Bank was not required to appoint Cost Auditor during the year under review.

Internal Auditor

As per the provisions of Section 138 of the Act read with Rule 13 of the Companies (Accounts) Rules, 2014, the Internal Auditor's report was presented to the ACB on a quarterly basis. The scope, functioning, periodicity and methodology for conducting the Internal Audit have been formulated under the applicable RBI guidelines and in consultation with the ACB.

REPORTING OF FRAUDS

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the ACB and / or Board under Section 143(12) of the Act and Rules framed thereunder.

Further, during the year under review, the Statutory Auditors of the Bank has not reported any instance of fraud committed in the Bank by its officers or its employees.

LOANS, GUARANTEES AND INVESTMENTS

The particulars of investments made by the Bank are disclosed in Note No. 2 of notes forming part of financial statements.

During the year under review, no loans or guarantees under Section 186 of the Act, were given or security provided on any loans or guarantees and hence, no disclosure is required to be made thereon.

RELATED PARTY TRANSACTIONS

All the Related Party Transactions ("RPTs") that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. Prior omnibus/specific approval for transactions were also obtained from the ACB for the RPTs which are repetitive in nature as well as for the normal banking transactions which cannot be foreseen. A statement giving details of all RPTs, entered pursuant to the omnibus approval granted is placed before the ACB for their review on a quarterly basis.

The Bank has not entered into any material financial or commercial transactions with any related parties as per AS-18 and the SEBI Listing Regulations that may have potential conflict with the interest of the Bank at large.

In terms of Regulation 23(9) of the SEBI Listing Regulations, the Bank submits the disclosure of RPTs in the prescribed format, on a half yearly basis to the Stock Exchanges and updates its website accordingly.

There were no material transactions with related parties, which were not in the ordinary course of the business nor were there any transactions which were not on arm's length basis. Hence, pursuant to Section 134(3)(h) of the Act, read with Rule 8(2) of the Companies (Accounts) Rules, 2014, there are no RPTs to be reported under Section 188(1) of the Act. Therefore, Form AOC-2 is not applicable to the Bank.

Pursuant to the provisions of the Act and the Rules made thereunder and SEBI Listing Regulations, the Bank has in place a Board approved Policy on related party transactions. The said Policy is also uploaded on the Bank's website at <https://www.fino.bank.in/investor-relations#code-policies>.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

Your Bank remains steadfast in its commitment to sustainable growth, energy efficiency, and technological innovation. By

integrating cutting-edge digital solutions with eco-conscious practices, the Bank continues to enhance operational efficiency, reduce environmental impact, and deliver superior customer experiences.

A. Energy Conservation & Environmental Initiatives

Consistent with its commitment to environmental stewardship, the Bank has undertaken a range of strategic initiatives to optimize energy consumption and resource efficiency across its operations:

- **Green Infrastructure:** The Bank has successfully migrated to energy efficient, cloud enabled server infrastructure. This has significantly reduced dependency on an on-premise data centers, effectively lowering the Bank's overall carbon footprint.
- **Paperless Banking:** The Bank's Digital onboarding via e-KYC and Video KYC, coupled with end-to-end electronic documentation, forms the core of the Bank's operating model. Beyond materially reducing paper consumption across the network, this transition has significantly enhanced the customer experience, accelerated onboarding turnaround time, and provided a seamless, frictionless digital journey for our users.
- **Smart Office Operations:** The Bank's robust electricity and water consumption monitoring mechanism has been deployed across our Bank's offices to actively track and analyze to keep this under check.
- **Phygital Distribution Model:** The Bank's unique merchant-led model enables neighbourhood banking through local entrepreneurs and shop owners. Providing extensive coverage across approximately 98% of India's PIN codes, this model dramatically enhances customer convenience by reducing travel time to access essential financial services, thereby lowering the broader community's associated energy consumption and carbon emissions.

B. Technology Absorption & Innovation

The Bank continues to execute its technology transformation roadmap with a focus on adopting modern, scalable, and resilient technologies that improve customer experience, operational efficiency, regulatory compliance, and business agility. During the reporting period, significant progress has been achieved through the successful migration to the Finacle Core Banking Platform, implementation of the "Hollow the Core" architecture, advancement of Artificial Intelligence and Machine Learning ("AI/ML") initiatives, and continued modernization of the Bank's technology infrastructure.

These initiatives represent not only technology upgrades but also the absorption of new architectural principles and operational capabilities that position the Bank for sustainable growth and future innovation.

Key Technology Innovation Initiatives

1. Core Banking Modernization – Finacle

The successful migration to the Finacle Core Banking Platform marks a major technology transformation milestone for the Bank.

The new platform provides:

- A modern API-enabled banking architecture.
- Enhanced scalability to support business growth.
- Improved processing performance and operational resilience.
- Faster product and service configuration.
- Better integration with digital channels and partner ecosystems.
- A future-ready technology foundation supporting the Bank's transition towards SFB operations.

The migration has enabled the Bank to move from a monolithic legacy environment to a modern, configurable, and integration-driven banking platform capable of supporting continuous innovation.

2. Hollow the Core Architecture

The Bank continues to operationalize its strategic "Hollow the Core" architecture, designed to decouple high-volume transaction processing from the Core Banking System and establish independent processing capabilities.

Major initiatives include:

Merchant Transaction Aggregation (MTA)

- Dedicated merchant transaction orchestration platform.
- Reduced dependency on the Core Banking System.
- Faster merchant onboarding.
- Improved scalability for merchant transaction growth.

Partner Transaction Aggregation (PTA)

- Centralised transaction processing platform for Banking-as-a-Service (BaaS) and ecosystem partners.
- API-driven partner integration.
- Simplified onboarding of new business partners.
- Improved operational flexibility and transaction visibility.

These platforms create a modular technology ecosystem that enables faster innovation, supports increasing transaction volumes, and reduces technology constraints associated with traditional core - centric architectures.

3. Artificial Intelligence and Machine Learning

The Bank continues to expand the adoption of AI and ML across business and operational functions to improve decision-making, customer engagement, operational efficiency, and risk management.

Current innovation initiatives include:

- AI-assisted Fraud Risk Management for intelligent fraud detection.
- ML-based Anti-Money Laundering analytics.
- AI-enabled customer support capabilities to improve service quality and response time.
- Intelligent operational dashboards providing predictive insights and enhanced decision support.
- Automation of routine operational activities to improve productivity and reduce manual effort.

These initiatives are laying the foundation for a data - driven enterprise while supporting improved governance, operational resilience, and customer experience.

4. Infrastructure Modernisation

The Bank continues to modernise its technology infrastructure to support the increasing demands of digital banking and enterprise scale operations.

Key modernization initiatives include:

- Upgraded compute, storage, and network infrastructure.
- Middleware modernization to strengthen enterprise integration.
- Enhanced cyber security capabilities and security monitoring.
- Improved resilience through strengthened disaster recovery and business continuity capabilities.
- Infrastructure automation to improve operational efficiency and service reliability.
- Capacity enhancements supporting future transaction growth and digital services.

These investments provide a secure, scalable, and resilient technology foundation for future innovation.

Business Impact

The Bank's technology absorption and innovation initiatives continue to generate tangible business benefits, including:

Technology Initiative	Strategic Business Outcome
Finacle Core Banking Platform	Modern banking capabilities, faster product rollout, improved operational resilience
Hollow the Core Architecture	Greater scalability, reduced core dependency, accelerated partner integration
AI/ML Adoption	Enhanced fraud detection, operational automation, improved customer experience, data-driven decision-making
Infrastructure Modernization	Improved system availability, scalability, security, and operational efficiency
API-led Architecture	Faster innovation, ecosystem integration, and support for future digital business models

C. Future Road-map

1. ESG Strategy:

Environmental, Social and Governance ("ESG") considerations are integral to the Bank's vision of driving financial inclusion in a responsible and sustainable manner. The Bank's ESG philosophy is to embed sustainable business practices across its operations, products and services, and to empower communities to be financially secure balancing profitability with long-term environmental and social impact.

The Bank's ESG strategy is anchored on the 'SCALE' framework - Secure data systems, Champion climate action, Advance governance, Lead financial inclusion, and Empower people. Implementation is supported by a formal materiality assessment covering ten material topics aligned with Sustainable Development Goals (SDGs), sixteen strategic goals and 42 key performance indicators, monitored through a cross-functional ESG dashboard.

ESG oversight is exercised through a three-tier governance structure, comprising the Board-level Corporate Social Responsibility & Environmental, Social and Governance Committee ("CSR & ESG Committee"), the Executive level ESG Steering Committee and the Operational level Core Sustainability Committee. This structure ensures Board oversight, executive accountability and consistent execution of the ESG agenda across the organisation.

The Bank remains committed to advancing its ESG agenda through ethical governance, measurable targets and active stakeholder engagement, with financial inclusion, responsible growth and long-term value creation at the core of its strategy.

2. Technology Innovation Outlook

The Bank's technology roadmap continues to focus on building a modular, intelligent, API-driven, and scalable technology ecosystem that supports sustainable business growth, operational resilience, and continuous innovation. The investments made during the current transformation phase are establishing foundational capabilities that will accelerate the Bank's transition to a SFB while enabling future digital business models.

Key focus areas include:

- **SFB Readiness:** Leveraging the capabilities established through the Finacle Core Banking Platform to support the expanded product portfolio, enhanced lending capabilities, regulatory requirements, treasury operations, and higher transaction volumes expected under the SFB operating model.
- **Building on Core Technology Capabilities:** Extending the modernized banking architecture through modular platforms, reusable enterprise services, API-first integration, and standardized technology components, enabling faster implementation of new products and business capabilities while reducing technology complexity.
- **Accelerating Time-to-Market:** Capitalizing on the Finacle platform and the "Hollow the Core" architecture to significantly reduce product development and deployment cycles through configurable product capabilities, reusable APIs, and decoupled transaction processing platforms. This will enable faster introduction of new products, services, and ecosystem partnerships in response to evolving market opportunities.
- **Expansion of API-led Digital Ecosystem:** Strengthening open integration capabilities to support Banking-as-a-Service (BaaS), fintech partnerships, merchant ecosystems, and third-party digital channels, thereby creating new revenue opportunities and expanding customer reach.
- **Scaling AI and Machine Learning:** Broadening AI/ML adoption across customer engagement, fraud prevention, anti-money laundering, credit risk assessment, operational intelligence, and enterprise decision support to improve productivity, customer experience, and risk management.
- **Intelligent Automation:** Increasing automation across technology and business operations to improve service delivery, reduce manual intervention, enhance operational resilience, and improve cost efficiency.

- **Continued Infrastructure Modernization:** Advancing infrastructure modernization through enhanced compute, storage, middleware, cybersecurity, observability, and automation capabilities to support future business growth, increased transaction volumes, and evolving regulatory expectations.

Collectively, these initiatives position the Bank with a future-ready technology platform that is scalable, resilient, and innovation driven. By establishing strong foundational capabilities today, the Bank is well placed to accelerate its SFB transformation, reduce go-to-market timelines, enhance operational agility, and respond rapidly to changing customer expectations and emerging business opportunities.

D. Foreign Exchange Earnings and Outgo

During the year under review, there were no foreign exchange earnings, however, there was foreign exchange outgo of ₹1.06 Crore.

RISK MANAGEMENT

The Bank being a Payments Bank is required to largely follow/implement directives issued by RBI for scheduled commercial banks in addition to those forming part of the guidelines for Payments Banks. Accordingly, the Bank has adopted risk management process to identify, assess, monitor, manage and mitigate risks in its day-to-day activities/functions through the effective use of processes, information and technology.

The risk management process is monitored under the various Risk Management Policies as approved by the Board. The Board is supported by Board Committees, the management team, and Board delegated executive level Committees as part of the risk governance framework. The Board has an oversight of the management's efforts to balance growth and prudent risk management, while creating value for stakeholders.

Pursuant to RBI Regulations, the Bank has constituted a Risk & Asset Liability Management ("RALM") Committee of the Board and as mandated by the regulatory provisions, the Bank has appointed Chief Risk Officer, who administers the risk associated key verticals through dedicated divisions i.e., Market Risk, Operational Risk, Fraud Risk and other Risks under the aegis of the Board approved risk management policies.

The details of the RALM Committee are disclosed in the Corporate Governance Report forming part of this Annual Report and the terms of reference are available on the Bank's website at <https://www.fino.bank.in/investor-relations#code-policies>.

The risk management framework within the Bank is a layered structure and broadly consists of the following aspects for effective risk management across the Bank:

(a) Operational Risk Management

The Bank is exposed to significant operational risk viz. risks arising due to use of technology, introduction of new products/services, processes, channels like mobile, internet

banking, cash handling, etc. The Bank's operational risk management policies provide guidance on operational risk management issues and serves as a one-point reference and creates awareness amongst all employees within the Bank. The policies set out the broad parameters for identification of various operational risks that the Bank is exposed to, on an ongoing basis and to put in place systems and procedures to mitigate such risks.

For the effective management of operational risk, the Bank has constituted an Operational Risk Management Committee ("ORMC"), an Executive Committee that supports the RALM Committee. The main functions of the ORMC are to monitor and ensure appropriateness of operational risk management and recommend suitable control measures for mitigating the same besides monitoring thereof.

For the effective management of fraud risk, the Bank has constituted a Fraud Risk Management Committee ("FRMC"), an Executive Committee that supports the Special Committee of the Board for Monitoring and Follow-up of cases of frauds and the ACB. The main functions of the FRMC are to monitor and ensure appropriateness of fraud risk management and recommend suitable control measures for mitigating the same besides monitoring thereof.

The Bank also outsources certain functions/activities to third parties subject to compliance with RBI guidelines. These functions/activities and associated issues are being overseen by the Outsourcing Committee, an Executive Committee that supports the RALM Committee.

(b) Market Risk, Liquidity and Asset Liability Management

The Bank is exposed to Market risk, i.e. possibility of loss caused by changes in the market variables in addition to liquidity and mismatches in asset liability. The Bank has put in place a Board approved Market Risk Management, Asset Liability Management & Investment policies aligned with RBI regulations and operating guidelines governing Payments Banks and two Executive level Committees, viz. Investment and Market Risk Committee and Asset Liability Committee that support the RALM Committee in dealing with the day-to-day risk matters, associated issues/concerns, if any, in a comprehensive manner.

(c) IT Risk Management

The Bank has put in place adequate perimeter level security protection devices, internal data protection solutions and a 24x7 monitored Security Operations Centre ("SOC"). Various security solutions such as threat monitoring and subscription to other global solutions are put in place to monitor and act on any critical alerts. However, cyber threats are evolving and various types of attacks are executed such as 'Zero Day' and many new variants of malware attacks. Any of the new variant attacks may impact the network or data protection. To mitigate such risks on the technology stack, adequate security crisis management processes are in place as per regulatory requirements and

internal processes. Further, the Bank has a pool of technical resources, which faces the risk of attrition. To mitigate this risk, the Bank has a set of hiring and training process with multiple technology streams.

The Bank has put industry standard perimeter technologies, end point protection mechanism and forensic tools to strengthen the security posture and monitoring mechanism.

For the effective management of IT Risk, the Bank has constituted Information System and Risk Committee ("ISRC") as an Executive Committee that supports the IT Strategy Committee dealing with the day-to-day affairs, associated issues/concerns, if any, in a comprehensive manner.

(d) Reputation Risk Management

The Bank has identified Reputation Risk as one of the material risks which is periodically monitored in terms of its sources and risk level.

During the period under review, the Bank prioritized transparent and proactive communication with its stakeholders, customer, business correspondents, alliance partners, and regulatory authorities and made appropriate disclosures to the stock exchanges from time to time in accordance with applicable laws and regulatory requirements.

(e) Compliance Risk Management

Compliance risk is the risk of failure (or perceived failure) by the Bank to comply with applicable laws, regulations, guidelines and standards, leading to damage to the reputation of the Bank, legal or regulatory sanctions, or financial loss. The Bank has a Compliance Policy to ensure the highest standards of compliance. A dedicated team of subject matter experts work to ensure active compliance risk management and monitoring. The team also advises on regulatory matters. The focus is on identifying and reducing risk by rigorously testing products and putting in place robust internal policies. Internal policies are reviewed and updated periodically as per agreed frequency or based on market actions or regulatory guidelines/actions.

For the effective management of Compliance Risk, the Bank has constituted Committee of Executives ("COE"), an Executive Committee that supports the ACB dealing with the day-to-day compliance risks, associated issues/concerns, if any, in a comprehensive manner.

CORPORATE SOCIAL RESPONSIBILITY

The Bank has in place a Corporate Social Responsibility ("CSR") Policy and constituted CSR & ESG Committee in accordance with the provisions of Section 135 of the Act read with Rules framed thereunder and Schedule VII to the Act. The CSR Policy outlines the Bank's philosophy to play a positive role in the community at large and consider the environmental and social impact of business decisions in which it operates. The CSR Policy

is available on Bank's website at <https://www.fino.bank.in/investor-relations#code-policies>.

The key areas identified by the Bank include eradicating hunger, promoting health care, promoting primary education, skill development, protection of environment and children welfare.

In terms of the provisions of the Act, for financial year 2025-26, the Bank has spent ₹1.73 Crore (including the set off of the excess amount spent by the Bank in the previous financial year) based on its commitment to the CSR programmes.

The Annual Report on CSR activities as prescribed under the Act and Rules framed thereunder is annexed as **Annexure – II** to this Report.

The details of the CSR & ESG Committee are disclosed in the Corporate Governance Report forming part of this Annual Report and its terms of reference are available on the Bank's website at <https://www.fino.bank.in/investor-relations#code-policies>.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Bank has formulated and adopted a Policy on Prevention of Sexual Harassment of Women at workplace. The Bank has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No complaints were pending with the Internal Complaints Committee for more than ninety days period.

The information as required pursuant to Rule 8 of Companies (Accounts) Rules, 2014 relating to complaints received, redressed and pending during financial year 2025-26 forms part of the Corporate Governance Report.

COMPLIANCE WITH THE MATERNITY BENEFIT ACT

The Bank is in compliance with the provisions of the Maternity Benefit Act, 1961.

VIGIL MECHANISM / WHISTLE BLOWER

The Bank has implemented a Whistle Blower Policy in compliance with the provisions of the Act and SEBI Listing Regulations. Pursuant to this Policy, the Whistle Blowers can raise concerns relating to reportable matters (as defined in the Policy) such as breach of Fino Payments Bank's Code of Conduct, employee misconduct, fraud, illegal unethical imprudent behaviour, leakage of Unpublished Price Sensitive Information, corruption, safety and misappropriation or misuse of Bank's funds/ assets etc. The Whistle Blower Policy is available on the Bank's website at <https://www.fino.bank.in/investor-relations#code-policies>.

Further, the mechanism adopted by the Bank encourages the Whistle Blower to report genuine concerns or grievances and provides for adequate safeguards against victimisation of Whistle Blower to those who avail such mechanism and also provides for direct access to the Chairperson of the ACB.

The ACB reviews the functioning of the Vigil Mechanism from time to time. The report on Whistle Blower complaints is placed before the ACB on a quarterly basis. None of the Whistle Blowers has been denied access to the ACB.

The Bank was in receipt of 5 (Five) Whistle Blower complaints during the year under review and the same was investigated thoroughly. The cases were closed after taking appropriate action. There was no complaint pending as on March 31, 2026.

CORPORATE GOVERNANCE

The Bank's activities are carried out in accordance with the virtuous Corporate governance practices and the Bank is constantly striving to make them better with time. The Bank believes that Governance framework and good practices helps in creating right culture and in turn enhances long-term sustainable value for all its stakeholders. The Bank adheres to the Corporate Governance requirements set out by the SEBI/MCA/RBI. The Corporate Governance Report for financial year 2025-26 along with a certificate issued by M/s. Alwyn Jay & Co., Secretarial Auditors of the Bank confirming the compliance to applicable requirements related to Corporate Governance as stipulated under the SEBI Listing Regulations is annexed to the Corporate Governance Report which forms part of this Annual Report.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

In terms of Regulation 34(2)(f) of the SEBI Listing Regulations, the Business Responsibility and Sustainability Report describing the initiatives taken by the Bank from an ESG perspective is presented in a separate section which forms a part of this Annual Report.

DISCLOSURE OF AGREEMENTS BINDING THE BANK

In terms of Regulation 30A(2) of the SEBI Listing Regulations, agreements specified in clause 5A of paragraph A of Part A of Schedule III of SEBI Listing Regulations, along with its salient features, are available on the website of the Bank at www.fino.bank.in.

COMPLIANCE WITH SECRETARIAL STANDARDS

During the year under review, the Bank has complied with the applicable Secretarial Standards on meetings of the Board of Directors ("**SS-1**") and Secretarial Standard on General Meetings ("**SS-2**") issued by the ICSI.

STATUS OF IND AS IMPLEMENTATION

As per RBI circular RBI/2015-16/315 DBR.BP.BC No.76/21.07.001/2015-16 dated February 11, 2016, Implementation of Indian Accounting Standards ("**Ind AS**"), banks are advised that scheduled commercial banks (excluding RRBs) shall follow the Indian Accounting Standards as notified under the Companies (Indian Accounting Standards) Rules, 2015, subject to any guidelines or directions issued by the RBI in this regard. Banks in India currently prepare their financial

statements as per the guidelines issued by RBI, the Accounting Standards notified under Section 133 of the Act and generally accepted accounting principles in India ("**Indian GAAP**"). In January 2016, the MCA issued the roadmap for implementation of new Ind AS, which was based on convergence with the International Financial Reporting Standards ("**IFRS**"), for scheduled commercial banks, insurance companies and non-banking financial companies ("**NBFCs**"). In March 2019, RBI deferred the implementation of Ind AS for banks till further notice as the recommended legislative amendments were under consideration of the Government of India.

Further, Fino PayTech Limited, the holding company, prepares its financial statements in accordance with Ind AS and such statements include our financial statements prepared in accordance with Ind AS for the limited purpose of inclusion in the holding company's consolidated financial statements. In view of the same, the Bank is in an advanced stage of preparedness for implementation of Ind AS, as and when these are made applicable to banks.

PARTICULARS OF EMPLOYEES

The information in terms of Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure – III** to the Board's Report.

Further, the statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, forms part of this Annual Report. However, in terms of section 136(1) of the Act, the Annual Report is being sent without this Annexure. This Annexure is available for inspection and any member interested in obtaining a copy of the statement may write to the Secretarial Department of the Bank at cs@fino.bank.in.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of the SEBI Listing Regulations is presented in a separate section and forms part of this Annual Report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS

During the year under review, no material orders have been passed by the Regulators/Courts/Tribunals which would impact the going concern status of the Bank and its future operations.

DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

The Bank has not made any application under the Insolvency and Bankruptcy Code, 2016 and no proceeding is pending under the said Code.

DETAILS OF ONE TIME SETTLEMENT AND VALUATION DONE WHILE TAKING LOAN FROM BANKS OR FINANCIAL INSTITUTIONS

No one time settlement was done with any Bank/ Financial Institution with respect to loans taken by the Bank, hence disclosure on the difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking such loans is not applicable.

ACKNOWLEDGEMENT AND APPRECIATION

The Board of Directors of your Bank would like to place on record its gratitude for the guidance and co-operation received from the

RBI and other regulatory bodies and thank all the stakeholders of the Bank including its investors, customers, merchants, bankers, shareholders, vendors, registrars and all other valued partners for their continued support. We also express gratitude to our business associates and business correspondent (merchant) network for their continued support.

The Board would like to express its appreciation for the sincere and dedicated efforts put in by all the employees of the Bank, exhibiting strong professionalism, teamwork and initiative and look forward to their continued contribution in building this Bank into a great institution.

For and on behalf of the Board of Directors

Date : August 24, 2026

Place : Navi Mumbai

Rajat Kumar Jain

Part - time Chairperson & Independent Director

DIN: 00046053

Deena Asit Mehta

Independent Director

DIN: 00168992

Annexure - I

Form No. MR-3

Secretarial Audit Report

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2026

To,
 The Members,
Fino Payments Bank Limited
 Mindspace Juinagar, Plot No Gen 2/1/F, Tower 1, 8th Floor,
 TTC Industrial Area, MIDC, Shirwane, Juinagar,
 Navi Mumbai - 400706

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Fino Payments Bank Limited** (CIN: L65100MH2007PLC171959) (hereinafter called "**Bank**") for the financial year ended **31st March, 2026**.

The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Bank's statutory registers, books, papers, minute books, forms and returns filed and other records maintained by the Bank and the information provided by the Bank, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Bank has, during the audit period covering the financial year ended on **March 31, 2026**, complied with the statutory provisions listed hereunder and also that the Bank has followed proper Board processes and has required compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Bank for the financial year ended on **March 31, 2026** in accordance with the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder for compliance to the extent of Foreign Direct Investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), as amended from time to time:

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- c) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- d) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 **were not applicable** to the Bank during the financial year under review:

- a) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- b) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- c) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 regarding the Companies Act and dealing with client.

We further report that, having regard to the compliance system, the Bank has complied with the following laws applicable specifically to the Bank:

1. The Banking Regulations Act, 1949 and the Rules made thereunder, Master Circulars, Notifications and Guidelines and other directions pertaining to scheduled commercial payments bank issued by the Reserve Bank of India (RBI) from time to time;

2. The Payment and Settlement Act, 2007 read with all the Master Directions issued by the RBI in this regard;
3. Prevention of Money-Laundering Act, 2002; and
4. Deposit Insurance and Credit Guarantee Corporation Act, 1961;

We have also examined compliance with the applicable clauses of the following:-

- i. Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India; and
- ii. The Listing Agreement entered into by the Bank with BSE Limited and National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the period under review, the Bank has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards mentioned above. Further, the Bank has taken necessary corrective actions in respect of observations/ comments, if any, received from the regulatory/ statutory authorities.

We further report that:

- (a) The Board of Directors of the Bank is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- (b) The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- (c) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and for meetings convened under shorter notice were in compliance with section 173(3) of the Companies Act, 2013 and system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (d) The minutes of the Board meetings and Committee Meetings have not identified any dissent by members of the Board /Committees of the Board respectively hence we have no reason to believe that the decisions by the Board were not approved by all the directors/members present.

We further report that, there are adequate systems and processes in the Bank commensurate with the size and operations of the Bank to monitor and ensure compliance with applicable laws, Rules, regulations and guidelines.

We further report that during the audit period the following events / actions have taken place, having a major bearing on the Bank's affairs in pursuance of the above referred laws, Rules, regulations, guidelines and standards:

1. Reserve Bank of India (RBI) has vide its order dated June 20, 2025 imposed a monetary penalty of Rs. 29.60 lakhs on the Bank for non-compliance with certain directions issued by RBI on 'Licensing of Payments Banks' observed

by RBI during the statutory inspection based on the Bank's financial position as on March 31, 2024. The Bank has paid the penalty. Further, the Bank had suo moto identified the issue and process modifications were implemented prior to the statutory inspection.

2. Bank had received a show cause notice vide letter SEBI/HO/EAD/EAD5/P/OW/2024/31639/1 dated October 08, 2024 from Securities and Exchange Board of India ("**SEBI**") on October 14, 2024 for the alleged violation of the provisions of Regulation 30(3), (6) and (7), read with Clause 9 of Para B of Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements), 2015 ("**SEBI LODR**"), Clause 9 of Para B of Annexure I and Clause 9 of Table I of Annexure II to SEBI Circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023. The Bank had filed the settlement and adjudication application with SEBI and made requisite disclosure under Regulation 30 of SEBI LODR as pre-condition to settlement proceedings on January 24, 2025. Upon filing of Revised Settlement Terms (RST) on April 03, 2025, the Independent High Powered Advisory Committee (HPAC) examined the application & RST and recommended that the specified proceedings may be settled upon payment of Rs. 5,88,921/- (Five Lakh Eighty-Eight Thousand Nine Hundred and Twenty-One Rupees). Accordingly, the Bank has duly made payment of the aforesaid amount on September 16, 2025 towards the Settlement proceedings without admission or denial of the findings of the fact and conclusions of law. The Bank has received the settlement order dated October 06, 2025 from SEBI vide Settlement Order No. SO/SM/KS/2025-26/8256. Pursuant to the Regulation 30 of the SEBI LODR, the Bank has made relevant disclosure of settlement order to the stock exchanges on October 06, 2025.
3. On December 5, 2025, Reserve Bank of India has granted in-principle approval to the Bank for conversion from a Payments Bank into a Small Finance Bank.
4. During the financial year 2025-26, The Directorate General of GST Intelligence (DGGI), Hyderabad visited the registered office of the Bank on 26th February, 2026, under a notice issued U/s. 67(2) of the Central Goods & Services Tax Act, 2017. During the search, officials reviewed documents and records. On February 27, 2026, Mr. Rishi Gupta, Former MD & CEO of the Bank was arrested in relation to alleged non-payment of GST by third-party program managers connected to the Bank's UPI P2M business. As per the various disclosures made by the Bank to the stock exchanges, the investigation pertained to alleged activities of third-party entities and does not relate to any GST non-compliance by the Bank. Further, Mr. Rishi Gupta was granted bail by the Special Judge for Economic Offences, Hyderabad, on March 26, 2026, based on the application filed by him on merits.

To ensure administrative and operational continuity, the Board of Directors, at its special meeting held on March 06, 2026, appointed Mr. Ketan Merchant (CFO & Head of the Organisation) as the Interim CEO with effective from approval of RBI and re-designated him from CFO & Head

of the Organisation to Interim CEO. The RBI approved the said appointment effective February 27, 2026 or for a period 3 months or till Mr. Rishi Gupta resumes office, post reassessment of his fit and proper status by the NRC and the Board and a view is taken by the RBI, whichever is earlier.

Further, on recommendation of the Nomination and Remuneration Committee and Audit Committee of the Bank, Mr. Anup Agarwal was appointed as an Interim Chief Financial Officer (Key Managerial Personnel) for a period not exceeding 4 months w.e.f. March 06, 2026.

Further, the Board of Directors at its meeting held on March 26, 2026, withdrew the Agenda Item of the Postal Ballot Notice dated January 29, 2026 relating to the proposed re-appointment of Mr. Rishi Gupta as MD & CEO of the Bank for a period of three years from May 02, 2026 to May 01, 2029. An addendum to the Postal Ballot Notice was circulated to the members of the Bank in this regard.

Further, in order to ensure compliance with the provisions of Section 152 & 196 of the Companies Act, 2013 and Regulation 17(1C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Bank sought approval/ ratification for re-appointment of Mr. Rishi Gupta

(DIN: 01433190) as MD & CEO of the Bank with effect from May 02, 2026 to May 21, 2026 (both days inclusive) of the members of the Bank vide Postal Ballot Notice dated June 24, 2026. The said resolution was approved by the members on July 26, 2026 by passing an ordinary resolution.

Mr. Rishi Gupta vide his letter dated May 21, 2026 tendered his request for seeking voluntary early retirement from the position of MD & CEO of the Bank, effective May 21, 2026. The NRC and Board accepted his request for voluntary early retirement effective from the end of business day on May 21, 2026.

Further, the NRC and the Board at its meeting held on May 21, 2026 approved the extension of the tenure of Mr. Ketan Merchant as Interim Chief Executive Officer for a tenure of three months, subject to approval of RBI. The RBI approved the said extension for a further period of three months with effect from May 27, 2026.

The NRC and the Board also approved the extension of the tenure of Mr. Anup Agarwal as Interim Chief Financial Officer for a further period not exceeding three months with effect from July 06, 2026.

Place : Mumbai
 Date : August 20, 2026

Alwyn Jay & Co.
Company Secretaries

Office Address :
 Annex-103, Dimple Arcade,
 Asha Nagar, Kandivali (East),
 Mumbai 400101.

Alwyn D'Souza, FCS No.: 5559
Partner
 Certificate of Practice No.5137
 UDIN : F005559H001170514

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure A

To

The Members,

Fino Payments Bank Limited

Mindspace Juinagar, Plot No Gen 2/1/F, Tower 1, 8th Floor,

TTC Industrial Area, MIDC, Shirwane, Juinagar,

Navi Mumbai - 400706

Secretarial Audit Report of even date is to be read along with this letter.

1. The compliance of provisions of all laws, Rules, regulations, standards applicable to **Fino Payments Bank Limited** (hereinafter called 'the Bank') is the responsibility of the management of the Bank. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Bank. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Bank, along with explanations where so required.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. Further part of the verification was done on the basis of electronic data provided to us by the Bank and on test check basis to ensure that correct facts as reflected in secretarial and other records produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Bank.
5. Wherever required, we have obtained the management representation about list of applicable laws, compliance of laws, Rules and regulations and major events during the audit period.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Bank nor of the efficacy or effectiveness with which the management has conducted the affairs of the Bank.

Place : Mumbai

Date : August 20, 2026

Alwyn Jay & Co.

Company Secretaries

Office Address:

Annex-103, Dimple Arcade,

Asha Nagar, Kandivali (East),

Mumbai 400101.

Alwyn D'Souza, FCS No.: 5559

Partner

Certificate of Practice No.5137

UDIN : F005559H001170514

Annexure-II

Annual Report on Corporate Social Responsibility 2025-26

[Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended]

1. Brief outline on CSR Policy of the Bank

The Bank is vigilant about its Corporate Social Responsibility (“CSR”) obligations. In compliance with the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Bank has a CSR & ESG Committee and Board approved CSR Policy to provide guidelines for carrying out CSR activities. The objective of the Bank’s CSR initiatives is given below:

- (i) eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- (iii) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund setup by the Central Government for rejuvenation of river Ganga;

2. Composition of CSR & ESG Committee

Sr. No.	Name of Director	Designation /Nature of Directorship	Number of meetings of CSR & ESG Committee held during the year	Number of meetings of CSR & ESG Committee attended during the year
1.	Mr. Rishi Gupta*	Chairperson, Managing Director & CEO	2	2
2.	Mr. Rakesh Bhartia	Member, Independent Director	2	2
3.	Mr. Rajat Kumar Jain	Member, Independent Director	2	2
4.	Mr. Pankaj Kumar	Member, Nominee Director	2	2

*Ceased as a Chairperson and member of the Committee w.e.f. May 21, 2026

3. Web-link where Composition of CSR & ESG committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Bank

The required disclosures are available on the Bank’s website at www.fino.bank.in under Investor Relations section.

4. Provide the executive summary along with the web link(s) of impact assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable:

Not Applicable

5. (a) Average net profit of the Bank as per Section 135(5): ₹86.73 Crore

(b) Two percent of average net profit of the Bank as per Section 135(5): ₹1.73 Crore

(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: NIL

(d) Amount required to be set off for the financial year, if any: ₹3,269/-

(e) Total CSR obligation for the financial year (b+c-d): ₹1,73,46,494/-

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹1,73,46,667/-

(b) Amount spent in Administrative Overheads: NIL

(c) Amount spent on Impact Assessment, if applicable: Not applicable

(d) Total amount spent for the financial year (a+b+c): ₹1,73,46,667/-

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the financial year (₹ Crore)	Amount unspent				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the fund	Amount	Date of transfer
1.73	-	-	-	-	-

(f) Excess amount for set-off, if any:

Sr. No.	Particular	Amount (₹)
(i)	Two per cent of average net profit of the Bank as per section 135(5)	1,73,46,494
(ii)	Total amount spent for the financial year	1,73,46,667
(iii)	Excess amount spent for the financial year [(ii)-(i)]	173
(iv)	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years, if any	NA
v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	173

Note: CSR obligation for the financial year 2025-26 was Rs. 1.73 Crore. Further, ₹3,269 was available for set-off from the previous year. Accordingly net CSR obligation was ₹1,73,46,494 and the Bank has spent ₹1,73,46,667

7. Details of Unspent CSR amount for the preceding three financial years:

NIL

Sr. No.	Preceding financial year(s)	Amount transfer to Unspent CSR Account under Section 135(6) (in ₹)	Amount spent in the reporting financial year (in ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial year(s) (in ₹)
				Name of the fund	Amount (in ₹)	Date of transfer	
1	NA	NA	NA	NA	NA	NA	NA

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year: None

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

For and on behalf of CSR & ESG Committee

Rajat Kumar Jain

Part - time Chairperson & Independent Director

DIN: 00046053

Rakesh Bhartia

Independent Director

DIN: 00877865

Date : August 24, 2026

Place : Navi Mumbai

Annexure-III

Disclosures on Remuneration

[Pursuant to Section 197(12) of the Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]:

I. Ratio of the remuneration of each Director to the median remuneration of the employees of the Bank for the financial year 2025-26

S. No.	Name of Director/KMP	Designation	Ratio
1	Mr. Rajat Kumar Jain ¹	Independent Director & PTC	14.71
2	Mrs. Deena Asit Mehta	Independent Director	14.14:1
3	Mr. Rakesh Bharti	Independent Director	10.50:1
4	Mrs. Anita Sudhir Pai	Independent Director	11.79:1
5	Mrs. Neeta Mukerji	Independent Director	11.14:1
6	Mr. Pankaj Kumar	Nominee Director	NA
7	Mr. Prateek Roongta	Nominee Director	NA
8	Mr. Rishi Gupta ²	Managing Director & CEO	76.57:1

1. Re-appointed effective November 02, 2025

2. Ceased to be MD & CEO of the Bank effective May 21, 2026 (end of business day)

Note: In case of the Mr. Rishi Gupta, Former Managing Director & CEO, the Bank has considered the annualised fixed pay for the computation of ratios. Fixed pay including salary, allowances, retiral benefits as well as value of perquisites and variable pay as approved by the Reserve Bank of India. For the Directors other than the Managing Director & CEO, the actual remuneration paid during the financial year 2025-26 has been considered while calculating the ratio of remuneration to the median employees' remuneration.

The Bank did not pay any remuneration to its Nominee Directors.

II. Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary in the financial year 2025-26

S. No.	Name of Director/KMP	Designation	Percentage
1	Mr. Rishi Gupta*	Managing Director & CEO	10%
2	Mr. Ketan Merchant	Interim Chief Executive Officer	10%
3	Mr. Basavraj Loni	Company Secretary	N/A (Joined effective August 21, 2025)
4	Mr. Anup Agarwal	Interim Chief Financial Officer	N/A (KMP effective March 06, 2026)

* RBI has approved the fixed pay for the financial year 2025-26 and approval for variable pay, if any is in process, therefore the mentioned figure includes increment in fixed pay. Further, Mr. Rishi Gupta ceased to be MD & CEO effective May 21, 2026 (end of business day).

Payment of Remuneration to Independent Directors:

The Independent Directors receive remuneration by way of sitting fees for attending each meeting of the Board and its Committees. Based upon the recommendation of NRC, the Board approved sitting fees of ₹1,00,000 per Board meeting and ₹75,000 per Committee meeting to Independent Directors.

Further, pursuant to the RBI regulations, the Board of Directors had approved the payment of compensation to each Non-Executive Independent Director of the Bank (except Part-time Chairperson) by way of fixed remuneration up to ₹10,00,000 (Rupees Ten Lakh Only) per annum and up to ₹15,00,000 (Rupees Fifteen Lakh Only) per annum to PTC for financial year 2025-26. Further, through ordinary resolution passed in the 9th Annual general meeting held on August 29, 2025, the shareholders approved the said remuneration to the Independent Directors of the Bank including the Part-time Chairperson. The Independent Directors of the Bank, including the Part-time Chairperson were paid compensation, in the form of fixed remuneration for the FY2025-26 during the FY2026-27.

III. Percentage increase in the median remuneration of employees in the financial year 2025-26

The median remuneration of the employees of the Bank increased by 12.53% in the financial year.

IV. Number of permanent employees on the rolls of the Bank as on March 31, 2026

There were 2,848 permanent employees on the rolls of Bank as on March 31, 2026.

V. Average percentile increase already made in the salaries of employees other than the Managerial Personnel in the last financial year i.e. 2025-26 and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

- Average percentage increase for employees including Managerial Personnel for the financial year is 8.68%.
- Average percentage increase for employees other than the Managerial Personnel for the financial year is 8.58%.
- The average increase in the remuneration of employees compared to increase in remuneration of Managerial Personnel is in line with the market bench mark study.

IV. Affirmation that the remuneration is as per the Remuneration Policy of the Bank

The Bank affirms that the remuneration is as per the Compensation Policy of the Bank, as applicable.

For and on behalf of the Board of Directors

Rajat Kumar Jain

Part-time Chairperson & Independent Director

DIN: 00046053

Deena Asit Mehta

Independent Director

DIN: 00168992

Date : August 24, 2026

Place : Navi Mumbai

Management Discussion and Analysis

Economic review

Global economy

Global economy withstood higher trade barriers and elevated uncertainty in 2026 following the outbreak of the war in the Middle East. Under these circumstances, global growth is projected to slow to 3.1% in 2026 compared to 3.4% in 2025. Global headline inflation is projected to rise modestly in 2026 before resuming its decline in 2027. Slowdown in growth and increase in inflation are expected to be particularly pronounced in emerging market and developing economies.

Advanced economies are projected to experience a marginal slowdown, with GDP growth easing from 1.9% in 2025 to 1.8% in 2026. Similarly, growth across emerging market and developing economies is expected to moderate from 4.4% in 2025 to 3.9% in 2026.

Meanwhile, driven by renewed geopolitical tensions and energy supply constraints, experts forecast global inflation to hover around 3.5% to 4.0% in 2026, compared to the 3.4% to 4.1% range observed globally in 2025.

Regional growth (%)	FY26 P*	FY25
World output	3.1	3.4
Advanced economies	1.8	1.9
Emerging and developing economies	3.9	4.4

(Source: IMF, [Un.org](https://www.imf.org))

P* projected

Performance of the major economies, 2026

United States: GDP growth is projected to moderate from 2.3% in 2025 to 2.1% in 2026.

