AU SMALL FINANCE BANK

Date: 9th August, 2017

Department of Corporate Service - Listing
The Bombay Stock Exchange Limited,
Department of Corporate Services,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai 400001,
Maharashtra.

Listing Department
National Stock Exchange of India Limited,
Listing Department
Exchange Plaza, Bandra Kurla Complex,
Bandra East, Mumbai 400051,
Maharashtra.

Dear Sirs,

Sub: Unaudited Financial Results of the Bank for the Quarter ended June 30, 2017

Pursuant to Regulation 33 and any other applicable provisions of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015, we send herewith the following:

1. A copy of Unaudited Financial results of the Company for the quarter ended June 30, 2017;
2. A copy of Segment Reporting, forming part of unaudited Financial Results of the Company for the quarter ended June 30, 2017;
3. Limited Review Report on Unaudited Financial results issued by Statutory Auditors S.R. BATLIBOI & ASSOCIATES LLP, Chartered Accountants for the quarter ended June 30, 2017; and
4. Asset cover certificate as per Regulation 54(2) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.

The results were duly approved by the Board of Directors at its meeting held today. The meeting of Board of Directors commenced at 6:30 P.M. and concluded at 9:15 P.M.

Kindly acknowledge the receipt and make available the same to public at large.

Thanking You,

Yours faithfully,
For AU SMALL FINANCE BANK LIMITED

Au Small Finance Bank Limited
Mumbai

MANMOHAN PARNAMI
COMPANY SECRETARY AND COMPLIANCE OFFICER
investorrelations@aubank.in

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
Formerly known as **Au Financiers (India) Limited**

Corporate Office
AU SMALL FINANCE BANK LIMITED
5th Floor, E Wing, , Kanakia Zillion,
Junction of CST and LBS road,Kurla West,
Mumbai- 400070, Maharashtra, India
Phone:- +91 22 62490600
Fax:- +91 22 62490630

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

14th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai-400 028, India
Tel : +91 22 6192 0000
Fax : +91 22 6192 1000

Limited Review Report

Review Report to
The Board of Directors
AU Small Finance Bank Limited (formerly "Au Financiers (India) Limited")

1. We have reviewed the accompanying statement of unaudited financial results of AU Small Finance Bank Limited (formerly "Au Financiers (India) Limited") ('the Bank') for the quarter ended June 30, 2017 (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. We have not audited or reviewed the amounts appearing in the accompanying results for the corresponding quarter ended June 30, 2016 and previous quarter ended March 31, 2017, which have been presented solely based on the information compiled by management and has been approved by the Board of Directors.

4. 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.

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

S.R. BATLIBOI & ASSOCIATES LLP
MUMBAI
CHARTERED ACCOUNTANTS

per Amit Kabra
Partner
Membership No.: 094533

Mumbai
August 9, 2017

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 Financials Results for the quarter ended June 30, 2017

(` in lacs)

