

Ref. No.: AUSFB/SEC/2018-19/593

Date: 17th January, 2019


To,

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| Listing Department National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai 400051, Maharashtra. NSE Symbol: AUBANK | Department of Corporate Services, BSE Limited, Phiroz Jeejeebhoy Towers, Dalal Street, Mumbai 400001, Maharashtra. Scrip Code: 540611 |
|--|---|

Dear Sirs,

Sub: Outcome of the Board Meeting – SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

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 Thursday, 17th January, 2019 at Jaipur has considered and approved the Unaudited Financial Results of the Bank for the quarter and Nine months ended on 31st December, 2018 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 02:00 P.M. and concluded at 03:30 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 for public dissemination.

Thanking You,

Yours faithfully,

For AU Small Finance Bank Limited

Manmohan Parnami
Company Secretary & Compliance Officer



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**

1. We have reviewed the accompanying statement of unaudited financial results of AU Small Finance Bank Limited ('the Bank') for the quarter and nine months ended December 31, 2018 (the "Statement"). This Statement is the responsibility of the Bank's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. 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 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.
3. Based on our review conducted as mentioned 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 applicable accounting standards 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 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

Place: Jaipur
Date: January 17, 2019



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

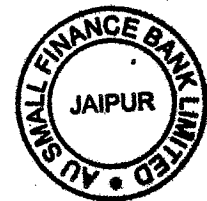
Statement of Unaudited Financial Results for the quarter and nine months ended December 31, 2018

(Rs in lacs)

| S. No. | Particulars | Quarter ended 31.12.2018 | Quarter ended 30.09.2018 | Quarter ended 31.12.2017 | Nine months ended 31.12.2018 | Nine months ended 31.12.2017 | Year ended 31.03.2018 |
|--------|---|--------------------------|--------------------------|--------------------------|------------------------------|------------------------------|-----------------------|
| | | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| 1 | Interest Earned (a)+(b)+(c)+(d) | 78,833.61 | 68,337.20 | 46,417.11 | 2,07,198.41 | 1,23,547.05 | 1,76,718.99 |
| | a) Interest / discount on advances / bills | 63,033.43 | 53,895.92 | 32,617.96 | 1,63,898.83 | 84,524.08 | 1,24,276.87 |
| | b) Income on Investments | 7,390.68 | 5,904.60 | 3,417.26 | 18,330.13 | 8,747.42 | 12,845.50 |
| | c) Interest on balances with Reserve Bank of India and other inter bank funds | 1,450.70 | 1,147.58 | 904.43 | 3,588.82 | 3,819.69 | 4,166.64 |
