

Ref. No. AUSFB/SEC/2021-22/316

Date: 28<sup>th</sup> January, 2022

To,

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

**Sub: Unaudited Financial Results of the AU Small Finance Bank Limited ("Bank") for quarter and nine months ended on 31<sup>st</sup> December, 2021**

Pursuant to Regulations 30, 33 and 52 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), we submit herewith the following:

- Unaudited Financial Results for the quarter and nine months ended on 31<sup>st</sup> December, 2021, duly approved by Board of Directors at its meeting held on Friday, 28<sup>th</sup> January, 2022.
- Limited Review Report for the quarter and nine months ended on 31<sup>st</sup> December, 2021 issued by Joint Statutory Auditors viz. Deloitte Haskins & Sells, Chartered Accountants and G. M. Kapadia & Co., Chartered Accountants.
- Press release of the Bank on the Unaudited Financial Results for the quarter and nine months ended on 31<sup>st</sup> December, 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 2:00 P.M. and the agenda related to approval of financial results was concluded at 3:50 P.M. The meeting continued thereafter for remaining agenda items.

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](mailto:investorrelations@aubank.in)

Encl: As Above

**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**

**406639**



# 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

## Statement of Unaudited Financial Results for the quarter and nine months ended December 31, 2021

S. No.	Particulars	Quarter ended 31.12.2021	Quarter ended 30.09.2021	Quarter ended 31.12.2020	Nine months ended 31.12.2021	Nine months ended 31.12.2020	Year ended 31.03.2021
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Interest Earned (a)+(b)+(c)+(d)	149,645.01	140,475.22	126,111.34	425,469.64	365,768.25	495,005.15
	a) Interest / discount on advances / bills	122,351.68	114,277.11	100,650.75	350,169.49	290,508.66	394,736.25
	b) Income on Investments	19,696.98	18,373.53	18,609.90	55,318.63	59,074.08	77,304.30
	c) Interest on balances with Reserve Bank of India and other inter bank funds	2,360.43	2,429.37	2,100.68	6,257.11	6,640.90	8,500.66
	d) Others	5,235.92	5,395.21	4,750.01	13,724.41	9,544.61	14,463.94
2	Other income (refer note 4)	27,564.45	19,192.41	68,560.84	68,232.12	117,376.60	142,093.27
3	<b>Total Income (1)+(2)</b>	<b>177,209.46</b>	<b>159,667.63</b>	<b>194,672.18</b>	<b>493,701.76</b>	<b>483,144.85</b>	<b>637,098.42</b>
4	Interest Expended	67,602.95	65,162.37	62,799.24	195,713.37	194,807.12	258,460.97
5	Operating Expenses (I)+(II)	63,763.42	55,258.34	42,368.64	164,717.07	109,976.27	165,842.52
