Axis Bank's Q4 FY22 Earnings Conference Call

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Moderator: Ladies and gentlemen, good day, and welcome to the Axis Bank Conference Call to discuss the Q4 FY'22 Financial Year-ending Results as on 31st March 2022.

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As a reminder, all participant lines will be in the listen-only mode, and 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 '*' then '0' on your touchtone phone. Please note that this conference is being recorded

On behalf of Axis Bank, I welcome all the participants to the conference call once again. On the call, we have Mr. Amitabh Chaudhry -- MD & CEO; Mr. Puneet Sharma – CFO; Mr. Rajiv Anand -- Deputy M.D.; Mr. Ravi Narayanan -- Group Executive and Head, Branch Banking, Retail Liabilities and Products; and Mr. Sumit Bali -- Group Executive and Head, Retail Lending and Payments.

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

Amitabh Chaudhry: Thank you, Nirav. Good evening and welcome everyone. Financial year '22 was yet another extraordinary year. You could say these kind of years are coming thick and fast now. We had the impact of wave 2 in the first half, a strong rebound thereafter, and macroeconomic headwinds because of war, and rising inflation by the time we ended it. At Axis Bank we took these uncertainties in our stride and viewed them as opportunities to redraw the baseline in multiple business segments. We gained market share in them and we made significant progress on our journey of distinctiveness. This has been possible through the collective efforts of our employees and partners who serve the needs and aspirations of our customers.

I will share with you how we have fared on the execution of our strategy in the years gone by. Puneet will give you the details of the financial performance.

We focused on the 3 core areas of execution to move forward on our GPS strategy

A. Deepening a performance driven culture
B. Strengthening the core
C. Building for the future

Let me now discuss each one of these in further detail:

A. Deepening a performance driven culture

Growth has accelerated across the Bank, driven by a culture of high-performance and relentless execution.

1. First, we have lifted the growth trajectory:
   - Our CASA deposits on period end basis have grown at a CAGR of 15% in last 3 years and 16% YOY in FY22, led by our focus on granularization and premiumization of deposit franchise.
   - On advances, we continue to grow faster than the industry with overall advances growing at a CAGR of 13% in last 3 years while the growth in our focus segments (comprising Mid corporate, SME, Small Business Banking and Rural) has been higher at 17% CAGR in last 3 yrs.
   - On credit cards, we are seeing huge customer interest in our proposition. We have grown 26% over last year and we issued a total of around 2.7 million cards during FY 22.
   - We have gained significant incremental market share of 31% in 11MFY22 on merchant acquiring business. We are the second-largest merchant-acquiring bank in the country with an installed capacity of 9.52 lakh terminals.
   - We have built our Burgundy franchise to be one of the top brands in Wealth Management space. We now have an AUM of 2.6 lakh crores, growing at a strong 25% CAGR in last 3 years.

2. Improving profitability metrics.
   - Net interest income has grown at a CAGR of 15% in last 3 years despite the Covid challenges
   - PAT CAGR has been 41% in last 3 years
   - Our subsidiaries continue to deliver industry leading performance and remain an integral part of our 'One Axis' strategy. They delivered 51% CAGR in profits in last 3 years crossing the Rs 1,195 crore mark and contributed 80 bps to Q4FY22 (annualised) consolidated RoEs of around 16.67%.

I would like to reiterate that our aspirations are bigger and we continue to work to raise our performance on margins.

3. Fostering a winning mindset

There is a positive cultural change in the bank on our ability to stand out in the market. This is reflected in Axis Bank delivering many industry firsts and winning external recognitions for its performance. During the quarter, we were awarded IFR Asia's Asian Bank of The Year and the India Bond House Award for our breadth of coverage and depth of expertise in the Asian investment banking space. In Slide 5 of our presentation we have listed our awards and achievements across various segments.

This winning mindset is also seen in our business performance with multiple ‘all-time highs’ that we recorded during the year.

- New granular liability relationships acquired have continuously trended upwards over the last three years, touching new highs. In Q4, we opened 2.4 mn liability relationships, up 30% YOY, taking the total accounts opened in FY22 to new highs of 8.6 mn, up 29% YOY.
- We added highest number of salary accounts during the year - 1.5 mn new accounts with all time high balance contribution from them, reflecting growth in both quality and quantity.
- On the wealth management side, we saw highest ever gross mutual fund sales for over Rs 21,200 crores and alternate investments of over Rs 2,300 crores in the year
- We issued our highest ever quarterly, new credit cards at 1.1 million in Q4. In February 22, we were the largest issuer of credit cards (on net basis) in the industry.
- We crossed a significant milestone of 2 million Flipkart Axis Bank Credit Cards in force. We also entered into a strategic partnership with Airtel that will help us to offer credit cards and various digital financial offerings to Airtel’s 340 million customers. There are more partnerships in the pipeline.
- Retail disbursements for Q4FY22 were highest ever for any quarter, growing 21% YOY.
- The acquisition of Citi’s consumer banking franchise further builds on this momentum and reflects our desire to win in our focus customer segments.
- Our ‘One Axis’ philosophy has been a key area of distinctiveness in the Wholesale Banking segment. In SME we have seen highest ever contribution from new business underwritten during the year with 53% YOY growth. Similarly in mid-corporate we have seen high CAGR growth of 36% over last 2 years.

B. Strengthen the core:

1. Built a strong balance sheet

Sustainability continues to remain the foundation of the Bank’s GPS strategy. We have taken concrete actions towards strengthening our policies, processes and controls. Our legacy asset quality issues are behind us as the numbers show.

- Bank’s asset quality is among the best in class – net slippages declined by 0.42% and 1.15% on QOQ & YOY basis respectively and credit costs declined by 12 bps and 116 bps on QOQ & YOY basis respectively.
- GNPAs, NNPAs and BB book are down by 244, 133 and 57 bps respectively in the last 3 years at 2.82%, 0.73% and 0.75%.

- We hold cumulative non-NPA provisions of Rs. 12,428 crores and standard asset coverage ratio of 1.77% among the highest in the industry with one of the lowest restructured portfolios of 0.52%
- Our balance sheet buffers remain strong with PCR of 75%. The Bank's strong balance sheet and healthy capital with CET 1 ratio of 15.28% ensures that we enter this cycle from a position of strength.

