

**Ref. No.: AUSFB/SEC/2023-24/105**

**Date: July 18, 2023**

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, 958400, 974093, 974094, 974095</b>
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Dear Sir/Madam,

**Sub: Notice of 28<sup>th</sup> Annual General Meeting and Integrated Annual Report for FY 2022-23 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 Eighth (28<sup>th</sup>) Annual General Meeting (“**AGM**”) of the Members of the Bank will be held on **Thursday, August 10, 2023 at 4:00 P.M. (IST)** through Video Conferencing/Other Audio Visual Means in compliance with the applicable regulatory provisions.

We submit herewith a copy of the Integrated Annual Report for FY 2022-23 including Notice convening the 28<sup>th</sup> AGM of the Bank.

The Integrated Annual Report, Notice of the 28<sup>th</sup> AGM and Business Responsibility and Sustainability Report for FY 2022-23 is also available on the website of the Bank at <https://www.aubank.in/reports-and-presentation>.

Notice of AGM and Integrated Annual Report for FY 2022-23 is being sent to the Members, who have registered their e-mail addresses with Depositories/RTA, through electronic mode Today on July 18, 2023.

This is for your information and record.

Thanking You,

Yours faithfully,

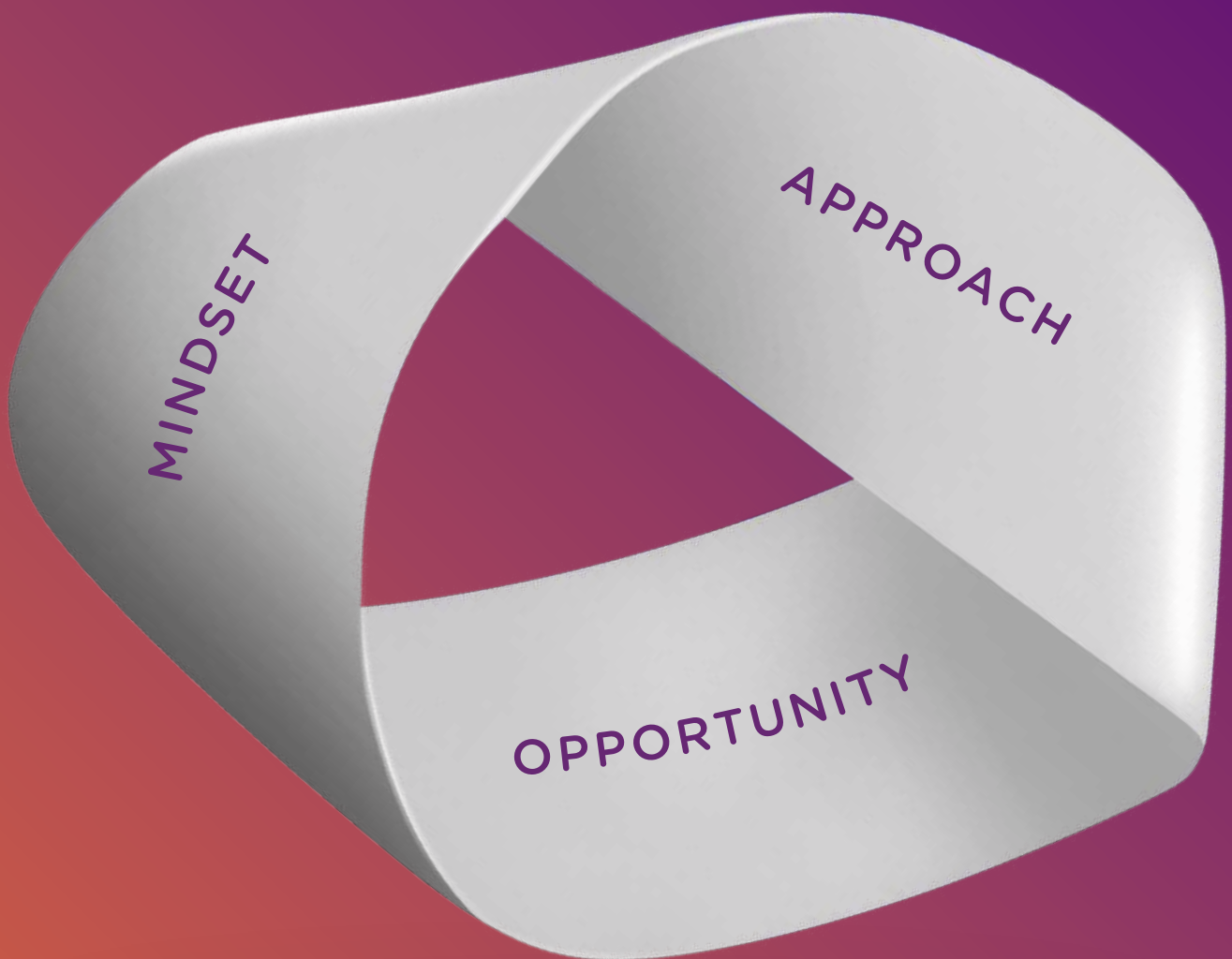
**For AU SMALL FINANCE BANK LIMITED**

**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

# ON A FOREVER JOURNEY



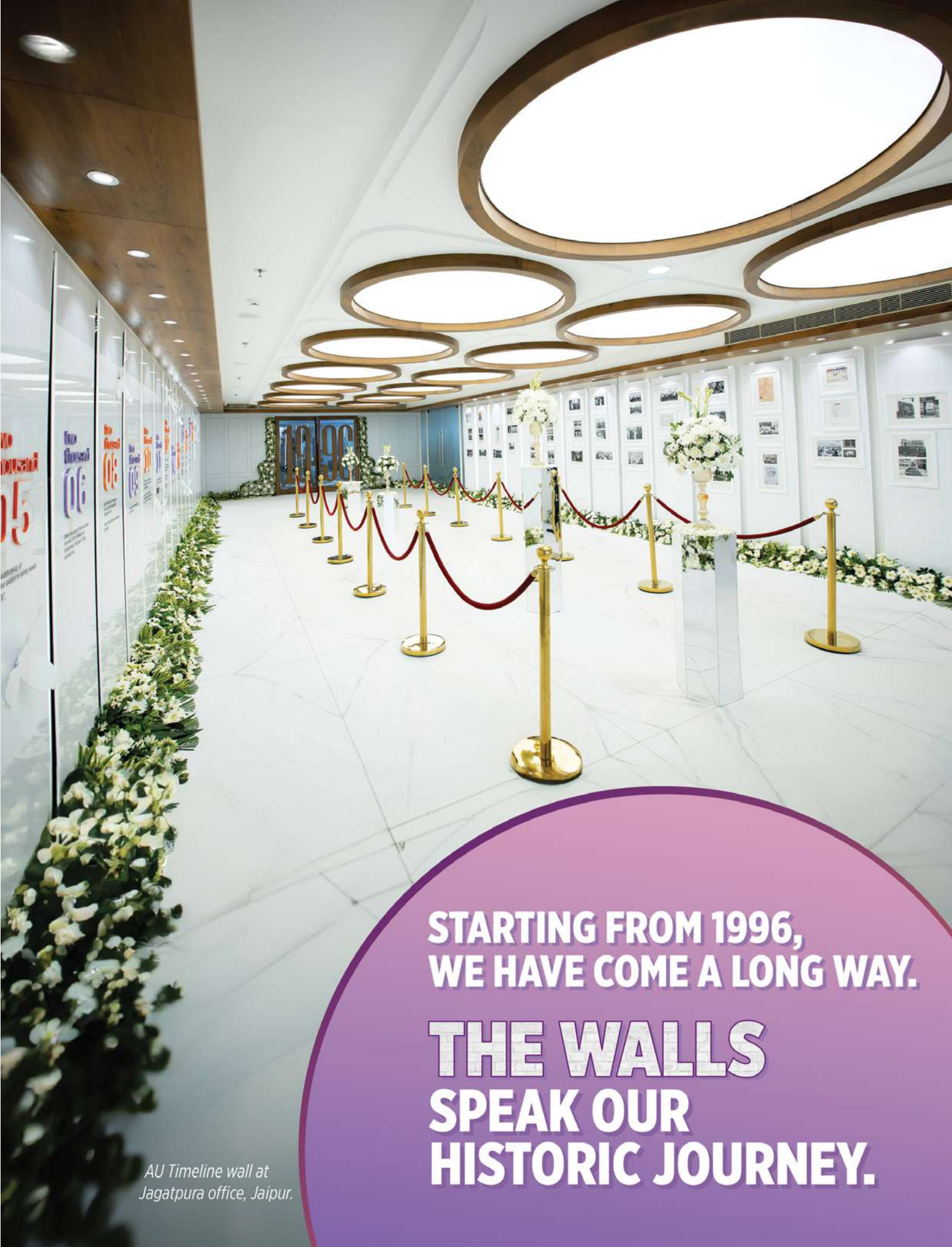


