BADLAAV
HUMSE HAI

AU SMALL FINANCE BANK

A Journey Towards Forever Banking

AU

29 YEARS

INVESTOR PRESENTATION Q1'FY25

25th July 2024

Sustainable and Inclusive | Retail Focused | Tech-Led | Pan India| Customer Centric | Well Governed

1 MANAGEMENT UPDATE

2 OPERATING & FINANCIAL HIGHLIGHTS

3 LIABILITIES UPDATE

4 ASSETS PERFORMANCE

5 OTHER KEY INFORMATION

Note for complete presentation:

1. Fincare SFB merged with AU SFB effective April 1, 2024. Throughout the presentation, prior period numbers may not be comparable.
2. For computation of Avg. Total Assets and Avg. shareholder's fund for Q1'FY25 – average of 1st April'24 (Opening Balance Sheet) and 30th Jun'24 is considered
3. Few figures are adjusted for comparative purposes, wherever needed, basis internal MIS

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Executive summary

Universal Bank – Board approves application process

- Board has considered and **approved** for making an application to RBI for **transition to a Universal Bank** pursuant to RBI circular on voluntary transition of SFB to Universal Bank
- Board has constituted a **Committee of Directors under the Chairmanship of Shri H. R. Khan,** Part Time Chairman and Independent Director of the Bank, **to vet the application** for submission with RBI
- Other members of the committee are **Shri Pushpinder Singh and Shri M. S. Sriram,** both independent directors of the bank and **Shri Sanjay Agarwal**, Founder, MD & CEO of the Bank

Business Outlook

- **In the last 2 quarters, management has intensified its action** by focusing on Cost of Fund (CoF), quality of deposits, increasing disbursement yields and enhancing disbursement share of high RoA products
- Q1'FY25 was the first quarter post amalgamation of Fincare SFB and **merger continues to progress** well and remains on schedule **without any disruption or surprises**
- Q1'FY25 saw strong business momentum where management delivered on each of its priorities
  - Seamless integration of Fincare operations – **BAU with minimal disruption** towards Business, Regulators, Customers and Employees
  - Focus on managing the Cost of Funds (CoF) – **CoF reduced by 7bps in Q1 by consuming some of the surplus liquidity**
  - Calibrate disbursement mix towards higher RoA assets **– 82% disbursement in high RoA assets; disbursement yield at 15.8% for Q1**
  - Endeavor to deliver profitability in the range of FY24 performance – Delivered PAT of ₹503 Cr up 30% YoY and Q1'FY25 **annualized RoA at 1.6%**
- Overall, Bank has tactically delivered resilient performance with early progress on each element of '**AU@2027**' strategy

Executive summary

Deposits – focus on reducing cost of funds

- Pursuant to strong deposit growth of 9% in Q4'FY24, the Bank carried surplus liquidity into the quarter. Thus, our primary focus in Q1 was to utilize this excess liquidity and optimize our Cost of Funds (CoF)

- **Deposit book**
  - Bank focused on growing retail deposits while retiring high-cost deposits
  - **Saving deposits grew by 5% QoQ** while **Bank retired ~₹1,000 Cr of high-cost bulk term deposits**; Bank's standalone deposits saw an increase compared to de-growth in erstwhile Fincare's deposit book
  - **Total deposits stood at ₹97,290 Cr, remaining flat** wrt proforma merged deposit of ₹97,704 Cr as on 31st Mar'24
  - **CASA deposits grew by 2%** sequentially to ₹32,035 Cr and **CASA ratio stands at 33%**
  - Deposit profile remained stable with **CASA + Retail TD at 70%** and **CASA + Retail TD + Non-callable Bulk TD being 85%** of total deposits

- **Cost of Funds**
  - In April'24, Bank had strategically **reduced interest rates in certain buckets of savings deposits by up to 100bps** while keeping the peak deposit rate at 7.25%
  - This, coupled with reduction in high-cost term deposits, **led to 7bps reduction in cost of fund** during the quarter; CoF for Q1'FY25 reduced to 7.03% compared to 7.10% in Mar'24, on proforma merged basis,
  - Deposit environment remains competitive, and cost of raising deposits is likely to remain elevated for this FY. However, **full year Cost of Funds is now expected to be in the range of 35-40 bps over cost of Fund of FY24** instead of earlier guidance of 40-45 bps

Executive summary

Treasury – optimize liquidity

❑ There was a **negligible impact (+₹10 Cr) from implementation of Master Direction** on classification of Investments by the Bank

❑ **Liquidity**

- Average **LCR** for the quarter remained **stable at 117%, inline with average LCR of 117% in Q4'FY24**
  - Bank continues to **carry sufficient high-quality, liquid, non-SLR investments** which are **not part of LCR computation**

❑ **CD Ratio / Loan to Deposit Ratio (LDR)**

- CD ratio, as on 31st Mar'24, was 88% on proforma merged basis (84% on a standalone basis)
- **CD ratio** as on 30th June 2024 **stood at 92% as the Bank prioritized cost of funds over deposit growth**
- After adjusting **for loan portfolio against which refinance was availed** from domestic Development Finance Institutions (DFIs), the **CD ratio stands at 84%** as on 30th June 2024; Bank's refinance cost of funds is lower than the cost of fixed deposits
- For FY25, **endeavor is to maintain CD ratio at ~90%,** (**CD Ratio net of refinance at ~85%)**

Particular	June'23 (Standalone AU SFB)	Mar'24 (Standalone AU SFB)	1st April'24 (As per opening B/S post merger)	June'24
CD Ratio of the Bank	91%	84%	88%	92%
CD Ratio (excl. assets created out of liability raised from low-cost refinance)	84%	78%	79%	84%

Executive summary

Asset – calibrate portfolio mix to enhance margins

- **Advances and Loan portfolio**
  - **Advances growth** remained strong with Loan portfolio at ₹99,792 Cr, growing by **3.4% QoQ on proforma merged basis**
  - Bank securitized loans/Issued IBPC certificates worth ₹725 Cr during Q1'FY25 taking the Bank's total securitized/IBPC book to ₹ 9,089 Cr
  - The **yield on the gross loan portfolio** for the Bank expanded by ~**3bps during the quarter to 14.4% on merged basis**
  - The **AD – I business has started well** with **initial traction visible in import LCs, export finance, LRS, launch of FCNR business etc**

- **Disbursement**
  - **The disbursement yields for the quarter stood at 15.8% with 82% of the disbursements happening in high-RoA assets** of Wheels, MBL, NBFC, REG, Microfinance etc.
  - Disbursement yields on **AU's standalone business increased by 33 bps in Wheels, 41 bps in MBL and 113 bps in Housing business** over the disbursement yields of Q4'FY24 in same businesses
  - Overall disbursement momentum remained strong in Q1 **– Bank achieved higher % of its annual disbursement plan this year** compared to Q1 in recent years

- **Asset quality**
  - Following the seasonal trend in Q1, GNPA increased by 12 bps to 1.78% and NNPA increased by 7bps to 0.63% as against GNPA of 1.66% and NNPA of 0.56% as on 31st March'24 on proforma merged basis. There's **no specific pockets of stress or any EWS observed in the portfolio**
  - SMA book has declined to 9.93% as on Jun'24 reflecting continued de-risking of the portfolio
  - Credit cost for Q1'FY25 was at 0.22% of the Total Assets and 0.29% of the Loan portfolio; **Credit cost for full year FY25 expected to remain inline with the long-term guided range**
  - Bank is taking total credit cost of 3% on the average microfinance loan portfolio starting this quarter. This has led to **creation of contingency buffer of ₹17 Cr during the quarter**

Executive summary

Digital Banking AU0101

- **We continue to build our digital outlook and new products in a calibrated way**
  - We have rolled out **AU0101 Business App** for Bank's small merchant segment
  - AU0101 - we have rolled out new features on **UPI, Bill Payment, CC on UPI** etc
  - AD-I suite of products continue to evolve. We have **rolled out FCNR deposits** and 2 new currencies this quarter
  - We have **calibrated new credit card issuances to 75,000** in this quarter; Annual new card issuance to remain inline with the guidance

Technology update

- **Technology Investments**
  - Bank continues to spend approx. **8-10 % of overall Bank's expenses** on Technology
  - **40%** of overall technology **expenses** account for **BAU** running of Technology Operations
  - Cumulative **technology team strength** of **900+** gives us significant in-house talent pool with diverse skill sets

- **Merger related tech integration process is ongoing** and its phase I – involving all customer related aspects like Payment channels, Digital Channels etc. as well as system integration of all regulatory reports and business reports - **is likely to get completed in 6-9 months**

- **Upgrading technology infrastructure to ensure resiliency**
  - **Core banking upgrade and Data center migration completed** to ensure infrastructure is adequately capacitated and operational on latest technology platform to avoid legacy challenges
  - Surround applications (**AU0101, Origination platforms** etc) modernized and **upgraded on cloud platform**

- **Building robust Cyber security framework -** In a major boost to our cyber security standards, **Bank is now PCI DSS certified**

