Axis Bank's Q3FY25 Earnings Conference Call
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Moderator: Ladies and gentlemen, good day and welcome to the Axis Bank Conference Call to discuss the Bank's Financial Results for the quarter ended 31st December 2024.

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As a reminder, all participant lines will be in listen-only mode. There will be an opportunity for you to ask questions at the end of the briefing session. Should you need assistance during the conference call, please signal an operator by pressing "*" and then "0" on your touch tone phone. Please note that this conference is being recorded.

On behalf of Axis Bank, I once again welcome all the participants to the Conference Call. On the call we have Mr. Amitabh Chaudhry – MD and CEO; Mr. Rajiv Anand – Deputy Managing Director, and Mr. Puneet Sharma – CFO.

I now hand over the conference call to Mr. Amitabh Chaudhry – MD and CEO. Thank you and over to you, sir.

Amitabh Chaudhry: Thank you so much, Michelle. We have on the call apart from Rajiv and Puneet, Subrat Mohanty – ED, Munish Sharda – ED and other members of the Leadership Team.

This quarter, we delivered healthy core-operating performance. Our focus has been on profitable and sustainable growth as we continue to calibrate risk internally across portfolios and monitor the changing credit environment. Balance sheet and capital levels continue to remain strong.

Let me summarise the Q3 operating performance:

1. Core-operating profit was up 14% YOY and 5% QOQ driven by healthy operating income growth and further moderation in operating expense growth.
2. Business growth is slower this quarter on period end basis, but we continue to grow deposits at a healthy pace of 13% YOY and 3% QOQ on a quarterly average basis. Focus loan segments have also grown at a faster pace like Small business, SME and mid-corporate together grew at 16% YOY and 4% QOQ.
3. CASA ratio and fee to average assets continues to be the best amongst peer private banks.
4. Consolidated ROA and ROE at 1.71% and 15.8%.
5. The Bank is well capitalized with a CET 1 ratio of 14.61% with net accretion of 49 bps in Q3FY25 and 87 bps in 9MFY25 period.

We stay focused on three core areas of execution of our GPS strategy namely:

A. Becoming a resilient, all-weather franchise
B. Creating multiplicative forces to build competitive advantage
C. Building for the future

I will now discuss each one of these areas.

A. Becoming a resilient, all-weather franchise

Over the last few years, we have significantly progressed towards building a resilient, all-weather franchise. There are three areas of focus as we navigate the current cycle - deposit quality and growth, retail asset quality and costs - where we need to work on sustainable outcomes. On retail asset quality a normalisation cycle is in progress. Our recognition and provisioning policies are perhaps the most conservative among Indian Banks. We expect this will stabilise for the sector over next few quarters. On the Cost side, our expense growth this quarter has moderated to 1% YOY as we had been indicating in our prior calls.

Let me move to Deposits now:

The deposit journey for Axis Bank should be looked at from three aspects – quality, cost, and growth. Please refer to slide number 17. On the first two parameters we have delivered well.

- We have improved the granularization in our deposit book, which positively impacts the quality of LCR deposits. Consequently, improving the outflow ratio by 320 bps over the last 2 to 3 years and is now similar to larger peer banks.
- We have also demonstrated controlled increase in cost of funds over the last six quarters, with only 3 bps increase in the last three quarters.
- The above focus along with macro-economic factors have impacted the period end growth in the last one year. However, quarterly average balance-based deposit growth remains higher than industry at 13%.
- The quality and strength of our deposit franchise continues to improve through Project Triumph, the bank wide deposit transformation program. Our acquisition engine, expansion plans, product launches, salary credits, burgundy AUMs remain healthy. We will see the effects of all these efforts in the deposit growth as the impact of reduction in certain portfolios start to stabilize and tight liquidity scenario eases.
  - ✓ We have opened 130 new branches in the last three months, and 330 in the first nine months of this fiscal.
  - ✓ The New to Bank acquisition engine for the SA franchise has trended well. In this quarter we saw SA New to Bank deposits up 15% YOY with new accounts opened up 2% YOY and balances per account up 15% YOY.
  - ✓ With a specific focus on home maker segment, the Bank launched special women's account "Arise". We believe there is significant market opportunity in this segment.
  - ✓ The Bank has made focused interventions to ensure that the Salaried customers remain engaged with the Bank. We see higher number of customers, both existing customers as well as newly acquired customers, getting salary credits.
    - I. 24% YOY growth in Salary Uploads in the NTB Salary book by Dec 24
    - II. 42% YOY growth in Premium acquisitions in NTB Salary book by Dec 24
  - ✓ The premiumization of our franchise continues to progress strongly led by 26% YOY growth in Burgundy assets under management.

- ✓ On the wholesale segment refer slide 37, our industry leading customized solutions across liquidity management, payments and collections continue to drive higher transaction banking flows leading to better current account balances.

On the topic of retail asset quality

- We continue to have one of the best asset quality levels across large peer Banks, in terms of net NPAs and provision coverage levels.
- Latest bureau data indicates a rise in delinquencies in some pockets, specifically in unsecured products, including MFI, across the industry. The primary reasons are credit hungriness and over-leverage.
- MFI does not constitute a significant portion of our portfolio [MFI retail being ~1% of retail loans], recent regulatory actions have led us to adopt a cautious stance on this sector, both through direct and indirect sourcing.
- We observe an increase in risk in certain segments and specific programs for personal loans and cards in the past. However, proactive interventions, including regular portfolio monitoring and Early Warning Triggers, have allowed us to recalibrate policies to ensure delinquencies remain within acceptable thresholds. We have priced for this risk that we are seeing manifest today.
- Given the heightened delinquency levels in the industry, we continue to remain cautious in our outlook towards unsecured.
- We have continued to strengthen the collection's infrastructure including use of tech enablement at front-end to improve collections capabilities.

We continue to garner several key external recognitions for the capabilities and initiatives we have undertaken successfully in the last few years. Axis Bank Foundation (ABF) has been awarded the prestigious gold award at FICCI's 4th Sustainable Agriculture Summit and Awards 2024. We also won the Best Indian Bank at the prestigious Financial Times (FT) Bank of the Year 2024 Awards, which is testimony to the quality and depth of our Banking services across verticals.

B. Creating multiplicative forces to build competitive advantage

We continue to innovate and remain open to new partnerships and collaborations. During the quarter - GenWise, developed in collaboration with Axis Bank, India's leading app-based club for senior citizens, has launched an industry-first UPI payment solution specifically designed to address the needs of India's elderly population.

