



Kotak Mahindra Bank Limited

Q2FY26 Earnings Conference Call

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Management:

- Mr. Ashok Vaswani - Managing Director & CEO**
- Ms. Shanti Ekambaram - Deputy Managing Director**
- Mr. Jaideep Hansraj - Whole-time Director**
- Mr. Paritosh Kashyap - Whole-time Director**
- Mr. Devang Gheewalla - Group Chief Financial Officer**
- Mr. Pranav Mishra - Consumer Bank**
- Mr. Vyomesh Kapasi - Consumer Bank**
- Mr. Manish Kothari - Commercial Bank**

Safe Harbour

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*Kotak Mahindra Bank
October 25, 2025*

Moderator: Ladies and Gentlemen, Good day and Welcome to the Kotak Mahindra Bank Q2 FY '26 Earnings 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 this conference, please signal an operator by pressing "*" and then "0" on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Ashok Vaswani – Managing Director and CEO of Kotak Mahindra Bank. Thank you. And over to you, sir.

Ashok Vaswani: Thank you so much. Good evening, everyone, and thank you so much for joining us.

This is a very special earnings call because I would like to start by placing on record Shanti's immense contribution in building the Kotak Group. At a personal level, I would really like to thank Shanti for helping me settle into India and Kotak. As a true steward, Shanti will work right to her last day and has built a team that will take over her responsibilities absolutely seamlessly. I wish her the best in her future endeavors.

Shanti Ekambaram: Thank you, Ashok.

Ashok Vaswani: Moving on to today's agenda, I will make some opening remarks. Devang will cover the numbers in details; Pranav, the deposits franchise; Vyomesh, consumer assets; Manish, commercial banking; Paritosh, wholesale banking; and finally, Jaideep will update you on our subsidiaries.

Let me first cover the macroeconomic environment.

Over the past 90 days, we have seen considerable activity. The full impact of the repo rate cut has played out. The RBI introduced a series of welcome reforms for the industry, GST structure was simplified and of course, the U.S. further increased tariffs on exports from India.

With all of this, in the corporate India segment, we are witnessing a pickup in business activity, as reflected in the SME and corporate banking book growth. However, public and private capital expenditure continues to be subdued.

The equity markets have been tepid. We continue to see primary market activity, strong domestic inflows, but offset by net outflows from FII's.

In the individual consumer segment, the consumption was muted till mid-September. The last week of September saw particularly strong growth on the back of the GST rate cuts and the festive seasons. Good monsoon season has resulted in a pickup demand in the rural economy.

While these events have had some impact on our business, we continue to focus on our strategy to scale responsibly.

This is reflected in our performance for the quarter.

We saw a healthy 15.8% and 14.6% year-on-year growth in net advances and deposits. This is in line with our philosophy of growing our advances in the range of 1.5x to 2x nominal GDP growth.

The key enablers for this growth have been our work in curating propositions for our focused consumer segments, leveraging automation and digitizing to deliver efficiency and scale.

We maintain a strong focus on SME and institutional segments within corporate India. Our combined SME book aggregating Rs. 1.09 lakh crore grew by 16% on a Y-o-Y basis.

For our institutional clients, Kotak's ecosystem works in concert: KMCC originates and structures opportunities. Kotak Institutional Equities connect issuers to global and domestic institutional capital, while Kotak Securities and the Kotak Private Bank connect HNIs and retail. Banking and Treasury in the Bank ensure flawless execution and compliance.

In the individual customer segment, our Solitaire and 811 propositions are resonating well with the high network and core India segments. We will continue to invest in these propositions and also in technology to enable scale and efficiency.

Devang will cover the numbers in detail, but on a headline basis, our NIM is healthy at 4.54%. We expect the benefit of repricing of deposits to reflect in the NIM over the next two quarters, assuming, of course, no further rate cuts.

Credit costs have come down from 93 to 79 basis points sequentially in line with our expectations. As we said last quarter, personal loan credit costs have normalized. We now expect a downward trajectory on credit costs for both MFI and credit cards.

However, we continue to be cautious in the retail CV segment, where we had highlighted the buildup of some stress. Overall, we expect our credit costs to now gradually moderate in the second half of the financial year. Our focus will now be to gradually build back our retail unsecured business.

We have kept our cost growth in control, despite continuing to spend on technology. Operating expenses were flat on a Y-o-Y basis. On a sequential basis, it showed a negative 3% growth.

For the quarter, the non-lending group subsidiaries contributed 19% to the consolidated profits versus 24% last year. This is on the back of an exceptional Q2 for capital markets last year. Further, this quarter also had a one-on impact due to GST and Jaideep will cover that in more detail.

Overall, our consolidated book value per share grew 14% on a Y-o-Y basis to Rs. 844.

The above results are a reflection of our continued progress against the execution of our strategy of driving scale for relevance without diluting our DNA of risk prudence and profitability.

Let me now hand over to Devang for the details on the numbers.

Devang Gheewalla:

Thank you, Ashok. Good evening, friends. And I hope your family had a wonderful and safe festive season.

Let me start by sharing overall Bank Q2 performance in back drop of immediate sequential quarter.

Q1 performance, as you know, was impacted by decline in our NIM as well as a higher peak credit cost. Q2 performance reflects stabilization of NIM and moderation in credit costs which are on expected lines.

Bank continues to grow advances over industry growth rate funded by healthy growth in low cost deposits.

The total OPEX of the Bank continues to be under control with consistent reduction in our cost-to-assets ratio.

With this backdrop, let me start with more details on the Bank's standalone performance:

The Bank's balance sheet grew 13% Y-o-Y and now crossed Rs. 7 lakh crores. Net advances grew at 16% Y-o-Y, mainly in secured business. Unsecured advances at 9.2% of the total net advances.

Total deposits grew by 15% Y-o-Y with CA and fixed rate SA growing at 26% and 10% Y-o-Y respectively. EOP CA included some temporary deal-based growth at the end of the quarter. We saw granular Y-o-Y growth in average low cost deposits with average current account growth at 14% and average fixed savings account at 8% on a Y-o-Y basis.

CASA ratio of the Bank improved to 42.3% at 30th September. Bank continues to maintain a healthy CD ratio at 87.5% on 30th September.

At the Bank standalone level, capital adequacy of the Bank remained healthy at 22.1% of which CET-1 is 20.9%.

Bank ended the quarter with a PAT of Rs. 3,253 crores. As you will recall, Q1 performance included dividend from subsidiaries of Rs. 449 crores, excluding which a Q-o-Q growth in PAT is 11%.

