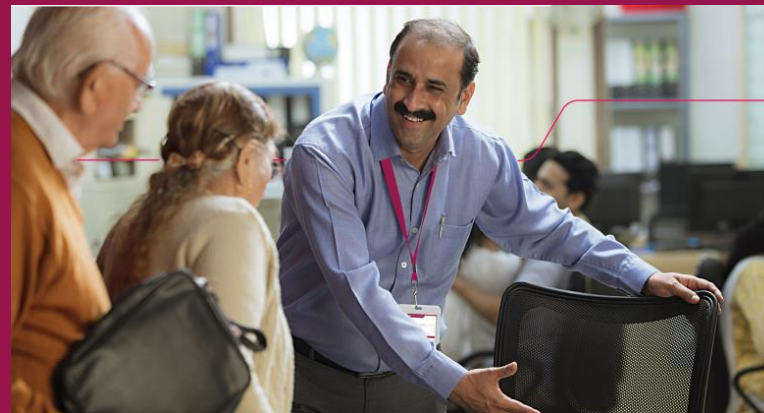


# Investor Presentation

## Quarterly Results Q3FY23



# Axis Bank at a glance



## Axis Bank



**3<sup>rd</sup>**  
largest Private Bank in  
India

**87,575**  
Employees

**4,849**  
Branches\*

**6<sup>th</sup>**  
straight year  
Part of FTSE 4Good EI<sup>^</sup>

## Market Share



### Traditional Banking Segment

**5.4%**  
Assets<sup>##</sup>

**4.8%**  
Deposits<sup>#</sup>

**5.7%**  
Advances<sup>#</sup>

### Digital Banking Segment

**17%**  
UPI<sup>1</sup>

**15%**  
Mobile<sup>\*\*</sup>

**12%**  
Credit Cards<sup>^^</sup>

## Profitability



**4.26%**  
Net Interest Margin<sup>2</sup>

**2.24%**  
Cost to Assets<sup>2</sup>

**3.05%**  
Operating Profit Margin<sup>2</sup>

## Balance Sheet



**19.51% | 15.55%**  
CAR<sup>\*\*\*3</sup> | CET 1<sup>\*\*\*3</sup>

**₹116 Bn | 1.53%**  
Cumulative provisions  
(standard + additional non-NPA)

**81% | 0.47%**  
PCR | Net NPA

## Key Subsidiaries



**35%**  
Growth in Axis Finance  
PAT (9MFY23)

**16%**  
Growth in Axis AMC  
PAT (9MFY23)

**1<sup>st</sup>**  
Axis Capital's position  
in ECM<sup>§</sup>

**71%**  
Growth in Axis Securities  
new customer additions  
(9MFY23)

\*domestic network including extension counters    ^ EI – Emerging Index Series    \*\* by volumes for Oct-Nov'22    \*\*\*CAR – Capital Adequacy ratio; CET 1 – Common Equity Tier 1 ratio  
# Based on Dec'22 data    ## Based on Mar'22 data    § As per Prime Database rankings for Equity Capital Markets for 9MFY23  
^^ Credit Cards in force as of Nov'22    1 by volumes for Q3FY23    2 For Q3FY23    3 including profit 9MFY23

## Executive Summary

Financial Highlights

Capital and Liquidity Position

Business Segment performance

Asset Quality

Sustainability

Subsidiaries' Performance

Other important information

# Major highlights of Q3FY23

**Q3FY23 PAT at ₹5,853 crores, up 62% YOY driven by NII growth, NIM expansion, higher fees and moderation in operating expenses**



## Strong operating performance

- NII grew **32%** YOY and **11%** QOQ, NIM at **4.26%**, improved by **73 bps** YOY and **30 bps** QOQ
- Fee income grew **23%** YOY and **6%** QOQ, granular fee constituted **93%** of overall fees, Retail fee grew **30%** YOY and **8%** QOQ
- Operating profit grew **51%** YOY & **20%** QOQ, Operating expense growth moderates from **14%** YOY in Q2FY23 to **8%** YOY in Q3FY23
- PAT at **₹5,853** crores, grew **62%** YOY & **10%** QOQ
- Q3FY23 consolidated ROA (annualized) at **2.00%**, up **57 bps** YOY and **13 bps** QOQ, with subsidiaries contributing **8 bps**

## Well capitalized with self-sustaining capital structure; adequate liquidity buffers

- Overall capital adequacy ratio (CAR) including profit for 9MFY23 stood at **19.51%** with CET 1 ratio of **15.55%**
- **₹ 5,012** crores of COVID provisions not considered for CAR calculation, provides cushion of **55 bps** over the reported CAR
- Net accretion to capital of **179 bps**, CET-1 **41 bps** in Q3FY23, self-sustaining capital structure for 9MFY23
- Excess SLR of **₹ 60,568** crores

## Healthy loan growth delivered across all business segments

- Net loan book grew **15%** YOY and **4%** QOQ; Loans (gross of loans sold under IBPC) grew **16%** YOY and **4%** QOQ
- Corporate loans grew **8%** YOY and **9%** QOQ
- SME loans grew **24%** YOY, Mid-Corporate (MC) up **42%** YOY, SBB+SME+MC mix at **₹1,537 bn** | **20%** of loans, up **~510 bps** in last 2 years
- Retail loans grew **17%** YOY & **1%** QOQ, SBB<sup>1</sup>, Cards and Rural loans portfolio grew **60%** YOY, **39%** YOY & **27%** YOY

## Steady growth in granular deposits, improving quality visible

- Deposits on QAB basis grew by **9%** YOY & **2%** QOQ; QAB SA grew **10%** YOY & **1%** QOQ, QAB CA grew **9%** YOY & **10%** QOQ
- On QAB basis CASA grew **10%** YOY and **4%** QOQ,
- CASA ratio on QAB basis stood at **44%**, up **18 bps** YOY and **48 bps** QOQ
- Average LCR during Q3FY23 was **~116%**

## Continue to maintain strong position in Payments and Digital space

- **1.04** million credit cards acquired in Q3FY23, incremental spends CIF market share of **~16%** in last three months\*
- **2<sup>nd</sup> largest** player in Merchant Acquiring with terminal market share of **17.9%**, incremental share of **43%** in last three months\*
- Axis Mobile app is the **world's highest<sup>4</sup> rated** mobile banking app on Google Play store with ratings of **4.8** and **~11 million MAU**
- **350+** APIs hosted on Bank's API Developer Portal with **275** Retail APIs

## Declining NPAs and gross slippages, moderate credit costs

- GNPA at **2.38%** declined by **79 bps** YOY & **12 bps** QOQ, NNPA at **0.47%** declined **44 bps** YOY & **4 bps** QOQ, PCR healthy at **81%**
- Coverage<sup>2</sup> ratio at **139%**, Standard Covid-19 restructuring implemented loans at **0.30%** of GCA
- Gross slippage ratio (annualized) at **2.03%**, declined **56 bps** YOY, Net slippage ratio (annualized) stood at **0.93%**
- Annualized credit cost for Q3FY23 at **0.65%**

## Key subsidiaries continue to deliver steady performance

- Total annualised 9MFY23 PAT of domestic subsidiaries at **₹1,252** crs, up **8%** YOY; Return on investments in subsidiaries at **50%**
- Axis Finance 9MFY23 PAT grew **35%** YOY, ROE at **17.7%**, asset quality metrics improve with net NPA declining **55 bps** YOY to **0.37%**
- Axis AMC's 9MFY23 PAT grew **16%** YOY
- Axis Capital 9MFY23 PAT at **₹110 crores**
- Axis Securities 9MFY23 revenue up **10%** YOY, PAT at **₹151 crores**

**Q3 FY23 Consolidated ROE (annualized) at 19.81%, up 465 bps YOY, with subsidiaries contributing 47 bps**

QAB: Quarterly Average Balance MAU: Monthly Active Users \* - Based on RBI data from Sept'22 to Nov'22

<sup>1</sup> SBB : Small Business Banking; <sup>2</sup> Coverage Ratio = Aggregate provisions (specific + standard + additional + Covid) / IRAC GNPA

<sup>4</sup> across 59 global banks, 8 global neo banks and 50 Indian fintech apps with 15 lakh+ reviews

# Key metrics for Q3FY23

Snapshot (As on 31<sup>st</sup> December 2022)



Profit & Loss

	Absolute (₹ Cr)			QOQ   YOY Growth		
	Q3FY23	Q2FY23	9MFY23	Q3FY23	Q3FY23	9MFY23
Net Interest Income	11,459	10,360	31,204	11%	32%	28%
Fee Income	4,101	3,862	11,540	6%	23%	25%
Operating Expenses	6,847	6,585	19,928	4%	8%	17%
Operating Profit	9,277	7,716	22,881	20%	51%	25%
Net Profit	5,853	5,330	15,308	10%	62%	72%

Balance Sheet

	Q3FY23	YOY Growth
Total Assets	12,23,509	10%
Net Advances	7,62,075	15%
Total Deposits ^	8,48,173	10%
Shareholders' Funds	1,30,645	18%

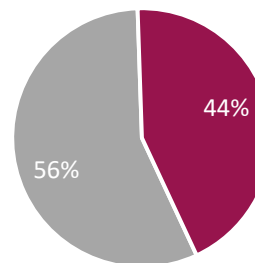
Key Ratios

	Q3FY23 / 9MFY23	Q3FY22 / 9MFY22
Diluted EPS (Annualised in ₹) (Q3/9M)	74.60 / 65.90	46.61 / 38.44
Book Value per share (in ₹)	425	361
ROA (Annualised) (Q3/9M)	1.92% / 1.73%	1.30% / 1.12%
ROE (Annualised) (Q3/9M)	19.34% / 17.58%	14.19% / 12.01%
Gross NPA Ratio	2.38%	3.17%
Net NPA Ratio	0.47%	0.91%
Basel III Tier I CAR *	16.15%	16.46%
Basel III Total CAR *	19.51%	18.72%

^ period end balances

\* including profit for 9M

Deposits # ↑ 9% YOY

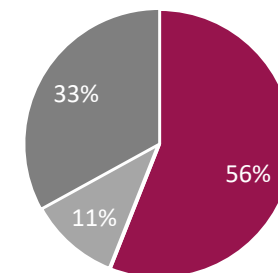


■ CASA #

↑ 10% YOY (QAB#)  
↑ 10% YOY (End Balance)

#QAB – Quarterly Average Balance

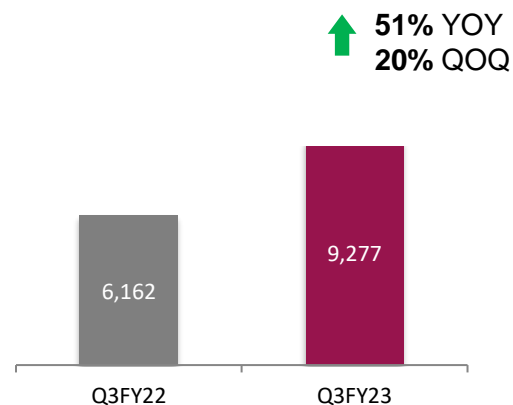
Advances ↑ 15% YOY  
↑ 16% YOY<sup>1</sup>



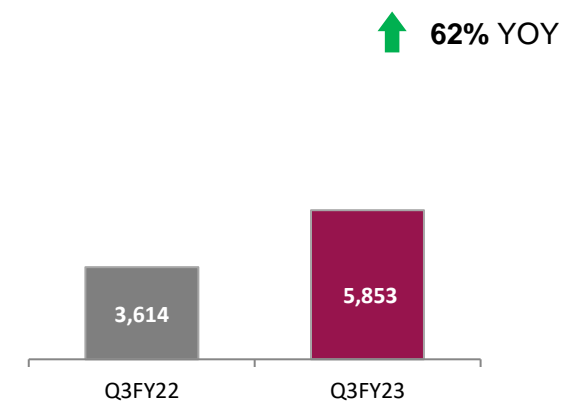
■ Retail   ■ SME   ■ Corporate  
↑ 17% YOY   ↑ 24% YOY   ↑ 8% YOY  
↑ 12% YOY<sup>1</sup>

