

December 05, 2025

BSE Limited

P.J. Towers,
Dalal Street,
Mumbai- 400 001

National Stock Exchange of India Limited

Exchange Plaza, 5th Floor, Plot No. C/1, G
Block, Bandra - Kurla Complex,
Bandra (E), Mumbai - 400 051

Scrip Code: 543386

Symbol: FINOPB

Dear Sir/ Madam,

Sub: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") - Reserve Bank of India's 'In-principle' approval for conversion from a Payments Bank into a Small Finance Bank

In continuation to our letter dated July 28, 2023 informing about the proposal for the transition of Fino Payments Bank Limited ("**Bank**" or "**Fino**") to Small Finance Bank, we are pleased to inform that, the Bank has today i.e. on December 05, 2025 received an 'in-principle' approval from Reserve Bank of India ("**RBI**") for conversion of the Bank from a Payments Bank to Small Finance Bank. Copy of the press release issued by the RBI, dated December 05, 2025 is attached herewith as **Annexure-I**. We express our gratitude to the RBI for reposing faith on the Bank and bestowing the 'in-principle' approval for Small Finance Bank.

With this approval, the Bank becomes the first Payments Bank to receive an 'in-principle' approval to become a Small Finance Bank. This momentous achievement is the result of Fino's commitment, innovation and focused execution of its mandate. The 'in-principle' approval for conversion into a Small Finance Bank is a testament to the strength and scalability of Fino's sustainable operating model, consistent performance and implementation of high standards of governance.

As the first profitable and only listed Payments Bank, Fino demonstrated the robustness of its model in enabling financial inclusion and promoting digital payments in Bharat. It also indicates belief in Fino's ability to **realise its growth potential** in a responsible manner and its readiness to move up the value chain as a **one stop shop** for customers for all their banking needs.

Press Release issued by the Bank in this regard is attached in **Annexure II**.

Further, the details required under Regulation 30 read with Schedule III of the SEBI Listing Regulations read with SEBI Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024 are given in the enclosed **Annexure - III**.

This disclosure will also be available on the Bank's website at www.fino.bank.in

Kindly take the same on your record.

Thanking You,
Yours faithfully,

For Fino Payments Bank Limited

Basavraj Loni
Company Secretary & Compliance Officer

Place: Navi Mumbai
Encl: a/a

प्रेस प्रकाशनी PRESS RELEASE



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

वेबसाइट : www.rbi.org.in/hindi

Website : www.rbi.org.in

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संचार विभाग, केंद्रीय कार्यालय, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई - 400 001

Department of Communication, Central Office, Shahid Bhagat Singh Marg, Fort, Mumbai - 400 001 फोन/Phone: 022 - 2266 0502

December 05, 2025

RBI grants 'In-principle' Approval to Fino Payments Bank Limited for conversion into a Small Finance Bank

The Reserve Bank has today granted 'in-principle' approval to Fino Payments Bank Limited (FPBL) for conversion into a Small Finance Bank (SFB).

Background

RBI has issued the Guidelines for 'on tap' licensing of SFBs in the private sector ([the guidelines](#)). As per the guidelines, existing Payments Banks which are controlled by residents and have completed five years of operations are eligible for conversion into SFBs. The application of FPBL was assessed as per the procedure laid down in the guidelines.

Press Release: 2025-2026/1646

(Brij Raj)
Chief General Manager

Media Release



Fino becomes India's first Payments Bank to receive '*In-principle*' approval from RBI for conversion into a Small Finance Bank

Mumbai, December 05, 2025: Fino Payments Bank Limited ("Fino" or "the Bank") today announced that it has received the Reserve Bank of India's ("RBI") '*In-principle*' approval to convert into a Small Finance Bank ("SFB") — marking a significant step in the Bank's long-term vision to become **India's most trusted, digital-led bank**.

The '*In-principle*' approval also marks the first instance of a Payments Bank in India getting an opportunity to convert into an SFB. It is an affirmation of the strength and scalability of Fino's lean operating model, consistent performance and high standards of governance.

Terming the conversion to SFB as a natural progression, **Rishi Gupta, MD & CEO, Fino Payments Bank**, said, "The '*In-principle*' approval is a historic and momentous occasion in Fino's evolution journey. We are deeply grateful to the regulator (RBI) for reposing faith in Fino's asset light business model and its robust governance structure. The approval is a testament to our consistent performance, ability to take technology-led banking to the masses, promote digital payments and adherence to compliance and regulatory guidelines.

