

Date: 21.07.2025

National Stock Exchange of India Limited,

To,
The Manager
Department of Corporate Relationship **BSE Limited**

25 P. J. Towers, Dalal Street

Mumbai -400 001

Scrip Code: 532900 (Equity)
Scrip Code: Equity- 532900

NCDs-975107, 975202, 975251, 975329, 975437, 975592, 975640, 975865, 976752 and CPs-727935, 729651, 729722,

<u>729780</u>

Subject: Investor Presentation

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in terms of other applicable laws, if any, please find enclosed herewith the Investor Presentation for the quarter ended June 30, 2025. The above is being made available on the Company's website i.e. www.paisalo.in

To,

The Asstt. Vice President

Scrip Code: PAISALO

Bandra Kurla Complex Bandra (East)

Exchange Plaza

Mumbai -400 051

This is for your information and record please.

DAISALO

Thanking you,

Yours faithfully,

For Paisalo Digital Limited

(MANENDRA SINGH) Company Secretary

Encl.: as above

PAISALO DIGITAL LIMITED



Safe Harbor

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.





Highlights for the Quarter



Robust Growth

- ✓ Highest-ever Total Income at Rs 2,187 mn, up 17% YoY
- ✓ Customer franchise expands to record ~11 mn this quarter, with addition of ~1.5 mn customers during the quarter
- ✓ AUM expands by 14% YoY to Rs 52,302 mn, while Disbursement were higher by 16% YoY at Rs 7,581 mn in Q1



Profitability & Asset Quality

- ✓ Net Interest Income was up 20% YoY at Rs 1,244 mn
- ✓ Company continues to protect its margin profile. GNPA and NNPA stood at 0.85% and 0.68% respectively as of Q1 FY26, compared to 0.99% and 0.76% in the previous year, reflecting the strong debt management infrastructure and risk mitigation measures
- ✓ Company posted 14% YoY increase in PAT at Rs 472 mn



Geographic Expansion

- ✓ In Q1, Company added record 50 branches to its network, adding a total of 432 new touch points, expanding the Touch Points base to 3,997, spread across 22 states
- ✓ Touch Points comprised of 401

 Branches, 2,214 Distribution Points
 and 1,382 BCs as on June 2025



Co-lending Partnership

- ✓ Expanded Co-Lending Partnership with SBI to jointly fund MSME & SME loans, further deepening the successful partnership established in 2019 and strengthening inclusive credit delivery across India
- ✓ Expected to operationalize from Q4FY26, the arrangement will leverage SBI's vast banking network and Paisalo's digital platform to boost formal credit access for small businesses, especially in tier 2 & 3 cities, and rural areas



Q1 FY26 Performance Summary

AUM

Rs **52,302** Mn +14% YoY

Disbursement

Rs **7,581** Mn +16% YoY

Portfolio Yield

17.2% -130 bps YoY

NIM

<mark>6.5%</mark> +31 bps YoY **Borrowing Cost**

10.7% -161 bps YoY

PPOP

Rs **812** Mn +20% YoY

PAT

Rs **472** Mn +14% YoY

Net Worth

Rs **15,746** Mn +15% YoY

RoA

3.66% -37 bps YoY

ROE

11.85% -18 bps YoY

GNPA

0.85%

NNPA

0.68%

CAR

39.5%

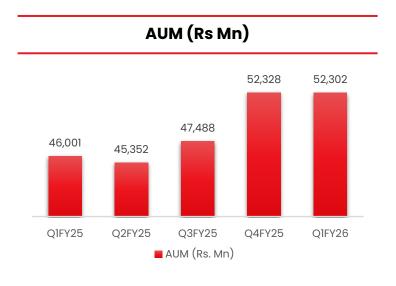
Tier 1 - <mark>30.4</mark>% Tier 2 - 9.1% **Debt/Equity**

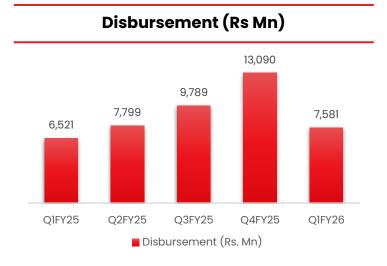
2.15x

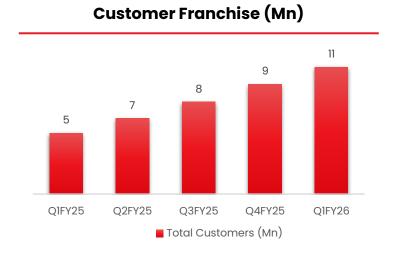
Collection Efficiency

99.8%

Robust Financial & Operational Performance







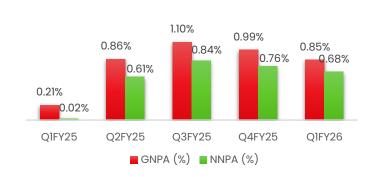
Total Income (Rs Mn)





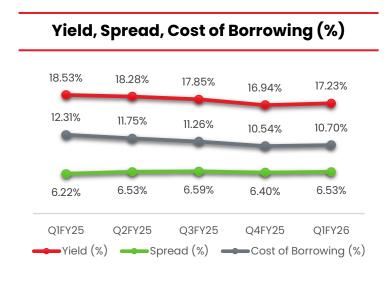


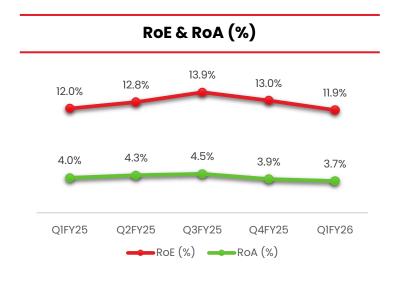


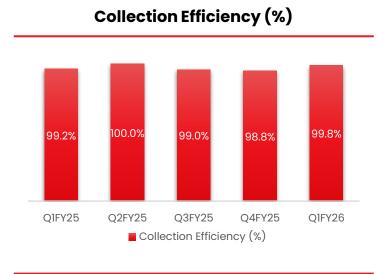


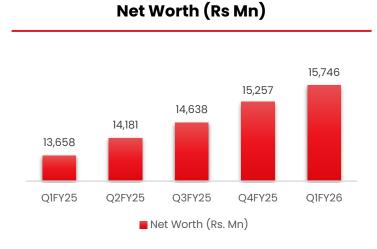


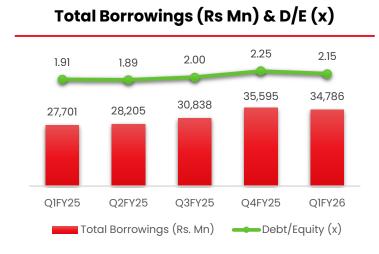
Robust Financial & Operational Performance

