

Ref. No.: AUSFB/SEC/2019-20/201

Date: 06th August 2019

Listing Department National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai 400051, Maharashtra. Symbol: AUBANK	Department of Corporate Services, The BSE Limited, PhirozJeejeebhoy Towers, Dalal Street, Mumbai 400001, Maharashtra. Scrip Code: 540611
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Dear Sir(s),

Sub: Intimation pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We are pleased to inform that AU Bank's Annual Investor & Analyst Day was organized on 05th August 2019 at Mumbai wherein presentations were made and meeting/interaction took place with the Analysts/Investors.

The said presentations covered the Business update and Business strategy around it.

The same is being uploaded on the website of the Bank www.aubank.in

You are requested to take note of above and bring it to the notice of all concerned.

Thanking You,

FOR AU SMALL FINANCE BANK LIMITED



Manmohan Parnami

Company Secretary & Compliance Officer

Encl: Annexure- 1 Name of Analyst/Investor

Annexure-2 Presentation

Registered Office

AU SMALL FINANCE BANK LIMITED

19-A Dhuleshwar Garden, Ajmer Road,

Jaipur - 302001, Rajasthan, India

Phone: +91 141 4110060/61, **Fax:** +91 141 4110090

CIN: L36911RJ1996PLC011381

Formerly known as Au Financiers (India) Limited

Annexure- I**Place: Mumbai****Date: 05th August 2019**

Sr No	Name
1	AMBIT Capital Pvt Ltd
2	AXIS Capital Ltd
3	Batlivala & Karnani Securities Ltd
4	BNP PARIBAS Securities India Pvt Ltd
5	Citigroup Global Markets India Pvt Ltd
6	CLSA India Pvt Ltd
7	Credit Suisse Securities (India) Pvt Ltd
8	CRISIL Ltd
9	Dolat Capital Market Pvt Ltd
10	Edelweiss Securities Ltd
11	Elara Securities (India) Pvt Limited
12	Emkay Global Financial Services Ltd
13	Equirus Securities Pvt Ltd
14	Goldman Sachs (India) Securities Private Limited
15	HDFC Securities Limited
16	ICICI Securities Limited
17	IIFL Research
18	IndiaNivesh Securities Limited
19	Investec Capital Services India Pvt Ltd
20	JM Financial Institutional Securities Limited
21	JM Financial Services Limited
22	KCC Financial Services
23	Kim Eng Securities India Pvt Ltd
24	Kotak Securities Limited
25	Macquarie Capital Securities (India) Private Limited
26	Magnum Equity Broking Limited
27	MEHTA Group
28	Morgan Stanley India Company Private Limited
29	Motilal Oswal Financial Services Limited
30	NIRMAL BANG SECURITIES PVT LTD
31	Nomura Financial Advisory & Securities (India) Pvt Ltd
32	Prabhudas Lilladher Pvt. Ltd.
33	Reliance Securities Limited
34	SBICAP Securities Limited
35	SPA Securities Ltd
36	Steinberg india advisor
37	Tree Line Investment Management Limited
38	UBS Securities India Pvt Ltd
39	Trivantage Capital

40	Aakash Capital
41	Acasia partners
42	Acepro Advisors Pvt. Ltd
43	Aditya Birla Sun Life Insurance Co. Ltd.
44	Aditya Birla Health Insurance Co. Ltd
45	Advendus Wealth Management Private Limited
46	Akash Ganga Investment Pvt Ltd
47	Ambika Fincap Consultants
48	Anived Portfolio Managers Pvt. Ltd.
49	AQF Advisers
50	AXIS Asset Management Comapany Limited
51	Barclays Securities (India) Pvt. Ltd.
52	Basant Maheshwari Wealth Advisors LLP
53	Stanford C. Bernstein (India) Pvt Ltd
54	BNP PARIBAS Asset Management India Pvt. Ltd.
55	CANARA ROBECO Asset Management Co. Ltd
56	Chankya Capital Services Pvt. Ltd.
57	Singular Capital India Advisors LLP
58	Enam Holding Pvt Ltd
59	Finvest Advisor
60	GEECEE HOLDINGS
61	HDFC Life Insurance Company Limited
62	ICICI Prudential Life Insurance Company Limited
63	International Finance Corporation
64	IIFL Asset Management Ltd
65	Infina Finance Private Ltd
66	J.P Morgan Services India Pvt. Ltd.
67	Jocata Financial Advisory & Technology
68	KEDAARA CAPITAL
69	KORA Cap
70	LIC Mutual Fund Asset Management Ltd.
71	M3 Investment Pvt Ltd
72	MALABAR INVESTMENTS
73	Marshall Wace
74	Motilal Oswal Asset Management Company Limited
75	Dhruv Mehta
76	One-up Capital Ideas
77	Param Capital Research Pvt. Ltd.
78	PREMJ IINVEST
79	QRC INVESTMENT ADVISORS LLP
80	Quantum Asseet Management Company Private Limited
81	Quest partners
82	Reliance Nippon Life Asset Management Limited
83	Renaissance Investment Managers Pvt Ltd

84	SBI Life Insurance Company Limited
85	SBI Funds Management Private Limited
86	Shriram Wealth Advisors Ltd
87	Agar Consult
88	Steadview(Newport Investment Advisors Ltd.)
89	Sundaram Asset Management Company Limited
90	Sunrise Investments Acasia partners
91	TATA AIA Life Insurance Company Ltd.
92	Tattva Advisors LLP
93	TCG Advisory Services P. Ltd.
94	Temasek International Pte. Ltd.
95	TEMASEK Holdings Advisors India Private Limited
96	The Bombay Burmah Trading corporation
97	Truenorth Managers LLP
98	Val-Q Investment Advisory Pvt.Ltd.
99	Valre India Consultancy
100	ValueQuest Investment Advisors Pvt. Ltd
101	VKL Food Solutions Enterprise



The Halfway Mark

Retail Focused | Technology Led | Well Capitalized | Fast Growing | Customer Centric



August 05, 2019

April 2017



The
Beginning
as an SFB

Aug 2019

First 10 Qtrs

Guidance
Performance
Learnings



**The
Halfway
Mark**

Next
10 Qtrs

Expectations
and
Way Forward



April 2022

Complete
5 Years as
SFB

Tangibles of Last 10 Quarters

Our Own Expectations

Outcome

Disbursements Growth	35-40%	55%
Proportion of Retail	Born Retail, would continue to be 80%	80%+ (More than 90% loans upto INR 10 lakhs)
Deposits Accretion	To fund incremental disbursements	14,876 18,060 ■ Incremental Loan AUM ■ Incremental Deposits
Return of Average Assets	Should be >1.0%	~1.5%
Return of Average Equity	Should not be in single digit	~14%



The Beginning

Key Enablers

**Strong
Foundation**

**First
Principle**

**Power of
Banking
Platform**

AU
Dharma

Strong Foundation



Small Ticket

Secured

Retail

Pricing the Risk

Execution

Asset Quality

Detailing

Optimized Cost

Relationship

Consistency

Hungry for more

First Principle

Challenging the Status-Quo ->> To Simplifying Banking

-  A bank that credits **interest on Savings Account on a monthly basis.**
-  A bank that offers **extended customer banking hours.**
-  A bank that encourages **minimal paperwork** with **no deposit slips or withdrawal slips.**
-  A bank that delivers seamless customer experience by a quick **digital enabled loan processing** system.
-  A bank that offers **anywhere banking** in the truest sense with **'No home branch' concept.**

Power of Banking Platform

Limitless Opportunities, Perpetual Journey



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

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

AU Dharma

Defining the way we work



**Customer
Focus**



Bias For Action



**Responsibly
Entrepreneurial**



**Work Hard &
Look for details**



**Nurture Talent &
Succeed Together**



Integrity



- Comprehensive Product Bouquet
- Focus on Customer Delight

If customer needs it, we will make it happen

Comprehensive Product Bouquet

Customer
Focus

Personal Banking



Savings A/C



Term Deposit



Insurance
&
Investment



Wheels Loan



Home Loan



CF Loan



Gold Loan



PL / BL

Deposits

Advances

Commercial Banking



Current A/C



SBL



Business Banking



Trade & FX



Agri SME



NBFC



Real Estate

Deposits

Advances

Focus on Customer Delight

“Warmth of a relationship and excellent service delivery are two most important products of a bank”

UYC Understand your **Customer**

Moving from transactional conversational → relationship building conversation

Understand your **Product**

Shifting from sell the product → sell the bank approach

Venturing into pre approved & unsecured space backed by Data & Analytics

Understand your **Channels**

Introduced Virtual relationship manager (LOP)

Hybrid Branches, empowered BCs

Building **Value Proposition**

Focus on building long-term relationships by
Customer lifecycle management

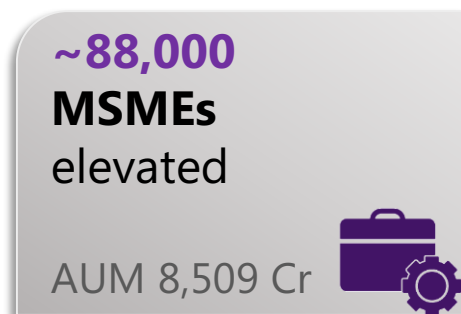
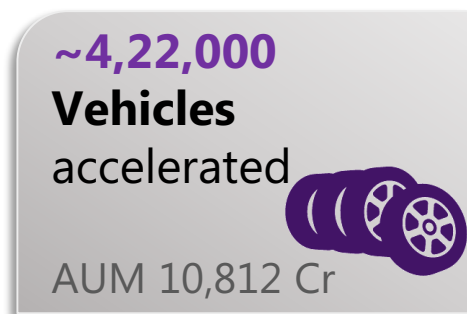




Vintage Verticals – Impact Created

Urgency in everything we do

Impact Created



- Understanding our Customers.
- Catching the imagination & Delivering beyond expectations.
- Building relationships & partnering in their growth.
- Independent Sales, Credit & Collection Function
- Robust Business Model.



New Verticals – Lives Touched

100% ownership accountability and 0% excuses

Lives touched

Responsibly
Entrepreneurial

~9,60,000

Savings Account
opened



2,638 Cr mobilised

~67,000

Deposit
Customers



14,656 Cr mobilised

~53,000

Current Account
opened



766 Cr mobilised

~5,59,000

Lives covered



248 Cr premium

~6,600

Lockers
provided



~2,44,000

Assets secured
(Motor & Home)



187 Cr premium

~46,000

Health insured



18 Cr premium

~10,000

Mutual Fund SIPs
started



AUM 39 Cr

~4,300

Gold Loan
given



AUM 51 Cr

~1,200

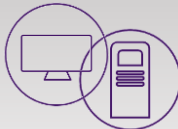
Agri SME
empowered



AUM 289 Cr

~10,800

**Consumer
Durables**
delivered
AUM 12 Cr



~2,100

Homes
lightened



AUM 205 Cr

~900

Personal loans
provided



AUM 15 Cr

~2,400

Trade Forex
transactions
enabled
Value 825 Cr



~1800

Business Banking
solutions provided



AUM 807 Cr



Building Digital Solutions

Willing to go the extra mile in everything we do & thoroughly understand customer needs, issues and organizational delivery models

Industry First Initiatives

Work Hard and
Look For Details



Saving Account on Whatsapp



Current Account & Fixed Deposit on Tab



Branch Agnostics account opening



Hybrid BC - Mini Branches opening Current Account & collecting EMIs



Two-Wheeler paper less, end-to-end digital journey
(Similar digital journeys for Wheels and SBL is in process)

Digital Channels & Payments

Work Hard and
Look For Details

Internet Banking



- Best-in-class Corporate Internet Banking
- Upgrading Retail Internet Banking and Mobile Banking

Digital Payments



- Live on key payment modes live - NEFT, RTGS, IMPS, UPI
- Digital mandate processing through Debit Card and Internet Banking coming soon

Debit Card



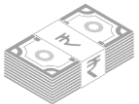
- Offering Rupay & Visa cards
- Coming soon with Visa signature cards & MasterCard
- 3132 POS Machines

Credit Card



- Evaluating launching a powerful credit card in India

New initiatives:



Cash Management Services (CMS) for retailers. As convenient as booking a cab.



