

**Axis Bank's Q4 and Annual Results FY26
Media Conference Call on 25th April 2026**

MANAGEMENT:

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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 and the year ended as on 31st March 2026. 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 of the proceeding of the call is strictly prohibited and prior explicit permission and written approval of the 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 star and then zero 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, Sagar. We welcome you all to a discussion on Axis Bank's financial results for the quarter and financial year ended 31st March 2026. We have on the call apart from Puneet, our Executive Directors - Subrat Mohanty, Munish Sharda, Neeraj Gambhir, and other members of the leadership team.

Financial year 2026 unfolded against a complex and uncertain global macroeconomic backdrop. Elevated geopolitical tensions, including tariff issues and lately the West Asia conflict, continue to disrupt global supply chains, influence capital flows, and add volatility to markets worldwide. Indian economy has shown resilience amid this uncertainty so far.

In this environment, Axis Bank remained firmly focused on disciplined execution, balancing growth with watchfulness, while continuing to build momentum in our chosen areas of focus. We made strong progress this quarter in building a resilient all-weather franchise, strengthening our balance sheet, focusing on our customers, improving efficiency, and increasing activity intensity across the franchise without diluting risk standards. Please refer to Slide 3 for more details on House of GPS.

Now, let me talk briefly about the progress we have made on each pillar of our GPS strategy. Starting with growth, we sustained the momentum from the previous quarter with strong all-around growth across segments. Our total advances grew 6% Q-o-Q and 19% Y-o-Y, within which wholesale grew 38%, SME 24%, and retail 8% on Y-o-Y basis.

Wholesale banking has evolved from a balance sheet centric model to an ecosystem-led approach, driving diversified high-quality growth in relatively strong cycle segments. We have deepened relationships that enhance our share of wallet, improve risk visibility, and deliver the planned RAROC. Our SME franchise continues to grow strongly.

We have built a diversified granular portfolio and have improved our yields through data-driven credit decisions, simplified products, and digitized operations. In retail, our disbursement growth remains strong and risk-calibrated, centered on credit-tested customers, strengthened underwriting discipline, and balanced scaling across proprietary and partner-led distribution channels.

Moving on to the deposits, we continue to deliver faster than the industry growth in medium- to long-term. Y-o-Y on MEB and QAB basis, total deposits grew 14% and 13%. Term deposits grew 16% and 15%. Current accounts grew 11% and 10% and savings accounts grew 11% and 10%, respectively. Q-o-Q on MEB and QAB basis, total deposits grew 6% and 2%.

Term deposits grew 5% and 3%. CA grew 7% and 3%. SA grew 7% and 2%, respectively. Total CASA deposits increased by 7% Q-o-Q on MEB basis, resulting in 48 basis points improvement in CASA ratio. Our cost of deposits declined by 46 basis points Y-o-Y and 4 basis points Q-o-Q, underscoring the strength of our funding strategy and disciplined execution. There's ongoing work on improving the deposit quality through deeper granularization with an emphasis on building more stable liabilities mix to enhance resilience across cycles.

Our NTB (New-to-Bank), franchise continues to scale with a sustained improvement in quality. Newly acquired customers are maintaining meaningfully higher average balances with NTB average balances up 53% Y-o-Y, reflecting the continued impact of premium-led sourcing and tighter conversion discipline. NTB product per customer has improved by 24% Y-o-Y due to better quality acquisitions.

Our Existing-to-Bank engine has continued to strengthen with our ETB salary book growing 18% Y-o-Y, underscoring steady improvement in corporate salary segment with higher wallet share and customer lifetime value. Burgundy continues to be our key driver of premiumization with assets under management up 14% Y-o-Y. The strength and consistency of our proposition was reaffirmed with Burgundy Private being named India's best for next-gen at the Euromoney Global Private Banking Awards 2025 for the third year in a row.

On profitability, we focus on structurally improving the quality of earnings through consistent and sustainable delivery supported by ongoing improvements in operating efficiency. Our cost-to-assets declined to 2.28%, down 18% Y-o-Y through improvement in operational productivity. While we added 400 branches during the year, our total workforce declined by 3% Y-o-Y driven by technology-led efficiency gains at both employee and branch levels. Our consolidated Quarter 4 financial year '26 ROA was 1.64% and ROE was 15.15%.

On sustainability, we stay focused on quality, balance sheet resilience, building future-ready technology platforms, and investing in people and capabilities to deliver sustainable outcomes at scale. Our GNPA was at 1.23%, declining 17 basis points Q-o-Q and 5 basis points Y-o-Y, while the net credit cost was at 0.37%, down 13% basis points Y-o-Y and 39 basis points Q-o-Q.

I want to specifically highlight the strong progress on AI initiatives across Axis Bank. Please refer to slides 5 to 7 for more on this. Through Axiom, our bespoke AI operating model, we are building an AI-led customer-centric bank that's transforming the customer touchpoints, employee productivity, and core processes at enterprise scale.

