

PRESS RELEASE
AXIS BANK ANNOUNCES FINANCIAL RESULTS
FOR THE QUARTER AND NINE MONTHS ENDED 31st DECEMBER 2023

Q3FY24 Operating profit at ₹9,141 crores up 6% QOQ, PAT at ₹6,071 crores up 4% QOQ; Consolidated ROE at 18.61%, aided by a balanced sequential deposit and loan growth of 5% and 4% respectively

9MFY24 PAT at ₹17,732 crores, up 16% YOY; Consolidated ROE at 18.86%, up 82 bps YOY

- Consolidated ROA at **1.84%**, with **9 bps** contributed by subsidiaries
- Net Interest Income grew **9%** YOY and **2%** QOQ, Net Interest Margin at **4.01%**
- Fee income grew **29%** YOY and **4%** QOQ, Retail fee grew **36%** YOY and **6%** QOQ, granular fees at **93%** of total fees
- Core Operating revenue up **14%** YOY and **2%** QOQ
- Bank's total business grew **20%** | **5%** of which advances grew **22%** | **4%** and MEB¹ deposits grew **18%** | **5%** on YOY | QOQ basis
- On a MEB¹, retail term deposits grew **17%** YOY & **2%** QOQ, CASA grew **12%** YOY with CASA ratio at **42%**
- Retail loans up **27%** | **5%**, SME up **26%** | **4%**, Corporate loans (gross of IBPC² sold) up **15%** | **3%** on YOY | QOQ basis
- Overall CAR³ stood at **16.63%** with CET 1 ratio of **13.71%**, organic net accretion to CET-1 of **39 bps** in 9MFY24
- GNPA% at **1.58%** declined by **80 bps** YOY and **15 bps** QOQ, NNPA% at **0.36%** declined by **11 bps** YOY
- **1.26 million** credit cards issued in Q3, CIF market share⁴ of **14%**, card spends up **79%** YOY & **13%** QOQ
- Largest player in Merchant Acquiring with market share of **18.9%**, incremental share of **26%** in last one year⁴

The Board of Directors of Axis Bank Limited approved the financial results for the quarter and nine months ended 31st December 2023 at its meeting held in Mumbai on Tuesday, 23rd January 2024.

This quarter marked the launch of 'Open,' Axis Bank's advanced digital banking solution. The launch is a culmination of the Bank's multi-year effort to build a digital Bank within the Bank, focused on delivering personalized, intuitive, and hassle-free digital banking experience for its customers. Axis 2.0 is now open by Axis Bank, the future ready mobile application that continues to see strong growth with monthly active users of ~13 million Axis customers and nearly ~10 million non-Axis Bank customers. With a rating of 4.8 on Google Playstore, the power packed mobile app aptly demonstrates the Bank's enhanced digital capabilities and offerings, and is a one stop shop for all digital banking needs with 250+ banking services on the go.

Axis Bank joined forces with the India SME Forum for the 10th India SME 100 Awards, recognizing outstanding MSMEs for their significant contribution to the industry. Some of the accolades won by Axis Bank during the quarter include NASSCOM-DSCI Annual Excellence Awards 2023 for Best Security Practices in Banks; ASSOCHAM's Corporate Bond Market Award for Issuer Investment Banker (Merchant Banker of the Year) and Annual Banking and Financial Sector Lending Award (Large companies) for Best Risk Initiatives, Best Cyber Security Initiatives and Best Digital Initiatives.

Amitabh Chaudhry, MD&CEO, Axis Bank said, "The conversations on India are buoyant and it's being looked upon as an important investment destination, evident in discussions at global platforms like the World Economic Forum. The Indian economic momentum has been strong in FY24, and we believe the trend will continue well into FY25.

At Axis Bank, our focus has been on sustainable and inclusive growth, with customer taking the centerstage in every discussion. This quarter we celebrated 'Sparsh Week', a week-long agenda focused on educative customer centric activities, with 15 events covering 5000+ branches and retail asset centers, reaching out to 95000+ employees."