# Mindset Opportunity Approach

Building a 'Forever Bank' requires a leadership **mindset**, identifying **opportunities**, and mapping the **approach** for creating impact. And then repeating it all over again with an innovative mindset, newer opportunities and calibrated approach. Much like a Möbius strip, continuous interconnectivity is our approach to banking. It represents an endless cycle of growth and improvement.

We strive to innovate, adapt, and evolve to cater to our customers' ever-changing needs. We are on a Forever journey to build a Bank that not only meets present requirements but is also capable of serving future generations.





**STARTING FROM 1996,  
WE HAVE COME A LONG WAY.**

**THE WALLS  
SPEAK OUR  
HISTORIC JOURNEY.**

*AU Timeline wall at  
Jagatpura office, Jaipur.*

# 6 years of banking

Key Parameters	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
No. of States and UTs	11	12	12	17	20	24
No. of Touchpoints	474	558	647	744	919	1027
No. of Employees	11,151	12,623	17,112	22,484	27,817	28,320
No. of Unique Customers (in lakh)	7.5	12.3	17.2	20.2	27.5	38.6
CD ratio %	168	117	103	96	88	84
<b>Balance Sheet Statistics</b>						₹ crore
Total Assets	18,833	32,623	42,143	51,591	69,078	90,216
Advances	13,312	22,819	26,992	34,609	46,095	58,422
Investment	3,051	7,162	10,668	10,815	15,306	20,072
Shareholders' Fund	2,281	3,163	4,377	6,275	7,514	10,977
Deposits	7,923	19,422	26,164	35,979	52,585	69,365
Borrowings	7,639	8,613	10,335	7,030	5,991	6,299
