

Ref. No.: AUSFB/SEC/2024-25/387

Date: January 24, 2025

To,

National Stock Exchange of India Ltd. Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai 400051, Maharashtra. NSE Symbol: AUBANK	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001, Maharashtra. Scrip Code: 540611, 958400, 959025, 974093, 974094, 974095, 974914, 974963, 975017 & 975038
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Dear Sir/Madam,

Sub: Press Release on Unaudited Financial Results of AU Small Finance Bank Limited for the Quarter and Nine months ended on December 31, 2024

Ref: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

In continuation to our disclosure for unaudited financial results of AU Small Finance Bank Limited (“the Bank”) for the Quarter and Nine months ended on December 31, 2024, we are submitting herewith the Press Release on the same.

The Press Release may also be accessed on the website of the Bank at the link: <https://www.aubank.in/investors/quarterly-reports>.

This is for your information and records.

Thanking You,

Yours faithfully,

For AU SMALL FINANCE BANK LIMITED

Manmohan Parnami
Company Secretary and Compliance Officer
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Encl: As above



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For Immediate Release

AU Small Finance Bank Announces Q3'FY25/9M'FY25 Financial Results

Profit grows by 41% YoY to ₹528 Cr for Q3'FY25 and 38% YoY for 9M'FY25 at ₹1,602 Cr; RoA and RoE at 1.5% and 13.0% for Q3'FY25 and 1.6% and 13.5% respectively for 9M'FY25

Key highlights for Q3'FY25

- Net Interest Income (NII) grew 53% YoY to ₹2,023 Crore compared to ₹1,325 Crore during Q3'FY24
- Other Income grows by 40% YoY driven by fee income, cross sell, and credit cards
- Operating profit (PPoP) grows 85% YoY to ₹1,205 Cr supported by growth in income and calibrated Opex
- PAT grows 41% YoY to ₹528 Cr for Q3'FY25 with annualized RoA of 1.5% and RoE of 13.0%
- Cost of Funds increased by 2 bps during the quarter to 7.06%
- Net Interest Margin (NIM) improved to 5.9% YoY from 5.5% in Q3'FY24
- Cost to Income ratio reduced by 886 bps YoY to 54.4% for Q3'FY25
- CD ratio as on 31st December 2024 stood 81% excluding advances created out of refinance from DFIs
- Gross loan portfolio stood at ₹1,08,921 Cr, registering a YTD growth of 12.9%
- Total deposits stood at ₹1,12,260 Cr, registering a YTD growth of 14.9%
- CASA for the quarter stood at 31%; CASA + Retail term deposit at 65%; and CASA + Retail TD + non-callable bulk deposit at 80%
- PCR at 80% including technical write-off; GNPA ratio as on 31st Dec'24 is 2.31% and NNPA ratio at 0.91%
- For 9M'FY25, EPS grew by 24% YoY whereas Book Value Per Share (BVPS) grew by 23% in same time
- Bank now has total 1.1 Cr+ customers; serves them through a total 2,400 touchpoints across 21 states and 4 UTs with total strength of 49K+ employees

FY25 numbers are on merged basis and previous periods numbers may not be comparable

Mumbai/ Jaipur | 24th Jan 2025: The Board of Directors of AU Small Finance Bank Limited at its meeting held today, approved the financial results for the quarter ended December 31, 2024.

Executive Summary

After seeing some pick-up during festive season, the economic momentum turned subdued during the latter part of Q3 but overall environment is relatively better than H1'FY25. Liquidity remained in deficit for most part of the quarter leading to consistent pressure on interest rates and deposit growth. Additionally, unsecured advances (esp. MFI) continue to be in a corrective phase across industry.

Amidst this operating environment, the Bank has delivered a well-rounded performance and focused on tighter underwriting, managing cost of funds and controlling opex.

