

**Ref. No.: AUSFB/SEC/2023-24/208**  
**Date: October 28, 2023**

To,

|   |  |
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| <b>National Stock Exchange of India Ltd.</b><br>Exchange Plaza, C-1, Block G,<br>Bandra Kurla Complex,<br>Bandra (East), Mumbai 400051,<br>Maharashtra.<br>NSE Symbol: AUBANK | <b>BSE Limited</b><br>Phiroze Jeejeebhoy Towers,<br>Dalal Street,<br>Mumbai 400001,<br>Maharashtra.<br>Scrip Code: 540611, 958400, 974093, 974094 & 974095 |
|---|--|

Dear Sir/Madam,

**Sub: Board Meeting Outcome for approval of Audited Financial Results of AU Small Finance Bank Limited for Quarter & Half Year ended on September 30, 2023**

**Ref: Regulations 30, 33 and 51, 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

In continuation to the prior intimation of Board meeting submitted vide our letter dated October 19, 2023, it is hereby informed that the Board of Directors of AU Small Finance Bank Limited ("the Bank") at its Meeting held on October 28, 2023 has inter-alia, considered and approved Audited Financial Results of the Bank for the Quarter & Half Year ended on September 30, 2023.

We submit herewith a copy of Audited Financial Results of the Bank for the Quarter & Half Year ended on September 30, 2023 along with Audit Report submitted by Joint Statutory Auditors of the Bank.

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


The Board meeting commenced at 12:30 PM and above stated agenda concluded at 02:10 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

# 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 Audited Financial Results for the quarter and half year ended September 30, 2023

(₹ in lakh)

