ICICI Bank Limited

Earnings conference call - Quarter Ended December 31, 2019 (Q3-2020)

January 25, 2020

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Moderator: Ladies and gentlemen, good day. And welcome to the ICICI Bank Q3 FY2020 Earning Conference Call. As a reminder, all participant lines will be in the listen only mode. And there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing * than 0 on your touchtone telephone. Please note that this conference is being recorded. I would now like to hand the conference over to Mr. Sandeep Bakhshi – Managing Director and CEO of ICICI Bank. Thank you and over to you, sir.

Sandeep Bakhshi: Good afternoon to all of you and welcome to the ICICI Bank Earnings Call to discuss the Q3-2020 results. Joining us today on this call are Vishakha, Anup, Sandeep Batra, Rakesh and Anindya.

Our core operating profit increased by 23.8% year-on-year to 70.17 billion Rupees in Q3 of 2020. The profit after tax was 41.46 billion Rupees in the current quarter compared to 16.05 billion Rupees in Q3 of 2019.

We continue to see healthy growth in our funding. As we had indicated earlier, the growth in term deposits has outpaced the growth in CASA deposits reflecting the systemic trends. Term deposits grew by 23.6% year-on-year to 3.8 trillion Rupees at December 31, 2019 while average CASA deposits increased by 14.6% year-on-year in this quarter.

On the assets side, the domestic loan book grew by 16.5% year-on-year at December 31, 2019 driven by retail loans, which grew by 19.3% year-on-year. The overall loan growth was 12.6% year-on-year.

Expanding our digital capabilities and leveraging partnerships are key focus areas for us. We have recently launched India's largest

API Banking portal consisting of 250 APIs which enables developers of businesses, fintechs, corporates and e-commerce start-ups to easily partner with the Bank and co-create innovative solutions in a frictionless manner, with the convenience of a single portal.

Coming to asset quality, gross NPA additions were 43.63 billion Rupees this quarter. As you are aware, during the quarter there were certain developments with respect to a broking company. Our exposure to the company has been classified as non-performing and fully provided on a prudent basis. The corporate NPA additions in this quarter also include an exposure to a South India-based industrial company where servicing is regular, but where a refinancing undertaken in 2018 has now been assessed to be a restructuring, leading to classification as non-performing by lenders to the company. The company is backed by reputed promoters and investors. Recoveries, upgrades and other deletions, excluding write-offs were 40.88 billion Rupees in Q3 of 2020. Recoveries and upgrades include a large steel account which was resolved under the IBC.

The annual supervision process of the Bank by RBI for FY2019 was concluded during Q3 of 2020. No disclosure on divergence in asset classification and provisioning for NPAs is required to be made in terms of the RBI guidelines.

We had mentioned on our previous calls that credit costs in FY2020 were expected to reduce significantly compared to FY2019 and be in the range of 1.2% to 1.3% of average advances. The credit cost for 9M of 2020 was 1.79% or 41.1% of the core operating profit. As mentioned on our previous calls, the credit cost guidance for FY2020 assumed a couple of large recoveries, including the steel account which was under insolvency proceedings. While the steel account under IBC has been resolved, recoveries from other accounts have not materialised in line with expectations. Further there was some impact on credit cost due to unanticipated developments with respect to the broking company and the industrial company mentioned earlier. As a result, the credit cost for FY2020 is likely to be similar compared to 9M of 2020.

Overall on asset quality,

- Net NPA ratio declined from 2.58% at December 31, 2018 to 1.49% at December 31, 2019
- Despite higher additions to NPA in this quarter and write-back of provisions on the steel account, the provision coverage ratio excluding technical write-offs was 76.2%, similar to the last quarter.
- We would continue to target a normalised credit cost of about 25.0% of the core operating profit.

There have been a couple of press articles in the past few months about a potential capital raise by the Bank, and we have also been getting queries from investors and analysts regarding the same. We have clarified that we are not in the process of raising capital. You would have seen that the current capital ratios are at a comfortable level with CET-1 ratio of 13.62% at December 31, 2019. We will keep evaluating the capital position and requirements depending on the market conditions, growth opportunities and regulatory developments.

As we have mentioned in the past, our focus is on growing the core operating profit in a risk calibrated manner and delivering consistent and predictable return to shareholders.

With these opening remarks, I will now hand the call over to Rakesh.

Rakesh Jha: Thank you, Sandeep. I will talk about the P&L details, our performance on growth, credit quality, performance of subsidiaries and capital during Q3 of 2020.

A. P&L Details

Net interest income increased by 24.3% year-on-year to 85.45 billion Rupees, driven by both loan growth and an increase in margins. The net interest margin was at 3.77% compared to 3.64% in the previous quarter and 3.40% in Q3 of last year. Interest on income tax refund was 0.16 billion Rupees this quarter compared to 0.42 billion Rupees in the previous quarter and 0.21 billion Rupees in Q3 of last year. The impact of interest on income tax refund and interest collections from NPAs was about 10 basis points this quarter compared to 6 basis points in Q2 of 2020.

The domestic NIM was at 4.04% in Q3 of 2020 compared to 3.92% in Q2 of 2020 and 3.72% in Q3 of 2019. International margins were at 0.38% in Q3 of 2020.

Total non-interest income was 45.74 billion Rupees in the current quarter compared to 38.83 billion Rupees in Q3 of last year.

- Fee income grew by 17.4% year-on-year to 35.96 billion Rupees in Q3 of 2020. Retail fee income grew by 25.5% year-on-year and constituted about 76.5% of overall fees in the current quarter.

- Treasury recorded a profit of 5.31 billion Rupees this quarter compared to 4.79 billion Rupees in Q3 of 2019. Treasury gains this quarter were higher compared to the last few quarters.

- Dividend income from subsidiaries was 3.67 billion Rupees in Q3 of 2020 compared to 3.24 billion Rupees in Q3 of 2019.

On Costs: The Bank's operating expenses increased by 20.8% year-on-year in Q3 of 2020. The employee expenses increased by 12.0% year-on-year and non-employee expenses increased by 26.1% year-on-year in Q3 of 2020. The Bank had 100,422 employees at December 31, 2019. During the quarter there was a write-back in provisions for retirals due to increase in yields on government securities. The increase in non-employee expenses reflects the growth and franchise building in the retail business. For the nine months ended December 31, 2019, employee expenses increased by 23.0% year-on-year and non-employee expenses increased by 19.8% year-on-year. We will continue to make investments in people, technology, distribution and building our brand. Our endeavour would be to ensure that revenues grow at a faster pace than expenses.