China: GDP growth is expected to ease from 5.0% in 2025 to 4.4% in 2026.

United Kingdom: GDP growth is forecast to decline from 1.3% in 2025 to 0.8% in 2026.

Japan: GDP growth is projected to soften from 1.2% in 2025 to 0.7% in 2026.

Germany: GDP growth is expected to improve from 0.2% in 2025 to 0.8% in 2026.

(Source: IMF April 2026 Outlook, World Bank)

Outlook

Given the challenge of forming stable, real-time assumptions for projections, the IMF World Economic Outlook report adopted a 'reference forecast' instead of a conventional baseline, assuming the war remains contained in duration, intensity, and reach, with disruptions easing by mid-2026, in line with commodity futures as of March 10, 2026.

Under this reference view, global growth is projected at 3.3% in 2026 and 3.2% in 2027. Global inflation is expected to rise to 4.4% in 2026 before easing to 3.7% in 2027.

(Source: OECD Interim Economic Outlook, IMF, World Economic Forum, Federal Reserve, Bank of England, European Central Bank, Bank of Japan)

Indian economy

The Indian economy grew at 7.7% in FY26, compared to 7.1% in FY25. This growth was driven by strong consumption and increasing investments, reaffirming India's position as the fastest-growing major economy.

India's Real GDP at Constant Prices reached ₹323.12 lakh crore in the FY26, against the First Revised Estimate (FRE) of GDP for the year FY25 of ₹299.89 lakh crore. The growth rate in Real GDP during FY26 is at 7.7% as compared to 7.1% in FY25.

Growth of the Indian economy

	FY26	FY25	FY24	FY23
Real GDP	7.7	7.1	7.2	7.2
Growth (%)				

E: Estimated. Note: FY24 figure restated under new base year 2022–23. (Source: PIB (June 5, 2026))

Growth of the Indian economy quarter by quarter, FY26

	Q4'26	Q3'26	Q2'26	Q1'26
Real GDP	7.8	7.8	8.4	6.7
growth (%)				

Note: Q2 revised upward from 8.2% and Q3 from 7.35% under the new base year 2022–23 series released February 27, 2026. Q4 remains an estimate. (Source: PIB, June 5, 2026)

Inflation, policy and currency dynamics

Inflation remained benign through much of FY26, with full-year CPI estimated at an exceptionally low 2.1%. This created room for 125 basis points of cumulative rate cuts, supporting consumption and investment.

However, macro stability was accompanied by currency volatility. The Indian rupee depreciated sharply by 9.88% during FY26 - its steepest fall since FY12 - touching ₹94.78 against the US dollar. This reflected global capital flows, a strong dollar environment, and geopolitical uncertainties.

Capital flows and market behaviour

Foreign portfolio investors remained risk-averse, withdrawing a record ₹1.8 trillion during FY26 – the largest outflow in 36 years. However, strong domestic institutional inflows of ₹8.55 trillion provided a crucial counterbalance, highlighting the growing maturity and depth of India's domestic capital markets.

India's market capitalisation declined 8% year-on-year in FY26 to \$4.5 trillion from \$4.83 trillion in FY25, marking the sharpest drop since FY23. On the last trading day of the year, the BSE Sensex fell

5.36%, or 4,076.96 points, compared with a rise of 5.10%, or 3,763 points, in the same period last year, while the Nifty 50 declined 3.6%, or 834 points, against a gain of 5.34%, or 1,192 points, in the corresponding period. The downturn was largely driven by the ongoing West Asia conflict and concerns around potential tariff measures under Donald Trump, which weighed on global investor sentiment.

Gold prices surged 61.47% during FY26 reflecting global risk aversion and safe-haven demand.

India's fiscal position continued to strengthen, with net direct tax collections rising 7.19% to ₹22.8 trillion as of 17th March 2026. Contributions from corporate and non-corporate taxpayers remained nearly balanced, reflecting sustained formalisation of the economy, improved compliance, and the success of digitisation led reforms.

Banking sector

India's banking sector reflected improving financial health, with the gross non-performing asset (GNPA) ratio declining to a robust 2.1% or to roughly ₹4.18 trillion in FY26, indicating stronger asset quality and disciplined lending practices. This stability was mirrored in profitability metrics, as scheduled commercial banks reported a return on assets of 1.3% and a return on equity of 12.5% during the first half of FY26, underscoring sustained operational efficiency and a healthier balance sheet trajectory.

(Source: RBI Report on Trends and Progress of Banking in India; RBI Annual Report 2025-26)

India's growth story

The tertiary services sector remained a key growth driver, expanding by 9.0% in FY26 and increasing its share in nominal gross value added to 54.3% from 52.8% in FY25, supported by broad-based momentum across segments.

During FY26, financial, real estate, IT and professional services grew by 9.9%, while trade, hotels, transport, communication and broadcasting recorded a strong 10.1% growth, and public administration and other services expanded by 5.8%.

At the same time, manufacturing demonstrated renewed strength, with Gross Value Added (GVA) rising 11.5% in FY26 at constant prices, marking the second instance of double-digit growth in three years and improving from 9.3% in FY25.

The secondary sector grew 9.1%, accelerating from 8.0% in the previous year, driven by manufacturing alongside construction growth of 7.1%. This combination of services led scale and manufacturing acceleration is shaping a more balanced and resilient economic structure.

Consumption and investment

During FY26, Private Final Consumption Expenditure (PFCE) and Gross Fixed Capital Formation (GFCF) maintained above-7% growth, reflecting a well-balanced demand composition across household spending and investment activity.

Growth catalysts

Policy-led consumption boost: The Union Budget FY27's tax relief measures—particularly income tax exemptions up to ₹12 lakh—are expected to stimulate discretionary spending and reinforce consumption-led growth.

Anticipatory Pay Commission impact: The 8th Pay Commission, though expected to be implemented from FY28, is already shaping consumer sentiment, creating a forward consumption impulse.

Monetary stability: The Reserve Bank of India's calibrated stance, with the repo rate at 5.25%, balances inflation risks with growth support, ensuring macroeconomic stability.

Credit expansion: Improved banking health and liquidity conditions are expected to sustain strong credit growth across MSMEs, housing, and retail segments.

Fiscal prudence with growth focus: The Union Budget maintains fiscal discipline while prioritising infrastructure, MSME support, skilling, and innovation—key levers for long-term productivity.

Outlook

The year under review underscores a defining divergence: a world grappling with uncertainty, and an India navigating it with confidence.

In a global environment marked by fragmentation and caution, India stands out as a rare convergence of stability, scale and structural opportunity. The World Bank has revised its FY27 growth estimate upward to approximately 6.6%, reflecting resilient domestic momentum even as growth moderates from the previous year. India is expected to retain its position as the fastest-growing major economy.

Growth will be shaped by a combination of strong domestic demand and resilient private consumption, supported by low inflation and GST rationalisation, alongside stable export performance with improved access to key markets. This momentum is further reinforced by sustained policy support, ongoing economic reforms, and a favourable demographic advantage.

While risks persist, particularly from elevated energy prices, subsidy pressures on government spending, and uncertainty in global demand, India's macroeconomic fundamentals remain strong.

Over the medium term, sustained consumption, gradual investment recovery, and expanding global trade linkages are expected to reinforce India's position as a key driver of global economic growth.

(Source: MoSPI, Business Standard, Press Information Bureau, IMF, OECD, Deccan Chronicle, NDTV Profit, Outlook Business, The Asian Banker)

Industry overview

India has firmly established itself as a global leader in digital payments, supported by a rapidly maturing digital ecosystem,

widespread smartphone and internet penetration, and strong public-private collaboration. This leadership has been driven primarily by the Unified Payments Interface (UPI), which has emerged as the backbone of India's digital payments infrastructure. The International Monetary Fund, in June 2025, evaluated UPI as the world's largest retail fast-payment system by transaction volume. ACI Worldwide estimated that UPI accounts for nearly half (49%) of global real-time payment transactions, underscoring the country's dominance in this space.

During FY26, UPI processed 241.62 billion transactions, registering a 30% year-on-year increase in volume, while transaction value rose to ₹314 trillion, up from ₹261 trillion in FY25. Overall digital payments in India - including payment systems, card networks, and prepaid payment instruments - grew 26.95% year-on-year to 281.7 billion transactions, with total transaction value increasing by 13.55% to ₹3,251 trillion. As a result, digital transactions accounted for 99.78% of total non-cash retail payments in FY26, reflecting the near-universal adoption of digital modes.

Mobile wallet transactions in India continue to witness strong momentum, supported by rising smartphone penetration, accelerating digital adoption and the widespread acceptance of UPI-based payments. UPI's domestic dominance continued in FY26, accounting for 85% of India's total digital payment transaction volume, up from 83.7% in FY25. The overall UPI payments value is projected to grow at a compound annual growth rate (CAGR) of 14.7% between 2025 and 2029 to reach ₹532.6 trillion in 2029.

This rapid expansion has been supported by targeted policy and institutional interventions by the Government of India, the RBI, and the National Payments Corporation of India (NPCI) to deepen digital payment penetration, particularly among small merchants and underserved regions. Initiatives such as incentives for low-value BHIM-UPI transactions and the Payments Infrastructure Development Fund (PIDF) have significantly improved last-mile access. As of October 31, 2025, approximately 5.45 crore digital contact points had been deployed under the PIDF, while an estimated 56.86 crore QR codes had been distributed to 6.5 crore merchants, driving wider acceptance of digital payments across tier-3 to tier-6 locations.

Marking ten years of transformative growth, the Unified Payments Interface (UPI) has emerged as the world's largest real-time payments platform, becoming a cornerstone of India's digital economy. Over the past decade, transaction volumes have expanded nearly 12,000-fold, while the total transaction value surpassed ₹3.14 trillion in FY26. With more than 700 banks integrated into the ecosystem, UPI now accounts for nearly 49% of global real-time payment transactions, underscoring its scale, accessibility and widespread adoption.

India is also accelerating UPI's international expansion. Indian UPI apps are now accepted through QR-code payments in Bhutan, France, Mauritius, Nepal, Singapore, Sri Lanka, Qatar and the UAE, enabling seamless cross-border transactions for travellers and businesses. Additionally, NPCI International Payments Limited (NIPL) has received approval to deploy UPI-

like payment infrastructure in Namibia, Peru, Trinidad and Tobago, and Jamaica, while collaborations with the European Union, SAARC and other international payment networks are under exploration. The Reserve Bank of India has outlined an ambitious roadmap to expand UPI's presence to 20 countries by 2028-29, reinforcing India's position as a global leader in digital public infrastructure.

Card-based transactions exhibited divergent trends during the year. Credit card transactions rose to 6.0 billion in FY26, compared with 4.7 billion in FY25, supported by higher discretionary spending and wider acceptance. In contrast, debit card transactions declined sharply by 20.5% to 1.28 billion, underscoring the continued shift towards account-to-account and real-time payment platforms.

Data placed before the Lok Sabha further underscores this dominance. India recorded 129.3 billion real-time transactions, significantly ahead of other major markets such as Brazil (37.4 billion; 14% share), Thailand (20.4 billion; 8%), China (17.2 billion; 6%), and South Korea (9.1 billion; 3%). Other countries together accounted for 52.8 billion transactions, or 20% of the global total, underscoring the scale gap between India and the rest of the world.

The Government of India attributed this rapid adoption to a series of targeted policy and institutional measures undertaken by the Centre, the Reserve Bank of India (RBI), and the National Payments Corporation of India (NPCI). These initiatives have been particularly effective in accelerating digital payment adoption among small merchants and underserved regions.

The government has also emphasised ongoing efforts to deepen the adoption of RuPay and UPI across public service delivery, transportation systems, and e-commerce platforms nationwide. Together, these measures continue to strengthen India's digital payments ecosystem and reinforce its position as a global leader in real-time payments and financial innovation.



Tracking payments

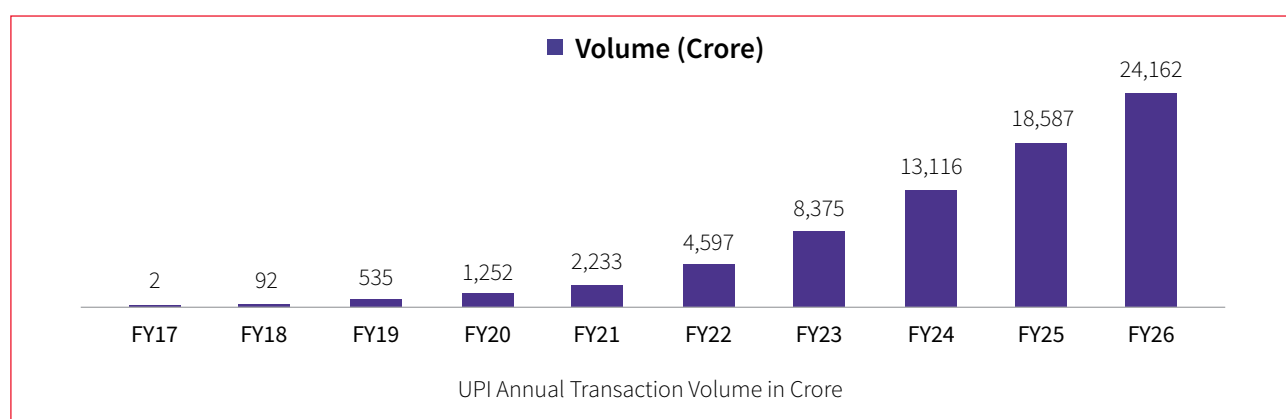
Transaction volume (billion)

Year	UPI	Debit card	Credit card
FY26	241.6	1.28	6.02
FY25	185.86	1.61	4.77
FY24	131.12	2.28	3.56
FY23	83.71	3.41	2.91

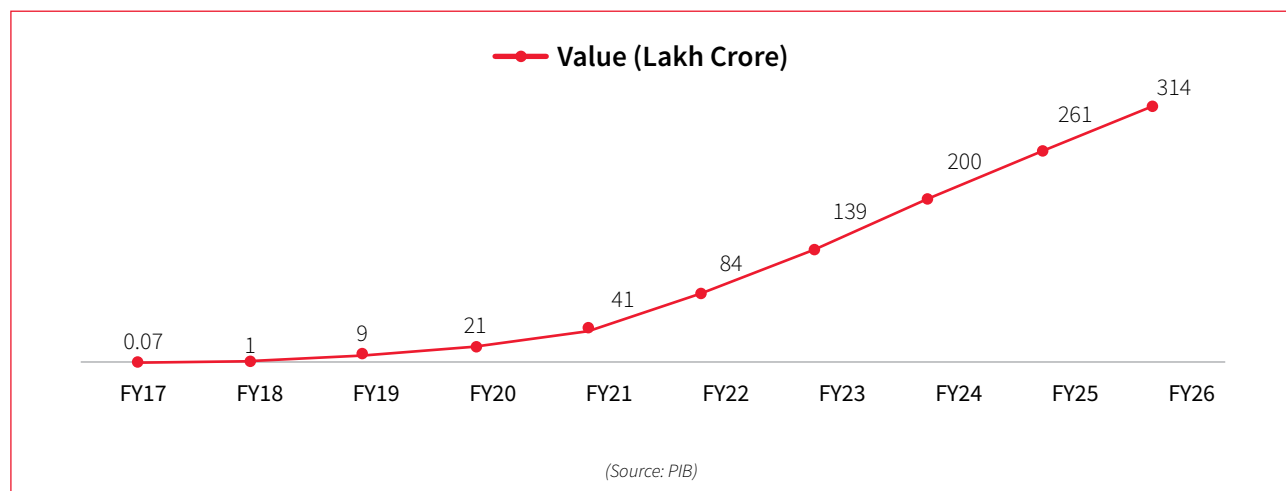
(Source: RBI Annual Report)

The platform continued to deepen its penetration across Tier-II, Tier-III and rural markets, driven by expanding merchant acceptance, QR-code proliferation and growing consumer preference for real-time digital payments. Merchant payments accounted for nearly 62% of total UPI transaction volumes in FY26, reflecting the increasing adoption of digital payments for everyday low-ticket transactions.

Annual Transaction Volume Growth (2016-2026)



Annual Transaction Value Growth (2016-2026)



The adoption of Mobile Point of Sale (mPOS) devices among small merchants continued to expand in FY26, supported by deeper digital penetration, QR-code acceptance and rising formalisation of retail transactions. The micro-ATM ecosystem also recorded sustained traction, driven by growing cash access requirements in semi-urban and rural regions. Industry estimates indicate that the average cash withdrawal per micro-ATM transaction increased to nearly ₹3,050 in FY26, reflecting higher usage intensity and broader financial inclusion.

The platform's growth was driven by rapid merchant onboarding, deeper penetration across Tier-II, Tier-III and rural markets, expanding interoperability and increasing consumer preference for real-time low-ticket payments. RBI and NPCI data indicate that UPI has maintained a multi-year growth trajectory with transaction volumes recording a CAGR of over 70% during the last five years, making India the global leader in real-time digital payments.

(Source: Money control, IBEF, Financial Express, Economic Times, Times of India, PIB, ClearingPost)

Government initiatives

India's fintech revolution has been underpinned by sustained, mission-driven government initiatives that have expanded financial inclusion, strengthened digital public infrastructure, and fostered large-scale adoption of digital payments. Together, these interventions have positioned India as a global leader in digital payments and inclusive finance.

Pradhan Mantri Jan Dhan Yojana (PMJDY): Launched to expand access to formal banking, PMJDY remains the cornerstone of India's financial inclusion framework. As of FY26, over 58 crore beneficiaries had been enrolled, making it the world's largest financial inclusion programme. Deposits in PMJDY accounts crossed ₹3.0 trillion, reflecting increasing account usage and integration with government benefit transfers.

India Stack: India Stack provides a unified set of open APIs enabling digital identity, payments, and consent-based data sharing. As of March 2026, Aadhaar authentication transactions crossed a cumulative 17,300 crore, with 228.99 crore transactions recorded in March alone. Aadhaar-based e-KYC transactions exceeded 2,371 crore cumulatively, with over 43.24 crore transactions in March 2026, supporting seamless onboarding across fintech, banking, and telecom services.

JAM Trinity (Jan Dhan–Aadhaar–Mobile): The JAM framework integrates bank accounts, digital identity, and mobile connectivity to enable efficient service delivery. By FY26, over 1.44 billion Aadhaar numbers had been issued, and JAM had facilitated access to financial services for more than 580 million individuals, significantly reducing leakages in subsidy and welfare delivery.

Unified Payments Interface (UPI): UPI continues to be the backbone of India's digital payments ecosystem. In FY26, UPI transaction volume rose 30% year-on-year to 241.6 billion transactions, while transaction value increased 20.6% to ₹314 trillion, compared with ₹250.56 trillion in FY25. UPI's scale, interoperability, and low-cost structure have accelerated India's transition towards a cash-lite economy.

Digital India programme: The Digital India programme has played a central role in strengthening digital infrastructure and promoting digital payments through platforms such as IMPS, BHIM, and UPI. Government allocations for digital infrastructure and technology-led governance have exceeded ₹3.3 trillion in recent years, enabling nationwide connectivity, cloud adoption, and digital service delivery.

Regulatory and policy support: A progressive regulatory framework led by the Reserve Bank of India has supported fintech innovation while ensuring systemic stability. Regulatory sandboxes, licensing frameworks for payments banks and NBFC-fintechs, and open-architecture systems have encouraged innovation and competition. In CY2025, India's fintech sector attracted over USD 9 billion in equity funding, despite global funding moderation, reflecting continued investor confidence.

Account Aggregator (AA) framework: Enables consent-based sharing of financial data, strengthening digital lending, MSME credit access, and wealth management while preserving data privacy.

RuPay expansion: Domestic card network adoption has expanded across public transport, government services, and e-commerce, reducing reliance on international card schemes and improving cost efficiency.

(Sources: PMJDY, PIB, RBI Annual Report, NPCI data, PwC / industry reports)

Payments bank industry structure and developments

India's payments and banking ecosystem continued its structural shift towards digitisation in FY26, reflected in changing trends across physical banking infrastructure, payment instruments, and regulatory oversight.

With the increasing adoption of digital payments, the number of automated teller machines (ATMs) continued to decline in FY26, falling to about 2.09 lakh, reflecting ongoing rationalisation of offsite ATMs by both public and private sector banks.

Despite the decline in ATMs, the number of bank branches continued to rise, reaching 1.64 lakh as of end-March 2025, up 2.8% year-on-year, underscoring the continued importance of physical touchpoints alongside digital channels.

The contribution of Unified Payments Interface to India's payments ecosystem strengthened further during FY26. UPI accounted for 85% of total payment system transaction volume, up from 83.7% in FY25. Transaction volumes surged to 241.6 billion, marking a 30% year-on-year increase.

According to the Reserve Bank of India, regulatory focus in FY26 remained on strengthening cyber resilience and risk surveillance, innovation, consumer protection and grievance redress mechanism.

During the year, the Reserve Bank accorded authorisation to 23 non-bank Payment Aggregators (PAs), four non-bank prepaid payment instrument (PPI) issuers, and one Interoperable Mobile and Net Banking operator.

To address rising concerns around digital payments fraud, the RBI constituted a committee to examine the establishment of a Digital Payments Intelligence Platform (DPIP). The Reserve Bank Innovation Hub (RBIH) has been tasked with developing a DPIP prototype in collaboration with select banks, aimed at improving fraud detection and response capabilities across the ecosystem.

The first phase of the DPIP prototype - namely, the establishment of the Smart Registry - has been operational since August 2025.

During FY26, the RBI deepened its assessment of India's rapidly evolving digital payments ecosystem, drawing on usage trends and payment-system data to better understand adoption patterns and changing user preferences. The findings reinforced the growing dominance of digital channels, with UPI accounting for a substantial share of payment transaction volumes. The central bank also advanced measures to address frictions in the beneficiary leg of cross-border inward payments, focusing on reducing delays, improving customer communication and enabling faster credit to beneficiary accounts.

India's digital payments infrastructure is also gaining international traction. NPCI International Payments Ltd is working towards extending UPI acceptance to 20 countries by FY29. Currently, Indian UPI apps are operational for merchant payments via QR codes in Bhutan, France, Mauritius, Nepal, Singapore, Sri Lanka, Qatar and the UAE, enabling Indian travellers to make seamless overseas payments.

In parallel, RuPay card acceptance has been enabled in Nepal, Bhutan, Mauritius, Singapore, the UAE, Bahrain, Sri Lanka, Oman, Qatar and the Maldives, supporting the globalisation of India's domestic payment networks.

Outlook

The evolving payments landscape, characterised by declining reliance on cash infrastructure, rapid UPI-led digital adoption, strengthened regulatory oversight, and growing international acceptance, creates a supportive operating environment for payments banks. Their focus on transaction banking, remittances, assisted digital services, and last-mile access positions them as critical enablers of India's digital financial ecosystem. (Source: Economic Times, Business Standard, [Moneycontrol.com](https://moneycontrol.com))

Company overview

The Bank is a leading Indian payments bank focused on delivering a broad suite of technology-enabled banking and financial services, with a strong emphasis on serving underserved segments, including low-income households, small businesses, and rural communities. Its core offerings include savings and current accounts, domestic remittances, bill payments, and mobile recharges, enabling customers to manage day-to-day financial needs efficiently and securely.

Beyond these essential services, the Bank collaborates with partner institutions to offer tailored financial solutions such as micro-insurance and micro-investment products, designed to meet the specific requirements of its target customer segments. While payments banks are not permitted to extend credit directly, the Bank facilitates access to loans through strategic

partnerships, ensuring customers can connect with formal credit channels when required.

Through its diversified product portfolio, extensive geographic presence, and multi-channel digital and assisted banking platforms, Fino Payments Bank continues to advance financial inclusion by making banking services more accessible, affordable, and inclusive. In essence, the Bank operates as a multi-location, multi-product, and multi-platform new-age bank, aligned with India's evolving digital financial ecosystem.

In FY26, the Bank got the distinction of being the first payments bank to receive in-principle approval from the Reserve Bank of India to convert into an SFB.

Opportunities and threats

Opportunities

Deepening financial inclusion at scale: India continues to have a large underserved population, creating a strong structural opportunity for Payments Banks and SFBs. As per a 2025 report, 14% of India's adult population still had inactive accounts that provide an immense opportunity for financial inclusion. With more than 65% of India's population residing outside major urban centres, differentiated banks like Payments Banks and SFBs are well-positioned to address last-mile banking needs through localised branches, business correspondents, and assisted digital models.

Expansion of MSME and Micro Credit: The MSME sector, comprising over 63 million enterprises, contributes nearly 30% of India's GDP and 45% of exports, yet faces a formal credit gap estimated at ₹25–30 trillion. Small Finance Banks (SFBs), with their expertise in cash-flow-based lending and small-ticket loans, are ideally placed to capture this unmet demand through micro-loans, working capital finance, and supply-chain financing solutions.

Leveraging digital and assisted banking models: Digital adoption has significantly reduced the cost of banking outreach. With UPI processing over 241.6 billion transactions in FY26 and digital payments accounting for 99.9% of non-cash retail transactions, SFBs can scale efficiently using phygital models. Assisted digital transactions through agents and micro-branches allow SFBs to serve customers at 30–40% lower operating costs compared to traditional branch-heavy models.

Cross-selling of financial products: India's insurance and investment penetration remains low, creating strong cross-selling potential. Life insurance penetration stood at ~3.2% of GDP, while mutual fund penetration remains below 6% of households. SFBs can significantly enhance fee-based income by distributing micro-insurance, pension schemes, mutual funds, and remittance products to their growing customer base, improving profitability and customer stickiness.

Deposit mobilisation from emerging segments: Rising income formalisation and direct benefit transfers have expanded the deposit base in rural and semi-urban India. Total bank deposits grew at ~11% CAGR over FY22–FY26e, with small-ticket savings accounts showing strong traction. SFBs are well-positioned to

mobilise low-cost CASA deposits, improving net interest margins and funding stability.

Transition from payments banks and NBFCs: Regulatory pathways allowing payments banks and eligible NBFCs to convert into SFBs represent a major opportunity. Payments banks collectively serve hundreds of millions of transaction-heavy customers but lack lending capabilities. Conversion into SFBs enables these institutions to monetise existing customer relationships by adding credit products, thereby materially improving return on assets and equity.

Policy and regulatory tailwinds: Supportive policies from the Reserve Bank of India and government-led financial inclusion initiatives have strengthened the operating environment for SFBs. Priority sector lending requirements, refinance support, and digital public infrastructure have reduced entry barriers while enabling responsible expansion into underserved segments.

Improved portfolio diversification and risk management: SFBs typically operate across thousands of small-ticket borrowers rather than concentrated corporate exposures. This granular loan book structure, combined with technology-led credit assessment and monitoring tools, allows for better risk diversification and resilience during economic cycles.

Rising shift from informal to formal credit: Nearly 45% of small borrowers in India still rely on informal credit sources, often at high interest rates. As financial awareness increases and digital onboarding improves, SFBs are well placed to convert these borrowers into the formal banking system by offering transparent, affordable, and regulated credit, unlocking long-term customer value.

(Source: World Bank, MSME.gov, Financial Express, Government Economic Times, Business Today, RBI, Brickwork Ratings)

Business model

Fino Payments Bank, established on April 4, 2017, operates on a robust financial and distribution foundation supported by prominent investors including the ICICI Group, Bharat Petroleum Corporation Limited (BPCL), Blackstone and International Finance Corporation (IFC). Built on a strong technological backbone, the Bank seeks to advance financial inclusion by making banking services accessible to underserved and under-banked populations across the country.

The Bank has adopted a technology-led, asset-light and commission-based transaction model, enabling it to reduce operational costs, enhance customer convenience and expand service accessibility, particularly in rural and semi-urban regions. This approach allows the Bank to move beyond traditional brick-and-mortar banking structures and deliver services more efficiently to last-mile customers.

At the core of the Bank's strategy is its technology-first approach, which has enabled the creation of a distinctive physical and digital infrastructure based on its distribution, technology and partnerships (DTP) framework. Among the early adopters of a 'phygital' model in India, the Bank combines physical access points with digital capabilities to deliver seamless banking experiences. This integrated model has enabled the Bank to

reach remote geographies more effectively than conventional banks that rely primarily on physical branch expansion.

The Bank's asset-light operating framework is supported by a large network of merchants who function as its on-ground representatives. These merchants serve the banking and financial needs of their local communities, significantly reducing the requirement for extensive physical infrastructure. As of the close of FY26, the Bank's merchant network had expanded to nearly 20.8 lakh merchants, reflecting the scale and reach of its distribution platform.

While bank account penetration in India has increased significantly in recent years, the Bank believes that the larger opportunity lies in encouraging consistent and meaningful banking usage among customers. This philosophy is captured in its brand message, **HardinFino!**, which emphasises daily engagement with banking services. The Bank recognises that merely opening accounts does not automatically translate into regular financial activity, highlighting the need for institutions to design products and services that align with the behavioural patterns and needs of these customer segments.

In response, the Bank has focused on making financial services simple, accessible and affordable through customised offerings tailored to underserved communities. Supported by its extensive merchant network, along with improving internet connectivity and rising smartphone penetration across India, the Bank continues to strengthen its ability to serve customers at the last mile.

As part of its Fino 2.0 strategy, the Bank introduced the FinoPay mobile app-based digital savings account, offering customers a seamless and paperless on-boarding experience. The platform enables customers to open accounts digitally, receive personalised debit cards and upgrade their accounts instantly through Video KYC. The subscription-based model eliminates minimum balance requirements, making it particularly attractive to customers seeking flexible banking solutions.

Within just over three years of its introduction, the platform has witnessed encouraging adoption. By the close of FY26, over 10 lakh customers had opened savings accounts through this digital channel, underscoring the growing acceptance of the Bank's technology-driven banking solutions.

In FY26 the Bank introduced a new and affordable variant of its savings account product called GATI. The product enables instant account opening and UPI activation with no minimum balance requirement. The product is aimed at a customer segment that is aspirational, intends to use digital platforms for transactions but has limited financial resources. This strategic move helps the Bank to increase its customer base as it converts customers using assisted services to self-service digital platform through FinoPay app.

The Bank strengthened its digital presence and improved customer engagement through a revamped new website, extending the FinoPay app to the iOS platform in addition to Android, and implementing a rewards program to increase mobile app usage. A range of UPI services were introduced

including UPI Lite, UPI Credit Card and UPI Circle to cater to the growing smartphone and UPI using customer segment.

The FinoPay mobile application plays a critical role in strengthening the Bank's digital ecosystem by offering access to more than 100 financial and transactional services. Designed with an intuitive user interface (UI) and enhanced user experience (UX), the application enables faster and more seamless transactions, supported by an optimised backend technology architecture. This integrated digital platform significantly enhances customer convenience while enabling efficient service delivery. At the end of FY26, the Bank had over 8 lakh FinoPay users and 63 lakh digitally active customers reflecting a clear shift towards technology-led services.

The Bank's business model is anchored in the DTP framework, which serves as a critical pillar for sustainable growth and risk mitigation. Over the years, the Bank has built a strong and recognisable brand identity, enabling it to establish a trusted presence within the financial ecosystem.

By strengthening the role of merchants as local banking facilitators and promoting its customer-centric philosophy embodied in the #FikarNot message, the Bank continues to deepen engagement within communities. This approach reinforces customer confidence, encourages repeat usage of banking services and strengthens long-term loyalty to the Fino Payments Bank brand.

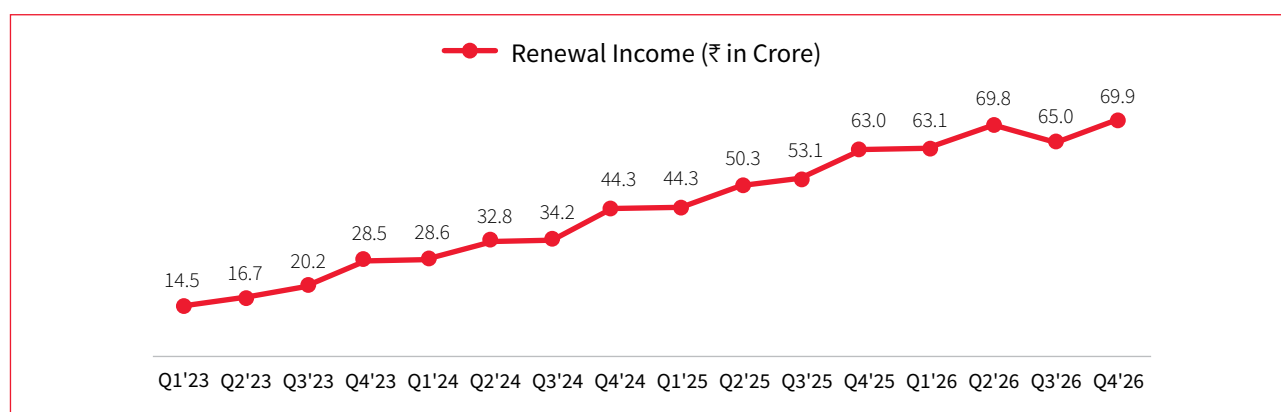
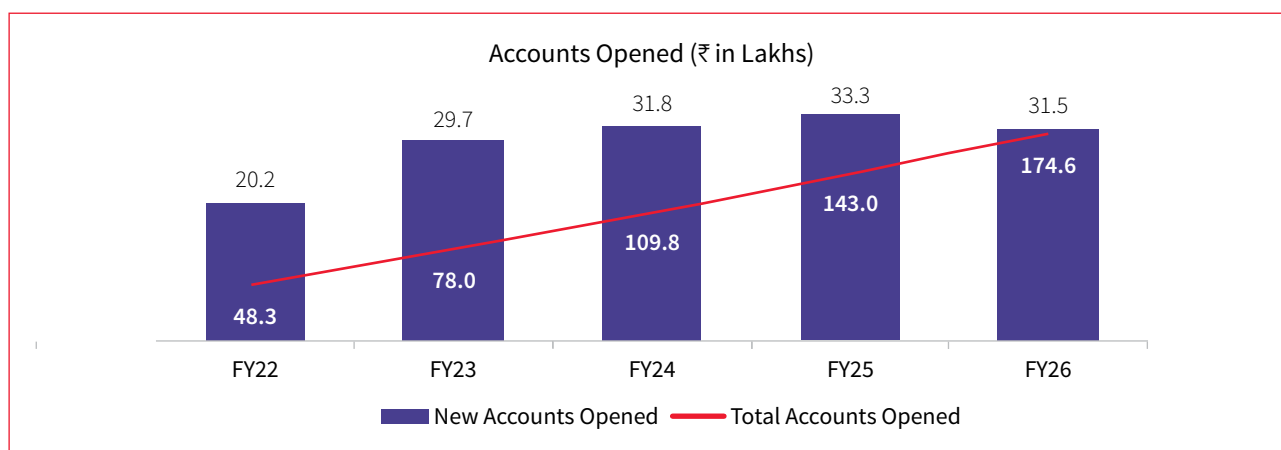
Product wise performance

CASA

At Fino Payments Bank, customer ownership remains central to the Bank's strategy, with Current and Savings Accounts (CASA) representing a critical pillar of its business model. The Bank continues to strengthen this segment through customer-friendly offerings such as subscription-based, affordable savings account and instant debit card with green pin (Hatho Hath Debit Card), which are conveniently accessible through local Fino merchant points. The Bank also offers a bouquet of subscription-based savings account variants for customers across segments. These products enable the Bank to digitally on-board customers, allow customers to open and operate bank accounts with ease in their neighbourhood through assisted services, as Fino expands and strengthens its last-mile presence.

The Bank's participation in government-led initiatives such as the Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA) (renamed Viksit Bharat — Guarantee for Rozgar and Ajeevika Mission (Gramin), (VB-G RAM G)) has further enhanced its relevance among rural and semi-urban communities, positioning the Bank as a trusted financial partner for customers receiving government benefits.

During FY26, the Bank opened approximately 31.5 lakh new accounts, taking the total number of accounts to around 175 lakh (1.75 crore). Revenue generated from account renewals stood at ₹268 crore, while revenue from new CASA subscriptions amounted to ₹85 crore during the year.



The Bank continues to focus on acquiring high-quality customers, many of whom actively utilise digital payment channels such as UPI. This strategy has contributed significantly to the growth of subscription-based revenue, including recurring revenue generated through account renewals. By strengthening long-term customer relationships, the Bank has been able to enhance customer engagement and lifetime value.

To support these efforts, the Bank has deployed advanced artificial intelligence (AI) and machine learning (ML) ensemble models to improve customer retention and renewal rates. These analytical tools enable the Bank to better understand customer behaviour and optimise renewal strategies, thereby improving overall efficiency and customer lifecycle management.

The Bank saw further strengthening of its digital banking capabilities as it witnessed encouraging adoptions, with more than 4.2 lakh accounts opened in FY26. The growing acceptance of this offering reflects the evolving profile of Fino's customers, who are increasingly embracing digital banking solutions.

Looking ahead, the Bank continues to expand its digital offerings while targeting younger customer segments, including millennials. Through the FinoPay mobile application, the Bank is strengthening its direct-to-customer (D2C) channel, enabling seamless digital on-boarding and transactions. This strategic focus on digital growth aligns with India's rapidly expanding digital economy and is expected to further strengthen the Bank's customer base while supporting sustained growth in revenue.

Micro ATMs and AePS: Fino Payments Bank plays an important role in providing customers with access to cash withdrawals, a fundamental banking requirement, through its network of Micro ATMs and the Aadhaar enabled Payment System (AePS). Currently, the Bank offers these services across 98% of India's PIN codes, often representing the first point of interaction for customers engaging with Fino's banking ecosystem. This wide geographical reach highlights the Bank's commitment to advancing financial inclusion, particularly in rural and semi-urban regions.

Domestic Money Transfer (DMT): Fino Payments Bank introduced DMT product during the launch of the Bank in 2017, laying the foundation for its initial distribution network, particularly focusing on key remittance corridors such as South India and Gujarat to Bihar. This service has been instrumental in catering to the needs of migrant workers and daily wage earners, enabling seamless fund transfers across the country.

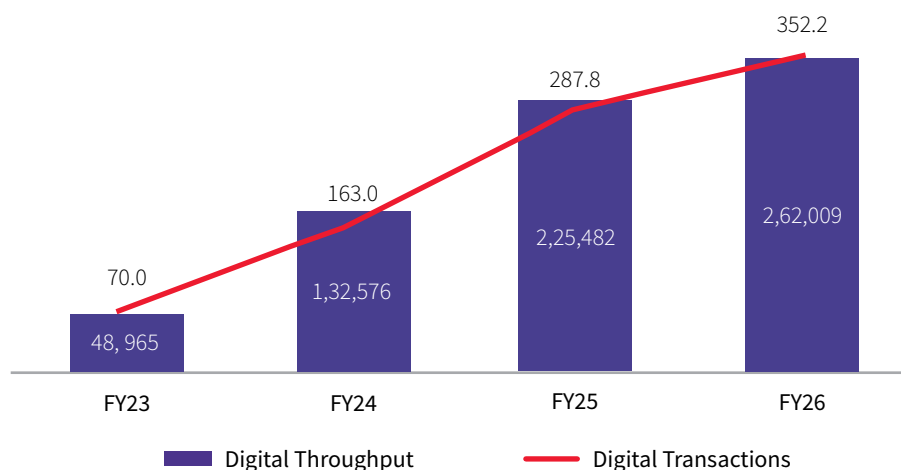
Cash Management Services (CMS): Fino Payments Bank's CMS segment has evolved into a crucial component of its business model, leveraging strategic partnerships to ensure widespread cash availability across the Bank's ecosystem. This service facilitates convenient cash deposit and processing for enterprises through the Bank's extensive network of banking points, enabling efficient cash flow management.

The Bank collaborated with 229 leading companies in India across sectors like NBFC, e-commerce, and logistics, helping them manage their cash efficiently. This strategy exemplifies an effective ecosystem play that benefits partners, merchant network, and consumers, creating win-win outcomes.

Digital Stack: The Bank's Digital Stack offerings include e-KYC based new account opening, Finacle core banking system, Fino Lite merchant portal, payments and money transfer through FinoPay mobile app, API banking with partners, seamless transactions through UPI (Unified Payments Interface) and AePS (Aadhaar enabled Payment System), digital savings account opening and a range of UPI services such as UPI circle, UPI Lite, payments, account linking, credit card on UPI etc.

In FY26, Fino Payments Bank adopted a cautious approach for its digital business, with a focus on enhancing merchant quality. As a result, the Bank reported a moderation in its digital business, which now accounts for 17% of its revenue in FY26, down from 21% in the same period last year. As an indicator to the growing digital adoption across customer segments, during the year digital transactions accounted for more than 90% of the Bank's total 389 crore transactions.

Digital Throughput (₹ in Lakhs) & Transaction Count (₹ in Crore)



Outlook

The Bank's revenue decreased by 14% year-on-year, reaching ₹1,587.9 crore in FY26. The Bank witnessed a 1% increase in the total transaction throughput value to ₹4.64 lakh crore during the year under review. Digital transactions significantly contributed to this growth, with its throughput surging by 16% year-on-year and accounting for nearly 56% of the total throughput in FY26.

In FY26, the Bank processed 389 crore transactions, a 15% increase from FY25. Strengthening customer ownership, 31.5 lakh new Fino Bank current and savings accounts were opened during the year, taking the total to 1.75 crore, 22% more than the previous year. Merchant-enabled banking points reached almost 20.8 lakh as of March 31, 2026, reflecting a 10% year-on-year increase.

FY26 was a defining year for the Bank, marked by a challenging environment, strategic recalibration across select business segments, and the successful transformation of its technology infrastructure. While these initiatives resulted in moderation in business volumes and revenue for the year, they were undertaken to strengthen the Bank's long-term operating model and prepare for the next phase of growth. Despite these headwinds, the Bank's core CASA segment demonstrated resilience, with a 16% year-on-year growth in revenue to ₹630 crore and a 28% year-on-year growth in average total deposits to ₹2,576 crore.