The International Finance Corporation (IFC), the soft loan window of the World Bank, has partnered with Axis Bank to provide a $500 million loan to scale up green project financing in India. The collaboration marks the IFC's first-ever blue investment in India and the country's inaugural blue loan issued by a financial institution.

Mintoak and Axis Bank have announced a partnership, marking a step in their shared mission to support SMEs.

C. Building for the future

Digital Banking performance continues to remain strong

- In this quarter, the Bank launched new products including a personal finance management tool, which is an industry first, the ability to see their investments in shares across brokers. Further, the bank made several enhancements to its products including redesign of several journeys, new journeys such as opening FD via UPI, continued rollout of Neo for Corporates and Neo for Businesses, which are digital channels aimed at corporate and small business customers respectively.
- In Q2, the bank successfully migrated erstwhile Citibank customers to Axis Bank digital platforms. Subsequently, digital activity of these customers has seen material improvement.

Bank-wide programs to build distinctiveness

Our bet on Bharat is growing from strength to strength

- The rural advances grew 17% YOY and deposits from Bharat Branches were up 9%; thereby aiding the PSL metrics. We have expanded our multi-product distribution architecture to over 2,650 branches complemented by ~62,000 CSC VLE network across 680 districts and 80+ partners across the industry.

'Sparsh', our distinctive customer obsession program

- Sparsh 2.0, our enhanced Customer Experience program, simplifies interactions, driving NPS, automation, and digitization, with a focus on customer loyalty and business growth. Our Retail Bank NPS score has matured significantly, rising to 148+ from a baseline of 100 in the past 2 years.

In Closing:

- We are well placed in the current macro environment, we continue to closely monitor the geopolitical environment, inflation, liquidity, cost of funds and its impact on our businesses.
- We will continue to invest where necessary to remain differentiated and distinctive in our journey towards building 'an all-weather institution'.

I will now request Puneet to take over.

Puneet Sharma: Thank you, Amitabh. Good evening and thank you for joining us. The salient features of the financial performance of the Bank for Q3 FY25 and 9MFY25, across (i) Operating performance; (ii) Capital and liquidity position and (iii) Asset quality, restructuring and provisioning is as follows:

Key financial parameters for 9M FY25:

1. Consolidated ROA% at 1.8% flat YOY, consolidated ROE% at 16.9%. Decline in YOY consolidated ROE% is dominantly attributable to reducing leverage on the balance sheet.
2. Operating profit at Rs. 31,353 crores grew 18% YOY.

3. Cost to income at 47%, improved 247 bps YOY.
4. PAT at Rs. 19,256 crores grew 9% YOY.

In Q3FY25 our core operating performance was healthy aided by improving operating leverage. The key metrics for **Q3 FY25 are:**

a. Consolidated ROA% at 1.71%, Consolidated ROE% at 15.8%. Subsidiaries contributed 7 bps to the consolidated annualized ROA and 41 bps to the consolidated annualized ROE this quarter.

b. NII at Rs. 13,606 crores, YOY growth of 9%; QOQ growth of 1%.

c. Fee at Rs. 5,455 crores, YOY growth of 6%, granular fee at 94% of total fee.

d. Operating Expenses at Rs. 9,044 crores, YOY growth moderated to 1%, degrew QOQ by 5%.

e. Core Operating profit at Rs. 10,102 crores, YOY growth of 14%; QOQ growth of 5%.

f. Cost to assets at 2.48%, declining 7 bps since March 2024.

g. Provisions to assets at 0.56%, down 3 bps QOQ. Net credit cost at 0.80%. Recoveries (including recoveries in written off accounts) and upgrades improved by 5% QOQ.

h. PAT at Rs. 6,304 crores, increased 4% YOY, adjusted for tax provision write back, in previous quarter, flat QOQ.

i. GNPA at 1.46%, declined 12 bps YOY.

j. NNPA at 0.35%, largely flat YoY and QOQ.

k. PCR% at 76%.

l. Standard asset coverage of 1.2%, stable QOQ, all provisions to GNPA ratio is 151%.

m. The higher tax rate by ~6% in this quarter, is attributable to the Bank having received favorable ITAT orders in the previous quarter that resulted in a tax provision write back. There are no such orders in the current quarter.

The Bank has accreted 49 bps on net basis of CET-1 capital in Q3FY25 and 87 bps in 9M FY25. The Bank's CET-1 including 9MFY25 profit stands at 14.61%. In addition, the Bank has a prudent other provision of Rs. 5,012 crores to be largely utilized for ECL transition. This provision has not been reckoned in the capital computation and translates to a capital cushion of ~38 bps over and above the reported capital adequacy ratio. The Bank assesses its capital position on two pillars i.e. growth and protection. We reiterate that we do not need equity capital for either pillar. We may opportunistically evaluate issuing Tier-2 and AT-1 instruments based on market conditions.

Domestic NIMs at 4.06% remained flat QOQ. Overall NIM stood at 3.93%, declined 6 bps QOQ, 3 bps is attributable to the full impact of application of increased outflow rates on our "operating deposits" which resulted in us keeping higher investments during the quarter, this coupled with

higher average LCR in Q3FY25 as compared to previous quarter. The balance 3 bps is largely attributable to interest reversal on NPA, in part accentuated due to the seasonality of Bharat Banking slippages. The impact of reduction of CASA % in deposit / liabilities mix was offset by rate benefit on liabilities.

Our progress on structural NIM drivers continues, please refer to slide 10, with improvements across most variables on a YOY basis:

- Improvement in Balance sheet mix: Loans and investments comprised 90% of total assets at December 24, improving 89 bps YOY.
- Average domestic advances to total advances improved QOQ.
- Retail and CBG advances comprised 71% of total advances, improving 167 bps YOY and 4 bps QOQ.
- Low-yielding RIDF bonds declined by Rs. 8,391 crores YOY. RIDF comprised 1.10% of our total assets at December 24 as compared to 1.80 % of total assets at December 23.
- Quality of liabilities at December 24 measured by outflow rate at 25.3% remains amongst the best in the industry
- QAB CASA at 39%, impact of decline in QAB CASA was offset by rate benefit across parts of the liability stack.
- Our fee growth was 6% YOY.
    - Total retail fee grew 5% YOY, supported by our TPP and liabilities business
    - Transaction banking fee grew 16% YOY and 9% QOQ, reflecting penetration and adoption of NEO in our client set.
- Trading profit and other income at Rs. 517 crores declined by 57% QOQ, this is explained entirely by reversal of MTM gains on investments booked in Q2FY25, pursuant to applicable RBI guideline relating to investment accounting. Based on market movements in the first fortnight of Q4FY25 driven by tight domestic liquidity and global factors, MTM volatility is likely to continue in Q4FY25.
- Operating expenses for the quarter stood at Rs. 9,044 crores, growing 1% YOY and declining 5% sequentially. We have opened 130 new branches in the quarter and 330 new branches in the 9MFY25.
    - The YOY operating expense increase of Rs 98 crore can be attributed to increase technology expenses, growth business investments and BAU opex, offset by reduction in integration expenses.
    - Technology and digital spends grew 16% YOY and constituted ~10.2% of total operating expenses.
    - Staff costs increased by 10% YOY. We have added 2,729 people from same period last year mainly to our growth businesses and technology teams. Our head count declined QOQ.
- QOQ decline in operating expenses is largely attributable to our cards business and BAU expenses across all business and functional lines. Additionally, integration expenses were nil in the current quarter as we completed legal day 2 (LD2) in the last quarter.

- Provisions and contingencies for the quarter were Rs. 2,156 crores. Provisions to average assets was 56 bps, declining 3 bps QOQ. Net credit costs / provisions for NPA was Rs. 2,185 crores. Annualized net credit cost for Q3FY25 was 80 bps, increased 26 bps QOQ, partly attributed to seasonality.
- The cumulative non NPA provisions at December 31, 2024 is Rs. 11,875 crores, comprising (i) Provision for potential expected credit loss of Rs. 5,012 crores; (ii) Restructuring provisions of Rs. 415 crores, (iii) standard assets provision at higher than regulatory rates of Rs. 1,898 crores and (iv) weak assets & other provisions of Rs. 4,550 crores.

Coming to the performance of our subsidiaries

Detailed performance of the subsidiaries is set out on Slides 62 to 69 of the investor presentation. In 9M FY25, the domestic subsidiaries reported a net profit of Rs. 1,401 crores, growing 26% YOY. The return on investment in domestic subsidiaries was ~ 49%.

- **Axis Finance**:
  - Overall assets under finance grew 25% YOY. Retail book constitutes 47% of total loans
  - 9MFY25 PAT grew 20% YOY to Rs. 509 crores
  - Strong asset quality with net NPA of 0.25% and negligible restructuring.

- **Axis AMC:** Overall quarterly average AUM grew 24% YOY to ~ Rs. 3,26,098 crores, 9MFY25 PAT stood at Rs. 378 crores, growing 27% YOY

- **Axis Securities:** Revenues for 9MFY25 grew 73% YOY to Rs. 1,314 crores and PAT grew 86% YOY to Rs. 368 crores

- **Axis Capital:** 9MFY25 PAT grew 36% YOY to Rs. 148 crores and ACL executed 43 ECM transactions in 9MFY25

Asset quality, provisioning, and restructuring

- The Slippage, GNPA, NNPA and PCR ratios for the Bank, and segmentally for Retail, CBG and Corporate is provided on slide 54 of our investor presentation.
- Slippages are mainly in our retail unsecured book, largely in cards and personal loans. We have seen some slippage in MFI in the current quarter, but retail MFI is ~1% of our retail advances and hence this is not likely to have a large impact on our books. The corporate and CBG loan book continues to behave well for us.
- Gross slippages in the quarter were Rs. 5,432 crores increased 22% sequentially. Of the total increase of Rs 989 crores, partly attributable to seasonality. Gross Slippages segmentally were Rs. 4,923 crores in Retail, Rs. 215 crores in CBG and Rs. 294 crores in WBCG.

- For the quarter ~ 29% of the gross slippages are attributed to linked accounts of borrowers which were standard when classified or have been upgraded in the same quarter.
- Net slippages in the quarter were Rs. 3,517 crores increasing 48% QOQ. Net Slippages segmentally were Rs. 3,394 crores in Retail, Rs. 146 crores in CBG and negative Rs. 23 crores in WBCG.
- Recoveries from written off accounts for the quarter was Rs. 1,300 crores, improving 32% sequentially.
- Net slippage in the quarter adjusted for recoveries from written off pool was Rs. 2,217 crores. Segmentally Retail was Rs. 2,928 crores, CBG was Rs. 50 crores and WBCG was negative 761 crores.

To summarize, Axis Bank is progressing well to be a stronger, consistent and sustainable franchise:

- Consolidated ROA and ROE for 9MFY25 is 1.8% and 16.9% respectively, an outcome of disciplined execution.
- The Bank continues to ensure that its balance sheet is clean and healthy through prudent provisioning policies, like 100% provision on unsecured retail loans the day the loan turns NPA and structured rule based write offs, that in the short term impact reported numbers like credit costs and net slippages.
- The Bank has accreted CET-1 of 87 bps in 9MFY25 and carries sufficient liquidity, visible in the average LCR ratio of ~119%. Given the increased regulatory focus on C/D ratio as one among multiple metrics to be tracked, deposit growth will be the key constraint for growth in advances in the short to medium term.
- We continue to closely monitor the geopolitical environment, inflation, liquidity, cost of funds and its impact on our business.

We conclude our opening remarks and would be happy to take your questions.

Moderator: Thank you very much, sir. We will now begin the question-and-answer session. The first question is from the line of Chintan from Autonomous. Please go ahead.

Chintan: Can I ask two questions? The first one is on your deposit growth. So, you know, Axis has done a lot of work on the deposit franchise over the past few years. You showed that in your slides. We can see that improvement. But if I think about the kind of last few quarters, then your deposit growth is lagging some of your private sector peers. And also, if I think about retail LCR deposit growth, that's also lagging a little bit. What can be done to grow more in line with other private sector peers without compromising on price?

And the second question, I mean, I have got a few questions on asset quality, but given we are restricted, what I really want to understand is how are your policies more conservative relative to peers? If you can just elaborate on that.

Puneet Sharma: Chintan, thank you for your question. Let me take the policies question and then I will request my colleagues to answer the deposit question. On the policy question, we provide 100% on day 91 on unsecured exposure whether triggered or linked. At least our understanding of the market is not everyone provides 100% for retail unsecured loans on the day the asset slips to NPA. So therefore, we are more prudent than some of our peer banks.