	Particulars	Quarter ended 30.06.2017	Quarter ended 31.03.2017	Quarter ended 30.06.2016	Year ended 31.03.2017
		Unaudited	Unaudited	Unaudited	Audited
1	Interest Earned (a)+(b)+(c)+(d)	36,098.09	34,447.78	29,234.57	1,28,679.39
	a) Interest / discount on advances / bills	24,130.18	23,740.87	24,030.58	98,097.63
	b) Income on Investments	2,413.78	645.77	133.26	1,623.16
	c) Interest on balances with Reserve Bank of India and other inter bank funds	1,502.72	-	-	-
	d) Others	8,051.41	10,061.14	5,070.73	28,958.60
2	Other income (Refer note 3)	5,786.65	3,605.14	1,772.07	10,064.37
3	**Total Income (1)+(2)**	**41,884.74**	**38,052.92**	**31,006.64**	**1,38,743.76**
4	Interest Expended	17,750.63	11,807.78	12,418.78	48,283.34
5	Operating Expenses (i)+(ii)	11,688.37	11,781.87	7,863.06	36,643.57
	i) Employees cost	7,105.24	7,085.05	4,010.62	19,277.80
	ii) Other operating expenses	4,583.13	4,696.82	3,852.44	17,365.77
6	**Total Expenditure (4)+(5) (excluding Provisions & Contingencies)**	**29,439.00**	**23,589.65**	**20,281.84**	**84,926.91**
7	**Operating Profit before Provisions and Contingencies (3)-(6)**	**12,445.74**	**14,463.27**	**10,724.80**	**53,816.85**
8	Provisions (other than tax) and Contingencies	2,910.46	2,636.60	1,584.47	6,517.56
9	Exceptional Items	-	1.18	69,371.15	67,034.89
10	**Profit / (Loss) from Ordinary Activities before tax (7)-(8)+(9)**	**9,535.28**	**11,827.85**	**78,511.48**	**1,14,334.18**
11	Tax Expense	3,352.12	4,036.40	19,432.41	32,136.57
12	**Net Profit / (Loss) from Ordinary Activities after tax (10)-(11)**	**6,183.16**	**7,791.45**	**59,079.07**	**82,197.61**
13	Extraordinary items (net of tax expense)		-	-	-
14	**Net Profit / (Loss) for the period (12)-(13)**	**6,183.16**	**7,791.45**	**59,079.07**	**82,197.61**
15	Paid up equity share capital (Face Value of ` 10/- each)	28,425.09	28,425.09	4,408.08	28,425.09
16	Reserves excluding revaluation reserves				1,70,334.17
17	**Analytical Ratios**				
	(i) Percentage of shares held by Government of India	Nil	Nil	Nil	Nil
	(ii) Capital Adequacy Ratio - Basel II	19.87%	23.04%	23.97%	23.04%
	(iii) Earnings per share				
	A Earnings per equity share (including exceptional item) (not annualised) *				
	Basic (Rs.)	2.18	2.74	22.34	30.18
	Diluted (Rs.)	2.12	2.69	22.05	29.61
	B Earnings per equity share (excluding exceptional item) (not annualised) *				
	Basic (Rs.)	2.18	2.74	2.23	11.20
	Diluted (Rs.)	2.12	2.69	2.20	10.99
	(iv) NPA Ratios				
	(a) Gross NPAs	21,662.84	12,451.12	12,263.81	12,451.12
	(b) Net NPAs	15,473.87	8,046.13	9,265.45	8,046.13
	(c) % of Gross NPAs to Gross Advances	2.98%	1.89%	1.92%	1.89%
	(d) % of Net NPAs to Net Advances	2.15%	1.22%	1.46%	1.22%
	(v) Return on assets (average) (excluding exceptional Item) - not annualized	0.43%	0.65%	0.66%	2.72%

* The number of equity shares and resultant EPS and DPS in respect of quarter ended June 30, 2016 considered above is adjusted for the issue of bonus shares during the financial year ended March 31, 2017 in the ratio of 5:1.

Segment information in accordance with the Accounting standard on Segment Reporting (AS-17) of the operating segment of the Bank is as under :

(` in lacs)

S. No.	Particulars	June 30, 2017				
		Treasury	Retail banking	Wholesale banking	Other banking operations	Total
1	Segment revenue	5,469.26	29,841.77	6,573.71	-	41,884.74
2	Unallocated revenue	-	-	-	-	-
3	Less: Inter-segment revenue	-	-	-	-	-
4	**Income from operations (1) + (2) - (3)**	-	-	-	-	**41,884.74**
5	**Segment results**	**2,744.80**	**10,019.37**	**1,311.60**	-	**14,075.76**
6	Unallocated expenses	-	-	-	-	4,540.48
7	Income tax expense (including deferred tax)	-	-	-	-	3,352.12
8	Extraordinary Profit/Loss	-	-	-	-	-
9	**Net profit (5) -(6)- (7)-(8)**	-	-	-	-	**6,183.16**
	Other Information	-	-	-	-	-
10	Segment assets	3,06,618.83	5,46,230.56	1,82,578.39	-	10,35,427.78
11	Unallocated assets	-	-	-	-	61,854.85
12	**Total assets (10)+(11)**	-	-	-	-	**10,97,282.63**
13	Segment liabilities	2,97,987.46	5,90,652.43	1,90,838.35	-	10,79,478.24
14	Unallocated liabilities	-	-	-	-	17,804.39
15	**Total liabilities (13) + (14)**	-	-	-	-	**10,97,282.63**

S.R. BATLIBOI & ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI

AU Small Finance Bank Limited ★ Mumbai

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Statement of Unaudited Financials Results for the quarter ended June 30, 2017

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. The above results have been reviewed by the Audit Committee and approved by the Board of Directors of the Bank at their respective meetings held on August 9, 2017, in accordance with the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The results for the quarter ended June 30, 2017 are subjected to a limited review by the statutory auditors of the Bank.

