



AU
SMALL
FINANCE
BANK

चलो आगे बढ़ें

Q2FY18
Investor
Presentation

29th October 2017

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

Table of Contents



-  **Q2/ 1H FY18 Performance Summary**
-  Retail Bank, Wholesale Bank Snapshot
-  Liabilities Snapshot
-  About AU Small Finance Bank
-  Financials & Shareholding

Q2 / 1H FY18 Performance Summary



- Robust AUM growth of ~30% y-o-y; Total Loans Rs. 12,000+ crore with ~85% Retail Loans of Rs. 10,000+ crore
- Led by ~45% surge in Disbursements y-o-y, Disbursals of more than Rs. 2,500 crore in the quarter (up 67% q-o-q)
- Granular Deposits Book at ~Rs. 2,000 crore with CASA ratio of 33%; More than 1,75,000 Deposits a/cs
- Average AUM IRR of 15.7%; Average Cost of Funds of 8.8%
- Net Interest Income of Rs. 220 crore for Q2FY18 and Rs. 403 crore in 1HFY18; Up 12% and 11% (y-o-y) respectively
- Total Income of Rs. 508 crore (Up 41% y-o-y) partly led by growth in other operating income; Stood at Rs. 927 crore in 1HYFY18 , Up 37% y-o-y
- Cost to Income Ratio was expectedly at ~55% and ~52% in Q2FY18 and 1HFY18; First full quarter post bank transitioning
- Stable Asset Quality with GNPA & NNPA of 3.1% and 2.1% respectively
- PAT was Rs. 68 crore for Q2FY18 as against Rs. 62 crore in Q1FY18. For 1HFY18 PAT stood at Rs. 130 crore.
- ROA (annualized) marginally better over Q1FY18 at 1.8%; Likewise RoE (annualized) rose to 13.1% in Q2FY18
- Well Capitalized with CRAR of 20.6% and Tier – I CRAR of 19.7%

Q2 / 1H FY18 Key Financials & Y-o-Y Comparison



Select P&L Highlights

In INR Crore

Total Income		Net Interest Income		PPOP		Profit After Tax ¹	
Q2	H1	Q2	H1	Q2	H1	Q2	H1
508	927	220	403	144	268	68	130
↑41%	↑37%	↑12%	↑11%	↓9%	↓1%	↓20%	↓10%

Select Business Highlights

In INR Crore

Gross AUM	Disbursements ²	Deposits	Net Worth
12,134	4,033	1,978	2,113
↑30%	↑29%	NA	↑24%

Assets Quality & Capital Adequacy

Gross NPA ³	Net NPA ³	CRAR	Tier 1 CRAR
3.1%	2.1%	20.6%	19.7%
Vs.2.4% (Q2FY17)	Vs.1.8% (Q2FY17)	Vs.24.5% (Q2FY17)	Vs.22.3% (Q2FY17)

Operational Highlights

# Branches	# Asset Centers	#ATMs	# Active Customer A/cs ⁴	# Employees
301	113	287	4,79,207	9,974

NA – Not Applicable

1 Q2FY17 Profit After Tax adjusted for exceptional items for comparison with Q2FY18

2 For 1HFY18. Disbursement during Q2FY18 was Rs. 2,520 crores

3 GNPA recognized on 90 DPD basis as on 30th Sep, 2017 while it was based on 120 DPD as on 30th Sep, 2016

4 Active Loan Customers Accounts – 3,03,756, Active Liabilities Customers Accounts – 1,75,451

चलो आगे बढ़ें

Q2 / 1H FY18 Assets & Liabilities – Business Updates



20 years experience in Retail Assets + Bank Platform = Wider Customer Base, New Products, Cross Sell Opportunities

- Disbursed ~37000 new loans in Q2FY18;
- All segments of Retail Bank¹ witnessed strong growth in Q2; Wheels, SBL- MSME, SBL-SME y-o-y Disbursements grew 23%, 43% and 8% respectively
- In Wholesale Bank¹ - Rode on own NBFC background and favourable external market environment; NBFC Disbursements up ~90% y-o-y
- Operating in more segments, Acquiring rate sensitive customers in our core markets
 - Business Banking started in Q1FY18, clocked ~Rs. 90+ crore Disbursements in Q2 itself;
 - Piloted Digital Consumer Durable Loans with card-less EMI option
 - Scaling up Gold Loan and Agri SME Loans

Building Granular Liabilities Book

- More than 100% growth in Deposits in Q2FY18 q-o-q
- Within Internet Banking - added RTGS facility across all IFSC codes
- Started Digital onboarding of Saving a/cs customers; onboarded almost 70% new saving a/cs through Tab Banking in the month of Sept 2017
- Piloted Digital Consumer Durable Loans with card-less EMI options

**Q2 / 1H
FY18
Distribution
&
Treasury Updates**



Strengthening & Leveraging AU Bank Distribution Network

- Received Corporate Agency Approval from IRDAI for distribution of 3rd party Insurance Products
- Tied up with Aditya Birla Health Insurance Co Ltd; Agreement Signing stage with another leading Indian insurance carrier for general insurance
- Received AMFI Registration Number from AMFI to act as Mutual Fund Distributor; Signed Distribution agreement with Top 11 Assets Management Companies
- Expanded Distribution, opened 17 new branches and crossed 300 bank branches mark; added 36 new ATMs
- Strengthened the human capital; added 900+ employees including key additions in the leadership team

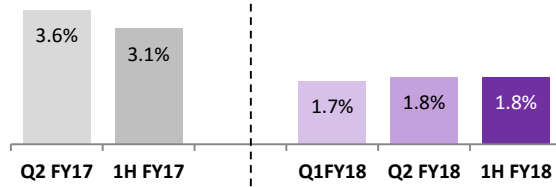
Treasury

- Executed PSLC deals of additional Rs. 2615 crore during Q2FY18 generating additional premium income of ~Rs. 22 crore
- Incremental Cost of Fund in 1HFY18 (post bank) at ~6.7% leading to decline Average Cost of Funds to ~8.8% as on Sep 30, 2017
- Incremental deposits were raised at 6.65% in 1HFY18
- Grandfathered Secured NCDs of around Rs. 1000 crore converted into Unsecured NCD enabling capital release and thereby contributed in improving capital adequacy

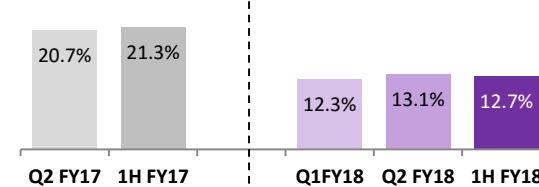
Steady ROA & ROE in Q2FY18

Despite a sharp but expected increase in Cost to Income Ratio in Q2FY18, both ROA and ROE have stabilized at Q1FY18 levels because of improved NII & other operating income

RoA¹ (%)

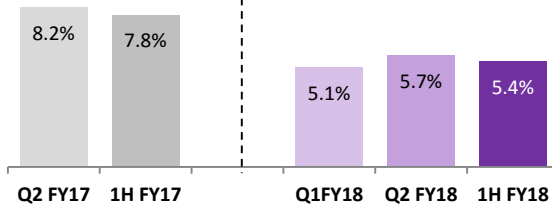


RoE² (%)

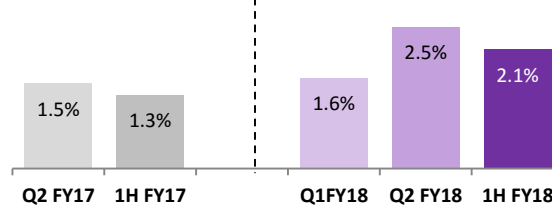


ROA / ROE – Components

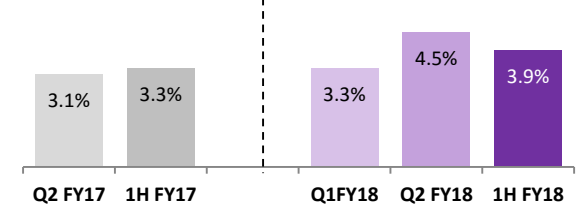
NII¹ (%)



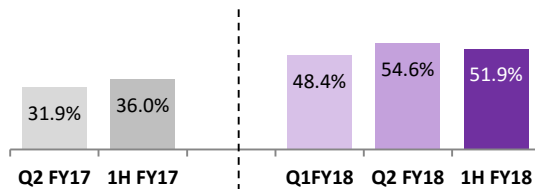
Other Income³ (%)



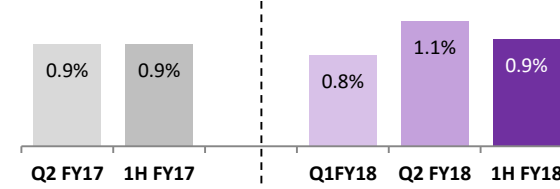
Opex¹ (%)



Cost to Income Ratio⁴ (%)



Provisions & Contingencies¹ (%)



1 As % of sum of Avg. Total Assets and Avg. Securitization & Assignment AUM; Annualized

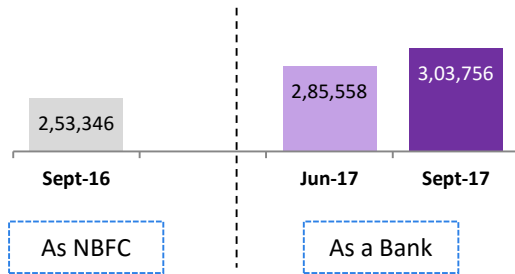
2 Annualized; Q2FY17 and 1HFY17 ROE's calculated on PAT after adjusting for exceptional items

3 Other income includes processing fee and other charges collected, profit on sale/purchase of mutual fund, recovery from loans written off, PSLC etc; As % of sum of Avg. Total Assets and Avg. Securitization & Assignment AUM; Annualized

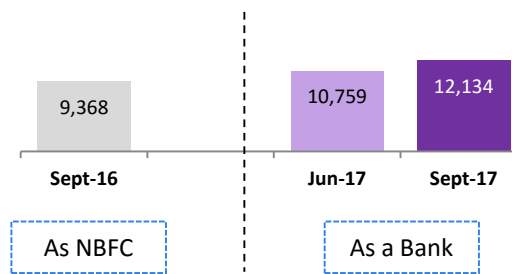
4 Cost to Income Ratio represents Operating Cost to sum of NII and Other Income

