



## **Aptus Value Housing Finance India Limited**

### **Investor Presentation | Q2 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 213 locations

# Key Strengths



# Snapshot - September 2022

## Assets under Management (AUM)

Rs. 5932 Cr

+33%

+7%

## Disbursement

Rs. 1129 Cr

+69%

+15%

## Gross Stage 3 (\*)

1.47 %

+66 bps

-28 bps

## Interest Spread

9.15 %

+6 bps

-2 bps

## Opex to Assets

2.77 %

+3 bps

+33 bps

## Profit After Tax

Rs. 242 Cr

+52 %

4 %

## Return on Assets

8.71 %

Consistently maintained

## Return on Equity

15.83 %

Consistently maintained

■ YoY  
■ QoQ

(\*) – 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...



**1,373**

*Business origination*



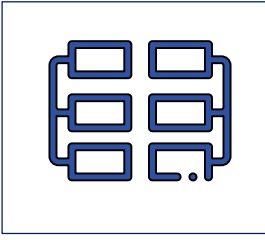
**243**

*Credit*



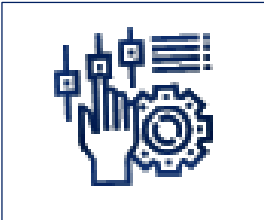
**215**

*Legal & technical*



**391**

*Collection*



**137**

*HO / Operations*

## ...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

- Cust app, Ref app
- Social media
- 213 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

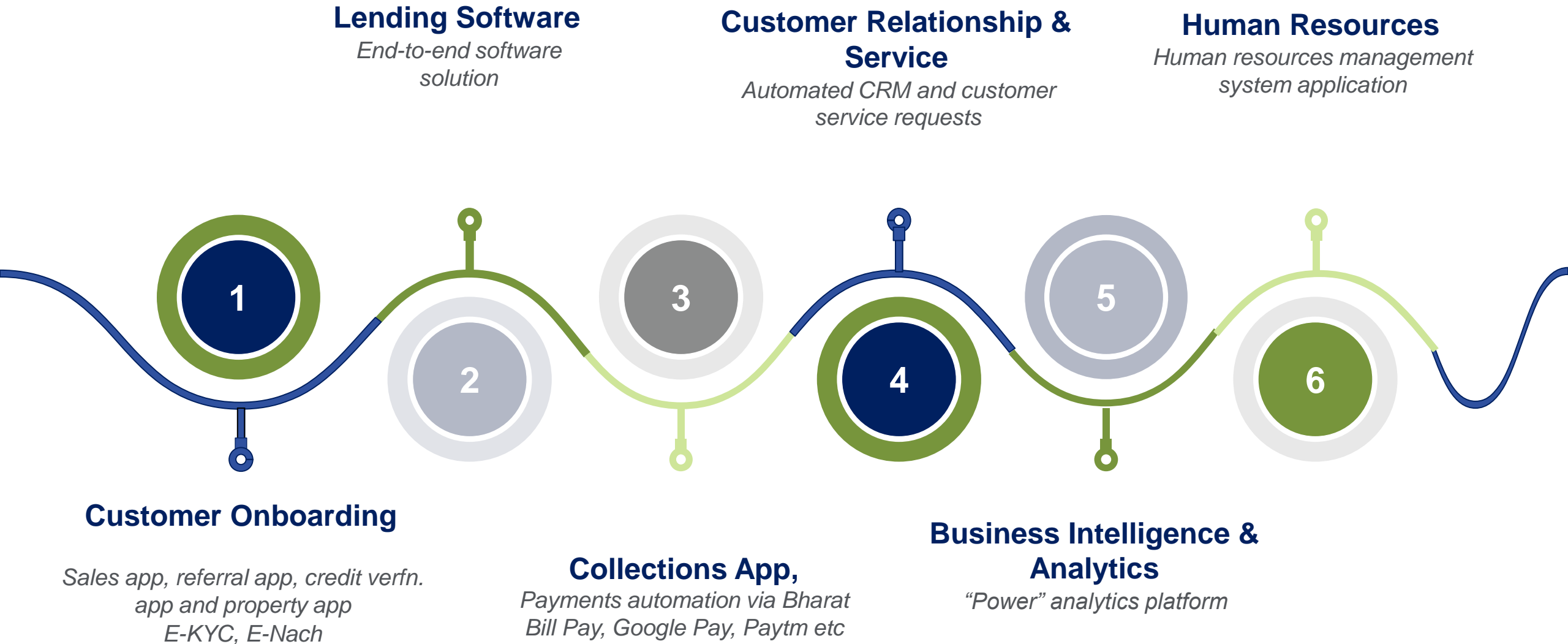
*Monitoring early default signs*

**90 DPD**

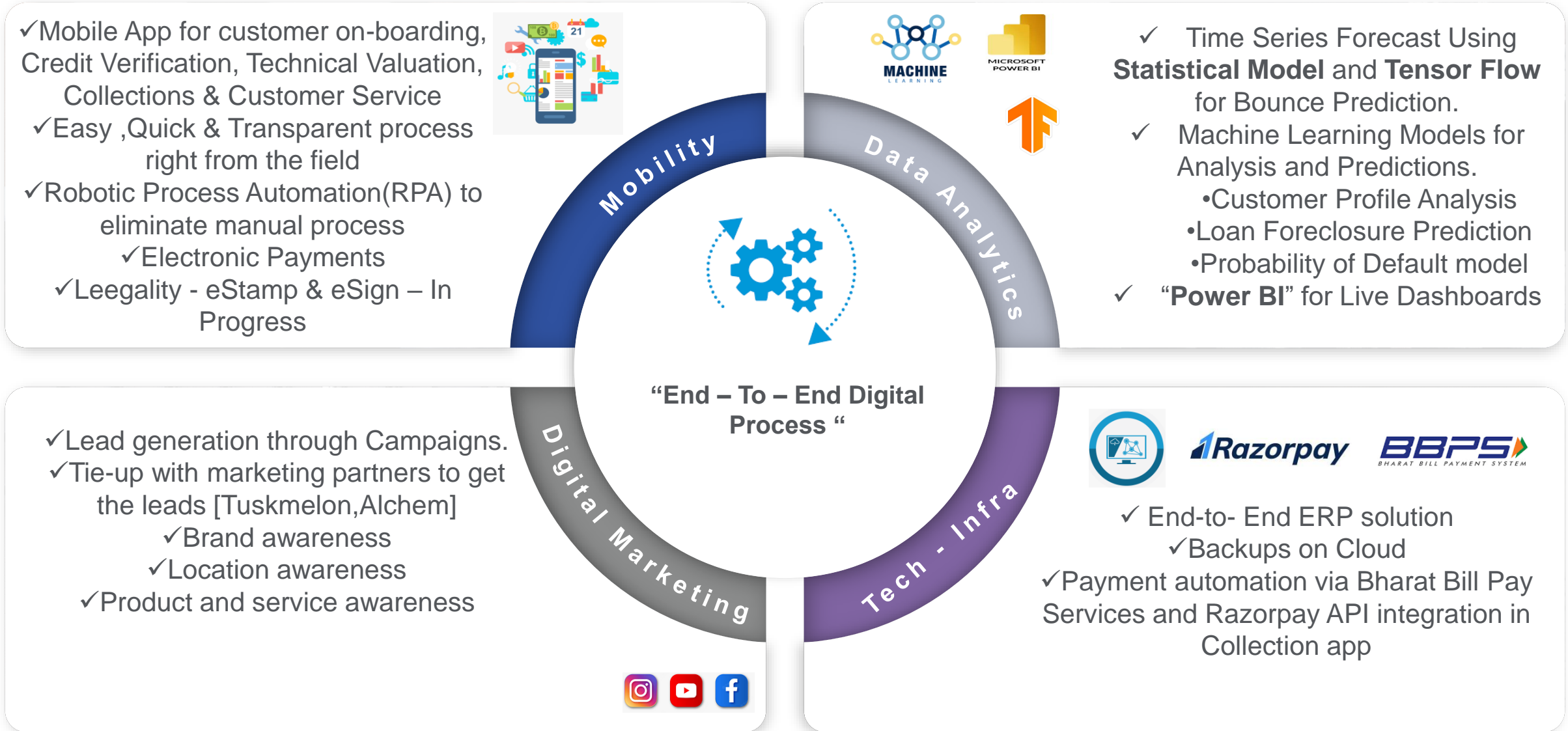
*Legal action / SARFAESI*



# Information & Technology : Key Enabler of Growth



# Scalable and Robust Digital Landscape



# Risk and Data Science Backed Centralized Underwriting



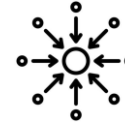
## Risk Management

- 25 + 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

- More than 100 data points captured for evaluation of every 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



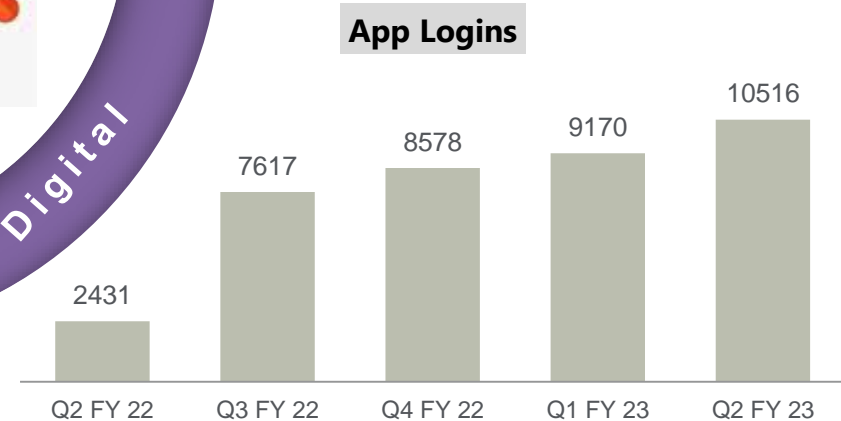
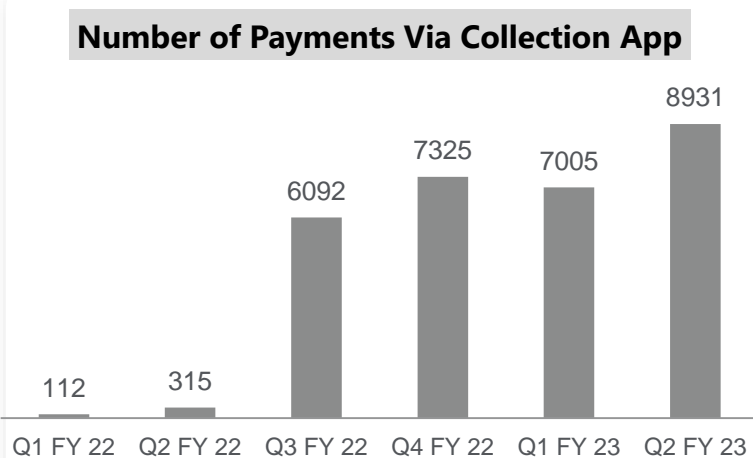
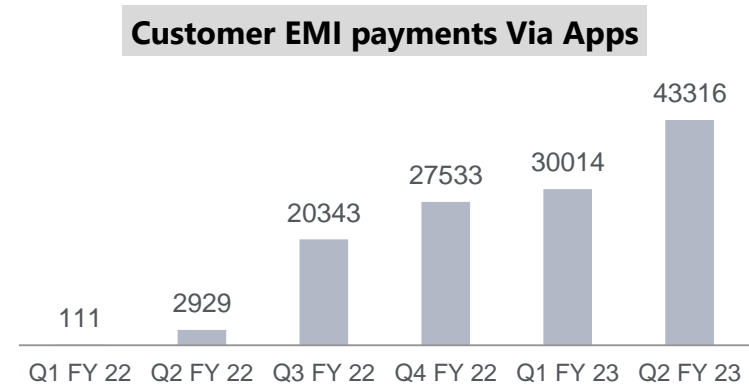
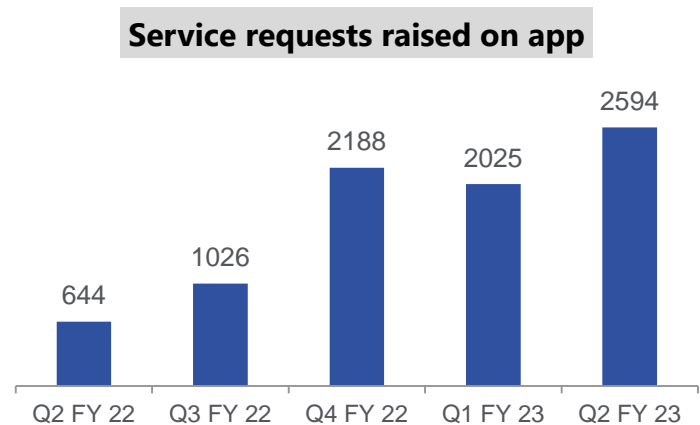
## Centralized Processing

