



AU Small Finance Bank Limited
Transcript of 28th Annual General Meeting
Thursday, August 10, 2023

Management:

Mr. Raj Vikash Verma, Chairman of the Board of AU Small Finance Bank and also Chairman of the Stakeholders Relationship Committee
Mr. H R Khan, Independent Director
Mr. M S Sriram, Independent Director & Chairman of the Nomination and Remuneration Committee
Mr. Pushpinder Singh, Independent Director,
Mr. Kamlesh Vikamsey, Chairman of the Audit Committee of the Bank
Ms. Malini Thadani, Women Independent Director
Ms. Kavita Venugopal Women Independent Director
Mr. Sanjay Agarwal, Managing Director and CEO
Mr. Uttam Tibrewal, Whole-time Director
Mr. Vimal Jain, Chief Financial Officer, Vimal
Mr. Manmohan Parnami, Company Secretary
Mr. G. K. Subramaniam and Mr. Piyush Chaniyara from Deloitte Haskins & Sells, Statutory Auditors
Mr. Atul Shah, Mr. Rajen Asher and Abhishek Singh from G M Kapadia & Co., Statutory Auditors
Mr. Manoj Maheshwari, Secretarial Auditor and Scrutinizer

Moderator:

Dear shareholders, good afternoon and a very warm welcome to the 28th Annual General Meeting of AU Small Finance Bank Limited being conducted through video conferencing or other audio visual facility. As a reminder, all members who have joined are by default placed on mute by the moderator. When the session on question and answer commences, the speaker member will be unmuted when they will speak at the AGM as per the registration.

Members may also note that the bank shall require to limit the number of members asking questions depending on the availability of time. Please note that, as per the regulatory requirements, the proceedings of the Annual General Meeting will be recorded, and transcript shall be available on the website of the bank.

I now request Mr. Manmohan Parnami, Company Secretary, to take forward the proceedings of the AGM. Thank you and over to you, sir.

Manmohan Parnami:

Thank you, Tanvi. Namaskar, everyone. Thank you for joining today at the 28th Annual General Meeting of AU Small Finance Bank. I, Manmohan Parnami, Company Secretary, joining this meeting from Head Office of the Bank at Jaipur, I express my sincere and heartfelt thanks to shareholders, honorable board members, auditors, scrutinizer, executive management and other employee shareholders who have joined this AGM virtually.

I hope that you and all your loved ones are safe and healthy. I wish they stay safe and healthy. In compliance of circular issued by Ministry of Corporate Affairs and SEBI, the bank is conducting this AGM through video conferencing. Since the AGM is being held through VC, requirement of appointing proxy has been dispensed with as per the MCA circular.

The bank has appointed NSDL as authorized agency for conducting this AGM through VC and for facilitating e-voting through electronic means. The facility of casting e-voting by members during this meeting shall also be provided by NSDL. Depending upon the availability of the time, the shareholders who have registered themselves as a speaker-shareholder would be provided an opportunity to ask questions and we will answer questions received from the shareholders at the AGM. In case of any connectivity issues there, then shareholders may write to us at investorrelation@aubank.in their queries will be answered.

Once the question and answer session starts, the name of the shareholders who have registered as speaker-shareholder will be announced one by one. Thereafter, the speaker-shareholder will be unmuted by the host to start speaking. Shareholders are requested to click the video button on when their turn comes up. Bank has provided facility to cast vote electronically on all resolutions set forth in the notice.

Members who have not cast their votes will have opportunity to cast their votes upon declaration by the moderator about the commencement of e-voting at this meeting. The icon of e-voting is available on the screen which shall redirect you at the separate window to the e-voting portal of NSDL. The e-voting facility will be available from the start of the meeting and will be closed on the conclusion of the meeting. Hence, shareholders are requested to exercise their voting who

have not yet exercised the e-voting. Further, after the question-and-answer session, 15 minutes will be provided to shareholders to exercise their e-voting right.

Members are requested to refer to the instruction provided in the notice of AGM. In case members face any difficulty, they may reach out on the helpline numbers given in the notice. Since the notice of AGM along with the explanatory statement were circulated to the shareholders and with the permission of shareholders, we take the notice of meeting as read.

Statutory registers as required to be maintained under Companies Act and other required documents as referred in the notice of AGM have been kept open for inspection at the link provided on the NSDL platform. With the permission of shareholders, we take audit report as read and also confirm that audit report of statutory auditors and secretarial auditor does not contain any adverse remarks or qualifications. The period of e-voting commenced on 6th August, 9:00 AM Indian Standard Time and ended on August 9, 2023 5:00 PM IST. Further, the shareholders who have been unable to exercise their vote are allowed to cast their vote during this meeting through the e-voting system provided by NSDL.

Mr. Manoj Maheshwari, Practicing Company Secretary, has been appointed as scrutinizer to scrutinize the vote cast through remote e-voting and for the voting during this AGM. It is hereby informed to the shareholders that the result of e-voting will be declared by or before August 14, 2023. The same shall be intimated to the stock exchanges NSE and BSE and the result will also be uploaded on the website of the bank and on the e-voting agencies as per the statutory provision and guidelines.

The proceeding of this meeting will be filed with the stock exchanges and the same will be available for the shareholders at the website of the bank and e-voting agency. Before we proceed further, I kindly request you all to take a moment and have a look at the bank's performance and key highlights for Financial Year 2022-23 covered in this short video.

Moderator: Now, I request Mr. Raj Vikash Verma honorable Chairman of the bank to introduce the Directors, KMPs and Auditors present and to address the shareholders. Thank you.

Raj Vikash Verma: Dear Shareholders, Namaskar and very Warm greetings to you. I Raj Vikash Verma, Chairman of the Board of AU Small Finance Bank and also Chairman of the Stakeholders Relationship Committee extend my warm greetings to all the dear shareholders of AU Small Finance Bank. I extend very welcome to all my fellow and the Board – AU Bank, invitees and AU team attending the 28th Annual General Meeting of the Bank.

I sincerely hope all of you are taking care of yourselves and family members and staying safe and protected. We wish you good health and happiness in future times. It's my pleasure now to introduce honorable directors and welcome them to this AGM. Before I do that, I have confirmation from the Company Secretary, that there is quorum for this meeting and the condition is satisfied. With that I would now like to introduce my colleagues on the board.

Mr. H.R. Khan, who is ex-Deputy Governor of the Reserve Bank of India, is a Career Central Banker and a person of very vast experience over four decades in the area of banking and finance, payment and settlement systems, economics, financial markets and he has handled several leadership positions, as the Deputy Governor and Executive Director in the Reserve Bank of India, a very seasoned Central Banker who is a great value on our board.

Mr. Khan, we extend a very warm welcome to you. In fact, at RBI, he had handled diverse areas of major projects and major initiatives relating to financial markets, foreign exchange management, external investments, banking regulation and supervision, IT transformation, payment settlement systems, training and HR initiatives, you name it, and he was there. And more particularly, I must state that he has been great value on the board with his vast experience in the areas of financial inclusion and social banking. Welcome Mr. Khan.

It's my pleasure now to introduce Professor M.S. Sriram. He's a very valuable Director on the Board of the AU Bank and he brings with him a lot of intellectual hefts and the academic excellence to the board and the deliberations of the board. He's also Chairman of the Nomination and Remuneration Committee. Sriram is a graduate from IRMA and done doctoral studies from IIM Bangalore. He has more than 31 years of experience in banking, economics, finance, business management, accountancy, financial inclusion and microfinance.

He's an expert of eminence in the world economy, in cooperative space, cooperative sector and agriculture finance. And his talents and his experience are often tapped into by very eminent policy makers by the government, central and state level and also the central bank and the entire banking industry. So, Mr. Sriram, we extend you a very warm welcome.

We have Mr. V.G Kannan. He is a Director on the Board of AU Bank and his ex-Managing Director from State Bank of India. He is traveling overseas. So, he's not in a position to attend this meeting, this AGM. He has sent his greetings to all the dear shareholders. Mr. V.G Kannan, in fact, he has had a very meritorious and illuminating career in the banking industry. And he was right at the helm, at the State Bank of India. He's also been ex-CEO at the IBA. He has guided, in fact the banks through the IBA as well as within State Bank of India in areas of credit management, treasury, risk management and investment management in the banking sector. He is also the Chairman of the Risk Management Committee at AU Small Finance Bank.

We have now like to introduce Pushpinder Singh. Pushpinder is a technology expert, and he brings with him a lot of experience in the banking industry, particularly in the technology and banking. And he is a great value on the board and to the bank in terms of his contribution to the digital journey of the AU Small Finance Bank. The technology skills guiding the staff, the members and the board relies on him considerably in terms of being able to guide the bank through its digital journey. Welcome Pushpinder.

I would like to introduce my other valuable colleague, Mr. Kamlesh Vikamsey. He's a Chartered Accountant, Kamlesh, a fellow member of the Institute of Chartered Accountants of India, and he also holds a bachelor's degree in commerce from the University of Mumbai. Kamlesh has vast experience of over 36 years in the areas of auditing, taxation, corporate and personal advisory services, business management, consulting services, due diligence and valuation issues as well.

He has held and holds leadership and directorship positions in various companies and institutions, both within the country and globally. So, we are very proud to have him on our board. He recently joined and we look forward for his extremely valuable contribution. Welcome Kamlesh.

We have two new lady Directors who have joined recently, and I would like to introduce Ms. Malini Thadani. She is an Independent Woman Director on board having two successful careers spanning over four decades. The first in the Indian Revenue Service, the Government of India, and the second at the HSBC in India and Hong Kong.

Malini brings with her a lot of valuable insights into strategic advisory functions on sustainability and ESG. And the board relies on her considerably in terms of our new initiatives on ESG and the guidance and the skills required within the bank for taking the very important and valuable initiative of ESG forward. She has considerable knowledge and experience in the areas of banking, sustainability and sustainable finance, ESG, CSR, public affairs, business management and risk management. I welcome Malini.