Looking ahead to FY27, the Bank will remain focused on executing its strategic priorities while preparing for its SFB transition. Key areas of focus will include strengthening the liability franchise, expanding digital engagement, enhancing technology and AI-led capabilities, and maintaining disciplined execution across business.

Key financial ratios

Particulars	2025-26	2024-25
EBITDA/Turnover (%) (before exceptional items)	15.3%	12.7%
Return on equity (ROE) (%)	6.8%	13.3%
Book value per share (₹)	96.8	89.7
Earnings per share (₹)	6.3	11.1
PBT margin (%)	4.2%	5.9%
Net profit margin (%)	3.3%	5.0%
Debt-equity ratio	1.91	1.12

Risk and mitigation

Fino Payments Bank operates on a robust technological framework that simplifies banking for merchants and seamlessly integrates multiple banking devices with its mobile application. This technology-enabled ecosystem has helped extend convenient banking services to customers, including those in remote and underserved areas, enabling them to open

accounts, withdraw cash and undertake a range of other banking transactions with ease.

The Bank maintains a comprehensive risk management framework designed to identify, assess, monitor and mitigate key risks associated with its operations. The framework covers areas such as liquidity, interest rate, operational, cash management, information security, cyber and reputational risks, supported by defined governance mechanisms, oversight committees and key risk indicators. A detailed discussion on the Bank's risk management framework, governance structure and key risks is provided on page no. 67 of this Annual Report.

Internal control systems

The Bank adheres to all applicable local regulatory standards to ensure the effective and efficient management of its business. It places great importance on establishing a strong internal control system as a cornerstone of effective corporate governance. The Bank has implemented internal controls that are appropriate for the size and nature of its operations. These controls are continuously monitored and updated as necessary to safeguard against loss or unauthorized use of assets. The Bank has also established an audit committee, which considers all internal factors and recommends corrective action when needed.

Human resource

The Bank recognizes its employees as its most valuable asset, fundamental to its success and future growth. To attract and retain top talent, the Bank's HR philosophy focuses on creating a fulfilling, inclusive, and supportive work environment that emphasizes professional development. This approach prioritizes diversity, equity, and inclusion, fostering a culture where employees can thrive.

To achieve this goal, the Bank offers competitive remuneration packages and implements best-in-class hiring, training, motivation, and performance assessment procedures. As a result, the Bank has maintained an attrition rate significantly below the industry average. As of March 31, 2026, the total number of employees in the organisation was 2,848, demonstrating the Bank's commitment to investing and retaining talent.

Cautionary statement

Statement in the Management Discussion and Analysis describing the Bank's objectives, projections, expectations and estimates regarding future performance may be 'forward-looking statements' and are based on the currently available information. The management believes these to be true to the best of its knowledge at the time of preparation of this report. However, these statements are subject to certain future events and uncertainties, which could cause actual results to differ materially from those, which may be indicated in such statements.

Report on Corporate Governance

PHILOSOPHY ON CORPORATE GOVERNANCE

Fino Payments Bank Limited ("**Bank**") believes that good governance is the foundation to build trust and confidence of its stakeholders. The Bank adopts best practices on Corporate Governance in line with the directions of Reserve Bank of India ("**RBI**"), Securities and Exchange Board of India ("**SEBI**"), Ministry of Corporate Affairs ("**MCA**") and other regulatory authorities and is committed to adhering to its core business values of Courage, Empathy, Frugality and Reliability. The Bank also places high emphasis on accountability, responsibility, credibility, integrity, transparency and empowerment to generate long term value for its stakeholders and to retain investors' trust.

The Board of Directors ("**Board**") is the custodian of governance and is responsible for overseeing the affairs of the Bank, including formulating its strategic direction and ensuring effective implementation thereof. The Managing Director and Chief Executive Officer ("**MD & CEO**")/ Interim Chief Executive Officer ("**Interim CEO**") shall exercise its powers subject to the superintendence, control and direction of the Board.

The Board has constituted various Committees to deal with specific matters in accordance with applicable laws, regulatory requirements and sound governance practices. The terms of reference of each Committee are clearly defined and periodically reviewed.

The Bank's Corporate Governance framework is supported by various policies, charters and codes, which are periodically reviewed and updated to align with evolving regulatory requirements and industry best practices. The Board has adopted a Code of Conduct applicable to Directors and Senior Management Personnel and annual affirmations of compliance are obtained from all concerned persons. The Independent Directors also submit annual declarations confirming that they continue to satisfy the prescribed criteria of independence under the applicable legal and regulatory framework.

BOARD OF DIRECTORS

Composition

The composition of the Board is governed by the provisions of the Companies Act, 2013 ("**Act**"), The Banking Regulation Act, 1949 and Rules and regulations prescribed by Reserve Bank of India ("**RBI Regulations**"), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**") and other applicable laws and the Articles of Association of the Bank.

During the year under review, the Board of the Bank had an optimum combination of Executive and Non-Executive Directors including Independent Directors and Women Directors with excellent knowledge and experience in various fields relating to the business activities of the Bank. The Board has a strong gender diversity with 3 of 5 Independent Directors being women.

As on March 31, 2026, the Board consists of eight (8) Directors as follows:

Sr. No.	Category	Name of Director
1.	Independent Directors	- Mr. Rajat Kumar Jain¹ - Mrs. Deena Asit Mehta² - Mr. Rakesh Bhartia - Mrs. Anita Sudhir Pai - Mrs. Neeta Mukerji
2.	Non-Executive Nominee Directors	- Mr. Pankaj Kumar (Nominee of Fino PayTech Limited) - Mr. Prateek Roongta (Nominee of Fino PayTech Limited)
3.	Executive Director	Mr. Rishi Gupta (MD & CEO)³

Note:

- The Board at its meeting held on July 30, 2025 approved the re- appointment of Mr. Rajat Kumar Jain as an Independent Director of the Bank for the 2nd term with effect from November 02, 2025 up to November 01, 2028 (both days inclusive). The Shareholders approved his re-appointment by passing a Special Resolution at the AGM held on August 29, 2025.*
- The Board at its meeting held on March 16, 2025 approved the appointment of Mrs. Deena Asit Mehta as an Additional Director in the capacity of Independent Director and re-appointed her as an Independent Director of the Bank for the 2nd term with effect from March 19, 2025 up to March 18, 2028 (both days inclusive). The Shareholders approved her re-appointment by passing a Special Resolution through Postal Ballot on May 18, 2025.*
- Mr. Rishi Gupta, tendered his request for voluntary early retirement from the position of MD & CEO of the Bank, effective May 21, 2026 and the Board, after due consideration, accepted his request for voluntary early retirement effective May 21, 2026 (after the end of business day). Accordingly, he ceased to be MD & CEO of the Bank effective May 21, 2026 (after the end of business day).*

Attendance at Board Meetings and last Annual General Meeting ("AGM")

The Board meets at least once a quarter to review the financial and business performance along with other agenda items and additional meetings are conducted from time to time to consider specific matters, whenever required. The date of Board meetings for the next calendar year are decided in the Board Meeting, well in advance and are informed to the Directors so as to enable them to manage their schedule effectively.

Video-conferencing facility is also provided for the Board / Committee meetings in case any director is unable to attend the meeting physically but wishes to participate through electronic mode.

In addition, the Company Secretary, in consultation with the Chairperson of the respective Committee/Board and the Management team, prepares the proposed agenda for meetings of the Board and its Committees. The index of agenda items is circulated well in advance to the respective Chairperson of the Committees/Board to facilitate review and to enable respective Chairperson to recommend inclusion/deletion/modification of matters. Upon incorporating the requisite inputs of the respective Chairperson, the detailed agenda together with supporting papers is circulated to the Directors sufficiently in advance of the meeting.

Further Directors can recommend inclusion of any additional matter in the agenda for discussion in the meetings with the permission of the Chairperson and the consent of a majority of directors present at the meeting including atleast one independent director.

Senior Officials are also invited to attend the Board/ Committee meetings, make presentations and provide additional inputs to the agenda items under discussion, whenever required. During the year under review, presentations were made on business strategy, performance updates, financial statements, IT, Risk,

Compliance, Internal Audit, HR, Customer Service, Governance etc. Information as required to be placed before the Board of Directors as mentioned in Schedule II Part A of the SEBI Listing Regulations was also placed before the Board for its consideration, as and when required.

During the year under review, 11 (Eleven) Board Meetings were held on April 28, 2025, May 29, 2025, July 30, 2025, August 20, 2025, October 09, 2025, October 17, 2025, October 29, 2025, January 29, 2026, February 27, 2026, March 06, 2026 and March 26, 2026.

Details of attendance at the Board Meetings held during the year under review and attendance at the last AGM is as follows:

Name of the Director	Board Meetings											AGM
	April 28, 2025	May 29, 2025	July 30, 2025	August 20, 2025	October 09, 2025	October 17, 2025	October 29, 2025	January 29, 2026	February 27, 2026	March 06, 2026	March 26, 2026	August 29, 2025
Mr. Rajat Kumar Jain												
Mrs. Deena Asit Mehta												
Mr. Rakesh Bhartia												
Mrs. Anita Sudhir Pai												
Mrs. Neeta Mukerji												
Mr. Pankaj Kumar												
Mr. Prateek Roongta												
Mr. Rishi Gupta												

 Present in the meeting  Leave of Absence

The maximum gap between any two consecutive meetings was less than 120 days. The necessary quorum was present for all the meetings.

Other Directorships, Memberships and Chairpersonships held by directors in other companies as on March 31, 2026

Name of Director	Directorship on the Board of other companies	Membership/ (Chairpersonship) of committees of other companies®
Mr. Rajat Kumar Jain	5	3(0)
Mrs. Deena Asit Mehta	4	4(3)
Mr. Rakesh Bhartia	8	3(2)
Mrs. Anita Sudhir Pai	2	2(0)

Name of Director	Directorship on the Board of other companies	Membership/ (Chairpersonship) of committees of other companies®
Mrs. Neeta Mukerji	8	8(2)
Mr. Pankaj Kumar	0	Nil
Mr. Prateek Roongta	9	8(1)
Mr. Rishi Gupta ¹	0	Nil

@The figures in brackets indicate chairpersonships.

1. Ceased to be MD & CEO of the Bank effective May 21, 2026 (after the end of business day)

Note: For the purpose of considering the limit of the directorships all public limited companies (whether listed or not), private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 have been included. Further, chairpersonships / memberships of only Audit Committee and Stakeholders Relationship Committee of public companies have been considered.

Pursuant to the SEBI Listing Regulations, none of the Directors on the Board is a member of more than 10 (ten) committees and Chairperson of more than 5 (five) committees across all public companies in which he/she is a director. All the Directors have made necessary disclosures regarding the committee positions occupied by them in other companies.

None of the Directors are related to each other.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Bank has a Board-approved Policy to familiarize Independent Directors about the business and functioning of the Bank and their roles, rights, responsibilities in the Bank, nature of the industry in which the Bank operates and business model of the Bank through various programmes.

Pursuant to Regulation 25(7) of SEBI Listing Regulations and RBI guidelines in this regard, various training sessions were organized for the Board Members through various independent and professional body/institutions, which inter-alia covered the topics related to the corporate social responsibility, corporate governance, Generative Artificial Intelligence, Cyber Security, Risk Management, Information Technology, Regulatory & Sustainability trends and and overview of the fintech functions.

The Board of Directors has access to the information within the Bank. Presentations are made regularly to the Board and Committees to familiarize the Independent Directors, where Directors get an opportunity to interact and seek clarification from senior management members of the Bank. Presentations at the Board and Committee Meetings, *inter-alia*, cover competition, business strategies, operations, management structure, HR Policy, management development, quarterly and annual financial results, budgets, review of internal audit, risk management framework, compliance, ESG, information technology, cyber security, and regulatory updates etc. Such presentations help the Independent Directors to understand the Bank's strategy, business models, operations, market, competition, organization structure, risk management etc.

The details of familiarization programs for Independent Directors is available on the Bank's website at <https://www.fino.bank.in/investor-relations#code-policies>

CHART OR MATRIX SETTING OUT THE SKILLS /EXPERTISE/ COMPETENCE OF THE BOARD OF DIRECTORS

Pursuant to section 10A and other applicable provisions of the Banking Regulation Act, 1949 and other laws applicable to the Bank, the Bank has a well-diversified Board consists of eminent professionals having wide industry experience, diversified skills and expertise.

The Board of Directors have identified the core skills/expertise/competencies/special knowledge or practical experience required in the context of the Bank's business and sector(s) for it to function effectively. The Board of the Bank is inter-alia guided by the above provisions and the business requirements during appointment of any new Director on the Board.

The details of the skill set, special knowledge and/or expertise of directors are given below:

Name	Designation	Core skills/Expertise/Competencies
Mr. Rajat Kumar Jain	Part-time Chairperson & Independent Director	General Business Management, exposure to Consumer, Telecom, Media, Information Technology & Small Scale industries.
Mrs. Deena Asit Mehta	Independent Director	Accountancy, Economics, Finance, Law & Risk Management.
Mr. Rakesh Bhartia	Independent Director	Investment & General Management, Finance, Accountancy, Corporate Banking, Extensive exposure to Risk Mitigation & Management, Strategic & Corporate Restructuring, Agriculture & Rural Economy.
Mrs. Anita Sudhir Pai	Independent Director	Customer Service, Operations, Information Technology & Infrastructure & Digital.
Mrs. Neeta Mukerji	Independent Director	Finance, Risk Management & Credit Management.
Mr. Pankaj Kumar	Nominee Director	Business Finance, International Trade, Finance, Accountancy, Treasury Management, Risk Management, Taxation, International Project Financing & International Joint Venture Operations.
Mr. Prateek Roongta	Nominee Director	Private Equity, Strategy, Operations, Digital Transformation, Accountancy, Economics, Finance & Law.
Mr. Rishi Gupta*	MD & CEO	Business Management, Payment Settlement, Banking, Accountancy, Economics, Finance, Agriculture & Rural Economy.

*Ceased to be MD & CEO of the Bank effective May 21, 2026 (after the end of business day)

BOARD PROFILE

Mr. Rajat Kumar Jain

Mr. Rajat Kumar Jain is Part-time Chairperson and Independent Director of the Bank. An IIT Delhi and IIM Ahmedabad Alumni, Mr. Jain is a Founder Director of Padup Ventures, a Knowledge and Mentoring Platform, focusing on providing deep mentoring and incubation services to early stage tech companies as well as other Incubators in India. The primary mission is to impact hundreds of early stage startups through proprietary Padup

programs, leading to improved rates of success and helping them grow successfully to the next level and to institutional funding.

After more than three decades of his career in Corporate India in leadership roles, Mr. Jain is now a Non-Executive Director on several Boards and Advisory Boards. Apart from this, his key work areas include mentoring entrepreneurs and executives alike as an angel investor and a startup mentor.

Having worked across Consumer, Telecom, Media & Technology sectors, he has acquired expertise in distribution, sales and commercial; understanding consumers and enterprises across various spaces, building and working with teams and growing businesses that revolve around services & brands. He has also built multifunctional expertise, strong market and industry knowledge and an enviable industry network.

Mr. Jain was the Board member of Neva Garments Limited which is part of small scale industry. Furthermore, Mr. Jain has significant experience in business management and human resource domain since he was Managing Director of Xerox India Limited and The Walt Disney Company of India.

As on March 31, 2026, Mr. Jain was on the Board of the following companies:

Other Listed Public Limited Companies	Unlisted Public Limited Companies
Mahindra Holidays & Resorts India Limited (Independent Director)	-
Vodafone Idea Limited (Independent Director)	
EMA Partners India Limited (Independent Director)	

Mr. Jain does not hold any shares in the Bank as on March 31, 2026.

Mrs. Deena Asit Mehta

Mrs. Deena Asit Mehta is an Independent Director of the Bank. Mrs. Mehta has spent 4 decades in Capital markets. Mrs. Mehta is a qualified Chartered Accountant, has a postgraduate diploma in Securities Law and has done her Master of Management Studies, specializing in finance. Mrs. Mehta has been associated with several reforms in Capital Market including setting up of BOLT system at BSE, setting up Central Depository Service, stream lining of Clearing Corporation BOISL. She has been on BSE Board for 9 years and served as Vice President and President of the Exchange. Mrs. Mehta has served on several SEBI committees for the past 21 years since SEBI's inception and contributed to various reforms undertaken by SEBI. Mrs. Mehta is a founder member of SAFE, Association of Stock Exchanges of SAARC countries.

Mrs. Mehta has delivered over 1,000 lectures at Investors meets in about 450 districts of India and at Education Institutions including IIM, Ahmedabad and National Institute of Securities Market. Over 100 articles on various topics relating to Capital Market have been published by her in leading economic dailies as well as regional language papers. Several organizations have awarded her for the contribution to Capital Markets including Jaycees International as Outstanding Young Person, IMC for contribution to Banking

and Finance and Zee Business for contribution to Capital Market. Recently, Mrs. Mehta was given Lifetime Achievement Award by Institute of Chartered Accountants of India.

As on March 31, 2026, Mrs. Mehta was on the Board of the following companies:

Other Listed Public Limited Companies	Unlisted Public Limited Companies
Asit C Mehta Financial Services Limited (Non-Executive Non-Independent Director)	-
Gandhar Oil Refinery (India) Limited (Independent Director)	
Anand Rathi Wealth Limited (Independent Director)	

Mrs. Mehta does not hold any shares in the Bank as on March 31, 2026.

Mr. Rakesh Bhartia

Mr. Rakesh Bhartia is an Independent Director of the Bank. Mr. Bhartia, is a Senior Advisor to a few large Indian business houses and is also on the board of multiple companies in diverse industries ranging from Digital Fintech to Clinical Research.

Mr. Bhartia was the CEO of India Glycols Limited (IGL) for 11 years until August, 2020. Prior to joining IGL, Mr. Bhartia was CEO of Bajaj Hindustan Ltd., India's largest manufacturer of sugar and ethanol. He started his career in 1992 with ICICI Securities & Finance Company Ltd (a JV between ICICI and JP Morgan). He has worked in various Banks including Standard Chartered Grindlays Bank, Bank of America and Rabobank. He has wide exposure to investment banking, corporate finance and commercial banking related activities. Mr. Bhartia is also the Past President of Indian Chemical Council (ICC), the apex national industry body.

Mr. Bhartia, by qualification, is a Chartered Accountant, Company Secretary and Cost Accountant.

As on March 31, 2026, Mr. Bhartia was on the Board of the following companies:

Other Listed Public Limited Companies	Unlisted Public Limited Companies
Aravali Securities and Finance Limited (Independent Director)	Veeda Clinical Research Limited (Independent Director)
	EICL Limited (Independent Director)
	Bioneeds India Private Limited (Deemed Public Company) (Independent Director)

Mr. Bhartia does not hold any shares in the Bank as on March 31, 2026.

Mrs. Anita Sudhir Pai

Mrs. Anita Sudhir Pai is an Independent Director of the Bank. Mrs. Pai till recently, was a Senior Group President & COO with Yes Bank Ltd. In this role she was responsible for Technology, Digital Banking and Operations – establishing a nimble operations set up backed by best-in-class technology and digital platforms to deliver superior customer service.

Her career of almost 33 years has been characterized by strategic thinking, focus on innovation, relentless execution and customer service. She has been an integral part of 2 extremely impactful start-ups and has contributed to building sustainable technology and scaling up back office operations to enable business growth.

Prior to Yes Bank, Mrs. Pai was with the ICICI Group for 21 years. She was with ICICI Bank Ltd as Senior General Manager and Head – Branch Banking Service, ATM Business and Phone Banking. She was responsible for ensuring the right balance between customer self-service in the branches with personal service, driving cross sell in the branches and improving process effectiveness to ensure audit compliance. Prior to this role from April 2012 until June 2018, Mrs. Pai was responsible for Global Operations of ICICI Bank including Treasury and Credit Mid Offices. This was a team of 7500 employees and included Trade and CMS Operations as well as Retail and Corporate Operations. Earlier she was heading Customer Service at ICICI Bank, including the Phone Banking Channel, Service Quality, Six Sigma Quality and Innovation. Mrs. Pai was a founding member of ICICI Prudential Life Insurance Company Limited, and was with them from inception till March 2010. As Executive Vice President, reporting to the CEO&MD, she was in charge of Customer Service, Operations, Technology and Infrastructure. She had overall responsibility for the entire backbone of the business, including underwriting, claims, operations, technology, customer service including the call centre and the Six Sigma quality initiative.

She began her career in 1990 with HDFC Limited, and worked in various divisions of the company. She has also worked for a year with Standard Chartered Bank and then joined the ICICI group in 1998, where she initially set up the credit and operations function for ICICI Home Loans, part of the ICICI Group's foray into retail banking. Mrs. Pai was part of the ICICI Home Loans Limited Board as a Director nominated by ICICI Bank.

As on March 31, 2026, Mrs. Pai was on the Board of the following companies:

Other Listed Public Limited Companies	Unlisted Public Limited Companies
-	360 One Asset Management Limited (Independent Director)
	Narayana Health Insurance Limited (Independent Director)

Mrs. Pai does not hold any shares in the Bank as on March 31, 2026.

Mrs. Neeta Mukerji

Mrs. Neeta Mukerji is an Independent Director of the Bank. Mrs. Mukerji has a Post Graduate Diploma in Management from Indian Institute of Management, Calcutta. Mrs. Mukerji is a senior banker with over 30 years of experience in premier financial institutions like ICICI Bank, Asset Reconstruction Company of India Limited (ARCIL), GE Capital, RBL Bank. She has wide ranging experience across banking with specific focus on credit, risk management and distressed debt. Her core expertise areas include setting up and managing risk management

function, assessing credit risk and structuring complex financial transactions and resolution of distressed debt.

As on March 31, 2026, Mrs. Mukerji was on the Board of the following companies:

Other Listed Public Limited Companies	Unlisted Public Limited Companies
JSW Infrastructure Limited (Independent Director)	SREI Equipment Finance Limited (Independent Director)
	EAAA India Alternatives Limited (Independent Director)
	Aditya Birla Sun Life Pension Fund Management Limited (Independent Director)
	South West Port Limited (Independent Director)
	JSW Jaigarh Port Limited (Independent Director)
	NPCI International Payments Limited (Independent Director)

Mrs. Mukerji does not hold any shares in the Bank as on March 31, 2026.

Mr. Pankaj Kumar

Mr. Pankaj Kumar is a Nominee Director of Fino Paytech Limited, the holding company of the Bank. Mr. Kumar is a member of Institute of Chartered Accountants of India, and a Cost Accountant. He has a rich experience of working in various facets of finance like Business Finance, International Trade, Treasury Management, Risk Management, Taxation, Global Upstream Oil & Gas etc. During his tenure spanning over more than 30 years, he has held various leadership positions including heading the finance for BPCL's key business units like Retail and Lubricants. Mr. Kumar has also been on the Board of various companies of BPCL and made significant contributions in respect of international Project Financing and International Joint Venture Operations etc. Currently, Mr. Kumar is the Head of Corporate Finance in BPCL.

As on March 31, 2026, Mr. Kumar is not a Director in any other public limited company and he does not hold any shares in the Bank.

Mr. Prateek Roongta

Mr. Prateek Roongta is a Nominee Director of Fino Paytech Limited, the holding company of the Bank. Mr. Roongta is a Managing Director in the Corporate Private Equity Group at Blackstone Advisors India Private Limited. He is primarily responsible for managing the performance and transformation of Blackstone portfolio companies in India. Before joining Blackstone, Mr. Roongta was a MD and Partner at Boston Consulting Group and has extensive experience of advising clients in the financial services industry across a wide range of topics including strategy, operations and digital transformation. Prior to that, Mr. Roongta

worked at True North Advisors, a \$3 Bn Indian private equity fund. Mr. Roongta received a post-graduate diploma in management from the Indian Institute of Management, Ahmedabad and is a qualified Chartered Accountant and Company Secretary.

As on March 31, 2026, Mr. Roongta was on the Board of the following companies:

Other Listed Public Limited Companies	Unlisted Public Limited Companies
International Gemmological Institute (India) Limited (Nominee Director)	Fino PayTech Limited (Nominee Director)
Aadhar Housing Finance Limited (Nominee Director)	ASK Investment Managers Limited (Nominee Director)

Mr. Roongta does not hold any shares in the Bank as on March 31, 2026.

Mr. Rishi Gupta

Mr. Rishi Gupta was the former MD and CEO of the Bank. Mr. Gupta is one of the founders of Fino PayTech Limited, the Holding Company of the Bank and was appointed as Chief Operating Officer (COO) and Chief Financial Officer (CFO) on January 01, 2007 where he successfully helped the group to build a robust business model with good governance and a cutting-edge operational & financial capability at FINO group. Subsequently, he became MD & CEO of FINO PayTech Limited (till May 2017). He is also the founding member of the Business Correspondent Federation of India (BCFI) and served as the Chairman of its Economic Affairs Committee. He is a member of ASSOCHAM and currently the Co-Chair of Fintech Committee of Confederation of Indian Industry, a society registered under the Societies Registration Act 1860.

Mr. Gupta is a qualified Chartered Accountant (Rank Holder) and Cost Management Accountant and also holds a Bachelor's degree in commerce (Rank holder) from the prestigious Shri Ram College of Commerce (SRCC), University of Delhi.

He has a rich 31 years of experience across industries (primarily in financial services). Mr. Gupta started his career with Maruti

Udyog Limited and thereafter moved to ICICI Group. Post ICICI, he moved to International Finance Corporation (IFC) where he was also a part of Regional Office of IFC and handled Budget and Project Finance.

For 2011, 2012 and 2013, three years, in stretch Mr. Gupta has been awarded "CFO100 Roll of Honor" - an effort to recognize the top 100 senior finance professionals in India, who have made difference with their acumen, attitude and energy. In 2014, he also got India CFO Award for excellence in Finance -one start up by IMA. In 2018, he received the award for "CA Entrepreneur-Path Breaker - Banking and Financial Services" by Institute of Chartered Accountants of India.

As on March 31, 2026, Mr. Gupta is not a director in any other public limited company. Further, as on March 31, 2026, he holds 5,325 Equity Shares of the Bank in his personal capacity and 2 Equity Shares as a registered owner without having beneficial interest in the same.

Mr. Gupta ceased to be MD & CEO of the Bank effective May 21, 2026 (after the end of business day).

CONFIRMATION REGARDING INDEPENDENT DIRECTORS

In the opinion of the Board, all the Independent Directors fulfil the conditions of Independence as specified in the Act and the SEBI Listing Regulations and are independent of the management.

COMPOSITION OF COMMITTEES OF BOARD, TERMS OF REFERENCE AND ATTENDANCE AT THE MEETINGS

The Board has constituted various Committees of Directors to take informed decisions in the best interest of the Bank. These Committees monitor the activities as per the scope defined in their Charter/terms of reference.

Majority of members of the Board level Committees are Independent Directors and most of these Committees are chaired by them. There were no instances during FY2025-26, wherein the Board had not accepted recommendations made by any of the Committees of the Board.

The details of the composition of the committees, terms of reference, date of meetings along with attendance thereat are given below:

Audit Committee

Brief terms of reference	The brief terms of reference of the Audit Committee is given below: - Examining and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval. - To recommend to the Board of Directors of the Bank, the appointment, re-appointment, remuneration, terms of reference and, if required, the replacement or removal of the auditors and the fixation of audit fees or any other services rendered by auditors. - To review with management the adequacy of the internal control systems including the structure of the internal audit department.
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	4. Reviewing the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit. 5. Review of Compliance function of the Bank. 6. To review transactions of the Bank with related parties on a periodic basis. 7. To undertake periodic review of incidents of frauds in the Bank. 8. Review the submission of an Annual Compliance Certificate giving the particulars of contracts for outsourcing of financial services, the prescribed periodicity of audit by internal or external auditor, along with major findings of the audit, and action taken to the Department of Supervision, RBI. 9. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances and reviewing the functioning of the whistle blower mechanism. 10. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act (including Section 177), SEBI Listing Regulations or by any other regulatory authority. The detailed Charter of the Committee is available on the Bank's website at https://www.fino.bank.in/investor-relations#code-policies
Composition (including changes during the year and upto date of this report)	Mrs. Deena Asit Mehta, Chairperson Mrs. Anita Sudhir Pai Mrs. Neeta Mukerji Mr. Pankaj Kumar Mr. Basavraj Loni, Company Secretary of the Bank, acts as the Secretary of the Committee.

Details of attendance at the Audit Committee Meetings held during the year under review:

Name of members	Audit Committee Meetings							
	April 28, 2025	May 29, 2025	July 30, 2025	October 29, 2025	January 29, 2026	February 28, 2026	March 05, 2026	March 06, 2026
Mrs. Deena Asit Mehta								
Mrs. Anita Sudhir Pai								
Mrs. Neeta Mukerji								
Mr. Pankaj Kumar								

 Present in the meeting  Leave of Absence

Nomination & Remuneration Committee

Brief terms of reference	The brief terms of reference of the Nomination and Remuneration Committee is given below: 1. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down. 2. Formulating of criteria for evaluation of the performance of the independent directors and the Board. 3. To review and recommend remuneration payable to the MD & CEO, other Material Risk Takers, Senior Management Personnel, Independent Directors. 4. To monitor and review various HR related matters such as plans, policies, reports etc. from time to time. 5. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas.
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	6. Performing such functions as are required to be performed by the Nomination and Remuneration committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. 7. Performing such other activities as may be delegated by the Board and/or specified/provided under the Companies Act (including Section 178), the SEBI Listing Regulations or by any other regulatory authority. The detailed Charter of the Committee is available on the Bank's website at https://www.fino.bank.in/investor-relations#code-policies
Composition (including changes during the year and upto date of this report)	Mrs. Anita Sudhir Pai, Chairperson (appointed as Chairperson and Member of the Committee w.e.f. February 11, 2026) Mr. Rajat Kumar Jain Mrs. Deena Asit Mehta Mr. Prateek Roongta Mr. Rakesh Bhartia (Ceased as Chairperson and Member of the Committee w.e.f. February 03, 2026) Mr. Basavraj Loni, Company Secretary of the Bank, acts as the Secretary of the Committee.

Details of attendance at the Nomination & Remuneration Committee Meetings held during the year under review:

Name of members	Nomination & Remuneration Committee Meetings							
	April 26, 2025	May 29, 2025	July 29, 2025	August 20, 2025	October 17, 2025	January 15, 2026	March 05, 2026	March 26, 2026
Mrs. Anita Sudhir Pai	—	—	—	—	—	—		
Mr. Rajat Kumar Jain								
Mrs. Deena Asit Mehta								
Mr. Prateek Roongta								
Mr. Rakesh Bhartia							—	—

 Present in the meeting  Leave of Absence

Stakeholders' Relationship Committee

Brief terms of reference	The brief terms of reference of the Stakeholders' Relationship Committee is given below: - To assist the Board and the Company to redress shareholders, debenture holders, security holders and investors complaints if any, including but not limited to transfer/transmission of shares, non-receipt of annual report, non-receipt of interest on bonds / declared dividends, issue of new/duplicate certificates, notice of general meetings etc. - Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time. - Allotment and listing of shares. - Ensure proper and timely attendance and redressal of investor queries and grievances. - Carrying out any other functions contained in the Companies Act, 2013 (including Section 178) and/or SEBI Listing Regulations as amended from time to time. The detailed Charter of the Committee is available on the Bank's website at https://www.fino.bank.in/investor-relations#code-policies
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Composition (including changes during the year and upto date of this report)	Mr. Rakesh Bhartia, Chairperson
	Mr. Pankaj Kumar
	Mr. Rajat Kumar Jain (appointed as a member of the Committee w.e.f. June 22, 2026)
	Mr. Rishi Gupta (Ceased as a member of the Committee w.e.f. May 21, 2026)
	Mrs. Neeta Mukerji (Ceased as a member of the Committee w.e.f. February 09, 2026)
	Mr. Basavraj Loni, Company Secretary of the Bank, acts as the Secretary of the Committee.

Details of attendance at the Stakeholders' Relationship Committee Meetings held during the year under review:

Name of members	Stakeholders' Relationship Committee Meetings	
	June 23, 2025	December 18, 2025
Mr. Rakesh Bhartia		
Mr. Pankaj Kumar		
Mr. Rishi Gupta		
Mrs. Neeta Mukerji		

 Present in the meeting  Leave of Absence

Risk and Asset Liability Management Committee

Brief terms of reference	The brief terms of reference of the Risk and Asset Liability Management Committee is given below: - To assist the Board in its oversight of the Bank's management of key risks, including strategic, financial operational and compliance risks, as well as the guidelines, policies and processes for monitoring and mitigating such risks. - To identify, monitor and measure the risk profile of the Bank (including market risk, operational risk and other residual risks.) - To formulate and oversees the risk policies connected with risk management of the Bank. - To keep the Board informed about the nature and content of its discussions, recommendations and actions to be taken. - To recommend the appointment, removal and terms of remuneration of the Chief Risk Officer. - Carrying out any other functions contained in the RBI Regulations/ SEBI Listing Regulations as amended from time to time. The detailed Charter of the Committee is available on the Bank's website at https://www.fino.bank.in/investor-relations#code-policies
Composition (including changes during the year and upto date of this report)	Mrs. Neeta Mukerji, Chairperson Mrs. Deena Asit Mehta Mr. Rakesh Bhartia Mr. Prateek Roongta Mr. Rishi Gupta (Ceased as a member of the Committee w.e.f. May 21, 2026) Mr. Basavraj Loni, Company Secretary of the Bank, acts as the Secretary of the Committee.

Details of attendance at the Risk and Asset Liability Management Committee Meetings held during the year under review:

Name of members	Risk and Asset Liability Management Committee Meetings			
	April 25, 2025	July 29, 2025	October 28, 2025	January 28, 2026
Mrs. Neeta Mukerji				
Mrs. Deena Asit Mehta				
Mr. Rakesh Bhartia				
Mr. Prateek Roongta				
Mr. Rishi Gupta				

 Present in the meeting  Leave of Absence

Customer Service Committee

Brief terms of reference	The brief terms of reference of the Customer Service Committee is given below: - To review customer service / customer care aspects in the bank and submit a detailed memorandum in this regard to the Board of Directors, once every six months and initiate prompt corrective action wherever service quality / skill gaps have been noticed. - To ensure customers are treated fairly all the times and complaints raised by them is dealt with courtesy and in time. - Review and approve customer service policies and customer communication strategies of the Bank. - To formulate comprehensive deposit policy incorporating the issues arising out of the demise of a depositor for operation of his account, the product approval process, the annual survey of depositor satisfaction and the triennial audit of such services. - Carrying out any other functions specified by the RBI from time to time. The detailed Charter of the Committee is available on the Bank's website at https://www.fino.bank.in/investor-relations#code-policies
Composition (including changes during the year and upto date of this report)	Mr. Rishi Gupta (Ceased as a Chairperson and member of the Committee w.e.f. May 21, 2026) Mr. Rakesh Bhartia Mrs. Anita Sudhir Pai Mr. Pankaj Kumar Mr. Basavraj Loni, Company Secretary of the Bank, acts as the Secretary of the Committee.

Details of attendance at the Customer Service Committee Meetings held during the year under review:

Name of members	Customer Service Committee Meetings	
	May 29, 2025	November 14, 2025
Mr. Rishi Gupta		
Mr. Rakesh Bhartia		
Mrs. Anita Sudhir Pai		
Mr. Pankaj Kumar		

 Present in the meeting  Leave of Absence

Corporate Social Responsibility & Environmental, Social and Governance ("CSR & ESG") Committee

Brief terms of reference	The brief terms of reference of the CSR & ESG Committee is given below: - To formulate and recommend to the board of directors, the CSR Policy, indicating the CSR activities to be undertaken as specified in Schedule VII of the Companies Act, 2013, as amended. - The Committee shall identify the areas of CSR activities and recommend the amount of expenditure to be incurred on such activities. - To provide oversight and approval of ESG policies, strategies, and initiatives, ensuring they align with the Bank's overall objectives and governance frameworks. - To oversee the integration of ESG risk management into the broader risk management framework to address material ESG risks. - To periodically review ESG related policies, ensuring alignment with evolving regulatory landscapes and industry best practices for sustainability. - To perform such other functions or responsibilities and exercise such other powers as may be conferred upon the CSR & ESG Committee in terms of the provisions of Section 135 of the Companies Act, 2013, as amended and the Rules framed thereunder. The detailed Charter of the Committee is available on the Bank's website at https://www.fino.bank.in/investor-relations#code-policies
Composition (including changes during the year and upto date of this report)	Mr. Rishi Gupta (Ceased as a Chairperson and member of the Committee w.e.f. May 21, 2026) Mr. Rakesh Bhartia Mr. Rajat Kumar Jain Mr. Pankaj Kumar Mr. Basavraj Loni, Company Secretary of the Bank, acts as the Secretary of the Committee.

Details of attendance at the CSR & ESG Committee Meetings held during the year under review:

Name of members	CSR & ESG Committee Meetings	
	May 29, 2025	November 14, 2025
Mr. Rishi Gupta		
Mr. Rakesh Bhartia		
Mr. Rajat Kumar Jain		
Mr. Pankaj Kumar		

 Present in the meeting  Leave of Absence

IT Strategy Committee

Brief terms of reference	The brief terms of reference of the IT Strategy Committee is given below: - To review information security system in the Bank and the status of implementation of regulatory instructions on information security and also overview observation, comments and suggestions provided through various regulatory audit, inspections and due diligence. - Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources. - Reviewing IT performance measurement and contribution of IT to businesses. - Becoming aware about exposure towards IT risks and controls and evaluating effectiveness of management's monitoring of IT risks.
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	5. Ensuring that the IT organisational structure complements the business model and its direction. 6. Carrying out any other functions specified by the RBI from time to time. The detailed Charter of the Committee is available on the Bank's website at https://www.fino.bank.in/investor-relations#code-policies
Composition (including changes during the year and upto date of this report)	Mrs. Anita Sudhir Pai, Chairperson Mrs. Deena Asit Mehta Mr. Rajat Kumar Jain Mr. Prateek Roongta Mr. Rishi Gupta (Ceased as a member of the Committee w.e.f. May 21, 2026) Mr. Basavraj Loni, Company Secretary of the Bank, acts as the Secretary of the Committee.

Details of attendance at the IT Strategy Committee Meetings held during the year under review :

Name of members	IT Strategy Committee Meetings			
	June 25, 2025	September 30, 2025	December 18, 2025	March 31, 2026
Mrs. Anita Sudhir Pai				
Mrs. Deena Asit Mehta				
Mr. Rajat Kumar Jain				
Mr. Prateek Roongta				
Mr. Rishi Gupta				

 Present in the meeting  Leave of Absence

Committee of Directors (Operations)

Brief terms of reference	The brief terms of reference of the Committee of Directors (Operations) is given below: - To approve the resolutions for opening, modification and closure of Bank accounts of the Company from time to time. - To approve to avail various facilities viz. internet banking facilities, overdraft facilities/cash credit facilities, non-fund based facilities such as bank guarantee/performance guarantee and Letter of credit and other banking arrangements with other Banks. - To approve to make investments and borrow funds within the limits prescribed under the Companies Act, 2013 (including statutory enactments from time to time). - To approve the resolutions for filing applications, forms, documents, petitions, affidavits etc. with any statutory authorities and non-statutory authorities for obtaining registrations and licences required to be obtained and other ancillary matters. - To approve share allotment, transfers and transmissions, issue of duplicate share certificates and other shares related matters. - Carrying out any other functions specified by the Board from time to time. The detailed Charter of the Committee is available on the Bank's website at https://www.fino.bank.in/investor-relations#code-policies
Composition (including changes during the year and upto date of this report)	Mr. Rajat Kumar Jain, Chairperson Mrs. Anita Sudhir Pai Mrs. Neeta Mukerji (appointed as a member of the Committee w.e.f. June 22, 2026) Mr. Rishi Gupta (Ceased as a member of the Committee w.e.f. May 21, 2026) Mr. Basavraj Loni, Company Secretary of the Bank, acts as the Secretary of the Committee.

Details of attendance at the Committee of Directors (Operations) Meetings held during the year under review :

Name of members	Committee of Directors (Operations) Meetings			
	April 22, 2025	July 22, 2025	October 17, 2025	January 20, 2026
Mr. Rajat Kumar Jain				
Mrs. Anita Sudhir Pai				
Mr. Rishi Gupta				

 Present in the meeting  Leave of Absence

Strategic Investment Committee

Brief terms of reference	The brief terms of reference of the Strategic Investment Committee is given below: - To review and recommend to the Board any strategic investments (not being in normal course of business) in accordance with the Investment Policy of the Bank. - To review and recommend changes in the Bank's Investment Policy for the Board's approval pertaining to the strategic investments. - To review and recommend the Bank's Investment Policy for the Board's approval pertaining to the strategic plans. - Review and recommend to the Board any proposed strategic investments (which are not in the normal course of business) by way of acquisition of equity shares, preference shares, debentures, warrants, bonds etc. including their funding requirements, if any. - Steering and guiding the management on leveraging the right opportunity for long term investment for strategic long term benefit of the Bank. The detailed Charter of the Committee is available on the Bank's website at https://www.fino.bank.in/investor-relations#code-policies
Composition (including changes during the year and upto date of this report)	Mr. Rajat Kumar Jain, Chairperson Mr. Pankaj Kumar Mr. Prateek Roongta Mr. Rishi Gupta (Ceased as a member of the Committee w.e.f. May 21, 2026) Mr. Basavraj Loni, Company Secretary of the Bank, acts as Secretary of the Committee.
Meetings	No meeting was held during the year under review.