- 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 %**

# Digital Adoption



# 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			
		H1 FY 23	FY 22	FY 21	FY 20
TamilNadu	83	46%	48%	52%	56%
AndhraPradesh	76	33%	31%	28%	24%
Telangana	32	13%	12%	10%	10%
Karnataka	21	8%	9%	10%	10%
Odisha	1	0%	0%	-	-
Total	213	100%	100%	100%	100%

## Branch Productivity as on Sep 30, 2022

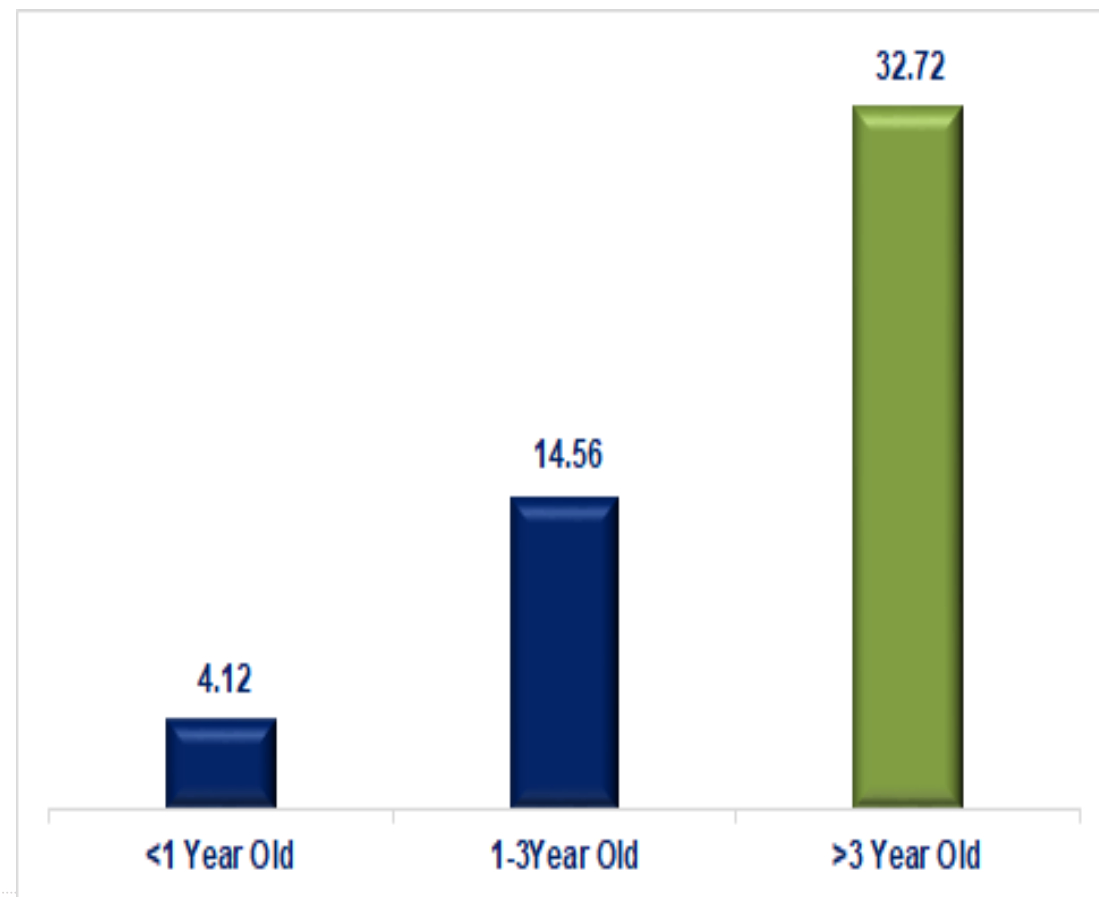
AUM per Branch (Rs. Cr)

# of Branches

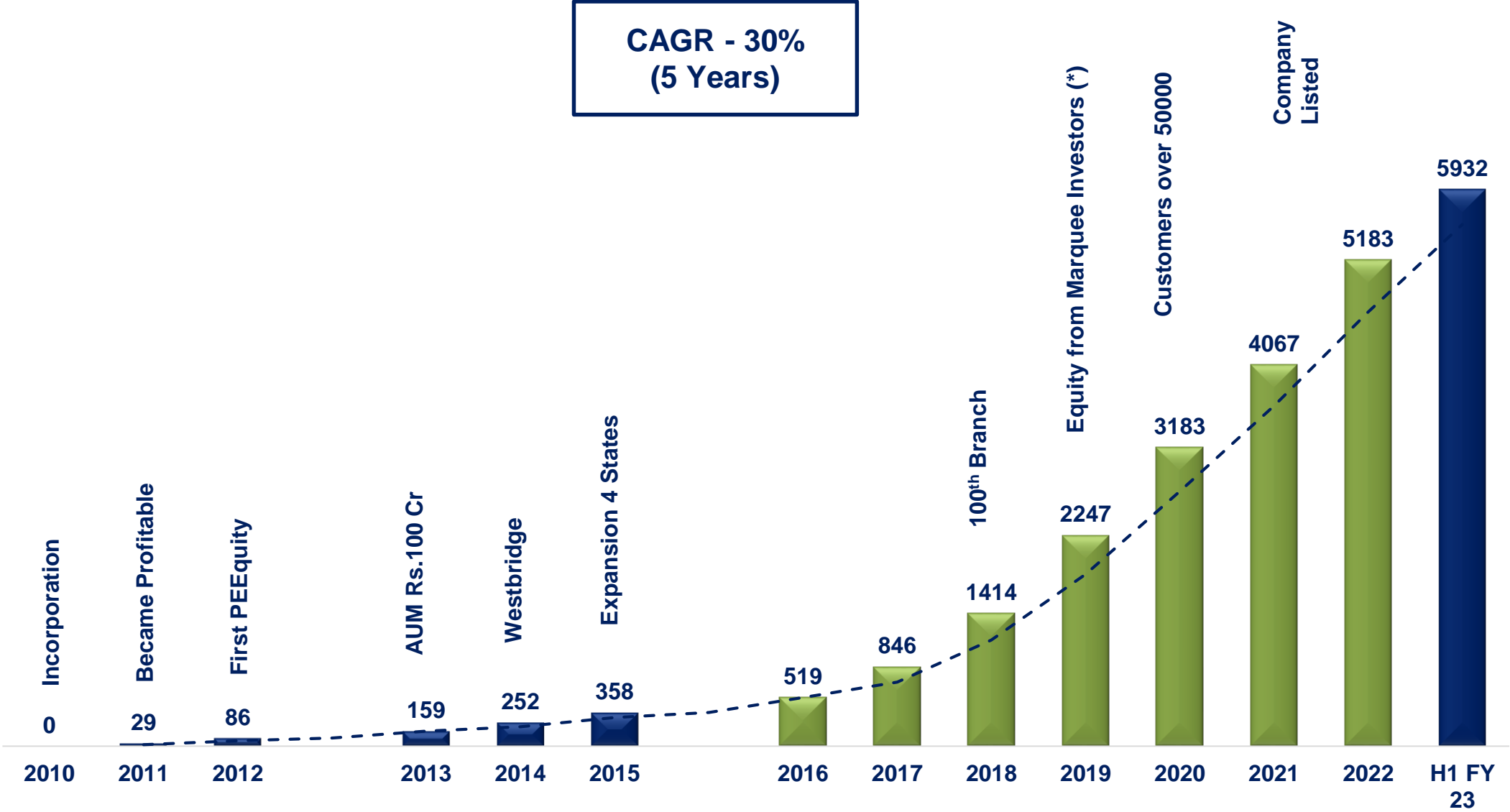
16

32

165



# Scalable Operating Model



(\*) – WestBridge, Malabar Sequoia, Steadview

AUM Rs. Crores

# Resilient Model Across Economic Cycles

	<b>GST Implementation FY 18</b>	<b>NBFC Liquidity Crisis FY 20</b>	<b>Covid-19 (first wave) FY 21</b>	<b>Covid-19 (Second wave) FY 22</b>	<b>Geo Political Issues H1 FY 23 (*)</b>
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**AUM growth**