Key Performance Matrix

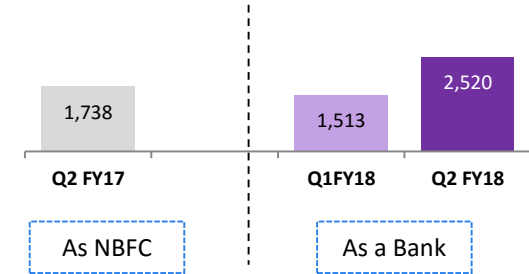
Active Loan Accounts



Gross AUM¹ INR Crore

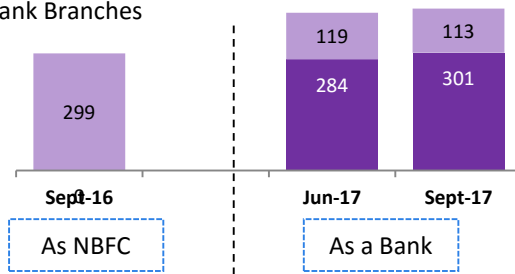


Disbursements INR Crore

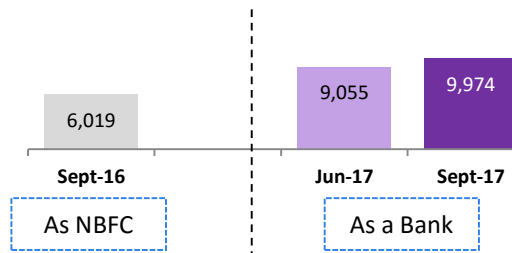


Branches²

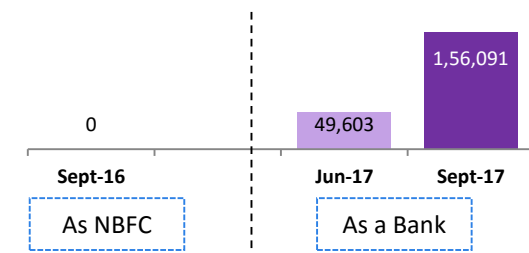
■ Asset Centers
■ Bank Branches



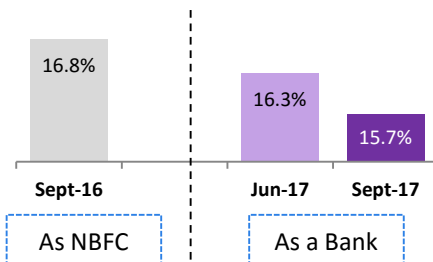
Employees



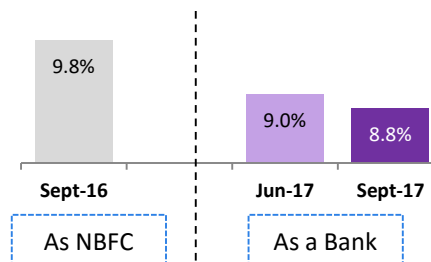
No. of CA, SA Accounts



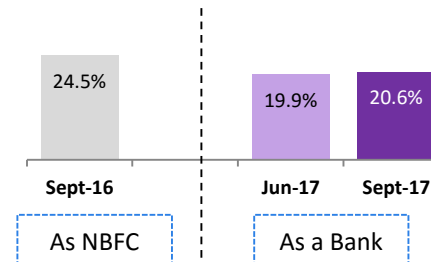
Avg. Yield on Gross AUM³



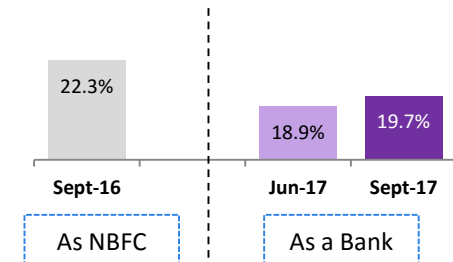
Avg. Cost of Funds⁴



CRAR



Tier I CRAR



¹ Gross AUM represents sum of principal outstanding for all Loans / Advances on-books and Loans securitized or assigned as of last day of the relevant period.

² Branches as on 30th Sept 2016 refers to Branches in NBFC form.

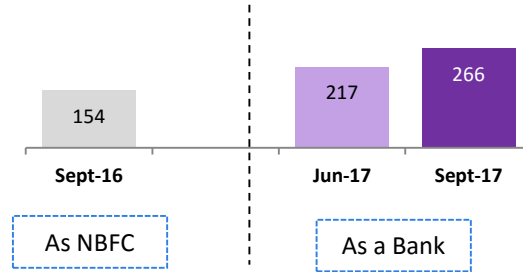
³ Average Yield on Gross AUM represent weighted average Yield on Gross AUM, weights being AUM of each loan outstanding as of last day of the relevant period.

⁴ Average Cost of Funds represents simple average of monthly 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 as of the last day of the relevant period.

Consistent Asset Quality

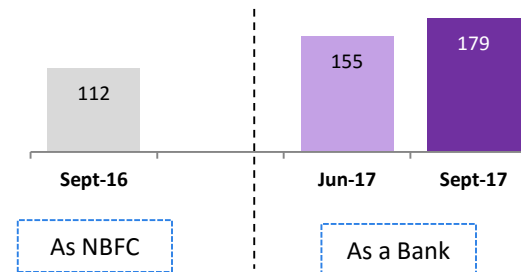
Gross NPA¹

INR Crore

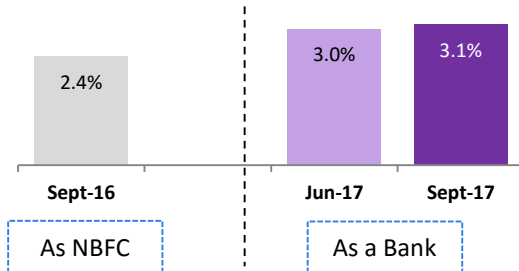


Net NPA

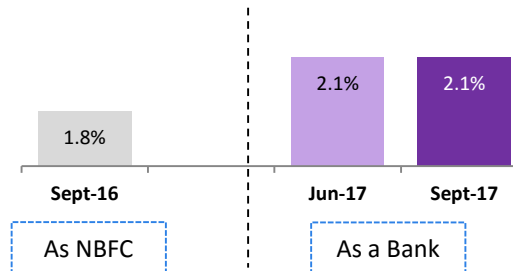
INR Crore



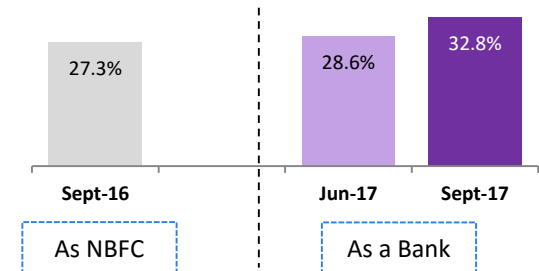
Gross NPA¹



Net NPA

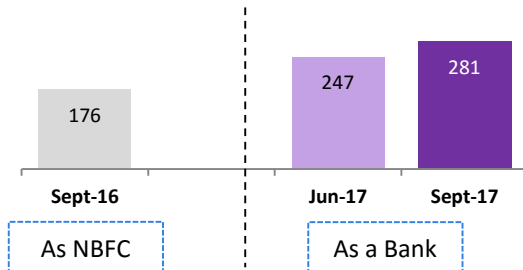


Provision Coverage Ratio

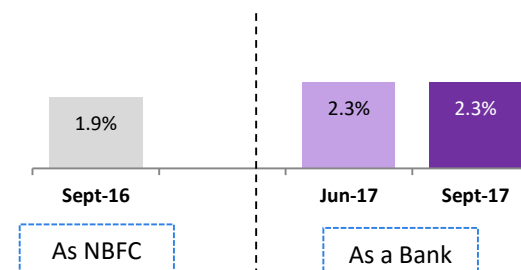


90+ DPD²

INR Crore

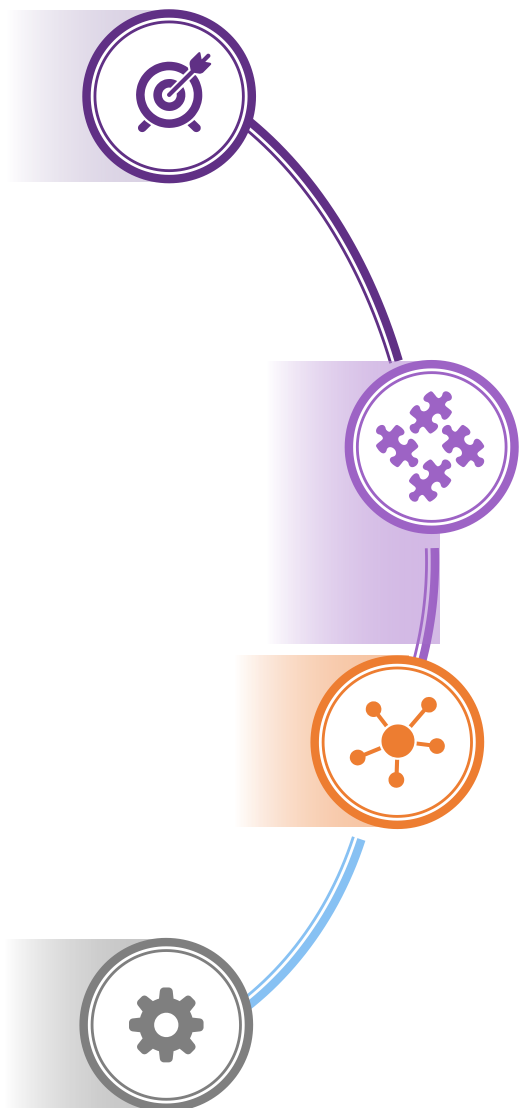


90+ DPD as % of Gross AUM



¹ Gross NPA as on 30th Sept 2017 and as on 30th June 2017 is based on Gross NPA recognition at 90 Days Past Due where as Gross NPA as on 30th Sept 2016 was based on Gross NPA recognition at 120 Days Past Due.