Deepak Maheshwari, Bank's Chief Credit Officer, played a key role to help us establish the right underwriting framework and credit culture in the wholesale Bank over the last three years. We had persuaded Deepak out of his retirement to guide us on this journey. He would be moving on upon completion of his contract on 30th April, however he will continue as Board member of Axis Finance.. We sincerely thank him and wish him the very best. He has built a strong team that will sustain our credit and risk culture.

2. Building next generation technology architecture

Technology is at the core of the future-ready Axis we are building. We continue to make significant investments in building digital and new age tech capabilities, invest in talent and work on transformation projects across our businesses. Our IT team strength has grown by 75% over the last 24 months with focus on modern engineering skills. Overall, our tech spend has gone up by over 2x in last 2 years.

On cloud, our leadership continues. We have been the first among peers to create 3 landing zones (AWS, Azure and GCP) to support our multi-cloud strategy. We already have 55+ of our critical applications on Cloud.

Our efforts to modernize the core received external recognition during the quarter with International Data Corporation recognizing the Bank as Asia's Best in Infrastructure Modernization Program at the 2022 Financial Insights Innovation Awards.

We have built Data stack 3.0. which is a cloud based, real time, flexible architecture covering structured and unstructured data. We now have a rich nudge library towards making customer journeys more impactful and personalised. Further through our initiative on universal underwriting, we are building capabilities to underwrite a significant section of the lendable population in India.

3. Organization wide transformation projects to accelerate our GPS journey

We have 19 transformational projects being managed directly by our management committee members. The strong rhythm and rigor that we have built across our distribution engine – led by these transformation projects - are reflecting in our acquisition numbers.

C. Build for the future

Investments to position ourselves favorably for the future continue.

1. Digital continues to be an area of relentless focus. The impact of this is now visible across the business segments.
    - This quarter we launched new digital lending programs including Account aggregator based lending, usage of alternate data based underwriting programs etc.
    - New products that we launched continue to see good traction – BNPL witnessed QoQ growth of 50% in GMV for the quarter. Retention rates are very healthy at 70%+. Digital Merchant cash advance, a new product we launched in Q3 this year targeted at small merchants has witnessed 12x QoQ growth in terms of volumes.
    - 68% of our FDs are opened digitally. We have launched New to Bank FD opening on our platforms and also with partners.
    - We have entered into over 80 partnerships at both product specific level using APIs and white labelled banking. We have 300+ APIs among the largest set of open banking APIs for external partners
    - On UPI, our market share stood at 15% and we managed more than 25 million transactions daily with amongst the lowest rate of technical declines for remitter transactions. We now have ~ 5.6 million non-Axis Bank customers using our Axis mobile and Axis Pay apps
    - Our Corporate Digital project 'Neo' has made strong progress and the first journeys have gone live in Q4.

2. Bank-wide programs to build distinctiveness

During the year, we launched 'Sparsh', our customer experience transformation initiative. This is a multi-year program to embed 'customer obsession' across the bank and building distinctiveness.

The 'Bharat Bank' initiative is running ahead of timeline. The Bharat Bank segment delivered a strong 34% QOQ growth in disbursements in Q4FY22. We also achieved highest ever monthly disbursement in Mar'22 across all the major product segments.

The Bank is working towards expanding its footprint in rural and semi urban geographies by using the existing BC network and leveraging the vast network of common service centres (CSCs). Over 40,000+ Village Level Entrepreneurs have been identified as Business Correspondents across 2,065 branches.

3. ESG has Bank-wide sponsorship

During the year, we saw an improvement in our ratings across assessment platforms like S&P Dow Jones, MSCI and CDP. We featured in the prestigious FTSE4Good Emerging Index for the fifth consecutive year in 2021.

During the year, we entered into USD 300 million loan guarantee program with GuarantCo towards accelerating the E-Mobility eco-system in India. Also, we recently signed an initial outlay of $150 mn Partial Guarantee Facility Agreement (PGFA) with the Asian Development Bank (ADB) to support supply chain financing with focus on ESG and priority sectors. Further, the Bank also committed affordable finance of up to $150 million through SAMRIDH, an initiative supported by the United States Agency for International Development (USAID) towards strengthening India's healthcare infrastructure.

Before I conclude, let me touch upon the key financial highlights for the quarter, Puneet will later provide detailed updates. On a sequential basis our performance has been strong, key growth measures quarter over quarter are as follows:

- CASA growth of 7% period end basis
- Deposits growth of 6% period end basis
- Retail assets loan growth of 9%
- Bharat Banking loan growth of 34%
- Fee growth of 12%
- Core operating profit growth of 8%
- PAT growth of 14%

The above performance has been a direct outcome of our rigorous execution of GPS strategy over the past 3 years and the initiatives that I just highlighted in the earlier themes.

In Closing:

We have strong momentum going into FY 23 and we will continue our steady upward movement on business and financial metrics. There is a positive cultural change within the Bank. We remain optimistic and confident about our future. I will now request Puneet to take over.

I will now request Puneet to take over.

Puneet Sharma: Good evening ladies and gentlemen. Thank you for joining us this evening. I will discuss the salient features of the financial performance of the Bank for Q4FY22 and FY 22, focusing on our:

1. Operating performance
2. Capital and liquidity position
3. Growth across our deposit franchise and loan book
4. Asset quality, restructuring and provisioning

We have consistently stated that we have been focused on strengthening our core businesses and ensuring that our balance sheet is resilient across cycles. I am happy to state that we have been able to deliver on both objectives. Amitabh spoke at length on the progress made on each of our businesses and transformation initiatives and key sequential metrics, my focus will hence be on our financial performance.

Our operating performance is robust, YOY improvements are reflected through growth in NII, operating profit and PAT. On a sequential basis business traction is visible through strong growth in granular retail fee, core operating profits and PAT.

NII for Q4 FY 22 stood at Rs. 8,819 crores, representing a YOY growth of 17% and sequential QOQ growth of 2%. Rs 83 crore of Net Interest Income was prudently reserved as it related mainly to (i) realized interest on a NPA investment account where Principal is still outstanding; (ii) a contested arbitration order where interest has been awarded against the bank and (iii) other miscellaneous items. This impacted NIMs for the quarter by 4 bps

NIMs for Q4 FY 22 stood at 3.49%, at the higher end of our indicated range last quarter of 3.45% to 3.50%. NIM's declined sequentially by 4 bps and 7 bps YOY.

