



Digital-Led | Retail Focused | Customer Centric | Well Capitalized | Inclusive

Investor Presentation

9M / Q3FY21

Table of Contents

1. 9M / Q3FY21 Performance Highlights
2. Key focus : Asset Quality
3. Building a Digital Bank
4. Branch Banking Overview
5. Assets Overview
6. Other Key Updates

1. 9M / Q3FY21 Performance Highlights

Operating Environment

- Overall sentiment continues to improve with high recovery rates, declining number of new cases, and commencement of vaccination
- Demand has normalized in most segments in Q3FY21 ; Q4FY21 is expected to be significantly better
- Disproportionately impacted segments still lagging – Bus and Taxi segment in Wheels; Schools, Retail Garments and Rentals in SBL; Demand reviving with the improving operating environment
- Pending clarity on NPL recognition should help accelerate recovery process as it would ease security enforcement
- Bank is actively engaging with customers facing genuine stress due to COVID; continues to exercise caution in restructuring

Business Outlook

- Reasonable clarity now on our asset quality outlook and expect pro-forma GNPLs to have broadly peaked now
- Used part of Aavas sale proceeds to make additional provisions which we believe sufficiently cover potential losses that could arise due to COVID; we expect credit costs to normalize from here onwards
- We are now even more confident of our ability to build the AU Bank platform basis the performance of branch banking and resilience in our asset quality amid several challenges in the past year
- Journey towards becoming a Digital-led and Tech-enabled Bank, Sustainable granular deposits franchise, and Retail loans remain in focus
- Expect our disbursement growth momentum to sustain as overall growth outlook continues to improve
- Diversifying Fee income avenues by expanding payments ecosystem, Bancassurance partnerships and introduction of credit cards

Q3FY21 performance Highlights

- **Strengthened Digital Banking channels** – new age *Super App* for MB/IB, traction across payment channels, launched credit cards internally for employees
- **Disbursements growth** at 34% YoY in Q3FY21 driven by growth in demand across most key segments
- AUM at ₹ 33,222 Cr with growth of 11% YoY, ~9% QoQ ; Retail AUM[#] remains dominant at ~91%
- Gross NPA at 1.0% and Net NPA at 0.2%; PCR at 76%
- PAT ₹ 1,002 Cr for 9MFY21 and ₹ 479 Cr Q3FY21
- ROA for 9MFY21 was 3.0% and for Q3FY21 it was 4.2%; ROE was at 27.3% for 9MFY21 and 37.1% for Q3FY21
- Excluding gains from Aavas (after taxes and additional provisions), PAT was at ₹ 554 Cr for 9MFY21 and ₹ 180 Cr for Q3FY21
- CRAR and Tier 1 capital ratio at 18.8%, and 16.3%*; Including 9M interim profits, CRAR at 22.9% and Tier 1 at 20.3%
- Basis the normalized environment and re-emergence of growth, the Bank is moving ahead with annual performance appraisal (increments) for FY20 for all employees in this quarter; the bonus has already been paid out in Q3FY21

Assets – Promising outlook

- Demand has been consistently improving and becoming more broad-based with pick-up in activity levels
- AUM spreads remained stable at 7.6%; Incremental spreads improved to 8.1% in Q3FY21 vs 8.0% in Q3FY20
- **Collection efficiencies and activation rates** have achieved normalcy across most segments
- The Bank has been prudent in approving restructuring proposals basis our internal risk models and business viability; most of the restructuring has been for deferment of principal by 3/6 months while servicing of interest continues
- In Q3FY21, the Bank restructured ₹ 251Cr (0.8% of gross advances), mainly in the bus, taxi (within wheels) and schools, apparels (within SBL); Overall restructured advances should stabilize at ~1.5% of gross advances including fresh restructuring that the Bank may undertake in Q4FY21

#As per the latest RBI definition on regulatory retail assets;*regulatory requirement is 15% for CRAR and 7.5% for Tier 1

Digital Banking – Moving towards a Digital-led Bank

- **Remain actively engaged in mutually beneficial** partnerships with major e-commerce players via offer campaigns;
- Best of E-Com players are more open to engage with us given our tech capabilities in API banking and our diverse customer base.
- **New platforms launched**
 - **New Internet and Mobile Banking platform** launched for retail customers – 100+ features incl. ASBA, UPI, Investments, Bill Payments and various lifestyle related services like Taxi booking, Flight tickets, Hotels etc.
 - **Credit card** on our own platform with best-in-class partners; live for employees; customer launch in next few months
- **Digital payment Ecosystem** – all channels live (UPI, FASTag, BBPS, AePS etc.);
 - Over 1.6Cr txns worth ~₹ 6,000 Crores executed in Q3FY21 on UPI platform
 - 172 Crores worth of payments executed in Q3FY21 using AePS platform
- **QR ecosystem continues to expand** - ~28K new merchant QR Codes deployed in Q3FY21 – to boost CA acquisition, analytics-based lending
- **Digital on-boarding – Video Banking** solution live for KYC, SA and FD A/c opening modules live
 - ~1,000+ SA and FD a/c opened in Q3FY21 using Video Banking
 - ~4,400 SA a/c opened via AU ABHI (end-to-end self-onboarding application of the Bank)
 - ~87% of all SA a/c and 60% of all CA a/c opened during the quarter were opened using digital solution via TAB banking
- High emphasis on **internal digitisation and automation** of processes across verticals – optimise productivity and TAT
- **Investment in NPCI** – to further augment our digital banking journey, AU Bank also participated in the equity raising process of NPCI to the maximum permissible limit

Branch Banking – Building a sustainable granular franchise

- Continued traction in retailization of deposits and deepening of customers – **Individual Driven Banking*** contributes ~60% of branch deposits as on Q3FY21 vs. 36% in Q3FY20
- **28% YoY growth in branch banking deposits led by SA growth of 85% and CA growth of 35%**
- **Retail deposits (CASA + Retail TD)** now at 55% of deposits vs 43% in Q3FY20; CASA ratio at 22% vs. 16% in Q3FY20
- **Gaining Market Share**** 41 branches now above 5% market share in deposits; 8 branches >10% market share
- Added **Branch footprint** in 16 new locations including Bhubaneswar, Hyderabad, Kolkata and Lucknow
- Attractive Merchant Offers with larger partners like Amazon, Flipkart, Myntra, Swiggy, Zomato, Dominos, etc. leading to higher customer engagement and balances build up
- **Enhanced our 3rd party product range** – Entered into partnerships with Care Health Insurance, ICICI Prudential Life Insurance[#]
- CRISIL awarded “FAA+/Stable” rating to AU Bank’s Fixed Deposits in Q3FY21

Treasury Update

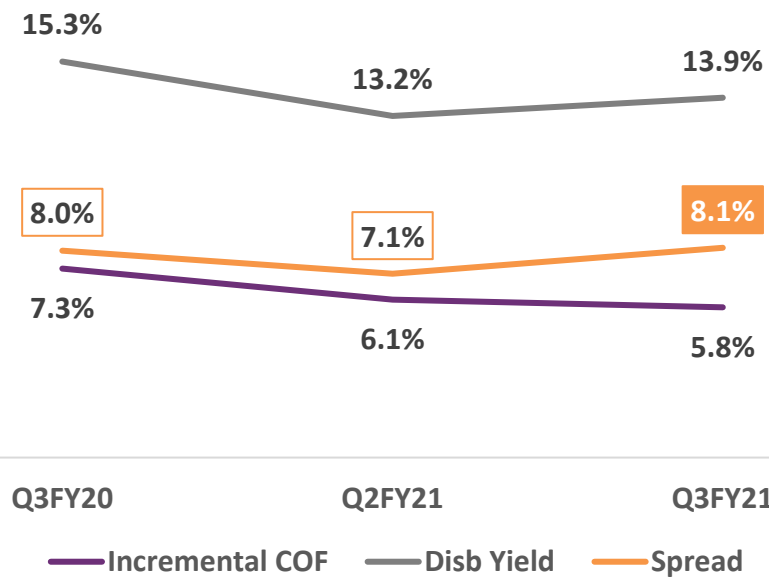
- Overall cost of funds for 9MFY21 was at 6.95% - reduced by 74bps over FY20; Incremental cost for 9MFY21 was at 5.97% - down by 136 bps over FY20
- Basis overall market environment, we have focused on maintaining optimum liquidity - LCR has been brought down in a calibrated manner from 150% as on 30th June’20 to 111% as on 31st Dec’20 (against regulatory requirement of 90%)
- CD ratio as on 31st Dec 2020 was 102% vs 111% as on 31st Dec 2019; Average CD ratio for 9MFY21 at 101%

*Individual Driven Banking includes Individuals, HUF, Sole proprietorships and Partnerships

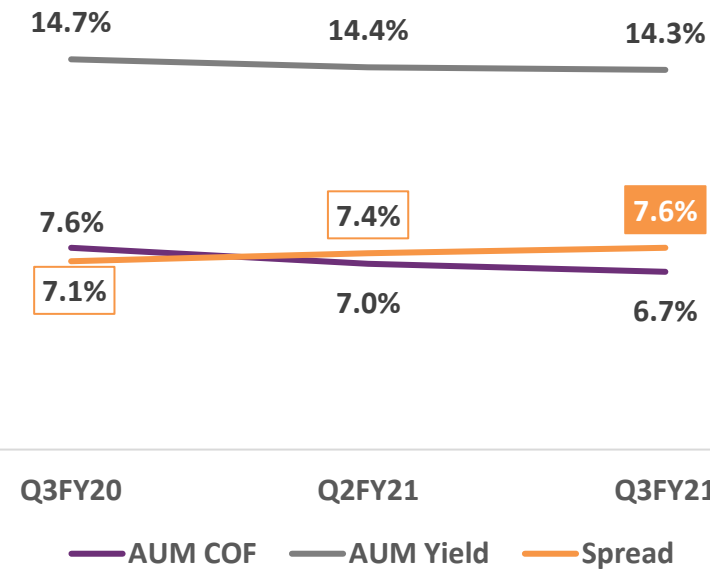
**As per the last available RBI Data; [#]Effected in Jan’21

