



Press Release

AU SMALL FINANCE BANK LIMITED - Total Income increases by 35% to ₹419 Crores for Q1 FY18

Started Banking operations | Opened 49,603 CASA accounts & mobilized ₹815 Crores of CASA, Retail & Bulk Deposits | Y-o-Y AUM Growth of 25%

Jaipur, August 10, 2017: AU SMALL FINANCE BANK LTD. [BSE: 540611; NSE: AUBANK], yesterday announced its financial performance for the quarter ended June 30, 2017.

Summary of Business Performance in Q1FY18

- Successful transition from an NBFC to Small Finance Bank – Commenced banking operations on April 19, 2017. Operating 284 branches, 119 asset centres, 23 offices and 251 ATMs in 11 states and 1 union territory as on June 30, 2017.
- Raised Deposits of ₹815 crore. CASA ratio of 61%, opened 49,603 CA and SA accounts. Started paperless e`-KYC enabled customer onboarding through Tab based accounts opening for customers
- Gross AUM ₹10,759 Crore, higher by 25% over Q1FY17, flattish compared to Q4FY17; slight impact of anticipated GST implementation in wheels business, seasonality, demonetization and Bank transitioning.
- GNPA and NNPA as on June 30, 2017 was at 3.0% and 2.1% respectively as compared to 1.9% & 1.2% respectively as on March 31, 2017 and 1.9% and 1.5% respectively as on June 30, 2016. **This increase was primarily attributed to transitioning to GNPA recognition at 90 Days Past Due.**
- Provisions (other than tax) & Contingencies in Q1FY18 at ₹29 crore as compared with ₹16 crore in Q1FY17 and ₹26 crore in Q4FY17
- PAT of Rs. 62 Cr in Q1FY18; Annualized ROA and ROE of 1.7% and 12.3% respectively.
- Completed IPO with ~54x oversubscription and got listed on NSE and BSE on 10th July 2017
- Obtained membership of Indian Banking Association

Mr. Sanjay Agarwal, MD & CEO, AU Small Finance Bank said, “During the last quarter, internally, we had three key priorities viz. 1st Smooth launching our Bank and Liability Franchise, 2nd Completing our IPO and 3rd Growing our Asset Book.

Both AU bank and our retail liabilities franchise started on a good note and we mobilized cumulative deposits of ₹815 crore and opened nearly 50,000 CA & SA accounts in Q1. We started digital boarding of customers through e-KYC enabled Tab based paperless a/c openings. We have virtually hand-picked the best customer

centric technology stack be available in the market and to name a few viz. CRM from CRMNext, Digital Tab based onboarding from Decimal, CBD from Oracle etc. Some of our unique offerings include monthly interest payouts, bio-metric ATMs, minimal paper work and true anywhere banking.

On the asset side, there were some last stage head winds of demonetization and uncertainty arising from anticipated GST implementation which slightly impacted the business in Q1FY18. Despite competing priorities and minor market challenges, we maintained our Assets Under Management as on June 30, 2017 same as was at March 31, 2017 and grew it 25% y-o-y. During this quarter, we started Gold Loan, Agriculture Allied Loans and OD facility.

In terms of overall performance and shareholder returns, our annualized Return on Average Assets (including assigned portfolio) and ROE for Q1 FY18 are 1.7% and 12.3% respectively.

Going forward, we would continue to focus on growing our retail asset book while maintaining healthy portfolio quality. On the liability side, we intend to granularly build a high-quality CASA book and retail focused deposit franchise with support from digital banking and digital assisted services. About our expansion plans, currently we have 284 bank branches and 119 asset centers and 23 offices. We have regulatory permission for 431 bank branches by March 31, 2018”

About AU Small Finance Bank Limited

AU SMALL FINANCE BANK LIMITED (erstwhile Au Financiers (India) Limited) started its banking operations from 19th April 2017. As on June 30, 2017, AU SFB has 284 bank branches and 119 asset centers in 11 states & 1 union territory in India and it has an employee base of 9,055 committed people. The Bank offers comprehensive suite of product and services. On the Asset side, Bank is offering Retail Loans – Wheels Loan, Secured Business Loans to MSME & SME, Gold Loan, Agriculture Allied Loans and Wholesale Loans – NBFC Loans, Real Estate Group Loans and Business Banking Loans. On the Liability side, Bank is offering Current Account, Savings Account, Term Deposits, Recurring Deposits, Locker Services and transaction banking services. Bank is also geared to leverage its strong distribution outreach in cross selling of third party products like General Insurance and Life Insurance and Mutual Funds. Gross Assets Under Management (i.e. sum of On-book Loans and Advances and Off-book Loan and Advances) stood at Rs. 10,759 Cr as on June 30, 2017 growing at 25% over Rs. 8,636 Cr as on June 30, 2016. Total Deposits was Rs. 815 Cr as on June 30, 2017.

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For Further information, please contact

AU SMALL FINANCE BANK LIMITED	
<u>For Media Queries</u> Mr. Mrinal Purohit +91 98292 69009 mrinal.purohit@aubank.in	<u>For Investor Queries</u> Mr. Hemant Sethia +91 88792 28892 hemant.sethia@aubank.in