

For Immediate Release

AU Small Finance Bank Announces Q1'FY26 Financial Results

Delivers strong operating performance - Profit grows by 16% YoY to ₹581 Crore supported by Net Total Income growth of 18% YoY to ₹2,855 Crore; RoA and RoE at 1.5% and 13.3% respectively; Deposits grow by 31% and Loans grow by 18% YoY

Profit & Loss

- Operating profit (PPOP) increased by 38% YoY at ₹1,312 Crore vs. ₹952 Crore in Q1'FY25
- Profit After Tax (PAT) was up 16% YoY at ₹581 Crore compared to ₹503 Crore in Q1'FY25
- Annualized RoA stood at 1.5% and RoE at 13.3% against 1.6% and 13.2% respectively in Q1'FY25
- EPS for the quarter at ₹7.8 is up 15% YoY, whereas BVPS at ₹239 is up by 14% YoY
- Cost to Income ratio stood at 54.0% vs 60.8% for Q1'FY25 and 54.7% in Q4'FY25

Balance Sheet

- Total deposits at ₹1,27,696 Crore, increased by 31% YoY vs ₹97,290 Crore in Jun'24
- Gross loan portfolio (GLP) stood at ₹117,624 Crore, registering a YoY growth of 18%
 - Secured businesses (Retail + Commercial) grew by 21.9% YoY
 - Unsecured businesses (primarily MFI and Credit Card) de-grew by 23.1% YoY
- CD ratio stands at 79% excluding advances created out of refinance from DFIs
- CASA for the quarter stood at 29%; and CASA + Retail TD + non-callable bulk deposit at 79%
- Cost of Funds (CoF) declined by 6 bps to 7.08% for Q1'FY26 from 7.14% for Q4'FY25 whereas incremental CoF declined by 62 bps from Q4'FY25 and now stands at 7.08%
 - Peak deposit rates reduced by 50 bps on savings accounts to 6.75% and reduced by 90 bps on term deposits to 7.1% as compared to Mar'25
- PCR at 83% including technical write-off; GNPA ratio is 2.47% and NNPA ratio at 0.88%

Other key announcements:

- Acquired a new building in BKC Mumbai to consolidate our Mumbai presence (all business verticals, except Digital Unsecured lending, are now operating from Mumbai)
- 2 new Independent Directors (ID), Mr. Nandkumar Saravade and Mr. J M Prasad, have joined the Board of Directors taking total Board strength to 12 with 9 Independent Directors including 2 women Independent Directors

AU entered the 30th year of its journey. From humble beginnings as a non-banking financial company in 1996 to its current stature as a trusted name in inclusive banking, AU has remained committed to building a truly inclusive financial ecosystem. The bank's journey through its 30 years, including 8 years as a Small Finance Bank, stands as a testament to resilience, vision, and a deep commitment to building an institution that will stand strong for generations—a 'Forever Bank'.

Mumbai/ Jaipur | 19th July 2025: The Board of Directors of AU Small Finance Bank Limited at its meeting held today, approved the financial results for the quarter ended 30th June 2025.

Executive Summary

Q1' FY26 witnessed slower loan growth and net interest margins have started to shrink as Banks began to transmit the rate cuts. With RBI reducing policy rates by 100 basis points cumulatively, the policy environment has turned supportive and surplus liquidity combined with upcoming CRR cuts is expected to drive higher deposit growth and lower funding cost. However, geo-politics and lower economic activity domestically continue to weigh on the overall market sentiment. Despite the challenges and Q1 being a seasonally weak quarter, AU Small Finance Bank (AU SFB) delivered a consistent performance across business parameters with a steady start to the financial year.

