



## AU Small Finance Bank Limited

Head Office - Bank House, Mile 0,  
Ajmer Road, Jaipur, Rajasthan, 302001

Corporate Office - 5th Floor, E-Wing, Kanakia Zillion  
LBS road, Kurla West, Mumbai, Maharashtra, 400070

Website - [www.aubank.in](http://www.aubank.in)

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### For Immediate Release

## AU Small Finance Bank reports 73% growth in FY21 PAT – A resilient performance in a challenging environment

**Jaipur, April 29<sup>th</sup>, 2021:** The Board of Directors of AU Small Finance Bank Limited at its meeting held today, approved the audited financial results for quarter and financial year ended 31<sup>st</sup> March, 2021.

### Key highlights (FY21):

- Resilient performance amidst ongoing challenges
- Despite the challenging environment, Bank was able to deliver RoE of 23.4% in FY21 (including profit from sale of Aavas stake) and 12.0% (excluding profit from sale of Aavas stake)
  - PAT of Rs 1,171 including profits from sale of Aavas, up 73% YoY; ex-Aavas PAT at ₹ 600 Cr
  - AUM grew by 22% YoY despite muted disbursements in H1FY21
  - Deposits increased by 38% YoY
  - CASA ratio increased to 23% from 14%
  - Cost of Funds declined 86 bps YoY to 6.8%
  - Overall provisioning at 2.9% of advances
  - Tier 1 ratio increased to 21.5% from 18.4%
- Portfolio performance has increased confidence in our customer segment, asset class and credit underwriting
- Made significant progress towards becoming a tech-led bank:
  - Launched new mobile banking super app in Q3 with a complete suite of payment and lifestyle services; adding 10+ new product and service journeys in Q1FY21
  - Launched Credit Cards, Video Banking and UPI QR
  - Significant uptick in digital adoption in Q4'21 driven by new mobile banking app - 4 lac+ customers currently registered, an increase of 27% over Q3 in users
- Continued to invest in franchise – on course to have a pan-India presence
  - Added 37 new branches in FY21
  - 744 touch-points across 15 states and 2 Union Territories (up from 647 as on Mar'20)
- Employee well-being key priority with initiatives like COVID related insurance; no lay-offs, increments & bonuses disbursed

## Financial Highlights

- Growth across all our key verticals returned to pre-Covid levels in Q4FY21
- Disbursements grew by 63% YoY in Q4FY21
- In Branch Banking, focus on driving deeper engagement
  - CASA ratio increased to 23% as on 31-Mar'21 versus 22% as on 31-Dec'20 and 14% as on 31-Mar'20
  - Contribution of Individual driven banking in deposits has gone up 58% from 41% YoY
- Overall cost of funds for FY21 was at 6.8% - reduced by 86bps over FY20
  - Incremental cost for FY21 was at 5.9% - down by 140 bps over FY20
- GNPA increased to 4.3% from 3.7%\* QoQ
  - Increase driven by 1.5% pool of customers who are <90 dpd and paying but were Once NPA and have been tagged as NPA due to Hon'ble Supreme Court vacating the stay on NPA tagging; We expect majority of ONAN pool to regularize
  - 90+ dpd NPAs reduced to 2.7% as on 31-Mar'21 from 3.3% as on 31-Dec'20
- Total provision of Rs 1,037 Cr which is 2.9% of gross advances
  - Provision coverage of 50% on GNPL; ~60% PCR against >90 dpd GNPL
  - Total provisions include ₹ 70 Cr of contingency provision
- PAT of Rs 1,171 including profits from sale of Aavas, up 73% YoY; ex-Aavas PAT at ₹ 600 Cr
- Equity raised through Qualified Institutions Placement (₹ 625 Cr) and proceeds from sale of Aavas stake of (₹ 651 Cr) helped further strengthen the Balance Sheet; Tier 1 ratio increased to 21.5% from 18.4%
- Delivered RoA of 2.5% in FY21 (including profit from sale of Aavas stake) and 1.3% (excluding profits from Aavas stake)
- Delivered RoE of 23.4% in FY21 (including profit from sale of Aavas stake) and 12.0% (excluding profits from Aavas stake)

### **Commenting on the performance, Mr. Sanjay Agarwal, MD & CEO, AU Small Finance Bank said,**

*“Despite the challenging context especially in the H1FY21, our performance has been extremely resilient. We were able to keep our asset quality in check, strengthen our Balance sheet, increase granularity of our deposits, and significantly bolster our branch banking and digital properties. We are working on various digital initiatives to create a best-in-class customer centric Tech-led Bank. Our recent capital raise strengthens our positioning to take advantage of the opportunities that lie ahead of us.*

*We feel truly humbled to be able to serve the nation as an essential service provider in trying times. Situation on the ground is evolving with the second wave of infections, we are hopeful that with the ongoing vaccination drive, and actions taken by the Government situation will stabilize in the near future.”*

\* Following Hon'ble Supreme Court's verdict on vacating stay on NPA classification, the GNPA (pro-forma 90+ dpd as on 31-Dec'20 and the pro-forma once tagged NPA) as on 31-Dec'20 would be ₹ 1,116Cr or 3.7% of Gross Advances (vs 3.3% pro-forma 90+ dpd reported in Q3FY21)



### **About AU Small Finance Bank:**

AU Small Finance Bank Limited (AU Bank) is a scheduled commercial bank and a Fortune India 500 Company. Starting its journey from the hinterlands of Rajasthan, today AU Bank is the largest Small Finance Bank with a deep understanding of the rural and semi-urban markets that has enabled it build robust business model facilitating inclusive growth. With 25 years legacy of being a retail focused and customer-centric institution, AU started its banking operation in April 2017 and as on 31<sup>st</sup> March 2021, it has established operations across 744 Banking Touchpoints while serving 20.2 Lakh customers in 15 States & 2 Union Territories with a talent base of 22,484 employees. The Bank has a net worth of ₹ 6,275 Cr, deposit base of ₹ 35,979 Cr and net advances of ₹ 34,609 Cr. AU Bank enjoys the trust of marquee investors and is listed at both the leading stock exchanges viz. NSE and BSE. It has consistently maintained a high external credit rating from all major rating agencies like CRISIL, ICRA, CARE and India Ratings.