**66%**

**41%**

**28%**

**27%**

**29%**

**Yield**

**17%**

**18%**

**17%**

**17%**

**17%**

**GNPA**

**0.5%**

**0.7%**

**0.7%**

**1.19%(#)**

**1.47%(#)**

**ROA**

**6.0%**

**7.8%**

**7.4%**

**8.00%**

**8.71%**

# – As per RBI circular dated 12 Nov 2021

\* – Annualised

# Strong ESG Focus



**76%**  
LIG

**72%**  
Self-employed

**38%**  
New to Credit



**Employment**

in rural / semi-urban areas

**Support**

to borrowers



**NIL**

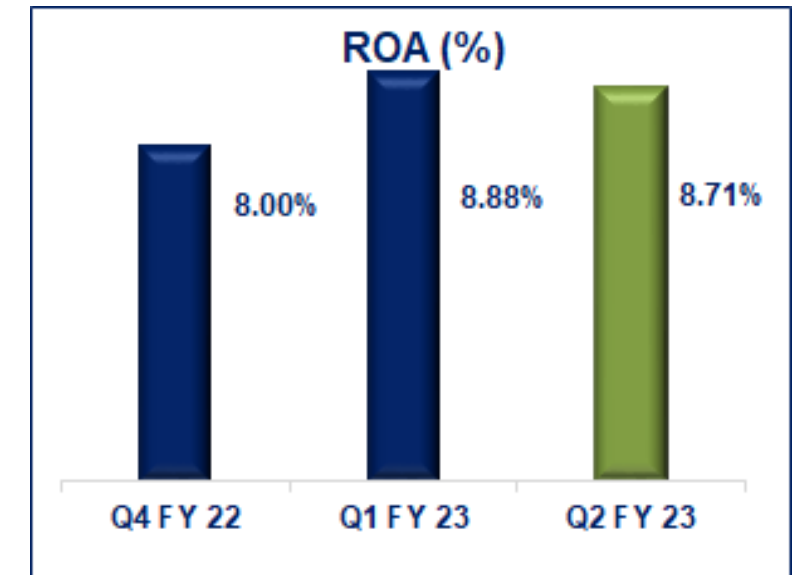
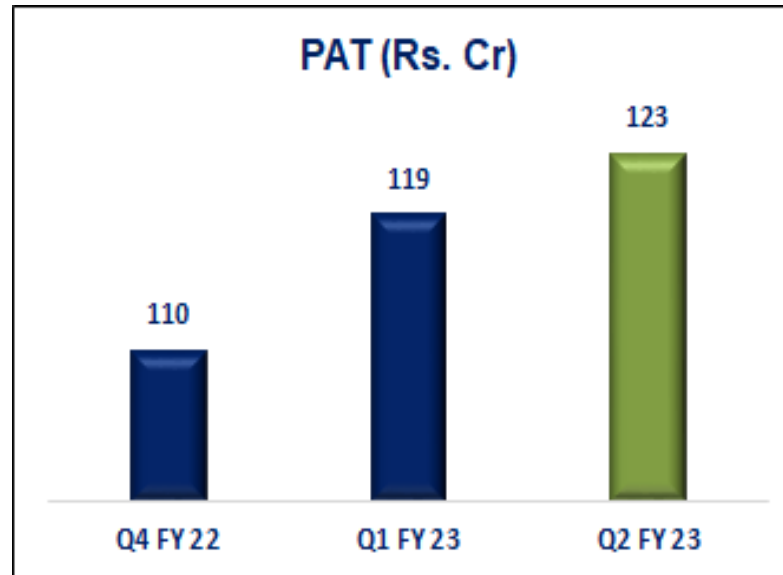
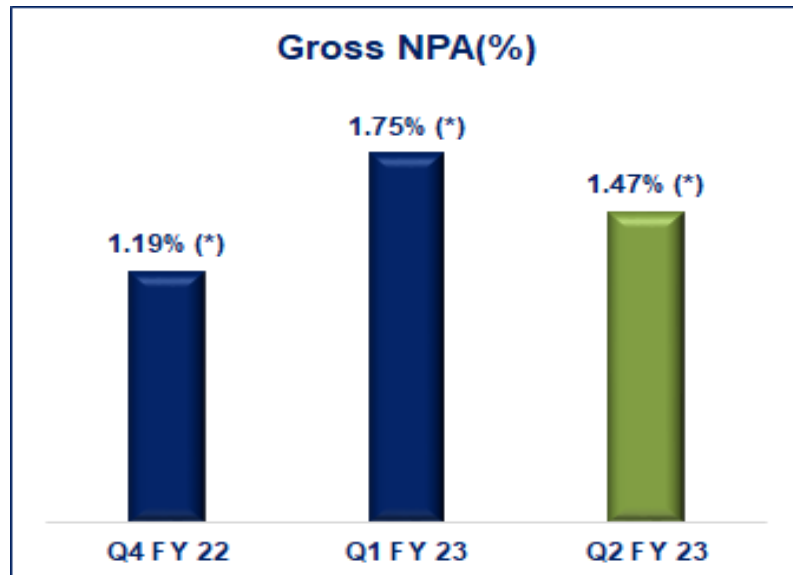
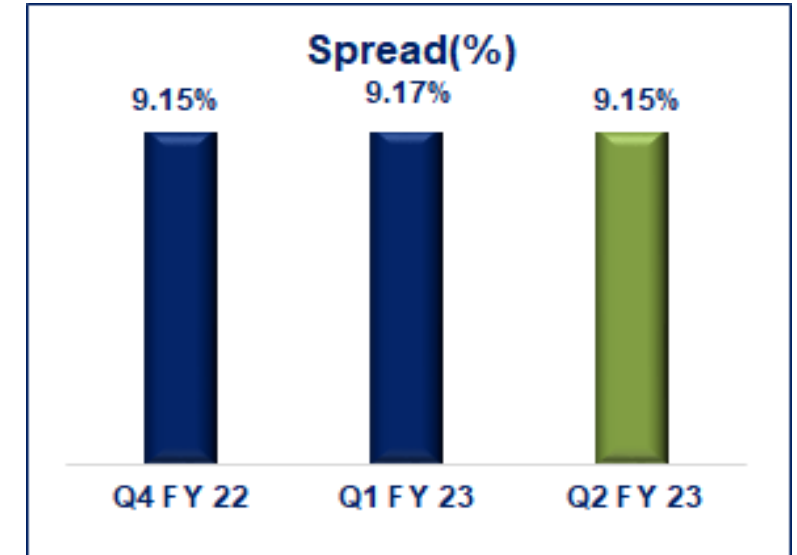
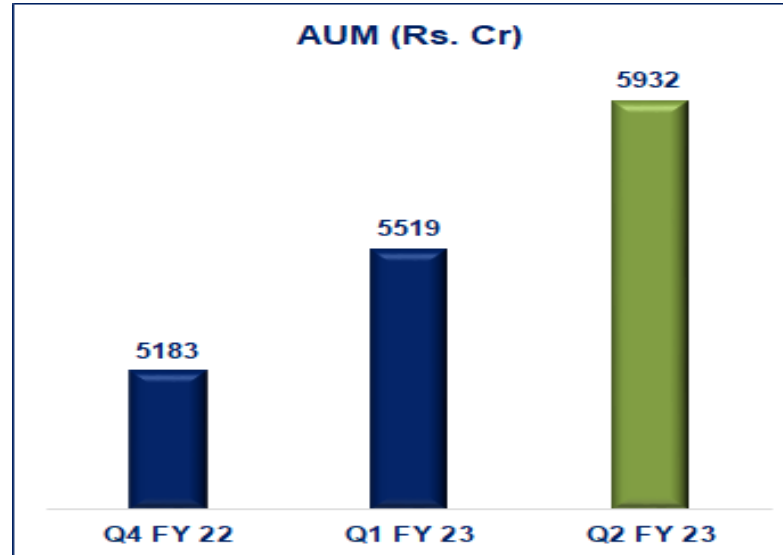
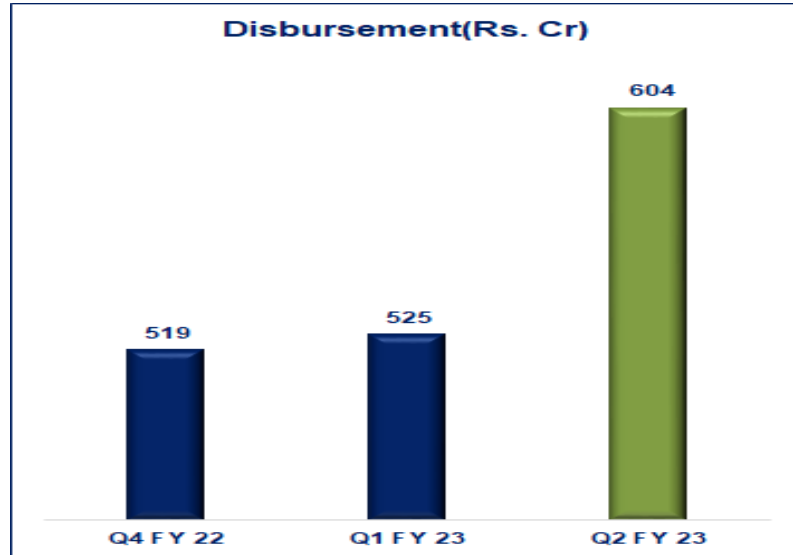
Material Civil litigation