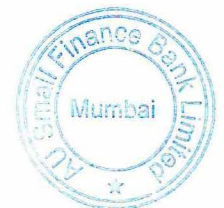
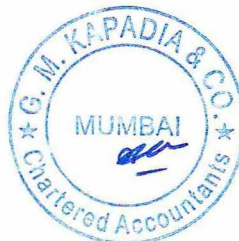
| S. No. | Particulars   | Quarter ended<br>30.09.2023<br>(Refer note 6) | Quarter ended<br>30.06.2023<br>Unaudited | Quarter ended<br>30.09.2022<br>Unaudited | Half year ended<br>30.09.2023<br>Audited | Half year ended<br>30.09.2022<br>Unaudited | Year ended<br>31.03.2023<br>Audited |
|--------|---|---|--|--|--|--|-------------------------------------|
| 1      | Interest Earned (a)+(b)+(c)+(d)   | 2,53,105.49                                   | 2,45,833.84                              | 1,99,228.76                              | 4,98,939.33                              | 3,81,248.48                                | 8,20,540.83                         |
|        | a) Interest / discount on advances / bills  | 2,06,873.57                                   | 2,00,706.34                              | 1,67,124.53                              | 4,07,579.91                              | 3,18,901.13                                | 6,84,701.83                         |
|        | b) Income on Investments  | 37,238.47                                     | 37,583.09                                | 29,585.12                                | 74,821.56                                | 55,040.63                                  | 1,18,988.43                         |
|        | c) Interest on balances with Reserve Bank of India and other inter bank funds         | 1,498.37                                      | 2,006.14                                 | 1,033.48                                 | 3,504.51                                 | 3,750.77                                   | 5,827.72                            |
|        | d) Others   | 7,495.08                                      | 5,538.27                                 | 1,485.62                                 | 13,033.35                                | 3,555.95                                   | 11,022.85                           |
| 2      | Other income (refer note 8)   | 42,546.32                                     | 31,511.93                                | 24,735.87                                | 74,058.25                                | 40,651.13                                  | 1,03,446.42                         |
| 3      | <b>Total Income (1)+(2)</b>   | <b>2,95,651.81</b>                            | <b>2,77,345.77</b>                       | <b>2,23,964.63</b>                       | <b>5,72,997.58</b>                       | <b>4,21,899.61</b>                         | <b>9,23,987.25</b>                  |
| 4      | Interest Expended   | 1,28,208.84                                   | 1,21,212.54                              | 90,894.34                                | 2,49,421.38                              | 1,75,313.94                                | 3,78,012.64                         |
| 5      | Operating Expenses (i)+(ii)   | 1,02,673.45                                   | 1,01,529.20                              | 83,192.24                                | 2,04,202.65                              | 1,57,300.65                                | 3,44,026.99                         |
|        | i) Employees cost   | 51,201.53                                     | 50,704.27                                | 45,129.93                                | 1,01,905.80                              | 84,531.89                                  | 1,79,302.83                         |
|        | ii) Other operating expenses  | 51,471.92                                     | 50,824.93                                | 38,062.31                                | 1,02,296.85                              | 72,768.76                                  | 1,64,724.16                         |
| 6      | <b>Total Expenditure (4)+(5)</b>  | <b>2,30,882.29</b>                            | <b>2,22,741.74</b>                       | <b>1,74,086.58</b>                       | <b>4,53,624.03</b>                       | <b>3,32,614.59</b>                         | <b>7,22,039.63</b>                  |
|        | (excluding Provisions & Contingencies)  |   |  |  |  |  |                                     |
| 7      | <b>Operating Profit before Provisions and Contingencies (3)-(6)</b>                   | <b>64,769.52</b>                              | <b>54,604.03</b>                         | <b>49,878.05</b>                         | <b>1,19,373.55</b>                       | <b>89,285.02</b>                           | <b>2,01,947.62</b>                  |
| 8      | Provisions (other than tax) and Contingencies   | 11,431.50                                     | 3,298.00                                 | 4,295.51                                 | 14,729.50                                | 8,132.45                                   | 15,483.94                           |
| 9      | Exceptional Items   | -   | -  | -  | -  | -  | -                                   |
| 10     | <b>Profit from Ordinary Activities before tax (7)-(8)-(9)</b>                         | <b>53,338.02</b>                              | <b>51,306.03</b>                         | <b>45,582.54</b>                         | <b>1,04,644.05</b>                       | <b>81,152.57</b>                           | <b>1,86,463.68</b>                  |