| | d) Others | 6,958.80 | 7,389.10 | 9,477.46 | 21,380.63 | 26,455.86 | 35,429.98 |
| 2 | Other income (Refer note 6) | 10,591.63 | 12,250.73 | 10,603.41 | 33,147.82 | 25,361.00 | 38,806.01 |
| 3 | Total Income (1)+(2) | 89,425.24 | 80,587.93 | 57,020.52 | 2,40,346.23 | 1,48,908.05 | 2,15,525.00 |
| 4 | Interest Expended | 44,036.56 | 36,233.95 | 21,374.61 | 1,11,661.13 | 58,188.07 | 82,672.85 |
| 5 | Operating Expenses (i)+(ii) | 27,521.70 | 26,835.45 | 20,497.02 | 78,062.12 | 48,832.37 | 75,260.92 |
| | i) Employees cost | 15,122.86 | 14,976.64 | 11,828.68 | 44,153.96 | 28,934.48 | 42,489.08 |
| | ii) Other operating expenses | 12,398.84 | 11,858.81 | 8,668.34 | 33,908.16 | 19,897.89 | 32,771.84 |
| 6 | Total Expenditure (4)+(5) | 71,558.26 | 63,069.40 | 41,871.63 | 1,89,723.25 | 1,07,020.44 | 1,57,933.77 |
| | (excluding Provisions & Contingencies) | | | | | | |
| 7 | Operating Profit before Provisions and Contingencies (3)-(6) | 17,866.98 | 17,518.53 | 15,148.89 | 50,622.98 | 41,887.61 | 57,591.23 |
| 8 | Provisions (other than tax) and Contingencies | 3,245.54 | 3,497.62 | 3,145.88 | 10,254.46 | 10,043.53 | 13,256.44 |
| 9 | Exceptional Items | - | - | - | - | - | - |
| 10 | Profit / (Loss) from Ordinary Activities before tax (7)-(8)+(9) | 14,621.44 | 14,020.91 | 12,003.01 | 40,368.52 | 31,844.08 | 44,334.79 |
| 11 | Tax Expense | 5,088.31 | 4,879.33 | 4,110.81 | 14,011.46 | 10,944.50 | 15,130.83 |
| 12 | Net Profit / (Loss) from Ordinary Activities after tax (10)-(11) | 9,533.13 | 9,141.58 | 7,892.20 | 26,357.06 | 20,899.58 | 29,203.96 |
| 13 | Extraordinary items (net of tax expense) | - | - | - | - | - | - |
| 14 | Net Profit / (Loss) for the period (12)-(13) | 9,533.13 | 9,141.58 | 7,892.20 | 26,357.06 | 20,899.58 | 29,203.96 |
| 15 | Paid up equity share capital (Face Value of Rs 10/- each) | 29,222.91 | 29,211.35 | 28,562.30 | 29,222.91 | 28,562.30 | 28,570.36 |
| 16 | Reserves excluding revaluation reserves | | | | | | 1,99,547.91 |
| 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 7) | 19.02% | 17.77% | 20.96% | 19.02% | 20.96% | 19.31% |
| | (iii) Earnings per share (before and after extraordinary items, net of tax expenses) - not annualized | | | | | | |
| | Basic EPS (Rs.) | 3.26 | 3.15 | 2.77 | 9.11 | 7.35 | 10.26 |
| | Diluted EPS (Rs.) | 3.21 | 3.08 | 2.70 | 8.92 | 7.16 | 10.00 |
| | (iv) NPA Ratios | | | | | | |
| | (a) Gross NPAs | 42,072.84 | 37,104.37 | 28,623.11 | 42,072.84 | 28,623.11 | 26,973.57 |
| | (b) Net NPAs | 26,264.56 | 23,156.03 | 18,772.33 | 26,264.56 | 18,772.33 | 16,933.79 |
| | (c) % of Gross NPAs to Gross Advances | 2.09% | 2.03% | 2.83% | 2.09% | 2.83% | 2.01% |
| | (d) % of Net NPAs to Net Advances | 1.31% | 1.28% | 1.87% | 1.31% | 1.87% | 1.27% |
| | (v) Return on assets (average) - not annualized | 0.36% | 0.40% | 0.60% | 1.13% | 1.74% | 2.04% |



