

Ref. No.: AUSFB/SEC/2017-18/SE

Date: 28th OCTOBER, 2017

To,

Listing Department
National Stock Exchange of India Limited,
Exchange Plaza, BandraKurla Complex,
Bandra (East), Mumbai 400051,
Maharashtra.

Department of Corporate Services,
The Bombay Stock Exchange Limited,
PhirozJeejeebhoy Towers,
Dalal Street, Mumbai 400001,
Maharashtra.

Scrip Code: AUBANK

Scrip Code: 540611

Dear Sir(s),

Sub: AU SMALL FINANCE BANK LIMITED Partners with SIDBI to boost MSME financing

AU SMALL FINANCE BANK has signed a Memorandum of Understanding (MOU) with Small Industries Development Bank of India (SIDBI) to provide an impetus to funding MSMEs.

Under 'AU SIDBI Joint Financing Programme', both the financial institution have decided to work together in the areas of joint financing of projects relating to MSMEs in manufacturing and service sectors.

This MOU shall strengthen effort in addressing the gaps in the MSME eco system.

We request you to take the same on your record.

Thanking You,
FOR AU SMALL FINANCE BANK LIMITED



Manmohan Parnami
Company Secretary & Compliance Officer
Enclosed: Press release

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



**SIDBI partners with AU Small Finance Bank
to boost MSME financing**

- The scheme to fund term loan proposals worth 25 Lakh to 2 crore
- The loans to be disbursed by AU Bank's branch and all necessary processes including disbursement, monitoring and recovery to be undertaken by AU Bank under SIDBI's advice

New Delhi/ Jaipur, 28th October 2017: AU Small Finance Bank, one of the fast growing banks in India, today signed a Memorandum of Understanding (MOU) with Small Industries Development Bank of India (SIDBI) to provide an impetus to funding MSMEs. Under 'AU SIDBI Joint Financing Programme', both the financial institutes have decided to work together in the areas of joint financing of projects relating to MSMEs in manufacturing and service sectors. They will adopt a common approach towards project identification, appraisal, monitoring, follow-up and client servicing.

Under the advice of SIDBI, AU Bank will play the anchor in this programme as all the processes including disbursement, monitoring and recovery will be handled by them. With its MSME focused approach, the programme will provide stimulus to the purpose of financial inclusion in India.

The programme will fund term loan proposals worth 25 Lakh to 2 crore. The appraisal of the proposal shall be done jointly by AU Bank and SIDBI. Both the financial institutes would earmark a corpus of `100 crore for lending under this MOU for FY18. The corpus for the subsequent FYs would be decided after mutual consultation and seeing the progress made during FY18. The 3 year-long agreement will focus on timely and adequate credit availability to Medium Scale Enterprise (MSEs) units and efforts will be made for augmenting credit flow to MSE.

Mr. Sanjay Agrawal, MD & CEO, AU Small finance Bank, said, "Our cordial relationship with SIDBI started in 2010, when they provided credit facility of Rs. 10 Cr for the promotion and development of MSME sector units in rural and semi urban areas, which has now reached Rs.1000 crores and will strengthen further in the times to come. SIDBI has always been one of our prime lender and partner in extending credit to the MSME Sector in the unserved areas towards financial inclusion. Our success today in MSME portfolio is largely due to this partnership. We look forward to the same support even for our banking platform. This joint financing programme with SIDBI shall be a crucial step and milestone in the direction to build values for our customers."

Speaking on the occasion, Shri Mohammad Mustafa (IAS), Chairman and Managing Director, SIDBI said, "The MoU with SFBs is a continuum of series of SIDBI's effort in addressing the gaps in the MSME eco system. This initiative will act as a catalyst to improve financial inclusion of hitherto under-served sectors of the nation. On successful operationalisation, this could be a milestone in the MSME financing in the country."

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Considering AU Bank's distribution network in rural and semi urban markets and successful track record in MSME credit, SIDBI sees AU Bank as on the lead contenders for MSE Financing. Prior to becoming a bank, as Au Financier (an NBFC), the company has gained over 20 years' experience of financing the unbanked and underbanked population. As a bank, with its wide reach of 303 bank branches and 119 Asset branches across 10 states and 1 Union Territory, AU Bank is poised to take the benefit of this programme to maximum customers.

About AU Small Finance Bank Limited:

Started in 1996 as Au Financiers, AU Small Finance Bank Limited has a long standing track record of over two decades of being a retail focused and customer centric institution serving the underbanked and unbanked populous of North, West and Central India.

AU Bank commenced its banking operations on April 19, 2017. As on Sept 30, 2017, AU Bank's distribution network was at 303 Branches, 113 Asset Centres, 23 offices and 287 ATMs spread across 11 states and one union territory. AU Bank had Gross Asset Under Management of Rs. 12,134Cr, Total Deposits of Rs. 1,978 Cr and an employee base of 9,974 team members.

AU Bank offers comprehensive suite of asset and liability product and services. AU Bank's Retail Loan offerings include Wheels Loan, Secured Business Loans to MSME & SME, Gold Loan, Agri-SME Loans. The Bank also offers NBFC Loans, Real Estate Group Loans and Business Banking Loans as part of Wholesale Loans. On the Liability side, AU Bank offers Current Account, Savings Account, Fixed Deposits, Recurring Deposits and transaction banking services. In addition, AU Bank is also offering Locker services and third Party products like General Insurance and Life Insurance.

Long Term Credit Rating: IND A+ / Positive (India Ratings)

Short Term Credit Rating: IND A1+ (India Ratings)

For media enquiries, please contact:

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