| 11     | Tax Expense   | 13,154.53                                     | 12,616.40                                | 11,322.67                                | 25,770.93                                | 20,106.07                                  | 43,671.15                           |
| 12     | <b>Net Profit from Ordinary Activities after tax (10)-(11)</b>                        | <b>40,183.49</b>                              | <b>38,689.63</b>                         | <b>34,259.87</b>                         | <b>78,873.12</b>                         | <b>61,046.50</b>                           | <b>1,42,792.53</b>                  |
| 13     | Extraordinary items (net of tax expense)  | -   | -  | -  | -  | -  | -                                   |
| 14     | <b>Net Profit (12)-(13)</b>   | <b>40,183.49</b>                              | <b>38,689.63</b>                         | <b>34,259.87</b>                         | <b>78,873.12</b>                         | <b>61,046.50</b>                           | <b>1,42,792.53</b>                  |
| 15     | Paid up equity share capital (Face Value of ₹ 10/- each)                              | 66,822.86                                     | 66,701.53                                | 66,566.67                                | 66,822.86                                | 66,566.67                                  | 66,674.51                           |
| 16     | Reserves excluding revaluation reserves   | -   | -  | -  | -  | -  | 10,31,059.86                        |
| 17     | <b>Analytical Ratios and other disclosures:</b>                                       |   |  |  |  |  |                                     |
|        | (i) Percentage of shares held by Government of India                                  | 0.00%   | Nil                                      | Nil                                      | 0.00%                                    | Nil  | Nil                                 |
|        | (ii) Capital Adequacy Ratio - Basel II (refer note 12)                                | 22.43%  | 21.46%                                   | 23.36%                                   | 22.43%                                   | 23.36%                                     | 23.59%                              |
|        | (iii) Earnings per share (before and after extraordinary items, net of tax expenses)* |   |  |  |  |  |                                     |
|        | Basic EPS (₹)   | 6.02  | 5.80                                     | 5.27                                     | 11.82                                    | 9.54                                       | 21.86                               |
|        | Diluted EPS (₹)   | 5.98  | 5.77                                     | 5.24                                     | 11.74                                    | 9.47                                       | 21.74                               |
|        | (iv) NPA Ratios   |   |  |  |  |  |                                     |
|        | (a) Gross NPAs  | 1,24,475.36                                   | 1,12,122.76                              | 99,670.26                                | 1,24,475.36                              | 99,670.26                                  | 98,131.26                           |
|        | (b) Net NPAs  | 38,472.12                                     | 34,714.63                                | 28,822.37                                | 38,472.12                                | 28,822.37                                  | 24,515.88                           |
|        | (c) % of Gross NPAs to Gross Advances   | 1.91%   | 1.76%                                    | 1.90%                                    | 1.91%                                    | 1.90%                                      | 1.66%                               |
|        | (d) % of Net NPAs to Net Advances   | 0.60%   | 0.55%                                    | 0.56%                                    | 0.60%                                    | 0.56%                                      | 0.42%                               |
|        | (v) Return on assets (average)*   | 0.43%   | 0.43%                                    | 0.46%                                    | 0.85%                                    | 0.83%                                      | 1.79%                               |
|        | (vi) Net worth  | 11,76,268.43                                  | 11,37,867.42                             | 10,11,417.87                             | 11,76,268.43                             | 10,11,417.87                               | 10,97,734.37                        |
|        | (vii) Outstanding redeemable preference shares  | -   | -  | -  | -  | -  | -                                   |
|        | (viii) Capital redemption reserve / Debenture redemption reserve                      | -   | -  | -  | -  | -  | -                                   |
|        | (ix) Debt-equity ratio  | 0.26  | 0.30                                     | 0.35                                     | 0.26                                     | 0.35                                       | 0.34                                |
|        | (x) Total debts to total assets   | 5.57%   | 8.34%                                    | 8.60%                                    | 5.57%                                    | 8.60%                                      | 6.98%                               |

