

Ref. No.: AUSFB/SEC/2025-26/148

Date: July 16, 2025

To,

National Stock Exchange of India Ltd. Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai 400051, Maharashtra. NSE Symbol: AUBANK	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001, Maharashtra. BSE Scrip Code: 540611, 959025, 974093, 974094, 974095, 974914, 974963, 975017, 975038 & 976580
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Dear Sir/Madam,

Sub: Notice of 30th Annual General Meeting and Integrated Annual Report for FY 2024-25 of AU Small Finance Bank Limited

In continuation to our letter dated June 28, 2025 informing about 30th Annual General Meeting (“**AGM**”) of AU Small Finance Bank Limited (“**Bank**”) to be held on Friday, August 8, 2025 through video conferencing or other audio visual means and pursuant to the Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”), we submit herewith a copy of the Integrated Annual Report for FY 2024-25 including Notice convening the 30th AGM of the Bank and Business Responsibility and Sustainability Report.

The above are also available on the website of the Bank at <https://www.aubank.in/reports-and-presentation>.

The Notice of AGM and Integrated Annual Report for FY 2024-25 are being sent by e-mail to the members of the Bank who have registered their e-mail address with the Depositories/RTA. A letter providing the web-link, including the exact path, for accessing the Notice of AGM and Integrated Annual Report would be sent to those shareholders who have not registered their email address. A copy of the said letter is enclosed for your record.

This is for your information and appropriate dissemination.

Thanking You,

Yours faithfully,

For AU SMALL FINANCE BANK LIMITED

Manmohan Parnami
Company Secretary and Compliance Officer
Membership No.: F9999
investorrelations@aubank.in

Registered Office

AU SMALL FINANCE BANK LIMITED

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CIN: L36911RJ1996PLC011381



AU
SMALL
FINANCE
BANK



30 YEARS OF PROGRESS, POWERED BY TRUST

INTEGRATED ANNUAL REPORT 2024-25



**BADLAAV
HUMSE HAI**

SERVING THE UNDERSERVED

8 Years of Banking

Key Parameters	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
No. of States and UTs	11	12	12	17	20	24	24	25
No. of Touchpoints	474	558	647	744	919	1,027	1,074	2,456
No. of Employees	11,151	12,623	17,112	22,484	27,817	28,320	29,738	50,946
No. of Unique Customers (in lakh)	7.5	12.3	17.2	20.2	27.5	38.6	49.4	113.4
Balance Sheet Statistics								
Total Assets	18,833	32,623	42,143	51,591	69,078	90,216	1,09,426	1,57,846
Net Advances	13,312	22,819	26,992	34,609	46,095	58,422	73,163	1,07,092
Gross Advance	13,413	22,994	27,233	35,356	46,789	59,158	73,999	1,08,778
Investment	3,051	7,162	10,668	10,815	15,306	20,072	27,133	37,848
Shareholders' Fund	2,281	3,163	4,377	6,275	7,514	10,977	12,560	17,166
Deposits	7,923	19,422	26,164	35,979	52,585	69,365	87,182	1,24,269
Borrowings	7,639	8,613	10,335	7,030	5,991	6,299	5,479	11,660
Income Statement								
NII	940	1,343	1,909	2,365	3,234	4,425	5,157	8,012
Net Income (NII + Other income)*	1,328	1,805	2,615	3,786	4,228	5,460	6,854	10,538
Operating Expenses	753	1,083	1,418	1,658	2,413	3,440	4,465	5,957
PPOP*	575	722	1,197	2,128	1,815	2,019	2,389	4,581
Provisions (other than tax) and contingencies*	132	142	283	669	361	155	390	1,793
PBT	443	580	914	1,459	1,454	1,865	1,999	2,788
PAT (Reported)	292	382	675	1,171	1,130	1,428	1,535	2,106
PAT (Excluding Profit from stake sale in Aavas and other exceptional items)	292	382	596	600	1,130	1,428	1,592	2,106
KEY RATIOS								
Asset Quality								
Gross NPA (%)	2.0%	2.0%	1.7%	4.3%	2.0%	1.7%	1.7%	2.3%
Net NPA (%)	1.3%	1.3%	0.8%	2.2%	0.5%	0.4%	0.5%	0.7%
Provision coverage ratio (PCR) (%)	37%	37%	53%	50%	75%	75%	68%	68%
Provision coverage ratio (with Technical write-off)	37%	37%	53%	50%	77%	78%	76%	84%
Net Credit Loss (as % of average assets)	0.0%	0.0%	0.1%	0.3%	0.3%	0.2%	0.4%	0.7%
Profitability								
NII as % of Average Assets	6.6%	5.2%	5.1%	5.0%	5.4%	5.6%	5.2%	5.8%
Cost of Funds	8.4%	7.9%	7.7%	6.8%	5.9%	6.0%	6.8%	7.1%
CASA Mix (as % of Deposits)	27%	18%	14%	23%	37%	38%	33%	29%
Operating Expense (as % of Average Assets)	5.3%	4.2%	3.8%	3.5%	4.0%	4.3%	4.5%	4.3%
ROA	2.0%	1.5%	1.8%	2.5%	1.9%	1.8%	1.5%	1.5%
ROA (Excluding Profit from stake sale in Aavas and other exceptional items)	2.0%	1.5%	1.6%	1.3%	1.9%	1.8%	1.6%	1.5%
ROE	13.7%	14.0%	17.9%	23.4%	16.4%	15.4%	13.0%	13.1%
ROE (Excluding Profit from stake sale in Aavas and other exceptional items)	13.7%	14.0%	15.8%	12.0%	16.4%	15.4%	13.5%	13.1%
EPS (₹)	5	7	11	19	18	22	23	28
BVPS (₹)	40	54	72	100	119	165	188	231
Capital Adequacy								
Average Asset/Average Shareholders' Funds^	6.7	9.5	9.9	8.8	8.8	8.6	8.5	8.6
CRAR - Total	19.3%	19.3%	22.0%	23.4%	21.0%	23.6%	20.1%	20.1%
CRAR - Tier 1	18.4%	16.0%	18.4%	21.5%	19.7%	21.8%	18.8%	18.1%

Current year average assets is calculated based on monthly average of Form X assets.

*Recovery of bad debts has been reclassified from 'Other Income' to 'Provisions and contingencies'. Accordingly, the figures for FY 2023-24 have been reclassified.

^For FY 2024-25, average shareholder's fund is calculated on the basis of 1st April merged shareholder's fund.



30 Years of Progress, Powered by Trust

Progress is not defined by speed, but by substance. It's about building value that endures. Value shaped over time, strengthened through challenges, and upheld by trust.

AU's story began in 1996, in the heartland of Jaipur, rooted in purpose and guided by a deep understanding of India's underserved. What began as a modest initiative grew steadily, driven by resilience, long-term thinking, and a belief in inclusive growth. Our early years as an NBFC were marked by persistence, creating meaningful financial access and building trust, one relationship at a time. These foundational years prepared us for a larger role, the transformation into a Small Finance Bank.

Over the years, we have consistently invested in strong governance, robust compliance, and customer-centric innovation. With every step, we have reinforced our commitment to being a responsible, future-ready financial institution.

As we mark **30 years** of purposeful progress, of **discovery, discipline, and determination**, we recognise that our most valuable asset is trust.

Trust powers our vision.

It guides our promise of **Forever Banking**.

It shapes the legacy we are committed to building.

And as we step into the future, we do so with confidence — knowing that trust is never simply declared. It is earned. And **re-earned. Every day.**

**BADLAAV
HUMSE HAI**



AU SMALL FINANCE BANK





Jaipur (JPO) Office

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About the Report

This marks the fifth edition of AU Small Finance Bank's Integrated Report, crafted in alignment with the International Integrated Reporting <IR> framework. In this document, we provide stakeholders with a comprehensive and equitable evaluation of our ability to harness our expertise and experience to generate enduring value.

Scope of reporting

Reporting period

The Report covers the period between 1st April 2024 and 31st March 2025. This Report provides material information relating to our strategy and business model, operating context, material risks, stakeholder interests, performance, prospects and governance.

Reporting boundary

The Report covers the Bank's primary activities across all operating geographies, operations, business segments and key support functions.

Financial and Non-financial Reporting

The Report provides details of both financial and non-financial performance, strategic priorities, opportunities, risks and outcomes attributable to or associated with our key stakeholders, which have a significant impact on our ability to create value.

Materiality

The Bank's material issues are most important to us and our stakeholders have an impact on our ability to create value. These topics

are influenced by the economic, social and environmental context in which we operate. The information in this Report has been identified and consolidated after a detailed review of the issues most material to us.

Target Audience

This Report is primarily intended to address the information requirements of our providers of financial capital, i.e., investors (existing and prospective) and also covers information relevant to other key stakeholders.

Framework, Guidelines and Standards

This Report has been prepared in accordance with the below principles and guidelines

- <IR> framework of the IFRS Foundation
- The Banking Regulation Act, 1949
- Regulations, circulars and guidelines issued by the Reserve Bank of India (RBI)
- Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Rules, 2021

- The Companies Act, 2013 (and the rules made thereunder)
- Accounting Standards
- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- Secretarial Standards issued by the Institute of Company Secretaries of India

Responsibility Statement

The Bank's Management acknowledges the integrity of this Integrated Report, which, in their opinion, addresses all the issues that are material to AU SFB's ability to create value and presents integrated performance in a fair manner. Our Management confirms that this report presents a balanced and transparent account of Your Bank's value-creation story.

Transparency and Enhanced Disclosures

The Bank has a comprehensive transparent reporting approach, demonstrating our dedication to providing the stakeholders with a transparent and holistic view of our performance and progress.



Integrated thinking at AU Small Finance Bank

Integrated thinking shapes our strategic direction, governance and future opportunities, ensuring we consistently create value for all stakeholders.



Financial Capital

The Bank's shareholders' equity, funding from investors, depositors and lenders and retained earnings are used to drive our business and day-to-day operations.

→ 50



Human Capital

The Bank's professional team with their diverse skills, range of experience and motivation to develop, improve and innovate processes, products and services through meritocracy, teamwork, leadership and collaboration.

→ 70



Manufactured Capital

The Bank's extensive branch network, digital assets and best-in-class IT infrastructure provides a solid platform for us to conduct business and create value.

→ 56



Social and Relationship Capital

The Bank's key stakeholders and how we engage with them, reflects on our ability to share values and to improve individual and collective well-being.

→ 76



Intellectual Capital

The Bank's differentiated digital ecosystem across products and services, communication capabilities, applications, data analytics and cybersecurity.

→ 62



Natural Capital

The Bank's resource consumption pattern and the impact of our operations and business activities on natural resources. Steps taken to ensure effective usage of carbon, energy and waste management.

→ 86

Enabled by

Strategy

- Building Scalable Deposit Franchise
- Driving Sustainable Loan Growth
- Building Tech-led Efficiency
- Developing Empowered and Capable Team
- Strong Governance and Risk Management

→ 26

With a consistent eye on

Material Issues

Environment

- Climate Risk
- Sustainable Operations
- Water Conservation
- Resource Efficiency
- Our Product Offerings

Social

- Diversity and Inclusion
- Corporate Social Responsibility
- Employee Health and Well-being
- Stakeholder Engagement
- Financial and Digital Inclusion
- Employee Training and Education

Governance

- Product Innovation
- Economic Performance of the Bank
- Cybersecurity
- Data Privacy
- Compliance
- Brand and Reputation Management
- Ethical Business Practices
- Customer Satisfaction

→ 48

A FOND ADIEU TO OUR BANK HOUSE HEAD OFFICE IN JAIPUR



बैंक हाउस से विदाई का पल है ये आज,
नए पते पर नई सफलता की राह।
धन्यवाद इस घर को जिसने दिया साथ,
नई ऊँचाइयों की ओर बढ़ेंगे हम साथ साथ!

Moments That Made Bank House, Home

Bank House, Jaipur — a name that resonates with the pride of Head Office of a private sector bank in Rajasthan. As AU SFB embarks on a new chapter from a new address, we take a moment to reflect on all that this space has meant to us. From milestones to memories, it has truly been a journey etched in time — marked by shared successes, enduring camaraderie, and a culture that shaped who we are today.



Bank House was the heart of AU SFB's transformation. As we moved out on **28th June 2025** we carry forward its legacy of vision, trust, and purpose, into a new beginning.

Performance Highlights

Strong Business Growth

₹1,57,846 Crore

Total Assets

↑ 25%*

₹1,15,704 Crore

Gross Loan Portfolio

↑ 20%*

₹1,24,269 Crore

Total Deposits

↑ 27%*



Increasing Profitability

₹2,106 Crore

Profit after Tax (PAT)

↑ 32%

₹18,590 Crore

Total Income

↑ 52%

₹8,012 Crore

Net Interest Income

↑ 55%

1.5%/13.1%

RoA/ RoE

₹231/₹28

BVPS/EPS

**Compared to merged numbers as on 1st April 2024.*

Robust Balance Sheet

20.1%

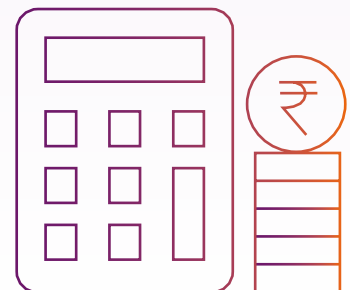
Capital Adequacy
Ratio

84%

Provision Coverage
Ratio with Technical
Write-off

0.7%

Net NPA





Inclusive Growth at Scale

25+ Lakh

Microfinance customers

33.3+ Lakh

Registered Users
on AU 0101



Sustainability

AA (Leader)

ESG Rating by MSCI

Opened

14,600+

Green Fixed Deposits
raising ~₹1,180 Crore

17.1 Low risk

ESG Rating by
Sustainalytics



Workforce

50,000+

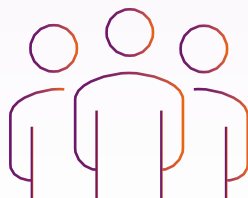
Total Employees

31 years

Average age of
employees

77

Senior employees with
10 years of vintage



Social Impact

18,300+

Literacy Camps organised at
rural branches

32%

of our total touchpoints/
branches are in unbanked
rural areas (795)

₹65+ Crore

Direct Benefit in Aadhaar
seeded BSBD accounts



Who We Are

Purpose

Empowering India
Financially. Digitally. Socially.

Mission

To build one of India's largest retail franchise that is admired for:

- Making every customer feel supreme while being served
- Aspiring that no Indian is deprived of banking

Vision

To be the world's most trusted retail Bank and coveted employer that is admired as the epitome of financial inclusion and economic success, where ordinary people do extraordinary things to transform society at large, thereby guaranteeing **Trust, Confidence and Customer Delight.**

- Bias for action, dynamism, detail orientation and product and process innovation
- Globally respected standards of integrity, governance and ethics
- Being an equal opportunity employer, providing a collaborative and rewarding platform to all its employees

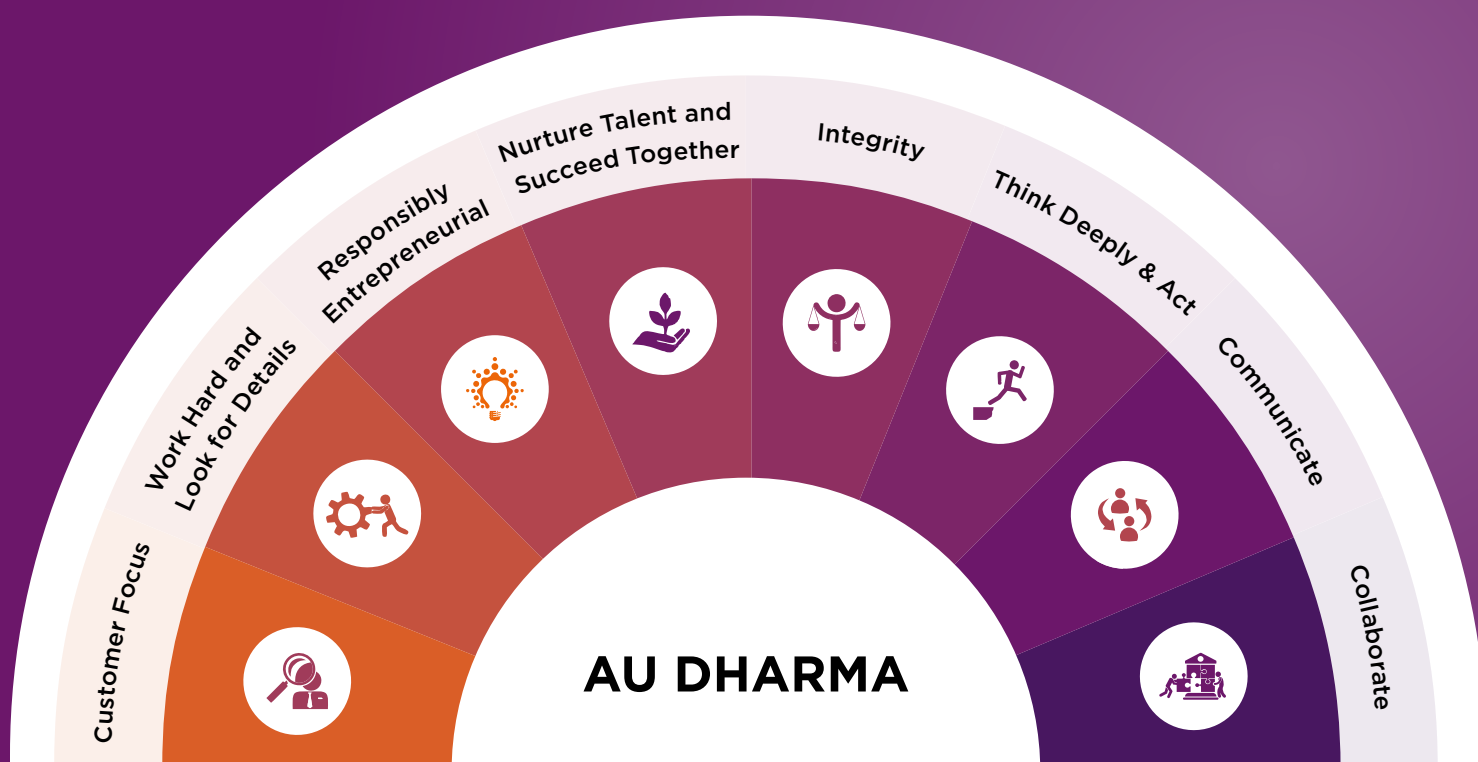
Our Forever Banking Journey

1996 → 2008

Mr. Sanjay Agarwal started his entrepreneurial journey in Jaipur, Rajasthan as a vehicle financing company for the underserved segment; later transforming into a NBFC - AU Financiers.

2008 → 2017

Received first private equity investment towards geographical expansion & product suite enhancement; received in-principle approval for Small Finance Bank license in September 2015.



2017 → 2025

Successfully operated as AU Small Finance Bank with a pan-India presence and a full suite of banking products across segments. Merger of erstwhile Fincare SFB effective 1st April 2024. Launched the Forex business post AD-I license in April 2024 and applied for a Universal Bank license in September 2024. The Bank also crossed the milestone of ₹1 Lakh Crore each in deposits and loans.

2025 onwards

Building a tech- and deposit-led sustainable “Forever” bank, with a growing workforce of over 50,000 employees.

Chairman's Message

Building a Forever Bank



Harun Rasid Khan
Chairman

Dear Stakeholders,

It gives me immense pleasure to address you at the conclusion of yet another landmark year in AU Small Finance Bank's remarkable journey of growth with purpose.

Over the years, we have successfully navigated a constantly evolving environment and FY 2025 was no different. Despite the challenges of a VUCA (Volatile, Uncertain, Complex and Ambiguous) world, your Bank demonstrated resilience, agility and an unwavering commitment to excellence. The Bank delivered consistent performance not only on financial parameters but also in areas that reflect our purpose-driven approach to banking.

This progress stems from a strong foundation built over 30 years of financial sector experience based on integrity, trust and customer-centricity and shaped by eight purposeful years in banking. Since its inception, your Bank has remained steadfast in its commitment to growing responsibly and creating value for all its stakeholders.

Delivering Robust Growth in Demanding Times

During FY 2025, amid tight liquidity, high inflation, elevated interest rates and global uncertainties, your Bank demonstrated resilience and strong performance. With over 2,400 touchpoints and a customer base exceeding 113+ Lakh, the Bank's net-worth rose to ₹16,930 Crore in FY 2025 from ₹12,560 Crore in FY 2024.

Supported by India's economic resilience and timely policy support by the Government and the

RBI — including tax reforms, liquidity support and easy monetary policy aided by rate cuts, the Bank remained focused on strengthening its franchise, driving operational efficiency and advancing its strategic goals. The Bank achieved sector-leading growth with gross loan portfolio increasing ~20% and deposits rising by 27% Y-o-Y. It maintained a healthy Return on Assets (RoA) of 1.5% despite higher credit costs in unsecured business and after strengthening provisioning buffers. This is reflected in strong profitability, with Pre-Provision Operating Profit (PPoP) and Profit after Tax (PAT) growing by 86% and 32% respectively.

The successful merger with erstwhile Fincare was another milestone for your Bank as it expanded its national presence, particularly in the southern India, diversified offerings and accelerated digital transformation enhancing efficiency and customer experience. The forex offerings post operationalisation of AD category I license are also poised to provide attractive value proposition to our customers.

Empowering Bharat Through Five P's

The Bank's growth strategy rests on five pillars—Product, Process, Prudence, People and Protection—to empower underserved communities and aspirational customers across India:

- **Product:** The Bank offers simple, relevant solutions tailored to Bharat's diverse financial needs. Innovations like the AU 0101 App make banking seamless and accessible.
- **Process:** Digitised workflows and paperless onboarding has enhanced speed, scale and customer experience.
- **Prudence:** The Bank has effectively institutionalised a three-lines-of-defence model to balance growth with risk control, supported by technology-led automation of key risks and reportings.
- **People:** With over 50,000+ employees, the Bank invests in employee empowerment and digital capabilities through AU Gyanodaya and the AU Leadership Academy.
- **Protection:** Enhanced cybersecurity, enhanced systems for fraud prevention and focus on data privacy—reflected in certifications like PCI DSS and ISO 27001:2022—ensure safe and secure access to banking.



Operational Excellence Through Tech

Your Bank continues to upscale its operational excellence through an IT strategy anchored on stability, scalability and security. Guided by the Board-approved IT strategy, your Bank has prioritised on seven key areas:

1) Adoption of workflow application platforms for increased operational efficiency by utilising AI and automation capabilities. 2) Building best-in-class consumer tech solutions for deposit customers like AU 0101 and AU 0101 Business. 3) Enriching data eco-system and its computational capabilities for Understand Your Customer (UYC) and contextual cross-sell by using AI based analytics. 4) Investing in core technology and Financial Inclusion digital initiatives. 5) Continuous enhancement of Cyber Security capabilities to manage critical cyber security risks. 6) Seamless & timely core banking migration post-merger of Fincare with the Bank. 7) Creating technology capabilities to in-source business critical services so as to reduce over dependency on the vendors.

True Inclusion, Meaningful Impact

At your Bank, financial inclusion stands on five pillars: Availability, Accessibility, Affordability, Assurance and Awareness. Your Bank's commitment is to ensure that banking is made available and accessible even in the remotest parts of India through strategically located physical touch points besides highly user friendly digital-first channels that make financial services both convenient and affordable. Tailored solutions cater to real needs of people with limited means, with assurance of safe, secured and transparent experience, enabling real changes at the grassroots. This commitment is further amplified by the AU Foundation, which drives impact through youth skilling, sports education and women's empowerment through initiatives like AU Ignite, AU Udyogini and AU Bano Champion. Your Bank has been making relentless efforts to raise awareness about these products among the underserved communities through well-designed financial and digital literacy programmes.

Strong Governance for Sustainable Growth

Your Bank is committed to responsible growth and highest standards of corporate governance, guided by an experienced set of directors with diverse skill sets across banking, finance, accountancy, technology, inclusion, ESG, risk and public policy. The Board ensures diligent oversight of risk, compliance and internal controls while shaping long-term strategy, safeguarding depositor interests and driving sustainable, balanced growth with the support of various Board committees like the Risk Management Committee (RMCB), the Audit Committee (ACB) and the Nomination and

Remuneration Committee (NRC). While remaining vigilant to the emerging risks, whether related to credit, climate change, cyber threats, or reputational challenges on social media, the Bank remains open to new opportunities like sustainable finance and gaining efficiency by use of Gen AI. Through stress testing and scenario planning, your Bank ensures that the systems and teams stay agile, resilient and aligned for long-term sustainability.

Nurturing Future Leaders and Equipping Employees

The Bank is focused on building a future-ready organisation by strengthening its leadership pipeline through structured talent development, grooming and succession planning. With comprehensive learning programmes like the product/process knowledge sessions, Branch Service Excellence (BSE) training programmes and other initiatives under Learning Management System (LMS), we are equipping our teams with the skills and mindset to update their knowledge, innovate, lead and excel in a rapidly evolving banking landscape.

Looking Ahead with Confidence

Despite global uncertainties and geopolitical challenges, India has demonstrated resilience—driven by strong domestic fundamentals like demographics, digitalisation, slowing inflation, investments on infrastructure, fiscal consolidation and robust prospects in agriculture and services. RBI's recent measures with growth supporting bias through large cut in repo rate (50basis points) and substantial reduction in Cash Reserve Ratio (100 basis points in 4 equal tranches) will add further momentum to the domestic economy. This propels us to look into the future with great optimism and renewed focus on creating a future-ready Forever Bank.

I take this opportunity to extend my sincere gratitude to our customers, employees, regulators, shareholders and all other stakeholders for their continued trust and support. It is this collective commitment that inspires us to contribute meaningfully to building a stronger, safer and more inclusive financial future for every Indian.

For this, we continue to draw inspiration from what the Father of Nation once said:

"Action expresses priorities"

- Mahatma Gandhi

Warm regards,

Harun Rasid Khan
Chairman

Board of Directors



Mr. H R Khan
Chairman and
Independent Director



Professor M S Sriram
Independent Director



Mr. Pushpinder Singh
Independent Director



Mr. V G Kannan
Independent Director



Mr. Kamlesh Vikamsey
Independent Director



Ms. Malini Thadani
Independent Director



Ms. Kavita Venugopal
Independent Director



Mr. Divya Sehgal
Non-Executive
Non-Independent Director



Mr. Nandkumar Saravade
Independent Director
(Additional)



Mr. J M Prasad
Independent Director
(Additional)



Mr. Sanjay Agarwal
Founder, Managing Director
and CEO



Mr. Uttam Tibrewal
Whole Time Director
and Deputy CEO

Welcoming New Board Members



Mr. Nandkumar Saravade
Independent Director
(Additional)

Mr. Nandkumar Saravade joined the Board of the Bank in May 2025. He holds Masters' degree from Indian Institute of Technology, Bombay. He is a seasoned IT strategy advisor and Board member with over 36 years of rich experience across law enforcement, banking, cybersecurity, Fraud Risk Management and technology management.

He handled leadership positions at Reserve Bank Information Technology Private Limited (ReBIT) and at Data Security Council of India (DSCI). As the founding CEO of ReBIT, a subsidiary of the Reserve Bank of India (RBI), he built a robust team, advancing cybersecurity, technology management and innovation in financial technology. Under his leadership, ReBIT became a strong service provider in IT security, regulatory compliance and data science initiatives for RBI. He also served on the Malegam Committee on NPAs and Bank frauds. In past, he chaired Protean InfoSec and Protean Account Aggregator.

Before ReBIT, he was the CEO of the DSCI, focusing on cybersecurity policy and industry development. He also held senior roles at Citibank India and ICICI Bank, specialising in fraud risk management, regulatory compliance, and financial crime prevention. His earlier career in law enforcement included a distinguished tenure in the Indian Police Service (IPS) from the 1987 batch, where he also worked with the CBI on economic crimes and anti-corruption enforcement.



Mr. J M Prasad
Independent Director
(Additional)

Mr. Jagajit Mangal Prasad (Mr. J M Prasad) joined the Board of the Bank in July 2025. He is a seasoned Human Resources professional with over 3 decades of leadership experience, including 16 years in the Banking and Insurance sectors. He has a proven track record in formulating and executing human capital strategies, leading organisational transformation, and managing change across diverse business environments, including multinational corporations, large enterprises, and promoter-led organisations.

He holds an Honours Diploma in Personnel Management and Industrial Relations from XLRI, Jamshedpur, a Postgraduate degree in Mass Communications from XIC, Mumbai, and a Bachelor of Commerce degree from R.A. Podar College of Commerce and Economics.

He served as the Chief of Human Resources at ING Vysya Bank and Group Head – Human Resources at Kotak Mahindra Life Insurance Company Limited. Prior to his tenure in the banking sector, he held senior HR leadership roles at Tata Elxsi and Subex Ltd.

He has special Knowledge and practical experience in the fields of Human Resources, Banking and Business Management.

Leadership Team



Sanjay Agarwal
Founder, MD & CEO



Uttam Tibrewal
Executive Director &
Deputy CEO



Rajeev Yadav
Deputy CEO



Vimal Jain
Chief Financial Officer



Yogesh Jain
Chief Operating Officer



Deepak Jain
Chief Risk Officer



Ashok Kumar Khandelwal
Chief Compliance Officer



Vinay Vaish
Head of Internal Audit



Manmohan Parnami
Company Secretary



Bhaskar Vittal Karkera
Head of Retail Assets



Manoj Tibrewal
Head of Human Resource,
Admin and Infra



Vivek Tripathi
Chief Credit Officer



Shoorveer Singh Shekhawat
Head of Urban & Swadesh
Banking, Government Business
and Wholesale Deposits



Vaman Ramesh Kamat
Head of Credit - Retail



Ankur Tripathi
Chief Information Officer



Vivek Rathi
Head of Credit
Commercial Banking

Founder, MD & CEO's Message

30 Years. One Vision. A Forever Franchise



Sanjay Agarwal
Founder, MD & CEO

Dear AU Family,

Namaskar!

FY 2024-25 marked a meaningful milestone in AU SFB's journey as we celebrated 30 years of building a forever franchise and 8 years of operating as a Bank. This moment celebrates the evolution of a purpose driven institution shaped by our philosophy: Stable in performance. Scalable in ambition. Sustainable in impact.

Our 30 year theme. 30 Years. 1 Vision.
A Forever Franchise that captures our enduring commitment to being a reliable financial partner across generations. In line with this long-term vision, we took a momentous step forward by applying for a Universal Bank licence in September 2024. This was a natural progression for AU SFB, aligned with our scale, stability and readiness to serve a broader spectrum of financial needs across India.

As we reflect on our journey from our roots in Rajasthan to becoming India's largest Small Finance Bank, we see a story of learning, building and purposeful growth. I believe a banking platform truly matures over a decade and as we complete eight years, AU SFB stands on a strong foundation with a clear path ahead, committed to our people, our country and the shared goal of Viksit Bharat.

Despite the continued headwinds last year, we achieved a landmark milestone crossing ₹1 Lakh Crore in both our loan assets and deposit franchise. This achievement is a testament to our resilience and growing strength. With over 2,450 touchpoints across the country and the recent acquisition of a building for our corporate office at BKC, Mumbai, AU SFB is expanding its presence and deepening its role as a trusted financial partner across India.

What fuels our confidence is the unwavering strength of our leadership team united by a shared purpose and growing together. Recently, we further reinforced our governance framework by welcoming two distinguished Independent Directors to our Board.

Mr. Nandkumar Saravade, a respected authority in cybersecurity, risk and technology, brings invaluable perspective to AU SFB's journey strengthening the critical pillars of resilience and future readiness. Mr. Jagajit Mangal Prasad, a seasoned Human Resources professional, joins us with a wealth of experience in talent strategy and organisational development. His guidance is helping us nurture a stronger, people-first culture built for performance and purpose.

Together, their insights will help shape the Bank's next phase of growth, rooted in trust, innovation and inclusive leadership.



STABLE: Standing Strong Amid Uncertainty

FY 2025: Strength in the Headwinds

FY 2025 tested India's banking sector.

The macroeconomic environment remained challenging, marked by sluggish growth, elevated inflation, liquidity pressures and a prolonged high-interest rate cycle. Retail deposits became a fiercely competitive space.

For AU SFB, this was an opportunity to demonstrate the resilience of our model and the clarity of our strategy. We navigated this landscape with agility and discipline delivering strong growth while deepening operating efficiency and controlling cost.

Our deposit base expanded by 27% year-on-year, crossing ₹1.24 Lakh Crore. This was achieved alongside prudent cost management and enhanced branch level profitability across our growing footprint. Our focus on customer-centricity and local connect played a pivotal role in sustaining momentum, even in a crowded deposit market.

On the credit side, we continued to outperform. While overall industry credit growth eased to -10.8%, AU SFB's loan book grew by 20%, taking loan portfolio to ₹1.16 Lakh Crore. This outperformance reflects our strong customer connect, calibrated portfolio mix and deep presence in underserved markets.

We closed the year with a Profit After Tax of ₹2,106 Crore, delivering healthy returns despite elevated credit costs. Return on Assets stood at 1.5%, reinforcing the strength of our operating model and the quality of earnings. Simultaneously, we improved our cost-to-income ratio meaningfully from 64% to 57% supported by productivity gains, disciplined cost management and early benefits from merger synergies.

In March 2025, we further fortified our capital base by raising ₹770 Crore in Tier II capital, taking our Capital Adequacy Ratio to a robust 20.1% well above regulatory norms and aligned with our forward-looking balance sheet philosophy. Whether on credit quality, CASA performance, liquidity coverage, or operating leverage, our fundamentals remain sound, strategic and future-facing.

Going forward, we anticipate regulatory shifts that will reinforce the importance of prudent banking and inclusive finance. The RBI's recent repo rate

cut to 5.5% is expected to support improved credit transmission. Tax reforms - particularly the new regime easing burdens for the middle class are likely to boost household consumption. In microfinance, evolving MFIN norms are set to promote greater discipline, even as short-term growth has softened. We are actively engaging with these changes absorbing, adapting and aligning our policies with the evolving landscape.

SCALABLE: Building with Structure, Reach and Discipline

A Portfolio Built on Breadth and Balance

FY 2025 was also a year of consolidation, expansion and deeper integration.

Our branch banking franchise, which remains the epicentre of our customer engagement model, saw meaningful progress. Nearly 49% of the Bank's liability branches* (excluding unbanked), are currently profitable vs. -25% in December 2023. We expanded into newer geographies, including deeper presence in East and South India and scaled to 616 deposit branches, including erstwhile Fincare locations, strengthening both our urban relevance and Bharat reach.

The secured lending portfolio continues to provide the foundation for quality, stability and scale. Secured loans (retail and commercial banking) comprise 87% of our book. Our Retail Secured Assets which forms -66% of our loan book and includes Wheels, Mortgages and Gold Loan, grew by 21%. This is our flagship franchise with a vintage of over 2 decades and a unique combination of scale, growth and strong asset quality. Commercial Banking, which forms -21% of our loan portfolio, registered 32% growth driven by our distribution depth, rigorous underwriting and long-standing connect with emerging India. This vertical also drove substantial deposit mobilisation, contributing ~₹12,000 Crore to our liability base.

Our approach remains balanced driving growth with accountability and future readiness. Going forward, we are significantly expanding distribution of secured products to South, leveraging the distribution network acquired through the erstwhile Fincare merger.

We took measured steps to strengthen our unsecured book realigning strategy, tightening

** Branches live on December 2023*



The AU Level Next Strategic Meet, a 2-day leadership conclave to chart a sustainable growth path for AU SFB's future

controls and enhancing provision buffers. In our credit card vertical, we focused on building a stronger foundation. By tightening underwriting norms and recalibrating strategy, we are creating a more robust portfolio positioned for healthy growth in the years ahead.

We also diversified our offerings with an eye on long-term value. We launched the AD-I remittance platform, scaled our wealth management and insurance services and improved our cross-sell engine creating more value per customer and deeper relationships across lifecycle needs.

This year, we adopted a two-hub model, bringing strategic focus to Mumbai for our commercial banking, microfinance and key business verticals, while Jaipur continues to be the heart of our operations anchoring our technology, processing and governance backbone. Strengthening this transition, as I mentioned earlier, we also acquired our own corporate office building in BKC Mumbai, placing us in the financial capital of the country closer to regulators, capital markets and the nation's financial sector talent pool.

Technology as a Growth Multiplier

Technology continues to reshape how we serve customers, streamline operations and scale efficiently. At AU SFB, we have reimagined lending through end-to-end digital journeys powered by Salesforce LOS, FICO scoring models and a paperless

interface. Our onboarding workflows are seamlessly integrated with digital public infrastructure including UIDAI, Account Aggregator and ULI, driving significant efficiency in Understand Your Customer (UYC), cross-sell and overall turnaround time.

Our flagship AU 0101 platform, now enriched with deeper API integrations and advanced UPI features, delivers intuitive banking experiences across geographies. We have also launched the AU 0101 Business app for merchants, sole proprietors and non-individual customers enabling them to open current accounts and access seamless banking and digital collections.

At the core of our data strategy is a cloud-native, AI ready data lake that integrates structured and unstructured data across the Bank. This foundation is enabling smarter decision making, whether through predictive underwriting, intelligent automation or contextual cross-sell.

Inclusive Banking: Deep Bharat Connect

AU SFB's mission has always been to expand financial inclusion by improving access, usage and quality of financial services for underserved communities. This vision, born in the heart of India, continues to guide our growth across Bharat.

Our commitment is reflected in our numbers: 32.5% of our branches are in unbanked rural centres vs. the 25% regulatory requirement, 63% of our loans are below ₹25 Lakhs well above the mandated 50% and our priority sector lending stands at 79%, exceeding the 75% requirement. These figures reflect more than compliance; they represent our deep-rooted intent to serve Bharat meaningfully.

This inclusive approach was further strengthened through our erstwhile Fincare acquisition, enabling us to reach nearly 60,000 villages across 344 districts in 18 states. Today, we serve 2.5 Million households through microfinance products with many of them experiencing formal finance for the first time. In fact, 45% of our borrowers are first time clients and 38% rely solely on AU SFB, underscoring the trust we have built.

Looking ahead, we plan to add 70 to 80 new branches and 75 asset centres, extending the reach of responsible banking. We are building not just for today's customer, but for tomorrow's Bharat digital, ambitious and aspirational.



SUSTAINABLE: Purpose-Led, People-First, Planet-Conscious

Building for Tomorrow

FY 2025 saw us taking significant strides to future-proof our foundation.

We also introduced the eighth Dharma of AU SFB “Collaborate”, a value that reflects our belief in teamwork, partnerships, and collective progress. It now guides how we build culture, foster innovation, and deliver outcomes that matter to all stakeholders.

At the heart of our progress are 50,000+ employees, carrying the Bank’s purpose into every corner of the country. A comprehensive wellness ecosystem now supports them across physical, mental, financial and social dimensions with 24x7 multilingual helplines, extended parental leave, PCS health coverage and flexible work policies.

Because culture is as much about tomorrow as it is about today, our leadership programmes AURIFY, AU Shine and AUric continue to nurture the next generation of changemakers. Strategic partnerships with leading HR Consulting firm and other global experts are helping us embed world-class leadership thinking and inclusive practices across the organisation.

Building Resilient Communities

At AU SFB, banking is a tool empowerment is the goal. This belief lies at the heart of our efforts to build communities that are economically, socially and environmentally resilient.

Sustainability is more than a department at the Bank it is a mindset. From our Planet First AU Green Fixed Deposit, which channels funds into renewable energy and electric mobility, to integrating climate risk into our credit models, our journey is closely aligned with the RBI’s Sustainable Finance Agenda. Our collaboration with the International Finance Corporation (IFC) is helping strengthen our climate finance capabilities and frameworks.

Through our CSR arm, AU Foundation, we deepened our interventions through flagship and strategic initiatives. In FY 2024-25, AU Ignite trained 8,165 youth with 5,403 job placements. AU Bano Champion nurtured 8,000+ athletes who

earned 270 medals at state and national level, while AU Udyogini empowered 1,772 women entrepreneurs. AU Kartavya reached communities through health camps, solar installations, water projects and education support.

Our flagship marketing initiative, The Jypore Trilogy, reconnected us with our roots, curating premium experiences through Jaipur Polo, Jaipur Literature Festival and Jaipur Marathon, celebrating excellence, community and progress.

A Heartfelt Thank You

As we complete 30 years of AU, I extend my sincere gratitude to every stakeholder who has walked with us from our earliest customers and founding team members, to our regulators, investors, board of director and employees who have stood by our purpose. Together, we are not just building a bank we are building a legacy.

The road ahead is long, but the path is clear. We carry forward the quiet strength of gold (AU) precious, enduring and trusted. Our journey over the past 30 years has been defined by purpose and our path ahead will be shaped by progress rooted in values. We remain unwavering in our belief that banking can be a force for good touching lives, uplifting communities and building futures. With every challenge we have embraced and every milestone we have crossed, we have grown into more than a bank we have become a symbol of stability, scalability and sustainability. Or as we say, Forever AU.

***“Bold are our dreams, braver our stride.
Deep our roots, vast our tide.
AU means gold, golden is our rise.***

***Far we have travelled, deeper we grow,
Clear is our path, steady we go.
AU means gold, golden is our way.***

***Ever we serve, ever we stay true.
India within us, horizons in view.
AU means gold, golden is our view.”***

Thank you for believing in us. The best is yet to come.

Warm Regards,

Sanjay Agarwal
Founder, MD & CEO

ED and Deputy CEO's Message

Scaling with Discipline for Bharat



Uttam Tibrewal

Executive Director and Deputy CEO

Dear Stakeholders,

India's economic journey over the past few years has been marked by resilience, formalisation with growing emphasis on financial inclusion. As the nation advances towards becoming a leading global economy, the role of financial institutions in bridging gaps & empowering communities has become critical.

Against this backdrop, AU Small Finance Bank's journey is a story of purposeful progress. From humble beginnings as vehicle financier in Rajasthan to emerging as a trusted pan-India small finance bank, AU has remained anchored in its commitment to inclusion, empowerment & trust.

In a year of heightened competition and industry challenges, the Bank remained resilient. With over three decades of experience and now in its 8th year as a scheduled commercial bank, the Bank continued to adapt to changing conditions. Its focused business model and balanced rural-urban presence has helped to maintain steady growth.

Strong Performance in a Challenging Environment

Despite global uncertainties, India sustained its growth momentum, supported by strong consumption, increased government capex in the latter half of the year & easing inflation.

Deposit mobilisation remained challenging amid tight liquidity, elevated funding costs and a high-interest rate environment. Against system-wide deposit growth of ~10%, the Bank achieved a 27% y-o-y increase in total deposits, led by 28% growth in current deposits and 12% growth in savings deposits.

At the core of this performance was the Branch Banking business, which led deposit mobilisation and deepened customer engagement. By expanding reach, strengthening relationships and acquiring quality accounts through targeted marketing efforts, the Bank strengthened its granular, low-cost deposit franchise. Nearly 49% of the Bank's liability branches (excluding unbanked), live on December 2023, are currently profitable on a fully loaded basis (vs. ~25% in December 2023).

Importantly, we were able to maintain the cost of funds at 7.07%, with only a marginal increase in the latter part of the year. In FY 2024-25, while overall credit growth in the industry moderated to around 11%, the Bank delivered a robust 20% y-o-y growth in its gross loan portfolio, reaching ₹1,15,704 Crore.

While the auto sector remained muted and MSME credit grew at 13% industry-wide, the Bank delivered 21% growth in retail secured lending, driven by vehicle finance, MSME and affordable housing. The Commercial Banking segment also maintained strong momentum with 32% growth. At the same time, we consciously recalibrated our unsecured portfolio, which declined by 18%, in line with industry deleveraging trends in microfinance and credit cards. Operational efficiency improved significantly, with the cost-to-income ratio reducing to 57% from 64%.



Future-ready Banking, Powered by Technology

At AU Small Finance Bank, technology is a strategic lever for agility, scale & customer-centricity. We consistently allocate 8–10% of operating expenses to strengthen our technology stack. This commitment reflects the ability to operate at scale, processing over 5 Million UPI transactions and 6 Million API calls daily with sub-100 millisecond response times. With expanded data lake, real-time dashboards and intelligent integrations across lending, trade & payments, we are strengthening customer engagement and improving turnaround times.

This year, we launched AU 0101 Business App for merchants and SMEs, further strengthening our digital offerings. Tools like the FICO engine and Salesforce LOS are streamlining credit journeys, while our cloud-first, secure infrastructure — backed by PCI DSS and ISO 27001:2022 certifications, ensures resilience. Automation and generative AI are also driving sharper execution across the Bank.

Enabling a Culture of Accountability and Efficiency

Behind every milestone is a committed and agile workforce. Bank's 50,000+ employees power a growing customer base of 113+ Lakh, driving financial inclusion and sustainable growth. The Bank continues to invest in skills, technology and performance-driven culture to build a future-ready team.

Expansion, Growth and Synergy

One of the defining milestones of the year was the successful merger of erstwhile Fincare into AU SFB, firmly positioning us as India's largest Small Finance Bank by asset size. This has expanded our footprint to 2,456 banking touchpoints across 25 states and union territories, with deeper presence in underserved southern markets.

The merger has strengthened our capabilities across products, processes and technology, allowing us to serve a broader customer base from women entrepreneurs to large SMEs, from rural households to urban businesses. It's a step towards building a truly complete Bank - one that not only creates value for many and contributes meaningfully to society but also brings a strong sense of fulfilment by creating employment opportunities and empowering people across rural and urban India.

Looking Ahead with Conviction

The Bank also aims to intensify efforts in enhancing operational efficiency by embedding automation & advanced analytics - critical to the Bank's goal of improving cost-to-income ratio and building a lean, agile organisation.

The key focus will be on consolidating gains from the erstwhile Fincare merger, unlocking synergies across teams, systems and product lines and deepening presence, especially in southern India.

In parallel, the Bank will continue to drive digital transformation, nurture talent, strengthen risk management and advance its ESG commitments — all aligned with our responsibility as a trusted institution. As a systemically important Small Finance Bank, we are deeply conscious of our role in giving back to society. Through financial inclusion, responsible lending, community initiatives and sustainable business practices, we aim to create long-term value not just for our stakeholders, but for the communities we serve and the nation at large.

Gratitude & Commitment

As we celebrate 30 years of progress, I extend my deepest gratitude to everyone who has shaped AU SFB's journey.

To employees: "Your ownership drives our purpose; your commitment brings our values to life."

To customers: "Your trust is not just valued—it's our greatest responsibility."

To partners, shareholders and stakeholders: "Your belief in our long-term vision fuels our ambition to lead with responsibility and conviction".

We're shaping a legacy of growth, trust & deep connect with Bharat. Here's to the next chapter of Forever AU—purpose-led and future-ready.

Warm regards,

Uttam Tibrewal

Executive Director and Deputy CEO

BUSINESS STRATEGY

Scaling Responsibly, Serving Bharat

At AU Small Finance Bank, our business strategy is driven by a clear purpose to build a future-ready, customer-centric institution that delivers sustainable growth while addressing the evolving financial needs of Bharat. As a Bank that was born in Bharat and for Bharat, we remain deeply committed to enabling financial inclusion, empowering underserved communities and supporting the aspirations of a new, rising India.



Our growth journey is anchored on five Key Pillars: Customer-Centricity, Sustainability, Technology, People and Strong Governance.

We are scaling our presence and impact through a disciplined execution approach expanding across products, geographies and partnerships. Every step of this expansion is underpinned by robust risk management, strong governance and a sharp focus on delivering long-term value.

As India's economy continues to formalise, digitalise and grow, AU Small Finance Bank is strategically positioned to harness both existing and emerging opportunities. We believe that inclusion is not just about providing access to banking but creating meaningful, affordable and trusted solutions for every segment of society.



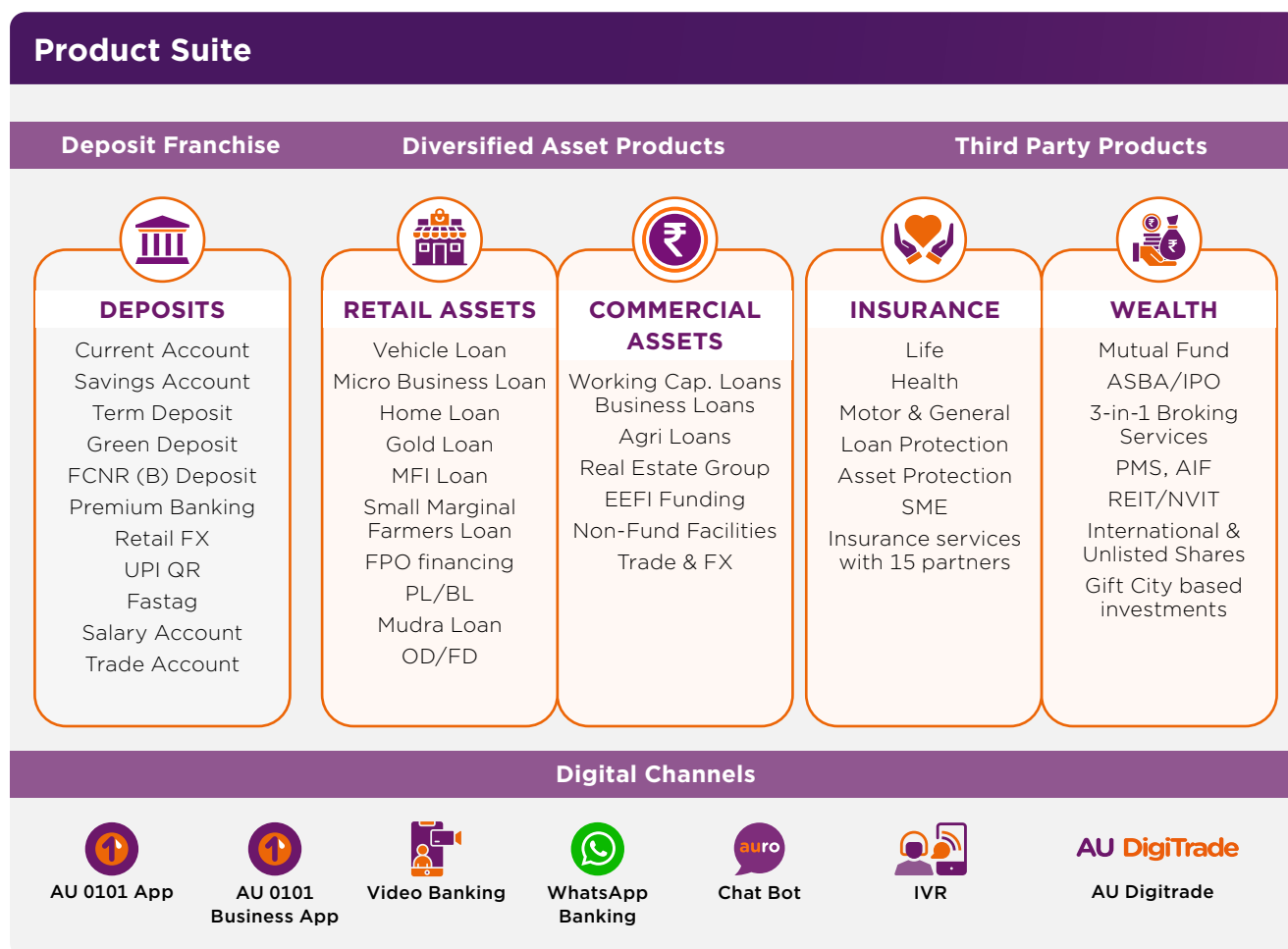


Building Scalable Deposits Franchise

As part of our journey to build a 'Forever Bank', we recognised early the strategic importance of developing a strong, retail-focused deposit franchise. A stable deposit base provides long-term customer stickiness, cross-sell opportunities across products and sustainable business growth. From a nil deposit base in 2017, we have built a healthy franchise with over ₹1 Lakh crore deposit base and a current market share of 0.5%, driven by a sharp focus on mobilising granular, retail deposits—particularly from metro and urban markets. Over the past eight years, we've invested in building the foundational pillars of our deposits business.

Comprehensive Product Suite with Digital Enablement

We offer a wide range of deposit products tailored to both individuals and businesses. These include multi-tiered savings and current accounts, term deposits, debit and credit cards, insurance, commercial banking, wealth management, UPI, remittance and CMS solutions. Our digital ecosystem is anchored by AU 0101, an intuitive 24x7 mobile banking app, supported by internet banking, video banking, WhatsApp banking, IVR and an AI-powered chatbot.

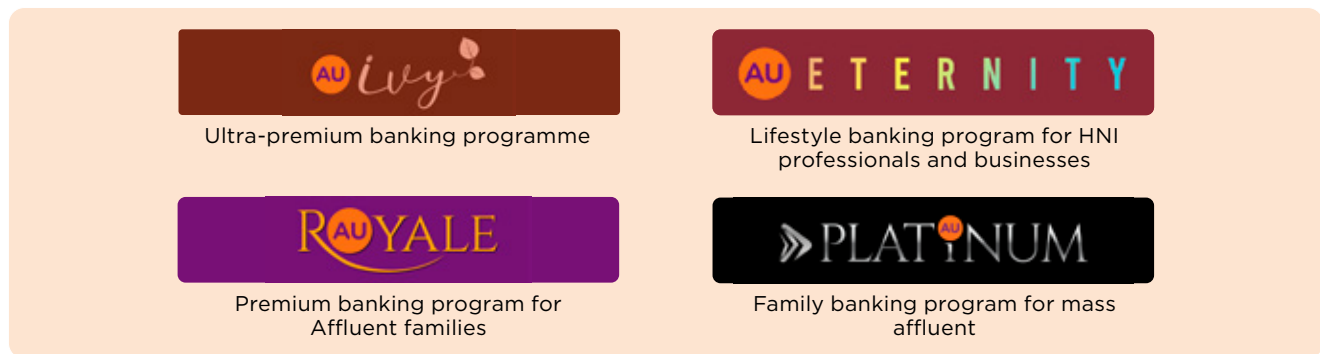


Segment-Specific Solutions

Our comprehensive suite of financial solutions caters to diverse customer segments, including individuals, senior citizens, SMEs, NRIs, Gen Z digital natives, professionals, government institutions, corporate, partnerships, associations and trusts. With customer-centric features such as extended banking hours, 'no home branch' flexibility and intuitive DIY digital experiences, the Bank ensures greater convenience and fosters lasting relationships.

We introduced FCNR deposits, enabling NRIs to maintain foreign currency accounts with attractive returns and enhanced convenience, further strengthening our global banking suite.

Last year, we launched 'AU Eternity' completing our family banking programme along with our existing portfolio of AU ivy, AU Royale and AU Platinum. These programmes are designed to cater to banking, business and lifestyle needs of customer segments across the wealth spectrum.



In FY 2024-25, we enhanced our premium banking proposition by launching exclusive Concierge Services for AU ivy and AU Eternity customers. These services deliver curated privileges and personalised assistance, redefining the banking experience for our affluent clientele. From end-to-end travel planning and luxury stays to overseas education support, fine dining, bespoke gifting and lifestyle experiences — the concierge offering caters to both everyday needs and extraordinary moments with unmatched efficiency. With this offering, AU SFB reinforces its commitment to delivering differentiated value and personalised service that goes beyond traditional banking.

Key Privileges Include:



Pan-India Presence

To capture a significant share of the ₹100 Lakh Crore+ deposit pool in top Indian cities, we have expanded across all key deposit centres, now operating in 21 states and 4 UTs (up from 11 states in FY 2018). A strong nationwide presence also boosts brand trust and supports end-to-end banking services. To sharpen execution, we structured our liabilities business into four distinct verticals: Urban Branch Banking, Swadesh Banking (semi-urban and rural), Government Business and Wholesale Deposits. As of 31st March 2025, Urban Branch Banking contributed 57% of our total deposits, with Swadesh Banking contributing 10%. The remaining 33% came from institutional segments, including government departments, co-operative banks, NBFCs and certificates of deposit.

States	Deposit Branches	States	Deposit Branches
Rajasthan	154	Andhra Pradesh	9
Maharashtra	84	Chhattisgarh	6
Gujarat	66	Himachal Pradesh	5
Madhya Pradesh	46	Odisha	4
Haryana	39	Goa	3
NCT of Delhi	38	Chandigarh	3
Punjab	33	Uttarakhand	2
Tamil Nadu	30	Bihar	2
Uttar Pradesh	24	Assam	2
Karnataka	24	Jammu & Kashmir	1
West Bengal	15	Jharkhand	1
Telangana	13	Puducherry	1
Kerala	11	Grand Total	616

Strengthening Our Deposit Franchise for Sustainable Growth

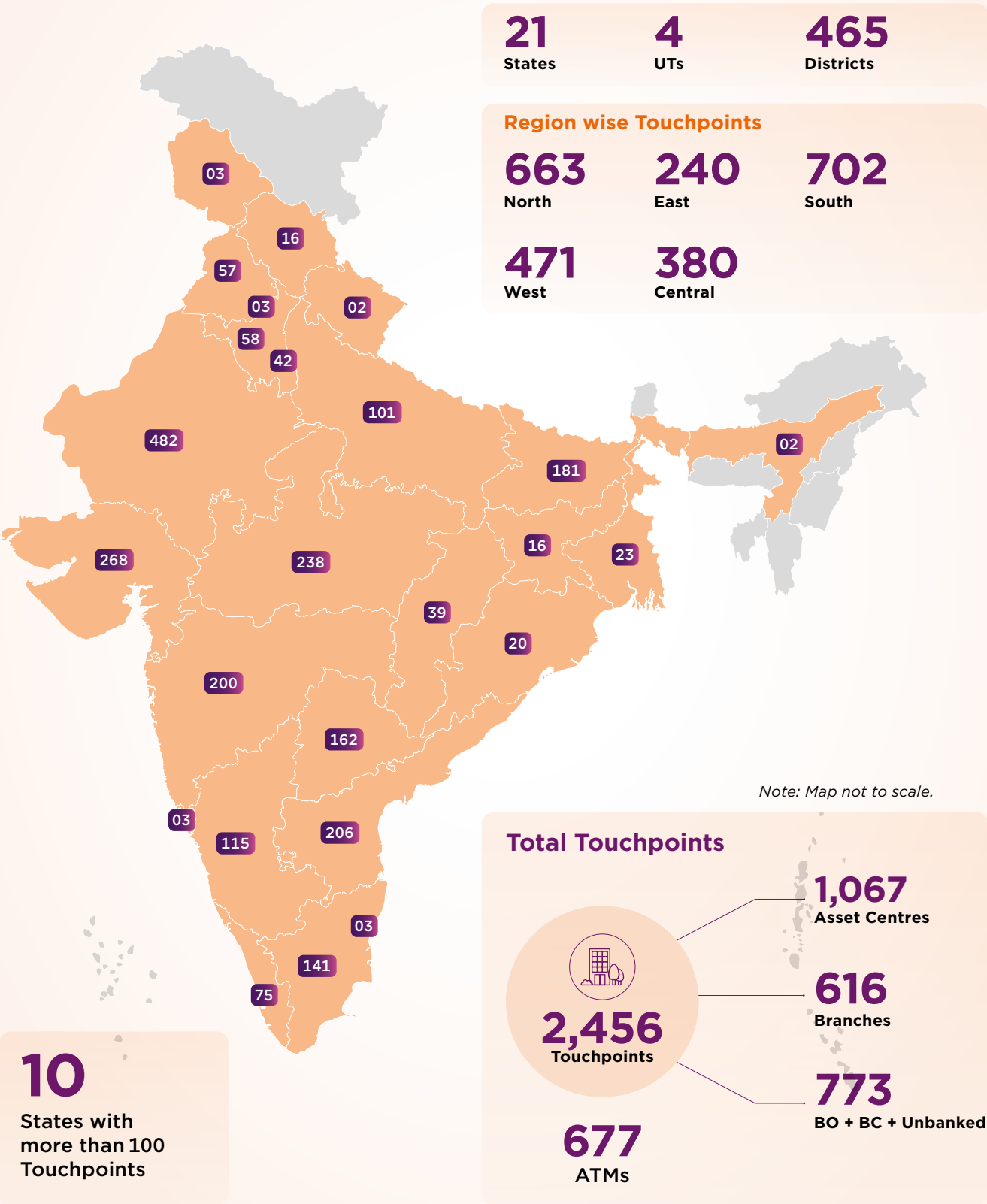
As AU SFB continues its journey toward becoming a future-ready institution, building a strong, stable and diversified deposit base remains a cornerstone of our strategic vision. Our roadmap focuses on deepening customer engagement, expanding our geographic presence, enhancing digital capabilities and reducing the cost of funds. With a segment-led and inclusive approach, we are strengthening our deposit franchise across retail, business and government segments to support long-term, sustainable growth.

In line with this strategic direction, AU Small Finance Bank applied to the Reserve Bank of India (RBI) for a Universal Banking licence in

September 2024. This application reflects our robust financial performance, sound governance and compliance with the RBI's stringent asset quality norms—positioning us for the next phase of institutional growth.

This development marks a significant milestone in our evolution, opening up opportunities to broaden our depositor base and enhance operational flexibility. Most importantly, it strengthens our brand credibility and reinforces AU SFB as a trusted partner in India's financial ecosystem. The application is currently under regulatory review, with the Bank maintaining close engagement with the RBI throughout the process.

Our Pan-India Presence





Driving Sustainable Loan Growth

AU Small Finance Bank's asset franchise is anchored in four enduring principles: a strong focus on retail and secured lending, credit deployment towards income-generating activities, superior customer experience and deep local engagement. These pillars have enabled us to design asset products that align closely with the real needs of underserved and semi-urban segments.

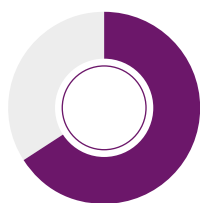
To further strengthen business performance and customer centricity, the Bank undertook a strategic realignment of its lending structure in FY 2024-25. This transformation enhanced execution, operational agility and segment-level responsiveness across our expanding customer base. Our lending business is now structured into four focused verticals: Retail Secured Assets, Commercial Banking, Inclusive Banking (comprising MFI Loans or microfinance loans, lending to small and marginal farmers and FPOs) and Unsecured Loans (including credit cards and personal loans).

Our Lending Businesses

Retail Secured Assets

Product Portfolio

- Vehicle Loan
- Micro Business Loan (MBL)
- Home Loan
- Gold Loan

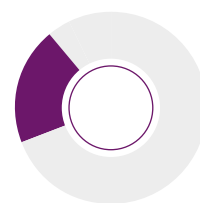


66%

Commercial Banking

Product Portfolio

- Agri Banking
- Real Estate Group
- Emerging Enterprises & Financial Institutions (EEFI)
- Transaction Banking

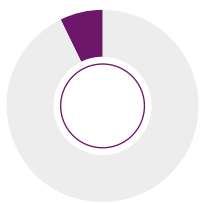


21%

Inclusive Banking

Product Portfolio

- Microfinance (MFI)
- Small & Marginal Farmers (SMF) Loans
- Farmer Producer Organisation (FPO) Financing

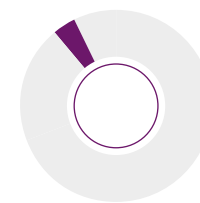


6%

Unsecured Loans

Product Portfolio

- Credit Card
- Personal Loan
- Business Loan



3%



Retail Secured Lending:

This segment forms the foundation of our loan portfolio with a vintage of over 2 decades along with deep distribution and underwriting expertise in informal segments in semi-urban and rural areas. There are four key products in this segment:

- **Wheels:** Vehicle financing is our flagship product. In 1996, when we started this business, the employment opportunities in rural India were limited to occupations such as farming, dairy, transporters/commercial vehicle drivers, government jobs, etc. While farming and dairy were impacted by external factors like weather, cattle, etc., the commercial transport business ensured steady cash flows. At the same time, goods transport operators and passenger taxi operators faced challenges in accessing formal credit because of the lack of documentation. To support their credit needs, we launched our vehicle financing business which includes financing for a wide spectrum of vehicles including Cars, Multi-Utility Vehicles (MUVs), Sports Utility Vehicles (SUVs), Light Commercial Vehicles (LCVs), Construction Equipment (CE), tractors, 2 and 3-wheelers.
- **Micro Business Loan:** To support the financing needs of aspirational small business owners, who are profitably engaged in business but do not have access to funds, we ventured into Micro Business Loans. These loans are secured via property collateral. We work closely with customers to understand their business model, cash flows and credit requirements. Our Micro-Business loan customer profiles include FMCG retail traders, manufacturers/service providers, apparel & accessories traders, building materials traders, etc. To date, we have financed 7+ Lakh MSMEs, most of them based in rural and semi-urban areas.
- **Home Loan:** We restarted housing finance on the SFB platform in 2017 (after previously selling our housing finance subsidiary, AU Housing Finance Limited (AUHFL), which was started in 2011). We have 81,000+ active customers across 600+ touchpoints till FY 2025. These customers are mostly based out of Tier 2 cities and seek affordable housing credit products.
- **Gold Loan:** Enables customers to access quick and secure funds backed by Gold collateral. We have scaled up the Gold loan business from capability acquired through erstwhile Fincare merger.



Commercial Vehicle customer based in Rajasthan

S. No.	Gross Loan Portfolio	ATS (In Lakhs)	Vintage (in Years)	No. of Loans (In Lakhs)	Amount (In Crore)	Mix on Total Book (%)
1	Wheels	~4.5	29	~11.4	36,623	32%
2	Micro / Secured Business Loans	~13	18	~3.1	28,050	24%
3	Home Loan	~13	8	~1	10,048	9%
4	Gold Loan	~1.7	7	~1	1,896	2%
Retail Secured Assets Total				~16.5	76,617	66%

Merger providing Complementary Capability and Distribution Franchise for Sustainable Growth

A landmark development during the year was the successful merger of erstwhile Fincare Finance Bank into AU Small Finance Bank, effective 1st April 2024, following regulatory approval from the Reserve Bank of India. This strategic move marks one of the first major consolidations in India's Small Finance Bank sector and brings significant synergies to AU SFB's operations.

The merger has meaningfully enhanced our scale, reach and portfolio diversity. Erstwhile Fincare's strong rural lending portfolio and financial inclusion-led Microfinance Institution (MFI) book have deepened our presence in rural and semi-urban regions. Additionally, the inclusion of erstwhile Fincare's Gold Loan business has bolstered our capabilities in fast growing gold loan segment.

Expanding National Presence with a Balanced Footprint

The integration has also expanded our distribution footprint to 25 states and union territories, with a significant presence in South India—bringing geographical balance to our previously central India focused branch network. With a more pan-India reach and an enriched product suite, AU Small Finance Bank is now better positioned to serve diverse customer needs and deepening financial inclusion.

Together, this granular, retail-centric and largely collateral-backed portfolio continues to support individuals and entrepreneurs in building productive assets, backed by robust risk controls and consistently strong asset quality metrics.

Complementary Footprints at the time of Merger

Touchpoints	AU SFB	Erstwhile Fincare	Proforma
Northern Region	53%	7%	27%
Central Region	18%	14%	16%
Western Region	26%	15%	20%
Southern Region	3%	48%	28%
Eastern Region	1%	16%	9%
Total	1,074	1,309	2,383





Commercial Banking:

Our Commercial Banking vertical caters to the funding needs of SMEs and emerging corporates through working capital and term loans.

This segment drives economic activity in semi-urban and emerging business hubs. It encompasses four key segments: Business Banking, Agri Banking, Emerging Enterprises & Financial Institutions and Real Estate Group.

Business banking: To facilitate the transaction banking needs of our MSME customers, we launched the business banking vertical in 2017. Under commercial banking business, we provide working capital facilities both fund-based and non-fund based (overdraft, cash credit, letter of credit, bank guarantee) along with long-term facilities (term loans) to wholesalers, retailers, traders, manufacturers, service providers, contractors, distributors, educational institutes and healthcare enterprises in the market.

Emerging Enterprises and Financial Institutions (EEFI): Having operated as an NBFC for more than two decades, we have an in-depth understanding of the NBFC business. We also wanted to accelerate our impact in improving the banking access to MSMEs and hence decided to start lending to this segment in 2014. Our EEFI customer profile is predominantly secured, with funds being allocated to asset financing customers who provide loans against collaterals such as CV, 2WLs, MSME, HFC and gold, among other assets.

Agri Banking: We launched the Agri Banking vertical in 2018 with a focused approach to support the entire agricultural value chain. The initiative aims to provide funding solutions to a wide range of agri-related entities, including flour, dal, oil and rice mills; agri and food processing units; dairy farms; warehouses and cold storage facilities; animal feed manufacturers; poultry farms; and hi-tech agricultural ventures. Additionally, the vertical also extends financing for sustainable and green agriculture practices, contributing to long-term resilience and environmental sustainability in the sector.

Real Estate Group: Our erstwhile experience in running a housing loan business under AU Housing Finance Limited (AUHFL) helped us understand the real estate industry and develop great relationships with Real Estate Developers who are involved in small-scale projects or affordable and mid-housing projects. This led us to start Real Estate Group (REG) lending in 2013.

S. No.	Gross Loan Portfolio	ATS (In Lakhs)	Vintage (in Years)	No of Loans (In Thousand)	Amount (In Crore)	Mix on Total Book (%)
1	Business Banking	-113	8	-11	9,560	8%
2	Agri Banking	-45	7	-15	7,302	6%
3	REG	-1,854	12	-0.5	3,212	3%
4	EEFI	-1,566	11	-0.5	4,145	4%
Commercial Banking Total				-27	24,219	21%

AD-I Products

To facilitate cross-border trade for our MSME customers, we operationalised Authorised Dealer - I (AD-I) license in 2024 and launched 'AU DigiTrade' portal. Through this portal, we provide our MSME customers with trade financing, document handling and cross-border remittance solutions along with support in regulatory compliances. To support our Non-Resident Indian (NRI) customers with funds transfer in foreign currency, we launched 'AU Remit'.

'AU Remit' enables NRI customers to effortlessly transfer funds digitally from their AU NRE Savings Account to their overseas accounts in foreign currency. Besides, it also extends its services to residential individuals and proprietorship firms, enabling them to send money abroad for purposes listed by the RBI under the Liberalised Remittance Scheme (LRS) scheme through the Web Portal and AU Small Finance Bank branches.

Inclusive Finance:

Our rural inclusive finance portfolio includes microfinance, Farmer Producer Organisation (FPO) financing and cattle loans, supporting income generation and financial empowerment in underserved communities. By leveraging group lending models, tailored agri-credit solutions and tech-enabled field operations, the Bank deepens its rural reach while maintaining a strong focus on credit discipline, customer engagement and sustainable impact

Gross Loan Portfolio	ATS (In Lakhs)	Vintage (in Years)	No of Loans (In Lakhs)	No of Villages (In Thousands)	Amount (In Crore)	Mix on Total Book (%)
Microfinance	~0.4	15	~26	~59	6,670	6%

Digital Unsecured Lending:

In order to enhance our engagement with customers and build a granular deposit franchise, we added personal loan (PL) and credit cards in our product portfolio. Both products are offered digitally with PL being primarily offered to franchise customers, whilst credit card is offered both to existing and new to bank customers. Our credit card offering is built on a comprehensive suite of products ranging from entry level to premium segments and includes innovative customisable products like LIT.

S. No.	Gross Loan Portfolio	ATS (In Lakhs)	Vintage (in Years)	No. of Loans (In Lakhs)	Amount (In Crore)	Mix on Total Book (%)
1	PL & BL	~1.4	5	~1	826	1%
2	Credit Card		3	~10	2,464	2%
	Total			~11	3,290	3%





Building Tech-led Efficiency

Robust technology platforms and IT/Infra stack are crucial to scaling banking operations. In line with our vision of establishing and creating a tech-led bank, we have made consistent investments in technology to meet evolving customer demands, enable superior customer experience, streamline banking operations, ensure regulatory compliance and build capabilities for scale. Our overall investment in the Bank IT & IS stack have ensured that our customer service and customer experience is at par with large banks and our systems are future ready.

To build best-in class digital platforms backed by a scalable, secure and highly available infrastructure, we have institutionalised a robust technology framework at AU SFB.

- **Key design principles:** Technology at AU SFB is driven by six fundamental design principles
 - High availability, Security, Agility, Speed, Scalability, Customer centric approach to technology implementation.
- **Consistent investment to build technology capabilities:** We have been consistently investing 8-10% of our overall operating expenses.

- **Robust Technology Operating model and Technology Governance:** We have strategically focused on acquiring, nurturing and retaining top-tier talent to power our technology function. We have strong in-house IT capability with a team of 1,000+ and ~175 dedicated tech professionals from OEM partners. The team is structured to align with our Strategic Business Units (SBUs) and critical functional areas, ensuring robust support for business operations. We have institutionalised robust IT governance through Board-level and Board-delegated committees, supported by a comprehensive policy framework. External agencies periodically assess our systems and processes and observations are complied with and placed before the Board committees. Similarly, compliance with advisories from CSITE and CERT-in is placed before the committees.
- **Strategic partnerships:** We have partnered with leading technology vendors such as Oracle, NTT, Euronet, Salesforce, FICO etc. to leverage their expertise and cutting-edge technologies to power our core applications.

Our Technology and Key Performance Highlights

~99.9%

Uptime across all critical apps (Systems designed for 24x7 availability)

~9%

Investing 8-10% of our overall operating expenses in various technologies

100%

Uptime capacity at our Disaster Recovery (DR) site with complete automation of the switchover from DC to DR 12,000+ successful change implementations across applications and Infra in FY24

60+ Lakh

API calls made daily in our CBS with response time <100 ms (Systems able to efficiently process transactions at scale)

3x

Performance capacity of AU 0101 compared to current volumes (Scalable systems poised for handling growing peak transaction volumes)

Convenient, simple and feature-rich product design

E.g., "AU 0101" with its 150+ banking features on a single platform, Customisable LIT Credit Card etc.

Our efforts in building a Technology-first bank to manage scale have helped us deliver strong performance across key metrics, such as availability, accessibility, speed, scalability etc. underlining our technology readiness to operate at scale.





Developing Empowered and Capable Team

At AU Small Finance Bank, we believe that delivering exceptional customer experiences starts with creating an outstanding experience for our employees. To build a 'Forever Bank,' we are committed to fostering a workplace that attracts, develops and retains exceptional talent.

Our talent strategy focuses on creating an engaged, motivated and skilled workforce that aligns with AU SFB's long-term aspirations. This means building capabilities not just for today, but for the future of banking in Bharat.

At AU SFB, we pride ourselves in having a qualified, stable and effective leadership team. Our leaders bring a unique blend of diverse skills and extensive experience, developed through a rigorous system of nurturing internal talent and integrating seasoned industry experts, as part of our journey.

Our Key Managerial Personnel (Founder, MD & CEO, ED & Deputy CEO, CFO and Company Secretary) have been with us for over at least 14 years and having a combined average vintage of 20 years with us. The average tenure of Senior Management Personnel (all of whom are either KMPs, MRTs, Control Function Heads, or hold a combination of these roles) is over 10+ years of vintage, indicating strong leadership stability. The control function heads (Chief Risk Officer, Chief Compliance Officer, Head of Internal Audit) have been with us at least since the inception of the Bank, having rotated through multiple roles in the Bank. Our leadership structure enables the right mix of autonomy, control and standardisation, along with clarity on Roles & Responsibilities.

Embedding Bank-First Culture: Rooted in Purpose, Powered by People

Bank-First Culture: We are embedding a strong organisational culture that puts the Bank's mission at the centre, driven by:



Deep-rooted credit culture and prudent risk mindset



Collaboration



Performance orientation



Transparent feedback mechanisms for continuous improvement



Process-driven operations



Continuous cost-consciousness and efficiency focus



Structured workforce planning to ensure manpower availability as per business needs



Data-driven decision-making combined with local market insights

By aligning our people-first strategy with the Bank's broader purpose of inclusive, responsible and tech-enabled banking, we are equipping our teams to deliver superior customer outcomes while building a sustainable, future-ready institution.

Ultimately, our people will be the differentiator—helping us stay agile, customer-focused and prepared to lead in a rapidly evolving financial landscape.



Strong Governance and Risk Management

Strong governance and risk management are the most critical elements for our Bank as we are custodians of public deposits. We have institutionalised a robust Governance, Risk and Compliance framework to attain the highest standard of Governance.

We have continuously invested in enhancing the strength and capabilities of our Governance function in line with business expansion over the past 8 years. We have expanded our manpower (across Risk, Compliance, Internal Audit, Secretarial and Vigilance) by ~6.5 times from 86 members in 2018 to 550+ members currently to upscale Governance, Risk and Compliance standard at Bank, under the guidance of Board & Board Committees (RMCB & ACB).

We have institutionalised the following key pillars to define our Corporate Governance philosophy:

- Transparency, Accountability, Independence and Integrity
- Balanced & Diversified Board, Effective & Independent Functioning
- Timely and Accurate Communication
- Risk Management & Internal Control

This robust governance framework and process has resulted in

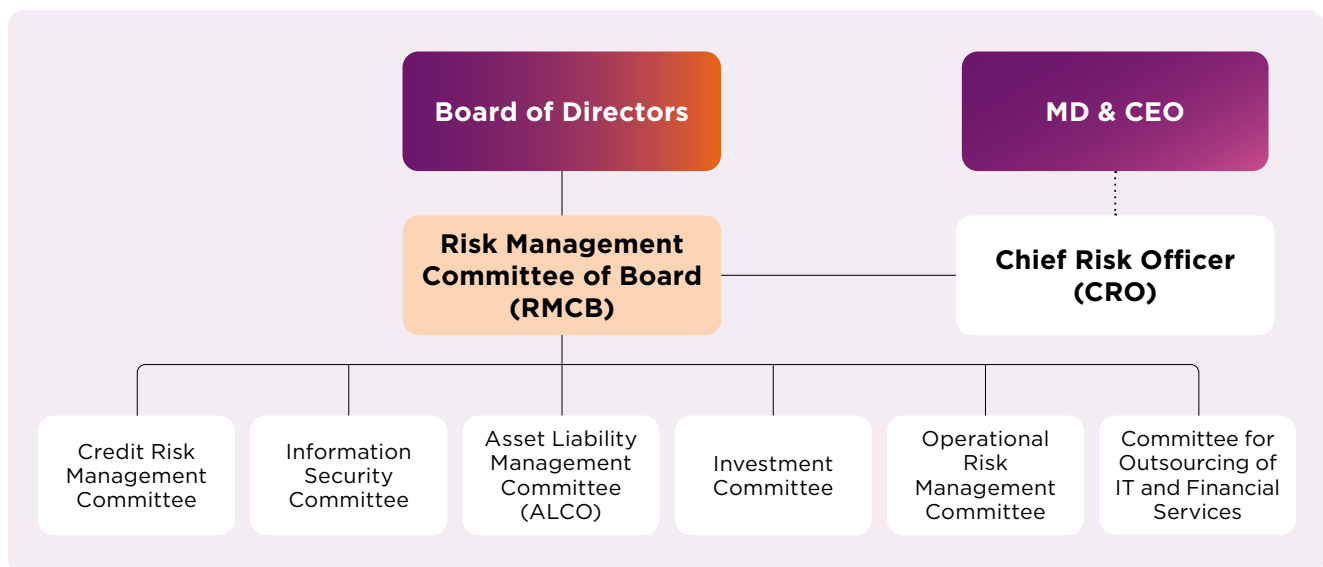
- (a) consistent rating upgrades with our long-term credit rating being upgraded from BBB (first

time rating by CRISIL) to **AA/Stable by agencies (CRISIL, CARE, ICRA and India Ratings)**

- (b) confidence of marquee investors who have invested in our banking journey; and
- (c) unmodified opinions on our financials over the past eight years from renowned credible Audit Firms with global recognition and specialisation in audits of Banks.

As part of a prudent approach towards managing organisation-wide risks, we have designed an elaborate Enterprise Risk Management (ERM) framework to protect the organisation as well as the interests of all major stakeholders, i.e., depositors, customers, employees and shareholders. We have established a robust governance structure and risk culture to ensure seamless alignment of the risk management framework with the business model.

Our enterprise risk management framework comprises a well-articulated risk appetite statement and comprehensive risk policies, systems and processes for effective risk management. It ensures continuous risk assessment and compliance to the internal/ regulatory limits along with periodic monitoring, submission and review of key reports to relevant management and Board committees. Our enterprise risk management is further reinforced by compliance and internal audit function.

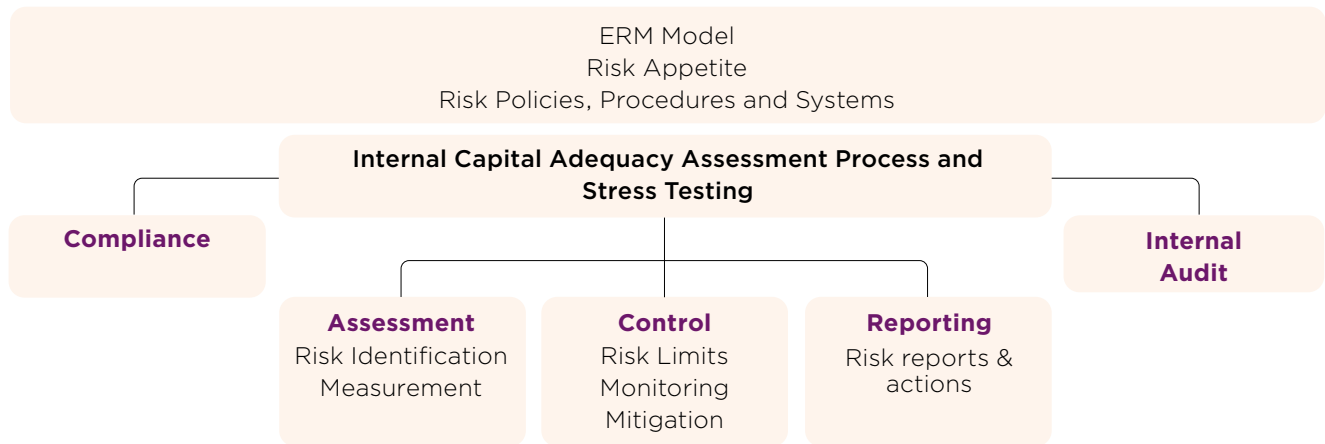


Robust Risk Culture

Governance

Board of Directors
Board Committees
Board delegated Committees

Enterprise Risk Management Framework



Our enterprise risk model covers various risk categories (Credit Risk, Balance Sheet Risk, Liquidity & Market Risk, Compliance Risk, Operational Risk and Fraud Risk, People Risk, IT & IS Risk) which are further sub-divided into risk factors and parameters. Every risk factor and parameter is allocated defined weight that is reviewed at regular intervals as well as on occurrence of adverse market factors and regulatory or operational changes. We have defined an acceptable range against each risk parameter and any breach beyond acceptable range is reported to the Board Committee for timely mitigation and action.

We have approved internal limits that are more stringent than the regulatory limits to maintain buffer for unforeseen circumstances, enabling prudent risk management. We have rigorously ensured adherence to internal limits set across various liquidity, deposit, regulatory ratios, etc. without any breaches or RBI observations regarding the same.

We also conduct bi-annual stress testing of Credit Risk, Market Risk, Liquidity Risk, Interest Rate Risk & all other Material Risks and discuss the key findings in the RMCB meeting. The output of stress tests helps in the decision-making process in terms of potential actions like risk mitigation techniques,

contingency plans, capital and liquidity management in stressed conditions, etc. Our capital management framework includes a comprehensive Internal Capital Adequacy Assessment Process (ICAAP) that is conducted annually to determine an adequate level of capitalisation for the Bank.

Adherence to the framework ensures a structured and systematic approach to risk management that is crucial for our planned growth and long-term objectives. This provides the confidence that our risk management systems are not only robust but also scalable, effectively supporting our growth ambition going forward.

Looking ahead, we will continue to sharpen our focus on strengthening the liability franchise, driving operational efficiencies, leveraging technology, nurturing talent and embedding ESG principles into our core business model. With a strong foundation, disciplined execution and an unwavering commitment to Bharat's progress, we are confident of delivering on our vision of becoming a world-class, inclusive Bank—built to serve today and prepared for tomorrow.

The Engine for Value Creation

Inputs

Financial Capital

- Share holders fund **₹17,166 Crore**
- Deposits **₹1,24,269 Crore**
- Gross Loan Portfolio **₹1,15,704 Crore**
- Investments **₹37,848 Crore**
- CASA ratio **29.2%**
- CRAR **20.1%**

Manufactured Capital

- Touchpoints **2,456**
- No. of ATMs **677**
- Number of Customers **113.4+ Lakh**

Intellectual Capital

- Digital initiatives and systems
- Brand reputation
- Innovation in newer business models
- Automation of processes
- AU 0101 app

Social and Relationship Capital

- CSR expenditure **43+ Crore**
- No. of implementing partners **27**
- Financial Literacy camps **18,300+**

Human Capital

- Employees **50,000+**
- Women employees **4,400+**
- Average training hours **32 per person/year**

Natural Capital

- Energy consumed **1,49,351 (GJ)**
- Water consumed **5,66,265 (KI/gross)**

Our Key Relationships and Value Enablers



Stakeholders

Customers

Partners and Associates

Employees

Environment

Regulators and Government

Society

Investors and Shareholders



	Outputs	Outcomes
Our Objectives <ul style="list-style-type: none"> — Build a credible, trustworthy and sustainable bank that inspires generations to come — Act as a responsible catalyst to serve financial needs of the unserved and unreached — Bring efficiency in intermediation between savers and borrowers — Unlock human potential 	17+ Lakh New customers added in FY 2024-25	— Revenue ₹18,590 Crore — PAT ₹2,106 Crore — RoA 1.5% — RoE 13.1%
	21+ Lakh New liability accounts opened in FY 2024-25	— Present in 21 states and 4 union territories — Touchpoints added during FY 2024-25 - 73
	4.5+ Lakh Loans Financed in vehicle financing in FY 2024-25	— Launched AU 0101 Business App — Migrated to ExaCC platform — Upgraded Kondor Treasury Application to streamline interbank trading operations
	67,000+ Micro Business Loans Financed in FY 2024-25	— CSR beneficiaries 2,72,399 (covering AU Ignite, AU Udyogini and Bano Champion) — 1,462 women empowered
	25,000+ Houses Financed in FY 2024-25	— Employee Happiness Index 86% — Ranked Among India's Top 50 Workplaces by GPTW — Priority sector lending achievement of 79.8%
Our Value Enablers <ul style="list-style-type: none"> — Strong culture – Responsibly entrepreneurial, integrity and governance — Strong execution capability — Deep knowledge and understanding – Segments, customers and markets — Empowered team — Extensive direct distribution in core markets — Growing deposit franchise — Comprehensive digital solutions — Access to growth capital 	10+ Lakh Credit cards live	— Scope 1 emissions 317 (tCO₂Eq) — Scope 2 emissions 28,076 (tCO₂Eq)

ENGAGING WITH OUR STAKEHOLDERS

Valuing Every Voice, Driving Collaborative Growth

AU Small Finance Bank views stakeholders as key partners in progress. Their feedback guides the Bank's actions and addressing their needs is considered both a responsibility and an opportunity. Through transparent engagement and collaborative solutions, the Bank fosters trust, accountability and sustainable growth.

Customers

The Bank is committed to building relationships with customers based on trust and transparency.

What Do They Tell Us?

Customers provide feedback on the services, highlighting areas for improvement and expressing their expectations.

- Satisfaction with the Digital Platforms
- Requests for more personalised services.
- Desire for quicker response times.

How We Responded?

In response, the Bank enhanced its digital infrastructure to improve usability and security, introduced personalised financial products and optimising service turnaround times. The dedicated customer service team now utilises advanced analytics to proactively address customer needs and resolve issues more efficiently.





Employees

Employees are the backbone of the Bank's operations and their insights are invaluable to its progress.

What Do They Tell Us?

Employees share their perspectives on workplace culture, professional development and internal processes.

- Desire for advanced training and development programmes.
- Suggestions for improving internal communication.
- Feedback on leadership engagement.

How We Responded?

Based on employee feedback, we enhanced training, improved internal communication and increased leadership engagement. We also introduced a holistic wellness framework covering physical, emotional, financial and social well-being.

Regulators and Government

The Bank's communication with regulatory bodies and government entities is foundational to its compliance and operational excellence.

What Do They Tell Us?

Regulators emphasise the importance of compliance, operational resilience and the need for robust risk management practices.

- Updates on regulatory changes.
- Recommendations for enhancing data security.
- Feedback on the compliance framework.
- Suggestions for supporting financial inclusion initiatives.

How We Responded?

The Bank strengthened its compliance and risk management frameworks, updated data security protocols and launched initiatives aimed at promoting financial inclusion, aligning closely with regulatory expectations and societal needs.





Partners and Associates

Partners and associates play a crucial role in extending the Bank's market reach and enhancing its service offerings.

What Do They Tell Us?

- Feedback from partners focuses on integration processes, collaboration effectiveness and mutual growth opportunities.
- Suggestions for streamlining integration.
- Requests for more regular strategic reviews.
- Feedback on contract and negotiation processes.

How We Responded?

The Bank optimised partnership integration processes, established regular strategic review sessions and streamlined contract processes to enhance collaboration efficiency.

Society

The Bank is committed to being a responsible corporate citizen, positively impacting the communities it serves.

What Do They Tell Us?

Community feedback often revolves around the impact on local development, corporate responsibility and ethical conduct.

- Interest in community development programmes.
- Concerns about ethical practices.
- Suggestions for more local engagement.
- Requests for support in local education and health initiatives.

How We Responded?

The Bank launched several community development programmes, increased its focus on ethical practices and transparency and engaged more deeply with local communities through education and health initiatives, reinforcing its commitment to societal betterment.





Environment

Environmental responsibility is integral to the Bank's operational philosophy.

What Do They Tell Us?

Stakeholders are increasingly concerned about environmental sustainability and the Bank's role in promoting it.

- Expectations for reduced carbon footprint.
- Suggestions for sustainable practices.
- Requests for transparency in environmental impact.
- Feedback on waste management and recycling.

How We Responded?

- The Bank adopted 'Green' as a core business focus and launched AU Planet First – Green FD, with proceeds designated exclusively for well-defined green projects.
- In operations, greener technologies were employed, waste reduction programmes implemented, recycling efforts enhanced and regular reports on environmental impact published.
- We conducted Environment & Social Due Diligence for Renewable Energy projects exceeding a certain threshold.

Investors and Shareholders

Maintaining a transparent and productive relationship with investors and shareholders is essential for mutual trust and sustained value creation.

What Do They Tell Us?

- Investors and shareholders focus on long-term value, corporate governance and financial performance.
- Expectations for sustainable growth.
- Concerns about stressed segments and Asset quality.
- Queries about strategic decisions.

How We Responded?

The Bank improved disclosures on stressed segments like MFI and credit cards, adopted transparent communication policies and engaged shareholders in strategic planning sessions to align objectives for long-term profitability and growth.



MATERIAL ISSUES AND OUR RESPONSE

Strengthening Resilience and Relevance

AU Small Finance Bank adopts a transparent and responsible approach to managing matters that impact its stakeholders and its ability to create long-term value. The Bank actively identifies, assesses and addresses these critical issues, aligning its actions with strategic objectives to promote sustainable growth in a dynamic financial environment. This strategy enhances the Bank's resilience and strengthens its position as a credible, future-oriented financial institution.

Addressing Material Issues

Environment

Climate Risk

Climate-related risks are gaining prominence. AU SFB focuses on both physical and transition risks by developing a holistic climate risk management strategy. The Bank deploys risk assessment tools, conducts regular environmental impact analyses and strategically invests in green technologies to mitigate potential adverse outcomes.

Sustainable Operations

To reduce its carbon footprint, AU SFB enhances energy efficiency across its operations, adheres to green building standards and encourages digital transactions to minimise paper usage, thereby contributing to improved environmental stewardship.

Water Conservation

AU SFB employs water-saving technologies within its facilities and participates in outreach programmes that promote water conservation among employees and local communities.

Resource Efficiency

AU SFB emphasises reducing waste and boosting recycling through advanced technologies. The Bank's operational practices are guided by principles of sustainability, aiming to minimise environmental impacts while enhancing resource productivity.

Product Offerings – Social and Climate

AU SFB offers financing for green initiatives and supports businesses that promote environmental responsibility. The Bank's product portfolio includes solutions that encourage sustainable behaviour among clients, advancing both environmental and social welfare.



Our Chairman, Mr. H.R. Khan, participating in plantation drive during Van Mahotsava Celebrations



Social

Diversity and Inclusion

AU SFB is committed to creating an inclusive workplace. By fostering a diverse workforce and promoting equal opportunities, the Bank cultivates a culture of growth and mutual respect.

Employee Health and Well-being

AU SFB prioritise employee wellness through initiatives like mental health support, fitness programmes and wellness workshops, fostering a workplace culture that promotes overall well-being.

Financial and Digital Inclusion

AU SFB's products and initiatives are designed to improve access to financial services and digital tools, particularly for underserved communities. The Bank undertakes initiatives aimed at promoting financial literacy across diverse population segments.

Corporate Social Responsibility (CSR)

AU SFB invests in initiatives related to community development, healthcare, education and skill-building. These efforts are focused on uplifting the communities in which the Bank operates and contributing meaningfully to society.

Stakeholder Engagement

AU SFB values the voices of its stakeholders—including customers, employees and communities—and integrates their feedback into decisions, policies and business practices.

Employee Training and Education

To remain future-ready, AU SFB invest in skill development, upskilling and reskilling programmes for its employees, enabling them to adapt to evolving industry requirements.



Training programme for women employees

Governance

Compliance

AU SFB adheres to all applicable regulatory requirements and continually updates its practices in response to changes in laws and regulations.

Brand and Reputation Management

The Bank engages in community relations, delivers excellence in customer service and maintains transparent reporting to strengthen and enhance its public image.

Ethical Business Practices

AU SFB has established a comprehensive code of conduct that emphasises integrity and accountability, ensuring all business activities are conducted fairly and ethically.

Customer Satisfaction

The Bank actively solicits customer feedback through multiple channels and continuously adapts its products and services to better align with customer needs and expectations.

Product Innovation

AU SFB continuously designs and refines its financial products to meet the changing needs of its customers, thereby maintaining relevance and competitiveness in the financial market.

Economic Performance of the Bank

AU SFB ensures financial sustainability by implementing disciplined financial planning, prudent management practices and initiatives focused on delivering strong returns.

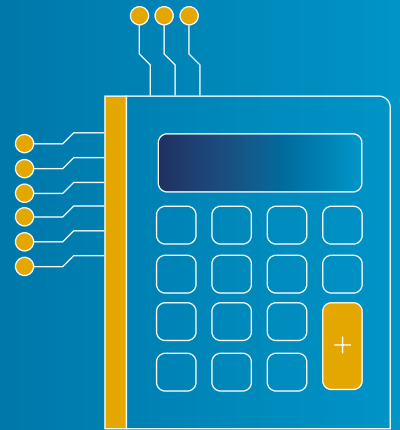
Cybersecurity

AU SFB proactively upgrades its cybersecurity frameworks and performs regular risk assessments to safeguard against evolving cyber threats.

Data Privacy

Protecting customer data is a top priority for AU SFB. The Bank adheres strictly to global data privacy standards and ensures that data is managed with the highest degree of confidentiality.

Financial Capital





Building Long-Term Value on a Strong Financial Foundation

Financial capital forms the foundation of AU Small Finance Bank's ability to drive sustainable growth and create long-term value for stakeholders. During the year, the Bank focused on enhancing capital efficiency, strengthening its liability franchise, maintaining strong asset quality and advancing its digital and operational capabilities. Despite a challenging macroeconomic environment in FY 2024-25 - marked by elevated interest rates, tight liquidity and regulatory changes the Bank delivered a balanced performance across key financial metrics.



Performance Highlights

Strong Business Growth

₹1,57,846 Crore

Total Assets

↑ 25%*

₹17,166 Crore

Shareholder's Fund

↑ 15%*

₹1,24,269 Crore

Total Deposits

↑ 27%*

₹1,15,704 Crore

Gross Loan Portfolio

↑ 20%*

Increasing Profitability

₹2,106 Crore

Profit after Tax (PAT)

↑ 32%^

₹18,590 Crore

Total Income

↑ 52%

₹8,012 Crore

Net Interest Income

↑ 55%

1.5%/13.1%

RoA/ RoE

₹231/₹28

BVPS/EPS

Robust Balance Sheet

20.1%

Capital Adequacy
Ratio

84%

Provision Coverage
Ratio with Technical
Write-off

0.7%

Net NPA



*Compared to merged numbers as on 1st April 2024.

^After considering exceptional items in FY24, the growth is 37%



Key Enablers

1

Granular, Retail-Centric Business Model:

Our secured retail and commercial banking portfolio constituted 87% of our loan book, ensuring consistent growth and low volatility.

2

Robust Deposit Franchise: Delivered 27% Y-o-Y growth in deposits (₹1.24 Lakh Crore), outperforming industry growth (10.1%). Adjusted for erstwhile Fincare transition, organic growth was over 30%.

3

Disciplined Cost Management: Reduced cost-to-income ratio from 64% in FY 2024 to 57% in FY 2025 by controlling cost, optimising credit card issuance and driving post-merger synergies.

4

Tech-Driven Execution: Focusing on leveraging new technologies like AI to drive automation and streamline customer journeys across business lines.

5

Risk Management & Provisioning:

Maintained provision coverage at nearly 100% for unsecured loans; accelerated provisioning of ₹150 Crore in Q4 FY 2025 to fortify balance sheet.

6

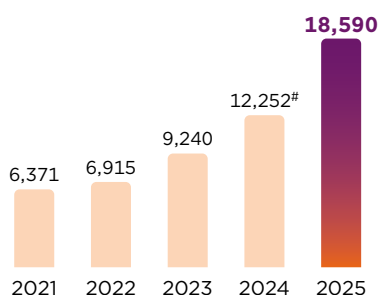
Focused Growth Strategy: Shifted key business verticals to Mumbai to integrate leadership and operations; expanded distribution of existing AU SFB's products to South India via erstwhile Fincare branches.

Financial Performance for FY 2024-25

Profit and Loss Metrics

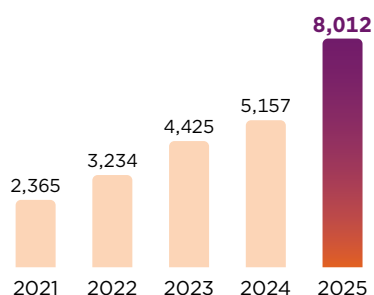
TOTAL INCOME

(₹ in Crore)



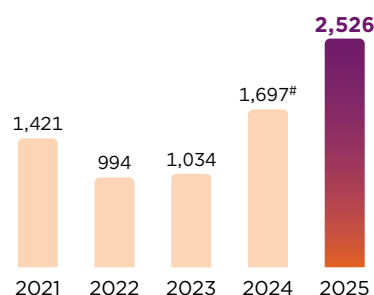
NET INTEREST INCOME

(₹ in Crore)



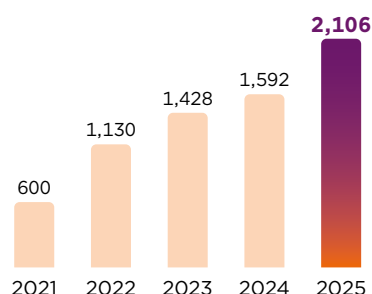
OTHER INCOME

(₹ in Crore)



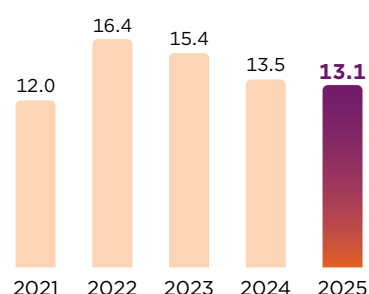
PROFIT AFTER TAX*

(₹ in Crore)



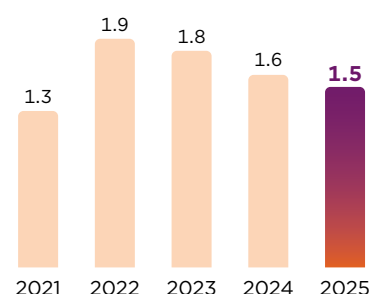
RETURN ON EQUITY (RoE)**

(%)



RETURN ON ASSETS (RoA)*

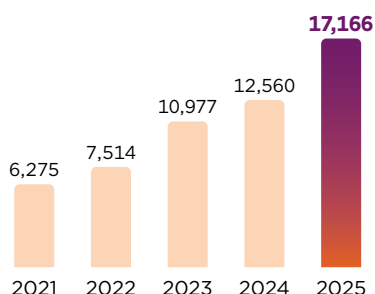
(%)



Growth Metrics

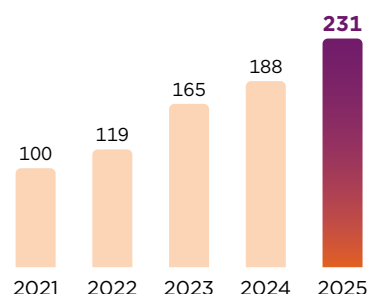
SHAREHOLDER'S FUND

(₹ in Crore)



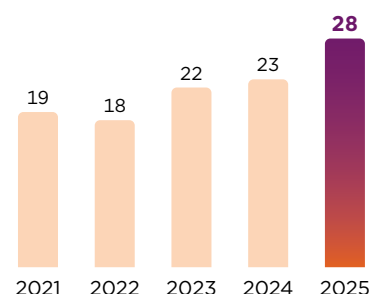
BOOK VALUE PER SHARE

(₹)



EARNINGS PER SHARE

(₹)



* Excluding Profit from stake sale in Aavas and other exceptional items.

^For FY 2024-25, average shareholder's fund is calculated on the basis of 1st April merged shareholder's fund.

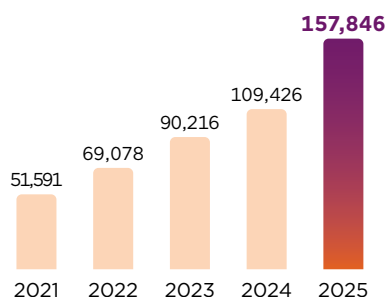
#Recovery of bad debts has been reclassified from 'Other Income' to 'Provisions and Contingencies'. Accordingly, the figures for FY 2023-24 have been reclassified.



