



**AU Small Finance Bank Limited**  
Head Office - Bank House, Mile 0,  
Ajmer Road, Jaipur, Rajasthan 302001

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LBS road, Kurla West, Mumbai, Maharashtra, 400070

**For Immediate Release**

## **AU Small Finance Bank's Reports 73% growth in 1HFY20 PAT, Better Asset Quality, Appoints Two Independent Directors**

Jaipur, Oct 21, 2019: The Board of Directors of AU Small Finance Bank Limited at its meeting held today, approved the unaudited financial results for quarter and half year ended September 30, 2019. The results have been subjected to a limited review by the statutory auditors of the bank.

### **First 10 quarters of Bank - Building a Technology Led, Retail, Secured, Granular and Diversified Franchise:**

- More than 14.50 lakh customers
- Loan AUM grew 38% y-o-y to INR 27,876 Crore and Deposits grew 72% y-o-y to INR 22,149 Crore
- ~79% retail loan proportion; more than 95% secured; ~5 lakh avg. ticket size for retail loans
- Focus on Retail Term Deposits and CASA; Currently at 42% of Total Deposits

### **Reports stable / marginal improvement in asset quality despite challenging macro**

- Gross NPA and Net NPA at 30-Sep-19 improves to 2.0% and 1.1% respectively as against 2.1% and 1.3% as on 30th Jun 19 and 2.0% and 1.3% as on 30th Sep 18
- Provision Coverage Ratio taken higher to ~44%
- More than 95% Secured Book, a key factor in maintaining contained credit cost
- Continued 'cautious' stance on NBFC and REG; NBFC well monitored and controlled with Nil GNPA

### **Enhanced Governance; Appointed Two New Independent Directors**

- On-boarded Prof. M. S. Sriram and Mr. Pushpinder Singh as Additional Directors (Independent) .
- Prof. M. S. Sriram is a distinguished faculty at IIM Bangalore having vast experience in Financial Inclusion & rural markets
- Mr. Pushpinder Singh is a banking technology expert with over 33 years of rich experience across Information Technology, Payment Systems, Banking Services & Automation, Risk Management and Retail Banking.

### **Growth on Track, Q-o-Q New Loan Spreads Improves Further**

- 1HFY20 Disbursements grew 25% Y-o-Y led by ~44% Y-o-Y growth in all Retail Assets including Used Vehicle, SBL MSME as well as small ticket loans Business Banking and Agri SME; De-growth in Small & Mid Corporate Assets
- Compared to 1HFY19, Non-Rajasthan Disbursements grew 49% in 1HFY20 via-a-vis growth of ~38% in Rajasthan Disbursements over same period last year.

- Disbursement Loan Yields improved to 15.6% in 1HFY20 as against 13.7% in 1HFY19 leading to improving spreads
- 1HFY20 Total Assets at INR 35826 Crores, up 45% Y-o-Y
- AUM IRR continues to improve in Q2FY20 at 14.7%; with a parallel reduction in Cost of Fund (Q2FY20: 7.8%), driving spread expansion to 6.9% from 6.6% in Q1FY20

#### **Improving Yields, operational efficiency resulting in improving profitability**

- Cost to Income continue to decline with improving operational efficiency of bank branches – 56.6% in 1HFY20 vis-à-vis 60.7% in 1HFY19; During the quarter, 10 branches have achieved brake-even
- Marked improvement in ROA and ROE at 1.7% and 17.5% respectively for 1HFY20 vis-à-vis 1.6% and 12.9% respectively for 1HFY19

#### **Well Capitalized**

- CRAR of 17.9% & Tier I of 14.9%
- Net Worth grew 20% Y-o-Y to INR 3,516 Crore; Besides that, available capital pools include:-
  - Equity infusion of ~INR 525 Crore on exercise of Convertible Warrants into Equity Shares to be on or before Dec'19
  - Equity stake in Aavas Financiers worth INR 840 crore based on current share price

#### **Comfortable Liquidity Position; Focus on Reducing Cost of Fund through judicious mix of available resources**

- Maintained a LCR higher at ~95% of NDTL

#### **Key Financials:**

(All Figures in INR Crore)	1HFY20	1HFY19	Y-o-Y	Q2FY20	Q2FY19	Y-o-Y	Q1FY20	Q-o-Q
Net Interest Income	847	608	39%	452	321	41%	396	14%
Other Income*	285	226	26%	151	123	23%	134	13%
Income from sale of Equity Shares of Aavas Financiers Ltd.	77	-	-	-	-	-	77	-100%
Profit Before Tax	476	257	85%	217	140	55%	259	-16%
Profit After Tax	362	168	115%	172	91	88%	190	-10%
Profit After Tax *	291	168	73%	172	91	88%	119	44%

\*(Excl Profit on Sale of 0.8% equity stake in Aavas Financier Ltd)