\* Figures for the quarter / half year 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.







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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<br>30.09.2023 | Quarter ended<br>30.06.2023 | Quarter ended<br>30.09.2022 | Half year ended<br>30.09.2023 | Half year ended<br>30.09.2022 | Year ended<br>31.03.2023 |
|----------|--------------------------------------|-----------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|--------------------------|
|          |                                      | (Refer note 6)              | Unaudited                   | Unaudited                   | Audited                       | Unaudited                     | Audited                  |
| <b>1</b> | <b>Segment revenue</b>               |                             |                             |                             |                               |                               |                          |
| a)       | Treasury                             | 39,281.73                   | 40,963.66                   | 31,054.18                   | 80,245.39                     | 54,144.97                     | 1,20,860.18              |
| b)       | Retail banking                       | 2,18,860.20                 | 2,10,453.77                 | 1,74,254.14                 | 4,29,313.97                   | 3,34,953.34                   | 7,23,411.94              |
| c)       | Wholesale banking                    | 28,893.47                   | 24,497.53                   | 17,120.53                   | 53,391.00                     | 30,087.01                     | 71,757.16                |
| d)       | Other banking operations             | 8,616.41                    | 1,430.81                    | 1,535.78                    | 10,047.22                     | 2,714.29                      | 7,957.97                 |
| e)       | Unallocated                          | -                           | -                           | -                           | -                             | -                             | -                        |
|          | Less: Inter-segment revenue          | -                           | -                           | -                           | -                             | -                             | -                        |
|          | <b>Income from operations</b>        | <b>2,95,651.81</b>          | <b>2,77,345.77</b>          | <b>2,23,964.63</b>          | <b>5,72,997.58</b>            | <b>4,21,899.61</b>            | <b>9,23,987.25</b>       |
| <b>2</b> | <b>Segment results</b>               |                             |                             |                             |                               |                               |                          |
| a)       | Treasury                             | 1,573.02                    | 4,106.75                    | 1,996.84                    | 5,679.77                      | (405.58)                      | 6,070.42                 |
| b)       | Retail banking                       | 34,196.42                   | 38,886.07                   | 36,287.27                   | 73,082.49                     | 69,658.26                     | 1,55,975.57              |
| c)       | Wholesale banking                    | 9,600.60                    | 7,507.61                    | 6,260.35                    | 17,108.21                     | 10,135.80                     | 18,734.09                |
| d)       | Other banking operations             | 7,967.98                    | 805.60                      | 1,038.08                    | 8,773.58                      | 1,764.09                      | 5,683.60                 |
| e)       | Unallocated                          | -                           | -                           | -                           | -                             | -                             | -                        |
|          | <b>Total Profit before Tax</b>       | <b>53,338.02</b>            | <b>51,306.03</b>            | <b>45,582.54</b>            | <b>1,04,644.05</b>            | <b>81,152.57</b>              | <b>1,86,463.68</b>       |
| <b>3</b> | <b>Segment assets</b>                |                             |                             |                             |                               |                               |                          |
| a)       | Treasury                             | 25,68,817.08                | 22,42,043.33                | 21,20,519.75                | 25,68,817.08                  | 21,20,519.75                  | 25,83,954.42             |
| b)       | Retail banking                       | 57,12,178.25                | 57,06,312.43                | 47,79,280.98                | 57,12,178.25                  | 47,79,280.98                  | 52,60,423.22             |
| c)       | Wholesale banking                    | 9,72,883.13                 | 9,02,518.41                 | 6,20,475.41                 | 9,72,883.13                   | 6,20,475.41                   | 8,61,017.27              |
| d)       | Other banking operations             | 4,470.29                    | 686.19                      | 509.58                      | 4,470.29                      | 509.58                        | 1,495.99                 |
| e)       | Unallocated                          | 3,39,394.62                 | 3,06,716.99                 | 2,67,007.84                 | 3,39,394.62                   | 2,67,007.84                   | 3,14,720.94              |
|          | <b>Total assets</b>                  | <b>95,97,743.37</b>         | <b>91,58,277.35</b>         | <b>77,87,793.56</b>         | <b>95,97,743.37</b>           | <b>77,87,793.56</b>           | <b>90,21,611.84</b>      |
| <b>4</b> | <b>Segment liabilities</b>           |                             |                             |                             |                               |                               |                          |
| a)       | Treasury                             | 2,55,967.80                 | 2,97,186.57                 | 2,65,341.39                 | 2,55,967.80                   | 2,65,341.39                   | 2,54,318.78              |
| b)       | Retail banking                       | 43,27,039.04                | 43,36,361.20                | 35,56,250.73                | 43,27,039.04                  | 35,56,250.73                  | 40,43,977.65             |
| c)       | Wholesale banking                    | 38,26,791.70                | 33,74,288.54                | 29,44,146.27                | 38,26,791.70                  | 29,44,146.27                  | 36,15,394.82             |
| d)       | Other banking operations             | 378.11                      | 466.61                      | 3,339.15                    | 378.11                        | 3,339.15                      | 421.74                   |
| e)       | Unallocated liabilities              | 11,298.29                   | 12,107.01                   | 7,298.15                    | 11,298.29                     | 7,298.15                      | 9,764.48                 |
| f)       | Capital and Other Reserves           | 11,76,268.43                | 11,37,867.42                | 10,11,417.87                | 11,76,268.43                  | 10,11,417.87                  | 10,97,734.37             |
|          | <b>Total Capital and Liabilities</b> | <b>95,97,743.37</b>         | <b>91,58,277.35</b>         | <b>77,87,793.56</b>         | <b>95,97,743.37</b>           | <b>77,87,793.56</b>           | <b>90,21,611.84</b>      |

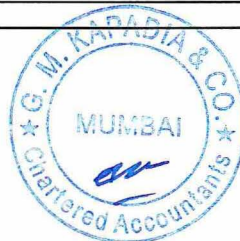
Business Segments have been identified and reported taking into account the target customer profile, the nature of products and services, the differing risks and returns, the organisation structure, the internal business reporting system and guidelines prescribed by the RBI and in compliance with the Accounting Standard 17 – "Segment Reporting". The RBI vide its circular dated April 7, 2022 on establishment of Digital Banking Units (DBUs), has prescribed reporting of Digital Banking Segment as a sub-segment of Retail Banking Segment. The Bank is in the process of setting up DBUs and hence no Digital Banking Segment disclosure have been made. The business operations of the Bank are in India and for the purpose of segment reporting as per Accounting Standard-17 (Segment reporting) the bank is considered to operate only in domestic segment.

