

Investor Presentation
Q2 FY 2023

A Systemically Important Non-Deposit Accepting Non-Banking Finance Company

Presentation Path



1. Financial Summary

2. Transformation Update

3. Paisalo Digital Limited Overview

4. Financial Performance

Financial Summary

Q2 FY 2023

Paisalo Snapshot Q2 FY 2023

₹ 29,767 mn

AUM

YoY Growth ~ 24%

₹ 2,329 mn

Revenue

YoY Growth ~ 22%

₹ 11,216 mn

Networth

YoY Growth ~ 25%

An excellent first half for the Company across balance sheet growth, portfolio quality and profitability.

Confident of strong FY 2023.

Paisalo Snapshot Q2 FY 2023

₹ 451 mn

PAT

YoY Growth ~ 24%

43.19%

CAR

0.27%

NNPA

An excellent first half for the Company across balance sheet growth, portfolio quality and profitability.

Confident of strong FY 2023.

Paisalo Snapshot

Q2 FY 2023

- » Highest ever AUM of ₹ 29,767 Mn.
- » AUM as at Q2 FY 2023 was up 23.79% at ₹ 29,767 mn as against Q2 FY 2022 at ₹ 24,046 mn.
- » Total geographic footprint stood at to 195 branches and 2125 postal codes, in the quarter. In Q2, the company added 21 new locations.
- » Over the past 18 months fresh fund infused by promoters of INR 1,840 mn through equity.
- » The company continues to protect its margin profile, Interest Income for Q2 FY 2023 was up 21.87% at ₹ 2,329 mn as against ₹ 1,911 mn in Q2 FY 2022. The company has posted 18%% increase in PBT and 18%% increase in PAT YoY.
- » GNPA and NNPA stood at 0.76% and 0.27% as at Q2 FY 2023 compared to 0.81% and 0.39% as at Q1 FY 2023. The Company expects its GNPA and NNPA to stay within the Long-Term outlook of below 2%.

Paisalo Snapshot

Q2 FY 2023

- » Paisalo has written off bad debts totaling to INR 233 mn and has recovered old written off bad debts worth INR 98 mn in Q2 FY 2023.
- » The Tangible Networth is INR 11,216 mn versus Bank Borrowings (secured) INR 10,606 mn , i.e., 0.95 times
- » Capital Adequacy remained very strong at 43.19% at Q2 FY 2023.
- » Credit Rating of the company Reaffirmed IVR AA-/Stable Outlook (IVR Double A minus with Stable Outlook).
- » RoE at 7.95% and RoA at 3.24%.
- » Total employee head count stood at 1471
- » The Board of Directors recommended a Dividend of 10% of per fully paid equity share of Rs. 10/- each (pre-split), for FY 2022

Paisalo Snapshot

Q2 FY 2023

- » The company signed Co-Lending with UCO Bank in Q2 FY 2023, the same has been rolled at certain branches in Q2 FY 2023.
- » UCO Bank empanelled the Company as Corporate Business Correspondent (BC) for deployment and management of CSPs in 5 states. The same is expected to begin roll out in Q4.
- » State Bank of India allotted 984 codes for opening of new Customer Service Point (CSP) Outlets during FY 2022-23. The same is expected to be rolled out by Q4 end.
- » The Company continues to invest in teams and technology for business transformation.
- » **An excellent first half for the company, across the board improvement in all metrics.**

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**

**At the outset,
All business transformations takes
“Technology, Time, and Team”.**

**We started Phase 1 of this transformation
project in October 2019, with beta testing
initiated in January 2020**

**Phase 1 was focused on creating a
“Strong, Stable and Scalable” foundation.**

As articulated in previous Quarters all Phase 1 features of the stack are live.

Phase 2 : 3000 disbursements per day

Phase 2 is on track; focusing on augmenting current credit underwriting feature set, disciplined execution, rapid adoption in all processes of the company and continued progress on all metrics.