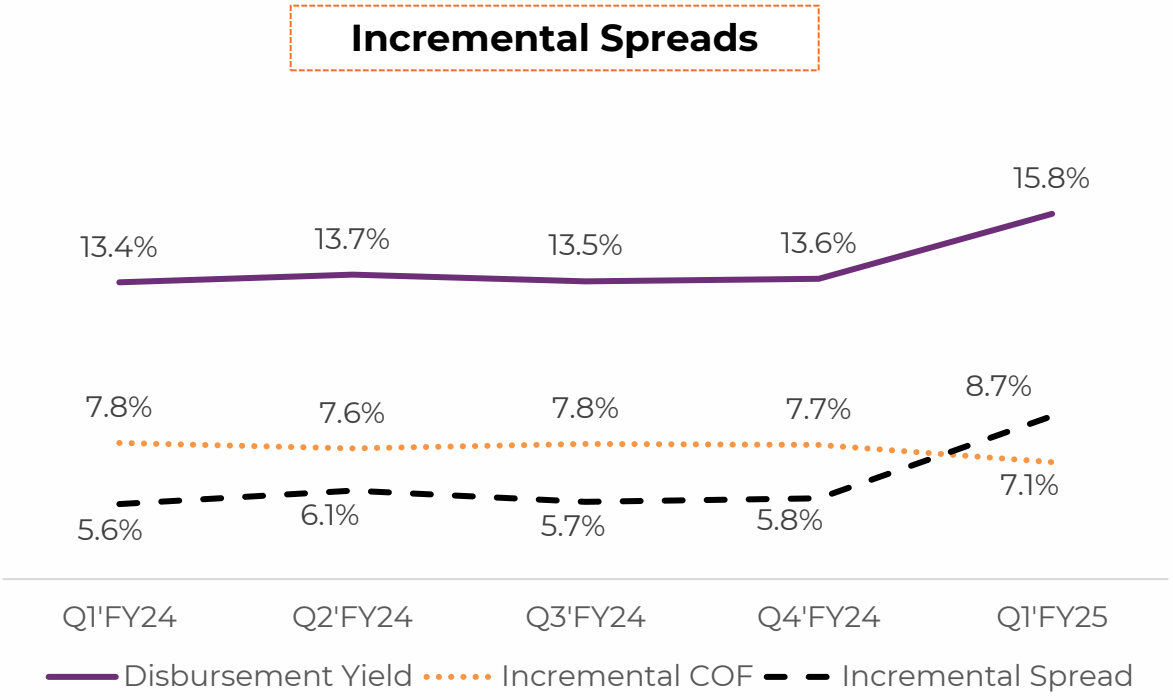
Executive summary

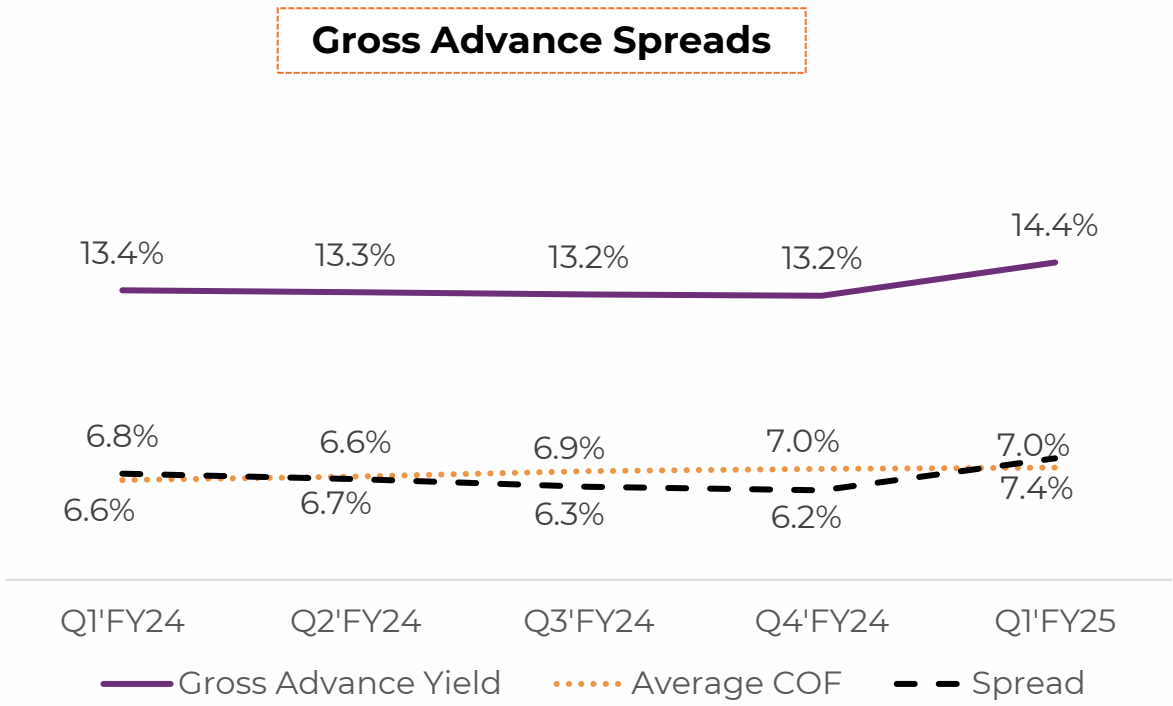
Financial Performance and Outlook

Balance Sheet	₹125,942 Cr
Deposits	₹97,290 Cr
Gross Advance	₹90,702 Cr
Gross Loan Portfolio	₹99,792 Cr
CASA/CD Ratio	33%/92%
GNPA/NNPA	1.78%/0.63%
Net Profit	₹503 Cr
RoA/RoE	1.6%/13.2%
Tier I/CRAR	18.9%/20.1%

- **NIM** for Q1'FY25 **expanded to 6.0%** aided by 7bps reduction in cost of funds, increase in portfolio yield and margin expansion due to merger; For FY25, we expect margins to moderate from here and remain **within our guided range**
- **Other Income expanded to ₹546 Cr, up 73% YoY** supported by cards, banking fee and recovery from bad debts
- **Cost to Income** ratio at 59.9% was lower by 509 bps YoY on account of seasonality. **We expect the FY25 C/I ratio to be in line with FY24 at ~63%**
- **Net credit cost** for the quarter was at ₹283 Cr, after adjusting for bad debt recovery of ₹36 Cr; Credit cost for the quarter **also includes additional provision on the microfinance portfolio of ₹17 Cr**
- **For FY25, we expect credit cost to be within our guided range**
- **PCR at 84% including w/off**; Additionally, bank has ₹64 Cr of provision against standard restructured assets and ₹17 Cr of contingency provisions for microfinance business
- **Profit for the quarter was ₹503 Cr, up 30% YoY**; Annualized **RoA and RoE** for Q1'FY25 stood at 1.6% and 13.2% respectively; **Earnings Per Share (EPS) for Q1'FY25 was ₹6.8** (not annualized)
- **Tier 1 ratio at 19.5% and CRAR at 20.8% including profits for Q1'FY25 –** CRAR is 5% above minimum regulatory requirement of 15% for SFB

Incremental spreads have started to move up



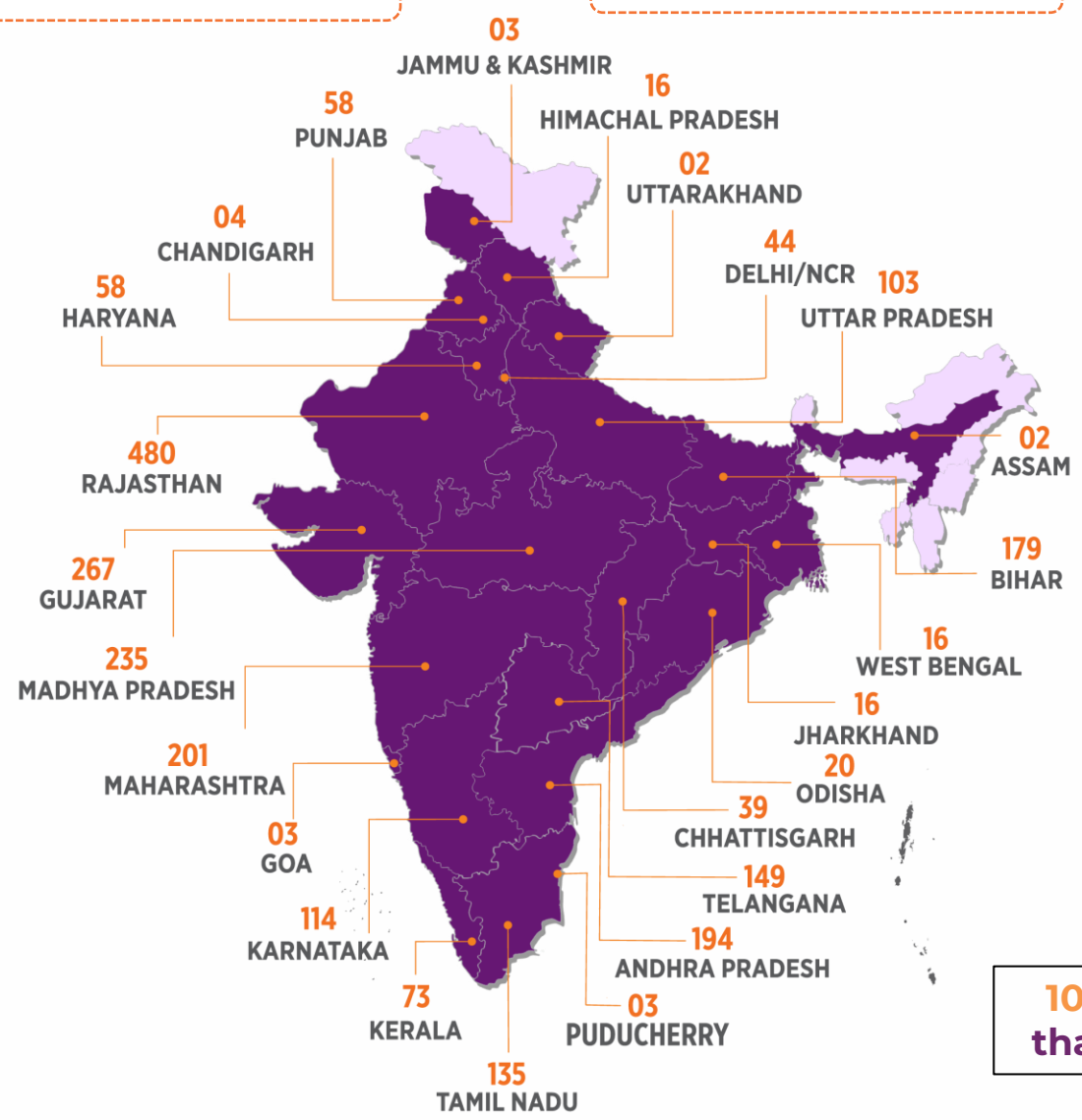


- **Incremental spreads have moved up sharply** driven by **merger benefits, increase in disbursement yields** and **reduction in incremental cost of funds by 60 bps**. Increase in disbursement yields is supported by
  - Incrementally higher yields across asset classes in Q1'FY25
  - Addition of higher yielding Fincare businesses

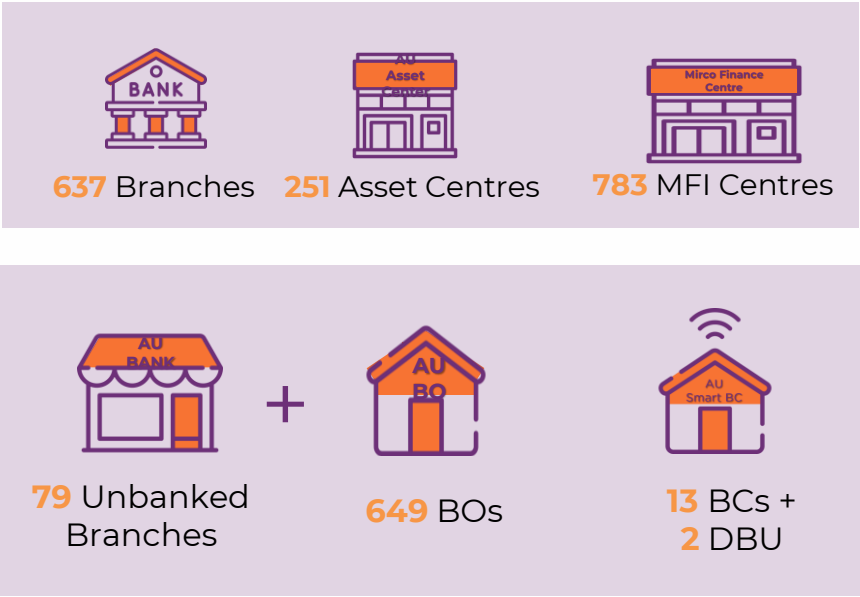
- Our endeavour is to maintain disbursement yields for the year in similar range

