

**Ref. No. AAVAS/SEC/2023-24/256**

**Date: May 24, 2023**

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

Dear Sir/Madam,

**Sub: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015- Outcome of Investor and Analyst Day**

With respect to captioned subject and with reference to our letter dated May 05, 2023 vide **Ref. No. AAVAS/SEC/2023-24/208**, this is to inform you that the Company had organized an Investor and Analyst Day today, i.e. Wednesday, May 24, 2023 at 4.30 P.M. at Hotel Trident, BKC, Mumbai wherein the Senior Management of the Company interacted with the Investors and Analysts to discuss Company's vision and performance.

With respect to above please find below details:

<b>Sr. No</b>	<b>Particular</b>	<b>Details</b>
1	Investor Presentation discussed with the investors and analysts	Attached
2	Video Recording of the meet	<a href="https://www.aavas.in/media">https://www.aavas.in/media</a>

During the aforesaid meet, no unpublished price sensitive information was shared with the investor and analyst.

The above information is also being made available on the website of the Company at <https://www.aavas.in/investor-relations/investor-intimation>

You are requested to take the same on your record.

Thanking You,

**For Aavas Financiers Limited**

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



*Investor & Analyst Day Presentation*  
*May 2023*

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This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded. Further, this presentation is being made on uniform basis and no selective disclosure of the same have been made by the Company. Potential investors must make their own assessment of the relevance, accuracy and adequacy of the information contained in this presentation and must make such independent investigations as they may consider necessary or appropriate for investment purposes.

This presentation contains certain forward-looking statements concerning the Company’s future business prospects, market opportunities and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. These statements can be recognized using words such as “expects,” “plans,” “will,” “estimates,” “projects,” “marks,” “believe” or other words of similar meaning. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India and abroad, micro and macro geo-political issues, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, our ability to manage our international operations, government policies and actions regulations, interest and other fiscal costs generally prevailing in the economy. The Company does not undertake to make any announcement in case any of these forward-looking statements become materially incorrect in future or update any forward-looking statements made from time to time by or on behalf of the Company. Any reliance placed on this presentation by any person for its investment strategy shall be at his own risk.

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# Speakers for the Day



**Nishant Sharma**

*Promoter Nominee Director*

20+ years of experience

Kedaara Capital



**Manas Tandon**

*Promoter Nominee Director*

20+ years of experience

Partners Group



**Sachinder Bhinder**

*Managing Director & CEO*

25+ years of experience



**Ghanshyam Rawat**

*President & CFO*

30+ years of experience



**Ashutosh Atre**

*President & Chief Risk Officer*

30+ years of experience



**Siddharth Srivastava**

*Chief Business Officer*

20+ years of experience



**Ripudaman Bandral**

*Chief Credit Officer*

25+ years of experience



**Surendra Sihag**

*Chief Collections Officer*

22+ years of experience



**Jijy Oommen**

*Chief Technology Officer*

25+ years of experience



**Rajaram Balasubramaniam**

*Chief Strategy Officer & Analytics Head*

24+ years of experience



**Anshul Bhargava**

*Chief People Officer*

35+ years of experience

▶ Aavas 3.0

▶ Financial Capital

▶ Business and Growth

▶ Risk, Underwriting & Collections

▶ Cultural DNA, People and ESG

▶ Technology

▶ Analytics

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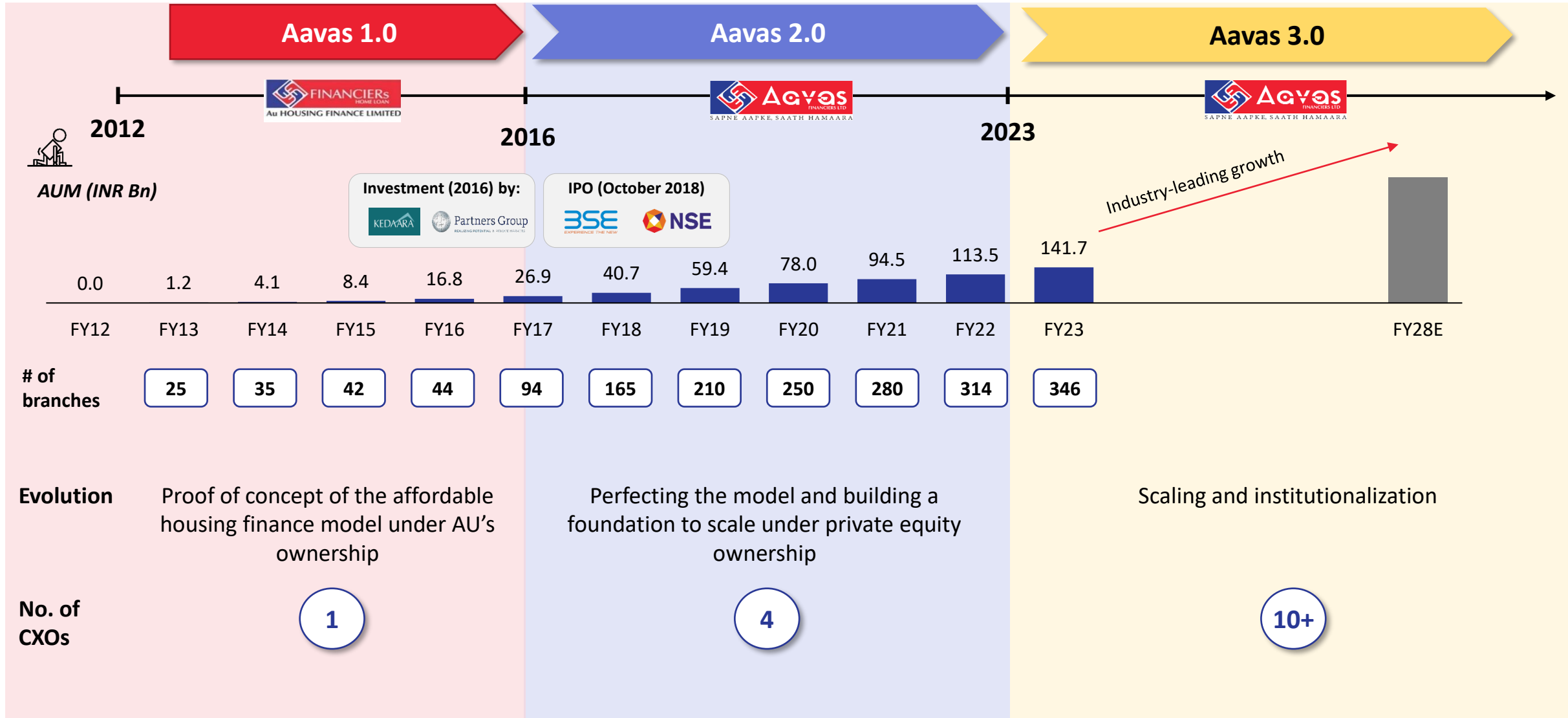
**Anshul Bhargava**

*Chief People Officer*

35+ years of experience

# Aavas 3.0

# Aavas 3.0: Building a Lasting Institution



Note: FY28E bar is only for illustrative purposes



**1. Priorities – Governance, Asset Quality, Profitability, Growth**

2. Pillars – Risk, Financial Capital, Human Capital, Technology

3. Vectors of Growth – Product Diversification and Deeper Geographic Penetration

4. Technology – Enabling Sustainable Growth, Operating Leverage and Superior Customer Experience

5. Value Creation for Stakeholders – Customers, Employees, Lenders, Shareholders

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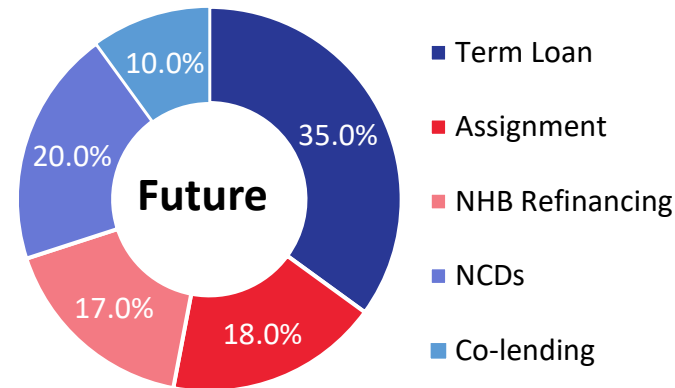
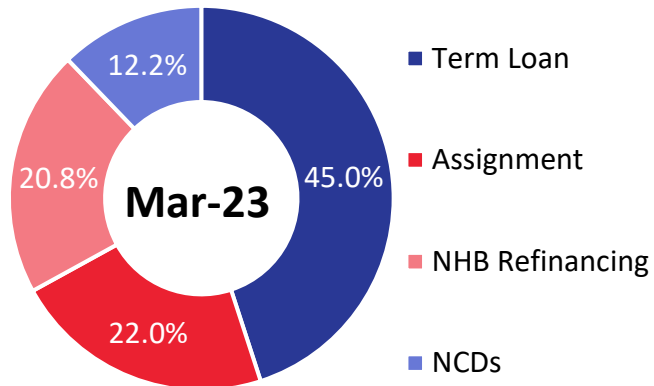
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# Financial Capital