Performance at a glance:

Profitability

Q3'FY25 highlights

- The Bank's pre-provisioning operating profit (PPoP) for Q3'FY25 grew 85% YoY to ₹1,205 Crore compared to ₹650 Crore in Q3'FY24.
- PAT was up 41% YoY and saw a decline of 7% QoQ at ₹528 Cr (Vs. ₹375 Cr in Q3'FY24 and ₹571 Cr in Q2'FY25)
- Operating expenses in this quarter was down by 3% QoQ to ₹1,436 Cr and up 29% YoY
- Cost to Income declined by 886 bps YoY to 54.4% in Q3'FY25
- Net Interest Margin (NIM) for Q3'FY25 stood at 5.9%
- The Return on Asset (ROA) and Return on Equity (ROE) for Q3'FY25 stood at 1.5% and 13.0% respectively

9M'FY25 highlights

- The Bank's Net Interest Income (NII) grew 55% YoY to ₹5,918 Crore compared to ₹3,820 Crore during 9M'FY24
- The Bank's pre-provisioning operating profit (PPoP) for 9M'FY25 grew 81% YoY to ₹3,288 Crore compared to ₹1,817 Crore in 9M'FY24.
- The net profit at ₹1,602 Crore 9M'FY25 grew 38% YoY compared to ₹1,164 Crore in 9M'FY24
- Net Interest Margin (NIM) for 9M'FY25 stood at 6.0% compared to 5.6% in 9M'FY24
- The Return on Asset (ROA) and Return on Equity (ROE) stood at 1.6% and 13.5% respectively for 9M'FY25
- For 9M'FY25, EPS at ₹21.6 grew by 24% YoY whereas Book Value Per Share (BVPS) at ₹223 grew by 23% during the same time

Advances

- Gross loan portfolio (GLP) stood at ₹108,921 Cr, registering a QoQ growth of 3.7% and YTD growth of 12.9%
- Secured loans were up 5.1% QoQ (90% of portfolio), Unsecured businesses were down by 7% QoQ
- Yield on gross advances at 14.4% was down by 5bps QoQ due to mix change
- Disbursement yield for Q3 was at 15.1% (vs. 15.2% in Q2), driven primarily by mix change
- 83% disbursements were in high-RoA businesses during Q3'FY25 vs 81% in Q2'FY25



Deposits

- Total Deposits grew 14.9% YTD and 2.3% QoQ; with CASA ratio of 30.6% as on Dec'24 vs 32.4% as on Sep'24
- CA/SA deposits have grown by 4%/11% YTD; Q3 saw some outflow from Govt savings accounts and on a QoQ basis, CA/SA balances declined by 5.6%/2.6% in Q3
- On Quarterly Average Balance (QAB) basis, CA/SA deposits were up 5.9%/4.4% QoQ respectively; Total deposits were up 8% QoQ
- CASA + Retail TD stands at 65% and CASA + Retail TD + Non-callable Bulk TD is 80% of total deposits
- Cost of Funds (CoF) for Q3'FY25 increased by 2 bps to 7.06% compared to 7.04% in Q2'FY25; 9M'FY25 CoF at 7.05%

Balance Sheet

- Credit Deposit (CD) ratio as on 31st December 2024 stood at 81% excluding advances created out of refinance from Development Finance Institutions (DFI) like NABARD, SIDBI, NHB, MUDRA
- The Bank had a Liquidity Coverage Ratio (LCR) of 115% for Q3'FY25 and continues to maintain additional liquidity buffers in the form of high-quality, liquid, non-SLR investments, which are not part of LCR computation
- Shareholder's fund of the Bank has now reached ₹16,602 Cr
- Capital adequacy ratio as on 31st Dec'24 stands at 18% and including 9 months profit stands at 19.9%
- Tier I capital adequacy stands at 16.9% and including 9 months profit stands at 18.8%