Pan-India geographic presence

21 States and 4 UTs | **2,414 Touchpoints** | **464 Districts** | **695 ATMs**



2,414 Touchpoints



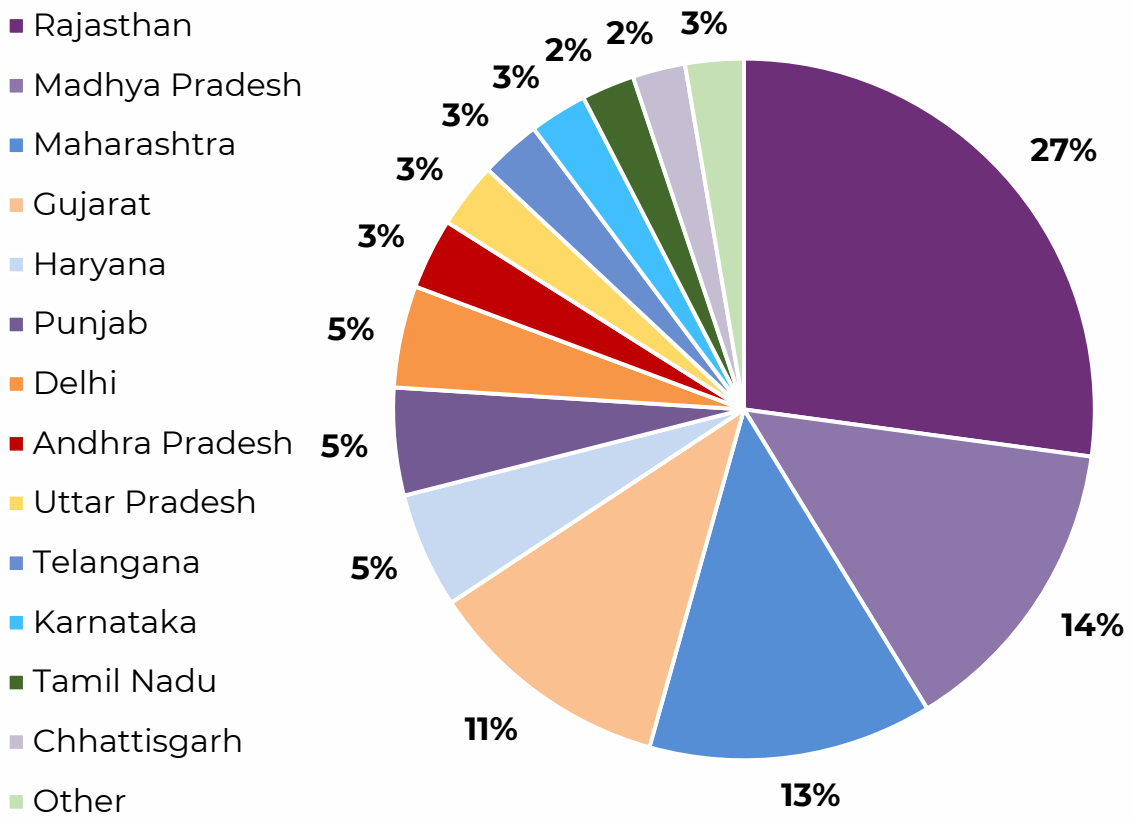
10 States with more than 100 touchpoints

Region	Touchpoints
South	668
North	663
West	471
Central	379
East	233
Total	**2,414**

Map is for representative purpose only; highlighted purple (■) states & UT's represent the presence of AU's physical touchpoint

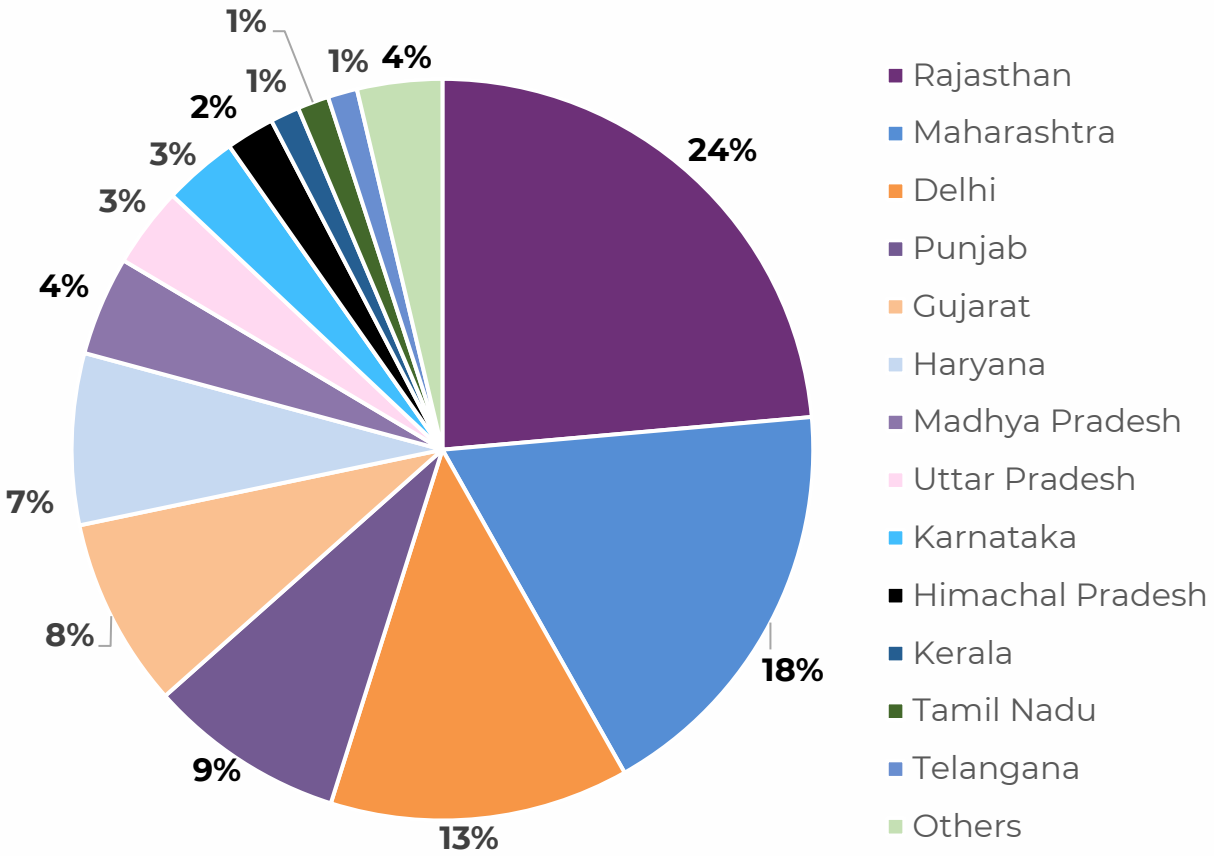
Diversified Advances & Deposits franchise

Gross Advances



0.5% Market Share

Deposits



0.5% Market Share

All figures are as on 30th Jun'24

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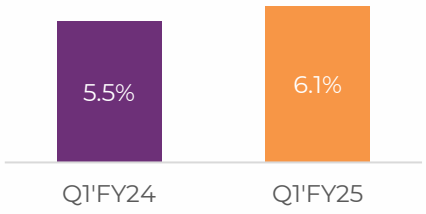
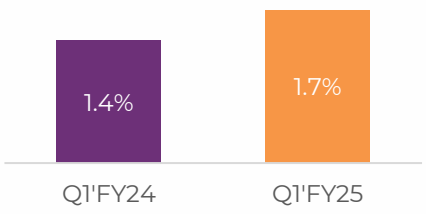
Profitability ratios

RoA Components

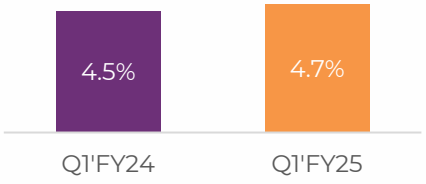
NII (%)



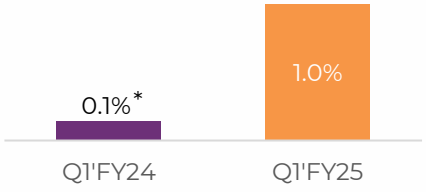
Other Income (%)



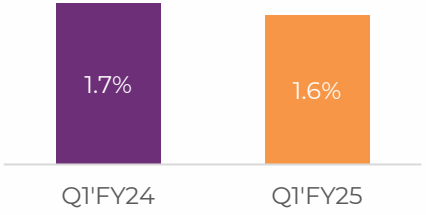
Opex (%)



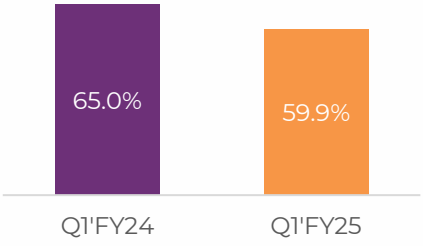
Provision & Contingencies (%)



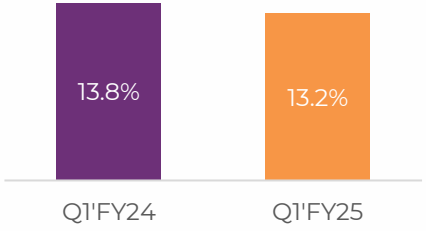
RoA (%)



Cost to Income (%)



RoE (%)

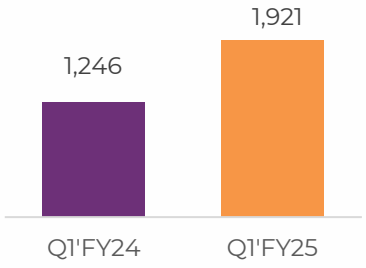


Notes:
RoA, NII, Other income, Opex, Provisions & Contingencies are represented as % of Avg. Total Assets;
*Gross of contingency provision utilisation of ₹62 Cr, Provision and Contingencies stood at 0.4% in Q1'FY24