# Strong Liability Base

## Diversified Funding Mix



**31 Lenders**  
**Diversified Mix**  
**No exposure to Commercial Papers**

**Incremental Borrowings -**  
**Q4 FY23 - INR 15,816 Mn at 8.07%**  
**FY23 - INR 47,631 Mn at 7.25% for 128 months**

## List of Lenders\*

### Public Sector Banks



### Private Sector Banks



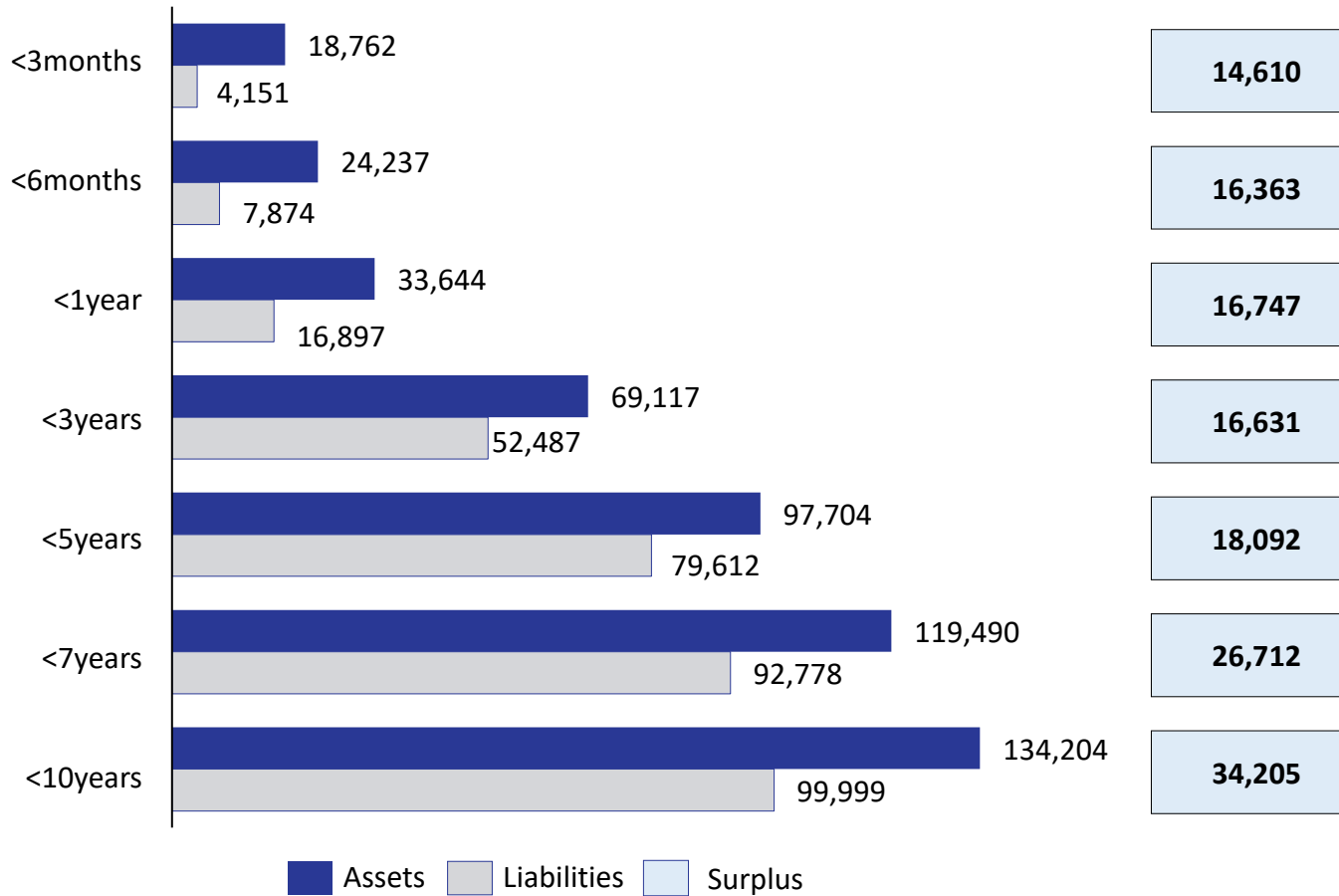
### NHB, Multi – Lateral, Mutual Funds & Insurance



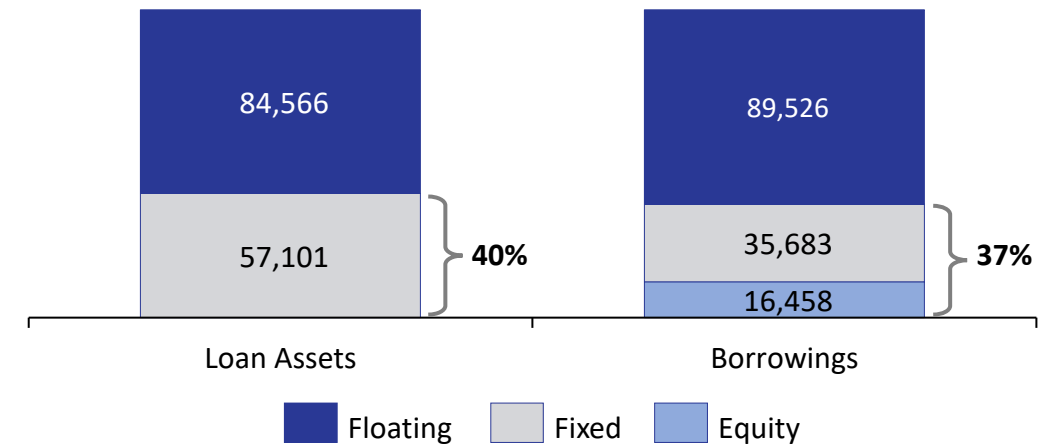
\* List of lenders are indicative not exhaustive

# Focused from Day 1 on matching Assets to Liabilities

## Surplus Management\* (INR Mn) (As on Mar-23)



## Loan Assets & Borrowings (INR Mn) (As on Mar-23)



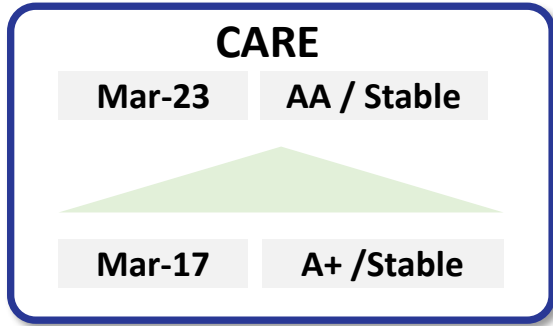
Cash & Cash Equivalents of INR 13,687 Mn

Documented Sanctions + Un-availed CC Limits of INR 19,060 Mn

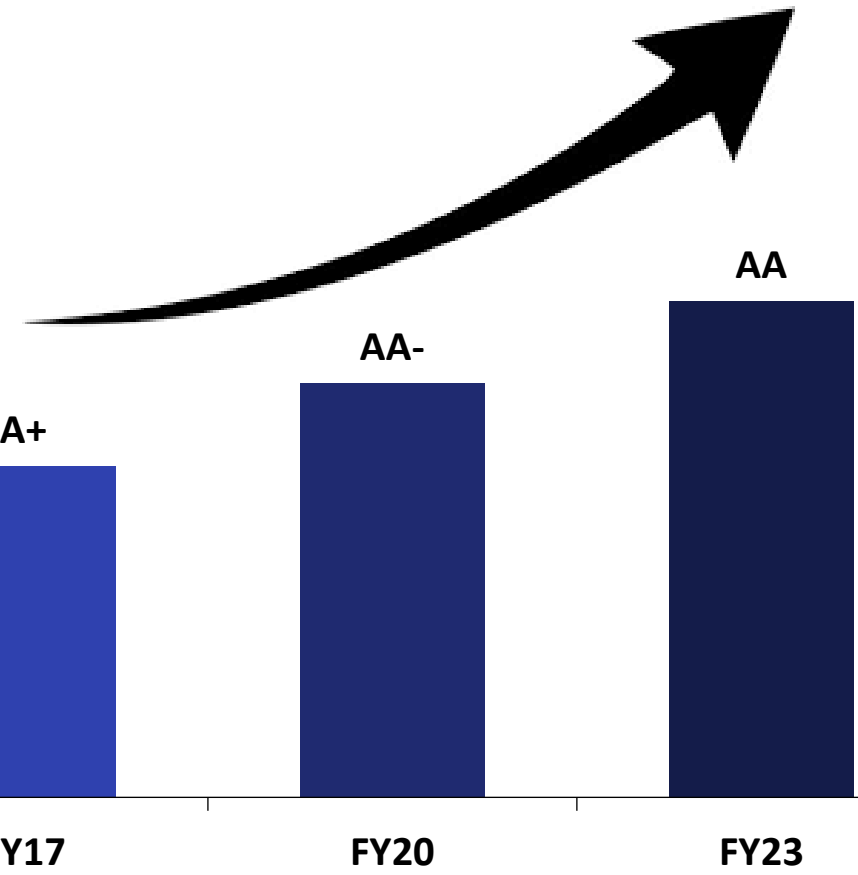
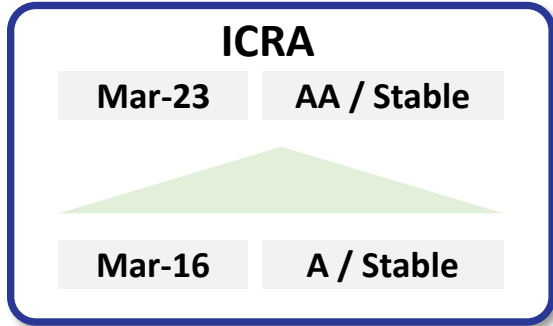
Average Tenor – 128 months