### Notes:

#### 1 Statement of Assets and Liabilities is given below:

(₹ in lakh)

| Particulars  | As at<br>30.09.2023 | As at<br>30.09.2022 | As at<br>31.03.2023 |
|--|---------------------|---------------------|---------------------|
|  | Audited             | Unaudited           | Audited             |
| <b>CAPITAL &amp; LIABILITIES</b>                       |                     |                     |                     |
| Capital  | 66,822.86           | 66,566.67           | 66,674.50           |
| Employees stock options outstanding                    | 5,145.73            | 3,825.90            | 4,402.52            |
| Reserves & Surplus                                     | 11,04,299.84        | 9,41,025.30         | 10,26,657.35        |
| Deposits   | 75,74,290.96        | 58,33,544.70        | 69,36,498.64        |
| Borrowings   | 5,34,412.59         | 6,69,510.37         | 6,29,865.21         |
| Other Liabilities and Provisions                       | 3,12,771.39         | 2,73,320.62         | 3,57,513.62         |
| <b>Total</b>   | <b>95,97,743.37</b> | <b>77,87,793.56</b> | <b>90,21,611.84</b> |
| <b>ASSETS</b>  |                     |                     |                     |
| Cash and Balances with RBI                             | 4,14,599.21         | 3,72,008.20         | 8,91,609.30         |
| Balances with banks and Money at Call and Short Notice | 2,11,133.58         | 22,845.90           | 50,907.93           |
| Investments  | 23,21,993.26        | 20,22,020.80        | 20,07,200.99        |
| Advances   | 64,16,847.90        | 51,74,309.46        | 58,42,154.41        |
| Fixed Assets   | 75,736.46           | 68,143.31           | 74,013.94           |
| Other Assets   | 1,57,432.96         | 1,28,465.89         | 1,55,725.27         |
| <b>Total</b>   | <b>95,97,743.37</b> | <b>77,87,793.56</b> | <b>90,21,611.84</b> |

## AU Small Finance Bank Limited

(CIN: L36911RJ1996PLC011381)


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### 2 Statement of Cash Flow is given below:

| Particulars  | (₹ in lakh)                   |                               |                          |
|--|-------------------------------|-------------------------------|--------------------------|
|  | Half year ended<br>30.09.2023 | Half year ended<br>30.09.2022 | Year ended<br>31.03.2023 |
|  | Audited                       | Unaudited                     | Audited                  |
| <b>Cash Flow From Operating Activities</b>                                   |                               |                               |                          |
| Profit after tax   | 78,873.12                     | 61,046.50                     | 1,42,792.53              |
| Add: Provision for tax   | 25,770.93                     | 20,106.07                     | 43,671.15                |
| <b>Profit Before Taxes</b>   | <b>1,04,644.05</b>            | <b>81,152.57</b>              | <b>1,86,463.68</b>       |
| <b>Adjustments for :-</b>  |                               |                               |                          |
| Employee Stock Options Expense   | 1,353.37                      | 960.30                        | 2,075.81                 |
| Depreciation on Bank's Property  | 10,397.16                     | 8,506.63                      | 18,541.77                |
| Amortization of Premium on HTM (Held to maturity) Investments                | 4,799.75                      | 4,554.69                      | 9,169.21                 |
| Provision for Employee Benefits  | 470.70                        | (3,343.35)                    | (2,556.50)               |
| Provision for Non Performing Assets, Standard Assets and Other Provisions    | 13,461.67                     | 11,119.89                     | 17,431.57                |
| Loss on sale of Fixed Assets   | 21.64                         | 16.65                         | 66.31                    |
| <b>Operating profit before working capital changes</b>                       | <b>1,35,148.34</b>            | <b>1,02,967.38</b>            | <b>2,31,191.85</b>       |
| <b>Movement in working capital</b>   |                               |                               |                          |
| Decrease / (Increase) in Investments (other than HTM Investments)            | (1,38,720.51)                 | (2,58,812.30)                 | (86,139.53)              |
| Decrease / (Increase) in Advances  | (5,87,081.76)                 | (5,66,278.86)                 | (12,36,891.50)           |
| Decrease / (Increase) in Other Assets  | 145.02                        | (16,086.90)                   | (48,164.49)              |
| (Decrease) / Increase in Deposits  | 6,37,792.32                   | 5,75,082.64                   | 16,78,036.59             |
| (Decrease) / Increase in Other Liabilities and Provisions                    | (49,520.70)                   | (30,598.63)                   | 48,324.47                |
| <b>Cash Flow from Operating Activities</b>                                   | <b>(2,237.29)</b>             | <b>(1,93,726.67)</b>          | <b>5,86,357.39</b>       |
| Direct Taxes Paid (Net of refunds)   | (25,638.76)                   | (18,188.70)                   | (36,993.41)              |
| <b>Net Cash Flow (used in) / from Operating Activities (A)</b>               | <b>(27,876.05)</b>            | <b>(2,11,915.37)</b>          | <b>5,49,363.98</b>       |
| <b>Cash Flow used in Investing Activities</b>                                |                               |                               |                          |
| Purchase of Fixed Assets   | (12,297.99)                   | (14,487.54)                   | (30,593.55)              |
| Proceeds from Sale of Fixed Assets   | 156.69                        | 78.06                         | 228.64                   |
| Investments in HTM securities (Net)  | (1,79,622.06)                 | (2,40,114.74)                 | (4,01,585.32)            |
| <b>Net cash flow (used in) Investing Activities (B)</b>                      | <b>(1,91,763.36)</b>          | <b>(2,54,524.22)</b>          | <b>(4,31,950.23)</b>     |
| <b>Cash Flow used in Financing Activities</b>                                |                               |                               |                          |
| Proceeds from /(Repayment of) borrowings (Net)                               | (95,452.62)                   | 70,432.51                     | 30,787.35                |
| Money received on exercise of Stock Options / Issue of Shares (refer note 7) | 4,977.74                      | 2,03,482.40                   | 2,06,937.35              |
| Share Issue Expenses   | -                             | (2,321.79)                    | (2,321.79)               |
| Dividend paid  | (6,670.15)                    | (3,150.93)                    | (3,150.93)               |
| <b>Net cash flow (used in) / from Financing Activities (C)</b>               | <b>(97,145.03)</b>            | <b>2,68,442.19</b>            | <b>2,32,251.98</b>       |
| <b>Net (Decrease) / Increase in Cash And Cash Equivalents (A + B + C)</b>    | <b>(3,16,784.44)</b>          | <b>(1,97,997.40)</b>          | <b>3,49,665.73</b>       |
| Cash And Cash Equivalents at the beginning of the period/ year               | 9,42,517.23                   | 5,92,851.50                   | 5,92,851.50              |
| <b>Cash And Cash Equivalents at the end of the period / year</b>             | <b>6,25,732.79</b>            | <b>3,94,854.10</b>            | <b>9,42,517.23</b>       |

3 The above financial 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 meetings held on October 28, 2023, in accordance with the requirement of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. The financial results have been audited by the joint statutory auditors (Deloitte Haskins & Sells, Chartered Accountants and G.M. Kapadia & Co., Chartered Accountants) of the Bank. An unqualified report has been issued by them thereon.