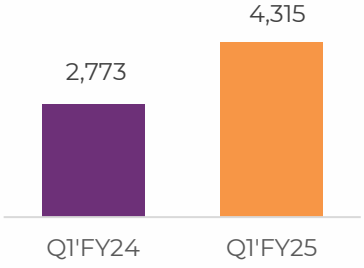
Financial highlights

₹ in Crores

Net Interest Income



Total Income



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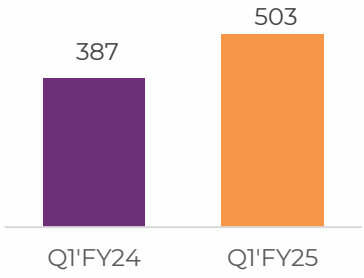


Yield on Advance	Cost of Fund	Net Interest Margin	RoA	RoE
14.4%	7.03%	6.0%	1.6%	13.2%
Vs	Vs	Vs	Vs	Vs
13.4% (Q1'FY24)	6.58% (Q1'FY24)	5.7% (Q1'FY24)	1.7% (Q1'FY24)	13.8% (Q1'FY24)

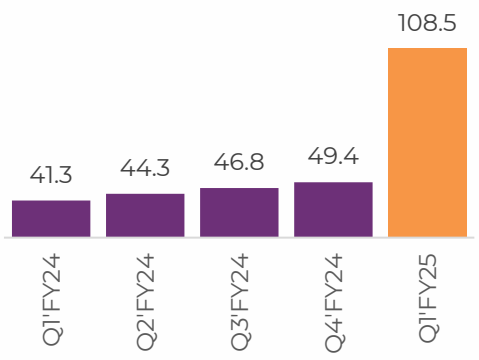
GNPA	NNPA	Provision Coverage Ratio	CRAR	Tier-I CRAR
1.78%	0.63%	84%	20.1%	18.9%
Vs.	Vs	Vs	Vs	Vs
1.76% (30th Jun'23)	0.55% (30th Jun'23)	73% (30th Jun'23)	21.5% (30th Jun'23)	19.9% (30th Jun'23)

Quarterly trends of key parameters (1 of 2)

₹ in Crores

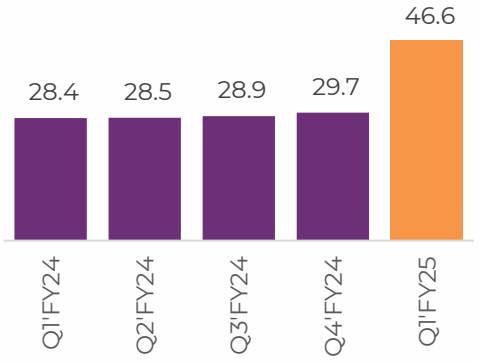
Customers

(in Lacs)

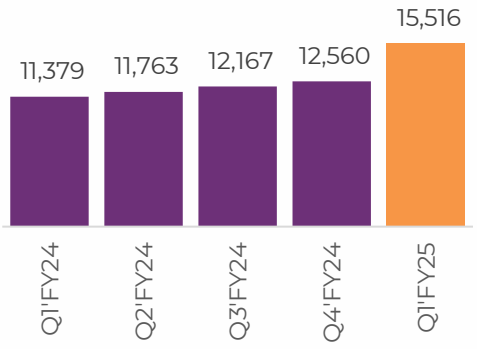


Employees

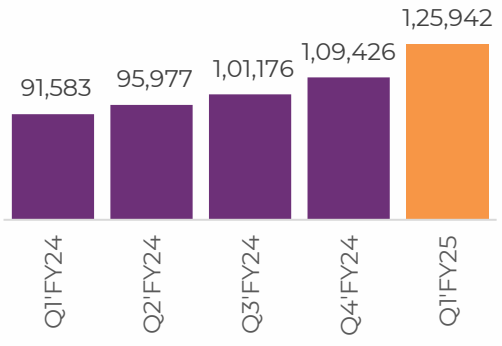
(in 000s)



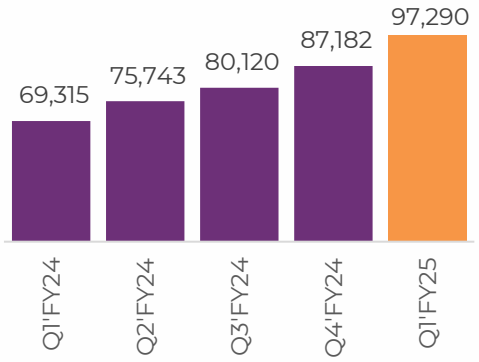
Shareholders' Funds



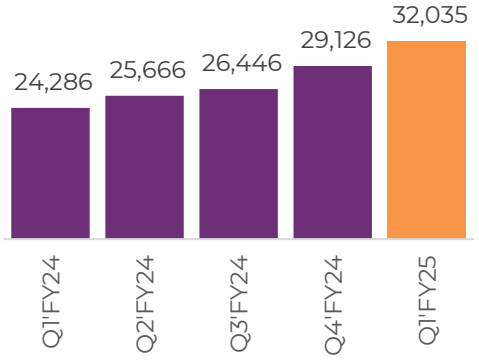
Total B/S Assets



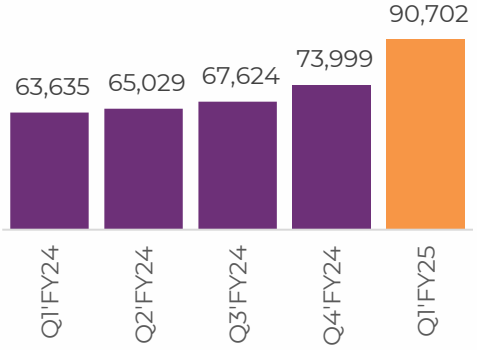
Deposits



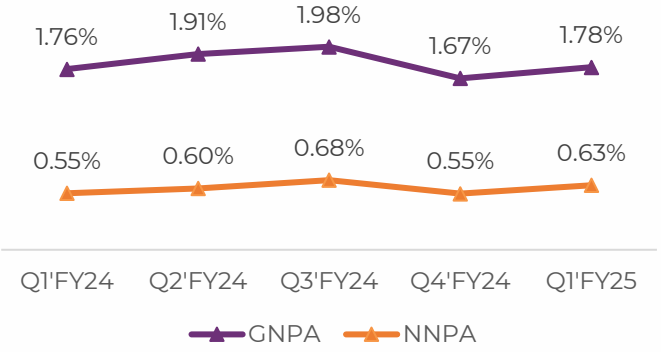
CASA Deposit



Gross Advances



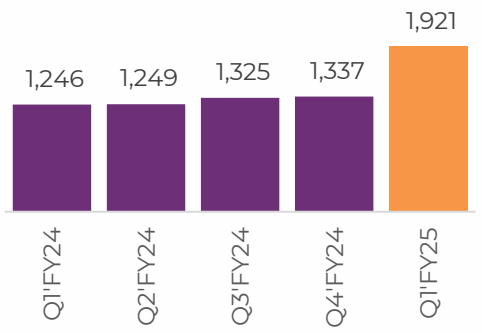
GNPA and NNPA



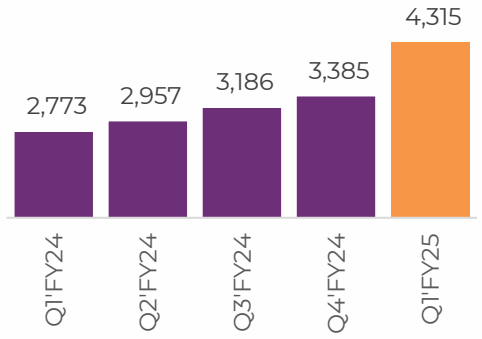
Quarterly trends of key parameters (2 of 2)

₹ in Crores

Net Interest Income



Total Income



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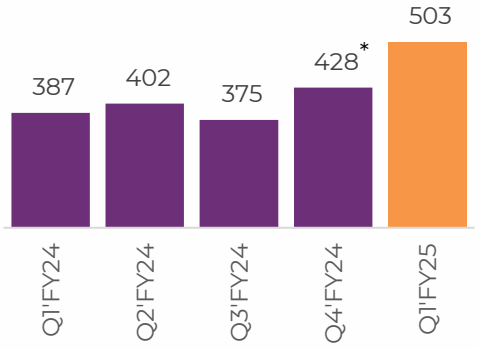
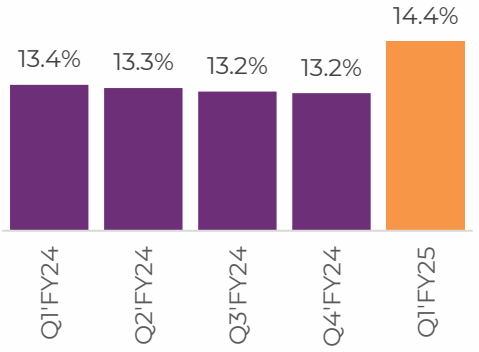
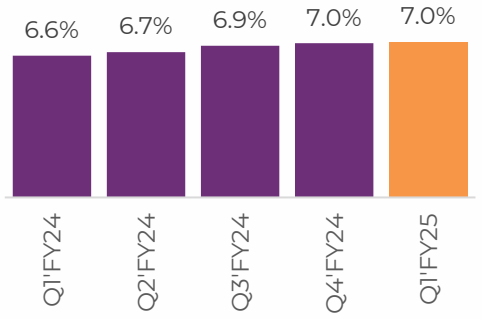


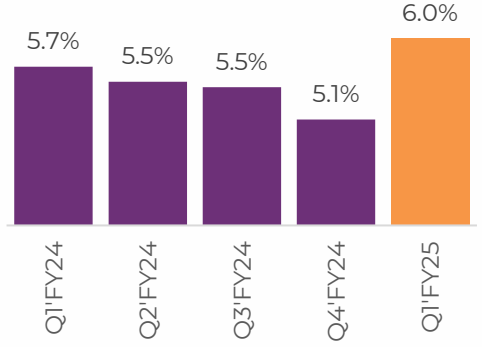
Gross Advance Yield



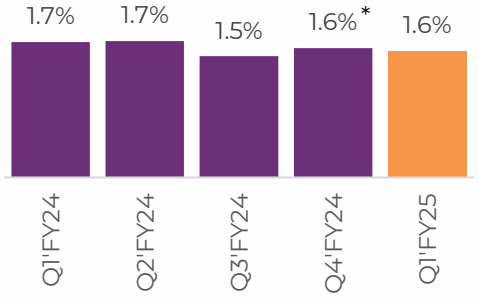
Cost of Fund



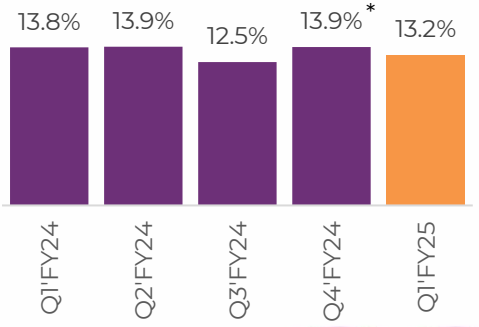
Net Interest Margin



RoA



RoE



*Figures for Q4'FY24 are excluding exceptional items – Stamp duty for merger and other transaction related expenses

