Axis Bank Limited Results Conference Call for Quarter Ended 30th September 2025

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Moderator: Ladies and gentlemen, good day and welcome to the Axis Bank Conference Call to discuss the Bank's Financial Results for the Quarter Ended 30th September 2025.

Participation in the conference call is by invitation only. Axis Bank reserves the right to block access to any person to whom an invitation has not been sent. Unauthorized dissemination of the contents or proceedings of the call is strictly prohibited, and prior explicit permission and written approval of Axis Bank is imperative.

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

On behalf of Axis Bank, I once again welcome all the participants to the conference call. On the call, we have Mr. Amitabh Chaudhry – MD and CEO and Mr. Puneet Sharma – CFO.

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

Amitabh Chaudhry: Thank you, Dorwin. Apart from Puneet, We have on the call, Subrat Mohanty – ED, Munish Sharda – ED, Neeraj Gambhir – ED Designate and other members of the leadership team.

This quarter, we have delivered a strong growth in Advances and deposits gaining market share in both. We have had a steady operating performance aided by stable net interest income, healthy fee income growth and positive operating jaws. Notably, our credit card business crossed 15 million cards in force, and our UPI market share rose to 35%+, in terms of both value and volume, reinforcing our leadership as the top UPI payee. Our balance sheet remains resilient, and our capital position continues to be strong, enabling us to pursue profitable and sustainable growth.

Let me summarise the Q2 performance:

1. On the deposits side, Month-end balances grew 4% QOQ and 11% YOY and quarterly average balances grew 3% QOQ and 10% YOY.
2. On the lending side, total advances grew 5% QOQ and 12% YOY. Within that, Small business, SME and mid-corporate together, grew at 8% QOQ and 20% YOY and constituted 24% of total bank loans.
3. Core operating revenue was up 4% YOY and the core operating profit was up 3% YOY
4. Our Fee to average assets continues to be the best amongst peer private banks.
5. The Bank remains well capitalized with a CET 1 ratio of 14.43%.

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

- **Becoming a resilient, all-weather franchise**
- **Creating multiplicative forces to build competitive advantage**
- **Building for the future**

I will now discuss each one of these areas.

- We have continued on our journey towards building a resilient, all-weather franchise. There are four areas of focus as we navigate the current cycle - deposit growth, credit growth, retail asset quality, and costs - where we continue to work on sustainable outcomes.
- On credit, we delivered better growth outcome in Q2 driven by Wholesale banking, where we prioritized clients and segments which would drive deeper relationship economics. With faster TATs, executional intensity, and One Axis orchestration, we continue to remain the port-of-call for complex mandates. On Retail banking, we have started seeing gradual uptick both in the secured and unsecured segments with maintaining focus on sourcing better quality customers.
- On asset quality, our Corporate, SME and Retail secured book are holding up well, and the retail unsecured book is broadly seeing improvement and stabilisation - specifically we have seen improvement in Cards and stabilisation in Personal Loans. All the key indicators – bounce rates, early delinquency, collection resolution rates – have shown an improvement – which provides comfort
- On H1FY26 basis, the expense increased by 3% YOY and we continue to deliver positive operating jaws.

Let me move to Deposits now:

The deposit journey for Axis Bank should be looked at from three aspects – quality, cost, and growth. Please refer to slide number 17.

- We have demonstrated controlled movement in cost of funds over the last two years. Our confidence in the franchise has allowed us to take early and proactive action on savings account rates and term deposits in Q1, which has resulted in a further QOQ decline of 24 bps in the Cost of funds in Q2.
- We continue to remain focused on growing faster than the industry in medium to long term. In Q2, we have gained further market share.
  - YOY on MEB | QAB basis, total deposits grew 11% | 10%; term deposits grew 12% | 13%, CA grew 13% | 7%, SA grew 6% | 4%, respectively.
  - QOQ on MEB | QAB basis, total deposits grew 4% | 3%; term deposits grew 4% | 4%, CA grew (1)% | 2%, SA grew 4% | 3%, respectively.
- We continue to work on improving the granularization in our deposit book.
- The strength of our deposit franchise continues to improve. Our acquisition engine, expansion plans, product launches, salary credits, and Burgundy AUMs remain healthy.
  - Our New-to-Bank (NTB) strategy is sharply focused on quality of customers over quantity — anchored through premium segment acquisition, persona-led sourcing, and productivity-led execution. Continuing the momentum from Q1, this approach has delivered a 44% YoY increase in average

balances in Q2, and have grown the share of premium and family relationships in our NTB base. Our transformation projects like Siddhi, Sparsh continue to play a crucial part to this change.

- The Bank has made focused interventions to ensure better engagements with its salaried customers and continue to see healthy trends with:
  - 14% YOY growth in Salary Uploads in the NTB Salary book by Sept'25
  - 35% YOY growth in number of Premium accounts for NTB Salary book acquired in YTD Sept'25
    - The premiumization of our franchise continues to progress well, led by 2% QOQ and 5% YOY growth in Burgundy assets under management. Recently, Burgundy Private was named Best Private Bank for HNWIs (India) at The Asset Triple A Private Capital Awards 2025, among several other prestigious accolades—an affirmation of our commitment to excellence in client service and wealth management.
- While NTB growth remains vital, our biggest opportunity lies in deepening engagement with our Existing-to-Bank (ETB) customers. Through structured, data-driven, and segment-specific campaigns, we are driving higher balances, improving product penetration, and enhancing customer lifetime value. Our ETB Salary book is growing at a robust 16% YOY, supported by a focused branch-level strategy. We've identified 400+ salary-centric branches with tailored goals, specialized training, and targeted programs across assets and cards—ensuring sharper execution. This approach is building long-term relationship equity and unlocking the full potential of our trusted customer base and franchise.

- Our industry leading Neo platforms along with customized solutions across liquidity management, payments and collections continue to drive higher transaction banking flows with compressing TATs and deepening stickiness through ecosystem flows. Please refer to slide 31 for more details.

B. Creating multiplicative forces to build competitive advantage

- This quarter, Axis Bank continued to push boundaries, deepening its commitment to digital safety, financial inclusion, and customer-centric innovation through bold, industry-first initiatives and strategic collaborations.
- Continuing the focus on product innovation and digital empowerment, we have launched two industry-first solutions that redefine customer safety and financial access. First, 'Lock FD', a pioneering feature that empowers customers to block premature withdrawals of fixed deposits via digital channels and second, India's first gold-backed credit line on UPI, 'Credit on UPI with Gold Loans' for MSMEs and self-employed entrepreneurs, in collaboration with Freecharge.
- Axis Bank continued to garner industry-wide recognition for its leadership, innovation, and impact. Our commitment to social responsibility was honored with the prestigious

FICCI CSR Award 2023-24, while our people practices earned top accolades, including the Business World HR Excellence Award and the Brandon Hall Excellence Award. Further, our digital-first approach was validated with the SKOCH Award 2025 for our pioneering contactless strategy in bounce collections.