NIM for Q2 is at 4.54%, down by 11 bps on a Q-o-Q basis. This is mainly on account of the full impact of the 50-bps repo cut, which happened from 15 June, and change in the asset mix. Cost of funds on the other end reduced by 31 bps mainly due to full impact of savings account rate reduction, which we have done towards the end of Q1 and repricing of term deposits on maturity.

We expect NIM to show gradual improvement with ongoing repricing of deposits and CRR benefits during the second half of the year assuming no further repo rate cut.

Fees and services grew by 7.4% on a Q-o-Q basis with growth in distribution and debt syndication income.

Operating cost of the Bank at Rs. 4,632 crore for Q2 remained flat due to continuing focus on cost control and automation.

We continue to invest in technology and have added 44 branches during the quarter. This quarter also saw lower retiral cost due to change in discounting rate.

This quarter we saw improvement in asset quality with reduction in gross NPA ratio to 1.39% vis-a-vis 1.48% last quarter and net NPA at 0.32% vis-a-vis 0.34% last quarter, resulting in provision coverage ratio maintained at 77%.

Slippages during Q2 were also lower at Rs. 1,629 crore versus Rs. 1,812 crore with credit cost for Q2 reduced to 79 bps, down 14 bps on a Q-o-Q basis. Decrease in slippage and improvement in credit cost was primarily in credit card and micro finance business, whereas we continue to remain cautious and closely monitor stress in retail CV and rural segment. We expect credit cost to gradually moderate over the next two quarters.

Coming to consolidated performance:

With respect to group companies, last year same quarter was the best quarter for the capital market subsidiaries. Current quarter shows lower volume flows in capital market business Y-o-Y as well as on a sequential quarter basis. Our AMC business continues to perform well with growth in AUM, whereas the insurance business got impacted by GST regulation changes.

The consolidated networth at 30th September is Rs. 1,67,935 crore with book value per share growing by 14% to Rs. 844 per share. Our consolidated customer assets are Rs. 5,76,339 crores grew by 13% on a Y-o-Y basis.

Asset under management by the group stands at Rs. 7,60,598 crores, which grew at 12% compared to September '24.

Our capital adequacy at the group level remains healthy at 22.8%, of which CET-1 itself is 21.8%.

Q2 consolidated profit is Rs. 4,468 crore, in which contribution from Bank and other lending entities is 81%.

ROE at consolidated level is 10.65% for Q2 and ROA for Q2 is 1.97%.

With this I hand over to Pranav to take you through the deposits franchise.

Pranav Mishra:

Thank you Devang. Devang has taken you through the numbers. I will now take you through the underlying strategy in the Bank's deposits franchise.

Our strategy to serve the customer focuses on three levers for growth, consumption-led, investment-led and asset-led in a cost-effective manner. Customers are now highly digital, expecting real time friction-less engagement across every touch point of the Bank.

We are continuing with our strategy of leveraging branches and all forms of digital and virtual distribution in synergy, to deliver the right proposition and omni-banking experience to our focused customer segments.

Current Account:

Our average current account balances grew by 14% Y-o-Y this quarter. Our focus on the self-employed customer base continued to show momentum in new acquisition, contributing to overall balances and long-term value creation. In addition, the focus on customer collection and payment flows drove growth in throughput and liability balances.

Turning to our Savings Account:

Our average fixed rate savings balances grew 8% Y-o-Y. In savings account, our focus continues on high net worth, mass affluent, and core customer segments, supported by a comprehensive relationship-led approach that values customer engagement across Kotak's ecosystems, including liabilities, investments, insurance and loans.

Kotak Solitaire, which was launched in the last quarter, is a proposition curated to execute the above-mentioned strategy. This was driven with quality acquisition, deepening of relationship and sustainable deposits growth. Our ability to serve our customers both at acquisition and at service stages has witnessed growth due to decongestion and digitization of processes at branches and all other channels.

Turning to Kotak 811:

Our digital banking proposition which is focused on serving core India, that is a billion Indians, it is designed for customer acquisition and digital serving through full-stack digital solution. It delivers scale, simplicity and speed and offers seamless digital journeys for sachet-sized cars, loans, investments and protection plans. It gives us granular inflow through seamless digital onboarding. Notably, Kotak 811 app ranks as the third most downloaded banking app globally and the topmost downloaded banking app in India, reinforcing its role as a key growth engine.

Turning to Term Deposits:

We grew by 17% Y-o-Y. We did not renew some bulk deposits which matured in the quarter due to higher pricing. Our flagship proposition ActivMoney continued to be a differentiator, growing 10% Y-o-Y during the quarter.

Our distribution strategy continues to deliver omni-banking experience by leveraging physical, digital and virtual channels.

To act as a bridge between branch services and digital platforms, our virtual banking platform offers personalized, scalable and round-the-clock customer engagement. This approach helps us in enhancing operational efficiency and the effectiveness of remote banking services. Our focus remains on balancing savings, current, ActivMoney and term deposits to drive sustainable growth in liabilities in a cost-effective manner.

I now hand over to Vyomesh to take you through the consumer asset business.

Vyomesh Kapasi:

Thank you, Pranav.

I will take you through the highlights of consumer assets.

At a macro level, we are now witnessing good demand for consumer assets in the market. Overall, consumer assets have grown by 16% year-on-year and 5% during the quarter.

Mortgages:

Mortgage loans comprising home loans and loan against property continue to show healthy growth of 18% year-on-year and 5% quarter-on-quarter. The home loan segment continues to be price sensitive.

Our strategic focus is on building deep customer relationships while positioning home loans as an anchor product particularly for the affluent segment. The home loan portfolio has demonstrated reasonable growth and remains a key area of focus.

The loan against property market continues to perform well. We maintain a strong position in this segment. The emphasis has been on process improvement and enhance customer experience.

The quality of our mortgage book remains sound, supporting our continued growth in this space.

Business Banking:

There is a sustained demand for working capital in the business banking segment across sectors. Our secured business banking portfolio comprising of micro and small SME has grown 20% year-on-year and 8% quarter-on-quarter. Utilization has been strong, particularly during the festive season.

In the unsecured business loan segment, growth continues with a strong emphasis on portfolio quality.

Portfolio of business banking across both secured and unsecured continues to be stable.