Missed Call Banking & Chat Bot launched



Payment of EMI & IMD through Paytm and Website

Digital Footprints

Work Hard &
Look for Detail



AU Bank
Mobile Banking App

~1,30,000 Users



Instant Savings
Account Opening App

~11,000 Customers

 www.aubank.in

Website

~10,000 Visitors
(per day in June, 2019)



AU Business App
Employee Business Referral Program

~11,000 Active Users



Kaizala
Employee Communication App

~10,000 Employees onboarded



Our People & Initiatives

We nurture talent and together we are a great team working for common goals

Building the Character of the Bank

Nurture Talent
& Succeed
Together



समझदारी (Sensibility)



ईमानदारी (Honesty)



ज़िम्मेदारी (Responsibility)



Empowering Bank Officer



Formed Business Solution Group who will provide solutions through technology



Focus on Strategy – craving out experienced bankers to form core strategy team



Our Governance Structure

We are fair and consistent in all our dealings - employees, customers, partners or shareholders

Living the Best Practice

Integrity

Independent Board

Real time monitoring

Risk based Audit

Well defined credit committee structure

Transparency & Data Disclosures



The Future

Way forward for next 10 quarters

Way forward

Grow The Right Way and Build the Bank

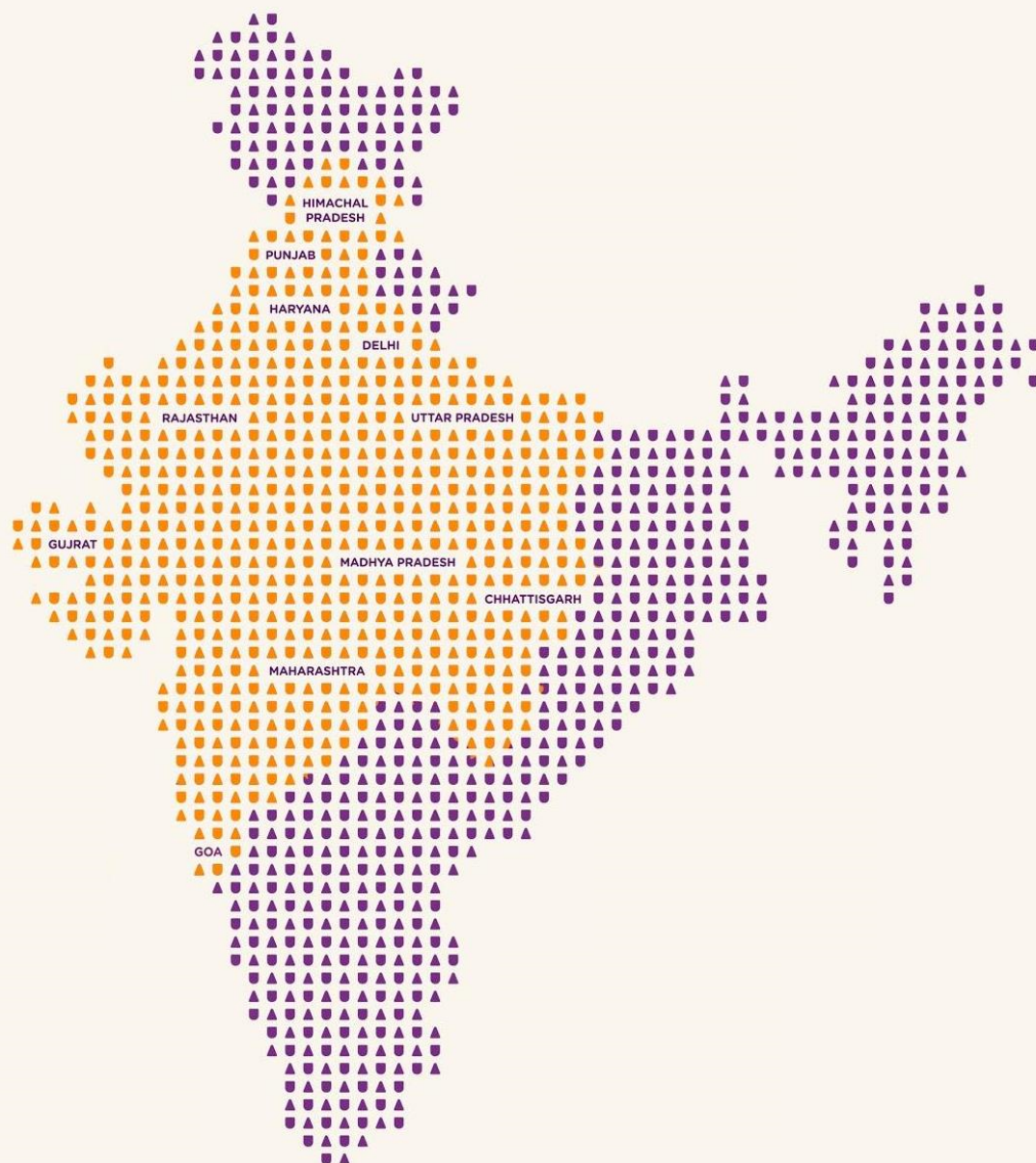
- ❑ Right combination of **4Ds Data, Digital and Distribution** will allow us to deliver **Delight** to our 'Customers'
- ❑ Consistently **Grow Assets by 30-35% p.a.**; Assets Targeted to reach at USD 10 billion by 2022
- ❑ Funded by **Granular Deposit Base**; Deposits targeted to fund ~80% of Loan AUM
- ❑ Adherence to compliance & governance framework
- ❑ Preparation for promotion to Universal Bank

Deeper Distribution

Well Capitalized

Technology Led Bank

If we grow the right way, then we build a brand. If we build a brand, then we will be forever!



Thanks

*The Government of India
RBI, NABARD, SIDBI, MUDRA, NHB
Shareholders
Partners
Customers
Team
All of you*

चलो आगे बढ़ें !

A. Personal Banking



Objective

“Building a long-term sustainable retail deposit funded retail credit franchise”

Comprehensive Product Bouquet



Savings A/C

Term Deposit

**Insurance
&**

Wheels Loan

Home Loan

CF Loan

Gold Loan

PL & BL

Deposits

Investment

Advances

Build retail sticky long-term deposits

Serve customers financial needs holistically

People, Product and Process

Vintage Asset products – Reinforced

Settled Leadership & team

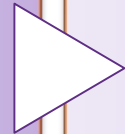
Driving efficiency

New Asset products – Building on Bank

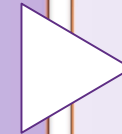
Existing to Bank (ETB) customer base

Digital and Analytics aided

**Weaving
NBFC and
Bank**



**Go to
Market
Strategy**

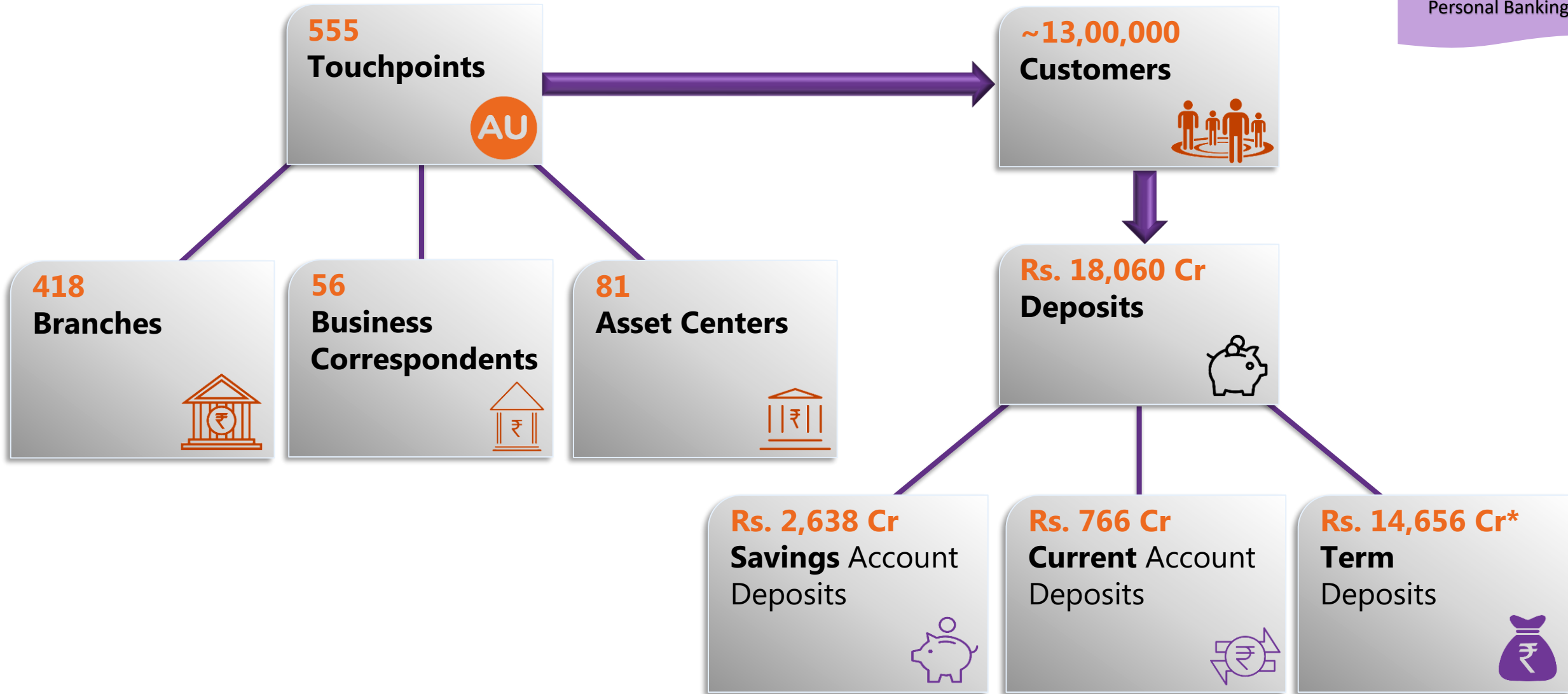


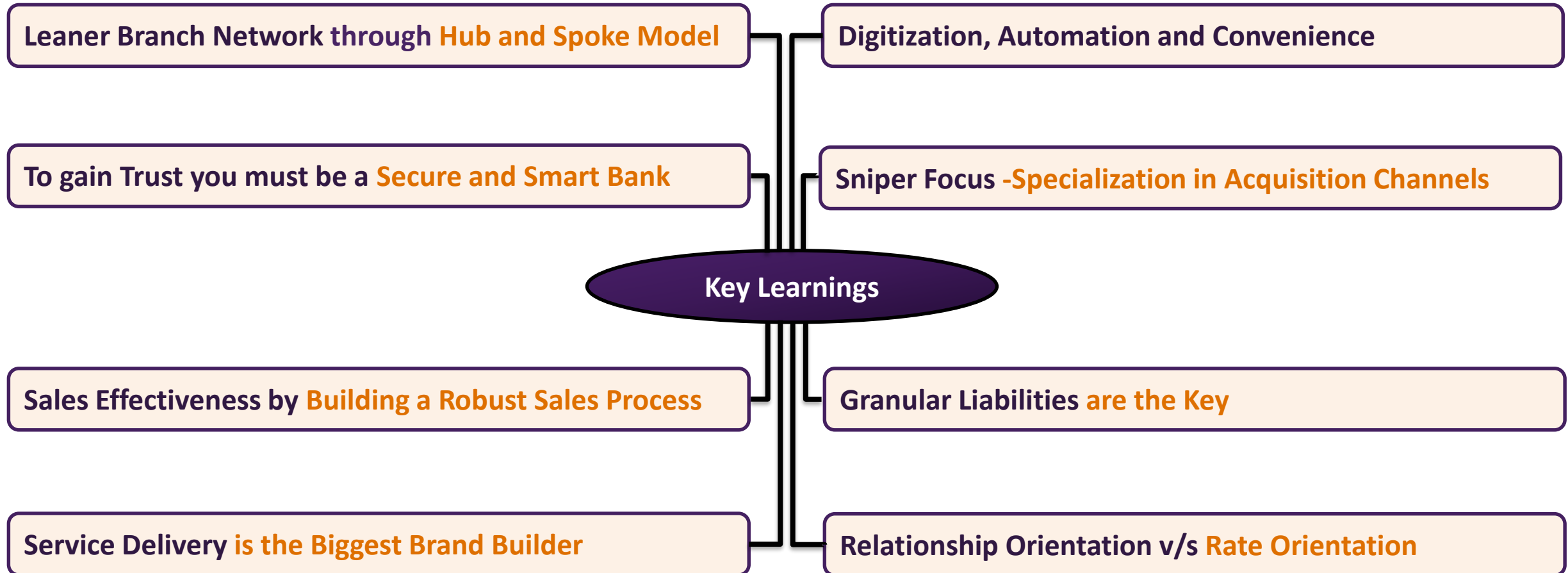
**Granular
Asset &
Liability**

1. Branch Banking

Journey to build a Robust RETAIL book ...







Core Strategic Pillars for FY 19-20



**Granular Retail
@ Branch**

**Robust Sales
Process :
The AU
Way!**

**Strengthen the
Payment
Ecosystem**

**Comprehensive
and Customer
Centric
Proposition**

**Specialized
Channels for
CA, Salary,
TASC, Coop
Bank, Govt
Organizations**

**Cost Optimized
Branch
Expansion**



“ पैसा किससे आ रहा है, और
किसको दिया जा रहा है,
बैंक में किसी को भी पता नहीं
होना चाहिए ”

It must be so Granular...

FACELESS BANKING

The Robust Sales Process

The AU Way !

