

**Ref. No.: AUSFB/SEC/2023-24/214**

**Date: October 29, 2023**

To,

<b>National Stock Exchange of India Ltd.</b> Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai 400051, Maharashtra. <b>NSE Symbol: AUBANK</b>	<b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001, Maharashtra. <b>Scrip Code: 540611, 958400, 974093, 974094 &amp; 974095</b>
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Dear Sir/Madam,

**Sub: Outcome of Board Meeting – Amalgamation of Fincare Small Finance Bank Limited into and with AU Small Finance Bank Limited**

**Ref: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”)**

It is hereby informed that the Board of Directors of AU Small Finance Bank Limited, at its meeting held today on October 29, 2023 has *inter alia*, considered and approved the scheme of amalgamation (“**Scheme**”) for the amalgamation of Fincare Small Finance Bank Limited (“**Transferor Company**”) into and with AU Small Finance Bank Limited (“**Transferee Company**”), in accordance with the Section 44A of the Banking Regulation Act, 1949 and the Reserve Bank of India Master Direction - Amalgamation of Private Sector Banks Directions, 2016 (“**Proposed Transaction**”).

The Scheme is subject to approval of the respective shareholders of the Transferor Company and Transferee Company, the Reserve Bank of India (the “**RBI**”) and the Competition Commission of India (the “**CCI**”).

The share exchange ratio for the amalgamation of the Transferor Company into and with the Transferee Company shall be 579 (Five Hundred Seventy Nine) equity shares of face value of ₹ 10/- each of the Transferee Company for every 2,000 (Two Thousand) equity shares of face value of ₹ 10/- each of the Transferor Company.

The Board of Directors has also accorded approval for execution of an implementation agreement to be entered into between the Transferor Company, Fincare Business Services Limited (Transferor Company’s promoter) and the Transferee Company which, *inter alia*, sets out the manner of effecting the Proposed Transaction, the representations and warranties being given by each party and the rights and obligations of the respective parties in relation to the Proposed Transaction (“**Implementation Agreement**”).

**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

The Scheme shall be operative from the Effective Date (as defined in the Scheme). As per the Scheme, the 'Appointed Date' shall be February 1, 2024, or such other date as may be fixed mutually by the Transferor Company and the Transferee Company and sanctioned by the RBI.

The information in connection with the Proposed Transaction and the Implementation Agreement pursuant to Regulation 30 read with Schedule III of the Listing Regulations and SEBI Circular bearing no. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023, is given in **Annexure I** and **Annexure II**, respectively.

The Board meeting commenced at 08:30 P.M. and concluded at 09:40 P.M.

This is for your information and records.

Thanking You,

Yours faithfully,

**For AU SMALL FINANCE BANK LIMITED**

**Manmohan Parnami**  
**Company Secretary and Compliance Officer**  
**Membership No.: F9999**  
[investorrelations@aubank.in](mailto:investorrelations@aubank.in)  
**Encl: As above**

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## Annexure I

### Amalgamation/ Merger:

Clause No.	Details of event that needs to be provided	Information of such event
1.2 a)	name of the entity(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc.;	<p>AU Small Finance Bank Limited has Total Assets of ₹ 95,977 crore, Net Worth of ₹ 11,763 crore as on September 30, 2023, and Turnover of ₹ 9,240 crore, Profit After Tax of ₹ 1,428 crore for the year ended on March 31, 2023 and ₹ 789 crore for the Half year ended September 30, 2023.</p> <p>Fincare Small Finance Bank Limited has Total Assets of ₹ 14,777 crore, Net Worth of ₹ 1,539 crore, Turnover of ₹ 1,360 crore and Profit After Tax of ₹ 219 crore as on September 30, 2023, and Total Assets of ₹ 12,467 crore, Net Worth of ₹ 1,314 crore, Turnover of ₹ 1,970 crore, Profit After Tax of ₹ 104 crore for the year ended on March 31, 2023.</p>
1.2 b)	whether the transaction would fall within related party transactions? If yes, whether the same is done at “arm’s length”;	The Proposed Transaction does not fall within the purview of related party transactions.
1.2 c)	area of business of the entity(ies);	<p>AU Small Finance Bank Limited is licensed by the RBI as Small Finance Bank (Scheduled Commercial Bank) under the provisions of the Banking Regulation Act, 1949. Its Equity shares are listed on National Stock Exchange of India Ltd. (“NSE”) and BSE Limited (“BSE”) and its non-convertible debentures (“NCDs”) are listed on BSE.</p> <p>Fincare Small Finance Bank Limited is licensed by the RBI under the provisions of the Banking Regulation Act, 1949. Its NCDs are listed on BSE.</p>
1.2 d)	rationale for amalgamation/ merger;	<p>The proposed Amalgamation would be in the best interest of the Companies and their respective shareholders, employees, and other stakeholders as the proposed Amalgamation will yield advantages as set out inter alia below:</p> <p>(i) the Transferor Company and the Transferee Company believe the consolidation proposed</p>