Asset Quality

- GNPA increased to 2.31% (vs 1.98% in Q2) and NNPA increased to 0.91% (vs. 0.75% in Q2) led primarily by unsecured assets
- Banks credit cost for Q3'FY25 stood at 0.36% of total average assets owing to stress in unsecured businesses (MFI and Credit Card) where the current environment remains challenging with customer overleveraging being an industry wide issue. This has been exacerbated by lower disbursement / base effect
- Provision coverage ratio stood at 80% including technical write off

Other key updates

Credit Rating

- AA+/ Stable for Fixed deposit program by CRISIL
- AA/ Stable for long term Tier II Bonds by CRISIL, ICRA, India Ratings and CARE
- A1+ for short term Certificate of Deposit program by CRISIL, India Ratings and CARE

Initiatives & Awards

- The Bank has partnered with Bharti AXA Life Insurance in life insurance to expand the Bank's third-party product offering to our customers.



- Launched 'AU Eternity' - a luxury Banking Program in collaboration with Mastercard. It is designed to complement 'AU IVY', 'AU Royale' and 'AU Platinum'
- AU Ignite - Bank's skills training academy, till date has trained 25,400 youths, of which 19,550+ were linked to employment across 16 centers of Rajasthan.
- AU Bano Champion, our rural sports coaching initiative, is live across 62 locations with 8,100+ children benefited across 7 sports
- Till date in AU Udyogini, our flagship Women Entrepreneurship program, has engaged 3,250+ women and 1,502 are nurtured under Individual Women Entrepreneurship
- AU Kartavya - conducted vital relief efforts to flood affected families across Guntur, Cuddalore, Puducherry, Viluppuram and Vadodara districts
- Bank was awarded "Best SIP Performer in Bank Category 2024" & "Best Performer in Bank Category 2024" by BSE
- Bank won "Best Small Finance Bank" At Mint BFSI Summit & Awards
- "Best Cloud Management and Infrastructure Initiative Award" At ET Now Data Center & Cloud Innovation Summit & Awards 2024

Commenting on the performance, Mr. Sanjay Agarwal, Founder, MD & CEO, AU Small Finance Bank said, *"The economy saw some bounce back during festive season, however the momentum slowed down towards the latter half of the quarter. Overall economic activity whilst better than H1, remains below market expectations. Tight liquidity and persistent inflation continue to pose challenge to deposit growth and interest rates"*

Amidst this backdrop and in a highly competitive market, our performance in the first 9 months of the financial year has been resilient. We continue to grow at higher rates than the industry across both advances and deposits. Our secured assets franchise remains in a very good shape, however Microfinance business continues to see elevated credit cost and degrowth in line with the industry. We remain focused on empowering individuals and businesses, contributing to India's economic resilience and sustainable growth and I am thankful to the Government for supporting the MSME and Micro credit sector with various guarantee schemes".

Summary of Financials

Profit & Loss Statement

(All Figures in ₹ Crore)	9M'FY25	9M'FY24	YoY	Q3'FY25	Q3'FY24	YoY	Q2'FY25	QoQ
Income								
Interest Earned	11,793	7,725	53%	4,113	2,736	50%	3,911	5%
Interest Expended	5,875	3,905	50%	2,091	1,411	48%	1,936	8%
Net Interest Income	5,918	3,820	55%	2,023	1,325	53%	1,974	2%
Other Income	1,766	1,156	53%	618	442	40%	638	-3%
Net Total Income	7,683	4,976	54%	2,641	1,767	49%	2,612	1%
Expenses								
Employee Cost	2,330	1,548	51%	755	529	43%	785	-4%
Other Operating Expenses	2,065	1,612	28%	682	589	16%	695	-2%
Operating Expenses	4,395	3,160	39%	1,436	1,117	29%	1,481	-3%
PPoP	3,288	1,817	81%	1,205	650	85%	1,132	6%
Provisions	1,158	272	325%	502	151	231%	373	35%
Profit Before Tax	2,131	1,545	38%	703	498	41%	759	-7%
Tax expenses	529	381	39%	175	123	42%	188	-7%
Profit After Tax	1,602	1,164	38%	528	375	41%	571	-7%

