

Ref. No. AUSFB/SEC/2021-22/153
Date: 6th August, 2021

To,

National Stock Exchange of India Ltd. Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai 400051, Maharashtra. NSE Symbol: AUBANK	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001, Maharashtra. Scrip Code: 540611
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Dear Sir/Madam,

Sub: Unaudited Financial Results of the Bank for Quarter ended on 30th June, 2021

Pursuant to Regulation 33 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Requirements, 2015, we submit herewith the Unaudited Financial Results for Quarter ended on 30th June 2021, duly approved by Board of Directors at its meeting held on Friday, 6th August, 2021 and the Limited Review Report thereon of Statutory Auditors, S.R. Batliboi & Associates LLP, Chartered Accountants is enclosed.

We also submit herewith the press release of the Bank on the Unaudited Financial Results for the quarter ended 30th June 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>.

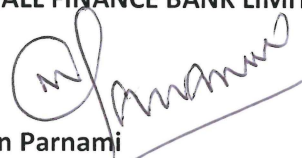
The meeting of Board of Directors commenced at 11:30 A.M. and concluded at 2:00 P.M. 

This is for your information and records.

Thanking You,

Yours faithfully,

For AU SMALL FINANCE BANK LIMITED


Manmohan Parnami
Company Secretary and Compliance Officer
Membership No.: F9999
investorrelations@aubank.in



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

**Review Report to
The Board of Directors
AU Small Finance Bank Limited**

6 August 2021

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

Dear Sirs:

1. We have reviewed the accompanying statement of unaudited financial results of AU Small Finance Bank Limited (the "Bank") for the quarter ended June 30, 2021 (the "Statement") attached herewith, being submitted by the Bank pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Bank's Management and approved by the Bank's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25, (AS 25) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder, the relevant guidelines issued by Reserve Bank of India (the "RBI Guidelines") and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Accounting Standards specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder, the RBI Guidelines and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in

respect of income recognition, asset classification, provisioning and other related matters.

5. We draw attention to Note 8 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.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

Sarvesh Warty

per Sarvesh Warty

Partner

Membership No.: 121411

UDIN: 21121411AAAAKS3774

Mumbai



AU Small Finance Bank Limited

(CIN: L36911RJ1996PLC011381)

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Statement of Unaudited Financial Results for the quarter ended June 30, 2021

