



चलो आगे बढ़ें

A SCHEDULED BANK | FORTUNE INDIA 500 COMPANY

Investor Presentation

FY19 / Q4FY19

Retail Focused | Differentiated | Well Capitalized | Fast Growing | Customer Centric

April, 2019

YESTERDAY, TODAY, FOREVER



LEGACY OF 24 YEARS,

VIGOUR OF 2 YEARS AND JOURNEY OF A LIFETIME

BANK ON AU !

“

Standing strong on our deep roots of wisdom, we are making a doorway to a new world of banking. We are young, energetic and ready to reach new heights together. *Chalo aage badhein!*”

Particulars	31-Mar-2017	31-Mar-2019	Growth
Branches, BO, BC, Asset Centers	301	558	1.9 Times
Total Assets	9,781	32,623	3.3 Times
Net Worth	1,988	3,163	1.6 Times
Total Customer A/c's	2,80,349	15,23,935	5.4 Times
Loan AUM	10,734	24,246	2.3 Times
Total Deposits	0	19,422	n.m.
CASA + Retail TD	0	7,590	n.m.
Employees	8515	12,623	1.5 Times
No of Product Offerings	5	27	n.m.

1. Transition from NBFC to Bank
2. IPO & Listing
3. Scheduled Commercial Bank
4. Preferential Equity issuance of INR 1000 Crore attracting marquee investor – Temasek
5. Credit Rating Upgrade to AA- / Stable
6. Issue of Tier II Capital of Rs. INR 500 Crore
7. Strong growth in Advances & Deposits, stable asset quality and ROA of ~1.5%

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1. FY19 / Q4FY19 Performance Summary & Key Updates



FY19 Highlights

11 States



408 Branches¹, 83 Asset Centers
67 BCs, 14 Offices, 543 ATMs¹



12 lakh Customers

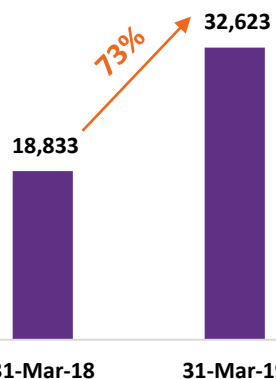


12,623 employees



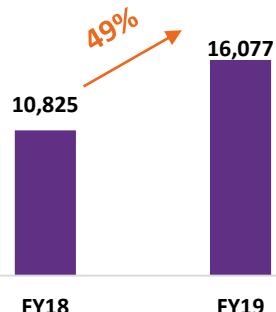
Total B/S Assets

INR Crore



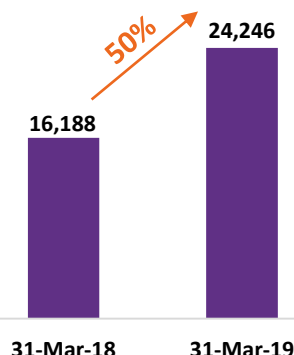
Disbursements²

INR Crore



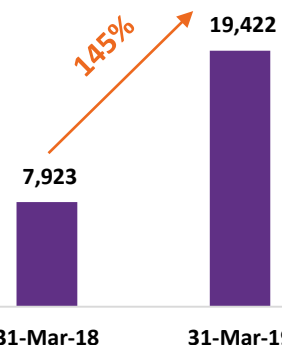
Loan Assets Under Management³

INR Crore



Deposits⁴

INR Crore



CASA Ratio⁵

21%

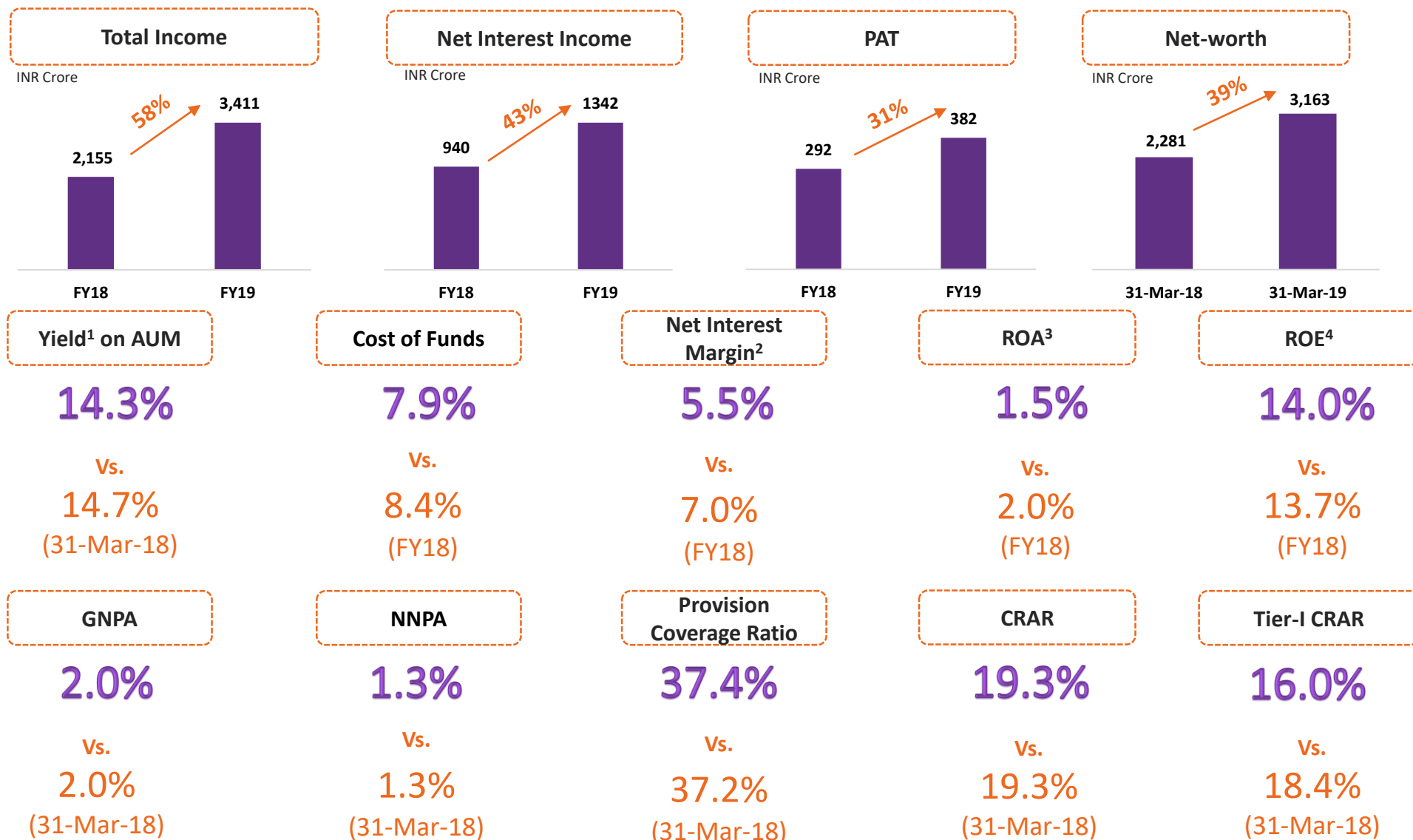
¹ 322 Bank Branches and 86 Business Correspondent Banking Outlets. In addition to 292 ATMS, Bank has commenced operation of 251 RISL / CMS ATMS at Atal Seva Kendras in H2FY19

² Disbursements include Non-Fund based credit facilities sanctioned

³ Money Market Term Lending by Treasury of INR 325 Crore as on 31st Mar 2019 is also added in Loan Assets Under Management. Corresponding figures for past periods added in Loan Assets Under Management

⁴ Deposit Base of INR 19,422 Crore includes Certificate of Deposit of INR 2,343 Crore; ⁵ CASA Ratio is computed excluding the Certificate of Deposits from Total Deposits

FY19 Key Highlights



¹Total Loan Assets AUM Yield is calculated excluding the Money Market Lending by Treasury

²Net Interest Margin represents Net Interest Income as % of Average Interest Earning Assets

³ROA represents PAT as % of Average Total Assets; Annualized for interim periods

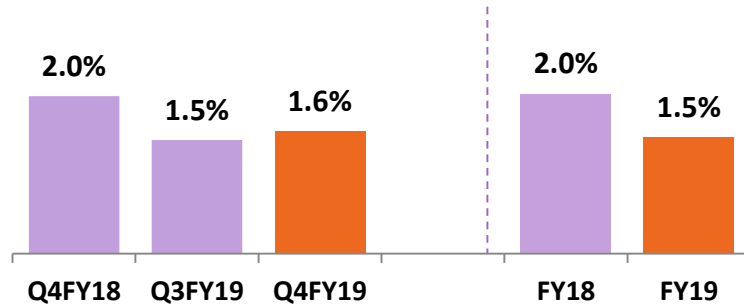
⁴ROE represents PAT as % of Average Net worth; Annualized for interim periods

Q4FY19 and FY19 Key Highlight – Another Year, Full of Execution

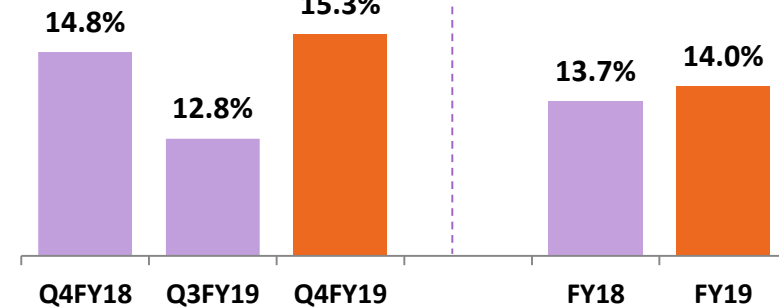


- ❑ 24 Years of Trust Gets Further Strengthened; AU Bank completes 2nd Year of Banking on 19th April 2019
- ❑ Another strong quarter with Disbursements crossing INR 5,000 Crore mark for the first time. FY19 Disbursements at 16,077 Crores, Up 49% Y-o-Y. Retail Assets Disbursements up 55% Y-o-Y. Sourced ~2.3 lakh new loan accounts; up ~60% from 1.4 lakh loan accounts sourced in FY18;
- ❑ Strong traction from Lead Generation Application for Employees “AU BUSINESS” – converted leads of about INR 951 Crore in Assets and INR 139 Crore in Deposits in FY19
- ❑ Loan Disbursement IRR improved up by 50bps in Q4FY19 led by strong uptick in Retail Assets Disbursement IRR at 15.2% in Q4FY19 as against 14.5% in Q3.
- ❑ Despite macro headwinds of slowdown and OEs announcing production cuts, Q4FY19 Vehicle loan disbursements at same levels as that in Q3; Wheels Disbursement IRR improves to 15.8% led by more focus on Used and Refinance
- ❑ Our Loan AUM were at INR 24,246 Crores; up 50% Y-o-Y and ~11% Q-o-Q; Portfolio IRR Stable at ~14.3% same as at Dec’18; Retail Assets continues to be ~82%; Wheels Portfolio climbs to INR 10,000 Crores plus. Underlying growth in other lines of businesses
- ❑ Robust ramp-up in Deposits; Total Deposits at INR 19,422 Crores, ~1.5 times vis-à-vis Mar 18 levels. Opened nearly half a million deposit account; Focus Continues to build CASA & Retail Deposits
- ❑ Total number of CASA Accounts nearing a Million mark; Mobilized ~INR 4000 Crores through Retail TD in FY19; ~INR 1500 Crores in Q4 alone. CASA & Retail Term Deposits form ~45% of the total deposits.
- ❑ Deepening presence – Added 12 new unbanked branches and 18 Business Correspondents in Q4 taking total touch points to 558;
- ❑ Launched new version of Mobile Banking App allowing alternate logins including Biometric login and PIN login.

