

Ref. No. AUSFB/SEC/2017-18/474  
Date: 31st January, 2018

To,

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

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

**Scrip Code: AUBANK**

**Scrip Code: 540611**

Dear Sirs,

**Sub:** Presentation to Investors and Press release on the Unaudited Financial Results for the Quarter 3 and Nine Months ended on 31<sup>st</sup> December 2017.

In terms of Regulation 30 SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and other applicable regulation enclosed herein the Press Release and Investors Presentation of the Bank on the Unaudited Financial Results for the Quarter 3 and Nine Months ended on 31<sup>st</sup> December 2017.

The Press Release and Investors Presentation may also be accessed on the website of the bank at the link [www.aubank.in](http://www.aubank.in)

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

Thanking You,

**For AU Small Finance Bank Limited**



**Manmohan Parnami**  
**Company Secretary & Compliance Officer**  
[investorrelations@aubank.in](mailto:investorrelations@aubank.in)

**Registered Office**  
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**Phone:** +91 141 4110060/61, **Fax:** +91 141 4110090  
**CIN:** L36911RJ1996PLC011381  
Formerly known as **Au Financiers (India) Limited**



Press Release

## **AU Small Finance Bank Q3FY18 Total Income up 61%; Asset quality improves**

**Profit After Tax at Rs. 79 crore, almost unchanged YoY despite impact of higher costs of bank transition**

**Gross AUM of over Rs. 13,400 crore, up 38%, driven by 82% retail loans**

**Opened over 300,000 CASA accounts, mobilized over ~ Rs. 3,700 crore of deposits during 9M FY18**

**Received by 'Scheduled Bank' status during the quarter**

**Ramping up new product launches – rolling out housing loans shortly**

Jaipur, January 30, 2018: AU SMALL FINANCE BANK LTD. [BSE: 540611; NSE: AUBANK], has announced its financial performance for the quarter and nine months ended December 31, 2017.

### **Summary of Business Performance in Q3FY18**

- Total Income of Rs. 570 crore, up 61% Y-o-Y, partly led by growth in other operating income.
- Net Interest Income of Rs. 250 crore for Q3FY18, up 25% Y-o-Y.
- Profit After Tax remained almost unchanged at Rs. 79 crore as against Rs. 83 crore in Q3FY17, despite 146% increase in operating expenses due to bank transitioning.
- Maintained robust loan growth – Gross AUM grew by 38% Y-o-Y to Rs.13, 415 crore led by growth in all segments of retail and wholesale banking operations. Retail loans now exceed Rs. 11,000 crore, comprising ~82% of loan book.
- Second consecutive quarter wherein disbursements grew in excess of Rs. 2,500 crore. Witnessed steady growth across all segments of retail assets.
- Newly introduced products ramping up well – ~1,800 Gold Loans and 200 Consumer Durable Loans disbursed in Q3FY18
- Strong traction in deposits mobilization; Deposits nearly doubled over Q2FY18 and stood at Rs. 3,716 crore; driven partly also by 'Scheduled Bank' status, rates and product features. Over 300,000 CASA have been opened as a bank, maintained CASA ratio of 37%.
- Improved Asset Quality – GNPA at 2.8% (vs. 3.1% as on Sep 30, 2017) and NNPA of 1.9% (vs. 2.1% as on Sep 30, 2017).
- Q3FY18 Cost to Income Ratio marginally rose to ~57.1% compared to Q2FY18; expect gradual decline on the back of growing operations and improving operational efficiency.

- ROA (9M annualized) marginally better over Q2FY18 at 1.8%; likewise RoE (9M annualized) rose to 13.3%.
- Well Capitalized with CAR of 20.6% and Tier-I CAR of 19.7% as on December 31, 2017.
- ~89% deposit customers are “New to AU Bank”.
- Leveraging AU distribution strength; ramping up cross sell of life insurance, general insurance and mutual fund products.
- Made significant progress in expanding basket of products within banking operations:
  - Initiated expansion via Business Correspondent partner tie-up
  - TAB adoption crossed 90% for individual saving accounts; more than 124,000 accounts on Tab in last quarter; 97% accounts opened in STP mode
  - Other Digital initiatives – launched Mobile Banking App on Android; IMPS made live on Internet Banking
  - Ramping up new product launches – rolling out home loans shortly