We are the only ISO 42001 certified BFSI organization globally. ISO 42001 is the first international standard providing guidelines for an artificial intelligence management system. We also received the award for Best GenAI Use Case in Retail Banking at the Retail Banker International Asia Trailblazer Awards 2026. We have a roadmap for scale-up and we expect AI to drive meaningful bottom-line impact over the next 18 to 24 months.

Our focus remains on embedding AI responsibly, securely, and in a way that supports sustainable growth. Our people-first approach has been consistently recognized externally. During the year, Axis Bank was certified by the Top

Employers Institute, the only Indian private sector bank on the list, and included in the TIME Best Companies Asia-Pacific list for the second consecutive year.

We were also recognized as one of India's Iconic Workplaces by HT, Mint and Deloitte, featured among the Best Places to Work by The Hindu and WorkKL, and received the ATD BEST Awards for fostering a strategically driven talent management culture. Underpinning all of this is our unwavering focus on customers. Through our customer obsession initiative, Sparsh, we are strengthening experience outcomes and simplifying interactions through digitization.

Our retail bank NPS has improved significantly since inception and retained the second rank in the Kantar Retail Bank Survey for the third consecutive year. Our leadership in customer experience and analytics has also been recognized at the annual BFSI Service Quality Excellence India Summit 2026, where Axis Bank won the CX and Analytics Excellence Award and Best Omni-channel Experience Strategy.

We had strong business momentum in Q4 as a bank with clear intent, the right talent, and a strong culture. This positions us well to assert our right to win and to gain more than our fair share across businesses. In an environment marked by uncertainty and volatility, our conservatism is a strategic advantage.

The choices we made during the year have strengthened our foundation and enhanced our resilience. As we step into financial year '27, we are watchful of the ongoing uncertainties. However, we stay confident in our ability to grow in a disciplined and calibrated manner faster than the industry.

With that, I will now hand over to Puneet.

Puneet Sharma:

Thank you, Amitabh. Good evening and thank you for joining us this evening. Before we discuss the financial performance for Q4FY26 and financial year FY26, I'd like to clarify two items. The first one is accounting related to taxes in the current quarter that's impacted the quarter and the full year.

In the financial year '22-'23, the bank acquired Citibank's India consumer business from Citibank N.A. acting through its branch in India and the NBFC consumer business from Citicorp Finance India Limited, collectively referred to as the Citi India consumer business on a going concern basis. In accordance with an

independent valuer's report, intangibles excluding goodwill amounting to INR 8,714.24 crores were recognized in the bank's financial statements.

Despite retaining access to and business use of these assets, as a prudent measure aimed at protecting our capacity to pay dividends, the bank opted to fully amortize these intangibles through the profit and loss account in FY22-23. Furthermore, the bank elected not to create any deferred tax asset in FY22-23 on such intangibles, nor did the bank consider the deductibility of the said intangibles while providing for current tax in the books until regular tax assessment for the said financial year was completed.

During the quarter and year ended 31st March 2026, following the conclusion of regular assessment proceedings by the Income Tax authorities, tax depreciation on these intangibles was allowed. As a result, the tax expense for Q4 FY26 and FY26 is lower by INR 2,193.2 crores, which includes a reversal of excess tax provisions made in prior years amounting to INR 1,129.8 crores, reduction in current year's tax expense by INR 265.85 crores, and recognition of a deferred tax asset by INR 797.55 crores. This has resulted in the effective tax rate for FY26 being 17.25%.

The next item is voluntary enhancement of the bank's provisioning framework for standard assets. During Q4FY26, the bank proactively strengthened its balance sheet by voluntarily enhancing its prudent provisioning framework for standard assets, in line with our conservative risk management philosophy.

Based on an assessment of evolving and unpredictable macro and geopolitical uncertainties, the bank created an additional one-time provision of INR 2,001 crores during the quarter. This approach is aligned with our practice to enhance resilience on our balance sheet during periods of elevated uncertainty while maintaining transparency and discipline in risk governance. This action is prudent and precautionary. I repeat, this action is prudent and precautionary in nature and does not reflect deterioration in asset quality or adverse credit trends in the bank's loan or investment portfolio as of reporting date.

Our core asset quality metrics remain stable and within our risk guardrails. The creation and utilization or potential reversal of this provision is governed by a Board-approved framework and is calibrated using internal stress testing by the bank's risk function under severe but plausible downside scenarios. Based on our current assessment, this provision is considered sufficient to absorb potential incremental

provisioning requirements even under the most adverse stress scenario modelled for FY27.

To provide some context, the adverse stress scenario assumes average oil prices over USD 150 for 12 months, inflation at 7.4%, and currency depreciating by 20% over current levels, amongst some of the variables. Between the two one-time items above and the trading loss in the quarter due to year-end movements driven by extraneous factors, the net impact on the P&L of these three items combined is net neutral.