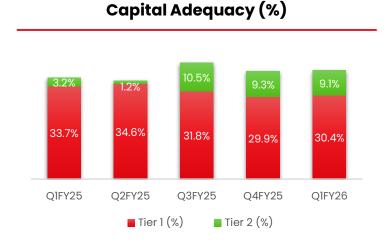














About Us



Empowering India's Underserved

- ✓ Bridging the Credit Gap: Connecting unbanked and underserved populations, including MSMEs, to the formal financial ecosystem
- Accessible & Tailored Loan Offerings: Designed to meet the unique needs of diverse borrower segments



Small Income Generation Loan
Supporting livelihood enhancement



Enabling first-time and informal entrepreneurs



Enabling growth for micro and small enterprises

Enabling Inclusive Growth

All data as of QIFY26

33

Years of Legacy

22

States and UTs

~11 Mn

Customer Franchise

Rs **52,302** Mn

AUM

(3-year AUM CAGR of 25%; highly profitable franchise - 36% PAT CAGR)

3,997

Touch Points

AA/Stable/A1+

Credit Rating

5

Co-lending Partners











At a Glance

Focused on Income Generation and MSME / SME loans

Scale	Distribution	Granularity	Asset Quality	Liability	Profitability
AUM	States & UTs	Customer Franchise	GNPA 0.85%	Total Borrowings	Yield
Rs 52,302 Mn	22	~11 Mn		Rs 34,786 Mn	17.2%
Disbursement	Branches 401 Continuously Expanding	Secured Portfolio	NNPA	Capital Adequacy	NIM%
Rs 7,581 Mn		90%	0.68%	39.5%	6.5%
Employees	Distribution Points 2,214	Average Ticket Size	Liquidity Coverage	Cost of Borrowing	ROA
3,222		Rs 2.62 lakhs	3.5x	10.7%	3.7%
Net Worth Rs 15,746 Mn	Business Correspondents 1,382 Partnered with SBI and BOI	Co-Lending Partners 5	Collection Efficiency 99.8%	Debt Equity Ratio 2.15x	ROE 11.9%

All data as of Q1 FY2026

Proven through Cycles, Scaling with Stability



Rs 52,328 Mn AUM and scaling with ~20% CAGR (FY20-FY25)

Listing at BSE, NSE

GDR Issue of Rs

1,750 Mn

5,887

FY06-

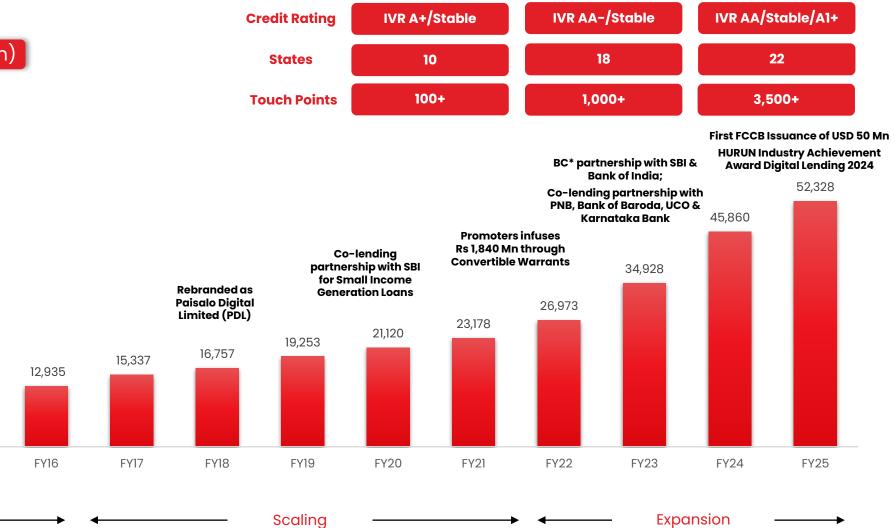
2010

Initial Phase

11,119

FY11-

2015



*Business Correspondent

Incorporated in 1992;

Listed in 1996

153

FY96-

2000

478

FY01-

2005



Strategic Pillars



01

Disruption

Revolutionizing and Disrupting MSME and small ticket income generation loans 02

High Tech: High Touch

Engage and transact without friction to deliver a sustainable, multi-channel distribution model with 3,997 touchpoints and reach in 22 states/UTs

03

Underwriting & Technology

Centralized framework
for real-time
evaluation of credit,
credentials, and
character, leveraging
in-house AI/ML
models to strengthen
credit scoring
accuracy, risk
monitoring, and CRM
operations

04

Co-lending & Liability

Scaling up retail colending as a core growth lever, with a focus on deepening existing partnerships and expanding outreach through co-lender ecosystems 05

Professional Management

Experienced
leadership team
with deep domain
expertise, supported
by a robust and
engaged board,
driving disciplined
execution and longterm value creation





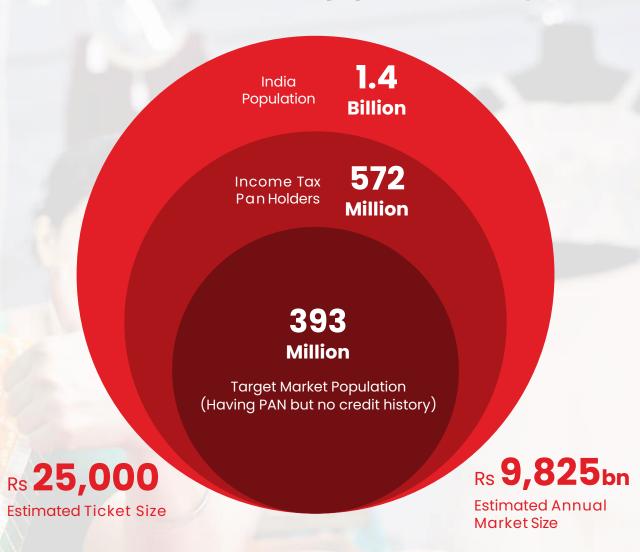
Small Income Generation Loans: The Opportunity

THE 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.

