



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

For Immediate Release

AU Bank completes 5 years of Banking operations, announces 1:1 issuance of Bonus shares and declares Dividend of Rs. 1/- per share (pre-bonus issue); Delivers a robust overall performance while securing the balance sheet

- **Profitability** – Net profit for Q4'FY22 up 105% YoY at ₹ 346 Cr; full year FY22 PAT at ₹ 1,130 Cr; RoA for Q4FY22/FY22 at 2.2%/1.9% and RoE at 18.9%/16.4%
- **Bonus Share Issuance** - To celebrate 5-years of banking operations and with an aim to reward our retail shareholders, the Board of Directors has recommended issuance of bonus equity shares in the ratio of 1:1
- **Dividend** - The Board has further recommended a dividend of Rs. 1/- per share (pre-bonus issue) or ₹ 0.50/ per share (Ex-bonus issue) for the year ended March 2022
- **Addition of Independent Director** - Bank further strengthened and expanded its Board to 10 directors (8 being independent) with the appointment of Shri Kamlesh S. Vikamsey as an Independent Director
- **Asset quality** improved further Gross NPA reduced to 1.98% and net NPA at 0.50%
- **Provisioning policy** strengthened further with an aim to build higher buffers on an ongoing basis, Provision Coverage Ratio (PCR) at 75% which is in line with best-in-class Banks
- **Contingency provision** now at ₹ 157Cr versus ₹ 300Cr as on 31-Dec'21 after utilizing Rs. 143Cr entirely for incremental provisions arising due to the change in provisioning policy
- Created a **floating provision** of Rs. 41 Crore from its Q4'FY22 P&L
- **Deposits crossed ₹ 50,000 Cr** and stood at ₹ 52,585 Cr, up 46% YoY and 19% QoQ
- **Highest ever Quarterly disbursement** of ₹ 10,295 Crore (+39% YoY)
- **Bank opened 39** new touchpoints taking its network is spread across 919 touchpoints
- **CARE Ratings upgraded** the Bank's Long-term rating to AA/Stable and retained our short-term rating at A1+

Mumbai/Jaipur 26th April 2022: The Board of Directors of AU Small Finance Bank Limited at its meeting held today, approved the financial results for the quarter and year ended March 31, 2022.

Executive Summary

Deposits grew 46% YoY to ₹ 52,585 Crore from ₹ 35,979 Crore, with further improvement in CASA ratio to 37% compared to 23% a year ago. Continued improvement in the overall business environment resulted in healthy disbursements. In Q4FY22, fund-based disbursements were up 39% YoY at Rs 10,295 Crore as compared to ₹ 7,421 Crore in the same quarter of the previous year. Disbursements included ECLGS of ₹ 64 Crore in Q4FY22. Non-fund disbursements for

Q4FY22 were up 90% YoY at ₹ 742 Crore as compared to ₹ 391 Crore in the same quarter of the previous year.

The Bank witnessed a growth of 32% YoY in its gross advances to ₹ 46,789 Crore from ₹ 35,356 Crore. This was coupled with consistent collection efficiency in excess of 100% for every month of the quarter, resulting in sustained 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.

1. Financial Highlights

Full year FY2022 highlights

Business

- Bank's total balance sheet grew by 34% YoY to ₹ 69,078 Crore
- Deposits grow by 46% YoY to ₹ 52,585 Cr; CASA at 37% as against 23% as on 31-Mar'21
- Cost of Funds for declined by 88 bps YoY to 5.9%
- Loan AUM grew by 27% YoY to ₹ 47,831 Cr; CD ratio at 88%
- 88% of loan book is retail in nature

Profitability

- Total income stood at ₹ 6,915 Crore, up 21% YoY; NII at ₹ 3,234 Crore, up 37% YoY
- Net profit for the full year FY22 is at ₹ 1,130 Crore
- ROA stood at 1.9% and ROE at 16.4% even as we invest significantly in people, digital, branding, products and distribution to build a future ready bank

