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For Immediate Release

AU Small Finance Bank Announces Q1'FY27 Financial Results

Strong operating performance with sustained growth across deposits and loans

Profit grows 37% YoY to ₹796 cr, NII up 32% YoY to ₹2,695 cr

Deposits grow 24% YoY to ₹1.58 lac cr; Loans grow 23% YoY to ₹1.44 lac cr

Annualised RoA and RoE at 1.7% and 15.6% respectively

Key financial highlights for Q1'FY27

- Net Interest Income (NII) grew 32% YoY to ₹2,695 cr
- Net Interest Margin (NIM) stood at 5.9%, expanding by 47 bps YoY
- Core other income (excluding treasury income) grew 33% YoY to ₹680 cr
- Operating expenses stood at ₹1,949 cr, up 26% YoY
- Pre-provisioning operating profit (PPoP) increased 9% YoY to ₹1,435 cr; Core PPoP (excluding treasury income) increased 41% YoY to ₹1,426 cr
- Provisions declined 30% YoY to ₹371 cr; includes additional one-time provision of ₹23 cr from further strengthening of provisioning policy for MFI, PL/BL, Two-wheeler and EEFI businesses
- Profit After Tax (PAT) grew 37% YoY to ₹796 cr
- Annualized RoA was 1.7% and RoE was 15.6%
- Total deposits grew 24% YoY and 3% QoQ to ₹1,57,727 cr
    - CASA deposits grew 22% YoY and 5% QoQ, with CASA ratio at 29%
- Gross loan portfolio grew 23% YoY and 3% QoQ to ₹1,44,250 cr; disbursements grew ~42% YoY
    - Secured businesses (Retail + Commercial) grew 25% YoY and 4% QoQ
    - Unsecured businesses grew 11% YoY and 5% QoQ
- Slippages declined 22% YoY to ₹798 cr; GNPA ratio at 2.10% and NNPA ratio at 0.76%
- Cost-to-assets, excluding CGFMU premium, at 4.0% vs. 3.9% in Q1'FY26
- Annualized credit cost, including CGFMU premium, stood at 0.8% vs. 1.4% in Q1'FY26

Mumbai | July 25, 2026: The Board of Directors of AU Small Finance Bank Limited at its meeting held today approved the financial results for the quarter ended 30th June 2026.

Executive Summary

Operating environment in Q1 remained uncertain impacted by geopolitical developments in West Asia, higher currency volatility and tighter liquidity conditions. Despite these challenges, India's domestic growth momentum remained healthy and credit demand continued to be resilient.

Bank delivered another quarter of strong operating performance with disciplined execution and continued focus on strengthening the quality of its balance sheet. The Bank continued to deepen customer relationships, expand its secured lending businesses and invest in technology-led capabilities while maintaining prudent risk management.

With a strong capital position, healthy liquidity profile and continued progress towards becoming a Universal Bank, AU remains well positioned to deliver sustainable and profitable long-term growth.

Commenting on the performance, Mr. Sanjay Agarwal, Founder, MD & CEO, AU Small Finance Bank said, "Indian economy continues to remain resilient despite a challenging quarter marked by geopolitical uncertainties. I thank the Government and regulators for their proactive measures in safeguarding the economy from any major direct impact.

Against this macroeconomic backdrop, the Bank delivered a strong and well-rounded performance, with healthy growth in both deposits and advances alongside improved profitability. This reflects the investments made in strengthening the franchise, particularly over the last two years, through expanded distribution, enhanced technology capabilities, stronger product offerings and high-quality talent pool build-out.

What is particularly encouraging is the continued improvement in both the quality of growth and the quality of earnings. Our performance is increasingly being driven by the underlying strength of the franchise and disciplined execution, rather than cyclical or one-off factors.

