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Management: ...to be attributed to 11 basis points due to the FCNRB impact, as we just explained, quarter-on-quarter; 16 basis points due to the change in balance sheet mix; and 10 basis points due to the full impact of the 125 basis points of repo rate cut in the current quarter versus the 100 basis points rate cut in the same quarter last year, net of the benefit in cost of funds due to liabilities repricing.

Cost of funds declined by 8 basis points year-on-year and increased by 3 basis points quarter-on-quarter.

Moving to other income and operating expenses, our fee-to-asset ratio stood at 1.26%. Wholesale fee grew by 10% year-on-year and total retail fees grew by 4% year-on-year.

Trading profit and other income was at 150 crores, declining by 74% quarter-on-quarter, mainly on account of MTM and some realized losses on investments.

Operating expenses for the quarter stood at Rs.10,819 crores, growing by 9% year-on-year and 11% sequentially. The year-on-year increase in operating expenses was Rs.862 crores. This increase can be attributed to the following reasons: 48% of the increase is linked to volumes, 23% to investments in technology and digital, and the remainder to staff costs and other operating expenses.

Regarding the quarter-on-quarter increase in expenses, it needs to be noted that the bank had a Rs.271 crore one-time reversal in staff costs in the last quarter. Further, there are some one-time expenses of Rs.254 crores in the current quarter, mainly relating to new labor-code-related items and certain expenses attributable to FCNRB mobilization. Adjusted for these one-time items, the quarter-on-quarter increase in operating expenses was Rs.572 crores, which is about 6%, attributed to the following reasons: about 60% of this is volume-related, 13% is due to investment in technology and digital, and the remainder is staff cost.

Overall technology and digital spend was about 9% of total operating expenses for Q2 FY27.

We opened {? 119 ?} new branches in the quarter and 171 new branches for the entire half year. The attachment rate in branches has increased {? [unclear] ?}.

Moving to the business segments and bank growth, we have already discussed the growth in loans and deposits, along with the impact of FCNRB and rates. We continue to gain market share in the deposit franchise, gaining approximately 10 basis points of market share in the month of August and 53 basis points of market share on a year-on-year basis in the deposit franchise.

Our loan book is granular and well-balanced, with retail advances constituting 54% of overall advances, corporate loans at 34%, and SME at 12%.

Please refer to slides 20 and 21 for details around the quality of our liability franchise and to the slides on our loan franchise.

Seventy-two percent of our loans are floating-rate loans, of which 60% are linked to repo, while 12% are linked to MCLR and other benchmarks. Forty-four percent of our fixed-rate book matures in 12 months. The breakup of the floating-rate book by benchmark type and MCLR repricing frequency is

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set out on slide 10 of our investor presentation.

In Q2 FY27, retail disbursements grew 22% year-on-year. Disbursement growth in home loans was 24%, vehicle loans were up 25%, and SBB was up 33% year-on-year. Retail agriculture was higher by 19%, and consumer loans were up by 20% year-on-year.

Moving to asset quality and provisioning, slippages, GNPA, NNPA, and PCR ratios for the bank and segmentally for retail, CBG, and corporate are provided on slide 45 of our investor deck. Gross slippages in the quarter were Rs.4,762 crores, of which retail was Rs.4,286 crores, CBG was Rs.287 crores, and WBCG was Rs.189 crores. Our gross slippage ratio for the quarter declined by 53 basis points year-on-year and 31 basis points quarter-on-quarter.

For the quarter, 33% of gross slippages are attributed to linked accounts of borrowers that were standard when classified or had been upgraded in the same quarter.

Net slippages for the quarter were Rs.2,383 crores. Net slippages segmentally were Rs.2,042 crores for retail, Rs.210 crores for CBG, and Rs.131 crores in WBCG. The net slippage ratio for the quarter declined by 30 basis points year-on-year and 37 basis points sequentially.