² 90+ Days Past Dues (90+ DPD) refers to principal outstanding for all loans / advances on-book or securitised or assigned and which are overdue for 90 Days or more



Retail, Wholesale Bank – Diversify Products Mix

- Leverage existing customer base of ~500,000 customers and continue to be a asset led bank
- Launch / scale up digital distribution model for Two Wheeler Loans and CD Loans
- Re-enter Housing Finance
- Cross-sell liabilities products, insurance and mutual fund products to existing customers
- Generate referral to build early momentum in customer acquisitions through digital app
- Capitalize on ability to understand customer cashflows and serve wider customer segments



Liabilities – Enhance customer experience, add Digital Channels

- Offer Corporate Net Banking, CMS, Bill Pay facilities
- Aadhar enabled payment services & marching ahead in digital journey
- Build full product suite including personal loans, gold loans etc. over time
- Digital onboarding of Individual Joint A/cs, Current A/cs



Distribution






- Leverage existing branch network and deepen presence
- Evaluating alternate distribution channel including Business Correspondent & Digital models



Technology

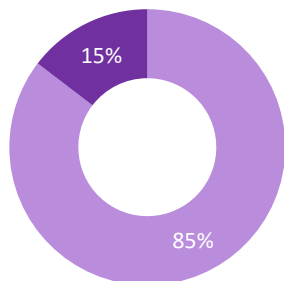
- Significant investment in IT infrastructure
- Upgradation of existing technology with automated and digitized platforms



-  Q2/ 1H FY18 Performance Summary
-  Retail Bank, Wholesale Bank Snapshot
-  Liabilities Snapshot
-  About AU Small Finance Bank
-  Q2FY18 Financials & Shareholding

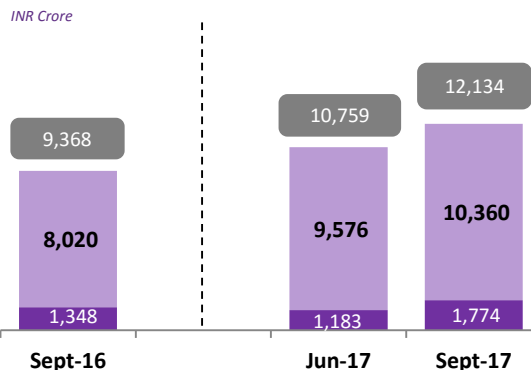
Retail & Wholesale Bank Snapshot – I

Retail Bank Assets comprise ~85% of Gross AUM of Rs. 12,134 Crore



■ Retail Bank ■ Wholesale Bank

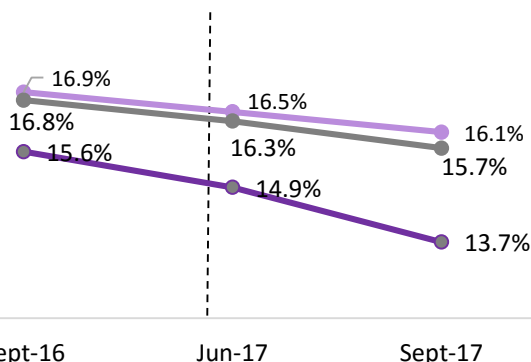
In Q2FY18 AUM surged by 30 % y-o-y; Retail Bank AUM crossed Rs. 10,000 crore mark (up 29% y-o-y)



■ Retail Bank ■ Wholesale Bank ■ Total

AUM Growth	Q-o-Q	Y-o-Y
Total	12.8%	29.5%
Retail Bank	8.2%	29.2%
Wholesale Bank	50.0%	31.6%

Reduction in Yields due to benefits of Banking Platform and basis market and product dynamics

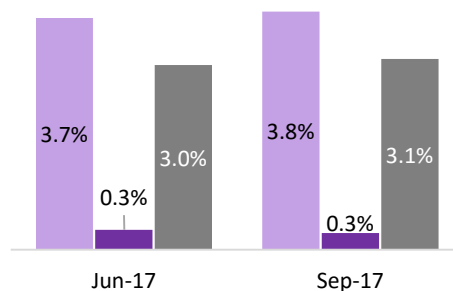


As NBFC

As a Bank

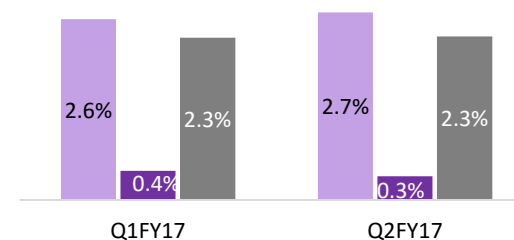
Consistent Asset Quality, GNPA & NNPA levels same as Q1FY18

GNPA (on book)



■ Retail Bank ■ Wholesale Bank ■ Total

90+ DPD (incl off book AUM)

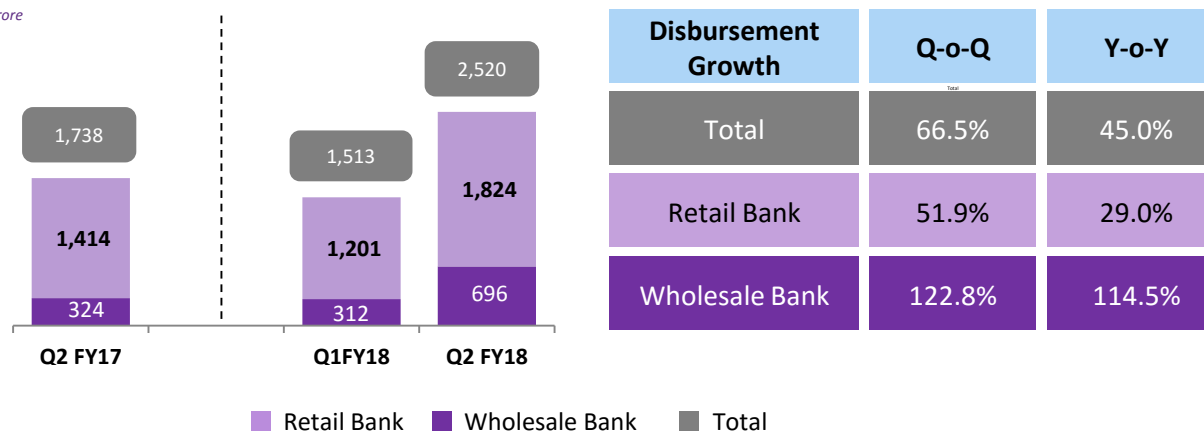


■ Retail Bank ■ Wholesale Bank ■ Total

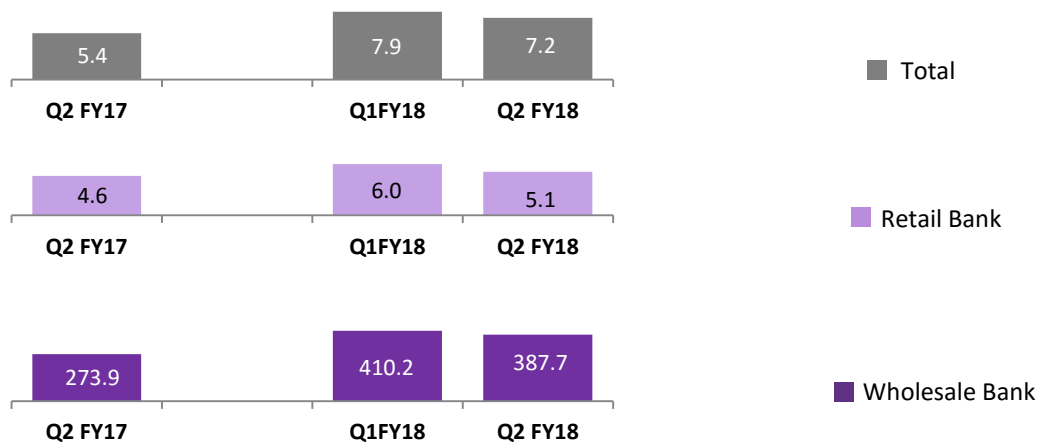
Retail & Wholesale Bank Snapshot - II

- Disbursements growth led by growth in all segments of Retail Bank and Wholesale Bank
- Overall Disbursements crossed Rs. 2500 crore mark

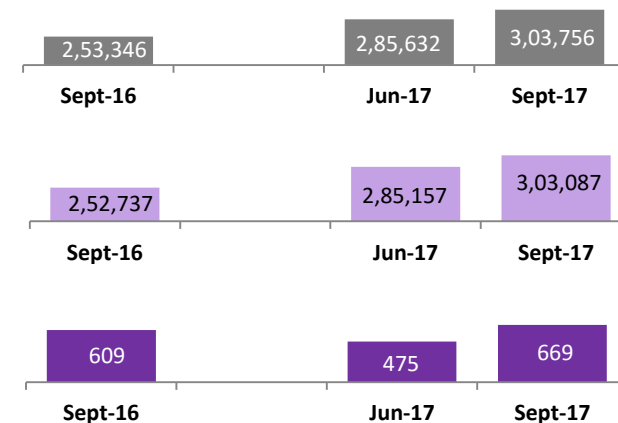
INR Crore



Average Ticket Size (in Rs. Lacs)

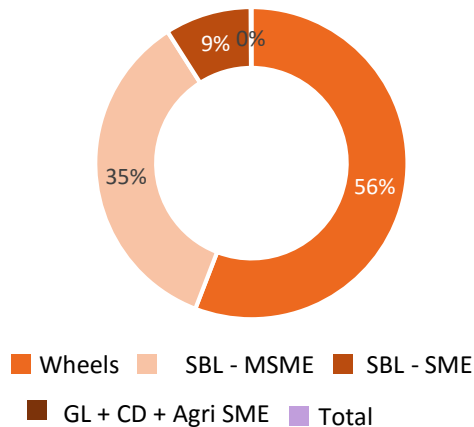


Active Customers Loan Accounts

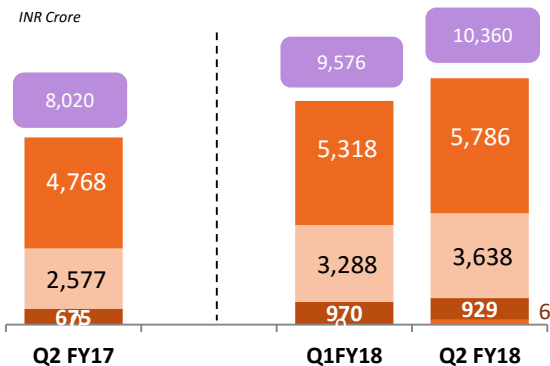


Retail Bank Snapshot – I

Retail Assets AUM Mix by Products – Wheels, MSME, SME and GL+CD+Agri SME



In Q2FY18 Retail Bank AUM by ~29% Y-o-Y; Pilot Tested Consumer Durable Loans in Raj, Hah & Haryana

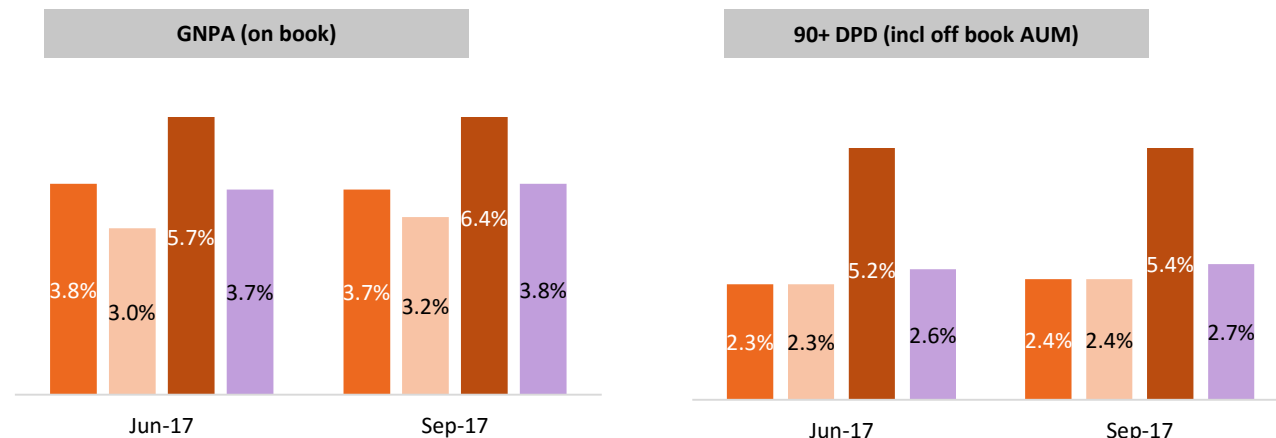


AUM Growth	Q-o-Q	Y-o-Y
Overall Retail Bank	8.2%	29.2%
Wheels	8.8%	21.4%
SBL MSME	10.6%	41.2%
SBL – SME	-4.2%	37.6%

