

For Immediate Release

AU Small Finance Bank Announces Q3'FY26/9M'FY26 Financial Results

**Strong all-round performance across growth, margins and asset quality;
PAT up 26% YoY at ₹668 Cr, RoA at 1.6% and RoE at 14.3%**

**Deposits grow 23.3% YoY, Loans grow 19.3% YoY, Margins improve 25bps sequentially
and annualised Credit cost declines 41bps QoQ**

Key Financial highlights for Q3'FY26

- Net Interest Margin (NIM) increased by 25bps QoQ to 5.7% (vs 5.5% in Q2'FY26)
- Cost of Funds (CoF) declined by 22bps QoQ to 6.61% (vs 6.83% in Q2'FY26)
- Net Interest Income (NII) grew by 16% YoY to ₹2,341 crore (vs ₹2,023 Cr in Q3'FY25)
- Other income up 17% YoY to ₹724 crore (vs ₹618 Cr in Q3'FY25) driven by higher fee income and third-party product distribution
- Total opex excl. exception item at ₹1,830 Cr grew 27% YoY (vs ₹1,436 Cr in Q3'FY25) led by higher business volumes, investments in manpower & distribution and marketing/promotional expenses
 - Exceptional items during the quarter: ₹20 Cr provisioning arising from the implementation of the New Labour Codes
- Slippages declined 13% QoQ to ₹791 Cr in Q3'FY26
- Net credit cost for the quarter was down by 34% YoY to ₹331 Cr (vs ₹502 Cr in Q3'FY25)
- Non-annualized Credit cost / Avg assets at 0.19% for Q3 (vs 0.36% in Q3'FY25)
- PAT was up 26% YoY at ₹668 Cr (vs ₹528 Cr in Q3'FY25) with Annualized RoA and RoE for Q3'FY26 at 1.6% and 14.3% respectively
- Deposit book stands at ₹1,38,415 Cr, registering YoY growth of 23.3%
- Gross loan portfolio stands at ₹1,29,898 Cr, registering a YoY growth of 19.3%
- GNPA declined sequentially to 2.30% (vs 2.41% in Q2'FY26) and Net NPA stood stable at 0.88% with PCR including technical write-off at 83%

Mumbai | 20th Jan 2026: The Board of Directors of AU Small Finance Bank Limited at its meeting held today, approved the financial results for the quarter and nine-month ended December 31, 2025.

Executive Summary

The implementation of GST rate cuts and a robust festive season added momentum to underlying economic activity during the quarter, resulting in a meaningful pickup in credit demand. Higher auto sales, stronger consumer spending, and a revival in MSME and commercial activity supported banking sector credit growth of 14.4% YoY. Deposit growth, however, lagged at 12.7% YoY amid tighter liquidity conditions and heightened competition across the sector.

Against this backdrop, the Bank delivered a well-rounded performance across all key parameters, supported by disciplined underwriting, prudent management of the cost of funds, and a consistent focus on sustainable, quality-led growth.

Performance at a glance (Q3'FY26):

Profitability

- NII grew by 16% YoY to ₹2,341 Cr (vs ₹2,023 Cr in Q3'FY25)
- NIM, calculated on daily avg. of interest earning assets incl off book, improved by ~25bps to 5.7% (vs 5.5% in Q2)
 - + Improvement in CoF by 22bps QoQ to 6.61% and benefits from CRR cut, lower surplus liquidity
 - Decline in Yields by 10bps largely on account of change in asset mix
- Other income stood at ₹724 Cr up 17% YoY (vs ₹618 Cr in Q3'FY25)
- Total opex (excl exceptional item) at ₹1,830 Cr grew 27% YoY (vs ₹1,436 Cr in Q3'FY25) led by higher business volumes, Investment in manpower & distribution, and marketing & promotion related expenses
 - ~11K employee addition YoY
 - Added net 100 touchpoints in Q3 incl. 27 new liability branches
 - 20%+ QoQ increase in disbursement volumes
- The Bank's pre-provisioning operating profit (PPoP) for Q3'FY26 grew by 3% YoY to ₹1,235 Crore (vs ₹1,205 Cr in Q3'FY25)
- Credit cost reduced by 34% YoY to ₹331 crore in Q3'FY26 (vs ₹502 crore in Q3'FY25) led by normalization in MFI and Credit cards
- Profit after Tax (PAT) increased by 26% YoY at ₹668 Cr (vs ₹528 Cr in Q3'FY25) with Annualized RoA/ RoE for Q3'FY26 at 1.6% and 14.3%
- Excluding exceptional item, PAT was up 29% YoY at ₹682 Cr with RoA/ RoE at 1.6%/ 14.6%

