



Ref. No.: AUSFB/SEC/2017-18/469

Date: 30<sup>th</sup> January 2018

To,

Listing Department  
National Stock Exchange of India Limited,  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (East), Mumbai 400051,  
Maharashtra.

Department of Corporate Services,  
The Bombay Stock Exchange Limited,  
Phiroz Jeejee bhoy Towers,  
Dalal Street, Mumbai 400001,  
Maharashtra.

NSE Symbol: **AUBANK**

Scrip Code: **540611**

Dear Sir/Ma'am,

**SUBJECT: FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED ON 31<sup>ST</sup> DECEMBER 2017.**

Pursuant to Regulation 33 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 ("Listing Regulation"), we wish to inform you that the Board of Directors at its Meeting held on Tuesday, 30<sup>th</sup> January, 2018 at Jaipur has considered and approved the Unaudited Financial Results of the Bank for the quarter (Q3) and Nine Months ended 31<sup>st</sup> December, 2017 and took note of the Limited Review Report thereon, submitted by Statutory Auditors, S.R. BATLIBOI & ASSOCIATES LLP, Chartered Accountants.

The meeting of Board of Directors commenced at 1:00 P.M. and concluded at 4:00 P.M.

A copy of the Unaudited Financial Results along with Limited Review Report are enclosed herewith.

Kindly acknowledge the receipt of the same and make available to public at large.

Thanking You

For AU SMALL FINANCE BANK LIMITED



**MANMOHAN PARNAMI**  
**COMPANY SECRETARY AND COMPLIANCE OFFICER**  
**PLACE: JAIPUR**

**Registered Office**

**AU SMALL FINANCE BANK LIMITED**

19-A Dhuleshwar Garden, Ajmer Road,

Jaipur - 302001, Rajasthan, India

Phone: +91 141 4110060/61, Fax: +91 141 4110090

CIN: L36911RJ1996PLC011381

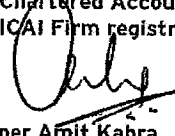
Formerly known as Au Financiers (India) Limited

**Limited Review Report**

**Review Report to**  
**The Board of Directors**  
**AU Small Finance Bank Limited (formerly known as "Au Financiers (India) Limited")**

1. We have reviewed the accompanying statement of unaudited financial results of AU Small Finance Bank Limited (formerly known as "Au Financiers (India) Limited") (the "Bank") for the quarter and nine months ended December 31, 2017 (the "Statement") attached herewith, being submitted by the Bank pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
2. The preparation of the Statement in accordance with the recognition and measurement principles laid down in Accounting Standard 25, Interim Financial Reporting (AS 25) prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 and the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters is the responsibility of the Bank's management and the Statement has been approved by the Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Bank's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. We have not audited or reviewed the amounts appearing in the accompanying result for the corresponding quarter and nine months ended December 31, 2016 which have been presented solely based on the information compiled by management and approved by the Board of Directors.
5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25, Interim Financial Reporting (AS 25) prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

For S.R. BATLIBOI & ASSOCIATES LLP  
Chartered Accountants  
ICAI Firm registration number: 101049W/E300004

  
per Amit Kabra  
Partner  
Membership No.:094533

Kolkata  
January 30, 2018



**AU Small Finance Bank Limited**  
(Formerly Au Financiers (India) Limited)  
(CIN: L36911RJ1996PLC011381)

Registered Office:- 19-A, Dhuleshwar Garden, Ajmer Road, Jaipur 302001, Rajasthan (INDIA)  
Tel : +91-141-4110060, Fax No : +91- 141-4110090 Website : www.aubank.in  
Statement of Unaudited Financials Results for the quarter and period ended December 31, 2017

( in lacs)