Business & Corporate Restructuring Committee (Dissolved w.e.f. January 29, 2026)

Brief terms of reference	The brief terms of reference of the Business & Corporate Restructuring Committee is given below: - To evaluate the implications and other considerations of the referral received from Fino PayTech Limited, Holding Company regarding group corporate restructuring and progress as per the mandate received from the Board. - To evaluate implications and other considerations of the group corporate restructuring proposal in a manner that it enhances the governance and transparency amongst all stakeholders and ensures fairness and independence of the process and ensures that no stakeholder's interest is prejudiced and once it deems fit, recommend the group corporate restructuring including merger/amalgamation to the Board for its consideration and approval.
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	- To submit the draft scheme of arrangement pursuant to group corporate restructuring to the Board for its consideration and approval. - To evaluate business, strategic and implementation plan prepared by management and/or consultants for the transition of the Bank into a small finance bank. - To oversee various aspects that may be required for the transition of the bank into a small finance bank, including matters related to hiring of senior level positions, compliance requirements for a small finance bank, administrative measures, etc. from time to time.
Composition (including changes upto January 29, 2026)	Mr. Rakesh Bhartia, Chairperson Mr. Rajat Kumar Jain Mrs. Neeta Mukerji Mr. Prateek Roongta Mr. Rishi Gupta Mr. Basavraj Loni, Company Secretary of the Bank, acts as the Secretary of the Committee.

Details of attendance at the Business & Corporate Restructuring Committee Meetings held during the year (upto January 29, 2026) under review :

Name of members	Business & Corporate Restructuring Committee Meetings		
	June 16, 2025	October 27, 2025	January 20, 2026
Mr. Rakesh Bhartia			
Mr. Rajat Kumar Jain			
Mrs. Neeta Mukerji			
Mr. Prateek Roongta			
Mr. Rishi Gupta			

 Present in the meeting  Leave of Absence

Special Committee of the Board for Monitoring and Follow-Up of Cases of Frauds

Brief terms of reference	The terms of reference of the Special Committee of the Board for Monitoring and Follow-Up of Cases of Frauds is given below: - To assist the Board in its oversight of the Bank's Fraud Risk management and its effectiveness, as well as the guidelines, policies and processes for monitoring and mitigating fraud risks. - To evolve appropriate systems and procedures for ongoing identification and analysis of fraud risk and lay down parameters for efficient management of these risks through the fraud risk management Policy of the Bank. - Review and monitor cases of frauds, including root cause analysis, and suggest mitigating measures for strengthening the internal controls, risk management framework and minimizing the incidence of frauds. The detailed Charter of the Committee is available on the Bank's website at https://www.fino.bank.in/investor-relations#code-policies
Composition (including changes during the year and upto date of this report)	Mrs. Anita Sudhir Pai, Chairperson Mrs. Neeta Mukerji Mr. Rishi Gupta (Ceased as a member of the Committee w.e.f. May 21, 2026) Mr. Basavraj Loni, Company Secretary of the Bank, acts as the Secretary of the Committee.

Details of attendance at the Special Committee of the Board for Monitoring and Follow-Up of Cases of Frauds Meeting held during the year under review :

Name of members	Special Committee of the Board for Monitoring and Follow-Up of Cases of Frauds Meetings			
	April 25, 2025	July 29, 2025	October 28, 2025	January 28, 2026
Mrs. Anita Sudhir Pai				
Mrs. Neeta Mukerji				
Mr. Rishi Gupta				

 Present in the meeting  Leave of Absence

Small Finance Bank Execution Committee (Constituted on January 29, 2026)

Brief terms of reference	The brief terms of reference of the Small Finance Bank Execution Committee is given below: - To evaluate and oversee business (including strategy around Corporate BC business), strategic and implementation plan, execution and its progress by management and/or consultants for the transition of the Bank into a small finance bank. - To oversee and supervise the regulatory process and provide strategic guidance in obtaining approval from regulators including all relevant authorities and other third parties such as lenders, financial institutions, creditors as may be considered necessary. - To oversee various aspects that may be required for the transition of the Bank into a small finance bank, including matters related to hiring of senior management personnel (in the context of SFB), compliance & governance requirements for a small finance bank, administrative measures, etc. from time to time. - To oversee, supervise and approve appointment of various intermediaries such as advisors, lawyers, consultants, legal counsels, merchant bankers, vendors, valuers and other professional etc., as may be necessary and authorise the officials of the Bank to take necessary steps in this regard and thereafter update to the Board of Directors from time to time. The detailed Charter of the Committee is available on the Bank's website at https://www.fino.bank.in/investor-relations#code-policies
Composition (including changes during the year and upto date of this report)	Mrs. Anita Sudhir Pai, Chairperson Mrs. Deena Asit Mehta Mrs. Neeta Mukerji Mr. Ketan Merchant (appointed as a member of the Committee w.e.f. April 29, 2026) Mr. Rishi Gupta (Ceased as a member of the Committee w.e.f. May 21, 2026) Mr. Basavraj Loni, Company Secretary of the Bank, acts as the Secretary of the Committee.

Details of attendance at the Small Finance Bank Execution Committee meeting held during the year under review :

Name of members	Small Finance Bank Execution Committee Meeting
	February 04, 2026
Mrs. Anita Sudhir Pai	
Mrs. Deena Asit Mehta	
Mrs. Neeta Mukerji	
Mr. Rishi Gupta	

 Present in the meeting  Leave of Absence

Crisis Management Committee (Constituted w.e.f. February 27, 2026)

Brief terms of reference	The brief terms of reference of the Crisis Management Committee is given below: - To appoint legal counsels, advocates, attorneys on behalf of Mr. Rishi Gupta, MD & CEO of the Bank to represent him before the Courts, tribunals and other judicial or quasi-judicial authorities in India. - To seek legal support and assistance from consultants, lawyers and other professionals, as may be required, for evaluating the role, duties & responsibilities of the Board as a whole in this critical time. - To make appropriate references to the Board or any of its committee based on the need of hours for their guidance/direction. - To perform such other act, deeds and things as may be delegated by the Board. The detailed Charter of the Committee is available on the Bank's website at https://www.fino.bank.in/investor-relations#code-policies
Composition (including changes during the year and upto date of this report)	Mr. Rajat Kumar Jain, Chairperson Mrs. Deena Asit Mehta Mr. Ketan Merchant Mr. Shailesh Pandey Mr. Basavraj Loni Mr. Anup Agarwal (appointed as a member of the Committee w.e.f. March 01, 2026) Mr. Tejas Maniar (appointed as a member of the Committee w.e.f. March 30, 2026)

Details of attendance at the Crisis Management Committee Meetings held during the year under review:

Name of members	Crisis Management Committee Meetings										
	February 27, 2026	February 28, 2026	March 01, 2026	March 02, 2026	March 03, 2026	March 04, 2026	March 09, 2026	March 13, 2026	March 17, 2026	March 22, 2026	March 30, 2026
Mr. Rajat Kumar Jain											
Mrs. Deena Asit Mehta											
Mr. Ketan Merchant											
Mr. Shailesh Pandey											
Mr. Basavraj Loni											
Mr. Anup Agarwal	-	-	-								

 Present in the meeting  Leave of Absence

MEETINGS OF THE INDEPENDENT DIRECTORS OF THE BANK

As per the requirement of Section 149(8) read with Schedule IV of the Act and Regulation 25 of SEBI Listing Regulations, a meeting of the Independent Directors of the Bank is required to be held once a year in absence of non-independent directors.

During FY2025-26, all the Independent Directors of the Bank met twice on May 27, 2025 and October 09, 2025 without the attendance of Non-Independent Directors and members of the management, at which they discussed & reviewed, including but not limited to:

- Action taken report of previous meetings of independent directors.
- Performance of non-independent Directors, the Board of Directors as a whole, MD & CEO and Part-Time Chairperson of the Bank.
- The quality, quantity, and timeliness of flow of information between the management of the Bank and the Board of Directors.
- Strategic & best practices discussion with the holding company.
- Independent Directors development programme.
- Matters related to issuance of stock options to management team.
- Strengthening of whistle-blower mechanism.
- Sensitization to the regulatory / statutory compliances and developing their understanding about the consequences.
- Role and approach of Independent Directors with respect to intended corporate restructuring of the Bank and transitioning of the Bank into Small Finance Bank ("SFB").
- Emphasis on governance structure and organisation structure of the Bank in an SFB scenario.

STRATEGY MEETING

The Bank holds an Annual and Half-Yearly Strategy Meetings of the Board to deliberate on various topics related to strategic budget & planning, progress of ongoing initiatives/projects, governance, transition into SFB, strategic updates on the transition, resource allocation, appointment of consultants etc. towards achieving the Bank's long-term objectives. The Bank held two strategy meetings during the year under review.

This provides the Board Members a platform to bring their expertise to various strategic initiatives, while also giving an opportunity for them to understand the strategic issues faced by the Bank, competitive differentiation being pursued by the Bank and detailed aspects of execution and challenges faced by the senior management team.

SENIOR MANAGEMENT PERSONNEL

Particulars of Senior Management Personnel including the changes during the year under review are as follows:

Name	Role
Mr. Rishi Gupta ¹	MD & CEO
Mr. Ketan Dhirendra Merchant ²	Interim CEO
Mr. Shailesh Pandey	Chief Business Officer
Mr. Vinod Kumar	Chief Information Officer and SEVP – Operations
Mr. Tejas Maniar	Chief Digital & Liabilities Officer
Mr. Darpan Anand	National Head (Channel Sales)
Mr. Anup Agarwal ³	Interim Chief Financial Officer
Mr. Aninda Mukherjee	Chief Risk Officer
Mr. Abhilash Ankathil ⁴	Chief Compliance Officer
Mr. Prayag Shashikant Gadgil	Head Internal Audit
Mr. Basavraj Loni ⁵	Company Secretary & Compliance Officer - VP Legal
Mr. Dinesh Parekh	Head Treasury
Mr. Aashish Pathak ⁶	Chief Compliance Officer
Ms. Manjiri Barve	Head Human Resource & CSR

1. Ceased to be MD & CEO of the Bank effective May 21, 2026 (after the end of business day).
2. Mr. Ketan Merchant re-designated as Interim Chief Executive Officer w.e.f. February 27, 2026.
3. Mr. Anup Agarwal appointed as Interim Chief Financial Officer from Head Finance w.e.f. March 06, 2026.
4. Mr. Abhilash Ankathil was appointed as Chief Compliance Officer w.e.f. April 06, 2026.
5. Mr. Basavraj Loni resigned from the Bank as Company Secretary & Compliance Officer - VP Legal with effect from May 31, 2025 and appointed as Company Secretary & Compliance Officer - VP Legal w.e.f. August 21, 2025.
6. Mr. Aashish Pathak resigned from the Bank with effect from March 31, 2026.

The Senior Management Personnel of the Bank have affirmed that they have not entered into any material, financial or commercial transaction wherein they have personal interest and which may potentially conflict with the interest of the Bank at large.

REMUNERATION OF DIRECTORS

Compensation Policy

The Bank has a Board approved Compensation Policy for Directors and employees of the Bank in terms of the provisions of the SEBI Listing Regulations and Chapter IX of the Reserve Bank of India (Payments Banks - Governance) Directions, 2025 dated November 28, 2025. This Policy *inter-alia* contains guidelines relating to compensation structure consisting of sitting fees and fixed remuneration for Independent Directors, Fixed pay, variable pay, employee stock options / share linked instruments, compensation revision cycle and framework regarding malus/ clawback to Executive Directors, MRTs and employees of the Bank. The Compensation policy is available on the Bank's website at <https://www.fino.bank.in/investor-relations#code-policies>.

The fixed remuneration paid to the MD & CEO and Independent Directors of the Bank, for FY2025-26 was in accordance with the aforesaid Compensation Policy.

Remuneration of former MD & CEO

The details of the remuneration of Mr. Rishi Gupta, former MD & CEO for the financial year 2024-25 as approved by the RBI and shareholders are as follows:

(₹ in crore)

Break-up of the Remuneration	FY2024-25
Basic Salary	0.63
Allowance	0.80
Total Salary & Allowances (A)	1.43

(₹ in crore)

Break-up of the Remuneration	FY2024-25
Total Retiral (B)	0.08
Perquisites & Other Benefits (C)	0.93
Total Fixed Pay (including perquisites) (D = A+B+C)	2.44
Variable Pay-Cash (deferred as per the RBI guidelines)	1.63
Variable Pay-Non Cash Share Linked	1.63
Total Variable Pay (E)	3.26
Total (D+E)	5.70

Note: As per the Bank's Policy, the Gratuity amount is being provisioned on a group basis through an actuarial valuation as per the Payment of Gratuity Act, 1972 and is payable only at the end of employment and hence is not included in the above.

Details of stock options granted to Mr. Rishi Gupta during the year under review are as follows:

Director	Grant date	No. of options granted	Exercise Price per share (in ₹)	Vesting %	Vesting Date	Exercise Period
Mr. Rishi Gupta	02-05-2025	3,12,118	246.20	33.33% in 1 st year, 33.33% in 2 nd year & 33.33% (balance) in 3 rd year	02-05-2026 02-05-2027 02-05-2028	All Vested Options can be exercised within a period of three years from the date of Vesting. All Unvested Options on the date of Retirement shall continue to Vest in accordance with the Vesting Period of the relevant Option Grantee in accordance with the Bank's policies and Applicable Law.

Details of remuneration / sitting fees paid to Non-Executive Directors

The Independent Directors receive remuneration by way of sitting fees for attending each meeting of the Board and its Committees. Based upon the recommendation of NRC, the Board approved sitting fees of ₹1,00,000 per Board meeting and ₹75,000 per Committee meeting to Independent Directors. No stock options were granted to any of the Non-Executive Directors.

The Board of Directors had approved the payment of fixed remuneration to each Non-Executive Independent Director of the Bank (except Part Time Chairperson) up to ₹10,00,000 (Rupees Ten Lakh Only) per annum for FY2025-26 and up to ₹15,00,000 (Rupees Fifteen Lakh Only) per annum to the Part Time Chairperson for FY2025-26. This fixed remuneration shall be in addition to the sitting fees and reimbursement of out of pocket expenses for attending Committee and Board meetings.

The details of fixed remuneration and sitting fees paid to Independent Directors for FY2025-26 are as follows:

Name of the Director	Fixed Remuneration (₹)	Sitting fees (₹)
Mr. Rajat Kumar Jain	15,00,000	36,50,000
Mrs. Deena Asit Mehta	10,00,000	39,50,000
Mr. Rakesh Bhartia	10,00,000	26,75,000
Mrs. Anita Sudhir Pai	10,00,000	31,25,000
Mrs. Neeta Mukerji	10,00,000	29,00,000

The Bank does not pay any remuneration to its Nominee Directors. Further, there were no other pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Bank during FY2025-26 except banking transactions in the ordinary course of business and on arm's length basis, if any.

GENERAL BODY MEETINGS

Annual General Meetings

The details of the special resolutions passed during the last three Annual General Meetings are as follows:

Financial Year	Venue	Day, Date & Time	Number of Special Resolutions passed, if any	Nature of Special Resolutions
2022-23	Held through Video - Conferencing deemed to be convened at the Registered office of the Bank	Monday, September 25, 2023 at 12:00 Noon	2 (two)	1. Approval of 'Fino Payments Bank Limited-Employees Stock Option Policy, 2023' 2. Approval for the extension of the benefits of Fino Payments Bank Limited-Employees Stock Option Policy, 2023 ("ESOP-2023") to the employees of Holding Company
2023-24	Held through Video - Conferencing deemed to be convened at the Registered office of the Bank	Wednesday, September 25, 2024 at 12:00 Noon	1 (One)	Approval for an amendment in the 'Fino Payments Bank Limited - Employees Stock Option Policy, 2020'
2024-25	Held through Video - Conferencing deemed to be convened at the Registered office of the Bank	Friday, August 29, 2025 at 12:00 Noon	1 (One)	Re-appointment of Mr. Rajat Kumar Jain (DIN: 00046053) as an Independent Director of the Bank

The AGM were conducted as per provisions of the Act read with the Rules framed thereunder and applicable circulars issued by the MCA and SEBI from time to time.

Postal Ballot

During the year under review, the following resolutions were passed by the members by the requisite majority by way of Postal Ballot through e-voting:

Date of Postal Ballot Notice	Resolution	Voting Results	Approval Date
March 16, 2025	Appointment of Mrs. Deena Asit Mehta (DIN:00168992) as a Director and her re-appointment as an Independent Director for the second term	Favour: 94.77% Against: 5.23%	May 18, 2025
January 29, 2026	Payment of remuneration to Mr. Rishi Gupta (DIN: 01433190), Managing Director and Chief Executive Officer ("MD & CEO") of the Bank for the FY2024-25	Favour: 99.65% Against: 0.35%	March 29, 2026
	Approval for re-appointment of Mr. Rishi Gupta (DIN: 01433190) as Managing Director and Chief Executive Officer ("MD & CEO") of the Bank for a period of three consecutive years with effect from May 02, 2026 to May 01, 2029 (both days inclusive)	Withdrawn (Refer Note)	

Note: In continuation of the Notice of Postal Ballot dated January 29, 2026 issued to the Members of the Bank on February 26, 2026, the Bank conducted the Postal Ballot through remote e-voting from February 28, 2026 to March 29, 2026.

Subsequent to the dispatch of the Postal Ballot Notice, the Bank informed the Stock Exchanges regarding certain developments relating to the arrest and subsequent grant of bail to Mr. Rishi Gupta, MD & CEO of the Bank, in connection with on-going investigation concerning certain program managers associated with the multiple banks including the Bank. The Bank clarified that the investigation does not relate to the Bank's GST compliance and that it continues to cooperate with the authorities.

In view of the prevailing circumstances and in the interest of due process and sound corporate governance practices, the Board of Directors at its meeting held on March 26, 2026 approved the withdrawal of Agenda Item No. 2 of the Postal Ballot Notice dated January 29, 2026 pertaining to the "Approval for re-appointment of Mr. Rishi Gupta (DIN: 01433190) as Managing Director and Chief Executive Officer ("MD & CEO") of the Bank for a period of three consecutive years with effect from May 02, 2026 to May 01, 2029 (both days inclusive)" by issuing Addendum dated March 26, 2026 to the original Postal Ballot Notice. Accordingly, the said resolution was withdrawn from the Postal Ballot process and was not transacted through e-voting.

Further, in order to ensure compliance with the provisions of Section 152 & 196 of the Companies Act, 2013 and Regulation 17(1C) of SEBI Listing Regulations, the Bank sought approval/ratification for re-appointment of Mr. Rishi Gupta (DIN: 01433190) as MD & CEO of the Bank with effect from May 02, 2026 to May 21, 2026 (both days inclusive) of the members of the Bank vide Postal Ballot Notice dated June 24, 2026. The said resolution was approved by the members on July 26, 2026 by passing an ordinary resolution.

The voting results of the Postal Ballot are made available on the Bank's website at <https://www.fino.bank.in/investor-relations>.

The Board of Directors of the Bank had appointed Mr. Tribhuvneshwar Kaushik and in his absence, Mr. Savyasachi Joshi of M/s. Kaushik Joshi & Co., Practising Company Secretaries, as the Scrutinizer for the above mentioned Postal Ballot Notices to scrutinize the process in a fair and transparent manner.

Procedure for postal ballot

The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and applicable circulars issued by the MCA from time to time.

MEANS OF COMMUNICATION

- Financial Results:** The Bank submits the quarterly financial results to the stock exchanges within forty-five days from the end of the quarter and the audited annual financial results are submitted within sixty days from the end of the financial year as required under the SEBI Listing Regulations. The financial results are published in (Financial Express/ Free Press Journal) English newspaper having country-wide circulation and in (Navshakti) Marathi newspaper where the registered office of the Bank is situated. The financial results and newspaper publication cuttings are available on the Bank's website at <https://www.fino.bank.in/investor-relations>.
- Investors/analysts Meets:** The Bank's officials interact on a regular basis with stakeholders through investor meetings, investor calls, earnings call etc. Intimation and outcome of such meets, wherever required, are uploaded on the website of stock exchanges and also available on the Bank's website at <https://www.fino.bank.in/investor-relations>.
- Investor Presentation:** The investor presentations are uploaded on the website of stock exchanges and also available on the Bank's website at <https://www.fino.bank.in/investor-relations>.
- Press/Media releases:** Official press/media releases are uploaded on the website of stock exchanges and also available on the Bank's website at <https://www.fino.bank.in/investor-relations>.
- Compliance reports, corporate announcements, material information and updates:** The Bank disseminates the requisite compliance reports and corporate announcements/updates to the stock exchanges through their designated portal and the same is also available on the Bank's website at <https://www.fino.bank.in/investor-relations>.
- The Bank's website contains a separate dedicated section "Investor Relations". The Investor Relations section contains a comprehensive database of information of interest to the investors including the financial results and annual reports of the Bank, any price sensitive information disclosed to the regulatory authorities from time to time, business activities and the services rendered/ facilities extended by the Bank to its investors, in a user-friendly manner. The basic information about the Bank in terms of

Regulation 46 of the SEBI Listing Regulations is provided on Bank's website and the same is updated regularly.

GENERAL SHAREHOLDER INFORMATION

Financial Calendar for the period April 01, 2026 to March 31, 2027

i)	Financial Year	April 01 to March 31
ii)	Board meeting for consideration of Financial statements of FY2025-26	April 29, 2026
iii)	10 th Annual General Meeting Venue	September 29, 2026; 12 Noon (IST) Through Video-Conferencing or Other Audio-Visual Means
iv)	Board meeting for consideration of Financial results during FY2026-27	Within the timelines prescribed under SEBI Listing Regulations

STOCK EXCHANGES WHERE SHARES OF THE BANK ARE LISTED

The Bank's share capital consists of only one class of equity shares having face value of ₹10 each and the Bank has not issued any other class of shares.

The equity shares of the Bank are listed at the following stock exchanges and the annual listing fees for FY2025-26 has been paid:

Sr. No.	Name and Address of the Stock Exchange	Stock Code
1	BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400 023.	543386
2	The National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.	FINOPB

Names of Depositories for dematerialization of equity shares (ISIN: INE02NC01014)

- National Securities Depository limited (NSDL)
- Central Depository Services (India) Limited (CDSL)

SHARE TRANSFER PROCESS AND SYSTEM

During FY2025-26, KFin Technologies Limited ("RTA"), of the Bank ensured compliance with all the procedural requirements with respect to transfer, transmission and transposition of shares and formalities with respect to name deletion, sub-division, consolidation, renewal, exchange and endorsement of share certificates, if any.

SEBI has mandated that securities of listed companies can be transferred only in dematerialised form. Accordingly, the Bank / its RTA are not accepting any lodgement of transfer of shares in physical form. Transfers in electronic form are much simpler and quicker as the members have to approach their respective depository participants and the transfers are processed by NSDL/ CDSL, as the case may be, with no requirement of any separate communication to be made to the Bank.

The Stakeholders' Relationship and Customer Service Committees deal with redressal of complaints and queries raised by members / investors and customers respectively.

The Bank's shares are compulsorily traded in dematerialised mode. As required by SEBI, Reconciliation of Share Capital Audit is conducted by a Practising Company Secretary on a quarterly basis, for the purpose, inter-alia, reconciliation of the total admitted equity share capital with the depositories and in the physical form, if any, with the total issued/ paid-up equity capital of the Bank. Certificates issued in this regard are filed with Stock Exchanges on a quarterly basis.

SHAREHOLDERS' HELPDESK/ ADDRESS FOR CORRESPONDENCE

Share transfers, dividend payments, if any, and all other investor related activities are attended to and processed at the office of RTA.

For lodgement of transfer deeds, if any, and any other documents or for any grievances / complaints, shareholders / investors may contact at the following address:

1. Details of the RTA

KFin Technologies Limited
(Unit: Fino Payments Bank Limited)
Selenium Tower B, Plot 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana, India.
Tel: +91 40 6716 2222/ 7961 1000
Toll Free: 1800 309 4001
E-mail: einward.ris@kfintech.com
Website: www.kfintech.com

2. Shareholders' Helpdesk Timings:

Monday to Friday (except on Bank holidays)
Tel: +91 40 6716 2222/ 7961 1000
Toll Free: 1800 309 4001
E-mail: einward.ris@kfintech.com

3. Details of the Company Secretary and Compliance Officer of the Bank

Name: Mr. Basavraj Loni

Address: Mindspace Juinagar, 8th Floor, Plot No. Gen 2/1/F, Tower 1, TTC Industrial Area, MIDC Shirwane, Juinagar, Navi Mumbai, Thane, Maharashtra-400706.

Tel: 022-7104 7000

Email: cs@fino.bank.in

Website: www.fino.bank.in

The Bank submits the statement of Investor Complaints under Regulation 13 of the SEBI Listing Regulations with the Stock Exchanges on a quarterly basis.

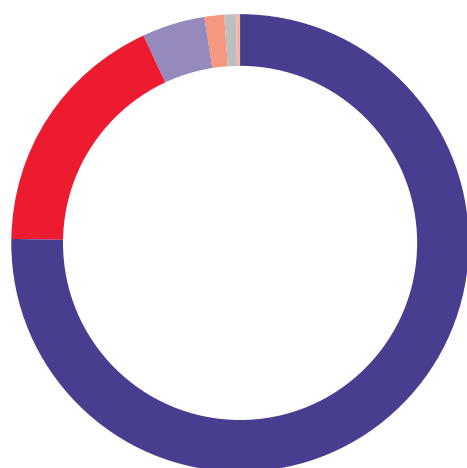
No complaints were received from investors/ members during year under review.

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2026 (BY OWNERSHIP)

Sr. No.	Shareholder's Category	No. of shares held	% to share capital
1.	Promoter and Promoter Group	6,24,11,997*	75.00
2.	Mutual Fund	60	0.00
3.	Foreign Portfolio Investors	11,07,024	1.33
4.	Body Corporates	37,22,547	4.47
5.	Resident Individuals	1,45,16,060	17.44
6.	Qualified Institutional Buyer	75,650	0.09
7.	Non-Resident Indians (Repatriable & Non-Repatriable)	6,56,434	0.79
8.	Others	7,28,630	0.88
Total		8,32,18,402	100.00

*This includes twelve equity shares held by six nominees of Fino Paytech Limited

Distribution of Shareholding



- Promoter and Promoter Group
- Resident Individuals
- Body Corporates
- Foreign Portfolio Investors
- Others
- Non-Resident Indians
- Qualified Institutional Buyer
- Mutual Fund

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2026 (BY SIZE)

Sr. No.	Category (Shares)	No. of Holders	% To Holders	No. of Shares	% To Equity
1	1 - 5000	61916	99.29	7288287	8.76
2	5001 - 10000	208	0.33	1497974	1.80
3	10001 - 20000	105	0.17	1491160	1.79
4	20001 - 30000	33	0.05	792808	0.95
5	30001 - 40000	16	0.03	567657	0.68
6	40001 - 50000	16	0.03	744763	0.89
7	50001 - 100000	37	0.06	2678258	3.22
8	100001 - Above	27	0.04	68157495	81.90
	TOTAL	62358	100.00	83218402	100.00

TOP TEN EQUITY SHAREHOLDERS AS ON MARCH 31, 2026

Name of the Shareholders	Holding	% To Equity
Fino PayTech Limited	6,24,11,997*	75.00
Sameer Manchanda	11,80,000	1.42
Zodiac Wealth Advisors LLP	8,88,652	1.07
Jagdish N Master	3,19,250	0.38
BOFA Securities Europe SA - ODI	2,79,268	0.34
Nitin Manchanda	2,30,000	0.28
Perpetuity Health to Wealth (H2W) Rising Fund	2,00,000	0.24
Quadrature Trading VCC - Sub-Fund No. 1	1,65,841	0.20
Envision India Fund	1,62,822	0.20
Ndx Financial Services Private Limited	1,60,000	0.19
Total	6,59,97,830	79.32

*This includes twelve equity shares held by six nominees of Fino Paytech Limited

STATEMENT OF DEMATERIALISATION

As on March 31, 2026, 100% of the paid-up equity share capital of the Bank was held in dematerialised form.

OUTSTANDING GDRS/ ADRS/ WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

The Bank does not have any Outstanding GDRs/ ADRs/ Warrants or any other convertible instruments as on date.

COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND COMMODITY HEDGING ACTIVITIES

The Bank has a Board approved Market Risk Policy, which define processes whereby the market risks inherent to activities being undertaken by the Bank can be identified, quantified and managed within a market risk framework and is consistent with the Bank's mandate and risk tolerance limits. The Bank is not exposed to Commodity Price Risk, Foreign Exchange Rate Risk and Equity Price Risk. The Bank did not exceed any of the Board approved risk limits during the period under review.

PLANT LOCATION

The Bank is engaged in the business of banking / financial services, as such, the Bank does not have any plant location.

CREDIT RATING

The details of all credit ratings obtained by the Bank are furnished in the Board's Report.

ACCOUNTING TREATMENT

The financial statements have been prepared and presented under the historical cost convention and accrual basis of accounting, unless otherwise stated and are in accordance with Generally Accepted Accounting Principles in India ('GAAP'), statutory requirements prescribed under the Third Schedule of the Banking Regulation Act, 1949, directions, circulars and guidelines issued by the RBI from time to time (RBI guidelines), Accounting Standards ('AS') specified under Section 133 of the Act, read together with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Rules, 2021, as may be applicable to the Bank.

OTHER DISCLOSURES

Related Party Transactions

All Related Party Transactions (“RPTs”) that were entered into during the financial year were on arm’s length basis and were in the ordinary course of business. Transactions entered into by the Bank with related parties in the normal course of its business were placed before the Audit Committee of the Board (“ACB”). Prior omnibus/ specific approvals were also obtained from the ACB for the RPTs which are repetitive in nature as well as for the normal banking transactions which cannot be foreseen. A statement giving details of all RPTs entered pursuant to the omnibus/specific approval granted is placed before the ACB for their review on a quarterly basis.

The Bank has not entered into any material financial or commercial transactions with any related parties as per AS-18 and the SEBI Listing Regulations that may have potential conflict with the interest of the Bank at large.

In terms of Regulation 23(9) of the SEBI Listing Regulations, the Bank submits the disclosure of RPTs in a prescribed format, on a half yearly basis to the Stock Exchanges and updates its website accordingly.

There were no material transactions with related parties, which were not in the ordinary course of the business nor were there any transactions which were not on arm’s length basis.

Pursuant to the provisions of the Act and the Rules made thereunder and SEBI Listing Regulations, the Bank has in place a Board approved policy on related party transactions. The said policy is also uploaded on the Bank’s website at <https://www.fino.bank.in/investor-relations#code-policies>.

Penalties and Strictures for last three financial years

During the last 3 years, there were no instances of non-compliance by the Bank or any penalties and/or strictures imposed on the Bank by Stock Exchanges or any other statutory authority on any matter relating to Capital Market.

Whistle Blower Policy/ Vigil Mechanism

The details of establishment of vigil mechanism / Whistle Blower Policy are furnished in the Board’s Report. No personnel have been denied access to the Chairperson of the Audit Committee.

Code for prevention of insider trading

The Bank has adopted a code of conduct for the prevention of insider trading in the securities of the Bank in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (“SEBI Insider Trading Regulations”) as amended from time to time (“Code”), with a view to regulate trading in securities by the Board and Designated Persons of the Bank, their immediate relatives and other insiders as defined in the Code. The Code, inter-alia, prohibits dealing in securities of the Bank by insiders while in possession of unpublished price sensitive information. The code is available on the Bank’s website at <https://www.fino.bank.in/investor-relations#code-policies>

Directors and Officers Liability Insurance

In line with the requirements of Regulation 25(10) of the SEBI Listing Regulations, the Bank has in place a Directors and Officers Liability Insurance Policy (“D&O Policy”) which protects its Directors and Officers for any actual or alleged breach of fiduciary duty.

Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of SEBI Listing Regulations

During the year under review, the Bank has not raised any funds through Preferential Allotment or Qualified Institutions Placement as specified under Regulation 32(7A) of the SEBI Listing Regulations.

Certificate under Regulation 34 of SEBI Listing Regulations

None of the Directors on the Board of the Bank have been debarred or disqualified from being appointed or continuing as director of the Bank by the SEBI, the MCA, or any other statutory authority. A certificate to this effect has been provided by M/s. Alwyn Jay & Co. (FRN: P2010MH021500), Secretarial Auditor and the same is enclosed as **Annexure A**.

Code of Conduct

The Bank has framed and adopted a Code of Conduct which is approved by the Board. The Code is applicable to all directors and senior management personnel of the Bank. The Code of Conduct is available on the Bank’s website at <https://www.fino.bank.in/investor-relations#code-policies>. All the Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct / Ethics as approved and adopted by the Board. A declaration to this effect is enclosed as an **Annexure B**.

Fees for Statutory Auditors

The details of total fees paid by the Bank to the Statutory Auditors and all entities in the network firm/ network entity of which the Statutory Auditor is a part, is provided in the Note No. 56 to Financial Statements for the year ended March 31, 2026.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Bank has zero tolerance towards sexual harassment at workplace and has in place an Anti-Sexual Harassment Policy in compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder. All employees (permanent, contractual, temporary, trainees) are covered under this Policy. The Bank has constituted Internal Complaints Committee (ICC) to review, investigate and take suitable actions on the complaints related to sexual harassment. The details of complaints received and resolved during the financial year under review by ICC is given below:

Number of cases pending as on April 01, 2025	Nil
Number of complaints received during FY2025-26	Nil
Number of complaints disposed off during FY2025-26	Nil
Number of cases pending for more than 90 days	Nil
Number of cases pending as on March 31, 2026	Nil

Shares lying in demat suspense account/ unclaimed suspense account

The Bank does not have any share lying in the demat suspense account/ unclaimed suspense account.

Details of material subsidiary

The Bank does not have any Subsidiary Company.

COMPLIANCE WITH MANDATORY REQUIREMENTS OF SEBI LISTING REGULATIONS

The Bank has complied with the mandatory requirements regarding Corporate Governance under the SEBI Listing Regulations, including those covered under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and paras C, D and E of Schedule V thereto, as may be applicable to the Bank from time to time.

COMPLIANCE WITH NON-MANDATORY REQUIREMENTS

In addition, the Bank also adheres and complies with the following discretionary requirements specified under Part E of Schedule II of SEBI Listing Regulations to the extent applicable:

a) Board of Directors

Pursuant to Section 10A(2)(a) of the Banking Regulation Act, 1949, none of the Directors, other than the whole-time directors, is permitted to hold office continuously for a period exceeding eight (8) years. All the Independent Directors of the Bank possess requisite qualifications and experience which enable them to contribute effectively to the Bank. The Board confirms that in its opinion, the Independent Directors fulfil conditions specified in these regulations and are independent of the management.

b) Shareholder's Rights

The Bank publishes its results on its website at www.fino.bank.in which is accessible to the public at large. The same are also available on the websites of the Stock Exchanges on which the Bank's shares are listed. The Bank's results for each quarter are published in two English newspapers

having nation-wide circulation and in a Marathi newspaper having circulation in Maharashtra.

c) Audit Qualifications

During the period under review, there is no audit qualification in the Statutory Auditors' Reports. The Bank continues to adopt best practices to ensure regime of unmodified financial statements.

d) Separate posts of Chairperson and MD & CEO

The Bank has complied with the requirement of having separate person for the post of Chairperson and the Managing Director or the Chief Executive Officer. Mr. Rajat Kumar Jain is the Part-Time Chairperson of the Bank and Mr. Rishi Gupta was the MD & CEO of the Bank upto May 21, 2026.

e) Reporting of Internal Auditor

The Internal Auditor of the Bank reports to the Audit Committee of the Bank.

COMPLIANCE CERTIFICATE

Pursuant to Regulation 17(3) of the SEBI Listing Regulations, a confirmation on laws applicable to the Bank confirming compliances with all applicable laws, is placed before the Board on a quarterly basis.

CEO AND CFO CERTIFICATION

A Certificate issued by Mr. Ketan Merchant, Interim Chief Executive Officer and Mr. Anup Agarwal, Interim Chief Financial Officer of the Bank, in terms of Regulation 17(8) of the SEBI Listing Regulations for the year under review was placed before the Board of Directors and is enclosed as **Annexure C**.

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

In accordance with Schedule V of the SEBI Listing Regulations, the Secretarial Auditor's Certificate on Corporate Governance is enclosed as **Annexure D**.

For and on behalf of the Board of Directors

Rajat Kumar Jain

Part - time Chairperson & Independent Director
DIN: 00046053

Deena Asit Mehta

Independent Director
DIN: 00168992

Date : August 24, 2026
Place : Navi Mumbai

Annexure-A

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
 (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members

Fino Payments Bank Limited

Mindspace Juinagar, Plot No Gen 2/1/F, Tower 1, 8th Floor,
 TTC Industrial Area, MIDC, Shirwane, Juinagar,
 Navi Mumbai - 400706

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Fino Payments Bank Limited** (hereinafter referred to as '**the Bank**') having CIN : L65100MH2007PLC171959 and having registered office at Mindspace Juinagar, 8th Floor, Plot No. Gen 2/1/F, Tower 1, TTC Industrial Area, MIDC, Shirwane, Juinagar, Navi Mumbai - 400706, produced before us by the Bank for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Bank & its officers, we hereby certify that none of the Directors on the Board of the Bank as stated below for the Financial Year ended as on **March 31, 2026** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Designation	Date of Appointment as per MCA records
1.	Mr. Rajat Kumar Jain ¹	00046053	Part-Time Chairperson and Independent Director	02/11/2020
2.	Ms. Deena Asit Mehta ²	00168992	Independent Director	19/03/2020
3.	Mr. Rakesh Bhartia	00877865	Independent Director	27/07/2022
4.	Ms. Anita Sudhir Pai	07651059	Independent Director	11/01/2024
5.	Ms. Neeta Mukerji	00056010	Independent Director	05/03/2024
6.	Mr. Pankaj Kumar	07245781	Nominee Director	11/04/2023
7.	Mr. Prateek Roongta	00622797	Nominee Director	31/10/2022
8.	Mr. Rishi Gupta ³	01433190	Managing Director & CEO	27/06/2016

Note:

¹ The Board at its meeting held on July 30, 2025 approved the re- appointment of Mr. Rajat Kumar Jain as an Independent Director of the Bank for the 2nd term with effect from November 02, 2025 up to November 01, 2028 (both days inclusive). The Shareholders approved his re-appointment by passing a Special Resolution at the AGM held on August 29, 2025.

² The Board at its meeting held on March 16, 2025 approved the appointment of Mrs. Deena Asit Mehta as an Additional Director in the capacity of Independent Director and re-appointed her as an Independent Director of the Bank for the 2nd term with effect from March 19, 2025 up to March 18, 2028 (both days inclusive). The Shareholders approved her re-appointment by passing a Special Resolution through Postal Ballot on May 18, 2025.

³ The Board at its meeting held on May 21, 2026 accepted a request of the voluntary retirement of Mr. Rishi Gupta as Managing Director & CEO of the Bank w.e.f. May 21, 2026. Accordingly, he ceased to be MD & CEO of the Bank after the end of business day on May 21, 2026.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Bank. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Bank nor of the efficiency or effectiveness with which the management has conducted the affairs of the Bank.

Place : Mumbai

Date : August 20, 2026

Alwyn Jay & Co.

Company Secretaries

Office Address :

Annex-103, Dimple Arcade,
 Asha Nagar, Kandivali (East),
 Mumbai 400101

Alwyn D'Souza, FCS No.: 5559

Partner

Certificate of Practice No.5137

UDIN : F005559H001170217

Annexure-B

Declaration

I, Mr. Ketan Merchant, Interim CEO of Fino Payments Bank Limited (“Bank”), hereby confirm that for the year under review, all Directors and Senior Management Personnel of the Bank have affirmed their adherence to the provisions of the Code of Conduct of Directors and Senior Management personnel.

For Fino Payments Bank Limited

Ketan Merchant

Interim CEO

Date: August 11, 2026

Place: Navi Mumbai

Annexure-C

CEO/CFO Certificate

[Pursuant to Regulation 17(8) read with Part B of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

- A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2026 and that to the best of our knowledge and belief:
- these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - these statements together present a true and fair view of the listed entity’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Bank during the year which are fraudulent, illegal or violative of the Bank’s code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Bank pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit Committee
- significant changes in internal control over financial reporting during the year;
 - significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Bank’s internal control system over financial reporting.

For Fino Payments Bank Limited

Ketan Merchant

Interim Chief Executive Officer

Date: April 29, 2026

For Fino Payments Bank Limited

Anup Agarwal

Interim Chief Financial Officer

Date: April 29, 2026

Annexure-D

Certificate of Compliance with the Corporate Governance Requirements

To
The Members of
Fino Payments Bank Limited,
Mindspace Juinagar, Plot No Gen 2/1/F, Tower 1, 8th Floor,
TTC Industrial Area MIDC, Shirwane, Juinagar,
Navi Mumbai - 400706

We have examined the compliance of conditions of Corporate Governance by **Fino Payments Bank Limited** ("**Bank**") for the financial year ended **March 31, 2026**, as prescribed in Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and paras C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**").

We state that the compliance of conditions of Corporate Governance is the responsibility of the management and our examination was limited to procedures and implementation thereof adopted by the Bank for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Bank.

In our opinion, and to the best of our information and according to the explanations given to us and representations made by the management, we certify that the Bank has complied with the conditions of Corporate Governance as stipulated in the aforesaid provisions of the **SEBI Listing Regulations**.

We further state that such compliance is neither an assurance as to the future viability of the Bank nor the efficiency or effectiveness with which the management has conducted the affairs of the Bank.

