AU SMALL FINANCE BANK
A SCHEDULED COMMERCIAL BANK

Ref. No. AUSFB/SEC/2021-22/237
Date: 28th October, 2021

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**

Dear Sir/Madam,

Sub: Unaudited Financial Results of the Bank for Quarter & Half Year ended on 30th September, 2021

Pursuant to Regulation 30, 33 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), we submit herewith the following:

i. Unaudited Financial Results for quarter & half year ended on 30th September, 2021, duly approved by Board of Directors at its meeting held on Thursday, 28th October, 2021.

ii. Limited Review Report of Joint Statutory Auditors, Deloitte Haskins & Sells, Chartered Accountants and G. M. Kapadia & Co., Chartered Accountants.

iii. Press release of the Bank on the Unaudited Financial Results for the quarter and half year ended on 30th September, 2021.

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

Further, pursuant to the Regulation 23(9) of Listing Regulations, we also submit herewith disclosure of Related Party Transactions for the half year ended on 30th September, 2021, drawn in accordance with the applicable accounting standards.

The meeting of Board of Directors commenced at 5:00 P.M. and concluded at 6:20 P.M.

The meeting will continue on 29th October, 2021 for remaining items of agenda.

This is for your information and records.

Thanking You,

Yours faithfully,
For AU SMALL FINANCE BANK LIMITED

AU Small Finance Bank Limited JAIPUR

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

Encl: As Above

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**

AU SMALL FINANCE BANK

AU Small Finance Bank Limited

(CIN: L36911RJ1996PLC011381)

Registered Office:- 19-A, Dhuleshwar Garden, Ajmer Road, Jaipur 302001, Rajasthan (INDIA)
Tel : +91-141-4110060, Fax No : +91- 141-4110090 Website : www.aubank.in

Statement of Unaudited Financial Results for the quarter and half year ended September 30, 2021

(₹ In lakh)

S. No.	Particulars	Quarter ended 30.09.2021	Quarter ended 30.06.2021	Quarter ended 30.09.2020	Half year ended 30.09.2021	Half year ended 30.09.2020	Year ended 31.03.2021
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Interest Earned (a)+(b)+(c)+(d)	140,475.22	135,349.40	121,245.41	275,824.62	239,656.91	495,005.15
	a) Interest / discount on advances / bills	114,277.11	113,540.70	94,477.93	227,817.81	189,857.91	394,736.25
	b) Income on Investments	18,373.53	17,248.12	20,654.15	35,621.65	40,464.19	77,304.30
	c) Interest on balances with Reserve Bank of India and other inter bank funds	2,429.37	1,467.31	2,359.27	3,896.68	4,540.22	8,500.66
	d) Others	5,395.21	3,093.27	3,754.06	8,488.48	4,794.59	14,463.94
2	Other income (refer note 6)	19,089.71	21,406.00	26,099.90	40,495.71	48,653.31	141,583.24
3	**Total Income (1)+(2)**	**159,564.93**	**156,755.40**	**147,345.31**	**316,320.33**	**288,310.22**	**636,588.39**
4	Interest Expended	65,162.37	62,948.05	65,181.56	128,110.42	132,007.89	258,460.97
5	Operating Expenses (i)+(ii)	55,258.34	45,695.31	38,001.81	100,953.65	67,607.62	165,842.52
	i) Employees cost	32,675.92	28,261.76	22,420.53	60,937.68	40,354.05	98,017.31
	ii) Other operating expenses	22,582.42	17,433.55	15,581.28	40,015.97	27,253.57	67,825.21
6	**Total Expenditure (4)+(5) (excluding Provisions & Contingencies)**	**120,420.71**	**108,643.36**	**103,183.37**	**229,064.07**	**199,615.51**	**424,303.49**
7	**Operating Profit before Provisions and Contingencies (3)-(6)**	**39,144.22**	**48,112.04**	**44,161.94**	**87,256.26**	**88,694.71**	**212,284.90**
8	Provisions (other than tax) and Contingencies	360.01	20,646.33	3,270.96	21,006.34	21,369.92	66,434.08
9	Exceptional Items	-	-	-	-	-	-
10	**Profit from Ordinary Activities before tax (7)-(8)-(9)**	**38,784.21**	**27,465.71**	**40,890.98**	**66,249.92**	**67,324.79**	**145,850.82**
11	Tax Expense	10,932.84	7,145.92	8,703.34	18,078.76	15,056.28	28,782.36
12	**Net Profit from Ordinary Activities after tax (10)-(11)**	**27,851.37**	**20,319.79**	**32,187.64**	**48,171.16**	**52,268.51**	**117,068.46**
13	Extraordinary items (net of tax expense)	-	-	-	-	-	-
14	**Net Profit for the period (12)-(13)**	**27,851.37**	**20,319.79**	**32,187.64**	**48,171.16**	**52,268.51**	**117,068.46**
15	Paid up equity share capital (Face Value of ₹ 10/- each)	31,311.04	31,293.69	30,653.53	31,311.04	30,653.53	31,221.34
16	Reserves excluding revaluation reserves						596,300.24
17	**Analytical Ratios and other disclosures:**						
	(i) Percentage of shares held by Government of India	Nil	Nil	Nil	Nil	Nil	Nil
	(ii) Capital Adequacy Ratio - Basel II (refer note 9)	21.95%	23.07%	21.47%	21.95%	21.47%	23.37%
	(iii) Earnings per share (before and after extraordinary items, net of tax expenses)*						
	Basic EPS (₹)	8.90	6.50	10.50	15.40	17.09	38.19
	Diluted EPS (₹)	8.81	6.43	10.47	15.23	17.01	37.86
	(iv) NPA Ratios						
	(a) Gross NPAs	115,144.78	149,594.08	42,316.67	115,144.78	42,316.67	150,282.91
	(b) Net NPAs	59,147.73	76,598.81	12,282.72	59,147.73	12,282.72	75,545.47
	(c) % of Gross NPAs to Gross Advances	3.16%	4.31%	1.54%	3.16%	1.54%	4.25%
	(d) % of Net NPAs to Net Advances	1.65%	2.26%	0.45%	1.65%	0.45%	2.18%
	(v) Return on assets (average)*	0.53%	0.39%	0.73%	0.92%	1.21%	2.50%
	(vi) Net worth	678,080.68	648,985.08	491,611.73	678,080.68	491,611.73	627,521.58
	(vii) Outstanding redeemable preference shares	-	-	-	-	-	-
	(viii) Capital redemption reserve	-	-	-	-	-	-
	(ix) Debt-equity ratio	0.34	0.42	0.73	0.34	0.73	0.41
	(x) Total debts to total assets	9.33%	11.88%	23.00%	9.33%	23.00%	13.63%

