

Investor Presentation
Q3 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

Q3 FY 2023

Paisalo Snapshot Q3 FY 2023

₹ 30,107 mn

AUM

YoY Growth ~ 19%

₹ 3,552 mn

Revenue

YoY Growth ~ 21%

₹ 11,493 mn

Networth

YoY Growth ~ 24%

Good quarter across all financial and portfolio metrics.

Paisalo Snapshot Q3 FY 2023

₹ 730 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 ₹ 30,107 Mn.
- » AUM as at Q3 FY 2023 was up 19.46% at ₹ 30,107 mn as against Q3 FY 2022 at ₹ 25,201 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 ₹3,552 mn as against ₹2,926 mn 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 INR 330 mn and has recovered old written off bad debts worth INR 100 mn in Q3 FY 2023.
- » The Tangible Networth is INR 11,493 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 INR 1,840 mn through equity.
- » The Company continues to invest in teams and technology for business transformation.
- » **Good quarter across all financial and portfolio 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 **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 ₹ 30,107 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 ₹ 11,493 Mn, leveraged 2 times and CAR ~ 42.66%
- PAT of ₹ 730 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	Q3 FY 2022*	Q4 FY 2022*	Q1 FY 2023	Q2 FY 2023*	Q3 FY 2023*
AUM	₹25,201	₹26,973	₹27,174	₹29,767	₹30,107
Disbursements	₹11,303	₹16,343	₹4,752	₹10,810	₹16,239
Revenue	₹2,926	₹3,922	₹1,126	₹2,329	₹3,552
PBT	₹864	₹1,071	₹287	₹613	₹984
PAT	₹643	₹793	₹209	₹451	₹730
Net Worth	₹9,273	₹10,241	₹10,453	₹11,216	₹11,493
Total Liabilities	₹17,170	₹15,989	₹15,871	₹16,005	₹16,534
Bank Borrowings	₹8,784	₹9,588	₹9,416	₹10,606	₹10,927
Debt to Equity Ratio	2.00	1.46	1.42	1.41	1.41
Bad Debts Written Off	₹259	₹364	₹135	₹233	₹330
Bad Debts Recovered	₹103	₹120	₹57	₹98	₹100
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

PARTICULARS	FY 2020	FY 2021	FY 2022	Q1 FY 2023	Q2 FY 2023*	Q3 FY 2023*
AUM	₹21,119	₹23,178	₹26,973	₹27,174	₹29,767	₹30,107
Interest Income	₹3,375	₹3,115	₹3,922	₹1,126	₹2,329	₹3,552
NIM	6.47%	4.05%	4.03%	5.51%	5.35%	5.91%
PAT	₹540	₹609	₹793	₹209	₹451	₹730
Cash Accrual	₹580	₹646	₹819	₹216	₹465	₹753
Net worth	₹7,603	₹8,619	₹10,241	₹10,458	₹11,216	₹11,493
Total Debt	₹10,701	₹14,814	₹15,989	₹15,871	₹16,005	₹16,534
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	₹179	₹202	₹230	₹234	₹246	₹252

