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Aptus Value Housing Finance India Limited

Investor Presentation | Q2 FY 22

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Back ground



Commenced Operations in 2010
from Chennai, Tamilnadu



Regulated by RBI and supervised by NHB



Run by professional
management team backed by
strong Founder Promoter and
marquee investors



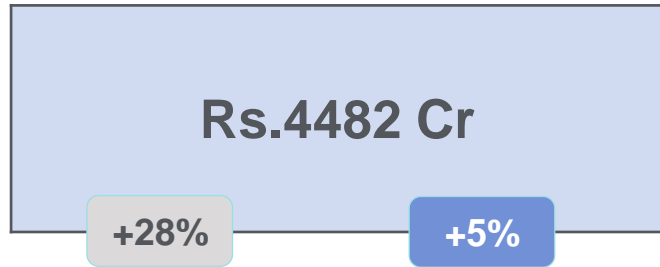
Presence in 198 locations

Key Strengths

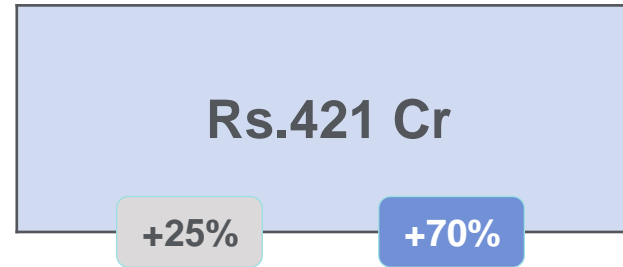


Snapshot - September 2021

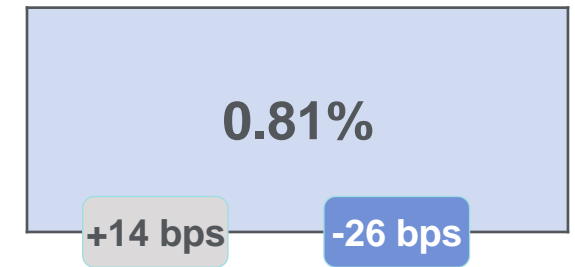
Assets under Management (AUM)



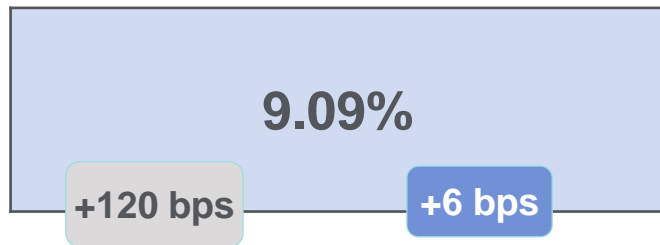
Disbursement



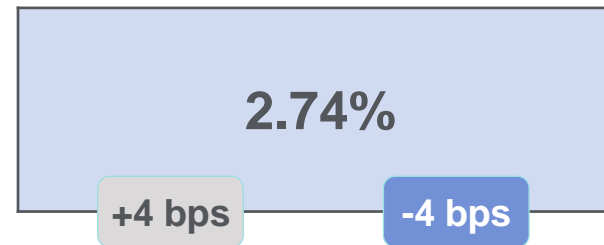
Gross Stage 3



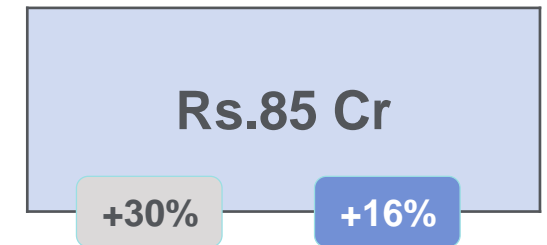
NIM



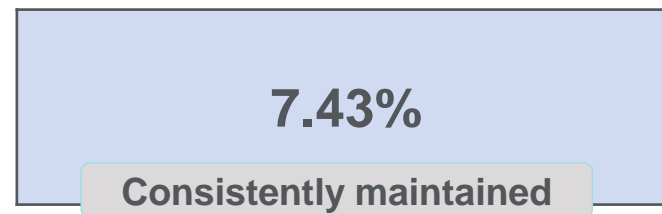
Opex to Assets



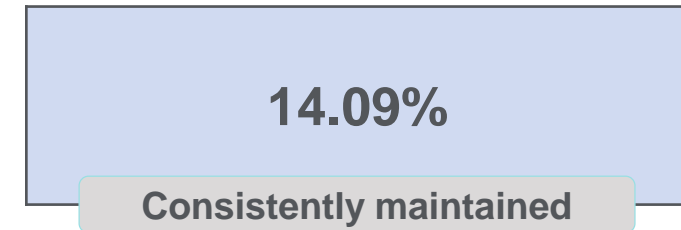
Profit After Tax



Return on Assets



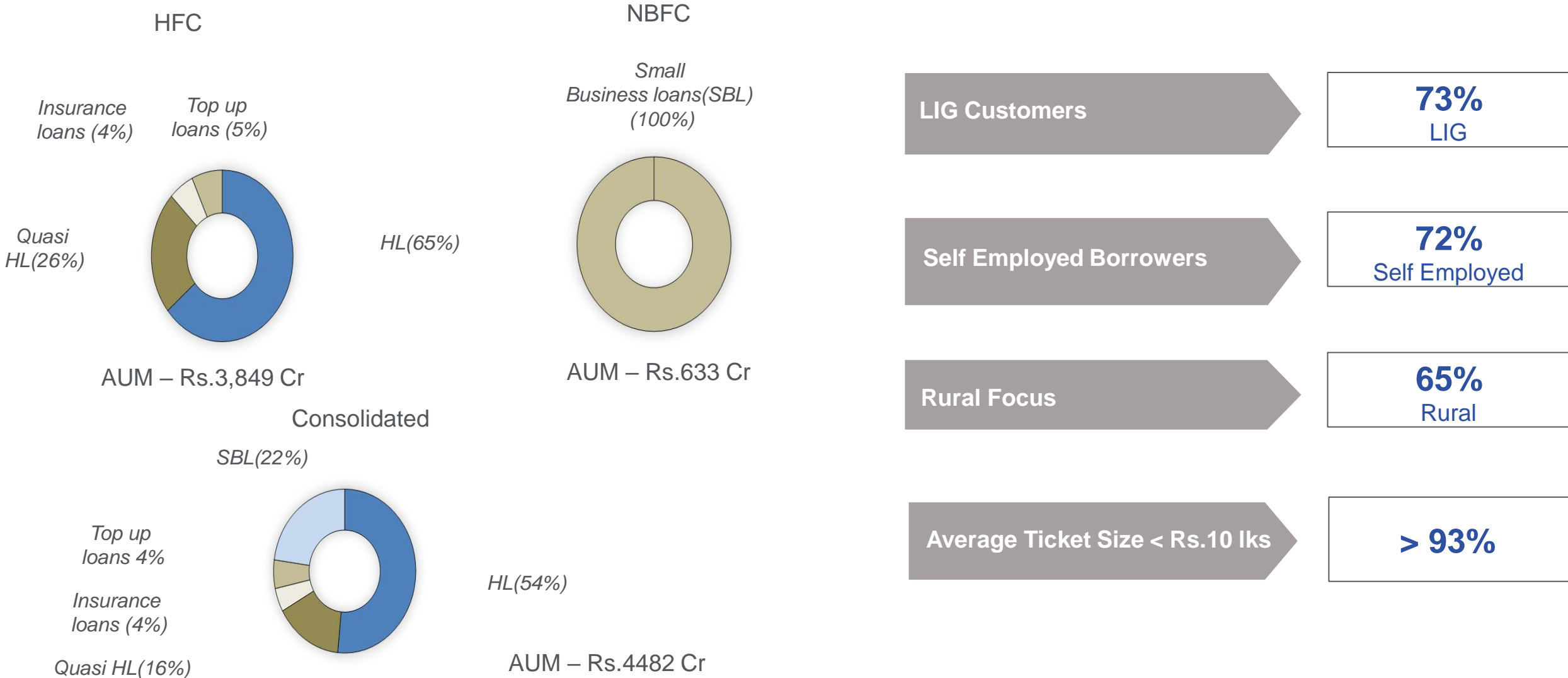
Return on Equity



YoY
QoQ

Diversified Loan Portfolio With Niche Customer Focus

Secured Portfolio – Home Loans(HL)/Small Business Loans (SBL)



100% In-House Operations

Fully In-House Team...