<sup>1</sup>gross of loans sold under IBPC

Operating Profit (in ₹ Crores)



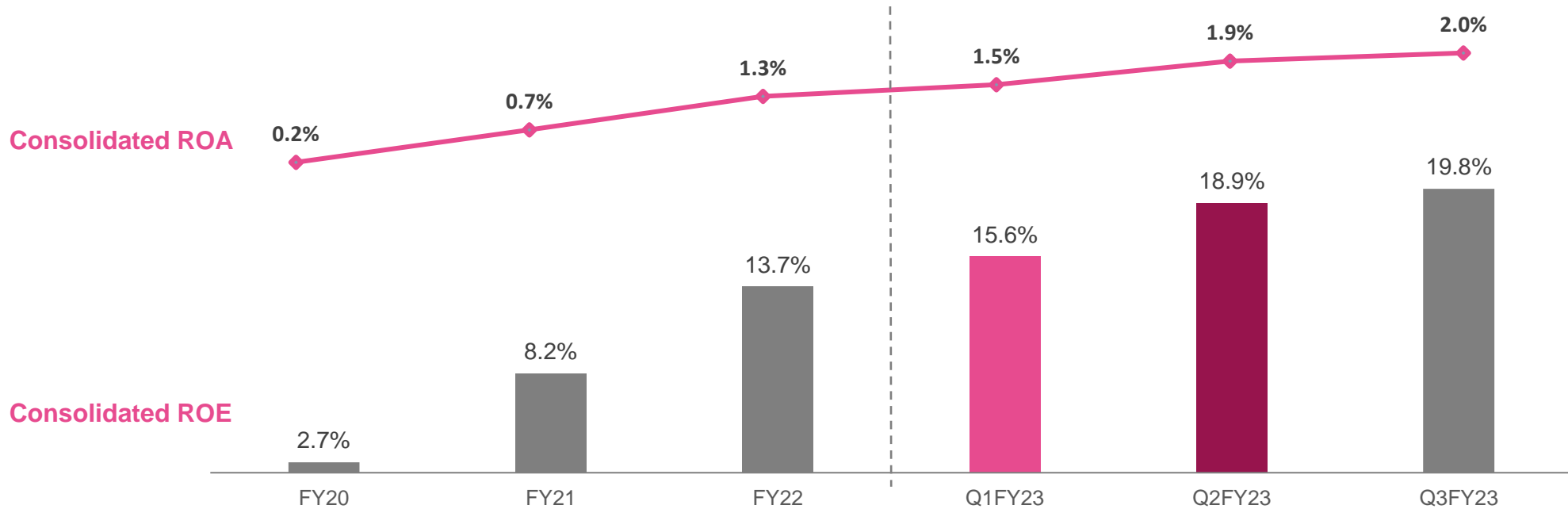
Profit After Tax (in ₹ Crores)



# We have delivered consistent and robust improvement in the shareholder return metrics



Trend in Consolidated ROA and ROE



Executive Summary

**Financial Highlights**

Capital and Liquidity Position

Business Segment performance

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Sustainability

Subsidiaries' Performance

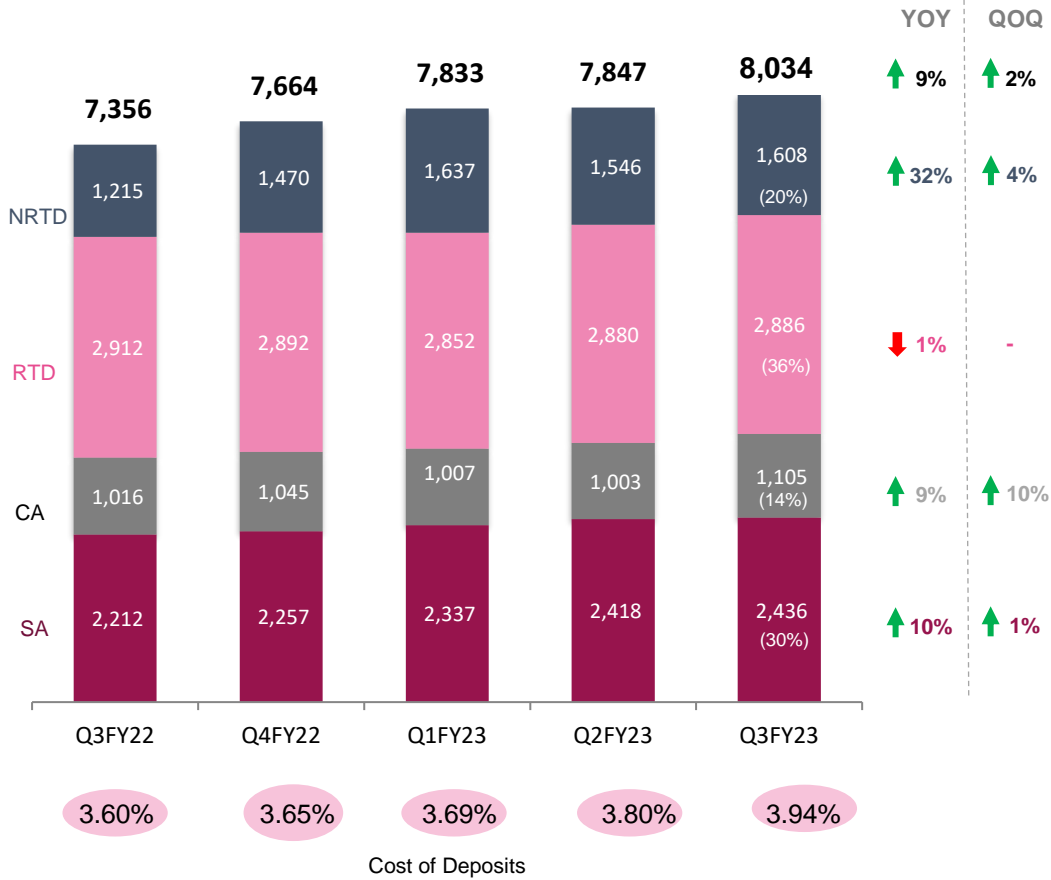
Other important information

# Deposit and Loan growth performance



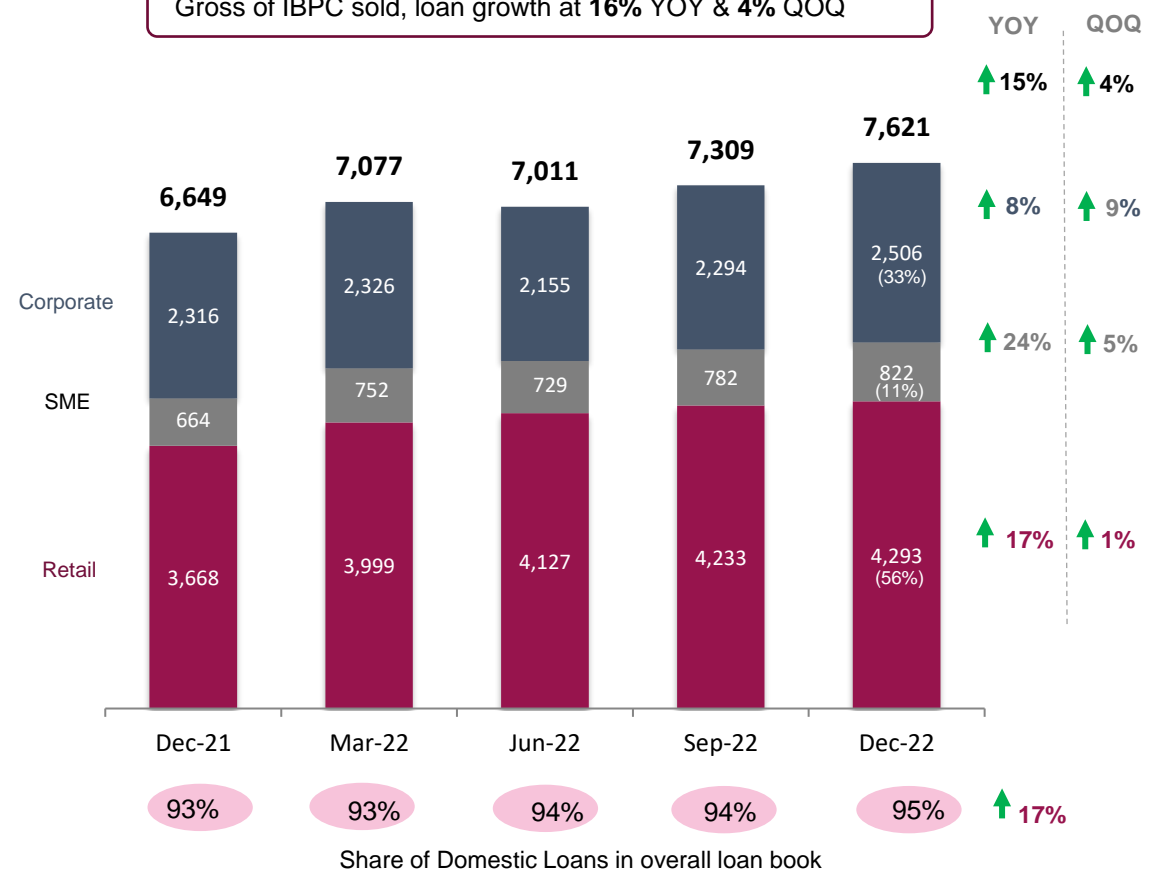
All figures in ₹ Billion

## Deposit mix (QAB)^



## Segment loan mix

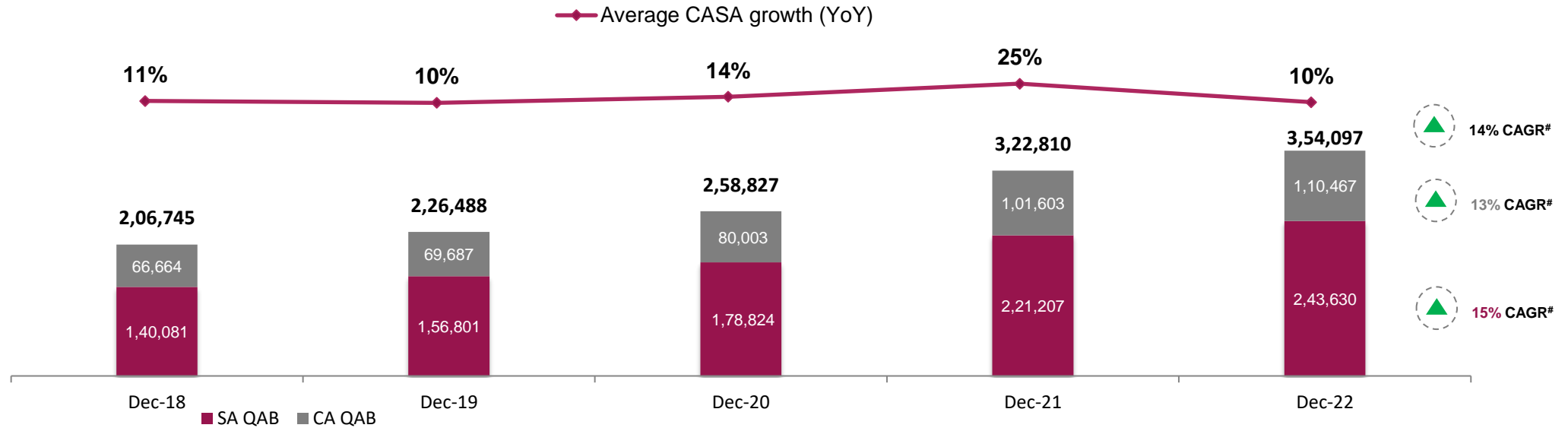
Gross of IBPC sold, loan growth at **16% YOY** & **4% QOQ**