**Commenting on Q3FY18 financial and operating performance, Mr. Sanjay Agarwal, MD & CEO, AU Small Finance Bank** said, *“Q3 was the second full quarter of our operations as a bank, and I am happy to report that we continue to make significant progress on every key parameter in line with our objective to create a strong, profitable and sustainable retail banking franchise with optimal investments in people, technology and processes. We are increasing disbursements in traditional areas while also expanding our portfolio of products, which allow greater cross-sell within our community of customers. Incrementally, deposit mobilization is driving down the cost of funds, which is further enabled by our recently-gained status of a scheduled commercial bank. At the same time, we are closely monitoring our risk profile and are focused on managing stress in the loan book”.*

## **About AU Small Finance Bank Limited**

Started in 1996 as Au Financiers, AU Small Finance Bank Limited has a long standing track record of over two decades of being a retail focused and customer centric institution serving the underbanked and unbanked populous of North, West and Central India.

AU Bank commenced its banking operations on April 19, 2017. As on Sept 30, 2017, AU Bank's distribution network was at 303 Branches, 113 Asset Centers, 23 offices and 287 ATMs spread across 11 states and one union territory. AU Bank had Gross Asset Under Management of Rs. 12,134Cr, Total Deposits of Rs. 1,978 Cr and an employee base of 9,974 team members.

AU Bank offers comprehensive suite of asset and liability product and services. AU Bank's Retail Loan offerings include Wheels Loan, Secured Business Loans to MSME & SME, Gold Loan, Agri-SME Loans. The Bank also offers NBFC Loans, Real Estate Group Loans and Business Banking Loans as part of Wholesale Loans. On the Liability side, AU Bank offers Current Account, Savings Account, Fixed Deposits, Recurring Deposits and transaction banking services. In addition, AU Bank is also offering Locker services and Third Party products like General Insurance, Life Insurance and Health Insurance.

Long Term Credit Rating: IND A+ / Positive (India Ratings)

Short Term Credit Rating: IND A1+ (India Ratings)

**web: [www.aubank.com](http://www.aubank.com) | twitter: [@aubankindia](https://twitter.com/aubankindia) | facebook: <https://www.facebook.com/aubankindia/>**

### **Disclaimer**

*Certain statements are included in this release which contain words or phrases such as "will," "aim," "will likely result," "believe," "expect," "will continue," "anticipate," "estimate," "intend," "plan," "contemplate," "seek to," "future," "objective," "goal," "project," "should," "will pursue" and similar expressions or variations of these expressions, that are "forward-looking statements." Actual results may differ materially from those suggested by the forward-looking statements due to certain risks or uncertainties associated with our expectations with respect to, but not limited to, our ability to implement our strategy successfully, the market acceptance of and demand for various banking services, future levels of our non-performing loans, our growth and expansion, the adequacy of our allowance for credit and investment losses, technological changes, volatility in investment income, our ability to market new products, cash flow projections, the outcome of any legal, tax or regulatory proceedings in India and in other jurisdictions we are or become a party to, the future impact of new accounting standards, our ability to pay dividends, the impact of changes in banking regulations and other regulatory changes on us in India and other jurisdictions, our ability to roll over our short-term funding sources and our exposure to market and operational risks. By their nature, certain of the market risk disclosures are only estimates and could be materially different from what may actually occur in the future. As a result, actual future gains, losses or impact on net income could materially differ from those that have been estimated. In addition, other factors that could cause actual results to differ materially from those estimated by the forward-looking statements contained in this document include, but are not limited to: general economic and political conditions, instability or uncertainty in India and the other countries which have an impact on our business activities or investments caused by any factor, including terrorist attacks in India, the United States or elsewhere, anti-terrorist or other attacks by the United States, a United States-led coalition or any other country, tensions between India and Pakistan related to the Kashmir region or between India and China, military armament or social unrest in any part of India; the monetary and interest rate policies of the government of India, natural calamities, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices; the performance of the financial markets in India and globally, changes in Indian and foreign laws and regulations, including tax, accounting and banking regulations, changes in competition and the pricing environment in India, and regional or general changes in asset valuations.*

### **For Further information, please contact**

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