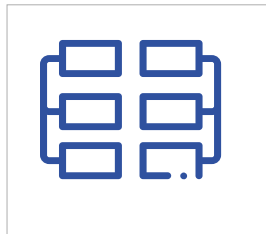
1,185+
Sales



210+
*Central
Credit*



200+
Legal & technical



336
Collection

...Leading to Desired Business Outcomes

Pricing Power



Reduced TAT



Low Takeover



Reduced Risk of Frauds



Robust Underwriting, Monitoring and Collections Process

100% In-House Sourcing

Lead Generation through

- *Ref app, Cust app*
- *Social media*
- *198 Branches*

0%

Sourcing from DSA / Builders

Leveraging Technology

Digital Onboarding and KYC

Credit verification app, property app and legal app - *Optimal leverage of technology leading to efficient processing*

Stringent Credit Underwriting

Cash flow assessment

Pre & Post Disbursement

Centralized Underwriting

Robust Collection Management System

15-24 months

Monitoring early default signs

90 DPD

Legal action / SARFAESI

Information & Technology : Key Enabler of Growth

Lending Software

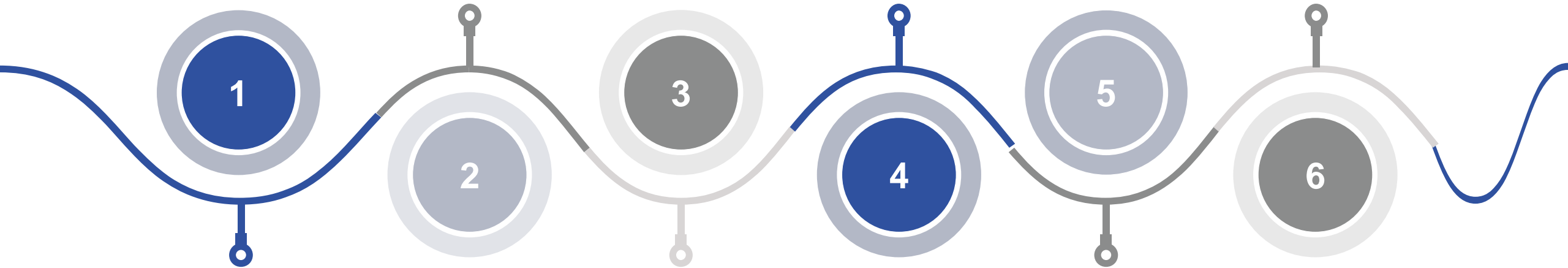
End-to-end software solution

Customer Relationship & Service

Automated CRM and customer service requests

Human Resources

Human resources management system application



Customer Onboarding

*Sales app, referral app, credit verfn. app and property app
E-KYC, E-Nach*

Collections App,

Payments automation via Bharat Bill Pay, Google Pay, Paytm etc

Business Intelligence & Analytics

“Power” analytics platform

Scalability



Tamil Nadu



Andhra Pradesh



Telangana



Karnataka

Per Capita GDP

Compared to national average of INR 157k

1.8x

1.1x

1.5x

1.5x

GDP Growth

India average: 4%

13%

9%

8%

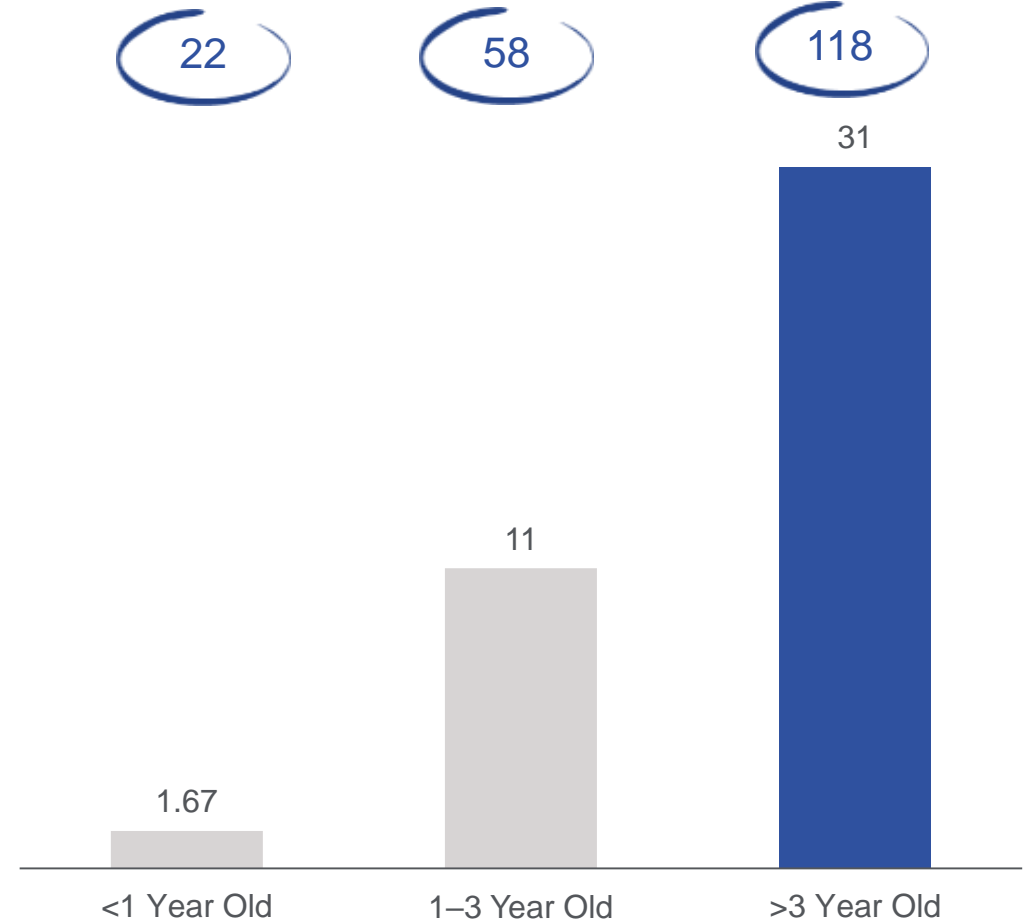
7%

State	No of branches	% of AUM as on			
		Q2 FY 22	FY 21	FY 20	FY 19
TamilNadu	79	50%	52%	56%	60%
AndhraPradesh	69	29%	28%	25%	21%
Telangana	29	11%	10%	10%	9%
Karnataka	21	10%	10%	10%	11%
Total	198	100%	100%	100%	100%

Branch Productivity as on Sep 30, 2021

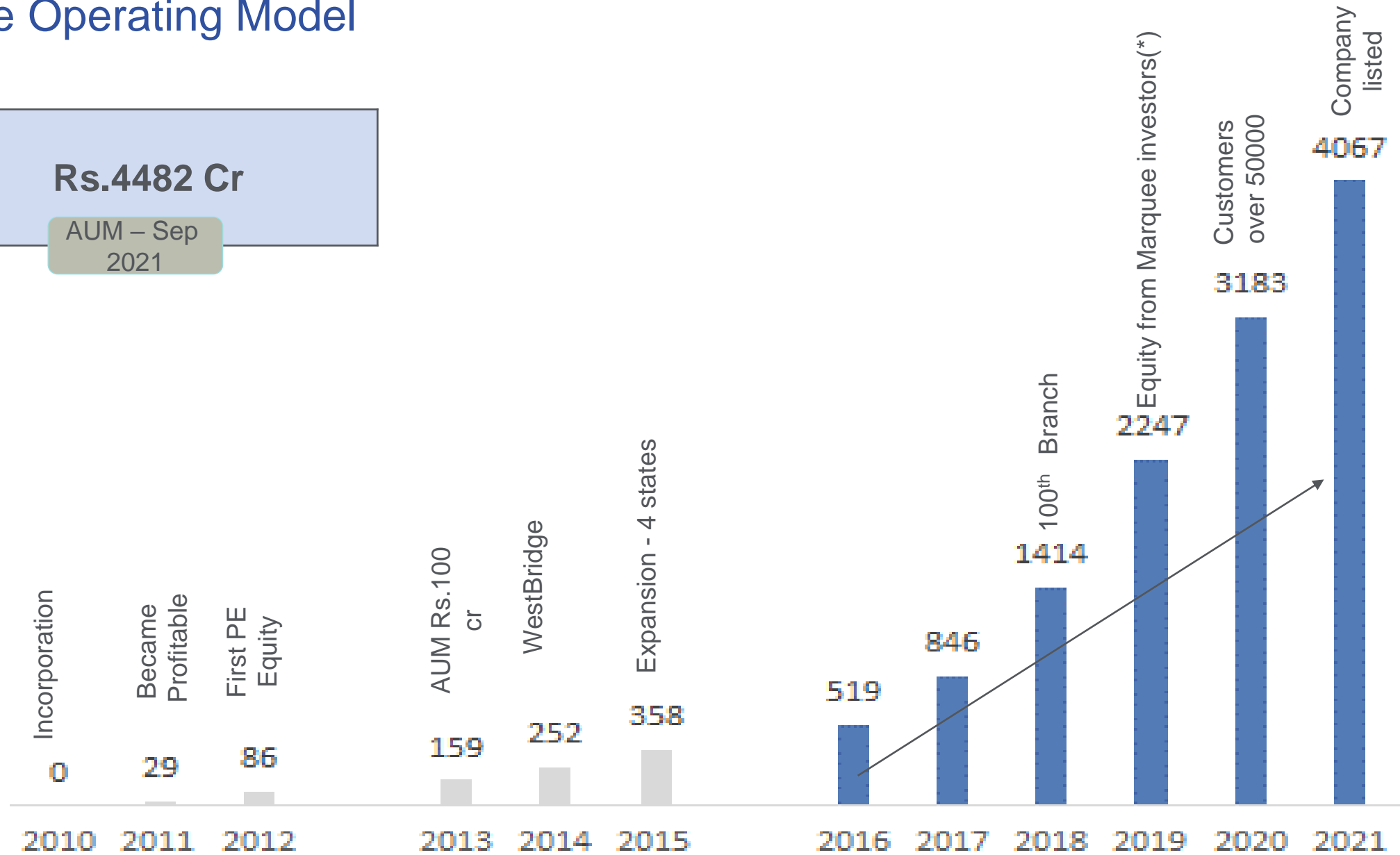
AUM per Branch (Rs. Cr)