Second is our policies impact some of our reported numbers more on account of prudence as we do rule-based write-off on our retail and SME portfolio. And therefore, the net slippage number gets accentuated in our case. Because if an asset is not written off and sits in GNPA stock, any recovery from that reduces your net slippage number for the quarter.

For us, that recovery only gives us benefits in the net credit cost line. Therefore, that's the reason we chose to call this out because in the first year of start of a cycle, which is either normalization or credit cost, depending on what view participants in the call may have on where we are, our view is normalization. It's not a credit cycle yet. In the initial quarters, we will end up bearing more credit costs than banks that have a differential policy. I hope that gives you a fair flavor of why we call that out and why we think we are more prudent than the street.

Munish Sharda: The answer to the deposit question, Chintan, so this is Munish. So, we are deeply focused on the quality of our book over the last few quarters. And as you rightly said, we have seen significant improvement in the quality of deposits and the granularization of deposits in the last few quarters, which on slide number 17, you will see the quality of LCR deposits, etc., has improved significantly over the years. And we have also significantly reduced the gap between us and some of our peers in terms of the cost of our deposit. Over the last few quarters, our cost of funds also has gone up only by 3 basis points, which tells you that we have been focused on more granular deposits and not running necessarily after high-cost deposits in the market.

If you look at the other factors, when you look at our quarterly average balance growth, our quarterly average balance growth this quarter also is at 13%, which is higher than the industry's deposit growth number, which also tells you that we are focused on high-quality deposit growth through the quarter and not only necessarily at the end of the quarter.

We have been telling all of you that we are focused on building a sustainable and high-growth deposit franchise through multiple initiatives in the Bank that we are taking, one of which is Project Triumph, which is a multi-quarter initiative to improve the granularization of our deposits and improving the operating rhythm of our franchise.

The Bank-wide deposit transformation program, our acquisition engine, the expansion plans, new product launches, our salary credits have seen significant improvement in the last few quarters. Like we told you a couple of quarters back, our Citi acquisition has also given us inroads into the salary franchise. We have seen 24% YOY growth in salary upload in the NTB salary book, 42% YOY growth in premium acquisition in the NTB salary book by December 2024. We have seen 26% growth in our Burgundy assets under management. We are attracting new segments of customers, we have launched a new product called ARISE.

We believe that with all of these initiatives and with a focus on Bank-wide garnering of deposits across all of our businesses and channels, including asset businesses and the commercial banking businesses, we should continue to push for growth better than the industry as we have done this quarter on a quarterly average basis in the next few quarters as well. Thank you.

Moderator: Thank you, sir. The next question is from the line of Abhishek Murarka from HSBC. Please go ahead.

Abhishek Murarka: So, two questions. So, first is just sort of continuation on the deposit growth question. So, now do we think that in search for quality, we have over-calibrated because now it's becoming a bit of a constraint to overall loan growth? So, do you think it's time maybe to rely on pricing or to try something else to get the headline or the period and growth at higher than industry? And how much of a constraint or how do you plan to get LDR lower? Because even if we think of a system level deposit growth next year, that would mean that at best we will do similar amount of loan growth. So, how do we plan to address this LDR constraint? So, that's point one.

The second question is on asset quality. Can you talk a little bit about the forward growth or delinquencies in unsecured, especially PL cards, business loans? Are those still increasing? Have they plateaued? Are you doing any kind of recovery and therefore how to read the delinquency and provisioning trends in the next two, three quarters? So, yes, those are my two questions.

Amitabh Chaudhry: Abhishek, thank you for your question. On the first question on deposits, you know, while growth is a good number to get after, and like I said earlier, we have done a quarterly average balance basis growth of 13% better than the industry. But you must realize that we are focused on building a granular deposit book. We are not necessarily running after lumpy deposits, which are one on the back of pricing, which can lead to volatility in books. They come as they go. So, we will continue to stay focused on building a granular deposit book across the franchise.

Abhishek Murarka: Sir, on the LDR constraint?

Puneet Sharma: Thanks, Abhishek. I think as we have indicated and you see in our performance, we have calibrated, so LDR is not the sole variable. There are multiple ways to manage the balance sheet. We have calibrated our balance sheet in a manner we believe satisfies the concern of the regulator. And at the current moment, we do not see a requirement extraneously put on us to moderate our LDR ratios. So, we will remain comfortable operating at that range. You would have seen the same range of LDR in Quarter 3 of last year, and you have seen the same numbers through the running five quarters of our performance.

Moderator: Thank you. The next question is from the line of Mahrukh Adajania from Nuvama. Please go ahead.

Mahrukh Adajania: I have a follow-up question on deposits. So, if your total growth remains a bit soft, then the QAB growth going ahead will also be affected. So, are you okay with low growth till the system deposit taking improves or will you launch some competitive schemes to improve the total growth so that it has a favorable impact on QAB going ahead as well, right? Because we don't necessarily get

QAB figures from all banks. Maybe just two or three. And as such, it's hard to compare. So, just a thought on how the total deposit growth will improve or just some guidance on whether if the system deposit growth remains tight, then you would rather opt for managing margins and calibrating growth? So, that's my first question.

And my second question is on asset quality. So, you have given many, many details. Thank you for that. But do you see any spillover stress in any segments other than unsecured and even the small bit of MFI you have, which you already called out earlier? So, do you see that's the unsecured stress spilling into other segments? You may not have a big exposure, but just a system wide comment as well would help. These were my two questions.

Subrat Mohanty: Mahrukh, this is Subrat. Thank you for your question. On the deposit growth in future, you are absolutely right. The MEB or the month-end or the quarter-end growth has to come eventually if the QAB numbers have to continue to be high. We are quite aware of that. So, Munish listed out a host of initiatives that's all. So, we continue to remain confident about the outcomes of those initiatives.

At this moment, the system liquidity is also a constraint, and the overall deposit growth at a sectoral level is also somewhat a constraint because of that. So, we will continue to work on it. We are not unaware of the need to continue to have strong month-end and quarter-end balances as well. But like Munish pointed out, it's a dynamic interplay of the cost of funds, quality of deposits, and making sure that we do not have volatile deposits in future, which drives our strategy. You have seen in the past also, if you take a 9 months' view of our deposits for this year and compare it with 9 months of the previous year, even on month-end balances, the growth is higher than the industry growth.

So, once again we will request you to not take a quarter or a running quarter basis comparison because that sometimes has a little bit of fluctuation. So, we will continue to work on making sure that the MEB balances also correspond to the growth that we are seeing in the QAB balance.

