

# Investor Presentation

*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.

# About Us

*29-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 37.59 Bn as at Q2 FY 2022
- ≈ Diversified Shareholding with 27.74% Promoter and 72.26% with Public, FIIs, DIIs and Mutual Funds as at Q2 FY 2022
- ≈ Gross NPA: 1.95%, Net NPA: 1.61% Q2 FY 2022
- ≈ Net Worth: INR9,011 Mn Q2 FY 2022
- ≈ CRAR – 43.33% Q2 FY 2022
- ≈ Controlled Gearing: 1.99

- ≈ Current Ratio: 2.14 Q2 FY 2022
- ≈ Credit Rating: 'AA- (Stable Outlook)'
- ≈ 10% Dividend payment consistently for last 10years
- ≈ Clean Track record with Regulators, no pending statutory dues
- ≈ 131 branches spread across 10 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

# ESG HIGHLIGHTS

(AS AT FY 2020)



## Decent Work and Economic Environment

Revenue  
3375 Mn

EBITDA  
2093.75Mn

PAT  
540Mn

Net post interest income  
2026.77 Mn

RoA  
2.61%

RoE  
7.15%

Employment Generation  
1890



## Gender Equality, Reduced Inequalities, Peace, Justice and Strong Institution, Good Health and Well Being

Women Customers  
4,06,810

Board of Directors  
150 years Experience

Independent Directors  
6

Low Attrition Rate  
1.82%



## Industry, Innovation and Infrastructure

Centralized Process, Real Time Credit  
Credential and Character Check

Innovative Financial Lending Product  
and Service

States  
10

Branch Network  
129

Collection Efficiency  
94%

Digital platform in  
2,128 Pin-codes

Small and Medium Businesses Helped  
38,000



## Climate Action, Responsible Consumption and Production

Paper Consumption  
Minimal

Cashless Disbursement  
100%

Sourcing and Servicing  
Digital Process

Cashless Collection  
92%

## Customer Outreach

*PAISALO Digital Limited*

*NSE : PAISALO*

*BSE : PAISALO*

*Bloomberg : PAISALO:IN*

1,500,000+

Customers Served  
as at 30 September 2021

₹ 150,000+

Millions in Disbursements  
as at 30 September 2021





## HIGH TECH-HIGH TOUCH

- ≈ PAISALO uses trio of measures, Jan Dhaan, Aadhaar and Mobile (JAM Yojna) along with artificial intelligence and machine learning to provide – smart, easy and legally eligible loans
- ≈ Customers serviced through 131 Branches
- ≈ Team of 1500+
- ≈ Presence in 10 States
- ≈ High Tech-High Touch results in reduced non-performing assets and value creation

# Why PAISALO?

State Bank of India has signed its first Co-Origination of Priority Sector Loan Agreement with PAISALO Digital Limited

*“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

*State Bank of India'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?