Performance at a Glance

- **Healthy operating performance**
 - Net Interest Income grew **9%** YOY and **2%** QOQ, Net Interest Margin at **4.01%**
 - Core Operating revenues grew **14%** YOY and **2%** QOQ, operating profit grew **6%** QOQ
 - Consolidated ROE | ROA at **18.61% | 1.84%**, subsidiaries contributed **54 bps | 9 bps** respectively
- **Strong loan growth delivered across all business segments**
 - Advances (gross of IBPC sold) up **23% | 4%**, Rural loans grew **34%** YOY & **7%** QOQ
 - Small Business Banking loans grew **40%** YOY & **6%** QOQ, Mid-Corporate (MC) book grew **30%** YOY
 - SBB + SME + MC mix at **₹1,98,553 crores | 21%** of loans, up **~620 bps** in last 3 years
- **Retail term deposits gaining traction, CASA ratio among the best in the industry**
 - On QAB¹ basis, RTD grew **15%** YOY & **3%** QOQ, total deposits grew by **18%** YOY & **4%** QOQ
 - On QAB, CASA grew **13%** YOY and **1%** QOQ, CASA ratio stood at **42%**
 - Average LCR² during Q3FY24 was **~118%**, outflow rates improved **~ 600 bps** over last 2 years
- **Well capitalized with self-sustaining capital structure**
 - Overall capital adequacy ratio (CAR) including profit stood at **16.63%** with CET 1 ratio of **13.71%**
 - Self-sustaining capital structure with net organic accretion to CET-1 of **39 bps** in 9MFY24
 - COVID provisions of **₹5,012 crores**, not in CAR calculation provides additional cushion of **~43 bps**
- **Continue to maintain strong position in Payments and Digital Banking**
 - Axis Mobile & Axis Pay have **~10 mn** non-Axis Bank customers
 - **100+** digital partnerships across platforms and ecosystems; **~18.8 mn** customers on WhatsApp banking
 - Axis Mobile remains the world's³ highest rated MB app on Google Play store with rating of **4.8**; On the iOS app store our ratings increased from **4.6** to **4.7** during the quarter; **~13 mn MAU**⁴
 - Credit card CIF market share at **14%**, Retail Card spends grew **88%** YOY and **13%** QOQ
- **Declining slippages, gross NPA and credit cost**
 - PCR healthy at **78%**; On an aggregated basis⁵, Coverage ratio at **153%**
 - Net slippage ratio⁶ at **0.50%** declined **43 bps** YOY & **9 bps** QOQ, Gross slippage ratio⁶ at **1.62%**, declined **41 bps** YOY
 - Q3FY24 net credit cost⁶ at **0.28%**, declined **14 bps** QOQ
- **Key domestic subsidiaries⁷ continue to deliver steady performance**
 - 9MFY24 profit at **₹1,108 crores** up **17%** YOY, with a return on investment in domestic subsidiaries of **50%**
 - Axis Finance 9MFY24 PAT grew **25%** YOY to **₹425 crores**; asset quality metrics improve, ROE at **16.4%**
 - Axis AMC 9MFY24 PAT stood at **₹297 crores**, Axis Securities 9MFY24 PAT grew **31%** YOY to **₹198 crores**
 - Axis Capital 9MFY24 PAT stood at **₹108 crores** and executed **71** investment banking deals in 9MFY24

¹ QAB – Quarterly Average Balance, ² Liquidity Coverage Ratio ³ across 64 global banks, 82 fintechs and 9 neo banks with 2.4 mn+ reviews

⁴ Monthly active users, engaging in financial and non-financial transactions,

⁵ (specific+ standard+ additional + COVID) ⁶ Annualized ⁷ Figures of subsidiaries are as per Indian GAAP, as used for consolidated financial statements of the Group

Profit & Loss Account: Period ended 31st December 2023

Operating Profit and Net Profit

The Bank's operating profit for the quarter stood at ₹9,141 crores, grew 6% QOQ. Core Operating profit for Q3FY24 stood at ₹8,850 crores. Net profit at ₹6,071 crores in Q3FY24 grew by 4% YOY.

Net Interest Income and Net Interest Margin

The Bank's Net Interest Income (NII) grew 9% YOY and 2% QOQ to ₹12,532 crores. Net interest margin (NIM) for Q3FY24 stood at 4.01%.

Other Income

Fee income for Q3FY24 grew 29% YOY and 4% QOQ to ₹5,170 crores. Retail fees grew 36% YOY and 6% QOQ; and constituted 72% of the Bank's total fee income. Retail cards and payments fee grew 52% YOY and 10% QOQ. Retail Assets (excluding cards and payments) fee grew 26% YOY and 7% QOQ. The Corporate & Commercial banking fees together grew 15% YOY to ₹1,471 crores. The trading income gain for the quarter stood at ₹291 crores; miscellaneous income in Q3FY24 stood at ₹94 crores. Overall, non-interest income (comprising of fee, trading and miscellaneous income) for Q3FY24 grew 22% YOY to ₹5,555 crores.