# Steady Credit Ratings Upgrades over the Years

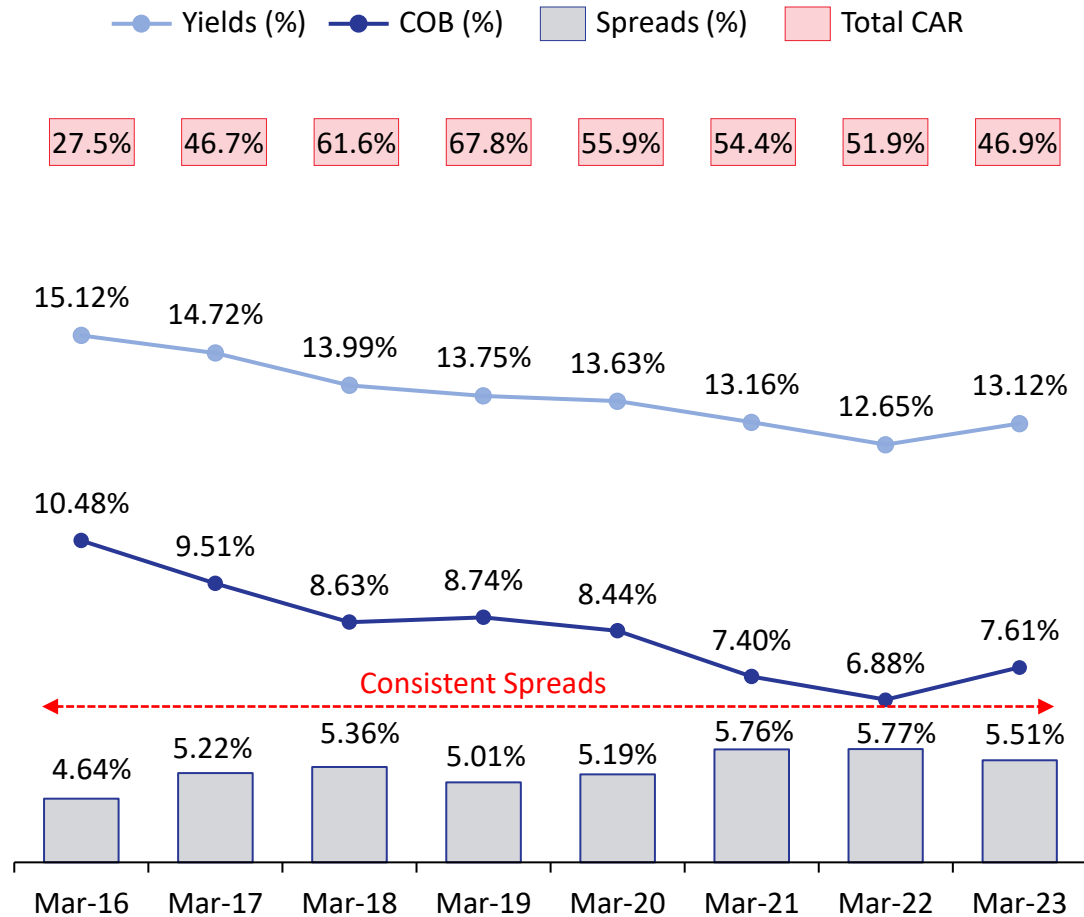


Short-term A1+ rating reaffirmed by ICRA, CARE, & India Ratings



# Consistently Maintained 5%+ Spread over the Last 8 Years

## Yields, Cost of Borrowings and Spreads (%)



## Strong track record of self funding growth

INR cr.	Period	Up to FY16	Up to FY23	Difference
Total Share Capital	Cumulative	151	1,410	1,258
Retained Earnings and Profit	Cumulative	52	1,860	1,808
AUM	As of	1,680	14,167	12,487
Liabilities	As of	1,463	9,841	8,377

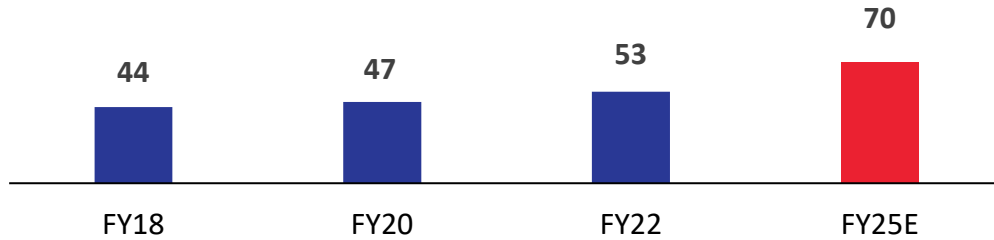
**Internal accruals and liabilities sourced through strong relationships with lenders have adequately funded growth**

# Business and Growth

# Affordable Housing is a Secular Growth Story Backed by Long Term Structural Tailwinds

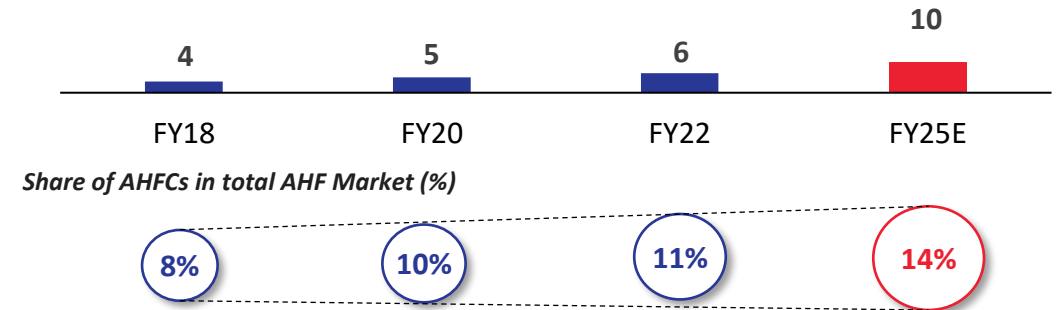
The Affordable Housing Loan segment has a large headroom to grow

Affordable Housing Loan Market Size (USD Bn)



Affordable HFCs expected to gain market share

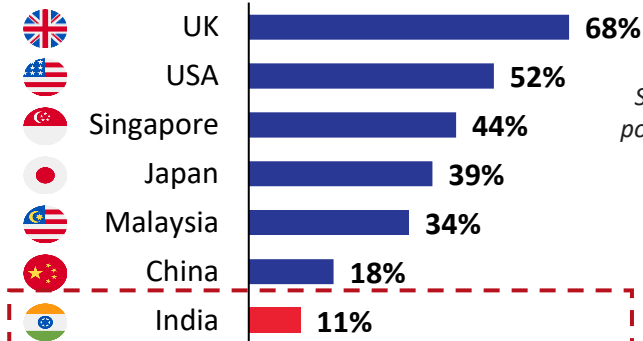
Affordable HFCs Housing AUM (USD Bn)



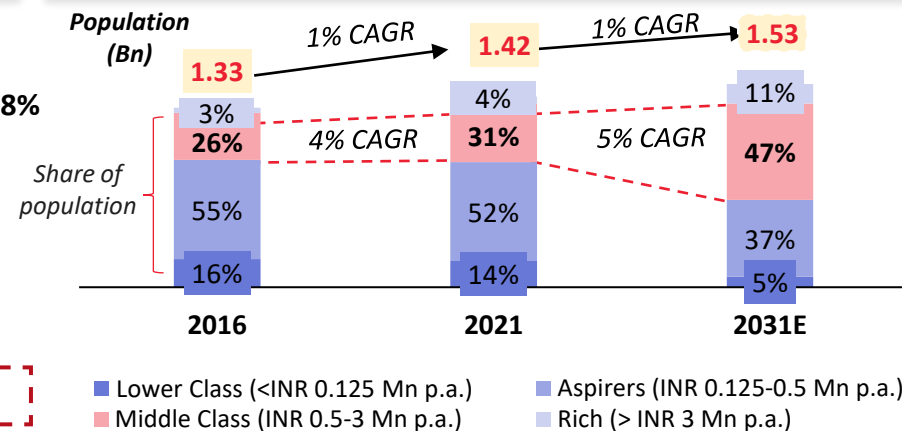
## Backed by Long-term structural tailwinds

Large headroom - one of the lowest mortgage penetrations globally...