Moving to the financial performance for the quarter: strong 6% Q-o-Q growth in deposits and advances. Deposits growth was aided by a healthy 7% Q-o-Q growth in CASA. Q4 PAT at INR 7,071 crores, up 9% Q-o-Q, supported by an 8% Q-o-Q fee growth and stable asset quality. Stable core operating performance: net interest income up 5% Y-o-Y, net interest margin at 3.62%. Fee income grew 6% Q-o-Q, 4% Y-o-Y. Retail fee was up 11% Q-o-Q. Granular fees at 92% of our total fee.

Core operating revenue was up 3% Q-o-Q and Y-o-Y. Strong deposit growth with stable CASA. Our month-end balance CASA ratio at 40% continues to be amongst the best across large peer banks. Q4FY26 Cost of Funds decreased by 44 basis points Y-o-Y and 1 basis point Q-o-Q.

We delivered strong loan growth. Bank's focus segments grew 15% Y-o-Y, 6% Q-o-Q. Small business banking, SME and mid-corporate books stood at INR 2,931 billion, comprising 24% of total loans, grew 24% Y-o-Y, is up 845 basis points in the last five years. On a Y-o-Y and Q-o-Q basis, SME loans were up 24% and 6%. Corporate loans were up 38% and 10%, of which mid-corporate loans were up 33% Y-o-Y.

Retail loans grew 8% Y-o-Y and 4% Q-o-Q, of which small business banking grew 17% Y-o-Y and 7% Q-o-Q. Our rural loans grew 10% Q-o-Q. Retail disbursements grew 25% Y-o-Y and 10% Q-o-Q.

We are well capitalized with adequate liquidity buffers. Overall Capital Adequacy Ratio stood at 16.42%. Our CET-1 ratio stood at 14.38%. Additional cushion of 53 basis points over the reported capital adequacy attributable to other provisions of INR 7,013 crores and additional one-time standard asset provision of INR 1,231 crores.

Excess SLR of INR 1,50,620 crores. average LCR during Q4FY26 was 117%. We continue to maintain our strong position in digital banking and payments. Maintain our leading position as UPI payer PSP with a market share of 36% and the lowest technical declines. We acquired 1 million cards in Q4FY26, continue to maintain a market share of approximately 14% on the cards in force.

Axis mobile app continues to be amongst the world's top-rated mobile banking app on Google Play Store and iOS App Store with a rating of 4.8 on both with 16 million monthly active users. We continue to be amongst the largest merchant acquiring businesses in the country with a terminal market share of approximately 22.4%.

Stable asset quality. Provision coverage was healthy at 70%. On an aggregated basis coverage ratio, coverage ratio is GNPA by all provisions stood at 166%, up 900 basis points Y-o-Y. Gross slippage ratio at 1.63%, down 27 basis points Y-o-Y. Net slippage ratio at 0.7%, down 11 basis points Y-o-Y. Net credit cost at 0.37%, down 13% basis points Y-o-Y and 39 basis points Q-o-Q.

Excluding technical impact, gross slippage ratio was at 1.2%, down 70 basis points Y-o-Y and 31 basis points Q-o-Q. Net slippage ratio at 0.63%, down 18 bps Y-o-Y and 32 bps Q-o-Q. Net credit cost at 28 basis points, down 22 basis points Y-o-Y and 35 basis points Q-o-Q.

Our domestic subsidiaries continue to deliver healthy performance. FY26 net profit at INR 2,051 crores, up 16% Y-o-Y with a return of investment on domestic subsidiaries of 54%. Axis Finance FY26 PAT stood at INR 806 crores, up 19% Y-o-Y. Stable asset quality metrics with net NPA 0.36%.

Axis AMC FY26 PAT stood at INR 596 crores, up 19% Y-o-Y. Axis Securities FY26 PAT at INR 366 crores. Axis Capital FY26 PAT at INR 259 crores, up 61% Y-o-Y. We executed nine ECM and three non-ECM deals in the quarter. In summary, Axis Bank continues to make progress towards building a stronger and more consistent franchise.

This concludes our opening comments, we'd be very happy to take your questions.

Moderator:

Thank you very much. Our first question comes from the line of Ritu Singh from CNBC TV18. Please go ahead.

Ritu Singh:

Hi, thank you for that. Mr. Chaudhry, and Puneet, first on that provision, we have read and you've repeated Puneet that it is prudent and precautionary, and we should not construe it as any kind of deterioration in asset quality.

But if you could just give us a clearer picture of how you arrived at that specific number of INR 2,001 crores and in the adverse scenario that you have built up on account, we understand largely from what you're seeing in West Asia. What is the worst-case scenario for your credit costs, for your slippages, and when do you expect that to start even reflecting for which you've built this buffer?

The second question was around your margin compression. Again Puneet, I think you mentioned there was a 45 basis point downward move on the cost of funds, despite that margin compression has continued. So, what is the level where you think you'd be able to sustain it if you could give us a picture on that?

