



Aptus Value Housing Finance India Limited Investor Presentation | Q3 FY23

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Background



Commenced Operations in 2010
from Chennai, Tamil Nadu



Regulated by RBI and supervised by NHB



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

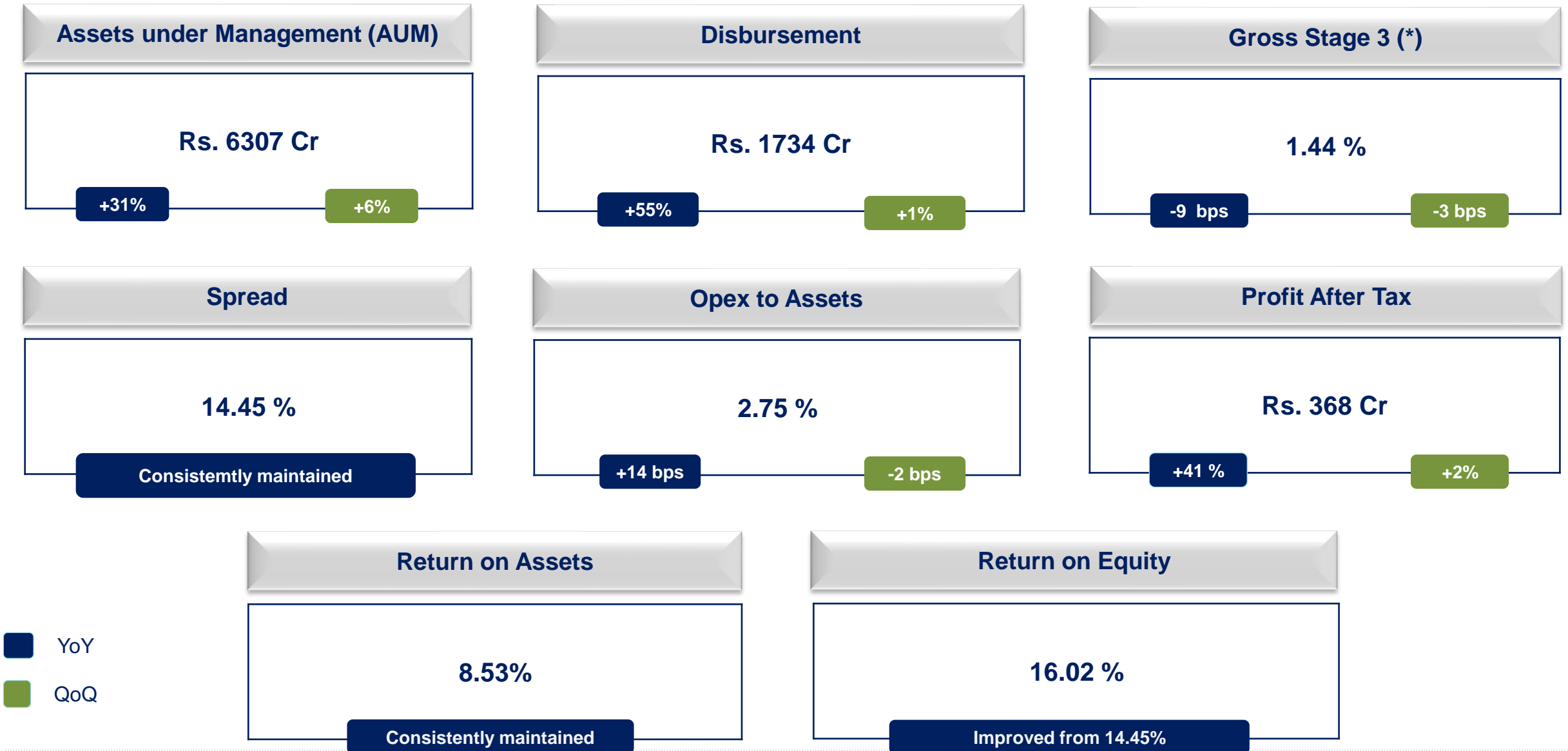


Presence in 215 locations

Key Strengths



Snapshot - December 2022



(*) – As per RBI circular dated 12 Nov 2021

Diversified Loan Portfolio With Niche Customer Focus

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

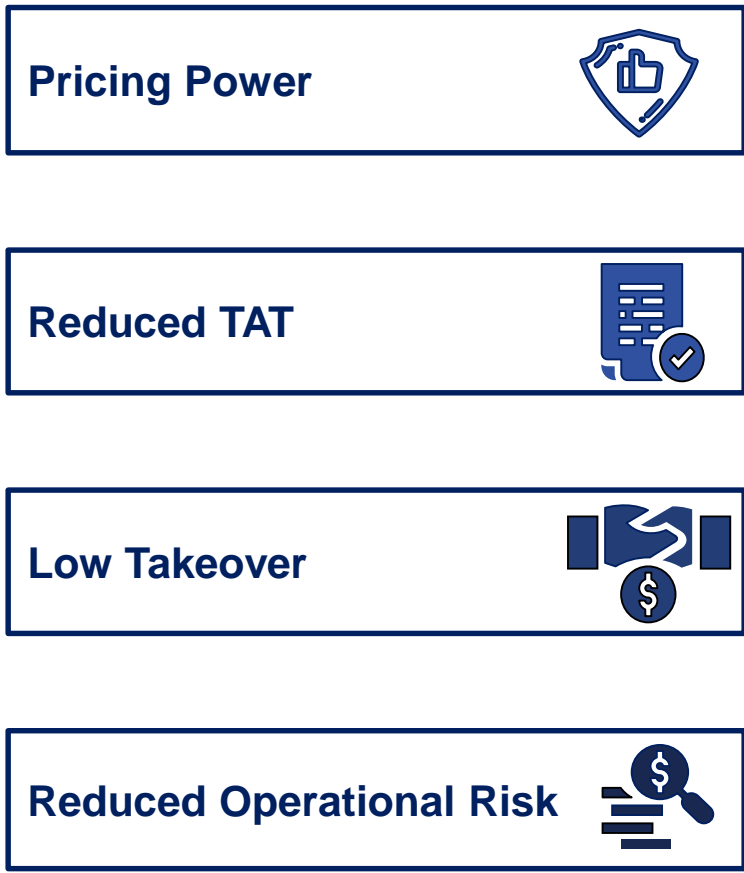


100% In-House Operations

Fully In-House Team...



...Leading to Desired Business Outcomes



Robust Underwriting, Monitoring and Collections Process

100% In-House Sourcing

Lead Generation through

- Cust app, Ref app
- Social media
- 215 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