Mortgage Penetration as a % of GDP

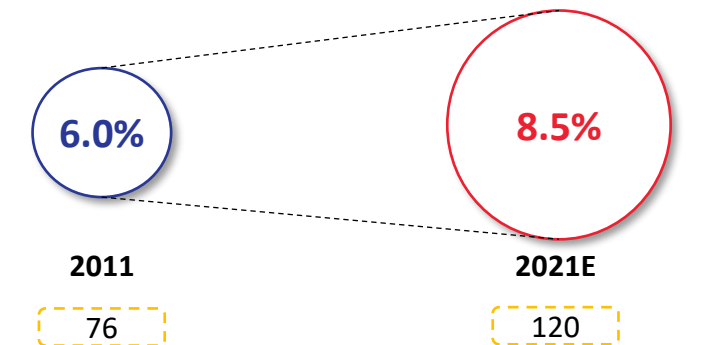


...along with burgeoning middle-class population...



...with Tier-II cities witnessing increasing share of India's population

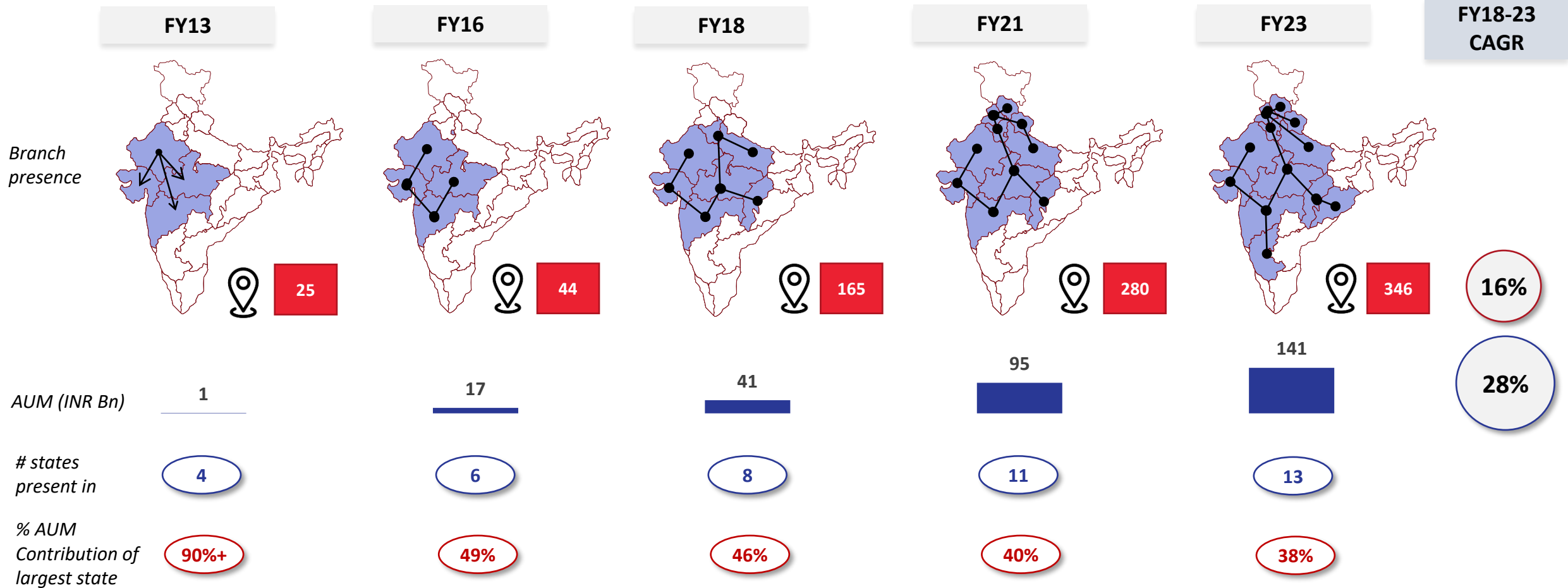
Share of population of cities ranked 26-150 (by population)<sup>1</sup>



Source: Credit Rating reports, Research reports; Note: 1 Ranking of population basis 2011A population

# Contiguous Geographic Expansion Strategy

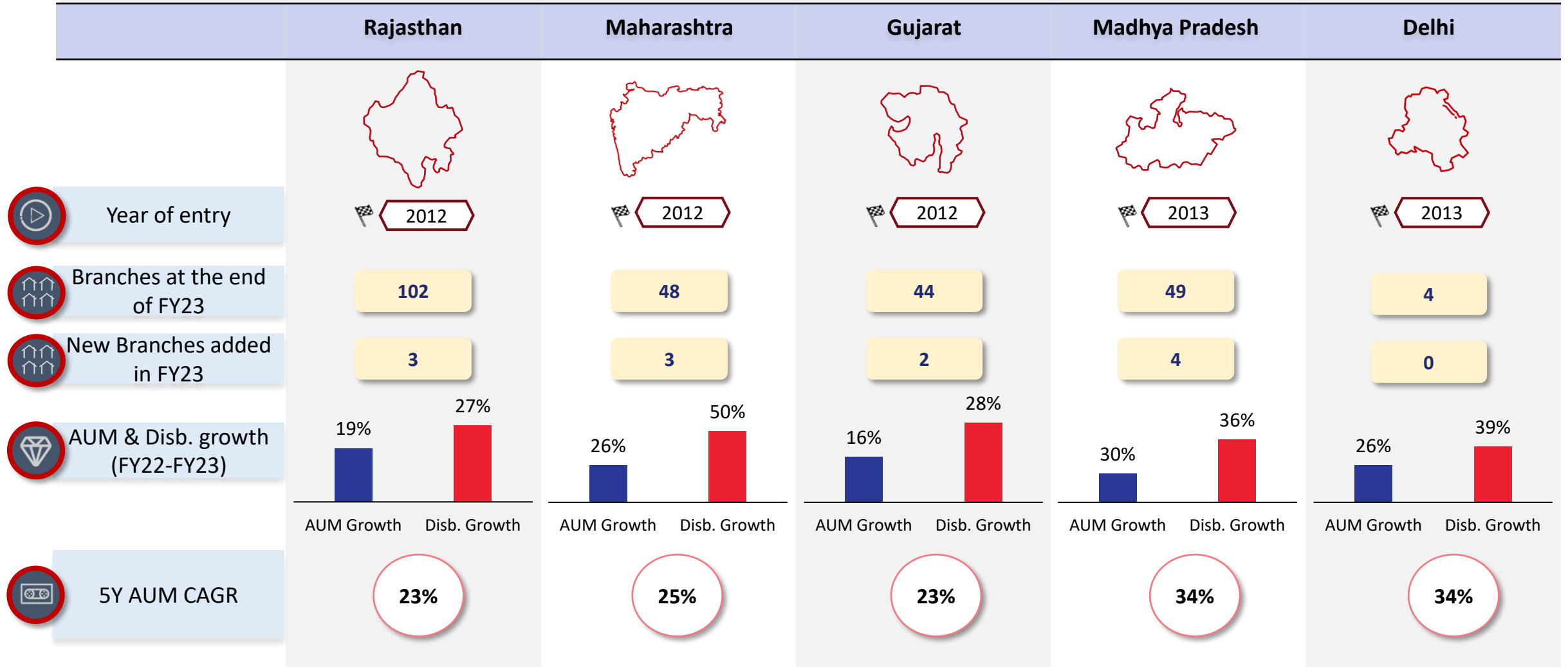
Calibrated expansion strategy with a network of 346 branches



*Focused on creating a diversified pan-India Affordable Housing Player*

# Deep Penetration Model ensures Large Headroom for Growth in Core States

All states with vintage of 5 years+, continue to deliver consistent growth with superior asset quality



# Diversified Sourcing & Expanding Business

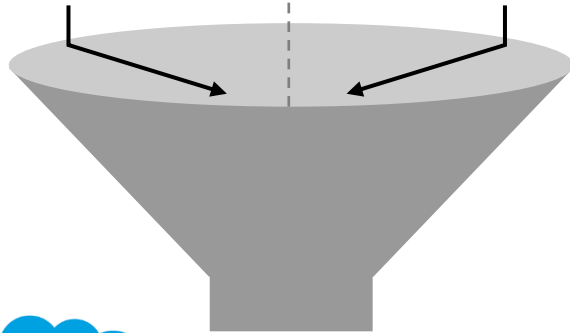
## Leads

### Conventional

Nirman: 890k  
ATL: 120k  
BTL: 400k

### Non-Conventional

Digital: 500k      Sampark: 2k  
Mitra: 46k        Saathi: 18k  
Website: 85k     Aavas+: 56k



salesforce

All **346** branches Live!

