



**AU Small Finance Bank Limited**  
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LBS road, Kurla West, Mumbai, Maharashtra, 400070

## For Immediate Release

### **AU Small Finance Bank reports 40% growth in Loans, 56% growth in PAT of Q1 FY20 with Stable Asset quality**

Jaipur, July 25, 2019: The Board of Directors of AU Small Finance Bank Limited at its meeting held today, approved the unaudited financial results for the quarter ended June 30, 2019. The results have been subjected to a limited review by the statutory auditors of the bank.

#### **Growth on track; Aided by diversified and dominant secured retail portfolio:**

- AUM grew 44.0%, Disbursement rose 40% and Deposits were up ~100% Y-o-Y; Added ~1.6 lac new deposit and loan accounts in the quarter.
- Continued focus on growing retail loans (80% of portfolio) and liabilities and being granular
- Disbursement Yields further improved up by ~90 bps q-o-q; Cost of Fund marginally declined by 10 bps to 7.9% q-o-q.
- 27% Y-o-Y growth in Wheels disbursements driven by change in mix towards USED and Cash on Wheels (CoW) segments and pull of the banking platform.
- SBL MSME disbursements up 32% Y-o-Y. Other retail loans including Housing, Gold Loan and Consumer Durable Loans growing steadily.

#### **Stable Asset Quality despite challenging weak environment – Gross NPA at 2.1%, Net NPA at 1.3%; Higher PCR at 40.5%**

- Strengthened existing monitoring and supervision mechanism across all asset classes
- Continued cautious stance on NBFC and REG; NBFC well monitored and controlled with Nil 1+ delinquency

#### **Focused on building granular retail deposit book**

- Deposits grew ~100% over Q1FY19 and came at INR 19,849 Crores; excluding Certificate of Deposits, Deposits grew 124% over Q1FY19.
- Continued momentum in Retail TD; mobilized more than 850 Crore of Retail Term Deposit; Proportion of CASA and Retail Term Deposit to Total Deposits hovers at ~46.
- Reorganized Deposit pools into separate channels of Retail, FIG including Cooperative Bank, Wholesale Deposit and Government Deposit with sharper ownership and focus; implementing design changes of shorter format branches

#### **Maintained adequate liquidity commensurate with the market environment**

- Securitized AAA rated vehicle loan pool of INR 1,336 Crores
- Divested 0.8% equity stake out of 7.2% equity in Aavas Financiers Limited resulting in pre-tax other income of INR 77 Crores

### **Deepening presence**

- Added 10 new Business Correspondents Banking Outlets

### **New Product Launch**

- Personal Loans; 3-in-1 Bank, Trading and Demat Account with Motilal Oswal Financial Services;
- On track for a slew of other key digital product

### **Fostering Customer Convenience**

- Launched missed call banking
- Enabled Cardless Cash Deposit at 50 ATM's

### **Key Financials:**

In Rs. Crore	Q1FY20	Q1FY19	Y-o-Y	Q4FY19	Q-o-Q
Net Interest Income	396	287	38%	387	2%
Other Income (Excl Profit on Sale of 0.8% equity stake in Aavas Financier Ltd)	134	103	30%	131	3%
Income from Sale of Equity Shares of Aavas Financiers Ltd.	77	-	N.A.	-	N.A.
Profit After Tax	190	77	148%	118	61%
Profit After Tax (excluding Profit from Sale of Equity Shares in Aavas Financiers Ltd.)	119	77	56%	118	1%

In Rs. Crore	Q1FY20	Q1FY19	Y-o-Y	Q4FY19	Q-o-Q
Advances	25,610	17,747	44%	24,246	5.6%
Deposits	19,849	9,999	99%	19,422	2.2%
Net Worth	3,361	2,843	18.2%	3,163	6.3%

### **Key Ratios**

	Q1FY20	Q1FY19	Q4FY19
Gross NPA (%)	2.1%	2.2%	2.0%
Net NPA (%)	1.3%	1.4%	1.3%
Capital Adequacy Ratio (%) (CRAR)	18.6%	20.7%	19.3%
Return on Average Assets (%)	1.4%	1.5%	1.6%
Return on Average Equity (%)	14.7%	13.2%	15.3%

Commenting on the performance, Mr. Sanjay Agarwal, MD & CEO of AU Small Finance Bank said, "Albeit weak market sentiments and a challenging macro environment, growth and asset quality continued to be on track last quarter and were augmented by our diversified secured retail asset franchise as well as our prudent liquidity and risk management. Reorienting the Liability vertical into multiple focused subgroups, cost efficient design change in branch delivery model and our upcoming industry first tech, digital and payment initiatives, are all weaved in to build a customer centric retail bank", he said.