

October 20, 2023

BSE Limited

Corporate Relationship Department
25th Floor, Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400 001.

BSE Scrip Code: 524000

National Stock Exchange of India Limited

The Listing Department,
Exchange Plaza,
Bandra- Kurla Complex, Bandra (East),
Mumbai - 400 051.

NSE Symbol: POONAWALLA

Dear Sir / Madam,

Subject: Investor/Analysts' Presentation.

Reference: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Pursuant to Regulation 30 of the Listing Regulations, we are enclosing herewith the presentation to be made to the Investors/ Analysts on the Unaudited Financial Results of the Company for the quarter and half year ended September 30, 2023.

The presentation is also being uploaded on the website of the Company at the URL <https://poonawallafincorp.com/investor-financials.php> in accordance with Regulation 46 of the Listing Regulations.

Kindly take the above intimation on record.

Thanking You,

Yours faithfully,

For Poonawalla Fincorp Limited

Shabnum Zaman

Company Secretary

ACS-13918

Poonawalla Fincorp Limited

CIN: L51504PN1978PLC209007

Registered Office: 201 and 202, 2nd floor, AP81, Koregaon Park Annex, Mundhwa, Pune - 411 036

T: +91 20 67808090 | **E:** info@poonawallafincorp.com | **W:** www.poonawallafincorp.com

Poonawalla Fincorp Limited

Investor Presentation Q2FY24

Scalable Business Model | Pure Retail Play | Digital-First Tech-Led | Customer Centric

Agenda



1	Overview & Executive Summary	▶	2
2	Our Business Model	▶	6
3	Strategy Execution	▶	18
4	Business & Financial Highlights	▶	32
5	Digital Transformation Journey So Far & Way Forward	▶	38
6	Board Members and Awards & Accolades	▶	44

Q2FY24 Performance

Excellent Quarter on All Fronts



Differentiated strategy and execution excellence led to all round performance across business growth, credit quality & profitability

Highest ever quarterly disbursement

Highest ever quarterly PAT

Lowest GNPA & NNPA

What do we stand for

“Scalable business model with pure retail play strategy”

“Technology led and customer centric approach”

“Business construct to deliver sustainable RoA of 4.0% - 4.5%”

AUM

₹ 20,215 crore

+54% YoY | +14% QoQ

Disbursement

₹ 7,807 crore

+151% YoY | +11% QoQ

PAT*

₹ 230 crore

+77% YoY | +15% QoQ

NIM

11.42%

+106 bps YoY | +2 bps QoQ

GNPA

1.36%

-41 bps YoY | -6 bps QoQ

NNPA

0.72%

-22 bps YoY | -4 bps QoQ

CRAR

42%

RoA*

5.0%

*PAT and RoA is excluding the impact of exceptional items

Executive Summary

Setting the momentum for expanding growth horizon



Strong Business Momentum Continues in Q2FY24



- Highest ever disbursement of ₹ 7,807 crore with growth across all product lines
- Consistent increase in disbursement: Up 151% YoY & 11% QoQ
- AUM at ₹ 20,215 crore with a growth of 54% YoY & 14% QoQ

Strengthened Distribution – Direct Digital Program (DDP)



- Launched mobile app to offer instant digital personal loans
- DDP contribution in disbursements was 81% in Q2FY24 as compared to 54% in Q2FY23
- All the products covered under DDP model

Efficiently Managed Liability Book



- Average CoB reduced to 7.98% in Q2FY24, down 6 bps QoQ
- Well diversified borrowing profile spread across various banks, financial institutions and capital market participants
- **Long term credit rating of AAA/Stable** from both CRISIL and CARE Ratings

Executive Summary

Setting the momentum for expanding growth horizon



Robust Asset Quality



- GNPA & NNPA reduced to 1.36% and 0.72% respectively compared to 1.42% & 0.76% in Q1FY24 and as compared to 1.77% & 0.94% in Q2FY23
- Provision Coverage Ratio (PCR %) stood at 47.2%

Rise in Profitability – Q2FY24



- NIM at 11.42%, up 106 bps YoY and 2 bps QoQ
- Operating Expenses stood at ₹ 194 crore, down 8% YoY, resulting in improvement of Opex to AUM ratio from 4.38% in Q1FY24 to 4.18% in Q2FY24
- Operating Profit (PPOP) stood at ₹ 336 crore, up 167% YoY and 14% QoQ
- PAT* stood at ₹ 230 crore, up 77% YoY and 15% QoQ.
- Return on Assets (RoA)* stood at 5.0% during Q2FY24 as compared to 4.8% in Q1FY24 and 4.0% in Q2FY23

End to End Digital Capabilities



- 100% digital journey capability for customers across all products
- Focus on customer/partner advocacy: Robotic interfaces, Straight through processing, Multiple self-service channels
- Advanced data analytics usage – Across sales (Including X sell), underwriting, collections & risk monitoring

Agenda

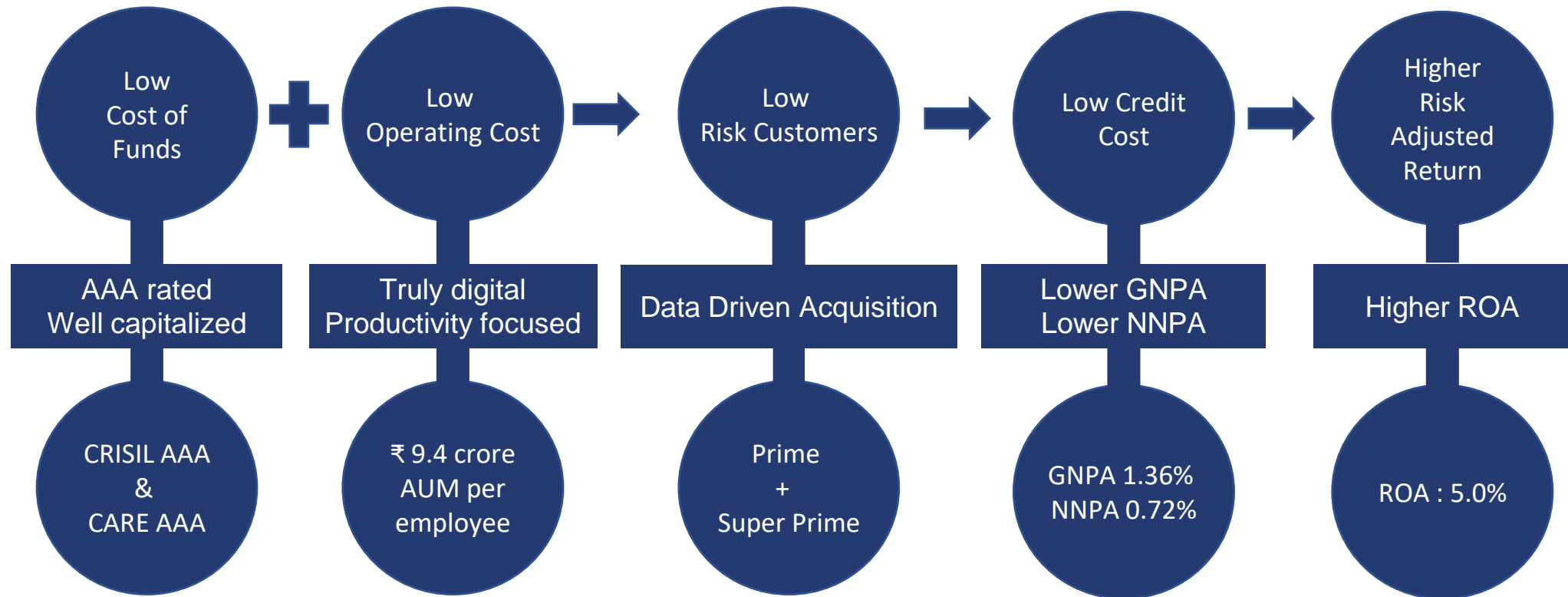


- 1 Overview & Executive Summary ▶ 2
- 2 Our Business Model ▶ 6
- 3 Strategy Execution ▶ 18
- 4 Business & Financial Highlights ▶ 32
- 5 Digital Transformation Journey So Far & Way Forward ▶ 38
- 6 Board Members and Awards & Accolades ▶ 44

Poonawalla Fincorp's Digital-First Tech-led Model - Demystified



Low cost of funds and Low Opex enabling Poonawalla Fincorp to target low risk - credit tested Prime and Super Prime customers thereby resulting in lower credit cost



Poonawalla Fincorp's offering is unique as it combines - User Experience & Agility of Fintech, Cash Flow based underwriting and practical approach like a NBFC and Low rate along with no hidden charges like a bank

Customer's Problem Statement and Persona

An illustration



Rajiv, a 34-year-old businessman from Pune, runs a manufacturing unit since last 8 years from rented premise. He has an annual turnover of ₹ 3 crore, stays in his owned house and pays GST on time. He is tech savvy, uses internet banking, active on social media and uses WhatsApp extensively, for both personal as well as business purpose.

He has grown his business over the years by securing a cash credit facility by mortgaging his residential property with bank. Now, he wants to expand his business further in new product line for which he needs ₹ 23 lakh. He has ₹ 15 lakh from his own sources and for the shortfall amount of ₹ 8 lakh, he is thinking of taking a loan. His CIBIL score is 783 and his expectation is as follows:

- ✓ ₹ 8 lakh of loan amount in form of a term loan
- ✓ Collateral free, as he has no additional collateral available (house is already mortgaged to bank)
- ✓ Quick approval basis cash flow, willing to provide all documents in digital mode including PDF banking
- ✓ Convenience through a completely digital mode without visiting the branch
- ✓ Low interest rate along with zero prepayment and no hidden charges (most critical aspect for any borrower)

He explored multiple options and is amazed that no lender meets all his requirements until his friend Sanjeev, who recommended Poonawalla Fincorp, based on his own superior experience with Poonawalla Fincorp.