**Diversified Experience**

of Board Members across academic and professional domains

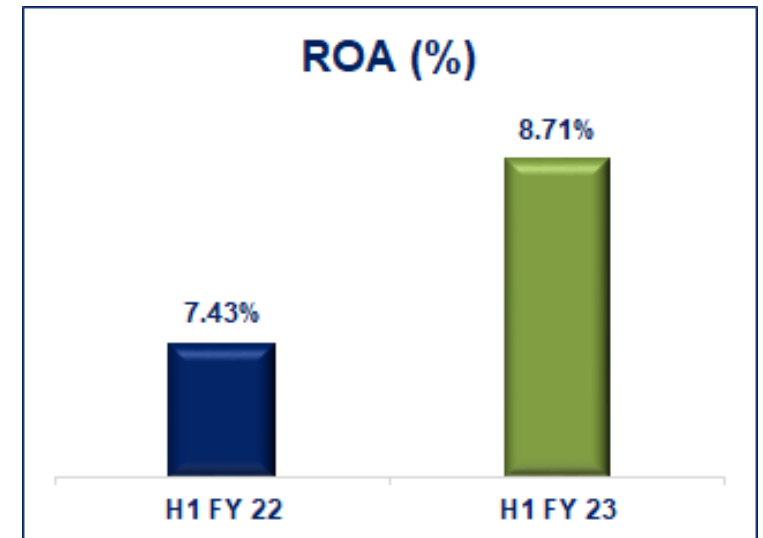
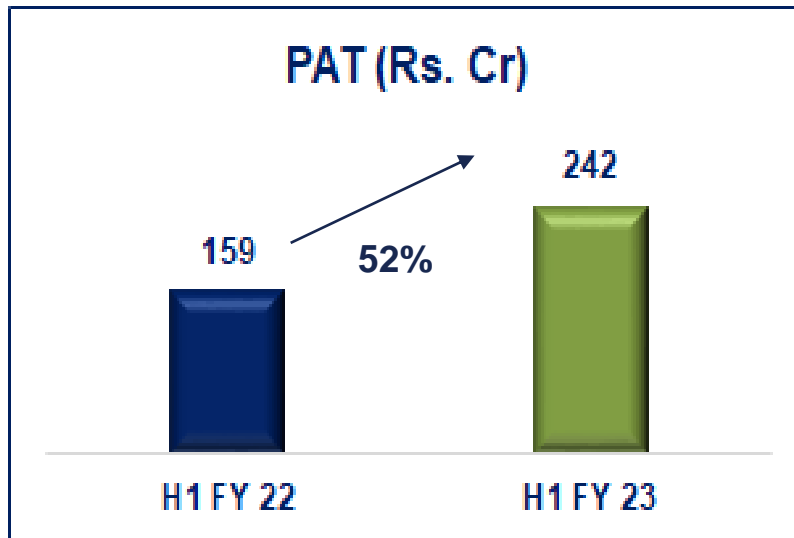
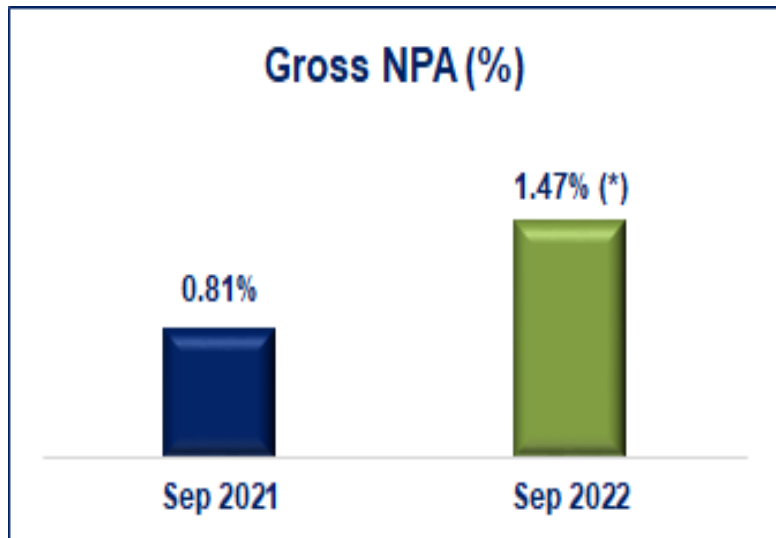
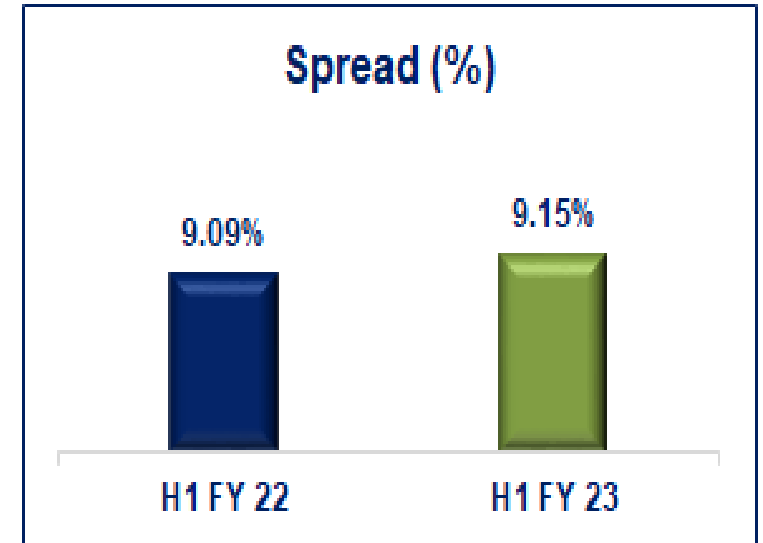
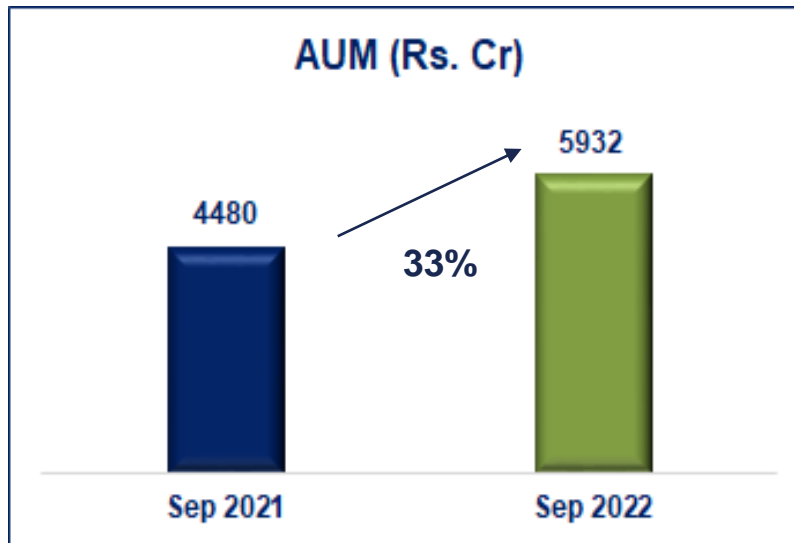
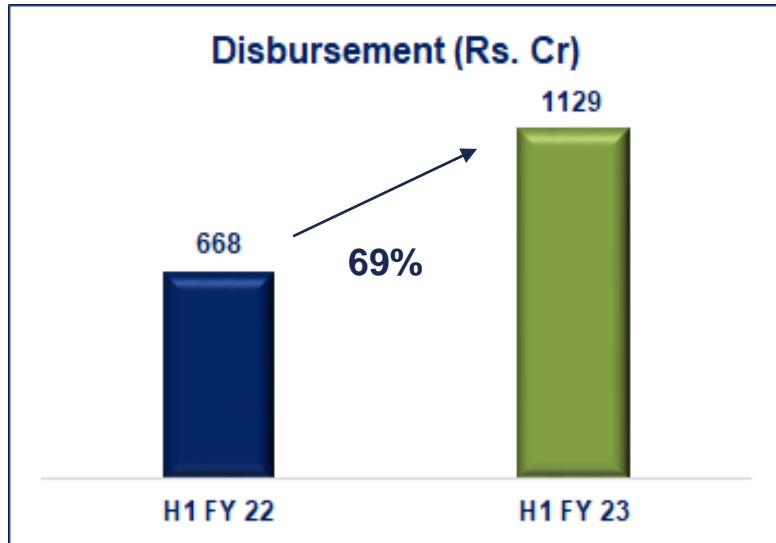


# Performance Highlights (Quarterly)



(\*) NPA as per RBI circular dated 12 Nov 2021

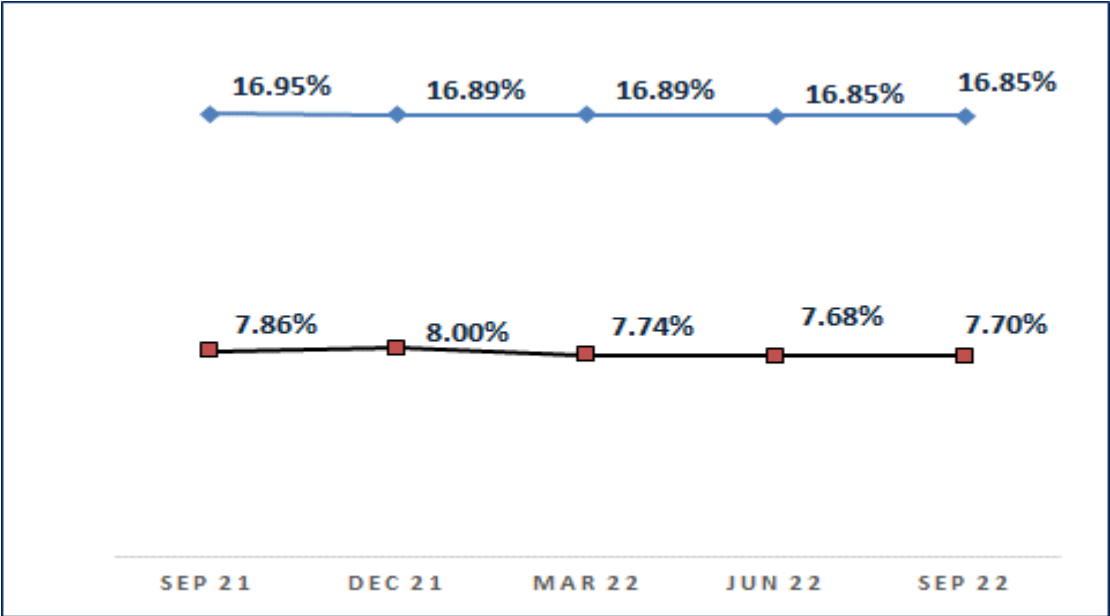
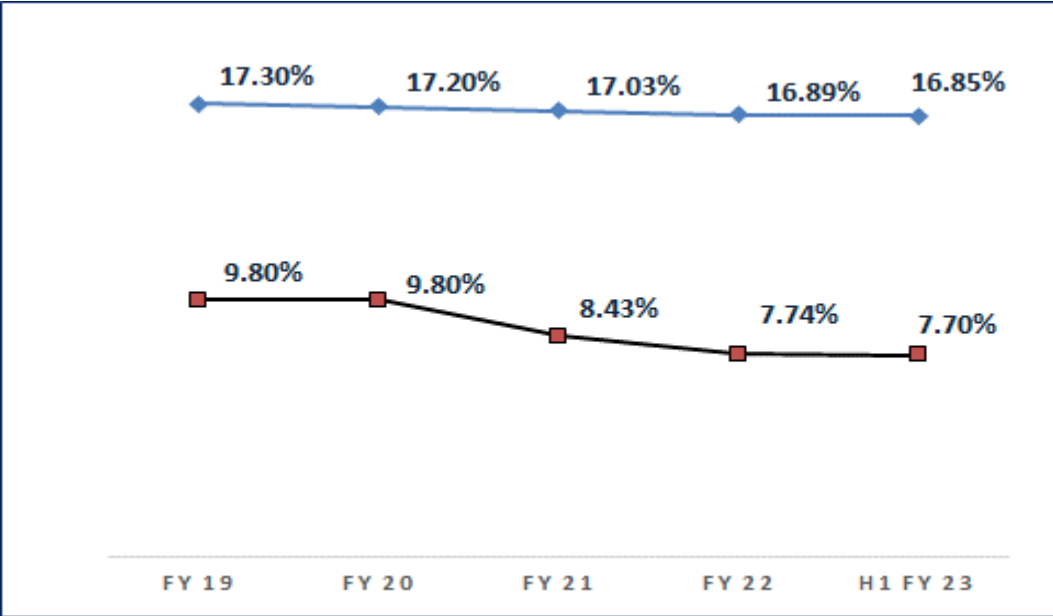
# Performance Highlights (Year on Year)