Spreads improved through efficient cost management

Incremental Spreads



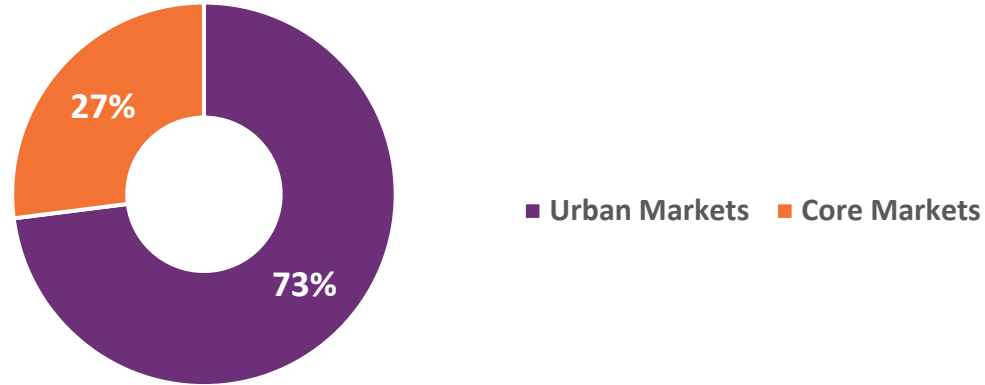
AUM Spreads



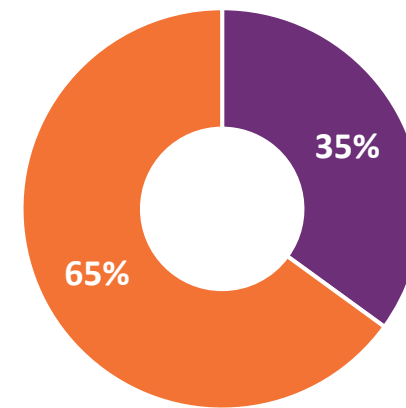
- Pick up in demand led to disbursement yields improving in Q3FY21 though it continues to trail on YoY basis given low interest rate environment
- At the same time, incremental and AUM Spreads have been stable with commensurate fall in cost of funds

Geographic split of business

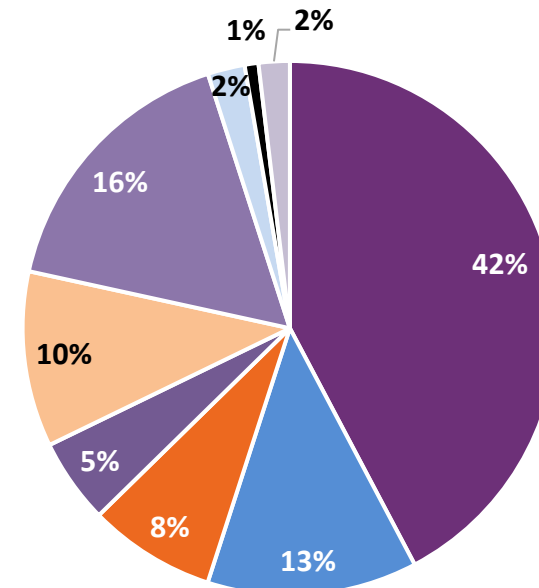
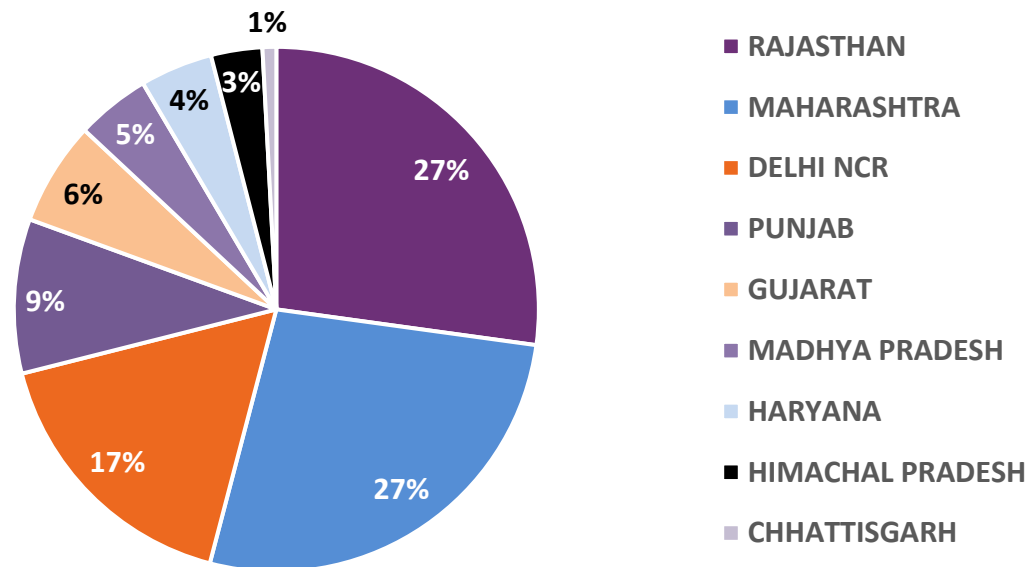
Liabilities Break up



Assets Break up



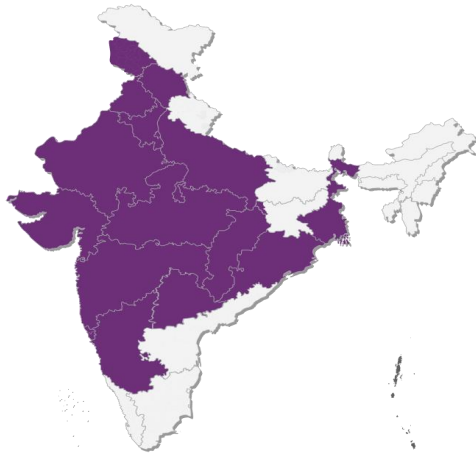
Garnering Deposits from urban markets and disbursing in core markets



Core Markets are smaller centers in rural/semi-urban which typically have a local economy built around agriculture and small businesses, and where we typically lend in. Larger centers which have more advanced infrastructure such as airports, malls etc. are defined as Urban Markets.

9M / Q3FY21 Key Financial Highlights

15 States and 2 UTs



Touchpoints

728

Vs.
624
(31-Dec-19)



Customers

18.8 lakh

Vs.
15.9 lakh
(31-Dec-19)



Employees

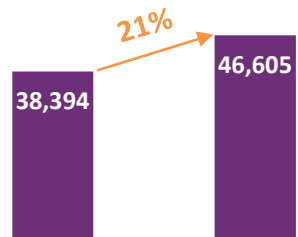
18,992

Vs.
15,308
(31-Dec-19)



Total B/S Assets

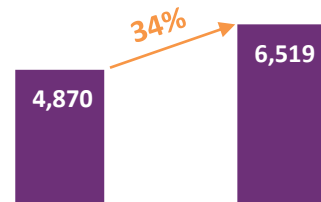
₹ Crore



31-Dec-19 31-Dec-20

Disbursements¹

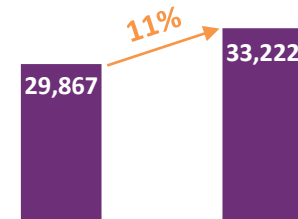
₹ Crore



Q3FY20 Q3FY21

Loan Assets Under Management²

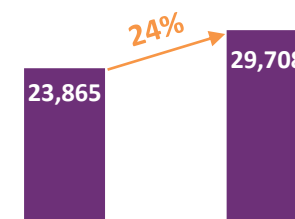
₹ Crore



31-Dec-19 31-Dec-20

Deposits³

₹ Crore



31-Dec-19 31-Dec-20

CASA Ratio[#]

22%

Vs.
16%
(31-Dec-19)

¹Disbursements for Q3FY21 include Non-Fund based credit facilities sanctioned

²Money Market Term Lending by Treasury of ₹ 575 Cr as on 31st Dec 2019 and ₹ 100 Cr as on 31st Dec 2020 is also added in Loan Assets Under Management.

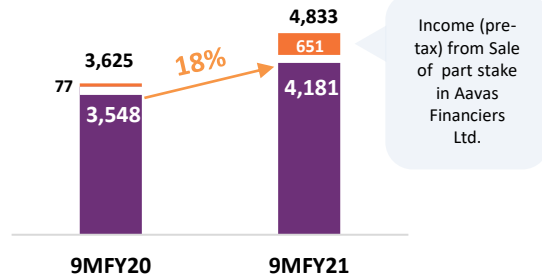
³ Deposit Base of ₹ 29,708 Cr includes Certificate of Deposit of ₹ 1,505 Cr, Deposit Base of ₹ 23,865 Cr includes Certificate of Deposit of ₹ 1,813 Cr

[#] Calculation for CASA Ratio includes CDs in total deposits

9M / Q3FY21 Key Financial Highlights

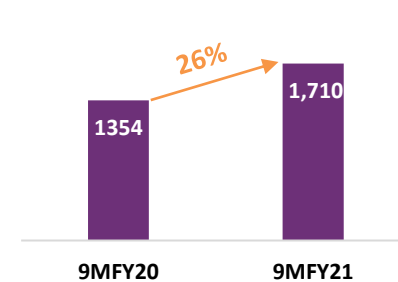
Total Income

₹ Crore



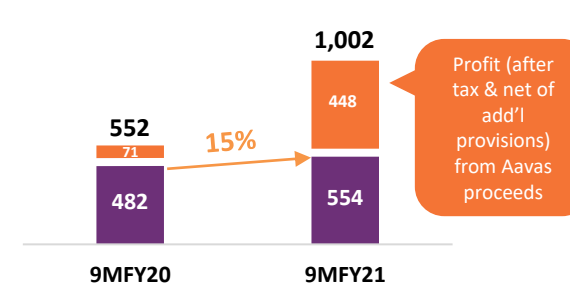
Net Interest Income

₹ Crore



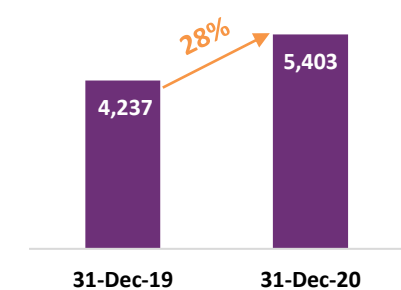
PAT

₹ Crore



Net Worth

₹ Crore



Yield¹ on AUM

14.3%

Vs.
14.7%
(31-Dec-19)