I'd like to introduce our next Director, Ms. Kavita Venugopal. She is a valued Independent Director and has been a career banker with over four decades of experience, including leadership positions with various multinational banks and private sector banks in India. She was Chief Executive Officer of Abu Dhabi Commercial Bank, India. And prior to that, she has led various teams at Standard Chartered Bank and ANZ Grindlays Bank, apart from various other private sector banks. She has extremely rich knowledge and vast experience in the areas of banking and finance, risk management, bank business strategy, customer management, leadership, human resource management. Welcome, Kavita. You are extremely valuable to the board and to the bank.

Besides the Independent Directors, we have two Executive Directors on the board of AU Small Finance Bank. It's my pleasure to introduce Mr. Sanjay Agarwal, the Managing Director and CEO of the bank. He is being a very passionate entrepreneur over many years, and he is eminently known also for his passion not only in banking, but everything that goes with banking. In the social, the business, the economics, the IT, finance and treasury and people's man. IT, Finance and Treasury and People's Man. I welcome Sanjay and very warm greetings to you.

Sanjay in fact has been the major driver and right in the forefront of the developments and progress of the AU Small Finance Bank. And prior to that, he was also leading another important valuable initiative on AU Finance as the NBFC, which converted into AU Small Finance Bank and with that completing about 28 years of journey between the NBFC and the bank.

Sanjay creating a culture of business excellence and delivering superior benchmark performance through his passion, engagement with people, the industry and other partners and a very execution oriented approach. I welcome Sanjay.

The second executive director on the board, I'm happy to introduce Mr. Uttam Tibrewal. Uttam is specialized in commerce from University of Delhi, and he comes with very diverse experience of 27 years in the financial sector, with very rich experience in the field of agriculture and rural economy, financing small scale industry, accountancy, banking, risk and business management.

His deep control over operational areas - the operations of the bank, the branch expansions, the asset side, the branch banking side, all aspects of that and the deep insights has helped the bank reach newer scales year after year. Welcome Uttam and warm greetings to you. Now, besides the Directors on the Board, I would like to express my sincere gratitude to two former Directors of the Bank on the Bank's board, Mr. KK Rathi and Ms. Jyoti Narang, both Independent Directors.

And we are extremely grateful to them for their very valuable contribution, and which came through very strategic insights to the Board, and they completed their tenure during the year and of course, there was a gap, but which has been very imminently filled by two other Directors who joined us recently.

So, we extend a very warm appreciation and gratitude to our other two former Directors. I now take this opportunity to introduce other key management personnel of the bank. We have with us Mr. Vimal Jain, the Chief Financial Officer, Vimal, welcome and Manmohan Parnami, who is the Company Secretary of the bank. So, warm greetings to all of you. We are joined by the Statutory Auditors.

I would like to welcome them and though they may not be here, but we would like to introduce them to the shareholders Mr. G. K. Subramaniam and Mr. Piyush Chaniyara from Deloitte and Mr. Atul Shah, Mr. Rajen Asher and Mr. Abhishek Singh from G M Kapadia & Co. So, welcome all of you. I would also like to welcome Mr. Manoj Maheshwari on behalf of the Secretarial team as the Secretarial Auditor and as Scrutinizer of e-Voting process of the bank's AGM. So, welcome Mr. Maheshwari.

This is a mandatory announcement which I'm very pleased to make. The bank is conducting this AGM through video conferencing mode, pursuant to the guidelines and circulars issued by Ministry of Corporate Affairs and SEBI, which allows the companies to hold AGM through VC and other audiovisual means. The live streaming of the meeting is being done on the website of the NSDL. The bank has taken requisite steps to enable members to participate and vote on the agenda item considered in this AGM.

Dear shareholders, welcome once again to the 28th Annual General Meeting of AU Small Finance Bank. At the outset, I am very glad to share with you all that the bank has delivered stellar performance numbers during the Financial Year 2022-23, even though there have been significant economy-wide challenges and uncertainties. Your bank successfully navigated the uncertain environment surrounding inflation, liquidity and interest rates.

Throughout this period, the bank has diligently pursued a well thought out strategy to foster and reinforce a highly sustainable business model capable of delivering consistent long-term results. I am glad to share that throughout the year 2022-23, we remained resolute in our performance, given our strong risk management and governance capabilities that brought significant value and stability to your bank's business.

As the year came to a close, the bank achieved remarkable milestones, including a 32% increase in deposits, while making more granular deposits with the current and savings accounts ratio accounting for 38.4%. There is a 26% growth in gross advances, 26% rise in the PAT (Profit After Tax) and the bank plod a very robust return on assets, return on equity, and maintained a strong capital adequacy ratio, indicating overall a very sound and healthy position.

More detailed and granular numbers will be presented by the MD and CEO when he's addressing the shareholders. The bank has espoused the philosophy of expansion with consolidation and growth with stability. And this philosophy of the bank has held us in good stead and is premised on the pillars of sustainability, asset quality, good governance and compliance, risk management and digitalization. The philosophy of the bank by way of expansion with consolidation has brought both stability and credibility to the banking operation of the institution.

It has given us the confidence and stability both in terms of our market perception, market share and internally in terms of business expansion. The high retail deposit base has continued to grow during the year, which has generated all-round confidence and stability. As we look ahead, we aim to expand our deposit base further and strategically extend our reach. We place our customers at the heart of our operations, recognizing the importance of building and nurturing strong relationships with them.

Customer centricity is at the heart of our policies, products, processes and people. The bank has fully embraced digital as a vital DNA across our business strategy covering all the functions in the laboratory and the deposit side and the asset side. We are actively seeking out emerging technologies and investing in state-of-the-art tools to continuously enhance the quality of our services. By engaging in ongoing customer interactions, we gain valuable insights into their needs, preferences, and interests, enabling us to offer tailored products and personalized experiences.

We firmly believe that the future is digital and that's embedded in the bank's DNA, and we make our strategic decisions very prudently to effectively implement digital initiatives, while at the same time ensuring cost effectiveness. The bank's goal is to serve our customers in the best possible way with a digital first approach while valuing human interactions. I am happy to share with all of you that during this year, since April 2023, the bank is reaching out to newer communities outside its traditional fold. As we have received regulatory approval from the

Reserve Bank of India to engage in foreign exchange transactions, a significant milestone for the Bank.

The achievement has unlocked a multitude of new opportunities and the bank is fully geared and preparing to capitalize on these opportunities. While the bank currently has focus on the MSME agriculture and vehicle lending in our domestic operations, it is engaged in preparing strategic plans to extend its services for the international requirement of our customers as well, offering crucial foreign exchange and trade support. We are invigorating our treasury functions to handle increased liquidity while making our governance practices more robust.

As a bank, we deeply embed the ESG component, it's the environment, social and governance agenda into our roles and responsibilities to address the societal challenges. We seamlessly integrate ESG principles into our business model and embed them in our products and services with formalization of the guidelines and policies guided and supported by a dedicated sustainable committee. We have a strong commitment to bring enhanced value and fulfillment to all our stakeholders.

Additionally, our corporate social responsibility initiatives have had a positive impact on numerous lives as we go along, and we remain devoutly committed to making a difference in society. Our CSR initiatives have revolved around healthcare, education facilities to the underprivileged children, Women and girl's empowerment, and we believe that these initiatives will connect the bank's passion with the larger community around it.

A large part of this initiative is also triggered by our charter as a Small Finance Bank of introducing and enhancing and scaling up our financial inclusion initiatives under our broader motto of serving, banking for the unserved and the underserved. This motto is also deeply embedded in all our policies, products, processes and services to the people. On this note, I would like to end my address and I once again thank all the shareholders for making it to this regime and we wish them the best. With that I now request Sanjay Agarwal, MD and CEO to take the floor and address the shareholders.

Sanjay Agarwal:

Thank you Chairman sir. Good evening, everyone. Namaskar. This is your CEO Sanjay Agarwal and I welcome everybody on this call, you people, my entire Board, my entire team. Welcome to AU. As you know, this is our 28th AGM, and the seventh year of our banking. And I think many more will follow in times to come. I'm so thankful for each one of you for supporting us throughout these years and made us what we are today. I'm really personally indebted to you and just want to assure you that we are putting our whole and soul efforts to make AU one of the most top-notch Bank for this country, which can sustain forever.

Let me begin by again expressing myself, my gratitude to the regulators and you all for my reappointment as MD CEO and my colleague Uttam also for next three years. This reinforced that we are working on the right path, strong compliances, robust governance and sustainable business model. This year also, we're granted the very special Authorized dealer category I license from the regulator, which will enhance our product offering for existing customers and enable us to tap into the new customer segments.

Once we get operationalized this license, I just want to narrate that we'll be completing in sense of customer offering, we'll be complete as a bank. So, I'm looking forward to really operationalize this AD-1 license as soon as possible. I want to also have my heartfelt gratitude to all of you who continue to repose their tremendous faith by helping us to raise adequate capital. Last August 22, we successfully raised INR 2,500 crores in capital with INR 2,000 crores of Tier I and INR500 crores odd, from Tier II bonds.

Despite the challenging market conditions, our qualified institutions placement received overwhelming support, and I extend my earnest appreciation for them. This has fortified our balance sheet and empowered us to make continual investing our future. We also received an upgrade from three marquee rating agencies, attaining AA stable ratings for our long-term debt from CRISIL, India Ratings and Care-Ratings. So, gratitude to all the rating agencies as well.

As we want to make AU to become more stronger and stronger each passing year, and last year was one of that year which fortifies this. Your bank deposits have grown by 32% last year, reaching now INR69,635 crores odd. This amounts to a 54% CAGR over the last five years in our deposits. And I think banks respond for this purpose to gain the confidence and trust for my around 25 lakh depositors now.

