

Ref. No.: AUSFB/SEC/2024-25/297

Date: October 23, 2024

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: Presentation to Investors on Unaudited Financial Results of AU Small Finance Bank Limited for the Quarter and Half Year ended on September 30, 2024

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

In continuation to our intimation for Conference Call to discuss Financial Results of AU Small Finance Bank Limited ("the Bank") for the Quarter and Half Year ended on September 30, 2024 vide letter dated October 09, 2024, we submit herewith the Investors Presentation on Unaudited Financial Results of the Bank for the Quarter and Half Year ended on September 30, 2024.

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

Further, the audio/video recordings and transcript of the Conference call shall also be made available at the above link within the prescribed timelines.

This is for your information and records.

Thanking You,

Yours faithfully,

For AU SMALL FINANCE BANK LIMITED

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

BADLAAV
HUMSE HAI



INVESTOR PRESENTATION Q2 FY2024-25

23rd October 2024

Sustainable Business Model | Retail Focused | Tech-Led | Customer Centric | Well Governed

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Operating Environment

- ❑ Operating environment has been challenging during the last 6 months with persistent inflation and tight liquidity, prolonged elections (both national and state), along with intense heat wave in Q1, and unusually heavy rains in Q2
- ❑ This affected continuity of policy making and underlying businesses activity, specially impacting unorganized/ informal segments across rural and semi-urban areas where most of AU's customers operate
- ❑ Since mid-September, there are early signs of pickup in economic activity in our markets / customer segments, and we are optimistic of an improved operating environment in H2

Operating Performance & highlights

- ❑ Bank filed application with RBI for voluntary transition to Universal Bank on 3rd September 2024
- ❑ Our focus has remained on optimizing Cost of Funds (CoF), improving yield and calibrating operating expenses
- ❑ Q2 remained strong with deposits growing by 12.7% QoQ (CASA growth of 11% QoQ) and gross loan portfolio growing by 5.3% QoQ
- ❑ PPop grew 19% QoQ with PAT growing by 14% QoQ aided by strong other income growth of 25% and flattish Opex over Q1
- ❑ Asset quality ratios remain higher than expected, impacted by loss of business momentum in our customer segments:
 - Secured businesses - we remain well collateralized and expect some pullback in the second half driven both by seasonality and pick up in economic activity
 - Commercial Banking remains in-line
 - MFI impacted by customer overleveraging; full year credit cost likely to exceed our initial stand of 3% through the cycle
 - In credit cards, we continue to calibrate our approach and credit cost likely to remain elevated for the full year

Outlook for FY25

- ❑ Remain on track to achieve ~25% growth in both deposits and loans (with YTD growth of 12.3% and 8.9% respectively)
- ❑ Full year CoF now expected to be lower in 7.10 -7.15% range (vs initial guidance of 7.20 – 7.25%), margins to remain ~6.0%
- ❑ Credit costs to remain elevated and expect to finish full year around the same levels as in H1 based on current outlook. There could be a variance of 5-10 bps depending on economic conditions
- ❑ Aim to deliver full year RoA around our guidance of ~1.6% despite higher credit cost



Deposit and Liquidity - Q2'FY25

Total Deposits

₹1,09,693 Cr
(₹97,290 Cr)

CA Deposits

₹5,981 Cr
(₹4,736 Cr)

SA Deposits

₹29,540 Cr
(₹27,299 Cr)

Cost of Funds

7.04%
(7.03%)

CD Ratio

86%
(92%)

CD Ratio (ex-refinance)

80%
(84%)

LCR Ratio

112%
(117%)

Deposits & Cost of Funds

- ❑ Total deposits crossed milestone of one lakh crore to stand at ₹109,693 Cr, registering a QoQ growth of 12.7% and YTD growth of 12.3%
 - Current account (CA) deposits grew 26% QoQ and Saving deposits (SA) grew 8% QoQ
 - CASA deposit growth of 11% sequentially to ₹35,521 Cr with CASA ratio at 32%
- ❑ CASA + Retail TD stands at 67% and CASA + Retail TD + Non-callable Bulk TD is 81% of total deposits
- ❑ CoF for Q2'FY25 was broadly stable at 7.04% compared to 7.03% in Q1'FY25
 - Full year CoF is now expected to be in 7.10 -7.15% range (vs initial guidance of 7.20 – 7.25%)
- ❑ 43% of our liability branches (excl. unbanked), live on Dec'23, are now profitable (vs. 25% on Dec'23)

CD ratio/Loan to Deposit ratio (LDR)

- ❑ CD ratio as on 30th September 2024 stood at 86% as compared to 92% as on Q1'FY25
- ❑ After adjusting for loans against which refinance was availed from domestic Development Finance Institutions (DFIs), the CD ratio stands at 80% (vs. 84% in Q1'FY25)
- ❑ For FY25, endeavor is to maintain CD ratio at 80-85%, net of refinance

Liquidity Coverage Ratio (LCR)

- ❑ Average LCR for the quarter was at 112% compared to 117% in Q1'FY25 and Q4'FY24
- ❑ Bank continues to carry sufficient high-quality, liquid, non-SLR investments, not part of LCR computation

Advances and Asset Quality – Q2'FY25

Gross Loan Portfolio

₹1,05,031 Cr
(₹99,792 Cr)

Gross Advances (GA)

₹96,033 Cr
(₹90,702 Cr)

GA Yield

14.4%
(14.4%)

Gross NPA

1.98%
(1.78%)

Net NPA

0.75%
(0.63%)

Credit Cost on Total Avg asset

0.50% for H1'FY25

Provisioning Coverage (PCR)

82%
(84%)

Loan Portfolio

- ❑ Gross loan portfolio crossed milestone of one lakh crore to stand at ₹105,031 Cr, registering a QoQ growth of 5.3% and YTD growth of 8.9% despite slowdown in MFI and calibrated approach in credit cards
- ❑ The yield on gross advances remained stable at 14.4% QoQ
 - Disbursement yield for Q2 was at 15.2% (vs. 15.8% in Q1), decrease in yield driven primarily by mix change with lower MFI; disbursement yields in secured retail assets were broadly stable
 - Overall, for H1'FY25, disbursement yields have increased by 34 bps in Wheels, 40 bps in MBL and 130 bps in Housing (vs Q4'FY24)
 - 81% disbursements in high-RoA assets

Asset Quality

- ❑ GNPA increased to 1.98% (vs 1.78% in Q1) and NNPA increased to 0.75% (vs. 0.63% in Q1)
- ❑ Net credit cost for Q2'FY25 was at 0.28% of Total Average Assets
- ❑ For H1'FY25 net credit cost is 0.50% of Total Average Assets
 - Driven mainly by ongoing stress in unsecured (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
 - In secured assets, we expect to see pull back in H2 which has seasonally remained a stronger half
- ❑ Bank has taken various steps to reduce slippages and collections, both in credit cards and MFI business, including tightening underwriting, reducing loan amounts and strengthening collections team
- ❑ Credit costs to remain elevated and expect to finish full year around the same levels as in H1 based on current outlook. There could be a variance of 5-10 bps depending on economic conditions



Financial Performance – Q2'FY25

**Net Interest
income**

₹1,974 Cr
(₹1,921 Cr)

Other Income

₹638 Cr
(₹509 Cr)

**Operating
expenses**

₹1,481 Cr
(₹1,478 Cr)

Net Profit

571
(503)

NIM

6.1%
(6.0%)

RoA / RoE

1.7% / 14.5%
(1.6% / 13.2%)

Tier-I / CRAR

17.4%/18.5%
(18.9%/20.1)

Earnings

- ❑ Net Interest Income grew 58% YoY and 3% QoQ to ₹1,974 Cr
- ❑ NIM, on interest earning assets, for the quarter stood at 6.1% (vs. 6.0% in Q1) aided by optimization of investment book seen during Q1 and for most of Q2
 - Endeavor is to protect margins in the range of ~6.0% for full year
- ❑ Fee income saw strong growth aided by higher disbursement, banking fee, insurance & transaction banking
 - All of our investments have started being monetized including early signs of offtake in AD-I business
- ❑ Other Income also saw support from treasury gains from investment activities aided by favorable interest rate movement and strong capital markets

Operating Expenses

- ❑ Opex / Total Assets was at 4.5% in Q2 (vs 4.6% in Q1) and C/I was at 57% in Q2 vs 61% in Q1 (~59% for H1'FY25)
 - Aided by higher efficiency, some moderation in overhead cost and lower acquisition in credit cards
 - Additionally, strong other income in Q2 has also aided C/I ratio
- ❑ Operating expenses are seasonally higher in H2 we expect full year FY25 Cost to Income around ~ 60%

Profitability and Capitalisation

- ❑ For Q2'FY25, PPOp was up 19% QoQ led by growth in other income and operational cost discipline
- ❑ PAT was up 42% YoY and 14% QoQ at ₹571 Cr (Vs. ₹402 Cr in Q2'FY24 and ₹503 Cr in Q1'FY25)
- ❑ Annualized RoA and RoE for H1'FY25 stood at 1.7% and 13.8% respectively
- ❑ Tier 1 ratio at 18.7% and CRAR at 19.8% including profits for H1'FY25

1. Numbers in parenthesis () are comparative nos. for Q1'FY25; Previous year numbers may not be directly comparable due to Fincare merger being effective from 1st Apt'24
 2.NIM is calculated on the Interest earning Assets on daily average basis including off book assets
 Bad debt recovery has been reclassified from other income to provisions and previous period numbers are reclassified with the same effect

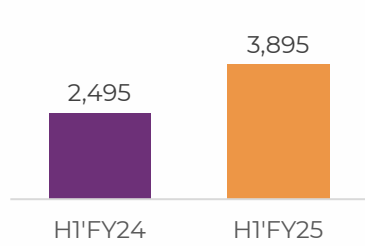
Business segments	FY25 guidance in Q1'FY25			Actual for H1'FY25 on Gross Loan Portfolio (GLP)		
	GLP mix	Annual Credit Cost	Weighted Credit cost	Avg GLP mix	Annualised Credit Cost	Weighted Credit cost
Secured Retail (Wheels, MBL, HL, GL, Others)	69.0%	0.80%	0.55%	68.7%	0.90%	0.62%
Commercial Banking	19.0%	0.50%	0.10%	19.3%	0.35%	0.07%
Microfinance	8.0%	3.00%	0.24%	7.8%	3.08%	0.24%
Credit Cards + PL/BL	4.0%	6.50%	0.26%	4.2%	8.35%	0.35%
Total Credit Cost	100.0%		1.15%	100%		1.28%

- ❑ **Secured retail assets** - Credit cost was elevated in H1 due to seasonality and some impact of unusually heavy rains in northern India in August – we expect to pull this back in H2 driven by both pick-up in economic activity and seasonally strong H2. We remain well collateralized here and ultimate losses on our secured retail portfolio have been historically low (even through GNPA may remain elevated in the interim)
- ❑ **Commercial Banking** – Expect to be within the guided range
- ❑ **Microfinance Portfolio** – It's a cyclical business and asset quality is elevated driven by industry wide issue of overleveraging of customers. We had guided for a 3% annualized through the cycle credit cost in MFI and the cycle has come earlier than anticipated, and credit loss would be greater in the short term. Slippages were higher in Q2 and the trend is likely to continue in Q3 as well
 - Annualized credit cost for H1'FY25 was 3.08%. We had made contingency provision of ₹17 Cr in Q1, which remains unutilized, and including that, overall credit cost 3.51% on GLP – also exacerbated by de-growth in the portfolio
- ❑ **Credit Cards + PL + BL** – We are building these businesses digitally and have taken many learnings from the last 3 years of our data in unsecured lending and implementing these learnings in our digital underwriting on a regular basis. We have also calibrated new card issuance and strengthened our collections team
 - Credit costs in this portfolio in Q2 is elevated along expected lines and headline number is further impacted by lower base effect. We expect credit cost to stay elevated in H2