Balance Sheet Metrics

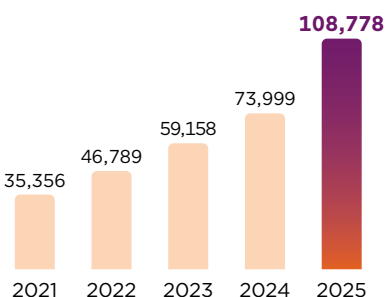
TOTAL BALANCE SHEET SIZE

(₹ in Crore)



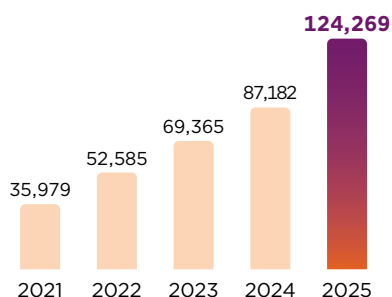
GROSS ADVANCES

(₹ in Crore)



DEPOSITS

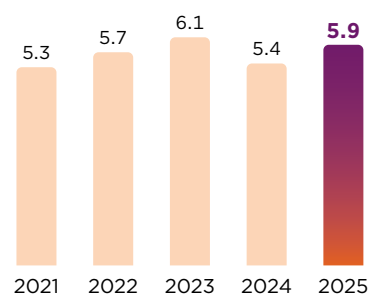
(₹ in Crore)



Key Ratios

NET INTEREST MARGIN

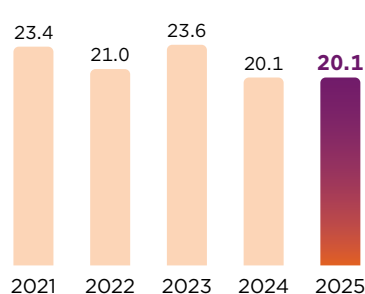
(%)



NIM is on daily average and including off book assets from FY'23 onwards

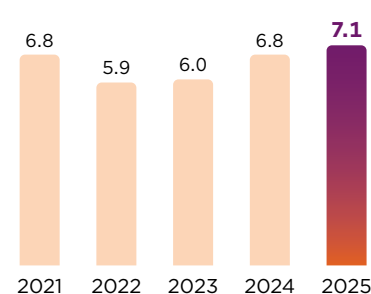
CAPITAL ADEQUACY RATIO

(%)



AVERAGE COST OF FUNDS

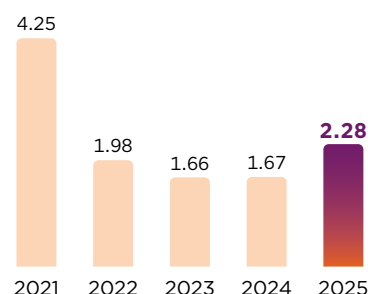
(%)



Asset Quality

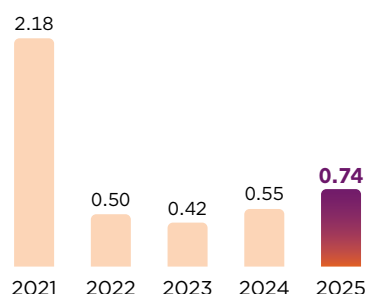
GROSS NPA

(%)



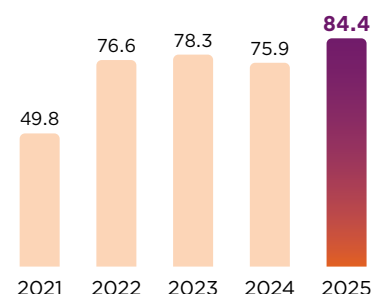
NET NPA

(%)



PROVISION COVERAGE RATIO*

(%)



*PCR includes technical write-off

FY 2024-25 was marked by disciplined execution, strategic recalibration and foundational strengthening. AU Small Finance Bank continued to demonstrate its ability to perform under pressure, backed by a clear roadmap to scale as a trusted, digitally enabled and retail-focused bank.

Manufactured Capital





Delivering at Scale with Speed and Efficiency

AU Small Finance Bank's manufactured capital represents the physical and digital infrastructure that powers our ability to deliver value to customers. Comprising our branch network, ATMs, digital platforms and distribution channels. This ecosystem forms the backbone of our operations—enabling scale, expanding reach and driving sustainable, customer-centric growth.

Our expanding physical network—comprising branches, asset centres, MFI centres, ATMs and BC channels—is seamlessly integrated with robust digital and IT infrastructure to provide a comprehensive range of financial solutions. This phygital model enables us to serve customers with greater reach, responsiveness and reliability. By combining scale with efficiency, we continue to advance our vision of building a Forever Bank.

Geographic Presence

Building on this robust foundation, AU Small Finance Bank has significantly expanded its physical footprint over the past five years. From a presence in just 12 States in FY 2020, we have grown to cover 21 States and 4 Union Territories by FY 2025, spanning 465 districts across India. Our customer touchpoints increased from 647 to 2,456 and total ATM's count stood at 677, as we strategically deepened our presence to bring formal banking closer to underserved regions. This expansion represents more than just numbers—it reflects our commitment to delivering inclusive, meaningful banking to the remotest parts of Bharat.



Integration of Fincare SFB

With the successful merger of Fincare Small Finance Bank into AU Small Finance Bank, the Bank's liability engine received a significant boost. The addition of 112 Samriddhi branches expanded the Bank's distribution footprint, particularly in underpenetrated markets. This integration was marked not just by operational consolidation, but by the seamless alignment of culture and values. These newly integrated branches have begun offering full suite of liability products, further strengthening the Bank's customer reach and deposit mobilisation capabilities.

Partnering with Global Banks for Enhanced Reach

To facilitate seamless international transactions, AU Small Finance Bank has established partnerships with leading global banks across key currencies:

Currency	Bank Name
USD	Citibank
USD	Standard Chartered Bank
GBP	Citibank
EURO	SOCIETE GENERALE
AED	MASHREQ BANK
CAD	BANK OF MONTREAL
JPY	STATE BANK OF INDIA, Tokyo



Expanding Product Distribution within Existing Branches

The Bank sees significant headroom to expand its product suite within its existing network of 1,683 unique touchpoints (excluding BOs, BCs and unbanked branches) as of March 2025. With plans to deepen product penetration across segments—Wheels, MBL, Home Loans, Gold Loans and Agri SMF—the Bank aims to optimise presence by selling more products from the existing distribution network and limit opening newer branches.

Product Penetration across Touchpoints

As on	Total unique touchpoints (excl. BO/BC/Unbanked Branches)	Deposits		Retail Assets				Commercial Banking	Inclusive Banking	
		Urban Banking	Swadesh Banking	Wheels	MBL	HL	Gold		Agri SMF	MFI
March 2024 (pre-merged)	727	315	176	546	532	287	353	483	79	-
March 2025	1,683	439	177	715	924	608	853	533	99	816
Expansion plan within existing touchpoints by FY 2026			70-80	200-250	200-250	40-50	10-20	30-40	-	-
New Branches (FY 2026)		60-70	10-15	10-20			10-20			100-120

Large opportunity to grow by expanding product presence within existing touchpoints

- Wheels expanded in ~170 touchpoints last year and plans to expand to 200-250 existing touchpoints over next 1 year
- MBL adding 200-250 existing touchpoints
- Swadesh banking will look to convert existing 70-80 asset centres in district/tehsil headquarters into deposit branches



AU SFB branch, Mulund (Mumbai)

Inclusive Banking: Reaching the Unbanked

We are committed to empowering unbanked and underbanked individuals across rural India, including small and marginal farmers, dairy farmers, micro animal husbandry enterprises, MSMEs and informal sector workers. Through our comprehensive suite of tailored financial solutions—ranging from microfinance loans, deposit and savings accounts to insurance, DBT linkages, AEPS services and ATMs—we bridge the systemic gap between underserved communities and formal banking.

Microfinance

Our microfinance approach is rooted in simplicity, accessibility and trust. By designing products that are easy to understand and adopt, even for individuals with limited financial literacy, we enable participation in the formal financial ecosystem.

Key Highlights as of 31st March 2025

AU SFB's microfinance franchise has established a robust presence across:

- 18 States, 349 Districts and 59,000+ Villages
- Serving 25.7 Lakh customers through 9+ Lakh Joint-Liability Groups
- Managing 43+ Lakh rural savings accounts

Our joint-liability, group-based lending model facilitates accessible and collateral-free credit for women-led rural households. Loan disbursements and monthly collections are supported by doorstep services and financial literacy camps—ensuring engagement, education and empowerment at the grassroots level.

UPI QR Codes

Bank has been installing QR-codes in combination with physical sound boxes at merchant locations to augment digital payment infrastructure in the country. The UPI led QR codes help promote digital payment in semi-urban and rural landscape.

UPI QR: Driving Merchant Acceptance at Scale

Merchant Base: 2.5+ Lakh active UPI QR merchants

Interoperable QR Codes: Accepted across all UPI-enabled apps, promoting universal access

Merchant Solutions:

- Sound Box: Instant voice alerts for every transaction
- Real-Time Settlement (RTS): Instant fund settlement to ensure liquidity



Robust on-ground network of 616 pan-India liability branches



Empowering Customers with Robust Digital Platforms

Our digital ecosystem—including Video Banking, Chatbot, WhatsApp Banking and the AU 0101 app—empowers customers to bank anytime, anywhere, without the need to visit a branch. These always-on solutions ensure secure, seamless access to services such as account opening, query resolution and financial transactions, all through a few taps or a simple conversation. With 24x7 availability and easy-to-use interfaces, our digital channels are helping us create a more connected, efficient and inclusive banking experience.

Expanding Digital Reach and Engagement

- 33+ Lakh customers are actively using the Bank's digital platforms.

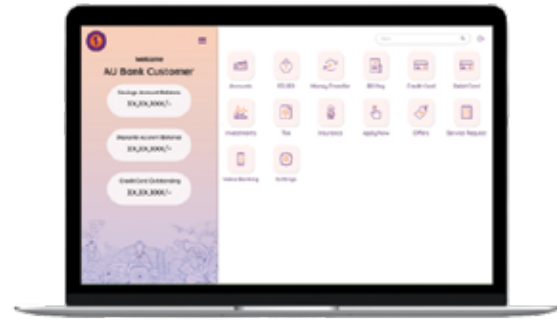


Video Banking for superior customer-service

Video Banking: Personalised Service at Your Fingertips

AU SFB's Video Banking service allows customers to interact with relationship managers in real time, right from the comfort of their homes.

- 1.3 Lakh full KYC savings accounts opened via Video Banking.
- 80% of new customers acquired through this channel are from urban areas and 58% are salaried professionals, reflecting our focused targeting strategy.



AU 0101: Powering Digital Transactions

Our flagship app, AU 0101, continues to drive significant transactional volumes and digital adoption.

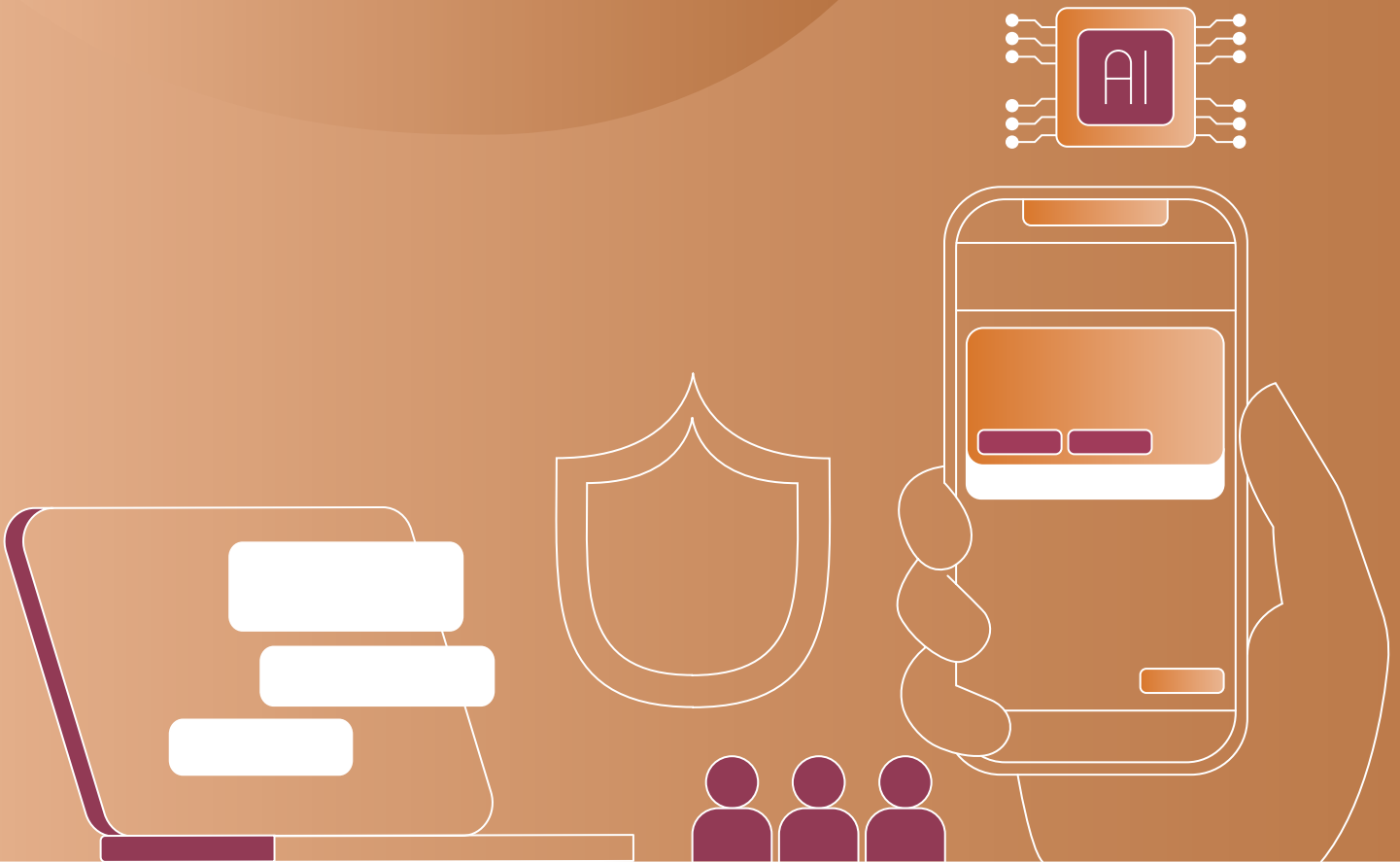
- Facilitated 3.1 Crore financial transactions and 99 Lakh non-financial transactions.
- AU 0101 Business App was launched to cater to our current account customers and their business needs.
- Completed 69.4 Lakh UPI transactions in FY 2025 alone.



Chatbot and WhatsApp Banking: Smarter Conversations, Faster Service

To bring banking closer to the customer, AU SFB has enhanced its Chatbot and WhatsApp platforms with over 30+ services available across both channels.

Intellectual Capital





Transforming Banking, One Innovation at a Time

At AU Small Finance Bank, technology is more than an enabler—it is a key differentiator. In FY 2024-25, the Bank enhanced its digital and data foundations to deliver banking experiences that are secure, seamless and scalable. From developing intelligent IT architecture and modernising lending platforms to leveraging AI, cloud computing and advanced cybersecurity, every initiative was guided by a singular purpose: to build a resilient, agile and customer-centric banking ecosystem rooted in trust and innovation.



Intelligent IT Architecture for Next Gen Banking

As banking evolves into a digital-first experience, the IT architecture of financial institutions must evolve from mere infrastructure into a strategic enabler of innovation, speed and scale. At AU Small Finance Bank, the Bank's IT framework isn't just a backbone—it's a catalyst for future-ready banking. It empowers agility, unlocks personalised experiences and lays the foundation for inclusive, intelligent and secure financial services.



Building a Digital First Foundation to Empower Customer

AU 0101 Business App:

It is a flagship platform for self-employed customers that has become a cornerstone of convenience, seamlessly integrating business and personal banking. It empowers users to manage transactions, generate QR-based collections and access pre-approved loans—all with just a few clicks.

Connected Banking Solutions:

Designed for aggregators and enterprise partners, this API-led platform streamlines operational workflows, enabling faster reconciliations, automated settlements and seamless integration across systems.

Enhanced Retail Banking Experience:

Tailored for individual customers, the upgraded UPI and bill payment modules—powered by Clevertap's real-time engagement engine—deliver intelligent nudges and contextual offers, making everyday banking more intuitive, personalised and rewarding.

Reimagining Commercial Banking Through Digital Innovation

AU 0101 Business App:

Launched to meet the dynamic business requirements of MSME segment.

Supply Chain Finance (SCF):

Streamlining trade processes and facilitating faster, more secure transactions. SCF is aimed to equip businesses with easy, fast and hassle-free financing solutions.

Digital Trade Platform:

We have launched AU DigiTrade, a digital trade portal, to streamline solutions and ensure secure trade transactions, empowering businesses with seamless digital banking solutions.

AU Remit:

Enhancing financial efficiency and global connectivity by enabling international fund transfers for individuals customers, with 24x7 support.



Empowering Interbank Ecosystems with Digital Capabilities

Kondor Treasury Application: It is a cutting-edge platform designed to streamline interbank trading operations. It automates complex tasks, enhances transactional accuracy and improves risk management through advanced analytics and real-time data integration. By enabling efficient liquidity management and informed decision-making, the system helps modern treasury functions to operate with greater speed, precision and control in an increasingly dynamic financial landscape.

SWIFT-based Interbank Transactions: A secure and standardised platform enabling seamless interbank transactions in USD. By leveraging SWIFT's global messaging system, it facilitates efficient cross-border payments, enhances transaction security and strengthens financial connectivity—supporting international trade with reliability and speed.

Strengthening Core Capabilities via Oracle Banking Payments Module (OBPM)

Functionality of OBPM: A unified payments hub enabling real-time processing across IMPS, NEFT, RTGS and SWIFT. Built on a robust architecture, it integrates seamlessly with the core banking system to eliminate accounting mismatches and enhance transaction reliability.

Operational Visibility and Compliance of OBPM: Equipped with an ELK-based monitoring dashboard and aligned with NEFT ISO standards, the platform delivers precision, scalability and regulatory compliance—ensuring consistent, secure and high-throughput payment operations.

Modernising Sales Management to Transform Lending and Customer Engagement

In today's competitive banking environment, the ability to integrate platforms and streamline workflows is key to delivering smarter, faster and more customer-centric services. AU Small Finance Bank has taken decisive steps to modernise its sales management infrastructure - embedding innovation across lending journeys, agricultural financing and customer engagement channels. These integrated solutions not only improve operational efficiency but

also empower our teams to better serve the evolving needs of customers.

Seamless Lending Experiences Powered by Salesforce and FICO

- Building on last year's digital advancements, the Bank extended the Salesforce Loan Origination System (LOS) and FICO decision engine to the Personal Loan portfolio. This end-to-end digital stack has redefined the lending journey—transforming it into seamless Omnichannel experience from application to disbursement. Automated decisioning has significantly reduced turnaround times, while real-time data insights drive more informed and accurate lending decisions.
- The Bank's Wheels Division also benefited from this technological edge with the FICO engine enabling customised loan offerings and faster processing. These integrations reflect the Bank's focus on enhancing the customer experience while maintaining robust risk controls and operational efficiency.



Salesforce and FICO enabling faster Vehicle Loans for a better customer experience

Championing Financial Inclusivity with Agri Loan LOS

Reinforcing the Bank's commitment to rural empowerment, the Agri Loan LOS was launched as a dedicated digital platform specifically designed for agricultural borrowers. This solution streamlines the loan application and processing journey, offering farmers timely and customised financial support. By expediting rural credit delivery, the Agri Loan LOS plays a crucial role in advancing financial inclusion and fostering sustainable rural development.



Expediting rural credit delivery by initiating Agri Loan LOS

Redefining Communication with Cisco IVR Upgrade and Launch of CCM

- Upgradation of Cisco IVR: To ensure uninterrupted, scalable customer service, the Bank upgraded its Cisco IVR platform to version 12.6. This modernisation mitigates the risk of system obsolescence while enabling seamless intra- and inter-city operations. Coupled with Calabrio v11.5 for enhanced call recording reliability, the upgrade ensures consistent, high-quality customer interactions with improved system availability and support.
- Customer Communication Management (CCM) System: The Bank launched Customer Communication Management (CCM) system—a centralised platform designed to deliver personalised, timely and omnichannel customer messages. From transactional notifications to targeted engagement campaigns, CCM empowers to create meaningful interactions, strengthen customer relationships and reinforce the Bank's commitment to a customer-first approach.

Embracing Emerging Technologies for Operational Excellence

AU Small Finance Bank continues to lead with its commitment to leveraging emerging technologies to drive efficiency, innovation and operational excellence. By integrating AI, automation and advanced data analytics, the Bank is transforming its operations and customer experiences, setting a new standard for the industry.

Driving Operational Excellence through Automation

Focused on boosting efficiency and productivity, AU Small Finance Bank has expanded its Robotic Process Automation (RPA) framework, automating over 100 processes to reduce manual intervention. This strategic move enhances productivity while ensuring smoother, faster service delivery. The bank's commitment to operational excellence is further bolstered by its cloud modernisation and strengthened security measures, ensuring seamless and secure financial services.

Empowering Data-Driven Innovation with AI and Analytics

AU Small Finance Bank has significantly enhanced its data platform, fuelling operational efficiency and

enabling data-driven strategies that improve customer experiences. By automating key processes such as fraud detection, Law Enforcement Agency (LEA) notices and account tracing, the Bank has minimised manual input while maximising accuracy and speed. The expansion of the Data Lake has enabled real-time insights into customer transactions, market trends and risk management, all while enhancing the Bank's ability to deliver personalised financial solutions. Moreover, the introduction of AI-driven tools, including natural language query systems, allows employees to interact with data more intuitively, driving smarter decisions and better outcomes.

Generative AI - Revolutionising Banking with Intelligent Automation

AU Small Finance Bank is pioneering the use of Generative AI to optimise internal processes and enhance customer service. AI-powered solutions such as the Email Auto-Reply Bot, Document Intelligence and Internal Chatbots have streamlined workflows and bolstered customer support, reduced manual workloads and improved response times. These innovations not only enhance operational efficiency but also deliver a more personalised and agile banking experience for both customers and employees.



Building a Secure and Scalable Digital Future

AU Small Finance Bank continues to strengthen its digital backbone through a future-ready approach that combines cloud modernisation, cybersecurity and intelligent automation. With an unwavering focus on resilience, trust and customer experience, the Bank is proactively fortifying its technology landscape to meet the evolving demands of next-gen banking.

Cloud Modernisation for Agility and Security

To deliver a seamless and secure banking experience, AU Small Finance Bank has adopted a multi-cloud strategy that enhances scalability, uptime and performance. Key focus areas include:

- Cloud-Enabled Applications: Deploying key banking applications on a scalable, resilient cloud infrastructure to enhance operational efficiency.
- Seamless Cloud Migration: Transitioning existing applications to a secure, high-availability cloud environment across multiple cloud providers while minimising downtime.
- Customer-Centric Innovation: Modernising digital interfaces to improve performance, accessibility and user experience.

AU Small Finance Bank is leveraging Generative AI and Cloud-Driven Intelligence to enhance automation, customer insights and fraud detection. Our AI-powered automation streamlines operations, while cloud-based analytics enable predictive decision-making, ensuring agility in financial services.

Fortifying Cloud Security and API Ecosystem

Security remains at the core of our cloud transformation. This year, the Bank has reinforced its cybersecurity posture through:

- End-to-End Cloud Security: Implementing advanced security frameworks to safeguard workloads across multi-cloud environments, including automated risk assessments and threat detection.
- Application-Level Protection: Strengthening digital banking applications with in-app security layers that prevent unauthorised access, data breaches and tampering.
- Dark Web & Threat Intelligence Monitoring: Proactively monitoring for potential threats,

compromised credentials and emerging risks to pre-emptively mitigate cyber threats.

- Data-Centric Security Measures: Enhancing real-time monitoring of database activity, ensuring compliance and protection against unauthorised data access.
- API Governance & Security: Strengthening API banking capabilities with an intelligent API management platform to enable seamless, secure integrations with partners and fintech ecosystems.

Fortifying Trust through Cybersecurity Excellence

With trust as the foundation of digital banking, AU Small Finance Bank is reinforcing its commitment to cybersecurity with industry-leading benchmarks. This year, we achieved two significant milestones in cybersecurity journey:

- PCI DSS Compliance: This certification underscores our commitment to securing payment data, aligning with global standards to protect sensitive customer information.
- ISO 27001:2022 Certification: Upgrading from ISO 27001:2013 to ISO 27001:2022, we have strengthened our information security framework to align with the latest international standards.

The Bank's proactive approach, including regular comprehensive reviews by esteemed external agencies, ensures that the cybersecurity defences remain robust and vigilance unwavering. These advancements reaffirm the Bank's dedication to fostering trust and maintaining a secure environment for all our stakeholders.

Prepared for the Next Leap

The IT transformation at AU Small Finance Bank represents a dynamic shift, driven by a vision to empower lives and deliver impactful banking experiences. The Bank's progress in automation, AI, digital solutions and cybersecurity has established a robust foundation for the future.

With IT at the heart of the operations, AU Small Finance Bank is poised to embrace the next wave of transformation, confidently navigating the digital era. Every innovation reinforces the Bank's dedication to providing cutting-edge services, fostering inclusiveness and ensuring it remains a trusted partner in its stakeholders' journey toward growth and success.

Building Brand Equity with Customer Engagement

In FY 2024–25, AU Small Finance Bank's marketing evolved in lockstep with the Bank's broader business transformation—anchored in one fundamental belief: that marketing must empower business, not overshadow it. The function matured from being a storyteller to a strategic amplifier—supporting customer engagement, local visibility and knowledge-led trust-building.

With a calibrated and context-sensitive approach, marketing this year became more local in its expression, more purposeful in its initiatives and more integrated in its impact.

Brand Presence Where It Matters Most

Marketing's primary focus remained on showing up meaningfully where customers live, work and transact—transforming brand visibility into a bridge of trust. Instead of high-decibel campaigns, the emphasis was on real, relatable brand experiences.

The Bank expanded its footprint across India's cities and towns with branding that served a purpose: co-branded water stations, police booths at mass gatherings like the Kumbh Mela and infrastructural elements such as water coolers and barricades at schools and public offices—all offered safety, utility and a subtle reminder of AU SFB's presence.

Activations were no longer transactional. From the Kala Ghoda Arts Festival in Mumbai to the FADA

Conclave in Delhi, AU SFB's marketing chose to participate where customers naturally congregated—ensuring alignment with their values and aspirations.

Knowledge is the New Engagement

FY 2024–25 saw marketing taking a clear turn toward positioning the Bank as a knowledge partner. Whether for customers, ecosystem stakeholders, or industry peers, the Bank actively created and participated in conversations that mattered.

- AU Select Scoop, a curated knowledge series for HNI and affluent clients, became a fixture in many portfolios—featuring market insights from voices like Nilesh Shah and Manish Gunwani.
- The Bank's presence at ICAI's World Forum of Accountants and the Global Economic Finance Summit deepened AU SFB's perception as a credible voice in financial services, not just a service provider.
- On-ground events with small business owners, regional trade associations and family-run firms ensured that financial literacy and business empowerment remained central to AU SFB's brand presence.

This shift—from awareness-led to insight-led engagement—firmly positioned AU as a Bank that doesn't just talk at customers, but talks with them.



AU SFB-sponsored Nanhe Kalakaar Festival showcased youth, culture and creativity



Product Storytelling Rooted in Real Customer Needs

Each product launched this year was supported by storytelling that resonated deeply with its intended audience. Marketing shifted its lens from promotions to real-life narratives—helping customers see the product as a solution, not a sell.

- AU Eternity, the premium banking proposition, was marketed not as a status symbol but as a gateway to seamless experiences for the new-age Indian achiever.
- AU Remit reached out to NRIs not with transactional language, but with themes of trust, ease and emotional connection—offering reassurance for cross-border banking.
- The FCNR(B) scheme was introduced through informative and credible content highlighting tax efficiency, long-term value and the emotional returns of investing back in India.

Each campaign was rooted in customer insight, not just communication mechanics—allowing the product to become part of a larger life journey.

Customer-Led Advocacy at Scale

Marketing investments this year were not just in media, but in enabling advocacy. Initiatives like the **AU Refer-A-Friend program** transformed satisfied customers into brand ambassadors—creating a virtuous cycle of organic growth, trust and retention.

Content marketing efforts, particularly for the wealth and business banking segments, focused on enabling informed decisions. Short-form explainer videos, crisp newsletters and regionalised content ensured relevance across geographies and income segments.

The emphasis was clear: trust is not built through campaigns. It is built through knowledge-sharing and shared avenues of growth.



Building Cultural Connect through AU Jypore Trilogy

This year also marked the debut of **AU Jypore Trilogy**—an integrated engagement platform celebrating Jaipur's cultural richness and community ethos. While this was the inaugural year for the Trilogy, its design reflected the Bank's long-standing belief in community-first engagement:



Under the AU Jypore Trilogy, HNI customers are hosted by H.H. Maharaja Padmanabh Singh Ji at Jaipur City Palace

- At the Jaipur Literature Festival, the Bank's presence was quiet yet immersive—via lounges, curated sessions and branding that allowed space for ideas to take centre stage.
- The Jaipur Polo Season offered bespoke experiences for elite clients, connecting the Bank with timeless elegance.
- The AU Jypore Marathon was perhaps the most inclusive event—drawing over 1 lakh citizens into a celebration of health, vitality and community pride.

More than marketing, this was brand expression at its most authentic—where the Bank wasn't the hero, but the enabler.

Looking Forward: Closer to People, Stronger in Purpose

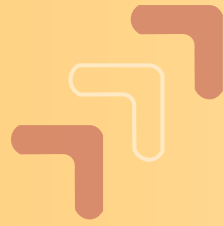
In the coming year, marketing will continue its journey of being quietly impactful and deeply human. Strategic direction will focus on:

- Customer-led narratives that reflect lived experiences, not curated personas.
- Local brand presence that drives visibility while adding tangible value.
- Knowledge partnerships that positions the Bank as a thought enabler, not just a financial service provider.
- Cultural and grassroots engagement that strengthens AU SFB's social fabric, not just its brand recall.

AU SFB's marketing will continue to show up—not louder, but clearer. Not everywhere, but where it truly matters. Because, relevance is the new recall and trust is the only true metric.

Human Capital





At the heart of our success lies our greatest asset — our people

In a year marked by transformation and key milestones, our employees have been the driving force behind the Bank's progress and sustained value creation. Not only have we strengthened our operations, but we've also significantly expanded and diversified our talent base. Over the past financial year, our workforce has doubled, bringing together passionate professionals from across India — each playing a vital role in AU Small Finance Bank's continued growth and success.

Our investment in employees goes beyond professional development. We follow a holistic approach that prioritises the well-being of employees and their families. The Bank is committed to providing meaningful learning and growth opportunities that empower individuals to build fulfilling, long-term careers with us. These initiatives are continuously shaped by feedback received through annual engagement surveys and other communication channels, ensuring our employee benefits align with their evolving needs and preferences.

Our framework is built around four core dimensions that holistically support our employees' well-being



Physical Wellness



Mental and Emotional Wellness



Financial Wellness



Social Wellness



Physical Wellness

The Bank prioritises employee physical wellness and offers a variety of initiatives such as the AU Marathon, AU Khelotsav, Fitness Challenges (E.g., The Biggest Loser Challenge), Yoga Sessions, Zumba, Running and Cycling initiatives. AU Khelotsav comprises a series of cricket tournaments for employees across all geographical locations and has witnessed enthusiastic participation and widespread appreciation.

2,600
Employees
participated in
AU Khelotsav

To celebrate fitness and health, the Bank organised yoga workshops at various locations on International Yoga Day. At AU Small Finance Bank, we recognise that fitness is not a one-day activity but an everyday commitment. Employees are encouraged to get regular health check-ups, donate blood and use stairs where possible.

To make healthcare services accessible to all employees and their families, we have partnered with a comprehensive wellness app, available 24/7 in multiple languages. This app offers medical consultations and enables medicine delivery, making healthcare support accessible from anywhere.

— So far, **34,740 family** members have enrolled to access these benefits.

3
Women's teams
Participated in the
2024-25 tournaments



Celebrating fitness at the 16th AU Jaipur Marathon

The Bank's commitment to employee well-being extends beyond fitness. It has tie-ups with renowned hospitals to ensure comprehensive healthcare. Additional support includes sanitary products in offices, medical rooms and transportation facilities.

The Bank's P.C.S. (Prevention, Cure, Security) initiative further supports employees and their families during critical health challenges, especially terminal illnesses with significant investment and coverage for affected employees and their families.

Beneficiaries in FY 2024-25:

12 families
Supported under
P.C.S.

16 employees
Benefited under
P.C.S.



Mental and Emotional Wellness

AU Small Finance Bank values each employee's unique perspective and fosters a workplace that supports individuality, inclusivity and continuous growth. By prioritising emotional and mental well-being, the Bank promotes open conversations, breaks stigma around mental health and builds a psychologically safe and respectful culture through regular engagement and feedback.

To support both physical and mental well-being, the Bank has implemented a **sabbatical leave** policy, allowing employees to take time off for wellness programmes, upskilling through courses or certifications, or managing personal emergencies. This provision also supports returning mothers who may require additional time for family or health-related needs.

The Bank offers a predictable and thoughtful work environment by providing pre-approved leaves for **birthdays and wedding anniversaries**, accompanied by personalised greetings. **Paternity leave** has been enhanced to seven days in line with the Bank's commitment to promoting gender equality and supporting male employees during important family moments.

Acknowledging unique physiological needs, the Bank has also introduced **menstruation leave**—an additional pre-approved monthly leave—as part of its commitment to women's health and empowerment. Flexible working hours are also available in selected departments to further enhance comfort and work-life balance.

The Bank takes pride in celebrating its people through workplace events, recognition of work anniversaries, birth celebrations and other significant milestones—cultivating a culture of appreciation and connection. In line with this spirit, high-potential employees who part ways with the Bank are awarded the **AU Forever Pass** — a token of gratitude and a symbol of lifelong belonging, allowing them the opportunity to rejoin us anytime.

At AU Small Finance Bank, the goal is not just to build a workforce, but to foster a thriving community where every individual feels seen, valued and empowered to succeed.



Financial Wellness

At AU Small Finance Bank, we believe financial wellness is key to empowering employees. It involves cultivating healthy financial habits, planning for short- and long-term expenses and building savings for future goals or emergencies. The Bank is committed to helping employees achieve economic stability so they can confidently pursue their dreams and aspirations.

To ensure fair compensation, the Bank benchmarks its pay structure annually as part of the Performance Appraisal Cycle, aligning with industry standards and maintaining internal equity.

To support employees with financial flexibility, the Bank offers loans to meet a variety of needs—be it personal, home, or vehicle loans. Additionally, through the Education Assistance Program, employees can pursue further learning and development, with fees reimbursed by the Bank.

The Bank also provides a comprehensive suite of financial well-being benefits to support employees and their families during emergencies. These include medical coverage, personal accident insurance and life insurance. In times of medical exigencies, employees may also access the Bank's designated leave bank, which ensures they receive the time and support necessary for recovery.

— 916 leaves were availed by employees under this provision in FY 2024-25.

6

Employees benefited from the Education Assistance Program in FY 2024-25

2,149

Employees availed loans for vehicles, homes, or personal needs.



Social Wellness

The Bank is committed to fostering an environment of equality where individuals feel free to express themselves, feel acknowledged and experience a strong sense of belonging. With diversity and inclusion at the core, the Bank designs engagement programmes that promote transparent communication across all levels and strengthen interpersonal relationships through shared celebrations and activities.

Wellness, sustainability, celebration and awareness serve as key pillars guiding these initiatives. Programmes under this framework include festival and birthday celebrations, town halls and skip-level interactions such as **'Coffee with HOD'** and **'Decaf'**. The Bank also runs a buddy mentor program, interactive sessions like **'Reflection and Anticipation'** with the MD & CEO and recognises excellence through **SPOT Awards**, Value Awards and team off-sites that applaud exceptional performance.

6,100+

Town halls
conducted annually

1,800

Rewards and
recognitions
distributed

6,088

Milestone rewards

Building a Larger Talent Pool

During the year, the Bank onboarded 33,936 new employees, strengthening teams across functions and locations.

Local Talent

The Bank offers equal opportunities to all employees, irrespective of gender, caste, creed, religion, or social background. As a culturally diverse organisation, the Bank recruits employees from different backgrounds to ensure an appropriate mix of talent and a continuous flow of new ideas and initiatives.

91%

Employees were placed
in their hometowns.

Deepening Diversity

At AU Small Finance Bank, the Board Committee plays a pivotal role in strengthening the Bank's commitment to Diversity and Inclusion, with a focus on three key dimensions – gender diversity, inclusion of people with disabilities and broader educational diversity.

The Bank maintains an overall diversity rate of 9% with significantly higher representation in key functions such as Branch Banking (20%) and Digital Banking 27%. The Bank is focused on fostering an inclusive environment for women employees through initiatives such as a structured return-to-work program for new mothers, provision for sabbatical leave post-maternity and a fair performance management system (PMS) evaluation.

As a young and dynamic organisation, the Bank currently comprises:

- 21,940 Gen Z
- 27,303 Millennials
- 10,304 professionally qualified employees as on FY 2024-25
- 25,364 graduate employees as on FY 2024-25
- 5,702 postgraduate employees as on FY 2024-25

To attract and nurture young talent, the Bank has introduced well-structured onboarding and engagement programmes designed to support early career professionals in their growth journey.



Christmas celebration across offices and branches



AURIFY: Hiring talent from Tier-1/2 colleges and giving them holistic exposure through on-the-job training and interactions with the leadership team. The Bank hired from Institutes such as IIM Kozhikode, IIFT, MICA, IIT Bombay, NIT Jaipur to name a few.



AURIC: Giving internship opportunities to students across India.

100+
Interns hired



AU Shine: AU Shine, our flagship fintech internship, equips interns with hands-on experience, expert mentorship and practical skills for the fintech industry.

29
Students trained

Key Initiatives That Encourage the Participation of More Women in the Workforce:

- Apart from a 26-weeks paid maternity leave, the Bank offers sabbatical leave for women employees' post-maternity.
- The Bank discourages women employees from staying late in the office to ensure their safety while traveling back home in the evening.
- A strong grievance mechanism is in place to give women employees the confidence

to voice concerns against any kind of workplace harassment.

Key initiatives that encourage the participation of our Specially Abled workforce:

- The Bank developed improved infrastructure to ensure accessibility in the workplace, including ramps, voice-over in lifts and headsets.
- The Bank has a dedicated HR team that connects with these employees monthly to check on their well-being.

New-Age Learning and Development

AU Small Finance Bank values each employee and recognises that learning and development needs are unique to every individual. All initiatives are designed to be inclusive and adaptable, aligning with the evolving aspirations and roles of employees.

To help employees reach their full potential, the Bank encourages the creation and review of individual development plans annually. A broad spectrum of internal learning opportunities is offered, along with support for external study relevant to specific roles. These learning and development programmes play a pivotal role in advancing organisational goals, ensuring business continuity and building a strong and diverse leadership pipeline for future succession.

In partnership with Korn Ferry, the Bank has launched a structured succession planning program aimed at making the organisation "Future Ready." This initiative focuses on identifying top talent and building leadership teams by mapping successors internally and aligning their growth with clearly defined career paths.

During the year, a comprehensive series of training programmes were conducted, spanning leadership development, skill enhancement and role-based capability building.

20,85,681
Training hours

AU Small Finance Bank recognises that employees perform their best when they are healthy, motivated and engaged. To regularly assess the organisational pulse and gather meaningful feedback, the Bank conducts an annual survey—AU Vibes—through an AI-enabled chatbot. This initiative helps evaluate employee engagement and workplace sentiment in real time. The Bank's consistent focus on employee well-being and its people-centric approach have earned widespread recognition and accolades across industry platforms. We were featured in the GPTW Top 50 Companies in India and among the Top 25 in BFSI with a Trust Index score of 86.

Social and Relationship Capital





Financial Inclusion & Empowering Communities

For AU Small Finance Bank, Social & Relationship Capital forms the bedrock of its journey as a purpose-driven institution. As a Bank that originated from the grassroots of Bharat, we understand that true growth happens when communities grow with us. Our journey has been shaped by close engagement with individuals, entrepreneurs and families across rural and semi-urban India. By consistently providing access to formal financial services in underserved areas, we have built meaningful relationships and created opportunities for progress.



Leveraging Social Capital for Financial Inclusion

Aligned with our broader commitment to inclusive growth, AU Small Finance Bank is harnessing social capital—the trust and relationships built within communities—to deepen financial inclusion. By combining innovative banking solutions with strong local engagement, we are expanding access to formal financial systems for underserved populations, particularly by leveraging government-backed schemes.

Key Initiatives Driving Inclusion

Deepening Inclusion through Targeted Products and Social Security Initiatives

AU Small Finance Bank focuses on expanding access to formal financial services for underserved segments, especially in rural and semi-urban areas. Our lending products, including Wheels (vehicle loans), Gharonda (home loans), Business Loans Secured (BLS) and Kisan Suvidha (agri loans), are designed to meet the specific needs of customers in Bharat. Many of these customers are new to formal credit, helping them enter the organised financial system.

In addition to credit, we offer Basic Savings Bank Deposit Accounts (BSBDA) - simple savings accounts that provide low-income individuals with access to formal banking. Our customers Received Direct Benefit Transfer of ₹65+ Crore in Aadhaar seeded BSBD accounts till 31st Mar'25.

We also facilitate enrolment in key social security schemes to provide basic financial protection:

- PMJJBY (Life Insurance): Over 1,19,800 customers enrolled.
- PMSBY (Accidental Insurance): Over 1,54,400 customers enrolled.
- APY (Retirement Savings for Unorganised Sector Workers): Over 1,33,900 customers enrolled.

Lending to the Underserved Women Through Microfinance.

AU Small Finance Bank has increased its focus on Microfinance (MFI) and Small & Marginal Farmers (SMF) lending to provide credit to low-income households, particularly lending to the underserved women through microfinancing.

These loans enable customers to build stable sources of income and strengthen their financial position. This segment forms a crucial part of our financial inclusion strategy, supported by government schemes such as PM SVANidhi and PM Vishwakarma.

We also support small entrepreneurs through government-backed schemes:

- Shakti Accounts: Over **54+ Lakh** accounts opened.
- Microfinance Loans: Over **35+ Lakh** accounts sourced, including loans under PM SVANidhi and PM Vishwakarma schemes.

Digital Inclusion Initiatives

Through platforms like AU 0101 App and Video Banking, we are reducing dependence on physical branches and making banking accessible, even in remote locations. Over 60% of active customers engage through these digital channels.

Financial Literacy and Customer Awareness

AU Small Finance Bank regularly conducts financial literacy camps and customer outreach programmes to help customers, especially those new to formal finance, understand responsible borrowing, savings and digital banking.

- Community Programmes: We work with NGOs to increase awareness about banking, credit and investment basics.
- Digital Awareness: We promote mobile banking literacy to help customers access and use digital financial services confidently.

AU Foundation Initiatives: Through AU Foundation, we extend our social impact with programmes that promote education, skilling, women's empowerment and entrepreneurship, complementing our financial inclusion efforts with broader community development.



Empowering Communities

We believe that our responsibility extends beyond providing financial services. As an institution deeply rooted in the philosophy of Bharat, we are committed to creating positive and measurable social impact in the communities where we operate. Our consistent CSR efforts, led by AU Foundation, focus on building long-term, sustainable value in areas critical to community well-being and holistic development.

Key Focus Areas of AU SFB's CSR Initiatives



Job Oriented Skills Development

AU SFB invests in structured skill development through its program AU Ignite (formerly known as AU Skills Academy).

Established in Jaipur in 2018 and integrated into our Centre of Excellence in 2021, AU Ignite empowers disadvantaged youth across Rajasthan with industry-relevant skills, enhancing their employability and providing job opportunities in sectors like BFSI, Healthcare, Hospitality, Tourism and IT & ITes.

Following a Hub & Spoke model aligned with NCVET guidelines, the central Hub offers advanced courses—including Full Stack Development, Salesforce and AI—for STEM graduates. The Spoke academies provide vocational training to school passouts, preparing them for meaningful careers.

Highlight:

Smart skills for enhanced learning

- **Introduced the Participants Handbook & Skill Gap Analyzer App** — innovative tools to enhance AU Ignite's training programmes, benefiting trainees with continuous learning and mentoring support.
- **Rolled out new uniforms** across all AU Ignite academies to promote a unified and professional appearance.

16
Academies

29,500+
Trained

12
Districts

22,000+
Placed

Data as on 31st March 2025



AU Ignite trainees practicing patient care through hands-on simulation training



Grassroots Sports Development

A comprehensive program since 2018 that promotes growth by fostering a vibrant sports culture among children and youth in rural and urban areas. Through structured training in athletics, football, volleyball, throwball, kabaddi, wushu and boxing—led by locally trained coaches—the programme has impacted 8,000+ youth so far.

With 2,500 athletes competing at district, state, national and international levels, AU Bano Champion is unlocking potential, building confidence and creating pathways from grassroots talent to sporting excellence.

- **Impact so far:** 8,000+ athletes | 60+ locations
22+ districts.
- **Coach development** supported through advanced training at leading institutions like NIS (Patiala), Reliance Foundation (Bhubaneswar) and IIS (Bellary).
- **Hosted village level sports tournaments** with 18,000+ athletes across 7 sports, progressing through district (5,200+ athletes) to state finals (1,400+ athletes).
- **To bridge dialogue and raise awareness** of our programme, we started advocacy in sports through parents-coach meeting.



Athletes getting trained at the Wushu exposure camp, Rashtriya Raksha University, Ahmedabad

Highlight:

Athletic Excellence Programme

- **120 athletes** attended specialised camps for professional training in football, wushu, boxing, volleyball and kabaddi at renowned institutions.

Positions secured at SGFI, Open School, Khelo India and other tournaments.

480+
State & National
level

1,090+
District
level



3rd Bano Champion State Level Tournament, Jodhpur



Women Empowerment Initiative

Started in 2018, AU Udyogini is currently operating across 33 districts including 3 aspirational districts of Rajasthan and Madhya Pradesh. The initiative drives sustainable development by enabling women to build livelihoods, boost family incomes and foster overall community growth.

AU Udyogini works through two complementary models:

- **Collective Enterprise Model:** Includes Khejri Mahila Producer Company, producing spices and oil under the Maa Annapurna Masala brand and Nirjhari Artisans Producer Company, crafting paper products, handicrafts, home furnishings and more.
- **Individual Women Entrepreneurship Model:** Supports rural women in launching microenterprises across 55 types of businesses under sectors like trading, manufacturing and services and providing them with Udyam aadhar certificate etc.

Highlight:

Expansion & Excellence

- Moving beyond Rajasthan, AU Udyogini programme was launched in Madhya Pradesh with an aim to nurture 1,200 women entrepreneurs by March 2026.
- AU Udyogini Sanju Yogi was honoured under the Breaking Gender Stereotypes category at the REVOLUTIONARI Conference and Awards in New Delhi.
- AU Udyoginis participated in over 55 nationwide exhibitions, showcasing handcrafted products and building valuable market linkages.
- 40 Udyoginis felicitated with Lakhpati Didi award.

2,245

Individual Women Entrepreneurship

347

Group Livelihood Initiatives

4,000+

Women Nurtured

1,540+

Women engaged through Self help groups



AU Udyoginis packing spices at Maa Annapurna Masala Unit, Jobner

AU Kartavya

This initiative addresses diverse development needs of the society across healthcare, education, environment, water conservation and road safety among others.

Healthcare: Conducted **1,100+ health camps** across 12 states serving 70,749 beneficiaries. Supported Jaipur Foot, equipped Dayanand Medical College and set up a dialysis unit at Sangrur Government Hospital. Provided water through **176 water tankers** at various locations across Rajasthan. Extended support to a Jaipur NGO through a food distribution van that serves fresh handmade meals to locals everyday.

Education: Improved access to education, by building 9 classrooms in Jodhpur and Dudu. Provided education to **1,600+ students** through AU Study Centres. Distributed **7,200 sweaters** in **133 schools** across **5 states** along with **37,200 notebooks** and **4,000 school bags**

across Rajasthan, Madhya Pradesh, Gujarat and Maharashtra.

Crisis Relief: Supported 5,400+ families across seven states with dry ration kits during times of need.

Environment & Sustainability: Installed a solar plant in Banswara, Rajasthan and contributed waste management machines in Jaipur. Set up a sewage treatment plant in Jaipur. Plantation and beautification done in Nehru Garden Park of Fateh Sagar Lake, Udaipur.

Road Safety: In our commitment towards making our roads and streets safer, installed 11 police booths in Rajasthan and MP and road safety signages across Patna.



Grocery kit distribution at Shahjahanpur, Uttar Pradesh



Health checkup camp at Chitoor, Andhra Pradesh



Sewage Treatment Plant installed at Public Health Engineering Department, Jaipur



AU Study Centre at Tiruvannamalai, Tamil Nadu

Note: Data as on 31st March 2025



Special Spotlight



Empowering Our Frontline Teams

Driven by empathy and a deep sense of responsibility, we envisioned a transformative initiative to uplift the living conditions of our Microfinance Business team, through ‘**House of Growth**,’ a pioneering program dedicated to enhancing the quality of life for our on-ground employees through upgraded accommodations. Through the program, we upgraded **888 staff residences** across India, focusing on improved hygiene, cleanliness, and the provision of essential furniture.



Through House of Growth, we express our heartfelt gratitude to our employees, the true champions of financial inclusion who tirelessly serve in some of the most challenging environments. This initiative reflects AU SFB's enduring commitment to their well-being and sustainable business success, setting a new benchmark in the industry.



Glimpses *of* बदलाव



Celebrating WOMEN ENTREPRENEURS

Mother's Day celebration honoring over 80 AU Udyoginis in Jaipur.



Extending SUPPORT TO ANIMAL WELFARE

To improve animal welfare, a cow shelter and canine kitchen is set up at Help In Suffering NGO in Jaipur.



Harvesting TOMORROW'S WATER

Started water resource management project in Jaipur with an aim to harvest 3 crore litres of rainwater through revival of ponds, construction of farm ponds, rainwater harvesting systems etc.

Sustainable **TRANSFORMATION**

In our efforts towards a sustainable planet, an old bus was transformed into a permanent bus stop in Bhopal.



Committing **TO SAFE DRINKING WATER**

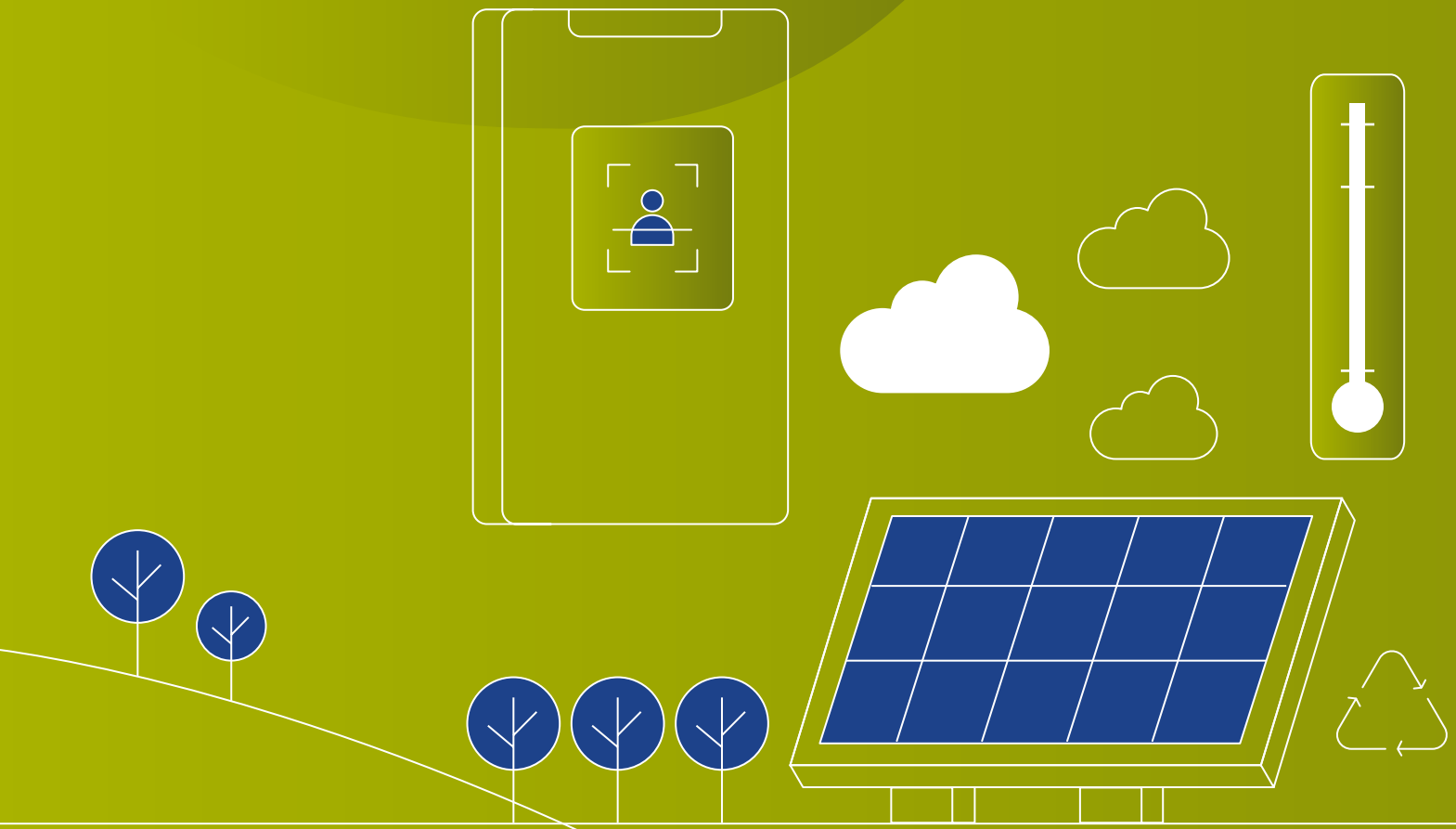
To enhance access to safe drinking water, we have installed 266 Jal Banks across **भारत** (FY 2021-2025)



Open **AIR FITNESS**

State-of-the-art open air gym at Central Park, Jaipur, marking the ninth such facility nationwide.

Natural Capital





Environmental Sustainability

The Sixth Assessment Report (AR6) by the IPCC highlights the urgent and unprecedented challenge of limiting global warming to below 1.5°C, even as global emissions continue to rise despite existing commitments. The Global Risks Report 2025 further reveals a fragmented global landscape marked by escalating environmental, societal, and technological disruptions. As a Small Finance Bank, our environmental footprint stems from the resources we consume—fuel, electricity, water, paper, plastics, and electronics—to operate efficiently, and from our efforts to give back to nature through responsible practices. We view environmental sustainability through the 3S lens: by promoting Sustainable Finance, we support climate-aligned lending and green investments; through Sustainable Operations, we reduce resource consumption and improve efficiency across our infrastructure; and by fostering Sustainable Communities, we engage with local stakeholders to build awareness, resilience, and environmental stewardship. This integrated approach enables us to create long-term value while contributing meaningfully to a low-carbon and sustainable future.

Key Initiatives creating lasting impact

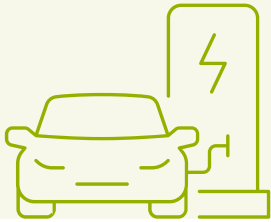
Green Financing

Promote eco-friendly loans:

Offer eco-friendly loans such as loans for renewable energy projects, electric vehicles (EVs), green energy-efficient appliances' with 'Green Building' and sustainable farming etc.

Support MSMEs in clean tech:

Finance small businesses that provide solutions in recycling, waste management, solar power, etc.



Paperless & Digital Banking

Digital onboarding & services:

Reduce paper use by promoting mobile banking, online transactions and digital KYC for customer onboarding.

E-statements: Replace physical bank statements and passbooks with digital versions.

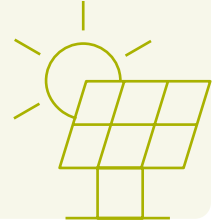


Sustainable Branch Operations

Energy-efficient infrastructure:

Use natural light wherever possible, replace conventional lighting with LED, solar power and energy-efficient appliances in bank branches and offices.

Waste reduction: Effective adoption of Reduce, Reuse, Recycle method and minimise single-use plastics in offices. We are increasingly utilising electronic equipments beyond their life.

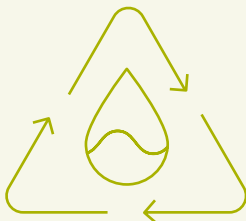


Financial Literacy on Sustainability

Awareness campaigns:

Educate customers about sustainable practices and investment options through financial literacy.

Rural outreach: Promote organic farming, water conservation and sustainable practices among rural clients. waste management, solar power, etc.



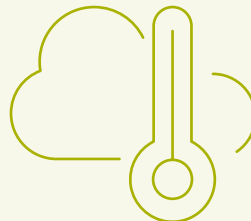
ESG (Environmental, Social, Governance) Integration

Sustainable investment criteria:

Include environmental impact when evaluating projects for funding.

Transparent reporting:

Publish sustainability reports with clear environmental impact metrics.



Partnerships for Impact

NGO collaboration: Work with NGOs for tree plantation, watershed management, clean-up drives.

Government schemes:

Support Central and State Government - led schemes for citizen welfare, including health, education, social security and economic development etc.



Planet First – AU Green Fixed Deposit

AU Small Finance Bank offers the 'Planet First - AU Green Fixed Deposit,' a sustainable investment option aimed at promoting environmental responsibility. This fixed deposit plan allows customers to contribute to eco-friendly initiatives while earning competitive returns. This is a transparent and voluntary initiative with flagship proceeds directed towards projects such as solar power, electric mobility, green buildings, sustainable farming, etc.

Key Features



ESG Ratings

 AA (Leader)	 17.1 (Low Risk)	 42 (High)	 2.9
 D (Climate Disclosure)	 79.5	 80%	 76.09

Awards and Accolades

During the year under review, AU Small Finance Bank was honoured with multiple prestigious accolades by leading industry forums, media houses and professional bodies. These recognitions reflect our commitment to innovation, people-first culture, ESG leadership and technological excellence.

Corporate Excellence

- Awarded Best Small Finance Bank at the Mint BFSI Summit & Awards.
- Received the ICC Emerging Asia Banking Award for excellence in ESG practices and adoption at the 2nd ICC Emerging Asia Banking Conclave & Awards 2024.
- Honoured with the Best ESG Practices award at the ASSOCHAM 19th Annual Summit & Awards 2024.
- Our collaborative project with Haryana Roadways, Aurion Pro Solutions and NPCI was recognized under the Best Equity and Inclusion Initiative category at the Transport Ticketing Global Awards 2025, London.
- Recognized by the Bombay Stock Exchange (BSE) as:
 - » Best SIP Performer in Bank Category 2024
 - » Best Performer in Bank Category 2024.
- Won the Best Emerging Co-brand Program award for the ixigo-AU Credit Card at the Visa Business Excellence Awards 2023-24.



AU SFB wins 'Best Small Finance Bank' at Mint BFSI Awards 2024 - a testament to innovation and trust



AU SFB wins ICC Award for ESG Excellence - driving sustainable Badlaav





CSR Excellence

- Received the ET Challenger 2 Good Award at the 3rd Economic Times '2 Good 4 Good' CSR Awards, evaluated by KPMG, for excellence in CSR for FY 2022-23.
- Bano Champion, our flagship CSR program, was recognised as the Best Community Initiative in Grassroots Sports Development by the Sport India Foundation.

Technology Excellence

- Honoured at the Indian Banks' Association (IBA) 20th Annual Banking Technology Awards 2024 in the following categories:
 - » Best Digital Sales, Payments & Engagement Winner
 - » Best Tech Talent & Organisation - Winner
 - » Best Technology Bank - Winner
 - » Best IT Risk Management - Runner-up
 - » Best Financial Inclusion - Special Mention
 - » Best AI & ML Adoption - Special Mention

- Recognised by Quantic for Excellence in Continuous Integration/Continuous Delivery Implementation and Automation (SFB category) at the 5th BFSI Excellence Awards 2024.
- Won the Best Cloud Management and Infrastructure Initiative award at the ET Now Data Center & Cloud Innovation Summit & Awards 2024.

People Excellence

- Great Place to Work® Certified for the period January 2025 - January 2026.
- Recognised among the Great Companies to Work For 2024, securing the 56th rank by Great Place to Work®.
- Featured in the Top 50 Best Places to Work for Millennials 2024 by Great Place to Work®.
- Received the Excellence in Leadership Development award at the RBI Asia Trailblazer Awards 2024
- Won at the PeopleFirst HR Excellence Awards 2024 in two categories:
 - » Employee Engagement
 - » HR Business Partnership Function

Special Spotlight



JYPAURE
TRILOGY

Three Events. One Extraordinary Experience.

The AU Jypore Trilogy is a celebration of शौर्य (valour), शब्द (literature), and स्वास्थ्य (health), a tribute to the timeless spirit of Jaipur, the city where AU SFB's journey began.



Day One A Royal Welcome

The AU Jypore Trilogy began with an exclusive tour of the **City Palace**, where **Maharaja H.H. Sawai Padmanabh Singh Ji** personally accompanied our guests through its magnificent halls, sharing fascinating stories of Jaipur's royal heritage. This was followed by the exhilarating **AU Jypore Trilogy Cup** Polo match.





Day Two

Jaipur Literature Festival (JLF)

Guests embarked on a **heritage walk**, discovering Jaipur's iconic temples and the magnificent Hawa Mahal. Later in the day, they attended the **Jaipur Literature Festival (JLF)**. The **Sanjay & Jyoti Agarwal Foundation (SJF)** Lounge hosted insightful sessions, adding intellectual richness to the event.



Day Three

16th edition of the AU Jaipur Marathon

Drawing over **1,00,000 participants**, the Marathon was flagged off by **Honourable CM of Rajasthan Shri. Bhajanlal Sharma**.

The AU Jypore Trilogy concluded with an exclusive **tour of the Jaigarh Fort**, offering guests a glimpse into Jaipur's storied past.



Management Discussion & Analysis





Global Economy

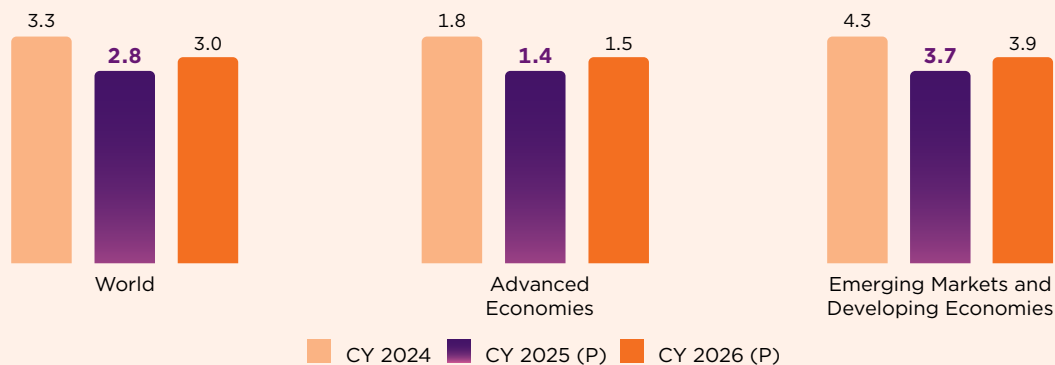
As we progress through 2025, the global economy finds itself at a pivotal moment, grappling with a complex mix of challenges. CY 2025 commenced amid heightened geopolitical tensions, persistent inflationary pressures and ongoing supply chain disruptions. Notably, the prolonged Russia-Ukraine conflict and unrest in the Middle East have weighed heavily on global economic sentiment. Compounding these issues, a sharp escalation in trade disputes has further hindered cross-border economic activity. According to the International Monetary Fund's (IMF) April 2025 World Economic Outlook, global GDP growth is projected at 2.8% for CY 2025, slightly improving to 3.0% in CY 2026. These estimates represent a downward revision from the IMF's January 2025 forecast of 3.3% for both years, reflecting the mounting global headwinds.

Advanced economies are projected to grow at a modest 1.4% in CY 2025 and 1.5% in CY 2026, following a 1.8% expansion in CY 2024. Emerging markets and developing economies are also facing a more subdued outlook, with growth projected to slow to 3.7% in CY 2025 and 3.9% in CY 2026, down from 4.3% in CY 2024.

World Growth Projections by Region (Real GDP)

(in %)

Region Wise Output



Source: World Economic Outlook, April 2025, IMF

Outlook

According to the IMF's April 2025 World Economic Outlook, global headline inflation is projected to decline at a slightly slower pace than previously anticipated, averaging 4.3% in 2025 and 3.6% in 2026. This revision reflects upward adjustments for advanced economies and slightly downward revisions for emerging market and developing economies for 2025. In this context, central banks may continue to maintain or gradually ease monetary policy, balancing inflation control with the need to support growth amid moderating price pressures.

In a period marked by trade tensions and policy uncertainty, the way forward will depend on how effectively countries respond to challenges and make use of available opportunities. Greater coordination among global policymakers can help reduce downside risks and support stable, medium-term growth. At this stage, working together to encourage a more predictable and co-operative trade environment is important. Lowering trade barriers, strengthening trust in multilateral institutions and improving supply chain reliability will play a key role in rebuilding investor and consumer confidence.

Domestically, governments must focus on structural reforms to address economic imbalances and boost productivity. This includes investing in human capital, ensuring inclusive digital transitions and facilitating labour market adjustments. In low-income countries, timely and effective debt restructuring remains essential to avoid financial distress and social instability.

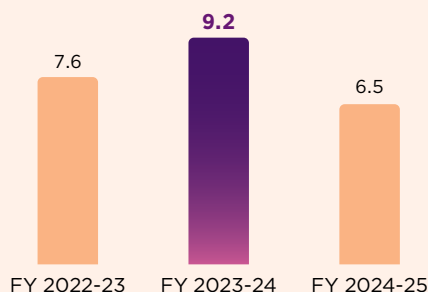
India Economy

India's economy demonstrated notable resilience in FY 2024-25, successfully navigating a challenging global environment marked by geopolitical tensions and trade disruptions. India's GDP growth moderated from 9.2% in FY 2023-24 to a provisional estimate of 6.5% in FY 2024-25, according to the latest data released by the National Statistics Office (NSO). This was supported by a strong 7.4% expansion in the January-March quarter of FY 2024-25, the highest in four quarters.

To support economic momentum amid easing inflationary pressures, the Reserve Bank of India's (RBI) Monetary Policy Committee (MPC) in its meeting held in June 2025, reduced the policy repo rate by 50 basis points to 5.50%. This marks the third rate cut since February 2025. The move is aimed at reinforcing growth while aligning with the RBI's medium-term objective of maintaining Consumer Price Index (CPI) inflation at 4%, with a tolerance band of $\pm 2\%$.

In addition, the RBI has lowered the Cash Reserve Ratio (CRR) by 100 basis points over the course of the year beginning September 2025 to inject durable liquidity into the banking system. This measure reduces the share of deposits that banks are required to park with the central bank, thereby increasing the lendable resources in the financial system. The CRR cut is expected to release approximately ₹2.5 Lakh Crore in primary liquidity by December 2025, helping reduce the cost of funds for banks and strengthening monetary transmission to the credit markets.

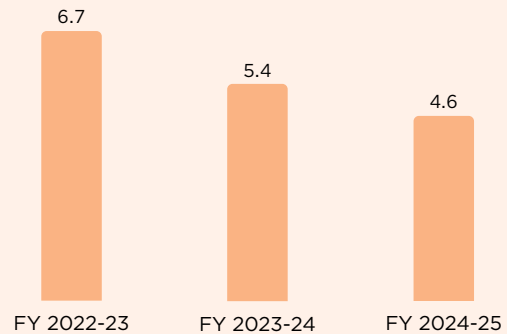
India - Real GDP Growth (in %)



Source: MoSPI

Inflation

(in %)



Source: RBI

Outlook

The Indian Economy is expected to grow steadily at 6.5% annually as per RBI projection and is projected to remain the fastest-growing large economy in FY 2025-26.

India is poised to become the world's third-largest economy by 2028, according to a report by global financial services firm Morgan Stanley. This growth will be supported by robust agricultural performance, government-driven capital expenditure, above-trend capacity utilisation in manufacturing, double-digit credit growth and healthier corporate and bank balance sheets.

On the inflation front, the Reserve Bank of India's (RBI) Monetary Policy Committee (MPC) anticipates inflation to moderate in FY 2025-26, supported by a favourable outlook on food prices. The Central Bank has revised its headline inflation projection downward to 3.7% for the whole FY 2025-26, compared to its earlier estimate of 4% in April 2025. The quarterly CPI projections stand at 2.9% in Q1, 3.4% in Q2, 3.5% in Q3 and 4.4% in Q4. The central bank views the risks to the inflation trajectory as 'evenly balanced'.

However, external factors such as slowing global growth, export challenges, geopolitical risks and climate shocks may weigh on this outlook.



Indian Banking Sector

For Indian banking industry, FY 2024-25 was a mixed year. While the sector-wide profits hit a record high of ₹3.7 lakh crore, led by 26% Y-o-Y growth in profits of Government-owned banks, the overall operating environment was marked by persistent inflation, tight liquidity and intense competition for deposits. The RBI kept the repo rate at elevated levels for most part of the financial year, while on-ground activity was partially impacted due to national general elections and certain weather-related disturbances in the first half of the fiscal year.

In FY 2024-25, Bank credit growth decelerated and moved closer to deposit growth, narrowing the gap between both. The aggregate deposit growth for Scheduled Commercial Banks (SCBs) was 10.7%, with CASA (current and savings) expanding by 6.2% and term deposits rising by 12.5%. Meanwhile, credit growth moderated to roughly 11.0%, marking the slowest pace in three years. As a result, the system's credit-to-deposit (CD) ratio inched up to about 80%, slightly above the FY 2024 level of 77%.

Banking Sector - Key Metrics Comparison: FY 2024 vs FY 2025

Metric	FY 2025	FY 2024
Deposit Growth (%)	10.7	13.4
Credit Growth (%)	11.0	16.0
Gross NPA Ratio (%)	2.3	2.7
Net NPA Ratio (%)	0.5	0.6
Credit-Deposit Ratio (%)	80.2	76.8
Capital Adequacy (CRAR %)	16.9	17.3

Source: RBI

As per RBI's Financial stability report, SCBs continued to record improvement in their asset quality, with the GNPA ratio and NNPA ratio declining to multi-decadal lows of 2.3% and 0.5%, respectively. However, FY 2024-25, also witnessed some asset quality issues in retail loans, with delinquencies rising sharply in the unsecured segment especially in the MFI Loans, credit cards and personal loans. This was preceded by the regulatory tightening in unsecured lending in FY 2023-24 placing RBI ahead of the sector in seeing the upcoming risk. While the unsecured portfolio witnessed higher slippages and write-offs during the year, the sector found security in the loan against gold lending. The gold loan

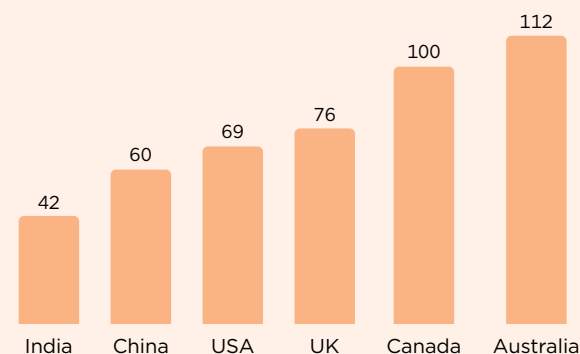
portfolios expanded rapidly, particularly among PSU banks, profiting from rising gold prices and relatively low risk.

The capitalisation levels remain healthy with banking sector Capital adequacy remaining strong at approximately 17.2%. In essence, balance sheet of banks remains healthy along with robust asset quality as per RBI.

As the inflation pressure receded and came below the tolerance level, RBI resorted to rate cuts from February 2025 onwards to support growth cutting policy rates by 100 basis points by June 2025. Easing monetary policy, liquidity infusions and RBI rate cuts are expected to ease some of the geo-political headwinds in FY 2025-26. Also, as the banks pass on the benefit of rate cut to its customers, Credit demand is expected to pick up.

To sum up, Banks have done well in FY 2025 despite unfavourable liquidity conditions and lower than expected GDP growth. As RBI has begun the easing in monetary policy, banks are expected to see better times ahead. It was also heartening to see the RBI Financial Inclusion Index rising to 64% from 60% a year ago. Despite rising footprint of banks in remote corners of the country, India still remains an underpenetrated market in terms of Financial Products. India has a low Household Debt to GDP Ratio at 42% as compared to developed countries. This substantiates the fact that there is still lot of headroom for Banks to grow in this country.

India's Low Household Debt to GDP (in %)



Source: RBI, BIS data portal

Our Business and Performance

Operating Environment

In FY 2024-25, the Bank operated in a dynamic and challenging macroeconomic and environmental context. The fiscal year began with the country's Parliamentary General Elections, a period that typically slows economic activity and delays both public and private investment decisions. This was further compounded by an intense heatwave across northern India, followed by unseasonal and excessive rainfall in the northern and western regions—AU SFB's core operating markets.

While the Bank has a Pan-India presence, a substantial share of its business is concentrated in northern and western India—regions that experienced multiple disruptions during the year. While not catastrophic, these events disrupted business continuity, impacted customer cash flows and moderated credit demand across the retail and MSME segments.

Q3 saw festive season bring some revival in consumption-driven activity. However, persistent inflationary pressures, tight system-level liquidity and increased risk aversion among lenders continued to weigh on credit offtake. As a result, GDP growth slowed to 6.2% in Q3. Additionally, the banking sector contended with the aftereffects of over-leveraging in the unsecured lending space, particularly in microfinance and personal loans, leading to stricter underwriting norms—even in secured portfolios to avoid any contagion effects.

By Q4 FY 2024-25, macroeconomic conditions began to stabilise, supported by strong pick up in government capex and gains from Mahakumbh, leading to a strong 7.4% expansion in GDP during the January-March quarter of FY 2024-25 — the highest in four quarters. However, systemic credit growth for the full year moderated to 11%, down from 16% in FY 2023-24, reflecting a sector-wide recalibration of growth and risk appetite.

Amid these challenges, AU SFB remained focused on maintaining asset quality, optimising cost structures and pursuing calibrated growth to enhance its resilience and drive long-term value creation.

Business Review

FY 2024-25 was a landmark year for AU Small Finance Bank as we took decisive steps toward transforming into a future-ready, full-service institution. Despite macroeconomic headwinds such

as elevated repo rates and global uncertainties, the Bank navigated the year with resilience and a calibrated growth strategy. Robust credit growth and consistently strong operating metrics validated the strength of our business model and customer-centric approach.

More importantly, this year was defined by a series of strategic actions and structural shifts — from completing India's first Small Finance Bank merger to getting ready and applying for a Universal Bank licence. These moves underscore our vision of building a retail focused, scalable, inclusive and technology-driven franchise that serves the evolving financial needs of Bharat.

Key Initiatives and Strategic Advancements in FY 2024-25

To build a Bank that stands the test of time, we believe our approach must extend beyond mere stability and growth. It must be proactive, agile and innovative. In line with this foundational philosophy, we initiated and executed several high-impact initiatives in FY 2024-25. Each of these steps contributes to our long-term vision of becoming a Universal Bank for Bharat.

AU SFB x Fincare Merger: Expanding Reach, Enabling Scale

In April 2024, AU Small Finance Bank completed the acquisition of Fincare Small Finance Bank to create a stronger, more inclusive and tech-driven Pan-India franchise. This strategic merger aligns with our shared commitment to serve Bharat's diverse financial needs and significantly strengthens our southern footprint with 120+ additional branches and 59+ Lakh new customers from erstwhile Fincare acquisition.



W.e.f. 1st April 2024, Fincare SFB merged into AU SFB



Erstwhile Fincare customers now benefit from AU SFB's best-in-class digital platforms, flagship products and service experience. The merger enhances our geographic reach, customer base and operational capacity, unlocking synergies in distribution, technology and product delivery.

The operational integration has been completed by March 2025 in a seamless manner and we hope to complete the technology platform migration by end of calendar year 2025.

Applied for Universal Bank license

In September 2024, AU Small Finance Bank submitted its application to the RBI for a Universal Banking licence — a significant step in the Bank's long-term growth journey. The application is currently under review and we remain engaged. This transition, if approved, will generate greater trust, enhance brand value and provide broader access to customers. It will also enable access to additional deposit avenues, relaxed regulatory constraints and higher exposure limits, reinforcing AU SFB's position as a trusted, full-service banking partner — all while continuing to serve Bharat's financial aspirations at scale.

Upgrading AU ivy and AU Eternity to Enhance UHNI Lifestyle Experiences

In FY 2024-25, the Bank launched an exclusive Concierge Service for our premium banking programmes – AU ivy and AU Eternity, to offer curated lifestyle experiences for our UHNI customers. These programmes are supported by an exclusive Concierge Service, delivering convenience that extends well beyond traditional banking.

From global travel bookings and luxury stays to education support, fine dining, airport privileges, golf access and more — these offerings redefine what premium banking means. AU ivy and AU Eternity also provide bespoke shopping, luxury gifting and event invitations, all backed by advanced digital solutions. With this launch, AU SFB reinforces its commitment to delivering a distinct, high-touch experience for its most discerning customers.

Realignment of Business Verticals for Sharper Focus and Stronger Delivery

To enhance business performance and deliver superior customer service, AU SFB has strategically realigned its business groups into focused verticals. This structure enables sharper execution, operational efficiency and deeper customer engagement across segments. Apart from the Deposits vertical, the

Bank's asset division operates through four core business verticals – Retail Secured Assets (66%), Commercial Banking (~21%), Inclusive Banking (6%) and Unsecured Loans (3%) – each designed to serve distinct customer needs across Bharat's diverse financial landscape. This focused approach strengthens the Bank's ability to offer tailored financial product and drive sustainable growth.

Successful Tier-II Bond Issuance Strengthens Capital Position

In FY 2024-25, AU SFB successfully raised Tier-II capital of ₹770 Crore through issuance of subordinated bonds, marking it one of the largest such issuances by a small finance bank in India. This capital raise was executed in a challenging macroeconomic environment marked by tight liquidity conditions and was closed on the final working day of FY 2024-25. The issuance attracted strong demand, with anchor investments from HDFC Bank and Nippon India Mutual Fund and significant participation from Qualified Institutional Buyers (QIBs) including mutual funds, insurance firms and pension funds. Originally launched with a base size of ₹400 Crore and a green shoe option, the issue was oversubscribed by nearly 2x.

AD-I Business

AU Small Finance Bank's AD-I business has gained strong momentum following the RBI license received in April 2023 and operationalising the business in 2024-25. This enabled the Bank to significantly scale its forex, remittance, capital account and trade finance offerings, while strengthening its presence in international banking. The business has emerged as a strategic growth driver, creating cross-sell opportunities, building low-cost current account float and supporting Export Import (EXIM) - related flows.

In FY 2024-25, Forex transaction volumes registered a strong growth with the business achieving a robust run rate exceeding ₹900 Crore+ per month in March 2025. These flows were primarily driven by export-import transactions, along with Non-Resident (NR) and retail remittances. With most core products already live, the Bank remains focused on further scaling this vertical.

Additionally, the Bank introduced specialised current accounts such as AU Royale Trade and AU Trade Platinum, along with foreign currency accounts like EEFC (Exchange Earners' Foreign Currency) and DDA (Diamond Dollar Account), to further support the EXIM community.

To expand its reach and enhance customer experience, AU SFB introduced the FCNR (B) deposit program and launched two flagship digital platforms during the year - AU Remit and AU DigiTrade.

AU Remit

AU Remit is a fully digital outward remittance solution for Non-Resident Indians (NRIs), resident individuals and sole proprietors. It simplifies cross-border fund transfers from AU NRE Savings Accounts or resident accounts, offering an intuitive experience with real-time tracking, 24x7 access and a transparent fee structure. Customers can remit up to USD 75,000 per transaction in multiple currencies for permissible purposes under RBI's Liberalised Remittance Scheme (LRS), including education, healthcare, gifts, family maintenance and NRE repatriation.

AU DigiTrade

AU DigiTrade is the Bank's digital trade finance platform designed to cater to MSME exporters

and importers. The platform enables customers to initiate trade transactions from anywhere, access various reports and track status online. Backed by a comprehensive suite of trade finance and forex products - including export finance, import LCs, buyer's credit and remittances. AU DigiTrade supports transactions in major currencies such as USD, EUR, GBP, CAD, AED and JPY.

FCNR Deposits

The Bank launched its Foreign Currency Non-Resident (FCNR) (B) deposits for Non-Resident Indians (NRIs) in FY 2024-25 and saw good initial success mobilising total FCNR deposits of ₹420 Crore as on 31st March 2025. These deposits allow NRIs to park their foreign earnings in India, while earning attractive returns. The deposits are fully repatriable, without premature withdrawal penalty. In the first phase, Bank has launched this deposits in 4 major currencies of USD, EUR, GBP and CAD.



AU Rendezvous, an exclusive dinner for NRI customers in Dubai, hosted by Founder, MD & CEO, Mr. Sanjay Agarwal



Strengthening the Tech Backbone

AU SFB strengthened its digital and technology backbone through key innovations, including a core banking system upgrade, the launch of a cloud-based data warehouse, the roll-out of the AU 0101 Business App for merchants and the addition of a unified view for Wealth customers in the AU 0101 app. With a focus on building a stable and scalable tech foundation that fosters trust in banking, AU SFB's tech team has a clearly defined mandate and is working toward advancing the Bank's vision of delivering seamless, inclusive and future-ready banking—while focusing on the following key aspects:

Core Tech	<ul style="list-style-type: none"> – Upgraded to the next-generation end-to-end Treasury platform-Kondor – Planning to migrate Core Banking System to the Exa platform to provide required performance as we scale
Consumer Tech	<ul style="list-style-type: none"> – Scaling Segment-Specific Digital Platforms: AU 0101 and AU 0101 Business to cater to consumer banking and business banking – Enabling customer engagement, low-cost cross-sell & acquisition and digital access to services, transactions and on-tap product
Employee Tech	<ul style="list-style-type: none"> – Building Tech-First Employee organisation, reimagining onboarding for the new-age ecosystem (Cloud-native and Data-rich) through ecosystems like AA (Account Aggregator), ULI (Unified Lending Interface) etc. – Embedded X-sell: Various journeys to drive more engagement with the bank – Routine tasks automated through workflow and Gen AI models
Data Tech	<ul style="list-style-type: none"> – Modern Data Lake: Scalable and securely hosted on the cloud – Efficiency Gains: Automation, real-time triggers, business analytics and hosting data-centric applications – AI Integration: Enabling novel use cases such as natural language data lookup and agentic AI use cases

Sustainable financing: Scaling Green deposits

At AU Small Finance Bank, sustainability is deeply embedded in its business philosophy and operational approach. In FY 2024-25, the Bank took concrete steps to align its financial products with environmentally responsible initiatives. So far, the Bank opened over 14,600 Green Fixed Deposits, raising more than ₹1,170 Crore.

On the lending front, the Bank maintained a strong focus on green financing, with 100% of its green loan portfolio deployed towards sustainable sectors. This included funding for renewable energy projects — particularly solar power — and clean transportation solutions Electric Vehicles (EVs).

Bancassurance

AU Small Finance Bank continued to strengthen its digital-first approach in delivering insurance solutions to customers. The Bank's proprietary digital platform, AU BIMA, enabled seamless policy sourcing across insurance partners with 100% compliance. Insurance offerings—including Life, Health, Motor, SME, Wellness and Pocket products—were made easily accessible via the AU 0101 App, empowering customers with simplified and personalised choices.

In FY 2024-25, the Bank achieved 37% Y-o-Y growth in its insurance business, scaling from ₹851 Crore to ₹1,161 Crore. The Life and Health insurance segment grew 8% Y-o-Y, from ₹193 Crore to ₹207 Crore. AU SFB maintained healthy average ticket sizes of ₹1.13 Lakh in Life Insurance and ₹16,000 in Health Insurance, reflecting customer confidence in its offerings.

To enhance service accessibility, the Bank implemented inclusive measures for differently-abled customers. This includes dedicated service desks, prompt query resolution, minimised interaction delays, doorstep banking, accessible branch infrastructure and designated Relationship Managers for personalised assistance.

The Bank's tech-enabled initiatives — such as Lead Management, Campaign Management and Dialer Integration—further improved customer engagement. Features like 'Click-to-Call' enhanced the speed and quality of interactions between customers and relationship managers, resulting in greater responsiveness and satisfaction.

AU SFB has built a robust network of strategic alliances, partnering with 15 insurers across Life, General and Standalone Health Insurance categories. These collaborations support the delivery of customised, innovative products while enhancing operational efficiency and transparency.

In FY 2024-25, the Bank onboarded Kotak Mahindra Life Insurance, Bharti AXA Life Insurance and United India Insurance. Bank recently added Life Insurance Corporation (LIC) to better serve the needs of its customers, expanding its reach and impact within India's insurance ecosystem.

Geographic Expansion

Aided by the amalgamation of Fincare geographies and branches, the Bank further deepened its physical distribution footprint in FY 2024-25, expanding its banking touchpoints to 2,456, compared to 1,074 in

FY 2023-24, in line with its strategic focus on driving growth through increased accessibility and regional penetration.

Within the retail assets segment, the Bank undertook calibrated network expansion across high-growth portfolios, including Wheels, Micro Business Loans (MBL), Home Loans and Gold Loans.

The Wheels business registered a robust expansion of 169 branches, taking the total to 715 as of 31st March 2025, compared to 546 in the previous year.

The MBL franchise witnessed modest expansion, with the branch network increasing from 532 to 924 in FY 2024-25. Similarly, the Home Loans network grew from 287 to 608 branches during the year, reflecting sustained momentum in the secured lending segment. The growth also includes the addition of Fincare branches.

In the Inclusive Banking segment, the Bank reinforced its rural and semi-urban presence by expanding its Agri-SMF and Microfinance (MFI) delivery channels. As of FY 2024-25, the Agri-SMF portfolio operated through 99 branches, up from 79 in the previous year, while the MFI branch network scaled up to 816 from 777 (erstwhile Fincare), underscoring the Bank's commitment to financial inclusion and priority sector lending.

Further, the Bank strategically expanded into newer geographies, with a focused push into East and South India, including the integration of Fincare's branch network. This expansion enhanced the Bank's urban relevance while deepening its reach into underserved and semi-urban Bharat markets.





Strengthening Leadership, Integration and Strategic Presence

In FY 2024-25, AU Small Finance Bank undertook several structural and strategic initiatives to strengthen its leadership bandwidth, enhance cross-functional integration and reinforce its presence in key financial hubs.

The Bank institutionalised the role of Chief Credit Officer (CCO) — a new leadership position created to bring sharper focus and accountability in underwriting and asset quality management. The CCO, reporting directly to the MD & CEO, ensures a clear segregation of credit underwriting and risk monitoring functions, thereby enhancing the governance and oversight of the Bank's credit portfolio.

To foster seamless coordination between core support functions, the Operations and Technology verticals were structurally integrated under a unified

leadership framework. The Chief Operating Officer (COO) and Chief Information Officer (CIO) now work in close alignment, enabling a transition from customer-facing digital initiatives to employee-focused technology solutions. This shift is aimed at significantly enhancing internal productivity and operational efficiency through the deployment of artificial intelligence, robotic process automation and other emerging technologies in the day to day operations of the Bank.

Additionally, the Bank relocated key business verticals to Mumbai, India's financial capital, to enable tighter integration between business strategy and execution.

The relocation brought the leadership of Commercial Banking, Microfinance and other critical businesses to Mumbai bringing them closer to regulators, capital markets and the country's premier financial talent pool—enhancing strategic agility, ecosystem engagement and access to capital.

Financial Performance Highlights

In FY 2024-25, AU Small Finance Bank delivered another year of strong financial performance, underscoring its focus on sustainable growth, customer-centric innovation and sound risk management. The Bank maintained momentum across deposits, advances and profitability, while continuing to invest in long-term value creation and operational resilience.

- **Deposit Growth:** Total deposits increased by 27% Y-o-Y, reaching ₹1,24,269 Crore. The CASA ratio stood at 29% as of 31st March 2025.
- **Advances Expansion:** Gross Loan Portfolio (GLP) grew by 20% Y-o-Y to ₹1,15,704 Crore, driven by a 23.7% increase in secured lending (secured retail assets and commercial banking).
- **Strong Profitability:** Net Profit surged by 32% Y-o-Y to ₹2,106 Crore and EPS increased by 19% to ₹28, reflecting enhanced operational efficiency and strategic focus.
- **Enhanced Profitability Metrics:** Return on Assets (RoA) remained stable at 1.5%, while Return on Equity (RoE) was at 13.1%, indicating sustained profitability.
- **Asset Quality:** Gross NPA stood at 2.28% and Net NPA at 0.74%, reflecting prudent risk management practices.
- **Cost of Funds:** Cost of Fund increase by 27basis points Y-o-Y to 7.1% for FY 2024-25 as compared to 6.8% for FY 2023-24. However, when compared to the opening merged cost of funds for the year (i.e. CoF as on 1st April 2024, effective date of merger), the cost of funds remained flat through the year at 7.1% for FY 2024-25.
- **Cost to Income:** Cost-to-Income Ratio improved significantly to 57% in FY 2024-25 from 64% in FY 2023-24.
- **Stable CD Ratio:** The Credit-Deposit (CD) ratio excluding refinance was maintained at 78.5% as of 31st March 2025, ensuring balanced growth.

Financial Performance Review

A comparative review of AU SFB's financial performance between FY 2023-24 and FY 2024-25 reflects significant progress across key metrics, including balance sheet expansion, profitability and other income growth—both in absolute terms and year-on-year (Y-o-Y) percentage growth. The Bank recorded substantial improvements in deposit base, asset growth, earnings and the expansion of its distribution network, underscoring strong operational and financial momentum during the year.

Balance Sheet

				(₹ in Crore)
	FY 2024-25	1 st April 2024 (Merged Opening B/S)	FY 2023-24	Growth (From Opening numbers)
Liabilities				
Shareholders Fund	17,166	14,985	12,560	15%
Deposits	1,24,269	97,704	87,182	27%
Borrowings	11,660	9,240	5,479	26%
Other Liabilities and Provisions	4,751	4,762	4,205	0%
Total Liabilities	1,57,846	1,26,690	1,09,426	25%
Assets				
Cash and Balances	9,466	7,528	6,376	26%
Investments	37,848	30,329	27,133	25%
Advances	1,07,092	85,514	73,163	25%
Fixed Assets	912	918	852	-1%
Other Assets	2,527	2,401	1,902	5%
Total Assets	1,57,846	1,26,690	1,09,426	25%
Securitized Assets	6,926	10,012	8,176	-31%

Deposits

The Bank's deposit base grew by 27% Y-o-Y and stood at ₹1,24,269 Crore as on 31st March 2025, with consistent granularity. The Bank's focus continues to be on quality over quantity, as reflected in the contribution of retail deposits (CASA + retail term deposits), which was maintained at around 62% of total deposits. The cost of funds increased to 7.07% in FY 2024-25, compared to 6.8% in FY 2023-24.

				(₹ in Crore)
Deposit Book	FY 2024-25	As on 1 st April 2024 (Opening Merged Book)	FY 2023-24	Growth (From Opening numbers)
Current Account (CA)	6,997	5,450	5,338	28.4%
Savings Account (SA)	29,256	26,006	23,788	12.5%
CASA	36,253	31,456	29,126	15.3%
Term Deposit (TD)	83,186	63,785	55,593	30.4%
Certificate of Deposit (CD)	4,829	2,463	2,463	96.1%
Total Deposits	1,24,269	97,704	87,182	27.2%
CASA %	29.2%	32.2%	33.4%	NA



Advances

Within Retail Assets, AU SFB recorded robust growth in its Home Loans and Wheels businesses. In the Commercial Assets segment, all key business lines delivered strong performance, resulting in share of commercial assets to ~21% in FY 2024-25. The Bank is also steadily building its Credit Card and Personal Loan portfolios through a calibrated growth strategy.

Segment wise Advances	Gross Loan Portfolio			(₹ in Crore)
	FY 2024-25	Opening Merged book	FY 2023-24	Growth (From Opening numbers)
Retail Assets	76,616	63,348	57,258	21%
Wheels	36,623	28,902	28,902	27%
Mortgage-Backed Loans	38,097	32,927	28,186	16%
- MBL	28,050	24,684	22,141	14%
- HL	10,048	8,243	6,045	22%
Gold Loans	1,896	1,519	169	25%
Commercial Banking	24,219	18,320	18,162	32%
Business Banking	9,562	7,304	7,304	31%
Agri Banking*	7,301	5,953	5,953	23%
EEFI	4,145	3,130	2,972	32%
REG	3,212	1,934	1,934	66%
Microfinance	6,670	8,007	0	-17%
Credit Cards	2,464	3,058	3,058	-19%
Personal Loans	826	866	866	-5%
SME (Run down)	117	168	168	-30%
Others	4,792	2,723	2,662	76%
Total	1,15,704	96,490	82,175	20%

*Agri banking includes SMF and FPO financing

As on 31st March 2025 ~63% of the portfolio is fixed rate, ~7% of the loans are floating rate most of which is currently in fixed interest period.

Asset Quality Performance

Since inception, AU SFB has anchored its growth on prudent credit underwriting, disciplined collections and robust risk management practices. The Bank's asset recognition process is fully system-driven, with NPAs identified daily through automated controls — a mechanism that has been tested and audited to ensure reliability and accuracy. Gross NPA and Net NPA stood at 2.28% and 0.74% respectively as on 31st March 2025, as compared to 1.67% and 0.55%, respectively, as on 31st March 2024.

Provisioning and Contingency

Particulars as of 31 st March 2025	Loan Amount (₹ Crore)	Provisions (₹ Crore)	Coverage (%)
GNPA	2,477	1,645	66%
Covid related restructuring (Standard)	306	51	17%
Contingency provisions	-	17	-
Floating provisions	-	41	-
Stressed and contingencies provisions	2,783	1,753	-
Provisions towards Standard Assets	-	349	-
Total Provisions	-	2,103	-
Provisions as a % of gross advances	-	1.93%	-

The Bank maintains a conservative provisioning policy. Its Provision Coverage Ratio (PCR) including technical writeoff stood at 84% as on 31st March 2025 against 76% as on 31st March 2024. Besides provision on standard assets, the Bank was carrying 17% provisioning against standard restructured loans and ₹17 Crore of Contingency provisions an additional ₹41 Crore of floating provisions. Total provisions, including standard assets as % of gross advances stood at 1.93% as at the end of March 2025.

Liquidity

AU SFB prudently managed its liquidity position throughout FY 2024-25. The Bank maintained an average Liquidity Coverage Ratio (LCR) of 115%, well above the regulatory requirement of 100%. In addition, the Bank held surplus liquidity, strategically invested in highly rated corporate bonds to ensure both safety and returns.

Capitalisation

Highlighting its financial strength, AU SFB maintained a robust capital adequacy ratio of 20.1% as on 31st March 2025. The Tier-I capital ratio stood at 18.1% on the same date. The Bank's total net worth was ₹16,930 Crore as on 31st March 2025, compared to ₹12,560 Crore as on 31st March 2024.

20.1%

Capital adequacy ratio

Securitisation

The Bank continued to leverage securitisation as an effective capital-light funding mechanism to support portfolio growth. During FY 2024-25, the Bank securitised assets worth ₹2,262 Crore, as against ₹6,278 Crore in FY 2023-24. The reduction in securitisation volume reflects a strategic shift toward balance sheet-driven growth and higher on-book retention. The Bank did not undertake any Direct Assignment (DA) transactions in FY 2024-25.

Borrowings

The Bank has strategically diversified long-term borrowings across various sources including Tier II bonds, money market instruments, refinancing from financial institutions and other structured instruments, to ensure cost-effective funding while maintaining robust asset-liability alignment. Total borrowings stood at ₹11,660 Crore as of 31st March 2025, an increase from ₹5,479 Crore in the previous year. The Bank availed refinancing of -₹6,000 Crore from institutions such as NABARD, SIDBI, MUDRA and NHB during the year. Debt to equity ratio for the Bank as on 31st March 2025 is 0.33.

Profit & Loss Statement

Particulars	(₹ in Crore)		
	FY 2024-25	FY 2023-24	Y-o-Y
Income			
Interest Earned	16,064	10,555	52%
Interest Expended	8,052	5,398	49%
Net Interest Income	8,012	5,157	55%
Other Income	2,526	1,697	49%
Net Total Income	10,538	6,854	54%
Expenses			
Employee Cost	3,148	2,104	50%
Other Operating Expenses	2,809	2,284	23%
Operating Expenses	5,957	4,388	36%
PPoP (Pre-Provision Operating Profit)	4,581	2,466	86%
Provision & contingencies	1,793	390	360%
Profit Before Tax	2,788	2,076	34%
Tax Expenses	682	484	41%
Profit After Tax before Exceptional Items	2,106	1,592	32%
Exceptional Items after tax*	-	57	N.A
Profit After Tax	2,106	1,535	37%

Previous year numbers are not directly comparable due to Fincare merger being effective from 1st April 2024; Bad debt recovery is recognised under provisions

*Exceptional Items include stamp duty for merger and other transaction related expenses



Net Interest Income

Yield for the bank improved to 14.4% due to the acquisition of the high-yielding Fincare loan book and continued focus on improving yields across vintage retail portfolios. Disbursement yields increased during the year in core AU SFB's products of Wheels (by 31 basis points), MBL (by 13 basis points) and HL (by 147 basis points) in FY 2024-25 from last year. Additionally, the high-cost Fincare liabilities matured during the year and were re-priced in line with AU SFB's prevailing cost structure. Cost of Fund increase by 27 basis points Y-o-Y to 7.1% for FY 2024-25 as compared to 6.8% for FY 2023-24. However, when compared to the opening merged cost of funds for the year (i.e. CoF as on 1st April 2024, effective date of merger), the cost of funds remained flat through the year at 7.1% for FY 2025.

NIM for the full year FY 2024-25 increased to 5.9% from 5.4% in FY 2023-24. Net Interest Income (NII) grew by 55% Y-o-Y year-on-year to ₹18,012 Crore in FY 2024-25, compared to ₹15,157 Crore in FY 2023-24.

Other Income

The Bank's total other income rose 49% Y-o-Y to ₹2,526 Crore in FY 2024-25, driven by strong growth in loan processing & other fees (₹1,126 Crore, +44%), general banking, cross-sell and deposit-related fees (₹696 Crore, +39%) and credit cards (₹351 Crore, +17%). Income from treasury operations surged 354% to ₹235 Crore, while Forex and trade-related income and misc. income grew 82%. Other income remained 32% of Net Interest Income, reflecting a healthy diversification of revenue streams.

	(₹ in Crore)		
Other Income Breakup	FY 2024-25	FY 2023-24	Y-o-Y
Loan Assets Processing & Other Fees	1,126	784	44%
General Banking, Cross Sell & Deposits related fees	696	499	39%
PSLC Fees	6	2	160%
Credit Card	351	299	17%
Miscellaneous (Fx, Trade & Others)	112	62	82%
Core Other Income	2,291	1,645	39%
Income from Treasury Operations	235	52	354%
Total Other Income	2,526	1,697	49%
Other Income as % of Net Interest Income	32%	33%	N.A.

Total Income

The Bank's net total income rose by 54% to ₹10,538 Crore in FY 2024-25 from ₹6,854 Crore in FY 2023-24 supported by robust growth of 55% in Bank's Net Interest Income (NII) and 49% growth in its non-interest income supported by the integration of Fincare business.

Operational Expenses

The Bank's employee base increased by 71% from 29,738 in FY 2023-24 to 50,946 in FY 2024-25, primarily driven by the Fincare merger. This led to a 50% increase in employee expenses to ₹3,148 Crore in FY 2024-25 from ₹2,104 Crore in FY 2023-24. Non-employee operating expenses grew only by 23% to ₹2,809 Crore in FY 2024-25, up from ₹2,284 Crore in FY 2023-24 due to focus on optimising cost.

Cost to Income for the bank improved significantly to 57% in FY 2024-25 from 64% in FY 2023-24. This was enabled by:

- Rationalisation of expenses across functions
- No incremental branch expansion during the year
- Realisation of Fincare-related synergies, especially in personnel costs
- No major branding and marketing expenditure in FY 2024-25

Provisioning Expenses

Banks provision expenses increased to 1,793 Crore in FY 2024-25 from 390 Crore in FY 2023-24 driven by unsecured business of MFI and credit cards; and accelerated provision of ₹150 Crore.

Credit cost on average total assets stood at 1.3% for FY 2024-25 from 0.4% for FY 2023-24.

Profitability

Pre-provisioning operating profit (PPoP) witnessed an 86% Y-o-Y growth, reaching ₹4,581 Crore in FY 2024-25 as against ₹2,466 Crore in FY 2023-24.

Despite providing ₹150 Crore as accelerated provision, the Bank maintained healthy profitability metrics in FY 2024-25. Its Profit After Tax (PAT) grew by 37% to ₹2,106 Crore in FY 2024-25 from ₹1,535 Crore (including exceptional items) in FY 2023-24.

Return on Assets (RoA) and Return on Equity (RoE) stood at 1.5% and 13.1% respectively for FY 2024-25 vs 1.5% and 13.0% respectively for FY 2023-24

	(In ₹)	
RoA Tree	FY 2024-25	FY 2023-24
Net interest income	5.8%	5.2%
Other Income	1.8%	1.7%
Operating expense	4.3%	4.5%
Pre-Provision Operating Profit (PPoP)	3.3%	2.5%
Provision & Contingencies	1.3%	0.4%
Return on Assets (RoA)	1.5%	1.6%*
Return on Earnings (RoE)	13.1%	13.5%*

*FY 2024 RoA and RoE including exceptional items is at 1.5% and 13.0% respectively

Earnings and Book value


	(In ₹)	
Particulars	FY 2024-25	FY 2023-24
Earnings per share (EPS)	28	24*
Book Value Per Share	231	188

*Excluding exceptional items

Earnings per share increased by 19% to ₹28 per fully paid up equity share whereas the Book value of each fully paid up equity share improved from ₹188 per share as on FY 2024 to ₹231 as on FY 2025, an increase of 23% Y-o-Y.

Distribution

In FY 2024-25, AU SFB expanded its distribution and opened 73 new touchpoints taking the total touchpoints to 2,456.