And I'm very happy that we are now an acceptable brand in this country. A lot to do, but I'm very happy the way we have progressed in the last six years. In terms of our assets, our AUM has crossed INR63,000 crores by the end of the last year. That has also grown by 33% last year. Our cost of funds which remain a challenge in the whole of the year, remain at a similar level in FY'23 as compared to FY'22. That is around 5.96. But you know that there was an increase in 25 bps in policy reported by RBI.

But we remain in that on the course, but this remains a very focused and concerned area for us. Our asset quality remains very strong. In FY23, the whole year, the asset quality rebounded to pre-COVID levels now, with our GNPA around 1.7 and net NPAs 0.42. I strongly believe that if a bank's asset quality always remains very strong, then there is no sense of worry. And I'm very proud of the entire, our whole asset team, the way they take the ownership in terms of lending, old credit orientation, collection etc.

So, that is why the hallmark of your bank over the years, not only for last six years, seven years, rather last 28 years, our asset quality always has remained very strong and in the range. I'm very happy to also tell you that the entire senior team of your bank, which is considered around 50 to 60 people, remains very strong and intact. And they continue to remain invested in the AU story.

And also, we are taking many HR initiatives so that we become a preferred employer for everybody in the AU who is working as of now. And we really want to make effort that the employees can build their careers until they retire here. Our recent initiatives such as menstrual leave and AU Forever Pass are the first ever in the banking industry. Education assistance and many more such initiatives is helping us, one of the most preferred employer for this country, in this country.

Last year, we acquired around 14 lakhs new to bank customers out of which 42% customers acquired digitally. And I'm proud and excited to say that now we serve close to 41 lakh customers with wide range of offerings and greater distribution network. We also have grown our distribution as on March 23, our touch points reached 1,027 in 21 states and three UTs. We added around 108 odd new touch points last year.

We've also gone in new four states, which is Assam, Jharkhand, Andhra Pradesh, and Kerala. And more importantly all our digital properties have done a fantastic work. Now on our 0101 app, we have around 19 lakh digital customers. We already have issued around 5 lakh credit cards. We have opened close to 2.9 lakh digital saving accounts through video banking. We have around 10 lakh merchants using our QR code. We are also working on ESG framework, and of course our CSR initiative is now well known.

And you will be seeing that we'll be soon launching our green deposits product in times to come. In fact, our one of the strategy to build SBUs is really working well. We successfully established strong SBU structure over the period, and which has actually improved our business planning, agility, and employee focus. One of the key challenges we are facing as of now is the physical location of leadership, which is spread between two cities, Jaipur and Mumbai. And now we are also thinking to really consolidate more and more corporate office in Jaipur.

In terms of microenvironment, I would say that FY'23 continued to be an eventful year. Over the last three years, the global economy has been navigating through tough times. The COVID-19 pandemic, prolonged geopolitical hostilities, rapid monetary policy, tightening between heightened inflation, and the banking turmoil in advanced economics towards the end of last year.

On the clue above, the RBI adopted a very nimble-footed approach towards inflation and policy rates. In total, RBI also increased the policy report rate by 250 basis points last year from 4% to 6.5% while taking a pause once the moderation in inflation started. And I strongly believe that that pause will continue for a long time before we really see that downturn in the interest rate cycles.

Despite these global headwinds and all these policy stances, the Indian economy and the domestic financial systems remain very resilient, thanks to timely and effective steps taken by the regulators and the government. We really appreciate them. Indian economy has made a solid recovery and continues to be among the fastest growing large economics in the world. The key high frequency indicators like GST collection, vehicle sales, extra had been growing zone during the financial year with most of them crossing their pre-pandemic levels.

Further, inflation is moderating, current account deficit is narrowing, foreign exchange reserves are on rise, and the Indian financial system is robust. Rural economy, which is deeply affected by second wave, is also recovering well. And you know that I go across the world to meet new people and meet so much of people who really want to know about India. And I think I can only say that I haven't seen so much of enthusiasm, so much of commitment towards India in a long time.

Everybody is actually talking about us, everybody really curious enough to know what is happening in India. And they want to remain invested. They want to come and invest. They want to remain invested. In last 28 years of mine, this is one of the best period I'm actually facing and experiencing, and that is the, more and more energy for us. On the banking side, industry credit growth last year was around 15% and deposit also was bit lower, but it was around 10%.

Overall, I would say India is well placed on path to become a maybe 10 trillion economies by 2032-33, and our banking system is poised to embrace tremendous opportunity in the coming decade. Because I strongly believe that if you really want to become a USD10 trillion economy in the next 10 years, then the banking system has to be very robust growth-oriented, solution-oriented, and has to participate with the industry to make it happen. So, and I'm very happy that we have that platform.

I'm a great believer of the India story, and I'm very passionate about the potential of our country. One of the world's largest and fastest growing economy, with the largest youth population in the world. With this global competitiveness, rising economic influence, and strong central bank policies, we are there. I would like to highlight some of our strengths because, if India has an amazing runway for next maybe 20 years, 30 years, what is the strength of your bank? I would say that the most important aspect of your bank is that we have the amazing asset or a loan machine in place right. We are well diversified in terms of asset class, we have Wheels which we are doing from last 28 years, SBL we are doing from last 15 years, housing we are doing from last four years or five years, commercial banking we started from a bank platform, which is now around six years. We started credit card, QR code, and then, of course, the unsecured lending on those lines.

So, I strongly believe that AU over the years has built an amazing machine around asset buildup and you know that we are just 0.4 in that whole market share for this country. So, I think immense runway for us for the next 10 years. I don't think that we will get negatively surprised by our asset growth. So, I'm very into around our asset machine and I believe that this team will make us proud as we move forward.

And you know that for assets, for loans, you need deposit and I believe that what our team has done in the last six years, building to the level of now approximately INR70,000 crores are just unimaginable. It's quite a lot of effort, a lot of discussion, debate, the strategy to really get to this level, because deposit does not come easy, it needs to be built on trust, on products, on services and detailing.

And I'm so happy that the team has come together, and we have got to such level of approximately INR70,000 crores in six years, but the share of deposit is also just 0.4 and I believe that that we will become more and more stronger as we move forward. And I will also want to very clearly say that the whole strategy and purpose of banking is to really get the trust of depositors, make them believe that this bank is for them.

So, I think I believe that as a CEO my job is also to spend more and more time to really understand the whole customer psychology, his demand or his need and build that imagination

in our product in our services so that because it's a high intense competitive market, customer has a lot, many choices. So why you should AU?

We should answer as a team and then build all those things so that trust, that liking, that command, you know, is with us. So, I think that's the one thing and I think that second - third thing I would say that the way we have built our overall digital framework in last six or seven years is humongous, Because we were coming from nowhere.

We were zero tech company in 2015-16. But now, after beginning the bank I think 80% to 90% whole operation is around tech now. So, I don't imagine building a bank with a tech kind of mindset and I would really want to say that tech team has really done well, not only in terms of the backend operation or backend application, but I think the front-end application, whether it's our credit card, video banking or it's our app, we are also working for our merchant app and bank management app.

So, this is the of outcome from last six years which is helping us to be there and want to tell that we're also working on implementation of one sales force loan origination system with the FICO underwriting tool. And this will be done for the vehicle business and there we expect that some sort of credit underwriting will go to credit automation and I think this will be first in this country by the bank and I strongly believe that this kind of initiative will make bank more efficient, more sharp and will able to serve customer in their imagination, so that we can become their preferred choice.

We will be also forming digital banking group in times to come, so that the entire digital properties, be it a credit card or video banking or QR code, maybe around app, all the apps, the whole digital marketing, social media management should house in one group so that the entire clarity, purpose or outcome can be really measured. So, I think there we are also working in that aspect. For me, the key focus area is to assure comprehensive cyber security framework because we can't take chance there and this is very unknown risk for every institution.

But I think we want to build that framework where we are more proactive, we can be more agile, we should be knowing everything which happens around this world, so that bank remain very secure, and bank remain very solid. I think there are the areas like HR, on which we are working high, we need to work more and more sharper on our governance and compliance risk because we are getting to scale now, We are going to a different orbit now.

So, my continuous focus is there on my whole governance framework, risk framework, audit framework and of course, there's always a scope of improvement, but I'm very happy the way we have done over the years. And I hope we'll be sharper in times to come. If you ask me that, as a CEO, what challenges I foresee for the next couple of years then I think deposit mobilization would be more intensified because there is a competition and customer have lot many choices.

And what we have done in last six years that many of our initiatives, like credit card, video banking, QR code, are really meant to really make my customer complete, make bank complete in the eyes of customer because customer don't want to deal with any inferior franchise. But I'm

very happy that you people allowed me to do that, and we are able to build all those products, service, and our deliveries, so that customer feels that you can give them complete solution.

But in spite of that we need to continuously build our brand, trust, product and catch the imagination without a customer telling us what he really want, should be the key focus area for us. And I myself, the entire team is really focusing on those lines and that we really have also bifurcated our whole liability franchise into now two parts. We say that there is one urban banking, which will be focusing more on urban customers, the key metro cities i.e Tier 1, Tier 2 towns where money lives, because those customer demand is very different. We really want to have a lesser sharp focus so that we become more smarter with more agility so that customer prefer us. Then other than urban banking, the whole rural banking where Tier 3 and Tier 4 towns are focused upon. We want to rename our whole branch banking piece into a Swadesh Banking which will lead the entire inclusion part, impact part for these markets. I strongly believe that we have immense opportunity in those markets, but it requires a different solution, different product, different approach, then an urban branch concept.

So, I think there we really want to become more sharper, more smarter, more closer so as to understand those markets well and deliver accordingly. I think that's the way, of course, the cost of money is just going up and up, being in a small finance bank, being a new entrant into this kind of journey, people expect that we should price their deposits well. So, we need to price around 100 basis points more than the top-notch banks in terms of attract deposits in our favor.

And in this kind of high interest rate scenario, it makes your P&L bleed. So, your bank might go pressure around NIMS, but I strongly believe that in times to come, India will grow more, India will have more capital, liquidity, then I think this interest cycle will move again back to the normal levels, and then your bank will be more benefited because that our 65% assets are fixed.