Cost of Funds

7.0%

Vs.
7.8%
(9MFY20)

Net Interest Margin²

5.4%

Vs.
5.4%
(9MFY20)

ROA³ / incl Aavas Profit

1.7% / 3.0%

Vs.
1.8% / 2.1%
(9MFY20)

ROE³ / incl Aavas Profit

15.1% / 27.3%

Vs.
17.4% / 19.9%
(9MFY20)

GNPA

1.0%

Vs.
1.9%
(31-Dec-19)

NNPA

0.2%

Vs.
1.0%
(31-Dec-19)

Provision Coverage Ratio

76.0%

Vs.
46.8%
(31-Dec-19)

CRAR⁴

18.8%

Vs.
19.3%
(31-Dec-19)

Tier-I CRAR⁴

16.3%

Vs.
16.5%
(31-Dec-19)

¹Total Loan Assets AUM Yield is calculated excluding the Money Market Lending by Treasury;

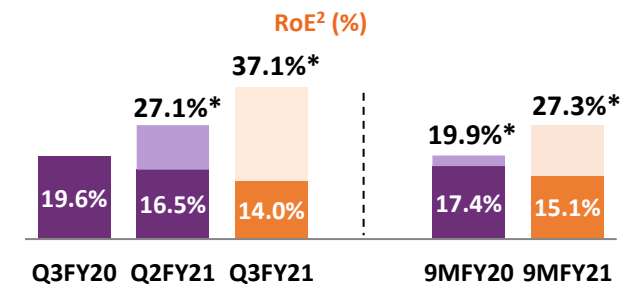
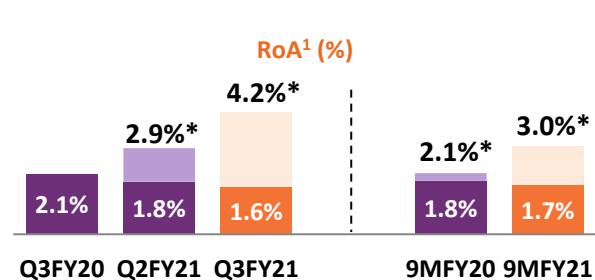
²Net Interest Margin represents Net Interest Income as % of Average Interest Earning Assets; Annualized.

³ROA represents PAT as % of Average Total Assets; Annualized; ROE represents PAT as % Net worth; Annualized.

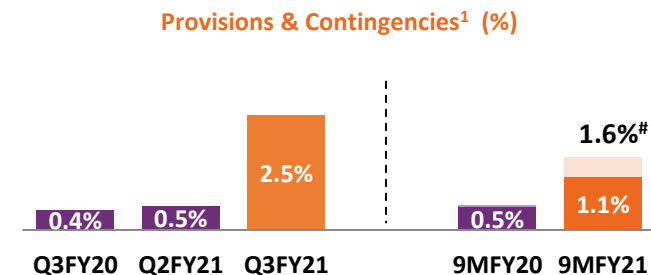
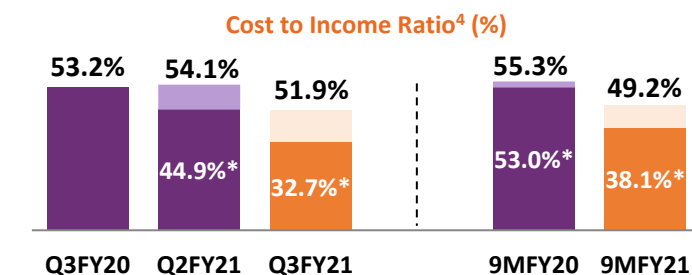
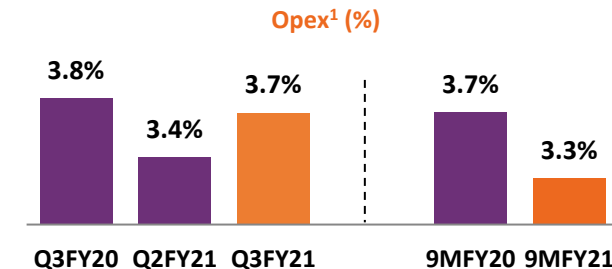
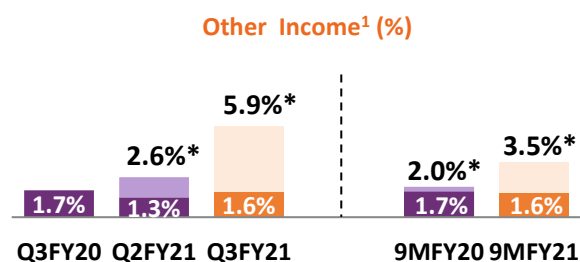
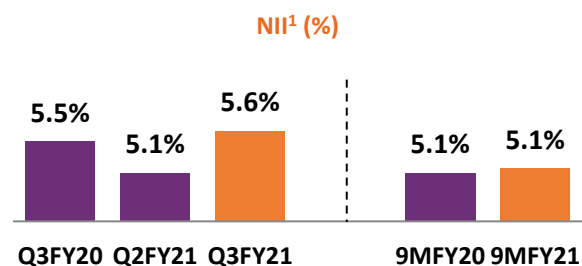
⁴CRAR and Tier 1 CRAR exclude profit for 9M

Profitability Trends

* Including Profit from Sale of part stake in Aavas Financiers Ltd.



ROA / ROE – Components



Including COVID-19 related Provisions

1 ROA, NII, Opex, Provisions & Contingencies is represented as % of Avg. Total Asset; ROA excludes Profit from Sale of Investments in Aavas Financiers Ltd.; Annualized for quarterly figures

2 ROE represents PAT as % of Avg. Net worth; ROE excludes Profit from Sale of Investments in Aavas Financiers Ltd.; Annualized for quarterly figures

3 As % of sum of Avg. Total Assets; Other Income excludes Profit from Sale of Investments in Aavas Financiers Ltd.; Annualized for quarterly figures

4 Cost to Income Ratio represents Operating Cost to sum of NII and Other Income; Cost to Income ratio excludes Profit from Sale of Investments in Aavas Financiers Ltd.

Profit & Loss Statement

(All Figures in ₹ Crore)	9M FY21	9M FY20	Y-o-Y	Q3FY21	Q3FY20	Y-o-Y	Q2FY21	Q-o-Q
	Unaudited	Unaudited		Unaudited	Unaudited		Unaudited	
Income								
Interest Earned	3,658	3,102	18%	1,261	1,112	13%	1,212	4%
Interest Expended	1,948	1,748	11%	628	605	4%	652	-4%
Net Interest Income	1,710	1,354	26%	633	507	25%	561	13%
Other Income	523	446	17%	184	161	14%	141	30%
Income from sale of Equity Shares of Aavas Financiers Ltd.	651	77	746%	480	-	-	144	-
Total Net Income	2,885	1,877	54%	1,297	668	94%	846	53%
Expenses								
Employee Cost	643	555	16%	240	187	28%	224	7%
Other Operating Expenses	456	440	4%	184	168	9%	156	18%
Total Operating Expenses	1,100	996	10%	424	355	19%	380	11%
Operating Profit before Provisions and Contingencies	1,785	881	102%	873	313	179%	466	87%
Provisions (other than tax) and Contingencies	382	133	188%	284	40	607%	57	394%
Covid-19 Provisions	140	-	-	-	-	-	-	-
Exceptional Items	-	-	-	-	-	-	-	-
Profit Before Tax	1,262	749	69%	589	273	116%	409	44%
Tax expenses	261	196	33%	110	83	34%	87	27%
Profit After Tax	1,002	552	81%	479	190	152%	322	49%

Balance Sheet – Total Assets grew 21% YoY

(All Figures in ₹ Crore)	Dec 31, 2020	Dec 31 , 2019	Y-o-Y	Sep 30 , 2020	Q-o-Q
	Unaudited	Unaudited		Unaudited	
<u>Liabilities</u>					
Capital	307	304	1%	307	-
Money received against Share Warrants	-	-	-	-	-
Employees stock options outstanding	49	57	-14%	52	-6%
Reserves and Surplus	5,047	3,876	30%	4,558	11%
Deposits	29,708	23,865	24%	26,980	10%
Borrowings	9,171	8,668	6%	10,123	-9%
Other Liabilities and Provisions	2,324	1,623	43%	1,995	16%
Total Liabilities	46,605	38,394	21%	44,014	6%
<u>Assets</u>					
Cash and Balances with R B I	1,116	1,019	10%	1,110	1%
Balances with banks and Money at Call and Short Notice	2,223	1,110	100%	3,216	-31%
Investments	11,562	8,588	35%	11,241	3%
Advances	30,293	26,572	14%	27,233	11%
Fixed Assets	469	449	4%	452	4%
Other Assets	942	656	44%	762	23%
Total Assets	46,605	38,394	21%	44,014	6%

Breakup of Other Income

(All Figures in ₹ Crore)	Q3FY20	Q2FY21	Q3FY21
	Unaudited	Unaudited	Unaudited
Loan Assets Processing & Other fees	87	54	101
General Banking & Deposits related fees	18	23	28
Cross Sell, Distribution related fees & others	10	6	7
PSLC Premium / Fees	25	8	8
Income from Treasury Operations	16	46	36
Income from sale of Equity Shares of Aavas Financiers Ltd.	-	144	480
Bad Debt recovery	5	4	5
Other Income Total	161	286	663

2. Key focus : Asset Quality

Collection Efficiency - Normalcy achieved in almost all segments

Product	Dec-20	Q3FY21	Q2FY21	Q3FY20
SBL	113%	108%	106%	99%
Wheels	98%	92%	89%	99%
NBFC	99%	99%	105%	100%
Business Banking	97%	100%	105%	96%
REG	105%	102%	110%	91%
Agri	146%	113%	119%	94%
Home Loan	124%	126%	112%	100%
SME	149%	126%	106%	88%
Personal Loans	99%	92%	88%	95%
Gold Loan	104%	162%	116%	100%
Consumer Durable	108%	97%	85%	97%
Others	200%	90%	100%	100%
Grand Total	103%	97%	96%	98%

- Collection efficiencies for Q3FY21 is in line with Q3FY20 with normalization across most segments