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(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

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 | (Rs in lacs) | | | | | |
|----------|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | | Quarter ended | Quarter ended | Quarter ended | Nine months ended | Nine months ended | Year ended |
| | | 31.12.2018 | 30.09.2018 | 31.12.2017 | 31.12.2018 | 31.12.2017 | 31.03.2018 |
| | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited | |
| 1 | Segment revenue | | | | | | |
| a) | Treasury | 11,115.67 | 8,956.41 | 4,672.72 | 27,302.17 | 15,342.19 | 21,029.26 |
| b) | Retail banking | 67,021.11 | 61,335.74 | 44,905.57 | 1,82,513.88 | 1,15,934.32 | 1,69,359.22 |
| c) | Wholesale banking | 10,687.56 | 9,690.98 | 7,437.76 | 28,976.34 | 17,627.07 | 24,923.45 |
| d) | Other banking operations | 600.90 | 604.80 | 4.47 | 1,553.84 | 4.47 | 213.07 |
| e) | Unallocated | - | - | - | - | - | - |
| | Less: Inter-segment revenue | - | - | - | - | - | - |
| | Income from operations | 89,425.24 | 80,587.93 | 57,020.52 | 2,40,346.23 | 1,48,908.05 | 2,15,525.00 |
| 2 | Segment results | | | | | | |
| a) | Treasury | 4,098.34 | 3,582.61 | 2,432.38 | 10,739.70 | 7,299.07 | 10,533.73 |
| b) | Retail banking | 18,593.22 | 18,685.24 | 14,060.60 | 53,806.12 | 37,548.71 | 54,597.74 |
| c) | Wholesale banking | 2,861.85 | 2,776.27 | 1,924.15 | 7,657.90 | 4,800.63 | 7,027.90 |
| d) | Other banking operations | 600.90 | 604.80 | 4.47 | 1,553.84 | 4.47 | 213.07 |
| | Subtotal | 26,154.31 | 25,648.92 | 18,421.60 | 73,757.56 | 49,652.88 | 72,372.44 |
| | Less: Unallocated expenses | 11,532.87 | 11,628.01 | 6,418.59 | 33,389.04 | 17,808.80 | 28,037.65 |
| | Less: Income tax expense (including deferred tax) | 5,088.31 | 4,879.33 | 4,110.81 | 14,011.46 | 10,944.50 | 15,130.83 |
| | Add: Extraordinary Profit/Loss | - | - | - | - | - | - |
| | Net profit | 9,533.13 | 9,141.58 | 7,892.20 | 26,357.06 | 20,899.58 | 29,203.96 |
| 3 | Segment assets | | | | | | |
| a) | Treasury | 7,19,024.16 | 5,80,380.67 | 3,21,256.67 | 7,19,024.16 | 3,21,256.67 | 4,71,361.85 |
| b) | Retail banking | 16,35,090.53 | 14,31,142.36 | 8,17,183.04 | 16,35,090.53 | 8,17,183.04 | 10,91,373.03 |
| c) | Wholesale banking | 3,57,888.10 | 3,98,651.73 | 2,23,396.59 | 3,57,888.10 | 2,23,396.59 | 2,64,855.03 |
| d) | Other banking operations | 197.30 | 180.16 | - | 197.30 | - | 64.01 |
| e) | Unallocated | 67,961.44 | 67,652.07 | 54,249.70 | 67,961.44 | 54,249.70 | 55,623.35 |
| | Total assets | 27,80,161.53 | 24,78,006.99 | 14,16,086.00 | 27,80,161.53 | 14,16,086.00 | 18,83,277.27 |
| 4 | Segment liabilities | | | | | | |
| a) | Treasury | 3,68,573.84 | 3,22,370.79 | 77,799.60 | 3,68,573.84 | 77,799.60 | 2,37,798.56 |
| b) | Retail banking | 11,74,951.95 | 10,14,641.45 | 7,72,220.72 | 11,74,951.95 | 7,72,220.72 | 8,66,995.08 |
| c) | Wholesale banking | 9,09,769.76 | 8,27,134.15 | 3,30,912.81 | 9,09,769.76 | 3,30,912.81 | 5,32,491.87 |
| d) | Other banking operations | - | - | - | - | - | - |
| e) | Unallocated liabilities | 23,358.85 | 20,953.76 | 15,776.79 | 23,358.85 | 15,776.79 | 17,873.49 |
| | Capital and Other Reserves | 3,03,507.13 | 2,92,906.84 | 2,19,376.08 | 3,03,507.13 | 2,19,376.08 | 2,28,118.27 |
| | Total liabilities | 27,80,161.53 | 24,78,006.99 | 14,16,086.00 | 27,80,161.53 | 14,16,086.00 | 18,83,277.27 |

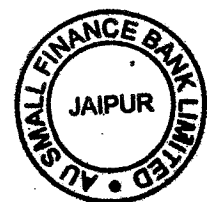
Business Segments have been identified and reported taking into account the target customer profile, the nature of products and services, the differing risks and returns, and guidelines prescribed by RBI and in compliance with the Accounting Standard 17 – "Segment Reporting". The methodology adopted 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 AU Small Finance Bank Limited (the "Bank") at their respective meetings held on January 17, 2019, in accordance with the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The results have been 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).
- During the nine months ended December 31, 2018, the Bank has raised additional equity capital through a preferential allotment of 4,330,441 equity shares of Rs.10 each at an issue price of Rs.692.77 per share. Accordingly, the paid-up share capital of the Bank has increased by Rs.433 lacs and the reserves of the Bank have increased by Rs.29,567 lacs.
Further, the Bank also allotted 10,104,364 convertible warrants, each convertible into one equity share of the Bank of face value Rs.10 each, at an issue price of Rs.692.77 per share aggregating to Rs.70,000 lacs out of which Rs.17,500 lacs (the "Upfront Consideration") has been received during the current period against allotment of warrant and the balance of Rs.52,500 lacs (the "Balance Consideration") shall be received upon allotment of equity shares against such warrants pursuant to exercise of option by the warrant holder.
The warrants are exercisable within 18 months from the date of allotment of warrants upon payment of the Balance Consideration.



