

PAISALO DIGITAL LIMITED
Corporate Presentation
FY 2023

A Systemically Important Non Deposit Accepting Non Banking Finance Company

Safe Harbor Statement

PAISALO Digital Limited

NSE : PAISALO

BSE : PAISALO

Bloomberg : PAISALO:IN

- » This document contains certain forward - looking statements based on current expectations of Paisalo Digital Limited 's management. Actual Results may vary significantly from the forward - looking statements in this document due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India, and outside India; volatility in interest rates and in the securities markets; new regulations and government policies that might impact the business of Paisalo Digital Limited; the general state of the Indian economy; and the management's ability to implement the company's strategy. Paisalo Digital Limited does not undertake any obligation to update these forward - looking statement.
- » This document does not constitute an offer or recommendation to buy or sell any securities of Paisalo Digital Limited or any of its subsidiaries or associate companies. This document also does not constitute an offer or recommendation to buy or sell any financial products offered by Paisalo Digital Limited.

Presentation Path

About Paisalo

Why Paisalo

Financial
Summary

Transformation
Update

Financial
Performance

Board of
Directors

About Us

31-year-old leading Systemically Important Non deposit Accepting Non-Banking Finance Company

- ≈ Equity Listed on NSE, BSE and GDR Listed on LSE
- ≈ Market Capitalization of INR 23.68 Bn as at FY 2023
- ≈ Diversified Shareholding with 32% Promoter and 68% with Public, FIIs, DIIs and Mutual Funds as at Q3 FY 2023
- ≈ Gross NPA: 0.25%, Net NPA: 0.02% as at FY 2023
- ≈ Net Worth: INR11,610 Mn as at FY 2023
- ≈ CRAR – 40.34% as at FY 2023

- ≈ Current Ratio: 2.38 as at FY 2023
- ≈ Credit Rating: 'AA- (Stable Outlook)'
- ≈ 10% Dividend payment consistently for last 10years
- ≈ Clean Track record with Regulators, no pending statutory dues
- ≈ 1052 touchpoints spread across 18 states
- ≈ Highly experienced professional management
- ≈ Low Staff Attrition rate

- ≈ Best Practices for execution and serving of loans
- ≈ Safe, Cost Effective and Scalable Business Model with Risk Mitigation
- ≈ Full disclosure of information by using Algorithms for efficient elimination and selection process
- ≈ Access and usage of API from CRIF for credit history and use of Hunter Data for fraud/financial irregularities
- ≈ Affordable Loan, Maximum Convenience, Minimum Cost and Scalable
- ≈ Unique features of High Tech and High Touch for executing smart, easy and legally enforceable loans

Why PAISALO?

Co-Lending of Priority Sector Loan Agreement

“In the pyramid of development the bottom most layer needs to be strengthened through financial inclusion of purchasing power of the poor”





Problem?

- ≈ *Low Availability of Small Loans from Financial Institutions*
- ≈ *High Operational Cost of Banks, inhibits lending volumes on small loans*
- ≈ *High Borrowing Rate of NBFCs, restricts focus on small loans*

Solution

Bank's Low Cost of Funds,

And

PAISALO's Low Cost of Operations

*Results in Lowest Borrowing Cost Offering to the
Bottom of Pyramid Customer*



How?