Balance Sheet

- Total Deposits grew 23.3% YoY and 4.5% QoQ to ₹1,38,415 Cr; CASA remained stable at ~29% as of Dec'25 vs 29% in Sep'25
- CASA deposits grew 16% YoY led by Current deposits growth of 31% YoY to ₹7,404 Cr and Savings deposits growth of 13% YoY to ₹32,543 Cr
- Acquisition of new CASA accounts growing at robust pace – monthly CASA account opening run-rate reached 1 Lac the first time in Dec'25
- Stable deposits (CASA + Retail TD + Non-callable Bulk TD) forms 80% of total deposits
- Cost of Funds (CoF) declined by 22bps to 6.61% in Q3'FY26 from 6.83% in Q2'FY26
- Overall, Gross loan portfolio (GLP) stood at ₹1,29,898 Cr, registering a YoY growth of 19.3% and QoQ growth of 5.7%
 - GLP excl unsecured businesses registered a growth of 23.4% YoY and 6.1% QoQ
 - Unsecured businesses (which form ~7% of our business), registered a de-growth of 17% YoY but have started to turn around and grew by 1% QoQ led by MFI
- Yield on gross advances moderated by 10bps QoQ to 13.8% (vs 13.9% in Q2'FY26)
- CD ratio after adjusting for loans against which refinance was availed from domestic Development Finance Institutions (DFIs), stands at 82% (vs 81% in Q2'FY26)
- Average LCR for the quarter was at 118% (vs 119% in Q2'FY26)

Asset Quality

- Asset quality improved sequentially benefiting from normalization in unsecured businesses and seasonal recovery in secured assets
 - Slippage reduced by 13% QoQ at ₹791 Cr (vs ₹908 Cr in Q2'FY26)
 - GNPA declined sequentially to 2.30% (vs 2.41% in Q2'FY26), Net NPA stable at 0.88%
 - Credit cost declined ~31% QoQ at ₹331 crore (vs ₹481 crore in Q2'FY26) with annualized credit cost for the quarter at 0.8% of avg assets
 - Collection Efficiency in non-overdue MFI loans improved to 99.3% (vs 98.9% in Q2'FY26)
 - SMA book for MFI declined to 1.9% (vs 2.9% in Q2'FY26)

9M'FY26 highlights

Profitability

- Net Interest Income (NII) grew 10% YoY to ₹6,530 Crore (vs ₹5,918 Cr in 9M'FY25)
 - Net Interest Margin (NIM) for 9M'FY26 stood at 5.5%
 - Cost of Funds (CoF) for 9M'FY26 at 6.84%
- The Bank's pre-provisioning operating profit (PPoP) for 9M'FY26 grew 14% YoY to ₹3,757 Crore (vs ₹3,288 Cr in 9M'FY25)
- Credit Cost for 9M'FY26 at 1.1% of avg assets
- PAT grew 13% YoY to ₹1,809 Cr (vs ₹1,602 Cr in 9M'FY25)
- Excluding exceptional item, 9M'FY26 PAT grew by 14% at ₹1,824 Cr
- Return on Asset (ROA) and Return on Equity (ROE) stood at 1.5% and 13.3% respectively

Distribution

- Bank increased its presence by adding a net of 100 touchpoints, including 27 new liability branches, during the quarter taking the total number of touchpoints to 2,726 across 21 states and 4 UTs
- We cater to 125 Lac+ customers with a total strength of 59k+ employees

