

SCALABLE

STABLE

BANKABLE





2018-19 ANNUAL REPORT

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Creating value for all stakeholders



PEOPLE Nurturing a passionate team of **12,623** committed AU bankers.



CUSTOMERS

Delivering customised solutions to our

2 lakh+

loyal customers.



COMMUNITIES

We impacted over

2 lakh

lives through our social and financial inclusion drives.



SHAREHOLDERS

We have reported Total Shareholder Return (TSR) of



as on 31st March 2019 from our date of listing 10th July 2017.

(Issue price: ₹358 and closing price (NSE) as on 31st March 2019: ₹595.6)

Welcome to AU Small Finance Bank

In India's dynamic banking landscape, we are focussed on remaining nimble with customer-first, ear-to-the-ground approach. At AU Small Finance Bank (AU Bank), we provide comprehensive banking services with simplicity and convenience, serve diverse set of customers and help drive India's inclusive growth agenda. Headquartered at Jaipur, Rajasthan, we are a Fortune India 500 Company and a Scheduled Commercial Bank.

We began our journey in 1996 as Au Financiers and under the guidelines of the Reserve Bank of India (RBI), worked relentlessly for over two decades as a retail-focussed, customer-centric, systematically important asset financing Non-Banking Financial Company (NBFC). We catered to the unserved and underserved low-and middle-income individuals and micro/small businesses, before starting of our banking operation in April 2017. This transition was a natural progression as it significantly complements our strong vintage in secured retail asset lending, last-mile distribution and local know-how. allowing us to serve our customers holistically for their financial requirements.

In the two years since we became a bank, we have added nearly a million new customers, grown distribution to 572 touchpoints and expanded offerings to 27 products and solutions across key verticals of financing, deposits, insurance, transaction banking, mutual funds, business banking and digital banking.

As on 31st March 2019, our balance sheet size stood at ₹32,623 crore including total deposits of ₹19,422 crore with 15.2 lakh active customer accounts. We have consistently maintained a very good asset quality and a strong capital adequacy. Despite being in the investment mode, we have run our operations profitably, delivering strong results in all previous quarters, besides distributing dividend every year since listing.

We are listed on the NSE (AUBANK) and the BSE (540611). Marquee investment institutions such as Temasek Holdings, Nomura and Warburg Pincus have shown their faith in the AU franchise. Our promoter, MD & CEO, Mr. Sanjay Agarwal is ably supported by a team of 12,600+ passionate professionals.

A solid foundation and a differentiated business model, deep network, a comprehensive product suite, strong customer service orientation and an execution-oriented team motivate us to scale new heights in the new era of value-focussed, agile banking.

572

Touchpoints (322 bank branches, 86 banking outlets, 83 asset centres, 67 Banking Correspondents and 14 offices)

543* ATMS

1,00,000+

Internet and mobile banking users

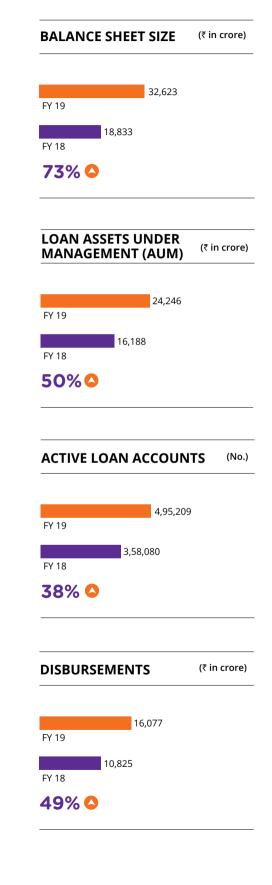
AA-/Stable

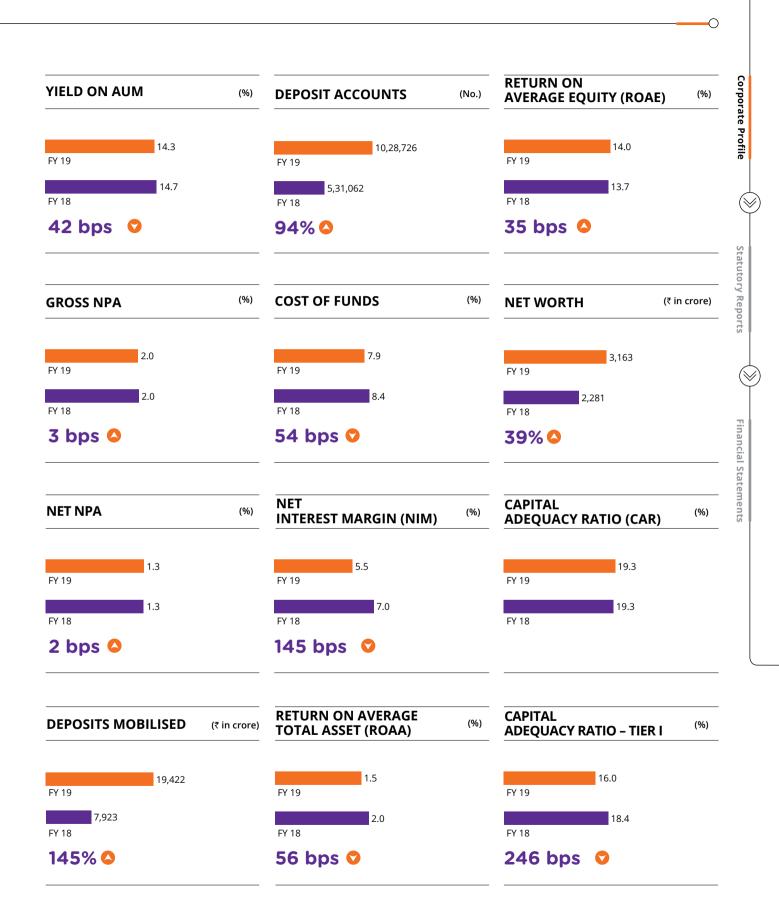
Long-term credit rating from four rating agencies (CRISIL Rating, India Ratings, ICRA Ratings and CARE Ratings)

*Including 251 ATMs in collaboration with RajCOMP Info Services Ltd. (RISL) and Cash Management Services (CMS) Growing the right way AU Small Finance Bank Limited

Growth Attributes Strong performance underpinned by quality







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AU Bank DNA

Bridging aspirations and achievements

For over two decades, we have been relentlessly serving our customers in the remotest locations of North, West and Central India and helping them fulfil their aspirations.