Place : Mumbai
Date : August 20, 2026

Office Address :
Annex-103, Dimple Arcade,
Asha Nagar, Kandivali (East),
Mumbai 400101

Alwyn Jay & Co.
Company Secretaries

Alwyn D'Souza, FCS No.: 5559
Partner
Certificate of Practice No.5137
UDIN : F005559H001170063

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES



I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity

❖ L65100MH2007PLC171959

2. Name of the Listed Entity

❖ Fino Payments Bank Limited

3. Year of incorporation

❖ 23/06/2007

4. Registered office address

❖ Mindspace Juinagar, 8th Floor, Plot No. Gen 2/1/F, Tower 1, TTC Industrial Area, MIDC Shirwane, Juinagar, Navi Mumbai Thane Maharashtra-400706

5. Corporate address

❖ Mindspace Juinagar, 8th Floor, Plot No. Gen 2/1/F, Tower 1, TTC Industrial Area, MIDC Shirwane, Juinagar, Navi Mumbai Thane Maharashtra-400706

6. E-mail

❖ cs@fino.bank.in

7. Telephone

❖ +91 22 7104 7000

8. Website

❖ <https://www.fino.bank.in>

9. Financial year for which reporting is being done

❖ FY2025-26

10. Name of the Stock Exchange(s) where shares are listed

❖ BSE Limited

❖ National Stock Exchange of India Limited

11. Paid-up Capital

❖ ₹83.22 Cr

12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report

❖ Name: Mr. Himanshu K Mishra

❖ Telephone number: 022 71047009

❖ e-mail ID: himanshu.m@fino.bank.in

13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).

❖ All the information is reported on standalone basis.

14. Name of assurance provider: NA

15. Type of assurance obtained: NA

II. Products/services

16. Details of business activities (accounting for 90% of the Turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Financial Services	Payments Bank activities	100%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Savings Account, Money transfer, CMS, BC Banking and Insurance	64191	100%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	NA	126	126
International	NA	NA	NA

19. Markets served by the entity:

a) Number of locations

Location	Number
National (No. of States)	All states and UTs in India
International (No. of Countries)	NA

b) What is the contribution of exports as a percentage of the total turnover of the entity? NA

c) A brief on types of customers

- ❖ Fino Payments Bank offers services to both retail as well as corporate customers. For retail customers, who are largely rural based, the Bank offers savings accounts, current accounts, mobile Banking, remittance, bill payments and third-party offerings such as insurance, and referral loans. For corporate clients across multiple sectors such as NBFC, MFI, Logistics, Edtech, eCommerce etc. the Bank offers cash management services.

V. Employees

20. Details as at the end of Financial Year FY26:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1.	Permanent (D)	2,848	2,576	91.0%	272	9%
2.	Other than Permanent (E)	NA	NA	NA	NA	NA
3.	Total Employees (D+E)	2,848	2,576	91.0%	272	9%
WORKERS*						
4.	Permanent (F)	NA	NA	NA	NA	NA
5.	Other than Permanent (G)	NA	NA	NA	NA	NA
6.	Total Employees (F+G)	NA	NA	NA	NA	NA

* The entire workforce of the Company is categorized as 'Permanent Employees'. Therefore, disclosures under 'Other than Permanent Employees' and 'Workers' category is not applicable.

b) Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	0	0	0	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total differently abled employees (D + E)	0	0	0	0	0
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	NA	NA	NA	NA	NA
5.	Other than Permanent (G)	NA	NA	NA	NA	NA
6.	Total differently abled workers (F + G)	NA	NA	NA	NA	NA

21. Participation / Inclusion / Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	8	3	37.5%
Key Management Personnel	4	0	0

22. Turnover rate for permanent employees and workers

	FY2025-26 (Turnover rate in current FY)			FY2024-25 (Turnover rate in previous FY)			FY2023-24 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	48%	30%	47%	53%	34%	46%	62%	32%	60%
Permanent Workers	NA	NA	NA	NA	NA	NA	NA	NA	NA

V. Holding, Subsidiary and Associate Companies (including joint ventures)
23. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Fino PayTech Limited (FPL)	Holding company	FPL holds 75% stake in the Bank	No

VI. CSR Details

- 24.** (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes
(ii) Turnover (in ₹): 1587.9 Crore (Turnover represents Total Income)
(iii) Net worth (in ₹): 805.21 Crore

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web- link for grievance redress policy)	FY2025-26 Current Financial Year			FY2024-25 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes. (https://www.fino.bank.in/files/fino/media/post_attachments/sites/default/files/uploads/pages/corporate-governance/1700629946_VigilanceandWhistleBlowerPolicy.pdf)	0	0	-	0	0	-
Investors (other than shareholders)	Yes. The Investors can approach the Registrar and Share transfer Agents for resolution of any grievance. Further, the Bank is registered with SCORES platform which is a grievance redressal facilitation platform provided by SEBI. (https://www.fino.bank.in/files/fino/media/post_attachments/sites/default/files/uploads/pages/corporate-governance/1700629946_VigilanceandWhistleBlowerPolicy.pdf)	0	0	-	0	0	-
Shareholders	Yes. (https://www.fino.bank.in/files/fino/media/post_attachments/sites/default/files/uploads/pages/corporate-governance/1700629946_VigilanceandWhistleBlowerPolicy.pdf)	0	0	-	0	0	-
Employees and Workers	Yes. Comprehensive internal HR Policies governing employee conduct, workplace practices, ethics, leave, and employee welfare are accessible through the Bank's internal HR portal. (https://www.fino.bank.in/files/fino/media/post_attachments/sites/default/files/uploads/pages/corporate-governance/1700629946_VigilanceandWhistleBlowerPolicy.pdf)	0	0	-	1	0	-

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web- link for grievance redress policy)	FY2025-26 Current Financial Year			FY2024-25 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Customers	Yes. https://www.fino.bank.in/files/fino/media/post_attachments/sites/default/files/uploads/pages/notice-board/1693378107_CustomerGrievancePolicy.pdf . The Bank also has a dedicated customer helpline number (1800 268 1000) and email ID (customercare@fino.bank.in) to record customer grievances.	70,240	6,511	Broad categories of complaints include Internet/ Mobile/ Electronic Banking, Account opening/ difficulty in operations in accounts, ATM/Debit Cards & Levy of Charges without prior notice/ excessive charges.	97,625	8,238	Broad categories of complaints include Account under restrictions on suspicious pattern/ LEA, ATM Txn dispute, Fraudulent Txn, Account opening related etc.
Value Chain Partners	Yes. https://www.fino.bank.in/files/fino/media/post_attachments/sites/default/files/uploads/pages/corporate-governance/1700629946_VigilanceandWhistleBlowerPolicy.pdf	0	0	-	0	0	-
Other (Merchants)	Yes. https://www.fino.bank.in/files/fino/media/post_attachments/sites/default/files/uploads/pages/corporate-governance/1700629946_VigilanceandWhistleBlowerPolicy.pdf . The Bank has a dedicated Merchant Helpline Desk number (1800 268 1000) and email ID (care@fino.bank.in) to record merchant grievances.	18,183	17	The complaints filed during the year were replied to.	15,748	6	The complaints filed during the year were replied to.

26. Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

Sr. No	Material Issue Identified	Indicate whether Risk or Opportunity (R/O)	Rationale for Identifying the Risk / Opportunity	In-case of Risk, Approach to Adapt or Mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Financial & Digital Inclusion	Opportunity	Through its phygital model, the bank leverages local merchants equipped with digital devices to facilitate account openings and deliver essential banking services. These merchants, being from the community, foster trust and bridge the digital divide. Strategic initiatives like nationwide financial literacy camps in collaboration with NABARD, and the BC Sakhi program in partnership with NRLM - where village women are trained and empowered as banking correspondents -enhance outreach, drive customer engagement, and promote financial independence.	-	Positive
2	Data Protection and Cyber Security	Risk	Data protection and cybersecurity are critical material topics for the bank due to the sensitive nature of customer data it holds. In the event of a data breach, confidential personal and financial information may be exposed or compromised. Such incidents can severely damage the bank's reputation, erode customer trust, and lead to significant financial losses due to legal liabilities, regulatory penalties, and potential fraud. Ensuring robust data protection measures and cybersecurity protocols is essential to safeguard the bank's operations, maintain customer confidence, and uphold the institution's integrity in an increasingly digital financial landscape.	To mitigate data protection and cybersecurity risks, the bank adheres to industry-best standards and regulatory frameworks. It employs advanced security tools and continuous monitoring, to safeguard customer data. Regular audits, employee training, and robust incident response plans further strengthen its defense. These proactive measures ensure data integrity, protect customer trust, and minimize potential financial and reputational impact.	Negative

Sr. No	Material Issue Identified	Indicate whether Risk or Opportunity (R/O)	Rationale for Identifying the Risk / Opportunity	In-case of Risk, Approach to Adapt or Mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Risk Management	Risk	Risk management is a critical material topic because poor risk oversight can lead to significant financial losses, regulatory penalties, and reputational damage. Ineffective risk controls expose the bank to market, operational, and cybersecurity threats, jeopardizing its stability and long-term success. Robust risk management safeguards the bank's financial health and trustworthiness.	Bank is continuously enhancing its risk and fraud detection tools by adopting cutting-edge technologies and automation. It remains committed to adhering strictly to all regulatory guidelines and compliance requirements. Robust internal controls, regular audits, and proactive monitoring are in place to prevent potential breaches. The bank maintains a zero-tolerance policy towards data security lapses, reinforcing its commitment to safeguarding customer information and maintaining trust.	Negative
4	Climate Action	Risk	Climate action presents risks through increased regulatory compliance costs, potential operational disruptions from extreme weather, and shifts in customer expectations. These factors can impact financial stability, increase credit and operational risks, and affect reputation and long-term sustainability if not managed effectively.	It is essential to recognize climate action as a key risk given its potential impact on operations and regulatory requirements. The bank acknowledges this importance and is actively in the process of assessing and implementing measures to effectively identify, manage, and mitigate climate-related risks to ensure resilience and long-term sustainability.	Negative
5	Employee Engagement and Wellbeing	Opportunity	Engaged and well-supported employees are more likely to deliver exceptional customer service, drive innovation, and contribute to the bank's long-term growth.	-	Positive

Sr. No	Material Issue Identified	Indicate whether Risk or Opportunity (R/O)	Rationale for Identifying the Risk / Opportunity	In-case of Risk, Approach to Adapt or Mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
			In a competitive financial landscape, prioritizing employee wellbeing can also position the bank as an employer of choice, reducing attrition and attracting top talent. the Bank has also been recognised as a Great Place to work, reflecting its commitment to building a high trust & performance culture. Ultimately, a motivated workforce aligns directly with the bank's mission to deliver accessible and reliable banking services, especially in underserved markets.		
6	Human Capital Development	Opportunity	As a customer-centric financial institution, empowering employees through continuous skill development, training, and wellness initiatives will foster a more engaged, motivated, and productive workforce. This, in turn, leads to improved customer interactions, increased operational efficiency, and lower attrition rates. Furthermore, prioritizing wellbeing supports a positive workplace culture, which enhances Fino's employer brand and attracts top talent. In the long term, a strong and resilient human capital base enables the bank to adapt to evolving market dynamics, innovate its product offerings, and effectively serve India's underbanked population — aligning with its vision of financial inclusion.	-	Positive

Sr. No	Material Issue Identified	Indicate whether Risk or Opportunity (R/O)	Rationale for Identifying the Risk / Opportunity	In-case of Risk, Approach to Adapt or Mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7	Corporate Governance	Risk	Corporate governance poses a significant risk to the Bank as lapses in governance can lead to weak oversight, misalignment of stakeholder interests, and increased vulnerability to regulatory non-compliance and reputational damage. In the dynamic financial services sector, especially for a payments bank operating in a highly regulated environment, poor governance can result in operational inefficiencies, fraud risks, and erosion of customer trust, ultimately impacting business sustainability and growth.	The Bank has successfully established a strong three-tier ESG committee structure that is actively improving oversight, accountability, and organization-wide ESG execution, the Bank has governance first approach.	Negative
8	Diversity, Equity, and Inclusion	Risk	While DEI is important, if not implemented carefully, it can pose risks to the Bank. These include possible internal conflicts, reduced efficiency in decision-making, and employee dissatisfaction if efforts are seen as insincere. Additionally, managing DEI-related regulatory requirements may increase compliance challenges.	The bank addresses DEI risks through ongoing employee training to promote genuine inclusion and minimize conflicts.	Negative

Sr. No	Material Issue Identified	Indicate whether Risk or Opportunity (R/O)	Rationale for Identifying the Risk / Opportunity	In-case of Risk, Approach to Adapt or Mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
9	Community Development	Opportunity	By actively engaging in initiatives that promote financial literacy, digital inclusion, and local entrepreneurship, the bank can build trust and long-term relationships with communities that are traditionally excluded from formal banking services. This approach not only aligns with Fino's mission of driving financial inclusion but also creates a loyal customer base, increases account openings, and drives usage of its digital and doorstep banking services. Investing in community development along with livelihood generation enhances the bank's social impact while unlocking new markets for growth and sustainable profitability.	-	Positive
10	Business Ethics and Sustainable Value Chain Management	Opportunity	Business Ethics and Sustainable Value Chain Management offer the bank an opportunity to strengthen trust with customers and stakeholders. By following ethical practices and ensuring sustainability in its operations, the bank can reduce risks, comply with regulations, and enhance its reputation. This approach supports long-term growth, operational efficiency, and aligns with the increasing demand for responsible banking.	-	Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES



This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/ No)	Yes	No	Yes	Yes	Yes	No	No	Yes	Yes
b. Has the policy been approved by the Board? (Yes/ No)	Yes	NA	Yes	Yes	Yes	NA	NA	Yes	Yes
c. Web Link of the Policies, if available	https://www.fino.bank.in/investor-relations#code-policies https://www.fino.bank.in/regulatory/notices-policies								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	No	Yes	Yes	Yes	No	No	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	NA	No	No	No	NA	NA	No	No
4. Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	1) ISO 27001:2022 2) ISO 9001:2015								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Bank has conducted a comprehensive Potential Materiality Test identifying 10 core material ESG topics and established a three-tier ESG governance framework to systematically integrate Environmental, Social, and Governance principles across the organization. The Bank has developed a structured Key Performance Indicators (KPI) framework comprising 42 measurable KPIs aligned with 16 strategic ESG goals, with quarterly tracking and review mechanisms institutionalized at each governance tier. ESG efforts reflects the Bank's commitment to transparency, regulatory compliance, sustainable and responsible banking practices.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The Bank has demonstrated substantive progress against its ESG commitments tracking KPIs on target across FY2025-26. Key achievements include exceeding the 6 million digitally active users target, scaling financial inclusion infrastructure across underserved geographies, achieving 100% cybersecurity training completion, maintaining zero material data breaches, closing audit findings within stipulated timelines, executing the Fino WOW employee wellness program, and advancing environmental stewardship through systematic GHG emissions tracking. The Bank's three-tier governance structure has been effective with regular quarterly KPI tracking and review mechanism across all departments, demonstrating robust institutional commitment to sustainable business practices.								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Governance, leadership, oversight									
7 Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	Fino Payments Bank Limited recognizes that responsible banking practices are integral to long-term institutional sustainability and stakeholder value creation. During fiscal year 2025-26, the Bank expanded its reach to over 1.75 crore customers across the country through a network of more than 20.8 lakh merchants, strengthening financial inclusion and economic empowerment across underserved communities. The Board-level committee established to oversee sustainability initiatives ensures strategic alignment and governance oversight across organizational operations. The organization has invested substantially in enhancing employee capabilities, welfare initiatives, and workplace engagement to foster organizational resilience and talent development. The Bank maintains rigorous standards through comprehensive cybersecurity frameworks, ethical conduct protocols, and transparent stakeholder engagement practices. Moving forward, the institution will continue to enhance its sustainability disclosures, integrate responsible business practices into strategic planning, and strengthen institutional capacity to address evolving stakeholder expectations while maintaining regulatory compliance and operational excellence. The Bank further strengthened its ESG commitment through CSR initiatives in education, healthcare, skill development, and child welfare. It was also recognized at the Banking Frontiers Finnoviti 2026 Awards for its “Embedding ESG” initiative, reflecting its commitment to integrating sustainability into business strategy and creating long-term stakeholder value.								
8 Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Himanshu K Mishra, EVP								
9 Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details	Yes, A comprehensive three-tier ESG governance architecture comprises: - The Board-level CSR & ESG Committee to provide strategic oversight and governance direction on sustainability matters - The ESG Steering Committee at Executive level comprising senior management ensuring alignment with business strategy and enterprise risk management frameworks - The Core Sustainability Committee at Operational level with cross-functional representation driving systematic implementation and tracking of forty-two measurable KPIs, thereby ensuring clear accountability, effective coordination, and integration of ESG principles into organizational decision-making processes in alignment with SEBI and RBI governance expectations								

10. Details of Review of NGRBS's by the Company.

Particulars	FY2025-26								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action									
Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee	Com- mittee of the Board / Board	NA	Com- mittee of the Board / Board	Any other Com- mittee / Board	Com- mittee of the Board / Board	NA	NA	Com- mittee of the Board / Board	Any other Com- mittee / Board
Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)	Annually	NA	Annually	Annually	Annually	NA	NA	Annually	Annually
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances									
Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee	Com- mittee of the Board / Board	NA	Com- mittee of the Board / Board	Any other Com- mittee / Board	Com- mittee of the Board / Board	NA	NA	Com- mittee of the Board / Board	Any other Com- mittee / Board
Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)	Annually	NA	Annually	Annually	Annually	NA	NA	Annually	Annually
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/ No). If yes, provide name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9
	The policies of the Bank are reviewed internally by the Board, annually and/or as and when required.								

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy reason to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)	NA	Yes	NA	NA	NA	No	Yes	NA	NA
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA	No	NA	NA	NA	No	No	NA	NA
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	NA	No	NA	NA	NA	No	No	NA	NA
It is planned to be done in the next financial year (Yes/No)	NA	No	NA	NA	NA	Yes	No	NA	NA
Any other reason (please specify)	The Bank is in the process of establishing a baseline for measuring its environmental footprint. This includes evaluating existing operations and systems to identify opportunities for improvement and implementing measures to minimize environmental impact through efficient resource management and sustainable practices.								

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE



This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE

1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Sr. No.	Segment	No. of Employees	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	No. of Employees attended trainings/ awareness programmes	%age of persons in respective category covered by the awareness programmes
1	Board of Directors	8	5	1. CII Corporate Governance Summit 2. Fundamentals of AI for Entrepreneurs, Corporates & Professionals by IIT Bombay 3. Board Training & Director Development by IIAS 4. 20 th International Conference on Corporate Social Responsibility 5. Directors' Certification in Risk Governance & Leadership by IICA		1. 13% 2. 25% 3. 88% 4. 13% 5. 13%
2	Key Managerial Personnel	4	1	Cyber security - AI & generative AI - Governance & assurance - The Indian Corporate Governance landscape including Corporate Governance Scores 2024 - Information technology governance, Risk controls and assurance practices - Regulatory trends - Sustainability Trends in India	1	100%
3	Employees other than BoD and KMPs	925	139	Induction Program for new joiners includes trainings such as Product & Process, Compliance, Information Security Management (ISMS), cyber threats and fraud awareness, Prevention of Sexual Harassment (PoSH) and Internal Complaints Committee training, anti-money laundering, anti-fraud training and customer service.	925	100.00%
4	Workers	-	-	-	-	-

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

	Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty	1	Reserve Bank of India	₹ 29.60 lakhs	Penalty of ₹29.60 lakhs has been levied by the Reserve Bank in exercise of the powers conferred under Section 47A(1)(c) read with Section 46(4)(i) of the Banking Regulation Act.	No
Lien	1	CID	₹11.92 Crore	The CID had lien marked on ₹11.92 Crores in the bank account of the Bank in relation to an ongoing investigation of an incident reported by one of the Undertaking of Karnataka Government. As per the CID office, accused has used the services of 4 merchants of the Bank. However, it is pertinent to note that neither the Bank nor any of its employees are involved in the said incident. Therefore, the Bank had filed an application and challenged the lien marked by the CID before the Hon'ble Court at Bengaluru for removal of the lien so marked in March 2025. The said application is rejected by Hon'ble XXIII Addl. City Civil & Sessions Judge & Special Judge (P.C. Act) at Bengaluru vide order dated 4th March 2026. The Bank has challenged the said order before the High Court of Karnataka.	Yes
Settlement	1	Securities and Exchange Board of India	₹5.88 lakhs	Bank had received a show cause notice vide letter SEBI/HO/EAD/EAD5/P/OW/2024/31639/1 dated October 08, 2024 from Securities and Exchange Board of India ("SEBI") on October 14, 2024 for the alleged violation of the provisions of Regulation 30(3), (6) and (7), read with Clause 9 of Para B of Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements), 2015 ("SEBI LODR"), Clause 9 of Para B of Annexure I and Clause 9 of Table I of Annexure II to SEBI Circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023. The Bank had filed the settlement and adjudication application with SEBI and made requisite disclosure under Regulation 30 as pre-condition to settlement proceedings on January 24, 2025. Upon filing of Revised Settlement Terms (RST) on April 03, 2025, the Independent High Powered Advisory Committee (HPAC) examined the application & RST and recommended that the specified proceedings may be settled upon payment of ₹ 5,88,921/- (Five Lakh Eighty-Eight Thousand Nine Hundred and Twenty-One Rupees). Accordingly, the Bank has duly made payment of the aforesaid amount on September 16, 2025 towards the Settlement proceedings without admission or denial of the findings of the fact and conclusions of law. The Bank has received the settlement order dated October 06, 2025 from SEBI vide Settlement Order No. SO/SM/KS/2025-26/8256. Pursuant to the Regulation 30 of the SEBI LODR, the Bank has made relevant disclosure of settlement order to the stock exchanges on October 06, 2025.	No

	Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Compounding Fee	NA	NA	NA	NA	NA

	Non-Monetary			
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NA	NA	NA	NA
Punishment	NA	NA	NA	NA

3. Of the instances disclosed in Question 2 above, details of the Appeal / Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory / enforcement agencies/ judicial institutions
The CID had lien marked on ₹ 11.92 Crores in the bank account of the Bank in relation to an ongoing investigation of an incident reported by one of the Undertaking of Karnataka Government. As per the CID office, accused has used the services of 4 merchants of the Bank. However, it is pertinent to note that neither the Bank nor any of its employees are involved in the said incident. Therefore, the Bank had filed an application and challenged the lien marked by the CID before the Hon'ble Court at Bengaluru for removal of the lien so marked in March 2025. The said application is rejected by Hon'ble XXIII Addl. City Civil & Sessions Judge & Special Judge (P.C. Act) at Bengaluru vide order dated 4th March 2026. The Bank has challenged the said order before the High Court of Karnataka. Next Hearing is on 28th July 2026.	The High Court of Karnataka, Bengaluru

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

- ❖ Yes. The provisions relating to anti-corruption or anti-bribery are covered under the Code of Conduct Policy. The Code of Conduct has detailed guidance on the business ethics, values, policies and procedures to prevent corruption and bribery in all the activities and business dealings of the Bank. The said Code of Conduct is an internal document.
- ❖ Additionally, the Bank also has a Vigilance and Whistleblower Policy that is applicable to all employees. Through this Policy, the Bank encourages all individuals, including employees and third party/vendors, to voice any concerns about suspected misconduct without fear of retaliation. The Vigilance and Whistleblower Policy provides a mechanism to report unethical behavior, potential fraud, or policy violations directly to management, ensuring protection to those who file a grievance. The Policy necessitates the designation of a Chief of Internal Vigilance (CIV), whose primary responsibility is to pinpoint key areas susceptible to corruption. The same is available on the website of the Bank at:

https://www.fino.bank.in/files/fino/media/post_attachments/sites/default/files/uploads/pages/corporate-governance/1700629946_VigilanceandWhistleBlowerPolicy.pdf

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption

Sr. No.	Particular	No. of Disciplinary Actions in FY2025-2026	No. of Disciplinary Actions in FY2024-2025
1	Directors	None	None
2	KMPs		
3	Employees		

6. Details of complaints with regard to conflict of interest:

Particular	FY2025-26		FY2024-25	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	NA	Nil	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	NA	Nil	NA

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

❖ NA

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

Sr. No.	Particular	Details of Accounts Payable in FY2025-2026	Details of Accounts Payable in FY2024-2025
1	Number of days of accounts payables	13.5	7.22

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Sr. No	Parameter	Metrics	FY2025-26	FY2024-25
1	Concentration of Purchases	Purchases from trading houses as % of total purchases	0	0
2		Number of trading houses where purchases are made from	0	0
3		Purchases from top 10 trading houses as % of total purchases from trading houses	0	0
4	Concentration of Sales	Sales to dealers / distributors as % of total sales	0	0
5		Number of dealers / distributors to whom sales are made	0	0
6		Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	0	0
7	Share of RPTs in	Purchases (Purchases with related parties / Total Purchases)	0.34%	0.22%
8		Sales (Sales to related parties / Total Sales)	0.12%	0.09%
9		Loans & advances (Loans & advances given to related parties / Total loans & advances)	0	0
10		Investments (Investments in related parties / Total Investments made)	0	0

* Fino Payments Bank Limited is in the financial services sector, and therefore given the nature of its business, does not directly procure any goods from a trading house.

As per the Income Tax Act, 1961, a 'Trading House' may be interpreted as a business that primarily engages in trading and export of various goods or products. Such businesses often play a crucial role in facilitating international trade by sourcing, purchasing, and selling goods to international markets.

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

Awareness programmes conducted for value chain partners on any of the principles during the financial year (FY25-26):		
Total number of awareness programmes held	Topics / principles covered under the training	%age* of value chain partners covered (by value of business done with such partners) under the awareness programmes
3238	Modules covered include an introduction to Fino Payments Bank and its business model, products and processes. Additional modules include Compliance and technical trainings.	24%

*Percentage is calculated based on total active merchants

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

- ❖ Yes, the Board of Directors are subject to the Board-approved Code of Conduct for Members of the Board and Senior Management (https://www.fino.bank.in/files/fino/media/post_attachments/sites/default/files/uploads/pages/corporate-governance/1707214756_CodeofConductforMembersoftheBoardandSeniorManagement.pdf) which mandates that the Board members shall avoid conflict of interest and disclose to the Board any material transaction or relationship that reasonably could be expected to give rise to such a conflict. Further, the Board members are required to disclose their interest to the Board at the first meeting of the financial year and any change as and when such change occurs. In line with the extant RBI circulars on 'fit and proper' criteria, the Board members are required to provide Declaration & Undertaking to the Bank on an annual basis and at the time of their appointment / re-appointment. This declaration also contains information on entities in which the Directors have interest. As and when any director is appointed / re-appointed, the Bank carries out a due diligence exercise which inter alia examines the possibility of conflict of interest.

PRINCIPLE

2

Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D			
Capex			

* Refer note below.

* Fino Payments Bank is in the financial services sector therefore the relevance of the above categories is restricted largely to information technology. The Bank intends to reassess its value chain and identify focus areas to reduce its environmental impact.

2. a. Does the entity have procedures in place for sustainable sourcing?

- ❖ No, Since the Bank's presence is in the Financial Services sector, the primary operational purchase is paper. For the procurement of equipment, the Bank prioritizes energy efficiency, especially when buying electronic devices like computers, laptops, lights, and air conditioners.

b. If yes, what percentage of inputs were sourced sustainably?

- ❖ NA

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

- ❖ While the Bank's service-based model does not involve physical products, we recognize our responsibility in managing operational waste. Accordingly, we have established a formal framework for responsible e-waste management across our organization.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

- ❖ NA

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

- ❖ NA

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

- ❖ NA

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY2025-26	FY2024-25
NA	NA	NA

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

Indicate input material	Re-Used / Recycled / Safely Disposed	
	FY2025-26	FY2024-25
Plastics (including packaging)	NA	NA
E-waste	3.287	NA
Hazardous waste	NA	NA
Other waste	NA	NA

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

- ❖ NA

PRINCIPLE

3

Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

- ❖ All employees are covered under Health and accident insurance (within India). Medical expenses and Insurance related to Maternity claims are covered under Health Insurance coverage

Category	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	2,576	2,576	100%	2,576	100%	NA	NA	2,576	100%	0	NA
Female	272	272	100%	272	100%	272	100%	NA	NA	0	NA

b. Details of measures for the well-being of workers:

- ❖ NA

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format

	FY2025-26	FY2024-25
Cost incurred on well-being measures as a % of total revenue of the company*	0.38%	0.27 %

* In alignment with Principle 3, 1.a., the following is included while calculating spending towards well-being of employees: Health Insurance, Term Insurance and Maternity Benefits, Paternity Benefits, Rewards and Recognition expenditure.

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Sr. No	Benefits	FY2025-2026				FY2024-2025			
		No. of employees covered	% of employees covered	No. of workers Covered	% of Workers Covered	No. of employees covered	% of employees covered	No. of workers Covered	% of Workers Covered
1	Total Employees or Workers	2848	100%	NA	NA	2769	100%	NA	NA
2	PF	2848	100%	NA	NA	2769	100%	NA	NA
3	Gratuity	2848	100%	NA	NA	2769	100%	NA	NA
4	ESI	691	24%	NA	NA	954	34%	NA	NA

3. Accessibility of workplaces

- ❖ Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.
- ❖ Our customer facing offices are accessible to the differently abled people. Our products & offerings are designed by leveraging technology to provide accessibility.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

- ❖ No. The Bank does not have an Equal Opportunity policy in place at present. However, the Bank upholds equal opportunity and non-discrimination practices through the Equal Employment and Non- Discrimination Policy that is a part of our Code of Conduct. The Policy ensures that no employee or job applicant is discriminated against on factors such as caste, creed, race, religion, gender, age, LGBT status, national origin, pregnancy, marital status, family status, disability, HIV status, veteran status, or any other protected class.

5. Return to work and Retention rates of permanent employees and workers that took parental leave:

FY2025-26	Permanent Employees		Permanent workers	
Gender	Return to work rate	Retention rate	Return to work rate	Retention rate
Male and Females	100%	100%	NA	NA

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Grievances Mechanism		FY2025 - 2026	
Sr. No	Particular	Yes or No	If yes, Provide Details
1	Permanent Workers	No	NA
2	Other than Permanent Workers	No	NA
3	Permanent Employees	Yes	Given the nature of the complaint, there are several avenues available for employees. This includes the Vigilance and Whistleblower Policy, dedicated email IDs and HRMS Ticketing Systems employees can reach out and file their grievances including grievances covered under POSH. An open-door culture is actively encouraged, allowing employees to voice concerns freely and without hesitation.
4	Other than Permanent Employees	No	NA

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Category	FY2025-26			FY2024-25		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/ A)	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/ A)
Total Permanent Employees						
Male						
Female						
Total Permanent Workers						
Male						
Female						

The Bank's employees are not a part of any union / employee association

8. Details of training given to employees and workers:

Category	FY2025-26					FY2024-25				
	Total (A)	On Health and safety measures		On Skill Upgradation		Total (D)	On Health and safety measures		On Skill Upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
	Employees									
Male	2,576	2,576	100%	2,576	100%	2,486	2,486	100%	2,486	100%
Female	272	272	100%	272	100%	283	283	100%	283	100%
Total	2,848	2,848	100%	2,848	100%	2,769	2,769	100%	2,769	100%

Category	FY2025-26					FY2024-25				
	Total (A)	On Health and safety measures		On Skill Upgradation		Total (D)	On Health and safety measures		On Skill Upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
	Workers									
Male	NA	NA	0	NA	0	NA	NA	0	NA	0
Female	NA	NA	0	NA	0	NA	NA	0	NA	0
Total	NA	NA	0	NA	0	NA	NA	0	NA	0

*As part of health and safety measure, we conduct fire drill twice a year for all the employees.

9. Details of performance and career development reviews of employees and workers:

Category	FY2025-26			FY2024-25		
	No. (B)	% (B / A)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	2576	2089	81%	2486	2033	82%
Female	272	239	88%	283	240	85%
Total	2,848	2,273	82%	2,769	2,001	75%
Workers						
Male	NA	NA	0	NA	NA	0
Female	NA	NA	0	NA	NA	0
Total	NA	NA	0	NA	NA	0

Note: Performance and career development reviews were carried out for all eligible employees.

10. Health and safety management system:

- Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**
 - ❖ Yes. Employee wellbeing is a key focus area for the Bank. To ensure the safety and security of employees, all offices and branches have CCTVs and fire alarm systems, including fire extinguishers. Mock fire drills are conducted regularly to create awareness among employees on safety measures.
- What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**
 - ❖ Mental and physical well-being of the employees is of paramount importance to the Bank. Through periodic assessments the Bank identifies occupational health and safety risks and implements mitigation measures accordingly. Regular training sessions and mock drills enhance preparedness for emergencies.
- Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)**
 - ❖ This is not directly applicable given the nature of business. In case of any unforeseen circumstances, the Bank's employees and their families are covered under the Group Medical Policy. In an extreme case of a fatality occurring due to a work-related hazard, all employees are covered under Group Term Insurance.
- Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**
 - ❖ Yes, the Bank provides Group Medical Policy for employees and their families as well as Group Term Insurance to provide safety against medical and healthcare emergencies.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY2025-26	FY2024-25
Lost Time Injury Frequency Rate (LTIFR) (per one million- person hours worked)	Employees	0	0
	Workers	NA	NA
Total recordable work-related injuries	Employees	0	0
	Workers	NA	NA
No. of fatalities	Employees	0	0
	Workers	NA	NA
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	NA	NA

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

- ❖ Fino Payments Bank is committed to fostering a safe, healthy, and inclusive workplace that promotes the physical and mental well-being of its employees. The Bank has established comprehensive health, safety, and wellness practices aligned with applicable laws and internal policies. Through preventive healthcare, employee wellness initiatives, safety awareness, and emergency preparedness measures, the Bank continues to strengthen a culture of health, safety, and responsibility across its operations. Key initiatives undertaken during the year include:
- ❖ Employee wellness programmes across locations
- ❖ Preventive health check-up camps
- ❖ Employee health camps, Hygienic canteen with healthy eating options
- ❖ Hepatitis awareness and vaccination drive
- ❖ Stress management and mental well-being workshops
- ❖ Sound healing and wellness sessions
- ❖ CPR and first-aid training
- ❖ Fire safety training, mock drills, and maintenance of fire extinguishers across offices and branches
- ❖ POSH awareness and sensitization programmes
- ❖ Hygienic canteen facilities offering healthy meal options
- ❖ Regular workplace hygiene and sanitation measures
- ❖ Periodic health awareness campaigns and wellness sessions to promote preventive healthcare and employee well-being

13. Number of Complaints on the following made by employees and workers:

	FY2025-26			FY2024-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	NA	NA	NA	NA	NA	NA
Health & Safety	NA	NA	NA	NA	NA	NA

14. Assessments for the year:

FY2025-2026				
Sr. No	Particular	Total Offices	Plants and offices that were assessed by entity or statutory authorities or third parties	% Plants and Assessed
1	Working Conditions	NA	NA	NA
2	Health & Safety	NA	NA	NA

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions

- ❖ NA

Leadership Indicators

- Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).**
 - ❖ Yes, Employees are covered under Group Term Life Insurance.
- Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**
 - ❖ Established a robust due diligence and compliance framework for onboarding and monitoring value chain partners also this is related to GST and TDS.
 - ❖ Periodic verification of statutory compliance, including GST, TDS and other applicable regulatory dues, through documentary evidence and reconciliations.
 - ❖ Regular review of statutory filings, tax payment challans, credit checks of deposits and compliance declarations submitted by partners.
 - ❖ Timely follow-up and escalation with partners in case of any non-compliance or delay in statutory remittances.
 - ❖ Dedicated Finance and Tax Compliance teams oversee statutory adherence and coordinate with business teams to ensure corrective actions are implemented promptly.
 - ❖ Compliance requirements are incorporated into contractual agreements, with periodic audits and reviews conducted on a risk-based approach to strengthen governance.
- Provide the number of employees / workers having suffered high consequence work- related injury / ill-health/ fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**
 - ❖ NA
- Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**
 - ❖ There have been no instances of termination of employment due to skill gaps or business conditions by the Bank. If the same becomes necessary due to regulatory requirements, business changes or any other unforeseen circumstances, appropriate measures will be considered for the outgoing employees.

5. Details on assessment of value chain partners:

FY2025-2026		
Sr. No	Particular	% of value chain partners (by value of business done with such partners) that were assessed
1	Working Conditions	NA
2	Health & Safety	

- Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**
 - ❖ NA

PRINCIPLE

4

Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

- Describe the processes for identifying key stakeholder groups of the entity.**
 - ❖ The Bank believes that regular stakeholder engagement is essential for developing strong partnerships. We have a stakeholder identification mechanism that takes into consideration their business requirements. Thus, a strategic and diversified approach to stakeholder engagement allows us to make well-informed decisions, taking into consideration the changing expectations of our stakeholder groups.
 - ❖ The stakeholders identified by the Bank are its consumers, distribution partners, shareholders, employees and investors.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community, Meetings, Notice Board, Website), Other	Frequency of engagement of (Annually/ Half yearly/ Quarterly others - please specify	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	Yes	We communicate with our customers across – SMS, WhatsApp, Email, Website, App Notifications, Phone calls, Personal interactions by distribution partners, employees etc. There is a dedicated helpline for customers to file grievances. The type of communication, context, tools of communication, frequency etc. depend on the business needs. Our eligible account holders receive Direct Benefit Transfer out of various Government Schemes.	The communication runs through the year.	The purpose of the communication is to inform and engage.
Investors (other than shareholders)	No	The Investor Relation (IR) team actively engages with the investors. Important documentation like Quarterly financial reports, press releases, results, conference call and investor presentation and conferences, Annual Reports, Investor Decks, Investor Meets are all available on the website.	The communication runs through the year.	Providing relevant information on the Bank's performance and understanding investor perspectives on the same.
Shareholders	No	The IR team actively engages with the investors. Important documentation like Quarterly financial reports, press releases, results conference call and investor presentation and conferences, Annual Reports, Investor Decks, Investor Meets are all available on the website	The communication runs through the year.	Providing updates related to the Bank's business and operational performance.
Employees	No	We communicate with our employees through various means such regular meetings, SMS, WhatsApp, emails, phone calls, etc. The type of communication, context, tools of communication, frequency etc. depend on the business needs.	The communication runs through the year.	Ensure that employees are abreast of the developments within the Bank. The purpose of the communication is to inform and engage
Value Chain Partners/ Distribution Partners	No	We communicate with our value chain partners across personal Meetings, review meetings, SMS, WhatsApp, Email, Website, Phone calls, etc. The type of communication, context, tools of communication, frequency etc. depends on the business needs.	The communication runs through the year.	The purpose of the communication is to inform and engage value chain partners on the policies / practices of the Bank.

Leadership Indicators

- Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**
 - There are various channels of communication for stakeholders, which include the Bank's website, stock exchange disclosures, press release, earnings call and designated email IDs displayed on the Bank's website which stakeholders may refer to. The Bank has a Stakeholders Relationship Committee ("SRC") which ensures the effective redressal of their grievances. Wherever relevant, the feedback shared by stakeholders from the above-mentioned communication channels form a part of discussions of the SRC.
- Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**
 - The Bank is steadfast in its dedication to engaging with all stakeholders. Through active engagement with employees, clients, suppliers, partners, and communities, the Bank aims to contribute to sustainable development.
- Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.**
 - The Bank has a Corporate Social Responsibility (CSR) Policy that acts as the guiding light for all our community development initiatives. Through the CSR Policy, the Bank remains committed to creating value for marginalized communities in the country. Our CSR interventions consciously strive to positively impact the lives of the marginalized communities. The Bank engages with communities around its branches with the objective of widening its prosperity circle through relevant interventions in line with the UN Sustainable Development Goals. The Bank also has operationalised three-tier ESG governance framework comprising:
 - Board-level CSR & ESG Committee
 - ESG Steering Committee
 - Core Sustainability Committee - Cross-functional ESG Working Group

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

- Employees and workers who have been provided training on human rights issues and policy(ies) of the entity**

Category	FY2025-26			FY2024-25		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	2,848	100%	0	2,769	100%	0
Other than permanent	NA	NA	NA	NA	NA	NA
Total Employees	2,848	100%	0	2,769	100%	0
Workers						
Permanent	NA	NA	NA	NA	NA	NA
Other than permanent	NA	NA	NA	NA	NA	NA

* All the employees are trained on human rights and policies in the induction process.

2. Details of minimum wages paid to employees and workers, in the following format

Category	FY2025-26					FY2024-25				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	2,848	223	12%	2,625	88%	2,769	165	5.95%	2,604	94.05%
Male	2,576	177	7%	2,399	93%	2,486	136	5.47%	2,350	94.53%
Female	272	46	17%	226	83%	283	29	10.24%	254	89.76%
Other than Permanent	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Workers										
Permanent	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than Permanent	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

3. Details of remuneration / wages, in the following format:

a. Median remuneration/wages

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/wages of respective category
Employees other than BoD and KMP	2,572	3,50,004	272	4,05,066
Key Managerial Personnel	4	2,67,85,518	NA	NA

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY2025-26	FY2024-25
Gross wages paid to females as % of total wages	10%	10%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

- ❖ Yes. The Bank encourages employees to report to their supervisor/HR/compliance officer, concerns and suspected violations of the Code, internal policies, external legal and regulatory requirements etc. All significant breaches can be escalated immediately.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

- ❖ The Bank has a Vigilance and Whistle-blower Policy and Code of Conduct which provides a grievance redressal mechanism for human rights related issues. The Bank conducts prompt and thorough investigations on the violation of relevant Rules, laws and regulations and takes appropriate action against individuals. An employee who knowingly violates the internal policies and guidelines shall be subject to disciplinary action, including demotion or dismissal.