## PAISALO - State Bank of India

1

SBI to contribute 80% of Loan Value under the Co - Lending Model

2

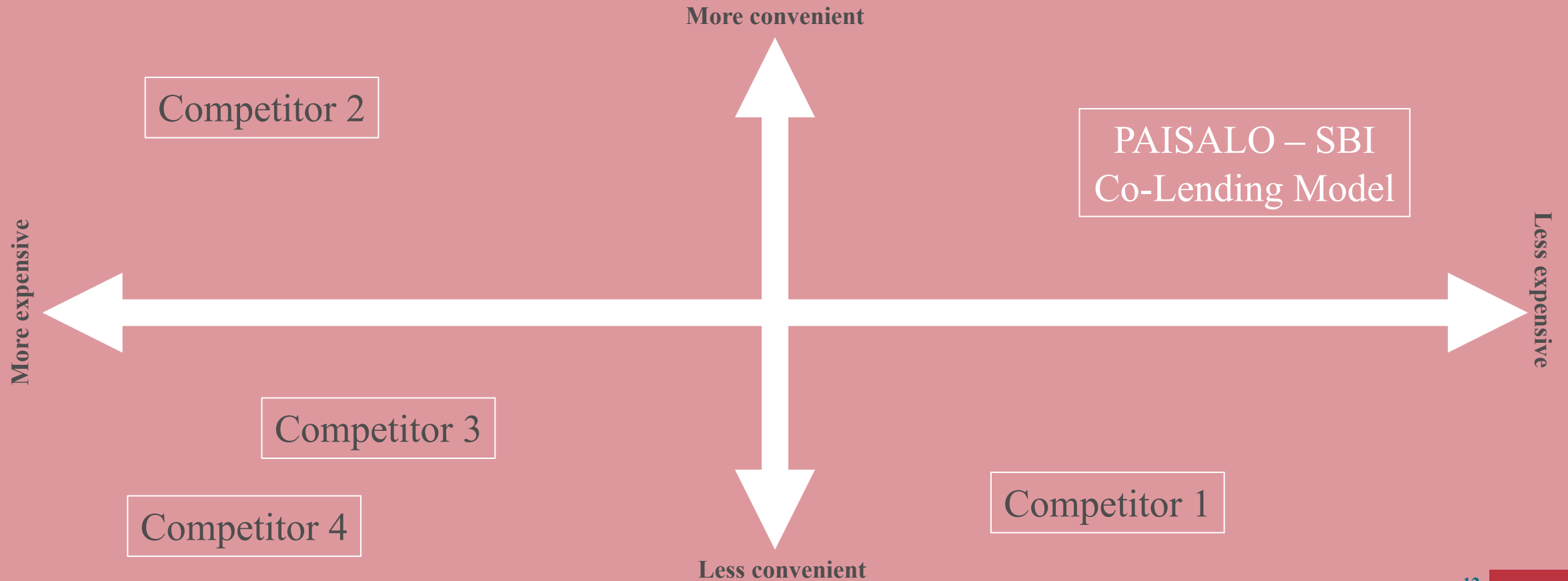
PAISALO to contribute 20% of Loan Value under the Co - Lending Model

3

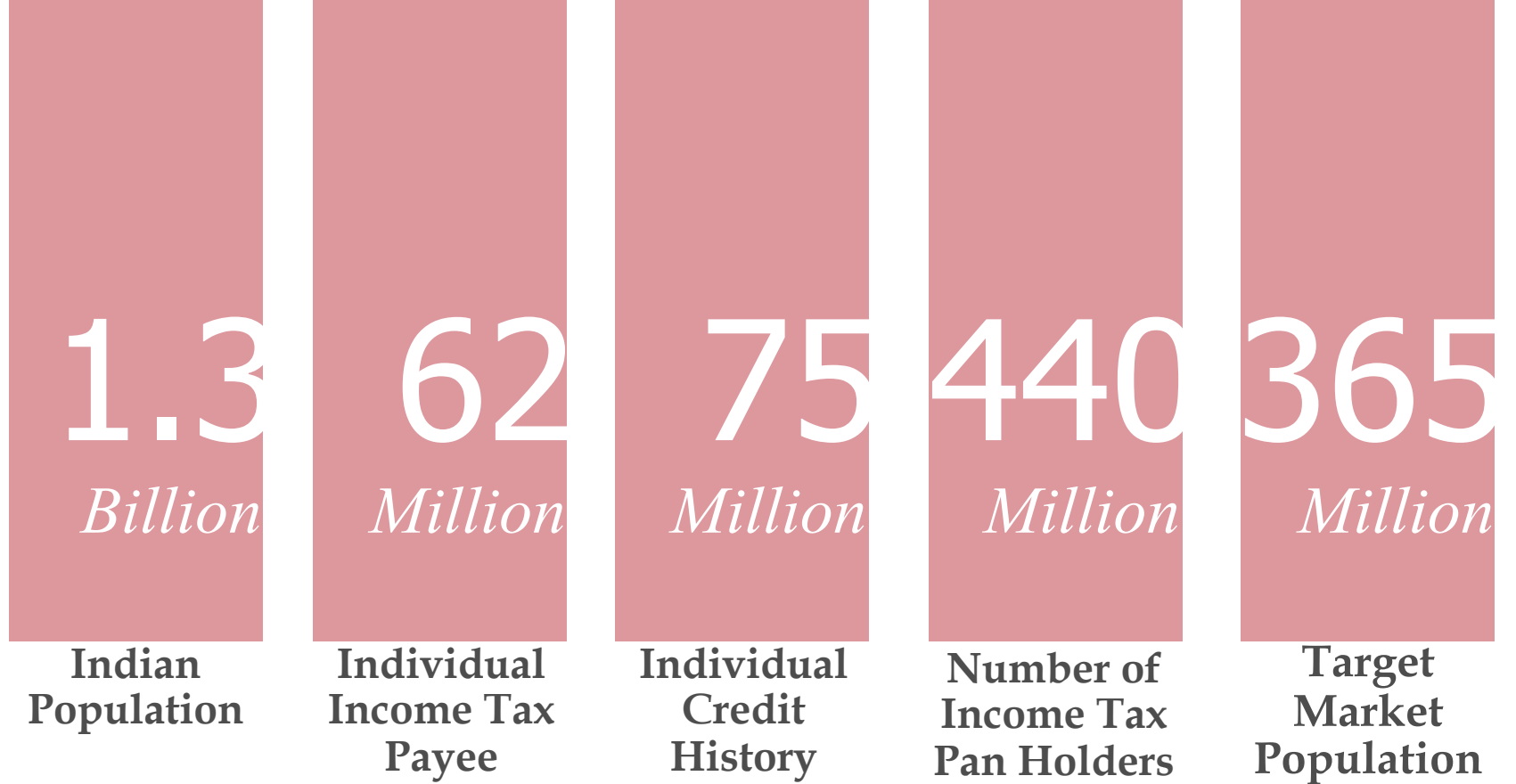
Risk and Reward Sharing in 80:20 ratio under the model