RoA¹ (%)

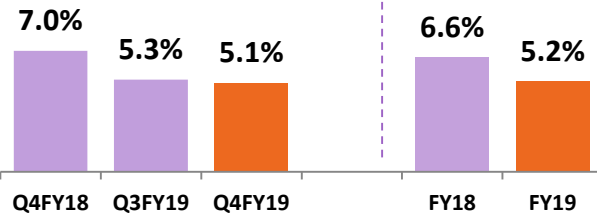


RoE¹ (%)

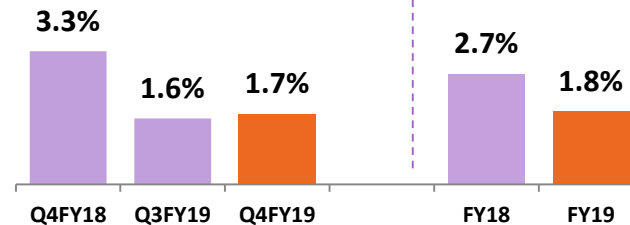


ROA / ROE – Components

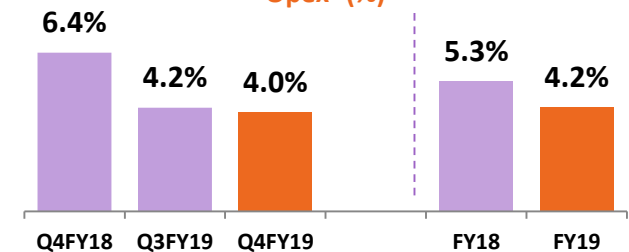
NII¹ (%)



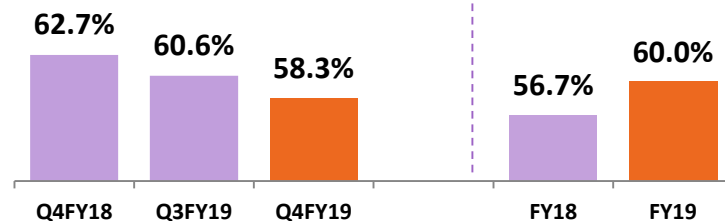
Other Income³ (%)



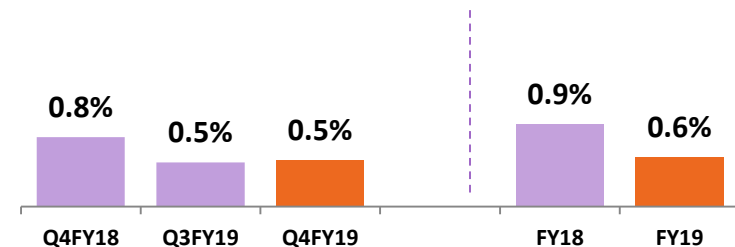
Opex¹ (%)



Cost to Income Ratio⁴ (%)



Provisions & Contingencies¹ (%)



¹ As % of sum of Avg. Total Assets; Annualized for quarterly / nine month figures

² Annualized for quarterly / nine month figures

³ Other income includes Loan processing & related fees and other charges collected, PSCL premium / fees, General Banking fees, profit on sale/purchase of mutual fund, recovery from loans written off, third party products distribution income etc.; As % of sum of Avg. Total Assets; Annualized for quarterly / annual figures

⁴ Cost to Income Ratio represents Operating Cost to sum of NII and Other Income;

Stable NII excluding Securitization / Assignment Income

(All Figures in INR Crore)	Q1FY18	Q2FY18	Q3FY18	Q4FY18	Q1FY19	Q2FY19	Q3FY19	Q4FY19
	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Audited
Income								
Interest Earned (excluding Securitization / Assignment Income)	280	335	386	465	551	640	754	851
Interest Expended	178	191	214	245	314	362	440	490
Net Interest Income excluding Securitization / Assignment Income	102	144	172	220	237	278	314	361
Adjusted NII as % of Average Total B/S Assets	3.9%	4.9%	5.2%	5.3%	4.8%	4.9%	4.8%	4.8%

- ❑ As Securitization & Assignment O/S book have been declining over the last 2 years , so Income from Securitization & Assignment is also reducing.
- ❑ NII excluding Securitization & Assignment Income as % of Average Total B/S Assets is stable.

Other Income break-up

(All Figures in INR Crore)	Q3FY19	Q4FY19
Break-up of Other Income	Unaudited	Audited
Loan Assets Processing & Other fees	64	73
General Banking & Deposits related fees	12	14
Cross Sell, Distribution related fees & others	8	13
PSLC Premium / Fees	12	12
Income from sale of MF & other Assets	6	10
Bad Debt recovery	4	9
Other Income Total	106	131

Vertical-wise ROA for FY19

Business Segments	Retail Assets	Small & Mid-Corporate Assets	Total Loan Assets	Total Assets	Branch Banking	Treasury	Regulatory Cost (CRR, SLR & LCR)	Overall
Loan AUM proportion	82%	17%	100%	100%	-	-	-	-
Loan AUM Growth y-o-y	49%	51%	50%	50%	-	-	-	-
PAT (INR Crore)	426	77	504	504	-96	7	-32	382
Return on Assets (ROA)	2.7%	2.2%	2.6%	2.0%	-0.4%	0.0%	-0.1%	1.5%
ROA based on	Average AUM			Average Total B/S Assets				

Note:

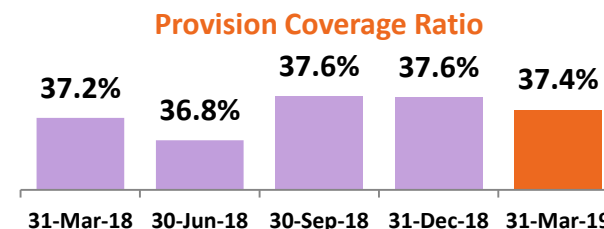
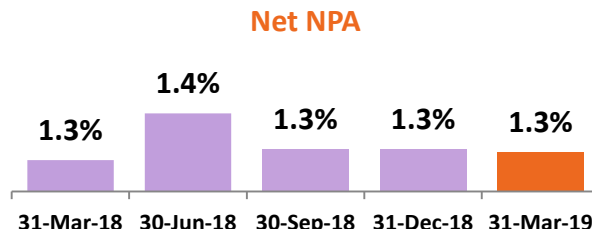
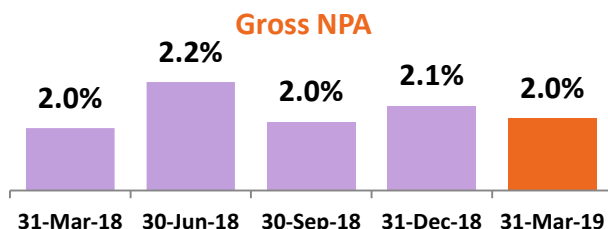
- 1) Revised the Fund Transfer Pricing for Asset Verticals based on risk, granularity and PSL eligibility of respective asset classes
- 2) Wheels including Two-Wheeler, SBL – MSME, SBL-SME, Home Loan, Agri-SME, Gold Loans, OD against FD and Consumer Durable loan product forms part of “Retail”; Business Banking, NBFC Lending & Real Estate Group forms part of “Small & Mid-Corporate”; Deposit franchisee form part of Branch Banking.
- 3) Digital team being centralized team and expected to contribute in both asset and liability products, hence the cost of Digital team allocated to appropriate asset and liability products.

❑ Early Phase for Branch Banking vertical – just 2 years of Banking operations; Resultantly Cost to Income is high and drag of -0.4% on Overall ROA; Scope for improvement in Operational Efficiency and expect to break even in next 18 months to 24 months

Credit Cost - Net Impact on P/L	Q4FY18	Q1FY19	Q2FY19	Q3FY19	Q4FY19	FY18	FY19
(All Figures in INR Crore)	Audited	Unaudited	Unaudited	Unaudited	Audited	Audited	Audited
Charges Write off	18	-	-	-	-	18	-
Repossession Loss	-0	5	5	5	7	23	22
POS Loss	-0	0	1	2	4	2	6
Less: Bad Debt Recovery	-12	-6	-10	-4	-9	-42	-29
Net Credit Loss	5	-1	-4	3	2	1	-0
Net Credit Loss (as % of Avg. Total Assets)	0%	-0%	-0%	0%	0%	0%	-0%
Provision on NPA	2	22	17	19	18	56	75
Credit Cost – Net Impact on P/L	7	21	14	22	19	57	75
Credit Cost – Net Impact on P/L (as % of Avg. Total Assets)	0.2%	0.5%	0.2%	0.2%	0.1%	0.4%	0.3%

Movement of Gross NPA	Q4FY18	Q1FY19	Q2FY19	Q3FY19	Q4FY19
(All Figures in INR Crore)	Audited	Unaudited	Unaudited	Unaudited	Audited
Opening Gross NPA	286	270	334	371	421
Additions during the period	48	99	95	103	152
Reductions during the period	64	35	57	54	103
Gross NPA (closing)	270	334	371	421	470

Gross NPA of INR 470 Crore as on 31st Mar 19 includes “Below 90 Days Overdue” cases worth INR 137 Crore



(INR Crore)	Mar-18	Jun-18 [^]	Sep-18 [^]	Dec-18 [^]	Mar-19
	Audited	Unaudited	Unaudited	Unaudited	Audited
Total Risk Weighted Assets	11,833	13,212	15,459	17,141	19,133
Tier I Capital	2,179	2,653	2,660	2,660	3,053
Tier II Capital	105	85	87	599	641
Total Capital	2,285	2,738	2,747	3,260	3,695
CRAR	19.3%	20.7%	17.8%	19.0%	19.3%
Tier I CRAR	18.4%	20.1%	17.2%	15.5%	16.0%
Tier II CRAR	0.9%	0.6%	0.6%	3.5%	3.3%

[^]**Note :** CRAR and Tier 1 Capital Funds for interim financial periods has been computed without adding interim profit

- 1,01,04,364 Convertible Warrants issued in Jun'18 to Camas Investments Pte (Temasek) carrying a right to the convert the warrants into equivalent equity shares on or before Dec'19 by paying the balance 75% amounting to INR 525 Crore in aggregate
- Investment in Aavas Financiers Ltd. at current market valuation is ~INR 651 Crore (56,50,909 equity shares at closing price of INR 1,152.05 per share as on 16th Apr 19 at NSE)

Profit & Loss Statement – FY19 PAT grew 31% y-o-y

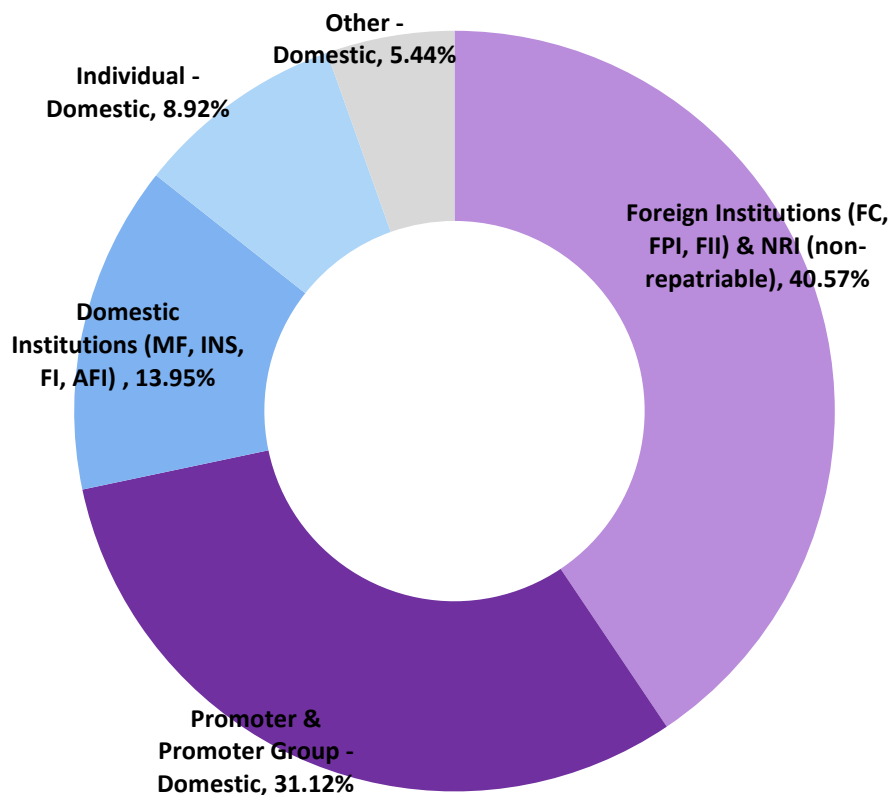
(All Figures in INR Crore)	Q4FY19	Q4FY18	Y-o-Y	FY19	FY18	Y-o-Y	Q3FY19	Q-o-Q
	Audited	Audited		Audited	Audited		Unaudited	
Income								
Interest Earned (excluding Securitization & Assignment Income)	851	464	83%	2,796	1,464	91%	754	13%
Interest Expended	490	245	100%	1,606	827	94%	440	11%
Net Interest Income (Excl. Sec & Assign Income)	361	220	64%	1,190	637	87%	314	15%
Securitization & Assignment Income	26	67	-61%	153	303	-50%	34	-24%
Other Income	131	134	-3%	462	388	19%	106	23%
Total Net Income	517	421	23%	1,805	1,329	36%	454	14%
Expenses								
Operating Expenses								
Employee Cost	160	136	18%	601	425	41%	151	6%
Other Operating Expenses	142	129	10%	481	328	47%	124	15%
Operating Profit before Provisions and Contingencies	216	157	37%	722	576	25%	179	21%
Provisions (other than tax) and Contingencies	39	32	22%	142	133	7%	32	21%
Exceptional Items	-	-	0%	-	-	0%	-	0%
Profit Before Tax	176	125	41%	580	443	31%	146	21%
Tax expenses	58	42	39%	198	151	31%	51	14%
Profit After Tax	118	83	42%	382	292	31%	95	24%