of Branches



Scalable Operating Model

Rs.4482 Cr
AUM – Sep 2021



(*) – WestBridge, Malabar Sequoia, Steadview

Resilient Model Across Economic Cycles

	GST Implementation FY18	NBFC Liquidity Crisis FY20	Covid-19 (first wave) FY21	Covid-19 (Second wave) H1 FY22
AUM growth (YoY)	66%	41%	28%	22%(*)
Yield ⁽¹⁾	17%	18%	17%	17%
GNPA	0.5%	0.7%	0.7%	0.81%
ROA	6.0%	7.8%	7.4%	7.4%(*)

(*) Annualised

Strong ESG Focus



Focus on financial inclusion

73%
LIG

72%
Self-employed

40%
New to Credit



Improving Living Standards

Employment

in rural / semi-urban areas

Support

to borrowers



Strong Corporate Governance

NIL

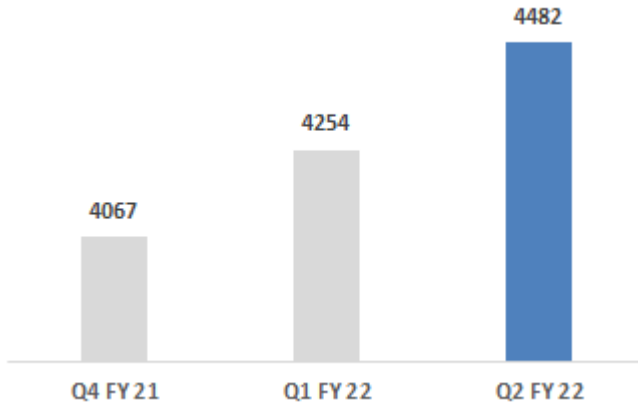
Material Civil litigation

Diversified Experience

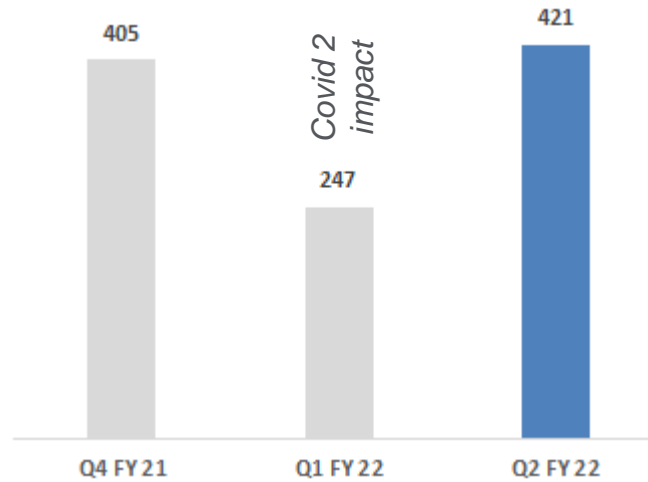
of Board Members across academic and professional domains

Performance Highlights (Quarterly)

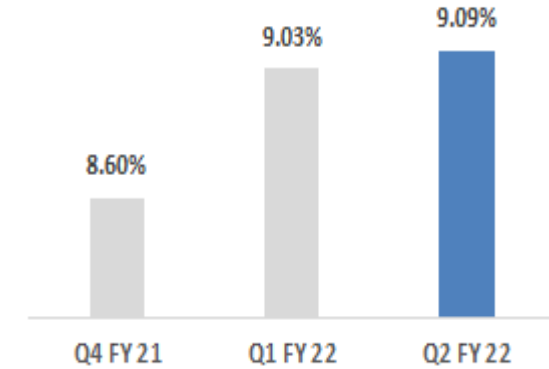
AUM(Rs. Cr)



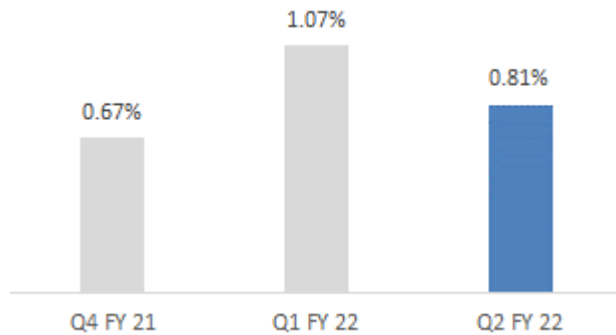
Disbursement(Rs. Cr)



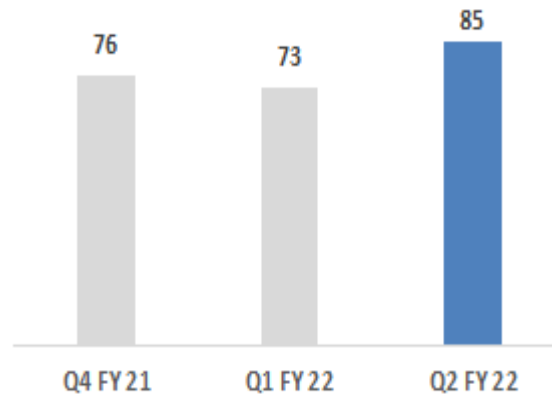
NIM(%)



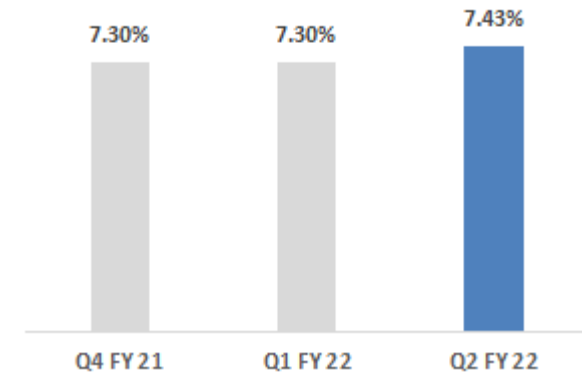
Gross NPA(%)



PAT(Rs. Cr)

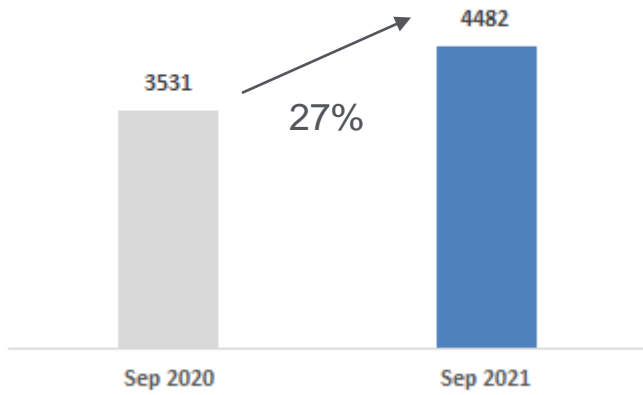


ROA(%)