## 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

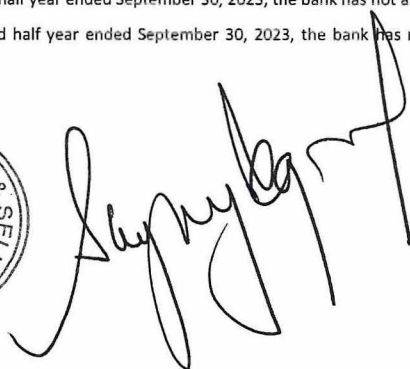
- 4 These financial results of the Bank have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 for "Interim Financial Reporting" ("AS 25"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, in so far as they apply to the 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 and is in compliance with the presentation and disclosure requirements of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- 5 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, 2023. Any circular / direction issued by RBI is implemented prospectively when it becomes applicable, unless specifically required under those circulars / directions.
- 6 The figure for the quarter ended September 30, 2023 are balancing figure between audited figures in respect of the half year ended September 30, 2023 and the published figures of three months ended June 30, 2023 which were subject to limited review by Joint Statutory Auditors.
- 7 During the year ended March 31, 2023, the Bank has issued 3,44,82,758 equity shares of a face value ₹ 10 each at a price of ₹ 580 per equity share including a premium of ₹570 per equity share aggregating to ₹ 2,00,000 lakh pursuant to Qualified Institutional Placement (QIP). The expenses incurred on the issue of these equity shares have been debited to Share Premium in accordance with the provisions of Section 52(2) of the Companies Act 2013.  
During the quarter and half year ended September 30, 2023, the Bank has allotted 12,13,279 and 14,83,569 equity shares respectively pursuant to the exercise of options under the approved employee stock option schemes.
- 8 Other income includes processing fee, profit / loss on sale of investments (including provision for depreciation), non-fund based income such as commission earned from guarantees, selling of third party products, recovery from loans written off, income from dealing in PSLC, etc.
- 9 As at September 30, 2023, the Bank carries a floating provision of ₹ 4,100 lakh and additional contingency provision of ₹ 3,390 lakh which includes the additional provision for the accounts restructured under RBI COVID Resolution framework. The Bank holds an aggregate provision of ₹ 89,393 lakh against advances (Other than standard assets provision of ₹ 26,998 lakh).
- 10 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) and May 05, 2021 (Resolution Framework 2.0) as at Sept 30, 2023 are given below.

| Type of Borrower  | Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year i.e. March 31, 2023 (A) | Of (A), aggregate debt that slipped into NPA during the half-year ended September 30, 2023 | Of (A), amount written off during the half year ended September 30, 2023# | Of (A) amount paid by the borrowers during the half-year ended September 30, 2023* | Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year i.e. September 30, 2023 |
|-------------------|--|--|---|--|--|
| Personal Loans    | 5,827.92   | 448.60   | 58.84   | 1,984.60   | 3,394.71   |
| Corporate persons | -  | -  | -   | -  | -  |
| Of which MSMEs    | -  | -  | -   | -  | -  |
| Others            | 21,790.61  | 1,395.97   | 52.84   | 4,290.87   | 16,103.77  |
| <b>Total</b>      | <b>27,618.53</b>   | <b>1,844.57</b>  | <b>111.68</b>   | <b>6,275.48</b>  | <b>19,498.48</b>   |

\*Amount paid by the borrower during the half year is net of additions in the borrower amount including additions due to interest capitalisation and includes cases which have been upgraded from Restructuring as on September 30, 2023.

#Represents debt that slipped into NPA and was subsequently written off during the half year ended September 30, 2023

- 11 Details of loans transferred / acquired during the quarter and half year ended September 30, 2023 as per RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:
  - (i) During the quarter and half year ended September 30, 2023, the bank has not acquired / transferred any "loans not in default" through assignment of loans.
  - (ii) During the quarter and half year ended September 30, 2023, the bank has not acquired / transferred any stressed loans (Non-performing asset and Special Mention Account).




## AU Small Finance Bank Limited

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- 12 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.

