

Ref. No. AUSFB/SEC/2021-22/46

Date: 29th April 2021

To,

National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai 400051, Maharashtra. NSE Symbol: AUBANK	BSE Limited, Phiroz Jeejeebhoy Towers, Dalal Street, Mumbai 400001, Maharashtra. Scrip Code: 540611
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Dear Sir(s),

Sub: Audited Financial Results of the Bank for the Quarter 4 & Financial Year ended on 31st March 2021

Pursuant to Regulation 33 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Audited Financial Results for the Quarter 4 and Financial Year ended on 31st March 2021, duly approved by the Board of Directors at its meeting held on 29th April 2021.

The Audit Report submitted by Statutory Auditors, S. R. Batliboi & Associates LLP, Chartered Accountants and Declaration in respect of Audit Report with unmodified opinion on the aforesaid Audited Financial Results is also enclosed.

We also submit herewith the press release of the Bank on the Audited Financial Results for the Quarter and Financial Year ended on 31st March 2021.

The Financial Results and Press Release may also be accessed on the website of the Bank at the link <https://www.aubank.in/investors/quarterly-reports>.

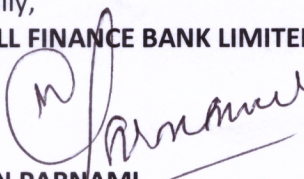
The meeting of Board of Directors commenced at 05:10 P.M. and concluded at 8:15 P.M.

This is for your information and record.

Thanking You,

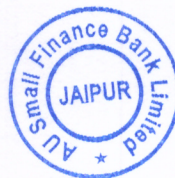
Yours faithfully,

For AU SMALL FINANCE BANK LIMITED



MANMOHAN PARNAMI

Company Secretary and Compliance Officer
Membership No.: F9999



Registered Office

AU SMALL FINANCE BANK LIMITED

19-A Dhuleshwar Garden, Ajmer Road,

Jaipur - 302001, Rajasthan, India

Phone: +91 141 4110060/61, Fax: +91 141 4110090

CIN: L36911RJ1996PLC011381

Formerly known as **Au Financiers (India) Limited**

Independent Auditor's Report on the Quarterly and Year to Date Audited Financial Results of the AU Small Finance Bank Limited Pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors of
AU Small Finance Bank Limited
Report on the audit of the Financial Results

29 April 2021

Opinion

We have audited the accompanying statement of quarterly and year to date financial results of AU Small Finance Bank Limited (the "Bank") for the quarter ended March 31, 2021 and for the year ended March 31, 2021 ("Statement"), attached herewith, being submitted by the Bank pursuant to the requirement of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards as per section 133 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 as amended to the extent applicable, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India ("RBI") from time to time (the "RBI guidelines") and other accounting principles generally accepted in India of the net profit and other financial information of the Bank for the quarter and the year ended March 31, 2021.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Results" section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.



Emphasis of Matter

We draw attention to Note 12 to the Statement, which describes the extent to which the COVID-19 pandemic will impact the Bank's operations and its financial metrics which are dependent on uncertain future developments. Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Financial Results

The Statement has been prepared on the basis of the annual financial statements. The Board of Directors of the Bank are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit of the Bank and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder, the RBI Guidelines and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for



one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Other Matter

The Statement includes the results for the quarter ended March 31, 2021 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2021 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration No.: 101049W/E300004

Sarvesh Warty

per Sarvesh Warty

Partner

Membership No.: 121411

UDIN: 21121411AAAADM8583

Place: Mumbai



AU Small Finance Bank Limited

(CIN: L36911RJ1996PLC011381)

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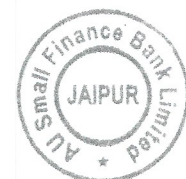
Tel : +91-141-4110060, Fax No : +91- 141-4110090 Website : www.aubank.in

Statement of Audited Financial Results for the quarter and year ended March 31, 2021