So, I think it's a good balance, because if we want to build more variable book, then once the interest rate cycles move downwards, then you can have a negative impact also. So, I think we are now balancing it out, and maybe by next year, you will see the benefit coming out of this kind of fixed scope. I strongly believe that credit growth looks very robust and everybody's talking about that we are going into one of the best time for the asset quality, asset growth.

But I think, as per my experience that bad books are built on good times. So, we really want to be very watchful of our growth ambitions around asset. We really want to be more sustainable, diversified, we really want to price the risk, we really want to see that it is more about deposit led growth rather than asset growth on isolation basis. So, I think this is the way, and of course, as I already commented that we are well known for our asset quality, and I really want to assure everybody there that whatever we do, our growth has to be very sustainable and maintaining the best in class asset quality.

I would say that there are changing times in this country. There are now, I think, the rule of the law is being enforced more specifically, and it's very good for us because we are new entrants, we have built ourselves around compliances, and when compliances are there the opportunity becomes linear. So, but when you're in the phase of evolving compliances, sometimes you might

make a mistake, but I think we are trying our best so that we operate in a very high regulated environment and compliance remains our key focus area.

Of course, there are new entrants like, FinTech, as you know that asset quality has become very good. The financial institutions are in very good shape now everybody want to grow. So, there is an intense competition I also believe that India want to grow more and more so that is having an intense competition. So, we need to make ourselves sharper and more outward looking.

We have to really see our product day in and day out. We need to see that our first principle of making our customer very delightful should be our preferred working agenda, and we need to think about customer more-and-more, making comfortable with us. I also know that our cost to income ratio is high, but we really want to invest more-and-more in this franchise, whether it's about physical franchise, digital franchise, people or product.

I think now it's good three to four years we have invested a lot. COVID time has gone now. I think there are no uncertain challenges as of now. So, I believe that you will see the cost of income ratio coming down maybe from next year onwards. So please allow us to do this investment so that we can build a franchise, we can sustain over the period. Which I strongly believe that the whole purpose of banking is to be there. We are not building a bank for four, five, 10 years. We are building this bank forever.

One thing which is also very important, the key challenge area for us is that, how we really become more-and-more impactful for farmers. There is a category called small and marginal farmer, which we need to fund around 10% of our assets. And so, we are doing historically, but on a size now, that amount has to be more focused. And we might want to do through direct financing to farmers, ACC, microfinance. So, I think we need to build that whole vertical now in shape and size so that we can deliver for those people also which is required for the banking franchise.

And I think, as you know, that we are now getting to a size and scale. It is its own challenges, there are certain unknowns. So, we really want to be more sustainable now. We don't want to have one way. And for me, as I move forward, in our seventh year of journey, I have a strong belief that historically, when I go back and read Indian banking landscape, I have an understanding that first 10 years of every bank is very important.

In the past, many institutions have made blunders in the first 10 years, and they have not been able to come back. So, we want to really ensure that your bank does not make any meaningful or any large mistake, and we remain on course. And we need to really complete this first 10 years seamlessly. We really need to build more better foundation or very positive mindset and also sustain for these 10 years. Well, I strongly believe that if we can able to do this 10 years like, the way we have done last six years, you will see AU more stronger, better, scalable in times to come. So, my immediate priority is to really see these four years, building or maybe developing this platform more. Let's bring more customer centricity. Let's think more about inclusion, innovation, and have very forward-looking approach.

We really want to achieve growth, but it has to be very, very sustainable. Our business model needs to be very sustainable. We will expand our distribution channels, physically or digitally. We need to go around 1 crore customers by March '27. And we want to really establish a very strong brand presence. Because, if you can build that brand, it will build trust. And once trust are built, then bank can be there forever. So, I think this is my clear four year strategy that around that sustainable bank for times to come.

So, I think in terms of some key focus area, I would say that we really want to build digital banking group, which I explained to you a little earlier. We really want to build a Swadesh banking group, which is a ruler impact and inclusive banking. We really want to build a TBG, which is Transaction Banking Group, because we have now got an AD I license. We really want to work more on our HR initiatives. We really want to build more focus on our brand. And of course, the whole, how we really build the efficient delivery mechanism, which is low cost, sharper through digitization.

I think this is a whole area for us. Last but not the least, that we always remain high on our governance and high on our compliance that will remain a key area for me and assure us that we are running a bank in a very rightful manner.

In my closing remarks, I just want to again say that I'm very thankful to my government, regulators, board, everybody, board members on the call, key stakeholders, people of India, my own team, to support us over the period and believing us. Because if you don't believe, then we can't go above.

And I'm also thankful to my Chairman, Verma sir. I don't know how many of you know that this may be his last AGM because he'll be getting retired in next January. And I'm so thankful for Chairman sir to handle us in last, what now, three years, and that too in a COVID time, the most difficult time for us. And I would just say that it is a fortunate for us, at a bank that we got this kind of leadership, he's bold, he's always available, he's very positive. When he comes in a boardroom, he gives us that positive about that, let's work, let's work more-and-more, let's grow rationally, let's grow responsibly, let's work.

So, I think he's a guiding force for us and I really want to say thank you sir, on behalf of every stakeholder, every shareholder that you've been an asset to us. I know we have around five, six months of your leadership, but we really miss you and maybe next AGM, because I know what you bring on table. And I'm personally, personally a big fan of you. And the way you carry yourself and the way you push us and the way you have inspired us to build a bank to this level.

And then I also want to be very honest here that it's a privilege for me also to work on this kind of public platform. The entire design principle of this platform is so, I would say, so strong that, we need to do around, what, 75% of the private sector, 50% of the loan book has to be lesser than INR25 lakhs, your 25% branches have to be unbanked. The design principle is so strong that it allows to do a business and also to have a social impact.

And we at AU really feel proud of it that we got this chance, and we are now the largest SFB. So, our impact is more, our whole delivery mechanism is in shape. So many of us won't get this

kind of opportunity where you can help around 40 lakh customers. In times to come, around 1 crore of customers in India, which we are going to become more-and-more stronger and it can't happen without financial inclusion. It can't happen without loans, jobs and honest effort. So, I think banks is doing its bit and by design itself, we are creating that impact.

And, and I know yesterday only I was reading A.M. Naik sir's interview because he's also getting retired from now L&T. And I always remained a big fan of him. His comment was that he endured to make L&T a national asset. That's really stuck me a lot. And I started thinking that, can I personally, make AU too a national asset. So, I'll be requiring your support, this team will be requiring your support.

I know there are so many of noises around us, but believe in us that those are not voices, there are noises. And we are doing everything to make this franchise very sustainable, very reliable, trustworthy, built by very ordinary people. We come very with humble background. You people have supported us a lot and have personal support for that because nobody will get this kind of chance as us like we are banked, we are well governed, so I think it doesn't come easily, but I'm very happy that we have got this chance in life, in this life.

And so, I just want to assure you, everybody there, that please believe in us. Give us some more time, maybe another four years, and then you will see the real outcome of AU in times to come. And I want to really ensure or assure everybody that you will be proud of AU in times to come. This country will be proud of AU in times to come. So, give us that time with folded hands. I really want to ask that love, trust, with me, with this company, and we'll make it happen.

And one more feeling, which I want to share with you all is this and which is true to now in this India, heritage will not decide, marching towards progression, it will be decided by steps, who will win, these lines are being rotating quite a while for last five years, six years and I am profound of those lines.

So, with this line, thank you so much. And stay happy, stay safe. Thank you. Jai Hind.

Moderator: Thank you. I now invite Mr. Manmohan Parnami to proceed with agenda of the meeting.

Manmohan Parnami: Thank you, Chairman, sir. Thank you, MD and CEO, Mr. Sanjay Agarwal. the notice containing the agenda items to be considered in this AGM was circulated over the email to shareholders. I am hereby mentioning the agenda items for ease of shareholders, which will be displayed now for the consideration and approval.

Item number one: To adopt the Audited Financial Statements of the Bank for the Financial Year ended on March 31, 2023 and the reports of the Board of Directors and the Auditors thereon.

Item number two: To declare Dividend of INR1 per equity share of INR10 each for the Financial Year '22-'23.

Item number three: To appoint Director in place of Mr. Uttam Tibrewal, who retires by rotation and being eligible, has offered himself for re-appointment.

Item number four: To approve the remuneration of Mr. Sanjay Agarwal, Managing Director & CEO for financial year '23-'24.

Item number five. To approve the remuneration of Mr. Uttam Tibrewal, Whole-Time Director of the Bank for financial year '23-'24.

All these agenda items were of ordinary resolutions.

Now item number six. To issue Non-convertible debt securities/bonds and other permissible instruments, in one or more tranches, special resolution.

Item number seven. To raise funds through issue of equity shares and any other instruments or securities representing either equity shares and/or convertible linked to equity shares including through Qualified Institutions Placement or such other permissible mode or combinations thereof.

This is an enabling resolution which we are putting up to shareholders as approved by the Board.

Item number eight: To approve the Alteration of Article of Association of the Bank. This is also special resolution.

With this all these agenda which are being put up to shareholder for the consideration. Since all these resolutions have been put up to the vote through remote e-voting, there will neither be proposing a seconding of the resolutions nor there will be voting by show of hands.

Thank you very much. I request moderator to take forward the proceedings of the meeting. Thank you.

Moderator:

Thank you sir. I will now call the shareholders who have registered as speaker shareholders to ask questions or give comments. Speaker shareholders are requested to mention their name, members also requested to keep your questions brief and specific. Due to limitation of time, may I request you to restrict your question or comments to three minutes, please. Depending upon the availability of time, the shareholders who have registered themselves as speaker shareholders would be provided an opportunity to ask questions and bank will endeavor to answer all questions received from shareholders at AGM and in case, we face difficulty to connect then shareholders may write as well at investorrelations@aubank.in and banks shall respond to their queries.