** Figures for the quarter/half year ended are not annualized.*

Net worth represents sum of Capital and Reserves & Surplus.

Debt represents borrowings with residual maturity of more than one year. Total debt represents total borrowings of the Bank.

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

AU Small Finance Bank Limited JAIPUR

AU Small Finance Bank Limited

(CIN: L36911RJ1996PLC011381)

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Segment information in accordance with the Accounting standard on Segment Reporting (AS-17) of the operating segment of the Bank is as under :

(₹ in lakh)

S. No.	Particulars	Quarter ended 30.09.2021	Quarter ended 30.06.2021	Quarter ended 30.09.2020	Half year ended 30.09.2021	Half year ended 30.09.2020	Year ended 31.03.2021
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	**Segment revenue**						
a)	Treasury	21,770.78	31,922.10	39,717.60	53,692.88	80,347.16	171,434.68
b)	Retail banking	128,594.66	116,013.56	96,779.00	244,608.22	186,530.12	423,870.61
c)	Wholesale banking	8,265.54	8,228.55	10,243.72	16,494.09	20,403.09	37,799.83
d)	Other banking operations	933.95	591.19	604.99	1,525.14	1,029.85	3,483.27
e)	Unallocated	-	-	-	-	-	-
	Less: Inter-segment revenue	-	-	-	-	-	-
	Income from operations	**159,564.93**	**156,755.40**	**147,345.31**	**316,320.33**	**288,310.22**	**636,588.39**
2	**Segment results**						
a)	Treasury	517.62	13,643.53	14,855.94	14,161.15	31,622.70	80,247.41
b)	Retail banking	34,504.11	11,124.59	22,195.39	45,628.70	28,936.92	51,786.47
c)	Wholesale banking	2,828.53	2,106.40	3,287.50	4,934.93	5,800.10	10,333.67
d)	Other banking operations	933.95	591.19	552.15	1,525.14	965.07	3,483.27
e)	Unallocated	-	-	-	-	-	-
	Total Profit before Tax	**38,784.21**	**27,465.71**	**40,890.98**	**66,249.92**	**67,324.79**	**145,850.82**
3	**Segment assets**						
a)	Treasury	1,497,401.82	1,509,728.81	1,455,916.75	1,497,401.82	1,455,916.75	1,451,395.92
b)	Retail banking	3,349,329.75	3,169,159.08	2,509,422.58	3,349,329.75	2,509,422.58	3,226,455.70
c)	Wholesale banking	322,285.55	314,079.41	343,796.94	322,285.55	343,796.94	353,869.38
d)	Other banking operations	256.97	154.75	357.55	256.97	357.55	664.84
e)	Unallocated	154,315.06	142,578.40	91,944.54	154,315.06	91,944.54	126,744.75
	Total assets	**5,323,589.15**	**5,135,700.45**	**4,401,438.36**	**5,323,589.15**	**4,401,438.36**	**5,159,130.59**
4	**Segment liabilities**						
a)	Treasury	262,399.87	342,783.47	539,932.20	262,399.87	539,932.20	414,024.11
b)	Retail banking	2,364,715.43	2,143,841.35	1,817,386.04	2,364,715.43	1,817,386.04	2,052,927.44
c)	Wholesale banking	2,006,614.68	1,986,808.08	1,534,240.50	2,006,614.68	1,534,240.50	2,057,759.39
d)	Other banking operations	21.75	12.65	9.71	21.75	9.71	1.52
e)	Unallocated liabilities	11,756.75	13,269.82	18,258.18	11,756.75	18,258.18	6,896.55
	Capital and Other Reserves	678,080.67	648,985.08	491,611.73	678,080.67	491,611.73	627,521.58
	Total liabilities	**5,323,589.15**	**5,135,700.45**	**4,401,438.36**	**5,323,589.15**	**4,401,438.36**	**5,159,130.59**