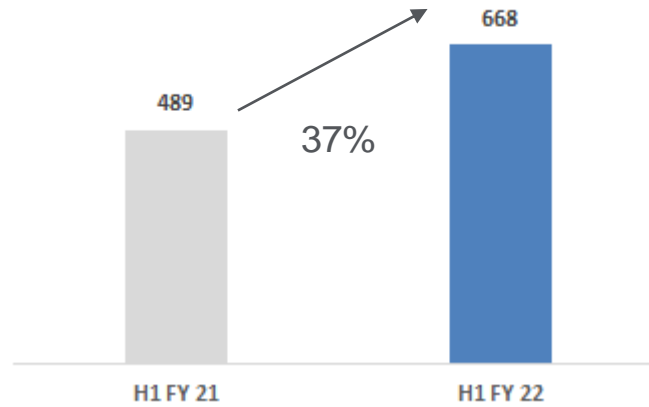


Performance Highlights (Year on Year)

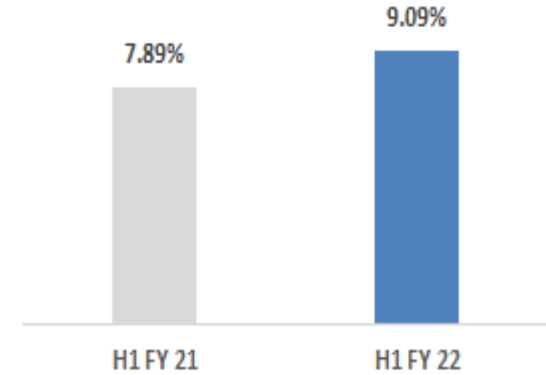
AUM(Rs. Cr)



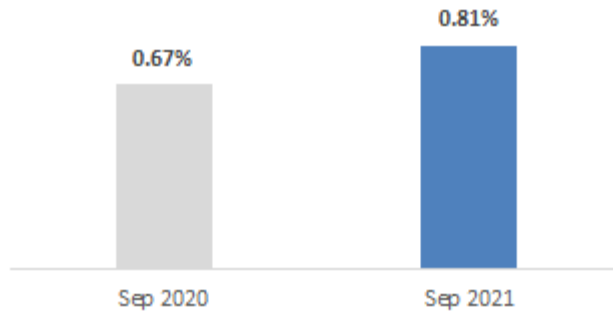
Disbursement(Rs. Cr)



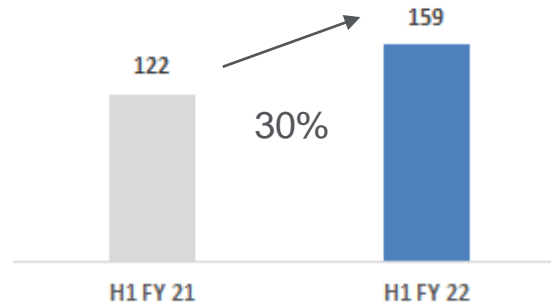
NIM(%)



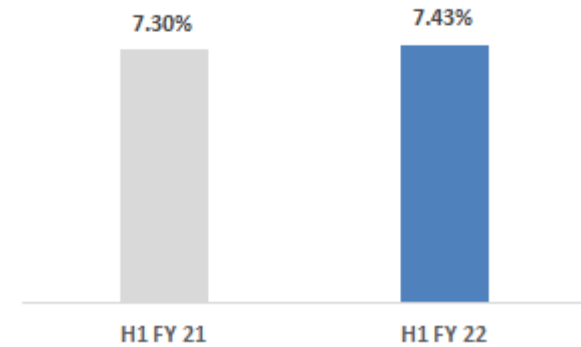
Gross NPA(%)



PAT(Rs. Cr)

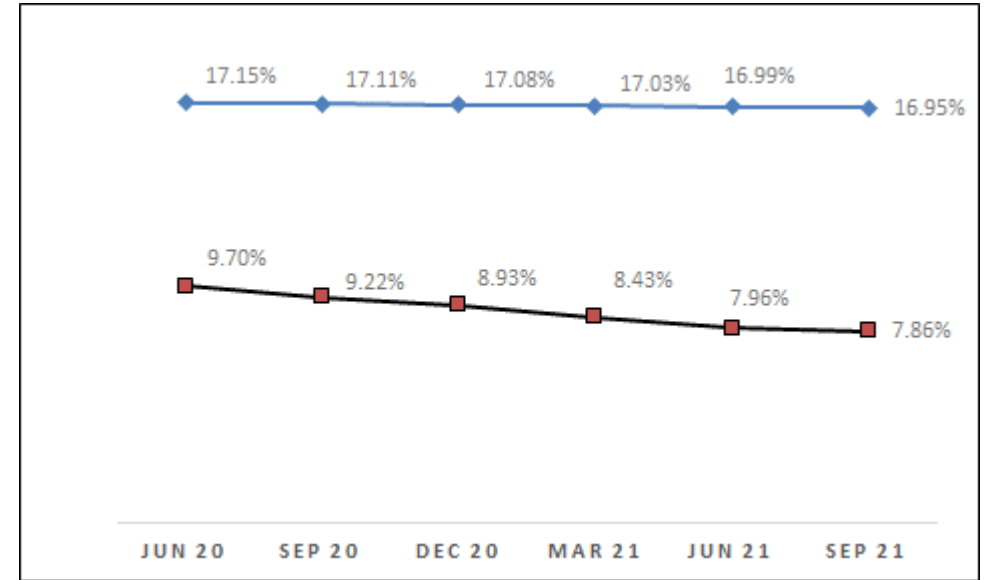
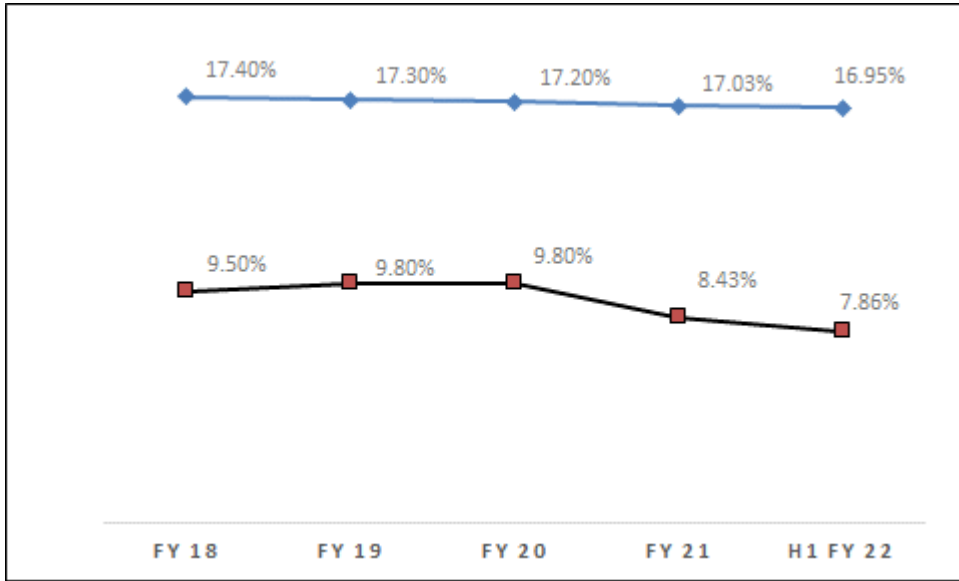


ROA(%)