Balance Sheet – Total Assets grew 73% y-o-y

(All Figures in INR Crore)	Mar 31, 2019	Mar 31, 2018	Y-o-Y	Dec 31, 2018	Q-o-Q
	Audited	Audited		Unaudited	
<u>Liabilities</u>					
Capital	292	286	2%	292	0%
Money received against Share Warrants	175	-	N.A.	175	-
Employees stock options outstanding	43	17	145%	41	4%
Reserves and Surplus	2,653	1,978	34%	2,527	5%
Deposits	19,422	7,923	145%	14,686	32%
Borrowings	8,613	7,639	13%	8,828	-2%
Other Liabilities and Provisions	1,424	989	44%	1,253	14%
Total Liabilities	32,623	18,833	73%	27,802	17%
<u>Assets</u>					
Cash and Balances with R B I	811	492	65%	729	11%
Balances with banks and Money at Call and Short Notice	929	1,269	-27%	587	58%
Investments	7,162	3,051	135%	5,598	28%
Advances	22,819	13,312	71%	20,000	14%
Fixed Assets	447	386	16%	438	2%
Other Assets	455	323	41%	449	1%
Total Assets	32,623	18,833	73%	27,802	17%

Marquee Shareholders Base – As on 31st Mar 2019

Shareholding Pattern



Key Non-Promoter Shareholders (Holding above 1%)

Holding

Redwood Investment (Warburg Pincus)	6.93%
Temasek Holdings	4.77%
Nomura	4.58%
Kotak Mahindra MF (through its various MF schemes)	3.34%
SBI MF (through its various MF schemes)	3.31%
Ourea Holdings (incl. Kedaara Capital I)	2.72%
Labh Investments (incl. ChrysCapital VI LLC)	2.67%
Amansa Holdings	2.18%
Steadview Capital (along with its other Inv. Vehicles)	1.90%
International Finance Corporation	1.88%
Wasatch (along with its other Inv. Vehicles)	1.86%
VANGUARD (through its various funds)	1.58%
HDFC Standard Life Insurance Co. Ltd.	1.56%
Motilal Oswal MF	1.53%
SBI Life Insurance	1.47%
UTI MF (through its various MF schemes & Offshore funds)	1.20%
Uttam Tibrewal	1.17%
Motilal Oswal Securities Ltd	1.09%
Kotak's Offshore Funds (through it's various funds)	1.06%

Total No. of Shareholders

87,249

Domestic : Foreign

59:41

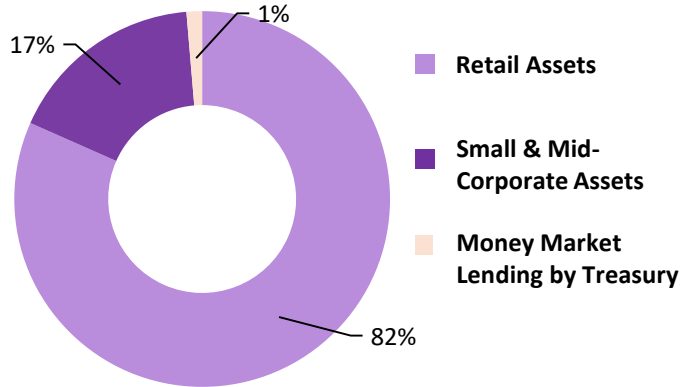
Note: Above Shareholding Pattern includes 1,01,04,364 Convertible Warrants (each Convertible Warrant is convertible into 1 equity share)

2. Retail Assets & Small & Mid-Corporate Assets - Snapshot

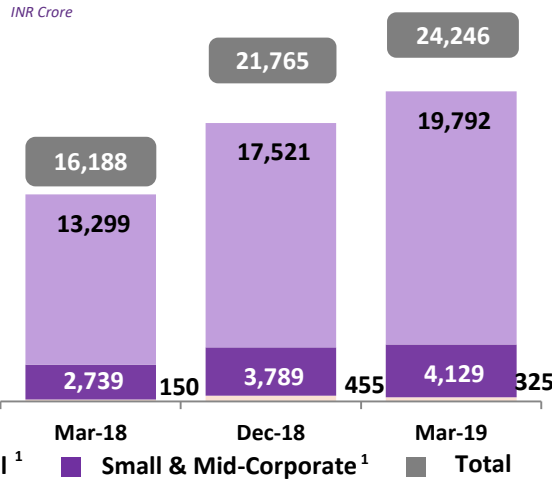


Retail and Small & Mid-Corporate Assets Snapshot – I

Retail Assets comprise ~82% of Gross AUM of INR 24,246 Crore

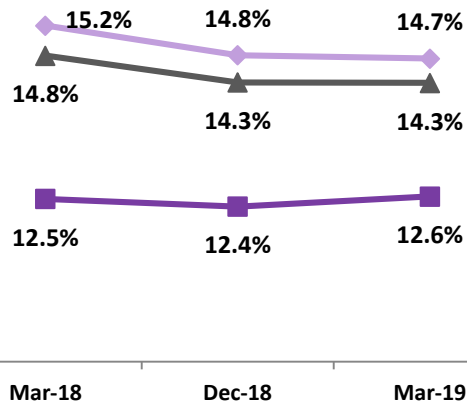


Retail Assets continues to exhibit strong growth

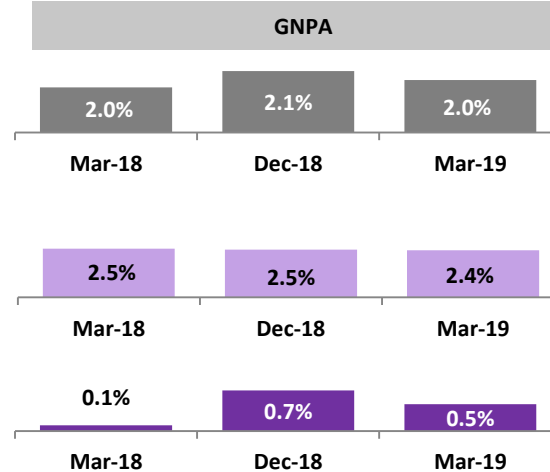


AUM Growth	Y-o-Y	Q-o-Q
Total	49.8%	11.4%
Retail Assets ¹	48.8%	13.0%
Small & Mid-Corporate ¹	50.8%	9.0%
Money Market Lending	116.7%	-28.6%

AUM IRR

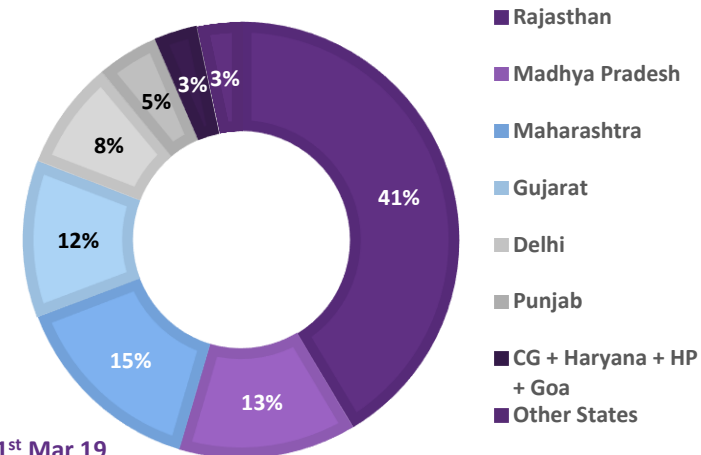


Strong Asset Quality maintained amidst healthy growth



Geographically Well-Diversified book

State-wise Loan Assets Under Management as on 31st Mar 19



Retail² Small & Mid-Corporate Total³

As on 31st Mar 19

¹ Overdraft Facilities extended to SBL-MSME customers which were earlier classified under "Business Banking" in "Small & Mid-Corporate Assets" have now been classified under "SBL-MSME" in "Retail Assets"; Accordingly changes have been made for past periods.

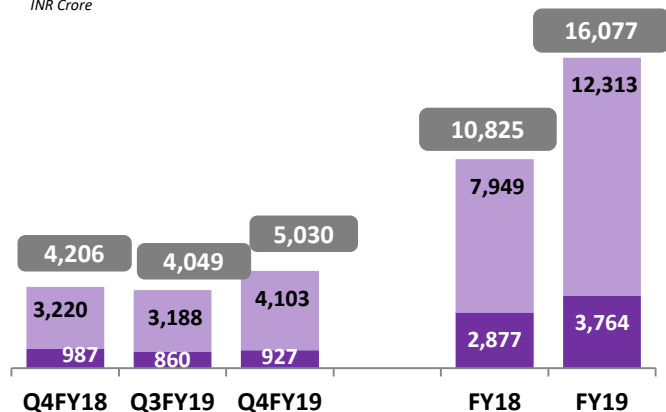
² Retail Assets & Total Loan Assets AUM IRR is excluding the OD Against FD product. Avg. AUM Yield in OD Against FD is around 8.5%.

³ Total Loan Assets AUM IRR is calculated excluding the Money Market Lending product

Retail and Small & Mid-Corporate Assets Snapshot – II

Consistent growth in Disbursements

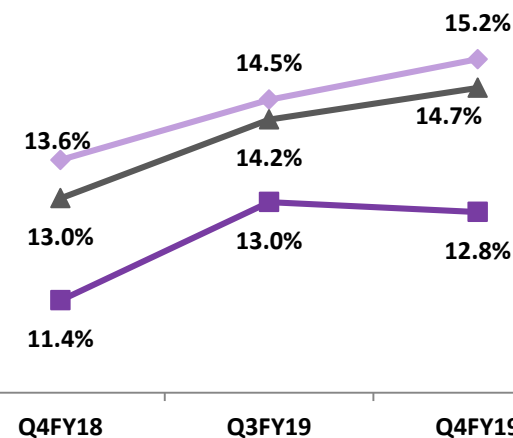
INR Crore



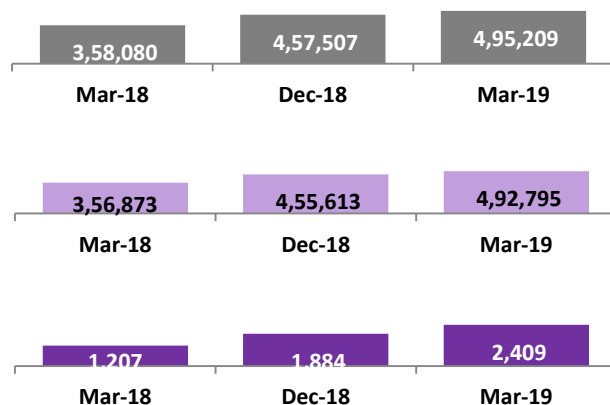
■ Total ■ Retail¹ ■ Small & Mid-Corporate¹

	Q4 Disbursement growth		FY19 Disbursement growth
	Y-o-Y	Q-o-Q	Y-o-Y
Total	19.6%	24.2%	48.5%
Retail	27.4%	28.7%	54.9%
Small & Mid-Corporate	-6.1%	7.7%	30.8%

Incremental Yield² on Disbursements

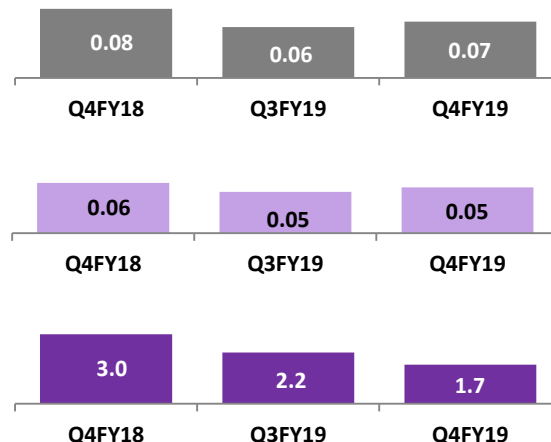


Active Customers Loan Accounts



- Disbursed ~2.3 lakh new loans accounts in FY19 alone; Up ~60% y-o-y

Average Ticket Size (in INR Cr)



■ Total ■ Retail² ■ Small & Mid-Corporate

>90% of Retail with Original Ticket Size of Upto INR 1 Crore

Original Ticket Size	Retail	SME & Mid Corp.	Total
Upto INR 5 Lakh	29%	0%	24%
INR 5 – 10 Lakh	28%	0%	23%
INR 10 Lakh - 1 Crore	36%	9%	31%
Upto INR 1 Crore	93%	9%	77%
INR 1 - 5 Crore	4%	16%	6%
Above INR 5 Crore	3%	75%	17%

¹ Overdraft Facilities extended to SBL-MSME customers which were earlier classified under "Business Banking" in "Small & Mid-Corporate Assets" have now been classified under "SBL-MSME" in "Retail Assets"; Accordingly changes have been made for past periods.