	I) Employees cost	35,587.93	32,675.92	23,980.70	96,525.61	64,334.75	98,017.31
	II) Other operating expenses	28,175.49	22,582.42	18,387.94	68,191.46	45,641.52	67,825.21
6	<b>Total Expenditure (4)+(5)</b>	<b>131,366.37</b>	<b>120,420.71</b>	<b>105,167.88</b>	<b>360,430.44</b>	<b>304,783.39</b>	<b>424,303.49</b>
	(excluding Provisions & Contingencies)						
7	<b>Operating Profit before Provisions and Contingencies (3)-(6)</b>	<b>45,843.09</b>	<b>39,246.92</b>	<b>89,504.30</b>	<b>133,271.32</b>	<b>178,361.46</b>	<b>212,794.93</b>
8	Provisions (other than tax) and Contingencies	5,596.67	462.71	30,581.64	26,774.96	52,114.01	66,944.11
9	Exceptional Items	-	-	-	-	-	-
10	<b>Profit from Ordinary Activities before tax (7)-(8)-(9)</b>	<b>40,246.42</b>	<b>38,784.21</b>	<b>58,922.66</b>	<b>106,496.36</b>	<b>126,247.45</b>	<b>145,850.82</b>
11	Tax Expense	10,041.69	10,932.84	11,020.58	28,120.45	26,076.86	28,782.36
12	<b>Net Profit from Ordinary Activities after tax (10)-(11)</b>	<b>30,204.73</b>	<b>27,851.37</b>	<b>47,902.08</b>	<b>78,375.91</b>	<b>100,170.59</b>	<b>117,068.46</b>
13	Extraordinary items (net of tax expense)	-	-	-	-	-	-
14	<b>Net Profit for the period (12)-(13)</b>	<b>30,204.73</b>	<b>27,851.37</b>	<b>47,902.08</b>	<b>78,375.91</b>	<b>100,170.59</b>	<b>117,068.46</b>
15	Paid up equity share capital (Face Value of ₹ 10/- each)	31,376.94	31,311.04	30,675.86	31,376.94	30,675.86	31,221.34
16	Reserves excluding revaluation reserves	-	-	-	-	-	596,300.24
17	<b>Analytical Ratios and other disclosures:</b>						
	(i) Percentage of shares held by Government of India	Nil	Nil	Nil	Nil	Nil	Nil
	(ii) Capital Adequacy Ratio - Basel II (refer note 9)	19.55%	21.95%	18.84%	19.55%	18.84%	23.37%
	(iii) Earnings per share (before and after extraordinary items, net of tax expenses)*						
	Basic EPS (₹)	9.63	8.90	15.62	25.04	32.73	38.19
	Diluted EPS (₹)	9.54	8.81	15.54	24.77	32.52	37.86
	(iv) NPA Ratios						
	(a) Gross NPAs	105,756.82	115,144.78	30,273.82	105,756.82	30,273.82	150,282.91
	(b) Net NPAs	52,017.73	59,147.73	7,269.32	52,017.73	7,269.32	75,545.47
	(c) % of Gross NPAs to Gross Advances	2.60%	3.16%	0.99%	2.60%	0.99%	4.25%
	(d) % of Net NPAs to Net Advances	1.29%	1.65%	0.24%	1.29%	0.24%	2.18%
	(v) Return on assets (average)*	0.54%	0.53%	1.06%	1.42%	2.26%	2.50%
	(vi) Net worth	712,671.53	678,080.68	540,320.93	712,671.53	540,320.93	627,521.58
	(vii) Outstanding redeemable preference shares	-	-	-	-	-	-
	(viii) Capital redemption reserve / Debenture redemption reserve	-	-	-	-	-	-
	(ix) Debt-equity ratio	0.33	0.34	0.45	0.33	0.45	0.41
	(x) Total debts to total assets	7.79%	9.33%	19.68%	7.79%	19.68%	13.63%

