

Investor Presentation
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

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.**

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.

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 **1650** managing **1052 touch points** in **18 states**

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 ₹ 34,928 Mn
- Already serviced more than 1.5 million+ customers
- An experienced team of 1650 managing 1052 touch points in 18 States
- Net worth of ₹ 11,610 Mn, leveraged 2 times and CAR ~ 40.34%
- PAT of ₹ 936 Mn
- Classified and regulated by RBI as a (Non-Deposit Accepting) Systemically Important Middle Layer NBFC
- Rated : AA- (Stable Outlook) and A1+ (Commercial Paper)
- Listed on NSE and BSE

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

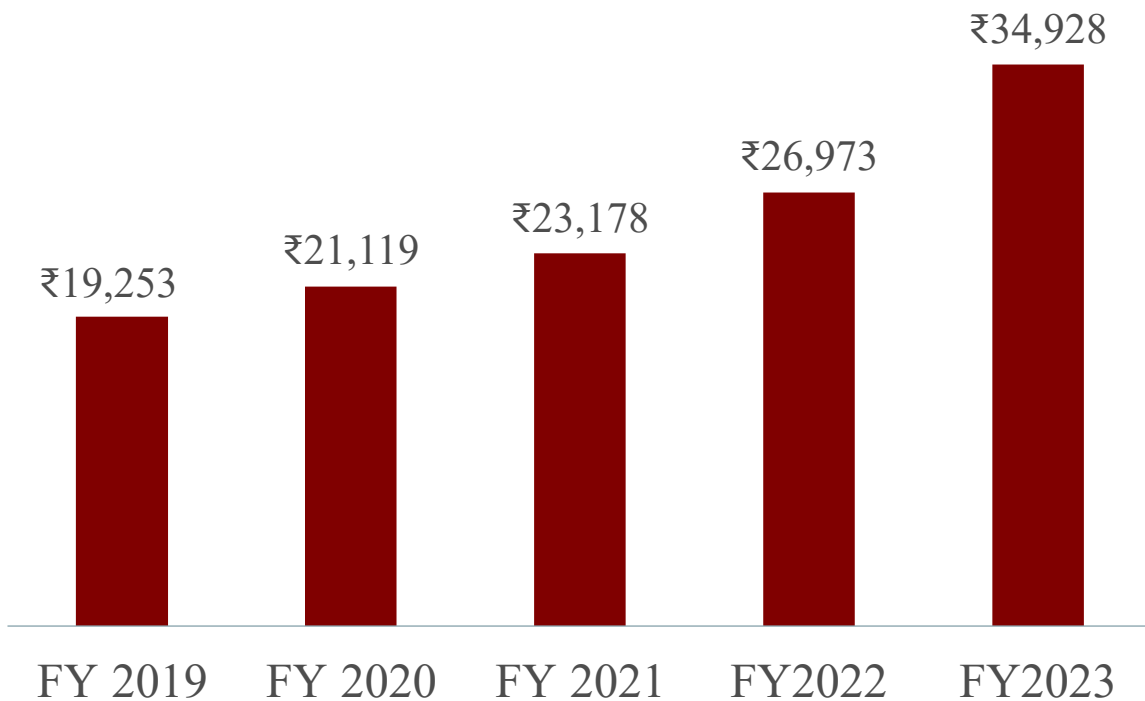
FINANCIALS

Critical Ratios

INR in Millions

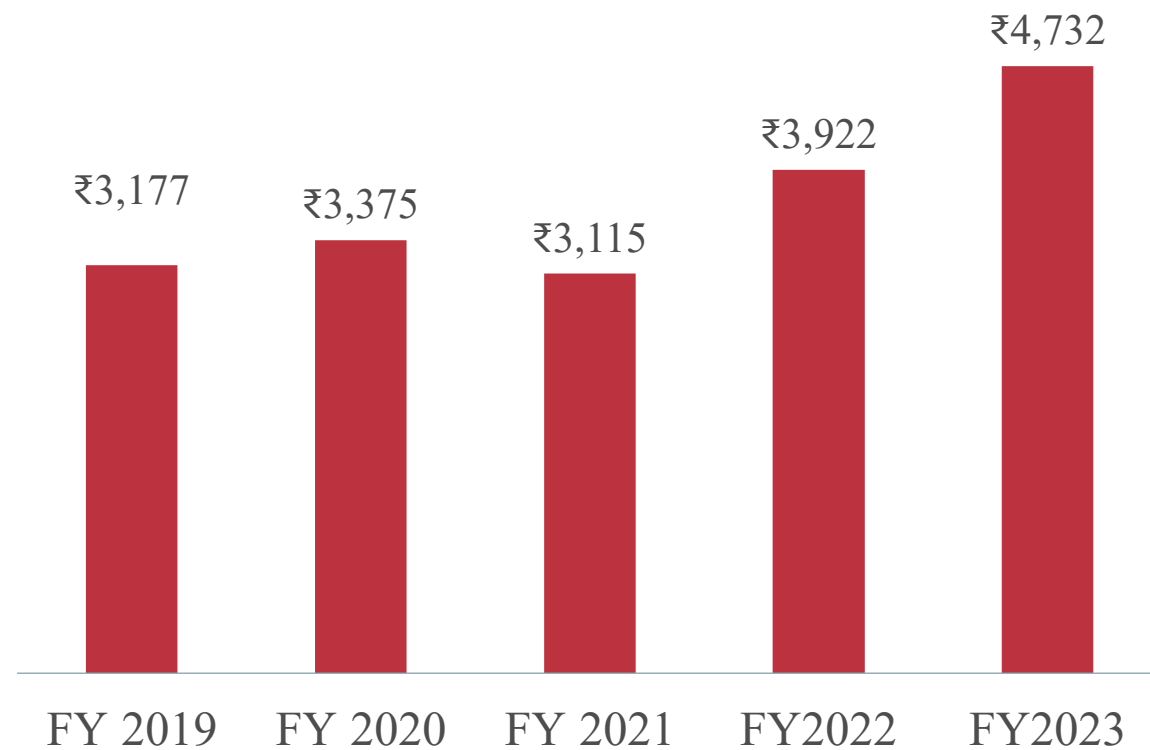
Particulars	FY 2020	FY 2021	FY 2022	FY 2023
Tangible Net Worth (TNW)	₹7,603	₹8,619	₹10,241	₹11,610
Bank Borrowings (BB)	₹7,983	₹7,412	₹9,588	₹13,018
Total Outside Liabilities (TOL)	₹13,738	₹14,814	₹15,989	₹18,567
BB / TNW (Times)	1.05	0.86	0.94	1.12
TOL / TNW (Times)	1.81	1.72	1.56	1.58