Particulars	Quarter ended	Quarter ended	Quarter ended	Period ended	Period ended	Year ended
	31.12.2017	30.09.2017	31.12.2016	31.12.2017	31.12.2016	31.03.2017
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Interest Earned (a)+(b)+(c)+(d)	46,417.11	41,031.83	32,608.88	123,547.05	94,229.35	128,679.39
a) Interest / discount on advances / bills	32,951.23	28,245.66	25,034.19	85,334.68	74,356.76	98,097.63
b) Income on Investments	3,417.26	2,916.38	522.09	8,747.42	1,047.52	1,623.16
c) Interest on balances with Reserve Bank of India and other inter bank funds	1,103.75	1,412.95	-	4,019.42	-	-
d) Others	8,944.87	8,456.84	7,052.60	25,445.53	18,825.07	28,958.60
2 Other income (Refer note 3)	10,603.41	9,256.23	2,714.09	25,361.00	8,688.17	13,187.09
3 Total Income (1)+(2)	57,020.52	50,288.06	35,322.97	148,908.05	102,917.52	141,866.48
4 Interest Expended	21,374.61	19,062.83	12,538.90	58,188.07	37,795.55	50,033.30
5 Operating Expenses (i)+(ii)	20,354.33	16,823.55	8,286.91	48,580.98	23,542.88	34,893.61
i) Employees cost	11,828.68	10,000.56	4,711.57	28,934.48	12,192.75	19,277.80
ii) Other operating expenses	8,525.65	6,822.99	3,575.34	19,646.50	11,350.13	15,615.81
6 Total Expenditure (4)+(5) (excluding Provisions & Contingencies)	41,728.94	35,886.38	20,825.81	106,769.05	61,338.43	84,926.91
7 Operating Profit before Provisions and Contingencies (3)-(6)	15,291.58	14,401.68	14,497.16	42,139.00	41,579.09	56,939.57
8 Provisions (other than tax) and Contingencies	3,288.57	4,095.89	1,757.53	10,294.92	6,107.65	9,640.28
9 Exceptional Items (refer note 10)	-	-	5.08	-	67,034.89	67,034.89
10 Profit / (Loss) from Ordinary Activities before tax (7)-(8)+(9)	12,003.01	10,305.79	12,744.71	31,844.08	102,506.33	114,334.18
11 Tax Expense	4,110.81	3,481.57	4,452.59	10,944.50	28,100.16	32,136.57
12 Net Profit / (Loss) from Ordinary Activities after tax (10)-(11)	7,892.20	6,824.22	8,292.12	20,899.58	74,406.17	82,197.61
13 Extraordinary items (net of tax expense)	-	-	-	-	-	-
14 Net Profit / (Loss) for the period (12)-(13)	7,892.20	6,824.22	8,292.12	20,899.58	74,406.17	82,197.61
15 Paid up equity share capital (Face Value of ' 10/- each)	28,562.30	28,425.09	27,435.09	28,562.30	27,435.09	28,425.09
16 Reserves excluding revaluation reserves	-	-	-	-	-	170,334.17
17 Analytical Ratios						
(i) Percentage of shares held by Government of India	Nil	Nil	Nil	Nil	Nil	Nil
(ii) Capital Adequacy Ratio - Basel II (refer note 8)	20.96%	20.60%	26.62%	20.96%	26.62%	23.04%
(iii) Earnings per share						
<b>A Earnings per equity share (including exceptional item) (not annualised)</b>						
Basic (Rs.)	2.77	2.40	3.02	7.35	27.70	30.18
Diluted (Rs.)	2.70	2.34	2.98	7.16	27.32	29.61
<b>B Earnings per equity share (excluding exceptional item) (not annualised)</b>						
Basic (Rs.)	2.77	2.40	3.02	7.35	8.46	11.20
Diluted (Rs.)	2.70	2.34	2.98	7.16	8.34	10.99
(iv) NPA Ratios						
(a) Gross NPAs	28,623.11	26,581.07	16,700.19	28,623.11	16,700.19	12,451.12
(b) Net NPAs	18,772.33	17,865.89	11,551.00	18,772.33	11,551.00	8,046.13
(c) % of Gross NPAs to Gross Advances	2.83%	3.08%	2.75%	2.83%	2.75%	1.89%
(d) % of Net NPAs to Net Advances	1.87%	2.09%	1.92%	1.87%	1.92%	1.22%
(v) Return on assets (average) (excluding exceptional item) - not annualized (refer note 6)	0.47%	0.45%	0.82%	1.34%	2.41%	2.72%