Next update will be provided in Q4 FY 2023

Paisalo Digital Limited

Overview

What do we Stand For

1. Disruption –

Revolutionizing and Disrupting Rural Credit

2. High Tech : High Touch –

Engage and transact without friction to deliver a sustainable business model

3. Innovation –

Focus on continuous innovation to transform customer experience and create growth opportunities

4. Business Construct –

Deliver a sustainable NNPA of <2%

Uniquely Positioned for Growth

1. Leader with a huge **Early Mover** advantage in “Co-Lending”
2. Offering **easiest and cheapest product** in its market segment
3. Access to almost **unlimited capital**, relative to size
4. **Negligible ‘Liquidity Risk’**
5. **Negligible ‘Credit Risk’**
6. **Negligible ‘ALM Risk’**

Key strategic differentiators

1. Leader with a huge **Early Mover** advantage in “Co-Lending”
2. A **Unique and Scalable business model**
3. **In-house Proprietary Digital Platform** uses Data, AI and ML
4. Serviced **1.5 Mn** customers
5. Paisalo has strong **Brand Recognition** in area of operations
6. Team of **1400+** in **10 states** and more than **2000 postal codes**

Executive Summary

- Engaged in the business of providing convenient and easy loans to the financially excluded at bottom of India's economic pyramid
- Lending business with an AUM of ₹ 29,767 Mn
- Already serviced more than 1.5 million customers
- An experienced team of 1400+ operating from 195 branches in 10 States and > 2000 pin codes (~ 10% of total pin codes in India) engaged in loan origination, servicing and recovery
- Net worth of ₹ 11,216 Mn, leveraged 2 times and CAR ~ 43.19%
- PAT of ₹ 451 Mn
- Classified and regulated by RBI as a (Non-Deposit Accepting) Systemically important Middle Layer NBFC
- Rated : AA- (Stable Outlook)
- Listed on NSE and BSE

Financial Performance

FINANCIALS

₹ in Millions, * Cumulative

PARTICULARS	Q2 FY 2022*	Q3 FY 2022*	Q4 FY 2022*	Q1 FY 2023	Q2 FY 2023*
AUM	₹24,046	₹25,201	₹26,973	₹27,174	₹29,767
Disbursements	₹7,240	₹11,303	₹16,343	₹4,752	₹6,058
Revenue	₹1,746	₹2,926	₹3,922	₹1,126	₹2,329
PBT	₹516	₹864	₹1,071	₹287	₹613
PAT	₹380	₹643	₹793	₹209	₹451
Net Worth	₹9,011	₹9,273	₹10,241	₹10,453	₹11,216
Total Liabilities	₹15,881	₹17,170	₹15,989	₹15,871	₹16,005
Bank Borrowings	₹8,015	₹8,784	₹9,588	₹9,416	₹10,606
Debt to Equity Ratio	1.89	2.00	1.46	1.42	1.41
Bad Debts Written Off	₹214	₹259	₹364	₹135	₹233
Bad Debts Recovered	₹67	₹103	₹120	₹57	₹98
NIM	4.68%	4.53%	4.03%	5.51%	5.35%
Gross NPA	1.95%	1.87%	1.56%	0.81%	0.76%
Net NPA	1.61%	1.55%	1.26%	0.39%	0.27%
CAR	43.33%	41.57%	42.92%	43.53%	43.19%

FINANCIALS

PARTICULARS	FY 2020	FY 2021	FY 2022	Q1 FY 2023	Q2 FY 2023*
AUM	₹21,119	₹23,178	₹26,973	₹27,174	₹29,767
Interest Income	₹3,375	₹3,115	₹3,922	₹1,126	₹2,329
NIM	6.47%	4.05%	4.03%	5.51%	5.35%
PAT	₹540	₹609	₹793	₹209	₹451
Cash Accrual	₹580	₹646	₹819	₹216	₹465
Net worth	₹7,603	₹8,619	₹10,241	₹10,458	₹11,216
Total Debt	₹10,701	₹14,814	₹15,989	₹15,871	₹16,005
Debt Equity Ratio	1.82	1.72	1.46	1.42	1.41
Gross NPA	0.44%	0.72%	1.56%	0.81%	0.76%
NET NPA	0.34%	0.57%	1.26%	0.39%	0.27%
ROA	2.61%	2.66%	3.09%	3.23%	3.24%
ROE	7.15%	7.07%	7.78%	7.90%	7.95%
CAR	43.06%	44.47%	42.92%	43.53%	43.19%
Book Value	₹179	₹202	₹230	₹234	₹246