Product Wise Average IRR Range

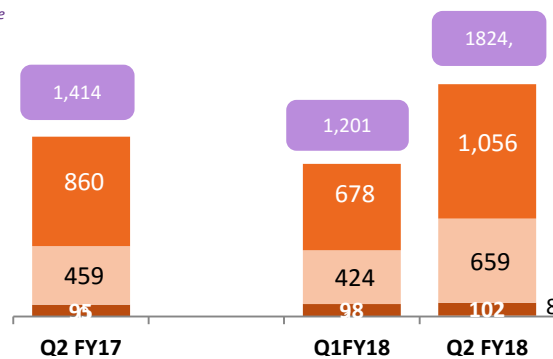
Wheels - New	12%-16%
Wheels - Used	18%-22%
Wheels - Total	15%-19%
SBL - MSME	15%-19%
SBL – SME	12%-16%

Consistent Asset Quality, GNPA & NNPA levels same as Q1FY18



Retail Assets Disbursements growth led by growth in all segments Overall Retail Disbursements

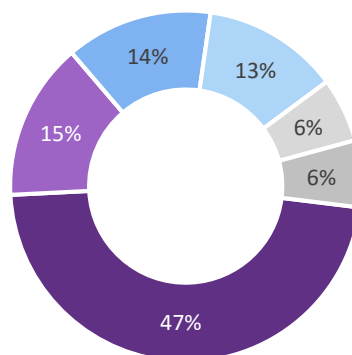
INR Crore



Products	Q-o-Q	Y-o-Y
Overall Retail Bank	51.9%	29.0%
Wheels	55.7%	22.8%
SBL MSME	55.5%	43.4%
SBL – SME	4.3%	8.1%

Wheels SBL - MSME SBL - SME GL + CD + Agri SME Total

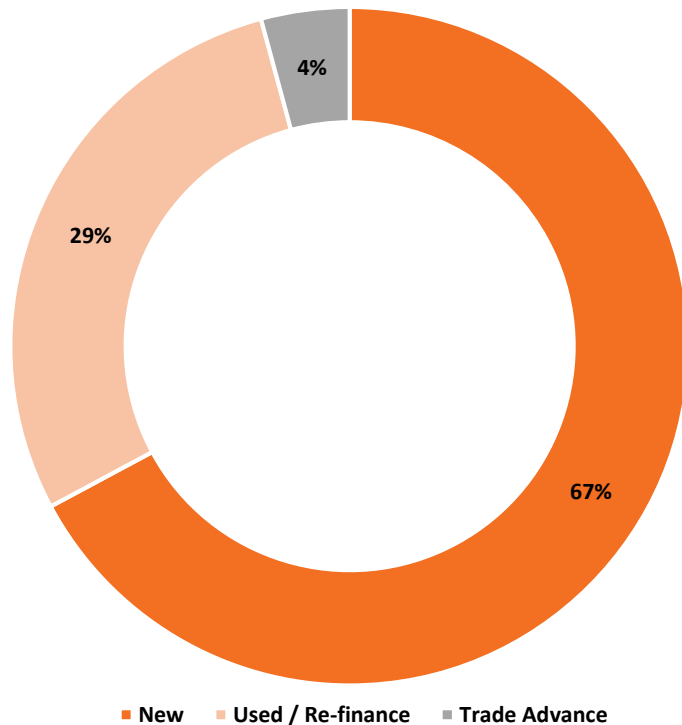
Retail Assets Regional Break-up



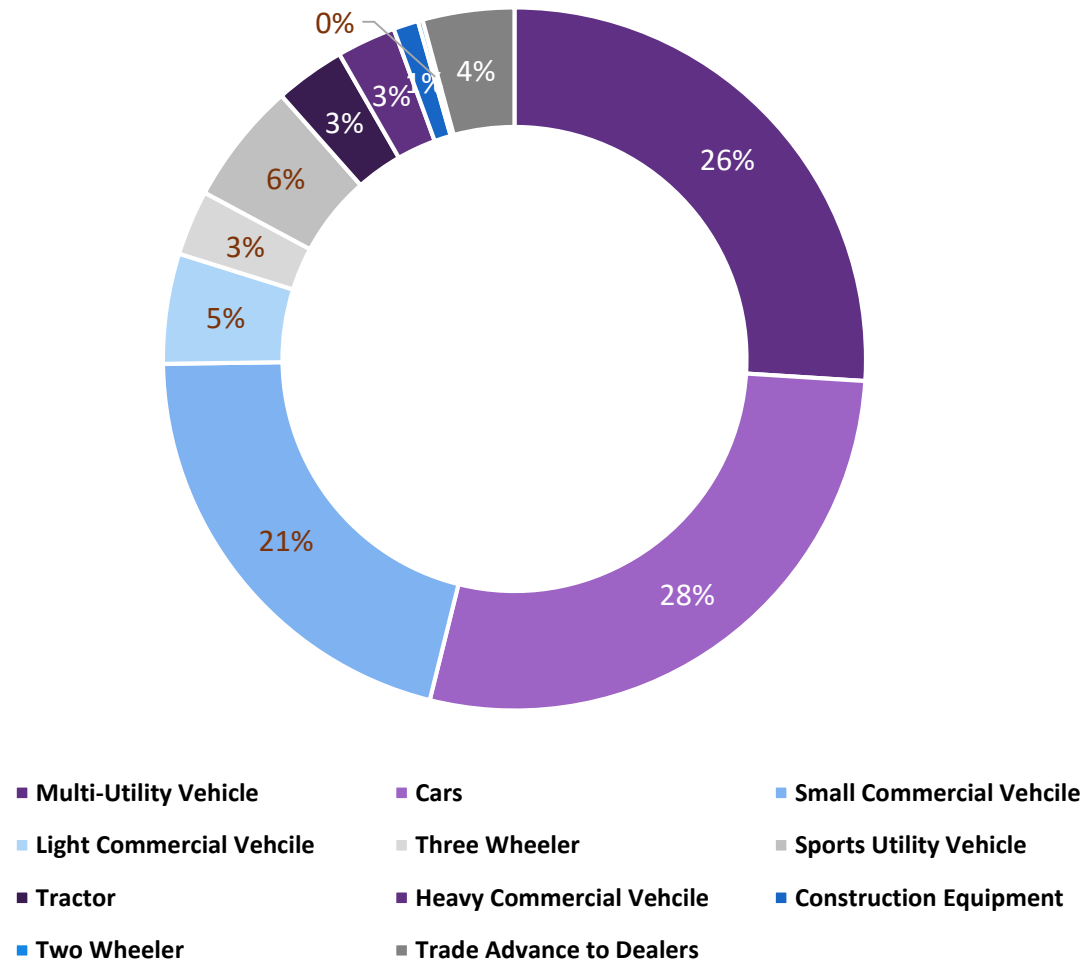
Rajasthan
 Gujarat
 Maharashtra
 Madhya Pradesh
 Delhi
 Punjab + CG + Haryana + HP + Goa

Wheels Book Split by Ownership & Product Types

Wheels AUM break up – New vs Old



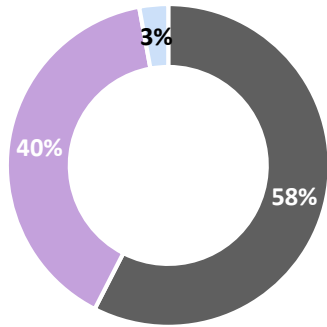
Wheels AUM break up – Vehicle types



As on 30th Sep 2017

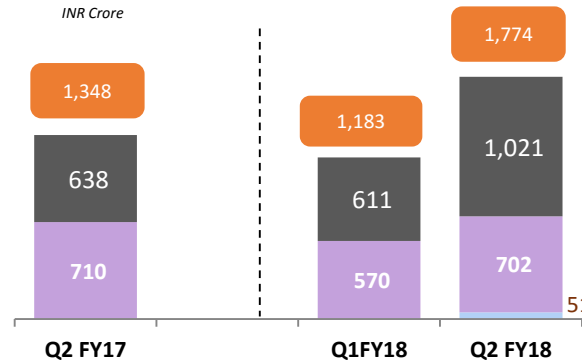
Wholesale Bank Snapshot

Wholesale Bank Assets AUM Break-up – Exposure to NBFC ~60%



■ NBFC ■ Real Estate Group ■ Business Banking

In Q2FY18 Wholesale Bank AUM by ~32% Y-o-Y; NBFC clocked growth over 60% Y-o-Y



■ NBFC ■ Real Estate Group ■ Business Banking

AUM Growth

	Q-o-Q	Y-o-Y
Overall Wholesale Bank	50.0%	31.6%
NBFC	67.1%	59.9%
Real Estate Group	23.0%	-1.1%
Busi Bkg	n.a.	n.m.

■ NBFC ■ Real Estate Group ■ Business Banking

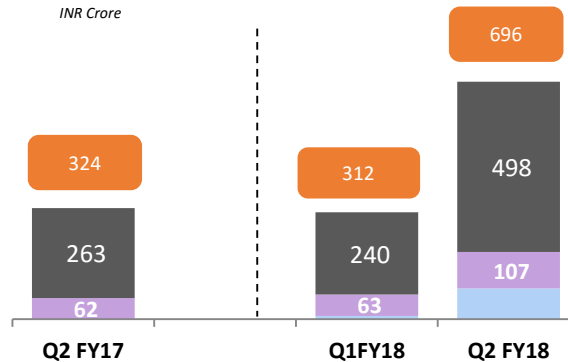
Product Wise Average IRR Range

NBFC **10%-14%**

Real Estate Group **14%-19%**

Business Banking **10%-12%**

Wholesale Bank Disbursement Break-up; NBFCs Disbursements grew over 89% Y-o-Y








■ NBFC ■ Real Estate Group ■ Business Banking

Disbursement Growth

	Q-o-Q	Y-o-Y
Overall Wholesale Bank	122.8%	114.5%
NBFC	108.0%	89.6%
Real Estate Group	71.1%	74.1%
Busi Bkg	n.a.	n.m.