6. Number of Complaints on the following made by employees and workers:

	FY2025-26			FY2024-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	-	1	0	The Complaint was resolved during the year.
Discrimination at workplace	0	0	-	0	0	-
Child Labor Forced Labor/ Involuntary Labor Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

Safety Incident/Number	FY2025-26	FY2024-25
Total complaints reported under Sexual Harassment of women at Workplace (Prevention, Prohibition, Redressal) Act, 2013 (POSH)	-	1
Complaints on POSH as a % of female employees/ workers	-	0.35%
Complaints on POSH upheld	-	Nil

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

- ❖ Fino Payments Bank. is committed to the prohibition of harassment and intimidation of employees in the workplace. The Bank discourages conduct that implies granting or withholding favors or opportunities as a basis for decisions affecting an individual, in return for that individual's compliance. Such harassment is the easier form of harassment to identify because it is in the form of either a threat or a promise, whether explicit or implied.
- ❖ Fino Payments Bank. has a Prevention of Sexual Harassment at Workplace Policy that prohibits unwelcome advances, requests for sexual favors, or verbal or physical conduct where such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment.
- ❖ The Bank has an Equal Employment and Non-Discrimination Policy that is a part of the Code of Conduct. Employees are encouraged to report any incidents of inconsistent treatment or behavior through our Employee Complaint Resolution Policy or Vigilance Policy. We have a zero-tolerance policy for victimization or harassment against employees who report issues or cooperate with investigations.
- ❖ The POSH and grievance redressal mechanism has in place modalities to prevent adverse consequences to the complainant in discrimination and harassment cases.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

- ❖ NA

10. Assessments for the year:

* The Company is in compliance with the laws, as applicable

FY2025-2026					
Sr. No	Particular	Total Plants and Offices	Plants and offices that were assessed by entity or statutory authorities or third parties	% Assessed	Details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments
1	Child Labour	Nil. The Company is in compliance with the laws, as applicable			Not Applicable
2	Forced/Involuntary Labour				
3	Sexual Harassment				
4	Discrimination at workplace				
5	Wages				
6	Other human rights related issues				

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

❖ NA

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.

❖ There were no human rights grievances/complaints received during the reporting period.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

❖ NA

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

❖ Our customer facing offices are accessible to the differently abled people. Our products & offerings are constructed in such a way by leveraging technology to provide accessibility.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	The Bank is currently evaluating the feasibility of carrying out assessments on the aforementioned topics in the near future
Discrimination at workplace	
Child Labor	
Forced Labor/Involuntary	
Wages	
Others - Please Specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

❖ NA

PRINCIPLE

6

Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity:

Parameter	FY2025-26	FY2024-25*
Total electricity consumption (A)	4,77,85,24,800 KJ	5,03,87,98,284 KJ 13,99,666.19 (Last Year response is in Kwh)
Total fuel consumption (B)	NA	NA
Energy consumption through other sources (C)	NA	NA
Total energy consumption (A+B+C)	4,77,85,24,800 KJ	5,03,87,98,284 KJ 13,99,666.19 (Last Year response is in Kwh)
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	Negligible	Negligible
Energy intensity (optional) – the relevant metric may be selected by the entity		

*Electricity consumption was estimated for headquarters and all regional offices and branches using the Carbon Accounting Proxy Methodology.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any

❖ No

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY2025-26	FY2024-25*
Water withdrawal by source (in kiloliters)		
(i) Surface water	NA	NA
(ii) Groundwater	NA	NA
(iii) Third party water	4,39,120 liters	3,61,292.8 liters
(iv) Seawater / desalinated water	NA	NA
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	4,39,120 liters	3,61,292.8 liters
Total volume of water consumption (in kiloliters)	4,39,120 liters	3,61,292.8 liters
Water intensity per rupee of turnover (Water consumed / turnover)	Negligible	NA
Water intensity (optional) – the relevant metric may be selected by the entity		

**Water consumption was calculated for Headquarter and 2 regional offices.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

❖ No

4. Provide the following details related to water discharged:

❖ NA

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

❖ NA

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

❖ Not Assessed. The Bank is in its initial stage of assessing the relevance of air emissions given the nature of its business.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

❖ NA

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY2025-26	FY2024-25
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tons of CO ₂ equivalent	NA	NA
Total Scope 2 emissions* (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tons of CO ₂ equivalent	9,50,395.488	10,02,161
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)		Negligible	NA
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)		NA	NA
Total Scope 1 and Scope 2 emission intensity in terms of physical output		NA	NA
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity			

*Carbon Accounting Proxy methodology was used to calculate emissions of Scope 2.

❖ **Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No**

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

❖ No

9. Provide details related to waste management by the entity, in the following format:

Parameter	Value in FY2025-26*	Value in FY2024-2025*
Total Waste generated (in metric tonnes)		
1 Plastic waste (A)	NA	NA
2 E-waste (B)*	3,287	NA*
3 Bio-medical waste (C)	NA	NA
4 Construction and demolition waste (D)	NA	NA
5 Battery waste (E)	NA	NA
6 Radioactive waste (F)	NA	NA
7 Other Hazardous waste. Please specify, if any. (G)	NA	NA
8 Other Non-hazardous waste generated. Please specify, if any. (Break-up by composition i.e. By materials relevant to the sector) (H)	NA	NA

Parameter	Value in FY2025-26*	Value in FY2024-2025*
9 Total Waste Generated (A+B+C+D+E+F+G+H)*	3,287	NA*
10 Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	NA	NA
11 Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	NA	NA
12 Waste intensity in terms of physical output	NA	NA
13 Waste intensity (optional) – the relevant metric may be selected by the entity	NA	NA

*The Bank has started tracking e-waste from FY2025-26 only.

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tons)

Parameter	FY2025-26	FY2024-25
Category of waste		
(i) Recycled		
(ii) Re-used	-	-
(iii) Other recovery operations		
Total		

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Category of waste	FY2025-26	FY2024-25
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations (E waste)	3,287	3,287
Total	3,287	3,287

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

- ❖ Yes. Independent verification of the E waste disposal has been carried out by an external agency, JRS Recycling Solutions Pvt. Ltd. (MPCB Registration No. MPCB/RO(HQ)/HSMD/Autho/22/EW/47), an authorized E waste management and recycling agency. This is substantiated by the Certificate of E Waste Disposal (Certificate Sr. No. 676037, Manifest Document No. JRS676037) confirming safe and environment friendly disposal of 3,287 kgs of E waste on 13/02/2026, in accordance with the E Waste (Management) Rules.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

- ❖ Fino Payments Bank Limited, being a financial services organisation, does not undertake any manufacturing or industrial activity and consequently does not generate hazardous or toxic chemical waste as part of its core business operations. The waste generated by the Bank is primarily limited to electronic waste (E waste) arising from IT hardware, computers, and office equipment used across its banking network. To responsibly manage this waste stream, the Bank engages MPCB authorized recycling partners for the collection, dismantling, and disposal of E waste in an environmentally sound manner, in full compliance with applicable E Waste Management Rules. Furthermore, as the Bank's operating model is largely digital, paperless, and technology driven, its overall waste generation footprint remains minimal, and the Bank continues to promote electronic transactions and digital record keeping as part of its broader strategy to reduce resource consumption and waste across its establishments.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

❖ NA

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

❖ Fino Payments Bank Limited operates a financial services business model focused on digital and technology enabled banking, and does not undertake physical infrastructure, industrial, or construction projects of the nature typically requiring statutory environmental impact assessment or environmental clearance. Accordingly, no environmental impact assessments have been conducted during the current financial year, as none of the Bank's activities fall within the ambit of such regulatory requirements. It may be noted that the Bank's core mandate of advancing financial inclusion is delivered predominantly through digital and assisted banking channels, which inherently require limited physical infrastructure and lower travel and fuel consumption compared to conventional brick and mortar banking models, thereby resulting in a comparatively lower environmental footprint.

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and Rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

❖ Yes, the Bank is fully compliant with the applicable environmental laws / regulations / guidelines in the places where we operate, to the extent to which they apply to the Bank.

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kiloliters):

❖ The Bank's water usage across its offices is restricted to two categories: drinking water, which is sourced through packaged or purified drinking water arrangements for employee consumption, and normal water, which is used for general office and sanitation purposes and is sourced through the standard municipal water supply available at the respective premises. Given that the Bank's operations are non industrial in nature and do not involve any manufacturing or production processes, the overall quantum of water withdrawal, consumption, and discharge remains minimal and is not linked to any activity known to occur in or draw from areas of water stress. At present, the Bank has not separately quantified its water withdrawal, consumption, and discharge specifically in areas of water stress, as this metric is still being developed in line with the nature and scale of its business. The Bank is in the process of enhancing its internal data tracking mechanisms to enable more granular reporting of drinking and normal water usage, including in water stressed areas, in subsequent reporting cycles.

❖ Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY2025-26	FY2024-25
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	At present, the Bank has not quantified its Scope 3 emissions. However, it is in the early stages of identifying and evaluating the relevant categories of Scope 3 emissions.	
Total Scope 3 emissions per rupee of turnover	Gram per CO ₂ per rupee income		
Total Scope 3 emission intensity (optional) - the relevant metric may be selected by the entity	tCO ₂ /FTE		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

❖ No

3. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

❖ Given the nature of our business, we do not have significant direct impact on biodiversity.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken along-with summary	Details of the initiative	Outcome of the initiative
Not Applicable			

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

❖ Yes, we have a business continuity plan to keep the core systems running in the event of an adversity.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

❖ Not relevant

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

❖ Not relevant

PRINCIPLE

7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations: 7
b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of / affiliated to:

Name of the trade and industry chambers/ associations / Reach of trade and industry chambers/ associations (State/National)

Confederation of Indian Industry (CII)	National
Confederation of Indian Industry (CII)	National
Associated Chambers of Commerce and Industry of India (ASSOCHAM)	National
IMC Chamber of Commerce and Industry	National
Federation of Indian Chamber of Commerce and Industry (FICCI)	National
Payments Council of India, PCI (IAMAI)	National
Indian Banks' Association (IBA)	National
Rural Marketing Association of India (RMAI)	National

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities

❖ NA

Leadership Indicators

1. Details of public policy positions advocated by the entity:

❖ The Bank does not directly engage in public policy. Through its active involvement with the aforementioned trade and industry associations, the Bank remains well-informed about industry developments and fosters collaborative partnerships within the business community.

PRINCIPLE

8

Businesses should promote inclusive growth and equitable development

Essential Indicators

- Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**
 - ❖ NA
- Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**
 - ❖ NA
- Describe the mechanisms to receive and redress grievances of the community.**
 - ❖ The Bank has several avenues in place to receive and redress grievances of the community. They include our Helpline number, our customer care email ID, WhatsApp and our FinoPay mobile application. The Bank actively collaborates with the communities surrounding its branches, aiming to expand its sphere of prosperity through targeted initiatives aligned with the Sustainable Development Goals.

- Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY2025-26	FY2024-25
Directly sourced from MSMEs/ small producers	4.52%	4.50%
Directly from within India	100%	100%

- Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost.**

	FY2025-26	FY2024-25
Rural	23.3%	16.5%
Semi-urban	1.34%	2%
Urban	6.51%	20%
Metropolitan	68.85%	61.5%

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

Note: The above figures have been computed on the basis that employee wages were determined using a percentage of their fixed pay.

Leadership Indicators

- Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Details of negative social impact identified	Corrective action taken
NA	NA

- Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

S.No.	State	Aspirational District	Amount spent (In ₹)
		NA	

3. a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)
 - ❖ No
- b. From which marginalized /vulnerable groups do you procure?
 - ❖ NA*
 - ❖ *Given the nature of our business, we don't procure from marginalized / vulnerable groups.
- c. What percentage of total procurement (by value) does it constitute?
 - ❖ NA
4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:
 - ❖ NA
5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.
 - ❖ NA

6 Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of Persons benefitted from CSR Project	% of beneficiaries from vulnerable and marginalized groups
1	Primary education	7,476	100%
2	Healthcare	6,123	100%
3	Skill development	1,869	~60%
4	Children welfare	100	100%
Total		15,568	

PRINCIPLE

9

Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.
 - ❖ The Bank has a Customer Grievance Policy to ensure that all customers are treated respectfully, fairly and without bias at all times. The Policy lists out the grievance redressal mechanism where customers can file their complaints. Additionally, the Bank has in place a Consumer Helpline Number (1800 268 1000) and an email ID (customercare@fino.bank.in) which customers may alternatively utilize along with Branch Visit, Bank Portal, LinkedIn, FinoPay, social media, what's app. All issues raised by customers are dealt with courtesy, efficiency and resolved on time. Customers are made completely aware of their rights so that they can opt for alternative remedies if they are not fully satisfied with the response or resolution to their complaint.
2. Turnover of products and services as a percentage of turnover from all products/services that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	NA
Safe and responsible usage	NA
Recycling and/or safe disposal	NA

3. Number of consumer complaints in respect of the following:

	FY2025-26			FY2024-25		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber Security	0	0	-	0	0	-
Delivery of essential services	70,240	6,511	-	97,625	8,238	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair trade practices	0	0	-	0	0	-
Other	0	0	-	0	0	-

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	NA	NA
Forced recalls	NA	NA

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

- ❖ Yes. Keeping personal information of customers secure and using it solely for activities related to the Bank and preventing any misuse of customer data is a top priority of the Bank.
- ❖ The Bank maintains a cyber security policy that is sensitive in nature and is not intended for external dissemination. The policy is crucial to our operations and is handled with the utmost confidentiality. In addition to our cyber security policy, the Bank also has a Privacy Policy.
- ❖ The Bank's Privacy Policy is aimed at protecting the personal information disclosed by customers. This Policy governs the way in which the Bank collects, uses, discloses, stores, secures and disposes of personal information and sensitive personal data or information. (<https://www.fino.bank.in/regulatory/privacy-policy>).

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

- ❖ Under delivery of essential services, the Bank introduced an IVR-based customer validation process as part of its continuous service enhancement initiatives. The implementation has strengthened customer authentication while streamlining the customer service journey, resulting in reduced Average Handling Time (AHT), improved First Contact Resolution (FCR), and enhanced operational efficiency. These initiatives have contributed to a more seamless, secure, and responsive customer experience while reinforcing the Bank's commitment to reliable delivery of essential banking services.

7. Provide the following information relating to data breaches:

a. Number of instances of data breaches

- ❖ There were no instances of data breaches during the reporting period.

b. Percentage of data breaches involving personally identifiable information of customers.

- ❖ NA

c. Impact, if any, of the data breaches

- ❖ NA

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

- ❖ All information is available on the Bank website <http://www.fino.bank.in/>.
- ❖ All pertinent details about our products and updates are shared through our official website, our mobile application and various social media platforms. Our official website serves as the primary source of information and is regularly updated with the latest news, announcements, and other essential details (<https://www.fino.bank.in/regulatory/notices-policies>).
- ❖ In addition to the website, the Bank actively uses social media platforms such as LinkedIn, X (formerly Twitter), Facebook and Instagram to connect with our customers. Our mobile application, FinoPay is available on iOS and Android platforms and provides customers with a hassle-free digital experience.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

- ❖ Fino Payments Bank displays a factsheet on Important Safe Banking Tips on its website (<https://www.fino.bank.in/files/fino/media/files/2026/04/11/dos-and-donts-for-safe-banking-7-languages-2026-04-11-11-37-19.pdf>) informing customers about the best practices they should employ while using digital banking platform. Furthermore, the Bank regularly updates its notice board (<https://www.fino.bank.in/regulatory/notices-policies>) to inform customers about the safe and responsible usage of its products and services.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

- ❖ Information informing customers of any risk of disruption / discontinuation of essential services is posted on our website <https://www.fino.bank.in/>. Our mobile application, FinoPay, notifies customers of any disruption / discontinuation of essential services through notifications which include information about the services affected and the expected duration of the outage. We also inform our customers about disruptions through WhatsApp notifications.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

- ❖ Given the nature of our business, traditional product labelling does not pertain to us. However, the Bank ensures transparency by adhering to all necessary disclosure requirements related to its products and services in every form of communication. Furthermore, the Bank provides information about its product offerings and services through various channels such as its website, advertisements, print and social media, among others, to keep customers and stakeholders well-informed. The Bank also has https://www.fino.bank.in/files/fino/media/post_attachments/sites/default/files/uploads/pages/notice-board/1641204674_MicrosoftWordCitizensCharter.pdf which not only explains our commitment and responsibilities along with redressal methods but also the obligations on the part of customers.
- ❖ Yes. The Bank utilizes formal tools like Net Promoter Score (NPS) surveys, social media and Facebook live sessions to understand customer needs.

Independent Auditor's Report

To
The Members of
Fino Payments Bank Limited

Report on Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Fino Payments Bank Limited ("the Bank"), which comprise the Balance Sheet as at March 31, 2026, the Profit and Loss account, the Statement of Cash Flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 ("the Act") and circulars and guidelines issued by the Reserve Bank of India ("RBI") from time to time ("RBI guidelines") in the manner so required for Banking Companies and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with Companies (Accounting Standards) Rules, 2021 and other accounting principles generally accepted in India, of the state of affairs of the Bank as at March 31, 2026, and its profit, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of

the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Other Information

The Bank's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon and the Basel II Disclosures under New Capital Adequacy Framework. The Annual Report is expected to be made available to us after the date of this auditor's report.

Key Audit Matter	How our audit addressed the Key Audit Matter
- The Bank relies on a sophisticated IT infrastructure to support its day-to-day operations, enabling the processing and recording of large volumes of transactions across one or multiple applications. The reliability and security of these systems are vital to maintaining operational efficiency. Given the scale of transactions handled daily, robust IT controls are necessary to ensure accurate data processing and to support required system changes. - To ensure that IT systems process data accurately, completely, and consistently—and thereby support reliable financial reporting—strong IT general controls and relevant application controls are essential. We have identified "IT systems and controls" as a key audit matter given the high level of automation, the large number of systems used by management, and the complexity of the IT environment, all of which have a significant impact on the financial reporting process.	For the system audit, we engaged IT specialists to evaluate the Bank's IT general controls (ITGC). Our audit procedures included: - Assessing the ITGC environment by reviewing key processes, mapping applications, and identifying financial risks arising from the interaction of people, processes, and technology. - Testing the design and operating effectiveness of key controls related to user access management, change management, program development, and vulnerability management. - Evaluating the design and operating effectiveness of access controls, including the provisioning, de-provisioning, and periodic review of user access rights. - Where necessary, we tested compensating controls and performed alternative audit procedures. We also identified and evaluated any changes to the IT environment during the audit period. - The audit was designed to obtain reasonable assurance that the Bank's IT controls are sufficient, appropriately designed, and effectively implemented to safeguard the integrity, confidentiality, and availability of its financial and operational data.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Bank's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with the Companies (Accounting Standards) Rules, 2021, and provisions of Section 29 of the Banking Regulation Act, 1949 and RBI Guidelines. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act and the RBI Guidelines for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that

an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Bank has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management;
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of the misstatements in the financial statements that, individually or aggregate, makes it probable that the economic decisions of a reasonable knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning of the scope of our audit work and evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatement in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in Internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

1. We draw attention to Note 41 of Schedule 18 to the financial statements. During the financial year 2025-26, Mr. Rishi Gupta, Managing Director & CEO of the Bank was arrested on February 27, 2026, by the Directorate General of GST Intelligence (DGGI), Hyderabad, under Sections 132(1)(a) and 132(1)(i) of the CGST and SGST Act, 2017 in relation to the investigation of the program managers associated with various banking institutions including the Bank and not related to the Bank's own GST compliance.
2. The audit of financial statements of the Bank for the year ended March 31, 2025 was carried out by the predecessor auditor of the bank who expressed an unmodified opinion on the financial statements vide their audit report dated April 28, 2025.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. The Balance Sheet and the Profit and Loss account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 and Section 133 of the Act and relevant rules issued thereunder.
2. As required by sub-section (3) of section 30 of the Banking Regulation Act, 1949, we report that:
 - a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
 - b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank;
 - c) Since the key operations of the Bank are automated with the key applications integrated to the core banking

system, the audit is carried out centrally as all the necessary records and data required for the purposes of our audit are available therein.

- d) The profit and loss account shows a true balance of profit for the year then ended.
3. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Profit and Loss account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder to the extent they are not inconsistent with the accounting policies prescribed by RBI;
 - e) On the basis of the written representations received from the directors as on March 31, 2026, taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2026, from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Bank and the operating effectiveness of such controls, refer to our separate Report in "Annexure A";
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Bank has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note 38 to the financial statements;
 - ii. The Bank did not have any long-term contracts including derivative contracts for which there were any for material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Bank;
 - iv. 1) The Management has represented that, to the best of its knowledge and belief, as disclosed in refer note 53 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other

sources or kind of funds) by the Bank to or in any other persons / entities, including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- 2) The Management has represented that, to the best of its knowledge and belief, as disclosed in refer note 53 to the financial statements, no funds have been received by the Bank from any persons/ entities, including foreign entities, that the Bank has directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- 3) Based on such audit procedures performed, as considered reasonable and appropriate in the circumstances, nothing has come

to our notice that has caused us to believe that the management representations under sub clause (1) and (2) as provided under (1) and (2) above contain any material misstatement.

- v. The Bank has neither declared nor paid any dividend during the current year;
- vi. Based on our examination which included test checks, the Bank has used accounting software systems for maintaining its books of account for the financial year ended March 31, 2026 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the Bank as per statutory requirements for record retention.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, the Bank is a Banking Company as defined under Banking Regulation Act, 1949. Accordingly, the requirements prescribed under Section 197 of the Act do not apply.

For Bilimoria Mehta & Co.

Chartered Accountants

Firm Registration Number: 101490W

Kiran Suvarna

Partner

Membership Number: 113784

UDIN: 26113784IJWNNI5542

Place: Navi Mumbai

Date: April 29, 2026

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT ON THE FINANCIAL STATEMENTS OF FINO PAYMENTS BANK LIMITED FOR THE YEAR ENDED MARCH 31, 2026

[Referred to in paragraph 3(f) under ‘Report on Other Legal and Regulatory Requirements’ in the Independent Auditors’ Report]

Report on the Internal Financial Controls Over Financial Reporting with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

OPINION

We have audited the internal financial controls over financial reporting with reference to financial statements of Fino Payments Bank Limited (“the Bank”) as at March 31, 2026, in conjunction with our audit of the financial statements of the Bank for the year ended on that date.

In our opinion, the Bank has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2026, based on the internal control with reference to financial statements criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the “Guidance Note”).

Management’s Responsibility for Internal Financial Controls

The Bank’s management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Bank considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Bank’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (“the Act”).

Auditor’s Responsibility

Our responsibility is to express an opinion on the Bank’s internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI

and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to financial statements included obtaining an understanding of internal financial controls over financial reporting with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls with Reference to Financial Statements

A Bank’s internal financial controls over financial reporting with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Bank’s internal financial controls over financial reporting with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the bank are being made only in accordance with authorizations of management and directors of the bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the bank’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any

evaluation of the internal financial controls over financial reporting with reference to financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Place: Navi Mumbai
Date: April 29, 2026

For Bilimoria Mehta & Co.
Chartered Accountants
Firm Registration Number: 101490W

Kiran Suvarna
Partner
Membership Number: 113784
UDIN: 26113784I JWNNI554

Balance Sheet as at March 31, 2026

(₹ in 000)

Particulars	Schedule	As at March 31, 2026	As at March 31, 2025
CAPITAL AND LIABILITIES			
Capital	1	8,32,184	8,32,184
Employee stock options outstanding		3,49,503	2,75,782
Reserves and surplus	2	68,70,374	63,60,800
Deposits	3	2,37,94,907	1,93,94,353
Borrowings	4	1,53,52,971	83,94,572
Other liabilities and provisions	5	59,19,021	68,01,628
		5,31,18,960	4,20,59,319
ASSETS			
Cash and balances with Reserve Bank of India	6	15,42,929	18,28,637
Balances with banks and money at call and short notice	7	1,19,63,069	92,13,253
Investments	8	3,25,44,545	2,38,81,285
Advances	9	872	1,694
Fixed assets	10	36,41,438	29,75,752
Other Assets	11	34,26,107	41,58,698
		5,31,18,960	4,20,59,319
Contingent liabilities	12	3,98,002	3,40,408
Bills for collection		-	-
Significant accounting policies and notes to the financials	17 & 18	-	-

The schedules and accompanying notes to accounts referred to above form an integral part of the Balance Sheet

As per our report of even date attached

For Bilimoria Mehta & Co.

Chartered Accountants

ICAI Firm Registration No:101490W

For and on behalf of the Board of Directors

Fino Payments Bank Limited

Kiran Suvarna

Partner

Membership No:113784

Rajat Kumar Jain

Part Time Chairman &

Independent Director

DIN - 00046053

Deena Mehta

Independent Director

DIN - 00168992

Neeta Mukerji*

Independent Director

DIN: 00056010

Ketan Merchant

Interim Chief Executive Officer

Anup Agarwal

Interim Chief Financial Officer

Basavraj Loni

Company Secretary &

VP - Legal

Membership No - A23095

Place : Navi Mumbai

Date : April 29, 2026

Place : Navi Mumbai

* Delhi

Date : April 29, 2026

Statement of Profit and Loss for the year ended March 31, 2026

(₹ in 000)

Particulars	Schedule	For the year ended March 31, 2026	For the year ended March 31, 2025
I INCOME			
Interest earned	13	24,81,733	19,52,304
Other income	14	1,33,97,498	1,65,18,739
		1,58,79,231	1,84,71,043
II EXPENDITURE			
Interest expended	15	11,42,834	10,05,844
Operating expenses	16	1,40,62,321	1,63,81,656
Provisions and contingencies		1,49,525	1,58,196
		1,53,54,680	1,75,45,696
III PROFIT/LOSS			
Net profit /(loss) for the year		5,24,551	9,25,347
Profit/(loss) brought forward		(13,54,281)	(19,19,563)
		(8,29,730)	(9,94,216)
IV APPROPRIATIONS			
Transfer to statutory reserve		1,31,138	2,31,337
Transfer to Investment Fluctuation Reserve		1,73,190	1,28,728
Balance carried over to Balance Sheet		(11,34,058)	(13,54,281)
EARNING PER EQUITY SHARE (Face value of ₹10 per share)			
Basic (₹)		6.30	11.12
Diluted (₹)		6.29	11.08
Significant accounting policies and notes to the financials	17 & 18		

The schedules and accompanying notes to accounts referred to above form an integral part of the Statement of Profit and Loss
As per our report of even date attached

For Bilimoria Mehta & Co.

Chartered Accountants

ICAI Firm Registration No:101490W

For and on behalf of the Board of Directors

Fino Payments Bank Limited

Kiran Suvarna

Partner

Membership No:113784

Rajat Kumar Jain

Part Time Chairman &

Independent Director

DIN - 00046053

Deena Mehta

Independent Director

DIN - 00168992

Neeta Mukerji*

Independent Director

DIN: 00056010

Ketan Merchant

Interim Chief Executive Officer

Anup Agarwal

Interim Chief Financial Officer

Basavraj Loni

Company Secretary &

VP - Legal

Membership No - A23095

Place : Navi Mumbai

Date : April 29, 2026

Place : Navi Mumbai

* Delhi

Date : April 29, 2026

Cash Flow Statement for the year ended March 31, 2026

(₹ in 000)

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
I Cash Flow from operating activities		
Net Profit/(Loss) for the Year before tax	6,74,076	10,83,543
Adjustments for:-		
Loss / (Profit) on Sale of Fixed Assets (Net)	-	(321)
Loss / (Profit) on Exchange transaction (Net)	5	(21)
Loss / (Profit) on Sale of Investment (Net)	5,897	
Add : Non-Cash Expenditure		
Depreciation	7,61,511	6,21,496
Provision for doubtful debts and advances	-	-
Stock based compensation cost	73,721	1,24,246
Amortisation of Premium on HTM Investments	229	230
Amortisation of Premium on AFS Investments	2,26,223	32,273
Gratuity	73,167	37,147
Compensated absence	17,152	13,453
Cash Flow before working capital changes	18,31,981	19,12,046
Adjustments for working capital changes:-		
Increase/(decrease) in deposits	44,00,554	52,68,953
(Increase)/decrease in advances	822	(1,005)
Increase/(decrease) in other liabilities and provisions	(9,72,926)	2,43,492
(Increase)/decrease in investments	(89,10,588)	(64,57,919)
(Increase)/decrease in other assets	7,34,007	(75,944)
Cash Generated from Operations	(29,16,150)	8,89,623
Direct tax(paid)/received (net of refunds)	(1,50,944)	(1,27,683)
Net Cash Flow from / (used in) operating activities (A)	(30,67,094)	7,61,940
II Cash Flow from investing activities		
Purchase of Fixed Asset (including capital work in progress)	(14,27,197)	(16,45,107)
Sale of Fixed assets	-	567
Net Cash flow from / (used in) Investing activities (B)	(14,27,197)	(16,44,540)
III Cash Flow from financing activities		
Net Proceeds from issue of equity shares	-	918
Increase in Borrowings	69,58,399	12,68,072
Net Cash flow from / (used in) financing activities (C)	69,58,399	12,68,990
IV Net (decrease)/increase in cash and cash equivalents during the year (A + B + C)	24,64,108	3,86,390
V Cash and cash equivalents at the beginning of the year	1,10,41,890	1,06,55,500
VI Cash and cash equivalents at the end of the year	1,35,05,998	1,10,41,890
Notes to the Cash Flow Statement:		
Cash and cash equivalents includes the following:		
(i) Cash and balances with Reserve Bank of India (Refer Schedule 6)	15,42,929	18,28,637
(ii) Balances with banks and money at call and short notice (Refer Schedule 7)	1,19,63,069	92,13,253
Cash and cash equivalents at the end of the year	1,35,05,998	1,10,41,890

As per our report of even date attached

For Bilimoria Mehta & Co.

Chartered Accountants

ICAI Firm Registration No:101490W

For and on behalf of the Board of Directors
Fino Payments Bank Limited
Kiran Suvarna

Partner

Membership No:113784

Rajat Kumar Jain

Part Time Chairman &

Independent Director

DIN - 00046053

Deena Mehta

Independent Director

DIN - 00168992

Neeta Mukerji*

Independent Director

DIN: 00056010

Ketan Merchant

Interim Chief Executive Officer

Anup Agarwal

Interim Chief Financial Officer

Basavraj Loni

Company Secretary &

VP - Legal

Membership No - A23095

Place : Navi Mumbai

Date : April 29, 2026

Place : Navi Mumbai

* Delhi

Date : April 29, 2026

Schedules to the Financial Statements as at March 31, 2026

1. Capital

(₹ in 000)

Particulars	March 31, 2026	March 31, 2025
Authorised Capital		
90,000,000 ordinary equity shares of ₹10/- each	9,00,000	9,00,000
(previous year 90,000,000 ordinary equity shares of ₹10/- each)		
Issued, subscribed and paid-up capital		
83,218,402 ordinary equity shares of ₹10/- each	8,32,184	8,32,184
(previous year 83,218,402 ordinary equity shares of ₹10/- each)		
TOTAL	8,32,184	8,32,184

2. Reserves & Surplus

(₹ in 000)

Particulars	March 31, 2026	March 31, 2025
1. Statutory Reserve		
(i) Opening balance	7,67,653	5,36,316
(ii) Addition during the period	1,31,138	2,31,337
(iii) Deduction during the period	-	-
Total	8,98,791	7,67,653
2. Capital Reserve		
(i) Opening balance	-	-
(ii) Addition during the period	-	-
(iii) Deduction during the period	-	-
Total	-	-
3. Share Premium		
(i) Opening balance	64,93,411	64,91,950
(ii) Addition during the period	-	1,461
(iii) Deduction during the period	-	-
Total	64,93,411	64,93,411
5. Investment Fluctuation Reserve		
(i) Opening balance	4,67,450	3,38,722
(ii) Addition during the period	1,73,190	1,28,728
(iii) Deduction during the period	-	-
Total	6,40,640	4,67,450
6. AFS Reserve		
(i) Opening balance	(13,433)	-
(ii) Addition during the period	-	-
(iii) Deduction during the period	14,977	13,433
Total	(28,410)	(13,433)
7. Balance in Statement of Profit & Loss	(11,34,058)	(13,54,281)
TOTAL (1 to 7)	68,70,374	63,60,800

Schedules to the Financial Statements as at March 31, 2026

3. Deposits

(₹ in 000)

Particulars	March 31, 2026	March 31, 2025
A. 1. Demand deposits		
(i) From banks	-	-
(ii) From others	3,70,584	3,14,225
Total	3,70,584	3,14,225
2. Savings bank deposits	2,34,24,323	1,90,80,128
3. Term deposits		
(i) From banks	-	-
(ii) From others	-	-
Total	-	-
TOTAL (1 to 3)	2,37,94,907	1,93,94,353
B. (i) Deposits of branches in India	2,37,94,907	1,93,94,353
(ii) Deposits of branches outside India	-	-
TOTAL	2,37,94,907	1,93,94,353

Deposits as on March 31, 2026 include Lien marked deposits of ₹43,03,593 thousand. The comparative disclosure for the financial year 2024-25 has not been reported, as the corresponding lien data is not maintained by the Bank.

4. Borrowings

(₹ in 000)

Particulars	March 31, 2026	March 31, 2025
1. Borrowings in India		
(i) Reserve Bank of India	-	-
(ii) Other banks	44,58,200	43,98,308
(iii) Other institutions and agencies	1,08,94,771	39,96,264
Total	1,53,52,971	83,94,572
2. Borrowings outside India	-	-
TOTAL (1 + 2)	1,53,52,971	83,94,572
Secured borrowings included in 1 & 2 above	1,25,58,425	55,44,572

5. Other Liabilities and Provisions

(₹ in 000)

Particulars	March 31, 2026	March 31, 2025
1. Bills payable	-	-
2. Inter office adjustments (Net)	-	-
3. Interest accrued	11,439	11,937
4. Others (including provisions)	59,07,582	67,89,691
TOTAL (1 to 4)	59,19,021	68,01,628

6. Cash and Balances with Reserve Bank of India

(₹ in 000)

Particulars	March 31, 2026	March 31, 2025
1. Cash in hand	8,510	8,694
2. Balances with Reserve Bank of India		
(i) In current account	13,04,419	18,19,943
(ii) In other accounts	2,30,000	-
TOTAL (1 + 2)	15,42,929	18,28,637

Schedules to the Financial Statements as at March 31, 2026

7. Balance With Banks and Money at Call and Short Notice

(₹ in 000)

Particulars	March 31, 2026	March 31, 2025
1. In India		
(i) Balances with banks		
a) In current accounts	25,42,491	21,38,621
b) In other deposit accounts	94,20,578	70,74,632
(ii) Money at call and short notice		
a) With banks	-	-
b) With other institutions	-	-
Total (i+ii)	1,19,63,069	92,13,253
2. Outside India		
(i) a) In current accounts	-	-
(ii) b) In other deposit accounts	-	-
(iii) Money at call and short notice	-	-
Total (i+ii+iii)	-	-
TOTAL (1 + 2)	1,19,63,069	92,13,253

8. Investments

(₹ in 000)

Particulars	March 31, 2026	March 31, 2025
1. Investments in India in		
(i) Government securities	3,25,39,758	2,38,80,506
(ii) Other approved securities	-	-
(iii) Shares	4,787	779
(iv) Debentures & bonds	-	-
(v) Subsidiaries / joint venture	-	-
(vi) Others	-	-
Total	3,25,44,545	2,38,81,285
2. Investments Outside India in		
(i) Government securities (Including local authorities)	-	-
(ii) Subsidiaries / joint venture abroad	-	-
(iii) Other investments	-	-
Total	-	-
TOTAL (1 + 2)	3,25,44,545	2,38,81,285

9. Advances

(₹ in 000)

Particulars	March 31, 2026	March 31, 2025
A.		
(i) Bills purchased and discounted	-	-
(ii) Cash credits, overdrafts and loans repayable on demand	-	-
(iii) Term loans	872	1,694
Total	872	1,694
B.		
(i) Secured by tangible assets (Includes advances against fixed deposits and book debts)	-	-
(ii) Covered by bank/government guarantees	-	-
(iii) Unsecured	872	1,694
Total	872	1,694

Schedules to the Financial Statements as at March 31, 2026

9. Advances (Contd.)

(₹ in 000)

Particulars	March 31, 2026	March 31, 2025
C.1 Advances in India		
(i) Priority sector	-	-
(ii) Public sector	-	-
(iii) Banks	-	-
(iv) Others	872	1,694
Total	872	1,694
C.2 Advances Outside India		
(i) Due from banks	-	-
(ii) Due from others		
a) Bills purchased and discounted	-	-
b) Syndicated loans	-	-
c) Others	-	-
Total	-	-
TOTAL (C.1 + C.2)	872	1,694

10. Fixed Assets

(₹ in 000)

Particulars	March 31, 2026	March 31, 2025
1. Premises (including land)		
(i) At cost at March 31 of the preceding period	-	-
(ii) Additions during the period	-	-
Total	-	-
(iii) Deductions during the period	-	-
(iv) Accumulated depreciation to date	-	-
Total	-	-
2. Other Fixed Assets (including furniture and fixtures)		
(i) At cost at March 31 of the preceding period	46,89,502	38,75,254
(ii) Additions during the period	26,41,315	8,16,158
Total	73,30,817	46,91,412
(iii) Deductions during the period	-	1,910
(iv) Accumulated depreciation to date	37,77,511	30,16,000
Total	35,53,306	16,73,502
3. Capital work in progress	88,132	13,02,250
TOTAL (1 to 4)	36,41,438	29,75,752

Schedules to the Financial Statements as at March 31, 2026

11. Other Assets

(₹ in 000)

Particulars	March 31, 2026	March 31, 2025
1. Inter-office adjustment (Net)	-	-
2. Interest accrued	4,20,010	2,16,680
3. Tax paid in advance/tax deducted at source (Net of provision)	81,756	81,136
4. Stationery and stamps	-	-
5. Non-banking assets acquired in satisfaction of claims	-	-
6. Deferred tax assets (Net)	-	-
7. Others	29,24,341	38,60,882
TOTAL (1 to 6)	34,26,107	41,58,698

12. Contingent Liabilities

(₹ in 000)

Particulars	March 31, 2026	March 31, 2025
1. Claims against the bank not acknowledged as debts	-	-
2. Liability for partly paid investment	-	-
3. Liability on account of outstanding forward exchange contracts	-	-
4. Guarantees given on behalf of constituents	-	-
(i) In India	-	-
(ii) Outside India	-	-
5. Acceptances, endorsements and other obligations	-	-
6. Other items for which the bank is contingently liable	-	-
a) Income tax & GST matters (under appeal)	1,14,128	93,226
b) Others	2,83,874	2,47,182
TOTAL (1 to 7)	3,98,002	3,40,408

13. Interest Earned

(₹ in 000)

Particulars	For the Period ended March 31, 2026	For the Period ended March 31, 2025
1. Interest / Discount on Advances / bills	152	108
2. Income on Investments	18,13,614	15,17,310
3. Interest on balances with Reserve Bank of India and other inter-bank funds	6,62,355	4,29,438
4. Other interest	5,612	5,448
TOTAL (1 to 4)	24,81,733	19,52,304

14. Other Income

(₹ in 000)

Particulars	For the Period ended March 31, 2026	For the Period ended March 31, 2025
1. Commission, Exchange and Brokerage	1,22,32,230	1,55,02,773
2. Profit/(loss) on sale of Investments (Net)	5,897	-
3. Profit/(loss) on sale of land, building and other assets (Net)	-	321
4. Profit/(loss) on exchange transactions (Net)	(5)	21
5. Income earned by way of dividend etc. from subsidiaries, companies, joint ventures abroad / in India	-	-
6. Miscellaneous Income	11,59,376	10,15,624
TOTAL (1 to 5)	1,33,97,498	1,65,18,739

Schedules to the Financial Statements as at March 31, 2026

15. Interest Expended

(₹ in 000)

Particulars	For the Period ended March 31, 2026	For the Period ended March 31, 2025
1. Interest on Deposits	4,17,107	3,99,716
2. Interest on Reserve Bank of India / Inter-Bank Borrowings	2,50,174	2,51,157
3. Others	4,75,553	3,54,971
TOTAL (1 to 3)	11,42,834	10,05,844

16. Operating Expenses

(₹ in 000)

Particulars	For the Period ended March 31, 2026	For the Period ended March 31, 2025
1. Payments to and provisions for employees	22,66,797	21,27,599
2. Rent, taxes and lighting	2,72,960	2,17,658
3. Printing and stationery	15,455	28,932
4. Advertisement and publicity	1,04,507	1,20,355
5. Depreciation on bank's property	7,61,511	6,21,496
6. Director's fees, allowances and expenses	20,696	16,667
7. Auditors' fees and expenses (Including branch auditor's fees and expenses)	6,700	6,647
8. Law Charges	63,211	69,363
9. Postage, Telegrams, Telephones, etc.	5,43,516	4,41,095
10. Repairs and maintenance	1,46,127	1,21,482
11. Insurance	34,546	31,138
12. Other Expenditure	98,26,295	1,25,79,224
TOTAL (1 to 12)	1,40,62,321	1,63,81,656

Schedule 17 - Significant Accounting Policies Appended to and Forming Part of the Financial Statements

A. Background and nature of operations

Fino Payments Bank Limited ('the Bank') was originally incorporated as Fino Fintech Foundation on June 23, 2007, for promoting objects of the nature specified in Section 8, sub-section (1), clause (a) of the Companies Act, 2013 ('the Act') and that it intends to apply its profits if any, or other income in promoting its objects and to prohibit the payment of any dividends to its members.