Other key initiatives and updates

- Appointed 3 new independent directors to further strengthen the Board and governance - **Mr. N S Venkatesh, Mr. Satyajit Dwivedi and Mr. Phani Shankar** appointed as Non-executive Independent Directors for a term of three years
- Re-appointed **Ms. Malini Thadani** as Non-Executive Independent Director for a second term of three years
- As part of the long term succession planning and roadmap for accelerating and consolidating leadership depth in the Bank and to provide flexibility for future organizational requirements, following executive changes have been approved by the Board subject to requisite approvals
 - **Mr. Uttam Tibrewal**, Executive Director and Deputy CEO, upon completion of his current tenure as Whole-Time Director on April 18, 2026, will continue in his capacity as Deputy CEO and remain responsible for leading our key business verticals including Retail Assets and Liabilities. Alongside these responsibilities, he will devote increased time to on ground engagement to drive growth, strengthen customer relationships, and expand the Bank's presence across newer geographies
 - **Mr. Vivek Tripathi**, Chief Credit Officer, will be appointed as Whole Time Director (Executive Director) subject to RBI approval. An alumnus of IIM Lucknow, Vivek has been with AU since

2014, contributing across Business, Credit, and Risk in various leadership roles. As ED & CCO, he will continue to provide enterprise wide stewardship of AU's credit architecture, unifying Credit, Policy & Underwriting, Portfolio Management, Collections, Legal Recovery & Corporate Legal, Vigilance, and Fraud Control under a single governance framework.

- Onboarded **Ranbir Kapoor** and **Rashmika Mandanna** as the new Brand Ambassadors and also launched a new brand campaign “**Soch Badlo aur Bank Bhi**” connecting with the new-age and showcasing its tech-first outlook
- Launched '**AU Multi-Currency Forex Card**' in collaboration with Mastercard providing a seamless, secure, and smart travel payment solution for globetrotters
- Launched **Exclusive Banking Program for Chartered Accountants (CAs) in collaboration with ICAI** to offer customized products and solutions to them.
- Launched '**M' circle: a distinctive women's banking proposition** designed to offer personalized privileges, curated financial solutions, and exclusive lifestyle experiences tailored to their unique needs and aspirations.
- Bank **pioneered integration with NBBL's "Banking Connect"** platform unlocking nationwide merchant access through a unified Net Banking interface, setting a new benchmark in digital payment experiences
- **Mobile Tap & Pay functionality was enabled on Samsung Wallet**, which allows AU SFB credit card holders to make secure, convenient contactless payments using (Near-Field Communication) NFC-enabled Samsung Galaxy smartphones, enhancing speed and ease in everyday transactions

CSR initiatives

- Bank **launched 'Saksham Jaipur Project'** with Jaipur District Administration to distribute Digital Maternal Health Kits in 25 government hospitals.
- AU Ignite – Bank's skills training academy, till date has **trained 33,000 + youth in 15 + centers across 12 districts of Rajasthan**, of which 24,000 + have been linked to employment.
- AU Bano Champion – Bank's sports initiative was active at 75 + locations cross Rajasthan with **6,000 kids & youths regularly trained across 7 sports disciplines**.
- AU Udyogini – Bank's women entrepreneurship, till date **5,200 + rural women were engaged and 3,210 + were nurtured under Individual Women Entrepreneurship initiative in Rajasthan & Madhya Pradesh**. In addition, financial literacy camps organised for Udyogini & trained 172 women artisans at AU Nirjhari Craft Centre.
- AU Kartavya – Bank's need-based initiatives, **conducted 1,145 health camps**, 5 ventilators supported to Charitable Hospitals, Established AU Pathology at Sane Guruji Hospital, 4 open air gym installed, 25 computers in 5 SGPC – governed schools, educated 1,400 + students through 60 AU study centers. In addition, **supported 7100 + families across 8 states** with dry ration kits during crisis.

Commenting on the performance, Mr. Sanjay Agarwal, MD & CEO, AU Small Finance Bank said, “Banking sector growth remained resilient this quarter, supported by GST rationalization and festive demand, even as the deposit environment stayed highly competitive. Against this backdrop, we delivered a strong and well-rounded performance in Q3 across growth, margins, asset quality and profitability.

We further strengthened our governance by inducting three independent directors to the Board. At the same time, we are accelerating the integration of AI across our core operations and reimagining processes to transition to an AI-native architecture—built for scale, resilience and inclusion. With our core growth engines firmly in place, and a once-in-a-generation opportunity to evolve into a universal banking platform, we are well positioned to scale with purpose, responsibility and long-term sustainability”.