THE SOLUTION

Bank's low cost of funds and Paisalo's low cost of operations results in lowest borrowing cost to the customer.



https://www.worldometers.info/world-population/india-population/

https://pib.gov.in/PressReleasePage.aspx?PRID= 1971680#:~:text=The%20returns%20filed https://newsroom.transunioncibil.com/morethan-160-million-indians-are-credit-underserved

https://economictimes.indiatimes.com/wealth/save/11-5-crore-pan-cards-deactivated-after%02missing-pan-aadhaar-linking-deadline-here-is-how-to-check-pan-aadhaar-linking%02status/articleshow/105141748.cms?utm_source=contentofinterest&utm_medium=text&utm_c

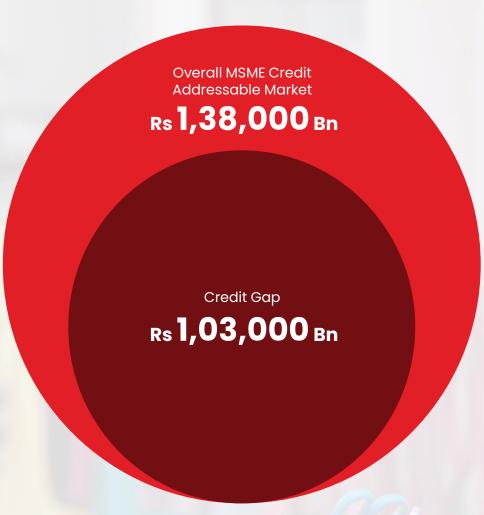
MSME Loans: The Opportunity

THE PROBLEM

- India's GDP to reach USD 5 trillion; MSME to grow USD ~2 triffion by FY2028
- MSME sector is the key to India's 'Employment Generation', making it one of the Central themes of Government in the last decade
- ➤ MSME count to grow to ~10 crores employing 35-40 crores
- Rapid digitization, and ecommerce promoting the share of MSMEs

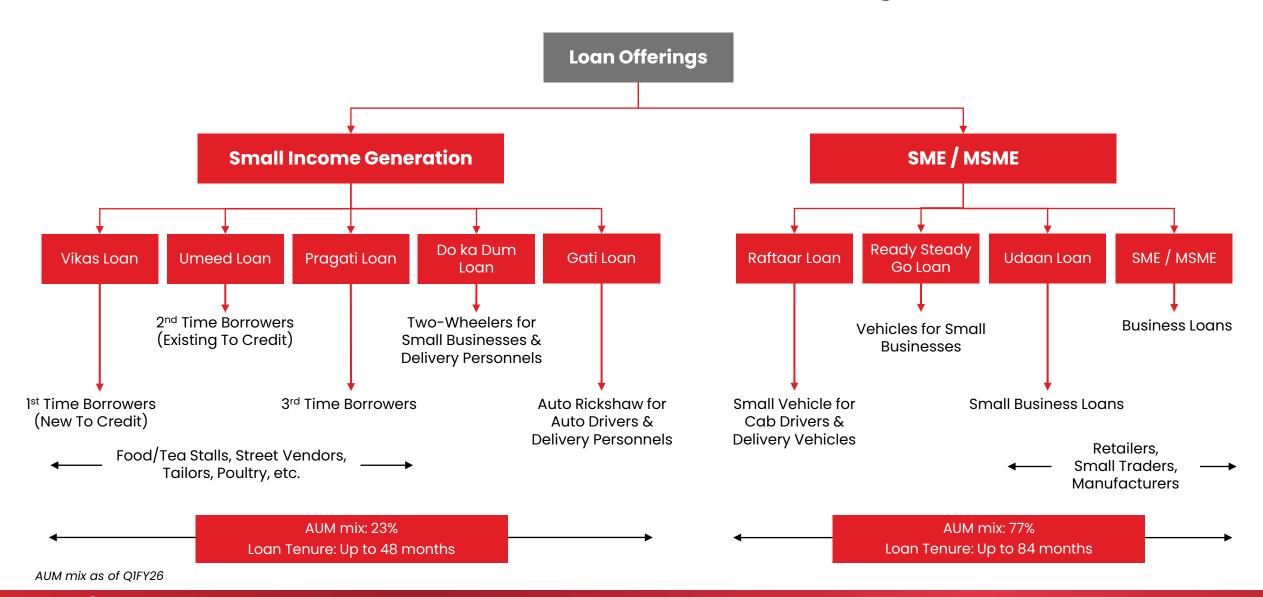
THE SOLUTION

- MSME Focused Lender targeting substantial credit gap of ~INR 1.03 lakh Bn
- Capital Light Liability Strategy by co-lending with Leading Banks



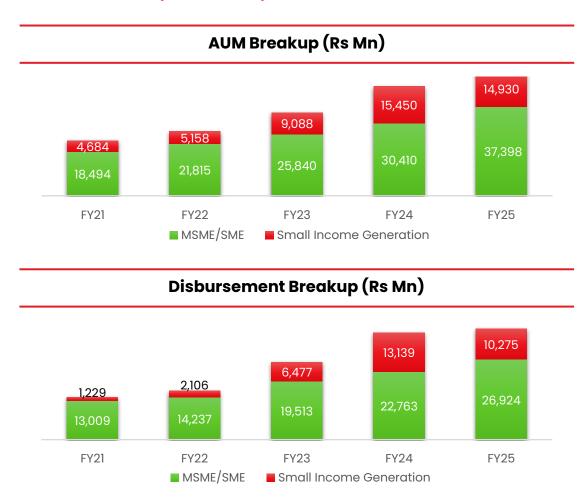
Source: IFC Report on Financial India's MSME - FY24 data