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

# PAISALO – SBI Solution



## MARKET OPPORTUNITY



**₹25,000**

*Estimated Ticket Size*

**₹8,000 Bn**

*Estimated Annual Market Size*



# Financials

# FINANCIALS

₹ in Millions, \* Cumulative

PARTICULARS	Q2 FY 2021*	Q3 FY 2021*	Q4 FY 2021*	Q1 FY 2022	Q2 FY 2022*
Loans and Advances	₹20,467	₹20,938	₹21,191	₹21,607	₹22,829
AUM	₹23,037	₹23,442	₹23,178	₹23,211	₹24,046
Disbursements	₹3,661	₹7,736	₹14,238	₹3,004	₹7,240
Revenue	₹1,487	₹2,272	₹3,115	₹835	₹1,746
PBT	₹504	₹796	₹805	₹227	₹516
PAT	₹369	₹589	₹609	₹168	₹380
Net Worth	₹8,030	₹8,252	₹8,619	₹8,794	₹9,011
Total Liabilities	₹14,368	₹14,849	₹14,814	₹14,881	₹15,881
Bank Borrowings	₹7,855	₹8,182	₹7,412	₹7,454	₹8,015
Debt to Equity Ratio	1.79	1.80	1.72	1.69	1.89
Bad Debts Written Off	₹28	₹18	₹353	₹115	₹214
Bad Debts Recovered	₹67	₹89	₹112	₹44	₹67
NIM	3.75%	3.94%	4.05%	4.48%	4.68%
Gross NPA	0.82%	0.78%	0.72%	0.70%	1.95%
Net NPA	0.64%	0.62%	0.57%	0.48%	1.61%
CAR	43.15%	43.12%	44.47%	44.59%	43.33%

# FINANCIALS

PARTICULARS	FY 2019	FY 2020	FY 2021	FY 2021
Loans and Advances	₹16,978	₹19,389	₹21,191	₹22,829
AUM	₹19,253	₹21,119	₹23,178	₹24,046
Interest Income	₹3,167	₹3,375	₹3,115	₹1746
NIM	6.60%	6.47%	4.05%	4.68%
PAT	₹567	₹540	₹609	₹380
Cash Accrual	₹615	₹580	₹646	₹396
Net worth	₹6,447	₹7,603	₹8,619	₹9,011
Total Debt	₹9,462	₹10,701	₹14,814	₹15,881
Debt Equity Ratio	2.01	1.82	1.72	1.89
Gross NPA	0.26%	0.44%	0.72%	1.95%
NET NPA	0.23%	0.34%	0.57%	1.61%
ROA	2.91%	2.61%	2.66%	3.12%
ROE	8.81%	7.15%	7.07%	8.44%
CAR	34.04%	43.06%	44.47%	43.33%
Book Value	₹159	₹179	₹202	₹210

