

Ref. No.: AUSFB/SEC/2018-19/425

Date: 13th October, 2018

To,


Listing Department
National Stock Exchange of India Limited,
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai 400051,
Maharashtra.
NSE Symbol: AUBANK

Department of Corporate Services,
BSE Limited,
Phiroz Jeejeebhoy Towers,
Dalal Street, Mumbai 400001,
Maharashtra.
Scrip Code: 540611

Dear Sirs,

Sub: Outcome of the Board Meeting – SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Pursuant to Regulation 33 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 ("Listing Regulation"), we wish to inform you that the Board of Directors at its Meeting held on Saturday, 13th October, 2018 at Mumbai has considered and approved the Unaudited Financial Results of the Bank for the quarter and half year ended on 30th September, 2018 and took note of the Limited Review Report thereon, submitted by Statutory Auditors, S.R. BATLIBOI & ASSOCIATES LLP, Chartered Accountants.

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

A copy of the Unaudited Financial Results along with Limited Review Report are enclosed herewith.

Kindly acknowledge the receipt of the same and for public dissemination.

Thanking You,

Yours faithfully,

For AU SMALL FINANCE BANK LIMITED



MANMOHAN PARNAMI
COMPANY SECRETARY AND COMPLIANCE OFFICER

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:** L36911RJ1996PLC011381Formerly known as **Au Financiers (India) Limited**

Limited Review Report**Review Report to
The Board of Directors
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 half year ended September 30, 2018 (the "Statement"). This Statement is the responsibility of the Bank's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review 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 is limited primarily to inquiries of bank personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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.
4. Without qualifying our conclusion, we draw attention to Note 5 of the accompanying Statement of unaudited financial results regarding the option exercised by the Bank, as permitted by the Reserve Bank of India vide notification no. DBR.No.BP.BC.113 /21.04.048/2017-18 date June 15, 2018, of spreading the mark-to-market (MTM) losses on investments classified as 'Available for Sale' and 'Held for Trading' over four quarters resulting into a carry forward of un-amortised MTM losses amounting to Rs.53 lacs as at September 30, 2018.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

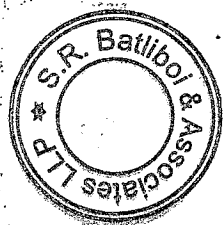

per Amit Kabra

Partner

Membership No.: 094533

Mumbai

October 13, 2018



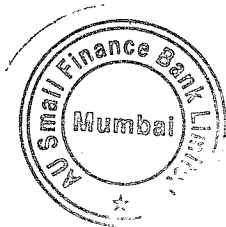
AU Small Finance Bank Limited
(Formerly Au Financiers (India) Limited)
(CIN: L36911RJ1996PLC011381)

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 half year ended September 30, 2018

(Rs in lacs)