Customer Dilemma – Where is my lender of choice ?



Parameters	Traditional Bank	Traditional NBFC	Large NBFC with Digital Capability	Fintech NBFC	Poonawalla Fincorp
Loan Amount Flexibility	No	Yes	Yes	No	Yes
Collateral Free	No	Yes	Yes	Yes	Yes
Quick Turnaround Time	No	No	Yes	Yes	Yes
100% Digital Process	No	No	No	Yes	Yes
Low Interest rate & No hidden charges	Yes	No	No	No	Yes
Flexible Tenure & Min. Documents	No	No	Yes	Yes	Yes
Zero Prepayment Charges	Yes	No	No	No	Yes

Customer needs a combo of Fintech, NBFC and Bank, hence a big opportunity for Poonawalla Fincorp

Poonawalla Fincorp is uniquely positioned to further disrupt the disrupted and help customers with lender of their choice

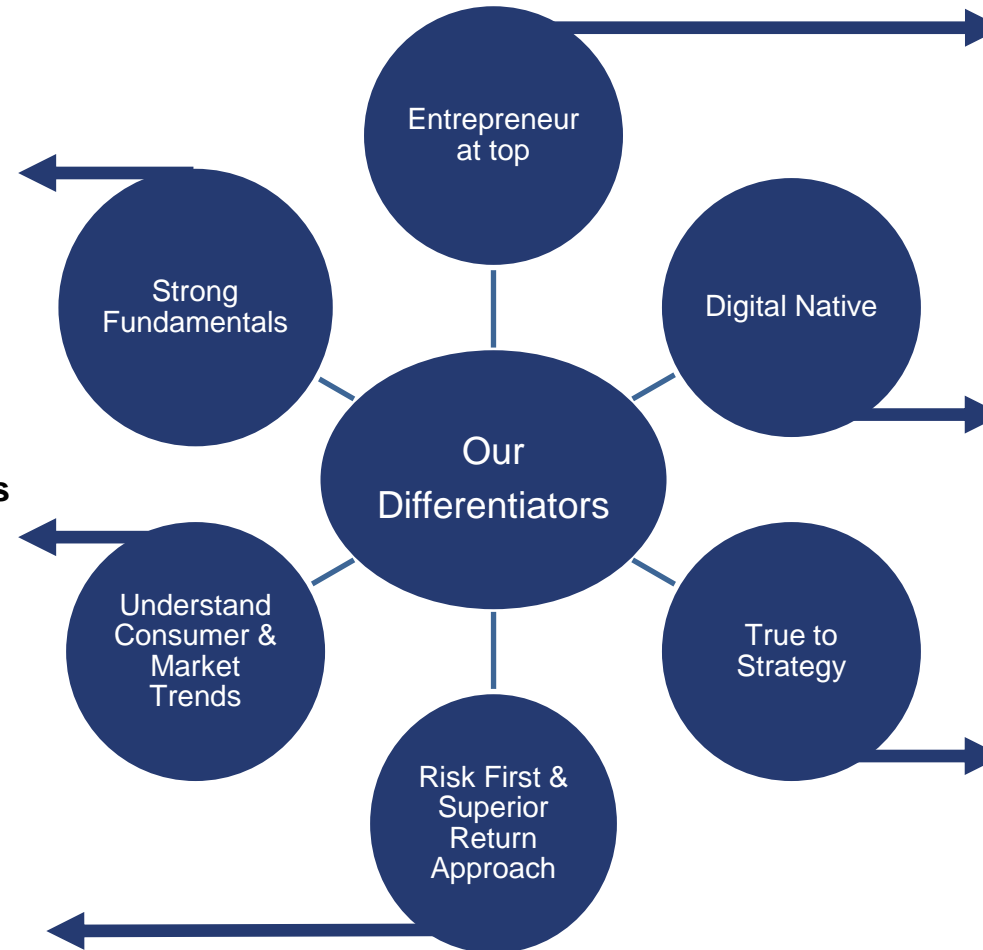
What Differentiates Us?



- **AAA** Rated
- Well **Capitalized**
- Excellent **portfolio quality**
- Strong well **diversified book**

- Execution based on **strong signals for strategic & operational aspects** as well as **products & processes**.

- Focus on risk to ensure **right customer onboarding**
- Return optimization through **active portfolio management**
- Unique **choice of rejection model** driven by **competitive interest rate offering**



- **Led by Abhay Bhutada**, an entrepreneur at the top
- Built a pool of next level leaders and a **culture of innovation and entrepreneurial mindset**

- Born in **Digital Age**
- With a Digital DNA ensuring **agility, adaptability & flexibility**

- **Well defined strategy** with laser sharp segmental **focus – Consumer & MSME**
- **Relentless execution excellence** reflected in consistent quarter on quarter performance since acquisition.

Differentiated Business Model



Non-Conventional & Branch-lite model

- We have well defined, digital-led and branch lite model that differentiates us from the conventional model
- This model results in lower operating expenses and at the same time enhances our operational efficiency
- We have also invested in all platforms viz., web, app and app-less (WhatsApp) platforms

Technology and Innovation

- State-of-the-art technologies helping us doing all the lending processes digitally including e-Sign, e-NACH, e-KYC, etc.
- We are using BRE and algorithm-based lending approach along-with data analytics supported by AI and ML

Differentiated Product Proposition

- Unlike the conventional lenders, we offer loans with no prepayment charges as well as no hidden charges
- We offer loans with minimal documentation at lower interest rates with flexible tenure
- We have a well diversified book and continue to add more innovative products to our product suite.



Strong Leadership and Management

- Poonawalla Fincorp is backed by Cyrus Poonawalla Group, which is cash rich, net debt free and one of the most respected group
- Further, PFL is led by Mr. Abhay Bhutada, an entrepreneur at the top, supported by a strong management team

Targeting Prime Customer Segment

- Focused towards acquiring Prime and Super Prime Customers with no new to credit customer lending
- Low cost of borrowings is the key enabler for us to target this segment which in turn helps us to maintain superior asset quality as well.

Industry leading TAT

By leveraging technology and AI, we can offer loans to our customers at a TAT which is fastest among the industry

Our customer segment is unique and better than other lenders



Product	Market	Credit Tested	Bureau Score
Professional Use	Urban	Credit Tested	700+
Consumption related	Semi Urban	New To Credit	650+
Commercial Use	Rural		600+

Ticket Size	Income Assessment	Income Document	Pricing
Top Quartile	Verified Income	Digital	Like Banks
Middle Quartiles	Imputed Income	Physical	Like large NBFCs
Lower Quartiles	Surrogate Income		Like smaller NBFCs

Representation of segments across dimensions as per the risk stacking (Low to High).

Poonawalla Fincorp operates in the least risk segment across the dimensions as per the risk first and superior return approach unlike competition which operates in high-risk segments as well.

Where is differentiation getting reflected?