\* Figures for the quarter/nine months ended are not annualized.

Net worth represents sum of Capital and Reserves & Surplus.

Debt represents borrowings with residual maturity of more than one year. Total debt represents total borrowings of the Bank.



*[Handwritten Signature]*





## AU Small Finance Bank Limited

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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 :

(₹ in lakh)

S. No.	Particulars	Quarter ended 31.12.2021	Quarter ended 30.09.2021	Quarter ended 31.12.2020	Nine months ended 31.12.2021	Nine months ended 31.12.2020	Year ended 31.03.2021
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	<b>Segment revenue</b>						
a)	Treasury	22,926.47	21,770.78	74,537.56	76,619.35	154,884.73	171,434.68
b)	Retail banking	142,378.14	128,692.87	110,919.05	387,153.83	297,611.62	424,380.64
c)	Wholesale banking	10,757.41	8,270.03	8,557.45	27,256.00	28,960.53	37,799.83
d)	Other banking operations	1,147.44	933.95	658.12	2,672.58	1,687.97	3,483.27
e)	Unallocated	-	-	-	-	-	-
	Less: Inter-segment revenue	-	-	-	-	-	-
	<b>Income from operations</b>	<b>177,209.46</b>	<b>159,667.63</b>	<b>194,672.18</b>	<b>493,701.76</b>	<b>483,144.85</b>	<b>637,098.42</b>
2	<b>Segment results</b>						
a)	Treasury	2,020.67	517.62	52,302.78	16,181.82	83,925.48	80,247.41
b)	Retail banking	32,833.08	34,504.11	4,369.83	78,461.80	33,241.97	51,786.47
c)	Wholesale banking	4,245.23	2,828.53	1,591.93	9,180.16	7,392.03	10,333.67
d)	Other banking operations	1,147.44	933.95	658.12	2,672.58	1,687.97	3,483.27
e)	Unallocated	-	-	-	-	-	-
	<b>Total Profit before Tax</b>	<b>40,246.42</b>	<b>38,784.21</b>	<b>58,922.66</b>	<b>106,496.36</b>	<b>126,247.45</b>	<b>145,850.82</b>
3	<b>Segment assets</b>						
a)	Treasury	1,570,092.17	1,497,401.82	1,400,791.99	1,570,092.17	1,400,791.99	1,451,395.92
b)	Retail banking	3,695,003.11	3,349,329.75	2,860,329.22	3,695,003.11	2,860,329.22	3,226,455.70
c)	Wholesale banking	416,374.58	322,285.55	305,324.84	416,374.58	305,324.84	353,869.38
d)	Other banking operations	378.54	256.97	726.55	378.54	726.55	664.84
e)	Unallocated	182,692.21	154,315.06	93,322.68	182,692.21	93,322.68	126,744.75
	<b>Total assets</b>	<b>5,864,540.61</b>	<b>5,323,589.15</b>	<b>4,660,495.28</b>	<b>5,864,540.61</b>	<b>4,660,495.28</b>	<b>5,159,130.59</b>
4	<b>Segment liabilities</b>						
a)	Treasury	173,581.86	262,399.87	483,326.39	173,581.86	483,326.39	414,024.11
b)	Retail banking	2,589,730.52	2,364,715.43	1,948,406.09	2,589,730.52	1,948,406.09	2,052,927.44
c)	Wholesale banking	2,375,603.32	2,006,614.68	1,674,734.43	2,375,603.32	1,674,734.43	2,057,759.39
d)	Other banking operations	0.54	21.75	6.19	0.54	6.19	1.52
e)	Unallocated liabilities	12,952.84	11,756.75	13,701.25	12,952.84	13,701.25	6,896.55
	Capital and Other Reserves	712,671.53	678,080.67	540,320.93	712,671.53	540,320.93	627,521.58
	<b>Total liabilities</b>	<b>5,864,540.61</b>	<b>5,323,589.15</b>	<b>4,660,495.28</b>	<b>5,864,540.61</b>	<b>4,660,495.28</b>	<b>5,159,130.59</b>

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, the organisation structure, the internal business reporting system and guidelines prescribed by the RBI and in compliance with the Accounting Standard 17 – "Segment Reporting".

### 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 January 28, 2022, in accordance with the requirement of Regulation 33 and Regulation 52 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 (Deloitte Haskins & Sells, Chartered Accountants and G.M. Kapadia & Co., Chartered Accountants) of the Bank. An unqualified review report has been issued by them thereon. The financial results for the quarter and nine months ended December 31, 2020 and for the year ended March 31, 2021 were reviewed / audited by S.R. Batliboi & Associates LLP, Chartered Accountants.
- 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, 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).



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- 3 The Bank has applied its significant accounting policies in the preparation of these financial results consistent with those followed in the annual financial statements for the year ended March 31, 2021 except for its share based payments. In accordance with the RBI circular RBI/2021-22/95 DOR.GOV.REC.44/29.67.001/2021-22 "Guidelines on Compensation of Whole Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function staff – Clarification" dated August 30, 2021, Share-linked Instruments granted to Whole Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function staff after the accounting period ending March 31, 2021, has fair valued on the date of grant, using Black-Scholes model instead of intrinsic value method. As a result, 'Employee cost' for the quarter and nine months ended December 31, 2021 is higher by ₹ 132 lakh and ₹ 147 lakh respectively with a consequent reduction in profit before tax by the said amount.