Recoveries from written-off accounts for the quarter were Rs.971 crores, up by 51% year-on-year. Net slippages in the quarter, adjusted for recoveries from the written-off pool, were Rs.1,412 crores. Segmentally, retail was Rs.1,313 crores, CBG was Rs.98 crores, and WBCG was Rs.1 crore.

As of September 30, 2026, the gross NPA of the bank stood at Rs.16,778 crores, net NPA stood at Rs.5,054 crores, and provision for NPA stood at Rs.11,724 crores.

The cumulative non-NPA provisions as of September 30, 2026, stood at Rs.15,860 crores, comprising prudent provisions for standard assets of Rs.6,775 crores, restructuring provisions of Rs.176 crores, standard asset provision at a rate higher than the regulatory rate of Rs.1,914 crores, an additional one-time standard asset provision of Rs.1,231 crores, and weak assets and other provisions of Rs.5,767 crores.

Moving to the performance of our subsidiaries, the detailed performance of the subsidiaries is set out in slides 52 to 59 of the investor deck. In H1 FY27, the domestic subsidiaries reported a net profit of Rs.1,210 crores, growing 29% year-on-year. The return on investment in domestic subsidiaries was 45%.

Axis Finance: Assets under management crossed Rs.54,592 crores, growing 23% year-on-year. The retail plus MSME book constitutes 71% of total loans. H1 PAT grew 42% year-on-year to Rs.446 crores, with a capital adequacy ratio of 22.15% and strong asset quality, with net NPA at 0.35%.

Moving to Axis AMC, overall quarterly average AUM grew 9% year-on-year to Rs.3,82,956 crores. H1 PAT, adjusted for the impact of the PMS business transfer, was at Rs.370 crores, growing by 36% year-on-year.

Axis Capital: Profit after tax stood at Rs.149 crores, up by 61% year-on-year, and the team executed about 20 ECM and 5 non-ECM deals during the first half.

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Axis Securities: Revenues for the first half were at Rs.842 crores, and H1 PAT, adjusted for the impact of the PMS business transfer, stood at {? Rs.131 crores ?}, up by {? 5% ?} year-on-year.

{? [inaudible] ?} We continue to maintain our focus on the long term and build a sustainable franchise. We remain vigilant in monitoring the macroeconomic and geopolitical environment, inflation, liquidity, and cost of funds, along with the impact on margins.

This concludes our opening remarks, and we would be happy to take questions.

Operator: Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. An operator will announce your name in the question queue. Participants are requested to use only handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

The first question comes from the line of Chintan with Autonomous. Please go ahead.

Chintan - Autonomous: Thank you for taking my questions, and congratulations and welcome, Adhuraraj. Can I start with the retail-versus-corporate debate? I think a couple of quarters ago we had a {? long conversation ?} on the phone, and at that stage the indication was that retail would probably top out at 55%. However, it seems like the corporate opportunities continue to remain, and they remain strong because the double-A spreads are still quite wide. Is this a trend that we can still expect? As long as these corporate opportunities are there, could the percentage of retail in the loan mix continue to fall? That was question one.

The second question is on understanding how NIMs might evolve in the next quarter. First, I should thank you for giving us very clear disclosures on the FCNRB adjustments. Your peers have not done that, so I appreciate that; that's loud. For the next quarter, if you could throw light on what kind of movement we should expect there, that would be helpful. Thank you.

Management: Starting with the question on the corporate opportunity, I'll request Vijay to talk about that, and then I'll take the question on the NIM outlook.

Subrat: Hi, this is Subrat. Sorry, I'll take the question you asked on the overall mix, Chintan. We did not guide for any particular topping out or bottoming out of the retail share of the total mix. If you look at our retail disbursement growth on a quarter-on-quarter basis, it is quite strong across all the categories. So we continue to push the pedal on retail growth in terms of disbursements. The book growth has also gone up. Even excluding FCNRB, it is now above 10%. It has been going up from 6% to 8% to 10% over the last few quarters.

