

**Ref. No.: AUSFB/SEC/2025-26/176**

**Date: August 7, 2025**

To,

<b>National Stock Exchange of India Ltd.</b> Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai 400051, Maharashtra. <b>NSE Symbol: AUBANK</b>	<b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001, Maharashtra. <b>Scrip Code: 540611, 959025, 974093, 974094, 974095, 974914, 974963, 975017, 975038 &amp; 976580</b>
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Dear Sir/Madam,

**Sub: Reserve Bank of India's in-principle approval for transition from a Small Finance Bank into Universal Bank**

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

In continuation to our letter no. AUSFB/SEC/2024-25/231 dated September 03, 2024 informing about application to the Reserve Bank of India ("RBI") to seek approval for voluntary transition from a Small Finance Bank to Universal Bank, we are pleased to inform that AU Small Finance Bank ("AU" / "Bank") has today i.e. on August 7, 2025 received an in-principle approval from RBI for transition from a Small Finance Bank to Universal Bank. Copy of RBI's press release dated August 7, 2025 is attached herewith as **Annexure-1**.

With this approval, AU becomes the first Small Finance Bank to receive an in-principle approval to become a Universal Bank, a milestone shaped by purpose, perseverance and discipline. This regulatory approval is a strong validation of AU's robust business model, sound governance, and enduring commitment to financial inclusion. More importantly, it affirms AU's evolution into a complete Bank, one that offers a full spectrum of banking products and services that today's customer expects, spanning retail, business, and digital solutions.

Press release in this regard is attached herewith as **Annexure-2**.

The details required under Regulation 30 of the Listing Regulations read with SEBI Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024 are given in the enclosed **Annexure - 3**.

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](mailto:investorrelations@aubank.in)

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प्रेस प्रकाशनी PRESS RELEASE

**भारतीय रिज़र्व बैंक**  
**RESERVE BANK OF INDIA**वेबसाइट : [www.rbi.org.in/hindi](http://www.rbi.org.in/hindi)Website : [www.rbi.org.in](http://www.rbi.org.in)ई-मेल/email : [helpdoc@rbi.org.in](mailto:helpdoc@rbi.org.in)

संचार विभाग, केंद्रीय कार्यालय, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई - 400 001

Department of Communication, Central Office, Shahid Bhagat Singh Marg, Fort, Mumbai - 400 001 फोन/Phone: 022 - 2266 0502

August 07, 2025

**RBI grants 'In-principle' Approval to AU Small Finance Bank Limited for transition into a Universal Bank**

The Reserve Bank has decided to grant 'in-principle' approval to AU Small Finance Bank Limited (AUSFB) for transitioning from a Small Finance Bank (SFB) to a Universal Bank.

**Background**

It may be recalled that the [Guidelines for licensing of Small Finance Banks in the Private Sector dated November 27, 2014](#) had provided a transition path for SFBs to convert into Universal Banks subject to the SFB's fulfilling minimum paid-up capital/net worth requirement as applicable to Universal Banks, satisfactory track record of performance as an SFB for a minimum period of five years and RBI's due diligence exercise. Further, with the objective of bringing better clarity, the eligibility criteria for an SFB to transition into a Universal bank were detailed in the [Circular issued on April 26, 2024 on "Voluntary transition of Small Finance Banks to Universal Banks"](#).

Press Release: 2025-2026/861

**(Puneet Pancholy)**  
Chief General Manager

**AU Small Finance Bank Limited**

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Jagatpura, Jaipur, Rajasthan, 302022

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For Immediate Release

## **AU Small Finance Bank Makes History: Receives *in-principle approval* from the RBI to become a Universal Bank**

- First Small Finance Bank to receive *in-principle approval* to become a Universal Bank
- Key milestone in Sanjay Agarwal's entrepreneurial journey of over three decades

**Mumbai, August 7, 2025** – In a moment that will go down in India's banking history, AU Small Finance Bank (AU) has received an *in-principle approval* from the Reserve Bank of India (RBI) to become a Universal Bank. With this notification, AU becomes the first Small Finance Bank in India to receive this in-principle approval to become a Universal Bank, a milestone shaped by purpose, perseverance and discipline.

This regulatory approval is a strong validation of AU's robust business model, sound governance, and enduring commitment to financial inclusion. More importantly, it affirms AU's evolution into a complete bank, one that offers a full spectrum of banking products and services that today's customer expects, spanning retail, business, and digital solutions.

The application for this transition was submitted on September 3, 2024, under the RBI's 'on tap' licensing guidelines (August 2016) and April 2024 framework for the voluntary conversion of Small Finance Banks to Universal Banks.

At the heart of AU's extraordinary journey is Mr. Sanjay Agarwal, Founder, MD & CEO of AU, whose story exemplifies India's enterprise ethos. In 1996, at just 26, the newly qualified Gold-medallist Chartered Accountant from Jaipur, a first-generation entrepreneur and cricket enthusiast, declined a conventional corporate career to start his own finance company with a singular belief that India's underserved and unbanked deserved dignified financial services. Starting with no institutional capital and no inherited influence, Mr. Agarwal established a lending company focused on offering vehicle finance to small entrepreneurs across Rajasthan's heartland. What began as a modest dream has since become a case study in perseverance, masterclass of sustained growth, sharp execution, and institution building.