Digital Sourcing

**100%**



**100%** leads through Nirman

Part Disbursement

**75%+** digitally

Digital Channel

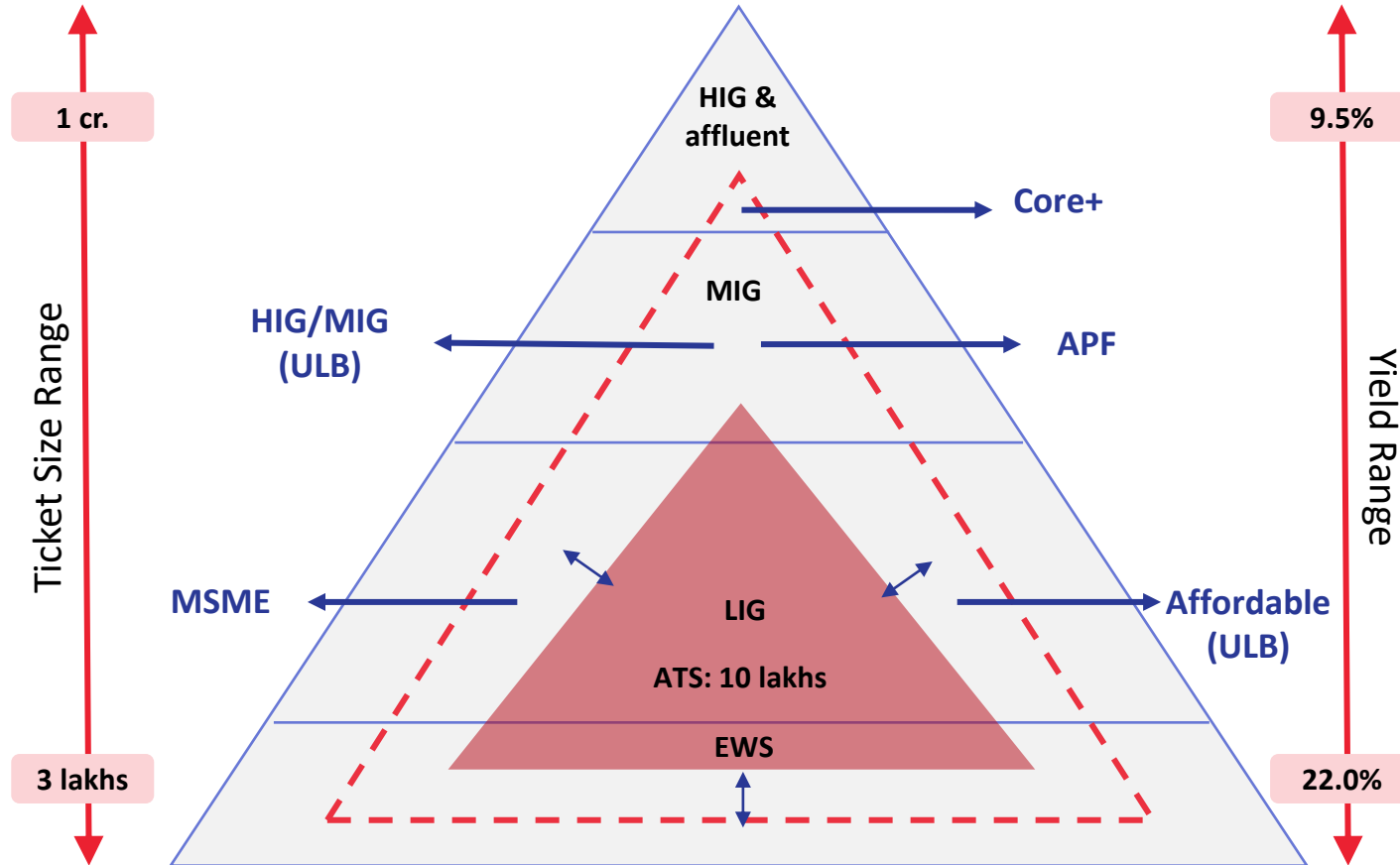
**10%** of overall disbursement

Alternate Sources

**39%+** leads



## Ability to cater across segments while focusing on Small-Ticket Affordable Housing segment



Core focus on serving EWS and LIG segments with capabilities to underwrite the entire pyramid

Industry



Core focus

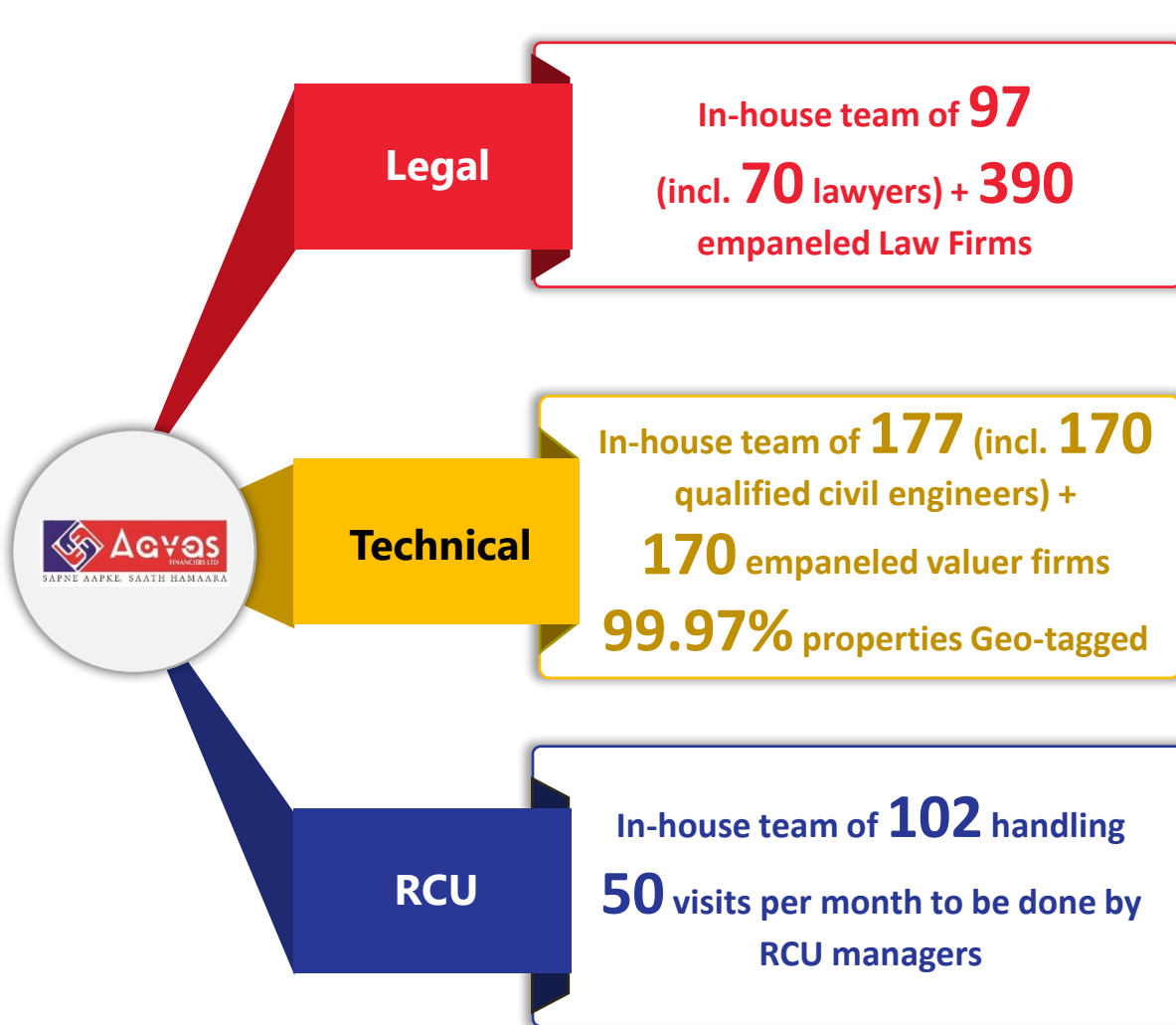


Expansion potential






# Risk, Underwriting & Collections






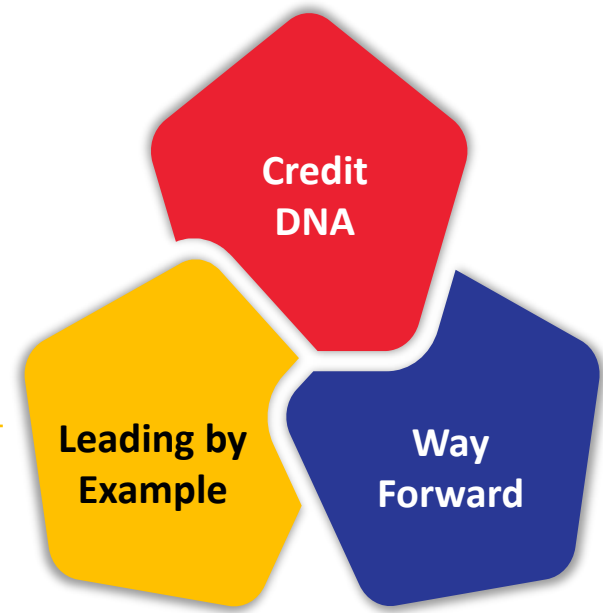
# Robust Risk Ecosystem







# Continuing Traditional Credit Practices by Leveraging Technology

-  600+ Strong credit team
-  80% of Senior Credit team is home-grown
-  150+ Qualified CAs
-  5Y+ Senior credit team's vintage
-  Customised credit assessment with templates