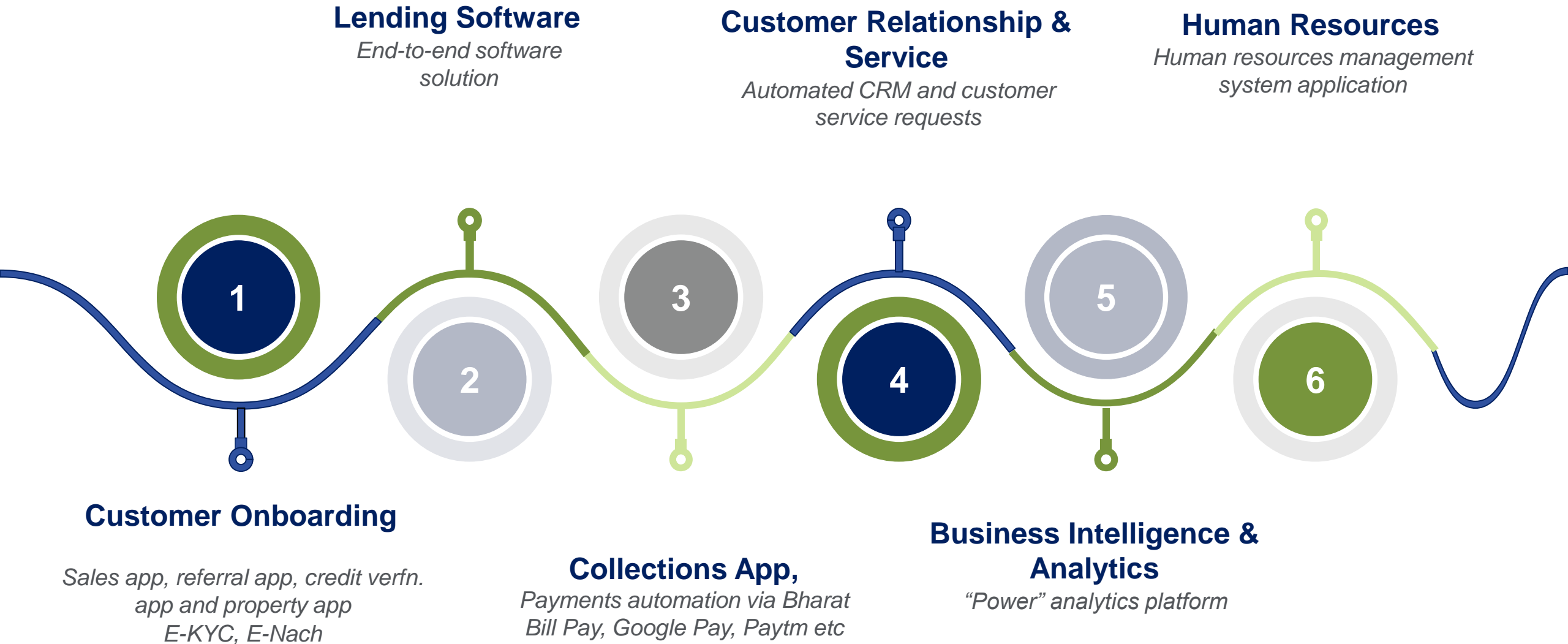
15-24 months

Monitoring early default signs

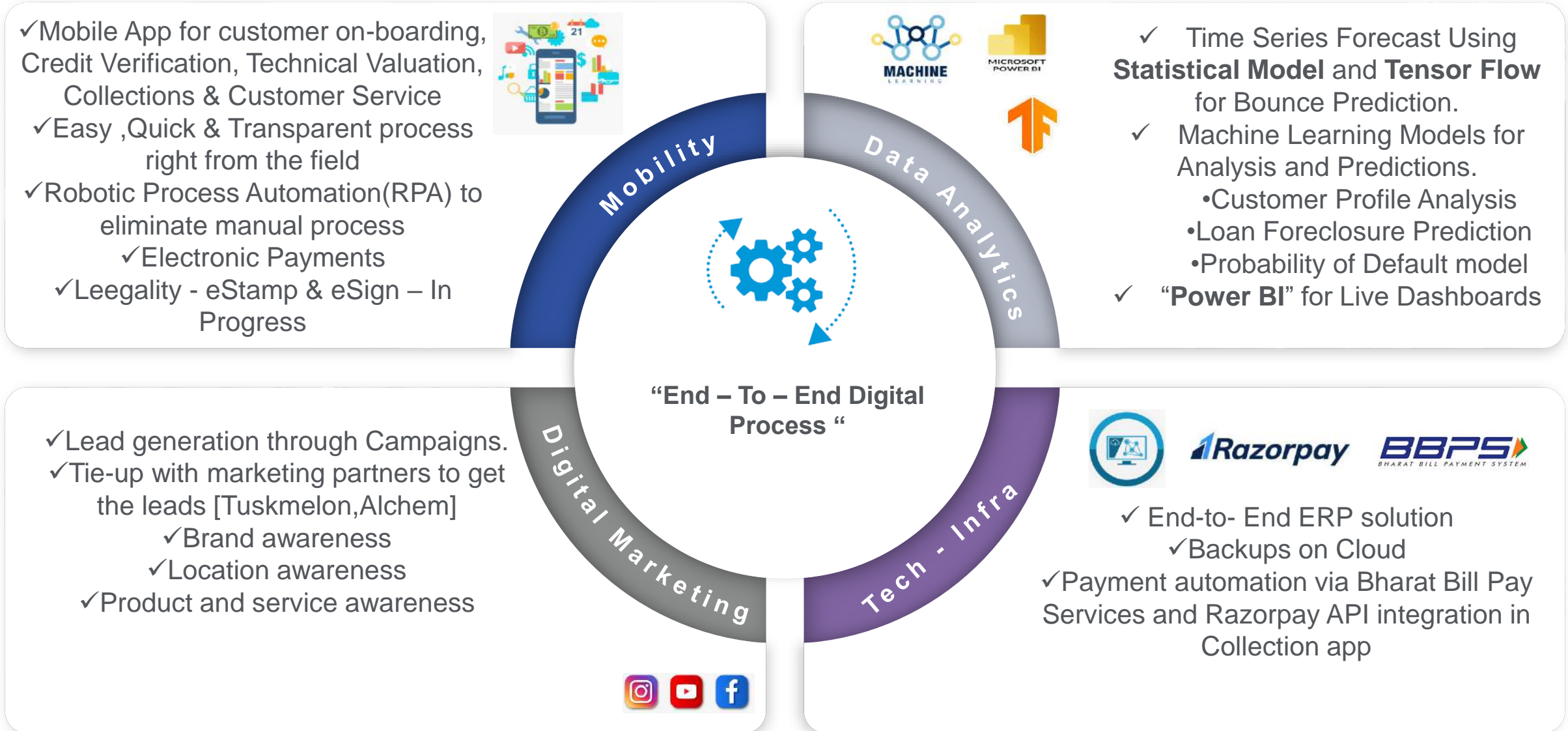
90 DPD

Legal action / SARFAESI

Information & Technology : Key Enabler of Growth



Scalable and Robust Digital Landscape



Risk and Data Science Backed Centralized Underwriting



Risk Management

- 25 + key data points are collected for Customer Profile Analysis
- Stage-wise disbursement through technical visits
- Multiple touch points to ensure thorough verification in underwriting process



Tech - Intervention

- Tech enabled evaluation of customers
- Integration of credit score card with lending application for easier credit evaluation
- Analyzing profiles behaviour for continuous improvement of parameters through machine learning for Better & Faster credit decisioning



Centralized Processing

- Consistency in underwriting with expertise in state-wise analysis along with linguistic skills
- Effective training ,knowledge sharing and monitoring process
- Quick adoption to process change

Loans approved
within 72 hrs

> 90 %

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			
		9M FY 23	FY 22	FY 21	FY 20
TamilNadu	82	44%	48%	52%	56%
AndhraPradesh	79	34%	31%	28%	24%
Telangana	33	13%	12%	10%	10%
Karnataka	20	8%	9%	10%	10%
Odisha	1	0%	0%	-	-
Total	215	100%	100%	100%	100%

(*) - Four more branches opened in Jan 2023 including one in Orissa

Branch Productivity as on Dec 31, 2022

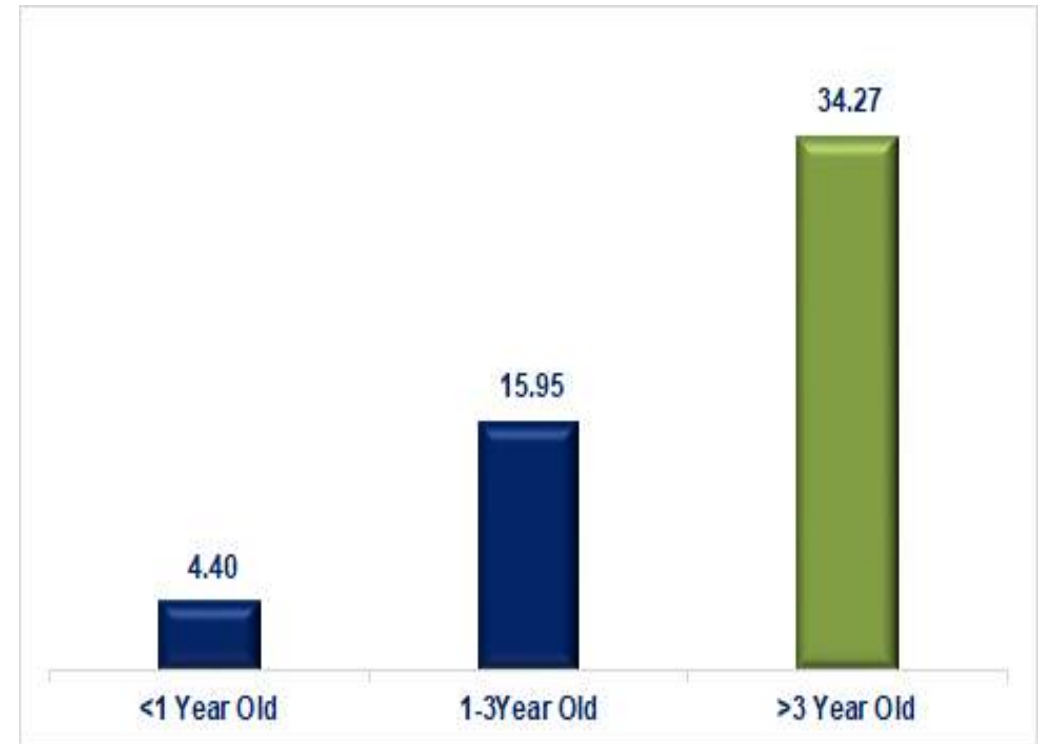
AUM per Branch (Rs. Cr)

of Branches

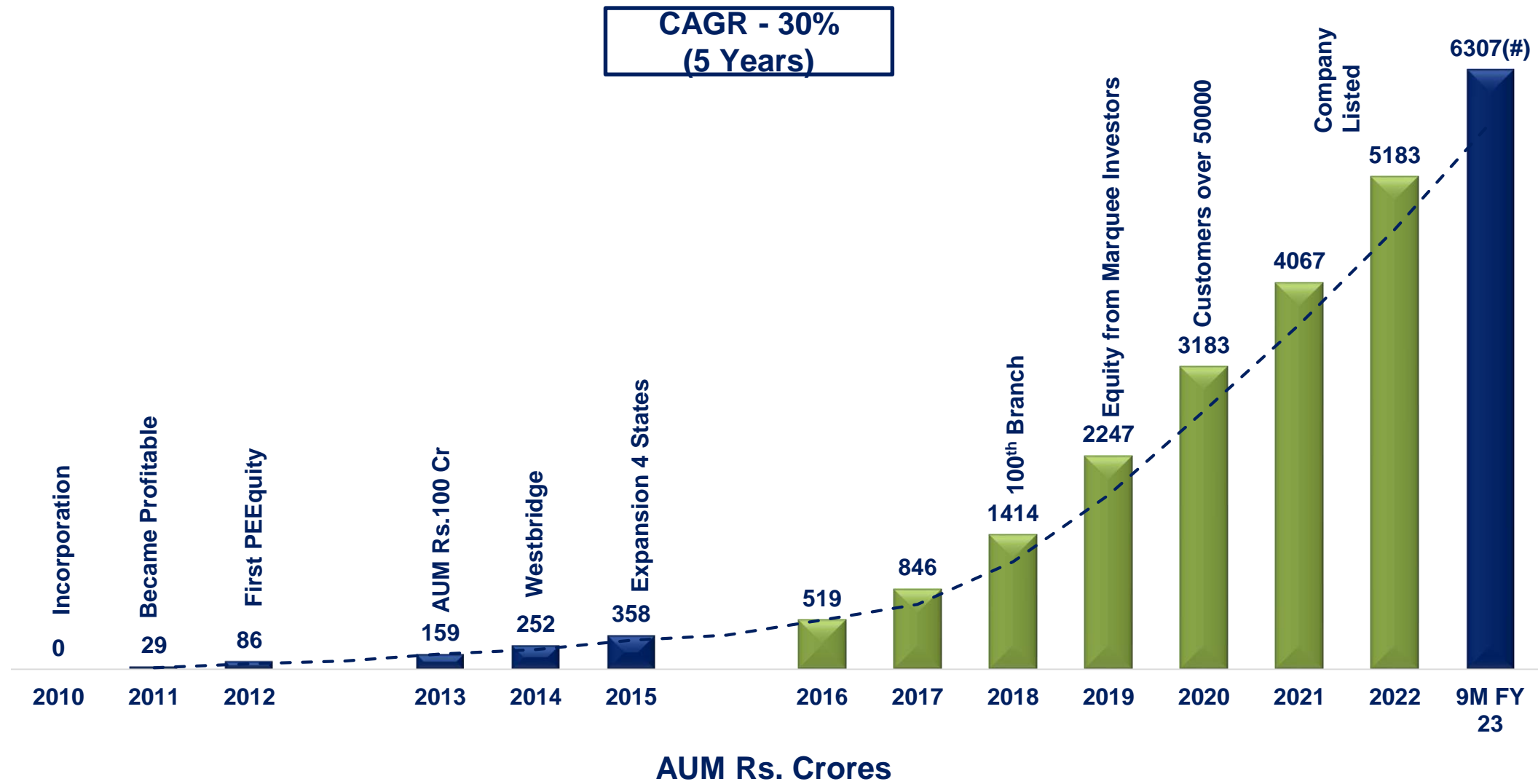
16

32

167



Scalable Operating Model



(#) – Represents on book portfolio (no Direct Assignment transactions done)