Personal Loans:

Personal loans are an important component of our retail unsecured portfolio. The portfolio acquired from Standard Chartered last year is performing in line with our expectations. Our organic personal loan disbursements have maintained momentum, driven by salaried customer segment and digital acquisition channels. We have observed strong momentum in the recent past, driven by a surge in consumption trends following the changes in the GST.

Our focus on credit quality remains steadfast, with continued emphasis on digital origination. We will continue to build this business by managing risk through rigorous data analytics and policy measures.

Credit Cards:

We resume credit card issuance after embargo. Our newly launched Solitaire credit card is gaining traction and is helping in strengthening our value proposition for our affluent customers. We will continue to drive acquisition momentum through Solitaire.

Credit card is a core pillar of our affluent customer proposition and unsecured retail strategy. We have seen improvement in flow rates and drop in credit cost in our credit card portfolio this quarter. We will focus more in growing this book in coming quarters.

In summary, delinquency in overall unsecured portfolio have improved with better flow rates and collection efficiencies observed in this quarter. We continue to enhance our risk management and monitoring framework for all our consumer asset portfolios.

I now hand over to Manish to take you through the commercial banking business.

Manish Kothari:

Thank you, Vyomesh. I will now take you through the highlights of the commercial Bank business.

Commercial Vehicles:

The commercial vehicle industry saw a 10% Y-o-Y and a 8% Q-o-Q growth, primarily on account of improvement in small commercial vehicle sales. The growth in industry numbers is also partially due to the higher wholesale numbers achieved in the last week of September as the GST changes came into effect.

As we called out earlier, we are seeing higher stress in the retail CV segment. Hence, over the last few quarters, we tightened our underwriting and we have reduced our disbursements to this segment. We have also aligned our collections accordingly. The recent reduction in GST is expected to have a positive impact on the economic growth and better cash flows for the retail customers.

We have a balanced book in the commercial vehicle business ranging from fleet operators to the retail segment. And we will continue to focus on building our business through calibrated risk interventions while keeping a cautious stance on certain customer segments.

Construction Equipment:

The construction equipment industry sales witnessed a negative growth of 7% Y-o-Y in the first half of this financial year. And this was on the back of a flattish FY '25, primarily because of lower, newer projects that got awarded, delayed infra execution that we saw due to tight state government cash flows, and early monsoon onset and also extended monsoon disrupting projects.

We have tightened our disbursements to some extent and we maintain a cautious stance. We expect a post-monsoon recovery with festive season demand and renewed government spending likely to revive business momentum for the industry.

Tractor Finance:

The tractor industry sales saw 31% Y-o-Y growth in Q2, primarily due to favorable monsoon and better rural cash flows, and also higher wholesale numbers achieved in the last week of September.

Our disbursements grew in line with the industry, helping us maintain our leadership position.

Collection efficiency faced some pressure due to extended monsoon, but is expected to recover as rural cash flows improve. With good monsoon and healthy reservoir levels, we expect the industry to continue to do well.

Microfinance:

The microfinance industry advances had started degrowing in the last quarter-on-quarter basis from Quarter 2 of last financial year. And we expect that the trend should start to reverse and the industry should gradually pick up from Q3 of this financial year.

Our retail microcredit book contracted quarter-on-quarter, primarily due to repayments outpacing disbursements, although there has been some pick-up in disbursement volumes quarter-on-quarter, and we anticipate that this positive trend will continue through the second half of this financial year.

Early indicators on portfolio quality for business originated through a risk profile-based underwriting model is quite encouraging. Targeted recovery effort is also showing improvement in collection efficiency across all buckets.

As previously communicated, the microfinance stress peaked in Quarter 1 and we expect the portfolio performance to continue to gradually improve in the coming quarters.

The merger of BSS and Sonata has been consummated on 11th of October. This Integration will allow us to build a unified national franchise, enhancing our reach, operational scale, and ability to serve customers more efficiently across geographies.

Agri Business Group:

Agri Finance segment focuses primarily on Agri value chain SMEs comprising traders, primary and secondary processors, and Agri infrastructure providers. In fact, we are one of the strong players in the government-backed subsidy schemes for financing Agri Infrastructure.

In this segment, we continue to grow our new customer acquisition with specific focus on deepening our penetration in high-potential crop clusters. Additionally, there is a strong focus on providing holistic solutions to these customers through a 'One Kotak' approach.

Basis the crop cycle and in line with the trend across the years, the working capital utilization of existing customers has gone down Q-o-Q and will gradually move up in the second half of the year.

I now hand over to Paritosh to take you through the wholesale banking business.

Paritosh Kashyap:

Thank you, Manish. I will now take you through the highlights of the wholesale banking business. This quarter, our wholesale banking assets along with credit substitutes grew at 13% YOY and 3% quarter-on-quarter. Growth was witnessed across customer segments. We continue to focus on granular growth through our SME and mid-market verticals.

The corporate SME book grew 16% YOY and 7% quarter-on-quarter this quarter and witnessed record new customer acquisitions. Adjusting for the migration we did at the start of this year from corporate SME to other verticals of the corporate banking, SME advances grew at 26% YOY and 7% quarter-on-quarter.

Our mid-market portfolio too continues to scale at a fast pace with strong new customer acquisitions. Our book here is diversified and almost the entire growth has come from working capital and flow-based businesses.

Advances from the rest of the wholesale Bank also grew strongly with growth coming mainly from short-term and trade assets. Our credit substitute book saw a degrowth of minus 10% quarter-on-quarter and minus 2% YOY as the pricing in the loan market was comparatively better. Pricing continues to be a challenge in the larger corporate space especially in long-term and project finance cases.

We continue to focus more on flow-led businesses and profitability through higher cross-sell, greater share of transaction banking and deeper penetration. Our focus on trade has resulted in strong growth in our domestic trade and supply chain businesses this quarter.

We are focusing on deepening our digital penetration by fully digitizing journeys and ramping up digital platforms such as our EwayGo platform. EwayGo seamlessly integrates with GST network to auto-populate trade data enabling a truly scalable and zero-touch trade finance experience for our customers.

Our asset quality across customer segments continues to be robust and we saw minimal slippages this quarter.

We continue to bolster returns and profitability through liabilities and fees. Fee income saw healthy growth led by higher processing fees and syndication revenue. FX revenue were muted as exports plateaued towards the end of the quarter amid the tariff uncertainty. We continue to focus on increasing our share of customer collections and payment flows. This quarter we were selected as bankers to the issue for 13 Mainboard IPOs that raised Rs. 17,900 crores. Custody balances were however muted as the country witnessed net outflow from the equity segment driven by geopolitical uncertainties.