₹ in Millions, * Cumulative

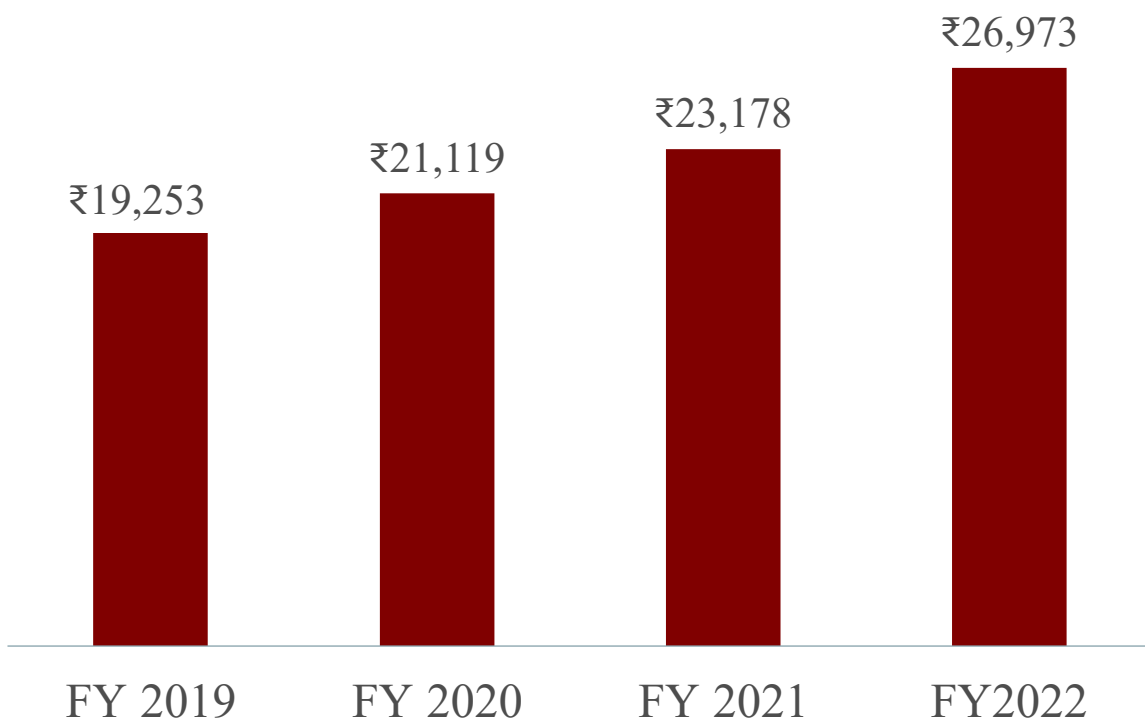
FINANCIALS

Critical Ratios

INR in Millions

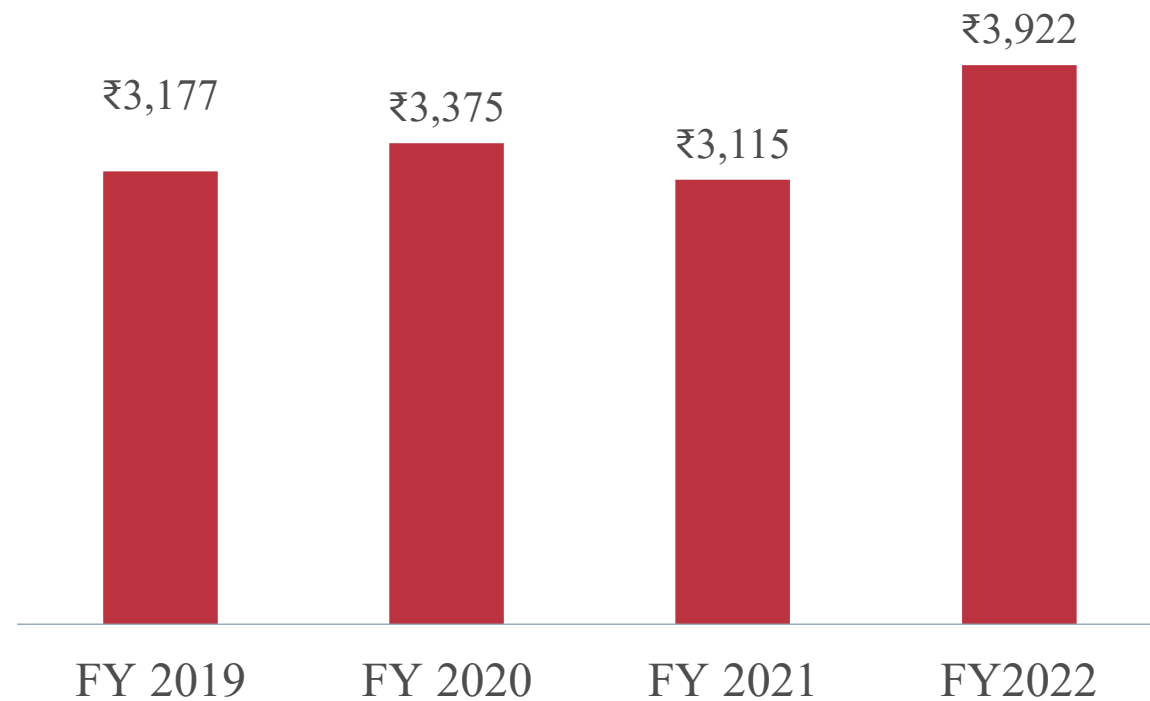
Particulars	FY 2020	FY 2021	FY 2022	Q1 FY 2023	Q2 FY 2023
Tangible Net Worth (TNW)	₹7,603	₹8,619	₹10,241	₹10,453	₹11,216
Bank Borrowings (BB)	₹7,983	₹7,412	₹9,588	₹9,416	₹10,606
Total Outside Liabilities (TOL)	₹13,738	₹14,814	₹15,989	₹15,871	₹16,005
BB / TNW (Times)	1.05	0.86	0.94	0.90	0.95
TOL / TNW (Times)	1.81	1.72	1.56	1.51	1.43