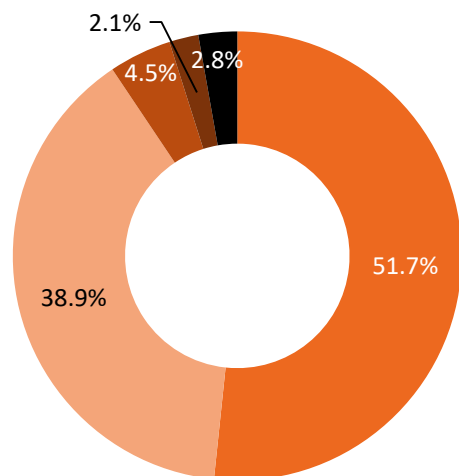
² Retail Assets & Total Assets Disbursement Yield & Avg. Ticket Size is excluding the OD Against FD product. Avg. Disbursement Yield in OD Against FD is around 8.5%

³ Total Assets Disbursement Yield & Avg. Ticket Size is calculated excluding the Money Market Lending product

Retail Assets Snapshot – I

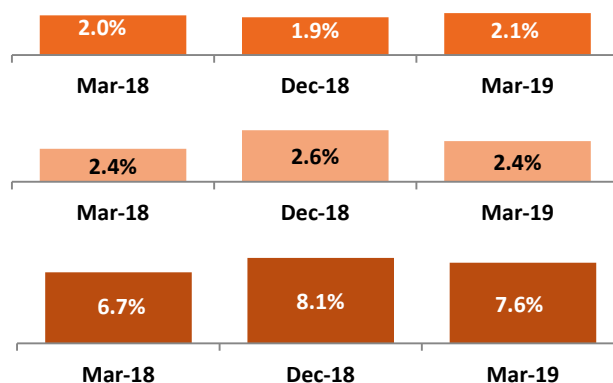
Retail Assets AUM ¹ Break-up					
Retail Assets	AUM (INR Cr)			Mar-19 Growth (%)	
	31-Mar-18	31-Dec-18	31-Mar-19	Y-o-Y	Q-o-Q
Wheels	7,135	9,352	10,224	43.3%	9.3%
SBL - MSME ¹	5,007	6,769	7,708	53.9%	13.9%
SBL - SME	871	861	891	2.2%	3.4%
GL + Agri SME+ HL+ CD	62	239	417	576.7%	74.9%
OD Against FD	224	300	551	146.4%	83.8%
Total Retail Assets¹	13,299	17,521	19,792	48.8%	13.0%

Retail Assets – Diversified Product Mix

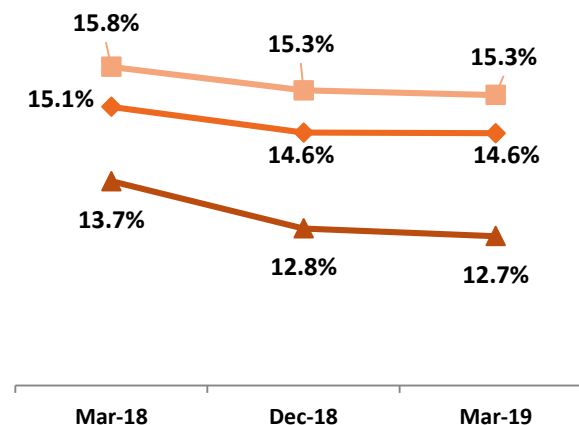


Robust Asset Quality

GNPA



Retail Assets AUM IRR



■ Wheels
 ■ SBL - MSME ¹
■ SBL - SME
 ■ GL + Agri SME + HL + CD
 ■ OD Against FD
 ■ Total ¹

¹ Overdraft Facilities extended to SBL-MSME customers which were earlier classified under "Business Banking" in "Small & Mid-Corporate Assets" have now been classified under "SBL-MSME" in "Retail Assets"; Accordingly changes have been made for past periods.

Retail Assets Snapshot - II

Strong Disbursement Momentum maintained in Retail Assets

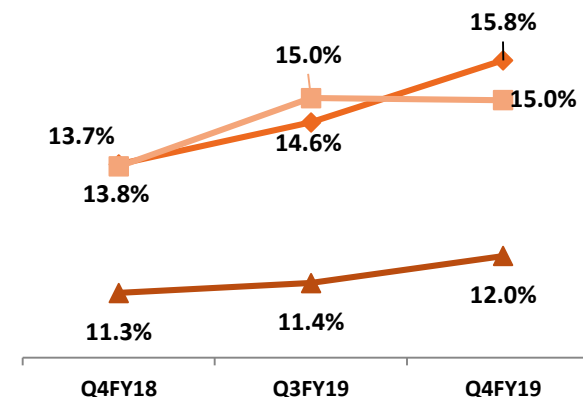
Retail Assets	Disbursements (INR Cr)			Q4FY19 Growth (%)		Disbursements (INR Cr)		FY19 Growth Y-o-Y
	Q4FY18	Q3FY19	Q4FY19	Y-o-Y	Q-o-Q	FY18	FY19	
Wheels	1,627	1,908	1,909	17.3%	0.1%	4,439	6,725	51.5%
SBL - MSME	1,060	936	1,212	14.3%	29.5%	2,726	3,691	35.4%
SBL - SME	99	73	79	-19.9%	9.5%	319	243	-23.6%
GL + Agri SME+ HL+ CD	51	120	213	315.1%	78.0%	83	475	472.6%
OD Against FD	382	153	690	80.6%	352.1%	382	1,178	208.5%
Total Retail Assets	3,220	3,188	4,103	27.4%	28.7%	7,949	12,313	54.9%

Wheels SBL - MSME SBL - SME GL + Agri SME + HL + CD OD Against FD Total

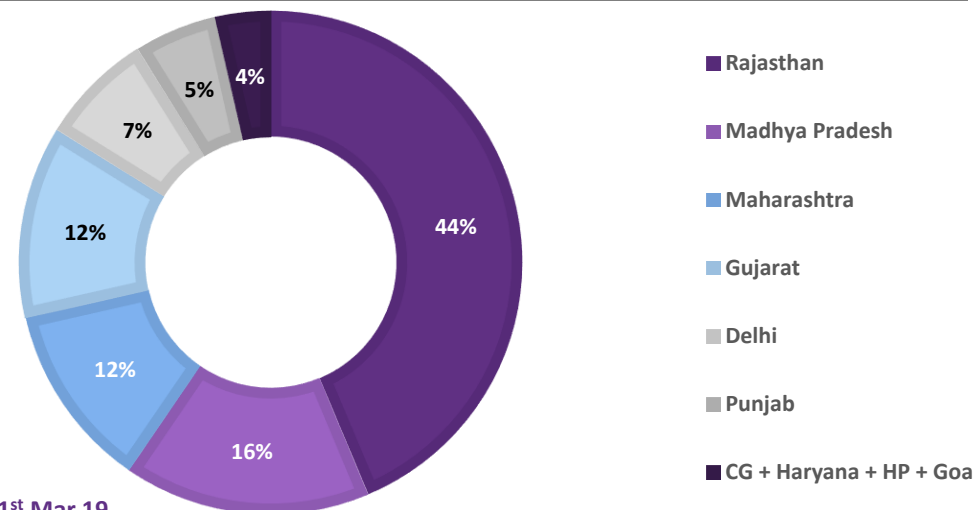
Ticket Size wise Distribution of Retail Assets AUM

Original Ticket Size	Wheels	SBL - MSME	SBL - SME	GL + Agri + CD + HL
Upto INR 5 Lakh	48%	10%	0%	22%
INR 5 – 10Lakhs	38%	21%	0%	8%
INR 10LakhsI -1 Crore	13%	68%	25%	52%
Upto INR 1 Crore	99%	100%	25%	82%
INR 1 -5 Crores	1%	0%	63%	14%
Above INR 5 Crores	0%	0%	12%	4%

Retail Assets Disbursement IRR

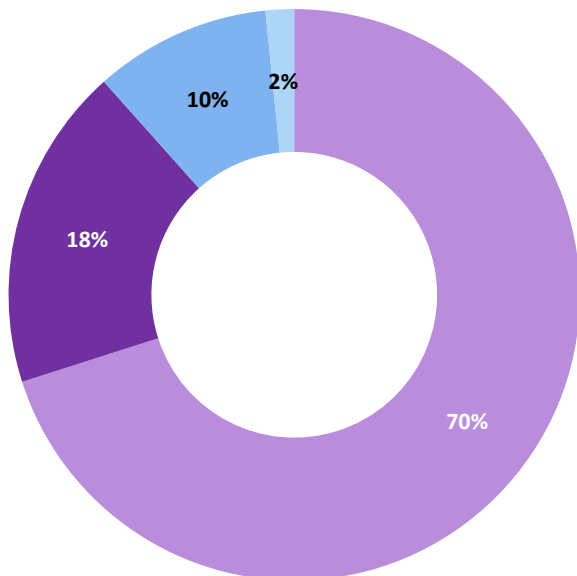


Retail Assets Regional Break-up



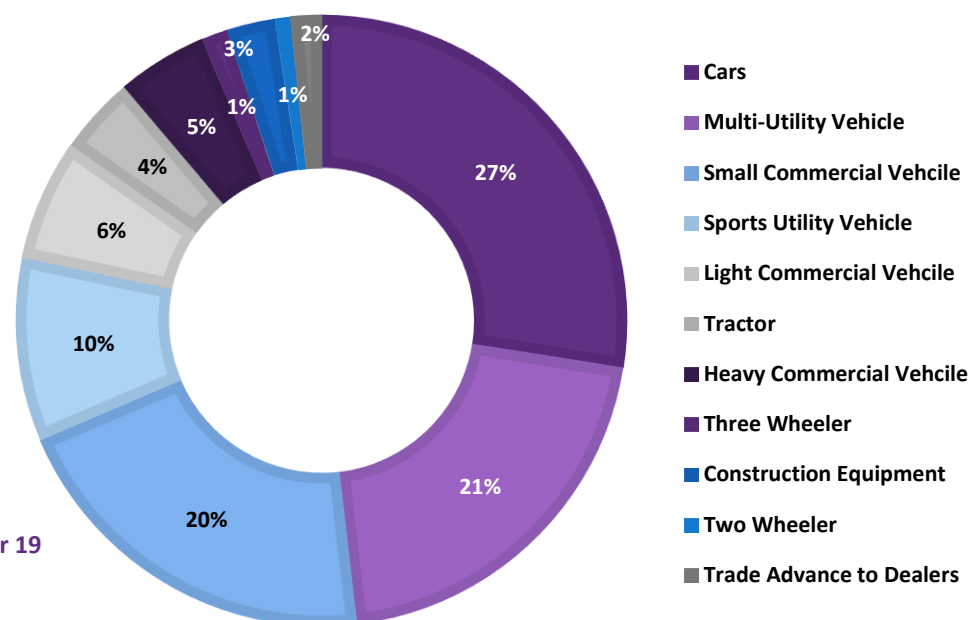
As on 31st Mar 19

Wheels AUM break up – New vs Old



■ New ■ Used ■ Re-Finance ■ Trade Advance

Wheels AUM break up – Vehicle types



■ Cars
■ Multi-Utility Vehicle
■ Small Commercial Vehicle
■ Sports Utility Vehicle
■ Light Commercial Vehicle
■ Tractor
■ Heavy Commercial Vehicle
■ Three Wheeler
■ Construction Equipment
■ Two Wheeler
■ Trade Advance to Dealers