Other Income

(All Figures in ₹ Crore)	9M'FY25	9M'FY24	YoY	Q3'FY25	Q3'FY24	YoY	Q2'FY25	QoQ
Loan Assets Processing & Other Fees	790	549	44%	288	200	44%	272	6%
General Banking, Cross Sell & Deposits related fees	469	310	51%	155	125	24%	172	-10%
PSLC Fees	4	0	N. A	2	0	N.A	2	0%
Credit Card	292	211	39%	93	88	5%	98	-5%
Miscellaneous	77	41	85%	34	12	182%	25	35%
Core Other Income	1,633	1,112	47%	572	426	34%	570	0%
Income from Treasury Operations	133	44	199%	46	17	181%	68	-31%
Other Income	1,766	1,156	53%	618	442	40%	638	-3%
Other Income as % of NII	30%	30%	N.A	31%	33%	N.A	32%	N.A

Balance Sheet

(All Figures in ₹ Crore)	31st Dec'24	31st Dec'23	YoY	30th Sep'24	QoQ	1st Apr'24 (Merged Opening B/S)	YTD
Liabilities							
Shareholders Fund	16,602	12,167	36%	16,041	3%	14,985	11%
Deposits	1,12,260	80,120	40%	1,09,693	2%	97,704	15%
Borrowings	9,988	5,414	84%	8,777	14%	9,240	8%
Other Liabilities and Provisions	4,195	3,474	21%	4,318	-3%	4,762	-12%
Total Liabilities	1,43,044	1,01,176	41%	1,38,829	3%	1,26,690	13%
Assets							
Cash and Balances	6,231	5,155	21%	8,506	-27%	7,528	-17%
Investments	33,613	26,714	26%	31,861	6%	30,329	11%
Advances	99,559	66,740	49%	94,838	5%	85,514	16%
Fixed Assets	914	807	13%	920	-1%	918	0%
Other Assets	2,727	1,760	55%	2,704	1%	2,401	14%
Total Assets	1,43,044	1,01,176	41%	1,38,829	3%	1,26,690	13%
Securitized Assets	7,932	8,553	-7%	8,998	-12%	10,012	-21%



About AU Small Finance Bank

AU Small Finance Bank Limited (AU SFB) is a scheduled commercial bank and has established itself as the largest SFB in India since starting its banking journey in April 2017. Established in 1996 by Mr. Sanjay Agarwal, a first-generation entrepreneur, AU SFB boasts a 29 years-legacy with deep understanding of the rural and semi-urban markets and customer segments. The Bank operates a sustainable business model that facilitates credit to the unserved and underserved retail and MSME customer segments while providing complete banking solutions to its deposit and branch banking customers. As a tech-led Bank, AU has a strong digital presence with innovative products and services like 24X7 video banking, credit cards, personal loans, UPI QRs, payments, merchant lending, WhatsApp Banking, Chatbots etc. and its digital bank application AU0101 remains among the higher rated banking apps in India.

The Bank operates from 2,400 banking touchpoints across 21 States & 4 Union Territories serving 1.1 Cr+ customers with an employee base of 49,000+ employees. As on 31st December'24, Bank has a Shareholders Funds of ₹16,602 Cr, Deposit base of ₹1,12,260 Cr, Total Loan Portfolio of ₹1,08,921 Cr and a Balance sheet size of ₹1.43 Lac Cr+. AU SFB enjoys the trust of marquee investors and is listed at both NSE and BSE. It has consistently maintained high external credit Rating and is presently rated 'AA/Stable' by CRISIL Ratings, ICRA Ltd., CARE Ratings and India Ratings, while the Bank's FD is rated 'AA+/Stable' from CRISIL Ratings.

Website: www.aubank.in | X: [@aubankindia](https://twitter.com/aubankindia) | Facebook: [AU Small Finance Bank](https://www.facebook.com/AU-Small-Finance-Bank) | LinkedIn: [AU Bank](https://www.linkedin.com/company/aubank)

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