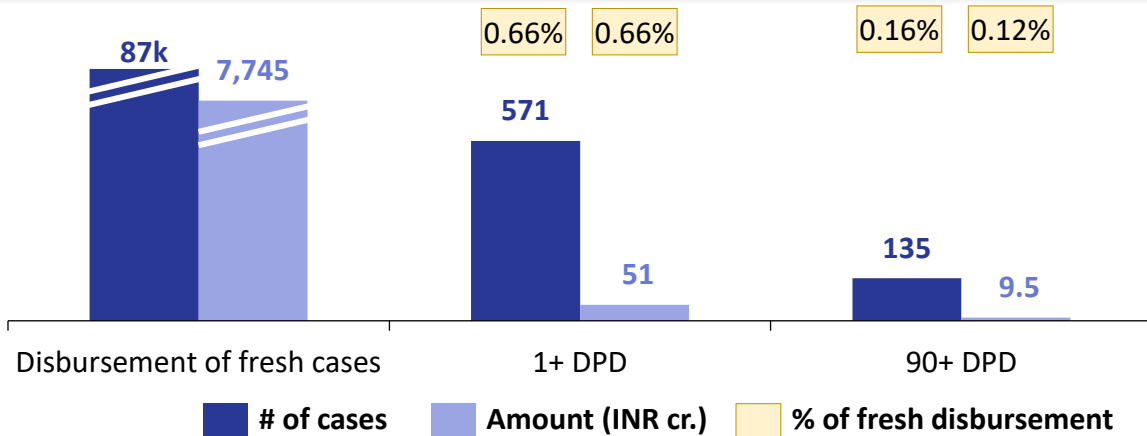
-  100% of SENP customers are met by the credit manager at the business place
-  Minimum 30 customer visits per month by senior credit team
-  Weekly training in all branches by credit team and on-field training of new joinees



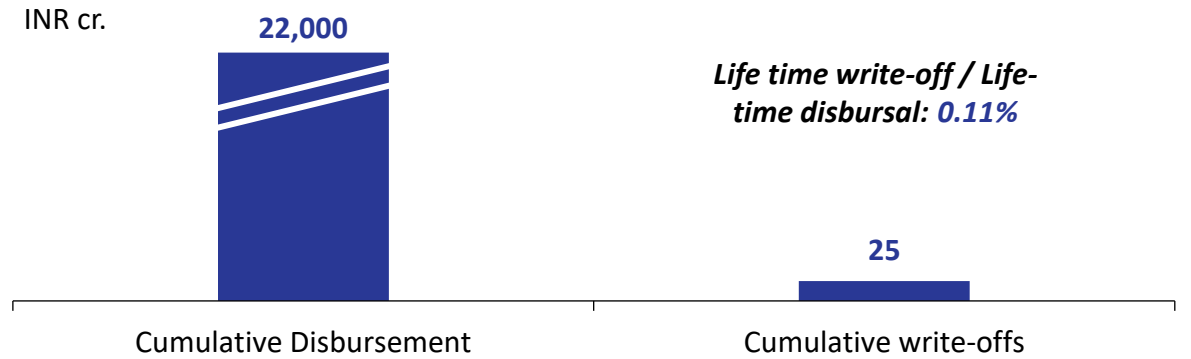
-  To continue with our core "Touch & Feel"
-  Product-ization of questionnaires covering all data points, coupled with on-ground feedback
-  Leveraging technology for validation and accurate decisioning
-  Analytic scores basis empirical evidence

# Superior in-house Processes leading to Pristine Asset Quality

## Behaviour of cases disbursed in last 2 financial year (FY21 – FY23)

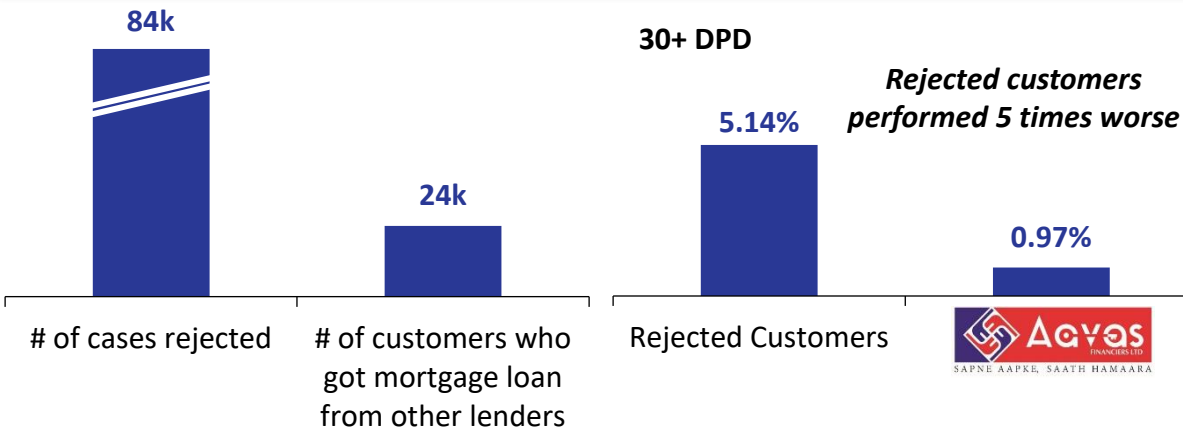


## Testimony of Underwriting Performance

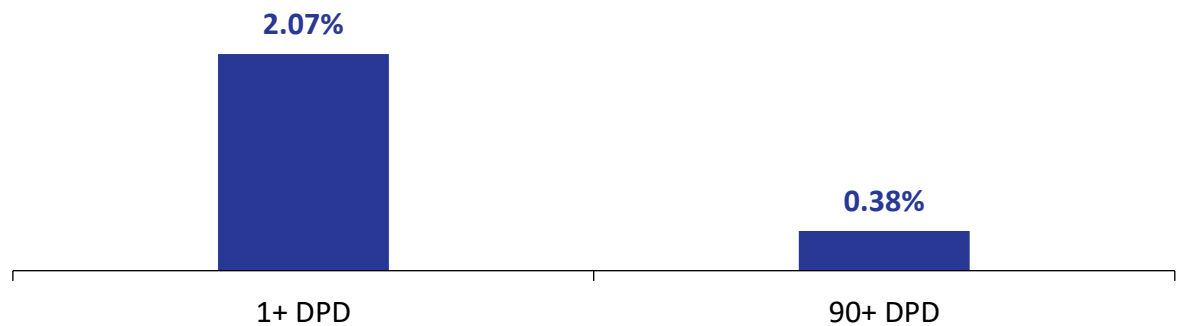


Average credit costs (FY20-FY23) on Avg. AUM: 0.23%

## Behaviour of cases declined by Credit<sup>1</sup>




## Performance of new geographies (entered in last 5 yrs)




Note: 1. Rejected cases were analyzed between May-20 to Dec-21 and performance of 12 months captured till Dec-22


# Collections supported by Technology, Data & Analytics

## Technology & Analytics powering collection capabilities

“  
**Bounce Prediction**  
  
”

“  
**Geo-allocation**  
  
”

“  
**Real Time Field Force Tracking**  
  
”

“  
**NPA Prediction Modelling**  
  
”

## Focus on technology with continuous process improvements delivering sustained gains

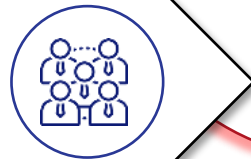
All digital channels opened for collections, leading to >95% collections digitally