(All Figures in INR Crore)	30-Sep-19	30-Sep-18	Y-o-Y	30-Jun-19	Q-o-Q
Net Worth	3,516	2,929	20%	3,361	5%
Deposits	22,149	12,869	72%	19,849	12%
Advances	24,809	18,117	37%	23,102	7%

#### **Key Ratios**

(All Figures in INR Crore)	30-Sep-19	30-Sep-18	30-Jun-19
Gross NPA (%)	2.0%	2.0%	2.1%
Net NPA (%)	1.1%	1.3%	1.3%
Capital Adequacy Ratio (%) CRAR*	17.9%	17.8%	18.6%

\*(CRAR inclusive of 1H FY20 would 19.7%)

(All Figures in INR Crore)	1HFY20	1HFY19
Return on Average Assets (%)*	1.7%	1.6%
Return on Average Equity (%)*	17.5%	12.9%

\*(Excl Profit on Sale of 0.8% equity stake in Aavas Financier Ltd)

***Please Refer Annexure 1 for following Additional Details***

- 1. Break-up of Total Assets, Total Liabilities**
- 2. Details of Disbursements, ATS, AUM, Yields, Disbursements Yields, Gross NPAs**

Commenting on the performance, Mr. Sanjay Agarwal, MD & CEO of AU Small Finance Bank said, “For the last 24 years we have built AU as a well governed, granular, secured, retail franchise of all seasons, avoided unnecessary risks and seeded a culture of strong underwriting, collections and customer centricity. Adherence to these first principles in the last 10 quarters of our banking journey has allowed us to consistently deliver a core strong performance. Despite all the challenges, this quarter, we delivered an all-round best quarterly result so far on asset quality, margins, costs to income ratio, profitability and ROA/ROE with measured growth on a smaller base. We have strengthened our governance architecture and recently inducted two seasoned, respected domain specialists on to our board to foster our mission of becoming a technology led retail inclusive bank. We continue to carefully monitor the macro and micro, take required actions, keep prudent provisioning and carry commensurate liquidity and capital”, he said.

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

AU Small Finance Bank Limited (AU Bank) is a Fortune India 500 Company. AU Bank happens to be the only scheduled commercial bank originating from Jaipur with ~602 touch points operational across 11 states of North, West and Central India and a team of 14,000+ employees. AU started its journey in the year 1996 as an NBFC, 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, prior to becoming a bank in April 2017.

Long Term Credit Rating: AA- / Stable (CRISIL India Ratings)

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

Web: [www.aubank.in](http://www.aubank.in) | Twitter: @aubankindia | Facebook: <https://www.facebook.com/aubankindia/>

### **For more information, please contact**

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### **Annexure 1**

## Break-up of Total Assets, Total Liabilities

Amount in INR Crores

Total Assets					
Particulars	30-Sep-19	30-Sep-18	Y-o-Y	30-Jun-19	Q-o-Q
<b>Total Assets</b>	<b>38,621</b>	<b>26,724</b>	<b>45%</b>	<b>36,028</b>	<b>7%</b>
i) On Balance Sheet Assets	35,826	24,780	45%	33,762	6%
ii) Off Balance Sheet Assets	2,795	1,944	44%	2,266	23%
<b>On Balance Sheets</b>	<b>35,826</b>	<b>24,780</b>	<b>45%</b>	<b>33,762</b>	<b>6%</b>
i) Investments Assets	8,434	3,998	111%	8,383	1%
ii) Loan Assets	24,809	18,117	37%	23,102	7%
iii) Other Assets	2,583	2,664	-3%	2,277	13%
<b>Investment Assets</b>	<b>8,434</b>	<b>3,998</b>	<b>111%</b>	<b>8,383</b>	<b>1%</b>
i) SLR	5,345	3,214	66%	5,174	3%
ii) Non SLR	3,089	785	294%	3,209	-4%
<i>Comprising majority AAA and AA+ High Quality Liquid Assets</i>					

Total Liabilities					
Particulars	30-Sep-19	30-Sep-18	Y-o-Y	30-Jun-19	Q-o-Q
<b>On Balance Sheet Assets</b>	<b>35,826</b>	<b>24,780</b>	<b>45%</b>	<b>33,762</b>	<b>6%</b>
<b>Total Liabilities</b>	<b>35,826</b>	<b>24,780</b>	<b>45%</b>	<b>33,762</b>	<b>6%</b>
i) Net Worth	3,516	2,929	20%	3,361	5%
ii) Borrowings	8,583	7,830	10%	9,007	-5%
iii) Other Liabilities	1,578	1,152	37%	1,545	2%
iv) Deposits	22,149	12,869	72%	19,849	12%
<b>Total Deposits</b>	<b>22,149</b>	<b>12,869</b>	<b>72%</b>	<b>19,849</b>	<b>12%</b>
CA	721	400	80%	766	-6%
SA	2,611	2,402	9%	2,638	-1%
RTD	6,046	1,679	260%	4,983	21%
CASA and RTD / Deposits	42%	35%		42%	