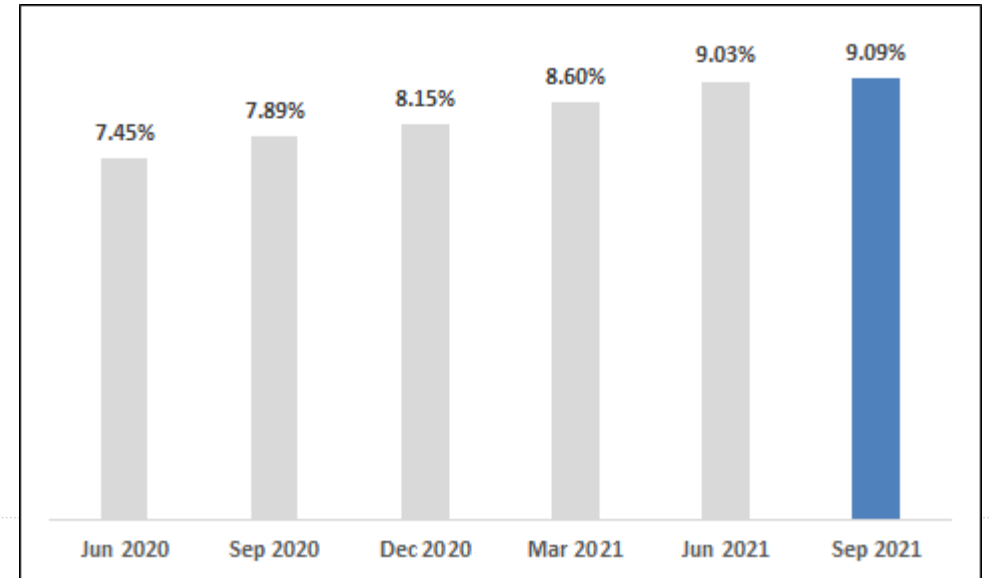
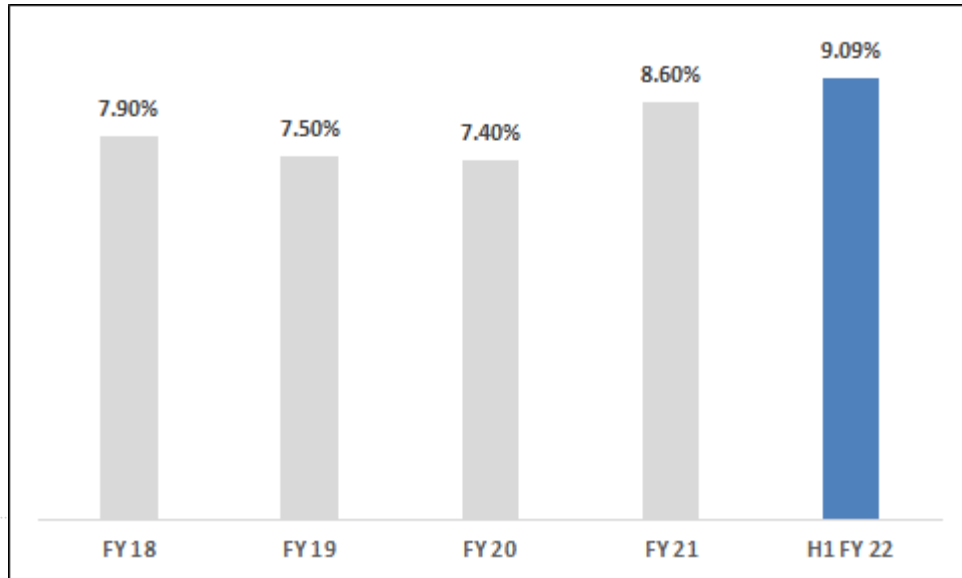


Consistent NIMs

Yields/Cost of Borrowings (%)

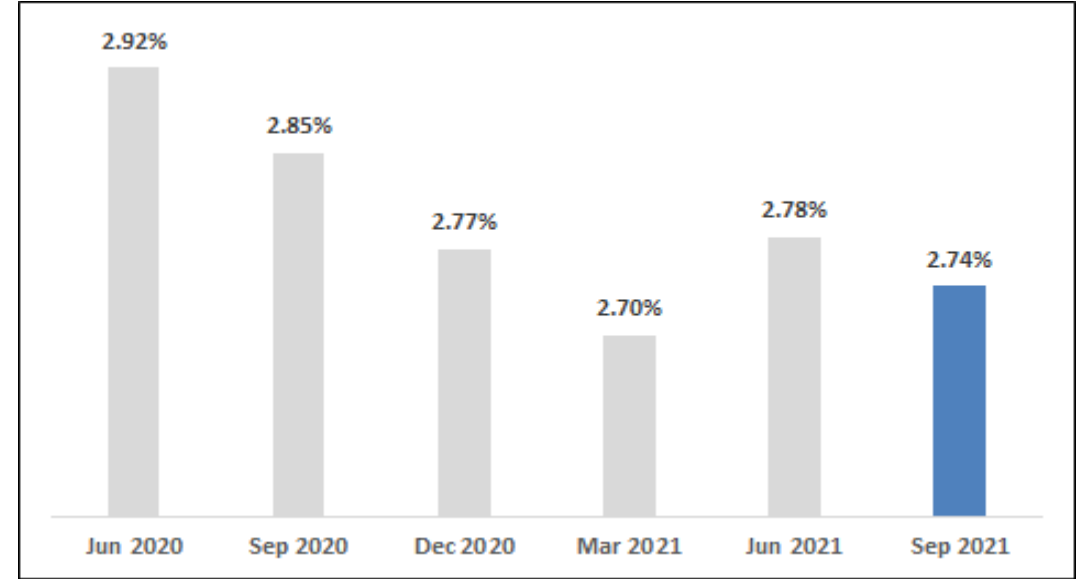
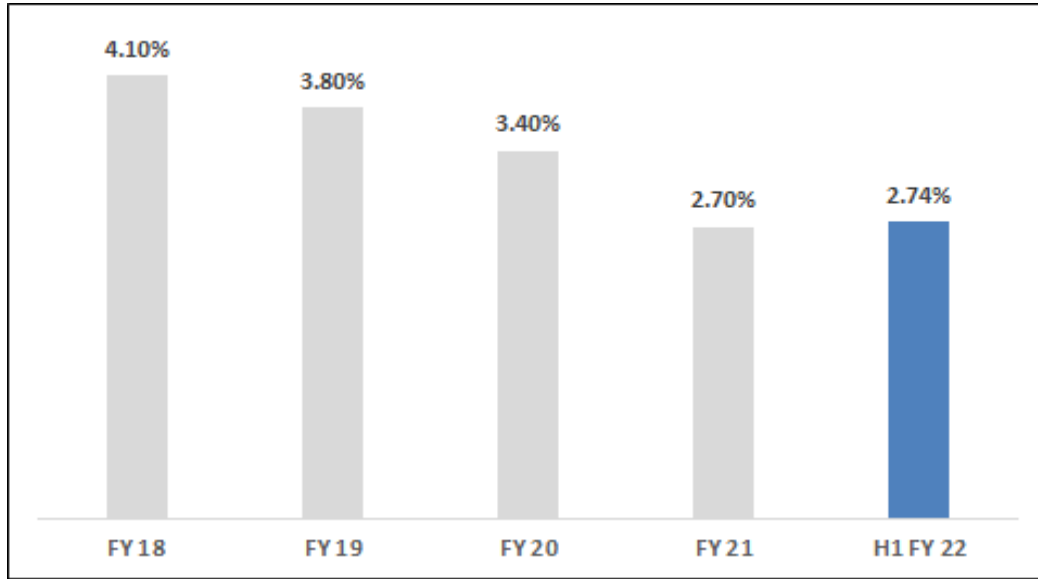


NIM (%)

