

Ref. No. AAVAS/SEC/2025-26/185

Date: April 24, 2025

To, The National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Mumbai – 400051	To, BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001
Scrip Symbol: AAVAS	Scrip Code: 541988

Dear Sir/Madam,

Sub: Investor Release on the Financial and Operational Performance of the Company for Quarter and Financial Year Ended March 31, 2025.

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Investor Release on the Financial and Operational performance of the Company for the Quarter and Financial Year ended March 31, 2025.

The Investor Release may also be accessed on the website of the company at <https://www.aavas.in/investor-relations/investor-intimation>.

This is for your information and record.

Date and time of occurrence of event/information: April 24, 2025 and Board Meeting concluded at 04: 20 P.M.

Thanking You,

FOR AAVAS FINANCIERS LIMITED

**SAURABH SHARMA
COMPANY SECRETARY AND COMPLIANCE OFFICER
(ACS: 60350)**

Enclosed: a/a

Aavas Financiers Limited

FY25 Results

- **AUM of Rs. 204 bn; Growth of 18% YoY**
- **PAT at Rs. 5.74 bn; Growth of 17% YoY**
- **Gross Stage 3 at 1.08%; 1+ DPD at 3.39%**
- **ROA at 3.27% and ROE at 14.12%**
- **Positive ALM & Strong Capital Base**

Investor Release: 24th Apr 2025, Mumbai

Aavas Financiers Limited has declared Audited Financial Results for the quarter and year ended 31st March 2025.

Key Performance Metrics for FY25:

Particulars (Rs. Mn)	FY25	FY24	Y-o-Y
Assets under Management (AuM)	2,04,202	1,73,127	18%
Disbursements	61,230	55,822	10%
Net Interest Margin (Rs.)	13,426	11,844	13%
Net Profit	5,743	4,908	17%
Gross Stage 3 (Overall)	1.08%	0.94%	Increased by 14 bps
Opex to Total Assets (%)	3.32%	3.58%	Improved by 26 bps
ROA (%)	3.27%	3.28%	Declined by 1 bps
ROE (%)	14.12%	13.94%	Improved by 18 bps
Active Loan Accounts (No.)	2,46,895	2,18,101	13%

Performance Highlights:

- Assets under Management (AuM) of the company has crossed milestone of Rs 200 bn this year. In FY25, our AUM grew by 18% YoY at Rs. 204.2 bn.
- Disbursements during Q4FY25 grew by 27% QoQ to Rs 20.2 bn whereas in FY25 disbursement grew by 10% YoY to Rs. 61.23 bn.
- Our Net profit for Q4 FY25 grew by 8% YoY to Rs 1.54 bn whereas for FY25 Net Profit grew by 17% YoY to Rs 5.74 bn, led by robust growth in operating profit led by healthy improvement in operating leverage.
- Opex to Assets ratio saw considerable improvement of 26 bps YoY in FY25 at 3.32% as a result of our cost optimisation strategy.
- Our spread during the quarter moderated by 5 bps sequentially to 4.89% on account of softening of AUM yield by 5 bps to 13.13% while our cost of borrowings remained unchanged at 8.24%.
- Our NIM in absolute terms has increased by 14% YoY in Q4 FY25 and 10% YoY in FY25. NIM as a percentage of total assets during Q4 FY25 stood at 8.11%, and at 7.64% during FY25.
- Our asset quality continues to be pristine, within the guided range with 1 day past due well below 5% at 3.39% in Q4 FY25 and Gross Stage 3 & Net Stage 3 under 1.25% stood at 1.08% and 0.73% respectively. Credit cost during Q4FY25 was 17 bps and 15 bps for FY25.
- In terms of the borrowing mix, 51% of our borrowings are from Term Loans, 25% is from Assignment, 14% from NHB Refinancing; 10% is from debt capital market (of which 83% is from development finance institutions like IFC, CDC & ADB).
- Net Worth grew by 16% YoY to Rs. 43.61 bn as on 31st March 2025.
- ROA was stable at 3.27% and ROE improved by 18 bps YoY to 14.12% in FY25.
- The total number of branches stands at 397 as on 31st March 2025, with 30 additions in FY25.

Commenting on the performance, Mr. Sachinder Bhinder, Managing Director & Chief Executive Officer, said:

“Dear All,

Building on the momentum of previous quarters, the affordable housing sector continues to present immense opportunities to drive growth and economic inclusivity. At Aavas, our steadfast commitment remains focused on empowering unserved, underserved, and underbanked customers in Tier 2 to Tier 4 markets by providing customized financial solutions that cater to their unique aspirations. Our approach, rooted in achieving risk-adjusted returns, reinforces our mission to foster housing affordability and create enduring value in these communities.

Following the successful completion of the technological transformation during the year, we have already begun to observe tangible benefits. As of March 2025, the TAT from login to sanction has been reduced to just 7 days, a substantial improvement from the previous peak of 13 days. Additionally, the initiative has resulted in significant cost and time savings, contributing to enhanced productivity and operational efficiency across the organization.

During the quarter, we expedited our branch expansion efforts, establishing 24 new locations to enhance our footprint in key states. As a result, our total branch network now comprises 397 branches across 14 states. Consistent with our strategic approach of contiguous growth, we remain committed to broadening our presence in both core and emerging markets

Aavas has well diversified liability franchised with prudent cash management. Aavas is well-capitalized, boasting a Capital to Risk (Weighted) Assets Ratio (CRAR) of 44.5% as of March 2025.

Our robust underwriting practices and collection efforts, backed by cutting-edge technology, have yielded a positive outcome with the 1+ days past due, contained at 3.39% as of March 2025 an improvement of 46 bps QoQ. The portfolio maintains strong overall health, demonstrated by a Gross Stage 3 at 1.08%.

The launch of the PMAY 2.0 scheme, including the interest subsidy scheme for urban housing, will be pivotal in improving loan accessibility for economically weaker sections and low-income groups, empowering countless individuals to realize their dreams of homeownership. This bold initiative reflects the Government's steady commitment to ensuring that every Indian has access to safe and affordable housing, driving inclusive growth and prosperity for all. It aligns with Aavas's mission and vision, enhancing our dedication to delivering innovative housing solutions for underserved communities.

Our steadfast focus on Governance, Asset Quality, Profitability, and Growth remains at the core of our mission. Leveraging advanced technology and delivering exceptional customer experiences, we are confident in building a promising future. Through strategic initiatives, we aim to drive sustainable growth while maximizing value for our shareholders.”

About Aavas Financiers Limited

Aavas Financiers Limited, incorporated in 2011 in Jaipur is a retail, affordable housing finance company, primarily serving low- and middle-income self-employed customers in semi-urban and rural areas in India. A majority of our customers have limited access to formal banking credit. The Company's product offering consists of home loans for the purchase or construction of residential properties, and for the extension and repair of existing housing units, Loan against property and MSME loans. The Company has in-house execution model leading to superior business outcomes.

Safe Harbor Statement

This document may contain forward-looking statements about the Company, which are based on the beliefs, opinions and expectations of the Company's management as the date of this press release and the companies do not assume any obligation to update their forward looking statements if those beliefs, opinions, expectations, or other circumstances should change, These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict. Consequently, readers should not place any undue reliance on such forward-looking statements.

For more Information, please contact:

Aavas Financiers Limited

CIN: L65922RJ2011PLC034297

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