Simple & Lucrative Rewards and Recognition



Analytics led engagement support

Go To Market ...High BTL Engagement



Everyone Sells , Everyone Earns

You Acquire, You Manage



App Based DSR

**Ladder
of
Growth**

Best in Industry

Digital

95% Adoption



**Payments
Ecosystem**

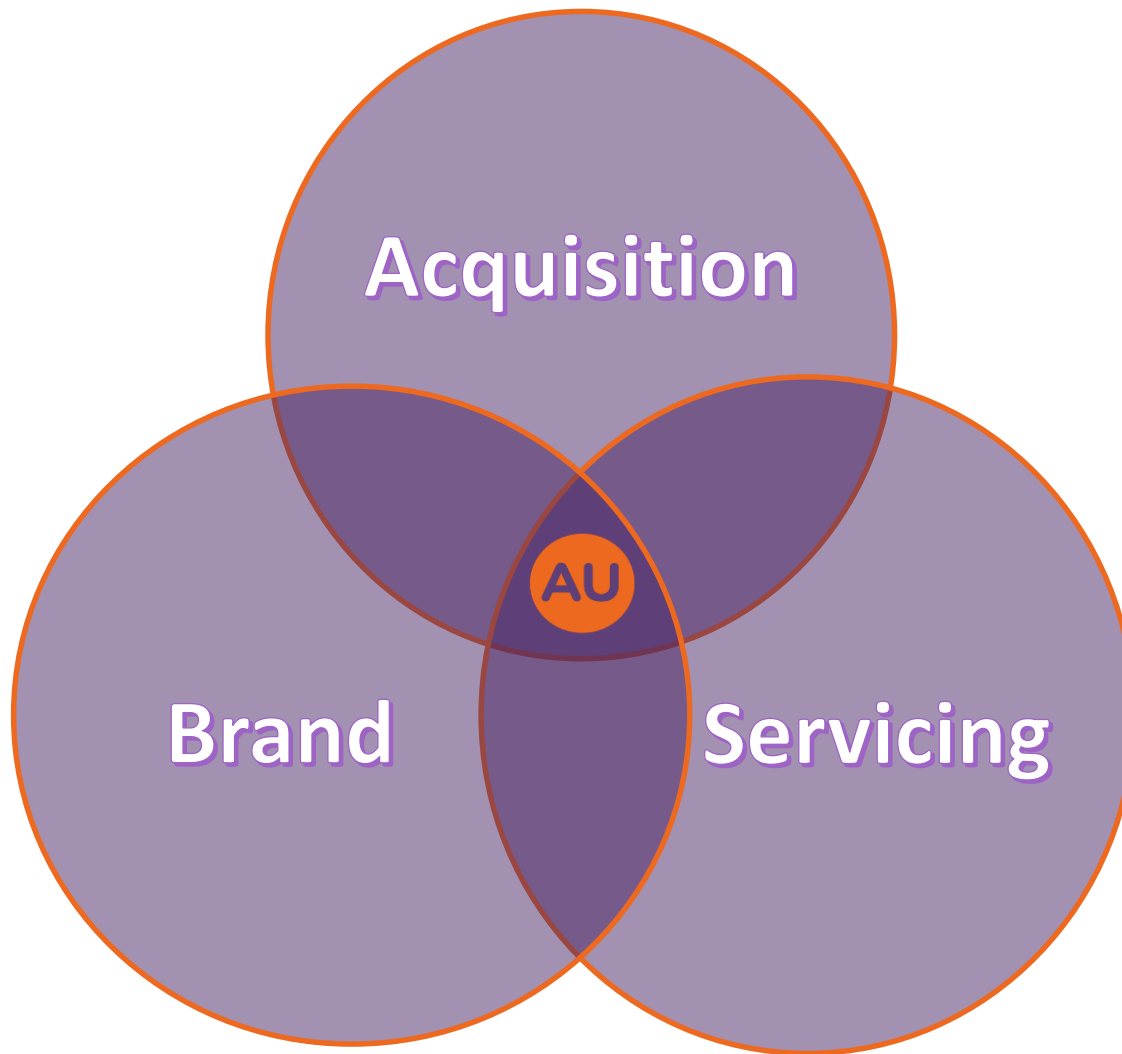
**Revamp of Net
Banking and
Mobile App**

- Strengthening of Cards Program
- Leveraging Partnerships with Fintech
- BIN Sponsorship Engagements

Engagement

**Analytical
Campaigns**

- Offers & Benefits
- 2nd Product Cross sell
- Sourcing RM and Virtual RM Models



**Leaner Branches
(<1000 Sq Feet)**

**Deeper Penetration in
Existing High Liabilities
Yield Geographies**

**Branch Agnostic Sales
Team (@ Sales Hubs)**

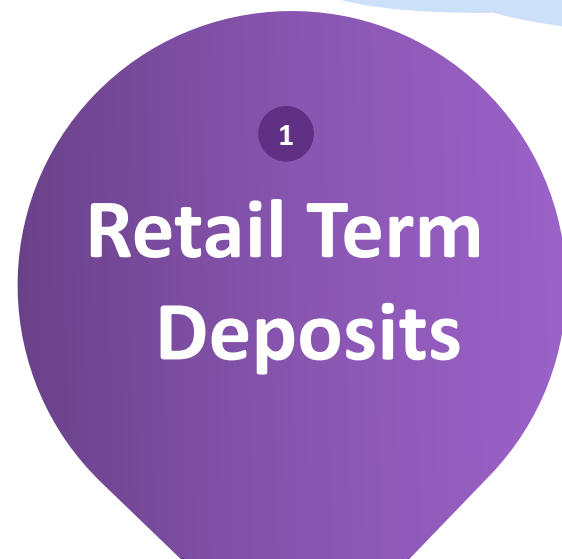
**Stitched with Flagship
Branches**

**Banking Outlet led
expansion in Unbanked
Locations**

**Evolved & Smart BC Branch
Model for enhancing reach**

CA, SA, TD – The Right Mix

Desired Liability Mix



Easy to Pitch

Stable Base : Least Volatile

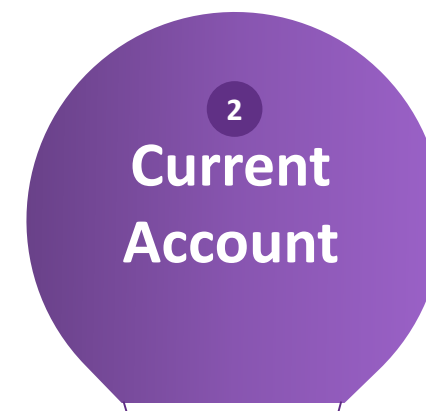
High Tenor Lock in



Bundling with – TD, 3 in 1

Dedicated Channel for Govt Business

Superior Customer Proposition



Complete Bouquet of Proposition

Dedicated Acquisition Channel

Cross-sell on SBL, BB, Agri, NBFC

**TAB Based
STP Digital
Acquisition
with best in
industry
TAT**

Parking Account to Primary Account Transition

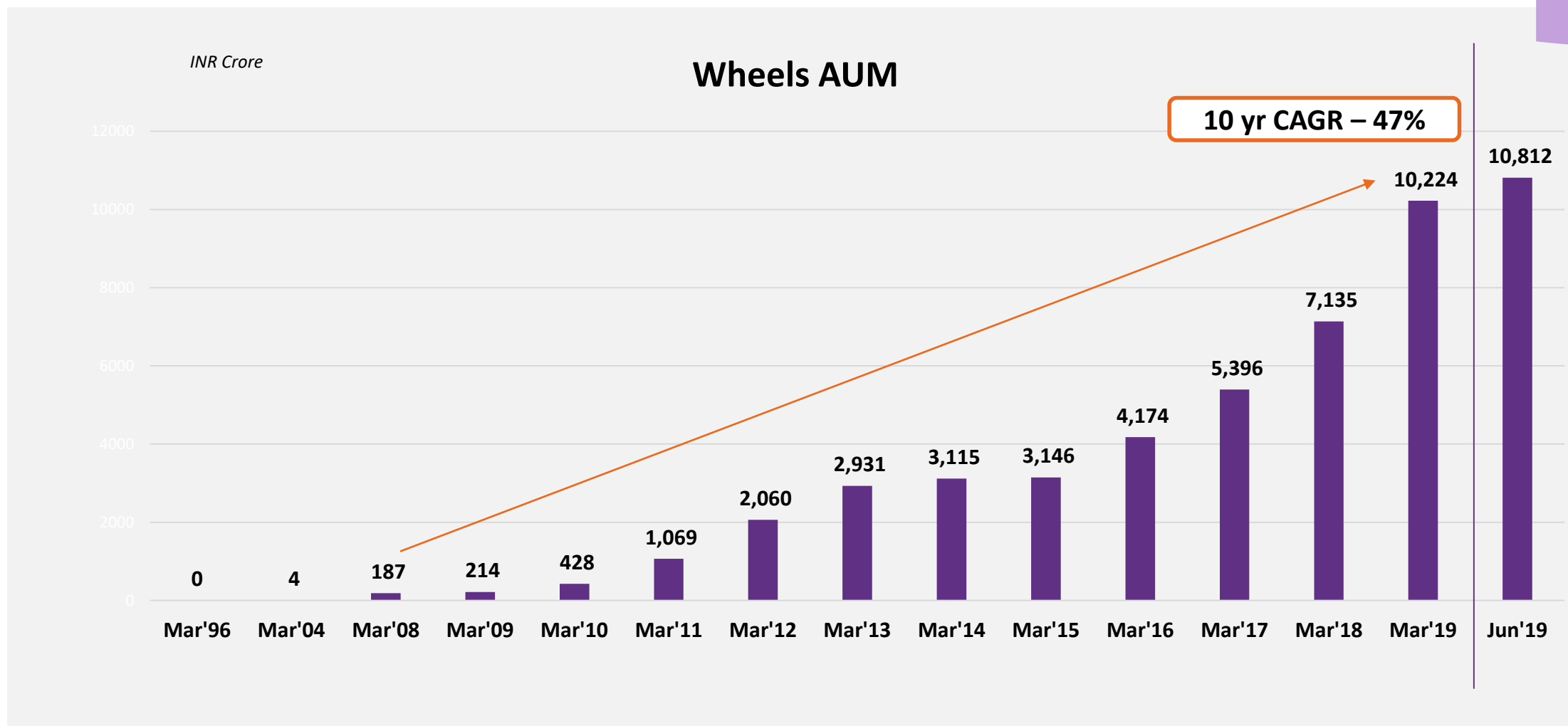
1000 Touch Point Outlets | 600 Branches & 400 Outlets

“Evolving Branch Expansion Strategy, to cover TOP Deposit Centers”

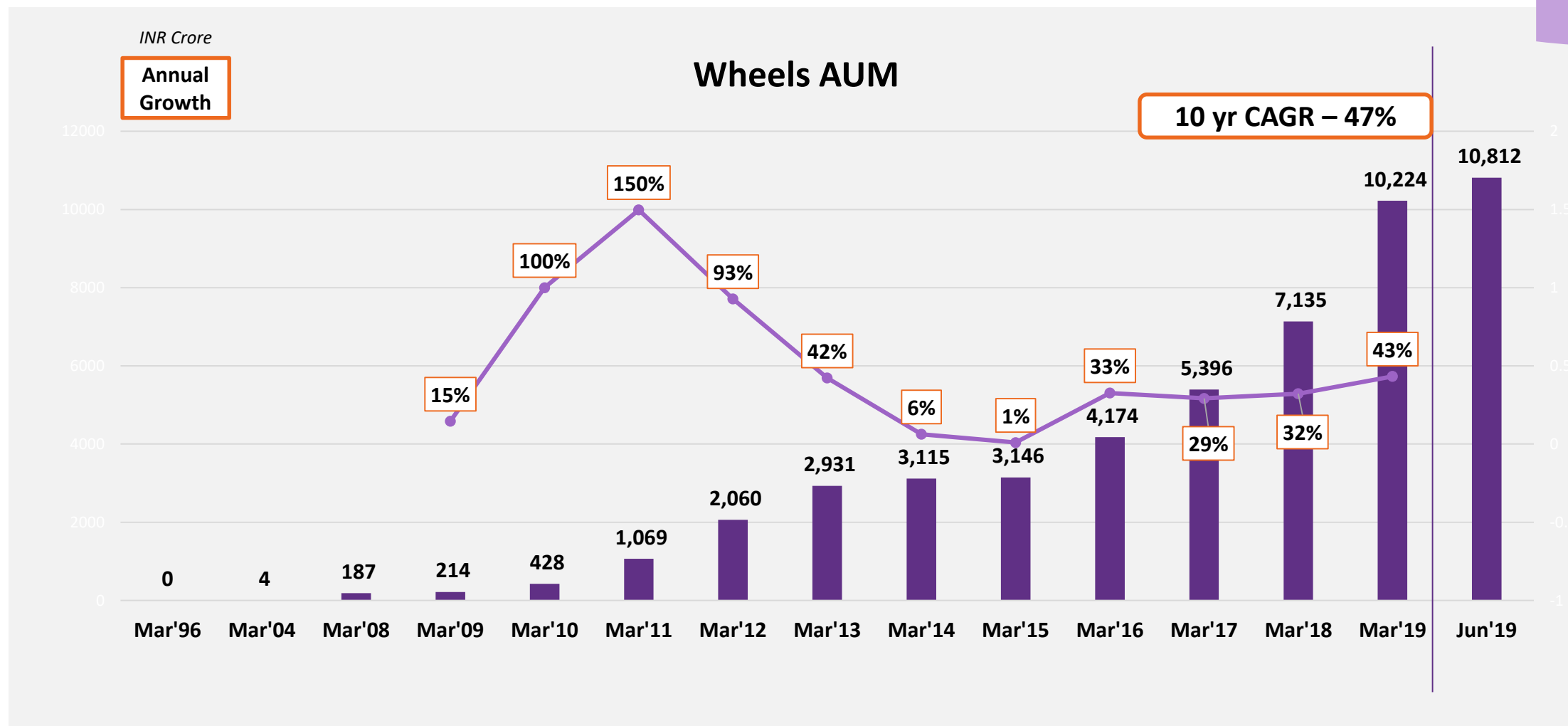
Building a Relationship Oriented, Robust & Granular Retail Book

