
Avendus Capital acts as Book Running Lead Manager to AU Small Finance Bank's INR 2,000 crore QIP

Mumbai, August 18, 2022

AU Small Finance Bank, India's largest small finance bank, recently raised INR 2,000 crore (USD 253 million) via the Qualified Institutional Placement (QIP) route. The deal was successfully priced at INR 580 per equity share, a tight 1.8% discount to its floor price of INR 590.84 per share. The issue witnessed strong investor demand with 4x oversubscription, despite volatile markets and the rising inflation scenario globally. Major participants in the QIP included sovereign funds like Government of Singapore and Norges Bank, FII's such as Capital Group, Goldman Sachs Asset Management and DII's like HDFC MF, ICICI Prudential Life Insurance, DSP MF and Nippon MF, among others. The company will utilise the proceeds towards enhancing its tier 1 capital base and supporting the growth aspirations of the bank.

Avendus Capital acted as Book Running Lead Manager (BRLM) to the INR 2,000 crore issue.

Sanjay Agarwal, MD & CEO, AU Small Finance Bank said, "I am deeply grateful to all our existing shareholders for their participation in this issue and also welcome all the incoming newer investors – both FIIs and domestic investors, for their confidence in us and in supporting our growth plans. Our objective remains to build a best-in-class, tech-led retail Bank in India with a very sustainable business model and the fresh capital will significantly help us in that journey. I remain a strong believer that this decade will be India's and hope that the success of our QIP and Tier II issue and the overwhelming demand from FIIs will augur well for the overall sector."

Gaurav Sood, Executive Director & Head, Equity Capital Markets, Avendus Capital said, "We are privileged to partner with AU Small Finance Bank on its largest ever primary equity capital raise and are very confident about the bank's mission to become a best-in-class, tech-led retail bank in India. The bank continues to enjoy strong interest from top FIIs and DIIs and this fundraise will further help it in scaling up its digital initiatives and tech infrastructure, enabling it to achieve its goals."

Anshul Agarwal, Executive Director & Co-head, Consumer, Financial Institutions Group & Business Services Investment Banking, Avendus Capital said, "AU has created a differentiated positioning of being the only truly secured retail franchise which sets it apart from its peers. Focused on building a digital ecosystem and having a tech-powered approach has enabled it to be one of the fastest growing banks with consistent

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earnings and strong fundamentals. We believe this fundraise will pave the way for the next leg of growth and will enable continued value creation.”

AU Small Finance Bank is India’s largest small finance bank in terms of market capitalisation, deposits and AUM. The bank has operations across 20 states and 2 union territories and has a deposit and AUM base of INR 54,631 crores and INR 50,161 crores respectively as of June 2022 with the book mainly spread across vehicle and MSME financing.

About Avendus

Avendus Group is a leading financial services firm with presence in the areas of Investment Banking, Wealth Management, Credit Solutions and Asset Management. Established in 1999 in Mumbai, India, Avendus is today present in 10 cities across India, US, UK and Singapore. Avendus partners with the Indian entrepreneur ecosystem to provide differentiated solutions that enable clients to meet their strategic aspirations.

Avendus Capital, the investment banking arm, is consistently ranked among the top investment banks in the country on the back of its in-depth domain understanding and a best in the class track record of domestic and cross-border transactions. Avendus’ wide range of clients is testimony to its ability to serve its corporates throughout their life cycle – from growth stage funding to large-sized transactions and M&A advisory.

Avendus Capital Inc located in New York is an Avendus Group entity offering M&A and Private Equity syndication services to clients in the US.

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