Business Segments have been identified and reported taking into account the target customer profile, the nature of products and services, the differing risks and returns, and guidelines prescribed by RBI and in compliance with the Accounting Standard 17 – "Segment Reporting". The methodology adopted in compiling and reporting the above information has been relied upon by the auditors.

Notes:

1 **Statement of Assets and Liabilities is given below:**

(₹ in lakh)

Particulars	As at 30.09.2021	As at 30.09.2020	As at 31.03.2021
	Unaudited	Unaudited	Audited
CAPITAL & LIABILITIES			
Capital	31,311.04	30,653.53	31,221.34
Employees stock options outstanding	7,601.09	5,195.07	10,311.71
Reserves & Surplus	639,168.54	455,763.13	585,988.53
Deposits	3,903,401.29	2,698,038.91	3,597,931.42
Borrowings	496,775.11	1,012,272.17	702,969.57
Other Liabilities and Provisions	245,332.08	199,515.55	230,708.02
Total	**5,323,589.15**	**4,401,438.36**	**5,159,130.59**
ASSETS			
Cash and Balances with RBI	179,996.26	110,991.04	156,934.78
Balances with banks and Money at Call and Short Notice	239,153.40	321,606.57	321,198.77
Investments	1,167,906.39	1,124,070.47	1,081,541.39
Advances	3,584,508.18	2,723,316.16	3,460,891.42
Fixed Assets	50,769.72	45,206.37	48,236.85
Other Assets	101,255.20	76,247.75	90,327.38
Total	**5,323,589.15**	**4,401,438.36**	**5,159,130.59**

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

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2 Statement of Cash Flow is given below:

(₹ in lakh)