C. Building for the future

Digital Banking performance continues to remain strong

- We continue to introduce new journeys and enhancements. In Q2, we launched and scaled the Financial Health Score to all our customers. The Financial Health Score provides a view to customers on how they are doing across various parameters of financial health. Along with MyMoney, our personal finance management tool, this facility will enable customers to monitor and take actions towards leading financially healthy lives. Additionally, we revamped the Mutual Funds experience for customers and introduced new features to enhance customer safety.
- Also, we continued the rollout and further enhancement of features on the Neo platform on the corporate banking side. By the end of Q2, we migrated approximately 95% of eligible clients to the Neo platform. Basis clients already migrated, we have seen meaningful increase in digital activation, transactions and other relevant metrics.

Bank-wide programs to build distinctiveness through Bharat Banking and Sparsh is progressing well

- The rural advances grew 2% YOY while deposits from Bharat Branches were up 10% YOY. We have expanded our multi-product distribution architecture to 2,740 branches.
- During the quarter, we launched a focused temple management solutions offering enabling seamless donation collection through payment gateway, customised QRC, BBPS etc which helped us win some prestigious mandates
- Building on the strong Q1 momentum, Sparsh 2.0 continues to drive our enterprise-wide transformation around Customer Obsession. It is changing how we listen, how we act, and how we deliver, turning insights into action and action into impact. Our Retail Bank NPS has improved by 55 points since inception, reflecting steady progress in experience quality and customer trust across key journeys. This shift is being powered by our digital enablers - Adi, our GenAI powered platform now live on 62 customer journeys, with an user base of over 55,000, and Kaleidoscope, our real time CX engine, which now maps 34 live journeys, and has an user base of over 27,000.
- At the recent GFF 2025, Axis Bank demonstrated its commitment to driving digital innovation by actively participating in nearly 15 major product launches. These include notable launches for UPI like UPI Reserve Pay, UPI HELP, UPI for joint and business accounts, UPI Biometric authorization, Retail Fx platform and many others. Furthermore, we are proud to have been part of the pioneering launch of Agentic AI Payments using UPI, reflecting our focus on leveraging cutting-edge technology to shape the future of banking in India. We also launched various CBDC related initiatives

As we look back, the first half of the fiscal year unfolded amidst a dynamic macroeconomic backdrop. While tariff-related developments presented headwinds, the policy rate cuts, a favourable monsoon, GST rate reductions, and improving liquidity conditions are poised to serve as strong tailwinds as we enter the second half. These factors, combined with a series of progressive RBI policy interventions aimed at strengthening the financial ecosystem, set the stage for a acceleration in credit growth. With a resilient balance sheet, a sharp execution focus, and a clear strategic direction, we remain confident and optimistic about the opportunities that lie ahead. We will continue to invest where necessary to remain differentiated and distinctive in our journey towards building an 'all-weather institution'.

I will now request Puneet to take over.

Puneet Sharma: Thank you, Amitabh.

Good evening and thank you for joining us. The salient features of the financial performance of the Bank for Q2 FY26 and H1FY26, across (i) Operating performance; (ii) Capital and liquidity position and (iii) Asset quality, restructuring and provisioning is as follows:

For H1 FY26, our operating performance was stable across NII, fee and operating expense lines**:**

1. NII at Rs. 27,304 crs, grew 1% YOY, NIM at 3.77%, declining 25 bps YOY after factoring 100 bps through of the repo rate cut
2. Fee at Rs. 11,783 crs, grew 10% YOY
3. Operating expenses Rs. 19,259 crs, grew 3% YOY, delivered a positive operating jaw on both operating revenue and core operating revenue
4. Cost to assets at 2.38%, declined 14 bps YOY
5. Core Operating profit at Rs. 20,010 crs, grew 4% YOY

The key metrics for **Q2 FY26 are:**

a. YOY Deposits and advances growth of 11% and 12% respectively
b. QOQ deposits growth of 4% and advances growth of 5%
c. NII at Rs. 13,745 crs, YOY and QOQ growth of 2% and 1% respectively, NIM at 3.73%,
d. Fee at Rs. 6,037 crs, YOY growth of 10%, QoQ growth of 5%, granular fee at 91% of total fee
e. Expenses at Rs 9,957 cr, YOY growth at 5% and QOQ growth of 7%
f. Cost to assets at 2.38%, declining 3 bps QOQ and 14 bps YOY
g. Core operating profit at Rs. 9,915 crs, YOY growth of 3%;
h. Net credit cost at 0.73%, down 65 bps QOQ, up 19 bps YOY
i. PAT at Rs. 5,090 cr,
j. GNPA at 1.46%, declined 11 bps QOQ and largely flat YOY
k. NNPA at 0.44%, declined 1 bps QOQ
l. PCR% at 70%, Standard asset coverage of 1.13%, All provisions by GNPA ratio is 147%
m. Consolidated ROA% at 1.30%, Consolidated ROE% at 11.51%. Subsidiaries contributed 7 bps to the consolidated annualized ROA and 45 bps to the consolidated annualized ROE this quarter.

n. Banks CET-1 including H1 profit stands at 14.43% and in the quarter, we have net accreted 31 bps of capital YOY. In the quarter, we net consumed capital for growth, there has been no material change in RWA intensity in the quarter. The Bank has provisions aggregating to Rs. 6,243 crs which have not been reckoned in the capital computation and translate to a capital cushion of ~44 bps over and above the reported capital adequacy ratio. The Bank assesses its capital position on two pillars i.e. growth and protection. We reiterate that we do not need equity capital for either pillar. We may opportunistically evaluate issuing Tier-2 and AT-1 instruments based on market conditions.

NIM for Q2FY26 was 3.73%, down 7 bps QoQ. Full quarter impact of the 100 bps repo rate cut has played through loan yields in Q2FY26. Yields on interest earning assets declined 30 bps QOQ, this decline was offset by cost of funds reduction of 24 bps QoQ. The Bank maintains its through cycle stance of NIMs at 3.80% (cycle measured in terms of duration, starting from the date of last rate cut).