Please refer to Page  31

Priority Sector Lending

Informal lending at higher interest rates is still a prevalent practice in our country. It is attributed to lack of formal banking services for a significant portion of the population and, therefore, financial inclusion of the deprived has always been the government's priority. Priority Sector Lending (PSL) has been one of the most popular and efficient channels for disseminating formal credit to the deprived. PSL includes loans to farmers, agriculture and allied activities, food processing, MSME, housing, social infrastructure, education and loans to certain weaker sections, with a minimum threshold to be mandatorily achieved under certain PSL categories.

With the objective of promoting financial inclusion and ensuring formal credit flow to the bottom of the pyramid, the Reserve Bank of India mandates Small Finance Banks (SFBs) to allocate at least 75% of their Adjusted Net Bank Credit (ANBC) towards Priority Sector Lending (PSL). As of June 2025, RBI has revised the PSL target for SFBs downward from 75% to 60% from FY 2026 onwards. While meeting PSL norms is a regulatory requirement, for AU Small Finance Bank, serving the unbanked and underserved is embedded in our culture and purpose, not merely a compliance exercise. Our commitment to inclusive banking has consistently reflected in our performance, with the Bank exceeding the regulatory PSL targets year after year. In FY 2024-25 as well, the Bank achieved 79% PSL advances, surpassing the mandated of 75%. We recognise that small-ticket loans in unbanked geographies inherently carry higher credit risk, yet our focus remains steadfast on enabling access to formal credit where it's needed the most.

With AU SFB's extensive knowledge and insights gained while lending to various types of micro and small businesses over the years, we have been able to create and deliver product offerings, while mitigating the risks and concurrently achieving the PSL target. AU SFB has also been playing a key role in helping micro entrepreneurs get on their feet after the effects of the pandemic, with seamless services and delivery of products at affordable price points and with quick turnaround time. The Bank continuously endeavours to serve the financial needs of the underserved, cater to their credit requirements and partner with them in their growth, responsibly and sustainably on our forever journey.

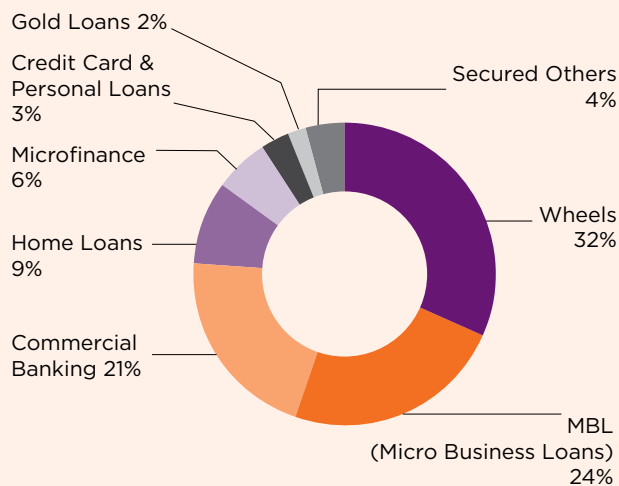


Business Performance and Highlights

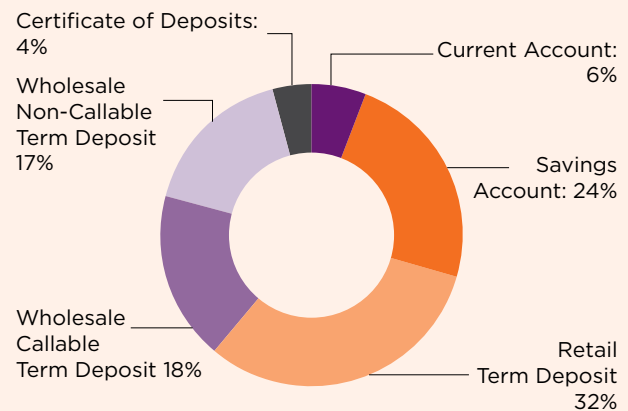
FY 2024-25 was a year of strategic execution and portfolio diversification for AU Small Finance Bank. From deepening our presence in urban and rural markets to scaling institutional and commercial banking capabilities, we continued to build a comprehensive, future-ready franchise. Our differentiated verticals — anchored in customer-centricity, digital innovation and inclusive growth — collectively strengthened the Bank's performance across deposits, advances and fee income. As we expanded our physical and digital reach, each business vertical contributed meaningfully to our vision of building a Forever Bank for Bharat.

Diversified Advances and Deposits Profile

Gross Loan Portfolio



Deposits



Secured Businesses includes Wheels, MBL, HL, Gold Loans & Commercial Banking

Unsecured Businesses includes Microfinance, Credit Cards, PL

1 Deposits

The Hidden DNA Behind AU SFB's Liability Business Success

Behind AU Small Finance Bank's impressive 27% growth in its liability book in FY 2024-25 lies a lesser-known yet powerful driver—the relentless on-ground execution and strategic vision of its Liability Business Group. In a year shaped by macroeconomic uncertainty and tight liquidity environment, AU SFB's ability to deepen customer trust and deliver comprehensive, 360° banking solutions stands as a testament to its differentiated approach.

Anchored by the pillars of Urban & Swadesh Banking, a sharply focused Government Business strategy and a robust Wholesale Deposit platform, this "hidden DNA" underscores the Bank's commitment to building a future-ready, diversified and resilient liability franchise—one relationship at a time.

This remarkable performance has been powered by a set of well-orchestrated enablers that form the backbone of AU SFB's liability strategy:

Key Enabler	Bank's Positioning
Robust Distribution Strategy	Wide-reaching and clearly defined distribution network that ensures deep market penetration across diverse geographies.
360° Product Evolution	Continually evolving product suite with competitive pricing and enhanced features, tailored to meet varied customer needs.
Smart Workforce	Strong emphasis on building the right culture through structured training programmes and focused capability development, fostering a high-performance environment.
Effective Sales Management	Disciplined, process-driven approach to acquisition and cross-sell that enables deeper customer engagement and higher wallet share.
Technology-Driven Infrastructure	Seamless customer experiences through digital innovations, complemented by productivity-enhancing tools for employees.
Pan-India Presence	Well-entrenched network spanning urban, semi-urban and rural markets, enabling balanced and inclusive growth.
Enhanced Service Delivery	Relentless focus on customer experience, powered by continuous digital upgrades and service transformation initiatives.

Urban Branch Banking

AU Small Finance Bank continued to strengthen its urban banking franchise in FY 2024-25, adding over 5.5 Lakh new CASA customers to its retail deposit base. The Bank has made significant strides in expanding its presence across key urban markets, with the number of urban branches growing from 150 in March 2020 to 458 by March 2025—reflecting an addition of 300+ urban touchpoints over five years.

As a result of this sustained expansion, AU SFB's Urban branches manage deposits more than 70,000 Crore with an average of 150 Crore deposit per branch, contributing meaningfully to the Bank's overall deposit base, which stood at 1,24,269 Crore as of March 2024-25.

AU SFB's footprint now spans all major urban centres, including metro and Tier-I cities across eastern India, Uttar Pradesh and southern markets. The Bank's targeted urban strategy is further reflected in its customer profile—32% of new savings account customers acquired through urban branches during FY 2024-25 belonged to the premium IERP segments (ivy, Eternity, Royale and Platinum). As a result, customer engagement improved, with transacting customers rising to 60.5% for SA (from 58%) and 61.9% for CA (from 65%). Product penetration remained steady, with products per customer at 1.44 for SA and 1.63 for CA.

Approximately 90% of new customer acquisitions in FY 2024-25 originated from urban geographies, with 39% comprising salaried professionals, highlighting AU SFB's continued success in targeting and onboarding quality urban clientele.

The Bank also continued to enhance its digital wealth management capabilities during the year. A key milestone was the rollout of a unified view for mutual fund holdings, aggregating data across banks, brokers and fintech platforms. This feature, along with consolidated capital gains and loss reporting, enabled customers to efficiently track redemptions, transfers, payouts and dividends in a single view.

AU SFB further enhanced its IPO/ASBA platform, extending seamless digital access to corporate customers, thereby simplifying the application process and improving user experience.

On the performance front, the Bank's wealth business delivered strong growth, with Assets Under Management (AUM) nearly doubling to ₹1,330 crore in FY 2024-25 from ₹674 Crore in the previous year. The total number of wealth customers crossed 2.17 Lakh, underscoring growing customer trust in the Bank's investment advisory offerings.



Swadesh Banking

AU Small Finance Bank launched Swadesh Banking in FY 2023-24 as a consolidated rural banking initiative aimed at redefining the financial experience for underserved and unbanked populations across rural and semi-urban India. Building on the Bank's deep legacy in financial inclusion and strong grassroots presence, this initiative brings together a suite of rural-focused offerings under a unified structure.

Swadesh Banking caters to farmers, self-employed individuals and micro-enterprises, combining various service channels such as rural branches, banking outlets, financial and digital inclusion units and specialised lending teams for small and marginal farmers. The objective is to streamline delivery, improve outreach and provide 360-degree solutions that address the unique financial needs of Bharat.

As of FY 2024-25, Swadesh Banking operates through 237 rural branches, with total deposits of ₹12,371 Crore.

AU SFB introduced AU Swadesh Savings and Current Accounts, offering customised solutions such as seasonal balance flexibility, cashback on digital transactions and features aligned with rural cash flow patterns. Through Swadesh Banking, the Bank continues to reinforce its commitment to empowering Bharat through accessible, inclusive and digitally enabled financial services.

Government Business

AU Small Finance Bank's Government Banking Group serves the banking needs of central

and state government departments, PSUs, defence establishments, urban local bodies and other government entities. The Bank offers tailored solutions across payments, collections, reconciliation, advisory and digital enablement—supported by a robust IT infrastructure and secure platforms.

The Bank provides specialised products including current accounts, savings accounts and fixed deposits designed to meet the unique requirements of government institutions. AU SFB plays an active role in the digital transformation of government departments by offering omni-channel banking solutions such as POS, CMS, QR, PG, e-auction and e-tendering services.

AU SFB is integrated with key Government of India platforms, including PFMS, IFMS (Rajasthan & Punjab), Central/Single Nodal Accounts, NCMC, eRUPI, FASTag and mobile apps for Smart Cities.

Key Initiatives

- Haryana mobility card, smart city app and solutions for Udaipur and Ajmer cities, dividend distribution and Rajasthan Jal scheme and other projects
- Designing and implementing various projects and solutions in partnership with various state governments like banking partner for state mobility card and Smart city apps etc.
- Single Nodal Account (SNA) solutions for various State Govt. and Centrally Sponsored Scheme including Jal Jeevan Mission for state of Rajasthan
- Working with various PSU and Navratna companies for their banking service requirements and their dividend distribution solutioning
- Facilitated NEET counselling at the state level through a government partnership

Way Forward

- Drive digital adoption across government departments through solution-based approaches
- Support e-governance initiatives and secure new central/state mandates
- Expand presence in southern and eastern India
- Enhance CASA mobilisation through integrated e-governance offerings
- Pursue Agency Banking license to deepen engagement with government clients



Launch of HAPPY Card under Open Loop Ticketing by Hon'ble CM of Haryana, Shri Manohar Lal Ji

Wholesale Liabilities

AU SFB's Wholesale Banking segment caters to large corporates, emerging enterprises, public sector units, government bodies, financial institutions and medium-sized businesses. The Bank offers a full suite of lending and transaction banking solutions, with revenues primarily derived from interest income and fees on these services. Key expenses include interest on borrowings and deposits, personnel costs and operational overheads.

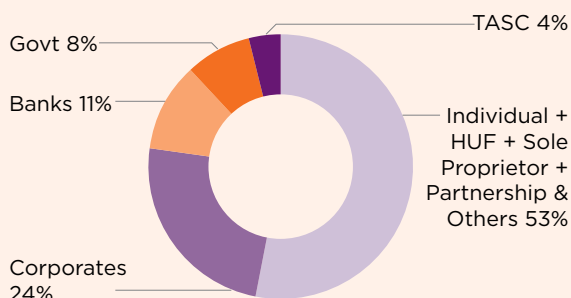
The Bank mobilises wholesale (bulk) deposits from institutional clients such as corporates, financial institutions, cooperative banks and trusts. AU SFB conducts rigorous due diligence before onboarding a client and the focus in this segment remains to grow non-callable deposits, supporting the Bank's long-term liquidity and asset-liability management.

AU SFB aims to strengthen its wholesale franchise through targeted initiatives, including:

- Deepening engagement with the start-up ecosystem
- Structuring bundled banking solutions through corporate alliances
- Collaborating with fintechs for Cash Management Services (CMS)
- Expanding visibility and wallet share by targeting large corporates sector-wise across key urban centres

Deposit Customer Profile

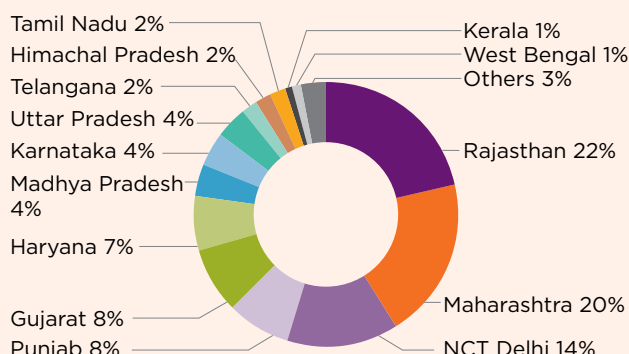
(%)



Note - CD is not included

Deposits by Geography

(%)



₹1,24,269

Total Deposit

29%

CASA

27%

Growth

78%

Stable Deposit*

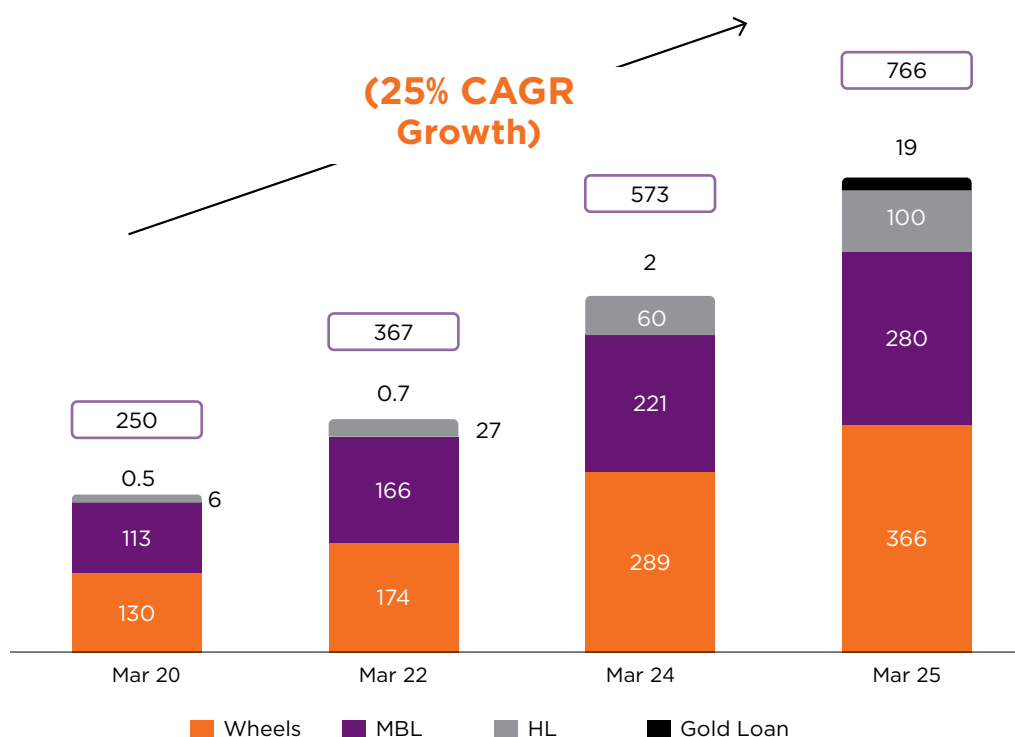
*CASA+Retail TD+Non-callable Wholesale TD



2 Retail Secured Assets

AU Small Finance Bank's Retail Assets business forms the backbone of our mission to democratise access to formal credit. From financing micro entrepreneurs and salaried homebuyers to enabling vehicle ownership and offering liquidity through gold-backed loans, our diverse retail portfolio is designed to meet the everyday aspirations of Bharat. Leveraging data, technology and deep customer connect, we continue to scale responsibly, with strong risk controls and localised execution.

Retail Secured Assets (₹Bn)*



~66%
share in GLP

14.5%
Yield

2.5%
GNPA

3.0%
RoA

Note: March 25 includes erstwhile Fincare's respective asset book; On merged basis, MBL grew by 14%, HL 22% and Gold loan 25% between 1st April 2024 and 31st March 2025

Wheels:

The Bank's Wheels business—covering new and used vehicles, tractors and two-wheelers—continues to build momentum, empowered by end-to-end digital integration. In FY 2024-25, the business vertical significantly improved operational efficiency across sales, credit and collections through multiple tech innovations. The Wheels One App (frontend powered by Salesforce and rule engine from FICO) gave Relationship Officers mobile-first access to the full loan journey, while eKYC, eSign and E-Mandate capabilities brought faster turnaround times and reduced errors.

₹36,623 Crore

Gross Loan Portfolio

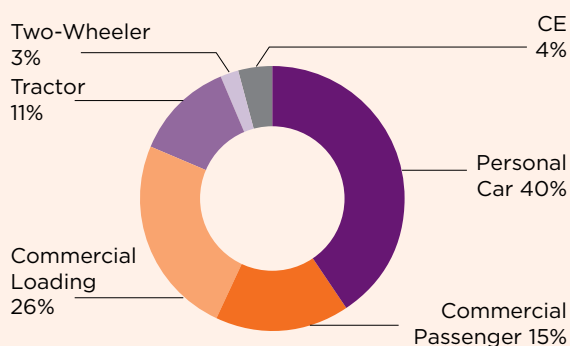
27%
Y-o-Y Growth

2.2%
GNPA

The Bank deepened its customer engagement through digital repayment modes, real-time UTR settlements for dealers (AUTR) and embedded insurance journeys, which led to a 25% reduction in manual send-backs. Strategic partnerships with OEMs such as Maruti, Hyundai, TAFE and leading digital platforms like Cars24, KUWY and CarDekho enhanced customer acquisition and sourcing.

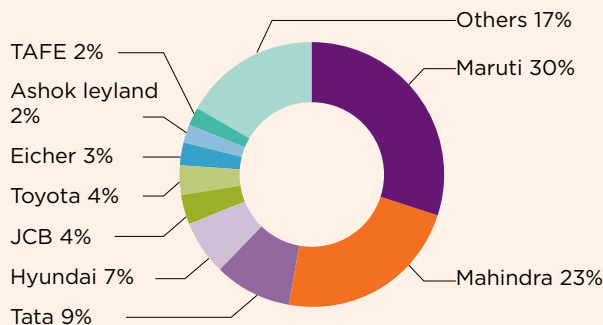
Segment-wise Portfolio

(%)



OEM-wise Portfolio

(%)



Micro Business Loans

The Micro Business Loan (MBL) vertical remains a cornerstone of AU SFB's financial inclusion agenda, serving micro and small enterprises such as kirana stores, dairy businesses, restaurants and service providers with limited documentation but strong community presence and cashflow visibility. These loans, secured by immovable property, enable entrepreneurs to invest in working capital, equipment and expansion needs.

The Bank takes a high-touch approach to credit evaluation, factoring in on-ground intelligence, projected cashflows and future business potential. AU SFB has grown into a trusted banking partner for micro MSMEs across North, Central and Western India, offering both secured MBLs and collateral-free Mudra loans under CGFMU cover.

In FY 2024-25, the Bank disbursed ₹138 Crore to 2,502 enterprises under the Mudra product, advancing our mission to formalise and finance grassroots entrepreneurship.

With the integration of Fincare geographies, MBL product remains a key beneficiary with focus on adding newer locations in next couple of years across Uttar Pradesh and key Southern states of Andhra Pradesh, Telangana, Karnataka and Tamil Nadu.

₹28,050 Crore

Gross Loan Portfolio

14%

Y-o-Y Growth

3.3%

GNPA



Home Loans

AU SFB's Home Loan business continues to expand access to affordable and customised housing finance. With a broad suite of products—ranging from loans for home purchase, construction and improvement, to commercial property and loan against property—the Bank caters to both salaried and self-employed customers across India's semi-urban and rural markets.

As of FY 2024-25, the portfolio grew by 22% year-on-year, reaching ₹10,048 Crore in assets under management.

With a presence in 600+ branches, AU SFB facilitated first homes for approximately 40,000+ individuals in FY 2024-25. The Bank's disciplined underwriting has kept the portfolio healthy, with a Gross NPA ratio of just 1.4%.

Gold Loans

Gold Loans remain a fast-growing retail segment, offering instant liquidity to both new and existing customers. With a loan portfolio of ₹1,896 Crore and this book registered 25% year-on-year growth in FY 2024-25. The portfolio continues to yield strong returns, delivering a portfolio yield of 15.6% while maintaining a GNPA of 1.4%.

The Bank's Gold Loans business operates through 850+ branches. The in-house valuation process and digitised loan origination journey have improved customer satisfaction and reduced turnaround times. Going forward, AU SFB aims to further scale this vertical through a blend of connector channels, digital sourcing and branch-led cross-sell strategies, making gold loans a gateway to broader financial engagement.

₹10,048 Crore

Gross Loan Portfolio

22%

Y-o-Y Growth

1.4%

GNPA

₹1,896 Crore

Gross Loan Portfolio

25%

Y-o-Y Growth

1.4%

GNPA

Turn your dream home
into your own address with
AU Home Loan



Key Benefits



Home
Improvement
Loan



Loan
Against
Property



Balance
Transfer &
Top-up Loan



Land Purchase
& Construction
Loan

For business or life's milestones,
unlock funds with
AU Gold Loan



Key Benefits



Maximum
Loan to
Gold Value



Quick
Loan
Approval



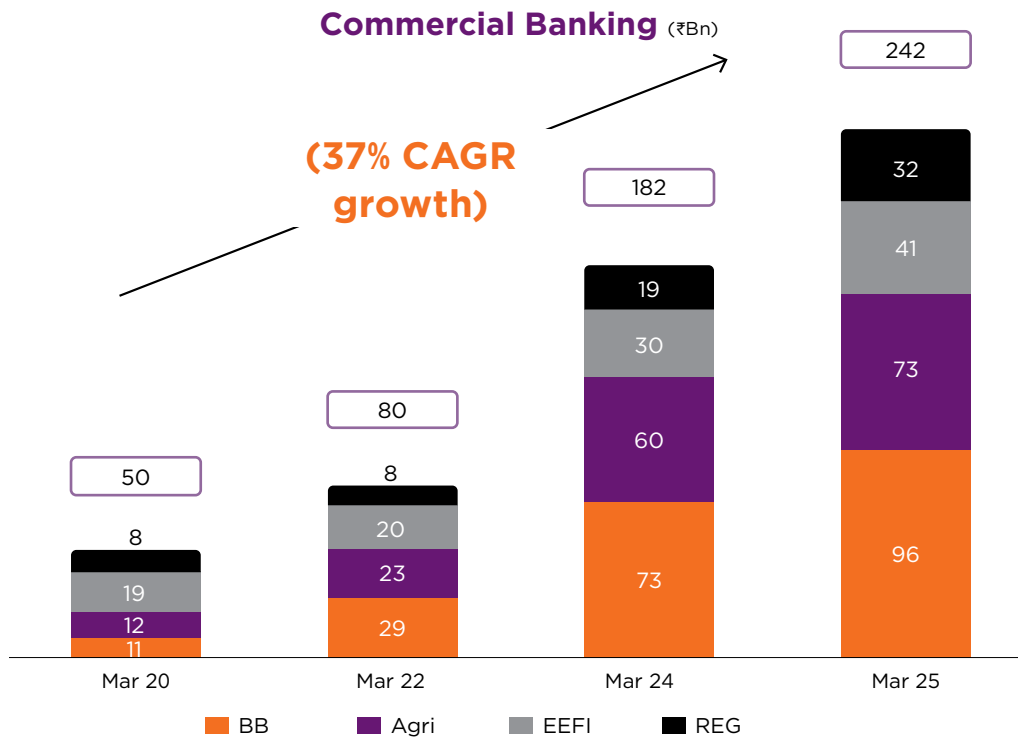
100% Safety
of Your
Ornaments



Flexible
Repayment
Options

3 Commercial Banking

The Bank's Commercial Banking business spans multiple verticals—including Business Banking, Agri Banking, Real Estate and Emerging Enterprises and Financial Institutions (EEFI) Lending—serving a broad base of MSMEs, enterprises and institutions. Complemented by strong capabilities in Trade & FX and Transaction Banking, this portfolio continues to deliver robust, granular and risk-calibrated growth.



~21%
% share in GLP

11.1%
Yield

0.8%
GNPA

2.5%
RoA

Non fund exposure includes Bank Guarantee and Letter of credit. Non- Fund exposure for FY 2024-25 increased by 36% to 8,700+ Crore from 6,400+ Crore in FY 2023-24. ~66% of the limit is utilised.

Business Banking

AU Small Finance Bank's Business Banking segment caters to the working capital and term financing needs of MSMEs through a combination of fund-based and non-fund-based credit solutions, including overdrafts, cash credit, bank guarantees and term loans. The Bank serves a wide customer base comprising wholesalers, traders, manufacturers, service providers and institutions across education and healthcare.

In FY 2024-25, the business registered a Y-o-Y growth of 31% to ₹9,562 Crore, supported by enhanced operational efficiencies and digitised disbursement documentation. The Bank continued to grow this book profitably while expanding CASA

through strong cross-sell efforts. It also commenced sanctioning AD-I (Authorised Dealer) facilities and sustained focus on building a granular, secured MSME portfolio.

₹9,562 Crore
Gross Loan Portfolio

31%
Y-o-Y Growth

0.7%
GNPA



Key highlights

- Digitisation of disbursement documentation has improved operational efficiency.
- Sanctioning of AD-I (Authorised Dealer) facilities began this year.
- Continued focus on building a granular, secured portfolio across MSMEs and entrepreneurs.
- Strong growth in non-fund-based credit solutions.

Agri Banking

AU Small Finance Bank continues to strengthen its presence across the agri value chain by financing infrastructure, capacity and supply chain build out across flour, dal, oil and rice mills, agri and food processors, dairy units, warehouses, cold storages, animal feed manufacturers, seed multipliers, poultry farms, nurseries and cotton ginning units. The Bank also extends credit to Farmer Producer Organisations (FPOs/FPCs), high-tech agriculture ventures and renewable energy projects under green financing.

Aligned with the Government's development agenda, AU SFB actively supports schemes such as Agri Infrastructure Fund (AIF), PM-FME, PM-KUSUM and FPO promotion initiatives.

In FY 2024-25, the Bank's Agri Banking portfolio reached ₹7,301 Crore, reflecting a Y-o-Y growth of 23% with stable, granular asset quality. The Bank remains focused on profitable expansion, operational efficiency and robust risk monitoring to sustain momentum.

Key highlights

- Funded over 500 MW under the PM-KUSUM renewable energy scheme.
- Broadened outreach across rural and semi-urban markets with viable ticket sizes.
- Strong growth in non-fund-based credit solutions.

₹7,301 Crore

Gross Loan Portfolio

23%

Y-o-Y Growth

1.6%

GNPA

REG (Real Estate Group)

AU Small Finance Bank's Real Estate Group (REG) focuses on financing small-scale residential/commercial projects and developers operating in the affordable to mid-income to high-income segments. The Bank's approach centres on funding project completion rather than growth capital, with strict adherence to parameters such as financial closure and appropriate funding levels.

Disbursements follow an activity-based model rather than percentage completion, ensuring better alignment with project progress. AU SFB prefers meaningful lending relationships and selectively engages with developers who operate within focused sub-micro markets, avoiding highly leveraged or fragmented portfolios.

REG is active across metros—Mumbai, Pune, Bengaluru, Delhi NCR, Ahmedabad and Hyderabad—as well as Tier 2 cities like Surat and Jaipur. In FY 2024-25, the portfolio grew by 66% Y-o-Y to ₹3,212 Crore

Key highlights

Introduced IT-driven process improvements for enhanced turnaround time (TAT).

₹3,212 Crore

Gross Loan Portfolio

66%

Y-o-Y Growth

0.1%

GNPA



Emerging Enterprises & Financial Institutions (EE&FI)

AU Small Finance Bank has built a strong franchise in NBFC and emerging enterprise lending over the past 12 years, backed by robust underwriting and deep market insights. In the last 8 years, Bank has built a lending portfolio spread across more than 200 NBFCs and emerging entities and has maintained sound asset quality during this period despite the NBFC sector witnessing various macroeconomic headwinds such as Demonetisation, IL&FS crisis and the COVID-19 pandemic.

The Bank's on-ground intelligence and prudent risk practices underpin this resilience. Beyond credit, AU SFB has fostered comprehensive liability relationships with financial institutions by offering an integrated suite of banking products including transaction banking, CMS, CASA, ACH/NACH, corporate credit cards and salary accounts.

Key highlights

- High-quality lending to asset-backed NBFCs with ~72% secured by vehicles, MSME loans, HFCs and gold.
- Stringent underwriting: Median leverage of 2.2x; 89% of portfolio investment-grade.
- Risk Management Transformation: Implemented a tech-enabled Early Warning System (EWS) that tracks 52 risk parameters in real time.
- Portfolio Diversification: Ensures low concentration risk and sound geographical spread.

₹4,145 Crore

Gross Loan Portfolio

32%

Y-o-Y Growth

0.2%

GNPA



AU SFB partners with Juspay & Visa to offer a solution for secure, seamless card tokenisation

Transaction Banking Group (including Trade and FX Services)

AU Small Finance Bank's Transaction Banking Group addresses the daily banking needs of MSME and retail clients by offering tailored cash management solutions that enhance operational efficiency, reduce transaction risks and optimise working capital.

The Bank's transaction banking capabilities were significantly strengthened with the receipt of the Authorised Dealer Category-I (AD-I) licence from the RBI. This enables AU SFB to offer a full suite of cross-border trade finance, remittance and forex services—providing end-to-end banking support to EXIM customers. These offerings also position the Bank to expand its corporate client base and deepen wallet share through integrated transaction and trade solutions.

Key highlights

- Capital Account Transactions – Seamless handling of FDI, ODI and ECBs via nodal desks.
- Import Finance (Buyer's Credit) – Enhanced borrower support in extinguishing import obligations.
- DigiTrade Enhancements – Enabled digital processing of import payments, inward remittances, export settlements, paper less export/import.

Cash Management Services

AU Small Finance Bank's Cash Management Services, offered under its Transaction Banking Group, provide a comprehensive suite of solutions including payment processing through Corporate Net Banking, collections via NACH, Virtual Account Management (VAM), dynamic QR codes and doorstep banking. The Bank also facilitates API Banking and manages special-purpose accounts such as escrow, nodal and RERA accounts. Its API Banking platform enables businesses—particularly corporates and SMEs—to automate payments, collections and account reconciliation, thereby enhancing operational efficiency and financial control.

Key highlights:

- Virtual Account Management: Enabled unique identifier-based fund collections via NEFT, RTGS, IMPS and AU SFB's internal transfers.
- IPO/ASBA for Corporates: Offered via Corporate Net Banking to simplify equity participation for institutional clients.
- Expanded to Prepaid Payment Instrument providers with seamless settlement and reconciliation frameworks.



4 Inclusive Banking

AU Small Finance Bank continues to strengthen its role as a catalyst for inclusive growth by empowering India's underserved rural and semi-urban communities through Microfinance and Agri-SMF financing. The Bank's inclusive banking strategy is designed to provide need-based, accessible and digitally enabled credit to those traditionally excluded from the formal financial ecosystem—especially micro-entrepreneurs, small and marginal farmers and women-led rural households.

At AU Small Finance Bank, financial inclusion is not just a goal—it is a foundational mission. We are committed to empowering unbanked and underbanked individuals across rural India, including small and marginal farmers, dairy farmers, micro animal husbandry enterprises, MSMEs and informal sector workers. Through the comprehensive suite of tailored financial solutions—ranging from microfinance loans, deposit and savings accounts to insurance, DBT linkages, AEPS services and ATMs—the Bank bridges the systemic gap between underserved communities and formal banking.

Microfinance

The Bank's microfinance approach is rooted in simplicity, accessibility and trust. With over 15 years of experience in this sector (including legacy Fincare operations), the Bank has built a robust joint liability group (JLG)-based lending model. This model enables collateral-free credit delivery, supported by doorstep collections, financial literacy camps and a well-established collection infrastructure—enhancing customer trust and financial participation at the grassroots level. By designing products that are easy to understand and adopt, even for individuals with limited financial literacy, the Bank enables participation in the formal financial ecosystem.

Key Highlights as of 31st March 2025

AU SFB's microfinance franchise has established a robust presence across:

- 18 States, 349 Districts and 59,000+ Villages
- Serving 25.7 Lakh customers through 9+ Lakh Joint-Liability Groups
- Managing 43+ Lakh rural savings accounts
- AU SFB average exposure per customer: ~₹26 Thousand
- 100% provision coverage maintained on the MFI portfolio, reflecting prudent risk management

MFI portfolio trends

FY 2024-25 saw MFI portfolio degrow by 17% for AU SFB and 14% for the industry, as the system witnessed credit cycle in the unsecured segment. The strong credit growth in unsecured segment post COVID-19 was characterised by higher ticket and multiple credit lines per borrower, leading to overleverage at household level. This prompted regulatory caution and tightening by the end of year 2023. As the incremental credit deployment slowed to this segment in FY 2024-25, it led to asset quality challenges with high slippages and write-offs leading to a system wide increase in credit cost and GNPA trends.

₹6,670 Crore

Gross Loan Portfolio

(17%)

Y-o-Y Growth

4.4%

GNPA

Risk Management & Operational Resilience

Our credit cost for MFI business at 7.7% for FY 2024-25, was much ahead of our expectation but remained well below system level credit cost. To make the sector more resilient, MFIN, the self-regulatory body for microfinance entities, has announced operational framework called MFIN 2.0 guidelines which became effective from 1st April 2025 and are expected to make the MFI business structurally resilient and shock-absorbent as we move forward.

Apart from implementing the MFIN 2.0 guardrails, the Bank follows additional measures to make this business more sustainable in the long run:

- Branch-level risk categorisation framework in place to closely monitor regional risks and portfolio behaviour.
- Emphasis on data-driven underwriting, early warning signals and borrower connect initiatives.
- Enhance the portfolio coverage under Central Government's credit guarantee scheme, CGFMU, with an aim to increase the coverage from 36% as on 31st March 2025 to upwards of 75%.

Agri SMF and FPO Financing

AU SFB's Agri segment supports Small and Marginal Farmers (SMFs) and Farmer Producer Organisations (FPOs) with timely, collateral-free credit backed by government guarantees. These initiatives help boost productivity, strengthen market linkages and drive rural development.

FY 2024–25 Performance Highlights

- Total Live Book: ₹265 Crore (+58% Y-o-Y)

Small & Marginal Farmers (SMF)

- Tech-Driven Lending via LOS has improved TAT significantly
- Tailored, unsecured credit offerings aligned to seasonal agri-cycles and allied activities, enabling income diversification and enhancing farmer's livelihoods

Farmer Producer Organisations (FPOs)

- Supports aggregation, storage, marketing and tech adoption
- Backed by NABARD and national rural upliftment schemes

Together, our MFI and Agri-SMF initiatives not only enhance rural credit penetration but also deepen resilience in communities, foster collective prosperity and promote equitable growth aligned with national priorities.

5 Digital Lending Business

Credit Cards

The Bank strengthened its credit card franchise with a data-driven approach aimed at optimising credit and collections amidst evolving macroeconomic conditions. Investments were directed towards building technology-first platforms, scalable partnerships and robust customer offerings. The Bank maintained its portfolio with a majority of customers in Prime Plus and Super Prime segments and strong representation across salaried profiles and urban-semi-urban geographies. Alongside organic growth, strategic partnerships were initiated to scale the business further.

In alignment with **RBI guidance**, customers were offered a choice between Visa and RuPay networks. The uptake of RuPay Credit Cards has grown significantly, driven by customer preference for features like Scan and Pay for small-ticket transactions.

To enhance **credit underwriting capabilities**, the Bank integrated the Account Aggregator framework into its digital onboarding journey. The AU 0101 platform was further strengthened with digital lifecycle journeys such as credit upgrades and limit enhancements.

Way Forward: The Bank will continue to scale its Credit Card business through partnerships, innovative offerings and digital excellence. A strong focus on data-led decision-making and risk management will support sustainable and inclusive growth.

₹2,464 Crore

Gross Loan Portfolio

(19%)

Y-o-Y Growth

6.7%

GNPA

Personal Loans

The Bank took significant steps in scaling unsecured business by partnering with global transformation leaders such as Salesforce and FICO. While the bank has built seamless and intuitive customer journey on Salesforce platform for targeting both salaried and self-employed customers, FICO's advanced decisioning engine has strengthened and automated our credit underwriting process with focus on data-base decision making

Way Forward: The Bank aims to expand its offerings to new customers and new geographies with the help of partnerships and strengthen customers' experience with the Account Aggregator framework. These initiatives reflect the Bank's commitment to inclusive, intelligent and scalable credit delivery

₹826 Crore

Gross Loan Portfolio

(5%)

Y-o-Y Growth

7.2%

GNPA



Credit cards for a range of target segments



Risk Management

The Bank operates within an effective risk management framework that actively manages all risks in alignment with its risk appetite. It has institutionalised a multi-layered governance model with three lines of defence to balance growth with prudent risk management.

The Bank monitors various risks including

- Credit Risk
- Operational Risk and Fraud Risk
- Market & Liquidity Risk
- Information & Cyber Security Risk
- Reputational Risk
- Compliance Risk

Advanced technology, data-driven monitoring and a deeply embedded risk culture ensure proactive identification and mitigation. Continuous policy refinement and regulatory alignment position the Bank to manage emerging risks while building lasting stakeholder trust and long-term value.

The Bank is cognisant of emerging risks, including climate risk and is enhancing its capabilities and strategies to manage and mitigate them effectively.

Risk governance is driven by a risk appetite statement, well-articulated policies and a robust risk management structure. Continuous risk assessment ensures compliance with internal and regulatory limits, supported by periodic reviews and reporting to relevant management and Board committees.

Risk Governance Structure

The Board of Directors holds ultimate responsibility for governance and risk management, supported by internal policies and a defined delegation framework. It is assisted by a robust governance structure comprising experienced executive leadership, dedicated Board Committees and specialised sub-committees.

The Risk Management Committee of the Board (RMCB), composed of Independent Directors, oversees the Bank's risk management framework. It reviews and approves risk mitigation strategies, sets prudent risk limits and monitors key risk areas. The RMCB also supervises various management committees, including:

- Credit Risk Management Committee (CRMC)
- Operational Risk Management Committee (ORMC)
- Asset & Liability Management Committee (ALCO)
- Investment Committee
- Committee for Outsourcing of IT & Financial Services
- IT Security Risk Committee

The Internal Capital Adequacy Assessment Process (ICAAP) and periodic stress testing are integral components of capital planning and are regularly reviewed by the RMCB.

The Chief Risk Officer (CRO), reporting independently to the RMCB, leads the Bank's risk management across credit, market, liquidity, operational, fraud and information security risks to ensure alignment with the Bank's strategic direction.

Honoured to be recognised at the
4th IBA CISO Summit 2025



Recognised for our pursuit of a secure and innovative banking ecosystem

Key Risks and their Mitigation

The Bank has established a strong risk culture and risk governance framework to enable risk assessment, identification, measurement, mitigation and reporting of risks within the Bank. Key risks and their mitigation framework are as follows:

Credit Risk Management

Credit risk refers to the potential loss arising from a borrower's or counterparty's failure to meet their contractual obligations, including repayments, settlements, or other financial commitments.

Mitigation

The Credit Risk unit is responsible for assessing, monitoring and mitigating credit risk by strengthening underwriting standards, setting risk limits and closely tracking asset quality. It conducts periodic portfolio reviews, aligned with the Bank's evolving risk appetite and business plans. Oversight extends to credit strategy, underwriting and risk frameworks like early warning systems, portfolio triggers, risk classifications and high-value exposure monitoring. By adopting a forward-looking approach and leveraging data analytics, the Credit Risk function ensures resilience in a dynamic economic and regulatory environment—supporting the Bank's long-term sustainability.

The Bank follows a robust credit risk architecture with defined policies and systems for both retail and commercial lending. While commercial loans are managed on standalone basis as well as on portfolio basis, retail lending—due to its granularity—is largely managed on a portfolio basis. Emphasis is placed on diversification, prudent credit approvals, post-disbursement monitoring and corrective actions.

The Credit Risk Management Committee (CRMC) sets exposure limits, manages concentration risk, oversees early warning mechanisms and regularly reviews portfolio health. Its findings are submitted to the Board-level Risk Management Committee every quarter.



In 24 hours, AU Hacktivate teams built innovative solutions to boost efficiency and customer experience



Operational Risk Management



As defined by the RBI, operational risk refers to the risk of loss arising from inadequate or failed internal processes, people, systems, or external events. It includes Legal Risk but excludes strategic and reputational risks.

Mitigation

AU Small Finance Bank operates under a Board-approved Operational Risk Management Policy with a robust framework covering governance, processes and controls across all business verticals. The framework follows the three lines of defence model:

- 1. First Line:** Business units, support functions, and operations
- 2. Second Line:** Independent Operational Risk Management Department (ORMD)
- 3. Third Line:** Internal Audit

The ORMD is responsible for implementing the framework, while the Operational Risk Management Committee (ORMC), reporting to the Risk Management Committee (RMC), oversees its execution and recommends mitigation measures.

Fraud Risk Management

Fraud risks are managed through a dedicated Risk Containment Unit (RCU), operating under the guidance of a Board-approved Fraud Risk Management Policy. The RCU is responsible for identifying, investigating and containing fraudulent activities across the Bank's operations. A Special Committee of the Board for Review and Monitoring of Frauds provides oversight on all significant fraud incidents, ensures thorough root cause analyses are conducted and monitors the implementation of corrective and preventive measures.

The Bank continuously strengthens its systems, processes and monitoring mechanisms. Real-time transaction monitoring, enhanced staff vigilance are integral to early detection and response. Periodic training and awareness programmes are also conducted to sensitise employees on emerging fraud risks and promote a culture of

accountability and prevention. These proactive measures help minimise vulnerabilities and ensure the integrity of the Bank's operations.

Outsourcing Risk Management

The Bank follows comprehensive Financial and IT Outsourcing Policies aligned with RBI guidelines. While the Board holds ultimate responsibility, operational powers are delegated to the Committee for Outsourcing of IT and Financial Services, reporting to the RMC. The policy ensures due diligence, risk assessment, monitoring and governance of all outsourced activities.

Business Continuity Management (BCM)

The Bank has a well-defined Business Continuity Management (BCM) Plan, regularly reviewed for alignment with regulatory requirements.

Key highlights:

- Dedicated Disaster Recovery sites with periodic BCP drills
- Emergency response plans covering IT disasters and pandemics
- Continuous refinement of the BCM framework based on learnings from simulations

These measures ensure uninterrupted critical operations in the event of disruptions.

Digital Risk Mitigation

With the rise of digital transactions, the Bank has strengthened monitoring of digital platforms, ensuring secure, seamless experiences for customers while supporting future growth in digital banking.

Market Risk, Liquidity and Asset Liability Management ▼

Market risk for the Bank arises from investments in securities and forex positions, taken both on behalf of customers and for proprietary trading. The Bank's market risk framework sets clear benchmarks and limits to monitor exposures and portfolio performance, helping optimise risk-adjusted returns.

Liquidity risk refers to the potential inability to meet cash or collateral obligations—both expected and unexpected—without impacting financial stability. The Bank actively manages this through prudent planning and robust liquidity frameworks.

Mitigation

Market risk is managed through Board-approved policies, regulatory guidelines, defined processes and robust systems for identifying, measuring, monitoring and reporting exposures within the Bank's risk appetite. Analytical tools are employed to manage risks across trading, investment portfolios and forex positions.

Liquidity risk is managed under the Bank's Asset Liability Management (ALM) Policy, which ensures the ability to meet obligations even during stress scenarios. The Asset Liability Management Committee (ALCO) oversees the management of market, forex, interest rate and liquidity risks, ensuring compliance with internal and regulatory limits while staying aligned with the Bank's risk appetite.

Information & Cyber Security Management ▼

As the Bank advances its digital journey to enhance customer experience and operational efficiency, it remains vigilant against cyber risks. Threats such as malware, phishing, denial-of-service attacks and data breaches pose potential risks to systems, services and sensitive information. Robust IT risk management practices are in place to safeguard against these evolving threats and ensure secure banking operations.

Mitigation

The Bank has a robust information and cyber security framework to safeguard its IT infrastructure and data assets. Risks are identified, assessed, mitigated and monitored through dedicated governance structures, including Board and management-level committees. The Chief Information Security Officer (CISO), reporting to the CRO, oversees the Bank's information security posture, supported by a 24x7 Cyber Security Operations Centre (C-SOC) for real-time threat monitoring.

Adopting a layered security approach, the Bank continues to invest in next-generation cyber security solutions. We follow the People, Process & Technology (PPT) framework to build a resilient security ecosystem:

- **People:** Continuous employee training and awareness programmes.
- **Process:** Well-defined, Board-approved policies (Information Security, Cyber Security, Cyber Crisis Management, Cloud Security) with regular updates—recently upgraded from ISO 27001:2013 to ISO 27001:2022.
- **Technology:** Deployment of advanced controls and tools to proactively strengthen defenses.

To protect customers, the Bank runs continuous awareness campaigns across emails, SMS, social media and branches—educating them on cyber hygiene, safe digital practices and reporting frauds through official government channels (cybercrime.gov.in / 1930).



Reputation Risk

Reputation Risk Management is a crucial aspect of overall risk management, as any adverse impact on reputation can lead to loss of customer and other stakeholder's confidence and may expose the Bank to litigation and regulatory actions.

Mitigation

The Board, MD & CEO and senior management ensures that the level of reputational risk the Bank assumes is managed effectively. Bank's reputation is extremely valuable and it is every employee's responsibility to safeguard and enhance the goodwill of the Bank by adopting high governance standards, ethical practices & transparent while dealing with customers.

The Bank has taken steps to monitor reputation risk on an ongoing basis. The Bank identifies reputation risk in its ICAAP document and an assessment

framework (Reputation Risk Index-RRI) has been established to monitor the level of reputation risk.

Bank communicates with its stakeholders regularly through appropriate engagement mechanisms to address stakeholder expectations and assuage their concerns, if any. There is Zero tolerance for knowingly engaging in any activity that is not consistent with values, Code of Conduct or policies of the Bank.

Emerging Risks

Data Privacy

Data is central to our retail-focused business, driving strategy and enabling responsiveness to customer needs and market shifts. As data volumes and access points grow, protecting it while ensuring usability and privacy is increasingly complex. Upholding the highest standards of data privacy remains a key priority for the Bank.

Cybersecurity and Fraud Risk

With increasing digitalisation in banking, cyber-attacks targeting sensitive financial data are on the rise. Cybersecurity is critical to maintaining stakeholder trust and we remain committed to adopting best practices to strengthen our defenses and stay ahead of emerging threats.

Climate Risk

Climate risk is an emerging focus area for stakeholders, primarily driven by physical risks (e.g., extreme weather events) and transition risks (e.g., decarbonisation). While our retail-focused social financing model has lower exposure to such risks, it remains an area of increased scrutiny. To address this, we have established a robust ESG policy framework.

Social Media Risk

Social media is a vital engagement and marketing tool for the Bank. However, it also poses risks such as reputational, compliance and operational risks. To manage these, the Bank has robust Public Relations strategies and monitoring controls in place.



Human Resource

AU Small Finance Bank has been at the forefront of redefining human resource practices in the financial sector, earning industry recognition for its people-centric approach. Over the past three decades, while the way organisations manage their workforce has evolved significantly, the Bank has remained steadfast in its commitment to investing in people and aligning the needs of employees with organisational priorities.

As of 31st March 2025, AU SFB's total employee strength stood at 50,946. The Bank's investment in human capital focuses on promoting overall well-being—including that of employees' families—and offering continuous learning and development opportunities to enable long-term, fulfilling careers. These initiatives are shaped by insights from the annual employee engagement survey and other feedback channels, ensuring that the Bank's offerings remain relevant and responsive to the needs of its workforce.

Read more on Page  **70**

Credit and Collection Management

The scope of the Credit Risk unit includes measuring, assessing and monitoring credit risk within the Bank by way of strengthening underwriting and onboarding norms and keeping close watch on asset quality trends & account conduct. It establishes various guardrails & risk limits and conducts periodic portfolio reviews. The defined risk limits are forward-looking and are reviewed in sync with future business plans and risk appetite of the Bank. Credit Risk unit exercises oversight on the strategy and underwriting functions of the Credit group. Portfolio monitoring is carried out through Portfolio Profiling, Portfolio Triggers and caps, Early Warning Framework, Risk Classification, Quick Mortality, Transaction & Limit monitoring, Rapid Portfolio Review and Monitoring of High Value Customers and other risk activities. All aspects of credit risk are governed by the Credit Risk Management Policy and other related Policies.

The Bank has a comprehensive credit risk architecture, policies, procedures and systems for managing credit risk in its retail and commercial segments. Commercial lending is managed on an individual as well as portfolio basis. In contrast, given the granularity of individual exposures, retail lending is managed largely on a portfolio basis across

various products and customer segments. Adequate systems & processes are in place and are reviewed periodically to ensure credit quality. The Bank ensures portfolio diversification, stringent credit approval processes, periodic post-disbursement monitoring and remedial measures.

The CRMC (Credit Risk Management Committee) oversees and reviews the credit risk and is responsible for setting prudential limits on large credit exposures, managing asset concentration, overseeing portfolio management, early warning indicators, addressing risk concentration, conducting monitoring and evaluation, provisioning, regulatory and other issues around it. CRMC oversees and reviews the credit risk and submits its updates to Risk Management Committee every quarter.

The Bank created a position of Chief Credit Officer (CCO), a strategic leadership role aimed at strengthening credit risk governance. The creation of this role brings sharper focus and heightened accountability to the Bank's credit underwriting and collections processes. It ensures a clear segregation between credit appraisal and risk monitoring functions, thereby enhancing the independence, oversight and effectiveness of the Bank's credit risk management framework.

Internal Control Systems

The Bank's internal audit function operates independently to evaluate the adequacy and effectiveness of internal controls, information security frameworks, risk management systems and governance processes. A dedicated Information Systems (IS) Audit team is in place to proactively identify and address technology-related risks and IT security concerns, in alignment with the Bank's operational scale and complexity.

The internal audit and compliance departments routinely review business operations to ensure adherence to internal policies, standard operating procedures, regulatory norms and legal requirements. These reviews facilitate timely feedback to the management team, enabling corrective measures and mitigating potential design or process-related risks.

The Audit Committee of the Board provides strategic oversight, regularly reviewing the performance of the Audit and Compliance functions and assessing the robustness of the Bank's control environment and regulatory compliance.



Corporate Information

Registered Office

19A, Dhuleshwar Garden,
Ajmer Road,
Jaipur – 302001
Rajasthan, India
Contact: 0141 - 4110060

Head Office

CP3-232, Industrial Area,
Apparel Park, Jagatpura,
Jaipur – 302022
Rajasthan, India

Corporate Office

5th Floor, E-Wing, Kanakia Zillion,
Junction of CST Road & LBS Marg,
Kurla (West), Mumbai – 400 070,
Maharashtra
Contact No: 022-62490600

Joint Statutory Auditors

M S K A & Associates

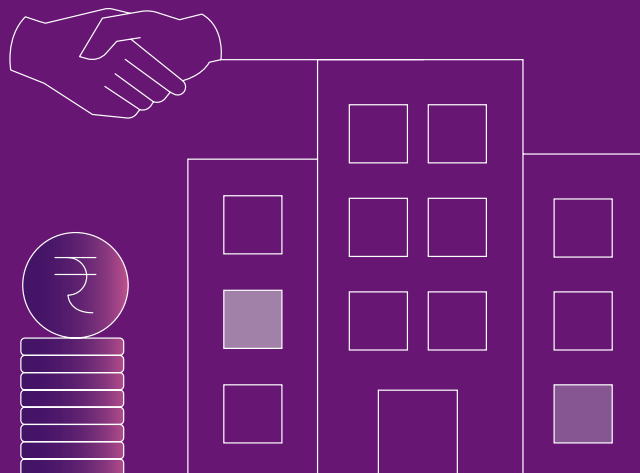
602 Floor 6, Raheja Titanium,
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Geetanjali, Railway Colony,
Ram Nagar, Goregaon (E),
Mumbai 400 063.

Mukund M Chitale & Co.

2nd Floor, Kapur House,
Paranjape Scheme B Road No. 1,
Vile Parle (E),
Mumbai 400057.

Secretarial Auditor

M/s V.M. & Associates
Company Secretaries 403,
Royal World, S.C. Road,
Jaipur – 302001, Rajasthan



Special Spotlight

AU Jypore Trilogy Cup

Honoring Tradition Through Sports



The **AU Jypore Trilogy Cup** Polo Match was held on 31st January, 2025 at the prestigious Rajasthan Polo Club, Jaipur, as part of the AU Jypore Trilogy. This event brought together heritage and athleticism in a celebration of Jaipur's enduring legacy.





The match featured the **Jaipur Polo Team**, led by **H.H. Maharaja Sawai Padmanabh Singh Ji**, who secured a memorable victory against the **61st Cavalry Team**. His leadership and presence on the field added a regal touch to the competition, making the event a standout moment of the Trilogy.



This event also marked a special moment in our association with the Jaipur Polo Team, a partnership reflecting AU SFB's enduring commitment to Jaipur's unique culture.

BOARD'S REPORT

Dear Members,

The Board of Directors ("the Board") is pleased to present the 30th Annual Report of AU Small Finance Bank Limited ("Your Bank"/"the Bank"), encompassing an overview of Bank's operations, key financial highlights along with the Audited Financial Statements and the Independent Auditors' Report for the financial year ended March 31, 2025.

A. Financial Summary & Highlights

The summary of the financial performance of your Bank for FY 2024-25 is presented below:

Particulars	(₹ in Crore)	
	March 31, 2025	March 31, 2024
Deposits and Borrowings	1,35,928.44	92,661.49
Advances	1,07,092.48	73,162.65
Total Assets	1,57,845.67	1,09,425.67
Total Income	18,590.04	12,251.86
Interest Income	16,063.73	10,554.71
Other Income	2,526.31	1,697.14
Interest Expenditure	8,052.15	5,397.63
Operating Expenses (excluding depreciation)	5,698.70	4,239.36
Profit before Depreciation, Provisions and Tax	4,839.19	2,614.87
Depreciation	258.51	225.44
Provision for Income Tax	682.13	464.71
Other Provisions and Write-offs	1,792.62	389.99
Net Profit	2,105.93	1,534.72
Add: Additions on Amalgamation	538.14	-
Appropriations		
Transfer to Statutory Reserve	526.48	383.68
Transfer to Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961	180.00	130.00
Transfer to Capital Reserve	53.44	7.32
Transfer to Investment Reserve Account	-	8.77
Transfer to Investment Fluctuation Reserve	39.01	52.50
Deduction due to Amalgamation adjustments	5.00	-
Dividend pertaining to previous year paid during the year	74.31	66.70
Dividend (in ₹) (Per Equity Share)	1.00	1.00
Surplus carried over to Balance Sheet	6,938.71	5,172.88
Earnings Per Share (EPS) (in ₹) (After excluding Exceptional Items not annualized)		
Basic (in ₹)	28.32	22.98
Diluted (in ₹)	28.24	22.86

Key Performance Highlights

Your Bank witnessed growth and consistent performance in FY 2024-25. The key financial performance indicators for the year are as follows:

- Net Interest Income (NII) grew to ₹8,011.58 Crore for FY-2024-25 vis-à-vis ₹5,157.09 Crore for FY 2023-24.
- Net Profit After Tax increased to ₹2,105.93 Crore for FY 2024-25 vis-à-vis ₹1,534.72 Crore for FY 2023-24 (post considering pre-tax exceptional impact of ₹76.80 Crore in Q4 FY2024 towards erstwhile Fincare merger related expense).

- Balance sheet size grew to ₹1,57,845.67 Crore as on March 31, 2025 vis-à-vis ₹1,09,425.67 Crore as on March 31, 2024.
- Deposits grew to ₹1,24,268.54 Crore and CASA ratio stood at 29.17% as on March 31, 2025 against 33.41% as on March 31, 2024.
- Gross Advance grew to ₹1,08,778.17 Crore and Credit to Deposit ratio* stood at 86.18% as on March 31, 2025 against 83.92% as on March 31, 2024.



* Credit to Deposit ratio (excluding Re-Finance) stood at 78.49% as on March 31, 2025 against 78.31% as on March 31, 2024.

Notes:

1. Figures of previous year have been regrouped/reclassified wherever necessary to conform to the current period's classification.
2. Previous year numbers are not directly comparable due to erstwhile Fincare merger being effective from April 01, 2024.

Analysis of Bank's performance is covered in Management Discussion & Analysis section of the Annual Report.

B. Business Overview

Amidst a challenging global macroeconomic environment, the Indian economy is exhibiting a quickening growth momentum, with resilience and financial stability. Despite facing certain headwinds such as inflationary pressures and geopolitical uncertainties, the Indian economy remains on a positive trajectory, positioning itself as a key player in the global economic landscape. With a prudent fiscal policy and a conducive business environment, India is poised to sustain its growth momentum and solidify its position as a major economic force in the years to come. The government's initiatives to boost manufacturing, infrastructure development, and digital transformation have propelled the economy forward, attracting both domestic and foreign investment.

The financial sector played a crucial role in supporting this growth, contributing to overall economic stability and development. The optimistic economic environment presents ample opportunities for small finance banks in India to contribute to financial inclusion and economic development.

With a stable GDP growth rate, controlled inflation, easing liquidity and monetary conditions and a strong focus on infrastructural development, India remains a bright spot in an uncertain global landscape. Additionally, India's corporate and financial sectors have stronger balance sheets than before the pandemic. These figures highlight the Indian economy's resilience and positive trajectory during the specified period.

During the financial year 2024-25, your Bank demonstrated resilience and steady growth amidst a challenging economic and operational environment marked by persistent interest rate pressures, tight liquidity conditions, climate related disturbances and uncertain global macro trends. Your Bank exhibited sustained performance across key metrics, including

asset and deposit growth, profitability, and digital products for higher engagement with customers. Noteworthy highlights include the successful launch of innovative banking products like 'AU ivy', 'AU Eternity' and Green deposits titled 'Planet First', along with strategic initiatives such as the 'Soch Badlo aur Bank Bhi' brand campaign and the merger of erstwhile Fincare Small Finance Bank ('Fincare SFB'). Your Bank remains focused on sustainable growth, leveraging its strong regulatory compliance framework, technological investments, and strategic partnerships to fortify its position in the market and deliver consistent returns to stakeholders.

Your Bank is delighted to inform that following the successful Amalgamation of erstwhile Fincare SFB as on April 01, 2024, your Bank has evolved into a formidable banking franchise, greatly expanding its reach to over 1.13 Crore customers across 21 States & 4 Union Territories. With a network of 2,456 Banking touchpoints, your Bank is committed to provide top notch services through a dedicated workforce of 50,000+ employees. This merger has paved a way for your Bank to extend its presence into South India, significantly broadening its distribution network. This increased footprint of Branches and touchpoints will enhance Bank's ability to provide diverse range of products and services to a larger customer base, solidifying its market position and helping to realise its aspirations of PAN India Banking franchise.

The key business developments and segment-wise position of business and its operations are covered in detail under the Management Discussion & Analysis section of the Annual Report.

C. Update on the Amalgamation of Erstwhile Fincare Small Finance Bank Limited with Bank

Following the successful amalgamation of erstwhile Fincare Small Finance Bank Limited ("Transferor Bank") into and with the AU Small Finance Bank Limited ("Transferee Bank" or "your Bank"), the consolidated entity has completed one year of its operation as a unified Banking institution. Your Bank with this strategic merger has achieved strong and diversified retail banking franchise with a wide reach across India and have augmented your Bank's portfolio with microfinance, mortgages, and gold loans, while leveraging erstwhile Fincare SFB's rural distribution network and your Bank's digital capabilities. The combined entity has achieved synergies in deposits, technology, and efficiency, ultimately benefiting key financial metrics.

Integration Phases:

Amalgamation became effective on April 1, 2024 (the “Effective Date”) and your Bank has undertaken a structured and strategic approach towards post-merger integration. The primary focus has been on seamlessly consolidating operations, standardizing internal processes, and fostering a unified organizational culture across all functional areas. To facilitate this, your Bank developed a comprehensive, phased integration roadmap that outlined key milestones, timelines, and responsibilities. This roadmap is being diligently followed, ensuring that operational alignment and systems harmonization to cultural integration and stakeholder communication is executed in timely and coordinated manner. These efforts have been instrumental in driving synergies, enhancing operational efficiency, and reinforcing your Bank’s commitment to delivering consistent value to its stakeholders. Phase 1 included erstwhile Fincare payment systems (CTS, IMPS, AePS, NACH/ e-Nach, ATM/POS/ECOM, UPI, NEFT/RTGS) which was successfully integrated into AU SFB’s payment system and Phase 2 of IT consolidation and Integration is in progress.

E. Credit Rating

The details of credit rating assigned to your Bank for debt instruments issued and outstanding as on March 31, 2025 along with outlook are given below:

Nature of Debt Instrument	Nature of Term	CRISIL Ratings	India Ratings	CARE Ratings	ICRA Limited
Fixed Deposits	Long-Term	CRISIL AA+/Stable	-	-	-
Long-Term/ Subordinated Debt/ Tier II Bond	Long-Term	CRISIL AA/Stable	IND AA/Stable	CARE AA/Stable	ICRA AA/Stable
Certificate of Deposits	Short-Term	CRISIL A1+	IND A1+	CARE A1+	-

Note:

- Post Amalgamation, all NCDs of erstwhile Fincare SFB have been transferred to your Bank, accordingly ratings have been upgraded by India Ratings and CARE on April 10, 2024 and by ICRA Limited on May 17, 2024.
- CRISIL reaffirmed the above credit ratings of the Bank on April 10, 2024 and on April 2, 2025.
- The India Ratings have reaffirmed the above credit ratings of your Bank April 10, 2024 and September 09, 2024 and November 29, 2024
- The CARE has reaffirmed the above credit ratings of your Bank on April 10, 2024, August 14, 2024, October 22, 2024 and January 14, 2025.
- The ICRA have reaffirmed the above credit ratings of your Bank on February 27, 2025
- Further, new credit rating has been assigned for proposed issue of Tier II Bond by CARE and ICRA on January 14, 2025 and February 27, 2025 respectively.
- The above rating details can be accessed on the website of the Bank at <https://www.aubank.in/credit-rating>

D. Dividend

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and Reserve Bank of India (“RBI”) guidelines, your Bank has formulated and adopted a Dividend Distribution Policy. This policy aims to strike a balance between rewarding Your Bank’s shareholders by distributing a portion of profits whilst ensuring that adequate funds are retained for the sustainable growth of your Bank. The same can be viewed on the website of the Bank at <https://www.aubank.in/investors/secretarial-policies>.

In line with the aforementioned policy and considering your Bank’s financial performance during the FY 2024- 25, the Board at its meeting held on April 22, 2025 recommended a dividend of 10% (₹ 1 per fully paid-up Equity Share of ₹10 each) for the year ended March 31, 2025. This recommendation will be placed before the shareholders for approval at the upcoming Annual General Meeting (“AGM”) of your Bank.

In terms of the provisions of the Income Tax Act, 1961, the dividend income is taxable in the hands of the members and the dividend will be paid to the members by your Bank after deduction of tax at source (“TDS”) at the applicable rates.



F. Change in Nature of Business

During the year under review, there were no changes in the nature of business of your Bank.

G. Transfer to Reserves

In consonance with the RBI regulations and other applicable regulations, your Bank has proposed transferring the following amounts to various reserves for the financial year ended March 31, 2025 as mentioned below:

Amount transferred to	Amount (₹ in crores)
Statutory Reserve	526.48
Transfer to Special Reserve U/s 36 (1) (viii)	180
Transfer to Capital Reserve	53.44
Transfer to Investment Reserve Account	-
Transfer to Investment Fluctuation Reserve	39.01

H. Transfer to the Investor Education and Protection Fund ("IEPF")

In accordance with Section 124 and 125 of the Companies Act, 2013 ("Act") read with the Investor Education and Protection Fund ("IEPF") Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended from time to time), all the equity shares of your Bank in respect of which dividend amounts have not been paid or claimed by the shareholders for seven consecutive years or more are required to be transferred to demat account of IEPF Authority. There was no unclaimed/unpaid dividend or shares of your Bank liable to be transferred to the IEPF during the FY 2024-25.

Further, the details of amount relating to unclaimed dividends and the dates by which such dividend can be claimed by the shareholders from your Bank are mentioned under Report on Corporate Governance appended with Board's Report as **Annexure-I**.

Further, details of the unclaimed/un-encashed dividends lying in the unpaid dividend accounts as on end of the financial year are available on website of the Bank at <https://www.aubank.in/unclaimed-dividend-page>

I. Deposits

As a Banking company, your Bank is not subject to disclosures pertaining to deposits as required under Rule 8(5)(v) & (vi) of the Companies (Accounts)

Rules, 2014 read with Sections 73 and 74 of the Act and the Companies (Acceptance of Deposits) Rules, 2014. The details of the deposits received and accepted by your Bank as a Banking company have been disclosed in the financial statements for the financial year ended March 31, 2025 forming part of this Annual Report for FY 2024-25.

J. Capital Structure & Fund Raising

Authorised Share Capital

During the period under review, there was no change in the Authorised Share Capital of your Bank and as on March 31, 2025, the Authorised Share Capital of your Bank stood at ₹1,200 Crore comprising 1,20,00,00,000 equity shares of ₹10 each.

Paid-up Capital

In accordance with the Scheme of Amalgamation of erstwhile Fincare SFB with and into your Bank, 7,35,25,352 equity shares of face value ₹10 each were issued and allotted to the shareholders of erstwhile Fincare SFB on April 01, 2024.

Further during the period under review, your Bank issued and allotted 18,42,728 equity shares of face value of ₹10 each pursuant to exercise of Employee Stock Options (ESOPs) under different ESOP Schemes ("Schemes"). Consequently, the total issued, subscribed and Paid-up Equity Share Capital ("PUSC") of your Bank has increased by ₹75.37 Crore and accordingly PUSC stood at ₹744.53 Crore as on March 31, 2025, comprising of 74,45,30,531 equity shares of ₹10 each.

Non-convertible Debentures ("NCDs")

During the year, your Bank has successfully raised ₹770 Crore by issuing 77,000 9.2% unsecured, rated, listed, redeemable, subordinated, non-convertible lower Tier II bonds in the nature of Non-Convertible Debentures and categorized as Tier II capital under the BASEL II Framework having a Face Value of ₹1,00,000 each for cash by way of private placement.

Also, your Bank has redeemed Non-Convertible NCDs of ₹75 crores in total during the year under review.

Details of outstanding NCDs as on March 31, 2025, includes NCDs of erstwhile Fincare SFB, transferred to your Bank pursuant to Amalgamation becoming effective from April 01, 2024 are as follows:

Sr.	ISIN	Series	Amount (₹ in Crore)	Date of Allotment	Date of Maturity
1.	INE949L08418	-	500	November 30, 2018	May 30, 2025
2.	INE949L08442	Series I	350	August 03, 2022	August 03, 2032
3.	INE949L08434	Series II	100	August 03, 2022	August 13, 2032
4.	INE949L08426	Series III	50	August 03, 2022	August 23, 2032
5.	INE519Q08152*	-	100	September 30, 2019	September 30, 2025
6.	INE519Q08160*	-	49	June 15, 2023	December 15, 2028
7.	INE519Q08178*	-	75	July 05, 2023	January 05, 2029
8.	INE519Q08186*	-	50	August 09, 2023	February 09, 2029
9.	INE519Q08194*	-	60	August 23, 2023	February 23, 2029
10.	INE949L08459	-	770	March 28, 2025	March 28, 2035
Total			2,104		

* ISINs are listed under the name of AU Small Finance Bank w.e.f. April 12, 2024 and the notification was issued by BSE in this regard can be accessed at <https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20240409-4>

K. Employee Stock Option Schemes

Your Bank has instituted multiple Schemes, all of which have received requisite approval from the shareholders. These Schemes are structured in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended from time to time, with the objective of enabling employees to participate in your Bank's long-term growth and financial success.

At your Bank, employee engagement and retention are key strategic priorities. The Bank believes that fostering a sense of ownership among employees not only enhances their commitment and job satisfaction but also contributes significantly to improved productivity and sustained organizational performance. Through these initiatives, the Bank aims to cultivate a culture of shared success and long-term value creation.

The grant of Employee Stock Options under the approved Schemes is subject to the review and approval of the Nomination and Remuneration Committee ("NRC"), in accordance with the Bank's Compensation Policy. Options are awarded as part of the Annual Performance Review cycle and at the

time of hiring, based on a comprehensive evaluation of several parameters including the employee's scale, designation, performance ratings, grade, tenure of service, strategic importance of the role, and overall contribution to Bank's performance etc. This structured and merit-based approach has helped in aligning employees with Bank's long-term objectives and thereby reinforcing a culture of performance and accountability.

Following are the Employee Stock Option Schemes in force as on March 31, 2025:

- Employee Stock Option Scheme 2015 - Plan A (ESOP 2015 - Plan A)
- Employee Stock Option Scheme 2015 - Plan B (ESOP 2015 - Plan B)
- Employee Stock Option Scheme 2016 - (ESOP 2016)
- Employee Stock Option Scheme 2018 - (ESOP 2018)
- Employee Stock Option Scheme 2020 - (ESOP 2020)
- Employee Stock Option Scheme 2023 - (ESOP 2023)



The details of vesting of various schemes are as follows:

ESOP Scheme & Plan	Vesting Period	% of vesting of options
ESOP 2015 - Plan A	1 year from the date of grant or at the time of IPO whichever is later	20%
	Expiry of 1 year from 1 st vesting	30%
	Expiry of 2 years from 1 st vesting	50%
	Total	100%
ESOP 2015 - Plan B	1 year from the date of grant or at the time of IPO whichever is later	20%
	Expiry of 1 year from 1 st vesting	30%
	Expiry of 2 years from 1 st vesting	50%
	Total	100%
ESOP 2016	Options granted under this scheme would vest after one year but not later than six years from the date of grant of options	Refer Note
ESOP 2018	Options granted under this scheme would vest after one year but not later than six years from the date of grant of options	
ESOP 2020	Options granted under this scheme would vest after one year but not later than six years from the date of grant of options	
ESOP 2023	Options granted under this scheme would vest after one year but not later than six years from the date of grant of options	

Note: Options granted may be exercised within four years from the date of first vesting of the options under ESOP 2015 and six years from the date of first vesting of the options under ESOP 2016, ESOP 2018, ESOP 2020 and ESOP 2023. Vesting is as per terms of grant approved by NRC in the grant letter issued to employees and NRC is empowered to change the vesting period in case of corporate action such as Amalgamation.

The Brief Details of Existing ESOP Schemes as on March 31, 2025 are given below:

Particulars	ESOP 2015 - Plan A	ESOP 2015 - Plan B	ESOP 2016	ESOP 2018	ESOP 2020	ESOP 2023
Date of Shareholders Approval	31-Aug-15	31-Aug-15	10-Oct-16	07-Aug-18	23-Dec-20	30-Apr-23
Total Number of Options approved	38,75,483	50,93,437	31,71,733	80,60,529	99,96,200	2,00,00,000
Total Number of options outstanding at the Beginning of the period [@]	0	1,96,800	13,89,718	28,01,033	91,91,678	37,67,044
Total No. of Options granted (during FY 2024-25)	50,000	28,000	67,551	1,44,001	8,67,015	57,86,439
The Pricing Formula	₹ 10.11 per share	₹ 16.69 per share (₹ 33.37 per share prior to Bonus)	Market price linked [#]	Market price linked	Market price linked	Market price linked
Options Vested (during FY 2024-25) [@]	0	39,100	5,17,110	3,03,819	20,99,704	19,60,788
Options Exercised & allotted (during FY 2024-25)	0	31,300	3,94,088	6,26,087	1,31,259	6,59,994
Total No of shares arising as a result of exercise of option	0	31,300	3,94,088	6,26,087	1,31,259	6,59,994
Options lapsed/ Forfeited (during FY 2024-25) (Available for re-issue) [@]	0	20,500	1,14,120	1,54,167	8,90,464	7,88,239
Total No. of options exercisable at the end of the year [@]	0	33,800	8,00,796	16,67,457	34,83,004	12,13,690
Total No of options outstanding at the end of the year [@]	50,000	1,73,000	9,49,061	21,64,780	90,36,970	81,05,250
Variation in terms of options	There is no variation in terms of options during the year					
Money realized by exercise of Options during FY (in ₹)	0	5,22,397.00	10,24,21,939.00	20,15,31,857.50	7,36,05,605.00	23,50,08,917.00

Particulars	ESOP 2015 - Plan A	ESOP 2015 - Plan B	ESOP 2016	ESOP 2018	ESOP 2020	ESOP 2023
Total No of Options granted to KMPs	Please refer Note					
Any other employee who received a grant in any one year of options amounting to 5% or more of options granted during that year	Nil	Nil	Nil	Nil	Nil	Nil
Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of your Bank at the time of grant	Nil	Nil	Nil	Nil	Nil	Nil
Diluted Earnings Per Share (EPS) of the Company after considering the effect of potential equity shares on account of exercise of Options	Please refer to point no. 24 of B. Other Disclosures of Schedule 18 of Notes to accounts to Audited Financial Results for FY 2024-25					
Impact of the difference between the Intrinsic Value of the Options and the Fair Value of the Options on Profits and on EPS	Please refer to point no. 24 of B. Other Disclosures of Schedule 18 of Notes to accounts to Audited Financial Results for FY 2024-25					
Weighted average share/exercise price of the shares exercised during the year (in ₹)	-	16.69	259.90	321.89	560.77	356.08
Weighted average fair values of the outstanding options (in ₹)	Please refer to point no. 24 of B. Other Disclosures of Schedule 18 of Notes to accounts to Audited Financial Results for FY 2024-25					

@ In terms of SEBI circular dated June 15, 2021 regarding relaxation from the requirement of minimum vesting period in case of death of employee(s) and provisions of the SEBI (Share-Based Employee Benefit and Sweat Equity) Regulations, 2021, options granted to employees who have demised, have been vested in the legal heirs or nominees of the deceased employees immediately. The numbers given above include the options vested in legal heirs/nominees of deceased employees.

Pricing for ESOP Scheme 2016 was changed from fixed price of ₹140 to market linked price with the approval of shareholders obtained in the Annual General Meeting held on July 19, 2019.

Note

Sr. No.	Name of Official	Designation	Number of Options Granted in ESOP 2023
1	Uttam Tibrewal	Whole Time Director and Deputy CEO	1,35,503
2	Vimal Jain	Chief Financial Officer	20,000
3	Manmohan Parnami	Company Secretary	17,000
Grand Total			1,72,503

In accordance with SEBI (Share-Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended, necessary disclosures are made in Schedule 18 - Notes forming part of the financial statements for FY 2024-25 and are included in the annual report and also disclosed on the website of your Bank at <https://www.aubank.in/reports/disclosures>.

L. Details of Board and Key Managerial Personnel (“KMP”)

The composition of the Board is regulated by a combination of the provisions of the Act, the Banking Regulation Act, 1949 (“BR Act”), the Listing Regulations and other applicable laws, and the Articles of Association of your Bank. As of March 31, 2025, the Board consisted of 10 Directors, including 7 Independent Directors and 2 Executive Directors and a Non-Executive Non-Independent Director.

During FY 2024-25 and after the end of financial year up to the date of this report, the following changes took place in the Board and Key Managerial Personnel of your Bank:

I. Appointments

- Mr. Divya Sehgal (DIN: 01775308) was appointed as an Additional Director (Non-Executive Non-Independent) of your Bank to hold office for a period of 3 years with effect from April 01, 2024 up to March 31, 2027.



Further, shareholders vide resolution passed through postal ballot dated May 30, 2024, approved his appointment as Non-Executive and Non-Independent Director, not liable to retire by rotation, with effect from April 01, 2024.

2. Mr. Nandkumar Saravade (DIN: 07601861) was appointed as an Additional Director (Non-Executive Independent) of your Bank to hold office for a period of 3 years with effect from May 31, 2025 subject to approval of shareholders in the ensuing Annual General Meeting.

Mr. Nandkumar Saravade is an IT expert and the Board is of the opinion that he is a person of integrity, expertise, and competent experience and proficiency to serve your Bank as an Independent Director strengthening the overall composition of the Board.

3. Mr. Jagajit Mangal Prasad (DIN: 11146660) was appointed as an Additional Director (Non-Executive Independent) of your Bank to hold office for a period of 3 years with effect from July 01, 2025 subject to approval of shareholders in the ensuing Annual General Meeting.

The Board is of the opinion that Mr. Jagajit Mangal Prasad is an HR expert and a person of integrity, expertise, and competent experience and proficiency to serve your Bank as an Independent Director strengthening the overall composition of the Board.

II. Re-appointments

1. The Board at its meeting held on August 17, 2024, on recommendation of NRC, and after evaluating the performance of Mr. Harun Rasid Khan ("H.R. Khan") (DIN: 07456806) has approved and recommended his re-appointment as Part Time Chairman and Independent Director of your Bank for a second term of 3 (three) consecutive years from December 28, 2024 upto December 27, 2027 (both days inclusive), for the approval of the Members. He shall not be liable to retire by rotation during his tenure as an Independent Director. The same has been approved by the members vide resolutions passed through the postal ballot on October 24, 2024. Further, his re-appointment as Part Time Chairman is also approved by the RBI vide its letter dated December 19, 2024.

The Board is of the opinion that Mr. H.R. Khan is a person of integrity, expertise, and competent experience and proficiency to serve your Bank as an Independent Director and Part-time Chairman.

Further, Mr. H.R. Khan's presence on the Board has greatly benefited your Bank in improving the governance framework and advancing financial inclusion initiatives. His active involvement as Chairman/member of various Board Committee such as the Committee for Financial Inclusion, Risk Management Committee, NRC, and Corporate Social Responsibility Committee among others has significantly contributed to informed decision-making and effective oversight.

2. The Board at its meeting held on March 07, 2025, on recommendation of NRC, and after evaluating the performance of Mr. Kamlesh Shivji Vikamsey (DIN: 00059620), during his first tenure as an Independent Director, has approved and recommended his re-appointment as an Independent Director of your Bank for a second term of 5 (five) consecutive years from April 25, 2025 to April 24, 2030 (both days inclusive), for the approval of the Members and he shall not be liable to retire by rotation during his tenure as an Independent Director. The same has been approved by the members vide special resolution passed through postal ballot on April 10, 2025.

The Board is of the considered view that Mr. Kamlesh Shivji Vikamsey possesses the requisite integrity, professional expertise, proficiency and extensive experience to serve effectively as an Independent Director of your Bank. His deep domain knowledge and strategic acumen have been instrumental in guiding your Bank's governance and operational frameworks.

III. Others

1. Mr. Rajeev Yadav was appointed as Deputy CEO and categorised as Senior Management Personnel ("SMP") of the Bank w.e.f. April 01, 2024 as a part of key terms & conditions of the Scheme of Amalgamation of erstwhile Fincare SFB into and with your Bank.

IV. Directors Retiring by Rotation

In accordance with the provisions of Section 152 of the Act, Mr. Sanjay Agarwal, Managing Director & CEO, retired by rotation at the previous AGM and shareholders approved his re-appointment. Further, Mr. Uttam Tibrewal, Whole-Time Director & Deputy CEO of your Bank shall retire by rotation at the ensuing AGM and being eligible for reappointment, offers himself for re-appointment.

Except as aforesaid, no other change took place in the Board or in Key Managerial Personnel

("KMP") of your Bank. The composition of the Board and Key Managerial Personnel of your Bank is in compliance with the applicable regulatory norms.

All the Directors of your Bank have confirmed that they satisfy the fit and proper criteria as prescribed under the applicable regulations and that they are not disqualified from being appointed as directors in terms of Section 164(2) of the Act. Further, none of the directors have been debarred from holding office as director by virtue of any order of the SEBI or any other authority.

V. Directors and Officers Liability Insurance Policy

Your Bank has a Directors and Officers Liability Insurance Policy which protects Directors and Officers of your Bank for any breach of fiduciary duty. Further, the Board is apprised about the insurance coverage under the said policy annually.

M. Code of Conduct for Directors and SMPs

In accordance with Regulation 17(5) of the Listing Regulations, your Bank has formulated and adopted a Code of Conduct ("Code"), for Directors and SMPs, duly approved by the Board. This Code sets forth the guiding principles for ethical, transparent, and responsible conduct expected from the Directors and SMP, including (KMPs), thereby reinforcing a culture of fairness, integrity, and accountability within the organization.

All Directors and SMPs have affirmed compliance with the Code for the financial year 2024-25. A declaration to this effect, signed by the Managing Director & CEO, forms part of the Report on Corporate Governance, annexed to the Board's Report as **Annexure-I**. The Code is available on the Bank's website at <https://www.aubank.in/investors/secretarial-policies>.

N. Number of Meetings of Board

During the period under review, a total of eleven (11) Board Meetings were convened, with none exceeding the mandated 120-day interval as mandated under the provisions of the Act read with rules made thereunder, Secretarial Standard-I issued by the Institute of Company Secretaries of India ("ICSI"), and Listing Regulations. The dates of these meetings, along with attendance details for each Director, have been comprehensively disclosed in the Report on

Corporate Governance annexed as **Annexure-I** to the Board's Report.

O. Committees of the Board

Your Bank recognizes the significance of Board Committees in fostering strong Corporate Governance practices. Accordingly, your Bank has constituted various Board Committees to enhance the effectiveness & efficiency of the Board and assist in decision-making processes. These Committees have been formed in compliance of provisions of the Act and relevant rules made thereunder, Listing Regulations, BR Act, RBI Circular & Guidelines, Articles of Association of your Bank and other pertinent guidelines/circulars issued from time to time.

The details of the Board Committees of your Bank including, re-constitution, their terms of reference, number & date of meetings held during FY 2024-25 and attendance thereof are disclosed in the Report on Corporate Governance annexed with Board's Report as **Annexure-I**.

P. Meeting of Independent Directors

As per the requirement of Section 149(8) read with Schedule IV of the Act and Regulation 25 of the Listing Regulations, a meeting of the Independent Directors of your Bank is required to be held at least once a year in absence of non-independent directors and members of the management.

During the year under review, two (2) meetings of your Bank's Independent Directors were convened on April 23, 2024, and June 26, 2024 chaired by Mr. M. S. Sriram and Mr. H.R. Khan, respectively. These meetings were attended exclusively by the Independent Directors, without the presence of any other members of the Board or management. A range of matters were deliberated upon and reviewed during these meetings including the following:

- Action taken report of previous meeting of Independent Directors.
- The quality, quantity, and timeliness of flow of information between the management of your Bank and the Board that is necessary for the Board to effectively and reasonably perform their duties
- Whether adequate time is spent by the Board/ Committees on discussions on important issues.
- Performance of Non-Independent Directors, the Board as a whole, Chairperson of your Bank.



Q. Familiarisation Programme for Independent Directors

In accordance with Regulation 25(7) of the Listing Regulations and RBI guidelines, your Bank conducts familiarisation programme for all its Directors including Independent Directors.

These familiarisation programmes are conducted through a combination of experts from your Bank and/or external agencies having in-depth expertise in various areas, taking into account the business requirement of your Bank, and the existing skill sets of the Directors. Such sessions enable the Directors to obtain an insight on contemporary matters and changes therein.

The Details of familiarisation programme and other sessions organised for Independent Directors during FY 2024-25 is disclosed in the Report on Corporate Governance annexed with Board's Report as **Annexure-I** and on the website of your Bank under Disclosures under Regulation 46 of the LODR.

R. Declaration of Independence

In accordance with provisions of Sections 149(6) and 149(7) read with Schedule IV of the Act and Regulation 16(1)(b) and 25(8) of the Listing Regulations, your Bank has received necessary declarations/disclosures from all the Independent Directors confirming that they meet and comply with the criteria of independence.

Pursuant to the Companies (Creation and Maintenance of Databank of Independent Directors) Rules, 2019 read in conjunction with the Companies (Appointment and Qualifications of Directors) Rules, 2014, the Independent Directors of your Bank have successfully registered their names in the online databank of Independent Directors maintained & administered by the Indian Institute of Corporate Affairs ("IICA"). The Independent Directors have also confirmed that they were not aware of any circumstance or situation which existed or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

In the opinion of Board, the Independent Directors possesses requisite domain knowledge, experience, expertise, integrity, and proficiency as required under the Code applicable for Independent Directors as stipulated under Schedule IV of the Act and in terms of the policy of your Bank.

S. Compensation Policy for appointment and remuneration of Director's, KMP, SMP, Material Risk Takers (MRTs) and Control Function Staff

Your Bank has formulated and adopted a comprehensive Compensation Policy for appointment and remuneration of its Directors, Key Managerial Personnel ("KMP"), Senior Management Personnel ("SMP"), Material Risk Takers ("MRT") and Control Function Staff on the recommendation of the NRC, in compliance with the provisions of Section 178(3) of the Act read with relevant rules made thereunder, Listing Regulations and RBI guidelines.

The policy governs the appointment and remuneration of Directors (including Independent Directors), KMP, SMP, MRTs and Control Function staff as applicable in accordance with the criteria established by the NRC of the Board as mandated by the Act and applicable Rules, Listing Regulations, and other relevant guidelines.

Key objectives of the policy include establishing standards for compensation, including fixed and variable pay, retaining and motivating talent, defining internal guidelines for reimbursement to Directors and KMPs, institutionalising a mechanism for appointment/removal/evaluation of performance of Directors, administering ESOP as per SEBI regulations and ensuring compliance with applicable laws, rules, and regulations as well as 'Fit and Proper criteria' of directors for their appointment.

The policy undergoes regular review by the Board in addition to the other amendments that may be required in the policy and is hosted on the Bank's website <https://www.aubank.in/investors/secretarial-policies>.

The terms of reference of the NRC and details of Compensation Policy are covered in Report on Corporate Governance annexed with Board's Report as **Annexure-I**.

T. Evaluation of the Directors, the Board and Committees

The provisions of Section 149(8) read with Schedule IV, Section 178(2) of the Act, Regulation 17 and other applicable Regulations of the Listing Regulations, and Guidance Note on Board Evaluation issued by the SEBI, mandates the performance evaluation of the Board, its committees, individual directors and the Chairperson of your Bank on the basis of various parameters with the aim to improve the effectiveness of the individual Director, Committees and the Board.

Board evaluation is a vital aspect of corporate governance that enhances the effectiveness of the Board by identifying strengths and areas for improvement and promotes transparency and accountability. Your Bank has structured process in place for Board performance evaluation which is conducted annually. The evaluation is conducted based on a comprehensive framework reviewed and approved by the NRC.

The Performance evaluation of the Board, its Committees, Chairperson, Independent Directors, Executive and Non-Executive Director is evaluated after seeking inputs from all the Directors on the basis of criterias prescribed under guidance note on Board Evaluation issued by SEBI which inter alia covered the following aspects:

- **Board as a Whole:** Assess structure of Board, effectiveness of Board meetings, functions of Board and level of independence of the management from the Board
- **Board Committees:** Review composition, size and scope of work, quality of deliberations, timeliness, and expertise.
- **Independent Directors:** Evaluate participation, Assesses independence, contribution to discussions, fulfillment of functions, management oversight, and shareholders' interest.
- **Chairperson:** Focus on contribution in meetings, strategic input, integrity, collaboration and governance oversight.
- **Executive Directors:** Measure strategic execution, commitment, operational leadership, accountability, performance, value creation, Governance & Compliance.
- **Non - Executive Director:** Evaluate Knowledge & Participation, contribution to discussions, fulfillment of functions, Impartial approach and shareholders' interest.

Details of Board performance evaluation carried out for FY 2024-25 including methodology used, its outcome and proposed recommendations for implementation in the upcoming financial year, are covered under Report on Corporate Governance, forming part of this Board's report as **Annexure-I**.

U. Statutory Auditors and their Report

In consonance with the 'Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs)' dated April 27, 2021 issued by RBI, Banks are required to

appoint Statutory Auditors for a continuous period of three (3) years, subject to the audit firms meeting eligibility criteria annually and obtaining RBI approval on an annual basis.

At the 29th AGM of your Bank held on July 26, 2024, M/s. M S K A & Associates, Chartered Accountants (FRN: 105047W) and M/s. Mukund M Chitale & Co., Chartered Accountants (FRN: 106655W) were appointed as Joint Statutory Auditors for a period of Three (3) years to hold office from the conclusion of the 29th AGM till the conclusion of the ensuing 32nd AGM, subject to RBI approval on an annual basis.

M/s. M S K A & Associates, Chartered Accountants and M/s. Mukund M Chitale & Co., Chartered Accountants, Joint Statutory Auditors of your Bank, have provided audit report on the financial statements for the FY 2024-25, with no qualifications, reservations, or adverse remarks. Further, in accordance with Section 143(12) of the Act, the auditors have not identified any instances of fraud within your Bank by its officers or employees.

The SAs have confirmed their eligibility in adherence to Section 141 of the Act and the guidelines issued by the RBI from time to time. Moreover, pursuant to the relevant provisions of Listing Regulations, the SAs have also confirmed their adherence to the peer review process as mandated by the Institute of Chartered Accountants of India ("ICAI"). The SAs also possess a valid certificate issued by the Peer Review Board of ICAI, ensuring their competence and professionalism in their field.

V. Secretarial Auditors and their Report

The Board of your Bank, on the recommendation of the Audit Committee, had appointed M/s. V. M. & Associates, Company Secretaries (Registration No. P1984RJ039200 & Peer Review Certificate No.: 5447/2024) to conduct the Secretarial Audit of your Bank for the financial year 2024-25.

The Secretarial Auditors have not reported any instance of fraud in accordance with Section 143(12) of the Act during the year under review and their report does not contain any qualification, reservation, or adverse remark for the financial year 2024-25. The Secretarial Audit Report for the financial year 2024-25 in form MR-3 is annexed with Board's Report as **Annexure-IV**.

Further, in compliance to the provisions of Section 204 of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Regulation 24A of Listing Regulations read



with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/CIR/P/2024/185 dated December 31, 2024 and upon recommendation of the Audit Committee, the Board of your Bank, subject to the approval of the shareholders of your Bank at the ensuing Annual General Meeting, have approved the appointment of M/s. Mehta & Mehta, Company Secretaries (Registration No. P1996MH007500 & Peer Review Certificate No.:3686/2023), as the Secretarial Auditors of your Bank to conduct the audit of the secretarial records for a period of five (5) consecutive years starting from the Financial Year 2025-26 till the Financial Year 2029-30.

W. Particulars of Loans, Guarantees and Investments

Pursuant to the provisions of Section 186(11) of Act, the provisions of Section 186 of the Act except sub-section (1), do not apply to loans made, guarantees given or securities provided or acquisition of securities by a Banking company in the ordinary course of business and are exempted from disclosure requirement in the Annual Report.

However, the particulars of investments made by your Bank are disclosed in Schedule 8 of the Financial Statements for FY 2024-25, forming part of this Annual Report, as per the applicable provisions of BR Act.

X. Related Party Transactions

During FY 2024-25, your Bank did not engage in any material significant transactions with related parties that could potentially create conflicts of interest between your Bank and these parties. All related party transactions conducted throughout the year were carried out at arm's length basis and in the normal course of business operations.

The Audit Committee has accorded omnibus approval for related party transactions which are of a repetitive nature and entered in the ordinary course of business. Further, the Audit Committee of your Bank reviewed details of all related party transactions entered by your Bank on quarterly basis.

As per Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014, there are no related party transactions that are required to be reported in form AOC-2. The requisite disclosure has been made under Schedule 18 of the notes forming part of audited financial statements for the financial year ended March 31, 2025.

The Policy on Related Party Transactions and Materiality as approved by the Board can be accessed on the website of your Bank at <https://www.aubank.in/investors/secretarial-policies>.

Y. Material Changes and Commitments, if any, affecting the Financial Position of Bank

There were no material developments/changes/commitments affecting the financial position of your Bank which have occurred after March 31, 2025, till the date of this report

Z. Conservation of Energy, Technology Absorption & Foreign Exchange Earnings and Outgo

Your Bank remains deeply committed to environmental sustainability, consistently advancing initiatives aimed at reducing its carbon footprint. By leveraging digital technologies and implementing targeted emission-reduction strategies across its operations, your Bank continues to foster eco-conscious practices and contribute meaningfully to a greener future.

(a) Conservation of Energy

Steps taken or impact on conservation of energy, utilising alternate sources of energy and capital investment on energy conservation equipments:

Your Bank is committed to environmental sustainability and is actively reducing emissions through digital solutions and adopting low-carbon innovations, like exploring zero-carbon electricity for Banking operations. Your Bank has implemented a three-tiered strategy for energy conservation:-

1. Energy Efficiency Measures

- Encouraging green plants and gardens on Bank's premises to lower air conditioning needs and keeping AC temperatures at 25°C or higher.
- Engaging in performance-based contracts for energy savings.
- Replacing conventional lighting with energy-efficient LED fixtures.
- Using timers for signage to optimise energy usage.
- Installing power factor systems in electrical panels for efficient electricity use and implementing power factor corrections.

2. Technology Upgrades

- Deploying an i-Touch manager for efficient monitoring and control of electricity usage, leading to reduced consumption.
- Using Variable Refrigerant Volume (VRV) based Chillers to cut down on energy usage in ACs By upto 20%.
- Employing insulation to minimise heat load in offices, reducing the reliance on air conditioning.
- Using UPS and inverters to reduce reliance on diesel electricity generators.

3. Renewable Energy, Recycling and Resource Optimization

- Recognising the importance of renewable energy for a cleaner future, your Bank has installed a 1 MW solar plant.
- The solar project is situated in Gajner Site, Bikaner district, Rajasthan, and serves Jagatpura, Malviya Nagar, and Tonk Road offices at Jaipur, Rajasthan.
- This project is expected to generate 1.6 million units annually, contributing significantly to reducing carbon footprint and supporting global sustainability goals.
- Recycling systems and supplies: Your Bank also practices highly efficient management methods to refurbish aging IT systems. This is carried out to avoid sending hazardous materials into huge landfills and scaling down the load on already overburdened junkyards.
- Your Bank also employs a coherent system of recycling slightly older IT systems by assigning them to the staff that does not need to perform heavy data processing on their system. By doing so, your Bank successfully reduces the demand for new desktops and laptops even with the growing workforce.

Other Initiatives

Green Building: Natural Sunlight is maximised through Green Building design in Offices to the extent possible to reduce reliance on artificial lighting to the extent possible.

Green building encompasses environmentally responsible and resource-efficient practices throughout a building's life cycle, from planning to demolition. It expands on traditional building concerns of economy, utility, durability, and comfort by prioritising energy, land, water, and material savings while reducing pollution and

promoting harmony with nature. Bank's office at Sanpada, Mumbai, achieved a "Gold" rating in IGBC's Existing Green Interior Category, showcasing a commitment to indoor environment quality, sustainable materials, energy efficiency, water conservation, and eco-design principles. This achievement reflects your Bank's dedication to environmental responsibility and sets a standard for future branches nationwide.

(b) Technology Absorption

I) The efforts made towards Technology absorption:

1. **AU 0101 App:** AU 0101 App feature enables customer access to Bank from anywhere, which contributes to reducing carbon footprint and seamless video banking enables customers to avail Banking services virtually through a video enabled chat with branch executives, eliminating the need to travel to the branch. The 'AU 0101' retail Internet and mobile banking application and platform have been successfully migrated to AWS's private cloud, ensuring high availability, scalability, and security. Even during peak traffic periods, the system remains responsive and reliable, seamlessly meeting customer demands. In FY 2024-25, ~53% term deposits were booked via AU 0101 app and contributing to ~22% of overall term deposits mobilized.
2. **Digital Banking:** Your Bank has significantly advanced its digital banking capabilities, making banking more convenient and paperless. Over 90% of deposit accounts are now opened digitally, primarily through Tab and Video Banking. The platform is expanding to support end-to-end onboarding for various products, including loans, credit cards, insurance, and wealth services.

Your Bank witnessed strong growth in the adoption of tab-based account opening, mobile banking, WhatsApp banking (24/7 banking solutions), and Net banking, thus minimising paper usage, reducing waste generation, and achieving improved waste management.

3. **Video Banking:** This service helps Customers to connect with Video Bankers on real time basis at Customer's convenience from home. Customer can open account, book FD, and much more. Bank provides video banking facility with a vision to offer all its services virtually through video-enabled chat with branch executives, eliminating the need for branch visits. This



initiative helped your Bank twofold in promoting digital banking and inspiring its customers to adopt a more environmentally sustainable banking channel and saving of fuel by reducing commutation challenges.

4. **Tab Onboarding Journey:** This service enables bank staff to onboard customers using digital platform which helps with increased speed and efficiency by reducing time for document verification and data entry. Customers appreciate the convenience and accessibility of online onboarding, Tab based onboarding platform incorporates security measures like encryption and biometric authentication. In FY 2024-25 ~80% of the accounts were processed using Tab banking. In FY 2025-26, Tab banking journey has moved to a new platform to ensure faster TAT through seamless activation, robust mule account detection modules and co-originated offerings like Term Deposit, Mutual Fund, Insurance and Demat at the point of onboarding.
5. **Embracing E-receipts Culture:** Bank encourage customers to choose electronic receipts at ATMs, and send them a detailed SMS on their most recent transaction and Bank balance to their registered mobile number to reduce paper usage. Bank also collaborated with the transport department of Haryana to automate the ticketing process, allowing for the conservation of natural resources.
6. **Automate Energy data collection:** This is an application of digital technologies for energy data collection. Bank has replaced manual way of data collection from its various sites and automated data collection through ERP software.

Energy accounting and reduction have a major effect on emissions as an enabler in accelerating clean energy transitions. The system is helping your Bank to cut costs, improve efficiency and resilience, and reduce emissions.
7. **Cloud computing & storage:** Cloud infrastructure modernizes your Bank's operations by:
 - Enhancing scalability and resiliency
 - Supporting load sharing
 - Reducing operational costs
 - Improving environmental sustainability through reduced physical infrastructure needs

II) **The benefits derived like product improvement, cost reduction, product development or import substitution:**

Your Bank delivers products and services that promote sustainable development and conduct its business in a fair and professional manner. A proper structure and process is available which facilitates incorporating risk criteria in the product development and approval process. Your Bank is continuously taking various steps on product improvement. Your Bank has implemented an upgraded version of ITAM tool (IT asset management tool). This tool will manage all Bank's IT assets life cycle i.e. from procurement to scrap and disposal of asset, for pan India banking operations. Highly efficient use of technology through software helps save time, improve efficiency, reduce costs, improve productivity, make institution more agile and enhances the information security.

Embracing the transformative power of robotics, your Bank has automated over 100 processes through Robotic Process Automation (RPA). This strategic move not only reduces manual intervention but also underscores Bank's dedication to technological excellence and continuous improvement.

In terms of AD-1 applications, your Bank has implemented the Kondor Treasury Application to enhance financial efficiency and global connectivity. This state-of-the-art solution streamlines interbank trading processes by automating tasks, improving accuracy, and enhancing risk assessment. Additionally, Bank has enabled secure interbank transactions in USD via SWIFT. The SWIFT network ensures reliable and efficient cross-border financial transactions. Leveraging SWIFT's standardised messaging system, we have fostered international trade and facilitated seamless USD transactions.

Your Bank is investing in initiatives and innovations to build a digital gateway to a sustainable lifestyle. Your Bank's investments in digital technologies have simplified banking and enabled a smoother customer journey. In addition, a robust technology platform has been created by your Bank as a part of the new-age digital banking ecosystem.

III) **In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):**

- a) The details of technology imported: Nil

- b) The year of import: Nil
- c) Whether the technology been fully absorbed: Nil
- d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Nil

IV) Expenditure incurred on Research and Development:

Since financial services is being primarily covered under service Sector, the details of this clause are not applicable to your Bank.

(c) Foreign Exchange Earnings and Outgo

During the financial year ended March 31, 2025, the foreign exchange earnings was ₹76.51 Crore and the foreign exchange outgo was ₹44.02 Crore.

AA. Risk Management

Your Bank operates within a robust Enterprise Risk Management Framework aligned with its risk appetite, ensuring proactive identification, assessment, mitigation, and monitoring of risks. A multi-layered governance model based on the three-lines-of-defense principle supports prudent risk oversight. Your Bank has institutionalized a strong risk culture and governance structure, driven by Board-approved policies, a defined risk appetite statement, and continuous risk assessment. Key risks monitored include credit, operational, market, liquidity, fraud, compliance, cyber security, and emerging risks such as climate and data privacy. Technology-enabled tools and automated reporting enhance real-time risk monitoring and portfolio oversight. The Board, supported by the Risk Management Committee (RMC) and other specialized committees, oversees the risk governance process. The Chief Risk Officer, reporting independently to the RMC, plays a central role in managing risk areas and aligning risk strategy with business objectives. The Internal Capital Adequacy Assessment Process (ICAAP) and stress testing further strengthen your Bank's resilience and capital planning.

Credit Risk Management

Credit risk arises from a borrower's failure to meet contractual obligations. Your Bank mitigates this through robust underwriting standards, portfolio monitoring, early warning systems, and defined risk limits aligned with business strategy. Credit risk is managed through a comprehensive policy framework, with oversight by the Credit Risk Management Committee ("CRMC"), which monitors large exposures, asset quality, and portfolio concentration.

Operational Risk Management

Operational risk stems from failures in internal processes, systems, or external events. Your Bank follows a three-lines-of-defense model, with the Operational Risk Management Department (ORMD) implementing the framework and the Operational Risk Management Committee ("ORMC") overseeing it. Fraud risk is addressed through a dedicated Risk Containment Unit and monitored by the Special Committee of the Board for Monitoring and Follow up of Cases of Fraud ("SCBMF"). Continuous enhancements in systems and controls ensure resilience, especially in digital banking.