S. No.	Particulars	(₹ in lacs)				
		Quarter ended 31.03.2021	Quarter ended 31.12.2020	Quarter ended 31.03.2020	Year ended 31.03.2021	Year ended 31.03.2020
		Audited (Refer note 6)	Unaudited	Audited (Refer note 6)	Audited	Audited
1	Interest Earned (a)+(b)+(c)+(d)	1,29,236.90	1,26,111.34	1,18,345.07	4,95,005.15	4,28,588.43
	a) Interest / discount on advances / bills	1,04,227.60	1,00,650.75	95,272.24	3,94,736.25	3,41,483.76
	b) Income on Investments	18,230.21	18,609.90	15,995.90	77,304.30	61,346.91
	c) Interest on balances with Reserve Bank of India and other inter bank funds	1,859.76	2,100.68	1,131.10	8,500.66	2,580.40
	d) Others	4,919.33	4,750.01	5,945.83	14,463.94	23,177.36
2	Other income (refer note 9)	27,664.50	66,341.27	18,314.64	1,45,154.66	70,609.20
3	Total Income (1)+(2)	1,56,901.40	1,92,452.61	1,36,659.71	6,40,159.81	4,99,197.63
4	Interest Expended	63,653.85	62,799.24	62,850.94	2,58,460.97	2,37,694.40
5	Operating Expenses (i)+(ii)	55,866.25	42,368.64	42,230.22	1,65,842.52	1,41,785.85
	i) Employees cost	33,682.55	23,980.70	20,448.57	98,017.31	75,961.84
	ii) Other operating expenses	22,183.70	18,387.94	21,781.65	67,825.21	65,824.01
6	Total Expenditure (4)+(5) (excluding Provisions & Contingencies)	1,19,520.10	1,05,167.88	1,05,081.16	4,24,303.49	3,79,480.25
7	Operating Profit before Provisions and Contingencies (3)-(6)	37,381.30	87,284.73	31,578.55	2,15,856.32	1,19,717.38
8	Provisions (other than tax) and Contingencies	17,777.93	28,362.07	15,057.11	70,005.50	28,319.86
9	Exceptional Items	-	-	-	-	-
10	Profit from Ordinary Activities before tax (7)-(8)-(9)	19,603.37	58,922.66	16,521.44	1,45,850.82	91,397.52
11	Tax Expense	2,705.50	11,020.58	4,289.07	28,782.36	23,919.07
12	Net Profit from Ordinary Activities after tax (10)-(11)	16,897.87	47,902.08	12,232.37	1,17,068.46	67,478.45
13	Extraordinary items (net of tax expense)	-	-	-	-	-
14	Net Profit for the period (12)-(13)	16,897.87	47,902.08	12,232.37	1,17,068.46	67,478.45
15	Paid up equity share capital (Face Value of ₹ 10/- each)	31,221.34	30,675.86	30,412.33	31,221.34	30,412.33
16	Reserves excluding revaluation reserves	-	-	-	5,96,300.24	4,07,268.78
17	Analytical Ratios					
	(i) Percentage of shares held by Government of India	Nil	Nil	Nil	Nil	Nil
	(ii) Capital Adequacy Ratio - Basel II (refer note 19)	23.37%	18.84%	21.99%	23.37%	21.99%
	(iii) Earnings per share (before and after extraordinary items, net of tax expenses) - not annualized					
	Basic EPS (₹)	5.49	15.62	4.03	38.19	22.78
	Diluted EPS (₹)	5.45	15.54	3.97	37.86	22.32
	(iv) NPA Ratios					
	(a) Gross NPAs	1,50,282.91	30,273.82	45,778.37	1,50,282.91	45,778.37
	(b) Net NPAs	75,545.47	7,269.32	21,730.23	75,545.47	21,730.23
	(c) % of Gross NPAs to Gross Advances	4.25%	0.99%	1.68%	4.25%	1.68%
	(d) % of Net NPAs to Net Advances	2.18%	0.24%	0.81%	2.18%	0.81%
	(v) Return on assets (average) - not annualized	0.34%	1.06%	0.30%	2.50%	1.81%



(Signature)



AU Small Finance Bank Limited

(CIN: L36911RJ1996PLC011381)

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Tel : +91-141-4110060, Fax No : +91- 141-4110090 Website : www.aubank.in

Segment information in accordance with the Accounting standard on Segment Reporting (AS-17) of the operating segment of the Bank is as under :