Loan Assets Under Management (Incl Off Book)					
Particulars	27,876	20,219	38%	25,610	9%
i) Retail Assets	22,047	15,349	44%	20,121	10%
ii) Small & Mid Corporate	5,304	4,645	14%	5,189	2%
iii) TL by Treasury	525	225	133%	300	75%

## Details of Disbursements, ATS, AUM, Yields, Disbursements Yields, Gross NPAs

Amount in INR Crores

Particulars	Period	Retail Assets								Small and Mid Corporate Assets					Term Lending	Total
		New Wheels	Used & CoW	Wheels Total	SBL-MSME	HL	GL+CD+PL	OD Agnst FD	Total Retail Assets	REG	BB	Agri SME	NBFC	SMC Assets		
Disb (YTD)	1H FY20	1561	1752	3465	2294	215	120	874	6968	236	539	262	749	1786	8754	
	1H FY19	1928	943	2909	1546	9	35	336	4834	171	402	187	1403	2163		6998
Disb Growth (YTD)	Y-o-Y	-19.0%	85.9%	19.1%	48.4%	n.m.	243.3%	160.1%	44.1%	38.1%	34.1%	40.0%	-46.6%	-17.4%	25.1%	
# of New Cases	1H FY20	30339	58492	1,05,600	22239	2246	n.d.	n.d.	n.d.	125	n.d.	635	75	n.d.		
Disb ATS (INR Mn)	Q2 FY20	0.53	0.29	0.33	1.07	1.1	n.d.	n.d.	n.d.	23	n.d.	4.12	99.9	n.d.		
Disb Yield (%)	Q2 FY20	13%	18.9%	16.5%	15.7%	13.1%	n.d.	n.d.	16.1%	n.d.	n.d.	n.d.	n.d.	n.d.	15.5%	
	Q1 FY20	14%	19.2%	16.6%	15.9%	12.8%	n.d.	n.d.	16.2%	n.d.	n.d.	n.d.	n.d.	n.d.	15.6%	
	Q2 FY19	12%	22.7%	14.5%	14.8%	13.1%	n.d.	n.d.	14.6%	n.d.	n.d.	n.d.	n.d.	n.d.	13.6%	
Gross AUM as on 30 Sep 2019	Q2FY20	7,458	3,779	11,430	9,530	328	125	635	22,047	821	897	1,072	2,513	5,304	525	27,876
	Q1FY20	7,361	3,301	10,812	8,509	205	79	516	20,121	801	807	1,003	2,579	5,189	300	25,610
	Q2FY19	6,195	2,305	8,545	6,234	10	45	514	15,349	724	553	766	2,603	4,645	225	20,219
AUM Growth	Y-o-Y	20.4%	63.9%	33.8%	52.9%	n.m.	176.5%	23.4%	43.6%	13.5%	62.1%	40.0%	-3.4%	14.2%	75.0%	37.9%
	Q-o-Q	1.3%	14.5%	5.7%	12.0%	59.8%	58.2%	23.1%	9.6%	2.6%	11.1%	6.9%	-2.5%	2.2%	133.0%	8.8%
% AUM as on 30 Sep 2019	Q2 FY20	26.8%	13.6%	41.0%	34.2%	1.2%	0.4%	2.3%	79.1%	2.9%	3.2%	3.8%	9.0%	19.0%	1.9%	100.0%
	Q2 FY19	28.7%	12.9%	42.2%	33.2%	0.8%	0.3%	2.0%	78.6%	3.1%	3.2%	3.9%	10.1%	20.3%	1.2%	100.0%
AUM IRR	Q2FY20	12.9%	18.9%	15.0%	15.3%	12.9%	n.d.	n.d.	15.1%	15.3%	12.1%	12.4%	12.4%	12.8%		14.7%
	Q1FY20	12.9%	18.9%	14.8%	15.2%	12.8%	n.d.	n.d.	15.0%	15.2%	11.6%	12.5%	12.3%	12.7%		14.5%
	Q2FY19	13.2%	18.7%	14.7%	15.4%	13.0%	n.d.	n.d.	15.0%	15.5%	11.4%	13.2%	11.4%	12.1%		14.3%
GNPA	Q2 FY20	2.4%	2.2%	2.3%	2.3%	0.2%	0.7%	0%	2.2%	3.1%		5.6%	0.0%	1.6%		2.0%
	Q1 FY20	2.2%	2.4%	2.3%	2.5%	0.1%	1.3%	0%	2.3%	2.8%		4.9%	0.0%	1.4%		2.1%