Asset quality

- Bank's Asset quality improved significantly with GNPA at 2% vs 4.3% as on 31-Mar'21
- Net NPA stood at 0.5% of net advances as against 2.2% as on 31-Mar'21
- Provision coverage ratio at 75% against 50% as on 31-Mar'21
- Collection efficiency averaged 106% for full year FY22
- Apart from provision of ₹ 653 Crore against GNPA pool, Bank has, additionally, maintained following provision buffer
 - Provision against restructured book at ₹ 192 Crore (16% of restructured book)
 - Contingency provision of ₹ 157 Crore (0.34% of advances)
 - Floating provision of ₹ 41 Crore (0.09% of advances)
 - Standard provisions of ₹ 139 Crore (0.30% of advances)

Capital Adequacy

- Bank remains well capitalized with
 - Total CRAR at 21.0% against minimum requirement 15%
 - Tier-I capital ratio of 19.7% against minimum requirement 7.5%

Q4'FY22 financial results

- Net profit for the quarter rose by 105% to ₹ 346 Crore
- Net Interest Margin (NIM) at 6.3% vs. 5.7% in Q4'FY21
- ROA for Q4'FY22 stood at 2.2% and ROE at 18.9%
- Cost of funds reduced to 5.7% vs. 6.5% in Q4'FY21; Incremental CoF at 5.3% for Q4'FY22

2. Digital and Payment business

- The Bank's digital properties like AU 0101, Video Banking, Credit cards, UPI QR etc. continue to see strong momentum
- The Bank has issued 1.7 Lac+ Credit cards and installed 4.8 Lac+ QR codes till 31-March'22
- Of the total credit card issued, over 49% of customers are first time users in more than 150+ districts of the country since launch
- 1 Lac+ Savings Account opened digitally via Video Banking since launch earlier this year

3. Bonus issue of equity shares

To celebrate successful completion of 5 years of the Banking operations and with a view to express gratitude to our shareholders, the Board at its meeting held on April 26, 2022 has considered and recommended a bonus issue of 1 equity share for every 1 equity share held, subject to approval by the shareholders and any other applicable statutory and regulatory approvals. Further, the bonus shares will be credited to those shareholders who are holding the equity shares as on a record date to be determined by the Board.

The bonus shares once allotted shall rank pari passu in all respects and carry the same rights as the existing equity shareholders and shall be entitled to participate in full, in any dividend and other corporate action, recommended and declared after the new equity shares are allotted.

4. Dividend for FY22

The Board of Directors of the Bank recommended dividend of Rs. 1/- per equity shares (10% of face value) on pre-bonus share capital out of net profit for the year ended 31st March, 2022, subject to approval of shareholders at the ensuing Annual General Meeting. Consequent to approval of the proposed bonus issue by the shareholders, the dividend shall be adjusted proportionately i.e. Rs. 0.50/- per equity share (5% of face value) on post-bonus share capital. The dividend on equity shares will be paid/dispatched after the same is approved by the shareholders at the ensuing Annual General Meeting (AGM) of the Bank.

5. Addition to the Board

Continuing its effort to broad-base and strengthen its Board, AU Small Finance Bank, appointed Shri Kamlesh Shivji Vikamsey, Senior Partner of Khimji Kunverji & Co. LLP, as Non-Executive Independent Director (Additional Director) on the Board of the Bank with effect from 25th April, 2022 for a period of 3 years, subject to the approval of Shareholders.

Mr. Kamlesh Shivji Vikamsey is fellow member of Institute of Chartered Accountants of India and has vast experience of over 35 years in the areas of Auditing, Taxation, Corporate & Personal Advisory Services, Business & Management Consulting Services, Due Diligence & Valuations, Inspections & Investigations. He also held leadership & directorship positions in various Companies/Institutions nationally & globally.