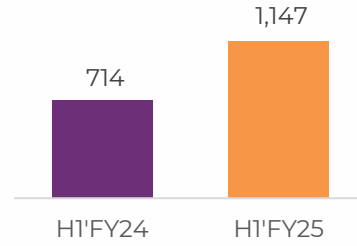
H1'FY25 Financial highlights

₹ in Crores

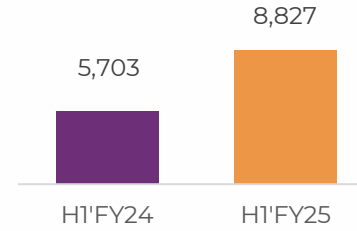
Net Interest Income



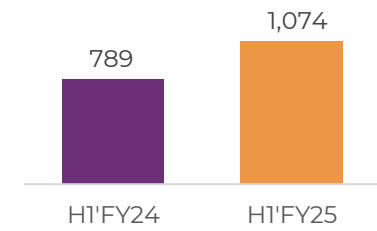
Other Income



Total Income



PAT



Yield on Advance

14.4%

Vs

13.4%
(H1'FY24)

Cost of Fund

7.04%

Vs

6.64%
(H1'FY24)

Net Interest Margin

6.1%

Vs

5.6%
(H1'FY24)

Cost to Income

58.7%

Vs

63.6%
(H1'FY24)

GNPA

1.98%

Vs.

1.91%
(30th Sep'23)

RoA

1.7%

Vs

1.7%
(H1'FY24)

RoE

13.8%

Vs

13.9%
(H1'FY24)

Provision Coverage Ratio

82%

Vs

73%
(30th Sep'23)

CRAR

18.5%

Vs

22.4%
(30th Sep'23)

Tier-I CRAR

17.4%

Vs

21.0%
(30th Sep'23)

#H1'FY25 ROA is computed based on monthly average of total assets as reported to Reserve Bank of India in Form X
Previous year numbers are not directly comparable due to Fincare merger being effective from 1st Apt'24
NIM is calculated on the Interest earning Assets including off book assets on a daily basis

Benefits from upgrade to Universal Bank license

Improved brand acceptance with higher perception of safety and trust leading to:



Increased customer acceptance of AU’s full product suite



Greater access to diversified sources of Deposits



Reduction in Cost of Funds over medium to long-term



Attract and retain talent

Leading to:

More sustainable business model with lower cost of funding and operations

Enabling AU for the next phase of our evolution and growth

Key Internal Monitorables	Guidance for Mar'27	H1'FY25 update
Portfolio mix shift towards higher RoA assets	High RoA assets to contribute 72-75%	Currently 73% Loan Portfolio is High RoA
Share of Current Account in total deposits	To increase by 100 bps to 150 bps	WIP
Branch banking profitability	Endeavor to make 65% branches (excluding unbanked) profitable out of branches live as on Dec'23	43% of our liability branches (excl. unbanked), which were live on Dec'23, are currently profitable on fully loaded basis (vs. ~25% in Dec'23)
Cost to Income	Cost to Income for FY24 at ~64.0% is peaked and will gradually reduce with FY27 projected to be <60%	On-track
Asset quality of Credit Cards Business	Keep in-line with industry	WIP
RoA	Endeavor to deliver 1.8% by FY27	On-track

Key External Monitorable

Bank is watchful on the final outcome of following regulatory guidelines:

- Draft circular on LCR framework
- Draft circular on Project finance
- Recent RBI discussion on revisiting levy of foreclosure charges for Micro and Small customers in last MPC meeting



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Profit & Loss statement

(All Figures in ₹ Crore)	H1'FY25	H1'FY24	YoY	Q2'FY25	Q2'FY24	YoY	Q1'FY25	QoQ
Income								
Interest Earned	7,680	4,989	54%	3,911	2,531	55%	3,769	4%
Interest Expended	3,785	2,494	52%	1,936	1,282	51%	1,848	5%
Net Interest Income	3,895	2,495	56%	1,974	1,249	58%	1,921	3%
Other Income	1,147	714	61%	638	406	57%	509	25%
Net Total Income	5,042	3,209	57%	2,612	1,655	58%	2,430	8%
Expenses								
Employee Cost	1,576	1,019	55%	785	512	53%	790	-1%
Other Operating Expenses	1,383	1,023	35%	695	515	35%	688	1%
Operating Expenses	2,959	2,042	45%	1,481	1,027	44%	1,478	0%
PPoP	2,084	1,167	79%	1,132	629	80%	952	19%
Provisions	656	121	444%	373	95	291%	283	32%
Profit Before Tax	1,428	1,046	36%	759	533	42%	669	13%
Tax expenses	354	258	37%	188	132	43%	166	13%
Profit After Tax	1,074	789	36%	571	402	42%	503	14%

- ❑ Q2'FY25 PPOp grew 19% QoQ driven by:
 - Growth in NII and Other income, and
 - Calibrated opex
- ❑ Credit costs were higher than expected impacted by seasonality and unusually heavy rains in Q2

Note: Bad debt recovery has been reclassified from other income to provisions and previous period numbers are reclassified with the same effect. Previous year numbers are not directly comparable due to Fincare merger being effective from 1st Apr'24

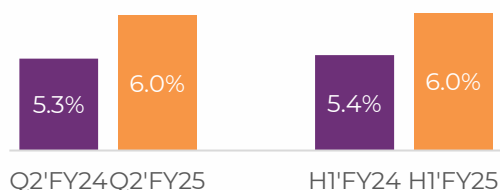
(All Figures in ₹ Crore)	H1'FY25	H1'FY24	YoY	Q2'FY25	Q2'FY24	YoY	Q1'FY25	QoQ
Loan Assets Processing & Other Fees	502	349	44%	272	184	48%	230	18%
General Banking, Cross Sell & Deposits related fees	314	185	70%	172	130	32%	142	22%
PSLC Fees	2	0	N.A	2	0	N.A	0	N.A
Credit Card	199	122	63%	98	67	46%	101	-3%
Miscellaneous	43	29	46%	25	14	74%	18	42%
Core Other Income	1,061	686	55%	570	396	44%	491	16%
Income from Treasury Operations	86	28	209%	68	11	537%	19	265%
Other Income	1,147	714	61%	638	406	57%	509	25%
Other Income as % Net Interest Income	29%	29%	N.A	32%	33%	N.A	27%	N.A

- ❑ Other income has sustainably grown over last few quarters and now stands at 32% of NII
- ❑ Key drivers of growth include:
 - Growing penetration of insurance products in our customer base
 - Increase in deposit and lending related fee with business volumes
 - Credit card interchange and fees
 - All investments have started being monetized including early signs of offtake in AD-I business, and Wealth Management
- ❑ Total other Income also saw some support from treasury gains from investment activities aided by favorable interest rate movement and strong capital markets

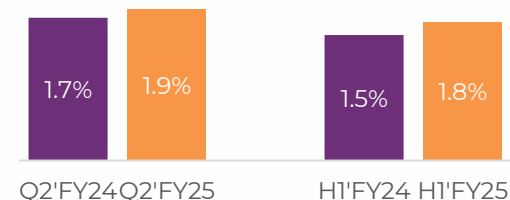


Profitability ratios (calculated on avg. of monthly total assets)

NII (%)

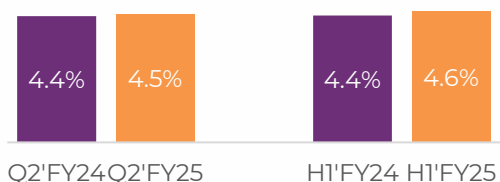


Other Income (%)

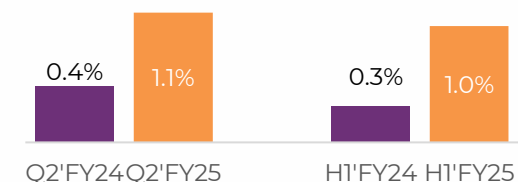


RoA Components

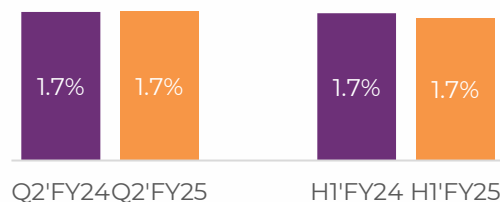
Opex (%)



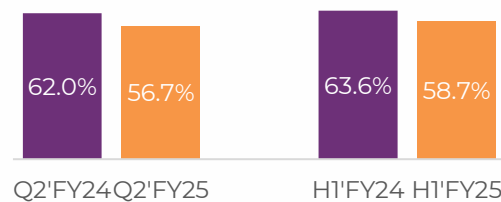
Provision & Contingencies (%)



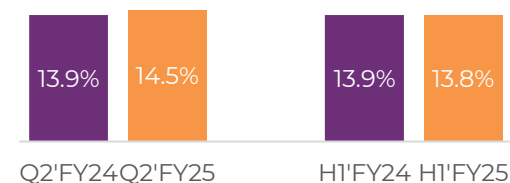
RoA (%)



Cost to Income (%)



RoE (%)

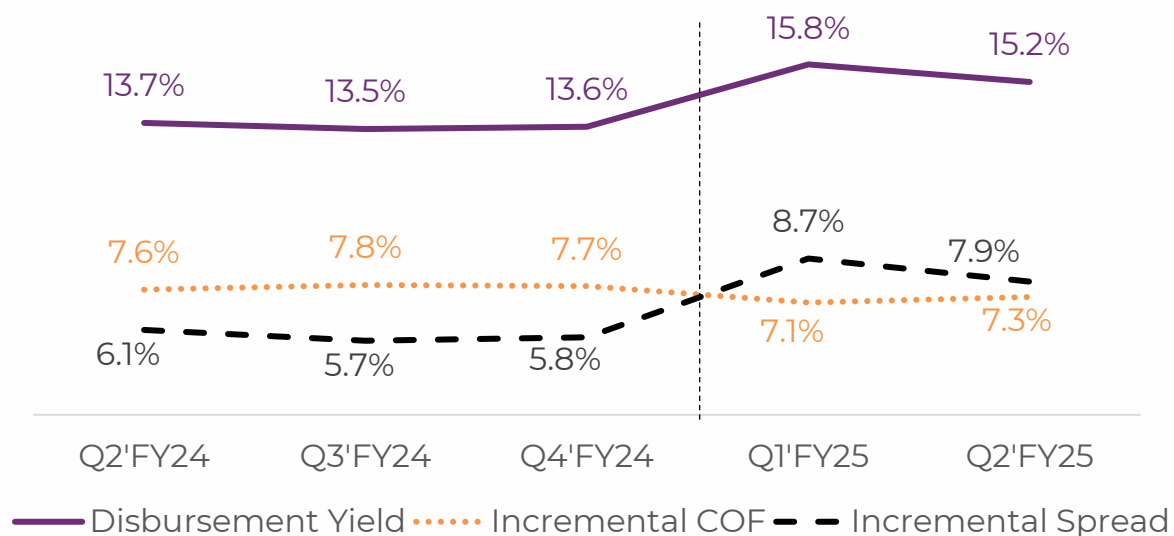


Notes:

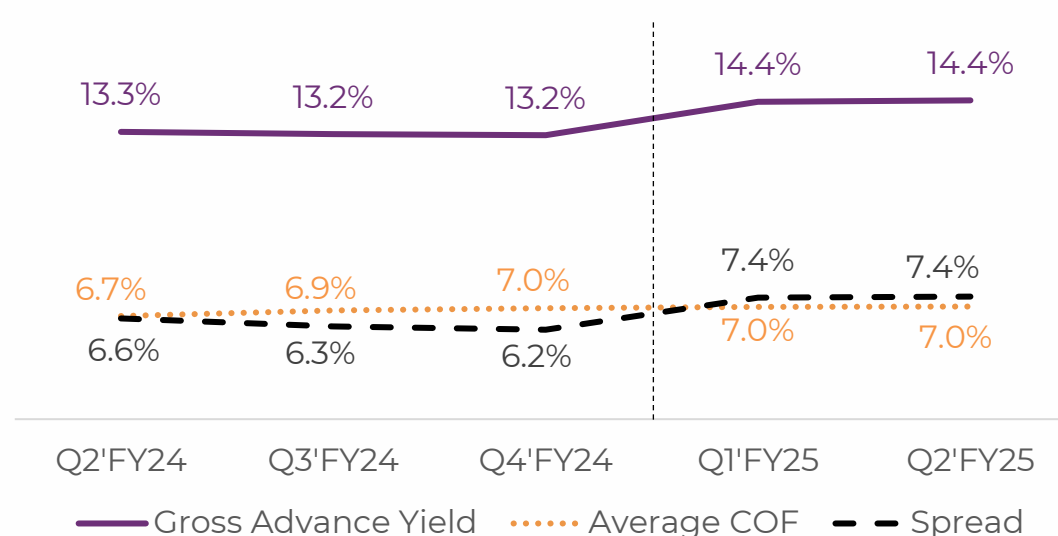
RoA, NII, Other income, Opex, Provisions & Contingencies for are represented as % of Avg. Total Assets;
 Average Total Assets for Q2'FY25 and H1'FY25 is computed based on monthly average of total assets as reported to Reserve Bank of India in Form X
 Bad debt recovery has been reclassified from other income to provisions and previous period numbers are reclassified with the same effect
 Previous year numbers are not directly comparable due to merger with Fincare effective from 1st Apt'24

Incremental spreads aided by higher disbursement yield

Incremental Spreads



Gross Advance Spreads



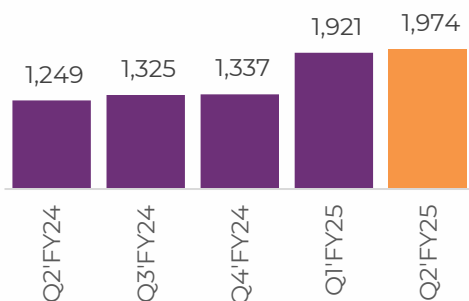
- ❑ QoQ decrease in disbursement yield driven primarily by mix change with lower disbursement in MFI; disbursement yields in secured retail assets was broadly stable
- ❑ Yields on gross advances remained stable at 14.4%
- ❑ CoF for Q2'FY25 was broadly stable at 7.04% compared to 7.03% in Q1'FY25

----- Merged numbers from Q1'FY25 onwards

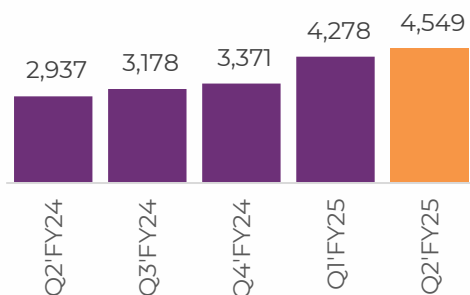
Quarterly trends of key parameters (1 of 2)

₹ in Crores

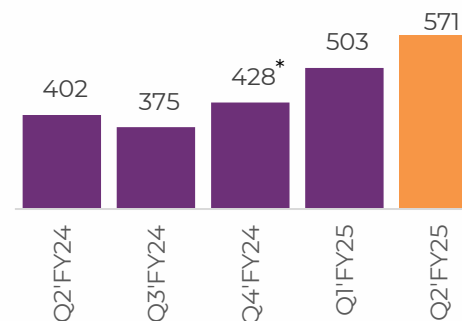
Net Interest Income



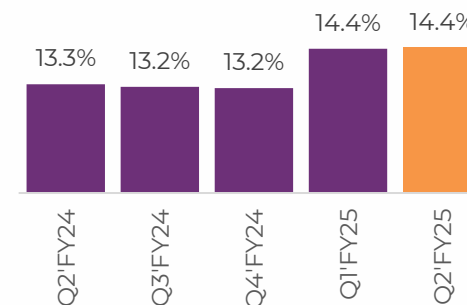
Total Income



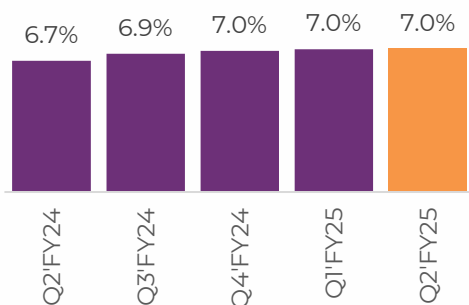
PAT



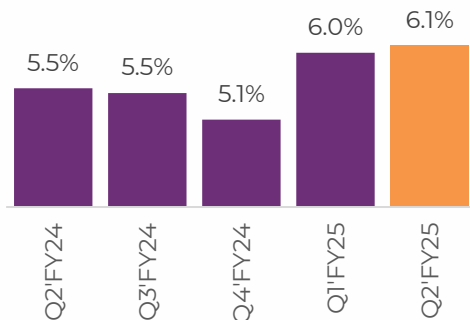
Gross Advance Yield



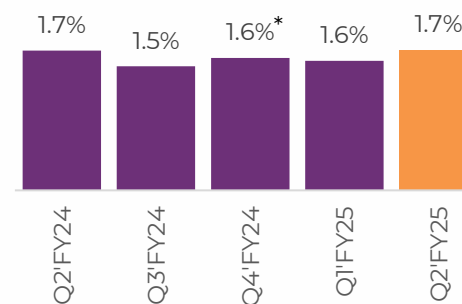
Cost of Fund



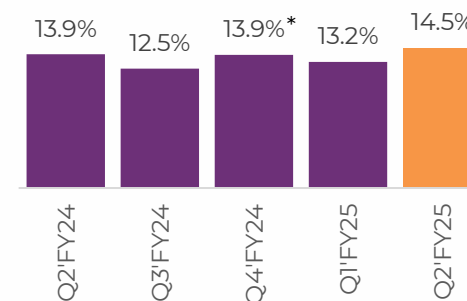
Net Interest Margin



RoA#



RoE



Note: *Figures for Q4'FY24 are excluding exceptional items – Stamp duty for merger and other transaction related expenses,
 #From Q1'FY25, ROA is computed based on monthly average of total assets as reported to Reserve Bank of India in Form X
 Previous year numbers are not directly comparable due to merger with Fincare effective from 1st Apt'24

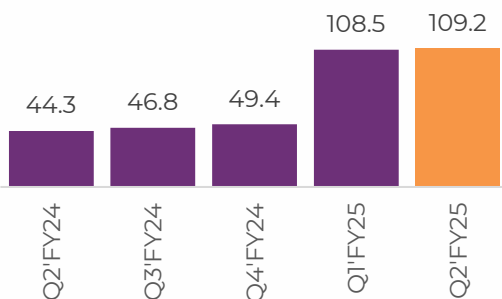


Quarterly trends of key parameters (2 of 2)

₹ in Crores

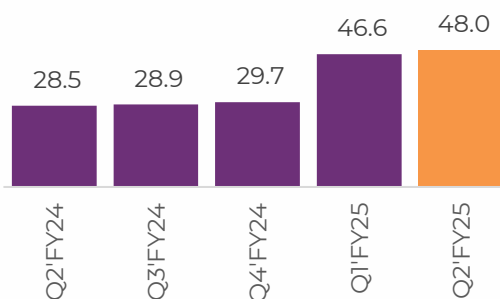
Customers

(in Lacs)

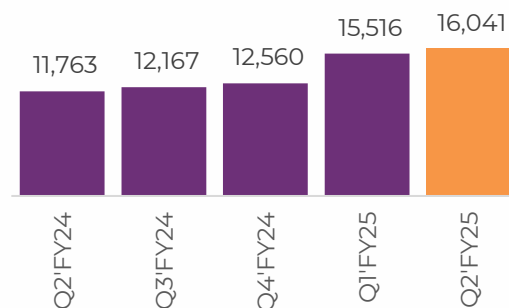


Employees

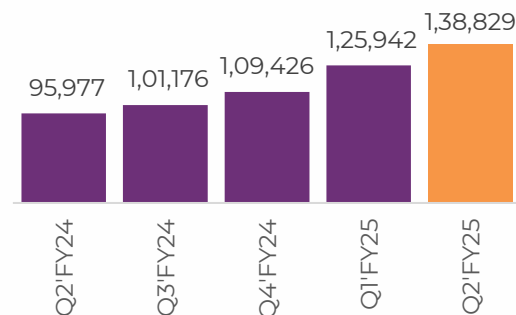
(in 000s)



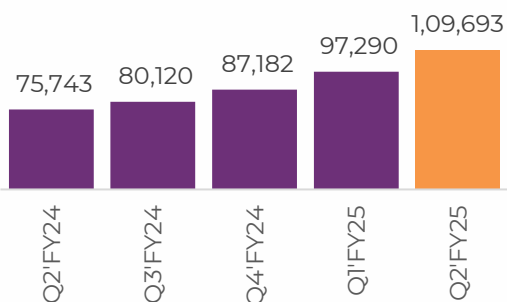
Shareholders' Funds



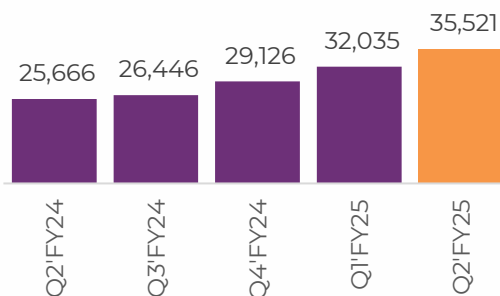
Total B/S Assets



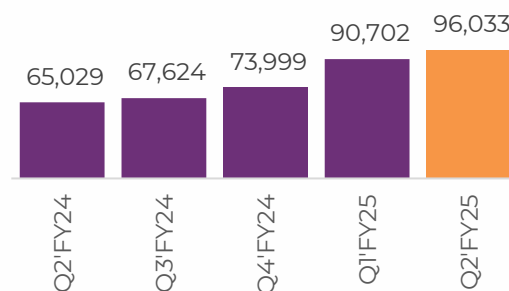
Deposits



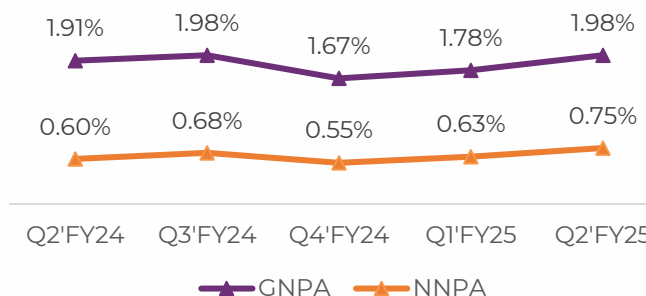
CASA Deposit



Gross Advances



GNPA and NNPA



Note: Previous year numbers are not directly comparable due to merger with Fincare effective from 1st Apt'24