While we remain mindful of the evolving macro environment, our strong capital and liquidity buffers, robust underwriting capabilities, and deepening franchise strengths provide the resilience to manage uncertainties and the flexibility to capture opportunities responsibly. As we continue to build a stronger, more diversified institution, we remain committed to delivering consistent, high-quality growth and creating enduring value for all our stakeholders."

Performance at a glance:

Q1'FY27 highlights

- NII grew by 32% YoY to ₹2,695 cr
- NIM increased by 47 bps YoY to 5.9% in Q1'FY27
- Cost of funds decreased by 60 bps YoY to 6.48%
- Other income de-grew by 15% YoY to ₹689 cr; core other income grew by 33% YoY to ₹680 cr
- Operating expenses grew by 26% YoY to ₹1,949 cr
- Core operating profit (PPoP) grew by 41% YoY to ₹1,426 cr
- Provisions were down 30% YoY to ₹371 cr
- PAT was up 37% YoY to ₹796 cr
- EPS for the quarter stood at ₹11, whereas BVPS stood at ₹279
- ROA and ROE for the quarter were 1.7% and 15.6%

Key other updates

- **Leadership update**

Elevation of Mr. Yogesh Jain as Deputy CEO: Pursuant to the recommendation of the Nomination and Remuneration Committee, Board of Directors approved the elevation of Mr. Yogesh Jain, currently serving as Chief Operating Officer, as Deputy CEO of the Bank w.e.f. July 25, 2026.

His elevation is intended to further strengthen the Bank's leadership structure and management bandwidth, commensurate with the growing scale of operations. Mr. Jain will continue to report to the MD & CEO and remain categorized as Senior Management Personnel (SMP) of the Bank.

- **AI/Tech update**

The investments in technology, data and AI remain focused on delivering tangible business outcomes through accelerated growth, enhanced customer experience, improved productivity and stronger operating leverage. Guided by **'Run, Build and Transform' framework of our Tech team**, the Bank continues to strengthen and scale the core franchise, expand digital capabilities and customer journeys, and build a future-ready institution powered by data, analytics and AI.

Some of the key ongoing initiatives are:

- During Q1, Bank successfully rolled out agentic **AI-enabled gold loan origination platform** in a controlled environment. A mobile-native version is now live and will start extending this to branches in a calibrated manner
  - Now extending the same platform to mortgages, bringing AI-powered origination to a more unified lending ecosystem
- **AI-led transformation** initiatives are underway across vehicle finance, personal loans, credit cards, on the existing SFDC platform
- **Building an agentic AI platform with Intellect Design Arena** to accelerate deployment of AI use cases across the commercial banking loan origination system
- **Setting up a AI-Centre of Excellence** - institutionalizing enterprise-wide AI transformation and scaling high-impact use cases across the organization
  - **50+ use cases** focused on automation, productivity and operational efficiency
- On AML monitoring, **~ 70% of alerts** are reviewed and resolved through AI-based models
- Launched a **unified lead management platform** for internal and external partners that has started to see good traction, helping us improve lead conversion and channel efficiency
- **Digital platforms** continue to scale well, with **more than 90% of the Bank's transactions** and service requests now being **processed through AU 0101**
- Recently launched an **enhanced real-time payments (UPI) interface on AU 0101 version 2.0**

Balance sheet

Deposits

- Total deposits grew by 24% YoY to ₹1,57,727 cr
- Current account deposits grew by 34% YoY to ₹8,498 cr and savings account deposits grew by 19% YoY to ₹36,902 cr
- CASA deposits grew by 22% YoY to ₹45,399 cr; CASA ratio stood at 29%
- Stable deposit ratio (i.e. CASA + Retail TD + Non-callable bulk TD) was 79% of total deposits
- Cost of Funds (CoF) declined by 60 bps YoY to 6.48% for Q1'FY27