Our Tailored Loan Offerings

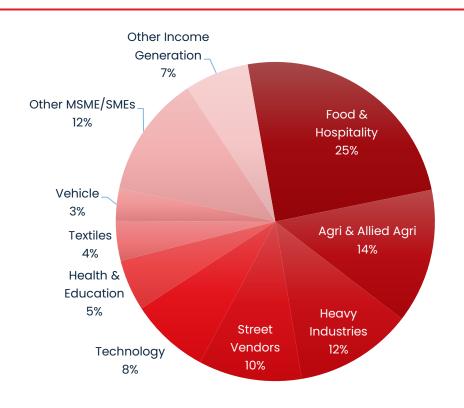


Scaling Loan Book with sustained Disbursals

AUM expands by 14% YoY to Rs 52,302 mn in Q1, with steady expansion across segments



AUM Breakup: Q1FY26 – By Business Mix (%)





High Tech: From Onboarding to Collection

Operational capabilities backed by robust tech infrastructure

Digital Onboarding



- Digitizing loan life cycle management
- Capturing leads from multiple sources
- Geo tagging at all touchpoints
- Adhaar based verification and e-Sian
- ➤ In-house LOS

Loan Origination (LOS)



- Analytics-based Business Rule Engine
- Enhanced Credit, Character and Credential (CCC) analysis
- ➤ In-house BRE for risk grading
- Real-time bank statement analysis via Account Aggregator framework and APIs

Loan Servicing



- Disbursal and repayment schedule management
- > Real time tracking of all stages of loan lifecycle
- > NPA tracking

Collection Management



- > Enabling real time solution to allocate accounts to field staff
- > Handles payments and Collections
- ➤ AI/ML led Bounce prediction
- Multilingual automated outbound calling
- > 88% digital collection

Mobility Solutions



- Enables collection team on field to capture customer payments electronically
- > Inhouse sales mobility app to assist team in submitting customer leads

Customer Engagement



- > Website and mobile app serve as convenient customer platforms
- Multiple repayment options QR codes, UPI, NACH etc.
- Multi-channel approach
- Developed social media channels (like WhatsApp)

EWS



- Automated Triggers on Business, depending on geo spatial and geopolitical assessment
- Postal code level credit monitoring allows to minimize the potential impact of disasters

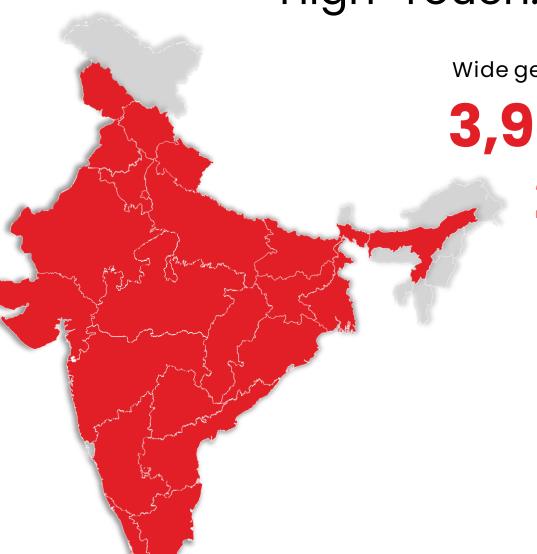
Analytics



- > Real-time MIS tracks disbursements, collections, and field operations for informed decision-making.
- > Servicing & performance management of pool investments on a continuous basis

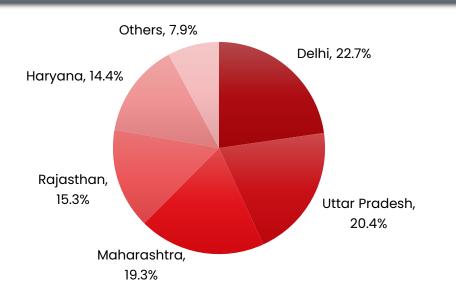


High-Touch: Pan India Network

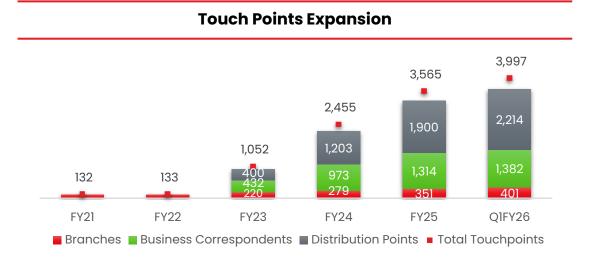


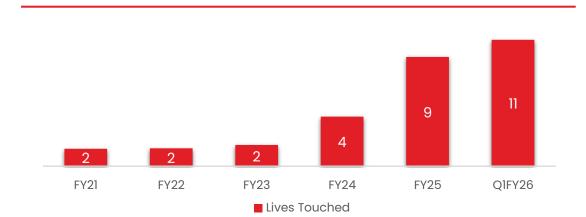
e geographic reach with	Touch Points	3,997
997 Touch Points across	Branches	401
	Business Correspondent	1,382
22 States in India	Distribution Point	2,214

State wise portfolio breakup – FY25 (%)

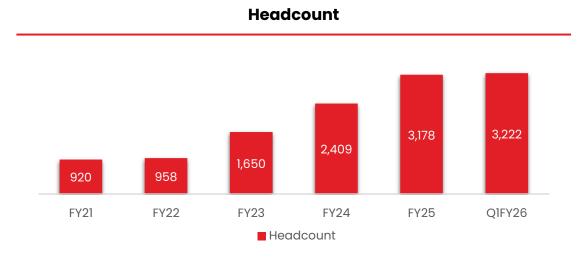


Operational Expansion to New Geographies





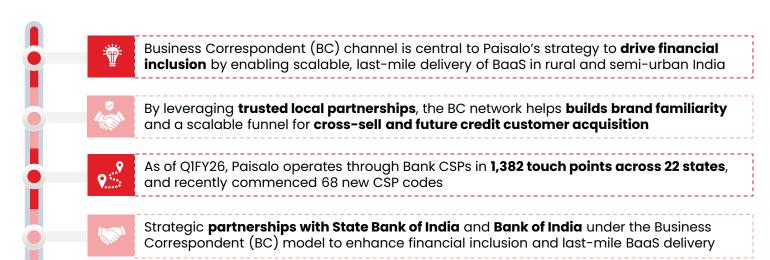
Customer Franchise (Mn)