On the corporate side, there is a good opportunity and a good pipeline, with very good companies with whom we are actually gaining wallet share. These are long-term relationships and, as we have mentioned, the downstream benefits of these relationships, where we are actually substituting other banks, cannot in any sense be undervalued. So we are continuing to make sure that the retail book growth starts to catch up once disbursement growth continues to remain as robust over the next couple of quarters. It is doing that; book growth is starting to grow at a faster pace.

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Going forward, we are not putting forward a particular number, but we are very cognizant of our medium-term structural NIM guidance. We know that we have to do this balancing act at a faster pace in terms of making sure that we do not move further away from the mix that we have right now and that we get back to an above-55% retail mix. That effort is underway at this point in time.

On the second point, which was NIM, as we have depicted in the investor deck, we had about 11 basis points of impact during the quarter due to FCNRB deployment or FCNRB mobilization. If we adjust for that, the NIM for the quarter was 3.47%, which was 1 basis point higher than the last quarter. As the funds have come through, we are now looking at further deployment and optimization using these funds. In the last quarter, we utilized some portion of these funds to retire the more expensive NRTDs. That was done towards the end of the quarter, so we should be able to see some benefit from that come through in the next quarter in terms of NIM uplift.

At the same time, as Subrat mentioned, we are working toward improving the loan mix, liability mix, and various aspects of the product-level mix that we can work on to improve the NIM trajectory. FCNRB-related deployment will take us the next couple of quarters in terms of fully realizing the benefit of the optimization. We will then also see how exactly we are able to uplift the NIM. Overall, the structural guidance that we have given on NIM remains unchanged. However, as you can see, these are various factors that are playing out, and therefore, from a timeline perspective, we will not be able to specifically guide on how much time this will take in terms of moving forward on that trajectory, although structurally we are working toward the through-the-cycle guidance of 3.8% that we mentioned earlier.

Chintan – Autonomous: Just to clarify, does the 11-basis-point FCNRB impact in the NIM, the optical impact on the NIM, increase or decrease in the next quarter?

Management: The 11 basis points had broadly two components. One was the impact due to the grossing up of the balance sheet, and the second was the fact that it took some time for these funds to be deployed, including for retiring a portion of the NRTDs. Initially, these funds had been parked in low-yielding investments. As we look at deploying these funds into credit growth, as well as further optimization in the balance sheet, I think we should be able to see an uplift. This impact was for this particular quarter. I think in Q3 and Q4, you should be able to see some preferential benefit coming through due to the optimization of this FCNRB.

Chintan – Autonomous: Thank you, that helps. Thank you.

Operator: Thank you. The next question comes from the line of Mahrukh Adajania with Tara Capital. Please go ahead.

Mahrukh Adajania – Tara Capital: Hi, good evening. I had a couple of questions, again on the corporate-retail mix. A lot of banks that have raised FCNRB, particularly private banks, are growing corporate loans quite rapidly. Is it a shift in demand? Do you see the industry shifting to...

Mahrukh Adajania – Tara Capital: Higher corporate loan growth, given inflation and possibly the war? Is that the correct way of looking at it? Given that your retail has grown quite impressively and the growth has picked up, that is my first question, particularly on the corporate loan growth side. My second question is on credit cost. Given how the situation is unfolding among peers, you have

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also seen some improvement. Looking at the numbers for the present quarter, do we see that as a sustained trend? Are there any benefits from the write-offs of previous years? How do we view credit cost?

Management: We are seeing good growth in our corporate book. Effectively, we apply our internal filters on pricing, risk, and RWA, and we let go of several assets. In spite of that, we are able to see growth because the growth is very broad-based across several sectors and segments. We are also seeing growth across capex, project finance, refinancing, and working capital. So we do not have any dependence on any single sector, client segment, or financing category. The growth is sustainable, as we have shown over the last few quarters.