We continue to invest in improving our technology and digital offerings. 'fyn', our unified corporate and SME portal is seeing good customer adoption. We continue to add features, make APIs available and improve the resiliency of digital platforms. Overall, the wholesale Bank business remains in good health with acceptable ROEs.

I now hand over to Jaideep to take you through the subsidiary's businesses.

Jaideep Hansraj:

Thank you Paritosh. Our Q2 FY'26 consolidated profits stood at Rs. 4,468 crore. For the quarter, the subsidiaries contributed 27% to the consolidated profits versus this number being 33% last year. Our four engines of growth that enable us to meet customer needs across the financial spectrum are banking and lending, capital markets, asset management and protection.

Starting with lending, Kotak Prime:

Our auto finance business grew its customer assets to Rs. 42,274 crore with a YOY growth of 12%.

Moving to capital markets:

The profits of the capital market subsidiaries fell. This was because of a dip in volumes of both cash and derivative markets in this quarter. However, there was an increase in overall market share

to 13.1% from 11.6% YOY. Kotak Securities also has a market share of approximately 15% in the MTF business.

Our institutional equities practice is a Tier-1 broker for global and domestic institutional investors and works in collaboration with the investment Bank, which itself is ranked #1 in the equity capital markets category for the third consecutive year.

Moving to asset management business:

Kotak Mutual and Trustee company saw a growth of 31% YOY in profits and a growth in equity average assets under management as well to Rs. 360,000 crore odd.

Our alternate asset management business, which is KAAML, continues to be one of the largest domestic alternate asset managers in India, with total funds raised since inception of about USD11 billion.

Our India Mid-Cap fund with an AUM of close to USD3.5 billion continues to be one of the largest India-focused actively managed offshore funds.

Moving to the life insurance business:

The individual APE new business premium for KLI grew 12.2% YOY in Q2 of '26. The assets under management have crossed Rs. 97,600 crore, showing a growth of close to 10.5% YOY. Kotak Life continues to maintain a solvency ratio of 2.33x as against the regulatory requirement of 1.5x.

The introduction of GST effective September 22, 2025, impacted profits for KLI in the quarter ended September '25. The reduction in profits on account of this was Rs. 165 crore.

Our biggest strength is our uniqueness, friends. There's hardly any financial product which we as a group don't manufacture or distribute. Our subsidiaries not only manufacture and distribute financial products through their own channels, but also tap into the Bank's distribution platforms, either through corporate relationship managers, private bankers, branch network or digital apps.

Further, each of our entities is completely owned by the group, giving us 100% ownership that ensures alignment and consistency across the board. This also ensures the retention of the entire profits within the group.

Strategically, our conglomerate structure allows us to capture any opportunity in the financial market space as new trends emerge.

I will now request the operator to begin the Q&A session. Thank you.

- Moderator:** Thank you very much. We will now begin the question-and-answer session. Our first question comes from the line of Kunal Shah from Citigroup. Please go ahead.
- Kunal Shah:** Thanks and team, wish you a very Happy New Year and Happy Diwali. So, firstly, with respect to credit card, in fact, last quarter also you indicated that we should start to see the growth this quarter, but it was down like 4% odd and I think the end September would have seen the decent spend and volume. So, what is ideally leading to this and the right of quantum which was there of almost like Rs. 1100 crore odd, is it more skewed towards the credit card which is leading to decline in the credit card portfolio?
- Ashok Vaswani:** Yes, Kunal, Happy Diwali. On credit cards, like we had mentioned, Kunal, that we are kind of revamping the business. As you know, last year we were in embargo, we couldn't issue any new cards and therefore the credit card spends year-on-year would be really, really difficult. But with the launch of the new products like Solitaire, the relaunch of IndiGo and stuff like that, I am feeling actually hopeful that we will kind of come back. August was anyway quiet, end of September we saw spend kind of come up, but hopefully we will see some lift into the coming quarters.
- Devang Gheewalla:** Kunal, on the write-off question, I think it is a combination of personal loan, credit card and MFI and write-off based on the policy of 180 days or 270 days and that is the write-off which we have done.
- Shanti Ekambaram:** So, it is as per policy.
- Devang Gheewalla:** Yes.
- Kunal Shah:** Okay, so not skewed towards any particular segment like credit card or so?
- Devang Gheewalla:** No. These 3 segments as I said.
- Ashok Vaswani:** In fact, Kunal, on the credit thing, we have always said that personal loans, it is already kind of normalized. MFI, we said last time we believed that Q1 was at peak, Q1 was at peak, we have seen a decline in Q2. Credit card, last time we had said it plateaued, this time we are saying it is getting better. So, generally speaking, credit cost, like Devang said, hopefully for H2 would tend to be better than H1.
- Devang Gheewalla:** It will gradually moderate, yes.
- Kunal Shah:** Sure, and the second question is on cost of SA. So, it is still at 2.89, we have revised the rates to 2.5 from July onwards. So, how much of Delta is still left to get towards, I would still believe like

there is a floating rate SA which would be at a relatively higher cost. But ideally, can it actually come down to what level do we see it stabilizing given the rates are at 2.5 currently?

Devang Gheewalla: Yes, so you are right. I think, Kunal, that the rate is a combination of the fixed rate SA where we have reduced it to 2.5% and the floating rate SA. If you see the composition of the average balance on a QOQ basis. Actually, we have reduced dependency on the floating rate SA which is a higher cost deposits from 19,000 average to about 14,000. Now, whereas our fixed rate SA has actually gone from average of 1,05,000 to 1,13,000. So, what you are seeing 2.89% is effectively about 2.51% because we pay slightly higher on the savings account for the staff. So, it is slightly higher to 2.5% is on the core SA balance and average around the floating rate SA is anywhere between 5.5% to 6%. So, if you do the maths, it is basically that is the 2.89%. I think the amount over 2.5% will depend upon the quantum of the floating rate SA which we will take and the rate at what we will take. And clearly, this quarter, as you see, the actually the quantum for the floating rate SA is actually reducing significantly.

Kunal Shah: Okay, got it. But otherwise, it is largely the repricing is already done. There is nothing much left on SA now. From 2.89% level?

Devang Gheewalla: So, savings account, you do it similar to the repo rate on the advances. It is on a portfolio. So, the total savings account was repriced at 2.5 towards the end of last quarter.

Kunal Shah: Okay, got it. Thanks and all the best.

Moderator: Thank you. Our next question is from the line of Piran Engineer from CLSA. Please go ahead.