Provisions and contingencies

Provision and contingencies for Q3FY24 stood at ₹1,028 crores. Specific loan loss provisions for Q3FY24 stood at ₹691 crores. During the quarter, the Bank made a full provision on its entire AIF investments aggregating ₹182 crores. The Bank has not utilized Covid provisions during the quarter. The Bank holds cumulative provisions (standard + additional other than NPA) of ₹11,981 crores at the end of Q3FY24. It is pertinent to note that this is over and above the NPA provisioning included in our PCR calculations. These cumulative provisions translate to a standard asset coverage of 1.29% as on 31st December, 2023. On an aggregated basis, our provision coverage ratio (including specific + standard + additional + Covid provisions) stands at 153% of GNPA as on 31st December, 2023. Credit cost for the quarter ended 31st December, 2023 stood at 0.28%.

9MFY24 Financial Performance:

Net Interest Income for 9MFY24 grew 18% YOY to ₹36,805 crores from ₹31,204 crores. Fee income grew 29% YOY to ₹14,620 crores. Core operating profit grew by 12% to ₹25,878 crores from ₹23,206 crores in 9MFY24. Operating profit grew by 16% to ₹26,587 crores from ₹22,881 crores in 9MFY24. Total provisions for 9MFY24 stood at ₹2,878 crores, up 23% YOY. Net Profit for 9MFY24 grew 16% to ₹17,732 crores from ₹15,308 crores in 9MFY23.

Balance Sheet: As on 31st December 2023

The Bank's balance sheet grew 14% YOY and stood at ₹13,98,541 crores as on 31st December 2023. The total deposits grew 18% YOY and 5% QOQ on period end basis, of which savings account deposits grew 16% YOY, current account deposits grew 5% YOY and 1% QOQ; total term deposits grew 24% YOY and 9% QOQ of which retail term deposits grew

17% YOY and 2% QOQ. The share of CASA deposits in total deposits stood at 42%. On QAB basis, total deposits grew 18% YOY and 4% QOQ, within which savings account deposits grew 16% YOY, current account deposits grew 5% YOY and 4% QOQ; and total term deposits grew 22% YOY and 6% QOQ.

The Bank's advances grew 22% YOY and 4% QOQ to ₹9,32,286 crores as on 31st December 2023. Gross of transfers through Inter Bank Participation Certificates (IBPC), total Bank advances grew 23% YOY and 4% QOQ. Domestic net loans grew 25% YOY and 4% QOQ. Retail loans grew 27% YOY and 5% QOQ to ₹5,46,999 crores and accounted for 59% of the net advances of the Bank. The share of secured retail loans[§] was ~ 75%, with home loans comprising 30% of the retail book. Home loans grew 10% YOY, Personal loans grew 28% YOY, Credit card advances grew 92% YOY, Small Business Banking (SBB) grew 40% YOY and 6% QOQ; and rural loan portfolio grew 34% YOY and 7% QOQ. SME book remains well diversified across geographies and sectors, grew 26% YOY and 4% QOQ to ₹1,00,043 crores. Corporate loan book (gross of IBPC sold) grew 15% YOY and 3% QOQ; domestic corporate book grew 20% YOY. Mid-corporate book grew 30% YOY and 6% QOQ. 89% of corporate book is now rated A- and above with 88% of incremental sanctions in 9MFY24 being to corporates rated A- and above.

The book value of the Bank's Investments portfolio as on 31st December 2023, was ₹3,09,070 crores, of which ₹2,46,356 crores were in government securities, while ₹51,958 crores were invested in corporate bonds and ₹10,756 crores in other securities such as equities, mutual funds, etc. Out of these, 71% are in Held till Maturity (HTM) category, while 27% of investments are Available for Sale (AFS) and 2% are in Held for Trading (HFT) category.

Payments and Digital

The Bank issued 1.26 million new credit cards in Q3FY24 and has been one of the highest credit card issuers in the country over last eight quarters. The Bank continues to remain among the top players in the Retail Digital banking space.

- **96%** - Share of digital transactions in the Bank's total financial transactions by individual customers in Q3FY24
- **76%** - Individual Retail term deposits (by volume) opened digitally in 9MFY24
- **71%** - SA accounts opened through tab banking in 9MFY24
- **68%** - New mutual fund SIPs sourced (by volume) through digital channels in 9MFY24
- **71%** - YOY growth in total UPI transaction value in Q3FY24
- **48%** - YOY growth in mobile banking transaction volumes in Q3FY24

The Bank's focus remains on reimagining end-to-end journeys and transforming the core and becoming a partner of choice for ecosystems. Axis Mobile is among the world's* highest rated mobile banking app on Google Play store with rating of 4.8 and over 2.4 million reviews. On the iOS app store our ratings increased from 4.6 to 4.7 during the quarter. The Bank's mobile app continues to see strong growth, with Monthly Active Users of ~13 million and nearly ~10 million non-Axis Bank customers using Axis Mobile and Axis Pay apps. The Bank has been among the first to go live on Account Aggregator (AA) network and has seen strong initial traction in AA based digital lending.