AUM Growth
Consistent 10%
AUM growth QoQ

Portfolio Quality
Best-in-class GNPA
& NNPA

Operating Efficiency
Consistent
reduction in Opex
ratio

Digital Reach
Increased customer
acquisition

Customer Satisfaction
Improvement in NPS

We have built an engine that is

Scalable
Will continue to
grow

Sustainable
Has risk
mitigations built in

Resilient
Has risk calibrated
onboarding

Efficient
Based on
productivity

Experiential
Brings in customer
delight

Thereby leading to



Sustainable Superior Performance

Risk Management integrated into the strategy



Data and Risk driven lending

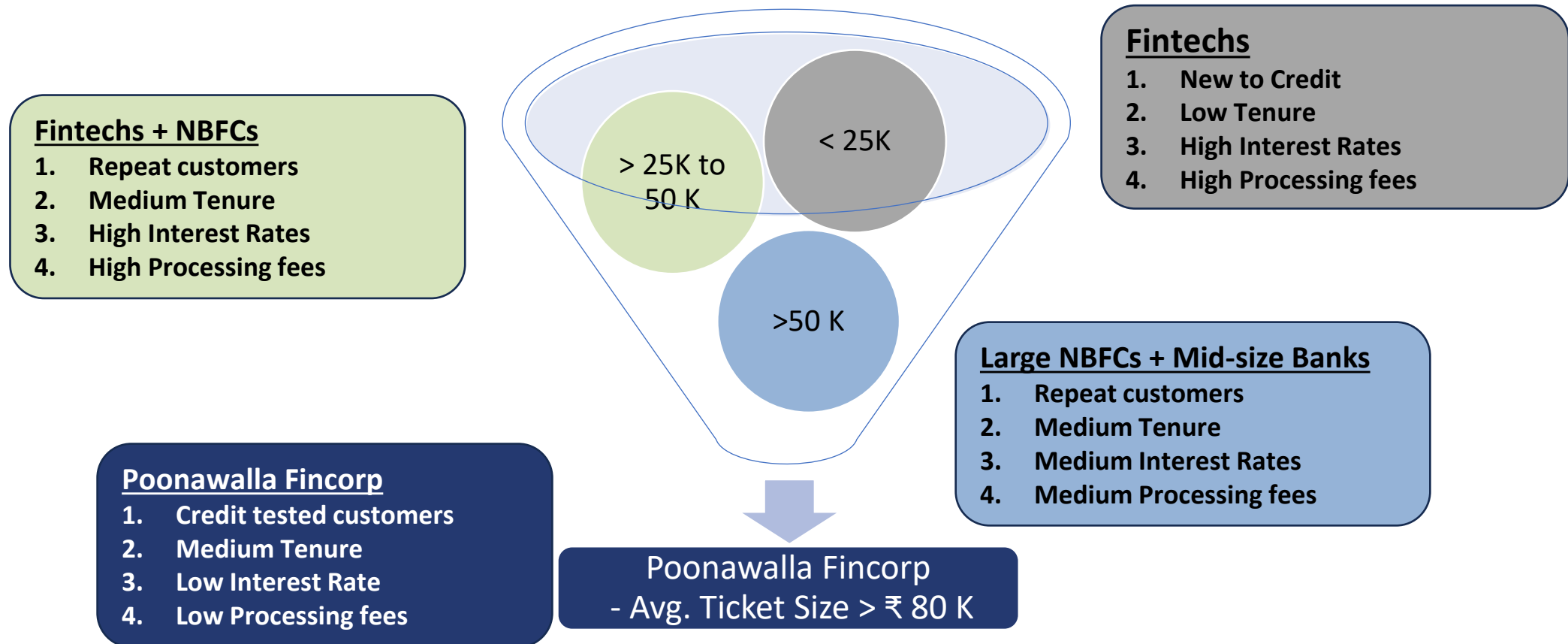
Transformation journey so far



Parameters (Standalone)	Dec-20 (Legacy Magma) (Pre-Acquisition)	Sep-23 (Poonawalla Fincorp) (Post-Acquisition)
Assets Under Management (AUM)	₹ 11,631 crore	₹ 20,215 crore
Cost of Borrowing (%)	9.64%	7.98%
GS3/Gross NPA (%) ¹	8.23%	1.36%
NS3/Net NPA (%) ¹	5.35%	0.72%
Return on Assets (%) ²	0.04%	5.0%
AUM per Employee	₹ 2.14 crore	₹ 9.4 crore
PBT Per Employee ²	₹ 0.12 lacs	₹ 57 lacs
Collection	Cash	Digital
Branches	255	102
Lending Methodology	Physical	Digital
New to Credit	Yes	No
Data Driven Lending	No	Yes
Credit Rating	AA- (CARE)	AAA (CRISIL & CARE)
Headcount	5,431	2,284
Direct & Digital Business (%)	~10%	81%
Digital First Approach	No	Yes

Note: 1. Dec-20 numbers are GS3 & NS3 and Sep-23 numbers are GNPA & NNPA. 2. Return on Assets & PBT per Employee is quarterly annualized.

Short Term Personal Loan (STPL) – Industry & PFL Overview



- Industry performance* : 30+ for < 25K segment is 5X than > 25K segment (16.6% & 3.2% respectively)
- Industry performance* : 90+ for < 25K segment is 8.7X than > 25K segment (10.4% & 1.2% respectively)
- **PFL operating at the prime end of this segment with > ₹ 80 K ticket size. Hence, not susceptible to low ticket risk.**

How we are growing and the road ahead



	Portfolio Mix	Tenure Mix
Current	Secured Portfolio 46% Unsecured Portfolio 54%	Short Term (Upto 12 mths) 27% Medium & Long Term (>12 mths) 73%
Road Ahead	Secured Portfolio 40% Unsecured Portfolio 60%	Short Term (Upto 12 mths) 20 - 25% Medium & Long Term (>12 mths) 75 - 80%
Rationale	<ul style="list-style-type: none">• Customer demand moving towards consumption and unsecured finance• Currently gap in addressing customer requirements• Huge bureau tested customer base• Risk adjusted returns make it an attractive proposition	<ul style="list-style-type: none">• Short tenure loans to acquire more customers with an eye for future• Helps in risk management.• Leverages the cost of capital advantage• Driver for profitability• Start small, Grow big to build competitive advantage

Agenda



- 1 Overview & Executive Summary ▶ 2
- 2 Our Business Model ▶ 6
- 3 Strategy Execution ▶ 18**
- 4 Business & Financial Highlights ▶ 32
- 5 Digital Transformation Journey So Far & Way Forward ▶ 38
- 6 Board Members and Awards & Accolades ▶ 44

Scalable Business Model to Drive Profitable Growth



Inherent Strengths...

Brand Strength & Strong Management

Flagship financing arm of Cyrus Poonawalla Group with shared brand identity
Professionally run organization with seasoned leadership team

Robust Balance Sheet

Healthy CRAR at **42%** against regulatory requirement of 15%
Total Balance Sheet size grew by **31%** YoY to reach **₹ 19,618 crore**

Digital First and Technology Led

Digitalized end to end processes
Advanced data analytics being leveraged for all business use cases

Retail Franchise

Focus on Consumer & MSMEs with diversified product suite & PAN-India retail franchise
Granular book | Risk based pricing

Target Market Aligned Distribution & Products

Unique sourcing model with mix of Direct Digital Program (DDP) and DSA
Digital First Products focused on credit tested customers

Efficiently Managed Liability Book

Long term rating of AAA/Stable by CRISIL and CARE Ratings
Diversified borrowing mix

...to capture market opportunities

Technology disrupting traditional ways of lending

Rapid expansion & consolidation (Partnership / acquisition) in Fintech space
Exponential rise in digital lending with focus on customer experience & faster TAT

Structural tailwinds

Fast growing economy punctuated by high share of consumption spending
Favorable demographics: High share of digital savvy young population with rising acceptance of credit

Large and fast growing total addressable market

Large and growing opportunity for consumer & MSME finance
Growing demand for Pre-owned cars + shift towards digital marketplaces

Management Vision 2025

Performance well ahead of long-term guidance



Vision 2025

To be amongst the **Top 3 NBFCs** in consumer and **MSME segment**

Risk-calibrated accelerated growth, **~3x of FY21 AUM**

Amongst the lowest COF in the industry
~250 bps reduction in borrowing cost

Best-in-class Asset Quality; **Net Stage 3 < 1%**

On the right track (Q2FY24 status)

Product diversification to have large presence in chosen segments. Leadership in select products achieved

AUM @ 1.9x of FY21

Achieved

Long term credit rating AAA by CRISIL and CARE Ratings
Continues to be amongst the lowest cost borrower

Achieved

Net NPA @ 0.72% as on September 30, 2023

Long Term Guidance on Financial Metrics

Profitable Growth with Best-in-Class Asset Quality



AUM Growth
35-40%



Profit Growth
30-35%



GNPA
1.3-1.8%



NNPA
0.5-0.9%



Return on Assets
4-4.5%

Successfully Executing our Strategic Plan



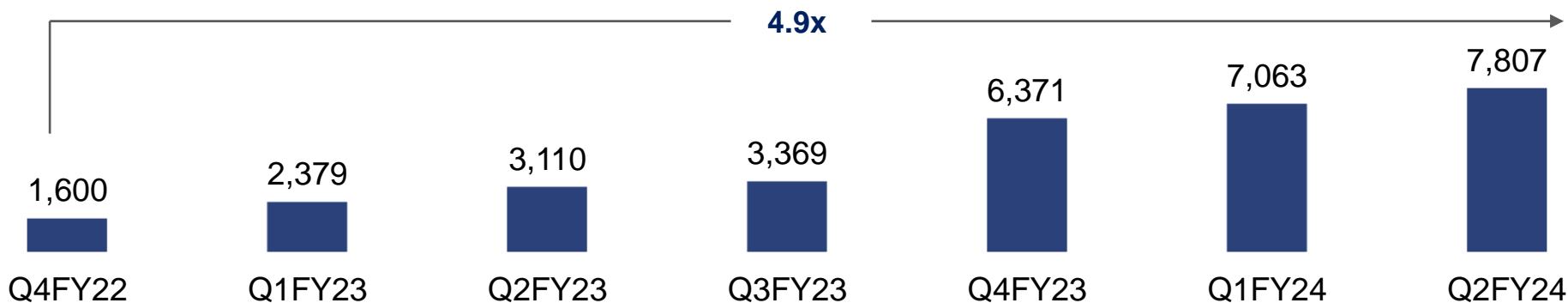
- 1 Differentiating by Offering Superior Customer Value**
- 2 Aligning Distribution & Products that Suits Target Market**
- 3 Digital-First, Technology-Led to the Core**
- 4 Upholding Robust Credit Quality**
- 5 Continuously Optimizing Cost of Borrowing & Liquidity**
- 6 Future Ready Human Capital with Strong Leadership**

Differentiating by Offering Superior Customer Value

To ensure sustainable growth & leadership in chosen segments

₹ crore

Accelerated disbursement growth



- ▶ 100% end to end digital journey capability
- ▶ Customer Orientation: Committed to give superior experience & create customer delight
- ▶ Amongst the best Turn Around Time (TAT)
- ▶ Continuous engagement across customer lifecycle



Minimal paperwork, reduced human intervention & advanced data analytics

Amongst the best NPS score in industry | 24*7 customer service availability using digital mediums