I also want to add that, wherever we are taking the balance sheet to the market, we take the full franchise. We have spoken about One Axis in the past, and that is no longer a pilot; it is actually embedded in how we operate. We take our Neo platform, which is our trust and plants digital stack, for both flow business and B2B business. We are also taking our One Axis approach to achieve cross-sell across corporate salary as well as Burgundy. Corporate growth is sustainable because it is well diversified across sector segments and financing categories. We do not want to lose the opportunity because, as Amitabh said earlier, we are realizing several downstream benefits. Thank you.

Management: I think on your second part of the question, Mahrukh, on credit cost, we have definitely seen an improvement trajectory on both a quarter-on-quarter and a year-on-year basis. We have seen the improvement come through. We do not give specific guidance on what exactly the credit cost is going to be, but directionally, what I can confirm is that we are on a trajectory toward improvement. I think there is some further improvement that we can expect, although some portion of the improvement that has come through is also because of the mix. However, in individual portfolios as well, we are seeing definite improvement, as reflected by the overall slippage ratios and the improvement in recoveries. So I think the trajectory of improvement continues, and we can expect some further improvement going forward.

Mahrukh Adajania – Tara Capital: One last question on the ECLGS business: how much of ECLGS loans have you disbursed?

Management: We have sanctioned around {? 12,500 ?} loans worth around 10,800 crores, and approximately 80% of those have already been disbursed.

Mahrukh Adajania – Tara Capital: Thank you.

Management: Thank you.

Operator: The next question comes from the line of Rakshit Shah with IIFL Capital. Please go ahead.

Rakshit Shah – IIFL Capital: I had a few questions. The first one is on the clarification regarding the labor-code impact of Rs.254 crores. What would the larger part of the Rs.254 crores be associated with? Would it be the labor code, or would that also include FCNR? Could you provide any split, if at all? This labor-code impact was already recognized last year, so I am curious to understand why it came up again and how we should think about it incrementally. Should we expect more of this in the

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coming quarters? That is my first question.

Rajiv: Hi Rakshit, Rajiv here. Broadly, if we look at the one-off during this particular quarter of Rs.254 crores, slightly more than half of this was related to the labor-code impact. Broadly, certain clarifications that we have recently received regarding a couple of components pertaining to some of the outsourced employees, and the provisioning that we have taken around that, as well as some clarifications relating to the ESIC, have been the key items on which we have taken some one-time expenses. Slightly less than half pertains to FCNR-related mobilization, as we have called out.

Rakshit Shah – IIFL Capital: We should not expect any further labor-code-related OPEX in the coming quarters, right?

Rajiv: This is an evolving area. We are continuously looking at the various guidelines and circulars coming our way, and whenever anything comes through, we immediately highlight it. So far, based on what we have been aware of, we have already taken those into account. However, this is an area where, whenever new guidelines or similar requirements come through, we will have to deal with them. As of now, based on what we are aware of, we have already factored that in.

Rakshit Shah – IIFL Capital: Understood. The second question is on fee income. Overall fee-income growth has been somewhat weak in the last 2–3 quarters, largely led by cards and payments. Some of your peers have seen some benefit in fee income due to FCNR. Did you not receive that benefit, and how should we think about it incrementally? Could you also offer some comment on bancassurance and the potential impact following the draft IRDA guidelines? I have one more question after this.

Management: On fee income, Rakshit, this is {? Puneet ?}. The growth in the corporate book means that some of the asset-linked fees are lower on a ratio basis. Also, some of the non-asset-linked fees come a bit later, so that continues to be a challenge. The other issue is credit cards, where fee income has been somewhat weak. Spending numbers have not been strong, and last year September was when the festive month had started, whereas this year it has shifted to October, so there is a temporal difference on account of that.

We continue to work on it. If you look at it quarter-on-quarter, the growth was {? 4% ?}, but on a year-on-year basis, the growth is not as strong as the fee-income growth we used to see in the past. So we have to continue to work on it.

On the insurance part, the consultation paper is out. I think over 30 days, various points expressed by various industry players have been sent to the regulator. They are also in a listening mode at this point in time. We have done some assessment of how things stand based on the consultation paper. We believe there will be some time before they actually come through.

