AU SMALL FINANCE BANK

INVESTOR PRESENTATION

April 2021

4 years of SIMPLIFIED BANKING

Tech-led I Retail Focused I Customer Centric I Well Capitalized I Inclusive

4 years of SIMPLIFIED BANKING

AU

HAPPY Anniversary

4 YEARS OF AU BANK

4 Years of Building a Customer Centric Banking Franchise!

In a span of 4 years, we have made significant strides in our journey towards becoming a tech-led & retail-focused Bank providing a simpler and rewarding banking experience to our customers. Our presence in underserved retail segments along with our secured lending products has helped us grow our balance sheet sustainably. We would like to express our gratitude to the Government of India, Reserve Bank of India (RBI) and all other regulators for their support and guidance during these challenging times. We are immensely grateful to our customers, investors, employees and other stakeholders for their unwavering trust in AU.

Learnings & strategy in our journey of building trust

Madness to Method

Borrower to Customer

KYC to UYC

Quantity to Quality

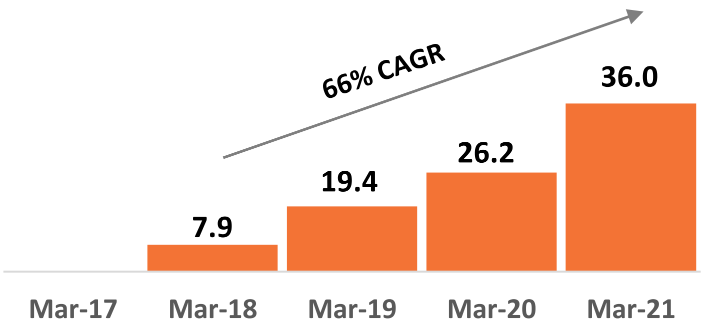
Unified Market to Differentiated approach for Core and Urban

Consistently challenging the status quo to improve customer experience

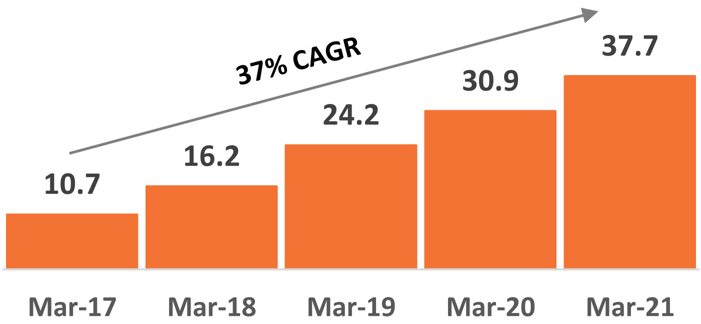
4 years of sustainable inclusive growth

(₹ '000 Cr)

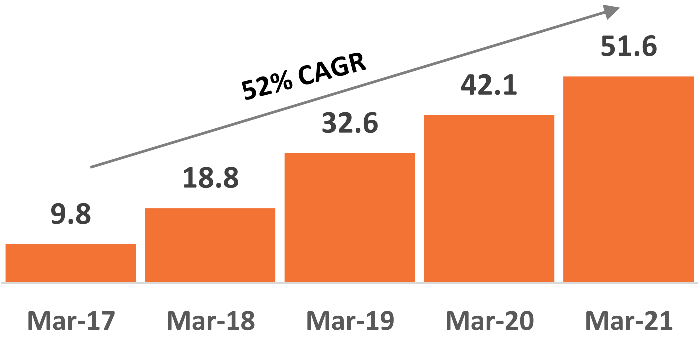
Deposits



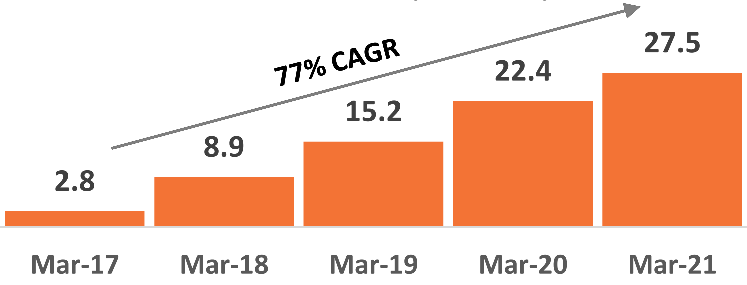
AUM



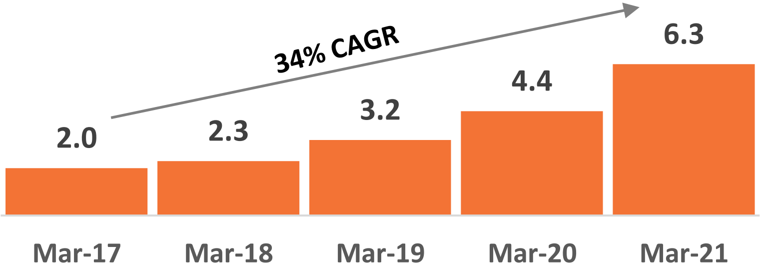
Assets



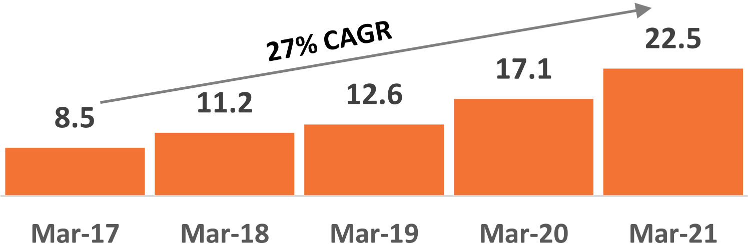
Customer A/Cs (in lakhs)



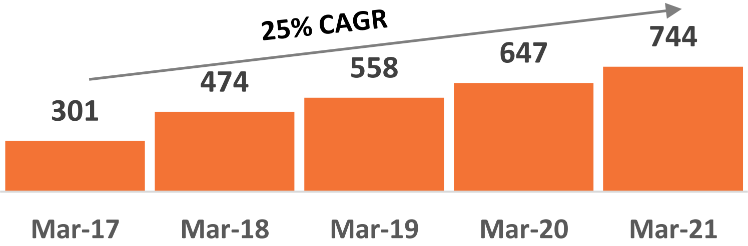
Net Worth (₹ '000 Cr)



Employees (in '000)



Touchpoints (#)



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1. Key Highlights

Resilient performance in midst of ongoing challenges

Year of ongoing challenges in the operating environment….

Concerns over Private Banks' stability as moratorium on deposits placed on few Banks

National lockdown for ~2.5 months

Concerns over liquidity, operational mobility and asset quality

...which impacted our business...

- Maintained excess liquidity during H1 (average LCR in H1' 21 at 143% versus regulatory requirement of 80%, average LCR in H2' 21 at 119%)
- Muted disbursements in H1 (-52% YoY) - operational restrictions, negligible economic activity, and our cautious stance
- Accelerated provisioning of ₹ 380 Cr made in FY21

…Despite these challenges, our core performance has been resilient

	Reduced CoF	Improved CASA ratio	Strong Deposits Growth	Robust AUM growth	Resilient Core RoE*
31st Mar-21	6.8%	23%	38%	22%	12.0%
	vs	vs			vs
31st Mar-20	7.7%	14%			15.8%

*In calculation of Core RoE, PAT excludes profit on sale of Aavas stake and ₹ 625.5 Cr raised in March 2021 has been removed from net worth calculation

We have emerged stronger in FY21

Various pro-active initiatives by the Government and RBI significantly helped our customers and the financial system

Employee well-being key priority with initiatives like COVID related insurance; no lay-offs, increments & bonuses disbursed

Borrower-level outreach program in Q1 ensured quick turnaround – reached 90% collection efficiency in June itself

Portfolio performance has increased confidence in our customer segment, asset class and credit underwriting

Fortified the balance sheet by raising QIP and selling Aavas shares – higher net worth despite accelerated provisioning

Used the pandemic to focus on deposit franchise – pan-India presence, CASA, CD ratio and share of retail deposits

Strengthened the foundation to build a “Tech-Led” Bank– launched SuperApp, complete suite of payments solutions, Credit Cards, Video Banking, UPI QR

Go to market approach and ears to the ground ensured that we ccapitalised on growth opportunities in H2FY21

Key highlights (FY21)

Disbursements[1]	**₹ 17,590 Cr** ~ Flat YoY
AUM	**₹ 37,712 Cr** +22%
Deposits	**₹ 35,979 Cr** +38%
CASA / CD Ratio	**23% / 96%** (14%)/(103%)
GNPA/90+	**4.3% / 2.7%**
Net Profit*	**₹ 1,171 Cr** +73%
ROA/ROE*	**2.5% / 23.4%**
Tier 1	**21.5%** (18.4%)

- **Strong rebound in disbursement in H2 (Vehicle, SBL and Housing)**
  - 77% of total FY21 disbursement in H2 (47% YoY growth)
- **Deposits continue to scale driven by increasing brand awareness, branch expansion and improved digital offering**
  - Improved CASA ratio from 14% to 23%
  - Overall Cost of Funds reduced by 86 bps to 6.83% from 7.69% in FY20
- **GNPA of ₹ 1,503 Cr (4.3%), of which**
  - >90DPD portfolio - ₹ 962 Cr (2.7%)
  - <90 DPD portfolio - ₹ 541 Cr (1.5%)
- **Collection efficiency was >100% in each month of Q4FY21**
- **PAT (ex-Aavas) grew YoY despite accelerated provisions in FY21**

*Excluding proceeds from sale of Aavas stake – Net profit at ₹ 600 Cr,ROA at 1.3%, ROE at 12.0%; RoE calculated after subtracting ₹ 625.5 Cr raised in Mar’2021 from Net Worth
[1]Disbursements exclude non fund based facilities of ₹ 1,033 Cr

Continuing our progress towards becoming a tech-led bank

Growing digital adoption

>4 Lacs
Internet/Mobile banking (IBMB) users

27%
Growth in IBMB users

~40%
Of new deposit customers in Q4 are on IBMB

3.5 Lacs
Unique users on UPI

Investing in Innovation

~2.2k
Accounts opened with VKYC

~75k
UPI QRs Installed

Launched Super App
Adding 10+ new product and service journeys

Video Banking
Enhancing use cases and scale as key part of our digital proposition