Provisions declined by 50.9% year-on-year to 20.83 billion Rupees in Q3 of 2020 compared to 42.44 billion Rupees in Q3 of 2019 and 25.07 billion Rupees in Q2 of 2020. This reflects the impact of full provision on the broking company exposure and provision on the industrial company that Sandeep mentioned, as well as recovery from the steel exposure under IBC.

The growth in core operating profit and reduction in credit costs resulted in an increase in profit before tax from 19.02 billion Rupees in Q3 of 2019 to 54.65 billion Rupees in Q3 of 2020.

The profit after tax was 41.46 billion Rupees in Q3 of 2020 compared to 16.05 billion Rupees in Q3 of previous year. This also reflects the impact of reduction in corporate tax rates in fiscal 2020.

B. Growth

The domestic loan growth was 16.5% year-on-year as of December 31, 2019 driven by a 19.3% year-on-year growth in the retail business. Within the retail portfolio, the mortgage loan portfolio grew by 15% to 1.96 trillion Rupees, auto loans by 5%, business banking by 47%, rural lending by 17% and commercial vehicle and equipment loans by 15% year-on-year. The personal loan and credit card portfolio grew by 49% year-on-year, off a relatively small base, to 583.48 billion Rupees and was 9.2% of the overall loan book as of December 31, 2019.

The SME business comprising of borrowers having a turnover of less than 2.5 billion Rupees grew by 34% year-on-year to 217.44 billion Rupees as of December 31, 2019. The relatively high growth in business banking and SME reflects the low base and market share. Our focus in these segments is on parameterised and programme based lending, digital channels, granularity, collateral and robust monitoring.

Growth of the performing domestic corporate portfolio was about 12.1% year-on-year. The Bank is focusing on meeting the commercial banking needs of its corporate clients, including foreign exchange and derivatives, trade finance, payments and collections, as well as tapping opportunities across corporate ecosystems, including the supply chain and the employees.

The net advances of the overseas branches decreased by 15.7% year-on-year in Rupee terms and 17.6% year-on-year in US dollar terms as of December 31, 2019. The decline in overseas book reflects the maturity of loans against FCNR deposits.

As a result of the above, the overall loan portfolio grew by 12.6% year-on-year as of December 31, 2019.

Retail loans as a proportion of total loans were 62.6% as of December 31, 2019. Including non-fund based outstanding, the share of the retail portfolio was 52.0% of the total portfolio as of December 31, 2019. The international loan portfolio was 8.9% of the overall loan book as of December 31, 2019.

Coming to the funding side: Average savings account deposits increased by 11.8% year-on-year and average current account deposits increased by 23.6% year-on-year during the quarter. Total deposits grew by 18.1% year-on-year to 7.2 trillion Rupees at December 31, 2019.

C. Credit Quality

Gross NPA additions during the quarter were 43.63 billion Rupees. This includes additions of 24.73 billion Rupees from the corporate and SME portfolio. There were slippages of 7.07 billion Rupees from corporate and SME borrowers rated BB and below at September 30, 2019 including 2.25 billion Rupees on account of devolvement of non-fund based outstanding to existing NPAs. The balance corporate and SME NPA additions virtually entirely comprise the broking company and the industrial company mentioned earlier.

The gross NPA additions from the retail portfolio were 18.90 billion Rupees. The credit trends in the overall retail portfolio continue to be stable. The delinquency parameters across vintages in the personal loan and credit card portfolios have been stable and well within the internally defined thresholds. The increase over the preceding quarter primarily reflects NPA additions in the kisan credit card portfolio and the commercial vehicle loan portfolio. As communicated on our previous calls, we typically see higher NPA additions from the kisan credit card portfolio in the first and third quarter of a fiscal year. After considering recoveries and upgrades of 7.79 billion Rupees, there were net NPA additions of 11.11 billion

Rupees in the retail portfolio, compared to 10.02 billion Rupees in the first quarter of this fiscal. The KCC portfolio was about 204 billion Rupees or 3% of our total loan book at December 31, 2019.

Recoveries, upgrades and other deletions, excluding write-offs were 40.88 billion in the current quarter. Gross NPA deletions during the quarter also include conversion of non-performing loans of an account amounting to 8.45 billion Rupees to compulsory convertible preference shares as a part of the debt restructuring scheme. The gross NPAs written-off during the quarter aggregated to 24.60 billion Rupees. The Bank did not sell any NPAs during the quarter.

The total net non-performing assets were 103.89 billion Rupees at December 31, 2019 compared to 109.16 billion Rupees at September 30, 2019. The net non-performing assets declined by about 36% compared to December 31, 2018. The gross NPA ratio declined from 6.37% at September 30, 2019 to 5.95% at December 31, 2019. The net NPA ratio declined from 1.60% at September 30, 2019 to 1.49% at December 31, 2019.

Net investment in security receipts of asset reconstruction companies decreased from 32.76 billion at September 30, 2019 to 20.87 billion at December 31, 2019 due to the redemption of security receipts related to the steel account which was resolved during Q3 of 2020.

The loans and non-fund based outstanding to borrowers rated BB and below (excluding NPAs) were 174.03 billion Rupees at December 31, 2019 compared to 175.25 billion Rupees at March 31, 2019 and 160.74 billion Rupees at September 30, 2019, of which:

- The non-fund based outstanding to non-performing loans, was 39.19 billion Rupees as of December 31, 2019 compared to 33.71 billion Rupees as of September 30, 2019. The Bank holds provisions of 11.34 billion Rupees as of December 31, 2019 against this non-fund based outstanding.

- The fund and non-fund based outstanding to borrowers under RBI resolution schemes was 38.94 billion Rupees as of December 31, 2019 compared to 39.29 billion Rupees as of September 30, 2019.
- The fund and non-fund outstanding to restructured loans was 1.96 billion Rupees at December 31, 2019.
- The balance 93.94 billion Rupees of fund-based and non-fund based outstanding to borrowers rated BB and below, includes 59.78 billion Rupees related to cases with an outstanding greater than 1.00 billion Rupees and 34.16 billion Rupees related to cases with an outstanding of less than 1.00 billion Rupees.

On slide 22 and 23 of the presentation, we have provided the movement in our BB and below portfolio during Q3 of 2020 and 9M of 2020.