Improvement in NIMs over the medium term will be driven by; (i) Balance sheet mix shift from investments to loans and within loans the currency / segmental / product composition towards better-yielding assets; (ii) continued improvement in low-cost deposit base and quality of deposit, and (iii) reduced share of low-yielding RIDF bonds (at 3.54% of assets in March 22, down from 4.75% of assets at March 21).

The improving liability franchise has resulted in cost of deposits declining by 25 bps YOY. The Bank has been improving the risk profile of its loan book. Our NII as a percentage to average risk weighted interest earning assets, stands at 7.11%, improving 20 bps YOY.

Non-interest income for Q4 FY 22 stood at Rs. 4,223 crores, representing a YOY growth of 19 % and sequential QOQ growth of 10%. Our fee income stood at Rs 3,758 crores, growing 12% QOQ. 91% of the fee is granular. 66% of our fees come from our retail business and balance from our wholesale franchise. The fees for the quarter is after giving effect to some customer focused actions taken by the Bank, including reducing fee across many charge types mainly in the retail liability area in Q3. Despite that:

- Total retail fee grew 14% YOY and 14% QOQ
- Fees from retail assets (excl. cards) grew 41% YOY and 16% QOQ
- Fees from third party distribution grew 23% YOY and 31% QOQ
- Transaction banking fee grew 11% YOY and 6% QOQ
- CBG fee grew 4% YOY and 38% QOQ

Operating expenses to average assets stood at 2.17% for Q4FY22 within our indicated range of 2.20% that was called out last quarter, higher by 21 bps YOY and higher by 2 bps on sequential quarter basis. Operating expenses for the quarter stood at Rs.6,576 crores, growing 23% YOY and 4% QOQ.

The sequential QOQ increase in rupee crore expenses can be attributed to the following reasons: (i) ~ 47% linked to volume; (ii) 51% to one-time expenses; (iii) ~ 17% attributable to collections expenses, offset by (iv) BAU and statutory expenses declining by 15%. One-time costs in the quarter relate to reclassification of provisions into operating expenses and the proposed Citibank acquisition related expenses debited to the P&L

Technology spends grew YOY by 56%. Staff costs increased by 13% YOY and declined 3% QOQ. We have added ~ 7,500 people from same period last year mainly to our growth businesses and technology. We have continued to maintain the social security code provisions. The cumulative social security provision in the books of the bank stands at Rs 225 crores.

Other operating expenses grew 27% YOY and 7% QOQ - mainly attributed to higher business volumes, higher collection expenses, one-time transaction expenses relating to business purchase transaction etc.

The YOY increase in rupee crore operating expenses can be broadly bucketed to the following reasons: (i) ~ 38% is volume linked; (ii) ~ 24% is attributable to investing for future growth of the franchise and technology; (iii) ~ 11% is attributable to collections expenses, covid expenses and statutory expenses and the balance ~ 27% is BAU expense growth.

Operating profit for Q4 FY 22 is Rs 6,466 crores, growing 13% YOY and 5% QOQ. Core operating profit for Q4 FY 22 is Rs 6,235 crores, growing 9% YOY and 8% QOQ.

Provisions and contingencies for the quarter were Rs 987 crore, declining 54% YOY and 26% QOQ. The provisions and contingencies for Q4FY22, include prudent additional provisions of Rs 576 crores. The Bank has not utilized any of its COVID-19 provisions in the current quarter. This is entirely prudent and in no way a reflection of the credit risk on the books of the Bank.

Annualized credit cost for Q4 FY22 is 0.32%, declining by 116 bps YOY and 12 bps QOQ.

Profit after tax stood at Rs 4,118 crores, growing 54% YOY and 14% QOQ. Annualised Q4FY22 ROE% stood at 15.87%, improving 415 bps YOY and 168 bps QOQ.

The strength of the balance sheet is reflected through:

The cumulative non NPA provisions at March 31, 2022 at Rs 12,428 crores, comprising (i) Covid19 related at Rs 5,012 crores; (ii) Restructuring provisions of Rs 1,411 crores, which are at first bucket NPA rates and (iii) weak assets & other provisions of Rs 6,005 crores.

Our provision coverage [(all provisions NPA + Non NPA)/ GNPA)] stands at 131.69%, improving 1188 bps YOY and 212 bps QOQ.

The Bank is well capitalized and is carrying adequate liquidity buffers.

- Our total capital adequacy ratio including profit for 12M ended March 31, 2022 is 18.54% and our CET-1 ratio is 15.24%. The prudent COVID provision translate to a capital cushion of 60 bps over and above the reported capital adequacy.
- Our average LCR ratio for the quarter was over 116% increasing sequentially by ~ 150 bps QOQ. Our excess SLR was Rs 96,190 crores.
- The RWA% of the Bank at March 31, 2022 stands at 61% as compared to 63% at December 2021 and 64% at March 2021. This improvement in RWA% is reflective of the quality of business being done by the Bank.

Growth across our liabilities and loan franchise

Amitabh discussed the strong progress made on the liability franchise in his opening remarks. Please refer slide 21 and 22 for further details.

We did witness some healthy liability inflows towards the end of the quarter and hence on an MEB basis sequential SA growth was 6%; CA growth was 9%, term deposit growth was 6% and total deposits growth was 6%

Our overall loan book grew 15% YOY and 6% sequentially. Our loan book continues to remain balanced with retail advances constituting 57% of the overall advances, Corporate loans at 32% and CBG at 11%.

Retail

- The book represents healthy characteristics with ~ 80% of the retail book being secured
- Retail loan book grew 21% YOY and 9% sequentially led by secured products like Home loans (18% YOY), LAP (29% YOY) and SBB (60% YOY)
- Disbursements to unsecured products continued to grow with personal loans disbursements growing 23% YOY and 24% QOQ

Wholesale Banking Coverage

- We are progressing well in our endeavor to build a profitable and sustainable Corporate Bank. The Wholesale book grew 4% YOY and was flat QOQ. Details of rating composition, incremental sanction quality is set out on slide 41.
- We continue to have strong positioning in GST and RTGS payments with market share of ~ 9% each.
- The offshore wholesale advances which are largely trade finance related, grew by 42% YOY. The growth in our overseas corporate loan book is primarily driven by our GIFT city branch exposures. 96% of the overseas standard corporate loan book is India linked and 94% is rated A and above.