Resilient Model Across Economic Cycles

	GST Implementation FY 18	NBFC Liquidity Crisis FY 20	Covid-19 (first wave) FY 21	Covid-19 (Second wave) FY 22	Geo Political Issues 9M FY 23
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AUM growth

66%

41%

28%

27%

31%

Yield

17%

18%

17%

17%

17%

GNPA

0.5%

0.7%

0.7%

1.19%(#)

1.44%(#)

ROA

6.0%

7.8%

7.4%

8.00%

8.53%

– As per RBI circular dated 12 Nov 2021

Strong ESG Focus



Focus on financial inclusion

76%

LIG

72%

Self-employed

38%

New to Credit



Improving Living Standards

Employment

in rural / semi-urban areas

Support

to borrowers in tier 2/3/4 locations leading to financial inclusion



Strong Corporate Governance

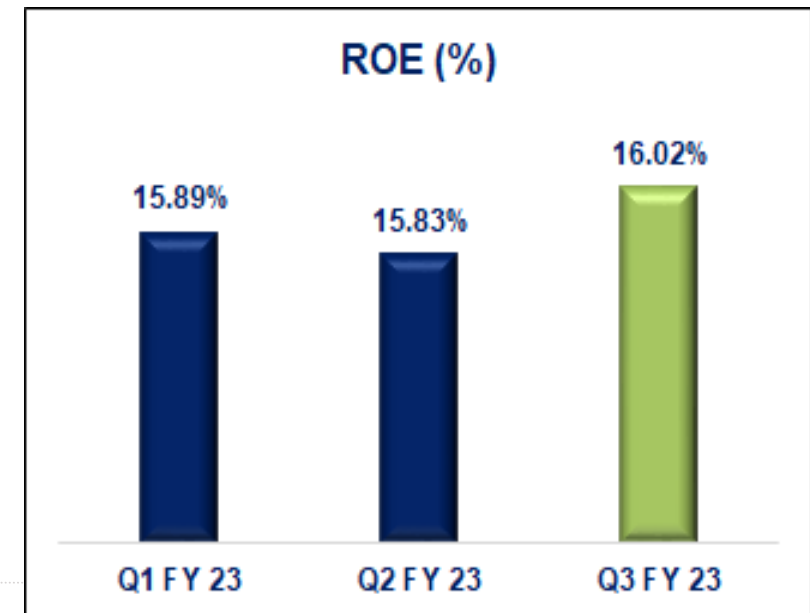
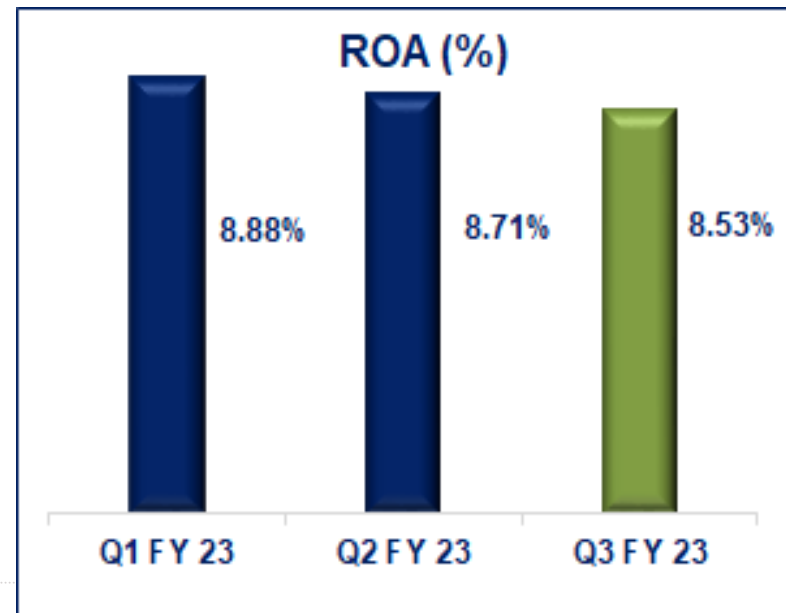
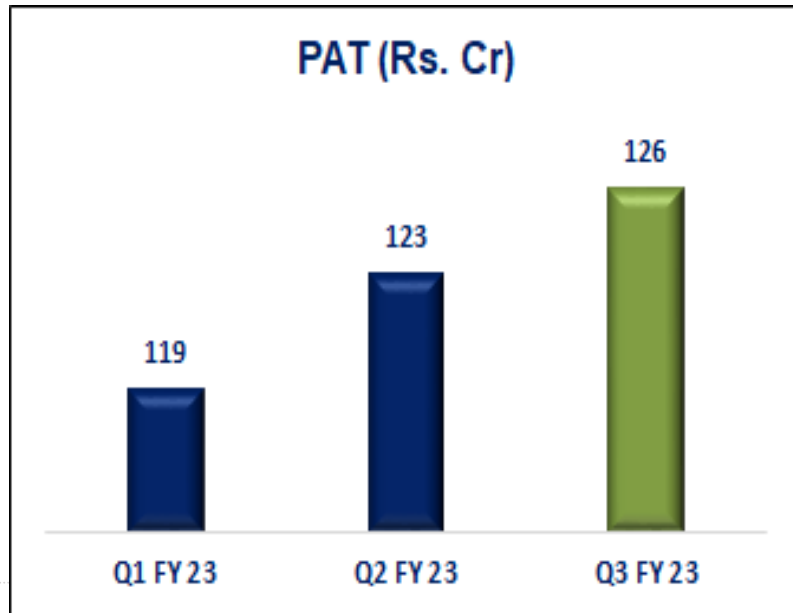
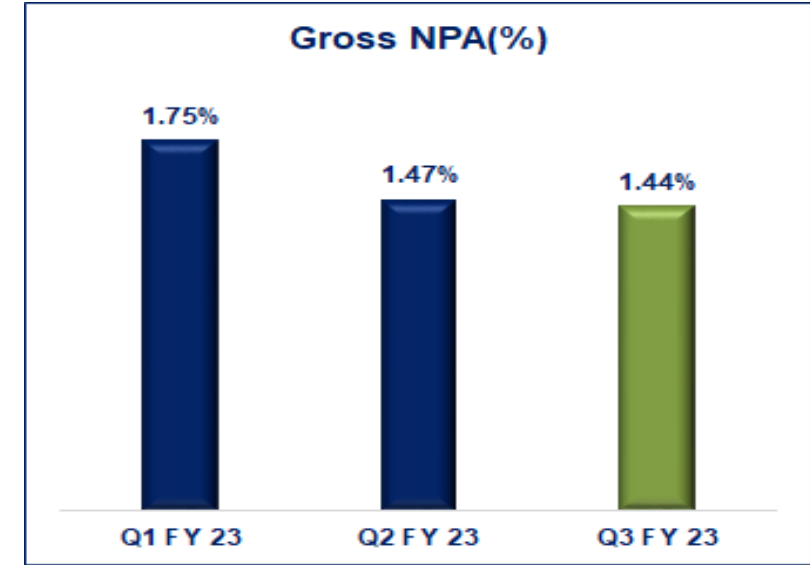
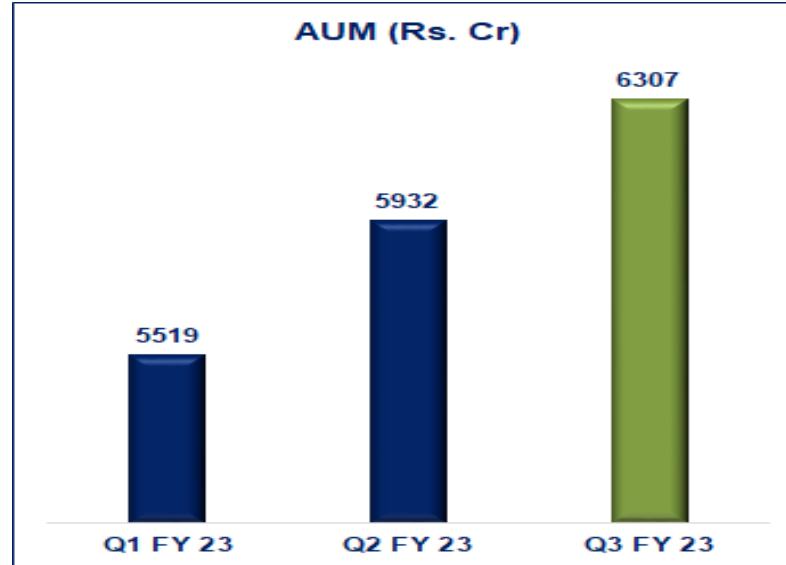
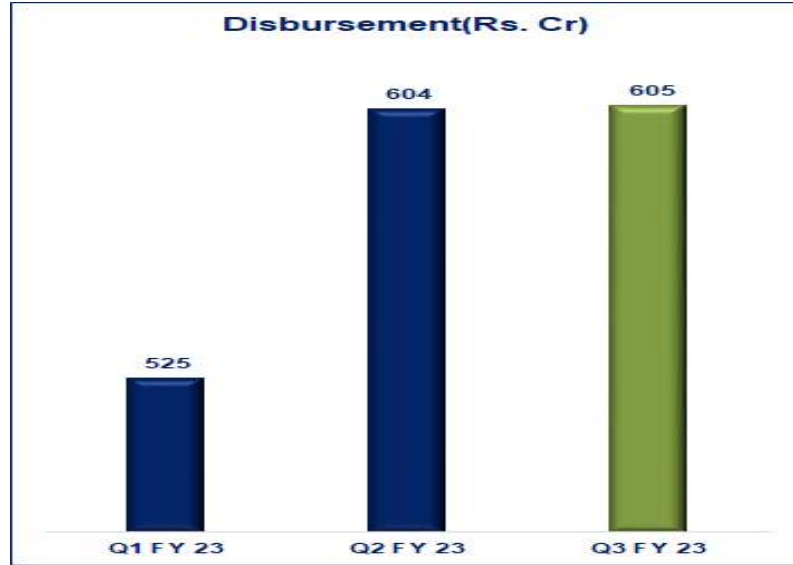
NIL