S. No.	Particulars	Quarter ended	Quarter ended	Quarter ended	Year ended	Year ended
		31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
		Audited (Refer note 6)	Unaudited	Audited (Refer note 6)	Audited	Audited
1	Segment revenue					
a)	Treasury	19,497.78	72,317.99	19,797.01	1,74,496.07	81,995.48
b)	Retail banking	1,26,769.02	1,10,919.05	1,03,869.78	4,24,380.64	3,61,636.96
c)	Wholesale banking	8,839.30	8,557.45	11,942.74	37,799.83	52,460.91
d)	Other banking operations	1,795.30	658.12	1,050.18	3,483.27	3,104.28
e)	Unallocated	-	-	-	-	-
	Less: Inter-segment revenue	-	-	-	-	-
	Income from operations	1,56,901.40	1,92,452.61	1,36,659.71	6,40,159.81	4,99,197.63
2	Segment results					
a)	Treasury	(3,678.07)	52,302.78	3,122.17	80,247.41	16,375.99
b)	Retail banking	18,544.50	4,305.05	8,112.33	51,786.47	56,314.85
c)	Wholesale banking	2,941.64	1,591.93	4,236.77	10,333.67	15,602.40
d)	Other banking operations	1,795.30	722.90	1,050.17	3,483.27	3,104.28
e)	Unallocated	-	-	-	-	-
	Total Profit before Tax	19,603.37	58,922.66	16,521.44	1,45,850.82	91,397.52
3	Segment assets					
a)	Treasury	14,51,395.92	14,00,791.99	13,04,064.53	14,51,395.92	13,04,064.53
b)	Retail banking	32,26,455.70	28,60,329.22	24,56,494.97	32,26,455.70	24,56,494.97
c)	Wholesale banking	3,53,869.38	3,05,324.84	3,75,173.09	3,53,869.38	3,75,173.09
d)	Other banking operations	664.84	726.55	272.39	664.84	272.39
e)	Unallocated	1,26,744.75	93,322.68	78,302.12	1,26,744.75	78,302.12
	Total assets	51,59,130.59	46,60,495.28	42,14,307.10	51,59,130.59	42,14,307.10
4	Segment liabilities					
a)	Treasury	4,14,024.11	4,83,326.39	5,15,111.67	4,14,024.11	5,15,111.67
b)	Retail banking	20,52,927.44	19,48,406.09	15,75,557.49	20,52,927.44	15,75,557.49
c)	Wholesale banking	20,57,759.39	16,74,734.43	16,83,933.25	20,57,759.39	16,83,933.25
d)	Other banking operations	1.52	6.19	0.18	1.52	0.18
e)	Unallocated liabilities	6,896.55	13,701.25	2,023.40	6,896.55	2,023.40
	Capital and Other Reserves	6,27,521.58	5,40,320.93	4,37,681.11	6,27,521.58	4,37,681.11
	Total liabilities	51,59,130.59	46,60,495.28	42,14,307.10	51,59,130.59	42,14,307.10

Business Segments have been identified and reported taking into account the target customer profile, the nature of products and services, the differing risks and returns, and guidelines prescribed by RBI and in compliance with the Accounting Standard 17 – "Segment Reporting". The methodology adopted in compiling and reporting the above information has been relied upon by the auditors.

Notes:

1 Statement of Assets and Liabilities as on March 31, 2021 is given below:

Particulars	As at	
	31.03.2021	31.03.2020
	Audited	Audited
CAPITAL & LIABILITIES		
Capital	31,221.34	30,412.33
Employees stock options outstanding	10,311.71	5,212.40
Reserves & Surplus	5,85,988.53	4,02,056.38
Deposits	35,97,931.42	26,16,392.85
Borrowings	7,02,969.57	10,33,532.36
Other Liabilities and Provisions	2,30,708.02	1,26,700.78
Total	51,59,130.59	42,14,307.10
ASSETS		
Cash and Balances with RBI	1,56,934.78	1,04,963.69
Balances with banks and Money at Call and Short Notice	3,21,198.77	2,32,004.17
Investments	10,81,541.39	10,66,821.53
Advances	34,60,891.42	26,99,241.54
Fixed Assets	48,236.85	44,799.83
Other Assets	90,327.38	66,476.34
Total	51,59,130.59	42,14,307.10





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2 Statement of Cash Flow for Year ended March 31, 2021 is given below:

Particulars	(₹ in lacs)	
	Year ended	Year ended
	31.03.2021	31.03.2020
	Audited	Audited
Cash Flow From Operating Activities		
Profit after tax	1,17,068.46	67,478.45
Add: Provision for tax	28,782.36	23,919.07
Net Profit Before Taxes	1,45,850.82	91,397.52
Adjustments for :-		
Employee Stock Options Expense	7,679.15	2,373.78
Depreciation on Bank's Property	10,436.85	8,861.77
Amortization of Premium on HTM Investments	3,564.51	2,358.08
Provision for Employee Expenses	(881.87)	1,891.23
Provision for Non Performing Assets, Standard Assets and Other Provisions	56,828.66	23,139.19
Loss on sale of Fixed Assets	93.04	111.14
Operating profit before working capital changes	2,23,571.16	1,30,132.71
Movement in working capital		
Decrease / (Increase) in Investments (other than HTM Investments)	63,661.80	(2,35,333.19)
Decrease / (Increase) in Advances	(8,12,339.14)	(4,23,853.06)
Decrease / (Increase) in Other Assets	(17,861.22)	(17,986.40)
(Decrease) / Increase in Deposits	9,81,538.57	6,74,149.29
(Decrease) / Increase in Other Liabilities and Provisions	98,471.81	(34,260.03)
Cash Flow from Operating Activities	5,37,042.98	92,849.32
Direct Taxes Paid (Net of refunds)	(31,432.87)	(26,891.89)
Net Cash Flow from Operating Activities (A)	5,05,610.11	65,957.43
Cash Flow from Investing Activities		
Purchase of Fixed Assets	(14,122.63)	(9,219.90)
Proceeds from Sale of Fixed Assets	155.70	150.18
Investments in HTM securities (Net)	(85,007.56)	(1,17,675.48)
Net cash flow used in Investing Activities (B)	(98,974.49)	(1,26,745.20)
Cash Flow from Financing Activities		
Proceeds from / (Repayment of) borrowings	(3,30,562.79)	1,72,196.49
Money received on exercise of Stock Options / Issue of Shares	65,797.85	54,571.52
Share Issue Expenses	(704.99)	(387.96)
Dividend paid (includes tax on dividend)	-	(2,643.76)
Net cash flow from/ (used in) Financing Activities (C)	(2,65,469.93)	2,23,736.29
Net Increase In Cash And Cash Equivalents (A + B + C)	1,41,165.69	1,62,948.52
Cash And Cash Equivalents as at April 1st	3,36,967.86	1,74,019.34
Cash And Cash Equivalents as at the year end	4,78,133.55	3,36,967.86

3 The above results have been reviewed by the Audit Committee and approved by the Board of Directors of AU Small Finance Bank Limited (the "Bank") at their respective meetings held on April 29, 2021, in accordance with the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. The results for the quarter and year ended March 31, 2021 have been audited by the statutory auditors of the Bank. The report thereon is unmodified.



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4 These financial results of the Bank have been prepared in accordance with the Banking Regulations Act, 1949, generally accepted accounting principles in India, including Accounting Standards as prescribed under Section 133 of the Companies Act 2013, Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015, as amended and the guidelines issued by the Reserve Bank of India (RBI).

5 The Reserve Bank of India (RBI), vide notification dated December 4, 2020, stated that in view of the ongoing stress and heightened uncertainty on account of COVID-19, banks should continue to conserve capital to support the economy and absorb losses. The notification also stated that in order to further strengthen the banks' balance sheets, while at the same time support lending to the real economy, banks shall not make any dividend payment on equity shares from the profits pertaining to the financial year ended March 31, 2020. The Bank did not declare final dividend for the financial year ended March 31, 2020.

Given that the current "second wave" has significantly increased the number of COVID-19 cases in India and uncertainty remains, the Board of Directors of the Bank, at its meeting held on April 29, 2021, has considered it prudent to currently not propose dividend for the financial year ended March 31, 2021.

6 The figures of the last quarter in each of the year are balancing figures between audited figures in respect of full financial year and the unaudited published year to date figures up to the third quarter of the respective financial year.

7 During the quarter ended March 31, 2021, the Bank has issued 50,00,000 equity shares of a face value ₹ 10 each at a price of ₹ 1,251 per equity share including a premium of ₹ 1,241 per equity share aggregating to ₹ 62,550 lacs pursuant to Qualified Institutional Placement (QIP).

During the year ended March 31, 2019, the Bank had allotted 1,01,04,364 convertible warrants, each convertible into one equity share of the Bank of face value ₹ 10 each, at an issue price of ₹ 692.77 per share aggregating to ₹ 70,000 lacs out of which ₹ 17,500 lacs (the "Upfront Consideration") had been received during the year ended March 31, 2019, against allotment of warrant and the balance of ₹ 52,500 lacs (the "Balance Consideration") was to be received upon allotment of equity shares against such warrants pursuant to exercise of option by the warrant holder.

During the quarter ended December 31, 2019, the Bank had received the balance consideration ₹ 52,500 lacs and allotted equity shares against aforesaid warrants.