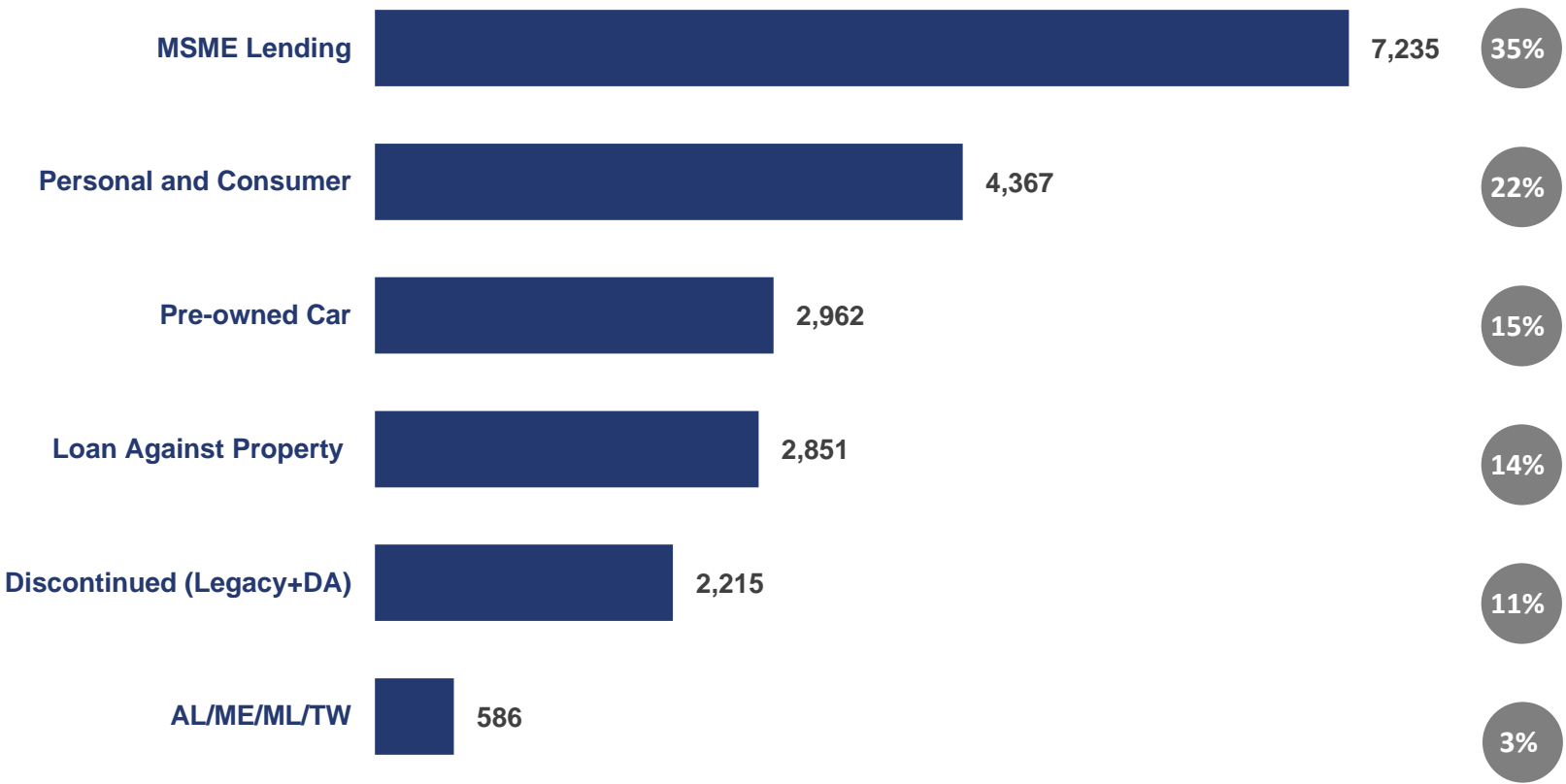
Constant reduction in TAT | Loan disbursements facilitated by lean & agile backend operations

Through distribution reach & technology

1b Diversified Assets Under Management

Contribution

₹ crore



- Pure retail portfolio with focus on MSME and Consumer segment.
- AUM well diversified across products, geographies and sourcing channels.

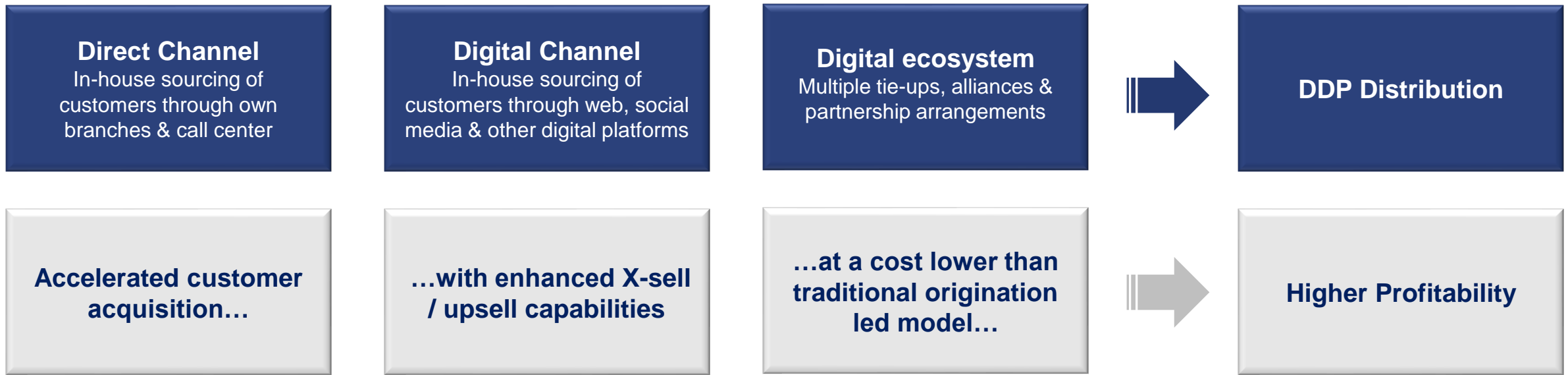
AUM as on September 30, 2023 : ₹ 20,215 crore

Note: The DA book & the legacy book has been reclassified from respective verticals under the Discontinued (Legacy+DA) from this quarter
MSME Lending includes Business Loans, Loan to Professionals and Supply Chain Finance

Distribution: In Sync with Emerging Business Models



Direct Digital Program (DDP) led distribution model



- ▶ Rise in proportion of Direct Digital Program (DDP) Mix
- ▶ Focus on Customer Lifetime Value (CLTV)
- ▶ Technology first & risk calibrated approach



81% of disbursement came through DDP channel in Q2FY24 compared to 54% in Q2FY23

X-sell / upsell & pre-approved offers

Leads to lower customer acquisition cost & better asset quality

Product Suite: Tailored for the Target Segment

Focus on Consumer & MSME segment with diversified offerings



Existing products			Upcoming products
Pre-owned Cars	Digital Business Loans	Machinery Loan	Co-branded Credit Card* <i>*RBI approval received</i>
Merchant Cash Advance	Digital Personal Loan	Digital Consumption Loan	EMI Card
Digital Consumer Finance	Digital Loan to Professionals	Medical Equipment Loan	
Auto Lease	Loan Against Property	Supply Chain Finance	

- ▶ Expanding product suite to meet customer needs
- ▶ Digital led product innovation
- ▶ Complete transparency in product features



Consumption led new customer acquisition with an eye on future
Leveraging customer base for X-sell / up-sell opportunities

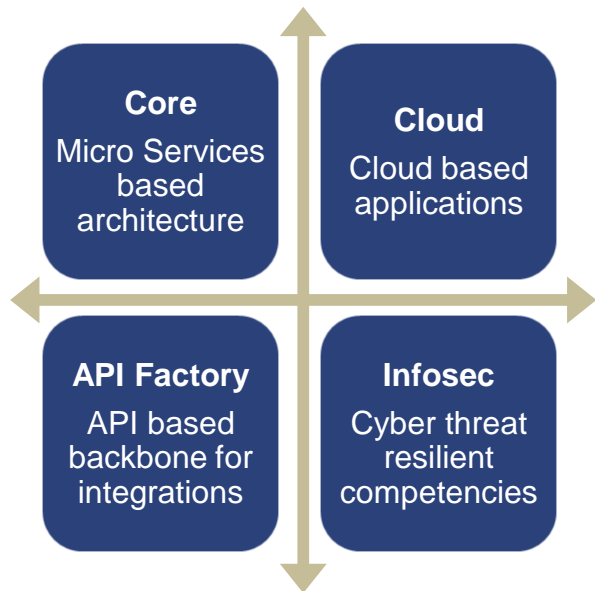
Digital First products, processes & entire customer journey