- 4 Other income includes processing fee, profit / loss on sale of investments (including provision for depreciation), recovery from loans written off, income from dealing in FSLC, etc. Profit on sale of investment for the previous year includes profit earned on sale of equity shares (part stake) held in Aavas Financiers Limited as under:

(₹ in lakh)

Particulars	Quarter ended 31.12.2021	Quarter ended 30.09.2021	Quarter ended 31.12.2020	Nine months ended 31.12.2021	Nine months ended 31.12.2020	Year ended 31.03.2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Profit (before tax) on sale of investment in Aavas Financiers Limited	-	-	47,981.92	-	65,142.56	65,142.56
Profit (net of tax) on sale of investment in Aavas Financiers Limited	-	-	42,117.78	-	57,045.92	57,045.92

- 5 The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant volatility in the financial markets and slowdown in the economic activities. 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 restrictions continued to be implemented in areas due to the "second wave" of COVID-19, which included a significant surge of COVID-19 cases. These were gradually lifted as the second wave subsided. The country is now experiencing another outbreak on account of new coronavirus variant.

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. Basis the Bank's overall assessment of the potential impact of COVID-19 pandemic, the Bank is carrying an additional contingency provision of ₹ 35,610 lakh as at December 31, 2021 towards any unforeseen risk on its advances portfolio which includes the additional provision for the accounts restructured under RBI Resolution framework.

As at December 31, 2021, the Bank held an aggregate provision of ₹ 89,350 lakh against advances (Other than standard assets provision of ₹ 26,535 lakh).

- 6 The Honorable 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 had not classified 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 lakh as at December 31, 2020. The Bank holds aggregate provision of ₹ 62,500 lakh as at December 31, 2020 comprising of NPA provision of ₹ 23,004 lakh, provision of ₹ 27,838 lakh as per COVID Regulatory Package and provision of ₹ 11,658 lakh against borrowers which would have been classified as NPA. Accordingly, the Proforma Net NPA would have been ₹ 39,155 lakh as at December 31, 2020.

The said interim order stood vacated on March 23, 2021 and the Bank thereafter continued with the asset classification of borrower accounts as per the extant RBI instructions / IRAC norms.

- 7 Details of resolution plan implemented under the RBI Resolution Framework - 2.0 : Resolution of COVID - 19 related stress of Individuals and Small Businesses dated May 5, 2021 are given below:

(₹ in lakh except number of accounts)

Sl. No	Particulars	Individual Borrowers		Small Businesses
		Personal Loans	Business Loans	
(A)	Number of requests received for invoking resolution process under Part A	7,415	8,114	1,350
(B)	Number of accounts where resolution plan has been implemented under this window	6,319	8,045	1,292
(C)	Exposure to accounts mentioned at (B) before implementation of the plan	16,753.74	35,350.43	11,195.51
(D)	Of (C), aggregate amount of debt that was converted into other securities	-	-	-
(E)	Additional funding sanctioned, if any, including between invocation of the plan and implementation	-	-	-
(F)	Increase in provisions on account of the implementation of the resolution plan	1,468.15	3,249.55	1,161.89

There were 30 Borrower accounts having an aggregate exposure of Rs. 133.22 lakh to the Bank, where resolution plans had been implemented under RBI's Resolution Framework 1.0 dated August 6, 2020 and now modified under RBI's Resolution Framework 2.0 dated May 5, 2021.






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- 8 During the quarter ended December 31, 2021 Bank has not transferred / acquired any loan under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021.
- 9 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.
- 10 During the quarter and nine months ended December 31, 2021, the Bank allotted 6,59,023 and 15,56,044 equity shares respectively pursuant to the exercise of options under the approved employee stock option schemes.
- 11 Previous periods / year figures have been regrouped where necessary to conform to current period presentation.

Place : Jaipur  
Date: January 28, 2022

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



Sanjay Agarwal  
(Managing Director and CEO)





**Deloitte Haskins & Sells**

19<sup>th</sup> Floor, Shapath-V  
S.G. Highway  
Ahmedabad - 380 015  
Gujarat, India  
Tel: +91 79 6682 7300  
Fax: +91 79 6682 7400

**G.M. Kapadia & Co.**

1007, Raheja Chambers,  
213, Nariman Point,  
Mumbai - 400021  
Maharashtra, India  
Tel: +91 22 6611 6611  
Fax: +91 22 6611 6600

**INDEPENDENT AUDITORS' REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS****TO THE BOARD OF DIRECTORS OF  
AU SMALL FINANCE BANK LIMITED**