Commercial banking

- Commercial banking book grew 26% YoY and 13% QOQ.
- CBG CA deposits on QAB basis grew by 25%. The overall fees from CBG increased 38% QOQ, CBG customers contributed 24% to burgundy franchise in terms of Q4 sourcing. Each of these reflect the quality of strong relationship led franchise we are building.
- Our ECLGS share is low and dominantly to 1 and 2. Asset quality metrics in CBG segment has held up very well, with net slippages of Rs 85 crores, negligible restructuring and substantially improved PCR for this segment to 75% as of March 22 from 52% as at end of March'20.

Coming to the performance of our subsidiaries

Detailed performance of the subsidiaries is set out on Slides 70 to 76 of the investor presentation.

The One Axis Strategy is playing out well. Subsidiaries contributed 80 bps to the consolidated Q4FY22 (annualised) RoE of 16.67%. The domestic subsidiaries reported a total net profit in FY22 of Rs 1,195 crores, up 44% YOY. This translates into a return on investment of 54%.

Axis AMC: Axis AMC has been one of the fastest growing AMC for the last 3 years with average AUM growth of 32% and 43% in FY22 and last 3 years, respectively. Axis AMC's full year PAT grew 47% to Rs 357 crores.

Axis Finance: Delivered strong growth as a full-service customer focused franchise offering retail as well as wholesale lending solutions. In FY22 disbursement grew 67% YOY. Around 31% of disbursements are coming from Retail now, with Retail book at 33% of total loans up from 3% in last 2 years. Within wholesale, focus remains on well-distributed and granular book.~75% of the Corporate Book is rated A- or above. AFL's book quality continues to be strong with net NPA of 0.46% and negligible restructuring. Axis Finance's FY22 PAT grew 72% to Rs 364 Crores, with RoE of 20% and healthy CAR at 20%.

Axis Capital: Axis Capital continues to maintain its position amongst the top in ECM segment. It completed 44 ECM deals. It's FY22 PAT stood at Rs 200 Crores, up 20% YOY, RoE improved from 16.4% to 32.8% in last 3 years

Axis Securities: The broking revenues for Axis Securities grew 36% and 56% in Q4 & FY22 respectively. Its FY22 PAT was up 40% and RoE improved from 15.5% to 38.7% in last 3 years

Asset quality, provisioning and restructuring

Our direct exposure to Russia and Ukraine domiciled companies and students studying in these countries is negligible and stands at ~ Rs 21 crores.

Overall asset quality has been improving sequentially for the Bank, as we had indicated last quarter. The GNPA, NNPA and PCR ratios for the Bank, and segmentally for Retail, SME and Corporate is provided on slide # 59.

- GNPA% at 2.82%, improved 88 bps YOY and 35 bps QOQ.
- NNPA% at 0.73%, improving 32 bps YOY and 18 bps QOQ. At March 31, 2022, we have nil net exposure to ILFS entities, 3 Future entities, SREI entities that are being reviewed by RBI.
- Healthy PCR of 75%, improving 237 bps YOY and 269 bps QOQ.

Gross slippages for the quarter were Rs 3,981 crore, lower by 25% YOY and 4% sequentially. Gross loan slippage ratio for the quarter stood at 2.38%, improving 121 bps YOY and 21 bps QOQ. For the quarter 54% of the gross slippages are attributed to linked accounts of borrowers which were standard when classified or have been upgraded in the same quarter.

The bank has a rule based write off policy for our retail and CBG business. The net slippage in the quarter would be negative Rs 502 crores adjusted for recoveries and upgrades of Rs 3,763 crores and recoveries from written off accounts of Rs 719 crores.

Consequently, Net NPA slippage for the quarter was Rs 218 crores declining by 75% QOQ and 88% YOY. Net NPA slippage ratio for the quarter on an annualized basis is 0.13%, improving 115 bps YOY and 42 bps QOQ. On a segmental basis, retail net NPA slippage was Rs 193 crores, CBG was Rs 85 crores. WBCG net NPA slippage for the quarter was negative Rs 60 crores

Standard Covid restructuring under 1 and 2 stands at Rs 4,029 crores and is 0.52% of GCA. Overall provision coverage on restructured loans stands at 24%, with 100% provision on unsecured retail loans. We collected 4% from the restructuring book during H2FY22.

BB and Below pool of the bank declined 26% YOY and 18% sequentially. Upgrades and recoveries in the quarter aggregated Rs. 1,671 crores constituting 15% of opening BB and below book. New downgrades in the quarter were Rs 372 crores. More details of BB and below pool and restructuring have been provided on slide 60 of our investor presentation.

For the full financial year FY 22, the key numbers are as follows:

- NIMs stand at 3.47%, as compared to 3.53% in PY
- NII stands at Rs 33,132 crores, YOY growth of 13%
- Fee stands at Rs 13,001 crores, YOY growth of 22%
- Operating profit stands at Rs 24,742 crores, YOY growth of 7%;
- Cost to assets stands at 2.17%, increasing by 21 bps YOY
- Credit cost at 0.72%, improving 96 bps YOY
- PAT stands at Rs 13,025 crores, increasing 98% YOY
- GNPA at March 22 was 2.82%, declining 88 bps YOY
- NNPA at March 22 was 0.73%, declining 32 bps YOY
- ROA % at 1.21%, improving 51 bps YOY
- ROE% at 12.91%, improving 536 bps YOY

As I close, we summarise the Bank's journey so far and broad outlook on key and performance drivers:

- Our balance sheet resilience is visible through strong capital adequacy, legacy NPA issues behind us with NNPA at 0.73%, limited covid restructuring at 0.52% of GCA.
- Consistency and quality of granular liability growth is visible. The average CASA balance to average deposits ratio has improved to 43%.

- Growth is healthy in our granular businesses, both secured and unsecured. Focus growth segments like retail and within wholesale comprising like SME and Mid Corporate with better RAROC continue to grow faster at 21%, 26% and 45% respectively.
- Consolidated Q4FY22 annualised ROE of 16.67%, domestic subsidiaries now contribute 80 bps consolidated ROE
- We remain committed to invest for our long term future and would not hesitate to spend more on transformation projects, upfronting technology investments and granular growth. This could then lead to negative impact on cost to assets ratio in the short term.
- We continue to closely monitor two key variables (i) Geopolitical risk and its first and second order impact on inflation, liquidity and growth and (ii) the potential future Covid waves and resultant government policy action.

We would be glad to take your questions now. Thank you.