It provides Fino, an opportunity to realise its growth potential by expanding product suite, engaging with a wider customer segment, foray into lending and building a strong liability franchise thereby creating significant value for all stakeholders.

I take this opportunity to thank our investors, customers, employees and partners for their continuous support and patronage, and express my gratitude to our Board Members for their guidance."

The Bank will continue to leverage its asset-light, distribution-led network while investing in technology, data and partnerships to build scale efficiently. For customers, this conversion will translate into more choice, greater convenience and a wider range of solutions delivered through Fino's trusted phygital model.

Ketan Merchant, Chief Financial Officer, Fino Payments Bank said, "We are honoured by the RBI's '*In-principle*' approval and deeply grateful for the continued trust reposed on Fino. Our model allows us to mobilise liabilities at low cost, this would enable us to build a differentiated Small Finance Bank focusing on secured assets and enhance our ROE through asset light model."

As of September 30, 2025, Fino served **16 million** customers through **2 million+ merchants** covering **97% of India's pin codes**, giving it one of the widest and most trusted last-mile networks in the country. During the mentioned period, the Bank also had a deposit base of over Rs 2,300 crores with cost of funds as low as 1.9%, a significant metric and potential differentiator in the long run.

Milestones of Fino Payments Bank over the years:

- ✓ Only financial inclusion practitioner to receive Payments Bank license in 2017
- ✓ First private and standalone Payments Bank to get categorized as Scheduled Commercial Bank
- ✓ First Payments Bank to become profitable (FY21)
- ✓ First tax paying Payments Bank in the country
- ✓ First Payments Bank to record five consecutive years of profitability (FY21-FY25)
- ✓ First & the only Payments Bank in India till date to get listed on the Stock Exchanges

Conversion plan and regulatory road map

Fino will now work closely towards:

- Meeting all conditions stipulated under the 'In-principle' approval
- Aligning capital, governance and structural requirements for SFB operations
- Preparing a comprehensive migration blueprint ensuring **seamless continuity** of all existing services during the conversion period

The Bank will continue to operate as a **Payments Bank** until final approval is granted and SFB operations commence.

About Fino Payments Bank

Fino Payments Bank Limited (a subsidiary of Fino Paytech Ltd.*) started its operations in June 2017 after receiving final license from RBI. It is a technology-led, asset-light digital bank serving emerging India and operates a high-volume, low-cost model focused on financial inclusion. The Bank processed ₹1.1 lakh crore in transactions in Q2 FY26, a 7% YoY increase, with 55% digital throughput.

The Bank is India's only listed payments bank and the first to record profits. It is also the only payments bank to achieve five consecutive years of profitability.

Having demonstrated successful running of payments bank operations, Fino applied for Small Finance Bank license during the quarter ended December 31, 2023 *under the Guidelines for 'on tap' Licensing of Small Finance Banks in the Private Sector dated December 05, 2019.*

**Fino Paytech Ltd, the holding company of the Bank, is backed by marquee investors including ICICI Group, BPCL, Blackstone, LIC, and IFC.*

For more information, visit: www.fino.bank.in

Annexure III

Sr. No.	Details of events that need to be provided	Information of such event
1.	Name of the Regulatory and Licensing Authority	Reserve Bank of India
2.	Brief details of the Approval/License Obtained/ Withdrawn/Surrendered	Receipt of 'in-principle' Approval for conversion from Payments Bank to a Small Finance Bank.
3.	Impact/Relevance of such Approval/License to the Listed Entity	Opportunities to offer a wide range of products suite, engaging with a wider customer segment/ products, foray into lending and building a strong liability franchise.
4.	Withdrawal/cancellation or suspension of licence/approval by the regulatory or licensing authority, with reasons for such action, estimated impact (monetary or otherwise) on the listed entity and penalty, if any	Not Applicable
5.	Period for which such Approval/License is valid	Not Applicable
6.	The actual impact (monetary or otherwise) along with corrective actions taken by the listed entity pursuant to the withdrawal, cancellation or suspension of the key license/ approval	Not Applicable