Merchant Solutions
Developing integrated offering for MSME merchants with UPI QR as entry point

Digitization
Launching end-to-end digital journeys for key asset verticals

Building a Strong Foundation with Focused Strategy & Execution

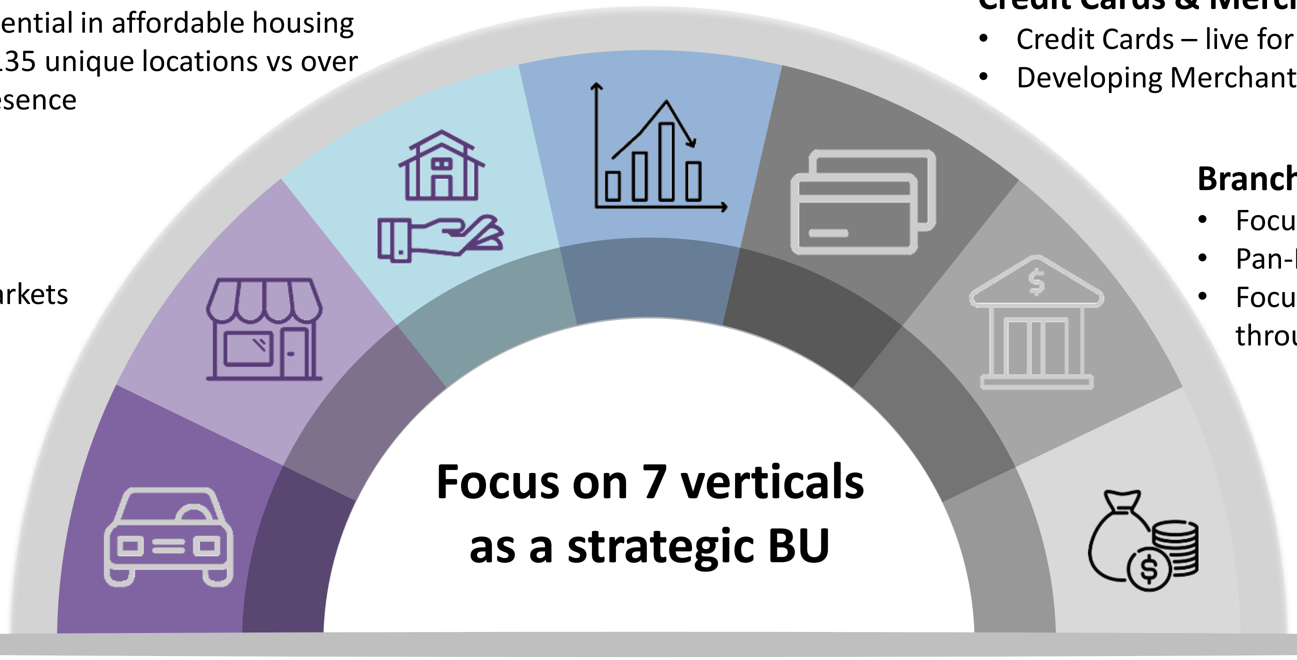
Commercial Banking
- Complete suite of Fund based and Non Fund based products
- Building team in transaction banking to drive fee revenue

Home Loan
- Restarted on the bank platform
- Significant growth potential in affordable housing
- Currently live only in 135 unique locations vs over 600 where AU has presence

Credit Cards & Merchant Solutions
- Credit Cards – live for employees; commercial launch in Q1FY22
- Developing Merchant offerings with UPI QR, POS as entry point

SBL
- Unique product proposition
- Limited competition
- Deep penetration in core markets

Branch Banking
- Focus on granularizing the deposit base
- Pan-India presence to help scale
- Focus on deepening customer engagement through upsell and cross sell



Wheels
- Well seasoned book with 25 year exp.
- Significant headroom to grow
- Deep penetration in core markets; scalable in urban

Treasury & Investments
- Focus on optimizing liquidity levels and interest-rate risk
- Grow other income through trading and PSLC income

Supported by investment in distribution expansion and technology

Well entrenched contiguous distribution franchise

15 States and 2 UTs

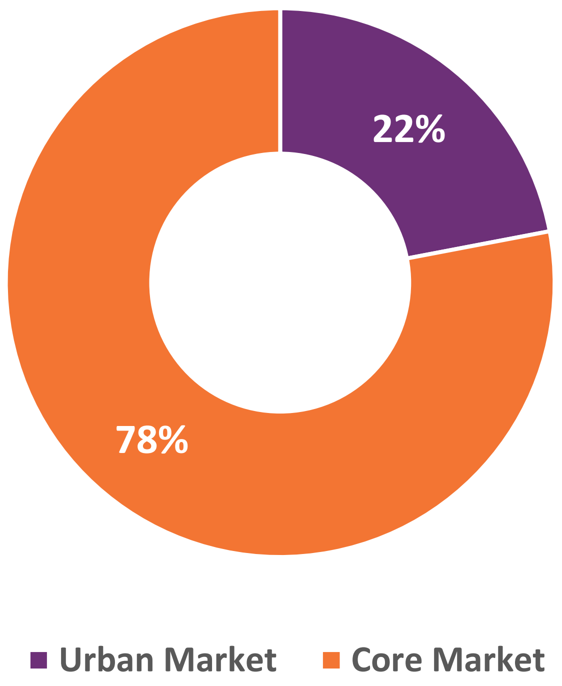
744 Touchpoints
(729 Branches[1] , 15 BCs)

343 ATMs

Break up of Branches

Sr No	States & UT	Total Branches
1	Rajasthan	**318**
2	Madhya Pradesh	**104**
3	Gujarat	**107**
4	Maharashtra	**68**
5	Punjab	**41**
6	Haryana	**32**
7	Delhi / NCR	**18**
8	Chhattisgarh	**13**
9	Himachal Pradesh	**12**
10	Uttar Pradesh	**7**
11	Karnataka	**2**
12	Goa	**2**
13	West Bengal	**1**
14	Telangana	**1**
15	Odisha	**1**
16	Chandigarh (UT)	**1**
17	Jammu & Kashmir (UT)	**1**
	Total	**729**

Distribution of Touch Points#



[1] 552 Bank Branches and 177 Business Correspondent Banking Outlets.
#Core Markets are smaller centres in rural/semi-urban which typically have a local economy built around agriculture and small businesses, and which have traditionally been our traditional markets for lending. Larger centres which have more advanced infrastructure such as airports, malls etc. are defined as Urban Markets.

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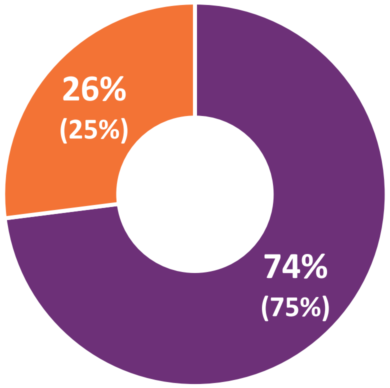
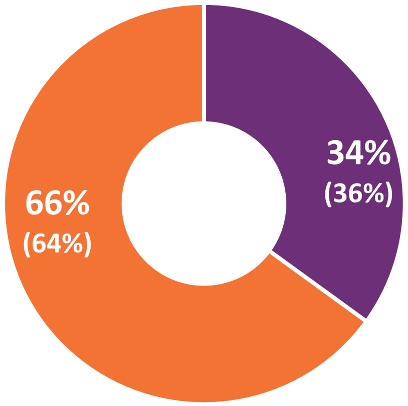
Garnering Deposits from Urban markets and disbursing in Core markets

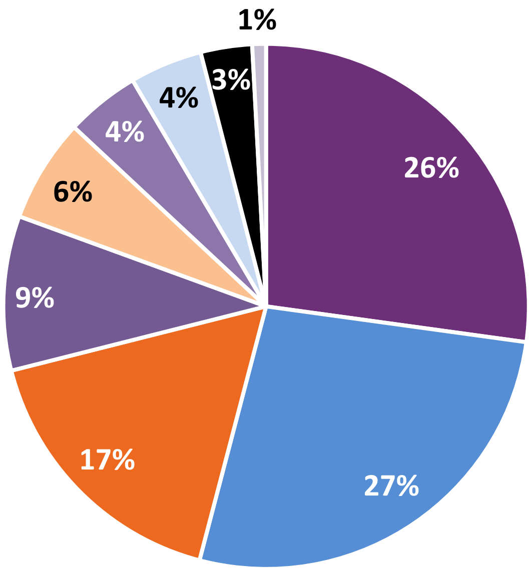
Figures in parenthesis as on 31st Mar 20

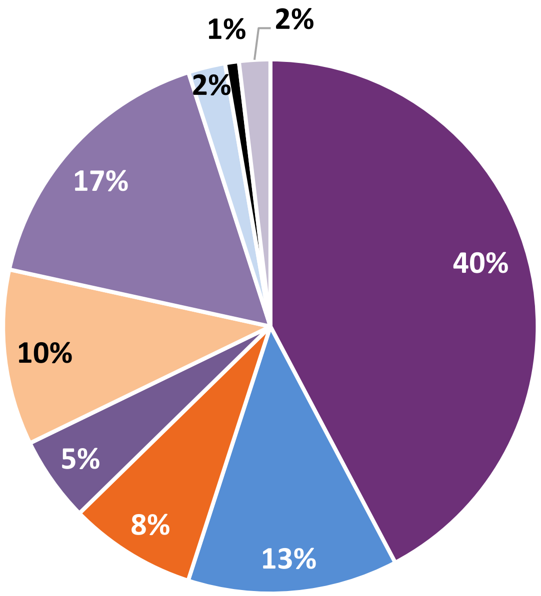
Liabilities Break up



Assets Break up







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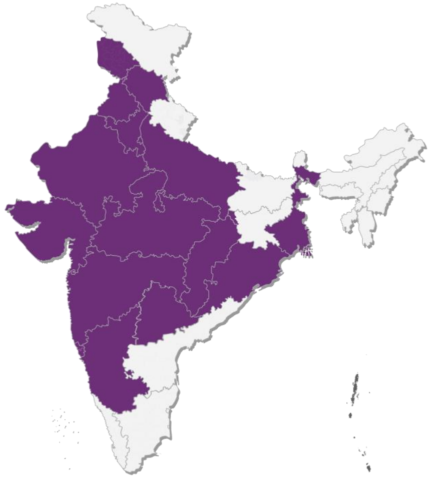
Key Financial Highlights (Q4FY21)

15 States and 2 UTs



Touchpoints

744

Vs.

