

**AUSFB/SEC/2018-19/57**

**Date: 26<sup>th</sup> April 2018**

To,

National Stock Exchange of India Limited,  
Listing Department  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (East), Mumbai 400051,  
Maharashtra.

The Bombay Stock Exchange Limited,  
Department of Corporate Services,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai 400001,  
Maharashtra.

**Scrip Code: AUBANK**

**Scrip Code: 540611**

Dear Sir,

**Sub:** Press release on the Audited Financial Results for the 4<sup>th</sup> Quarter and year ended on 31<sup>st</sup> March 2018.


In terms of Regulation 30 SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and other applicable regulation enclosed herein the Press Release of the Bank on the Audited Financial Results for the 4<sup>th</sup> Quarter and Financial Year ended on 31<sup>st</sup> March 2018.

The Press Release may also be accessed on the website of the bank at the link [www.aubank.in](http://www.aubank.in)

Kindly acknowledge the receipt and make available the same to public at large.

Thanking You,

**For AU Small Finance Bank Limited**

  
**Manmohan Parnami**  
**Company Secretary & Compliance Officer**  
**investorrelations@aubank.in**





## **AU SMALL FINANCE BANK'S FY18 TOTAL INCOME UP BY 52%: BOARD RECOMMENDS DIVIDEND OF 5%**

### **Highlights**

- In the very first year, AU Bank Board recommends dividend of INR 0.50/share
- Gross Loan AUM grew by 49% y-o-y to INR 16,038 crore as on Mar 31, 2018; Gross NPA improved to 2.0% as on Mar 31, 2018 vis-à-vis 2.8% as on Dec 31, 2017
- Deposits & CASA grew by 113% & 86% q-o-q to INR 7923 crore & INR 2133 crore respectively as on Mar 31, 2018.
- Profit After Tax (PAT) was INR 83 crore in Q4FY18, while for FY18, it was INR 292 crore
- ROA & ROE stood at 1.7% & 13.7% respectively for FY18
- Continued focus on our transformation journey of new-age banking

### **BUSINESS**

The Bank's Gross Loan AUM grew by INR 5304 crore in FY18 to INR 16038 crore. About 81% of Gross Loan AUM comprises of Retail loans. SBL-MSME grew 55% y-o-y followed by SBL-SME and Wheels both rising around 33% y-o-y.

Highest ever quarterly disbursements at INR 4,205 crore in Q4FY18, up 90% y-o-y; Disbursements for FY18 stood at INR 10,825 crore clocking 61% growth over FY17.

Pick up in New Products – Agri SME, Gold and 2W Loan disbursements at INR 50 cr., INR 29 cr. and INR 15 cr. respectively respectively in FY18. Home Loan and Consumer Durable disbursements at INR 1.8 cr. and INR 1.6 cr. in FY18. Strong momentum in Business Banking with disbursements climbing to INR 933 crore in FY18.

Total Deposits stood at INR 7,923 crore as at March 31, 2018 including Certificate of Deposits of INR 1,181 crore. CASA ratio (excluding Certificates of Deposits) was at 32% as on Mar 31, 2018. Opened 1,69,701 CASA accounts and mobilized CASA of INR 751 crore during Q4FY18.

### **INCOME**

The Bank's **Total Income** stood at **INR 666 crore & INR 2155 crore** in Q4FY18 & FY18 respectively. Net Interest Income clocked y-o-y growth of 30% & 20% to INR 287 crore & INR 940 crore in Q4FY18 & FY18 respectively.

### **EXPENSES**

The Bank's Total Operating Expenses stood at INR 267 crore & INR 753 crore in Q4 FY18 & FY18 respectively growing at 133% & 113% respectively. Cost to Income Ratio stood at 55.7% for FY18 which was higher than FY17 Cost to Income ratio of 38%, given the fact that bulk of the cost involved in Bank

transitioning with respect to branch infrastructure, technology and manpower was majorly incurred upfront in FY18.

### **PROFIT**

The Bank's Pre-Provisioning Operating Profit (PPOP) was INR 155 crore & INR 576 crore in Q4FY18 & FY18 respectively. The Bank posted a Net Profit of INR 83 crore & INR 292 crore for Q4FY18 & FY18 respectively. ROA stood at 1.7% for the Q4FY18 as well as for FY18. ROE improved marginally to 14.8% in the Q4FY18 vis-à-vis 14.7% in Q3FY18 taking FY18 full year ROE to 13.7%.

### **ASSET QUALITY**

Gross NPA & Net NPA of the Bank stood at INR 270 crore & INR 169 crore as on Mar 31, 2018. Gross NPA ratio and Net NPA ratios improved sequentially to 2.0% & 1.3% respectively as at Mar 31, 2018 vis-à-vis 2.9% & 1.9% respectively as on Dec 31, 2018.

Provision Coverage Ratio (PCR) improved consistently during the last 4 quarters and stood at 37.2% as on Mar 31, 2018

### **CAPITAL ADEQUACY**

The Capital to Risk Weighted Asset Ratio (CRAR) stood at 19.3% as at March 31, 2018. Out of this, the Tier-1 CRAR was 18.4%.

**Speaking on the occasion, Mr. Sanjay Agarwal, MD & CEO, AU Small Finance Bank, said, "With nearly 50% rise in our AUMs and a newly built deposit book of nearly INR 8000 crs. alongside Net NPA and Profitability similar to last year's levels even at the Bank platform, we see this as a good head start in FY18. I am pleased to share with you that our board has recommended a dividend of 5% in the first year of our banking operations and listing. In FY19, we would continue to focus more on operational efficiency, greater digitization of processes and serving customer holistically with a wider bouquet of products while keeping a closer eye on our costs, profitability and asset quality.**

### **TRANSFORMATION INTO A MAINSTREAM RETAIL BANK:**

The Bank, in the first year of operations, has laid the foundation for becoming a full-service retail lender of choice for its customers. With 377 Branches including 71 Business Correspondents touch points which was well complemented by 97 assets centres, 25 office and 292 ATMs, the Bank has a strong franchise to penetrate the markets further and built a wide customer base.