And apart from this just a question on Citibank since you were talking about the tax and the benefit that you've gotten in the quarter. It's now been about 3 years, 4 years since the acquisition was made. Do you have a number of how what is the percentage of Citi customers that you've been able to retain over this period?

Puneet Sharma:

Thank you for those many questions. Let me attempt to answer a few and then hand over to Amitabh for some. I think on the question around Citi customers, we fully integrated that business so we really don't track Citi customers independently today. But the assurance we can provide is that till such time the Citi book was tracked separately, it performed better than the assumptions that we had put in at the time of acquisition that we used for valuation.

Part of your second question before I hand over to Amitabh was what is the worst-case impact. I think as part of my opening remarks, I have clarified that if I model the worst-case risk scenario that the risk team is currently modelling and some of those variables we called out was oil at USD 150 for 12 months, currency depreciating by approximately 20% from where it is today.

So, they are pretty excessive scenarios as we see them. The provision that we have made should cover all provisioning costs for FY27. So, it's a pretty strong and resilient provision that we have created to make the balance sheet strong as we get into the geopolitical uncertain environment for FY27.

Amitabh Chaudhry: Just adding on to what Puneet said, obviously when we look at our portfolio and then model our portfolio based on some of these stress scenarios, we look at which are the accounts which could go into NPL and what are the kind of credit costs or slippages we would incur and what the credit costs could be and based on that this number is arrived.

We, as Puneet has stated earlier, there is nothing in our portfolio which tells us that these provisions will be used. It is not based on what we see today, but the whole scenario in West Asia remains uncertain, risks are uncertain, it remains volatile and obviously we hear of contradictory news practically on a daily basis.

So, given that scenario, we thought that it is only prudent to make some provisions about how this crisis could evolve. And obviously if this crisis gets resolved, then this provision based on our framework will be written back at some stage. So, let's see how this pans out. We have said that we want to be a conservative franchise and that is exactly when we are doing something of this nature, that is exactly what we are doing.

Since you brought up the Citi issue, let me just use the opportunity to point out one more fact to you. We acquired Citibank business for INR 11,932 crores. If you take the impact of this tax right back which we have done, our adjusted cost of Citi acquisition has actually turned out to be INR 9,739 crores, 18% lower than what the number which was quoted. So, I think you should be just aware of this fact that we ended up acquiring Citi at a much, much lower value than what was anticipated. I hope that has answered the question. Thank you.

Ritu Singh: The other question on margin that you haven't answered and if I may also add since in your release you say that technical overhang of these technical slippages you've been reporting is done. You will not be reporting it from the first quarter. If you could just throw a little more light on whether the full impact of these changes you had to make is completely done or what is the reason you'll not be reporting it anymore starting next quarter and margin?

Puneet Sharma: Thank you, Ritu. I'll take the question around the technical slippages and then hand over to Subrat. May I request if our investor presentation is readily available with you to look at Slide 48 of our presentation. In Q1, the net slippages from the technical pool was INR 1,861 crores. That net slippage is down to a near zero number, it's INR 200 crores.

Effectively, when we first reported net slippages, we had categorically called out the fact that there is a timing difference on this slippage. We do not expect an economic loss on this pool. We had also stated that gross slippages will drop, net slippage will drop faster. So, just to put that comment in context of numbers, the gross slippages on technical in Q1 were INR 2,709 crores.

The net slippages in Q1 was INR 1,861 crores, is down to 218. Therefore, the amounts become inconsequential and immaterial in the context of our balance sheet and consequently the call-out that we'll stop reporting it separately. Purely from a comparison perspective since next year, we will have in the base year which is FY26, technical slippages sitting as base. It'll be an apples-to-apples comparison to compare the full number. So that's the reason why we are saying one, we have made progress and two, the numbers become inconsequential.

Ritu Singh: The margin picture please?

Subrat Mohanty: Yes, this is Subrat on margins. You are right that it compressed, you know on a very small bit during this quarter. See three things we have maintained, right. One, there was a rate cut in December and some of that rate cut plays out during this quarter, for which we had highlighted as part of our last call as well, that once there is a rate cut, it takes up anywhere between 12 and 18 months for the entire rate cut to play out as part of our through cycle margin guidance.

So that's one part of it. The second is we have continued to maintain that where possible we will try and optimize for net interest income because there is opportunity in the market for growth and we will not hesitate to go out and look for that growth. And get that growth at the right RAROC level, something that Amitabh mentioned as part of his initial remarks. So that opportunity is there. Our through cycle guidance continues to remain at 380.

During the course of the year, you will see that as the rate cycle continues to remain stable, we will start clawing up in terms of the margins. At this point in time, we still believe that optimizing for net interest income is a sound strategy from our perspective, which is what we continue to do.

Ritu Singh: Sorry, 380 is the level that you are targeting to get to?

Subrat Mohanty: 380 is our through-cycle guidance which we have maintained for the whole of last year.