Customer Activation – Normalcy achieved in almost all segments

Product	December-2020		
	Total Gross Advances (₹ Cr)	% of Gross Advances	
		Full	Part
SBL	12,343	84%	8%
Wheels	11,262	81%	6%
NBFC	1,399	99%	0%
Business Banking	1,348	96%	2%
REG	634	86%	12%
Agri	869	93%	4%
Home Loan	987	93%	3%
SME	497	75%	14%
Gold Loan	160	75%	6%
Personal Loan	76	82%	8%
Others	780	100%	0%
Total	30,355	84%	7%

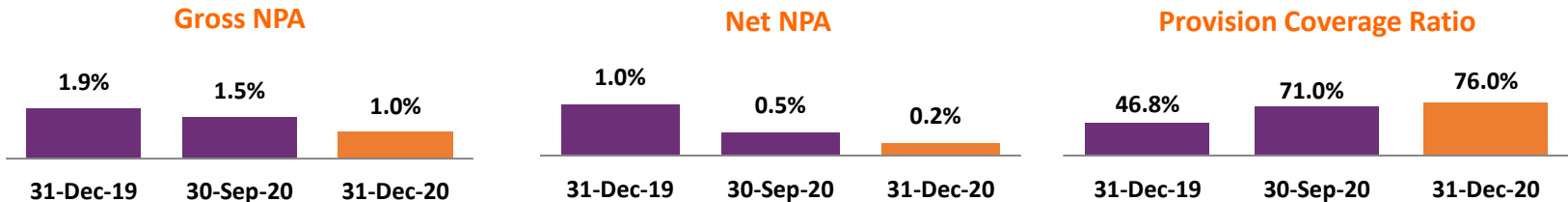
- Customer Activation denotes % of customers paying in the same month as the month of billing;
- Full and Part EMI clearance from April'19 to Feb'20 has been around 80% and 5% respectively
- Excluding NPA Pool

Break up of Credit Cost

Credit Cost - Net Impact on P/L	Q3FY20	Q2FY21	Q3FY21
(All Figures in ₹ Crore)	Unaudited	Unaudited	Unaudited
Repossession Loss	11	5	7
POS Loss	4	3	4
Write off	2	0	86*
Less: Bad Debt Recovery	-5	-2	2
Net Credit Loss	12	6	95
Net Credit Loss (as % of Avg. Total Assets)	0.13%	0.06%	0.83%
Provision on NPA	15	16	-70
Credit Cost – Net Impact on P/L	27	22	24
Credit Cost – Net Impact on P/L (as % of Avg. Total Assets)	0.3%	0.2%	0.2%

Movement of Gross NPA	Q3FY20	Q2FY21	Q3FY21
(All Figures in ₹ Crore)	Unaudited	Unaudited	Unaudited
Opening Gross NPA	504	447	423
Additions during the period	130	23	6
Reductions during the period	130	47	126
Gross NPA (closing)	504	423	303

*During the quarter, the bank sold ₹ 93.6 Cr pool to an ARC having provision of 85.6 Cr



GNPA and NNPA would have been 3.3% and 1.3% respectively in the absence of the Hon'ble Supreme Court's interim order. The bank has created additional provisions for these accounts.

Details on Provisions

Particulars	Amount (in Cr)	Provisioning (in Cr)	Coverage (%)
Total Proforma GNPA (A)	1,017	625	61%
Gross NPA	303	230	76%
Proforma Slippages	714	395	55%
Additional Contingency Provisions (B)		143	
Contingency Buffer		108	
Add'l for restructured assets (Excl. std prov)	251	35	
Standard Provisioning (C)		146	
On Standard Assets		133	
On Restructured assets		13	
Total Provisioning at Bank (A+B+C)		914*	

- Our **stressed assets are small ticket, secured and are used for income generation**; We expect resolutions to pick up pace going ahead
- We are now carrying Contingency + COVID related provisions on all identified potential sources of stress which is well above our historical costs
- Our average credit cost of last 3 years has been ~50bps for Wheels and ~30bps for SBL and ~40bps at portfolio level
- We are currently carrying ₹ 733 crores (72% coverage) on Proforma GNPA and ₹ 48 Crores on Restructured Assets (19% coverage)
- Overall, we think that current provisioning levels are more than adequate to address losses from current identified stress portfolio including any future COVID related slippages and/or any stress from restructured assets; Credit costs will normalize from Q4FY21 onwards

*Total provision is 3% of Gross Advances

₹ Crore

Segmental break-up of NPA and restructured Assets						
Product	Reported NPA	Proforma NPA	Total Proforma NPA	% of Proforma NPA	Restructured Cases	%
Wheels	99	386	485	48%	105	42%
SBL	122	248	370	36%	98	39%
Agri-SME	50	30	80	8%	38	15%
Others	31	50	81	8%	10	4%
Grand Total	303	714	1,017	100%	251	100%

- 84% of our Proforma NPAs are coming from our two vintage businesses - Wheels and SBL
- Both segments are fully secured having strong security cover and consistent track record in recovery rates

Details of Proforma NPA pool	Wheels	SBL
Average Ticket Size (₹ lacs)	3.5	9.2
Avg. LTV*	~80%	60% portfolio has LTV <50%; 95% portfolio has LTV < 70%
Paid at least 12 EMIs	67% of borrowers	84% of borrowers
Collateral attribute	~47% of the vehicles are less than 4 year old	93% properties are Self-occupied; 75% being Residential

*LTV for SBL – current POS as a % of last available property valuation; LTV for Vehicle is at the time of disbursement.

3. Building a Digital Bank

Focus on Customer Experience and Increasing Digital Product Offering



- Upgraded Mobile Banking and Internet Banking platform; launched in Q3FY21 with **130+ new functionalities**
- 10+ new end-to-end banking service & product** journeys for both NTB and ETB customers scheduled for launch in Q1FY22

Deposits

Cards

Loans

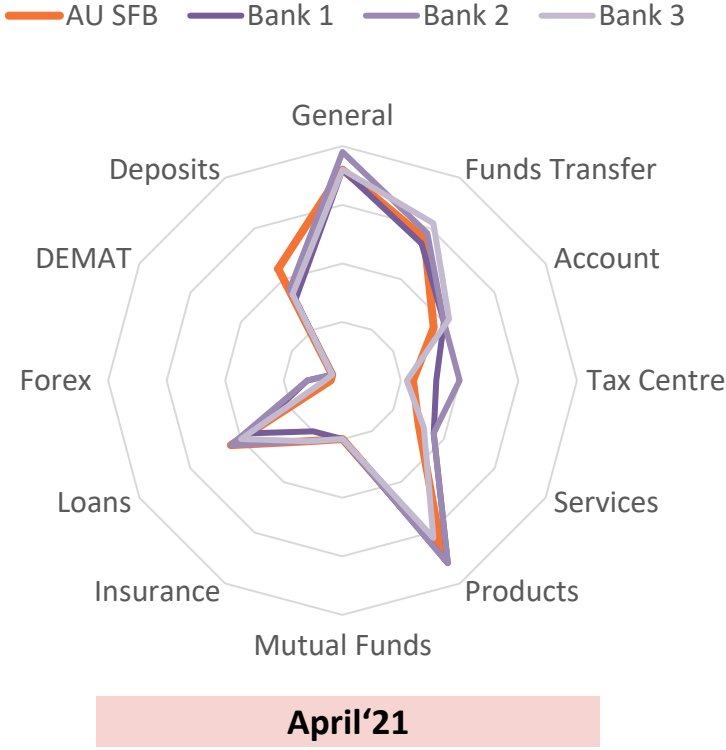
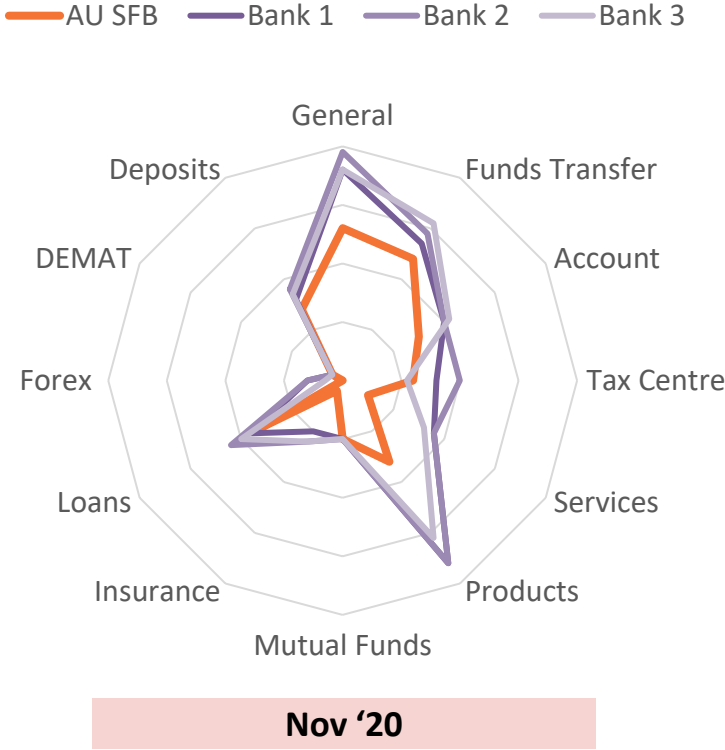
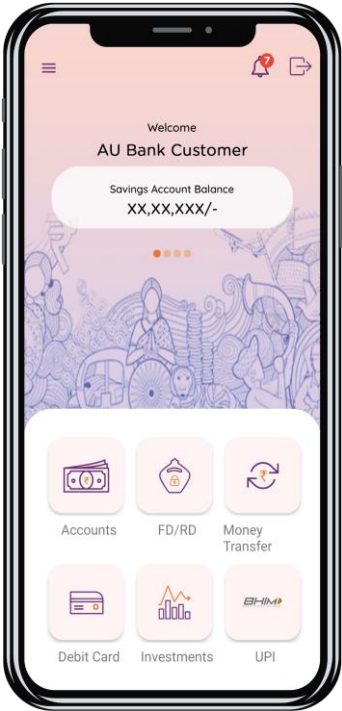
Insurance

Investment

Payments

Lifestyle

Offers



* Functionality comparison based on internal analysis. Bank 1 – large public sector bank in India , Bank 2 and Bank 3 - top 5 private sector banks in India