(All Figures in ₹ Crore)	30 th Sep'24	30 th Sep'23	YoY	30 th Jun'24	QoQ	1 st Apr'24 (Merged Opening B/S)	YTD
Liabilities							
Shareholders Fund	16,041	11,763	36%	15,516	3%	14,985	7%
Deposits	1,09,693	75,743	45%	97,290	13%	97,704	12%
Borrowings	8,777	5,344	64%	8,931	-2%	9,240	-5%
Other Liabilities and Provisions	4,318	3,128	38%	4,205	3%	4,762	-9%
Total Liabilities	1,38,829	95,977	45%	1,25,942	10%	1,26,690	10%
Assets							
Cash and Balances	8,506	6,257	36%	5,608	52%	7,528	13%
Investments	31,861	23,220	37%	27,315	17%	30,329	5%
Advances	94,838	64,168	48%	89,652	6%	85,514	11%
Fixed Assets	920	757	21%	911	1%	918	0%
Other Assets	2,704	1,574	72%	2,457	10%	2,401	13%
Total Assets	1,38,829	95,977	45%	1,25,942	10%	1,26,690	10%
Off Book Assets	8,998	6,591	37%	9,089	-1%	10,012	-10%

- ❑ Strong Balance sheet with Capital adequacy ratio including profit is at **19.8%** as on 30th Sep'24

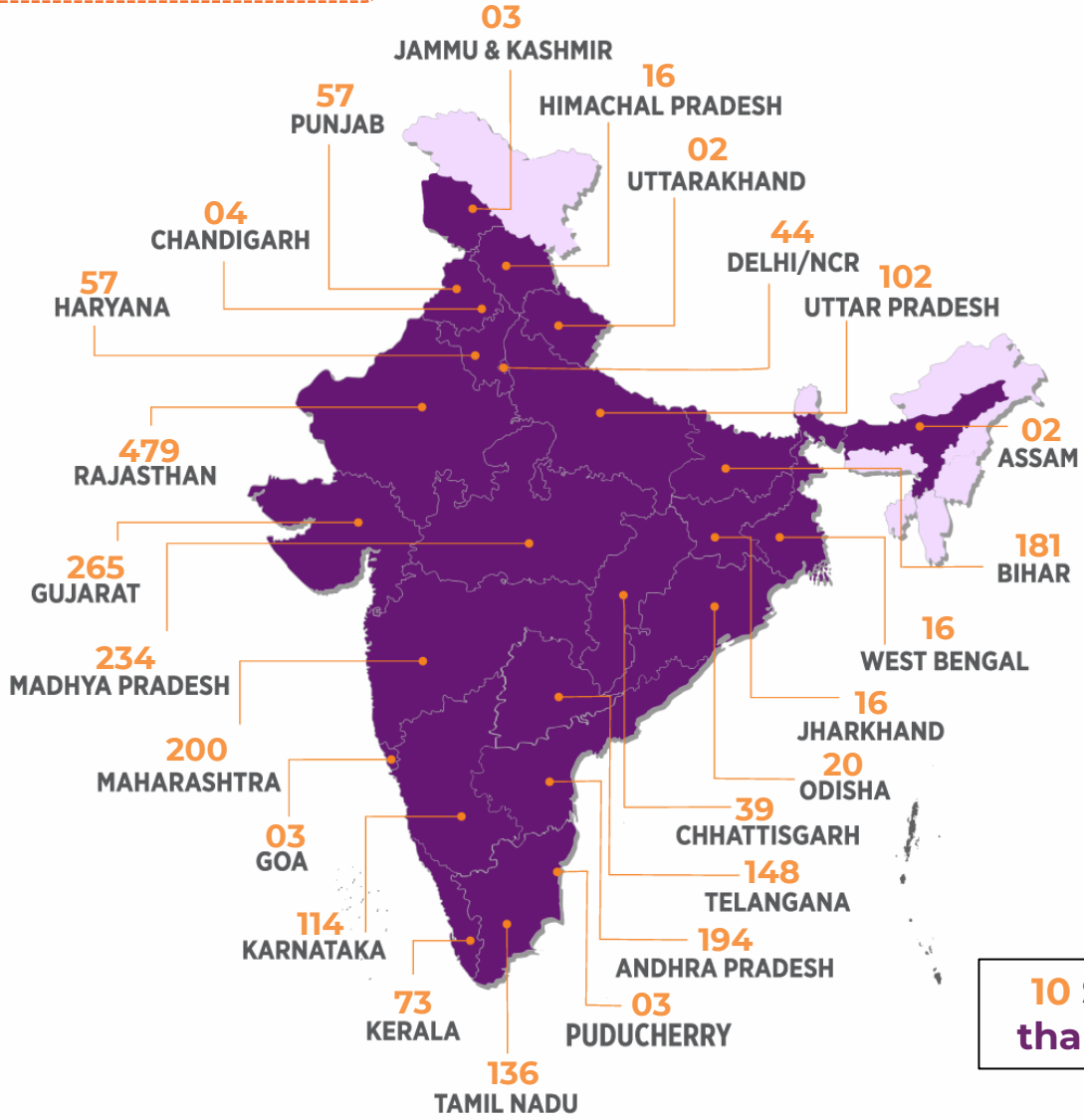
Pan-India geographic presence

21 States and 4 UTs

2,408 Touchpoints

461 Districts

688 ATMs



10 States with more than 100 touchpoints

2,408 Touchpoints

630 Branches + 250 Asset Centres + 784 MFI Centres

79 Unbanked Branches + 650 BOs + 13 BCs + 2 DBU

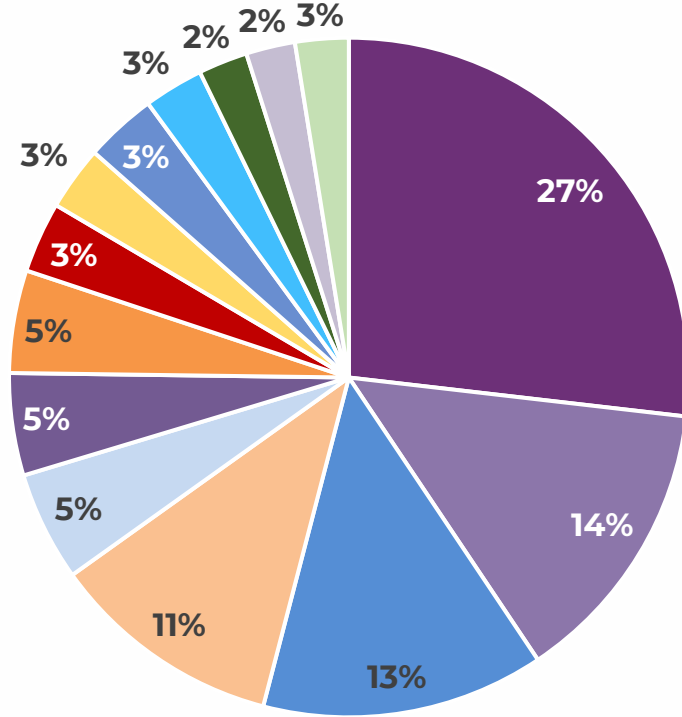
Region	Touchpoints
South	668
North	662
West	468
Central	377
East	233
Total	2,408



Map is for representative purpose only; highlighted purple (■) states & UT's represent the presence of AU's physical touchpoint

Gross Advances

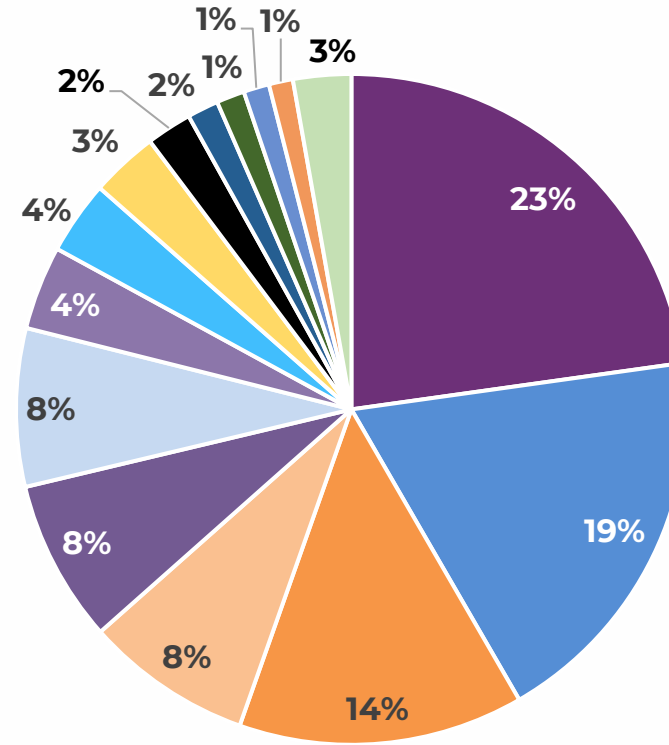
- Rajasthan
- Madhya Pradesh
- Maharashtra
- Gujarat
- Haryana
- Punjab
- Delhi
- Andhra Pradesh
- Uttar Pradesh
- Telangana
- Karnataka
- Tamil Nadu
- Chhattisgarh
- Other



0.6% Market Share

Deposits

- Rajasthan
- Maharashtra
- Delhi
- Gujarat
- Punjab
- Haryana
- Madhya Pradesh
- Karnataka
- Uttar Pradesh
- Himachal Pradesh
- Telangana
- Tamil Nadu
- Kerala
- West Bengal