Material Civil litigation

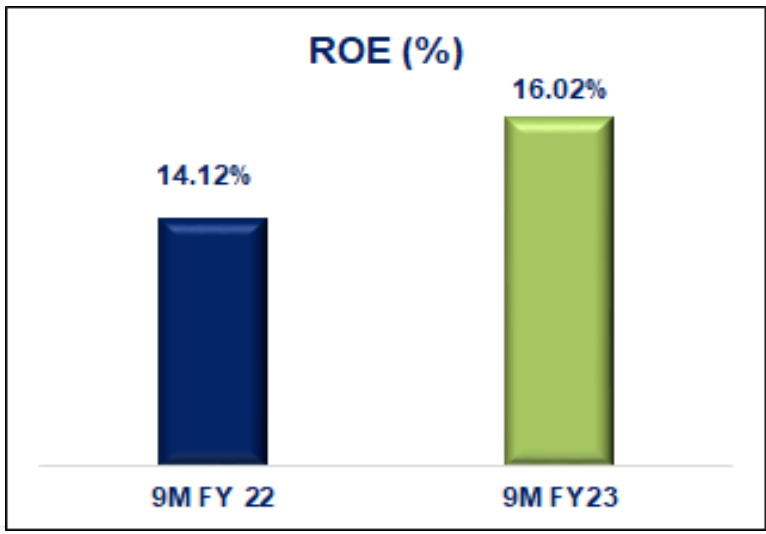
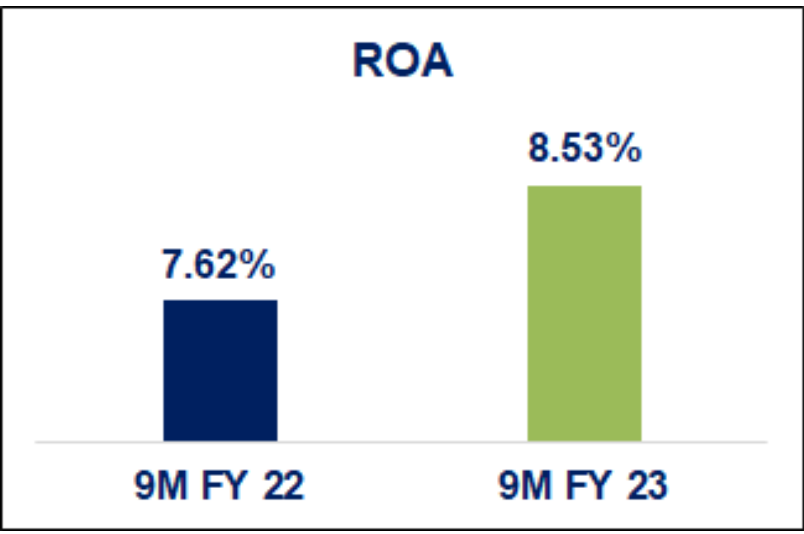
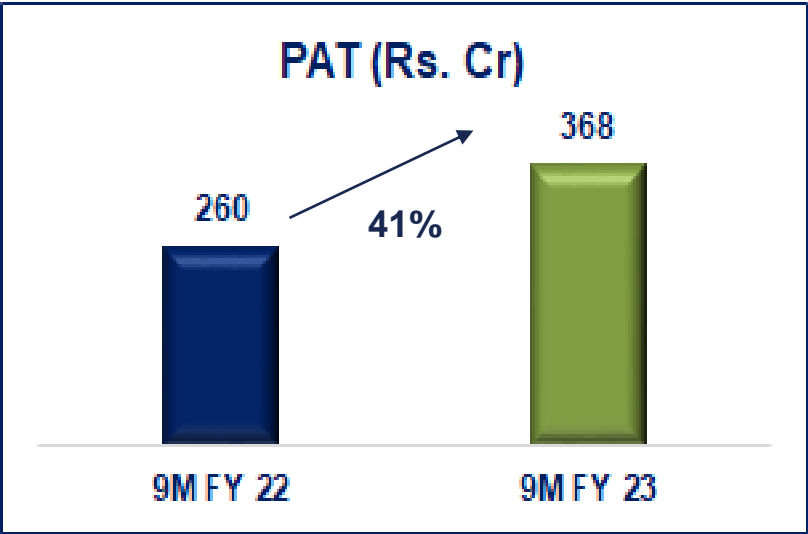
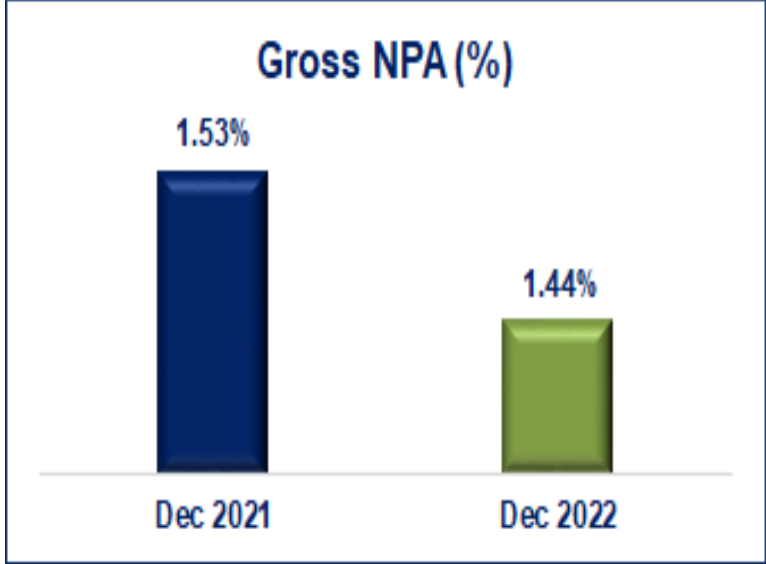
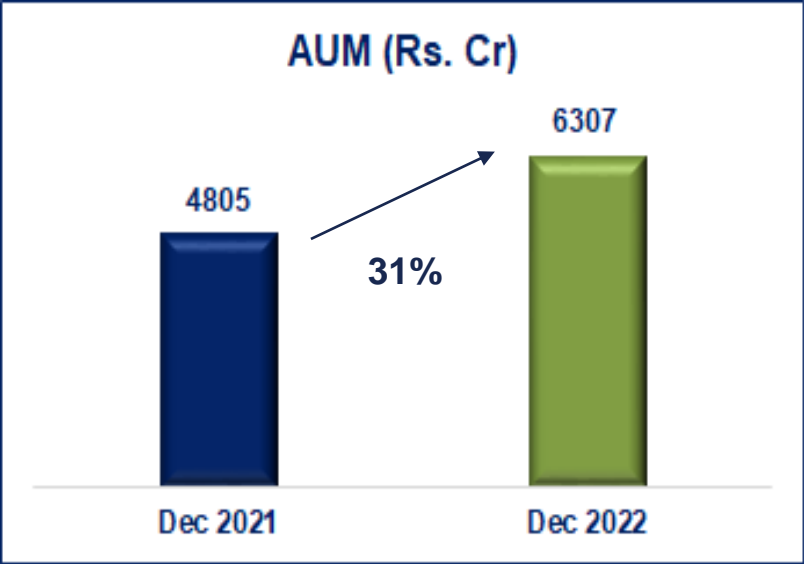
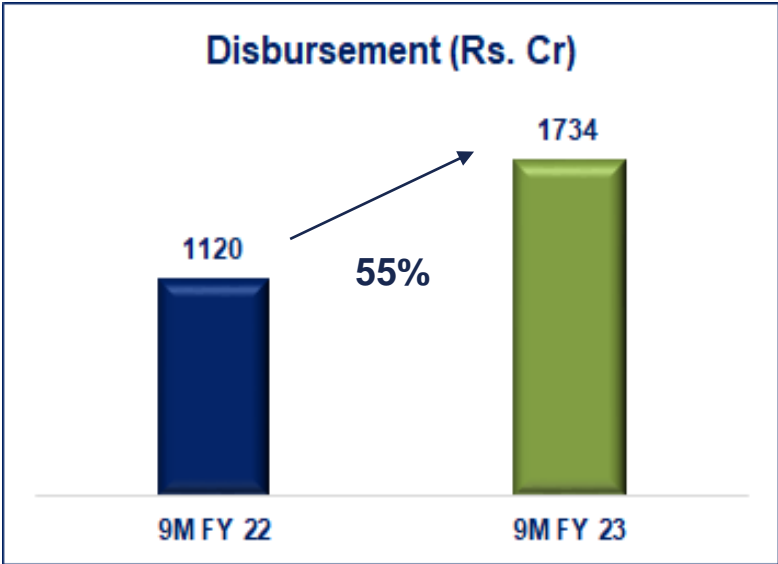
Diversified Experience

of Board Members across academic and professional domains

Performance Highlights (Quarterly)