I now invite Mr. Tapish Khandelwal, DPID Client ID No. 1208160000181210 to please accept the prompt on your screen, unmute your audio and video and proceed with your question. Tapish Khandelwal, request you to please unmute your audio as well and proceed with your question.

Tapish Khandelwal:

Thank you. Thank you for providing this opportunity. So, my question is, I wanted to ask about the outlook of banking business in India. Though Sanjay Ji has already shared, I wanted to understand more from him and the team. And then particularly in this digital economy, what are the opportunity available currently and also in the future prospects? So yes, that's the question.

Sanjay Agarwal: Yeah, hi Tapish. Tapish, right? So, you're from Jaipur?

Tapish Khandelwal: Proud shareholder from Jaipur, Rajasthan, sir.

Sanjay Agarwal: Great, thank you for believing in us, and being in Jaipur, so you have seen, because as you know, we remain 22 years as NBFC, and last six years we have become banks, so just see the growth which this bank has done, your bank has done last six years, and that is the whole opportunity, because in my opinion, customer prefers bank, they don't prefer other institution, and they only prefer other institution once bank refuses. And banks are well regulated, banks are well governed that there are, in our board also, eight members are independent. Verma sir comes from, the NHB kind of background, RBI kind of background.

Kannan sir comes from SBI MD, he remains SBI MD. Sriram sir is a Professor, the academic background, he is a professor in IIM Bangalore. We have Kamlesh sir, we have Malini ma'am, we have Kavita ma'am, we have Pushpendra sir. So, I think the whole independence is there. So once, if there's independence, there's a regulator, there is a hard core regulation around it, and it's a public platform. We are answerable to you. So, if those things come together, there's an immense opportunity. Because the entire system, the entire framework is around to have a customer first kind of principle and approach.

We come to office for our customers. We think about them first, what kind of product they want, what kind of delivery they want, how we understand them without meeting them, how we really catch their imagination. I think, that is why if you see that the whole deposit franchise, the whole asset franchise, all digital franchise, be it credit card, be it QR code, be it video banking, be it 0101 app, now we really want to do merchant app. We really want to do more around the whole personalization. Because, Tapish, we don't know you much. But that is not your worry. We should be more worried about you, that what you really like, how banks should serve you, how banks should know you. What is your preference? What is your liking? What is your need, what is your need, without even meeting you.

I think These all things can be only done under the bank platform. I haven't seen any kind of platform, which can be so full in completeness, which is full holistic because we do everything, loan, assets, deposits, digital, wealth, insurance, whatever. We do everything, honestly. So, I think that is why bank are always remain relevant. It's now what, 600 old business, whatever I have the feeling. I know it's beyond that, but it will remain like this. That is where we are pushing AU forever kind of mindset.

So, immense opportunity, if you ask me data for AU, we are just 0.4 of the whole system. We are just 0.4 in our assets, 0.4 in our deposits. We are just having a 2 million customer in our digital framework. We are just in 225 kind of districts out of 775 this country has. We are just serving 4 million customers. We have around, 1.3 billion people. So, I don't know, humongous opportunity. We need to be patient enough to understand you, understand the entire ecosystem and build on. So, and every bank has the opportunity. That's my sense.

And your second question is around digital. And which is non-negotiable, in my opinion. The world is moving towards adoption of tech, and next 10 years, I strongly believe that every

individual would be tech savvy. Whether it will be using e-commerce, whether it will be using social media, it will be using bank app. So, bank app would be more easiest one. I don't know whether you are a customer also or not, but if you use our app, 0101, you will feel that sense of understanding, we can service you at your time, with your requirement, with your needs, with your way.

So, I think the tech can do that. The whole personalization around a customer can only come through tech. So, we are complete in all sense, and we can do tech driven bank also. So I think tech is non-negotiable and we are putting every effort to make it happen. And we started that journey maybe now it's good six years and team is very committed. You being in Jaipur, you should visit us and see our entire tech framework, and you might be surprised by the entire talent purpose internally.

Thank you so much. I hope I answered you, Tapish.

Tapish Khandelwal: Yes, you answered, so and all the best wishes for the future endeavors.

Moderator: Thank you. I now invite Ms. Vasudha Vikas Dhakpe, DPID client ID IN30267933314087. Please unmute the audio and proceed with your question.

Vasudha Dhakpe: Thank you, sir. Very good afternoon respected Chairman, Sir, Board of Directors and my fellow shareholders, myself Vasudha from Thane. I would like to congrats our Company's Secretarial team for sending me the soft copy of the report well in advance, which itself is clear and transparent. The opening speech given by the Chairperson is also very excellent and informative. I will like to ask, are you going to plan any new branches to be open in Maharashtra state?

Further, I would like to ask what is our attrition rate? With this I support all the resolution and wish the company all the best for the coming financial years and my best wishes for coming all the festivals during the month of Shravan and Bhadrapad. Thank you, sir.

Management: Chairman, sir, should I answer it?

Raj Verma: Yes, yes Sanjay please go ahead.

Sanjay Agarwal: Yeah, thank you Vasudha Ji, I think you are from Maharashtra, so Jai Maharashtra and I think you know that we are in Mumbai, we are in Thane, we are in entire Maharashtra. So, we will be opening around, because we are taking a very calibrated approach in our distribution because we have an eye on our digital footprints and also on our physical footprints. And so, we want to be very sure that why we need a physical branch because nowadays adoption, as you would have seen, that 42% new customer has been added to digital. So, I think, but branches are required, and we will be opening around 40-odd branches in this year, in this, in the entire country. I don't have a specific number for Maharashtra, maybe Mumbai, but I think there would be around 10-odd branches more coming in that area.

In terms of attrition, it's an industry level issue, because there are much more availability in terms of jobs, in terms of skilled people. So, there is always an attrition in system, but as I already

commented that our top 50 people has been there with the bank from last 7.5 years, which you won't find in many other institutions, so I'm very proud of that entire senior team has remained invested in AU, they really like AU, they really want to build AU to the next level.

Attrition generally is on a lower level, where people are just passing out from their college or from their, early in their career, and they want to join a bank, but somehow when they join the bank, they might have other view or they might have more options, they want to really explore that. So, in that level, the attrition is very different than at the mid-level and upper level. And you should not read much about it because nowadays, banks are run through tech, there are more solid processes, there are more solid laid down things, which is not being disturbed when people leave.

But on a lower side, there is a high attrition, which is not away from the industry benchmark. So, I really want to assure you that your bank is right on the course in terms of people well-being, and we will ensure that everybody who joins bank gives the equal opportunity, and they think for a long, long with us.

Raj Verma: Yeah, Sanjay, let me supplement to what you said.

Sanjay Agarwal: Yes, sir.

Raj Verma: Yes, I think it's a very, very informed shareholder, and we always benefit from such comments from our dear shareholders, and she is one of them, she is very well informed, well read and she knows, so we have to learn from the shareholders as well. But let me assure you Vasudha as Chairman of the board and on behalf of the Board that the bank is quite on top of everything, it anticipates the developments, management is very responsive, very agile, very nimble-footed and reporting in terms of the MIS to the bank is very timely, prompt and very interactive.

So, I would give the assurance through you to all the shareholders that the engagement between the management and the Board is almost like on a day-to-day basis. And everybody, all the directors are available all the time to the bank. Attrition is not something that really concerns us because we know that churning happens in the industry. If it comes to that, if it comes to our notice, the management brings it to us in case there are issues of guidance, there are issues of discussion or interaction.

We do all those things. And from the board and management, the prosperous discussion mode that we have is always there. That gives us the assurance that though the bank's business has been expanding, the branches are also expanding, and the branch is expanding, the plans are good and the dream of the bank is to achieve the effort that is required is being made.

Especially on attrition, there is no issue though it is heard that the way things are in the banking industry that is true of the national economy and the age group where there are employment opportunities, there dynamics operates. So, there is no issue in that. Rest assured that the management is being very agile, nimble footed and responsible and responsive to any such situation arising at any point of time and the board is fully aware, fully sensitive to all these developments. And thank you for your comments.

- Moderator:** Thank you, sir. I now request Mr. Himanshu Jangid, DPID Client ID IN30311611646773 to please accept the prompt in your screen, unmute your audio and video and proceed with your question.
- Himanshu Jangid :** Good afternoon, everyone. Like you mentioned earlier, I want to ask how and when Bank is planning to commence AD I business in banking?
- Sanjay Agarwal:** So, Himanshu, are you also from Jaipur? How are you?
- Himanshu Jangid :** Yes, sir. Very good, sir. How are you?
- Sanjay Agarwal:** Do you have an account holder? You are the bank's account holder?
- Himanshu Jangid :** No, sir. I have taken only shares.
- Sanjay Agarwal:** If you will not become an account holder then how will you benefit from AD I?
- Himanshu Jangid :** Sir, we will come to know now, after that let's plan according to the benefits.
- Sanjay Agarwal:** So, AD I license is a very important license and is very high on skill ,risk is also there, and there is a lot of expectation from regulator also so that in the sense that we should manage properly. So we are not in hurry, because you know that we were having AD-II license for last six years the team has done phenomenally good there. But that was internal, it was more about inward, in internal country. But this is, once you open up AD I license, you actually start dealing with world. Till now we were dealing with Indian banks, Indian population, except NRI.
- So, but this, this license will open up to entire world. So, we need to understand the risk around the world, the whole flow, the credit flow, the money flow of the world to really make our system very strong, robust, so that people should not misuse it. And so, we are cognizant of this fact, and we are really working every aspect of that so that we can make one of the very strong AD I program in the bank. So, I expect that lot of work has already been done in last four months, but I think last quarter, quarter 4 for this year, this financial year, we really want to test trial and see how we progress on the test trial and see how we can get more-and-more after that.
- But I think the real flavor of AD I license for the bank will only be coming next year, next financial year. So, bear with us, have patience. But now, we have always made changes in everything. You can see, we make changes, we represent it. So, I hope that we make one of the products which is aligned to the you people's need and expectations and we do something great so that customer feel elated, customer feel satisfied. Thank you. Thank you, Himanshu, and also kindly be our account holder soon.
- Himanshu Jangid :** Thank you. Sure sir.
- Moderator:** Thank you. I now invite Mr. Sumit Jain, DPID Client ID 1201770100923347 to please accept the prompt on your screen and mute your audio and video and proceed with your question.