As on 31st Mar 19

Two Wheeler Loans



Online/ Paperless

Digitally Assisted model

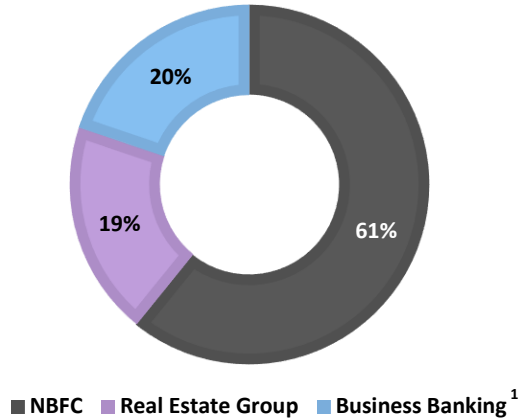
Cross Sell opportunities

Launched 2W Tele-Sales Module

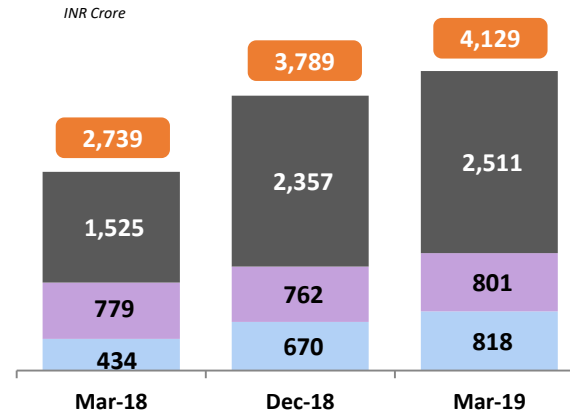
Pre-approved 2W Loans - fulfilment by field team

Small & Mid-Corporate Assets Snapshot

Small & Mid-Corporate Assets AUM Break-up



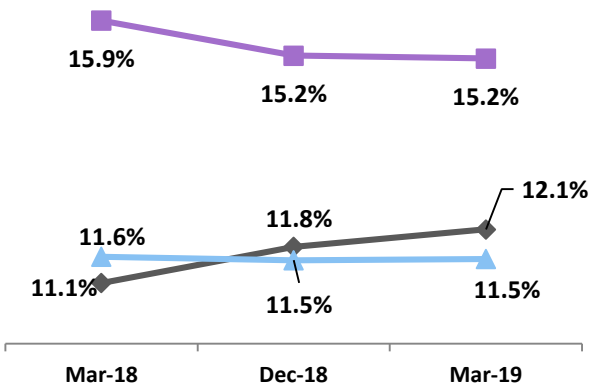
Continued Momentum in Business Banking



AUM Growth	Y-o-Y	Q-o-Q
Small & Mid-Corporate	50.8%	9.0%
NBFC	64.6%	6.5%
Real Estate Group	2.7%	5.0%
Business Banking	88.2%	22.1%

■ Small & Mid-Corporate¹ ■ NBFC ■ Real Estate Group ■ Business Banking¹

Small & Mid-Corporate¹ AUM IRR



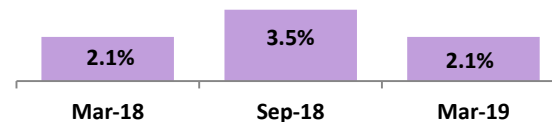
As on 31st Mar 19

Strong Asset Quality

GNPA

GNPA of NBFC – NIL; Entire portfolio has been Current (Nil 0+ DPD) since we started the product segment in FY 11-12

GNPA of Real Estate Group



GNPA of Business Banking¹ – 0.3% as on 31st Mar 19

■ Small & Mid-Corporate¹ ■ NBFC ■ Real Estate Group ■ Business Banking¹

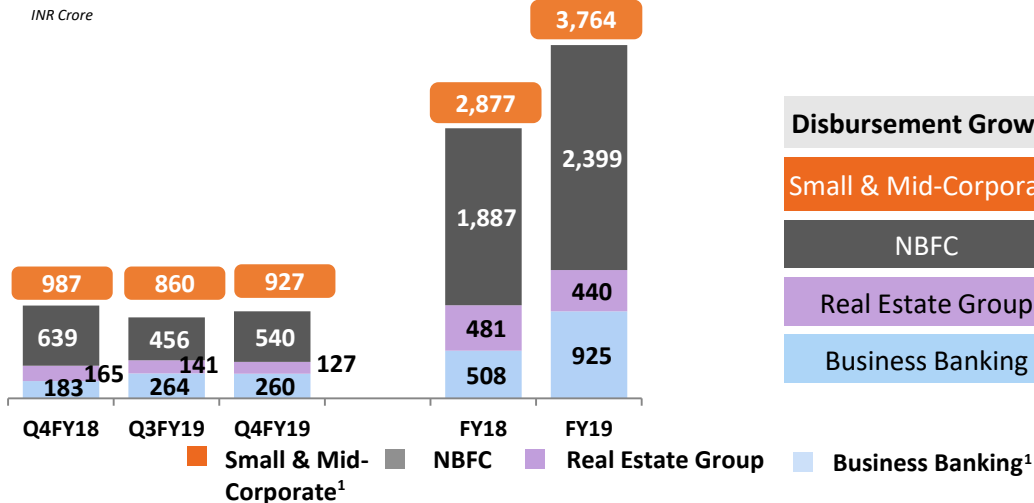
Ticket Size Distribution of Small & Mid Corporate Assets¹ AUM

Original Ticket Size	NBFC	REG	Business Banking
Upto INR 5 Lakh	0%	1%	1%
INR 5 – 10 Lakhs	1%	0%	2%
INR 10 Lakhs – 1Crore	0%	8%	33%
Upto INR 1 Crore	1%	9%	36%
INR 1 - 5 Crore	10%	10%	37%
Above INR 5 Crores	89%	81%	28%

¹ Overdraft Facilities extended to SBL-MSME customers which were earlier classified under "Business Banking" in "Small & Mid-Corporate Assets" have now been classified under "SBL-MSME" in "Retail Assets"; Accordingly changes have been made for past periods.

Small & Mid-Corporate Assets Snapshot

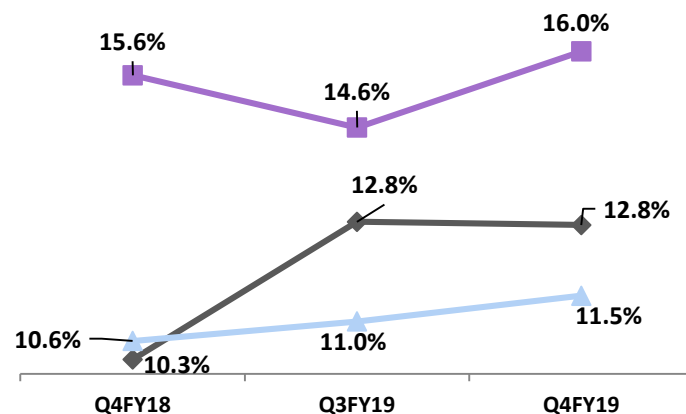
Small & Mid Corporate¹ Assets – Disbursement Break Up



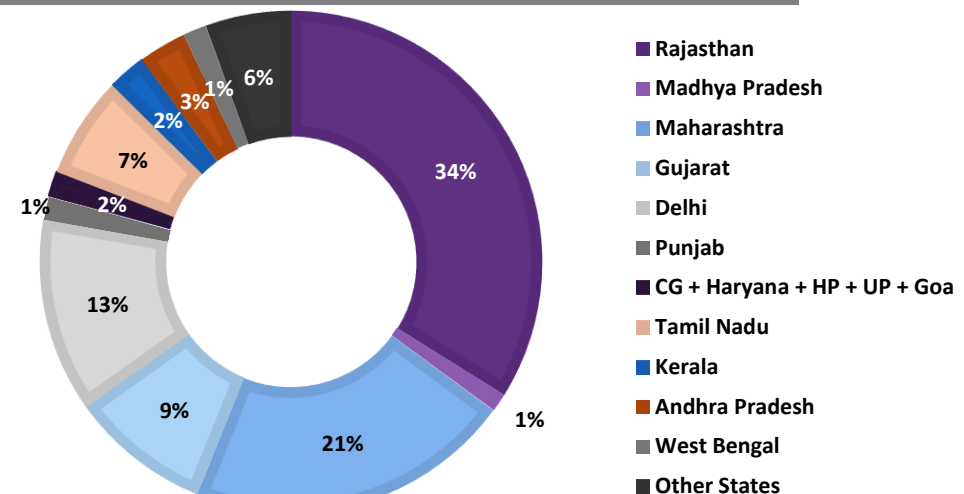
	Q4FY19		FY19
Disbursement Growth	Y-o-Y	Q-o-Q	Y-o-Y
Small & Mid-Corporate	-6.1%	7.7%	30.8%
NBFC	-15.4%	18.6%	27.1%
Real Estate Group	-23.1%	-10.1%	-8.7%
Business Banking	42.1%	-1.5%	82.0%

Increasing presence in Non-Fun Based Credit Facilities, Trade & Remittances - Extended LC & BG of ~INR 360 Crore in FY19

Small & Mid-Corporate¹ Yield on Disbursement



Small & Mid-Corporate¹ Regional Break-up



As on 31st Mar 19

■ Small & Mid-Corporate¹ ■ NBFC ■ Real Estate Group ■ Business Banking¹

¹ Overdraft Facilities extended to SBL-MSME customers which were earlier classified under "Business Banking" in "Small & Mid-Corporate Assets" have now been classified under "SBL-MSME" in "Retail Assets"; Accordingly changes have been made for past periods.

3. Branch Banking - Snapshot



Branch Banking - Snapshot

Growing Deposit Franchise; CASA Ratio of 24%

■ Current Account ■ Saving Account ■ Term Deposits* ■ Total

CASA RATIO (%)

32%

392

1,742

4,609

6,743

Mar-18

CASA RATIO (%)

24%

521

2,441

9,610

12,573

Dec-18

CASA RATIO (%)

21%

1,082

2,508

13,489

17,079

Mar-19

41% of the Term Deposits are non-callable [Bulk TD – 58% non-callable]

Total Deposit Growth

Y-o-Y	Q-o-Q
145%	32.3%

Focus on building granular retail deposit base - No of Accounts

22,838

4,50,204

58,020

5,31,062

Mar-18

41,761

7,68,675

97,988

9,08,424

Dec-18

47,783

8,73,031

1,07,912

10,28,726

Mar-19

Deposit Accounts Growth

Y-o-Y	Q-o-Q
166%	17%

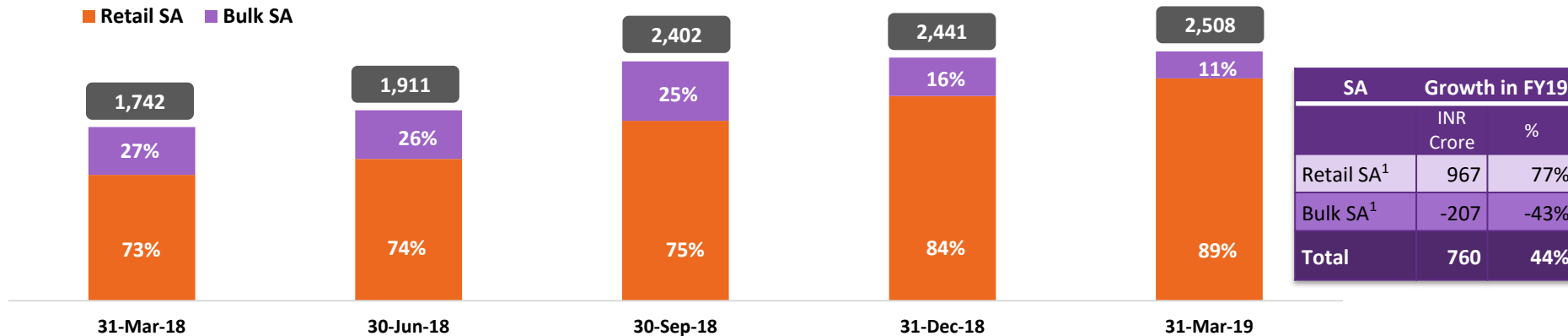
ATS as on 31st Mar 2019

Current Account	Savings Account	Term Deposits	Total Deposits
2.3 Lacs	0.29 Lacs	14.7 Lacs	1.9 Lacs