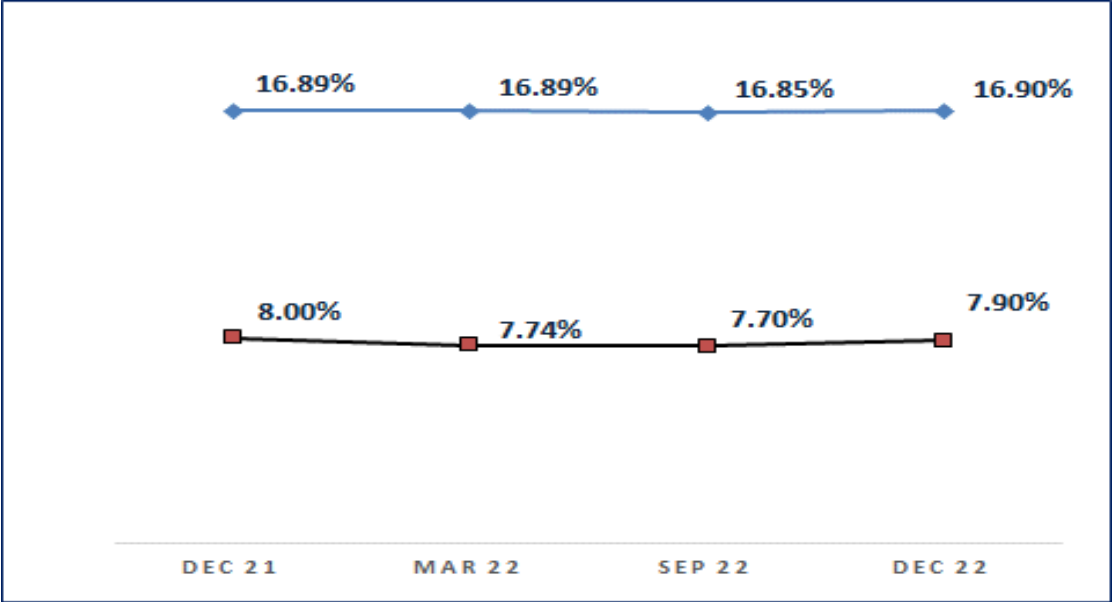
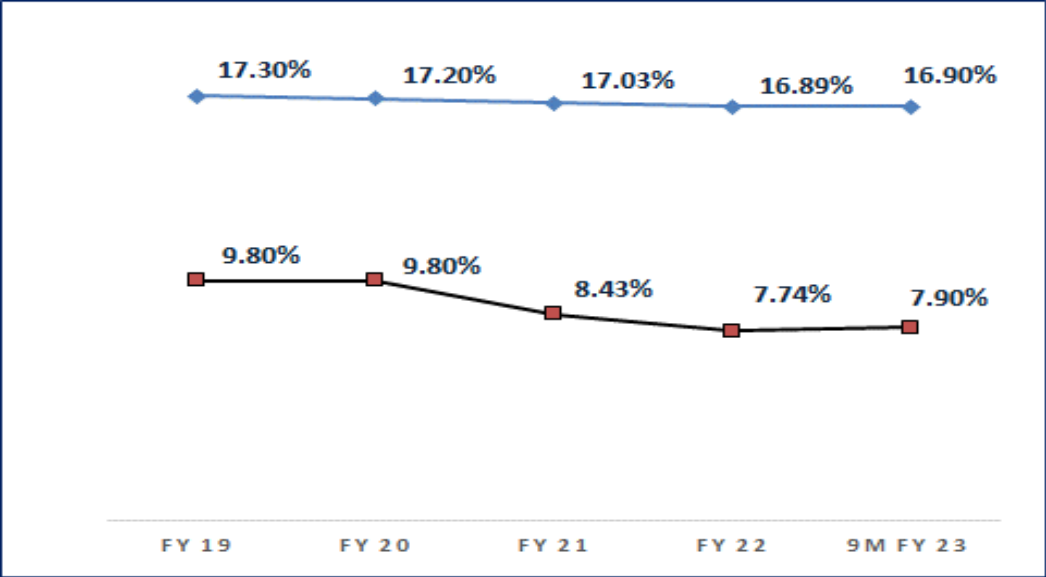


Performance Highlights (Year on Year)

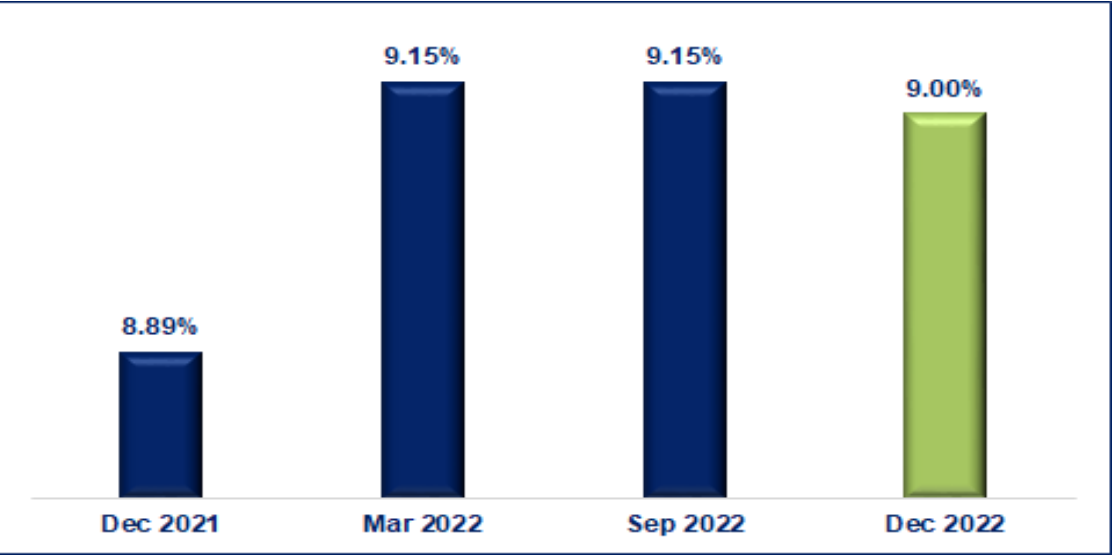
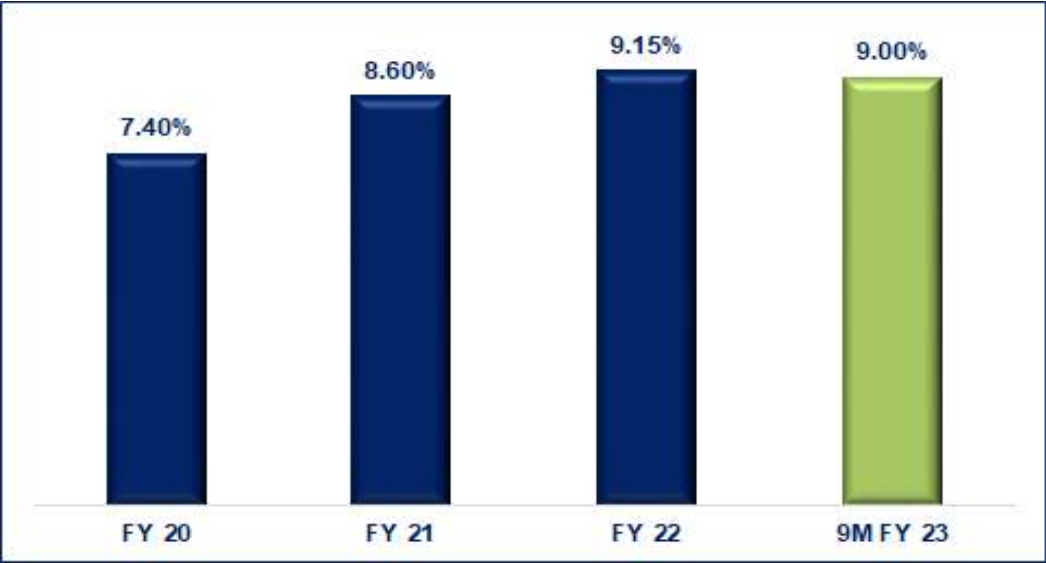


Consistent Spreads

Yields/Cost of Borrowings (%)

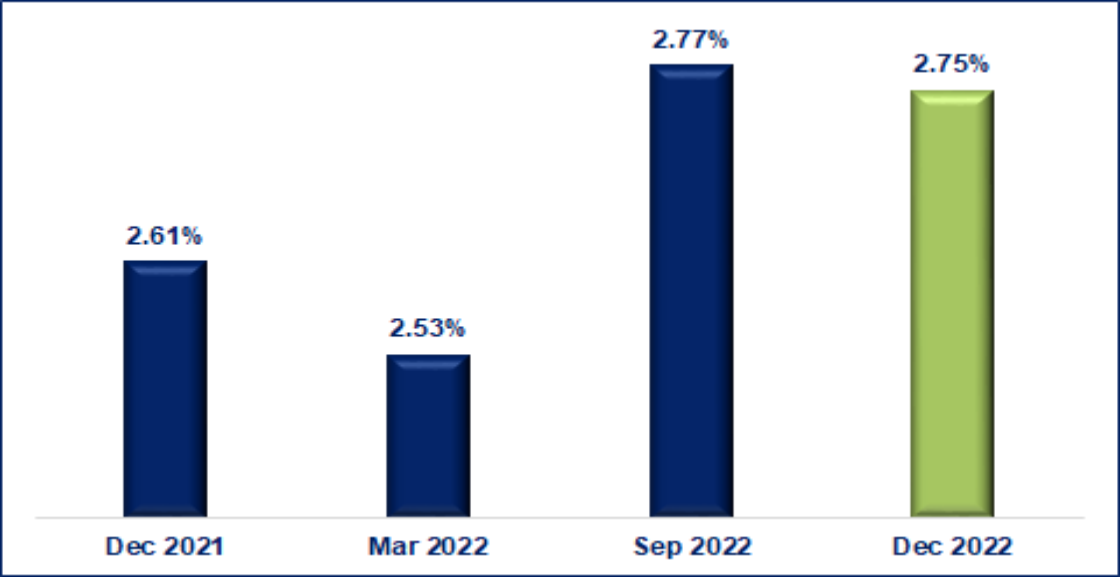
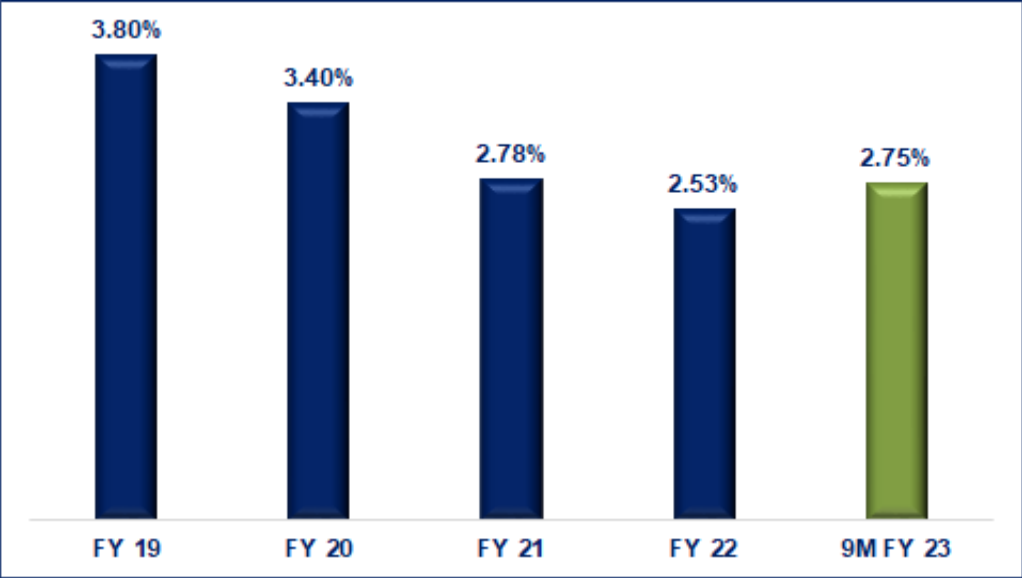


NIM (%)