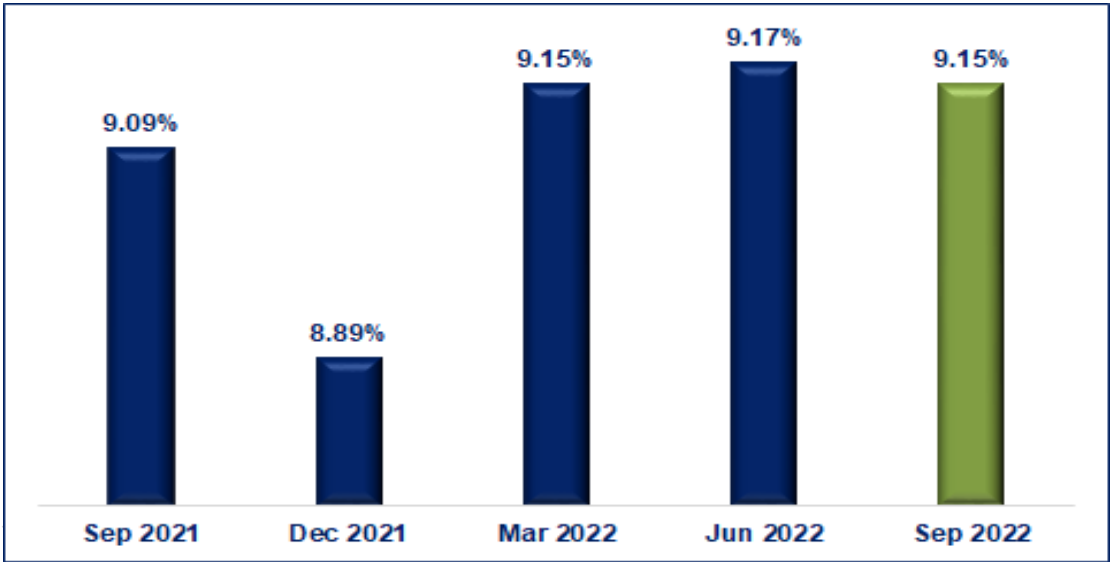
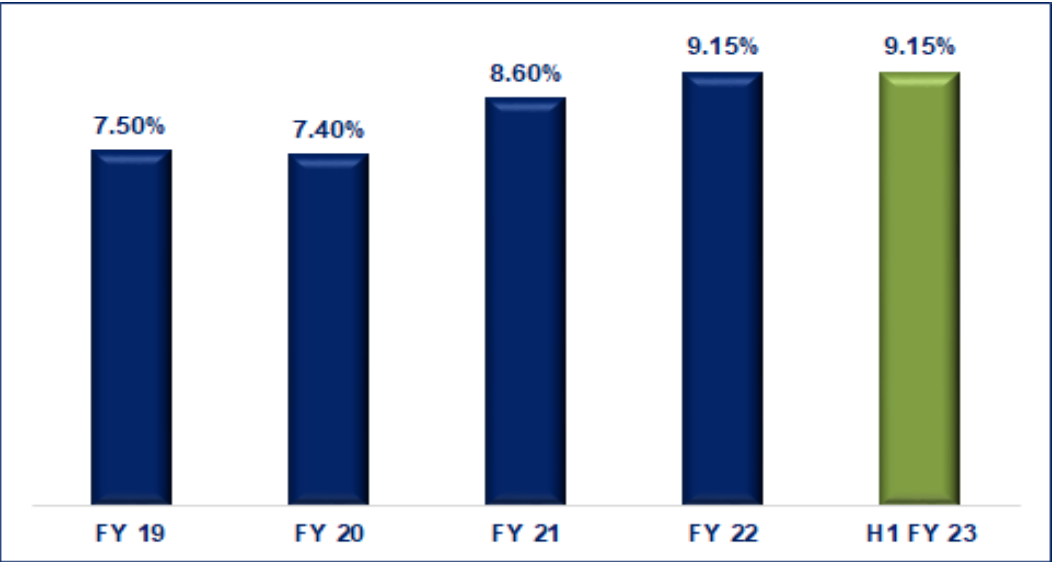
(\*) NPA as per RBI circular dated 12 Nov 2021

# Consistent Spreads

Yields/Cost of Borrowings (%)

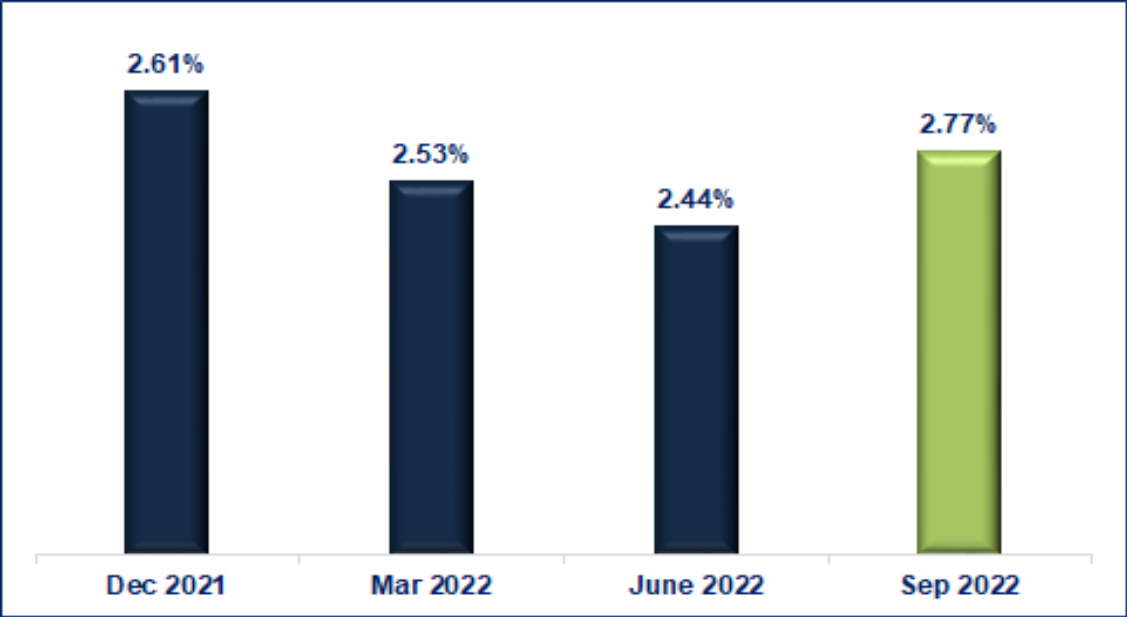
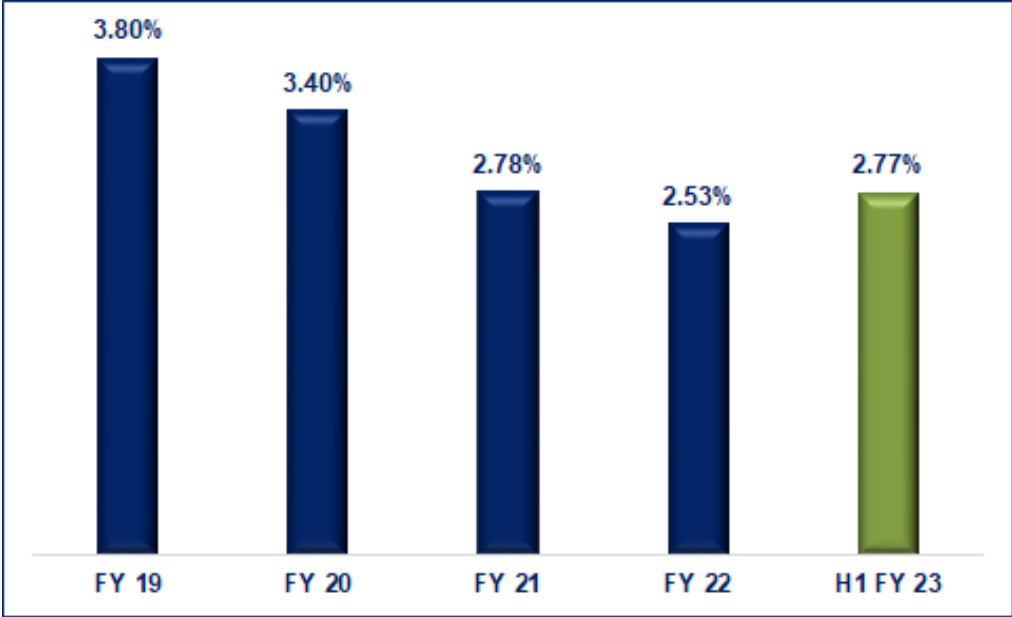


Spread (%)

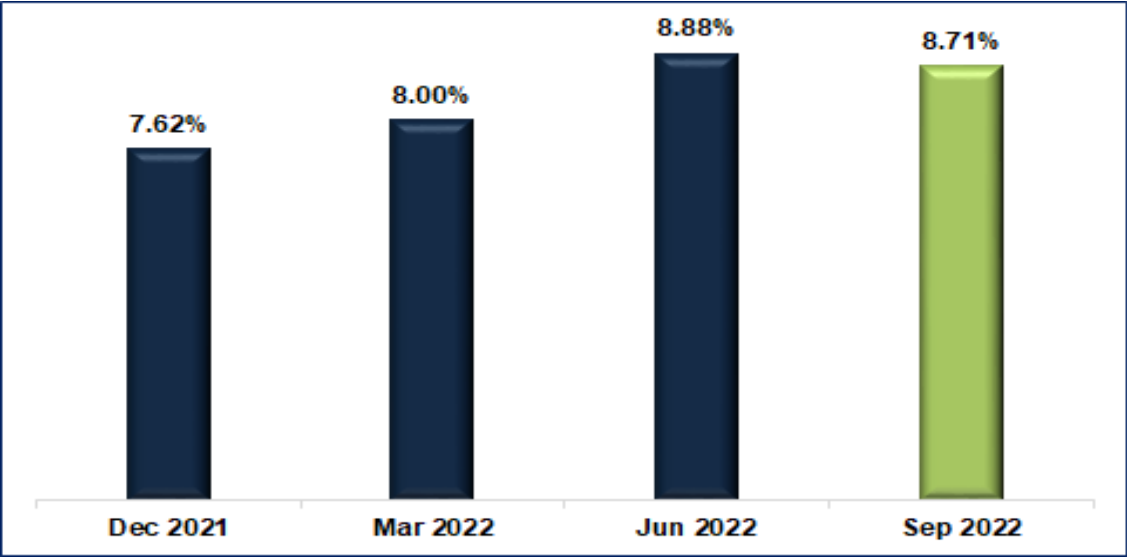
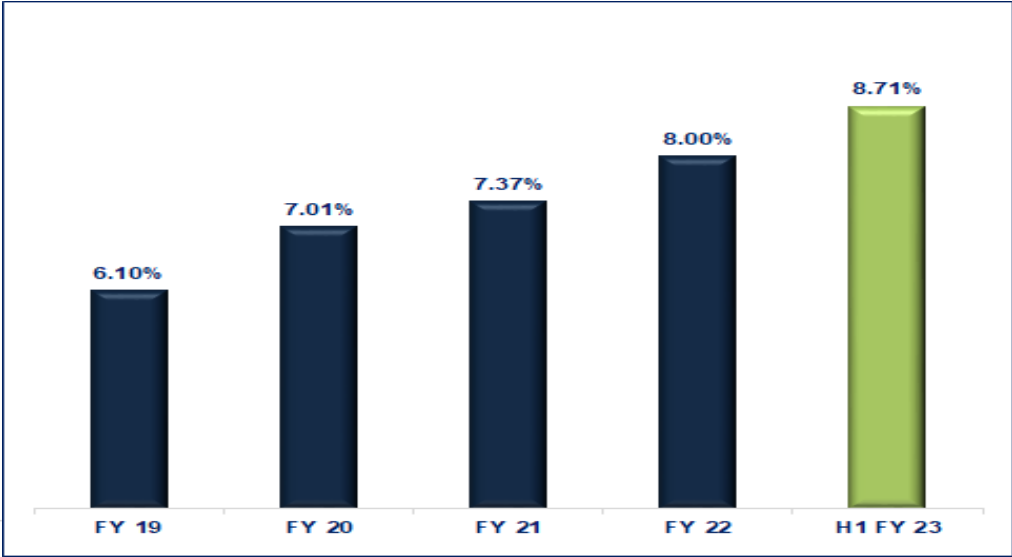