Performance at a glance - Q1'FY26 highlights:

Profitability

- The Bank's Net Interest Income (NII) grew 6% YoY to ₹2,045 Crore for Q1'FY26 compared to ₹1,921 Crore in Q1'FY25
- Other income increased by 59% YoY, aided by higher treasury income, to ₹811 Crore in Q1'FY26 compared to ₹509 Crore in Q1'FY25
- Operating expenses grew by 4% YoY to ₹1,543 Crore for Q1'FY26 compared to ₹1,478 Crore in Q1'FY25
- The Bank's pre-provisioning operating profit (PPoP) for Q1'FY26 grew by 38% YoY to ₹1,312 Crore compared to ₹952 Crore in Q1'FY25
- PAT was up 16% YoY for Q1'FY26 at ₹581 Crore vs. ₹503 Crore in Q1'FY25
- Net Interest Margin (NIM) for Q1'FY26 declined by ~38 bps at 5.4% compared to 5.8% in Q4'FY25
- Cost to Income ratio improved to 54.0% in Q1'FY26 vs. 60.8% in Q1'FY25
- The Return on Asset (ROA) and Return on Equity (ROE) for Q1'FY26 stood at 1.5% and 13.3% respectively on annualised basis
- Earnings Per Share (EPS) for Q1 at ₹7.8 grew by 15% YoY whereas Book Value Per Share (BVPS) at ₹239 grew by 14% YoY

Deposits

- Total Deposits stood at ₹1,27,696 Crore, registering a YoY growth of 31% compared to ₹97,290 Crore as on Q1'FY25
- CASA deposits grew by 16% YoY to ₹37,241 Crore with CASA ratio at 29.2%
- Current deposits have grown by 34% YoY to ₹6,348 Crore and Savings deposits have grown by 13% YoY to ₹30,983 Crore respectively
- Stable deposits (CASA + Retail TD + Non-callable Bulk TD) now stand at 79% of total deposits
- Cost of Funds (CoF) declined by 6 bps in the current quarter to reach 7.08% for Q1'FY26 from 7.14% for Q4'FY25 whereas incremental CoF was 7.08%, a decline of 62 bps in the current quarter

Advances

- Gross loan portfolio (GLP) stood at ₹117,624 Crore, registering a YoY growth of 18% compared to ₹99,792 Crore as on Q1'FY25
- Secured businesses (Retail + Commercial) grew by 22% YoY whereas Unsecured businesses (primarily MFI and Credit Card) de-grew by 23% YoY driven by cyclical slowdown in MFI, and calibration in credit card book

Balance Sheet

- Credit Deposit (CD) ratio as on 30th June 2025 stood at 79% excluding advances created out of refinance from Development Finance Institutions (DFI) like NABARD, SIDBI, NHB and MUDRA
- Bank had average Liquidity Coverage Ratio (LCR) of 123% for Q1'FY26 compared to 116% in Q4'FY25. Bank continues to maintain additional liquidity buffers in the form of high-quality, liquid, non-SLR investments, which are not part of LCR computation
- Shareholder's fund is up 15% YoY at ₹17,800 Crore compared to ₹15,516 Crore in Q1'FY25
- As on 30th June 25, Capital adequacy ratio (CRAR) of the Bank stands at 20.0% and Tier-I capital ratio stands at 18.2% including profit for Q1'FY26

Asset Quality

- Gross NPA stood at 2.47% and Net NPA stood at 0.88% in Q1'FY26 vs. 2.28% and 0.74% in Q4'FY25
- Additionally, Bank carries ₹41 Crore of floating provisions and ₹17 Crore of contingency provisions towards the MFI portfolio
- Net credit cost for Q1'FY26 is at 0.34% on average total Assets and 0.46% on average GLP
- Provision coverage ratio including technical write-off stood at 83%

Credit Rating

- AA+/ Stable for Fixed deposit program by CRISIL
- AA/ Stable for long term Tier II Bonds by CRISIL, ICRA, India Ratings and CARE
- A1+ for short term Certificate of Deposit program by CRISIL, India Ratings and CARE