- Increased branch network with a net addition of 50 branches during QIFY26. Total branch network stood at 401 branches vs 351 branches in previous quarter
- 432 new touch points added in Q1, expanding the Touch Points base to 3,997
- Systematic geography selection based on the availability of infrastructure, competition, historical performance trend
- Familiarity with demographics/ culture of nearby districts enables effective customer evaluation and better servicing
- Achieving deeper penetration within a particular district and gradual expansion to the adjoining districts
- Evolved from a regionally concentrated lender to a well-diversified player with a broader geographic footprint, with presence in 22 states
- Deliberate strategy to reduce geographic concentration has enabled access to new and undeserved borrower segments reducing portfolio risk

Business Correspondent

Strategic collaboration with local communities to enhance customer reach and gain market share



Services offe	red as Business Co	rrespondent
Account Opening	Fund Transfers	Debit Cards
Cash Deposit	Balance Enquiries	Social Security Schemes
Cash Withdrawal	Passbook Service	Micro Credit

Particulars	FY23	FY24	FY25
#Active CSPs	432	973	1,314
#Small Savings Bank Account Opened	10,091	67,855	112,697
#Cross Selling Accounts (APY, PMJJBY, PMSBY)	5,869	84,036	136,236
#Customer (Initiated Transactions)	135,184	2,245,052	5,038,834
Customer Initiated Transactions (Rs Mn)	766	12,648	30,054

Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
1,208	1,286	1,286	1,314	1,382
24,904	34,692	26,992	26,109	22,954
20,460	41,621	40,626	33,529	25,303
950,288	1,241,144	1,378,659	1,468,743	1,479,990
5,738	6,868	8,349	9,099	9,621



Paisalo's CCC

Paisalo's CCC Model to Underwriting



Character



Credit Evaluation



Credibility

- ✓ Geo-Spatial mapping
- ✓ Field Investigation
- ✓ Moral integrity
- Discipline towards repayment
- ✓ Use of AI/ML models to assess digital footprints
- ✓ Behavioural pattern
- ✓ Pre-mapped Income to business activity
- Account Aggregator KPI check as per borrower type

- ✓ In-house Business Rule Engine
- ✓ Internal Rating
- ✓ Alternate Data
- Repayment History
- Indebtedness analysis
- Income Verification
- ✓ Loan end use verification
- Mapping with location / end use performance

- ✓ Paisalo + nPerformance
- Automated Business Triggers
- ✓ Field Visit
- ✓ Reference Check
- ✓ Reputation Check
- ✓ Document authenticity
- ✓ Consistency of information
- Social Standing



Underwriting and Risk Management

Target market evaluation challenges call for a nuanced, proprietary underwriting approach



Lack of Traditional Credit History (Bureau Data)



- Build detailed understanding of customer via field visits by RM & mapped to geospatial data
- In-depth understanding of operating activities, geographies and property types
- Reference check from the neighbourhood, locality and their customer and suppliers
- · Lifestyle indicators and alternate financial data



Absence of Formal Income Proof (No ITR)



- · On-ground verification of business and income
- Cash-flow assessment through store/business visits
- Triangulation of income sources from multiple data points
- Use of proxy indicators like asset ownership, rent, electricity usage, staff employed
- · Analytics driven 'customer and activity segmentation'



Higher Operational & Underwriting Costs



- Deployed field mobility tools to digitize lead capture, document collection, income verification and alternate data credit check
- Streamline process using centralized AI/ML based underwriting, coupled with local field support
- Focus on cluster-based sourcing to drive productivity, reduce opex and turnaround



Higher risk of overleveraging, fraud, or first-time delinquencies



- Holistic assessment across the 3 Cs Character, Credit and Credibility
- Check with exposure across informal lenders through in-person check and other formal lenders through credit bureau API integration
- Physical verification of business operations, inventory, and stock movement
- Cross-validate declarations with on ground assessments

Underwriting strategy evolved over the years with continued focus on automation to eliminate human bias, lower TATs, improve underwriting and operating efficiencies



Robust Collection Efficiency

In-house, debt management infrastructure

Pre-defined collection path for Field Staff Regional & Zonal level Supervisory Al/ML analysis of Collection Performance Al/ML analysis of Spatial mapping

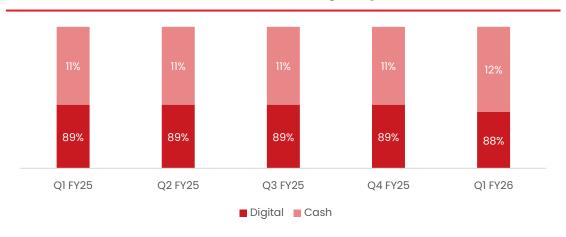
Sales Incentive linked to Collection Performance

Loan Stage	Strategy Used	Parties involved
Normal	Peer level collection oversightAutomated outbound Call/SMS	Tech driven
Initial stages of delinquency	 Automated outbound Calling, Soft collections + SMS reminders Initiate debt management infrastructure 	Branch Team, Supervisory
NPA	Legal action for recoveryOn-ground follow up	Legal Recovery team