The Reserve Bank of India ('RBI') issued a license to the Bank on 30 March 2017 under Section 22 (1) of the Banking Regulation Act, 1949 to carry on the business of Payments Banks in India. Pursuant to the resolution passed in the extra ordinary general meeting held on March 31, 2017, the name of the Bank was changed from Fino Fintech Limited to Fino Payments Bank Limited with effect from April 04, 2017. The Bank commenced operations as a Payments Bank with effect from June 30, 2017. The Bank offers services such as current and savings accounts, remittances, business correspondent, mobile banking, bill payments and third party financial products distribution. The Bank is engaged in providing various types of financial services to the rural, poor and underserved and unserved classes to help them be economically self-reliant.

The Bank has been included in the Second Schedule to the Reserve Bank of India Act, 1934 vide Notification DoR.NBD. No.2138/16.03.005/2020-21 dated January 01, 2021 and published in the Gazette of India (Part III - Section 4) dated February 13 - February 19, 2021.

Fino Payments Bank Limited is a subsidiary of FINO PayTech Limited ('the Holding Company') which is engaged in providing business and banking technology platform based solutions and services related to financial inclusion.

These financial statements are presented in Indian Rupees ('Rupees' or '₹') and all amounts are rounded to the nearest thousands, except as stated otherwise.

B. Basis of preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention and accrual basis of accounting, unless otherwise stated and are in accordance with Generally Accepted Accounting Principles in India ('GAAP'), statutory requirements prescribed under the Third Schedule of the Banking Regulation Act, 1949, directions, circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time (RBI guidelines), Accounting Standards ('AS') specified under Section 133 of the Companies Act, 2013 read together with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Rules, 2021, in so far as they apply to banks:-

The accounting policies adopted in the preparation of the financial statement are consistent with those followed in the previous year except for the investment, pursuant to the RBI Master Direction dated September 12, 2023, which introduced revised guidelines for classification, valuation, and operation of the investment portfolio of banks, the Bank has classified its investments under the categories of Held to Maturity (HTM) and Available for Sale (AFS). Accordingly, the investment portfolio is measured and valued under the revised framework. Subsequent changes in the fair value of performing investments under AFS are recognized through the AFS Reserve by debiting or crediting the reserve, with a corresponding impact from the increase or decrease in the value of investments.

Use of estimates

The preparation of financial statements in conformity with GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision in the accounting estimates is recognized prospectively in the current and future periods.

C. Principal accounting policy

1. Investments

Classification:

In accordance with the RBI guidelines on classification, valuation and operation of Investment portfolio dated Sep 12, 2023, investments (except investments in own subsidiaries, joint ventures and associates) are classified under three categories, viz., Held to Maturity (HTM), Available for Sale (AFS) and Fair Value through Profit and Loss (FVTPL). Held for Trading (HFT) shall be a separate investment subcategory within FVTPL. Under each of these categories, investments are further classified under six groups (hereinafter called "groups") – Government Securities, Other Approved Securities, Shares, Debentures and Bonds, Investments in Subsidiaries / Joint Ventures and Other Investments.

Schedule 17 - Significant Accounting Policies Appended to and Forming Part of the Financial Statements

Basis of classification:

(a) HTM

As per Operating Guidelines of RBI, Payments Banks are not allowed to classify their investment as HTM category, unless the investments are made from Bank's own funds. Securities that fulfil the following conditions are classified under HTM:

- (i) The security is acquired with the intention and objective of holding it to maturity, i.e., the financial assets are held with an objective to collect the contractual cash flows; and
- (ii) The contractual terms of the security give rise to cash flows that are solely payments of principal and interest on principal outstanding ('SPPI criterion') on specified dates.

(b) AFS

Securities that meet the following conditions is classified under AFS:

- (i) The security is acquired with an objective that is achieved by both Collecting contractual cash flows and selling securities; and
- (ii) The contractual terms of the security meet the 'SPPI criterion'
 - (a) Provided that on initial recognition, a bank may make an irrevocable election to classify an equity instrument that is not held with the objective of trading under AFS.
 - (b) AFS securities shall inter-alia include debt securities held for asset liability management (ALM) purposes that meet the SPPI criterion where the bank's Intent is flexible with respect to holding to maturity or selling before maturity.

(c) FVTPL

- (a) Securities that do not qualify for inclusion in HTM or AFS is classified under FVTPL. HFT is a separate category within FVTPL.

Banks shall only include those financial instruments in HFT when there is no legal impediment against selling or fully hedging it. Banks shall fair value daily all HFT instruments and recognise any valuation change in the profit and loss account.

Valuation:

(a) Initial Recognition :

All investments shall be measured at fair value on initial recognition. Unless facts and circumstances suggest that the fair value is materially different from the acquisition cost, it shall be presumed that the acquisition cost is the fair value. In respect of government securities acquired through auction (including devolvement), switch operations and open market operations (OMO) conducted by the RBI, the price at which the security is allotted shall be the fair value for initial recognition purposes. Where the securities are quoted or the fair value can be determined based on market observable inputs (such as yield curve, credit spread, etc.) any Day 1 gain/ loss shall be recognised in the Profit and Loss Account, under Schedule 'Other Income' within the subhead 'Profit on revaluation of investments' or 'Loss on revaluation of investments', as the case may be. Any Day 1 loss arising from Level 3 investments shall be recognised immediately. Any Day 1 gains arising from Level 3 investments shall be deferred. In the case of debt instruments, the Day 1 gain shall be amortized on a straight-line basis up to the maturity date (or earliest call date for perpetual instruments), while for unquoted equity instruments, the gain shall be set aside as a liability until the security is listed or derecognised.

(b) Subsequent Measurement :

HTM:

Securities held in HTM shall be carried at cost and shall not be marked to market (MTM) after initial recognition. Any discount or premium on the securities under HTM shall be amortized over the remaining life of the instrument.

AFS:

The securities held in AFS shall be fair valued at least on a quarterly basis, if not more frequently. Any discount or premium on the acquisition of debt securities under AFS shall be amortized over the remaining life of the instrument. The valuation gains and losses across all performing investments, irrespective of classification (i.e., Government securities, Other approved

Schedule 17 - Significant Accounting Policies Appended to and Forming Part of the Financial Statements

securities, Bonds and Debentures, etc.), held under AFS shall be aggregated. The net appreciation or depreciation shall be directly credited or debited to a reserve named AFS Reserve without routing through the Profit & Loss Account. The AFS-Reserve shall be reckoned as Common Equity Tier (CET) 1 subject to clause 28 of these Directions. The unrealised gains transferred to AFS-Reserve shall not be available for any distribution such as dividend and coupon on Additional Tier 1. Upon sale or maturity of a debt instrument in AFS category, the accumulated gain/ loss for that security in the AFS-Reserve shall be transferred from the AFS Reserve and recognized in the Profit and Loss Account. In the case of equity instruments designated under AFS at the time of initial recognition, any gain or loss on sale of such investments shall not be transferred from AFS-Reserve to the Profit and Loss Account. Instead, such gain or loss shall be transferred from AFS-Reserve to the Capital Reserve.

FVTPL:

The securities held in FVTPL shall be fair valued and the net gain or loss arising on such valuation shall be directly credited or debited to the Profit and Loss Account. Securities that are classified under the HFT sub-category within FVTPL shall be fair valued on a daily basis, whereas other securities in FVTPL shall be fair valued at least on a quarterly, if not on a more frequent basis. Any discount or premium on the acquisition of debt securities under FVTPL shall be amortized over the remaining life of the instrument.

(c) Fair value of Investments :

1. Quoted SLR and Non SLR securities :

- (a) The fair value for the quoted securities shall be the prices declared by the Financial Benchmarks India Private Ltd (FBIL). For securities whose prices are not published by FBIL, the fair value of the quoted security shall be based upon quoted price as available from the trades/ quotes on recognised stock exchanges, reporting platforms or trading platforms authorized by RBI/SEBI or prices declared by the Fixed Income Money Market and Derivatives Association of India (FIMMDA).

2. Unquoted SLR Securities

- (a) Treasury Bills valued at carrying cost.
- (b) Central/ State Government securities as per price / yield to maturity (YTM) published by FBIL
- (c) Other securities values at 25 basis point mark-up on FBIL published yield.

3. Unquoted Non-SLR Securities

- (a) Unquoted debentures/ bonds shall be valued with appropriate mark-up over the yield to maturity (YTM) rates for Central Government Securities as being published by FBIL/ FIMMDA periodically. The mark-up applied shall be determined based on the ratings assigned to the debentures/ bonds by the credit rating agencies. The mark up shall be at least 50 basis points above the rate applicable to a Central Government security of equivalent maturity for rated debentures/ bonds. The mark-up for unrated debentures or bonds shall not be less than the mark-up applicable to rated debentures or bonds of equivalent maturity.
- (b) CPs/CD's of tenor less than one year shall be valued at carrying cost.
- (c) Investment in un-quoted mutual funds (MF) units shall be valued on the basis of the latest repurchase price declared by the MF in respect of each scheme. where repurchase price/ market quote is not available, units shall be valued at NAV of the scheme. If NAV is not available then valued at cost.

4. Equity Shares

Equity shares for which current quotations are not available i.e., which are classified as illiquid or which are not listed on a recognised exchange, the fair value for the purposes of these directions shall be the break-up value (without considering 'revaluation reserves', if any) which is to be ascertained from the company's latest audited balance sheet. The date as on which the latest balance sheet is drawn up shall not precede the date of valuation by more than 18 months. In case the latest audited balance sheet is not available or is more than 18 months old, the shares shall be valued at ₹1 per company. RBI Master Direction dated September 12, 2023; the Bank has made an irrevocable option to classify an equity instrument that is not held with the objective of trading under AFS. Subsequent changes in the fair value of performing investments under AFS are recognized through the AFS Reserve.

Schedule 17 - Significant Accounting Policies Appended to and Forming Part of the Financial Statements

(d) Reclassifications between categories:

Banks shall not reclassify investments between categories (viz. HTM, AFS and FVTPL) without the approval of their Board of Directors. Further, reclassification shall also require the prior approval of the Department of Supervision (DoS), RBI.

Income Recognition:

Banks shall recognize income on accrual basis for the following investments:

- a. Government Securities, bonds and debentures of corporate bodies, where interest rates on these securities are predetermined and provided interest is serviced regularly and is not in arrears.
- b. Income from units of MFs, alternative investment funds and other such pooled/ collective investment funds shall be recognized on cash basis.

Banks shall not capitalize the broken period interest paid to the seller as part of cost and shall treat it as an item of expenditure under Profit & Loss Account in respect of investments in securities.

Non-performing investments (NPIs) are identified and depreciation / provision are made thereon based on the RBI guidelines. Once an investment is classified as an NPI, it should be segregated from rest of the portfolio and not considered for netting valuation gains and losses. Banks shall not accrue any income on NPIs. Income shall be recognized only on realization of the same. Further, any MTM appreciation in the security shall be ignored.

In accordance with RBI guidelines, repo transactions in government securities are reflected as borrowings, and the related borrowing cost is accounted for as interest expense. The Bank does not undertake reverse repo transactions; instead, it places excess funds with the RBI under the Standing Deposit Facility (SDF). Revenue on SDF transactions is accounted for as interest income.

2. Advances

As per the Operating Guidelines for Payments Banks issued by RBI on October 06, 2016 ('the Operating Guidelines'), Payments Banks (PBs) are not permitted to lend to any person including their directors. However, PBs may lend to their own employees out of the Bank's own funds, as per a Board approved policy outlining the caps on such loans.

In accordance with the Operating Guidelines, the Bank has classified employee loans as advances, as per the Employee loan policy, duly approved by Board. Employees who are confirmed and have completed at least one year of service with the Bank are entitled to avail loan. The Bank follows the process of recovering monthly installments due from respective employees while processing monthly salary.

3. Deposits

As per the Operating Guidelines PBs can accept only savings and current deposits. The aggregate limit per customer has been extended to ₹2,00,000 from April 07, 2021 by RBI as against the previous limit of ₹1,00,000. PBs are permitted for making arrangements with any other Scheduled Commercial Bank / SFB (Small Finance Bank), for amounts in excess of the prescribed limits, to be swept into an account opened for the customer at that bank, with the prior written consent of the customer.

The above limit shall apply to customer deposits and not to any security / earnest money deposit the Bank may collect from any of its service providers in the ordinary course of business.

4. Fixed assets and depreciation

Fixed Assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are recognised in the Profit and Loss Account as incurred. Capital work in progress is valued at cost.

Gains and losses arising from retirement or disposal of the tangible assets are determined as the difference between the net disposal proceeds and the carrying amount of the assets and are recognised in Profit and Loss Account on the date of retirement or disposal.

Schedule 17 - Significant Accounting Policies Appended to and Forming Part of the Financial Statements

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses if any.

Capital work-in-progress includes cost of assets under development that are not ready for their intended use.

Depreciation is charged over the estimated useful life of the fixed assets. The management believes that the useful life of assets assessed by the Bank, pursuant to the Act, taking into account changes in the environment, changes to the technology, the utility and the efficacy of the asset in use, fairly reflects estimate of useful life of the fixed assets.

The capitalized cost of the Finacle software is amortized over the licence period of 10 years.

The estimated useful life of key fixed assets are given below:

Class of asset	Useful life
Computer hardware	3 Years
Servers & Networks	6 Years
Motor car	5 Years
Office equipments	5 Years
Furniture and fixtures	10 Years
Leasehold improvements	Over the period of lease
Computer software	5 Years
Plant and machinery	5 Years

All fixed assets are depreciated as per written down value method except for Leasehold improvements, Computer hardware, Servers & Networks, Computer software and Plant and machinery, which are being depreciated as per straight line method.

All fixed assets individually costing less than ₹5,000 are fully depreciated in the year of purchase.

5. Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss has previously been recognized.

6. Foreign currency transactions

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transaction. Exchange differences, if any arising out of transactions settled during the year are recognised in the statement of Profit and Loss Account.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction. The exchange differences, if any, are recognised in the Profit and Loss Account and related assets and liabilities are accordingly restated in the balance sheet.

7. Revenue recognition

- Interest income on deposits with Banks and financial institutions is recognised on a time proportion basis taking into account the amount outstanding and the implicit rate of interest.
- Income on non-coupon bearing discounted instruments is recognised over the tenor of the instrument on a constant effective yield basis.

Schedule 17 - Significant Accounting Policies Appended to and Forming Part of the Financial Statements

- (iii) Transaction fee is recognised on the completion of individual transactions made through Point of Transaction (POT) devices.
- (iv) Disbursement fee includes remittance and service fees which are recognised based on the amount of disbursements / remittances / collections made through POT devices.
- (v) Business correspondent fee is recognised on the allotment of POT devices to individual agents.
- (vi) Agent registration fee is recognised on receipt of non-refundable agent deposit.
- (vii) Insurance broking income is recognised based on the numbers of policies sold to customers on behalf of insurance companies.
- (viii) Service revenue is recognised on completion of provision of services. Revenue, net of discount is recognised on transfer of all significant risks and rewards to the customer and when no significant uncertainty exists regarding realization of consideration.
- (ix) Third party financial products processing fees are recognised on an upfront basis.
- (x) Retail income including subscription charges and annual charges relating to debit cards issuance is recognised to the extent of balance available in the customer's account.
- (xi) All other fees are accounted for as and when they become due.

8. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Leases where the lessor effectively retains substantially all the risks and rewards of ownership over the lease term are classified as operating leases. The total lease rentals in respect of assets taken on operating lease are charged to the Profit and Loss Account on a straight line basis over the lease term. A lease that transfers substantially all the risks and rewards incidental to ownership to the Bank is classified as a finance lease.

9. Taxation

Income tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the Income Tax Act, 1961) and deferred tax charge or benefit (reflecting the tax effect of timing differences between accounting income and taxable income for the year).

Current tax

Provision for current tax is recognised based on estimated tax liability computed after adjusting for allowances, disallowances and exemptions in accordance with the tax laws applicable.

Deferred taxation

Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. The deferred tax charge or benefit and the corresponding deferred tax liabilities and assets are recognised using the tax rates and tax laws that have been enacted or substantially enacted as at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized, however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that they can be realized against future taxable profits. At each balance sheet date, unrecognized deferred tax asset of earlier years are re-assessed and recognized to the extent that it has become reasonably or virtually certain, as the case may be, that future taxable income will be available against which such deferred tax asset can be realized.

Minimum Alternate Tax ('MAT')

MAT under the provisions of the Income Tax Act, 1961 is recognised as current tax in the Profit and Loss Account. The credit available under the Income Tax Act, 1961 in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Bank will pay normal income tax during the period for which the MAT can be carried forward for set off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

Schedule 17 - Significant Accounting Policies Appended to and Forming Part of the Financial Statements

10. Earnings per share

The Bank reports basic and diluted earnings per share in accordance with Accounting Standard 20 - Earnings Per Share. Basic earnings per share is computed by dividing the net profit or loss after tax for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax by weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

11. Provisions, contingent liabilities and contingent assets

The Bank creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Loss contingencies arising from claims, litigations, assessment fines, penalties etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed. Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognised in the period in which the change occurs.

12. Provision for bad and doubtful debts

The Bank creates 100% provision against all receivables outstanding for more than 180 days or earlier where recovery is considered doubtful.

13. Cash and cash equivalents

Cash and cash equivalents include cash in hand, balances with RBI, balances with other Bank's and money at call and short notice.

14. Employee benefits

Post-employment benefits

Defined contribution plan

The Bank makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Bank's contribution is recognised as an expense in the Profit and Loss Account during the period in which the employee renders the related service.

Defined benefit plan

The Bank's gratuity benefit scheme is a defined benefit plan. The Bank's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The calculation of the Bank's obligation under the plan is performed quarterly by a qualified actuary using the projected unit credit method.

The Bank recognizes all actuarial gains and losses arising from defined benefit plans immediately in the Profit and Loss Account. All expenses related to defined benefit plans are recognised in employee benefits expense in the Profit and Loss Account. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in Profit and Loss Account on a straight-line basis over the average period until the benefits become vested. The Bank recognizes gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

Schedule 17 - Significant Accounting Policies Appended to and Forming Part of the Financial Statements

Compensated absences

Compensated absences balance upto 7 days are encashed at the end of financial year on the basic salary. Encashment of more than 7 days of leave is not permitted. Leave balance over 7 days will lapse at the end of financial year.

15. Segment Information

The segment information as per AS 17, "Segment Reporting", has been disclosed as per guidelines issued by RBI on AS 17 vide circular dated April 18, 2007. Attributable assets, liabilities, income and expenses are either specifically identified with individual segment or are allocated to the segment on reasonable basis or are classified as unallocated.

16. Share Issue Expenses

As per the section 52 (2) (c) of the Companies Act 2013, securities premium account may be utilized for writing off the expenses/ commission paid/discount allowed on, any issue of shares or debentures by a company. Further, as per RBI DBOD mailbox clarification dated October 9, 2007 on 'Prudential Norms - Utilization of Share Premium Account', banks can utilize share premium account for meeting the expenses relating to the issue of shares.

17. Employee Stock Option Scheme

The Bank has Employee Stock Option Plans which provides for grant of options on the Banks equity shares to employees of the Banks. The plan provides that the Banks's employees are granted an option to acquire equity shares of the Company that vests in a graded manner. The Option may be exercised with in specified period. Employee stock compensation cost for stock options is recognised as per the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Bank measures compensation cost relating to the employee stock options using the fair value method. The amortization of fair value is recognized as an expense in the statement of profit and loss within employee benefits as employee's compensation expenses, with corresponding increase in employee stock option outstanding reserve.

Gains on cancellation/forfeiture of unvested options are recognized as a decrease in expenses in profit and loss account within employee benefits. Further employees stock option outstanding reserve transferred to General Reserve at the time of cancellation/ expiry/forfeiture of vested options.

Schedule 18 - Notes Forming Part of Financial Statements

for the year ended March 31, 2026

1. Regulatory Capital

1.1. Composition of Regulatory Capital

As per the Reserve Bank of India (Payments Banks – Financial Statements: Presentation and Disclosures) Directions, 2025 RBI/DOR/2025-26/216 DOR.ACC.REC.No.135/21.04.018/2025-26, no separate charge is prescribed for market risk and operational risk. However, Bank, as a conservative approach, has provided Market Risk Capital (MRC) Charge on its overall investment portfolio and foreign currency assets, as on March 31, 2026.

Capital Adequacy Ratio (CRAR) as per the Operating Guidelines and as per Basel II Standardized Approach for Credit Risk, as at March 31, 2026 is given below:

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
(i) Common Equity Tier 1 capital (CET 1)	539.85	525.11
(ii) Additional Tier 1 capital	-	-
(iii) Tier 1 capital (i + ii)	539.85	525.11
(iv) Tier 2 capital	64.06	46.75
(v) Total capital (Tier 1+Tier 2)	603.91	571.86
(vi) Total Risk Weighted Assets (RWAs)	719.40	710.82
(vii) Common Equity Tier 1 (CET) Capital Ratio (%)	75.04%	73.87%
(viii) Tier I Capital Ratio (%)	75.04%	73.87%
(ix) Tier II Capital Ratio (%)	8.91%	6.58%
(x) Total Capital Ratio (CRAR) (%)	83.95%	80.45%
(xi) Leverage Ratio	10.09%	12.38%
(xii) Percentage of the shareholding of the Government of India in Public Sector banks	-	-
(xiii) Amount of paid-up equity capital raised during the year (Refer note 16)	0.00	0.00
(xiv) Amount of non-equity Tier I capital raised during the year	-	-
(xvi) Amount of Additional Tier 1 capital raised during the year	-	-
(xvii) Amount of Tier 2 capital raised during the year	17.32	12.88

1.2. Draw down from Reserves

The Bank has not undertaken any drawdown from reserves during the year ended March 31, 2026 and March 31, 2025.

Schedule 18 - Notes Forming Part of Financial Statements

for the year ended March 31, 2026

2. Investments

2.1 Disclosure of carrying value of investments and fair value

	Current Year						Previous Year							
	HTM		AFS	FVTPL		Subsidiaries, Associates & JVs		HTM		AFS	FVTPL		Subsidiaries, Associates & JVs	
	At Cost	Fair Value		HFT	Non-HFT	At Cost	Fair Value	At Cost	Fair Value		HFT	Non-HFT	At Cost	Fair Value
I. Investments in India														
(i) Government securities	50.78	-	3,203.20	-	-	-	50.80	-	2,337.25	-	-	-	-	-
(ii) Other approved securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Shares	-	-	0.48	-	-	-	-	-	0.08	-	-	-	-	-
(iv) Debentures and Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(v) Subsidiaries, associates and joint ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(vi) Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	50.78	-	3,203.68	-	-	-	50.80	-	2,337.33	-	-	-	-	-
Less: Provisions for impairment / NPI	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net	50.78	-	3,203.68	-	-	-	50.80	-	2,337.33	-	-	-	-	-
II. Investments outside India														
(i) Government securities (including local authorities)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Subsidiaries, associates and joint ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Other investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provisions for impairment/ NPI	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total investments (I+II)	50.78	-	3,203.68	-	-	-	50.80	-	2,337.33	-	-	-	-	-

Schedule 18 - Notes Forming Part of Financial Statements

for the year ended March 31, 2026

2. Investments (Contd.)

2.2 Fair Value Hierarchy of investment portfolio measured at fair value on balance sheet

	Current Year						Previous Year					
	AFS			FVTPL			AFS			FVTPL		
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
I. Investments in India												
(i) Government securities	3,203.20	-	-	3,203.20	-	-	-	-	2,337.25	-	-	2,337.25
(ii) Other approved securities	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Shares	-	-	0.48	0.48	-	-	-	0.08	-	-	-	-
(iv) Debentures and Bonds	-	-	-	-	-	-	-	-	-	-	-	-
(v) Subsidiaries, associates and joint ventures	-	-	-	-	-	-	-	-	-	-	-	-
(vi) Others	-	-	-	-	-	-	-	-	-	-	-	-
Total	3,203.20	-	0.48	3,203.68	-	-	-	2,337.25	2,337.33	-	-	-
II. Investments outside India												
(i) Government securities (including local authorities)	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Subsidiaries, associates and joint ventures	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Other investments	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-
Total investments (I+II)	3,203.20	-	0.48	3,203.68	-	-	-	2,337.25	2,337.33	-	-	-

Schedule 18 - Notes Forming Part of Financial Statements

for the year ended March 31, 2026

2. Investments (Contd.)

2.3 Net gains/ (losses) on Level 3 financial instruments recognized in AFS-Reserve and Profit and Loss Account

	Current Year	Previous Year
Recognized in AFS-Reserve	0.40	(2.42)
Recognized in Profit and Loss Account	-	-

2.4 Details of sales made out of HTM

	Current Year	Previous Year
A Opening carrying value of securities in HTM	50.78	50.80
B Carrying value of all HTM securities sold during the year	-	-
C Less: Carrying values of securities sold under situations exempted from regulatory limit	-	-
D Carrying value of securities sold (D=B-C)	-	-
E Securities sold as a percentage of opening carrying value of securities in HTM (E=D÷A)	-	-
Amount transferred to Capital Reserve in respect of HTM securities which were sold at a gain	-	-

2.5 Details of derivative portfolio

The Bank has not undertaken any derivative transactions during the current year and the previous year. Accordingly, the disclosure requirements with respect to derivative contracts and risk exposure in derivatives are not applicable.

2.6 Movement of Provisions for non-performing investments (NPIs) and Investment Fluctuation Reserve:

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
(i) Movement of provisions held towards non-performing investments		
(i) Opening balance	-	-
(ii) Add: Provisions made during the year	-	-
(iii) Less: Write-off / write back of excess / provisions during the year	-	-
(iv) Closing balance	-	-
(ii) Movement of Investment fluctuation Reserve		
(i) Opening balance	46.75	33.87
(ii) Add: Amount transferred during the year	17.31	12.87
(iii) Less: Drawdown	-	-
(iv) Closing balance	64.06	46.74
(iii) Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/Current category	2.00%	2.00%

Schedule 18 - Notes Forming Part of Financial Statements

for the year ended March 31, 2026

2. Investments (Contd.)

2.7 Repo transactions (in face value and market value terms):

The details relating to repo/ reverse repo transactions (in face value & market value terms) during the year ended March 31, 2026 are as follows:

(₹ in Crore)

	Minimum outstanding during the year		Maximum outstanding during the year		Daily average outstanding during the year		Outstanding as on March 31, 2026	
	Face Value	Market Value	Face Value	Market Value	Face Value	Market Value	Face Value	Market Value
i) Securities sold under repo								
a) Government securities	384.28	385.06	1,096.00	1,096.05	894.20	894.81	1,089.50	1,089.48
b) Corporate debt securities	-	-	-	-	-	-	-	-
c) Any other securities	-	-	-	-	-	-	-	-
ii) Securities purchased under reverse repo								
a) Government securities	-	-	-	-	-	-	-	-
b) Corporate debt securities	-	-	-	-	-	-	-	-
c) Any other securities	-	-	-	-	-	-	-	-

The details relating to repo/ reverse repo transactions (in face value & market value terms) during the year ended March 31, 2025 are as follows:

(₹ in Crore)

	Minimum outstanding during the year		Maximum outstanding during the year		Daily average outstanding during the year		Outstanding as on March 31, 2025	
	Face Value	Market Value	Face Value	Market Value	Face Value	Market Value	Face Value	Market Value
i) Securities sold under repo								
a) Government securities	189.97	190.09	599.52	599.96	549.60	549.71	400.00	399.63
b) Corporate debt securities	-	-	-	-	-	-	-	-
c) Any other securities	-	-	-	-	-	-	-	-
ii) Securities purchased under reverse repo								
a) Government securities	-	-	-	-	-	-	-	-
b) Corporate debt securities	-	-	-	-	-	-	-	-
c) Any other securities	-	-	-	-	-	-	-	-

Notes:

1. Security sold under repo includes market repo & tri-party repo transactions.
2. The face value of securities sold under repo is considered as the face value of securities purchased.
3. The market value of securities sold under repo is treated as the price at which the borrowing transaction is done.
4. The daily average outstanding during the year excludes days on which the borrowing is zero.

Schedule 18 - Notes Forming Part of Financial Statements

for the year ended March 31, 2026

2. Investments (Contd.)

2.8 Government Security Lending (GSL) transactions (in market value terms)

On December 27, 2023, the Reserve Bank of India ("RBI") released the RBI (Government Securities Lending) Directions, 2023 ("Directions") to enable lending and borrowing of government securities. The Bank has not undertaken any Government Security Lending (GSL) transactions during the current year and previous year. Accordingly, the disclosure requirements with respect to GSL transactions are not applicable.

2.9 Non SLR investment portfolio:

i) Non performing non SLR investments

During current and previous year, the Bank does not have any non-performing non-SLR investments.

ii) Issuer composition of non-SLR investments

Sr. No.	Issuer	Amount		Extent of Private Placement		Extent of 'Below Investment Grade' Securities		Extent of 'Unrated' Securities		Extent of 'Unlisted' Securities	
		Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
a)	PSUs	-	-	-	-	-	-	-	-	-	-
b)	FIs	-	-	-	-	-	-	-	-	-	-
c)	Banks	-	-	-	-	-	-	-	-	-	-
d)	Private Corporates*	0.48	0.08	-	-	-	-	-	-	0.48	0.08
e)	Subsidiaries/ Joint Ventures	-	-	-	-	-	-	-	-	-	-
f)	Others	-	-	-	-	-	-	-	-	-	-
g)	Provision held towards depreciation	-	-	-	-	-	-	-	-	-	-
	Total	0.48	0.08	-	-	-	-	-	-	0.48	0.08

* The Board of Directors at its meeting held on April 10, 2022 has approved a minority strategic investment in PaySprint Private Limited a "Fintech" company. The Board of Directors of PaySprint Private Limited has approved the allotment of 867 equity shares of face value of ₹10 each to the Bank at a premium of ₹28,801 per share, aggregating to the total investment of ₹2.50 Crs representing 7.98% of paid-up share capital of PaySprint Private Limited. As per RBI Master Direction - RBI/DOR/2025-26/216 DOR. ACC.REC.No.135/21.04.018/2025-26 dated November 28, 2025, the Bank has made an irrevocable election to classify an equity instrument that is not held with the objective of trading (i.e., not held for any of the purposes listed in paragraph 4 of Annex I of the circular) under AFS. This has necessitated in a debit to AFS Reserve by ₹2.42 Crores in FY25 & credit to AFS Reserve by ₹0.40 Crores valuing the investment in Financial Statements as on March 31, 2026 at ₹0.48 Crores.

2.10 Sale and transfer to / from HTM category:

As per the Operating Guidelines for Payments Banks, Payments Banks are not permitted to classify any investment, other than those made out of their own funds, as Held to Maturity (HTM) category. Further the investments made out of their own funds shall not, in any case be, in assets or investments in respect of which the promoter / a promoter group entity is a direct or indirect obligor.

During the current and previous year, there has been no sale/ transfer from HTM category.

Schedule 18 - Notes Forming Part of Financial Statements

for the year ended March 31, 2026

3. Asset quality

As per the Operating Guidelines, Payments Banks are not permitted to lend to any person including their directors. However, Payments Banks may lend to their own employees out of the Bank's own funds, as per a Board approved policy outlining the caps on such loans.

In accordance with the Operating Guidelines, as at March 31, 2026, the Bank had classified employee loan amounting to ₹0.09 Crore as advances (Previous Year ₹0.17 Crore). The Bank follows the process of recovering monthly installments due from respective employees while processing monthly salary.

Accordingly, the disclosure requirements with respect to Asset quality are not applicable.

4. Business ratios

Particulars	As at March 31, 2026	As at March 31, 2025
(i) Interest income as percentage to Working funds ¹	5.14%	5.22%
(ii) Non-interest income as percentage to Working funds	27.77%	44.17%
(iii) Operating profit ² as percentage to Working funds	1.40%	2.90%
(iv) Return on assets (Working funds)	1.09%	2.47%
(v) Business ³ (Deposit plus advance) per employee (₹ in Crore)	0.84	0.71
(vi) Profit per employee ⁴ (₹ in Crore)	0.02	0.03
(vii) Cost of Deposits ⁵	1.97%	2.54%
(viii) Net Interest Margin ⁶	3.66%	3.58%

¹ Working funds is the average of total assets (excluding accumulated losses) as reported in monthly Form X to RBI under Section 27 of the Banking Regulations Act, 1949.

² Operating profit is net profit for the year before provisions and contingencies.

³ Business is the total of net advances and deposits (net of inter-bank deposits).

⁴ Productivity ratios are based on average employee number.

⁵ Cost of deposits is ratio of interest expenses on deposits to the daily average of total deposits.

⁶ Net Interest Margin (NIM) is calculated by dividing net interest income by average earning assets. Net interest income is the difference between interest income and interest expense. Average earning assets are the average of the opening and closing interest-earning assets over a period.

5. Asset Liability Management

Maturity Pattern of certain items of Assets and Liabilities as at March 31, 2026 and March 31, 2025

(₹ in Crore)

Particulars	As at March 31, 2026					
	Deposits	Advances	Investments	Borrowings	Foreign Currency Assets	Foreign Currency Liabilities
1 day	221.20	-	2,750.41	1,535.30	-	-
2 to 7 days	187.77	-	-	-	-	-
8 to 14 days	0.74	-	-	-	-	-
15 to 30 Days	259.52	-	495.45	-	-	-
31 Days to 2 months	28.24	-	8.03	-	-	-
Over 2 months to 3 months	-	-	-	-	-	-
Over 3 months to 6 months	122.68	-	-	-	-	-
Over 6 months to 1 year	-	0.09	0.08	-	-	-
Over 1 year to 3 years	1,559.34	-	-	-	-	-
Over 3 years to 5 years	-	-	-	-	-	-
Over 5 years	-	-	0.48	-	-	-
Total	2,379.49	0.09	3,254.45	1,535.30	-	-

Schedule 18 - Notes Forming Part of Financial Statements

for the year ended March 31, 2026

5. Asset Liability Management (Contd.)

(₹ in Crore)

Particulars	As at March 31, 2025					
	Deposits	Advances	Investments	Borrowings	Foreign Currency Assets	Foreign Currency Liabilities
1 day	180.52	-	1,915.53	839.46	-	-
2 to 7 days	152.96	-	-	-	-	-
8 to 14 days	0.63	-	-	-	-	-
15 to 30 Days	211.45	-	457.59	-	-	-
31 Days to 2 months	23.17	-	10.00	-	0.44	0.44
Over 2 months to 3 months	-	-	-	-	-	-
Over 3 months to 6 months	100.11	-	0.18	-	-	-
Over 6 months to 1 year	-	0.17	0.26	-	-	-
Over 1 year to 3 years	1,270.60	-	1.84	-	-	-
Over 3 years to 5 years	-	-	2.66	-	-	-
Over 5 years	-	-	0.08	-	-	-
Total	1,939.44	0.17	2,388.13	839.46	0.44	0.44

Note - Classification of assets and liabilities under the different maturity buckets is based on the same estimates and assumptions as used by the Bank for compiling the returns submitted to the RBI.

6. Liquidity Coverage Ratio (LCR)

The provisions of Liquidity Coverage Ratio (LCR), as per the circular on Basel III Framework on Liquidity Standards – Liquidity Coverage Ratio (LCR), Liquidity Risk Monitoring Tools and LCR Disclosure Standards dated June 9, 2014 and as amended from time to time, are not applicable to the Payments Banks and hence no disclosures have been provided.

7. Net Stable Funding ratio (NSFR)

The provisions of Net Stable Funding Ratio (NSFR), as per the circular on Basel III Framework on Liquidity Standards – Net Stable Funding Ratio (NSFR), are not applicable to the Payments Banks and hence no disclosures have been provided.

8. Exposures

a. Exposure to real estate sector:

The Bank does not have any exposure to real estate sector as at March 31, 2026 and March 31, 2025. Accordingly, the disclosure requirements with respect to exposure to real estate sector are not applicable.

b. Capital market exposure:

(₹ in Crore)

Sr. No	Particulars	As at March 31, 2026	As at March 31, 2025
1	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt	0.48	0.08
2	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds	-	-

Schedule 18 - Notes Forming Part of Financial Statements

for the year ended March 31, 2026

8. Exposures (Contd.)

(₹ in Crore)

Sr. No	Particulars	As at March 31, 2026	As at March 31, 2025
3	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
4	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances	-	-
5	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
6	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
7	Bridge loans to companies against expected equity flows / issues	-	-
8	Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
9	Financing to stockbrokers for margin trading	-	-
10	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
	Total exposure to capital market	0.48	0.08

c. Risk category wise country exposure:

The Bank's exposures are concentrated in India as at March 31, 2026 and March 31, 2025. Accordingly, the disclosure requirements with respect to category wise country risk exposure are not applicable.

d. Unsecured advances:

As per the Operating Guidelines for Payments Banks, Payments Banks are not permitted to lend to any person, accordingly, the disclosure requirements with respect to unsecured advances is not applicable.

In accordance with the Operating Guidelines, as at March 31, 2026, the Bank had classified employee loan amounting to ₹0.09 Crore as advances (Previous Year ₹0.17 Crore). The Bank follows the process of recovering monthly installments due from respective employees while processing monthly salary.

e. Factoring Exposures:

The Operating Guidelines defines the scope of activities for Payments Banks. Factoring Business is not within the defined scope of the Operating Guidelines issued by RBI. The Bank has not engaged in Factoring Business.

f. Intra-group exposures:

The Bank does not have any exposure (advances/ investments) within the group.

g. Unhedged Foreign Currency Exposure:

The Bank does not have any foreign currency exposure as at March 31, 2026 and March 31, 2025. Thus, the disclosure is not applicable to the Bank.

Schedule 18 - Notes Forming Part of Financial Statements

for the year ended March 31, 2026

9. Disclosure of penalties:

During the year ended March 31, 2026, RBI, by an order dated June 20, 2025, has imposed penalty for an amount of ₹29.60 Lakhs based on the statutory inspection conducted by RBI for non-compliance with RBI directions on “Licensing of Payments Banks”, relating to end of the day the balance in four accounts exceeding ₹2 lakh on 625 instances, cumulatively, during February 2023 to November 2023. The Bank had *suo moto* identified the issue and process modifications were implemented in November 2023 prior to the statutory inspection.

However, during the year ended March 31, 2025, no penalty was imposed on the Bank by RBI under the provisions the (i) Banking Regulation Act, 1949, (ii) Payment and Settlement Systems Act, 2007 and (iii) Government Securities Act, 2006.

10. Employee benefits

Defined contribution plans:

Employer's contribution recognized and charged off for the year to defined contribution plans are as under:

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Provident fund	6.26	5.54
Pension fund	4.00	3.86
Total	10.26	9.40

Gratuity

The Bank's gratuity benefit scheme is a defined benefit plan. The Bank's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted.

The calculation of the Bank's obligation under the plan is performed quarterly by a qualified actuary using the projected unit credit method.

The following table sets out the status of the Gratuity Plan as required under Accounting Standard 15.

Change in the present value of the defined benefit obligation.

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Opening defined benefit obligation	15.72	13.85
Current service cost	2.43	2.02
Interest cost	1.08	0.99
Actuarial (gains)/losses	(0.13)	0.70
Benefits paid	(1.06)	(1.84)
Past service cost *	3.94	-
Transfer from/to group companies	-	-
Closing defined benefit obligation	21.98	15.72

Schedule 18 - Notes Forming Part of Financial Statements

for the year ended March 31, 2026

10. Employee benefits (Contd.)

Change in the plan assets

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Opening fair value of plan assets	-	-
Expected return on plan assets	-	-
Employer's contributions	-	-
Benefits paid	-	-
Actuarial gains/(losses) on plan assets	-	-
Closing fair value of plan assets at March 31	-	-

Reconciliation of present value of the obligations and fair value of the plan assets

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Present value of funded obligation at March 31	21.98	15.72
Fair value of plan assets at March 31	-	-
Surplus / (Deficit)	(21.98)	(15.72)
Net Asset / (Liability)	(21.98)	(15.72)

Net cost recognized in the Profit and Loss Account

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Current service cost	2.43	2.02
Interest cost	1.08	0.99
Past service cost *	3.94	-
Net actuarial (gains)/losses recognized during the year	(0.13)	0.70
Total cost of defined benefit plans included in schedule 16 payments to and provisions for employees	7.32	3.71

Key Actuarial Assumptions

Particulars	As at March 31, 2026	As at March 31, 2025
Discount rate	5.90%	6.50%
Expected rate of return on plan asset	-	-
Salary escalation	8.30%	9.10%
Withdrawal rate	30.00%	30.00%
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14

Experience Adjustment

(₹ in Crore)

	2025-26	2024-25	2023-24	2022-23	2021-22
On Plan liabilities (gains) /losses	(0.12)	0.36	0.59	0.67	0.32
On Plan assets (losses)/gains	-	-	-	-	-

*Past service cost is on account of labour law impact.

Schedule 18 - Notes Forming Part of Financial Statements

for the year ended March 31, 2026

11. Unamortized Pension and Gratuity liabilities

As at March 31, 2026, the Bank does not have any unamortized Pension and Gratuity liability.