Moderator: We will now begin the question-and-answer session. First question is from the line of Mahrukh from Edelweiss Financial Service. Please go ahead.

Mahrukh: I have three questions. My question really is that in terms of your cost-to-asset ratio, the guidance you have given on standalone numbers of exit rate of around 2% in 4Q '23. Is that still applicable?

Puneet Sharma: Mahrukh, thank you for your question. Yes, we had indicated previously that we will exit FY'23 at a 2% cost-to-asset ratio. We've updated our commentary on the cost-to-asset. And like I said earlier in my opening remarks, we believe that this is the right time to invest for the long-term future of the franchise and make sure that we spend the right amount of money to deliver our transformation projects and get to upfronting our technology investments to support the granular growth you have seen through the last few quarters. And therefore, we do expect in the short-term expenses to increase. As of now, we are moving away from the 2% exit guidance that we have previously provided and we will guide at a future date on what that number could be, but as on date we are not offering an updated guidance to the 2% number.

Mahrukh: My next question is on your transfer of standard assets to ARC. Could you tell us what sectors?

Puneet Sharma: Mahrukh, we have not transferred standard assets to ARC. We have one transfer which is an NPA of Rs.215.78 crores that we sold to an ARC in the quarter. That NPA was fully provided prior to sale, and we have an aggregate realization of Rs.63.4 crores against that sale. So that's net accretive to P&L. That is the only asset we have sold to an ARC.

Mahrukh: Just to repeat, in case of SREI and Future, net exposure would be zero in your book, correct?

Puneet Sharma: Yes, Mahrukh, that would be correct.

Moderator: The next question is from the line of Rohan Mandora from Equirus. Please go ahead.

Rohan Mandora: In the opening comments, you indicated that the NIM expansion incrementally will be driven by mix changing on the asset side as well some investment to advances. So sir, if I do a back-of-the-envelope calculation basis the LCR you have disclosed of 116%, there is a potential of 8-10 basis points NIM expansion there. And other than that, on the loan mix side, how do we envisage the NIM expansion coming, like, which are the segments where we will look to grow faster and also would we look to take certain measured credit risks to increase the yields?

Puneet Sharma: Two parts to the response which is: Our focus segments, as we look to grow on the wholesale side, we've called out is the mid-corporate segment. We've already delivered strong sequential quarter growth on the commercial banking segment that we have. So, on the wholesale side, those would be the two segments that we will continue to look to grow in a granular fashion. On the retail side, we have previously said that we are comfortable now taking on incremental unsecured exposure. That should be NIM-accretive, but I just want to clarify that, all of our incremental NIMs will be accretive even on a risk adjusted basis. So it is not that we will add NIM and add credit cost on a net risk adjusted basis. We will see an accretion to the P&L. That will be the loan segment shift that we alluded to in the opening comments. Further, we could potentially also have a currency composition shift, where the rupee book grows faster than the dollar book accreting to NIM as we move forward. So those would be the asset side NIM drivers other than our RIDF book reduction that we spoke of. So those are the three drivers to the asset side, NIM and yield improvement.

Rohan Mandora: Second was on the savings deposit. If we look at the number of accounts that have grown year-on-year, that's almost 35% increase. But if we look at the retail SA balances, that's gone up by 16%. So if you can share some details on how is the customer profile in terms of new accounts opened and also what is the average balances there vis-à-vis the entire book average balances in the savings account?

Ravi Narayanan: Thanks for the question. I think the way we look at savings account is that any acquisition that we do during the year has always a phase lag in terms of how they build up balances. The approach to the savings book is not to focus too much on the account, but at the customer who is behind that account. And our approach is to see that we kind of look at it in terms of product penetration that we want to do with them. That is reflected in the kind of profile of customers that we want to acquire. And as you would have heard Amitabh and Puneet talk of, we are trying to move towards a profile which is also inclusive of the premium segment, and therefore there is an uptick move in terms of the premiumization that we are doing. And that gets reflected in the continuous growth that we are seeing in terms of the ticket sizes that are available. The savings account is also contributed towards the salary book. That is something that we are using as one of our focus areas as we go into doing some of the transformation projects that we are doing. And therefore a combination of how we profile customers, how we scope the catchments in which our bank branches are and look at including the premium segments also, plus an overlay of opportunities of salary corporates that we are catering to. So, all this combines together to help us look at savings accounts.

Rohan Mandora: How are we placed on PSL?

Amitabh Chaudhry: So, as far as PSL is concerned, this year we have met the PSL requirements for the second year in a row across all the categories. Obviously, whatever money we spend in buying certain certificates, it's obviously been taken through the P&L.

Rohan Mandora: What is the total deposits within the Burgundy AUM?

Puneet Sharma: We don't disclose that amount separately. We disclose the Burgundy AUM on a consolidated basis. The Burgundy proposition and its delivery are set out on slide #37 of our investor presentation.

Moderator: The next question is from the line of Adarsh Parasrampuria from CLSA. Please go ahead.

Adarsh: A couple of questions. What's happening in the retail TD book? The momentum has just been too sluggish in the last few quarters. Good part of the growth being funded by the retail TD.

Ravi Narayanan: What we are trying to do is look at retail TD as a vector where we are trying to address constitution-based approach. Our entire effort through the last couple of years has been to correct our approach towards the individual side. And while it is slow, but there has been some stock corrections on the constitution side that we have been parallelly doing. And a combination of that hopefully as we go forward, focus on the individual and small business elements will see us getting an improvement over the next few quarters. So that's the way I would put it. So it's a part correction as well as increased focus which is going to take us there.

Adarsh Can you tell me what correction like what's the part that you felt needed a correction and how long is that journey? because it's like one of the most important numbers that we were highlighting and kind of been quite sluggish this year?

Ravi Narayanan: So the correction is based on fact, as we started this journey couple of years back, our effort had been to ensure that we moved from what we call as constitution-based non-retail term deposits to individual focused term deposits and our product penetration on the term deposits in the individual space as I mentioned in the earlier question on savings is what we have been trying to kind of get the engine moving on. And as we push that engine of growth on the individual TD side, we are definite that over the next few quarters, the retail term deposits will also start delivering.

Amitabh Chaudhry: So, Adarsh, what Ravi is trying to say in very simple words is that when we move towards constitution-based TDs, there are part of retail term deposits which are getting reclassified as non-retail term deposits. That's part of that journey to do constitution-based deposits. So when you look at the RTD, obviously, that number shows the lower growth while an NRTD shows a higher growth. So, we are trying to correct it. But, yes, the core growth is there but because of this reclassification, the number is obviously muted.