Our progress on structural NIM drivers continues:

- Improvement in Balance sheet mix: Loans and investments comprised 90% of total assets at September 25, improving 40 bps YOY;
- Retail and CBG advances comprised 69% of total advances at September 25, largely stable YOY
- Low-yielding RIDF bonds declined by Rs. 5,586 cr YOY. RIDF comprised 0.75% of our total assets at September 25 compared to 1.21% at September 24.
- Quality of liabilities at September 25 measured by outflow rate stood at 27.2%, moved adversely as gained market share in deposits in Q2FY26. We continue to remain focused on this variable
- Our fee to assets improved 1 bps QoQ.
    - Total retail fee grew 5% QOQ, supported by our SBB and SEG fees, Liabilities fees and TPP business
    - Total wholesale fee grew 4% QOQ. WBCG fees grew 14% QOQ better than the growth in advances
- Trading profit and other income at Rs. 587 crs declined QOQ and YOY. trading profit for the current quarter is largely MTM gains.
- Operating expenses for the quarter stood at Rs. 9,957 cr, growing 5% YOY and 7% sequentially. We have opened 97 new branches in the quarter and 100 new branches in the H1FY26.
    - The YOY increase in rupee crore expenses can be attributed to increase in statutory expenses offset by nil TSA expenses in the current quarter. Staff cost and other operating expenses were flat YOY The statutory expenses comprise incremental PSLC purchase during the quarter aggregating to Rs. 948 cr. As per bank's policy, half the said cost has been debited in the current quarter.
    - Technology and digital spends grew 4% YOY and constituted ~ 10% of total operating expenses.
- QoQ increase in operating expenses excluding PSLC cost is well contained at 2%, with staff cost showing negative growth due to gratuity expenses reversal and lower head count by

~1,000 as compared to Q1FY26. The rest of the QOQ increase is entirely attributable to PSLC cost.

- Net credit costs was Rs. 2,133 cr, declining 45% QOQ.
- Following an RBI advisory, post its FY25 annual inspection, the Bank in Q2FY26 made an additional one-time standard asset provision of Rs. 1,231 crores for two discontinued crop loan variants. The customer terms remain unchanged. This standard asset provision will be written back to the P&L when all the outstanding loans in the two discontinued product variants are recovered or closed in normal course or by March 31, 2028 (subject to any residual outstanding loan accounts on that date being closed), whichever is earlier. No divergence in asset quality or NPA provisioning was identified in the said annual inspection.
- The additional one-time standard asset provision exceeds ~7.5 times FY25 and ~13 times the three-year average P&L charge for credit costs of both products. These loans are fully secured. We are not expecting any significant increase in credit costs from previous years in the two discontinued product variants over the residual closure / recovery period. There is no requirement or obligation to top-up this provision in subsequent quarters. Hence, this is a static amount till written back to P&L. The impact on ROA% and ROE% of this additional one-time standard asset provision is 0.23% and 1.96% respectively.
- The cumulative non NPA provisions at September 30, 2025 is Rs. 13,262 crores, comprising (i) Provision for potential expected credit loss of Rs. 5,012 crores; (ii) Restructuring provisions of Rs. 228 cr, (iii) standard assets provision at higher than regulatory rates of Rs. 2,227 cr, (iv) additional one-time standard asset provision of Rs. 1,231 crores and (v) weak assets & other provisions of Rs. 4,564 crores.

<u>Coming to the performance of our subsidiaries</u>

Detailed performance of the subsidiaries is set out on Slides 50 to 57 of the investor presentation. In H1 FY26, the domestic subsidiaries reported a net profit of Rs. 936 cr, growing 1% YOY. The return on investment in domestic subsidiaries was ~ 49%.

- **Axis Finance**:
  - Overall assets under finance grew 23% YOY of which Retail book grew 24% YOY and share of Retail + MSME at 55% of total book v/s 53% last year.
  - H1FY26 PAT grew 18% YOY to Rs. 385 crores.
  - Strong asset quality with net NPA of 0.42% and negligible restructuring.
- **Axis AMC:** Overall quarterly average AUM grew 12% YOY to ~ Rs. 351,238 crores, H1FY26 PAT stood at Rs. 271 crores, growing 11% YOY
- **Axis Securities:** H1FY26 PAT stood at Rs. 175 crores
- **Axis Capital:** H1FY26 PAT grew 6% YOY to Rs. 93 crores

<u>Asset quality, provisioning and restructuring</u>

- The Slippage, GNPA, NNPA and PCR ratios for the Bank, and segmentally for Retail, CBG and Corporate is provided on slide 42 of our investor presentation.
- Gross slippages in the quarter were Rs. 5,696 cr declined sequentially. Our gross slippage ratio also declined by 102 bps sequentially. Gross Slippages segmentally were Rs. 5,222 cr in Retail, Rs. 265 cr in CBG and Rs. 209 cr in WBCG.

- Retail asset quality is stabilising, retail business net slippages and net credit costs were lower than Q2FY25. Further, gross slippages for retail assets excluding technical impact has declined YOY, showing that the portfolio slippages are stabilizing.
- With the signs that portfolio is stabilizing, we increased the card issuances to over 1 mn cards in a quarter and grew retail disbursements by 17% QOQ.
- For the quarter ~ 50% of the gross slippages are attributed to linked accounts of borrowers which were standard when classified or have been upgraded in the same quarter.
- Net slippages in the quarter were Rs. 2,808 cr declining 54% QOQ. Net Slippages segmentally were Rs. 2,590 cr in Retail, Rs. 112 cr in CBG and Rs. 106 cr in WBCG.
- Recoveries from written off accounts for the quarter was Rs. 641 crores.
- Net slippage in the quarter adjusted for recoveries from written off pool was Rs. 2,167 cr, declining 58% QOQ. Segmentally Retail was Rs. 2,095 cr, CBG was Rs. 41 cr and WBCG was Rs. 31 cr.
- Net Slippages due to Technical Impact were Rs. 280 cr, declining 85% QOQ. Provisioning for Technical Impact is Rs. 256 cr in Q2FY26, declining 69% QOQ. Please see Slide 44 for quantification of Technical Impact across segments

We believe that policy changes announced by RBI when reviewed holistically are positive for the banking system and us. We are in the process of assessing impact or reviewing draft guidelines. It is too early to offer an impact analysis on the changes announced.

To summarise, Axis Bank is progressing well to be a stronger and sustainable franchise. In the medium term (defined as a period of 3-5 years with FY 26 as base year), we believe our advances can grow 300 bps faster than industry. We continue to closely monitor the current macro and geopolitical environment, inflation, liquidity, cost of funds and its impact on our business.

We would be happy to take your questions.