₹ in Millions, * Cumulative

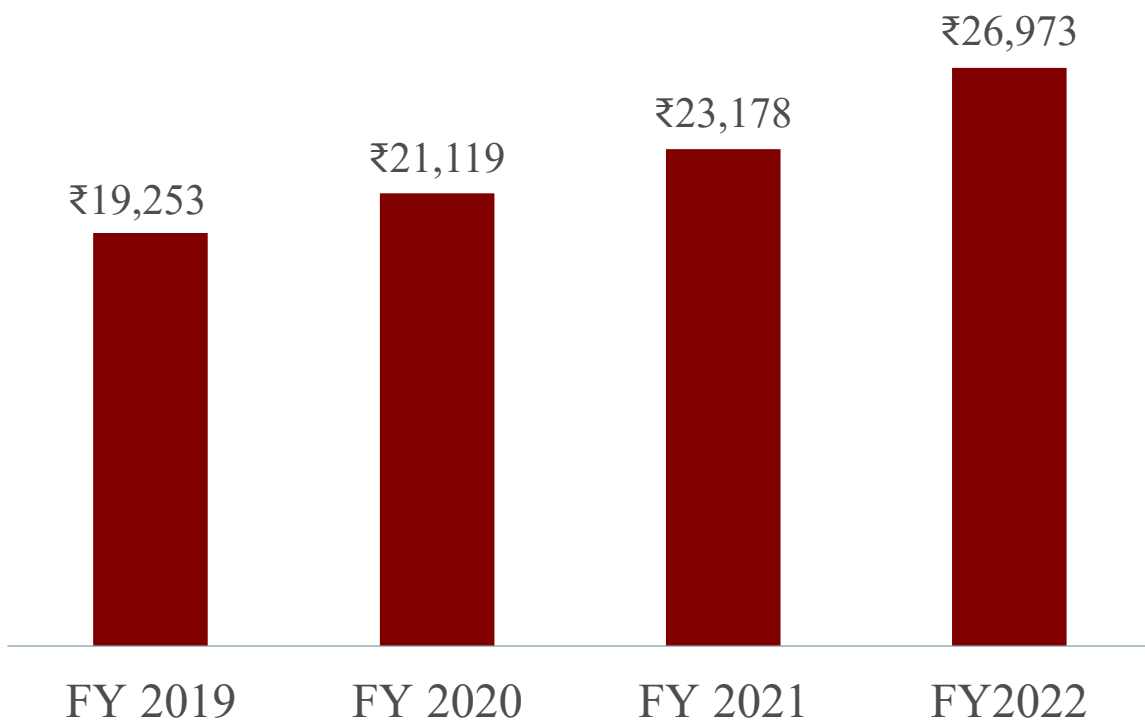
FINANCIALS

Critical Ratios

INR in Millions

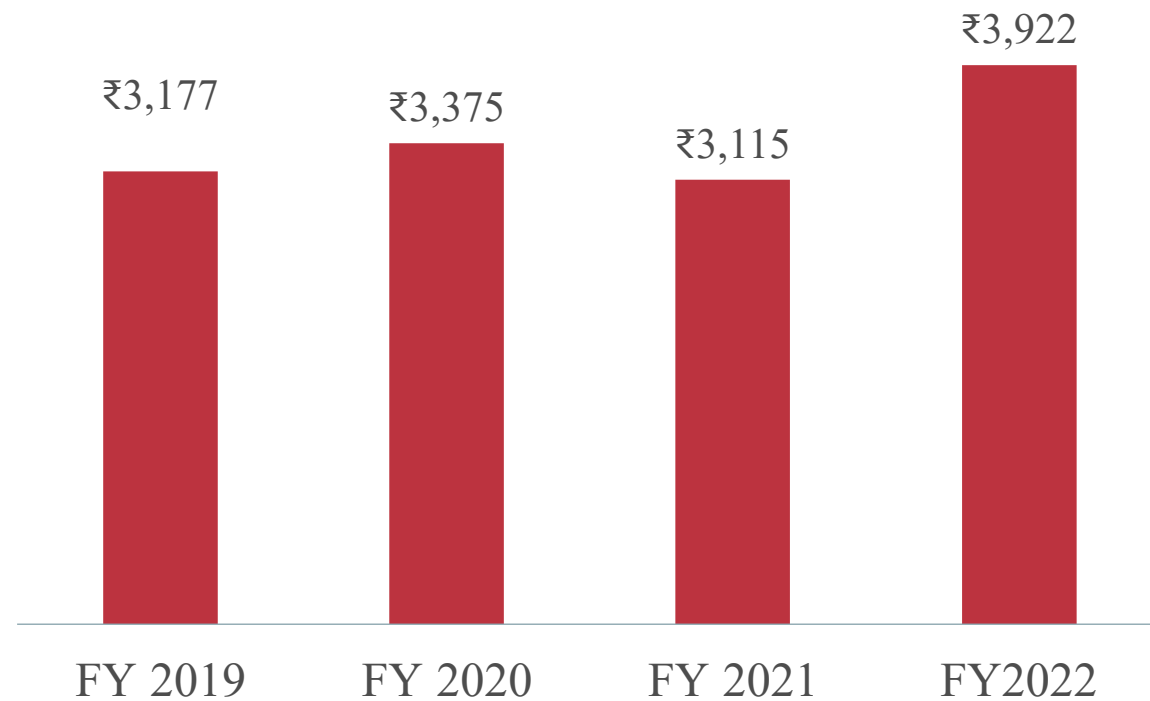
Particulars	FY 2020	FY 2021	FY 2022	Q1 FY 2023	Q2 FY 2023	Q3 FY 2023
Tangible Net Worth (TNW)	₹7,603	₹8,619	₹10,241	₹10,453	₹11,216	₹11,493
Bank Borrowings (BB)	₹7,983	₹7,412	₹9,588	₹9,416	₹10,606	₹10,927
Total Outside Liabilities (TOL)	₹13,738	₹14,814	₹15,989	₹15,871	₹16,005	₹16,533
BB / TNW (Times)	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