1

Bank to contribute
80% of Loan Value
under the Co –
Lending Model

2

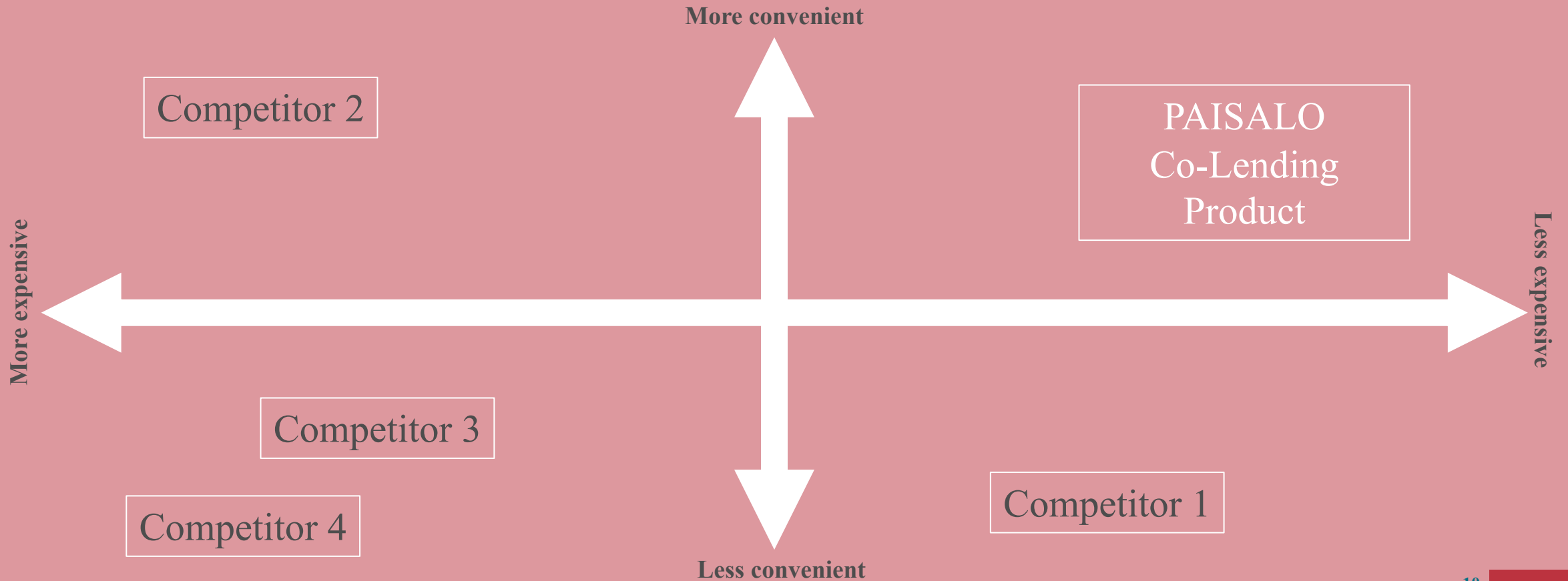
PAISALO to
contribute 20% of
Loan Value under
the Co – Lending
Model

3

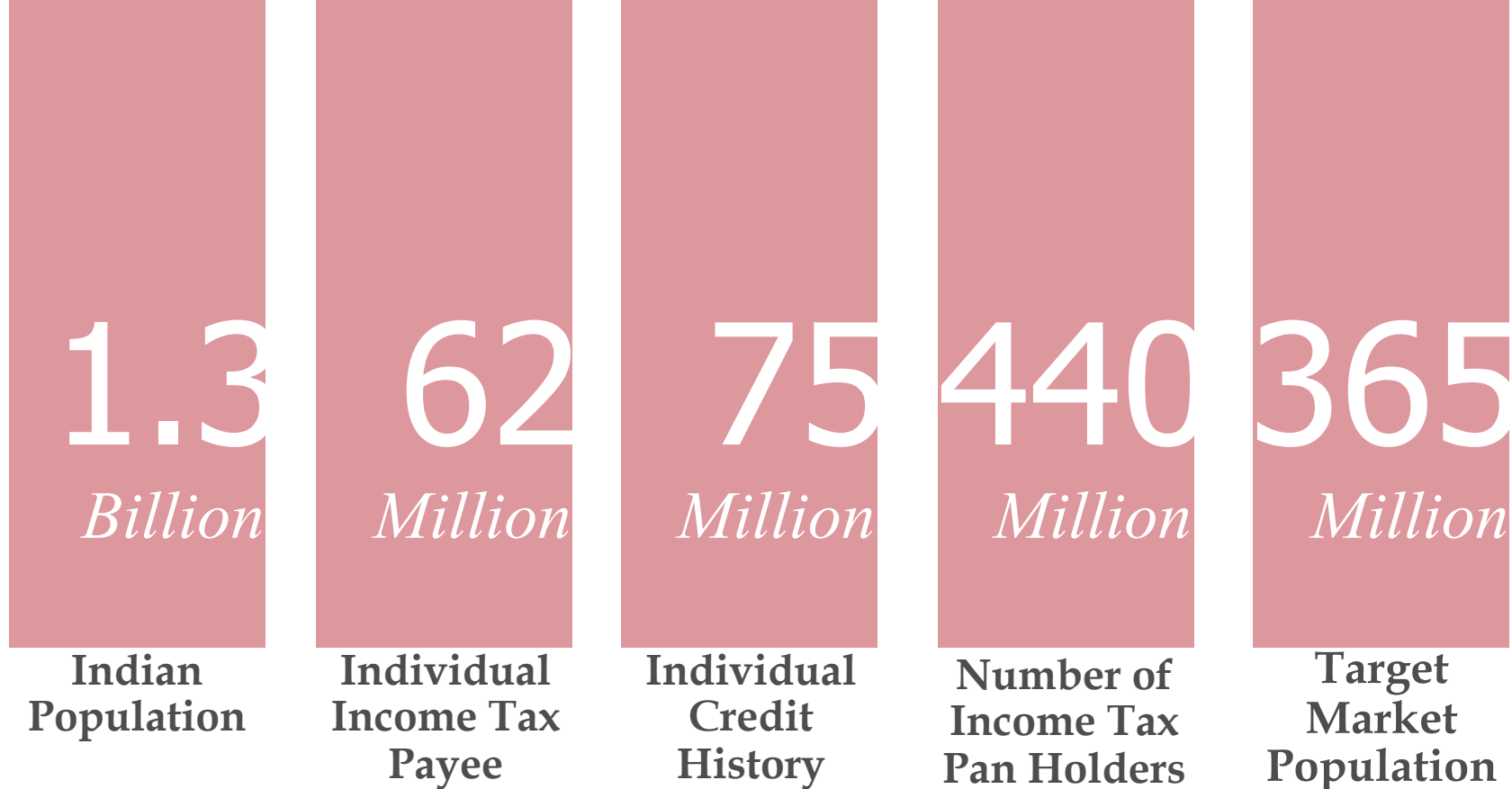
Risk and
Reward Sharing
in 80:20 ratio
under the model