AUM



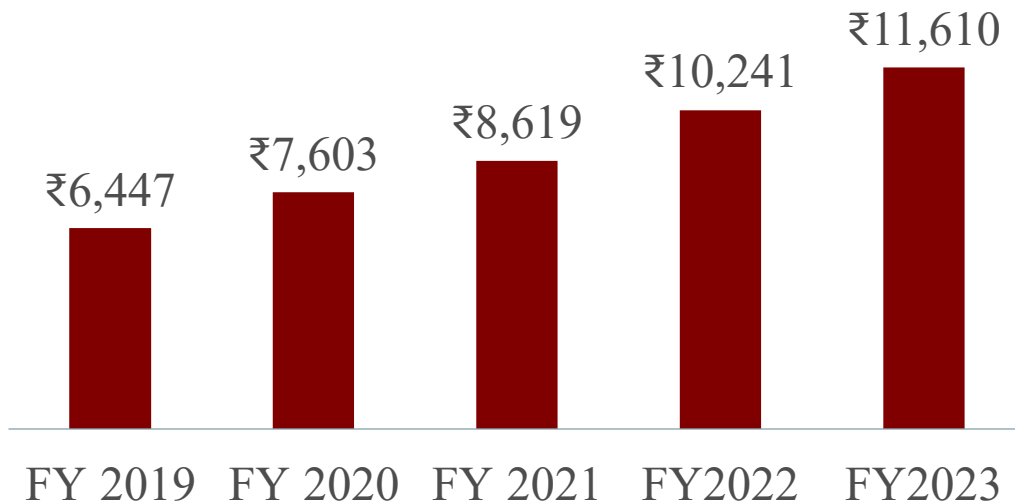
₹ in Millions

Revenue



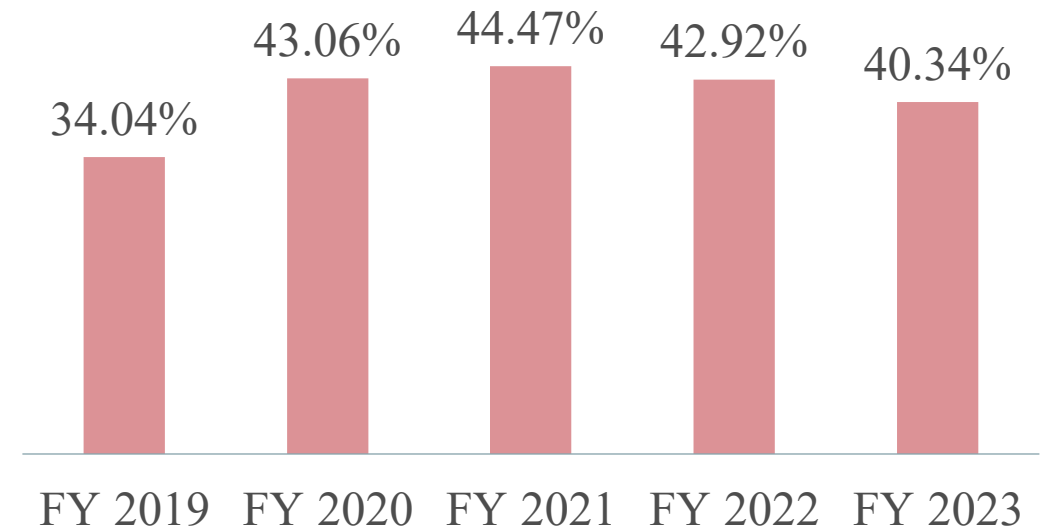
₹ in Millions

Net Worth

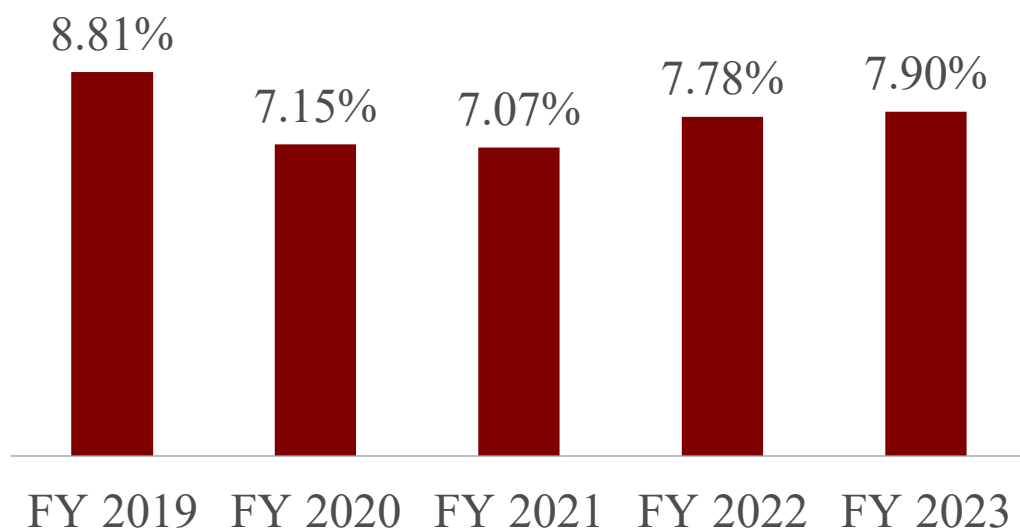


₹ in Millions

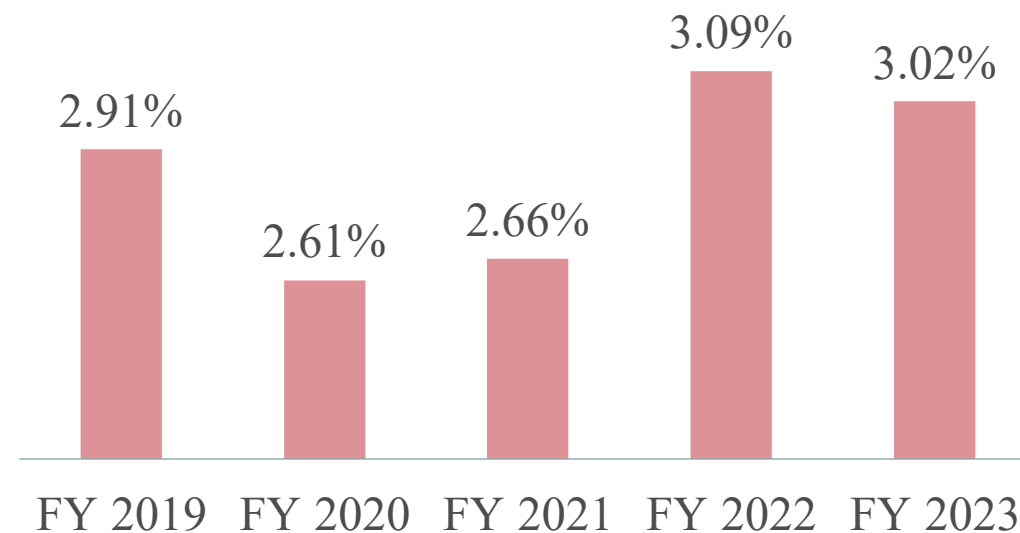
CAR



ROE



ROA



Shareholding Pattern

NSE: PAISALO

BSE: PAISALO