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

Place : Mumbai

Date: October 28, 2023

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  
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Tel: +91 79 6682 7300  
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**G.M. Kapadia & Co.**

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**INDEPENDENT AUDITORS' REPORT****TO THE BOARD OF DIRECTORS OF  
AU SMALL FINANCE BANK LIMITED****Opinion and Conclusion**

We have (a) audited the Financial Results for the half-year ended September 30, 2023 and (b) reviewed the Financial Results for the quarter ended September 30, 2023 (refer 'Other Matter' section below), both included in the accompanying "Statement of Audited Financial Results for the Quarter and Half-Year Ended September 30, 2023" of **AU SMALL FINANCE BANK LIMITED** (the "Bank"), (the "Statement"), being submitted by the Bank pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

**(a) Opinion on Financial Results for the half-year ended September 30, 2023**

In our opinion and to the best of our information and according to the explanations given to us, the Financial Results for the half-year ended September 30, 2023:

- i. is presented in accordance with the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the Listing Regulations; and
- ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Accounting Standard 25 for "Interim Financial Reporting" ("AS 25") prescribed under Section 133 of the Companies Act 2013 ("Accounting Standards"), 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 and other accounting principles generally accepted in India of the net profit and other financial information of the Bank for the half-year then ended.





**(b) Conclusion on Unaudited Financial Results for the quarter ended September 30, 2023**

With respect to the Financial Results for the quarter ended September 30, 2023, based on our review conducted as stated in paragraph (b) of Auditor's Responsibilities section below, nothing has come to our attention that causes us to believe that the Financial Results for the quarter ended September 30, 2023, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Accounting Standards, 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 RBI from time to time and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 read with Regulation 63(2) of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**Basis for Opinion on the Audited Financial Results for the half-year ended September 30, 2023**

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 (the "Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (the "ICAI") together with the ethical requirements that are relevant to our audit of the Financial Results for the half-year ended September 30, 2023 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 ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

**Management's Responsibilities for the Statement**

This Statement which includes the Financial Results is the responsibility of the Bank's Board of Directors and has been approved by them for the issuance. The Financial Results for the quarter and half-year ended September 30, 2023 has been compiled from the related interim financial information. This responsibility includes the preparation and presentation of the Financial Results for the quarter and half-year ended September 30, 2023 that give a true and fair view of the net profit and other financial information in accordance with the recognition and measurement principles laid down in the Accounting Standards prescribed under Section 133 of the Act 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 RBI from time to time and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52 read with Regulation 63(2) of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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





Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Financial Results, 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 financial reporting process of the Bank.

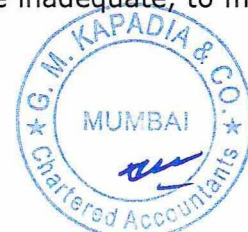
### **Auditors' Responsibilities**

#### **(a) Audit of the Financial Results for the half-year ended September 30, 2023**

Our objectives are to obtain reasonable assurance about whether the Financial Results for the half-year ended September 30, 2023 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 this Half-Year Financial Results.

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 Half-Year Financial Results, 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, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 and Regulation 52 read with Regulation 63(2) of the Listing Regulations.
- 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 ability of the Bank 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 Statement 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 Half-Year Financial Results, including the disclosures, and whether the Half-Year Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Half-Year Financial Results of the Bank to express an opinion on the Half-Year Financial Results.

Materiality is the magnitude of misstatements in the Half-Year Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Half-Year Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Half-Year Financial Results.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, 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.

**(b) Review of the Financial Results for the quarter ended September 30, 2023**

We conducted our review of the Financial Results for the quarter ended September 30, 2023 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 ICAI. 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 SAs specified under Section 143(10) of the Act 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.





**Other Matter**

The Statement includes the results for the quarter ended September 30, 2023 being the balancing figure between audited figures in respect of the half-year ended September 30, 2023 and the published figures for the quarter ended June 30, 2023 which were subject to limited review by us. Our report on the Statement 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: 23109839BGXQKH6018  
Place: Mumbai  
Date: October 28, 2023



For **G.M. Kapadia & Co.**  
Chartered Accountants  
(Firm Registration No. 104767W)

Atul Shah  
Partner  
Membership No. 039569  
UDIN: 23039569BGURXV4263  
Place: Mumbai  
Date: October 28, 2023