| S. No. | Particulars | Quarter ended 30.09.2018 | Quarter ended 30.06.2018 | Quarter ended 30.09.2017 | Half year ended 30.09.2018 | Half year ended 30.09.2017 | Year ended 31.03.2018 |
|--------|---|-----------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|--------------------------|
| | | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| 1 | Interest Earned (a)+(b)+(c)+(d) | 68,337.20 | 60,027.59 | 41,031.83 | 1,28,364.79 | 77,129.94 | 1,76,718.99 |
| | a) Interest / discount on advances / bills | 53,895.92 | 46,969.49 | 28,054.04 | 1,00,865.41 | 51,906.13 | 1,24,276.87 |
| | b) Income on Investments | 5,904.60 | 5,034.84 | 2,916.38 | 10,939.44 | 5,330.16 | 12,845.50 |
| | c) Interest on balances with Reserve Bank of India and other inter bank funds | 1,147.58 | 990.54 | 1,412.75 | 2,138.12 | 2,915.26 | 4,166.64 |
| | d) Others | 7,389.10 | 7,032.72 | 8,648.66 | 14,421.82 | 16,978.39 | 35,429.98 |
| 2 | Other income (Refer note 7) | 12,250.73 | 10,305.45 | 9,256.23 | 22,556.18 | 14,757.58 | 38,806.01 |
| 3 | Total Income (1)+(2) | 80,587.93 | 70,333.04 | 50,288.06 | 1,50,920.97 | 91,887.52 | 2,15,525.00 |
| 4 | Interest Expended | 36,233.95 | 31,390.62 | 19,062.83 | 67,624.57 | 36,813.46 | 82,672.85 |
| 5 | Operating Expenses (i)+(ii) | 26,835.45 | 23,704.96 | 16,890.39 | 50,540.41 | 28,335.34 | 75,260.92 |
| | i) Employees cost | 14,976.64 | 14,054.47 | 10,000.56 | 29,031.11 | 17,105.80 | 42,489.08 |
| | ii) Other operating expenses | 11,858.81 | 9,650.49 | 6,889.83 | 21,509.30 | 11,229.54 | 32,771.84 |
| 6 | Total Expenditure (4)+(5) | 63,069.40 | 55,095.58 | 35,953.22 | 1,18,164.98 | 65,148.80 | 1,57,933.77 |
| 7 | Operating Profit before Provisions and Contingencies (3)-(6) | 17,518.53 | 15,237.46 | 14,334.84 | 32,755.99 | 26,738.72 | 57,591.23 |
| 8 | Provisions (other than tax) and Contingencies | 3,497.62 | 3,511.30 | 4,029.05 | 7,008.92 | 6,897.65 | 13,256.44 |
| 9 | Exceptional Items | - | - | - | - | - | - |
| 10 | Profit / (Loss) from Ordinary Activities before tax (7)-(8)+(9) | 14,020.91 | 11,726.16 | 10,305.79 | 25,747.07 | 19,841.07 | 44,334.79 |
| 11 | Tax Expense | 4,879.33 | 4,043.82 | 3,481.57 | 8,923.15 | 6,833.69 | 15,130.83 |
| 12 | Net Profit / (Loss) from Ordinary Activities after tax (10)-(11) | 9,141.58 | 7,682.34 | 6,824.22 | 16,823.92 | 13,007.38 | 29,203.96 |
| 13 | Extraordinary items (net of tax expense) | - | - | - | - | - | - |
| 14 | Net Profit / (Loss) for the period (12)-(13) | 9,141.58 | 7,682.34 | 6,824.22 | 16,823.92 | 13,007.38 | 29,203.96 |
| 15 | Paid up equity share capital (Face Value of Rs 10/- each) | 29,211.35 | 29,003.41 | 28,425.09 | 29,211.35 | 28,425.09 | 28,570.36 |
| 16 | Reserves excluding revaluation reserves | - | - | - | - | - | 1,99,547.91 |
| 17 | Analytical Ratios | | | | | | |
| | (i) Percentage of shares held by Government of India | Nil | Nil | Nil | Nil | Nil | Nil |
| | (ii) Capital Adequacy Ratio - Basel II (refer note 8) | 17.77% | 20.72% | 20.60% | 17.77% | 20.60% | 19.31% |
| | (iii) Earnings per share (before and after extraordinary items, net of tax expenses) - not annualized | | | | | | |
| | Basic EPS (Rs.) | 3.15 | 2.69 | 2.40 | 5.84 | 4.58 | 10.26 |
| | Diluted EPS (Rs.) | 3.08 | 2.62 | 2.34 | 5.70 | 4.46 | 10.00 |
| | (iv) NPA Ratios | | | | | | |
| | (a) Gross NPAs | 37,104.37 | 33,350.08 | 26,581.07 | 37,104.37 | 26,581.07 | 26,973.57 |
| | (b) Net NPAs | 23,156.03 | 21,063.54 | 17,865.89 | 23,156.03 | 17,865.89 | 16,933.79 |
| | (c) % of Gross NPAs to Gross Advances | 2.03% | 2.17% | 3.08% | 2.03% | 3.08% | 2.01% |
| | (d) % of Net NPAs to Net Advances | 1.28% | 1.38% | 2.09% | 1.28% | 2.09% | 1.27% |
| | (v) Return on assets (average) - not annualized | 0.40% | 0.39% | 0.59% | 0.77% | 1.17% | 2.04% |