AUM



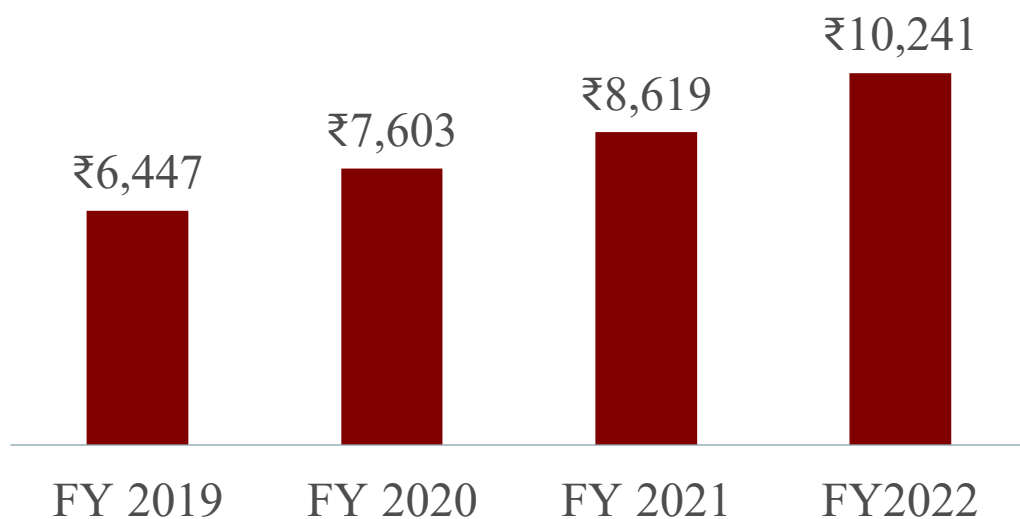
₹ in Millions

Revenue



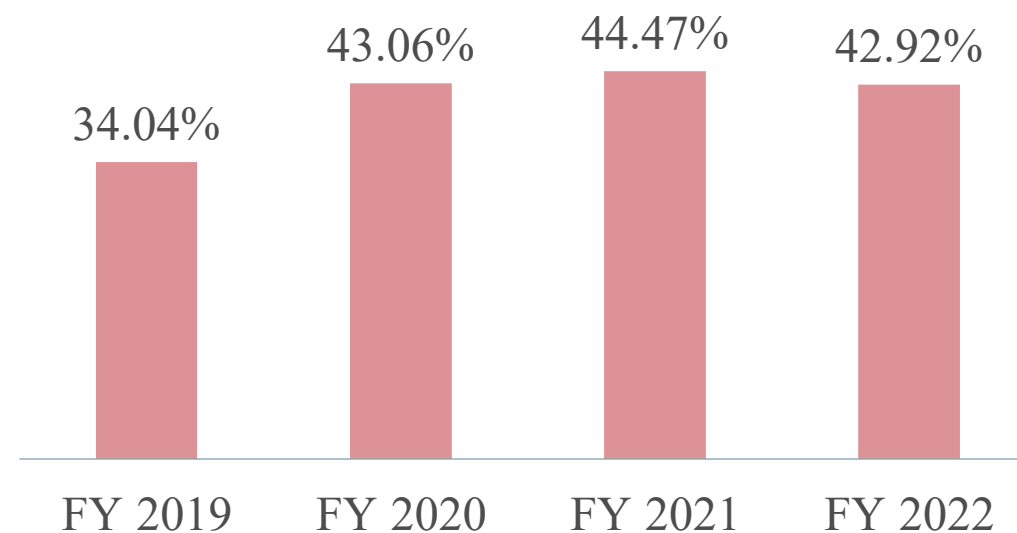
₹ in Millions

Net Worth

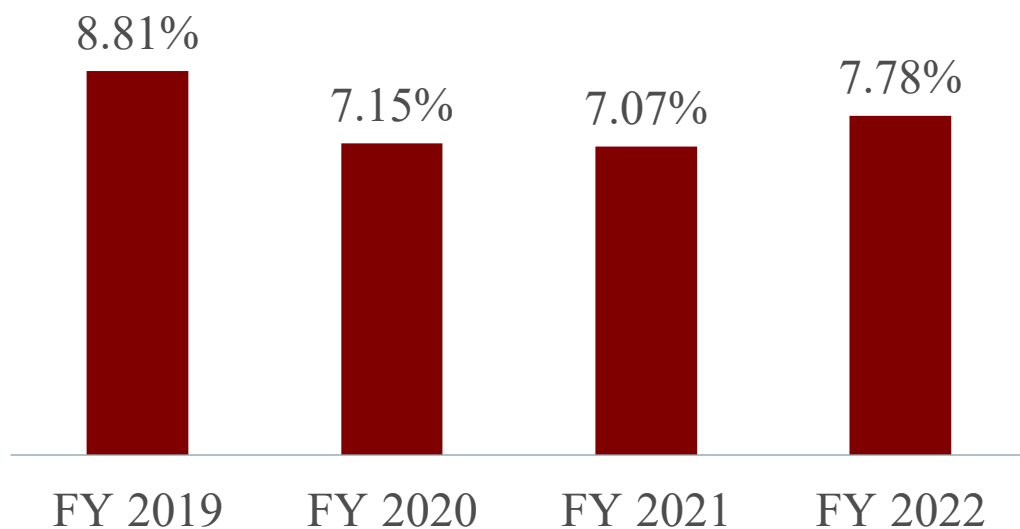


₹ in Millions