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

Chintan: Hi, good evening. Thank you for taking my question. I'll use my bullets on capital and margins rather than on the one-time RBI provision. Can I get some color from you on the credit risk draft circular? How do you see that impacting banks? Any early reads? Seems like the intention there is to reduce risk rates on quite some meaningful portfolios. I saw your comment on ECL from the media briefing that you don't expect much impact. I was just wondering that given the recent loss experience, whether your PDs would be a little elevated compared to your peers and what would that mean for you? And on margins, it feels like its fallen less than I think you feared in the previous call or what market was expecting. I would be curious to understand what areas you thought did better this quarter so that we can understand the moving parts. You've kindly shared some data already on yields and cost of deposits. Any more color would be helpful there. Thank you.

Puneet Sharma: Thank you, Chintan, for your multiple questions. I'll attempt to answer them sequentially, but if I miss something, please do come back to me. I think let's start with the credit risk rate circular.

Like I indicated, the first read of the circular and as you've correctly articulated as part of your question is net positive for industry. We do expect it to be net positive for us, but it's too early to offer a comment as we stand today. We'd like to do a more holistic assessment and then offer a more considered response to your question. But directionally, net positive for us. I think your question on margin performance; I think the core part was managing the portfolio efficiently through the quarter. What we've been able to do well is take a hit on yield on interest earning assets by 30 basis points and liabilities have been repriced more efficiently, which have given us 24 basis points uplift from the cost of funds. So, I think it's a mix of both asset portfolio management and a larger than anticipated cost of funds reduction that has played through in the margins. I'm sorry if I missed any other question.

Chintan: On your ECL point?

Puneet Sharma: Yes. On ECL, the way we are assessing it is we internally do prepare pro forma financials. We'd like to see the final circular and the contours of the final circular before we can offer a comment on what its impact would be. But basis the last pro forma assessment that we did, the only impact we're likely to see on account of ECL is the shift from provisioning from outstanding to exposure. Therefore, my comment in the press call, which says if I reference the current expected or computed impact, the impact is likely to be negligible on our net worth. So, we will have an impact, but it's likely to be negligible on transition date on our net worth basis 30th June data. We'd like to wait to see that.

Chintan: So, Puneet, the question was more about relative PDs and how you put capital against products like PL and CC, where you've seen a little elevated stress relative to the larger banks. Does that impact the relative economics you would face, or it doesn't work that way?

Puneet Sharma: Yes. I think if it's a principle-based question, higher the PD, higher the loss that a Bank takes, the higher is going to be the stage-1/stage-2 provision that the Bank would maintain. The only caution I would provide to you at the current stage is my credit costs are not reflective of loss. I have consistently indicated that I make a 100% provision on day 90 when an unsecured retail loan turns NPA. That 100% provision is reflective in my credit cost line item. When we move to ECL, there is a continuing recovery against that item, and we'll have to build that recovery in before we conclude that current provisioning costs are short or excess of what the ECL ask would be. So, like I said, please allow us to make a more holistic assessment and come back to you. The last assessment we've made is marginal impact on net worth on transition date.

Chintan: Excellent. Thank you.

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

Mahrukh Adajania: Hi. I had two questions. Firstly, on the technical slippage, your technical slippage has come down a lot to Rs. 280 crore, but your technical credit costs compared to the reduction in technical slippage is quite high. The net slippage is 280 and the credit cost is 270 odd. So, just wanted to understand that a bit better. Why the credit cost is high even though the net slippage is now really very low.

And my next question is on margin. So, there's been a sharp increase in other balances, I guess Interbank and others. So, that's largely better liquidity management, right, which drove the sharp increase. That's my second question.

Puneet Sharma: Mahrukh, thank you for your question. I think your observation is correct. The 256 by 280 is roughly a 90% plus cover versus the 821 by 1,860 was a 44% cover. There are two reasons for provisions to be in percentage terms higher in the current quarter than the previous quarter. One, on couple of loan accounts, we've seen security erosion. And on security erosion, we provide 100% provisioning. This could be timing of getting the updated security value from a system perspective or genuine security erosion.

Second, there is partly aging provision. So, as you know, we provide faster than what RBI needs us to. So, there would be aging provision coming through from the prior period stock. Therefore, do not look at incremental provision cover to incremental slippage. If you combine the two, you will see relative stability in the provision cover number. To your question on balances at period end, I think we would not want to discuss transactional items from a reported balance sheet perspective. Yes, we'll do the best we can on managing our balance sheet and liquidity.

Mahrukh Adajania: Okay. So, any outlook on margins, as in has the repricing been over or we'll just continue to see better deposit repricing from now on? So, is the real pressure on core margins now done?

Puneet Sharma: So, Mahrukh, assuming that there is no further rate cut, as we've been saying this right from the time the rate cut started, Q3 is when we should expect the bottoming of margins. But that response is subject to no further rate cuts. As you're aware, there is chatter around the rate cut itself. But as we stand, Q3 should be bottoming of margins for us.

Mahrukh Adajania: Okay. Thank you so much. Thanks a lot.

Moderator: Thank you. Our next question comes from the line of Rikin Shah from IIFL Capital. Please go ahead.

Rikin Shah: Hi. Thank you for the opportunity. Just a couple of questions. The first one, I wanted to clarify, is there any one-off in the net interest income line item? So, that's just a clarification one. Then the first question is, on the corporate loan growth, which is very strong. So, could you share if the incremental yields of the corresponding business is lucrative enough for us that can justify such a strong growth?

Secondly, I wanted a bit more color on the crop loan provisions. Why exactly was this for and how many loan accounts are included, if you could indicate that?

And lastly, just on the non-staff expenses, Puneet, you did highlight that around 950 crore is related to PSLC cost. I just wanted to clarify if this 950 is the total cost which will come in 2Q and 3Q, or it was only in the 2Q, and we can see similar PSLC cost in 3Q as well?

Puneet Sharma: Thanks, Rikin for your questions. Let's start with the PSLC question first. I've indicated that the cumulative PSLC cost that we've incurred in Q2 in outflow terms is Rs. 948 crores. Half of that cost has come in the current quarter because our amortization policy is PSLC cost over 4 quarters, because that's the average balance that you need to maintain across the year. So, half of 948, which is roughly Rs. 474 crores has been charged to the current quarter. The balance 474 crores will be charged over the next 2 quarters. So, roughly 235 crores-236 crores in each quarter going forward will be the residual amortization of the expense incurred in Quarter 2.