ATM

~50 lakh transactions worth ~2,450 Cr. executed in Q3FY21



Video Banking

~1K deposits' customers onboarded. Channel being extended to other products and services



Tele Banking (IVR)

Resolved 3.5+ lakh customer service requests raised by 2+ lakh customers



Chatbot-Auro

10+ lakh hits for 10+ services on Chatbot in Q3FY21



WhatsApp Banking

70K+ interactions on WhatsApp Banking in Q3FY21



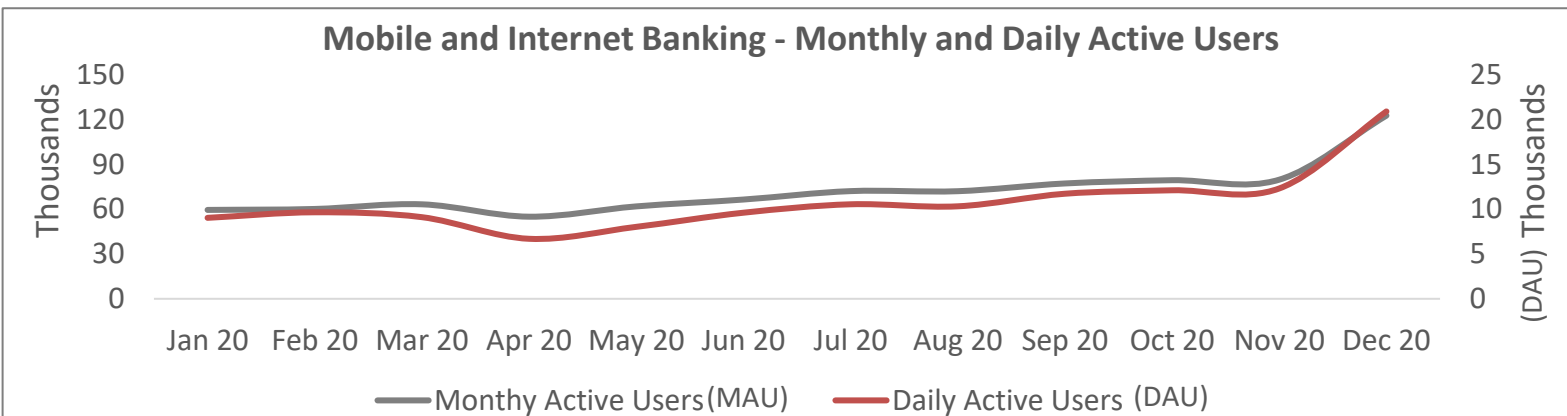
Missed Call Banking

3+ lakh balance checks & statements generation in Q3FY21

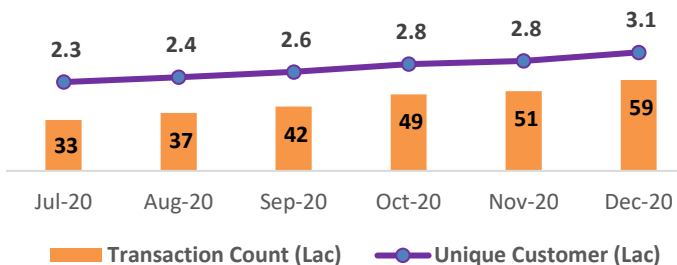
Increasing Customer Transactions across MB / IB and Payments

Mobile and Internet Banking

- Steady increase in DAU and MAU over last 6 months driven by digital migration, organic growth, engagement on debit cards and upgraded platform.
- Q3FY21 Avg. MAU – DAU ratio ~6.3

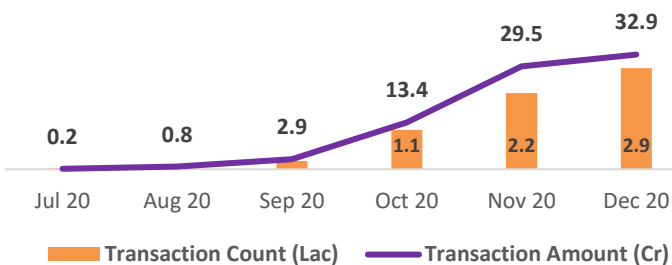


UPI



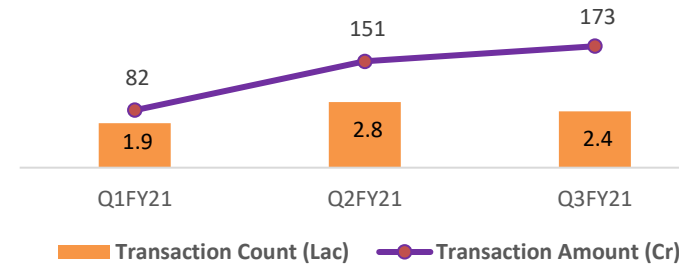
- Increasing unique customers; 3+ lakh as on Q3FY21
- 1.6+ Cr. transactions worth ~₹ 6K Cr. executed in Q3FY21

UPI QR



- 34K+ merchants onboarded as on Q3FY21
- ~11 Lac transactions worth ~₹ 132 Cr. executed in Q3FY21

AEPS



- 2.5 Lac transactions executed worth ~₹ 172 Cr in Q3FY21
- Very strong traction in core areas

Tab Banking

Tab based journeys for lending products - SBL (live); Home Loan and Wheels to be launched in FY22

*Leveraging Tab Banking across products customer onboarding to enhance experience, reduce TAT and optimize workforce productivity
90%+ deposits accounts being opened via digital platforms*

6000+ CRM Mobile Users

Mobile App based end-to-end sales management tool for employees to increase customer engagement, lead management and cross sell

Data and Analytics

*Risk based score cards for credit underwriting to reduce TAT and quantify risk
4+ lakh pre-approved offers generated, increasing over all PPC*

Building Strong Technology and Product Team

*Technology and Product inhouse full time employee at 350 in Q4FY21, to increase at ~500 by Q1FY22
Sourcing right mix of talent and experience from premium institutes and leading organizations*

Current / Upcoming Engagements	
API Banking	Offers
	amazon.in zomato G GROFERS M Myntra S SWIGGY
	Unsecured Lending
	KreditBee Pine Labs BillDesk All your payments. Single location.
	Secured Lending
	MARUTI SUZUKI NEXA Mahindra SYOUV Transparent. Personalized. Convenient.
API Banking	Deposits
	Payments
	Razorpay paytm Get ePay
	Investments
	MOTILAL OSWAL Investment Services smallcase

4. Branch Banking Overview

Key turning points

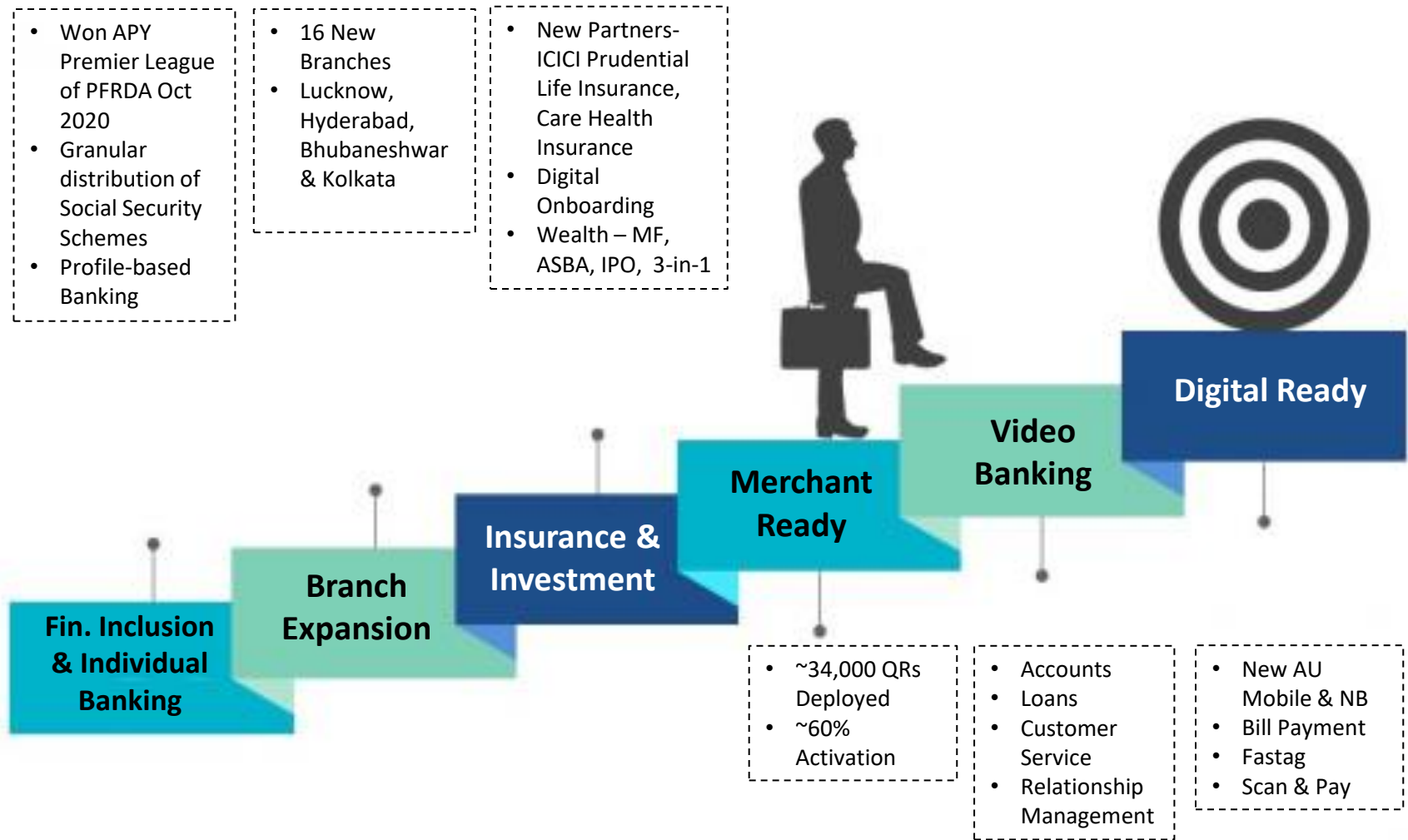
Key events	Our Performance	
	Deposit as a % of external liabilities	Retail Deposits as a % of total deposit
April'17 (Bank Launch)	N/A	N/A
Sept'18 (NBFC Crisis + Branch vintage >1 yr)	21%	35%
Mar'20 (COVID-19 gave room to execute)	72%	43%
Dec'20	76%	55%