2. Personal Banking - Wheels

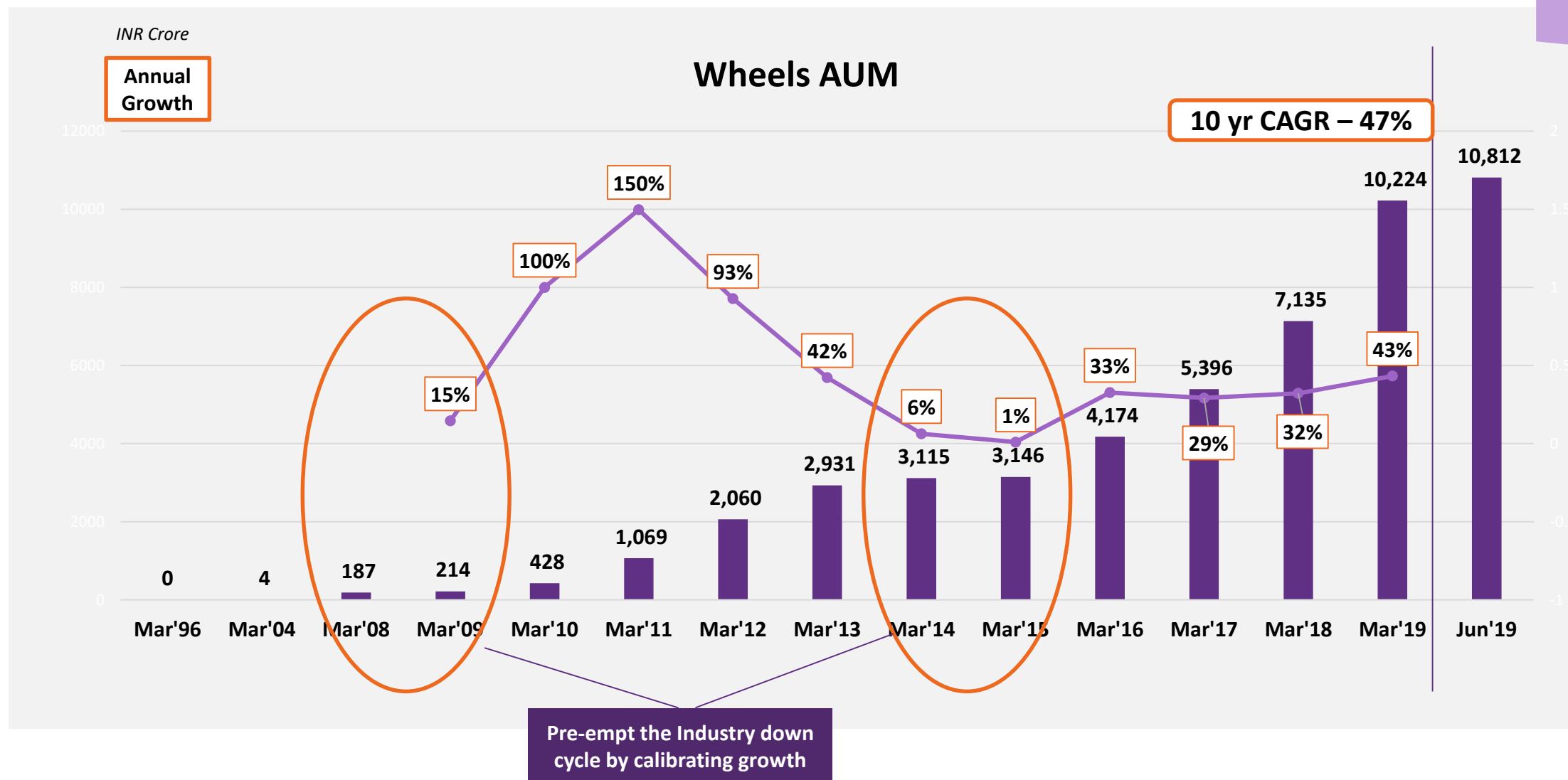




Vintage of 24 years.....



Respecting the cycle for 24 years.....





Customer Profile

- First Time Buyers
- First Time Users
- Last Mile / Intra-City Operators
- Tour & Travels Operators
- Captive Users
- Income proof
- Non-Income proof



Value Proposition

- New, Used & Refinance
- Rural, Semi-urban & Urban
- Personal, Passenger & Loading
- Earn & Pay, Self-employed & Salaried
- NTC and ETC
- Agri & Non-Agri



Enablers

- Deep Distribution model
- Customized Product Suite
- Vintage Leadership
- Localised Team

Granular Approach

Very granular Wheels loan book

WHEELS

4,22,565
Active loans

INR 3.5 to 4.0 lakh
Avg ticket size

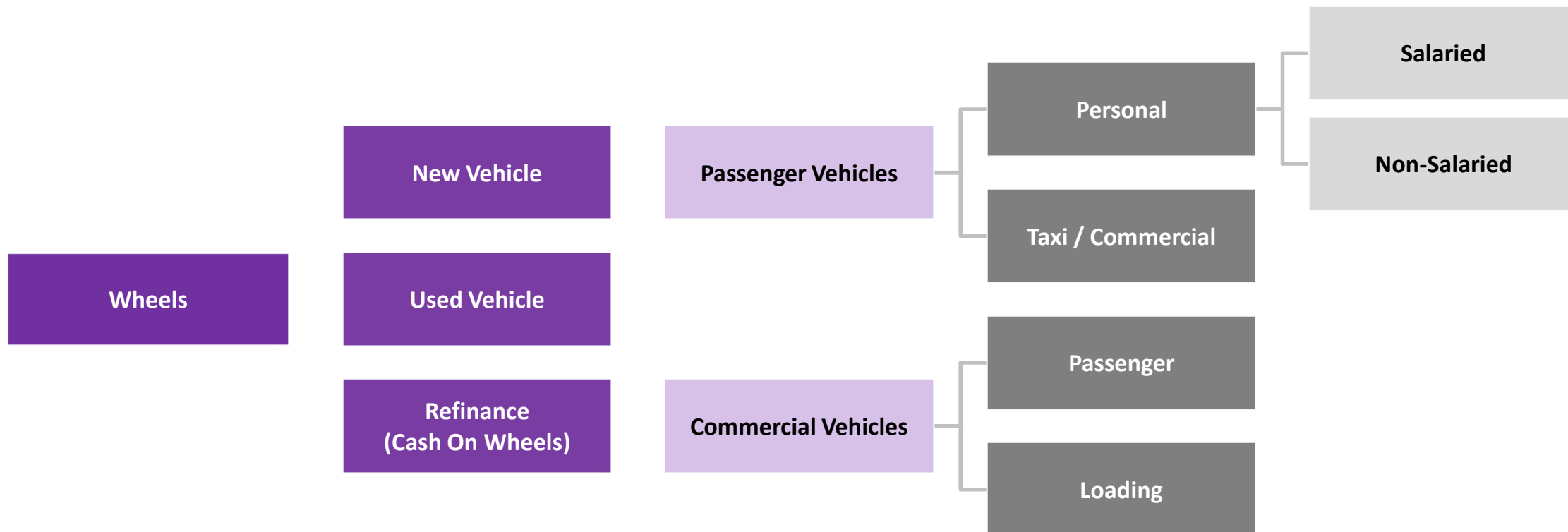
3 to 4 years
Avg tenor

80%
Avg LTV

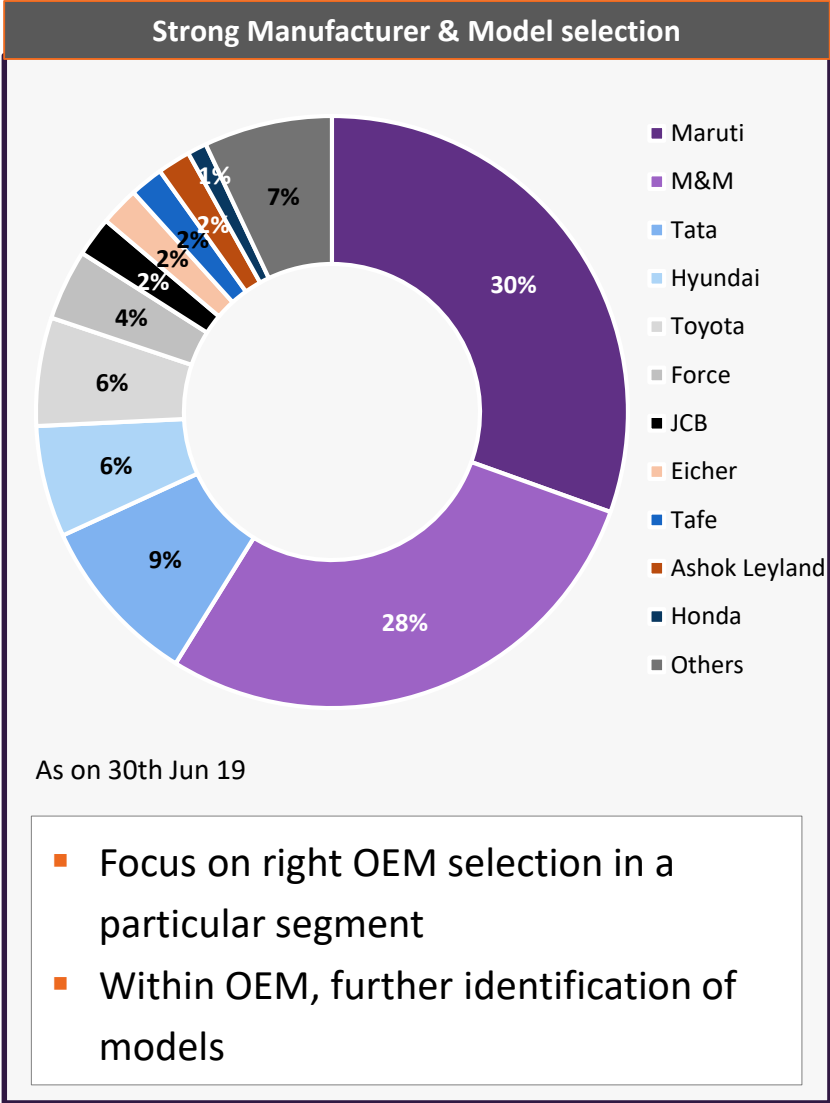
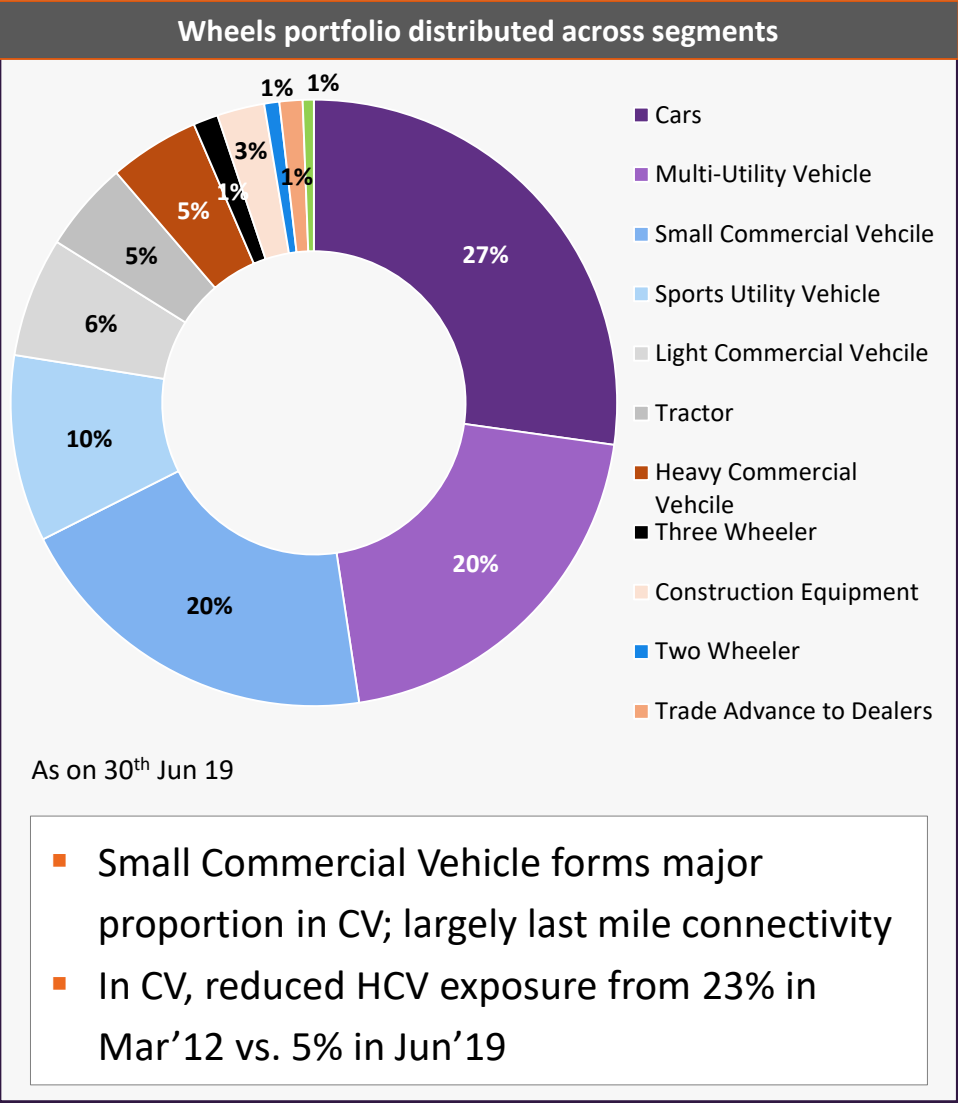
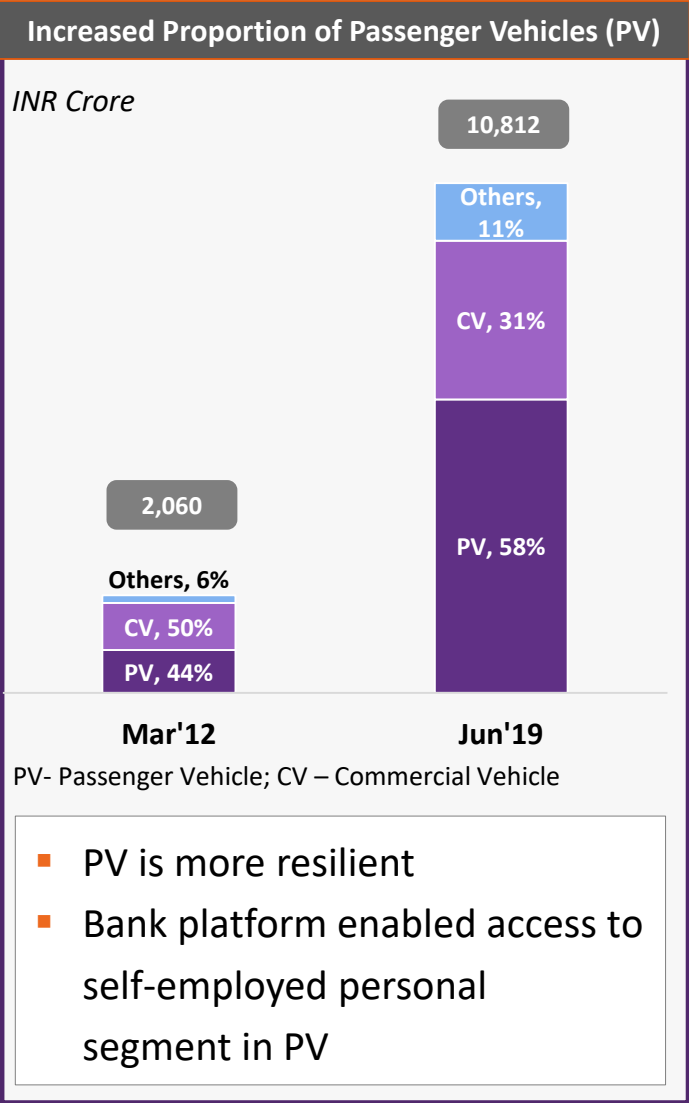
INR 14,000
Avg EMI

