



AU Small Finance Bank Limited

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For Immediate Release

AU Small Finance Bank delivers strong operational performance in Q4'FY24 with 9% QoQ growth in deposits and advances; Deposits grew by 26% YoY, Advances grew by 25% YoY, and GNPA is down to 1.67% for FY24; RoA at 1.6% and RoE at 13.5% for FY24 (before considering exceptional items)

Continues to execute its strategy of deposit-led asset growth and gain further scale and efficiency with the amalgamation of Fincare SFB into the Bank w.e.f. 1st April 2024

- **Pre-provisioning Operating profit (PPoP)** for Q4'FY24 up by **16% YoY** to **₹664 Cr** and **Net interest income** up **10% YoY** to **₹1,337 Cr**
- **Profit for Q4'FY24** excluding exceptional items at **₹428 Cr** up **14% QoQ**
- **Deposits** at **₹87,182 Cr** with **26% YoY** and **9% QoQ** growth
- **CASA Deposits** grew by **10% QoQ** to **₹29,126 Cr** with strong **39% QoQ** growth seen in **current account deposits**
- **CASA ratio** stood at **33%** and **CASA + Retail TD mix** stood at **64%**
- **Gross Advances** up 25% YoY and 9% QoQ to **₹73,999 Cr**; Securitised loan portfolio worth **₹616 Cr** during Q4'FY24
- Total **Credit cards** crosses **9.6 Lacs** with **98% activation**
- **47%** of new customers acquired during Q4'FY24 were via digital products and channels; Total customer base has grown to **1.1 Cr with merger**
- Merger with Fincare Small Finance Bank effective since 1st April 2024
- Declares dividend of **₹1/- per share for FY23-24 subject to shareholder's approval**

Mumbai, April 24, 2024: The Board of Directors of AU Small Finance Bank Limited at its meeting held today, approved the financial results for the quarter and financial year ended March 31, 2024.

Executive Summary

Amidst a challenging macroeconomic landscape characterized by elevated interest rates and intense competition for deposit mobilization, AU Small Finance Bank (AU SFB) has sustained its growth momentum. FY24 marked a resilient operational performance, with a notable 26% and 25% Year-on-Year growth in deposits and advances respectively. This growth underscores the Bank's commitment to its strategy of deposit-led asset expansion. Furthermore, the recent amalgamation of Fincare SFB into AU Small Finance Bank positions the institution for enhanced scale and efficiency.

Performance at a glance - Q4'FY24

- Net Interest Income (NII) grew 10% YoY to ₹1,337 Cr, compared to ₹1,213 Cr in Q4'FY23
- Other Income growth for Q4'FY24 is at 67% YoY at ₹556 Cr
- PPOP grew by 16% and now stands at ₹664 Cr compared to ₹571 Cr in Q4'FY23
- Net profit excluding exception items at ₹428 Cr in Q4'FY24 up by 1% YoY compared to ₹425 Cr in Q4'FY23 and up by 14% QoQ compared to ₹375 Cr in Q3'FY24
- RoA and RoE excluding exceptional items stands at 1.6% and 13.9% respectively
- **Exceptional Item** - Bank has taken a one-time pre-tax exceptional impact of ₹77 Cr in Q4'FY24 towards Fincare merger related expenses

Performance at a glance – FY2023-24

Profitability

- NII grew 17% YoY to ₹5,157 Cr in FY24 compared to ₹4,425 Cr in FY23
- Other Income growth for FY24 is at 69% YoY driven by fee income from Treasury fee, third-party product distribution and credit cards
- PPOP grew by 25% to ₹2,515 Cr from ₹2,019 Cr in FY23
- Net profit excluding exceptional items at ₹1,592 Cr in FY24 is up by 12% YoY compared to ₹1,428 Cr in FY23
- RoA and RoE excluding exceptional items for FY24 stands at 1.6% and 13.5% respectively
- Net Interest Margin (NIM) for FY24 stood at 5.45%
- Capital Adequacy ratio stands at 20.06%

Deposits

- Total deposits reached ₹87,182 Cr compared to ₹69,365 Cr in Q4'FY23; Growth of 26% YoY and 9% QoQ
- CASA deposits increased by 9% YoY to ₹ 29,126 Cr compared to ₹ 26,660 Cr in Q4'FY23; CASA ratio stand at 33% and CASA + Retail deposits stand at 64%

Advances

- Bank's Gross advances grew by 25% YoY to ₹73,999 Cr in Q4'FY24 compared to ₹59,158 Cr in Q4'FY23; Credit to Deposit ratio stands at 84%
- Of the total advances, Vehicle Loan contributes 30% and Micro Business Loans (MBL), Home Loan as well as Commercial Banking Loans contribute 28%, 8% and 25% respectively