We also possibly believe there might be a few areas where a specific amount of time or a glide path might be given for us or for the insurance players to manage the change. Some of those things will happen. I do not think there is anything right now that we can state with greater specificity in terms of how they will play out.

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We have done some work on our side regarding what the potential impact could be and how we could mitigate it through a combination of volume, product mix, and other factors. We will try to manage it, and in the meantime we will see if there are other sources of fee income that we could increase. So I think we might get about 6 or 9 months before that comes through, and we will try to mitigate the impact during that period.

Rakshit Shah – IIFL Capital: Understood. My last question is a clarification on margins. Rajiv, you did offer some comments on how to think about it, but just to make it completely unambiguous, while there could be some drag from FCNR for the full quarter in the next quarter, can we say that this quarter, including the FCNR impact, is the bottom and that directionally it can stabilize and move up in Q3 and thereafter?

Rajiv: On the NIM trajectory, as I explained in the previous question, we are seeing the significant impact of FCNR come through in this quarter. Net of that, we have seen a 1-basis-point improvement. We had said that Q1 is where we saw the bottom of that, and then we would see an improvement. We have clearly shown that, net of the FCNR impact, the improvement has come through.

Going forward, based on the various levers that the bank is working on, especially around the advances, asset mix, and liability mix, we are trying to work through that improvement. Some of that will also be aided by the rate hikes that will come through, but there are also certain headwinds that we need to work on. Across the various factors, our endeavor is to make sure that the NIM trajectory continues to move up. That is what I mentioned earlier, and I would like to reiterate the same.

As I mentioned, we are working through the various levers. The timeframe is difficult to ascertain, but sequentially we should be able to show an improvement going forward. That is what we are hoping for.

Rakshit Shah – IIFL Capital: Understood. You had that additional point on whether we have collected an FCNR fee as we mobilized these deposits, and whether the 6% year-on-year growth includes that fee or does not.

Rajiv: No, we did not collect a fee for mobilizing the deposits.

Rakshit Shah – IIFL Capital: That is clear. Thank you so much.

Operator: Thank you. The next question comes from the line of Abhishek Murarka with HSBC. Please go ahead.

Abhishek Murarka – HSBC: Good evening, and thank you for taking my question. Back to Zarin, I think you said that you have qualitatively made some assessment of the impact and the offsets available. I would be interested to know if you can expand a little on what you could change to offset the impact. Obviously, the numbers will come later, but a broad qualitative understanding would help.

In your overall insurance sales, what percentage comes from credit life versus the rest? Can you split that up in broad terms? That would also help our overall understanding. That is my first

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question. I will come back for a second question after this.

Management: Thank you for the question. We do not give the breakup of fee income within the individual categories that we have specified. On your first point, there are multiple levers. I think it is still premature to go into some of those levers, even on a qualitative basis.

If you look at how the industry has navigated previous regulatory changes, including as recently as last year when we had a GST rate-cut change, there was an expectation that volumes should go up. Volumes did go up, and in that sense, on a net basis, the industry managed to have higher volumes of the product that had the maximum GST impact in terms of price reduction. On an overall basis, the industry still came out positive.

I think we will try to work on some of those levers. However, as I said, until we get a final picture of how various products look in terms of the change in their commission structures, it would be premature to discuss in greater qualitative detail the subcategories through which we would be able to mitigate the impact.

Abhishek Murarka – HSBC: Understood. On the other hand, regarding the MDR on UPI, do you have any broader numbers on how much revenue you hope to gain? That could also be an available offset for whatever you lose on the insurance side. An order of magnitude there would also help.

Management: On UPI, as you are aware, we play across all three spectrums: as an issuing bank, PSP bank, and acquiring bank. At this stage, we cannot give any specific guidance because MDR implementation has been postponed. When it comes, I think the bank is committed to ensuring that we also use some of the revenue to grow the ecosystem by increasing our merchant footprint and managing the infrastructure cost that we incur in maintaining UPI. So there is no specific breakup at this stage.

