

Ref. No.: AUSFB/SEC/2023-24/04

Date: 4th April, 2023

To,

National Stock Exchange of India Ltd. Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai 400051, Maharashtra. NSE Symbol: AUBANK	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001, Maharashtra. Scrip Code: 540611
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Dear Sir/Madam,

Sub: Intimation under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Code of Fair Disclosure and Conduct and in terms of Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Bank would like to place the following information on record pertaining to its performance in the quarter ended on 31st March 2023.

Particulars	31 st Mar'23	31 st Mar'22	Y-o-Y	31 st Dec'22	Q-o-Q
Total Deposits	69,365	52,585	32%	61,101	14%
CASA Deposits	26,660	19,608	36%	23,471	14%
CASA Ratio	38.4%	37.3%	N.A.	38.4%	N.A.
Gross Advances	59,158	46,789	26%	56,335	5%

Average cost of funds (COF) for FY23, at 5.96%, was 1 basis point (bps) higher than full year COF of FY22 at 5.95%; For Q4'FY23, the average COF was up 32 bps QoQ at 6.29% as against 5.97% in Q3'FY23.

Management Commentary – FY23 was a year of uncertain macro and global headwinds with tighter liquidity and higher inflation leading to significant increase in interest rates and stronger competition for deposits. Amidst this challenging and unsettled environment, the Bank delivered a **consistent and strong performance** across parameters while continuing to progress on the journey of building a **standardised, scalable and sustainable banking franchise** across deposits, assets and digital banking.

Q4'FY23 was amongst the best quarters of the Bank with resilient and consistent performance across various businesses parameters. Some key operating highlights for Q4'FY23 quarter were as follows:

- The quarter saw a marked increase in system-wide deposit rates with significant competition for deposits. The Bank focussed on preserving its CASA deposits amidst a notable shift of deposits from Savings account to Term deposits. As articulated in previous quarters, Bank continued its approach of

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calibrating funding mix with focus on optimising cost of funds and securitised asset portfolio of ₹ 3,064 crores during Q4'FY23 taking the total assigned (securitised) book to ₹ 4,914 crores as against ₹ 2,251 crores as on 31st Dec'22 and ₹ 1,206 crores as on 31st Mar'22.

- Demand in each asset segment remained resilient during the quarter leading to robust disbursement across products.
- The asset quality and collection trends continued to be strong and was among the best quarter for FY23.
- Bank continues to maintain healthy liquidity buffers and there was no additional MTM in Q4'FY23.
- Uptick in funding cost with marginal increase in disbursement yields is likely to have some marginal impact on spreads; the endeavour remains to prioritise risk adjusted yields and calibrated growth underpinned by strong underwriting.
- Our focus on digital initiatives has seen significant traction in all areas. Notably, the Credit card business has now reached ~5 Lac cards with monthly spends crossing ₹ 1,000 crores in March'23 and the QR code deployment has crossed 1 million mark.
- Bank's focus on corporate governance has been very strong. Continued efforts towards Board composition, governance structure, sustainability and HR practices has led to a very strong and independent Board and stable senior management team. During FY23, Bank added three independent directors and with cessation on completion of tenure of two independent directors in Q4'FY23, the total Board strength is now ten directors with eight of them being independent directors including two women independent directors.

Note: The above information for Q4'FY23 is provisional and being released ahead of the official announcement of the financial results for the quarter and year ended 31st March, 2023 and is subject to review and approval by the Audit Committee, Board of Directors and Statutory Auditors of the Bank. As previously communicated, the Bank has discontinued providing certain additional disclosures initiated during COVID-19 pandemic.

A copy of this letter is being uploaded on the website of the Bank at <https://www.aubank.in/investors>.

For AU Small Finance Bank Limited

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