- The rating downgrades from investment grade categories (excluding fund-based outstanding to accounts that were also downgraded to NPA in the same period) were 26.66 billion Rupees in Q3 of 2020 and 54.55 billion Rupees in 9M of 2020. We had mentioned in our previous quarter earnings call that given the macro context, additions to the BB and below portfolio could be somewhat higher over the next couple of quarters. An account in the telecom sector was downgraded in Q3 of 2020 pursuant to the Supreme Court ruling on AGR related dues in the telecom sector. Other downgrades were spread across sectors, including construction.
- There were rating upgrades to the investment grade categories and a net decrease in outstanding of 6.30 billion Rupees in Q3 of 2020 and 32.29 billion Rupees in 9M of 2020.

- Lastly, there was a reduction of 7.07 billion Rupees in Q3 of 2020 and 23.48 billion Rupees in 9M of 2020 due to slippage of some borrowers into the non-performing category and devolvement of non-fund based outstanding to existing NPAs.

The builder portfolio including construction finance, lease rental discounting, term loans and working capital loans was 230.99 billion Rupees at December 31, 2019 compared to 225.15 billion Rupees at September 30, 2019. Our builder portfolio is about 4% of our total loan portfolio. The loans to NBFCs and HFCs were about 5% of our total outstanding loans at December 31, 2019 and the details are given on slide 25 of the investor presentation.

D. Subsidiaries

The details of the financial performance of subsidiaries is covered in slides 31 to 32 and 53 to 58 in the investor presentation. I will briefly talk about the major highlights.

Value of new business of ICICI Life increased by 24.7% year-on-year to 11.35 billion Rupees in 9M of 2020. The new business margin increased from 17.0% in FY2019 to 21.0% in 9M of 2020. The protection based annualised premium equivalent increased by 65.7% year-on-year to 7.64 billion Rupees and accounted for 14.1% of the total annualised premium equivalent in 9M of 2020. The new business premium grew by 19.7% to 81.73 billion Rupees in 9M of 2020.

The Gross Direct Premium Income of ICICI General was 101.32 billion Rupees in 9M of 2020 compared to 110.03 billion Rupees in 9M of 2019. Excluding the crop segment, Gross Direct Premium Income increased by 13.2% year-on-year in 9M of 2020 to 100.58 billion

Rupees in line with the industry growth (excluding crop growth). The company's combined ratio was 100.5% in 9M of 2020 compared to 98.7% in 9M of 2019 primarily on account of long-term motor policies and losses from catastrophic events in the previous quarters. The return on average equity on an annualised basis was 21.8% in 9M of 2020.

The profit after tax of ICICI AMC increased from 1.96 billion Rupees in Q3 of last year to 3.05 billion Rupees in the current quarter.

The profit after tax of ICICI Securities, on a consolidated basis, was 1.37 billion Rupees in the current quarter compared to 1.01 billion Rupees in Q3 of last year.

ICICI Bank Canada had a profit after tax of 22.0 million Canadian dollars in Q3 of 2020 compared to 14.2 million Canadian dollars in Q2 of 2020 and 13.4 million Canadian dollars in Q3 of 2019. The profit after tax was higher in Q3 of 2020 due to recoveries from India-linked impaired corporate loans.

ICICI Bank UK had a net profit of 8.0 million US dollars this quarter compared to 11.9 million US dollars in Q2 of 2020 and a loss of 14.6 million US dollars in Q3 of 2019. Net profit was higher in Q2 of 2020 compared to this quarter due to recoveries from India-linked impaired loans.

ICICI Home Finance had a profit after tax of 0.03 billion Rupees in the current quarter compared to a loss of 0.61 billion Rupees in Q2 of 2020 and a profit after tax of 0.09 billion Rupees in Q3 of 2019.

The consolidated profit after tax was 46.70 billion Rupees in Q3 of 2020 compared to 11.31 billion Rupees in Q2 of 2020 and 18.74 billion Rupees in Q3 of 2019.

E. Capital

As per Basel III norms, including profits for the nine months ended December 31, 2019, the Bank on a standalone basis had a CET-1 ratio of 13.62%, Tier 1 capital adequacy ratio of 14.98% and total capital adequacy ratio of 16.50%. On a consolidated basis, the Bank's Tier 1 capital adequacy ratio was 14.64% and the total capital adequacy ratio was 16.12%.

With this, I conclude my opening remarks and we will now be happy to take your questions.

Moderator: Thank you very much. Ladies and gentlemen, we will now begin the questions-and-answer session. We take the first question from the line of Mahrukh Adajania from IDFC Mutual Fund. Please go ahead.

Moderator: Thank you very much. Ladies and gentlemen, we will now begin the question and answer session. We take the first question from the line of Mahrukh Adajania from IDFC Mutual Fund. Please go ahead.

Mahrukh Adajania: Just had a question on the rating profile of the loon book. The proportion of A+, A and A- rated loans has increased significantly and then AA- and above rated loans and BBB+, BBB, BBB- rated loans reduced, is that a positive or a negative?

Rakesh Jha: If you look at the overall A-minus and above rated loans, it has increased from 66.3% to 69.8%. And that would definitely be a positive. There has been some reduction in the overall BBB bucket. We have seen some upgrades from the BBB category into the A category on the retail side where ratings are based on the mapping of portfolios. So, that would be a positive development in terms of the rating profile, A-minus and above being higher than the previous quarter.

Mahrukh Adajania: So, it's mainly the retail portfolio?

Rakesh Jha: The improvement from the BBB category into the A bucket has incrementally happened due to the retail portfolio. Overall, on the corporate portfolio also, about 90% of disbursements in the nine months of this fiscal were to corporate rated A- and above. So, that trend is continuing. In addition to that, this quarter, we also had these upgrades from the retail portfolio.

Mahrukh Adajania: Okay. And any general understanding that you can share on telecom in terms of validity of annual spectrum guarantees if the company is admitted to NCLT and if it is not.

Rakesh Jha: I think, Mahrukh, the way we are looking at it and we would urge you to look at it is that, there is a guarantee that has been given by the Bank, and that is the value at risk for the Bank. We will see how it develops. Beyond that very difficult to comment on this. So, there is a guarantee which is there and you should assume the entire guarantee to be at risk for all banks, not just for us.

Moderator: Thank you. Next question is from the line of Motilal Oswal from Nirmal Bang. Please go ahead.