Advances

- Gross loan portfolio (GLP) was ₹1,44,250 cr, registering a YoY growth of 23% YoY
  - Secured businesses (Retail + Commercial) grew by 25% YoY
  - Unsecured businesses (MFI, credit card, PL) grew by 11% YoY
  - Disbursement grew by 42% YoY
- Yield on gross advances was 13.7% in Q1’FY27 compared to 14.1% in Q1’FY26

Key ratios

- Credit Deposit (CD) ratio, excluding advances created out of refinance from Development Finance Institutions (DFI) like NABARD, SIDBI, NHB, MUDRA, was at 80% in Q1’FY27
- Average Liquidity Coverage Ratio (LCR) was stable at 119% in Q1’FY27
  - Bank maintains additional liquidity of 10-15% of LCR, which is in the form of high-quality, liquid, non-SLR investments which are not part of LCR computation
- Capital adequacy ratio as on 30th June 2026 stands at 18.9% and Tier I capital adequacy ratio stands at 17.1%

Asset quality

- Slippages decreased by 22% YoY to ₹798 cr in Q1’FY27 from ₹1,027 cr in Q1’FY26
- Gross NPA ratio declined to 2.10% at 30th June 2026 compared to 2.47% at 30th June 2025 and Net NPA ratio declined to 0.76% at 30th June 2026 compared to 0.88% at 30th June 2025
- Credit cost for Q1’FY27 was 0.8% of the average total assets, improved from 1.4% for Q1’FY26
- Provisions for this quarter included an additional one-time provision of ₹23 cr from further strengthening of provisioning policy for MFI, PL/BL, Two-wheeler and EEFI businesses
- The Bank carries ₹37 cr of contingency and ₹41 cr of floating provision
- CGFMU coverage on MFI book was 96% as on 30th Jun’26
- Provision coverage ratio, including technical write-offs, was stable at 85% at 30th Jun’26

Distribution

- In Q1’FY27, the Bank **added ~130 net touchpoints including 16 new liability branches**, mostly in urban markets
- The Bank caters to 125 lac+ customers with a total strength of 58,400+ employees

Other updates

- Recognised as **Top 10 – India’s “Best Companies To Work For” 2026** by Great Place to Work

- The Bank launched a new credit card portfolio that caters to diverse customers - from individuals starting their credit journey to digitally native professionals and affluent achievers seeking premium experiences. This portfolio comprised of **four lifecycle-based credit cards:** AU Ananta, AU Laksya, AU Tejas and AU Prathama, catering to customers across different life stages and aspirations

- The Bank introduced **zero-margin inward and outward remittances** enabling customers to transfer money to and from India at transparent exchange rates, without any hidden mark-ups. This initiative is aimed at strengthening AU's cross-border banking proposition and enabling customers to transfer money to and from India at transparent exchange rates

- **AU and Motilal Oswal Financial Services (MOFSL) further strengthened their 3-in-1 Account** proposition with the introduction of a fund-blocking feature, enhancing the investing experience for customers. The integrated offering seamlessly combines savings, trading and demat accounts on a single platform, enabling customers to transact and invest with greater convenience. The new feature allows customers to retain funds in their savings account until trades are executed, improving capital efficiency while delivering a more seamless, secure and rewarding investing experience.

CSR initiatives:

- **AU Ignite:** Bank's skill training academy has trained 36,000+ youth across 10 centres in 6 districts of Rajasthan, with 26,000+ linked to employment till Q1'FY27.
    - During the quarter, the initiative conducted 23 workshops/events, 79 guest sessions, 103 Kaushal Connects and 27 exposure visits, while also introducing specialised AI training and a structured cross-training programme for trainers.

- **Bano Champion:** Bank's sports development initiative is now active at 75+ locations across Rajasthan, with ~6,000 children and youth regularly trained across 7 sports disciplines.
    - The programme has enabled athletes to secure 110+ national, 450+ state and 1,000+ district-level medals
    - During the quarter, organised its first residential summer camp for over 240 athletes along with multiple coaches' development programmes and exposure camps

- **AU Udyogini:** Bank's women entrepreneurship initiative has nurtured 5,995 women and empowered 3,900+ women entrepreneurs across 1,000+ villages and hamlets in 25 districts of Rajasthan, Madhya Pradesh, Maharashtra and Gujarat, including five aspirational districts.
    - During the quarter, organised a Mother's Day celebration and capacity-building event for over 80 AU Udyoginis.