Board of Directors

- Mr. Nandkumar Saravade and Mr. J M Prasad, have joined the Board of Directors as independent directors
- Total Board strength has reached to 12 directors with 9 independent directors including 2 women Independent Directors

Key Initiatives

- **Partnership with International Finance Corporation (IFC)** – An exclusive collaboration to undertake a comprehensive climate risk advisory program.
- **Partnership with Life Insurance Corporation of India (LIC)** – A strategic collaboration to supports the national vision of 'Insurance for All by 2047', aimed at deepening insurance penetration and financial protection across India's underserved communities.
- **Concierge Services for AU ivy and AU Eternity Customers** – the banking programs aimed to provide best in class curated services that go beyond banking for the AU SFB's affluent clients
- **Airport transfer services for NRI customers** – A lifestyle-driven association with MakeMyTrip to offer complimentary cab booking services in India for NRI customers of AU ivy, AU Eternity, and AU Royale
- **House of Growth initiative** – An employee welfare program introduced to ensure a better-quality life for the Bank's employees working at the grassroots level, especially for teams driving Bank's microfinance operations across the country.

Awards and recognition:

- **“APY Annual Award of Ultimate Achiever”** by the Pension Fund Regulatory & Development Authority (PFRDA)
- **Data Excellence** – Small Finance Bank’s at the CRIF Data Excellence Awards 2024
- Recognized as **one of India’s Top 25 Best Workplaces in BFSI 2025** by Great Place to Work
- Recognized as **India’s Top 50 Companies to Work for 2025** by Great Place to Work
- **4th Indian Banks’ Association (IBA) CISO Award 2025** in the ‘Cyber Security Incident Response Maturity’ category

CSR initiatives:

- **AU Ignite**, Bank's skills training academy across 16 centres in Rajasthan, has, till date, trained 30,000+ youths of which 22,400+ were linked to employment
- **AU Bano Champion**, our rural sports coaching initiative, is live across 50+ locations with children trained across 7 sports
- **AU Udyogini**, our flagship Women Entrepreneurship program, has till date engaged 4,200+ women with 2,600+ of them nurtured under Individual Women Entrepreneurship
- **AU Kartavya** - Conducted 1,100+ health camps across 12 states serving 70,749 beneficiaries Educated 1600+ students through AU study centres

Commenting on the performance, Mr. Sanjay Agarwal, Founder, MD & CEO, AU Small Finance Bank said, *“India’s economy stands at an important crossroads. On one hand, the policy environment has turned supportive—with easing inflation, surplus liquidity, forthcoming CRR cuts, fiscal prudence being maintained, and expectations of a good monsoon. On the other, economic momentum remains uneven, and signs of demand recovery are still emerging across sectors. Global geo-political uncertainty continues to pose risks, but the resilience of India’s domestic economy provides a strong counterbalance.*

At AU Small Finance Bank, we remain cautiously optimistic. Our focus is on building a sustainable, broad-based franchise by deepening customer relationships, expanding our distribution footprint, and maintaining sharp credit discipline. We have reported another set of consistent performance in a seasonally soft quarter, showing sustainable growth in deposits, assets, and profitability. We believe that as the economic cycle strengthens, AU is well-positioned to navigate near-term uncertainties while staying committed to our long-term vision of building a Forever Bank that can truly scale with sustainability.”

Summary of Financials

Profit & Loss Statement

(All Figures in ₹ Crore)	Q1'FY26	Q1'FY25	YoY	Q4'FY25	QoQ
Income					
Interest Earned	4,378	3,769	16%	4,271	3%
Interest Expended	2,334	1,848	26%	2,177	7%
Net Interest Income	2,045	1,921	6%	2,094	-2%
Other Income	811	509	59%	761	7%
Net Total Income	2,855	2,430	18%	2,855	0%
Expenses					
Employee Cost	866	790	10%	817	6%
Other Operating Expenses	678	688	-2%	745	-9%
Operating Expenses	1,543	1,478	4%	1,562	-1%
PPoP	1,312	952	38%	1,292	2%
Provisions	533	283	89%	635	-16%
Profit Before Tax	779	669	16%	657	19%
Tax expenses	198	166	19%	153	29%
Profit After Tax	581	503	16%	504	15%