Outsourcing Risk

Your Bank manages outsourcing risk through Board-approved IT and financial outsourcing policies, aligned with RBI guidelines. The Committee for Outsourcing of IT and Financial Services oversees vendor risk, ensuring due diligence, monitoring, and compliance with risk management standards.

Business Continuity Management (BCM)

Your Bank has a comprehensive BCM framework to ensure continuity of critical operations during disruptions. This includes disaster recovery sites, regular BCP drills, and emergency response plans. The ORMD coordinates BCM efforts across units, ensuring preparedness and resilience.

Market Risk, Liquidity Risk & Asset Liability Management

Your Bank manages market risk arising from investments, trading, and forex positions through a Board approved framework that includes defined limits, benchmarks, and analytical tools to optimize risk-adjusted returns. Liquidity risk, the inability to meet funding obligations, and the same is mitigated through robust fund planning, daily liquidity monitoring, and adherence to internal thresholds which are stricter than regulatory norms. The Asset Liability Management Policy outlines a comprehensive governance structure for managing market, interest rate, forex, and liquidity risks. The Asset Liability Management Committee ("ALCO") oversees risk identification, measurement, and compliance with internal and regulatory limits, ensuring resilience under normal and stressed conditions.

Information Security Risk Management

Your Bank has implemented a robust cyber and information security framework to safeguard its IT infrastructure and customer data against evolving threats such as phishing, malware, and system vulnerabilities. Governed by Board approved policies overseen by the Chief Information Security Officer (CISO), the framework includes real-time monitoring



via a Cyber Security Operations Centre, layered security controls, and adoption of next-gen solutions. Your Bank follows a People-Process-Technology (PPT) model, emphasizing employee training, defined procedures, and advanced technologies. Awareness campaigns are conducted regularly to educate customers on cyber fraud prevention and safe banking practices.

Reputation Risk Management

Reputation risk is managed through strong governance, ethical conduct, and transparent stakeholder engagement. Your Bank monitors reputational exposure via its ICAAP and a Reputation Risk Index (RRI). Senior management and the Board ensure zero tolerance for misconduct and uphold high standards of integrity. Regular communication with stakeholders and adherence to Bank's values and Code of Conduct help preserve and enhance its reputation.

Compliance Risk Management

Your Bank manages compliance risk through a robust framework guided by its Board-approved Compliance Policy and KYC/AML Policy, aligned with RBI regulations and the Prevention of Money Laundering Act. A dedicated Compliance Department ensures adherence to applicable laws, monitors regulatory developments, and reports regularly to senior management and the Audit Committee. Your Bank emphasizes a strong compliance culture, supported by regular training and policy reviews to stay aligned with evolving regulatory expectations.

Emerging Risks

- **Data Privacy:** Your Bank ensures compliance with the applicable data privacy guidelines through multi-layered data protection controls and regular threat assessments.
- **Cybersecurity & Fraud Risk:** A next-gen cybersecurity framework, supported by AI/ML-based fraud detection and a multi-tier governance structure, safeguards IT infrastructure and customer data.
- **Climate Risk:** Through its Sustainability Policy and Green Fixed Deposit Policy, your Bank addresses climate-related risks and promotes green financing initiatives like green loans and Planet First – Green Fixed Deposits, with third-party validation and audits.
- **Social Media Risk:** Your Bank actively monitors and mitigates reputational and operational risks from social media through external partnerships and real-time surveillance of digital platforms.

AB. Corporate Social Responsibility

Over the past seven years, your Bank has upheld a consistent and purpose-driven approach to its Corporate Social Responsibility (CSR) initiatives, addressing socio-economic challenges through inclusive and transformative CSR programs. These efforts aim to build skills, nurture talent, and create pathways for self-reliance. Rooted in Bank's foundational commitment to reach the unreachable and serve the underserved, CSR initiatives are centered around three core pillars:

- **Skill Development with Job Placement Support**
- **Sports Training and Talent Development**
- **Women Empowerment through Entrepreneurship**

Beyond these focus areas, your Bank also supports broader social development initiatives in healthcare, safe drinking water, road safety, environmental conservation, water resource management and promotion of art & culture among others.

Each initiative reflects your Bank's mission to uplift communities and contribute meaningfully to the vision of Viksit Bharat. As your Bank continues its journey of social transformation, it remains deeply committed to enabling long-term, sustainable change ensuring that beneficiaries experience lasting impact and they progress toward a more equitable society.

The terms of reference of the CSR Committee are outlined in the Report on Corporate Governance annexed as **Annexure-I**. The disclosures required to be given under Section 135 of the Act read with Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Companies (Corporate Social Responsibility Policy) Rules, 2021, in the prescribed format has been appended herewith as **Annexure-II**. The CSR Policy is also available on the Bank's website at <https://www.aubank.in/investors/secretarial-policies>.

AC. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Bank maintains a zero-tolerance policy towards any form of harassment, reinforcing its commitment to fostering a workplace culture rooted in respect, dignity, and inclusivity. Your Bank is dedicated to ensuring a safe, prejudiced-free environment where employees can work without fear of bias or misconduct.

In alignment with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Policy on Prevention and Redressal of Sexual Harassment at the Workplace, your Bank has constituted three level Internal Committees (Branch,

Regional & Central) to address complaints promptly and impartially. These committees are empowered to conduct thorough independent and fair inquiries, ensuring justice and accountability. Your Bank has also implemented mandatory training and awareness programs to educate staff on respectful workplace behavior and the procedures for reporting and addressing grievances.

Detailed information regarding your Bank's commitment to prevent and address sexual harassment along with summary of cases is provided in the Report on Corporate Governance as **Annexure-I** to the Board's Report.

AD. Compliance with Maternity Benefit Act 1961

Your Bank has adhered to all applicable provisions of the Maternity Benefit Act, 1961, ensuring full compliance with statutory requirements.

AE. Subsidiary, Joint Ventures & Associate Companies

Your Bank does not have any subsidiary, joint ventures & associate companies. Hence, the details of this clause are not applicable to your Bank. Accordingly, Bank is also not required to formulate a specific policy on dealing with material subsidiaries.

AF. Material Orders Passed by Regulators or Courts or Tribunals

During the FY 2024-25, no material orders have been passed by the Regulators/ Courts/ Tribunals which would impact the going concern status of your Bank and its future operations.

AG. Internal Financial Control & their Adequacy

Your Bank has instituted a strong internal financial control framework, thoughtfully aligned with its defined risk appetite and tailored to the size, scale, and complexity of its operations. The scope and authority of the risk-based internal audit function are clearly articulated in the Board-approved Internal Audit Policy.

The audit function plays a pivotal role in ensuring that your Bank's processes and operations adhere to regulatory guidelines, accounting standards, and internal rules and guidelines of your Bank. This function offers an impartial evaluation of the quality and effectiveness of your Bank's internal control, risk management, and governance systems to provide assurance to the Board and Audit Committee.

During the year under review, your Bank's internal control systems were found to be adequate and

operating effectively. Additionally, the Joint Statutory Auditors expressed their opinion on the adequacy and operational effectiveness of your Bank's internal controls over financial reporting, as required under the applicable provisions of the Act. This opinion can be referred to in the Auditor's Report attached to the audited financial statements for FY 2024-25 forming part of this Annual Report.

AH. Cost Records

Being a Banking company, provisions of Section 148(1) of the Act, relating to maintenance of cost records is not applicable to your Bank.

AI. Corporate Governance

The governance structure of your Bank is designed to ensure that your Bank is managed in the best interests of all its stakeholders, including regulators, depositors, customers, employees, shareholders, and all other stakeholders while maintaining effective risk management and compliance with applicable laws and regulations. The Corporate Governance has been an integral part of the way the Bank has been operating since inception. The Bank believes that good Corporate Governance emerges through the implementation of best management practices, strict adherence to laws and regulations, and a commitment to transparency and ethical conduct.

Your Bank is dedicated to constantly refining its governance and assurance practices by benchmarking itself against the global best practices. The Bank is committed to have a top-notch Governance and assurance framework in place, and it constantly works to enhance its Risk Management, Compliance, and Audit practices.

Key aspects of these functions, along with recent initiatives, are integral to the Bank's commitment to excellence in governance which inter alia include:

1. Risk Management:

Your Bank has designed comprehensive Enterprise Risk Management framework to protect the organization as well as the interests of all major stakeholders. The risk governance is driven by a risk appetite statement, well-articulated policies for effective risk management, and a robust risk management structure. The Bank continuously carry out the risk assessment and ensure compliance to the internal/ regulatory limits along with periodic review, monitoring and submission of the key reports to relevant management and Board committees. Adherence to the framework ensures a structured and systematic approach to risk management that is crucial for the calibrated growth of the Bank. Since your Bank operate



in underserved segments and accordingly it has evolved its risk management practices to mitigate and manage the associated risks.

The responsibility for executing key risk management activities has been entrusted to the Board Delegated Committees (Executive Committees), including the Credit Risk Management Committee, ORMC, ALCO, Asset Liability Management Committee, IT Steering Committee, and Information Security Committee. Risk management is a top priority for your Bank, with a strong framework in place to address potential risks. The Bank's risk management philosophy and approach are centered on safeguarding the interests of customers and investors, as well as preserving your Bank's reputation and financial stability.

2. Compliance Function:

Compliance is a key pillar of your Bank's governance framework and it is designed to ensure adherence to all regulatory requirements (in letter and spirit) and foster a robust compliance culture across the organization. In order to cultivate the right tone for compliance, the function consistently seeks guidance from the Board and its committees. It engages with internal stakeholders through both structured and informal meetings to effectively communicate the necessary compliance standards.

As a technology-driven Bank, it has embedded regulatory requirements in a digitalized processes/workflows to ensure full compliance and have invested in various advanced systems and technological solutions. Further, to strengthen its efforts, the Compliance Function has adopted several initiatives, including:

- (i) Compliance Sustenance Framework
- (ii) Compliance Self Certification
- (iii) Enhancing the Product Approval Process
- (iv) Quality Assurance and Improvement Programme (QAIP)

3. Internal Audit Function:

The Internal Audit function is the guardian of your Bank's governance framework. It adheres to a risk-based audit approach outlined in your Bank's Risk Based Internal Audit Policy. This function independently assesses the adequacy and effectiveness of your Bank's internal control and risk management frameworks and processes to provide objective assurance to your Bank's Board/ Committees, senior management, and the regulator.

Further, the Internal Audit function is responsible for formulating, implementing and monitoring your Bank's audit plan. Based on the audits conducted, it highlights relevant findings and continuously monitors, validates, and reports on the progress of remediation actions. Additionally, while maintaining objectivity and independence, the Internal Audit function also offers advisory services, which aim to enhance governance, risk management, and control processes.

The Report on Corporate Governance for FY 2024-25 along with certificate issued by M/s. V. M. & Associates, Company Secretaries confirming the compliance to applicable requirements related to corporate governance as stipulated under Chapter IV of the Listing Regulations, is annexed with Board's Report as **Annexure-I**.

AJ. Business Responsibility and Sustainability Report & Sustainability Initiatives

In terms of Regulation 34(2)(f) of the Listing Regulations, top 1000 listed entities based on their market capitalization as on December 31, every year, are required to submit Business Responsibility and Sustainability Report ("BRSR"), as a part of their annual report. In the BRSR disclosures on performance against the nine principles of the 'National Guidelines on Responsible Business Conduct' (NGRBCs) are reported wherein each principle is divided into essential and leadership indicators.

SEBI has further mandated the top 150 listed companies (by market capitalization) to undertake an assessment or assurance of the BRSR Core from financial year 2023-24 and for top 250 listed companies from the financial year 2024-25 subsequently. The BRSR Core is a sub-set of the BRSR, consisting of a set of Key Performance Indicators (KPIs) / metrics under 9 ESG attributes. Considering market capitalization of the Bank, the requirement of BRSR and assessment or assurance of the BRSR core for the FY 2024-25 is applicable on your Bank.

Accordingly, the Bank's BRSR for FY 2024-25 along with the Independent reasonable assurance statement on BRSR core disclosures from Intertek India Private Limited, is annexed with Board's Report.

Your Bank has Board level Sustainability Committee chaired by Independent Director. This committee is responsible for decision-making on sustainability related issues. The composition, terms of reference and meeting details of the Sustainability Committee are included in Report on Corporate Governance annexed with Board's Report as **Annexure-I**. Further,

it has initiated need based several environmental and social initiatives for the benefit of its stakeholders.

AK. Particulars of Employee Remuneration

As per Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014, the ratio of the remuneration of each Director to the median employee's remuneration and other details is annexed with Board's Report as **Annexure-III**.

Additionally, the statement containing employee particulars required by Section 197(12) of the Act and Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, is a part of this report. Pursuant to Section 136(1) of the Act, the annual report has been sent to Members without the aforementioned statement, which can be inspected at the registered office of your Bank up to the date of the AGM. Members interested in obtaining a copy of the Annexure may request it from the Company Secretary of the Bank at investorrelations@aubank.in

AL. Management Discussion and Analysis

The Management Discussion and Analysis Report for the FY 2024-25 is included as a separate section within the Annual Report, as required under Regulation 34(2)(e) and Schedule V of the Listing Regulations.

AM. Annual Return

The draft Annual Return for the financial year ended on March 31, 2025 in the prescribed form MGT-7, as required under Section 134(3)(a) and Section 92(3) of the Act, can be accessed on the Bank's website at <https://www.aubank.in/other-reports>

AN. Whistle-Blower Policy & Vigil Mechanism

Your Bank values reliability, fairness and equality which form foundation for all the decisions taken and believes in conducting its affairs in a fair manner to build customer trust and confidence and ensure customer delight. Your Bank encourages its employees, all stakeholders and members of general public, who have concerns about suspected misconduct, to come forward and express these concerns without fear of retaliation or unfair treatment.

A Whistle-Blower Policy in Banking Institutions is crucial for fostering transparency, accountability, and ethical behavior within the organisation. Your Bank has implemented Whistle-Blower Policy & Vigil Mechanism in pursuance of the provisions of Section 177(9) of the Act read with the rules made thereunder and Regulation 4(2)(d) and Regulation 22 of the Listing Regulations, which aims at establishing

an effective vigil mechanism in your Bank to quickly spot aberrations and deal with it at the earliest.

The Whistle-Blower Policy provides a safe and confidential avenue for employees to report any potential misconduct or fraudulent activities without fear of retaliation. This Policy includes adequate safeguards against the victimisation of individuals who avail this mechanism ensuring they have direct access to the Chairman of the Audit Committee. None of your Bank's personnel has been denied access to the Audit Committee of your Bank.

The policy can be accessed on the website of the Bank at <https://www.aubank.in/investors/secretarial-policies> and further details have been provided in the Report on Corporate Governance forming part of this Board's Report as **Annexure-I**.

AO. Anti-Bribery and Anti-Corruption Policy

Your Bank upholds a strict 'zero-tolerance approach' towards bribery, corruption, and unethical practices and is committed to conduct all its dealings and operations with professionalism, fairness, and integrity. In alignment with this commitment, your Bank has implemented an Anti-Bribery and Anti-Corruption Policy that has been approved by the Board. This policy outlines the fundamental principles for conducting Banking business in a transparent, honest, and ethical manner. The policy can be accessed on the website of the Bank at <https://www.aubank.in/notice-board>.

AP. Adherence to Secretarial Standard issued by the Institute of Company Secretaries of India

Your Bank has adhered to the Secretarial Standards issued by the ICSI of India on Meetings of Board and General Meetings.

AQ. Status of Ind AS Implementation

The Banks are advised to follow the Indian Accounting Standards as notified under the Companies (Indian Accounting Standards) Rules, 2015, subject to any guideline or direction issued by the RBI in this regard. The Banks in India currently prepare their financial statements as per the guidelines issued by the RBI, the Accounting Standards notified under section 133 of the Act and generally accepted accounting principles in India ("Indian GAAP"). In January 2016, the Ministry of Corporate Affairs issued the roadmap for implementation of new Indian Accounting Standards ("Ind AS"), which were based on convergence with the International Financial Reporting Standards (IFRS), for scheduled commercial banks, insurance companies and non-banking financial companies



(NBFCs). In March 2019, RBI deferred the implementation of Ind AS for banks till further notice as the recommended legislative amendments were under consideration of Government of India. Your Bank had undertaken preliminary diagnostic analysis of the GAAP between Indian GAAP vis-a-vis Ind AS and shall proceed for ensuring the compliance as per applicable requirements and directions in this regard.

In FY 2023, Reserve Bank of India, through its discussion paper on "Introduction of Expected Credit Loss framework for provisioning by Banks" has proposed to adopt an expected credit loss framework based on the approach as per Ind AS 109, supplemented by regulatory backstops wherever necessary. Further, in FY 2024, the RBI issued a master direction on classification, valuation and operation of investment portfolio of Commercial Banks (Directions), 2023, which became effective from April 1, 2024. The revised master direction brings the classification and accounting of investments closer to Ind AS. Your Bank has implemented the required changes as per the master direction with effect from April 1, 2024.

Directors' Responsibility Statement

Pursuant to Section 134(3)(c) read with Section 134(5) of the Act, the Board hereby confirms that:

1. In the preparation of the annual accounts for the year ended March 31, 2025, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
2. We have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of your Bank as of March 31, 2025 and of the profit of your Bank for the year ended on that date.
3. We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies

Act, 2013 for safeguarding your Bank's assets and for preventing and detecting fraud and other irregularities.

4. We have prepared the annual accounts on a going concern basis.
5. We have laid down internal financial controls to be followed by your Bank and ensured that such internal financial controls are adequate and were operating effectively.
6. We have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Acknowledgement and Appreciation

The Board extends its sincere gratitude to the Government of India, various State Governments, regulatory bodies such as RBI, SEBI, MCA, IRDAI, IBA, UIDAI, CERSAI, as well as to all the shareholders, debenture holders, esteemed Bankers, Lenders, Credit Rating Agencies, and Debenture Trustees for their unwavering support and trust in your Bank.

The Board would further like to express appreciation to BSE Limited, National Stock Exchange of India Ltd., National Securities Depository Limited, Central Depository Services (India) Limited, Registrar & Share Transfer Agent, Vendors and Service Providers for their continued support & co-operation.

Your Bank's valued customers deserve a special mention for their loyalty and continued patronage and the Board is truly grateful for the trust they have placed in your Bank.

The Board also expresses its heartfelt thanks and gratitude to each employee for their hard work, solidarity, cooperation, support and continued commitment towards your Bank and its customers. Through their commitment to strong work ethics, professionalism, teamwork, and initiatives, they have played a crucial role in enabling your Bank to continue serving its depositors and customers and maintaining Bank's customer-centric approach.

For and on behalf of the Board
AU SMALL FINANCE BANK LIMITED

Sd/-
Sanjay Agarwal
Managing Director & CEO
DIN: 00009526

Date: June 28, 2025
Place: Jaipur
CIN: L36911RJ1996PLC011381

Sd/-
Uttam Tibrewal
Whole-Time Director & Deputy CEO
DIN: 01024940

Date: June 28, 2025
Place: Mumbai

Registered Office: 19-A, Dhuleshwar Garden, Ajmer Road, Jaipur - 302 001, Rajasthan, India

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,

AU Small Finance Bank Limited

19-A, Dhuleshwar Garden
Jaipur – 302001 (Rajasthan)

1. We have examined the compliance of conditions of Corporate Governance of AU Small Finance Bank Limited ("the Bank") for the year ended on March 31, 2025 as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of Regulation 46 (2) and other applicable regulations of Chapter IV pertaining to Corporate Governance and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [collectively referred to as "SEBI Listing Regulations"].

Management's Responsibility for compliance with the conditions of SEBI Listing Regulations

2. The compliance with the conditions of Corporate Governance is the responsibility of the management of the Bank, including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in SEBI Listing Regulations.

Our Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Bank for ensuring the compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Bank.

Place: Jaipur

Date: April 22, 2025

UDIN: FO03355 GO00170203

4. We have examined the relevant records and documents maintained by the Bank for the purposes of providing reasonable assurance on the compliance with the Corporate Governance requirements by the Bank.
5. We have conducted our examination in accordance with the Guidance Note on Corporate Governance Certificate and the Guidance Manual on Quality of Audit & Attestation Services issued by the Institute of Company Secretaries of India ("ICSI").

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us and the representation made by the directors and the management, we hereby certify that the Bank has complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations.
7. We further state that such compliance is neither an assurance as to the future viability of the Bank nor the efficiency or effectiveness with which the management has conducted the affairs of the Bank.

Restriction on use

8. The certificate is addressed and provided to the members of the Bank solely for the purpose to enable the Bank to comply with the requirement of the SEBI Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **V. M. & Associates**

Company Secretaries

(ICSI Unique Code P1984RJ039200)

PR 5447 / 2024

CS Manoj Maheshwari

Partner

Membership No.: FCS3355

C P No.: 1971



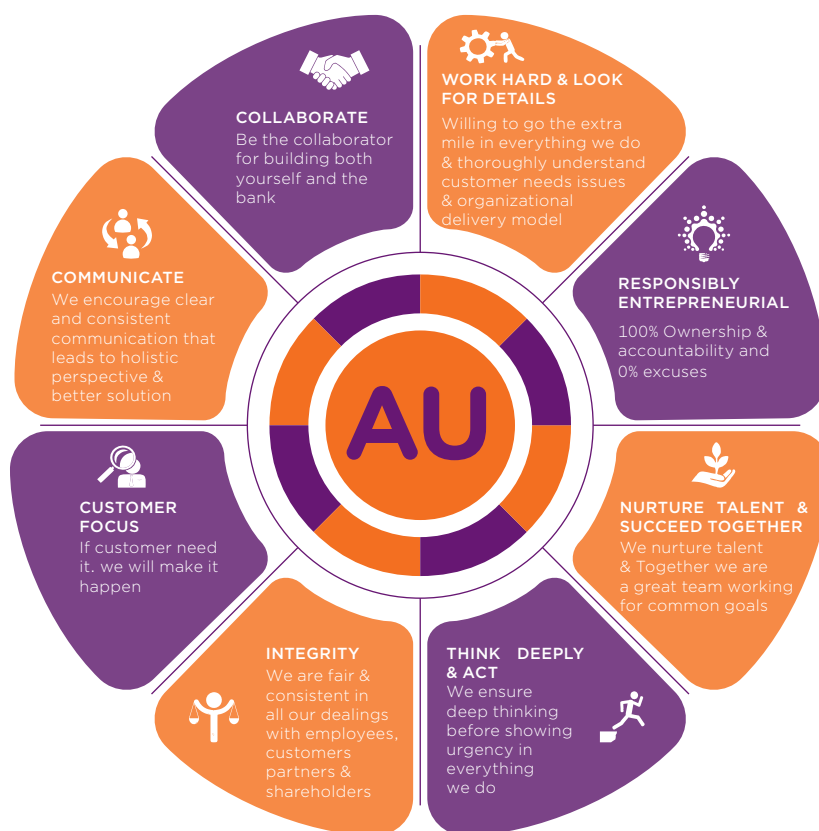
Annexure I

REPORT ON CORPORATE GOVERNANCE

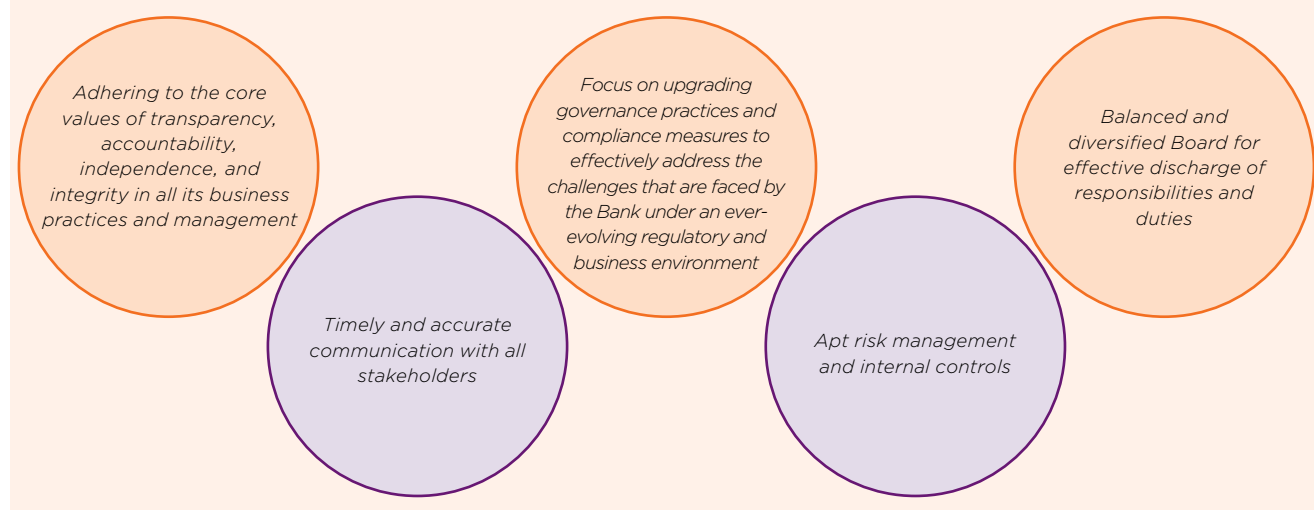
The Bank's philosophy on Corporate Governance

At AU SFB, our Corporate Governance philosophy revolves around our value system i.e. 'AU Dharma', viz. Collaborate, Work Hard and Look for Details, Responsibly Entrepreneurial, Nurture Talent & Succeed Together, Think Deeply & Act, Integrity, Customer Focus, and Communicate.

Our Corporate Governance philosophy serves as the cornerstone of our operations, guiding our actions with integrity, accountability, and responsibility. We are steadfast in our commitment to fostering trust and transparency across all stakeholder relationships, ensuring the Bank's orderly development and sustainable growth.



The Bank's Corporate Governance philosophy, inter alia, follows below key principals:



Our Corporate Governance philosophy is rooted in building a resilient and transparent framework that not only propels sustainable business growth but also reflects the Bank's core values of integrity, accountability, and responsibility. We are committed to functioning not merely as a financial institution, but as a responsible corporate citizen actively contributing to the well-being of our communities and playing a meaningful role in the evolving India growth story.

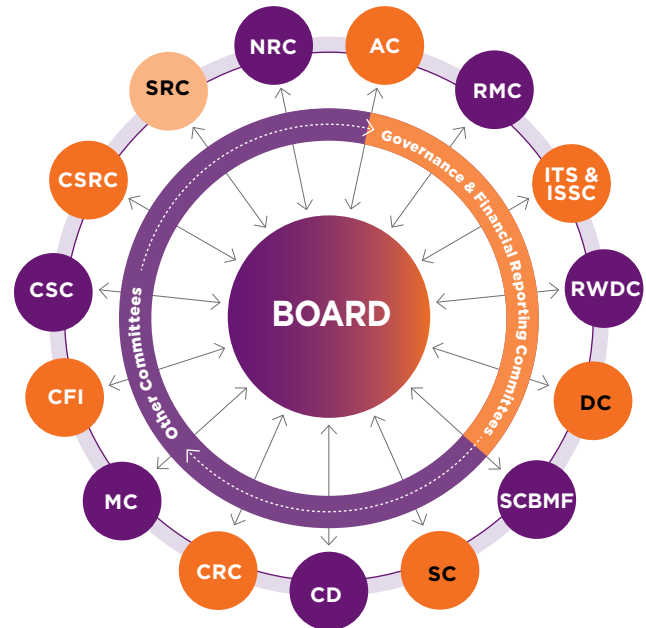
Bank's Governance Structure

Diagrammatic representation of the governance structure of the Bank:

The governance framework of the Bank is led by the Board of Directors ("the Board"), appointed by the shareholders. The Board serves as a trustee for all stakeholders, including shareholders, regulators, customers, employees, and the broader community.

The Board is responsible for Bank's strategic direction and is supported by various Board Committees and Board-Delegated Committees (Executive Committees). These Committees operate under clearly defined charters, ensuring focused oversight and effective decision-making in their respective domains.

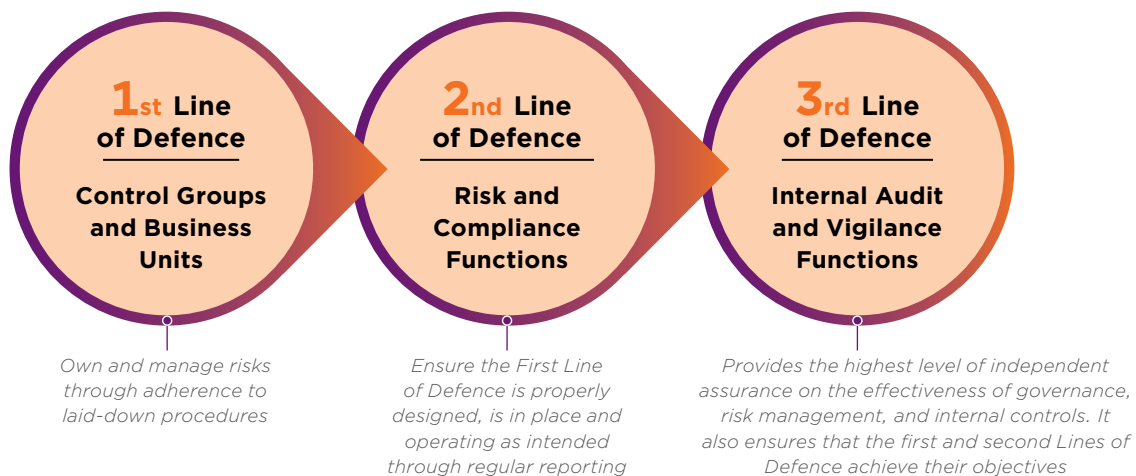
The Managing Director & Chief Executive Officer ("Managing Director & CEO"), under the overall supervision and guidance of the Board, is responsible for implementing the Bank's strategy and overseeing its overall operations. The Executive Director & Deputy CEO, along with the Senior Management Team, supports the MD & CEO in managing the Bank's day-to-day functions and ensuring effective oversight across business and support areas.



AC - Audit Committee, RMC - Risk Management Committee, ITS&ISSC - IT Strategy and Information Systems Security Committee, RWDC - Review of Classification of Wilful Defaulters Committee, DC - Disciplinary Committee, SCBMF - Special Committee of the Board for Monitoring and Follow-up of cases of Frauds, SC - Sustainability Committee, Committee of Directors (CD), CRC - Capital Raising Committee, MC - Management Committee, CFI - Committee for Financial Inclusion, CSC - Customer Service Committee, CSRC - Corporate Social Responsibility Committee, SRC - Stakeholders Relationship Committee, NRC - Nomination & Remuneration Committee.

Three layers of defence

The Bank has a robust internal control framework based on the Three Lines of Defence model. The first layer comprises business units and control groups, which are responsible for identifying and managing risks as part of their day-to-day operations. The second layer is formed by the Risk and Compliance functions, which provide oversight, guidance, and support to ensure effective risk management and regulatory compliance. The third layer, comprising the Internal Audit and Vigilance functions, operates independently of the first two layer and is tasked with providing objective assurance on the adequacy and effectiveness of the Bank's internal controls, risk management, and governance processes.





Board of Directors ('the Board')

A. Composition of Board

Board Composition by role



- Executive Directors – 20%
- Independent Directors – 70%
- Non-Executive Non-Independent Directors – 10%

Gender Distribution



- Women Directors – 20%
- Men Directors – 80%

As on March 31, 2025, the Board consists of 10 Directors with 2 Executive Directors, 1 Non-Executive Non-Independent Director and 7 Independent Directors including 2 Woman Independent Directors. The diverse and experienced Board contributes to better decision making, strategic planning and fosters long term sustainability. The Board comprising of majority of Independent Directors provide unbiased perspectives, best governance practices, ensures accountability and mitigate conflicts of interest.

B. Details of the Board of Directors as on March 31, 2025:



**Mr. Harun Rasid Khan
("Mr. H. R. Khan")**

Part-Time Chairman &
Independent Director
Din: 07456806

Age

70 Years

Qualification

M.A., M. Phil, Diploma in Business
Management, CAIIB

Date of Appointment

December 28, 2021 (As Independent
Director) January 30, 2024
(As Chairman)

Date of Re-appointment

December 28, 2024 (As Independent
Director and Chairman)

Term of Directorship

3 Years

Shareholding

Nil

**Board Membership – Other Listed
Entities**

Nil

No. of Directorships in other Companies

Nil

Member/Chairperson in Committee(s)

Nil



Mr. Kamlesh Shivji Vikamsey

Independent Director
DIN: 00059620

Age

64 Years

Qualification

FCA, B.Com

Date of Appointment

April 25, 2022

Date of Re-Appointment

April 25, 2025

Term of Directorship

5 Years (w.e.f. April 25, 2025)

Shareholding

Nil

Board Membership – Other Listed Entities

1. Navneet Education Limited
- Non-Executive Director &
Chairperson
2. Nuvama Wealth Management Ltd.-
Independent Director

No. of Directorships in other Companies

5

Member/Chairperson in Committee(s)

Member – 5
Chairperson – 4



**Mr. Kannan Gopalaraghavan Vellur
("Mr. V. G. Kannan")**

Independent Director
DIN: 03443982

Age

68 Years

Qualification

MBA, CAIIB, Organisational
Leadership Executive Programme,
Wharton Business School

Date of Appointment

January 22, 2020

Date of Re-Appointment

January 22, 2023

Term of Directorship

3 Years

Shareholding

825 shares

**Board Membership - Other Listed
Entities**

Aptus Value Housing Finance India
Limited - Independent Director

No. of Directorships in other Companies

2

Member/Chairperson in Committee(s)

Member - 2
Chairperson - 1



Ms. Kavita Venugopal

Independent Director
DIN: 07551521

Age

68 Years

Qualification

MBA, BA and Certificate Programme
on Corporates Boards Membership by
FICCI Women

Date of Appointment

March 29, 2023

Date of Re-appointment

NA

Term of Directorship

3 Years

Shareholding

Nil

**Board Membership - Other Listed
Entities**

Munjil Showa Limited - Independent
Director
Oracle Financial Services Software
Limited - Independent Director

No. of Directorships in other Companies

5

Member/Chairperson in Committee(s)

Member - 7
Chairperson - 3



Ms. Malini Thadani

Independent Director
DIN: 01516555

Age

67 Years

Qualification

MA, Ohio University, Master's in
History, Hindu College, Certificate of
Public Administration, Ohio University

Date of Appointment

November 25, 2022

Date of Re-Appointment

NA

Term of Directorship

3 Years

Shareholding

Nil

**Board Membership - Other Listed
Entities**

Max Estates Limited - Independent
Director
Max Financial Services Limited -
Independent Director

No. of Directorships in other Companies

2

Member/Chairperson in Committee(s)

Member - 3
Chairperson - Nil



**Mr. Mankal Shankar Sriram
("Mr. M. S. Sriram")**

Independent Director
DIN: 00588922

Age

62 Years

Qualification

Graduate from IRMA,
Fellow - IIMB

Date of Appointment

October 21, 2019

Date of Re-Appointment

October 21, 2022

Term of Directorship

3 Years

Shareholding

Nil

**Board Membership - Other Listed
Entities**

Nil

No. of Directorships in other Companies

1

**Member/Chairperson in
Committee(s)**

Member - 2
Chairperson - 1

**Mr. Pushpinder Singh**

Independent Director
DIN: 08496066

Age

71 Years

Qualification

B.Sc., CAIIB

Date of Appointment

October 21, 2019

Date of Re-Appointment

October 21, 2022

Term of Directorship

3 Years

Shareholding

500 shares

Board Membership – Other Listed Entities

Nil

No. of Directorships in other Companies

Nil

Member/Chairperson in Committee(s)

Nil

**Mr. Divya Sehgal**

Non-Executive Non-Independent Director
DIN: 01775308

Age

52 Years

Qualification

B.E., IIT-Delhi, PGDM,
IIM-Bengaluru

Date of Appointment

April 01, 2024

Date of Re-Appointment

NA

Term of Directorship

3 Years

Shareholding

Nil

Board Membership – Other Listed Entities

Home First Finance Company India Limited – Nominee Director

No. of Directorships in other Companies

2

Member/Chairperson in Committee(s)

Member – 1

Chairperson – Nil

**Mr. Sanjay Agarwal**

Managing Director & CEO (Executive)
DIN: 00009526

Age

54 Years

Qualification

CA, B. Com

Date of Appointment

April 19, 2017 (Commencement of Banking Operations, on Board since January 22, 2003)

Date of Re-Appointment

April 19, 2023

Term of Directorship

3 Years

Shareholding

11,71,91,360 Shares

Board Membership – Other Listed Entities

Nil

No. of Directorships in other Companies

Nil

Member/Chairperson in Committee(s)

Member – 1

Chairperson – Nil

**Mr. Uttam Tibrewal**

Whole-time Director and Deputy CEO (Executive)
DIN: 01024940

Age

54 Years

Qualification

B. Com

Date of Appointment

April 19, 2017 (Commencement of Banking Operations, on Board since January 22, 2005)

Date of Re-Appointment

April 19, 2023

Term of Directorship

3 Years

Shareholding

1,38,25,212 Shares

Board Membership – Other Listed Entities

Nil

No. of Directorships in other Companies

Nil

Member/Chairperson in Committee(s)

Nil

Notes:















































1. No. of directorships in other Companies includes Listed Companies and Public Limited Companies.
2. Committee details include details of membership(s) and chairpersonship(s) of only Audit Committee and Stakeholders Relationship Committee across all public companies including the Bank as per provisions of Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").
3. Detailed profile of each director can be accessed at <https://www.aubank.in/about-us/board-of-directors>.
4. Necessary disclosures regarding Committee positions in other Public Limited Companies as on March 31, 2025 have been made by the Directors.
5. None of the Directors on the Board hold directorship in more than 10 Public Limited Companies and not exceeding 20 companies in compliance with the requirement of the Companies Act, 2013.
6. None of the Directors on the Board are member of more than 10 committees (Audit Committee and Stakeholders Relationship Committee) or acted as a chairman of more than 5 committees (Audit Committee and Stakeholders Relationship Committee) across Public Limited Companies in which they hold directorship.
7. None of the Directors on the Board serves as a Director on more than 7 Listed Companies.
8. None of the Directors on the Board who are Independent Directors of the Bank have resigned before the expiry of their tenure during FY 2024-25.
9. None of the Director on the Board belong to promoter and promoter group except Mr. Sanjay Agarwal.
10. No inter se relationship exists between the Directors of the Bank.
11. The composition of the Board conforms to the Banking Regulation Act 1949, the Listing Regulations, the Companies Act, 2013 and the relevant rules made thereunder.

The changes in the composition of the Board of Directors that took place during the FY 2024-25 were carried out in compliance of the provisions of the Companies Act, 2013/Listing Regulations/RBI Guidelines. The details of appointment/re-appointment during the FY 2024-25 are covered in the Board's Report.

As on March 31, 2025, except Mr. Divya Sehgal who is non-independent director, all non-executive directors on the Board were Independent Directors as defined under Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Companies Act, 2013 along with rules framed thereunder. In terms of Regulation 25(8) of Listing Regulations, Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence. Independent Directors of the Bank have submitted their annual disclosures/declarations with respect to the criteria of independence as stipulated under the provisions of the Companies Act, 2013, Listing Regulations, the Banking Regulation Act, 1949, and the guidelines issued by the RBI from time to time and in the opinion of Board, the independent directors meet the criteria of independence laid down thereunder and are independent of the management.

C. Skill Matrix of Board

In the opinion of the Board and the Nomination and Remuneration Committee, the Directors of the Bank possess skills/expertise/competence relevant in the context of Bank's businesses and the sector in which the Bank functions, to ensure effective functioning of the Bank as per the matrix given below:

Area of Expertise	Mr. H. R. Khan	Mr. Kamlesh Vikamsey	Mr. V. G. Kannan	Ms. Kavita Venugopal	Ms. Malini Thadani	Mr. M. S. Sriram	Mr. Pushpinder Singh	Mr. Divya Sehgal	Mr. Sanjay Agarwal	Mr. Uttam Tibrewal
Accountancy										
Agriculture and Rural Economy										
Banking										
Business Management										
Co-operation										
Economics										
Finance										
Financial Inclusion										

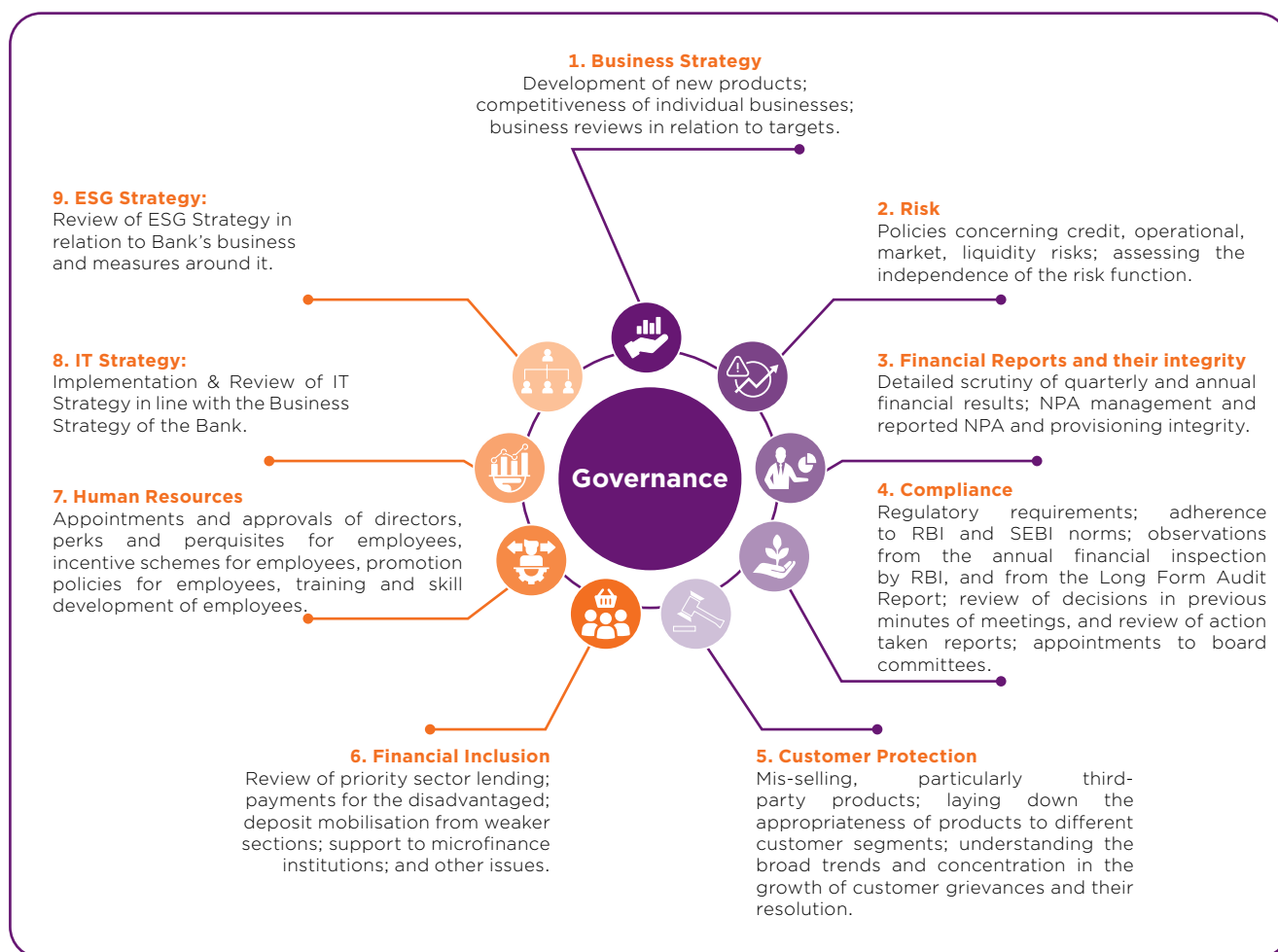


Area of Expertise	Mr. H. R. Khan	Mr. Kamlesh Vikamsey	Mr. V. G. Kannan	Ms. Kavita Venugopal	Ms. Malini Thadani	Mr. M. S. Sriram	Mr. Pushpinder Singh	Mr. Divya Sehgal	Mr. Sanjay Agarwal	Mr. Uttam Tibrewal
Human Resources										
Information Technology										
Payment and Settlement										
Risk Management										
Small Scale Industry										
Sustainability and ESG										
Treasury										

D. Board and Committee Meetings

The Board and Committee meetings are convened at regular intervals to deliberate on matters of strategic and financial importance and regulatory agendas covered under the Reserve Bank of India's Calendar of Reviews dated May 14, 2015 which is based on seven critical themes. In line with the principles of robust governance, the Board has approved the addition of two new themes to the Calendar of Reviews viz. IT Strategy and ESG Strategy.

Governance through focus on Nine critical themes



Scheduling of the meetings

The dates of Quarterly meetings of the Board and the Committees are decided well in advance to ensure Board members availability and effective participation in the Board and Committee meetings. However, in case of a special and urgent business need, the Bank convene meetings physically or through electronic means at shorter notice or place the matter for consideration/approval through circular resolution.

Matters in the nature of unpublished price sensitive information are circulated to the Board and Committee members, at a shorter notice, as per the general consent obtained pursuant to the Secretarial Standards from time to time.

Agenda of the meetings

The agendas of the Board meetings include matters prescribed by the RBI vide Calendar of Reviews dated May 14, 2015 and other matters required under the provisions of applicable laws. The agendas of Board and Board Committee meetings are prepared on the basis of the calendar of reviews of respective committee which includes matters prescribed under applicable laws and as per business requirements.

The agenda notes are prepared and reviewed by the concerned officials of the respective department in consultation with the Functional Head/ Company Secretary.

In order to facilitate the effective discussions at the meetings, the agendas are bifurcated into three categories viz. approval, policies and noting/review to facilitate efficient time management, informed decision-making and active participation at meetings, leading to higher Board effectiveness.

Procedure

The agendas for the Board and Committee meetings along with the presentations are circulated to the members of the Board/ Committee in advance for well-informed decision-making. The members have unrestricted access to all the relevant and required information. The agenda notes and presentations are also shared through secured application for easy access of Board members.

Concerned officials are invited to Board and Committee meetings to provide insights related to the items being presented before the Board/ Committee to enhance the depth of discussions and well-informed decision-making.

Post-meeting Action Tracker

Directions given by the Board/Committee are communicated to the relevant official/department for taking necessary action at their end. The important decisions taken at the Board and Committee meetings are tracked till their closure and an 'Action Taken Report' is placed before the Board and Committee at their meeting.

Minutes of the Meeting

Pursuant to the requirements of the Secretarial Standard on Meetings of the Board of Directors ("SS-I") issued by the Institute of Company Secretaries of India ("ICSI"), the draft minutes are circulated to the members of the Board/Committee within 15 days from the date of the conclusion of the meetings, for their comments. The Comments received on the minutes of Board/Committee are duly incorporated and the minutes are noted in the meeting held after the entry of said minutes in minutes book.

The resolution, if any, passed by circulation is placed at the next meeting of the Board/ Committee.

Number of Board meetings held during FY 2024-25

During the FY 2024-25, the Board of the Directors of the Bank met Eleven (11) times on following dates:



The requisite quorum was present for all the meetings of the Board held during FY 2024-25.



The attendance details of directors at Board Meetings and last Annual General Meeting (“AGM”) are as follows:

Name of the Director	Designation	No. of Board meetings entitled to attend	Board Meetings attended	Attendance at Twenty Ninth AGM
Mr. H. R. Khan	Part-Time Chairman and Independent Director	11	11	✓
Mr. Kamlesh Vikamsey	Independent Director	11	11	✓
Mr. V. G. Kannan	Independent Director	11	11	✗
Ms. Kavita Venugopal	Independent Director	11	11	✓
Ms. Malini Thadani	Independent Director	11	11	✗
Mr. M. S. Sriram	Independent Director	11	11	✗
Mr. Pushpinder Singh	Independent Director	11	11	✓
Mr. Divya Sehgal	Non-Executive Non-Independent Director	10	7	✓
Mr. Sanjay Agarwal	Managing Director & CEO	11	11	✓
Mr. Uttam Tibrewal	Whole Time Director and Deputy CEO	11	11	✓

The role and the composition of Board committees as of March 31, 2025 is as follows:

1. Audit Committee

Terms of Reference

The terms of reference of the Audit Committee, inter-alia, include:

- Review and approve the remit, nature and scope of the internal audit function and ensure it has adequate resources, skills, qualifications, and appropriate access to information to enable it to perform its function effectively.
- Consider major findings of internal - quarterly, semi-annual, and annual audit reviews.
- Review of significant Audit Findings of the following audits along with the compliance thereof - (i) LFAR (ii) Concurrent Audit (iii) Internal Inspection (iv) I.S. Audit of Data Centre (v) Treasury and Derivatives (vi) Management Audit at Controlling Offices/Head Offices.
- Review management letter(s) and management response to the findings, recommendations of the external auditor(s)
- Oversee relationship with external auditors with respect to their remuneration for services, terms of engagement, assessment of their independence, rotation of auditors, resignation and dismissal of auditors, approval of audit plan in line with the scope of engagement.
- Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance, including their policies, procedures, techniques, and other regulatory requirements.
- Obtain regular updates from management and Bank's legal counsel regarding compliance matters.
- Oversight of the Bank's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient, and credible.
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Bank including approval of payment to auditors for any other services rendered.
- Appointment of Chief Financial Officer, Head of Internal Audit, Chief Compliance Officer, Head of Internal Vigilance after assessing the qualifications, experience, and background, etc. of the candidate and changes in their terms, if any.
- Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Directors' responsibility statement to be included in the

Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;

- Changes, if any, in accounting policies and practices and reasons for the same;
- Major accounting entries involving estimates based on the exercise of judgement by management;
- Significant adjustments made in the financial statements arising out of audit findings;
- Compliance with listing and other legal requirements relating to financial statements;
- Disclosure & approvals of any related party transactions; and
- modified opinion(s) in the draft audit report.
- Reviewing and overseeing the functioning of the whistle blower mechanism/vigil mechanism established by Bank and the Chairperson of audit committee shall directly hear grievances of victimisation of employees and directors, who use vigil mechanism to report genuine concerns.
- Approval or any subsequent modification of transactions of the Bank with related parties or grant of omnibus approval for related party transactions proposed to be entered into by the Bank subject to the conditions specified under Listing Regulations;
- Reviewing, with the management, the quarterly financial results before submission to the Board for approval.

During the year, Audit Committee met Twelve (12) times on April 18, 2024, April 23, 2024, April 24, 2024, May 15, 2024, May 27, 2024, July 16, 2024, July 25, 2024, August 17, 2024, October 19, 2024, October 23, 2024, January 17, 2025 and January 24, 2025.

Details of the composition of the Audit Committee as on March 31, 2025 is as follows:

Name	Category of Directorship	Chairperson/ Member
Mr. Kamlesh Vikamsey	Independent Director	Chairperson
Mr. M. S. Sriram	Independent Director	Member
Mr. V. G. Kannan	Independent Director	Member
Ms. Kavita Venugopal	Independent Director	Member

2. Risk Management Committee

Terms of Reference

The terms of reference of the Risk Management Committee, inter-alia, include:

- Review Bank's risk management framework (i.e. principles, policies, strategies, process, and controls) and to ensure that the same is being communicated throughout review reports from management concerning changes in the factors relevant to the Bank's projected strategy, business performance and capital adequacy.
- To ensure that the procedures for identifying, measuring, monitoring, and controlling risks are in place.
- Ensure appropriate risk organisation structure with authority and responsibility clearly defined, adequate staffing and the independence of the Risk Management function.
- To review report on fraudulent transactions relating to internet banking and pointing out the deficiencies in the existing system including steps taken to prevent such cases under Operational risk.
- Review reports from management concerning implications of new and emerging risks, legislative or regulatory initiatives and changes, organizational changes and all other major initiatives in order to monitor them.
- To continuously scan the environment for new and emerging risks coming up including changes in regulations/rules which could impact the performance of the Bank.
- To review, consider and recommend to Nomination & Remuneration Committee ("NRC") performance assessment of Chief Risk Officer ("CRO") of the Bank and set objectives for the CRO and ensure that the CRO has unfettered access to the Risk Management Committee and Board.
- Oversee statutory/regulatory reporting requirements related to risk management.
- Monitor and review capital adequacy computation with an understanding of methodology, systems, and data.
- Approve the stress testing results/analysis and monitor the action plans and corrective measures in line with internal guidelines.



- Monitor and review non-compliance, limit breaches, audit/regulatory findings and policy exception of risk management as well as fraud and potential losses.
- Oversee the working of the Credit Risk Management Committee, Asset & Liability Management Committee, Investment Committee, Operational Risk Management Committee, Committee for Outsourcing of IT & Financial Services and IT Security Risk Management Committee.
- Review and ensure that all systems are being implemented in the Bank with adequate security controls.
- Provide appropriate and prompt reporting to the Board of Directors, in order to fulfil the oversight responsibilities of the Board of Directors.

During the year, Risk Management Committee met Ten (10) times on April 20, 2024, April 23, 2024, May 14, 2024, June 26, 2024, July 19, 2024, August 17, 2024, October 17, 2024, October 22, 2024, January 18, 2025 and January 23, 2025.

Details of the composition of the Risk Management Committee as on March 31, 2025 is as follows:

Name	Category of Directorship	Chairperson/Member
Mr. V. G. Kannan	Independent Director	Chairperson
Mr. Pushpinder Singh	Independent Director	Member
Ms. Kavita Venugopal	Independent Director	Member
Mr. H. R. Khan	Independent Director	Member
Mr. Kamlesh Vikamsey	Independent Director	Member

3. Nomination and Remuneration Committee ("NRC")

Terms of Reference

The terms of reference of the NRC, inter-alia, include:

- Develop policies and lay down criteria for appointment/removal/reappointment of the Directors of the Board capturing the statutory and regulatory requirements.
- Formulate comprehensive criteria for appointment of directors in terms of qualifications, positive attributes, independence, professional experience, track record and integrity of the person.

- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
- Devise a policy on Board diversity based on diversity of thought, experience, knowledge, perspective, and gender.
- Conduct appropriate due diligence and scrutinise the declarations made by probable candidates at the time of appointment/re-appointment of directors.
- Ensure that the Bank has a detailed succession and management continuity plan for key positions.
- Assist in defining the performance evaluation criteria for directors and other Key Management Personnel ("KMPs"), Senior Managerial Personnel ("SMPs"), Material Risk Takers ("MRTs") and Control Function Staff and ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- Ensure Bank's compensation policy provides a fair and consistent basis for motivating and rewarding employees appropriately according to their performance, job profile/role size, contribution, skill, and competence and review compensation levels of the Bank's employees vis-à-vis other Banks and the Banking industry in general.
- Ensure that the compensation for Directors, KMPs, SMPs, MRTs and Control Function Staff is in accordance with the RBI guidelines and other applicable regulatory requirements.
- Review and oversee the Employee Benefits' programme of the Bank, including deferred benefits plans and retirement plans.
- Perform such functions as are required to be performed by the compensation committee under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, including the following:
 - Administering the Employee Stock Option Plans ("ESOP");
 - Determining the eligibility of employees to participate under the ESOP;
 - Granting options to eligible employees and determining the date of grant;
 - Determining the number of options to be granted to an employee;
 - Determining the exercise price under the ESOP; and

- Construing and interpreting the ESOP and any agreements defining the rights and obligations of the Bank and eligible employees under the ESOP, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP.

During the year, Nomination and Remuneration Committee met Six (6) times on June 26, 2024, August 17, 2024, September 28, 2024, November 25, 2024, February 19, 2025 and February 25, 2025.

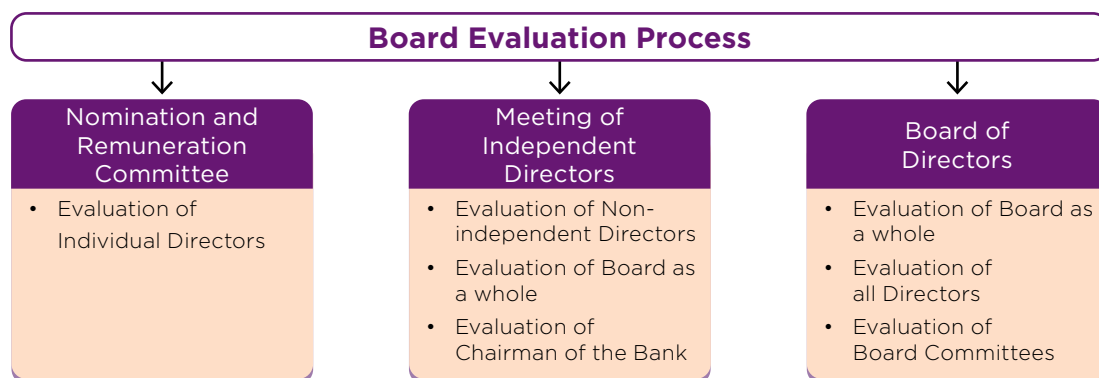
Details of the composition of the Nomination and Remuneration Committee as on March 31, 2025 is as follows:

Name	Category of Directorship	Chairperson/Member
Mr. M. S. Sriram	Independent Director	Chairperson
Mr. Pushpinder Singh	Independent Director	Member
Ms. Malini Thadani	Independent Director	Member
Mr. H. R. Khan	Independent Director	Member

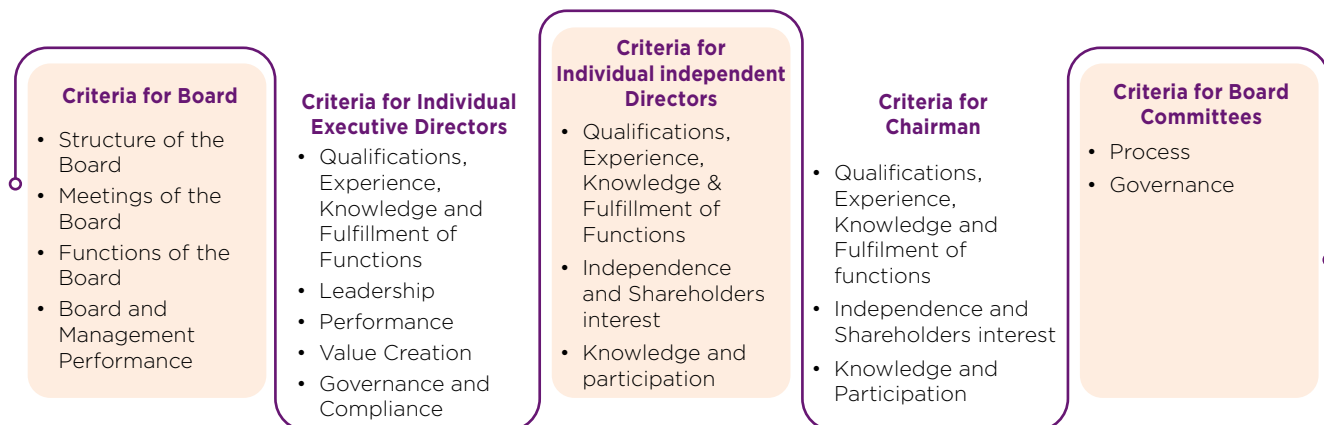
Performance Evaluation

The Bank's Board evaluation framework is structured in alignment with the provisions of Section 149(8) read with Schedule IV and Section 178(2) of the Companies Act, 2013, as well as Regulations 17 and 25 of the SEBI Listing Regulations, and also adheres to the Guidance Note on Board Evaluation issued by SEBI. The evaluation was carried out through a structured online questionnaire encapsulating both qualitative and quantitative parameters, to ensure a comprehensive and objective assessment of the Board's performance.

The Bank has established a structured and comprehensive process for evaluating the performance of the Board, its Committees, and individual Director, including the Chairperson. This evaluation is designed to promote transparency, accountability, and continuous improvement in governance. As part of this process, the Independent Directors held a separate meeting without the presence of Non-Independent Directors or members of the Management where they reviewed the performance of the Non-Independent Directors, the overall functioning of the Board, and performance of the Chairman of the Bank.



Online questionnaires containing qualitative and quantitative analysis were circulated for performance evaluation of Board as a whole, Individual directors, Chairperson and Committees basis the below mentioned criteria and Director being evaluated did not participate in the process:





Outcome of Board Evaluation – FY 2024-25

The Board Evaluation for the financial year 2024-25 was conducted with thoroughness and active participation from all Board Members. The outcome of the evaluation was reviewed in the meeting of the Nomination and Remuneration Committee held on June 14, 2025, and subsequently in the separate meetings of the Independent Directors and the Board held on June 28, 2025.

Key Observations and Action Points

1. Strategic Discussions and Mid-Year Review

The Board emphasised the need for more detailed discussions on the Bank's strategy and business plan. It was also advised to have a mid-term review of the strategic roadmap be presented at the end of the first half of every financial year.

2. Focus on Matters of Strategic Importance

In addition to statutory and compliance matters, the Board recommended allocating more time to deliberations on business outlook, market dynamics, and long-term strategic planning.

3. Knowledge Enhancement Sessions

It was proposed to organize more knowledge sessions for Board Members and SMPs on emerging and critical topics such as Artificial Intelligence, Forex & Treasury Risks, Corporate Governance, ESG, and implications of Ind-AS.

4. Engagement of External Experts

Bank is looking at engaging external experts as advisors in the fields of economics and information technology for strengthening institutional knowledge to support its growth trajectory and strategic objectives.

Evaluation Summary

The evaluation results were positive, indicating that the Board is functioning effectively, with active engagement in discussions on key strategic matters and significant time devoted to important issues. The Board members were found to possess the appropriate mix of skills and demonstrated a collaborative and constructive approach and providing strategic oversight on the functioning of the Bank.

The Board Committees were observed to be operating efficiently, addressing critical matters within their respective domains with diligence and focus.

Action taken on Previous Year's Observations & Proposed Actions

Key observations of previous year's evaluation were reviewed, and appropriate steps have been taken to address them. The Board continues to monitor progress and ensure implementation of recommendations to enhance governance including appointment of Independent Directors with relevant experience in view of completion of tenure of existing directors during FY2025-26.

Compensation Policy

The Bank has in place a Board-approved Compensation Policy that governs the compensation and benefits of Executive and Non-Executive Directors, Key Managerial Personnel, Senior Management, Material Risk Takers, and Control Function staff. This Policy aligns with the Reserve Bank of India's guidelines dated November 4, 2019, on the compensation of Whole-Time Directors, Chief Executive Officers, Risk Takers, and Control Function staff, as well as subsequent RBI directives. It also complies with Section 178 of the Companies Act, 2013, the applicable Rules thereunder, and the Listing Regulations, as amended from time to time."

The Compensation policy regulates the appointment as well as remuneration of Directors (including Independent Directors), Key Managerial Personnel, Senior Management Personnel, Material Risk Takers and Control Function staff.

The Compensation Policy is annually reviewed by the Board of Directors in addition to the other amendments that may be required during the year. The policy is hosted by the Bank on its website and can be accessed through the link at <https://www.aubank.in/investors/secretarial-policies>.

Remuneration to Directors

Remuneration to Non-Executive Directors

The Independent Directors are paid sitting fees for attending each meeting of the Board of Directors or any Committee thereof as approved by the Board, within the permissible limit prescribed under the Companies Act, 2013, RBI Circulars on Corporate Governance in Banks – Appointment of Directors and Constitution of Committees of the Board dated April 26, 2021 and other regulatory guidelines, as amended from time to time.

The Independent Directors are entitled to receive the sitting fees of ₹90,000 per meeting for attending the Board meetings and ₹55,000 per meeting for attending the Committee meetings. The sitting fee is paid immediately after the respective Board and Committee meeting to those directors who have attended the meetings.

The details of sitting fees for attending the Board & Committee meetings and Compensation paid to Independent Directors for the Financial Year ended March 31, 2025 are provided below:

Name of Director	Sitting Fees	Compensation / Honorarium	(₹ in Lakhs)
			Total
Mr. H. R. Khan*	25.35	24.77	50.12
Mr. Kamlesh Vikamsey	23.80	18.00	41.80
Mr. V. G. Kannan	26.80	18.00	44.80
Ms. Kavita Venugopal	26.40	18.00	44.40
Ms. Malini Thadani	19.35	18.00	37.35
Mr. M. S. Sriram	27.65	18.00	45.65
Mr. Pushpinder Singh	25.60	18.00	43.60

Note: *The Annual Compensation (Honorarium) payable to Mr. H R Khan (Chairman) has been revised from ₹24 Lakhs to ₹27 Lakhs as per Shareholders' approval via Postal ballot dated October 24, 2024 w.e.f. December 28, 2024.

**None of the Non-executive Directors have any pecuniary relationship or transaction with the Bank apart from receiving sitting fee and Compensation/Honorarium as applicable.

During the FY 2024-25, as per the terms & conditions of appointment of Mr. Divya Sehgal, Non-Executive Non-Independent Director, no sitting fees/fixed remuneration was paid to him.

Remuneration of Executive Directors

On recommendation of the Nomination and Remuneration Committee, the Board of the Bank approves remuneration of Executive Directors subject to shareholders' and the RBI's approvals as applicable. Terms of appointment of Executive Directors is governed by the employment agreement executed between the Bank and Executive Director.

A proper balance between fixed pay and variable pay is ensured for remuneration of the Executive Directors, the variable pay is a mix of cash and non-cash instrument, which is paid under deferral arrangement. The Executive Directors are duly bound with Malus and claw back clause, which activates in the event of subdued or negative financial performance of the Bank.

The remuneration details of Executive Directors viz. Mr. Sanjay Agarwal, MD & CEO and Mr. Uttam Tibrewal, Whole-Time Director & Deputy CEO of the Bank are given below:

Considering the valuable contribution by the independent directors, fixed remuneration of ₹18,00,000 per annum is payable to each Independent Director of the Bank and ₹27,00,000 per annum to Part Time Chairman of the Bank.

Name	Fixed Pay for FY 2024-25 (including perquisites)	(₹ in Crores)
		Variable Pay of Previous Years paid during the FY 2024-25
Mr. Sanjay Agarwal, MD & CEO	2.88*	1.13 [#]
Mr. Uttam Tibrewal, Whole Time Director & Deputy CEO@	2.49*	0.40 [^]

*RBI vide its letter dated December 10, 2024 approved the Fixed pay for FY 2024-25 of ₹2.88 Crores and ₹2.49 Crores of Mr. Sanjay Agarwal and Mr. Uttam Tibrewal, respectively.

[#]Variable Pay (Performance bonus) of ₹2.05 Crores for FY 2023-24 for Mr. Sanjay Agarwal, MD & CEO, was approved by RBI on December 10, 2024 and out of which ₹0.64 Crores was paid during the FY 2024-25 and remaining is deferred in next 3 years in equal instalments. Further, ₹0.20 Crores, ₹0.15 Crores and ₹0.14 Crores were paid during the FY 2024-25 pertaining to deferred variable pay for the FY 2022-23, 2021-22 and 2020-21, respectively.

[^]Variable Pay (Performance bonus) of ₹2.37 Crores (Rs. 0.59 Crores Cash and ESOPs valuing ₹1.78 Crores) for FY 2023-24 for Mr. Uttam Tibrewal, Whole Time Director & Deputy CEO, was approved by RBI on December 10, 2024 and out of cash variable pay ₹0.21 Crores was paid during the FY 2024-25 and remaining is deferred in next 3 years in equal instalments. Further, ₹0.07 Crores, ₹0.06 Crores and ₹0.06 Crores were paid during the FY 2024-25 pertaining to deferred variable pay for the FY 2022-23, 2021-22 and 2020-21 respectively. 97,116 ESOPs amounting to ₹1.78 Crore have been granted under ESOP 2023 by the Nomination & Remuneration Committee of the Bank on August 17, 2024.



@During the FY 2024-25, Mr. Uttam Tibrewal exercised 27,744 options under ESOP Scheme 2020 (9,098 at an exercise price of ₹ 603.50, 13,496 options at an exercise price of ₹617 and 5,150 options at an exercise price of ₹547.50). Remuneration of Mr. Uttam Tibrewal is excluding perquisite amount of ₹36.46 lacs for ESOPs exercised during FY 2024-25. Further details of ESOPs are covered in Board's Report.

The present tenure of the office of the Managing Director & CEO and Whole Time Director is three years w.e.f. April 19, 2023 and can be terminated by either party by giving one month's notice in writing. There is no provision for payment of severance fees.

4. Stakeholders Relationship Committee ("SRC")

Terms of Reference

The terms of reference of the SRC, inter-alia, include:

- Resolving the grievances of the security holders of the Bank including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Bank in respect of various services being rendered by the Registrar and Share Transfer Agent ("RTA").
- Review of the various measures and initiatives taken by the Bank for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Bank.
- Review and address all matters pertaining to Depositories for dematerialisation of shares of the Bank and other matters connected therewith.
- Review and address matters pertaining to RTA including appointment of new RTA in place of existing.
- Review status of investor complaints on a periodic basis and issue necessary instructions to expedite resolution of pending complaints.
- Oversee the performance of the RTA and to recommend measures for overall improvement in the quality of investor services.
- Carrying out any other function contained in the Listing Regulations.

During year, SRC met Four (4) times on June 14, 2024, September 14, 2024, November 25, 2024 and March 19, 2025.

Details of the composition of the SRC as on March 31, 2025 is as follows:

Name	Category of Directorship	Chairperson/Member
Ms. Kavita Venugopal	Independent Director	Chairperson
Ms. Malini Thadani	Independent Director	Member
Mr. Kamlesh Vikamsey	Independent Director	Member
Mr. Divya Sehgal	Non-Executive Non-Independent Director	Member
Mr. Sanjay Agarwal	Managing Director & CEO	Member

Investor Grievance Redressal

The Bank has appointed MUFG Intime India Private Limited (Formerly known as Link Intime India Private Limited) as the RTA of the Bank to carry out the share transfer and other work associated thereto. MUFG Intime India Private Limited has appropriate systems to ensure that requisite service is provided to investors of the Bank in accordance with the corporate, securities and other applicable laws and within the adopted service standards. The SRC review/evaluate the performance of RTA in its quarterly meetings.

For any assistance, request or instruction regarding transfer or transmission of securities, dematerialisation of securities, change of address, non-receipt of annual report, dividend warrant and any other query relating to the securities of the Bank, the investors may contact the RTA, MUFG Intime India Pvt. Ltd. at rnt.helpdesk@in.mpms.mufg.com.

For any escalations, shareholders may write to the Bank at investorrelations@aubank.in. The addresses and contact details of RTA are provided at General Shareholder Information section of Corporate Governance Report.

Details of Investor complaints:

Particulars	Shareholders	Debenture holders
No. of complaints pending as on April 1, 2024	0	0
No. of complaints received during FY 2024-25	0	0
No. of complaints resolved during FY 2024-25	0	0
No. of complaints pending as on March 31, 2025	0	0

In compliance with the Listing Regulations, the statement of investor grievances was submitted to stock exchange on a quarterly basis.

Members holding shares in physical form are requested to convert their holdings to dematerialised form to eliminate all risks associated with physical shares, to be able to transfer shares and for ease of portfolio management. Pursuant to SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 07, 2024, Investor Service Request Form (ISR)-1 along with other forms were shared with all the physical shareholders and also made available on the website of the Bank and RTA for updating their KYC details.

Name and Designation of Compliance Officer

Pursuant to Regulation 6(1) of Listing Regulations, Mr. Manmohan Parnami, Company Secretary is designated as Compliance Officer.

5. Corporate Social Responsibility (“CSR”) Committee

Terms of Reference

The terms of reference of the CSR Committee, inter-alia, include:

- To formulate and recommend to the Board, a CSR policy which will indicate the activities to be undertaken by the Bank in accordance with Schedule VII of the Companies Act.
- To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Bank.
- To monitor and review the CSR policy of the Bank and its effective implementation from time to time.
- To formulate and recommend to the Board, an Annual Action Plan in pursuance of CSR policy.
- Monitor the implementation of the projects in pursuance to Annual Action Plan for smooth implementation of the project within the overall permissible time period and satisfy itself regarding the utilisation of the disbursed CSR funds.
- Ensure appropriate disclosures regarding CSR activities undertaken by the Bank are appropriately disclosed in the Annual Report.
- The CSR Committee shall also report annually:
 - Significant CSR activities and achievements in the Bank’s Annual Report.
 - The impact assessment reports which shall be placed before the Board and shall be annexed to the annual report on CSR.

- Any other matter as the CSR Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time.

During the year, CSR Committee met two (2) times on October 22, 2024 and March 29, 2025.

Details of the composition of the CSR Committee as on March 31, 2025 is as follows:

Name	Category of Directorship	Chairperson/Member
Ms. Malini Thadani	Independent Director	Chairperson
Mr. H. R. Khan	Independent Director	Member
Mr. Divya Sehgal	Non-Executive Non-Independent Director	Member
Mr. Sanjay Agarwal	Managing Director & CEO	Member
Mr. Uttam Tibrewal	Whole Time Director & Deputy CEO	Member

6. IT Strategy and Information Systems Security Committee

Terms of Reference

The terms of reference of the IT Strategy and Information Systems Security Committee, inter-alia, include:

- Review the IT related strategy and policy and ensure that the same is approved by the Board.
- Oversee performance of the IT Steering Committee and IT Security Risk Management Committee and guide the management in implementing the IT strategy, maintaining a good balance between the Board and the Management across all IT related verticals.
- Implementation of an IT governance framework covering basic principles of value delivery, IT Risk Management, IT resource management, and performance management (including IT Security).
- Ensure that a governance structure is created for IT which will include technology and development, IT operations, IT assurance and supplier and resource management, each of which may be headed by suitably experienced and trained senior officials.
- Review IT performance measurement and contribution of IT to the Bank’s business.



- Review the IT operational model and ensure it is effective and working as per set policies and processes.
- Review the investments made into IT infrastructure to sustain the Bank's growth and represent a balance of risks and benefits.
- Overseeing the aggregate funding of IT at Bank-level and ascertain if the management has resources to ensure the proper management of IT risks.
- Oversee and guide the process of:
 - Budgetary allocations for the IT function (including for IT security) aligned with the Bank's IT maturity, digital depth, threat environment and industry standards and are utilized in a manner intended for meeting the stated objectives;
 - Maintain close oversight over the Business Continuity Planning and Disaster Recovery Management of the Bank consistent with the Regulatory and supervisory expectations on the one hand and the best industry standards and practices on the other hand, under the broad Digital Vision of the bank; and
 - Ensure the annual assessment of capacity vis-à-vis the expectations, with sufficient safety in terms of any capacity constraint based on past trend (peak usage), business activities (current as well as future plans) and address the issues effectively in order to ensure that there is always enough bandwidth available for any contingency.

During the year, IT Strategy and Information Systems Security Committee met Four (4) times on June 13, 2024, September 06, 2024, November 20, 2024 and February 24 & 25, 2025.

Details of the composition of the IT Strategy and Information Systems Security Committee as on March 31, 2025 is as follows:

Name	Category of Directorship	Chairperson/ Member
Mr. Pushpinder Singh	Independent Director	Chairperson
Mr. M. S. Sriram	Independent Director	Member
Mr. V. G. Kannan	Independent Director	Member
Mr. H. R. Khan	Independent Director	Member

7. Customer Service Committee ("CSC")

Terms of Reference

The terms of reference of the CSC, inter-alia, include:

- To review and monitor the effective implementation of customer service-related policies, procedures, systems and processes.
- Review the statement of complaints along with an analysis of the complaints received with an objective to address the following: (i) to identify customer service areas in which the complaints are frequently received; (ii) to identify frequent sources of complaint; (iii) to identify systemic deficiencies; and (iv) for initiating appropriate action to make the grievance redressal mechanism more effective.
- Review, on a quarterly basis, the position of the complaints against the Bank with the Banking Ombudsman offices/Consumer Courts/Courts and analyse the reasons for these complaints not getting resolved by the Bank itself.
- Review the effectiveness of grievance redressal mechanism within the Bank for redressing complaints received about services rendered by Business Correspondents (BC).
- Evaluate the trend analysis of customer complaints by product categories/channels/BCs and monitor improvement plans.
- Ensure that the products and services are appropriate to the needs of the customers by analysing products and service and associated customer complaints for betterment in customer service quality and adhere to extant regulations.
- Assess Banking Ombudsman awards on a periodic basis, address systemic deficiencies brought out by these awards and report cases with delayed implementation of more than 3 months to the Board with reasons for delay to facilitate necessary remedial action on priority.
- Review the details of the number of claims received pertaining to deceased depositors/ locker- hirers/ depositors of safe custody article accounts and those pending beyond the stipulated period, giving reasons.
- Review the performance of 'Standing Committee for Customer Services' and other Sub Committees, if any.
- Benchmark review of turnaround time for key product offerings and monitoring improvement plans put in place.

During the year, CSC met Four (4) times on June 14, 2024, September 29, 2024, November 22, 2024 and January 23, 2025.

Details of the composition of the CSC as on March 31, 2025 is as follows:

Name	Category of Directorship	Chairperson/Member
Mr. M. S. Sriram	Independent Director	Chairperson
Ms. Kavita Venugopal	Independent Director	Member
Mr. Pushpinder Singh	Independent Director	Member
Mr. V. G. Kannan	Independent Director	Member
Mr. Uttam Tibrewal	Whole Time Director & Deputy CEO	Member

8. Review of Classification of Wilful Defaulters Committee

Terms of Reference

The terms of reference of the Review of Classification of Wilful Defaulters Committee, inter-alia, include:

- Review and examine the evidence of wilful default on the part of the borrower, and its director/whole time director.
- Ensure that the parties are given necessary opportunities to put forth their cases before classifying them as wilful defaulters.
- Review of the problematic areas leading to advancement of wilful defaulters in the Bank and develop control measures to mitigate the same.
- Cases where-in suggestions and advice of the Committee is required or cases having substantive progress requiring knowledge of Committee will be reviewed. All cases of Non-Cooperative Borrowers category will be reviewed every six months.
- Make recommendations and facilitate efficient and effective decisions on time to improve the quality of loan portfolio.
- Interface with legal department and recovery department to monitor the wilful default cases and their current position.

During the year, Review of Classification of Wilful Defaulters Committee met Three (3) times on June 14, 2024, September 14, 2024, and February 19, 2025.

Details of the composition of the Review of Classification of Wilful Defaulters Committee as on March 31, 2025 is as follows:

Name	Category of Directorship	Chairperson/Member
Mr. Sanjay Agarwal	Managing Director & CEO	Chairperson
Mr. V. G. Kannan	Independent Director	Member
Mr. Kamlesh Vikamsey	Independent Director	Member
Mr. Divya Sehgal	Non-Executive Non-Independent Director	Member

9. Special Committee of the Board for Monitoring and Follow up of Cases of Fraud (Erstwhile Special Committee on Fraud Monitoring) ("SCBMF")

Terms of Reference

The terms of reference of the SCBMF, inter-alia, include:

- SCBMF shall oversee the effectiveness of the fraud risk management in the bank.
- SCBMF shall review and monitor cases of frauds, including root cause analysis, and suggest mitigating measures for strengthening the internal controls, risk management framework and minimising the incidence of frauds.
- The coverage of the reviews shall include, among others
 - Categories of Frauds
 - Trends of Frauds
 - Industry concentration of frauds
 - Sectoral concentration of frauds
 - Geographical concentration of frauds
 - Delay in detection of frauds if any
 - Classification of frauds
- Identify the system lacunae if any that facilitated perpetration of the fraud and put in place measures to plug the same.
- Evaluation of existing systems and procedures for fraud detection and prevention.
- Identify the reasons for delay in detection, if any, in reporting to top management of the bank and RBI.
- Delay in examination or conclusion of staff accountability.
- Cases involving very senior executives of the bank (MD & CEO / Executive Director / Executives of equivalent rank), the ACB shall initiate examination of their accountability and place it before the Board. Such executive shall



not participate in the meeting of the Board / ACB / SCBMF in which their accountability is to be considered.

- Review the efficacy of the remedial action taken to prevent recurrence of frauds, such as strengthening of internal controls.
- Monitoring progress of CBI / Police investigation and recovery position and ensure that staff accountability is examined at all levels in all the cases of frauds and staff side action, if required, is completed quickly without loss of time.
- Put in place other measures to strengthen preventive measures against frauds.

During the year, Special Committee of the Board for Monitoring and Follow Up Cases of Fraud met once on February 19, 2025.

Details of the composition of the Special Committee on Fraud Monitoring as on March 31, 2025 is as follows:

Name	Category of Directorship	Chairperson/ Member
Mr. H.R. Khan	Independent Director	Chairperson
Ms. Kavita Venugopal	Independent Director	Member
Mr. V. G. Kannan	Independent Director	Member
Mr. Pushpinder Singh	Independent Director	Member
Mr. Sanjay Agarwal	Managing Director & CEO	Member

10. Disciplinary Committee

Terms of Reference

The terms of reference of the Disciplinary Committee, inter-alia, include:

- To review the policy on Code of Conduct for employees, Whistle Blower Policy and Vigil Mechanism and Prevention and Redressal against Sexual Harassment Policy, recommend the same to the Board and appropriately review as and when required.
- Setting up of a transparent mechanism to decide and resolve complaints from employees and take appropriate corrective action plan.
- Resolution of complaints received by the Bank including sexual harassment and enforce disciplinary action in the matter.
- Taking appropriate remedial measures to respond to any substantiated allegations of a complaint (sexual harassment or disciplinary) against any employee.

- Promote appropriate working conditions and a safe environment for all employees.

During the year, the Disciplinary Committee met two (2) times on April 20, 2024 and October 22, 2024.

Details of the composition of the Disciplinary Committee as on March 31, 2025 is as follows:

Name	Category of Directorship	Chairperson/ Member
Ms. Kavita Venugopal	Independent Director	Chairperson
Mr. M. S. Sriram	Independent Director	Member
Mr. Pushpinder Singh	Independent Director	Member
Ms. Malini Thadani	Independent Director	Member
Mr. Uttam Tibrewal	Whole Time Director & Deputy CEO	Member

11. Committee For Financial Inclusion

Terms of Reference

The terms of reference of the Committee for Financial Inclusion, inter-alia, include:

- To review the channelisation of deposits in unserved and underserved sections of the society & availability of credit to small business units, small & marginal farmers; micro and small industries and other unorganized sector entities through high technology & low-cost operations.
- Review of the financial inclusion initiatives covering the targets, products, customer segment etc. and review the plan in this regard.
- To monitor achievements in priority sector lending including sub targets covering lending under Agriculture, Small & Marginal farmers, Micro Enterprises and to weaker sections of the society.
- To review and monitor the progress of enrolments under the pro-poor insurance and pension programmes and other government schemes.
- To look at effective ways of partnership (including government and non-government network) that provides the power of aggregation and bulk outreach without significant overheads for the Bank.
- To advise for the new initiatives for financial inclusion that can be undertaken by the Bank.
- To oversee the functioning of channels of financial inclusion including Banking Outlets, Business Correspondents and Unbanked Branch locations and to analyse the operational efficiency and sustainability.

During the year, Committee for Financial Inclusion met Four (4) times on June 14, 2024, September 14, 2024, November 22, 2024 and March 20, 2025.

Details of the composition of the Committee for Financial Inclusion as on March 31, 2025 is as follows:

Name	Category of Directorship	Chairperson/ Member
Mr. H. R. Khan	Independent Director	Chairperson
Mr. M. S. Sriram	Independent Director	Member
Ms. Malini Thadani	Independent Director	Member
Mr. Uttam Tibrewal	Whole Time Director & Deputy CEO	Member

12. Management Committee

Terms of Reference

The terms of reference of the Management Committee, inter-alia, include:

- To approve credit facilities & investment exposure above certain threshold to new exposure/loan to existing customers along with existing facility.
- Reporting to Board about no officer or any Committee comprising, inter alia, an officer as member, shall, while exercising powers of sanction of any credit facility, sanction any credit facility to his/ her relative.
- Reporting to Board about proposals for credit facilities to the relatives of senior officers of the Bank sanctioned by the appropriate authority through Management Committee.
- Reporting to Board about any company in which any of the relatives of any senior officer of the Bank holds substantial interest or is interested as a director or as a guarantor.
- To sanction proposals of loans and advances aggregating Rupees Twenty Five Lakhs and above to -
 - directors (including the Chairman/Managing Director) of other Banks
 - any firm in which any of the directors of other Banks is interested as a partner or guarantor; and
 - any company in which any of the directors of other Banks holds substantial interest or is interested as a director or as a guarantor.

However, for personal loans granted to any director of other Banks, the threshold shall be Rupees Five Crores.

- To sanction proposals of loans and advances aggregating Rupees Five Crore and above to:

- any relative other than spouse and minor/ dependent children of their own Chairmen/ Managing Directors or other Directors;
- any relative other than spouse and minor / dependent children of the Chairman/Managing Director or other directors of other Banks, including directors of Scheduled Co-operative Banks, directors of subsidiaries / trustees of mutual funds / venture capital funds.
- any firm in which any of the relatives other than spouse and minor / dependent children as mentioned in (a) & (b) above is interested as a partner or guarantor; and;
- any company in which any of the relatives other than spouse and minor / dependent children as mentioned in (a) & (b) above is interested as a major shareholder or as a director or as a guarantor or is in control;

Provided that a relative of a director shall also be deemed to be interested in a company, being the subsidiary or holding company, if he/she is a major shareholder or is in control of the respective holding or subsidiary company.

- Approval of Waiver in POS amount for amount above ₹1 Crore.

During the year, the Management Committee met Three (3) times on June 14, 2024, September 14, 2024 and January 23, 2025.

Details of the composition of the Management Committee as on March 31, 2025 is as follows:

Name	Category of Directorship	Chairperson/ Member
Mr. Pushpinder Singh	Independent Director	Chairperson
Mr. M. S. Sriram	Independent Director	Member
Mr. Sanjay Agarwal	Managing Director & CEO	Member
Mr. Uttam Tibrewal	Whole Time Director & Deputy CEO	Member

13. Capital Raising Committee

Terms of Reference

The terms of reference of the Capital Raising Committee, inter-alia, include:

- To analyse various options for infusion of capital and funds by offering various securities including equity shares, preference shares, debentures, bonds, BASEL compliant Tier I and Tier II Instruments and other debt securities, etc.



- To approve the issue of securities in one or more tranches to various potential Investors within the overall limit as approved by the Board/ Shareholders and determine price/price range for the securities.
- To approve and incur the necessary expenditure relating to capital and fund-raising exercise.
- To issue receipts/ allotment letters/ confirmations of allotment notes either in physical or electronic mode representing the underlying equity shares.
- To perform all activities with regard to fundraising by various methods/means/options under the authority of Board and Shareholders.
- To do all such acts, deeds as the Board may delegate in connection with the capital and fund-raising exercise.

During the year, no meeting of the Capital Raising Committee was held.

Details of the composition of the Capital Raising Committee as on March 31, 2025 is as follows:

Name	Category of Directorship	Chairperson/ Member
Mr. H. R. Khan	Independent Director	Chairperson
Mr. V. G. Kannan	Independent Director	Member
Mr. Kamlesh Vikamsey	Independent Director	Member
Mr. Divya Sehgal	Non-Executive Non-Independent Director	Member
Mr. Sanjay Agarwal	Managing Director & CEO	Member

14. Sustainability Committee

Terms of Reference

The terms of reference of the Sustainability Committee, inter-alia, include:

- Monitor and assess the adequacy of the Bank's sustainable development framework.
- Stakeholder identification & meaningful engagement to identify, strategize, address & report the material issues.
- Firm up a roadmap, fix sustainability targets in alignment with business targets & monitoring of the targets.
- Explore integration of Business objectives and their alignment with the ESG goals in consultation with all business verticals.
- Support in creation & support of climate resilient business models. Work towards positive ecosystem with carbon positive, water positive & waste neutral operations.
- Support in identifying climate related physical & systemic risks. Work out ESG financing strategy

& risk mitigation plan in phase-wise manner in accordance with globally accepted frameworks.

- Collaborate and partner with industry peers to strengthen sustainability initiatives. This may include international peers/stakeholders as well.
- Develop lending and investment guidelines in alignment with climate resiliency.
- Ensure accountability, transparency, efficiency, equity, including gender equality and inclusivity in the business.
- Creation of diverse & inclusive ecosystem presenting with equal opportunities.
- Education & communication of sustainable practices to all the stakeholders.

During the year, Sustainability Committee met once on November 25, 2024.

Details of the composition of the Sustainability Committee as on March 31, 2025 is as follows:

Name	Category of Directorship	Chairperson/ Member
Ms. Malini Thadani	Independent Director	Chairperson
Ms. Kavita Venugopal	Independent Director	Member
Mr. H. R. Khan	Independent Director	Member
Mr. Kamlesh Vikamsey	Independent Director	Member
Mr. Sanjay Agarwal	Managing Director & CEO	Member

15. Committee of Directors

Terms of Reference

The Board on July 25, 2024, has constituted Committee of Directors consisting of four (4) Directors of which three (3) are independent directors and one (1) is an Executive Director and is chaired by the Independent Director. The terms of reference of Committee of Directors, inter-alia, include to vet the application for transition to Universal Bank and guide on the same.

During the year, Committee of Directors met once on August 21, 2024.

Details of the composition of the Committee of Directors as on March 31, 2025 is as follows:

Name	Category of Directorship	Chairperson/ Member
Mr. H. R. Khan	Independent Director	Chairperson
Mr. Pushpinder Singh	Independent Director	Member
Mr. M.S. Sriram	Independent Director	Member
Mr. Sanjay Agarwal	Managing Director & CEO	Member

Table- I – Details of Number of Committee Meetings and participation of the Members at the Meetings During FY 2024-25

No. of Meetings attended / No. of Meetings

Name of Committee Member	ACB	RMC	NRC	SRC	CSRC	ITS&ISSC	CSC	RWDC	DC	CFI	MC	CRC	SCBMF	SC	CD
Mr. H. R. Khan ¹	-	10/10	6/6	-	2/2	4/4	-	2/2	-	4/4	-	-	1/1	1/1	1/1
Mr. Kamlesh Vikamsey	12/12	9/10	-	4/4	-	-	-	3/3	-	-	-	-	-	1/1	-
Mr. V. G. Kannan	12/12	10/10	-	-	-	4/4	4/4	3/3	-	-	-	-	1/1	-	-
Ms. Kavita Venugopal	12/12	10/10	-	4/4	-	-	4/4	-	2/2	-	-	-	1/1	1/1	-
Ms. Malini Thadani ²	-	-	6/6	4/4	2/2	-	-	-	2/2	4/4	-	-	-	1/1	-
Mr. M. S. Sriram ³	12/12	-	6/6	-	-	4/4	4/4	-	2/2	4/4	3/3	-	-	-	1/1
Mr. Pushpinder Singh	-	10/10	6/6	-	-	4/4	4/4	-	2/2	-	3/3	-	1/1	-	1/1
Mr. Divya Sehgal ⁴	-	-	-	2/3	0/2	-	-	1/1	-	-	-	-	-	-	-
Mr. Sanjay Agarwal ⁵	-	-	-	3/4	2/2	0/1	-	2/3	-	-	2/3	-	1/1	1/1	1/1
Mr. Uttam Tibrewal	-	-	-	-	2/2	-	4/4	-	2/2	4/4	3/3	-	-	-	-
Total No. of Meetings Held in FY	12	10	6	4	2	4	4	3	2	4	3	0	1	1	1

AC - Audit Committee, RMC - Risk Management Committee, NRC - Nomination & Remuneration Committee, SRC - Stakeholders Relationship Committee, CSRC - Corporate Social Responsibility Committee, ITS&ISSC - IT Strategy and Information Systems Security Committee, CSC - Customer Service Committee, RWDC - Review of Classification of Willful Defaulter Committee, DC - Disciplinary Committee, CFI - Committee for Financial Inclusion, MC - Management Committee, CRC - Capital Raising Committee, SCBMF - Special Committee of the Board for Monitoring and Follow up of Cases of Fraud, SC - Sustainability Committee, CD - Committee of Directors.

1. Mr. H. R. Khan ceased to be the chairperson/member of Review of Classification of Willful Defaulters Committee w.e.f. October 23, 2024.
2. Ms. Malini Thadani ceased to be a member of the Capital Raising Committee w.e.f. June 27, 2024.
3. Mr. M. S. Sriram ceased to be a member of the Corporate Social Responsibility Committee w.e.f. June 27, 2024.
4. Mr. Divya Sehgal inducted as member of Stakeholders Relationship Committee, Capital Raising Committee and Corporate Social Responsibility Committee w.e.f. June 27, 2024 and Review of Classification of Willful Defaulters Committee w.e.f. October 23, 2024.
5. Mr. Sanjay Agarwal designated as Chairperson of Review of Classification of Willful Defaulters Committee w.e.f. October 23, 2024 and ceased as member of the IT Strategy & Information Systems Security Committee w.e.f. August 18, 2024.



Independent Director's Meeting

As per the requirement of the Section 149(8) read with Schedule IV of Companies Act 2013, and Regulation 25 of Listing Regulations, a meeting of the Independent Directors of the Bank is required to be held once a year in absence of non-independent directors.

During the FY 2024-25, the Independent Directors of the Bank met on April 23, 2024, and June 26, 2024, chaired by Mr. M. S. Sriram and Mr. H. R. Khan, respectively and attended by all the Independent Directors of the Bank and discussed the below matters:

- Action taken report from the previous meeting of Independent Directors.
- Evaluated the Performance of Non-Independent Directors, the Board as a whole and the Chairperson.
- Assessed the quality, quantity, and timeliness of information flow between management and the Board.
- Discussion on present Board Profiles, Balance of skill set.
- Whether adequate time is spent by the Board/ Committees on discussions on important issues.

No sitting fees was paid to the Independent Directors of the Bank for attending the said meeting.

Familiarisation programme for Independent Directors

The Bank's independent directors are eminent professionals with several decades of experience in Banking and financial services industry, technology, finance, governance and management areas and are fully conversant with the business of the Bank. In compliance with Regulation 25(7) of the Listing Regulations, the Board familiarisation programme covers Induction programme for new Directors, familiarisation/ knowledge session on Banking Business and its functional issues, external training programmes with IDRBT, CAFRAL and other programmes relevant to banking industry, knowledge session with subject matters experts and update on recent regulatory changes at regular intervals.

During the induction programme, the Directors are apprised about their roles, rights, responsibilities covered under the Bank's codes and key policies approved by the Board including Code of Ethics & Conduct for Directors and Senior Management Personnel. An orientation kit is provided to the Directors during induction which includes annual reports of previous years, organisation chart, details of Directors, KMPs, SMPs, Board Committees,

Quarterly Investor's Presentation etc. to give holistic view about the Bank. The newly inducted directors are also familiarised by the Managing Director & CEO and members of senior management team about Bank's vision & mission, business model, strategies, management structure, HR initiatives, compliance, risk management and audit framework.

Further, updates on key regulatory developments including RBI and other regulatory circulars/ notifications/ guidelines etc. are provided to directors on regular basis at the Board and Committee meetings to keep the Directors informed about the dynamic regulatory environment and its impact.

The details of the familiarisation programme imparted to the Independent Directors during the FY 2024- 25 are available on the weblink of the Bank at <https://www.aubank.in/disclosures-under-regulation-46-of-the-lodr>.

Director & Officer's Liability Insurance Policy

Pursuant to the Regulation 25(10) of Listing Regulations, the Bank had undertaken Directors and Officers insurance ('D & O insurance') for all its directors, including Independent Directors, for a quantum and risks as determined by the Board of Directors of the Bank from time to time.

Board Diversity Policy

The Board has framed a policy for Board Diversity which lays down the criteria for appointment of Directors on the Board of Bank and guides organisation's approach to Board Diversity.

The Bank believes that the inclusion of individuals from various geographic areas, cultures, genders, industry sectors, educational backgrounds, and skill sets will provide diverse perspectives, which are essential for the organisation's growth.

The Board of Directors is responsible for review of the Board Diversity policy from time to time. Board Diversity Policy is available at Bank's website at <https://www.aubank.in/investors/secretarial-policies>.

Succession Planning

Succession Planning is integrated into Bank's Strategic Business Units (SBUs) via a hierarchical setup and there are clear pathways for career advancement and leadership development within different divisions of the Bank. The Nomination and Remuneration Committee works under the aegis of the Board to ensure orderly succession in appointments to the Board and of Senior Management.

In compliance with Regulation 17(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Bank has instituted a Board-approved Succession Planning Policy to ensure orderly appointments to the Board and Senior Management Personnel (SMPs). Pursuant to this policy, the Nomination and Remuneration Committee (NRC) proactively identified and shortlisted two candidates for appointment as Independent Directors - Mr. Nandkumar Saravade, an expert in Information Technology, and Mr. Jagajit Mangal Prasad, a specialist in Human Resources.

The Bank is working with an advisory firm under the guidance of the Nomination and Remuneration Committee to further institutionalize the process of succession planning to conduit the pipelines of leaders for making institution future ready.

Policy for orderly succession for appointment to the Board and Senior Management and the same can be accessed through the link at <https://www.aubank.in/investors/secretarial-policies>.

Particulars of the Senior Management

Details of Senior Management Personnel (SMP) of the Bank as on March 31, 2025:

Sr. No.	Employee Name	Designation
1.	Mr. Sanjay Agarwal	Managing Director & CEO
2.	Mr. Uttam Tibrewal	Whole-time Director & Deputy CEO
3.	Mr. Rajeev Yadav	Deputy CEO
4.	Mr. Deepak Jain	Chief Risk Officer
5.	Mr. Vimal Jain	Chief Financial Officer
6.	Mr. Manmohan Parnami	Company Secretary
7.	Mr. Yogesh Jain	Chief Operating Officer
8.	Mr. Vivek Tripathi	Head of Commercial Banking (Currently, designated as Chief Credit Officer)
9.	Mr. Ashok Kumar Khandelwal	Chief Compliance Officer
10.	Mr. Vinay Vaish	Head of Internal Audit
11.	Mr. Bhaskar Karkera	Head of Retail Assets
12.	Mr. Vaman Ramesh Kamat	Head of Credit - Retail
13.	Mr. Shoorveer Singh Shekhawat	Head of Urban & Swadesh Branch Banking, Government Business and Wholesale Deposits
14.	Mr. Vivek Rathi	Head of Credit - Commercial Banking

Notes:

- Mr. Rajeev Yadav, Deputy CEO, was inducted in the SMP category w.e.f. April 01, 2024.
- Mr. Vivek Rathi was inducted in the SMP category w.e.f. August 18, 2024.
- Mr. Vivek Tripathi, Former Head of Human Resources, categorized as Senior Management Personne has tendered his resignation w.e.f. August 04, 2024. Further, Mr. Ankur Tripathi, Mr. Rishi Dhariwal, Mr. Farhan Ahmed, Mr. Manoj Tibrewal, Mr. Mayank Markanday, and Mr. Amit Mathur were re-categorized from SMP to non-SMP w.e.f. August 18, 2024.

General Body Meetings

A. Location and time of last three Annual General Meetings (AGMs) and details of special resolutions passed thereat:

Year	Particular of Meeting	Date & Time	Location	Special Resolution passed if any
2023-24	29 th AGM	July 26, 2024 at 02:00 p.m.	Through Video Conferencing ("VC") and other audio-visual means ("OAVM")	1. To issue non-convertible debt securities/bonds/other permissible instruments, in one or more tranches. 2. To raise funds through issue of equity shares and/or any other instruments or securities representing either equity shares and/or convertible securities linked to equity shares including through Qualified Institutions Placement or such other permissible mode or combinations thereof.



Year	Particular of Meeting	Date & Time	Location	Special Resolution passed if any
2022-23	28 th AGM	August 10, 2023 at 04:00 p.m.	Through Video Conferencing ("VC") and other audio-visual means ("OAVM")	1. To issue Non-convertible debt securities/bonds/other permissible instruments, in one or more tranches. 2. To raise funds through issue of equity shares and/ or any other instruments or securities representing either equity shares and/or convertible securities linked to equity shares including through Qualified Institutions Placement or such other permissible mode or combinations thereof. 3. To approve the Alteration in Article of Association of the Bank.
2021-22	27 th AGM	August 23, 2022 at 04:00 p.m.	Through Video Conferencing ("VC") and other audio-visual means ("OAVM")	1. To re-appoint Mr. Mankal Shankar Sriram (DIN: 00588922) for second term of 3 years as an Independent Director. 2. To re-appoint Mr. Pushpinder Singh (DIN: 08496066) for second term of 3 years as an Independent Director. 3. To re-appoint Mr. Kannan Gopalraghavan Vellur (DIN: 03443982) for second term of 3 years as an Independent Director. 4. To issue non-convertible debt securities/bonds/ other permissible instruments, in one or more tranches. 5. To raise funds through issue of equity shares and/ or any other instruments or securities representing either equity shares and/or convertible securities linked to equity shares including through Qualified Institutions Placement or such other permissible mode or combinations thereof.

None of the special business proposed to be transacted in the Annual General Meeting requires to be conducted through postal ballot.

B. Postal Ballot during the FY 2024-25

Pursuant to provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of Listing Regulations, Secretarial Standard on General Meetings issued by Institute of Company Secretaries of India, General Circulars 14/2020 dated April 8, 2020, No. 17/2020 dated April 13, 2020, No. 22/2020 dated June 15, 2020, No. 33/2020 dated September 28, 2020, No. 39/2020 dated December 31, 2020, No. 10/2021 dated June 23, 2021, No. 20/2021 dated December 8, 2021, No. 03/2022 dated May 5, 2022, No. 11/2022 dated December 28, 2022, No. 09/2023 dated September 25, 2023 and No. 09/2024 dated September 19, 2024, issued by the Ministry of Corporate Affairs and other applicable rules/ regulations/ guidelines/circulars/notifications, the Bank has received shareholders' approval through postal ballot, the details of the same are given below:

Date of Postal Ballot Notice	Agenda Heading	Nos. of Votes		Percentage (%) of votes	
		In Favour	Against	In Favour	Against
April 01, 2024	Appointment of Mr. Divya Sehgal (DIN: 01775308) as a Non-Executive and Non-Independent Director on the Board of the Bank w.e.f. April 01, 2024.	59,44,70,330	16,543	99.9972	0.0028
August 17, 2024	Re-appointment of Mr. Harun Rasid Khan (DIN: 07456806) for second term of 3 years as an Independent Director	63,50,42,761	23,61,490	99.6295	0.3705
March 07, 2025 (Passed on April 10, 2025)	Re-appointment of Mr. Kamlesh Shivji Vikamsey (DIN: 00059620) for second term of 5 years as an Independent Director	56,35,39,328	47,99,145	99.1556	0.8444

CS Manoj Maheshwari, Partner of M/s V. M. & Associates, Companies Secretaries was appointed as the scrutinizer for monitoring and scrutinizing remote e-Voting and for conducting the Postal Ballot process in a fair and transparent manner.