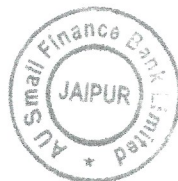
8 The Bank has granted 38,702 and 10,18,758 stock options on October 27, 2017 under Plan A3 and Plan B5, respectively, to Whole time Director which were pending for RBI Approval. During the year ended March 31, 2021, RBI pursuant to its letter intimated the Bank that the ESOPs granted to Whole time Director pertains to the period prior to his appointment as the whole-time director of the Bank and thus, the approval of RBI is not required, and the Board of Directors of the Bank may take appropriate decision in this regard subject to adherence to statutory norms, as applicable. Pursuant to this letter, associated cost of ₹ 5,895 lacs pertaining to these ESOPs has been charged to profit and loss account for the quarter and year ended March 31, 2021.

9 Other income includes processing fee, profit on sale of investments, recovery from loans written off, income from dealing in PSCL, etc. Profit on sale of investment includes profit earned on sale of equity shares (part stake) held in Aavas Financiers Limited as under:

Particulars	(₹ in lacs)				
	Quarter ended 31.03.2021	Quarter ended 31.12.2020	Quarter ended 31.03.2020	Year ended 31.03.2021	Year ended 31.03.2020
	Audited (Refer note 6)	Unaudited	Audited (Refer note 6)	Audited	Audited
Profit (before tax) on sale of investment in Aavas Financiers Limited	-	47,981.92	868.40	65,142.56	8,576.77
Profit (net of tax) on sale of investment in Aavas Financiers Limited	-	42,117.78	759.52	57,045.92	7,855.63

10 The current year tax provision is after considering impact of income tax refund received by the Bank of ₹ 2,664 lacs.

11 The Bank has revised its estimates related to standard assets provisioning for loan portfolio of Farm Credit, Micro & Small Enterprises and NBFC portfolio. As a result of such change, provision of ₹ 4,000 lacs is released. The Bank has followed a policy for maintaining required standard assets provision as per requirement of the RBI Master Circular on Prudential Norms issued vide Notification No. RBI/2015-16/101 DBR.No.BP.BC.2/21.04.048/ 2015-16 dated July 01, 2015 as applicable to banks.





AU Small Finance Bank Limited

(CIN: L36911RJ1996PLC011381)

Registered Office:- 19-A, Dhuleshwar Garden, Ajmer Road, Jaipur 302001, Rajasthan (INDIA)
Tel : +91-141-4110060, Fax No : +91- 141-4110090 Website : www.aubank.in

- 12 Consequent to the outbreak of the COVID-19 pandemic, the Indian government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the government, but regional lockdowns continue to be implemented in areas with a significant number of COVID-19 cases. The impact of COVID-19, including changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, has led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The slowdown during the year led to a decrease in loan originations, the sale of third-party products and collection efficiency.
- The extent to which the COVID-19 pandemic, including the current "second wave" that has significantly increased the number of cases in India, will continue to impact the Bank's provision on assets and future results will depend on future developments, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by Bank.
- As a matter of prudence, the Bank is carrying contingency provisions of ₹ 10,188 lacs as at March 31, 2021, for the accounts restructured under RBI Resolution framework and against any further potential impact of COVID-19.
- As at March 31, 2021, the Bank held an aggregate provision of ₹ 84,925 lacs (Other than standard provision of ₹ 18,813 lacs).

- 13 The Honourable Supreme Court of India (Hon'ble SC), in a public interest litigation (Gajendra Sharma Vs. Union of India & Anr), vide an interim order dated September 03, 2020 ("Interim Order"), had directed that accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders. Basis the said interim order, the Bank did not classify any account which was not NPA as at August 31, 2020 as per the RBI IRAC norms, as NPA after August 31, 2020.
- If the Bank had classified borrower accounts which were more than 90 days overdue at December 31, 2020 as NPA, the *proforma* Gross NPA would have been ₹ 1,01,655 lacs as at December 31, 2020. The Bank holds aggregate provision of ₹ 62,500 lacs as at December 31, 2020 comprising of NPA provision of ₹ 23,004 lacs, provision of ₹ 27,838 lacs as per COVID Regulatory Package and provision of ₹ 11,658 lacs against borrowers which would have been classified as NPA. Accordingly, the Proforma Net NPA would have been ₹ 39,155 lacs as at December 31, 2020.
- The interim order granted to not declare accounts as NPA stood vacated on March 23, 2021 vide the judgement of the Hon'ble SC in the matter of Small Scale Industrial Manufacturers Association vs. UOI & Ors. and other connected matters. In accordance with the instructions in paragraph 5 of the RBI circular dated April 07, 2021 issued in this connection, the Bank has continued with the asset classification of borrower accounts as per the extant RBI instructions / IRAC norms.
- 14 The RBI on March 27, 2020, April 17, 2020, and May 23, 2020, announced 'COVID-19 Regulatory Package' on asset classification and provisioning. In terms of these RBI guidelines, the Bank has granted a moratorium of six months on payment of all instalments / interest as applicable, falling due between March 1, 2020 and August 31, 2020 ('moratorium period') to all eligible borrowers classified as standard, even if overdue, as on February 29, 2020. In respect of such accounts that were granted moratorium, the asset classification remained standstill during the moratorium period.