728

(31-Dec-20)

Customers

20.2 lakh

Vs.

18.8 lakh

(31-Dec-20)

Employees

22,484

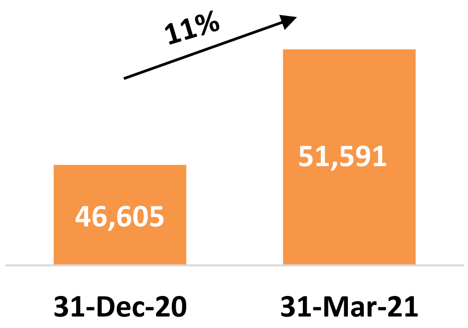
Vs.

18,992

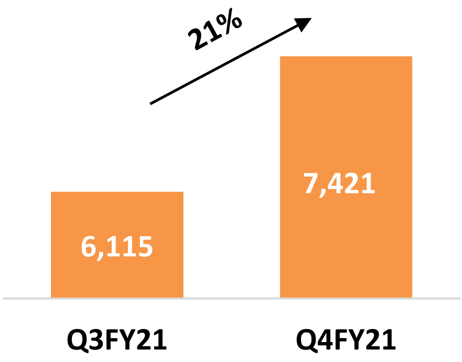
(31-Dec-20)

₹ Crore

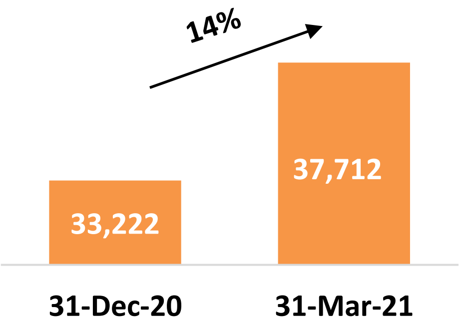
Total B/S Assets



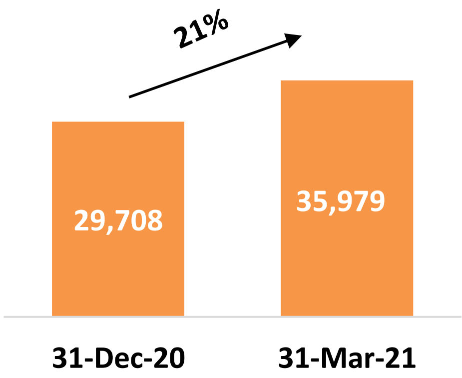
Disbursements[1]



Loan AUM[2]



Deposits[3]



CASA Ratio[4]

23%

Vs.

22%

(31-Dec-20)

[1]Disbursements exclude Non-Fund based credit facilities sanctioned of ₹ 391 Cr for Q4FY21 and ₹ 405 Cr for Q3FY21

[2]Money Market Term Lending by Treasury of ₹ 100 Cr as on 31st Dec 2020 and ₹ 375 Cr as on 31st Mar 2021 is also added in AUM. AUM Breakup = Wheels – 40%, SBL – 38%, HL – 4%, Agri SME - 4%, NBFC – 4%, REG – 2%, Bus. Banking -5%, OD Ag FD – 3%

[3] Deposit Base of ₹ 29,708 Cr includes Certificate of Deposit of ₹ 1,505 Cr, Deposit Base of ₹ 35,979 Cr includes Certificate of Deposit of ₹ 1,647 Cr

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

2. Financial Update

Profit & Loss Statement (Q4FY21)

(All Figures in ₹ Crore)	Q4FY21 Audited	Q4FY20 Audited	Y-o-Y	Q3FY21 Unaudited	Q-o-Q
Income					
Interest Earned	1,292	1,183	9%	1,261	2%
Interest Expended	637	629	1%	628	1%
Net Interest Income	**656**	**555**	**18%**	**633**	**4%**
Other Income	277	174	59%	182	51%
Income from sale of Equity Shares of Aavas Financiers	-	9	-	481	-
Total Net Income	**932**	**738**	**26%**	**1,297**	**-28%**
Expenses					
Employee Cost	337	204	65%	240	40%
Other Operating Expenses	222	218	2%	184	21%
Total Operating Expenses	**559**	**422**	**32%**	**424**	**32%**
Operating Profit before Provisions and Contingencies	**374**	**316**	**18%**	**873**	**-57%**
Provisions (other than tax) and Contingencies	178	13	1314%	284	-37%
Covid-19 Provisions	-	138	-	-	-
Profit Before Tax	**196**	**165**	**19%**	**589**	**-67%**
Tax expenses	27	43	**-37%**	110	**-75%**
Profit After Tax	**169**	**122**	**38%**	**479**	**-65%**

- NII in Q4 impacted due to interest reversals of ₹ 66 Cr on account of NPA tagging of borrower accounts in compliance with RBI circular of 7th April. The Bank had made ₹ 38 Cr of provisions against these reversals which were utilized during the quarter
- NII growth at 18% YoY aided by reduction in CoF by 86bp
- Increase in Other Income driven by PSLC fee of ₹ 104 Cr in Q4
- QoQ Increase in Employee Cost due to one-off increase in ESOP expense of ₹ 59 Cr

Profit & Loss Statement (FY21)

(All Figures in ₹ Crore)	FY21 Audited	FY20 Audited	Y-o-Y
Income			
Interest Earned	4,950	4,286	**15%**
Interest Expended	2,585	2,377	**9%**
Net Interest Income	**2,365**	**1,909**	**24%**
Other Income	800	620	**29%**
Income from sale of Equity Shares of Aavas Financiers Ltd.	651	86	**657%**
Total Net Income	**3,817**	**2,615**	**46%**
Expenses			
Employee Cost	980	760	**29%**
Other Operating Expenses	678	658	**3%**
Total Operating Expenses	1,658	1,418	**17%**
Operating Profit before Provisions and Contingencies	**2,159**	**1,197**	**80%**
Provisions (other than tax) and Contingencies	560	145	**286%**
Covid-19 Provisions	140	138	**1%**
Profit Before Tax	**1,459**	**914**	**60%**
Tax expenses	288	239	**20%**
Profit After Tax	**1,171**	**675**	**73%**

- NII growth of 24% driven by AUM growth of 22% and stable spreads
- Contribution of branch banking related fee income increased YoY
- Despite continued investment in franchise (branch expansion and employees) Cost to Income (ex Aavas income) reduced from 56.1% to 52.4%
- Employee cost includes one-off expense related to the ESOP of ₹ 59 Cr

Balance Sheet – Total Assets grew 22% YoY

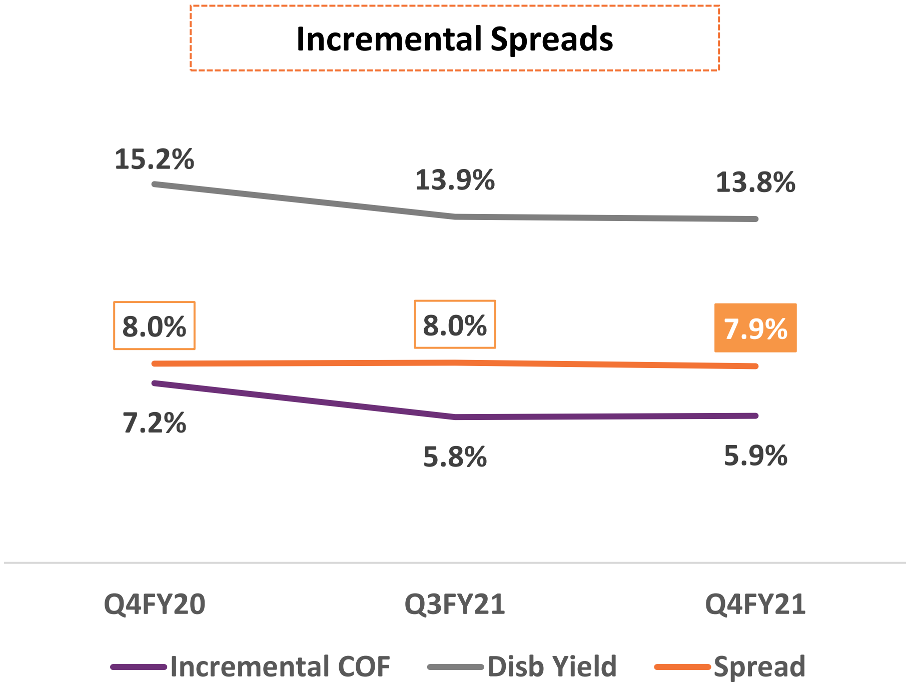
(All Figures in ₹ Crore)	31st Mar'21 Audited	31st Mar'20 Audited	Y-o-Y	31st Dec'20 Unaudited	Q-o-Q
Liabilities					
Shareholders' Funds	6,275	4,377	43%	5,403	**16%**
Deposits	35,979	26,164	38%	29,708	**21%**
Borrowings	7,030	10,335	-32%	9,171	**-23%**
Other Liabilities and Provisions	2,307	1,267	82%	2,324	**-1%**
Total Liabilities	**51,591**	**42,143**	**22%**	**46,605**	**11%**
Assets					
Cash & Bank Balances	4,781	3,370	42%	3,339	**43%**
Investments	10,815	10,668	1%	11,562	**-6%**
Net Advances	34,609	26,992	28%	30,293	**14%**
Fixed Assets	482	448	8%	469	**3%**
Other Assets	903	665	36%	942	**-4%**
Total Assets	**51,591**	**42,143**	**22%**	**46,605**	**11%**