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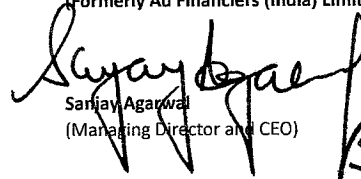


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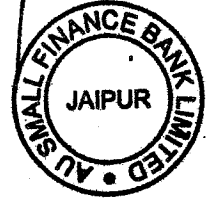
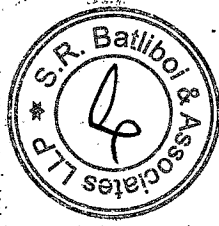
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- 4 The mark-to-market ("MTM") depreciation on securities held in available-for-sale ("AFS") and held-for-trading ("HFT") investment categories is Rs.107 lacs for the quarter ended June 30, 2018. Pursuant to the RBI circular no. DBR.No.BP.BC.113 /21.04.048/2017-18 dated June 15, 2018, the Bank has elected to recognise such provision for MTM depreciation equally over four quarters and has accordingly charged Rs.27 lacs each to the financial results for quarters ended June 30, 2018 and September 30, 2018. However, during the quarter ended December 31, 2018, the brought forward unamortised depreciation balance of Rs.53 lacs has been fully offset against the appreciation in the AFS/HFT investments.
- 5 During the nine months ended December 31, 2018, the Bank has received Rs.4,667 lacs from sale of Priority Sector Lending Certificates ("PSLC"). Out of aforesaid amount, Rs. 3,441 lacs has been recognised as income during the nine months ended December 31, 2018. The balance of Rs. 1,226 lacs will be recognised over the subsequent quarter.
During the quarter ended December 31, 2018, the Bank has paid Rs. 869 lacs for buying of Priority Sector Lending Certificates ("PSLC"). Out of aforesaid amount, Rs. 435 lacs has been amortised as expense during quarter ended December 31, 2018. The balance of Rs. 434 lacs will be amortised over the subsequent quarter.
- 6 Other income includes processing fee and other charges including marketing support fees, profit on sale of investments, recovery from loans written off, income from dealing in PSLC, etc
- 7 The Capital adequacy ratio ("CAR") has been computed as per operating guidelines for Small Finance Banks in accordance with RBI Circular No. RBI/2016-17/81 DBR.NBD.No.26/16.13.218/2016-17 dated October 6, 2016.
The Bank has followed Basel II standardized approach for credit risk in accordance with the operating guidelines issued by the Reserve Bank of India for Small Finance Banks. 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.
The Bank has considered the Upfront Consideration (as described in note 3 above) received for share warrants during the quarter ended June 30, 2018 issued and the funds raised from the issuance of share capital as part of Tier I Capital for the purposes of computation of the Capital Adequacy Ratio.
- 8 Previous periods / year figures have been regrouped where necessary to confirm to current period presentation.

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


Sarjaya Agarwal
(Managing Director and CEO)

Place : Jaipur
Date: January 17, 2019



SEARCHABLE FORMAT

Ref. No.: AUSFB/SEC/2018-19/593

Date: 17th January, 2019

To,

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|--|---|
| Listing Department National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai 400051, Maharashtra. NSE Symbol: AUBANK | Department of Corporate Services, BSE Limited, Phiroz Jeejeebhoy Towers, Dalal Street, Mumbai 400001, Maharashtra. Scrip Code: 540611 |
|--|---|

Dear Sirs,

Sub: Outcome of the Board Meeting – SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

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 Thursday, 17th January, 2019 at Jaipur has considered and approved the Unaudited Financial Results of the Bank for the quarter and Nine months ended on 31st December, 2018 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 02:00 P.M. and concluded at 03:30 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 for public dissemination.

Thanking You,

Yours faithfully,

For AU Small Finance Bank Limited

Sd/-

Manmohan Parnami

Company Secretary & Compliance Officer

Registered Office

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