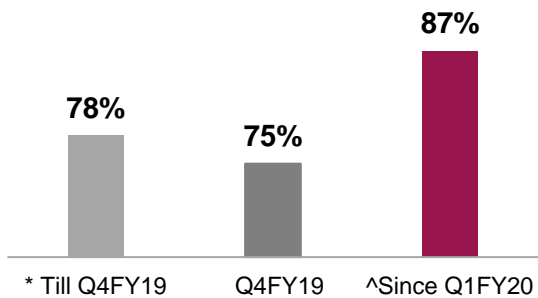
^ Quarterly Average Balance



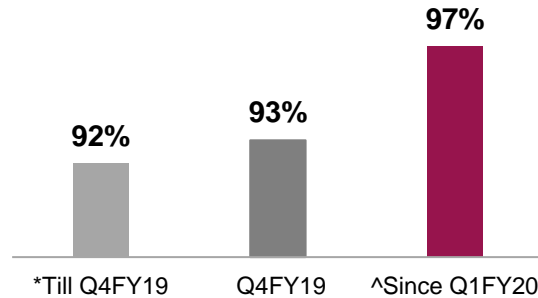
# CASA growth remains steady



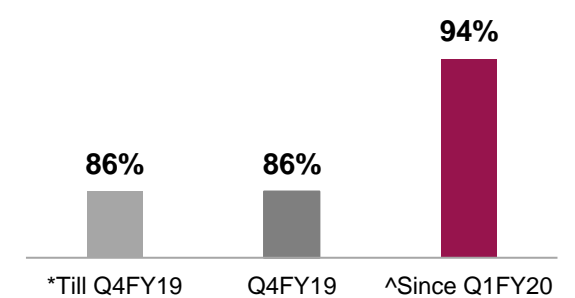
CA QAB as % of period end CA balances



SA QAB as % of period end SA balances



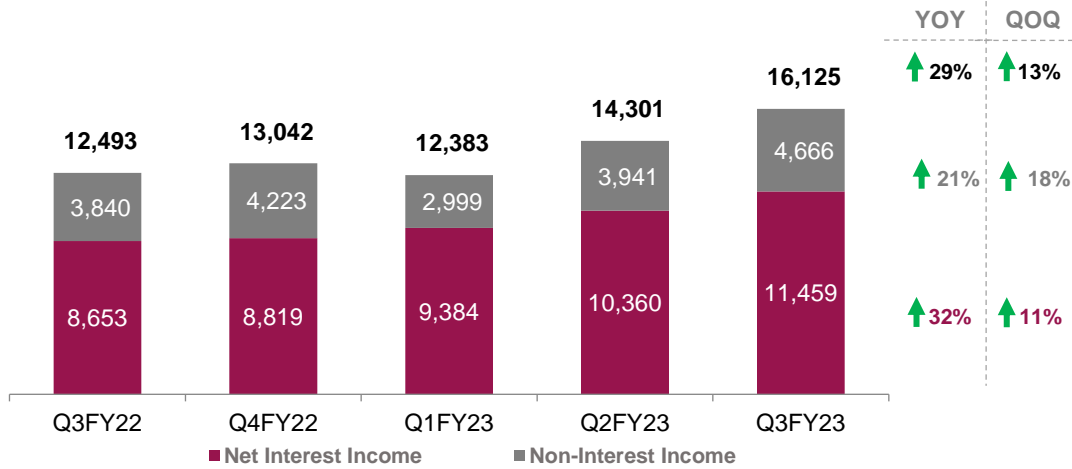
CASA QAB as % of period end CASA balances



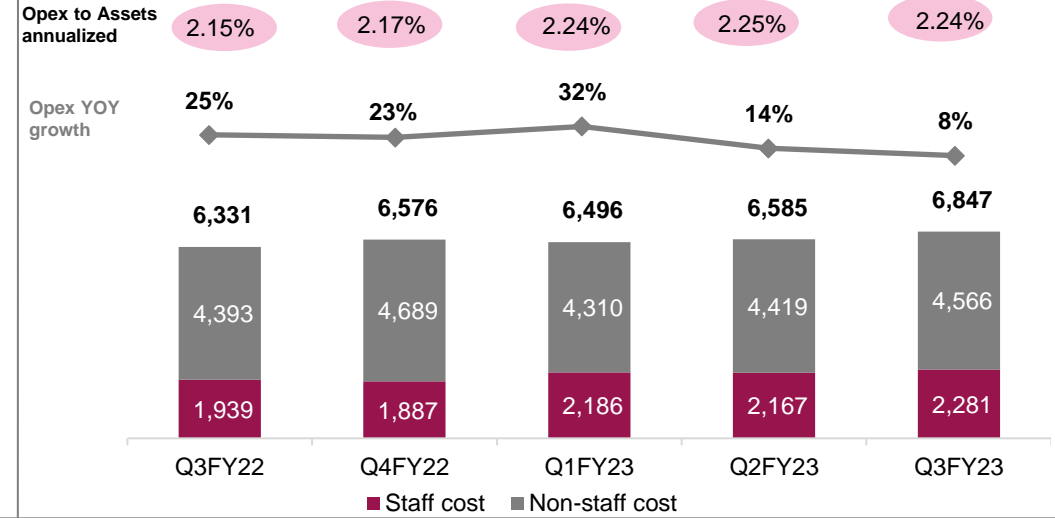
\*Q1FY17 to Q4FY19  
^Q1FY20 to Q3FY23

# Core operating profit up 53% YOY, Net Profit up 62% YOY

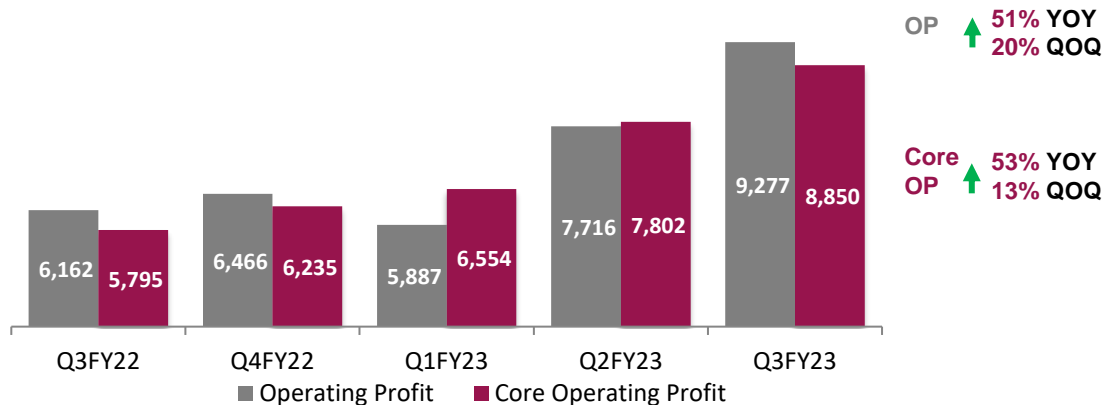
## Operating revenue



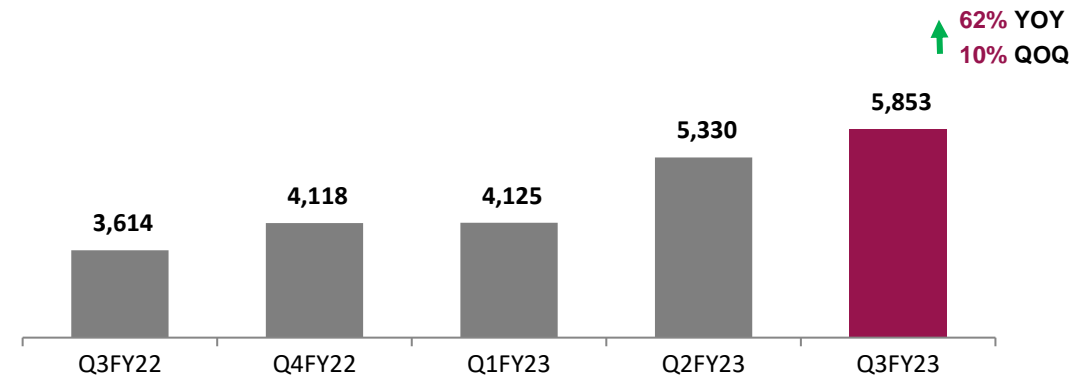
## Operating expense



## Operating profit & Core Operating profit



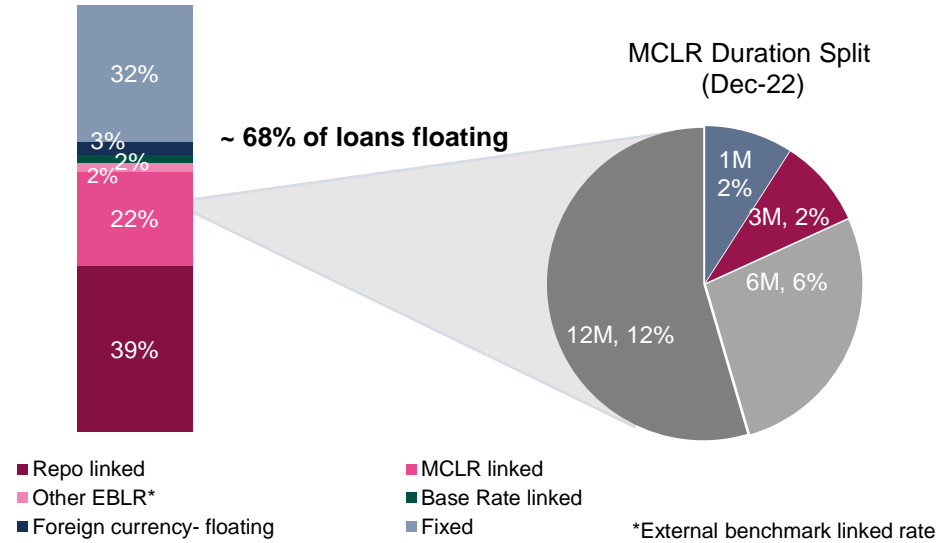
## Profit after tax



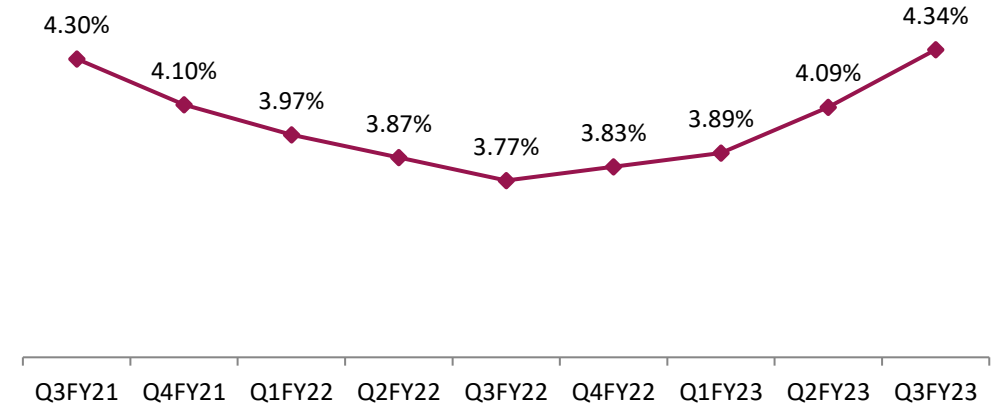
# Net interest margin improved 73 bps YOY and 30 bps QOQ



