



AU Small Finance Bank Limited

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For Immediate Release

Bank crosses a significant milestone with balance sheet surpassing ₹ 1 lac Crore and deposits crossing 80,000 Cr. Bank delivers a consistent operating performance – YTD profit up 16% at ₹ 1,164 Crore, Deposit grow by 31% YOY, Advances grow by 20% YOY, CD ratio at 83%

- **Pre-provisioning Operating profit (PPoP)** for Q3'FY24 up by 18% YoY to ₹ 657 Crore; For Q3'FY24, **Net interest income** up 15% YoY to ₹1,325 Crore and **Net Interest Margin** stable at 5.5%
- **Profit for Q3'FY24** at ₹ 375 Crore down 4% YoY
- **Overall Deposits** have now crossed ₹80,000 Cr milestone growing 31% YoY and 6% QoQ
- **CASA Deposit** grew by 3% QoQ to ₹26,446 Cr with strong growth seen in savings account deposits of 8% QoQ;
- **CASA ratio** stand at 33% and CASA + Retail TD mix at 64%
- **Gross Advance** up 20% YOY and 4% QoQ to ₹ 67,624 Cr; Securitised loan portfolio worth ₹ 2,740 Cr during Q3'FY24
- Total **Credit cards** crossed 8.3 Lacs whereas deposits sourced via Video Banking crosses ₹ 1,500 Cr
- **GNPA%** at 1.98%, **NNPA%** at 0.68%; Standard restructured advances declined to 0.7%
- **Provisioning Coverage Ratio (PCR)** remain stable at 72%; Bank is carrying additional provision of ₹83 Cr against contingency and standard restructured assets
- **Bank acquired 4 lacs+ customers** in Q3'FY24 of which 45% were acquired via digital products and channels; Total customer base stands at 4.7 million
- Merger announced with Fincare Small Finance Bank in the last quarter in on track. Shareholders and CCI approval received. RBI approval awaited.

Mumbai/Jaipur | 25th Jan 2024: The Board of Directors of AU Small Finance Bank Limited at its meeting held today, approved the financial results for the quarter ended December 31, 2023.

Executive Summary

The operating environment during Q3'FY24 continued to witness higher interest rate with tight liquidity and persistent competition for deposits. The Bank delivered a strong operating performance with strong delivery on all parameters including deposit mobilization, credit growth and operating profits. Recently announced merger with Fincare Small Finance Bank remains on track and the Bank has already received the approvals from Competition Commission of India (CCI) and has applied to the Reserve Bank of India (RBI) for approvals under Section 44A of the Banking Regulation Act, 1949.

Performance at a glance (Q3'FY24):

Profitability

- Net Interest Income (NII) grew 15% YoY to ₹ 1,325 Crore compared to ₹ 1,153 Crore in Q3'FY23
- Pre-provisioning operating profit (PPoP) for Q3'FY24 grew 18% YoY to ₹ 657 Crore compared to ₹ 556 Crore in Q3'FY23
- Net profit at ₹ 375 Crore in Q3'FY24 was down 4% YoY compared to ₹ 393 Crore in Q3'FY23
- Net Interest Margin (NIM) for Q3'FY24 stood at 5.5%
- Return on Asset (ROA) and Return on Equity (ROE) stood at 1.5% and 12.5% with sustained investment in digital, branding, products and distribution to build a sustainable & Forever bank.
- Cost of funds increased by 20bps QoQ to 6.90% with average CoF for 9M'FY24 at 6.74%
- CRAR was 20.8% and Tier I at 19.6% as on 31st Dec'23 without including interim profit for Q3'FY24

Deposits

- Total deposits crossed ₹ 80,000 Cr to reach ₹ 80,120 Crore compared to ₹ 61,101 Crore in Q3'FY23; Growth of 31% YoY and 6% QoQ
- CASA deposits increased by 13% YoY to ₹ 26,446 Crore compared to ₹ 23,471 Crore in Q3'FY23; CASA ratio stand at 33%

Advances

- Bank's Gross advances grew by 20% YoY to ₹ 67,624 Crore in Q3'FY24 compared to ₹ 56,335 Crore in Q3'FY23; Credit to Deposit ratio at 83%
- Of the total advances, Vehicle Loan contributes 30% and Micro Business Loans (MBL), Home Loan as well as Commercial Banking Loans contribute 28%, 8% and 24% respectively
- Commercial Banking lending business crossed milestone of ₹15,000 Cr

Asset Quality

- Bank's asset quality stand (GNPA) at 1.98% in Q3'FY24 vs 1.81% in Q3'FY23. On a QoQ basis, GNPA increased 7 bps from 1.91% as on Q2'FY24. Gross of securitised book, GNPA stands at 1.83% on total loan portfolio as on Q3'FY24
- Provisioning Coverage Ratio (PCR) remain stable at 72% including technical write-off and floating provisions
- Bank is carrying ₹83 Cr of provisions against contingency and standard restructured book. Additionally, bank has Floating provision of 41 Cr

Payments and Digital Bank AU 0101

- **Credit Card:**
 - 8.3 Lac live credit cards with 1.5 lac acquired during the quarter
 - Monthly spend was at ₹ 1,760 Crore in Dec 2023
 - Launched first co-branded Credit Card in partnership with travel portal ixigo
 - Virtual Rupay Card (Insta Pay) launched enabling UPI transactions for existing AU SFB Credit Card holders