Core Principles of our Deposit Strategy



Key markers being tracked are CD Ratio, CASA ratio and Retail to Total Deposit Ratio

Building blocks in place for a strong deposit franchise



Offers and Engagement aiding Activation and Deepening



Offers across major brands

78% Debit Card users on Amazon were new activations

1st Small Finance Bank to partner with Leading Brands

10% Discount

10% Cashback

Other Marquee Brands

10% Off

10% Off

25% Off

₹200 Off

Shopping Festival and Pre-Approved Offers on Maruti Suzuki NEXA



Hyperlocal Debit Card Offers across cities

Adding Sweetness to Festivity

10% Cashback at famous sweet shops in Jaipur

Events for Customer Engagement



Focus during FY21 on deepening engagement and cross sell resulting in steady improvement across several key underlying metrics

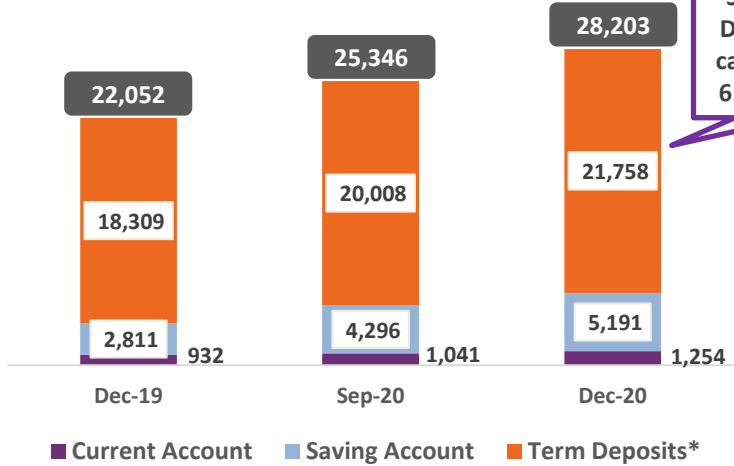


Key Metrics (scaled)	Mar'20	Sep'20	Dec'20
AMB/non-zero-bal-Customer	100	154	192
TD/non-zero-bal-Customer	100	116	120
Zero Bal Customers	100	95	95
% transacting Customers	100	101	109
Avg. transaction/transacting customer	100	151	169

Branch Banking - Snapshot

Growing Deposit Franchise

in ₹ Crore

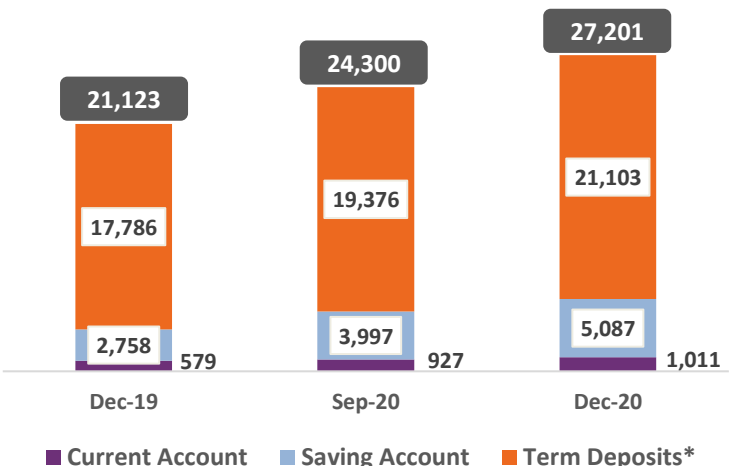


33% of the Term Deposits are non-callable [Bulk TD – 61% non-callable]

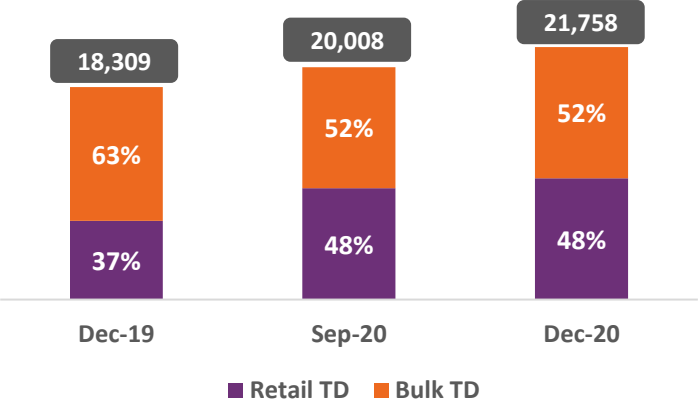
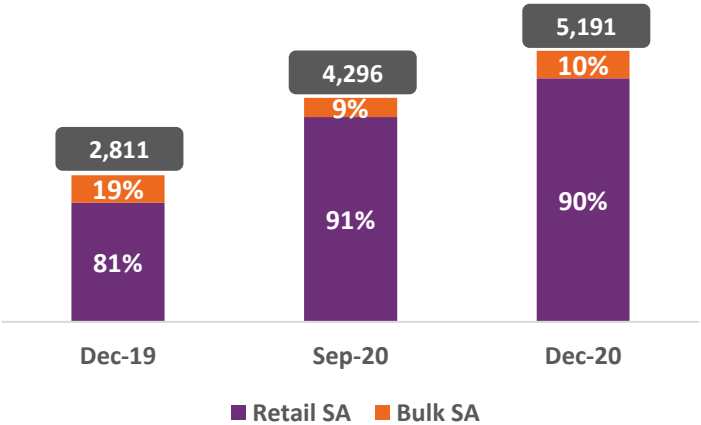
	Growth	
	Y-o-Y	Q-o-Q
Total Deposits*	28%	11%
Savings Account	85%	21%

Average Monthly Balance

in ₹ Crore



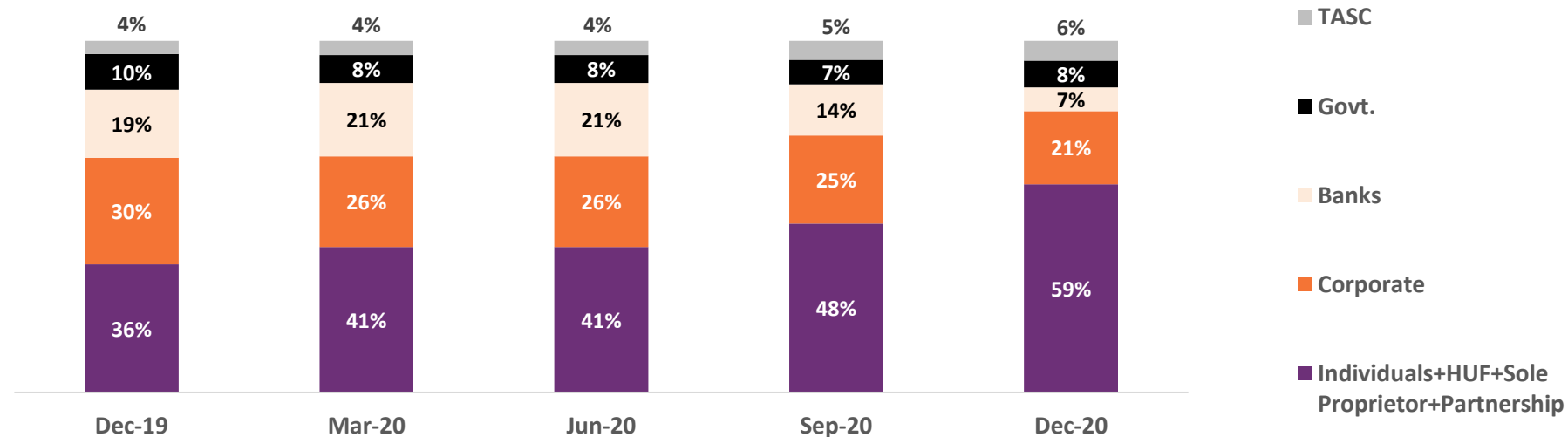
Retail deposits (CASA + Retail TD) now at 55% of deposits vs 54% in Q2FY21 and 43% in Q2FY20 with improving granularity across CA/SA/TDs



*Deposits excludes Certificate of Deposits of ₹ 1,813 Cr as on 31st Dec 2019, ₹ 1,635 Cr as on 30th Sep 2020 and ₹ 1,505 Cr as on 31st Dec 2020
 1 Retail SA refers to all SA of Individuals (including Salaried), HUF and SA of Government & TASC having balance of less than ₹ 5 Crore while Bulk SA refers to SA of Government & TASC with balances of ₹ 5 Crore & above
 2 Retail TD refers to all TD of Individuals (including Salaried), HUF and TD of Corporates, Government & TASC having balance of less than ₹ 1 Crore till 31stDec 18 and less than ₹ 2 Crore from 31stMar 19 while Bulk TD refers to all TD of Banks and TD of Corporates, Government & TASC with balances of ₹ 1 Crore & above Crore till 31st Dec 18 and ₹ 2 Crore & above from 31st Mar 19

Branch Banking – Deposit profile

Profile of Deposits¹ spread across segments – Individual base increased its share from 36% to 59% in the past year



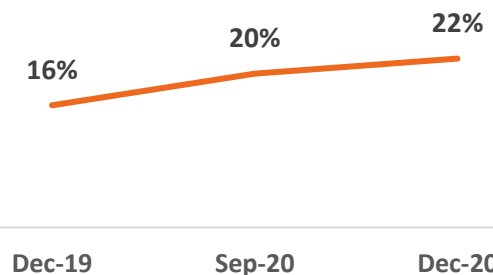
Contribution of Banks and corporates has come down from 49% to 28% over the year

TASC and NRI verticals gaining traction; have reached ~7%

Area-wise Deposit Distribution

	CA	SA	TD
Urban Market Banking	68%	58%	77%
Core Market Banking	32%	42%	23%

CASA Ratio[#]