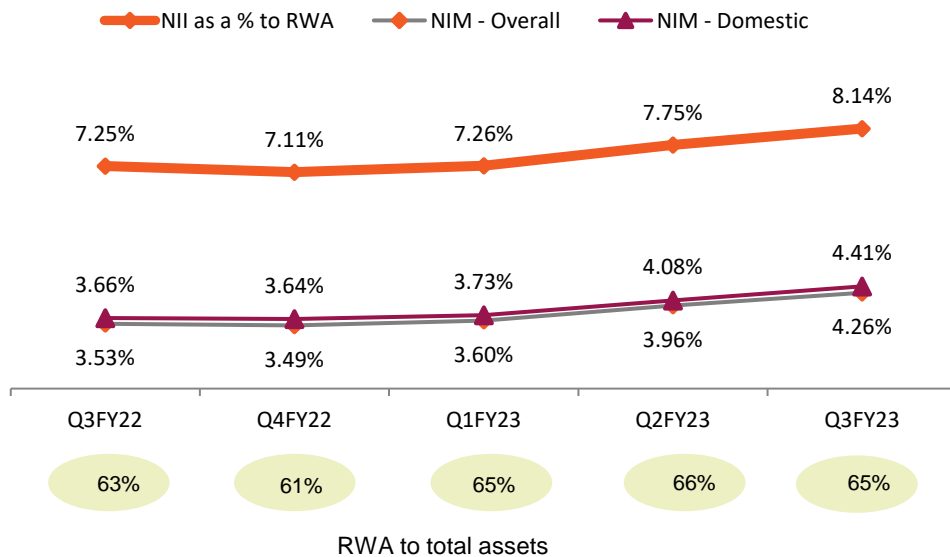
### Advances mix by rate type



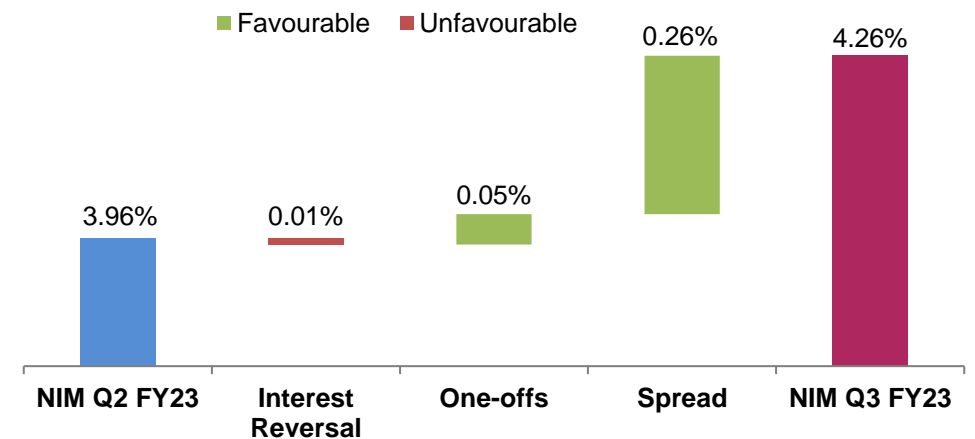
### Cost of Funds



### Net interest Margin (NIM)



### NIM Movement - Q2 FY23 to Q3 FY23

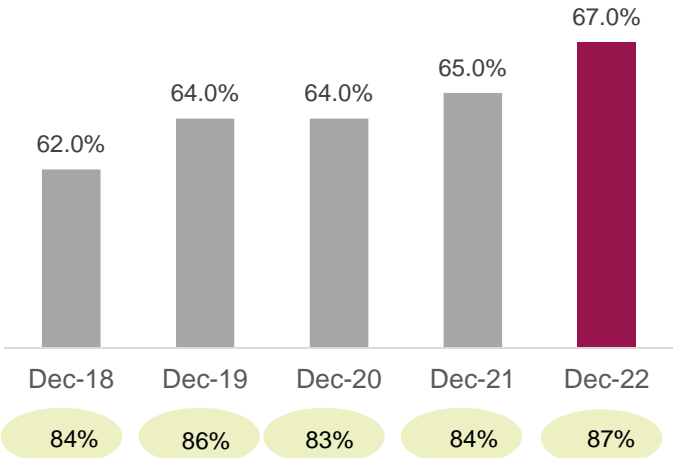


# NIM improvement led by structural drivers across the businesses



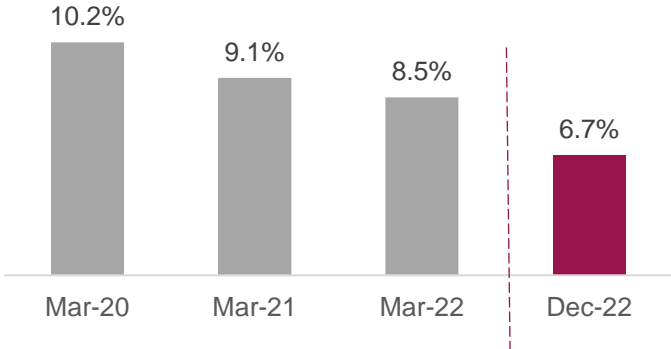
## 1 Improvement in balance sheet mix

Retail & SME as % of loan book

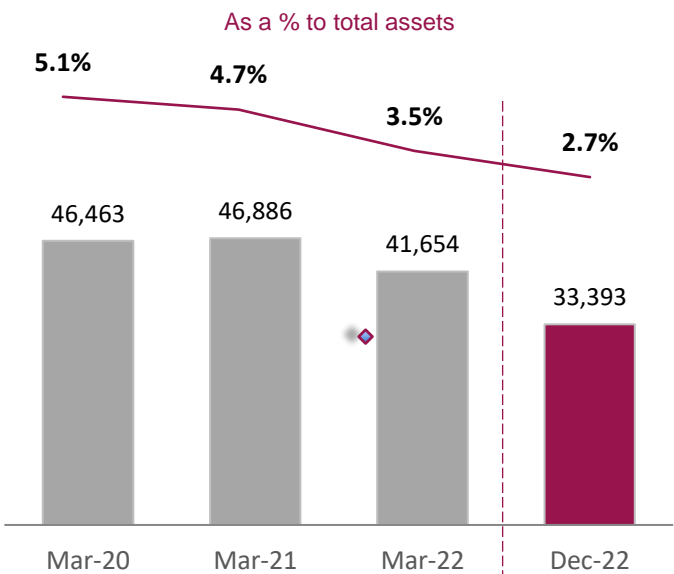


Loans and investments as % of total assets

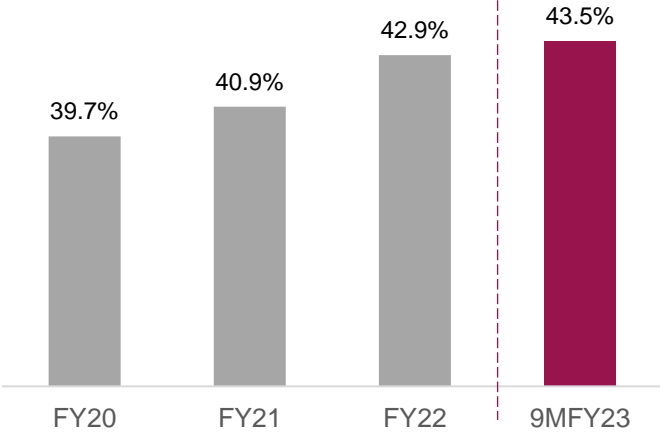
Non INR book as % of overall loan book



## 2 Reducing share of low yielding RIDF bonds

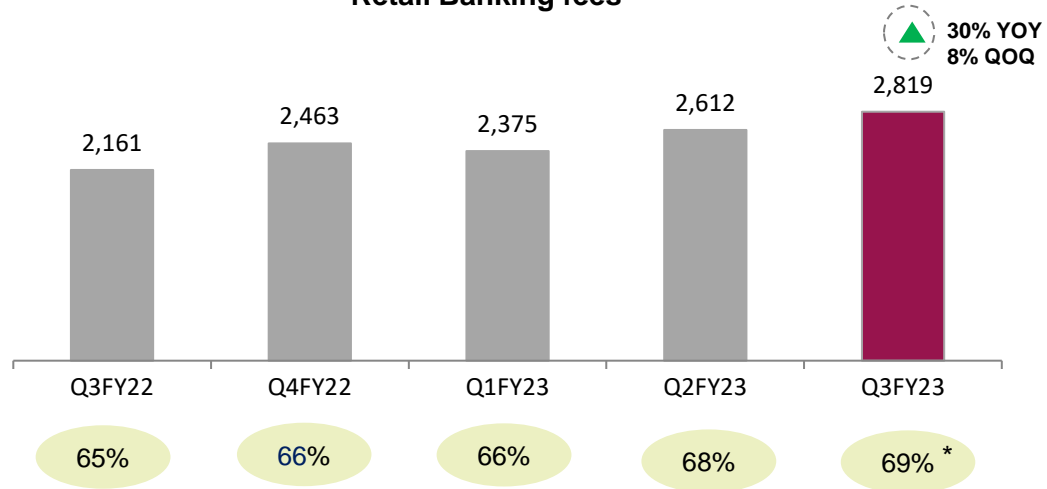


## 3 Improvement in composition reflected through improvement in average CASA %

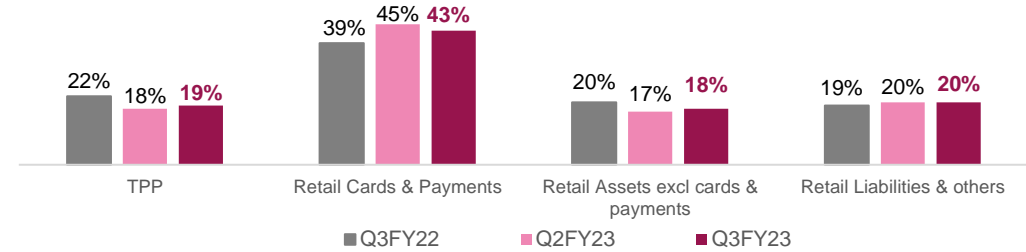


# Strong growth in fees; granularity built across our business segments

## Retail Banking fees

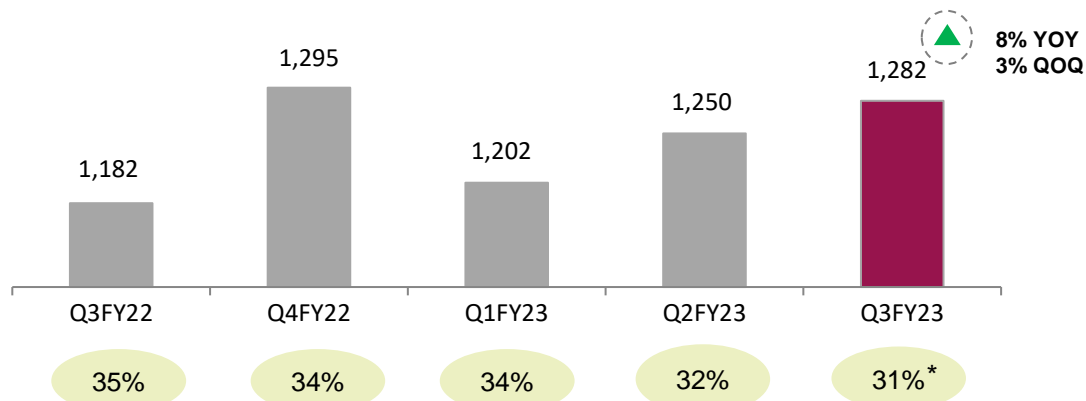


## Retail fee mix

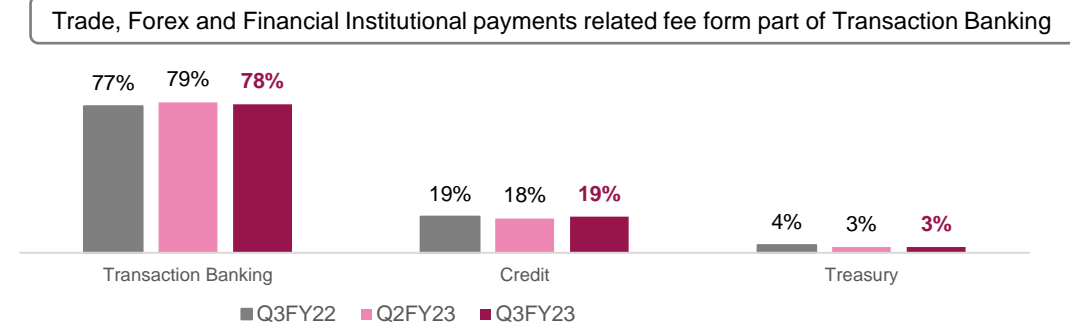


- **44% YOY & 1% QOQ** growth in Retail Cards & payments fees;
- **20% YOY & 14% QOQ** growth in Retail Assets fees (excl cards & payments)
- **12% YOY & 19% QOQ** growth in Third Party products (TPP) distribution fees