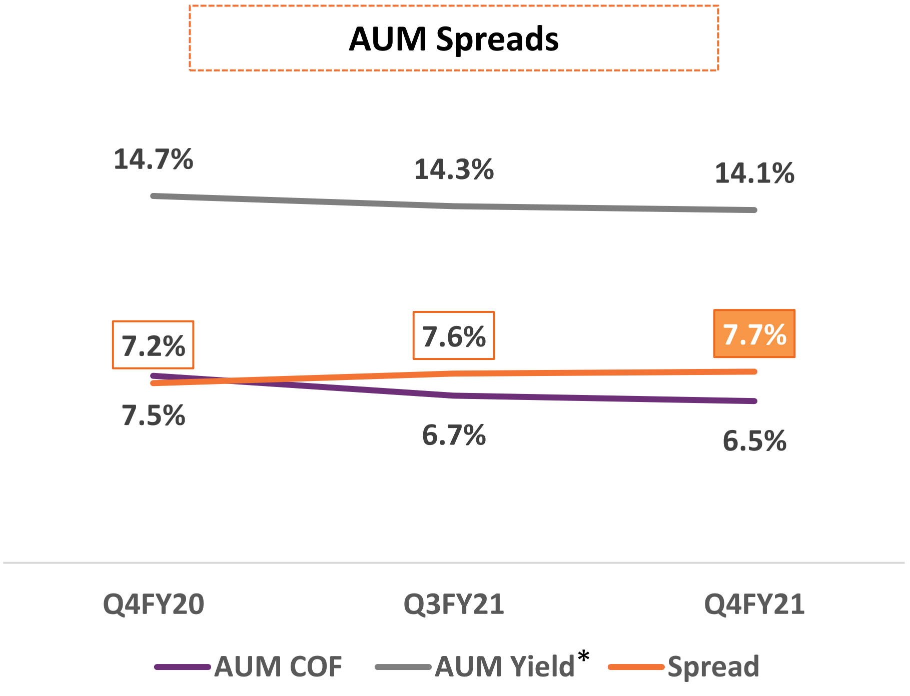
- Total assets grew 22% YoY and crossed ₹ 50,000 Cr in Q4FY21
- Net Worth crossed ₹ 6,000 Cr aided by equity infusion of ₹ 625 Cr from QIP in Mar'21
- Share of Deposits in external funding (Deposits + Borrowings) continues to increase both YoY (84% from 72%) and QoQ (84% from 76%)
- Net advances up 28% YoY and 14% QoQ due to disbursements picking up in 2HFY21

Breakup of Other Income

(All Figures in ₹ Crore)	FY21 Audited	FY20 Audited	Y-o-Y	Q4FY21 Audited	Q4FY20 Audited	Y-o-Y	Q3FY21 Unaudited	Q-o-Q
Loan Assets Processing & Other fees	295	316	-7%	127	84	51%	100	27%
General Banking, Cross Sell & Deposits related fees	127	102	25%	47	32	47%	34	38%
PSLC Premium / Fees	129	82	57%	104	35	197%	8	1200%
Bad Debt recovery	17	33	-48%	7	9	-22%	5	40%
Core Other Income	**568**	**533**	**6%**	**285**	**160**	**78%**	**147**	**94%**
Income from Treasury Operations	233	87	168%	-8	14	-157%	36	-122%
Income from sale of Equity Shares of Aavas Financiers Ltd.	651	86	657%	-	9	-	481	-
Other Income Total	**1,452**	**706**	**106%**	**277**	**183**	**51%**	**663**	**-58%**

Spreads remained stable





- Both incremental spreads and AUM Spreads remain stable with disbursement yields in Q4FY21 being in line with Q3FY21
- Overall cost of funds for FY21 was at 6.83% - reduced by 86bps over FY20; Incremental cost for FY21 was at 5.93% - down by 140 bps over FY20
- Basis overall market environment, we have focused on maintaining optimum liquidity – LCR which was 133% as on 31st Mar'20, peaked at 150% as on 30th June'20 but has been brought down in a calibrated manner to 116% as on 31st Mar'21 (against regulatory requirement of 90%)

*AUM Yield as on closing date of the quarter

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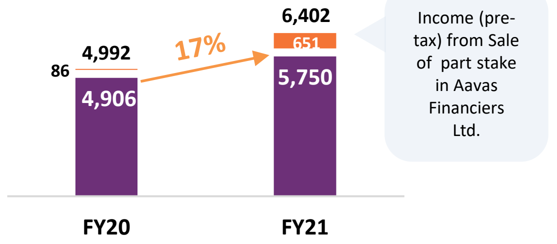
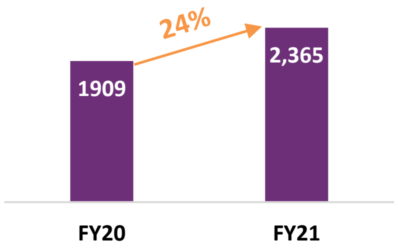
FY21 Key Financial Highlights

₹ Crore

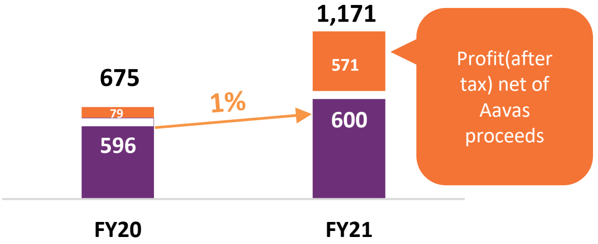
Total Income



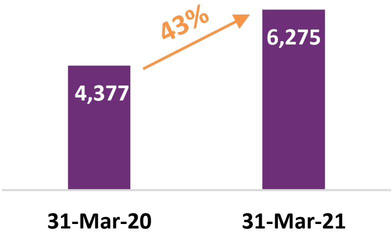
Net Interest Income



PAT



Net Worth



Yield[1] on AUM

14.1%

Vs.

14.7%

(31-Mar-20)

Cost of Funds

6.8%

Vs.

7.7%

(FY20)

Net Interest Margin[2]

5.3%

Vs.

5.4%

(FY20)

ROA / incl Aavas Profit

1.3% / 2.5%

Vs.

1.6% / 1.8%

(FY20)

ROE[3] / incl Aavas Profit

12.0% / 23.4%

Vs.

15.8% / 17.9%

(FY20)

GNPA/90+ DPD

4.3%/2.7%

Vs.

1.7%/1.6%

(31-Mar-20)

NNPA

2.2%[4]

Vs.

0.8%

(31-Mar-20)

Provision Coverage Ratio

50%[4]

Vs.

53%

(31-Mar-20)

CRAR

23.4%

Vs.

22.0%

(31-Mar-20)

Tier-I CRAR

21.5%

Vs.

18.4%

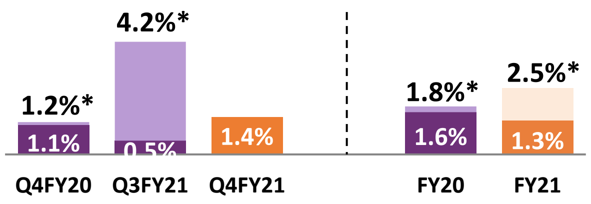
(31-Mar-20)

[1]Total Loan Assets AUM Yield is calculated excluding the Money Market Lending by Treasury;
[2]Net Interest Margin represents Net Interest Income as % of Average Interest Earning Assets;
[3] ₹ 625.5 Cr raised in Mar 2021 removed from Net worth for RoE calculation
[4] NNPA and PCR calculation does not include contingency provisions of ₹ 70 Cr that the bank is carrying

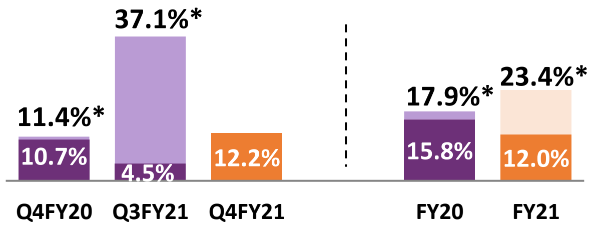
Profitability Trends

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

RoA (%)

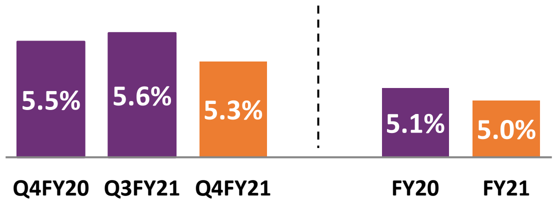


RoE[2] (%)

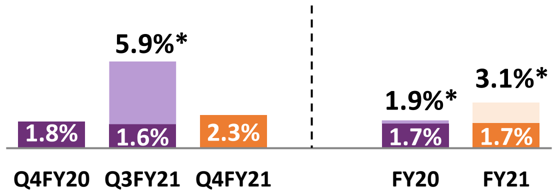


ROA[1] / ROE – Components

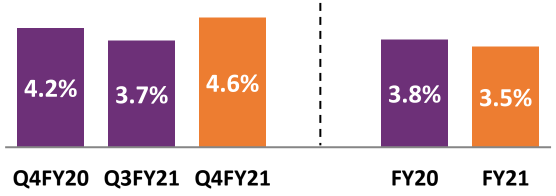
NII (%)



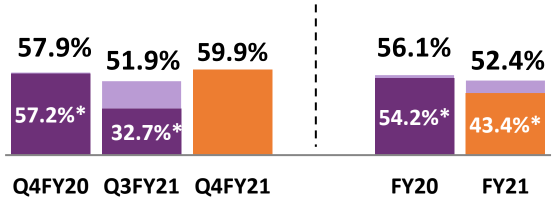
Other Income (%)



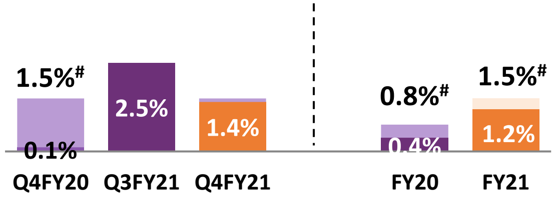
Opex (%)



