

Ref. No. AAVAS/SEC/2023-24/687

Date: October 26, 2023

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

Sub: Investor Release on the Financial and Operational Performance of the Company for quarter and half year ended September 30, 2023.

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 half year ended September 30, 2023.

This Investor Release may also be accessed on the website of the company at www.aavas.in.

This is for your information and record.

Date and time of occurrence of event/information: October 26, 2023 and Board Meeting concluded at 04:00 P.M.

Thanking You,

FOR AAVAS FINANCIERS LIMITED

**SHARAD PATHAK
COMPANY SECRETARY & CHIEF COMPLIANCE OFFICER
(FCS-9587)**

Enclosed: a/a

Aavas Financiers Limited

H1 FY24 Results

- AUM of Rs. 153,195 Mn; Growth of 22.1% YoY
- PAT at Rs. 2,313 Mn; Growth of 17.9% YoY
- Gross Stage 3 at 1.04% (includes 0.13% of upto 90 DPD assets)
- ROA at 3.25%; decreased by 17 bps YoY
- ROE at 13.64%; Increased by 20 bps YoY
- Sufficient Liquidity of Rs. 50,037 Mn
- Positive ALM & Strong Capital Base

Investor Release: 26th October 2023, Mumbai

Aavas Financiers Limited has declared Un-audited Financial Results for the quarter and half year ended 30th September 2023.

Key Performance Metrics for H1 FY24:

Particulars (Rs. Mn)	H1 FY24	H1 FY23	Y-o-Y
AUM	153,195	125,437	22.1%
Disbursements	23,267	22,404	3.9%
PAT (incl. Other Comprehensive Income)	2,313	1,963	17.9%
Gross Stage 3 a* (DPD <= 90) (%)	0.13%	0.17%	Decreased by 4 bps
Gross Stage 3 b (DPD > 90) (%)	0.91%	0.93%	Decreased by 2 bps
ROA (%)	3.25%	3.42%	Decreased by 17 bps
ROE (%)	13.64%	13.44%	Increased by 20 bps
Active Loan Accounts (No.)	198,947	166,639	19.4%
NIMs (incl. Fee & Other Income)	8.00%	8.00%	-

* Upto 90 DPD assets categorized as GNPA/Gross Stage 3 on account of RBI notification dated 12-Nov-21

Performance Highlights:

- AUM as on 30th Sept 2023 was Rs. 153,195 Mn of which
 - Home Loans contributed 69.7%
 - Other Mortgage Loans contributed 30.3%
- The total number of branches stands at 350 as on 30th Sept 2023.
- Gross Stage 3 is 1.04% comprising 0.91% of above 90 DPD assets & 0.13% of up to 90 DPD assets (categorized as GNPA/Gross Stage 3 on account of RBI notification) and Net Stage 3 is 0.76%
- 88.6% of our borrowings are from Term Loans, Assignment, and NHB Refinancing. 11.4% of our borrowings are from debt capital market (of which 71.0% is from development finance institutions like IFC, CDC & ADB), with no borrowings by way of Commercial Papers.
- The Company has a Net worth of Rs. 35,136 Mn as on 30th Sept 2023.

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

"Dear All,

Despite the elevated interest rate environment, demand continues to be strong in affordable housing space. Given the small space that affordable housing finance players occupy in this market, we see significant headroom to grow. We strongly believe that we can continue our momentum in serving the unserved, underserved, and underbanked customers in Tier 2 to Tier 5 markets, with relentless focus on risk-adjusted returns.

Aavas now does business across 350 branches in 13 States. We have added 4 new branches in H1 FY24. We continue to deepen our footprint in the states where we are already present in a contiguous manner.

Our prudent management of cash and strong liability profile enabled us to contain the cost of borrowing and maintain our spreads despite competitive pricing pressures.

The company is well capitalized with CRAR of 48.16% as of Sept-2023 and sufficient balance sheet liquidity of Rs. 50,037 Mn in the form of cash & cash equivalents and unavailed sanctions including Rs 10,000 Mn from National Housing Bank. The incremental borrowing during H1 FY24 stood at Rs. 30,761 Mn borrowed at a rate of 8.19%.

The Company's focused collections efforts backed by technology, led to an improvement in 1+ days past due from 3.68% in Jun-2023 to 3.58% in Sept-2023. Portfolio health remains strong with Gross Stage 3 at 1.04% in Sep-23.

We are undergoing an accelerated Digital Transformation with adoption of best-in-class technologies like Salesforce (LOS), Oracle Flexcube (LMS), and Oracle Fusion (ERP). We have successfully rolled out and stabilized phase I of Salesforce. Oracle Fusion (ERP-GL) went live from September 2023 under hypercare. The new Loan Management System on Flexcube is currently under testing and migrations.

We continue to maintain razor-sharp focus on Governance, Asset Quality, Profitability, Growth leveraging technology, and creating superior customer experience. We remain optimistic about the future and are confident that our strategic initiatives will continue to drive sustainable growth and shareholder value."

About Aavas Financiers Limited

Aavas Financiers Limited (formerly known as Au Housing Finance 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. 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

Mr. Ghanshyam Gupta

Email: investorrelations@aavas.in

Strategic Growth Advisors Pvt. Ltd.

CIN: U74140MH2010PTC204285