No hidden charges

Digital-First, Technology-Led to the Core

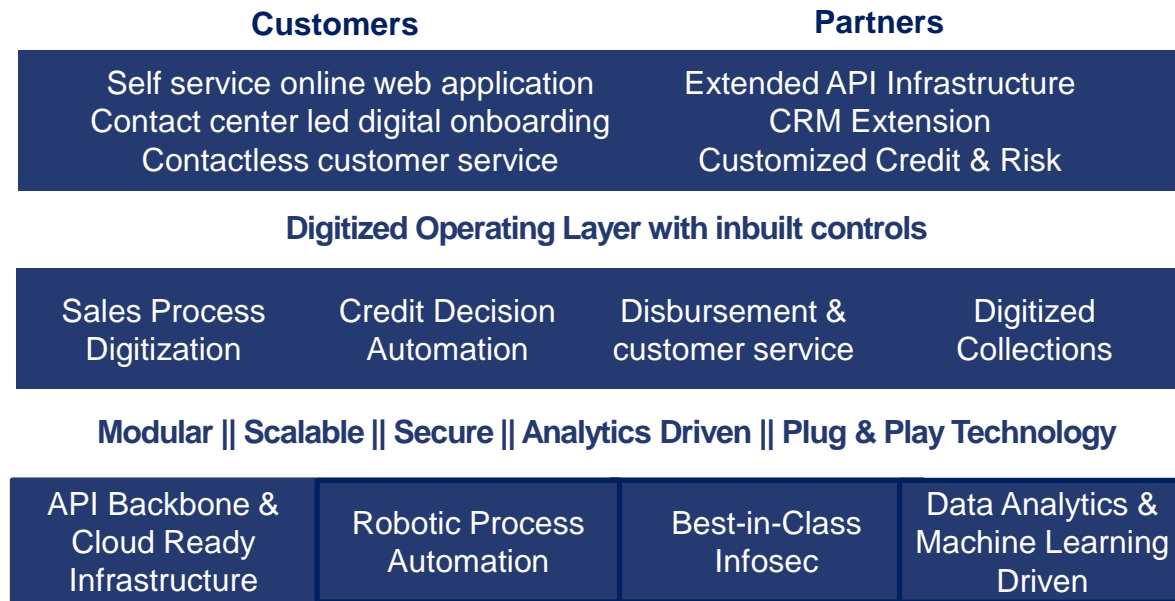
Leading to competitive moat, efficient operations & sustained growth

Deep Investments in Technology



- ▶ Backend built to scale → capability to process high volume & high speed of transactions
- ▶ Preferred partner for Tech-led ecosystem
- ▶ Last mover advantage

Building a Tech led Play



Plug & Play API Stack → Less customization + Low maintenance

Speed of Execution - BRE, API based integration for underwriting checks & validations

Faster adoption of technology leading to fully digitized business operations

Digital Transformation Yielding Results

End to End Digitalized Lending – Lower TATs, Minimal Paperwork, Reduced human intervention

- End to end digital journey capability for customers across all products via Digital KYC, Digital Onboarding (e-sign, e-agreement & e-Nach), Automated BRE for quick decisioning & Digital collections via multiple payment modes | Rise in penetration for all metrics
- Straight Through Digital Small Ticket Personal Loan – Single interface for customers

Focus on customer/partner advocacy – Robotic interfaces, Straight through processing, Multiple self-service channels

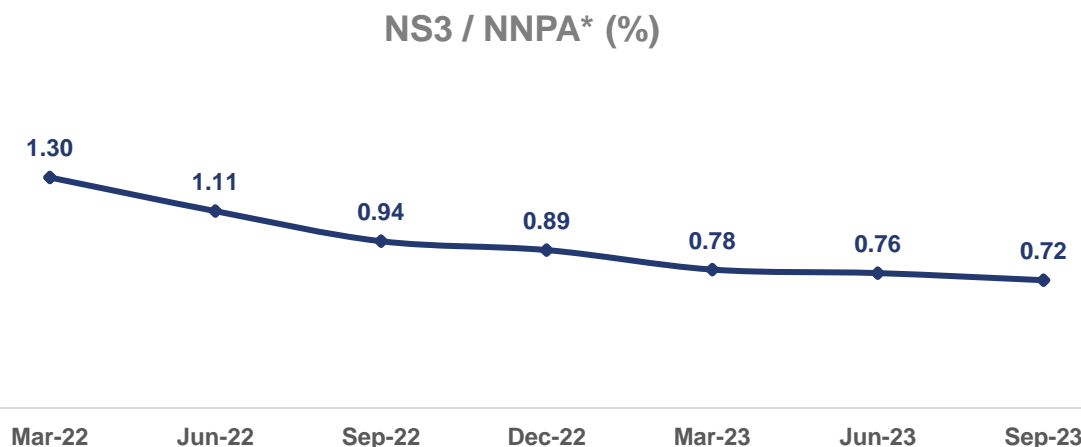
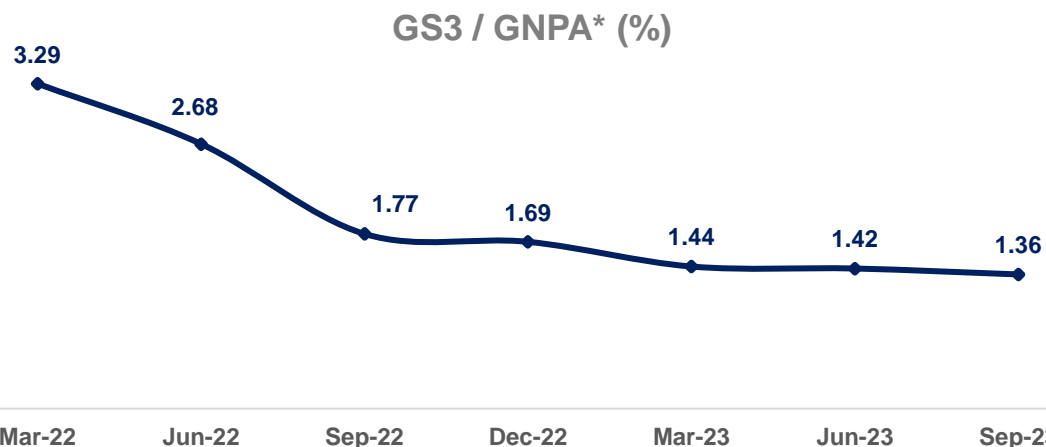
- Seamless & integrated Omni-channel customer engagement (call center, branch office, mobile app, and website) with focus on 'First Time Right' approach and maximizing NPS on all transactions
- 100% digital onboarding of channel partners with same day TAT + system-based payouts + online platform for loan application

Advanced data analytics usage – Across sales, underwriting, collections & risk monitoring

- Policy optimization & rationalization done through portfolio deep dive using advanced analytics | Risk scorecards for pre-approved offers, Propensity models leading to higher sales conversions | Predictive models for delinquency & risk segmentation to streamline collection effort
- Leverage 'data warehouse' with real time update of customer data

4 Upholding Robust Credit Quality

Consistent outperformance on Asset Quality



Chosen market segment, Prudent underwriting & Collection capabilities: Drivers of our robust asset quality

- ▶ High Quality customer profile
- ▶ Closely monitored Early Warning Signals
- ▶ Conservative underwriting standards with counter cyclic adjustments in policy and front ended write offs



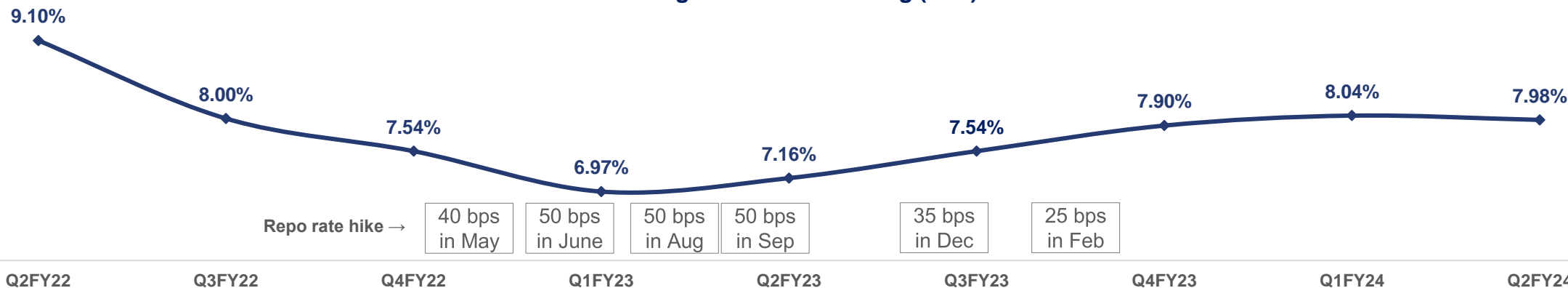
- Metropolitan & Urban area focused portfolio
- Early-stage delinquency within guardrails
- Approval rate guided by conservative policy parameters to have predictable portfolio quality

*The reduction in GNPA / NNPA is despite the alignment with revised NPA definition as per RBI circular | Comparison of aligned GNPA / NNPA Sep-22 onwards drawn from GS3 / NS3 of previous periods

5 Optimizing Cost of Borrowing & Liquidity Position

Despite repo rate hike of 250 bps, our average cost of borrowing increased only by 44 bps since Q4FY22

Average Cost of Borrowing (PFL)



Enabling growth at optimum cost of borrowing

- ▶ Long term credit rating of AAA by CRISIL & CARE Ratings
- ▶ Expansion of lenders / subscribers
- ▶ Maintaining adequate liquidity



Rating upgrade optimizing the borrowing cost
 Onboarded new Mutual Funds and Banks
 ₹ 3,823 crore of liquidity surplus as on September 30, 2023

Future Ready Human Capital with Strong Leadership

Building the Right Culture with focus on Productivity



Productivity & Rewards

- Collaboration Meet to drive cohesiveness
- New incentive model & policy implemented
- Enhanced ESOP coverage to include middle management
- Productivity enhancement program across the functions leading to leaner structures



Development

- Well defined development plan across all levels
- Competency framework implemented
- Functional & Behavioral training program launched
- Leadership program across levels launched



Operational Efficiency

- AI enabled connect bot launched
- Analytics launched for data-based decision making
- Strengthened the staff governance framework



Employee Engagement

- My Branch, My Pride launched
- Fun at work & family inclusion events
- Holistic wellness program launched
- Reward & Recognition program

Building a high-performance culture in the organization with a balance of employee development & engagement

