

Ref. No.: AUSFB/SEC/2022-23/203

Date: 31<sup>st</sup> July, 2022

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</b>
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Dear Sir/Madam,

**Sub: Notice of 27<sup>th</sup> Annual General Meeting and Integrated Annual Report for FY 2021-22 of AU Small Finance Bank Limited**

Pursuant to the Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), we wish to inform that the Twenty Seventh (27<sup>th</sup>) Annual General Meeting ("AGM") of the Members of the Bank will be held on **Tuesday, 23<sup>rd</sup> August, 2022 at 4:00 P.M. (IST)** through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") facility in compliance with the applicable provisions of the Companies Act, 2013, read with rules made thereunder, Listing Regulations and relevant Ministry of Corporate Affairs and SEBI Circulars.

We submit herewith a copy of the Integrated Annual Report for FY 2021-22 including Notice convening the 27<sup>th</sup> AGM of the Bank.

The Integrated Annual Report for FY 2021-22, Notice of the 27<sup>th</sup> AGM and Business Responsibility and Sustainability Report for the FY 2021-22 is also available on the website of the Bank [www.aubank.in](http://www.aubank.in).

Notice of AGM and Integrated Annual Report FY2021-22 is being sent to the Members, who have registered their e-mail addresses with Depositories, through electronic mode on today i.e. 31<sup>st</sup> July, 2022.

This is for your information and record.

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)

**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**

**452065**

# Eye on the horizon



Digital  
banking



Scalable & sustainable  
business model



Pan-India  
footprint



Segmented  
Urban-Core strategy



Strong  
brand identity

Challenging the  
status quo



Customer and  
employee centric



Retail & granular



Secured credit,  
strong collection



Detail-oriented with  
strong ground connect



# Ear to the ground

# 5 years of banking

Key Parameters	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
No. of States and UTs	11	12	12	17	20
No. of Touchpoints	474	558	647	744	919
No. of Employees	11,151	12,623	17,112	22,484	27,817
No. of Unique Customers (in lakh)	7.5	12.3	17.2	20.2	27.5
Disbursements (Funded: ₹ crore)	10,790	16,065	17,718	17,590	25,407
CD ratio %	168	117	103	96	88

Balance Sheet Statistics	₹ crore				
Total Assets	18,833	32,623	42,143	51,591	69,078
Advances	13,312	22,819	26,992	34,609	46,095
Investment	3,051	7,162	10,668	10,815	15,306
Shareholders' Fund	2,281	3,163	4,377	6,275	7,514
Deposits	7,923	19,422	26,164	35,979	52,585
Borrowings	7,639	8,613	10,335	7,030	5,991

Income Statement	₹ crore				
NII	940	1,343	1,909	2,365	3,234
Total Income (NII + Other income)	1,328	1,805	2,615	3,786	4,228
Operating Expenses	753	1,083	1,418	1,658	2,413
PPOP	575	722	1,197	2,128	1,815
Provisions	132	142	283	669	361
PBT	443	580	914	1,459	1,454
PAT	292	382	675	1,171	1,130
PAT (Excluding Profit from stake sale in Aavas)	292	382	596	600	1,130

KEY RATIOS					
Asset Quality					
Gross NPA %	2.0%	2.0%	1.7%	4.3%	2.0%
Net NPA %	1.3%	1.3%	0.8%	2.2%	0.5%
Provision coverage ratio	37%	37%	53%	50%	75%
Net Credit Loss (as % of average assets)	0.02%	0.01%	0.09%	0.27%	0.35%

Profitability					
NII as % of Average Assets	6.6%	5.2%	5.1%	5.0%	5.4%
Cost of Funds	8.4%	7.9%	7.7%	6.8%	5.9%
CASA Mix (as % of Deposits)	27%	18%	14%	23%	37%
Operating Expense (as % of Average Assets)	5.3%	4.2%	3.8%	3.5%	4.0%
ROA	2.0%	1.5%	1.8%	2.5%	1.9%
ROA (Excluding Profit from stake sale in Aavas)	2.0%	1.5%	1.6%	1.3%	1.9%
ROE	13.7%	14.0%	17.9%	23.4%	16.4%
ROE (Excluding Profit from stake sale in Aavas)	13.7%	14.0%	15.8%	12.0%	16.4%
EPS (₹)	10	13	23	38	36
BVPS (₹)	80	108	144	201	239