Abhishek Murarka – HSBC: Do you think most of the gains that you would see would actually go toward developing the channel?

Management: Reinvest, yes. Reinvest. At the end of the day, Amitabh is right.

Management: A lot of people will be competing for this share of the pie, and as Ambika said, we have a decent share across various parts of this value chain. Finally, where we end up will obviously depend on what leverage we have over each other. We might have to spend money because it does not look profitable right now, and then suddenly there could be full ownership. It is difficult to predict where this will end because implementation is being delayed.

Our endeavor would obviously be to generate the revenue, but given that there are so many variables, and you have added one more to the equation, it is very difficult to predict where the penny will drop. However, we do believe we are much better placed than last year.

Abhishek Murarka – HSBC: Exactly, which is why I was asking the question. Anyway, thank you for the response, and all the best for future quarters.

Management: Thank you.

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Operator: Thank you. The next question comes from the line of Kunal Shah with Citi. Please go ahead.

Kunal Shah – Citi: The first question is on the operating jaws overall. Even adjusting for the labor code as well as the one-time impact in overhead costs, in terms of cost to assets, it seems to have edged up on a quarter-on-quarter basis. You indicated that, after adjusting for all of this, 60% is volume-linked. As we continue to grow the retail portfolio and disbursements, would we see limited OPEX-to-asset benefits now kicking in from the approximately 2.1% at which we are currently, or is there still some operating leverage available?

Rajiv: Hi Kunal, Rajiv here. We have definitely seen the jaws being positive from a core operating revenue perspective. Stripping out the one-time items, if we remove those, I think the story clearly comes through. The cost-to-asset ratio has been coming down steadily quarter-on-quarter over the last 1.5 years or so, and we do expect that journey to continue.

The bank is taking a lot of steps regarding the efficiency agenda and productivity improvement. As has been mentioned earlier, we are looking at deploying AI and various efficiencies that could result from that. At the same time, we are looking at how we can create efficiencies across the entire spectrum. That journey is continuously underway, and we see the benefits coming through.

Essential investments are being made in costs, but the trajectory that we see in OPEX to assets has been very encouraging, and I think that momentum will continue going forward.

Kunal Shah – Citi: But the cost-to-asset ratio has gone up. If you look at slide 13, quarter-on-quarter it has gone up from {? 2.05 to 2.14 ?}. Last year it was 1.95. I am looking at cost to average assets, so {? 2.14 ?} versus {? 2.05 ?}.

Rajiv: {? Cost to asset was 2.20 to 2.14 ?}. If you take the 12-month average, and if I look purely at it on a quarterly basis, it is moving up. We use 12 months in this cost-to-asset formula, where I think we take a 12-month period.

Management: In any case, we compare like-for-like with the previous quarter, but I appreciate your point. This is primarily due to the one-time items that you have seen in the costs for this quarter. That is why, adjusted for those, you will see the ratio coming down even further.

Kunal Shah – Citi: Lastly, in terms of credit cost, if I heard you correctly, this 50 basis points does not include any unusual recoveries, and there is still scope to optimize and improve it further, given the slippage run rate that we are seeing?

Rajiv: There is no unusual recovery in the recovery numbers, and we have definitely seen the improvement come through in the net slippage ratio. There was a recovery from written-off accounts during the quarter, which I mentioned as part of my opening commentary: around 971 crores, which was about 50% higher year-on-year. However, that has also been the recovery trend that we have seen.

Kunal Shah – Citi: Understood. Thank you, and all the best.

Management: Thank you.

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Operator: Thank you. Your next question comes from the line of Kiran Engineer with CITIC Securities International. Please go ahead.

Kiran Engineer – CITIC Securities International: Hi, team. Congratulations on the quarter. I am sorry to belabor this point on NIM, but somehow it matters to us. To be very clear, your September NIM, or the exit NIM for the quarter, would be meaningfully lower than your quarterly average NIM of 3.26%, correct?