Particulars	Half year ended 30.09.2021	Half year ended 30.09.2020	Year ended 31.03.2021
	Unaudited	Unaudited	Audited
Cash Flow From Operating Activities			
Profit after tax	**48,171.16**	**52,268.51**	**117,068.46**
Add: Provision for tax	18,078.76	15,056.28	28,782.36
Profit Before Taxes	**66,249.92**	**67,324.79**	**145,850.82**
Adjustments for :-			
Employee Stock Options Expense	920.48	817.66	7,679.15
Depreciation on Bank's Property	6,128.81	5,070.58	10,436.85
Amortization of Premium on HTM (Held to maturity) Investments	3,529.39	1,545.90	3,564.51
Provision for Employee Expenses	1,934.04	375.61	(881.87)
Provision for Non Performing Assets, Standard Assets and Other Provisions	11,928.22	22,764.12	56,828.66
Loss on sale of Fixed Assets	57.00	18.32	93.04
Operating profit before working capital changes	**90,747.86**	**97,916.98**	**223,571.16**
Movement in working capital			
Decrease / (Increase) in Investments (other than HTM Investments)	129,544.00	19,397.14	63,661.80
Decrease / (Increase) in Advances	(104,871.35)	(30,060.42)	(812,339.14)
Decrease / (Increase) in Other Assets	(6,358.64)	(11,744.72)	(17,861.22)
(Decrease) / Increase in Deposits	305,469.87	81,646.06	981,538.57
(Decrease) / Increase in Other Liabilities and Provisions	(25,916.49)	57,993.99	98,471.81
Cash Flow from Operating Activities	**388,615.25**	**215,149.03**	**537,042.98**
Direct Taxes Paid (Net of refunds)	(17,778.05)	(13,082.98)	(31,432.87)
Net Cash Flow from Operating Activities (A)	**370,837.20**	**202,066.05**	**505,610.11**
Cash Flow used in Investing Activities			
Purchase of Fixed Assets	(8,784.77)	(5,577.98)	(14,122.63)
Proceeds from Sale of Fixed Assets	66.09	82.54	155.70
Investments in HTM securities (Net)	(216,375.40)	(80,525.11)	(85,007.56)
Net cash flow used in Investing Activities (B)	**(225,094.08)**	**(86,020.55)**	**(98,974.49)**
Cash Flow used in Financing Activities			
Proceeds from /(Repayment of) borrowings (Net)	(206,194.46)	(21,260.19)	(330,562.79)
Money received on exercise of Stock Options / Issue of Shares	1,467.45	844.44	65,797.85
Share Issue Expenses	-	-	(704.99)
Net cash flow used in Financing Activities (C)	**(204,727.01)**	**(20,415.75)**	**(265,469.93)**
Net Increase / (Decrease) in Cash And Cash Equivalents (A + B + C)	**(58,983.89)**	**95,629.75**	**141,165.69**
Cash And Cash Equivalents as at April 1st	478,133.55	336,967.86	336,967.86
Cash And Cash Equivalents as at the period end	**419,149.66**	**432,597.61**	**478,133.55**

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

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3 The above results have been reviewed by the Audit Committee and approved by the Board of Directors of AU Small Finance Bank Limited (the "Bank") at their respective meetings held on October 28, 2021, in accordance with the requirement of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. The results have been subjected to a limited review by the statutory auditors (Deloitte Haskins & Sells, Chartered Accountants and G.M. Kapadia & Co., Chartered Accountants) of the Bank. An unqualified review report has been issued by them thereon. The previous period results were reviewed / audited by S.R. Batliboi & Associates LLP, Chartered Accountants.

4 These financial results of the Bank have been prepared in accordance with the Banking Regulations Act, 1949, generally accepted accounting principles in India, including Accounting Standards as prescribed under Section 133 of the Companies Act 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015, as amended and the guidelines issued by the Reserve Bank of India (RBI).

5 The Bank has applied its significant accounting policies in the preparation of these financial results consistent with those followed in the annual financial statements for the year ended March 31, 2021 except for its share based payments. In accordance with the RBI circular RBI/2021-22/95 DOR.GOV.REC.44/29.67.001/2021-22 "Guidelines on Compensation of Whole Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function staff – Clarification" dated August 30, 2021, Share-linked instruments granted to Whole Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function staff after the accounting period ending March 31, 2021, has fair valued on the date of grant, being August 03, 2021 and September 21, 2021, using Black-Scholes model instead of Intrinsic value method. As a result, 'Employees cost' for the quarter and half year ended September 30, 2021 is higher by ₹ 15 lakh with a consequent reduction in profit before tax by the said amount.

6 Other income includes processing fee, profit / loss on sale of investments (including provision for depreciation), income from dealing in PSLC, etc. Profit on sale of investment for the previous year includes profit earned on sale of equity shares (part stake) held in Aavas Financiers Limited as under:

(₹ in lakh)

Particulars	Quarter ended 30.09.2021	Quarter ended 30.06.2021	Quarter ended 30.09.2020	Half year ended 30.09.2021	Half year ended 30.09.2020	Year ended 31.03.2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Profit (before tax) on sale of investment in Aavas Financiers Limited	-	-	14,435.29	-	17,160.64	65,142.56
Profit (net of tax) on sale of investment in Aavas Financiers Limited	-	-	12,558.79	-	14,928.14	57,045.92

7 The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant volatility in the financial markets and slowdown in the economic activities. Consequent to the outbreak of the COVID-19 pandemic, the Indian government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the government, but regional restrictions continued to be implemented in areas due to the "second wave" of COVID-19, which included a significant surge of COVID-19 cases. The second wave has started to subside from June 2021 onwards and there has been a lifting of lock downs resulting in a gradual increase in economic activity.

The extent to which the COVID-19 pandemic will continue to impact the Bank's results will depend on ongoing as well as future developments, which are highly uncertain. Basis the Bank's overall assessment of the potential impact of COVID-19 pandemic, the Bank is carrying an additional contingency provision of ₹ 36,249 lakh as at September 30, 2021 towards any unforeseen risk on its advances portfolio which includes the additional provision for the accounts restructured under RBI Resolution framework.