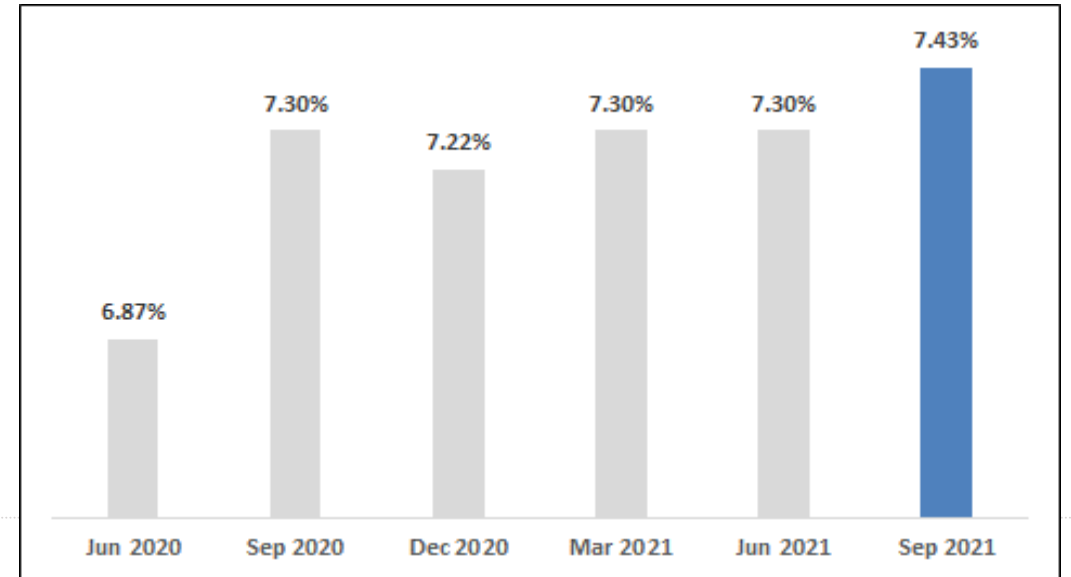
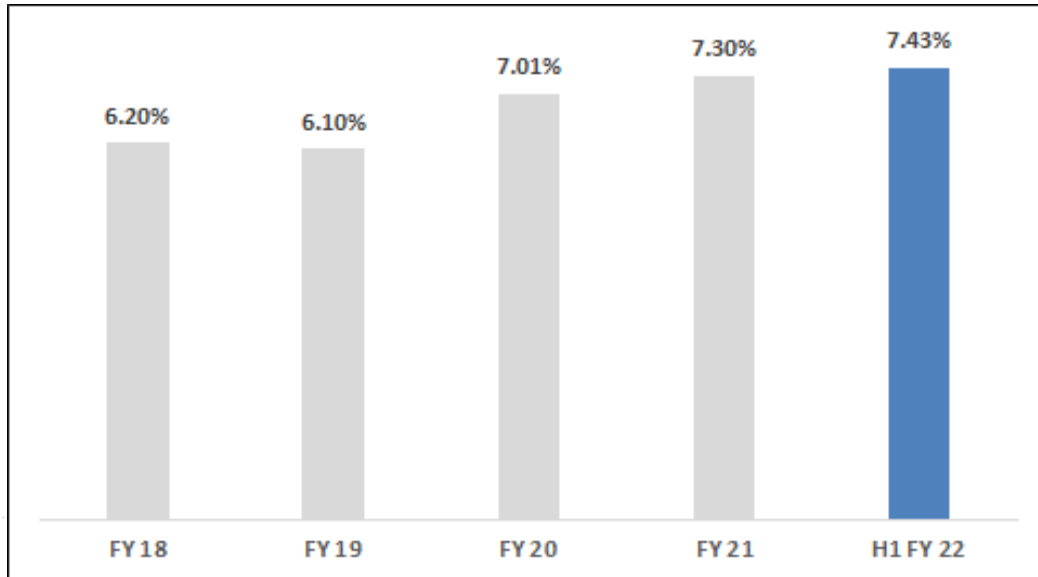


Opex and ROA

Opex (%)

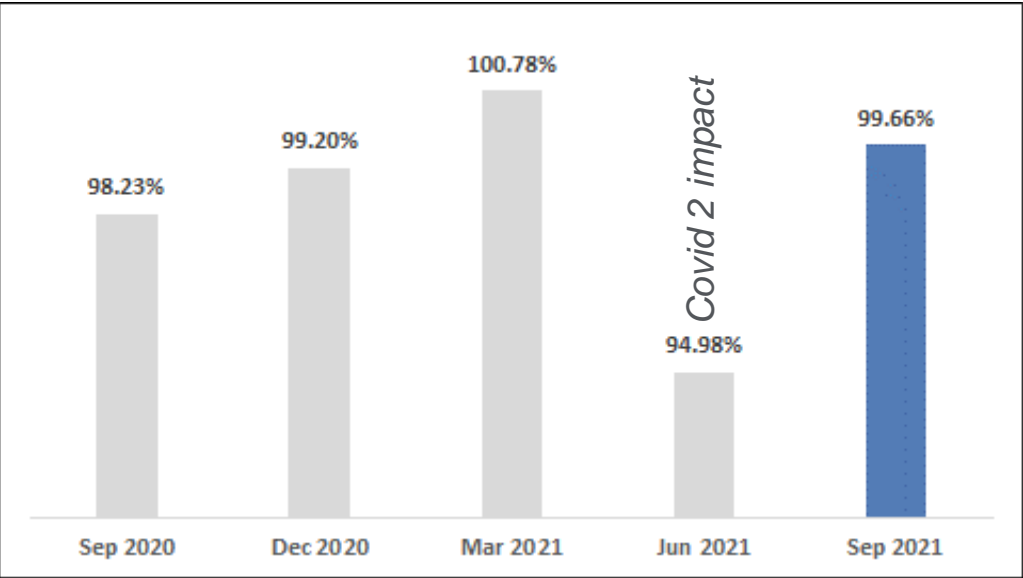


ROA (%)

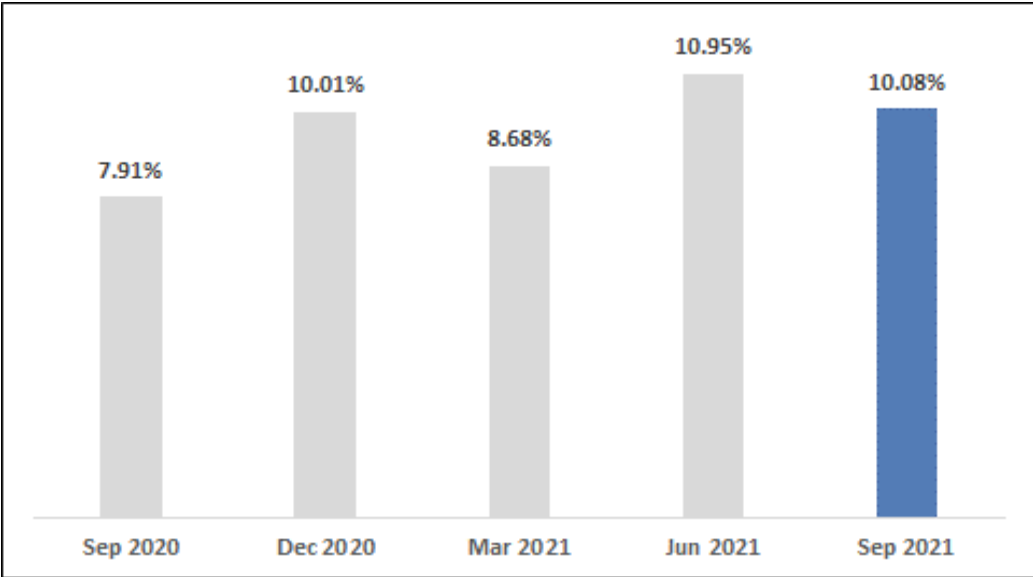


Asset Quality

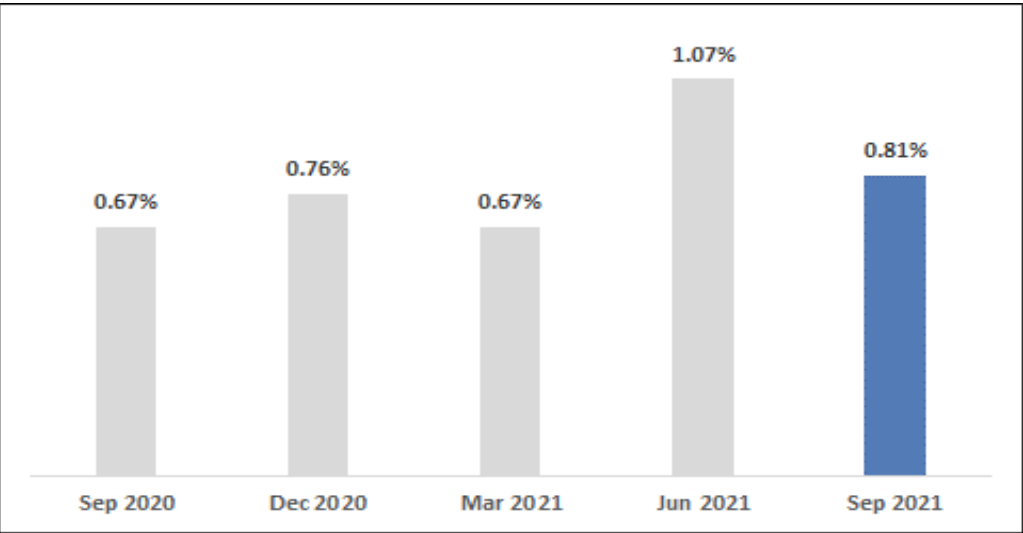
Collection efficiencies (%)