## Corporate & Commercial Banking fee



## Corporate & Commercial Banking fee mix



- **25% YOY & 1% QOQ** growth in conventional Transactional Banking fees\*\*

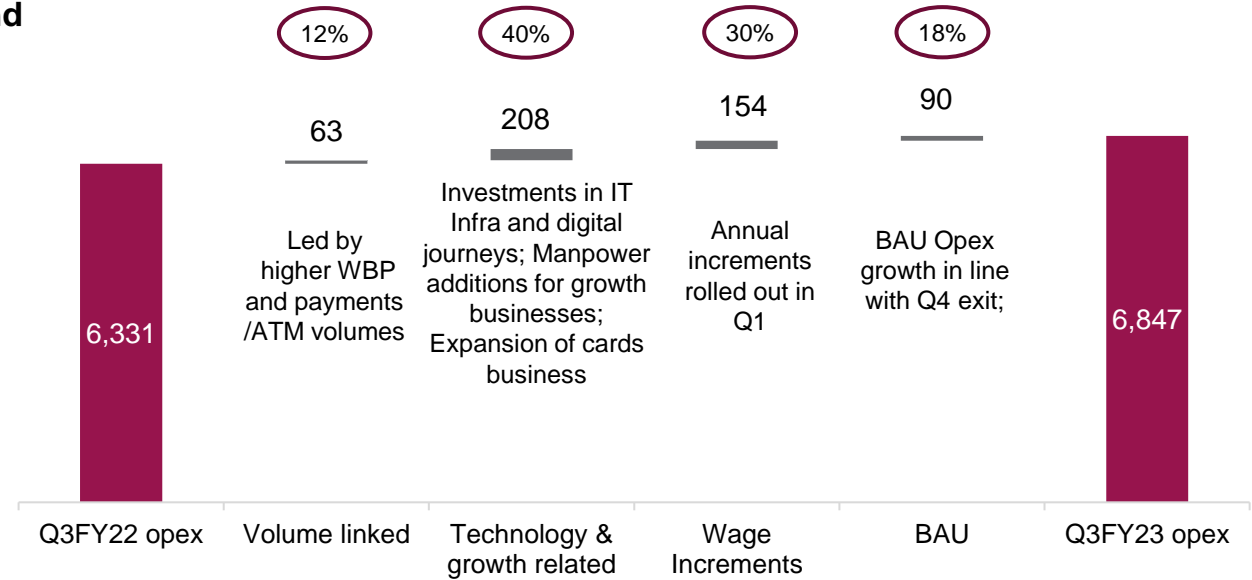
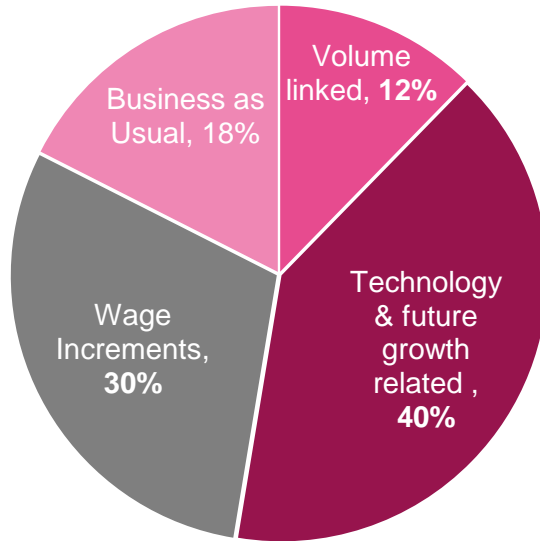
\* Figures in  represent share of segment contribution to total fees

\*\* includes current accounts, CMS, commercial cards etc.

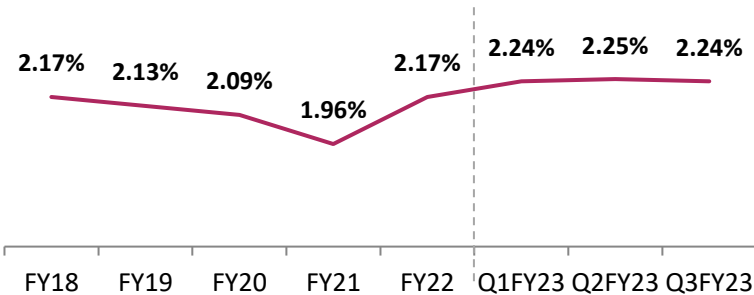
# Cost growth moderated to 8% YoY, continue to invest in technology and growth related businesses

YoY Incremental Opex in Q3FY23 was led by wage costs and volume linked expenses

Incremental YOY cost break up  
(Rs 516 Crore) (YoY ↑ 8%)



Cost to Assets



- Given the strong momentum across our businesses; we remain committed to consciously invest in our focus business segments
- We remain committed to achieving a cost to asset ratio of around 2% in the medium term

Executive Summary

Financial Highlights

**Capital and Liquidity Position**

Business Segment performance

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Sustainability

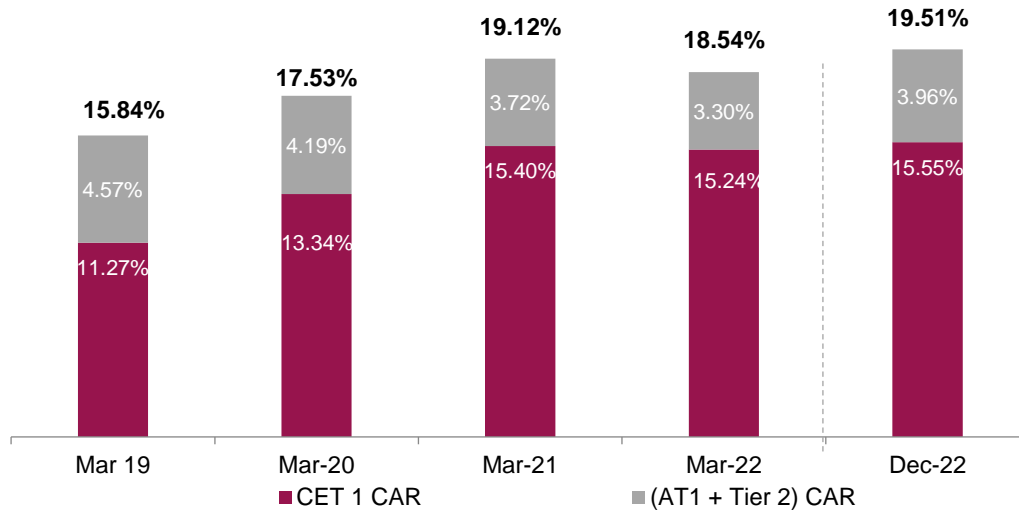
Subsidiaries' Performance

Other important information

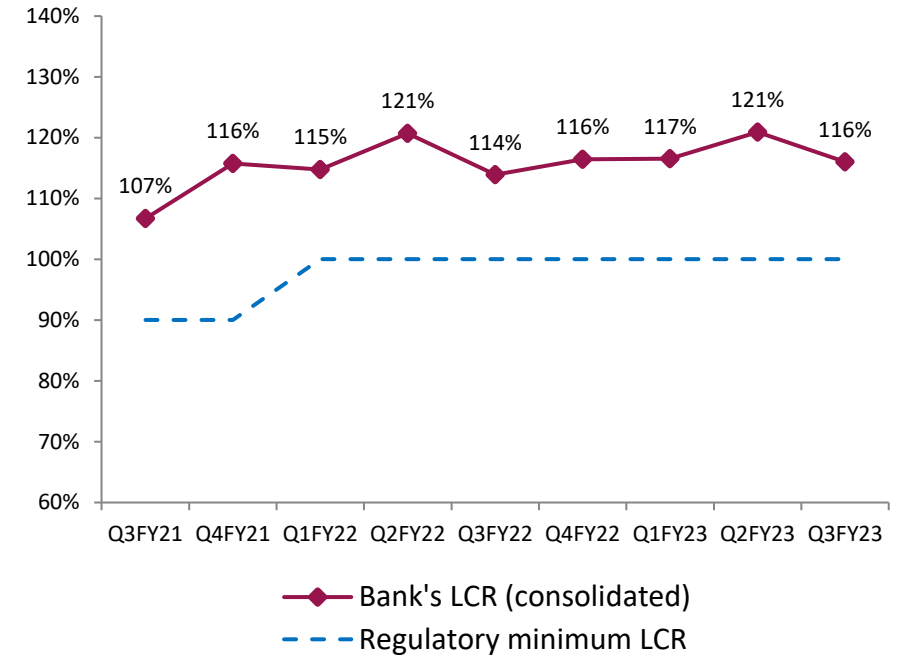
# Strong capital position with adequate liquidity



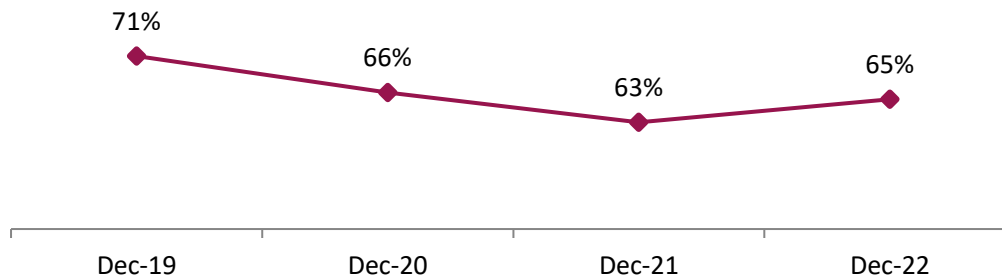
Bank's Capital Adequacy Ratio



Liquidity Coverage Ratio (consolidated)



RWA to Total Assets



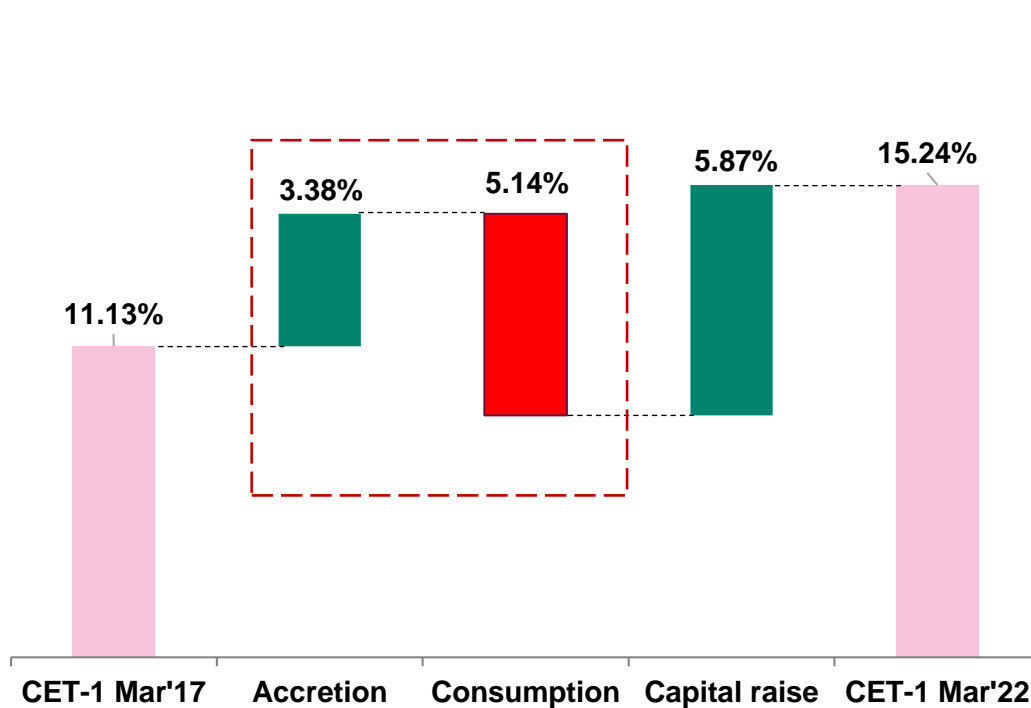
• The Bank holds excess SLR of ₹60,568 crores