In the last one year, the Bank has opened 5,31,062 deposit accounts and raised a deposit book 7,923 crore at around 6.6% reducing the average cost of funds from 9.6% as on Mar 31, 2017 to 8.4% as on Mar 31, 2017. Our philosophy of assessing the customer while keeping the turnaround time in check has helped us disburse 143,904 loan accounts worth INR 10,825 crore taking our Gross Loan AUM to INR 16,038 crore.

To create greater opportunities within its community of customers, the Bank has expanded its product bouquet by introducing Home Loans, Agri-SME Loans, Gold Loans, Consumer Durable Loans, Business Banking and Third Party Products - General, Health and Life Insurance and Mutual Funds. The Bank piloted digital consumer durable loans with card-less EMI options. The Bank also offers best in class customer experience with tab-based seamless digital customer onboarding, higher deposit interest rates, monthly interest payouts in Savings Accounts, extended banking hours, no deposit slips, minimal paper work and true anywhere banking.

AU Small Finance Bank on-boarded 70% its new savings account customers in the first year using Tab Banking with Tab adoption reaching as high as 95% in the last quarter. Going forward it plans to expand this service for opening of current accounts too. The Bank provides digital advantage in cash management to its SME/MSME customers through digital platform of iCashPro platform.

AU Small Finance Bank received the 'Schedule Commercial Bank' status this year.

**AWARDS:**

AU Small Finance Bank is now a Fortune India 500 company. The Bank was recognised by Economic Times as the Best BFSI Brand 2018 along with 2 awards in ET NOW Rise with India Awards 2018 i.e. "The Bank with more Rural Branches" and "The Bank with Best Technology Orientation" within the small finance bank category. Times of India's Times Ascent awarded AU Bank with "Dream Companies to work for in 2018" award.

**About AU Small Finance Bank:**

AU Small Finance Bank Limited (AU Bank), a Fortune India 500 Company, is the only Scheduled Commercial Bank headquartered out of Jaipur, Rajasthan.

AU started its journey in the year 1996 as Au Financiers and, under the aegis of Reserve Bank of India, for the last two decades, it worked relentlessly as a retail focused, customer centric premier and trusted asset financing NBFC. It touched over a million plus underbanked and unbanked customers across 11 states of North, West and Central India, prior to becoming a bank in April 2017 to achieve the objective of Financial Inclusion which compliments AU Bank current business model and its position.

AU Bank is the only asset financing NBFC amongst 10 successful Small Finance Bank Licensees out of 72 applicants. Over the years, AU received investment from marquee investors such as IFC Washington (member World Bank group), Warburg Pincus, Chrys Capital and Kedaara Capital.

AU Bank is listed at both the leading exchanges viz. NSE and BSE (Market Capitalization ~USD 3.0billion) and it features amongst the top 15 private sector banks by market capitalization. AU Bank's IPO (Rs.1912 Crores) was amongst the most successful IPOs of 2017; it received an overwhelming response with an oversubscription of ~ 54x.

Web: [www.aubank.com](http://www.aubank.com) | twitter: @aubankindia | facebook: <https://www.facebook.com/aubankindia/>

**Disclaimer**

Certain statements are included in this release which contain words or phrases such as "will," "aim," "will likely result," "believe," "expect," "will continue," "anticipate," "estimate," "intend," "plan," "contemplate," "seek to," "future," "objective," "goal," "project," "should," "will pursue" and similar expressions or variations of these expressions, that are "forward-looking statements." Actual results may differ materially from those suggested by the forward-looking statements due to certain risks or uncertainties associated with our expectations with respect to, but not limited to, our ability to implement our strategy successfully, the market acceptance of and demand for various banking services, future levels of our non-performing loans, our growth and expansion, the adequacy of our allowance for credit and investment losses, technological changes, volatility in investment income, our ability to market new products, cash flow projections, the outcome of any legal, tax or regulatory proceedings in India and in other jurisdictions we are or become a party to, the future impact of new accounting standards, our ability to pay dividends, the impact of changes in banking regulations and other regulatory changes on us in India and other jurisdictions, our ability to roll over our short-term funding sources and our exposure to market and operational risks. By their nature, certain of the market risk disclosures are only estimates and could be materially different from what may actually occur in the future. As a result, actual future

gains, losses or impact on net income could materially differ from those that have been estimated. In addition, other factors that could cause actual results to differ materially from those estimated by the forward-looking statements contained in this document include, but are not limited to: general economic and political conditions, instability or uncertainty in India and the other countries which have an impact on our business activities or investments caused by any factor, including terrorist attacks in India, the United States or elsewhere, anti-terrorist or other attacks by the United States, a United States-led coalition or any other country, tensions between India and Pakistan related to the Kashmir region or between India and China, military armament or social unrest in any part of India; the monetary and interest rate policies of the government of India, natural calamities, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices; the performance of the financial markets in India and globally, changes in Indian and foreign laws and regulations, including tax, accounting and banking regulations, changes in competition and the pricing environment in India, and regional or general changes in asset valuations.

**For Further information, please contact**

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**AUSFB/SEC/2018-19/57**

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Phiroze Jeejeebhoy Towers,  
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**Registered Office**

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Formerly known as **Au Financiers (India) Limited**