



AU Small Finance Bank Limited

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For Immediate Release

AU Bank reports resilient performance in a challenging environment – asset quality remains stable and NII grows by 40% and PAT growth of 15% in Q1'FY22; Launched Credit Cards and Digital Bank AU 0101 during the quarter

Mumbai/ Jaipur, August 6th, 2021: The Board of Directors of AU Small Finance Bank Limited at its meeting held today, approved the audited financial results for the quarter ended June 30, 2021.

Key Highlights for Q1'FY22:

- Net profit grows by 15% (excluding profit from sale of Aavas Financiers) to ₹ 203 Crore despite Bank prudently increasing contingency provisioning buffers by ₹ 120 Crore to strengthen the balance sheet
- Delivered RoE of 12.7% and RoA of 1.6% in Q1'FY22
- Cost of funds declined by 88bps YoY to reach 6.3%
- Deposits continue to scale with customer profile becoming more granular
 - Total deposits grew by 38% YoY to ₹ 37,014 Crore driven largely by growth in Savings account balances which grew 166% YoY to ₹ 8,102 Crores
 - CASA ratio improved to 26% versus 23% as on 31-Mar'21 and 14% as on 30-Jun'20
 - Retail deposits mix at 59%
- Total Loan AUM rises 22% YoY to reach ₹ 36,635 Cr
 - Disbursements were subdued in Q1FY22 due to the 2nd wave impact
- Asset quality remained stable with GNPA at 4.3% and Net NPA at 2.3%
 - Collections saw sharp pullback as Covid wave-2 flattened; Collection efficiency of 114% in June'21 and 101% for Q1'FY22
 - Bank prudently made contingency provisions of ₹ 120 Cr during the quarter to strengthen the balance sheet; The Bank now carries total contingency provision of ₹ 190 Cr which is 0.6% of loans
 - Bank has done 658 Cr of standard restructuring in Q1 and as on 30th June'21 Bank had total of ₹ 1,265 Cr of Standard Restructured asset which is 3.60% of gross advances
- Muted business activity during the quarter resulted in higher liquidity with Bank maintaining daily average LCR of ~137% for Q1'FY22 (against regulatory requirement of 100%)
- Bank remains well capitalised with a strong Tier 1 capital ratio of 21.6% and total CRAR of 23.1% (sufficiently above minimum requirement of 7.5% and 15% respectively)

Key Product Launched during the quarter:

- Launched AU 0101 - our digital bank, a comprehensive mobile and net banking platform with a simple and intuitive interface, best in class onboarding journeys with integrated Video KYC, and personalised pre-approved offers for customers



- AU 0101 offers:
 - Comprehensive solutions around savings and fixed deposits, credit cards, loans, investments, insurance, bill payments, and other lifestyle solutions like cab and flight bookings, recharge, and tax payments.
 - Multiple channels for customers to bank digitally, including Whatsapp Banking, Chatbot and Video Banking (with expanded use cases around transaction and servicing)
- Launched Credit Cards offering to customers with attractive product features including Industry's first digital device protection plan, and end-to-end digital onboarding
 - AU is the first and only Small Finance Bank to offer Credit Cards
 - Partnership with global payment leaders VISA & FiServe for card issuance
- During the quarter, we also launched:
 - AU Royale World, a savings account with industry leading features for NR customers
 - AU Platinum, a Family Banking program with dedicated Relationship Manager
 - AU Power Current Account to fulfil the needs of retail merchants / traders who are tech savvy and aim to provide digital payment solutions to their customers

Commenting on the performance, Mr. Sanjay Agarwal, MD & CEO, AU Small Finance Bank said,

“Q1’FY22 caught most of us by surprise with the onset of second wave. Amidst a challenging operating environment, our performance has been quite resilient and we remain thankful to the Government, regulators, customers and last but not the least our employees for their belief and support. Our deposits continue to become more granular, our digital journey is shaping up well, our GNPL was stable sequentially and we have strengthened our balance sheet by creating contingency buffers for any unforeseen risks to our business. We are quite excited about the recent launch of our Digital Banking app AU 0101, our newest asset product in Credit Cards and our Video Banking solutions. We will shortly be going live with our Brand campaign as we continue in our efforts to bring Badlaav”

About AU Small Finance Bank:

AU Small Finance Bank Limited (AU Bank) is a scheduled commercial bank, a Fortune India 500 Company and the largest Small Finance Bank. Starting its journey from the hinterlands of Rajasthan, today AU Bank is the largest Small Finance Bank with a deep understanding of the rural and semi-urban markets that has enabled it build robust business model facilitating inclusive growth. With 25+ years legacy of being a retail focused and customer-centric institution, AU started its banking operations in April 2017 and as on 30th June 2021, it has established operations across 758 Banking Touchpoints while serving 20.2 Lakh customers in 15 States & 2 Union Territories with a employee base of 23,486 employees. The Bank has a net worth of ₹ 6,490 Cr, deposit base of ₹ 37,014 Cr and net advances of ₹ 33,957 Cr. AU Bank enjoys the trust of marquee investors and is listed at both the leading stock exchanges viz. NSE and BSE. It has consistently maintained a high external credit rating from all major rating agencies like CRISIL, ICRA, CARE and India Ratings.