Adarsh: Amitabh, a feedback and a question. When we had this build up in cost run rates over the last few quarters, I'm sure you would know that you got to invest and it's a good time to invest. So what I'm trying to understand is what's changed in a few months for you to not have visibility of how OPEX will pan out… like what's changed in the last few months?

Amitabh Chaudhry: No-no. I'll give you where we're coming from. When you start getting the traction which we're getting say in our credit cards or MAB or retail assets space or when you are investing in some technology projects which we believe again we are getting the results. You have a choice to make. One is that do we not go for that growth and kind of be in a middling range and not have those expenses in place or you actually go and spend that money upfront to some extent and it reflects in long term the right kind of return on equity, the right kind of returns for you. So that's a choice we are making. We have seen great traction in the last quarter and we are asking ourselves, does it make sense to stick to that number or does it make sense to actually if the opportunities come before us, continue to spend and get obviously much larger longer-term benefits. So that's point number one. Second, if you look at our net slippages, if we spend the right kind of money on collections, we are seeing a better return in terms of what we are collecting. Expenses are coming in the expenses line; the benefit is coming in some other line. So we are continuing to meet our requirements for PSL and obviously that also goes through the P&L. So there are some of these expense items where the choice is between sticking to a revenue line or saying that no, we spend this is good for the long term and the equity for the Bank. So that's the choice you're making. Nothing has really changed. We are seeing better traction, the momentum is there and we don't want to restrain ourselves because we have talked about expense and revenue number. Hopefully, we can balance it. When we have a better idea, we'll share it with you.

Adarsh: Is there a thought that because the credit cycle is like quite benign, every Bank's reporting under shooting of credit cost. Does that allow you some space to spend and invest?

Amitabh Chaudhry: We are very clear. We have worked too hard to get to this level of our assets profile and what kind of quality of assets we have created. So there are guardrails which we have set for ourselves, but we do believe opportunities exist, our market share on advances had gone up to 6%. We do believe and you look at the numbers for example in Bharat Banking. So we do not want to restrain some of our businesses by saying, Oh, because we have to meet cost-to-assets guidance, we are not going to allow it to grow. So if the opportunities are out there which we are seeing as we speak, we will grow, but within the defined guideline. So I just want to be clear. This will not be at the cost of putting on riskier assets for the sake of doing it because we have to deliver a certain growth. But, yes, when we do it, there are some upfront expenses which are required, you have to invest in the infrastructure and resources when you're working with partners, some upfront spend is required and we will obviously be assessing each of these opportunities and deciding whether it makes sense to grow that much faster or at a lesser pace, which could mean that it would come in the way of our 2% cost-to-assets ratio. As and when we have a better idea, we'll share it with you.

Moderator: The next question is from the line of Kunal Shah from ICICI Securities. Please go ahead.

Kunal Shah: The question was on the employee side. When we look at the quarter-on-quarter decline in the employee count and we are seeing that impact even in terms of the lower employee cost. So what is actually getting into almost like 750-odd employee count being lower quarter-on-quarter?

Amitabh Chaudhry: It just shows our ability to be able to manage costs when we want to. I think it was very important for us. We have invested in the business. It was important to ask ourselves, are the resources productive to the extent we want, are we getting whatever we need to get out of each of the resources. As a result, as the management team, we decided that we need to tighten our screws a little bit, and in that process when we did that we were able to obviously see a reduction in staff cost, which should tell you that we're not just throwing people at revenue, we are being very conscious of are we getting the right productivity in all of the businesses and that's the mantra we will continue to use in this current year and the years going forward. So everyone is being asked to justify when they're spending money as to how the productivity numbers are moving and this obviously includes both, the cost of people employed by the Bank directly and through outsourcing. So that is being watched very-very carefully.

Kunal Shah: Secondly, in terms of this notes-to-account wherein there are loans which are transferred on the corporate side, so what is the nature of these loans and is anything to do with the provisioning because last time when we look at it standard and the non-

NPA provisioning was Rs.13,400 crores, now that is down to Rs.12,400 crores. So what is the impact of that Rs.1,000-odd crores which is coming on a quarter-on-quarter basis?

Puneet Sharma: Kunal, two things. First and foremost, let's talk about the standard asset provision. You would recollect that at the end of Q4 of last year, we had a 100% provision on security receipts. So we had a security receipt portfolio that carried 100% provision, reported on a net basis. The reduction in the standard asset provision is nothing but a markdown of that portfolio. So we've netted the provisions off against the investments. And that has caused the reduction in both the SR figures as well as the standard asset provision number. So there is no utilization, it's a simple markdown. To your second question in the AFR of corporate segment assets transferred, first and foremost, they are standard assets that are transferred. Second if your reference is to the Rs.5,068 crores number, it's principally our syndication business, it's loans that we underwrite and then can syndicate by virtue of provision. That is the outflow disclosure as required by RBI. So there is an inflow number and an outflow number, both relate principally to our syndication.

Kunal Shah: When we look at the net NPA, and the BB and below book, and the overall provisioning that we are carrying, and the trend has also been declining, are we very much confident in terms of how the credit cost would pan out and would we like to give some guidance for FY'23-24 because it has surprised all of us over last three quarters?

Amitabh Chaudhry: Kunal, before Puneet answers the question, let me just say that I want to emphasize the point, today, we have reached a point where we believe when we compare ourselves to some of the other players, our asset quality is best-in- class, our provisions are some of the highest, our restructuring book is the lowest. And it is not driven by what we are seeing in our portfolio, it is driven by our desire to become a conservative financial institution in terms of what policies and provisions we follow. I just want to register this point. It's very-very important because we've worked very hard to get here. Puneet, now you want to add the numbers?

Puneet Sharma: Kunal, I think Amitabh has covered the response to your question on guidance. We don't offer guidance on that.

Kunal Shah: But having said that maybe now we are well covered, so the confidence would also be high in terms of managing it well over next couple of years as well looking at the last couple of quarters trajectory?

Amitabh Chaudhry: As I said in my opening remarks and so has Puneet, that we remain optimistic and are confident about our future. We have said it.

Moderator: Next question is from the line of Parag from White Oak Capital. Please go ahead.