Manish Ostwal: This is Manish Ostwal from Nirmal Bang. My question is on the other corporate slippages and SME portfolio. I am referring to slide number 20 of the investor presentation. In this quarter, there have been slippages of Rs. 16.86 billion from outside the BB and below portfolio it is mentioned that these are two accounts, one broking firm and one South India-based industrial company. Apart from this, is there any other major industry contributing to this number compared to last quarter since this number was Rs. 3.73 billion last quarter.

Rakesh Jha: So, Manish, of the Rs. 16.86 billion, virtually entire amount will be these two cases. And other than that, it is one more case of a very small amount. But these two cases account for virtually the entire amount of Rs. 16.86 billion between the broking company that we talked about and the South based industrial company. And as we mentioned on the broking company, we have taken 100% provision a prudent basis.

Manish Ostwal: Sure. The second question, retail NPA additions during this quarter were around Rs. 18.90 billion versus Rs. 13.23 billion last quarter which primarily reflects additions in the kisan credit card portfolio and the CV portfolio. Can you give the overall percentage of CV portfolio and how much is NPA on that portfolio till date?

Rakesh Jha: We have not given product wise NPL numbers separately. We can look at that in future whether we would be giving that out. While looking at the increase in gross additions in the retail portfolio, one should also look at the deletions which have gone up somewhat. The net increase in retail NPA additions has come from the kisan credit card portfolio. We have disclosed that there were slippages of about Rs. 3 billion from the kisan credit card portfolio in the current quarter. And in the commercial vehicle portfolio, we have seen some increase. I think all the banks have mentioned that there is some stress on that portfolio. Other than that, the trends have been very stable across the retail portfolio.

Manish Ostwal: Sure. On the last point on resolutions. You said that resolutions during this first nine months of the year has been below expectation, and because of that the credit cost has increased. Coming to the fourth quarter now, both with respect to power sector and other than power sector resolution, how is the progress and what is our assessment currently?

Rakesh Jha: As Sandeep mentioned very clearly, credit cost for the current financial year is likely to be similar compared to the number that we have seen for the first nine months of this fiscal. To that extent, it is fair to assume that we are not very hopeful of any material resolutions getting completed in the March quarter. And that is a reason along with the fact that we have indeed taken higher provisions on the two specific accounts that I referred to earlier. So, that is the outlook we have currently. Hopefully in future we should be able to get recoveries. But for the March quarter as of now we don't see that happening.

Moderator: Thank you. Next question is from the line of Kunal Shah from Edelweiss. Please go ahead.

Kunal Shah: Firstly, with respect to the reduction in security receipts and the power sector exposure for borrowers classified as non-performing or rated BB and below. Is that also on account of recovery and getting reflected in the corporate recovery? And what would be the impact of operating profits and NIMs and all because of that recovery?

Rakesh Jha: We have got recoveries in the steel account in the current quarter in the form of cash redemption of security receipts that I referred to. Going forward, as we deploy that cash, there will be some improvement in margins. However, given our portfolio size, it is not going to reflect in terms of a significant increase.

The power sector decrease was mainly due to some write-off of non-performing loans. There have really not been any recoveries per se in the current quarter in the power sector.

Kunal Shah: So, this Rs. 1,800 crores would be write-off on the power sector side?

Rakesh Jha: That is not entirely only power sector, total write-off for the quarter was about Rs. 2,000 crores.

Kunal Shah: Okay. So Rs. 11,000 crore to Rs. 9,200 crore in the power sector is primarily due to write-off?

Rakesh Jha: Yes.

Kunal Shah: Okay. With respect to the sequential improvement in margin, there is no element of recoveries in this? Margin of 3.64 to 3.77 that is largely the core margin, excluding the income tax refund?

Rakesh Jha: We have said that there is about 10 basis point of benefit due to interest collection from non-performing loans, including some interest from the accounts that we recovered during the current quarter. The income tax amount was negligible.

Kunal Shah: Okay, sure. And secondly in terms of BB and below, you highlighted telecom and construction. Is this telecom exposure also getting reflected in the fund based outstanding to borrowers with more than 1 billion or is it primarily in the non-fund based exposure?

Rakesh Jha: The breakup of BB and below includes the total outstanding i.e. fund based and non-fund based outstanding. Of course, this will show up in the other borrowers with outstanding greater than Rs. 1 billion on Slide #21.

Kunal Shah: Yes, so I am saying telecom is not only non-fund based, it's one in the fund based with outstanding more than Rs. 1 billion? So, it would be fund based as well. So Rs. 600 crores is the increase in non-fund based exposure and Rs. 1,300 crores is the increase in the fund based of more than Rs. 100 crores. Would the telecom which you are highlighting have an impact on both of them or is it only non-fund based?

Rakesh Jha: Kunal, just to refer, you are talking about Slide #21?

Kunal Shah: Yes.

Rakesh Jha: So, the numbers in this table are all including fund based and non-fund based outstanding. Other borrowers with outstanding greater than Rs. 1 billion is both fund based and non-fund based.

Kunal Shah: Okay, sorry. Yes, so this non-fund based is largely NPLs and telecom would not get reflected in that?

Rakesh Jha: Yes, telecom will not be reflected in non-fund to NPLs.

Kunal Shah: Yes, and what would be the investments in BB and below? Has it gone up compared to last time, you had mentioned Rs. 600 crores - Rs. 700-odd crores of BB and below investments on the last call?

Rakesh Jha: It is similar. I think last time we had mentioned it is about Rs. 6 billion to Rs. 7 billion, it is actually the same as September 30th. So there is no movement there.

Moderator: Thank you. We take the next question from the line of Mohit Surana from CLSA. Please go ahead.

Mohit Surana: Referring to slide #number 19, I just wanted a clarification. The recoveries and upgrades in this quarter include Rs. 845 crores from non-performing loans due to debt restructuring in one company. Is this Karvy Data Company that we are talking about?

Rakesh Jha: No, not at all actually. We can't talk about specific companies. But the company that you are referring to shows up in the gross corporate and SME NPA additions of Rs. 24.73 billion. This Rs. 8.45 billion was actually a non-performing loan, which was already fully provided and got converted into preference shares as a part of a debt restructuring scheme. So, technically, it shows up in the movement table. And that's why I wanted to highlight it separately since it is not an actual recovery in the sense of a cash recovery or an upgrade, it has just moved from loans to preference shares. It was already 100% provided, there is no P&L impact, now it will show up in the preference shares. This is in the power sector actually. It has nothing to do with the broking firm.