Other Income

(All Figures in ₹ Crore)	Q1'FY26	Q1'FY25	YoY	Q4'FY25	QoQ
Loan Assets Processing & Other Fees	262	230	14%	336	-22%
General Banking, Cross Sell & Deposits related fees	157	142	11%	227	-31%
PSLC Fees	0	0	N.A	2	N.A
Credit Card	57	101	-44%	58	-2%
Miscellaneous	35	18	98%	35	-1%
Core Other Income	511	491	4%	658	-22%
Income from Treasury Operations	300	19	1516%	102	193%
Total Other Income	811	509	59%	761	7%
Other Income as % of Net Interest Income	40%	27%	N.A	36%	N.A

Balance Sheet

(All Figures in ₹ Crore)	30 th Jun'25	30 th Jun'24	YoY	31 st Mar'25	QoQ
Liabilities					
Shareholders Fund	17,800	15,516	15%	17,166	4%
Deposits	1,27,696	97,290	31%	1,24,269	3%
Borrowings	10,649	8,931	19%	11,660	-9%
Other Liabilities and Provisions	4,668	4,205	11%	4,751	-2%
Total Liabilities	1,60,813	1,25,942	28%	1,57,846	2%
Assets					
Cash and Balances	8,510	5,608	52%	9,466	-10%
Investments	38,344	27,315	40%	37,848	1%
Advances	1,09,834	89,652	23%	1,07,092	3%
Fixed Assets	1,276	911	40%	912	40%
Other Assets	2,850	2,457	16%	2,527	13%
Total Assets	1,60,813	1,25,942	28%	1,57,846	2%
Securitized Assets	6,010	9,089	-34%	6,926	-13%

About AU Small Finance Bank

AU Small Finance Bank Limited (AU SFB) is a Scheduled Commercial Bank and has established itself as India's largest Small Finance Bank since commencing its banking journey in April 2017. Founded in 1996 by Mr. Sanjay Agarwal, a first-generation entrepreneur, AU enters its 30th year of operations with a legacy of deep-rooted service—having built, over three decades including more than eight years as a bank, a sustainable and inclusive financial institution that empowers underserved and under-reached communities through a robust retail banking model.

With deep customer insight across Bharat, AU SFB provides comprehensive banking solutions across deposits, loans, credit cards, premium banking, remittance services, merchant solutions, insurance, and investments. As a tech-led bank, AU SFB offers differentiated digital experiences through innovations like 24x7 video banking, WhatsApp Banking, Chatbots, UPI QRs, merchant lending, and its award-winning AU 0101 app.

AU SFB's wide network of over 2,505 banking touchpoints across 21 States and 4 Union Territories enables service to more than 1.15+ crore customers, powered by a workforce of 53,000+ employees. As on 30th Jun'25, Bank has a Shareholders Funds of ₹17,800 Crore, Deposit base of ₹1,27,696 Crore, Total Loan Portfolio of ₹1,17,624 Crore and a Balance sheet size of ₹1.60 Lac Crore+.

AU SFB is listed on NSE and BSE and is rated 'AA/Stable' by CRISIL Ratings, ICRA Ltd., CARE Ratings, and India Ratings. Its Fixed Deposits carry a 'AA+/Stable' rating from CRISIL Ratings, reflecting its financial strength and investor trust.

For more details, visit: www.aubank.in | [LinkedIn](#) | [Facebook](#) | [Twitter](#) | [Instagram](#)

AU Small Finance Bank

Diksha Boruah

diksha.boruah@aubank.in

9560109485

The Good Edge

Shalini Srivastava

shalini@thegoodedge.com

9920826757