Procedure of the Postal Ballot

The Postal Ballot procedure followed by the Bank is as per the provisions of Section 108 and Section 110 of the Companies Act, 2013 read with applicable Rules and the Listing Regulations and the SS-2 issued by the Institute of Company Secretaries of India.

Members are provided with the facility to cast their votes through e-Voting. The Board of Directors of the Bank has appointed Scrutinizer for conducting the postal ballot voting process fairly and transparently. The Scrutinizer submits his report to the Company Secretary & Compliance Officer as authorised by the Chairman of the Board after the completion of the scrutiny of the e-Voting results. Considering the results and report of the Scrutinizer of the Postal Ballot, the resolution is considered approved or rejected.

The necessary intimations as required under the applicable provisions of Listing Regulations are submitted to the Stock Exchanges and post declarations of the results the same are displayed on the website of the Bank and e-voting service provider.

General Shareholder Information

1	Date of Incorporation	January 10, 1996																					
2	Corporate Identification No.	L36911RJ1996PLC011381																					
3	Registered Office Address	19-A, Dhuleshwar Garden, Ajmer Road, Jaipur - 302001, Rajasthan, India.																					
4	Address for Correspondence and Contact Detail	The Company Secretary & Compliance Officer AU Small Finance Bank Limited Registered Office: 19-A, Dhuleshwar Garden, Ajmer Road, Jaipur - 302001, Rajasthan, India. Tel: +91-141-4110060/61 Fax: +91-141-4110090 Email: investorrelations@aubank.in																					
5	Name of depositories	<ul style="list-style-type: none"> National Securities Depository Limited ("NSDL") Central Depository Services (India) Limited ("CDSL") 																					
6	Listing on Stock Exchange	<div style="display: flex; justify-content: space-between;"> <div> BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001, Maharashtra, India </div> <div> National Stock Exchange of India Ltd. (NSE) Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East) Mumbai - 400051, Maharashtra, India </div> </div> <p>The Bank has deposited the annual listing fees to the stock exchange(s) where the securities of the Bank are listed.</p> <p>No securities were suspended for trading on any of the exchange viz. BSE and NSE during the financial year 2024-25.</p>																					
7	ISIN of Equity Shares	INE949L01017																					
8	Dematerialization of Shares & Liquidity	<p>The Bank's shares are traded compulsorily in electronic form.</p> <p>The Bank has established connectivity with both the depositories in India -NSDL and CDSL. The requisite fees were duly paid to the depositories.</p> <p>The Bank has also appointed MUFG Intime India Private Limited (Formerly known as Link Intime India Private Limited) as the registrar and share transfer agent to provide electronic connectivity interface with NSDL and CDSL for securities of the Bank.</p> <p>Position of Shareholding (Demat/Physical) as on March 31, 2025 was as below:</p> <table border="1"> <thead> <tr> <th>Particulars</th><th>No. of Shares</th><th>Percentage</th></tr> </thead> <tbody> <tr> <td>Dematerialization Form</td><td></td><td></td></tr> <tr> <td style="text-align: right;">CDSL</td><td>7,24,02,923</td><td>9.72</td></tr> <tr> <td style="text-align: right;">NSDL</td><td>67,20,17,587</td><td>90.26</td></tr> <tr> <td>Total Dematerialized shareholding</td><td>74,44,20,510</td><td>99.98</td></tr> <tr> <td>Physical Form</td><td>1,10,021</td><td>0.02</td></tr> <tr> <td>Grand Total (A+B)</td><td>74,45,30,531</td><td>100.00</td></tr> </tbody> </table> <p>Further, as mandated by the Securities and Exchange Board of India, existing members of the Bank, who hold securities in physical form and intend to transfer their securities, can do so only in dematerialised form. Hence, shareholders who hold shares in physical form are requested to dematerialize these shares to ensure such shares are freely transferable.</p> <p>No shares were held by Bank in the demat suspense account or unclaimed suspense account as on March 31, 2025.</p>	Particulars	No. of Shares	Percentage	Dematerialization Form			CDSL	7,24,02,923	9.72	NSDL	67,20,17,587	90.26	Total Dematerialized shareholding	74,44,20,510	99.98	Physical Form	1,10,021	0.02	Grand Total (A+B)	74,45,30,531	100.00
Particulars	No. of Shares	Percentage																					
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Physical Form	1,10,021	0.02																					
Grand Total (A+B)	74,45,30,531	100.00																					



9	Share Transfer System	In terms of amended Regulation 40 of Listing Regulations, transfer of securities in physical form shall not be processed unless the securities are held in the demat mode with a Depository Participant. Members holding shares in physical form are therefore requested to convert their holdings into dematerialized mode to avoid loss of shares and fraudulent transactions and avail better investor servicing.
10	Registrar and Share Transfer Agent	MUFG Intime India Private Limited (Erstwhile Link Intime India Private Limited) C-101, 1 st Floor 247 Park, L.B.S Marg, Vikhroli (West), Mumbai 400083, Maharashtra, India Tel: (0) 8108116767, FAX: +91 022- 49186060 Website: www.in.mpms.mufig.com Email ID: rnt.helpdesk@in.mpms.mufig.com
11	Debenture Trustees	Catalyst Trusteeship Limited (For ISIN: INE949L08418, INE949L08442, INE949L08434, INE949L08426, INE519Q08160, INE519Q08178, INE519Q08186, INE519Q08194 and INE519Q08152) Regd. Office: GDA House, Plot No. 85, Bhusari Colony (Right), Kothrud, Paud Road, Pune - 411038, Maharashtra, India Phone: +91 20 66807200 / 223 / 224 FAX: +91 020- 25280275 Email: dt@ctltrustee.com IDBI Trusteeship Services Limited (For ISIN: INE949L08459) Regd. Office: Universal Insurance Building, Ground Floor, Sir P.M. Road, Fort, Mumbai - 400 001, Maharashtra, India Phone: +91 022 40807008 Email: itsl@idbitrustee.com
12	30 th Annual General Meeting	Date & Time: August 08, 2025 at 4:00 P.M. Venue: Through VC or OAVM
13	Financial Year	The Bank follows the financial year starting from April 1 to March 31, every year.

Other Disclosures

1. Code of Conduct

The Bank has adopted a Code of Conduct for Directors and Senior Management Personnel. The Bank through its Code of Conduct provides guiding principles of conduct to promote ethical conduct of business, confirms to equitable treatment of all stakeholders, and to avoid practices like bribery, corruption and anti-competitive practices. The Code is available on the website of the Bank <https://www.aubank.in/investors/secretarial-policies>.

All members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct for Board and Senior Management for the financial year 2024-25. The declaration to this effect signed by Managing Director & CEO of the Bank is annexed to this report.

2. Code of Conduct for Prohibition of Insider Trading

The Board has adopted a Code of Conduct - Prohibition of Insider Trading to regulate, monitor and report trading by insiders/designated persons in securities of the Bank. The Code inter alia requires pre-clearance for trading in the securities and prohibits the purchase or sale

of securities while in possession of unpublished price sensitive information and during the closure of trading window.

The Bank organized trainings for the Designated Persons on various occasions during the year to create & enhance awareness on various aspects of the Code of Conduct - Prohibition of Insider Trading and the SEBI (Prohibition of Insider Trading) Regulations, 2015.

The Bank periodically reviews the efficacy of its systems, controls and processes to ensure that access to unpublished price-sensitive information is on a need-to-know basis. The Code of Fair Disclosure and Conduct & Policy for determination and sharing of information for Legitimate purpose is available on the website <https://www.aubank.in/investors/secretarial-policies>.

3. Whistle Blower Policy & Vigil Mechanism

The Bank is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Bank has adopted a Whistle Blower policy & Vigil Mechanism in compliance with the relevant provisions of Section 177(9) of the Act, rules made thereunder and Regulation 4(2)(d) and Regulation 22 of the Listing Regulations to provide a formal mechanism to

employees, customer and stakeholders of the Bank to voice concerns in a responsible and effective manner regarding suspected unethical matters involving serious malpractice, abuse or wrongdoing within the organisation and also provides for adequate safeguards against the victimisation of employees who avail the mechanism. Any incidents that are reported are investigated and suitable action is taken in line with the Whistle Blower Policy. No personnel were denied access to the Audit Committee of the Bank with regard to above.

The Whistle Blower Policy & Vigil Mechanism have been disclosed on the website <https://www.aubank.in/investors/secretarial-policies>

5. Credit Rating

Nature of Debt Instrument	Nature of Term	CRISIL Ratings	India Ratings	CARE	ICRA Limited
Fixed Deposits	Long-Term	CRISIL AA+/Stable	-	-	-
Long-Term/ Subordinated Debt/ Tier II Bond	Long-Term	CRISIL AA/Stable	IND AA/ Stable	CARE AA/ Stable	ICRA AA/ Stable
Certificate of Deposits	Short-Term	CRISIL A1+	IND A1+	CARE A1+	-

Note:

- Post Amalgamation, all NCDs of erstwhile Fincare Small Finance Bank Limited ("Fincare SFB") have been transferred to your Bank, accordingly ratings have been upgraded by India Ratings and CARE on April 10, 2024 and by ICRA Limited on May 17, 2024.
- CRISIL reaffirmed the above credit ratings of your Bank on April 10, 2024 and on April 02, 2025.
- The India Ratings have reaffirmed the above credit ratings of your Bank April 10, 2024 and September 09, 2024 and November 29, 2024
- The CARE has reaffirmed the above credit ratings of your Bank on April 10, 2024, August 14, 2024, October 22, 2024 and January 14, 2025.
- The ICRA have reaffirmed the above credit ratings of your Bank on February 27, 2025
- Further, new credit rating has been assigned for proposed issue of Tier II Bond by CARE and ICRA on January 14, 2025 and February 27, 2025 respectively.
- The above rating details can be accessed on the website of the Bank at <https://www.aubank.in/credit-rating>.

6. Penalties

No penalties, strictures have been imposed on the Bank by the Stock Exchange(s)/SEBI or any other statutory authorities on matters relating to capital market during the last three years.

7. CEO & CFO Certification

In Compliance of Regulation 17(8) of the Listing Regulations, Managing Director & CEO and CFO of the Bank have certified that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Bank's affairs. The said certificate is annexed with the Corporate Governance Report.

4. Related Party Transactions

All related party transactions are placed before the Audit Committee for review and approval and omnibus approval is obtained annually for transactions which are of repetitive nature and/ or entered in the Ordinary Course of Business. During the FY 2024-25, there were no materially significant related party transactions entered by the Bank with its related parties which may have potential conflict with the interest of the Bank at large. All the transactions entered into by the Bank with related parties during the FY 2024-25 were on arm's length and in ordinary course of business.

Bank's Policy on Related Party Transactions & Materiality is available on the website <https://www.aubank.in/investors/secretarial-policies>.

8. Subsidiary Company

The Bank does not have any Subsidiary Companies.

9. Declaration of Independence

All Independent Directors provided an annual confirmation that they meet the criteria of independence. Based on the confirmations/ disclosures received from the Directors as per the Section 149(7) of the Companies Act, 2013 read with Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 25(8) of Listing Regulations, the Board hereby affirm that the Independent Directors fulfill the conditions as specified under Schedule V of the Listing Regulations and are independent of the management.



The Terms & Conditions of appointment of Independent Directors have been hosted on the Bank's website and can be accessed through link at <https://www.aubank.in/about-us/Board-of-directors>.

10. Accounting Treatment

The Bank has adopted accounting policies which are in line with the Accounting Standards. The Financial Statements of the Bank have been prepared in accordance with the Accounting Standards as per the Section 133 of the Companies Act, 2013, read with relevant Rules issued thereunder and Banking Regulation Act, Guidelines issued by Reserve Bank of India and Listing Regulations.

11. Means of Communication

The Bank has provided adequate and timely information to its member's inter-alia through the following means:

- i) **Publication of Quarterly/Half Yearly/Annual Financial Results:** The quarterly/half yearly and annual financial results of the Bank are published in the English newspaper viz. Financial Express and newspaper of vernacular language viz. Nafa Nuksan and the newspaper advertisements are also submitted to the stock exchanges.
- ii) **Update on Official Website:** The Bank's website www.aubank.in contains a separate 'Investor' Section wherein financial results, corporate announcement, reports and presentations, Annual Reports, Quarterly Corporate Governance Report, Shareholding Pattern and other disclosures are made available. Additionally, press release, corporate Governance coverage, corporate social responsibility, policies and procedures and other details are also displayed on the Bank's website.
- iii) **Presentation to Institutional Investors or Analysts:** The Bank participates in various investor conferences and analyst meets. The presentations made to the institutional investors or analysts are uploaded on the website as well as informed to the Stock Exchanges for dissemination.
- iv) **Email Communication:** The Bank send various communication such as notice calling general meeting/ postal ballot notice, quarterly financial results, audited

financial statements, tax deduction at source intimation, credit of dividend intimation through emails to the email ids of the shareholders registered with the depositories.

- v) **SMS Communication:** SMS were sent to shareholders for details relating to e-voting for General Meetings/Postal Ballot during the year.
- vi) **Management's Discussion and Analysis Report** is annexed with this Annual Report.
- vii) **Exclusive email ID for Investors:** The Bank has designated the email id investorrelations@aubank.in exclusively for Investor servicing and to resolve investor grievances, the same is displayed on the Bank's website.
- viii) **NSE Electronic Application Processing System (NEAPS):** All periodical and other event-based compliance filings of the Bank are filed electronically on this web-based portal of NSE.
- ix) **BSE Listing Centre (Listing Centre):** All periodical and other event-based compliance filings of the Bank are filed electronically on this web-based portal of BSE.
- x) **SEBI Complaints Redress System (SCORES):** Investor complaints received by the Bank at SEBI Complaints Redress System (SCORES) are regularly monitored and resolved by the Bank. Investors can lodge complaints on the SCORES and also can check status of their complaints.
- xi) **Online Dispute Resolution (ODR) Portal:** Investors can initiate dispute resolution through the ODR Portal after exhausting all available options for resolution of the grievance and the investor is still not satisfied with the outcome, Investor complaints received by the Bank at ODR portal are regularly monitored and resolved by the Bank.
- xii) **Swayam:** Bank's RTA viz. MUFG Intime India Private Limited (Erstwhile Link Intime India Private Limited) through its platform 'SWAYAM' facilitates investors to access information through a dashboard and avail various services in digital mode. The same can be accessed at <https://swayam.in.mpms.mufg.com/>.

12. Dividend Payment

The Board of the Bank in its meeting dated April 22, 2025 has recommended final dividend of ₹1/- (Rupee One) per equity share of face value of ₹10 (Rupees Ten Only) each fully paid up (i.e., 10% of face value) out of net profit for the financial year ended March 31, 2025, subject to approval of shareholders at the ensuing Annual General Meeting (AGM) of the Bank. The dividend on equity shares if approved by the shareholders, will be paid within 30 days from the date of AGM of the Bank.

Pursuant to provisions of Sections 124 and 125 of the Companies Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), wherein any dividend declared by the Bank, which remains unclaimed or unpaid for a period of seven years from the date of transfer to Unpaid Dividend Account of the Bank, is liable to be transferred to the Investor Education and Protection Fund ('IEPF').

Further, all the shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall also be transferred to the IEPF Authority. The Bank has declared dividend in FY 2017-2018, FY 2018-2019, FY 2021-22, FY 2022-23 and FY 2023-24 respectively. Hence, the Bank was not required to transfer any unclaimed dividend amount to IEPF Authority during FY 2024-25. The details of unclaimed dividends are available on the Bank's website at <https://www.aubank.in/reports/disclosures>.

The following table gives information relating to unclaimed dividends and the dates by which they can be claimed by the shareholders from the Bank:

Unclaimed Dividend	Amount	Status	Last date for Claiming dividend
FY 2017-18	23,970.50	Amount lying in respective Unpaid Dividend Accounts	September 11, 2025
FY 2018-19	1,17,405.75		August 28, 2026
FY 2021-22	46,607.07		September 22, 2029
FY 2022-23	75,695.32		September 14, 2030
FY 2023-24	76,409.38		August 29, 2031

Note: Bank has not declared dividend in 2019-20 and 2020-21.

13. Details in Relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Bank has adopted the Prevention and Redressal of Sexual Harassment Policy in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed there under. The Bank has zero tolerance towards sexual harassment at the workplace. The Bank believes that all employees, including other individuals who are dealing with the Bank have the right to be treated with dignity. The Bank has constituted Internal Complaints Committee to review, investigate and take suitable actions on complaint and Board level Disciplinary Committee reviews the decisions taken by Internal Complaints Committee.

The following is the summary of Sexual Harassment complaints received and disposed off by the Bank during the FY 2024-25:

S. No.	Particulars	Numbers
1	Number of complaints filed during the financial year	19
2	Number of complaints disposed of during the financial year	16
3	Number of complaints pending as on the end of the financial year	3



14. Distribution of Shareholding

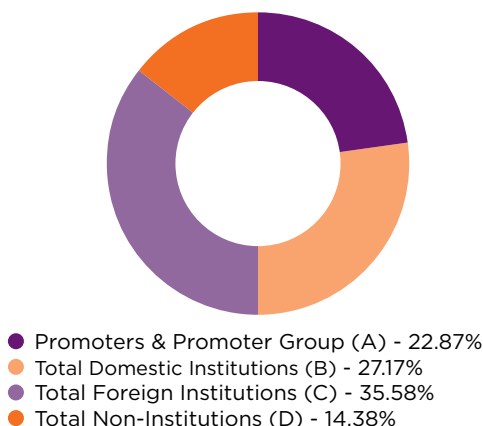
Sr. No.	Nominal Shareholding (In ₹)	Shareholder	Percentage of Total	Total shares	Percentage of Total
1	1 to 5,000	1,89,467	96.22	1,05,25,071	1.41
2	5,001 to 10,000	3,454	1.75	25,32,775	0.34
3	10,001 to 20,000	1,596	0.81	23,10,748	0.31
4	20,001 to 30,000	520	0.26	12,87,847	0.17
5	30,001 to 40,000	269	0.14	9,42,518	0.13
6	40,001 to 50,000	172	0.09	7,84,609	0.11
7	50,001 to 1,00,000	402	0.20	28,94,919	0.39
8	1,00,001 to Above	1,039	0.53	72,32,52,044	97.14
Total		1,96,919	100	74,45,30,531	100

The distribution of shareholding of the Bank as on March 31, 2025, is detailed as under:

Category	No. of Shares	% of Issued Capital
Sanjay Agarwal	11,71,91,360	15.74%
Jyoti Agarwal	2,36,37,120	3.17%
Shakuntala Agarwal	1,86,40,860	2.50%
MYS Holdings Private Limited	1,08,29,072	1.45%
Promoters & Promoter Group (A)	17,02,98,412	22.87%
Mutual Funds	15,01,68,613	20.17%
Alternate Investment Funds	2,00,27,483	2.69%
Bank	1,201	0.00%
Insurance Companies	3,03,36,302	4.07%
NBFCs registered with RBI	330	0.00%
Other Financial Institutions	17,36,002	0.23%
Total Domestic Institutions (B)	20,22,69,931	27.17%
Foreign Portfolio Investors Category I	24,29,20,698	32.63%
Foreign Portfolio Investors Category II	2,18,96,082	2.94%
Foreign Inst. Investor	68,367	0.01%
Total Foreign Institutions (C)	26,48,85,147	35.58%
Central Government / President of India	4,562	0.00%
Total Central Government/ State Government(s) (D)	4,562	0.00%
Directors and their relatives (excluding independent directors and nominee directors)	1,39,47,731	1.87%
Key Managerial Personnel	2,61,987	0.04%
Relatives of promoters (other than "Immediate relatives" of promoters disclosed under Promoter and Promoter Group category)	53,509	0.00%
Resident Individuals holding nominal share capital up to ₹2 lakhs	2,01,50,084	2.71%
Resident Individuals holding nominal share capital in excess of ₹2 lakhs	2,04,52,157	2.75%
Non-Resident Indians (NRIs)	23,23,867	0.31%
Foreign Companies	2,68,62,741	3.61%
Bodies Corporate	1,97,24,674	2.65%
Trusts	568	0.00%
Limited Liability Partnership	12,70,695	0.17%
HUF	6,75,803	0.09%
Clearing Members	13,48,663	0.18%
Total Non-Institutions (E)	10,70,72,479	14.38%
Total (A+B+C+D+E)	74,45,30,531	100.00%

*Above number of shareholders is based upon PAN grouping.

Shareholding Pattern as on March 31, 2025



List of Shareholders holding more than 1% share in the Bank as on March 31, 2025

Sr. No.	Name of the Shareholder	No. of Shares	% of Shareholding
1	Sanjay Agarwal	11,71,91,360	15.74
2	HDFC Mutual Fund	4,20,46,077	5.65
3	Camas Investments Pte. Ltd.	2,69,39,946	3.62
4	Nippon Life India Trustee Ltd	2,50,69,196	3.37
5	Jyoti Agarwal	2,36,37,120	3.17
6	New World Fund Inc	2,10,14,034	2.82
7	DSP Midcap Fund	1,93,18,380	2.59
8	Smallcap World Fund, Inc	1,87,29,913	2.52
9	Shakuntala Agarwal	1,86,40,860	2.50
10	Aditya Birla Sun Life Trustee Private Limited	1,68,08,256	2.26
11	Uttam Tibrewal	1,38,25,212	1.86
12	Nomura India Investment Fund Mother Fund	1,25,16,568	1.68
13	HDFC Life Insurance Company Limited	1,17,63,255	1.58
14	Kotak Flexicap Fund	1,11,84,312	1.50
15	MYS Holdings Private Limited	1,08,29,072	1.45
16	WF Asian Smaller Companies Fund Limited	1,06,42,084	1.43
17	SBI Life Insurance Co. Ltd	1,03,87,015	1.40
18	Zulia Investments Pte. Ltd.	1,01,61,655	1.36
19	Mirae Asset Large & Midcap Fund	95,92,216	1.29
20	Business Excellence Trust III - India Business Excellence Fund III	94,65,118	1.27
21	TA FDI Investors Limited	93,90,919	1.26
22	SBI Equity Hybrid Fund	90,55,542	1.22
23	Janchor Partners Pan-Asian Master Fund	80,12,058	1.08
24	St. James's Place Emerging Markets Equity Unit Trust Managed By Wasatch Advisors Inc	77,03,864	1.03
25	True North Fund V LLP	75,70,799	1.02
26	Indium IV Mauritius Holdings Limited	75,14,916	1.01

15. Outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments, conversion date and likely impact on equity

During the FY 2024-25, the Bank does not have any outstanding GDRs/ADRs warrants that were due for conversion and does not have any other convertible instruments having an impact on the equity of the Bank.



16. Commodity price risk or foreign exchange risk and hedging activities

During the FY 2024-25, the Bank did not undertake trading in any commodity. However, the Bank may be exposed to commodity price risks of customers in its capacity as a lender. The Bank is operating in India and is not directly exposed to foreign exchange risk and hedging activities.

17. Plant Location

As the Bank is engaged in the business of Banking/ financial services, there is no plant location.

18. Recommendations of the Committees

No instances have been observed where the Board has not accepted recommendations of any of the Board committees.

19. Fees paid to Statutory Auditors including all entities in the network firm of which the Statutory Auditors are a part

Total fees for services provided by Joint Statutory Auditors were ₹3.57 crores including taxes, out of pocket expenses and fees for additional reporting on merger with erstwhile Fincare SFB.

20. Certificate from Company Secretary in Practice

The Bank has received a certificate from M/s V. M. & Associates, Company Secretaries, Jaipur that none of the Directors on the Board of the Bank have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/ Ministry of Corporate Affairs or any such authority.

Further, the Secretarial Auditor has also certified on compliance of conditions of corporate governance of the Bank for the FY 2024-25. The abovesaid certificates are annexed with this Annual Report.

21. Compliance to Corporate Governance Provisions under Listing Regulations

During the FY 2024-25, the Bank has complied with all the mandatory requirements of Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and has also complied with the requirement of Schedule V of the Listing Regulations except for Regulation 24, which is not applicable as the Bank does not have any subsidiary.

Further, among discretionary requirements, as specified in Part E of Schedule II of LODR Regulations and other acts, rules, regulations, and guidelines as applicable, the Bank has adopted the following:

a) Separate Office of Non-Executive Part Time Chairman

The Bank has separated the role of Chairman and the Managing Director & CEO and Chairman is not related to the Managing Director and CEO as per the definition of the term "relative" defined under the Companies Act, 2013.

Mr. H. R. Khan is the Part Time Chairman (Non-Executive), and Mr. Sanjay Agarwal is Managing Director & CEO of the Bank. The expenses pertaining to the office of the Non-Executive Chairman is maintained by the Bank along with the reimbursement of all the expenses incurred by the Chairman while performing his duties.

b) Shareholder's Rights

The Bank publishes its financial results every quarter on its website at www.aubank.in which is accessible to the public at large. The same is also available on the websites of the Stock Exchanges i.e. BSE and NSE

The investors' presentations, call transcripts and press releases are also posted on the Bank's website. Further, information pertaining to important developments of the Bank was brought to the knowledge of the public at large and to the shareholders through communications sent to the stock exchanges where the shares of the Company are listed.

c) Modified opinion(s) in audit report

For the FY 2024-25, there is no audit qualification on the Bank's financial statements.

d) Reporting of internal auditor

The internal auditor (Head of Internal Audit) of the Bank reports to and has direct access to the Audit Committee.

e) Utilisation of Funds

During the FY 2024-25, the Bank has not raised funds through preferential allotment or qualified institutions placement.

f) Disclosure of certain types of agreements binding listed entities

The Bank has not entered into any agreement as disclosed under clause 5A of paragraph A of Part A of Schedule III of the Listing Regulations.

CERTIFICATE ON COMPLIANCE WITH THE CODE OF CONDUCT & ETHICS

I confirm that for the year under review, all Directors and Senior Management Personnel have affirmed adherence to the provisions of the Code of Conduct of Directors and Senior Management.

Place: Jaipur
Date: April 22, 2025

Sanjay Agarwal
Managing Director & CEO



CEO / CFO CERTIFICATION

To,

The Board of Directors

AU Small Finance Bank Limited

1. Pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we have reviewed financial statements and the cash flow statement for the year ended on March 31, 2025 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
 - ii. these statements together present a true and fair view of the Bank's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Bank during the year which are fraudulent, illegal or violative of the Bank's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Bank pertaining to financial reporting and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
4. We have indicated, to the Auditors and the Audit Committee:
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Bank's internal control system over financial reporting.

Sanjay Agarwal

Managing Director & CEO

Place: Jaipur

Date: April 22, 2025

Vimal Jain

Chief Financial Officer

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
AU Small Finance Bank Limited
19-A, Dhuleshwar Garden
Jaipur – 302001 (Rajasthan)

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **AU Small Finance Bank Limited** having **CIN: L36911RJ1996PLC011381** and having registered office at **19-A, Dhuleshwar Garden, Jaipur – 302001 (Rajasthan)** (hereinafter referred to as '**the Bank**'), produced before us by the Bank for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C clause 10 sub clause (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Bank & its officers, we hereby certify that none of the Directors on the Board of the Bank as stated below for the Financial Year ended on March 31, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India or any such other Statutory Authority.

Sr. No.	Name of Director	DIN
1.	Mr. Harun Rasid Khan	07456806
2.	Mr. Mankal Shankar Sriram	00588922
3.	Mr. Kannan Gopalaram Vellur	03443982
4.	Mr. Pushpinder Singh	08496066
5.	Mr. Kamlesh Shivji Vikamsey	00059620
6.	Ms. Malini Thadani	01516555
7.	Ms. Kavita Venugopal	07551521
8.	Mr. Divya Sehgal	01775308
9.	Mr. Sanjay Agarwal	00009526
10.	Mr. Uttam Tibrewal	01024940

Ensuring the eligibility of, for the appointment / continuity of every Director on the Board is the responsibility of the management of the Bank. Our responsibility is to express an opinion on these, based on our verification. This certificate is neither an assurance as to the future viability of the Bank nor of the efficiency or effectiveness with which the management has conducted the affairs of the Bank.

Place: Jaipur
Date: April 22, 2025
UDIN: F003355G000170126

For **V. M. & Associates**
Company Secretaries
(ICSI Unique Code P1984RJ039200)
PR 5447 / 2024

CS Manoj Maheshwari
Partner
Membership No.: FCS 3355
C P No.: 1971



Annexure II

ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2024-25

1. Brief outline of the CSR Policy of the Company:

At AU Small Finance Bank, we believe that Corporate Social Responsibility (CSR) and Sustainability are deeply embedded within the ethos of responsible corporate growth and the Bank remains steadfast in its pursuit of innovation and assimilation of sustainable practices that generate profound socio-environmental benefits. The Bank is committed to seamlessly integrating its CSR objectives with broader Sustainability goals, embedding these principles within its operational framework to engender a transformative and enduring impact on society and the environment. This approach is bolstered by a commitment to ethical governance, proactive community engagement, and environmental stewardship, fostering long-term value creation for all stakeholders.

Our CSR Policy serves as the guiding framework for all CSR initiatives undertaken by the Bank. Bank's CSR initiatives are aligned to provisions of Section 135 of the Companies Act, 2013 ("the Act") read with the rules made thereunder and the CSR policy of the Bank. The CSR initiatives are strategically designed to drive holistic community development, encompassing financial & digital literacy, education & skill development, healthcare and well-being, women's empowerment & livelihood generation, as well as environmental sustainability. Equally the Bank's sustainability initiatives are meticulously structured to foster long-term environmental and social well-being by addressing material concerns including carbon footprint reduction, advancement of sustainable finance, water conservation, resource efficiency, inclusive growth, and ethical governance. Through these strategic initiatives, the Bank reaffirms its unwavering commitment to fostering a sustainable future while reinforcing its role as a catalyst for equitable and responsible development.

The Bank through its CSR and Sustainability efforts strives to make a meaningful contribution to societal advancement by equipping individuals with transformative opportunities, thereby accelerating the sustainable development of society while safeguarding environmental integrity to try and ensure a more resilient and habitable planet for present and future generations.

In FY 2024-25, the Bank continued to play a pivotal role in transforming communities, by designing and executing purpose-driven programs that empower individuals, strengthen livelihoods, promote education & healthcare activities to achieve equitable development. Moreover, through strategic partnerships with implementing agencies, NGOs, and community stakeholders, we foster collaborative action and ensure responsiveness to local needs.

The Bank's CSR initiatives are underpinned by a robust monitoring and evaluation framework that ensures transparency, operational effectiveness, and potential for scale.

The Bank is committed to foster social, economic, and environmental well-being of public at large in line with national priorities and global sustainability goals.

*For more details about the strategic projects, "Social and Relationship Capital" section of Annual Report.

2. Composition of CSR Committee

S. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year (Entitled to attend)	Number of meetings of CSR Committee attended during the year
1	Ms. Malini Thadani	Chairperson	2	2
2	Mr. M S Sriram*	Member	--	--
3	Mr. H. R. Khan	Member	2	2
4	Mr. Divya Sehgal**	Member	2	0
5	Mr. Sanjay Agarwal	Member	2	2
6	Mr. Uttam Tibrewal	Member	2	2

Note: * Mr. M S Sriram ceased to be a member of the CSR Committee w.e.f. June 27, 2024.

**Mr. Divya Sehgal was induced as a member of the CSR Committee w.e.f. June 27, 2024.

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company:

Sr. No.	Particulars	Web Link
1.	Composition of CSR Committee	https://www.aubank.in/about-us/board-committee
2.	CSR Policy of the Bank	https://www.aubank.in/investors/secretarial-policies
3.	CSR Projects	https://www.aubank.in/csr

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8:

In pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the impact assessment of CSR Projects is to be carried out for CSR projects with outlays of One Crore rupees or more and which have been completed not less than one year before undertaking the impact study.

- **AU Jal Bank** - One project qualified for an Impact Assessment study during FY 2024-25 - AU Jal Bank for which an impact assessment was conducted by "Give Grants", an external agency. In alignment with AU Small Finance Bank's CSR goals, the AU Jal Bank program has been a cornerstone in providing access to clean and cool drinking water for thousands of individuals engaged in street work or traveling for employment. The primary objective of the AU Jal Bank program has been to offer free potable water to commuters, travellers, and workers who are unable to afford bottled water.
- **Impact Assessment Methodology** - For the purpose of the impact assessment, 20 water coolers were evaluated by Give Grants Impact Assessment team, out of 168 installations made by the Bank during FYs 2020-23. The Give Grants Impact Assessment team conducted in-person interviews with institution-based and community-based regular and random users across selected locations in Rajasthan and Maharashtra.

The team also undertook Key Informant Interviews with other stakeholders such as institution heads/ community leaders, vendors and AU Small Finance Bank CSR team.

The Impact Assessment study examined the program relevance, efficiency & effectiveness of implementation, its major impacts and also estimated the sustainability aspects of the initiative.

A summary of the assessment is provided below, and a detailed assessment report is available on the Bank's website at <https://www.aubank.in/csr>

- **Key Findings (Impact & Outcomes)** - The following is the impact of the AU Jal Bank project:
 - Provided free potable water through the installation of water coolers in public spaces across urban and semi-urban areas.
 - An estimated 1.9 lakh individuals benefitted from the initiatives during the reference period.
 - 92% of users affirmed improved access to safe and clean drinking water.
 - 50% of the sites had no alternative water sources in the close vicinity of their community/ workplace prior to the intervention, highlighting the critical need for the initiative.
 - 88% of the water coolers ensured all-day availability, with users noting a significant improvement in water quality.
 - The project has contributed to community well-being and health by reducing reliance on unsafe water sources.

This initiative aligns with the UN Sustainable Development Goals on clean water access, health, sustainable urban development, and community partnerships (SDG 3, 6, 11, and 17).



(₹ in crores)

5.	(a)	Average net profit of the company as per sub-section (5) of section 135.	1,772.77
	(b)	Two percent of average net profit of the company as per sub-section (5) of section 135.	35.46
	(c)	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.	Nil
	(d)	Amount required to be set-off for the financial year, if any.	Nil
	(e)	Total CSR obligation for the financial year [(b)+(c)-(d)].	35.46

(₹ in crores)

6.	(a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project	29.91
	(b)	Amount spent in Administrative Overheads.	1.02
	(c)	Amount spent on Impact Assessment, if applicable.	0.03
	(d)	Total amount spent for the Financial Year [(a)+(b)+(c)].	30.96

(e) CSR amount spent or unspent for the Financial Year:

(₹ in crores)

Total Amount Spent for the Financial Year (₹ in crores)	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the fund	Amount	Date of transfer
30.96	4.50	April 24, 2025	-	-	-

(f) Excess amount for set-off, if any: Nil

S. No.	Particular	Amount (₹ in crores)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	
(ii)	Total amount spent for the financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Not Applicable
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial Years, if any	
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

(₹ in crores)

S. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135	Balance Amount in Unspent CSR Account under subsection (6) of section 135	Amount Spent in the Financial Year (₹ in crores)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years	Deficiency, if any
					Amount	Date of Transfer		
1	FY-2023-24	12.65	12.65	12.65	-	-	Nil	-
2	FY-2022-23	8.26			-	-	Nil	-
3	FY 2021-22	8.22	-	-	-	-	Nil	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

☒ Yes

☐ No

If Yes, enter the number of Capital assets created/ acquired

1

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

S. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR spent (₹ in Crores)	Details of entity/ Authority, Beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered Address
1	Building for Centre of Excellence Hub, RIICO Industrial Area Malviya Nagar, Jaipur	302017	26-Mar-25	12.72*	CSR00003894	AU Foundation	19 A Dhuleshwar Garden, Ajmer Road, Jaipur - 302001, Rajasthan

Note: *Includes the amount spent in FY 2024-25 and does not indicate the complete value of asset.

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135

During the Financial Year 2024-25, the Bank has spent ₹43.60 crores (inclusive of ₹12.65 crores from unspent CSR amount of FY 2023-24) towards its CSR initiatives. Despite the substantial contribution, the Bank was unable to fully meet the requirement of spending 2% of the average net profit of the Bank for the FY 2024-25. This shortfall is attributed to the following factors:

- While most CSR projects were completed as planned, expenditure on three ongoing projects, - Bano Champion, Bano Champion - Giving wings to Champions & AU Udyogini Individual entrepreneurship could not be incurred fully in view of mid- programme reviews being undertaken. The review was aimed to strengthen these programmes to build sustainable and scalable platforms capable of delivering lasting impact on the communities.
- For the AU Udyogini Individual entrepreneurship project: Expansion into new geographies required careful identification of credible implementation partners, which took longer than anticipated. With partners now onboarded, grants sanctioned, and field teams deployed, the project commenced in Q1 of FY 2024-25 and is currently progressing as planned.
- For the Bano Champion project: Execution of certain planned activities, including the Weekend League, and other on-ground engagements, was delayed due to adverse weather conditions. These unforeseen disruptions impacted the implementation timelines, resulting in a portion of the CSR budget remaining unspent at the end of the financial year.
- For the Bano Champion - Giving Wings project: Significant time was invested in identifying and onboarding credible sports academies, implementation partners, and associated organizations to ensure the project's alignment with our CSR objectives and long-term impact. These partnerships were finalized later in the year, resulting in a delay in the commencement of on-ground activities and consequently, the utilization of allocated CSR funds.

All unspent CSR funds have been transferred to a designated "Unspent CSR Account" and will be utilised for these projects in FY 2025-26, ensuring compliance with applicable CSR regulations and the same shall be utilised in remaining years of the CSR projects.

Sd/-
Mr. Sanjay Agarwal
(Managing Director & CEO)

Sd/-
Ms. Malini Thadani
(Chairperson - CSR Committee).



Annexure III

DISCLOSURE ON REMUNERATION

The ratio of the remuneration of each director to the median employee's remuneration and other details for financial year 2024-25 in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sr. No.	Name and Designation	Ratio of the remuneration ¹ of each director to the median remuneration of the employees of the Company for the financial year
1.	Mr. Harun Rasid Khan, Part-Time Chairman and Independent Director ²	8
2.	Mr. Sanjay Agarwal, MD & CEO ³	85
3.	Mr. Uttam Tibrewal, Whole-Time Director and Deputy CEO ³	73
4.	Mr. M S Sriram, Independent Director ⁴	5
5.	Mr. Pushpinder Singh, Independent Director ⁴	5
6.	Mr. V G Kannan, Independent Director ⁴	5
7.	Mr. Kamlesh Shivji Vikamsey, Independent Director ⁴	5
8.	Ms. Malini Thadani, Independent Director ⁴	5
9.	Ms. Kavita Venugopal, Independent Director ⁴	5
10.	Mr. Divya Sehgal, Non-Executive Non-Independent Director ⁵	NA

Sr. No.	Name and Designation	Percentage increase in remuneration ¹ of each Director, Chief Financial Officer (CFO), Chief Executive Officer (CEO), Company Secretary (CS), if any, in the financial year
1.	Mr. Harun Rasid Khan, Part-Time Chairman & Independent Director ²	12.50%
2.	Mr. Sanjay Agarwal, MD & CEO ³	12.50%
3.	Mr. Uttam Tibrewal, Whole-Time Director and Deputy CEO ³	12.50%
4.	Mr. M S Sriram, Independent Director ⁴	20%
5.	Mr. Pushpinder Singh, Independent Director ⁴	20%
6.	Mr. V G Kannan, Independent Director ⁴	20%
7.	Mr. Kamlesh Shivji Vikamsey, Independent Director ⁴	20%
8.	Ms. Malini Thadani, Independent Director ⁴	20%
9.	Ms. Kavita Venugopal, Independent Director ⁴	20%
10.	Mr. Divya Sehgal, Non-Executive Non-Independent Director ⁵	NA
11.	Mr. Vimal Jain, CFO	8.21%
12.	Mr. Manmohan Parnami, CS	11.97%

Sr. No. Requirements	Disclosure
1. The percentage increase in the median remuneration of employees in the financial year	There has been decrease of 7.79% in median remuneration of employees. As on the financial year ended March 31, 2025, the number of employees increased by 21,208 compared to March 31, 2024, primarily due to the merger of erstwhile Fincare Small Finance Bank, effective April 1, 2024. Median has been calculated by taking remuneration on annualised basis considering the employees as on year end.
2. The number of permanent employees on the rolls of Bank as on March 31, 2025	There were 50,946 employees as on March 31, 2025.
3. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average percentile remuneration of non-managerial personnel of the Bank during FY 2024-25 was decreased by 11.25%. The average percentile remuneration for the managerial personnel of the Bank during FY 2024-25 was increased by 11.67%. As on the financial year ended March 31, 2025, the number of employees increased by 21,208 compared to March 31, 2024, primarily due to the merger of erstwhile Fincare Small Finance Bank, effective April 1, 2024. The average increase is dependent on the individual's performance, promotions and overall Bank's performance.
4. Affirmation that the remuneration is as per the remuneration policy of the Company	Yes, remuneration is as per the Compensation policy of the Bank.

Notes:

1. Remuneration i.e. Fixed Pay of employees including MD and CEO and Whole-Time Director and Deputy CEO as at the year-end have been considered for presenting data on comparable basis. Fixed Pay is exclusive of the variable pay, bonus and value of perquisites on ESOPs.
2. Mr. Harun Rasid Khan, has been re-appointed as Part-Time Chairman and Independent Director of the Bank w.e.f. December 28, 2024 and he is being paid honorarium of ₹27 lakh per annum as approved by the RBI and such honorarium has been annualised for the whole year for presenting data on comparable basis.
3. RBI vide its letter dated December 10, 2024 has approved Fixed Pay of ₹2.88 crores for Mr. Sanjay Agarwal, MD and CEO and ₹2.49 crores for Mr. Uttam Tibrewal, Whole-Time Director and Deputy CEO, w.e.f. April 1, 2024.
4. Compensation in form of fixed remuneration to each Independent Director [excluding the Part-Time Chairman (Independent Director)] of ₹18 lakh per annum is paid as per approval of the Board of Directors and it is within the limits approved by the Shareholders.
5. Mr. Divya Sehgal was appointed as Non-Executive and Non-Independent Director for a period of 3 years with effect from April 01, 2024 till March 31, 2027 pursuant to the scheme of amalgamation of erstwhile Fincare Small Finance Bank Limited into and with the Bank. He is neither entitled to compensation in form of fixed pay nor any sitting fees.
6. The remuneration of Independent Directors including Part-time Chairman is exclusive of sitting fees and Executive Directors were not eligible to receive sitting fees.



Annexure IV

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
AU Small Finance Bank Limited
19-A, Dhuleshwar Garden
Jaipur – 302 001 (Rajasthan)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **AU Small Finance Bank Limited** (hereinafter called “the Bank”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Bank’s books, papers, minute books, forms and returns filed and other records maintained by the Bank and also the information provided by the Bank, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Bank has, during the audit period covering the Financial Year ended on March 31, 2025 (**‘Audit Period’**) complied with the statutory provisions listed hereunder and also that the Bank has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Bank for the Financial Year ended on March 31, 2025 according to the provisions of:

- (i) The Companies Act, 2013 (the ‘Act’) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (**Not applicable to the Bank during the Audit Period**);
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (**Not applicable to the Bank during the Audit Period**);
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (**Not applicable to the Bank during the Audit Period**);
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (j) The Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994; and
- (k) The Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993
- (vi) As confirmed, following other laws are specifically applicable to the Bank for which the Management has confirmed that the Bank has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively:
 - (a) The Reserve Bank of India Act, 1934;
 - (b) The Banking Regulation Act, 1949 and Notifications and Circulars issued by the Reserve Bank India (‘RBI’) from time to time; and

- (c) Guidelines issued by RBI on Small Finance Bank dated November 27, 2014 and Operational Guidelines issued dated October 6, 2016

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India;
- ii. The Listing Agreements entered into by the Bank with BSE Limited and National Stock Exchange of India Ltd.

During the period under review the Bank has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Bank is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance. Further, independent director(s) were present at Board Meetings which were called at shorter notice to transact business which were considered urgent by the management in compliance of Section 173(3) of the Act. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Bank commensurate with the size and operations of the Bank to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Bank has:

- (a) Duly passed the resolution pursuant to Section 42, 71 and 180 of the Act for approving issue of non-convertible debentures/bonds for an amount up to ₹6,000 Crores (Rupees Six Thousand Crores Only) on a private placement basis in one or more tranches and/or series;
- (b) Duly passed resolution to raise funds through issue of equity shares and/or any other instruments or securities representing either equity shares and/or convertible securities linked to equity shares including through Qualified Institutions Placement or such other permissible mode or combinations thereof pursuant to sections 23, 41, 42, and 62(1)(c) of the Act for an aggregate amount not exceeding ₹5,000 Crores (Rupees Five Thousand Crores Only) or an equivalent amount thereof.
- (c) Allotted 18,42,728 (Eighteen Lakhs Forty Two Thousand Seven Hundred and Twenty Eight) equity shares upon exercise of options by its eligible employees under its various Employee Stock Option Schemes/plans;
- (d) Allotted 7,35,25,352 (Seven Crore Thirty Five Lakh Twenty Five Thousand Three Hundred and Fifty Two) equity shares of face value of ₹10/- (Rupees Ten Only) each of the Bank were allotted at par to the shareholders of erstwhile Fincare vide Board resolution dated April 01, 2024. The said allotment was made pursuant to the order dated March 04, 2024, passed by the Reserve Bank of India (RBI) and in accordance with the Scheme of Amalgamation of erstwhile Fincare Small Finance Bank Limited ("Transferor Company") into and with AU Small Finance Bank Limited ("Transferee Company") under Section 44A of the Banking Regulation Act, 1949 read with Reserve Bank of India (Amalgamation of Private Sector Banks) Directions, 2016.
- (e) Allotted 77,000 (Seventy Seven Thousand) Unsecured, Rated, Listed, Redeemable, Subordinated, Non-Convertible Lower Tier II Bonds in the nature of Non-Convertible Debentures (NCDs) of face value of ₹1,00,000/- (Rupees One Lakh Only) each categorized as Tier II Capital for an amount aggregating to ₹770,00,00,000/- (Rupees Seven Hundred Seventy Crore Only) on a private placement basis.

Place: Jaipur
Date: April 22, 2025
UDIN: F003355G000169862

For **V. M. & Associates**
Company Secretaries
(ICSI Unique Code P1984RJ039200)
PR 5447 / 2024

CS Manoj Maheshwari
Partner

Membership No.: FCS 3355
C P No.: 1971

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.



Annexure A

To,
The Members,
AU Small Finance Bank Limited
19-A, Dhuleshwar Garden
Jaipur – 302001 (Rajasthan)

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Bank. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Bank.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Bank nor of the efficacy or effectiveness with which the management has conducted the affairs of the Bank.

Place: Jaipur
Date: April 22, 2025
UDIN: F003355G000169862

For **V. M. & Associates**
Company Secretaries
(ICSI Unique Code P1984RJ039200)
PR 5447 / 2024

CS Manoj Maheshwari
Partner
Membership No.: FCS 3355
C P No.: 1971

Business Responsibility and Sustainability Report FY 2024-25

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity	L36911RJ1996PLC011381
2. Name of the Listed Entity	AU Small Finance Bank Limited
3. Year of incorporation	1996
4. Registered office address	19-A, Dhuleshwar Garden, Ajmer Road, Jaipur - 302001, Rajasthan
5. Corporate Office Address	5 th Floor, E-Wing, Kanakia Zillion, Junction of CST Road & LBS Road, Kurla (West), Mumbai - 400070, Maharashtra
6. E-mail	investorrelations@aubank.in
7. Telephone	0141-4110060/61
8. Website	www.aubank.in
9. The financial year for which reporting is being done	April 1, 2024 to March 31, 2025
10. Name of the Stock Exchange(s) where shares are listed	1. BSE Limited 2. National Stock Exchange of India Ltd.
11. Paid-up capital (In ₹)	₹ 744,53,05,310
12. Name and contact details (Telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Ms. Sunanda Sharma (Head - Sustainability) Telephone: 0141-4110060/61 sustainability@aubank.in
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity), or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	The Bank doesn't have any subsidiary or holding company and thus, this report has been made on standalone basis. Note: Reporting boundary includes nos. of erstwhile Fincare Small Finance Bank amalgamated into AU Small Finance Bank w.e.f. April 01, 2024.
14. Name of assurance provider	Intertek India Pvt. Ltd.
15. Type of assurance obtained	BRSR Core: Reasonable Assurance

II. Products/services

16. Details of business activities (accounting 90% of the turnover)

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Financial and Insurance Service	<ul style="list-style-type: none"> Commercial banking: Business banking, Agri banking, Real estate, NBFC lending, Trade & FX, Transaction banking Unsecured assets: Credit Card, Personal loan, Micro loan + SBL Retail assets: Gold Loans, AHL, Wheels Branch banking: Urban banking, Swadesh banking, Govt. & Wholesale banking Inclusive banking: MFI, SMF, FPO financing Digital banking: AU 0101 app, Video banking, Chatbot 	100%



17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover)

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Retail Banking, Treasury, Commercial Banking, and other Banking Operations	64191	100%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	0	2,486	2,486*
International	0	0	0

Note: 2,486 touch points include 30 offices which does not cater to customers directly.

19. Markets served by the entity:

a) Number of locations

Locations	Number
National (No. of States)	21 states and 4 union territories
International (No. of Countries)	0

b) What is the contribution of exports as a percentage of the total turnover of the entity?

Not Applicable

c) A brief on types of customers:

AU Small Finance Bank ("AU Bank" or "Bank") serves a diverse and inclusive customer base, reflecting its core mission of delivering financial services to underserved and unbanked segments while also catering to the evolving needs of urban and emerging India. The Bank has carefully structured its offerings and outreach to ensure relevance across different customer profiles. Broadly, AU Small Finance Bank's customers can be classified into three key categories:

1. Urban Customers

Urban customers form a significant part of AU Bank's growing customer base, especially as the Bank continues to expand its presence across metropolitan cities and urban centers.

Profile: This segment includes salaried professionals, entrepreneurs, business owners, high-net-worth individuals (HNIs), and digitally savvy youth who seek modern banking solutions.

Banking Needs: They typically look for convenience, speed, innovation, and a broad range of financial products including savings accounts, credit cards, personal and business loans, investment options, and digital banking services.

AU Bank's Offering:

- AU0101 Digital Banking for seamless online access
- Competitive interest rates on savings and fixed deposits
- Premium and lifestyle credit card offerings
- Customized wealth management services
- Relationship-based banking experience through AU Royale and AU Gold programs

2. Swadesh Banking Customers

Swadesh Banking is AU Bank's flagship initiative designed to serve customers from rural and semi-urban areas who represent the backbone of India's real economy.

Profile: These customers are typically from smaller towns, Tier 2 and Tier 3 cities, and rural communities. They include farmers, small traders, local entrepreneurs, daily wage earners, and self-employed individuals.

Banking Needs: Their primary requirements revolve around accessible, trustworthy banking that helps them save securely, avail of credit for livelihood, and make simple financial transactions.

AU Bank's Offering:

- Easy-to-operate savings accounts with no/minimum balance
- Doorstep banking and branch outreach in remote locations
- Inclusive financial literacy and customer awareness initiatives
- Tailored loan products for agriculture, two-wheelers, and small businesses
- Support for Direct Benefit Transfer (DBT) and government schemes

3. Microfinance Customers

AU Bank's Microfinance customers represent one of its most purpose-driven segments, aligned with the Bank's founding vision of empowering those at the bottom of the financial pyramid.

Profile: Primarily women borrowers from low-income households who are part of self-help groups or joint liability groups in rural and semi-urban areas.

Banking Needs: Access to small-ticket loans to support livelihood activities such as livestock rearing, tailoring, kirana shops, and other micro-enterprises.

AU Bank's Offering:

- Group-based microloans with minimal documentation
- Financial literacy training and credit counseling
- Timely, repeat credit for scaling small businesses
- Strong community engagement and on-ground relationship teams
- Support for entrepreneurship and income generation

AU Small Finance Bank's customer strategy is built on deep-rooted trust, inclusion, and innovation. Whether it's the digitally native urban professional, the aspiring rural entrepreneur under Swadesh Banking, or the resilient woman supported through microfinance, AU Bank is committed to being a partner in their financial journeys. By tailoring its services to suit the aspirations and challenges of each segment, AU Bank continues to build a financially empowered and inclusive India.

IV. Employees

20. Details as at the end of the financial year:

a) Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
		Employees				
1	Permanent (D)	50,946	46,508	91.29%	4,438	8.71%
2	Other than Permanent (E)	-	-	-	-	-
3	Total employees (D+E)	50,946	46,508	91.29%	4,438	8.71%
		Workers				
4	Permanent (F)	NIL	NIL	NIL	NIL	NIL
5	Other than Permanent (G)	NIL	NIL	NIL	NIL	NIL
6	Total workers (F+G)	NIL	NIL	NIL	NIL	NIL


b) Differently abled employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Differently abled employees						
1	Permanent (D)	28	25	89.29%	3	10.71%
2	Other than Permanent (E)	-	-	-	-	-
3	Total differently abled employees (D + E)	28	25	89.29%	3	10.71%
Differently abled workers						
4	Permanent (F)	NIL	NIL	NIL	NIL	NIL
5	Other than permanent (G)	NIL	NIL	NIL	NIL	NIL
6	Total differently abled workers (F+ G)	NIL	NIL	NIL	NIL	NIL

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	10	2	20
Key Management Personnel*	4	0	0

*Including Executive Directors

22. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

In line with the BRSR guidance note, the turnover rates have been calculated with the formula: (No. of persons who have left the employment of the entity in the FY *100/Average no. of persons employed in the category), where average number of persons employed in a category has been calculated as (Persons employed in the category at the beginning of FY + Persons employed in the category at the end of FY)/2.

Turnover percentage for employees also includes attrition on account of death, superannuation, disciplinary action and exit of employees on account of low performance.

Particulars	FY 2024-25			FY 2023-24			FY 2022-23		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Senior level employees	15.69%	100.00%	16.59%	7.30%	-	7.30%	4.90%	-	4.90%
Mid-level employees	24.08%	30.85%	24.52%	15.80%	28.20%	16.60%	17.70%	19.40%	17.80%
Junior employees	42.84%	47.11%	43.18%	32.50%	39.10%	33.10%	35.60%	45.40%	36.40%
Frontline employees	61.90%	71.58%	62.79%	51.00%	51.50%	51.10%	53.20%	60.10%	53.80%
Total	52.93%	62.07%	53.72%	43.63%	46.81%	43.91%	46.70%	54.40%	47.30%

Note: The integration of employees and operational structures following the merger of erstwhile Fincare with AU Bank, effective April 1, 2024, has influenced the overall employee base and attrition metrics. The turnover rate based solely on AU Bank's pre-merger employee base stands at 51.81% (this encompasses turnover rate of Senior-level emp. at 10.47%, Mid-level emp. at 21.88%, Jr. level emp. at 40.74% and Frontline emp. at 60.05%). The observed increase in attrition, particularly among junior and frontline staff, aligns with broader trends within the microfinance industry.

V. Holding, Subsidiary and Associate Companies (including joint ventures)
23. Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding/ Subsidiary/ associate companies/ joint ventures (A)	Indicate-whether holding/subsidiary/ Associate/Joint venture	% of shares held by the listed entity	Does the entity indicated at column A, participate in the Business-Responsibility initiatives of the listed entity? (Yes/No)
	The Bank does not have any Holding, Subsidiary, Associate Company or Joint Venture. Thus, Not Applicable.			

VI. CSR Details

24.

(i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)	Yes
(ii) Turnover (in ₹)	1,85,90,04,20,368
(iii) Net Worth (in ₹)	1,69,30,32,29,319

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom a complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide a web link for grievance redress policy)	FY 2024-25			FY 2023-24		
		Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks
Communities	Yes Covered under Bank's Whistle Blower Policy and Vigil Mechanism https://www.aubank.in/investors/secretarial-policies	Nil	Nil	-	Nil	Nil	-
Investors (other than shareholders)	Yes Covered under Investor Grievance Redressal Policy https://www.aubank.in/investors/secretarial-policies	Nil	Nil	-	Nil	Nil	-
Shareholders	Yes Covered under Investor Grievance Redressal Policy https://www.aubank.in/investors/secretarial-policies	Nil	Nil	-	Nil	Nil	-
Employees	Yes Covered under Bank's Whistle Blower Policy and Vigil Mechanism https://www.aubank.in/investors/secretarial-policies We have an internal portal named 'HR Sahayak' for employees to report their grievance also.	899	8	-	5	Nil	-
Customers	Yes Covered under Customer Grievance Redressal Policy https://www.aubank.in/notice-board	46,254*	1,956	-	52,015*	6,007	-
Value Chain Partners	Yes, Covered under Bank's Whistle Blower Policy and Vigil Mechanism https://www.aubank.in/investors/secretarial-policies	Nil	Nil	-	Nil	Nil	-
Others (Third Party/ Anonymous)	Yes Covered under Bank's Whistle Blower Policy and Vigil Mechanism https://www.aubank.in/investors/secretarial-policies	Nil	Nil	-	9	Nil	-

*Number of complaints reported above represent are recorded complaints at the Bank and not the sustainable complaints.

*Excluding complaints redressed within the next working day as per the Master Circular DBOD No.Leg.BC.22/09.07.006/2013-14 dated July 01, 2013.



26. Overview of the entity's material responsible business conduct issues:

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	The rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Financial and Digital Inclusion	Social Opportunity	Financial Inclusion is being recognized as a key driver of economic growth and poverty alleviation. Embracing financial and digital inclusion not only contributes to the social and economic development of India but also positions the Bank as a key enabler of inclusive growth. The Bank visualises immense opportunities in Financial and digital inclusion and by focusing on these initiatives, Bank can expand its customer base, increase customer loyalty, diversify revenue streams, reduce costs, leverage data analytics and foster collaborations in this area for making an positive impact.	-	Positive: Financial inclusion leads to the enhancement of the Bank's profitability through the expansion of the customer base, diversification of products and reducing costs.
2	Diversity and Inclusion	Social Opportunity	While the Bank continues to demonstrate progress in the diverse representation of its workforce, the Bank seeks to continuously improve in this area. The Bank can harness the power of diverse perspectives to make informed decisions, gain deeper insights into their customers' needs, attract and retain exceptional talent, foster a culture of innovation, enhance its reputation and brand image, effectively manage risks, and expand its presence in the market.	-	Positive: Diversity and inclusion bring diverse and fresh perspectives which helps the Bank in getting insights into customer needs. It also helps in attracting and retaining exceptional talent and expanding Banks presence in the market.
3	Corporate Social Responsibility	Social Opportunity	The CSR initiatives of the Bank are primarily focused on Skills Development, Women Entrepreneurship, Rural Sports, to have a profound positive impact on the Target communities. The Bank through its CSR initiatives endeavours to make meaningful contribution by empowering socially, economically, financially, and physically excluded, disadvantaged and challenged communities and thereby helping them to become self-reliant and achieve sustainable inclusive development.	-	Positive: CSR helps the Bank to contribute to community development, engage employees, building a positive image of institution, and comply with regulations.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	The rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4	Climate risk	Environmental Risk	Climate change is being recognised globally as a source of financial risk for banks. The uncertainty about the timing and severity of climate-related and environmental risk certainly threatens the safety, soundness and resilience of individual Regulated Entities and, in turn, the stability of the overall financial system.	It is imperative for Bank to understand the impact of climate risk and taking prudent measures for addressing the same. The Bank is further deep diving on this aspect and exploring solutions to address climate risk. The Bank is taking measures to sensitize and create awareness among employees about ESG measures.	Negative: The unpredictable nature of climate-related and environmental risks poses a significant threat to the security, stability, and robustness of individual regulated entities, which, in turn, undermines the stability of the overall financial system.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies, and processes put in place towards adopting the National Guidelines on Responsible Business Conduct ("**NGRBC**") Principles and Core Elements. The nine NGRBC are as follows:

Principle 1	Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable.
Principle 2	Businesses should provide goods and services in a manner that is sustainable and safe.
Principle 3	Businesses should respect and promote the well-being of all employees, including those in their value chain.
Principle 4	Businesses should respect the interests of and be responsive to all its stakeholders.
Principle 5	Businesses should respect and promote human rights.
Principle 6	Businesses should respect and make efforts to protect and restore the environment.
Principle 7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
Principle 8	Businesses should promote inclusive growth and equitable development.
Principle 9	Businesses should engage with and provide value to their consumers in a responsible manner.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web-link of the Policies, if available	https://www.aubank.in/investors/secretarial-policies https://www.aubank.in/notice-board								
2. Whether the entity has translated the policy into procedures. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes



Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
4. Name of the national and international codes/ certifications/ labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your Entity and mapped to each principle	The Bank has adopted and complies with the regulations as prescribed by Reserve Bank of India (RBI), Ministry of Corporate Affairs (MCA), Securities and Exchange Board of India (SEBI), and other regulators. The Bank has recently migrated from ISO 27001:2013 to latest ISMS standard of ISO 27001:2022. This demonstrates the robust processes adopted by the Bank. In addition to this, Bank is PCI DSS certified for card ecosystem and operation.								
5. Specific commitments, goals, and targets set by the entity with defined timelines, if any.	No specific commitments, goals, targets were set in relation to above principles during the Financial Year.								
6. Performance of the entity against the specific commitments, goals, and targets along with reasons in case the same are not met.	-	-	-	-	-	-	-	-	-
Governance, leadership, and oversight									
7. Statement by the director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure)	<p>At AU Small Finance Bank, our commitment to Environmental, Social, and Governance (ESG) principles are deeply embedded in our founding purpose—to drive financial inclusion across rural and semi-urban India. As we continue to grow, we recognize that Inclusive banking must also be sustainable banking. In FY 2024-25, we advanced our ESG agenda through a structured roadmap anchored in four strategic pillars: Sustainable Finance, Sustainable Operations, Sustainable Communities, and Sustainability Reporting.</p> <p>Our approach to sustainable finance is rooted in the belief that banking is a tool for empowerment. This philosophy drives our efforts to build communities that are not only economically resilient but also environmentally responsible. Our flagship offering, the Planet First – AU Green Fixed Deposit, has emerged as a preferred investment choice for customers seeking to align their financial goals with environmental impact. The funds mobilized through this initiative support clean energy, sustainable mobility, and the broader transition to a low-carbon economy. In parallel, we have begun integrating climate risk into our credit decision-making processes, in alignment with the Reserve Bank of India's sustainable finance agenda. Our partnership with the International Finance Corporation (IFC), has further strengthened our internal capabilities, enabling us to align with the best global practices in climate risk management and green lending.</p> <p>In the area of sustainable operations, we have taken deliberate steps to reduce our environmental footprint and enhance operational efficiency. We continue to digitize customer journeys by promoting mobile banking, digital KYC, and online transactions, significantly reducing paper usage. Physical bank statements and passbooks are being replaced with e-statements, offering customers a more sustainable and convenient alternative. Our branches and offices are increasingly adopting energy-efficient infrastructure, including the use of natural lighting, LED fixtures, and energy-saving appliances. Additionally, we have embraced the principles of Reduce, Reuse, and Recycle across our operations, minimizing single-use plastics and extending the lifecycle of electronic equipment through responsible reuse and recycling practices.</p> <p>Our commitment to sustainable communities is reflected in the scale and impact of our CSR initiatives. Through AU Ignite, we have trained over 8,165 youth, placing more than 5,403 in high-growth sectors such as BFSI, IT, and healthcare. Our AU Bano Champion program has supported 8,000+ aspiring athletes, resulting in 1,175 medals and the emergence of 10 national-level players. AU Udyogini, our entrepreneurship initiative for women, has empowered more than 1,772 women to launch sustainable micro-enterprises and achieve financial independence. Under the AU Kartavya umbrella, we have expanded access to primary healthcare through over 1,100 camps, supported the education of more than 1,600 students, and developed environment-friendly infrastructure such as solar installations, sewage treatment units, and community water projects.</p>								

Disclosure Questions

	P1	P2	P3	P4	P5	P6	P7	P8	P9
	<p>In the realm of sustainability reporting, we have made significant progress in strengthening governance and enhancing transparency. We institutionalized quarterly ESG reviews through our Board-level Sustainability Committee, ensuring consistent oversight and strategic alignment. In FY 2023-24, we released our third GRI-based Sustainability Report, which received Limited Assurance (ISAE 3000) on key indicators. Our efforts have been recognized externally as well. AU SFB was honored by ASSOCHAM for Best ESG Practices and participated in several leading ESG ratings and indices. Our DJSI score improved to 42 (High) in September 2024, MSCI rated us “AA,” and our Sustainalytics score improved to 17.1 (Low Risk). Additionally, our ESG Risk Rating rose to 76.09 from 64.6, and we received a first-time SES rating of 79.5.</p> <p>As we reflect on our ESG journey, we remain steadfast in our belief that sustainability is not a parallel track—it is integral to our business model, our values, and our vision for the future. The progress we have made is a testament to the collective efforts of our employees, partners, customers, and communities. We recognize that the road ahead will require continued innovation, collaboration, and accountability. With a strong foundation in place, AU Small Finance Bank is committed to advancing its ESG agenda with purpose and resilience, ensuring that our growth continues to create meaningful, measurable, and lasting impact.</p>								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).	<p>Name: Mr. Sanjay Agarwal Designation: MD & CEO DIN: 00009526</p>								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision-making on sustainability-related issues? (Yes / No). If yes, provide details.	<p>Yes, the Bank has Board level Sustainability Committee responsible for decision making on sustainability related issues. The composition, terms of reference and meeting details of sustainability committee are included in Corporate Governance Report.</p>								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether the review was undertaken by the Director / Committee of the Board/ Any other Committee									Frequency (Annually/Half-yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against the above policies and follow up action	Yes, by Board/respective committee of the Board									Annually								
Compliance with statutory requirements of relevance to the principles, and the rectification of any non-compliances	The Bank follows all the applicable statutory and regulatory guidelines. The status of compliance is presented to the Audit Committee of the Bank on quarterly basis.																	

11. Has the entity carried out an independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency	P1	P2	P3	P4	P5	P6	P7	P8	P9
	No								

12. If the answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)	Not Applicable								



SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable.

Essential Indicators

1. Percentage coverage by training and awareness programs on any of the principles during the financial year:

Segment	Total number of training and awareness programs held	Topic/ Principles covered under the training and its impact	% of a person in respective categories covered by the awareness programs
Board of Directors	4	P1, P2, P4, P6, P8 and P9	100%
Key Managerial Personnel	4	P2, P4, P8 and P9	100%
Employees other than BOD and KMPs	189	P1 to P5, P7 to P9	98%
Workers	NA	NA	NA

2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors /KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the FY 2024-25, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Particulars	Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies judicial institutions	Amount (in ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty fine					
Settlement			NIL		
Compounding fee					
	Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies judicial institutions		Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment					
Punishment			NIL		

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed

Case Details	Name of the regulatory/ enforcement agencies judicial institutions
NA	NA

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web link to the policy.

The Bank has a robust Anti-Bribery and Anti-Corruption Policy that applies to all stakeholders, including customers, vendors, investors, regulators and governmental agencies. The Bank maintains a zero-tolerance approach towards instances of bribery and corruption. The policy specifically addresses measures to combat corruption within the Bank and falls under the purview of the Disciplinary and Audit Committee. The Disciplinary Committee is responsible for investigating any acts of misconduct committed by employees within the Bank's control and taking appropriate punitive action. Additionally, the Disciplinary Committee keeps an oversight for implementing preventive measures to deter misconduct among employees. As part of Banks training programs, employees are imparted vigilance awareness trainings.

Web link of the Policy: <https://www.aubank.in/notice-board>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Complaints	FY 2024-25	FY 2023-24
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	NA	NA

6. Details of complaints with regard to conflict of interest:

	FY 2024-25		FY 2023-24	
	Numbers	Remarks	Numbers	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	NA	Nil	NA
Number of complaints received in relation to issues of conflicts of interest of the KMPs	Nil	NA	Nil	NA

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

There were no cases or incidents related to fines/ penalties/ action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

8. Number of days of accounts payables((Accounts payable *365) / Cost of goods/services procured) in the following format:

Particulars	FY 2024-25	FY 2023-24
Number of days of accounts payables	33.66	5.32

The year-on-year variation in the reported figure reflects a revision in the calculation methodology.

9. Openness of business:

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2024-25	FY 2023-24
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	NA	NA
	b. Number of trading houses where purchases are made from	NA	NA
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	NA	NA
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	NA	NA
	b. Number of dealers / distributors to whom sales are made	NA	NA
	c. Sales to top 10 dealers/ distributors as % of total sales to dealers /distributors	NA	NA
Share of RPTs in	a. Purchases (Purchases with related parties/ Total Purchases)	0.08%	Nil
	b. Sales (Sales to related parties / Total Sales)	0.01%	Nil
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	0.01%	0.03%
	d. Investments (Investments in related parties / Total Investments made)	NIL	Nil

Note: Reporting on these parameters has commenced from FY 2024-25.



Leadership Indicators

1. Awareness programs conducted for value chain partners on any of the principles during the financial year:

AU's Sustainable procurement module emphasizes the importance of assessing the environmental impact of their products and services, integrating social considerations into their business operations, and prioritizing the wellbeing of their employees and workers. Through this targeted engagement, we aim to cultivate a more resilient, ethical, and environmentally conscious supply chain.

As part of our Sustainable Procurement Guidelines, we developed and implemented a comprehensive supplier training module designed to foster awareness and capacity-building among our value chain partners based on Responsible Business Conduct (NGRBC) Principles and SEBI's BRSR Core Value Chain Reporting Requirements:

Total numbers of awareness programs held	Topic/principles covered under training	% of value chain partners covered (by the value of business done with such partners) under the awareness programs
1	<ul style="list-style-type: none"> Low-energy and energy-efficient technologies Adopting effective waste segregation and management practices Assessing the environmental impact of their products and services Integrating social considerations into their business operations Prioritizing the wellbeing of their employees and workers 	75%

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

Yes, the Bank has a Code of Conduct for Directors and Senior Management Personnel and Policy on Related Party Transactions and Materiality which specifies that the Directors shall not involve in a situation that directly or indirectly involves conflict of interest with the Bank.

Web-link of the above Policies: <https://www.aubank.in/investors/secretarial-policies>

All the Directors of the Bank have affirmed compliance with the said Codes as applicable to them for FY 2024-25.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe.

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of products and processes to total R&D and capex investments made by the entity, respectively.

Particulars	FY 2024-25	FY 2023-24	Details of improvement in environmental and social impact
R&D	Nil	Nil	NA
Capex	Nil	Nil	NA

2. a) Does the entity have procedures in place for sustainable sourcing? (Yes/No):

Yes, the Bank has Sustainable Procurement Guidelines (SPG) creating expectation among the Bank's supply chain partners to integrate sustainability into their core values and adhere to NGRBC (National Guidelines for Responsible Business Conduct) principles and its Core elements.

The SPG initiative aims to foster and propagate sustainability practices throughout the supply chain, encompassing suppliers / vendors of goods and services, contractors, and third-party collaborators. We have also prepared a "Sustainable training module" for the suppliers who want to learn more about sustainable sourcing, waste management and other essential practices to run their business in sustainable manner. The Supplier sustainability questionnaire helps us to assess their existing knowledge as well as practices on environmental, social and ethical parameters that they follow in their operations.

Please find attached a link to the policy on our website: <https://www.aubank.in/sustainability-awareness>

2. b) If yes, what percentage of inputs were sourced sustainably?

Percentage of inputs sourced sustainably could not be ascertained due to insufficient data availability and lack of comprehensive reporting mechanisms.

3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste

Given the nature of the Bank's operations, which are largely service-oriented and centered around intangible products, the use of recycled materials as inputs is inherently limited. However, the Bank has implemented structured processes to manage waste generated from its activities in a responsible and sustainable manner. For instance, electronic waste—such as laptops, desktops, and printers—is one of the primary waste streams. These items are not immediately discarded; instead, they are reused after undergoing necessary rectification and upgrades. Paper and other general waste are disposed of through authorized vendors to ensure compliance with environmental standards. The Bank also actively works to reduce plastic consumption across its offices and branches by adopting sustainable alternatives. Packaging materials and other plastic waste are minimized through conscious procurement and operational practices. Additionally, the Bank sources furniture exclusively from authorized suppliers, ensuring that the materials used are recyclable and environmentally friendly.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

No, Given the nature of the Bank's operations, Extended Producers Responsibility (EPR) is not applicable on the Bank.

Leadership indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

The Life Cycle of the Bank's services are as follows:

Loans: The Bank's loan life cycle process involves sourcing loan files, conducting credit assessments, making loan decisions, executing loan documents, disbursing funds, monitoring compliance, and closing of loan accounts. Loan applications are sourced by branches or dedicated teams, and credit managers scrutinize documents and assess loan requirements. After loan sanction, relationship managers assist borrowers in executing loan documents, and the Central Operations Department ensures proper scrutiny and disburses funds. Ongoing monitoring and compliance are conducted, including tracking covenants and conducting risk assessments. Loan accounts are closed upon maturity or on borrower request and security is released after full payment and account closure. Overall, the process ensures a systematic approach to loan management, from application to closure.

Deposits: The deposit lifecycle begins with customer acquisition through branches, offices, business correspondent, or walk-in customers. The bank collects and reviews the necessary Know Your Customer (KYC) information to ensure compliance with applicable laws. Once the KYC process is completed, customers can open deposits through digital channels like mobile banking or internet banking, or by submitting an application form at the branches.

Fixed Deposit: customers receive deposit advice and can also view the details through digital channels, regardless of the opening method. Upon maturity, fixed deposits are either closed, and the proceeds are transferred to the operative account, or they can be renewed for another term.

Customers also have the option to open operative accounts such as Savings Bank or Current Accounts. These accounts offer various facilities, including cheque books and debit cards. If a customer wishes to close their operative account, they can submit a request to the bank.



NIC Code	Name of Product/Service	% of total turnover contributed	Boundary for which the life cycle perspective /assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link
The Bank has not conducted Life Cycle Assessment of its services.					

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product/Service	Description of the risk/concern	Action taken
Not Applicable		

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2024-25	FY 2023-24
IT Asset	76.16%	-
Non-IT Asset	23.84%	-
Total	40.77%	-

Note: Reporting on these parameters has commenced from FY 2024-25.

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and disposed, as per the following format:

	FY 2024-25			FY 2023-24		
	Reused	Recycled	Safely Disposed	Reused	Recycled	Safely Disposed
Plastic including packaging	Nil	Nil	Nil	Nil	Nil	Nil
E-waste	NA	NA	NA	NA	NA	NA
Hazardous Waste	NA	NA	NA	NA	NA	NA
Other Waste	Nil	Nil	Nil	Nil	Nil	Nil

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Not Applicable	

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chain.

Essential Indicators

1. a) Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
	Permanent employees										
Male	46,508	46,508	100%	46,508	100%	0	0%	46,508	100%	0	0%
Female	4,438	4,438	100%	4,438	100%	4,438	100%	0	0%	0	0%
Total	50,946	50,946	100%	50,946	100%	4,438	8.71%	46,508	91.29%	0	0%
	Other than Permanent employees										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

1. b) Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
	Permanent workers										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Other than Permanent workers										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

c) Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

Particulars	FY 2024-25	FY 2023-24
Cost incurred on wellbeing measures as a % of total revenue of the company	0.22	0.22

2. Details of retirement benefits, for Current financial year and Previous financial year

Benefits	FY 2024-25			FY 2023-24		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF*	96%	NA	Yes	95%	NA	Yes
Gratuity*	96%	NA	Yes	95%	NA	Yes
ESI	NA	NA	NA	NA	NA	NA
Others	NA	NA	NA	NA	NA	NA

* Remaining 4% employees are Management Trainee (MT)



3. Accessibility of workplaces:

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

In alignment with the Rights of Persons with Disabilities Act, 2016, and the Harmonized Guidelines for Standards of Accessibility, the Bank is committed to fostering an inclusive and accessible workplace for all employees, including those with disabilities. As of the reporting period, the Bank employs 28 differently abled individuals across various locations. The Bank has taken proactive steps to ensure its premises are increasingly accessible, particularly in its larger offices, where inclusive restroom signage has been introduced. These signages incorporate braille to aid navigation for visually impaired individuals. Additionally, wheelchair-accessible paths have been implemented at branch offices to facilitate ease of access for customers with physical disabilities. These measures reflect the Bank's ongoing efforts to comply with statutory accessibility norms and promote a barrier-free environment, as mandated under Sections 40 to 46 of the PwC Act.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web link to the policy.

The Bank upholds its commitment to equal opportunity and non-discrimination in accordance with the Rights of Persons with Disabilities Act, 2016. A formal Recruitment and Selection Policy is in place to ensure fair treatment and equal access to employment opportunities for all candidates. In addition, the Bank has constituted a Diversity and Inclusion (D&I) Committee that actively promotes inclusive practices across the organization. The Committee's mandate includes fostering a workplace culture that values diversity, monitors the implementation of inclusive initiatives, and ensures that employment decisions are free from bias. These efforts are aimed at building a cohesive and representative workforce that reflects the Bank's core values of fairness and respect. The Bank's Equal Opportunity Policy and detailed D&I guidelines are publicly accessible on its website at: <https://www.aubank.in/investors/secretarial-policies>.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	98.67%	76.28%	NA	NA
Female	98.21%	31.84%	NA	NA
Total	98.59%	68.02%	NA	NA

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief. (If yes, then give details of the mechanism in brief)

Permanent Workers	NA
Other than Permanent Workers	NA
Permanent Employees	Yes
Other than Permanent Employees	NA

The Bank has established formal grievance redressal mechanisms for its permanent employees in line with its commitment to fostering a transparent, ethical, and inclusive workplace. Grievances are addressed through dedicated internal committees, including the Prevention of Sexual Harassment (POSH) Committee and the Disciplinary Committee. These committees are composed of trained members equipped to handle a wide range of employee concerns.

Employees can report grievances via designated email addresses outlined in the relevant policies. Additionally, the Bank's intranet hosts a 'Raise a Complaint' section, enabling employees to submit concerns under the POSH framework or the Whistle Blower Policy. Confidentiality is strictly maintained throughout the process, and the Bank ensures appropriate support is extended to the complainant. An open-door culture is actively encouraged, allowing employees to voice concerns freely and without hesitation.



10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such a system?

Yes, the Bank has implemented an occupational health and safety management system across its operational premises. All branches that house ATMs and cash-handling facilities - excluding those classified under the Unbanked Category - are secured through either an E-Surveillance System or a Cash Management Services (CMS) System. These systems are designed to detect irregularities and generate real-time alerts, thereby enhancing security and operational safety. Furthermore, all offices are equipped with CCTV surveillance, fire alarm systems, and fire extinguishers to ensure a safe working environment for employees. To reinforce preparedness, the Bank conducts regular mock drills aimed at familiarizing staff with emergency response protocols and promoting a culture of safety awareness.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Bank accords high priority to the physical and mental wellbeing of its employees and has instituted structured processes to identify and assess work-related hazards on both routine and non-routine bases. Occupational health and safety risks are regularly evaluated through internal assessments, with timely implementation of preventive and corrective measures. To enhance preparedness, the Bank conducts regular training sessions, including simulated fire drills, ensuring employees are well-versed in emergency response protocols. These initiatives not only ensure compliance with applicable safety regulations but also foster a culture of vigilance and care. All office premises are equipped with accessibility features such as lifts and ramps, while wheelchairs are made available to support mobility needs. Additionally, lift panels are fitted with braille markings to assist visually impaired individuals. Through these integrated efforts, the Bank reinforces its commitment to creating a safe, inclusive, and resilient workplace environment.

c. Whether you have processes for workers to report work-related hazards and to remove themselves from such risks. (Yes/No)

Yes, the Bank has internal online portal for directly reporting, logging any kind of observation into the system. Also, we have installed QR code feedback system across the premises for direct reporting any observation to the central admin team.

d. Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, the Bank provides access to non-occupational medical and healthcare services for its employees through a range of structured initiatives. These include a comprehensive Group Medical Insurance Policy that extends coverage to employees and their families, along with Group Term Life Insurance and Group Personal Accident Cover. To further enhance healthcare accessibility, the Bank has partnered with a wellness platform that offers unlimited online consultations across various medical specialties for employees and their dependents. In addition, the Bank has established tie-ups with multiple hospitals, enabling employees to avail discounts and preferential services. Preventive healthcare is also promoted through annual health check-ups, blood donation drives, and eye screening camps conducted throughout the year. These initiatives reflect the Bank's commitment to employee well-being beyond occupational health, fostering a culture of care and support.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2024-25	FY 2023-24
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	Not Applicable	
Total recordable work-related injuries	Employees	0	0
	Workers	Not Applicable	
No. of fatalities	Employees	0	0
	Workers	Not Applicable	
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	Not Applicable	

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The Bank is deeply committed to fostering a safe, healthy, and inclusive workplace that prioritizes both the physical and mental well-being of its employees. A structured framework of initiatives has been implemented to promote holistic wellness, professional growth, and a positive work environment. These measures include wellness programs, mental health support, work-life balance initiatives, skill development opportunities, employee engagement activities, and recognition platforms.

Key actions undertaken are as follows:

- Actively discouraging extended working hours beyond regular schedules.
- Maintaining hygienic and well-sanitized office premises.
- Ensuring robust emergency preparedness through the installation of fire alarms, sprinklers, and extinguishers.
- Enhancing awareness of workplace safety and conduct regulations via POSH (Prevention of Sexual Harassment) displays.
- Providing access to nutritious meals through in-house canteen services.
- Facilitating resolution of employee concerns through the HR Sahayak portal.
- Promoting physical activity and team spirit through events such as the Annual AU Marathon and AU Khelotsav.
- Collaborating with wellness platforms and healthcare providers to offer unlimited online consultations, preferential discounts, annual health screenings, and medical camps including blood donation and eye check-ups.
- Organizing live sessions for yoga and Zumba to encourage regular fitness practices.

In addition, the Bank remains focused on advancing gender diversity and inclusivity, thereby cultivating a workplace culture that supports the overall well-being, respect, and professional fulfillment of all employees.

13. Number of Complaints on the following made by employees and workers:

Particulars	FY 2024-25			FY 2023-24		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working Conditions	Nil	Nil	Nil	Nil	Nil	Nil
Health & Safety	Nil	Nil	Nil	Nil	Nil	Nil

14. Assessments for the year:

Particulars	% of your plants and offices that were assessed (by the entity or statutory authorities or third parties)
Health and safety practices	We have internal capacity to assess our offices. And we do assessment of our 100% offices on the said parameters.
Working Conditions	



15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

Not Applicable.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)?

(A) Employees - Yes

(B) Workers - Not Applicable

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Bank maintains rigorous oversight to ensure that statutory dues are duly deducted and deposited in accordance with applicable laws and regulations. To uphold compliance across its value chain, the Bank incorporates clear and binding provisions within contractual agreements with vendors and service providers. These contracts explicitly mandate adherence to labour laws, human rights standards, and regional statutory requirements, including the proper deduction and timely deposition of all relevant dues. Through this structured approach, the Bank reinforces accountability and regulatory compliance among its partners.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Particulars	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Employees				
Workers		Not Applicable		

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

The Bank has instituted a range of structured programs to support employees in their career development and to facilitate smooth transitions during role changes. These include:

- **Saksham** - A skill-building initiative that enables employees to acquire relevant competencies aligned with their Key Responsibility Areas (KRAs), fostering professional growth.
- **AU Dharma** - A cultural orientation program that reinforces the Bank's core values and work principles, promoting alignment with organisational ethos.
- **Capacity Building** - A policy framework designed to assess employee potential and implement targeted training and development strategies to enhance capabilities.
- **Behavioural Workshops** - A series of competency-focused sessions aimed at strengthening behavioural and interpersonal skills essential for career advancement.
- **First Time Managers** - A transition support program that prepares employees for leadership roles by guiding them through the shift from operational to managerial responsibilities.

These initiatives reflect the Bank's commitment to continued employability, career progression, and responsible workforce transition management.

5. Details on assessment of value chain partners:

Particulars	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	30%
Working Conditions	30%

6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.

The Bank mandates that all value chain partners—including IT service providers, cash-in-transit agencies, security personnel, and facilities management firms—adhere to safe and healthy working conditions in alignment with applicable regulations and the Bank’s sustainable procurement standards. To ensure compliance, the Bank conducts periodic assessments and monitors implementation through structured follow-up reviews and performance evaluations. Where gaps are identified, corrective actions are initiated to address concerns and enhance workplace safety. Preference is given to partners who consistently demonstrate strong adherence to health and safety protocols, reinforcing the Bank’s commitment to responsible sourcing and operational integrity.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The Bank follows a structured and systematic approach to identify and prioritise stakeholder groups that are either impacted by its operations or have a significant influence on its business. This process considers multiple dimensions, including business dependency, regulatory obligations, shareholder interests, value chain contributions (particularly in IT and allied services), community presence, media engagement, and customer interface. Based on these factors, the Bank recognises its key stakeholder groups as customers, investors/shareholders, employees, partners and associates, ecosystem and society, and government and regulatory authorities.

The Bank acknowledges that its operations have direct and indirect implications for a wide spectrum of stakeholders, including regulators, peers, business partners, and communities. It places strong emphasis on transparent communication and meaningful engagement to foster long-term, trust-based relationships. These engagements enable the Bank to better understand the social, environmental, and economic impacts of its activities, including indirect consequences. Stakeholder feedback and insights are integral to the Bank’s efforts to act as a responsible corporate entity. Through proactive and targeted interactions, the Bank identifies material issues, refines its business strategy, enhances products and services, mitigates reputational risks, and positively influences its internal and external environment. Internal stakeholders include senior management and employees, while external stakeholders comprise shareholders and investors, customers, regulators, communities and NGOs, industry peers, vendors and service providers, media, and academia. The Bank maintains continuous engagement with these groups throughout the year via diverse channels.



2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/NO)	Channels of communication (Email, SMS, Newspaper, Pamphlets, advertisements, Community meetings, Notice Board Website) Other	Frequency of engagement (Annually/ Half-yearly/ Quarterly/ others- please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	<ul style="list-style-type: none"> Over the counter- Branch & Tele Banking- Phone Banking, IVR and Customer care Digital Channels - Mobile Banking, Net banking, SMS WhatsApp, Social media platform, E-mail, Auro chatbot and Video Banking Advertisements including print media Customer satisfaction surveys and feedback 	Continuous engagement	<ul style="list-style-type: none"> Access to safe, non discriminatory, and responsible banking services with transparent pricing Products and services that meet customer needs Seamless transactions across different platforms Convenient access to banking
Investors and Shareholders	No	<ul style="list-style-type: none"> Quarterly financial updates Investor meetings, presentation and investors call transcripts Public disclosures Shareholders Meetings Analyst Meets Annual Report Quarterly Financial Results and Press releases Results conference call & Transcript Investor/Analyst Meetings and conferences Analyst/ Investor Day Annual General Meetings (AGMs) 	Continuous engagement as per requirement	<ul style="list-style-type: none"> Sound risk management and compliance Sustainable shareholder value Strong governance and transparency Responsible business practices Effective and timely communication Compliance, Governance & Ethical practices Economic performance Strategy
Regulatory Authorities and Government	No	<ul style="list-style-type: none"> Regular meetings - onsite and offsites Policy updates, circulars, guidelines, and directives Mandatory filings of information - regulatory and need based Various Government schemes and policies 	Continuous engagement as per requirement	<ul style="list-style-type: none"> Facilitating financial and digital inclusion Implementation of various social security schemes Compliance with all relevant laws and regulations Responsiveness towards regulatory changes Customer privacy and data security Contribution to national priorities
Employees	Yes (Women Emp.)	<ul style="list-style-type: none"> Internal meetings and town halls Performance discussions and periodic reviews Training and development workshops 	Continuous engagement	<ul style="list-style-type: none"> Industry First Initiative Menstrual Leave Specific days Celebration - Women day celebration Create a culture that encourages ethical practices, promotes meritocracy, and rewards high performance

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/NO)	Channels of communication (Email, SMS, Newspaper, Pamphlets, advertisements, Community meetings, Notice Board Website) Other	Frequency of engagement (Annually/ Half-yearly/ Quarterly/ others- please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
	Yes (Specially abled Emp.)	<ul style="list-style-type: none"> Internal meetings and town halls Performance discussions and periodic reviews Training and development workshops Employees connect initiatives Feedback and surveys 	Periodically	<ul style="list-style-type: none"> Home visit to check their wellbeing and gauge to support can be extended Virtual meet with these employees on regular basis Professional development of Bank's employees through nurturing and providing growth opportunities
	No (Other Emp.)	<ul style="list-style-type: none"> Internal meetings and town halls Performance discussions and periodic reviews Training and development workshops Employees connect initiatives like - Anticipation & Reflection platform sessions with MD&CEO + Head of HR, Coffee with CIO, Seedhi baat MD ke Saath. Feedback and surveys 	Periodically	<ul style="list-style-type: none"> Employee health, safety, and well being Create a culture that encourages ethical practices, promotes meritocracy, and rewards high performance Professional development of Bank's employees through nurturing and providing growth opportunities Diverse and inclusive workplace
Partners, vendors and associates	No	<ul style="list-style-type: none"> Conferences and forums, One-to-one meetings, Telephonic and email communication 	Continuous engagement	<ul style="list-style-type: none"> Assignment and closure of jobs Discussion on scope of work and other details Taking No Due confirmations Encouraging E-Invoicing Other engagements: Educating them on Business Ethics, integrity and Sustainability
Society	Yes	<ul style="list-style-type: none"> Regular Project visits, monitoring and reviews Direct intervention at multiple locations. Social activities through AU Foundation Print Media and Social media communication Face to Face meetings and interventions 	Continuous engagement as per requirement	<ul style="list-style-type: none"> Raising awareness about the Bank's community-oriented initiatives. Conducting regular upskilling sessions and collecting feedback from beneficiaries and other stakeholders. Engaging with key stakeholders and addressing their grievances. Monitoring project implementation and measuring outcomes.



Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics, or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Bank maintains structured engagement mechanisms with a broad spectrum of stakeholders to identify material issues, assess business strategies, and address economic, environmental, and social concerns. These interactions help mitigate reputational risks and contribute to shaping a responsible and sustainable operating environment.

Stakeholder feedback is systematically routed to designated Board-level committees for focused deliberation and action. Customer insights are reviewed by the Customer Service Committee, ensuring service quality and responsiveness. Feedback from investors and shareholders is addressed by the Stakeholders Relationship Committee, which safeguards their interests. Regulatory inputs are managed by the Audit Committee to uphold compliance and governance standards. Employee-related matters are overseen by the Nomination and Remuneration Committee, which focuses on workforce policies and well-being. Social and community-related feedback is directed to the Corporate Social Responsibility Committee, which steers the Bank's community engagement and development initiatives.

These specialised committees ensure that stakeholder concerns are addressed with dedicated attention. Key issues and recommendations arising from these consultations are escalated to the Board and senior management for strategic review and appropriate action, thereby integrating stakeholder perspectives into the Bank's decision-making processes.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

The Bank actively leverages stakeholder consultations to inform its approach to environmental and social issues. In light of India's commitment to achieving net zero emissions and the global focus on the United Nations Sustainable Development Goals (SDGs), the role of green finance has become increasingly significant. The banking sector, as a financial intermediary, plays a critical role in enabling the transition to a sustainable economy.

In response to the Reserve Bank of India's Green Deposit Framework introduced, the Bank engaged with key stakeholders—including customers, investors, and regulatory bodies—to align its practices with evolving expectations. This framework encourages banks to mobilise green deposits, thereby supporting customers' sustainability goals and directing credit towards environmentally beneficial projects.

As per regulatory guidance, funds raised through green deposits must be allocated exclusively to initiatives that promote energy efficiency, reduce greenhouse gas emissions, enhance climate resilience, and protect biodiversity. Based on stakeholder feedback and in alignment with this framework, the Bank has formulated a Green Deposit Policy and Financing Framework. This initiative reflects the Bank's recognition of the financial risks posed by environmental degradation and its commitment to supporting a low-carbon, sustainable future.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalised stakeholder groups.

The Bank recognises the importance of engaging with vulnerable and marginalised communities as part of its inclusive and responsible banking practices. Through targeted interventions, the Bank has undertaken several initiatives to address the specific needs of these groups.

As part of its commitment to financial inclusion, the Bank conducted **87 Financial and Digital Literacy Camps** across **63 villages** in the Aspirational Districts of Rajasthan, reaching over **14,000 beneficiaries**. These included small and marginal farmers, women, youth, and senior citizens. Using culturally relevant formats such as street plays, puppet shows, and audio-visual tools, the Bank promoted awareness of digital banking, cyber safety, and government welfare schemes.

To further support **rural women**, the Bank organised **40 women-centric literacy camps** across underserved villages in Haryana, Madhya Pradesh, and Rajasthan. These sessions empowered over **2,000 women**, including homemakers, SHG members, and daily wage earners, by enhancing their understanding of digital banking tools, Aadhaar-linked services, and financial schemes like PMJDY and Sukanya Samriddhi Yojana.

In collaboration with Rajasthan Netraheen Kalyan Sangh, the Bank also hosted a dedicated camp for **specially abled individuals**, benefiting over **100 visually impaired participants**. The sessions used audio aids and tactile demonstrations to introduce accessible banking tools and promote financial independence.

Additionally, under **PMKVY 4.0**, the Bank conducted literacy sessions for **female youth** in the Beauty & Wellness sector, integrating financial education with skill development. These efforts enabled participants to open bank accounts, use UPI, and understand savings and insurance products.

These initiatives reflect the Bank's commitment to inclusive growth and align with national objectives to bridge the financial and digital divide for marginalised communities.

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators

1. **Employees and workers, who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2024-25			FY 2023-24		
	Total (A)	No. employees/ workers covered (B)	% (B/A)	Total (C)	No. employees/ workers covered (D)	% (D/C)
Employees						
Permanent	50,946	48,204	94.62%	29,738	28,466	95.72%
Other than permanent	NA	NA	NA	NA	NA	NA
Total Employees	50,946	48,204	94.62%	29,738	28,466	95.72%
Workers						
Permanent						
Other than permanent			NA			
Total Workers						

2. **Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 2024-25					FY 2023-24				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	50,946	7	0.01%	50,939	99.99%	29,738	30	0.10%	29,708	99.90%
Male	46,508	6	0.01%	46,502	99.99%	26,959	27	0.10%	26,932	99.90%
Female	4,438	1	0.02%	4,437	99.98%	2,779	3	0.11%	2,776	99.89%
Other than Permanent										
Male										
Female										
Workers										
Permanent										
Male										
Female										
Other than Permanent										
Male										
Female										



3. Details of remuneration/ salary/ wages:

a) Median remuneration/wages:

Particulars	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (In ₹ in Lakh)	Number	Median remuneration salary/ wages of the respective category (In ₹ in Lakh)
Board of Directors (BoD)	6	18	2	18
Key Managerial Personnel	4	190.31	0	0
Employees other than BoD and KMP	46,504	0.03	4,438	0.04
Workers	0	0	0	0

Notes:

1. Remuneration of Executive Directors has been considered under KMP category and Non-Executive Directors under Board of Directors category.
2. Remuneration of Non-executive Directors doesn't include sitting fees and Remuneration of KMPs and Employees is excluding perquisites on exercise of ESOPs.

b) Gross wages paid to females as % of total wages paid by the entity, in the following format:

Particulars	FY 2024-25	FY 2023-24
Gross wages paid to females as % of total wages	8.34%	8.21%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

The Bank has established a Disciplinary Committee responsible for addressing employee-related matters, including those involving human rights. Complementing this, the Bank has implemented key governance policies such as the Whistle-Blower Policy, Vigil Mechanism, and the Policy for Prevention and Redressal of Sexual Harassment.

These frameworks provide structured, channels for reporting misconduct and unethical behavior, ensuring timely investigation and resolution. Collectively, these mechanisms reinforce the Bank's commitment to ethical conduct, and the protection, of human rights across its operations.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Bank's commitment to human rights is reflected in its internal governance and operational practices. A dedicated Disciplinary Committee is tasked with addressing grievances related to human rights, ensuring impartial and timely resolution. The Bank's Code of Conduct and supporting policies articulate its core values, placing emphasis on dignity, fairness, and respect for all individuals. These mechanisms are designed to uphold the rights of employees and stakeholders, fostering a workplace culture rooted in inclusivity and ethical responsibility.

6. Number of Complaints on the following made by employees and workers:

Particulars	FY 2024-25			FY 2023-24		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	19	3	Pending complaints have been resolved within statutory timelines under the POSH Act	5	0	-
Discrimination at Workplace	Nil	Nil	-	Nil	Nil	-
Child Labour	Nil	Nil	-	Nil	Nil	-
Forced Labour/ Involuntary Labour	Nil	Nil	-	Nil	Nil	-
Wages	Nil	Nil	-	Nil	Nil	-
Other human rights related issues	Nil	Nil	-	Nil	Nil	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

Particulars	FY 2024-25	FY 2023-24
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	19	5
Complaints on POSH as a % of female employees / workers	0.42%	0.18%
Complaints on POSH upheld	11	2

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Bank ensures strict confidentiality in handling complaints related to discrimination and harassment. It has adopted a zero-tolerance approach through its Policy for Prevention and Redressal of Sexual Harassment. In compliance with the Sexual Harassment of Women at Workplace Act, 2013, an Internal Complaints Committee has been constituted to investigate and act on complaints. A Board-level Disciplinary Committee further reviews decisions to ensure fairness and accountability, thereby safeguarding complainants from retaliation or adverse consequences.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, the relevant business agreements which the Bank enters, contains the clause for complying with the laws governing environment, health and safety and laws affecting the work force.

10. Assessments for the year:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	NA
Forced/involuntary labour	NA
Sexual harassment	NA
Discrimination at workplace	NA
Wages	NA
Others – please specify	NA

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

Not Applicable.



Leadership Indicators

1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.

During the year, there have been no instances of human rights grievances requiring modification of processes.

2. Details of the scope and coverage of any human rights due diligence conducted.

There was no due diligence conducted relating to human rights during the year.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

In accordance with the Rights of Persons with Disabilities Act, 2016, the Bank has implemented accessibility measures across its offices and branches. Many premises offer ground-floor access or are equipped with elevators and inclusive infrastructure. Ramps have been installed at branches and ATMs wherever feasible to accommodate differently abled individuals and senior citizens. These efforts reflect the Bank's commitment to inclusive banking and barrier-free access to financial services for all.

4. Details on assessment of value chain partners:

Particulars	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	
Discrimination at workplace	The Bank has not conducted any such assessment of value chain partners. The Bank through its Sustainability Procurement Guidelines always requires that suppliers comply with all applicable laws, regulations and standards within the geographies in which they operate as part of the Supply Chain Sustainability initiative.
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.

Not Applicable

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format

Parameter	FY 2024-25	FY 2023-24
From renewable sources		
Total electricity consumption (A) (in GJ)	3,911.18	1,859.88
Total fuel consumption (B) (in GJ)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumption from renewable sources (A+B+C) (in GJ)	3,911.18	1,859.88
From non-renewable sources (in GJ)		
Total electricity consumption (D)	1,41,163.60	84,674.90
Total fuel consumption (E)	4,276.54	4,274.76
Energy consumption through other sources (F)	0	-
Total energy consumed from non-renewable sources (D+E+F)	14,54,40.14	88,949.66
Total energy consumed (A+B+C+D+E+F)	1,49,351.31	90,809.54
Energy intensity per million INR Revenue	0.8034	-
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	16.41	-
Energy intensity in terms of physical output	-	-
Energy intensity (optional) – the relevant metric may be selected by the entity	2.93 GJ/FTE	2.99 GJ/FTE

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? Yes: Reasonable Assurance by Intertek India Private Limited.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable



3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2024-25	FY 2023-24
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	5,66,264.79	-
(iv) Seawater/desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	5,66,264.79	-
Total volume of water consumption (in kilolitres)	5,66,264.79	-
Water intensity per rupee of turnover (Mn. INR) (total water consumption/revenue from operations)	0.33	-
Water intensity per rupee of turnover (Mn. INR) adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	62.23	-
Water intensity in terms of physical output	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	45 Lt. / Day / FTE	-

Note: Reporting on these parameters has commenced from FY 2024-25.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? Yes: Reasonable Assurance by Intertek India Private Limited.

4. Provide the following details related to water discharged:

Parameter	FY 2024-25	FY 2023-24
Water discharge by destination and level of treatment (in kilolitres)		
i) To Surface water		
- No treatment		
- With treatment – please specify level of treatment		
ii) To Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
iii) To Seawater		
- No treatment		
- With treatment – please specify level of treatment		
iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
v) Others		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

251673.24
KL water
discharged in
the municipal
drainage after
first level
treatment.

Note: Reporting on these parameters has commenced from FY 2024-25.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? Yes: Reasonable Assurance by Intertek India Private Limited.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Not Applicable

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2024-25	FY 2023-24
NOx			
Sox			
Particulate matter (PM)			
Persistent organic pollutants (POP)		Not Applicable	
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others – please specify			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: Not Applicable

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity, in the following format:

Parameter	Unit	FY 2024-25	FY 2023-24
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	316.89	316.76
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	28,075.87	16,840.90
Total Scope 1 and Scope 2 emissions intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)		0.15	-
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / (t Co ₂ eq. per Int. Mn. US\$) Revenue from operations adjusted for PPP)		3.12	-
Total Scope 1 and Scope 2 emission intensity in terms of physical output		-	-
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		0.56 t Co ₂ Eq./ FTE	0.58 t Co ₂ Eq./FTE

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? Yes: Reasonable Assurance by Intertek India Private Limited.

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

The Bank is committed to fostering environmentally responsible operations across all its functions. Recognizing the urgency of climate change and the importance of energy efficiency, sustainability is embedded in our strategic and operational framework.

With a long-term vision to eliminate direct CO₂ emissions, the Bank actively promotes the adoption of renewable energy and low-carbon technologies. In alignment with the Sustainable Development Goals (SDGs) and India's commitment to net-zero emissions by 2070, we have implemented several initiatives to reduce our carbon footprint. These include the widespread adoption of digital banking, deployment of energy-efficient infrastructure, and organization-wide paper conservation practices.

A key innovation is our Electricity Metering Initiative, developed in collaboration with a technology partner leveraging generative AI. This platform enables centralized access to energy bills, including those printed on thermal paper, ensuring data integrity. It provides visual analytics on consumption patterns and cost trends, empowering timely decisions to avoid penalties related to Maximum Demand (MD) and Power Factor.

The Bank continues to invest in energy efficiency and emission reduction across its operations, reaffirming our commitment to climate action and sustainable growth.



