

PRESS RELEASE
AXIS BANK ANNOUNCES FINANCIAL RESULTS
FOR THE QUARTER ENDED 30th JUNE 2023

Profit After Tax at ₹5,797 crores up 41% YOY, consolidated ROE (annualized) at 19.44%, up 388 bps, driven by healthy business momentum and strong all round operating performance

- Consolidated ROA at **1.83%**, up **35 bps** YOY with **3 bps** contributed by subsidiaries
- Net Interest Income grew **27%** YOY and **2%** QOQ, Net Interest Margin at **4.10%**, up **50 bps** YOY
- Fee income grew **28%** YOY, Retail fee grew **37%** YOY, granular fees at **94%** of total fees
- Operating revenues grew **38%** YOY, Operating profit grew **50%** YOY
- On a QAB¹ CASA ratio stood at **44%**, up **151 bps** YOY and **31 bps** QOQ, SA up **20%** YOY & **10%** QOQ, CA up **17%** YOY
- Domestic advances up **26%** YOY & **2%** QOQ, Retail up **21%** YOY & **2%** QOQ, SME up **24%** YOY, Corporate up **25%** YOY
- Overall CAR stood at **17.74%** with CET 1 ratio of **14.38%**, net accretion to CET-1 of **36 bps** in Q1FY24
- GNPA% at **1.96%** declined by **80 bps** YOY, NNPA% at **0.41%** declined by **23 bps** YOY
- **1.11 million** credit cards issued in Q1, CIF market share² of **14%** as of Jun'23, spends up **78%** YOY & **28%** QOQ
- **2nd** largest player in Merchant Acquiring with market share of **18.4%**, incremental share of **28%** in last one year²

The Board of Directors of Axis Bank Limited approved the financial results for the quarter 30th June 2023 at its meeting held in Mumbai on Wednesday, 26th July 2023.

This quarter, Axis Bank continued to build on its credo of creating customer delight through smart banking solutions. It was the first private sector bank to launch 'One-View' on its Mobile Application, leveraging the Account Aggregator ecosystem. The feature simplifies the process of managing finances for its customers, providing them access to multiple bank accounts on a single platform, eliminating the need for multiple mobile banking applications.

The Bank also partnered with the RBI Innovation Hub. Leveraging India's digital public infrastructure, it has launched digital KCC and MSME loans, which are fully digital and enable customers to apply for and avail loans in under 5 minutes.

Advancing its digital agenda with the merchant community, the Bank introduced Sarathi - a digital onboarding platform enabling instant POS installations. This would significantly streamline and simplify the merchant acquisition process. It also partnered with Visa to launch 'Digital Dukaan', a comprehensive digital offering for merchants that empowers them to accept payments through various digital modes and also manage their day-to-day business digitally. The Bank has also enabled RuPay Credit Card support on UPI for its customers.

Amitabh Chaudhry, MD&CEO, Axis Bank said, "We are striving to create a distinctive new age bank that provides seamless banking solutions to customers, giving wings to their financial dreams and aspirations. We have been constantly raising the bar - strengthening our digital capabilities and building on our robust pipeline of products and services, while keeping customer centricity at the core of every initiative. With India's strong macro environment supporting growth and providing abundant opportunities, we are geared up and confident of delivering sustainable growth across all our priority businesses."