*(Handwritten Signature)*



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(CIN: L36911RJ1996PLC011381)

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Statement of Unaudited Financials Results for the quarter and period ended December 31, 2017

Segment information in accordance with the Accounting standard on Segment Reporting (AS-17) of the operating segment of the Bank is as under :

S. No.	Particulars	( in lacs)		
		Quarter ended 31.12.2017 Unaudited	Quarter ended 30.09.2017 Unaudited	Period ended 31.12.2017 Unaudited
<b>1</b>	<b>Segment revenue</b>			
a)	Treasury	4,351.86	4,551.18	14,372.32
b)	Retail banking	45,301.97	39,434.78	115,309.42
c)	Wholesale banking	7,366.69	6,302.10	19,226.31
d)	Unallocated	-	-	-
	Less: Inter-segment revenue	-	-	-
	<b>Income from operations</b>	<b>57,020.52</b>	<b>50,288.06</b>	<b>148,908.05</b>
<b>2</b>	<b>Segment results</b>			
a)	Treasury	2,403.52	2,213.74	7,359.00
b)	Retail banking	14,164.66	13,063.09	37,444.35
c)	Wholesale banking	2,289.22	1,664.08	5,285.32
d)	Unallocated expenses	6,854.38	6,635.12	18,244.59
	Income tax expense (including deferred tax)	4,110.82	3,481.57	10,944.50
	Extraordinary Profit/Loss	-	-	-
	<b>Net profit</b>	<b>7,892.20</b>	<b>6,824.22</b>	<b>20,899.58</b>
<b>3</b>	<b>Segment assets</b>			
a)	Treasury	305,349.69	281,624.78	305,349.69
b)	Retail banking	811,935.28	702,828.44	811,935.28
c)	Wholesale banking	241,516.37	193,950.99	241,516.37
d)	Unallocated	57,284.66	54,830.54	57,284.66
	<b>Total assets</b>	<b>1,416,086.00</b>	<b>1,233,234.75</b>	<b>1,416,086.00</b>
<b>4</b>	<b>Segment liabilities</b>			
a)	Treasury	67,183.54	55,673.96	67,183.54
b)	Retail banking	758,737.88	690,836.20	758,737.88
c)	Wholesale banking	351,131.47	256,090.87	351,131.47
d)	Unallocated liabilities	19,657.03	19,366.42	19,657.03
	Capital and Other Reserves	219,376.08	211,267.30	219,376.08
	<b>Total liabilities</b>	<b>1,416,086.00</b>	<b>1,233,234.75</b>	<b>1,416,086.00</b>

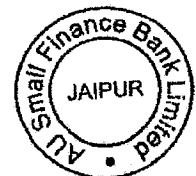
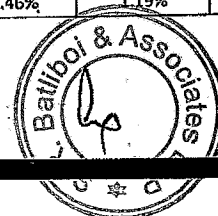
Business Segments have been identified and reported taking into account the target customer profile, the nature of products and services, the differing risks and returns, and guidelines prescribed by RBI and in compliance with the Accounting Standard 17 – "Segment Reporting". The methodology adopted in compiling and reporting the above information has been relied upon by the auditors.

**Notes:**

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors of the Bank at their respective meetings held on January 30, 2018, in accordance with the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The results for the quarter and period ended December 31, 2017 are subjected to a limited review by the statutory auditors of the Bank.
- These unaudited financial results of the Bank have been prepared in accordance with the Banking Regulations Act, 1949, generally accepted accounting principles in India, including Accounting Standards as prescribed under Section 133 of the Companies Act 2013, Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 and the guidelines issued by the Reserve Bank of India (RBI).
- Other income includes processing fee and other charges collected, profit on sale of mutual fund, recovery from loans written off, income from dealing in Priority Sector Lending Certificates (PSLC) etc.
- The Bank has changed its name to AU Small Finance Bank Limited with effect from April 13, 2017 and commenced its operations as a Small Finance Bank from April 19, 2017 pursuant to the approval received from the Reserve Bank of India dated December 20, 2016.
- NPA ratios computed including the off-balance sheet loans and advances in the total outstanding (denominator) are as given below:

Particulars	As at 31.12.2017	As at 30.09.2017	As at 31.12.2016	As at 31.03.2017
% of Gross NPAs to Gross Advances	2.12%	2.15%	1.71%	1.16%
% of Net NPAs to Net Advances	1.40%	1.46%	1.19%	0.75%

*[Handwritten Signature]*



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Statement of Unaudited Financials Results for the quarter and period ended December 31, 2017

6. Return on assets is expressed as a percentage of average total assets (including off-balance sheet loans and advances). The return on assets (including exceptional item) is as given below:

Particulars	Quarter ended 31.12.2017	Quarter ended 30.09.2017	Quarter ended 31.12.2016	Period ended 31.12.2017	Period ended 31.12.2016	Year ended 31.03.2017
Return on assets (average) (including exceptional item) - not annualized	0.47%	0.45%	0.82%	1.34%	7.88%	7.32%

7. Business Segments have been identified and reported taking into account the internal business reporting system and the guidelines prescribed by RBI for the period ended December 31, 2017 September 30, 2017 and June 30, 2017. For the year ended March 31, 2017 and the period and quarter ended December 31, 2016 respectively, the Bank operated in a single business segment i.e. lending to borrowers having similar risks and returns for the purpose of AS 17 on 'Segment Reporting' specified under section 133 of the Companies act 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. The Bank operates in a single geographical segment i.e. domestic.

8. The Capital adequacy ratio ("CAR") as on December 31, 2017 and September 30, 2017 has been computed as per applicable Basel II requirements in accordance with RBI Master Circular No. D80D.BP.BC 9/21.06.001/2013-14 dated July 1, 2013, on Prudential Guidelines on Capital Adequacy and Market Discipline – New Capital Adequacy Framework (NCAF). The capital to risk assets ratio ("CRAR") as at March 31, 2017 and December 31, 2016 was computed based on RBI guidelines as applicable to NBFCs, hence the same are not comparable with the CAR as at December 31, 2017 and September 30, 2017 reported above.

Further, the RBI vide its circular No. DBR.NBD.No.4502/16.13.218/2017-18 dated November 8, 2017 has provided an exemption to all Small Finance Banks whereby no separate capital charge is prescribed for market risk and operational risk. Accordingly, the CAR as at December 31, 2017 is not comparable with the CAR as at September 30, 2017.

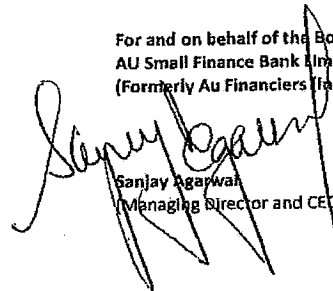
9. Consequent to commencement of operations by the Bank as a small finance bank, the Bank has revised its estimates related to provisioning and write off of loan portfolio. As a result of such change, the profit for the current period is higher by Rs 1,408.03 lacs. The Bank has adopted a policy for maintaining higher provisioning and write offs as compared to the minimum provision requirements of the RBI Master Circular on Prudential Norms issued vide Notification No. RBI/2015-16/101 DBR.No.BP.BC.2/21.04.048/2015-16 dated July 01, 2015 as applicable to banks.

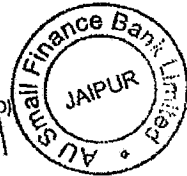
10. Exceptional Items represents profit on sale of investments in subsidiaries and associate companies net of related expenses accrued in the respective periods.

11. Since the Bank is presenting its quarterly results from quarter ended June 30, 2017, the comparative figures for the corresponding period and quarter ended December 31, 2016 have not been reviewed by the auditors.

12. Previous periods / year figures have been regrouped where necessary to conform to current period presentation.

For and on behalf of the Board of Directors  
AU Small Finance Bank Limited  
(Formerly Au Financiers (India) Limited)

  
Sanjay Agarwal  
Managing Director and CEO



Place : Jaipur  
Date: January 30, 2018