Agenda



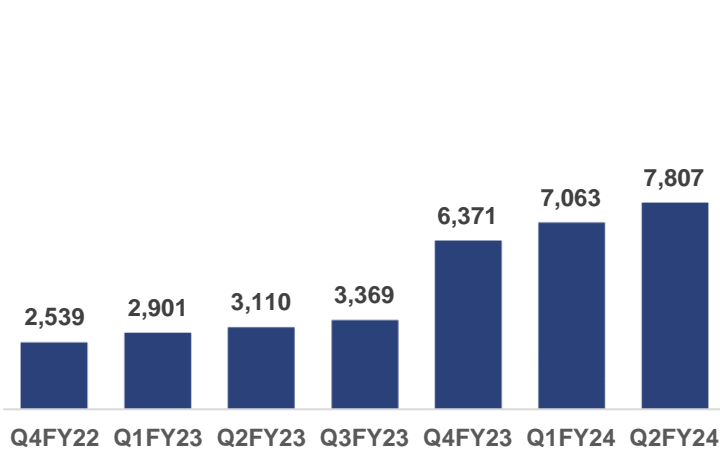
- 1 Overview & Executive Summary ▶ 2
- 2 Our Business Model ▶ 6
- 3 Strategy Execution ▶ 18
- 4 Business & Financial Highlights ▶ 32**
- 5 Digital Transformation Journey So Far & Way Forward ▶ 38
- 6 Board Members and Awards & Accolades ▶ 44

Performance Parameters

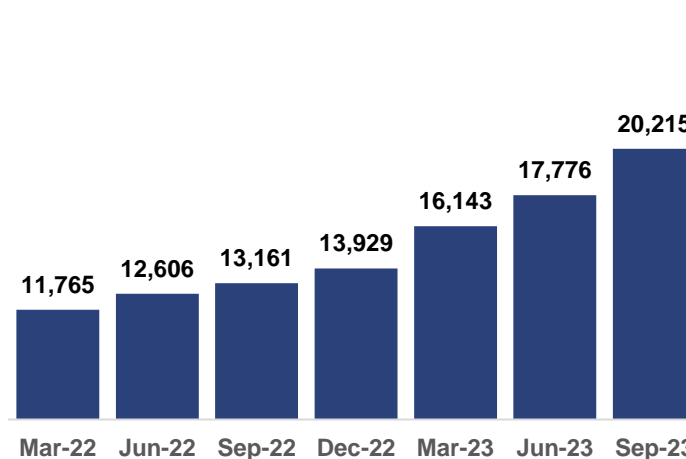
Robust growth continues | Significant reduction in GNPA & NNPA



Disbursement

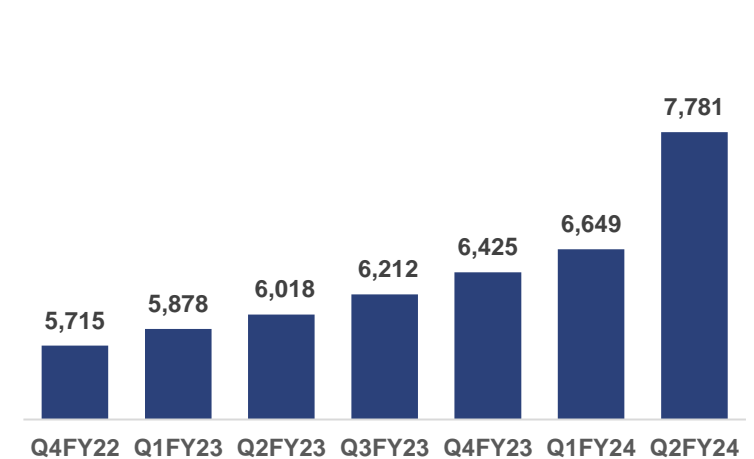


AUM

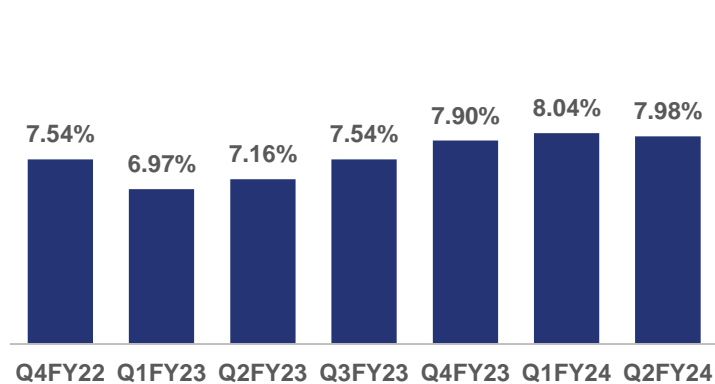


Net-worth

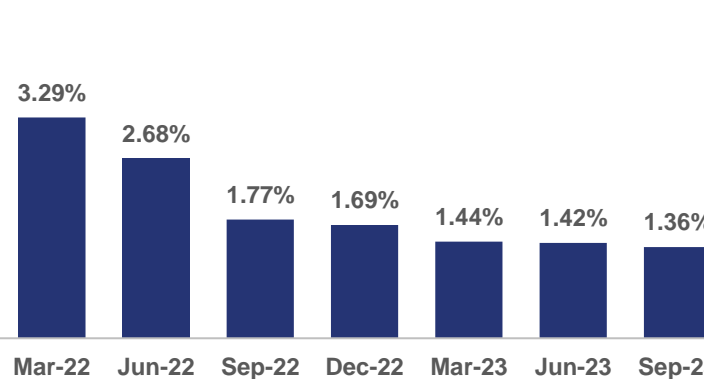
₹ crore



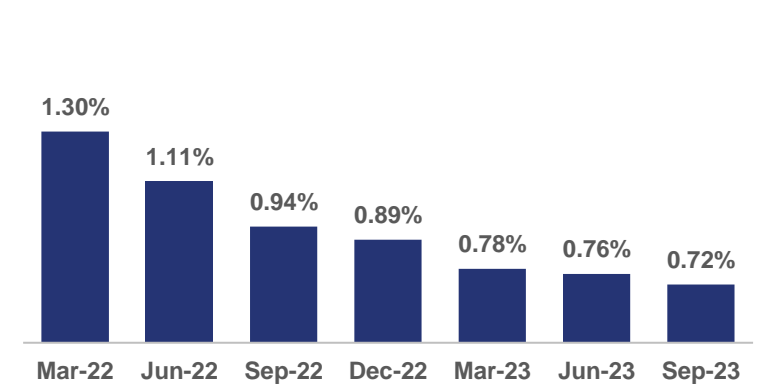
Cost of Borrowing



GS3 / GNPA*



NS3 / NNPA*

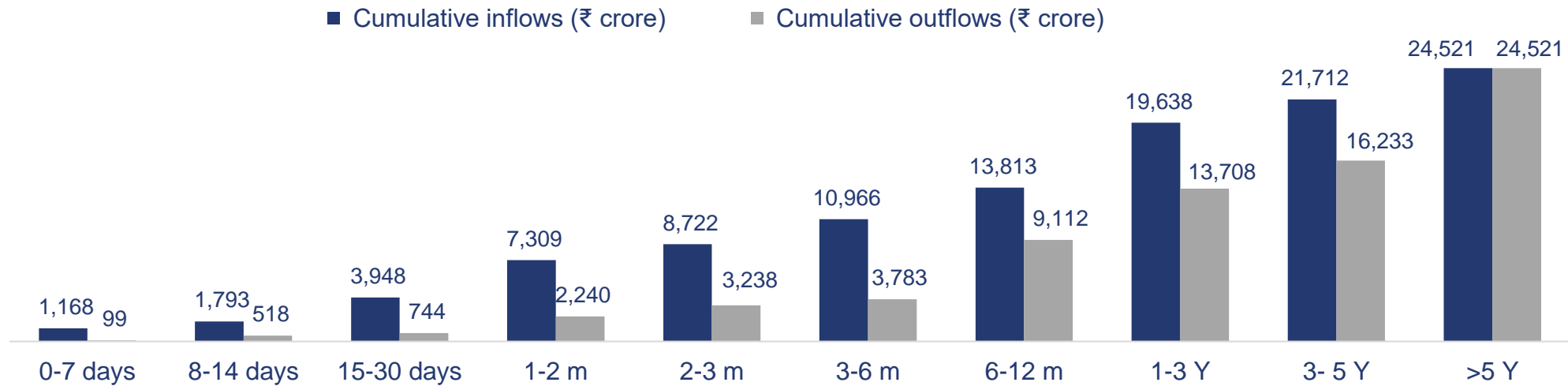


*The reduction in GNPA / NNPA is despite the alignment with revised NPA definition as per RBI circular | Comparison of aligned GNPA / NNPA Sep-22 onwards drawn from GS3 / NS3 of previous periods

ALM statement and Liquidity



Structural Liquidity Statement as on September 30, 2023



	0-7 days	8-14 days	15-30 days	1-2 m	2-3 m	3-6 m	6-12 m	1-3 Y	3-5 Y	>5 Y
Cumulative Positive Gap	1,068	1,275	3,204	5,068	5,484	7,183	4,701	5,930	5,478	-
Cumulative (%)	1075%	246%	430%	226%	169%	190%	52%	43%	34%	0%

Liquidity as on September 30, 2023 for PFL at ₹ 3,823 crore in the form of cash, cash equivalents and undrawn bank lines

Asset Quality

Significant improvement on sustained basis



Particulars	Sep-22	Jun-23	Sep-23
Gross NPA (₹ crore)	224	245	266
Net NPA (₹ crore)	118	131	140
Gross NPA (%)	1.77%	1.42%	1.36%
Net NPA (%)	0.94%	0.76%	0.72%
Provision Coverage Ratio (%)	47.32%	46.43%	47.17%