9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2024-25	FY 2023-24
Total Waste generated (in metric tonnes)		
Plastic waste (A)	3.48	NA
E-waste (B)	80.18	8.43
Bio-medical waste (C)	NIL	Nil
Construction and demolition waste (D)	NIL	Nil
Battery waste (E)	70.51	NA
Radioactive waste (F)	NIL	Nil
Other Hazardous waste. Please specify, if any. (G)	NIL	Nil
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	Miscellaneous (4.69), Paper (4)	NA
Total (A + B + C + D + E + F + G + H)	162.87	8.43
Waste intensity per rupee of turnover (Mn. INR) (Total waste generated / Revenue from operations)	0.000871	0.0000686
Waste intensity per rupee of turnover (Mn. INR) adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.018	NA
Waste intensity in terms of physical output	-	Nil
Waste intensity (optional) – the relevant metric may be selected by the entity	0.0032 t/FTE	NA
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	70.174	Nil
(ii) Re-used (e-waste)	64.29	NA
(iii) Other recovery operations (battery)	0.336	Nil
Total	134.80	NA
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	Nil	Nil
(ii) Landfilling	Nil	Nil
(iii) Other disposal operations (Handed over to authorised recycler)	28.06	Nil
Total	28.06	Nil

Note: Reporting on these parameters has commenced from FY 2024-25.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? Yes: Reasonable Assurance by Intertek India Private Limited.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Bank has engaged authorized vendors for waste collection and disposal across its pan-India operations. General waste, including paper and biodegradable materials, is managed through municipal channels, while e-waste is handled by certified vendors. The Bank is actively reducing plastic usage by adopting sustainable alternatives across offices and branches. As a financial institution, the use of hazardous chemicals is minimal and limited to equipment such as transformers and diesel generators, which are maintained by authorized third parties. These practices reflect our commitment to responsible waste management and environmental stewardship.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones, etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and Corrective action taken, if any.
Not Applicable			

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web-link
Not Applicable					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which were not complied with	Provide details of the non- compliance	Any fines/penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken if any
Not Applicable				

Leadership Indicators

1. Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area
- (ii) Nature of operations
- (iii) Water withdrawal, consumption, and discharge in the following format:

Being a financial services institution, Bank do not use water for any industrial purpose and its water usage is limited to drinking and domestic usage. The Bank is making efforts to ensure that water is consumed judiciously in the office premises. Most of its water consumption is through municipal water supply or third-party potable water suppliers.

Parameter	FY 2024-25	FY 2023-24
Water withdrawal by source (in kilolitres)		
(i) Surface water		
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater/desalinated water		
(v) Others		Not Applicable
Total volume of water withdrawal (in kilolitres)		
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover (Water consumed / turnover)		
Water intensity (optional) - the relevant metric may be selected by the entity		



Parameter	FY 2024-25	FY 2023-24
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into Seawater		
- No treatment		
- With treatment – please specify level of treatment		Not Applicable
(iv) Sent to third parties		
No treatment		
With treatment – please specify level of treatment		
(v) Others		
No treatment		
With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: Not Applicable

2. Please provide details of total Scope 3 emissions and its intensity, in the following format:

Parameter	Unit	FY 2024-25	FY 2023-24
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	Not Applicable	NA
Total Scope 3 emissions per rupee of turnover	-	-	-
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	-		-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: Not Applicable

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct and indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

As an institution providing financial services, the Bank does not cause any significant, direct impact on biodiversity. The Bank's offices and Branches are not operated in and around the ecologically sensitive areas.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No.	Initiative undertaken	Details of the initiative (web-link, if any, may be provided along-with summary)	Outcome of the initiative
	<p>The Bank has implemented several pilot initiatives aimed at reducing emissions, effluent discharge, and waste generation, with successful models scaled across operations. These efforts align with the principles of reduce, reuse, and recycle. Key initiatives include the use of LED lighting, improved insulation to reduce HVAC dependency, and setting optimal room temperatures. The Bank has transitioned from diesel generators to UPS and inverters and promotes repair and reuse to extend product life.</p> <p>Energy-efficient appliances with high star ratings are prioritized, and power supervision technologies are deployed to monitor and optimize consumption. The Bank has adopted cloud-based systems and virtualized data centers to reduce physical infrastructure and associated emissions. Aging IT assets are refurbished, and e-waste is responsibly disposed of through authorized vendors. These initiatives collectively demonstrate the Bank's commitment to enhancing resource efficiency and minimizing environmental impact.</p>		

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

AU Small Finance Bank is dedicated to ensuring uninterrupted banking services and safeguarding stakeholder interests during operational disruptions. The Bank has developed a comprehensive Business Continuity Plan (BCP) that outlines recovery strategies and infrastructure to maintain critical operations within defined timelines and service levels. The plan addresses various disaster scenarios, including city-wide disruptions, and is periodically tested to identify and resolve gaps. Recovery Time Objectives (RTOs) are documented, though external factors may influence actual recovery durations. The BCP is regularly reviewed and updated to reflect changes in technology and processes and complies with regulatory standards.

Weblink: <https://www.aubank.in/notice-board>

6. Disclose any significant adverse impact on the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

The Bank recognizes its role in promoting environmental responsibility across its value chain. Through its Sustainability Procurement Guidelines, suppliers are encouraged to integrate environmental considerations into their operations. This includes substituting hazardous chemicals, enhancing supply chain sustainability, complying with environmental regulations, and conserving resources such as energy, water, and oil. Suppliers are also expected to raise environmental awareness among their employees and stakeholders. These measures aim to minimize adverse environmental impacts and foster a culture of sustainability throughout the Bank's extended ecosystem.

7. Percentage of value chain partners (by the value of business done with such partners) that were assessed for environmental impacts.

In accordance with its Sustainability Procurement Guidelines, the Bank encourages supply chain partners to align with environmental best practices. However, the Bank has not yet conducted formal assessments of its value chain partners for environmental impacts.

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations: 9
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Association of Small Finance Banks of India	National
2	Confederation Of Indian Industry	National
3	Microfinance Institution Network	National
4	Indian Banks Association	National
5	FIMMDA (Fixed Income Money Market and Derivatives Association of India)	National
6	FEDAI (Foreign Exchange Dealers Association of India)	National
7	Data Security Council of India	National
8	Indian Institute of Banking and Finance	National
9	Society Of Indian Automobile Manufactures	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of Authority	Brief of the case	Corrective action taken
NA		



Leadership Indicators

1. Details of public policy positions advocated by the entity:

S. No	Public policy advocated	Method resorted for such advocacy	Whether information is available in the public domain? (Yes/No)	Frequency of review by board (Annually/ Half-yearly/ Quarterly/ other please specify)	Web-link if available
	The Bank actively engages with key industry associations such as the Indian Banks' Association (IBA), the Association of Small Finance Banks of India (ASFBI), the Confederation of Indian Industry (CII), and the Federation of Indian Chambers of Commerce and Industry (FICCI). Through these platforms, the Bank contributes to policy discussions and regulatory consultations that support financial inclusion, digital transformation, and sustainable economic development. These engagements enable the Bank to advocate for reforms that align with national priorities and sectoral advancements, while also promoting responsible banking practices. The Bank's participation reflects its commitment to shaping a resilient, inclusive, and forward-looking financial ecosystem.				

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief detail of project	SIA Notification No.	Date of Notification	Whether conducted by independent external agency (Yes/No)	Results communicated in the public domain (Yes/No)	Relevant Web-link
Considering the nature of the business of the Bank, the same is not applicable.					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No	Name of the project for which R&R is ongoing	State	District	No. of projects Affected Families (PAFs)	% of PAFs covered by R&R	Amount paid to PAFs in the FY (In ₹)
Considering the nature of the business of the Bank, the same is not applicable.						

3. Describe the mechanisms to receive and redress the grievances of the community.

The Bank has established a multi-channel grievance redressal framework to ensure timely and transparent resolution of community concerns. Grievances can be submitted through various modes, including direct correspondence with the Bank's registered office, dedicated email addresses, phone calls, SMS, and the Bank's mobile application. Additionally, the Whistleblower Policy provides secure and confidential avenues for reporting concerns via mail, email, or telephone.

To further strengthen community engagement, the Bank has implemented the following mechanisms:

- "Talk to Us" boards with contact details displayed at project sites.
- Direct interactions with beneficiaries to gather feedback and address issues.
- Regular field visits by project teams to monitor and resolve concerns.
- Community outreach through focus group discussions and partnerships with NGOs for needs assessment.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Particulars	FY 2024-25	FY 2023-24
Directly sourced from MSMEs/ small producers	28.19%	38.29%
Directly from within India	100%	100%

Note: Figures pertaining to the previous financial year have been revised based on changes in underlying assumptions.

5. Job creation in smaller towns - Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost:

Location	FY 2024-25	FY 2023-24
Rural	2.20%	1.00%
Semi-urban	18.88%	13.20%
Urban	22.31%	21.42%
Metropolitan	56.61%	64.38%

(Place categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
	Not Applicable

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount Spent (in ₹)
1	Bihar	Muzaffarpur	7,24,416
2	Chhattisgarh	Kanker	3,39,570
3	Chhattisgarh	Korba	3,62,208
4	Chhattisgarh	Kondagaon	4,07,484
5	Karnataka	Raichur	2,71,656
6	Karnataka	Yadgiri	45,276
7	Madhya Pradesh	Barwani	22,638
8	Madhya Pradesh	Khandva	79,233
9	Madhya Pradesh	Vidisha	37,98,364
10	Odisha	Koraput	4,07,484
11	Odisha	Raygada	3,39,570
12	Rajasthan	Baran	22,92,729
13	Rajasthan	Karauli	20,67,457
14	Rajasthan	Sirohi	1,60,233
15	Rajasthan	Jaisalmer	2,53,000
16	Telangana	Khammam	1,79,950
17	Uttar Pradesh	Bahraich	79,233
Total			1,18,30,501

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

Yes, the Bank has adopted a preferential procurement policy to promote inclusive growth and support marginalized and underrepresented groups. The policy prioritizes procurement from the following categories:

- Micro, Small & Medium Enterprises (MSMEs)
- Women-led enterprises
- Businesses owned by persons with disabilities
- Social enterprises focused on environmental sustainability
- Enterprises from economically disadvantaged and rural areas



Suppliers seeking consideration under this policy are required to provide verifiable documentation such as third-party certifications, impact reports, or other relevant credentials. This approach aligns with the Bank's broader sustainability and social equity objectives, ensuring that procurement practices contribute to inclusive economic development and responsible sourcing.

(b) From which marginalized /vulnerable groups do you procure? Not Applicable

(c) What percentage of total procurement (by value) does it constitute? Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property Based on Traditional Knowledge	Owned Acquired (Yes/NO)	Benefit Shared (Yes/No)	Basis of Calculating Benefit Share
Not Applicable				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property-related disputes wherein usage of traditional knowledge is involved.

Name of Authority	Brief of the Case	Corrective action taken
Not Applicable		

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR projects	% of beneficiaries from vulnerable and marginalised groups
1.	Centre of Excellence – AU Ignite	8,165	100%
2.	AU Sports Initiative – Bano Champion	120	100%
3.	Bano Champion – Giving Wings to Champions	7,612	100%
4.	AU Udyogini Phase 2	484	100%
5.	AU Udyogini – Expansion of Individual Entrepreneurship program	978	100%
6.	AU Healthcare Initiative – Life saving equipment's/ other support	1,28,620	100%
7.	AU Building Future -Integrated Education Program	27,631	69%
8.	AU Back to School Education Infra Program	500	100%
9.	AU Study Center – South & West	1,613	100%
10.	AU Road Safety Initiatives	522	100%
11.	AU Jal Bank – Drinking Water Initiative	38,500	100%
12.	AU Jeev Bhumi	24,615	Not Quantifiable
13.	Rainwater Conservation	1,642	100%
14.	Support for Sports Tournaments & Grassroot events	10,000	100%
15.	AU Sahayata	37,050	100%
16.	Relief Activity – Natural calamity	5,421	100%
17.	Support for Armed Forces & Police	565	Not Quantifiable

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Bank has established a comprehensive and customer-centric grievance redressal framework to ensure timely and effective resolution of consumer complaints and feedback. This framework is aligned with regulatory guidelines and reflects the Bank's commitment to service excellence and transparency.

Customers can lodge complaints through multiple accessible channels:

- **Telephonic Support:** A 24x7 customer care helpline is available, with contact details prominently displayed on the Bank's website and at all branches.
- **Branch Interface:** Customers may register complaints directly with branch officials or record them in the complaint register available during working hours. Contact details of designated grievance officers are displayed at each branch.
- **Digital Channels:** Complaints can be submitted via an online form on the Bank's website (www.aubank.in), through dedicated service email IDs, or by writing to customercare@aubank.in. These digital avenues ensure convenience and accessibility for customers across geographies.

In addition, the Bank's website provides contact information for business heads, regional nodal officers, and the Principal Nodal Officer, who may be approached if grievances remain unresolved within the stipulated timelines.

The Bank acknowledges each complaint with a unique reference number and ensures resolution within defined turnaround times. If a customer does not receive a satisfactory response within 30 days, or if the complaint is rejected, they may escalate the matter to the Banking Ombudsman under the Reserve Bank of India's Integrated Ombudsman Scheme.

To reinforce accountability and governance, the Bank has implemented a four-tier grievance redressal structure:

1. **Branch-Level Customer Service Committee:** Addresses complaints and service issues at the branch level.
2. **Standing Committee on Customer Service:** Oversees service quality and grievance trends across the Bank.
3. **Customer Service Committee of the Board:** Provides strategic oversight and ensures alignment with regulatory expectations.
4. **Customer Service Department and Nodal Officers:** A dedicated department supported by nodal officers ensures centralized monitoring and resolution of complaints.

The Bank has also adopted a formal **Customer Grievance Redressal Policy**, which outlines the procedures for complaint handling, escalation, and resolution. This policy is reviewed periodically to incorporate regulatory updates and evolving customer needs.

Further, complaints that are closed as "Not in favor of the customer" or "Partially in favor of the customer" undergo an additional layer of scrutiny by the **Internal Ombudsman**, ensuring fairness and objectivity in resolution.

To drive continuous improvement, the Bank conducts **root cause analysis** of complaints to identify systemic issues and implement corrective actions. Insights from these analyses are used to enhance internal processes, staff training, and service delivery.

Through this structured and responsive grievance redressal mechanism, the Bank remains committed to upholding customer trust, ensuring service excellence, and fostering long-term relationships with its customers.



2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

Particulars	As a percentage to total turnover
Environmental and social parameters relevant to the product	NA
Safe and responsible usage	NA
Recycling and/or safe disposal	NA

3. Number of consumer complaints in respect of the following:

Particulars	FY 2024-25		Remarks	FY 2023-24		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	5	2	-	0	0	-
Advertising	0	0		0	0	
Cyber-security	0	0		0	0	
Delivery of essential services	0	0		0	0	
Restrictive Trade Practices	0	0		0	0	
Unfair Trade Practices	0	0		0	0	
Other	46,249*	1,954	-	52,015*	6,007	-

*Excluding complaints redressed within the next working day, as per the Master Circular DBODNo.Leg.BC.22/09.07.006/2013-14

4. Details of instances of product recalls on account of safety issues:

Particulars	Number	Reasons for recall
Voluntary recalls		
Forced recalls		Not Applicable

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes. We are having Board approved Cyber Security policy. However, in view of the sensitive and confidential nature of the policy contents, the same is not published on web. Bank has published privacy policy on web and link for the same is <https://www.aubank.in/privacy-policy>.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

During the reporting period, there were no instances of issues relating to advertising, cyber security and data privacy.

7. Provide the following information relating to data breaches:

- Number of instances of data breaches: None
- Percentage of data breaches involving personally identifiable information of customers: Not Applicable
- Impact, if any, of the data breaches: Not Applicable

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

AU Small Finance Bank provides comprehensive information on its products and services through multiple platforms. Customers can access details via the official website www.aubank.in, the AU 0101 mobile banking app (available on Android and iOS), and by visiting any of the Bank's branches. Additionally, product-related information is available through customer support centers and dedicated relationship managers. The Bank also utilizes digital communication channels such as email, SMS, and WhatsApp to share timely updates and service-related content, ensuring accessibility and transparency across all customer touchpoints.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

AU Small Finance Bank undertakes several initiatives to promote safe and responsible banking practices. A dedicated Safe Banking page educates customers on cybersecurity and secure transaction protocols. The Bank conducts financial literacy camps, particularly in rural areas, where QR-coded leaflets and digital awareness materials are distributed. Customers are regularly informed about fraud prevention and responsible usage through emails, SMS alerts, and in-app notifications. A dedicated customer support helpline and grievance redressal mechanism are in place to address queries and concerns, reinforcing the Bank's commitment to secure, informed, and inclusive banking.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

AU Small Finance Bank communicates service disruptions and restoration timelines through SMS alerts, push notifications on the AU 0101 mobile app, and banners on its official website. These proactive measures ensure customers are promptly informed and can plan accordingly, minimizing inconvenience and maintaining trust in service continuity.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes, AU Small Finance Bank provides product information beyond statutory requirements to ensure transparency and informed decision-making. This is achieved through various customer-facing channels:

- **Leaflets/Brochures:** Used by sales representatives to explain product features and benefits.
- **Website:** Offers detailed product descriptions, FAQs, schedules of charges, and key terms and conditions.
- **Welcome Kits:** Sent post-account activation, outlining product features and applicable charges.
- **Post-Onboarding Communication:** Emailers sent after account activation reinforce product understanding.
- **Customer Campaigns:** Regular updates shared via email, social media, and other digital platforms.

These efforts ensure that customers are well-informed throughout their banking journey.

The Bank also conducts regular customer satisfaction surveys across key service channels, including mobile banking, contact centers, and branch interactions. Feedback is collected through structured experience measurement tools and analyzed to identify areas for improvement. Insights are shared with relevant teams to enhance service delivery and product offerings.

Key performance indicators for FY 2024-25 include:

- **Transactional Net Promoter Score (TNPS)** for branch banking: 93%, up from 91% in FY 2023-24.
- **Customer Satisfaction Score (CSAT)** for mobile banking: 88%, consistent with the previous year.

These metrics reflect the Bank's commitment to delivering high-quality, customer-focused services and continuously improving the banking experience.



Independent Reasonable Assurance Statement to AU Small Finance Bank Limited on their Business Responsibility and Sustainability Report (BRSR) FY2024-25 Core Disclosures.

To the Management of AU Small Finance Bank Limited, Jaipur, India

Introduction

Intertek India Private Limited ("Intertek") was engaged by AU Small Finance Bank Limited ("AU Bank") to provide an independent reasonable assurance on its BRSR ("the Report") core disclosures for FY2024-25 as part of their Annual Report. The scope of the Report comprises the reporting periods of FY2024-25. The Report is prepared by AU Bank based on Securities and Exchange Board of India's ("SEBI") BRSR guidelines. The assurance was performed in accordance with the requirements of International Federation of Accountants (IFAC) International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

Objective

The objectives of this reasonable assurance engagement were, by review of objective evidence, to confirm whether the sustainability related disclosures in the Report are in alignment with the BRSR Core disclosures requirements laid down by SEBI and were accurate, complete, consistent, transparent and free of material errors or omission in accordance with the criteria outlined below.

Intended Users

This Assurance Statement is intended to be a part of the Annual Report of AU Small Finance Bank Limited.

Responsibilities

The management of AU Bank is solely responsible for the development of the Report and its presentation. Management is also responsible for the design, implementation and maintenance of internal controls relevant to the preparation of the Report so that it is free from material misstatement, whether due to fraud or error.

Intertek's responsibility, as agreed with the management of AU Bank, is to provide assurance and express an opinion on the data and assertions in the Report based on our verification following the assurance scope and criteria given below. Intertek does not accept or assume any responsibility for any

other purpose or to any other person or organization. This document represents Intertek's independent and balanced opinion on the content and accuracy of the information and data held within.

Assurance Scope

The assurance has been provided for selected sustainability performance disclosures as per BRSR core disclosures with reference to Business Responsibility and Sustainability Reporting by listed entities as per SEBI Master Circular no. SEBI/HO/CFD/CFD-SEC-2/PPoD2/CIR/2023/122P/0155 dated July 12, 2023 and November 11, 2024, presented by AU Bank in its Report. The assurance boundary included data and information of 2486 offices across different states of India.

Our scope of assurance included verification of internal control systems, data and information on core disclosures reported as summarized below:

BRSR-Core Disclosures

Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

- Number of days of accounts payable
- Concentration of purchases & sales done with trading houses, dealers, and related parties.
- Loans and advances & investments with related parties

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

- Cost incurred on well-being measures of employees and workers as a percentage of total revenue of the company
- Safety related incidents for employees and workers (LTIFR + Fatality + Permanent Disabilities) including contractual workforce

Principle 5: Businesses should respect and promote human rights

- Gross wages paid to females as percentage of total wages paid
- Complaints on POSH

Principle 6: Businesses should respect and make efforts to protect and restore the environment

- Total scope 1 and scope 2 emissions
- GHG emissions intensity (scope 1 and 2)
- Total water consumption, water consumption Intensity and water discharge by destination and levels of treatment
- Total energy consumed, percentage of energy consumed from renewable sources and energy intensity
- Total waste generated (category wise), waste intensity, Total waste recovered through recycling, re-using or other recovery operations; Total waste disposed by nature of disposal method; waste diverted from landfill.

Principle 8: Businesses should promote inclusive growth and equitable development

- Input material sourced (from MSMEs/ small producers and from within India)
- Job creation in smaller towns- Wages paid to persons employed in smaller towns (permanent or non-permanent /on contract) as % of total wage cost

Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner

- Instances involving loss / breach of data of customers as % of total data breaches or cyber security events

Assurance Criteria

Intertek conducted the assurance work in accordance with the requirements of 'Reasonable Assurance' procedures as per the following standard:

- International Standard on Assurance Engagements (ISAE) 3000 (revised) for 'Assurance Engagements other than Audits or Reviews of Historical Financial Information'.
- International Standard on Assurance Engagements (ISAE) 3410 for 'Assurance Engagements on Greenhouse Gas Statement

A reasonable assurance engagement involved assessing the risks of material misstatement of the agreed indicators/parameters whether due to fraud or error, responding to the assessed risks as necessary in the circumstances. A materiality threshold level of 5% was applied. Assessment of

compliance and materiality was undertaken against the stated calculation methodology and criteria.

Limitations

We have relied on the information, documents, records, data, and explanations provided to us by AU Small Finance Bank for the purpose of our review.

The assurance scope excludes:

- Any disclosures beyond those specified in the Scope section above.
- Data and information falling outside the defined reporting period.
- Data pertaining to the Company's financial performance, strategy, and associated linkages are articulated in the Report.
- Assertions made by the Company encompassing expressions of opinion, belief, aspiration, expectation, forward-looking statements, and claims related to Intellectual Property Rights and other competitive issues.

While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls.

The procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within software/ IT systems.

Methodology

Intertek performed assurance work using a risk-based approach to obtain information, explanations and evidence that was considered necessary to provide a reasonable level of assurance. The assurance was conducted by desk reviews, visit to AU Small Finance Bank's offices at Jaipur and stakeholder interviews with regards to the reporting and supporting records for the fiscal year 2024-25. Our assurance task was planned and carried out during May-June'2025. The assessment included the following:

- Assessment of the select sustainability performance disclosures in accordance with the SEBI's BRSR Core guidelines.
- Review of processes and systems used to gather and consolidate data.
- Examined and reviewed documents, data and other information made available by AU Small Finance Bank digitally.



- Conducted physical interviews with key personnel responsible for data management at AU Small Finance Bank offices, Jaipur
- Assessment of appropriateness of various assumptions, estimations and thresholds used by AU Small Finance Bank for data analysis.
- Review of BRSR core disclosures for the financial year from April 1, 2024, to March 31, 2025, for AU Small Finance Bank was carried out onsite at a selected business locations.
- Appropriate documentary evidence was obtained to support our conclusions on the information and data reviewed and details would be provided in a separate management report.

Conclusions

Intertek reviewed BRSR for core disclosures provided by AU Small Finance Bank in its Business Responsibility and Sustainability Report (BRSR) in annual report FY2024-25. Based on the data and information provided by AU Small Finance Bank, Intertek concludes that the sustainability data and information is fairly presented in all material aspects as on the reporting standards.

Intertek's Competence and Independence

Intertek is a global provider of assurance services with a presence in more than 100 countries employing approximately 43,500 people. The Intertek assurance team included competent sustainability assurance professionals, who were not involved in the collection and collation of any data except for this assurance opinion. Intertek maintains complete impartiality towards any people interviewed.

For Intertek India Pvt. Ltd.

Poonam Sinha, Verifier

Manager-Sustainability

June 28, 2025

Elizabeth Mielbrecht, Reviewer

Project Director

June 28, 2025

No member of the verification team (stated above) has a business relationship with AU Small Finance Bank Limited, stakeholders beyond that is required of this assignment. No form of bribe has been accepted before, throughout and after performing the verification. The verification team has not been intimidated to agree to do this work, change and/or alter the results of the verification. The verification team has not participated in any form of nepotism, self-dealing and/or tampering. If any concerns or conflicts were identified, appropriate mitigation measures were put in place, documented and presented with the final report. The process followed during the verification is based on the principles of impartiality, evidence, fair presentation and documentation. The documentation received and reviewed supports the conclusion reached and stated in this opinion.

INDEPENDENT AUDITOR'S REPORT

To the Members of AU Small Finance Bank Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of AU Small Finance Bank Limited ('the Bank'), which comprise the Balance Sheet as at March 31, 2025, the Profit and Loss Account, and Cash Flow Statement for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Banking Regulation Act, 1949, the guidelines issued by the Reserve Bank of India ('RBI') from time to time ('RBI Guidelines') and the Companies Act, 2013 ('the Act') in the manner so required for banking companies and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with Companies (Accounting Standards) Rules, 2021 and other accounting principles generally accepted in India, of the state of affairs of the Bank as at March 31, 2025, its profit, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements for the year ended March 31, 2025. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Identification and provisioning of non-performing advances (NPA):</p> <p>Total Loans and Advances (Net of Provision) as at March 31, 2025: ₹1,07,09,24,845 (in '000s)</p> <p>Provision for NPA as at March 31, 2025: ₹1,68,56,867 (in '000s)</p> <p>(Refer Schedule 9, Schedule 17(4A) and Schedule 18(5(a)))</p> <p>The Reserve Bank of India's ("RBI") guidelines on Income recognition and asset classification & Provisioning ("IRAC") and other circulars and directives issued by the RBI from time to time, which prescribe the prudential norms for identification and classification of performing & non-performing assets ("NPA") and the minimum provision required for such assets. The Bank is required to have Board approved policy as per IRAC guidelines for NPA identification & classification of advances and provision thereon.</p> <p>The provision on NPA is estimated based on ageing and classification of NPAs, recovery estimates, nature of loan product, value of security and other qualitative factors and is subject to the minimum provisioning norms specified by RBI and approved policy of the Bank in this regard.</p>	<p>Our audit procedures with respect to this matter included:</p> <p>Tested the design and operating effectiveness of key controls over approval, recording, monitoring and recovery of loans, monitoring overdue accounts, identification of NPA, provision for NPA and valuation of security and collateral on a test check basis.</p> <p>Obtained an understanding of the additional provision carried by the Bank and verified the underlying assumptions used by the Bank for such estimate.</p> <p>Tested application controls included test of automated controls, reports and system reconciliations.</p> <p>Reviewed existence and effectiveness of monitoring mechanisms such as Internal Audit, Systems Audit, and Concurrent Audit as per the policies and procedures of the Bank.</p>



Key Audit Matter	How our audit addressed the Key Audit Matter
<p>The Bank is also required to apply its judgement to determine the identification and provision required against NPAs by applying quantitative as well as qualitative factors. The risk of identification of NPAs is affected by factors like stress and liquidity concerns in certain sectors.</p> <p>Additionally, the Bank makes additional provisions on Retail Unsecured Portfolio, including Microfinance, Credit Card, Personal Loan and Mortgage Book of the Fincare Unit.</p> <p>Since the identification of NPAs and provisioning for advances require significant level of estimation and given its significance to the overall audit including possible observation by RBI which could result into disclosure in the Financial Statements, we have ascertained identification and provisioning for NPAs as a key audit matter.</p>	<p>Evaluated the governance process and review controls over calculations of provision of non-performing advances, basis of provisioning in accordance with the Board approved policy.</p> <p>Selected a sample of borrowers based on quantitative and qualitative risk factors for their assessment of appropriate identification & classification as NPA including computation of overdue ageing to assess its correct classification and provision amount as per extant IRAC norms and the Bank policy.</p> <p>Performed other substantive procedures included and not limited to the following:</p> <ul style="list-style-type: none"> • Selected samples of performing loans and assessed independently as to whether those should be classified as NPA. • For samples selected, reviewed the collateral valuations, Financial Statements and other qualitative information. • Considered the accounts reported by the Bank and other Banks as Special Mention Accounts ("SMA") in RBI's Central Repository of Information on Large Credits (CRILC)/ Centralised Information Management System (CIMS) to identify stress. • For selected samples, assessed independently, the accounts that can potentially be classified as NPA. • Inquired with the credit and risk departments to ascertain if there were indicators of stress or an occurrence of an event of default in a particular loan account or any product category which needed to be considered as NPA. • Examined the accounts under watchlist report provided by the risk department. • Discussed with the management of the Bank on sectors where there is a perceived credit risk and the steps taken to mitigate the risks to identified sectors. • Selected and tested samples for accounts which are restructured as per RBI Master Circular - Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances; and • Assessed appropriateness & the adequacy of disclosures against the relevant accounting standards and RBI requirements relating to NPAs.
Information Technology ('IT') systems and controls impacting financial reporting	
<p>The Bank has a complex IT architecture to support its day-to-day business operations. Large volume of transactions are processed and recorded on single or multiple applications.</p> <p>The reliability and security of IT systems plays a key role in the business operations of the Bank. Since large volume of transactions are processed daily, the IT controls are required to ensure that applications process data as expected and that changes are made in an appropriate manner.</p>	<p>Our Audit procedures with respect to this matter included:</p> <p>For testing the IT general controls, application controls and IT dependent manual controls, we involved IT specialists as part of the audit. The IT team also assisted in testing the accuracy of the information produced by the Bank's IT systems.</p> <p>Obtained a comprehensive understanding of IT applications landscape implemented at the Bank. It was followed by process understanding, mapping of applications to the same and understanding financial risks posed by people-process and technology.</p>

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Appropriate IT general controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately and consistently for reliable financial reporting.</p> <p>We have identified 'IT systems and controls' as key audit matter because of the high level automation, significant number of systems being used by the management and the complexity of the IT architecture and its impact on the financial reporting system.</p>	<p>Key IT audit procedures includes testing design and operating effectiveness of key controls operating over user access management (which includes user access provisioning, de-provisioning, access review, password configuration review, segregation of duties and privilege access), change management (which include change release in production environment are compliant to the defined procedures and segregation of environment is ensured), program development (which include review of data migration activity), computer operations (which includes testing of key controls pertaining to, backup, batch processing (including interface testing), incident management and data centre security), system interface controls. This included testing that requests for access to systems were appropriately logged, reviewed, and authorized.</p> <p>In addition to the above, the design and operating effectiveness of certain automated controls, that were considered as key internal system controls over financial reporting were tested. Using various techniques such as inquiry, review of documentation / record / reports, observation, and re-performance. We also tested few controls using negative testing technique.</p> <p>Tested compensating controls and performed alternate procedures, where necessary. In addition, understood where relevant changes made to the IT landscape during the audit period.</p>

Information Other than the Financial Statements and Auditor's Report Thereon

The Bank's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the Financial Statements and our auditor's report thereon and the Basel II Disclosures under New Capital Adequacy Framework (Basel II Disclosures). The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the Financial Statements does not cover the other information and Basel II Disclosures and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements, or knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged

with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Bank's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these Financial Statements that give a true and fair view of the financial position, financial performance, and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, and provisions of Section 29 of the Banking Regulation Act, 1949 and the circulars and the RBI Guidelines. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, Banking Regulation Act, 1949 and circulars and RBI Guidelines for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of



adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Board of Directors is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Bank has internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements for the current Year and are therefore,

the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The Financial Statements of the Bank for the year ended March 31, 2024, were audited by previous joint statutory auditors whose report dated April 24, 2024 expressed an unmodified opinion on those statements.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. The Balance Sheet and the Statement of Profit and Loss have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 and Section 133 of the Act and relevant rules issued thereunder.
2. As required by sub-section (3) of section 30 of the Banking Regulation Act, 1949, we report that:
 - a. we have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
 - b. the transactions of the Bank, which have come to our notice, have been within the powers of the Bank.
 - c. since the key operations of the Bank are automated with the key applications integrated to the core banking systems, the audit is carried out centrally as all the necessary records and data required for the purposes of our audit are available therein. During the course of our audit we have visited 35 branches including asset centres.
3. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of

those books, except for the matters stated in paragraph 3(h)(vi) below on reporting under Rule 11(g).

- c. The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, to the extent they are not inconsistent with the guidelines prescribed by RBI.
- e. The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 3(b) above on reporting under Section 143(3)(b) and paragraph 3(h)(vi) below on reporting under Rule 11(g).
- f. On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.
- g. With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Bank and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Bank has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note 12 to the Financial Statements.
 - ii. The Bank did not have any long-term contracts including derivative contracts as at year end for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Bank.
 - iv. a) The Management has represented that, to the best of its knowledge



and belief, as disclosed in Note B(10) of Schedule 18 to the Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in Note B(10) of Schedule 18 to the Financial Statements, no funds have been received by the Bank from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Bank shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information

and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

- v. The Bank has declared and paid dividend during the year which is in compliance with section 123 of the Act and the Banking Regulation Act, 1949.
- vi. Based on our examination which included test checks, the Bank has used certain accounting softwares for maintaining its books of account, which has a feature of recording the audit trail (edit log) facility, except that audit trail feature was not enabled for certain masters in respect of one software to log any changes.

Further, where enabled, the audit trail feature has operated for the relevant transactions recorded in the accounting softwares. Also, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with in respect of such accounting softwares. Additionally, the audit trail feature of prior year(s) has been preserved by the Bank as per the statutory requirements for record retention to the extent it was enabled and recorded in respective years.

- i. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, the Bank is a banking Company as defined under Banking Regulation Act, 1949. Accordingly, the requirements prescribed under Section 197 of the Act do not apply.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No.: 105047W

Tushar Kurani
Partner
Membership No.: 118580
UDIN: 25118580BMOHVT1089
Place: Jaipur
Date: April 22, 2025

For **Mukund M Chitale & Co.**
Chartered Accountants
ICAI Firm Registration No.: 106655W

Abhay Kamat
Partner
Membership No.: 039585
UDIN: 25039585BBIWAR7549
Place: Jaipur
Date: April 22, 2025

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF AU SMALL FINANCE BANK LIMITED FOR THE YEAR ENDED MARCH 31, 2025

[Referred to in paragraph "3(g)" under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

Report on the Internal Financial Controls with reference to the aforesaid Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial controls with reference to Financial Statements of AU Small Finance Bank Limited ("the Bank") as of March 31, 2025 in conjunction with our audit of the Financial Statements of the Bank for the year ended on that date.

In our opinion, the Bank has, in all material respects, an adequate internal financial controls with reference to Financial Statements and such internal financial controls with reference to Financial Statements were operating effectively as at March 31, 2025, based on the internal control with reference to Financial Statements criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI") (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Bank's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to Financial Statements criteria established by the Bank considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Bank's policies, the safeguarding of its assets, the prevention and

detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility for Internal Financial Controls

Our responsibility is to express an opinion on the Bank's internal financial controls with reference to Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of internal financial controls with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of internal financial controls with reference to Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls with reference to Financial Statements.



Meaning of Internal Financial Controls with Reference to Financial Statements

A Bank's internal financial control with reference to Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A Bank's internal financial control with reference to Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the bank are being made only in accordance with authorizations of management and directors of the bank; and (3) provide reasonable assurance regarding prevention or timely detection

For **M S K A & Associates**
Chartered Accountants

ICAI Firm Registration No.: 105047W

Tushar Kurani

Partner

Membership No.: 118580

UDIN: 25118580BMOHVT1089

Place: Jaipur

Date: April 22, 2025

of unauthorized acquisition, use, or disposition of the bank's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Financial Statements to future periods are subject to the risk that the internal financial control with reference to Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **Mukund M Chitale & Co.**
Chartered Accountants

ICAI Firm Registration No.: 106655W

Abhay Kamat

Partner

Membership No.: 039585

UDIN: 25039585BMIWAR7549

Place: Jaipur

Date: April 22, 2025

BALANCE SHEET

as at March 31, 2025

(₹ in '000)

Particulars	Schedule	As at March 31, 2025	As at March 31, 2024
CAPITAL & LIABILITIES			
Capital	1	74,45,305	66,91,625
Employees stock options outstanding		12,42,350	6,27,256
Reserves & Surplus	2	16,29,75,162	11,82,76,434
Deposits	3	1,24,26,85,438	87,18,21,164
Borrowings	4	11,65,99,024	5,47,93,721
Other Liabilities and Provisions	5	4,75,09,383	4,20,46,499
Total		1,57,84,56,662	1,09,42,56,699
ASSETS			
Cash and Balances with Reserve Bank of India	6	8,60,46,221	4,63,80,094
Balances with banks and Money at Call and Short Notice	7	86,17,397	1,73,83,249
Investments	8	37,84,75,235	27,13,33,653
Advances	9	1,07,09,24,845	73,16,26,547
Fixed Assets	10	91,24,652	85,15,924
Other Assets	11	2,52,68,312	1,90,17,232
Total		1,57,84,56,662	1,09,42,56,699
Contingent Liabilities	12	7,36,96,012	4,80,62,523
Bills for Collection		11,46,183	1,29,114
Significant accounting policies and notes to accounts forming part of financial statements	17 & 18		

The Schedules referred to above form an integral part of the Balance Sheet.
As per our attached Report of even date.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No.: 105047W

For and on behalf of the Board of Directors
AU Small Finance Bank Limited

Tushar Kurani
Partner
Membership No. 118580
Place: Jaipur

Harun Rasid Khan
(Non-Executive Independent
Part Time Chairman)
DIN: 07456806
Place: Jaipur

Sanjay Agarwal
(Managing Director and CEO)
DIN: 00009526
Place: Jaipur

For **Mukund M Chitale & Co.**
Chartered Accountants
ICAI Firm Registration No.: 106655W

Uttam Tibrewal
(Whole Time Director
and Deputy CEO)
DIN: 01024940
Place: Jaipur

Vimal Jain
(Chief Financial Officer)
Place: Jaipur

Abhay Kamat
Partner
Membership No. 039585
Place: Jaipur

Manmohan Parnami
(Company Secretary)
Membership No. F9999
Place: Jaipur

Date: April 22, 2025

Date: April 22, 2025



PROFIT AND LOSS ACCOUNT

for the Year ended March 31, 2025

(₹ in '000)

Particulars	Schedule	Year Ended March 31, 2025	Year Ended March 31, 2024
I. INCOME			
Interest earned	13	16,06,37,309	10,55,47,131
Other income	14	2,52,63,111	1,69,71,420
Total Income		18,59,00,420	12,25,18,551
II. EXPENDITURE			
Interest expended	15	8,05,21,494	5,39,76,293
Operating expenses	16	5,95,72,153	4,46,48,036
Provisions & contingencies {refer note 16 (e) - schedule 18A}		2,47,47,507	85,47,032
Total Expenditure		16,48,41,154	10,71,71,361
III. PROFIT/LOSS			
Net profit for the year		2,10,59,266	1,53,47,190
Add: Balance in Profit Account brought forward from previous year		5,17,28,834	4,28,71,366
Add: Additions on Amalgamation {refer note 1 - schedule 18A}		53,81,406	-
Total		7,81,69,506	5,82,18,556
IV. APPROPRIATIONS			
Transfer to Statutory Reserves		52,64,816	38,36,797
Transfer to Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961		18,00,000	13,00,000
Transfer to Capital Reserve		5,34,388	73,209
Transfer to Investment Reserve Account		-	87,674
Transfer to Investment Fluctuation Reserve		3,90,115	5,25,027
Deduction due to Amalgamation adjustments		49,968	-
Dividend pertaining to previous year paid during the year		7,43,159	6,67,015
Balance carried over to Balance Sheet		6,93,87,060	5,17,28,834
Total		7,81,69,506	5,82,18,556
V. EARNING PER SHARE (refer note 22 - schedule 18B)			
Basic (₹)		28.32	22.98
Diluted (₹)		28.24	22.86
Face value per share (₹)		10.00	10.00
Significant accounting policies and notes to accounts forming part of financial statements	17 & 18		

The Schedules referred to above form an integral part of the Profit and Loss Account.
As per our attached Report of even date.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No.: 105047W

Tushar Kurani
Partner
Membership No. 118580
Place: Jaipur

For **Mukund M Chitale & Co.**
Chartered Accountants
ICAI Firm Registration No.: 106655W

Abhay Kamat
Partner
Membership No. 039585
Place: Jaipur
Date: April 22, 2025

For and on behalf of the Board of Directors
AU Small Finance Bank Limited

Harun Rasid Khan
(Non-Executive Independent
Part Time Chairman)
DIN: 07456806
Place: Jaipur

Uttam Tibrewal
(Whole Time Director
and Deputy CEO)
DIN: 01024940
Place: Jaipur

Manmohan Parnami
(Company Secretary)
Membership No. F9999
Place: Jaipur
Date: April 22, 2025

Sanjay Agarwal
(Managing Director and CEO)
DIN: 00009526
Place: Jaipur

Vimal Jain
(Chief Financial Officer)
Place: Jaipur

CASH FLOW STATEMENT

for the year ended March 31, 2025

(₹ in '000)

Particulars	Year Ended March 31, 2025	Year Ended March 31, 2024
Cash Flow From Operating Activities		
Profit after tax	2,10,59,266	1,53,47,190
Add: Provision for tax	68,21,275	46,47,101
Net Profit Before Taxes	2,78,80,541	1,99,94,291
Adjustments for :-		
Employee Stock Options Expense	5,77,925	3,03,350
Depreciation on Bank's Property	25,85,137	22,54,439
Amortization of Premium / (Discount) on HTM Investments	10,55,138	9,58,701
Provision for Employee Expenses	1,91,815	1,58,332
Provision for Non Performing Assets, Standard Assets and Other Provisions	1,99,43,369	42,20,601
Loss on sale of Fixed Assets	36,075	13,957
Operating profit before working capital changes	5,22,70,000	2,79,03,671
Movement in working capital		
Decrease / (Increase) in Investments (other than HTM Investments)	(1,91,31,115)	(2,62,51,349)
Decrease / (Increase) in Advances	(22,29,99,001)	(14,84,13,722)
Decrease / (Increase) in Other Assets	(10,27,508)	(32,12,155)
(Decrease) / Increase in Deposits	26,56,47,264	17,81,71,300
(Decrease) / Increase in Other Liabilities and Provisions	(1,34,58,838)	27,67,214
Cash Flow from Operating Activities	6,13,00,802	3,09,64,959
Direct Taxes Paid (Net of refunds)	(66,76,684)	(48,84,261)
Net Cash Flow from Operating Activities (A)	5,46,24,118	2,60,80,698
Cash Flow from Investing Activities		
Purchase of Fixed Assets	(26,43,614)	(34,64,174)
Proceeds from Sale of Fixed Assets	73,287	81,250
Investments in HTM securities (Net)	(5,67,44,379)	(4,51,64,691)
Net cash flow (used) in Investing Activities (B)	(5,93,14,706)	(4,85,47,615)
Cash Flow from Financing Activities		
Proceeds from /(Repayment of) borrowings	2,42,02,574	(81,92,800)
Money received on exercise of Stock Options / Issue of Shares	6,13,090	8,38,352
Dividend paid	(7,43,159)	(6,67,015)
Net cash flow (used in)/ from Financing Activities (C)	2,40,72,505	(80,21,463)
Net Increase in Cash and Cash Equivalents (A + B + C)	1,93,81,917	(3,04,88,380)



CASH FLOW STATEMENT

for the year ended March 31, 2025

(₹ in '000)

Particulars	Year Ended March 31, 2025	Year Ended March 31, 2024
Cash and Cash Equivalents at the beginning of the year (Refer Note Below)	6,37,63,343	9,42,51,723
Cash And Cash Equivalents taken over on Amalgamation	1,15,18,358	-
Cash and Cash Equivalents at the end of the year (Refer Note Below)	9,46,63,618	6,37,63,343
Note:		
Cash in hand (including foreign currency notes) (As per Sch 6 I)	46,49,586	53,58,529
Balance with RBI in Current Accounts (As per Sch 6 II)	8,13,96,635	4,10,21,565
Balance with Banks in India in Current Account (As per Sch 7 I (i) (a))	8,97,624	9,53,011
Balance with Banks in India in Fixed Deposit (As per Sch 7 I (i) (b))	47,19,214	30,12,015
Money at Call and Short Notice in India (As per Sch 7 I (ii))	-	1,34,09,982
Balance with Banks Outside India in Current Account (As per Sch 7 II (i))	5,21,784	8,241
Money at Call and Short Notice outside India (As per Sch 7 II (iii))	24,78,775	-
Cash and Cash Equivalents at the end of the year	9,46,63,618	6,37,63,343

As per our attached Report of even date.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No.: 105047W

Tushar Kurani
Partner
Membership No. 118580
Place: Jaipur

For **Mukund M Chitale & Co.**
Chartered Accountants
ICAI Firm Registration No.: 106655W

Abhay Kamat
Partner
Membership No. 039585
Place: Jaipur
Date: April 22, 2025

For and on behalf of the Board of Directors
AU Small Finance Bank Limited

Harun Rasid Khan
(Non-Executive Independent
Part Time Chairman)
DIN: 07456806
Place: Jaipur

Uttam Tibrewal
(Whole Time Director
and Deputy CEO)
DIN: 01024940
Place: Jaipur

Manmohan Parnami
(Company Secretary)
Membership No. F9999
Place: Jaipur
Date: April 22, 2025

Sanjay Agarwal
(Managing Director and CEO)
DIN: 00009526
Place: Jaipur

Vimal Jain
(Chief Financial Officer)
Place: Jaipur

SCHEDULES

forming part of the Balance Sheet as at March 31, 2025

Schedule 1 Capital

(₹ in '000)		
Particulars	As at March 31, 2025	As at March 31, 2024
Authorized shares		
1,20,00,00,000 (March 31, 2024: 1,20,00,00,000) equity shares of ₹10/- each	1,20,00,000	1,20,00,000
Issued, Subscribed and paid up capital		
I. 66,91,62,451 equity shares of ₹10/- each (March 31, 2024: 66,67,45,055 equity shares)	66,91,625	66,67,450
II. Add: 18,42,728 equity shares of ₹10/- each (March 31, 2024: 24,17,396 equity share) in pursuant to exercise of employee stock option	18,427	24,175
III. Add: 7,35,25,352 equity shares of ₹10/- each (March 31, 2024: Nil equity shares) in pursuant to merger with Fincare Small Finance Bank Limited	7,35,253	-
Total	74,45,305	66,91,625

Schedule 2 Reserves & Surplus

(₹ in '000)		
Particulars	As at March 31, 2025	As at March 31, 2024
I. Statutory Reserve		
Opening Balance [^]	1,94,48,371	1,56,11,574
Additions on Amalgamation*	22,10,264	-
Additions during the year under the Banking Regulation Act, 1949	52,64,816	38,36,797
Deductions during the year	-	-
Sub- Total	2,69,23,451	1,94,48,371
[^] Opening balance of Statutory Reserve includes ₹291.89 crore which represents transfer of twenty percent of net profit after tax in accordance with the provision of Section 45-IC of Reserve Bank of India Act, 1934 pursuant to NBFC Regulations.		
II. Share Premium		
Opening Balance	3,89,87,848	3,80,57,324
Additions on Amalgamation*	1,35,18,332	-
Add: Allotment of equity shares	7,94,190	9,30,524
Sub- Total	5,33,00,370	3,89,87,848
III. Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961		
Opening Balance	56,45,992	43,45,992
Additions during the year	18,00,000	13,00,000
Deductions during the year	-	-
Sub- Total	74,45,992	56,45,992
IV. Capital Reserve		
Opening Balance	6,69,237	5,96,028
Additions during the year	5,34,388	73,209
Deductions during the year	-	-
Sub- Total	12,03,625	6,69,237



SCHEDULES

forming part of the Balance Sheet as at March 31, 2025

Particulars	(₹ in '000)	
	As at March 31, 2025	As at March 31, 2024
V. Investment Fluctuation Reserve		
Opening Balance	17,08,478	11,83,451
Additions on Amalgamation*	3,18,462	-
Additions during the year	3,90,115	5,25,027
Deductions during the year	-	-
Sub- Total	24,17,055	17,08,478
VI. Investment Reserve Account		
Opening Balance	87,674	-
Additions during the year	-	87,674
Deductions during the year#	87,674	-
Sub- Total	-	87,674
VII. General Reserve		
Opening Balance	-	-
Additions on Amalgamation*	52	-
Additions during the year#	1,87,555	-
Deductions during the year	-	-
Sub- Total	1,87,607	-
VIII. AFS Reserve		
Opening Balance	-	-
Additions during the year	3,05,520	-
Deductions during the year	-	-
Sub- Total	3,05,520	-
IX. Amalgamation Reserve		
Opening Balance	-	-
Additions on Amalgamation*	18,04,482	-
Deductions during the year	-	-
Sub- Total	18,04,482	-
X. Balance in Profit and Loss Account		
Balance in Profit and Loss Account	6,93,87,060	5,17,28,834
Sub- Total	6,93,87,060	5,17,28,834
Total	16,29,75,162	11,82,76,434

*refer note 1 of schedule 18A.

#refer note 4(g) of schedule 18A.

SCHEDULES

forming part of the Balance Sheet as at March 31, 2025

Schedule 3 Deposits

(₹ in '000)		
Particulars	As at March 31, 2025	As at March 31, 2024
A.I Demand Deposits		
(i) From Banks	6,41,334	3,19,566
(ii) From Others	6,93,30,452	5,30,61,749
Sub- Total	6,99,71,786	5,33,81,315
A.II Savings Bank Deposits	29,25,57,856	23,78,81,496
A.III Term Deposits		
(i) From Banks	13,21,81,489	7,57,28,820
(ii) From Others	74,79,74,307	50,48,29,533
Sub- Total	88,01,55,796	58,05,58,353
Total	1,24,26,85,438	87,18,21,164
B.I Deposits of branches in India	1,24,26,85,438	87,18,21,164
B.II Deposits of branches outside India	-	-
Total	1,24,26,85,438	87,18,21,164

Out of total deposits of ₹1,24,268.54 crore (previous year : ₹87,182.12 crore), deposits against which lien marked is ₹21,124.27 crore (previous year : ₹17,159.74 crore).

Schedule 4 Borrowings

(₹ in '000)		
Particulars	As at March 31, 2025	As at March 31, 2024
I. Borrowings in India		
(i) Reserve Bank of India	-	-
(ii) Other Banks	40,04,404	31,30,090
(iii) Other Institutions and Agencies	11,25,94,620	5,16,63,631
Sub Total	11,65,99,024	5,47,93,721
II. Borrowings outside India	-	-
Total	11,65,99,024	5,47,93,721
Secured Borrowings / Refinance other than CBLO, Tri-Party Repo, Repo and LAF Borrowings included in I above	9,55,58,620	4,24,13,631
Tier II Debt included in I above	2,10,40,000	1,00,00,000
Tier II Debt included in II above	-	-



SCHEDULES

forming part of the Balance Sheet as at March 31, 2025

Schedule 5 Other Liabilities and Provisions

(₹ in '000)		
Particulars	As at March 31, 2025	As at March 31, 2024
I. Bills Payable	21,08,401	19,66,188
II. Interest Accrued	74,34,778	49,56,049
III. Provision for Taxation (net of advance tax and tax deducted at source)	6,21,615	1,82,776
IV. Standard Asset provision	38,46,825	28,77,734
V. Others (including Provisions)*	3,34,97,764	3,20,63,752
Total	4,75,09,383	4,20,46,499

*Includes an additional contingency provision of ₹32.33 crores as at March 31, 2025 (previous year: 21.18 crore), of which the additional provision for the accounts restructured under RBI Resolution framework is at ₹15.33 crore as at March 31, 2025 (previous year: 21.18 crore).

Schedule 6 Cash and Balances with Reserve Bank of India

(₹ in '000)		
Particulars	As at March 31, 2025	As at March 31, 2024
I. Cash in Hand	46,49,586	53,58,529
{including Foreign Currency Notes - Nil (previous year: Nil)}		
II. Balances with Reserve Bank of India		
a. in Current Account	4,68,96,635	3,80,21,565
b. in Other Account	3,45,00,000	30,00,000
Total	8,60,46,221	4,63,80,094

Schedule 7 Balances with Banks & Money at Call & Short Notice

(₹ in '000)		
Particulars	As at March 31, 2025	As at March 31, 2024
I. In India		
i) Balances with banks in		
(a) Current Accounts	8,97,624	9,53,011
(b) Other Deposit Accounts	47,19,214	30,12,015
ii) Money at call and short Notice		
(a) with Banks	-	-
(b) with Other Institutions	-	1,34,09,982
Sub- Total	56,16,838	1,73,75,008
II. Outside India		
i) in Current Accounts	5,21,784	8,241
ii) in Other Deposit Accounts	-	-
iii) in Money at Call and Short Notice	24,78,775	-
Sub- Total	30,00,559	8,241
Total	86,17,397	1,73,83,249

SCHEDULES

forming part of the Balance Sheet as at March 31, 2025

Schedule 8 Investments

(₹ in '000)		
Particulars	As at March 31, 2025	As at March 31, 2024
I. Investments in India in:		
i) Government Securities	28,88,97,292	21,22,12,139
ii) Other Approved Securities	-	-
iii) Shares	2,05,805	87,530
iv) Debentures and Bonds	3,22,35,689	1,20,18,769
v) Subsidiaries and / or Joint Venture	-	-
vi) Others [Certificate of Deposits (CD), Commercial Paper (CP), Pass Through Certificates (PTC) and Security Receipts (SR)]	5,71,36,449	4,70,15,215
Sub- Total	37,84,75,235	27,13,33,653
II. Investments outside India	-	-
Total	37,84,75,235	27,13,33,653

Schedule 9 Advances

(₹ in '000)		
Particulars	As at March 31, 2025	As at March 31, 2024
A i) Bills Purchased and Discounted	1,91,553	4,33,188
ii) Cash Credits Overdrafts and Loans repayable on Demand	22,41,71,485	16,35,95,244
iii) Term loans	84,65,61,807	56,75,98,115
Total	1,07,09,24,845	73,16,26,547
B i) Secured by Tangible Assets (includes advances against Book debts)	92,81,24,191	64,28,42,852
ii) Covered by Bank / Government Guarantees (includes Advance to Banks)	1,17,46,466	79,19,009
iii) Unsecured	13,10,54,188	8,08,64,686
Total	1,07,09,24,845	73,16,26,547
C. I Advances in India		
i) Priority Sectors [#]	65,06,26,204	45,55,58,390
ii) Public Sector	24,31,233	25,00,000
iii) Banks	54,28,515	6,99,157
iv) Others	41,24,38,893	27,28,69,000
Total	1,07,09,24,845	73,16,26,547
C. II Advances outside India	-	-
Total	1,07,09,24,845	73,16,26,547

[#]Priority sector outstanding total advances includes ₹1,200.00 crore (previous year : ₹2,890.00 crore), in respect of which the Bank has sold Priority Sector Lending Certificates (PSLC) and does not includes purchase of Priority Sector Lending Certificates (PSLC) Nil (previous year: ₹1,860.00 crore).

Above Advances are net of provisions.



SCHEDULES

forming part of the Balance Sheet as at March 31, 2025

Schedule 10 Fixed Assets

(₹ in '000)		
Particulars	As at March 31, 2025	As at March 31, 2024
I. Premises (including Land)		
Gross Block		
At Cost as on 31 st March of the preceding year	6,30,428	6,30,090
Additions during the year	-	338
Deductions during the year	-	-
Sub- Total	6,30,428	6,30,428
Depreciation		
As at 31 st March of the preceding year	46,784	40,090
Add: charge during the year	6,697	6,694
Deductions during the year	-	-
Sub- Total	53,481	46,784
Net Block	5,76,947	5,83,644
II. Other Fixed Assets (including Furniture & Fixtures)		
Gross Block		
At Cost as on 31 st March of the preceding year	1,52,40,195	1,27,74,709
Additions on Amlagamation*	17,82,511	-
Additions during the year	24,43,810	31,17,766
Deductions during the year	6,13,197	6,52,280
Sub- Total	1,88,53,319	1,52,40,195
Depreciation		
As at 31 st March of the preceding year	79,82,504	62,91,832
Additions on Amalgamation*	11,21,447	-
Add: charge during the year	25,78,440	22,47,745
Deductions during the year	5,02,384	5,57,073
Sub- Total	1,11,80,007	79,82,504
Net Block	76,73,312	72,57,691
III. Capital Work in Progress	8,74,393	6,74,589
Total	91,24,652	85,15,924

*refer note 1 of schedule 18A.

Schedule 11 Other Assets

(₹ in '000)		
Particulars	As at March 31, 2025	As at March 31, 2024
i) Interest Accrued	1,57,62,928	92,03,102
ii) Deferred Tax Assets (Net)	23,59,589	11,60,676
iii) Advance for expenses	2,37,189	3,44,509
iv) Security Deposits	10,14,366	6,48,735
v) Others	58,94,240	76,60,210
Total	2,52,68,312	1,90,17,232

SCHEDULES

forming part of the Balance Sheet as at March 31, 2025

Schedule 12 Contingent Liabilities

(₹ in '000)		
Particulars	As at March 31, 2025	As at March 31, 2024
I. Claims against the Bank not acknowledged as Debts	2,82,287	7,08,036
II. Guarantees given on behalf of Constituents		
a) In India	4,13,63,420	3,27,54,066
b) Outside India	-	-
III. Acceptances Endorsements and Other Obligation	24,08,753	8,35,973
IV. Liability on account of outstanding forward exchange contracts	1,59,48,456	49,245
V. Liability on account of outstanding derivative contracts	-	-
VI. Other items for which the Bank is Contingently Liable		
(a) Credit enhancements provided by the Bank towards assets securitisation	1,11,28,826	94,31,996
(b) Capital commitments not provided	16,96,824	27,27,683
(c) Other Guarantees	8,66,561	15,55,216
(d) Unclaimed customer balances\$	885	308
Total	7,36,96,012	4,80,62,523

\$Represent amount transferred to RBI DEA Fund Scheme.

Schedule 13 Interest Earned

(₹ in '000)		
Particulars	Year Ended March 31, 2025	Year Ended March 31, 2024
I. Interest / Discount on Advances / Bills	13,36,83,471	8,44,21,476
II. Income on Investments	2,23,81,760	1,63,23,875
III. Interest on Balances with RBI and Other Inter-Bank Funds	6,91,482	6,68,798
IV. Others	38,80,596	41,32,982
Total	16,06,37,309	10,55,47,131

Schedule 14 Other Income

(₹ in '000)		
Particulars	Year Ended March 31, 2025	Year Ended March 31, 2024
I. Commission, Exchange and Brokerage	2,22,19,412	1,62,25,396
II. Profit / (Loss) on sale of Investments (net)	22,92,574	3,61,274
III. Profit / (Loss) on revaluation of Investments (net)	59,328	1,56,215
IV. Profit / (loss) on exchange transactions (net)	3,63,802	893
V. Profit / (Loss) on sale of Land Building & Other Assets (net)	(36,075)	(13,957)
VI. Miscellaneous Income (refer note 15 - schedule 18B)	3,64,070	2,41,599
Total	2,52,63,111	1,69,71,420



SCHEDULES

forming part of the Balance Sheet as at March 31, 2025

Schedule 15 Interest Expended

(₹ in '000)		
Particulars	Year Ended March 31, 2025	Year Ended March 31, 2024
I. Interest on Deposits	72,187,221	49,322,083
II. Interest on Reserve Bank of India / Inter Bank Borrowings	370,712	154,395
III. Others	7,963,561	4,499,815
Total	80,521,494	53,976,293

Schedule 16 Operating Expenses

(₹ in '000)		
Particulars	Year Ended March 31, 2025	Year Ended March 31, 2024
I. Payments to and Provision for Employees	3,14,77,604	2,10,36,806
II. Rent, Taxes and Lighting	30,38,465	20,49,384
III. Printing and Stationery	5,83,337	5,38,410
IV. Advertisement and Publicity	24,22,417	33,38,380
V. Depreciation on Bank's Property	25,85,137	22,54,439
VI. Directors' fees- allowances and expenses	33,583	30,902
VII. Auditors' Fee and expenses	35,687	26,861
VIII. Law charges (includes Professional Fees)	9,85,809	8,06,836
IX. Postages, Telegrams, Telephones etc.	10,75,094	9,94,653
X. Repairs and Maintenance (includes AMC)	32,19,991	23,26,644
XI. Insurance	12,75,050	8,80,284
XII. Direct marketing expenses (Payout expenses)	50,58,670	38,34,976
XIII. Travelling & Conveyance	11,94,968	9,53,311
XIV. Other Expenditure (refer note 8 - schedule 18B)	65,86,341	55,76,150
Total	5,95,72,153	4,46,48,036

SCHEDULES

forming part of the Balance Sheet as at March 31, 2025

Schedule 17 Basis of preparation and significant Accounting Policies

1. Background

AU Small Finance Bank Limited (formerly known as Au Financiers (India) Limited) ("AUSFBL" or "the Company" or "the Bank") is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956.

The Company had originally obtained its license from Reserve Bank of India ('RBI') to operate as a non-deposit accepting Non-Banking Financial Company (NBFC-ND) on November 7, 2000 vide certificate of registration no. B-10-00139.

The Company has commenced its operations as a Small Finance Bank from April 19, 2017 pursuant to the approval received from the RBI dated December 20, 2016.

The Bank is engaged in providing a range of banking and financial services including retail banking, wholesale banking and treasury operations and other services. The Bank operates in India only and does not have presence in any foreign country.

The Bank is governed by the Banking Regulation Act, 1949, banking guidelines issued by the RBI on Small Finance Bank 2016, and the Companies Act, 2013.

The scheme for amalgamation of erstwhile Fincare Small Finance Bank ("eFincare SFB") into the Bank became effective from April 01, 2024, upon receipt of all requisite approvals and accordingly the financial statements include the operations of eFincare SFB from April 01, 2024 onwards.

2. Basis of preparation

The financial statements have been prepared under the historical cost convention and on the accrual basis of accounting, unless otherwise stated and complying with the requirements prescribed under the Third Schedule of the Banking Regulation Act, 1949. The accounting and reporting policies of the Bank which is used in the preparation of financial statements conform to Generally Accepted Accounting Principles in India (Indian GAAP), the guidelines issued by the RBI from time to time, the accounting standards notified under section

133 and the relevant provision of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and the Companies (Accounting Standards) Rules, 2021 to the extent applicable and practices generally prevalent in the banking industry in India. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except as stated in the significant accounting policies.

3. Use of estimates

The preparation of the financial statements in conformity with Indian GAAP as applicable to Banks requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses for the reporting period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ due to these estimates. Any revision in the accounting estimates is recognized prospectively in the current and future periods.

4. Significant accounting policies

A. Advances

(i) Classification

Advances are classified as performing assets and non-performing assets ('NPAs') in accordance with the RBI guideline on Income Recognition and Asset Classification (IRAC). Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by the RBI. The advances are stated net of specific provisions made towards NPAs and unrealised interest on NPAs. Interest on NPAs is transferred to an interest suspended account and not recognised in the Profit and Loss Account until received.

(ii) Provisioning

Provision for non-performing advances comprising sub-standard, doubtful and loss assets is made at a minimum in accordance



SCHEDULES

forming part of the Balance Sheet as at March 31, 2025

Schedule 17 Basis of preparation and significant Accounting Policies (Contd.)

with the RBI guidelines. In addition, the Bank considers accelerated specific provisioning that is based on past experience, evaluation of security and other related factors. Specific loan loss provision in respect of non-performing advances are charged to the Profit and Loss Account. Any recoveries made by the Bank in case of NPAs written off are recognised in the Profit and Loss Account. Provisions in respect of credit card receivables classified into sub-standard and doubtful assets are made at rates which are higher than those prescribed by the RBI.

The floating provisions are made in conformity with RBI guidelines and is netted off against advances and not disclosed separately under Other liabilities.

The Bank considers a restructured account as one where the Bank, for economic or legal reasons relating to the borrower's financial difficulty, grants to the borrower concessions that the Bank would not otherwise consider. Restructuring would normally involve modification of terms of the advances / securities, which would generally include, among others, alteration of repayment period / repayable amount / the amount of instalments / rate of interest (due to reasons other than competitive reasons). Restructured accounts are classified as such by the Bank only upon approval and implementation of the restructuring package. Necessary provision for diminution in the fair value of a restructured account is made and classification thereof is as per the extant RBI guidelines.

In accordance with the RBI guidelines on the prudential framework for resolution of stressed assets and the resolution framework for COVID-19 related stress, the Bank in accordance with its Board approved policy, carried out one-time restructuring of eligible borrowers. The asset classification and necessary provisions thereon are done in accordance with the said RBI guidelines.

In accordance with RBI guidelines, the Bank has provided general provision on standard assets at levels stipulated by RBI from

time to time. - direct advances to sectors agricultural and SME at 0.25%, commercial real estate at 1.00%, restructured standard advance at 5.00%, commercial real estate-residential housing at 0.75%, housing loans (which have adequate Loan to Value (LTV) ratio as prescribed by RBI) at 0.25% and for other sectors at 0.40%. Provision made against standard assets in accordance with RBI guidelines as above is disclosed separately under Other Liabilities and not netted off against Advances.

Provision for unhedged Foreign Currency Exposure of borrowers is made as per the RBI guidelines.

B. Securitisation and transfer of assets

The Bank securitises out its receivables to Special Purpose Vehicles ('SPVs') in securitisation transactions. Such securitised-out receivables are de-recognised in the Balance Sheet when they are transferred (conditions as prescribed in the Reserve Bank of India (Securitisation of Standard Assets) Directions 2021 being fully met with) and consideration is received by the Bank. In respect of receivable pools securitised-out, the Bank provides liquidity facility and credit enhancements, as specified by the rating agencies, in the form of cash collaterals / guarantees and / or by subordination of cash flows in line with the RBI guidelines. The Bank also acts as a servicing agent for receivable pools securitised-out.

The Bank enters into transactions for transfer of standard assets through the direct assignment of cash flows, which are similar to asset-backed securitisation transactions through the SPV route, except that such portfolios of receivables are assigned directly to the purchaser and are not represented by Pass Through Certificates ('PTCs').

In accordance with the Master Direction - Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021, the Bank does not provide liquidity facility or credit enhancements on the direct assignment transactions undertaken subsequent to these guidelines. The Bank amortises any profit received for every

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Schedule 17 Basis of preparation and significant Accounting Policies (Contd.)

individual securitisation or direct assignment transaction based on the method prescribed in these guidelines.

The Bank invests in PTCs issued by other SPVs. These are accounted for at the deal value and are classified as investments. The Bank also buys loans through the direct assignment route which are classified as advances. These are carried at acquisition cost unless it is more than the face value, in which case the premium is amortised over the tenor of the loans.

In accordance with RBI guidelines on sale of nonperforming advances, if the sale is at a price below the net book value (i.e., book value less provisions held), the shortfall is charged to the Profit and Loss Account and if the sale is for a value higher than the net book value, the excess provision is credited to the Profit and Loss Account in the year the amounts are received.

The Bank transfers advances through inter-bank participation with and without risk. In accordance with the RBI guidelines, in the case of participation with risk, the aggregate amount of the participation issued by the Bank is reduced from advances and where the Bank is participating, the aggregate amount of the participation is classified under advances. In the case of participation without risk, the aggregate amount of participation issued by the Bank is classified under borrowings and where the Bank is participating, the aggregate amount of participation is shown as due from banks under advances. Advances exclude derecognised securitised advances, inter-bank participation certificates issued.

C. Priority Sector Lending Certificates (PSLCs)

The Bank enters into transactions for the sale or purchase of Priority Sector Lending Certificates (PSLCs). In the case of a sale transaction, the Bank sells the fulfilment of priority sector obligation and in the case of a purchase transaction the Bank buys the fulfilment of priority sector obligation through the RBI trading platform. There is no transfer of risks or loan assets. The fee received for the sale of PSLCs is recorded as 'Miscellaneous Income' and the fee paid for purchase of the PSLCs is recorded as 'Other

Expenditure' in the Profit and Loss Account. These are amortised on quarterly basis.

D. Investments

Classification and valuation of the Bank's Investments is carried out in accordance with RBI Master Direction "RBI/DOR/2023-24/104 DOR.MRG.36/21.04.141/2023-24", "Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023" Dated September 12, 2023 as applicable from April 01, 2024 and Fixed Income Money Market and Derivatives Association ('FIMMDA') guidelines issued in this regard from time to time.

(i) Classification

In accordance with the RBI guidelines on investment classification and valuation, investments are classified on the date of purchase into (except investments in own subsidiaries, joint ventures and associates) under three categories, viz., Held to Maturity (HTM), Available for Sale (AFS) and Fair Value through Profit and Loss (FVTPL). Held for Trading (HFT) is a separate investment subcategory within FVTPL which is called as FVTPL-HFT.

The security, i.e., the financial assets are held with an objective to collect the contractual cash flows; and the contractual terms of the security give rise to cash flows that are solely payments of principal and interest on principal outstanding ('SPPI criterion') on specified dates and are held till maturity are classified as HTM investments.

The security is acquired with an objective that is achieved by both collecting contractual cash flows (the contractual terms of the security meet the 'SPPI criterion') and selling securities are classified as AFS investments. Bank may make an irrevocable election to classify an equity instrument that is not held with the objective of trading under AFS.

Securities that do not qualify for inclusion in HTM or AFS are classified under FVTPL. These are inter-alia include:



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- (i) Equity shares, other than
 - equity shares of subsidiaries, associates or joint ventures;
 - equity shares where, at initial recognition, the irrevocable option to classify at AFS has been exercised.
- (ii) Investments in Mutual Funds, Alternative Investment Funds, Real Estate Investment Trusts, Infrastructure Investment Trusts, etc.
- (iii) Investment in securitisation notes which represent the equity tranche of a securitisation transaction.
- (iv) Bonds, debentures, etc. where the payment is linked to the movement in a particular index such as an equity index rather than an interest rate benchmark.
- (v) Instruments with compulsorily, optionally or contingently convertible features.
- (vi) Instruments with contractual loss absorbency features such as those qualifying for Additional Tier 1 and Tier 2 under Basel III Capital Regulations.
- (vii) Instruments whose coupons are not in the nature of interest as defined in master directions Clause 4(a)(xviii).

Further, Bank classify the investments in HFT category as a sub-category of FVTPL.

Any instrument that a bank holds for one or more of the following purposes, when it is first recognised on its books, is designated as a HFT instrument:

- a) short-term resale;
- b) profiting from short-term price movements;
- c) locking in arbitrage profits; or
- d) hedging risks that arise from instruments meeting (a), (b) or (c) above.

Unlisted equities and equity investments in subsidiaries, associates and joint ventures are not included in HFT category.

Investments in subsidiaries, associates and joint ventures is held in a distinct category. Such investments are held separate from the other investment categories (viz. HTM, AFS and FVTPL).

For disclosure in the financial statements, the investments are classified under six groups (hereinafter called “groups”):

- (i) Government Securities;
- (ii) Other Approved Securities;
- (iii) Shares;
- (iv) Debentures & Bonds;
- (v) Subsidiaries and / or Joint Ventures; and
- (vi) Other Investments.

Bank categorizes the investment portfolio under AFS and FVTPL into three fair value hierarchies viz. Level 1, Level 2, and Level 3 as defined in the RBI Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023.

Level 1: Those inputs which are quoted prices in active markets for identical instruments that the bank can access at the measurement date.

Level 2: Those inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs.

Levelling of securities under AFS and FVTPL category i.e. L1, L2 and L3 is required only on reporting date.

All investments purchase and sale including equity shares are recorded under “Settlement Date” Accounting.

(ii) Acquisition cost

The cost of investments is determined at the time of initial recognition at fair value. Carrying cost is arrived on weighted average basis. Broken period interest on debt instruments and government securities are

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considered as a revenue item. The transaction costs including brokerage, commission, transaction/settlement charges etc. paid at the time of acquisition of investments are recognised in Profit and Loss Account.

Where the securities are quoted or the fair value can be determined based on market observable inputs (such as yield curve, credit spread, etc.) any Day 1 gain/loss is recognised in the Profit and Loss Account, under Schedule 14: 'Other Income' within the subhead 'Profit on revaluation of investments' or 'Loss on revaluation of investments', as the case may be.

Any Day 1 loss arising from Level 3 investments is recognised immediately.

Any Day 1 gains arising from Level 3 investments are deferred. In the case of debt instruments, the Day 1 gain is amortized on a straight-line basis upto the maturity date (or earliest call date for perpetual instruments), while for unquoted equity instruments, the gain is set aside as a liability until the security is listed or derecognised.

(iii) Reclassifications between categories

Reclassifications of investments between categories, if any are considered in accordance with the extant RBI guidelines with the approval of the Board of Directors and prior approval of the Department of Supervision (DoS), RBI:

If Bank is permitted to reclassify its investment portfolio, it applies the reclassification prospectively from the reclassification date. The reclassification date is the first day of the first reporting period following the supervisory permission allowing reclassification of financial assets.

Following is the accounting treatment given at the time of reclassification of investments from one category to another category:

- a) Reclassification from HTM to AFS is made at fair value. The fair value measured at the reclassification date is the revised carrying value. Any gain or loss arising from a difference between

the revised carrying value and the previous carrying value is recognised in AFS-Reserve.

- b) Reclassification from HTM to FVTPL is made at fair value. The fair value measured at the reclassification date is the revised carrying value. Any gain or loss arising from a difference between the revised carrying value and previous carrying value of the investments are recognised in the Profit and Loss Account under Item (III): 'Profit on revaluation of investments' under Schedule 14: 'Other Income'.
- c) Reclassification from AFS to HTM is made at its fair value at the reclassification date. However, the cumulative gain/loss previously recognised in the AFS-Reserve is withdrawn therefrom and adjusted against the fair value of the investments at the reclassification date to arrive at the revised carrying value. Thus, the revised carrying value is the same as if the bank had classified the investment in HTM ab initio itself.
- d) Transfer from AFS to FVTPL is made at fair value and the cumulative gain or loss previously recognised in AFS-Reserve is withdrawn therefrom and recognized in the Profit and Loss Account, under Item (III): 'Profit on revaluation of investments' under Schedule 14: 'Other Income'.
- e) Transfer from FVTPL to HTM/AFS is made at carrying value which represents fair value at the reclassification date. Difference between the book value after amortization and Fair value on the reclassification date is booked under Profit and Loss Account on Portfolio Shifting revaluation.

(iv) Subsequent Measurement & Fair Value of Investments

Investments classified under HTM is carried at cost and is not marked to market (MTM) after initial recognition. Any discount or premium on the securities under HTM is amortised over the remaining life of the



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instrument. The amortised amount is reflected in the financial statements under item II 'Income on Investments' of Schedule 13: 'Interest Earned' with a contra in Schedule 8: 'Investments'.

Investments classified as AFS is fair valued on daily basis. The valuation gains and losses across all performing investments, irrespective of classification, held under AFS is aggregated. The net appreciation or depreciation is directly credited or debited to a reserve named AFS-Reserve without routing through the Profit & Loss Account. Any discount or premium on the acquisition of debt securities under AFS is amortised over the remaining life of the instrument. The amortised amount is reflected in the financial statements under item II 'Income on Investments' of Schedule 13: 'Interest Earned' with a contra in Schedule 8: 'Investments'.

Amortisation of discount/premium is applicable only for investments and not for short positions.

The AFS-Reserve is reckoned as Common Equity Tier (CET) 1 subject to clause 28 of these Directions. The unrealised gains transferred to AFS-Reserve are not available for any distribution such as dividend and coupon on Additional Tier 1.

In the case of equity instruments designated under AFS at the time of initial recognition, any gain or loss on sale of such investments is not transferred from AFS-Reserve to the Profit and Loss Account. Instead, such gain or loss is transferred from AFS-Reserve to the Capital Reserve.

The securities held in FVTPL are fair valued and the net gain or loss arising on such valuation are to be directly credited or debited to the Profit and Loss Account. Securities that are classified under the FVTPL are fair valued on a daily basis.

Any discount or premium on the acquisition of debt securities (securities that meet the SPPI criterion) under FVTPL is amortised over the remaining life of the instrument. The amortised amount is reflected in the

financial statements under item II 'Income on Investments' of Schedule 13: 'Interest Earned' with a contra in Schedule 8: 'Investments'.

For the purpose of the valuation of Investment and its related accounting in the system Bank uses the last available observable inputs on the day of valuation i.e. prices, yield curves, spreads, NAV, etc. which are published by FBIL, FIMMDA, NSE & BSE, AMFI, ARC etc.

Treasury bills, commercial papers and certificates of deposit are valued at carrying cost including the pro rata discount accreted for the holding period.

On sale of stressed assets, if the sale is at a price below the net book value, the shortfall is charged to the Profit and Loss Account and if the sale is for a value higher than the net book value, the excess is credited as profit to the Profit and Loss Account in the year when the initial consideration received in cash and / or redemption or transfer of security receipts issued by Securitisation company ('SC') / Reconstruction Company ('RC') is higher than the net book value of the loan at the time of transfer.

In respect of stressed assets sold under an asset securitisation, where the investment by the bank in security receipts (SRs) backed by the assets sold by it is more than 10 percent of such SRs, provisions held on the SRs are higher of the provisions required in terms of net asset value declared by the SC / RC and provisions as per the extant norms applicable to the underlying loans, notionally treating the book value of these SRs as the corresponding stressed loans assuming the loans remained in the books of the Bank.

The fair value for the quoted securities is the prices declared by the Financial Benchmarks India Private Ltd. (FBIL). For securities whose prices are not published by FBIL, the fair value of the quoted security is based upon quoted price as available from the trades/ quotes on recognised stock exchanges, reporting platforms or trading platforms authorized by RBI/SEBI

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or prices declared by the Fixed Income Money Market and Derivatives Association of India (FIMMDA). Unquoted Central / State Government securities is valued on the basis of the prices/ YTM rates published by the FBIL.

Unquoted debentures and bonds are valued by applying the appropriate mark-up over the YTM rates for Central Government Securities as put out by FBIL/FIMMDA.

Equity shares for which current quotations are not available i.e., which are classified as illiquid or which are not listed on a recognised exchange, the fair value is the break-up value (without considering 'revaluation reserves', if any) which is ascertained from the company's latest audited balance sheet. The date as on which the latest balance sheet is drawn up is not precede the date of valuation by more than 18 months. In case the latest audited balance sheet is not available or is more than 18 months old, the shares are valued at ₹1 per company.

Investment in un-quoted mutual fund units are valued at latest available re-purchase price as declared by the mutual fund in respect of each scheme.

In case of funds with a lock-in period or any other Mutual Fund, where repurchase price/ market quote is not available, Units are valued at Net Asset Value (NAV). If NAV is not available, these are valued at cost, till the end of the lock-in period.

The valuation of investments includes securities under repo transactions.

Non-performing investments are identified and depreciation / provision are made thereon based on the RBI guidelines. The depreciation / provision on such non-performing investments are not set off against the appreciation in respect of other performing securities. Further, any MTM appreciation in the security is ignored. Interest on non-performing investments is not recognised in the Profit and Loss Account until received. Provision on NPI is higher of the following amounts:

- I. The amount of provision required as per IRACP norms computed on the carrying value of the investment immediately before it was classified as NPI; and
- II. The depreciation on the investment with reference to its carrying value on the date of classification as NPI.

(v) Transition date accounting

Transition to the new guidelines of RBI

As on the date of transition, the Bank followed:

- I. The securities under the earlier categories, viz HTM, AFS and HFT were classified under new categories HTM, AFS and FVTPL (including FVTPL-HFT).
- II. The balance in provision for depreciation, as at March 31, 2024, was reversed into the General Reserve.
- III. Amortisation of discounted securities of HTM Portfolio (from last purchase date to March 31, 2024) was accounted through debit the Investment ledger and credit the General Reserve ledger.
- IV. Securities in AFS and FVTPL portfolio were transferred at market value. Also, the difference between the book value as on March 31, 2024 and the market value was accounted in General Reserve.

(vi) Disposal of investments

Profit / Loss on sale of investments under AFS (other than Equity) and HFT category are recognised in the Profit and Loss Account on sale or maturity of security in AFS category, the accumulated gain/ loss for that security in the AFS-Reserve is transferred from the AFS-Reserve and recognized in the Profit and Loss Account under item II Profit on sale of investments under Schedule 14-Other Income.

In any financial year, the carrying value of investments sold out of HTM does not exceed five per cent of the opening carrying value of the HTM portfolio (Except exclusions



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given in Chapter VII - "Sale of Investment from HTM para 21 of Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023"). Any sale beyond this threshold requires prior approval from DoS, RBI.

Any profit or loss on the sale of investments in HTM is recognized in the Profit and Loss Account under Item II of Schedule 14: 'Other Income'. The profit on sale of an investments in HTM is appropriated below the line from the Profit and Loss Account to the 'Capital Reserve Account'. The amount so appropriated is net of taxes and the amount required to be transferred to Statutory Reserve.

(vii) Investment Fluctuation Reserve

To build up adequate reserves to protect against increase in yields in future, the Bank has created an Investment Fluctuation Reserve (IFR) to the extent of the lower of the following:

- a) net profit on sale of investments during the year;
- b) net profit for the year less mandatory appropriations.

As per the RBI directions, this reserve is to be created until the amount of IFR is at least 2 percent of the FVTPL (including FVTPL-HFT) and AFS portfolio, on a continuing basis.

Bank is permitted to draw down the balance available in IFR in excess of two percent of its AFS and FVTPL (including FVTPL-HFT) portfolio, for credit to the balance of profit/loss as disclosed in the Profit and Loss account at the end of any accounting year.

(viii) Repo and reverse repo transactions

Repurchase ('repo') and reverse repurchase ('reverse repo') transactions including liquidity adjustment facility (with RBI) accounted for as borrowing and lending transactions. Accordingly, securities given as collateral under an agreement

to repurchase them are held under the investments of the Bank and the Bank is accruing the coupon/discount on such securities during the repo period. The Bank value the securities sold under repo transactions as per the investment classification of the securities. The difference between the clean price of the first leg and clean price of the second leg is recognised as interest income/expense over the period of the transaction in the Profit and Loss Account.

E. Transactions involving foreign exchange

Initial recognition

Transactions in foreign currencies entered into by the Bank are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement at the Balance Sheet date

Foreign currency monetary items, if any, of the Bank, outstanding at the balance sheet date are restated at the rates prevailing as at Balance sheet date as notified by Foreign Exchange Dealers Association of India ('FEDAI'). Non-monetary items of the Bank are carried at historical cost.

Contingent liabilities on account of foreign exchange contracts, currency future contracts, guarantees, letters of credit, acceptances and endorsements are reported at closing rates of exchange notified by FEDAI as at the Balance Sheet date.

Treatment of Exchange differences

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Bank are recognised as income or expense in the Profit and Loss Account.

Foreign exchange and derivative contracts

Derivative transactions comprise foreign exchange contracts, forward rate agreements, swaps and option contracts. The Bank undertakes derivative transactions for market making/trading and Bank book transactions on-balance sheet assets and liabilities. All market making/trading transactions are marked to

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market on daily basis and the resultant unrealized gains/losses are recognized in the profit and loss account.

Outstanding forward exchange contracts (including funding swaps which are not revalued) are revalued daily basis on Present Value basis by discounting the forward value till present date.

Premium/discount on Bank book transactions is recognised as interest income/expense and is amortised on a pro-rata basis over the underlying swap period.

Derivatives are classified as assets when the fair value is positive (positive marked to market) or as liabilities when the fair value is negative (negative marked to market).

Notional amounts of derivative transactions comprising of swaps, futures and options are disclosed as off-Balance Sheet exposures.

Pursuant to RBI guidelines, any overdue receivables representing positive mark-to-market value under derivative contracts which remain unpaid for a period of 90 days or more from the specified due date for payment is a Non-Performing Asset. The mark-to-market unrealised gains on all derivative contracts already taken in the profit and loss account with the same counterparties are reversed and held in Suspended Account - Crystallised Receivable.

F. Employee Benefits

Employee benefits include Provident Fund, National Pension Scheme, Gratuity and Compensated Absences.

Defined contribution plan:

Provident Fund

The Bank's contributions to provident fund are considered as defined contribution plan and are charged as an expense as they fall due based on the amount of contribution required to be made when the services are rendered by the employees.

National Pension Scheme (NPS)

In respect of employees who opt for contribution to the NPS, the Bank contributes certain

percentage of the basic salary of employees to the aforesaid scheme, a defined contribution plan, which is managed and administered by pension fund management companies. The Bank has no liability other than its contribution, and recognises such contributions as an expense in the year incurred.

Defined Benefits Plan

Gratuity

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Profit and Loss Account in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested while otherwise, it is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Compensated absences - Long term Employee benefits

The Bank accrues the liability for compensated absences based on actuarial valuation as at the Balance Sheet date conducted by an independent actuary which includes assumptions about demographics, early retirement, salary increases, interest rates and leave utilisation. The net present value of the Banks' obligation is determined using the Projected Unit Credit Method as at the Balance Sheet date. Actuarial gains/losses are recognised in the Profit and Loss Account in the year in which they arise.

Other Employee benefits

The undiscounted amount of short-term employee benefits expected to be paid



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in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive.

Share based payments

The Employee Stock Option Schemes (ESOSs) of the Bank are in accordance with Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and RBI guidelines to the extent applicable. The Schemes provide for grant of options on equity shares to employees of the Bank to acquire the equity shares of the Bank that vest in a cliff vesting or in a graded manner and that are to be exercised within a specified period.

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and the Guidance Note on Accounting for Employee Share-based Payments, issued by The Institute of Chartered Accountants of India, the cost of equity-settled transactions is measured using the intrinsic value method. The intrinsic value being the excess, if any, of the fair market price of the share under ESOSs over the exercise price of the option is recognised as deferred employee compensation with a credit to Employee's Stock Option (Grant) Outstanding account. The deferred employee compensation cost is amortised on a straight-line basis over the vesting period of the option. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the number of equity instruments that are outstanding. The fair market price is the latest available closing price preceding the date of grant of the option, on the stock exchange on which the shares of the Bank are listed.

In accordance with the RBI circular RBI/2021-22/95DOR.GOV.REC.44/29.67.001/2021-22 "Guidelines on Compensation of Whole Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function staff - Clarification" dated August 30, 2021, Share-linked instruments granted to Whole Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function staff after the accounting

period ending March 31, 2021, is fair valued on the date of grant using Black-Scholes model.

The fair value method is followed for all share-linked instruments granted after March 31, 2024. The fair value of the option is estimated on the date of grant using Black-Scholes model and is recognised as deferred employee compensation with a credit to Employee's Stock Option (Grant) Outstanding account.

The options that do not vest because of failure to satisfy vesting condition are reversed by a credit to employee compensation expense, equal to the amortised portion of value of lapsed portion. In respect of the options which expire unexercised the balance standing to the credit of Employee's Stock Option (Grant) Outstanding accounts is transferred to General Reserve.

G. Revenue recognition

- i) Interest Income is recognized on a time proportion accrual basis taking into account the amount outstanding and the interest rate implicit in the underlying agreements. Income or any other charges on non-performing assets or on assets taken in custody for recovery of loan through disposal of such assets during the period are recognized only when realized as per the IRAC norms of RBI. Any such income recognized and remaining unrealized, before the asset became non-performing or before disposal of assets in custody of the company, is reversed. Overdue interest is recognized on realization basis. Overdue interest is treated to accrue on realisation, due to the uncertainty of their realisation other than on running accounts where it is recognised when due.
- ii) in case of CC/OD and Credit card, Service charges, fees and commission income are recognised when due . Commission income on guarantee and letter of credit is recognised over the period of contract.
- iii) Income on discounted instruments are recognised over the tenure of the instrument on a constant yield basis.
- iv) Loan origination income i.e. processing fee and other charges are collected upfront and recognised at the inception of the loan.

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- v) All other charges such as EMI bounce charges, cheque return charges, penal charges, legal charges, seizing charges, etc. are recognised on realisation basis. These charges are treated to accrue on realisation, due to the uncertainty of their realisation.
- vi) Dividend income is recognized on an accrual basis when the right to receive the dividend is established.
- vii) Interest income on deposits with banks and other financial institutions are recognised on a time proportion accrual basis taking into account the amount outstanding and the rate applicable.
- viii) Interest income on investments is recognised on accrual basis.
- ix) Gains arising on securitisation of assets is recognised over the tenure of securities issued by SPV as per guidelines on securitisation of standard assets issued by RBI. Income from excess interest spread is accounted for net of losses when redeemed in cash. Expenditure in respect of securitisation (except bank guarantee fees for credit enhancement) is recognised upfront. Bank guarantee fees for credit enhancement is amortised over the tenure of the agreements. Income arising on direct assignment is recognised over the tenure of agreement on accrual basis.
- x) Amounts recovered against debts written off in earlier years and provisions no longer considered necessary in the context of the current status of the borrower are recognised in the Profit and Loss Account.
- xi) Fees received on sale of Priority Sector Lending Certificates is recognised on proportionate basis during the financial year and considered as Miscellaneous Income, in accordance with the guidelines issued by the RBI and amortised on quarterly basis.

H. Reward Points

The Bank estimates the probable redemption of reward points and cost per point using an

actuarial method by employing an independent actuary, which includes assumptions such as mortality, redemption and spends etc.

I. Accounting for leases

Operating Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term is classified as operating leases. Operating lease rentals are recognised as an expense on straight-line basis over the lease period in accordance with the AS 19, Leases.

J. Taxation

Tax expenses comprises of current income tax and deferred tax.

Income tax

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in Profit and Loss Account.

Deferred taxes

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the Profit and Loss Account.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Bank has unabsorbed depreciation or carry



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forming part of the Balance Sheet as at March 31, 2025

Schedule 17 Basis of preparation and significant Accounting Policies (Contd.)

forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying cost of the deferred tax assets are reviewed at each balance sheet date. The Bank writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

K. Accounting for provisions, contingent liabilities and contingent assets

In accordance with AS-29, Provisions, Contingent Liabilities and Contingent Assets a provision is recognised when the Bank has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Provisions for liabilities on the outstanding reward points on credit card are made based on an independent actuarial valuation as at the Balance Sheet date and included in other liabilities and provisions.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Bank or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation.

A contingent liability also arises where there is a liability that cannot be recognised because it

cannot be measured reliably. The Bank does not recognize a contingent liability but discloses its existence in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

L. Earnings Per Share (EPS)

Basic and diluted earnings per share is computed in accordance with Accounting Standard-20 - Earnings per share.

Basic earnings per share is calculated by dividing the net profit or loss after tax for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the period.

For the purpose of calculating diluted earnings per share, the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

M. Cash and Cash Equivalents

Cash and Cash equivalents include cash in hand, foreign currency notes, rupee digital currency, balances with RBI, balances with other banks and institutions, money at call and short notice (including the effect of changes in exchange rates on cash and cash equivalents in foreign currency).

N. Fixed Assets

(i) Property, Plant and Equipment (PPE) and software

Property, Plant and Equipment and software are carried at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price and directly attributable cost of bringing the asset to its working condition for the intended use.

Gains or losses arising from derecognition of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in

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forming part of the Balance Sheet as at March 31, 2025

Schedule 17 Basis of preparation and significant Accounting Policies (Contd.)

the Profit and Loss Account when the asset is derecognized.

(ii) Depreciation on Property, Plant and Equipment (PPE) and software

Leasehold land is amortised on a straight-line basis over the period of lease.

Depreciation on Property, Plant, Equipment and software is charged on a straight-line basis using the rates arrived at, based on the useful lives estimated by the management as given below. The useful lives have been estimated by the management based on technical advice obtained. Determination of useful life of an asset is a matter of judgment and based on various factors such as type and make of an item, its place and pattern of usage, nature of technology, obsolescence factors, availability of spares, etc. and makes a significant impact on the useful life of an asset.

Particulars	Useful Life (years)
Premises owned by the Bank	60
Furniture and Fixtures	10
Vehicles	8
Software	4-7
Computers, Printers, servers and other office equipment	3-6
ATMs	10
Safe, Locker and locker gate	15

Addition to lease hold premises are charged off over the remaining period of lease subject to maximum of 10 years.

Items individually costing up to ₹5,000/- are fully depreciated in the year of installation/ purchase as the management estimates the useful life of such assets as one year.

Depreciation on assets acquired/sold during the period is recognised on a pro-rata basis to the Profit and Loss Account from/upto the date of acquisition/sale.

Profit on sale of immovable property net of taxes and transfer to statutory reserve, are transferred to capital reserve account.

The residual values, useful lives and methods of depreciation of property, plant and

equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(iii) Impairment of assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(iv) Capital work-in-progress/ Software under development

Costs incurred towards acquisition of assets, including expenses incurred prior to those assets being put to use and directly attributable to bringing them to their working condition are included under "Capital Work in Progress". Capital Work in Progress including Software under development are stated at the amount incurred up to the date of Balance Sheet.

O. Segment Reporting

Part A: Business segments

Business segments have been identified and reported taking into account, the target customer profile, the nature of products and services, the differing risks and returns, the organisation structure, the internal business reporting system and accordance with guidelines issued by RBI vide DBOD.No.BP.BC.81/21.01.018/2006-07 dated April 18, 2007 and in compliance with the Accounting Standard 17 - "Segment Reporting". The Bank operates in the following segments:



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forming part of the Balance Sheet as at March 31, 2025

Schedule 17 Basis of preparation and significant Accounting Policies (Contd.)

(a) Treasury

The treasury segment primarily consists of net interest earnings from the Bank's investment portfolio, money market borrowing and lending and gains or losses on investment operations and on account of trading in foreign exchange and derivative contracts.

(b) Retail banking

Digital Banking

The digital banking segment represents business by Digital Banking Units (DBUs). The said DBUs serves retail customers through the Bank's digital network and other online channels. This segment raises deposits from customers and provides loans and other services to customers. Revenues of the DBUs are derived from interest earned on retail loans, fees from services rendered, etc. Expenses of this segment primarily comprise of interest expense on deposits, infrastructure and premises expenses for operating the DBUs, other direct overheads and allocated expenses of specialist product groups.

Other Retail Banking

The retail banking segment serves retail customers through a branch network and other delivery channels. This segment raises deposits from customers and provides loans and other services to customers with the help of specialist product groups. Exposures are classified under retail banking taking into account the status of the borrower (orientation criterion), the nature of product, granularity of the exposure and the quantum thereof. Revenues of the retail banking segment are derived from interest earned on retail loans, fees from services rendered and income from credit card operation etc. expenses of this segment primarily comprise interest expense on fund borrowed from external sources, interest on deposits, personnel costs, infrastructure and premises expenses for operating the branch network and other delivery channels, other direct overheads and allocated expenses of specialist product groups, processing units and support groups.

(c) Wholesale banking

The wholesale banking segment provides loans and transaction services to large corporates, emerging corporates, public sector units, government bodies, financial institutions and medium scale enterprises. Revenues of the wholesale banking segment consist of interest earned on loans made to customers etc. The principal expenses of the segment consist of interest expense on funds borrowed from external sources, interest on deposits, personnel costs, other direct overheads and allocated expenses of delivery channels, specialist product groups, processing units and support groups.

(d) Other banking business

This segment includes income from para banking activities such as third party product distribution and the associated costs.

(e) Unallocated

All items which are reckoned at an enterprise level are classified under this segment. This includes unallocable assets and liabilities such as deferred tax, etc.

Segment revenue includes earnings from customers. Segment result includes revenue less interest expense less operating expense and provisions, if any, for that segment. Segment-wise income and expenses include certain allocations.

Part B: Geographic segments

The Bank operates in a single geographic segment i.e. domestic.

P. Share Issue Expenses

Share issue expenses are adjusted from Securities Premium Account as permitted by Section 52 of the Companies Act, 2013.

Q. Accounting for Proposed Dividend

Dividend proposed/ declared after the balance sheet date is accrued in the books of the Bank in the year in which the dividend is approved by the shareholders as per revised Accounting Standard (AS) 4 'Contingencies and Events occurring after the Balance sheet date' as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016, dated March 30, 2016.

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forming part of the Balance Sheet as at March 31, 2025

Schedule 18 Notes forming part of the financial statements for the year ended March 31, 2025

Amounts in notes forming part of the financial statements for the year ended March 31, 2025 are denominated in rupee crore to conform to extant RBI guidelines, except where stated otherwise.

A. Disclosures as Laid Down by RBI Circulars

1 Amalgamation of Fincare Small Finance Bank

The Board of Directors at its respective meetings held on October 29, 2023, approved the scheme of amalgamation ("Scheme") for the amalgamation of Fincare Small Finance Bank Limited ("Transferor Company") with AU Small Finance Bank Limited ("Transferee Company"), in accordance with Section 44A of the Banking Regulation Act, 1949 and the Reserve Bank of India Master Direction - Amalgamation of Private Sector Banks Directions, 2016.

The Scheme was approved by the shareholders of Transferor Company and Transferee Company on November 24, 2023 and November 27, 2023 respectively at their extra ordinary general meeting and by the Competition Commission of India (the "CCI") and the Reserve Bank of India (the "RBI") on January 23, 2024 and March 4, 2024 respectively.

At the request of the Transferor Company and the Transferee Company, RBI approved the appointed date as April 1, 2024.

As per the Scheme, upon its coming into effect from the effective date i.e. April 1, 2024, the entire undertaking of eFincare SFB including all its assets, liabilities and reserves and surplus stood transferred / deemed to be transferred to and vest in AUSFBL. Further, in consideration of the transfer of and vesting of the undertaking of Fincare, 579 (Five Hundred Seventy Nine) equity shares of face value of ₹10/- each of AUSFBL for every 2,000 (Two Thousand) equity shares of face value of ₹10/- each of eFincare SFB were issued to shareholders of eFincare SFB on the record date i.e. March 22, 2024. Accordingly 7,35,25,352 equity shares of ₹10/- each of AUSFBL were allotted at par to the shareholders of eFincare SFB vide board resolution dated April 1, 2024. In addition, the Bank is required to issue its shares on exercise of options which have been granted to the employees of the Transferor Company in terms of its ESOP plan.

Accordingly, the paid-up share capital has increased from ₹669.16 crore consisting of 66,91,62,451 equity shares of ₹10/- each to ₹ 742.69 crore consisting of 74,26,87,803 equity shares of ₹10/- each on April 1, 2024 .

The excess of the paid up value of equity shares of Transferor Company over the paid up value of equity shares issued as consideration amounting to ₹180.45 crore has been transferred to Amalgamation Reserve as per the Scheme of Amalgamation.

The amalgamation has been accounted using the pooling of interest method under Accounting Standard 14 prescribed under Section 133 of the Companies Act, 2013 (AS-14), "Accounting for amalgamation" and the principles laid down in Clause 20 (b) to (g) of the approved Scheme of Amalgamation.

The assets, liabilities and reserves and surplus of eFincare SFB were recorded by the Bank at their carrying amounts as on April 1, 2024 except for necessary adjustments which were made to bring uniformity of accounting policies as required under AS-14. The net impact of these adjustments has been adjusted in the balance of Profit and Loss Account.

The results for the year ended March 31, 2025 include the operations of eFincare SFB. Hence the results for the year ended March 31, 2025 are not comparable with the previous year.

2 Regulatory Capital

a) Composition of Regulatory Capital

The Capital adequacy ratio ("CAR") has been computed as per operating guideline for Small Finance Bank in accordance with RBI Circular No. RBI/2016-17/81DBR. NBD. No.26/16.13.218/2016-17 dated October 6, 2016.

The Bank has followed Basel II standardized approach for credit risk in accordance with the Operating Guideline issued by the Reserve Bank of India for Small Finance banks. Further, the RBI vide its circular No. DBR.NBD.No. 4502/16.13.218/2017-18 dated November 8, 2017 has provided an exemption to all small Finance banks whereby no separate capital



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forming part of the Balance Sheet as at March 31, 2025

Schedule 18 Notes forming part of the financial statements for the year ended March 31, 2025 (Contd.)

charge is prescribed for market risk and operational risk.

The total Capital Adequacy ratio of the Bank as at March 31, 2025 is 20.06% (previous year: 20.06%) against the regulatory requirement of 15.00% as prescribed by RBI.

No Capital Conservation Buffer and Counter - Cyclical Capital Buffer is applicable on Small Finance Bank (SFB) as per operating guidelines issued on SFB by RBI.

The following table set forth, for the year indicated, computation of Capital adequacy:

		(₹ in Crore)	
Sr. No.	Particulars	March 31, 2025	March 31, 2024
(i)	Common Equity Tier 1 capital (net of deductions, if any)	16,339.28	11,972.37
(ii)	Additional Tier 1 capital	-	-
(iii)	Tier 1 capital (i + ii)	16,339.28	11,972.37
(iv)	Tier 2 capital	1,726.26	800.80
(v)	Total capital (Tier 1+Tier 2)	18,065.54	12,773.17
(vi)	Total Risk Weighted Assets (RWAs)	90,072.23	63,684.83
(vii)	CET 1 Ratio (CET 1 as a percentage of RWAs)	18.14%	18.80%
(viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	18.14%	18.80%
(ix)	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	1.92%	1.26%
(x)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	20.06%	20.06%
(xi)	Leverage Ratio	9.85%	10.28%
(xii)	Percentage of the shareholding of Government of India	0.00%	0.00%
(xiii)	Amount of paid-up equity capital raised during the year*	75.37	2.42
(xiv)	Amount of non-equity Tier 1 capital raised during the year, of which:		
	a) Perpetual Non Cumulative Preference Shares (PNCPS)	-	-
	b) Perpetual Debt Instruments (PDI)	-	-
(xv)	Amount of Tier 2 capital raised during the year, of which		
	a) Debt capital instruments^	770.00	-
	b) Perpetual Non Cumulative Preference Shares (PNCPS)	-	-
	c) Perpetual Debt Instruments (PDI)	-	-

*During the year ended March 31, 2025, the Bank has allotted 7,53,68,080 equity shares out of which 7,35,25,352 shares were issued due to merger of Fincare unit and 18,42,728 equity shares in respect of stock options (previous year: 24,17,396 equity shares), aggregating to paid up share capital of ₹75.37 crore (previous year: ₹2.42 crore). Further, the reserves (Security premium) of the Bank have increased by ₹59.47 crore (previous year: ₹81.42 crore) in respect of stock options exercised.