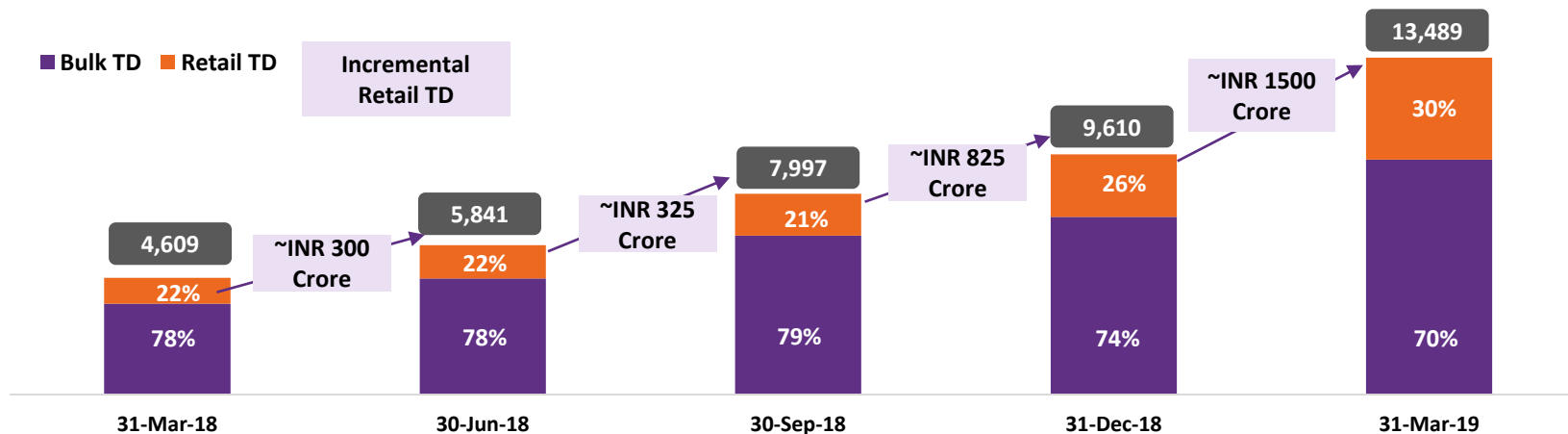
*Note – Term Deposits excludes Certificate of Deposits of INR 2,343 Crore as on 31st Mar 2019, Rs. 2,113 as on 31st Dec 2018 and INR 1,181 Crore as on 31st Mar 2018

Focused on Building A Granular Retail Deposit Franchise

Increasing Share of Retail in Savings Account (SA)



Increasing Share of Retail in Term Deposits (TD)

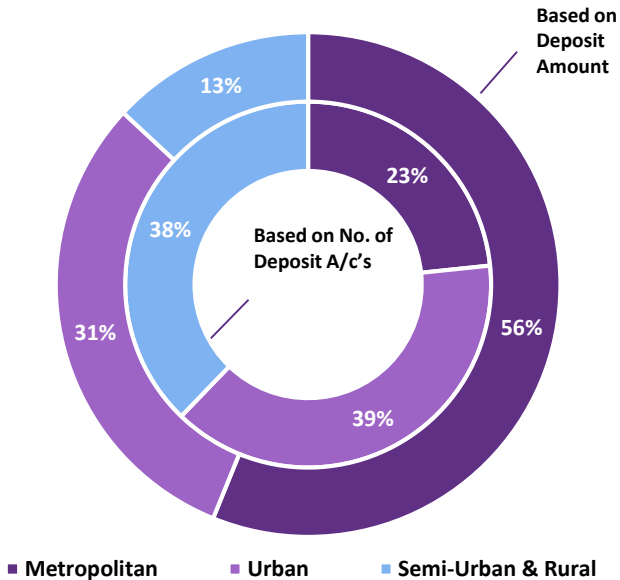


¹ Retail SA refers to all SA of Individuals (including Salaried), HUF and SA of Government & TASC having balance of less than INR 5 Crore while Bulk SA refers to SA of Government & TASC with balances of INR 5 Crore & above

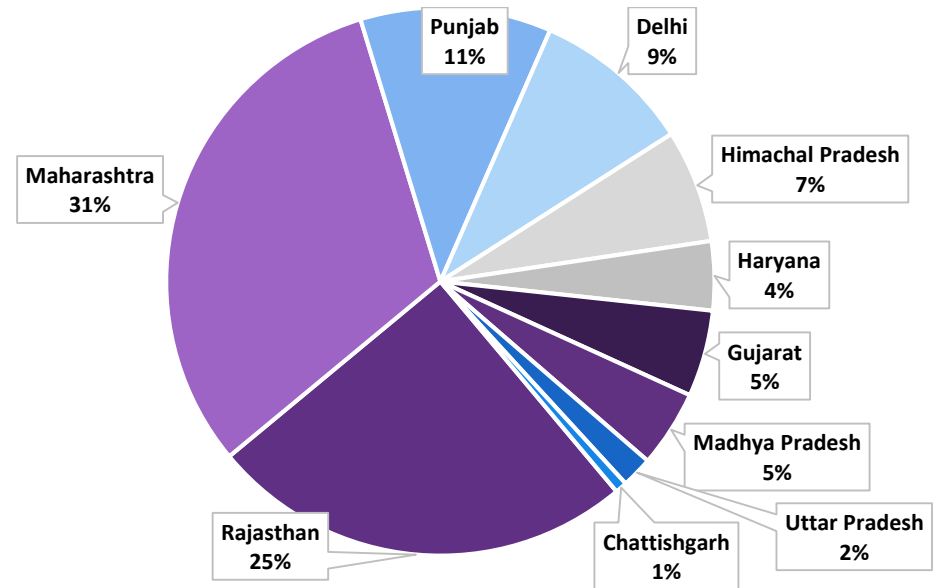
² Retail TD refers to all TD of Individuals (including Salaried), HUF and TD of Corporates, Government & TASC having balance of less than INR 1 Crore till 31st Dec 18 and less than INR 2 Crore from 31st Mar 19 while Bulk TD refers to all TD of Banks and TD of Corporates, Government & TASC with balances of INR 1 Crore & above Crore till 31st Dec 18 and INR 2 Crore & above from 31st Mar 19

Branch Banking – Deposit profile

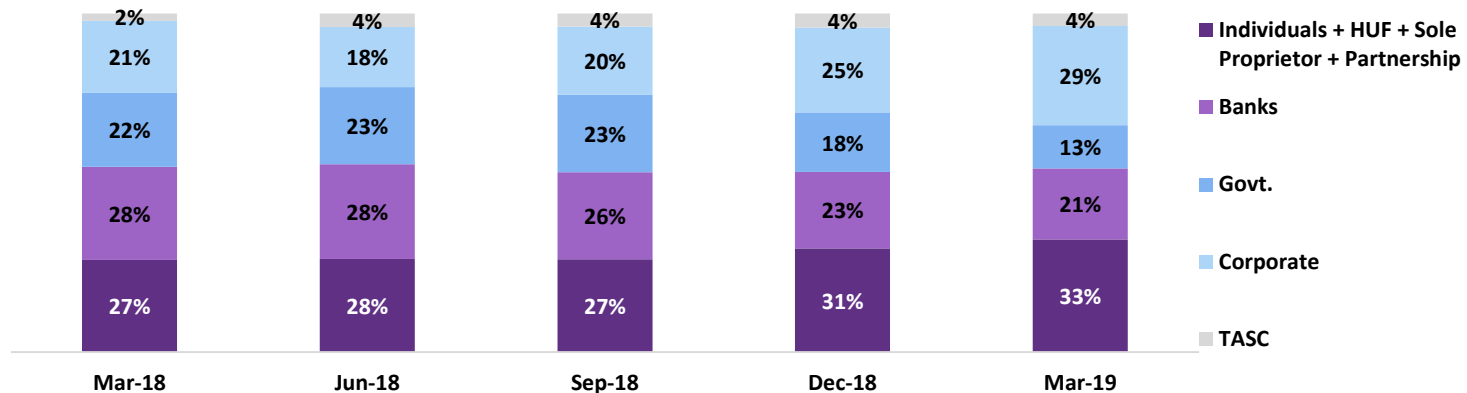
Area-wise Deposit¹ Distribution



Diversified Deposit¹ Build-up across States



Profile of Deposits¹ spread across segments – Focus on building “Individual” base



As on 31st Mar 19

¹Deposits excludes Certificate of Deposits of INR 2,343 Crore as on 31st Mar 2019, Rs. 2,113 as on 31st Dec 2018 and INR 1,181 Crore as on 31st Mar 2018

4. Treasury - Snapshot



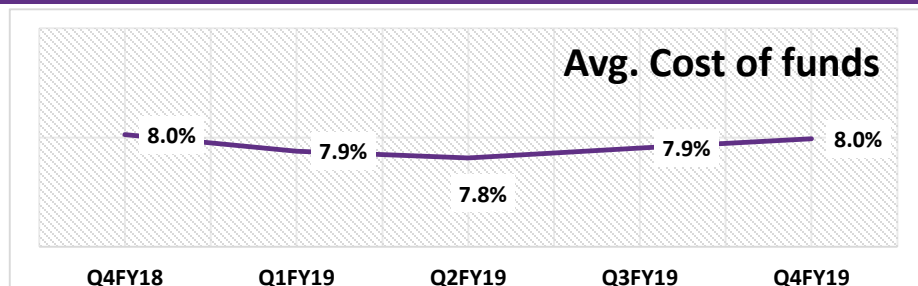
Increasing proportion of Deposits further diversifying the funding profile

Funding Source	31-Mar-18	30-Jun-18	30-Sep-18	31-Dec-18	31-Mar-19
Deposits + Borrowings (INR Crore)	15,562	16,874	20,699	23,508	28,036
Deposits	50.9%	59.3%	62.2%	62.4%	69.3%
Refinance from FIs	22.8%	22.4%	23.2%	22.7%	18.6%
NCD	19.5%	14.3%	9.6%	8.5%	6.1%
Loans from Banks & NBFC	4.9%	1.9%	1.7%	1.2%	0.8%
Tier II Capital	1.8%	1.5%	1.1%	3.1%	2.6%
CBLO / Line of Credit / Inter-Bank / Others	0.2%	0.6%	2.2%	2.1%	2.7%
Total	100%	100%	100%	100%	100%

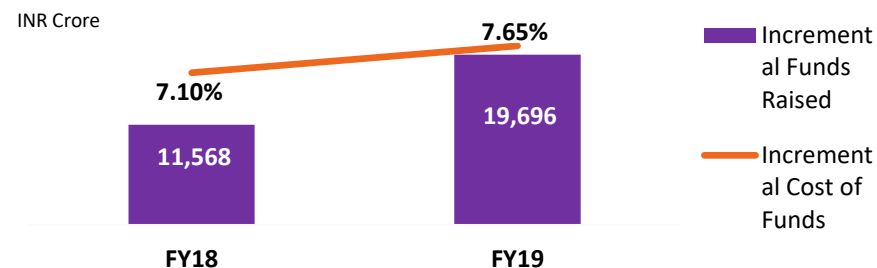
Off-book Source of Fund	31-Mar-18	30-Jun-18	30-Sep-18	31-Dec-18	31-Mar-19
Sec. & Assign O/s AUM [@] (INR Crore)	2,710	2,304	1,944	1,618	1,297

[@]Outstanding AUM of loan assets sold through Securitisation and Assignment as reduced by Outstanding AUM of Assets retained to meet Minimum Retention Requirement (MRR) in Securitisation and Assignment transaction and appearing in Balance Sheet.

Stable cost of funds¹



Incremental Funds² raised & its Cost



Treasury Update

- Marginal rise in Cost of Funds at ~8.0% in Q4FY19 vis-à-vis 7.9% in Q3FY19. For FY19, the Cost of Funds stood at 7.9% vis-à-vis 8.4% in FY18. Incremental Funds were raised at 7.65% in FY19
- Cost of Branch Deposits (excluding Certificate of Deposits) was 7.27% in FY19.
- Maintained SLR of INR 5,061 Crore (as against requirement of INR 4,009 Crore) in form of Govt. Securities/SDLs (HTM Category) and Govt Securities/T-Bills (AFS Category); No MTM provision/loss during FY 2019 as also as on 31st March 2019 both on SLR and Non-SLR Portfolio
- Built-up of profitable and high quality Non SLR investment book of ~Rs 1070 crores to offset negative carry on account of incremental cost of funds to maintain regulatory SLR and LCR
- Earned Treasury Profit of INR 7 Crore in FY19
- As on 31st March 2019, Liquidity Coverage Ratio (LCR) stood at 103%; Average LCR for the Q4FY19 was 97% as against regulatory requirement of 80%³ for SFBs
- Well managed ALM across all buckets of Asset Liability Statement are within Regulatory and Board determined limits

¹Average Cost of Funds represents weighted average interest cost on deposits & borrowings and cost of securitization and assignment, weights being daily average deposits & borrowings and principal outstanding of securitisation and assignment transaction during the period

²Including Securitizations / Assignments

³LCR has increased to 80% for SFBs from Jan 1, 2019.