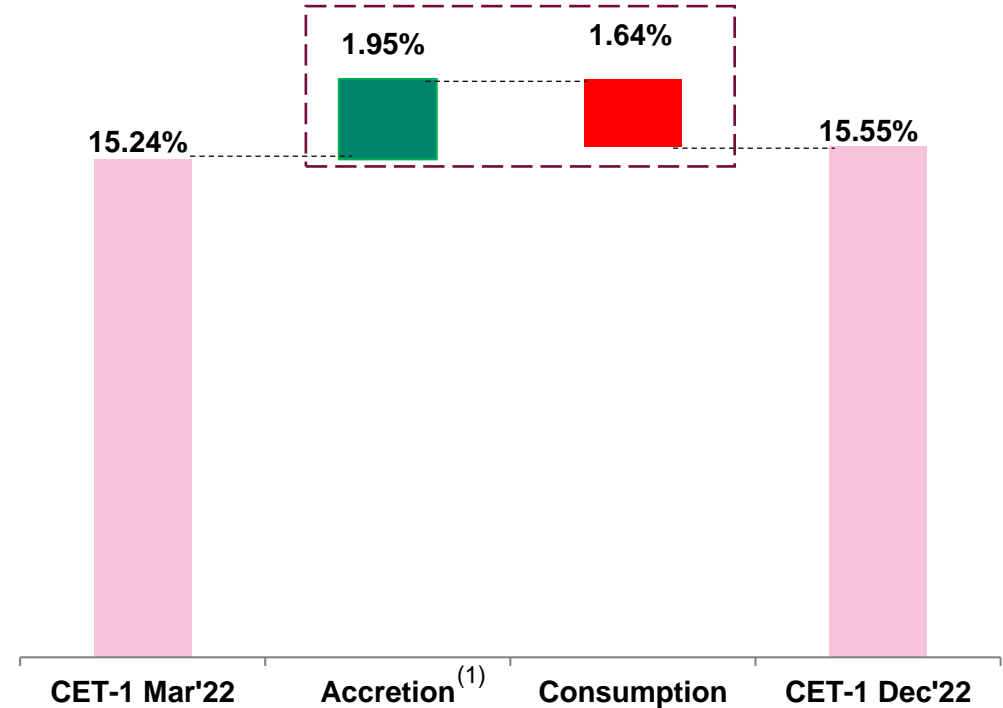
# Getting self sufficient on capital to fund future growth



Historically capital raise was supporting capital consumption...



... profit accretion getting adequate to fund growth



- Net accretion to CET-1 in 9MFY23 is 31 bps
- Estimated CET-1 consumption for Citi acquisition is ~ 180 bps<sup>(2)</sup>

(1) Accretion includes ESOP exercise  
 (2) At proforma disclosure values

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# Retail Banking

**~28 Mn**

*SA customers*

**4<sup>th</sup>**

*Largest issuer of  
Credit Cards*

**₹2.8 Tn**

*AUM in wealth  
management*

**17%**

*YOY growth in  
Retail advances*

**27%**

*YOY growth in  
Rural advances*

**56%**

*Share of  
Advances<sup>~</sup>*

**10%**

*YOY Growth in SA  
QAB deposits*

**45%**

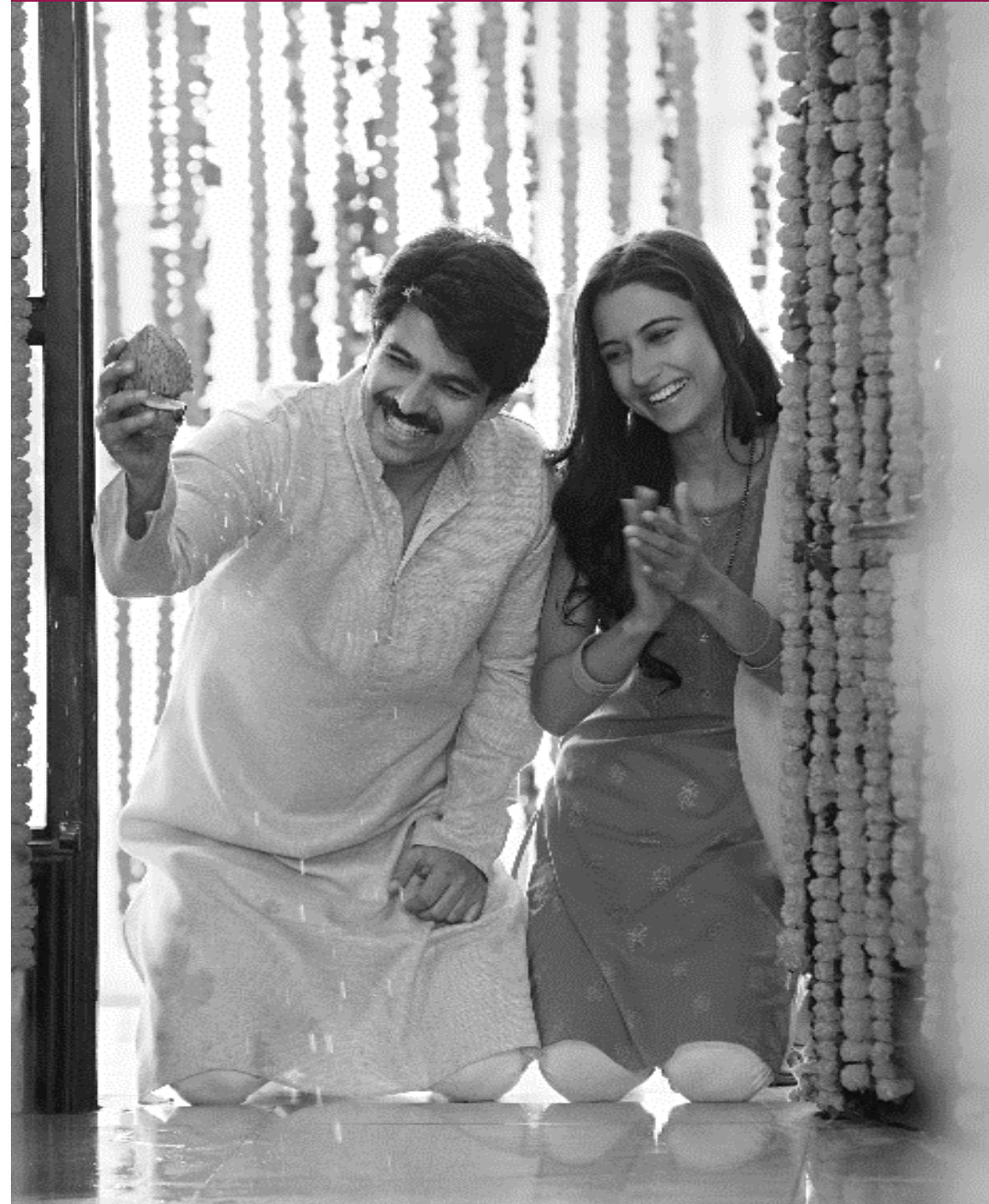
*CASA ratio  
(MEB)\**

**69%**

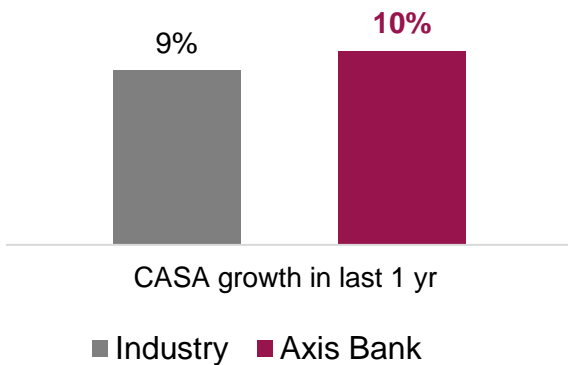
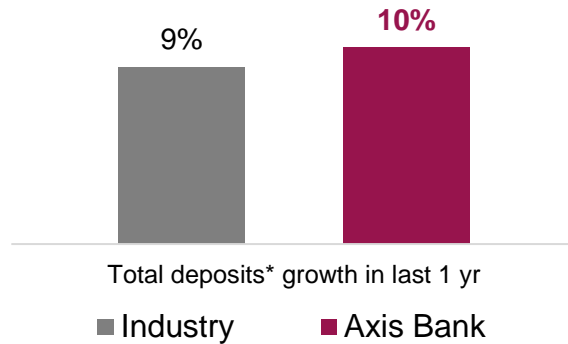
*Share in  
total fee<sup>^</sup>*

<sup>~</sup> share in Bank's total advances, <sup>^</sup> share in Bank's total fee for Q3FY23

\* MEB: Month End Balance



# Our CASA Deposit franchise continues to grow steadily



## Continue to focus on improving the franchise quality further

- 1 **“Right fit” customers to accelerate ‘Premiumization’**
  - ~140 bps YoY increase in share of Premium segment in Retail SA portfolio
- 2 **Higher digital channel contribution to sourcing and balances**
  - In 9MFY23, Digital now contributes **18%** to overall SA sourcing,
  - ~50% to CA individual sourcing and **67%** to individual RTD sourcing
- 3 **Building focus on Corporate Salary acquisitions**
  - **50%** YOY growth in new salary labels acquired in 9M FY23
- 4 **Project ‘Neo’ focused on end-to-end digital transformation**
  - **2x** growth in transaction volumes, Online CA journey for individuals & sole proprietors launched
- 5 **Higher contribution from transaction-oriented flow businesses**
  - Leverage API-led partnerships to drive acquisitions & balance growth

**10.8%**

Foreign LC market share for Q3FY23

**8.1%**

RTGS market share for Q3FY23

**5.1%**

Forex turnover market share as of Nov'22

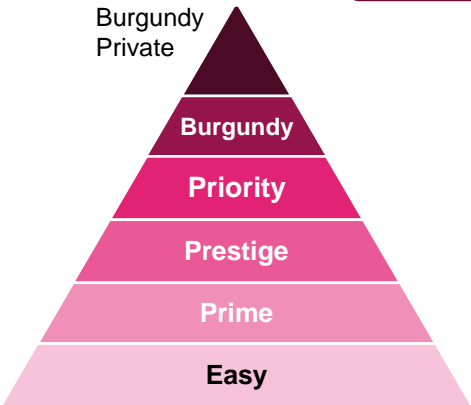
\* Period end basis

# Steady growth in SA deposits led by deepening and premiumisation strategy

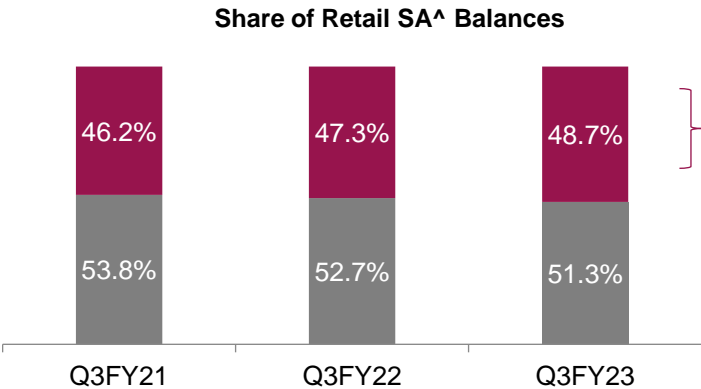


- Continue to maintain sharp focus on quality of NTB\* acquisitions; Branch channel continued its focus on deepening ETB\* relationships
- Premiumisation strategy focuses on improving account quality of overall balances while increasing contribution from premium# segments