As at September 30, 2021, the Bank held an aggregate provision of ₹ 92,246 lakh against advances (Other than standard assets provision of ₹ 26,082 lakh).

8 (i) Details of resolution plan implemented under the Resolution Framework for COVID-19-related Stress as per RBI circular dated August 6, 2020 (Resolution Framework 1.0) are given below.

(₹ in lakh except number of accounts)

Type of Borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) Exposure to accounts mentioned at (A) before implementation of the plan*	(C) of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution^
Personal Loans	244	1,695.88	-	-	187.94
Corporate persons	-	-	-	-	-
of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	244	1,695.88	-	-	187.94

*As of March 31, 2021

^Provision held as on March 31, 2021

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

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(₹ in lakh except number of accounts)

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year#	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans	1,695.88	180.49	21.80	54.23	1,439.36
Corporate persons	-	-	-	-	-
of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	1,695.88	180.49	21.80	54.23	1,439.36

(ii) Details of resolution plan implemented under the RBI Resolution Framework – 2.0: Resolution of COVID-19-related Stress of Individuals and Small Businesses dated May 5, 2021 are given below.

(₹ in lakh except number of accounts)

Sl. No	Particulars	Individual Borrowers		Small Businesses
		Personal Loans	Business Loans	
(A)	Number of requests received for invoking resolution process under Part A	7,415	8,114	1,350
(B)	Number of accounts where resolution plan has been implemented under this window	6,319	8,045	1,292
(C)	Exposure to accounts mentioned at (B) before implementation of the plan	16,753.74	35,350.43	11,195.51
(D)	Of (C), aggregate amount of debt that was converted into other securities	-	-	-
(E)	Additional funding sanctioned, if any, including between invocation of the plan and implementation	-	-	-
(F)	Increase in provisions on account of the implementation of the resolution plan	1,501.66	3,252.24	1,131.90

There were 31 Borrower accounts having an aggregate exposure of ₹ 133.24 lakh to the Bank, where resolution plans had been implemented under RBI's Resolution Framework 1.0 dated August 6, 2020 and now modified under RBI's Resolution Framework 2.0 dated May 5, 2021.

9 The Capital adequacy ratio ("CAR") has been computed as per operating guidelines for Small Finance Banks in accordance with RBI Circular No. RBI/2016-17/81 DBR.NBD.No.26/16.13.218/2016-17 dated October 6, 2016.
The Bank has followed Basel II standardized approach for credit risk in accordance with the operating guidelines issued by the Reserve Bank of India for Small Finance Banks. Further, the RBI vide its circular No. DBR.NBD.No.4502/16.13.218/2017-18 dated November 8, 2017 has provided an exemption to all Small Finance Banks whereby no separate capital charge is prescribed for market risk and operational risk.

10 During the quarter and half year ended September 30, 2021, the Bank allotted 1,73,531 and 8,97,021 equity shares respectively pursuant to the exercise of options under the approved employee stock option schemes.

11 Previous periods / year figures have been regrouped where necessary to conform to current period presentation.

For and on behalf of the Board of Directors
AU Small Finance Bank Limited

Sanjay Agarwal
(Managing Director and CEO)

AU Small Finance Bank Limited JAIPUR

Place : Jaipur
Date: October 28, 2021

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

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INDEPENDENT AUDITORS' REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF
AU SMALL FINANCE BANK LIMITED

1. We have reviewed the accompanying Statement of Unaudited Financial Results of **AU SMALL FINANCE BANK LIMITED** (the "Bank") for the quarter and half year ended September 30, 2021 (the "Statement"), being submitted by the Bank pursuant to the requirement of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

2. This Statement, which is the responsibility of the Bank's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 for "Interim Financial Reporting" ("AS 25"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, in so far as they apply to banks, the relevant provisions of the Banking Regulation Act, 1949 , the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time (the "RBI Guidelines") and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of the Bank's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Accounting Standard, the RBI Guidelines and other accounting principles generally accepted in India, in so far as they apply to banks, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed.

5. We draw attention to Note 5 of the Statement, which describes that the potential impact of the continuing COVID-19 pandemic on the Bank's results are dependent on future developments which are uncertain.

   Our conclusion is not modified in respect of this matter.

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

6. The Statement includes comparative figures for the quarter ended quarter and half year ended September 30, 2020 and quarter ended June 30, 2021 which has been reviewed by the predecessor audit firm, where they had expressed an unmodified conclusion vide their report dated October 28, 2020, and August 6, 2021 respectively on such Financial Results.

