



AU Small Finance Bank Limited

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For Immediate Release

- **AU Bank deliver strong performance with Q3'FY2022 PAT of ₹ 302 Crore**
- **Asset quality improved further - Gross NPA reduced to 2.6% from 3.2%**
- **CASA ratio increases to 39% with overall Deposits growth of 49% YoY**
- **Business growth momentum continues - Quarterly disbursement of ₹ 8,152 Crore (+33% YoY) leads to Asset growth of 26% YoY**
- **AU Bank welcomes Shri H R Khan, ex-Deputy Governor of RBI, as an Independent Director**
- **CRISIL upgrades its rating outlook on long-term debt and fixed deposit programme of the Bank to 'Positive' from 'Stable'**

Mumbai/Jaipur 28th January 2022: The Board of Directors of AU Small Finance Bank Limited at its meeting held today, approved the financial results for the quarter and nine months ended December 31, 2021.

Executive Summary

A significant improvement in the overall business environment resulted in strong disbursements for AU Bank. In Q3FY22, fund-based disbursements were up 33% YoY at Rs 8,152 Crore as compared to ₹ 6,115 Crore in the same quarter of the previous year. Disbursements included ECLGS of ₹ 48 Crore in Q3FY22. Non-fund disbursements for Q3FY22 were up 55% YoY at ₹ 627 Crore as compared to ₹ 405 Crore in the same quarter of the previous year.

Deposits grew 49% YoY to ₹ 44,278 Crore from ₹ 29,708 Crore, with further improvement in CASA ratio to 39% compared to 22% a year ago. The Bank witnessed a growth of 33% YoY in its gross advances to ₹ 40,719 Crore from ₹ 30,523 Crore. This was coupled with consistent collection efficiency in excess of 100% for every month of the quarter, resulting in an improvement in asset quality ratios. Bank maintains a strong position in Digital services with properties like AU 0101, Video Banking, Credit cards, UPI QR etc. all of which continue to see strong momentum.

Financial Highlights

Q3'FY22 financial results

- Net profit for the quarter rose to ₹ 302 Crore
- Net Interest Margin (NIM) at 6.3%
- ROA stood at 2.2% and ROE at 17.4%
- Average cost of funds reduced to 5.9% from 6.7% in the same quarter last year

Asset quality

- Bank's Asset quality continued to improve significantly with GNPA at 2.6% as against 3.2% in the previous quarter
- Net NPA stood at 1.3% of net advances against 1.7% in the previous quarter
- Collection efficiency averaged 106% as compared to 97% last year for the same period
- Bank has, additionally, maintained contingency provision buffer of ₹ 300 Crore (75 bps of advances) over and above provisions for GNPA, Restructured book and standard provisions

Capital Adequacy

- Bank remains well capitalized with a strong Tier-I capital ratio of 18.2% and total CRAR of 19.5% which is sufficiently above minimum requirement of 7.5% and 15% respectively
- Including profits for 9MFY22, the CRAR ratio is 22.0% and Tier I ratio is at 20.7%

Nine-month ended December 31st, 2021

- Bank's total balance sheet grew by 26% YoY to ₹ 58,645 Crore
- Total income stood at ₹ 4,937 Crore
- For 9MFY22, net revenue (net interest income plus other income) was at ₹ 2,980 Crore and Net profit was at ₹ 784 Crore

Growth in digital & payments platform

- The Bank's digital properties like AU 0101, Video Banking, Credit cards, UPI QR etc. continue to see strong momentum
- The Bank has issued 1 Lac+ Credit cards and installed 3 Lac+ QR codes till now
- Of the total credit card issued, over 53% of customers are first time users in more than 150 districts of the country since launch
- Video Banking experience has been quite encouraging in terms of enhancing reach, acquisition and engagement
- 31 % Savings Account opened digitally through AU 0101 and Video Banking during the quarter

Key Business Updates

- Continuing its effort to broad-base and strengthen its Board, AU Small Finance Bank, appointed Shri Harun Rashid Khan, ex-Deputy Governor of RBI as Non-Executive Independent Director (Additional Director) on the Board, for a period of three years, effective 28th December 2021, subject to the approval of Shareholders
- The Bank has expanded its presence to 69 new touchpoints in the form of Asset Centres, Bank Branches, Bank Outlet (BO) and Smart BC and its network is spread across 880 touchpoints as on December 31, 2021

- CRISIL has upgraded its rating outlook on long-term debt and fixed deposit program of the bank to 'Positive' from 'Stable' reflecting strength in asset quality, granularity in liabilities and the overall banking franchise; Long term rating at 'CRISIL AA-/Positive' and FD rating at 'CRISIL AA+/Positive'
- AU Bank constituted its Diversity and Inclusion (D&I) committee during the quarter to increase emphasis on D&I within the bank with a mandate to make AU Bank a more inclusive workplace
- AU Bank was certified as a 'Great Place To Work' for the second consecutive year
- The third quarter being the festive season, AU Bank announced a host of features and benefits for its NRI customers and had also launched AU Shopping Dhamaka with offers across 500+ brands

Commenting on the performance, Mr. Sanjay Agarwal, MD & CEO, AU Small Finance Bank said, *"In Q3'FY22, we saw continued improvement in the operating environment and borrower cashflows. These factors along with the secured nature of our loan book led to significant asset quality improvement in the quarter, along with continued improvement across all other key focus areas. These include improving granularity of our deposit base, healthy asset growth driven by small-ticket secured loans, increasing adoption of our digital properties following the launch of our super app AU 0101, QR codes and credit card offerings, and improved visibility and brand recall following our brand campaign. Our confidence in our borrower base, power of the banking platform, and our own business model of small-ticket secure lending has been reinforced. Given our strong lending model, increasing granularity of deposits, growing reach and our evolving digital properties, I feel we are well positioned to take advantage of the significant opportunities in the segments we are present in. Nonetheless, we remain cautiously optimistic in our approach as the situation around the pandemic remains fluid"*.

About AU Small Finance Bank:

AU Small Finance Bank Limited (AU Bank) is a scheduled commercial bank, a Fortune India 500 Company and the largest Small Finance Bank in the country. 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 operations in April 2017 and as on 31st December 2021, it has established operations across 880 banking touchpoints while serving 23.7 Lakh customers in 15 States & 2 Union Territories with an employee base of 25,502 employees. The Bank has a net worth of ₹ 7,127 Cr, deposit base of ₹ 44,278 Cr and Assets Under Management (AUM) of ₹ 42,023 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, CARE Ratings and India Ratings.