5. Distribution & Financial Inclusion



Well entrenched contiguous distribution franchise

11 States

408 Branches¹, 67 BCs,
83 Asset Centers

543 ATMs¹

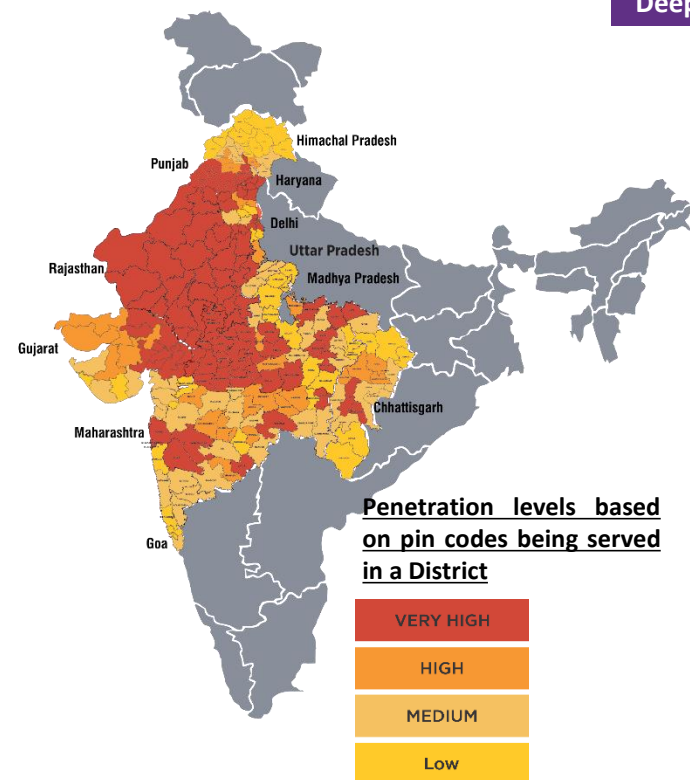
12 lakh
Customers

4,95,209 Active Loan A/c's &
10,28,726 Deposit A/c's

12,623
employees

21% CASA
Ratio²

Deep Penetration into Core States and Expansion into other States



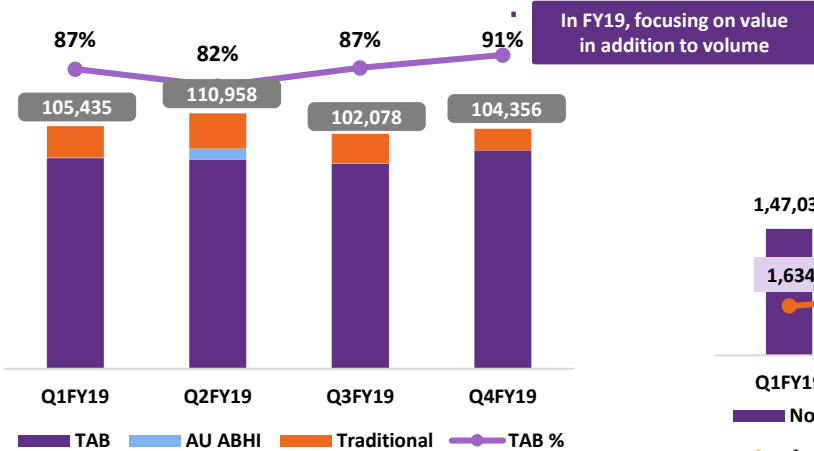
	Metro-Politan	Urban	Semi-urban			Rural		Rural Un-banked ¹		Total Branches	Asset Centres
States	Tier 1	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Tier 6	Tier 5	Tier 6		
Rajasthan	16	23	19	43	21	3	3	-	84	212	31
Madhya Pradesh	5	16	7	9	-	-	-	1	16	54	9
Gujarat	8	20	4	5	3	-	-	-	2	42	14
Maharashtra	12	16	6	2	1	-	-	-	3	40	12
Punjab	1	11	4	2	-	-	-	-	3	21	6
Haryana	1	11	1	1	-	-	-	-	7	21	3
Chhattisgarh	1	4	-	-	-	-	-	-	-	5	2
Delhi / NCR	5	-	-	-	-	-	-	-	-	5	5
Himachal Pradesh	-	1	-	2	1	-	-	-	-	4	1
Uttar Pradesh	1	1	-	-	-	-	-	-	-	2	-
Chandigarh	-	1	-	-	-	-	-	-	-	1	-
Goa	-	-	1	-	-	-	-	-	-	1	-
Total	50	104	42	64	26	3	3	1	115	408	83
Branch Distribution (%)	12%	25%	32%			30%				100%	

- ❑ Distribution Networks spreads across 11 states; 62% of our branches are in Rural & Semi Urban Areas (Tier 2 to Tier 6)
- ❑ Opened 16 Branches in Unbanked rural centres in Q4FY19; Appointed 67 Business Correspondent Agents (BC) in H2FY19;

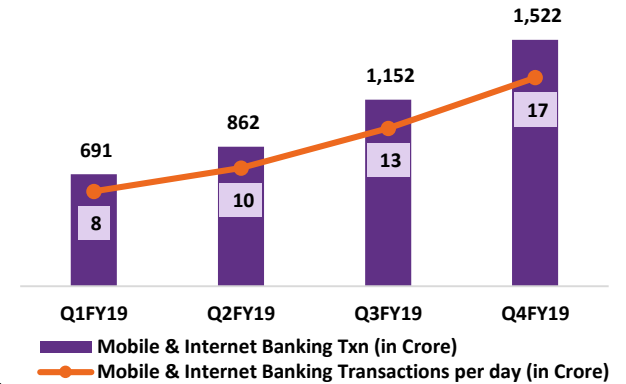
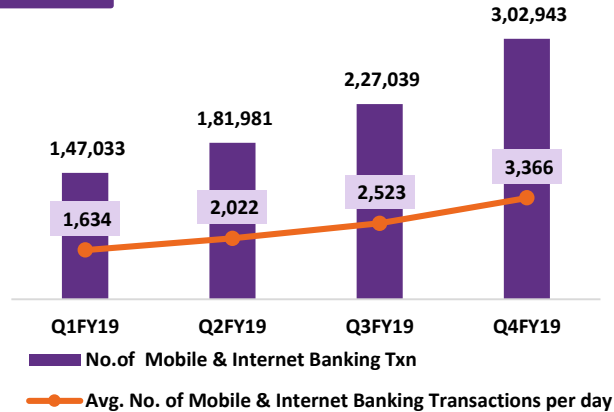
¹322 Bank Branches and 86 Business Correspondent Banking Outlets. . In addition to 292 ATMS, Bank has commenced operation of 251 RISL / CMS ATMS at Atal Seva Kendras in H2FY19

² Calculated based on Deposits excluding Certificate of Deposits of INR 2,343 Crore

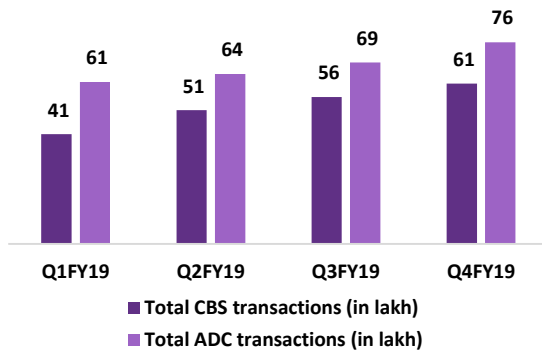
TAB based paperless onboarding – SA opened



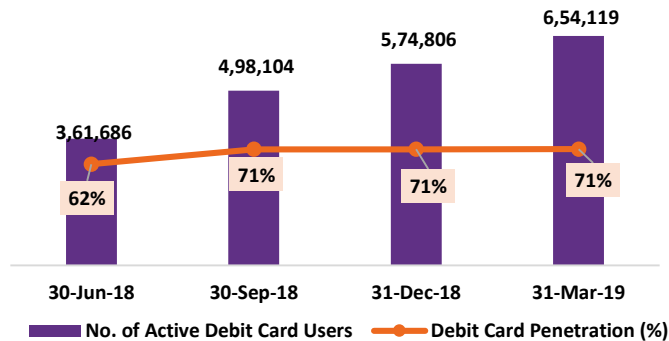
Increasing Digital Channel Usage; More than 1 lakh Internet & Mobile Banking Users



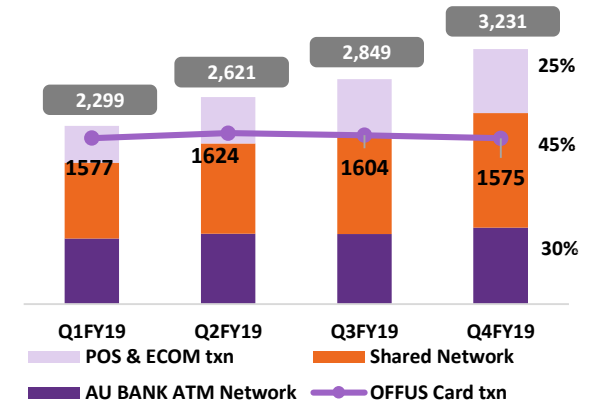
ADC transactions crossed 75 lakh in Q4FY19



Increasing Debit Card penetration

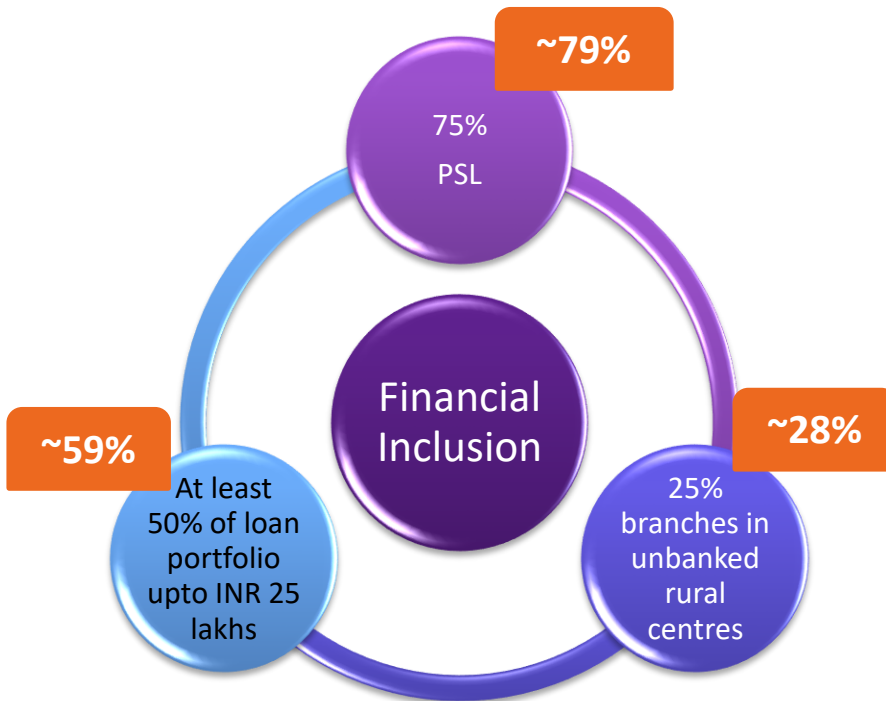


Debit Card transaction Volume (in '000's)



~2400 POS Machines installed; ~7.7 Lakh transactions worth INR 120 Crore in FY19

Meeting Key Objectives of Small Finance Bank



- ❖ Serving customers with limited or no access to organized finance; Deep understanding and strong relationship enabled by local manpower
- ❖ 1.2+ million customer base; More than 80% Self-employed
- ❖ Paperless hassle-free banking; 80% of A/c's in semi-urban & rural areas opened through TAB's
- ❖ Opening 1000 ATM's at Atal Seva Kendra in deep pockets across Rajasthan – 251 such ATMs commenced operation;
- ❖ STP of CD loans promoting financial inclusion in semi-urban & rural areas;
- ❖ Financial Inclusion App for BC's; Cross-sell of Assets promoting entrepreneurship; EMI collection & Chq drop facility at BC banking outlets; Added focus on Branch Banking and Asset products in addition to Remittance
- ❖ Focussing on Unbanked areas - Financial Literacy Camps (350+ Camps touching over 39,000+ people); A/c opening drives