Rajiv: Kiran, hi, Rajiv here. We do not give month-wise NIMs, but broadly, as I have explained, the way the NIM came about due to the FCNR impact, and how exactly we have seen the improvement come through or will see the improvement come through as we optimize it further, should give you some color. However, we will not provide a specific number for the month of September.

Kiran Engineer – CITIC Securities International: Fine. Hear out my argument and tell me if I am wrong. You raised about a trillion rupees of deposits, and net-net your deposits have grown by only 1,000 crores. So you probably paid down some CDs or something similar. Versus 80,000 crores of deposit growth, your loan growth, excluding the self-leverage portion, is 68,000 crores. So roughly, you have deployed all the money that you raised, right? That also reflects in your LCR not increasing. This brings me back to my first point: this season does not have enough headroom to redeploy. Is my argument correct or incorrect?

Niraj: If you look at it from a balance-sheet computation perspective, you are right. The money has to find its way somewhere, and it has found its way into different places where we have deployed it. Deployment could mean that we repaid some high-cost liabilities, or it could mean that we created assets out of it.

However, if you think from a growth perspective, we have not used the full FCNRB liquidity to grow our assets. To that extent, there is runway for the balance sheet to grow, given that there is an incremental liability that we have raised. Whichever way you want to look at it is up to you, but the reality is that this has given us the ability to grow as well as optimize our balance sheet.

Kiran Engineer – CITIC Securities International: The ability to grow depends on your LCR, right? If your LCR had gone to 150, I would have said you have enough room to redeploy excess liquidity. It has remained stagnant at 119. What am I missing?

Niraj: LCR does not automatically increase; LCR needs to be managed. We manage our LCR very actively. If LCR goes beyond a certain threshold because of excess liquidity resulting from higher deposit growth, we will do something that will bring down some of the high-cost liquidity to make sure that our LCR stays within the band we have been discussing, which is 115 to 120.

Kiran Engineer – CITIC Securities International: Understood. Is it fair to say that with improved asset quality, you will be able to earn lower bounce charges, late-payment charges, and so on, affecting your fee-income growth, or is that too small to matter?

Rajiv: No, Kiran. There are larger areas that we need to work on. That might contribute somewhat, but it would not really make a significant dent in that number.

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Kiran Engineer – CITIC Securities International: Understood. That is all from my end. Thank you, and I wish you all the best.

Management: Thank you.

Operator: Thank you. The next question comes from the line of Jayaprakash Mundra with ICICI Securities. Please go ahead.

Jayaprakash Mundra – ICICI Securities: Good evening, and thank you for the opportunity. Rajiv, sorry to ask about NIM again, but my question is a little different. I heard that there are some moving parts and that you expect NIM to increase incrementally. Has transmission changed? We have seen some banks starting to price loans on a daily basis rather than monthly. Does that improve transmission more quickly on the asset side when the environment changes and liquidity moves into the next stage? Is that understanding correct, or is it the same?

Rajiv: Hi Jayaprakash. We would continue to use a base that is not excessively competitive. As interest rates move, we will have to see the benefits in Q4 as opposed to Q3. Of course, any new loans that are written will obviously apply the new rate, if applicable.

Jayaprakash Mundra – ICICI Securities: Secondly, regarding personal loans, I see that you have been maintaining very useful information on PL, which is that 100% of PL is salaried, right? At the industry level, bank PL growth has been only 10%, 12%, or 13%, whereas some other non-bank lenders have had very strong PL growth. I suspect that is because they are lending to the non-salaried segment. Based on your experience with asset quality so far and perhaps with interest rates tapering, would there be any change in the PL strategy to offer loans to the non-salaried segment as well, or would you continue with the same stance?

Manish Sarda: This is Manish Sarda. Our PL strategy has been centered on building a healthy unsecured portfolio focused on giving loans only to salaried customers. In our case, PL is only for salaried customers. All non-salaried and self-employed customer loans are covered under the business-loan segment, which is a separate segment.

