

Ref. No. AAVAS/SEC/2021-22/1136

Date: March 10, 2022

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| To, The National Stock Exchange of India Limited The Listing Department Exchange Plaza, Bandra Kurla Complex, Mumbai - 400051 Scrip Symbol: AAVAS | To, BSE Limited Dept. of Corporate Services Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400001 Scrip Code: 541988 |
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Dear Sir/Madam,

Sub: Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Ref: Our Letter Ref No: AAVAS/SEC/2021-22/1135 dated March 10, 2022

In reference to the captioned reference informing that the Company has approved the allotment of 360 (Three hundred and sixty) senior, listed, unsecured Rupee Denominated Bonds ("RDBs") having a face value of INR 10,000,000 (Indian Rupees One crore) each aggregating to an amount of INR 360,00,00,000 (Indian Rupees Three hundred and sixty crore) to CDC Group PLC.

Please find enclosed herewith the Press Release issued by the Company in this regard.

The Press Release may also be accessed on the website of the Company at www.aavas.in

You are requested to take the same on your record and kindly bring the same in notice of all concerned.

Thanking You,

For Aavas Financiers Limited



Sharad Pathak
Company Secretary and Compliance Officer
(FCS-9587)

Enclosed: a/a



News release

10 March 2022

CDC Group backs housing finance for women with INR 360 crores investment in Aavas Financiers Ltd's Social Bond program

- Investment to help increase women's access to finance and encourage ownership of properties in India, while also addressing broader housing shortage challenges
- The investment aligns with the International Capital Market Association's Social Bond Principles, and marks Aavas' and CDC's first Social Bond Issuance
- The transaction forms CDC's first gender directed lending facility in Asia, aligns with the UN SDG 5 and qualifies under the [2X Challenge](#)

CDC Group, the UK's development finance institution, is today announcing an INR 360 crores (c. US\$50 million) investment in a Social Bond program by Aavas Financiers Ltd ("Aavas"), one of India's leading affordable housing finance companies.

CDC, which will be renamed British International Investment in April, is providing the support to Aavas in form of a gender directed lending facility which will target financing toward women. This will allow Aavas to increase lending to its women customer-base, enabling them to gain greater access to finance which will facilitate ownership of properties by women.

With only 9 per cent of households in India being legally women-owned, access to finance is a key factor that impedes women's ability to own property. Access to housing and ownership of property can have strong positive impact on safety, dignity, improved livelihoods, and better economic outcomes. As such, CDC's latest investment in Aavas will help increase women's access to housing finance to encouraging property ownership, which will in turn boost women's social empowerment, broaden their economic opportunities and promote higher standards of living for families and communities in underserved segments of lower income borrowers, especially in rural and semi-urban areas of India. Additionally, the transaction will address the shortage in affordable housing, which is estimated to reach a shortfall of 100 million units by 2022, predominantly in lower income groups.

The investment will be made in form of Rupee Denominated Bonds (Masala Bonds) and will be listed as a social bond, in alignment with the International Capital Market Association's Social Bond Principles. The proceeds of the bonds will 100 per cent be used to finance the women-owned property loan portfolio, with an aim to address gender inequity in asset ownership, in India. This represents the first social bond for Aavas and for CDC, building on both partners' commitment to scaling inclusive and sustainable impact in India.

Moreover, by directing CDC's investment intentionally and measurable toward improving financial offerings to women, Aavas qualifies under the [2X Challenge](#) – an initiative launched by the development finance institutions (DFIs) of the G7 to mobilise capital to support

increased economic empowerment for women in emerging economies. Furthermore, this investment aligns with UN SDG 5, for promoting Gender Equality, and it highlights CDC's gender-smart investing strategy in action.

This facility follows CDC's INR 200 crores (US\$ 27 million) commitment to Aavas in 2018, which enabled the company to extend affordable housing loans to low- and middle- income customers in underserved communities in India. Aavas' track record makes it well-positioned to achieve impact at scale through its reach within these target categories of borrowers in semi-urban and rural areas.