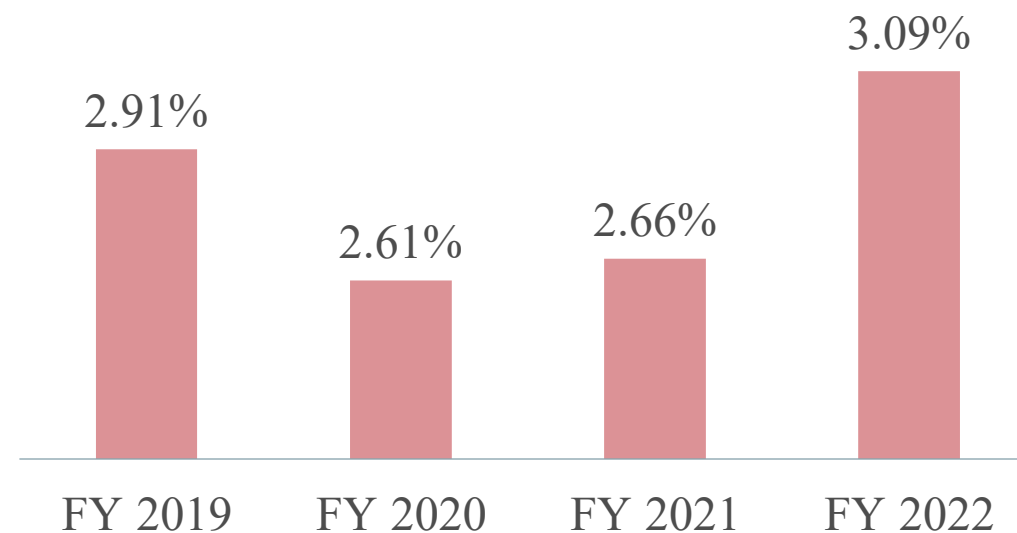
CAR



ROE



ROA



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.
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YOU**

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