¹ Quarterly Average Basis; ² Based on RBI reported data as of Jun'23

Performance at a Glance

- **Strong operating performance**
 - Net Interest Income grew **27%** YOY and **2%** QOQ, Non-interest income grew **74%** YOY and **6%** QOQ
 - Operating revenues grew **38%** YOY and **3%** QOQ, Operating profit grew **50%** YOY
 - Consolidated ROE | ROA at **19.44% | 1.83%**, up **388** bps and **35** YOY respectively
 - Subsidiaries contributed **27** bps | **3** bps to consolidated ROE | ROA respectively
- **Robust loan growth delivered across all business segments**
 - Rural loans grew **22%** YOY & **1%** QOQ, Small Business Banking loans grew **46%** YOY & **8%** QOQ
 - Mid-Corporate (MC) book grew **38%** YOY
 - SBB + SME + MC mix at **₹1,72,589 crores** | **20%** of loans, up over **600** bps in last 3 years
- **Steady growth in granular deposits, early visibility of improving quality**
 - On a QAB basis total deposits grew **15%** | **6%** and term deposits grew **12%** | **5%** on YOY | QOQ basis.
 - On MEB¹, deposits grew **17%** YOY; SA grew **22%** YOY, CA grew **23%** YOY with CASA ratio at **46%** up **182** bps YOY
 - Average LCR² during Q1FY24 was **~123%**, outflow rates improved **~460** bps over last 2 years
- **Well capitalized with self-sustaining capital structure; adequate liquidity buffers**
 - Overall capital adequacy ratio (CAR) including profit stood at **17.74%** with CET 1 ratio of **14.38%**
 - Self-sustaining capital structure with net accretion to CET-1 of **36** bps in Q1FY24
 - COVID provisions of **₹5,012** crores, not in CAR calculation provides additional cushion of **~50** bps
- **Retaining strong position in Payments and Digital Banking**
 - Axis Mobile & Axis Pay have **~8.4mn** non-Axis Bank customers
 - **100+** digital partnerships across platforms and ecosystems; **~13 mn** customers on WhatsApp banking
 - Axis Mobile remains the world's³ highest rated MB app on Google Play store with rating of **4.8**; **~12 mn** MAU⁴
 - Credit card CIF market share at **14%**, Retail Card spends grew **100%** YOY and **33%** QOQ
- **Declining gross NPA's and slippages**
 - Gross NPA at **1.96%** declined by **80** bps YOY & **6** bps QoQ, Net NPA at **0.41%** declined **23** bps YOY
 - PCR healthy at **80%**; On an aggregated basis⁵, Coverage ratio at **145%**
 - Q1FY24 gross slippage ratio (annualized) at **1.87%**, declined **18** bps YOY, net slippage ratio at **0.80%**
 - Q1FY24 net credit cost (annualized) at **0.50%**
- **Bank's subsidiaries⁶ continue to deliver steady performance**
 - Q1FY24 profit at **₹303** crores up **16%** YoY, with a return on investment in domestic subsidiaries of **45%**
 - Axis Finance Q1FY24 PAT grew **29%** YOY to **₹123 crores**; asset quality remains stable, CAR healthy at **18.6%**
 - Axis AMC Q1FY24 PAT stood at **₹91 crores**, Axis Securities Q1FY24 PAT grew **14%** YOY to **₹45 crores**
 - Axis Capital executed **14** investment banking deals in Q1FY24

¹ MEB – Month End Balance, ² Liquidity Coverage Ratio ³ across 64 global banks, 82 fintechs and 9 neo banks with 2 mn+ reviews

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

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

Profit & Loss Account: Period ended 30th June 2023

Operating Profit and Net Profit

The Bank's operating profit for the quarter grew 50% YOY to ₹8,814 crores. Core Operating profit for Q1FY24 grew 27% YOY to ₹8,295 crores. Net profit at ₹5,797 crores in Q1FY24 grew by 41% YOY.

Net Interest Income and Net Interest Margin

The Bank's Net Interest Income (NII) grew 27% YOY and 2% QOQ to ₹11,959 crores. Net interest margin (NIM) for Q1FY24 stood at 4.10%, up 50 bps YOY.

Other Income

Fee income for Q1FY24 grew 28% YOY to ₹4,488 crores. Retail fees grew 37% YOY and 1% QOQ; and constituted 70% of the Bank's total fee income. Retail cards and payments fee grew 53% YOY and 17% QOQ. Retail Assets (excluding cards and payments) fee grew 22% YOY. The Corporate & Commercial banking fees together grew 12% YOY to ₹1,342 crores. The trading gains for the quarter stood at ₹519 crores; miscellaneous income in Q1FY24 stood at ₹80 crores. Overall, non-interest income (comprising of fee, trading profit and miscellaneous income) for Q1FY24 grew 74% YOY and 6% QOQ to ₹5,087 crores.

Provisions and contingencies

Provision and contingencies for Q1FY24 stood at ₹1,035 crores. Specific loan loss provisions for Q1FY24 stood at ₹1,146 crores. The Bank has not utilized Covid provisions during the quarter. The Bank holds cumulative provisions (standard + additional other than NPA) of ₹11,848 crores at the end of Q1FY24. 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 1.39% as on 30th June, 2023. On an aggregated basis, our provision coverage ratio (including specific + standard + additional + Covid provisions) stands at 145% of GNPA as on 30th June, 2023. Credit cost for the quarter ended 30th June, 2023 stood at 0.50%.

Balance Sheet: As on 30th June 2023

The Bank's balance sheet grew 13% YOY and stood at ₹13,02,839 crores as on 30th June 2023. The total deposits grew 17% YOY on period end basis, within which savings account deposits grew 22% YOY, current account deposits grew 23% YOY; and total term deposits grew 13% YOY and 2% QOQ. The share of CASA deposits in total deposits stood at 46%, up 182 bps YOY. On QAB basis, total deposits grew 15% YOY and 6% QOQ, within which savings account deposits grew 20% YOY and 10% QOQ, current account deposits grew 17% YOY; and total term deposits grew 12% YOY and 5% QOQ.