Capital Adequacy					
Average Asset/Average Shareholders' Funds	6.7	9.5	9.9	8.8	8.8
CRAR - Total	19.3%	19.3%	22.0%	23.4%	21.0%
CRAR - Tier I	18.4%	16.0%	18.4%	21.5%	19.7%

# Eye on the horizon. Ear to the ground.

Founded by a first-generation entrepreneur, AU has always looked at the lending business based on first principles – lend in unserved and underserved markets, price the risk adequately, expand contiguously, and build solutions around customers' needs and limitations.

Underpinned by our 'ears to the ground' approach, we have built a Bank which has challenged the established practices to better customer experience such as crediting of monthly interest in savings accounts, offering true anywhere banking or doing away with deposit and withdrawal slips in our branches.

At the same time, we are mindful of the opportunities with our 'eye on the horizon' approach and taking several steps today to strengthen our tomorrow. Some of these are expanding our geographic footprint pan India, building our brand identity, and building a best-in-class and secure digital banking infrastructure. Our endeavour remains to build a sustainable business model which can provide generational banking to our customers and generational opportunities to our employees.





## 27 years of building trust

In the last 27 years as a financial institution and 5 years as a bank, we have made significant strides in our journey towards becoming a more and more sustainable tech-led and retail-focused Bank. Our presence in underserved retail segments along with our secured lending products have helped us grow our balance sheet sustainably.

We would like to express our gratitude to the Government of India, Reserve Bank of India and all other regulators for their support and guidance during these challenging times. We are immensely grateful to our customers, investors, employees and other stakeholders for their trust in AU Bank.

## What's Inside

<b>Corporate Overview</b>	<b>1-113</b>
Theme introduction	1
About the report	4
<b>Company Snapshot</b>	
Who we are	6
Chairman's insight	18
MD & CEO's message	20
Executive Director's message	28
Financial review	32
Key highlights of FY 2021-22	36
Awards and accolades	42
<b>Value Creation</b>	
Business model	46
Stakeholder engagement	48
Materiality	50
Megatrends	52
<b>Progressing on our Strategy</b>	
Strategy	56
1 Scale retail-focused, sustainable liability franchise	58
2 Sustainable growth from existing asset products and segments	62
3 Build a tech-led ecosystem	66
4 Best-in-class Risk Management and Controls	72
5 Develop a highly empowered and capable team	76
6 Create strong brand identity	82
7 Strengthen our Environmental, Social and Governance (ESG) commitments	88
• Environment	90
• Social	94
• Governance	104
<b>Board and Management</b>	
Board of Directors	108
Leadership team	110
<b>Statutory Reports</b>	<b>114-229</b>
Management Discussion & Analysis	114
Board's Report	138
Annexures	156
Business Responsibility and Sustainability Report	204
<b>Financial Statements</b>	<b>230-306</b>
Independent Auditor's Report	230
Balance Sheet	238
Profit and Loss Account	239
Cash Flow Statement	240
Schedules	242
<b>Notice of AGM</b>	<b>307-333</b>



**~27.5 Lakh**  
Customer base



**10.5 Lakh**  
Digital customers



**27,817**  
Employees



**919**  
Touchpoints

As on 31<sup>st</sup> March 2022

# About the report



This is the second integrated report of AU Small Finance Bank (AU SFB or AU or AU Bank), prepared in accordance with the International Integrated Reporting Framework of the Value Reporting Foundation (VRF). It provides our stakeholders a concise and fair assessment of our ability to use our experience and expertise to create sustainable value.

## Reporting period

The Integrated Report 2021-22 covers the period between 1<sup>st</sup> April 2021 and 31<sup>st</sup> March 2022. This report provides material information relating to our strategy and business model, operating context, material risks, stakeholder interests, performance, prospects and governance.