% of on-book AUM

- The restructured book reduced to ₹ 78 crore (0.4% of AUM) as on September 30, 2023 down from ₹ 103 crore (0.6% of AUM) as on June 30, 2023
- Restructured book in 0 bucket at ₹ 42 crore as on September 30, 2023 (54% of restructured book)

During this quarter, we have created one time provision of ₹ 1,298 crore largely on standard advances:

- Against the legacy / discontinued loan portfolio (including DA) ₹ 910 crore and;
- Contingency buffer of ₹ 388 crore for the future

Profit & Loss Statement



Particulars (₹ crore)	Q2FY23	Q1FY24	Q2FY24	YoY	QoQ
Total Income	481	712	745	55%	5%
Interest Expenses	144	235	216	50%	-8%
Operating Expenses	211	183	194	-8%	6%
Operating Profit	126	294	336	167%	14%
Credit Cost	-48	27	28	-	-
Profit after Tax	130	200	230	77%	15%
Profit after Tax (including exceptional items)	130	200	1,259	-	-

Balance Sheet



Particulars (₹ crore)	30-Sep-22	30-Sep-23	YoY
Cash & Bank Balances	335	185	-45%
Receivables	22	32	45%
Loans	12,290	17,952	46%
Investments	1,479	427	-71%
Other Financial Assets	317	541	71%
Non-Financial Assets	534	480	-10%
Total Assets	14,978	19,618	31%
Borrowings	8,510	11,220	32%
Other Liabilities	450	617	37%
Share Capital	153	154	-
Reserves & Surplus	5,865	7,627	30%
Total Liabilities	14,978	19,618	31%

Agenda



1	Overview & Executive Summary	▶	2
2	Our Business Model	▶	6
3	Strategy Execution	▶	18
4	Business & Financial Highlights	▶	32
5	Digital Transformation Journey So Far & Way Forward	▶	38
6	Board Members and Awards & Accolades	▶	44

Digital Transformation Journey So Far & Way Forward

We have successfully completed Phase 1 of technology transformation and launched multiple new products as per our stated strategy. It has helped put in place a stable and scalable digital platform.

With strong roots in place, the Company has now embarked on the phase 2 journey and on its way to launch EMI card, Co-branded Credit card, and other Digital Loan offerings over the next 1 quarter through a state-of-the-art digital platform to offer superior customer experience.

Forthcoming slides outline the strategic roadmap of Phase 2...

Strong Roots of Digital, Technology & Analytics

Successfully implemented in Phase 1



Core Platform	Customer Relationship Management	Loan Origination Platform	Rule Engine Platform	Loan Management Platform	Collection Management Platform
	Lead generation Calling & Campaigns Validations & Checks	Onboarding Process workflow Advanced validations	Real time Analysis Policy validation Decision engine	Loan Servicing Loan Repayment Loan Closure	Dues follow up Case Allocation & Legal Repo. & Settlement
API Gateway	Multiple APIs for seamless interface				
Marketing Solutions	SMS	WhatsApp	E-mail	Custom Journeys	Contact Centre
	Dialler Operations	Customer History	Customer Offers	Single customer view	Call Governance
Contact Centre	Across Sales & Service				
Data & Analytics	Straight Through Processing (STP)	Pre-Approved / Qualified Offer Generation	Product X-Sell / Up Sell Propensity	Data Warehouse	Analysis & Reporting
Digital	Digital KYC Smart Contract	Chatbot & Robotic Process Automation	Unified Payments Platform	End 2 End Web based Journeys	Strong Digital Marketing Capabilities
Infrastructure	Cloud Infrastructure	Disaster Recovery Infrastructure	High Availability Infrastructure	Data Security	Cyber Security
Channels	Branch Direct Sales Web Contact Centre Direct Sales Agent App				

Phase 2: Deepening Technology, Digital & Analytics

Innovative, Personalized, Engaging & Convenient - For superior customer experience



Highly customised orchestration layer integrating across channels to create unique experience

Data	Apps	Consumer Products	Eco-System	Personalization	Engagement
Consent Based Data	Consumer App	Transaction Credit	Merchant Partnerships	Demographic	Rewards
Digital Footprint Data	Merchant App	Subvention Based	E-Commerce Partnerships	Behaviour	Promotions
Eco-System Data	Partner App	Check Out Finance	Payments Partnerships	Propensity	Utilities
Auto Refresh Data	Referral App	Card Products	Merchant Platforms	Contextual	Notifications

Best –In-Class → || Customer Experience || Customer Service || Customer Engagement ||

The Future of Digital is here...Optimised for Network Effect...
and hence Disruptive Growth.

Phase 2 :Journey Started..

On track to deliver in next quarter (~85% work completed in Q2FY24)



Enhanced Digital Platform	Customer Portal	Straight Through Disbursal Platform	Customer Mobile Super App	App Based Lending & Referrals	Digital Collections Platform
	Partner On-boarding & Self-Service Platform	Automated & Fully Integrated Sales Incentives & Commissions Engine	Fully Integrated Cloud ERP Platform	Merchant Mobile App	Fully Integrated Treasury Management Platform
New Digital Products	Supply Chain Finance	Merchant Finance	Virtual Cards	Transaction Finance	Credit Limit Program
Network & Marketplace	Marketplace	E Commerce	Referrals Program	Co-Lending	QR Code Merchants
AI & ML Initiatives	ML Scorecards based Campaigns	AI Enabled Automated Voice Based Collections	AI Enabled Digital Assistant for Customer Self Service	Omnichannel Customer Persona Based Onboarding	AI Powered Transaction Recon Engine
	AI Powered Automated Outbound Sales Calls	AI Powered Inbound Voice Assistant	ML Based Collections Scorecard	ML Based Behavior Scorecard	ML Powered Sales Forecast & Management Dashboards
Infrastructure	Multi Cloud Hosting	Enhanced Info Security Operations Center	Network Operations Center	DevOps Platform	Zero On-Premises Data Center
Future Tech Thought Leadership	Strong In-house Team		Industry best Training Program for Fresh Engineering Talent		

Phase 2: Enhanced Customer Service - 360° View*

Self Service, Personalized, Insight Driven – “Making Service delivery a Sales Channel”



Self Service & FTR Resolutions

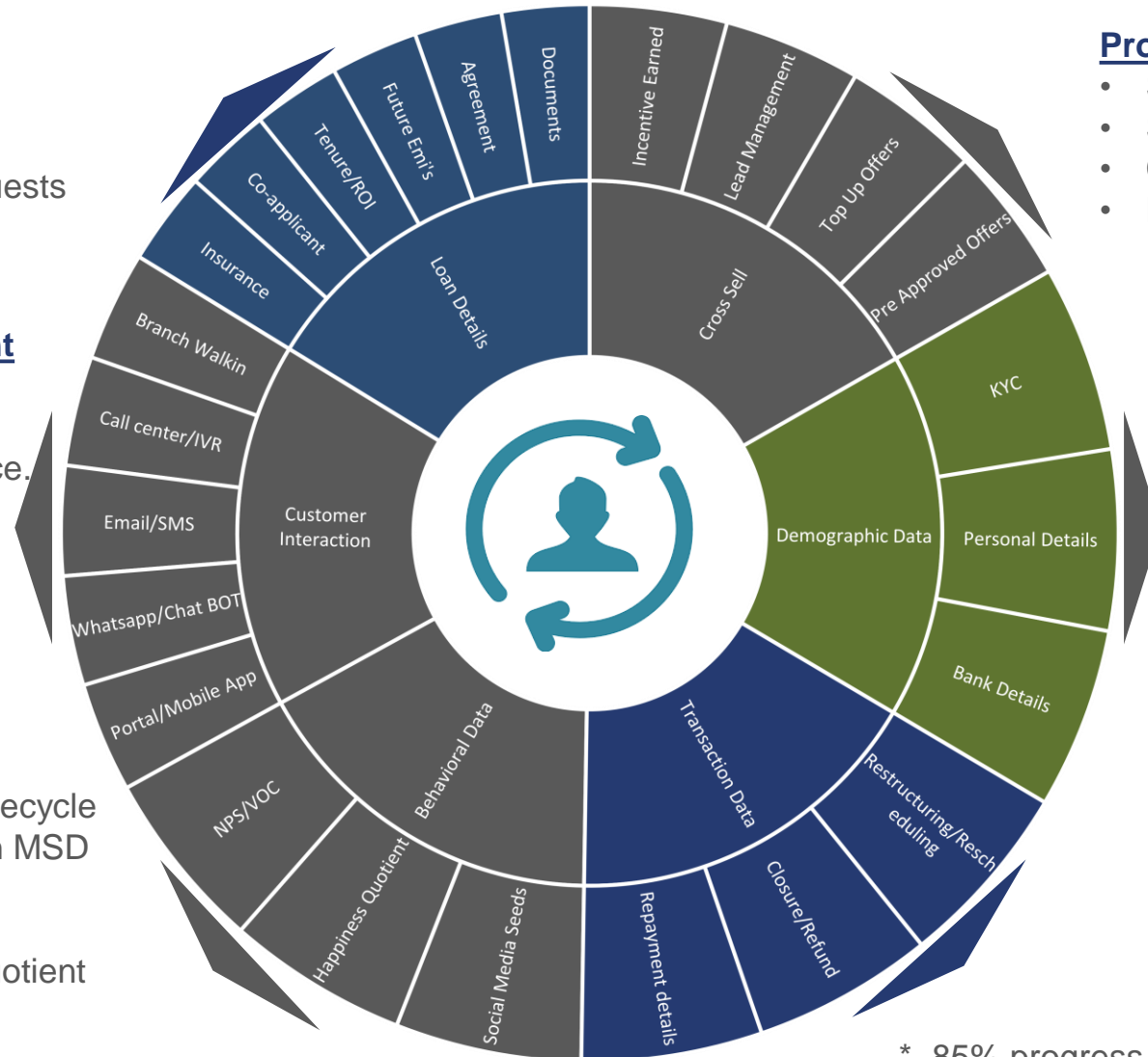
- Agent assist & Customer 360
- Loan details
- One click send for customer requests
- Integration with Insurance hub