0.5% Market Share



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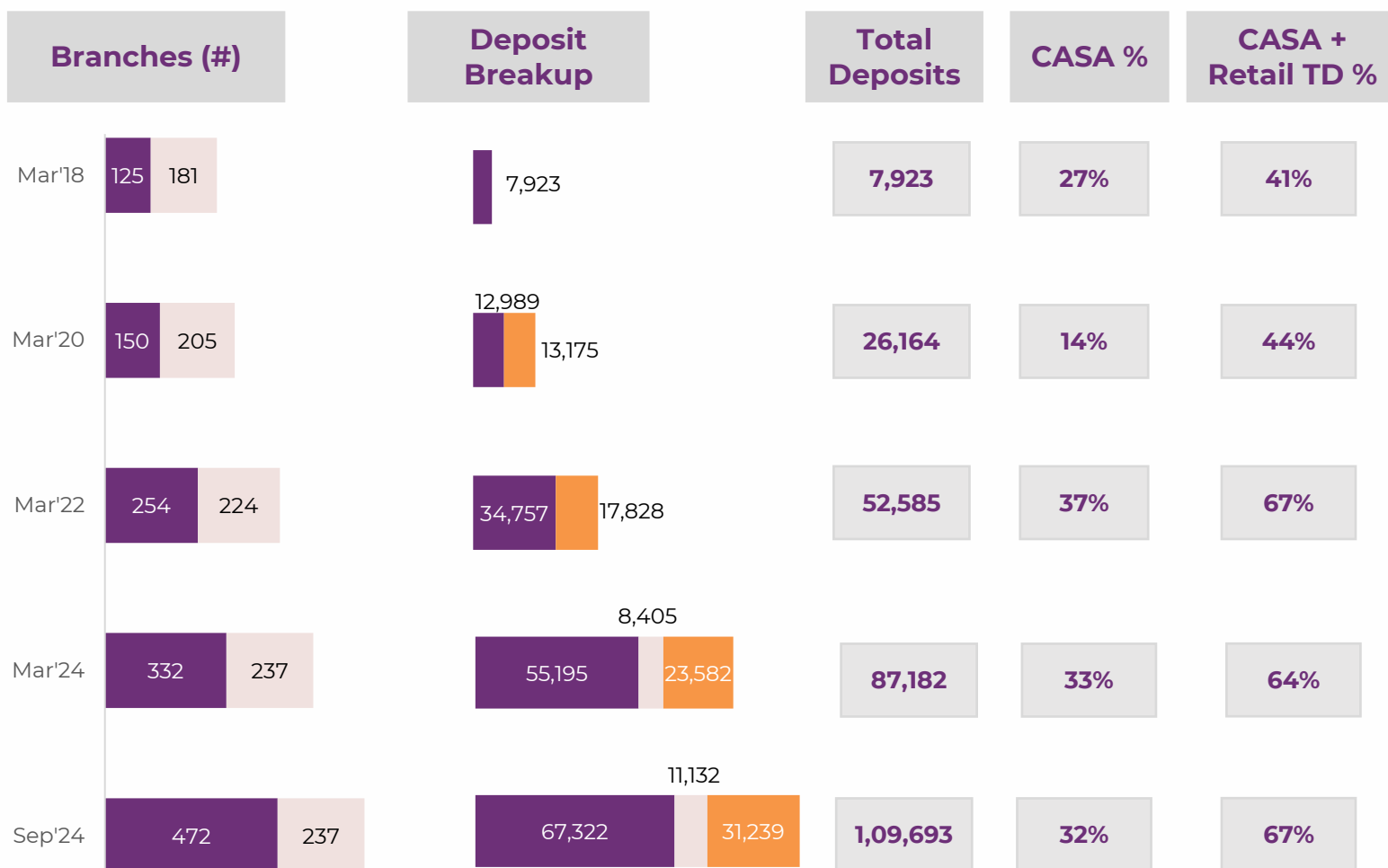
ASSETS PERFORMANCE

5

OTHER KEY INFORMATION

Evolution of the Branch Banking charter

Bank's Deposit Journey



■ Urban Branch Banking ■ Swadesh Banking ■ Other Vertical

Note: Urban Branch Banking and Swadesh Banking are as per internal classification and will be subject to changes

Current proposition

Complete Channels

- Urban Branches
- Swadesh Banking
- Govt Banking
- Wholesale Banking
- Co-operative
- NBFC & FIG
- Video Banking
- TASC
- NR
- Enterprise Salary

Complete product suite

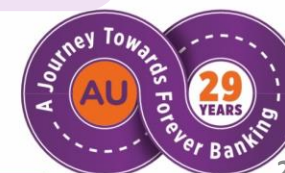
- Segmented CA and SA products (ivy, Royale, Platinum)
- Live with all other products required by branch banking customers:
 - Wealth
 - Insurance
 - AD I remittance
 - Credit cards
 - PL
 - Other retail loans
 - Working capital loans
 - QR codes

32%

CASA

81%

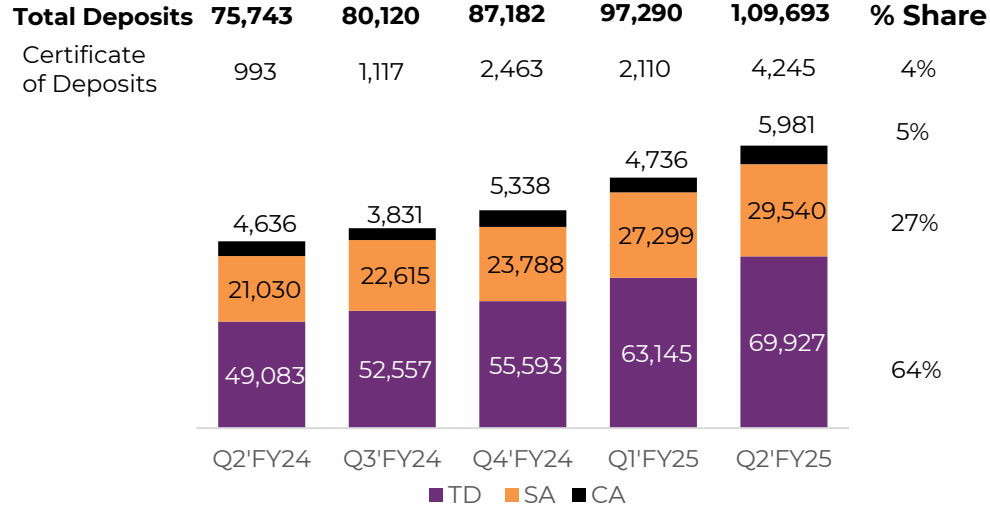
CASA+RTD+Bulk non-callable TD



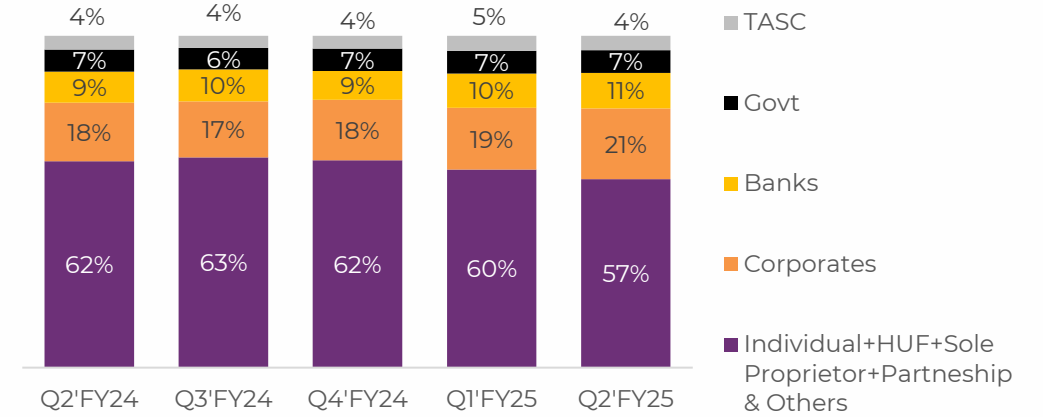
Focus on granular deposits and retail customer profile

₹ in Crores

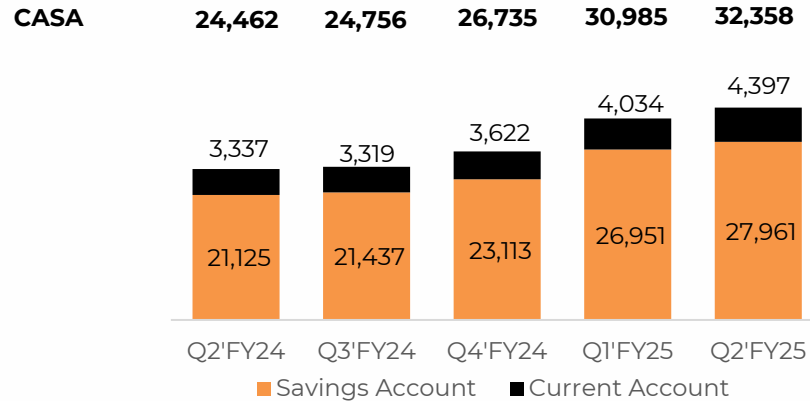
Deposit Mix



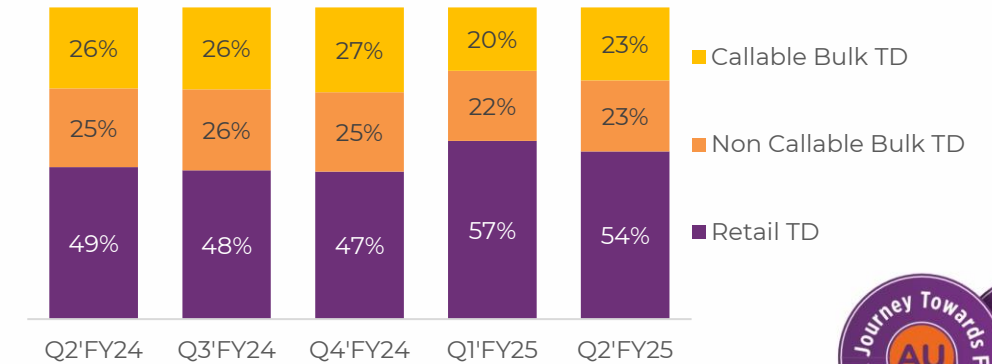
Deposit Customer Profile



Quarterly Average Balance



Term Deposit Breakup



Retail TD from Q1'FY25 includes deposits up to 3 Cr - as per the new RBI definition (Jun'24)