Sumit Jain: Yes, good evening, everyone. Thank you for giving me this opportunity. Sir, I have three questions. So, first is that the bank will become a full-fledged private sector bank. And the second question is regarding the artificial intelligence and robotics. So how the bank is using in its operation, both of the technologies. And my third question is that since the last four years the AGM is conducting to the virtual mode, so what is the saving to the bank due to this?

Sanjay Agarwal: I think last one will answer Manmohan Parnami, our Company Secretary. So, Sumit, regarding your first question that when we will become private sector bank. We are a private sector bank; we are a Scheduled Commercial Bank. We have the same rules and regulations are applicable as the SBI or HDFC Bank. We have only three things in common, which are small finance. In which we say that 25% of the bank branch has to be unbanked, 50% book has to be less than INR25 lakh, our priority sector should be 75%. That is why by design our name is small, but we can operate and as I was telling you on the previous call that we have got the AD1 license. So, after getting AD1 license we are complete in terms of product offering towards customer.

If you become our customer, then after one year, you will get all the things from us, which a big bank also gives. And we are scheduled commercial bank. So, our prudential norms are applicable. We have the same SLR, we have the same CRR, we have the same other things, whether it is ALM, whether it is, KYC norms, everything is as good as the normal bank. So, don't look at us like when we will become that. Today we are a small finance bank. We have been given one role, we have been given one target.

I think we want to fulfill that first. We want to make our whole purpose realized and then we'll think you know whether AU really want to become universal or not but I'm very happy the way we have built ourselves or your Bank is the biggest small finance bank in the country. So, we have the largest world and the smallest world. So, we are happy in that situation.

And regarding question on AI, how we are using, as just I explained tech is non-negotiable. We need to use all those things, whether its AI, whether its automation whether its machine learning, whether its ChatGPT, whether its personalization. So, I want to assure everybody there that your bank is up the go. We are not behind. And we are putting everything to really learn all those things. And the team has done phenomenally well in terms of automation, in terms of AI, ML. Our app gives you the pre-approved offers, which is being done through ML. We understand customers through machine learning and then put it on them, pre-approved offers and all those things.

So your bank is there, your tech team is in Jaipur, we have around 800-plus people, who are working day in, day out to make AU one of the most fascinating story around tech-led bank, because it's not easy, it's ever evolving here, every day a new subject comes up, but I'm very happy the way the team is learning and learning, implementing, getting feedback, again going back to their drawing boards, again learning, implementing, each of that. So, I am very happy the way we are progressing on that front.

Vimal Jain: So, Sumeet, this is not because of financial saving as such, but actually we have deeply embedded our ESG agenda into our business model. And not only online AGM, I am also happy to share that this is our second carbon neutral AGM. So, this is not only the financial saving, so

what the financial saving in the numbers it is not much but time saving and carbon neutral AGM, so this is our agenda basically.

Sanjay Agarwal:

Sumit, I would like to take permission from the Chairman and the Board to do it physically next time. Because AGM should be done physically. The flavor, the vibe, comes on the ground. So, let's try to start it again. It started during COVID. But I hope to meet you sometime on the ground. Sir, Chairman sir, you wanted to say something?

Raj Verma:

No, no, Vimal told that ESG is a very-very good point and that is a strong initiative of the bank. Okay, thanks. Go ahead next.

Moderator:

Thank you. I now request Mr. Vinay Bhide, DPID Client ID IN30131380099382 to please accept the prompt in your screen, unmute your audio and video and proceed with your question. Mr. Vinay Bhide, we request you to please accept the prompt in your screen, unmute your audio and video and proceed with your question. We will wait for Mr. Vinay Bhide to accept the prompt. It seems to be a connectivity issue. While we check, we will move to the next speaker shareholder.

I now invite Mr. Praful Chavda, DPID Client ID 1201350000107177 to kindly accept the prompt on your screen, unmute your audio and video and proceed with your question. Mr. Praful Chavda, we request you to unmute yourself and proceed with your question please. Mr. Chavda has declined the prompt to unmute himself. We will move to the next speaker shareholder, Yashpal Chopra.

Vinay Bhide:

Chairman, Mr. Raj Vikash Verma, Executive Director and CEO Sanjay Agarwal, Mr. Uttam Tibrewal, other distinguished Directors present here today is AGM, Company Executive, Shareholders, good evening to all of you. I am Vinay Bhide, I am a shareholder speaking from Mumbai. At the outset sir, let me thank you for a fine performance in the year gone by and also well depicted in our annual report.

I am also very pleased with the statements that you know have been made by Chairman sir and you at the outset of the AGM. I will quickly run through a few questions which I have listed out for today's meeting. The questions, few of the questions are heated, so whatever can be answered across the table you please give answers, others I will be pleased to you know to accept you know made replies on these questions. And these questions are basically intended to understand the present and the future of our bank better.

The questions are as follows sir, the first question is on the net interest margins, can you give us the mean figures for financial year '21- '22 and financial year '22- '23 that is the past two financial years, question number one. Question number two, percentage of advertising spent on digital channels that is because you know today the trend is more on the digital advertising and hence this question.

So, third question in Financial Year 22- 23, we have covered four new states and about 100 additional new touch points. The question here is that advertising and publicity expenses have gone up from INR83.68 crores in Financial Year 21- 22 to INR174.72 crores in Financial Year

22- 23. The spend on advertising in Financial Year 22- 23 appears disproportionate to both business growth as well as geographies covered.

I may be wrong in understanding this particular figure, but please clarify. The fourth question, the final one is the capex and opex spends on information technology in the past two financial years. So, these are the few questions that I have listed out for better understanding, and I must you know also mention here in closing that Mr. Manmohan and his secretarial team have taken adequate efforts to ensure our participation.

I will close with best wishes to the entire Board sir and to the company's employees. And one suggestion finally, I did hear you say that you will have a physical AGM next year, but let me just remind you that the world, the AGM trend is going to move towards hybrid AGMs. In large companies with large share owning base, the most appropriate way to conduct AGMs will be through hybrid AGMs.

Yesterday, the L&T AGM, which was there, we also had a hybrid AGM. So, wherever the shareholder base is large, I think that we should consider a hybrid AGM so that the local people also get a chance to participate and maybe shareholders like me, who have time, can also join in. Otherwise, I think we are doing a fantastic job and with you all for the great progress that we have in plan place for the few years to come. Thank you so much.

Sanjay Agarwal:

Thank you Vinay, sir. Thank you so much for your kind words and really appreciate your patience. I will ask Vimal to comment on all those data, but I really want to again assure you that, we remain committed to build AU to the next level in a very sustainable manner. I have taken your view on that, we should make hybrid, because hybrid will allow you also to join, and maybe jeopardize to really feel the bank physically also. So, I think, thank you so much for your suggestions and your commitment. I will take your permission to allow Vimal CFO to answer your data points.

Vimal Jain:

Yes, thank you sir. So, Vinay, about the specific data point, which is you asked about the NIM figures, so NIM for FY '22 was 5.7% and for FY '23 it is 6.1%. NIM is basically calculated based on daily average of interest earning assets. So, on the basis of that these figures are derived. These figures are already disclosed in annual report, page number 49. About your second question, digital expenses of digital footprints.

So, our digital footprint has grown significantly due to strategic social media campaign, influencer collaboration, and high performance campaigns. In FY '22- '23, the digital brand generation impression was around INR184 crores, leading to one crores plus visit on our website and platform. About the specific spend, so we are not including much on this social media-related activities.

So, it was around 5% to 10% of our total advertisement and publicity expenses. About your third question, where you are saying about the advertisement and brand expenses related to our branches and business. So actually, that these expenses are not directly related to branch expansion and our customer or based on any, it is on decided, it is based on our decisioning first thing.

And second thing, in this numbers we have also included credit card reward points, which is basically comes under advertisement publicity expenses related expenses. So this, so about credit card expenses we have increased because last year only we started credit card. So, in this FY '23, these expenses are much higher than FY '22. So, this is the answer of question 3.

And about the capex and opex of the IT, so around INR450 crores was in FY '22 and in FY '23, it is around INR580 crores. So, this IT expenses include all employee related expenses, AMC and support costs.

Sanjay Agarwal: I hope Vimal has answered your question.

Moderator: Yes, sir, he is on mute right now. We will move to the next speaker shareholder.

Sanjay Agarwal: We will just in case more replies are required you can send it by mail.

Moderator: Thank you. I now invite Mr. Yashpal Chopra, DPID client ID IN30070810592558 to please accept the prompt on your screen, unmute your audio and video and proceed with your question. Mr. Yashpal Chopra, we request you to please accept the prompt on the screen, unmute your audio and video and proceed with your question.

Mr. Chopra, we have unmuted your connection. You can unmute from your end and proceed with your question please. Mr. Chopra.

As there is no response, we will invite Mr. Praful Chawda, DPID Client ID 1201350000107177 to kindly accept the prompt on your screen, unmute your audio and video and proceed with your question.

Praful Chawda: Chairman Sir, Board of Directors, my fellow shareholder, It's been a long time since I heard you. Sir, first of all, your board has written, how can I help you? After that, what is the point. Page number 45 of Annual Report specifies three pillars of AU i.e Intelligence, responsibility, honesty....

Moderator: So, sorry we are not able to hear you again. We will move to the next speaker shareholder. I now invite Mr. Yashpal Chopra, DPID client ID IN30070810592558 to please accept the prompt on your screen, unmute your audio and video and unmuted your audio. Can you please unmute your mic and proceed? As there is no response, we will move to the next speaker shareholder. I now request Mr. Chetan Chadha, CPID Client ID IN30011810826627 to please accept the prompt on your screen and mute your audio and video and proceed with your question please.