[§] as per Bank's internal classification

^{*} as per RBI reported data as of Nov '23, * across 64 global banks, 82 fintechs and 9 neo banks on Google Playstore with 2.4 mn+ reviews

The Bank now has over 100+ partnerships across platforms and ecosystems and has 400+ APIs hosted on its API Developer Portal. On WhatsApp banking, the Bank now has over 18.8 million customers on board since its launch in 2021.

Wealth Management Business – Burgundy

The Bank's wealth management business is among the largest in India with assets under management (AUM) of ₹5,05,407 crores as at end of 31st December 2023 that grew 78% YOY and 12% QOQ. Burgundy Private, the Bank's proposition for high and ultra-high net worth clients, covers 10,389 families. The AUM for Burgundy Private increased 79% YOY and 6% QOQ to ₹1,76,965 crores.

Capital Adequacy and Shareholders' Funds

The shareholders' funds of the Bank grew 9% YOY and stood at ₹1,42,984 crores as on 31st December 2023. The Bank now has a self-sustaining capital structure to fund growth, with organic net capital accretion through profits to CET-1 of 39 bps for the 9MFY24. During the quarter, there was a negative impact of regulatory changes on CET-1 of ~70 bps. As on 31st December 2023, the Capital Adequacy Ratio (CAR) and CET1 ratio including profit for 9M was 16.63% and 13.71% respectively. Additionally, the Bank held ₹5,012 crores of COVID provisions, not considered for CAR calculation, providing cushion of ~43 bps over the reported CAR. The Book value per equity share increased from ₹425 as of 31st December, 2022 to ₹464 as of 31st December, 2023.

Asset Quality

As on 31st December, 2023 the Bank's reported Gross NPA and Net NPA levels were 1.58% and 0.36% respectively as against 1.73% and 0.36% as on 30th September, 2023.

Recoveries from written off accounts for the quarter was ₹635 crores. Reported net slippages in the quarter adjusted for recoveries from written off pool was ₹482 crores, of which retail was ₹1,542 crores, CBG was negative ₹11 crores and Wholesale was negative ₹1,049 crores.

Gross slippages during the quarter were ₹3,715 crores, compared to ₹3,254 crores in Q2FY24 and ₹3,807 crores in Q3FY23. Recoveries and upgrades from NPAs during the quarter were ₹2,598 crores. The Bank in the quarter wrote off NPAs aggregating ₹1,981 crores.

As on 31st December, 2023, the Bank's provision coverage, as a proportion of Gross NPAs stood at 78%, as compared to 81% as at 31st December, 2022.

The fund based outstanding of standard restructured loans implemented under resolution framework for COVID-19 related stress (Covid 1.0 and Covid 2.0) declined during the quarter and as at 31st December, 2023 stood at ₹1,641 crores that translates to 0.16% of the gross customer assets. The Bank carries a provision of ~ 20% on restructured loans, which is in excess of regulatory limits.

Network

The Bank added 100 branches during the quarter and 350 overall in the 9MFY24 period, taking its overall distribution network to 5,252 domestic branches and extension counters situated across 2,910 centres compared to 4,849 domestic

branches and extension counters situated in 2,734 centres as at 31st December, 2022. As on 31st December, 2023, the Bank had 15,931 ATMs and cash recyclers spread across the country. The Bank's Axis Virtual Centre is present across six centres with over 1,500 Virtual Relationship Managers as on 31st December 2023.

Key Subsidiaries' Performance

The Bank's domestic subsidiaries delivered steady performance with 9MFY24 PAT of ₹1,108 crores, up 17% YOY.