   The statement also includes figures for the year ended March 31, 2021, audited by the predecessor audit firm where they have expressed an unmodified opinion on such financial statements vide their report dated April 29, 2021.

   Our conclusion is not modified in respect of this matter.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm Registration No. 117365W)

G. K. Subramaniam
Partner
Membership No. 109839
UDIN: 21109839AAAAQS6009
Place: Mumbai
Date: October 28, 2021

For **G.M. Kapadia & Co.**
Chartered Accountants
(Firm Registration No. 104767W)

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

Atul Shah
Partner
Membership No. 039569
UDIN: 21039569AAAAPN8646
Place: Mumbai
Date: October 28, 2021

AU Small Finance Bank Limited

Head Office - Bank House, Mile 0,
Ajmer Road, Jaipur, Rajasthan, 302001

Corporate Office - 5th Floor, E-Wing, Kanakia Zillion
LBS road, Kurla West, Mumbai, Maharashtra, 400070

Website - www.aubank.in

For Immediate Release

AU Bank delivers the strongest quarterly performance since onset of pandemic as economy opens up – GNPA ratio declines by 115 bps QoQ, Deposit grows 45% YoY, Assets grows 21% YoY and Profit after Tax (PAT) for the quarter grows 42% YoY to ₹279 Crore even as it continues to invest to build Best-in-class, Tech-led, Retail franchise

Mumbai/Jaipur 28th October 2021: The Board of Directors of AU Small Finance Bank Limited at its meeting held today, approved the financial results for the quarter ended September 30, 2021

Key Highlights for Q2'FY22/H1'FY22:

Financial Performance

- Net profit grows by 42% YoY (excluding gains in Q2'FY21 from stake sale in Aavas) to ₹279 Crore
- For Q2'FY22 / H1'FY22, ROA stood at 2.1%/1.8% and ROE at 16.8%/14.8% even as we are investing significantly in products and people to build a future ready bank
- Cost of funds declined by 89 bps YoY to 6.2%
- Net Interest Margin (NIM) at 6% for H1'FY22 – an YoY expansion of 72bps
- Deposits continue to scale with customer profile becoming more granular
  - Total deposits grew by 45% YoY to ₹39,034 Crore of which ₹26,123 Crore are term deposits
  - CASA ratio grows to 30.3% as on 30-Sep'21 versus 19.8% as on 30-Sep'20
- Total Loan AUM rises 24% YoY to reach ₹38,011 Crore
  - Disbursements grew by 57% YOY to ₹5,135 Crore in Q2'FY22 as operating environment and economic activity improved significantly
- Asset quality improved significantly with GNPA at 3.2% and Net NPA at 1.7%
  - Collection efficiency at 109% for the month of Sept'21 and for Q2'FY22
  - Bank has created additional contingency provision of ₹110 Crore, by utilizing the entire provision released due to GNPA reduction, towards further building up of buffer provisions to further strengthen the balance sheet
  - Bank has done ₹80 Crore of Covid related standard restructuring in Q2 and as on 30th September'21 Bank had total standard Restructured book of ₹1,302 Crore which is 3.6% of gross advances
  - The Bank now carries total contingency provision of ₹ 362 Crore. Excluding the contingency provision of ₹ 62 Crore against restructured assets, contingency provisions stood at ₹ 300 Crore which is 0.84% of Net Advances
- Bank remains well capitalized with a strong Tier-I capital ratio of 20.5% and total CRAR of 22% (sufficiently above minimum requirement of 7.5% and 15% respectively)
- Bank's average LCR was ~151% for Q2'FY22 (against regulatory requirement of 100%)

Digital Highlights

- Since the launch of AU 0101 and brand campaign, we have seen strong traction in user registration, engagement and usage.
- Video Banking experience has been quite encouraging in terms of enhancing reach, acquisition and engagement; 32% Savings Account opened digitally through AU 0101 in the month of Sep'21.
- Becoming the first SFB in India to launch its own range of credit cards, AU Bank has issued 49,000+ credit cards till Q2'FY22. Of the total credit card issued, over 55% of customers are first time users in more than 150 districts of the country since launch.
- UPI QR (over 2lac QR codes installed) helping in rapidly scaling up merchant acquisitions and stickiness, as well as opening up opportunities for analytics-based lending; First Bank to launch QR soundbox

Key business updates for the quarter:

- Promising to bring about a radical shift in banking practices, AU Bank launched the **'BADLAAV HUMSE HAI'** campaign that brings forth AU as a changemaker in the Indian banking sector. With this, the Bank continues to amplify its message of challenging the status quo and augment its reach across India's major cities and towns.
- With its network spread across **811 touchpoints** as on 30th September 2021, the Bank has expanded its presence to 53 new touchpoints in the form of Asset Centres, Bank Branches, Bank Outlet (BO) and Smart BC.
- During the quarter, the Bank also signed a Memorandum of Understanding (MoU) with National Bank for Agriculture & Rural Development (NABARD) to boost rural developmental initiatives in the state of Rajasthan.
- As per RBI circular on auditor rotation, the Bank has appointed two reputed audit firms, M/s Deloitte Haskins & Sell and M/s G.M. Kapadia & Co., for a period of 3 (three) years starting from FY22.