85%
PSL

Substantially Passenger & last mile transport

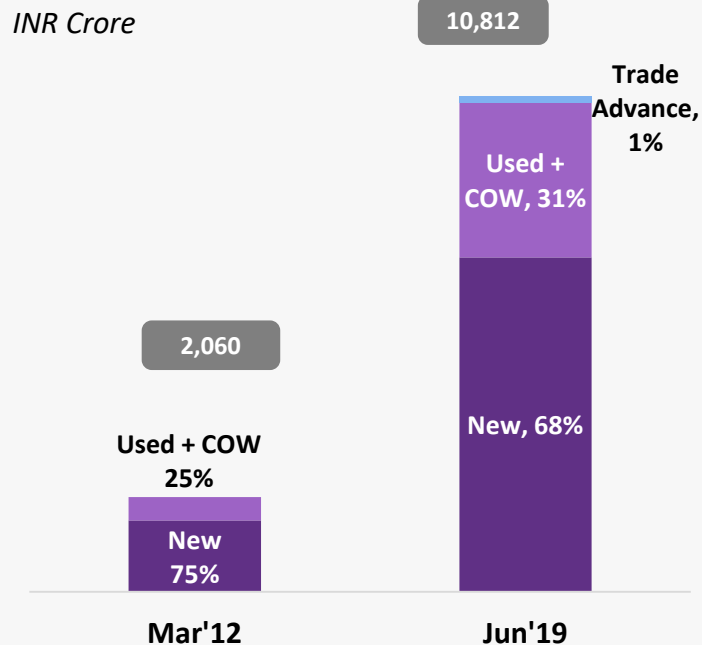


Well Diversified across Segments, Type, Make



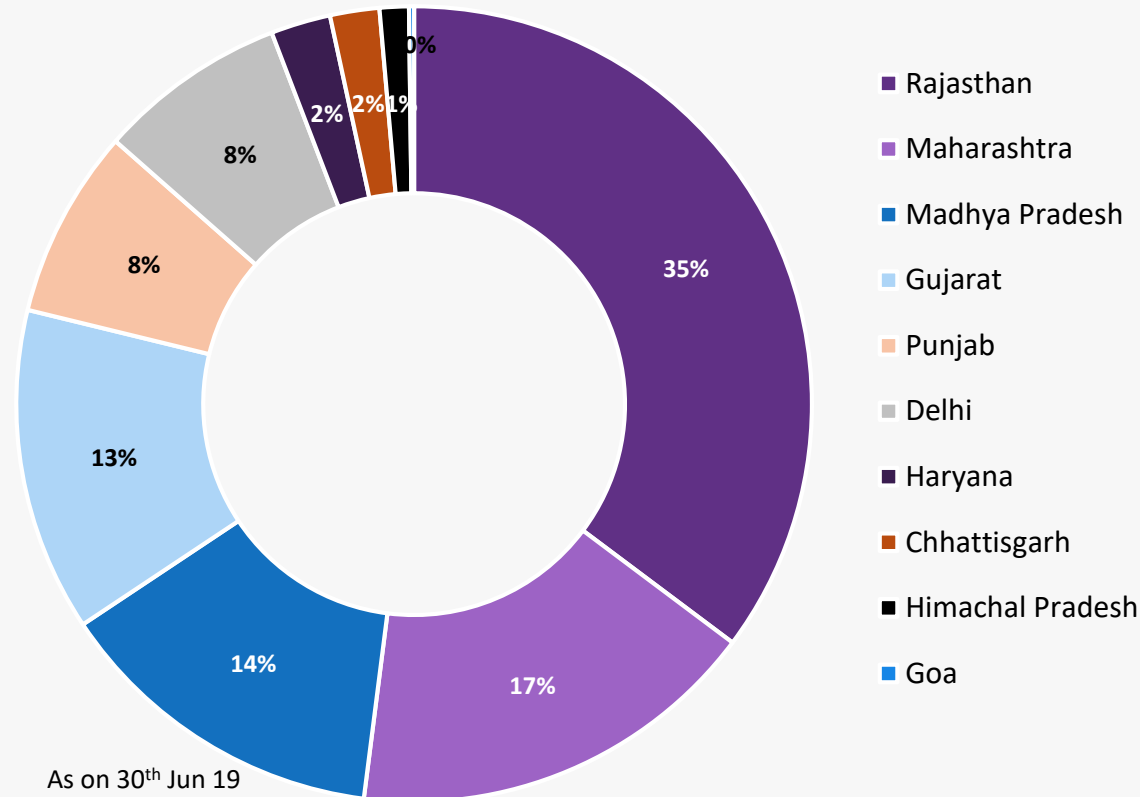
Used gaining proportion; Diversifying geographically

Increasing proportion of Used & Refinance (COW)



- Consciously increasing Used & COW proportion since 2012
- Established separate Used & Refinance vertical

Building Wheels book outside Rajasthan



- Portfolio well distributed across States;
- Potential to create each State as big as Rajasthan

Key Differentiators: Sourcing and Credit

Sourcing



**Direct Sourcing:
No DSA**



Strong Referral Channel



Repeat Customers



Asset Quality alignment



**In-house
Field Investigation**



Local Employees in Field



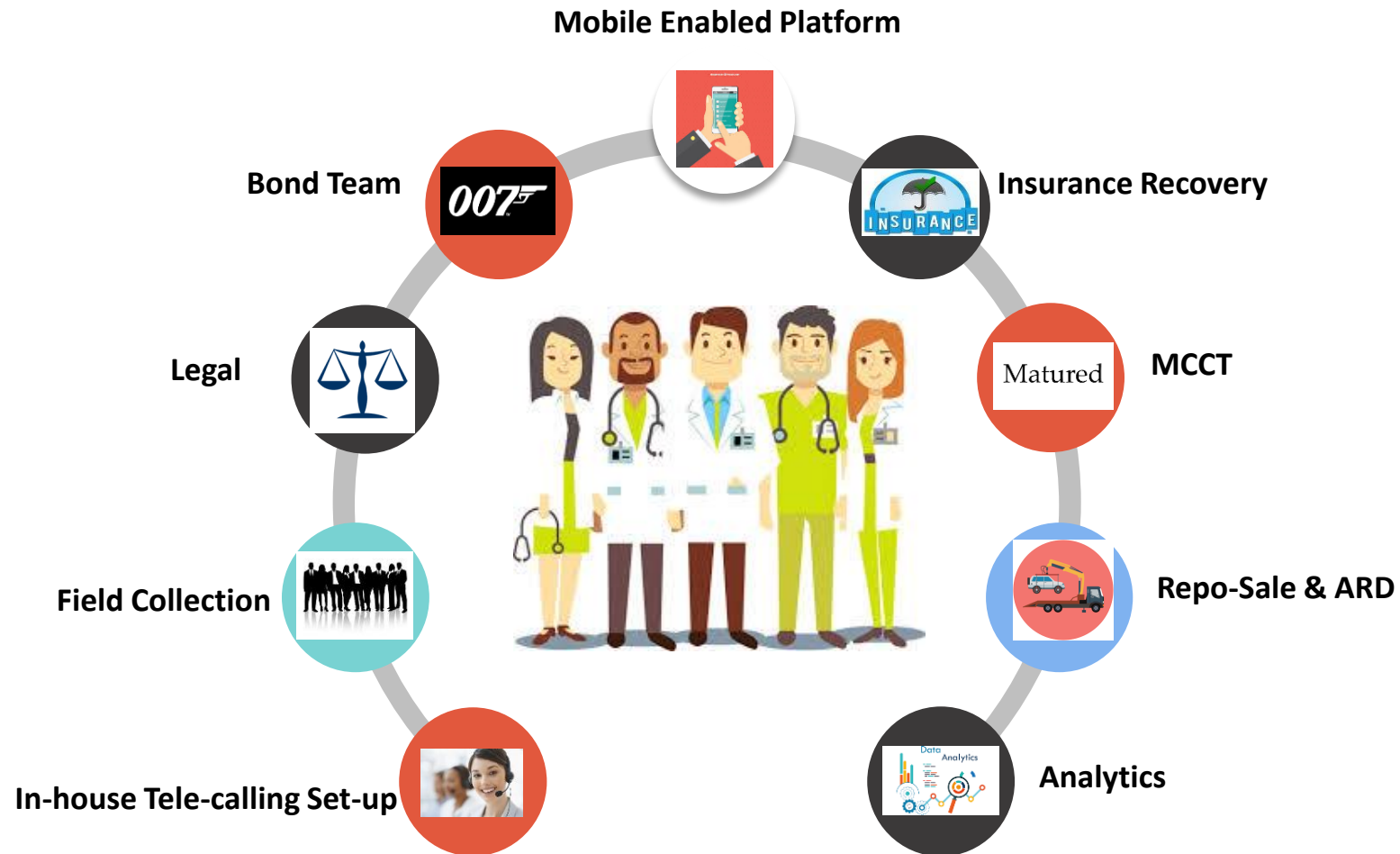
Touch and Feel



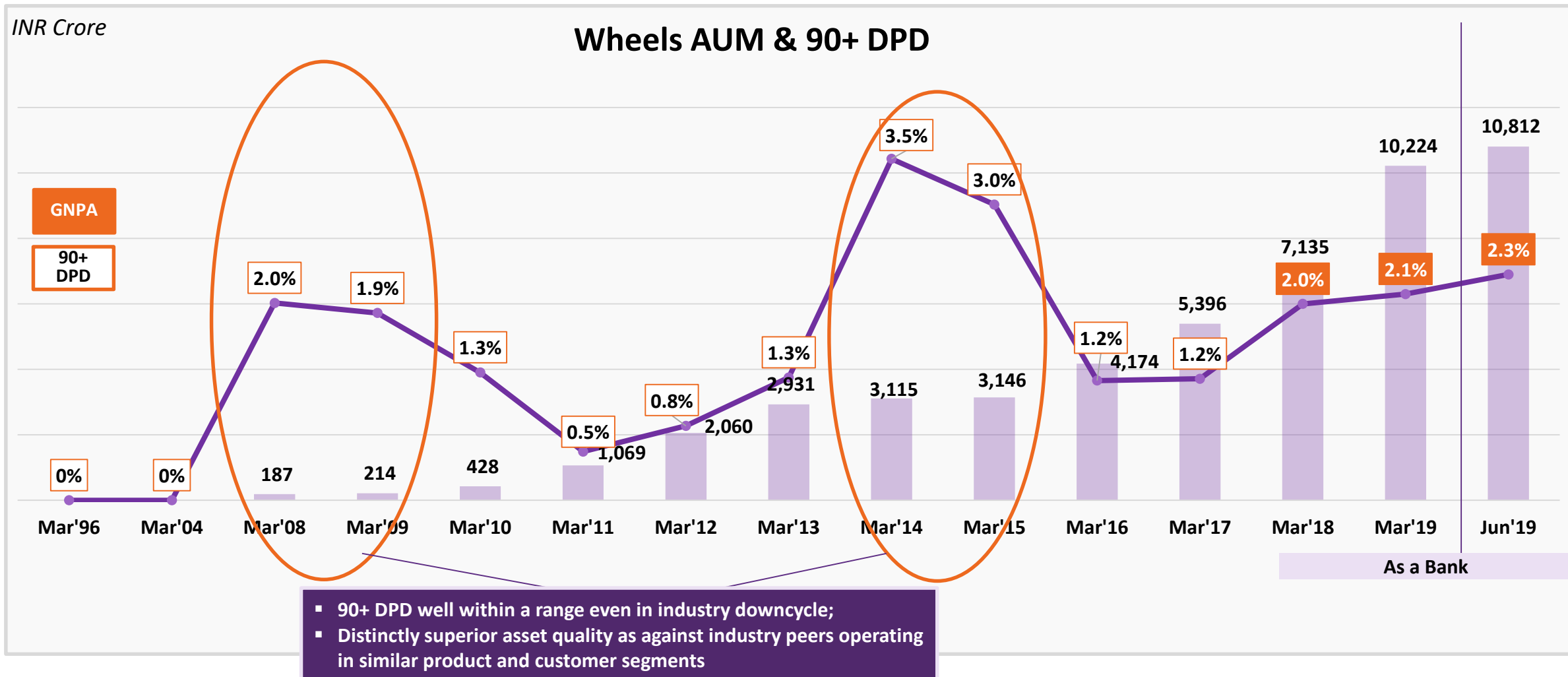
**Customer Equity in absolute
terms**

In-depth Credit

COLLECTION - A SUPER SPECIALTY UNIT – RIGHT TREATMENT FOR EVERY CASE



Superior Asset Quality – across cycles



Market Size – 51 Lakh NEW VEHICLES (Ex of Two Wheelers)