<b>Income Statement</b>						₹ crore
NII	940	1,343	1,909	2,365	3,234	4,425
Total Income (NII + Other income)	1,328	1,805	2,615	3,786	4,228	5,460
Operating Expenses	753	1,083	1,418	1,658	2,413	3,440
PPOP	575	722	1,197	2,128	1,815	2,019
Provisions	132	142	283	669	361	155
PBT	443	580	914	1,459	1,454	1,865
PAT	292	382	675	1,171	1,130	1,428
PAT (Excluding Profit from stake sale in Aavas)	292	382	596	600	1,130	1,428
<b>KEY RATIOS</b>						
<b>Asset Quality</b>						
Gross NPA %	2.0%	2.0%	1.7%	4.3%	2.0%	1.7%
Net NPA %	1.3%	1.3%	0.8%	2.2%	0.5%	0.4%
Provision coverage ratio (PCR)	37%	37%	53%	50%	75%	75%
Provision coverage ratio (with Technical write-off)	37%	37%	53%	50%	77%	78%
Net Credit Loss (as % of average assets)	0.0%	0.0%	0.1%	0.3%	0.3%	0.2%
<b>Profitability</b>						
NII as % of Average Assets	6.6%	5.2%	5.1%	5.0%	5.4%	5.6%
Cost of Funds	8.4%	7.9%	7.7%	6.8%	5.9%	6.0%
CASA Mix (as % of Deposits)	27%	18%	14%	23%	37%	38%
Operating Expense (as % of Average Assets)	5.3%	4.2%	3.8%	3.5%	4.0%	4.3%
ROA	2.0%	1.5%	1.8%	2.5%	1.9%	1.8%
ROA (Excluding Profit from stake sale in Aavas)	2.0%	1.5%	1.6%	1.3%	1.9%	1.8%
ROE	13.7%	14.0%	17.9%	23.4%	16.4%	15.4%
ROE (Excluding Profit from stake sale in Aavas)	13.7%	14.0%	15.8%	12.0%	16.4%	15.4%
EPS (₹)	5	7	11	19	18	22
BVPS (₹)	40	54	72	100	119	165
<b>Capital Adequacy</b>						
Average Asset/Average Shareholders' Funds	6.7	9.5	9.9	8.8	8.8	8.6
CRAR - Total	19.3%	19.3%	22.0%	23.4%	21.0%	23.6%
CRAR - Tier 1	18.4%	16.0%	18.4%	21.5%	19.7%	21.8%