# Opex and ROA

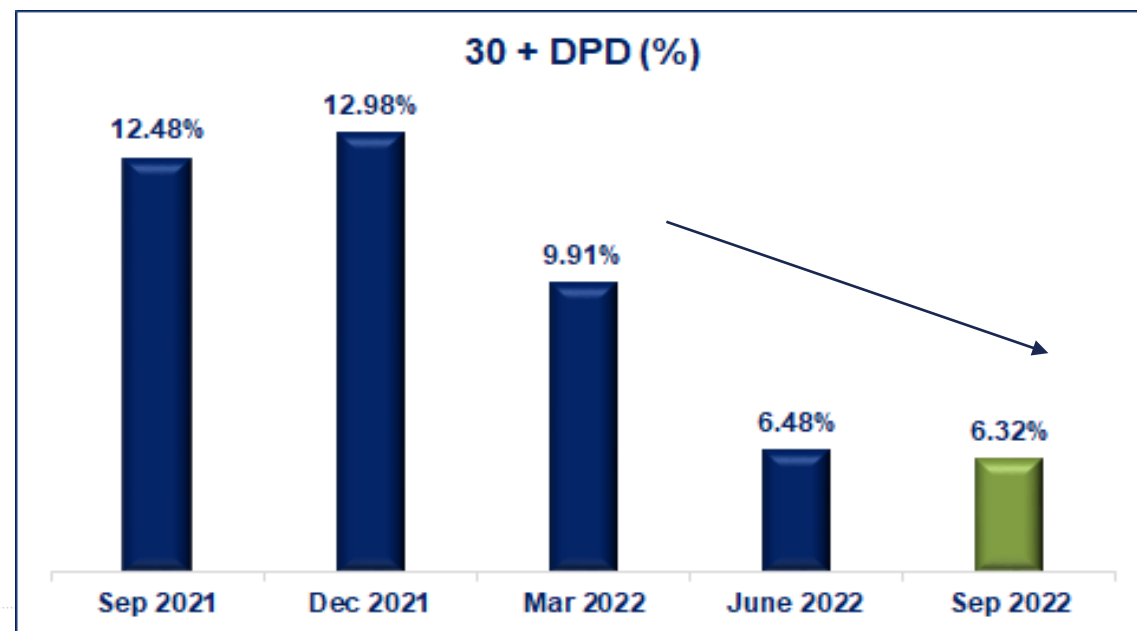
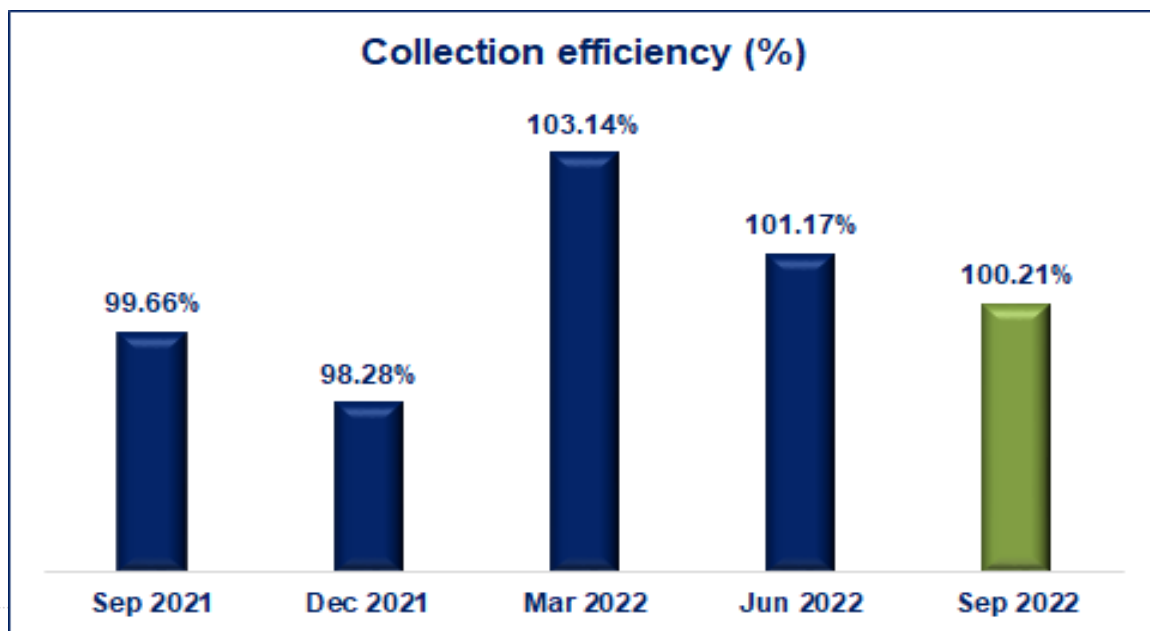
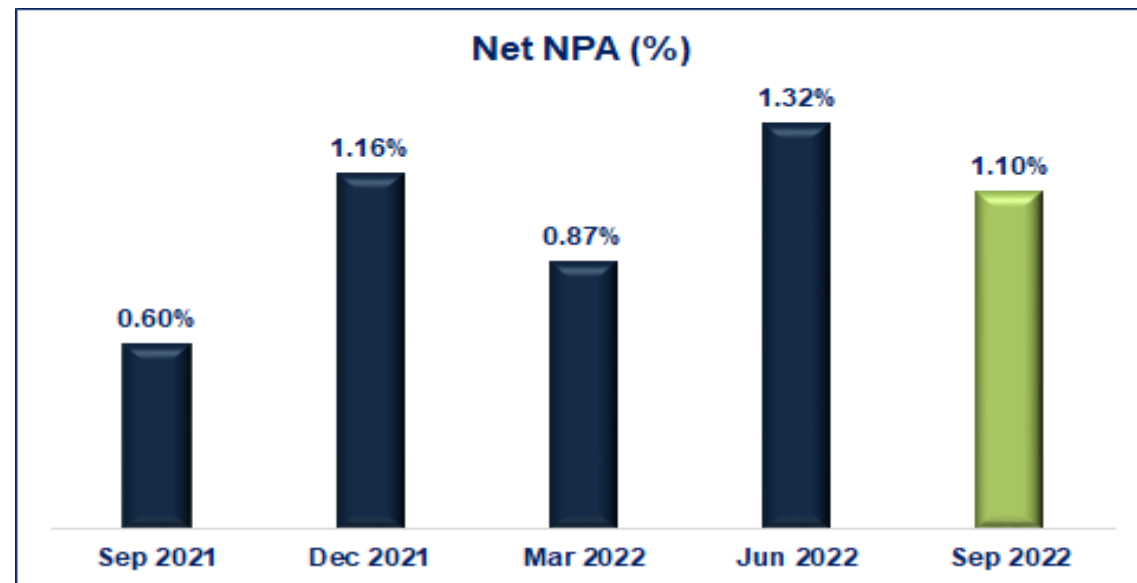
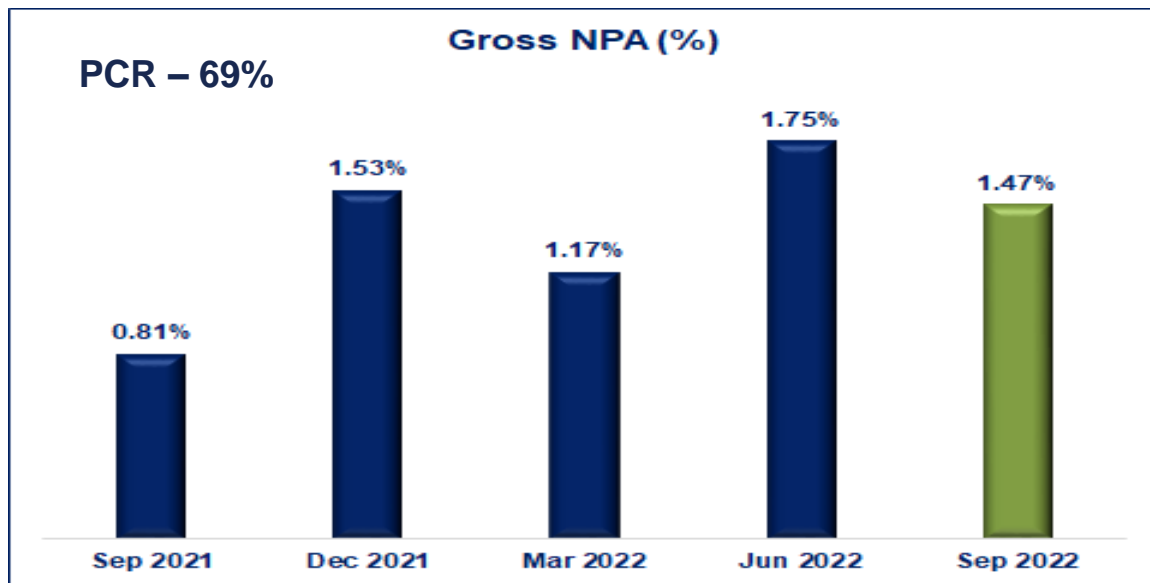
Opex (%)



ROA (%)