- Moderator:** The next question comes from the line of Piyush Shukla from NDTV Profit.
- Piyush Shukla:** Good evening, Mr. Amitabh Chaudhry and Puneet Sir. I have two queries. First is on the guidance that you would like to share for FY27 on both loans and deposits. You have a common commentary that the loans will grow 1.5 to 2 times the nominal GDP. Does that still stand amidst the conflict that is growing in West Asia? And secondly, you have reported a trading income loss of around INR 600 crores.
- I want to understand Puneet sir mentioned in Q4 across markets there were certain corrections that happened that may have led to this, but in terms of RBI net open position circular, ceiling being fixed at \$100 million, I want to understand how much of NOB did you have in the onshore deliverable market if you could specify that quantum and of the INR 600 crores how much was due to that particular RBI announcement? These are my two queries?
- Puneet Sharma:** Thank you for your questions. On growth, we don't offer annual growth guidance. Our growth outlook consistently has been that we will endeavour to grow faster than industry on a fiscal year basis and we will gain 300 basis points higher than industry growth over the medium term, which is a three to five-year horizon for us, closer to three not five. And that's what we have stated and we continue to state that as we stand today as we look forward.
- You've correctly pointed out that we have reported a INR 606 crore trading income loss. That that loss has two components to it. There is realized gains and MTM losses. So, the MTM losses are larger than the number that you see on the face of the reported P&L. MTM losses were principally driven by the administrative actions taken at year-end and its impact on the yield curve.
- So, it's impacted both the debt portfolio as well as the FX portfolio. The last part of your question, which is what was the open position we have. We would not like to share that information, we don't share it publicly. But what we can confirm to you is we are within the regulatory limits prescribed by the RBI within the timeframe prescribed by the RBI.
- Piyush Shukla:** So you were already in -- you had less than \$100 million position or you rounded off the excess positions once the RBI circular came in. The quantum I understand you're not giving but if you could specify this particular aspect?
- Puneet Sharma:** So we became compliant post 31st March, within the timeframe prescribed by RBI.

Piyush Shukla: Thank you.

Moderator: Thank you. Your next question comes from the line of Subrata Panda from Business Standard. Please go ahead.

Subrata Panda: Hi, thank you. Just a question on the credit growth. So largely it has been driven by corporate and SME. Corporate grew around 38%. So is that growth sustainable going forward and what and how will you look to grow your retail in FY27. Which will be the levers?

Secondly, because of this new circular by Reserve Bank of India on upper layer NBFCs, would that push Axis Finance inclusion in upper layer and as a result, you don't have to list Axis Finance going forward? Yes, these are the two questions.

Subrat Mohanty: Right, Subrata, Hi, this is Subrat. On the second question, the upper layer definition has changed to over INR 1 lakh crore. The decision on whether we list and when we list, etc. will be guided by how Axis Finance looks at their funding options. So right now, no additional comment except that it has moved from INR 50,000 crore to INR 1 lakh crores, so accordingly timelines will shift based on how the business is doing.

On the overall growth numbers, we have told this earlier as well. If you look at our retail disbursement growth, the retail disbursement growth has been fairly strong and now this is the third consecutive quarter where the disbursement growth has been fairly strong and accordingly the book growth has started inching up. If you look at Q-o-Q basis, the book growth is starting to inch up.

The retail book growth does take a little bit of time before it starts showing the kind of disbursement growth that we are seeing. So that will continue to happen. We, like Amitabh mentioned, as part of the initial comment that we see wholesale banking growth, our increase in wallet share, the kind of customer relationships that we have and the kind of businesses that we are or the kind of opportunities that we are invited to, all of that is quite robust at this point in time.

So going forward from our perspective, notwithstanding what might happen with West Asia which we do not know which is an open question for everyone, the business momentum and the activity levels on the ground are fairly strong for the Bank and that's where we'd like to leave it at this moment.

- Subrata Panda:** So what would be your wholesale retail mix going forward, is there any number that you have?
- Subrat Mohanty:** Broadly speaking, we have tried to remain between 70 and 30 kind of a mix, 30% of wholesale and 70% retail plus SME business. Give or take plus or minus 2% or 3% over the year and that's where we'd like to eventually be. For some quarters you might see a bit of an uptick on one side or the other, but we have remained within the 70-30 kind of a range plus or minus 3% over the last two-three years.
- Subrata Panda:** Fine, thank you so much.
- Moderator:** Thank you. Your next question comes from the line of Ashish Agashe from PTI. Please go ahead.
- Ashish Agashe:** Thank you so much. Hope I'm audible sir.
- Moderator:** Yes, sir you're audible, please go ahead.
- Ashish Agashe:** Yes, just a follow-up on Subrata's question here. So two questions here, what is driving the wholesale growth at 38% this quarter and I do understand the...
- Moderator:** Ashish, sir, your line is not that clear.
- Ashish Agashe:** Okay, just a moment. Is this better now?
- Moderator:** This is slightly better.
- Ashish Agashe:** Two questions, what is driving the wholesale growth and secondly, retail is it some bit of a call which has been taken, given structural set of makeup of the activity which you see on the ground. I did take the disbursements argument while asking this question sir.
- Puneet Sharma:** Thank you for the question. Look, on the wholesale side we are seeing growth opportunities across sectors. Please appreciate that the 38% growth number has not come at the cost of risk. We would request you to look at slide 33 of our investor presentation. 91% of the corporate loan book is rated A- and above and effectively if you look at the disbursement profile of that book, the disbursement profile is equally healthy.