The disclosures as required by RBI circular dated April 17, 2020 are given below:

Particulars	(₹ in lacs)
Amount	
Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended in terms of paragraph 2 and 3 of the Circular #	1,88,475.45
Respective amount where asset classification benefit is extended*	-
Provisions made in terms of paragraph 5 of the Circular	-
Provisions adjusted during the respective accounting periods against slippages in terms of paragraph 6 of the Circular	26,322.04
Residual provisions as of March 31, 2021 in terms of paragraph 6 of the circular	26,322.04

excludes amounts in SMA/overdue categories, where the moratorium/deferment was extended on securitized portfolio amounting to ₹ 15,637 lacs. Provision of ₹ 1,489 lacs was made there on during quarter ended March 31, 2020, which remains residual as on March 31, 2021.

*As of March 31, 2021 In respect of such accounts.

Consequent to outbreak of the COVID-19 pandemic, including the current "second wave" that has significantly increased the number of cases in India. Accordingly, the Bank has made accelerated provision amounting to ₹ 27,907 lacs on existing Gross Non-Performing Assets as on March 31, 2021.



[Handwritten Signature]



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15 Details of resolution plan implemented under the Resolution Framework for COVID-19-related Stress as per RBI circular dated August 6, 2020 are given below.

Type of Borrower	(₹ in lacs except number of accounts)				
	(A) Number of accounts where resolution plan has been implemented under this window	(B) Exposure to accounts mentioned at (A) before implementation of the plan*	(C) of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution [^]
Personal Loans	244	1,695.88	-	-	187.94
Corporate persons	-	-	-	-	-
of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	244	1,695.88	-	-	187.94

*As of March 31, 2021.

[^] Provision held as on March 31, 2021

16 Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances

The Bank has restructured the account as per RBI Circular DBR.No.BP.BC.100/21.04.048/2017-18 dated February 07, 2018, DBR.No.BP.BC.108/21.04.048/2017-18 dated June 06, 2018, DBR.No.BP.BC.18/21.04.048/2018-19 dated January 01, 2019, DOR.No.BP.BC.34/21.04.048/2019-20 dated February 11, 2020 and DOR.No.BP.BC/4/21.04.048/2020-21 dated August 06, 2020.

Particulars	(₹ in lacs except number of accounts)	
	As at 31.03.2021	As at 31.03.2020
	Audited	Audited
No. of Account Restructured	6,699	-
Amount	62,416.27	-

17 In accordance with RBI notification dated April 7, 2021, the Bank is required to refund/adjust 'interest on interest' to borrowers. As required by the RBI notification, the methodology for calculation of such interest on interest has recently been circulated by the Indian Banks' Association. The Bank is in the process of suitably implementing this methodology. At March 31, 2021, the Bank has created a liability towards estimated interest relief of ₹ 500 lacs and reduced the same from the interest income.

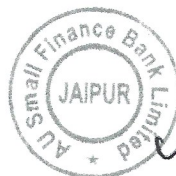
18 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

19 The Capital adequacy ratio ("CAR") has been computed as per operating guidelines for Small Finance Banks in accordance with RBI Circular No. RBI/2016-17/81 DBR.NBD.No.26/16.13.218/2016-17 dated October 6, 2016.

The Bank has followed Basel II standardized approach for credit risk in accordance with the operating guidelines issued by the Reserve Bank of India for Small Finance Banks. Further, the RBI vide its circular No. DBR.NBD.No.4502/16.13.218/2017-18 dated November 8, 2017 has provided an exemption to all Small Finance Banks whereby no separate capital charge is prescribed for market risk and operational risk.