Arjun Chowdhry: This is Arjun here. To your other point, on segments where we are seeing stress aside from unsecured, in the current macro, we don't want to not be cautious about any segment. It is, as Amitabh pointed out, and as Puneet also mentioned, the macro environment does require a lot of caution. So, we are observing almost every segment across the board. We talked about MFI although it's a very small unsecured, we have talked about.

However, if your specific question is about has it spread already into other areas and is there a contagion, no, we don't see that yet. But that does not mean we will take our eye off the ball on any particular segment. We will obviously continue to calibrate the growth that we get, try and keep more secured in that mix because that, quite logically and naturally, is performing better in this current environment. So, not calling out any segments, it's going to be unaffected, at the same time, not seeing any contagion yet.

Moderator: Thank you. We will take the next question from the line of Suresh Ganapathy from Macquarie Capital. Please go ahead.

Suresh Ganapathy: Just one qualitative question and perhaps Amitabh, you can throw light on this. So, you know, to really summarize this quarter number, we are at a multi-quarter low of loan growth and deposit growth. These slippages are at a multi-quarter high, credit costs are the highest seen since the COVID period. And margins are the lowest seen in several quarters. So, this really looks like a tough environment. So, what's the challenge here?

I mean, is it really a macro issue or how do you come out of this? Because if I were to really put the context, this looks like a really tough quarter in the last several years that we have seen. And perhaps it could be representative of the industry. We have to see some of the other banks, but clearly the visibility is also not there, Amitabh, at this point in time. So, what needs to correct here and what's gone wrong, if you can give us specifically to you, but in general for everybody in the system?

Amitabh Chaudhry: Suresh, you mentioned a lot of factors. I think a lot of them are interlinked. So, if you obviously have a macro, which is uncertain environment where you are seeing the normalization of the credit cycle, you are seeing not only rising credit costs on the unsecured side, but general constraints in the industry in terms of additional lending or increased risk rates, whatever that might be. Obviously, as we said, the macro remains uncertain. Macro remains, going forward, a little bit tough. The deposit, the liquidity, which has just come back a little bit, is gone again. We do not expect the deposit or the credit growth to move from 11, 12% even in FY26. So yes, it is a tough environment.

Now in that environment, what are the choices one can make? One is to ensure that on a going forward basis, the kind of book which you are creating is the right book. You are not necessarily chasing growth, but you are chasing the right assets. You obviously want to ensure that you continue to build your deposit franchise, the right kind of franchise. And frankly, in this environment, it is easier to build the right kind of franchise because you can take the tough calls. In an environment where deposits are growing at a certain rate, sometimes you want to accept whatever is coming because it's just growing at such a healthy pace.

At this time when deposit growth is constrained, frankly, you can make those tough choices, and we are making those tough choices. As you are aware, we used to have, for example, on TD rates, a differential between the two banks you want to compete with, that differential has been brought down. We had the higher outflow; we have brought down. We are same as peers.

We have gone after non-callable deposits much more than maybe some of the others and paid a price for it. We have created a balance sheet where refinance is a decent portion of our balance sheet. We have paid a price for it. But it is all for the long term of the franchise. Yes, we have had to reduce our disbursals and lending in areas which normally give you a higher rate, because given what the environment is, we now don't want to be lending, doing unsecured lending, which is then used to replace some of the other loans in the system.

So, in this environment, given the choices we have is work on deposit franchise, which we talked about, focus on expenses, and you will see that, as we mentioned in the previous calls, we continue to manage our expenses down, and we will continue to see that going forward.

Third, first stabilize your credit costs, and then bring them down over a period of time. You have already talked about the fact that some of the costs are stabilizing, yes. First, it started with credit card personal loans. It went to MFI a little bit. Let's see whether it pans on to some of the other areas. But that's a clear area of focus, investing a lot on the collection side, ensuring that we have best of breed collection capability in the system using technology. But will that mean that some of the factors or some of the numbers that you quoted will remain on the lower end of the curve? Yes, they might.

I mean, it is a given. In this environment, for us, it will be more important as a strategy to do the right thing, and preserve the balance sheet, and preserve the quality of the franchise, rather than just trying to deliver the growth for growth's sake. So yes, in the next couple of quarters, you could see a moderation in the numbers. You have been seeing a moderation in the numbers across industry, and I would expect that there would be some moderation in the numbers.

I mean, how would you grow if the industry is going to grow at 10, 11% down to deposit and credit growth, and your lower deposit ratio is being, you know, RBI has clearly hinted that it needs to be in a certain range. In the long run, unless you are doing something substantially different, you can deliver a number which might be slightly better, but not substantially better. So, I would expect the industry to slow down a little bit, unless the macro changes. And both the global and domestic macro right now looks a bit uncertain till some policy actions get taken and provide more clarity in terms of how this plays out.

Suresh Ganapathy: I'm sorry, just a second question on the opportunities itself, because if I were to look at your loan growth, I mean, it's running below nominal GDP, it's running below the system loan growth, and of course, you being the third largest private sector Bank, better technology, better reach. I mean, is it really the fact that the current environment is so bad that it just cannot grow even at system levels, and you have taken a conscious choice to really slow down the growth to such an extent, or it's a combination of resource constraints, or you really see competitive environments still not being saner in some of the segments for you to take a call to grow below the system, you know?

Amitabh Chaudhry: So, Suresh, we are quite clear that we don't want to grow at any cost. We are selectively growing the loan portfolio with the desired RAROC. So consequently, our requirement for deposits is based on where we can generate the right assets at the right return. You will see, for example, our cost of funds has not moved that much in the last few quarters. Could we have raised more deposits at a slightly higher price? We could have. But then, you know, we are introducing things, at least in Axis system, which we don't want. Our reliance on high-cost deposits, because we somehow want to deliver more growth.

So it is a conscious strategy, it is a tougher strategy, what we believe is the right long-term strategy, that we want to grow assets which give us the right return, and obviously, we want to generate deposits of the right kind at the right price, and all these factors are feeding into each other.

So, my view is that if some of the macro clears up, our platform is only improving over a period of time, the kind of details and the analysis and the micro-segmentation we are doing, both on the

deposit and the asset side, when the market comes back, you will see Axis doing much better than the others, because we have all that ready.

You mentioned things like resource constraint. No, absolutely that's not the case. Can we go and actually increase the size of our portfolio in some of the segments which supposedly give a low return? I think we can, but we don't want to do that. We don't want to go down that path which we have walked away from in the past.