The Bank's advances grew 22% YOY and 2% QOQ to ₹8,58,511 crores as on 30th June 2023. Domestic net loans grew 26% YOY and 2% QOQ. Retail loans grew 21% YOY and 2% QOQ to ₹4,97,810 crores and accounted for 58% of the net advances of the Bank. The share of secured retail loans was ~ 77%, with home loans comprising 32% of the retail book. Home loans grew 8% YOY, Personal loans grew 21% YOY, Credit card advances grew 91% YOY, Small Business Banking

(SBB) grew 46% YOY and 8% QOQ; and rural loan portfolio grew 22% YOY and 1% QOQ. SME book remains well diversified across geographies and sectors, grew 24% YOY to ₹87,658 crores. Corporate loan book grew 25% YOY and 2% QOQ to ₹2,73,043 crores of which domestic corporate book grew 36% YOY and 4% QOQ. Mid-corporate book grew 38% YOY. 89% of corporate book is now rated A- and above with 89% of incremental sanctions in Q1FY24 being to corporates rated A- and above.

The book value of the Bank's Investments portfolio as on 30th June 2023, was ₹2,85,397 crores, of which ₹2,29,469 crores were in government securities, while ₹47,761 crores were invested in corporate bonds and ₹8,167 crores in other securities such as equities, mutual funds, etc. Out of these, 73% are in Held till Maturity (HTM) category, while 25% of investments are Available for Sale (AFS) and 2% are in Held for Trading (HFT) category.

Payments and Digital

The Bank issued 1.11 million new credit cards in Q1FY24. The Bank has been one of the highest credit card issuers in the country over last six quarters and has gained incremental CIF market share of 14% in the last six months¹. The Bank continues to remain among the top players in the Retail Digital banking space.

- **95%** - Share of digital transactions in the Bank's total financial transactions by individual customers in Q1FY24
- **76%** - New mutual fund SIPs sourced (by volume) through digital channels in Q1FY24
- **72%** - Individual Retail term deposits (by volume) opened digitally in Q1FY24
- **70%** - SA accounts opened through tab banking in Q1FY24
- **48%** - YOY growth in total UPI transaction value in Q1FY24
- **40%** - YOY growth in mobile banking transaction volumes in Q1FY24

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 million reviews. The Bank's mobile app continues to see strong growth, with Monthly Active Users of ~12 million and nearly ~8.4 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. 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 13 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 ₹4,28,885 crores as at end of 30th June 2023. Burgundy Private, the Bank's proposition for high and ultra-high net worth clients, covers 9,135 families. The AUM for Burgundy Private increased 87% YOY to ₹1,59,962 crores.

¹ as per RBI reported data as of Jun'23

* across 64 global banks, 82 fintechs and 9 neo banks on Google Playstore

Capital Adequacy and Shareholders' Funds

The shareholders' funds of the Bank grew 10% YOY and stood at ₹1,30,950 crores as on 30th June 2023. As on 30th June 2023, the Capital Adequacy Ratio (CAR) and CET1 ratio including profit for Q1 was 17.74% and 14.38% respectively. Additionally, the Bank held ₹5,012 crores of COVID provisions, not considered for CAR calculation, providing cushion of ~50 bps over the reported CAR. The Bank now has a self-sustaining capital structure to fund growth, with net capital accretion through profits to CET-1 of 36 bps for the Q1FY24. The Book value per equity share increased from ₹389 as of 30th June, 2022 to ₹425 as of 30th June, 2023.

Asset Quality

As on 30th June, 2023 the Bank's reported Gross NPA and Net NPA levels were 1.96% and 0.41% respectively as against 2.02% and 0.39% as on 31st March, 2023.

Recoveries from written off accounts for the quarter was ₹554 crores. Reported net slippages in the quarter adjusted for recoveries from written off pool was ₹1,131 crores, of which retail was ₹1,639 crores, CBG was negative ₹10 crores and Wholesale was negative ₹498 crores.

Gross slippages during the quarter were ₹3,990 crores, compared to ₹3,375 crores in Q4FY23 and ₹3,684 crores in Q1FY23. Recoveries and upgrades from NPAs during the quarter were ₹2,305 crores. The Bank in the quarter wrote off NPAs aggregating ₹2,131 crores.

As on 30th June, 2023, the Bank's provision coverage, as a proportion of Gross NPAs stood at 80%, as compared to 77% as at 30th June, 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 30th June, 2023 stood at ₹1,907 crores that translates to 0.21% of the gross customer assets. The Bank carries a provision of ~ 21% on restructured loans, which is in excess of regulatory limits.