20 Previous periods / year figures have been regrouped where necessary to conform to current period presentation.

For and on behalf of the Board of Directors
AU Small Finance Bank Limited



Sanjay Agarwal
(Managing Director and CEO)



Place : Jaipur
Date: April 29, 2021

Ref. No. AUSFB/SEC/2021-22/48

Date: 29th April 2021

To,

National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai 400051, Maharashtra. NSE Symbol: AUBANK	BSE Limited, Phiroz Jeejeebhoy Towers, Dalal Street, Mumbai 400001, Maharashtra. Scrip Code: 540611
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Dear Sir(s),

Sub: Declaration regarding Audit Reports with Unmodified opinion for the Financial Year ended on 31st March 2021 pursuant to regulation 33(3)(d) & 52(3)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")


Pursuant to the requirement of Regulation 33(3)(d) & 52(3)(a) of Listing Regulations, we hereby declare that M/s S. R. Batliboi & Associates LLP, Chartered Accountants, Statutory Auditors of the Bank have submitted the Audit Report with unmodified opinion for Annual Audited Financial Results/Statements of the Bank for the Financial Year ended on 31st March 2021.

We request you to take the above on records.

Thanking You,

Yours faithfully,

For AU SMALL FINANCE BANK LIMITED


Vimal Jain
Chief Financial Officer
Place: Jaipur



Registered Office
AU SMALL FINANCE BANK LIMITED
19-A Dhuleshwar Garden, Ajmer Road,
Jaipur - 302001, Rajasthan, India
Phone: +91 141 4110060/61, Fax: +91 141 4110090
CIN: L36911RJ1996PLC011381
Formerly known as **Au Financiers (India) Limited**



AU Small Finance Bank Limited

Head Office - Bank House, Mile 0,
Ajmer Road, Jaipur, Rajasthan, 302001

Corporate Office - 5th Floor, E-Wing, Kanakia Zillion
LBS road, Kurla West, Mumbai, Maharashtra, 400070

Website - www.aubank.in

For Immediate Release

AU Small Finance Bank reports 73% growth in FY21 PAT – A resilient performance in a challenging environment

Jaipur, April 29th, 2021: The Board of Directors of AU Small Finance Bank Limited at its meeting held today, approved the audited financial results for quarter and financial year ended 31st March, 2021.

Key highlights (FY21):

- Resilient performance amidst ongoing challenges
- Despite the challenging environment, Bank was able to deliver RoE of 23.4% in FY21 (including profit from sale of Aavas stake) and 12.0% (excluding profit from sale of Aavas stake)
 - PAT of Rs 1,171 including profits from sale of Aavas, up 73% YoY; ex-Aavas PAT at ₹ 600 Cr
 - AUM grew by 22% YoY despite muted disbursements in H1FY21
 - Deposits increased by 38% YoY
 - CASA ratio increased to 23% from 14%
 - Cost of Funds declined 86 bps YoY to 6.8%
 - Overall provisioning at 2.9% of advances
 - Tier 1 ratio increased to 21.5% from 18.4%
- Portfolio performance has increased confidence in our customer segment, asset class and credit underwriting
- Made significant progress towards becoming a tech-led bank:
 - Launched new mobile banking super app in Q3 with a complete suite of payment and lifestyle services; adding 10+ new product and service journeys in Q1FY21
 - Launched Credit Cards, Video Banking and UPI QR
 - Significant uptick in digital adoption in Q4'21 driven by new mobile banking app - 4 lac+ customers currently registered, an increase of 27% over Q3 in users
- Continued to invest in franchise – on course to have a pan-India presence
 - Added 37 new branches in FY21
 - 744 touch-points across 15 states and 2 Union Territories (up from 647 as on Mar'20)
- Employee well-being key priority with initiatives like COVID related insurance; no lay-offs, increments & bonuses disbursed

Financial Highlights

- Growth across all our key verticals returned to pre-Covid levels in Q4FY21
- Disbursements grew by 63% YoY in Q4FY21
- In Branch Banking, focus on driving deeper engagement
 - CASA ratio increased to 23% as on 31-Mar'21 versus 22% as on 31-Dec'20 and 14% as on 31-Mar'20
 - Contribution of Individual driven banking in deposits has gone up 58% from 41% YoY
- Overall cost of funds for FY21 was at 6.8% - reduced by 86bps over FY20
 - Incremental cost for FY21 was at 5.9% - down by 140 bps over FY20
- GNPA increased to 4.3% from 3.7%* QoQ
 - Increase driven by 1.5% pool of customers who are <90 dpd and paying but were Once NPA and have been tagged as NPA due to Hon'ble Supreme Court vacating the stay on NPA tagging; We expect majority of ONAN pool to regularize
 - 90+ dpd NPAs reduced to 2.7% as on 31-Mar'21 from 3.3% as on 31-Dec'20
- Total provision of Rs 1,037 Cr which is 2.9% of gross advances
 - Provision coverage of 50% on GNPL; ~60% PCR against >90 dpd GNPL
 - Total provisions include ₹ 70 Cr of contingency provision
- PAT of Rs 1,171 including profits from sale of Aavas, up 73% YoY; ex-Aavas PAT at ₹ 600 Cr
- Equity raised through Qualified Institutions Placement (₹ 625 Cr) and proceeds from sale of Aavas stake of (₹ 651 Cr) helped further strengthen the Balance Sheet; Tier 1 ratio increased to 21.5% from 18.4%
- Delivered RoA of 2.5% in FY21 (including profit from sale of Aavas stake) and 1.3% (excluding profits from Aavas stake)
- Delivered RoE of 23.4% in FY21 (including profit from sale of Aavas stake) and 12.0% (excluding profits from Aavas stake)

