AU Small Finance Bank Limited
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For Immediate Release:

AU Small Finance Bank unveils Sustainable Finance Framework, Secures Moody's Rating

Enabling sustainable financing while advancing AU's commitment to responsible, inclusive, and sustainable growth.

Mumbai, August 09, 2026: AU Small Finance Bank (AU SFB), India's largest Small Finance Bank and the first in over a decade to receive *in-principle* approval from the Reserve Bank of India (RBI) to transition into a Universal Bank, today announced the launch of its **Sustainable Finance Framework (SFF)**, reinforcing the Bank's commitment to financing positive environmental and social outcomes through responsible and inclusive banking.

As an early milestone in this journey, AU SFB introduced its **Planet First Green Fixed Deposit** programme, enabling customers to contribute towards environmentally beneficial projects and support India's transition to a low-carbon economy. As on June 2026, the programme has mobilised over **₹3,050+ crore** towards green financing, with allocations of **85% to Renewable Energy, 10% to Clean Transportation, and 5% to Green Buildings**, generating measurable environmental and social impact.

Building on this foundation, AU SFB has launched its **Sustainable Finance Framework**, creating a structured approach to support future sustainable financing opportunities. The Framework has also secured Moody's Rating.

The Framework establishes clear governance processes, eligibility criteria, management of proceeds, and reporting mechanisms for mobilising and deploying capital towards eligible green and social projects. It further integrates sustainability considerations into the Bank's long-term business and growth strategy.

Further reinforcing the Framework's credibility, Moody's Ratings has assigned it an SQS2 (Very Good) Sustainability Quality Score, recognising its strong alignment with internationally accepted sustainable finance principles and its meaningful significant contribution towards sustainability objectives.

The Framework aligns AU SFB with global sustainable finance standards and market best practices, enhances transparency and disclosure practices, strengthens investor confidence, and supports readiness for evolving ESG and climate-related regulatory expectations.

Moody's Ratings Recognises Framework Quality and Sustainability Impact As part of its independent assessment, Moody's Ratings evaluated the Framework across the following pillars:

- Use of Proceeds
- Project Evaluation and Selection
- Management of Proceeds
- Reporting

Supporting India's Sustainable Growth Agenda

Through the Sustainable Finance Framework, AU SFB can mobilise and deploy capital across a broad range of eligible green and social sectors, including renewable energy, clean transportation, green buildings, financial inclusion, affordable housing, MSME development, healthcare, education, and livelihood generation. The Framework is designed to deliver measurable environmental and social outcomes while contributing to India's sustainable development priorities and inclusive growth objectives.

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Sanjay Agarwal, Founder, MD & CEO, AU Small Finance Bank, said: *"Over the last three decades, our journey has been built on empowering underserved communities, supporting entrepreneurship, and creating long-term value for all stakeholders. As we prepare for our next phase of growth towards becoming a Universal Bank, sustainability is increasingly embedded into how we deploy capital, manage risks, and create impact.*

The launch of our Sustainable Finance Framework marks a significant milestone in institutionalizing our commitment to responsible finance. The Framework provides a robust and transparent structure to mobilize capital towards sectors that are critical for India's sustainable development agenda, including renewable energy, climate resilience, financial inclusion, affordable housing, MSME growth, and sustainable livelihoods."

About AU Small Finance Bank Limited
AU Small Finance Bank Limited (AU SFB) is a Scheduled Commercial Bank and has established itself as India's largest Small Finance Bank since commencing its banking operations in April 2017. Founded in 1996 by Mr. Sanjay Agarwal, a first-generation entrepreneur, AU is entering its 10th year as a Bank, guided by a deep rooted "Dharma" of customer centric service.

Over three decades, AU has built a sustainable and inclusive financial institution that empowers underserved and under reached communities through a robust retail led banking model. The Bank has received an *in-principle* approval from the Reserve Bank of India (RBI) to transition into a Universal Bank. AU SFB's wide network of 2,920 banking touchpoints across 21 States and 4 Union Territories enables service to more than 1.2 crore customers, powered by a workforce of 58,400+ employees.

As on 30th June 2026, Bank had shareholders' funds of ₹20,885 cr, deposit base of ₹1,57,727 cr, total loan portfolio of ₹1,44,250 cr and a balance sheet size of ₹1.9 Lac cr+. AU SFB is listed on NSE and BSE. Its fixed deposits are rated AA+/Stable by CRISIL Ratings, while its long-term/subordinated debt/Tier II Bonds are rated AA/Stable by CRISIL, CARE and ICRA Ratings. Its short-term rating is A1+ by CRISIL, CARE and India Ratings.

For more details, visit: www.au.bank.in | LinkedIn | Facebook | X | Instagram

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