Bloomberg: PAISALO:IN



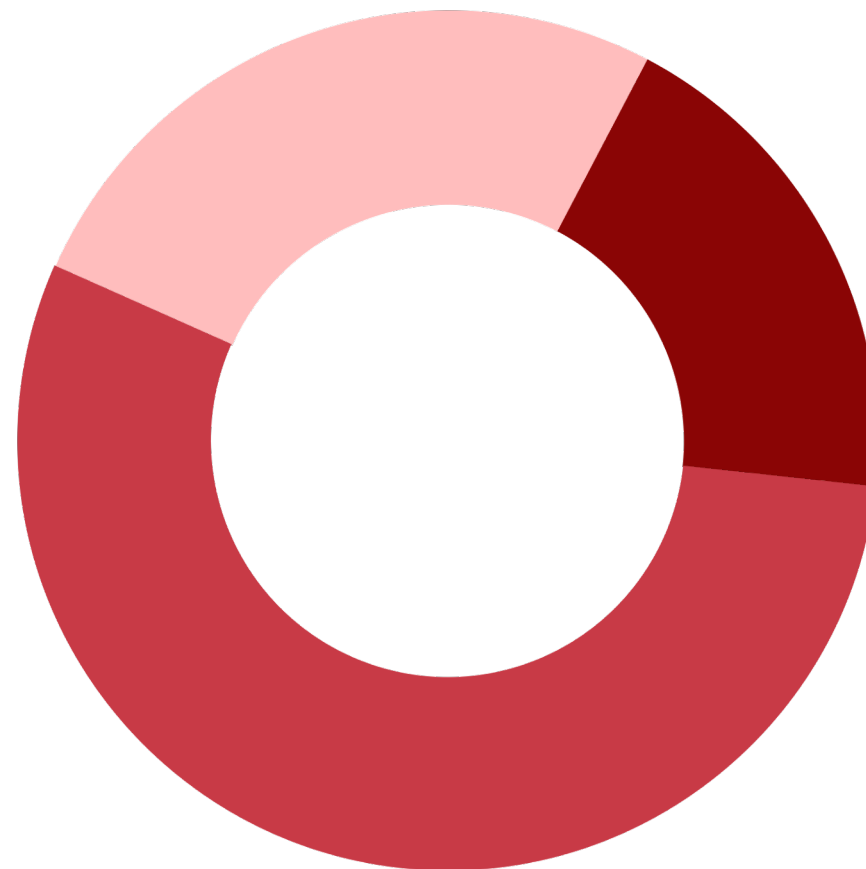
32.18%
Promoter
& Promoters Group



23.56%
FIIs and DIIs



44.26%
Public



Credit Rating



IVR 'AA- (Stable Outlook)'

IVR 'A1+'

(for Commercial Paper)



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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