Mohit Surana: Because I checked your exchange filings and I did not find anything on this. If you are acquiring any preference shares, isn't that supposed to be disclosed to exchanges?

Rakesh Jha: Conversion into equity holding beyond a certain level needs to be disclosed.

Mohit Surana: Okay. And just a small clarification on Slide #22. So the downgrades to BB and below excludes downgrades that have happened from investment grade and subsequently classified NPL during the same quarter, right?

Rakesh Jha: Yes.

Mohit Surana: And is there a deviation in reporting from last quarter? I mean, last quarter we had a Rs. 20.72 billion number for the downgrade.

Rakesh Jha: This would be comparable to that number. The only thing is that, in addition to this Rs. 26.66 billion, like we have updated on Slide #20, Rs. 16.86 billion of amount has come directly from investment grade into the NPA bucket, which is virtually entirely the two cases that we have referred to, the broking company and the South based industrial company. So, Rs. 26.66 billion has slipped into BB and below and separately Rs. 16.86 billion as already highlighted has slipped into the NPA bucket.

Moderator: Thank you. We take the next question from the line of Ashish Sharma from Enam Asset Management. Please go ahead.

Ashish Sharma: The question is on the fee income part. In the retail fee income, what percentage of fee income is from credit cards? And second, what would be the impact of the MDR waiver by the government on fee income? One of the peer banks has highlighted the same, can you quantify the impact? And the second question would be on the credit growth going forward, I mean, assuming that the macro environment doesn't change much, what would be our threshold in terms of growth rate, can the current trends, both in corporate and retail business sustain? That will be all.

Rakesh Jha: So, on credit cards, we have not separately given the fee revenues. The retail income on an overall basis has indeed grown quite well for the quarter, and the growth has come across the credit cards, the liabilities business, debit cards and the lending linked fees. On the

MDR waiver, we will have to see how it plays out. Of course, there will be some impact for all the banks because of this, but in terms of quantification, as of now it does not appear to be a very material number per se. But there are definitely other challenges that banks will have with this MDR waiver, infact, not just banks, the entire system may have some issues and we will have to see how that plays out. But just from a number perspective, it would not be a very material number in terms of the announcement which has been made for RuPay cards and UPI transactions.

On credit growth, our stance continues to be the same. As long as we see opportunity for growth which is within our risk parameters where the return of capital is assured in our assessment, and we make adequate returns as per our requirement, we will be happy to grow that portfolio. And we don't have any specific loan growth targets or loan composition targets per se. As of now, the opportunity was such that we were able to grow at about 16%. You saw the growth on the retail side, even on the corporate side we have seen the performing portfolio growing at close to 12%. This is after we have stayed away from some of the lending which is very finely priced as well. We are looking at loan growth entirely from its contribution to the core operating profit across each of the businesses.

Ashish Sharma: I have a follow up on the credit card. If the profitability, I mean, one of the large peer, which is an NBFC.

Moderator: Mr. Sharma, requesting you to please use the handset mode while speaking, we are unable to hear you well.

Ashish Sharma: Sure, I will come back in the queue. Thank you.

Moderator: Sure, thank you. Next question is from the line of Rakesh Kumar from Elara Capital. Please go ahead.

Moderator: Sure, thank you. Next question is from the line of Rakesh Kumar from Elara Capital. Please go ahead.

Rakesh Kumar: So, the question was related to the retail sector. The retail portfolio growth this quarter is quite high in the personal loans and credit cards. Also if we see, there is a rise in the gross NPA number sequentially. Though it has come from kisan credit card as you are saying, but given the scenario right now and the overall leverage for the retail loans as per RBI data, for the last 40 years, the retail customer leverage is at an all-time high, and we are still growing these books at a much higher rate. So, I just need your input on this. Thank you.

Rakesh Jha: So, the increase in the gross retail NPLs that we have seen, it has come from the kisan credit card portfolio and from the commercial vehicle portfolio, in addition to the normal growth across the other segments. As I mentioned earlier, the delinquency parameters across vintages in the personal loan and the credit card portfolios have been stable and well within our internal thresholds. A lot of the growth is also being driven in personal loans and credit cards from the existing customers of the Bank. And as you know, if you go back three years, we were not really growing this portfolio as much. So, we clearly see an opportunity for growth to be there.

And I would ask Anup to add on to this.

Anup Bagchi: So, actually if you see the absolute growth during the course of this quarter, you will see that it is very broad based. In the sense that if you see personal loan and credit card, on slide number 12, as proportion of the retail loan growth you will see there, it is very, very important to note that it is about one-third of the incremental increase. Actually, our collateralised book, in absolute sense, has grown in size, and that should give comfort, because percentages are looking slightly different because of the lower base. But actually in absolute basis, the mix is very, very healthy. It will be one-third, two-thirds between unsecured and secured.

Rakesh Kumar: One more question, if I could ask. Pertaining to the non-capital borrowing which has come down quite drastically this quarter on the sequential basis. So this basically has a relation with a credit growth number what we are anticipating in the future?

Rakesh Jha: Which number has come down on very sharply?

Rakesh Kumar: The non-capital borrowing number has come down to Rs. 522 billion from Rs. 615 billion. So, my question is that, are we going to raise the non-capital borrowing soon or are we not that excited about the growth? So, how is the scenario?

Rakesh Jha: I think we are more excited about the deposit growth that we are seeing, in the sense that the deposit growth has been very healthy and we have been able to bring down our reliance on the borrowings. If you look at the last 12 to 18 months, there has been quite a consistent trend of our borrowings not increasing, while we have seen the deposit growth being very healthy. So, it reflects that. Where we are focused on the borrowings, one, of course, are the capital instruments which count as Tier-1 or Tier-2 capital. Then to the extent that we access refinancing from some of the institutions, that is something which comes at a relatively lower cost. Other than that, the other borrowings are generally either short-term borrowings or would be at a slightly higher cost. So, we are quite happy to bring that down and replace that with deposits. On a period end these numbers would include borrowings which are short-term in nature like a repo borrowing or those kinds of things as well. So, we have seen some decline in that in the non-capital instruments. So, I don't think you should interpret this to mean anything from our aspiration of growth or expectation of growth, it is more from our balance sheet and cost of funds management point of view that we look at these borrowings.

Moderator: Thank you. We take the next question from the line of Ashish Golechha from Ajit Securities. Please go ahead.