AUM



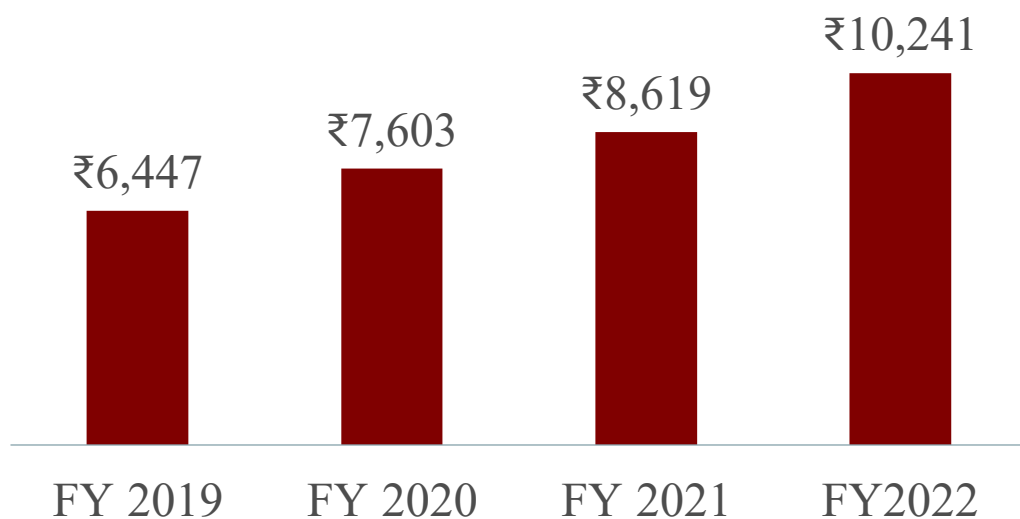
₹ in Millions

Revenue



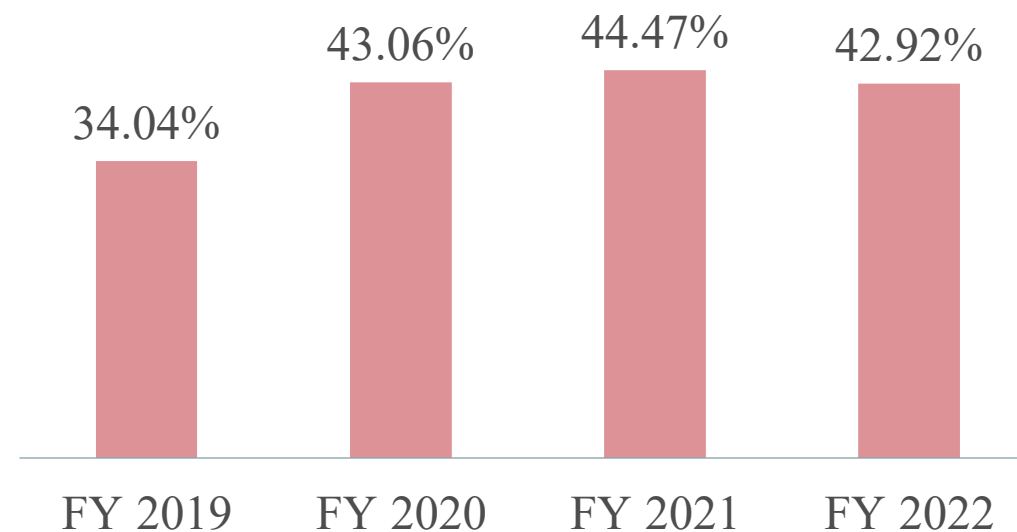
₹ in Millions

Net Worth

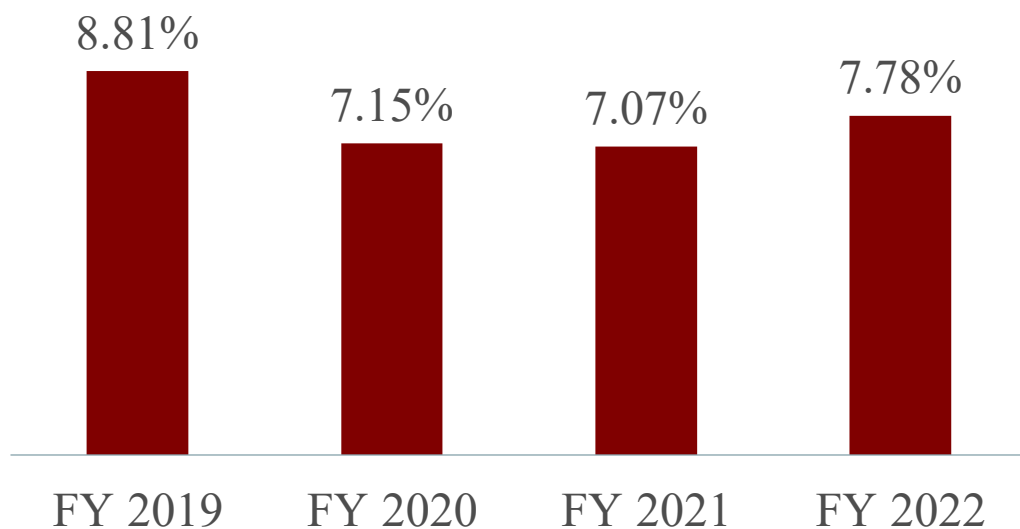


₹ in Millions

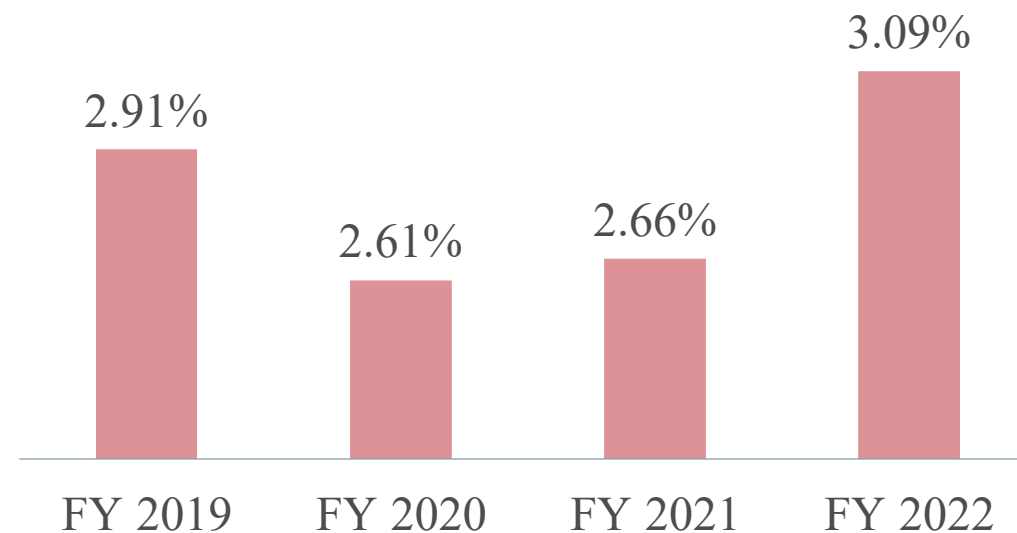
CAR



ROE



ROA