In AU' STATES – 25 Lakh



AU's MARKET SHARE in New Vehicles



3.5%

Used is the New New

Used Car Market:
Moving -> Unorganised to Organised



TRUE VALUE



Uptick in
Used Car
Outlets

Shift in
Customer
Profile

Rural
Penetration

RTO
Digitization



Quality
Checks

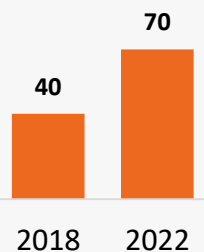


Used Car
Warranty

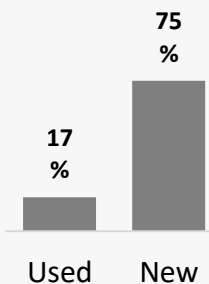


Used Car Market Size

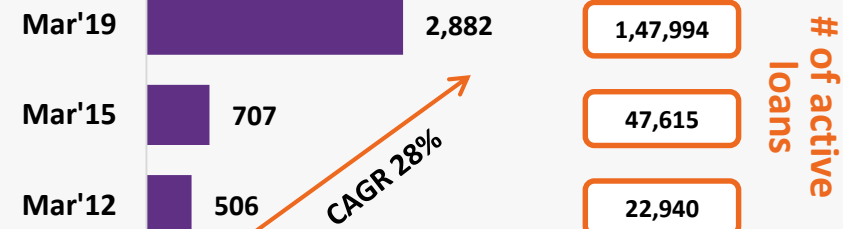
Units (lacs)



Financial Penetration



Opportunity AU





Paperless Two-Wheeler Loan Journey



Biometric



e-sign



Loan



Paperless Journey 2 to 22 Wheels



New



Used



Cash-on-Wheels



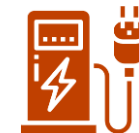
Electric Vehicles in Foresight



Team



Govt. Focus



Infrastructure

Way Forward – Build The Bank

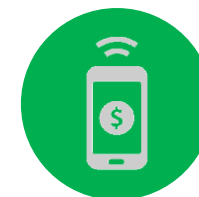


AU on Wheels...

Bank on The Bank



Data & Analytics



Digital Orientation



24 Years Vintage

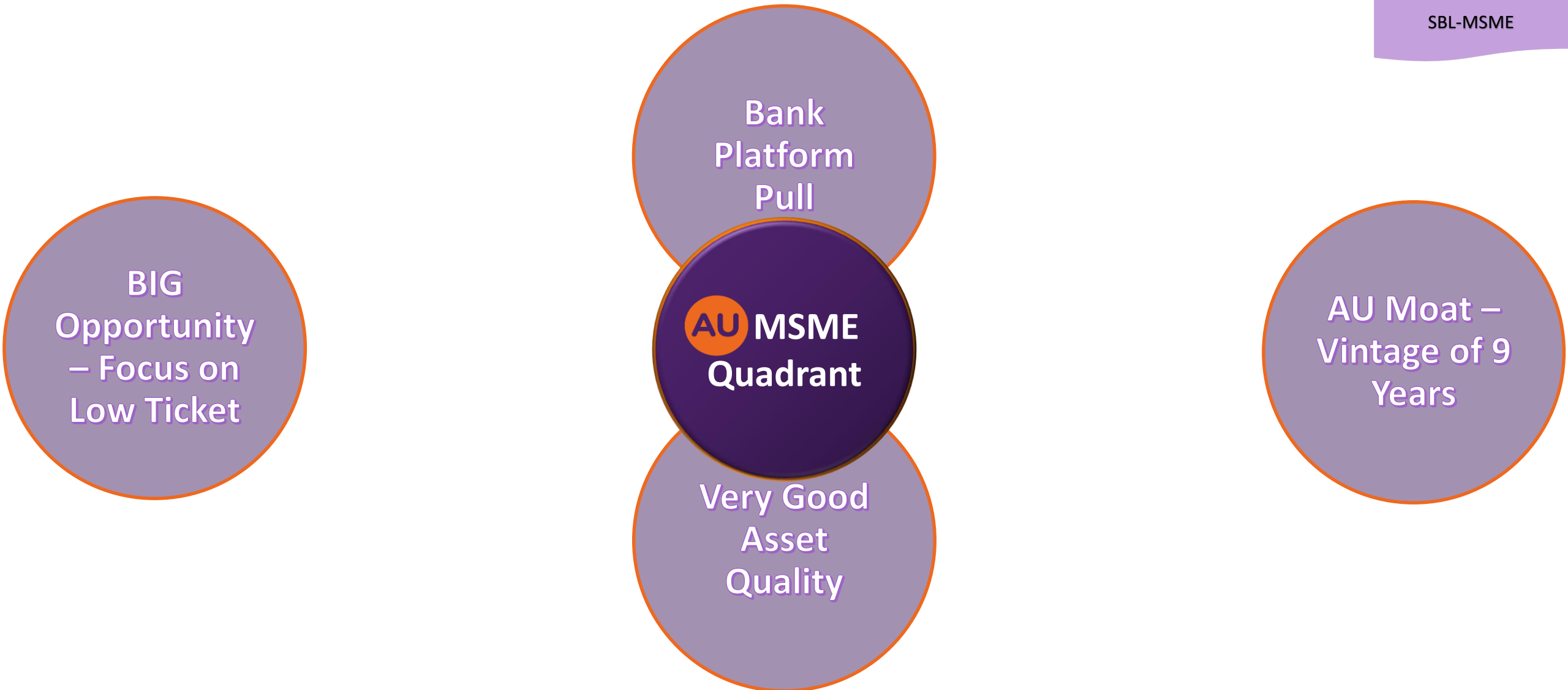


End of Session

B. Commercial Banking

i) SBL - MSME





Who is our MSME Customer?

Consumption Driven Business

रोटी
Food

कपडा
Clothing

मकान
Housing

शिक्षा
Education

स्वास्थ्य
Healthcare

रहन सहन
Life-style

Income is there but proof may/may not be there

Avg EMI ~ Rs. 19,500

The only asset as collateral – SORP / SOCP

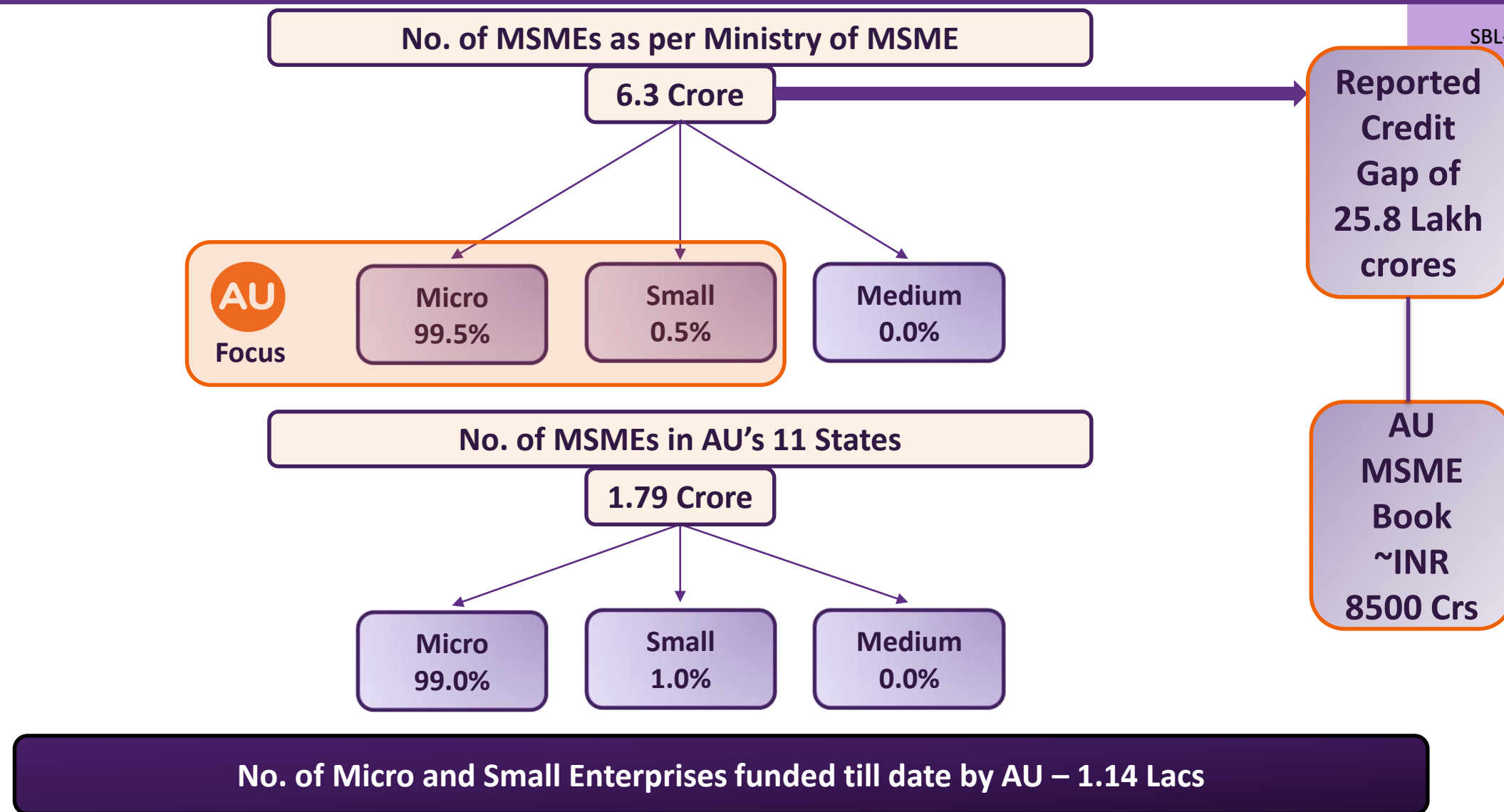
LTV < 50%

1st formal Business Loan for 80% of customers

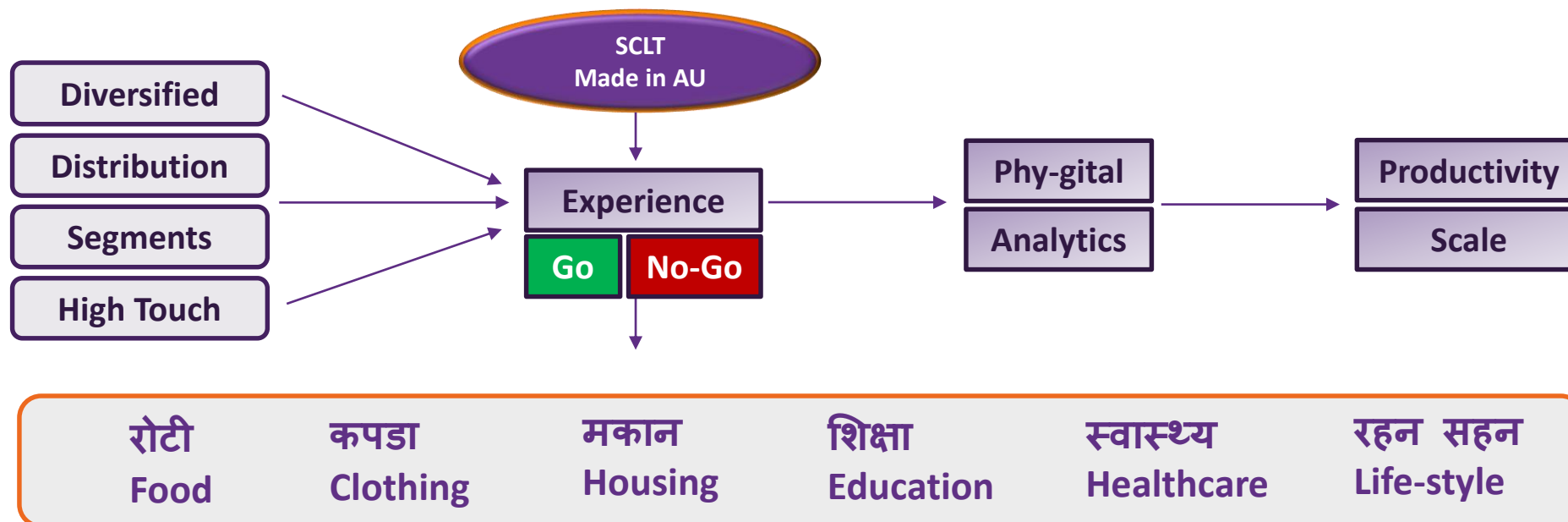
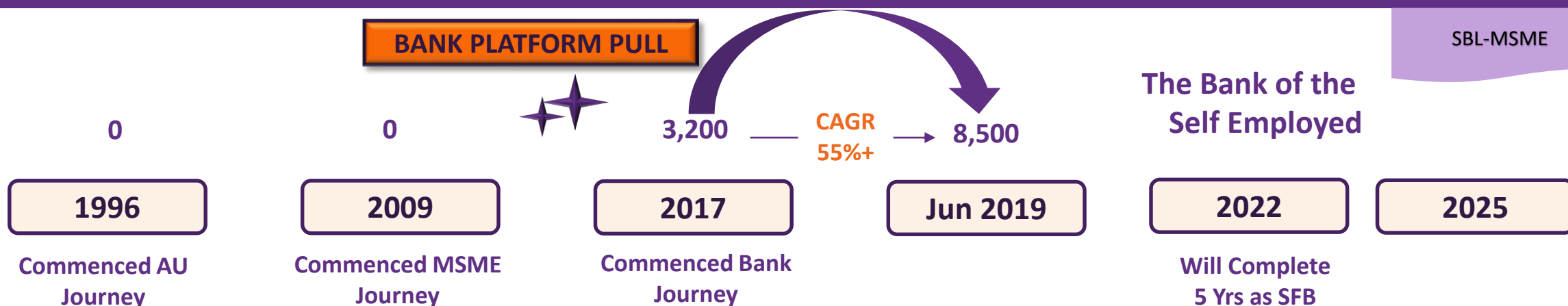
ATS – Rs. 9 Lakhs

NTC – 40%

We have just scratched the surface



AU Moat – Vintage of Last 9 Years



BIG PICTURE

Pioneers of SBL
Most Focused
Product

Cumulative
Disbursement
INR 12000+ Cr.