Ashish Golechha: My question was with respect to BB portfolio; our BB portfolio has been basically at Rs. 174.03 billion compared to Rs. 175.25 billion. So I wanted, what is our roadmap for coming next three quarters and next one year? Second question was that in the call you had said that with respect to the telecom exposure, you have already downgraded one account. So wanted to know your views that whether we are going to take any provisions with respect to that telecom exposure or what is our roadmap on that?

Rakesh Jha: So on the telecom, we mentioned that one account has been downgraded from investment grade to below investment grade. That does not require any provision to be taken and the downgrade was of an internal rating of the borrower based on the developments that happened during the December quarter. That was on telecom. On the BB and below portfolio, it's very difficult to kind of give a specific outlook on the Rs. 174 billion of the outstanding that we have. But if you look at that portfolio, there is a part of it which is non-fund based outstanding to non-performing loans, which generally would be at higher risk, because it corresponds to non-performing loans. Other than in a couple of instances where it would be doing fine, that generally would be at a higher risk. The borrowers and the RBI resolution scheme, again, typically because they have kind of undergone some sort of restructuring in the past and have continued in this bucket. So, again, they would carry reasonable amount of risk in terms of the performance of the portfolio. One of the borrowers in that is kind of a large exposure that we have, which we used to disclose earlier as well.

The portfolio of other borrowers with outstanding less than Rs. 1 billion, is granular in nature. We will keep seeing movement in that on a quarter-on-quarter basis. For borrowers with outstanding greater than Rs. 1 billion, during this quarter, the telecom addition came in. But otherwise, like we said in our previous call and I think that situation still remains is that, we would expect just given the overall environment, there could be higher than the normal kind of downgrades into the BB being below category. In the first quarter of the financial year, we had seen about Rs. 10 billion of downgrades and in September quarter we had seen Rs. 20 billion. That's when we mentioned that for a couple of quarters the numbers could be elevated, and that continues to be our assessment as of now as well.

Ashish Golechha: Sir, my question was that on the assessment part where do you see this reaching a constant level or where do you see the reduction coming in this portfolio going ahead? In the last con-call you actually said that that next two-three quarters you expected to see some elevated levels. So, generally, where do you see these levels coming lower and lower quarter by quarter?

Rakesh Jha: So it's very difficult to kind of estimate that on a quarter-on-quarter basis in a corporate portfolio. The overall number is Rs. 174 billion. If you look at it from our total loans perspective, the total loans and non-fund outstanding, it is less than 3%. At any point of time there will be some portfolio which will always be below investment grade. Beyond that it is very difficult to assess borrower-by-borrower or quarter-by-quarter.

Ashish Golechha: Sir, thank you very much. One last question was with respect to new engines of growth such as business banking and SME segment, what is our future roadmap? Like how do we see ICICI Bank growing this segment with respect to business banking and SME segment?

Anup Bagchi: In business banking and SME, our endeavour is to keep bringing down the ticket size, collateralise it very well and have good visibility of cash flows. These are the three, and in a parameterised way we want to move ahead. We have been doing that for quite some time now. Even with the ageing of the portfolio, because some part of the portfolio is well aged, it is holding up quite well.

Moderator: Thank you. We take the next question from the line of Pavan Ahluwalia from Laburnum Capital. Please go ahead.

Pavan Ahluwalia: Two questions. One, since it looks like you have been very candid in terms of cautioning that economic volatility can obviously result in volatility in credit quality, I was just curious to get your take. In a slightly rougher macro environment what does that do to growth targets? And what do you expect the growth engines to be? Specifically, on SME and business banking, how is the growth actually playing out? Is this a function of your branch network expanding? Are you going in and taking over clients from PSU banks because they are not getting their full limits elsewhere? What is actually leading to the strong growth in this segment, which you call SME, other people may call mid-corporate, because you are obviously one of the largest banks.

The second question is on your expenses. We saw a lower end trend growth in employee expenses and much higher growth in operating expenses. I just wanted to understand what was going on there, and is this a classification issue where you may have changed the way you classify some expenses?

Anup Bagchi: I think if you have had a chance to look at our investor presentations on the Digital Day that we did, much of the answers to your questions actually lie in that presentation. One of the few trends that we are certainly seeing is that there is a capacity constraint in the banking system as far as lending to good quality business banking customers are concerned. These customers are certainly looking at quick delivery and a holistic servicing. With our wide footprint and with digital solutions, I mean, they are quite liking the fact that they can save time, get greater efficiency into their businesses. With our decongested processes, we are able to deliver credit very quickly. So, I would say that these are the big drivers of growth.

Also, the fact is that our market shares there are low, and our base is low. So, the growth percentages look higher. But if you look at an absolute amount also, it is quite healthy. We see that we are able to apply credit filters, a lot of underwriting parameters which are there with us or external signals of underwriting and originate through our branches, mostly because almost 100% is originated through our branches now. So we originate credit through our branches, take it through credit filter, give faster credit delivery, service it through digital means. There is a slide on InstaBiz in our presentation. You will see that it's quite a differentiated solution that we are giving. So, I think clients are liking it and clients are moving to it helped and aided by the fact that a large part of the banking system is also constrained in lending.

Pavan Ahluwalia: So is it safe to assume that most of your clients you are gaining from there are from PSU banks or old private sector banks?

Anup Bagchi: No. I think we have studied this and it is quite widespread. It is not just the PSU banks. It is PSU banks as well as the new and old private sector banks. Our GST OD product and the Insta current account OD product are also moving quite well. So actually there is a mix. When we look at our portfolio, the new-to-credit, we are able to do short-term loans using efficient and digital underwriting. That is holding up quite well and is actually quite widespread. It is not true that it is only PSUs.

Rakesh Jha: And the other question on the expenses, I think it's on the non-employee expenses where we have seen a 26% year-on-year increase during the quarter. I think as we said during the beginning of the year that we are looking at incurring expenses on branch expansion and other business related expenses. If you look at the nine month run rate, it's running at around 20% year-on-year for both employee expenses and the non-employee expenses. This includes expenses which are almost entirely related to the business growth such as credit card business and the increase in the reward point expenses which have happened. We purchase priority sector lending certificates that has some expenses which comes in. So, all of this and the advertisement and technology expenses are the expenses which we believe will drive or are driving the core operating profit of the Bank. The focus is to grow the revenues at a faster pace than these expenses.