Cost to Income Ratio[3] (%)



Provisions & Contingencies (%)



Including COVID-19 related Provisions

1 ROA, NII,Opex, Provisions & Contingencies is represented as % of Avg. Total Asset; Annualized for quarterly figures,
2 ROE represents PAT as % of Avg. Net worth; Annualized for quarterly figures. ₹ 625.5 Cr raised in Mar 2021 removed from Net worth for RoE calculation
3 Cost to Income Ratio represents Operating Cost to sum of NII and Other Income

3. Asset Quality

Asset Quality Overview

All figures in ₹ Cr	Gross Advances	Gross NPA	90+ GNPA	<90 DPD GNPA	Book Yield	Disbursements# (Q4, Funded)
Wheels	13,012	714	465	249	14.7%	2,931
SBL-MSME	13,891	597	356	241	15.1%	2,110
Home Loan	1,385	10	6	4	12.0%	436
Business Banking	1,824	20	14	6	9.5%	444
Agri	1127	19	13	6	10.0%	323
SME	436	86	61	25	11.7%	1
NBFC	1,426	9	9	-	10.2%	356
REG	621	30	27	3	14.5%	116
Others	1634	18	11	7		707
Total	**35,356**	**1,503**	**962***	**541**	**14.1%**	**7,421**
% of Adv. – Mar'21		**4.3%**	**2.7%**	**1.5%**		
% of Adv. – Dec'20		**3.7%****	**3.3%**	**0.3 % ****		

- GNPA increased to ₹ 1,503 Cr, 4.3% of Gross Advances vs 3.7%** in Dec-20
  - Increase driven by 1.5% pool of customers who are <90dpd and paying but were Once NPA ("ONAN") and have been tagged as NPA now
  - We expect majority of ONAN pool to regularize (refer slide 26 for details)
- 90+ dpd accounts reduced from 3.3% to 2.7% QoQ
- Restructured loans stood at ₹ 641 Cr (1.8% of Gross Advances; Wheels and SBL constitute ~90%)
- Retail assets are 91% of our AUM (as per the latest RBI definition)

**Note – 90+ GNPA includes ~ ₹ 70Cr of loans which are 0-89dpd but tagged as NPA as the customer has other linked delinquent loans. Excluding this, 90+ GNPA is ~890Cr*

***Following Hon'ble Supreme Court's verdict on vacating stay on NPA classification, the GNPA (pro-forma 90+ dpd as on 31'Dec'20 and the pro-forma once tagged NPA) as on 31-Dec'20 would be ₹ 1,116Cr or 3.7% of Gross Advances (vs 3.3% pro-forma 90+ dpd reported in Q3FY21) # Disbursements exclude non fund based facilities of ₹ 391 Cr*

चलो आगे बढ़ें

Loan book saw steady pullback across buckets in Q4FY21

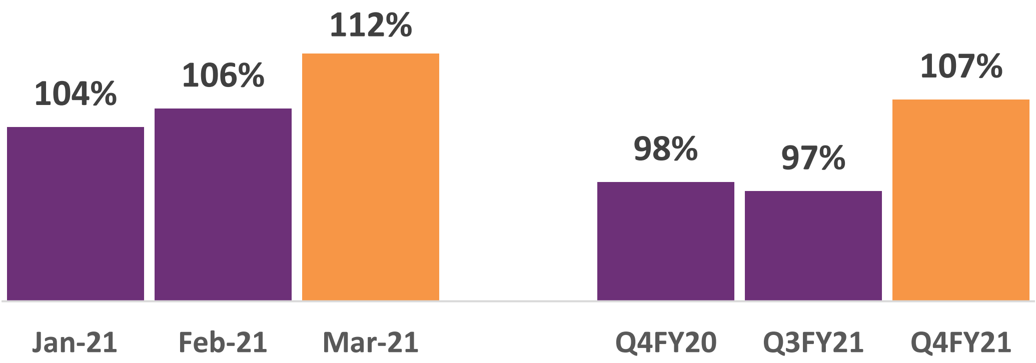
Gross Advances DPD status

Period	Current	1-30	31-60	61-90	90+	Total
Mar-20	81.2%	8.9%	5.5%	2.7%	1.7%	**100%**
Dec-20	77.9%	8.8%	7.3%	3.1%	2.9%	**100%**
Mar-21	81.3%	7.6%	5.8%	2.8%	2.5%	**100%**

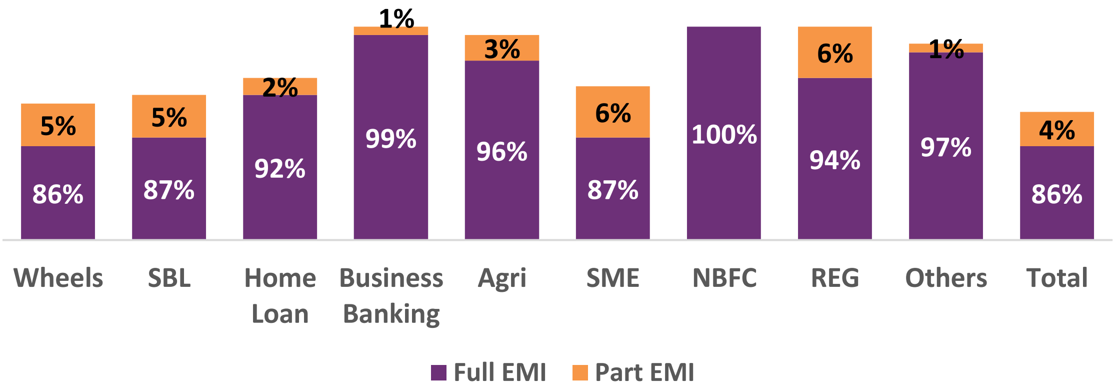
Note: Table above is based on account level DPD status; this differs from table on previous page which is at customer ID level which considers all loans belonging to a customer as GNPA even if some loans are performing

- Steady pull back across buckets - ~81% of loans are current (0dpd) as on 31st Mar'21 – same level as 31st Mar'20
- Collection Efficiency in Q4FY21 above pre-Covid levels aided by continued pullback
- Customer activation of 90% in March'21 (86% Full and 4% Part) vs. 85% in the period April'19 - Feb'20 (80% Full and 5% Part)

Overall Collection Efficiency*



Overall Activation for March-21



*Collection efficiency is calculated with all money received during the month from borrowers (excluding foreclosure) as % of current billing for the month; For moratorium months 100% billing was assumed while computing collection efficiency

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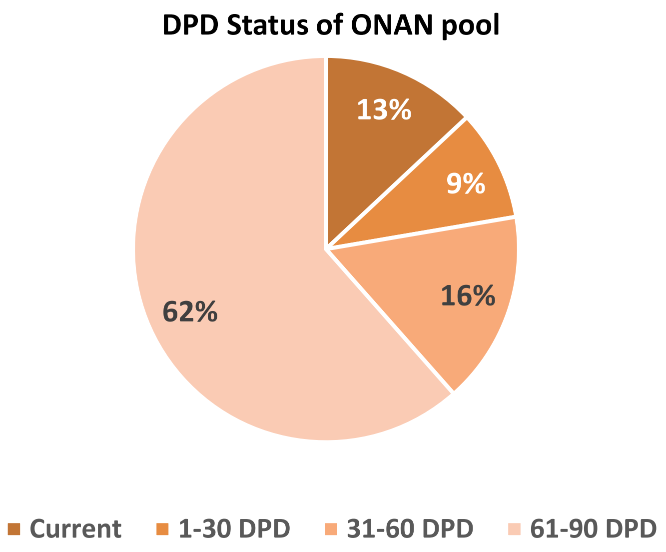
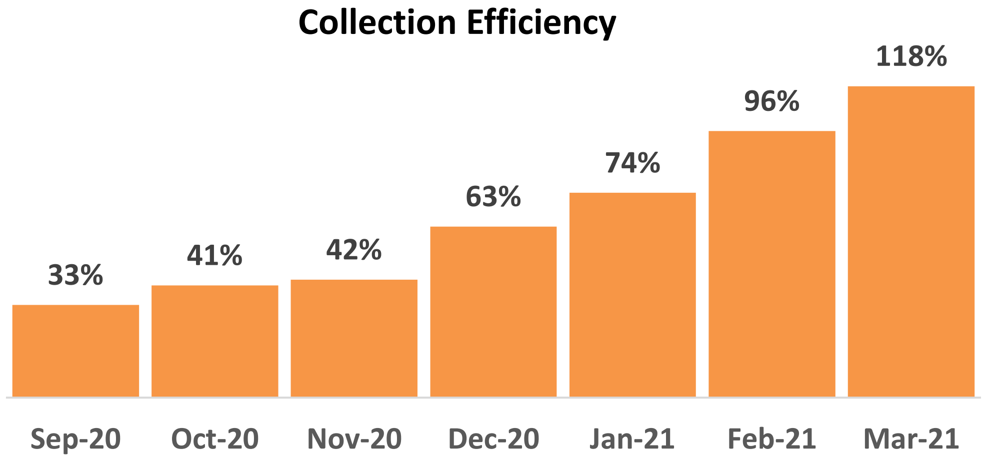
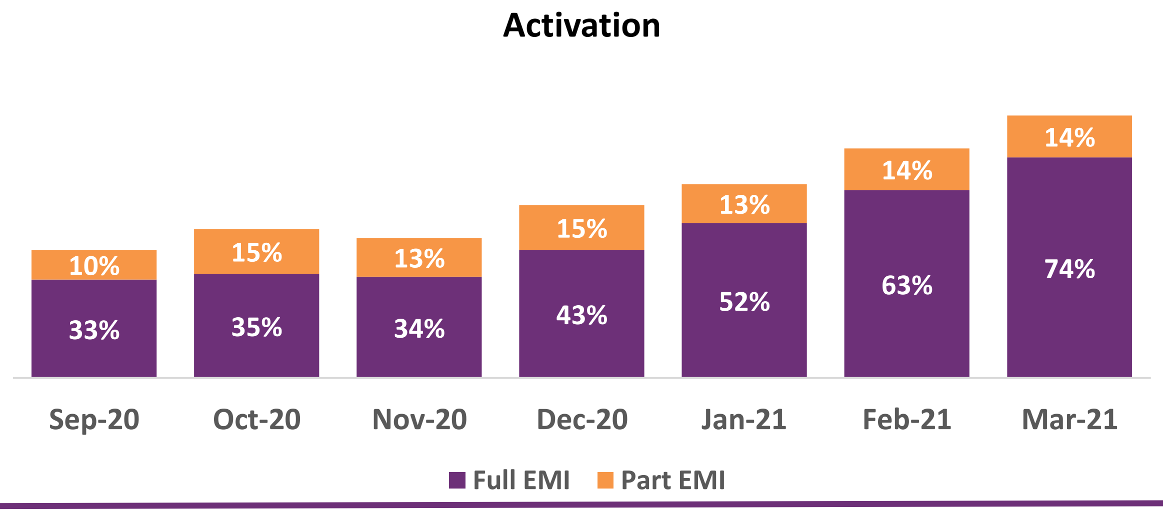
ONAN pool - We expect majority of ONAN pool to regularize