Cumulative No. of
customer
~1,14,000

GNPA as on Jun'19
2.5%

States = 11
Clusters = 38
Branches = 321

CORE USP's

SCLT - MADE BY AU IN JPR



Sales – 1876+



Credit – 570+

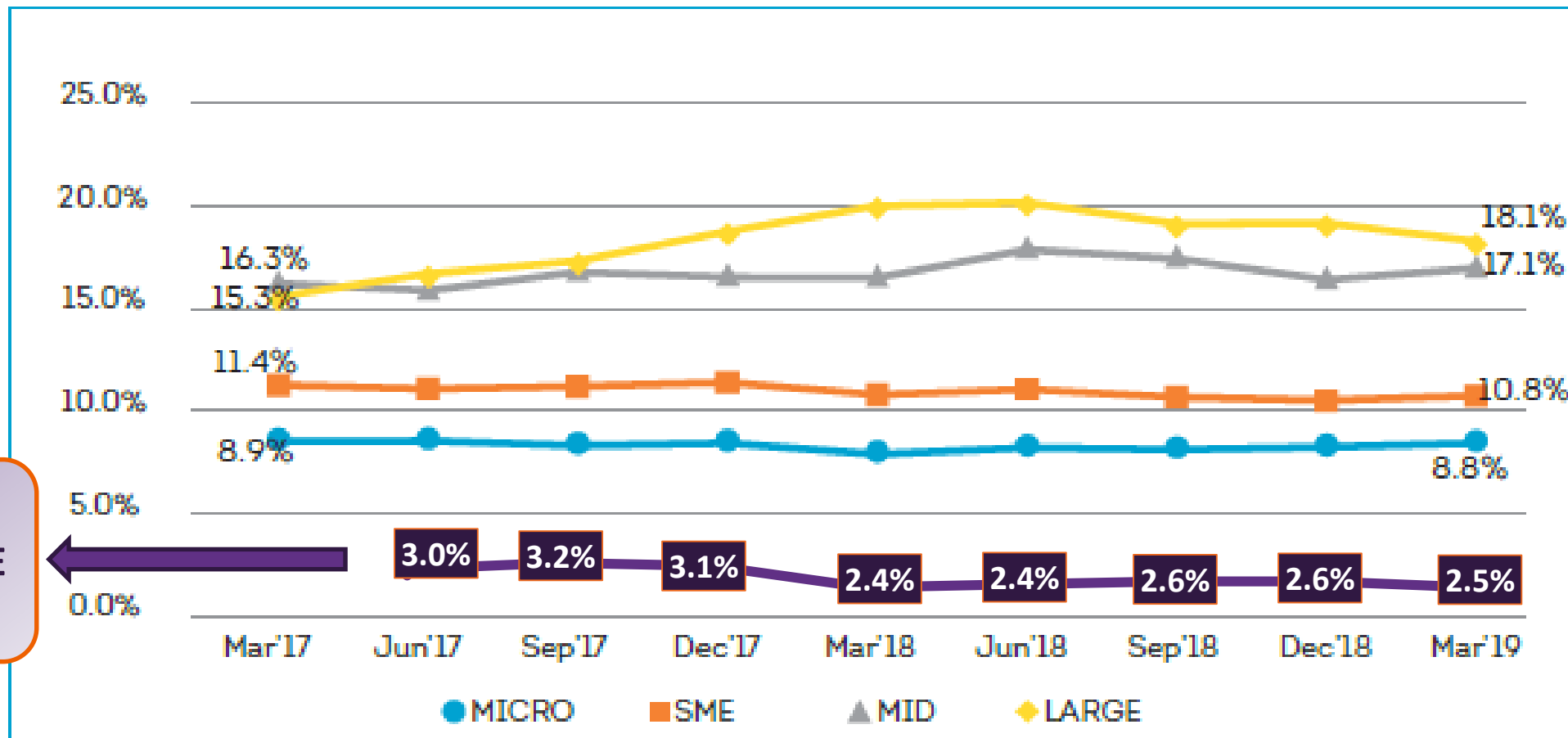


Legal – 70+



Technical – 140+

Segment Wise NPA Rates



Probability of Default Model

- The probability of default (POD) model is developed to profile the risk-levels of existing AU customers
- 101 variables** are used to predict 'intent to default' for a given customer

Customer Profile

Age	Marital Status	State
Customer Type	Income	Vintage
Business Segment	Industry	Occupation
Profession	Residence	Stability
FI Status	Dependent Wife	Dependent Children
Education Level	Education Level-Children	Other Business Activity

Product Holding

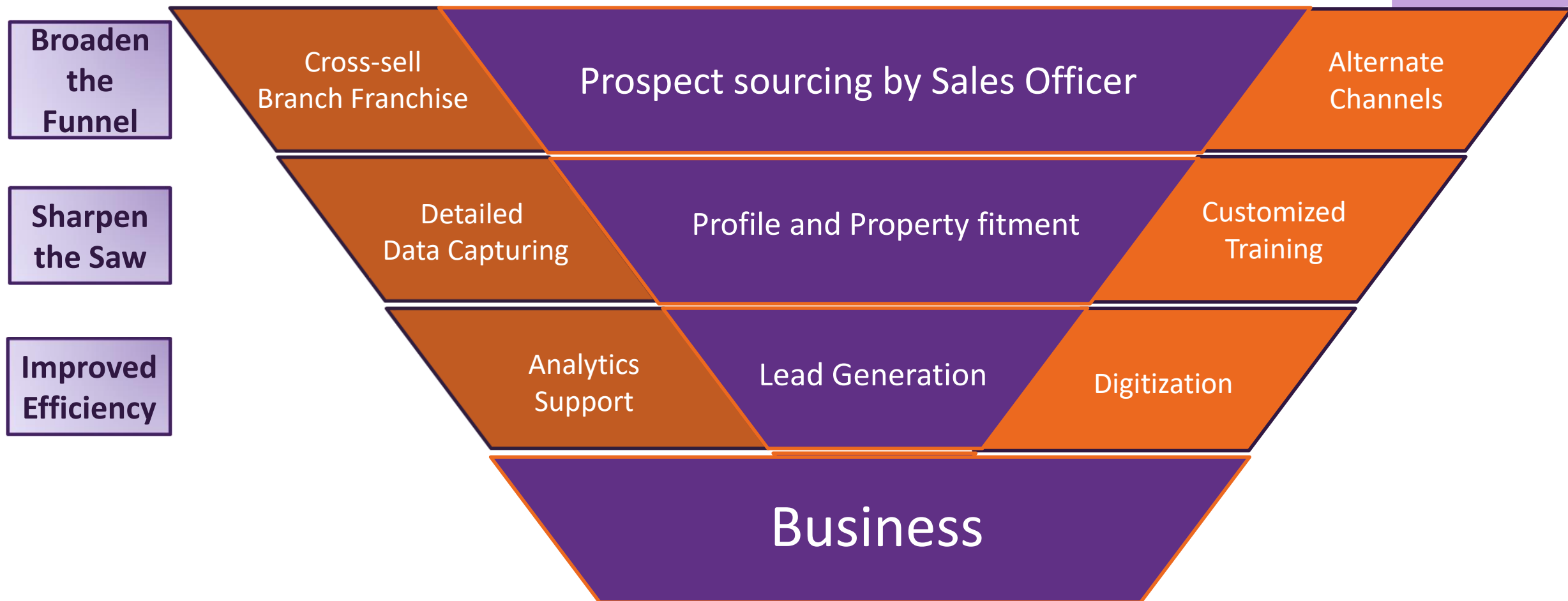
#Active Loans	Loan Amount	Collateral Value
EMI	Loan Tenure	Loan IRR
LTV	POS	Asset Cost

These variables were considered separately for Wheels, SBL and Business Banking products

Repayment History

Total # Payment Done	On time Payment	Payment within 7 Days
Payment within 30 Days	Payment within 60 Days	Payment within 90 Days
Payment within 180 Days	# Post EMI Loan went in 1st bucket	# Post EMI Loan went in 2nd bucket
# Post EMI Loan went in 3rd bucket	# Post EMI Loan went in 4th bucket	# Post EMI Loan went in 3rd bucket
# Delinquent	# Roll Forward	# Roll backward
Due Dates	Repayment Mode	DPD ay year end

These variables were considered separately for Wheels, SBL and Business Banking products



B. Commercial Banking

ii) Small & Mid Corporate



- **Vintage business** with more than **6 years** of seasoning
- **NIL 0+ DPD** account in NBFC Book since inception
- 161 Clients with 335 Facilities out of which 81% are less than INR 10 Crore and 55% are less than INR 5 Crore
- **Well diversified book** across AFCs, HFCs, MFIs, Gold Loan and Fintech segment across geographies distributed between 161 clients with average tickets size of INR 8.3 Crore
- Cautious opportunity based lending therefore book has not grown in last 4 quarters
- Exposure is largely to **small and mid size clients** with higher capital adequacy and with limited dependence on capital market borrowings
- 88% of exposure is on investment grade and above rated clients
- **Self Funded Book** – Deposits of INR 1600 Crore from NBFC segment

- **Vintage business** with more than **6 years** of seasoning
- Book is **well diversified** between Row Houses, Low-Rise and High-Rise projects
- 93% of Facilities are less than INR 5 Crore with average ticket size of INR 2.4 Crore
- **Strictly selective sourcing** , largely focused on near completion project with good cover on sold receivable
- **Larger focus on affordable segment** which shall become feed to our retail Home Loan book
- **Close supervision** and timely action for key monitorable including Cost Over Run / Time over Run / Slow Moving Inventory
- Online Tools developed internally for Project Monitoring including NOC issuance and Escrow Management

- **Focused products** for bank within Small and Mid Corporate book
- Being built on retails distribution much like Wheels and SBL Business
- Strategic product from Branch Banking point of view as it **brings in stickiness around CASA**
- Business Banking is largely focusing on funding to Manufacturer, Wholesaler, Trader, Retailer, Service Provider in the form of Overdraft, Cash Credit, Term Loans, Letter of credit & Bank Guarantees
- Agri & SME book is largely focusing on funding across Agri value chain like pre-production, production, distribution/storage, processing and retail in the form of Working Capital and Terms Loans
- 80% of book is of nature of working capital with average tickets size of INR 55 Lakh in business banking and INR 34 Lakh In Agri & SME
- SBL-SME team has been aligned with Agri business to focus on working capital portfolio
- Larger focus on customer segments in Non Metro and Semi-Urban area to leverage on distribution

- **Focusing on domestic trade business** including LC, BG, LCBD and AD-II remittances
- **Healthy increase in transaction** YOY basis, have handled 612 transactions of INR 212 Cr Value in Q1FY20 itself compared to 1539 transactions of INR 425 Cr Value in FY19
- **Large opportunity** exist for Bank Guarantee business given the government thrust on Roads Contractors are good source of CA, TD and BG business
- We have total of INR 451 Cr of Non Fund Limits setup in system with 48% Utilizations
- **Laying the foundation** for future opportunities when AD-I license is granted