Moving to your next question, which is what is the nature of this one-time standard asset provision? We will not be able to give you details around specific number of accounts, but let me offer you a fair color so you understand this well. The Bank had been offering one of the two product variants from 2015 and the other variant from 2021. These are farmer loans, and these had been classified as PSL. The Bank has discontinued these two product variants, i.e., we are not doing these specific variants currently. Of the loans that we had in stock, the Bank has taken a position that the customer terms should not be changed to the detriment of the customer having issue. Hence, the existing stock of loans will, depending on verified end-use, be classified into agri-use, consumption-use or get closed when they come up for review or renewal. The Bank has been asked to maintain the standard asset provision on this stock of loans till these loans are fully recovered or repaid. We have declassified these loans from our PSL computation entirely and we purchased the PSLCs for which the cost I have explained. The Rs. 1,231 crores translates roughly into a 5% cover on the total outstanding pool as of 30th September on an approximation basis. These loans are secured. We are not expecting an increase in credit costs from previous years for these two continued loan product variants. And I think it is important for us to understand that this is a static provision. So, this provision will not be topped up or trued down in a subsequent quarter. This will remain as a static provision on our balance sheet and on the earlier of closing all of these loans or 31st March 2028, we will get a lumpsum right back into the P&L in the quarter in which these loans are closed or 31st March 2028, whichever is earlier. So, it is nothing but shifting of P&L from the current quarter to the subsequent quarters, static number as we see it. I hope that gives you colour and clarity on how this provision will get dealt.

Rikin Shah: Yes, very clear, Puneet. And on this, clarification on was there any one-off in the net interest income, if you could point out? And if I can just squeeze in this one more question on net technical slippages, it has come off sharply versus last quarter. Do you expect that this can potentially turn negative in the coming quarters basis the recoveries and the reduction in the gross flows as well? Those will be all my questions.

Puneet Sharma: So, Rikin, apologies for missing your net interest margin question. No, there are no one-offs in the net interest margin for the quarter. And, no interest on income tax refund, etc., of any shape or size we're talking about in that number. On net slippages, I think we do not want to give quarterly guidance on where the number would be. We had consistently said when net slippages happened that there is going to be no economic loss on this portfolio. We will recover these over time. Quarter 2 has borne out the fact that recoveries have started to come through. Directionally, the gross technical slippage number should decline. And as recoveries continue to improve, they will have an impact on net slippages. We do not want to guide a number on this item. We will continue to report like we have done this quarter at the end of quarter on this variable.

Rikin Shah: Got it. Very clear, Puneet. Thank you so much.

Moderator: Thank you. The next question is from the line of Harsh Modi from J.P. Morgan. Please go ahead.

Harsh Modi: Hi, thanks for this. I had two questions. Firstly, if I look at risk-weighted asset as a percentage of asset that has gone up last quarter to 75% and it stayed at 75%, which is a bit higher than the last few quarters, I am assuming this is partly because of higher growth in SME and mid-corporate and so on and so forth. So the question is, how do I see that showing up in either higher credit spreads and or higher credit costs over the next 6 months to 12 months? And second question is around the quarterly average CASA growth that has been weaker. How do we think about market share on a quarterly average basis for CASA over the next 2 to 3 quarters? Thank you.

Puneet Sharma: Thank you for the question. I think on risk intensity, the risk intensity of our advances I think you are looking at about 4 quarters ago to current quarter. There has been about a 5% to 6% change in the risk intensity that we report. It is partially coming from increase in operating risk. It is also coming from the fact that we have segmentally moved. We have moved our portfolio, which was 51% retail and 49% wholesale plus SME to roughly 60% odd retail, 11% SME, 28%-29% wholesale. The proportionality has marginally changed this quarter. When you transition from a wholesale plus SME mix to retail, the risk intensity moves up. And where has that paid for itself? When we started transitioning from wholesale to retail, we structurally added about 20 basis points on asset side margin. So, our margins used to be 350, 355 at the time we started this journey. Our margins are structurally improved by 20 basis points and that confidence that the structural improvement is here to stay gives us the comfort to call out a 380 net interest margin on a through-cycle basis. So, the RWA is paying for itself. The other way to measure whether RWA intensity is paying for itself is to see if the Bank is net accreting capital. So, over the last year, we have net accreted CET 1 capital without an external fund raise. So, effectively there is income capacity that is exceeding what is being consumed from an RWA perspective. So, this is good business that we are putting on from a franchise perspective. I will hand over to Munish for the CASA questions.

Munish Sharda: Hi, this is Munish. So, I will take you to slide 17 in our investor deck and the template 3 there. If you see the growth numbers of deposits over the last 1-year, 3-year, 5-year on a CAGR basis, year-on-year, both on quarterly average balances as well as a month end balance basis, our growth has actually been beating the industry. And this quarter that number on a quarterly average balance basis was about 40 basis points higher. and about 1.2% on a month end basis. This is basis the RBI number that we get on total industry level deposits. If you look at the quarter-on-quarter growth on deposits on an MEB basis, we have grown 4% this quarter, out of which 4% in term deposits and 4% in SA. Like we have been telling you, we have been on this journey to do few things in our deposit book. We are continuing to work on the granularization of our book. The second area we are working on is the premiumization of our book. We have done some work in NTB acquisition engine for the Bank, and we are steadily seeing improvement in quality and quantity of the deposit growth there. We are seeing healthy growth there. We have done a lot of work and continue to push harder in the salaried book and that those results are showing too. We have seen 14% year-on-year growth in salary uploads and 35% year-on-year growth in number of premium accounts in the salaried book. We are also seeing an uptick in our Burgundy acquisition and the flagship Burgundy private business in the wealth management business etc. The work that lies ahead of us is to ensure that we continue to build on the pillar that we have worked in the past few quarters. Also to ensure that we get our entire One Axis approach get embedded deeply in all of our line of businesses including retail assets, commercial banking businesses, which includes that we Bank our customers more fully across all of our deposit lines, be it mortgage or be it commercial banking customer etc., and that work is going on. We are also investing in technology. We talked to you about Sparsh which is our flagship customer experience project as well as Siddhi which is a tool to empower our frontline employees to engage more holistically with the customers and that leads us to our ETB book deepening which is existing-to-Bank customers and deepening relationships with those customers and we are seeing a progress there too. We can't give a guidance on how this will pan out in the next couple of quarters as we don't give a guidance on that but we have been saying that on an overall basis we have a franchise which will continue to work towards increasing the deposit growth rate vis-à-vis the industry growth rate and we are quite confident of that.

Harsh Modi: Thanks for that. If I could just understand one thing, there seems to be a significant pressure on the government related deposit balances. While you are taking all these steps that you enumerated on the wealth management, on the salary accounts and all of those, would you have a sense of how many quarters more will it take for the weaker growth in some of the government related deposit accounts to be offset by some of these newer areas? So, by when do you think these kind of start offsetting each other fully?

Puneet Sharma: Thanks for the question. I think as we previously indicated, the government is getting more and more efficient both at the centre and state on how they manage their funds. We do expect the impact to continue to run as efficiency increases and better cash management solutions are provided to the Bank. Like Munish indicated, we are offsetting that with other initiatives within the Bank. We do not want to offer a comment or a timeframe by which the compression in government deposits would end. Efficiency is an ongoing journey. We will find other means to find growth. Thank you.