Profit & Loss statement

(All Figures in ₹ Crore)	Q1'FY25	Q1'FY24	YoY	Q4'FY24	QoQ
Income					
Interest Earned	3,769	2,458	53%	2,829	33%
Interest Expended	1,848	1,212	52%	1,492	24%
Net Interest Income	**1,921**	**1,246**	**54%**	**1,337**	**44%**
Other Income	**546**	**315**	**73%**	**556**	**-2%**
Net Total Income	**2,466**	**1,561**	**58%**	**1,893**	**30%**
Expenses					
Employee Cost	790	507	56%	556	42%
Other Operating Expenses	688	508	35%	673	2%
Total Operating Expenses	**1,478**	**1,015**	**46%**	**1,228**	**20%**
PPoP	**988**	**546**	**81%**	**664**	**49%**
Provisions & Contingencies	319	33	868%	133	141%
Profit Before Tax	**669**	**513**	**30%**	**532**	**26%**
Tax expenses	166	126	32%	103	61%
Profit After Tax before exceptional items	**503**	**387**	**30%**	**428**	**17%**
Exceptional Items*	N.A	N.A	N.A	57	N.A
Reported Profit After Tax	**503**	**387**	**30%**	**371**	**36%**

- Q1'FY25 **PPoP grew at 81%** YoY supported by **expanded NIM**, merger impact and calibrated opex
- Provisions & Contingencies - Bank has **created additional contingency provision of ₹17 Cr** for Q1'FY25 whereas for Q1'FY24, Bank had utilised contingency provision buffer of ₹62 Cr
- Inflationary pressures in the input cost remain a key monitorable for operating expenses in the current environment

*Exceptional items include Stamp duty for merger and other transaction related expenses

Balance sheet

(All Figures in ₹ Crore)	30th Jun'24	30th Jun'23	YoY	31st Mar'24	QoQ	1st Apr'24 (Merged Opening B/S)	QoQ
Liabilities							
Shareholders Fund	15,516	11,379	36%	12,560	24%	14,985	4%
Deposits	97,290	69,315	40%	87,182	12%	97,704	0%
Borrowings	8,931	7,637	17%	5,479	63%	9,240	-3%
Other Liabilities and Provisions	4,205	3,252	29%	4,205	0%	4,762	-12%
Total Liabilities	**1,25,942**	**91,583**	**38%**	**1,09,426**	**15%**	**1,26,690**	**-1%**
Assets							
Cash and Balances	5,608	4,936	14%	6,376	-12%	7,528	-26%
Investments	27,315	21,627	26%	27,133	1%	30,329	-10%
Advances	89,652	62,861	43%	73,163	23%	85,514	5%
Fixed Assets	911	726	25%	852	7%	918	-1%
Other Assets	2,457	1,433	72%	1,902	29%	2,401	2%
Total Assets	**1,25,942**	**91,583**	**38%**	**1,09,426**	**15%**	**1,26,690**	**-1%**
Off Book Assets	**9,089**	**4,374**	**108%**	**8,176**	**11%**	**8,176**	**11%**

- Strong Balance sheet with Capital adequacy ratio of **20.1%** as on 30th Jun'24
- Calibrated investment book in Q1'FY25 to consume excess liquidity and optimise Cost of Funds

Other Income

(All Figures in ₹ Crore)	Q1'FY25	Q1'FY24	YoY	Q4'FY24	QoQ
Loan Assets Processing & Other Fees	230	165	39%	235	-2%
General Banking, Cross Sell & Deposits related fees	142	55	157%	188	-25%
PSLC Fees	0	0	N.A	2	-100%
Credit Card	101	55	84%	88	15%
Miscellaneous	54	23	140%	35	55%
Core Other Income	**527**	**298**	**77%**	**548**	**-4%**
Income from Treasury Operations	19	17	7%	7	155%
Other Income	**546**	**315**	**73%**	**556**	**-2%**

- Core Other Income growth for Q1'FY25 is at 77% YoY driven by fee income, third-party product distribution and credit cards
- Miscellaneous Income includes trade income and recovery from written off loans

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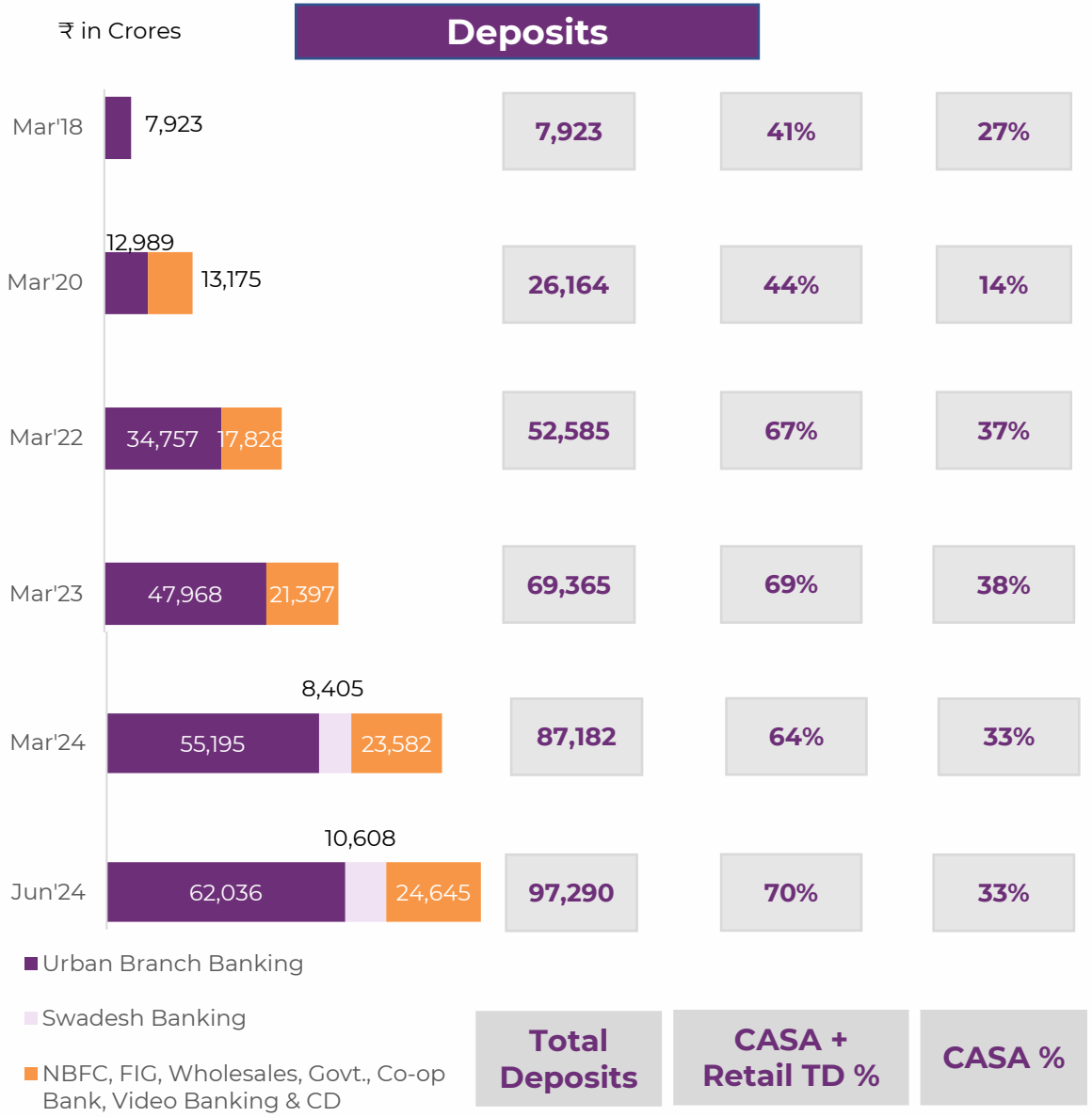
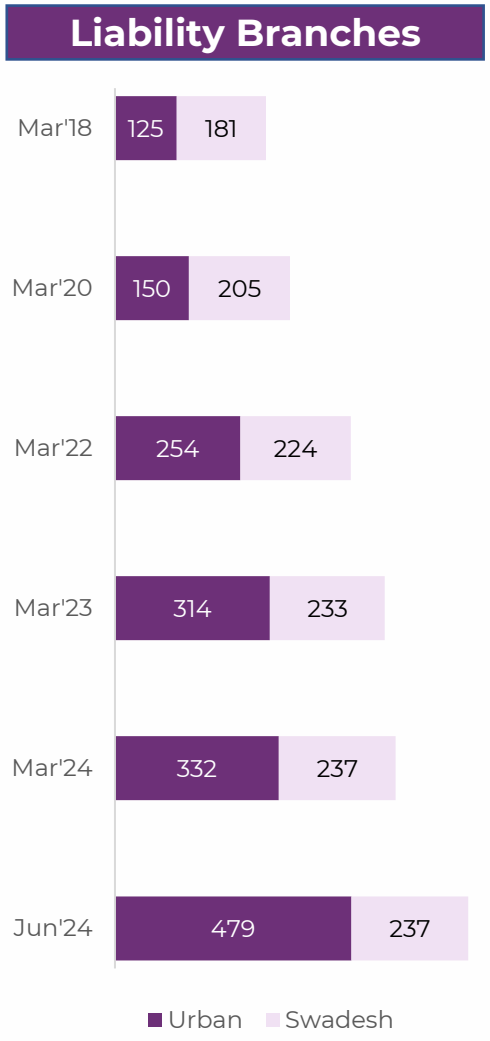
Evolution of the Branch Banking charter





Varied liability sources

- Branch Banking
- Swadesh Banking
- Govt Banking
- Wholesale banking
- Co-operative Banking
- NBFC & FIG
- Video Banking
- TASC, NR etc

+

Complete product suite

- iRP Savings accounts
- Royal / Platinum Current accounts
- Wealth, Insurance, Credit cards
- Retail loans
- Working capital loans
- AD I

33%
CASA

85%
CASA+RTD+Bulk non-callable TD

Note: Urban Branch Banking and Swadesh Banking are as per internal classification and will be subject to changes