- **Axis Finance:** Axis Finance has been investing in building a strong customer focused franchise. Its overall assets under finance grew 38% YOY. Retail book grew 45% YOY and constituted 44% of total loans, up from 13% three years ago. The focus in its wholesale business continues to be on well rated companies and cash flow backed transactions. Axis Finance remains well capitalized with total Capital Adequacy Ratio of 18.79%. The book quality remains strong with net NPA at 0.32%. Axis Finance 9MFY24 PAT was ₹425 crores, up 25% YOY from ₹340 crores in 9MFY23.
- **Axis AMC:** Axis AMC's overall QAAUM grew 6% YOY to ₹2,62,398 crores. Its 9MFY24 PAT stood at ₹297 crores.
- **Axis Capital:** Axis Capital 9MFY24 PAT stood at ₹108 crores and completed 71 investment banking transactions in 9MFY24.
- **Axis Securities:** Axis Securities' broking revenues for 9MFY24 grew 42% YOY to ₹757 crores. Its 9MFY24 PAT grew 31% YOY and stood at ₹198 crores.

₹ crore

Financial Performance	Q3FY24	Q3FY23	% Growth
Net Interest Income	12,532	11,459	9%
Other Income	5,555	4,572	22%
- Fee Income	5,170	4,008	29%
- Trading Income	291	428	(32%)
- Miscellaneous Income	94	136	(31%)
Operating Revenue	18,087	16,031	13%
Core Operating Revenue#	17,796	15,603	14%
Operating Expenses	8,946	6,754	32%
Operating Profit	9,141	9,277	(1%)
Core Operating Profit#	8,850	8,850	-
Net Profit	6,071	5,853	4%
EPS Diluted (₹) annualized	77.86	74.60	
Return on Average Assets (annualized)	1.75%	1.92%	
Return on Equity (annualized)	18.07%	19.34%	

excluding trading income

₹ crore

Balance Sheet	As on	As on
	31st December'23	31st December'22
CAPITAL AND LIABILITIES		
Capital	617	615
Reserves & Surplus	1,42,367	1,30,030
Employee Stock Options Outstanding	745	364
Deposits	10,04,900	8,48,375
Borrowings	1,95,159	1,82,744
Other Liabilities and Provisions	54,753	61,582
Total	13,98,541	12,23,710
ASSETS		
Cash and Balances with RBI and Banks and Money at Call and Short Notice	88,361	70,463
Investments	3,09,070	3,05,103
Advances	9,32,286	7,62,277
Fixed Assets	5,494	4,744
Other Assets	63,330	81,123
Total	13,98,541	12,23,710

Note - Prior period numbers have been regrouped as applicable for comparison.

₹ crore

Business Performance	As on 31 st December'23	As on 31 st December'22	% Growth
Total Deposits (i)+(ii)	10,04,900	8,48,375	18%
(i) CASA Deposits	4,23,458	3,77,915	12%
- Savings Bank Deposits	2,90,363	2,51,392	16%
- Current Account Deposits	1,33,095	1,26,523	5%
CASA Deposits as % of Total Deposits	42%	45%	
(ii) Term Deposits	5,81,441	4,70,460	24%
- Retail Term Deposits	3,39,262	2,90,519	17%
- Non Retail Term Deposits	2,42,179	1,79,941	35%
CASA Deposits on a Quarterly Daily Average Basis (QAB)	3,98,679	3,54,097	13%
CASA Deposits as % of Total Deposits (QAB)	42%	44%	
Net Advances (a) +(b) + (c)	9,32,286	7,62,277	22%
(a) Corporate	2,85,244	2,53,392	13%
(b) SME	1,00,043	79,370	26%
(c) Retail	5,46,999	4,29,514	27%
Investments	3,09,070	3,05,103	1%
Balance Sheet Size	13,98,541	12,23,710	14%
Gross NPA as % of Gross Customer Assets	1.58%	2.38%	
Net NPA as % of Net Customer Assets	0.36%	0.47%	
Equity Capital	617	615	0.3%
Shareholders' Funds	1,42,984	1,30,645	9%
Capital Adequacy Ratio (Basel III)	14.88%	17.60%	
- Tier I	12.43%	14.24%	
- Tier II	2.45%	3.36%	
Capital Adequacy Ratio (Basel III) (incl. profit)	16.63%	19.51%	
- Tier I	14.18%	16.15%	
- Tier II	2.45%	3.36%	

Note - Prior period numbers have been regrouped as applicable for comparison.

A presentation for investors is being separately placed on the Bank's website: www.axisbank.com.

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Safe Harbor

Except for the historical information contained herein, statements in this release which contain words or phrases such as “will”, “aim”, “will likely result”, “would”, “believe”, “may”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “strategy”, “philosophy”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions may constitute “forward-looking statements”. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, future levels of non-performing loans, our growth and expansion, the adequacy of our allowance for credit losses, our provisioning policies, technological changes, investment income, cash flow projections, our exposure to market risks as well as other risks. Axis Bank Limited undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date thereof.