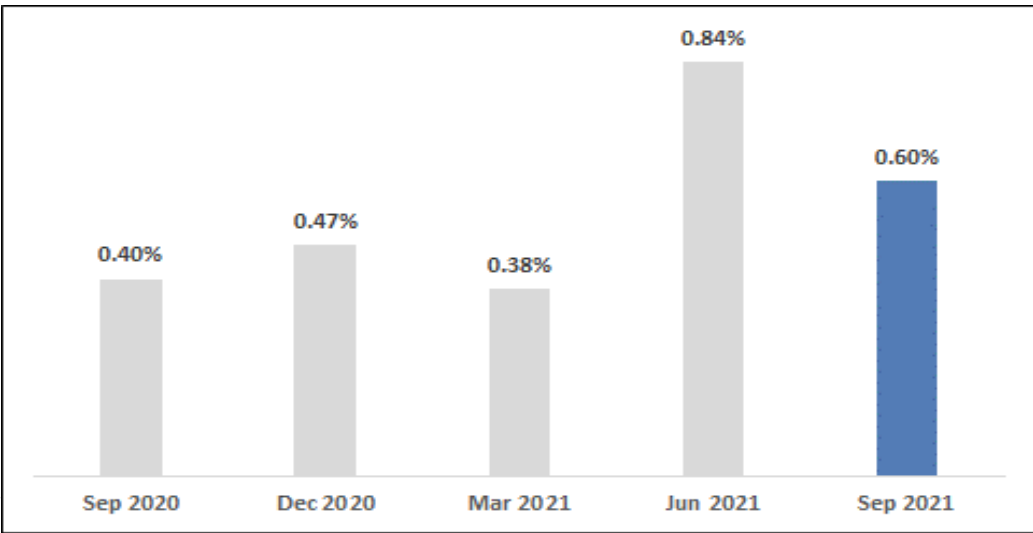
30 + DPD (%)



Gross NPA (%)



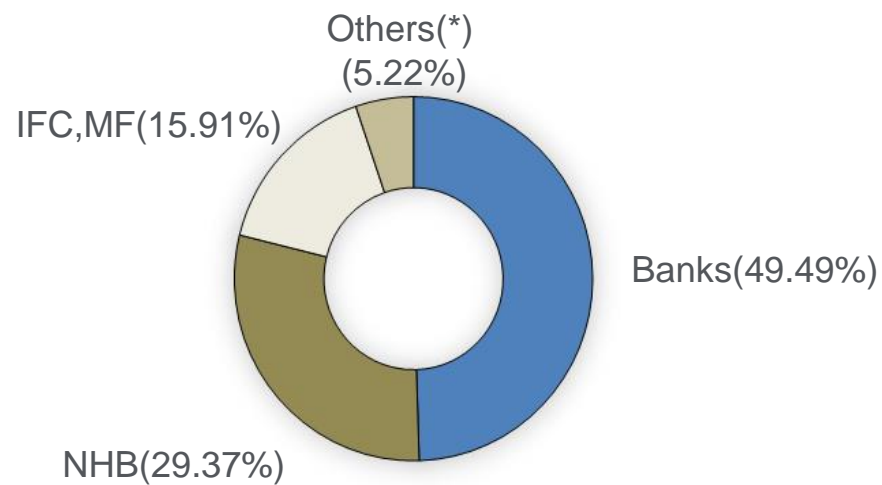
Net NPA (%)



Robust Funding Management and Credit Profile

Diversified and Balanced Funding Mix

Sources of funds mix (%)



No Exposure to Short term loan incl CPs

20+ Lender Relationships

Category	Lender
DFI	NHB, International Finance Corporation
Private Sector	HDFC Bank, Axis Bank
	Federal Bank, DCB Bank
	SBI, PNB
Public Sector	Bank of Baroda, Bank of India

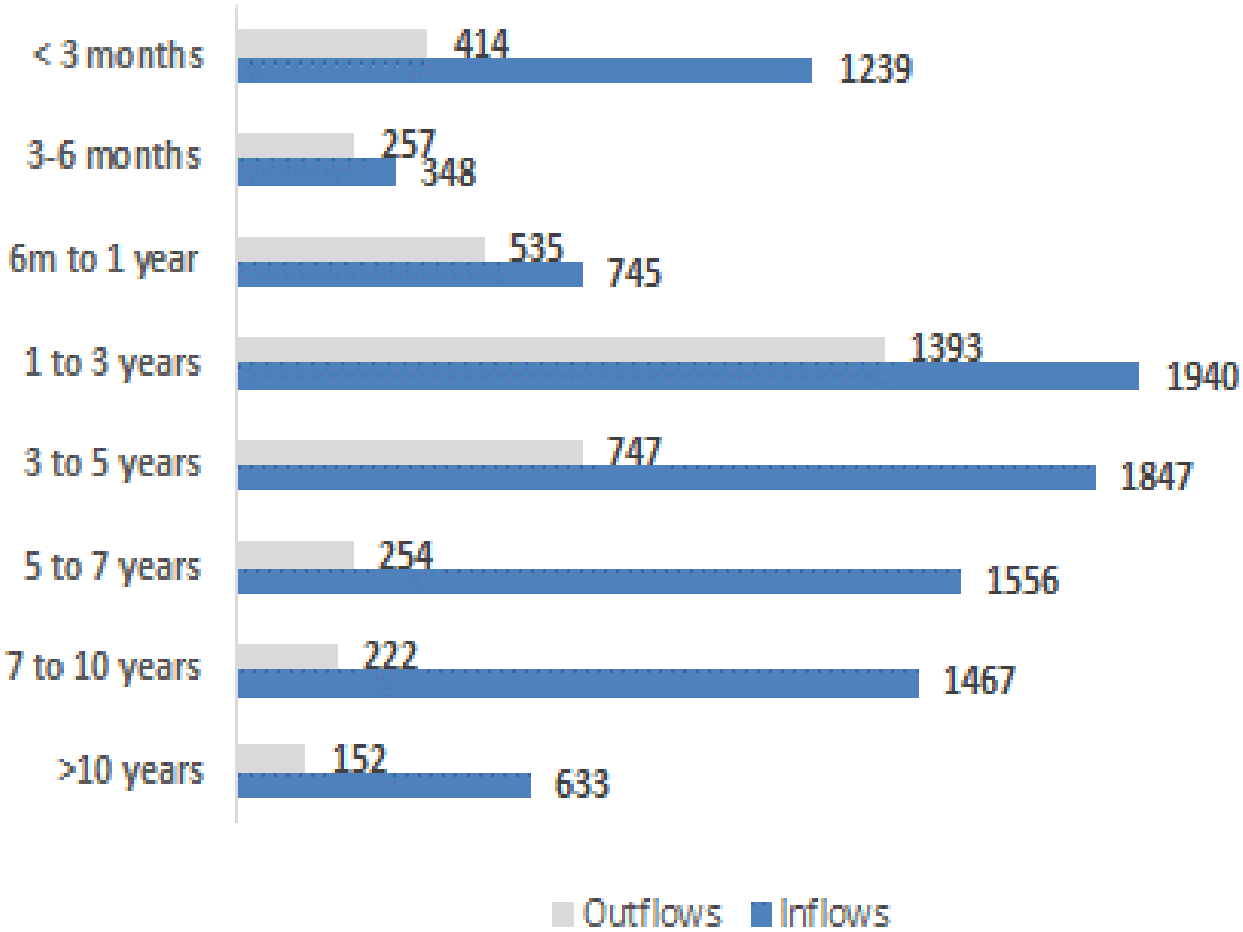
Avg. tenure of borrowings	H1FY22	FY21	FY20
	81.2	83.3	83.2

19

- Credit Rating – A+ by ICRA and CARE
- Others represents Securitisation

ALM Surplus

Position as on 30 Sep 2021 (Rs.Cr)



Surplus

825
91
210
547
1100
1302
1689
481

Comfortable liquidity position

Rs. Crores

Particulars	As on 30 Sep 2021	Q3 FY 22	Q4 FY 22	Q1 FY 23
Cash and Cash Equivalents	736			
Opening Liquidity		736	770	823
Add: Principal repayments and surplus from operations		202	239	276
Less: Debt repayments		168	187	177
Closing Liquidity		770	823	923

- Going slow on additional borrowings
- High cost loans being prepaid
- Rs.823 crores available for business upto March 2022

Key Growth Strategies



Continued Focus on Existing Segment

- Ticket Size in INR 0.5 – 1.5mn range
- Large headroom in **new to credit, retail** segment
- Maintain different templates **of customer profiles** to increase business while managing risks



Deeper Penetration in Existing Markets

- **Contiguous** expansion and increasing penetration
- **Branch expansion** in new markets - Maharashtra, Odisha and Chhattisgarh



Reduce Cost of Borrowings

- Diversification of borrowing profile
- Continue to improve credit ratings

Experienced and Well Diversified Board

CMD



M. Anandan

Chairman & Managing Director

WestBridge Non-Executive Nominee Directors



Sumir Chadha

Nominee Director - WestBridge



KP Balaraj

Nominee Director - WestBridge

Non-Executive Independent Directors



S. Krishnamurthy

Former MD and CEO, SBI Life Insurance



K. M. Mohandass

Partner, KM Mohandass & Co.