The risk-adjusted returns on that business have remained consistent for us. Therefore, from our perspective, this is good quality business, thus deepening our relationship with the customer that's allowing us to get our fair share or more of the customer's wallet that's driving up growth for us.

I think the second part of your question was look, if you recollect when we closed our financials and we provided commentary in March '25, we had said that the cards portfolio was stabilizing and we would come back and comment on the personal loan portfolio once we have seen 12 months of vintage on books under the new scorecards.

At September of '25, which is at the end of half year, we said that the new book that we have underwritten on PL is showing us healthy signs. As we stand today, we can call out the fact that the book has stabilized, providing us the opportunity to start growing.

Early signs of that growth is visible through the disbursement growth numbers that we have called out as part of our earlier answer. Hence, we remain confident that over a period of time we will be able to recalibrate the book balance as we move forward. Thank you.

Ashish Agashe:

Okay sir, and my second question sir, on the provision which you have made, the INR 2,001 crores, two things sir. Where do you see, which part of the portfolio do you see the maximum stress in? Also, over the last few quarters we have seen the small businesses portion growing at an accelerated pace.

Given that there's a lot of commentary on MSME exposures getting impacted the most because of the West Asia crisis. Is that portion at the most risk and also if it is so, how will it play out in FY27 in your disbursements, will you be as sanguine about taking on new exposures on the MSME front sir?

Puneet Sharma:

Thank you for the question. I think I'll take the opportunity to reiterate. The action of creating the provision is entirely prudent and cautionary and does not reflect deterioration in the asset quality or adverse credit trends on our loan or investment portfolio as at reporting date. Our core asset quality metrics remain stable and within our risk guardrails. So please appreciate that this provision is not a function of stress that is visible to us in any shape or form.

We are a prudent organization. We look at our risk practices carefully and as a consequence of our conservative risk management philosophy, we have created the provision in order to create resilience of the balance sheet. The provision is not created on a given industry or a given portfolio.

We have identified as part of our risk assessment a pool of accounts that may potentially face stress. Emphasis on the word may, we are not seeing it today, may face stress and on that pool, we have created a provision that keeps the balance sheet strong. So, we have no particular segment where we'd like to call out asset quality stress in relation to our portfolio today.

Ashish Agashe: Okay, so no pattern in this pool of accounts, basically sir?

Puneet Sharma: Yes, the pool of accounts is just to give you colour. Could be corporate accounts, could be SME accounts, could be retail accounts. So, it's a composite assessment with all asset classes and all customer categories thrown in.

Ashish Agashe: Okay Sir, just a small clarification to Amitabh sir's comment in the initial part. Sir mentioned about the conservatism being a strategic advantage. So the conservativeness there which he is alluding to, is it in the provisioning part or should we look at it from a forward-looking perspective from a loan growth perspective sir?

Subrat Mohanty: Yes, it's in the provisioning part. I mean we think that this is the right move and we have stress-tested it to the severest scenario as Puneet mentioned and we have taken care of the year. And we had the opportunity to do it in this quarter, so we have done this. So, from Amitabh's remarks that conservatism is a strategic advantage, I mean this is just another evidence of that.

Ashish Agashe: Thank you so much sir.

Moderator: Thank you. Your next question comes from the line of Shrishti Sharma from ET BFSI. Please go ahead.

Shrishti Sharma: Thank you. Good evening, Axis Bank management. You've already addressed all the fundamentals. I'd like to draw your attention to the number of employees as you end FY26 compared to FY25. We can see a difference of about 3,100 employees. I mean when you ended FY25, it was 1,04,400, now it is 1,01,300.

We spoke about it last quarter as well, when you attributed the headcount, reduction in headcount to the tech efficiency that you've been gaining on. What would you attribute, you know it's like a huge number for a bank - 3,100. So how are we supposed to read this and what is the trend going to look like going ahead?

And you know this was the kind of trend I could see Q1, Q2, Q3, & Q4. So first I'd like to understand this and especially your comments on AI which were in the introductory remarks as well, how much of a role artificial intelligence is playing in it?

Subrat Mohanty:

Thank you for your question. The trend of headcount, optimization continues because the investments that we have made on technology over the years are starting to give us benefits in terms of productivity gains. So as you've noted that it's a little over 3,000 people in terms of reduction in headcount from same period last year. Please also note that during that time we have added about 400 branches also.