(₹ in lacs)					
S. No.	Particulars	Quarter ended 30.06.2021	Quarter ended 31.03.2021	Quarter ended 30.06.2020	Year ended 31.03.2021
		Unaudited	Audited (Refer note 3)	Unaudited	Audited
1	Interest Earned (a)+(b)+(c)+(d)	1,35,349.40	1,29,236.90	1,18,411.50	4,95,005.15
	a) Interest / discount on advances / bills	1,13,540.70	1,04,227.60	95,379.98	3,94,736.25
	b) Income on Investments	17,248.12	18,230.21	19,810.04	77,304.30
	c) Interest on balances with Reserve Bank of India and other inter bank funds	1,467.31	1,859.76	2,180.95	8,500.66
	d) Others	3,093.27	4,919.33	1,040.53	14,463.94
2	Other income (refer note 6)	18,418.98	27,664.50	22,579.66	1,45,154.66
3	Total Income (1)+(2)	1,53,768.38	1,56,901.40	1,40,991.16	6,40,159.81
4	Interest Expended	62,948.05	63,653.85	66,826.33	2,58,460.97
5	Operating Expenses (i)+(ii)	45,695.31	55,866.25	29,605.81	1,65,842.52
	i) Employees cost	28,261.76	33,682.55	17,933.52	98,017.31
	ii) Other operating expenses	17,433.55	22,183.70	11,672.29	67,825.21
6	Total Expenditure (4)+(5)	1,08,643.36	1,19,520.10	96,432.14	4,24,303.49
	(excluding Provisions & Contingencies)				
7	Operating Profit before Provisions and Contingencies (3)-(6)	45,125.02	37,381.30	44,559.02	2,15,856.32
8	Provisions (other than tax) and Contingencies	17,659.31	17,777.93	18,125.21	70,005.50
9	Exceptional Items	-	-	-	-
10	Profit from Ordinary Activities before tax (7)-(8)-(9)	27,465.71	19,603.37	26,433.81	1,45,850.82
11	Tax Expense	7,145.92	2,705.50	6,352.94	28,782.36
12	Net Profit from Ordinary Activities after tax (10)-(11)	20,319.79	16,897.87	20,080.87	1,17,068.46
13	Extraordinary items (net of tax expense)	-	-	-	-
14	Net Profit for the period (12)-(13)	20,319.79	16,897.87	20,080.87	1,17,068.46
15	Paid up equity share capital (Face Value of ₹ 10/- each)	31,293.69	31,221.34	30,640.76	31,221.34
16	Reserves excluding revaluation reserves	-	-	-	5,96,300.24
17	Analytical Ratios				
	(i) Percentage of shares held by Government of India	Nil	Nil	Nil	Nil
	(ii) Capital Adequacy Ratio - Basel II (refer note 11)	23.07%	23.37%	21.72%	23.37%
	(iii) Earnings per share (before and after extraordinary items, net of tax expenses) - not annualized				
	Basic EPS (₹)	6.50	5.49	6.58	38.19
	Diluted EPS (₹)	6.43	5.45	6.52	37.86
	(iv) NPA Ratios				
	(a) Gross NPAs	1,49,594.08	1,50,282.91	44,712.37	1,50,282.91
	(b) Net NPAs	76,598.81	75,545.47	16,318.88	75,545.47
	(c) % of Gross NPAs to Gross Advances	4.31%	4.25%	1.69%	4.25%
	(d) % of Net NPAs to Net Advances	2.26%	2.18%	0.62%	2.18%
	(v) Return on assets (average) - not annualized	0.39%	0.34%	0.46%	2.50%



Signature of S.A. Batlioni





AU Small Finance Bank Limited

(CIN: L36911RJ1996PLC011381)

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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	(₹ in lacs)			
		Quarter ended 30.06.2021	Quarter ended 31.03.2021	Quarter ended 30.06.2020	Year ended 31.03.2021
		Unaudited	Audited (Refer note 3)	Unaudited	Audited
1	Segment revenue				
a)	Treasury	28,865.81	19,497.78	40,627.97	1,74,496.07
b)	Retail banking	1,16,082.83	1,26,769.02	89,778.96	4,24,380.64
c)	Wholesale banking	8,228.55	8,839.30	10,159.37	37,799.83
d)	Other banking operations	591.19	1,795.30	424.86	3,483.27
e)	Unallocated	-	-	-	-
	Less: Inter-segment revenue	-	-	-	-
	Income from operations	1,53,768.38	1,56,901.40	1,40,991.16	6,40,159.81
2	Segment results				
a)	Treasury	13,643.53	-3,678.07	16,766.76	80,247.41
b)	Retail banking	11,124.59	18,544.50	6,741.53	51,786.47
c)	Wholesale banking	2,106.40	2,941.64	2,512.60	10,333.67
d)	Other banking operations	591.19	1,795.30	412.92	3,483.27
e)	Unallocated	-	-	-	-
	Total Profit before Tax	27,465.71	19,603.37	26,433.81	1,45,850.82
3	Segment assets				
a)	Treasury	15,09,728.81	14,51,395.92	16,23,906.80	14,51,395.92
b)	Retail banking	31,69,159.08	32,26,455.70	23,98,087.28	32,26,455.70
c)	Wholesale banking	3,14,079.41	3,53,869.38	3,23,436.08	3,53,869.38
d)	Other banking operations	154.75	664.84	159.26	664.84
e)	Unallocated	1,42,578.40	1,26,744.75	81,115.54	1,26,744.75
	Total assets	51,35,700.45	51,59,130.59	44,26,704.96	51,59,130.59
4	Segment liabilities				
a)	Treasury	3,42,783.47	4,14,024.11	5,97,214.52	4,14,024.11
b)	Retail banking	21,43,841.35	20,52,927.44	17,10,448.08	20,52,927.44
c)	Wholesale banking	19,86,808.08	20,57,759.39	16,50,858.60	20,57,759.39
d)	Other banking operations	12.65	1.52	1.14	1.52
e)	Unallocated liabilities	13,269.82	6,896.55	9,410.74	6,896.55
	Capital and Other Reserves	6,48,985.08	6,27,521.58	4,58,771.88	6,27,521.58
	Total liabilities	51,35,700.45	51,59,130.59	44,26,704.96	51,59,130.59