Shareholding Pattern

NSE: PAISALO

BSE: PAISALO

Bloomberg: PAISALO:IN



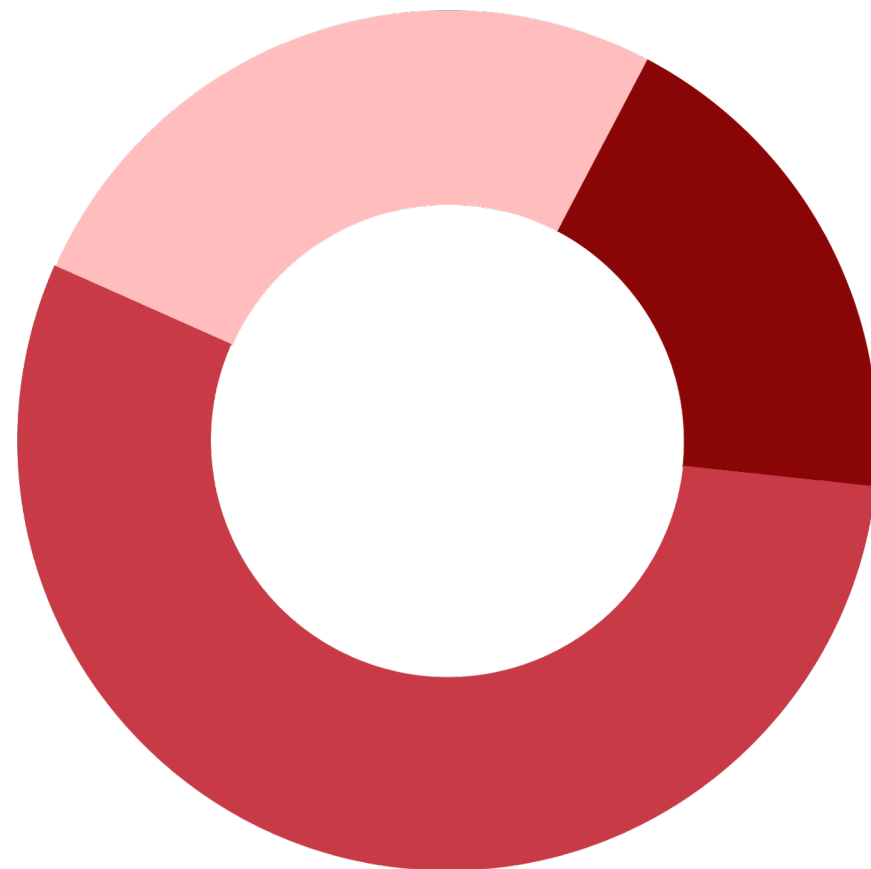
32.18%
Promoter
& Promoters Group



23.34%
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**

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