6. About AU Small Finance Bank



AU BANK – tapping the unreachable and unbanked segments

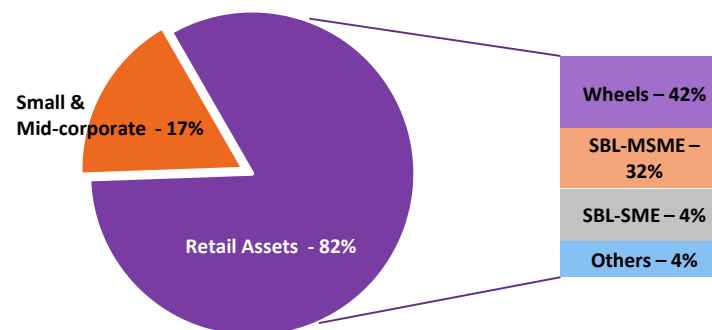


Overview

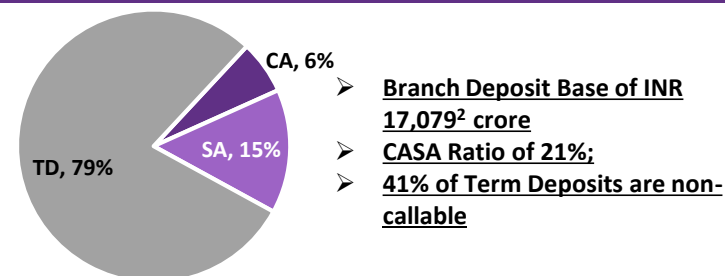
- AU SMALL FINANCE BANK (“AU BANK” or “Company”) is a **scheduled commercial bank** which successfully transitioned from an Asset Financing NBFC to a SFB; started in 1996; commenced banking operations in Apr 19, 2017;
- A **retail focused bank** with diversified bouquet of products and services
- Target customers include **low & middle income individuals** and **micro / small businesses** which are credit worthy having business potential but unable to avail financing from formal channels; 12 lakh active customers;
- Contiguous geographical distribution** across 11 states and a UT with 408 branches¹, 83 asset centers, 67 business correspondent agents, 14 offices, 543 ATMs¹;
- Created a niche by focusing on segments of high growth potential and high margins while ensuring lower risk through **robust risk management and governance practises**: GNPA of 2.0% and NNPA of 1.3% as on 31st Mar 2019;
- Promoted by **first generation entrepreneur**, Sanjay Agarwal, a merit holder CA, holding ~31% stake; ably supported by **experienced team of professionals**; young and passionate team of 12,623 employees;
- Marquee Investor base** which includes institutions like Temasek Holdings, Nomura, Warburg Pincus, IFC, SBI MF, Chrys Capital, Kedaara Capital, etc;
- Long-term credit rating of “**AA- / Stable**” by **CRISIL Ratings, ICRA Ratings, India Ratings & CARE Ratings**; Highest Short-term credit rating of “**A1+**”

Focused on Retail Financing with Diversified Portfolio

Gross AUM of INR 24,246 crore

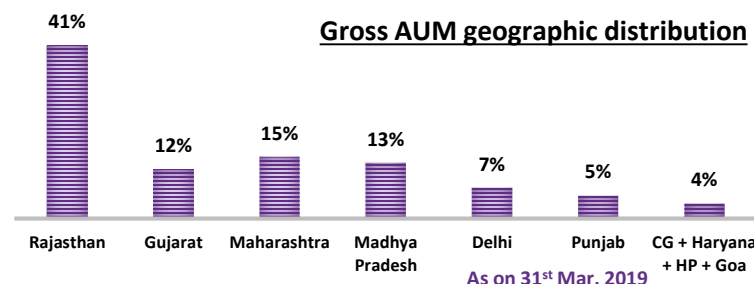


Strong Build up of Deposits



Contiguous Geographic presence

Gross AUM geographic distribution



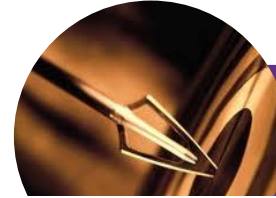
¹ 322 Bank Branches and 86 Business Correspondent Banking Outlets. In addition to 292 ATMS, Bank has commenced operation of 251 RISL / CMS ATMS at Atal Seva Kendras in H2FY19

² Excludes Certificate of Deposits of INR 2,343 Crore



AU 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.



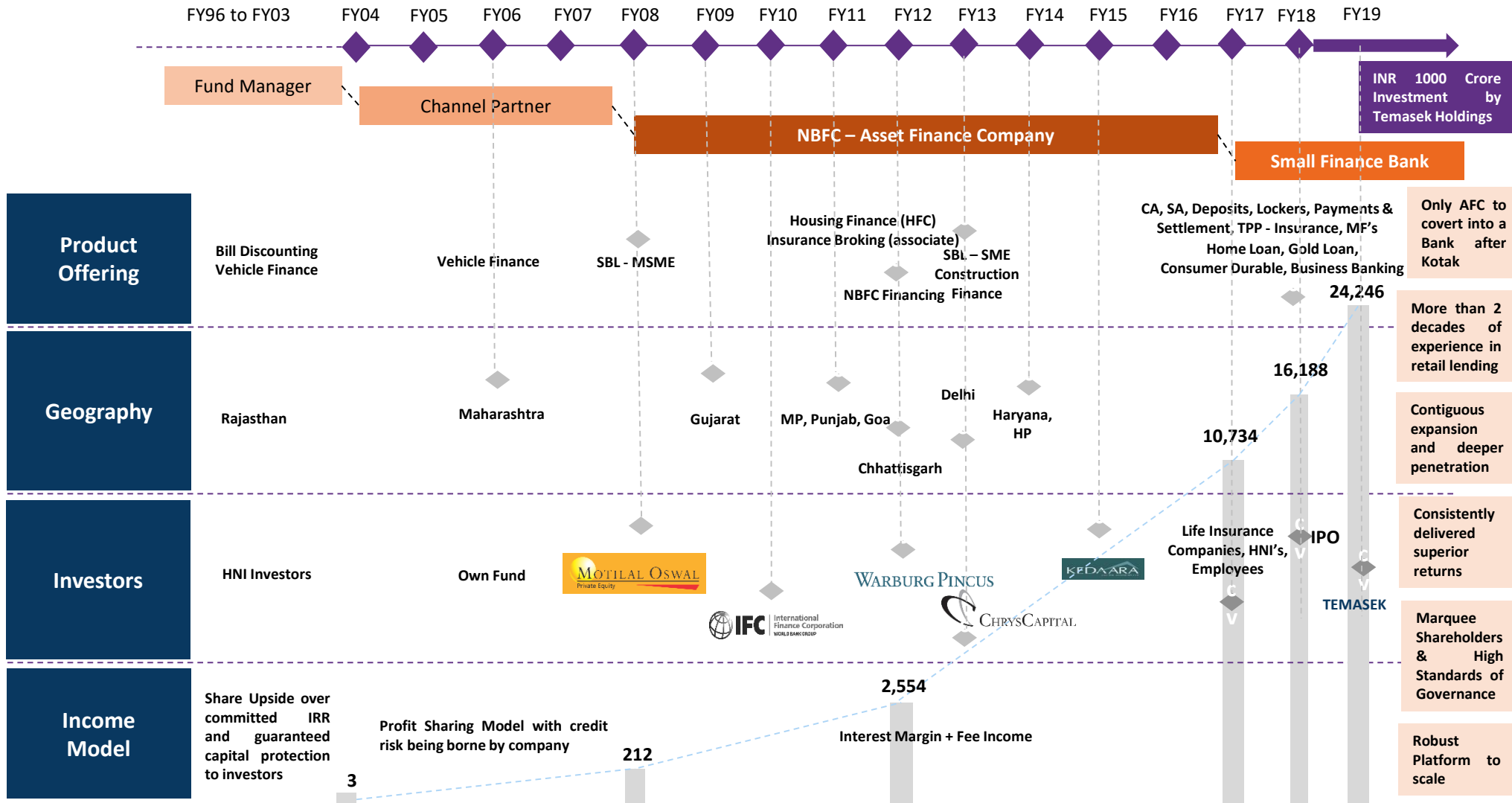
AU Mission

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
- 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

Fastest growth to INR 1 trillion book size and a client base of 10 million+ delighted customers

AU Journey - natural progression to Bank



*Column bar denotes Gross AUM as at end of that particular FY; In INR Crores

Experienced Board of Directors

Board of Directors



Mr. Mannil Venugopalan
Chairman and
Independent Director
47+ years of experience
B. Com (Gold Medal)

Ex-CMD, Bank of India
Ex-MD & CEO, Federal Bank



Mr. Krishan Kant Rathi
Independent Director
29+ years of experience
CA, CS

Ex-CEO, Future Consumer Limited
Ex-CFO, Future Group



**Ms. Jyoti Ishwar Chandra
Narang**
Independent Director
37+ years of experience
MBA

Ex-COO, Indian Hotels Company
Limited



Mr. Raj Vikash Verma
Independent Director
35+ years of experience
Masters in Economics,
MBA Finance (FMS), CAIIB

Leadership positions at NHB,
IMGCI, CERSAI, PFRDA, etc.



Mr. Narendra Ostawal
Additional Director
18+ years of experience
CA, MBA (IIM Bangalore)

MD, Warburg Pincus India Private
Limited



Mr. Sanjay Agarwal
MD & CEO
21+ years of experience
CA (Rank holder)

E&Y Entrepreneur of the Year
Award 2018; Business Leader of
the Year, ICAI Awards, 2017;



Mr. Uttam Tibrewal
Whole-time Director
21+ years of experience
B. Com

Associated with Bank from last
15 years

Experienced Senior team

- Majority of the Board constituted by Independent Directors; High Standards of Corporate Governance; 9 Board Level Committees including Risk Monitoring Committee and Corporate Social Responsibility Committee
- Led by promoter, Mr. Sanjay Agarwal, who is a first generation entrepreneur
- Key Management Personnel have been with the company for an average of over 15 years

Diversified Bouquet of Products with focus on Retail

ASSETS PRODUCT OFFERINGS	Retail Assets – Vintage Products				Small & Mid-Corporate – Vintage Products	
	Parameter	Wheels (Vehicle Loans)	Secured Business Loans - MSME	Secured Business Loans – SME	NBFC	Real Estate Group
	Commenced	• 1996	• 2007	• 2012	• 2012	• 2012
	Clientele typically includes	• First time users/ buyers, Small Road Transport operators, Self Employed	• Provision stores, dairy businesses, hotels, restaurants, Traders	• Wholesalers, distributors, retailers, self-employed professionals	• NBFCs, HFCs & MFIs	• Small construction companies / builders
	Loan Tenure	• Up to 5 years	• Up to 12 years	• Up to 15 years	• Up to 4 years	• Up to 7 years
	Security	• Vehicle	• Immoveable property	• Immoveable property	• Underlying Loan receivables	• Immoveable property
LIABILITIES PRODUCT OFFERINGS	Purpose	• Income / Revenue Generation	• Business Expansion; Working capital requirement / Equipment purchase	• Business Expansion; Working capital requirement / Equipment purchase	• Underlying Loan receivables	• Immoveable property
	Retail Assets –New Products				Small & Mid-Corporate – New Products	
	Home Loans, Gold Loans, Agri SME Loans, Two-Wheeler Loans, Consumer Durable Loans				Business Banking	
	Savings Accounts	Current Accounts	Fixed & Recurring Deposits	Lockers		
	Debit Cards	ATMs	Insurance	Mutual Funds		
DIGITAL	TAB Banking					
	Net Banking					
	Mobile Banking					

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Note: All financial numbers in the presentation are from Audited Financials or Limited Reviewed financials or based on Management estimates.



THANK YOU

Contact for Investor queries:

Sunil Parnami / Hemant Sethia

AU Small Finance Bank Ltd

Tel: +91 22 6249 0607 / +91 22 6249 0614

Email: investorrelations@aubank.in

ADC	Alternate Delivery Channels	NII	Net Interest Income
AFS	Available for Sale	NPA	Non Performing Assets
ALM	Asset Liability Management	NSE	National Stock Exchange
AUM	Asset Under Management	OPEX	Operating Expenses
BSBDA	Basic Savings Bank Deposit A/C	P/L	Profit & Loss Statement
BSE	Bombay Stock Exchange	PAT	Profit After Tax
CASA	Current Account Deposits and Savings Account Deposit	PPOP	Pre-Provisioning Operating Profit
CBS	Core Banking Solution	Q-o-Q	Quarter on Quarter
CRAR	Capital Adequacy Ratio	ROA	Return on Average Assets
CRR	Cash Reserve Ratio	ROE	Return on Average Shareholder's Fund
DPD	Days Past Due	RTGS	Real Time Gross Settlement
EPS	Earning Price Per Share	SFB	Small Finance Bank
HTM	Held Till Maturity	SLR	Statutory Liquidity Ratio
IPO	Initial Public Offer	STP	Straight Through Processing
LCR	Liquidity Coverage Ratio	TAB	Tablet Mobile Device
NBFC	Non-Banking Finance Company	Y-o-Y	Year on Year