Krishnamurthy Vijayan

Former MD, JPM Asset Mgmt.



Mona Kachhwaha

Director – Impact Investors Council

Non-Executive Independent Director



VG Kannan

Former- MD, SBI

Non-Executive Directors



Shailesh J. Mehta

Partner, Granite Hill Capital Partners



Suman Bolina

Executive Managing Partner, Sri Santhi Corp.

Stable Management Since Inception



M. Anandan

Chairman & Managing Director

4 decades of experience in Financial Services



Balaji P

ED & CFO

Several years of experience in finance, treasury, banking, fund raising



Subramaniam G

ED - Chief of Business and Risk

Several years of experience in lending (financial products), risk management, operations and collections



C.T. Manoharan

Executive Vice President - Business Development

Rich experience in housing finance industry across sales, channel and distribution management



Sarath Chandran D

Executive Vice President - Collections and Technical

Niche experience in collections and technical in housing finance industry



V. Krishnaswami

Vice President - Information Technology

Experience in strategizing and implementing digital technology solutions,, IT designs and, infrastructure.



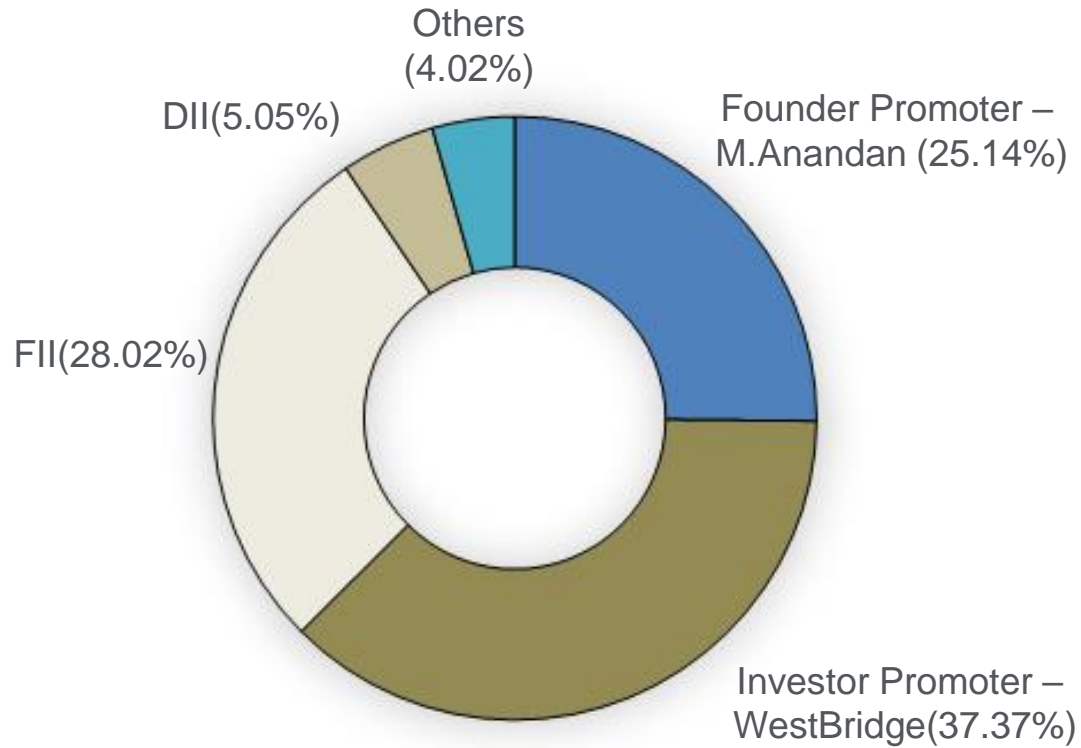
N. Srikanth

Vice President - Human Resource

Seasoned Professional with experience in HR planning, recruitment, training, induction, employee relations and engagement

Diversified Shareholding

Shareholding Pattern as on 30 Sep 2021



Top Institutional Shareholders as on 30 Sep 2021

Investor details	% of holding
Malabar Select Fund	8.54%
Steadview Capital	3.83%
SCI Investments (Sequoia)	3.24%
Madison India	2.80%
Genesis	1.82%
Ward Ferry	1.61%
Capital Research	1.27%
Neuberger Berman	1.12%
Aberdeen	1.06%
DSP Mutual Fund	0.65%

Annexures

Consolidated Statement of Profit and Loss(*)

Rs. Crores

Particulars	Q2 FY 22	Q2 FY 21	H1 FY 22	H1 FY 21	Growth	
					Q2 FY 22 over Q2 FY 21	H1 FY 22 over H1 FY 21
Interest income on loans	191.69	150.69	370.28	294.31		
Processing fees and other income	11.55	6.38	18.83	9.90		
Interest expense	55.25	49.76	110.75	100.70		
NIM	147.99	107.31	278.36	203.51	38%	37%
Operating expenses	31.18	22.50	59.26	43.66		
ECL Provision/NPA	7.46	1.08	14.63	2.46		
Profit before tax	109.35	83.73	204.47	157.39	31%	30%
Provision for Taxation	24.13	18.40	45.74	34.93		
Profit After Tax	85.22	65.33	158.73	122.46	30%	30%

(*) – Based on Ind AS

Consolidated Statement of Assets and Liabilities(*)

Rs. Crores

Particulars	30-Sep-21	31-Mar-21
Sources of Funds		
Share capital	99.12	94.93
Reserves & Surplus	2,603.45	1,884.52
Total Network	2,702.57	1,979.45
Borrowings	2,394.04	2,507.97
Other liabilities and provisions	71.36	32.73
Total	5,167.97	4,520.15
Application of Funds		
Loan Assets	4379.03	3989.80
Fixed Assets	2.65	2.75
Liquid Assets - Bank FDs, MFs	738.62	490.54
Other Assets	47.67	37.06
Total	5167.97	4520.15

(*) – Based on Ind AS

Provision for Contingencies (ECL)

Rs. Lakhs

Particulars	Aptus		
	Consolidated		
	30-Sep-21	30-Jun-21	31-Mar-21
Gross Stage 3 GNPA	3,623.42	4,494.99	2,717.11
% portfolio in Stage 3 (GNPA%)	0.81%	1.06%	0.67%
ECL Provision Stage 3	911.65	1,073.89	1,178.23
Net Stage 3	2,711.77	3,421.10	1,538.88
Provision coverage ratio (PCR)	25.16%	23.89%	43.36%
Gross Stage 1 & 2	4,44,585.81	4,20,935.95	4,04,058.18
% portfolio in stage 1 & 2	99.18%	98.94%	99.33%
ECL Provision Stage 1 & 2	2,301.00	1,387.38	504.51
Net Stage 1 & 2	4,42,284.81	4,19,548.57	4,03,553.67
Provision coverage ratio (PCR)	0.52%	0.33%	0.12%
Total AUM	4,48,209.23	4,25,430.94	4,06,775.29
ECL Provision	3,212.65	2,461.27	1,682.74
Provision coverage ratio (PCR)	0.72%	0.58%	0.41%

During H1 FY 22, resolution plan has been implemented for certain borrower accounts as per RBI's Restructuring Framework 2.0 dated 5 May 2021. This restructuring has been done for 1.56% of the AUM

RoA Tree

Particulars	H1 FY 22	FY 21	FY 20	FY 19
Revenue from operations/Avg Loan book	17.72%	17.60%	18.50%	17.80%
Other Income/Avg loan book	0.49%	0.50%	0.80%	0.70%
Total Revenue/Avg loan book	18.21%	18.10%	19.30%	18.50%
Finance cost/Avg loan book	5.18%	5.70%	6.80%	6.40%
Spread/Avg loan book	13.03%	11.50%	11.10%	10.70%
Operating expenses/Avg loan book	2.74%	2.70%	3.40%	3.80%
Credit cost/Avg loan book	0.68%	0.16%	0.10%	0%
PBT/Avg loan book	9.77%	9.50%	9.10%	8.40%
PAT/Avg loan book	7.43%	7.30%	7.01%	6.10%
PAT/Networth	14.09%	13.66%	17.52%	17.43%

Thank You