■ NBFC ■ Real Estate Group ■ Business Banking



-  Q2FY18 Performance Summary
-  Retail Bank, Wholesale Bank Snapshot
-  Liabilities Snapshot
-  About AU Small Finance Bank
-  Q2FY18 Financials & Shareholding

Well entrenched distribution franchise

11 States

301 Branches &
113 Asset Centers

287 ATMs

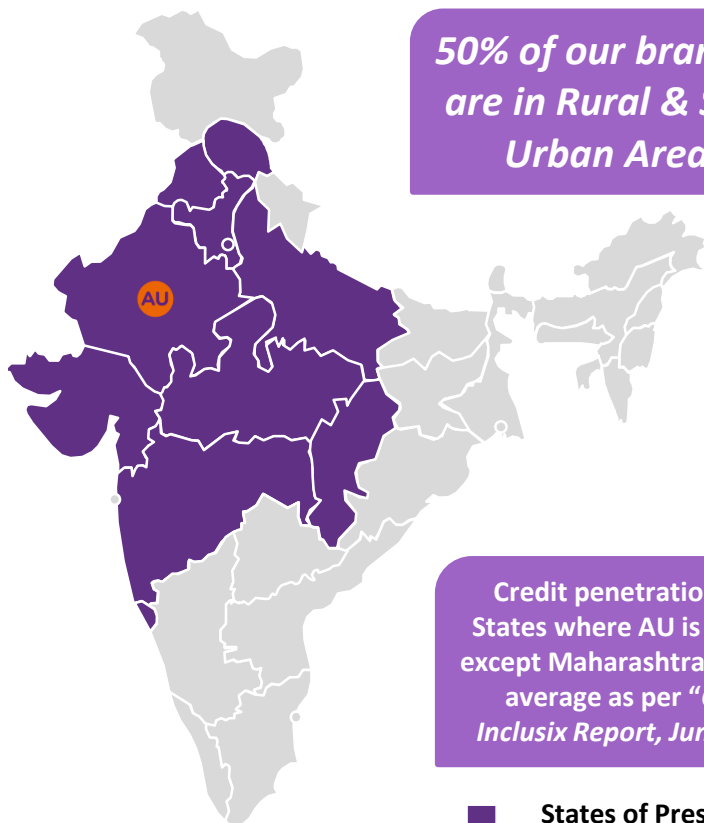
9,974
employees

303,756 Active Loan
Accounts

156,091 CASA
Accounts

33% CASA Ratio

Deep Penetration into Core States and Expansion into
Growth Geographies



*50% of our branches
are in Rural & Semi
Urban Areas*

Credit penetration of all
States where AU is present,
except Maharashtra, is below
average as per "CRISIL
Inclusix Report, June 2015"

States of Presence

Branch Distribution

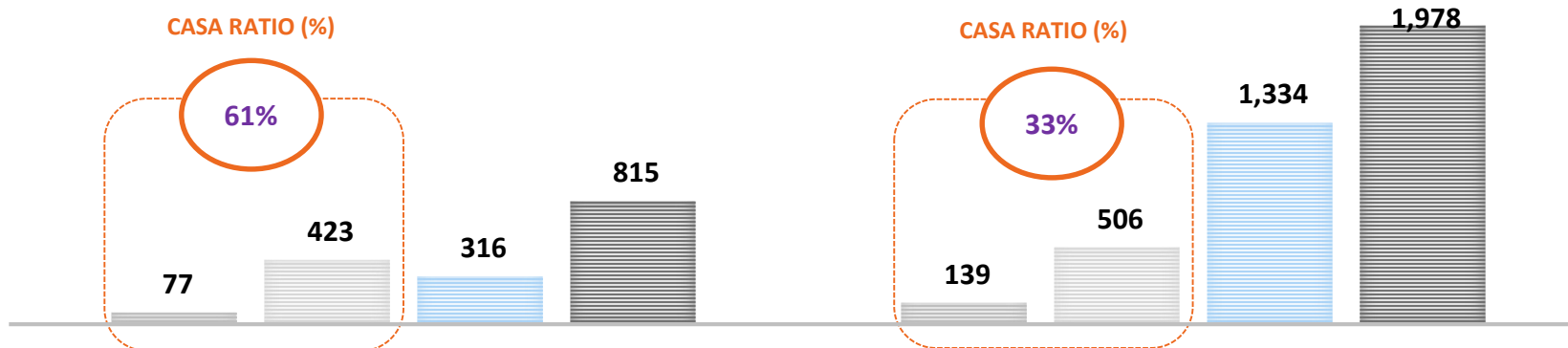
	Metropolitan	Urban	Semi-urban			Rural		Total
State	Tier 1	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Tier 6	
Rajasthan	14	23	19	43	21	3	14	137
Gujarat	8	20	4	5	3	-	-	40
Madhya Pradesh	5	16	7	9	-	-	-	37
Maharashtra	12	16	6	2	1	-	-	37
Punjab	1	11	4	2	-	-	-	18
Haryana	1	11	1	1	-	-	-	14
Chhattishgarh	1	4	-	-	-	-	-	5
NCT of Delhi	5	-	-	-	-	-	-	5
Himachal Pradesh	-	1	-	2	1	-	-	4
Uttar Pradesh	1	1	-	-	-	-	-	2
Chandigarh	-	1	-	-	-	-	-	1
Goa	-	-	1	-	-	-	-	1
Total	48	104	42	64	26	3	14	301

- ✓ AU has over 20 years of experience in rural and semi-urban markets Presence across 11 states in North, West and Central region of India
- ✓ Focused on customers in such markets, particularly those without credit history, that offering significant growth opportunities and customer loyalty
- ✓ Deep understanding of local characteristic has enabled to understand unique needs of target customers and penetrate deeper
- ✓ Adapted low cost Hub & Spoke model enabling operational efficiency and optimum turnaround times

Liabilities, Branch Banking, Cross Sell - Snapshot

Rapidly building granular retail deposit franchise (value), CASA Ratio of 33%

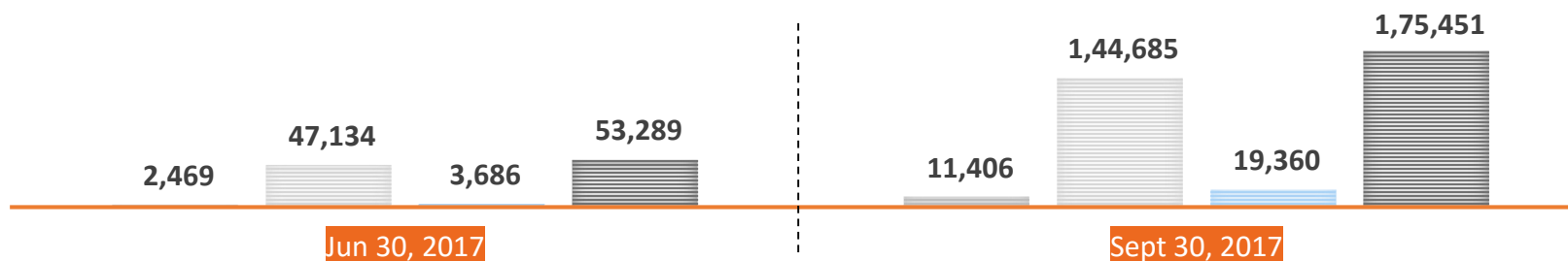
■ Current Account ■ Savings Account ■ Term Deposit ■ Total



Growth in Q2

143%

Rapidly building granular retail deposit franchise - No of Accounts



229%

ATS in Q2



■ Current Account ■ Savings Account ■ Term Deposit ■ Total

1.2 Lacs	0.35 Lacs	6.89 Lacs	1.13 Lacs
----------	-----------	-----------	-----------

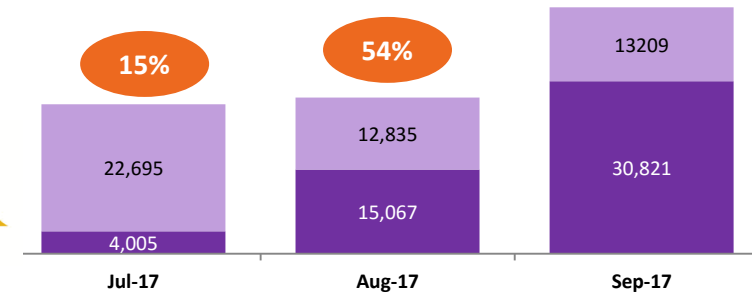


Aadhaar linked TAB-based “Paperless” account opening

- Completely automated individual Saving's account opening – 100% Straight Through Process
- Clocking average of ~2,500 accounts opened per day
- All sales executives are equipped with such TAB devices



Savings A/c opened via TAB



POS services successfully initiated for our customers

- Bijlipay on-boarded with our existing partner, ITSL
- Kickstarted with successful installation of over 50 machines



NEFT & RTGS made live on Internet Banking platform. UPI integration is underway



95.7% of Cumulative uptime was achieved for ATMs ; Achieved 13.7 Lakh+ card transactions



Received Corporate Agency Approval from IRDAI for distributing 3rd party Insurance Products

- Tied up with Aditya Birla Health Insurance Co Ltd;
- Agreement Signing stage with another leading Indian insurance carrier for general insurance



Received AMFI Registration Number from AMFI to act as Mutual Fund Distributor;

- Signed Distribution agreement with Top 11 Assets Management Companies



Association of
Mutual Funds in India

Liabilities Product Portfolio

Savings
Accounts

Insurance
(3rd Party)