We are focused on building that book, as we have been telling you over the past few quarters. We have done a lot of work to improve the health of the portfolio, invest in collections and technology, and sharpen our underwriting standards and filters. We are seeing disbursements grow quite sharply in that business, as we have mentioned in the notes and as Ambika and Rajiv also mentioned. We have started seeing the book grow on the back of increasing disbursements, and portfolio quality remains quite healthy.

Jayaprakash Mundra – ICICI Securities: That is clear. Secondly, on the quality of liabilities, this quarter we raised FCNRB, which I believe is purely retail and would have lower run-off rates. We replaced some of the bulk deposits, possibly with 100% run-off rates, but the blended run-off rate that we report has actually gone up slightly. Is any more detail possible here?

Niraj: There is a bit of technicality here. The LCR—the FCNRB deposits that we have raised have a locking period of 1 year. They are therefore treated similarly to non-callable deposits, which means that they will not show up in the LCR calculation. There is no run-off, and there is no HQLA required

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to be maintained on these deposits.

Within non-retail term deposits, we have seen some movement between callable and non-callable deposits, which has partially led to a slight increase in the run-off rates of the rest of the book. However, that does not necessarily impact our LCR on a blended basis.

Jayaprakash Mundra – ICICI Securities: Understood. My last question is on credit cost. We appreciate that individual portfolios have been behaving well so far, based on our internal assessment. From an FY28 perspective, including ECL and some lumpy standard-asset provisioning, would you believe that credit cost will still be in the range of 50 to 60 basis points, or could it be lower as well? I am including, again, the standard-asset provisioning going into FY28.

Rajiv: Jay, on the ECL transition and its impact, as we have maintained in the past, we do not expect any material impact from the transition itself. This is also supported by the fact that we have existing contingent provisions of almost 3,000 crores, which will help us move toward this transition smoothly.

From a flow perspective, we will work through how exactly that will play out based on the flow rates for stage one, stage two, and so on. However, overall, for both the transition and the flow, I do not think we expect any material implications for the portfolio that we have. We are working through this, and as we come closer to the date, we will have greater clarity on it.

Jayaprakash Mundra – ICICI Securities: Understood. Thank you, Rajiv. Thank you, Niraj, and all the very best.

Management: Thank you.

Operator: Thank you. The next question comes from the line of {? [unclear] ?} with {? [unclear] ?}. Please go ahead.

Analyst2: Hello, am I audible?

Operator: Yes, sir, you are audible. Please go ahead.

Analyst2: Thanks for the opportunity. Regarding NII growth expectations in the next 12 months, given the outlook for credit growth, which is around the high teens, and perhaps a 10- to 15-basis-point NIM improvement that we could expect as we move toward Q4, do you expect that momentum to continue in NII growth, given the high denominator of net interest income? Can you provide some indications?

Rajiv: Hi. NII is ultimately a function of how the book is growing, as well as what we expect on the NIM trajectory. I think our book growth...

Rajiv Mantri: ...trajectory is on. We have guided for 300 basis points higher than the industry average over the medium term. Even in the current year, we have seen a good trajectory in asset flows. I think that is one key factor.

The second factor is the narrative that you have heard from us on NIM, where we expect sequential improvement to come through based on {? D-F-N-R ?} optimization, as well as the mix

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improvements that we will have to work through. These are the levers that we will be working on.

We do not provide specific guidance on sequential NII uplift or on a year-on-year basis, but those are the broad factors that will play out to ensure that we continue working on improving this trajectory.

Analyst2: Thank you very much.

Operator: Thank you. Ladies and gentlemen, as there are no further questions, this concludes our question-and-answer session. I now hand the floor over to Mr. Rajiv Mantri for closing comments. Over to you, sir.

Rajiv Mantri: I would like to thank everyone for dialing in to the call and for placing their trust in the bank. I would also like to wish everyone a happy Dussehra and extend my festive greetings. Thank you.

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

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.