So we are gaining productivity because of the kind of work that we have done across the board, whether it is training people, enabling people, branch productivity going up, technology helping them, digitization, so all of that is happening. The benefits of AI are yet to fully show up in headcount reduction. A lot of AI support that is happening right now is just in terms of speed of processing and the ability to use data, the ability to conclude an end-to-end transaction faster.

So some of the benefits that Amitabh spoke of and what we have shown on AI is largely been on the business side. The headcount benefit we'll see in the course of next year in terms of how much of that will start reflecting in headcount as well. But what you are seeing is a trend of continued investment from our side on technology, continued investment on our side from employee enablement, employee training and productivity gains on a Q-o-Q basis.

Shrishti Sharma:

And what are those functions where you could get rid of the headcount?

Subrat Mohanty:

No, there's largely -- no specific area. The bank is a large distribution organization with a lot of people on the ground. As we improve productivity at branches, as we improve productivity at our customer touch points, that's where the first productivity gains start coming in. So that's what has happened, no specific segment but broad-based.

- Shrishti Sharma:** And how does it compare with your technology investments? I mean on one side you'd also be spending on the technology, right? While your staff cost must be going down basis the reduction. How the two aspects compare for you?
- Subrat Mohanty:** Technology investments have been fairly consistent over the last three to four years. They have been between 9% and 10% of our op-ex. And we have never sort of shied away from technology investments at any time whether the cycle was good, cycle was not so good, because we were building technology as a long-term strategic edge. So technology investment continues to remain between 9% to 10% of our overall operating expense.
- Shrishti Sharma:** Okay. And is this trend going to continue for this fiscal? The headcount.
- Subrat Mohanty:** We don't give guidance on such issues. I mean you should be able to read through the kind of work that we are doing and the trend that we have seen so far. No specific guidance on headcount for the coming year.
- Shrishti Sharma:** Noted. Last question on the credit card spends market share. Even that has been on a downward trend, I mean some basis points but it's been on some downward trend. Could you also explain that?
- Arnika Dixit:** This is Arnika. See RBI credit card market share came out last night. It has been in the range of 11.3 to 11.5. So, there are there are quarters where we have seen increases, there are quarters where we have seen a swing of 10 to 20 basis points, but it remains in the range which is there. So not much change actually if you notice.
- Shrishti Sharma:** Okay, thank you.
- Moderator:** Thank you. Our next question comes from the line of Kshipra Petkar from Financial Express. Please go ahead.
- Kshipra Petkar:** Hello. Sir, I have this one question. RBI recently released a discussion paper on strengthening safeguards against digital payment fraud. What kind of feedback is Axis Bank planning to give and also how do you see the proposed measures impacting customer experience and cost if you can just give some colour on that?
- Subrat Mohanty:** Yes, so I mean this is an area of focus for all of us. So there is a draft guideline. We continue to use a combination of data, technology, as well as very strong controls at the time of onboarding across all our onboarding channels. So from our

perspective, the key metric for us is both number of volumes of fraud as well as what we call fraud-to-sale ratio.

Both these metrics are on a downward trend and it's an area that is a very specific area of focus and we have a separate team within the bank which addresses fraud on a comprehensive basis.

Kshipra Petkar: But sir any view on the proposals that have been made?

Subrat Mohanty: That we will share with the regulator directly. This is a draft guideline, so there is time available for us to share some of our views to the regulator. When the final picture emerges, we might be able to give you specific comment on what the final guidelines look like and what impact it might have on us.

Kshipra Petkar: Sure sir, thank you.

Moderator: Thank you. Your next question comes from the line of Hamsini Karthik from Moneycontrol. Please go ahead.

Hamsini Karthik: Hi, good evening. Thank you so much. I have two questions and I'm sorry if some of them sound a little repetitive because I joined in a little late on the call. I'd first like to get some colour on the capital raise related approvals that the board has come through today, both on the debt and the equity side?

The last time we saw board approve a capital raise, it lapsed. The bank did not really go ahead with it. So what should we look forward from Axis Bank and is there a particular segment of investors that you would target this time around? That's the first question, I'll come back with the second question.

Puneet Sharma: Thank you for your question. The bank evaluates its capital position on two pillars, which is growth and safety. We reiterate that we do not need equity capital for either pillar. We have had a practice of consistently taking an enabling resolution and that's the enabling resolution that has been taken at the Board today. That enabling resolution is subject to shareholder approval at the next AGM.

The borrowing resolution is something that we will act on. We opportunistically will continue to evaluate tier two instruments and AT1 instruments depending on market conditions. So we have no plans to raise equity. It is purely an enabling resolution. Tier two and AT1s is something we will raise basis market opportunities presenting themselves to us.