Chetan Chadha: Thank you so much to give me the chance to speak with you. First of all, my name is Chetan Chadda and I'm joining this AGM from New Delhi. Sir, it's been an hour and 52 minutes and I've heard a lot of speakers and I had to wait a lot for my chance to speak. Sir, first of all, I want to thank the Secretarial Department for giving me the opportunity to contact you. I requested for a hard copy annual report, and they provided it to me on time.

They also asked me for confirmation. This is a good healthy sign of a bank. Sir, the first thing is that our bank is named AU Small Finance Bank. But sir, I see that we do not have a place for

small investors. So, please expand the heart and explain to the management that we need to expand the heart and we need to gather small investors as well. Because sir, if we see in the last six decades, we saw our number of employees in the annual report of 2017- '18, we had only 11,000 employees. Today, we have 28,320 employees.

Accordingly, if we look at the customer base, we had a customer base of 7.5 lakhs. Today, we have a customer base 38.5 lakhs, which is only 5.5x. If we look at that comparison, then if we note the expenses of bearing of our employees, then our employees are being held responsible for 135 customers. And if we look at it, then according to our staff bearing, deposits has increased 5x and 10x respectively.

Major problem in bank regarding opening of saving account as we cannot joint the small investors because I myself went to open the saving account in Rajouri Garden in Delhi and meet Mr. Sumit there also met the Manager there and he said, we have the minimum criteria of INR 25,000 for opening the account. So, I told them that even big banks have a minimum criterion of INR 5,000 or maximum INR 10,000.

And if I give you INR 25,000 and if I am talking about another private bank, then if I see their competitiveness, if I want to increase the customer base, then I have to increase my profitability, I have to utilize my employees, I want to make a criteria that I should borrow from my customers. I am looking for borrowing from other places. For example, another bank is checking, open an account from INR1 lakhs and convert it into FD.

We will give the same rate of interest of FD that we are paying. Our rate of interest should be more than another bank by 0.5%. For example, if another bank is offering 7.8% private bank and we are offering 8.3% but if I see that I will keep INR25,000 in saving then I will get 3% saving interest but if I accumulate that in FD, then I will get fixed FD 8.3% saving interest. And tomorrow I can work with you, and I can do my funding. I can keep it rotational. I will be able to do that only when I will not get any volume of amount. I will not get the blockage.

The amount of blockage we have is a huge amount of 25,000. We don't have any smaller amount than that. As far as I am seeing, operational expenses have increased a lot this year. Last year it was 2413, it has increased to 3440, please ensure to lower the cost as it will impact the bank financial in the future.

Moderator: Sorry to interrupt you sir, I would request you to please limit your questions and comments to three minutes only.

Chetan Chadha: Thank you madam so much. I can understand what you are saying but I have also waited for one hour and 52 minutes and I have not even got three minutes. I have two or three questions. I am talking in favor of the bank. If you feel bad, then don't get hurt. Sir, if we see, operating expenses have also increased a little bit but sir, the EPS of INR22 is a good EPS. If you feel bad, don't believe me.

On that, sir, the shareholder is being given very low dividend. So, we will have to make a dividend policy. How much will we pay out to the shareholder on our profitability? Sir,

expansions will run every year. We have to increase the branches every year. All these things will continue to run. But this is a heart-seeking more. Please plan an interim dividend policy for the shareholder every year.

Rest, sir, I will not take much time, otherwise moderator madam will get angry a little. So, don't get angry at all. And I thank the secretarial department again, who gave me the opportunity to give you a chance to speak with you. Whenever I have any issue, I sent a mail to secretarial department, and I get a quick response from them. Thank you so much for giving me a chance.

Chairman:

Sanjay?

Sanjay Agarwal:

Chetan Sahab, thanks for your valuable suggestions. We will keep forward to the Board regarding the bonus issue. We will think about it and tell you. But the injustice that you did, that you went to one of our branches and said that the account should not be opened for less than INR25,000. We also have a facility, we open an account for up to INR5,000. So, I don't know what you both talked about, but I will tell my local Sumit, he will talk to you and open your account.

We are people of financial inclusion. We want small customers, small traders, small farmers to connect with us. That is our objective, that is our principle. Sometimes there is a communication gap, That is why some other things come up. But you rest assured that the 40 lakh customers we have, each and every customer is valuable to us. Whether he has an account balance or not. We respect him. He is invaluable to us.

We want more and more customers to join us. This is a banking public platform. We are running it today. But we are not able to We want to connect more and more customers. But your different talks are about expenses. And we will also think about dividend policy. But I would like to assure you again and again. That your bank is in very good shape. Is in good size. Works with good leadership.

Our chairman sir, so many Board Directors are involved. Many minorities go into everything. And on behalf of all the shareholders, I would like to thank my board that they have brought this bank to this height with so much independence and non-commercial attitude, has brought this bank to this height. You know, it will be surprising to know that even today, the Chairman is in Canada, and it must be morning there, and sir is completely committed to listen to us, and a few board of Directors have come today, Sriram sir has travelled from Bangalore so that he can attend this AGM.

So, the whole system is connected with you. And I would like to tell you one more thing that the regulator is also as specific as the customer regarding the customer's well-being, regarding the customer's rights, and we participate with them, make things, and we want that the real purpose of the bank is to serve the customer holistically. Not only financially, but socially and mentally. We really want to take care of you. So, I would like to assure you again, from my team, that we will take good care of you.

Moderator:

Thank you, sir.

- Chairman:** We must thank him for all the suggestions that he gave. Thank you.
- Sanjay Agarwal:** I would like to thank you for the love and support you have shown us. I would like to thank you for the organization becomes. Thank you so much.
- Moderator:** Thank you, sir. We now invite Mr. Yashpal Chopra, DPID Client ID IN 30070810592558 to please accept the prompt on your screen, unmute your audio and video, and proceed with your question
- Yashpal Chopra** Myself, Yashpal Chopra, calling from Delhi, holding around 163 shares, attached with the amendments since the pre-IPO broker conference, and I am very much proud of this bank and I won't call it a small bank, it is a big bank because there are first 25 years you have spent as in in NBFC. You have gained a lot of experience you know the total art of what you call banking means borrowing, lending and recovering.
- So, these are the three things which you are very much perfect in that so I would rather like to salute you that in the last only last few years our bank has gained like anything that even as I just saw the balance sheet I was surprised to see at the performance. The performance of the bank which was just in 11 in '17- '18 that is just now in 24 states and so the day is not far off when it will be pan India it will be all over the place and the number of branches you are having 474 only in '17- '18 now you are having 1,027 branches.
- So, number of employees is also increased around 3x. Number of clients have gone up by 6x and total assets by around 5x. So that shows the progress of all that I don't want to read that data because that data is taken from your book. And you know all that you know so there is no use all that. What I want to say that every year the company is coming with a new product every year and now the latest product that opening the accounts on video, video opening accounts, that is a very big thing and positive thing you have done at least for the senior and super senior citizens because now in that case, they need not to go to the branch, they can just open it while sitting at their house, they can save the time, they can save the energy, they can save the time in conveyance and they can get the service just promptly.
- So, this is a very, very big thing. So, for that, I must congratulate the management that they have just taken, added a new feather to your cap, so we are proud of that. And if I just – and this is a bonanza for the senior citizens. And so, if I compare the working of my bank with those old banks hundred years old bank, like PNB and State Bank and all that, I will definitely say that the pace of progress of your bank is a hundred times more than those banks which are which we now tired and which are actually not interested in any more clients.
- So, our bank, which has got a hunger for the clients, which has got the hunger for the business, which has got the hunger for the service. So definitely our bank is just, I can call it the foremost bank and that is making progress day in and day out. Just I won't go long, while just going through our balance sheet, I just saw that you are borrowing this thing just from what you call by fixed deposit and all that.

I would say that instead of borrowing by through fixed deposit at the rate 7% or 8%, why should not company come up with the PCD, Partly Convertible Debentures with a with a just a notional interest amount because the attraction for the equity is raised a thousand time more than the amount of interest, we are offering them.

So instead of offering NCD at 7% we can just issue our PCD at 4% and like that because now then that attraction of getting some convertible portion that will be so good that the investor will get attracted to that and the load of interest burden of the interest on the bank that shall also be very small. So, I don't want to prolong it because it is already very late and more than two hours have gone by so far and I would like to compliment our corporate governance under our Mr. Parnami sir because he is a gem of the person.

He is very close to the investors. Whenever we are in need of any response, any query, I get a quick response from there. So, I would just wish him a very long, happy and healthy life. Not only to him, to all the person, even to all my management and the dedicated person who are working day in, day out, just to expand our bank and just to make it pan India. Because we see that every year there is growth in our bank and that is a matter of pride and prestige for us.

And we are very much, as being a shareholder, I am very much satisfied when the way the management is working over there. I do not want to raise any more queries because the queries of those speakers are replied at the same time. That means that you are consuming a lot of time and those persons who are just sitting in the line waiting for their turn, they I think they must be feeling too tired and most of the people's mobile and laptop charging will be over because in my case it happened that way.

When you called me first time, my charging was so low that I was not in position to be audible. So please just see that the method of AGM should be that all the queries should be replied at the end. And if you start replying individually, that will consume a long time. Anyhow, if you want to go this way, then you must start our meeting around 12 in the morning so that by evening, by 5 p.m., we can say that now our meeting is closed. So best of luck to you, and wishing you a long and happy life, and happy Independence Day, and lots of greetings for the festivals which are coming ahead. Thank you.

Sanjay Agarwal:

Thank you. Yes, sir. You know, for your feelings, for your suggestions, for your concerns, for your suggestions, the chairman sir is also here, the entire board is here. We will think deeply about everything. And we will try to meet your expectations. We will try to increase the bank. I would like to say that the video banking you have mentioned is a change for us. Thank you.