## YEARS OF BUILDING TRUST

With over nearly three decades of experience, first as a NBFC and then as a Bank, we have continuously advanced in our mission to transform into a sustainable, technology-driven, and customer-centric bank. Our unwavering focus on the unserved and underserved retail segment, along with our portfolio of secure lending products, has significantly contributed to the sustainable growth of our balance sheet and rural economies, thereby making a positive impact on the overall economic growth and Empowering India's 'Bharat'.

We are profoundly grateful to the Government of India, the Reserve Bank of India, all regulatory bodies, our esteemed customers, loyal investors, dedicated employees, and all stakeholders for their unwavering trust in AU Small Finance Bank. This

trust is the cornerstone of our success, and it motivates us to persistently strive for excellence in everything we do.

As we reflect on our journey, we recognise that building trust is not merely a goal but a continuous process. It is the foundation upon which we have built enduring relationships with our stakeholders, enabling us to weather uncertainties and emerge stronger. We remain steadfast in our commitment to transparency, integrity, governance, and responsible banking practices.

We are proud of our **28-year journey** of building trust and the progress we have made in our pursuit of sustainability, technological innovation, and retail focus, and we will be focused on doing so for generations to come.





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We aim for, and have the mindset to build AU SFB to outlast us all. This is my dream for 'AU Forever'

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Discover AU SFB's sustainable performance, growth, profitability, and remarkable customer satisfaction

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➤ Read about the performance of our 10 SBUs in our Management Discussion and Analysis

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# ON A FOREVER JOURNEY

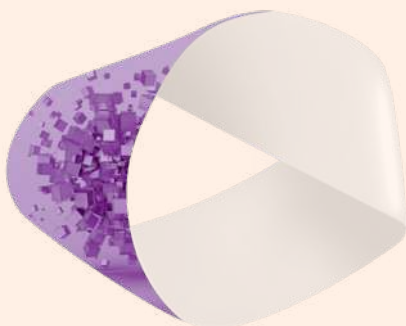
**AU Small Finance Bank Limited (AU SFB) is on a 'Forever Journey', committed to building a resilient and sustainable institution that embraces growth and adapts to challenges. Our retail-focused strategy has established a stable deposit franchise while utilising data and analytics to offer inclusive access to financial solutions through secured lending products.**

A continuation of our approach of having our 'eyes on the horizon, and ear to the ground', our theme for this year's Annual Report depicts our ideology of building a bank which can last forever. Staying grounded on our fundamentals, we aim to create a foundation and a legacy, through a sustainable business model and robust governance, which will lead us to have generational success and prosperity.

A 'Forever Bank' is akin to a Möbius strip, being in a continual journey. Laying the foundation for a bank that can last forever begins with identifying the right **mindset, opportunity, and approach.**

## A 'FOREVER BANK' NEEDS A FOREVER MINDSET

As a 'Forever Bank', our mindset to build goes beyond stability and growth, requiring a forward-thinking and innovative approach. Embracing change, seeking opportunities, and anticipating customer needs set us apart in the banking landscape.