- **Video Banking:**
 - Total deposits of customers onboarded via video banking channel stands at ₹ 1,500 Crore+
 - Facilitated in opening 4.7 Lac+ CASA account and 2.8 Lac+ credit cards, since the launch
 - 3,500 + Current account acquired digitally in the quarter
 - 90K service and engagement video calls received in Q3'FY24
- **AU 0101:**
 - Share of digital transaction by our CASA customers remain stable at 98% in Q3'FY24. The consistently improving digital adoption has helped improve the Monthly Active Users (MAU) on our AU 0101 digital banking app
 - Customer base using our digital properties like AU 0101 increased to 26 Lac in Q3'FY24 from 16.3 Lac in Q3'FY23. Of these, 14 Lac customers have been availing services actively on monthly basis

9M'FY24 highlights

- Bank's Net Interest Income (NII) grew 19% YoY to ₹ 3,820 Crore compared to ₹ 3,212 Crore during 9M'FY23.
- Bank's pre-provisioning operating profit (PPoP) for 9M'FY24 grew 28% YoY to ₹ 1,851 Crore compared to ₹ 1,449 Crore in 9M'FY23.
- Net profit at ₹ 1,164 Crore in 9M'FY24 grew 16% YoY compared to ₹ 1,003 Crore in 9M'FY23
- Net Interest Margin (NIM) for 9M'FY24 stood at 5.6% compared to 6.1% in 9M'FY23
- Return on Asset (ROA) and Return on Equity (ROE) stood at 1.6% and 13.4% respectively

Other key updates

- **Net worth** of the Bank has **surpassed ₹ 12,000 Cr, a growth of 5.5x in ~6 years**
- The Bank has expanded its presence, and its physical network is now spread across 1,049 touchpoints as on December 31, 2023 across 21 states and 3 UTs
- Credit rating of "AA/Stable" from all 3 rating agencies, CRISIL Ratings, CARE Ratings and India Ratings
- **Planet First Green FD:**
 - Opened 6,000+ Green FD Accounts and raised 200 Cr Green FD
 - Solar Projects and Electric Vehicles getting funded with green deposits with greater traction in retail segment

Awards and Recognitions

- **"Best Small Finance Bank"** by Mint BFSI Awards 2023.
- **"Great Place to Work"** for Fourth consecutive years
- **"Company With Great Managers - 2023"** for 2 consecutive years
- **"Brand of the Year"** at e4m pitch Top 50 brands 2023
- **"Brest Branded Campaign: TV"** at Afaqs brand Storyz Awards 2023
- **BSE StAR MF**, BSE's Mutual Fund Platform recognized us as one of the top contributors in the Banking Industry

Credit Rating

- CRISIL AA+/Stable for Fixed deposit program
- CRISIL AA/Stable for Tier 2 Bonds and long term borrowings
- CRISIL A1+ for certificate of deposit program



Commenting on the performance, **Mr. Sanjay Agarwal, MD & CEO, AU Small Finance Bank** said, *“Our honourable Prime Minister’s vision of ‘India@2047’, by when we complete 100 years of independence and aspire to be ‘Viksit Bharat’ is truly inspiring for an entrepreneur like myself and the opportunity, and scope for execution it provides to an Institution like AU. I am really excited about this period of growth as it coincides with our own philosophy of building ‘AU forever’.*

We are engaged in laying a strong, compliant and sustainable foundation and platform in the first 10 years of our banking journey i.e. till Mar’27 and the first ~7 years so far has remained absolutely on track and completely seamless guided by a strong regulatory framework which we have followed in letter and in spirit. Our performance in the current quarter has remained absolutely on track with deposit growth outpacing advances growth and margins remaining within our guided range. As a young Bank, we continue to invest in our franchise build-out, brand building and investing in our tech capabilities while continuing to deliver consistent returns to our stakeholders. I am happy that our proposed merger has received approvals from CCI and while we await RBI approvals, we remain excited about the diversification it can add to AU”.

About AU Small Finance Bank:

AU Small Finance Bank Limited (AU SFB) is a scheduled commercial bank and has established itself as the largest SFB in India since starting its banking journey in April 2017. Established in 1996 by Mr. Sanjay Agarwal, a first-generation entrepreneur, AU SFB boasts a 28 years-legacy of building a retail banking franchise with deep understanding of the rural and semi-urban markets and customer segments. The Bank operates a sustainable business model that facilitates credit to the unserved and underserved retail and MSME customer segments while providing complete banking solutions to its deposit and branch banking customers. As a tech-led Bank, AU has a strong digital presence with innovative products and services like 24X7 video banking, credit cards, personal loans, UPI QRs, payments, merchant lending, WhatsApp Banking, Chatbots etc. and its digital bank application AU0101 remains among the higher rated banking apps in India.

The Bank operates from 1,049 banking touchpoints across 21 States & 3 Union Territories serving 46.8 Lac customers with an employee base of 28,904 employees. As on 31st Dec’23, the Bank has a net worth of ₹12,167 Crore, deposit base of ₹80,120 Crore, Gross Advance of ₹67,624 Crore and a Balance sheet size of ₹1,01,176 Crore. AU SFB enjoys the trust of marquee investors and is listed at both NSE and BSE. It has consistently maintained high external credit Rating from all major rating agencies like CRISIL, CARE Ratings and India Ratings.

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