2. 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).

3. Other income includes processing fee and other charges collected from customers, profit on sale/purchase of mutual fund, recovery from loans written off, etc.

4. The Bank has changed its name to AU Small Finance Bank Limited with effect from April 13, 2017 and commenced its operations as a Small Finance Bank from April 19, 2017 pursuant to the approval received from the Reserve Bank of India dated December 20, 2016.

5. NPA ratios computed including the off-balance sheet loans and advances in the total outstanding (denominator) are as given below:

Particulars	As at 30.06.2017	As at 31.03.2017	As at 30.06.2016
% of Gross NPAs to Gross Advances	1.93%	1.16%	1.41%
% of Net NPAs to Net Advances	1.39%	0.75%	1.07%

6. Return on assets is expressed as a percentage of average total assets (including off-balance sheet loans and advances). The return on assets (including exceptional item) is as given below:

Particulars	Quarter ended 30.06.2017	Quarter ended 31.03.2017	Quarter ended 30.06.2016	Year ended 31.03.2017
Return on assets (average) (including exceptional Item) - not annualized	0.43%	0.65%	6.60%	7.32%

7. Business Segments have been identified and reported taking into account the internal business reporting system and the guidelines prescribed by RBI for the period ended June 30, 2017. For the year ended March 31, 2017 and the quarter ended March 31, 2017 and June 30, 2016 respectively , the Bank operated in a single business segment i.e. lending to borrowers having similar risks and returns for the purpose of AS 17 on 'Segment Reporting' specified under section 133 of the Companies act 2013, read with rule 7 of the Companies (Accounting Standards) Amendment Rules, 2016. The Bank operates in a single geographical segment i.e. domestic.

8. The Capital adequacy ratio ("CAR") as on June 30, 2017 has been computed as per applicable Basel II requirements In accordance with RBI Master Circular No. DBOD.BP.BC 9/21.06.001/2013-14 dated July 01, 2013, on prudential guidelines on Capital adequacy ratio and market discipline-New Capital adequacy framework (NCAF). The CAR as at March 31, 2017 and June 30, 2016 were computed based on RBI guidelines as applicable to NBFCs, hence the same are not comparable with the CAR as at June 30, 2017 reported above.

9. Consequent to commencement of operations by the Bank as a small finance bank, the Bank has revised its estimates related to provisioning and write off of loan portfolio. As a result of such change, the profit for the current period is lower by Rs.133.44 lacs. The Bank has adopted a policy for maintaining higher provisioning and write offs as compared to the minimum provision requirements of the RBI Master Circular on Prudential Norms issued vide Notification No. RBI/2015-16/101 DBR.No.BP.BC.2/21.04.048/ 2015-16 dated July 01, 2015 as applicable to banks.

10. Since the Bank is presenting its quarterly results for the first time, the comparative figures for the preceding quarter ended March 31, 2017 and the corresponding quarter ended June 30, 2016 have not been reviewed by the auditors.

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

Place : Mumbai
Date: August 09, 2017

S.R. BATLIBOI & ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI

AU Small Finance Bank Limited * Mumbai

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)

Date: 9th August, 2017

Department of Corporate Service - Listing
The Bombay Stock Exchange Limited,
Department of Corporate Services,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai 400001,
Maharashtra.

Listing Department
National Stock Exchange of India Limited,
Listing Department
Exchange Plaza, Bandra Kurla Complex,
Bandra East, Mumbai 400051,
Maharashtra.

Dear Sirs,

Sub: **Asset Cover Declaration under Regulation 54(2) Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015**

Pursuant to the Regulation 54(2) and other applicable provisions of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, we, hereby, declare that all the secured Non-Convertible debentures issued by the company are secured at first pari passu charge on future receivables of the company and also against specified immovable property of the Company to the extent of at least 100% of outstanding secured Non-Convertible Debentures for the quarter ended June 30th, 2017.

Kindly take note of the same.

Thanking You,

Yours faithfully,
For AU SMALL FINANCE BANK LIMITED

Au Small Finance Bank Limited Mumbai

MANMOHAN PARNAMI
COMPANY SECRETARY AND COMPLIANCE OFFICER
investorrelations@aubank.in