Moderator: Thank you. We take the next question from the line of Kshitij Prasad from Maybank. Please go ahead. Yes.

Kshitij Prasad: Just wanted to understand your views on certain macro parameters. One, the 135 bps cut in the repo rate, how that has affected the liquidity in the banking system and the linkages of some of these retail products to repo rate. How has been your experience so far as one of the largest bank?

Second, are you seeing the stress in the NBFC sector easing out? Are you lending to them or what is your take on that sector? If you can elaborate your experience and share it with us. Thank you.

Rakesh Jha: Sure. As you know, from October all banks have been making floating rate loans, the home loans and other MSME loans, linked to the repo rate. So, of course, it is too short a time period to kind of fully assess the impact. Till now, there has not been much of a movement in the repo rate which has happened in that sense. So, we are quite fine with that experience till now. Our belief is that over a cycle, I think it will all average out and it should be fine. But there could be periods of time when the movement in repo rate and the underlying funding costs for banks may not be fully aligned. So, there could be some quarters in which it could impact positively or negatively, that we will have to see how it progresses.

On the repo rate cuts by RBI that have happened, and more importantly over the last now six to nine months, RBI has also ensured a significant liquidity in the system. So the system has significant surplus liquidity and that has reduced the funding costs and the wholesale deposit costs. Banks have been able to reduce the retail deposit costs as well. We have been reducing our MCLR, which is the benchmark rate, as and when we review it on a monthly basis. So, that is something which will continue to flow through. Again, it's a function of how RBI assesses and decides on the rate for liquidity going forward.

On the NBFC and HFC portfolio, we have given our outstanding to these sectors in our presentation. So, we are quite happy to lend to NBFCs and HFCs, because a number of them are doing pretty fine and doing extremely well actually. Given any opportunity for lending that we see where the risk is within our thresholds and returns are adequate, we are quite happy to lend to them. As I said earlier, currently about 5% of our loans would be to NBFCs and HFCs.

Jai Mundra: Sir, if you can sort of give sectoral, at least if you name the sector in this Rs. 174 billion corporate and SME BB and below book, apart from telecom and construction. Probably if you have the broad percentage?

Rakesh Jha: So, it will essentially be power, telecom. If you look at it broadly, power, telecom, construction and road & other infrastructure, I think these will account for nearly two-thirds of the Rs. 174 billion. And then there will be borrowers across sectors.

Jai Mundra: Sure, Sir. And Sir, do you have any standard ICA pipeline or wherever you have signed or are likely to sign the cases for ICA for the standard category?

Rakesh Jha: We of course are working on that, as per guidelines. We don't disclose separately the pipeline and what all we have signed per se. But that is something which in the normal course of business the corporate team would be doing.

Jai Mundra: And last question, Sir, if you can quantify as to what percentage of your personal loan and credit card is coming from existing liability customers? And how much is roughly from the open market? Thank you.

Rakesh Jha: Between 65% to 70% would be from the existing customers of the Bank.

Jai Mundra: In both, PL and CC?

Rakesh Jha: Yes, broadly

Moderator: Thank you. We take the next question from the line of Manoj Baheti from Carnelian Capital. Please go ahead.

Manoj Baheti: First of all, congratulations to the ICICI Bank team for decent set of performance. I have a couple of questions. First question is, when I was hearing the concalls of other ICICI Group companies, everybody was talking of the higher synergy benefits which started growing in terms of the higher businesses from ICICI Bank. Is there some change which has happened recently? And how ICICI Bank is seeing these kind of synergy benefits flowing into the fee income? Also, if you can quantify, what proportion of your fee income is coming from ICICI Group companies?

Rakesh Jha: So, I think, the focus that the Bank and the Group companies have on leveraging the synergy has got enhanced a lot in the last two or three quarters. And as we mentioned earlier, in terms of our approach on core operating profit and the One Bank, One RoE focus that we have, where we look at all the business groups and the group companies, we see how we can leverage the relationship to make the maximum value for the Group and the Bank. So, that has meant that all the teams within the Bank and within the Group companies are working together in terms of all the products and services. Of course, from the Bank's point of view, the focus is not just on third party distribution and making fees. That is one of the elements which is there. So, as long as those products make good sense for the customer, we are happy to sell them and make revenues. But that is not something which is a core driver of fee revenues, I would say it is more about leveraging the opportunity which is there across the Group.

Manoj Baheti: And my second question is, if I look at the current state of economy, the kind of job losses which are happening, the kind of stress which is there across sectors which are job creators, at this time when the retail loans are growing, what are the early signals which you will be watching, while scaling up the retail book to ensure the kind of credit cost guidance which you are giving. So, just wanted to understand what kind of early signals will you be watching while underwriting the retail book?

Rakesh Jha: From our point of view, we look at all the data that is available from the larger system. But we indeed focus a lot in terms of our own portfolio. For each portfolio, each segment, we have internally defined thresholds and we look at that on a regular month-on-month basis. And if we see any trends which are not in line with our expectations, we take proactive steps for each of the portfolios. And this is happening at a product level, at a customer segment level, at a geography level. And that is the best way to kind of look at it and look at the early bucket delinquencies as well.

In addition to that, of course, one is able to get a lot of data from the credit bureaus also, and that gives an overall sense of how the portfolio for the market is behaving. We also, of course, factor in what we discussed for our personal loan, credit card business that a lot of the business is coming from our existing customers, where we have a lot more data on the customer compared to what you otherwise would have. And for the sourcing that we are doing from outside also, we would look at the various parameters that are available. And some of the partnerships that we have done, like say the Amazon partnership, will help us source new-to-bank customers with some parameters being available through that partnership. So, that is how we are looking at it. And I think, as we mentioned earlier, as of now, we are seeing quite stable trends across most of the portfolios, other than the commercial vehicles and the kisan credit card portfolio.

Manoj Baheti: So, as of now, you are not seeing any early signs of problem or trouble, right, on the retail or SME portfolio?

Rakesh Jha: As I said, excluding the kisan credit card portfolio and the commercial vehicle portfolio, we are seeing signs which are quite stable across the unsecured portfolio or the new car loans or mortgages.

Moderator: Thank you. We take the next question from the line of Saikiran Pulavarthi from Haitong Securities. Please go ahead.

Saikiran Pulavarthi: The margins in FY2020 have broadly been in the range of 3.9% to 4%. Where do you see this stabilising over a period of time? Do you see any further scope of improvement as such?