# Asset Quality

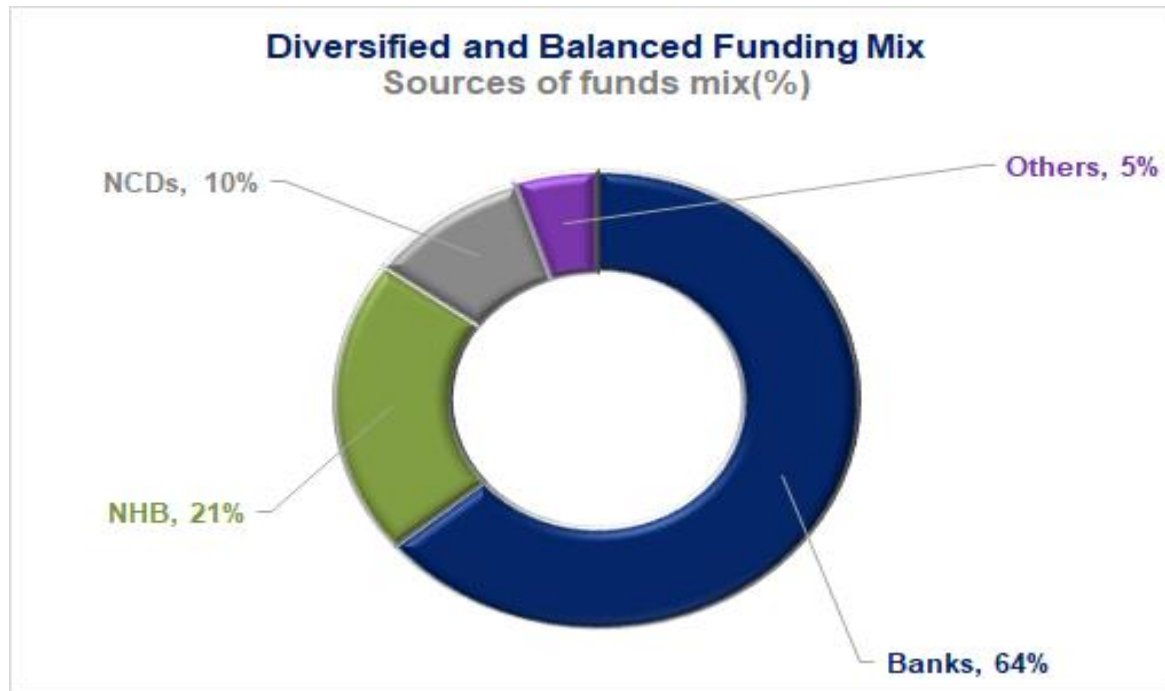


# Provision for Contingencies (ECL)

Rs. Lakhs

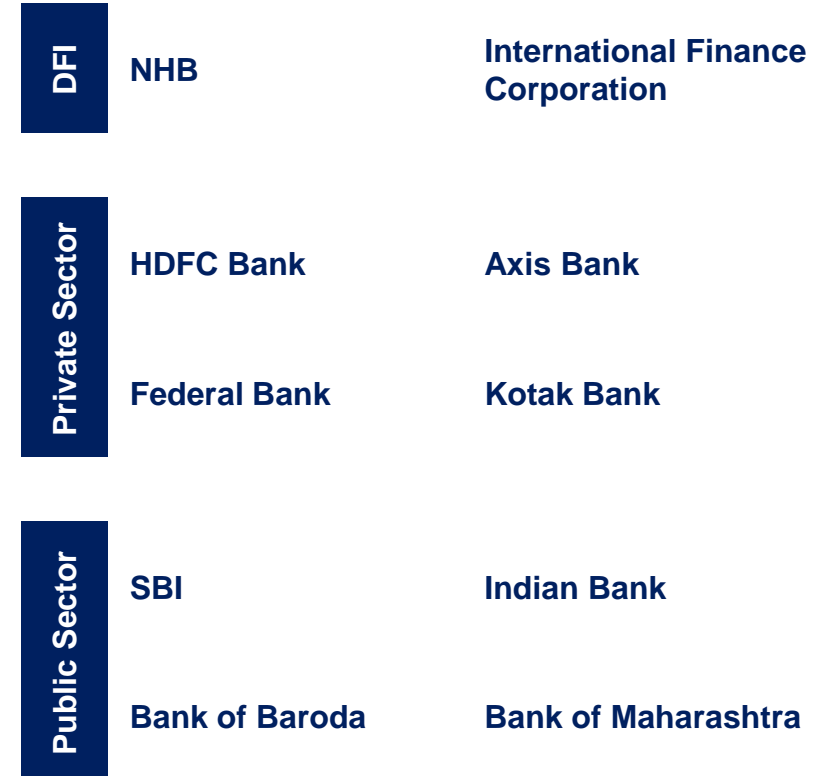
Particulars	Consolidated			
	30-Sep-22	30-Jun-22	31-Mar-22	31-Mar-21
Gross Stage 3	8,692.27	9654.17	6,183.67	2,717.11
% portfolio in Stage 3	1.47%	1.75%	1.19%	0.67%
ECL Provision Stage 3	2,173.07	2,413.54	1,545.92	1,178.23
Net Stage 3	6,519.20	7,240.63	4,637.74	1,538.88
Provision coverage ratio (PCR)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



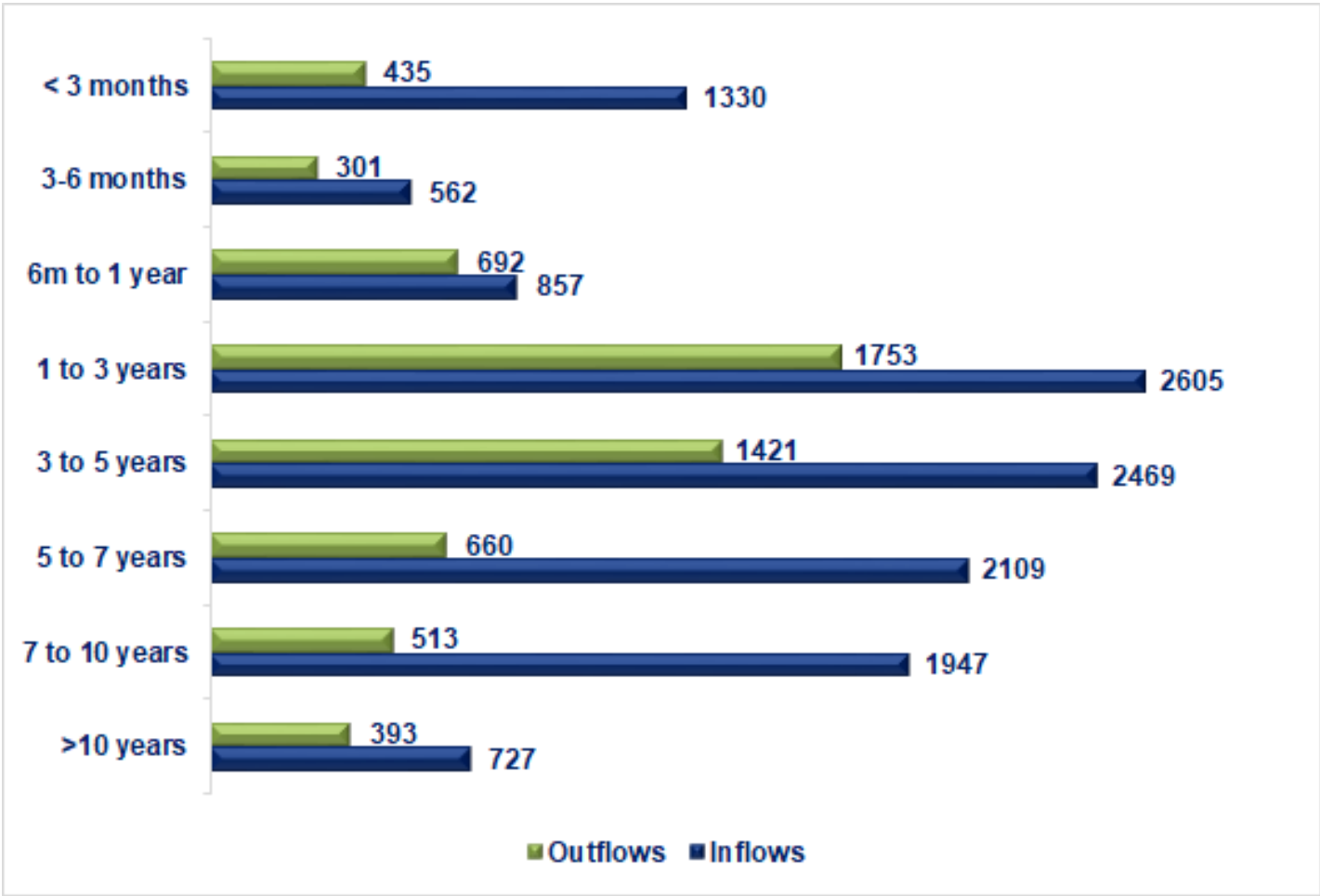
Avg. tenure of borrowings(months)	Q1 FY 23	FY22	FY21
	84.8	84.7	83.3

• Others represents Securitisation

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

# ALM Surplus

Position as on 30 Sep 2022 (Rs.Cr)