Commenting on the performance, Mr. Sanjay Agarwal, MD & CEO, AU Small Finance Bank said,

"Q2FY22 was a remarkable quarter across most parameters with significant improvement visible in the operating environment, borrower connect and cashflows, and overall confidence in the system. These factors along with the secured nature of our loan book leading to significant asset quality improvement in the quarter, accompanied with improvement across all other key parameters. Overall, I feel proud of our Bank's performance not just in this quarter but throughout the last 6 quarters since the start of the pandemic wherein we have strengthened our management team and balance sheet, significantly improved granularity of our deposit base, delivered a resilient asset quality performance, ramped up our digital properties with the launch of our super app AU 0101, QR codes and credit card offerings, and launched our brand campaign. Our confidence in our borrower base, power of the banking platform, and our own business model of small-ticket secure lending has been reinforced and we believe we have emerged stronger and better from the recent episodes. Given our strong business model, increasing granularity of deposits, and growing reach, I feel we are well positioned to take advantage of the significant opportunities in the segments we are present in, and we remain optimistic with a cautious approach"

About AU Small Finance Bank:

AU Small Finance Bank Limited (AU Bank) is a scheduled commercial bank, a Fortune India 500 Company and the largest Small Finance Bank in the country. Starting its journey from the hinterlands of Rajasthan, today AU Bank is the largest Small Finance Bank with a deep understanding of the rural and semi-urban markets that has enabled it build robust business model facilitating inclusive growth. With 25+ years legacy of being a retail focused and customer-centric institution, AU started its banking operations in April 2017 and as on 30th Sept 2021, it has established operations across 811 Banking Touchpoints while serving 21.3 Lakh customers in 15 States & 2 Union Territories with an employee base of 23,435 employees. The Bank has a net worth of ₹ 6,781 Cr, deposit base of ₹ 39,034 Cr and Assets Under Management (AUM) of ₹ 38,011 Cr. AU Bank enjoys the trust of marquee investors and is listed at both the leading stock exchanges viz. NSE and BSE. It has consistently maintained a high external credit rating from all major rating agencies like CRISIL, CARE Ratings and India Ratings.

AU SMALL FINANCE BANK LIMITED

Related Party Disclosures for the Half Year Ended September 30, 2021

A. Related Parties:

Key management personnel (KMP)	**1** Mr. Sanjay Agarwal, Managing Director and CEO	
	2 Mr. Uttam Tibrewal, Whole Time Director	
	3 Mr. Deepak Jain, Chief Operating Officer (upto August 31, 2021)	
	4 Mr. Vimal Jain, Chief Financial Officer	
	5 Mr. Manmohan Parnami, Company Secretary	
Enterprises over which KMP / relatives of KMP have control / significant influence	**1** AU Foundation	
	2 Sanjay And Jyoti Agarwal Foundation	
	3 Abhiyan Bharat Foundation	
	4 Shivgyan Mines and Minerals Private Limited	
	5 MYS Holdings Private Limited	
	6 Jyoti Sanjay Family Trust	
	7 Universal Quartz & Natural Stone Private Limited	
	8 Universal Galaxy Granite LLP	
	9 Universal Rocks India LLP	
	10 Universal Gold Granite LLP	
	11 Universal Black Granite LLP	
	12 Universal Granimarmo Pvt Ltd	
	13 Shree Dham Mining Industries LLP	
	14 Speciality Stones Private Limited	
	15 BIFCO Private Limited	
	16 Kalinga Agencies	
	17 Kalinga Mercantile Private Limited	
	18 Kalinga Extrusions India Private Limited	
	19 Durga Bearings (Mumbai) Private Limited	
	20 DS Speciality Product LLP	
	21 Durga Automation & Control Private Limited	
	22 Deepak Tarachand HUF	(upto August 31, 2021)
	23 Namokar Mining Industries LLP	(")
	24 Khushi Buildhome Private Limited	(")
	25 AU Bank Employees Group Gratuity Trust	
	26 VS and Sons HUF	
	27 Pradeep Kumar Jain HUF	
	28 AU Small Finance Bank Employees Welfare Trust	
	29 Manmohan Parnami HUF	
Relatives of KMP	**1** Ms. Jyoti Agarwal	
	2 Ms. Mallika Agarwal	
	3 Mr. Yuvraj Agarwal	
	4 Late Chirinjee Lal Agarwal	
	5 Ms. Shakuntala Agarwal	
	6 Mr. Ajay Agarwal	
	7 Ms. Pinki Agarwal	
	8 Ms. Pooja Tibrewal	
	9 Mr. Vaibhav Tibrewal	
	10 Mr. Devi Prasad Tibrewal	
	11 Ms. Geeta Devi Tibrewal	
	12 Mr. Subhash Tibrewal	
	13 Ms. Manju Agarwal	
	14 Ms. Uma Bagaria	
	15 Ms. Suman Sultania	
	16 Ms. Shweta Jain	(upto August 31, 2021)
	17 Ms. Khushi Jain	(")
	18 Mr. Devansh Jain	(")
	19 Ms. Santosh Jain	(")
	20 Ms. Kavita Goyal	(")
	21 Ms. Sunita Agrawal	(")
	22 Ms Anita Agarwal	(")
	23 Ms. Sinku Jain	
	24 Mr. Dhairya Jain	
	25 Ms. Ladh Devi Jain	
	26 Mr. Pradeep Kumar Jain	
	27 Mr. Dilip Kumar Jain	