1. We have reviewed the accompanying Statement of Unaudited Financial Results of **AU SMALL FINANCE BANK LIMITED** (the "Bank") for the quarter and nine month ended December 31, 2021 (the "Statement"), being submitted by the Bank pursuant to the requirement of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Bank's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 for "Interim Financial Reporting" ("AS 25"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, in so far as they apply to banks, 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. 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. A review of interim financial information consists of making inquiries, primarily of the Bank's personnel 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 specified under section 143(10) of the Companies Act, 2013 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 stated in paragraph 3 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 Standard, the RBI Guidelines and other accounting principles generally accepted in India, in so far as they apply to banks, has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed.
5. We draw attention to Note 5 of the Statement, which describes that the potential impact of the continuing COVID-19 pandemic on the Bank's results are dependent on future developments which are uncertain.

Our conclusion is not modified in respect of this matter.





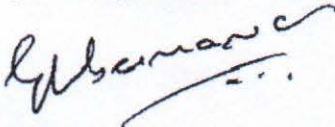
6. The Statement includes comparative figures for the quarter and nine months ended December 31, 2020, which has been reviewed by the predecessor audit firm, where they had expressed an unmodified conclusion vide their report dated January 28, 2021 on such Financial Results.

The Statement also includes figures for the year ended March 31, 2021, audited by the predecessor audit firm where they have expressed an unmodified opinion on such financial statements vide their report dated April 29, 2021.

Our conclusion is not modified in respect of this matter.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants  
(Firm Registration No. 117365W)



**G. K. Subramaniam**  
Partner  
Membership No. 109839  
UDIN: 22109839AAAABJ5771  
Place: Mumbai  
Date: January 28, 2022



For **G.M. Kapadia & Co.**

Chartered Accountants  
(Firm Registration No. 104767W)



**Atul Shah**  
Partner  
Membership No. 039569  
UDIN: 22039569AAAABG2694  
Place: Mumbai  
Date: January 28, 2022





## 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](http://www.aubank.in)

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### For Immediate Release

- **AU Bank deliver strong performance with Q3'FY2022 PAT of ₹ 302 Crore**
- **Asset quality improved further - Gross NPA reduced to 2.6% from 3.2%**
- **CASA ratio increases to 39% with overall Deposits growth of 49% YoY**
- **Business growth momentum continues - Quarterly disbursement of ₹ 8,152 Crore (+33% YoY) leads to Asset growth of 26% YoY**
- **AU Bank welcomes Shri H R Khan, ex-Deputy Governor of RBI, as an Independent Director**
- **CRISIL upgrades its rating outlook on long-term debt and fixed deposit programme of the Bank to 'Positive' from 'Stable'**

**Mumbai/Jaipur 28th January 2022:** The Board of Directors of AU Small Finance Bank Limited at its meeting held today, approved the financial results for the quarter and nine months ended December 31, 2021.

### Executive Summary

A significant improvement in the overall business environment resulted in strong disbursements for AU Bank. In Q3FY22, fund-based disbursements were up 33% YoY at Rs 8,152 Crore as compared to ₹ 6,115 Crore in the same quarter of the previous year. Disbursements included ECLGS of ₹ 48 Crore in Q3FY22. Non-fund disbursements for Q3FY22 were up 55% YoY at ₹ 627 Crore as compared to ₹ 405 Crore in the same quarter of the previous year.

Deposits grew 49% YoY to ₹ 44,278 Crore from ₹ 29,708 Crore, with further improvement in CASA ratio to 39% compared to 22% a year ago. The Bank witnessed a growth of 33% YoY in its gross advances to ₹ 40,719 Crore from ₹ 30,523 Crore. This was coupled with consistent collection efficiency in excess of 100% for every month of the quarter, resulting in an improvement in asset quality ratios. Bank maintains a strong position in Digital services with properties like AU 0101, Video Banking, Credit cards, UPI QR etc. all of which continue to see strong momentum.