- ≈ PAISALO to source and service customers
- ≈ PAISALO and Bank's Agreement is in conformity with prescribed Reserve Bank of India Regulations

Paisalo Co-Lending : Most Efficient Offering



MARKET OPPORTUNITY



₹25,000
Estimated Ticket Size

₹8,000 Bn
Estimated Annual Market Size

Transformation Update

At Paisalo we believe that the purpose of any business transformation is that it should result in stronger growth momentum, better customer experience, additional cross sell, lower credit risk, lower ALM risk and improved liquidity

**We are Pursuing our
Business Transformation
with these objective's**

Phase 2 : We achieved Phase 2 in the month of March 2023.

Next target is to stabilise Phase 2 with focused credit underwriting feature set, disciplined execution, rapid adoption in all processes of the company and continued progress on all metrics, before initiating Phase 3 (5000 disbursements)

Next update on Transformation will be provided in Q2 FY 2024 Presentation.

Financial Summary

FY 2023

Paisalo Snapshot FY 2023

₹ 34,928 mn

AUM

YoY Growth ~ 29%

₹ 4,732 mn

Revenue

YoY Growth ~ 21%

₹ 11,610 mn

Networth

YoY Growth ~ 13%

Excellent year across all financial and portfolio metrics. Given the momentum, and robust portfolio metrics, we are confident about growth and portfolio metrics for FY24.

Paisalo Snapshot FY 2023

₹ 936 mn

PAT

YoY Growth ~ 18%

40.34 %

CAR

0.02 %

NNPA

Excellent year across all financial and portfolio metrics. Given the momentum, and robust portfolio metrics, we are confident about growth and portfolio metrics for FY24.

Paisalo Snapshot

FY 2023

- » Highest ever AUM of ₹ 34,928 Mn.
- » AUM as at Q4 FY 2023 was up 29.49% at ₹ 34,928 mn as against Q4 FY 2022 at ₹ 26,973 mn.
- » Total geographic footprint stood at to 1052 touchpoints* (220 Branches + 432 Business Correspondent CSPs + 400 Distribution Points) across 18 states, in the quarter. In Q4, the company added 849 new touch points and 8 new states.
- » The company continues to protect its margin profile, Interest Income for Q4 FY 2023 was up 20.64% at ₹4,732 mn as against ₹3,922 mn in Q4 FY 2022. The company has posted 17.85%% increase in PBT and 18.13%% increase in PAT YoY.
- » GNPA and NNPA stood at 0.25% and 0.02% as at Q4 FY 2023 compared to 1.55% and 1.26% as at Q4 FY 2022. The Company expects its GNPA and NNPA to stay within the Long-Term outlook of below 2%.