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:

- 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 August 06, 2021, in accordance with the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. The results have been subjected to a limited review by the statutory auditors of the Bank. The report thereon is unmodified.





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- 2 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).
- 3 The figures for the quarter ended March 31, 2021 are the balancing figures between audited figures in respect of the financial year 2020-21 and the published year to date figures upto December 31, 2020.
- 4 During the quarter / year 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).
- 5 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 quarter / 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 / year ended March 31, 2021.
- 6 Other income includes processing fee, profit on sale of investments, recovery from loans written off, income from dealing in PSLC, etc. During the Quarter ended June 30, 2020 and year ended March 31, 2021, Profit on sale of investment includes ₹ 2,725 lacs (₹ 2,369 lacs, net of tax) and ₹ 65,143 lacs (₹ 57,046 lacs, net of tax) respectively, pertaining to profit earned on sale of equity shares held in Aavas Financiers Ltd.
- 7 During the quarter / year ended March 31, 2021, tax provision is after considering impact of income tax refund received by the Bank of ₹ 2,664 lacs.
- 8 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. During the quarter ended June 30, 2021 India experienced a "second wave" of COVID-19, including a significant surge of COVID-19 cases following the discovery of mutant coronavirus variants in the country.

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 quarter led to a decrease in loan originations, the sale of third-party products and collection efficiency. This may lead to a continued rise in the number of customer defaults and consequently an increase in provisions thereagainst. The extent to which the COVID-19 pandemic will continue to impact the Bank's results will depend on ongoing as well as future developments, which are highly uncertain, 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 ₹ 25,090 lacs as at June 30, 2021, for the accounts restructured under RBI Resolution framework and to be better prepared for any unforeseen risks to Bank's business including any further potential impact of COVID-19.

The Bank is carrying accelerated provision amounting to ₹ 21,950 lacs on existing Gross Non-Performing Assets as on June 30, 2021.

As at June 30, 2021, the Bank held an aggregate provision of ₹ 98,085 lacs against advances (Other than standard assets provision of ₹ 25,199 lacs).





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- 9 Details of resolution plan implemented under the Resolution Framework for COVID-19-related Stress as per RBI circular dated August 6, 2020 (Resolution Framework 1.0) 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	1,725.52	-	-	186.37
Corporate persons	-	-	-	-	-
of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	244	1,725.52	-	-	186.37

*As of June 30, 2021.

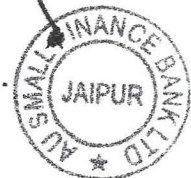
^ Provision held as on June 30, 2021

There were 29 accounts having an aggregate exposure of ₹ 116 lacs to the Bank, where resolution plans had been implemented under RBI's Resolution Framework 2.0 Dated May 05, 2021.

- 10 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.
- 11 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.
- 12 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: August 06, 2021





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 Bank reports resilient performance in a challenging environment – asset quality remains stable and NII grows by 40% and PAT growth of 15% in Q1'FY22; Launched Credit Cards and Digital Bank AU 0101 during the quarter

Mumbai/ Jaipur, August 6th, 2021: The Board of Directors of AU Small Finance Bank Limited at its meeting held today, approved the audited financial results for the quarter ended June 30, 2021.