₹ in Millions

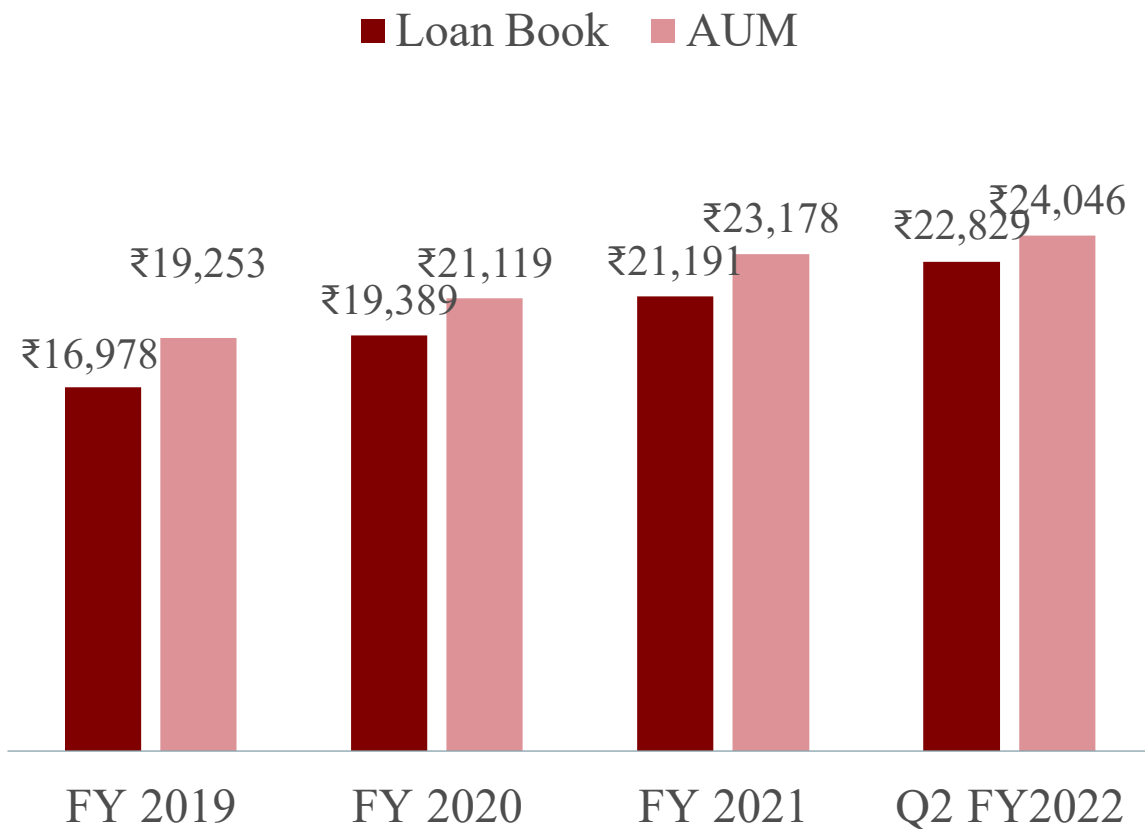
## FINANCIALS

### Critical Ratios

INR in Millions

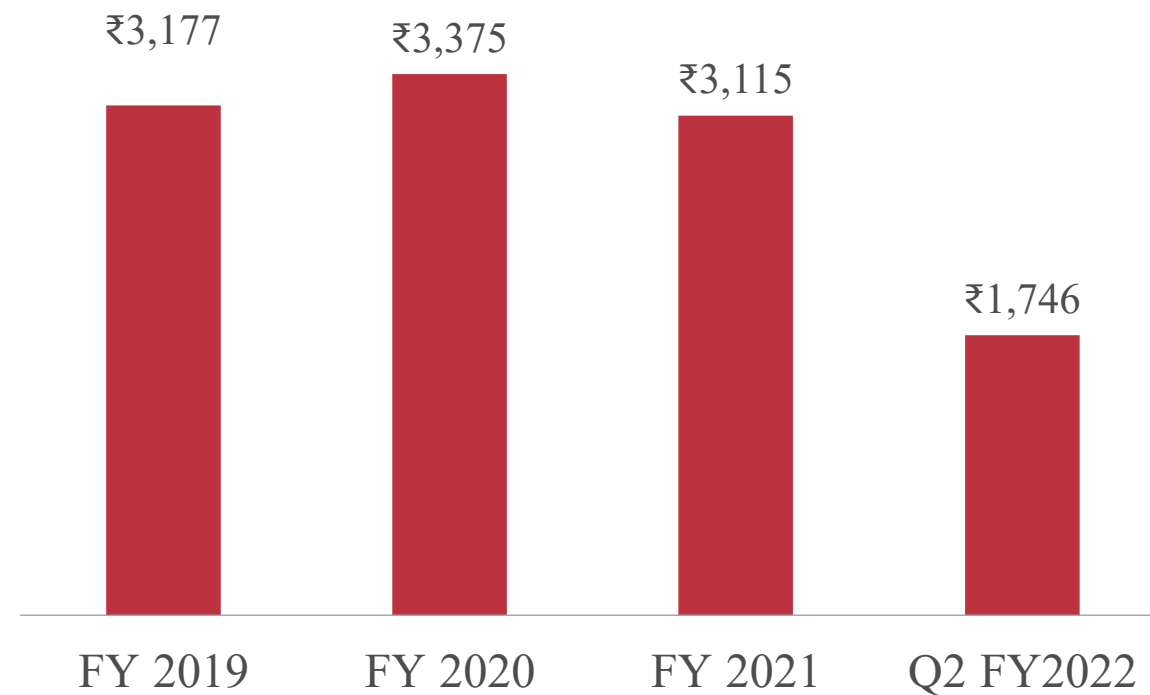
Particulars	FY 2019	FY 2020	FY 2021	Q2 FY 2022
Tangible Net Worth (TNW)	₹6,447	₹7,603	₹8,619	₹9,011
Bank Borrowings (BB)	₹7,422	₹7,983	₹7,412	₹8,075
Total Outside Liabilities (TOL)	₹12,982	₹13,738	₹14,814	₹15,881
BB / TNW (Times)	1.15	1.05	0.86	0.90
TOL / TNW (Times)	2.01	1.81	1.72	1.76