Now, as a modern young bank, we have further expanded our spectrum of offerings with a solutions-orientated attitude. Our comprehensive product suite supports the financial aspirations of our customers for their savings, payments, transactions, borrowings, investments and insurance requirements. Our deep local know-how and strong focus on customer centricity differentiate us and allow us to empower and transform the lives of our 12 lakh+ customers.

At AU Bank, financial inclusion goes beyond providing banking services to the unreached. We empower our customers' journeys and believe in *'Unki jeet mein* hamaari jeet hai' (We win when they win).

Vision

To be the world's most trusted retail bank and coveted employer, that is admired as the epitome of financial inclusion and economic success, where ordinary people do extraordinary things to transform society at large, thereby guaranteeing trust, confidence and customer delight.

Mission

To build one of india's largest retail franchise that is admired for

- Making every customer feel supreme while being served
- Aspiring that no Indian is deprived of banking
- Bias for action, dynamism, detail orientation and product & process innovation
- Globally respected standards of integrity, governance and ethics
- Being an equal opportunity employer, providing a collaborative and rewarding platform to all its employees

Fastest growth to ₹1 trillion book size and a client base of 10+ million delighted customers



INTEGRITY We are fair and

consistent in all our dealings – employees, customers, partners or shareholders

AU Dharma

The way we work

Our six guiding pillars of

AU Dharma underpin the

way in which we work and

right way.

RESPONSIBLY ENTREPRENEURIAL 100% ownership and

0% excuses

deliver. Each of these tenets

positively influences us to do the right things and in the



NURTURE TALENT AND SUCCEED TOGETHER

We nurture talent and together we are a great team



WORK HARD AND LOOK FOR DETAILS

Willing to go the extra mile in everything we do and thoroughly understand customer needs, issues, and organisational delivery model



CUSTOMER FOCUS

If our customers need it, we will make it happen



BIAS FOR ACTION

Urgency in everything we do

Statutory Reports

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Corporate Profile

Product Suite Delivering on customer aspirations

We aspire to be an all-in-one bank for our customers with a wide range of financial products and services that meet their every need. We are committed to continuously upgrading our products and solutions in line with the evolving needs of our customers.















CURRENT

ACCOUNT



FIXED & RECURRING

NBFC/HFC/MFI

LENDING

0

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Financial Statements



SAVINGS ACCOUNT



•=





DEPOSIT

0



LOCKER



MACHINE







LIFE & HEALTH INSURANCE









EXPERIENCE 24X7 BANKING WITH OUR MOBILE AND NET BANKING SERVICES

DOWNLOAD AND **EXPERIENCE** OUR AU ABHI APP

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Growing the right way

India's banking sector is one of the most resilient, firmly regulated and well-capitalised financial ecosystems. Further, a population base of 1.3 billion people, Government's focus on financial inclusion and a fast emerging digital infrastructure present stellar growth opportunities therein.

Capitalising on our two-decade rich expertise as an NBFC, we have successfully traversed the early days of our banking journey. We remain committed to playing our part in the nation's progress while scaling as a next-generation bank.

As a Bank, we began our journey when the economy was transitioning through three key reforms: Demonetisation, Goods & Services Tax (GST) rollout and Insolvency and Bankruptcy Code (IBC). Despite the macro headwinds, we maintained a strong momentum in asset lending while maintaining stable asset quality. We also gained healthy traction in our deposit franchise. However, this is just the beginning, and we have a long way to go.

Our strategy has always been to challenge the status quo. As a new-age bank, we sidestepped some of the benchmarked industry processes and features. We ushered in several unique banking innovations, including monthly interest pay-outs on Savings Account, paperless and digital customer acquisitions, no 'home branch' concept, extended banking hours, no slips for cash deposits or withdrawal and no form for Real Time Gross Settlement (RTGS) transactions. We also expanded our network and distribution, and extended our products and services offering.

In addition, we fortified our systems and processes by investing in critical areas of compliance, risk management, distribution, governance and information technology. For more details on these initiatives, please refer to our Annual Report of FY 2017-18, (www.aubank.in/annual-report).

In our second year, we continued to gain newer insights and experiences. Our efforts were anchored on building a Stable, Scalable and Bankable institution. We maintained our focus on regulations, governance, compliance, asset quality, customer convenience, customer centricity, business prudence, risk management, financial inclusion, digitalisation and profitability.

Our aim is to be among the first port of call for our customers and remain relevant for all their banking requirements. To achieve this, we will make judicious investments in the key domains of **digital**, **data and distribution**; make our value proposition superior and stronger, manage our risks better and run our operations profitably, which will allow us to **delight** our customers, shareholders, people, regulators and other stakeholders.

We believe, with the macro and micro trending in happy harmony, India is now at a vantage point for exponential value creation. We hope to enjoy the continued trust of all our stakeholders to help us grow responsibly and the right way.