*Going forward the company will be giving a single consolidated touch point figure comprising of - Branches + CSPs + Distribution Points.

Paisalo Snapshot

FY 2023

- » Paisalo has written off bad debts totaling to INR 441 mn and has recovered old written off bad debts worth INR 177 mn in Q4 FY 2023.
- » The Tangible Networth is INR 11,610 mn versus Bank Borrowings (secured) INR 13,018 mn , i.e., 1.12 times
- » Capital Adequacy remained very strong at 40.34% at Q4 FY 2023.
- » Credit Rating of the company Reaffirmed IVR AA-/Stable Outlook (IVR Double A minus with Stable Outlook) and IVR A1+ (IVR A One Plus) Assigned for Commercial Paper.
- » RoE at 7.90% and RoA at 3.02%.
- » Total employee head count stood at 1650
- » The Board of Directors proposed a Dividend of 10% on fully paid equity share of Re. 1/- each, for FY 2023

Paisalo Snapshot

FY 2023

- » The company had signed Co-Lending with Karnataka Bank in Q4 FY 2023, the same is expected to being roll out in Q2 FY 2024 in some locations.
- » INR 1,840 mn infused by Promoters through equity in FY 2023.
- » Fresh Debt Sanction cumulatively amounting to INR 5,250 mn received in Q4 FY 2023 in form of Term Loan (TL) from State Bank of India (INR 4,500 mn TL) and Canara Bank (INR 750 mn TL)
- » The Company continues to invest in teams and technology.
- » **Excellent year across all financial and portfolio metrics. Given the momentum, and robust portfolio metrics, we are confident about growth and portfolio metrics for FY24.**

Financial Performance

FINANCIALS

₹ in Millions, * Cumulative

PARTICULARS	Q4 FY 2022*	Q1 FY 2023	Q2 FY 2023*	Q3 FY 2023*	Q4 FY 2023*
AUM	₹26,973	₹27,174	₹29,767	₹30,107	₹34,928
Disbursements	₹16,343	₹4,752	₹10,810	₹16,239	₹25,996
Revenue	₹3,922	₹1,126	₹2,329	₹3,552	₹4,732
PBT	₹1,071	₹287	₹613	₹984	₹1,262
PAT	₹793	₹209	₹451	₹730	₹936
Net Worth	₹10,241	₹10,453	₹11,216	₹11,493	₹11,610
Total Liabilities	₹15,989	₹15,871	₹16,005	₹16,534	₹18,567
Bank Borrowings	₹9,588	₹9,416	₹10,606	₹10,927	₹13,018
Debt to Equity Ratio	1.46	1.42	1.41	1.41	1.58
Bad Debts Written Off	₹364	₹135	₹233	₹330	₹441
Bad Debts Recovered	₹120	₹57	₹98	₹100	₹177
NIM	4.03%	5.51%	5.35%	5.91%	5.50%
Gross NPA	1.56%	0.81%	0.76%	0.75%	0.25%
Net NPA	1.26%	0.39%	0.27%	0.26%	0.02%
CAR	42.92%	43.53%	43.19%	42.66%	40.34%

FINANCIALS

PARTICULARS	FY 2020	FY 2021	FY 2022	FY 2023
AUM	₹21,119	₹23,178	₹26,973	₹34,928
Interest Income	₹3,375	₹3,115	₹3,922	₹4,732
NIM	6.47%	4.05%	4.03%	5.50%
PAT	₹540	₹609	₹793	₹936
Cash Accrual	₹580	₹646	₹819	₹950
Net worth	₹7,603	₹8,619	₹10,241	₹11,610
Total Debt	₹10,701	₹14,814	₹15,989	₹18,567
Debt Equity Ratio	1.82	1.72	1.46	1.58
Gross NPA	0.44%	0.72%	1.56%	0.25%
NET NPA	0.34%	0.57%	1.26%	0.02%
ROA	2.61%	2.66%	3.09%	3.02%
ROE	7.15%	7.07%	7.78%	7.90%
CAR	43.06%	44.47%	42.92%	40.34%
Book Value	₹17.90	₹20.20	₹23.00	₹25.50