High Collection Efficiency %



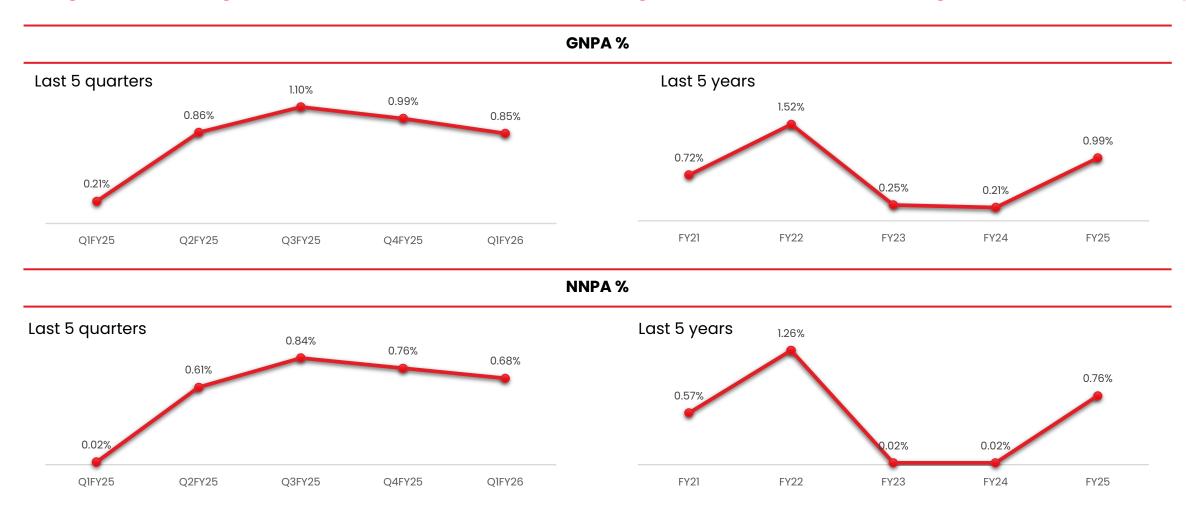
88% Collected Digitally





Asset Quality

Strong Debt Management Infrastructure and Risk Mitigation measures ensuring robust Asset Quality





Focus on Scaling up Asset-Light Co-lending Business Model

Value Accretive Model to Scale Lending with Reduced Risk Exposure



Operational Arrangements

Collaboration with banks for sourcing, servicing and recovery



Risk and Rewards Sharing

- · Co-lending involves 80:20 participation
- Bank to contribute 80% while Paisalo 20% of the loan value



Co-lending Loans

- Recognize 20% of total loan amount on the balance sheet
- Customer rate blends 80% from co-lending partner and 20% from Paisalo



Paisalo's Earnings

- Spread on loan portion (typically 20% of the total loan amount)
 Processing fee from the customer
- Fee income from partners based on mutually agreed terms



Shared Credit Costs

- Credit costs are shared on a pari-passu basis (80:20)
- No FLDG



Benefits to Paisalo

- √ Higher ROA & ROE on account of better leverage and higher spread
- ✓ Reduced capital dependency by down selling of 20%
- ✓ Better liquidity, ALM and credit cost
- ✓ Strengthened credibility and regulatory leverage



Benefits to Partner Institution

- Lower Cost of Capital with no operating cost leading to higher returns on risk adjusted basis
 - Credit flow to priority sectors
 - Asset and risk diversification
 - ✓ Optimized use of low cost funds

Co-Lending Tie Ups with Leading Banks



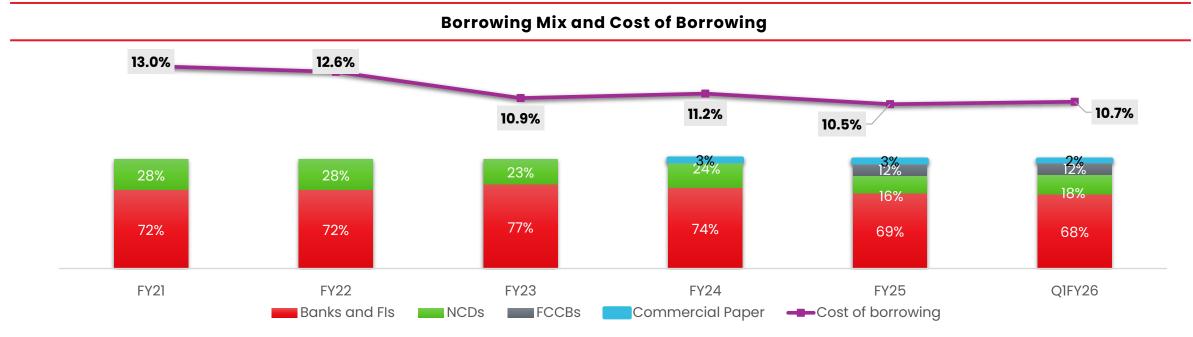








Diversified Liability Mix

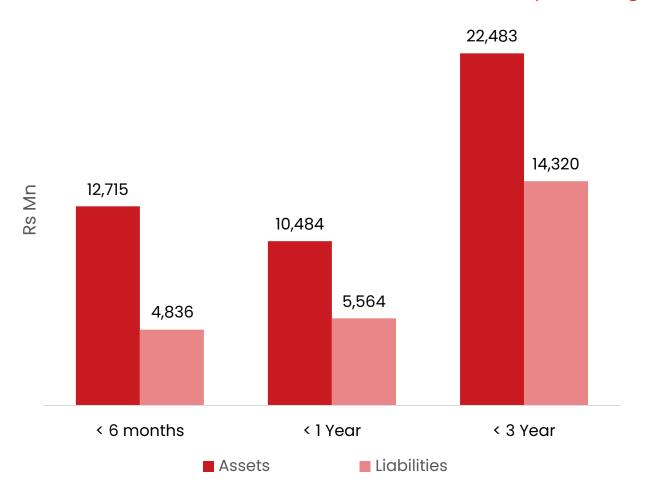


		Dive	rse Lender B	ase
	Public Sect			Private Banks
• SBI	बैंक ऑफ़ बड़ौदा Bank of Baroda	Bank of India	बैंक ऑफ महाराष्ट्र Bank of Maharashira on them to the	in iDBI BANK SCSB Bank
केनरा बैंक Canara Bank	以CO BANK		Indian Overseas Bank	Karnataka Bank Ltd. 🔱 UNITY Best DhanlaxmiBo



Prudent ALM

Positive Asset Liability Management across Buckets



Maintaining a consistently positive ALM gap which strengthens the company's liquidity position and reduces refinancing risk

Positions the company to meet all debt obligations comfortably through internal cash flows, reinforcing financial stability and boosting investor confidence.