Customer Interaction Management

- Omnichannel 360° View
- Hyper-Personalization for distinctive & contextual experience.
- CRM to Cloud telephony dialler Integration
- Customer Portal & Mobile App
- Self Serving Kiosk @ branches
- Integrated Communication Hub

Customer Insights

- NPS – VOC Collections across lifecycle
- NPS Score addition & mapping in MSD CRM through all digital channels
- Customer Sentiment Analysis
- Building Customer Happiness Quotient
- Contextual hyper-personalized communications



Promote & Manage Cross Sell

- Segmented campaign management in CRM
- STP fulfilment journey for Pre-Approved Offers
- Co-browser assisted Journeys
- Lead Management & tracking

Drive STP & FTR

- e-Nach Status/curing/swapping
- e-Nach registration (tracking)
- CKYC / Re-KYC initiation
- Personal data updation (Email / Mobile)

STP Servicing, Process Automations

- Unified Payment Platform
- Realtime Payment Posting & Receipting
- Proactive NOC Issuance Automation
- Closure & Refund Issuance Automation

*~85% progress made in these propositions – On Track

Agenda



1	Overview & Executive Summary	▶	2
2	Our Business Model	▶	6
3	Strategy Execution	▶	18
4	Business & Financial Highlights	▶	32
5	Digital Transformation Journey So Far & Way Forward	▶	38
6	Board Members and Awards & Accolades	▶	44

Board of Directors - Poonawalla Fincorp

Experienced & Diversified Board



Mr. Adar Poonawalla
*Chairman &
Non-Executive Director*



Mr. Abhay Bhutada
Managing Director



Mr. Sunil Samdani
Executive Director



Mr. Amar Deshpande
Non-Executive Director



Mr. Sajid Fazalbhoy
Non-Executive Director



Mr. Atul Kumar Gupta
Independent Director



Ms. Vijayalakshmi R. Iyer
Independent Director



Mr. Prabhakar Dalal
Independent Director



Mr. Bontha Prasad Rao
Independent Director



Mr. Sanjay Kumar
Independent Director

Awards and Accolades



Risk Management



'Risk Management Team of the Year' at UBS Forum's CRO Summit and Leadership Awards 2023



Winner of 'Golden Peacock Award for Risk Management' at IOD India's 2023 Annual London Global Convention on Corporate Governance and Sustainability

Customer Centricity



Best Customer Experience providing NBFC at Quantic India Excellence Awards 2023

Human Resource



Recognised as The Most Preferred Workplace 2023-24



Recognised as Economic Times Future Ready Organisation 2023-24 at The Economic Times Future Ready Organisations Awards

Corporate Governance



Awarded with 'Excellence in Corporate Governance' at UBS Forum's Audit and Risk Summit & Awards 2023



Awarded with 'Excellence in Compliance and Legal Management category' at 15th ELETS NBFC100 Tech Summit

Launch of 'Log toh Sawaal Kareng Hi' Campaign

Digital media campaign aimed at people with high credit score



- Launched 'Log toh Sawaal Kareng Hi' campaign to throw light on how people end up taking loans at high interest and pay higher EMIs despite having good credit behaviour and high credit scores.
- This campaign was targeted at borrowers with high credit scores to explore hassle-free loan offers of Poonawalla Fincorp with affordable interest rates, other benefits and to consider transferring their high interest loans to Poonawalla Fincorp.
- It's humorous treatment instantly struck the chord with people and created strong brand visibility and recall across target segments
- We will continue to focus on Customer education and create awareness about PFL's hassle-free loan offerings
- Click on the image or the below links to watch the videos:
 - <https://www.youtube.com/watch?v=y0bxapRWtvk>
 - <https://www.youtube.com/watch?v=OZB1U8ORCHA>



Launch of '#DoltTibara' Campaign

Cricket Song of the year to celebrate India's most beloved sport



- India is a cricket-loving nation and Poonawalla Fincorp, as a national brand resonates with every single individual who holds an equal amount of love and passion for the game of cricket.
- This is not just a song; it's an emotion that perfectly encapsulates the essence of how cricket transcends boundaries and brings 142 crore Indians together and aspires to fulfil their dreams associated with this most beloved sport.
- Click on the image or the below link to watch the video:
 - <https://www.youtube.com/watch?v=OGwFg-47xJE>



Disclaimer



This presentation has been prepared by Poonawalla Fincorp Limited (the “Company”), for general information purposes only, without regard to any specific objectives, suitability, financial situations and needs of any particular person and does not constitute any recommendation or form part of any offer or invitation, directly or indirectly, in any manner, or inducement to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities of the Company, nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any contract or commitment therefore. This presentation does not solicit any action based on the material contained herein. Nothing in this presentation is intended by the Company to be construed as legal, accounting or tax advice.

This presentation has not been approved and will not or may not be reviewed or approved by any statutory or regulatory authority in India or by any Stock Exchange in India. This presentation may include statements which may constitute forward-looking statements. The actual results could differ materially from those projected in any such forward-looking statements because of various factors. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events, or otherwise.

This presentation contains certain forward-looking statements relating to the business, financial performance, strategy and results of the Company and/or the industry in which it operates. Forward-looking statements are statements concerning future circumstances and results, and any other statements that are not historical facts, sometimes identified by the words including, without limitation "believes", "expects", "predicts", "intends", "projects", "plans", "estimates", "aims", "foresees", "anticipates", "targets", and similar expressions. The forward-looking statements, including those cited from third party sources, contained in this presentation are based on numerous assumptions and are uncertain and subject to risks. A multitude of factors including, but not limited to, changes in demand, competition, and technology, can cause actual events, performance, or results to differ significantly from any anticipated development. Neither the Company, its affiliates or advisors or representatives nor any of its or their parent or subsidiary undertakings or any such persons' officers or employees guarantees that the assumptions underlying such forward-looking statements are free from errors nor does either accept any responsibility for the future accuracy of the forward-looking statements contained in this presentation or the actual occurrence of the forecasted developments. Forward-looking statements speak only as of the date of this presentation and are not guarantees of future performance. As a result, the Company expressly disclaims any obligation or undertaking to release any update or revisions to any forward-looking statements in this presentation as a result of any change in expectations or any change in events, conditions, assumptions or circumstances on which these forward-looking statements are based. Given these uncertainties and other factors, viewers of this presentation are cautioned not to place undue reliance on these forward-looking statements.

Disclaimer (Continued)



The information contained in these materials has not been independently verified. Neither the Company, its directors, promoter affiliates, nor any of its or their respective employees, advisers or representatives or any other person accepts any responsibility or liability whatsoever, whether arising in tort, contract or otherwise, for any errors, omissions or inaccuracies in such information or opinions or for any loss, cost or damage suffered or incurred howsoever arising, directly or indirectly, from any use of this presentation or its contents or otherwise in connection with this presentation, and makes no representation or warranty, express or implied, for the contents of this presentation including its accuracy, fairness, completeness or verification or for any other statement made or purported to be made by any of them, or on behalf of them, and nothing in this presentation or at this presentation shall be relied upon as a promise or representation in this respect, whether as to the past or the future. Past performance is not a guide for future performance. The information contained in this presentation is current, and if not stated otherwise, made as of the date of this presentation. The Company undertakes no obligation to update or revise any information in this presentation as a result of new information, future events or otherwise. Any person/ party intending to provide finance/ invest in the shares/ businesses of the Company shall do so after seeking their own professional advice and after carrying out their own due diligence procedure to ensure that they are making an informed decision.

This presentation is not a prospectus, a statement in lieu of a prospectus, an offering circular, an advertisement, or an offer document under the Companies Act, 2013, as amended, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, or any other applicable law in India.

This presentation is strictly confidential and must not be copied or disseminated, in whole or in part, and in any manner or for any purpose. No person is authorized to give any information or to make any representation not contained in or inconsistent with this presentation and if given or made, such information or representation must not be relied upon as having been authorized by any person. Failure to comply with this restriction may constitute a violation of the applicable securities laws. Neither this document nor any part or copy of it may be distributed, directly or indirectly, in the United States. The distribution of this document in certain jurisdictions may be restricted by law and persons into whose possession this presentation comes should inform themselves about and observe any such restrictions. By reviewing this presentation, you agree to be bound by the foregoing limitations. You further represent and agree that you are located outside the United States, and you are permitted under the laws of your jurisdiction to receive this presentation.

This presentation is not an offer to sell or a solicitation of any offer to buy the securities of the Company in the United States or in any other jurisdiction where such offer or sale would be unlawful. Securities may not be offered, sold, resold, pledged, delivered, distributed or transferred, directly or indirectly, in to or within the United States absent registration under the United States Securities Act of 1933, as amended (the "Securities Act"), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. The Company's securities have not been and will not be registered under the Securities Act.

THANK YOU