

Ref. No. AAVAS/SEC/2023-24/452

Date: August 03, 2023

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| 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 ended June 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 ended June 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.

Thanking You,

FOR AAVAS FINANCIERS LIMITED

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

Enclosed: a/a

Aavas Financiers Limited

Q1 FY24 Results

- AUM of Rs. 146,500 Mn; Growth of 23.2% YoY
- PAT at Rs. 1,097 Mn; Growth of 23.0% YoY
- Gross Stage 3 at 1.00% (includes 0.13% of upto 90 DPD assets)
- ROA at 3.16%; decreased by 1 bps YoY
- ROE at 13.18%; Increased by 69 bps YoY
- Sufficient Liquidity of Rs. 31,827 Mn
- Positive ALM & Strong Capital Base

Investor Release: 3rd August 2023, Jaipur

Aavas Financiers Limited has declared Un-audited Financial Results for the quarter ended 30th June 2023.

Key Performance Metrics for Q1 FY24:

| Particulars (Rs. Mn) | Q1 FY24 | Q1 FY23 | Y-o-Y |
|--|---------|---------|---------------------|
| AUM | 146,500 | 118,936 | 23.2% |
| Disbursements | 10,682 | 10,936 | -2.3% |
| PAT (incl. Other Comprehensive Income) | 1,097 | 892 | 23.0% |
| Gross Stage 3 a* (DPD <= 90) (%) | 0.13% | 0.26% | Decreased by 13 bps |
| Gross Stage 3 b (DPD > 90) (%) | 0.87% | 0.82% | Increased by 5 bps |
| ROA (%) | 3.16% | 3.17% | Decreased by 1 bps |
| ROE (%) | 13.18% | 12.49% | Increased by 69 bps |
| Active Loan Accounts (No.) | 192,446 | 158,979 | 21.1% |
| NIMs (incl. Fee & Other Income) | 8.00% | 7.67% | Increased by 33 bps |

* 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 June 2023 is Rs. 146,500 Mn of which
 - Home Loans contributed 69.8%
 - Other Mortgage Loans contributed 30.2%
- The total number of branches stands at 348 as on 30th June 2023.
- Gross Stage 3 is 1.00% comprising 0.87% 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 0.73%
- 88.8% of our borrowings are from Term Loans, Assignment, and NHB Refinancing. 11.2% of our borrowings are from debt capital market (of which 78.3% 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. 33,887 Mn as on 30th June 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 348 branches in 13 States. We added 2 new branches in Q1 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. We have been able to maintain our spreads despite competitive pricing pressures. A further increase in 40 bps in PLR has been taken w.e.f. 5th Apr 2023.

The company is well capitalized with CRAR of 47.32% as of Jun-23 and sufficient balance sheet liquidity of Rs. 31,827 Mn in the form of cash & cash equivalents and un-availed sanctions. The incremental borrowing during Q1 FY24 stood at Rs. 13,826 Mn borrowed at a rate of 8.01%.

Portfolio health remains strong with further improvement.

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 the first phase of LOS system across all branches in Q1 FY2023-24. Phase II is underway.

We continue to maintain razor sharp focus on Governance, Asset Quality, Profitability, 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:

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Strategic Growth Advisors Pvt. Ltd.

CIN: U74140MH2010PTC204285