Commenting on the performance, Mr. Sanjay Agarwal, MD & CEO, AU Small Finance Bank said,

"Despite the challenging context especially in the H1FY21, our performance has been extremely resilient. We were able to keep our asset quality in check, strengthen our Balance sheet, increase granularity of our deposits, and significantly bolster our branch banking and digital properties. We are working on various digital initiatives to create a best-in-class customer centric Tech-led Bank. Our recent capital raise strengthens our positioning to take advantage of the opportunities that lie ahead of us.

We feel truly humbled to be able to serve the nation as an essential service provider in trying times. Situation on the ground is evolving with the second wave of infections, we are hopeful that with the ongoing vaccination drive, and actions taken by the Government situation will stabilize in the near future."

* Following Hon'ble Supreme Court's verdict on vacating stay on NPA classification, the GNPA (pro-forma 90+ dpd as on 31-Dec'20 and the pro-forma once tagged NPA) as on 31-Dec'20 would be ₹ 1,116Cr or 3.7% of Gross Advances (vs 3.3% pro-forma 90+ dpd reported in Q3FY21)



About AU Small Finance Bank:

AU Small Finance Bank Limited (AU Bank) is a scheduled commercial bank and a Fortune India 500 Company. Starting its journey from the hinterlands of Rajasthan, today AU Bank is the largest Small Finance Bank with a deep understanding of the rural and semi-urban markets that has enabled it build robust business model facilitating inclusive growth. With 25 years legacy of being a retail focused and customer-centric institution, AU started its banking operation in April 2017 and as on 31st March 2021, it has established operations across 744 Banking Touchpoints while serving 20.2 Lakh customers in 15 States & 2 Union Territories with a talent base of 22,484 employees. The Bank has a net worth of ₹ 6,275 Cr, deposit base of ₹ 35,979 Cr and net advances of ₹ 34,609 Cr. AU Bank enjoys the trust of marquee investors and is listed at both the leading stock exchanges viz. NSE and BSE. It has consistently maintained a high external credit rating from all major rating agencies like CRISIL, ICRA, CARE and India Ratings.

SEARCHABLE FORMAT

Ref. No. AUSFB/SEC/2021-22/46

Date: 29th April 2021

To,

National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai 400051, Maharashtra. NSE Symbol: AUBANK	BSE Limited, Phiroz Jeejeebhoy Towers, Dalal Street, Mumbai 400001, Maharashtra. Scrip Code: 540611
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Dear Sir(s),

Sub: Audited Financial Results of the Bank for the Quarter 4 & Financial Year ended on 31st March 2021

Pursuant to Regulation 33 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Audited Financial Results for the Quarter 4 and Financial Year ended on 31st March 2021, duly approved by the Board of Directors at its meeting held on 29th April 2021.

The Audit Report submitted by Statutory Auditors, S. R. Batliboi & Associates LLP, Chartered Accountants and Declaration in respect of Audit Report with unmodified opinion on the aforesaid Audited Financial Results is also enclosed.

We also submit herewith the press release of the Bank on the Audited Financial Results for the Quarter and Financial Year ended on 31st March 2021.

The Financial Results and Press Release may also be accessed on the website of the Bank at the link <https://www.aubank.in/investors/quarterly-reports>.

The meeting of Board of Directors commenced at 05:10 P.M. and concluded at 8:15 P.M.

This is for your information and record.

Thanking You,

Yours faithfully,

For AU SMALL FINANCE BANK LIMITED

MANMOHAN PARNAMI

Company Secretary and Compliance Officer

Membership No.: F9999

Registered Office

AU SMALL FINANCE BANK LIMITED

19-A Dhuleshwar Garden, Ajmer Road,

Jaipur - 302001, Rajasthan, India

Phone: +91 141 4110060/61, Fax: +91 141 4110090

CIN: L36911RJ1996PLC011381

Formerly known as Au Financiers (India) Limited