Moderator: The next question is from the line of M. B. Mahesh from Kotak Securities. Please go ahead.

M. B. Mahesh: Just this question which Abhishek had asked earlier on how the portfolio is behaving today in terms of the fresh formation of bad loans in the unsecured loan portfolio. If you could just clarify on that question, please.

Amit Talgeri: Hi, Mahesh. This is Amit here. So, just to kind of clarify on that one, so industry wide we have also seen increase in delinquencies across unsecured. Now of course, it's no longer only personal loans and cards. We have seen that spread out to MFI as well. On similar lines, we have also seen that in our portfolio.

Now obviously, we have been taking risk actions. I think the last two quarters, we have also been mentioning the fact that we have been proactively looking at risk interventions both on account of policies, filters. The two prime reasons have been credit hungriness and leverage going up. So, our policy filters also ensure that some of these are now recalibrated in our scorecards to ensure that the risk guardrails have been tightened.

So, each of these is ensuring that the new acquisition that we are booking is of a better quality. And what we will do is obviously this will play out over a period of time, but we are quite confident that what we have been booking over the last, let's say, 9, 12 months, ever since this whole crisis has kind of played out, is of a better quality and will stand us in good stead in the coming quarters.

M. B. Mahesh: Sorry, just to clarify, in your assumption, this current run rate of slippages will continue based on what the portfolio is behaving today. Is that the way to look at the final conclusion here? Amit, it's a very simple question saying that, look, you kind of indicated that you have tightened the credit filters and incrementally the book is starting to behave well. So, when exactly is that inflection point that you are seeing based on the current data sets that you are seeing in your book?

Amit Talgeri: So, Mahesh, just to kind of confirm that, see, I think the way we need to look at it is there are two parts here. One is a new acquisition over the last 9, 12 months, and second is the way the collection efficiencies have played out.

Now, two things here again. Over the last 9 to 12 months across the industry, we have seen some amount of deterioration in terms of collections. What we have done, however, is over the last six to nine months, we have actually beefed-up collections in a big way, both in terms of infrastructure, both in terms of agencies, and more importantly, using technology to ensure that we are kind of capable to ensure that we get the right customer faster than most in the market.

So, these are the two things. So, one is policy correction, risk interventions, and collections efficiencies will ensure that what we have booked over the last few months, actually the last whole year actually, is ensuring a better run rate to what we currently have in terms of portfolio performance. And that's what will really play out is what I was actually mentioning.

M. B. Mahesh: Thanks. Puneet, just one clarification. In the Rs. 5,400 crores of slippages, depending on what number you want to assign for the microfinance slippages, it can be a high number or a lower number. Is it possible for you to quantify, given the extremely high level of slippages that one is seeing in that portfolio for the various players?

Puneet Sharma: Mahesh, thank you for the question. One clarification, and I will give you a pointed answer to your question. I just want to contextualize. Microfinance is 1% of my retail book, and roughly about 0.6%-0.7% of my total advances. And this is retail microfinance. So, it is not material in my context. The cumulative book will be roughly Rs. 6,000 crores approximately.

Slippages in that Rs. 5,432, the microfinance slippage will be a small part. It's not a dominant part of that number. A dominant part of that number is the unsecured retail asset products like PL and cards.

Amit Talgeri: And Mahesh, to add to that, given the environment in the last few quarters in microfinance, we have significantly slowed down disbursals in that business, and also there is a denominator impact in any case. But it's a very small number, and we continue to watch that space very closely. We have strengthened the collection capacity, large part, as you know, in microfinance, the front-end seller and the collector is same. The people are largely busy collecting the portfolio quality at the front-end, and we have been very careful over the last 3 quarters.

Moderator: Thank you, sir. We will take the next question from the line of Prakhar Sharma from Jefferies. Please go ahead.

Prakhar Sharma: Thank you, everyone, and good to hear from you all about trying to manage the balance sheet both on profitability and asset quality. So, good to hear that. Puneet, I just wanted to probably check on the behavior of your unsecured book and credit quality. You know, you have been generally sensible on the quality and upfront in recognizing. So, how generally, as a pattern, it should behave over, let's say, the cycle, let's say, started from 1Q ’25? Should we see some sort of peaking out and then stability or these build up will continue for longer? So, if you could shed some light on how the pattern on both, let's say, personal and credit card type of loans could pan out.

Puneet Sharma: Thanks, Prakhar. Thanks for your question. The macro environment remains tough. We are seeing slowdown on growth and that has to reflect in individual customers' asset health also. Broadly, portfolios in the nature of credit cards and PL do not normalize in one or two quarters. They do take time to play out. So, I would not call this a peak as yet, both from an industry standpoint or our standpoint yet.

However, having said that, there are lead indicators, post correction, corrective action that Amit spoke of that has happened on the portfolio. The lead indicators are measured. This is

delinquencies of the new cohorts that we are looking. The early indicators across product sets are showing us a positive sign. These portfolios have not matured. Therefore, for the signs to translate into a concrete outlook by us, we will take a couple of quarters to crystallize. But once we get that confidence, having observed the data for a reasonably long period of time and not just early successes, we will call that out on subsequent reporting.

We anyway demonstrated through credit action, the fact that personal loan growth is down to 17% YOY and 1% QOQ versus 23% YOY in Q2 will show you the fact that disbursement growth on this portfolio would be very small or in some cases even negative.

Same with the credit card portfolio. Credit card growth is 8% YOY and it grew 1% QOQ versus 22% YOY for Q2 FY25. I think what I want to communicate to you is we are taking appropriate corrective action on these portfolios by slowing down growth. The corrective action is visible to us. Early signs of the corrective action are positive.

However, to provide a concrete outlook on the portfolios, we need to observe the data a little more closely and for a slightly longer period of time. Obviously, the unknown unknown to everybody today is how the macros will behave over a period of time. So, we remain watchful on these portfolios.

Prakhar Sharma: Just one data-keeping question. Can you clarify the negative or the write back of the standard provisions in this quarter? Because the balance sheet has grown. So, I think you have not used the contingent provisions. Can you just clarify on that part? And that's the last question.

Puneet Sharma: Thanks, Prakhar. We have not used any of, one, we don't have the contingent provision. We have a provision for ECL. The Rs. 5,012 crores was the number last quarter. It continues to remain the same. The movement in the standard asset is a product mix growth question. So, if you are aware, we create higher standard asset provisions in certain product classes versus other product classes. So, there is a mix impact on growth which has resulted in lower standard asset provisions.