- ~17k contracts (Gross Advances of ₹ 541 Cr) which are <90 DPD are tagged as NPA
- Due to Hon'ble Supreme Court's stay (on tagging of NPAs), we had not tagged accounts which had returned to <90dpd as NPA, and given opportunity to customers to regularize their accounts as situation normalized
- Feedback on the ground and repayment trends suggest that majority of this pool will regularize over time
  - Collection efficiency (118% in March) and activation have been steadily rising MoM
  - 88% of pool has paid EMI in Mar'21
  - ~13% is current (i.e. 0 dpd) but tagged as NPA mainly as the customer has other linked loans which are between 1-90dpd
- Fairly well-seasoned book:
  - ~50% of ONAN portfolio disbursed prior to 2018
  - ~40% of the original principal has been repaid







Overview of Provisions

(All Figures in ₹ Crore)	Mar'21				Dec'20			
	No. of Customers	Loans	Provisions	Coverage	No. of Customers	Loans	Provisions	Coverage
GNPA	**53,962**	**1,503**	**747**	**50%**	**41,497**	**1,116***	**625**	**56%**
>90dpd	42,216	962	568	59%	39,391	1,017	625	62%
<90dpd	11,746	541	179	33%	2,106	99	-	-
Restructured	**6,006**	**641**	**115**	**18%**	**2,120**	**251**	**48**	**19%**
Contingency Provisions			70				108	
Provisions towards Standard Assets			105				133	
TOTAL			**1,037**				**914**	
Provisions as a % of gross advances			**2.9%**				**3.0%**	

- **NPA book is secured, granular and skewed towards Core markets**
  - Wheels - constitutes 47% of GNPA, Average Ticket Size – ₹ 1.7 Lacs, 60% is in Core markets
  - SBL - constitutes 40% of GNPA, Average Ticket Size – ₹ 6.7 Lacs, 71% is in Core markets
- **Coverage on the >90dpd NPA accounts has remained stable at ~60% in Q4**
  - Historically, our loss on repossession and settlement has been <40% for Wheels and <30% for SBL
- Carrying additional ₹ **70 Cr of contingency provision**; ₹ 108 Cr of contingency provisions that the bank was carrying as on 31-Dec-20 included ₹ 38 Cr provision towards interest reversal for pro-forma 90+ dpd accounts; In Q4, following the tagging of NPA (after the Hon'ble Supreme Court's verdict on vacating stay on NPA classification), this provision has been utilized and interest income duly reversed
- Pronouncement of Hon'ble Supreme Court's verdict on vacating stay on NPA classification and consequent tagging of NPA paves the way for quicker resolution (both from customer and security enforcement perspective)

*Following Hon'ble Supreme Court's verdict on vacating stay on NPA classification, the GNPA (pro-forma 90+ dpd as on 31'Dec'20 and the pro-forma once tagged NPA) as on 31-Dec'20 would be ₹ 1,116Cr or 3.7% of Gross Advances (vs 3.3% pro-forma 90+ dpd reported in Q3FY21)

Credit Cost Overview

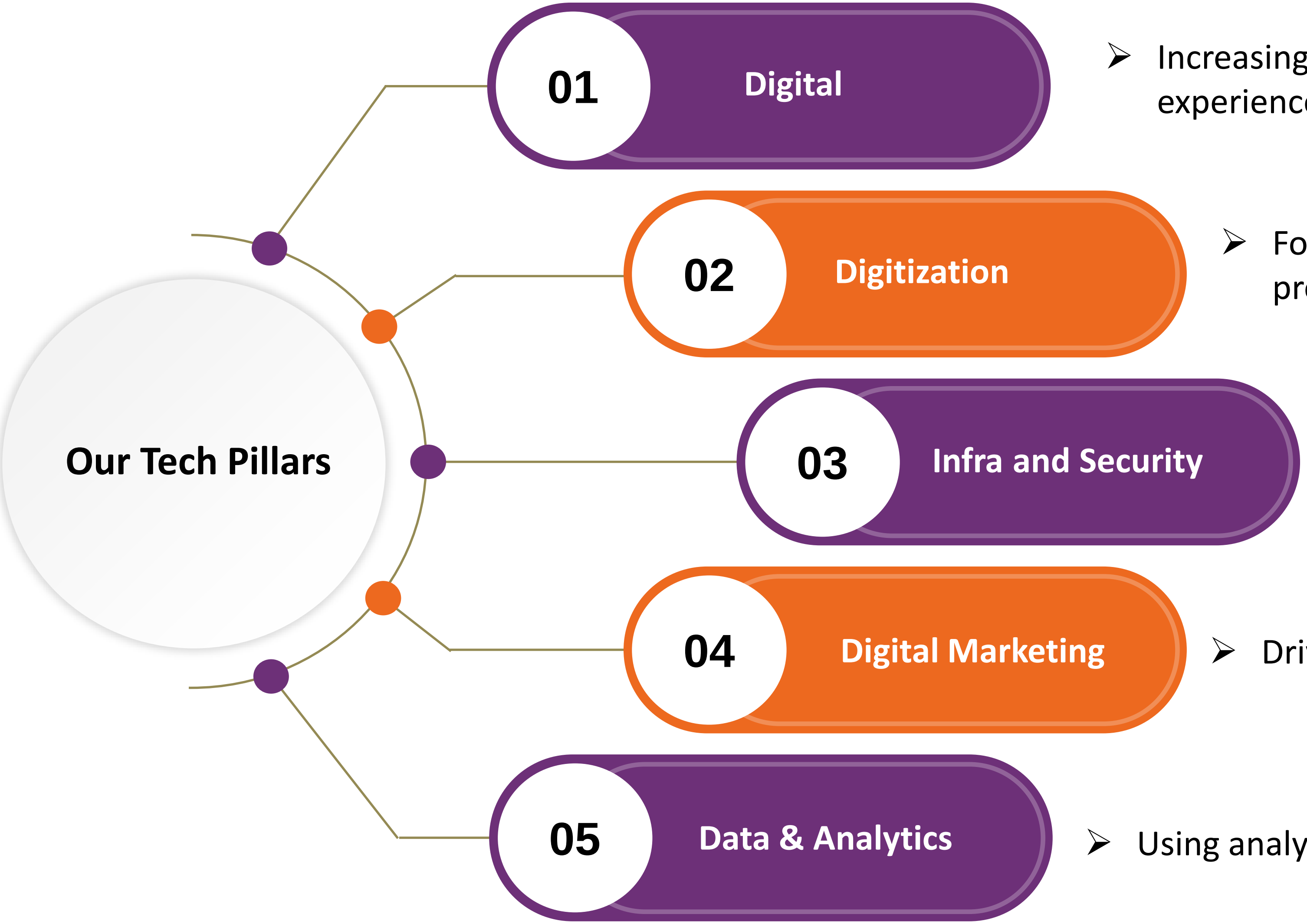
Credit Cost - Net Impact on P/L (All Figures in ₹ Crore)	Q4FY20 Audited	Q3FY21 Unaudited	Q4FY21 Audited	FY21 Audited	FY20 Audited
Repossession Loss	11	7	11	25	36
POS Loss	5	4	13	21	13
Write off	0	86*	0	86	2
Less: Bad Debt Recovery	-6	-2	-3	-7	-20
Net Credit Loss (A)	**11**	**95**	**22**	**125**	**32**
Net Credit Loss (as % of Avg. Total Assets)	**0.1%**	**0.8%**	**0.2%**	**0.3%**	**0.1%**
Provision on NPA (B)	5	-70	517	507	65
General and Covid Related provisions (C)	138	254	-436	-37	138
Credit Cost – Net Impact on P/L (A+B+C)	**154**	**279**	**103**	**595**	**235**
Credit Cost – Net Impact on P/L (as % of Avg. Total Assets)	**1.5%**	**2.5%**	**0.8%**	**1.3%**	**0.6%**

Movement of Gross NPA (All Figures in ₹ Crore)	Q4FY20 Audited	Q3FY21 Unaudited	Q4FY21 Audited
Opening Gross NPA	504	423	303
Additions during the period	81	6	1,244
Reductions during the period	128	126	44
Gross NPA (closing)	**458**	**303**	**1,503**

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

4. Tech Update

Tech continues to be a top priority



- Increasing digital offerings and building compelling customer experience across touch-points
- Focus on digitization and automation of internal processes to increase productivity
- Focus on building a future ready and secure architecture
- Driving engagement and building our brand as a digital bank
- Using analytics to understand and serve customers better