Piran Engineer: Hi, team. Congrats on the quarter. Just firstly, on getting back to OPEX, I think two quarter back we had highlighted that this year we are going to do advertising spends and credit would pick up. So, OPEX would pick up. But OPEX has actually remained quite low. Is that merely a function of credit cards not having picked up or is there more than that?

Devang Gheewalla: Hi Piran. See, the OPEX has a free component. I think if I look at the pure payroll cost, we are seeing a sizable reduction in the payroll cost with the headcount remaining more or less flat. So, that is the benefit on efficiency and the automation which we have got. On the second part, I think this quarter, we had a benefit of savings in OPEX on the retiral as the discounting rate has sort of changed because of the G-Sec yields have improved. So, that is a one-time gain which we have got. But on the third part, which is what you are saying is right, the variable cost on the acquisition is also one of the reasons for OPEX. But as the expenses are lower, the income on the acquisition also is not there. So, to that extent, I would say it is a combination of the efficiency gain, lower acquisition and some retiral benefit coming. But we continue to spend...

- Piran Engineer:** Can you quantify that?
- Devang Gheewalla:** No, broadly I think, as I said, even without retiral, OPEX will be in a single digit as we have seen in the last quarter QOQ growth. But we continue to spend on technology about 12% to 14% of the total OPEX that continues.
- Ashok Vaswani:** And we have not cut back on any marketing, we continue marketing.
- Devang Gheewalla:** Absolutely. Marketing, it might have postponed to Q3 maybe because of the festivity and all that. But we will remain committed on what is required to promote our branding and the marketing on that.
- Piran Engineer:** Fair enough. Okay. Secondly, just on your subsidiary Kotak Prime, because it is in a business which is kind of adjacent to our parent, our profits have been sort of stagnant at this Rs. 250 crores mark for the last several quarters. Is that to do with higher credit costs or what is going on?
- Devang Gheewalla:** So, Piran, there are two things. If I look at on a YOY basis, last year Q2 had some IPO profit in the Kotak Prime. I am just explaining the non-core first and then we will come to the core part. The sequential quarter in Kotak Prime also had a dividend just like banks. And therefore, it is showing a slight decline compared to QOQ or YOY because of this non-recurring income. Second part on the core finance business on the car business, I think this quarter while there is an uptick in some credit cost, however, on a placement rate basis, the margins have also improved. So, on a risk reward basis, we are still comfortable, but there is some marginal increase in the credit cost for the car business in that sense.
- Piran Engineer:** Okay. But this is only this quarter or it has been a trend for a while now, like you have called out retail CV. I am just trying to understand, does that trend exist in cars also?
- Devang Gheewalla:** No, we believe that the credit costs have sort of scaled up and here onwards it will remain at that level going forward.
- Piran Engineer:** Got it. And just lastly, going back to that earlier question on floating rates SA, now can you choose not to accept it or if you do not accept it, the customer will then put it in TD, right, which will be even higher than 5.5%. So, I am just trying to think that floating rates SA is still better than having that money flow into TD.
- Shanti Ekambaram:** It is like this, we do not refuse floating rates SA, but we have increased the thresholds as far as accepting floating rate SA is concerned, right? So, what happens is automatically only above a certain threshold which is a much significantly higher threshold, the higher rates kick in, right? Up to a certain extent it is fixed rate, then there is low floating rate and then above a certain extent the

floating rate SA kicks in. So, customers who we sign up and who qualify for that and if they cross the threshold, they get that. That is the way it is. So, we are not accepting it, but we have changed the thresholds to make it more efficient for us.

- Piran Engineer:** Got it. But then, Shanti, gets back to the same question that if you change the bar, the guys who are getting eliminated, I do not know if it is fair to assume that they will leave their money idle in fixed rate SA or they will move to TD. I am just trying to think about it.
- Shanti Ekambaram:** Typically, larger corporate entities do not have money for long-term TDs. They need usage and they sort of keep transacting in their businesses. There are various options for investment and floating rate SA is one of that.
- Devang Gheewalla:** So, Piran, these are from some strategic clients, a handful of clients. It is not that it is something widespread. So, to that extent, it is restricted to some of those select clients.
- Piran Engineer:** Got it. That is it from my end. Just one request and this is a request I make to all banks. If you could please move your results to weekday, like all other corporates do, it would be really useful. I think this is a practice and Mr. Vaswani, you worked in an MNC Bank abroad and it is not a practice anywhere else. And I do not know why this is the case, but if it could be moved. I think Axis is the only one that still sticks to weekday. It would be really grateful if that can happen.
- Moderator:** Thank you. Our next question comes from the line of Mahrukh Adajania from Nuvama. Please go ahead.
- Mahrukh Adajania:** Good evening. Happy Diwali. My first question is on provision. So, you spelled out the specific credit cost, 93 basis points declined to 79. So, if you do some rough calculation, then your other general or standard provisions have gone down materially, right, from around 2 billion to 0.4. That is correct, right? And why would there be a decline despite asset growth there? That is my first question.
- Devang Gheewalla:** Okay. So, Mahrukh, first of all, when I say 0.93 and 0.79, we are talking about only the specific NPA provisioning. We are not talking about total provisioning. As far as the other provisions are concerned, we also had this time, other than the specific provision, about Rs. 50 crores write-back, which we have highlighted in the EU. This is on account of the AIF-related provisioning in view of the revised guidelines from the RBI, which now requires you to provide on a lower of exposure versus investment. So, there has been a write-back of about Rs. 50 crores provisions. And therefore, other than the specific NPA provision, there is a reduction in the balance provision, largely on account of this.
- Mahrukh Adajania:** Okay. Because last time it was roughly 2 billion. So, even if you add back that Rs. 50 crore, then it would be around 1 billion, right? So, 2 has gone down to 1 possibly.