Second, the write back is we create provisions for unhedged foreign currency exposure. This is confirmation from customers. We have received better quality of confirmations through the current quarter that resulted in a write back on UFCE provisions which gets reported in the standard asset line. So, growth has been fully provided for. Its mix of growth plus UFCE that shows you the negative number on the slide.

Moderator: Thank you. The next question is from the line of Rikin Shah from IIFL. Please go ahead. Mr. Shah, please proceed with your question. I have unmuted your line.

As the current participant is not answering, we will move on to the next question, which is from the line of Kunal Shah from Citigroup. Please go ahead.

Kunal Shah: Just one clarification in terms of Bharat banking, you indicated it during the margin comments and the interest reversals, but would you incrementally say that the slippages, even on the retail, is coming from the Bharat banking or the seasonal agri stress? If you have to look at it, maybe

compared to the way the movement has been over the last Q2 to Q3, generally it's been in the range of Rs. 500 odd crores. Does it continue in the similar trajectory or it's still higher this quarter?

Puneet Sharma: Kunal, my apologies. You were not audible. Could you please repeat your question because we weren't able to hear your question clearly? I heard the part that said you wanted clarity on the Bharat Bank slippages.

Kunal Shah: Yes, so overall slippages, okay, generally when we look at it over the past few years, generally the incremental slippage seems to suggest it's like closer to Rs. 500 odd crores. Can we say that incrementally that has also been higher, or this is whatever is the higher slippage that's primarily PL and CC and MFI?

Puneet Sharma: So Kunal, if I was to anchor the response to your question at the Rs. 500 crore number, obviously it will vary QOQ. The sequential quarter growth in gross slippages is Rs. 989 crores. There is a seasonality impact and then there is the MFI impact, which I called out. The seasonality impact is larger than the number you have indicated. And the MFI impact is a small number. That would explain the sequential quarter growth in gross slippages.

Kunal Shah: And the seasonality would be again more with agri or that would be like PL and CC as well. Yes. That's the question.

Puneet Sharma: So, Kunal, there is no seasonality in PL/CC.

Kunal Shah: Second question is on Operating expenses. So, I think Amitabh also indicated that we will continue to maybe see it on a declining trend, but the way it is suggesting maybe either to boost the growth, to boost the deposits, so would we still need higher investments? And today, if we look at it in terms of Opex to assets, we are down to less than 2.4%-odd. Okay. Earlier we have been indicating 2.1, 2.2, excluding Citi and so have we reached that level, or could we see more gains on the overall Opex to assets ratio or the operating efficiency?

Puneet Sharma: Kunal, thank you for your question. Couple of clarifications before we respond. I don't think Amitabh has provided any forward guidance on Opex. I think he reported the numbers that we have on a YOY basis and QOQ. So, we have a 1% YOY growth and 5% QOQ decline.

Second, just from a hygiene perspective, we moved away from cost guidance. So, the numbers you set out used to be something we used to call out, but we don't have a cost guidance currently in any shape or form.

Having said that, we had indicated that when credit costs start to moderate, we will optimize our Opex. You are seeing that optimization of Opex happening. So, we have been able to tighten our belts and bring core Opex savings to the table. We will continue to work on our efforts to reduce or optimize Opex further. Please also appreciate that quarter 4 from a business perspective is the strongest quarter for the sector and this proportionately contributes to disbursements and business for the system as a whole and for us compared to the run rates of the first three quarters. So, as you think about cost for the quarter, you must factor my response while determining those expenses.

Overall, we remain focused on making sure operating leverage plays through our P&L I hope that covers what you were looking for.

Moderator: Thank you. We will take the next question from the line of Rikin Shah from IIFL. Please go ahead.

Rikin Shah: So, I just had a question on fee income now. So, the fee income in this quarter has been soft at around 6% and in some of the subsegments like card payments and corporate credit, it is even negative YOY. Just wanted to understand that are there any levers for the fee income growth to improve and how does this trend in the coming quarters?

Puneet Sharma: Rikin, thank you for your question. I think let's contextualize this. Our fee-to-assets in the quarter is also about 1.42%. It remains best in class. Fee income on the retail business is basis incremental disbursements. There has been a structural shift in incremental disbursements that is warranted given how credit has played through some of the segments. So, you are by nature going to see a moderation in fee expenses which is playing through our P&L.

Further, some of the non-asset businesses where we used to garner fees has also moderated by virtue of conscious choice. We were sourcing about 1.2 million odd cards same quarter last year. We sourced about 700,00 to 800,000 cards this quarter.

These are conscious choices. Bringing back fee income is we do not think is a challenge. Fee income will work alongside our conscious strategy of recalibrating book. We do think we can operate at reasonable levels of fee-to-assets, but yes, you are likely to see the moderation given disbursement, incremental disbursement profile.

Moderator: Thank you. The next question is from the line of Param Subramanian from Nomura. Please go ahead.

Param Subramanian: Firstly, on liquidity, so I think, Puneet, you made a comment saying that we don't see any extraneous constraint on LDR. So, I just wanted to understand if there is any change in the operating environment there and especially on LDR, do you look at or does the regulator look at the quarterly average or the closing period because we have been highlighting the quarterly average deposits? And on the LCR, are we operating assuming that the draft LCR guidelines will kick in going ahead because that's another constraint on loan growth?

Amitabh Chaudhry: So, I think we have said in the past that we have submitted a certain strategy to RBI. RBI accepted it. We are working through that strategy. Puneet talked about the fact that you have seen our numbers for the last five quarters, and they have been in a certain range, and we don't believe that we have any problem in maintaining that range. So, rather than going into details of everything, I think our numbers very clearly reflect what we have been delivering and obviously they clearly reflect that based on our discussions with RBI, the Reserve Bank is okay with it.

As far as new LCR guidelines are concerned, obviously we have to wait for them to come through. There are a lot of guidelines which we are waiting for them to come through and actually also draft guidelines debating to become final guidelines. Let's wait and watch. I mean, we are aware of what

the impact could be, and we are obviously internally looking at what strategies we need to adopt to manage some of the changes. Right now, I don't know when you all say that are we acting as if they are already in place, well, let me just say that we are strategizing, and we will act when they come into play.