Building compelling customer experience

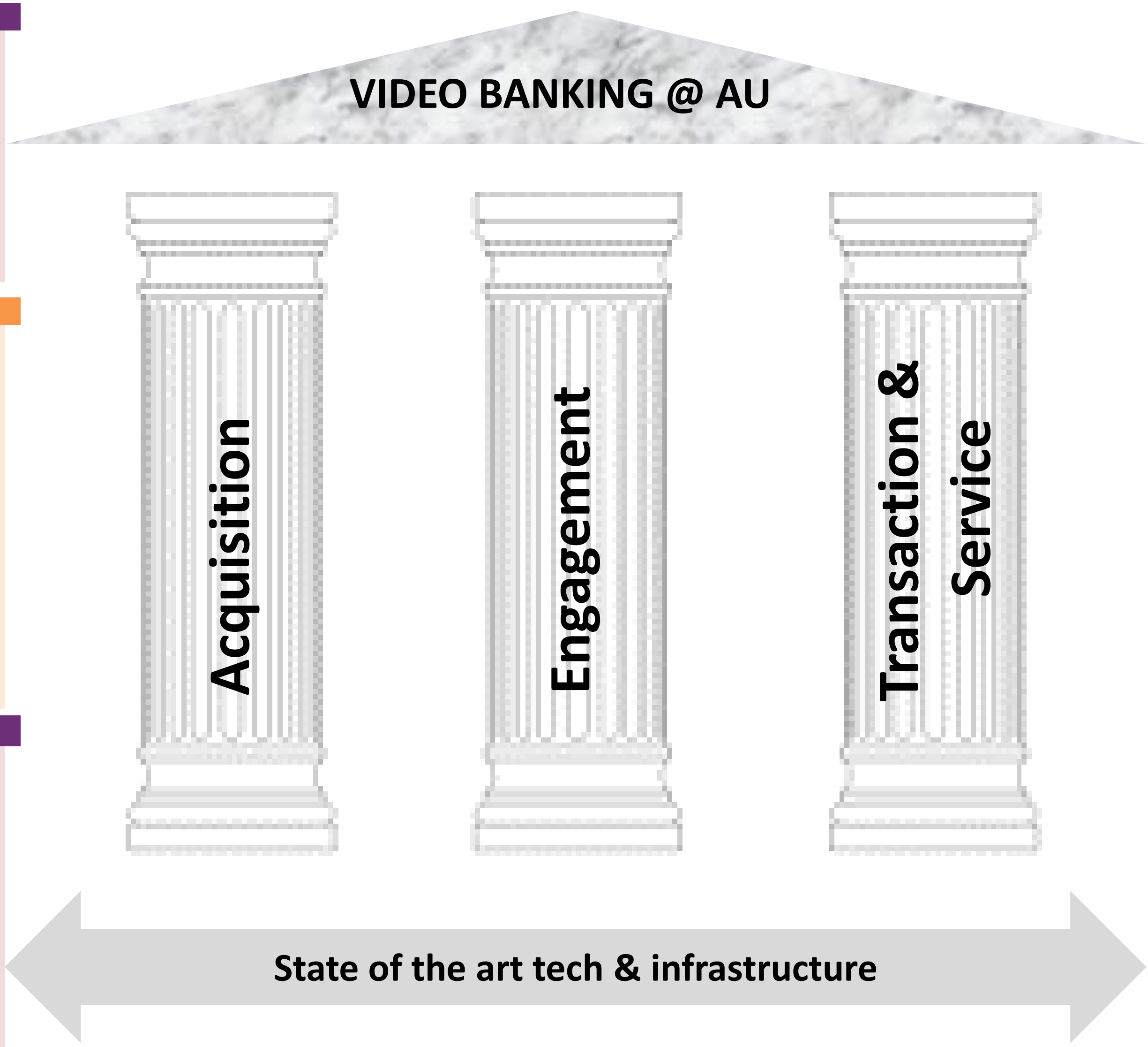
- **Continuing to work towards becoming a digital bank for consumers:**
  - Launched new MB super app in Q3 with a complete suite of payment and lifestyle services
  - Adding 10+ new product and service journeys in super app for both new and existing customers (Q1’21)
  - Launched Credit Cards for employees; commercial launch in Q1FY22
- **Significant uptick in digital adoption in Q4’21 driven by new mobile banking app**
  - 4 lac+ customers registered, an increase of 27% over Q3
  - ~ 40% Of new deposit customers in Q4 have registered on internet or mobile banking
- **Expanded functionality in self-serve channels (Chatbot and WhatsApp Banking) – 1.4 lacs queries resolved**
- **Partner ecosystem further enhanced with partnerships like Maruti, Amazon, Flipkart**
- **Expanded Video Banking and Merchant Solutions offerings**

Investing in Video Banking

- **Our vision of video banking:**
  - Its everything one can do in a branch (except cash)
  - Not just Video KYC

- **Potential to be an important channel over time**
  - Increased customer adoption of video calling
  - 5G rollout would further improve customer experience
- **Ability to learn from Video Banking interactions**

- **State of the art center being operationalized**
- **Working on increasing use cases and customer adoption**



Investing in Merchant Solutions (including UPI QR)

Developing an offering for small merchants

- UPI QR as the entry-point
- X-sell (current account, unsecured loans)
- Value added services

Encouraging response from merchants to Bank QR

- ~75k merchants onboarded (>60% activation)
- ~15 lac transactions worth ₹ ~150 Cr executed in Q4

Will scale in a measured way

- Test & learn
- Aim to get to >0.5m QRs in FY22
- Launched a pilot for unsecured landing

चलो आगे बढ़ें

Continued digitization and focus on building a strong team

Digitizing loan processing

- Assisted end-to-end digital journeys for key asset verticals:
  - For SBL – journey rolled out in Q4
  - For Home Loan, Wheels and Corporate LOS - to be launched in Q1

Referral app

- Referral app launched to automate lead management
- ~25k referrals across products in Q4

Data and analytics

- Risk based score cards for credit underwriting to reduce TAT
- 4+ lakh pre-approved offers generated

Digital marketing

- Implementing Martech stack from Adobe for digital campaign management

Building a strong team

- Continue to build out tech team
  - Number of senior hires across technology functions
  - 100+ resources being hired in development and support roles
- Ongoing training and upskilling of existing resources

5. Branch Banking Update

Deposits Journey – Moving to a sustainable granular franchise

Key turning points

	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 (Large private bank under crisis)	72%	43%
Mar'21 (COVID-19 gave room to execute)	84%	55%

Our Performance

Core Principles of our Deposit Strategy

Communication & Engagement
Automated Customer Life Cycle Mgmt, Virtual RMs, Newsletters

Digital First
Employees, Process, Payments, Communications

Effective Sales & Resource Management
Onboarding, Training, Incentive, R&R, CRM

Customer & Market Segmentation
Core & Urban Markets UYC – Profiles Based Acq

Primary Account Transition
Products, Solutions, Channels, Offers, Campaigns

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

Building blocks in place for a strong deposit franchise

- Won APY Premier League of PFRDA Oct 2020
- Granular distribution of Social Security Schemes
- Profile-based Banking

Fin. Inclusion & Individual Banking

- 37 new branches in FY21
- Agra, Bhubaneshwar, Bengaluru, Hyderabad, Jammu, Kanpur, Kolkata, Lucknow etc. – are new major cities added

Branch Expansion

- New Partners-ICICI Prudential Life Insurance, Care Health Insurance
- Digital Onboarding
- Wealth – MF, ASBA, IPO, 3-in-1

Insurance & Investment

Merchant Ready

- Strong growth in QR Code deployment
- Majority merchants are active on the platform

Video Banking

- Accounts
- Loans
- Customer Service
- Relationship Management

Digital Ready

- New AU Mobile & NB
- Bill Payment
- Fastag
- Scan & Pay

Offers and Engagement aiding Activation and Deepening

Brand Partnership in FY21

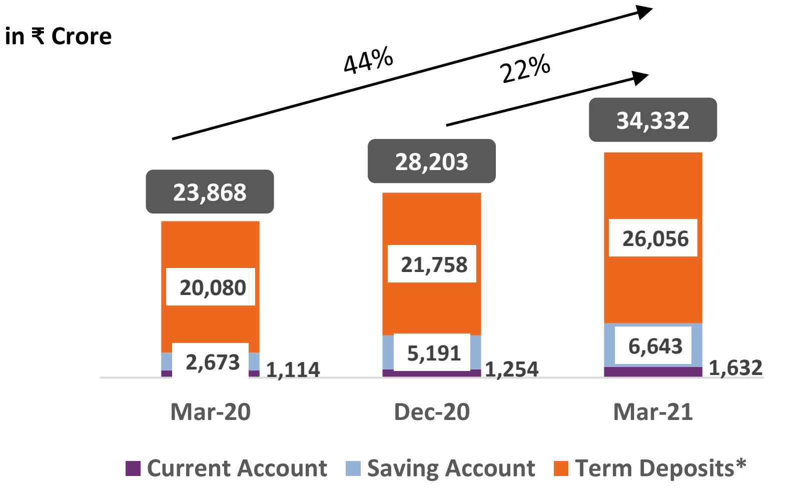
Increasing engagement through Debit Card

Shopping Festival and Pre-Approved Offers on Maruti Suzuki NEXA

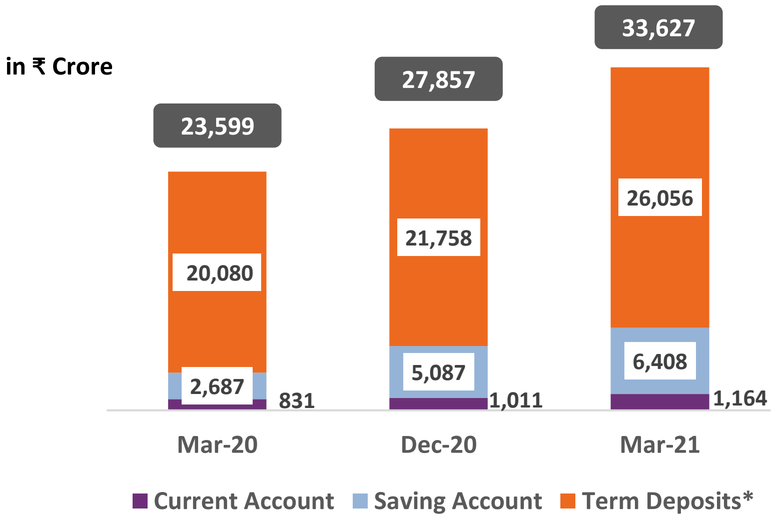
- **Focus remains on quality versus quantity – focused segmental approach, omni-channel distribution driving deeper engagement**
- **We remain engaged with leading e-commerce players to drive engagement and visibility**
- **Seeing continued improvement across key vectors**
  - AMB (non-zero balance accounts) improved to 2.3x YoY
  - Transaction customers % steadily rising and Average transactions/transacting customers has increased 2x YoY