Deepening engagement digitally via AU0101

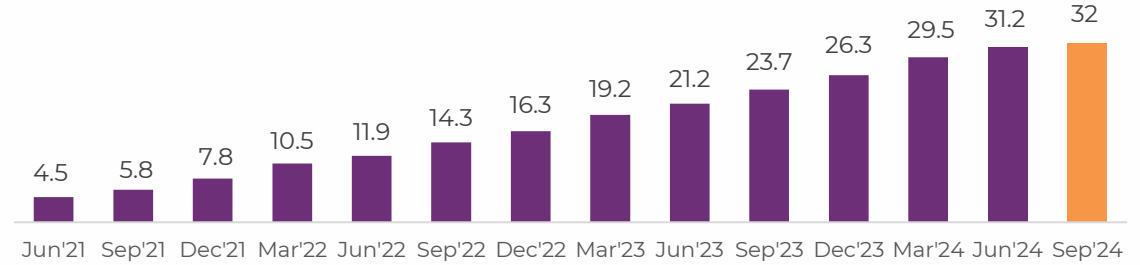
7x growth on AU 0101 since launch



66%
customers registered on AU 0101

32 Lacs
registered users

Registered users



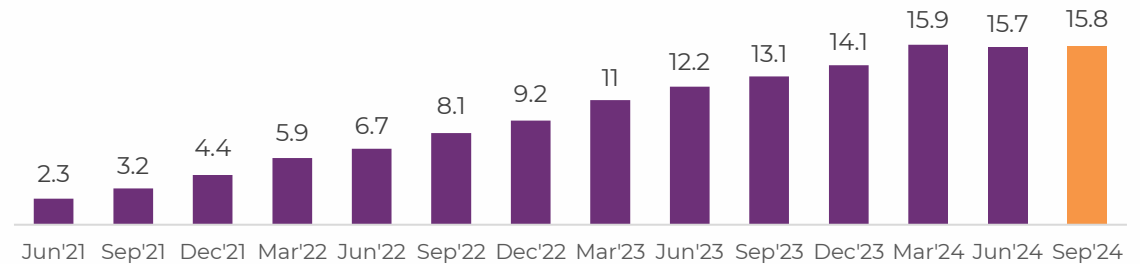
36 Lacs services processed in Q2'FY25



49%
registered users are monthly active

15.8 Lacs
monthly active users (2.7 L daily active users)

Monthly active users



73 Lacs financial transactions¹ processed in Q2'FY25



3.2 Lacs
monthly transacting customers

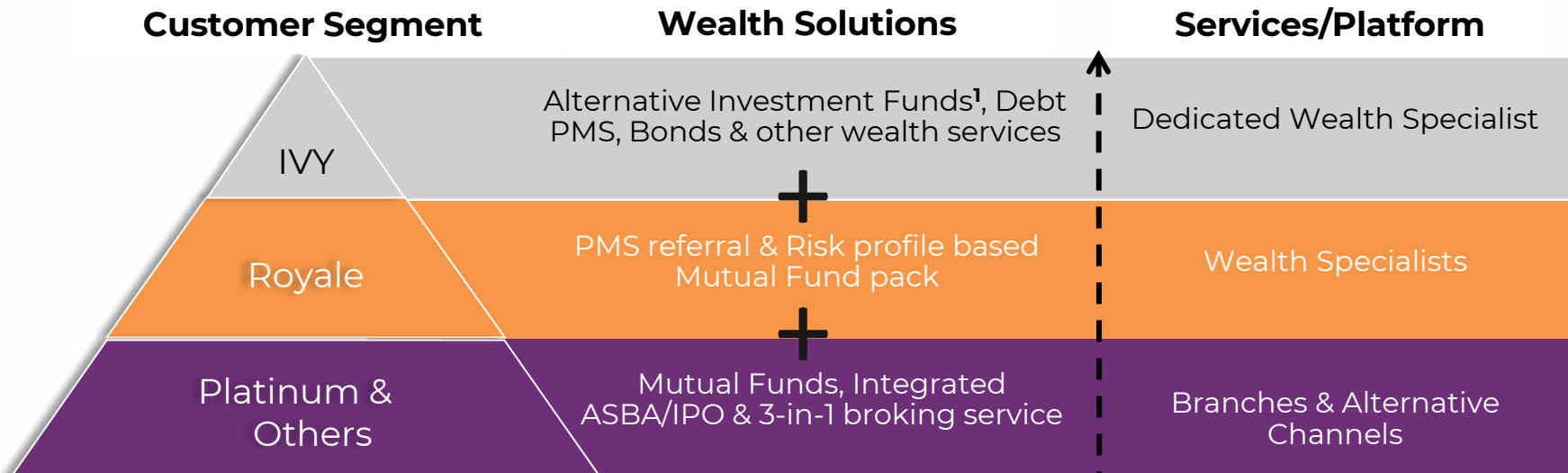
7
Avg monthly transactions per transacting customer

Continuously enhancing features, performance and experience to drive stickiness

¹ % based on AU standalone customers on flexcube CBS; ¹ Includes IFT, IMPS, NEFT, RTGS, UPI, Bill Payment, Lifestyle



Our Wealth proposition across customer segments



Dedicated Relationship Manager & AU0101 Platform for all segments

2L+ Customers ↑ Added ~15,000 Customers during Q2'FY25 (13,000 in Q1'FY25) |
 1,138 Cr Total AUM² ↑ 26% QoQ growth |
 ~40k Customers with live SIPs³

BADLAAV HUMSE HAI

MORE THAN Rs 1 LAKH CRORE

WORTH ASBA APPLICATIONS PROCESSED BY AU SINCE APRIL '24

As a testament to the success of our widely accepted IPO/ASBA (Application Supported by Blocked Amount) offerings, we are thrilled to announce that our Bank has processed more than 11 lakh ASBA applications this financial year, amounting more than Rs. 1 lakh crore in value!

This demonstrates the trust & confidence our customers have placed in us for fulfilling their wealth aspirations.

ASBA data above is for H1'FY25

Note: 1- PMS, AIFs, Bonds & GIFT City based investment solutions are offered only on referral basis. 2 – Wealth AUM does not include demat balances. 3 - Customers with at least 1 active SIP registered through the bank.



Product and Processes live



In the first phase, we have gone live with

- Import – import financing, LC/BG, bills under LC, import payments etc.
- Export – pre & post shipment, SBLC backed funding, EEFC A/c, inward payments, LC advising etc.
- Capital account – Foreign Direct Investment
- Retail remittances and FX – LRS, NR Inward & outward, FCNR deposit etc.
- **Second phase** would cover Overseas Direct Investment (ODI), External Commercial Borrowing

Digital Channels



Launched two digital products for facilitating digital journey

- AU DigiTrade – Digital journey live for :LC/BG issuance/amendment, import bill payments etc; Capital A/c WIP
- AU Remit – digital channel for online remittances; ETB journey is live via Portal, AU0101 and Branches;
- **Second phase would cover** – paperless export & import finance and Capital Account txns.

Transaction Volumes



The business was formally launched in Q1'FY25 and has seen gradual pickup in last few months

- Monthly Fx flow business reached USD 75mn in Sep'24

Most of the built-out cost associated with AD-I business has already been incurred

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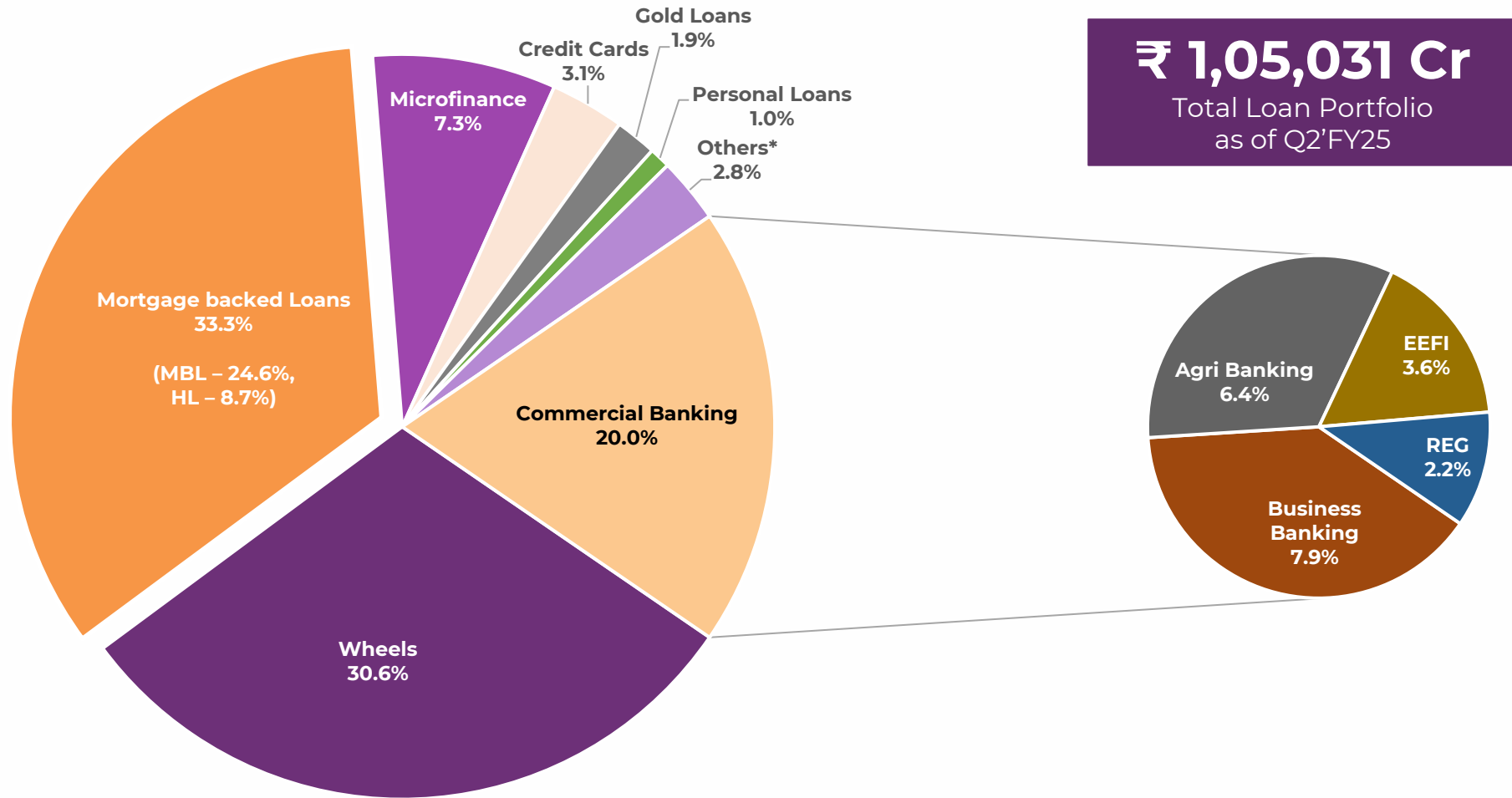
4

ASSETS PERFORMANCE

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OTHER KEY INFORMATION

Well diversified, predominantly retail asset book



- ❑ **Unsecured businesses (Microfinance + Credit cards + Personal Loans) constitute ~11.4% of the portfolio**
- ❑ Disbursement mix of High RoA assets in Q2'FY25 stands at 81%
- ❑ Fixed rate book is ~62% of the portfolio; additionally, ~7% book is on floating rates (but currently in fixed interest period)

*Others includes ODFD, inter-bank term lending, run down businesses etc.
NBFC business has been expanded to include Emerging Enterprises and has been renamed as EEFI - Emerging Enterprises & Financial Institutions Group

Asset book snapshot

Segments	Q2'FY25						Q1'FY25				
	Gross Advances	Assigned/ Securitised/ IBPC loans	Total Loan Portfolio	Gross Advance Yield (%)	Gross NPA	Gross NPA (%)	Gross Advances	Assigned/ Securitised loans	Total Loan Portfolio	Gross Advance Yield (%)	Gross NPA (%)
Retail Assets (A+B)	72,062	8,995	81,056	15.7%	1,769	2.5%	68,949	9,085	78,034	15.6%	2.2%
Secured (A)	60,511	8,572	69,083	14.5%	1,448	2.4%	57,747	8,068	65,815	14.5%	2.2%
Wheels	25,502	6,652	32,153	14.5%	588	2.3%	24,215	6,021	30,236	14.5%	2.1%
Mortgage-Backed Loans	33,023	1,920	34,943	14.4%	843	2.6%	31,742	2,046	33,788	14.4%	2.4%
- MBL	24,346	1,477	25,823	15.1%	753	3.1%	23,554	1,582	25,136	15.1%	2.9%
- HL	8,678	443	9,120	12.2%	90	1.0%	8,188	465	8,652	12.1%	0.9%
Gold Loans	1,986	-	1,986	15.9%	17	0.9%	1,791	-	1,791	16.0%	0.8%
Unsecured (B)	11,550	423	11,973	21.7%	322	2.8%	11,202	1018	12,219	21.4%	2.0%
Microfinance	7,221	423	7,644	25.3%	164	2.3%	6,940	1,018	7,958	25.3%	1.1%
Credit Cards	3,295	-	3,295	14.3%	104	3.2%	3,209	-	3,209	13.8%	2.6%
Personal Loans	1,035	-	1,035	18.0%	53	5.1%	1,053	-	1,053	18.1%	6.0%
Commercial Banking	21,025	-	21,025	11.1%	107	0.5%	19,083	-	19,083	11.0%	0.4%
- Business Banking	8,280	-	8,280	10.4%	49	0.6%	7,526	-	7,526	10.3%	0.5%
- Agri Banking	6,688	-	6,688	10.5%	40	0.6%	6,304	-	6,304	10.4%	0.3%
- EEFI	3,731	-	3,731	11.6%	10	0.3%	3,167	-	3,167	11.5%	0.3%
- REG	2,326	-	2,326	14.8%	8	0.3%	2,087	-	2,087	14.8%	0.4%
SME (Run down)	143	4	146	12.8%	23	16.3%	154	4	158	12.7%	14.2%
Others*	2,804	-	2,804	N.A	2	0.1%	2,515	-	2,515	N.A	0.0%
Total	96,033	+ 8,998	= 1,05,031	14.4%	1,902	1.98%	90,702	+ 9,089	= 99,792	14.4%	1.78%