Seyan Agam



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 :

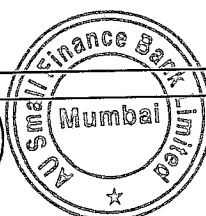
| | | (Rs in lacs) | | | | | |
|--------|---|-----------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|--------------------------|
| S. No. | Particulars | Quarter ended 30.09.2018 | Quarter ended 30.06.2018 | Quarter ended 30.09.2017 | Half year ended 30.09.2018 | Half year ended 30.09.2017 | Year ended 31.03.2018 |
| | | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| 1 | Segment revenue | | | | | | |
| a) | Treasury | 8,956.41 | 7,230.08 | 5,200.21 | 16,186.49 | 10,669.47 | 21,029.26 |
| b) | Retail banking | 61,335.74 | 54,157.03 | 40,456.10 | 1,15,492.77 | 71,028.75 | 1,69,359.22 |
| c) | Wholesale banking | 9,690.98 | 8,597.78 | 4,631.75 | 18,288.76 | 10,189.30 | 24,923.45 |
| d) | Other banking operations | 604.80 | 348.15 | - | 952.95 | - | 213.07 |
| e) | Unallocated | - | - | - | - | - | - |
| | Less: Inter-segment revenue | - | - | - | - | - | - |
| | Income from operations | 80,587.93 | 70,333.04 | 50,288.06 | 1,50,920.97 | 91,887.52 | 2,15,525.00 |
| 2 | Segment results | | | | | | |
| a) | Treasury | 3,582.61 | 3,058.75 | 2,124.94 | 6,641.36 | 4,866.69 | 10,533.73 |
| b) | Retail banking | 18,685.24 | 16,527.66 | 13,271.52 | 35,212.90 | 23,488.12 | 54,597.74 |
| c) | Wholesale banking | 2,776.26 | 2,019.77 | 1,544.45 | 4,796.03 | 2,876.47 | 7,027.90 |
| d) | Other banking operations | 604.81 | 348.15 | - | 952.96 | - | 213.07 |
| | Subtotal | 25,648.92 | 21,954.33 | 16,940.91 | 47,603.25 | 31,231.28 | 72,372.44 |
| | Less: Unallocated expenses | 11,628.01 | 10,228.17 | 6,635.12 | 21,856.18 | 11,390.21 | 28,037.65 |
| | Less: Income tax expense (including deferred tax) | 4,879.33 | 4,043.82 | 3,481.57 | 8,923.15 | 6,833.69 | 15,130.83 |
| | Add: Extraordinary Profit/Loss | - | - | - | - | - | - |
| | Net profit | 9,141.58 | 7,682.34 | 6,824.22 | 16,823.92 | 13,007.38 | 29,203.96 |
| 3 | Segment assets | | | | | | |
| a) | Treasury | 5,80,380.67 | 5,10,758.91 | 2,98,929.06 | 5,80,380.67 | 2,98,929.06 | 4,71,361.85 |
| b) | Retail banking | 14,31,142.36 | 12,32,058.83 | 7,05,063.48 | 14,31,142.36 | 7,05,063.48 | 10,91,373.03 |
| c) | Wholesale banking | 3,98,651.73 | 2,90,947.22 | 1,76,580.91 | 3,98,651.73 | 1,76,580.91 | 2,64,855.03 |
| d) | Other banking operations | 180.16 | 172.05 | - | 180.16 | - | 64.01 |
| e) | Unallocated | 67,652.07 | 60,254.73 | 52,661.30 | 67,652.07 | 52,661.30 | 55,623.35 |
| | Total assets | 24,78,006.99 | 20,94,191.74 | 12,33,234.75 | 24,78,006.99 | 12,33,234.75 | 18,83,277.27 |
| 4 | Segment liabilities | | | | | | |
| a) | Treasury | 3,22,370.79 | 2,91,186.79 | 69,382.96 | 3,22,370.79 | 69,382.96 | 2,37,798.56 |
| b) | Retail banking | 10,14,641.45 | 8,93,013.75 | 6,78,337.11 | 10,14,641.45 | 6,78,337.11 | 8,66,995.08 |
| c) | Wholesale banking | 8,27,134.15 | 6,05,666.05 | 2,58,255.24 | 8,27,134.15 | 2,58,255.24 | 5,32,491.87 |
| d) | Other banking operations | - | - | - | - | - | - |
| e) | Unallocated liabilities | 20,953.76 | 20,001.91 | 15,992.14 | 20,953.76 | 15,992.14 | 17,873.49 |
| | Capital and Other Reserves | 2,92,906.84 | 2,84,323.24 | 2,11,267.30 | 2,92,906.84 | 2,11,267.30 | 2,28,118.27 |
| | Total liabilities | 24,78,006.99 | 20,94,191.74 | 12,33,234.75 | 24,78,006.99 | 12,33,234.75 | 18,83,277.27 |