### Financial Highlights

#### Q3'FY22 financial results

- Net profit for the quarter rose to ₹ 302 Crore
- Net Interest Margin (NIM) at 6.3%
- ROA stood at 2.2% and ROE at 17.4%
- Average cost of funds reduced to 5.9% from 6.7% in the same quarter last year



#### Asset quality

- Bank's Asset quality continued to improve significantly with GNPA at 2.6% as against 3.2% in the previous quarter
- Net NPA stood at 1.3% of net advances against 1.7% in the previous quarter
- Collection efficiency averaged 106% as compared to 97% last year for the same period
- Bank has, additionally, maintained contingency provision buffer of ₹ 300 Crore (75 bps of advances) over and above provisions for GNPA, Restructured book and standard provisions

#### Capital Adequacy

- Bank remains well capitalized with a strong Tier-I capital ratio of 18.2% and total CRAR of 19.5% which is sufficiently above minimum requirement of 7.5% and 15% respectively
- Including profits for 9MFY22, the CRAR ratio is 22.0% and Tier I ratio is at 20.7%

#### Nine-month ended December 31<sup>st</sup>, 2021

- Bank's total balance sheet grew by 26% YoY to ₹ 58,645 Crore
- Total income stood at ₹ 4,937 Crore
- For 9MFY22, net revenue (net interest income plus other income) was at ₹ 2,980 Crore and Net profit was at ₹ 784 Crore

#### Growth in digital & payments platform

- The Bank's digital properties like AU 0101, Video Banking, Credit cards, UPI QR etc. continue to see strong momentum
- The Bank has issued 1 Lac+ Credit cards and installed 3 Lac+ QR codes till now
- Of the total credit card issued, over 53% of customers are first time users in more than 150 districts of the country since launch
- Video Banking experience has been quite encouraging in terms of enhancing reach, acquisition and engagement
- 31 % Savings Account opened digitally through AU 0101 and Video Banking during the quarter

#### Key Business Updates

- Continuing its effort to broad-base and strengthen its Board, AU Small Finance Bank, appointed Shri Harun Rashid Khan, ex-Deputy Governor of RBI as Non-Executive Independent Director (Additional Director) on the Board, for a period of three years, effective 28th December 2021, subject to the approval of Shareholders
- The Bank has expanded its presence to 69 new touchpoints in the form of Asset Centres, Bank Branches, Bank Outlet (BO) and Smart BC and its network is spread across 880 touchpoints as on December 31, 2021

- CRISIL has upgraded its rating outlook on long-term debt and fixed deposit program of the bank to 'Positive' from 'Stable' reflecting strength in asset quality, granularity in liabilities and the overall banking franchise; Long term rating at 'CRISIL AA-/Positive' and FD rating at 'CRISIL AA+/Positive'
- AU Bank constituted its Diversity and Inclusion (D&I) committee during the quarter to increase emphasis on D&I within the bank with a mandate to make AU Bank a more inclusive workplace
- AU Bank was certified as a 'Great Place To Work' for the second consecutive year
- The third quarter being the festive season, AU Bank announced a host of features and benefits for its NRI customers and had also launched AU Shopping Dhamaka with offers across 500+ brands

Commenting on the performance, Mr. Sanjay Agarwal, MD & CEO, AU Small Finance Bank said, *"In Q3'FY22, we saw continued improvement in the operating environment and borrower cashflows. These factors along with the secured nature of our loan book led to significant asset quality improvement in the quarter, along with continued improvement across all other key focus areas. These include improving granularity of our deposit base, healthy asset growth driven by small-ticket secured loans, increasing adoption of our digital properties following the launch of our super app AU 0101, QR codes and credit card offerings, and improved visibility and brand recall following our brand campaign.*

*Our confidence in our borrower base, power of the banking platform, and our own business model of small-ticket secure lending has been reinforced. Given our strong lending model, increasing granularity of deposits, growing reach and our evolving digital properties, I feel we are well positioned to take advantage of the significant opportunities in the segments we are present in. Nonetheless, we remain cautiously optimistic in our approach as the situation around the pandemic remains fluid".*

#### **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 in the country. 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 31<sup>st</sup> December 2021, it has established operations across 880 banking touchpoints while serving 23.7 Lakh customers in 15 States & 2 Union Territories with an employee base of 25,502 employees. The Bank has a net worth of ₹ 7,127 Crore, deposit base of ₹ 44,278 Crore and Assets Under Management (AUM) of ₹ 42,023 Crore. 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, CARE Ratings and India Ratings.