₹ in Millions, * Cumulative

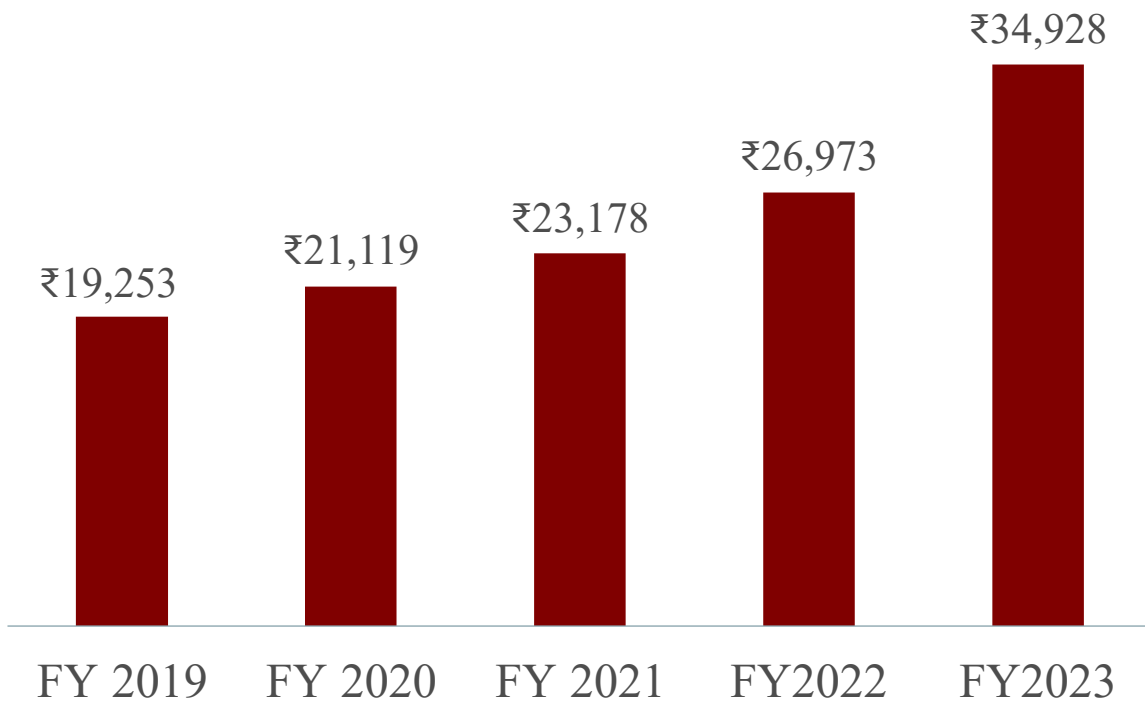
FINANCIALS

Critical Ratios

INR in Millions

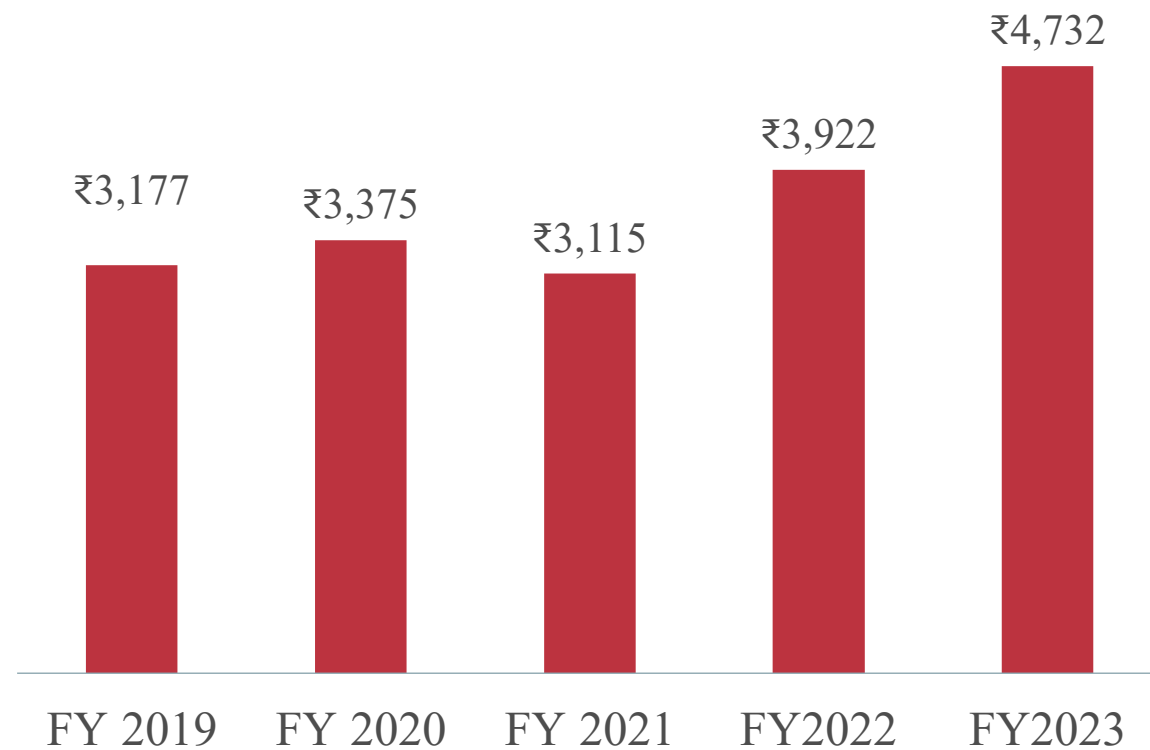
Particulars	FY 2020	FY 2021	FY 2022	FY 2023
Tangible Net Worth (TNW)	₹7,603	₹8,619	₹10,241	₹11,610
Bank Borrowings (BB)	₹7,983	₹7,412	₹9,588	₹13,018
Total Outside Liabilities (TOL)	₹13,738	₹14,814	₹15,989	₹18,567
BB / TNW (Times)	1.05	0.86	0.94	1.12
TOL / TNW (Times)	1.81	1.72	1.56	1.58