## Reporting boundary

This report covers our primary activities across all operating geographies, operations, business segments and key support functions.

## Financial and non-financial reporting

This report provides details of both our financial and non-financial performance, strategic priorities, opportunities, risks and outcomes attributable to or associated with our key stakeholders, which have a significant impact on our ability to create value.

## Materiality

Our material issues are most important to us and our stakeholders have an impact on our ability to create value. These topics are influenced by the economic, social and environmental context in which we operate. The information contained in this report has been identified and consolidated after a detailed review of the issues most material to us.

## Targeted readers

This report is primarily intended to address the information requirements of our providers of financial capital i.e., investors (existing and prospective). It also covers information relevant to other key stakeholders, including our employees, customers, regulators, partners, the environment and society.

## Framework, guidelines and standards

This report has been prepared in accordance with the following principles and guidelines: International Integrated Reporting Framework of the Value Reporting Foundation (VRF). The Companies Act, 2013 (and the rules made thereunder), Indian Accounting Standards, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 Secretarial Standards issued by the Institute of Company Secretaries of India.

## Responsibility statement

Our management acknowledges the integrity of this report, which, in their opinion, addresses all the issues that are material to the Bank's ability to create value and fairly presents its integrated performance. The management has applied its mind collectively in the preparation and presentation of this report and confirms that it presents a balanced and transparent account of our value-creation story.

## Our capitals

Our ability to create long-term value is fundamentally dependent on various forms of capitals available to us (inputs), how we use them (value-enhancing activities), and the value we deliver (outputs and outcomes).

→ Pg. 46



### Financial capital

Our shareholders' equity, funding from depositors and lenders, and retained earnings used to drive our business and day-to-day operations.



### Manufactured capital

Our wide branch network, digital assets and best-in-class IT infrastructure provide a solid platform for us to conduct business and create value.



### Human capital

Our professional team brings together diverse skills, a range of experience and motivation to develop, improve and innovate processes, products and services through meritocracy, teamwork, leadership and collaboration.



### Social and relationship capital

Our key stakeholders and how we engage with them, reflects our ability to create value and improve individual and collective well-being.



### Intellectual capital

Our differentiated digital ecosystem across products and services, communication capabilities, applications, data analytics and cyber security helps us compete and be future ready.



### Natural capital

Our resource consumption pattern and impact on natural resources through our operations and business activities. Steps taken to ensure effective usage of carbon, energy and waste management.

## Our strategic priorities

→ Pg. 56



Scale retail focused sustainable Liability franchise



Sustainable growth from existing asset products and segments



Build a tech-led ecosystem



Best-in-class risk management and controls



Develop a highly empowered and capable team



Create strong brand identity



Strengthen our ESG commitments

Who we are

# Banking with purpose

Since our inception in 1996 as an NBFC, we have evolved over the past 27 years to emerge as one of India's most credible Small Finance Banks, focused on serving the underbanked and unbanked population in India. Built on the values of समझदारी, ज़िम्मेदारी, ईमानदारी (prudence, responsibility and honesty), we are responsibly moving forward every day to deliver various financial and digital solutions that cater to our customers' diverse needs.

We endeavour to bring best-in-class product offerings to our customers while leveraging our digital capabilities. This, together with our brand outreach, local insights, balance sheet strength and pricing power to optimise the risk-return metrics, helps us generate positive outcomes for all our stakeholders.

## AU SFB at a glance

₹ 69,078 Cr    ₹ 47,831 Cr

Total Assets

📈 +34%

Loan Asset Under  
Management (AUM)

📈 +27%

₹ 52,585 Cr    ₹ 1,130 Cr

Deposits

📈 +46%

Net Profit

📈 +88%

16.4%

Return on Equity (RoE)

📈 +439 bps

₹ 7,514 Cr

Net Worth

📈 +20%

Credit Card launch at Jaipur





## Our Purpose

### Empowering India

#### Financially



#### Digitally



#### Socially



## Our 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.



## Our 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

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