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**DEAL RELEASE**

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## Financial Information Network and Operations Ltd (FINO) to raise INR 70 Crore for Business Expansion

January 6<sup>th</sup> 2010: FINO, India's leading end-to-end Financial Inclusion solution and services provider for unbanked & under-served rural markets, has raised growth funding of INR 70 Crore from wholly owned subsidiary of the HSBC Asian Ventures Fund 3 (HSBC) a fund advised by HSBC Private Equity Asia Limited (HPEA) Group and its existing shareholders Intel Capital (Intel) and International Finance Corporation (IFC). HSBC and Intel have also purchased the entire of Legatum Ventures' (existing investor) stake in the company.

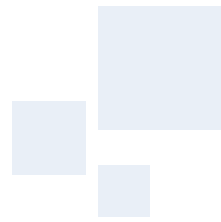
Avendus Capital was the exclusive financial advisor for the transaction.

Commenting on the investment, Manish Khera, CEO of FINO said, "The new equity in FINO has come at an opportune time when Financial Inclusion is being seen not as desirable but as a necessity for growth and stability of social fabric in the country. The capital will help FINO further the cause of financial inclusion. FINO is privileged to be a sectoral entity with its existing set of banking and insurance investors which is further augmented with the entry of HSBC as one of its key investors".

Rishi Gupta, CFO of FINO said, "I must thank all our existing investors in reinstating their support for the FINO model which has gained strength in the last 3 years with over 8 million customers. The fresh inflow from HSBC, IFC and Intel will help FINO meet its financial need for building a scalable technology platform for 25 million customers and expanding its Business Correspondent network to over 25,000 locations over the next 3 years."

Gaurav Deepak, Managing Director of Avendus said, "Fino has created a viable business model that can help financial institutions reach the underserved and unbanked rural markets. This influx of capital is at the correct time given that the markets are growing rapidly with the government providing impetus to schemes like NREGA and RSBY which also helps in building FINO's brand equity by enhancing its social capital in the Indian Market."

Lakshmi Nambiar, Vice President of Avendus said, "The fresh infusion of capital will further cement Fino's position as a market leader in the Financial inclusion space and provide a thrust to increase its growth momentum. The capital will be used to strengthen Fino's scalable business model, upgrade its technology platform and to expand its reach for rural banking and growth- projects like NREGA and RSBY."



### **About Financial Information Network and Operations Ltd (FINO)**

FINO provides technology solution and services to enable financial institutions reach out to the under-served & the unbanked sector of India. The company provides end-to-end solutions right from the technology back end support to the sourcing and disbursement of cash on the front end through its established field agent network. The Company has a comprehensive product suite ranging from savings bank accounts, loan products, recurring deposits, remittances, insurance products, government disbursements etc. FINO is also involved in government-funded schemes such as the National Rural Employment Guarantee Act and the Rashtriya Swasthya Bima Yojana through ICICI Lombard. Please visit [www.fino.co.in](http://www.fino.co.in) for more information.

### **About HPEA**

HSBC's Asian private equity operations were established in 1988 in the Hong Kong SAR by HPEA, the Asian private equity arm of the HSBC Group. HPEA advises both expansion capital and buyout focused private equity funds as well as venture funds. The venture funds focus on small and mid-sized technology and consumer focused companies with significant interests in Asia. Please visit [www.hsbcnet.com/pi/asia](http://www.hsbcnet.com/pi/asia) for more information.

### **About Intel Capital**

Intel Capital, Intel's global investment organization, makes equity investments in innovative technology start-ups and companies worldwide. Since 1991, Intel Capital has invested more than US\$9.5 billion in over 1,050 companies in 47 countries. Please visit [www.intelcapital.com](http://www.intelcapital.com) for more information.

### **About International Finance Corporation(IFC)**

IFC, a member of the World Bank Group, fosters sustainable economic growth in developing countries by financing private sector investment, mobilizing capital in the international financial markets, and providing advisory services to businesses and governments. For more information, visit [www.ifc.org](http://www.ifc.org).

### **About Avendus Capital**

Avendus Capital is a leading institutional financial services firm with strong transaction track record and relationships with corporates and investors. Avendus uses its unique domain and industry focused approach to businesses like M&A advisory, Private Placements for growing companies, Structured Products Advisory, Equity Capital Markets, Institutional Broking and Asset Management. Avendus Capital has closed 66 deals between 2005 and 2008 and has been rated as among the top 5 investment banks in India by Bloomberg. Avendus has executed several marquee cross border and domestic transactions for multiple clients in USA, Europe and India. Headquartered in Mumbai (India) Avendus has offices in New Delhi, Bangalore, New York and London.

*For more information, please visit [www.avendus.com](http://www.avendus.com)*

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