## Loan Book and AUM



₹ in Millions

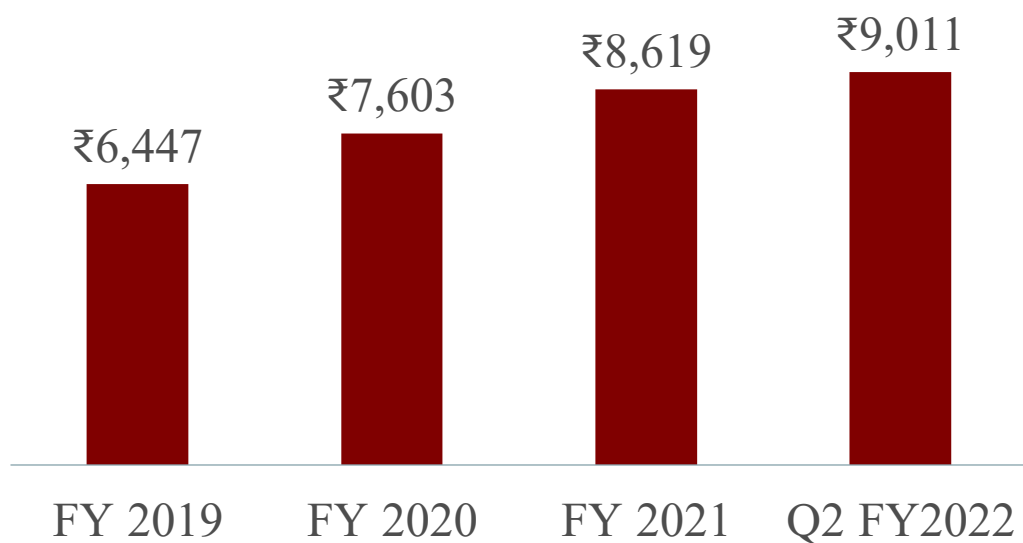
## Revenue



₹ in Millions

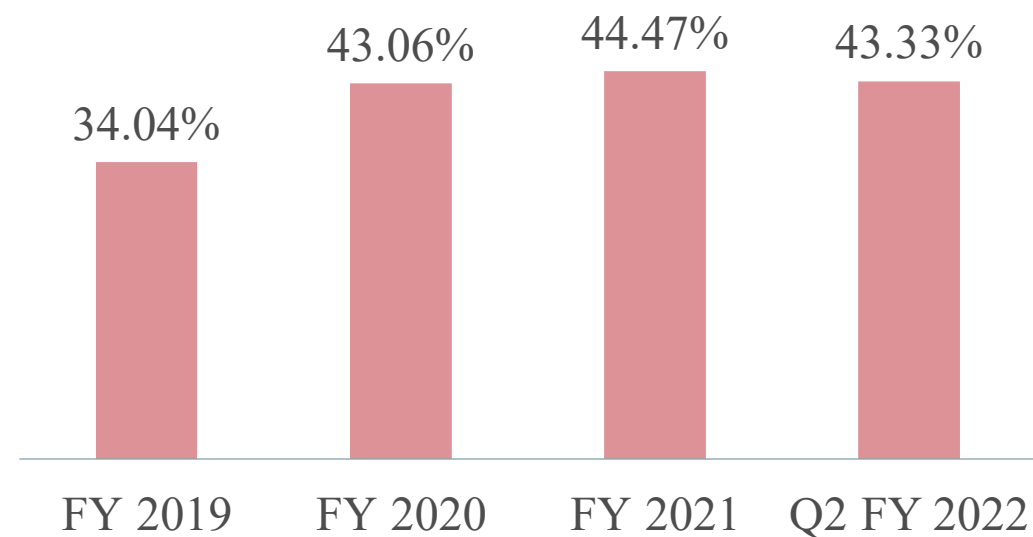


## Net Worth



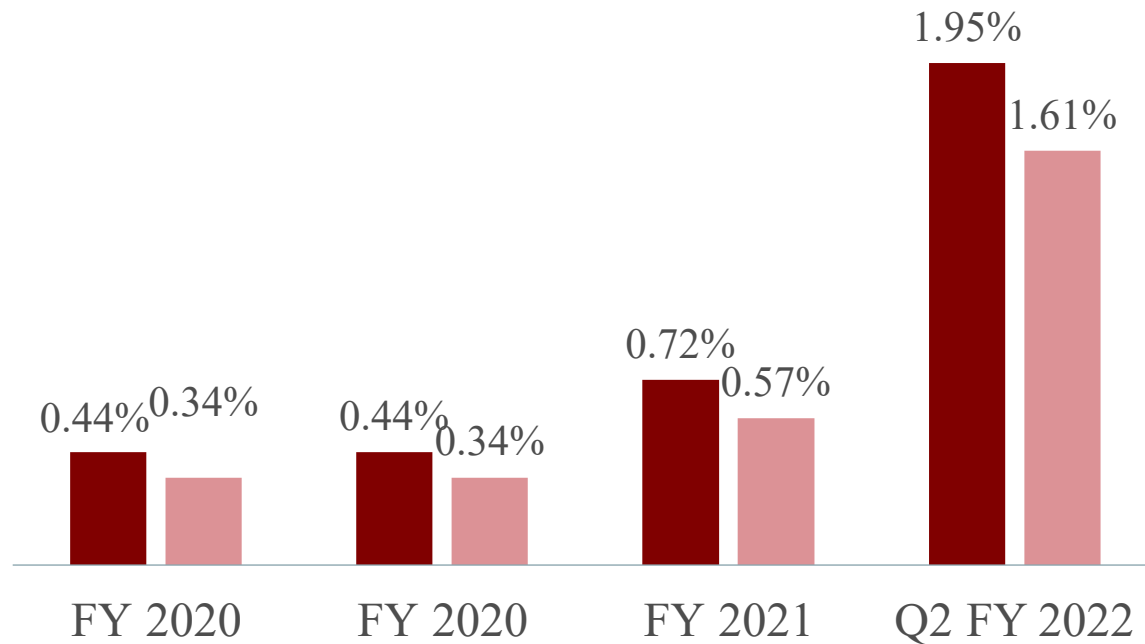
₹ in Millions

## CAR

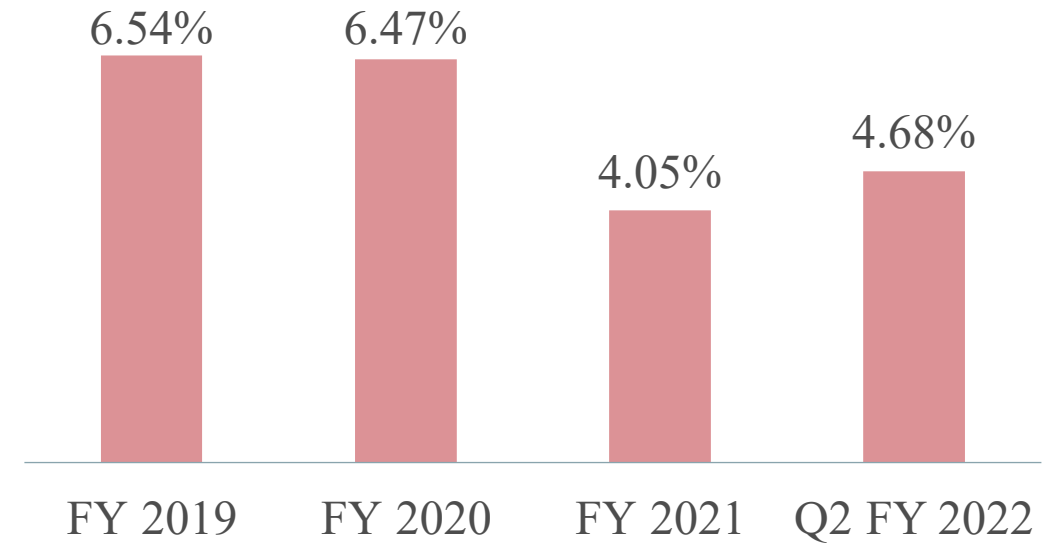


## Gross NPA and Net NPA

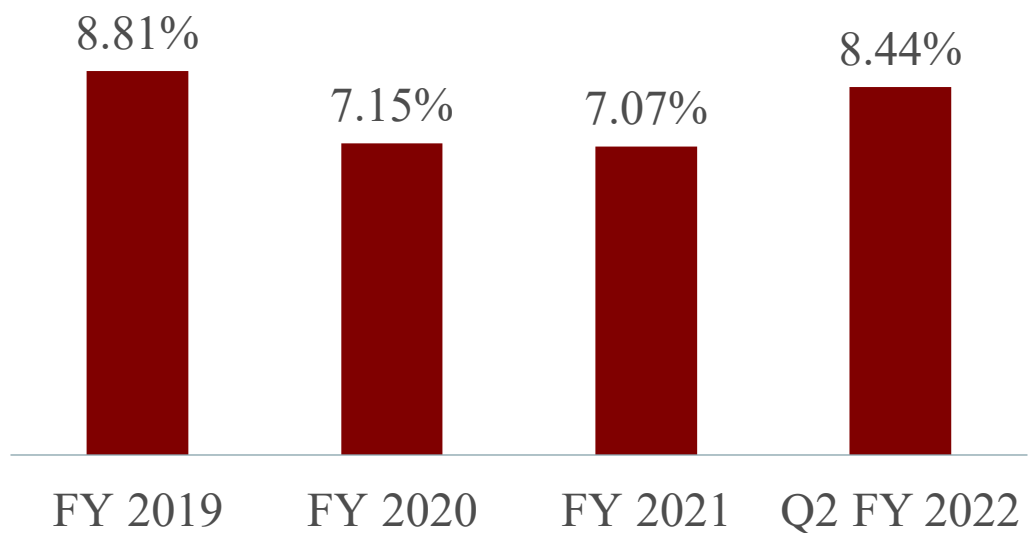
■ Gross NPA ■ Net NPA



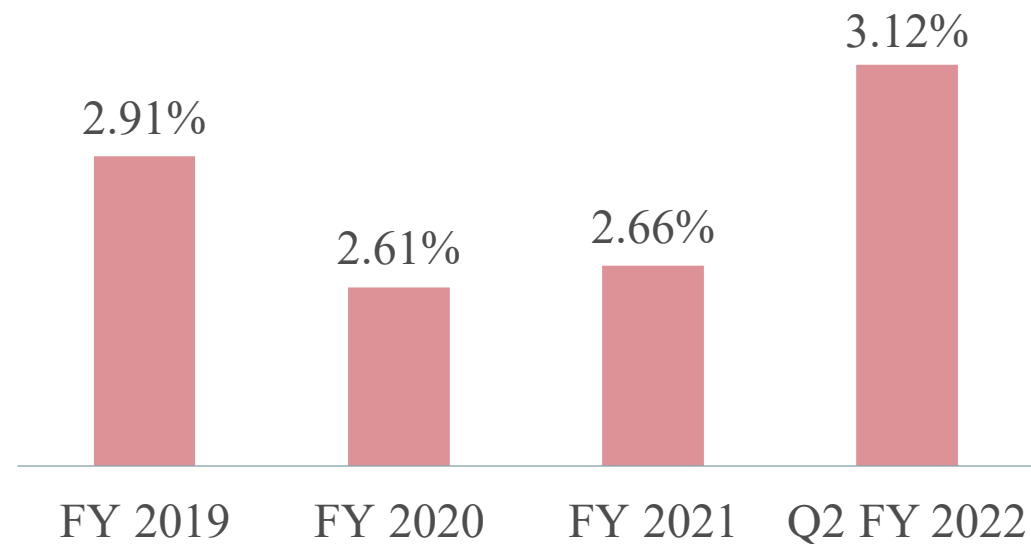
## NIM



## ROE



## ROA



## Shareholding Pattern

NSE: PAISALO

BSE: PAISALO