AUM



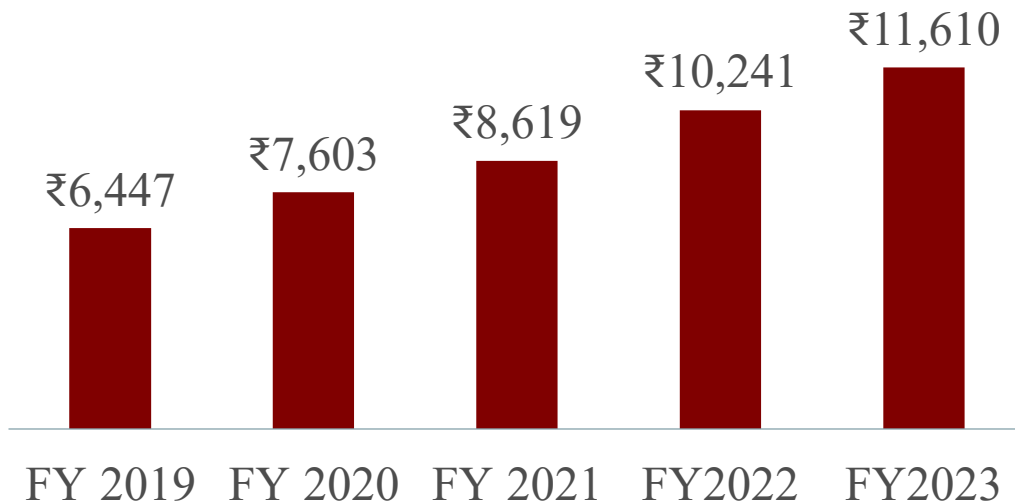
₹ in Millions

Revenue



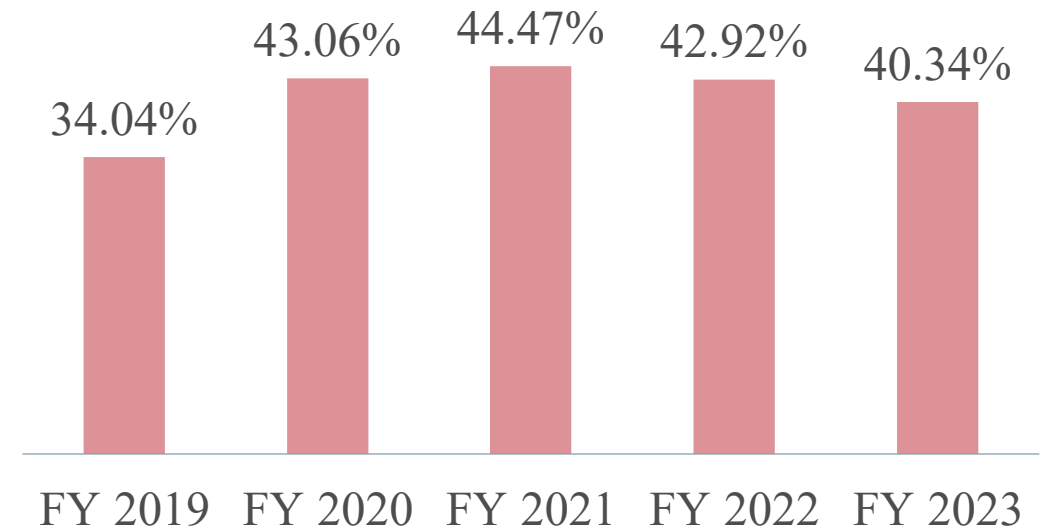
₹ in Millions

Net Worth

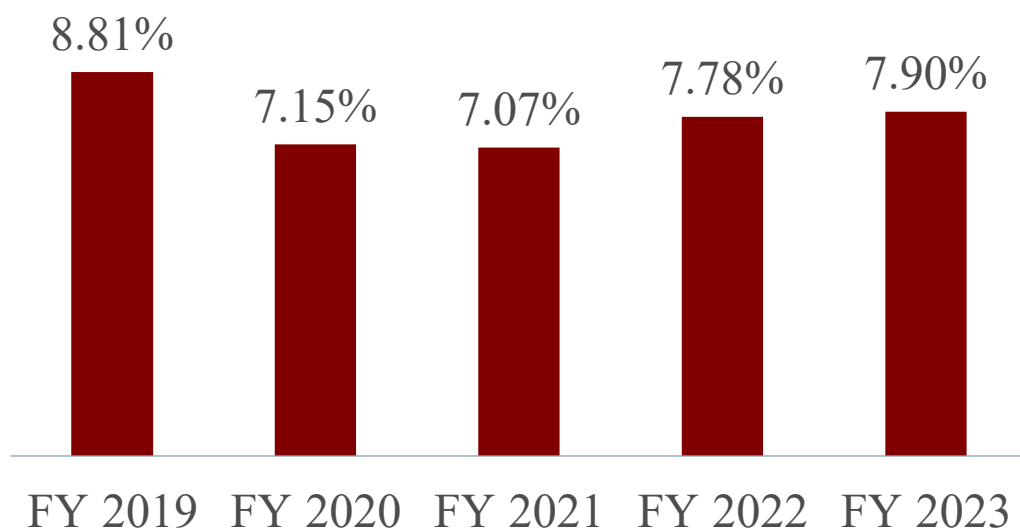


₹ in Millions

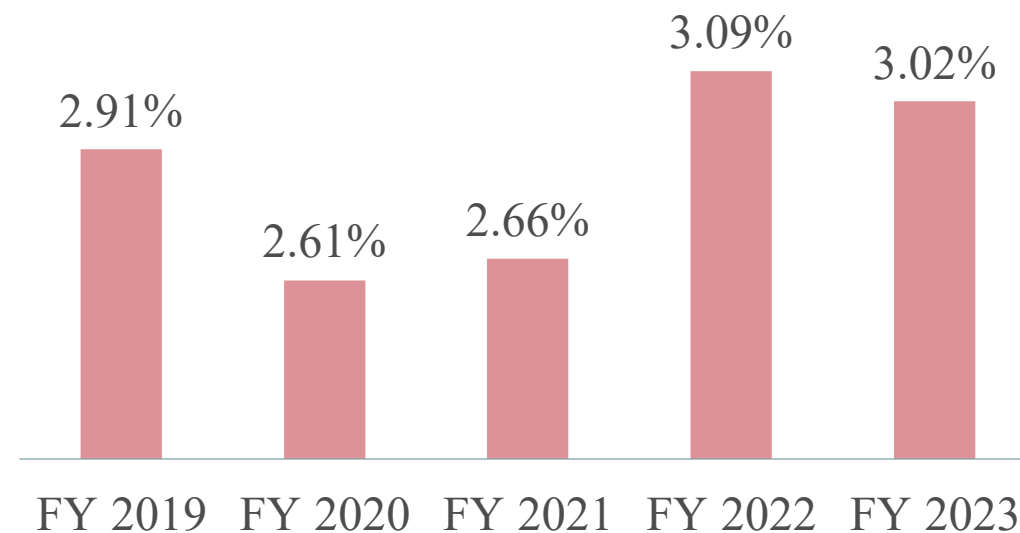
CAR



ROE



ROA



Shareholding Pattern

NSE: PAISALO

BSE: PAISALO

Bloomberg: PAISALO:IN



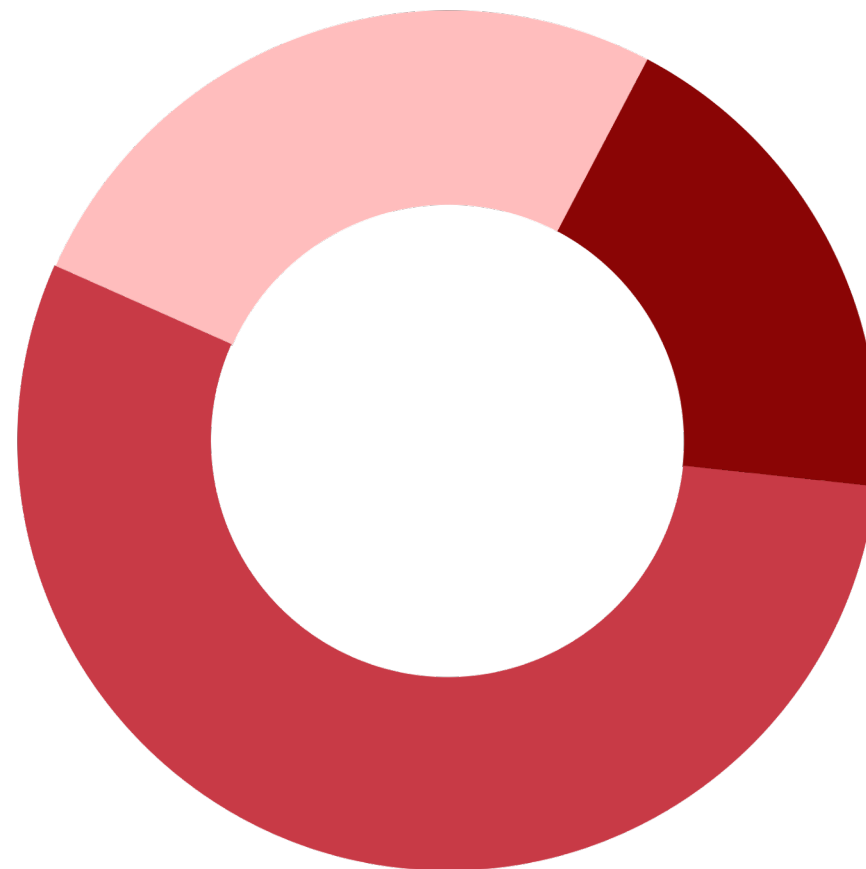
32.18%
Promoter
& Promoters Group



23.56%
FIIs and DIIs



44.26%
Public



Credit Rating



IVR 'AA- (Stable Outlook)'

IVR 'A1+'

(for Commercial Paper)



Board of Directors



***BOARD OF
DIRECTORS***



Sunil Agarwal

Managing Director

30 years of experience, incorporated Paisalo and took it from Private Entity to Public Listed and Traded Entity



Harish Singh

Executive Director

MBA, Chartered Accountant, 30 years+ experience in the field of Financing



Anoop Krishna

Whole Time Director

Veteran Banker with over 30 years of experience with State bank of India at all levels

***BOARD OF
DIRECTORS***



Gauri Shankar

Independent Director

30 years+ experience in the field of Banking, held position of CEO and Managing Director at Punjab National Bank



Vijay Ronjan

Independent Director

30 years+ experience in the field of Banking, retired as CGM Delhi of State bank of India



Naresh Kumar Jain

Independent Director

30 years+ experience in the field of Corporate and Legal Compliances, held position of CEO of Institute of Company Secretaries of India

***BOARD OF
DIRECTORS***



**Raman
Aggarwal**

Independent Director

Co-Chairman of Finance Industry Development Council (FIDC), member of Advisory Groups to Ministry of Finance & RBI, Core Group setup by Ministry of Corporate Affairs, and Special Task Force at FICCI



Nirmal Chand

Independent Director

30 years+ of experience in the field of Regulation, held position of Chief General Manager at Reserve Bank of India



Nisha Jolly

Independent Director

30 years+ of experience in the field of Banking, held position of Chief Manager of Punjab National Bank.

**THANK
YOU**

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