This is a public announcement for information purposes only and is not a Prospectus announcement and does not constitute an invitation or Offer to acquire, purchase or subscribe to securities. Not for publication or distribution directly or indirectly outside India.

AU Small Finance Bank Limited

Our Company was originally incorporated as 'L.N. Finco Gems Private Limited' on January 10, 1996 as a private limited company under the Companies Act, 1956 with the RoC. Pursuant to the change of name of our Company to Au Financiers (India) Private Limited to reflect the diversified finance business of our Company, a fresh certificate of incorporation was issued by the RoC on May 24, 2005. Our Company was converted into a public limited company by way of a special resolution passed by our Shareholders at the EGM held on January 10, 2013 and the name of our Company was changed to 'Au Financiers (India) Limited'. A fresh certificate of incorporation consequent upon conversion to a public limited company was issued by the RoC on January 11, 2013. Our Company was granted the in-principle approval to establish an SFB* by the RBI, pursuant to its letter dated October 7, 2015. Subsequently, the RBI granted our Company the final approval to establish an SFB by its letter dated December 20, 2016. Pursuant to our Company being established as an SFB, the name of our Company was changed to 'AU Small Finance Bank Limited' and a fresh certificate of incorporation was issued by the RoC on April 13, 2017. For details of change in the name and registered office of our Company, see "*History and Certain Corporate Matters*" on page 175 of the Red Herring Prospectus dated June 14, 2017 and as supplemented by the "Statutory advertisement (including corrigendum – Notice to Investors)" dated June 16, 2017 and published on June 19, 2017 in all editions of Financial Chronicle and Rashtriya Sahara (collectively referred to as the "**RHP**").

Registered Office: 19-A Dhuleshwar Garden, Ajmer Road, Jaipur 302001, Rajasthan, India

Corporate Office: 5th Floor, E-Wing, Kanakia Zillion, Junction of CST Road and L.B.S. Marg, Kurla (West), Mumbai – 400 070, Maharashtra, India

Contact Person: Mr. Manmohan Parnami, Company Secretary and Compliance Officer; **Tel**: +91 141 4110060; **Fax**: +91 141 4110090

E-mail: ipo@aubank.in; **Website**: www.aubank.in

Corporate Identification Number: L36911RJ1996PLC011381

*A licence authorizing the bank to carry on small finance bank business has been obtained from the Reserve Bank of India in terms of Section 22 of the Banking Regulation Act, 1949. It must be distinctly understood, however, that in issuing the licence, the Reserve Bank of India does not undertake any responsibility for the financial soundness of the bank or for the correctness of any of the statements made or opinion expressed in this connection.

OUR PROMOTERS: MR. SANJAY AGARWAL, MS. JYOTI AGARWAL, MS. SHAKUNTALA AGARWAL AND MR. CHIRANJI LAL AGARWAL

INITIAL PUBLIC OFFERING OF 53,422,169 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH OF AU SMALL FINANCE BANK LIMITED ("COMPANY" AND SUCH EQUITY SHARES OF OUR COMPANY, THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING TO ₹ [●] MILLION (THE "OFFER") THROUGH AN OFFER FOR SALE OF UP TO 2,494,769 EQUITY SHARES BY MR. SANJAY AGARWAL, 2,363,712 EQUITY SHARES BY MS. JYOTI AGARWAL, 2,274,326 EQUITY SHARES BY MS. SHAKUNTALA AGARWAL, 1,290,449 EQUITY SHARES BY MR. CHIRANJI LAL AGARWAL (TOGETHER, THE "PROMOTER SELLING SHAREHOLDERS"), 576,744 EQUITY SHARES BY MYS HOLDINGS PRIVATE LIMITED ("MYS" AND "PROMOTER GROUP SELLING SHAREHOLDER"), 14,800,000 EQUITY SHARES BY REDWOOD INVESTMENT LTD ("REDWOOD"), 7,572,169 EQUITY SHARES BY INTERNATIONAL FINANCE CORPORATION ("IFC"), 11,250,000 EQUITY SHARES BY LABH INVESTMENTS LIMITED ("LABH"), 10,365,368 EQUITY SHARES BY OUREA HOLDINGS LIMITED ("OUREA"), AND UP TO 434,632 EQUITY SHARES BY KEDAARA CAPITAL ALTERNATIVE INVESTMENT FUND – KEDAARA CAPITAL AIF 1 ("KEDAARA"), TOGETHER WITH REDWOOD, IFC, LABH, OUREA, AND KEDAARA THE "INVESTOR SELLING SHAREHOLDERS", (PROMOTER SELLING SHAREHOLDERS, PROMOTER GROUP SELLING SHAREHOLDER, AND INVESTOR SELLING SHAREHOLDERS, COLLECTIVELY REFERED TO AS THE "SELLING SHAREHOLDERS") AND SUCH EQUITY SHARES OFFERED BY THE SELLING SHAREHOLDERS, THE "OFFERED SHARES") (THE "OFFER FOR SALE"/"OFFER"). THE OFFER WOULD CONSTITUTE [●]% OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL. THE OFFER INCLUDES A RESERVATION OF UP TO 1,000,000 EQUITY SHARES, AGGREGATING UP TO [●] MILLION, FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (AS DEFINED HEREIN) NOT EXCEEDING 5% OF OUR POST-OFFER PAID UP EQUITY SHARE CAPITAL (THE "EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER SHALL CONSTITUTE [●]% AND [●]%, RESPECTIVELY OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF THE EQUITY SHARES IS ` 10 EACH AND THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES

ASBA* | Simple, Safe, Smart way of Application - Make use of it!!!

***Applications Supported by Blocked Amount (ASBA) is a better way of applying to issues by simply blocking the fund in the bank account, investors can avail the same. For details, check section on ASBA below.**

Mandatory in public issues from January 01, 2016. No cheque will be accepted.

APPLICATIONS SUPPORTED BY BLOCKED AMOUNT (ASBA): Investors have to apply through the ASBA process. ASBA has to be availed by all the investors except Anchor Investors. Non-retail investors have to compulsorily apply through ASBA. For details on the ASBA process, please refer to the details given in the ASBA Form and Abridged Prospectus and also please refer to "*Offer Procedure*" on page 366 of the RHP. ASBA Forms can also be downloaded from the websites of BSE and NSE. ASBA Forms can be obtained from the list of banks that is available on the website of SEBI at www.sebi.gov.in. ASBA Form can be obtained from Syndicate, SCSBs, Registered Brokers, RTAs and CDPs, the list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/5/33/0/0/Recognised-Intermediaries.

CONTENTS OF THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY AS REGARDS ITS OBJECTS: For information on the main objects and other objects of our Company, see the section entitled "*History and Certain Corporate Matters*" on page 175 of the RHP and Clause III of the Memorandum of Association of our Company. The Memorandum of Association of our Company is a material document for inspection in relation to the Offer. For further details, see the section entitled "*Material Contracts and Documents for Inspection*" on page 494 of the RHP.

LIABILITY OF MEMBERS OF OUR COMPANY: Limited by shares.

AMOUNT OF SHARE CAPITAL OF OUR COMPANY AND CAPITAL STRUCTURE: As on the date of the RHP, the authorised share capital of our Company is ₹ 3,500,000,000 divided into 350,000,000 equity shares of ` 10 each. The issued, subscribed and paid-up share capital of our Company is ₹ 2,842,509,060 divided into 284,250,906 equity shares ` 10 each. For details of the Capital Structure, see "*Capital Structure*" on the page 75 of the RHP.

NAMES OF THE SIGNATORIES TO THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY AND THE NUMBER OF EQUITY SHARES SUBSCRIBED BY THEM: Given below are the names of the signatories to the Memorandum of Association of our Company– Laxmi Narayan Goyal, Nipin Goyal and Pushpa Goyal who subscribed to 10 shares each of our Company as initial subscription.

CORRIGENDUM: NOTICE TO INVESTORS

In reference to the RHP filed with the Registrar of Companies, Rajasthan at Jaipur, the Securities and Exchange Board of India, and the Stock Exchanges and the advertisements for announcement of the Price Band and the Minimum Bid Lot published in all editions of the English national newspaper, Financial Chronicle and all editions of the Hindi national newspaper, Rashtriya Sahara on June 19, 2017, in relation to the Offer ("**Advertisements**"), and the Bid-cum-Application Forms and the abridged prospectus, investors should note the following:

1. On June 29, 2017, Labh Investments Limited ("**Labh**"), one of our foreign shareholders has transferred 500,000 Equity Shares, constituting 0.176% of the paid-up Equity Share capital of our Company, to an existing resident shareholder of our Company, pursuant to which the foreign shareholding of our Company has reduced from 47.11% to 46.94%. Accordingly, the RHP, Bid-cum-Application Forms, and the abridged prospectus are hereby amended as follows:

   a. All references in the RHP, including on pages 42, 338, 363, 369 and 370 of the RHP, to the Equity Share capital of our Company held by foreign entities, are suitably amended from 47.11% to 46.94% in this respect.
   b. All references in the RHP, including on pages 85 and 87 of the RHP, to the Equity Share capital of our Company held by Labh, should be read as 22,037,530 Equity Shares, constituting 7.75%, of the pre-Offer Equity Share capital of our Company.
   c. All references in the RHP, including on page 85 of the RHP, in the paragraph and table under "*Capital Structure - Investor Selling Shareholders' shareholding in our Company*", to the Equity Share capital of our Company held by the Investor Selling Shareholders in aggregate, should be read as 134,132,872 Equity Shares, constituting 47.19% of the pre-Offer issued, subscribed and paid-up equity share capital of our Company.

2. Further, the paragraph starting with the words "Please note that it is the responsibility of each Bidder…" on pages no. 337, 363 and 368, respectively of the RHP is replaced with the following:

   "*Please note that it is the responsibility of each Bidder to seek RBI approval, if the Bids submitted by such Bidder (along with the existing aggregate shareholding in our Company of such Bidder and the Other Persons associated with such Bidder), results in the Bidder either by himself directly or indirectly or along with the Other Persons associated with it, holding 5% or more of the post-Offer paid-up share capital of our Company. It may be noted that in the event an approval from RBI is not obtained by any Bidder, it shall not be allotted 5% or more of the post-offer paid-up share capital of our Company.*"

3. The Reserve Bank of India ("**RBI**") has issued release no. 2016-2017/3488 dated June 27, 2017 ("**First Press Release**") wherein the RBI has

specified the following in relation to monitoring of the foreign shareholding in the Company under paragraph 2(c) of the First Press Release:

"*The total foreign shareholding through all sources i.e- GDR/ADR/FDI/FIIs/FPIs/NRIs/PIOs in the company has reached the trigger limit, hence purchases of equity shares of this company would be allowed only after obtaining prior approval of the Reserve Bank of India*"

Subsequently, the RBI has issued release no. 2016-2017/3518 dated June 29, 2017 ("**Second Press Release**") wherein the RBI has withdrawn the restrictions placed on the purchase of shares of the Company with immediate effect. The relevant paragraphs of the Second Press Release are as follows:

"*The Reserve Bank of India has today notified that the aggregate share holdings by Global Depository Receipts (GDR)/ American Depository Receipts (ADR)/ Foreign Direct Investment (FDI)/Foreign Institutional Investors (FIIs)/ Foreign Portfolios Investors (FPIs)/Non Resident Indian (NRI)/Persons of Indian Origin (PIO) under Portfolio Investment Scheme (PIS) in M/s AU Small Finance Bank Ltd. has gone below the threshold caution limit.*

Hence, the restrictions placed on the purchase of shares of the above company are withdrawn with immediate effect.

The aggregate limit of total foreign investment that can be received by the company shall remain at 49%."

This corrigendum is to be read in conjunction with the RHP, Advertisements, Bid-cum-Application Forms, and the abridged prospectus, and information under point 1 and 2 in this corrigendum will be included in the Prospectus to be filed by our Company with the RoC.

All capitalized terms used in this corrigendum shall, unless the context otherwise requires, have the meanings ascribed in the RHP.

For **AU Small Finance Bank Limited**
on behalf of Board of Directors

Place: Jaipur, Rajasthan
Date: June 29, 2017

Sd/-
Company Secretary And Compliance Officer

Disclaimer: AU Small Finance Bank Limited (formerly Au Financiers (India) Limited) is proposing, subject to receipt of requisite approvals, market conditions and other considerations, to make an initial public offer of its Equity Shares and has filed the RHP with the Registrar of Companies, Rajasthan at Jaipur. The RHP is available on the websites of SEBI, BSE, NSE at www.sebi.gov.in, www.bseindia.com, www.nseindia.com, respectively, the BRLMs at www.icicisecurities.com, www.hdfcbank.com, www.motilaloswalgroup.com, http://www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm. Investors should note that investment in equity shares involves a high degree of risk and for details relating to the same, refer to the section titled "***Risk Factors***" on page 19 of the RHP. Potential investors should not rely on the DRHP filed with the SEBI for making any investment decision.
This public announcement is for informational purposes only and is not an offer to buy any securities and does not constitute an offer to sell securities in any jurisdiction or in any circumstances in which such offer is unlawful. The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws in the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws in the United States. Accordingly, the Equity Shares are only being offered and sold (i) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act) in transactions exempt from, or not subject to, the registration requirements of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.