He is holding directorships as an Independent Director at various Listed Companies. He holds Chairmanship of an Independent Management Advisory Committee (IMAC) of the International Telecommunication Union (ITU), Geneva and membership of the Audit Committee of the World Metrological Organization (WMO).

He has previously served as a Chairperson and member of the Audit Advisory Committee (AAC) of the United Nations Children's Fund (UNICEF), New York, External Audit Committee (EAC) of the International Monetary Fund (IMF), Washington DC and Audit Advisory Committee (AAC) of the United Nations Development Programme (UNDP), New York and Audit Advisory Board constituted by the Comptroller and Auditor General of India. He has also served as in the capacity of President of the Institute of Chartered Accountants of India and the Confederation of Asian and Pacific Accountants and as a member of the Board of the International Federation of Accountants.

6. Other key updates

- The Bank has expanded its presence to 39 new touchpoints in the form of Asset Centres, Bank Branches, Bank Outlet (BO) and Smart BC and its network is spread across 919 touchpoints as on Mar 31, 2022
- CARE Ratings has upgraded the long-term rating of the Bank to CARE AA/Stable from CARE AA-/Stable. The rating on Short-term Instruments (Certificate of Deposits) of the Bank has been reaffirmed at CARE A1+
- During the quarter, the Bank also tied up with Tata Motors to offer financing options to customers desiring to buy a specific range of Tata vehicles
- The Bank conducted two AU Insights Sessions, covering 4-5 strategic business units:
 - February 10, 2022 with Digital Banking, Credit Cards and Merchants Group
 - March 10, 2022 with Wheels and Housing Loans
- AU Bank is adjudged among the Top 30 BFSI Brands by “Great Place To Work” (GPTW)



- AU Bank is selected as “India’s Best Small Finance Bank” in the annual Business Today – KPMG survey of India’s finest banks and fintechs
- AU Bank is rated as ‘Best Small Finance Bank’ in the FE Best Banks Awards 2020-21
- AU Bank was also featured as one of ET Best BFSI Brand 2022 by Economic Times
- Badlaav Humse Hai – an integrated marketing communications campaign - to highlight the innovation-centricity of the Bank has gained viewership and is helping to establish the Brand identity of the Bank

Commenting on the performance, Mr. Sanjay Agarwal, MD & CEO, AU Small Finance Bank said, "*Amid an exceptionally challenging environment, AU Bank completing 5 years as a Small Finance Bank on 19th April'2022 gives me immense satisfaction and pride as a founder and an entrepreneur. I am grateful to our customers, investors, employees, and other stakeholders for their unwavering trust in AU. I would also like to express my gratitude to the Government, RBI and other regulators for their support and guidance during these challenging times. To express gratitude to our shareholders and to celebrate the successful completion of 5 years as an SFB, the Board has recommended to offer bonus shares in the ratio 1:1 and has also recommended a dividend of Rs. 1/- per equity share (pre-bonus issue) or ₹ 0.50/ per share (Ex-bonus issue) for FY22.*

Our financial performance in the current quarter has been quite strong and we have used the headroom available, judiciously, to secure our future by tightening our provisioning policy, increasing our coverage ratio, creating floating provision and expanding our Board. This coupled with our investments in people, digital assets and brand-building have enabled us to build a customer-centric, future ready bank. I believe that we are rightly positioned to take advantage of the emerging major opportunities in our core segments. We remain watchful regarding risks around inflationary pressures and geo-political risks and Covid, and remain cautiously optimistic in our approach".

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 27+ years legacy of being a retail focused and customer-centric institution, AU started its banking operations in April 2017 and as on 31st March 2022, it has established operations across 919 banking touchpoints while serving 27.5 Lakh customers in 18 States & 2 Union Territories with an employee base of 27,817 employees. The Bank has a net worth of ₹ 7,514 Cr, deposit base of ₹ 52,585 Cr and Assets Under Management (AUM) of ₹ 47,831 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.