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 September 30, 2018 is given below:

| Particulars | As at 30.09.2018 | As at 30.09.2017 | As at 31.03.2018 |
|--|---------------------|---------------------|---------------------|
| | Unaudited | Unaudited | Audited |
| CAPITAL & LIABILITIES | | | |
| Capital | 29,211.35 | 28,425.09 | 28,570.36 |
| Money received against share warrants | 17,500.00 | - | - |
| Employees stock options outstanding | 3,391.23 | 904.97 | 1,749.59 |
| Reserves & Surplus | 2,42,804.26 | 1,81,937.24 | 1,97,798.32 |
| Deposits | 12,86,936.27 | 1,97,846.66 | 7,92,331.93 |
| Borrowings | 7,82,975.17 | 7,44,241.02 | 7,63,886.47 |
| Other Liabilities and Provisions | 1,15,188.71 | 79,879.77 | 98,940.60 |
| Total | 24,78,006.99 | 12,33,234.75 | 18,83,277.27 |
| ASSETS | | | |
| Cash and Balances with RBI | 69,931.46 | 31,321.66 | 49,212.36 |
| Balances with banks and Money at Call and Short Notice | 1,08,908.57 | 88,448.57 | 1,26,909.51 |
| Investments | 3,99,841.25 | 1,97,846.80 | 3,05,059.44 |
| Advances | 18,11,719.76 | 8,53,508.09 | 13,31,213.07 |
| Fixed Assets | 43,589.94 | 39,323.86 | 38,608.67 |
| Other Assets | 44,016.01 | 22,785.77 | 32,274.22 |
| Total | 24,78,006.99 | 12,33,234.75 | 18,83,277.27 |

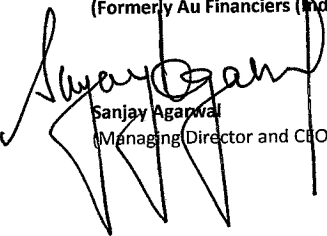


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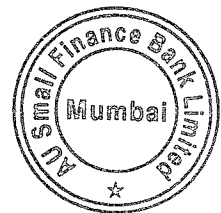
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Tel : +91-141-4110060, Fax No : +91- 141-4110090 Website : www.aubank.in