Key Highlights for Q1'FY22:

- Net profit grows by 15% (excluding profit from sale of Aavas Financiers) to ₹ 203 Crore despite Bank prudently increasing contingency provisioning buffers by ₹ 120 Crore to strengthen the balance sheet
- Delivered RoE of 12.7% and RoA of 1.6% in Q1'FY22
- Cost of funds declined by 88bps YoY to reach 6.3%
- Deposits continue to scale with customer profile becoming more granular
 - Total deposits grew by 38% YoY to ₹ 37,014 Crore driven largely by growth in Savings account balances which grew 166% YoY to ₹ 8,102 Crores
 - CASA ratio improved to 26% versus 23% as on 31-Mar'21 and 14% as on 30-Jun'20
 - Retail deposits mix at 59%
- Total Loan AUM rises 22% YoY to reach ₹ 36,635 Cr
 - Disbursements were subdued in Q1FY22 due to the 2nd wave impact
- Asset quality remained stable with GNPA at 4.3% and Net NPA at 2.3%
 - Collections saw sharp pullback as Covid wave-2 flattened; Collection efficiency of 114% in June'21 and 101% for Q1'FY22
 - Bank prudently made contingency provisions of ₹ 120 Cr during the quarter to strengthen the balance sheet; The Bank now carries total contingency provision of ₹ 190 Cr which is 0.6% of loans
 - Bank has done 658 Cr of standard restructuring in Q1 and as on 30th June'21 Bank had total of ₹ 1,265 Cr of Standard Restructured asset which is 3.60% of gross advances
- Muted business activity during the quarter resulted in higher liquidity with Bank maintaining daily average LCR of ~137% for Q1'FY22 (against regulatory requirement of 100%)
- Bank remains well capitalised with a strong Tier 1 capital ratio of 21.6% and total CRAR of 23.1% (sufficiently above minimum requirement of 7.5% and 15% respectively)

Key Product Launched during the quarter:

- Launched AU 0101 - our digital bank, a comprehensive mobile and net banking platform with a simple and intuitive interface, best in class onboarding journeys with integrated Video KYC, and personalised pre-approved offers for customers

- AU 0101 offers:
 - Comprehensive solutions around savings and fixed deposits, credit cards, loans, investments, insurance, bill payments, and other lifestyle solutions like cab and flight bookings, recharge, and tax payments.
 - Multiple channels for customers to bank digitally, including Whatsapp Banking, Chatbot and Video Banking (with expanded use cases around transaction and servicing)
- Launched Credit Cards offering to customers with attractive product features including Industry's first digital device protection plan, and end-to-end digital onboarding
 - AU is the first and only Small Finance Bank to offer Credit Cards
 - Partnership with global payment leaders VISA & FiServe for card issuance
- During the quarter, we also launched:
 - AU Royale World, a savings account with industry leading features for NR customers
 - AU Platinum, a Family Banking program with dedicated Relationship Manager
 - AU Power Current Account to fulfil the needs of retail merchants / traders who are tech savvy and aim to provide digital payment solutions to their customers

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

"Q1'FY22 caught most of us by surprise with the onset of second wave. Amidst a challenging operating environment, our performance has been quite resilient and we remain thankful to the Government, regulators, customers and last but not the least our employees for their belief and support. Our deposits continue to become more granular, our digital journey is shaping up well, our GNPL was stable sequentially and we have strengthened our balance sheet by creating contingency buffers for any unforeseen risks to our business. We are quite excited about the recent launch of our Digital Banking app AU 0101, our newest asset product in Credit Cards and our Video Banking solutions. We will shortly be going live with our Brand campaign as we continue in our efforts to bring Badlaav"

About AU Small Finance Bank:

AU Small Finance Bank Limited (AU Bank) is a scheduled commercial bank, a Fortune India 500 Company and the largest Small Finance Bank. 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 operations in April 2017 and as on 30th June 2021, it has established operations across 758 Banking Touchpoints while serving 20.2 Lakh customers in 15 States & 2 Union Territories with a employee base of 23,486 employees. The Bank has a net worth of ₹ 6,490 Cr, deposit base of ₹ 37,014 Cr and net advances of ₹ 33,957 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.