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Clause No.	Details of event that needs to be provided	Information of such event
		<p>through this Scheme is founded on leveraging of the significant complementarities that exist between both the small finance banks, particularly relating to branch network, product offerings and customer segments. This revenue synergy led and growth-oriented amalgamation, adopting best practices of banking, technology, governance and prudence from both banks, is expected to result in a superior platform benefitting from efficiencies of size and scope over time for all stakeholders such as customers, employees, and shareholders;</p> <p>(ii) accelerate build out of pan India distribution franchise;</p> <p>(iii) diversification of portfolio with access to rural geography and micro finance business leading to greater financial inclusion;</p> <p>(iv) while the Transferee Company has pan-India presence in 21 (twenty one) States and 3 (three) Union Territories with a strong presence in western, northern and central part of India, the proposed Amalgamation will enhance reach and distribution, and help expand geographic coverage thereby leading to accelerated expansion of both deposit and asset franchise across complementary markets;</p> <p>(v) realise synergies arising from the combination including revenue synergies from cross sell to the Transferor Company's deposit base, reduction in funding cost and realisation of scale driven productivity and cost efficiencies over time; and</p> <p>(vi) providing customers of both Companies with access to wider suite of products and services.</p>
1.2 e)	in case of cash consideration – amount or otherwise share exchange ratio;	The share exchange ratio shall be 579 (Five Hundred Seventy Nine) equity shares (credited as fully paid-up) of face value of ₹ 10/- each of AU Small Finance Bank Limited for every 2,000 (Two Thousand) fully

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		paid-up equity shares of face value of ₹ 10/- each of Fincare Small Finance Bank Limited.
1.2 f)	brief details of change in shareholding pattern (if any) of listed entity	Upon the Scheme becoming effective, AU Small Finance Bank Limited will issue equity shares (in the share exchange ratio as mentioned above) to the shareholders of Fincare Small Finance Bank Limited as on the record date.

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## Annexure II

**Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the listed entity), agreement(s)/treaty(ies)/contract(s) with media companies) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof:**

Clause No.	Details of event that needs to be provided	Information of such event
5.1	name(s) of parties with whom the agreement is entered;	Implementation Agreement between AU Small Finance Bank Limited, Fincare Small Finance Bank Limited and Fincare Business Services Limited.
5.2	purpose of entering into the agreement;	The Implementation Agreement <i>inter alia</i> sets out the manner of effecting the Proposed Transaction contemplated under the Scheme, the representations and warranties being given by each party and the rights and obligations of the respective parties.
5.3	shareholding, if any, in the entity with whom the agreement is executed;	As on date, AU Small Finance Bank Limited does not hold any equity shares in Fincare Small Finance Bank Limited.
5.4	significant terms of the agreement (in brief) special rights like right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure etc.;	Subject to applicable law, an existing director on the Board of Directors of Fincare Small Finance Bank Limited i.e. Mr. Divya Sehgal will be appointed as a non-executive and non-independent director on the Board of Directors of AU Small Finance Bank Limited on the Effective Date for a period of 3 years.
5.5	whether, the said parties are related to promoter/promoter group/ group companies in any manner. If yes, nature of relationship;	No
5.6	whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length";	No
5.7	in case of issuance of shares to the parties, details of issue price, class of shares issued;	Not Applicable
5.8	any other disclosures related to such agreements, viz., details of nominee on the board of directors of the listed	None

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Clause No.	Details of event that needs to be provided	Information of such event
	entity, potential conflict of interest arising out of such agreements, etc.;	
5.9	in case of termination or amendment of agreement, listed entity shall disclose additional details to the stock exchange(s): a) name of parties to the agreement; b) nature of the agreement; c) date of execution of the agreement; d) details of amendment and impact thereof or reasons of termination and impact thereof.	Not Applicable

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