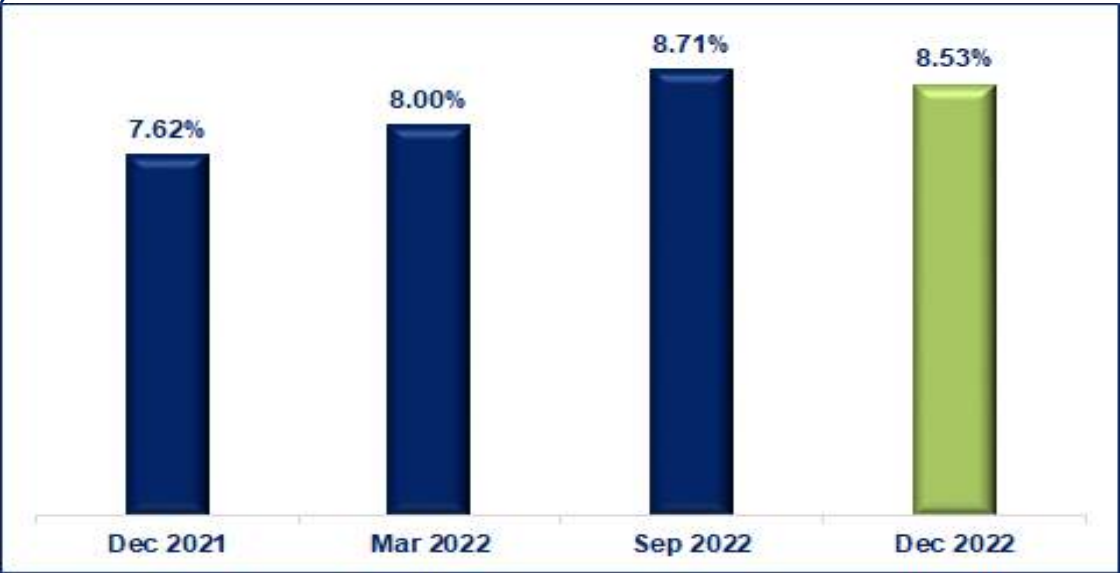
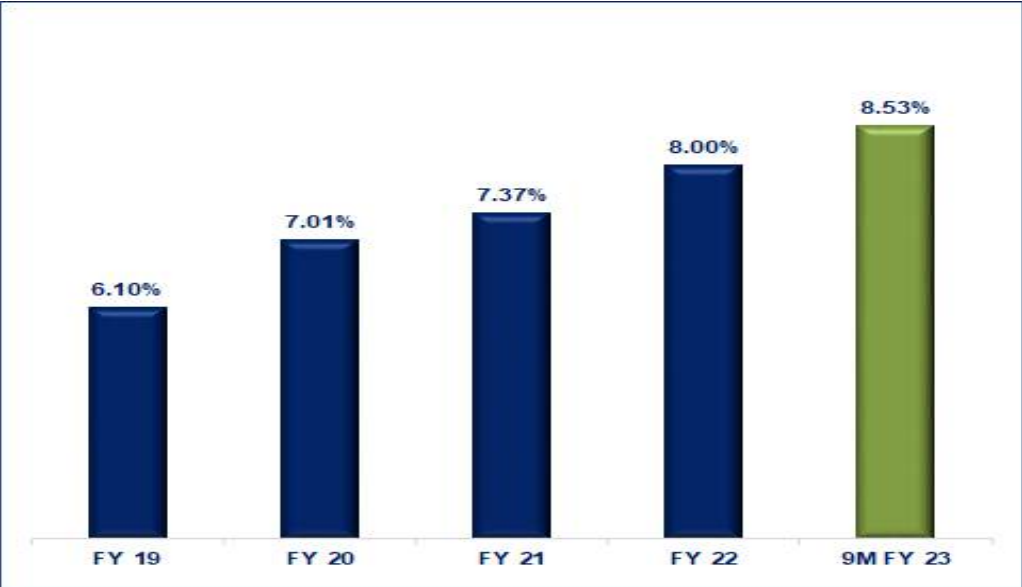


Opex and ROA

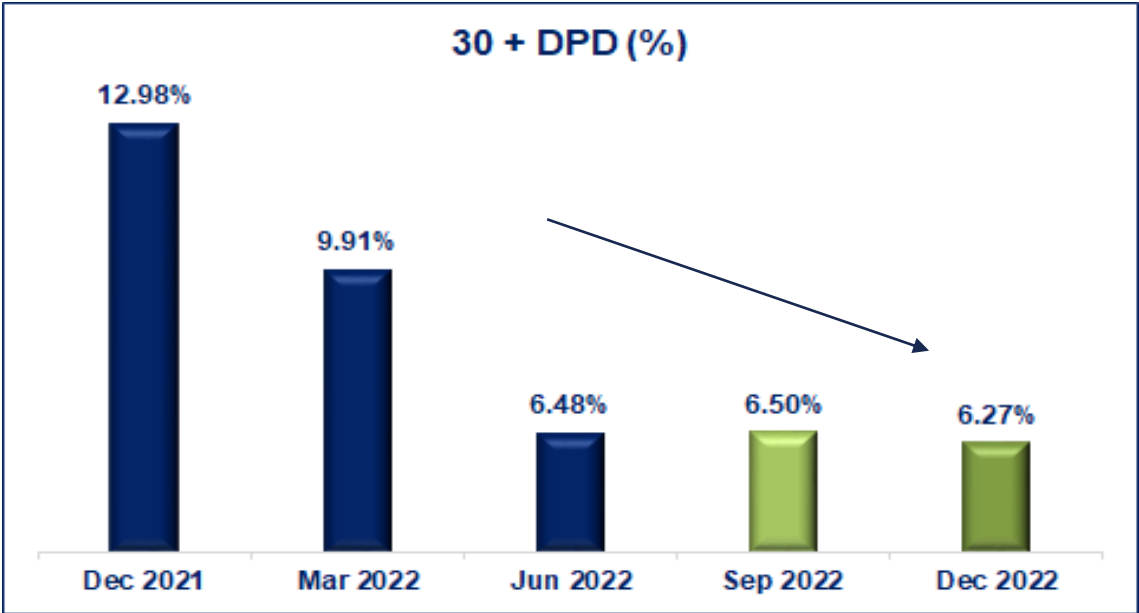
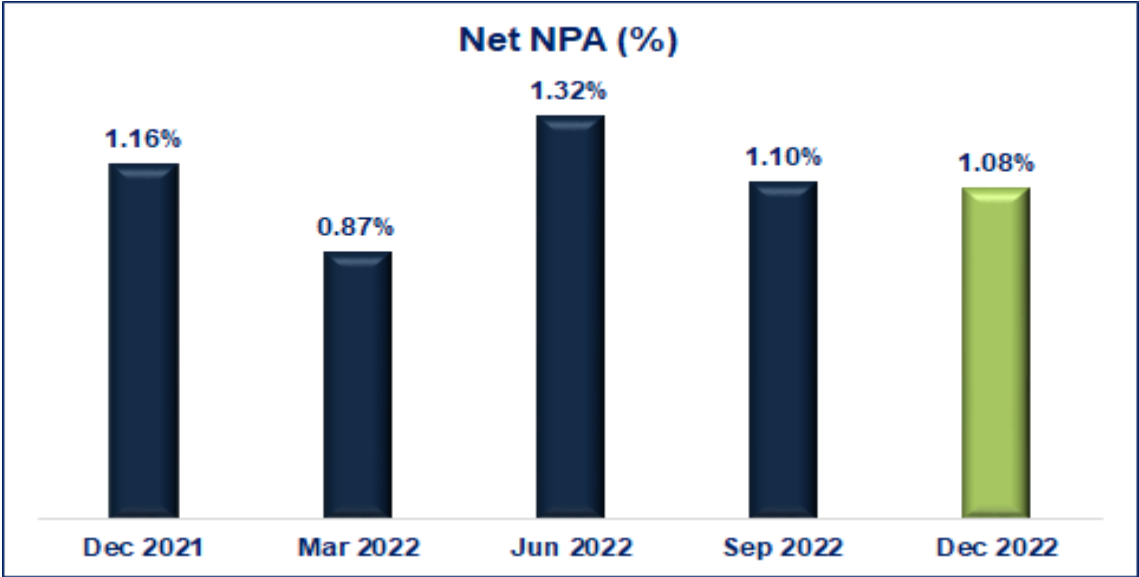
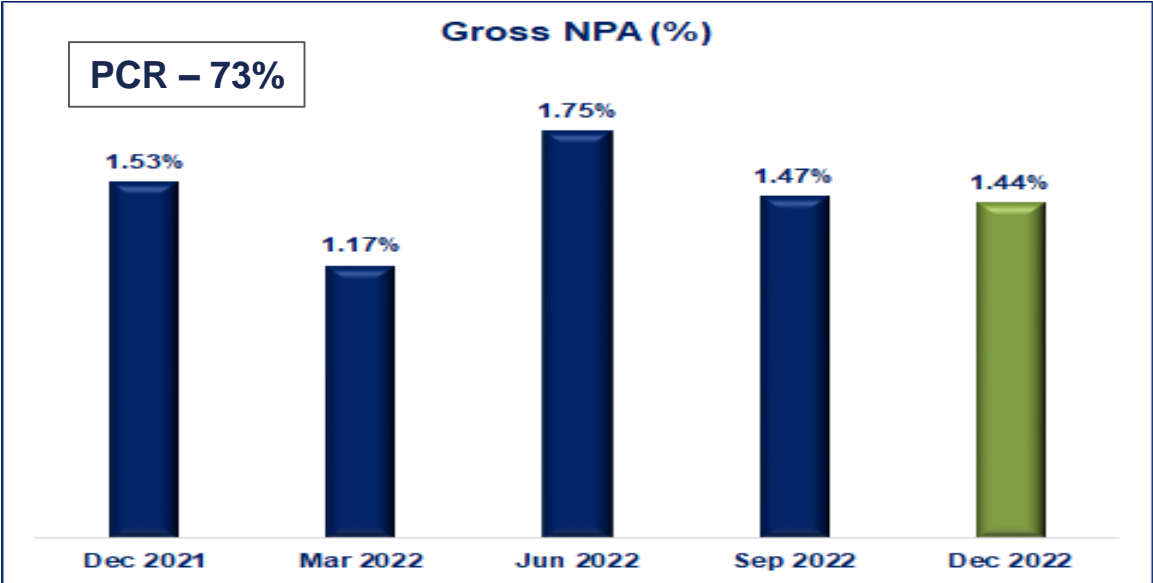
Opex (%)



ROA (%)