Moderator:

Thank you. I now request Ms. Yashasvi Parikh, TPID Client ID 1301440001077990 to please accept the prompt on your screen, unmute your audio connection and ask your questions or give comments.

Yashaswi Pareek:

Thank you so much moderator and good afternoon to our board, my fellow shareholders and thank you so much for giving me such an amazing opportunity to speak at our bank 28th annual general meeting. So, sir, I would like to start with two lines that we will definitely become one of India's leading bank. We will definitely become one of India's leading bank because we have

such an amazing think tank. So, sir, since MD sir has already covered up all the aspects and future outlook of the bank.

However, we know that ESG methodology is now part of mainstream and is now here to stay. So, my first question is, what are the new initiatives that bank aims to take to strengthen its ESG commitment? And second question is, since I'm a proud customer of the bank also, so my second question is related to 0101 initiative, that taking tag of forever bank, how bank is planning to take new digital initiative after 0101 to increase customer delight? Thank you so much.

Sanjay Agarwal:

Thank you, Yash, thank you for your kind words and support. So, Malini ma'am, you want to take this question around ESG or should I answer it?

Malini Thadani:

Yes, I am happy to answer this question and thank you very much for this question. So, you rightly said that ESG has become such an important subject for all of us to consider, that it is not just about business, but it is really about our very existence and our survival. And I am actually delighted that led by, by the Chairman and Mr. Sanjay Agarwal, the bank is taking this whole area of sustainability very, very seriously.

So ESG is a means of reporting what the bank does in the way in which it thinks about its business, in the way it looks at its risks, and also looks at the business opportunities that are going to arise from this whole area of sustainability. The bank and the AU before this also has been working in this area of financial inclusion, bringing in the unbanked, the underbanked into the financial fold for many years now.

And that's a critical part of the E and the S that we think about in ESG. In terms of reporting, as you know, the bank and all other institutions that are listed or that are companies of a certain stature are required to donate money to, you know, sub to societal causes, which are important for the development of the country. And the bank has actually been doing a great job, both in terms of its CSR.

And now looking at sustainability, as I think Vimal mentioned earlier, even this meeting is going to be a carbon neutral meeting. So, the bank is very conscious and responsible about the way in which it impacts the environment and society, and equally is responsible for bringing in, you know, sort of customers and others into the financial fold, so that, you know, so we are really an inclusive bank.

In terms of environment, you know, and the community, the bank has done a lot. It is reporting already, in fact, and you will see that in the annual report, the work that it's done in terms of its philanthropy. But I think equally importantly, the bank is looking at its business in a very, very concerted fashion to make sure that we keep abreast of the times, that we act responsibly, that our impact on the environment is as minimal as possible within the limits that the business environment allows, and that society also accepts and wants.

And you will see a lot of initiatives being unfolded. I'm not at liberty to share those right now, but I do know, and you will see very shortly, a lot of initiatives that the bank is going to be

announcing in terms of its ESG commitments for its business going forward. Sanjay, would you like to continue with that?

Sanjay Agarwal:

Yes, so yes, Malini ma'am, I pulled Malini ma'am like this, Malini ma'am has just joined your bank and she is an Independent Director, and she is heading our Board level sustainability committee and we are very fortunate that ma'am is very passionate enough, so she is trying a lot of, not many things.

As ma'am just announced that, I think the immediate side, you know, we will be coming out with our green deposit and I strongly believe that by each stakeholder or each shareholder which will support us, you know, by giving that whole support or, know by subscribing those deposits you know so that we can build a green assets you know that eventually will go to ESG framework only.

But we are committed you know ESG is not a by-product, it is a product you know and we will do everything to make it happen because if world is sustainable then only will be sustainable right so that's our motive nest and of course your second Question I have already answered in my previous Questions so I hope Again, but just for sake of repetition Tech is non-negotiable.

We are working everything to make a cleared bank, whether it's about front-end application, whether it's about back-end application, integration, API, data, data analysis, cyber security. So, you will find AU becoming more and more stronger. And as you just would have listened that we have launched a video banking also 24x7, which is also a tech led initiative, in my opinion, a commitment to our ESG. Because more and more people will come online and make banking online, then it helps you in our environment and all those things, so that's there, Yash. So, thank you so much.

Moderator:

Thank you, sir. The next speaker shareholder Mamta Vinay Mimani DPID client ID 1203390000077380 had registered but not connected however has sent a question which we requested to answer. The question is, I found that the balance sheet is presented in thousands. It is very easy to read and digest figures from thousands. Generally, we read figures in crores. Please see if we can present the balance sheet in rupees crores from next year. Of course, after checking that there is no violation of any rules. Thank you.

Sanjay Agarwal:

Vimal, you want to answer this?

Vimal Jain:

Yes, sir. So, there is no violation if we give the figures in crores, but generally we are giving the figures in thousands. So, accordingly we are presenting, we will relook on this and according to that only present next time.

Moderator:

Thank you, sir. That was the last speaker shareholder. Thank you for the answers. Ladies and gentlemen, the icon for e-voting is available on the screen. The e-voting facility will be active now and will be closed after 15 minutes. Thank you.

[E-Voting Presentation]

Moderator:

Dear members, as advised by the scrutinizer, the time for e-voting has elapsed and they are of the view that all members who are participating in the Annual General Meeting have been given adequate time and opportunity to vote at AGM.

I now request Mr. Uttam Tibrewal, Whole-Time Director of the bank, to give word of thanks.

Thank you and over to you, sir.

Uttam Tibrewal:

Thank you, Tanvi. Namaskar, good evening, a warm and gracious evening to our esteemed shareholders, respected chairman sir, esteemed members of the board, my MD and CEO, our valued patrons and esteemed partners. The momentous occasion of this 28th AGM allows us to reflect back on a journey that has been nothing short of extraordinary, a journey that we have embarked upon together.

Banking itself is not just a goal but rather means to achieve a goal. Our purpose of building a forever bank resonates with the same idea. It is not simply an idea for us, it is a reason for our existence. It signifies our steadfast dedication towards a long-term partnership with all. We are here to stand our customers through every crucial phase, every milestone and every challenge.

The foundation of AU is laid upon a mission to serve the financial aspirations of individuals, especially those in the lower and middle income segments. Our commitment to empowerment, sustainability and financial inclusion has a profound impact on countless lives and communities in India. Together we are architecting the new India's Bharat.

Our pursuit of crafting a granular retail bank led us to extend a diverse range of products to underserved regions and embracing a digital first philosophy to simplify banking while creating enriching experiences. A resolute focus on bolstering our balance sheet has laid the groundwork for sustainable growth. AU Small Finance Bank has emerged as a transformative catalyst igniting Badlaav at the grassroots level.

Bank has witnessed the establishment of a strong foundation in these six years and with our consistent support we are poised to creating value of our customers and stakeholders while harnessing the full spectrum of opportunities that lie ahead. We extend our heartfelt gratitude to the RBI, our regulators, debauchers, auditors, credit agencies, stock exchanges, state governments and the government of India for their invaluable support.

On behalf of Team AU, I extend my sincere gratitude to our esteemed board members for their steadfast guidance and finally my heartfelt thanks to our dynamic MD and CEO whose visionary leadership consistently propels dreams without limits. At last, I extend my profound gratitude to each of you for gracing this occasion with your presence. Your commitment fuels our determination to excel and innovate, paving the way for a brighter future. Thank you so very much from the bottom of my heart. Stay safe, stay healthy. Thank you so much. Namaskar.

Moderator:

Thank you, sir. I now request Mr. Raj Vikash Verma, Chairman of the Bank, to kindly give his concluding remarks. Over to you, sir.



Raj Vikash Verma:

You know, dear shareholders, dear colleagues on the board, dear AU team members and ladies and gentlemen, it's been a pleasure being with you all here today and it's been a pleasure listening to all the shareholders and thank you very much for your suggestions and your wishes. As all of you know, of course you have known in the past too, that this bank is a highly aspiration-driven bank, very, very aspiration-driven bank, which is actually sitting on top of a lot of passion, commitment, loyalty and everything that goes to make a very sound, sustainable and a healthy bank.

And you people have been the pillars of the bank. If the bank has a dream, then you are the wind that provides to the wings of the bank. And I'm sure the bank will go a long way. It's based on your loyalties, your commitment, your dreams and your aspirations. The bank reflects all that. We are very committed to different aspects and dimensions of banking, which I said, which are very current, very chronologically there.

In fact, we are very abreast with latest happenings around the globe, whether it's in the ESG space or a risk management space, governance space, business space, and a whole lot of things. The people within the bank are extremely committed. And let me assure you on behalf of the board, to all the shareholders, to all the stakeholders, to the regulators, that the bank is in extremely capable, capable hands. People who dream and who dream not without substance but dream with implementation in mind and the execution of the dream and the plans is absolutely immaculate and timely.

So, all of you should be reassured that you are behind this good and sustainable and healthy bank. And this journey of the bank is together with you, all of you. I take this opportunity to also announce that the bank has released today the sustainability report for the year 2022-23. And that is again an indication as a message of our reinforced thoughts along sustainability.

With this, in fact, we have spent a lot of time and we have taken good feedbacks from all of you. I would, on my behalf, personal behalf, wish all of you great success and a very healthy life. I wish the bank a very healthy future. And it's going to be a bank of legacy, which will be a bank forever. And we, I would like to end on that note, and I wish the bank all the very best, particularly keeping in mind that this is my last AGM that I'm doing. I have, I'll even beyond that, I'll have always the best wishes in mind for the bank.

With that, we close, and I thank all the shareholders for their patient listening and their attention. And we are extremely grateful. I thank all the regulators on behalf of the bank's board and on behalf of the bank for guiding us along the way, along the journey and making us reach where we have reached today. So, with this, I declare the AGM concluded and thank you all very much.

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