Branch Banking - Snapshot

Growing Deposit Franchise

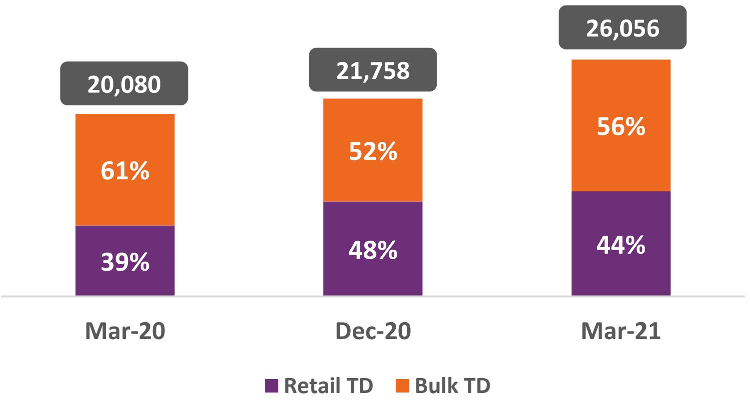


Average Monthly Balance

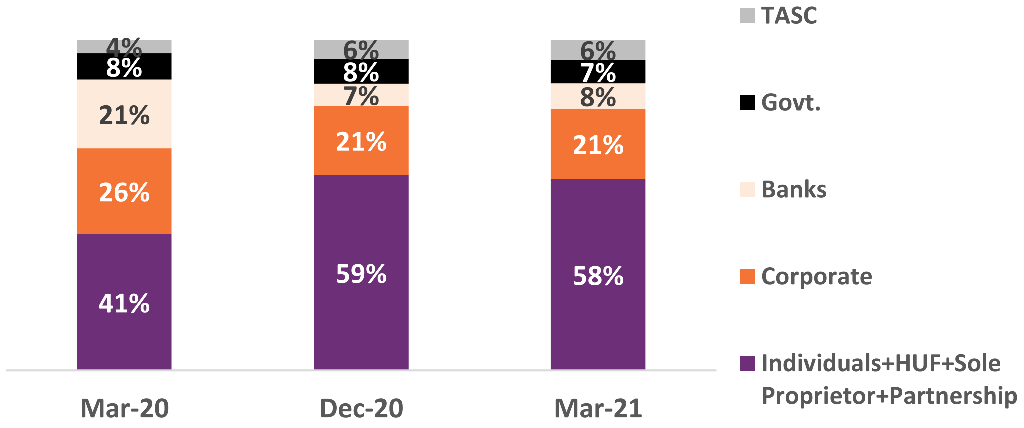


- CASA grew by 28% QoQ
- Bulk SA only contributes 9% of total SA
- 37% of the Term Deposits are non-callable (Bulk TD – 64% non-callable)
- Contribution of Individual driven banking has gone up from 41% to 58% YoY

Split of Retail and Bulk TD



Profile of Depositors



*Deposits excludes Certificate of Deposits of ₹ 2,296 Cr as on 31st Mar 2020, ₹ 1,505 Cr as on 31st Dec 2020 and ₹ 1,647 Cr as on 31st Mar 2021

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 less than ₹ 2 Crore while Bulk TD refers to all TD of Banks and TD of Corporates, Government & TASC with balances of ₹ 2 Crore & above

6. Other Key Updates

Financial & Digital Inclusion

During the year, the Bank amplified its Financial Inclusion initiatives by constituting a 'Financial & Digital Inclusion' department.

Universal Access to Financial Services

- 31% of our total touchpoints/branches - 228 are in unbanked rural centres (Tier-VI, population less than 5,000 & Tier-V, population less than 10,000)
- Have presence in the Special Focus Districts covering 24 Aspirational districts and 9 Left wing extremist affected districts.

Providing Basic Bouquet of Financial Services

PM Jan Dhan Yojana

Particulars	BSBDA	MUDRA	PMJJBY	PMSBY	APY
as on 31st Mar 2021	1,17,000+	74,000+	10,000+	5,000+	12,000+

21% BSBD accounts are Aadhar seeded, received Direct Benefit Transfer of ₹ 176 lakhs in FY21

PM SVANidhi

- Launched on 1st October
- Disbursed 400+ cases in FY21, issued QR Codes to all Street Vendors

PM Awas

- Disbursed ₹ 546 Cr, facilitating subsidies to the tune of ~ ₹ 20 Cr
- Out of which, the share of Economically Weaker Section is ₹ 400+ Cr

Financial Literacy & Education

- Conducted 2,947 physical financial literacy camps across 403 touchpoints and reached to 16 lakh+ through Digital Financial Literacy Camps in FY21.
- RBI Financial Literacy Week was observed from 8th to 12th Feb'2021 on the theme of Credit Discipline & Credit from Formal Institutions.

BSBDA, Mudra - live accounts | Social Security Schemes - Total policies

Awards & Recognitions

- Featured in D&B's list of India's leading BFSI and FinTech companies 2021
- Featured amongst the Economic Times Best BFSI Brands – 2021
- Recognised as Great Place To Work (GPTW) during Oct 2020
- Runner up for the Best Digital Financial Inclusion Initiatives IBA Banking Technology 2021 Awards
- Won 'Makers of Excellence 4.0' contest in SFB category for showing highest business performance for APY in Nov-Dec 2020
- Winner of the Best Financial Inclusion Initiatives award for our Financial Literacy Camps through Nukkad Natak
- 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

35 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

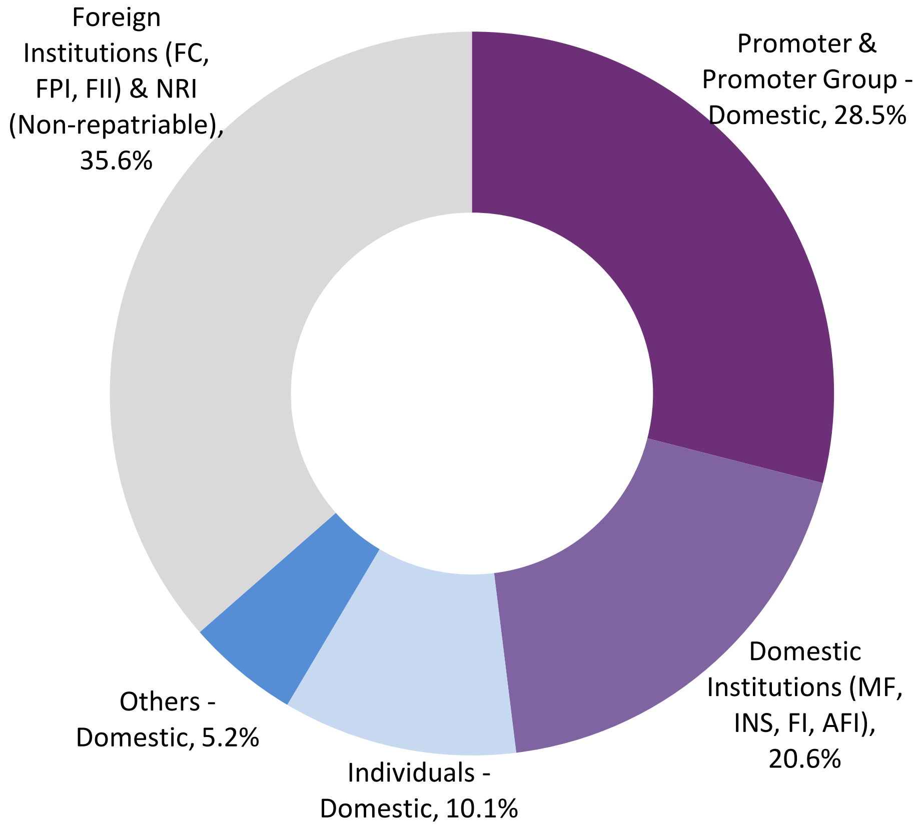
24+ years of experience

B. Com

Associated with the Bank for more than 16 years

Marquee Shareholders Base – As on 31st Mar 2021

Shareholding Pattern



Domestic : Foreign	**64 : 36**
Total No of Shares	**31.2 Cr**

Sr No	Key Shareholders	Holding on 31 Mar 2021
1	Promoter & Promoter Group	**28.5%**
2	AU Employees	**3.1%**
3	Wasatch	**4.7%**
4	Temasek Holdings	**4.6%**
5	Capital Group	**4.6%**
6	Kotak Mahindra MF & AIF	**4.1%**
7	WestBridge Capital	**3.8%**
8	Nomura	**3.6%**
9	UTI MF (MF & Offshore funds)	**2.5%**
10	Motilal Oswal MF	**2.2%**

THANK YOU

For Investor queries contact (details in QR Code):

Prince Tiwari | Aseem Pant

Email: investorrelations@aubank.in

Abbreviations

ALM	Asset Liability Management
AUM	Asset Under Management
BSBDA	Basic Savings Bank Deposit A/C
CASA	Current Account Deposits and Savings Account Deposit
CRAR	Capital Adequacy Ratio
CRR	Cash Reserve Ratio
DPD	Days Past Due
EPS	Earning Price Per Share
LCR	Liquidity Coverage Ratio
NBFC	Non-Banking Finance Company
NII	Net Interest Income
NPA	Non-Performing Assets
OPEX	Operating Expenses
P/L	Profit & Loss Statement
PAT	Profit After Tax
QoQ	Quarter on Quarter
ROA	Return on Average Assets
ROE	Return on Average Shareholder's Fund
SFB	Small Finance Bank
SLR	Statutory Liquidity Ratio
YoY	Year on Year

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