- Devang Gheewalla:** Yes. And there is, of course, the standard provisioning will depend upon the nature of assets which you finance because there are separate rates for different type of assets. So, clearly, that is there. And there are obviously certain other provisions like unhedged foreign currency exposure, these and that, they obviously will change according to the profile of the client, and the risk will take to that. So, those are some of the other reasons.
- Mahrukh Adajania:** Got it. And my other question is someone, Piran, already asked about OPEX, but I had a broader question on OPEX. So, if you see from the time of the ban, so just a quarter before the digital ban to now, the total OPEX growth, I know there will be retired benefits or rate benefits in some quarters, but from then to now, OPEX point to point has grown in single digits. It is just like a point-to-point growth. Whereas if you see HDFC or ICICI, even for them, the point-to-point growth in that period has been in double digits. I know you have been spending on technology like all other banks have been. So, where have the savings come from, say, relative to other banks? This is growth, not in terms of ratio. And actually, because we are aspiring to grow from a smaller market share to a higher market share, you spelt out your growth aspirations. So, shouldn't we be investing more or at least as much as the other banks, given that now other foreign banks are also deeply interested in India? We have seen FDI.
- Ashok Vaswani:** So, let me, first of all, look, I don't think we have a great amount of visibility into other banks. So, I am not going to comment on other banks. I definitely have a high degree of visibility into Kotak. And therefore, let me connect upon Kotak. See, one of the things that we have been doing over the last couple of years, actually, is investing quite heavily in technology. And because of our investments in technology, we have been able to automate and digitize our processes quite extensively. And Pranav, I think, covered it in his comments, where he talked about decongestion, declutterization, devoucherization of our processes. And that is kind of paid off benefits. Now, that is a good part about it. That is a good efficiencies and stuff we have got. I would also add, in the spirit of complete transparency, that our credit card volumes have been lower than what we thought they should be or what we aspire to. So, credit card acquisition costs are slightly lower. And then spends on credit cards have also been lower than what would have aspired. So, if spends on credit cards is lower, you get the feature cost or the rewards cost on cards also being lower. So, some of it, most of it, most of the benefit is really because of efficiencies that we are driving through the Bank, not only in the consumer Bank, across the Bank. Some of it is due to things like lower volumes on cards, lower volumes on MFI, because we have a banking correspondent and we pay them as a function of total outstandings. And therefore, those two, in fact, those are two areas where I wish our expenses would have been much higher. But net-net, I feel very good and very pleased with the efficiencies that we are getting out of the efforts that we are doing on automation and digitization of Kotak.

- Devang Gheewalla:** Yes. And Mahrukh, I think I would also urge you to look at the cost-to-asset ratio over a period of time. Despite increasing the balance sheet at on an average 14% to 15%, we have been able to manage the cost. I think largely also because of the quality of spends, while we spend about 12%-14% percent on IT, the balance 85%, what we have worked also gets reflected in this.
- Mahrukh Adajania:** Okay. Thanks a lot. Thank you.
- Devang Gheewalla:** Thank you.
- Moderator:** Thank you. Our next question comes from the line of Chintan from Autonomous. Please go ahead.
- Chintan:** Hi. Good evening. Can I start with your CASA? The growth has been quite strong this quarter. I just wanted to check what was driving that, if there were any, the short-term flows that you get sometimes in the CASA that help bulk up your CASA ratio? You've seen a lot of IPO activity or if there's anything else that you would consider as something that is transitory? So, that would be my question?
- Pranav Mishra:** Hi, Chintan. This is Pranav. Basically, if you look at the entire set of CASA numbers and I would like you to give more attention towards the averages and that will give you an understanding in terms of whether it is granular or whether it is a bulk. So, it is primarily a drive towards granular CASA. Two-three things which we have been putting in place, one with respect to launch of a proposition called as Kotak Solitaire, which resulted into in terms of mobilization towards a better and a higher set of customer segment, which is encompassing high networth as well as the mass affluent segment. Simultaneously, on the current account side, our emphasis is in terms of building a very strong throughput through the collections and the payment ecosystems to be captured at a consumer level. And that is where more of a granularity than bulking it up, simultaneously reduction as far as our SA on the floating rate is concerned is another testimony to the fact that we are focusing towards building this as a granular franchise.
- Shanti Ekambaram:** So, I just want to add two points to what Pranav said. The savings account growth that we talked about and if you look at it, average 8% Y-o-Y growth is entirely granular and it is both a combination of new customer acquisition on the affluent side which Pranav talked about as well as growing our existing base. As far as current account is concerned, you look at the averages, it has grown 14%. This is across both consumer as well as wholesale and we are focused on granular. There were some EOP deal-based balances, but that is not relevant. We should look at the averages of growth, both you are seeing strong growth in CASA.
- Chintan:** Thank you for that, Pranav. I only look at averages wherever they are available, but thanks. I think that adds a nice color to your CASA print. The second question, if I could ask in one perhaps for Ashok, we are sitting on a very healthy CET-1 ratio. We have got RBI draft proposals on credit risk

and ECL which may be quite positive. If you could perhaps put a postcode on the RWA reduction in the pipeline, is it high single digit RWA reduction and following that, Ashok, how do you think about the excess capital? If I look at your projected just on consensus numbers, at 15% CET-1, you can probably grow your loan book at 18%-19% before you need capital that is from your excess bucket. You have come in sadly in an embargo, but now that is behind us. How do we think strategically about excess capital?

Ashok Vaswani:

First things first, this is a good problem to have. And at least the way I think about excess capital is that it gives us a lot of flexibility. One, it allows us to weather any kind of downturn or any other kind of issues that may arise, but also it gives us an opportunity to take advantage of any other inorganic activity that may come into the market. So, the way we think about capital is the first call on capital. The first call on capital is always that of the business. Operating businesses have the first call on capital. If they go faster, they get it. Devang holds the businesses feet to the fire at a 15% capital and then we manage the excess capital separately in a capital optimization committee which Devang runs.

The excess capital then is first deployed into KAAML. Now, Jaideep talked to you about KAAML and Jaideep talked about how we have raised YTD about \$11 billion in that. We always put skin in the game into the funds that we raise in KAAML. That really helps us with our LPs and stuff like that. By the way, KAAML over a period of time has delivered very decent after-tax kind of returns. So, we like the investments in KAAML. Now, those investments do not pay off on a quarterly kind of basis. So, it is a little lumpy, but still the return is very good. The second call is we really like because we understand the financial infrastructure in this country, we really like investments in financial infrastructure. So, things like MCX or things like KFIN, where we have got these investments. Now, all these investments, the market value can go up or go down. When they go up or go down, we take them directly into network and therefore, you see excess capital going down or coming up. Coincidentally, this quarter, excess capital has actually come down by Rs. 1,183 crore because of the market value of these securities kind of coming down. So, that is the second one. The third one is we are constantly looking for other opportunities to invest this invested capital in such a way that the return on this excess capital is as close as possible to the return which we get in our operating businesses. Now, that is obviously not easy, but the lower the gap, the better. And obviously, we always keep in mind that we want, we may need that liquidity for any other opportunity that may kind of come along. And we scan, we look at every single opportunity in the inorganic space, not restricted to the Bank. I would love to get some opportunity either in our life business, in our brokerage business, in our asset management business, just love to get those kinds of opportunities. Within the Bank, we really like these portfolio tuck-in acquisitions. It takes away very little management bandwidth. It helps us bulk up and it helps us kind of move along. So, we look at everything. If the opportunity makes sense strategically, and then if it makes sense financially, we execute upon it. And that in a nutshell, I hope it gives you a sense of how we are

thinking about excess capital. Unfortunately, because of the nature of the industry, we are not allowed to do buybacks and stuff like that. So, that really is not within our control. But sorry, you were saying something.

