

Ref. No. AAVAS/SEC/2025-26/793

Date: November 11, 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 Half Year ended September 30, 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 Half Year ended September 30, 2025.

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

You are requested to take the same for your record.

Date and time of occurrence of event/information: November 11, 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

H1FY26 Results

- **AUM of Rs. 214 bn; Growth of 16% YoY**
- **PAT at Rs. 3.04 bn; Growth of 11% YoY**
- **Spread at 5.23% and NIM at 7.81%**
- **Net Stage 3 at 0.85%; 1+ DPD at 3.99%**
- **Positive ALM & Strong Capital Base**

Investor Release: 11th Nov 2025, Mumbai

Aavas Financiers Limited has declared unaudited Financial Results for the quarter and half-year ended 30th Sept 2025.

Key Performance Metrics for H1FY26:

Particulars (Rs. mn)	H1FY26	H1FY25	Y-o-Y
Assets under Management (AuM)	2,13,566	1,83,956	16%
Net Interest Income (Rs.)	6,483	5,597	16%
Net Interest Margin (Rs.)	7,433	6,358	17%
Net Profit (Rs.)	3,036	2,739	11%
Net Worth (Rs.)	46,799	40,484	16%
Spread (%)	5.23%	4.89%	Increased by 34 bps
Net Interest Margin (%)	7.81%	7.61%	Increased by 20 bps
1+ DPD (Overall)	3.99%	3.97%	Increased by 2 bps
Active Loan Accounts (No.)	2,55,696	2,29,183	12%

Performance Highlights:

- Assets under Management (AuM) of the company registered a growth of 16% to reach Rs. 213.6 bn as on 30-Sep-25.
- Disbursements during Q2FY26 grew by 21% YoY and 36% QoQ at Rs 15.6 bn.
- Our Net profit for H1FY26 and Q2FY26 grew by 11% YoY to Rs 3.03 bn and 1.64 bn respectively, led by robust growth in Net Interest Income.
- Our spread during the quarter expanded by 34 bps YoY to 5.23% driven by our cost of borrowing improving by 30 bps YoY to 7.85%.
- Our NIM in absolute terms increased by 18% YoY in Q2FY26, while NIM as a percentage of total assets during Q2FY26 stood at 8.04% up 56 bps QoQ.
- Our Opex-to-Assets ratio saw a marginal increase of 5 bps sequentially to 3.51%, while the **Cost-to-Income ratio declined by 262 bps quarter-on-quarter to 43.7%**, reflecting improved efficiency gains.
- Our **asset quality remains pristine**, with **1+ DPD below 5%**, improving by **16 bps sequentially to 3.99% as of September 2025**, while **GNPA levels remained stable at 1.24%**.
- **Credit costs** improved sharply by 8 bps sequentially to **16 bps**. driven by lower 1+ DPD flow and improvement in Stage 2 buckets. We continue to maintain our guidance of keeping credit costs below 25 bps on a sustainable basis.
- In terms of the borrowing mix, 50% of our borrowings are from Term Loans, 25% is from Assignment, 14% from NHB Refinancing; 11% is from debt capital market (of which 53% is from development finance institutions like IFC, CDC & ADB) and 1% from Cash Credit and CPs.
- Our **Net Worth** continues to compound steadily, growing at **16% YoY**, with the strength of our capital position driven by consistently compounding internal accruals.

- **Our ROA improved significantly** by 46 bps sequentially **to 3.40% and ROE** improving by 175 bps QoQ **to 14.31%**.
- We **added 8 branches** during the quarter, taking the total number of branches stands at **405** as on 30th Sep 2025.

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

“Dear All,

At Aavas, we are committed to serving unserved, underserved, and underbanked customers in Tier 2 to Tier 5 markets by developing tailored financial solutions. Our focus on achieving risk-adjusted returns underscores our dedication to fostering housing affordability and creating sustainable value in these communities.

This period, we recorded a strong 36% QoQ growth in disbursement, reflecting sustained and broad-based demand for housing in our segment. Our sanction-to-disbursement ratio has now normalized and is now ~80%, indicating improved conversion efficiency.

Our strategic priorities remain centered on optimizing both yield and credit quality. During the H1 FY26, we achieved a 10-bps improvement in yields over H1 FY25, supported by targeted initiatives to enhance our portfolio mix and pricing discipline. Further, our proactive liability management has helped reduce our cost of borrowing by 17 bps QoQ, enabling us to deliver a healthy spread above 5%, at 5.23%.

Following the successful completion of our technological transformation, we have begun to realize measurable improvements. As of Sep 2025, the turnaround time from login to sanction has been reduced to 6 days, a significant enhancement from the earlier peak of 13 days. Our paper usage has been cut by 59% and have rolled out digital agreements in 223 branches.

Aligned with our strategy of contiguous growth, we added 8 new branches, all in Tamil Nadu, taking our footprint to 405 branches across 14 states. Aavas remains well-capitalised with a CRAR of 46.4% as of September 2025.

Our strong underwriting standards and tech-enabled collection efforts have enabled us to preserve the pristine asset quality of the portfolio. As of Sep 2025, the 1+ days past due metric stands at 3.99%, while Gross Stage 3 remains contained at 1.24%.

Strategic Priorities

- *Disciplined growth in core affordable housing markets (Tiers 2–5), contiguous-state expansion.*
- *Portfolio mix optimisation to support yield and asset quality.*
- *Continued digitisation across sourcing, underwriting, disbursement, and collections.*
- *Prudent liability management to protect spreads and liquidity.”*

Government initiatives such as the Interest Subsidy Scheme (ISS) under PMAY 2.0, combined with a supportive interest rate environment, continue to bolster homebuyer sentiment and improve affordability. I’m pleased to report that over 2,300 Aavas customers have benefited from these schemes, receiving subsidies totaling more than Rs 75 million.

We also want to acknowledge the NHB for its continued leadership in promoting transparency, governance, inclusion, diversity, and capability-building across the sector. These initiatives are laying the foundation for a more resilient and responsible housing finance industry

Our firm commitment to Governance, Asset Quality, Profitability, and Growth remains paramount. By harnessing advanced technology and delivering exceptional customer experiences, we are confident in a bright future. Our strategic initiatives are poised to drive sustainable growth and maximize shareholder value.

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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