- 2 The above results have been reviewed by the Audit Committee and approved by the Board of Directors of the AU Small Finance Bank Limited (the "Bank") at their respective meetings held on October 13, 2018, in accordance with the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The results have been subjected to a limited review by the statutory auditors of the Bank.
- 3 These unaudited 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 and the guidelines issued by the Reserve Bank of India (RBI).
- 4 During the half year ended September 30, 2018, the Bank has raised additional equity share capital through a preferential allotment of 4,330,441 equity shares of Rs 10 each at an issue price of Rs. 692.77 per share. Accordingly, the paid-up share capital of the Bank has increased by Rs 433 lacs and the reserves of the Bank have increased by Rs. 29,567 lacs.
Further, the Bank also allotted 10,104,364 convertible warrants, each convertible into one equity share of the Bank of face value Rs. 10 each, at an issue price of Rs 692.77 per share aggregating to Rs. 70,000 lacs out of which Rs. 17,500 lacs (the "Upfront Consideration") has been received during the current period against allotment of warrant and the balance of Rs 52,500 lacs (the "Balance Consideration") shall be received upon allotment of equity shares against such warrants pursuant to exercise of option by the warrant holder. The warrants are exercisable within 18 months from the date of allotment of warrants upon payment of the Balance Consideration.
- 5 The mark-to-market ("MTM") depreciation on securities held in available-for-sale ("AFS") and held-for-trading ("HFT") investment categories was Rs. 107 lacs for the quarter ended June 30, 2018. Pursuant to the RBI circular no. DBR.No.BP.BC.113 /21.04.048/2017-18 dated June 15, 2018, the Bank had elected to recognise such provision for MTM depreciation over four quarters and has accordingly charged Rs. 27 lacs to the financial results for each of quarter ended June 30, 2018 and September 30, 2018. The balance shall be recognised equally over subsequent two quarters.
- 6 During the half year ended September 30, 2018, the Bank has received Rs. 4,480 lacs from sale of Priority Sector Lending Certificates ("PSLC"). Out of aforesaid amount, Rs. 1,133 lacs and Rs. 2,215 lacs has been recognised as income during the quarter and half year ended September 30, 2018 respectively. The balance of Rs. 2,265 lacs will be recognised equally over the subsequent two quarters.
- 7 Other income includes processing fee and other charges including marketing support fees, profit on sale of units of mutual fund, recovery from loans written off, income from dealing in PSLC, etc.
- 8 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.
The Bank has considered the Upfront Consideration received during the period for share warrants issued and the funds raised from the issuance of share capital as part of Tier I Capital for the purposes of computation of the Capital Adequacy Ratio as at September 30, 2018.
- 9 Previous periods / year figures have been regrouped where necessary to confirm to current period presentation.

For and on behalf of the Board of Directors
AU Small Finance Bank Limited
(Formerly Au Financiers (India) Limited)


Sanjay Agarwal
(Managing Director and CEO)

Place : Mumbai
Date: October 13, 2018



SEARCHABLE FORMAT

Ref. No.: AUSFB/SEC/2018-19/425

Date: 13th October, 2018

To,

| | |
|--|---|
| Listing Department National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai 400051, Maharashtra. NSE Symbol: AUBANK | Department of Corporate Services, BSE Limited, Phiroz Jeejeebhoy Towers, Dalal Street, Mumbai 400001, Maharashtra. Scrip Code: 540611 |
|--|---|

Dear Sirs,

Sub: Outcome of the Board Meeting – SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Pursuant to Regulation 33 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 (“**Listing Regulation**”), we wish to inform you that the Board of Directors at its Meeting held on Saturday, 13th October, 2018 at Mumbai has considered and approved the Unaudited Financial Results of the Bank for the quarter and half year ended on 30th September, 2018 and took note of the Limited Review Report thereon, submitted by Statutory Auditors, S.R. BATLIBOI & ASSOCIATES LLP, Chartered Accountants.

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

A copy of the Unaudited Financial Results along with Limited Review Report are enclosed herewith.

Kindly acknowledge the receipt of the same and for public dissemination.

Thanking You,

Yours faithfully,

For AU SMALL FINANCE BANK LIMITED

Sd/-

MANMOHAN PARNAMI

COMPANY SECRETARY AND COMPLIANCE OFFICER

Registered Office

AU SMALL FINANCE BANK LIMITED

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Jaipur - 302001, Rajasthan, India

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