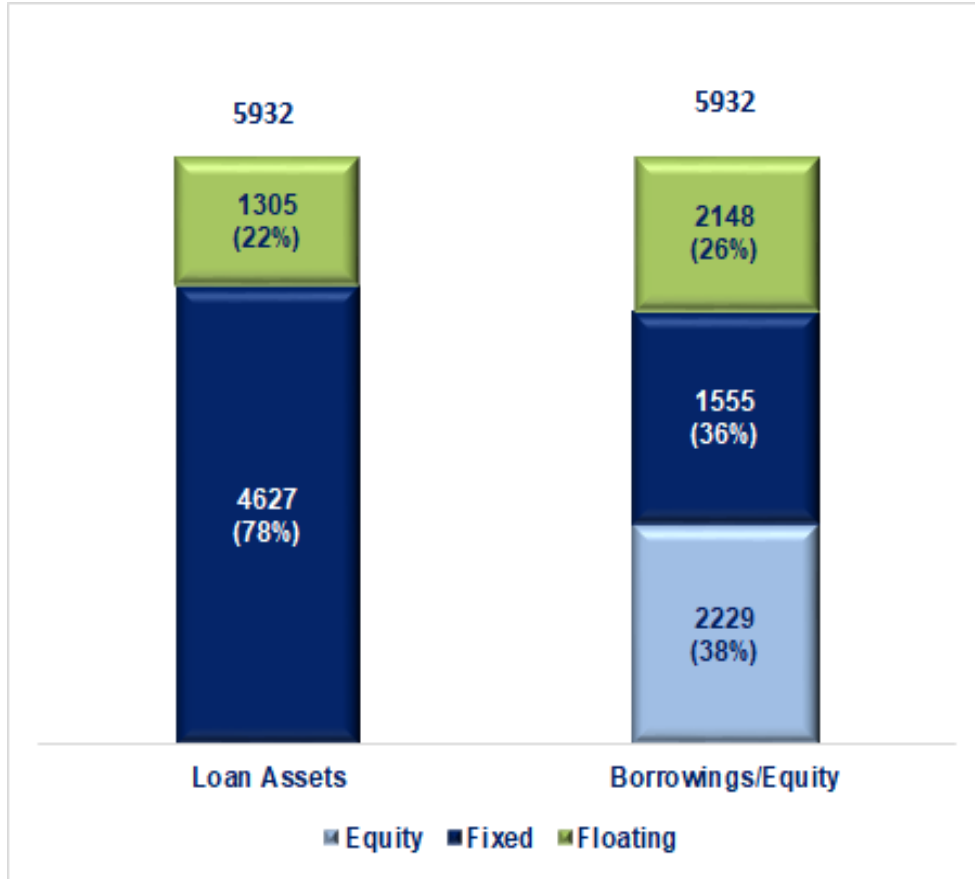
Surplus

895
261
165
852
1048
1449
1434
334

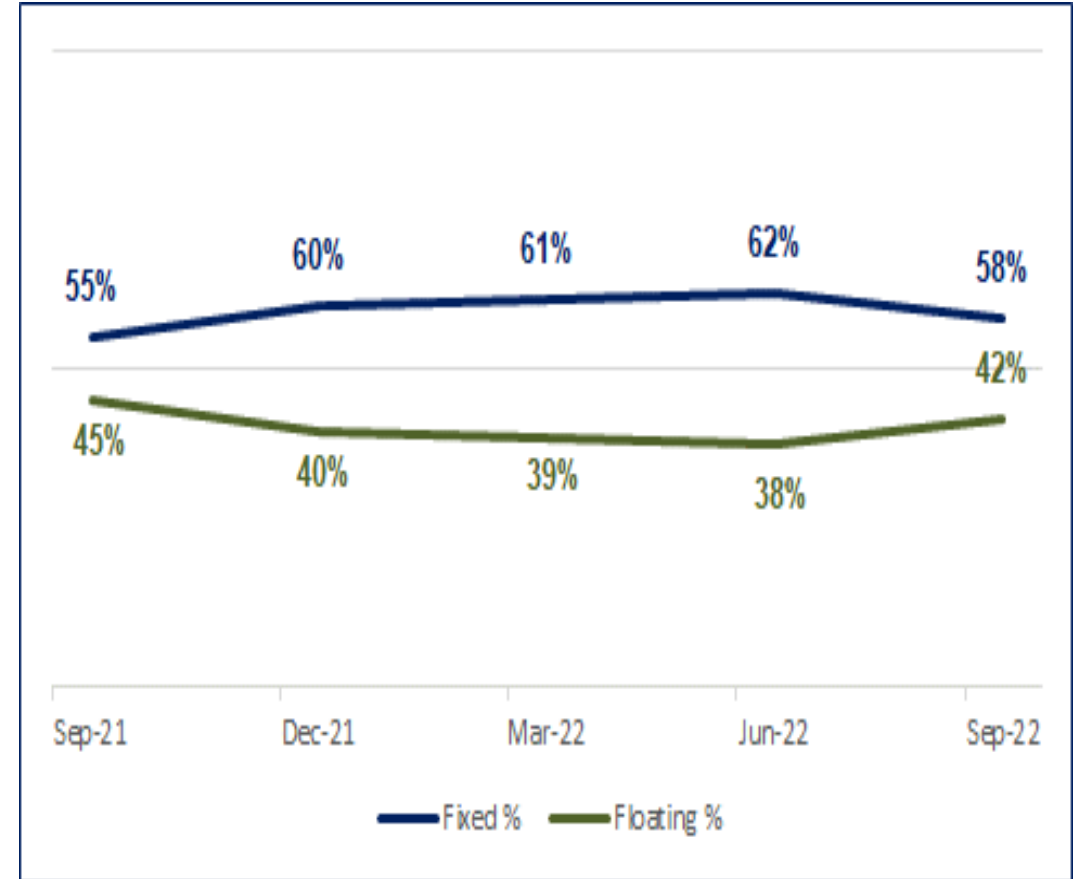


# Fixed Vs Floating (Assets Vs. Liabilities)

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



Borrowings - Fixed Vs. Floating (\*)



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

# Comfortable liquidity position/Capital Adequacy

Rs. Crores

## A. Liquidity

Particulars	As on 30 Sep 2022	Q3 FY 23	Q4 FY 23
Cash and Cash Equivalents	1088		
Opening Liquidity		1088	1717
Add: Undrawn Sanctions		500	
Add: Principal repayments and surplus from operations		305	312
Less: Debt repayments		176	185
Closing Liquidity		1,717	1,845

- Rs.1800 crores available for business upto March 2023

## B. Capital Adequacy

Capital Adequacy as on 30 Sep 2022 - 80.26%

# 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

## 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



## **V. Krishnaswami**

### **Sr. Vice President - Information Technology**

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



## **Ramesh K**

### **Vice President - Credit**

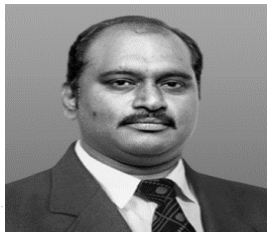
Rich experience in areas of Credit & Risk Management, Fraud Control and operations in retail finance.



## **N. Srikanth**

### **Vice President - HR**

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



## **Sundara Kumar V**

### **Vice President - Legal & Receivables**

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



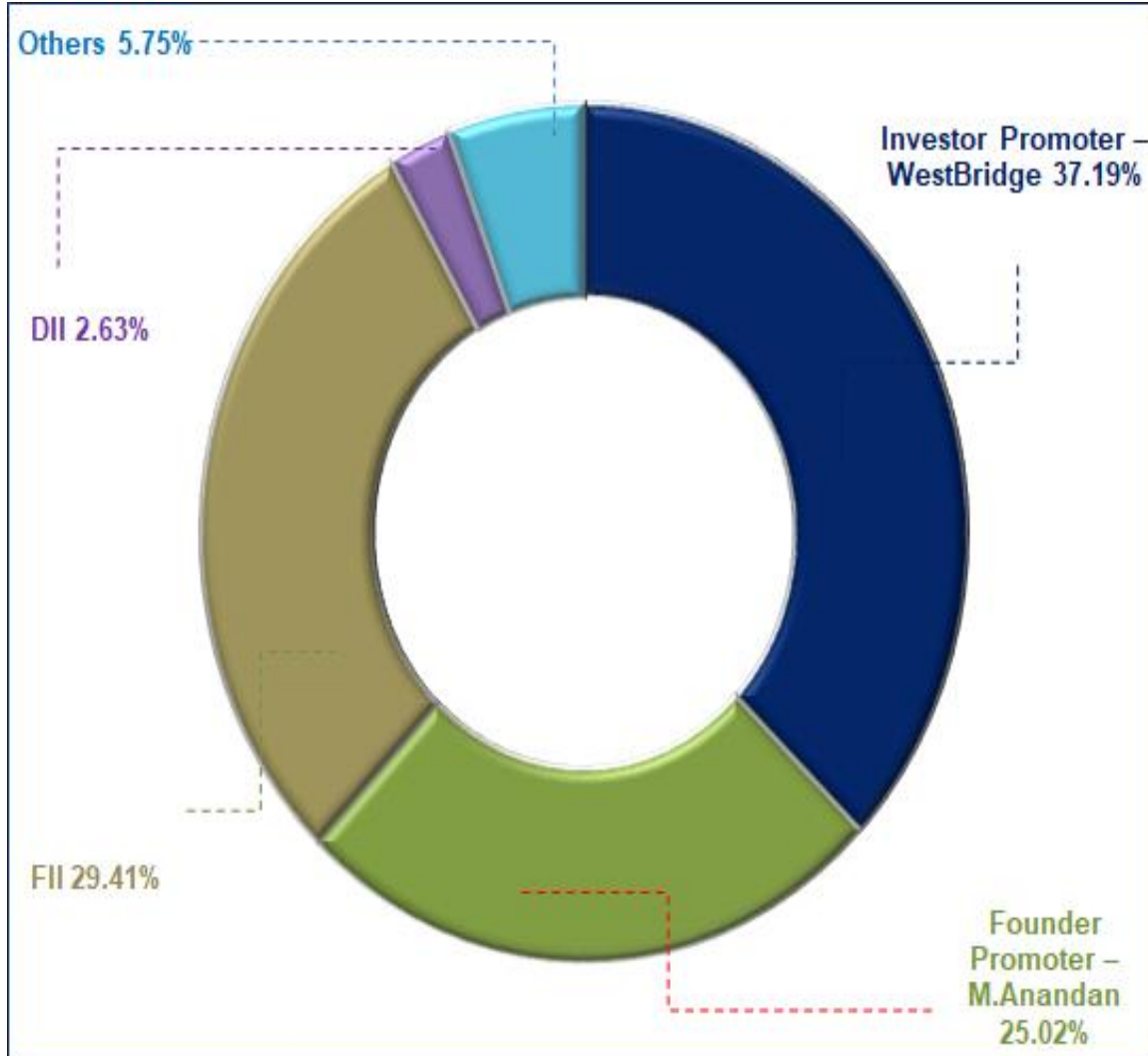
## **John Vijayan**

### **Chief Risk Officer**

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

# Diversified Shareholding

## Shareholding Pattern as on 30 Sep 2022



## Top Institutional Shareholders as on 30 Sep 2022

Investor Details	% of holding
Key Investors	
Malabar Group	8.41
Ward Ferry	3.50
Steadview Capital	3.24
Sequoia	3.23
Madison	2.77
Capital Research	2.23
Genesis	1.38
Aberdeen	1.35
Neuberger Berman	1.14
Vanguard	0.97

# Annexures

# Consolidated Statement of Profit and Loss(\*)

Rs. Crores

FY 22	Particulars	Q2 FY 23	Q1 FY 23	H1 FY 23	H1 FY 22	Growth
						H1 FY 23 over H1 FY 22
791.67	Interest income on loans	257.47	233.00	490.47	370.28	32%
48.55	Processing fees and other income	19.58	15.76	35.34	18.84	
208.59	Interest expense	66.83	54.26	121.09	110.75	
631.63	NIM	210.22	194.50	404.72	278.37	45%
117.14	Operating expenses	44.55	32.67	77.22	59.20	30%
34.47	Provisions - ECL/Write offs	9.07	9.52	18.59	14.63	
480.02	Profit before tax	156.60	152.31	308.91	204.54	51%
109.88	Provision for Taxation	33.28	33.46	66.75	45.74	
370.14	Profit After Tax	123.32	118.85	242.16	158.80	52%

(\*) – Based on Ind AS



# Consolidated Statement of Assets and Liabilities(\*)

Rs. Crores

Particulars	30-Sep-22	31-Mar-22
Sources of Funds		
Share capital	99.60	99.38
Reserves & Surplus	3075.21	2,816.78
<b>Total Networth</b>	<b>3,174.81</b>	<b>2,916.16</b>
Borrowings	3732.81	2,720.63
Other liabilities and provisions	49.39	47.25
<b>Total</b>	<b>6,957.01</b>	<b>5,684.04</b>
Application of Funds		
Loan Assets	5812.90	5,078.75
Fixed Assets	4.77	4.01
Liquid Assets - Bank FDs, MFs	1088.55	547.59
Other Assets	50.79	53.69
<b>Total</b>	<b>6,957.01</b>	<b>5,684.04</b>

(\*) – Based on Ind AS

# RoA Tree

Particulars	H1 FY 23	FY 22
Revenue from operations/Avg Loan book	18.06%	17.51%
Other Income/Avg loan book	0.62%	0.67%
Total Revenue/Avg loan book	18.68%	18.17%
Finance cost/Avg loan book	4.36%	4.51%
NIM/Avg loan book	14.32%	13.66%
Operating expenses/Avg loan book	2.77%	2.53%
ECL Provision/Avg loan book	0.64%	0.75%
PBT/Avg loan book	10.91%	10.38%
PAT/Avg loan book	8.71%	8.00%
PAT/Networth	15.83%	14.45%

# Thank You