- Hamsini Karthik:** Fair enough. My second question is with respect to Axis Finance. The NBFC if I'm not wrong has crossed the INR 1 lakh crore mark and there is a draft circular on scale-based resolutions, we'll have to wait final resolutions. But would you be in a position to list Axis Finance? Should it meet the upper layer of criteria because under the current framework, it would have already touched the upper layer entity.
- Subrat Mohanty:** No, we have not touched the upper layer based on AUM criteria, now that the criteria has shifted to INR 1 lakh crore. We are not there yet and therefore there is no specific plan on listing it.
- Hamsini Karthik:** Okay, thank you so much.
- Moderator:** Thank you. The next question comes from the line of Suryash from Informist. Please go ahead.
- Kabir:** Hi sir, this is Kabir here instead of Suryash asking the question. I have two questions as prescribed. The first one is what would be the total pool of accounts that you've been talking about on the basis of which the provision of INR 2,001 crores has been made. If it's possible to share the number, and how much of the overseas corporate loan book would it constitute, sir?
- Puneet Sharma:** Thank you for the question. We would not be sharing the cumulative underlying pool. We just want to give you comfort that overseas loan exposures for us, which we typically call out, which is non-rupee loan exposures, are less than 4% of our entire loan book. So, we don't really have any meaningful loan exposure outside of the country and the exposures that we have are largely short duration and to Indian corporates that are well-rated.
- So please don't read into this being incremental stress on the offshore book either. It is just a risk-based approach to creating a portfolio-based provision where there is an identified underlying pool on which we have created this provision.
- Kabir:** Understood sir. Sir second question is on the liability side. Some peers have said that they would be relying more on market borrowing going forward given the high cost of deposits which are because the repo rate is still to be transmitted. So just wanted to know your strategy, you've been quite active in the short-term market. So what would be your strategy going forward, particularly on the liability side, sir?

Neeraj Gambhir: So we are looking at all instruments that are available to us across the spectrum, including market borrowings as well as the deposit market. You know the pricing in the deposit market has been quite elevated in the last fortnight, particularly in the month of March, and so we basically look at what opportunities are available in both deposit market as well as in the CD market.

CD market, we are a bit conservative. We have a certain threshold beyond which we don't go to the CD market, but besides that, it's pretty flexible depending upon market condition and pricing.

Kabir: Okay, thank you.

Moderator: Thank you. Your next question comes from the line of Archishma from Moneycontrol. Please go ahead.

Archishma: Yes sure. I just have one question. This is regarding the one-time provision of the INR 2,001 crores that was announced. Very simple question, if in case -- because as mentioned in the press release it was because of the of the concern of the geopolitical issues that was prevailing. But should there be an improvement in sentiment, is there any scope of scaling back or pulling back this particular provisional amount?

Puneet Sharma: Our provisions are typically rule-based. The rules are determined by the Board. The rules are pretty objective and therefore if there is a de-escalation and the risk that we have anticipated today while creating the provision, do not fructify, we do have provisions on release of the said provision made at a subsequent date.

The typical practice within the bank is after we create a provision, we do give it a cooling period before we reassess for release. But yes, the guardrails created for this provision do enable us to release this back in the event they are unutilized and the underlying risks that were fathomed in the model no longer persist.

Archishma: Okay, sure. Thank you.

Moderator: Thank you. Your next question comes from the line of Ram Kumar from The Hindu BusinessLine. Please go ahead.

Ram Kumar: What is the credit and deposit outlook for the next financial year?

- Subrat Mohanty:** So the medium-term outlook that we have said, we don't give immediate year outlook, we have continued with our medium-term outlook of growing at least 300 basis points above the market growth. So that's the medium-term outlook on credit. Deposit mostly will follow that if we are to continue to keep the loan-to-deposit ratio in a narrow range. So that's really what we continue to hold on in the medium term.
- Ram Kumar:** Yes, but the deposit and credit growth, the gap is wide, almost 500 basis points. Will this continue or you try to bring it down actually?
- Subrat Mohanty:** We'll try to bring it down. We are working very hard to bring it down. I think there might be some quarters where there might be a bit of an uptick on the credit side, but on an annual basis, we'll try to keep it in as narrow a range as possible.
- Ram Kumar:** Okay. And why did your other income go down actually?
- Puneet Sharma:** So when you're looking at other income you mean the miscellaneous income line item, right?
- Ram Kumar:** Yes.
- Puneet Sharma:** The 269 going down to 67. Principally if you recollect last year we had repatriated capital from our UK business. So, there was a gain on that repatriation that sits in FY25 but does not repeat itself in FY26. And second is we had sold PSLCs last year where we had some PSLC income which hasn't repeated itself in the current period. So that's the reason miscellaneous income is lower in the current quarter than the same quarter last year.
- Ram Kumar:** Thank you.
- Moderator:** Thank you. Ladies and gentlemen, we take that as our last question for today. I now hand the conference over to Mr. Puneet Sharma for closing comments.
- Puneet Sharma:** Thank you, Sagar. Thanks everyone for joining us this evening. If we have not been able to take your questions on the call, please do reach out to our corporate communications team and we would be very happy to engage and respond to unanswered queries. Good evening and have a nice day.
- Moderator:** Thank you. On behalf of Axis Bank, thank you for joining us and you may now disconnect your lines. Thank you.