^During the year ended March 31, 2025, Bank has allotted 77,000 Unsecured, Rated, Listed, Redeemable, Subordinated, Non-Convertible Lower Tier II Bonds in the nature of Non-Convertible Debentures, of face value ₹1,00,000/- each, categorized as Tier II Capital for an amount aggregating up to ₹770 crores on a private placement basis ("NCDs") (Previous year : NIL).

b) Draw down from reserves

There has been no draw down from reserves during the year ended March 31, 2025 and March 31, 2024 other than those disclosed under Schedule 2.

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forming part of the Balance Sheet as at March 31, 2025

Schedule 18 Notes forming part of the financial statements for the year ended March 31, 2025 (Contd.)

3 Asset Liability Management

a) Maturity pattern of certain items of assets and liabilities

As at March 31, 2025

Particulars	Day 1	2 to 7 days	8 to 14 days	15 to 30 days	31 days to 2 months	Over 2 months and upto 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total
Deposits	1,377.45	9,109.24	2,464.86	3,763.87	6,738.91	2,690.05	13,481.53	34,151.55	49,768.96	448.73	273.39	124,268.54
Advances	93.45	580.36	1,587.12	2,328.64	3,027.83	3,017.87	7,688.34	13,662.59	43,018.76	16,567.62	15,519.90	107,092.48
Investments	10,573.76	2,076.13	791.99	3,847.39	1,074.36	919.35	1,854.58	6,071.46	8,843.60	1,443.91	350.99	37,847.52
Borrowings	0.04	102.65	28.21	25.00	1,170.39	246.22	2,480.02	2,025.19	4,131.93	1,345.86	104.39	11,659.90
Foreign Currency assets	56.44	247.88	-	3.12	0.28	5.21	0.89	-	-	-	-	313.82
Foreign Currency liabilities	-	-	-	-	-	7.48	64.75	53.59	286.70	0.16	-	412.68

As at March 31, 2024

Particulars	Day 1	2 to 7 days	8 to 14 days	15 to 30 days	31 days to 2 months	Over 2 months and upto 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total
Deposits	1,417.20	4,958.58	1,123.40	3,087.18	3,582.73	2,430.86	8,057.65	18,535.48	43,036.57	679.90	272.57	87,182.12
Advances	20.26	239.42	759.18	653.63	1,859.70	2,018.48	4,414.14	8,391.75	32,610.67	11,407.33	10,788.09	73,162.65
Investments	7,714.16	1,100.88	224.99	959.61	1,598.45	1,048.72	2,138.48	4,412.11	7,406.12	317.07	212.78	27,133.37
Borrowings	0.01	-	37.29	38.00	360.19	156.34	493.54	1,015.86	2,386.02	271.88	720.24	5,479.37
Foreign Currency assets	0.82	-	-	-	-	-	-	-	-	-	-	0.82
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-	-

Classification of non-maturing assets and liabilities under the different maturity buckets is based on the same estimates and assumptions as used by the Bank for compiling the return submitted to the RBI, which has been relied upon by the auditors.



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forming part of the Balance Sheet as at March 31, 2025

Schedule 18 Notes forming part of the financial statements for the year ended March 31, 2025 (Contd.)

b) Liquidity Coverage Ratio (LCR)

i) Quantitative disclosure on Liquidity Coverage Ratio (LCR) for year ended March 31, 2025:

Particulars	Quarter ended March 31, 2025			Quarter ended December 31, 2024			Quarter ended September 30, 2024			Quarter ended June 30, 2024		
	Total	Unweighted Value (average)*	Weighted Value (average)*	Total	Unweighted Value (average)*	Weighted Value (average)*	Total	Unweighted Value (average)*	Weighted Value (average)*	Total	Unweighted Value (average)*	Weighted Value (average)*
(₹ in Crore)												
High Quality Liquid Assets												
1 Total High Quality Liquid Assets (HQLA)	27,811.20			26,109.55			23,366.61			22,632.47		
Cash Outflows												
2 Retail deposits and deposits from small business customers, of which:												
(i) Stable deposits	1,965.90		98.30	2,034.95		101.75	2,033.08		101.65	1,803.63		90.18
(ii) Less stable deposits	59,565.07		5,956.51	57,446.94		5,744.69	55,464.86		5,546.49	53,547.10		5,354.71
3 Unsecured wholesale funding, of which:												
(i) Operational deposits (all counterparties)							-		-	-		-
(ii) Non operational deposits (all counterparties)	27,039.72		19,803.62	25,729.68		18,655.69	21,838.66		15,692.54	19,099.15		13,190.82
(iii) Unsecured debt	363.75		363.75	334.34		334.34	309.03		309.03	258.59		258.59
4 Secured wholesale funding				55.43			207.83			271.34		
5 Additional requirements, of which :												
(i) Outflows related to derivative exposures and other collateral requirements	270.79		270.79	266.36		266.36	0.23		0.23	0.03		0.03
(ii) Outflows related to loss of funding on debt products												
(iii) Credit and liquidity facilities												
6 Other contractual funding obligations	2,787.53		2,787.53	2,432.33		2,432.33	2,298.13		2,298.13	2,173.43		2,173.43
7 Other contingent funding obligations	29,554.39		1,382.16	29,267.32		1,372.62	29,116.09		1,369.06	28,410.69		1,336.54
8 Total Cash Outflows	30,662.66			28,963.21			25,524.96			22,675.64		
Cash Inflows												
9 Secured lending (e.g. reverse repos)	181.13		-	74.20		-	170.80		-	69.23		-
10 Inflows from fully performing exposures	6,772.45		5,773.85	6,292.69		5,303.20	4,763.43		3,851.59	3,472.81		2,513.28
11 Other cash inflows	1,837.96		918.98	1,731.28		865.64	1,572.90		786.45	1,570.91		785.45
12 Total Cash Inflows	6,692.83			6,168.84			4,638.04			3,298.73		
	Total		Adjusted Value	Total		Adjusted Value	Total		Adjusted Value	Total		Adjusted Value
13 Total HQLA	27,811.20			26,109.55			23,366.61			22,632.47		
14 Total Net Cash Outflows	23,969.83			22,794.37			20,886.92			19,376.91		
15 Liquidity Coverage Ratio (%)	116.03%			114.54%			111.87%			116.80%		

* The average weighted and unweighted amounts are calculated taking simple average based on daily observation for the respective quarters.

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forming part of the Balance Sheet as at March 31, 2025

Schedule 18 Notes forming part of the financial statements for the year ended March 31, 2025 (Contd.)

b) Liquidity Coverage Ratio (LCR)

i) Quantitative disclosure on Liquidity Coverage Ratio (LCR) for year ended March 31, 2024:

Particulars	Quarter ended March 31, 2024			Quarter ended December 31, 2023			Quarter ended September 30, 2023			Quarter ended June 30, 2023		
	Unweighted Value (average)*	Weighted Value (average)*	Total	Unweighted Value (average)*	Weighted Value (average)*	Total	Unweighted Value (average)*	Weighted Value (average)*	Total	Unweighted Value (average)*	Weighted Value (average)*	Total
(₹ in Crore)												
High Quality Liquid Assets												
1 Total High Quality Liquid Assets (HQLA)		20,311.29			18,753.42			16,742.22			17,614.01	
Cash Outflows												
2 Retail deposits and deposits from small business customers, of which:												
(i) Stable deposits	1,792.89	89.64		8,543.87	427.19		7,929.63	396.48		7,397.85	369.89	
(ii) Less stable deposits	45,691.50	4,569.15		36,078.94	3,607.89		34,634.16	3,463.42		33,776.60	3,377.66	
3 Unsecured wholesale funding, of which:												
(i) Operational deposits (all counterparties)	-	-		-	-		-	-		-	-	
(ii) Non operational deposits (all counterparties)	17,654.08	11,957.08		15,856.59	10,512.10		13,996.91	9,110.82		14,298.92	8,688.32	
(iii) Unsecured debt	190.65	190.65		167.46	167.46		179.44	179.44		169.95	169.95	
4 Secured wholesale funding	-	-		-	-		-	-		-	-	
5 Additional requirements, of which :												
(i) Outflows related to derivative exposures and other collateral requirements	1.34	1.34		-	-		-	-		-	-	
(ii) Outflows related to loss of funding on debt products	-	-		-	-		-	-		-	-	
(iii) Credit and liquidity facilities	-	-		-	-		-	-		-	-	
6 Other contractual funding obligations	1,957.60	1,957.60		1,817.17	1,817.17		1,554.48	1,554.48		1,490.66	1,490.66	
7 Other contingent funding obligations	24,152.73	1,132.26		20,408.82	954.53		18,200.54	843.06		15,952.49	734.93	
8 Total Cash Outflows		19,897.72			17,486.34			15,547.70			14,831.41	
Cash Inflows												
9 Secured lending (e.g. reverse repos)	137.51	-		113.76	-		66.27	-		359.99	-	
10 Inflows from fully performing exposures	2,548.19	2,000.27		2,236.20	1,696.41		2,099.08	1,631.24		2,147.56	1,659.44	
11 Other cash inflows	1,184.03	592.02		1,113.43	556.72		1,016.61	508.31		940.96	470.48	
12 Total Cash Inflows		2,592.29			2,253.13			2,139.55			2,129.92	
		Total Adjusted Value			Total Adjusted Value			Total Adjusted Value			Total Adjusted Value	
13 Total HQLA		20,311.29			18,753.42			16,742.22			17,614.01	
14 Total Net Cash Outflows		17,305.43			15,233.21			13,408.15			12,701.49	
15 Liquidity Coverage Ratio (%)		117.37%			123.11%			124.87%			138.68%	

* The average weighted and unweighted amounts are calculated taking simple average based on daily observation for the respective quarters.



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forming part of the Balance Sheet as at March 31, 2025

Schedule 18 Notes forming part of the financial statements for the year ended March 31, 2025 (Contd.)

ii) Qualitative disclosure on Liquidity Coverage Ratio (LCR):

To assess Bank's resilience in liquidity stress scenario of 30 days with its high-quality liquid assets, Banks is computing Liquidity Coverage Ratio (LCR) as per RBI - Basel III Framework on Liquidity Standards. High Ratio signifies Bank has enough liquid assets which it can use to fulfil its liquidity obligations in acute stress scenario. Ratio to compute as below:

$$\text{LCR} = \frac{\text{Stock of High Quality Liquid Assets (HQLA)}}{\text{Net Cash Outflows over a 30 days period}}$$

Stock of High Quality Liquid Asset is total funds liquid assets could generate in stress scenario. Net Cash outflows is the difference as derived by multiplying the outstanding balances of various categories or types of liabilities by the outflow run-off rates and cash inflows are calculated by multiplying the outstanding balances of various categories of contractual receivables by the rates at which they are expected to flow in.

The Minimum LCR Requirement for Small Finance Banks (as per operating guidelines for Small Finance Banks RBI/2016-17/81 DBR.NBD.No.26/16.13.218/2016-17 dated Oct 06, 2016 & RBI circular RBI/2019-20/217 DOR.BP.BC.No.65/21.04.098/2019-20 dated Apr 17,2020) is 100%

The Bank has consistently maintained the LCR percentage well above the regulatory threshold limit. The average LCR for the quarter ended March 31, 2025 was 116.03% which is above the regulatory limit of 100%. For the quarter ended March 31, 2025 average HQLA stood at ₹27,811 Crores.

Asset Liability Committee (ALCO) of the Bank is the primary governing body for Liquidity Risk Management, Treasury is entrusted with the responsibility of liquidity management within the Bank under the guidance of the ALCO. ALM Risk unit independently measures, monitors & report Liquidity Risk as per regulatory & internal guidelines.

In computing the above information, certain estimates and assumptions have been made by the Bank's Management which have been relied upon by the auditors.

c) Net Stable Funding Ratio (NSFR)

i) Quantitative disclosure on Net Stable Funding Ratio (NSFR) as on March 31, 2025:

						(₹ in Crore)
Particulars		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Item						
1	Capital: (2+3)	17,091.83	500.00	100.00	1,504.00	18,645.83
2	Regulatory capital	16,850.12	-	-	-	16,850.12
3	Other capital instruments	241.71	500.00	100.00	1,504.00	1,795.71
4	Retail deposits and deposits from small business customers: (5+6)	29,363.49	9,537.49	12,469.04	14,691.66	59,582.18
5	Stable deposits	2,219.18	-	-	-	2,108.22
6	Less stable deposits	27,144.31	9,537.49	12,469.04	14,691.66	57,473.96
7	Wholesale funding: (8+9)	6,888.40	27,617.60	23,915.27	9,341.43	22,552.86
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	6,888.40	27,617.60	23,915.27	9,341.43	22,552.86
10	Other liabilities: (11+12)	4,825.39	-	-	-	-
11	NSFR derivative liabilities	-	-	-	-	-
12	All other liabilities and equity not included in the above categories	4,825.39	-	-	-	-
13	Total ASF (1+4+7+10)					100,780.87

SCHEDULES

forming part of the Balance Sheet as at March 31, 2025

Schedule 18 Notes forming part of the financial statements for the year ended March 31, 2025 (Contd.)

					(₹ in Crore)
Particulars	Unweighted value by residual maturity				Weighted value
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
RSF Item					
14 Total NSFR high-quality liquid assets (HQLA)					1,458.31
15 Deposits held at other financial institutions for operational purposes	141.94	-	-	-	70.97
16 Performing loans and securities: (17+18+19+21+23)	-	20,572.76	12,898.26	82,383.31	83,297.44
17 Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-
18 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	3,093.08	1,184.68	2,307.04	3,363.34
19 Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	-	12,691.54	10,346.94	69,807.28	70,912.88
20 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	27.90	11.68	23.59	35.13
21 Performing residential mortgages, of which:	-	144.16	154.24	7,292.37	5,184.21
22 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	115.56	123.62	5,817.52	3,900.98
23 Securities that are not in default and do not qualify as HQLA, including exchange- traded equities	-	4,643.97	1,212.41	2,976.62	3,837.01
24 Other assets: (sum of rows 25 to 29)	8,691.74	-	-	790.90	4,311.58
25 Physical traded commodities, including gold	-	-	-	-	-
26 Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	109.56	-	-	-	93.13
27 NSFR derivative assets	-	-	-	-	-
28 NSFR derivative liabilities before deduction of variation margin posted	-	-	-	-	-
29 All other assets not included in the above categories	8,582.17	-	-	790.90	4,218.45
30 Off-balance sheet items	31,089.16				1,452.07
31 Total RSF					90,590.38
32 Net Stable Funding Ratio (%)					111.25%



SCHEDULES

forming part of the Balance Sheet as at March 31, 2025

Schedule 18 Notes forming part of the financial statements for the year ended March 31, 2025 (Contd.)

i) Quantitative disclosure on Net Stable Funding Ratio (NSFR) as on December 31, 2024:

(₹ in Crore)

Particulars	Unweighted value by residual maturity				Weighted value
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Item					
1 Capital: (2+3)	16,601.73	500.00	100.00	734.00	17,385.73
2 Regulatory capital	14,760.72	-	-	-	14,760.72
3 Other capital instruments	1,841.01	500.00	100.00	734.00	2,625.01
4 Retail deposits and deposits from small business customers: (5+6)	28,999.53	8,194.28	10,935.75	14,996.88	56,941.63
5 Stable deposits	2,151.74	-	-	-	2,044.16
6 Less stable deposits	26,847.79	8,194.28	10,935.75	14,996.88	54,897.47
7 Wholesale funding: (8+9)	5,402.92	25,886.99	18,017.78	8,479.87	17,993.12
8 Operational deposits	-	-	-	-	-
9 Other wholesale funding	5,402.92	25,886.99	18,017.78	8,479.87	17,993.12
10 Other liabilities: (11+12)	4,194.64	-	-	-	-
11 NSFR derivative liabilities	-	-	-	-	-
12 All other liabilities and equity not included in the above categories	4,194.64	-	-	-	-
13 Total ASF (1+4+7+10)					92,320.48
RSF Item					
14 Total NSFR high-quality liquid assets (HQLA)					1,392.39
15 Deposits held at other financial institutions for operational purposes	269.56	-	-	-	134.78
16 Performing loans and securities: (17+18+19+21+23)	-	17,526.91	11,528.20	76,749.85	77,406.15
17 Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-
18 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	1,815.73	914.99	2,138.66	2,868.51
19 Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	-	12,616.11	9,743.32	65,248.56	66,659.16
20 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	4,737.35	2,424.28	249.08	3,742.72
21 Performing residential mortgages, of which:	-	130.11	136.59	6,881.17	4,955.48
22 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	93.10	97.95	5,134.34	3,432.85
23 Securities that are not in default and do not qualify as HQLA, including exchange- traded equities	-	2,964.95	733.30	2,481.46	2,923.00
24 Other assets: (sum of rows 25 to 29)	8,713.79	-	-	905.60	4,616.10
25 Physical traded commodities, including gold	-	-	-	-	-
26 Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	88.26	-	-	-	75.02
27 NSFR derivative assets	-	-	-	-	-
28 NSFR derivative liabilities before deduction of variation margin posted	-	-	-	-	-
29 All other assets not included in the above categories	8,625.53	-	-	905.23	4,541.08
30 Off-balance sheet items		29,696.85			1,390.22
31 Total RSF					84,939.64
32 Net Stable Funding Ratio (%)					108.69%

SCHEDULES

forming part of the Balance Sheet as at March 31, 2025

Schedule 18 Notes forming part of the financial statements for the year ended March 31, 2025 (Contd.)

i) Quantitative disclosure on Net Stable Funding Ratio (NSFR) as on September 30, 2024:

						(₹ in Crore)
Particulars		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Item						
1	Capital: (2+3)	16,041.23	-	600.00	734.00	17,075.23
2	Regulatory capital	14,736.77	-	-	-	14,736.77
3	Other capital instruments	1,304.45	-	600.00	734.00	2,338.45
4	Retail deposits and deposits from small business customers: (5+6)	28,710.28	8,238.80	8,807.26	16,079.41	55,794.22
5	Stable deposits	2,177.68	-	-	-	2,068.80
6	Less stable deposits	26,532.60	8,238.80	8,807.26	16,079.41	53,725.43
7	Wholesale funding: (8+9)	6,810.81	25,180.40	14,867.70	8,441.60	15,911.70
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	6,810.81	25,180.40	14,867.70	8,441.60	15,911.70
10	Other liabilities: (11+12)	4,317.68	-	-	-	-
11	NSFR derivative liabilities					
12	All other liabilities and equity not included in the above categories	4,317.68	-	-	-	-
13 Total ASF (1+4+7+10)						88,781.15
RSF Item						
14	Total NSFR high-quality liquid assets (HQLA)					1,268.09
15	Deposits held at other financial institutions for operational purposes	189.34	-	-	-	94.67
16	Performing loans and securities: (17+18+19+21+23)	-	20,389.24	10,541.41	73,186.97	73,669.14
17	Performing loans to financial institutions secured by Level 1 HQLA	-	2,200.00	-	-	-
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	1,890.32	996.74	2,156.09	2,938.01
19	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	-	11,822.65	9,150.52	61,951.86	63,212.47
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	4,372.87	2,628.14	43.49	3,528.77
21	Performing residential mortgages, of which:	-	125.63	130.37	6,879.10	4,861.18
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	105.27	109.47	5,570.28	3,728.05
23	Securities that are not in default and do not qualify as HQLA, including exchange- traded equities	-	4,350.64	263.79	2,199.91	2,657.47
24	Other assets: (sum of rows 25 to 29)	8,851.87	-	-	706.69	4,400.61
25	Physical traded commodities, including gold	-	-	-	-	-
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	88.26	-	-	-	75.02
27	NSFR derivative assets	-	-	-	-	-
28	NSFR derivative liabilities before deduction of variation margin posted	-	-	-	-	-
29	All other assets not included in the above categories	8,763.61	-	-	706.69	4,325.59
30	Off-balance sheet items		29,297.52			1,374.35
31 Total RSF						80,806.85
32	Net Stable Funding Ratio (%)					109.87%

(₹ in Crore)



SCHEDULES

forming part of the Balance Sheet as at March 31, 2025

Schedule 18 Notes forming part of the financial statements for the year ended March 31, 2025 (Contd.)

i) Quantitative disclosure on Net Stable Funding Ratio (NSFR) as on June 30, 2024:

(₹ in Crore)						
Particulars		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Item						
1	Capital: (2+3)	15,441.72	-	500.00	834.00	16,525.72
2	Regulatory capital	14,723.74	-	-	-	14,723.74
3	Other capital instruments	717.98	-	500.00	834.00	1,801.98
4	Retail deposits and deposits from small business customers: (5+6)	27,365.08	7,699.76	7,419.48	16,674.52	53,386.8
5	Stable deposits	2,147.23	-	-	-	2,039.87
6	Less stable deposits	25,217.85	7,699.76	7,419.48	16,674.52	51,347.00
7	Wholesale funding: (8+9)	4,670.23	17,452.91	14,203.61	6,938.68	15,998.50
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	4,670.23	17,452.91	14,203.61	6,938.68	15,998.50
10	Other liabilities: (11+12)	4,279.62	-	-	-	-
11	NSFR derivative liabilities	-	-	-	-	-
12	All other liabilities and equity not included in the above categories	4,279.62	-	-	-	-
13 Total ASF (1+4+7+10)						85,911.09
RSF Item						
14	Total NSFR high-quality liquid assets (HQLA)					1,110.62
15	Deposits held at other financial institutions for operational purposes	241.57	-	-	-	120.79
16	Performing loans and securities: (17+18+19+21+23)	-	15,872.32	10,597.04	68,449.92	69,049.45
17	Performing loans to financial institutions secured by Level 1 HQLA	-	400.00	-	-	-
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	1,064.71	944.60	1,810.09	2,442.09
19	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	-	11,432.50	8,635.62	58,747.32	60,040.12
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	4,378.93	2,538.96	54.69	3,494.49
21	Performing residential mortgages, of which:	-	113.16	120.62	6,604.34	4,666.12
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	94.39	100.68	5,322.32	3,557.04
23	Securities that are not in default and do not qualify as HQLA, including exchange- traded equities	-	2,861.95	896.21	1,288.17	1,901.12
24	Other assets: (sum of rows 25 to 29)	8,003.53	-	-	565.58	3,980.56
25	Physical traded commodities, including gold	-	-	-	-	-
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	61.29	-	-	-	52.09
27	NSFR derivative assets	-	-	-	-	-
28	NSFR derivative liabilities before deduction of variation margin posted	-	-	-	-	-
29	All other assets not included in the above categories	7,942.24	-	-	565.58	3,928.47
30	Off-balance sheet items					1,337.72
31 Total RSF						75,599.14
32	Net Stable Funding Ratio (%)					113.64%

SCHEDULES

forming part of the Balance Sheet as at March 31, 2025

Schedule 18 Notes forming part of the financial statements for the year ended March 31, 2025 (Contd.)

i) Quantitative disclosure on Net Stable Funding Ratio (NSFR) as on March 31, 2024:

						(₹ in Crore)
Particulars		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Item						
1	Capital: (2+3)	12,485.26	-	-	1,000.00	13,485.26
2	Regulatory capital	12,305.65	-	-	-	12,305.65
3	Other capital instruments	179.62	-	-	1,000.00	1,179.62
4	Retail deposits and deposits from small business customers: (5+6)	24,894.32	6,090.91	7,296.50	13,540.29	46,741.61
5	Stable deposits	899.61	135.24	127.32	222.78	1,315.70
6	Less stable deposits	23,994.71	5,955.67	7,169.18	13,317.51	45,425.90
7	Wholesale funding: (8+9)	4,231.97	14,985.06	12,369.62	8,252.82	14,857.60
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	4,231.97	14,985.06	12,369.62	8,252.82	14,857.60
10	Other liabilities: (11+12)	4,278.92	-	-	-	-
11	NSFR derivative liabilities	-	-	-	-	-
12	All other liabilities and equity not included in the above categories	4,278.92	-	-	-	-
13 Total ASF (1+4+7+10)						75,084.47
RSF Item						
14	Total NSFR high-quality liquid assets (HQLA)					1,080.38
15	Deposits held at other financial institutions for operational purposes	96.13	-	-	-	48.06
16	Performing loans and securities: (17+18+19+21+23)	-	12,548.00	8,496.22	59,425.74	58,575.17
17	Performing loans to financial institutions secured by Level 1 HQLA	-	1,641.00	-	-	134.10
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	891.28	888.03	1,795.76	2,373.47
19	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	-	6,957.91	5,879.51	51,941.18	50,643.53
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	121.78	56.10	80.72	141.41
21	Performing residential mortgages, of which:	-	55.49	59.53	4,594.17	3,207.41
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	48.50	52.12	3,775.73	2,504.53
23	Securities that are not in default and do not qualify as HQLA, including exchange- traded equities	-	3,002.33	1,669.14	1,094.62	2,216.66
24	Other assets: (sum of rows 25 to 29)	7,143.04	-	-	400.99	3,197.19
25	Physical traded commodities, including gold	-	-	-	-	-
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	58.92	-	-	-	50.08
27	NSFR derivative assets	-	-	-	-	-
28	NSFR derivative liabilities before deduction of variation margin posted	-	-	-	-	-
29	All other assets not included in the above categories	7,084.12	-	-	400.99	3,147.11
30	Off-balance sheet items	27,766.86				1,305.17
31 Total RSF						64,205.97
32	Net Stable Funding Ratio (%)					116.94%



SCHEDULES

forming part of the Balance Sheet as at March 31, 2025

Schedule 18 Notes forming part of the financial statements for the year ended March 31, 2025 (Contd.)

i) Quantitative disclosure on Net Stable Funding Ratio (NSFR) as on December 31, 2023:

(₹ in Crore)

Particulars		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Item						
1	Capital: (2+3)	12,167.33	-	-	1,000.00	13,167.33
2	Regulatory capital	11,664.76	-	-	-	11,664.76
3	Other capital instruments	502.57	-	-	1,000.00	1,502.57
4	Retail deposits and deposits from small business customers: (5+6)	23,258.61	5,262.75	7,252.31	13,445.00	44,787.43
5	Stable deposits	8,659.89	122.11	112.70	211.72	8,651.09
6	Less stable deposits	14,598.72	5,140.64	7,139.61	13,233.28	36,136.34
7	Wholesale funding: (8+9)	3,187.76	15,227.41	9,950.02	6,950.26	14,001.55
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	3,187.76	15,227.41	9,950.02	6,950.26	14,001.55
10	Other liabilities: (11+12)	3,474.27	-	-	-	-
11	NSFR derivative liabilities	-	-	-	-	-
12	All other liabilities and equity not included in the above categories	3,474.27	-	-	-	-
13	Total ASF (1+4+7+10)					71,956.31
RSF Item						
14	Total NSFR high-quality liquid assets (HQLA)					1,009.39
15	Deposits held at other financial institutions for operational purposes	176.05	-	-	-	88.03
16	Performing loans and securities: (17+18+19+21+23)	-	12,994.18	7,323.36	53,785.65	53,212.78
17	Performing loans to financial institutions secured by Level 1 HQLA	-	859.73	-	-	58.17
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	945.41	647.74	1,535.72	2,001.40
19	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	-	6,632.20	5,575.30	46,978.22	46,113.65
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	140.90	83.72	111.01	184.46
21	Performing residential mortgages, of which:	-	49.03	52.65	4,153.78	2,888.00
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	43.44	46.74	3,467.76	2,299.13
23	Securities that are not in default and do not qualify as HQLA, including exchange- traded equities	-	4,507.80	1,047.67	1,117.93	2,151.56
24	Other assets: (sum of rows 25 to 29)	6,451.15	-	-	456.16	3,066.16
25	Physical traded commodities, including gold	-	-	-	-	-
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	54.51	-	-	-	46.34
27	NSFR derivative assets	-	-	-	-	-
28	NSFR derivative liabilities before deduction of variation margin posted	-	-	-	-	-
29	All other assets not included in the above categories	6,396.64	-	-	456.16	3,019.82
30	Off-balance sheet items		22,805.89			1,069.89
31	Total RSF					58,446.25
32	Net Stable Funding Ratio (%)					123.12%

SCHEDULES

forming part of the Balance Sheet as at March 31, 2025

Schedule 18 Notes forming part of the financial statements for the year ended March 31, 2025 (Contd.)

i) Quantitative disclosure on Net Stable Funding Ratio (NSFR) as on September 30, 2023:

						(₹ in Crore)
Particulars		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Item						
1	Capital: (2+3)	11,762.68	-	-	1,000.00	12,762.68
2	Regulatory capital	11,644.34	-	-	-	11,644.34
3	Other capital instruments	118.35	-	-	1,000.00	1,118.35
4	Retail deposits and deposits from small business customers: (5+6)	21,321.82	4,555.66	5,841.16	14,075.69	41,672.38
5	Stable deposits	8,032.22	115.82	101.22	214.13	8,040.23
6	Less stable deposits	13,289.60	4,439.84	5,739.93	13,861.56	33,632.15
7	Wholesale funding: (8+9)	4,344.59	15,316.04	8,735.48	5,896.59	11,862.60
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	4,344.59	15,316.04	8,735.48	5,896.59	11,862.60
10	Other liabilities: (11+12)	3,127.71	-	-	-	-
11	NSFR derivative liabilities	-	-	-	-	-
12	All other liabilities and equity not included in the above categories	3,127.71	-	-	-	-
13 Total ASF (1+4+7+10)						66,297.66
RSF Item						
14	Total NSFR high-quality liquid assets (HQLA)					903.04
15	Deposits held at other financial institutions for operational purposes	164.73	-	-	-	82.36
16	Performing loans and securities: (17+18+19+21+23)	-	12,177.64	7,725.72	51,358.11	51,012.81
17	Performing loans to financial institutions secured by Level 1 HQLA	-	2,123.74	-	-	169.87
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	1,110.51	664.19	1,645.93	2,144.60
19	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	-	6,144.75	5,467.91	44,872.97	44,029.64
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	171.97	134.92	167.35	262.22
21	Performing residential mortgages, of which:	-	46.13	49.37	4,029.88	2,794.45
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	41.11	44.06	3,393.49	2,248.36
23	Securities that are not in default and do not qualify as HQLA, including exchange- traded equities	-	2,752.52	1,544.25	809.33	1,874.25
24	Other assets: (sum of rows 25 to 29)	6,105.81	-	-	384.72	2,761.01
25	Physical traded commodities, including gold	-	-	-	-	-
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	56.93	-	-	-	48.39
27	NSFR derivative assets	-	-	-	-	-
28	NSFR derivative liabilities before deduction of variation margin posted	-	-	-	-	-
29	All other assets not included in the above categories	6,048.89	-	-	384.72	2,712.62
30	Off-balance sheet items	19,826.07				925.19
31 Total RSF						55,684.41
32	Net Stable Funding Ratio (%)					119.06%



SCHEDULES

forming part of the Balance Sheet as at March 31, 2025

Schedule 18 Notes forming part of the financial statements for the year ended March 31, 2025 (Contd.)

i) Quantitative disclosure on Net Stable Funding Ratio (NSFR) as on June 30, 2023:

(₹ in Crore)						
Particulars		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Item						
1	Capital: (2+3)	11,312.00	-	-	1,000.00	12,312.00
2	Regulatory capital	10,801.33	-	-	-	10,801.33
3	Other capital instruments	510.67	-	-	1,000.00	1,510.67
4	Retail deposits and deposits from small business customers: (5+6)	20,591.52	3,905.00	5,018.05	14,091.93	39,669.38
5	Stable deposits	7,627.90	44.05	36.30	75.38	7,394.45
6	Less stable deposits	12,963.62	3,860.95	4,981.74	14,016.54	32,274.92
7	Wholesale funding: (8+9)	3,694.55	13,355.36	9,862.98	5,432.78	11,980.47
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	3,694.55	13,355.36	9,862.98	5,432.78	11,980.47
10	Other liabilities: (11+12)	3,318.61	-	-	-	-
11	NSFR derivative liabilities	-	-	-	-	-
12	All other liabilities and equity not included in the above categories	3,318.61	-	-	-	-
13 Total ASF (1+4+7+10)						63,961.85
RSF Item						
14	Total NSFR high-quality liquid assets (HQLA)					751.36
15	Deposits held at other financial institutions for operational purposes	195.88	-	-	-	97.94
16	Performing loans and securities: (17+18+19+21+23)	-	12,550.78	6,488.41	51,183.60	50,033.39
17	Performing loans to financial institutions secured by Level 1 HQLA	-	480.00	-	-	-
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	1,225.06	489.99	1,113.63	1,542.38
19	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	-	5,837.99	4,975.57	45,713.77	44,334.97
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	232.63	209.91	293.63	412.13
21	Performing residential mortgages, of which:	-	40.93	44.02	3,753.24	2,595.22
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	36.72	39.51	3,187.58	2,110.05
23	Securities that are not in default and do not qualify as HQLA, including exchange- traded equities	-	4,966.80	978.84	602.96	1,560.81
24	Other assets: (sum of rows 25 to 29)	5,748.81	-	-	388.15	2,589.80
25	Physical traded commodities, including gold	-	-	-	-	-
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	54.33	-	-	-	46.18
27	NSFR derivative assets	-	-	-	-	-
28	NSFR derivative liabilities before deduction of variation margin posted	-	-	-	-	-
29	All other assets not included in the above categories	5,694.49	-	-	388.15	2,543.62
30	Off-balance sheet items		17,365.81			802.57
31 Total RSF						54,275.05
32	Net Stable Funding Ratio (%)					117.85%

SCHEDULES

forming part of the Balance Sheet as at March 31, 2025

Schedule 18 Notes forming part of the financial statements for the year ended March 31, 2025 (Contd.)

ii) Qualitative disclosure on Net Stable Funding Ratio (NSFR):

The Bank, as per the RBI guideline on NSFR dated May 17, 2018, is required to maintain the NSFR on an ongoing basis. The minimum NSFR requirement set out in the RBI guideline effective October 1, 2021, is 100%. The Basel Committee on Banking Supervision (BCBS) had introduced the Net Stable Funding Ratio (NSFR) to ensure resilience over a longer-term time horizon by requiring banks to fund their activities with more stable sources of funding. NSFR is defined as the amount of available stable funding relative to the amount of required stable funding. "Available stable funding" (ASF) is defined as the portion of capital and liabilities expected to be reliable over the time horizon considered by the NSFR, which extends to one year. The amount of stable funding required ("Required stable funding") (RSF) of a specific institution is a function of the liquidity characteristics and residual maturities of the various assets held by that institution as well as those of its off-balance sheet (OBS) exposures.

The NSFR as on March 31, 2025 was at 111.25% (at 116.94% as on March 31, 2024).

In accordance with the Reserve Bank of India (RBI) guidelines under the New Capital Adequacy Framework (NCAF) (Basel II framework), Banks are required to make Pillar III disclosures. Further, under relevant instructions of Basel III framework, Banks are required to disclose Leverage Ratio and Net Stable Funding Ratio (NSFR).

These disclosures are / will be available on the Bank's website at <https://www.aubank.in/reports/regulatory-disclosures> under the section titled 'Regulatory Disclosures – Basel Framework'.

These disclosures have not been subjected to audit or review by the Joint Statutory Auditors.



SCHEDULES

forming part of the Balance Sheet as at March 31, 2025

Schedule 18 Notes forming part of the financial statements for the year ended March 31, 2025 (Contd.)

4 Investments

a) Composition of Investment Portfolio

As at March 31, 2025

	(₹ in Crore)									
	Investments in India					Investments outside India				Total Investments
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Government Securities	Subsidiaries and/or joint ventures	Others	
Held to Maturity										
Gross	25,762.25	-	-	-	-	-	-	-	-	25,762.25
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-
Net	25,762.25	-	-	-	-	-	-	-	-	25,762.25
Available for Sale										
Gross	2,754.76	-	-	3,108.88	-	5,706.98	-	-	-	11,570.62
Add: Appreciation	16.84	-	-	13.71	-	-	-	-	-	30.55
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-
Net	2,771.60	-	-	3,122.59	-	5,706.98	-	-	-	11,601.17
FVTPL - Held for Trading										
Gross	353.73	-	-	-	-	-	-	-	-	353.73
Add: Appreciation	2.15	-	-	-	-	-	-	-	-	2.15
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-
Net	355.88	-	-	-	-	-	-	-	-	355.88
FVTPL - Not-Held for Trading										
Gross	-	-	15.94	101.02	-	7.48	-	-	-	124.44
Add: Appreciation	-	-	4.64	-	-	-	-	-	-	4.64
Less: Provision for depreciation and NPI	-	-	-	0.04	-	0.82	-	-	-	0.86
Net	-	-	20.58	100.98	-	6.66	-	-	-	128.22
Total Investments	28,870.74	-	15.94	3,209.90	-	5,714.46	-	-	-	37,811.04
Add: Appreciation	18.99	-	4.64	13.71	-	-	-	-	-	37.34
Less: Provision for non-performing investments	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	0.04	-	0.82	-	-	-	0.86
Net	28,889.73	-	20.58	3,223.57	-	5,713.64	-	-	-	37,847.52

Other investments includes Certificate of Deposits (CD), Commercial Paper (CP), Security Receipts (SR) and Pass Through Certificates (PTC).

forming part of the Balance Sheet as at March 31, 2025

Schedule 18 Notes forming part of the financial statements for the year ended March 31, 2025 (Contd.)

As at March 31, 2024

	Investments in India							Investments outside India				(₹ in Crore)
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government Securities	Subsidiaries and/or joint ventures	Others	Total Investments outside India	Total Investments
Held to Maturity												
Gross	18,595.41	-	-	-	-	-	18,595.41	-	-	-	-	18,595.41
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net	18,595.41	-	-	-	-	-	18,595.41	-	-	-	-	18,595.41
Available for Sale												
Gross	2,439.37	-	8.75	1,205.80	-	4,701.52	8,355.45	-	-	-	-	8,355.45
Less: Provision for depreciation and NPI	0.28	-	-	3.93	-	-	4.21	-	-	-	-	4.21
Net	2,439.09	-	8.75	1,201.88	-	4,701.52	8,351.24	-	-	-	-	8,351.24
Held for Trading												
Gross	186.94	-	-	-	-	-	186.94	-	-	-	-	186.94
Less: Provision for depreciation and NPI	0.22	-	-	-	-	-	0.22	-	-	-	-	0.22
Net	186.72	-	-	-	-	-	186.72	-	-	-	-	186.72
Total Investments	21,221.72	-	8.75	1,205.80	-	4,701.52	27,137.79	-	-	-	-	27,137.79
Less: Provision for non-performing investments	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	0.50	-	-	3.93	-	-	4.43	-	-	-	-	4.43
Net	21,221.21	-	8.75	1,201.88	-	4,701.52	27,133.37	-	-	-	-	27,133.37

Other investments includes Certificate of Deposits (CD), Commercial Paper (CP) and Pass Through Certificates (PTC).



SCHEDULES

forming part of the Balance Sheet as at March 31, 2025

Schedule 18 Notes forming part of the financial statements for the year ended March 31, 2025 (Contd.)

b) Movement of Provisions for Depreciation and Investment Fluctuation Reserve

Particulars	(₹ in Crore)	
	March 31, 2025	March 31, 2024
(i) Movement of provisions held towards depreciation on investments		
(i) Opening balance	4.43	20.05
(ii) Add: Addition on amalgamation	23.64	NA
(iii) Add: Provisions made during the year	(149.71) [@]	30.05
(iv) Less: Write off / write back of excess provisions during the year	(85.16) ^{*@}	45.67
(v) Closing balance	(36.48) [#]	4.43
(ii) Movement of Investment Fluctuation Reserve		
(i) Opening balance	170.85	118.35
(ii) Add: Addition on amalgamation	31.85	NA
(iii) Add: Amount transferred during the year	39.01	52.50
(iv) Less: Drawdown	-	-
(v) Closing balance	241.71	170.85
(iii) Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT or FVTPL as applicable for respective year	2.01%	2.00%

* includes transfer of opening provision to reserves and subsequent MTM on AFS and FVTPL category as per RBI circular on Master Direction-Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023' dated September 12, 2023, applicable to the Bank.

[@]Include appreciation on revaluation of investments.

[#] represents net Positive MTM on revaluation of Investments.

c) Sale and Transfers to / from HTM Category

During the year ended March 31, 2025 and the previous year ended March 31, 2024 the Bank has not sold and transferred securities to or from HTM category exceeding 5% of the book value of investment held in HTM category at the beginning of the year. The 5% threshold referred to above does not include onetime transfer of securities to/from HTM category with the approval of Board of Directors permitted to be undertaken by banks as per extant RBI guidelines, sale of securities under pre-announced Open Market Operation (OMO) auction to the RBI and sale of securities or transfer to AFS / HFT consequent to the reduction of ceiling on SLR securities under HTM, Repurchase of Government Securities by Government of India from banks under buyback / switch operations, Repurchase of State Development Loans by respective state governments under buyback / switch operations and Additional shifting of securities explicitly permitted by the Reserve Bank of India as the case may be.

SCHEDULES

forming part of the Balance Sheet as at March 31, 2025

Schedule 18 Notes forming part of the financial statements for the year ended March 31, 2025 (Contd.)

d) Non-SLR investment portfolio

i) Non-performing non-SLR investments

The Bank does not have any Non performing Non-SLR investment as on March 31, 2025 and March 31, 2024.

ii) Issuer composition of non-SLR investments

Issuer-wise composition of non-SLR investments as at March 31, 2025:

(₹ in Crore)

Sr. No.	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities	Extent of 'Unrated' Securities*	Extent of 'Unlisted' Securities*
1	2	3	4	5	6	7
(i)	Public sector undertakings	475.22	299.82	-	-	-
(ii)	Financial institutions \$	3,539.52	1,093.35	-	-	-
(iii)	Banks	4,278.40	1,521.73	-	-	-
(iv)	Private corporates	225.81	201.02	-	-	-
(v)	Subsidiaries / Joint Ventures	-	-	-	-	-
(vi)	Others #	421.35	421.35	-	-	-
(vii)	Provision held towards (Depreciation)/Appreciation	17.49	-	-	-	-
	Total	8,957.79	3,537.27	-	-	-

Amounts reported under column 4, 5, 6 and 7 above are not mutually exclusive.

* Excludes Investment in equity shares, units of equity-oriented mutual fund, pass through certificates, security receipts, commercial papers, certificates of deposit.

\$ NBFC is included in Financial Institutions.

Others includes Pass through certificates, Security Receipts and Equity Investment.

Issuer-wise composition of non-SLR investments as at March 31, 2024:

(₹ in Crore)

Sr. No.	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities	Extent of 'Unrated' Securities*	Extent of 'Unlisted' Securities*
1	2	3	4	5	6	7
(i)	Public sector undertakings	271.01	96.55	-	-	-
(ii)	Financial institutions \$	2,699.95	1,943.29	-	-	-
(iii)	Banks	2,286.00	1,612.37	-	-	-
(iv)	Private corporates	149.51	100.00	-	-	-
(v)	Subsidiaries / Joint Ventures	-	-	-	-	-
(vi)	Others #	509.61	509.61	-	-	-
(vii)	Provision held towards depreciation	3.93	-	-	-	-
	Total	5,912.15	4,261.82	-	-	-

Amounts reported under column 4, 5, 6 and 7 above are not mutually exclusive.

* Excludes Investment in equity shares, units of equity-oriented mutual fund, pass through certificates, security receipts, commercial papers, certificates of deposit.

\$ NBFC is included in Financial Institutions.

Others includes PTC and Equity Investment.



SCHEDULES

forming part of the Balance Sheet as at March 31, 2025

Schedule 18 Notes forming part of the financial statements for the year ended March 31, 2025 (Contd.)

e) Repo Transactions

Details of repo / reverse repo deals (in face value and market value terms) (Including LAF and TREPS) entered during the year ended March 31, 2025

(₹ in Crore)

Particulars	Minimum outstanding during the year		Maximum outstanding during the year		Daily Average outstanding during the year		Outstanding as on March 31, 2025	
	Face Value	Market Value	Face Value	Market Value	Face Value	Market Value	Face Value	Market Value
Securities sold under repo :								
i. Government securities								
a. LAF Repo	-	-	2,451.47	2,525.00	375.36	388.19	-	-
b. Triparty Repo (TREPS)*	-	-	4,414.93	4,414.93	1,129.13	1,129.13	-	-
c. Govt Securities Repo	-	-	550.00	555.08	40.57	41.51	-	-
ii. Corporate debt securities	-	-	-	-	-	-	-	-
iii. Any other securities	-	-	-	-	-	-	-	-
Securities purchased under reverse repo :								
i. Government securities								
a. LAF Repo	-	-	1,597.61	1,600.00	51.00	50.54	-	-
b. Triparty Repo (TREPS)*	-	-	1,751.37	1,751.37	73.23	73.23	-	-
c. Govt Securities Repo	-	-	1,155.00	1,192.69	13.30	13.74	-	-
ii. Corporate debt securities	-	-	-	-	-	-	-	-
iii. Any other securities	-	-	-	-	-	-	-	-

*Trepo FV and MV presented on the basis of Outstanding amount.

Details of repo / reverse repo deals (in face value and market value terms) (Including LAF and TREPS) entered during the year ended March 31, 2024

(₹ in Crore)

Particulars	Minimum outstanding during the year		Maximum outstanding during the year		Daily Average outstanding during the year		Outstanding as on March 31, 2024	
	Face Value	Market Value	Face Value	Market Value	Face Value	Market Value	Face Value	Market Value
Securities sold under repo :								
i. Government securities								
a. LAF Repo	-	-	1,258.00	1,300.00	70.34	72.70	-	-
b. Triparty Repo (TREPS)*	-	-	2,999.48	2,999.48	900.23	900.23	-	-
c. Govt Securities Repo	-	-	200.00	204.35	8.22	8.35	-	-
ii. Corporate debt securities	-	-	-	-	-	-	-	-
iii. Any other securities	-	-	-	-	-	-	-	-
Securities purchased under reverse repo :								
i. Government securities								
a. LAF Repo	-	-	1,594.82	1,500.00	76.72	72.40	-	-
b. Triparty Repo (TREPS)*	-	-	1,698.74	1,698.74	96.54	96.54	1,341.00	1,341.00
c. Govt Securities Repo	-	-	100.00	93.37	1.22	1.15	-	-
ii. Corporate debt securities	-	-	-	-	-	-	-	-
iii. Any other securities	-	-	-	-	-	-	-	-

*Trepo FV and MV presented on the basis of Outstanding amount.

SCHEDULES

forming part of the Balance Sheet as at March 31, 2025

Schedule 18 Notes forming part of the financial statements for the year ended March 31, 2025 (Contd.)

f) Government Security Lending (GSL) transactions

In reference to the RBI Notification No: FMRD.DIRD.No.06/14.03.061/2023-2024 dated December 27, 2023 the disclosure related to Government securities lending and borrowing transactions undertaken Over-the-Counter markets. During the Financial Year 2024-25 and Previous Year 2023-24, the bank has not entered into any such type of transactions.

g) Disclosure for transitional adjustments

Following is the disclosure as per RBI circular on Master Direction- Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023' dated September 12, 2023, for transitional adjustments.

In compliance with the RBI Investment Master Directions dated September 12, 2023, the Bank has implemented changes relating to classification, measurement and valuation of investments with effect from April 1, 2024. Consequently, the net fair value gain of ₹997.71 lakh (net of taxes) has been accounted for in General Reserve as per the transition provision in the aforesaid Directions.

In addition, the Bank has transferred balance in Investment Reserve amounting to ₹876.74 lakh on the date of the transition to General Reserve in compliance with these Directions.

Subsequent changes in fair value of performing investments under Available for Sale (AFS) and Fair Value Through Profit and Loss ('FVTPL') (including sub category Held For Trading ('HFT')) categories have been recognised through AFS reserve and Profit and Loss Account respectively.

(₹ in Crore)

Particulars	Classification as per March 31, 2024	Classification as per new circular	Book value Mar-24			Impact due to new circular		Revised Book Value
			AU	erstwhile Fincare*	Total	Discount impact	MTM impact	
			1	2	3 = (1+2)	4	5	6= (3+4+5)
Government Securities	AFS	AFS	2,439.37	1,586.65	4,026.02	-	(5.02)	4,021.00
Government Securities	HFT	FVTPL-HFT	186.94	-	186.94	-	(0.22)	186.72
Government Securities	HTM	HTM	18,595.41	1,592.91	20,188.32	6.14	-	20,194.46
Shares	AFS	FVTPL	8.75	-	8.75	-	7.19	15.94
Debentures and Bonds	AFS	AFS	1,105.80	-	1,105.80	-	(4.94)	1,100.86
Debentures and Bonds	AFS	FVTPL	100.00	-	100.00	-	1.02	101.02
Others (CD/CP/PTC)	AFS	AFS	4,701.52	-	4,701.52	-	-	4,701.52
Others (PTC/SR)	AFS	FVTPL	-	26.38	26.38	-	(18.90)	7.48
Grand Total			27,137.79	3,205.94	30,343.73	6.14	(20.87)	30,329.00

*refer note 1 of schedule 18A.



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forming part of the Balance Sheet as at March 31, 2025

Schedule 18 Notes forming part of the financial statements for the year ended March 31, 2025 (Contd.)

5. Asset quality

a) Classification of advances and provisions held

For the year ended March 31, 2025

Particulars	(₹ in Crore)					Total*
	Standard	Non-Performing			Total Non-Performing Advances	
	Total Standard Advances	Sub-standard	Doubtful	Loss		
Gross Standard Advances and NPAs						
Opening Balance	72,761.67	844.53	387.77	5.10	1,237.40	73,999.07
Add: Addition on amalgamation					199.54	199.54
Add: Additions during the year					3,796.07	3,796.07
Less: Reductions during the year**					2,755.98	2,755.98
Closing balance	106,301.14	1,922.93	540.33	13.77	2,477.03	108,778.17
**Reductions in Gross NPAs due to:						
(i) Upgradation					1,252.07	1,252.07
(ii) Recoveries (excluding recoveries from upgraded accounts)					332.74	332.74
(iii) Technical/ Prudential Write-offs					1,056.63	1,056.63
(iv) Write-offs other than those under (iii) above					114.54	114.54
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	287.77	424.33	365.98	5.10	795.41	1,083.18
Add: Addition on amalgamation					121.12	121.12
Add: Fresh provisions made during the year					2,437.01	2,437.01
Less: Excess provision reversed/ Write-off loans					1,708.86	1,708.86
Closing balance of provisions held	384.68	1,112.41	518.50	13.77	1,644.68	2,029.36
Net NPAs						
Opening Balance		420.20	21.79	0.00	441.99	
Add: Addition on amalgamation					78.42	
Add: Fresh additions during the year					1,359.06	
Less: Reductions during the year					1,047.12	
Closing Balance		810.52	21.83	0.00	832.35	832.35
Floating Provisions						
Opening Balance						41.00
Add: Addition on amalgamation						-
Add: Additional provisions made during the year						-
Less: Amount drawn down during the year						-
Closing balance of floating provisions						41.00
Technical write-offs and the recoveries made thereon						
Opening balance of Technical/ Prudential written-off accounts						426.69
Add: Addition on amalgamation						1,299.41
Add: Technical/ Prudential write-offs during the year						1,056.63
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						188.52
Closing balance						2,594.21

* Total column does not contain movement of standard advances and provision thereof

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forming part of the Balance Sheet as at March 31, 2025

Schedule 18 Notes forming part of the financial statements for the year ended March 31, 2025 (Contd.)

For the year ended March 31, 2024

		(₹ in Crore)				
Particulars	Standard	Non-Performing				Total*
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
Opening Balance	58,176.39	560.14	416.68	4.49	981.31	59,157.70
Add: Additions during the year					1,698.19	1,698.19
Less: Reductions during the year**					1,442.10	1,442.10
Closing balance	72,761.67	844.53	387.77	5.10	1,237.40	73,999.07
**Reductions in Gross NPAs due to:						
(i) Upgradation					816.94	816.94
(ii) Recoveries (excluding recoveries from upgraded accounts)					220.15	220.15
(iii) Technical/ Prudential Write-offs					326.50	326.50
(iv) Write-offs other than those under (iii) above					78.51	78.51
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	270.96	274.01	416.65	4.49	695.15	966.12
Add: Fresh provisions made during the year					964.98	964.98
Less: Excess provision reversed/ Write-off loans					864.72	864.72
Closing balance of provisions held	287.77	424.33	365.98	5.10	795.41	1,083.18
Net NPAs						
Opening Balance		286.13	0.03	-	286.16	
Add: Fresh additions during the year					733.21	
Less: Reductions during the year					577.38	
Closing Balance		420.20	21.79	-	441.99	
Floating Provisions						
Opening Balance						41.00
Add: Additional provisions made during the year						-
Less: Amount drawn down during the year						-
Closing balance of floating provisions						41.00
Technical write-offs and the recoveries made thereon						
Opening balance of Technical/ Prudential written-off accounts						149.11
Add: Technical/ Prudential write-offs during the year						326.50
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						48.92
Closing balance						426.69

* Total column does not contain movement of standard advances and provision thereof

Ratios

Particulars	March 31, 2025	March 31, 2024
Gross NPA to Gross Advances	2.28%	1.67%
Net NPA to Net Advances	0.74%	0.55%
Provision coverage ratio (including Floating Provision)	68.05%	67.59%
Provision coverage ratio (including Technical write offs and Floating Provision)	84.40%	75.90%



SCHEDULES

forming part of the Balance Sheet as at March 31, 2025

Schedule 18 Notes forming part of the financial statements for the year ended March 31, 2025 (Contd.)

b) Sector-wise advances and Gross NPAs

(₹ in Crore)

Sr. No.	Sector	March 31, 2025		
		Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector
A	Priority Sector*			
1	Agriculture and allied activities	15,937.03	516.20	3.24%
2	Advances to industries sector eligible as priority sector lending	7,655.40	123.06	1.61%
	All Engineering	1,143.57	13.95	1.22%
	Infrastructure	1,181.28	0.85	0.07%
3	Services	38,617.85	679.00	1.76%
	Transport Operators	8,342.50	120.24	1.44%
	Trade	17,225.69	370.00	2.15%
4	Personal loans	3,725.24	84.95	2.28%
	Housing Loan	3,350.48	53.26	1.59%
	Sub total (A)	65,935.52	1,403.21	2.13%
B	Non Priority Sector			
1	Agriculture and allied activities	-	-	0.00%
2	Industry	1,641.61	66.37	4.04%
	All Engineering	260.20	10.88	4.18%
	Infrastructure	56.09	6.30	11.24%
3	Services	19,827.85	470.32	2.37%
	Transport Operators	1,399.77	62.50	4.46%
	Trade	4,957.97	243.69	4.92%
4	Personal loans	21,373.19	537.13	2.51%
	Housing Loan	4,421.56	59.73	1.35%
	Vehicle Loans	8,436.30	168.44	2.00%
	Advances against Fixed Deposits	2,885.16	-	0.00%
	Sub-total (B)	42,842.65	1,073.82	2.51%
	Total (A+B)	108,778.17	2,477.03	2.28%

*Priority sector outstanding total advances includes ₹1,200.00 crore (Previous year : ₹2,890.00 crore), in respect of which the Bank has sold Priority Sector Lending Certificates (PSLC) and does not includes purchase of Priority Sector Lending Certificates (PSLC) Nil (Previous year : ₹1,860.00 crore).

Sub-sectors have been disclosed where outstanding advances exceed 10% of total advances in that sector.

The Bank has compiled the data for the purpose of this disclosure from its internal MIS system/reports which has been relied upon by the auditors.

SCHEDULES

forming part of the Balance Sheet as at March 31, 2025

Schedule 18 Notes forming part of the financial statements for the year ended March 31, 2025 (Contd.)

		(₹ in Crore)		
Sr. No.	Sector	March 31, 2024		
		Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector
A	Priority Sector*			
1	Agriculture and allied activities	9,671.71	186.63	1.93%
2	Advances to industries sector eligible as priority sector lending	5,162.69	65.37	1.27%
	All Engineering	948.19	12.91	1.36%
	Gems and Jewellery	591.24	9.17	1.55%
3	Services	28,611.75	377.54	1.32%
	Transport Operators	4,614.83	40.59	0.88%
	Trade	13,186.28	212.23	1.61%
4	Personal loans	2,503.33	14.98	0.60%
	Housing Loan	2,503.32	14.98	0.60%
	Sub total (A)	45,949.49	644.53	1.40%
B	Non Priority Sector			
1	Agriculture and allied activities	-	-	0.00%
2	Industry	819.55	31.35	3.82%
	All Engineering	138.25	6.19	4.48%
	Gems and Jewellery	117.89	3.80	3.22%
3	Services	11,723.27	329.19	2.81%
	Transport Operators	1,340.72	47.75	3.56%
	Trade	3,066.32	170.64	5.57%
4	Personal loans	15,506.76	232.33	1.50%
	Housing Loan	2,233.11	5.82	0.26%
	Vehicle Loans	4,957.91	97.89	1.97%
	Credit Card	3,038.27	61.61	2.03%
	Advances against Fixed Deposits	2,308.81	-	0.00%
	Sub-total (B)	28,049.58	592.87	2.11%
	Total (A+B)	73,999.07	1,237.40	1.67%

c) Overseas assets, NPAs and revenue

The Bank does not have any overseas branches hence the disclosure regarding overseas assets, NPAs and revenue is not applicable (Previous Year : Nil).

d) Resolution of Stressed Assets – Revised Framework

The Bank is having Nil loan account for resolution of Stressed Assets (Revised Framework) as on March 31, 2025 (Previous year: Nil) as per RBI Circular RBI/2017-18/131 DBR.No.BP.BC.101/21.04.048/2017-18 and RBI/2018-19/203 DBR.No.BP.BC.45/21.04.048/2018-19 as amended.

e) Divergence in the asset classification and provisioning

In terms of the RBI circular no. //DOR.ACC.REC.No.74/21.04.018/2022-23 dated October 11, 2022, Banks are directed to make suitable disclosures, if either or both of the following conditions are satisfied:-

- the additional provisioning for NPAs assessed by RBI as part of its supervisory process, exceeds 5 per cent of the reported profit before provisions and contingencies for the reference period, and;
- the additional Gross NPAs identified by RBI as part of its supervisory process, exceed 5 per cent of the reported incremental Gross NPAs for the reference period.

RBI did not conduct the Annual Financial Inspection for FY-2023-2024, No divergences reported by RBI.



SCHEDULES

forming part of the Balance Sheet as at March 31, 2025

Schedule 18 Notes forming part of the financial statements for the year ended March 31, 2025 (Contd.)

f) Disclosure of transfer of loan exposures

i) Loans not in default:

- During the year ended March 31, 2025, the bank has not acquired "loans not in default" through assignment of loans.
- Details of "loans not in default" transferred during the year as given below:

(₹ in crore unless specifically mentioned)

Particulars	March 31, 2025*	March 31, 2024
Aggregate amount of loans transferred	8.08	168.67
Aggregate consideration received	8.18^	151.81
Weighted average residual maturity (in Months)	9.51	212.03
Weighted average holding period (in Months)	15.05	16.72
Retention of beneficial economic interest (%)	Nil	10%
Coverage of tangible security coverage(%)	Nil	100%
Rating-wise distribution of rated loans	Nil	Retail Loans-NA

*MFI "loans not in default" transferred to NBFCs under Business Correspondent arrangement

^including interest

ii) Stressed loans transferred or acquired :

- During the year ended March 31, 2025 and March 31, 2024, the bank has not acquired any stressed loans (Non-performing asset and Special Mention Account).
- Details of MFI Non-Performing Assets (NPAs) and Special Mention Accounts (SMAs) transferred to NBFCs under Business Correspondent arrangement during the year as given below:

(₹ in crore unless specifically mentioned)

Particulars	March 31, 2025	March 31, 2024
No. of accounts	14,950	-
Aggregate principal outstanding of loans transferred	23.27	-
Weighted average residual tenor of the loans transferred (In Months)	5.47	-
Net book value of loans transferred (at the time of transfer)	4.75	-
Aggregate consideration (including interest)	25.92	-
Additional consideration realized in respect of accounts transferred in earlier years	NA	-

(iii) Details of the recovery ratings assigned to Security Receipts outstanding :

As at March 31, 2025

(₹ in Crore)

Recovery Rating	Rating Agency	Anticipated Recovery as per Recovery Rating	Value of outstanding SRs (net of provisions)
RR2	Crisil Ratings	More than 75% and upto 100%	0.88
RR3	Crisil Ratings	More than 50% and upto 75%	-

As at March 31, 2024

(₹ in Crore)

Recovery Rating	Rating Agency	Anticipated Recovery as per Recovery Rating	Value of outstanding SRs (net of provisions)
RR2	Crisil Ratings	More than 75% and upto 100%	-

SCHEDULES

forming part of the Balance Sheet as at March 31, 2025

Schedule 18 Notes forming part of the financial statements for the year ended March 31, 2025 (Contd.)

g) Provision pertaining to fraud accounts

(₹ in crore unless specifically mentioned)

Particulars	March 31, 2025	March 31, 2024
Number of frauds reported during the year	86	114
Amount involved in fraud	1.94	7.29
Amount of provision made for such frauds*	0.30	2.86
Amount of unamortised provision debited from "other reserves" as at the end of the year	-	-

*Amount of recoveries / write-off during the current year is ₹1.64 crore (previous year : ₹4.43 crore) and balance amount of fraud as at the year end of ₹0.30 crore (previous year : ₹2.86 crore) is fully provided.

h) Disclosures under Resolution Framework for COVID-19-related Stress

Details of resolution plan implemented under the Resolution Framework for COVID-19-related Stress as per RBI circular dated August 6, 2020(Resolution Framework 1.0) and May 05, 2021 (Resolution Framework 2.0) as at March 31, 2025 are given below.

(₹ in crore unless specifically mentioned)

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year i.e. September 30, 2024 (A)	Of (A), aggregate debt that slipped into NPA during the half-year ended March 31, 2025^	Of (A), amount written off during the half year ended March 31, 2025#	Of (A) amount paid by the borrowers during the half-year ended March 31, 2025*	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year i.e. March 31, 2025
Personal Loans	14.70	0.03	0.01	1.66	13.02
Corporate persons	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	108.25	1.68	0.02	14.21	92.35
Total	122.95	1.71	0.03	15.87	105.37

*includes accounts which were classified as NPA earlier and subsequently upgraded to Standard during the half year ended March 31, 2025.

*Amount paid by the borrower during the half year is net of additions in the borrower amount including additions due to interest capitalisation and includes cases which have been upgraded from Restructuring as on March 31, 2025.

#Represents debt that slipped into NPA and was subsequently written off during the half year ended March 31, 2025.



SCHEDULES

forming part of the Balance Sheet as at March 31, 2025

Schedule 18 Notes forming part of the financial statements for the year ended March 31, 2025 (Contd.)

Details of resolution plan implemented under the Resolution Framework for COVID-19 related stress as per RBI circular dated August 06, 2020 (Resolution Framework 1.0) and May 05, 2021 (Resolution Framework 2.0) as at September 30, 2024 are given below:

(₹ in crore unless specifically mentioned)

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year i.e. March 31, 2024 (A)^	Of (A), aggregate debt that slipped into NPA during the half-year ended September 30, 2024 [§]	Of (A), amount written off during the half year ended September 30, 2024 [#]	Of (A) amount paid by the borrowers during the half-year ended September 30, 2024*	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year i.e. September 30, 2024
Personal Loans	21.57	2.78	0.08	4.09	14.70
Corporate persons	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	128.39	6.22	0.12	13.92	108.25
Total	149.96	9.00	0.20	18.01	122.95

[^]includes exposure of ₹208.24 lakh of erstwhile Fincare Small Finance Bank Limited.

[§]includes accounts which were classified as NPA earlier and subsequently upgraded to Standard during the half year ended September 30, 2024.

^{*}Amount paid by the borrower during the half year is net of additions in the borrower amount including additions due to interest capitalisation and includes cases which have been upgraded from Restructuring as on September 30, 2024.

[#]Represents debt that slipped into NPA and was subsequently written off during the half year ended September 30, 2024.

Details of resolution plan implemented under the Resolution Framework for COVID-19 related Stress as per RBI circular dated August 6, 2020(Resolution Framework 1.0) and May 05, 2021 (Resolution Framework 2.0) as at March 31, 2024 are given below.

(₹ in crore unless specifically mentioned)

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year i.e. September 30, 2023 (A)	Of (A), aggregate debt that slipped into NPA during the half-year ended March 31, 2024	Of (A), amount written off during the half year ended March 31, 2024 [#]	Of (A) amount paid by the borrowers during the half-year ended March 31, 2024*	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year i.e. March 31, 2024
Personal Loans	33.95	1.58	0.20	10.80	21.57
Corporate persons	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	161.04	4.83	0.28	29.90	126.30
Total	194.99	6.41	0.48	40.70	147.87

^{*}Amount paid by the borrower during the half year is net of additions in the borrower amount including additions due to interest capitalisation and includes cases which have been upgraded from Restructuring as on March 31, 2024.

[#]Represents debt that slipped into NPA and was subsequently written off during the half year ended March 31, 2024.

SCHEDULES

forming part of the Balance Sheet as at March 31, 2025

Schedule 18 Notes forming part of the financial statements for the year ended March 31, 2025 (Contd.)

6 Exposures

a) Exposure to real estate sector

(₹ in crore)		
Category	March 31, 2025	March 31, 2024
(a) Direct exposure		
(i) Residential Mortgages– Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Includes Individual housing loans eligible for inclusion in priority sector advances as at March 31, 2025 ₹ 3,451.94 crore and as at March 31, 2024 ₹2,602.83 crore)	10,519.27	6,487.38
(ii) Commercial Real Estate– Lending secured by mortgages on commercial real estate (office buildings, retail space, multi purpose commercial premises, multi family residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non fund based (NFB) limits	7,677.44	4,450.60
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures–		
(a) Residential	5.10	6.63
(b) Commercial Real Estate	-	-
Total (A)	18,201.81	10,944.60
(b) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	777.29	626.35
Total (B)	777.29	626.35
Total Exposure to Real Estate Sector (A+B)	18,979.10	11,570.95

Out of the total loans given against the mortgage of any real estate, only those loans have been classified as an exposure to commercial real estate, the prospects for repayment in respect of which depend primarily on the cash flows generated by such mortgaged asset.

The Bank has compiled the data for the purpose of this disclosure from its internal MIS system/reports has been relied upon by the auditors.

b) Exposure to Capital Market

(₹ in crore)		
Particulars	March 31, 2025	March 31, 2024
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt.*	15.94	8.75
(ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds.	-	-
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security.	-	-
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances.	-	-
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers.	519.04	324.99



SCHEDULES

forming part of the Balance Sheet as at March 31, 2025

Schedule 18 Notes forming part of the financial statements for the year ended March 31, 2025 (Contd.)

(₹ in crore)		
Particulars	March 31, 2025	March 31, 2024
(vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources.	-	-
(vii) Bridge loans to companies against expected equity flows / issues.	-	-
(viii) Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds.	-	-
(ix) Financing to stockbrokers for margin trading.	-	-
(x) All exposures to Venture Capital Funds (both registered and unregistered).	-	-
Total Exposure to Capital Market	534.98	333.74

*represents book value refer note 4(a) - Schedule 18A

The Bank has compiled the data for the purpose of this disclosure from its internal MIS system/reports has been relied upon by the auditors.

c) Details of risk category wise country exposure

As per the extant RBI guidelines, the country exposure of the Bank is categorised into various risk categories listed in the following table. As the net funded exposure did not exceeded 1% of total funded assets, the Bank has not made any provision on country exposure based on RBI guidelines.

(₹ in crore)					
Risk Category	ECGC Classification	March 31, 2025		March 31, 2024	
		Exposure (net)	Provision held	Exposure (net)	Provision held
Insignificant	A1	173.70	-	0.76	-
Low	A2	9.85	-	0.06	-
Moderately Low	B1	-	-	-	-
Moderate	B2	-	-	-	-
Moderately High	C1	-	-	-	-
High	C2	-	-	-	-
Very High	D	-	-	-	-
Total		183.55	-	0.82	-

d) Unsecured Advances

(₹ in crore)		
Particulars	March 31, 2025	March 31, 2024
Total unsecured advances of the bank	13,105.42	8,086.47
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	-	-
Estimated value of such intangible securities	-	-

e) Details of factoring exposure:

The factoring exposure of the Bank as at March 31, 2025 is Nil.(Previous year: Nil).

f) Intra-Group exposure

The Bank does not have any exposure (advances/investments) within the group (Previous year: Nil).

SCHEDULES

forming part of the Balance Sheet as at March 31, 2025

Schedule 18 Notes forming part of the financial statements for the year ended March 31, 2025 (Contd.)

g) Unhedged foreign currency exposure

The RBI, through its master direction dated October 11, 2022, had advised banks to create incremental provision on standard loans and advances to entities with unhedged foreign currency exposure (UFCE). The Bank assesses the UFCEs of the borrowers through its credit appraisal and internal ratings process. The Bank also undertakes reviews of such exposures through thematic reviews evaluating the impact of exchange rate fluctuations on the Bank's portfolio on a yearly basis.

Incremental provisioning (over and above provision applicable for standard assets) is made in Bank's Profit and Loss Account, on borrower counter parties having UFCE, depending on the likely loss / EBID ratio, in line with stipulations by RBI. Incremental capital is maintained in respect of borrower counter parties in the highest risk category, in line with stipulations by RBI. These requirements are given below:

Likely Loss / EBID ratio	Incremental Provisioning Requirement (computed on the total credit exposures reckoned for standard asset provisioning)	Incremental Capital Requirement
Up to 15%	0%	0%
More than 15% to 30%	0.20%	0%
More than 30% to 50%	0.40%	0%
More than 50% to 75%	0.60%	0%
More than 75% (Most risky)	0.80%	25%

The Bank held provision amounting to ₹1.42 crore on advances to entities with UFCE on March 31, 2025 (previous year: ₹2.04 crore). The Bank considered incremental risk weighted assets of ₹32.45 crore for the purpose of CRAR calculation in respect of borrower with UFCE as on March 31, 2025 (previous year: ₹68.07 crore).

7 Concentration of deposits, advances, exposures and NPAs

a) Concentration of Deposits

Particulars	(₹ in crore)	
	March 31, 2025	March 31, 2024
Total deposits of the twenty largest depositors*	14,597.95	9,450.35
Percentage of deposits of twenty largest depositors to total deposits of the bank	11.75%	10.84%

*Includes certificate of deposits

b) Concentration of Advances

Particulars	(₹ in crore)	
	March 31, 2025	March 31, 2024
Total advances to the twenty largest borrowers	3,297.52	1,588.46
Percentage of advances to twenty largest borrowers to total advances of the bank	2.44%	1.65%

Advances comprise of credit exposure (funded and non-funded credit limits) excluding other exposure of security placed with CCIL on account of limit for TREPS transaction of ₹110 crores (Previous year: ₹59 crores).

c) Concentration of Exposures

Particulars	(₹ in crore)	
	March 31, 2025	March 31, 2024
Total exposure to the twenty largest borrowers / customers	7,384.19	3,702.50
Percentage of exposures to the twenty largest borrowers / customers to the total exposure of the bank on borrowers / customers	5.13%	3.63%

Exposures comprise of credit exposure (funded and non-funded credit limits) and investment exposure excluding other exposure of security placed with CCIL on account of limit for TREPS transaction of ₹110 crores (Previous year: ₹59 crores).



SCHEDULES

forming part of the Balance Sheet as at March 31, 2025

Schedule 18 Notes forming part of the financial statements for the year ended March 31, 2025 (Contd.)

d) Concentration of NPAs

Particulars	(₹ in crore)	
	March 31, 2025	March 31, 2024
Total Exposure to top twenty NPA accounts	139.63	52.05
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs	5.64%	4.21%

8 Derivatives

a) Forward rate agreement/ Interest rate swap

The bank has not entered into any Forward Rate Agreement or Interest rate swaps during the year ended March 31, 2025 and March 31, 2024.

b) Exchange traded interest rate derivatives

The bank has not entered into any exchange traded interest rate derivatives during the year ended March 31, 2025 and March 31, 2024.

c) Disclosures on risk exposure in derivatives

Qualitative Disclosure

The Bank deals in foreign exchange Forward contracts which is governed by the board approved Treasury Forex Risk Management policy. Foreign exchange forward contract involves the exchange of currencies at a predetermined price on a future date. These instruments are carried at fair value, determined based on either FEDAI rates or market quotations. The policy lays down various limits to measure and monitors risk of its Forex portfolio using such risk metrics as Value at Risk (VaR), stop loss limits, AGL/IGL/NOOP and other relevant limits. Bank monitors its risk exposures on daily basis and the relevant reporting is done to ALCO on monthly basis and to the RMCB on quarterly basis.

Quantitative Disclosures

The bank has not entered into Exchange traded and OTC options, Cross currency interest rate swaps and Currency futures derivative instruments during the year ended March 31, 2025 and March 31, 2024.

d) Credit default swaps

The bank has not transacted in credit default swaps during the year ended March 31, 2025 and March 31, 2024.

SCHEDULES

forming part of the Balance Sheet as at March 31, 2025

Schedule 18 Notes forming part of the financial statements for the year ended March 31, 2025 (Contd.)

9 Disclosures relating to Securitisation

Disclosure as per RBI guidelines for securitisation transactions:

(₹ in crore except numbers)

Particulars	As at March 31, 2025	As at March 31, 2024
No. of SPEs holding assets for securitisation transactions originated by the bank	21	14
Total amount of securitised assets as per books of the SPEs (outstanding as on balance sheet date)	6,719.50	8,261.21
Total amount of exposures retained by the Bank to comply with minimum retention requirement (MRR) as on the date of balance sheet		
a) Off-balance sheet exposures		
First Loss	276.07	276.07
Others	-	-
b) On balance sheet exposures		
First Loss	267.47	158.35
Others	404.20	501.91
Amount of exposures to securitisation transaction other than MRR		
a) Off balance sheet exposures		
I) Exposure to own securitisations		
First Loss	-	-
Others (Guarantees provided by banks on behalf of the Bank)	320.54	291.45
II) Exposure to Third party securitisations		
First Loss	-	-
Others	-	-
b) On balance sheet exposures		
I) Exposure to own securitisations		
First Loss	-	-
Others	200.01	139.97
II) Exposure to Third party securitisations		
First Loss	-	-
Others	-	-
Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation	2,262.13 NIL	6,109.19 NIL

Particulars		As at March 31, 2025		As at March 31, 2024	
Form and quantum (outstanding value) of services provided by way of liquidity support, post securitisation asset servicing etc.					
Services Provided	Form of facility	No of Transaction	Value of Facility*	No of Transaction	Value of Facility*
Liquidity Support	Fixed Deposits	1	0.80	1	0.82
	Bank Guarantees	10	58.85	10	72.39
Services Provided	Type of service	No of Transaction	Outstanding Value	No of Transaction	Outstanding Value
Post Securitization Assets Servicing	Servicing Agent	21	6,719.50	14	8,261.21
Performance of facility provided viz. Credit enhancement, liquidity support, servicing agent etc.		Credit Enhancement	Liquidity Support	Credit Enhancement	Liquidity Support
(a) Schedule Amount		920.17	94.83	579.77	62.18
(b) Opening Balance		920.17 (100%)	73.22 (77%)	579.77 (100%)	48.13 (77%)
(c) Cumulative Amount paid During the year		-	17.18 (18%)	-	19.04 (31%)



SCHEDULES

forming part of the Balance Sheet as at March 31, 2025

Schedule 18 Notes forming part of the financial statements for the year ended March 31, 2025 (Contd.)

Particulars	As at March 31, 2025		As at March 31, 2024	
(d) Cumulative Repayment received during the year	-	3.6 (4%)	-	3.27 (5%)
(e) Amount increase due to new Pool	163.46 (18%)	-	473.16 (82%)	50.23 (81%)
(f) Amount reduce due to pool Maturity	36.71 (4%)	-	187.10 (32%)	9.37 (15%)
(g) Outstanding amount	1,046.92 (114%)	59.64 (63%)	865.84 (149%)	73.22 (118%)
Average default rate of portfolios observed in the past**	2.20%		2.10%	
Wheels	2.61%		2.68%	
MBL	3.05%		2.79%	
Others	1.21%		0.86%	
Amount and number of additional/top up loan given on same underlying asset.	No. of Loans	Amount	No. of Loans	Amount
Wheels	21,860	476.26	17,877	341.57
MBL	1,276	146.60	1,541	161.09
Others	1	0.07	3	0.62
Investor complaints	Nil		Nil	
(a) Directly/Indirectly received and;				
(b) Complaints outstanding				

* Value of facility is outstanding amount of the facility on the reporting date.

** Default rate % is calculated on the basis of reporting date NPA on Gross advance.

10 Off Balance Sheet SPVs sponsored

There are no Off-Balance Sheet SPVs sponsored by the Bank, which need to be consolidated as per accounting norms (previous year Nil).

11 Transfers to Depositor Education and Awareness Fund (DEAF)

The following table sets forth the movement of amount transferred to the Fund:

		(₹ in crore)	
S. No.	Particular	March 31, 2025	March 31, 2024
1	Opening balance of amounts transferred to DEA Fund	0.03	-
2	Add: Amounts transferred to DEA Fund during the year	0.06	0.03
3	Less: Amounts reimbursed by DEA Fund towards claims	-	-
4	Closing balance of amounts transferred to DEA Fund	0.09	0.03

Closing balance of the amount transferred to DEA Fund, as disclosed above, are also included under 'Schedule 12 - Contingent Liabilities - Other items for which the bank is contingently liable'.

12 Disclosure for Customer Complaints

a) Complaints received by the bank from its customers

(i) Customer complaints other than ATM transaction disputes:

S. No.	Particular	March 31, 2025	March 31, 2024
1	No. of complaints pending at the beginning of the year	5,935	1,348
1.1	Addition on amalgamation	15	NA
2	No. of complaints received during the year	39,638	41,430
3	No. of complaints disposed during the year	43,722	36,843
3.1	No. of complaints rejected by the bank (out of point 3)#	23,611	4,953
4	No. of complaints pending at the end of the year	1,866	5,935

SCHEDULES

forming part of the Balance Sheet as at March 31, 2025

Schedule 18 Notes forming part of the financial statements for the year ended March 31, 2025 (Contd.)

(ii) ATM transaction disputes relating to the Bank's customers on bank's ATMs:

S. No.	Particular	March 31, 2025	March 31, 2024
1	No. of complaints pending at the beginning of the year	45	34
1.1	Addition on amalgamation	-	NA
2	No. of complaints received during the year	4,403	6,110
3	No. of complaints disposed during the year	4,389	6,099
3.1	No. of complaints rejected by the bank (out of point 3)#	566	293
4	No. of complaints pending at the end of the year	59	45

(iii) ATM transaction disputes relating to the Bank's customers on other bank's ATMs:

S. No.	Particular	March 31, 2025	March 31, 2024
1	No. of complaints pending at the beginning of the year	27	109
1.1	Addition on amalgamation	-	NA
2	No. of complaints received during the year	2,213	4,475
3	No. of complaints disposed during the year	2,209	4,557
3.1	No. of complaints rejected by the bank (out of point 3)#	1,027	414
4	No. of complaints pending at the end of the year	31	27

(iv) Total customer complaints and ATM transaction disputes [total of tables (i), (ii) and (iii) above]:

S. No.	Particular	March 31, 2025	March 31, 2024
1	No. of complaints pending at the beginning of the year	6,007	1,491
1.1	Addition on amalgamation	15	NA
2	No. of complaints received during the year	46,254	52,015
3	No. of complaints disposed during the year	50,320	47,499
3.1	No. of complaints rejected by the bank (out of point 3)#	25,204	5,660
4	No. of complaints pending at the end of the year	1,956	6,007

Excluding complaints redressed within the next working day.

Includes complaints received from RBI Ombudsman and out of 1,956 (previous year : 6,007) pending complaints, all redressed before Board meeting except 796 (previous year: 1,695) complaints.

#Rejected complaints examined by internal ombudsman are only considered (wef. Q-4 FY-23-24 all rejected complaints are examined by internal ombudsman)

b) Maintainable complaints received by the Bank from OBOs under Integrated Ombudsman Scheme, 2021

S. No.	Particular	March 31, 2025	March 31, 2024
1	Number of maintainable complaints received by the bank from Office of Ombudsman	2,023	1,251
1.1	Of 1 above, number of complaints resolved in favour of the bank by Office of Ombudsman	1,191	645
1.2	Of 1 above, number of complaints resolved through conciliation/mediation/ advisories issued by Office of Ombudsman	832	606
1.3	Of 1 above, number of complaints resolved after passing of Awards by Office of Ombudsman against the bank	Nil	Nil
2	Number of Awards unimplemented within the stipulated time (other than those appealed)	Nil	Nil



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forming part of the Balance Sheet as at March 31, 2025

Schedule 18 Notes forming part of the financial statements for the year ended March 31, 2025 (Contd.)

c) Top five grounds of complaints received by the bank from customers

For the year ended March 31, 2025

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Addition on amalgamation	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 6, number of complaints pending beyond 30 days
1	2	3	4	5	6	7
Credit Cards	4,617	-	19,735	(6%)	678	154
ATM/Debit Cards	307	-	9,456	(56%)	122	1
Account opening/difficulty in operation of accounts	326	-	2,528	12%	175	-
Loans and advances	47	4	1,085	(10%)	185	16
Recovery Agents/Direct Sales Agents	97	-	583	41%	129	19
Others	613	11	12,867	2%	667	96
Total	6,007	15	46,254	(12%)	1,956	286

For the year ended March 31, 2024

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
ATM/Debit Cards	244	14,780	8%	307	15
Internet /Mobile / Electronic Banking	26	1,914	45%	71	16
Account opening /difficulty in operation of accounts	29	2,233	24%	326	101
Credit Cards	678	20,857	146%	4,617	2,495
Staff behaviour	5	482	(19%)	68	35
Others	509	11,749	24%	618	150
Total	1,491	52,015	47%	6,007	2,812

The above details are as furnished by the Management and relied upon by the Auditors.

13. Penalties imposed by the RBI

During the year ended March 31, 2025, in terms of the provisions contained in the RBI circular Ref. DCM (RMMT) No.S153/11.01.01/2021-22 dated August 10, 2021 on "Monitoring of Availability of Cash in ATMs" and the subsequent addendum thereto, RBI has imposed penalties of ₹40,000 (4 instances) on the Bank on account of Cash out in an ATM for more than 10 hours in a month (previous year : ₹10,000) and RBI has imposed penalty of ₹5,000 (1 instance) on the Bank on account of deficiencies observed during incognito visit at Bank Branch.

SCHEDULES

forming part of the Balance Sheet as at March 31, 2025

Schedule 18 Notes forming part of the financial statements for the year ended March 31, 2025 (Contd.)

14. Disclosures on remuneration

Qualitative Disclosures:

(a) Information relating to the composition and mandate of the Nomination and Remuneration Committee:

In compliance of Companies Act 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Banking Regulation Act 1949 and other guidelines as applicable, the Board of Directors has constituted Nomination and Remuneration Committee (NRC) to oversee the framing, review, and implementation of the Compensation Policy of the Bank. This Committee works in coordination with Risk Management Committee & Audit Committee of the Board, for achieving effective alignment between risk and remuneration.

As on March 31, 2025, the Nomination and Remuneration Committee consist of Non-Executive (Independent) Directors and the said composition is in line with the applicable guidelines.

The Composition of NRC committee is as follows:

- Mr. M S Sriram - Independent Director (Chairman)
- Mr. H.R. Khan - Independent Director
- Mr. Pushpinder Singh - Independent Director
- Ms. Malini Thadani - Independent Director

The roles and responsibilities of the Nomination and Remuneration Committee (NRC) are as under:

- (i) Assist the Board in formulation and implementation of compensation policy and lay down the criteria for remuneration of Directors, Key Management Personnel (KMPs) and Senior Management Personnel (SMPs), Material Risk Takers (MRTs), Control Function Staff and other employees.
- (ii) Take inputs from the Risk Management Committee of the Board to ensure balance between remuneration and risks as required. The Committee shall ensure that the mix of Fixed and Variable forms of compensation is consistent with risk alignment and objectives of the Bank.
- (iii) Lay down the comprehensive criteria for assessment in terms of qualifications, positive attributes, independence, professional experience, track record, integrity and considering other parameters for appointment of Directors, KMPs and SMPs.
- (iv) Develop policies and lay down criteria for appointment/removal/reappointment of the Directors on the Board capturing the statutory and regulatory requirements.
- (v) Assist in defining the performance evaluation criteria for Directors, KMPs, SMPs, MRTs and Control Functions and ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- (vi) Ensure that the compensation policy formulated for remuneration of Directors, KMPs and SMPs is reasonable sufficient to attract, retain and motivate quality talent required to run the Bank.
- (vii) Ensure that the compensation for Directors, KMPs, SMPs is a mix of fixed and variable pay and such compensation reflects short and long-term performance objectives appropriate to the working and the goals of the Bank.
- (viii) Ensure that appropriate procedures are in place to assess Board effectiveness and also provide the suggestions on governance to the Board of Directors.
- (ix) Review and oversee the Employee Benefits program of the Bank including deferred benefits and retirement plans.



SCHEDULES

forming part of the Balance Sheet as at March 31, 2025

Schedule 18 Notes forming part of the financial statements for the year ended March 31, 2025 (Contd.)

(b) Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy:

The Bank has formulated a Compensation Policy in alignment with the RBI guidelines, covering all components of compensation including fixed pay, perquisites, performance bonus, guaranteed bonus (joining / sign-on bonus), share-linked instruments such as Employee Stock Option Plan (ESOPs), retirement benefits such as Provident Fund and Gratuity, and below are the key features and objectives of the policy :

- Establish standards on compensation/ remuneration including fixed and variable pay covering share-linked instruments, which are in alignment with the applicable rules and regulations and is based on the trends and practices of remuneration prevailing in the industry.
- Retain, motivate, and promote talent and to ensure long term sustainability of talented Director, KMP, SMP, MRT, Control Function Staff and other employees as applicable.
- Define internal guidelines for payment of other reimbursement to the Directors and KMPs.
- Institutionalize a mechanism for the appointment/ removal/ resignation/evaluation of performance of Directors.
- Perform such functions as are required to be performed by the Nomination and Remuneration committee under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, including the following:
 - (a) administering the ESOP plans;
 - (b) determining the eligibility of employees to participate under the ESOP plans;
 - (c) granting options to eligible employees and determining the date of grant;
 - (d) determining the number of options to be granted to an employee;
 - (e) determining the exercise price under the ESOP plans and
- Ensure compliance with applicable laws, rules, and regulations as well as 'Fit and Proper criteria' of directors before their appointment.

(c) Description of the ways in which current and future risks are taken into account in the remuneration processes. It should include the nature and type of the key measures used to take account of these risks:

The Key parameters taken into account for the structuring of remuneration covering fixed pay and variable pay are mentioned below:

- (i) Risk factors that are significant to the Banking operations of the Bank are taken into consideration in devising the remuneration structure and it is symmetric to the risk outcomes.
- (ii) Compensation payout is scheduled in manner where sensitivity to time horizon of risks is taken into consideration in the review process.
- (iii) Individual performance is reviewed on the basis of Key Responsibility Areas (KRAs) and the review is carried out under the Annual Performance Review (APR) of the Bank.
- (iv) Industry Benchmarking, inflation and increase of cost of living.

In addition, it includes a 'malus' and 'clawback' option to take care of any disciplinary issue or future drop in performance of individual/ business/ Bank.

SCHEDULES

forming part of the Balance Sheet as at March 31, 2025

Schedule 18 Notes forming part of the financial statements for the year ended March 31, 2025 (Contd.)

(d) Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration:

Individual performances are assessed in line with business/ individual delivery of the Key responsibility Areas (KRAs), top priorities of business, budgets, and overall contribution to the organisation etc.

In linking the performance and level of remuneration, the job roles, levels, business budgets, risk factors, achievement of individual KRAs are taken into consideration for taking decision in this regard.

(e) A discussion of the Bank's policy on deferral and vesting of variable remuneration and a discussion of the Bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting:

In compliance of RBI Guidelines on Compensation of Whole Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function staff dated November 04, 2019, the Bank has formulated Compensation Policy that covers all aspects of the compensation structure such as Fixed pay, Variable Pay and Deferral pay.

The Variable Pay of senior executives, including WTDs, and other employees who are MRTs shall be deferred over the period so that compensation is adjusted for all types of risks that organisation may be exposed to.

The deferral period shall be a minimum of three years. This would be applicable for both the cash and non-cash components of the variable pay :

- a) A minimum of 60% of the total variable pay must invariably be under deferral arrangements.
- b) If cash component is part of variable pay, at least 50% of the cash bonus shall also be deferred and where the cash component of variable pay is under ₹25 lakhs in a year, deferral requirements shall not be applicable.
- c) Deferred remuneration should either vest fully at the end of the deferral period or be spread out over the course of the deferral period. The first such vesting should be not before one year from the commencement of the deferral period and shall not take place more frequently than on a yearly basis.
- d) The vesting should be no faster than on a pro rata basis.

The adjustment of Variable Pay before and after the vesting shall be considered in the event of subdued or negative financial performance of the bank and/or the relevant line of business in any year and the malus/clawback arrangements shall be invoked subject to due assessment.



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forming part of the Balance Sheet as at March 31, 2025

Schedule 18 Notes forming part of the financial statements for the year ended March 31, 2025 (Contd.)

(f) Description of the different forms of variable remuneration (i.e. cash, shares, ESOPs and other forms) that the bank utilizes and the rationale for using these different forms:

The Variable pay consist of Cash, Share linked Instrument and same is decided considering risk factors, job profile, level of performance and industry norms to ensure that employee morale is high and to promote consistency in performance over the time horizon.

The breakup of variable remuneration is the follows:

Variable Pay: Variable pay compensation is paid depending upon the performance of the Employees against set key responsibility areas (KRAs) and it is ensured that there is a proper balance between fixed pay and variable pay while devising the remuneration structure.

- (a) A substantial proportion of compensation i.e., at least 50%, should be variable and paid on the basis of individual, business performance & other parameters and this shall not be applicable on risk control function staff.
- (b) In case variable pay is:
 - Up to 200% of the fixed pay, a minimum of 50% of the variable pay should be via non-cash instruments.
 - Above 200%, a minimum of 67% of the variable pay should be via non-cash instruments.
 - shall be limited to a maximum of 300% of the fixed pay; (for the relative performance measurement period).
- (c) In the event that an executive is barred by statute or regulation from grant of share-linked instruments, his/her variable pay will be capped at 150% of the fixed pay but shall not be less than 50% of the fixed pay.
- (d) The deterioration in the financial performance of the Bank shall generally lead to a contraction in the total amount of variable compensation, which can even be reduced to zero and the proportion of variable pay shall be higher depending on the higher responsibility at higher level.

Share-linked Instruments: Share-linked Instruments consisting of ESOPs or other linked instruments which shall be forming part of variable pay.

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forming part of the Balance Sheet as at March 31, 2025

Quantitative Disclosures:

Sr. No.	Subject	March 31, 2025	March 31, 2024
(g)	Number of meetings held by the Remuneration Committee during the financial year and remuneration paid to its members	Number of meetings: 6 Remuneration paid: For period from April 01, 2024 till June 30, 2024, sitting fee of ₹40,000 for each meeting attended. For period from July 01, 2024 till March 31, 2025, sitting fee of ₹55,000 for each meeting attended.	Number of meetings: 7 Remuneration paid: Sitting fee of ₹40,000 for each meeting attended.
(h)	Number of employees having received a variable remuneration award during the financial year	10 Employees	12 Employees
	Number and total amount of sign-on/joining bonus made during the financial year	Nil	Nil
	Details of severance pay, in addition to accrued benefits, if any	Nil	Nil
(i)	Total amount of outstanding deferred remuneration, split into cash, types of share-linked instruments and other forms	<p>Cash:</p> <ul style="list-style-type: none"> Variable Pay (Performance bonus) of ₹2.05 crore for FY 2023-24 for Mr. Sanjay Agarwal, MD & CEO has been approved by RBI on December 10, 2024 out of which ₹1.41 crores is deferred in next 3 years in equal installments. Accordingly, total outstanding deferred remuneration of MD & CEO as on March 31, 2025 was ₹2.12 crores including deferred remuneration of ₹0.14 crores, ₹0.16 crores, ₹0.41 crores & ₹1.41 Crores for FY 2020-21, 2021-22, 2022-23 and 2023-24 respectively. Variable Pay (Performance bonus) of ₹0.59 crore for FY 2023-24 for Mr. Uttam Tibrewal, WTD & Deputy CEO has been approved by RBI on December 10, 2024 out of which ₹0.38 crores is deferred in next 3 years in equal installments. Accordingly, total outstanding deferred remuneration of WTD & Deputy CEO as on March 31, 2025 was ₹0.64 crores including deferred remuneration of ₹0.07 crores, ₹0.06 crores, ₹0.13 crores & ₹0.38 crores for FY 2020-21, 2021-22, 2022-23 & 2023-24 respectively. Variable Pay (Performance bonus) of other MRTs of ₹2.55 crore is deferred including deferred remuneration of ₹0.32 crores, ₹0.57 crores & ₹1.67 crores for FY 2021-22, 2022-23 & 2023-24 respectively. <p>ESOP: Outstanding ESOPs (Unvested) : 10,72,241 ESOPs</p>	<p>Cash:</p> <ul style="list-style-type: none"> Variable Pay (Performance bonus) of ₹1.22 crore for FY 2022-23 for Mr. Sanjay Agarwal, MD & CEO has been approved by RBI on January 17, 2024 out of which 50% is deferred in next 3 years in equal installments. Accordingly, total outstanding deferred remuneration of MD & CEO as on March 31, 2024 was ₹1.21 crore including deferred remuneration of ₹0.28 crores, ₹0.31 crores & ₹0.61 crores for FY 2020-21, 2021-22 & 2022-23 respectively. Variable Pay (Performance bonus) of ₹0.40 crore for FY 2022-23 for Mr. Uttam Tibrewal, WTD has been approved by RBI on January 17, 2024 out of which 50% is deferred in next 3 years in equal installments. Accordingly, total outstanding deferred remuneration of WTD as on March 31, 2024 was ₹0.45 crore including deferred remuneration of ₹0.13 crores, ₹0.12 crores & ₹0.20 crores for FY 2020-21, 2021-22 & 2022-23 respectively. Variable Pay (Performance bonus) of other MRTs of ₹2.77 crore is deferred including deferred remuneration of ₹0.35 crores, ₹1.17 crores & ₹1.25 crores for FY 2020-21, 2021-22 & 2022-23 respectively. <p>ESOP: Outstanding ESOPs (Unvested) : 7,60,043 ESOPs</p>



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forming part of the Balance Sheet as at March 31, 2025

Sr. No.	Subject	March 31, 2025	March 31, 2024
	Total amount of deferred remuneration paid out in the financial year	<p>Cash:</p> <p>Deferred variable pay of all MRTs (including MD & CEO and WTD & Deputy CEO) of ₹1.42 crore was paid.</p> <p>ESOP:</p> <p>Number of stock options exercised during the year: 98,841</p> <p>Number of stock options vested during the year: 1,96,187</p>	<p>Cash:</p> <p>Deferred variable pay of all MRTs (including MD & CEO and WTD) of ₹1.36 crore was paid.</p> <p>ESOP:</p> <p>Number of stock options exercised during the year: 6,53,896</p> <p>Number of stock options vested during the year: 9,14,802</p>
(J)	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.	<p>Total fixed salary:</p> <ul style="list-style-type: none"> ₹ 19.20 crore (represents total cost to the Bank) <p>Deferred Variable Pay:</p> <p>Cash:</p> <ul style="list-style-type: none"> Variable Pay (Performance bonus) of ₹2.05 crore for FY 2023-24 for Mr. Sanjay Agarwal, MD & CEO has been approved by RBI on December 10, 2024 out of which ₹1.41 crores is deferred in next 3 years in equal installments. Variable Pay (Performance bonus) of ₹0.59 crore for FY 2023-24 for Mr. Uttam Tibrewal, WTD & Deputy CEO has been approved by RBI on December 10, 2024 of which ₹0.38 crores is deferred in next 3 years in equal installments. The Variable Pay (performance bonus) of other MRTs of ₹1.67 crore pertaining to FY 2023-24 is deferred and shall be payable in next 3 years in equal installments. <p>Non Cash:</p> <ul style="list-style-type: none"> 6,94,662 ESOPs amounting to ₹20.73 crore were granted to MRTs other than WTD during the financial year. Variable Pay (Performance bonus) of Mr. Uttam Tibrewal, WTD & Deputy CEO in the form of ESOPs amounting to ₹1.78 crores has been approved by RBI on December 10, 2024 for FY 2023-24, in respect of which 97,116 ESOPs has been granted by the Nomination & Remuneration Committee of the Bank. Further, 38,387 ESOPs has been granted to Mr. Uttam Tibrewal for FY 2022-23 during the year for which approval from RBI was received on January 17, 2024. <p>Non - Deferred Variable Pay:</p> <ul style="list-style-type: none"> Remuneration award of Mr. Sanjay Agarwal, MD & CEO of ₹0.64 crore paid during FY 2024-25 related to performance of FY 2023-24. Remuneration award of Mr. Uttam Tibrewal, WTD & Deputy CEO of ₹0.21 crore paid during FY 2024-25 related to performance of FY 2023-24. Remuneration award of other MRTs of ₹2.26 crore paid during FY 2024-25 related to performance of FY 2023-24. 	<p>Total fixed salary:</p> <ul style="list-style-type: none"> ₹ 18.13 crore (represents total cost to the Bank) <p>Deferred Variable Pay:</p> <p>Cash:</p> <ul style="list-style-type: none"> Variable Pay (Performance bonus) of ₹1.22 crore for FY 2022-23 for Mr. Sanjay Agarwal, MD & CEO has been approved by RBI on January 17, 2024 out of which 50% is deferred in next 3 years in equal installments. Variable Pay (Performance bonus) of ₹0.40 crore for FY 2022-23 for Mr. Uttam Tibrewal, WTD has been approved by RBI on January 17, 2024 out of which 50% is deferred in next 3 years in equal installments The Variable Pay (performance bonus) of other MRTs of ₹1.25 crore pertaining to FY 2022-23 is deferred and shall be payable in next 3 years in equal installments. <p>Non Cash:</p> <ul style="list-style-type: none"> 2,63,803 ESOPs amounting to ₹10.48 crore were granted to MRTs other than WTD during the financial year. Variable Pay (Performance bonus) of Mr. Uttam Tibrewal, WTD in the form of ESOPs amounting to ₹1.21 crores has been approved by RBI on January 17, 2024 for FY 2022-23, in respect of which ESOPs is to be granted by the Nomination & Remuneration Committee of the Bank. <p>Non - Deferred Variable Pay:</p> <ul style="list-style-type: none"> Remuneration award of Mr. Sanjay Agarwal, MD & CEO of ₹0.61 crore paid during FY 2023-24 related to performance of FY 2022-23. Remuneration award of Mr. Uttam Tibrewal, WTD of ₹0.20 crore paid during FY 2023-24 related to performance of FY 2022-23. Remuneration award of other MRTs of ₹2.23 crore paid during FY 2023-24 related to performance of FY 2022-23.

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forming part of the Balance Sheet as at March 31, 2025

Sr. No.	Subject	March 31, 2025	March 31, 2024
(k)	Total amount of outstanding and deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments.	Nil	Nil
	Total amount of reductions during the financial year due to ex- post explicit adjustments.	Nil	Nil
	Total amount of reductions during the financial year due to ex- post implicit adjustments.	Nil	Nil
(l)	Number of MRTs identified	10 (Including MD & CEO and WTD & Deputy CEO) as on the March 31, 2025	12 (Including MD & CEO and WTD) as on the financial year end
(m)	Number of cases where malus has been exercised.	Nil	Nil
	Number of cases where clawback has been exercised.	Nil	Nil
	Number of cases where both malus and clawback have been exercised.	Nil	Nil
General Quantitative Disclosures:			
Sr. No.	Subject	March 31, 2025	March 31, 2024
(n)	The mean pay for the bank as a whole (excluding sub-staff) and the deviation of the pay of each of its WTDs from the mean pay.	<ul style="list-style-type: none"> Total Mean pay of the Bank as a whole (Excluding Sub-Staff) is: ₹0.054 crore calculated on annualized basis. Deviation in the fixed Pay for Mr. Sanjay Agarwal, MD & CEO and Mr. Uttam Tibrewal, WTD & Deputy CEO from the mean pay is 53 and 46 times respectively for FY 2024-25 as on March 31, 2025. 	<ul style="list-style-type: none"> Total Mean pay of the Bank as a whole (Excluding Sub-Staff) is: ₹0.061 crore calculated on annualized basis. Deviation in the fixed Pay for Mr. Sanjay Agarwal, MD & CEO and Mr. Uttam Tibrewal, WTD from the mean pay is 42 and 36 times respectively for FY 2023-24 as on March 31, 2024.

Note: the above information comprises of MRTs as at the year end and excluding Erstwhile Fincare SFB MRT's deferral cash and Non cash pay.



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forming part of the Balance Sheet as at March 31, 2025

Schedule 18 Notes forming part of the financial statements for the year ended March 31, 2025 (Contd.)

15. Disclosure on remuneration to Non-Executive Directors

Particulars	(₹ in crore)	
	March 31, 2025	March 31, 2024
Remuneration by way of sitting fees to the Non-Executive Directors for attending meetings of the Board and its committees	1.91	1.75
Compensation to all Non-Executive Directors	1.45	1.34

16 Other Disclosures

a) Business Ratios

Particulars	March 31, 2025	March 31, 2024
i. Interest Income as a percentage to Working Funds	11.68%	10.98%
ii. Non interest income as a percentage to Working Funds	1.84%	1.77%
iii. Cost of Deposits	6.96%	6.74%
iv. Net Interest Margin	5.98%	5.52%
v. Operating Profit as a percentage to Working Funds	3.33%	2.49%
vi. Return on Assets	1.53%	1.54%
vii. "Business" (deposits plus advances) per employee (₹ in crore)	4.02	4.65
viii. Profit per employee (₹ in crore)	0.04	0.05

Definitions of certain items in Business ratios / information:

- Working funds to be reckoned as monthly average of total assets (excluding accumulated losses, if any) as reported to Reserve Bank of India in Form X under Section 27 of the Banking Regulation Act, 1949.
- Operating profit = (Interest Income + Other Income – Interest expenses – Operating expenses).
- For the current year ROA is computed based on monthly average of total assets as reported to Reserve Bank of India in Form X. For the previous year ROA is computed based on Average of Total Assets.
- "Business" is the total of monthly average of net advances and deposits (net of inter-bank deposits).
- Productivity ratios (Business per employee and Profit per employee) are based on monthly average of employees count.
- Net Interest Margin is Net Interest Income/ Average Earning Assets. Net Interest Income= Interest Income – Interest Expense and Average Earning Assets is yearly average of total of net advances, investments, balance with banks and money at call and short notice and Balances with Reserve Bank of India in Other Account.
- Cost of Deposit is calculated based on weighted average interest rate of deposits.