Network

As on 30th June, 2023, the Bank had a network of 4,945 domestic branches and extension counters situated in 2,754 centres compared to 4,759 domestic branches and extension counters situated in 2,702 centres as at 30th June, 2022. As on 30th June, 2023, the Bank had 15,798 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 30th June 2023.

Key Subsidiaries' Performance

The Bank's subsidiaries delivered steady performance with Q1FY24 PAT of ₹303 crores, up 16% YOY.

- **Axis Finance:** Axis Finance has been investing in building a strong customer focused franchise. Its overall AUM grew 28% YOY. Retail book grew ~1.5 times and constituted 43% of total loans, up from 6% 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 18.6%. The book quality remains strong with net NPA at 0.38%. Axis Finance Q1FY24 PAT was ₹123 crores, up 29% YOY from ₹95 crores in Q1FY23.

- **Axis AMC:** Axis AMC's overall AUM grew 13% YOY to ₹2,52,203 crores. Its Q1FY24 PAT stood at ₹91 crores.
- **Axis Capital:** Axis Capital completed 14 investment banking transactions in Q1FY24.
- **Axis Securities:** Axis Securities' broking revenues for Q1FY24 grew 24% YOY to ₹195 crores. Its Q1FY24 PAT grew 14% YOY and stood at ₹45 crores.

₹ crore

Financial Performance	Q1FY24	Q1FY23	% Growth
Net Interest Income	11,959	9,384	27%
Other Income	5,087	2,928	74%
- Fee Income	4,488	3,505	28%
- Trading Income	519	(667)	-
- Miscellaneous Income	80	90	(11%)
Operating Revenue	17,046	12,312	38%
Core Operating Revenue#	16,527	12,980	27%
Operating Expenses	8,232	6,425	28%
Operating Profit	8,814	5,887	50%
Core Operating Profit#	8,295	6,554	27%
Net Profit	5,797	4,125	41%
EPS Diluted (₹) annualized	75.40	53.76	
Return on Average Assets (annualized)	1.80%	1.44%	
Return on Equity (annualized)	19.17%	15.07%	

excluding trading income

₹ crore

Balance Sheet	As on	As on
	30th June'23	30th June'22
CAPITAL AND LIABILITIES		
Capital	616	614
Reserves & Surplus	1,30,334	1,18,764
Employee Stock Options Outstanding	543	230
Deposits	9,41,690	8,03,736
Borrowings	1,72,176	1,70,605
Other Liabilities and Provisions	57,480	58,796
Total	13,02,839	11,52,745
ASSETS		
Cash and Balances with RBI and Banks and Money at Call and Short Notice	83,561	65,067
Investments	2,85,397	2,97,765
Advances	8,58,511	7,01,295
Fixed Assets	5,067	4,655
Other Assets	70,303	83,963
Total	13,02,839	11,52,745

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

₹ crore

Business Performance	As on 30 th June'23	As on 30 th June'22	% Growth
Total Deposits (i)+(ii)	9,41,690	8,03,736	17%
(i) CASA Deposits	4,28,799	3,51,358	22%
- Savings Bank Deposits	2,95,530	2,43,093	22%
- Current Account Deposits	1,33,269	1,08,265	23%
CASA Deposits as % of Total Deposits	46%	44%	
(ii) Term Deposits	5,12,891	4,52,378	13%
- Retail Term Deposits	3,18,484	2,85,482	12%
- Non Retail Term Deposits	1,94,407	1,66,896	16%
CASA Deposits on a Quarterly Daily Average Basis (QAB)	3,97,859	3,34,376	19%
CASA Deposits as % of Total Deposits (QAB)	44%	43%	
Net Advances (a) +(b) + (c)	8,58,511	7,01,295	22%
(a) Corporate	2,73,043	2,17,757	25%
(b) SME	87,658	70,690	24%
(c) Retail	4,97,810	4,12,848	21%
Investments	2,85,397	2,97,765	(4%)
Balance Sheet Size	13,02,839	11,52,745	13%
Gross NPA as % of Gross Customer Assets	1.96%	2.76%	
Net NPA as % of Net Customer Assets	0.41%	0.64%	
Equity Capital	616	614	0.3%
Shareholders' Funds	1,30,950	1,19,378	10%
Capital Adequacy Ratio (Basel III)	17.08%	17.28%	
- Tier I	14.24%	15.24%	
- Tier II	2.84%	2.04%	
Capital Adequacy Ratio (Basel III) (incl. profit)	17.74%	17.83%	
- Tier I	14.90%	15.79%	
- Tier II	2.84%	2.04%	

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.

For press queries, please contact Ms Piyali Reddy at 91-22-24252021 or email: Piyali.Reddy@axisbank.com

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.