Current
Accounts

ATMs

Fixed
Deposit

Lockers

Recurring
Deposits

Debit Cards

Net Banking

TAB Banking

Mobile Banking

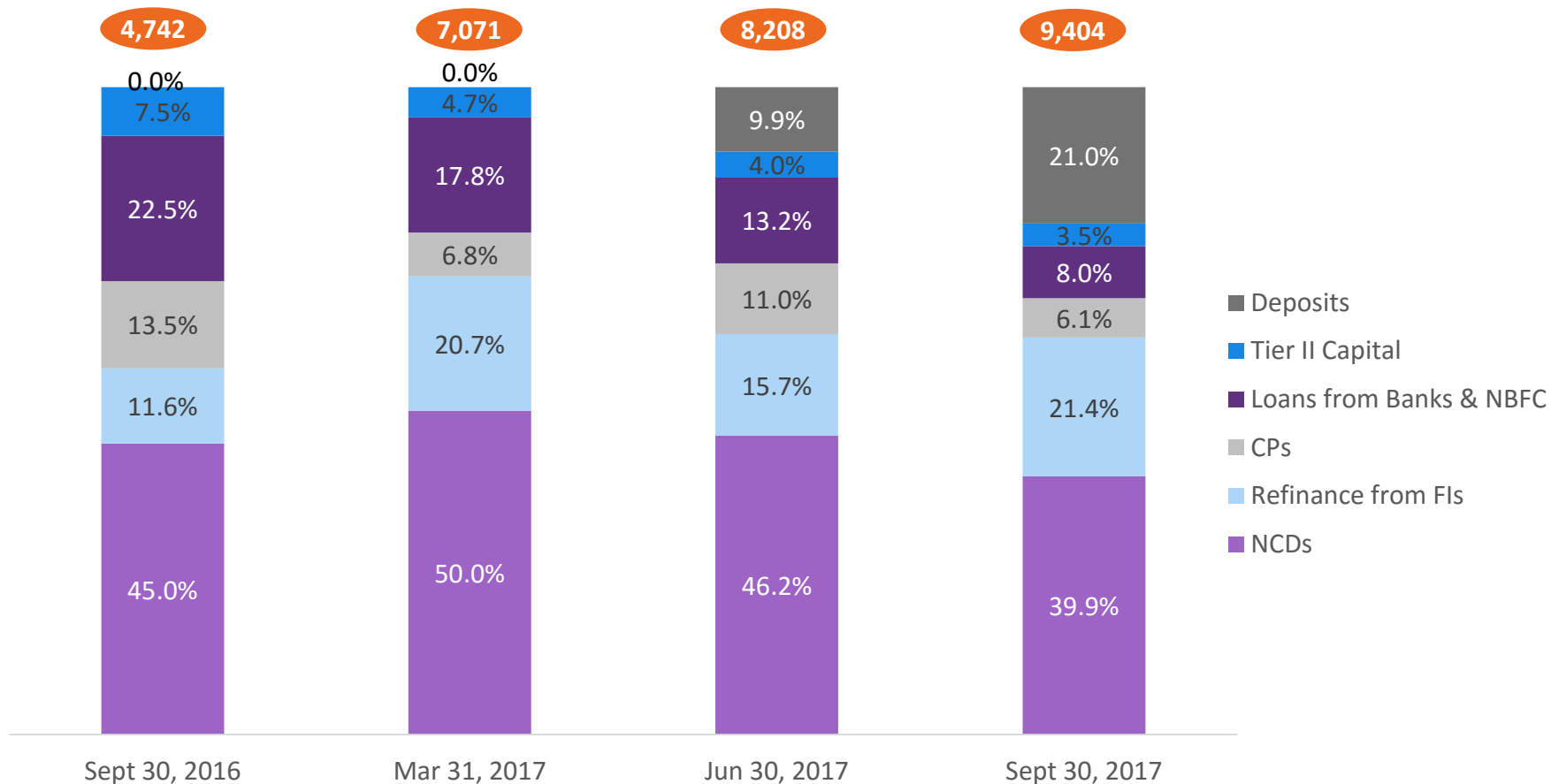
Key Features

- ✓ Few Product Variants - Easy to remember & recollect
- ✓ Go-to-Market approach
- ✓ True Anywhere Banking – No home branch concept
- ✓ Extended Banking Hours
- ✓ Monthly Interest Pay-out
- ✓ Higher Interest Rate
- ✓ Pre-Qualified Overdraft facility for our existing Asset Customers
- ✓ Auto Upgrade of Features and therefore No Fear of Charging
- ✓ Simple Forms, Less Forms
- ✓ No Deposit Slips
- ✓ Customer “Instruction”, not request

Diversified Liabilities Portfolio

Increasing proportion of Deposits further diversifying the funding profile

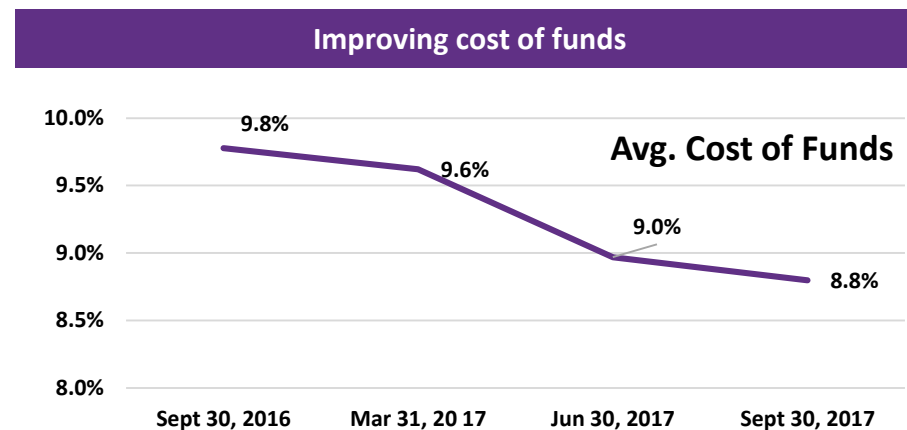
All figures in INR Cr



Off-book Source of Fund	Sept 30, 2016	Mar 31, 2017	Jun 30, 2017	Sept 30, 2017
Sec. & Assign O/s AUM [@]	2,938	3,988	3,774	3,560

[@]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.

Cost of Funds raised in H1FY18	O/s Amount as on Sept 30, 2017 (INR Crore)	ROI %
Before Bank conversion (from Apr 1, 2017 to Apr 19, 2017)	793	8.15%
Post bank conversion (from Apr 19, 2017 to Sept 30, 2017)	3,058	6.70%
Grand Total	3,851	7.40%








Treasury Update

- Executed PSLC deals of additional Rs. 2,615 crore during Q2FY18 generating additional premium income of ~Rs. 22 crore
- Incremental Cost of Fund in 1HFY18 at ~6.7% leading to decline Average Cost of Funds to ~8.8% as on Sep 30, 2017
- Incremental deposits were raised at 6.65% in 1HFY18
- Grandfathered Secured NCDs of Rs. 1000 crore converted into Unsecured NCD enabling capital release and thereby contributed in improving capital adequacy

Long Term Credit Rating of “A+” and Short Term Credit Rating of “A1+”



-  Q2FY18 Summary Performance
-  Retail Bank, Wholesale Bank Snapshot
-  Liabilities Snapshot, , Digital, Technology Snapshot
-  **About AU Small Finance Bank**
-  Financials & Shareholding Pattern



चलो आगे बढ़ें

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

AU Bank - Retail Focused, Fast Growing, Well Capitalized, Differentiated, Customer Centric Bank (1/2)



- Mr. Sanjay Agarwal, All India Rank Holder CA - Hands on Promoter, MD & CEO of AU Bank, holding ~33% equity stake; ably supported by seasoned team
- Prominent, retail focused Bank primarily serving low & middle income individuals and businesses that have limited or no access to formal banking and finance channels
 - Wide Spread Distribution across 301 branches, 113 asset centers, 23 offices, 287 ATMs in 11 States & 1 union territory of North, West & Central India
 - 85% of our AUM of Rs. 12134 crore (Sept 30, 2017) comprising of Retail Loans

- Aggressive Growth Track Record with Excellent Asset Quality and No Legacy Issues

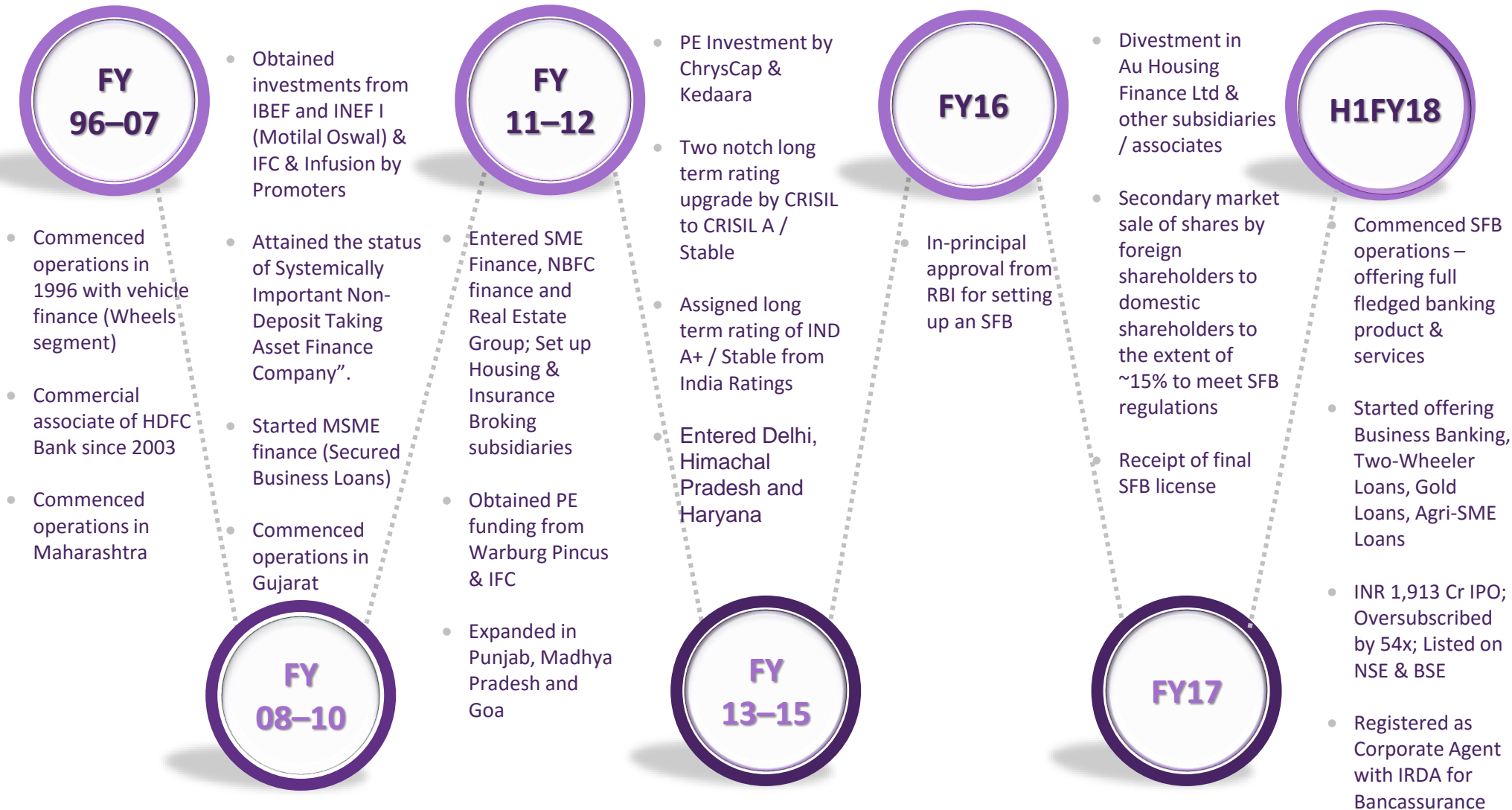
	Disbursements	AUM	Customers	Revenue	PAT	Net Worth	Gross NPA (90 DPD ¹)
FY12	2,083	2,554	1,02,021	253	50	394	
FY17	6,730	10,734	2,80,349	1,388	305	1,988	
FY12-FY17 CAGR	~ 26%	~ 33%	~ 22%	~ 41%	~ 44%	~38%	3.0% (Sept 30, 2017)

- Tier I - Capital Adequacy Ratio of 19.7% (Sept 30, 2017) as against regulatory requirement of 7.5%. Net worth of Rs. 2,113 crore as against required capital base of Rs. 100 crores

AU Bank - Retail Focused, Fast Growing, Well Capitalized, Differentiated Customer Centric Bank (2/2)