- **AU Kartavya:** Under the Bank's need-based social development initiatives, 1,521 health check-up camps, 360+ Jal Banks, 16 open-air gyms and 34 police booths have been supported till Q1'FY27. The initiative has also enabled infrastructure development in 27 educational institutions and provided flood-relief assistance to 7,140+ families, while supporting healthcare, education and sustainability programmes across multiple states.

Summary of financials

Profit & Loss statement

(All Figures in ₹ Crore)	Q1'FY27	Q1'FY26	YoY	Q4'FY26	QoQ	FY26
Income						
Interest Earned	5,303	4,378	21%	5,019	6%	18,636
Interest Expended	2,607	2,334	12%	2,437	7%	9,524
Net Interest Income	**2,695**	**2,045**	**32%**	**2,582**	**4%**	**9,113**
Other Income	689	811	-15%	731	-6%	2,978
Net Total Income	**3,385**	**2,855**	**19%**	**3,313**	**2%**	**12,091**
Expenses						
Employee Cost	1,064	866	23%	1,045	2%	3,828
Other Operating Expenses	885	678	31%	917	-3%	3,154
Operating Expenses	**1,949**	**1,543**	**26%**	**1,962**	**-1%**	**6,982**
Core PPoP	1,426	1,012	41%	1,369	4%	4,720
PPoP	**1,435**	**1,312**	**9%**	**1,352**	**6%**	**5,109**
Provisions	371	533	-30%	269	38%	1,615
Profit Before Tax	**1,064**	**779**	**37%**	**1,082**	**-2%**	**3,494**
Tax expenses	268	198	35%	250	7%	838
Profit After Tax before exceptional items	**796**	**581**	**37%**	**832**	**-4%**	**2,656**
Exceptional Items*	-	-	N.A	-	N.A	15
Profit After Tax	**796**	**581**	**37%**	**832**	**-4%**	**2,641**

Note: Exceptional Items includes ₹20 cr (pre-tax) provisioning arising from the implementation of the New Labour Code

Balance sheet

(All Figures in ₹ Crore)	30th Jun'26	30th Jun'25	YoY	31st Mar'26	QoQ
Liabilities					
Shareholders Fund	20,885	17,800	17%	19,974	5%
Deposits	1,57,727	1,27,696	24%	1,52,661	3%
Borrowings	13,419	10,649	26%	13,872	-3%
Other Liabilities and Provisions	5,093	4,668	9%	5,291	-4%
Total Liabilities	**1,97,125**	**1,60,813**	**23%**	**1,91,797**	**3%**
Assets					
Cash and Bank Balances	8,483	8,510	0%	8,523	0%
Investments	45,793	38,344	19%	44,794	2%
Advances	1,38,572	1,09,834	26%	1,34,276	3%
Fixed Assets	1,473	1,276	15%	1,436	3%
Other Assets	2,803	2,850	-2%	2,768	1%
Total Assets	**1,97,125**	**1,60,813**	**23%**	**1,91,797**	**3%**
Securitised Assets	**3,789**	**6,010**	**-37%**	**4,286**	**-12%**

About AU Small Finance Bank

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.

With deep customer insights across India, AU provides comprehensive banking solutions spanning deposits, loans, credit cards, premium banking, remittance services, merchant solutions, insurance, and investments. As a tech led bank, AU delivers differentiated digital experiences through innovations such as 24x7 Video Banking, WhatsApp Banking, chatbots, UPI QR solutions, merchant lending, and its award-winning AU 0101 app.

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 | Twitter | Instagram

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