Parag Jariwala: Just extending the cost-to-asset thing which you have mentioned that it is difficult to give any guidance, but just want to know that in near term what happens to the return ratios? Main thing is basically let's say your cost-to-income ratio in a kind of remains elevated for a few more quarters or a year, will you be able to manage the overall return profile through some other line items or you think that in near term, the return ratios outlook also kind of come off with respect to cost-to-income staying elevated?

Puneet Sharma: I think one, we stay committed to the aspirational ROE of 18% which we set out, we are committed to the fact that we have visibility of 16%, 16.5% ROE, and despite our comments on cost, we believe both of our earlier comments stand steady over our plan period. Therefore, there is no revision to the ROE numbers that we are differing for.

Parag Jariwala: Not even the tenure in which you want to attend that?

Puneet Sharma: Like we previously said that we do our planning over a three-year period. The aspirational ROE of 18% is over a three-year plan, so '23 to '25. Visibility of 16.5 exists as of today for the planned period. Therefore, with that comment, we are not revising the tenor of our aspiration or our visibility despite continuing to invest in the business.

Moderator: The next question is from the line of Jay Mundra from B&K Securities. Please go ahead.

Jai Mundhra: I have three questions. One is on your airtel co-branded credit card tie-up. So clearly this is one of its own kind. Airtel does has a large captive customer base. If you can share the economics and what kind of milestones are you looking here for Axis Bank?

Sanjeev Moghe: I take care of Cards business. So, we started this journey with the Flipkart partnership which we started from July of '19. Since then we've struck a large partnership with Google as well. And Airtel was a large opportunity which we cracked, this is around mid of last year. Since then, we were able to launch this card in the period of six to seven months. It's a very large franchise. Obviously, all of us are very-very well aware of Airtel. We believe with the capabilities we've developed on risk, on technology and experience for the customers, we have the ability to forge a winning partnership with Airtel. It has just started; it's been less than 60-days, actually we launched it somewhere around 10th of March or so. As we talk of the results for first 20-days of March, we see a healthy traction and we will continue to see gains as we go along. Do you want me to elaborate something more? I'm happy to do it.

Jai Mundhra: Okay, sir. If you can highlight within what period probably this product will become break even or how does it serve the entire ecosystem approach kind of a thing if you have an answer for that as of now? and as the Flipkart has already sort of got into the break even zone or how quickly can it get there?

Sanjeev Moghe: We don't discuss product level financials any which way on this call. I think what you should know is Flipkart has touched 2 million cards right now. It's part of our declaration in this quarter and we launched it in July of 2019. Obviously, this period was also in the midst of COVID wave one, COVID wave two, etc., We anticipate Airtel to be at the same trajectory or faster than what we've seen on Flipkart. That's as much as we can put out right now.

Jai Mundhra: You have given of course the net slippages. If you can give the gross slippages on corporate, retail and SME, that would be very useful?

Puneet Sharma: If you look at it our retail versus wholesale gross slippages would be 63% retail, 37% wholesale which is wholesale plus CBG put together. I would again like to point out the fact that against the Rs.3,981 crores gross slippage number, we have recoveries and upgrades of Rs.3,763 crores. We have recoveries from written off pool of Rs.719 crores. Consequently, net for the quarter, we are negative ~ Rs.501 crores. If I ignore the recovery from the written off pool, for the quarter, we have a net slippage of an absolute value of Rs.218 crores. I think it's important to put the gross and the net in the same context. Additionally, 54% of the gross slippage is attributable to linked accounts that was standard when classified as slippage plus other standard accounts that slipped and recovered in the same quarter. So that is Rs.3,981 crores gross slippage number.

Jai Mundhra: The last question is that you have identified a few focus segments, which includes SBB and rural, and of course we are seeing very strong growth there. If you can talk about this in slightly more detail, is this sort of a low base and hence such a high growth, within rural what all products would it include, SBB I think is a normal business banking or is there anything more in these two products?

Sumit Bali: So SBB for us is Small Business Banking. It's typically comprising 80% of secured business with average ticket size of about Rs.65 lakhs and that's secured, the balance 20% is the unsecured business installment loan. Both are a strong business segment for us and we would like to grow them. The numbers speak for themselves and we continue to invest in these to have good growth ahead. And these are flow businesses. So you can imagine, it creates a very strong value proposition at the entire banking level.

Munish Sharda: Rural is a part of a Bharat Banking initiative where we are trying to drive higher business growth in the rural and semi-urban markets in the country. The initiative covers all the products of the Bank like serving the segment of customers and the geographical segments in this market. So all the rural lending products like farm finance, farm equipment finance, gold loan, microfinance, products, etc., all the retail assets and liabilities in rural and semi-urban markets are part of this initiative. We believe that driving this deeper into this market will help us achieve our higher growth ambition, higher NIM ambition, help us get more accretive PSL business, and also drive more liability growth in these markets.

Moderator: The next question is from the line of Nilanjan from Nomura. Please go ahead.

Nilanjan Karfa: Quickly on that recovery from written off assets, where is it coming from, any color, it's a very large item. So any specific situation that we had because of which this recovery came through, any sector?

Puneet Sharma: I think the way we would expect you to think about is close to of the recoveries from written off accounts have come in from the retail segment and the balance has come in from the corporate. Broadly, it would be a couple of large accounts on corporate side that have ended up being recovered. And in retail, its broad-based recovery from the written off pool.

Nilanjan Karfa: The reason for asking this question for me is, you have been articulating that we will not restructure more and we will basically take the hard path of reclassifying assets and the linked accounts as NPLs. So the question is assuming this is the path we have taken, do you see more and more upgrades? At some point, the proof in the pudding what you have been saying has to materialize. So is there a steady run rate on these numbers that we might expect going forward?

Puneet Sharma: I think the way you can look at it is in Q3, our recovery from written off accounts was Rs.800-odd crores. We've done a similar number in the current quarter. So to our commentary that we've let accounts slip and then provided for them but continued our endeavors to recover from the customers is demonstrated across multiple quarters of higher recovery amounts. We do think that's something that we will continue to pursue on a go-forward basis too. The outcome of these will get reported at every quarter-end.

Nilanjan Karfa: Accounting wise, this sits under other income, right, not in the provision line?

Puneet Sharma: Under the new RBI circular, it sits under the provision line.