**Mr. Sanjay Agarwal, Founder, MD & CEO of AU Small Finance Bank**, said: *"We have made history by receiving in-principle approval from the Reserve Bank of India to transition into a Universal Bank. This milestone is a reaffirmation of our purpose, perseverance, and passion."*

*AU is not just a bank - AU is a mission. As Hon'ble Prime Minister Narendra Modi Ji has rightly said, "India is not just a market. India is a mission." At AU, we have lived this mission every day. Our journey has always gone beyond banking - it's about building a more inclusive, empowered, and enterprising India.*

*We are deeply grateful to the Government of India and the Reserve Bank of India for nurturing an ecosystem where institutions like AU can grow with integrity. This achievement is a tribute to every stakeholder who has stood by us - our customers, whose trust has shaped us; our employees, whose energy powers us; our investors and partners, who believed in our model; and our Board of Directors, whose guidance has been instrumental in our journey.*

*This in-principle approval acknowledges not just our ability to grow, but to grow responsibly. It is a testament to AU's strength in reaching widely, integrity in serving wisely, and resilience to shine across*

*economic cycles. As we step into this new chapter, we do so with humility, responsibility, and the pride of a homegrown institution ready to serve - our people, our nation, and the vision of Viksit Bharat 2047.”*

### About AU Small Finance Bank

AU Small Finance Bank Limited (AU SFB) is a Scheduled Commercial Bank and has established itself as India’s largest Small Finance Bank since commencing its banking journey in April 2017. Founded in 1996 by Mr. Sanjay Agarwal, a first-generation entrepreneur, AU enters its 30th year of operations with a legacy of deep-rooted service—having built, over three decades including more than eight years as a bank, a sustainable and inclusive financial institution that empowers underserved and under-reached communities through a robust retail banking model. AU has received an *in-principle approval* from the Reserve Bank of India (RBI) to transition into a Universal Bank.

With deep customer insight across India, AU provides comprehensive banking solutions across deposits, loans, credit cards, premium banking, remittance services, merchant solutions, insurance, and investments. As a tech-led bank, AU offers differentiated digital experiences through innovations like 24x7 video banking, WhatsApp Banking, Chatbots, UPI QRs, merchant lending, and its award-winning AU 0101 app.

AU SFB’s wide network of over 2,505 banking touchpoints across 21 States and 4 Union Territories enables service to 1.16 crore customers, powered by a workforce of 53,000+ employees. As on 30<sup>th</sup> Jun’25, Bank has a Shareholders Funds of ₹17,800 Crore, Deposit base of ₹1,27,696 Crore, Total Loan Portfolio of ₹1,17,624 Crore and a Balance sheet size of ₹1.60 Lac Crore+.

AU SFB is listed on NSE and BSE and is rated ‘AA/Stable’ by CRISIL Ratings, ICRA Ltd., CARE Ratings, and India Ratings. Its Fixed Deposits carry a ‘AA+/Stable’ rating from CRISIL Ratings, reflecting its financial strength and investor trust.

For more details, visit: [www.aubank.in](http://www.aubank.in) | [LinkedIn](#) | [Facebook](#) | [Twitter](#) | [Instagram](#)

**Our Forever Banking Journey**

<p style="text-align: center; border-bottom: 2px solid #e67e22; margin-bottom: 5px;"><b>1996-2008</b></p> <p>Mr. Sanjay Agarwal started his entrepreneurial journey in Jaipur, Rajasthan with a vehicle financing company for the underserved segment; later transforming into a NBFC - Au Financiers.</p>	<p style="text-align: center; border-bottom: 2px solid #e67e22; margin-bottom: 5px;"><b>2008-2017</b></p> <p>Received first private equity investment towards geographical expansion &amp; product suite enhancement; received in-principle approval for Small Finance Bank licence.</p>	<p style="text-align: center; border-bottom: 2px solid #e67e22; margin-bottom: 5px;"><b>2017-2025</b></p> <p>Successfully operated as AU Small Finance Bank to become the largest SFB in India with nation-wide presence and complete banking product suite for all segments.</p>	<p style="text-align: center; border-bottom: 2px solid #e67e22; margin-bottom: 5px;"><b>2025 onwards</b></p> <p>India’s first Small Finance Bank to receive in-principle approval from the RBI to become a universal bank.</p>
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### Media Contact Details:

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**Annexure – 3**

**Details required under Regulation 30 of the Listing Regulations read with SEBI Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024**

<b>Sr. No.</b>	<b>Details of events that need to be provided</b>	<b>Information of such event(s)</b>
1.	Name of the regulatory or licensing authority	Reserve Bank of India
2.	Brief details of the approval/license obtained/ withdrawn/ surrendered	In principle approval for transition from a Small Finance Bank into Universal Bank
3.	Impact/relevance of such approval/license to the listed entity	RBI approval for transition to a Universal Bank will help the Bank's evolution into a complete bank, enabling it to offer a full spectrum of banking products and services that today's customer expects, spanning retail, business, and digital solutions. It will strengthen brand acceptance, broaden access to diversified deposit sources, and is expected to lead to a reduction in the cost of funds over the medium to long term.
4.	Withdrawal/cancellation or suspension of licence/approval by the regulatory or licensing authority, with reasons for such action, estimated impact (monetary or otherwise) on the listed entity and penalty, if any;	Not Applicable
5.	Period for which such approval/license is/was valid	Not Applicable
6.	The actual impact (monetary or otherwise) along with corrective actions taken by the listed entity pursuant to the withdrawal, cancellation or suspension of the key license/ approval.	Not Applicable

**Registered Office**

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