## Focus on Premiumization leading to higher share in Retail SA book

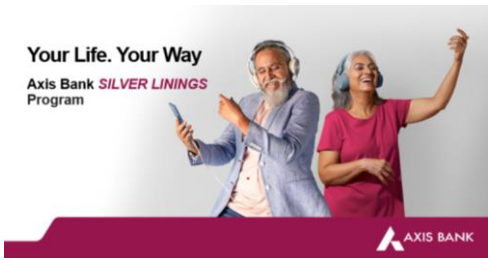


Above graph is not to scale, Area doesn't represent the actual proportion of deposits



Premium segment share in the Retail Savings# portfolio increased by ~140 bps YOY

## New 'Priority', 'Ultima' and Silver Linings product propositions with focus on lifestyle, travel, health and investment benefits, launched in 9MFY23



# Premium includes Burgundy Private, Burgundy, Priority and Prestige and NRI segments  
 ^ Retail SA (excluding TASC)

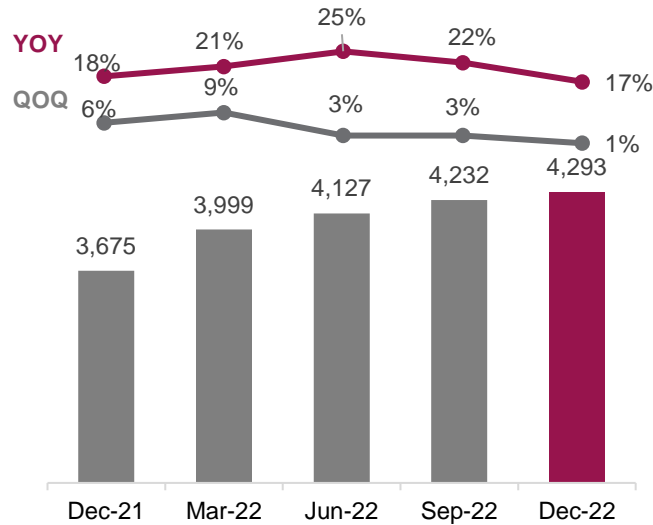
\* NTB: New to Bank; ETB: Existing to Bank

# Rs 4.3 trillion Retail loan book remains well diversified



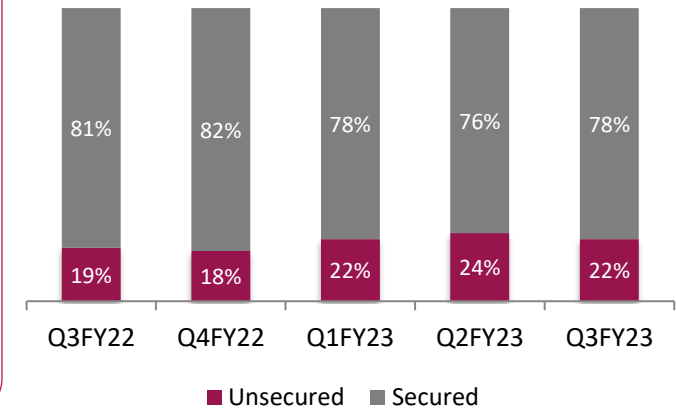
~ 79% of our retail book is secured

**Retail book**  
(in ₹ Billion)

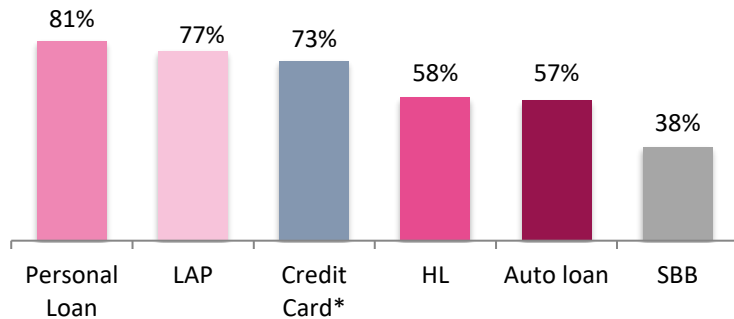


in Rs Crores	Dec-22	QOQ	YOY	% Prop
<b>Home Loans</b>	1,47,366	1%	9%	34%
<b>LAP</b>	44,491	1%	14%	10%
<b>Auto loans</b>	46,834	3%	11%	11%
<b>SBB</b>	38,319	8%	60%	9%
<b>Comm Equipment</b>	7,652	3%	12%	2%
<b>Personal loans</b>	50,688	3%	21%	12%
<b>Credit Cards</b>	20,567	-	39%	5%
<b>Rural loans</b>	59,527	(1%)	27%	14%
<b>Others<sup>1</sup></b>	13,869	(6%)	(14%)	3%
<b>Total Retail</b>	<b>4,29,313</b>	<b>1%</b>	<b>17%</b>	<b>100%</b>

**Disbursement mix in retail loans**



**ETB\* mix in retail portfolio**



**100%** of PL and **71%** of Credit Cards portfolio is to salaried segment



**Average LTVs:**  
**53%** in overall home loan portfolio  
**35%** in LAP portfolio

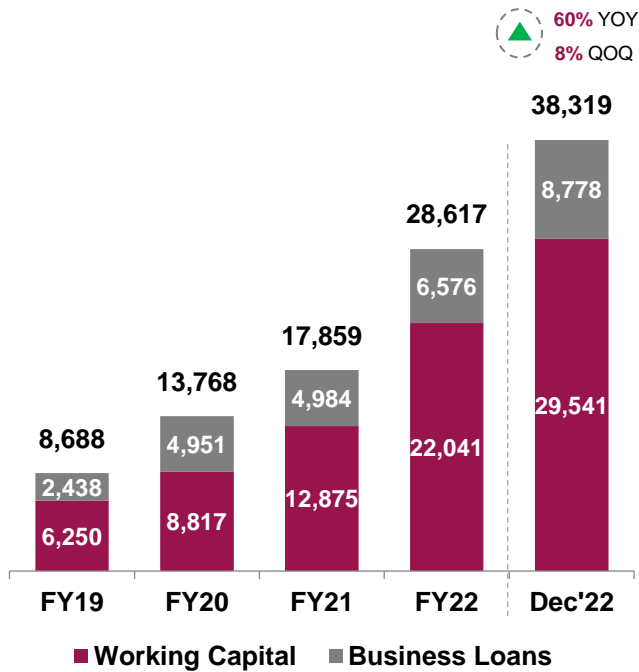


**Sourcing:**  
**49%** contribution from Branches to overall Retail book sourcing in Q3 FY23

\* ETB contribution in Credit Cards has come down on account of significant KTB sourcing in last one year  
(1) Others comprise of supply chain finance loans, education loans, gold loans etc

# Small Business Banking segment is well diversified and continues to grow strongly...

SBB portfolio (Cr.)



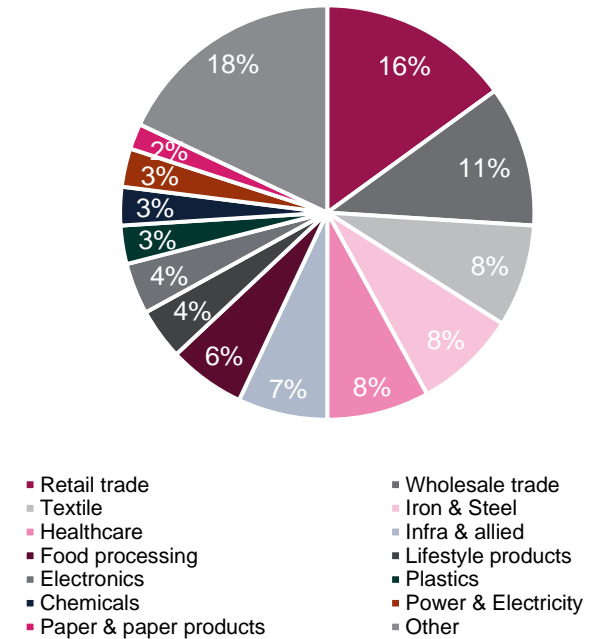
- **78%** value contribution from Secured products (working capital, overdraft, term loans, etc.)
- **70 lakh+** – average ticket size of working capital secured loans
- **90%+** of SBB working capital portfolio is PSL compliant
- **EWS** portfolio monitoring indicates risks well under control
- **70%** Branch contribution to total business



### 24x7 Business loans :

End to End digital lending contributes **40%+** to overall unsecured BL disbursements

Well diversified customer base



# ...led by our innovative product offerings and transformation initiatives

## One Axis approach

- Platinum & Bharat Bank franchise driving branch growth
- Synergies with Merchant Acquiring
- Leveraging AVC Channel for better lead conversion

## Innovative product offerings

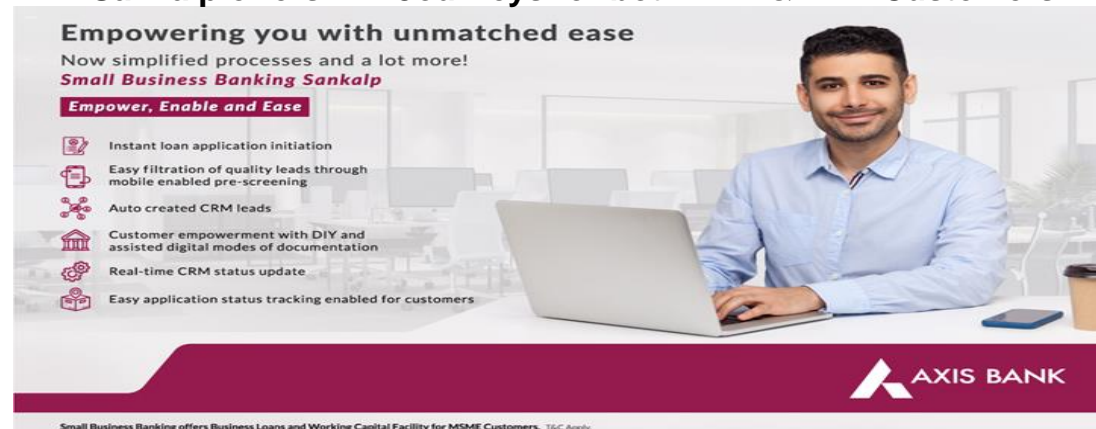
- Introduced small ticket **Suvidha Loans**: *disbursement of 1000 cr*
- Investing in equipment finance business: 15+ MOUs signed with top OEMs
- Quick overdraft (collateral free) product launched

## Business Loans are now 100% Phygital / Digital

### 24 X 7 Business Loan - Digital



## Sankalp offers DIY Journeys for both ETB & NTB Customers



**Empowering you with unmatched ease**  
Now simplified processes and a lot more!  
**Small Business Banking Sankalp**  
**Empower, Enable and Ease**

- Instant loan application initiation
- Easy filtration of quality leads through mobile enabled pre-screening
- Auto created CRM leads
- Customer empowerment with DIY and assisted digital modes of documentation
- Real-time CRM status update
- Easy application status tracking enabled for customers



**AXIS BANK**

Small Business Banking offers Business Loans and Working Capital Facility for MSME Customers. T&C Apply.