Focus on granular deposits and retail customer profile

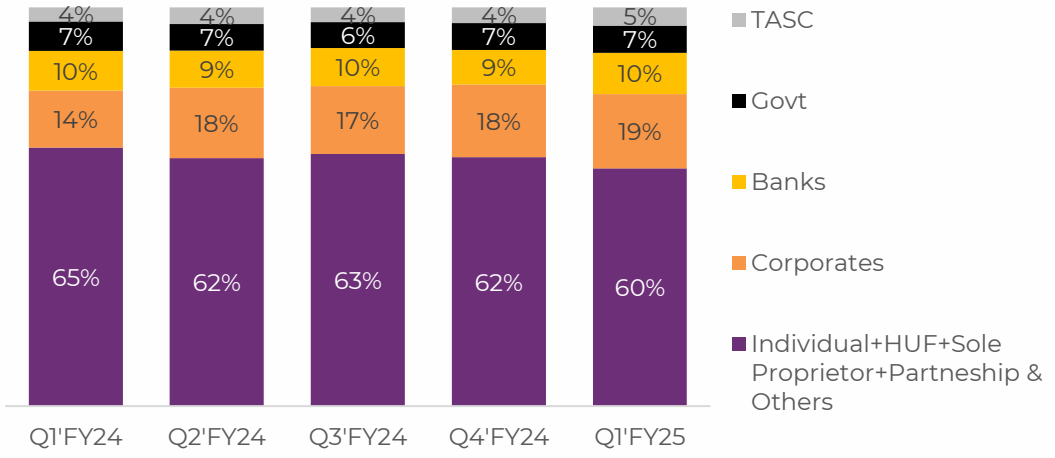
₹ in Crores

Deposit Mix

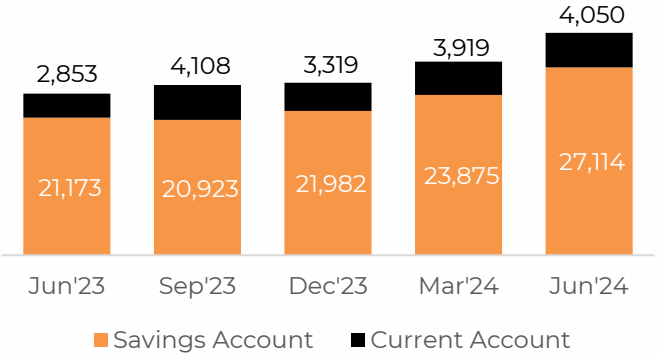
	Q1'FY24	Q2'FY24	Q3'FY24	Q4'FY24	Q1'FY25	% Share
Total Deposits	**69,315**	**75,743**	**80,120**	**87,182**	**97,290**	**% Share**
Certificate of Deposits	684	993	1,117	2,463	2,110	2%
					4,736	5%
				5,338	27,299	28%
	3,240	4,636	3,831	23,788	63,145	65%
	21,046	21,030	22,615			
	44,346	49,083	52,557	55,593		

TD SA CA

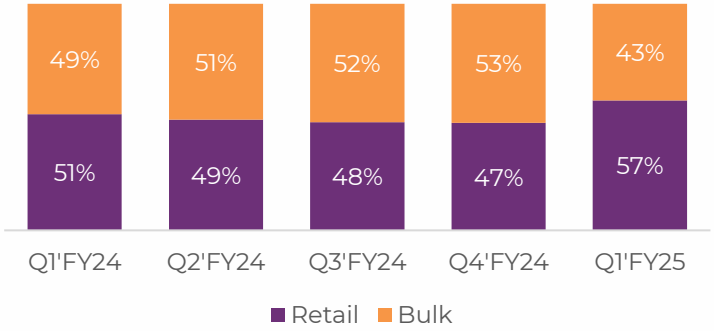
Deposit Customer Profile



Daily Average balance



Retail and Bulk TD mix



Retail TD for Q1'FY25 includes bulk deposits up to 3 Cr - as per the new RBI definition (Jun'24)

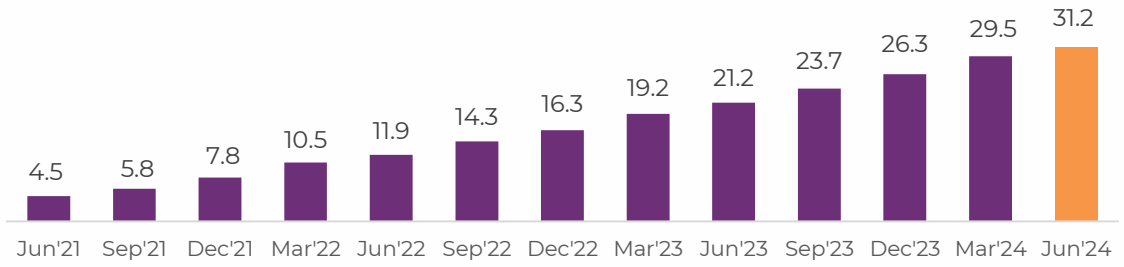
Deepening engagement digitally via AU0101

7x growth on AU 0101 since launch

63%
customers registered on AU 0101

31.2 Lacs
registered users

Registered users

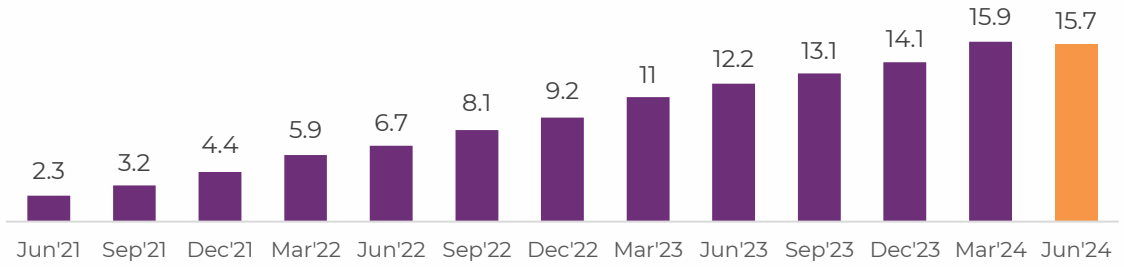


34 Lacs services processed; **94%** liability services fulfilled digitally

50%
registered users are monthly active

15.7 Lacs
monthly active users (2.7 L daily active users)

Monthly active users



90.3 Lacs financial transactions[1] processed in Q1'FY25

3.2 Lacs
monthly transacting customers

8
Avg monthly transactions per transacting customer

Revamped experience of **UPI** and **Bill Payments** modules as part of ongoing AU0101 2.0 upgrade to drive stickiness.

1: Money transfer (Internal, IMPS, NEFT, RTGS), UPI, Bill Payment, Lifestyle

AU wealth – enhancing value proposition for our deposit customers

Our Wealth proposition across customer segments

Customer Segment	Wealth Solutions	Services/Platform
IVY	Alternative Investment Funds[1], Debt PMS, Bonds & other wealth services	Dedicated Wealth Specialist
Royale	PMS referral & Risk profile based Mutual Fund pack	Wealth Specialists
Platinum & Others	Mutual Funds, Integrated ASBA/IPO & 3-in-1 broking service	Branches & Video Banking

Dedicated Relationship Manager & AU0101 Platform for all segments

1.8L+ Customers — Added ~13,000 Customers during Q1FY25

901 Cr Total AUM — 34% QoQ growth

38k+ Customers with live SIPs[2]

Introduced a feature on our digital platforms where holistic view of all MF holdings across various platforms can be viewed in one place

Introduced GIFT City based Investment Solutions

Note: 1- PMS, AIFs, Bonds & GIFT City based investment solutions are offered only on referral basis 2 - Customers with at least 1 active SIP registered through the bank

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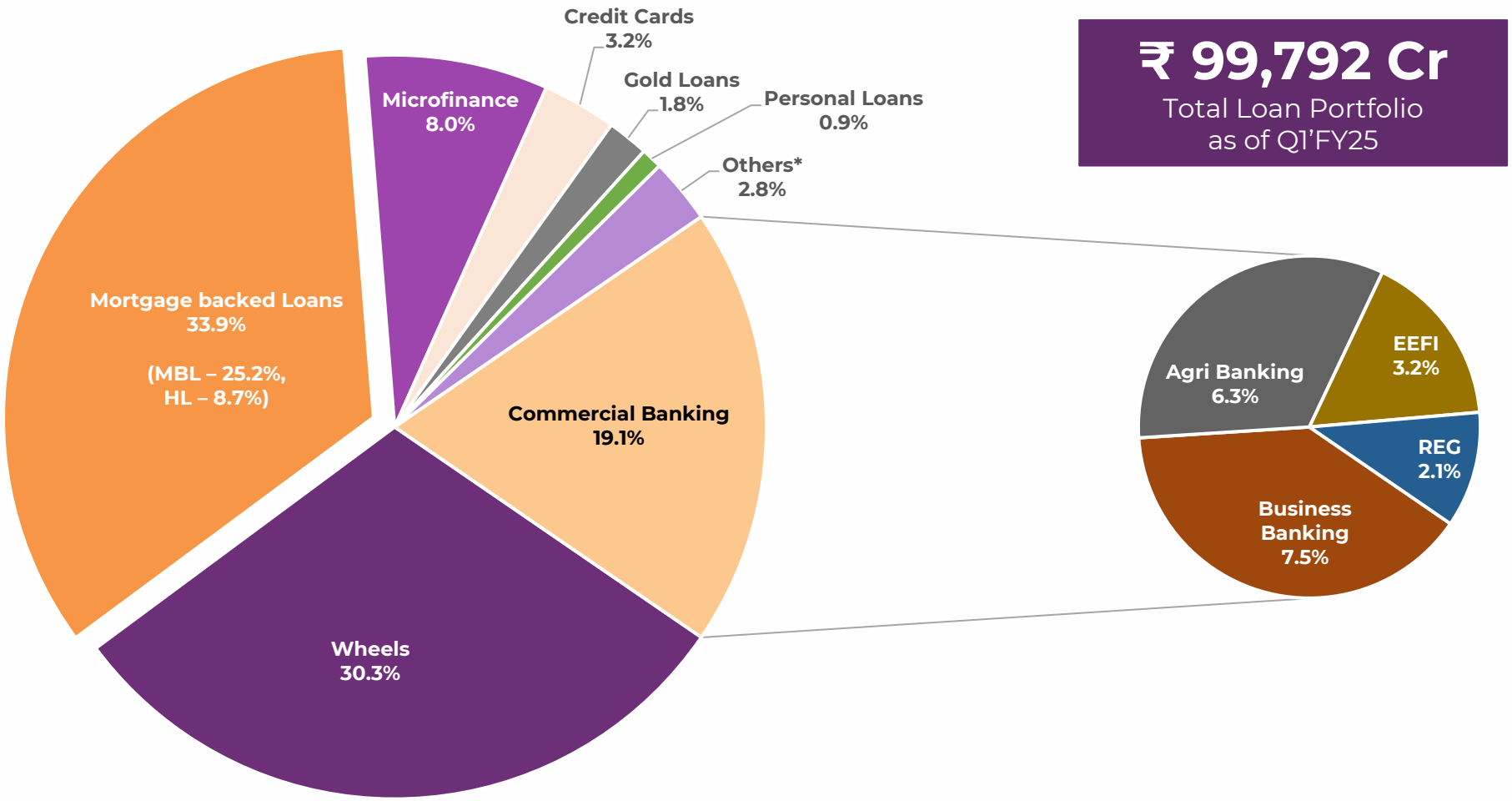
Well diversified, predominantly retail asset book