□ Gross Advance yield for the portfolio remained stable at 14.4% in Q2'FY25

NPA Movement	Q2'FY25	Q2'FY24	Q1'FY25
Opening GNPA	1,613	1,121	1,437 [#]
Additions during the period*	736	349	543
Less: Recoveries & Write Offs during the period	(447)	(226)	(367)
Closing GNPA	1,902	1,245	1,613

including opening GNPA from Fincare SFB

NPA Summary	Q2'FY25	Q2'FY24	Q1'FY25
Gross NPA	1,902	1,245	1,237
Less: Cumulative Provisions	1,195	860	836
Net NPA	707	385	401
Gross NPA Ratio	1.98%	1.91%	1.67%
Net NPA Ratio	0.75%	0.60%	0.55%
Provision Coverage Ratio	82%	73%	76%
GNPA % (Incl. Securitized Book)	1.96%	1.80%	1.57%

*Additions/Reductions to GNPA presented for the quarter exclude any intra-quarter additions and reductions i.e., Loans which slipped into NPA during the quarter, and which got subsequently upgraded/written off within the same quarter are excluded

Credit Cost	Q2'FY25	Q2'FY24	Q1'FY25	H1'FY25	H1'FY24
Provision on NPA and Write off*	380	117	267	647	194
Repossession loss & POS loss	29	26	21	50	43
Standard & other provision	10	4	21	32	20
Covid restructuring provision	(5)	(12)	(6)	(11)	(28)
Contingency provision created / (Utilised)	0	(21)	17	17	(83)
Less : Bad Debt Recovery	(42)	(19)	(36)	(79)	(27)
Credit Cost	373	95	283	656	121
Credit Cost for the quarter (% of Avg. Total Assets)	0.28%	0.10%	0.22%	0.50%	0.13%
*Write off during the quarter	236	31	180	416	71

- ❑ Net credit cost for Q2'FY25 is at 0.28% of the Total Assets and 0.50% for H1'FY25 (including ₹17 Cr contingency provision created in Q1'FY25)
- ❑ Standard Covid restructured book declined to 0.4% of gross advances
- ❑ Contingency provision of ₹17 Cr created on MFI portfolio in Q1'FY25 has not been utilized during current quarter

Overview of total provisions

Particulars	Sep'24			Jun'24		
	Loan Amount	Provisions	Coverage	Loan Amount	Provisions	Coverage
GNPA	1,902	1,154	61%	1,613	1,010	63%
Covid related restructuring (Standard)	360	60	17%	390	64	17%
Contingency provisions		17			17	
Floating provisions		41			41	
Stressed and contingencies provisions	2,261	1,272		2,003	1,132	
Provisions towards Standard Assets		310			291	
Total Provisions		1,582			1,423	
Provisions as a % of gross advances		1.65%			1.57%	

□ Provision coverage ratio (including technical write-off) stands at 82% and GNPA ratio stood at 1.98% as on Sep'24

Adoption

10.2 lacs+
Cards Live

Crossed 1 Mn Credit Card holders in Jul'24

Growing Portfolio

₹3,295 Cr
Credit Card receivables

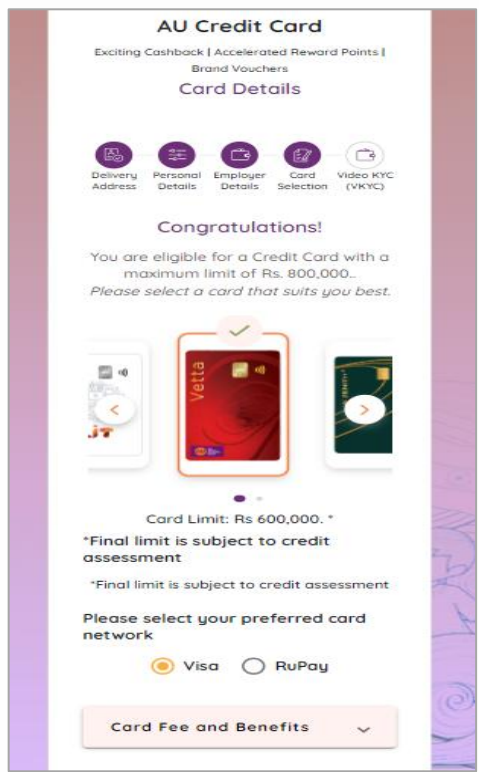
Engagement

₹17,400+
Avg. Spend per Card
In Q2'FY25

5,300 Cr+
Spends In Q2'FY25

YOY growth of 32%
during Q2'FY25

Key Initiatives and Portfolio updates



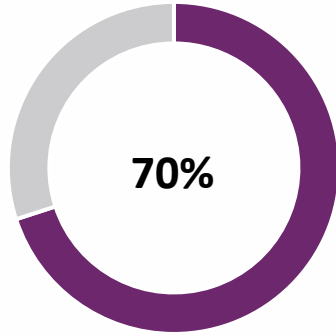
Network choice implementation

- AU Credit Cards are available on RuPay network
- Now customers have an option of choosing between Visa and RuPay network while applying for a Credit Card

Credit Card Portfolio

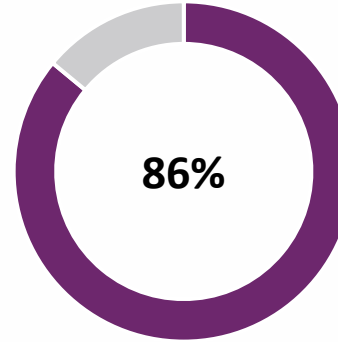
- Focus on Prime, Super Prime segment with 70% customers having greater than 760 bureau score
- Transaction Active, Spends Per Card and other portfolio metrics remains intact. Purchase active maintained at 55% month-on-month
- More than 2X transactions per active Card on RuPay Credit Cards due to higher acceptance via QR codes
- More than 70% of RuPay Credit Card holders are active on UPI

SALARIED CUSTOMERS



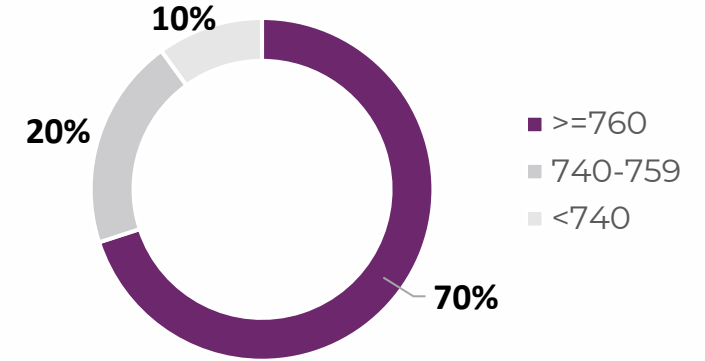
Distribution in salaried segment.

EXISTING CARD HOLDERS



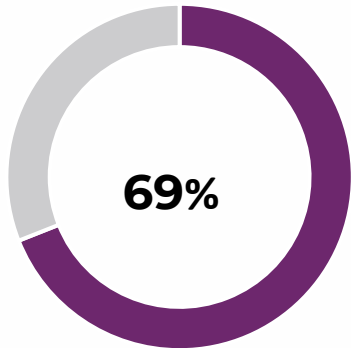
Majority sourcing under Carded Segment

BUREAU BAND



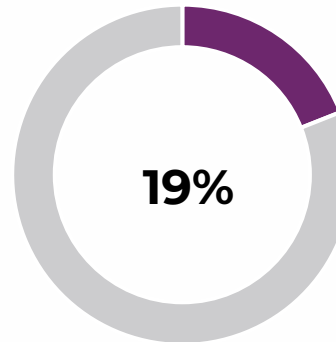
70% distribution above Bureau >760

URBAN CUSTOMERS



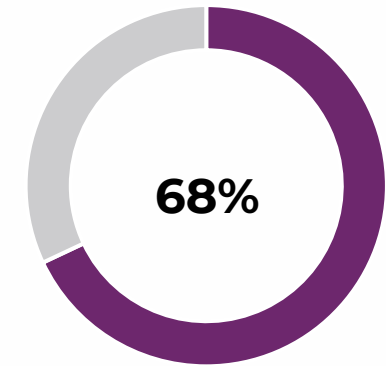
Distribution in Urban sector

LIMIT UTILISATION



Healthy limit utilization 19%

SUPER A/CAT A/GOVT EMP



Company Category of Salaried Customers





Portfolio Concentration

- Top 3 states contributing ~35% with No state contributing more than 12%
- Top district contributing 2.9% and top 3 together 6.3%
- Remaining 345 districts are <1.5% of book each
- Portfolio is in 61K villages across India



Exposure per Customer

- One of the lowest average exposure per customer in industry, ~26K
- Average disbursement ticket size is ~49 K



Robust Framework

- Indebtedness threshold was always lower compared to Industry guard rails
 - ETB 1.75 Lacs and NTB 1.5 Lacs
- Branch level risk categorization
- Lower indebtedness for high-risk states and high-risk branches



Lender Relationship

- ~41% portfolio with customers having sole lender relationship
- ~8% portfolio with customers having ≥ 5 lender relationship

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OTHER KEY INFORMATION

Environment



Deposits

- Raised 11,177 Fixed Deposits amounting to ~₹725 Crore

Lending

- ~₹291 Cr deployed in Green Assets Lending
- Currently Lending in Solar & EV Infrastructure

Social

COE for Skills Development

Till Q2'FY25, 23,560 youth were trained, of which 77% were linked to employment across 16 centers of Rajasthan. A Participants Handbook and Skill Gap Analyzer application has been launched to ease and enhance learning.



AU's Sports Initiative

It is live across 62 locations with 8,100+ children benefitted across 7 sports. An athlete won Gold Medal in U-16 Junior Nationals Football Championship 2024 – Assam. 30 athletes qualified for Jr. Athletics Championship 2024 and Khelo India Wushu Nationals.