- Chintan:** Could I argue that even taking into account these three factors you have told, you're sitting on chunky excess capital, now, there is, of course, an inorganic opportunity in the pipeline. If it plays out, then you will utilize some of that capital. If it doesn't, could we expect some action on that? Because even considering all the points you mentioned, there is still enough out there?
- Devang Gheewalla:** Yes. Just because I have excess capital, I don't think we should go out for opportunities which does not make sense. So, I think we have to carefully evaluate capital because capital is a very scarce commodity. So, we would like to clearly evaluate each opportunity carefully before sort of investing.
- Chintan:** And any postcode on the credit risk proposal and the ECL proposal on what impact you could have on it?
- Devang Gheewalla:** So, I think the ECL guidelines are still at draft and in fact, there is a deadline for submission, the suggestions by 10th of November. So, we would rather wait for the final guidelines to come before commenting on that. Only thing is, given that we are highly capitalized, additional provisions, if any, will be comfortable with our capital adequacy at this rate. So, we will wait rather than commenting on the impact of everything on this.
- Chintan:** And the risk-weighted assets, any reduction postcode, high single digit maybe?
- Devang Gheewalla:** Yes, I think we will have to wait for that. I think look at the final guidelines because there have been quite a few representations already being made. So, let us wait for the guidelines to come and we will come back with the impact on that.
- Ashok Vaswani:** Having said that, we have the capital. So, even if it is a little adverse, we will be able to absorb it quite easily.
- Moderator:** Thank you. Our next question comes from the line of Jayant Kharote from Axis Capital. Please go ahead.
- Jayant Kharote:** Thank you for the opportunity, sir. The question is on the asset mix. Now, we have almost 300 bps below what was the unsecured mix, say, 4-5 quarters before. The direct question is, how many quarters away are we from the unsecured share in overall mix starting to rise, not stabilize, not go down, but to start increasing, which means these products put together start outgrowing the rest of the book? That is the question?

- Ashok Vaswani:** Yes, look, I am definitely not going to hold back secured asset growth just to make the percentage kind of improve. I think this will be like a 3-stage process. The first stage is, microfinance was negative, cards were negative, how do we make it positive? So, in rupees, crore, how can we grow this? That is Stage number I, hopefully, shortly. Stage number II is how do we actually cross at least into the double-digit arena. But longer term, we would definitely like to get higher. This is an area of tremendous focus for us and we are working hard to kind of get the turnaround. I don't at the top of my head remember when it suddenly gets into kind of double digits. But this is a very key area of focus, which we will be kind of spending a lot of time on.
- Devang Gheewalla:** Yes, I think we have to be careful, you know, we don't build up further stress on this. So, I think as the slippages are going down and the new book is getting built on a better credit quality, so it will be a gradual process to build up a quality unsecured book over a period of time.
- Jayant Kharote:** Yes, sorry about that. Just a follow-up to that is, you earlier mentioned that MFI is where the next quarter looks better and PL, you are anyway stable. It is the credit card piece, which is keeping you a little bit away to buy it right now. Is that a clear understanding?
- Devang Gheewalla:** No, credit card has stabilized. It is not increasing, but it will reduce at a gradual rate.
- Ashok Vaswani:** No, he is not talking about losses. He is talking about the business.
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- Ashok Vaswani:** So, look, where we stand today, PL, we are kind of building on momentum. MFI disbursements are pretty much in the same zip code as repayments. Cards is the one which we are really looking to see how we can kind of come back to. Like Devang said, we are being, we do not want to do anything crazy. We want to make sure that we are going to get this right. So, if that means it takes another quarter, so be it, but we want to build the business in the right way. It is a tremendous degree of focus, like I said, and we will report out the results, of course, every quarter.
- Jayant Kharote:** Understood. Thank you, sir.
- Moderator:** Thank you. Our next question comes from the line of Abhishek M from HSBC. Please go ahead.
- Abhishek M:** Thanks. Sir, my question is on margin. So, is it fair to say that the yield compression due to repo transmission is largely played out, and from here, your yield on advances should basically reflect a mixed change rather than any repricing? So, is that a fair conclusion?
- Devang Gheewalla:** Yes, Abhishek. Largely, you are right because assuming there is no further repo cut, what you are saying is right.

- Abhishek M:** Of course, yes. And then, on cost of term deposits, since your repricing period is less than 12 months, so basically the repricing should happen for the next couple of quarters because we have already had pretty much 2 quarters of repricing of term deposits specifically?
- Devang Gheewalla:** Yes, that is right. I think our average book is between 9-12 months. So, we started reducing the rates in April-May. So, by Q4 or at the most first quarter of the next year, we should be able to reprice the book.
- Abhishek M:** The conclusion would be that from, let us say, the next couple of quarters, you see some margin expansion, but next year, just thinking about it, how it would move from a quarter-on-quarter basis, it would pretty much flatten out around the 4Q exit or thereabouts. Is that qualitatively the right understanding on how NIM should progress from here?
- Devang Gheewalla:** See, I think we are still, we are looking at this year first, next year we have not thought, but what you are saying is effectively, yes, from Q3-Q4, you will see gradual improvement in the margin. Obviously, the exit margin at say March 26 will be higher, obviously, and thereafter, I think it will depend upon how the general economy rates move.
- Abhishek M:** Right, and can I just squeeze in another question, if that is, okay?
- Ashok Vaswani:** Sure, go ahead.
- Abhishek M:** Thank you. So, on OPEX, basically, until the loan mix sort of moves back towards unsecured loans, you will continue to see lower cost to assets, because it is just reflecting the business you are doing on corporate and home loans. So, is that again a fair assumption?
- Ashok Vaswani:** So, look, like I said, there are two elements to it. One element is all the benefits that we are going to drive from automation and digitization that I am hoping will continue and we will continue to drive that. Now, so that should be a continual trend. As and when cards, basically, cards kind of start picking up, we will see some level of spends go up, obviously, product costs will go up and stuff like that. But I think the general trend of getting the benefit out of digitization and automation hopefully continues.
- Devang Gheewalla:** But as I think as product cost goes up, the income from the additional acquisition also will go up.
- Abhishek M:** Alright, thank you so much and all the best for the quarter.
- Ashok Vaswani:** Thank you.
- Moderator:** Thank you. Our next question comes from the line of Rikin Shah from IIFL Capital. Please go ahead.