Asset Quality

- Gross non-performing assets (GNPA) stood at 1.67% in Q4'FY24 vs 1.66% in Q4'FY23 and 1.98% in Q3'FY24; Provisioning Coverage Ratio (PCR) remained stable at 76%
- Bank is carrying provisions of ₹111 Cr towards standard restructured book and floating provisioning

Other key updates

- During the quarter, Shri H R Khan - Independent Director on the Board and ex-Deputy Governor, RBI, took over as the Chairman of the Bank w.e.f. January 30, 2024
- During the quarter, the Bank has started offering product and services to customers under the Authorized Dealer Category – I (AD Cat-I) license

Proforma Merged Numbers:

Post receiving RBI approval on March 4, 2024, the merger of Fincare SFB with and into AU SFB became effective from April 1, 2024, and Some key numbers on a proforma merged basis as on 31st March 2024 are as below:

Announced merger with Fincare in Oct 23 and received all required approvals for the merger by Mar 2024.
Merger is effective 1st April 2024

	<u>Standalone</u>	<u>Fincare</u>	<u>Proforma Merged</u>	
Deposits	₹87,182 Cr	₹10,522 Cr	₹97,704 Cr	
Gross Loan portfolio	₹82,175 Cr	₹14,315 Cr	₹96,490 Cr	Cost of Fund on Merged basis
Balance Sheet	₹1,09,426 Cr	₹17,267 Cr	₹1,26,693 Cr	7.1%
Net Worth	₹12,560 Cr	₹2,421 Cr	₹14,981 Cr	
Customers	49.4 Lacs	60.5 Lacs	1.10 Cr	Yield on Merged basis
Employees	29,738	16,000+	46,000+	14.2%
Touchpoints	1,074	1,309	2,383	

All figures as of 31st Mar'24; Merged Financial numbers including Net worth and B/S may undergo minor changes post adjustments

Commenting on the performance, **Mr. Sanjay Agarwal, Founder, MD & CEO, of AU Small Finance Bank**, said, "India's economic landscape is surging forward, with GDP growth projected to be among the highest globally. This robust growth fuels optimism for businesses and entrepreneurs like me. With a robust GDP, controlled inflation, and a continuously improving regulatory environment, India's macro picture paints a bright future for its economy. I'm really excited about the opportunity and scope for execution that this growth provides to an institution like AU. This period of growth also coincides with our own philosophy of building AU forever. The first phase of our forever journey, that is AU @ 2027, is the foundational period of first 10 years of our banking journey.

Our performance in the current quarter has remained absolutely on track with deposit growth outpacing advances growth, margins broadly remaining within our guided range and asset quality continuing to be robust. I am happy that our merger with Fincare has received all regulatory approvals in record time, and we are now operating as a merged entity. We now have 2,383 physical touchpoints across India and apart from a brick-and-mortar presence, we have a body and soul present in all these locations, giving us an extensive network which ensures we're closer to our customers than ever before and fast forwards our distribution build-out by many years".



About AU Small Finance Bank

AU Small Finance Bank Limited (AU SFB) is a scheduled commercial bank and has established itself as the largest SFB in India since starting its banking journey in April 2017. Established in 1996 by Mr. Sanjay Agarwal, a first-generation entrepreneur, AU SFB boasts a 29 years-legacy with deep understanding of the rural and semi-urban markets and customer segments. The Bank operates a sustainable business model that facilitates credit to the unserved and underserved retail and MSME customer segments while providing complete banking solutions to its deposit and branch banking customers. As a tech-led Bank, AU has a strong digital presence with innovative products and services like 24X7 video banking, credit cards, personal loans, UPI QRs, payments, merchant lending, WhatsApp Banking, Chatbots etc. and its digital bank application AU0101 remains among the higher rated banking apps in India.

The Bank operates from 2,383 banking touchpoints across 21 States & 4 Union Territories serving 1.1 Cr customers with an employee base of 46,000+ employees. As on 31st Mar'24, on the proforma merged basis, Bank has a Net worth of ₹14,980 Cr, deposit base of ₹97,704 Cr, Gross Loan Portfolio of ₹96,490 Cr and a Balance sheet size of ₹1.26 Lac Cr. AU SFB enjoys the trust of marquee investors and is listed at both NSE and BSE. It has consistently maintained high external credit Rating and is presently rated 'AA/Stable' by CRISIL, CARE Ratings and India Ratings, while the Bank's FD is rated 'AA+/Stable' from CRISIL Ratings.

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