The Bank has compiled the data for the purpose of this disclosure from its internal MIS system/reports and has been relied upon by the auditors.

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forming part of the Balance Sheet as at March 31, 2025

Schedule 18 Notes forming part of the financial statements for the year ended March 31, 2025 (Contd.)

b) Bancassurance Business

Commission, Exchange and Brokerage in Schedule 14 include the following fees earned on Bancassurance business:

Nature of Income	₹ in crore	
	March 31, 2025	March 31, 2024
Towards selling of life insurance policies	210.87	184.31
Towards selling of non life insurance policies	156.85	125.41
Towards selling of mutual fund and other products*	13.00	7.32

*Includes income earned from Atal Pension yojana (APY) of ₹0.42 crore (Previous Year: ₹0.38 crore) and National pension scheme (NPS) of ₹0.26 crore (Previous Year: ₹0.12 crore).

c) Marketing and distribution

The Bank does not received any fees/remuneration in respect of Marketing and Distribution function (excluding bancassurance business) during the year ended March 31, 2025 (Previous year: Nil).

d) Details of Priority Sector Lending Certificates (PSLCs)

Type of PSLCs	₹ in crore	
	For the year ended March 31, 2025	
	PSLC bought during the year	PSLC sold during the year
Agriculture	-	1,200.00
Small and Marginal farmers	-	-
Micro Enterprises	-	-
General	-	-
Total	-	1,200.00

Type of PSLCs	For the year ended March 31, 2024	
	PSLC bought during the year	PSLC sold during the year
	PSLC bought during the year	PSLC sold during the year
Agriculture	-	2,890.00
Small and Marginal farmers	1,860.00	-
Micro Enterprises	-	-
General	-	-
Total	1,860.00	2,890.00

e) Breakup of "Provisions and Contingencies" recognised in the Profit and Loss Account comprise:

Sr No.	Particulars	₹ in crore	
		March 31, 2025	March 31, 2024
(i)	Provisions for Non performing investment	-	-
(ii)	Provision for Non performing assets (including write offs of ₹1,210.60 Crore) (PY ₹421.48 Crore) and net recoveries of ₹208.83 Crore (PY ₹48.75 Crore)	1,723.23	472.99
(iii)	Provision for Current Tax	704.76	487.97
(iv)	Provision for Deferred Tax	(22.63)	(23.26)
(v)	Provision for Standard assets	57.76	16.81
(vi)	Other Provision and Contingencies	11.63	(99.81)
Total Provisions and Contingencies		2,474.75	854.70

f) Implementation of IFRS converged Indian Accounting Standards (Ind AS)

As per the RBI circular RBI/2015-16/315 DBR.BP.BC. No.76/21.07.001/2015-16 dated February 11, 2016 Implementation of Indian Accounting Standards (Ind AS), The banks are advised to follow the Indian Accounting Standards as notified under the Companies (Indian Accounting Standards) Rules, 2015, subject to any guideline or direction issued by the the Reserve Bank in this regard. The Banks in India currently prepare their financial statements as per the guidelines issued by the RBI, the Accounting Standards notified under section 133 of the Companies Act, 2013 and generally accepted accounting principles in India (Indian GAAP). In January 2016, the Ministry of Corporate Affairs issued the roadmap for implementation of new Indian Accounting Standards (Ind AS), which were based on convergence with the



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forming part of the Balance Sheet as at March 31, 2025

Schedule 18 Notes forming part of the financial statements for the year ended March 31, 2025 (Contd.)

International Financial Reporting Standards (IFRS), for scheduled commercial banks, insurance companies and non-banking financial companies (NBFCs). In March 2019, RBI deferred the implementation of Ind AS for banks till further notice as the recommended legislative amendments were under consideration of Government of India. The Bank had undertaken preliminary diagnostic analysis of the GAAP differences between Indian GAAP vis-a-vis Ind AS and shall proceed for ensuring the compliance as per applicable requirements and directions in this regard.

In FY 2023, Reserve Bank of India, through its discussion paper on “Introduction of Expected Credit Loss framework for provisioning by banks” has proposed to adopt an expected credit loss framework based on the approach as per Indian Accounting Standard (Ind AS) 109, supplemented by regulatory backstops wherever necessary. Further, in FY2024, the Reserve Bank of India (RBI) issued a master direction on classification, valuation and operation of investment portfolio of commercial banks (Directions), 2023, which became effective from April 1, 2024. The revised master direction brings the classification and accounting of investments closer to Ind AS. The Bank has implemented the required changes as per the master direction with effect from April 1, 2024.

g) Payment of DICGC insurance premium

		(₹ in crore)	
Sr. No.	Particulars	March 31, 2025	March 31, 2024
i)	Payment of DICGC Insurance Premium	132.38	93.11
ii)	Arrears in payment of DICGC Premium	-	-

h) Disclosure on Green Deposit

In reference to the RBI Master Direction “RBI/2023-24/14 DOR.SFG.REC.10/30.01.021/2023-24” the disclosure on portfolio-level information regarding the use of the green deposit funds with effect from June 1, 2023 is as below:

Portfolio-level information on the use of funds raised from green deposits

(₹ in crore)			
Particulars	March 31, 2025	March 31, 2024	Cumulative
Total green deposits raised (A)	525.89	652.63	1,178.52
Use of green deposit funds			
(1) Renewable Energy	958.56	95.94	1,054.50
(2) Energy Efficiency	-	-	-
(3) Clean Transportation	90.76	31.78	122.54
(4) Climate Change Adaptation	-	-	-
(5) Sustainable Water and Waste Management	-	-	-
(6) Pollution Prevention and Control	-	-	-
(7) Green Buildings	1.48	-	1.48
(8) Sustainable Management of Living Natural Resources and Land Use	-	-	-
(9) Terrestrial and Aquatic Biodiversity Conservation	-	-	-
Total Green Deposit funds allocated (B = Sum of 1 to 9)	1,050.80	127.72	1,178.52
Amount of Green Deposit funds not allocated (C = A - B)	-	524.91	-
Details of the temporary allocation of green deposit proceeds pending their allocation to the eligible green activities/projects	-	524.91	-

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forming part of the Balance Sheet as at March 31, 2025

Schedule 18 Notes forming part of the financial statements for the year ended March 31, 2025 (Contd.)

B. OTHER DISCLOSURES

1. Disclosure of Letters of Comfort (LoC) issued by the Bank

The Bank has not issued any Letter of Comfort during the year ended March 31, 2025 and March 31, 2024.

2. Provisions on Standard Assets

(₹ in crore)		
Particulars	March 31, 2025	March 31, 2024
Provision towards Standard Assets*	384.68	287.77

*Excludes an additional contingency provision of ₹32.33 crores as at March 31, 2025 (Previous year: ₹21.18 crore), of which the additional provision for the accounts restructured under RBI Resolution framework is at ₹15.33 crore as at March 31, 2024 (Previous year: ₹21.18 crore).

3 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the bank

During the year ended March 31, 2025 and March 31, 2024, the Bank has not exceeded the prudential credit exposure limit as prescribed by the Reserve Bank of India in respect of Single Borrower and Group Borrowers.

4 Provision for reward points

The following table sets forth, for the period indicated, movement in provision for rewards points:

(₹ in crore)		
Particulars	March 31, 2025	March 31, 2024
Opening provision for reward points	32.16	15.86
Provision for reward points made during the year	5.27	69.66
Utilisation/write off of provision for reward points	3.70	53.36
Closing provision for reward points	33.73	32.16

5 Description of contingent liabilities

Sr. No.	Contingent liability*	Brief description
1	Claims against the Bank not acknowledged as debts	The Bank is a party to various legal and tax proceedings in the normal course of business. The Bank does not expect the outcome of these proceedings to have a material adverse effect on the Bank's financial conditions, results of operations or cash flows.
2	Guarantees on behalf of constituents	As a part of its Banking activities, the Bank issues guarantees on behalf of its customers. Guarantees generally represent irrevocable assurances that the Bank will make payments in the event of customer failing to fulfill its financial or performance obligations.
3	Acceptances, endorsements and other obligations	These includes: Documentary credit such as letters of obligations to enhance the credit standing of the customers of the Bank. Bill rediscounted by the Bank and cash collateral provided by the Bank on assets which have been securitised.
4	Liability on account of outstanding forward exchange and derivative contracts	"The Bank undertakes Foreign Exchange forward contracts as part of its regular operations for multiple purposes- converting surplus FCY deposits into INR, manage the funding requirements of nostro accounts and for Merchant covering as well as trading purposes in the Interbank market. These contracts involve the exchange of currencies at a predetermined price on a future date. The notional principal of such contracts is disclosed here. These contracts are classified under the Banking Book and Trading book and the accounting treatment of these contracts is carried out in accordance with the board approved accounting policy".



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forming part of the Balance Sheet as at March 31, 2025

Schedule 18 Notes forming part of the financial statements for the year ended March 31, 2025 (Contd.)

Sr. No.	Contingent liability*	Brief description
5	Other items for which the Bank is contingently liable	These includes: a) Credit enhancements in respect of securitised-out loans b) Contractual payments for Capital commitments c) Other Guarantees d) Amount Transferred to the RBI under the Depositor Education and Awareness Fund (DEAF)

*Also refer Schedule 12 - Contingent Liabilities

6 Corporate social responsibility

(₹ in crore)		
Particulars	March 31, 2025	March 31, 2024
(a) Gross amount required to be spent by the Bank during the year (including deficit of previous year)	48.101*	35.764
(b) Amount spent during the year		
(i) Construction/acquisition of any asset	12.720**	
(ii) Other Projects	30.884	23.119
Total	43.604	23.119
(c) Shortfall at year end	4.496***	12.645
(d) Previous year shortfall	-	-
(e) Reasons for shortfall	Pertains to ongoing projects	Pertains to ongoing projects
(f) Nature of CSR activities		
(i) Skills Development (COE)		
(ii) Sports Development (Bano Champion)		
(iii) Women Empowerment (AU Udyogini)		
(iv) Healthcare Initiative		
(v) Education, & Jal Bank among others		

*Gross amount required to be spent by the Bank during the year includes the unspent amount of ₹12.645 Cr. for the financial year ended March 31, 2024.

**Spent for acquisition of Land and Building for Centre of Excellence Hub Centre, which is held in the books of AU Foundation (implementing agency).

***Pursuant to Section 135 (5) & (6) of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (Amended), the Bank needs to transfer ₹4.496 crores to the "Unspent CSR Account FY2024-25" within a period of 30 days from the end of the financial year for the CSR ongoing projects, to be spent during the project duration on ongoing CSR projects.

Bank has transferred an amount of ₹26.74 crore (previous year ₹9.66 crore) to related party (AU Foundation).

7 Small and micro industries

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. There have been no reported case of delays in payments to micro and small enterprises or of interest payments due to delays in such payments during the year ended March 31, 2025 and March 31, 2024. The above is based on the information available with the Bank which has been relied upon by the auditors.

8 Exceptional Items

The expenses amounting to ₹76.80 Crore, including stamp duty, has been incurred / provided for during the previous year ended March 31, 2024 in relation to the acquisition and merger of Fincare Small Finance Bank Limited. Considering the size, nature or incidence of these expenses, the same has been disclosed as exceptional item.

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forming part of the Balance Sheet as at March 31, 2025

Schedule 18 Notes forming part of the financial statements for the year ended March 31, 2025 (Contd.)

9 Proposed dividend

The Board of Directors at their meeting held on April 22, 2025, proposed a dividend of ₹1 per share at 10% of face value for the year ended March 31, 2025 (previous year : ₹1 per share at 10% of face value) subject to the approval of the shareholders at the ensuing Annual General Meeting. The effect of the proposed dividend has been considered in determination of Capital adequacy ratio (CAR) as at March 31, 2025 and March 31, 2024 respectively.

10 Disclosure under Rule 11 (e) of the Companies (Audit and Auditors) Rules, 2014

As part of the normal banking business, the Bank grants loans and advances to its borrowers with permission to lend/invest or provide guarantee/security in other entities identified by such borrowers or on the basis of the basis of security/guarantee provided by the co-borrower. Similarly, the Bank may accept funds from its customers, who may instruct the Bank to lend/invest/provide guarantee or security or the like against such deposit in other entities identified by such customers. These transactions are part of Bank's normal banking business, which is conducted after exercising proper due diligence including adherence to "Know Your Customer" guidelines.

Other than the nature of transactions described above:

- No funds have been advanced or loaned or invested by the Bank to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding that the Intermediary shall lend or invest in party identified by or on behalf of the Bank (Ultimate Beneficiaries).
- The Bank has not received any fund from any party(s), including foreign entities (Funding Party) with the understanding that the Bank shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Bank ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

11 Micro, Small and Medium Enterprises (MSME) sector - Restructuring of Advances

The Bank has restructured the account as per RBI Circular DBR.No.BP.BC.100/21.04.048/2017-18 dated February 07, 2018, DBR.No.BP.BC.108/21.04.048/2017-18 dated June 06, 2018, DBR.No.BP.BC.18/21.04.048/2018-19 dated January 01, 2019, DOR.No.BP.BC.34/21.04.048/2019-20 dated February 11, 2020 and DOR.No.BP.BC/4/21.04.048/2020-21 dated August 06, 2020.

Particulars	(₹ in Crore except numbers)	
	March 31, 2025	March 31, 2024
No. of Account Restructured	2,546	3,537
Amount	200.84	277.96

12 Disclosures on Change in Ownership of Projects Under Implementation:

The Bank does not have any account which are currently under the scheme of Change in Ownership of Projects Under Implementation as on March 31, 2025 (Previous year: Nil).

13 Inter-bank Participation with risk sharing:

The outstanding amount of participation issued by the Bank is reduced from the advances as per regulatory guidelines. No outstanding participation amount as at March 31, 2025 and March 31, 2024.

14 Investor education and protection fund

There is no amount required to be transferred to Investor Education and Protection Fund by the Bank (Previous year: Nil).



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forming part of the Balance Sheet as at March 31, 2025

Schedule 18 Notes forming part of the financial statements for the year ended March 31, 2025 (Contd.)

- 15** Other income includes processing fee, profit / loss on sale and revaluation of investments, non-fund based income such as commission earned from guarantees, selling of third party products, income from dealing in PSLC, etc.

16 Details of payments of Audit Fees

(₹ in crore)		
Particulars	March 31, 2025	March 31, 2024
Statutory Audit fees and other related services*	3.57	2.68
Other Matters	-	0.39^
Total	3.57	3.07

* Includes out of pocket expenses.

^Includes fees for additional reporting on merger with Fincare Small Finance Bank Limited.

17 The Code on Social Security, 2020

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

18 Fixed Assets (as disclosed under schedule 10) which relates to purchase of software and system development expenditure which are as follows :

(₹ in crore)		
Particulars	March 31, 2025	March 31, 2024
Gross Block		
At cost on 31 st March of the preceding year	427.99	334.42
Additions on amalgamation	19.20	NA
Additions during the year	141.47	141.81
Deductions during the year	19.49	48.24
Total (a)	569.17	427.99
Depreciation / Amortisation		
As at 31 st March of the preceding year	206.96	170.00
Additions on amalgamation	11.71	NA
Charge for the year	89.88	80.25
Deductions during the year	19.42	43.29
Total (b)	289.13	206.96
Net Value (a-b)	280.04	221.03

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forming part of the Balance Sheet as at March 31, 2025

Schedule 18 Notes forming part of the financial statements for the year ended March 31, 2025 (Contd.)

19 Segment reporting

Part A: Business segments:

Segment reporting for the year ended March 31, 2025 and March 31, 2024 is given below:

		(₹ in crore)	
S. No.	Particulars	March 31, 2025	March 31, 2024
1	Segment revenue		
(a)	Treasury	2,564.93	1,703.97
(b)	Retail banking	14,001.21	9,075.42
(i)	Digital Banking*	0.00	-
(ii)	Other Retail Banking	14,001.21	9,075.42
(c)	Wholesale banking	1,643.19	1,155.42
(d)	Other banking operations	380.71	317.05
(e)	Unallocated	-	-
	Income from operations	18,590.04	12,251.86
2	Segment results		
(a)	Treasury	295.32	101.01
(b)	Retail banking	1,674.24	1,345.23
(i)	Digital Banking*	(0.22)	-
(ii)	Other Retail Banking	1,674.46	1,345.23
(c)	Wholesale banking	469.51	339.19
(d)	Other banking operations	348.99	290.80
	Total Segment results	2,788.06	2,076.23
	Less: Unallocated expenses	-	76.80
	Total Profit Before Tax	2,788.06	1,999.43
	Provision for Tax (Including deferred tax)	682.13	464.71
	Total Profit After Tax	2,105.93	1,534.72
3	Segment Assets		
(a)	Treasury	43,867.45	29,193.98
(b)	Retail banking	92,837.81	64,455.04
(i)	Digital Banking*	0.16	-
(ii)	Other Retail Banking	92,837.65	64,455.04
(c)	Wholesale banking	16,078.46	11,719.40
(d)	Other banking operations	74.92	85.27
(e)	Unallocated	4,987.03	3,971.98
	Total Assets	157,845.67	109,425.67
4	Segment Liabilities		
(a)	Treasury	8,115.05	4,090.06
(b)	Retail banking	65,257.20	49,704.40
(i)	Digital Banking*	0.22	-
(ii)	Other Retail Banking	65,256.98	49,704.40
(c)	Wholesale banking	67,154.66	42,977.60
(d)	Other banking operations	10.24	6.87
(e)	Unallocated	142.24	87.21
	Capital and Other Reserves	17,166.28	12,559.53
	Total Liabilities including Capital and Other Reserves	157,845.67	109,425.67



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forming part of the Balance Sheet as at March 31, 2025

Schedule 18 Notes forming part of the financial statements for the year ended March 31, 2025 (Contd.)

Part B: Geographic segments

The business of the Bank is in India only. Accordingly, geographical segment is not applicable.

*Digital Banking Segment reported as a sub-segment of Retail Banking Segment is related to Digital Banking Units (DBUs) of the bank. As at March 31, 2025, the Bank has two DBU's. These DBUs are part of the Bank consequent to the amalgamation of erstwhile Fincare Small Finance Bank Limited from April 1, 2024.

Business Segments have been identified and reported taking into account the target customer profile, the nature of products and services, the differing risks and returns, the organisation structure, the internal business reporting system and guidelines prescribed by the RBI and in compliance with the Accounting Standard 17 - "Segment Reporting". The RBI vide its circular dated April 7, 2022 on establishment of Digital Banking Units (DBUs), has prescribed reporting of Digital Banking Segment as a sub-segment of Retail Banking Segment. The business operations of the Bank are in India and for the purpose of segment reporting as per Accounting Standard-17 (Segment reporting) the bank is considered to operate only in domestic segment.

20 Related Party Disclosures:

A. Related Parties:

Key management personnel (KMP)	Mr. Sanjay Agarwal, Managing Director and CEO
	Mr. Uttam Tibrewal, Whole Time Director & Deputy CEO
	Mr. Vimal Jain, Chief Financial Officer
	Mr. Manmohan Parnami, Company Secretary
Enterprises over which KMP / relatives of KMP have control / significant influence	Abhiyan Bharat Foundation
	AU Foundation
	DS Speciality Product LLP
	Durga Automation & Control Private Limited
	Durga Mechatronics Private Limited (Formerly known as Durga Bearings (Mumbai) Private Limited)
	Jyoti Sanjay Family Trust
	Kalinga Agencies
	Kalinga Mercantile Private Limited
	Kalinga Extrusions India Private Limited
	Manmohan Parnami HUF
	MYS Holdings Private Limited
	Sanjay And Jyoti Agarwal Foundation
	Shivgyan Mines and Minerals Private Limited
	Shree Dham Mining Industries LLP
	Teamwork Arts Private Limited (w.e.f. January 23, 2024)
	Universal Quartz & Natural Stone Private Limited
	VS and Sons HUF
Relatives of KMP	Ms. Jyoti Agarwal
	Ms. Shakuntala Agarwal
	Mr. Yuvraj Agarwal
	Ms. Mallika Agarwal
	Mr. Ajay Agarwal
	Ms. Pinki Agarwal
	Ms. Pooja Tibrewala
	Mr. Devi Prasad Tibrewala

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forming part of the Balance Sheet as at March 31, 2025

Schedule 18 Notes forming part of the financial statements for the year ended March 31, 2025 (Contd.)

Relatives of KMP	Late Ms. Geeta Devi Tibrewala (Demised on November 21, 2023)
	Mr. Vaibhav Tibrewala
	Mr. Subhash Tibrewala
	Ms. Manju Agarwal
	Ms. Uma Bagaria
	Ms. Suman Sultania
	Ms. Bhawna Parnami
	Ms. Rajkumari Sukhija
	Ms. Asmita Parnami
	Ms. Jaisvi Parnami
	Mr. Mahinder Parnami
	Ms. Kavita Sukhija
	Ms. Shikha Taneja
	Ms. Ladh Devi Jain
	Ms. Sinku Jain
	Mr. Dhairya Jain
	Mr. Pradeep Kumar Jain
	Mr. Dilip Kumar Jain
	Ms. Suman Lata Jain
	Ms. Renu Kataria
	Ms. Rekha Jain

B. The Bank's related parties balances and transactions for the year ended are summarised as follows:

1. Deposits

Particulars	As at March 31, 2025		As at March 31, 2024	
	Closing balance	Highest balance during the year	Closing balance	Highest balance during the year
Key Management Personnel (KMP)	7.00	32.00	20.61	26.26
Relatives of KMP	63.21	102.52	44.71	71.63
Enterprise over which KMP/Relative of KMP have control / significant influence	37.34	50.66	36.39	135.93

2. Interest Paid on Deposits

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Key Management Personnel (KMP)	1.25	1.17
Relatives of KMP	2.82	3.30
Enterprise over which KMP/Relative of KMP have control / significant influence	2.24	4.74



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forming part of the Balance Sheet as at March 31, 2025

Schedule 18 Notes forming part of the financial statements for the year ended March 31, 2025 (Contd.)

3. Remuneration

(₹ in crore)		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Mr. Sanjay Agarwal, Managing Director and CEO	3.66	3.14
Mr. Uttam Tibrewal, Executive Director	2.69	2.35
Mr. Vimal Jain, Chief Financial Officer	1.51	1.25
Mr. Manmohan Parnami, Company Secretary	0.97	0.84
Total	8.83	7.58

1. Remuneration paid excludes value of employee stock options exercised during the year.

2. The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Bank as a whole.

4. Advances

(₹ in crore)				
Particulars	As at March 31, 2025		As at March 31, 2024	
	Closing balance	Highest balance during the year	Closing balance	Highest balance during the year
Key Management Personnel (KMP)	3.54	9.63	0.11	11.06
Relatives of KMP	0.39	3.60	0.08	22.13
Enterprise over which KMP/Relative of KMP have control / significant influence	5.71	23.26	19.92	21.86

Related to credit card facility, Staff Home Loan and ODFD Facility.

5. Non Fund Commitments

(₹ in crore)				
Particulars	As at March 31, 2025		As at March 31, 2024	
	Closing balance	Highest balance during the year	Closing balance	Highest balance during the year
Enterprise over which KMP/Relative of KMP have control / significant influence	0.31	0.31	-	-

Related to Bank Guarantees.

6. Other transaction

(₹ in crore)			
Name of related party	Nature of transactions	Year ended March 31, 2025	Year ended March 31, 2024
Mr. Uttam Tibrewal	Issue of Equity Shares of the Bank pursuant to exercise of ESOP	1.66	20.66
Mr. Vimal Jain	Issue of Equity Shares of the Bank pursuant to exercise of ESOP	0.09	0.08
Mr. Manmohan Parnami	Issue of Equity Shares of the Bank pursuant to exercise of ESOP	-	0.04
AU Foundation	CSR & Donation	26.74	9.66

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forming part of the Balance Sheet as at March 31, 2025

Schedule 18 Notes forming part of the financial statements for the year ended March 31, 2025 (Contd.)

7. Interest income

(₹ in crore)		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Key Management Personnel (KMP)	0.20	0.05
Relatives of KMP	0.08	0.48
Enterprise over which KMP/Relative of KMP have control / significant influence	1.30	0.88

8. Other income

(₹ in crore)		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Key Management Personnel (KMP)	0.01	0.01
Relatives of KMP	0.01	0.01
Enterprise over which KMP/Relative of KMP have control / significant influence	0.00	0.00

9. Dividend Paid

(₹ in crore)		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Key Management Personnel (KMP)	13.12	13.06
Relatives of KMP	4.24	4.23
Enterprise over which KMP/Relative of KMP have control / significant influence	1.11	1.11

21 Leases

The Bank has taken various premises and other office equipments under operating lease. The future minimum lease payments are given below:

(₹ in crore)		
Particulars	March 31, 2025	March 31, 2024
Not later than one year	238.40	172.78
Later than one year and not later than five years	572.20	463.15
Later than five years	175.39	165.50
Total	985.99	801.43
The total of minimum lease payments recognized in the Profit and Loss Account for the year	253.08	168.37
Total of future minimum sub-lease payments expected to be received under non-cancellable sub-leases	-	-
Sub-lease amounts recognized in the Profit and Loss Account for the year	-	-
Contingent (usage based) lease payments recognized in the Profit and Loss Account for the year	-	-



SCHEDULES

forming part of the Balance Sheet as at March 31, 2025

Schedule 18 Notes forming part of the financial statements for the year ended March 31, 2025 (Contd.)

22 Earnings per equity share (AS 20)

(₹ in Crore, except numbers)		
Particulars	March 31, 2025	March 31, 2024
Profit/ (loss) after tax (A)	2,105.93	1,534.72
Less: Exceptional item (after tax)	-	(57.47)
Net profit excluding exceptional item (B)	2,105.93	1,592.19
Weighted average number of equity shares in calculating basic EPS (C)	743,579,911	667,949,068
Add: Effect of dilution - Stock option granted to employees	2,217,911	3,510,029
Weighted average number of equity shares in calculating diluted EPS (D)	745,797,822	671,459,097
Earning per share including exceptional item		
Basic (In ₹) (A / C)	28.32	22.98
Diluted (In ₹) (A / D)	28.24	22.86
Nominal value per share (In ₹)	10.00	10.00
Earning per share excluding exceptional item		
Basic (In ₹) (B / C)	28.32	23.84
Diluted (In ₹) (B / D)	28.24	23.71
Nominal value per share (In ₹)	10.00	10.00

The dilutive impact is due to stock options granted to employees.

23 Deferred taxes

Other assets include deferred tax asset (net). The break-up of the same is as follows:

(₹ in crore)		
Particulars of Asset/ (Liability)	March 31, 2025	March 31, 2024
Provision for NPA, floating provision, contingency and general provision, standard assets and other assets provision	349.91	211.89
Expenditure charged to the profit and loss account in the current year but allowed for tax purpose on payment basis	16.23	6.68
Depreciation	15.52	2.09
Deduction u/s. 36(1)(viii) of the Income Tax Act, 1961	(176.77)	(132.46)
Others	31.07	27.87
Net Deferred Tax Asset	235.96	116.07

SCHEDULES

forming part of the Balance Sheet as at March 31, 2025

Schedule 18 Notes forming part of the financial statements for the year ended March 31, 2025 (Contd.)

24 Accounting for employee share based payments

Stock options

The Bank has granted employee stock options to its Director and Employees under various Employee Stock Option Plans/Schemes. The plans in operation are Plan (A) - 2015(A), Plan (B) - 2015(B), Plan (C) - 2016, Plan (D) - 2018, Plan (E) - 2020 and Plan (F) - 2023. The numerical series A1-A4, B1-B14, C1 -C16, D1-D14, E1-E21 and F1-F13 represents grants made on different dates under these plans. During the year ended March 31, 2025, the following series were in operation:

Particulars	Plan A1 to A4	Plan B1 to B14	Plan C1 to C16	Plan D1 to D14	Plan E1 to E21^	Plan F1 to F13
Date of grant	Aug 31, 2015 to Apr 01, 2024	Aug 31, 2015 to Sep 28, 2024	Nov 11, 2016 to Sep 28, 2024	Aug 30, 2018 to Sep 28, 2024	Jan 27, 2021 to Sep 28, 2024	Jul 28, 2023 to Feb 19, 2025
Date of Board / Compensation Committee approval	Aug 31, 2015 to Apr 01, 2024	Aug 31, 2015 to Sep 28, 2024	Nov 11, 2016 to Sep 28, 2024	Aug 30, 2018 to Sep 28, 2024	Jan 27, 2021 to Sep 28, 2024	Jul 28, 2023 to Sep 28, 2024
Number of Options granted*	4,206,632	5,272,914	3,134,980	6,041,671	9,938,797	9,704,557
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity
Graded vesting period:						
1 st vesting on the date of initial public offer (July 10, 2017) of Bank's equity shares (If grant date is before date of IPO)	20%	20%	NA	NA	NA	NA
or						
1 st vesting "12 months from the date of grant (If grant date is after date of IPO)						
1 st vesting "12 months from the date of grant	NA	NA	20%	20%	20%	20%
2 nd vesting "On expiry of one year from the 1 st vesting date"	30%	30%	20%	20%	20%	20%
3 rd vesting "On expiry of two years from the 1 st vesting date"	50%	50%	30%	30%	30%	30%
4 th vesting "On expiry of 3 years from the 1 st vesting date"	NA	NA	30%	30%	30%	30%
Exercise period	4 years from the 1st vesting date	4 years from the 1st vesting date	6 years from the 1st vesting date	6 years from the 1st vesting date	6 years from the 1st vesting date	6 years from the 1st vesting date
Vesting conditions	Continuous service	Continuous service	Continuous service	Continuous service	Continuous service	Continuous service
Weighted average remaining contractual life (years)	0 - 4.01	0 - 4.50	0 - 6.50	0.42 - 6.50	2.83 - 6.50	0 - 6.89
Weighted average exercise price per option (₹)	10.11	16.69	70 - 681	294.50 - 681	395.50 - 681	302 - 728

*denotes actual options granted

^54,136 ESOP granted with vesting over next 3 years in 3 equal instalments of 33.33% each.



SCHEDULES

forming part of the Balance Sheet as at March 31, 2025

Schedule 18 Notes forming part of the financial statements for the year ended March 31, 2025 (Contd.)

Particulars	March 31, 2025					
	Plan 2015 (A)	Plan 2015 (B)	Plan 2016	Plan 2018	Plan 2020	Plan 2023
Options outstanding at the beginning of the year	-	196,800	1,389,718	2,801,033	9,191,678	3,767,044
Addition on amalgamation	-	-	-	-	-	1,824,358
Granted during the year	50,000	28,000	67,551	144,001	867,015	3,962,081
Forfeited during the year	-	-	-	-	-	-
Exercised during the year	-	(31,300)	(394,088)	(626,087)	(131,259)	(659,994)
Expired/Lapsed during the year	-	(20,500)	(114,120)	(154,167)	(890,464)	(788,239)
Outstanding at the end of the year	50,000	173,000	949,061	2,164,780	9,036,970	8,105,250
Exercisable at the end of the year	-	33,800	800,796	1,667,457	3,483,004	1,213,690

Particulars	March 31, 2024					
	Plan 2015 (A)	Plan 2015 (B)	Plan 2016	Plan 2018	Plan 2020	Plan 2023
Options outstanding at the beginning of the year	-	85,000	1,851,752	4,402,476	7,807,595	-
Granted during the year	-	134,000	43,386	121,585	2,241,169	3,918,118
Forfeited during the year	-	-	-	-	-	-
Exercised during the year	-	(6,200)	(459,452)	(1,608,021)	(343,723)	-
Expired/Lapsed during the year	-	(16,000)	(45,968)	(115,007)	(513,363)	(151,074)
Outstanding at the end of the year	-	196,800	1,389,718	2,801,033	9,191,678	3,767,044
Exercisable at the end of the year	-	30,000	713,850	2,042,988	1,755,839	-

Details of stock options granted during the year:

Plan A, B, C, D, E and F: The weighted average fair value of stock options granted during the year was ₹554.95 (Plan A4), ₹715.01 (Plan B14), ₹350.39 (Plan C16), ₹350.39 (Plan D14), ₹266.20 (Plan E20), ₹350.39 (Plan E21), ₹315.73 (Plan F10), ₹266.20 (Plan F11), ₹350.39 (Plan F12) & ₹183.61 (Plan F13).

Particulars	Plan A4	Plan B14	Plan C16	Plan D14
	Tranche vesting in FY 2025-26 to 2027-28	Tranche vesting in FY 2025-26 to 2027-28	Tranche vesting in FY 2025-26 to 2028-29	Tranche vesting in FY 2025-26 to 2028-29
Share price on the date of grant (₹)	565.00	731.10	731.10	731.10
Exercise price (₹)	10.11	16.69	651.00	651.00
Expected volatility (%)	39.00%	38.65%	38.65%	38.65%
Life of the options granted (years)	3 - 4	3 - 4	4 - 5.50	4 - 5.50
Risk-free interest rate (%)	7.05%	6.87%	6.87%	6.87%
Expected dividend rate (%)	0.11%	0.12%	0.12%	0.12%
Fair value of the option (₹)	554.98 to 554.93	714.97 to 715.02	321.54 to 371.48	321.54 to 371.48

SCHEDULES

forming part of the Balance Sheet as at March 31, 2025

Schedule 18 Notes forming part of the financial statements for the year ended March 31, 2025 (Contd.)

Particulars	Plan E20	Plan E21	Plan F10
	Tranche vesting in FY 2025-26 to 2028-29	Tranche vesting in FY 2025-26 to 2028-29	Tranche vesting in FY 2025-26 to 2028-29
Share price on the date of grant (₹)	613.20	731.10	682.20
Exercise price (₹)	624.00	651.00	642.00
Expected volatility (%)	38.52%	38.65%	38.72%
Life of the options granted (years)	4 - 5.50	4 - 5.50	4 - 5.50
Risk-free interest rate (%)	6.98%	6.87%	6.98%
Expected dividend rate (%)	0.12%	0.12%	0.12%
Fair value of the option (₹)	239.96 to 285.38	321.54 to 371.48	287.70 to 336.22

Particulars	Plan F11	Plan F12	Plan F13
	Tranche vesting in FY 2025-26 to 2028-29	Tranche vesting in FY 2025-26 to 2028-29	Tranche vesting in FY 2025-26 to 2028-29
Share price on the date of grant (₹)	613.20	731.10	502.40
Exercise price (₹)	624.00	651.00	623.00
Expected volatility (%)	38.52%	38.65%	38.91%
Life of the options granted (years)	4 - 5.50	4 - 5.50	4 - 5.50
Risk-free interest rate (%)	6.98%	6.87%	6.79%
Expected dividend rate (%)	0.12%	0.12%	0.12%
Fair value of the option (₹)	239.96 to 285.38	321.54 to 371.48	160.57 to 200.52

Had the Bank used the fair value model to determine compensation, its profit after tax and earnings per share as reported would have changed to the amounts indicated below:

Particulars	(₹ in crore)	
	Year ended March 31, 2025	Year ended March 31, 2024
Profit after tax as reported	2,105.93	1,534.72
Add: ESOP expense already booked (net of tax)	43.25	22.71
Less: ESOP cost using fair value method (net of tax)	94.93	111.93
Profit after tax (adjusted)	2,054.25	1,445.50
Earnings Per Share		
Basic		
- As reported	28.32	22.98
- Adjusted for ESOP cost using fair value method	27.63	21.64
Diluted		
- As reported	28.24	22.86
- Adjusted for ESOP cost using fair value method	27.54	21.53

Particulars	(₹ in crore)	
	As at March 31, 2025	As at March 31, 2024
Stock options outstanding (gross)	451.07	274.06
Deferred compensation cost outstanding	140.71	45.17
Stock options outstanding (net)	310.36	228.89



SCHEDULES

forming part of the Balance Sheet as at March 31, 2025

Schedule 18 Notes forming part of the financial statements for the year ended March 31, 2025 (Contd.)

25 Employee benefits

(a) Defined benefit plans

Gratuity

The gratuity plan provides a lumpsum payment to vested employees at retirement or on termination of employment based on respective employee's salary and years of employment with the Bank.

Reconciliation of opening and closing balance of present value of defined benefit obligation for gratuity benefits as per AS-15 "Employee Benefits" is given below.

	(₹ in crore)	
Particulars	March 31, 2025	March 31, 2024
Reconciliation of opening and closing balance of the present value of the defined benefit obligation		
Liability at the beginning of the year	81.95	61.34
Additional Liabilities on amalgamation (refer note 1 of schedule 18A)	23.98	NA
Interest cost	7.76	4.56
Current service cost	30.10	13.54
Benefits paid/payable during the year	(12.72)	(5.60)
Actuarial (gain) / loss on obligation		
Experience adjustment	0.56	7.95
Assumption change	3.63	0.16
Liability at the end of the year	135.26	81.95
Reconciliation of opening and closing balance of the fair value of the plan assets		
Fair value of plan assets at the beginning of the year	61.44	55.65
Additional Assets on amalgamation (refer note 1 of schedule 18A)	12.72	NA
Expected return on plan assets	5.45	4.15
Contributions	31.77	5.69
Benefits paid	(12.21)	(5.60)
Actuarial gain / (loss) on plan assets		
Experience adjustment	(0.02)	1.56
Assumption change	-	-
Fair value of plan assets at the end of the year	99.15	61.44
Amount recognised in Balance Sheet		
Fair value of plan assets at the end of the year	99.15	61.44
Liability at the end of the year	(135.26)	(81.95)
Net Asset (included under Schedule 11.VI)/(Liability) (included under Schedule 5.V)	(36.11)	(20.51)
Expenses recognised in Profit and Loss Account		
Interest cost	7.76	4.56
Current service cost	25.41	13.54
Past service cost	4.69	-
Expected return on plan assets	(5.45)	(4.15)
Net actuarial (gain) / loss recognised in the year	4.21	6.56
Net cost	36.62	20.51
Actual return on plan assets	5.44	5.70
Estimated contribution for the next year	36.11	20.51
Assumptions		
Discount rate	6.58% per annum	7.25% per annum
Expected return on plan assets	6.58% per annum	7.25% per annum
Salary escalation rate	7.50% per annum	7.50% per annum

Experience adjustment

Particulars	Years ended March 31,				
	2025	2024	2023	2022	2021
Plan assets	99.15	61.44	55.65	47.34	33.74
Defined benefit obligation	135.26	81.95	61.34	56.88	46.99
Surplus / (deficit)	(36.11)	(20.51)	(5.69)	(9.54)	(13.25)
Experience adjustment gain / (loss) on plan assets	(0.02)	1.56	(0.36)	(0.02)	1.09
Experience adjustment (gain) / loss on plan liabilities	4.19	8.11	(15.13)	(9.82)	(2.07)

SCHEDULES

forming part of the Balance Sheet as at March 31, 2025

Schedule 18 Notes forming part of the financial statements for the year ended March 31, 2025 (Contd.)

(b) Defined contribution plans

Provident fund

The Bank makes Provident Fund contributions to a defined contribution retirement benefit plans for qualifying employees. Under the schemes, the bank is required to contribute a specified percentage of the payroll costs to the Provident Fund Commissioner to fund the benefits.

The Bank recognized ₹121.04 Crore (previous year ₹75.90 Crore) for provident fund contributions in the Profit and Loss Account. The contributions payable to these plans by the Bank are at rates specified in the rules of the schemes.

(c) Compensated absences

The Bank has provided for compensatory leaves which can be availed and not encashed as per policy of the Bank as present value obligation of the benefit at related current service cost measured using the Projected Unit Credit Method on the basis of an actuarial valuation. The Bank has accordingly booked ₹0.21 Crore (previous year booked ₹1.01 Crore) in the books of accounts for the year.

26 Audit Trail

The Bank has used certain accounting software(s) for maintaining its books of account, which has a feature of recording the audit trail (edit log) facility, except that audit trail feature was not enabled throughout the year for certain relevant masters in respect of one accounting software at the application level.

Further, to the extent enabled, the audit trail feature has been operated for the relevant transactions recorded in the accounting software(s). Also, we did not come across any instance of the audit trail feature being tampered with. Additionally, the audit trail feature of prior year(s) has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in respective years. The Bank has established and maintained an adequate internal control framework and based on its assessment, believes that this was effective as of March 31, 2025.

27 Comparative figures

The financial statements for the year ended March 31, 2025 include the operations of erstwhile Fincare Small Finance Bank for the period from April 01, 2024 onwards and hence the figures for the year are not comparable with those of the previous year.

Figures for the previous year have been regrouped and reclassified wherever necessary to conform to the current year's presentation.

As per our attached Report of even date.

For **M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No.: 105047W

Tushar Kurani

Partner

Membership No. 118580

Place: Jaipur

For **Mukund M Chitale & Co.**

Chartered Accountants

ICAI Firm Registration No.: 106655W

Abhay Kamat

Partner

Membership No. 039585

Place: Jaipur

Date: April 22, 2025

For and on behalf of the Board of Directors

AU Small Finance Bank Limited

Harun Rasid Khan

(Non-Executive Independent

Part Time Chairman)

DIN: 07456806

Place: Jaipur

Uttam Tibrewal

(Whole Time Director

and Deputy CEO)

DIN: 01024940

Place: Jaipur

Manmohan Parnami

(Company Secretary)

Membership No. F9999

Place: Jaipur

Date: April 22, 2025

Sanjay Agarwal

(Managing Director and CEO)

DIN: 00009526

Place: Jaipur

Vimal Jain

(Chief Financial Officer)

Place: Jaipur

BASEL II (PILLAR 3) DISCLOSURES

As at 31st March 2025

RBI circular DBR.No.BP.BC.4/21.06.001/2015-16 dated 1st July, 2015 on 'Prudential guideline on Capital Adequacy and Market Discipline – New Capital Adequacy Framework (NCAF)' requires banks to make applicable Pillar 3 disclosures. These disclosures have not been subjected to audit or limited review. These disclosures are available on the Bank's website at: <https://www.aubank.in/reports/regulatory-disclosures>



AU SMALL FINANCE BANK LIMITED

CIN: L36911RJ1996PLC011381

Registered Office: 19-A, Dhuleshwar Garden, Ajmer Road, Jaipur – 302 001, Rajasthan, India

Corporate Office: 5th Floor, E-Wing, Kanakia Zillion, Junction of CST Road and LBS Road,
Kurla (West), Mumbai – 400 070, Maharashtra, India

Tel: +91-141 4110060 | E-mail: investorrelations@aubank.in | Website: www.aubank.in

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT THE THIRTIETH (30th) ANNUAL GENERAL MEETING (“AGM”) OF THE MEMBERS OF AU SMALL FINANCE BANK LIMITED (“BANK”) WILL BE HELD ON FRIDAY, 8th AUGUST 2025, AT 4:00 P.M (IST) THROUGH VIDEO CONFERENCING (“VC”) OR OTHER AUDIO-VISUAL MEANS (“OAVM”) TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

Item No. 1:

To adopt the Audited Financial Statements of the Bank for the Financial Year ended on 31st March 2025, and the reports of the Board of Directors and the Auditors thereon.

Item No. 2:

To declare Dividend of ₹ 1.00 per equity share of ₹ 10 each for the FY2024-25.

Item No. 3:

To appoint a director in place of Mr. Uttam Tibrewal (DIN: 01024940) who retires by rotation and being eligible, has offered himself for re-appointment.

SPECIAL BUSINESS

Item No. 4:

To issue non-convertible debt securities/bonds/ other permissible instruments, in one or more tranches.

To consider and if thought fit to pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 42, 71, 180 and other applicable provisions, if any, of the Companies Act, 2013, read with rules made thereunder (“**Act**”), applicable regulations of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (“**SEBI ILNCS Regulations**”) and the Securities and Exchange Board of India

(Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) and other applicable rules, regulations, guidelines, circulars and directions issued by the Securities and Exchange Board of India (“**SEBI**”), the Banking Regulation Act, 1949, the Reserve Bank of India Act, 1934, Foreign Exchange Management Act, 1999, the rules, regulations, circulars, directions and guidelines issued by the Reserve Bank of India (“**RBI**”) from time to time and all other relevant provisions of applicable law(s) [including any statutory amendment(s), modification(s), variation(s) or re-enactment(s) thereof, for the time being in force] and pursuant to the Memorandum and Articles of Association of the Bank and subject to such other approval(s), consent(s), permission(s) and sanction(s) as may be necessary from the concerned statutory or regulatory authority(ies) and subject to such conditions as may be prescribed by any of the concerned authorities (if any) while granting such approval(s), consent(s), permission(s) and sanction(s) as may be applicable, the approval of the Members of the Bank be and is hereby accorded to the Board of Directors (“hereinafter referred to as the “**Board**”, which term shall be deemed to include any Committee thereof, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person or persons”) for borrowing/raising funds denominated in Indian rupees or any other permitted foreign currency by issue of non-convertible debt securities, including but not limited to long-term bonds, perpetual debt instruments, Tier I/Tier II Capital Bonds, Social Bonds, Sustainability Bonds, Sustainability-linked Bonds, Green Bonds or such other debt securities as may be permitted under RBI guidelines from time to time, on a private placement basis and/ or for making offers and/or invitations thereof and/or issue(s) / issuances thereof, for a period of one year from the



date hereof, in one or more tranches and/or series and under one or more shelf disclosure documents and/or one or more letters of offer or such other documents or amendments/revisions thereof and on such terms and conditions for each series/tranche, including the price, coupon, premium, discount, tenor etc. as deemed fit by the Board, as per the structure and within the limits permitted by RBI, as applicable of an amount not exceeding **₹ 6,000 crores (Rupees Six thousand Crore Only)** over and above the outstanding debt securities issued by the Bank in domestic and/or overseas market within the overall borrowing limits of the Bank and on such terms and conditions as may be approved by the Board, from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorised to execute all such agreements, documents, instruments and writings as deemed necessary, file requisite forms or applications with statutory/regulatory authorities, with the power to settle all questions, difficulties or doubts that may arise, in this regard and do all such acts, deeds and things as may be considered necessary or desirable in connection with or incidental thereto to give effect to the above resolution, including but not limited to disclosures with stock exchanges and to comply with all other requirements in this regard.”

Item no. 5:

To raise funds through issue of equity shares and/ or any other instruments or securities representing either equity shares and/or convertible securities linked to equity shares including through Qualified Institutions Placement or such other permissible mode or combinations thereof:

To consider and if thought fit to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 23, 41, 42 and 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 read with the applicable Rules made thereunder, including the Companies (Prospectus and Allotment of Securities) Rules, 2014 (**“Act”**), the relevant provisions of the Banking Regulation Act, 1949, and the rules, guidelines and circulars issued by the Reserve Bank of India (**“RBI”**) in this regard from time to time [including any statutory amendment(s), modification(s), variation(s) or re-enactment(s) thereof, for the time being in force], the provisions of the Foreign Exchange Management Act, 1999 and rules and regulations framed thereunder, as amended, from time to time (**“FEMA”**), the Foreign Exchange Management (Non-debt Instruments) Rules, 2019,

as amended, the current Consolidated FDI Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (**“GOI”**) as amended, from time to time, the Master Direction – Reserve Bank of India (Acquisition and Holding of Shares or Voting Rights in Banking Companies) Directions, 2023, the rules, the regulations, guidelines, notifications and circulars, if any, prescribed by the GOI, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the **“SEBI ICDR Regulations”**), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (**“Listing Regulations”**), as amended, from time to time and subject to such other applicable rules, regulations, circulars, notifications, clarifications and guidelines issued thereon, from time to time, by the GOI, the Ministry of Corporate Affairs (**“MCA”**), the Securities and Exchange Board of India (**“SEBI”**) and the Stock Exchanges where the Equity Shares of the Bank are listed and the enabling provisions of the Memorandum of Association and Articles of Association of the Bank and subject to the receipt of requisite approvals, consents, permissions and/or sanctions, if any, from any other appropriate statutory / regulatory authorities and subject to such other conditions and modifications as may be prescribed, stipulated or imposed by any of the said statutory / regulatory authorities, while granting such approvals, consents, permissions, and/or sanctions, which may be agreed to by the Board of Directors of the Bank (**“hereinafter referred to as the “Board”**, which term shall be deemed to include any Committee thereof, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person or persons”), the approval of the Members of the Bank be and is hereby accorded to the Board to create, offer, issue and allot (including with provisions for reservation on firm and/or on competitive basis, of such part of issue and for such categories of persons as may be permitted), such number of Equity Shares, and/or Equity Shares through depository receipts, and/or securities convertible into Equity Shares at the option of the Bank and/ or the holders of such securities, and/or securities linked to Equity Shares, and/or any other instrument or securities representing Equity Shares and/or convertible securities linked to Equity Shares (all of which are hereinafter collectively referred to as **“Securities”**) or any combination of Securities, in one or more tranches, in the course of international and/or domestic offering(s) in one or more foreign markets and/or domestic market, of

private offerings and/or preferential allotment and/or qualified institutions placement or any combination thereof, through issue of placement document or other permissible/requisite offer document to any eligible person, including Qualified Institutional Buyers, in accordance with Chapter VI of the SEBI ICDR Regulations, foreign/resident investors (whether institutions, incorporated bodies, mutual funds, individuals or otherwise), venture capital funds (foreign or Indian), alternate investment funds, foreign portfolio investors, qualified foreign investors, Indian and/or multilateral financial institutions, mutual funds, non-resident Indians, pension funds and/or any other categories of investors, whether they be holders of Equity Shares of the Bank or not (collectively called the “**Investors**”) as may be decided by the Board, in its sole and absolute discretion and permitted under applicable laws and regulations, in one or more tranches for an aggregate amount not exceeding **₹5,000 Crores (Rupees Five Thousand Crores Only)** or an equivalent amount thereof (inclusive of such premium as may be fixed on such Securities) (the “**Offering**”) by offering the Securities at such time or times, at such price or prices permitted under applicable laws in such manner and on such terms and conditions including security, rate of interest etc. as may be deemed appropriate by the Board in its sole and absolute discretion including the discretion, to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of other categories of Investors at the time of such offer, issue and allotment of Equity Shares of face value of ₹10 each of the Bank considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead manager(s) and/or underwriter(s) and/or other advisor(s) as the Board in its sole and absolute discretion may deem fit and appropriate.

RESOLVED FURTHER THAT in case of issuance of Securities by way of a Qualified Institutions Placements (“**QIP**”), under Chapter VI of the SEBI ICDR Regulations (the “**Eligible Securities**”):

- a. the price of the Eligible Securities shall not be less than the price as may be determined, in accordance with the pricing formula prescribed under Chapter VI of the SEBI ICDR Regulations.
- b. the Board may at its sole and absolute discretion, issue Eligible Securities at a discount of not more than five percent (5%) or such other discount as may be permitted to the ‘floor price’ as may be determined in accordance with the pricing formula prescribed under Chapter VI of the SEBI ICDR Regulations.

- c. the Relevant Date for determination of the price of Equity Shares shall be the date of the meeting at which the Board decides to open the proposed QIP in terms of the provisions of the Act, the SEBI ICDR Regulations and other applicable laws, rules, regulations.
- d. in case convertible securities are issued to Qualified Institutional Buyers (“**QIB**”) under Chapter VI of the SEBI ICDR Regulations, the Relevant Date for the purpose of pricing of such securities shall be either the date of the meeting at which the Board decides to open the proposed QIP of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the equity shares, in terms of the provisions of the Act, the SEBI ICDR Regulations and other applicable laws, rules, regulations.
- e. the allotment of Equity Shares to each QIB in the proposed QIP issue shall not exceed five per cent (5%) of the post issued and paid-up capital of the Bank or such other limit(s) as may be prescribed under applicable laws or as approved by Reserve Bank of India.
- f. the allotment of Eligible Securities or any combination of Eligible Securities as may be decided by the Board to the each QIBs shall be fully paid-up and the allotment of such Eligible Securities shall be completed within a period of 365 days, from the date of passing of this Special Resolution by the Members of the Bank and that all such Equity Shares shall rank pari-passu inter se and with the then existing Equity Shares of the Bank, in all respects, including dividend and shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Bank.
- g. The eligible securities shall not be sold for a period of one (1) year from the date of its allotment, except on the floor of recognized Stock Exchange(s).

RESOLVED FURTHER THAT without prejudice to the generality of the above, subject to applicable laws and receipt of requisite approvals, consents, permissions and/or sanctions, if any, from any other appropriate statutory / regulatory authorities and subject to such other conditions and modifications as may be prescribed, stipulated or imposed by any of the said statutory / regulatory authorities in granting such approvals or permissions, the aforesaid issue of Securities may have all or any terms or combination of terms, in accordance with prevalent



market practices or as the Board may in its sole and absolute discretion deem fit, including but not limited to the terms and conditions, relating to premium on redemption at the option of the Bank and/or holders of any securities, or variation of the price or period of conversion of Securities into equity shares or issue of equity shares during the period of the Securities or terms pertaining to voting rights or option(s) for early redemption of Securities.

RESOLVED FURTHER THAT for the purpose of giving effect to the resolutions described above, the Board or a duly authorised Committee thereof be and is hereby authorised for and on behalf of the Bank to do all such acts, deeds, matters and things including but not limited to finalisation and approval of the relevant offering documents, determining the form and manner of the issue, the nature and number of Securities to be allotted, timing of the issuance/Offering, determination of person(s) to whom the Securities will be offered and allotted, in accordance with applicable law, issue price, face value, discounts permitted under applicable law (now or hereafter), premium amount on issue/conversion of the Securities, if any, rate of interest, execution of various agreements, deeds, instruments and other documents, as it may in its sole and absolute discretion deem fit, necessary, proper or appropriate, and to give instructions or directions and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities (including in relation to issue of such Securities in one or more tranches from time to time) and utilisation of the issue proceeds and to accept and to give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions as may be required by the SEBI, the Registrar of Companies, the book running lead manager(s), or other authorities or agencies involved in or concerned with the issue of Securities and as the Board or a duly authorised committee thereof may in its sole and absolute discretion deem fit and appropriate in the best interest of the Bank, without being required to seek any further consent or approval of the Members or otherwise, and that all or any of the powers conferred on the Bank and the Board pursuant to this resolution may be exercised by the Board or a duly authorised committee thereof as the Board has constituted or may constitute in this behalf, to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this Special Resolution, and all actions taken by the Board or a duly authorised Committee thereof, to exercise its powers, in connection with any matter(s) referred to or contemplated in any of the

foregoing resolutions be and are hereby approved, ratified and confirmed, in all respects.

RESOLVED FURTHER THAT the Board or a duly authorised Committee thereof be and is hereby authorised to engage/appoint Book Running Lead Managers, Underwriters, Depositories, Custodians, Registrars, Stabilising Agents, Trustees, Bankers, Lawyers, Advisors and all such agencies as may be involved or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees or the like and also to reimburse them out of pocket expenses and also to enter into and execute all such arrangements, agreements, memoranda, documents etc. with such agencies and to seek the listing of the Securities on the Stock Exchanges.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board or a duly authorised Committee thereof be and is hereby authorised for and on behalf of the Bank to negotiate, modify, sign, execute, register, deliver including sign any declarations or notice required in connection with the private placement offer letter, information memorandum, the draft offer document, offer letter, offer document, offer circular or placement document for issue of the Securities, term sheet, issue agreement, registrar agreement, escrow agreement, underwriting agreement, placement agreement, consortium agreement, trustee agreement, trust deed, subscription agreement, purchase agreement, agency agreement, agreements with the depositories, security documents, and other necessary agreements, memorandum of understanding, deeds, general undertaking / indemnity, certificates, consents, communications, affidavits, applications (including those to be filed with the Regulatory Authorities, if any) (the **"Transaction Documents"**) (whether before or after execution of the Transaction Documents) together with all other documents, agreements, instruments, letters and writings required in connection with, or ancillary to, the Transaction Documents (the **"Ancillary Documents"**) as may be necessary or required for the aforesaid purpose including to sign and/or dispatch all forms, filings, documents and notices to be signed, submitted and/or dispatched by it under or in connection with the documents to which it is a party as well as to accept and execute any amendments to the Transaction Documents and the Ancillary Documents and further to do all such other acts, deeds, matters and things, mentioned herein as they may deem necessary in connection with the issue of the Securities in one or more tranches from time to time and matters connected therewith.

RESOLVED FURTHER THAT in respect of the Offering, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its sole and absolute discretion consider necessary, desirable or appropriate, including submitting the relevant application to the Stock Exchange(s) for obtaining in-principle approval for listing of Equity Shares, filing of requisite documents/ making declarations with the MCA, RBI, SEBI and any other Statutory / Regulatory Authority(ies), including filing of form FC-GPR, and any other deed(s), document(s), declaration(s) as may be required under the applicable laws.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of the Board, inter alia, the power to determine the form, terms and timing of the issue(s) / offering(s), issue price (including discount, if any), the quantum of Securities to be issued, including selection of Investors to whom Securities are proposed to be offered, issued and allotted and matters related thereto, as it may, in its sole and absolute discretion, deem fit and appropriate.

RESOLVED FURTHER THAT the Board or a duly authorised Committee thereof be and is hereby authorised to delegate all or any of the powers herein conferred to any Director(s) or Officer(s) of the Bank and to generally do all such acts, deeds, matters and things as may be required in connection with the aforesaid resolutions, including making necessary filings with the Stock Exchange(s) and Statutory / Regulatory Authorities and execution of any deeds and documents for and on behalf of the Bank and to represent the Bank before any Governmental Authorities, to give effect to this resolution."

Item No. 6:

To approve the appointment of M/s Mehta & Mehta, Company Secretaries as Secretarial Auditor of the Bank

To consider and if thought fit to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 204 and other applicable provisions of the Companies Act, 2013, if any read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"Listing Regulations"**) as amended, from time to

time and subject to such other applicable rules, regulations, circulars, notifications, clarifications and guidelines issued thereon, from time to time, by the Ministry of Corporate Affairs (**"MCA"**), the Securities and Exchange Board of India (**"SEBI"**) and the Stock Exchanges where the Equity Shares of the Bank are listed, M/s Mehta & Mehta, Company Secretaries, peer reviewed firm of Company Secretaries in Practice (Firm Registration Number P1996MH007500) be and are hereby appointed as the Secretarial Auditors of the Bank (**"Secretarial Auditor"**) for a term of five consecutive years commencing from financial year 2025-26 till financial year 2029-30, at such fees, plus applicable taxes and other out-of-pocket expenses as may be mutually agreed upon between the Board of Directors of the Bank ("hereinafter referred to as the **"Board"**", which term shall be deemed to include any Committee thereof, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person or persons") and the Secretarial Auditors.

RESOLVED FURTHER THAT to give effect to this resolution, the Board be and is hereby authorised to do all deeds, matters, things, acts, and to execute any agreements, documents and writings, as may be deemed necessary, and/or to settle all questions, difficulties or doubts that may arise in this regard, and to delegate all or any of its powers herein conferred to any Committee/Director(s)/Officer(s) of the Bank."

Item No. 7:

To approve the appointment of Mr. Nandkumar Saravade (DIN: 07601861) as an Independent Director of the Bank

To consider and if thought fit to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder (**"Act"**), and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"Listing Regulations"**), provisions of Section 10A and other applicable provisions, if any, of the Banking Regulation Act, 1949 and the guidelines and circulars issued by the Reserve Bank of India (**"RBI"**), in this regard, from time to time and any other applicable Laws, Rules and Acts [including any statutory modification(s),



amendment(s), variation(s) or re-enactment(s) thereof for the time being in force] and in consonance with the provisions of the Articles of Associations, and pursuant to the recommendation of Nomination and Remuneration Committee (“**NRC**”) and Board of Directors (“hereinafter referred to as the “**Board**”, which term shall be deemed to include any Committee thereof, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person or persons”), **Mr. Nandkumar Saravade (DIN: 07601861)** who was appointed as an Additional Director (Non-Executive Independent) by the Board w.e.f. May 31, 2025 in terms of provisions of Section 161(1) of the Act and in respect of whom the Bank has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of director of the Bank and who meets the criteria of Independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing regulations be and is hereby appointed as an Independent Director of the Bank to hold office for a term of three (3) years i.e. up to May 30, 2028 and who shall not be liable to retire by rotation during the said period, in terms of the provisions of Section 149(13) of the Act.

RESOLVED FURTHER THAT the Board be and is hereby authorised, wherever required including the power to delegate the authority to any official(s) of the Bank to sign application, execute, submit any documents with RBI, Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Ltd., Securities and Exchange Board of India, Registrar of Companies and any other authority(ies) as may be required, and to deliver on behalf of the Bank all deeds, documents, declarations, undertakings, clarification, submissions and other writings, as may be applicable to any authority and to do all such other acts and things as may be required in this regard.”

Item No. 8:

To approve the appointment of Mr. Jagajit Mangal Prasad (DIN: 11146660) as an Independent Director of the Bank

To consider and if thought fit to pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, Schedule IV and other applicable provisions, if any, of the Companies

Act, 2013 read with rules made thereunder (“**Act**”), and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”), provisions of Section 10A and other applicable provisions, if any, of the Banking Regulation Act, 1949 and the guidelines and circulars issued by the Reserve Bank of India (“**RBI**”), in this regard, from time to time and any other applicable Laws, Rules and Acts [including any statutory modification(s), amendment(s), variation(s) or re-enactment(s) thereof for the time being in force] and in consonance with the provisions of the Articles of Associations, and pursuant to the recommendation of Nomination and Remuneration Committee (“**NRC**”) and Board of Directors (“hereinafter referred to as the “**Board**”, which term shall be deemed to include any Committee thereof, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person or persons”), **Mr. Jagajit Mangal Prasad (DIN: 11146660)** who was appointed as an Additional Director (Non-Executive Independent) by the Board w.e.f. July 01, 2025 in terms of provisions of Section 161(1) of the Act and in respect of whom the Bank has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of director of the Bank and who meets the criteria of Independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing regulations be and is hereby appointed as an Independent Director of the Bank to hold office for a term of three (3) years i.e., up to June 30, 2028 and who shall not be liable to retire by rotation during the said period, in terms of the provisions of Section 149(13) of the Act.

RESOLVED FURTHER THAT the Board be and is hereby authorised, wherever required including the power to delegate the authority to any official(s) of the Bank to sign application, execute, submit any documents with RBI, Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Ltd., Securities and Exchange Board of India, Registrar of Companies and any other authority(ies) as may be required, and to deliver on behalf of the Bank all deeds, documents, declarations, undertakings, clarification, submissions and other writings, as may be applicable to any authority and to do all such other acts and things as may be required in this regard.”

Notes:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 (the “**Act**”) read with the rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”), setting out all the material facts relating to the Businesses as set out in Item No. 4 to 8 of this Notice, is annexed herewith.
2. The Ministry of Corporate Affairs (“**MCA**”), vide its Circular Nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 05, 2020, and subsequent circulars issued from time to time in relation to “Clarification on holding of Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM), the latest being Circular No. 09/2024 dated September 19, 2024, (“**MCA Circulars**”) and Securities and Exchange Board of India (“**SEBI**”) vide its circular no. SEBI/HO/CFD/CFDPoD-2/P/CIR/2024/133 dated October 3, 2024 (“**SEBI Circular**”) and other applicable circulars and notifications issued (including any statutory modifications or re-enactment thereof for the time being in force and as amended from time to time, has permitted the holding of the AGM through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the aforesaid MCA Circulars & SEBI Circulars, the AGM of the Bank will be held through VC and physical attendance of the Members to the AGM venue is not required. The registered office of the Bank shall be deemed to be the venue for the AGM.
3. Pursuant to the MCA Circulars and Regulation 44(4) of the Listing Regulations, the facility to appoint proxy to attend and cast vote for the members is not available for this EGM/AGM. Accordingly, the facility for appointment of proxy by the member will not be applicable and hence, the Proxy Form, Attendance Slips and Route map are not annexed to this Notice. However, the Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
4. The Bank has provided two-way facility of video conferencing (VC)/other audio-visual means (OAVM) and live webcast of the proceedings of the AGM shall be available on Friday, August 8, 2025 from 4 p.m. (IST) onwards at the <https://www.evoting.nsdl.com>. Members are requested to join the 30th AGM from 3.30 p.m. (IST) i.e. 30 minutes before the time scheduled to start the AGM and the Bank may close the window for joining the VC Facility, 30 minutes after the scheduled time to start the AGM. The Attendance of members will be counted as the members who have successfully logged in through VC or OAVM and shall be counted for the purpose of reckoning of the quorum under Section 103 of the Act. Please refer the detailed instructions for attending the AGM through VC covered under this Notice.
5. In line with the MCA Circulars, the Annual Report for the Financial Year 2024-25 and AGM Notice has been uploaded on the website of the Bank at www.aubank.in. The same can also be accessed on the website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Ltd. at www.bseindia.com and www.nseindia.com respectively and on the website of National Securities Depository Limited (“**NSDL**”) (agency for providing the facility of conducting AGM through VC and Remote e-Voting facility) i.e. www.evoting.nsdl.com.
6. The physical copies of all the documents referred to in this Notice and the Statement setting out the material facts in respect of Item nos. 4 to 8 thereof, a certificate from Secretarial Auditor certifying that the employee stock option scheme of the Bank is being implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and the Statutory Registers will be made available at the Bank’s registered office for inspection during the normal business hours between 10:00 a.m. to 5:00 p.m. on working days up to the date of the AGM. Members having any queries, may please write to Company Secretary at investorrelations@aubank.in mentioning their name, Folio No./Client ID and DP ID. The same will be replied by the Bank suitably. Further, during the 30th AGM, members may access the required documents upon Log-in to NSDL e-Voting system at www.evoting.nsdl.com.
7. In case of joint holders attending the Meeting, only such joint holder whose name appears as the first holder in the order of names as per the Register of Members of the Bank will be entitled to vote, provided the votes are not already cast by remote e-voting by the first holder.



8. As per the provisions of Section 72 of the Act and SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/ CIR/2024/37 dated May 07, 2024, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Bank's website <https://www.aubank.in/investors/investor-services>. Members are requested to submit the said details to their DP in case the shares are held by them in dematerialised form and to the Bank in case the shares are held in physical form.

9. Members can submit questions in advance with regard to the financial statements or any other matter to be placed at the 30th AGM, from their registered e-mail address, mentioning their name, DP ID and Client ID and mobile number, to reach the Bank's e-mail address at investorrelations@aubank.in from Friday August 1, 2025 to Tuesday, August 4, 2025. Such questions by the Members shall be taken up during the meeting and replied by the Bank suitably.

Further, Members who would like to ask questions during the AGM with regards to the financial statements or any other matter to be placed at the AGM, need to register themselves as a speaker by sending their request from their registered e-mail address mentioning their name, DP ID and Client ID and mobile number, to reach the Bank's e-mail address at investorrelations@aubank.in from Friday, August 1, 2025 to Tuesday, August 4, 2025.

Those Members who have registered themselves as a speaker shall only be allowed to speak/ask questions during the AGM, depending upon the availability of time.

10. In terms of the MCA Circulars & SEBI Circulars, the Annual report and AGM notice are being electronically sent to all the members of the Bank, whose name appear on the Register of Members/List of Beneficial Owners, as received from NSDL/Central Depository Services (India) Limited ("CDSL") on from Friday July 11, 2025 and who have registered their e-mail addresses with the Depositories/Depository Participants

unless any member has requested for a physical copy of the same. A letter providing the web-link including the exact path, for accessing the Integrated Annual report will be sent to those members who have not registered their email address. It is however, clarified that all the persons who are members of the Bank as on Friday, August 1, 2025 (including those members who may not have received this Notice due to non - registration of their e-mail IDs) shall be entitled to vote in relation to the resolutions specified in this Notice.

11. Members are requested to address all correspondence, including dividend-related matters, to Registrar and Transfer Agent ("RTA") of the Bank i.e. MUFG Intime India Private Limited (Formerly Link Intime India Private Limited), at their e-mail ID rnt.helpdesk@in.mpms.mufg.com or at their address C-101, 1st Floor, 247 Park, L.B.S. Marg Vikhroli (West) Mumbai - 400 083, Maharashtra.

12. SEBI vide its notification dated SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/195 dated July 31, 2023 (as amended) has established a common Online Dispute Resolution Portal ('ODR Portal') for resolution of disputes arising in the Indian Securities Market. Pursuant to this, post exhausting the option to resolve their grievance with the RTA/Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal at <https://smartodr.in/login> and the same can also be accessed through the Bank's website <https://www.aubank.in/investor-grievance>.

13. Members wishing to claim unclaimed dividends are requested to correspond with the RTA of the Bank as mentioned above or the Company Secretary of the Bank. The Bank has uploaded the details of unclaimed dividend amounts lying with the Bank on the website of the Bank at <https://www.aubank.in/reports/disclosures>.

14. Members are requested to note that dividends, which are not claimed within seven years from the date of transfer to the Bank's Unpaid Dividend Account, will as per the provisions of Section 124 of the Act read with the rules made thereunder, be transferred to the Investor Education and Protection Fund. Further, pursuant to the provisions of Section 124(6) of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ("IEPF Rules"),

all shares in respect of which dividend has not been claimed for seven consecutive years shall also be transferred to the demat account of the Investor Education and Protection Fund authority (IEPF Authority). In view of this, Members are requested to claim their dividends from the Bank, within the stipulated timeline.

15. The Board at its meeting held on April 22, 2025, has recommended dividend of ₹1/- per equity share of face value of ₹10/- each for the financial year ended March 31, 2025, subject to approval of shareholders at the ensuing AGM.
16. The Bank has fixed, Friday, July 4, 2025 as the **"Record Date"** for determining entitlement of Members to final dividend for the financial year ended March 31, 2025, if approved at the AGM.
17. The final dividend once approved at the AGM, will be paid on or before Saturday, September 6, 2025, by way of electronic mode to members who have updated their bank account details. In case of members who have not updated their bank account details, the Bank shall dispatch the Dividend Warrant/ Demand Draft

to such shareholder by post at their registered addresses. Pursuant to clause 19.2 of SEBI Master Circular for Registrars to an Issue and Share Transfer Agents, the shareholders, who hold shares in physical mode and whose folios are not updated with any of the KYC details [viz. (i) PAN (ii) Choice of Nomination (iii) Contact Details (iv) Mobile Number (v) Bank Account Details and (vi) Signature], shall be eligible to get dividend only in electronic mode. Accordingly, payment of final dividend, subject to approval at the AGM, shall be paid to physical holders only after the above details are updated in their folios. To avoid delay in receiving dividend, we request members to update their KYC details including address with pin code, e-mail address, mandates, nominations, power of attorney, bank details covering name of the bank and branch details, bank account number, MICR code, IFSC code, etc. with their depository participants (where shares are held in dematerialised form) and with the Bank's RTA (where shares are held in physical mode).

Below process shall be followed to update the email ID and bank account details to receive dividend directly into the Bank account on payout date:

Type of holding	Process to be followed*
Physical	For availing the following investor services, send a written request in the prescribed forms to the RTA of the Bank. <ul style="list-style-type: none"> Form for availing investor services to register PAN, email address, bank details and other KYC details or changes / update thereof for securities held in physical mode Form ISR-1 Update of signature of securities holder Form ISR-1 / ISR-2 (As applicable) Form for requesting issue of Duplicate Certificate and other service requests for shares / debentures / bonds, etc., held in physical form Form ISR-4 Form for Transmission request Form ISR-5 The forms for updating the above details are available at https://www.aubank.in/investors/investor-services
Demat	By contacting Depository Participant ("DP") and registering e-mail ID and bank account details in demat account, as per the process advised by the DP.

* Please refer SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 07, 2024.

18. As per the provisions of Regulation 40 of Listing Regulations all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialised form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. For this purpose, Members can contact the Bank for assistance in this regard.
19. Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 01, 2020 and the Bank is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, please refer to the Finance Act, 2020 and the amendments thereof.



For Resident Individual shareholder: A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by e-mail to Bank at investorrelations@aubank.in. Shareholders are requested to note that in case their PAN is not registered or having invalid PAN or inoperative PAN, the tax will be deducted at a higher rate prescribed under Section 206AA of the Income Tax Act, as applicable. Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower/nil withholding of tax.

For Non-Resident shareholder: Non-resident shareholders [including Foreign Institutional Investors (FIIs)/Foreign Portfolio Investors (FPIs)] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits. For this purpose, the shareholder may submit the above documents (PDF/JPG Format) by e-mail to Bank at investorrelations@aubank.in.

The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 P.M. IST by or before Friday, July 25, 2025.

20. Non-Resident Indian Members are requested to contact their respective Depository Participants/ RTA (in case of physical shares) for any change in their residential status on return to India for permanent settlement, particulars of their bank account maintained in India with complete name, branch account type, account number and address of Bank with pin code number, if not furnished earlier.
21. Brief profile and other additional information pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, in respect of the Director seeking appointment/re-appointment, is furnished as an Annexure to the Notice.

DETAILS OF E-VOTING AND JOINING AGM THROUGH VC:

Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended)

and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the MCA Circulars & SEBI Circulars the Bank is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM.

For this purpose, the Bank has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a member using remote e-Voting system as well as e-voting on the date of the AGM will be provided by NSDL.

The remote e-voting period begins on Monday, August 4, 2025, at 9:00 a.m. (IST) and ends on Thursday, August 7 2025, at 5:00 p.m. (IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members/Beneficial Owners, as received from NSDL/CDSL, as on the cut-off date i.e., Friday, August 1, 2025 may cast their vote electronically.

The voting right of members shall be in proportion to their share in the paid-up equity share capital of the Bank as on the cut-off date, being Friday, August 1, 2025.

A person who is not a member as on the cut-off date should treat this notice for information purpose only.

As the E-voting does not require a person to attend to a meeting physically, the Members are strongly advised to use the E-voting procedure by themselves and not through any other person except Institutional/ Corporate Shareholders who may cast their votes through their authorised representatives.

The Board of Directors have appointed CS Manoj Maheshwari, Practicing Company Secretary (Membership No. FCS: 3355) as Scrutiniser and failing him CS Priyanka Agarwal, Practicing Company Secretary (Membership No. FCS: 11138) as the Alternate Scrutiniser to scrutinise the polling/e-voting at the AGM and remote e-Voting process in a fair and transparent manner.

The details of the process and manner for remote e-Voting and joining AGM through VC are as under:


The way to vote electronically on NSDL e-voting system consists of below mentioned "2 steps":

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. <p>NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">   </div> <div style="text-align: center;">   </div> </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.



Type of shareholders	Login Method
	<ol style="list-style-type: none"> If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	<ol style="list-style-type: none"> You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to **login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon “**Login**” which is available under ‘**Shareholder/Member**’ section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

- Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email IDs are not registered.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on **"Forgot User Details/ Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting

the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select EVEN (AU Small Finance Bank) of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on **"VC/OAVM"** link placed under **"Join Meeting"**.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on **"Submit"** and also **"Confirm"** when prompted.
5. Upon confirmation, the message **"Vote cast successfully"** will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by e-mail to cs.vmanda@gmail.com with a copy marked to [evoting@nsdl.com](http://www.evoting.nsdl.com). Institutional



shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on “**Upload Board Resolution / Authority Letter**” displayed under “**e-Voting**” tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “**Forgot User Details/Password?**” or “**Physical User Reset Password?**” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the **Frequently Asked Questions (FAQs)** for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on 022 - 4886 7000 or send a request to Ms. Pallavi Mhatre-Senior Manager, National Securities Depository Limited 301, 3rd Floor, Naman Chambers, G Block, Plot No-C-32, Bandra Kurla Complex, Bandra East, Mumbai- 400051 or at evoting@nsdl.com.

Process for those shareholders whose Email IDs are not registered with the depositories for procuring user id and password and registration of Email IDs for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investorrelations@aubank.in.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investorrelations@aubank.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining**

virtual meeting for Individual shareholders holding securities in demat mode.

3. Alternatively, shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM link” placed under “**Join meeting**” menu against company name. You are requested to click on VC/OAVM link

placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning

their name, demat account number/ folio number, email id, mobile number at investorrelations@aubank.in. The same will be replied by the Bank suitably.

22. Any person, who acquires shares of the Bank and becomes member of the Bank after dispatch of the notice and holding shares as on the cut-off i.e., Friday, August 1, 2025 may obtain the login ID and password by sending a request at evoting@nsdl.com or contact Bank's RTA.
23. The Scrutinizer shall after the conclusion of voting at the AGM, will submit consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare results (consolidated) within two working days from the conclusion of the meeting.
24. The results of voting will be declared and the same along with the Scrutinizer's Report will be published on the website of the Bank (www.aubank.in) and the website of NSDL (www.evoting.nsdl.com) immediately after the declaration of result by the Chairman and the same will also be communicated to BSE Limited and the National Stock Exchange of India Ltd. within two working days from the conclusion of the AGM.

Place: Jaipur
Date: June 28, 2025

Registered Office:

19-A, Dhuleshwar Garden,
Ajmer Road, Jaipur – 302 001, Rajasthan
Website: www.aubank.in
Tel: +91 141 4110060 E-mail: investorrelations@aubank.in

**By Order of the Board of Directors
For AU Small Finance Bank Limited**

Sd/-
Manmohan Parnami
Company Secretary
Membership No.: F9999



Explanatory Statement pursuant to the provisions of Section 102(1) of Companies Act, 2013

The following Statement sets out all material facts relating to the Special Businesses as set out in Item no(s). 4 to 8 mentioned in the above Notice:

Item no. 4:

Pursuant to the provisions of Section 42 of the Act read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Bank can issue securities including Non-Convertible Debentures (“NCDs”)/Bonds on a private placement basis subject to the condition that the proposed offer of securities or invitation to subscribe to the securities has been previously approved by the members of the Bank, by means of a special resolution, for each of the offers or invitations. In case of an offer or invitation for NCDs, it shall be sufficient if the Bank passes a special resolution only once in a year for all the offer(s) or invitation(s) to subscribe to such NCDs on a private placement basis, during a period of one year from the date of passing of the special resolution even if the amount to be borrowed/ raised exceeds/will exceed the limit as specified in Section 180(1)(c) of the Act.

In view of the above requirement, the members of the Bank at the last AGM held on July 26, 2024 had approved the borrowing/raising of funds by issue of non-convertible debt securities on private placement basis in pursuance of the relevant provisions of the applicable laws and circulars or guidelines issued by the RBI, upto an amount not exceeding ₹6,000 crores (Rupees Six Thousand Crores Only), during a period of one year from the date of passing of the special resolution in one or more tranches. During the FY2024-25, the Bank issued Unsecured, Rated, Listed, Redeemable, Subordinated, Non-Convertible Lower Tier II Bonds in the nature of Non-Convertible Debentures, with face value of ₹1,00,000/- each, categorized as Tier II Capital for an amount aggregating to ₹770 crores on a private placement basis.

Considering the consistent growth in business & operations and after assessing existing and future projections of the Bank and to facilitate the Bank to evaluate a potential fund raising at an appropriate time in one or more tranches in Indian as well as overseas market by issue of non-convertible debt securities, the Board of Directors of the Bank at its meeting held on June 28, 2025 has recommended to obtain the consent of the members of the Bank for borrowing/ raising funds in Indian currency/ foreign currency by issue of non- convertible debt securities including

but not limited to long-term bonds, perpetual debt instruments, Tier I/Tier II Capital Bonds, Social Bonds, Sustainability Bonds, sustainability-linked bonds, Green Bonds or such other debt securities as may be permitted under RBI guidelines from time to time in domestic and/ or overseas market, in one or more tranches and/or series as per the structure and within the limits permitted by the RBI and other regulatory authorities to eligible investors of an amount not exceeding ₹6,000 crores (Rupees Six Thousand Crores Only) on a private placement basis during a period of one year from the date of passing of this special resolution.

The said non-convertible debt securities would be issued by the Bank in accordance with the applicable statutory guidelines, for cash either at par or premium to face value depending upon the prevailing market conditions and the pricing of such securities depends upon various factors which may include prevailing risk-free rates, competitor rates of similar rating and prevailing regulations.

Furthermore, the offer shall be made to such persons as identified under Section 42(2) of the Act on such terms and conditions including the price, coupon, par/ premium/ discount, tenor etc., as may be determined by the Board (including a duly authorised Committee), in the prevailing market conditions as permitted under the relevant applicable regulations.

None of the Director/Key Managerial Personnel of the Bank or their relatives are, in any way concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4 of the Notice.

The Board of Directors recommends the passing of Special Resolution set out at Item No. 4 of the Notice for approval by the members of the Bank.

Item no. 5:

The members of the Bank at the last AGM held on July 26, 2024 have approved raising of funds through Qualified Institutions Placement/ preferential allotment or such other permissible mode or combinations thereof under Section 23, 41, 42 and 62(1)(c) of the Act upto an amount of ₹5,000 crores (Rupees Five Thousand Crores Only). During FY2024-25, the Bank successfully raised ₹770 crore through Tier-II debt instruments, reflecting its ability to navigate a challenging macroeconomic environment characterized by tight liquidity and elevated interest rates. This strengthened the Bank's regulatory capital position and supported its growth objectives. However, due to prevailing market environment, valuation sensitivities across the private

banking sector, the Bank has not raised any capital through equity issuance during the FY 2024-25.

Aligned to its long-term strategic vision, the Bank has consistently focused on building a sustainable and resilient Banking institution. Over the past eight years, it has raised equity capital through preferential allotments and qualified institutional placements, supporting business expansion, consistent growth, and continued investment in technology and infrastructure.

As of March 31, 2025, the Bank's Capital to Risk Weighted Assets Ratio (CRAR) and Tier I capital ratio stood at 20.06% and 18.14% which was well above the regulatory minimum of 15.00% and 7.50% respectively. The Bank's capital management strategy has always centered on maintaining strong capitalization to support business growth, meet regulatory requirements prescribed by the Reserve Bank of India, and invest in advanced systems and processes. Adequate capital is critical to ensure the Bank's agility and competitiveness, while mitigating risks associated with constrained asset growth, outdated infrastructure, and regulatory non-compliance.

To further strengthen the Bank's ability to manage unforeseen contingencies, support future growth aspirations, capitalize on emerging opportunities in a growing economy, and ensure continued regulatory compliance, it is imperative that the Bank remains well-capitalized by augmenting its Tier I capital base. Accordingly, the Bank seeks an enabling resolution from shareholders to raise additional equity capital up to ₹5,000 Crores (Rupees Five Thousand Crores Only), as and when required, to support the Bank's strategic objectives and for long-term value creation.

Pursuant to Section 62(1)(c) of the Act, further equity shares may be issued to persons other than the existing Members of the Bank, provided that the Members of the Bank approve the issue of such equity shares, by means of a Special Resolution.

In terms of Rule 14(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a company can make a private placement of its securities under the Act, only after receipt of prior approval of its members by way of a Special Resolution. The consent of the Members would therefore be necessary pursuant to the provisions of Sections 42 and 62(1)(c) of the Act, read with applicable provisions of the SEBI ICDR Regulations and Listing Regulations, for issuance of Securities.

The Special Resolution as set out in Item No. 5 of this Notice is an enabling resolution to raise equity capital by way of a private placement, including by way of a QIP in accordance with Chapter VI of the SEBI ICDR Regulations and therefore, under this proposal, Bank seeks to confer upon the Board or a duly authorised Committee thereof, the sole and absolute discretion to determine the terms and conditions of the said issue of securities, including the exact price, proportion and timing of such issue, mode of offer based on an analysis of market conditions and the specific requirements in accordance with the relevant provisions of the Act, the SEBI ICDR Regulations and any other applicable laws.

The Securities to be so offered, issued, and allotted shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Bank and the Equity Shares that may be issued and allotted by the Bank shall rank *pari passu* inter se and with the then existing Equity Shares of the Bank, in all respects.

None of the Director / Key Managerial Personnel of the Bank or their relatives are, in any way concerned or interested, financially or otherwise, in the Resolution set out at Item No. 5 of the Notice.

The Board of Directors recommends the passing of Special Resolution set out at Item No. 5 of the Notice for approval by the members of the Bank.

Item No. 6

Pursuant to the amended provisions of Regulation 24A of the Listing Regulations and provisions of Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Audit Committee and the Board of Directors at their respective meetings held on June 27, 2025 and June 28, 2025 have approved and recommended the appointment of M/s Mehta & Mehta, Company Secretaries, Peer Reviewed Firm (Peer review No. P1996MH007500), as Secretarial Auditors of the Bank on following terms and conditions:

- a) **Term of appointment:** For 5 (Five) consecutive years from years commencing from FY 2025-26 till FY 2029-30.
- b) **Proposed Fees:** 3,60,000 (Rupees three lakhs sixty thousand only) plus applicable taxes and other out-of-pocket expenses in connection with the secretarial audit for the Financial Year ending March 31, 2026 and for subsequent year(s) of



their term, such fee as determined by the Board, on recommendation of the Audit Committee in discussion with the Secretarial Auditors. The proposed fee is based on knowledge, expertise, industry experience, time and efforts required to be put in by the audit firm, which is in line with the industry benchmark. The fees for services in the nature of certifications and other professional work will be in addition to the secretarial audit fee as mentioned above.

- c) **Credentials:** M/s Mehta & Mehta, Company Secretaries Peer Reviewed Firm (Peer review No. P1996MH007500) ('Secretarial Audit Firm'), established in the year 1996, is a reputed firm of Company Secretaries in Practice specialized in Secretarial Audit and other corporate law matters. The firm is registered with the Institute of Company Secretaries of India and has an experience of more than 25+ years in providing various corporate law services.
- d) **Basis of recommendations:** The recommendations are based on the fulfilment of the eligibility criteria & qualification prescribed under the Act & Rules made thereunder and Listing Regulations with regard to the full time partners, secretarial audit, experience of the firm, capability, independent assessment, audit experience and also based on the evaluation of the quality of audit work done by them in the past.

M/s Mehta & Mehta, Company Secretaries, has confirmed that the firm is not disqualified and is eligible to be appointed as Secretarial Auditors in terms of Regulation 24A of the SEBI Listing Regulations.

None of the Director/Key Managerial Personnel of the Bank or their relatives are, directly or indirectly, financially or otherwise, concerned or interested in the Resolution set out at Item No. 6.

The Board of Directors of the Company recommends the resolution set out at Item No. 6 for approval of the Members as an Ordinary Resolution.

Item No. 7

In compliance with Section 10A(2) of the Banking Regulation Act, 1949 and relevant notifications issued by the Reserve Bank of India, the Board has reviewed the current composition and future requirements of the Board. Considering the Bank's growth trajectory and the scheduled completion of tenure of three Independent Directors during FY 2025-26, the Board believes it is prudent to

gradually expand its composition by inducting senior professionals with specialized expertise in areas such as Risk Management, Treasury, Banking, Information Technology & Cybersecurity, Digital Banking, Human Resources, Agriculture and Rural Economy, International Banking, Banking & Credit Oversight, Small Scale Industry, and Co-operative Banking.

This reflects the proactive succession planning and the Bank's commitment to maintaining a diverse, skilled, and strategically aligned Board that can effectively guide the institution through its next phase of growth and transformation.

In view of the above background and requirements, the NRC evaluated several profiles of senior professionals having special knowledge or practical experience in the areas of Information technology and cybersecurity. Post carrying out the fit & proper assessment as per detailed process laid down, the NRC found the candidature of Mr. Nandkumar Saravade (DIN: 07601861) suitable and recommended his appointment as an Additional Director (Non-Executive Independent) to the Board.

Mr. Nandkumar Saravade is a seasoned IT strategy advisor and experienced Board member, with over 36 years of diverse experiences spanning law enforcement, banking, cybersecurity, fraud risk management, and technology leadership. He holds a master's degree from the Indian Institute of Technology, Bombay, and is widely recognized for his contributions to digital governance and cyber risk management.

Based on the NRC's recommendation and its 'fit and proper' assessment, the Board at its meeting held on April 22, 2025, appointed Mr. Nandkumar Saravade as an Additional Director (Non-Executive Independent) for a term of three (3) years, effective from May 31, 2025, to May 30, 2028, subject to the approval of the shareholders.

The Bank has also received declarations from Mr. Nandkumar Saravade that he meets the criteria for being appointed as Independent Director as provided under Section 149(6) of the Act and Regulation 16 (1)(b) of Listing Regulations and in respect of his appointment a notice of candidature under section 160 of the Act has been received. The Board has reviewed and affirmed the veracity of the declaration of independence as provided by him and considered his experience in Information Technology (IT), Cyber Security and Banking and recommended his appointment to the members for the period of three (3) years.

He is not disqualified/debarred from being appointed as Independent Directors in terms of Section 164 of the Act, or by any order of Securities and Exchange Board of India (“SEBI”), Reserve Bank of India (“RBI”) or any other such authority and has given his consent to act as Director of the Bank. In the opinion of the Board, he fulfils the conditions for his appointment as prescribed under the relevant provisions of the Act and rules made thereunder, the Listing Regulations the Banking Regulation Act, 1949 (“BR Act”) and other guidelines issued by the RBI, from time to time and he is independent of the management.

None of the Directors or any of the Key Managerial Personnel of the Bank and their relatives other than Mr. Nandkumar Saravade himself and/or his relatives, are directly or indirectly, concerned or interested in the resolution set out at Item No. 7.

His brief profile and other additional information pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India is furnished as annexure to the Notice.

The Board recommends passing of Special Resolution set out at Item No. 7 of the Notice for approval by the members.

Item No. 8

In compliance with Section 10A (2) of the Banking Regulation Act, 1949 and relevant notifications issued by the Reserve Bank of India, the Board of Directors (“Board”) has reviewed the current composition and future requirements of the Board. Considering the Bank’s growth trajectory and the scheduled completion of tenure of three Independent Directors during FY 2025–26, the Board believes it is prudent to gradually expand its composition by inducting senior professionals with specialized expertise in areas such as Risk Management, Treasury, Banking, Information Technology & Cybersecurity, Digital Banking, Human Resources, Agriculture and Rural Economy, International Banking, Banking & Credit Oversight, Small Scale Industry, and Co-operative Banking.

In view of the above background and requirements, the Nomination and Remuneration Committee (NRC) evaluated several profiles of senior professionals having special knowledge or practical experience in the area of Human Resource (HR). His fit & proper assessment as per detailed process laid down was carried out and the NRC found the candidature of Mr. Jagajit Mangal Prasad (“Mr. J M Prasad”)

(DIN: 11146660) suitable and recommended his appointment as an Additional Director (Non-Executive Independent) to the Board.

Mr. J M Prasad is a highly experienced Human Resources professional with over 3 decades of senior leadership experience. His extensive career includes 16 years of dedicated service in the banking and insurance sector.

He specializes in designing and deploying HR strategies, as well as leading change management interventions across diverse organizations, encompassing large enterprises, multinational corporations, and promoter-led businesses.

Based on the NRC’s recommendation and its ‘fit and proper’ assessment, the Board at its meeting held on June 28, 2025, appointed Mr. J M Prasad as an Additional Director (Non-Executive Independent) for a term of three (3) years, effective from July 01, 2025, to June 30, 2028, subject to the approval of the shareholders.

The Bank has also received declarations from Mr. J M Prasad that he meets the criteria for being appointed as Independent Director as provided under Section 149(6) of the Act and Regulation 16 (1)(b) of the Listing Regulation and in respect of his appointment a notice of candidature under section 160 of the Act has been received. The Board has reviewed and affirmed the veracity of the declaration of independence as provided by him and considered his experience in the areas of Human Resources, Banking and Business Management and recommended his appointment to the members for the period of three (3) years.

He is not disqualified/debarred from being appointed as Independent Directors in terms of Section 164 of the Act, or by any order of Securities and Exchange Board of India (“SEBI”), Reserve Bank of India (“RBI”) or any other such authority and has given his consent to act as Director of the Bank. In the opinion of the Board, he fulfils the conditions for his appointment as prescribed under the relevant provisions of the Act and rules made thereunder, Listing Regulations the Banking Regulation Act, 1949 and other guidelines issued by the RBI, from time to time and he is independent of the management.

None of the Directors or any of the Key Managerial Personnel of the Bank and their relatives other than Mr. J M Prasad himself and/or his relatives, are directly or indirectly, concerned or interested in the resolution set out at Item No. 8.



His brief profile and other additional information pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India is furnished as annexure to the Notice.

The Board recommends passing of Special Resolution set out at Item No. 8 of the Notice for approval by the members.

Place: Jaipur
Date: June 28, 2025

**By Order of the Board of Directors
For AU Small Finance Bank Limited**

Registered Office:
19-A, Dhuleshwar Garden,
Ajmer Road, Jaipur – 302 001, Rajasthan
Website: www.aubank.in
Tel: +91 141 4110060 E-mail: investorrelations@aubank.in

Sd/-
Manmohan Parnami
Company Secretary
Membership No.: F9999

Annexure

BRIEF PROFILE AND OTHER INFORMATION OF DIRECTOR BEING APPOINTED/RE-APPOINTED, AS SET OUT IN THIS NOTICE, IN TERMS OF THE REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND THE SECRETARIAL STANDARD ON GENERAL MEETINGS (SS-2) ISSUED BY THE INSTITUTE OF THE COMPANY SECRETARIES OF INDIA

Particulars	Mr. Uttam Tibrewal (DIN: 01024940)	Mr. Nandkumar Saravade (DIN: 07601861)	Mr. Jagajit Mangal Prasad (DIN: 11146660)
Age	54 years	63 Years	64 Years
Date of first appointment on Board	January 22, 2005	May 31, 2025	July 1, 2025
Qualification	B. Com.	<ul style="list-style-type: none"> Bachelor's degree in engineering from Government College of Engineering, Aurangabad Masters' degree from Indian Institute of Technology, Bombay 	<ul style="list-style-type: none"> Honours Diploma in Personnel Management and Industrial Relations from XLRI, Jamshedpur Post Graduate degree in Mass Communications from XIC, Mumbai Bachelor of Commerce (B.Com.) from R.A. Podar College of Commerce and Economics
Brief Resume including experience	<p>Mr. Uttam Tibrewal is a commerce graduate from the University of Delhi. He has around 29 years of experience in Financial Service sector with rich experience in the field of Agriculture & Rural Economy, Finance, Small Scale Industry, Accountancy, Banking, Risk and Business Management. His deep operational knowledge and broad strategic insight helped in building and scaling the retail business. He among others is responsible for supervisory functions and departments viz. Wheels, Home Loans, Branch Banking and Digital Banking. His ability to pulse the customer expectation sets him apart. He has led from front and over the years ensured that simplification of processes and customer centricity is kept as organizational priority for success and sustainability in the long run.</p>	<p>Mr. Nandkumar Saravade is a seasoned IT strategy advisor and Board member with over 36 years of rich experience across law enforcement, banking, cybersecurity, fraud risk management and technology management. He handled leadership positions at Reserve Bank Information Technology Private Limited (ReBIT) and at Data Security Council of India (DSCI). He also served on the Malegam Committee on NPAs and Bank frauds. In past, he chaired Protean InfoSec and Protean Account Aggregator. He also held senior roles at Citibank India and ICICI Bank, specializing in fraud risk management, regulatory compliance, and financial crime prevention. His earlier career in law enforcement included a distinguished tenure in the Indian Police Service (IPS) from the 1987 batch, where he also worked with the CBI on economic crimes and anti-corruption enforcement.</p>	<p>Mr. Jagajit Mangal Prasad is a seasoned Human Resources professional with over 3 decades of leadership experience, including 16 years in the banking and insurance sectors. He has a proven track record in formulating and executing human capital strategies, leading organizational transformation, and managing change across diverse business environments, including multinational corporations, large enterprises, and promoter-led organizations. Mr. Prasad holds an Honours Diploma in Personnel Management and Industrial Relations from XLRI, Jamshedpur, a Postgraduate degree in Mass Communications from XIC, Mumbai, and a Bachelor of Commerce degree from R.A. Podar College of Commerce and Economics. He served as the Chief of Human Resources at ING Vysya Bank and Group Head – Human Resources at Kotak Mahindra Life Insurance Company Limited. Prior to his tenure in the banking sector, he held senior HR leadership roles at Tata Elxsi and Subex Ltd.</p>
Nature of expertise in specific functional areas	<ul style="list-style-type: none"> Accountancy Agriculture and Rural Economy Banking Economics Finance Small Scale Industry Risk Management Business Management 	<ul style="list-style-type: none"> Banking, Cybersecurity, IT and Fraud Risk Management. 	<ul style="list-style-type: none"> Human Resources, Banking and Business Management



Particulars	Mr. Uttam Tibrewal (DIN: 01024940)	Mr. Nandkumar Saravade (DIN: 07601861)	Mr. Jagajit Mangal Prasad (DIN: 11146660)
Other Directorship	None	<ul style="list-style-type: none"> Jio Black Rock Asset Management Private Limited - Director BSE Limited - Nominee Director (Public Interest Director) 	None
Name of listed entities from which the person has resigned in the past three years	None	None	None
Chairmanship / Membership of Committee(s) in other companies in which position of Director is held#	None	<ul style="list-style-type: none"> Member of Audit committee of Jio BlackRock Asset Management Private Limited Member of Stakeholder Relationship of BSE Limited 	None
Relationship with other Directors, Managers, and other Key Managerial Personnel of the Bank	Liable to retire by rotation and other existing terms and conditions as approved by shareholders and as stipulated by RBI.	None	None
No. of equity shares held in the Bank	1,38,47,808	Nil	Nil
No. of Board meetings attended during the year (FY2024-25)	11/11	Not Applicable	Not Applicable
Terms and conditions of appointment or re-appointment	Liable to retire by rotation and other existing terms and conditions as approved by shareholders and as stipulated by RBI.	For a term of 3 years w.e.f. May 31, 2025, subject to approval of shareholders and not liable to retire by rotation.	For a term of 3 years w.e.f. July 01, 2025, subject to approval of shareholders and not liable to retire by rotation.
In case of independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Not Applicable	Please refer explanatory statement for item no. 7.	Please refer explanatory statement for item no. 8.
Remuneration last drawn	Rs. 2.9 Crores	Not Applicable	Not Applicable
Remuneration sought to be paid	As may be approved by Board of Directors on the recommendation of Nomination and Remuneration Committee, subject to approval of Shareholders and RBI.	<p>He is entitled to a compensation (Fixed Remuneration) not exceeding ₹20,00,000/- (Rupees Twenty Lakh Only) per annum as may be approved by Nomination & Remuneration Committee and Board from time to time.</p> <p>He is also entitled to a sitting fee of ₹90,000 for each Board Meeting attended & ₹ 55,000 for each Committee Meeting attended as a member.</p>	<p>He is entitled to a compensation (Fixed Remuneration) not exceeding ₹20,00,000/- (Rupees Twenty Lakh Only) per annum as may be approved by Nomination & Remuneration Committee and Board from time to time.</p> <p>He is also entitled to a sitting fee of ₹90,000 for each Board Meeting attended & ₹ 55,000 for each Committee Meeting attended as a member.</p>

Membership/Chairmanship of Audit Committee & Stakeholders Relationship Committee of listed and unlisted public companies have been considered.

Place: Jaipur
Date: June 28, 2025

**By Order of the Board of Directors
For AU Small Finance Bank Limited**

Registered Office:
19-A, Dhuleshwar Garden,
Ajmer Road, Jaipur - 302 001, Rajasthan
Website: www.aubank.in
Tel: +91 141 4110060 E-mail: investorrelations@aubank.in

Sd/-
Manmohan Parnami
Company Secretary
Membership No.: F9999



AU SFB'S UPCOMING CORPORATE OFFICE IN MUMBAI





AU SMALL FINANCE BANK LIMITED

Corporate office: 5th Floor, E-Wing, Kanakia Zillion,
Junction of CST and LBS Road, Kurla West, Mumbai - 400070

Head Office: CP3-232, Industrial Area, Apparel Park, Jagatpura,
Jaipur - 302022 Rajasthan, India



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  - @aubankindia  - @ausmallfinancebank



AU SMALL FINANCE BANK LIMITED

CIN: L36911RJ1996PLC011381

Registered Office: 19-A, Dhuleshwar Garden, Ajmer Road, Jaipur – 302001, Rajasthan, India
Corporate Office: 5th Floor, E-Wing, Kanakia Zillion, Junction of CST and LBS Road, Kurla (West),
Mumbai – 400070, Maharashtra, India

Tel: +91-141 4110060/61 | E-mail: investorrelations@aubank.in
Website: www.aubank.in

July 16, 2025

Dear Member

Subject: AU Small Finance Bank Limited Integrated Annual Report for the Financial Year 2024-25

Pursuant to Regulation 36(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, we wish to inform you that the Integrated Annual Report of the AU Small Finance Bank Limited (“the Bank”) for the financial year 2024–25, along with the Notice of the 30th Annual General Meeting (AGM) has been sent to the members whose email address is registered with Depository/RTA.

As per Depository/RTA records, your email address is not registered. Accordingly, we are providing below the web-link, including the exact path, where the Annual Report of the Bank is available for your ease of viewing:

Web-Link to Integrated Annual Report: <https://www.aubank.in/annual-report-2025.pdf>

Path: Home > Investors > Reports & Presentation > Annual Reports



You may access/download the Integrated Annual Report from the above link/path or by scanning the QR Code.

Integrated Annual Report and Notice of AGM is also available at the website of Stock Exchanges i.e. BSE Limited at www.bseindia.com and National Stock Exchange of India Ltd. at www.nseindia.com and on the website of National Securities Depository Limited (“NSDL”) at www.evoting.nsdl.com.

If you wish to receive a physical copy of the Integrated Annual Report, you may request the same by writing to Bank's Registrar and Share Transfer Agent (RTA) as per details mentioned below:

Name: MUFG Intime India Private Limited (Erstwhile Link Intime India Private Limited)

Address: C-101, Embassy 247, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083.

Email id: rnt.helpdesk@in.mpms.mufg.com

The Members are requested to register the email address with their respective Depository Participant (in case of demat holdings) or with RTA (in case of physical holders) to receive all future communications electronically, thereby contributing to a greener environment.

Thank you for your continued support.

Yours faithfully,

For AU Small Finance Bank Limited

Sd/-

Manmohan Parnami

Company Secretary