Steady improvement in asset quality to a 1+ DPD of 3.3%



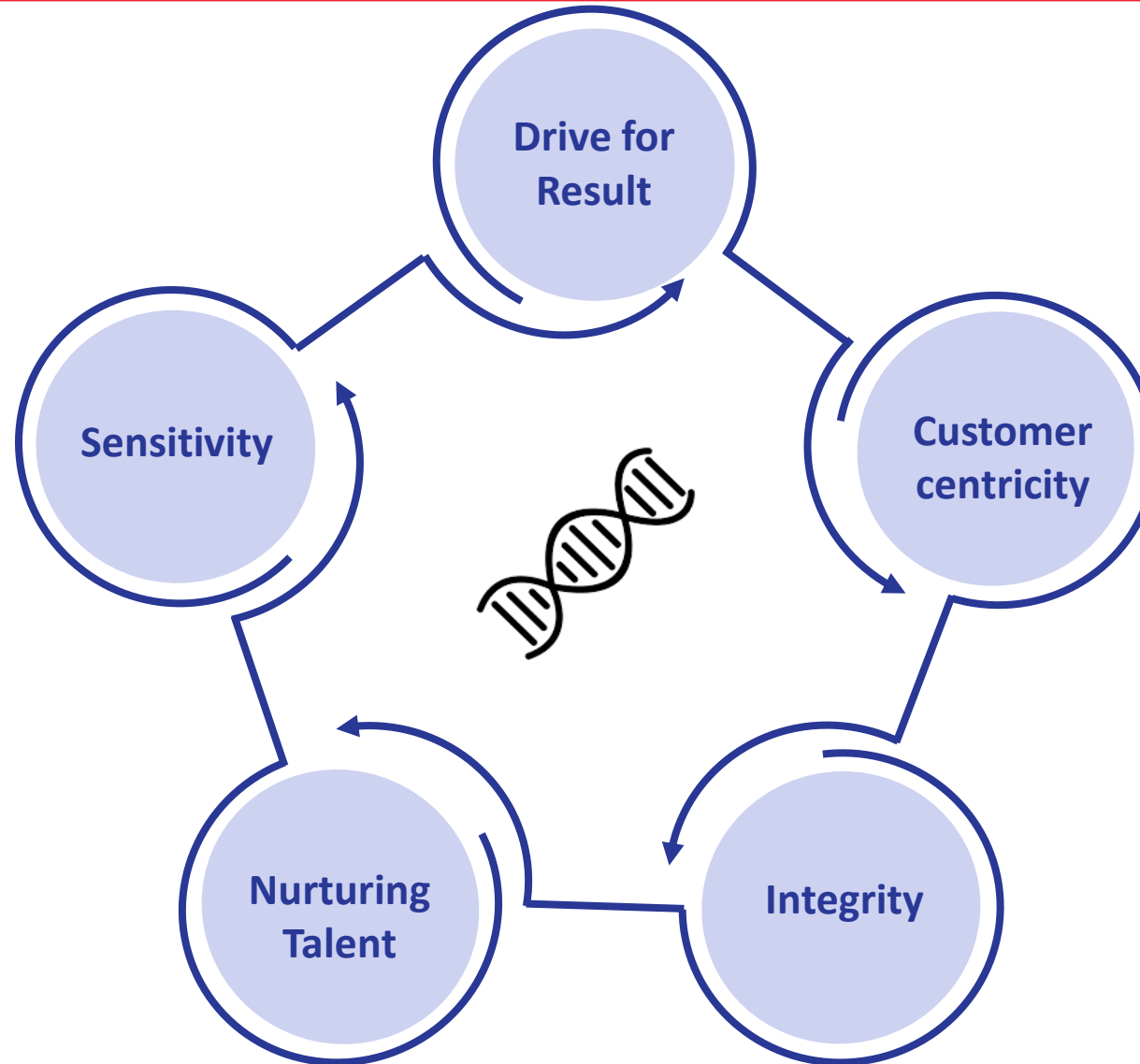
Steady rise in productivity resulting in a lean, efficient collections team



NIL outstanding collection related complaints with Regulator



# Cultural DNA, People and ESG



# Strong Middle Layer across Core Business Functions

## Business Origination

 **100**

**6** National    **15** Zonal    **79** Regional

**43%** employees with 3+ years with Aavas

## Credit & Risk

 **137**

**7** National    **37** Zonal    **93** Regional

**70%** employees with 3+ years with Aavas

## Collections

 **54**

**6** National    **10** Zonal    **38** Regional

**78%** employees with 3+ years with Aavas

## Chartered Accountants

 **193**

## Engineers

 **208**

## LLBs

 **116**

## MBA's

 **580**

Strong middle layer management

Strong professional bandwidth

Track record of retaining key middle layer employees across all the major business functions

Successfully displayed mobility of key employees for incubating new geographies while maintaining core-Aavas principles

# Initiatives to Upskill Mid-Layer Management that can drive High Impact Projects

## Leadership programs with B-Schools



विद्याविनियोगादिकासः

IIM-Ahmedabad

**Leadership Development Program  
(Business Leadership)**



IIM-Calcutta

**Advanced Program in Strategic Management**



सिद्धिमूलं प्रबन्धनम्  
भा. प्र. सं. इन्दौर  
IIM-INDORE

IIM-Indore

**Advanced Management Program for Corporate Leaders**

## Application oriented impact projects



**Utkarsh:**

*Positive Paradigm Shift In Customer Experience*



**Chetan:**

*Reducing Bouncing Rate & Impacting X Bucket*



**Saksham:**

*Enhancing Productivity of Underperforming Branches*



**Plug-in:**

*Increasing Business Through Alternate Channels*



**Parivartan:**

*Strategy for Front Line Sales Team Activation*



# Team Aavas – Employee Engagement



**PROJECT PRERNA**



**ICON AWARDS**



**STRATEGY MEET**



**KHELOUTSAV**



**WOMEN FACILITATION**



**CYCLOTHON**

## Pillars for Sustainable Future



## Recent Initiatives

### ESG Vision & Roadmap:

- Onboarded **PWC** for:
  - Assessment and defining the ESG Vision & Roadmap
  - Defining ESG Targets & Its Materiality Mapping
  - Alignment with UN SDGs
  - Navigating the ESG reporting system

### ESG Profile:

- Onboarded, **Churchgate Partners** for real time mapping and independent review of ESG initiatives with ESG World Standards i.e UN SDG, SASB, WEF, UNGC Cop, EDCP, IFC, etc.

### ESG Rating:

- CRISIL Score 2022 –

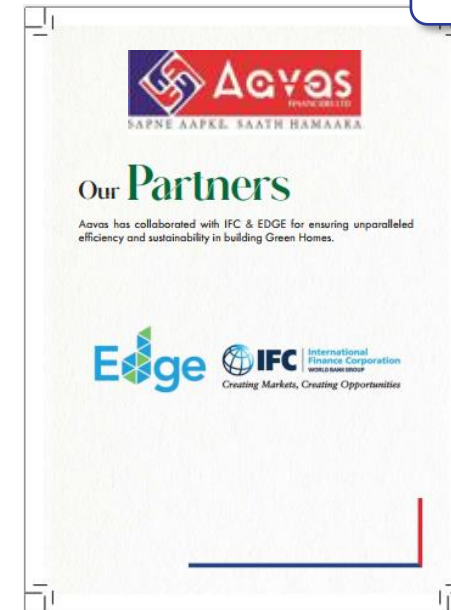
Company	Sector	ESG Score	Category	Remarks
Aavas Financiers	Lending	66	Strong	One of best among all NBFCs/HFCs

# Pioneer in Self-Built Green Housing

- In 2021, IFC conducted a survey of 500 Aavas homes to understand the willingness and perceptions towards green homes, leading to affordable green home financing solutions – designed and implemented by Aavas
- **11,000+ Aavas customers** have shown interest and agreed to build a green home in the last one year
- **~100 EDGE Certified Green Homes**, by Sintali, UK-based certifier
- **Aavas offers 0.5% benefit** in the ROI for certified Green Homes to encourage more and more customers to adopt green homes



**Aavas Green Home Customer Felicitation by IFC**



# CSR Activities – Engage-Enable-Enrich



**PROJECT VISHWAKARMA**



**GRAM SIDDHI**



**KHELODAY**



**AAVAS AAHAAR**



**ROAD SAFETY AWARENESS**



**WOMEN SPORTS ACADEMY**

# Technology

# Evolution of Technological Initiatives driving Outcomes

## Guiding Principles

1

Be a  
"Bank by Technology" Capabilities

Create '**Robust**' and '**scalable**' systems that enable a seamless business growth with a robust operational framework and flexibility to add more products.