Shareholding Structure

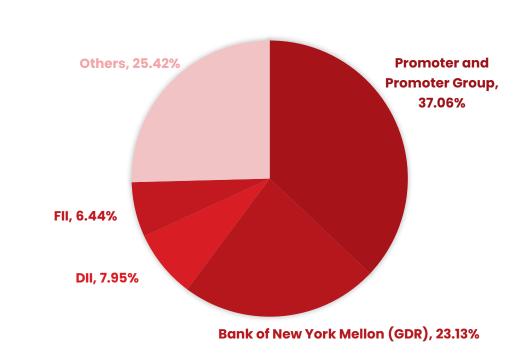
Rs 30.7 Bn

Market Capitalization

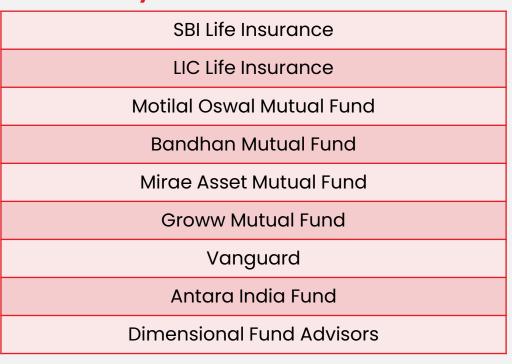
90 Mn Outstanding Shares

~100k Shareholders 10% Dividend

As of June 2025

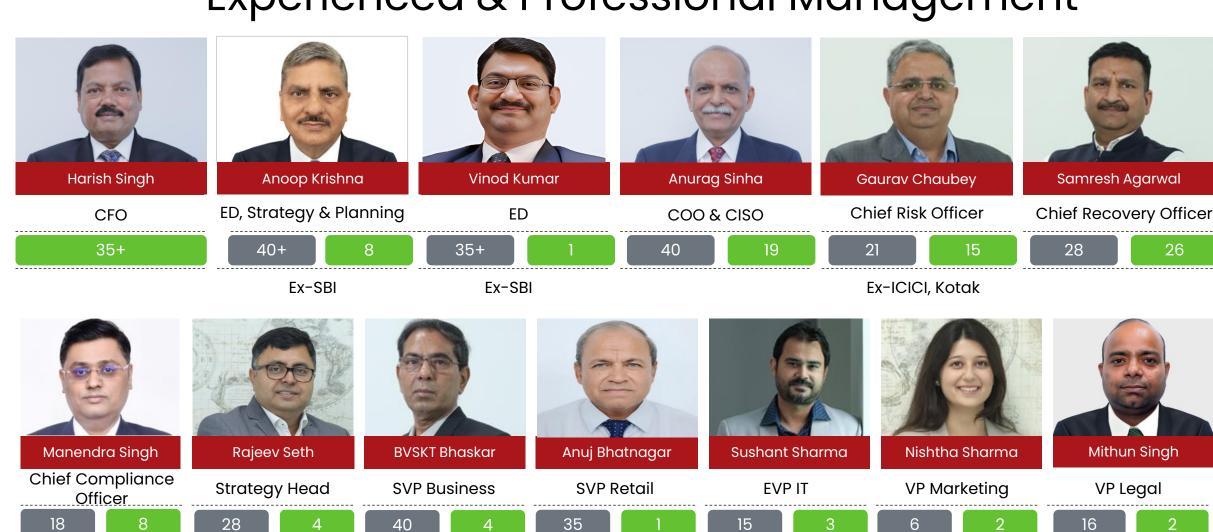


Key Institutional Investors





Experienced & Professional Management



Ex-SBI

Ex-IndusInd,

Magma Fincorp

Ex-SBI

Overall Experience

Ex-AL Chemist ARC.

Encore ARC

Ex-J. Walter Thomson

Lowe Lintas

Ex-Reliance

Years of Association with Paisalo

Backed by Experienced Board



SUNIL AGARWALManaging Director

30 years of experience, incorporated Paisalo and took it from Private Entity to Public Listed and Traded Entity



SANTANU AGARWAL

Deputy Managing Director

B.Com LLB, played a pivotal role in digital transformation of the company, Co-lending agreements and BC agreement.



HARISH SINGH

Executive Director

MBA, Chartered Accountant, 35 years+ experience in the field of Finance



ANOOP KRISHNA

Executive Director

Veteran Banker with over 40 years of experience with State bank of India at all levels



VINOD KUMAR

Executive Director

A seasoned banking professional with over 35 years of experience at State Bank of India, having held diverse roles across various levels



GAURI SHANKAR

Independent Director

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



VIJUY RONJAN

Independent Director

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



NISHA JOLLY

Independent Director

Co-Chairman of Finance Industry Development Council (FIDC)



DHARMENDRA GANGWAR

Independent Director

Indian Administrative
Service officer, retired as
Secretary to Government of
India



JITENDRA KUMAR OJHA

Independent Director

Former Joint Secretary in the Government of India with over 25 years of experience in national security, governance, and geopolitics.



Financial Performance over the years

Particulars	FY2021	FY2022	FY2023	FY2024	FY2025
Operational Information					
AUM (Rs Mn)	23,178	26,973	34,928	45,860	52,328
Disbursement (Rs Mn)	14,238	16,343	25,990	35,902	37,199
Number of Touch Points	132	133	1,052	2,455	3,565
Number of Employees	920	958	1,650	2,409	3,178
Financial Information					
Total Income (Rs Mn)	3,460	3,922	4,732	6,587	7,711
Interest Expenses (Rs Mn)	1,620	1,841	2,087	2,701	3,283
Net Interest Income (NII) (Rs Mn)	1,841	2,081	2,645	3,887	4,428
Operating Expenses (Rs Mn)	526	464	844	1,357	1,489
Loan losses & Provisions (Rs Mn)	537	546	539	118	255
Profit Before Tax (PBT) (Rs Mn)	778	1,071	1,262	2,412	2,684
Profit After Tax (PAT) (Rs Mn)	580	793	936	1,790	2,001
Ratios					
Net Interest Margin (%)	4.1%	4.0%	5.5%	6.4%	6.4%
Return on Assets (%)	2.7%	3.1%	3.0%	4.5%	3.9%
Return on Equity (%)	7.1%	7.8%	7.9%	13.4%	13.0%
GNPA (%)	0.72%	1.52%	0.25%	0.21%	0.99%
NNPA (%)	0.57%	1.26%	0.02%	0.02%	0.76%



