

Investor Presentation
Q3 FY 2023

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

Presentation Path



1. Transformation Update

2. Financial Summary

3. Financial Performance

4. Paisalo Digital Limited Overview

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

Financial Summary

Q3 FY 2023

Paisalo Snapshot Q3 FY 2023

\$ 363.67 mn

AUM

YoY Growth ~ 19%

\$ 42.91 mn

Revenue

YoY Growth ~ 21%

\$ 138.83 mn

Networth

YoY Growth ~ 24%

Good quarter across all financial and portfolio metrics.

Paisalo Snapshot Q3 FY 2023

\$ 8.82 mn

PAT

YoY Growth ~ 13%

42.66%

CAR

0.26%

NNPA

Good quarter across all financial and portfolio metrics.

Paisalo Snapshot

Q3 FY 2023

- » Highest ever AUM of \$ 363.67 Mn.
- » AUM as at Q3 FY 2023 was up 19.46% at \$ 363.67 mn as against Q3 FY 2022 at \$ 304.41 mn.
- » Total geographic footprint stood at to 203 branches and 2125 postal codes, in the quarter. In Q3, the company added 8 new locations.
- » The company continues to protect its margin profile, Interest Income for Q3 FY 2023 was up 21.38% at \$ 42.91mn as against \$ 35.34mn in Q3 FY 2022. The company has posted 13.85%% increase in PBT and 13.40%% increase in PAT YoY.
- » GNPA and NNPA stood at 0.75% and 0.26% as at Q3 FY 2023 compared to 0.76% and 0.27% as at Q2 FY 2023. The Company expects its GNPA and NNPA to stay within the Long-Term outlook of below 2%.

Paisalo Snapshot

Q3 FY 2023

- » Paisalo has written off bad debts totaling to \$ 3.99 mn and has recovered old written off bad debts worth \$1.21 mn in Q3 FY 2023.
- » The Tangible Networth is \$ 138.83 mn versus Bank Borrowings (secured) INR 10,927 mn , i.e., 0.95 times
- » Capital Adequacy remained very strong at 42.66% at Q3 FY 2023.
- » Credit Rating of the company Reaffirmed IVR AA-/Stable Outlook (IVR Double A minus with Stable Outlook).
- » RoE at 8.39% and RoA at 3.41%.
- » Total employee head count stood at 1500
- » 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

Q3 FY 2023

- » The company had signed Co-Lending with UCO Bank in Q2 FY 2023, the same is being rolled out at additional branches in Q3 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.
- » As at Q2 fresh fund infused by promoters of \$ 22.22 mn through equity.
- » The Company continues to invest in teams and technology for business transformation.
- » **Good quarter across all financial and portfolio metrics.**

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 **1500** 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 \$ 363.67 Mn
- Already serviced more than 1.5 million customers
- An experienced team of 1500 operating from 203 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 \$ 138.83 Mn, leveraged 2 times and CAR ~ 42.66%
- PAT of \$ 8.82 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

Q3 FY 2023

FINANCIALS

\$ in Millions, * Cumulative

\$ 1 = 82.7862 INR (₹)

PARTICULARS	Q3 FY 2022*	Q4 FY 2022*	Q1 FY 2023	Q2 FY 2023*	Q3 FY 2023*
AUM	\$ 304.41	\$ 325.82	\$ 328.24	\$ 359.56	\$ 363.67
Disbursements	\$ 136.53	\$ 197.41	\$ 57.40	\$ 130.58	\$ 196.16
Revenue	\$ 35.34	\$ 47.38	\$ 13.60	\$ 28.13	\$ 42.91
PBT	\$ 10.44	\$ 12.94	\$ 3.47	\$ 7.40	\$ 11.89
PAT	\$ 7.77	\$ 9.58	\$ 2.52	\$ 5.45	\$ 8.82
Net Worth	\$ 112.01	\$ 123.70	\$ 126.27	\$ 135.48	\$ 138.83
Total Liabilities	\$ 207.40	\$ 193.14	\$ 191.71	\$ 193.33	\$ 199.72
Bank Borrowings	\$ 106.10	\$ 115.82	\$ 113.74	\$ 128.11	\$ 131.99
Debt to Equity Ratio	2	1.46	1.42	1.41	1.41
Bad Debts Written Off	\$ 3.13	\$ 4.40	\$ 1.63	\$ 2.81	\$ 3.99
Bad Debts Recovered	\$ 1.24	\$ 1.45	\$ 0.69	\$ 1.18	\$ 1.21
NIM	4.53%	4.03%	5.51%	5.35%	5.91%
Gross NPA	1.87%	1.56%	0.81%	0.76%	0.75%
Net NPA	1.55%	1.26%	0.39%	0.27%	0.26%
CAR	41.57%	42.92%	43.53%	43.19%	42.66%

FINANCIALS

\$ in Millions, * Cumulative

\$ 1 = 82.7862 INR (₹)