- Rikin Shah:** Thank you for the opportunity. The question is on credit cards. It has been like 6 months since the embargo was lifted, but the card book is down around 7%. What I wanted to check was, is it driven by any regulatory corrections required in any part of the card portfolio still? And what would be the share of commercial credit cards in the overall credit card business for us? That is the first one? And second, just quantitatively, Devang, is the retiral benefit of around Rs. 100-Rs. 200 crore or is it substantially higher in this quarter?
- Ashok Vaswani:** So, I will take the first part on cards and I will let Devang talk about the retiral benefits. So, first of all, there is absolutely no regulatory restriction on cards. Like we said, we got out of the embargo at the end of the last fiscal year and we started getting back into cards and really it is about ramping up the cards business, which is what we are in the process of doing. Commercial cards frankly is a small piece for us. So, our spends get affected by that. But commercial cards are not really the most profitable part of cards. It is a small piece and it is a nice piece. That is it. Let us go with it.
- Devang Gheewalla:** Yes, on the retiral part, I think it is less than Rs. 100 crore. But I just wanted to highlight one thing. As the yield goes up, while I get benefit in the retiral, there is obviously a negative on the treasury MTM. So, as the yield reverses, you will get benefit in treasury MTM, but the retiral cost will go back. So, I think it is a reverse part of it. But to answer your question, it is less than Rs. 100 crore.
- Rikin Shah:** Absolutely. Thank you so much.
- Moderator:** Thank you. The next question comes from the line of Jai Mundhra from ICICI Securities. Please go ahead. Jai Mundra, your line has been unmuted. You may proceed with your question.
- Jai Mundhra:** Hi, good evening, sir. Thanks for the opportunity. You have explained the credit cost trend in PL, CC and MFI. If you could also talk about CV, which we had talked about in the last quarter?
- Manish Kothari:** So, the retail book is what we had called out saying that we have higher stress in the retail CV segment. The overall impacted part of the retail book is not a very large part of the retail book as we have and it will take up over the next few quarters, we expect it to kind of gradually come down because the CV is normally a 5-year book that you underwrite and hence it will take that much time for the thing to wear off over the next few quarters. It will start to gradually come down.
- Jai Mundhra:** So, all, let us say, high credit cost book, which is PL, CC, MFI and maybe CV, they all are experiencing stable to improving trajectory, right, and that should hopefully sustain?
- Devang Gheewalla:** Let me again repeat for the sake of repetition. The credit card, the credit cost has stabilized. While they are not increasing, they will reduce at a gradual pace for the next 2 quarters. MFI's book, the credit cost has started reducing and we will see gradual decline going from Q2-Q3. As far as personal loan is concerned, I think the credit cost have dissolved and I think it has significantly

reduced. As far as the commercial vehicle retail business, what we just now discussed, it is still under stress and for next couple of quarters, we may see remaining or slightly increase in that cost.

Jai Mundhra: That helps. And lastly, sir, ActivMoney, the amount has declined on a Q-o-Q basis. Is there anything to read into this deficit?

Pranav Mishra: ActivMoney has a flow from CA as well as from SA. So, what we have seen is there is a huge amount of utilization of funds and that is where we have seen a bit of money going out of, what you called as ActivMoney, getting utilized for the liquidity purpose of the customers, both at a CA as well as at a SA level.

Jai Mundhra: Sure. Thank you.

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

Param Subramanian: Yes, hi. Thanks for taking my question. Question again on margin. So, in the first half, of course, we cut our savings rate more than peers, but our margin compression over the last couple of quarters, if I look across the private banks, it has been larger compared to your peers, right? Now, moving to the second half, we are possibly looking at maybe the consensus view is one or two more rate cuts from the treasury. What are the levers we have to defend margin because as we see it right now, secured book is going faster than unsecured? So, that is an added pressure. Yes, that is one. And the second one is your yield on investments is down sharply quarter-on-quarter. Is there something to read into that? That is a calculated number that I have. Yes, just trying to understand that because we have also reported a treasury loss.

Devang Gheewalla: So, Param, on the margin part, I think the savings account rate before the rate cut, we were paying actually, slightly higher than the peers on the savings account. And therefore, when we cut the rate, the benefit is also higher. The only thing is we cut the savings account rate towards end of quarter 1, for which the full benefit has come in Q2, which is what is reflected in the 31-bps reduction in the cost of fund. So, now that is aligned with the peers at 2.5 for the fixed rate SA. As far as the term deposits are concerned, obviously, we have done the rate cuts as per the buckets, what we believe is right. And that will flow as and when the deposits start repricing going forward. The question is whether if there is a further repo cut, what are the levers we have? I think we will have to play by not only what we want, but what market wants and what peers are doing. But largely, can it be the term deposits rate, can be further savings account? I think it is at this stage very difficult to say anything on that. But clearly, as we have responded to the already, the rate cut about 75 bps, I think we will also respond for any further rate cut based on the market and the peer's part.

Param Subramanian: Fair enough. The other part on the investment book.

- Devang Gheewalla:** Investment books, I do not see any material change on that. Because I think, frankly, when I looked at it, while we have taken an MTM reversal in the current year, as far as the yield is concerned, I do not see any material change compared to earlier quarters.
- Param Subramanian:** Maybe I will check with you offline on that because I am looking at my calculated numbers. Thanks a lot. All the best. Thank you.
- Devang Gheewalla:** Sure.
- Moderator:** Thank you. Ladies and gentlemen, we will take that as our last question for today. I would now like to hand the conference over to Mr. Ashok Vaswani for closing comments. Over to you, sir.
- Ashok Vaswani:** So, thank you. Thank you very much. Really appreciate you all doing this on a Saturday evening. It has been quite a hectic quarter. I think we have made steady progress against our overall goals and we are continuing to kind of focus strongly on execution. So, once again, thank you very much and see you at the next quarterly call.
- Moderator:** Thank you. On behalf of Kotak Mahindra Bank, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.