Profit & Loss Summary

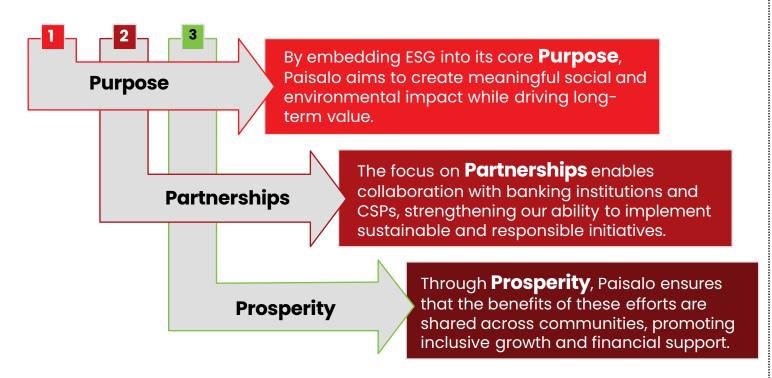
Particulars	Q1FY26	Q1FY25	YoY%	FY25	FY24	YoY%
Interest Income (Rs Mn)	2,009	1,651	21.7%	6,964	5,890	18.2%
Total Income (Rs Mn)	2,187	1,866	17.2%	7,711	6,587	17.1%
Interest Expense (Rs Mn)	943	831	13.5%	3,283	2,701	21.6%
Net Interest Income (Rs Mn)	1,244	1,035	20.3%	4,428	3,887	13.9%
Operating expenses (Rs Mn)	433	361	20.0%	1,489	1,357	9.7%
PPOP (Rs Mn)	812	674	20.4%	2,939	2,530	16.2%
Loan Losses & Provisions	176	116	51.2%	255	118	116.6%
PBT (Rs Mn)	636	558	14.0%	2,684	2,412	11.3%
Tax (Rs Mn)	164	143	14.8%	682	622	9.7%
PAT (Rs Mn)	472	415	13.7%	2,001	1,790	11.8%
Basic EPS (Rs/share)	0.52	0.46	13.0%	2.23	3.87	-42.4%





Our Value Creation Framework based on 3Ps

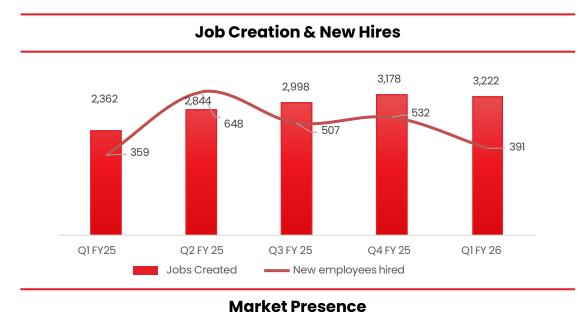
Paisalo's ESG practices are deeply integrated into its 3P framework of Purpose, Partnership, and Prosperity.

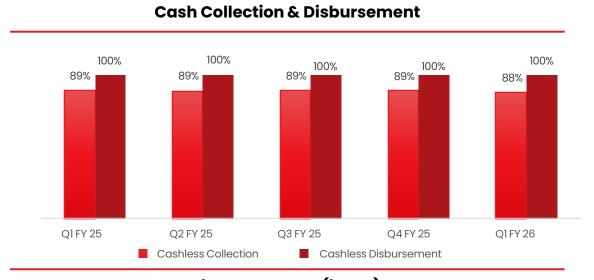


Following these pillars is important for driving comprehensive progress, balancing profitability with social fairness, and addressing environmental challenges.

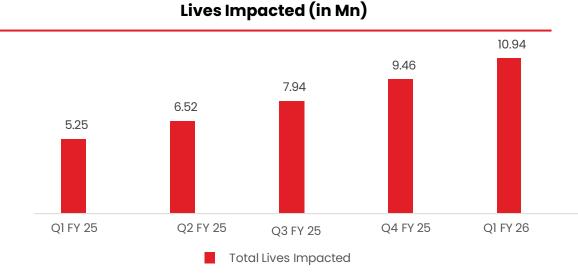


Key Highlights





3,997 3,538 3,565 3,275 2,884 1,414 1,314 1,287 401 351 Q1 FY 25 Q2 FY 25 Q3 FY 25 Q4 FY 25 Q1 FY 26 Distribution Points Touch --- Branches --- Customer Service Points (CSPs) Points



Purpose

	KPIs	Q1 FY2025-26
Environment	Cashless Collection	88%
Environment	Cashless Disbursement	100%
Social	Jobs Created	3,222
	Increase/(Decrease) in permanent employees	1.38%
Governance	Total Policies	21
	New Policies introduced	0
Impact	Total Lives Impacted	1,09,38,048



Partnerships

	KPIs	Q1 FY 2025-26
Social	Co-lending Partnerships	5
	Active Customer Service Points (CSPs)	1,382
Impact	Income taxes paid in Q1 FY 2025-26	INR 149.3 Mn
	Customers served through CSPs	14,79,990
	States served	22
	Touch Points	3,997
	Pin Codes in Digital Presence	9,968

Prosperity

	KPIs	Q1 FY 2025-26
Social	New employees hired	391
Impact	Total no. of active customers	16,79,631
	Spent on CSR Initiatives	INR 4.29 Mn

Key Points (Q1 25-26)



Access to green mobility by financing 678 EVs



Women constituted 89% of total borrowers



The number of women employees increased by 10% During the Quarter ended June 2025



Has tie ups with 5 banks for Co-lending & 2 banks for CSP business



Digital loan documentations resulting in 100% reduction in paper usage



Enhanced focus on green energy financing