Asset Quality

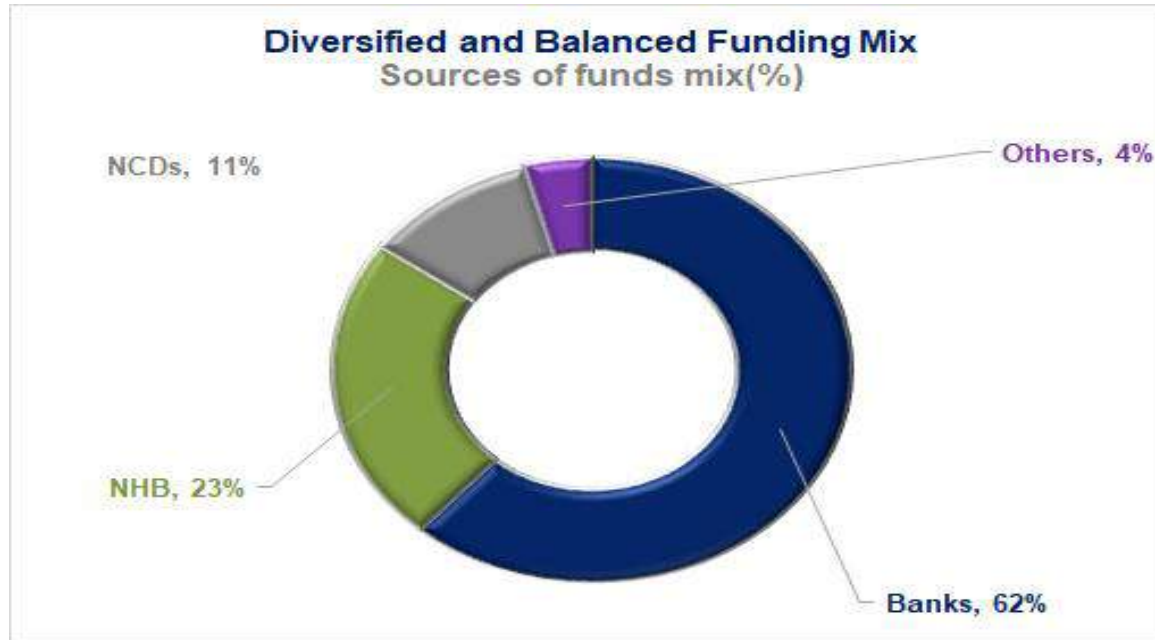


Provision for Contingencies (ECL)

Rs. Lakhs

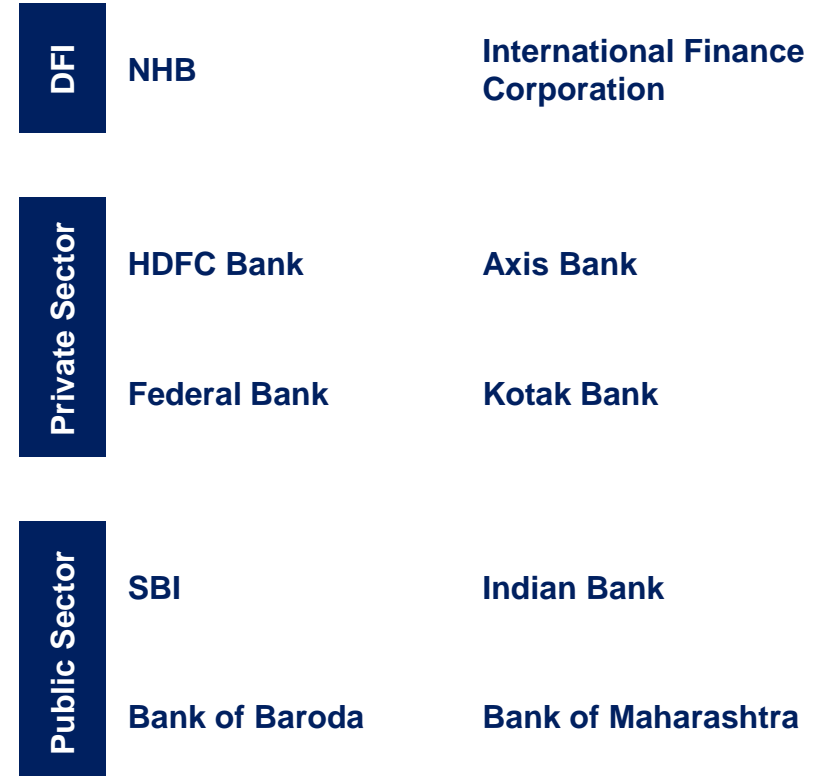
Particulars	Consolidated				
	31-Dec-22	30-Sep-22	30-Jun-22	31-Mar-22	31-Mar-21
Gross Stage 3	9,107.22	8,692.27	9654.17	6,183.67	2,717.11
% portfolio in Stage 3	1.44%	1.47%	1.75%	1.19%	0.67%
ECL Provision Stage 3	2,276.81	2,173.07	2,413.54	1,545.92	1,178.23
Net Stage 3	6,830.42	6,519.20	7,240.63	4,637.74	1,538.88
Provision coverage ratio (PCR)	25.00%	25.00%	25.00%	25.00%	43.36%
Gross Stage 2	30,402.31	29,818.89	26,049.50	45,155.90	35,289.12
% portfolio in stage 2	4.82%	5.03%	4.72%	8.72%	8.68%
ECL Provision Stage 2	2,235.63	1,915.17	902.49	1,020.68	176.45
Net Stage 2	28,166.68	27,903.72	25,147.01	44,135.22	35,112.67
Provision coverage ratio (PCR)	7.35%	6.42%	3.46%	2.26%	0.50%
Gross Stage 1	5,91,158.93	5,54,715.88	5,16,195.10	4,66,620.41	3,68,769.06
% portfolio in stage 1	93.74%	93.51%	93.53%	90.09%	90.66%
ECL Provision Stage 1	2,157.73	1,886.03	1,755.06	1,602.02	328.06
Net Stage 1	5,89,001.20	5,52,829.85	5,14,440.04	4,65,018.39	3,68,441.00
Provision coverage ratio (PCR)	0.37%	0.34%	0.34%	0.34%	0.09%
Total AUM	6,30,668.46	5,93,227.04	5,51,898.77	5,17,959.98	4,06,775.29
ECL Provision	6,670.17	5,974.27	5,071.10	4,168.62	1,682.74
Provision coverage ratio (PCR)	1.06%	1.01%	0.92%	0.80%	0.41%

Robust Funding Management and Credit Profile



No Exposure to Short term loan incl CPs

20+ Lender Relationships



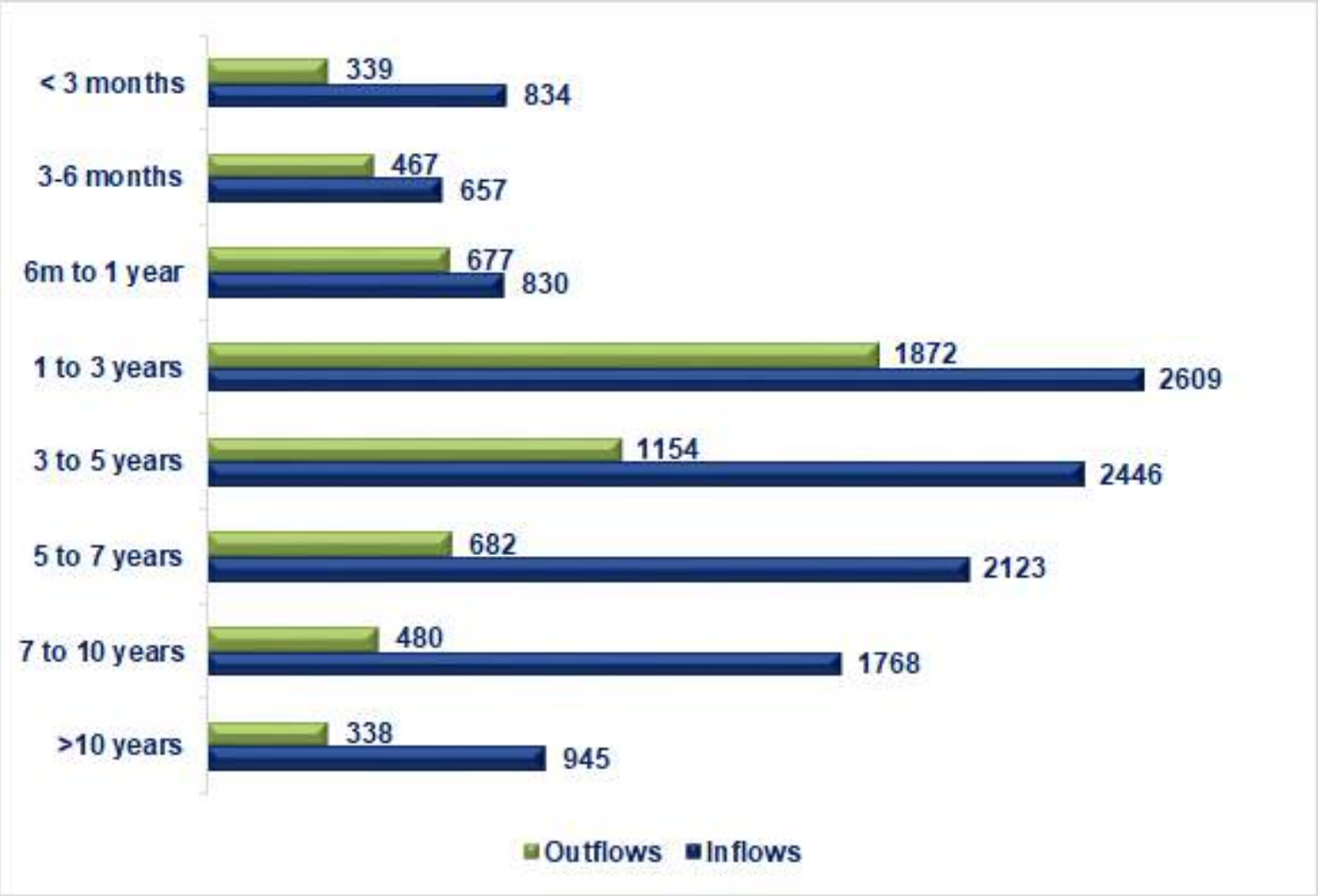
Avg. tenure of borrowings(months)	Q3 FY 23	FY22	FY21
	85.9	84.7	83.3

• Others represents Securitisation

- Credit Rating (ICRA)– Upgraded to AA-from A+
- Credit Rating(CARE) – Upgraded to AA-from A+

ALM Surplus

Position as on 31 Dec 2022 (Rs.Cr)