2

Enable Sustainable Growth with  
Significant Operating Leverage

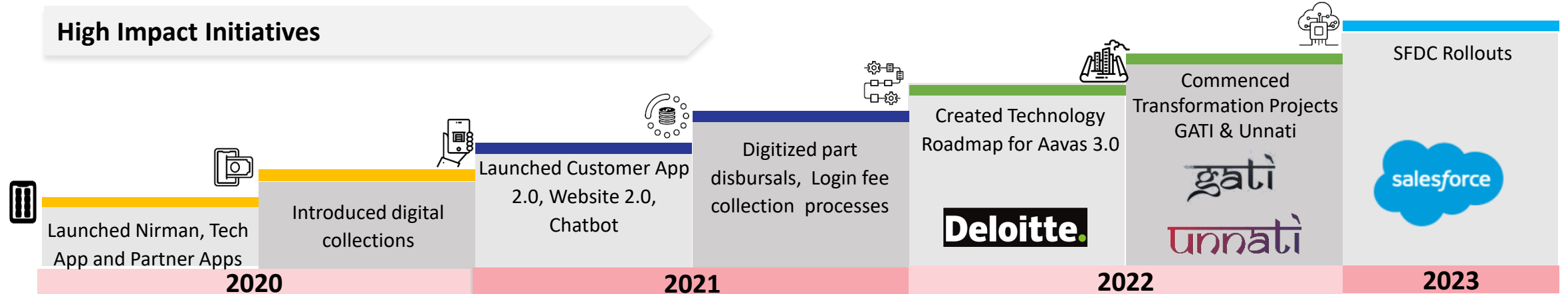
Be more '**efficient**' by optimizing cost of operations and improving people efficiency through high technology and digital adoption.

3

Create a Superior Customer  
Experience

Tune systems, processes and people to provide a '**superior customer experience**' in the overall journey for a sustained business growth.

## High Impact Initiatives



# Key Transformation Initiatives

## gati

## unnati

### LOS



In process of implementing a new **digital loan origination platform** (LOS) and **customer service system** Phase 1 rolled out

### LMS



Adopting a **new loan management solution** (LMS) to enable scalability.

### Enterprise GL



Adopting a **next-gen cloud ERP system** for **back-office process automations** to enable monitoring and financial controls.

Building a modern, innovative, and future-ready digital ecosystem to provide a 360-degree view from transaction origination to reporting

Future Ready

Customer Experience

Scalable systems

Speed and Efficiency

Integrated Ecosystem

Improved Controls

Enabled by Best-in-Class Technology Partnerships



# User Friendly Applications backed by Innovations



**Customer App**

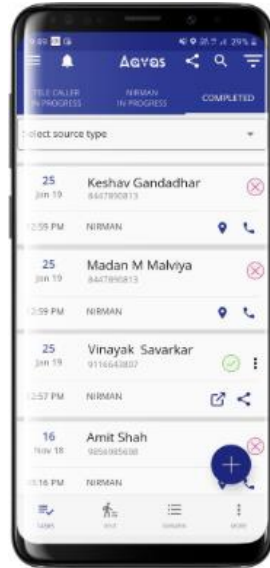
★★★★★ 4.4

**80%**

Customer services moved to digital

**10%**

Disbursements from leads sourced digitally



**Nirman Productivity App**

★★★★★ 4.5

**75%**

Part disbursements moved to digital

**70%**

Leads responded within 15 min by Omni channel powered contact center



**Aavas Mitra: Partner App**

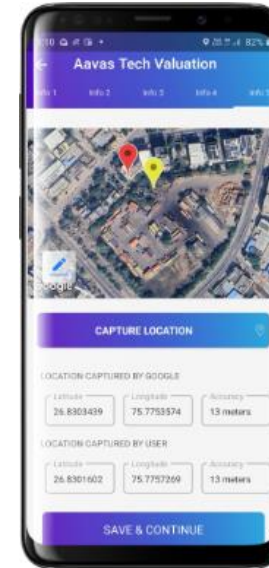
★★★★★ 4.3

**62%**

Customers using app 99% requests self serviced

**100%**

Technical, Legal and Risk Assessment Processes digitized including vendors

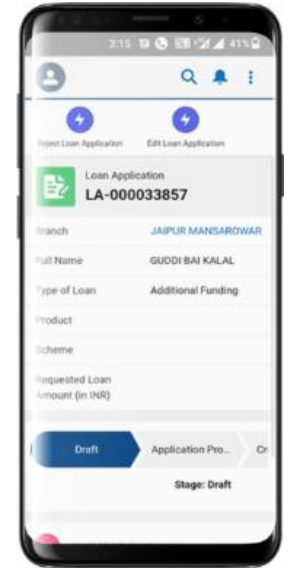


**Technical Valuation App**

★★★★★ 4.2

**95%**

Collections taking place digitally



**Salesforce App**



**90%**

Login fee Collections moved to digital

**100%**

Property locations geo-tagged



# Analytics

# Data and Analytics across Customer Lifecycle






	Sourcing	Underwriting	Risk	Collections	Retention
Descriptive Analytics	Market Analytics Pricing Analytics	Productivity Analytics Balanced Scorecard	Risk Datamarts Risk Analytics	Bounce Analytics Balanced Scorecard	Balance Transfer Analysis
Prescriptive Analytics	Campaign Analytics and Optimization	ML based NLP for PD voice recording analysis	Policy Automation Risk Assessment	Next Best Action and Timing	Affinity / Loyalty Analysis Best time to reach
Predictive Analytics	Lead Scoring Pre-Qualified & Pre-approved	Outcome Forecasting using ML techniques	Application Score Loss Forecasting	Bounce Prediction Geolocation based effort optimization	Churn Prediction

## APPLICATION SCORE

LOGISTIC REGRESSION BASED PREDICTIVE MODEL

A model that predicts future performance of applications being processed. Custom model built for Aavas, tested on past data, off-us and on-us, rank orders leading & lagging indicators



-  Increase approval and Optimize TAT without increasing risk
-  Risk separation: 10x between least and highest risk deciles
-  Improvement in segment approval rates

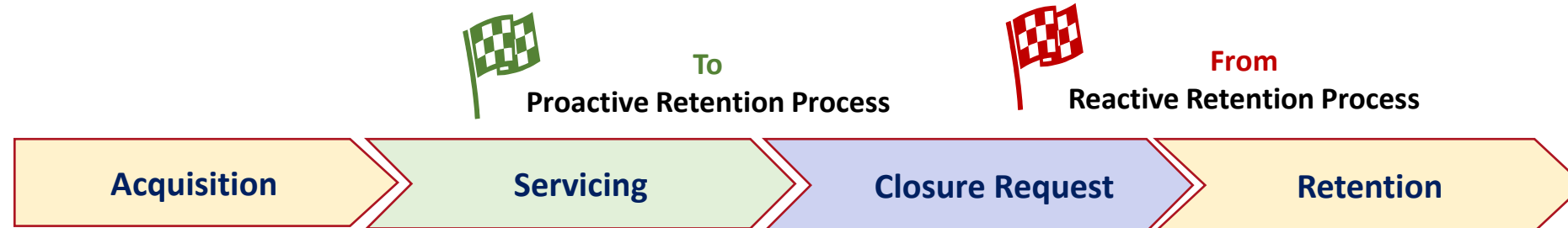
**Acquisition – Entry  
Barrier, Risk Based  
Pricing**

**Underwriting –  
Prioritization, Reject  
Review**

## CHURN PREDICTION

XGB MACHINE LEARNING MODEL

-  Identify customers who will request BT, months ahead of time
-  Proactive retention tool, allow business early warning indicators to improve retention for good customers



## GEO LOCATION BASED OPTIMIZATION

### Manual Allocation



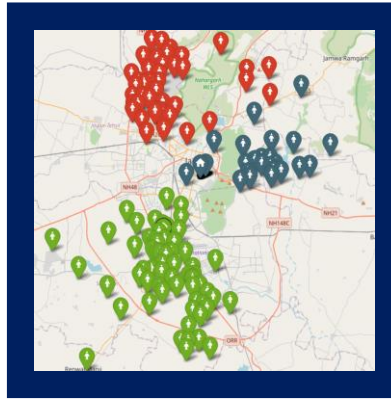
Clustering



0	0	0	1
1	0	0	0
0	0	0	1

Optimization

### Optimized Allocation



Geo Location based effort Optimization



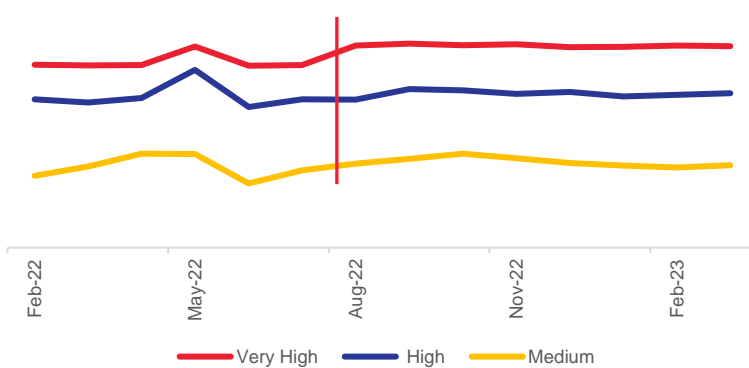
Can be used for Collections, Sales, Credit



Reduction in efforts

## COLLECTIONS BOUNCE PREDICTION

Bounce Model Prediction vs. Actual Bounce



Risk Segment	Early Bucket	Mid Bucket
1	1X	1X
2	1X	4X
3	3X	8X



Consistently high prediction



- Proactive, differentiated strategy and actions  
 - Current Month and 90- day prediction window



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Thank You !