Summary of Financials

Profit & Loss Statement

(All Figures in ₹ Crore)	9M'FY26	9M'FY25	YoY	Q3'FY26	Q3'FY25	YoY	Q2'FY26	QoQ
Income								
Interest Earned	13,617	11,793	15%	4,727	4,113	15%	4,511	5%
Interest Expended	7,087	5,875	21%	2,386	2,091	14%	2,367	1%
Net Interest Income	6,530	5,918	10%	2,341	2,023	16%	2,144	9%
Other Income	2,247	1,766	27%	724	618	17%	713	2%
Net Total Income	8,777	7,683	14%	3,065	2,641	16%	2,857	7%
Expenses								
Employee Cost	2,783	2,330	19%	999	755	32%	919	9%
Other Operating Expenses	2,237	2,065	8%	831	682	22%	729	14%
Operating Expenses	5,020	4,395	14%	1,830	1,436	27%	1,647	11%
PPoP	3,757	3,288	14%	1,235	1,205	3%	1,210	2%
Provisions	1,345	1,158	16%	331	502	-34%	481	-31%
Profit Before Tax	2,412	2,131	13%	904	703	29%	729	24%
Tax expenses	588	529	11%	221	175	27%	168	32%
PAT before exceptional Items	1,824	1,602	14%	682	528	29%	561	22%
Exceptional items post tax	15	N.A	N.A	15	N.A	N.A	N.A	N.A
Reported Profit After Tax	1,809	1,602	13%	668	528	26%	561	19%

Other Income

(All Figures in ₹ Crores)	9M'FY26	9M'FY25	YoY	Q3'FY26	Q3'FY25	YoY	Q2'FY26	QoQ
Loan Assets Processing & Other Fees	924	790	17%	342	288	19%	319	7%
General Banking, Cross Sell & Deposits related fees	629	469	34%	249	155	61%	223	12%
PSLC Fees	0	4	-100%	0	2	N.A	0	N.A
Credit Card	177	292	-39%	65	93	-31%	56	15%
Miscellaneous	111	77	45%	40	34	19%	36	13%
Core Other Income	1,841	1,633	13%	696	572	22%	634	10%
Income from Treasury Operations	406	133	206%	27	46	-41%	79	-65%
Total Other Income	2,247	1,766	27%	724	618	17%	713	2%
Other Income as % of Net Interest Income	34%	30%	N.A	31%	31%	N.A	33%	N.A

Balance Sheet

(All Figures in ₹ Crores)	31 st Dec'25	31 st Dec'24	YoY	30 th Sep'25	QoQ
Liabilities					
Shareholders Fund	19,085	16,602	15%	18,316	4%
Deposits	1,38,415	1,12,260	23%	1,32,509	4%
Borrowings	12,022	9,988	20%	10,319	17%
Other Liabilities and Provisions	4,530	4,195	8%	4,397	3%
Total Liabilities	1,74,052	1,43,044	22%	1,65,542	5%
Assets					
Cash and Balances	6,576	6,231	6%	7,305	-10%
Investments	39,793	33,613	18%	38,382	4%
Advances	1,23,420	99,559	24%	1,15,705	7%
Fixed Assets	1,378	914	51%	1,322	4%
Other Assets	2,886	2,727	6%	2,828	2%
Total Assets	1,74,052	1,43,044	22%	1,65,542	5%
Securitized Assets	4,689	7,932	-41%	5,352	-12%



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 "Dharma" of customer centric 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. AU has received an in-principle approval from RBI to transition to a Universal Bank.

With deep customer insight across India, AU provides comprehensive banking solutions across deposits, loans, credit cards, premium banking, remittance services, merchant solutions, insurance, and investments. As a tech-led bank, AU 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 2,726 banking touchpoints across 21 States and 4 Union Territories enables service to more than 1.25 crore customers, powered by a workforce of 59,800+ employees. As on 31st Dec'25, Bank has a Shareholders Funds of ₹19,085 Cr, Deposit base of ₹1,38,415 Cr, Total Loan Portfolio of ₹1,29,898 Cr and a Balance sheet size of ₹1.74 Lac Cr+.

AU SFB is listed on NSE and BSE and is rated 'AA/Stable' by CRISIL Ratings, ICRA Ltd., CARE Ratings.

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

For Media Inquiries, please contact:

AU Small Finance Bank

Virendrasingh Ghunawat

virendrasingh.ghunawat@aubank.in

9833886854

The Good Edge

Shalini Srivastava

shalini@thegoodedge.com

9920826757