Rakesh Jha: So, I think, we would, of course, still be looking at it from a business mix perspective, if some improvement can come in from pricing loans in some of the segments in a better manner, we can come up with some improvement in the yields. On the funding cost also we will see if we can optimise further. On the flip side, I think a lot of the benefit on the funding cost has come in. I think if you look at the benchmark deposit rates for us, it has come down a fair bit in the last few months.

Going forward, in the next six to nine months, we will see some of the MCLR linked loans getting reset at a lower level, which would be about 40 basis points lower because of the decline in the MCLR which has happened. So, there will be a lot of moving parts. Of course, in this quarter we also had about 10 basis point benefit from the NPL interest collections as such. So, it's very difficult for us to give a number. What we can assure is that we are focused on the core operating profit and improving that. And as a part of that, margin is a key driver.

But, depending on how significant the liquidity in the system remains, how much competition there is in loan demand, we will have to see all these aspects as well. And at some stage what will also happen is that the deposit rate cannot reduce beyond a certain level. We have already reduced our deposit rates quite sharply even on the retail side, the peak rate that we offer is 6.40%. So, from here on it may not be as rapid a reduction that we would see as we have seen till now. So that is the other flip side which is there. These are the drivers and we have to see how it plays out.

Saikiran Pulavarthi: Got it. And the second question is, some of the select portfolios, especially in the last two or three years, has come up from a low base, and then you were playing the penetration story. But even if I look at the growth rate perspective, they are pretty much high growth rates. How do you see this from the risk perspective, primarily since the portfolio is not much seasoned and probably some of these customers came in for the first time in some of the select products? Would you like to take a pause, maybe lowering the growth rates or do you think that is not needed and there is further long headway for penetration in the existing customer base?

Anup Bagchi: I think two things. One is, I would still say that we have some way to go as far as optimal penetration of these products to our customers is concerned. If we look at a very large peer bank, on the liability side, our bases are quite similar. But if you look at the asset side, we are quite under penetrated. So that is one.

The second one is that I think in the last four to five years, there are lot more signals on credit underwriting, so that makes it, I will not say safer, but it certainly gives higher level of confidence on underwriting on the unsecured part.

Third, I would say that the base is low, so percentages look high, but we have to look at the absolute level. And that would be a good way of looking at it, because our objective is to create a very balanced book. Actually, if you look at our book, on an incremental basis, only one-third will be coming from the unsecured portfolio. While if you look at many other peers, upwards of 50%, 60% comes from unsecured loans. To that extent, we want to create a book which is more broad based, which doesn't have concentration risk, because each of our businesses account for about 3% to 4% of the overall book actually. We don't have a book which is very, very highly concentrated.

We also look at capital allocation properly and low RoE businesses where NIMs are very low cannot absorb too much of credit cost. We also allocate lesser capital to areas where we think that capital deployment will not give us adequate returns in terms of NIM and fees. So that in a volatile situation at least one can absorb it positively. Even when we look at our KCC portfolio, because it is priced properly, actually across the cycle we make a decent RoE on that portfolio as well. Even though we are well aware that it hurts at this point of time and costs are slightly higher. But over a cycle we have seen that it works out well if we have enough margins to take the cushion.

Saikiran Pulavarthi: One last question. There is an improvement in the Tier I ratio, primarily the CET1 ratio. I think the growth in risk weighted assets has been pretty lower than the balance sheet growth. Can you just explain the reason behind this?

Rakesh Jha: On CET1 ratio, of course, during the quarter the profit also has got added, so this is including the profits for the nine months and for the quarter. That has led to an increase in the CET1 ratio. On the risk weighted assets, there is nothing specific in this quarter which has changed between September 30th and December 31st. It would just be based on the rating on the corporate side and the portfolio on the retail side that we have grown.

Moderator: Thank you. We take the next question from the line of Manish Shukla from Citigroup. Please go ahead.

Manish Shukla: So, what would be the CET1 threshold at which you would want to start evaluating a capital raise, will it be 13% or will it be lower?

Rakesh Jha: I think the evaluation of a capital raise, in that sense, happens at all points of time per se. But, you would know at what level private banks generally look at a capital raise. We don't have a particular threshold in mind, at which point of time we will start evaluating or start raising capital. I think our response was in the context of the press article which had come out. And that's why we kind of clarified that we are not in the process of raising capital. And we have a pretty comfortable level of CET1 ratio at December 31, 2019. And like any bank, we will keep evaluating the capital position and requirements depending on the market conditions, growth opportunities and regulatory developments. Beyond that it is very difficult to comment.

Manish Shukla: And on consolidated RoE for the quarter, you already had 15.5%, would you like to give a new number there which we aspire for?

Rakesh Jha: In the quarter, I think we indeed have got some benefit from the write-back on the steel account which happened. Of course, there were offsetting incremental provisions which also came on a couple of accounts that we talked about. And the treasury income was somewhat higher than what you would expect in a normalised quarter. So, I think from a run rate basis, maybe we are still a couple of quarters away in terms of the number that we have talked about of 15%. So, we will stay with 15% for June 2020 as what we are looking forward to.

Moderator: Thank you. We take the last question from the line of Vishal Goyal from UBS. Please go ahead.

Vishal Goyal: Question one is on the NBFC and HFC. Any of those basically turn NPAs in this quarter? Like in our NPA formation do we have NBFCs, HFCs?

Rakesh Jha: No, I think on the corporate side we talked about the two accounts actually, that constitute the bulk of the additions which are there, the broking company and the other industrial company. And in terms of the HFC which has been under resolution, that has been classified sometime back. We didn't have a loan there, we had some investments which were classified and provided for actually some time back.

Vishal Goyal: And the second is on the capital repatriation plan from ICICI Bank UK and ICICI Bank Canada, anything on that?

Rakesh Jha: I think we have a strategy there in terms of the growth that we are looking at. So, of course, they would not be requiring any fresh capital. And if at any stage there is surplus in terms of capital that we see there, they could look at repatriation. But as of now there is nothing which is on the anvil, I would say.

Moderator: Thank you. Well, that's the last question for today. I would now like to hand the floor back to the management for closing comments.

Rakesh Jha: Thank you for attending the call on a Saturday. If there are any further questions, you can reach out to me or Anindya. Thanks.

Moderator: Thank you. On behalf of ICICI Bank, that concludes this conference. Thank you for joining us. You may now disconnect your lines.