₹ 99,792 Cr
Total Loan Portfolio
as of Q1'FY25

- Unsecured businesses – Microfinance + Credit cards + Personal Loans – comprise of ~12% of the portfolio
- Disbursement mix of High RoA assets in Q1'FY25 stands at 82%
- Fixed rate book comprise ~62% of the portfolio

*Others includes ODFD, inter-bank term lending, run down businesses etc.; NBFC business has been expanded to include Emerging Enterprises and has been renamed as EEFI - Emerging Enterprises & Financial Institutions Group

Asset book snapshot

₹ in Crores

Segments	Q1'FY25						Q4'FY24				
	Gross Advances	Assigned/ Securitised loans	Total Loan Portfolio	Gross Advance Yield (%)	Gross NPA	Gross NPA (%)	Gross Advances	Assigned/ Securitised loans	Total Loan Portfolio	Gross Advance Yield (%)	Gross NPA (%)
Retail Assets	**65,598**	**9,085**	**74,684**	**15.6%**	**1,416**	**2.2%**	**49,951**	**8,172**	**58,124**	**14.2%**	**2.2%**
Wheels	24,215	6,021	30,236	14.5%	519	2.1%	22,461	6,441	28,902	14.4%	2.0%
Mortgage-Backed Loans	31,742	2,046	33,788	14.4%	758	2.4%	26,454	1,732	28,186	14.1%	1.8%
- *MBL*	*23,554*	*1,582*	*25,136*	*15.1%*	*685*	*2.9%*	*20,552*	*1,589*	*22,141*	*14.8%*	*2.7%*
- *HL*	*8,188*	*465*	*8,652*	*12.1%*	*73*	*0.9%*	*5,902*	*143*	*6,045*	*11.6%*	*0.5%*
Microfinance	6,940	1,018	7,958	25.3%	76	1.1%	-	-	-	-	-
Gold Loans	1,791	-	1,791	16.0%	15	0.8%	169	-	169	12.6%	0.6%
Personal Loans	911	-	911	17.8%	47	5.2%	866	-	866	17.9%	4.5%
Commercial Banking	**19,083**	**-**	**19,083**	**11.0%**	**76**	**0.4%**	**18,162**	**-**	**18,162**	**10.9%**	**0.3%**
- *Business Banking*	*7,526*	-	*7,526*	*10.3%*	*39*	*0.5%*	*7,304*	-	*7,304*	*10.2%*	*0.5%*
- *Agri Banking*	*6,304*	-	*6,304*	*10.4%*	*19*	*0.3%*	*5,953*	-	*5,953*	*10.4%*	*0.3%*
- *EEFI*	*3,167*	-	*3,167*	*11.5%*	*10*	*0.3%*	*2,972*	-	*2,972*	*11.3%*	*0.3%*
- *REG*	*2,087*	-	*2,087*	*14.8%*	*8*	*0.4%*	*1,934*	-	*1,934*	*14.9%*	*0.1%*
Credit Cards	3,209	-	3,209	13.8%	83	2.6%	3,058	-	3,058	12.4%	2.0%
Others*	2,657	-	2,657	0.0%	17	0.6%	2,662	-	2,662	-	0.5%
SME (Run down)	154	4	158	12.7%	22	14.2%	165	3	168	12.7%	9.9%
Total	**90,702 + 9,089 =**		**99,792**	**14.4%**	**1,613**	**1.78%**	**73,999**	**8,176**	**82,175**	**13.2%**	**1.67%**

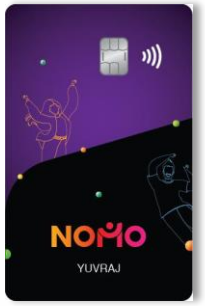
- Gross Advance yield for the portfolio increased by 120 bps to 14.4% in Q1'FY25; this is driven by incrementally higher disbursement yield during the quarter and addition of higher yielding Fincare portfolio; credit card portfolio yield increased by 140 bps

*Others includes ODFD, inter-bank term lending etc.

Credit cards update – Key Metrics

Adoption	Growing Portfolio	Engagement
9.9 lacs+	**₹3,209 Cr**	**₹17,942**
Cards Live	Credit Card Receivables	Avg. Spend per Card In Q1'FY25

Expanding & Strengthening Portfolio with New Launches



NOMO Credit Card

Empowering new-to-credit & individuals with limited bureau history by providing FD based Secured Credit Card & expanding reach in Tier 2 & 3 cities

SPONT Credit Card

A RuPay Card designed to capture small ticket transactions leveraging existing UPI/QR infrastructure with unique value proposition to reward customers on UPI transactions

Aditya Birla Finance Ltd Co-brand launch

Partnership to drive acquisition on Aditya Birla Finance customer base & strengthen our co-brand distribution & Branch cognizance

Key Updates

- **Business Rule engine recalibrated, early trends positive:**
  - Sourcing in 780+ bureau score segment increased from 32% in Mar'24 (on book) to 44% in Q1'FY25
  - Average Limit on the card reduced from ₹1.9 lac in Dec'23 to ₹1.75 lac in Jun'24
- Calibrated new card issuances to 75,000 in Q1'FY25
- Maintaining **QoQ Revolve Rate** consistently
- **92% YoY increase** in EMI book

Provisioning summary

₹ in Crores

Credit Cost	Q1'FY25	Q1'FY24	Q4'FY24
Provision on NPA and Write off*	267	77	90
Repossession loss & POS loss	21	18	30
Standard & other provision	21	15	25
Covid restructuring provision	(6)	(15)	(7)
Provision expenses for the quarter	**302**	**95**	**138**
Contingency provision created / (Utilised)	17	(62)	(5)
Total Provision expense charged to P&L	**319**	**33**	**133**
Less : Bad Debt Recovery (Other Income)#	(36)	(8)	(15)
Net Credit Cost (A)	**283**	**25**	**118**
Net Credit Cost for the quarter (% of Avg. Total Assets)	**0.22%**	**0.03%**	**0.11%**
*Write off during the quarter	180	39	137

- Net credit cost for Q1'FY25 is at 0.22% of the Total Assets and 0.29% of the Loan portfolio; Credit cost for full year FY25 to remain inline with the long-term guided range
- Standard Covid restructured book declined to 0.4% of gross advances

#This is reported in the other income line; Credit cost and Provisions expense % are not annualized

NPA movement

₹ in Crores

NPA Movement	Q1'FY25	Q1'FY24	Q4'FY24
Opening GNPA	1,437#	981	1,340
Additions during the period*	543	317	296
Less: Recoveries & Write Offs during the period	367	177	399
Closing GNPA	1,613	1,121	1,237

including opening GNPA from Fincare SFB

NPA Summary	Q1'FY25	Q1'FY24	Q4'FY24
Gross NPA	1,613	1,121	1,237
Less: Cumulative Provisions	1,051	774	836
Net NPA	563	347	401
Gross NPA Ratio	1.78%	1.76%	1.67%
Net NPA Ratio	0.63%	0.55%	0.55%
Provision Coverage Ratio	84%	73%	76%
GNPA % (Incl. Securitized Book)	**1.78%**	**1.73%**	**1.57%**

*Additions/Reductions to GNPA presented for the quarter exclude any intra-quarter additions and reductions i.e., Loans which slipped into NPA during the quarter, and which got subsequently upgraded/write off within the same quarter are excluded;

Overview of total provisions

₹ in Crores

Particulars	Jun'24			Mar'24		
	Loan Amount	Provisions	Coverage	Loan Amount	Provisions	Coverage
GNPA	1,613	1,010	63%	1,237	795	64%
Covid related restructuring (Standard)	390	64	17%	426	70	16%
Contingency provisions		17			0	
Floating provisions		41			41	
Stressed and contingencies provisions	**2,003**	**1,132**		**1,663**	**907**	
Provisions towards Standard Assets		291			238	
Total Provisions		**1,423**			**1,145**	
Provisions as a % of gross advances		**1.57%**			**1.55%**	

- Taking the total credit cost of 3% in the Microfinance portfolio, Bank has created a contingency buffer of ₹17 Cr
- Provision coverage ratio stands at 84% and GNPA ratio stood at 1.78% as on Jun'24

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Sustained focus on ESG initiatives

Environment

Planet First
AU GREEN FIXED DEPOSIT

Deposits

- Sourced 10,291 Fixed Deposits amounting to ₹703 Crore raised

Lending

- ~₹189 Cr deployed in Green Assets Lending
- Currently Lending in Solar & EV Infrastructure

World Environment Day - 5th June

- AU's Tree Plantation drive conducted, and 550 nos. saplings planted at 10 different locations.
- Sustainability Idea Contest conducted within AU and more that 1,000 responses received on ESG. Top 10 winners were awarded.

Social

AU IGNITE UNLOCKING YOU

COE for Skills Development

Till Q1'FY25, 21,962 youth were trained, of which 78% were linked to employment across 16 centers of Rajasthan. 3 trainees have also secured placement overseas

BANO CHAMPION

AU's Sports Initiative

It is live across 60 locations with 8,100+ children benefitted across 7 sports. 2 Bano Champion athletes clinched medals at the 19th National Youth Athletics Championship 2024

AU उद्योगिनी
आत्मनिर्भरता से बदलाव तक

Women Entrepreneurship

Till date, 2,580+ women are engaged and 872 are nurtured under Individual Women Entrepreneurship

Governance

Independent and diversified Board –

- 7 of 10 directors are independent and non-executive
- 2 of 10 directors are women directors

Conducted Orientation Program, AURIFY on Sustainability for candidates joining us from India's top business schools.

Released our BRSR Report FY 24 (refer pg 204 of the Annual report)

Click to view the latest sustainability report (Sustainability Report)

A Journey Towards Forever Banking
AU 29 YEARS

World Environment Day

Every year, the World Environment Day is observed on 5th June to spread awareness and promote environmental protection across the globe. Established by the UN, this year's theme focuses on land restoration, desertification, and drought resilience under the slogan

"Our land. Our future. We are #Generation Restoration."

Driving home the message of environmental restoration to tackle climate change, our Bank partook in widespread tree plantation across 10+ locations. Tree plantation initiatives facilitate healing of degraded ecosystems and greatly benefit the local flora and fauna. Continuing our commitment to move forward with a planet first approach, 330+ volunteers from the Bank planted 500+ saplings and marked this day with another wonderful effort in our list of ongoing green initiatives.

