

AUSFB/SEC/2018-19/433

Date: 13th October, 2018

To,

National Stock Exchange of India Limited, Listing Department Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai 400051, Maharashtra. Symbol: AUBANK	The BSE Limited, Department of Corporate Services, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001, Maharashtra. Scrip Code: 540611
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Dear Sir,

Sub: Press release on the Unaudited Financial Results for the 2nd Quarter and Half Year ended on 30th September, 2018.

In terms of Regulation 30 SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and other applicable regulation enclosed herein the Press Release of the Bank on the Unaudited Financial Results for the 2nd Quarter and Half Year ended on 30th September, 2018.

The Press Release may also be accessed on the website of the bank at the link 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 Pernami
Company Secretary & Compliance Officer
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AU SMALL FINANCE BANK'S Q2FY19 PAT UP 34% Y-o-Y, LOAN PORTFOLIO at ₹20,200 crore, surged 66% Y-o-Y

Mumbai, October 13, 2018:

The Board of Directors of AU Small Finance Bank Ltd., at a meeting held in Mumbai today approved its Unaudited Financial Results for the Quarter ended September 30, 2018. The accounts have been subjected to limited review by the statutory auditors of the bank.

Key Highlights

- As on 30th Sep 2018, Loan Portfolio at ₹20,200 crore; Up ~66% Y-o-Y
- 1HFY19 Disbursement of ~₹7,000 crore; Up ~74% Y-o-Y.
- 2QFY19 Disbursements of more than ₹4,100 crore, Up ~63% over Q2FY18
- Improved Asset Quality
- Net NPA : 30th Sep, 2018 - 1.3% | 30th Jun, 2018 - 1.4% | 30th Sep, 2017 – 2.1%
- Gross NPA : 30th Sep, 2018 - 2.0% | 30th Jun, 2018 - 2.2% | 30th Sep, 2017 – 3.1%
- Deposits of ₹12,869; Mobilized incremental deposits of ~62% and ~29% over at Mar'18 and Jun'18 respectively. CASA Ratio at 26%; opened 1.3L CASA accounts in Q2FY19.
- Long Term rating upgrade to “CRISIL AA- / Stable” from “CRISIL A+ / Positive” (3rd Oct 18); Short Term Rating re-affirmed at “CRISIL A1+”
- Decline in Average Cost of Funds at 7.8% in Q2FY19 vs. 7.9% in Q1FY19
- Leadership Expansions: New Chief Treasury Officer, Chief of Digital Bank and Digital Strategy, Chief of Payments, NCM – Housing Loan
- Empanelment with BSE, NSE, NCDEX for margin collaterals – FDR and Bank Guarantee
- Compliance with SFB guidelines wrt. to Non-Promoter Shareholding; Warburg Pincus stake reduced to 7%.
- No pendency with Reserve Bank of India wrt. compliance of Promoter Shareholding, Non-Promoter Shareholding, Listing Requirement

Summary Financials/Key Ratios

- Total Income
 - For 1HFY19 at ₹1,509 crore surged 64% over 1HFY18
 - For Q2FY19 at ₹806 crore, Up 60% over Q2FY18 and ~15% over Q1FY19
- Net Interest Income
 - For 1HFY19 at ₹607 crore rose 51% over 1HFY18
 - For Q2FY19 at ₹321 crore, Up ~46% over Q2FY18 and ~12% over Q1FY19
- Net Interest Margin (%)
 - 1HFY19 ~6.0% | 1HFY18 ~7.8%

- Q2FY19 ~6.0% | Q2FY18 ~8.2% | Q1FY19 ~6.2%
- For Q2FY19, Cost to Income Ratio marginally improved to 60.5% from 60.9% in Q1FY19
- PAT for 1HFY19 and Q2FY19 at ₹168 Crore and ₹91 Crore, Up 29% and 34% y-o-y respectively
- Balance Sheet size more than doubled to ₹24,780Crore as against ~₹12,332Crore as on 30th Sep 2017
- Net-worth rose to ₹2,929 crore, up by ~39% from Sep 30th 2017 level of ₹2,113 crore
- 1HFY19 Return on Average Assets and Return on Average Equity (both annualized) stood at ~1.6% and ~12.9% respectively.
- Adequate Capital Adequacy - CRAR of 17.8% and Tier – I CRAR of 17.2%

As on 30th Sep 2018, Bank's distribution was spread across 395 bank branches (including 89 Business Correspondent Outlets) and 88 asset centers.

Commenting on the performance, Mr. Sanjay Agarwal, MD & CEO of AU Small Finance Bank said, "Last quarter we saw a continued strong uptick in our disbursements, deposits, CASA, asset quality, rating, and an improvement in our cost to income ratio. The recent market events have once again placed Banks in a sweeter spot. Going forward, we *expect* market share gain in retail assets and incremental deposits mobilization. As we chase our \$10Bn total assets target by FY22, we continue to focus on Data, Digital, Distribution and Delight"

About AU Small Finance Bank:

AU Small Finance Bank Limited (AU Bank), a Fortune India 500 Company, is the only Scheduled Commercial Bank headquartered out of Jaipur, Rajasthan.

AU started its journey in the year 1996 as Au Financiers and, under the aegis of Reserve Bank of India, for the last two decades, it worked relentlessly as a retail focused, customer centric premier and trusted asset financing NBFC. It touched over a million plus underbanked and unbanked customers across 11 states of North, West and Central India, prior to becoming a bank in April 2017 to achieve the objective of Financial Inclusion which compliments AU Bank current business model and its position.

AU Bank is the only asset financing NBFC amongst 10 successful Small Finance Bank Licensees out of 72 applicants. Over the years, AU received investment from marquee investors such as Warburg Pincus, Chrys Capital and Kedaara Capital.

AU Bank is listed at both the leading exchanges viz. NSE and BSE (Market Capitalization ~USD 3.0billion) and it features amongst the top 15 private sector banks by market capitalization. AU Bank's IPO (Rs.1912 Crores) was amongst the most successful IPOs of 2017; it received an overwhelming response with an oversubscription of ~ 54x.

Web: www.aubank.com | twitter: @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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