12. Segment Reporting

Business segments

In terms of the AS-17 (Segment Reporting) issued by Institute of Chartered Accountants of India and RBI circular Ref. DBOD. No. BP.BC.81/21.04.018/2006-07 dated April 18, 2007 read with DBR.BP.BC No.23/21.04.018/2015-16 dated July 01, 2015 and amendments thereto, the business of the Bank has been segregated into four segments: Treasury, Corporate Banking, Retail Banking and Other Banking Operations:

(₹ in Crore)

Particulars	For the year ended March 31, 2026				
	Treasury	Corporate / Wholesale Banking	Retail Banking	Other Banking Operations	Total
Gross revenue	248.19	-	493.50	845.62	1,587.31
Unallocated revenue	-	-	-	-	0.61
Less: Intersegment revenue	-	-	-	-	-
Total Revenue	248.19	-	493.50	845.62	1,587.92
Segment results	176.46	-	234.59	34.06	445.11
Unallocated expenses	-	-	-	-	377.70
Operating profit	-	-	-	-	67.41
Income tax (including deferred tax)	-	-	-	-	14.95
Net profit/(loss)	-	-	-	-	52.46
As at March 31, 2026					
Segment assets	4,391.47	-	71.14	387.80	4,850.41
Unallocated assets	-	-	-	-	461.49
Total assets	4,391.47	-	71.14	387.80	5,311.90
As at March 31, 2026					
Segment liabilities	1,339.94	-	2,435.38	646.71	4,422.03
Unallocated liabilities	-	-	-	-	84.66
Total liabilities	1,339.94	-	2,435.38	646.71	4,506.69

(₹ in Crore)

Particulars	For the year ended March 31, 2025				
	Treasury	Corporate / Wholesale Banking	Retail Banking	Other Banking Operations	Total
Gross revenue	194.67	-	423.81	1,228.01	1,846.49
Unallocated revenue	-	-	-	-	0.61
Less: Intersegment revenue	-	-	-	-	-
Total Revenue	194.67	-	423.81	1,228.01	1,847.10
Segment results	132.76	-	180.37	136.57	449.70
Unallocated expenses	-	-	-	-	341.35
Operating profit	-	-	-	-	108.35
Income tax (including deferred tax)	-	-	-	-	15.82
Net profit/(loss)	-	-	-	-	92.53
As at March 31, 2025					
Segment assets	3,299.17	-	82.37	374.78	3,756.32
Unallocated assets	-	-	-	-	449.60
Total assets	3,299.17	-	82.37	374.78	4,205.92

Schedule 18 - Notes Forming Part of Financial Statements

for the year ended March 31, 2026

12. Segment Reporting (Contd.)

(₹ in Crore)

Particulars	For the year ended March 31, 2025				
	Treasury	Corporate / Wholesale Banking	Retail Banking	Other Banking Operations	Total
As at March 31, 2025					
Segment liabilities	685.15	-	1,995.70	705.55	3,386.40
Unallocated liabilities	-	-	-	-	72.66
Total liabilities	685.15	-	1,995.70	705.55	3,459.06

Notes:

- Other Banking Operations includes Business Correspondent services, Digital Payment Services, Cash Management Services, Domestic Money Transfer, Micro-ATM & Aadhaar enabled Payment System (AePS).
- Pursuant to the segment reporting requirement of the RBI previous year numbers are reported under the best allocable segment i.e. Other Banking Operations.
- Income, expenses, assets and liabilities have been either specifically identified to individual segment or allocated to segments on a reasonable basis or are classified as unallocated.

Geographic segment:

The business of the Bank does not extend outside India and it does not have any assets outside India or earnings emanating from outside India. Accordingly, the Bank has not reported any geographic segments.

13. Related Party Transactions

As per AS 18 "Related Party Disclosures", the Bank's related parties for the year ended March 31, 2026 are disclosed below:

1. Parent Entity

FINO PayTech Limited (Percentage of holding - 75%)

2. Key Management Personnel ('KMP')

Mr. Rishi Gupta (Managing Director & Chief Executive Officer)

3. Relatives of Key Management Personnel

- Wife - Roli Gupta
- Sons - Prajwal Gupta, Pranav Gupta
- Brother - Gautam Gupta

4. Fellow Subsidiaries

FFPL Finserv Private Limited (formerly known as Fino Finance Private Limited) **

Fino Financial Services Private Limited

Fino Trusteeship Services Limited

The details of the amounts due to or due from the related parties as on March 31, 2026 and March 31, 2025 along with transactions between the Bank and such related parties entered during the year are as follows:

(₹ in Crore)

Items / Related Party	Parent	Fellow Subsidiaries	Associates / Joint ventures / Subsidiaries	KMP	Relatives of KMP	Total
Rendering of services	1.87	-	-	-	-	1.87
Reimbursement of expenses	4.28	-	-	-	-	4.28
Receipt of services	1.14	-	-	-	-	1.14
Remuneration	-	-	-	-	-	-
Balances payable*	1.44	-	-	-	-	1.44
Balance receivable#	0.45	-	-	-	-	0.45

*Maximum balance ₹4.73 Cr

#Maximum balance ₹1.37 Cr

Schedule 18 - Notes Forming Part of Financial Statements

for the year ended March 31, 2026

13. Related Party Transactions (Contd.)

The following represents the significant transactions between the Bank and such related parties during the year ended March 31, 2025:

(₹ in Crore)

Items / Related Party	Parent	Fellow Subsidiaries	Associates / Joint ventures / Subsidiaries	KMP	Relatives of KMP	Total
Rendering of services	1.69	-	-	-	-	1.69
Reimbursement of expenses	2.87	-	-	-	-	2.87
Receipt of Services	1.32	-	-	-	-	1.32
Remuneration	-	-	-	-	-	-
Balances payable*	1.02	-	-	-	-	1.02
Balance receivable#	0.15	-	-	-	-	0.15

*Maximum balance ₹2.89 Cr

#Maximum balance ₹3.38 Cr

**FFPL FinServ Private Limited (formerly known as Fino Finance Private Limited) voluntarily applied for surrender of the Certificate of Registration ("COR") as an NBFC and RBI has approved the same vide its cancellation order dated May 30, 2024. Consequently, the name of has been changed with effect from October 16, 2024 to FFPL FinServ Private Limited.

14. Deferred tax (AS-22)

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred tax assets:		
Depreciation on fixed assets	(0.20)	6.54
Unabsorbed depreciation on fixed assets	-	-
Business loss	-	11.04
Employee benefits	8.61	8.61
Provision for doubtful debts	1.58	1.58
Provision for Rent Straight Lining	0.23	0.28
Total	10.22	28.05

Deferred tax assets have not been recognized in respect of the aforesaid items in absence of virtual certainty of future taxable profits as mandated by Accounting Standard 22 – Deferred Taxes as issued by Institute of Chartered Accountants of India.

15. Provisions and contingencies

Break up of 'Provisions and contingencies shown under the head expenditure in the Profit and Loss Account.

(₹ in Crore)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
i) Provision for Non-Performing Investment (NPI)	-	-
ii) Provision made towards NPAs	-	-
iii) Provision for depreciation on investments	-	-
iv) Provision / (Write back) for Credit card reward points	-	-
v) Provision for others	-	-
vi) Provision made towards Income tax	14.95	15.82
vii) Provision towards deferred tax (net)	-	-

Schedule 18 - Notes Forming Part of Financial Statements

for the year ended March 31, 2026

16. Capital Infusion

During the current year, there was no capital infusion. During the previous year, the Bank allotted a total of 4,100 equity shares of face value ₹10/- each, to the employees who exercised their stock options in accordance to the Employee Stock Option Plan (ESOP).

17. Appropriation to / Withdrawal from Reserve

(i) Statutory Reserve:

The Bank has made an appropriation of ₹13.11 Crores (March 31, 2025: ₹23.13 Crores) out of profits for the year ended March 31, 2026 to Statutory Reserve pursuant to the requirements of Section 17 of the Banking Regulation Act, 1949 and RBI Master Direction dated November 28, 2025.

(ii) Investment Fluctuation Reserve:

During the year ended March 31, 2026, the Bank has transferred an amount of ₹17.32 Crores (Previous year: ₹12.87 Crores) from Profit and Loss Account to Investment Fluctuation Reserve as per the RBI circular on "Prudential Norms for Classification, Valuation and Operation of Investments Portfolio by Banks – Spreading of MTM losses and creation of Investment Fluctuation Reserve (IFR)".

18. Disclosure of complaints

A. Summary information on complaints received by the Bank from customers and from the Office of Banking Ombudsman (OBO)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Complaints received by the bank from its customers (Includes received from CPGRAMs and NCH)		
1 Number of complaints pending at beginning of the year	8,239	2,206
2 Number of complaints received during the year	70,240	97,863
3 Number of complaints disposed during the year	71,968	91,830
Of which, number of complaints rejected by the bank	22,480	7,365
4 Number of complaints pending at the end of the year	6,511	8,239
Maintainable complaints received by the bank from OBOs		
5 Number of maintainable complaints received by the bank from OBOs	447	247
Of 5, number of complaints resolved in favor of the bank by OBOs	196	87
Of 5, number of complaints resolved through conciliation/mediation/ advisories issued by OBOs	251	160
Of 5, number of complaints resolved after passing of Awards by OBOs against the bank	-	-
6 Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously Banking Ombudsman Scheme, 2006) and covered within the ambit of the Scheme.

Schedule 18 - Notes Forming Part of Financial Statements

for the year ended March 31, 2026

18. Disclosure of complaints (Contd.)

B. Top five grounds of complaints received by the Bank from customers

Grounds of complaints, (i.e. complaints relating to)	No. of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Year Ended March 31, 2026*					
Internet / Mobile / Electronic Banking	3,569	37,210	91%	3,325	799
Account opening / difficulty in operation of accounts	1,353	15,274	(76%)	840	327
ATM / Debit Cards	882	5,161	(43%)	1,054	317
Levy of charges without prior notice / excessive charges	26	70	(22%)	10	2
Cheques / drafts / bills	1	34	42%	1	-
Others	2,408	12,491	130%	1,281	143
Total	8,239	70,240	(28%)	6,511	1,588
Year Ended March 31, 2025*					
Account opening / difficulty in operation of accounts	1,330	63,743	39%	1,353	169
Internet / Mobile / Electronic Banking	624	19,475	273%	3,569	1,822
ATM / Debit Cards	164	9,099	(25%)	882	649
Levy of charges without prior notice / excessive charges	6	90	70%	26	17
Cheques / drafts / bills	3	24	(52%)	1	-
Others	79	5,432	79%	2,408	1,926
Total	2,206	97,863	47%	8,239	4,583

*The top five grounds of complaints are aligned to the circular related to Financial Statements: Presentation and Disclosures Direction – 2025.

19. Letter of comfort

The Bank has not issued any letters of comfort during the year ending March 31, 2026 and March 31, 2025.

20. Provisioning coverage ratio

As per Operating Guidelines for Payments Banks, Payments Banks are not permitted to lend to any person including their directors. Accordingly, the disclosure requirements with respect to Provisioning coverage ratio are not applicable.

21. Bancassurance Business

The details of fees / brokerage earned in respect of insurance broking, agency and bancassurance business.

(₹ in Crore)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
i) Fee/ brokerage from Life insurance business	-	-
ii) Fee/ brokerage from General insurance business	0.42	1.13
Total fees from Bancassurance business	0.42	1.13

Schedule 18 - Notes Forming Part of Financial Statements

for the year ended March 31, 2026

22. Concentration of deposits, advances, exposures and NPAs

22.1 Concentration of deposits

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Total deposits of twenty largest depositors	0.39	0.39
Percentage of deposits of twenty largest depositors to Total deposits as at the year end	0.02%	0.02%

22.2 Concentration of Advances

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Total advances of twenty largest borrowers [#]	0.09	0.17
Percentage of borrowers of twenty largest borrowers to Total advances as at the year end	100%	100%

[#]Refer Note 2 of Significant Accounting Policies

22.3 Concentration of Exposures

As per Operating Guidelines for Payments Banks, Payments Banks are not permitted to lend to any person including their Directors. As at March 31, 2026 and March 31, 2025, the Bank does not have any exposure and accordingly, the disclosure requirements with respect to Concentration of Exposures is not applicable.

22.4 Concentration of NPAs

As per Operating Guidelines for Payments Banks, Payments Banks are not permitted to lend to any person including their Directors. As at March 31, 2026 and March 31, 2025, the Bank does not have any NPAs and accordingly, the disclosure requirements with respect to Concentration of NPAs is not applicable.

23. Sector wise Advances

As per the Operating Guidelines for Payments Banks, Payments Banks are not permitted to lend to any person including their directors. As at March 31, 2026 and March 31, 2025, the Bank has not provided any advances, accordingly the disclosure requirements with respect to sector wise Advances is not applicable.

24. Movement of NPAs

As per the Operating Guidelines for Payments Banks, Payments Banks are not permitted to lend to any person including their Directors. As at March 31, 2026 and March 31, 2025, the Bank does not have any NPAs and accordingly, the disclosure requirements with respect to Movement of NPAs is not applicable.

25. Overseas Assets, NPAs and Revenue

The Bank does not hold any overseas assets / NPAs as at March 31, 2026 and March 31, 2025 and no overseas operations were undertaken during the year ended March 31, 2026 and March 31, 2025. Accordingly, the disclosure requirements with respect to Overseas Assets, NPAs and Revenue are not applicable.

26. Movement of Technical / Prudential Written off Accounts

The Bank has not written off any accounts for the year ended March 31, 2026 and March 31, 2025.

27. Divergence in asset classification and provisioning

As per Operating Guidelines, Payments Banks are not permitted to lend to any person including their Directors. As at March 31, 2026 and as at March 31, 2025, the Bank does not have any NPAs and accordingly, the disclosure requirements with respect to Divergence in asset classification and provisioning are not applicable.

Schedule 18 - Notes Forming Part of Financial Statements

for the year ended March 31, 2026

28. Disclosure of transfer of loan exposures

As per Operating Guidelines, Payments Banks are not permitted to lend to any person including their Directors. As at March 31, 2026 and as at March 31, 2025, the Bank does not have any exposure and accordingly, the disclosure requirements with respect to Disclosure of transfer of loan exposures are not applicable.

29. Disclosure on Remuneration

Qualitative Disclosure

A) Information relating to the composition and mandate of the Nomination & Remuneration Committee

Members of Nomination & Remuneration committee are:

1. Mrs. Anita Sudhir Pai, Chairperson and Independent Director (appointed as Chairperson and Member of the Committee w.e.f. February 11, 2026)
2. Mr. Rakesh Bhartia, Chairperson and Independent Director (ceased to be Chairperson and Member w.e.f. February 03, 2026)
3. Mrs. Deena Asit Mehta, Member and Independent Director
4. Mr. Rajat Kumar Jain, Member and Independent Director
5. Mr. Prateek Roongta, Member and Nominee Director

B) Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy

The Compensation Structure at the Bank is divided into two parts Fixed and Variable.

The compensation is broadly been divided in components like Basic Salary, HRA, Provident Fund, Leave Travel Allowance, Special Allowance and Earning Potential (Variable Pay).

Depending on grade title/role/performance one or more components may be included or excluded from the salary structure.

Variable Pay: The Variable pay varies depending on employee's performance and is subject to change as per the Bank's performance and policies.

For variable payout the performance evaluation is determined through KPI based approach. KPIs cascade from the organization's / department's goals. These are defined at the beginning of the financial year. (The weightages against these parameters will vary according to Department and the Band of the employee):

Employees eligible under sales incentives are excluded from earning potential process and are covered through the Sales Incentives Plans.

Statutory Bonus: Some Section of employees are also paid statutory bonus as per the Payment of Bonus Act (1965) as amended from time to time.

C) Description of the ways in which current and future risks are taken into account in the remuneration processes

The Bank takes into account various types of risks in its remuneration processes. Along with keeping in mind the key parameters like Fixed and Variable pay the focus is also on ensuring a high-performance culture, role clarity, meritocracy, clarity on performance expectation and a robust mechanism are necessary ingredients in building a productive and motivated team that is aligned to organizations vision.

While considering the fixed pay for revision, the Bank conducts salary review process wherein revisions in compensation are based on performance and internal pay parity study up to an extent is taken in consideration to ensure that employees are competitively positioned in terms of fixed pay.

Cascading of goals from the Organizational level to individual levels, periodic monitoring of performance, frequent rewards, performance improvement plans and key talent programs ensure that the risk due to attrition is mitigated as much as possible. Risk and Compliance are two major evaluated parameters within overall KPIs across all functions.

To protect current and future risks; for Material Risk Takers, the deferred portion of compensation is subject to Malus and Claw back arrangements which dovetails into prudent risk taking and a futuristic approach to decision making by them.

Schedule 18 - Notes Forming Part of Financial Statements

for the year ended March 31, 2026

29. Disclosure on Remuneration (Contd.)

D) Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration

The Bank follows a Philosophy of Pay for Performance and Promote for Potential evaluation process for each Band.

The performance evaluation is determined through KPIs based approach. KPIs cascades from the organization's / department's goals. These are defined at the beginning of the financial year. These KPIs are a combination of following broad parameters (The weightages against these parameters will vary according to Department and the Band of the employee):

- a) Financial
- b) Process
- c) Customer
- d) Capability

Earning potential will be paid basis the individual and Bank performance i.e. performance bonus will vary band wise based on the performance of the Bank & the individual performance against set KPIs.

E) A discussion of the bank's policy on deferral and vesting of variable remuneration and a discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting.

Employees of the Bank may be entitled to stock purchase / stock options scheme as per the Bank's ESOP Scheme with the vesting period as recommended by RBI guidelines and incorporated in the compensation policy.

For those employees identified as Material Risk Takers, deferral arrangements will be a part of their variable compensation. For such employees, at least 60% of their total variable pay will be under deferral arrangements. The compensation of MRTs will also include a deferral of the cash variable as per the regulatory guidelines incorporated in the compensation policy.

Such Variable Compensation will also be subject to Malus and Claw backs and will need employees to sign relevant declarations whenever necessary.

F) Description of the different forms of variable remuneration (i.e. cash, shares, ESOPs and other forms) that the bank utilizes and the rationale for using these different forms

Employees of the Bank may be entitled to stock purchase / stock options scheme as per the Bank's ESOP Scheme.

Cash bonus is a part of earning potential/Sales Incentive depending on employee's and Bank's performance basis the KPIs set across the organization and is subject to change as per the Bank's performance and policies.

Some section of Employees are also eligible for statutory bonus as per the Payment of Bonus Act (1965) as amended from time to time.

Quantitative Disclosure:

(The quantitative disclosure covers Whole Time Directors, Chief Executive Officer and Other Risk Takers)

(₹ in Crore)

S. No	Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
1	(i) Number of meetings held by the Nomination & Remuneration Committee during the financial period.	8	6
	(ii) Remuneration paid to its members during the financial period (₹ in Crore).	0.18	0.14
2	(i) Number of employees having received a variable remuneration award during the financial period.	6	5
	(ii) Number and total amount of sign-on / joining bonus made during the financial period.	Nil	Nil
	(iii) Details of severance pay, in addition to accrued benefits, if any.	Nil	Nil
3	(i) Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	28.33 [#]	20.43 [*]
	(ii) Total amount of deferred remuneration paid out in the period.	2.85	0.29

Schedule 18 - Notes Forming Part of Financial Statements

for the year ended March 31, 2026

29. Disclosure on Remuneration (Contd.)

(₹ in Crore)

S. No	Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
4	Breakdown of amount of remuneration awards for the financial year:		
	Fixed	10.32	8.88
	Variable**	11.32	9.22
	Deferred	8.49	7.34
	Non-deferred	2.83	1.88
5	(i) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments.	28.33	20.43
	(ii) Total amount of reductions during the period due to ex - post explicit adjustments.	Nil	Nil
	(iii) Total amount of reductions during the period due to ex - post implicit adjustments.	Nil	Nil
6	Number of MRT's identified	6	5
7	(i) Number of cases where Malus has been exercised.	Nil	Nil
	(ii) Number of cases where Claw back has been exercised.	Nil	Nil

* Deferred portion includes ESOP of FY24-25 which is approved but yet to be granted.

Deferred portion includes ESOP of FY24-25 which is approved but yet to be granted & ESOP of FY25-26 which is yet to be approved & granted (considered basis CTC Provision).

** Variable includes overall deferred & non deferred part of Cash & ESOP for respective FY basis CTC Provision.

General Quantitative Disclosure:

Particulars	For the Year Ended March 31, 2026	For the Year Ended March 31, 2025
The mean pay for the Bank as a whole (excluding sub-staff) and the deviation of the pay of each of its WTDs from the mean pay.	Total mean pay of the Bank as a whole (excluding sub-staff) is ₹0.072 Crore calculated on annualized basis. Deviation in the Fixed pay for WTD from the mean pay is 37 times for the FY 2025-26.	Total mean pay of the Bank as a whole (excluding sub-staff) is ₹0.060 Crore calculated on annualized basis. Deviation in the Fixed pay for WTD from the mean pay is 37 times for the FY 2024-25.

30. Disclosure on remuneration to Non-Executive Directors

Remuneration by way of sitting fees to the Non-Executive Directors for attending meetings of the Board & its committees during the year ended March 31, 2026 amounted to ₹1.47 Crore (previous year: ₹1.11 Crore). Further, in accordance with RBI guidelines, remuneration to all Non-Executive Directors other than the Chairperson for the year ended March 31, 2026 amounted to ₹0.40 Crore (previous year: ₹0.40 Crore) and remuneration to Part-Time Chairperson amounted to ₹0.15 Crores (previous year: ₹0.15 Crores)

31. Disclosures relating to securitization

As per the Operating Guidelines for Payments Banks, Payments Banks are not permitted to lend to any person including their Directors and hence there are no loans with the Bank which can be securitized. Accordingly, the disclosure requirements with respect to securitization are not applicable.

32. Credit default swaps

There is no credit default swap as on March 31, 2026 and as on March 31, 2025. Thus, the disclosure is not applicable to the Bank.

33. Forward rate agreement/Interest rate swap

There is no Forward rate agreement/ Interest rate swap as on March 31, 2026 and as on March 31, 2025. Thus, the disclosure is not applicable to the Bank.

Schedule 18 - Notes Forming Part of Financial Statements

for the year ended March 31, 2026

34. Transfers to Depositor Education and Awareness Fund (DEAF)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening balance of amounts transferred to DEA Fund	-	-
Add: Amounts transferred to DEA Fund during the year	-	-
Less: Amounts reimbursed by DEA Fund towards claims	-	-
Closing balance of amounts transferred to DEA Fund	-	-

35. Details of provisioning pertaining to fraud accounts

During the year ended March 31, 2026, the Bank has reported 748 (Previous Year 818) cases of fraud (excluding LEA complaints where there is no loss to the Bank) amounting to ₹10.79 Crore (Previous Year ₹1.46 Crore), against which the Bank has made a provision of ₹0.12 Crore (Previous Year ₹0.16 Crore) adjusted for recovery.

(₹ in Crore)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Number of frauds reported	748	818
Amount involved in frauds	10.79	1.46
Provision made*	0.12	0.16
Unamortized provision debited from 'other reserves'	-	-

CPFIR Frauds not committed on banks are excluded from FMR reporting dated Sep 6, 2024 as per RBI communication.

* Provision is made as per Fraud Monitoring Return (FMR) submitted to RBI.

36. Corporate Social Responsibility (CSR)

The details of CSR activities are given as below:

(₹ in Crore)

S. No	Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
1.	Amount required to be spent by the Bank during the year	1.73	1.30
2.	Amount of Expenditure incurred	1.73	1.30
3.	Shortfall at the end of the year	-	-
4.	Details of unspent CSR amount for the preceding three FY	-	-
5.	Reason for shortfall	N.A.	N.A.
6.	Nature of CSR Activities	i) Healthcare ii) Primary Education & Skill Development iii) Children Welfare	i) Healthcare ii) Primary Education & Skill Development

37. Earnings per Equity Share (EPS)

Basic and diluted earnings per share are computed in accordance with Accounting Standard 20 - Earnings per Share.

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit after tax by weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

Schedule 18 - Notes Forming Part of Financial Statements

for the year ended March 31, 2026

37. Earnings per Equity Share (EPS) (Contd.)

Potential equity shares under ESOP II 2024 have been considered for the calculation of Dilutive EPS since the average market price of the shares is more than the exercise price of the options.

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Basic earnings per share		
Weighted average number of equity shares	8,32,18,402	8,32,14,617
Net profit after tax attributable for equity shareholders (₹ in Crore)	52.46	92.53
Basic earnings per share	6.30	11.12
Diluted earnings per share		
Weighted average number of equity shares (including dilutive potential equity shares)	8,33,65,681	8,35,37,849
Net profit after tax attributable for equity shareholders (₹ in Crore)	52.46	92.53
Diluted earnings per share (F.V. ₹ 10 each) (Rupees)	6.29	11.08

38. Contingent Liabilities

Description of nature of contingent liabilities is set out below:

i) Claims against the Bank not acknowledged as debts:

These represent claims filed against the Bank in the normal course of business relating to various legal cases currently in progress.

ii) Liability for partly paid investments:

The Bank has made investment in Treasury Bills for maintaining the SLR requirement. Such Treasury Bills are fully paid and therefore the Bank does not have any liability for partly paid investments

iii) Guarantees given on behalf of Constituents, Acceptances, Endorsement and other obligations:

There are Bank guarantees lien marked on fixed deposits amounting to ₹0.70 Crores & against non - fund facility ₹0.26 Crores.

iv) Other Contingent items:

- There are numerous interpretative issues relating to the Supreme Court (SC) judgment dated February 28, 2019, relating to components/allowances paid that need to be taken into account while computing an employer's contribution of provident fund under the EPF Act. The Bank has recorded a contingent liability of ₹3.68 Crore with respect to these matters.
- HDFC Bank Limited (Applicant) has filed a petition before the Debt Recovery Tribunal – II at Mumbai ("Debt Recovery Tribunal") against Fino Payments Bank (in the erstwhile name of the Bank i.e. Fino Fintech Foundation) and Fino PayTech Limited on September 9, 2014. The Bank acted as a business correspondent to the Applicant for rendering banking services on the Applicant's behalf, under the Memorandum of Understanding dated August 28, 2009, between the Applicant and Government of Haryana for implementation of scheme for electronic disbursement of various government entitlements. The Applicant has alleged certain irregularities by the Bank in its role as a business correspondent and has claimed that an amount of ₹1.86 Crores, including damages, is owed by the Bank to the Applicant. According to the DRT Filing Department the claim is not maintainable before DRT since the amount involved in the matter does not qualify as a Debt under the definition of "Debt" as per DRT regulations hence shall be out of the purview of DRT. The Bank has not recorded contingent liability in respect of the above litigation and objected the petition on the same ground and argued the matter in favour of the objection by the DRT filing Department.
- The Bank has direct tax and indirect tax litigations of earlier year's wherein the Bank expects the favourable judgments based on the merits of the case and past precedents. The Bank has disclosed the quantum of litigations in its financial statements under Schedule 12 (7)(a) forming part of financial statements under Income tax & GST.

Schedule 18 - Notes Forming Part of Financial Statements

for the year ended March 31, 2026

38. Contingent Liabilities (Contd.)

v) Contractual Obligations and Commitments

The following table sets forth a summary of our contractual obligations :

Particulars	(₹ in Crore)	
	As at March 31, 2026	As at March 31, 2025
Estimated amount of contracts remaining to be executed on capital account and not provided for	23.74	19.08

39. Litigations

A lien has been marked on a Bank account for ₹11.92 Crores by the CID in relation to an investigation of an incident reported by one of the undertakings of Karnataka Government. The Bank's application for the removal of this lien, filed on March 28, 2025, was subsequently rejected by the Hon'ble XXIII Addl. City Civil & Sessions Judge & Special Judge (P.C. Act) at Bengaluru via an order dated March 4, 2026. Based on the merits of the case and the legal opinion, the Bank is currently in the process of challenging the said order before the High Court of Karnataka.

40. GST Search

On November 10, 2025, the Goods and Services Tax (GST) authorities initiated a search at the Registered Office of the Bank under the provisions of the Central Goods and Services Tax Act, 2017 / Maharashtra Goods and Services Tax Act, 2017. The search proceedings were concluded on November 19, 2025. Consequently, an amount of ₹13.29 Crores has been paid under protest by the Bank.

41. Significant Legal and Regulatory Developments

During the financial year 2025-26, Mr. Rishi Gupta, Managing Director & CEO of the Bank was arrested on February 27, 2026, by the Directorate General of GST Intelligence (DGGI), Hyderabad, under Sections 132(1)(a) and 132(1)(i) of the CGST and SGST Act, 2017 in relation to the investigation of the program managers associated with various banking institutions including the Bank and not related to the Bank's own GST compliance.

To ensure administrative and operational continuity, the Board of Directors, at its meeting held on March 6, 2026, appointed Mr. Ketan Merchant (CFO & Head of the Organization) as the Interim CEO pursuant to RBI approval for a period of three months w.e.f. February 27, 2026 or till Mr. Rishi Gupta resumes office, post reassessment of his fit and proper status by the NRC and Board and a view is taken by the RBI, whichever is earlier. Further, on recommendation of the Nomination and Remuneration Committee and Audit Committee of the Bank, Mr. Anup Agarwal was appointed as an Interim Chief Financial Officer (Key Managerial Personnel) for a period not exceeding 4 months w.e.f. March 06, 2026

Mr. Rishi Gupta was granted bail by the Special Judge for Economic Offences, Hyderabad, on the bail application filed on merits on March 26, 2026. As of the date of approval of these financial statements, there is no material impact on the financial position of the Bank or status as a going concern.

As a proactive measure, the Bank has initiated an independent risk based review of the design of the controls in relation to the Bank's UPI P2M services to further strengthen the controls on these aspects.

42. Fixed Assets - Software

The following table sets forth, for the periods indicated, the movement in software acquired by the Bank, excluding Capital WIP, as included in fixed assets:

Particulars	(₹ in Crore)	
	As at March 31, 2026	As at March 31, 2025
At cost at the beginning of the year	98.00	71.49
Additions during the year	172.18	26.50
Deductions during the year	-	-
Accumulated depreciation up to March 31,	77.70	53.20
Net block as at March 31,	192.48	44.79

Schedule 18 - Notes Forming Part of Financial Statements

for the year ended March 31, 2026

42. Fixed Assets - Software (Contd.)

The Bank has successfully migrated its Core Banking System (CBS) to Finacle. The amount capitalized as Intangible assets comprises all directly attributable costs including perpetual software licenses, development costs including installation, integration, and migration costs, along with customization expenses incurred for preparing the asset for its intended use. The licenses are perpetual and accordingly, the depreciable amount of the intangible asset has been allocated over the period of license reflecting the period over which the Bank expects to derive future economic benefits. The costs associated with the Finacle CBS have been capitalised effective from January 10, 2026 being the date on which the system was available for its intended use across the Bank's operations.

43. Micro and Small Industries

Under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 which came into force from October 02, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises (MSMEs).

S. No	Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
		Principal	Interest	Principal	Interest
1	The principal amount and the interest due thereon remaining unpaid to any supplier *	0.82	-	0.04	-
2	The amount of interest paid by the buyer in terms of Section 16, along with the amount of the payment made to the supplier beyond the due date*	4.91	-	8.81	-
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under MSMED Act, 2006	-	-	-	-
4	The amount of interest accrued and remaining unpaid	-	-	-	-
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowed as a deductible expenditure under Section 23	-	-	-	-

* The Bank has obtained an Interest Waiver Certificate from MSME supplier wherever there is a delay in payment. Hence, the Bank is not liable to pay interest.

The above is based on the information available with the Bank which has been relied upon by the auditors.

44. Deposits

As per the Operating Guidelines for Payments Banks, Payments Banks can accept only savings and current deposits. The aggregate limit per customer has been extended to ₹2,00,000 from April 07, 2021 by RBI as against the previous limit of ₹1,00,000. Payments Banks are permitted for making arrangements with any other Scheduled Commercial Bank / SFB (Small Finance Bank), for amounts in excess of the prescribed limits, to be swept into an account opened for the customer at that bank, with the prior written consent of the customer.

The above limit shall apply to customer deposits and not to any security / earnest money deposit the Bank may collect from any of its service providers in the ordinary course of business.

The Bank has made sweep out arrangements with Suryoday SFB in order to ensure adherence to RBI guidelines.

Schedule 18 - Notes Forming Part of Financial Statements

for the year ended March 31, 2026

45. Operational lease

The Bank has taken certain premises on operating lease. The agreements entered into provide for renewal and rent escalation. Particulars of future minimum lease payments in respect of the same are as mentioned below:

(₹ in Crore)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Not later than one year	13.27	12.56
Later than one year and not later than five years	18.47	25.67
Later than five years	5.30	5.92
Total	37.04	44.15
Lease payment recognized in Statement of Profit and Loss for the year*	16.33	14.25

*Expenses incurred on operating lease is accounted in the year in which expenses is incurred by the Bank.

46. Employee Stock Option Plan ("ESOP")

The Bank has three Employee Stock Option Plans ESOP I 2021 ('Plan'), ESOP II 2024 ('Plan') & ESOP III 2025 ('Plan') in force for a total grant of 30,37,582 options across the various schemes under the said plan. The plan provides that the Company's employees are granted an option to acquire equity shares of the Company that vests in a graded manner. The Bank measures compensation cost relating to the employee stock options using the fair value method. The fair value of stock options is estimated on the date of grant using the Black - Scholes model with the following assumptions:

Particulars	2021-22	2023-24	2025-26	2025-26
Grant Date	19-Jul-21	11-Jan-24	02-May-25	20-Aug-25
No of Options	13,65,410	10,82,410	5,00,000	89,762
Exercise Price	342.89	223.95	246.20	256.90
Fair value of option on grant date	176.02	142.39	73.69	76.38
Vesting Conditions	33% of the options at the end of years' 1, 2 and 3 respectively	33% of the options at the end of years' 1, 2 and 3 respectively	33% of the options at the end of years' 1, 2 and 3 respectively	33% of the options at the end of years' 1, 2 and 3 respectively
No of shares exercised	-	4,100	-	-
Expected Volatility	26.65%-33.19%	20.68%-27.38%	17.61%-25.37%	16.73%-25.28%
Risk Free Interest rates	4.80%-5.68%	7.01%-7.05%	5.96%-6.07%	5.96%-6.24%

47. Other Expenditure

The following table sets forth, for the periods indicated, the details of Other Expenditure (exceeding 1% of total income):

(₹ in Crore)

Particulars	For the year ended March 31, 2026
Business correspondents commission	629.09
NPCI switching fees & Interchange expenses	149.73
Professional & Consultancy charges	56.92
License subscription charges & Support fees	40.60
Debit card kits consumption	18.78

(₹ in Crore)

Particulars	For the year ended March 31, 2025
Business correspondents commission	916.60
NPCI switching fees & Interchange expenses	152.37
Professional & Consultancy charges	55.81
License subscription charges & Support fees	30.22

Schedule 18 - Notes Forming Part of Financial Statements

for the year ended March 31, 2026

48. Other Income

- a. The following table sets forth, for the periods indicated, the details of Commission, Exchange & Brokerage (Exceeding 1% of total income):

(₹ in Crore)

Particulars	For the year ended March 31, 2026
Account Subscription Fees	306.03
UPI Payin Services	260.34
Domestic Money Transfer Services	141.74
Corporate Business Correspondent Banking	132.43
Cash Management Services	115.47
AePS Interchange	90.54
SMS Alert Charges	85.30
UPI Interchange	21.61

The following table sets forth, for the periods indicated, the details of Commission, Exchange & Brokerage (Exceeding 1% of total income)

(₹ in Crore)

Particulars	For the year ended March 31, 2025
UPI Payin Services	370.68
Domestic Money Transfer Services	338.02
Account Subscription Fees	276.98
Cash Management Services	156.30
Corporate Business Correspondent Banking	120.06
AePS Interchange	115.67
SMS Alert Charges	56.02
MATM Interchange	20.42

- b. The following table sets forth, for the periods indicated, the details of Miscellaneous Income (exceeding 1% of total income):

(₹ in Crore)

Particulars	For the year ended March 31, 2026
Debit Card Issuance & Annual Fees	46.78
Merchant Onboarding Fees	27.07

(₹ in Crore)

Particulars	For the year ended March 31, 2025
Debit Card Issuance & Annual Fees	37.86
Merchant Onboarding Fees	33.15

49. Other Assets & Other Liabilities

- (a) The following table sets forth, for the periods indicated, the details of Other Assets – Others (exceeding 1% of total assets):

Particulars	For the year ended March 31, 2026
Debtors	52.81

Schedule 18 - Notes Forming Part of Financial Statements

for the year ended March 31, 2026

49. Other Assets & Other Liabilities (Contd.)

Particulars	For the year ended March 31, 2025
Advances towards Servers, Devices, Kits	114.65
Debtors	57.94
Inventory of Debit Card Kits	52.21

- (b) The following table sets forth, for the periods indicated, the details of Other Liabilities & Provisions – Others (including provisions) (exceeding 1% of total assets):

Particulars	For the year ended March 31, 2026
Earnest Money Deposit	289.45
Settlement Obligations (UPI)	90.42

Particulars	For the year ended March 31, 2025
Earnest Money Deposit	321.79
Settlement Obligations (UPI)	143.44

50. Impact of New Labour Code

On November 21, 2025, the Government of India notified the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively, the “Labour Codes”), consolidating 29 existing labour laws. The Ministry of Labour & Employment has published draft Central Rules and FAQs to facilitate assessment of the financial impact arising from changes in the regulatory framework. The Bank has conducted a comprehensive actuarial assessment of the potential financial impact on its employee benefit obligations. Consequently, for the financial year ended March 31, 2026, the Bank has recognized a one-time impact of ₹4.3 Crores representing the increase in past service cost and related obligations. In view of the material impact arising from the fundamental change in the statutory framework, this one-time cost has been classified as an Exceptional Item in accordance with the considerations of materiality and substance over form as prescribed under AS 1.

51. Payment of DICGC Insurance Premium

(₹ in Crore)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Payment of DICGC Insurance Premium #	3.01	2.28
Arrears in payment of DICGC premium	-	-

Excluding goods and service tax

52. Implementation of IFRS converged Indian Accounting Standards (Ind AS)

In January 2016, the Ministry of Corporate Affairs issued the roadmap for implementation of new Indian Accounting Standards (Ind AS), converged with International Financial Reporting Standards (IFRS), for scheduled commercial banks, insurance companies and non-banking financial companies (NBFCs). However, currently the implementation of Ind AS for banks has been deferred by RBI till further notice pending the consideration of some recommended legislative amendments by the Government of India.

Further, Fino PayTech Limited, our parent company, prepares its financial statements in accordance with Ind AS and such statements include our financial statements prepared in accordance with Ind AS for the limited purpose of inclusion in the parent company's consolidated financial statements. In view of the same, the Bank is in an advanced stage of preparedness for implementation of Ind AS, as and when these are made applicable to the banks.

Schedule 18 - Notes Forming Part of Financial Statements

for the year ended March 31, 2026

53. Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014

Fino Payments Bank Limited is engaged in providing various types of financial services such as current and savings accounts, remittances, business correspondent, mobile banking, bill payments and third party financial products distribution to the rural, poor and underserved and unserved classes to help them be economically self-reliant.

Other than the transactions described above, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Bank (Ultimate Beneficiaries). The Bank has also not received any fund from any parties (Funding Party) with the understanding that the Bank shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

54. Marketing & Distribution

The following table sets forth, for the periods indicated, income received from marketing and distribution function.

(₹ in Crore)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Income received in respect of the marketing and distribution [#]	10.04	3.34

[#] Includes distribution of third-party products – Loan referral & Digi gold

55. Disclosures regarding Priority Sector Lending Certificates (PSLCs)

As per Operating Guidelines for Payments Banks, Payments Banks are not permitted to lend to any person including their Directors. The Bank has not purchased or sold any PSLCs during the year ended March 31, 2026 and March 31, 2025 and accordingly, the disclosure requirements with respect to PSLC are not applicable.

56. Fees paid to Statutory Auditors

The total fees (excluding taxes) incurred by the Bank for the services rendered by the statutory auditors are as below:

(₹ in Crore)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Audit Fees (including Statutory Certifications)	0.66	0.66
Reimbursement of expenses	0.01	0.01

57. Application for transition into Small Finance Bank:

The Bank had applied for a licence to seek approval from the Reserve Bank of India (RBI) for transition into a Small Finance Bank via application dated December 11, 2023. The application was submitted in accordance with the Guidelines for 'on tap' Licensing of Small Finance Banks in the Private Sector ("Guidelines") dated December 5, 2019. The Bank has received 'in-principle' approval from the RBI on December 5, 2025, for its conversion from a Payments Banks to a Small Finance Bank.

Schedule 18 - Notes Forming Part of Financial Statements

for the year ended March 31, 2026

58. The Board of Directors have not recommended any dividend for the financial year 2025-26.

59. There is no amount required to be transferred to Investor Education and Protection Fund by the Bank. (Previous year: Nil)

60. Figures of the previous year have been re-grouped to conform to the current year's presentation.

As per our report of even date attached

For Bilimoria Mehta & Co.
Chartered Accountants

Kiran Suvarna
Partner
Membership No: 113784

For and on behalf of the Board of Directors
Fino Payments Bank Limited

Rajat Kumar Jain
*Part time Chairman &
Independent Director*
DIN - 00046053

Deena Mehta
Independent Director
DIN - 00168992

Neeta Mukerji*
Independent Director
DIN - 00056010

Ketan Merchant
Interim Chief Executive Officer

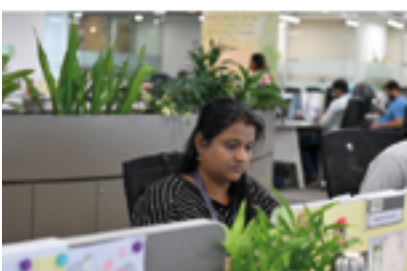
Anup Agarwal
Interim Chief Financial Officer

Basavraj Loni
*Company Secretary
& VP – Legal*
M. No - A23095

Place : Navi Mumbai
Date : April 29, 2026

Place : Navi Mumbai
* Delhi
Date : April 29, 2026

Our People: **Our Strength**





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