Harsh Modi: Thanks, Puneet.

Moderator: Thank you. Our next question comes from MB Mahesh from Kotak Securities. Please go ahead.

MB Mahesh: Puneet, on this standard asset provision, if you could just kind of highlight what are the nature of observations that RBI had and how did you come to these provisions of 5% on those loans?

Puneet Sharma: Mahesh, thank you for the question. I cannot discuss specific RBI observations because they are confidential in nature. But to clarify your question, RBI directed the Rs. 1,231 crore number. So, it is a number that was told to us as part of the advisory following the inspection. When I take the number and divide it by the portfolio outstanding as of September, it translates to 5%. So, it is a way of dimensioning the number. We received an absolute number ask to provide. We have provided that absolute number ask. That absolute number will remain static. So, there will be no top-up or true-down needed to that number in the subsequent quarters. And when the underlying portfolio goes to zero, this number will get written back. So, effectively, if I was to explain this, this provision could move from 5% to 100% of the book as the book runs down, but when the book goes to zero, this provision will be entirely written back into the P&L. It will be the faster of when we run down this portfolio or 31st March 2028, which is the last date by which this will happen. Mahesh, I hope that clarifies things.

MB Mahesh: Yes. Just to clarify, the problem that we are facing is that, is it an asset quality problem? Is it a recognition of standard asset problem? Is it income recognition problem? Is it the way the loans are originated is the problem? We are just trying to understand the dimension of this problem, which is why this question is coming through.

Puneet Sharma: Understood, Mahesh. Let me help clarify that straight up. This is not an asset quality problem. I have clarified in my note in the UFR that there is no divergence in NPA provision or asset classification as part of the said inspection. So, we have offered a categoric statement that this is not an asset quality problem. This is not an income recognition problem either, because if this was an income recognition problem, the reversal would have happened to the income line. We would not have provided on the provision line. To your question, where is this problem? This problem is a classification problem to which I clarified earlier that we have declassified these loans from priority sector lending, and we have bought PSLCs to offset the declassification, the cost of which you are seeing in the expense line. So, the short answer to your question, this is a PSL classification question, not an income recognition or an asset classification question, which is why this amount will remain static.

MB Mahesh: Perfect. Thanks. One last question. You had mentioned that asset quality in unsecured loans is showing improvement. Directionally, should that mean that we should start seeing slippages also coming off in the subsequent quarters, assuming everything else is constant in other parts of the portfolio?

Amit Talgeri: So, thanks, Mahesh, for the question. I think Puneet mentioned it in his opening comments. I think we have clearly seen stabilization and improvement across the unsecured, all three products, personal loans, credit card and microfinance loans. Specifically, we have seen improvement in credit cards and stabilization in personal loans and microfinance and we would like to believe that this trajectory has now been happening, let us say, for the last 6 to 7 quarters now in terms of early delinquency indicators showing an improving trend and we see no reason why this cannot continue.

MB Mahesh: Perfect. Thank you.

Moderator: Thank you. The next question comes from the line of Suresh Ganpati from Macquarie Capital. Please go ahead.

Suresh Ganpati: Thanks. Puneet, just again on this question, which of course Mahesh had asked, see, any declassification because priority sector assets attracted 25 basis points are not wrong, standard asset provisioning and the normal assets attract 40 basis points, obviously, certain commercial real estate goes to 100 basis points. Suddenly, going up to 5%, I mean, did the RBI perceive any risk and what do you mean by discontinued crop variants here? I mean, you used to offer, you stopped offering, you are telling the customer terms and conditions are standard, so why go to 5%?

Puneet Sharma: So, Suresh, thank you for the question. I think let me break responses up to your questions in parts. When we say discontinued the crop variant, we are basically saying there was a certain loan product that we were offering that had a set of characteristics around what the end-use of the funds would be, to whom it would be given, for what tenor it would be given. We have discontinued that particular variant. We have multiple variants in personal loans. Therefore, we had multiple variants for these crop loan products. So, we have discontinued the variant that was questioned. The variant, as I have previously indicated, was questioned for PSL classification. The PSL has been declassified. And like I said, the 5% is a computed number. The instruction was to make Rs. 1,231 crores of provision. That translates on outstanding as of 30th September to roughly 5%. At the risk of repeating myself for abundant caution and clarity, this number will not change. So, if the portfolio runs down, so let us do the math. 5% at Rs. 1200 crores is roughly Rs. 24,000 crores book**.** If this number were to run down to Rs. 1,000 crores, I do not have to maintain 5% on Rs. 1,000 crores. I will have to continue to maintain the Rs. 1,231 crores as a static number. When the Rs. 24,000 crores goes to zero, I will get the full credit back into my P&L on that date. So, it is a provision that has been prescribed as a consequence of the declassification. Once the portfolio that has been declassified runs down, this provision will come back. I have also reiterated as part of this call that there is no change in the underlying customer repayment terms. Therefore, there is no reason to believe that these loans get riskier purely because of declassification. PSL classification is only a benefit for the Bank. It is not a benefit for the customer.

Suresh Ganpati: Okay. So, this is very, very clear. So, just to put the question in a reverse way, these 24,000 crores currently, these are all well-paying on time and these are not SMA 0, SMA 1 or SMA 2 loans. So, there is no overdue also on these loans?

Puneet Sharma: So, let me give you data around this. This one-time additional standard asset provision is 7.5x the credit cost that we incurred on these two product variants in fiscal '25. If I take the average of the last 3.5 years of loss on these loans and I am being specific, these two loan variant products, it is a 13 times cover for loss incurred. That itself will tell you that there is a static number that we are providing for. We do not think this increases and very simply if the customer repayment terms are not changing, why should credit risk increase on the product.

Suresh Ganpati: Okay. This is very, very clear Puneet. Thank you so much.

Moderator: Thank you. Our next question comes from the line of Adarsh from Enam. Please go ahead.

Adarsh: Hi Puneet and Amitabh. Thanks for the opportunity. The question relates to the same thing about this crop loan. The way to understand it is that obviously, as you said, it is a PSLC classification issue. So, all the Rs. 900 odd crores cost that you mentioned on PSLC certificates relates to this or it includes BAU as well?

Puneet Sharma: Adarsh, thank you for the question. The Rs. 948 crores in the current quarter is to compensate for the declassification. So, we bought PSLCs to compensate for the declassification.