Bloomberg: PAISALO:IN



**27.74%**

INDIAN PROMOTERS



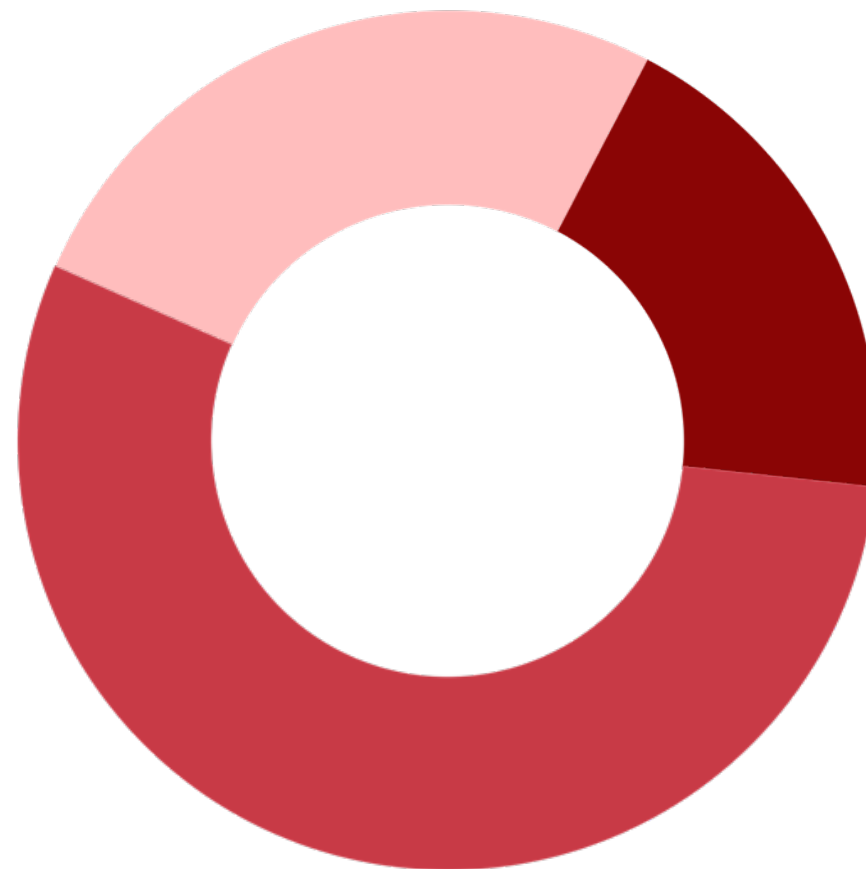
**26.25%**

FIIs and DIIs



**46.01%**

PUBLIC



# Credit Rating



IVR 'AA- (Stable Outlook)'  
INFOMERICS





# Board of Directors



***BOARD OF  
DIRECTORS***



**Sunil Agarwal**

*Managing Director*

29 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 of experience in the field of Financing



**Anoop Krishna**

*Whole Time Director*

Veteran Banker with over 35 years of experience with State bank of India at all levels

***BOARD OF  
DIRECTORS  
&  
ADVISOR TO BOARD***



**Sunil Srivastav**

*Advisor to Board*

38 years of experience in the field of Banking, retired as Deputy Managing Director of State bank of India



**Gauri Shankar**

*Independent Director*

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



**Vijay Ronjan**

*Independent Director*

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

***BOARD OF  
DIRECTORS***



**Naresh Kumar  
Jain**

*Independent Director*

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



**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



**Pradeep  
Agarwal**

*Independent Director*

37 years of experience in the field of Banking, held position of General Manager of Oriental Bank of Commerce



## **Nisha Jolly**

*Independent Director*

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

## ***BOARD OF DIRECTORS***



**THANK  
YOU**

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