Surplus

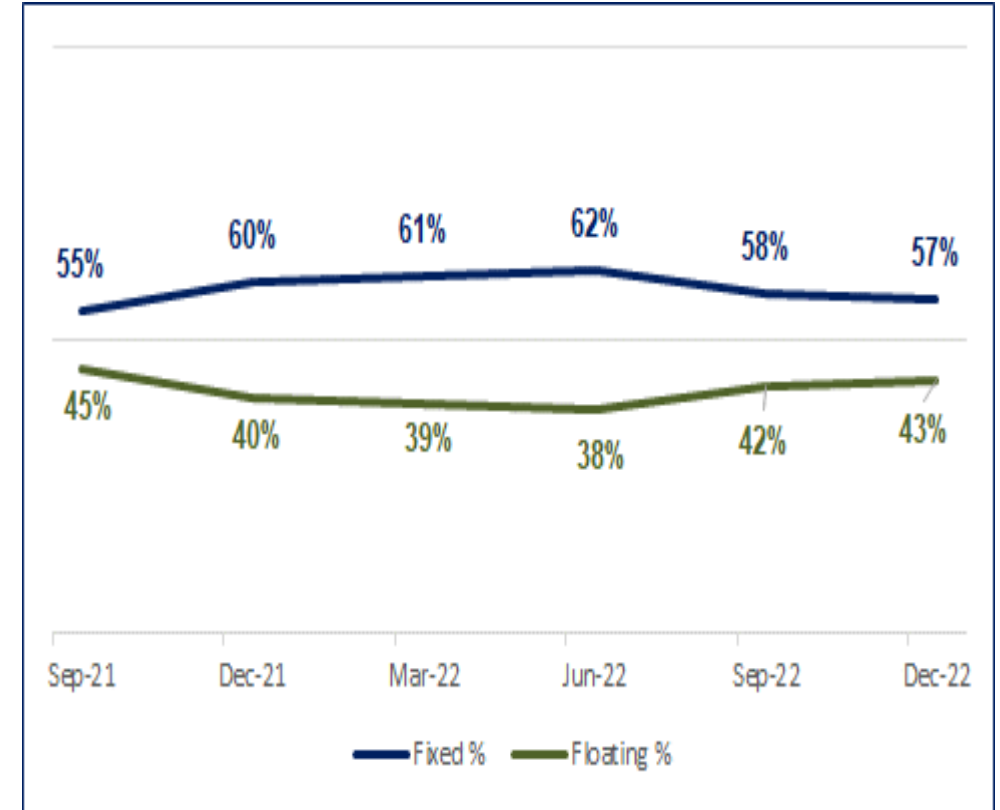
496
191
154
737
1293
1441
1288
607

Fixed Vs Floating (Assets Vs. Liabilities)

Loan Assets & Borrowings (₹ Cr) As on Dec-22



Borrowings - Fixed Vs. Floating (*)



gap between Loan Assets & Borrowings filled by a portion of Equity

Comfortable liquidity position/Capital Adequacy

A. Liquidity

Rs. Crores

Unencumbered Cash and Cash Equivalents	664
Un availed sanctions from NHB	400
Total	1,064

Particulars	Q4 FY 23	Q1 FY 24
Opening Liquidity	1064	1191
Add: Principal repayments and surplus from operations	312	317
Less: Debt repayments	185	250
Closing Liquidity	1,191	1,259

- Rs.1250 crores available for business upto June 2023

B. Capital Adequacy

Capital Adequacy as on 31 Dec 2022 - 79.32%

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 – Odisha, Maharashtra, and Chhattisgarh



Continued focus on productivity

- Focus on Opex including cost of funds
- Continue to improve credit ratings

Experienced and Well Diversified Board

CMD



M. Anandan

Chairman & Managing Director

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



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 Operations 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



V. Krishnaswami

Sr. Vice President - Information Technology

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



N. Srikanth

Vice President - HR

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



Ramesh K

Vice President - Credit

Rich experience in areas of Credit & Risk Management, Fraud Control and operations in retail finance.



John Vijayan

Chief Risk Officer

Experience in Financial Services in the areas of Operations, Finance, Customer Servicing and Internal Audit.



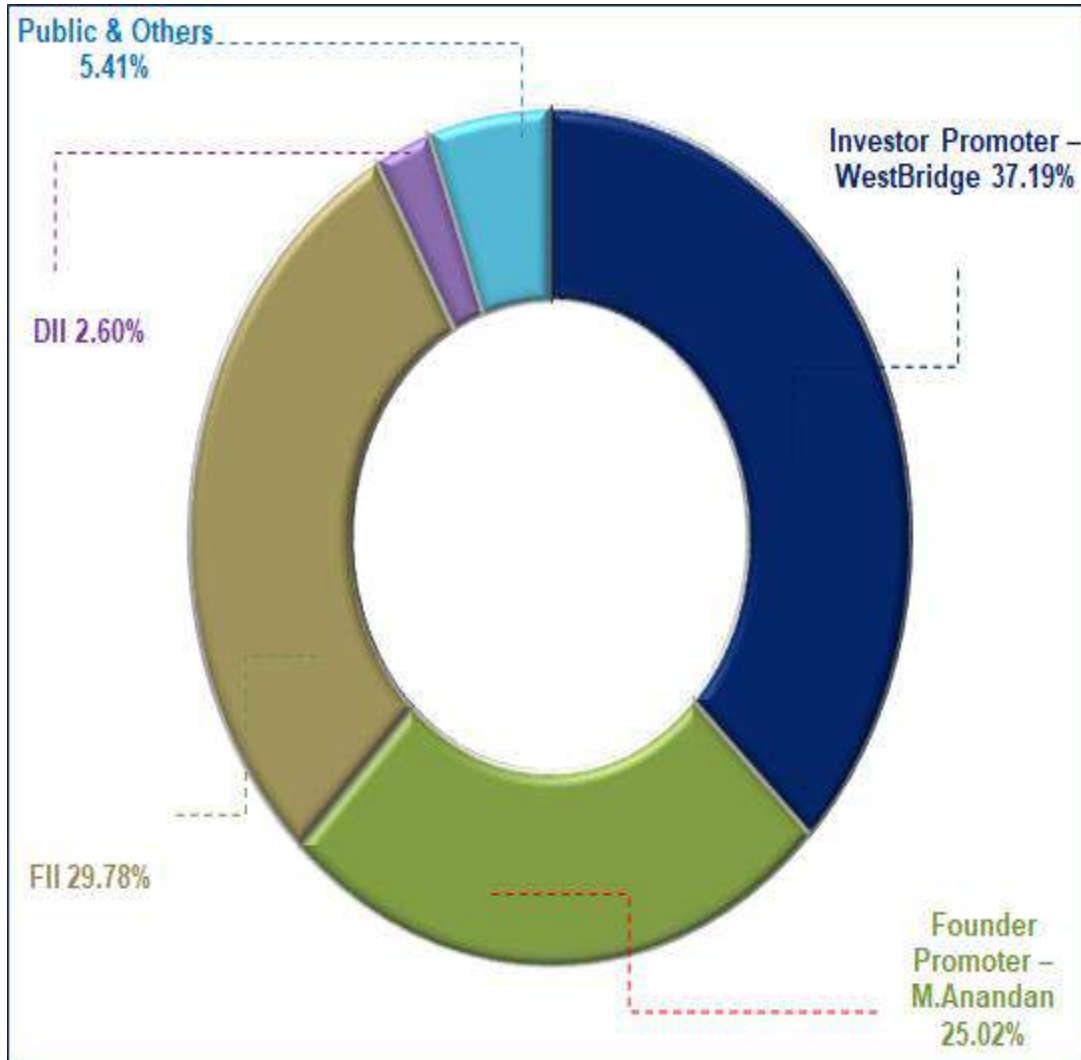
Sundara Kumar V

Vice President - Legal & Receivables

Legal experience in title deed scrutiny, SARFAESI and arbitration procedures in housing finance / mortgages.

Diversified Shareholding

Shareholding Pattern as on 27 Jan 2023



Top Institutional Shareholders as on 27 Jan 2023

Investor Details	% of holding
Key Investors	
Malabar Group	8.41
Ward Ferry	3.50
Capital Research	3.40
Steadview Capital	3.19
Sequoia	2.78
Madison	1.86
Aberdeen	1.80
Vanguard	1.39
Genesis	1.17
Neuberger Berman	1.01

Annexures

Consolidated Statement of Profit and Loss(*)

Rs. Crores

FY 22	Particulars	Q3 FY 23	Q2 FY 23	9 M FY 23	9 M FY 22	Growth
						9M FY 23 over 9M FY 22
791.67	Interest income on loans	277.32	257.47	767.79	574.41	34%
48.55	Processing fees and other income	17.48	19.58	52.82	31.46	
208.59	Interest expense	77.16	66.83	198.25	159.36	
631.63	NIM	217.64	210.22	622.36	446.51	39%
117.14	Operating expenses	41.43	44.55	118.66	86.81	37%
34.47	Provisions - ECL/Write offs	7.78	9.07	26.37	24.00	
480.02	Profit before tax	168.43	156.60	477.33	335.70	42%
109.88	Provision for Taxation	42.87	33.28	109.62	75.41	
370.14	Profit After Tax	125.56	123.32	367.71	260.29	41%

(*) – Based on Ind AS

Consolidated Statement of Assets and Liabilities(*)

Rs. Crores

Particulars	31-Dec-22	31-Mar-22
Sources of Funds		
Share capital	99.60	99.38
Reserves & Surplus	3102.73	2,816.78
Total Networth	3,202.33	2,916.16
Borrowings	3659.11	2,720.63
Other liabilities and provisions	54.06	47.25
Total	6,915.50	5,684.04
Application of Funds		
Loan Assets	6177.58	5,078.75
Fixed Assets	4.55	4.01
Liquid Assets - Bank FDs, MFs	671.19	547.59
Other Assets	62.18	53.69
Total	6,915.50	5,684.04

(*) – Based on Ind AS

RoA Tree

Particulars	9M FY 23	FY 22
Revenue from operations/Avg Loan book	18.45%	17.51%
Other Income/Avg loan book	0.60%	0.67%
Total Revenue/Avg loan book	19.05%	18.17%
Finance cost/Avg loan book	4.60%	4.51%
Spread/Avg loan book	14.45%	13.66%
Operating expenses/Avg loan book	2.75%	2.53%
ECL Provision/Avg loan book	0.61%	0.75%
PBT/Avg loan book	11.08%	10.38%
PAT/Avg loan book	8.53%	8.00%
PAT/Networth	16.02%	14.45%

Thank You