Adarsh: So, Puneet, just to understand, let us say there is a one-time provision, which is one time and comes back as we go along. The whole thing is our cost optimization would have been a lot better if RBI would not have asked for this declassification from PSLC. Like our cost goes up by Rs. 1000 crores, the cost is still good, but it would have been a lot better if it did not. So, the recurring cost about this reclassification is actually the OpEx line and not the one-time provision, correct? Is that a fair way to look at it?

Puneet Sharma: Adarsh, absolutely fair way to look at it. I would just supplement your hypothesis for your consideration to say, I am organically through Bharat Banking improving my PSL compliance. So, this will be a recurring cost, assuming that I cannot make this 24,000 crores up through organic fresh PSL build. So, yes, it may not happen overnight, but over a period of time, it will not be a recurring annual cost. And second, as we keep organically building PSL to substitute this 24,000 crores, the rupee crore value assuming PSLC rate remains constant should come down as we get into subsequent fiscals. The last point since you raised the year-on-year cost comparison as a reference point for discussion, my request is, while this 474 is showing us a cost increase in the current quarter, when we get to Quarter 4, PSLC cost is a timing of purchase. So, by the time we get to Quarter 4, if you realize last year Quarter 4, we had purchased PSLCs of close to Rs. 750 crores and that hits the same quarter. So, if you are looking at this impact on a year-on-year cost growth, you should keep in mind that the 750 in Quarter 4 on an equivalent basis for this new cost will be about 237, because it is only 1/4th of the cost that will come to Quarter 4. So, like I said, I think we are committed to our cost journey. It is a function of when the timing of this PSLC expense has happened. But I agree with you that it is net cost negative.

Adarsh: Understood. And broad understanding is that this 5% provisioning while it equates to 5% number, it is more like the RBI is saying you have kind of had this benefit in the past, so provide it and once it is over, you kind of reverse it back. Is that the only logical interpretation to take given that the credit cost in the past is materially lesser?

Puneet Sharma: Adarsh, I do not want to speculate on the regulator's thinking, but I have explained how this will work as clearly as possible. It would be unfair for me to decide what the regulator thought when it said make the Rs. 1,231 crore provisioning. We are respectful of the instruction, we have made the provision.

Adarsh: Perfect. And one last question is, Amitabh, we did see some pickup in growth more driven by corporates. Retail still remains low, mortgages are zero. You indicate 3% higher than system. Does that now apply for this year, or it is still a medium term guidance, near term it still will take time to kind of get to that 3%-4% higher than system growth?

Amitabh Chaudhry: So, Puneet was quite categorical that when he made his remarks that when we are talking about 3% higher growth, it applies in the medium term. But this quarter we have demonstrated slightly higher growth in the industry. Right now, we are seeing on the advances side it coming from wholesale. On the disbursement side, the disbursement growth is picking up across all retail asset classes. The reason why you are not seeing the AUM grow is because we did not grow earlier. So, you are seeing a runoff and in a way the disbursement and the kind of runoff is cancelling each other out to some extent in some asset classes. So, we do believe that as the retail growth picks up, you will start seeing retail also registering decent numbers going forward. Now, I am not going to guide which quarters, but our disbursement numbers in the second quarter, the trend line was strong month-on-month. We are hopeful that the same trend line will continue going forward. Now, obviously, we have to watch the leakage too, but as our risk profile improves, with these new risk guardrails, we are out more in the market. As more opportunities open up, we will be obviously fully utilizing the platform to grow the retail side. I hope it gives you a sense for what to expect.

Adarsh: Perfect. Thanks both Puneet and Amitabh. Congrats on a good quarter.

Moderator: Thank you. We have our next question from the line of Subramanian from Investec. Please go ahead.

Param Subramanian: Hi. Thanks for taking my question. Param here. I just wanted to ask on these two crop loan variants again. Is this a product that you offered as a unique to you or do other players in the market also offer these products? That's question one. And you also put out a letter of caution from RBI last week. Is this related to that in any way or is that something that is completely different?

Puneet Sharma: Param, thank you for your question. The letter of caution relates to a matter that dates back to 2010-2011. It has culminated as a letter of caution from RBI post its judicial route through the courts in India in the current quarter. So it's an old item. It is not linked to the provision ask of 1,231 crores or us operating the product variant that we've spoken of. To your first question on product variants, we will not know the specific nitty-gritties of the exact product being offered by the market, but all benchmarking analysis that we do in the market space indicates that the product variant is widely offered in the market.

Param Subramanian: Fair enough. Thanks, Puneet. And if I can ask one last question, I think you mentioned that you passed on 100 basis points of rate cut. So if you could just clarify why you're saying margins bottom out in Q3, that would be great.

Puneet Sharma: Param, thanks. I think I've been saying margins will bottom out for us in Q3 right from the time the rate cut started. So it's not a push out of a quarter. And I think that basis our assessment of the duration of our assets and liabilities. That's how we see it play out. So we'll stick to that. I think that's how our margin should play through. Q3 bottom, assuming no more rate cuts. If there is a rate cut, then there's a reset to this comment.

Param Subramanian: Fair enough. Thanks, Puneet. Yes, that's it for me.

Moderator: Thank you. The next question is from the line of Kunal Shah from Citigroup. Please go ahead.

Kunal Shah: Hi. So coming back to the question on margin again. So one is obviously there will be a CRR cut benefit which will play in. Obviously, it will get offset to an extent by the seasonal agri stress. But maybe when most of the banks are indicating that margins are bottoming out in 2Q, is it like a lower CRR benefit and the liquidity utilization, which we see that's one of the reasons or what you indicated in terms of the duration of assets and liabilities, because I don't think there would be too much of difference in the duration of your assets and liabilities vis-à-vis the other banks.

Puneet Sharma: Kunal, thank you for the question. I do not have the granularity of balance sheet structure for the other banks. But I think we've consistently been saying the duration of our assets and liabilities are near-matched in the 15-18 month range. The duration should be measured from the last rate cut. And effectively, you should expect bottoming out in the middle of that duration. Given that the last rate cut happened for us from a transmission perspective in June, we are saying that Quarter 3 is when we would expect a bottoming of margins. We've been consistent with what we've been saying. We will continue to try and do what we can do best to optimize margins. But our commentary remains Q3 is bottom for us.

Kunal Shah: Okay. And CRR cut, so that benefit will continue similar to that of other banks. We will be utilizing that liquidity.

Puneet Sharma: Yes, it's a pan Bank cut. So that relief will come through to us also.

Kunal Shah: Okay. Got it. Thanks for the question.

Moderator: Thank you. Our next question comes from the line of Anand Swaminathan from Bank of America. Please go ahead.

Anand Swaminathan: Thank you. I have a couple of questions. First on two metrics. One, if you look at LDRs, they are the highest since 2018, I think. And also from a PCR, or you look at it in terms of cumulative provisions as percentage of loans, it was also the lowest since 2018. How do we think about this going forward? Are these kinds of steady-state numbers you're comfortable with? Or would you like to manage them downwards or upwards? That's one.