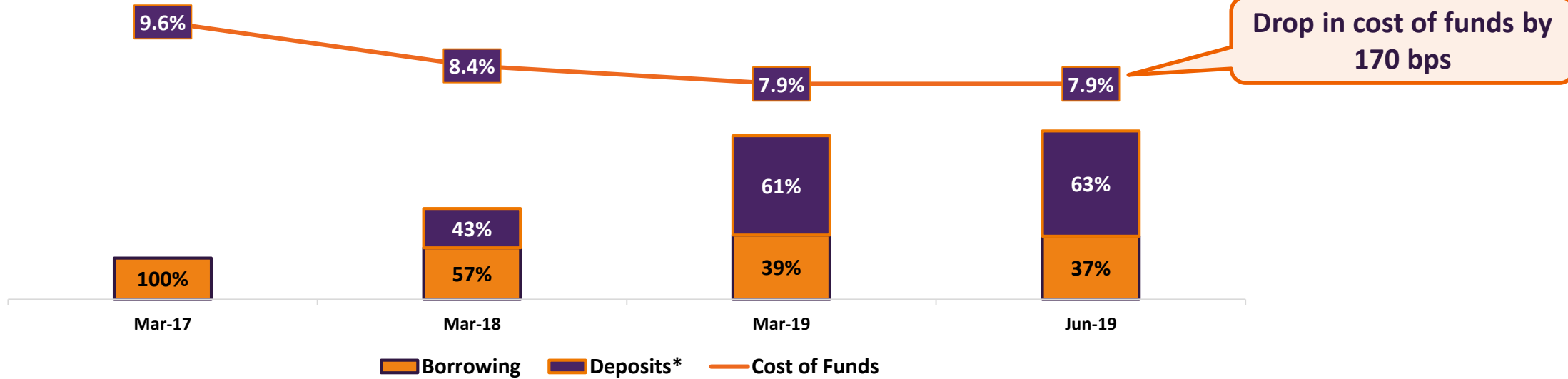


End of Session

C. Treasury



Improving Cost of Funds

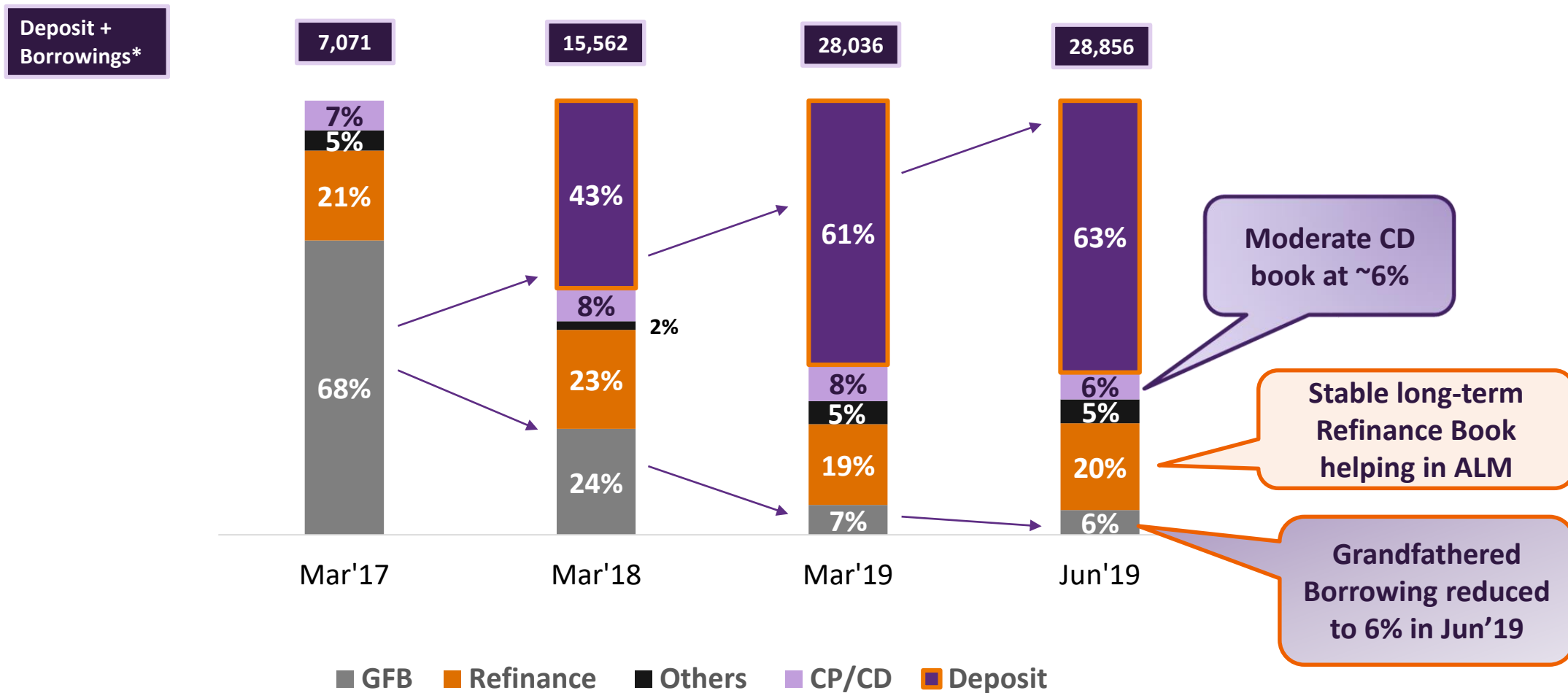


CD Ratio Movement

Particulars	31-Mar-17	30-Jun-19	Net Increase
Loans AUM	10,734	25,610	14,876
Deposits*	-	18,060	18,060
CD Ratio	-	142%	82%

Incremental CD
Ratio is 82%

Increasing Deposits diversifying funding mix favorably



*Excluding off-balance sheet

Key Treasury Resources

- Ability to securitize portfolio - Securitization of Rs. 1700 crores in Q1FY20
- Long Term Refinance from DFIs
- CDs / Inter-Bank lines (currently only 6% of external borrowings)

Prudent Liquidity Management

- Maintaining optimal liquidity commensurate with market environment
- Management of total investment book of INR ~8000 Crore without any negative MTM
- High quality Non SLR liquidity & DCM book carrying positive spread
- Earning of Treasury income through prudent treasury management

Risk Management

- Well managed ALM
- Compliant with all regulatory ratio w.r.t. SLR, CRR, LCR etc.

- Continued efforts for reduction in cost of funds & keeping adequate liquidity
- Effective management of SLR & Non SLR Investment Book to avoid negative carry and MTM
- Focus on enhancing treasury gains with prudent risk framework
- Judicious optimization of Securitization/ PSLC basis market scenario
- Effective Asset Liability Management & adherence of regulatory ratios
- Support healthy capital adequacy through raising Tier II capital
- Credit Rating at AA- / Stable; effort to upgrade

- Interest rate are directionally lower (rate cut of 75 bps in last 3 policy announcement)
- Expect RBI to cut rates further to support growth tracking low inflation and stable oil prices
- Expecting 10Y Benchmark G-Sec yields to trade between 6-6.25% in near term (currently 6.35%)
- Expect Deposit rates to come down on lagged effect tracking easy liquidity and low interest rates regime
- Continue Facilitation of adequate liquidity in Banking system by RBI

D. Governance



- Independent Risk , Audit and Compliance Function with unfettered access to the Board
- Governance functions play vital role in strategic decisions of the Bank
- Board / Delegated committees are put in place for Risk and adherence of Compliances
- Three line of Défense Mechanism - Internal Control, Risk and Audit
- Compliance function independently tracks all Regulatory compliances and changes, and ensures timely implementation in the Bank
- Bank follows Credit Committee approach for sanctioning of large ticket loans and Investment Exposures
- Bank has established a structured framework in the Internal Capital Adequacy Assessment process (ICAAP)
- Identification of Key Risk Indicators for Asset and Liabilities Business.
- Regulatory and Internal Framework to identify, Monitor and control Liquidity and Interest Rate Risk. Daily Computation of LCR.
- We follow '5P' approach for Information and Cyber security (Policy, Process, Product, People and Partnership)
- Strong Whistle Blower mechanism and Consequence Management process
- Internal controls for Segregation of duties between Front office, Mid office and Back Office



**Continuous process
Re-engineering by
Leveraging
Technology**



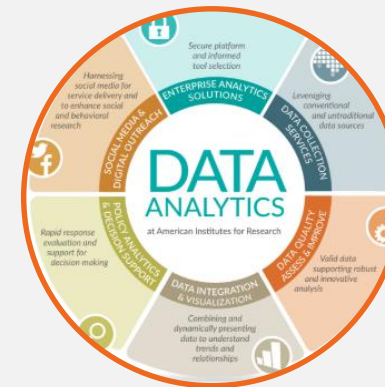
**Alert Based
Functionalities**



**Real Time
Monitoring**



Risk Based Auditing



**Data Analytics for
effective Risk
Management &
Governance**



Technology Partners in Governance

 **Pentana** Audit

 **experian.**


ALPHA PLUS
THE SOLUTION PEOPLE... EXCELLENCE WITH A DIFFERENCE!


Euronet
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 **Clari5**TM

NPCI
भारतीय राष्ट्रीय भुगतान निगम
NATIONAL PAYMENTS CORPORATION OF INDIA

Perfios
REALTIME ANALYSIS & DECISIONING

 **Probe 42.in** BETA

PROPEQUITY
CREATING INVESTOR INTELLIGENCE

CIBIL DETECT

Thomson Reuters World-Check
FIND HIDDEN RISK

Information and Cyber Security Partners



E. Digital, IT and Analytics





**Agile Application
Stack**



**Infrastructure
Management**



**Digital
Solutions**



**Analytics &
Data Science**



**Security
Framework**



Design Principles



Scalable and API Driven



Unified Customer 360



Omni-channel Experience



100% DC and DR

ORACLE®

Jocata

netmagic®
An NTT Communications Company

[]^x
CRM NEXT

Karix
connect • interact

accenture

rupeepower

paloalto
NETWORKS®

Hotfoot.

Tagit



aurionpro

McAfee™

Euronet
WORLDWIDE

Don't love visiting branches...

... we love visiting your homes

- Opening sole-proprietor Current Account on tab
- Branch agnostic account opening
- Minimum documentation
- Insta kit with cheque book and account number
- Vypaar OD facility
- Account activation notification over mail
- Fixed Deposit opening through tab

...bank typical millennial style

- First in industry initiative
- Open savings account by giving missed call
- Open account in under 2 min using your AADHAR and PAN details

...get your banking constantly upgraded

- Face ID for login authentication
- End-to-end in app journey for all products
- Tax payment, Mobile recharge and bill payment
- UPI enabled
- Conversational Banking - Voice assistant with SIRI and Google Assistant integration
- Predictive Fund transfer
- Sharing account details
- QR scan to pay

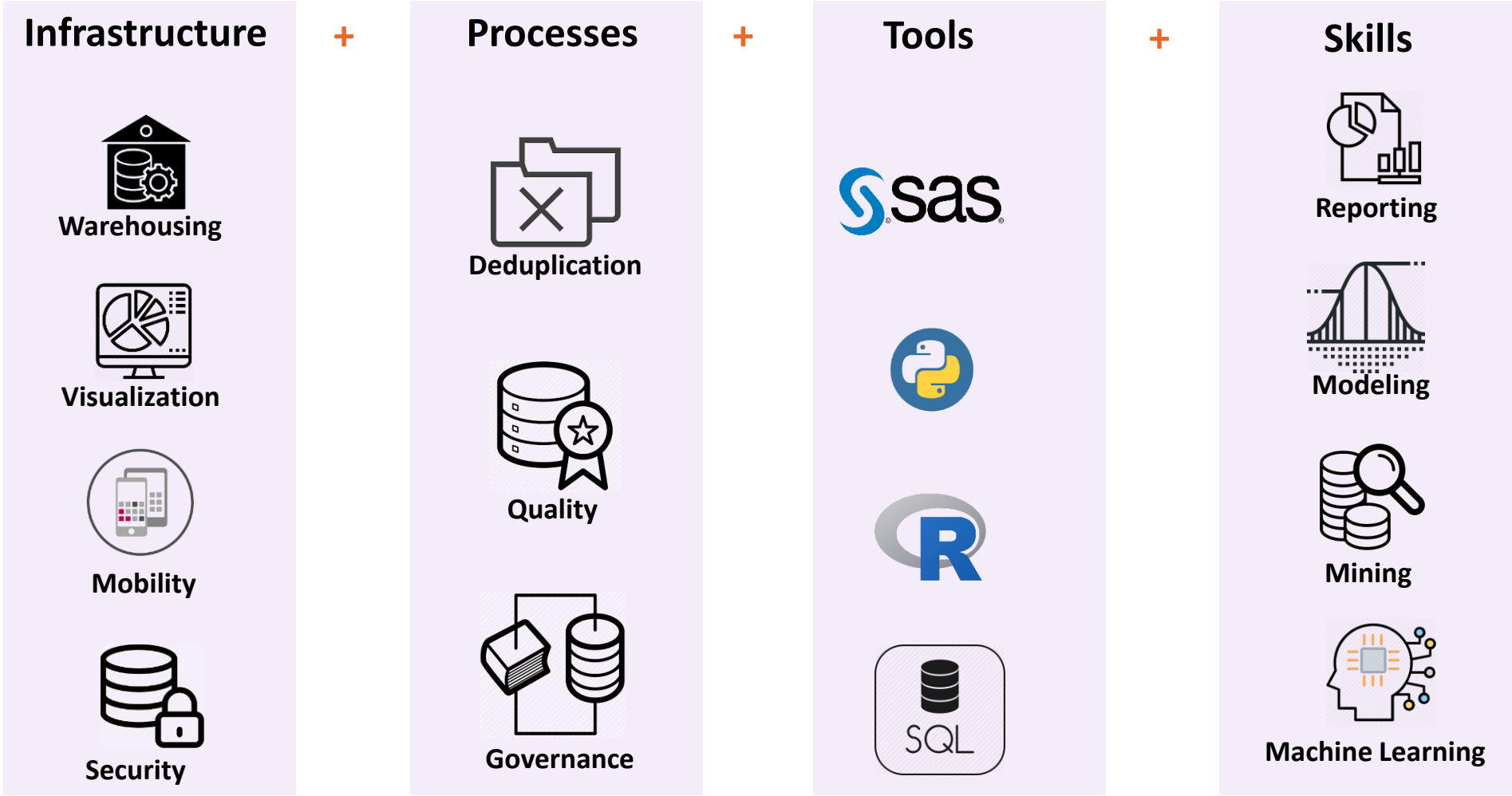
...borrow with minimal or no paperwork

- Paper less loan disbursement process
- Only AADHAR and PAN details required
- Bio-metric authentication and e-sign to complete the journey

...get serviced at smart branches

- AU Bank Savings Account along with Demat and Trading Account in Partnership with Motilal Oswal Group
- Account activation in 30mins
- Initiate trading same day
- Minimum brokerage

Data Culture





#BEASTMODE

now is the time to up the game...

-  ...hyper-personalized services
-  ...open banking infrastructure
-  ...capturing imaginations proactively
-  ...innovative factors of authentication
-  ...futuristic interfaces

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THANK YOU

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