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## SEIZING OPPORTUNITIES AS A FOREVER BANK

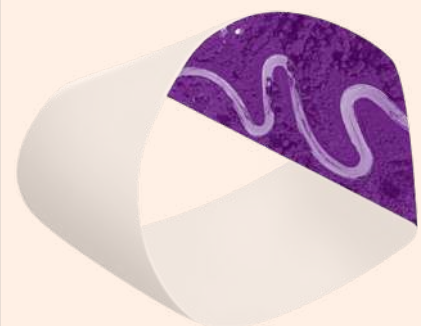
With a vision to bring efficiency in the intermediation between borrowers and savers, we need to extend our services to every customer segment and we wholeheartedly embrace the immense possibilities offered by the burgeoning Indian economy.



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## THE KEY TO OUR FOREVER BANKING APPROACH

Our pursuit of becoming a 'Forever Bank' requires balancing traditional values with modern advancements. We seize opportunities in emerging markets and leverage technology to provide seamless and personalised experiences, fostering long-term success and lasting customer relationships.



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# About the Report

This is AU Small Finance Bank's (AU SFB) third Integrated Report prepared in accordance with the International Integrated Reporting <IR> framework. It provides our stakeholders with a concise and fair assessment of our ability to use our experience and expertise to create sustainable value.

## Reporting Period

The Report covers the period between April 1, 2022 and March 31, 2023. This Report provides material information relating to our strategy and business model, operating context, material risks, stakeholder interests, performance, prospects, and governance.

## Reporting Boundary

The Report covers the Bank's primary activities across all operating geographies, operations, business segments and key support functions.

## Financial and Non-financial Reporting

The Report provides details of both 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 in this Report has been identified and consolidated after a detailed review of the issues most material to us.

## Target Audience

This Report is primarily intended to address the information requirements of our providers of financial capital, i.e., investors (existing and prospective) and also covers information relevant to other key stakeholders.

## Framework, Guidelines, and Standards

This Report has been prepared in accordance with the below principles and guidelines:

- <IR> framework of the IFRS Foundation
- The Companies Act, 2013 (and the rules made thereunder)
- 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 Integrated Report, which, in their opinion, addresses all the issues that are material to AU SFB's ability to create value, and presents integrated performance in a fair manner. Our Management

confirms that this report presents a balanced and transparent account of Your Bank's value-creation story.

## Transparency and Enhanced Disclosures

The Bank has a comprehensive transparent reporting approach, demonstrating our unwavering dedication to providing the stakeholders with a transparent and holistic view of our performance and progress.

**3<sup>rd</sup>**

Integrated Annual Report

**2<sup>nd</sup>**

Year of Sustainability Reporting

➔ Read more about our ESG disclosures in the Business Responsibility and Sustainability Report (BRSR) on **Page 186** and refer to our sustainability initiatives in our Sustainability Report **here**.



**aubank.in**

## Our Capitals

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



### Financial Capital

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



### Manufactured Capital

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



### Intellectual Capital

Our differentiated digital ecosystem across products and services, communication capabilities, applications, data analytics and cybersecurity.



### Human Capital

Our professional team with their diverse skills, range of experience, and motivations 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, reflecting our ability to share values and to improve individual and collective well-being.



### 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.

➔ Read more on [Page 24](#)

## Our Material Issues

### Environment

- Climate Risk
- Sustainable Operations
- Water Conservation
- Resource Efficiency
- Our Product Offerings– Social and Climate

### Social

- Diversity and Inclusion
- Corporate Social Responsibility
- Employee Health and Well-being
- Stakeholder Engagement
- Financial and Digital Inclusion
- Employee Training and Education

### Governance

- Product Innovation
- Economic Performance of the Bank
- Cybersecurity
- Data Privacy
- Compliance
- Brand and Reputation Management
- Ethical Business Practices
- Customer Satisfaction

➔ Read more in our Sustainability Report

## Our Key Stakeholders



Customers



Employees



Regulators and Government



Partners and Associates



Society



Environment



Investors and Shareholders

➔ Read more about how we engage with our stakeholders in our Sustainability Report