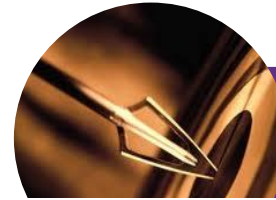
- Experts in Smaller Ticket Loans and Priority Sector Lending – Our Core Strength
 - 20 years of track record of doing smaller loans; Avg ticket size of around Rs. 5 lacs in Retail loans
- Customer Centricity - No / Minimal forms, Higher Interest Rates, Monthly Interest Payout, Extended Banking & Locker Hours, True Anywhere Banking, Tab Based A/c opening, etc.
- Matured / Customer centric technology stack including CBS, CRM, LOS, OBDX and OFSA functionalities
- Offering comprehensive suite of banking products and services under Retail Bank, Wholesale Bank, Liabilities, Digital Bank.
- Marquee Investor Institution base including IFC Washington (member of World Bank Group), Warburg Pincus etc.
- Listed on NSE and BSE; Market Capitalization of Rs. 15,396 Crore as of 10th July 17 (date of listing)
- Long-term credit rating of “A+” and Short-term credit rating “A1+”





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 by 2022 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

Table of Contents

-  Q2 Summary Financial Performance
-  Retail Bank, Wholesale Bank Snapshot
-  Liabilities Snapshot, , Digital, Technology Snapshot
-  About AU Small Finance Bank
-  Financials & Shareholding Pattern

Profit & Loss Statement

(All Figures in INR Crore)	Q2FY18	Q2FY17	Y-o-Y	H1FY18	H1FY17	Y-o-Y	Q1 FY18	FY17
	Unaudited	Unaudited		Unaudited	Audited		Unaudited	Audited
Income								
Interest Earned	410	324	27%	771	616	25%	361	1,287
Interest Expended	191	128	48%	368	253	46%	178	500
Net Interest Income	220	195	12%	403	364	11%	183	786
Other Income ¹	97	36	169%	155	60	160%	58	132
Total Net Income	317	232	37%	558	423	32%	241	918
Expenses								
Operating Expenses								
Employee Cost	100	35	188%	171	75	129%	71	193
Other Operating Expenses	73	39	86%	119	78	53%	46	156
Operating Profit before Provisions and Contingencies	144	158	-9%	268	271	-1%	124	569
Provisions (other than tax) and Contingencies	41	22	88%	70	44	61%	29	96
Exceptional Items	-	-23	-100%	-	670	-100%	-	670
Profit Before Tax	103	113	-8%	198	898	-78%	95	1,143
Tax expenses	35	42	-17%	68	236	-71%	34	321
Profit After Tax	68	70	-3%	130	661	-80%	62	822
Profit After Tax (adjusted for exceptional items)	68	85	-20%	130	144	-10%	62	305

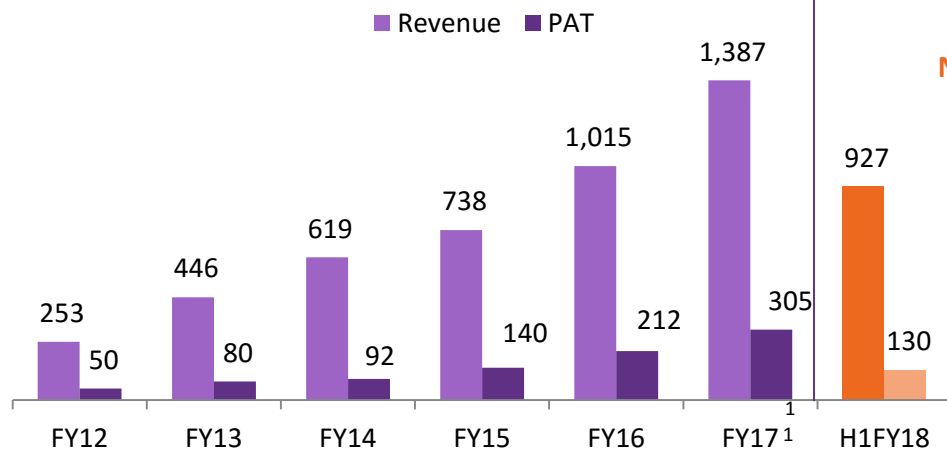
¹ Other income includes processing fee and other charges collected, profit on sale/purchase of mutual fund, recovery from loans written off, PSLC etc.

(All Figures in INR Crore)	Sept 30, 2017	Sept 30, 2016	Y-o-Y	Jun 30, 2017	Mar 31, 2017
	Unaudited	Audited		Unaudited	Audited
<u>Liabilities</u>					
Capital	284	46	522%	284	284
Reserves and Surplus	1,828	1,652	11%	1,764	1,703
Deposits	1,978	-	N.A.	815	-
Borrowings	7,442	4,742	57%	7,393	7,071
Other Liabilities and Provisions	799	574	39%	717	709
Total Liabilities	12,332	7,015	76%	10,973	9,768
<u>Assets</u>					
Cash and Balances with R B I	313	10	N.A.	320	13
Balances with banks and Money at Call and Short Notice	884	160	451%	623	611
Investments	1,978	362	447%	2,251	2,150
Advances	8,535	6,290	36%	7,198	6,551
Fixed Assets	393	75	421%	360	276
Other Assets	228	117	94%	221	166
Total Assets	12,332	7,015	76%	10,973	9,768

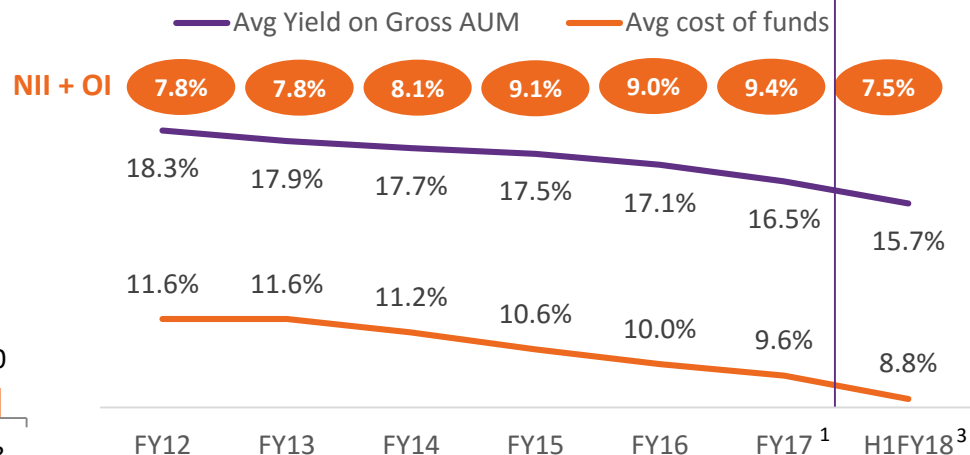
Robust Operating and Financial Performance (1/2)

Total Revenue and PAT

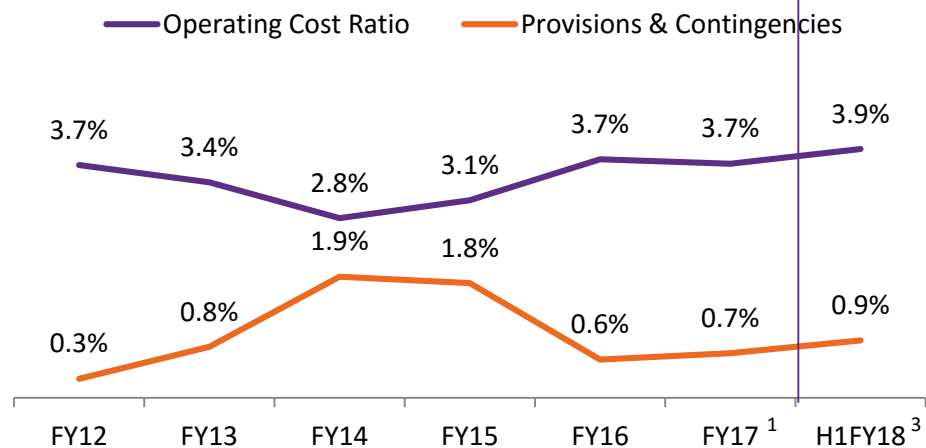
All figures in INR Cr



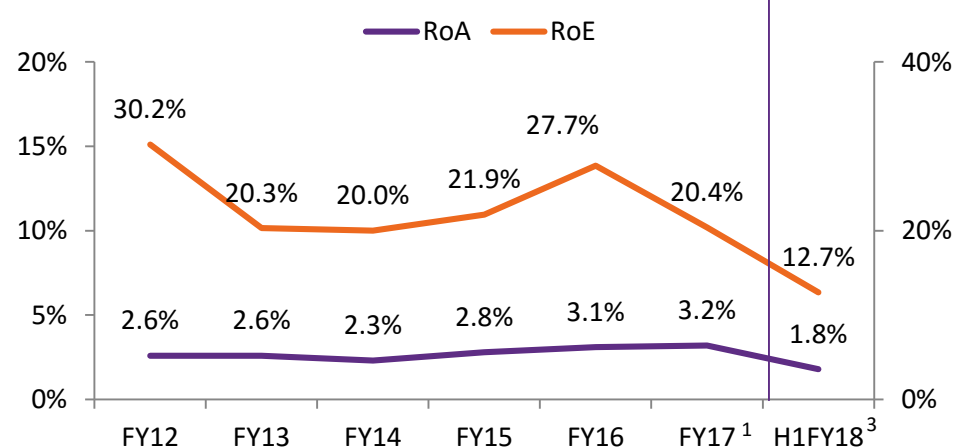
Yields and Cost of Funds²



Opex and Provisions & Contingencies Ratio



Consistent returns (RoA & RoE)



1. PAT, RoE and RoA are adjusted for the exceptional profit on sale of shares in subsidiaries during FY17

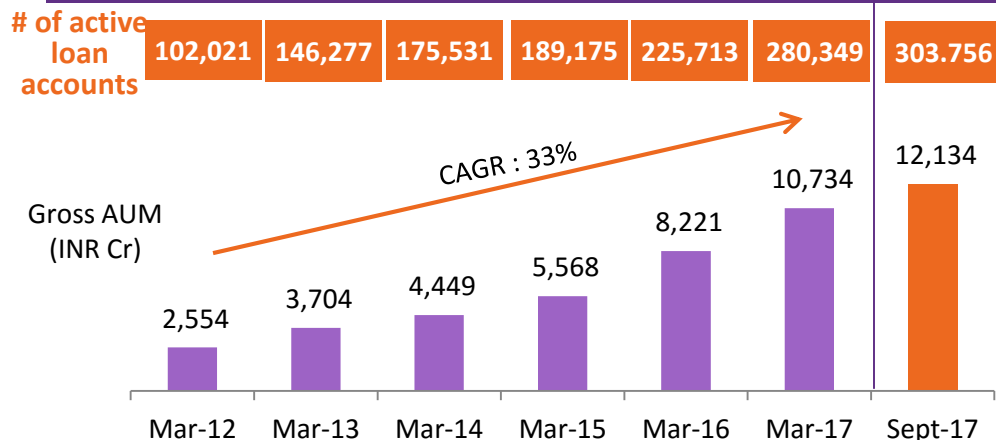
2. Cost of Funds represents simple average of monthly weighted average cost of borrowings and cost of securitization and assignment