As on 31st Dec 2020

¹ Deposits excludes Certificate of Deposits of ₹ 1,813 Cr as on 31st Dec 2019, ₹ 1,635 Cr as on 30th Sep 2020 and ₹ 1,505 Cr as on 31st Dec 2020

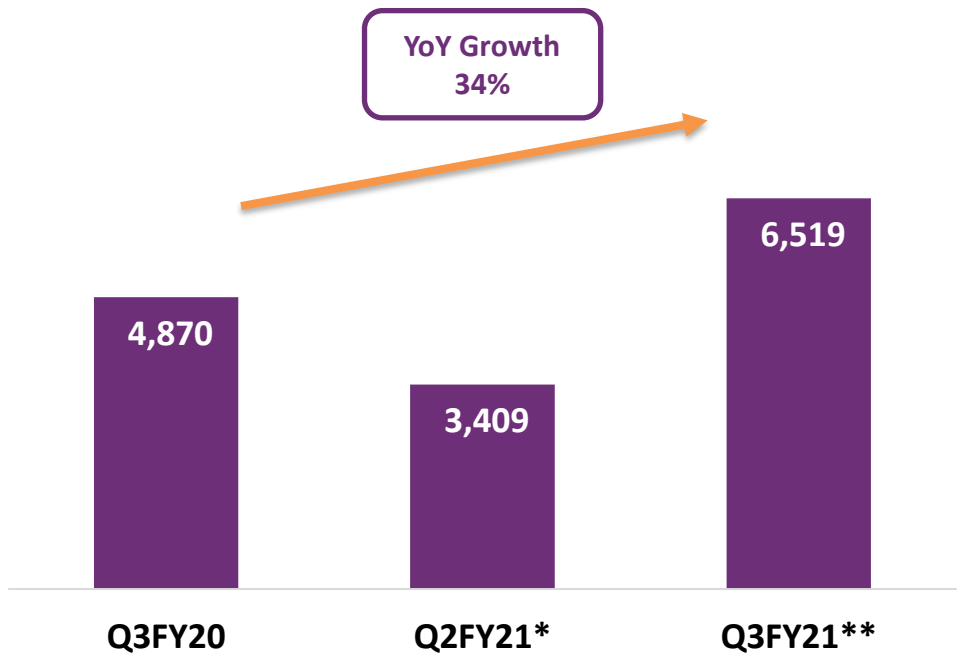
[#] Calculation for CASA Ratio includes CDs in total deposits

5. Assets Overview

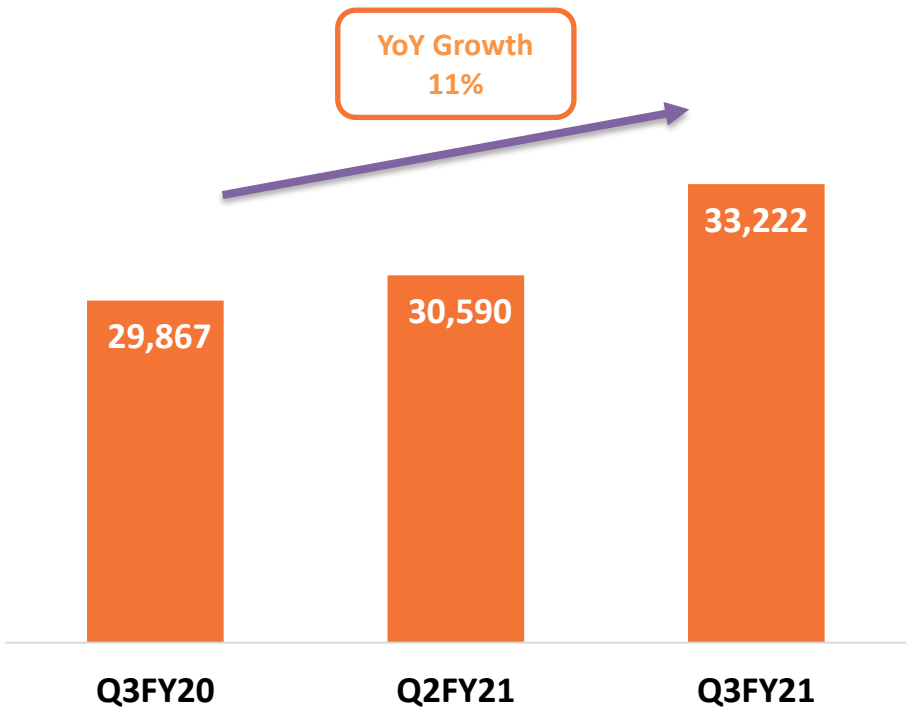
Disbursements and AUM Trends

in ₹ Crore

Disbursements



AUM



*Includes ₹ 53 Cr disbursed under TLTRO and ₹ 354 Cr disbursed under ECLGS Scheme

**Includes ₹ 150 Cr disbursed under ECLGS Scheme

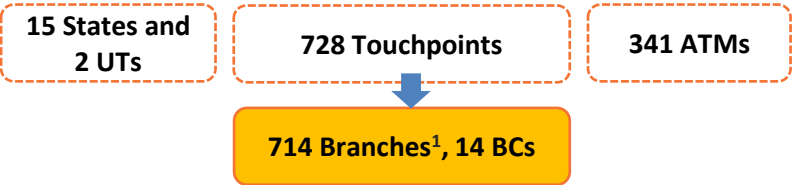
AUM mix – Retail AUM constitutes 91%

Category (Amount in ₹ Cr)	Retail Assets		Corporate Assets		AUM as on 31st Dec 2020	% of total
	Amount	% of category	Amount	% of category		
Wheels*	13,473	99%	76	1%	13,549	41%
<i>New</i>	8,487	99%	76	1%	8,563	
<i>Used & CoW</i>	4,986	100%	-	0%	4,986	
SBL-MSME	12,858	100%	10	0%	12,868	39%
Home Loan	987	100%	-	0%	987	3%
GL+CD+PL	239	100%	-	0%	239	1%
OD against FD	587	87%	86	13%	673	2%
REG	101	16%	543	84%	645	2%
Business Banking	964	69%	429	31%	1,393	4%
Agri SME	1,168	85%	212	15%	1,380	4%
NBFC	-	0%	1,386	100%	1,386	4%
Others	3	3%	100	97%	103	0%
Total Assets	30,380	91%	2,842	9%	33,222	100%

- The above classification is as per the latest RBI definition of regulatory retail and corporate assets
- Retail AUM contribution as per our earlier disclosure format (used till Q2FY21) would have been 85% in Q3FY21 vs. 84% in Q2FY21

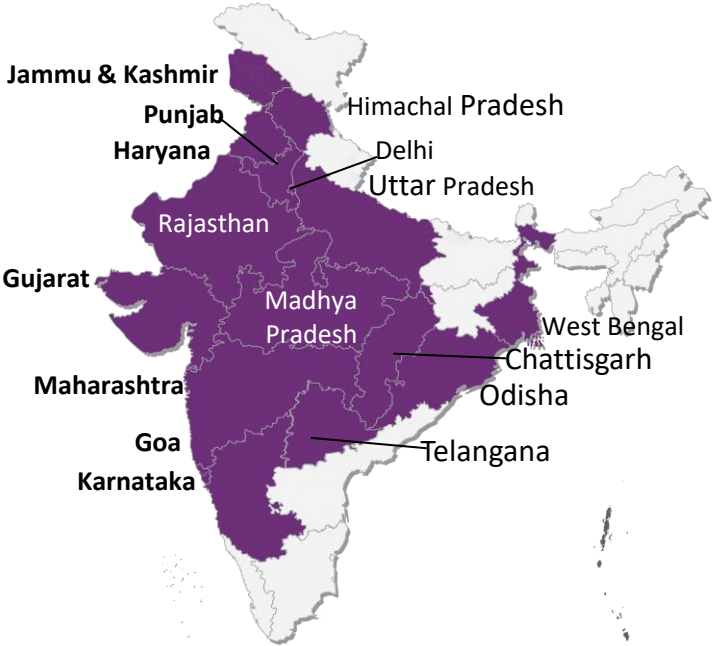
6. Other Key Updates

Well entrenched contiguous distribution franchise

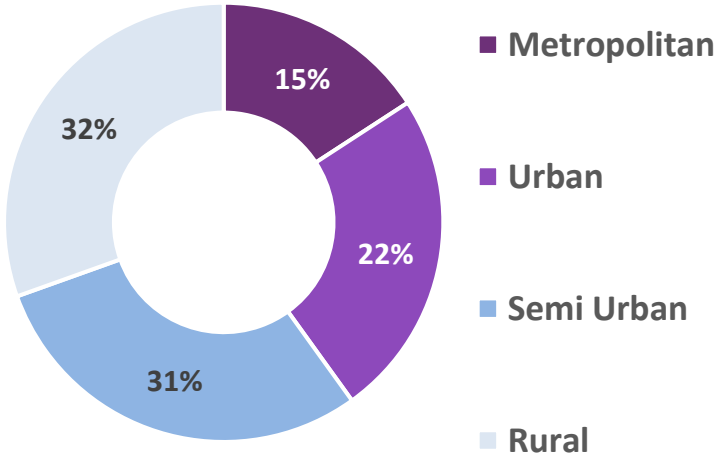


No. of Touch points		
Urban Market Presence [#]	Core Market Presence [#]	Total
166	562	728

Break up of branches



States & UT	Total Branches
Rajasthan	311
Madhya Pradesh	104
Gujarat	102
Maharashtra	68
Punjab	40
Haryana	31
Delhi / NCR	18
Chhattisgarh	13
Himachal Pradesh	11
Uttar Pradesh	7
Karnataka	2
Goa	2
Chandigarh	1
Jammu & Kashmir	1
West Bengal	1
Telangana	1
Odisha	1
Total	714



 **Distribution Network spread across 15 states and 2 Union Territories; 63% of our branches are in Rural & Semi Urban Areas (Tier 2 to Tier 6)**

¹ 550 Bank Branches and 164 Business Correspondent Banking Outlets.
[#]The definition of Core Market Banking and Urban Market Banking is AU Bank's internal terminology

Financial Inclusion – driving key government initiatives

During the quarter, the Bank

- Disbursed 21,252 MUDRA Loans
- Opened 12,269 Basic Savings Bank Deposit Account (BSBDA) accounts\
- Enrolled 1,368 customers in Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)
- Enrolled 3,978 customers in Pradhan Mantri Suraksha Bima Yojana (PMSBY)
- Enrolled 3,737 customers in Atal Pension Yojana (APY)
- 854 Physical Financial Literacy Camps conducted in Q3 FY21 (with social distancing measures)

Corporate Social Responsibility

- Bank has spent over ₹ 2.6 Cr in Q3FY21 through awareness programs, medical equipment donation, masks and sanitizer donations, food assistance and transportation projects
- Provided support to educational institutions for providing scholarships to meritorious students

Awards

- The bank was awarded ET BFSI Excellence award 2020 for Best Financial Inclusion Initiatives
- The bank also won PFRDA's Winner's Award in APY Premier League for opening maximum accounts in October 2020 in the SFB category



Experienced Board of Directors



Mr. Raj Vikash Verma
Chairman and Independent Director

40+ years of experience

Masters in Economics, MBA (FMS), CAIIB

Ex-Chairman at NHB
Leadership positions at IMGC, CERSAI, PFRDA, etc.