AU Small Finance Bank Limited JAIPUR

28 Ms. Suman Lata Jain
29 Ms. Renu Kataria
30 Ms. Rekha Jain
31 Ms.Bhawna Parnami
32 Ms. Asmita Parnami
33 Ms. Jaisvi Parnami
34 Ms. Rajkumari Sukhija
35 Mr. Mahinder Parnami
36 Ms. Kavita Sukhija
37 Ms. Shikha Taneja

B. The Bank's related parties balances and transactions for the half year ended are summarised as follows:

1. Deposits

(₹ in Crore)

Particular	As at Sep 30, 2021		As at Sep 30, 2020	
	Closing balance	Highest balance during the period	Closing balance	Highest balance during the period
Key Management Personnel (KMP)	40.24	90.19	5.30	28.16
Relatives of KMP	57.48	100.30	81.18	128.19
Enterprise over which KMP/Relative of KMP have control / significant influence	30.02	31.05	10.83	20.41

2. Interest Paid on Deposits

(₹ in Crore)

Particular	Period ended Sep 30, 2021	Period ended Sep 30, 2020
Key Management Personnel (KMP)	1.76	0.31
Relatives of KMP	2.74	2.19
Enterprise over which KMP/Relative of KMP have control / significant influence	0.05	0.30

** Miscellaneous charges received from all the related parties are less than ₹ 100,000/- hence not shown separately.*

3. Remuneration

(₹ in Crore)

Particular	Period ended Sep 30, 2021	Period ended Sep 30, 2020
Mr. Sanjay Agarwal, Managing Director and CEO	1.35	-
Mr. Uttam Tibrewal, Executive Director	1.21	1.40
Mr. Deepak Jain, Chief Operating Officer	0.71	0.60
Mr. Vimal Jain, Chief Financial Officer	0.56	0.26
Mr. Manmohan Parnami, Company Secretary	0.36	0.21
Total	**4.19**	**2.47**

1. Remuneration paid excludes value of employee stock options exercised during the period.

2. The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Bank as a whole.

4. Advanvces

(₹ in Crore)

Particular	As at Sep 30, 2021		As at Sep 30, 2020	
	Closing balance	Highest balance during the period	Closing balance	Highest balance during the period
Key Management Personnel (KMP)	0.19	0.44	-	-
Relatives of KMP	0.15	0.16	-	-

Related to credit card facility

5. Other transaction

(₹ in Crore)

Name of related party	Nature of transactions	Period ended Sep 30, 2021	Period ended Sep 30, 2020
Mr. Uttam Tibrewal	Exercise of ESOP	1.77	4.28
Mr. Deepak Jain	Exercise of ESOP	0.63	0.89
Mr. Vimal Jain	Exercise of ESOP	-	0.09
Mr. Manmohan Parnami	Exercise of ESOP	-	0.02

For AU Small Finance Bank Limited

Vimal Jain
Chief Financial Officer

AU Small Finance Bank Limited JAIPUR

For AU Small Finance Bank Limited

Manmohan Parnami
Company Secretary

AU Small Finance Bank Limited JAIPUR