Alex Ellis, British High Commissioner to India, said: "I welcome the continued partnership with Aavas to increase access to affordable housing in India. Building better and more economic opportunities for women is one of the UK's top global priorities. Gender-directed British investment in infrastructure will help create positive and long-term benefits for millions of women."

Srini Nagarajan, Managing Director, Head of Asia, at CDC Group, commented: "Property ownership can support better wellbeing, safety and dignity, while also improving economic opportunities and social outcomes. This loan, which deepens our relationship with Aavas and marks a milestone social bond investment for CDC, demonstrates our commitment to direct our long-term capital toward expanding housing access and accelerating social impact across India. Further to this, we are thrilled that our investment will help ensure that women can equally benefit from these development outcomes and play an even more active role in shaping their personal growth and in driving holistic prosperity within their communities."

Bridging the gap in demand and supply of housing in India as well as addressing the gender disparity in property ownership, will help transform the country and accelerate productive and inclusive development over the long term, both locally and across the wider region."

Sushil Kumar Agarwal, Managing Director & Chief Executive Officer at Aavas Financiers Ltd, commented: " Women owned property is important indicator of social and economic growth for any country. Although India has seen substantial improvement in women owned property in past few years due to changes in regulatory and social landscape, there is considerable scope for improvement, particularly in low-income groups, to own property and more importantly further to obtain mortgage loans for their housing and business needs."

Aavas helps address critical gap in access to home loans and MSME loans for people working in informal sector. CDC investment will support to deepen our customer segment by contributing to growth of our women owned property loan book."

Ghanshyam Rawat, Chief Financial Officer at Aavas Financiers Ltd, further commented: "The Social Bond would be a first for Aavas and is one of earliest issuances by an affordable housing finance company in India. With this issue, Aavas aims to diversify its resource base which will also enable us to benchmark our long-term debt instruments globally."

This issuance will support women empowerment especially amongst low-and middle-income, underserved rural and semi-urban areas of India. We would like to thank CDC for their trust and belief in the Company's robust business model."

ENDS

Notes to Editors

Media Contacts:

CDC Group: Toyosi Adebayo | press@cdcgroupp.com

Aavas Financiers Limited: Himanshu Agrawal | investorrelations@aavas.in

About CDC Group

1. CDC will formally become British International Investment plc on 4 April 2022.
2. British International Investment is a reliable and trusted investment partner to businesses in Africa, parts of Asia and the Caribbean. It will commit between £1.5 and £2 billion per annum between 2022 and 2026 to support the UK government's Clean Green Initiative and to create productive, sustainable and inclusive economies in Africa, parts of Asia and the Caribbean.
3. British International Investment plays a key role in the UK government's wider plans to mobilise up to £8 billion a year of public and private sector investment in international projects by 2025.
4. Over the next five years, at least 30 per cent of BII's total new commitments by value will be in climate finance. This will make us one of the world's largest climate investors in Africa.
5. BII is also a founding member of the [2X challenge](#) which has raised \$10bn to empower women's economic development.
6. The company has investments in over 1,000 businesses in emerging economies and total assets of £6.8 billion.

Find out more at www.cdcgroup.com

About Aavas Financiers Limited

1. Aavas is a housing finance company in India targeting primarily low- and middle-income customers constituting self-employed segments
2. Aavas provides accessible finance in unserved communities in semi-urban and rural areas, where there is little or no access to formal banking credit.
3. The company's product portfolio includes home loans, MSME Loans and other mortgage Loans. The Company has presence in 13 states with a branch network of 307 branches as on 28th February 2022. Aavas has financed more than 150k individual customers since inception. As of December 2021, the Company has active cases of around 140k aggregating to Assets under management (AUM) of INR 106.12 Bn with average ticket size of approx. INR 0.86 mn with 99%+ contribution from retail individual.
4. The company enables sustainability in its lending operations and offers lending towards affordable housing and MSME segment with women owned / co-owned property as underlying collateral.

Find out more at www.aavas.in