Number two is around any color on the Diwali-related sales post-GST pickup in retail loan demand, anything you are seeing from your personal loans or credit card business, any color on that would be great. Thank you.

Puneet Sharma: Thanks, Anand, for your question. Let me start with the PCR question. We are more focused on the rules that we write for NPA provision. PCR is only an outcome for us. So, for example, when I say rules, a rule that says 100% unsecured provisioning on day 90/91 is a rule that we write because that rule mitigates the underlying risk. I think you've been tracking PCRs for us over the last 6 to 7 quarters and you've seen reported PCR number decline. Please appreciate that the PCR number is sensitive to write-offs. We, as a franchise, have rule-based write-offs. So, if you look at PCRs including the write-off number, we benchmark this number. We've been the highest in the private sector system for the last five years. So, it's a 93.8%-94% number. So, one way to think about PCR comparisons is you either gross up for write-off for everybody where you see us at the top of the coverage pie compared to the large private sector banks. Alternatively, you can bring everyone's gross NPA to a given number because write-offs will happen only on 100% provided assets and see the consequential PCR. When we look at that number also basis the last published numbers in March, we are comfortable that we sit in a good space from a provision standpoint.

Now, let me explain the technical reason for drop in PCR. Last quarter, we had this technical impact of Rs. 2,700 crores. This is largely a secured pool. I had indicated last quarter that 80% of these loans have 100% security value or more. Therefore, the provision cover on this is only 44% against the base of 74%-75%. That caused a 3% reported PCR drop. So, it's an outcome of what class of assets slipped and its underlying nature that has impacted PCR. I hope that clarifies the PCR and PCR performance for Axis.

Let's now move to LDR. On LDR, we have operated in the 92% plus minus 2% band from the time LDRs came into focus. I think given the construct of our balance sheet, we are comfortable operating in that range as we have operated over the last 4 to 6 quarters. Sorry, Anand, you had a third question which I know I have not answered. Could you just help me recall?

Anand Swaminathan: There's a question around Diwali demand and anything you're seeing in your retail book customer base.?

Amitabh Chaudhry: So, Anand, the GST cut took effect on September 22nd. In some lines of businesses, especially auto, we've seen some spurt in bookings, etc., post September 22nd after initial few days. But these are early days and that increase must have happened because of pent-up demand of the month of September. But we're watching it closely. We think it could lead to good outcomes in general for the industry, but we're obviously watching it closely. I think it's too early to just say that there is, but there is a spurt in demand on the automotive side, for sure.

Arnika Dixit: On cards, what we noticed was almost an 18% to 20% jump over August at large. We saw daily spends actually growing by almost 2.5x, 3x in the last week of September. The other point to also note is that because of the GST reduction, a lot of festive sales were put on hold. And actually, the timing of the festive season, which anyway shows growth in card spends along with GST came together. But yes, there was a pent-up consumer spending, especially in e-commerce sales that reflected in the card spend growth in the last week of September.

Anand Swaminathan: Sure. Thanks a lot. Thanks for both the answers.

Moderator: Thank you. The next question is from the line of Pranav Gundlapalle from Bernstein. Please go ahead.

Pranav Gundlapalle: Thanks for taking the question. Just one question. In the last 12 months-18 months, we've had a couple of instances where we had these one-off on credit costs. What do you think is driving this when we don't see something with similar peers? More importantly, with the benefit of hindsight, what could have prevented this from happening? That's one. And secondly, what gives the confidence that we will not see a repeat of these sort of instances? That's it. Thanks.

Amitabh Chaudhry: Well, wish I had a perfect answer for you. I think what we had last quarter was different reason and what we have this quarter is different. As we said last quarter, that at least from an Axis Bank management perspective, we do not see any other one-time changes we intend to implement going forward. This was something which, because of the discontinuance of the certain variant and the classification issue on a certain loan variant, we had to make some provision, which frankly is just postponing profit from one quarter to a certain quarter, assuming the costs don't go up. So our assumption and our hope and our fervent wish is that obviously this is the end of it. We can never predict the future. But we do believe that we are a conservative organization. We do believe that we have been conservative around how we account for things. We've been conservative around what businesses we do. And gradually, as we have cleaned up some of these things, yes, some of these items have come up. We are not aware of anything as of this point in time, though we keep seeking clarifications from RBI on an ongoing basis in terms of how do we account for things, because we do sometimes realize that maybe our interpretation of things is slightly different from what RBI expects. But as of this point in time, our hope is that this is not repeated in future. I don't have a better answer than this. But let me assure you, we want to keep these things to zero, and hopefully it will be zero going forward.

Subrat Mohanty: And just in terms of the focus, I think we continue to focus on the core operating performance, wherein whether it's the margin or its growth numbers, those operating performance parameters, we believe, continue to trend in the right direction. Like Amitabh said, we wish we had better answers for some of the one-offs, but hopefully there won't be other one-offs as we look into the future. We can't predict it, but at least those that are in our control, we are trying to make sure that the metrics around those continue to be on an upward trend.

Pranav Gundlapalle: Thanks. My question was more just to understand if this is unique or if this is something that happens with other banks, but maybe better buffers or higher buffers prevent that from coming out, need to really call them out, or if this is just unfortunate and therefore really one-off that will anyway cause this kind of thing.

Amitabh Chaudhry: No, it will be incorrect on our part to say for others. We don't know about the other banks. We obviously follow the instructions given to us. Our inspection round is over. Whatever had to be done is over, so that's why we are saying that we're not aware of anything else which might come our way. I don't know what the status of the inspection of others are and if anything will pan out there or not. As we said, we believe it is one-off, and hopefully we can keep focusing on our core operating performance and at the same time ensure that from a compliance perspective, we are in the top quartile in terms of what we do and we are seen as a gold standard on compliance. We are working towards that also.

Pranav Gundlapalle: Thanks a lot. Thank you.

Moderator: Thank you. Ladies and gentlemen, we will take that as the last question for today. I would now like to hand the conference over to Mr. Puneet Sharma for closing comments. Over to you, sir.

Puneet Sharma: Thanks, Dorwin. At the outset, I'd like to thank Abhijit. He transitions as Head of IR to a fund management role within the Axis umbrella. Thank you, Abhijit, and thanks for all of the good work that you've done over the last 10 years. Happy Diwali and season's greetings to each one of you and your families. Good evening and thank you for your time. If any questions remain unanswered, please do reach out to the IR team, which is Rahul Jain now, for any other further queries that you have. Thank you and good evening.