Building a sustainable future, one tree at a time!

Financial & Digital Inclusion

Universal Access to Financial Services

- 31.8% of our total touchpoints/branches – 764 are in unbanked rural centres (Tier-VI, population less than 5,000 & Tier-V, population less than 10,000)
- Present in 96 Special Focus Districts* with 330 touchpoints covering 44 Aspirational districts, 37 Left Wing Extremist Affected Districts, 14 Hill States Districts and 1 North Eastern Region District.

Providing Basic Bouquet of Financial Services

PM Jan Dhan Yojana

Particulars	BSBDA	MUDRA	PMJJBY	PMSBY	APY
Count	4,75,000+	11,39,100+	77,400+	1,07,300+	1,02,800+

Received Direct Benefit Transfer of ~₹44.9 Cr in Aadhaar seeded accounts.

PM SVANidhi

- Supported 1,220+ street vendors

IGUCCY

- Supported 690+ micro entrepreneurs

Financial and Digital Literacy

- Organized 15,500+ Financial Literacy Camps at rural branches.

*The list is prepared taking cognizance of special focus districts classified by NABARD, MYMSME, NFDB & NITI AAYOG.

Awards & Ratings

"Employee Engagement"
&
"HR Business Partnership Function "

PeopleFirst
HR Excellence Awards 2024

Secured 56th Rank in "Great Place to Work for 2024" among over 2000 participants

ESG Ratings

Improved from "Medium" to "Low" rating
MORNINGSTAR | SUSTAINALYTICS

Improved Rating from "F" to "D" on Climate Disclosures
CDP

Rated AA
MSCI

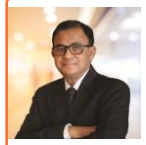
Current Score 39
Dow Jones Sustainability Indexes

Credit Ratings

Fixed Deposits	AA+/Stable	CRISIL
Long Term/ subordinated Debt/ Tier II Bonds	AA/Stable	CRISIL/ CARE/ India Ratings / ICRA
Short Term	A1+	CRISIL/ CARE/ India Ratings

A Journey Towards Forever Banking
29 YEARS

Board of Directors



Mr. H R Khan
Part time Chairman & Independent Director
46+ years of experience
Masters in Arts & Philosophy, Diploma in Business Mgt., CAIIB

Ex-Deputy Governor of RBI
Served on Boards of Several Banks & regulatory Bodies including NHB & NABARD etc.

Mr. Kamlesh Vikamsey
Independent Director
42+ years of experience,
FCA, B. Com

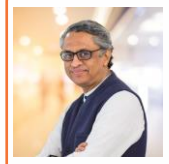
Senior Partner - KKC & Associates LLP
Chairman - IMAC
Member (AoC)- World Metrological Organization (WMO)
Ex-Chairman - Audit Advisory Committee, UNICEF

Ms. Kavita Venugopal
Independent Director-(Additional)
45+ years of experience in Banking Industry
MBA, B.A.

Ex-CEO, Abu Dhabi Commercial Bank (ADCB), India
Held leadership position in various Private Banks

Ms. Malini Thadani
Independent Director
40+ years of experience
Masters in History, M.A., Certificate of Public Administration, Ohio University, USA

Ex - Head of Corporate Sustainability, Asia at HSBC
Held leadership positions at Indian Revenue Services



Prof. M S Sriram
Independent Director
33+ years of experience (including 22 years as an academic)
MBA, Fellow, IIMB (equivalent to PhD)

Professor-Centre for public policy-IIMB

Mr. Pushpinder Singh
Independent Director
44+ years of experience in IT and Payment Systems
BSc, CAIIB

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

Mr. V G Kannan
Independent Director
46+ years of experience in Banking Industry
B.B.A. , MBA

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

Executive Directors

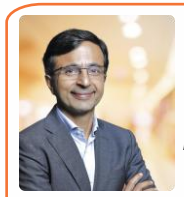
Mr. Sanjay Agarwal
MD & CEO
29+ years of experience
FCA (All India Rank holder)

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

Mr. Uttam Tibrewal
Whole-Time Director
28+ years of experience
B. Com

Associated with the Bank for more than 20 years

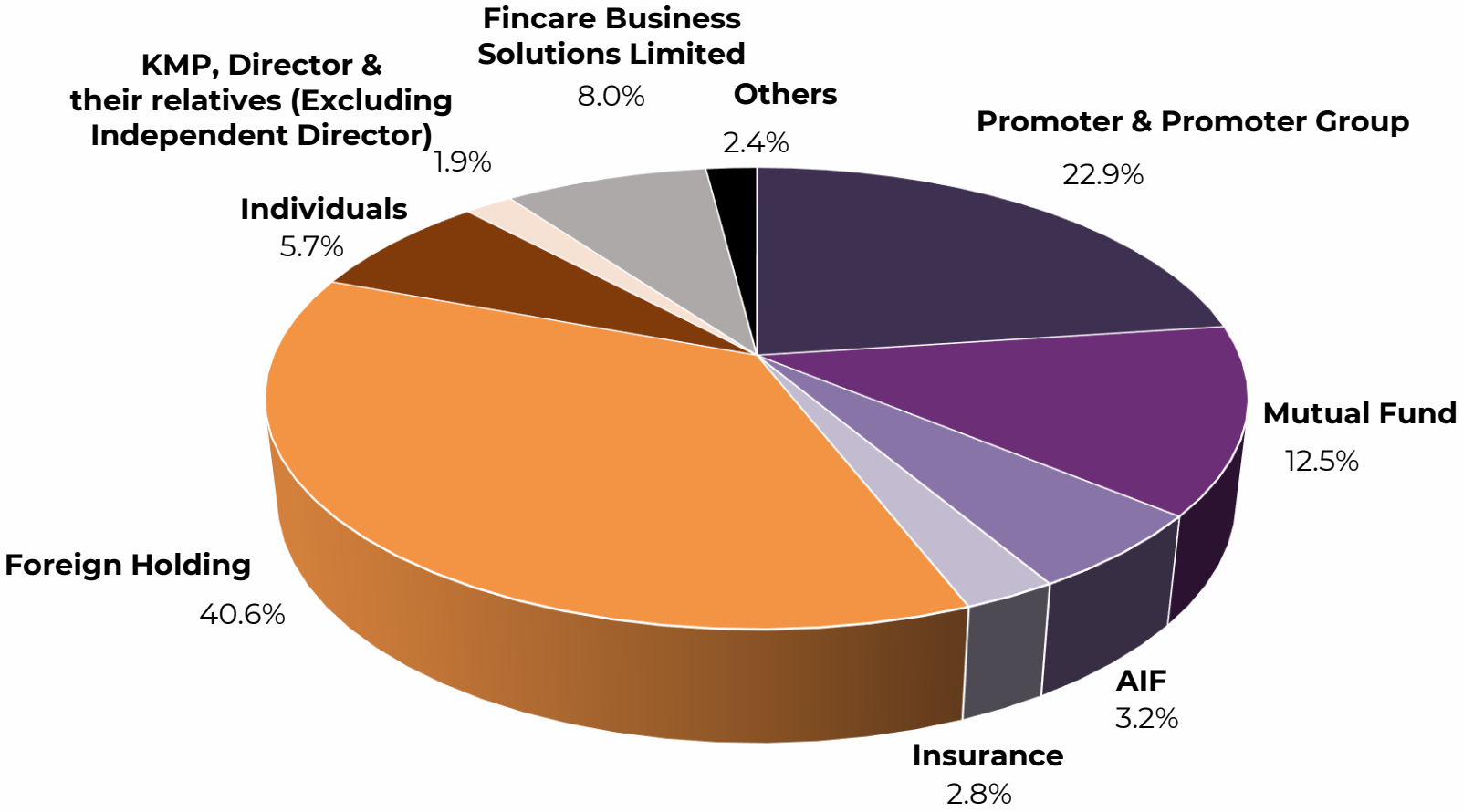
Non-Executive Non-Independent Director



Mr. Divya Sehgal
Non-Executive Non-Independent Director
27+ years of experience
Bachelors in Electrical engineering- IIT Delhi, PGDM, IIM Bangalore

Partner, TrueNorth
Founder & Ex-COO- Apollo Health Street

Shareholding pattern



Foreign holding	40.6%
Domestic holding	59.4%

Note: Shareholding pattern as on 30th June'24

For further information about the bank - Scan to Download

Analyst day presentation - Mar'24

Annual Report FY24

Q4'FY24 Investor Presentation

AU Insights

Abbreviations

BSBDA	Basic Saving Bank Deposits Account
CASA	Current Account Deposits and Savings Account Deposit
CoF	Cost of Fund
CRAR	Capital Adequacy Ratio
DII	Domestic Institutional Investors
DPD	Days Past Due
EEFI	Emerging Enterprises and Financial Institutions
EWS	Early Warning Signal
LCR	Liquidity Coverage Ratio
LDR/ CD	Loan to Deposit / Credit to Deposit ratio
MSME	Micro, Small & Medium Enterprises
MUDRA	Micro Units Development & Refinance Agency Ltd.
NBFC	Non-Banking Finance Company
NFDB	National Fisheries Development Board

NII	Net Interest Income
NPA	Non-Performing Assets
OPEX	Operating Expenses
P&L	Profit & Loss Statement
PAT	Profit After Tax
PMJJBY	Pradhan Mantri Jeevan Jyoti Bima Yojana
PMSBY	Pradhan Mantri Suraksha Bima Yojana
QoQ	Quarter on Quarter
REG	Real Estate Group
RoA	Return on Average Assets
RoE	Return on Average Shareholders Funds
SMA	Special Mention Account
TD	Term Deposit
YoY	Year on Year

Definitions

a.	Market Share	Market share calculated as per the data reported by RBI for Scheduled Commercial Banks
b.	CASA Ratio	Calculation for CASA Ratio is (Current account + Savings account)/Total Deposits including CDs
c.	Yield on Advances	Calculated as the weighted average yield on Gross Advances on a daily basis. For assets originated under Fincare unit, yield on advances is on monthly average basis for this quarter
d.	NIM	Net Interest Margin is calculated on the Interest earning Assets including off book assets on a daily basis
e.	Net NPA	Net NPA Calculation does not include contingency provisions that the bank is carrying
f.	Retail TD	Retail TD refers to all TD having balance less than ₹3 Cr ; Bulk TD refers to all balances of ₹3 Cr & above (revised definition as on Jun'24) prior period numbers continues to be as per the extant guidelines
g.	Gross Advances	Gross Advances includes interest arrears on standard advances
h.	PCR	Provision Coverage Ratio (PCR) is including Technical Write off

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AU SMALL FINANCE BANK

A SCHEDULED COMMERCIAL BANK

A Journey Towards Forever Banking

29 YEARS

Thank You

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