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Shares of AU Bank stayed flat at Rs 712 on Monday after the company announced shareholders had approved a capital infusion of Rs 1,000 crore from Temasek into the lender. In a statement to the exchanges, the lender noted that its other shareholders include marquee institutions like IFC, Warburg Pincus, Chrys Capital and Kedaara Capital. The lender, had in June last year made an Initial Public Offering (IPO), all of which was an offer-for-sale. The small finance bank's performance in Q4FY18 was reasonably good with disbursements rising 62% sequentially to Rs 4,205 crore. The gross assets under management (AUM) grew by 19% quarter-on-quarter to Rs 16,038 crore in March 2018. The outstanding deposits at the end of March, 2018, stood at Rs 7,923 crore.

AU Bank managed to deliver a return on assets (ROA) of 1.7% and return on equity (ROE) of 13.7%, in the first fiscal, post becoming a bank. The bank however, highlighted that its operating expense had increased owing to the pressure on yields. Sanjay Agarwal, MD & CEO of AU Bank, in a release on Monday said, "The bank has over 500 touch points, including ATMs and bank branches amongst many others." The bank's revenue has grown by 15% q-o-q to Rs 531.72 crore in Q4FY18. The net profit rose to Rs 83.04 crore, a 5% increase, from Q3FY18 to Q4FY18. In an interview with FE recently, Agarwal said that for

the bank to grow by 35%, it will have to raise equity capital in FY 19. “Our capital adequacy is around 18.5-19%. Whether it will be tier-1 or tier-2 is yet to be discussed. For tier-2, we would look at around Rs 500 crore,” he said.

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