PARTICULARS	FY 2020	FY 2021	FY 2022	Q1 FY 2023	Q2 FY 2023*	Q3 FY 2023*
AUM	\$ 255.10	\$ 279.97	\$ 325.82	\$ 328.24	\$ 359.56	\$ 363.67
Interest Income	\$ 40.77	\$ 37.63	\$ 47.38	\$ 13.60	\$ 28.13	\$ 42.91
NIM	6.47%	4.05%	4.03%	5.51%	5.35%	5.91%
PAT	\$ 6.52	\$ 7.36	\$ 9.58	\$ 2.52	\$ 5.45	\$ 8.82
Cash Accrual	\$ 7.01	\$ 7.80	\$ 9.89	\$ 2.61	\$ 5.62	\$ 9.10
Net worth	\$ 91.84	\$ 104.11	\$ 123.70	\$ 126.33	\$ 135.48	\$ 138.83
Total Debt	\$ 129.26	\$ 178.94	\$ 193.14	\$ 191.71	\$ 193.33	\$ 199.72
Debt Equity Ratio	1.82	1.72	1.46	1.42	1.41	1.41
Gross NPA	0.44%	0.72%	1.56%	0.81%	0.76%	0.75%
NET NPA	0.34%	0.57%	1.26%	0.39%	0.27%	0.26%
ROA	2.61%	2.66%	3.09%	3.23%	3.24%	3.41%
ROE	7.15%	7.07%	7.78%	7.90%	7.95%	8.39%
CAR	43.06%	44.47%	42.92%	43.53%	43.19%	42.66%
Book Value	\$ 2.16	\$ 2.44	\$ 2.78	\$ 2.83	\$ 2.97	\$ 3.04

FINANCIALS

Critical Ratios

\$ in Millions

\$ 1 = 82.7862 INR (₹)

Particulars	FY 2020	FY 2021	FY 2022	Q1 FY 2023	Q2 FY 2023	Q3 FY 2023
Tangible Net Worth (TNW)	\$ 91.84	\$ 104.11	\$ 123.70	\$ 126.27	\$ 135.48	\$ 138.83
Bank Borrowings (BB)	\$ 96.43	\$ 89.53	\$ 115.82	\$ 113.74	\$ 128.11	\$ 131.99
Total Outside Liabilities (TOL)	\$ 165.95	\$ 178.94	\$ 193.14	\$ 191.71	\$ 193.33	\$ 199.71
BB / TNW (Times)	1.05	0.86	0.94	0.90	0.95	0.95
TOL / TNW (Times)	1.81	1.72	1.56	1.51	1.43	1.44

Shareholding Pattern

NSE: PAISALO

BSE: PAISALO

Bloomberg: PAISALO:IN



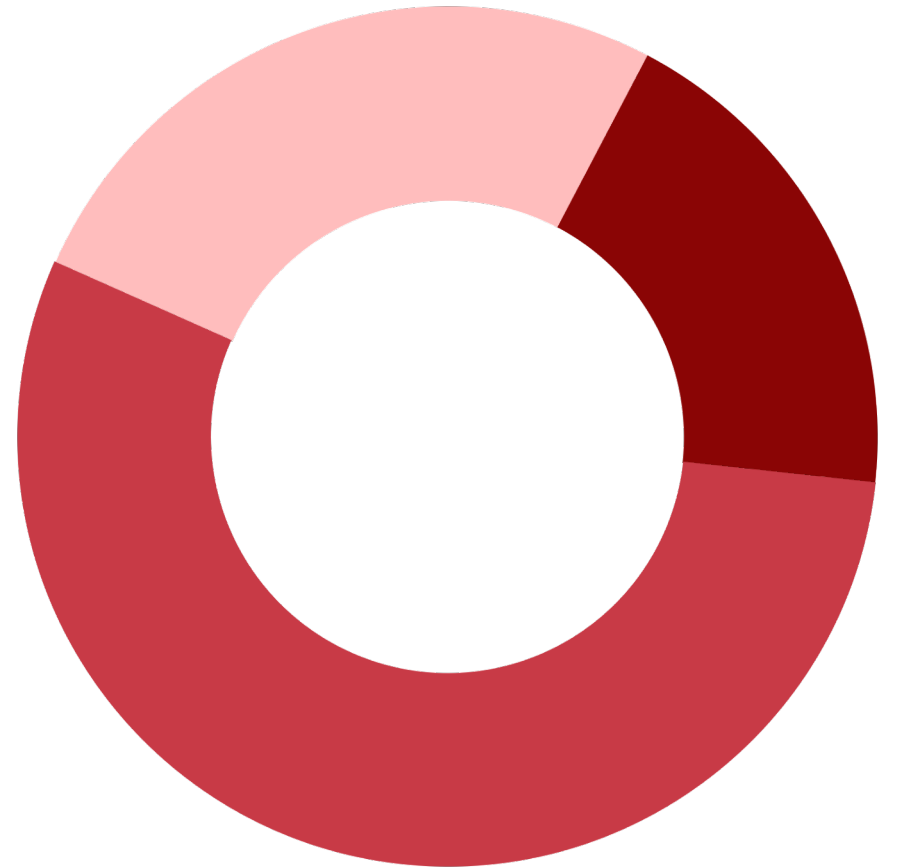
32.18%
Promoter
& Promoters Group



23.34%
FIIs and DIIs



44.48%
Public



Credit Rating



IVR 'AA- (Stable Outlook)'



Safe Harbor Statement

PAISALO Digital Limited

NSE : PAISALO

BSE : PAISALO

Bloomberg : PAISALO:IN

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YOU**

Phone:
+91 11 43-51-8888

Email:
ir@paisalo.in

Website:
www.paisalo.in