Nilanjan Karfa: One thing I kind of want to highlight, I mean the guidance that you are putting out on ROE, don't mind me saying this, but it's looking like a little one year roll forward every time and I think we have sort of been maintaining about 16%, 16.5% is what is visible and rest will come at certain conditions being met. Forget about 18%, but even getting to 17%. Is there a hope that we will get there?

Puneet Sharma: I think the way you need to look at it is what I called out for FY'22 full year performance. I had said that we are at 13% which is 12.91% full year FY'22. We were at 7.6% last year. So there is around 530 basis points improvement in ROE year-on-year which in some sense should clearly substantiate to you that the journey is clearly underway, that's one. Second is in the course of our call today, we specifically called out the fact that the consolidated Bank ROE for Q4 annualized is 16.67%, which again demonstrates the fact that when we said we had visibility of 16.5%, there is demonstration of that visibility, fully taking into account that Q4 is sequentially a strong quarter, but it should give you comfort that when we say visibility exists, we meant visibility existed. To your last point that we have extended the guidance of 18% ROE by one year on a roll forward basis, our GPS strategy is a three-year strategy. We have consistently maintained from March '21 that we will get to the 18% ROE over our planned period, which was FY'25. We stay true to that and that is the aspirational number that we will want to do it. So, I think that's the four parts answer to your question, but I'm happy to take a follow on if I haven't been able to address your questions.

Nilanjan Karfa: I'll take the follow on offline, but a final question, it does look like the overall system is a little bit sluggish irrespective of inflation-driven capital requirements, etc., As a management or driving business, which side of the balance sheet is getting more difficult at least at this point in time -- is it the asset size or the granular funding side?

Amitabh Chaudhry: From our perspective, as we stand today, nothing looks sluggish, but yes, as you very rightly pointed out, things are getting tough because of the war and the second and the third order impact of that. The driving force for us to get the numbers right finally would have been the deposit growth. So we need to get that right. Once we get that right, we believe our engine can follow up with a certain amount of asset growth relatively easily, I mean, I'm not saying it is easy, relatively easy. So deposit growth is the key number for us and obviously we need to drive it. We don't want to drive deposit growth just for the sake of it. We are very clear that we need to drive granular deposit growth and that's what we're working hard towards. Do we see something today which is really bothering us? Not as of now, but, obviously, we have been very, very watchful. Everyone is bringing the economic growth forecast down for India, inflation is rising, interest rates are as predicted by a lot of people are expected to rise, the consumer inflation will hit people, it could lead to lower expenditure and so on and so forth. So yes, we are watching that space quite closely. Let's see how that pans out.

Moderator: The next question is from the line of Krishnan from HDFC Securities. Please go ahead.

Krishnan ASV: Just one particular point which has been structurally visible with Axis and just wanted your views on that, was more around the fact that you have worked very hard to get to the asset profile and the asset mix and the shape of the asset quality that you have gotten over the last four years. And because of that risk of approach, is pricing power on the asset side, something that you're finding difficult to probably imbibe, and hence are you having to work too hard on the cost side, that's what I'm trying to get at?

Rajiv Anand: I think if you look at what I said, the focus is really on increasing NIMs and focus on delivering 18% ROE. And so therefore in an environment where pricing is extremely competitive particularly at the short end for the larger corporates. Our strategy of building out the granular book through our SME, CBG and mid corporate is working well. So therefore it's not a question of risk aversion. I think the point that the previous speaker spoke about is that in general the credit risk environment is benign and is expected to be benign into the foreseeable future. The issue in the large corporate space is really about pricing. And i think pricing we do believe will begin to improve firstly when credit growth particularly in the large corporate side begins to increase, and secondly when repo rate, etc., first action by RBI will start to my mind begin to improve pricing on the large corporate side. Having said that, we continue to deepen our relationships with the large corporates. It's not as if we are not doing business with them on other fronts. Amitabh mentioned the fact that our One Axis strategy is working well with the large corporates and we are now the IFR Asian Banker of the Year. We continue to serve our customers across the capital structure, whether it is domestic equity, global bonds, local bonds, loans, etc., So some of these fees are sitting in our own fee line and some of it is sitting in for example in Axis Capital's fee income. And therefore, as long as we're able to deliver sustainable RAROC with these relationships, we are quite satisfied.

Krishnan ASV: The other query I had was around the cards business. I know there was a little bit of discussion around this. But just the acquisition of the Citi portfolio, it's a great asset to have at probably a good price as well. But generally, your approach towards running the cards business again being a little risk averse, you have stuck to existing to Bank customers. How are you sensing your own maturity in that business in terms of being able to re-risk the portfolio?

Sanjeev Moghe: I'll not touch anything on Citi, because that deal will take some time to actually fructify. I'll just talk about our strategy. We went cautious on risk in FY'21 as we saw the risk profile change with COVID, the fact is that when first wave came in, it impacted the economic cycle in the country. We went cautious at that point of time. As we've seen that change in FY'22, we have taken steps. You can look at our acquisition momentum for last Q3. We did 7.5 lakh plus cards, highest ever for us. This quarter we've done 1.1 million plus. We are confident the number of cards we put out in March is the highest in the industry ever. So these numbers are strong. What we have now with our portfolio, with our partnerships, is a very solid momentum which we expect to continue. Second, we used to have an ETB-dominant strategy with channel focus. Today, 30 percentage plus of what we do is not existing Bank customers, they are what we call some part NTB, which is new to Bank, acquired from the market, but through a very different channel, it's not DSA sourcing, etc., Second part, what we call Known to Bank, which is partners of ours. They could be customers of Flipkart, they could be customers of Google, they could now be customers of Airtel as well. Between these, we believe the risk profile is much better than what we see in NTB. However, the spend and usage patterns are very-very healthy. We believe this strategy is going to work, risk profile is good, spend pattern is pretty good and the momentum we have seen right now in Q3 and Q4 will continue. We have not been risk-averse. I don't know where that's coming from.

Krishnan ASV: No, I just meant the number one on the ETB, NTB and also the fact that consumer leverage on our portfolio is generally a little lower. But anyways I think you have answered both of these.

Moderator: I now hand the conference over to Mr. Puneet Sharma for closing comments.

Puneet Sharma: Thank you, Nirav. Thank you, ladies and gentlemen for taking the time to speak with us this evening. Please do reach out to us if there are any questions that remain unanswered. We'd be happy to take them on and let us assess them at a future date. Have a good evening.

Moderator: On behalf of Axis Bank, thank you for joining us. You may now disconnect your lines.