Women Entrepreneurship

Till date, 2,920+ women are engaged and 1,215 are nurtured under Individual Women Entrepreneurship

Governance

Independent and diversified Board

- 7 of 10 directors are independent and non-executive
- 2 of 10 directors are women directors

Releasing our Sustainability Report FY 24. Our reflection & essence on “Building a Sustainable Tomorrow” is captured in the report highlighting our Key Environment, Social and Governance Initiatives.

Received “Best ESG Practices” Award during ASSOCHAM 19th Annual Summit & Awards 2024

Released our BRSR Report FY 24 ([refer page 204 of the Annual report](#))

Click to view the latest sustainability report ([Sustainability Report](#))



Universal Access to Financial Services

- 32% of our total touchpoints/branches – 766 are in unbanked rural centres (Tier-VI, population less than 5,000 & Tier-V, population less than 10,000)
- Present in 89 Special Focus Districts* with 297 touchpoints covering 55 Aspirational districts, 20 Left Wing Extremist Affected Districts, 13 Hill States Districts and 1 North Eastern Region District.

Providing Basic Bouquet of Financial Services



PM Jan Dhan Yojana



Particulars	BSBDA	MUDRA	PMJJBY	PMSBY	APY
Count	4,83,900+	13,65,000+	89,500+	1,21,400+	1,09,500+

Received Direct Benefit Transfer of ₹49.9+ Cr in Aadhaar seeded accounts.



PM SVANidhi

- Supported 1,240+ street vendors



IGUCCY

- Supported 690+ micro entrepreneurs

Data as on 30th Sept 2024 unless otherwise stated

Financial and Digital Literacy

- Organized 16,300+ Financial Literacy Camps at rural branches.

*The list is prepared taking cognizance of special focus districts classified by NABARD, MYMSME, NFDB, NITI AAYOG & PIB.

BSBDA - Basic Saving Bank Deposits Account; MUDRA - Micro Units Development & Refinance Agency Ltd.; PMJJBY - Pradhan Mantri Jeevan Jyoti Bima Yojana, PMSBY - Pradhan Mantri Suraksha Bima Yojana, APY – Atal Pension Yojana



ESG Ratings

Credit Ratings

Improved from "Medium" to
"Low" rating



Improved Rating from
“F” to “D”
on Climate Disclosures



Rated AA



Current
Score
42
(Score improved
from 39 to 42)



Fixed Deposits AA+/Stable CRISIL

Long Term/
subordinated
Debt/ Tier II
Bonds AA/Stable CRISIL/ CARE/
India Ratings
/ ICRA

Short Term A1+ CRISIL/ CARE/
India Ratings





Mr. H R Khan
Part time Chairman & Independent Director
46+ years of experience
Masters in Arts & Philosophy, Diploma in Business Mgt., CAIIB

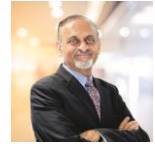
Ex-Deputy Governor of RBI
Served on Boards of Several Banks & regulatory Bodies including NHB & NABARD etc.

Executive Directors



Mr. Sanjay Agarwal
MD & CEO
29+ years of experience
FCA (All India Rank holder)

EY Entrepreneur of the Year Award 2018; Business Leader of the Year, ICAI Awards, 2017



Mr. Kamlesh Vikamsey
Independent Director
42+ years of experience,
FCA, B. Com

Senior Partner - KKC & Associates LLP
Chairman - IMAC
Member (AoC)- World Metrological Organization (WMO)
Ex-Chairman - Audit Advisory Committee, UNICEF



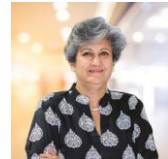
Ms. Kavita Venugopal
Independent Director
45+ years of experience in Banking Industry
MBA, B.A.

Ex-CEO, Abu Dhabi Commercial Bank (ADCB), India
Held leadership position in various Private Banks



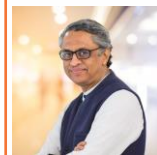
Mr. Uttam Tibrewal
Whole-Time Director
28+ years of experience
B. Com

Associated with the Bank for more than 20 years



Ms. Malini Thadani
Independent Director
40+ years of experience
Masters in History, M.A., Certificate of Public Administration, Ohio University, USA

Ex - Head of Corporate Sustainability, Asia at HSBC
Held leadership positions at Indian Revenue Services



Prof. M S Sriram
Independent Director
35+ years of experience (including 22 years as an academic)
MBA, Fellow, IIMB (equivalent to PhD)

Professor-Centre for public policy-IIMB

Non-Executive Non-Independent Director



Mr. Divya Sehgal
Non-Executive Non-Independent Director
27+ years of experience
Bachelors in Electrical engineering- IIT Delhi, PGDM, IIM Bangalore

Partner, TrueNorth
Founder & Ex-COO- Apollo Health Street



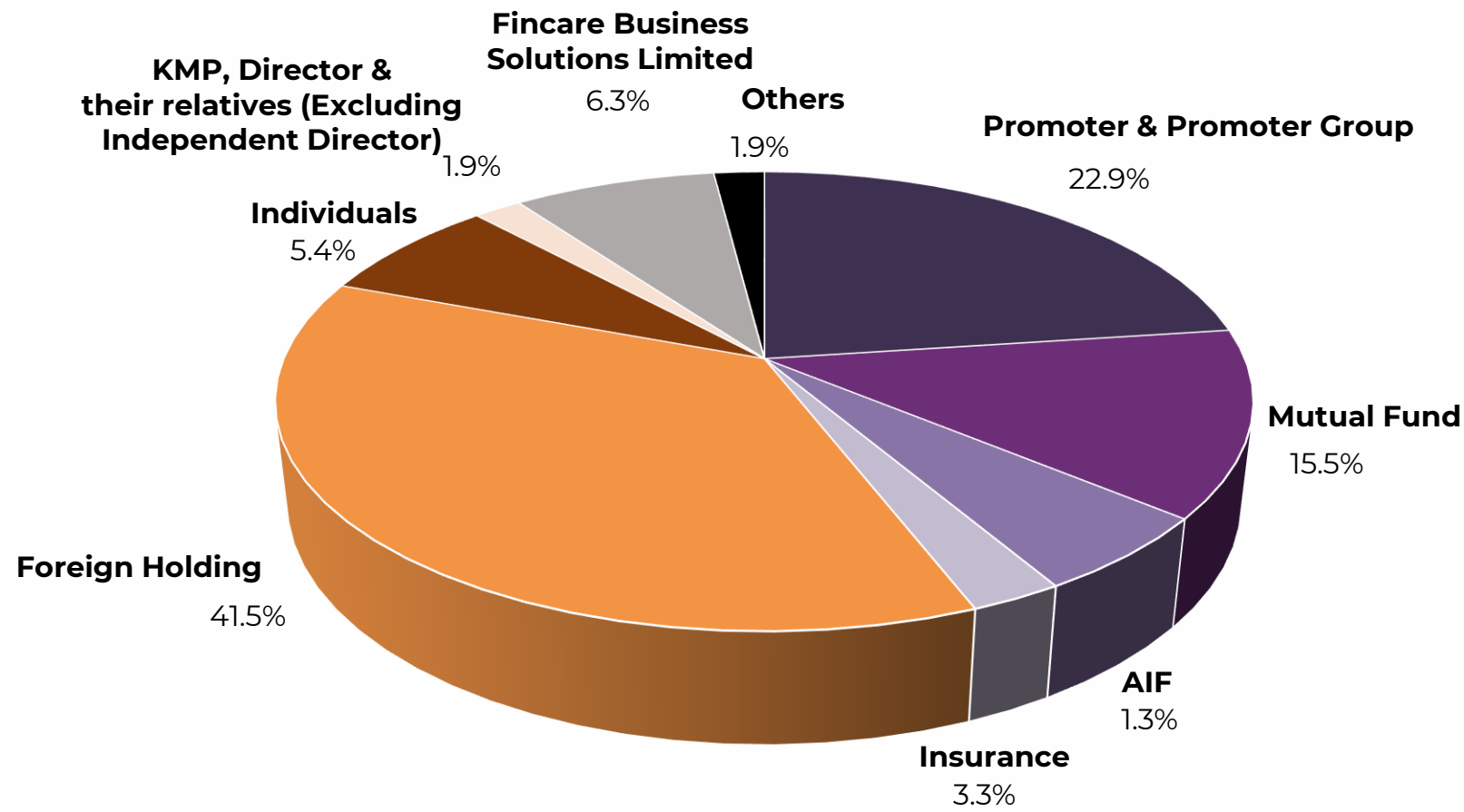
Mr. Pushpinder Singh
Independent Director
44+ years of experience in IT and Payment Systems
BSc, CAIIB

Ex-CIO, Bank of India
Ex Advisor, NPCI (FI & new business)



Mr. V G Kannan
Independent Director
46+ years of experience in Banking Industry
B.B.A., MBA

Ex MD - State Bank of India
Ex Chief Executive – Indian Bank Association
Ex Member of Governing Council - IIBF

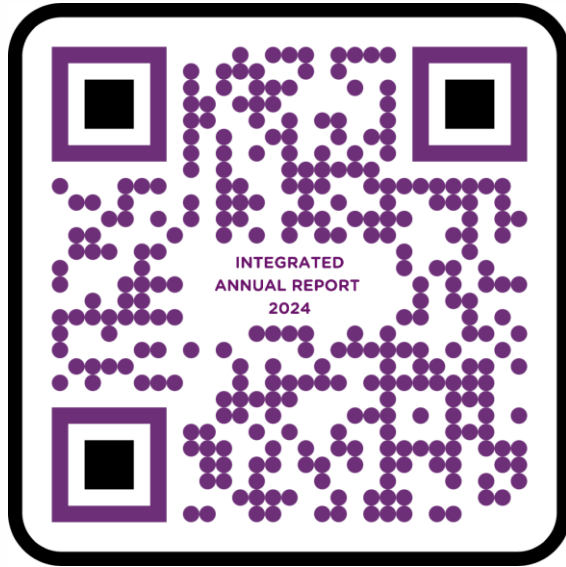


Foreign holding	41.5%
Domestic holding	58.5%

Note: Shareholding pattern as on 30th Sep'24



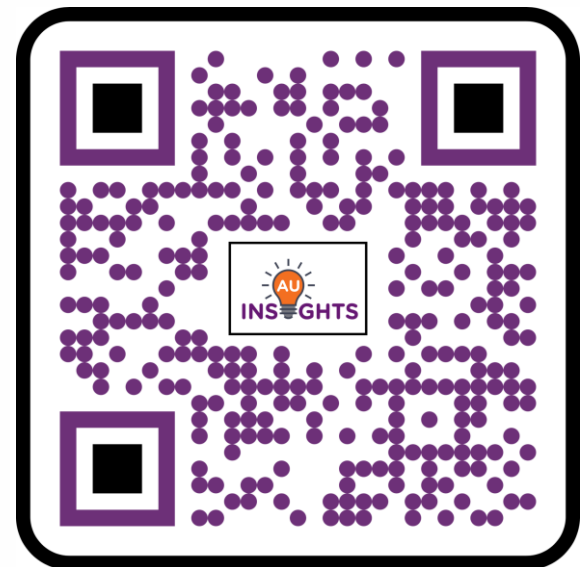
Analyst day presentation - Mar'24



Annual Report FY24



Q'FY25 Investor Presentation



AU Insights

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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

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Prince Tiwari



Email: investorrelations@aubank.in