3. Annualized

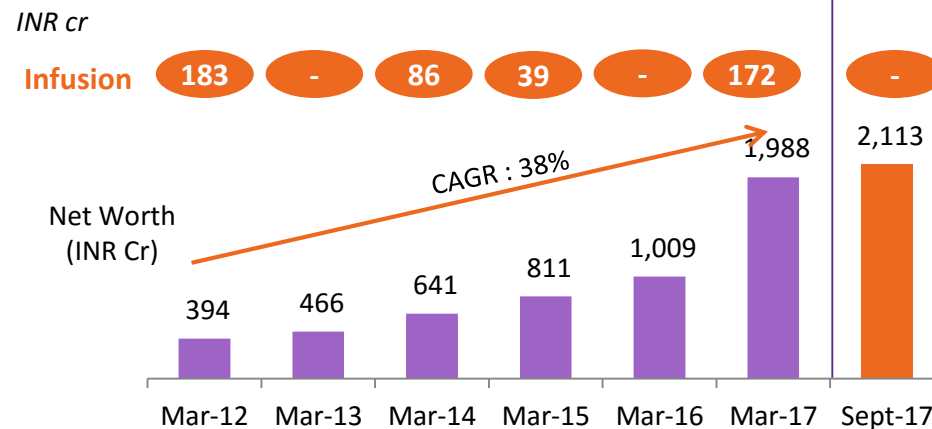
4. NII+OI, Operating Cost ratio, Provision & Contingencies ratio, RoA & RoE are calculated on Average Gross AUM till FY17 whereas for Q1FY18 all such ratios are represented as% of Average Total Assets and

Robust Operating and Financial Performance (2/2)

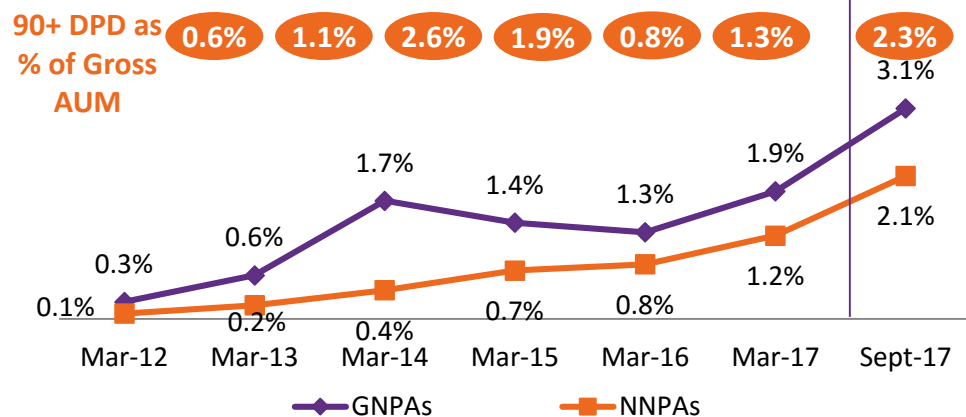
Growth Trajectory



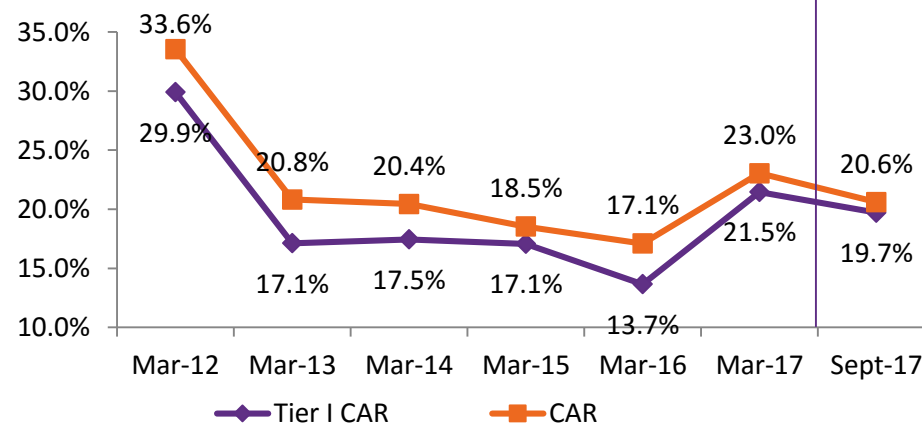
Network and Capital Infusion



Gross NPA¹, Net NPA & 90+DPD



Capital Adequacy

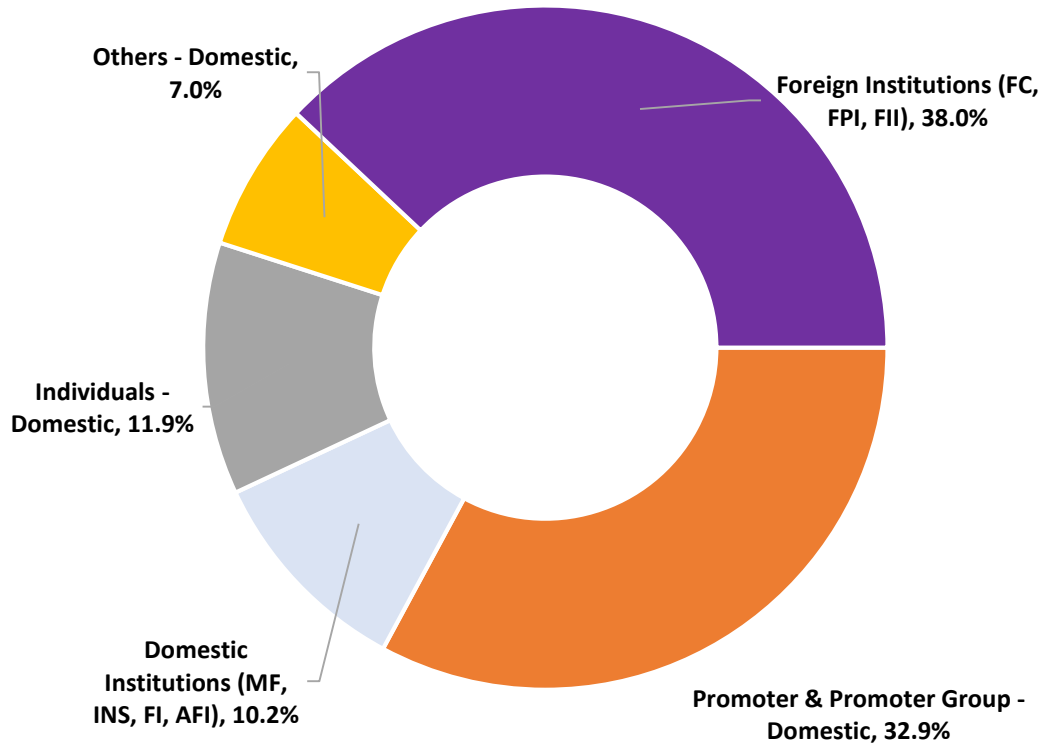


Internal accruals constitute a significant portion of the net worth. Network as at Sept 30, 2017 of Rs. 2,113 Cr includes capital infusion of INR 579 cr and balance are internal accruals

1. NPA recognition till Mar-15 was on overdue for more than 180 days basis which moved to overdue more than 150 days as at Mar-16, overdue more than 120 days as at Mar-17 and overdue more than 90 days as at Sept 30, 2017 in line with regulatory requirements.

Marquee Shareholders Base – As on 30th Sep 2017

Shareholding Break –up



Key Non-Promoter Shareholders (Holding above 1%)

Holding

Redwood Investment (Warburg Pincus)	15.82%
International Finance Corporation	7.99%
Ourea Holdings (Kedara Capital I)	3.95%
Labh Investments (ChrysCapital VI LLC)	3.80%
SBI Mutual Fund (through its various MF schemes)	3.62%
ICICI Pru Life Insurance	1.71%
SBI Life Insurance	1.71%
Motilal Oswal Mutual Fund (through its various MF schemes)	1.58%
Amansa Holdings	1.22%
Motilal Oswal Securities	1.15%

This presentation has been prepared by AU SMALL FINANCE BANK LIMITED (the “Bank”) solely for information purposes, without regard to any specific objectives, financial situations or informational needs of any particular person. All information contained has been prepared solely by the Bank. No information contained herein has been independently verified by anyone else. This presentation may not be copied, distributed, redistributed or disseminated, directly or indirectly, in any manner.

This presentation does not constitute an offer or invitation, directly or indirectly, to purchase or subscribe for any securities of the Bank by any person in any jurisdiction, including India and the United States. No part of it should form the basis of or be relied upon in connection with any investment decision or any contract or commitment to purchase or subscribe for any securities. Any person placing reliance on the information contained in this presentation or any other communication by the Bank does so at his or her own risk and the Bank shall not be liable for any loss or damage caused pursuant to any act or omission based on or in reliance upon the information contained herein. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this presentation. Such information and opinions are in all events not current after the date of this presentation. Further, past performance is not necessarily indicative of future results.

This presentation is not a complete description of the Bank. This presentation may contain statements that constitute forward-looking statements. All forward looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially include, among others, future changes or developments in the Bank’s business, its competitive environment and political, economic, legal and social conditions. Given these risks, uncertainties and other factors, viewers of this presentation are cautioned not to place undue reliance on these forward-looking statements. The Bank disclaims any obligation to update these forward-looking statements to reflect future events or developments.

Except as otherwise noted, all of the information contained herein is indicative and is based on management information, current plans and estimates in the form as it has been disclosed in this presentation. Any opinion, estimate or projection herein constitutes a judgment as of the date of this presentation and there can be no assurance that future results or events will be consistent with any such opinion, estimate or projection. The Bank may alter, modify or otherwise change in any manner the content of this presentation, without obligation to notify any person of such change or changes. The accuracy of this presentation is not guaranteed, it may be incomplete or condensed and it may not contain all material information concerning the Bank.

This presentation is not intended to be an offer document or a prospectus under the Companies Act, 2013 and Rules made thereafter, as amended, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended or any other applicable law.

Figures for the previous period / year have been regrouped wherever necessary to conform to the current period’s / year’s presentation. Total in some columns / rows may not agree due to rounding off.

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



THANK YOU

ALM	Asset Liability Management	NPA	Non Performing Assets
AUM	Asset Under Management	NSE	National Stock Exchange
BSE	Bombay Stock Exchange	OPEX	Operating Expenses
CASA	Current Account Deposits and Savings Account Deposit	PAT	Profit After Tax
CRAR	Capital Adequacy Ratio	PPOP	Pre-Provisioning Operating Profit
CRR	Cash Reserve Ratio	Q-o-Q	Quarter on Quarter
DPD	Days Past Due	ROA	Return on Average Assets
EPS	Earning Price Per Share	ROE	Return on Average Shareholder's Fund
IFSC	Indian Financial System Code	RTGS	Real Time Gross Settlement
IPO	Initial Public Offer	SFB	Small Finance Bank
LCR	Liquidity Coverage Ratio	SLR	Statutory Liquidity Ratio
NBFC	Non-Banking Finance Company	STP	Straight Through Processing
NII	Net Interest Income	Y-o-Y	Year on Year