Param Subramanian: One more question, if I may. So, based on the comments on seasonality, would it be fair to say that the PL and CC slippages are largely stable QOQ? And secondly, there is a large recovery from written-off in this quarter. Is there any one off over there?

Puneet Sharma: Thank you for the question. As we responded to the question earlier, PL/CC has no seasonality. It's a product that plays through its life cycle over all seasonality.

Param Subramanian: No, I meant adjusting for seasonality, Puneet. So, basically, is PL and CC stable QOQ slippages?

Puneet Sharma: Like I said, I think we won't directly or indirectly answer product level slippages on this call. Effectively, what we are simply saying in our commentary to you is a dominant part of the increase of the Rs. 989 crores on account between Q3 and Q2 could be attributable to seasonality in slippages and in a small part the MFI portfolio which would not have seen the same number in quarter 2. So that should explain the number to you in totality.

Param Subramanian: And Puneet, the bit on recovery from written-offs being higher this quarter?

Puneet Sharma: Look wholesale recovery is always episodic. We did not have a wholesale recovery in Q1. We got better recoveries in Q2. We have wholesale recoveries in Q3. So, we continue to monitor it but very difficult to predict how wholesale recoveries play through on a QOQ basis.

Moderator: Thank you. Ladies and gentlemen, we will take the last question for today, which is from the line of Nitin Agarwal from Motilal Oswal. Please go ahead.

Nitin Agarwal: We appreciate the tough steps that the Bank is taking in this kind of macro environment with a focus on delivering sustainable performance. So, I have like a couple of questions. One is around the credit cost. So, we have mentioned that we have tightened the provision policy and that has resulted in 15%-20% higher provisions which will continue in the near term. So, how much this actual impact because of that is in this quarter number? And when I look back like we have typically operated coverage ratio if I take the last five-year average coverage ratio has been around 75%-76% which is where we are right now. So, does this tighter policy mean that our coverage ratio will go up because anyhow we were operating at this coverage ratio of 70s prior? So, how do we see that?

Puneet Sharma: Thank you for the question. Again, from a hygiene perspective, I don't think we indicated on the call that we have tightened provisioning policies in the current quarter. What we indicated on the call is we believe our policies on provisioning are more prudent than most on the street. And the illustration we provided to back that statement is we provide 100% on unsecured retail on day one. Our understanding is the street does not do that. So, it was a common comment around prudence.

On your question on PCR, for us PCR is an outcome. We run with very prudent and conservative provisioning rules. So, the way the Bank operates is we have a provisioning rule for each asset class. An example of that is 100% provision on retail unsecured. Depending on the composition of slippage, the rule will trigger, and provisions will be created. These are non-discretionary rules. Therefore, credit cost is an outcome of the rules and PCR for us is a reported number. Fundamentally, if I was to review all of our provisioning rules in comparison to street, I would conclude basis we are benchmarking that our rules on provisioning are more prudent than most on street.

Nitin Agarwal: So, Puneet, I was referring to this provisioning rules only wherein we have mentioned that we now operate at 15% to 20% higher where we used to previously operate, and this only should drive an increase in PCR. So that's where the question was from.

Puneet Sharma: So, I guess that question is coming from reading slide 55 of our investor presentation where we have a bullet point which says provisioning rules tightened. That comment on slide 55 is on a through cycle basis. We give you 15-year numbers from FY10 to 9MFY25. In the early part of that cycle, we did not have the stringency of the rules that we have today. And we were operating at 15 to 20% lower PCR based on the then prevailing rules. So, that's the context of the comment. You will see that comment at least over the last 7 to 10 quarters that we have been presenting results. So, if that's led to the confusion that, that change has happened in the current quarter, we apologize for it. But that's a change we made a while ago.

Nitin Agarwal: And margins wherein domestic NIMs are stable, but the global NIMs have declined 6 basis point for a reason. So, I was wondering that isn't the fall in global margins pretty high as overseas business is pretty tiny like for us. So, how much was the real decline in the overseas business margin? And how do we see our 3.8% NIM guidance in this kind of environment and the strategy that we have adopted?

Puneet Sharma: We stay true to our outlook of NIM guidance that 3.8 through cycle should stand. Given all that we are seeing today, we see no reason to revise that outlook. We remain confident that we will defend our 13 basis points excess over our through cycle guidance to the best of our ability. And that is the only outlook we would look to provide on margins today.

To your question on global margins versus domestic margins, there is the relative mix of the non-rupee book has increased period on period. That reflects a change in the weighted average margins that you see between domestic and global. And second is there is an impact of excess offshore liquidity that we have been holding that has played through in global margins. So, those are the two reasons why domestic margins and global margins vary. The excess liquidity of 3 basis points, the excess liquidity we had called out as part of the 3 basis points on account of LCR impact. These are all annualized impacts. They are not for the quarter. So, I just want to be abundantly clear in case I misunderstood.

Nitin Agarwal: And one more question if I can just squeeze in. If you can share some color on the trending in unsecured retail slippages because right from the beginning of the year, we have talked about and

we were the early ones to talk about the increase in slippages in certain product categories. So how is the trending in this quarter in unsecured retail, particularly the credit cards?

Puneet Sharma: So, like we responded to a question earlier, the macro environment remains tough. We have taken portfolio action. Portfolios like cards take a longer period of time to play out because you issue a card, then there is utilization, then there is non-payment of MAD, then there is delinquency, and then there is credit cost. So, cards as a product has a longer cycle than most other retail unsecured products.

We have taken corrective action on the portfolio. Early signs of delinquency basis the corrective action on the portfolio which has been booked after corrective action is positive. We have not seen enough time elapsation on that portfolio to draw a conclusive comment on whether this is done or not. Please allow us time to let this portfolio vintage for us to come back with the concrete outlook. Currently, that's how we see the cards portfolio. Our portfolio growth has been moderated. It's grown 8% YOY and degrown 1% QOQ which is a function of the extensive tightening that has taken place on NIM moderating.

Moderator: Thank you, sir. As that was the last question for today, I would now like to hand the conference over to Mr. Puneet Sharma for closing comments. Thank you, and over to you, sir.

Puneet Sharma: Thank you, Michelle. Thank you everybody for taking the time to speak with us this evening. If any of your questions remain unanswered, please feel free to reach out to Abhijit. We would be happy to pick those questions up and respond to you. Thank you and have a good evening.

Moderator: Thank you, members of the Management. On behalf of Axis Bank, we thank you for joining us and you may now disconnect your lines. Thank you.