Mr. V G Kannan
Independent Director

38+ years of experience in Banking Industry

MBA

Ex MD - State Bank of India
Ex Chief Executive – Indian Bank Association
Member of Governing Council - IIBF



Mr. Krishan Kant Rathi
Independent Director

34+ years of experience

FCA, CS

Ex-CEO, Future Consumer Limited
Ex-CFO, Future Group



Ms. Jyoti Narang
Independent Director

40+ years of experience

MBA

Ex-COO, Taj Group of Hotels



Prof. M S Sriram
Independent Director

35+ years of experience (including 22 years as an academic)

MBA, Fellow, IIMB (equivalent to PhD)

Visiting Faculty at IIM - B, Distinguished Fellow-
IDRBT, Chairperson-Centre for public policy-IIMB
On Board of IDMC and NDDB dairy Services etc.



Mr. Pushpinder Singh
Independent Director

35+ years of experience in IT and Payment Systems

BSc, CAIIB

Ex-CIO, Bank of India
Ex Advisor, NPCI (FI & new business)



Mr. Sanjay Agarwal
MD & CEO

25+ years of experience

FCA (All India Rank holder)

EY Entrepreneur of the Year Award 2018; Business
Leader of the Year, ICAI Awards, 2017



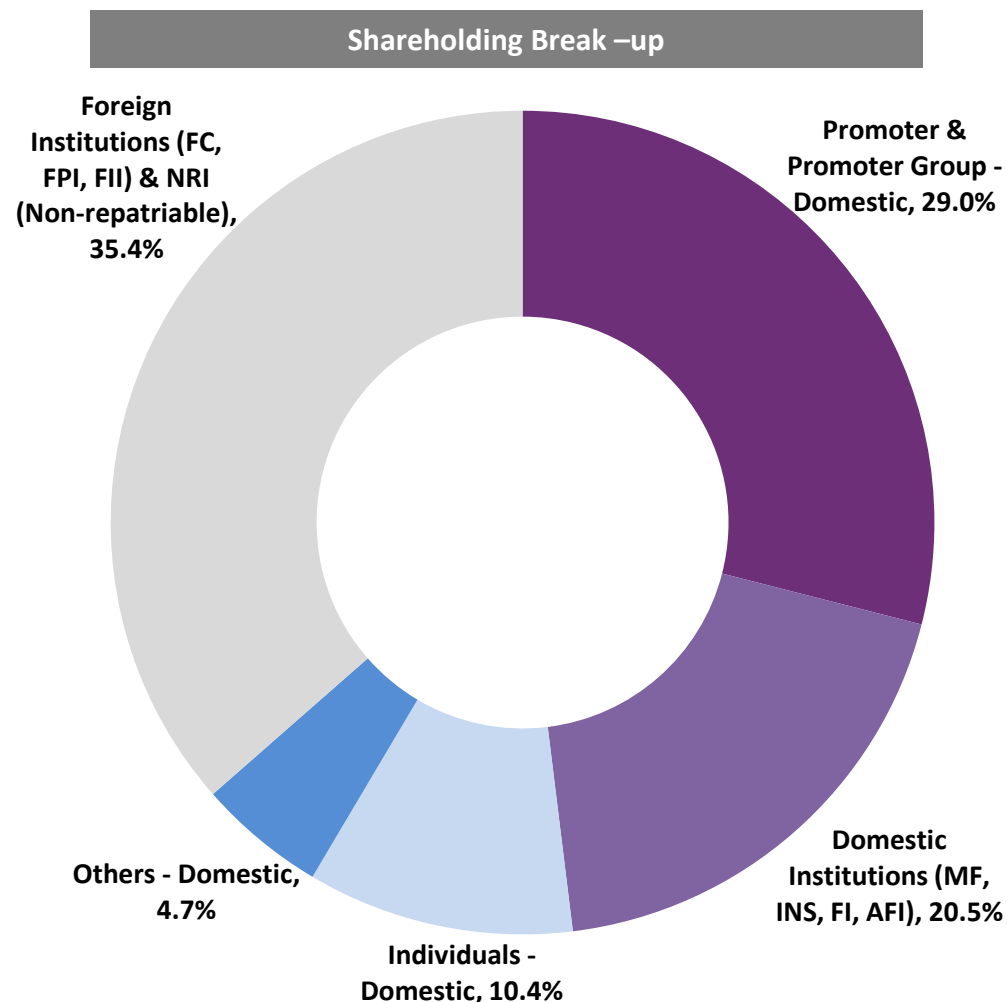
Mr. Uttam Tibrewal
Whole-Time Director

23+ years of experience

B. Com

Associated with the Bank for more than 16 years

Marquee Shareholders Base – As on 20th Jan 2021



Total no. of shareholders	1,11,776
Domestic : Foreign	65 : 35

Key Shareholders (Holding 1%+)	Holding on 20-Jan-21
Promoter & Promoter Group	29.0%
AU Employees incl. Exec. Director	3.3%
Wasatch	4.9%
Temasek Holdings	4.7%
Capital Group	4.0%
WestBridge Capital	3.9%
Kotak Mahindra MF & AIF	3.8%
Nomura	3.5%
Motilal Oswal MF	2.7%
UTI MF (Various MF & Offshore funds)	2.4%
JP Morgan Funds	2.1%
HDFC Life Insurance Co. Ltd.	1.9%
VANGUARD (through its various funds)	1.7%
Amansa Holdings	1.6%
SBI Life Insurance	1.2%
Nippon MF	1.2%
Kotak's Offshore Funds (through its various funds)	1.1%
Motilal Oswal Financial Services Ltd	1.1%
William Blair	1.1%
Motilal Oswal Private Equity	1.0%

THANK YOU



For Investor queries contact (details in QR Code):

Prince Tiwari | Aseem Pant | Ayush Rungta



Email: investorrelations@aubank.in

Abbreviations

ADC	Alternate Delivery Channels	NPA	Non Performing Assets
AFS	Available for Sale	NSE	National Stock Exchange
ALM	Asset Liability Management	OPEX	Operating Expenses
AUM	Asset Under Management	P/L	Profit & Loss Statement
BSBDA	Basic Savings Bank Deposit A/C	PAT	Profit After Tax
BSE	Bombay Stock Exchange	PPOP	Pre-Provisioning Operating Profit
CASA	Current Account Deposits and Savings Account Deposit	QoQ	Quarter on Quarter
CBS	Core Banking Solution	ROA	Return on Average Assets
CRAR	Capital Adequacy Ratio	ROE	Return on Average Shareholder's Fund
CRR	Cash Reserve Ratio	RTGS	Real Time Gross Settlement
DPD	Days Past Due	SFB	Small Finance Bank
EPS	Earning Price Per Share	SLR	Statutory Liquidity Ratio
HTM	Held Till Maturity	SMC	Small and Mid-Corporate
IPO	Initial Public Offer	STP	Straight Through Processing
LCR	Liquidity Coverage Ratio	TAB	Tablet Mobile Device
NBFC	Non-Banking Finance Company	YoY	Year on Year
NII	Net Interest Income		

This presentation has been prepared by AU SMALL FINANCE BANK LIMITED (the “Bank”) solely for information purposes, without regard to any specific objectives, financial situations or informational needs of any particular person. All information contained has been prepared solely by the Bank. No information contained herein has been independently verified by anyone else. This presentation may not be copied, distributed, redistributed or disseminated, directly or indirectly, in any manner.

This presentation does not constitute an offer or invitation, directly or indirectly, to purchase or subscribe for any securities of the Bank by any person in any jurisdiction, including India and the United States. No part of it should form the basis of or be relied upon in connection with any investment decision or any contract or commitment to purchase or subscribe for any securities. Any person placing reliance on the information contained in this presentation or any other communication by the Bank does so at his or her own risk and the Bank shall not be liable for any loss or damage caused pursuant to any act or omission based on or in reliance upon the information contained herein. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this presentation. Such information and opinions are in all events not current after the date of this presentation. Further, past performance is not necessarily indicative of future results.

This presentation is not a complete description of the Bank. This presentation may contain statements that constitute forward-looking statements. All forward looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially include, among others, future changes or developments in the Bank’s business, its competitive environment and political, economic, legal and social conditions. Given these risks, uncertainties and other factors, viewers of this presentation are cautioned not to place undue reliance on these forward-looking statements. The Bank disclaims any obligation to update these forward-looking statements to reflect future events or developments.

Except as otherwise noted, all of the information contained herein is indicative and is based on management information, current plans and estimates in the form as it has been disclosed in this presentation. Any opinion, estimate or projection herein constitutes a judgment as of the date of this presentation and there can be no assurance that future results or events will be consistent with any such opinion, estimate or projection. The Bank may alter, modify or otherwise change in any manner the content of this presentation, without obligation to notify any person of such change or changes. The accuracy of this presentation is not guaranteed, it may be incomplete or condensed and it may not contain all material information concerning the Bank.

This presentation is not intended to be an offer document or a prospectus under the Companies Act, 2013 and Rules made thereafter, as amended, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended or any other applicable law.

Figures for the previous period / year have been regrouped wherever necessary to conform to the current period’s / year’s presentation. Total in some columns / rows may not agree due to rounding off.

Note: All financial numbers in the presentation are from Audited Financials or Limited Reviewed financials or based on Management estimates.