**'SBB Sankalp'** project to further improve efficiencies and deliver superior TATs by re-imagining and digitizing underwriting systems and loan disbursements



# 'Bharat Banking' strategy has been scaling up well

-  Drive higher business growth and increase market share in Rural and Semi Urban markets through asset led liability strategy
-  Lending opportunities in RuSu markets to complement the Bank's overall PSL strategy meaningfully

## Focus on building a distinctive model for Bharat...



**One Axis** solutioning approach



**Distinctive Bharat** specific capability stack



**Embed banking** in the digital ecosystem of the clients



**Enhancing Brand** in the RuSu markets



**Use of alternate ecosystems** to leverage data & UW customers better

## ... has delivered strong growth across key metrics...

**27%**

YOY growth in Rural advances

**12%**

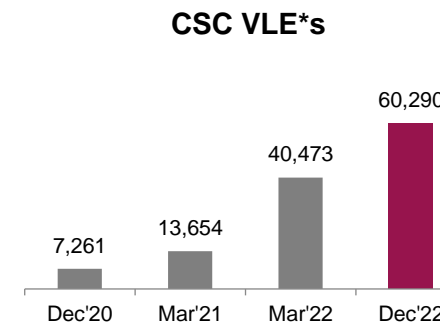
YOY growth in disbursements

**16%**

YOY growth in deposits\*

*\*from Bharat Banking segment*

## ... with increased coverage in Semi Urban and Rural markets



- CSC continues to show **strong growth momentum** backed by a well **diversified product mix**

- 5.4x** YoY growth in CSC disbursement in Q3

- Tie up with **India Post Payments Bank & Airtel Payments Bank** to further improve reach

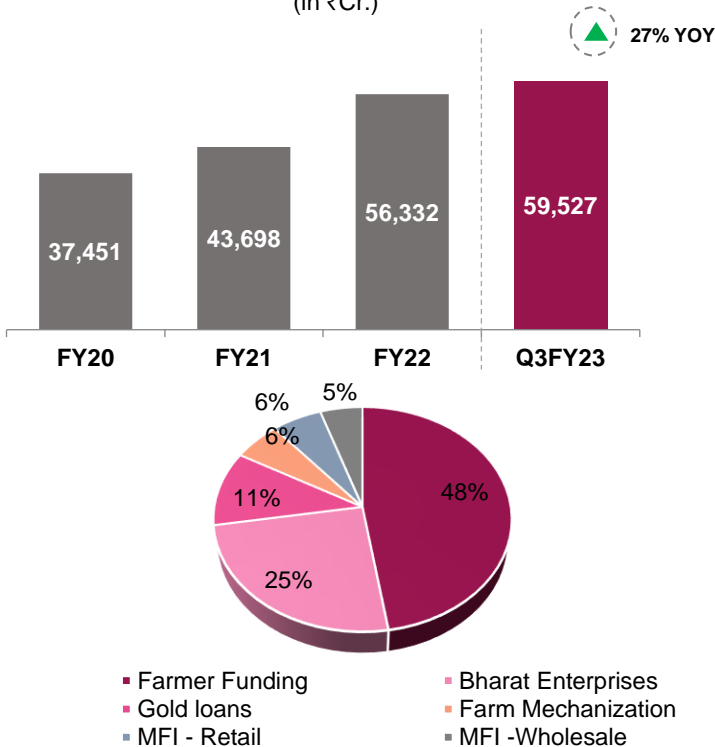
\* Common Service Center Village Level Entrepreneurs

# Rural portfolio is well diversified, offering holistic and integrated financial solutions by leveraging technology and partnerships



Well diversified rural lending portfolio with presence across 656 districts across India

Rural loans portfolio & composition  
(in ₹Cr.)



The book is well diversified across regions

... focused on capitalizing opportunities in each segment...

### Farmer Funding

- Launched new region and crop specific products & expanded scope of existing products

### Bharat Enterprises

- Covers the entire agri value chain with a focused approach to micro enterprises; provides working capital loans, term loans and commodity finance
- Building propositions for lower ticket segments and cover wider range of collaterals

### Farm Mechanization Loans

- Enhanced proposition for existing customers, standalone farm equipment, and used tractors

### Gold loans

- Expanding branch coverage & sourcing leads via partnerships network
- Improving sales productivity to unlock growth

### Microfinance - Retail

- Individual and Mid-Term Loans for our graduating JLG customers

### One Axis Platform

- Partner with various parts of the bank to build Bharat specific propositions for liabilities, assets and other fee-based products

... and leveraging technology and partnerships

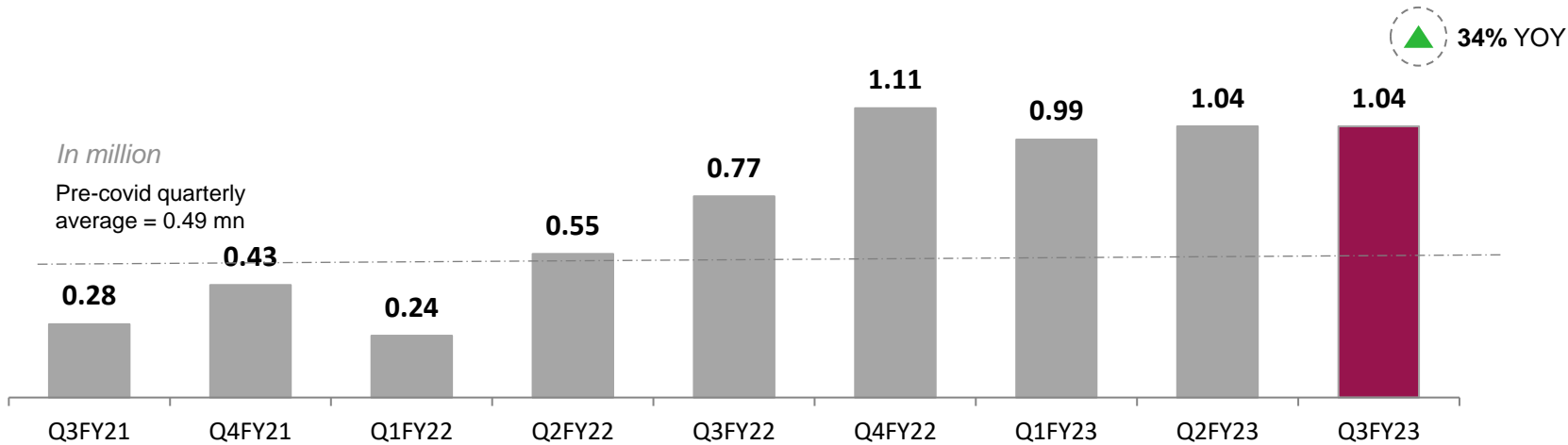
- Launched **eKYC based CASA opening** at a partner location, aligned with the strategy of deepening distribution at a lower cost
- Launched digital end to end **co-lending** journey in Dec'22
- Redesigning **end to end customer journeys** to reduce TAT and improve customer experience in the high growth products
- Partnerships with corporates** with rural presence to penetrate deeper into the rural supply chains
- Leverage the tech stack of **Agri tech and Fintech** companies to serve the Bharat customer
- Better **data farming** for underwriting and cross sell opportunities
- Launching more **sales enablement tools** to enable sales team to self source multiple products
- Building **multi product sales architecture** with a coverage mindset and leveraging technology to increase depth

# Strong growth in Credit Card issuances



Increase in Cards in force (CIF) market share with increasing card issuances aided by KTB<sup>^</sup> partnerships

Strong traction in new card issuances, ~1mn cards issued for 4<sup>th</sup> consecutive quarter



**33%**

share of KTB sourcing to total card issuances in Q3FY23

**9.5%**

incremental spends market share in last 3 months\*

**11.5%**

period end market share for credit cards in force as of Nov'22

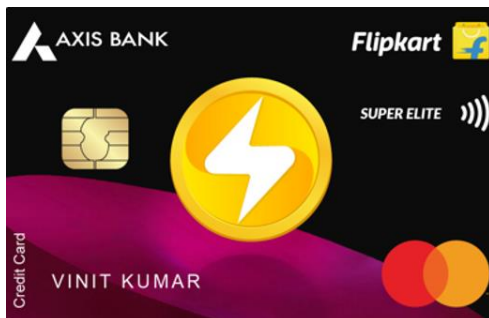


Axis Bank launches an array of cards with exciting features and benefits

**Flipkart Axis Bank Super Elite Card**

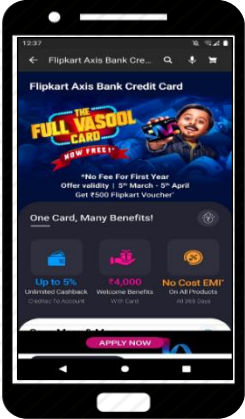
**Airtel Axis Bank Credit Card**

**Samsung Axis Bank Credit Card**

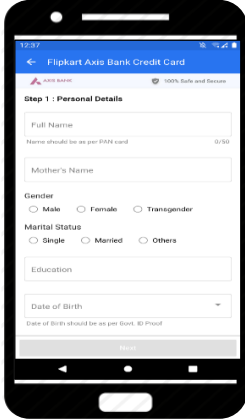


<sup>^</sup> Known to Bank  
\* Sep'22 to Nov'22 as per RBI reported data

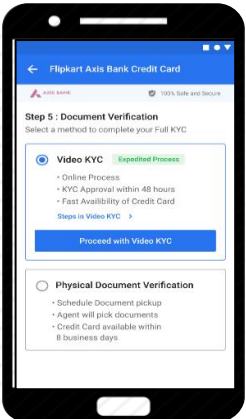
# End to End Digital KTB acquisition journey with best in class early activation and spend metrics for Flipkart Axis Bank Credit Card



Customer clicks on Flipkart Axis Bank Credit card banner and can view details



Customer fills up the form and submits the application



Approved customers complete KYC and income verification via digital or physical channels



**3.22 mn<sup>§</sup>** CIF for *Flipkart Axis Bank Credit Card*, making it one of the fastest growing co-brand portfolio since its launch in July 2019

**70%** monthly activity rate\* - Best in class engagement in Retail segment

<sup>§</sup> CIF as of 31<sup>st</sup> Dec 2022  
\*Based on the average data for the period Jan-22 to Nov-22 for cards acquired via Flipkart Platform

# Retail spends market share up 53 bps YOY, with spends up 45% YOY



All figures In ₹ Cr

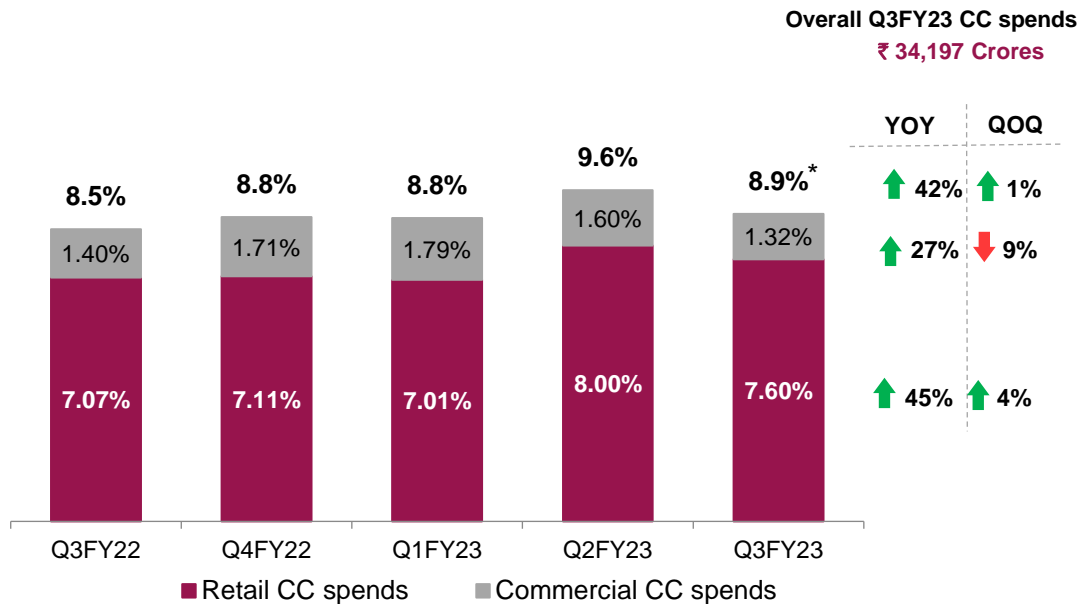


**'GRAB DEALS', Axis Bank's exclusive shopping platform has scaled up significantly**

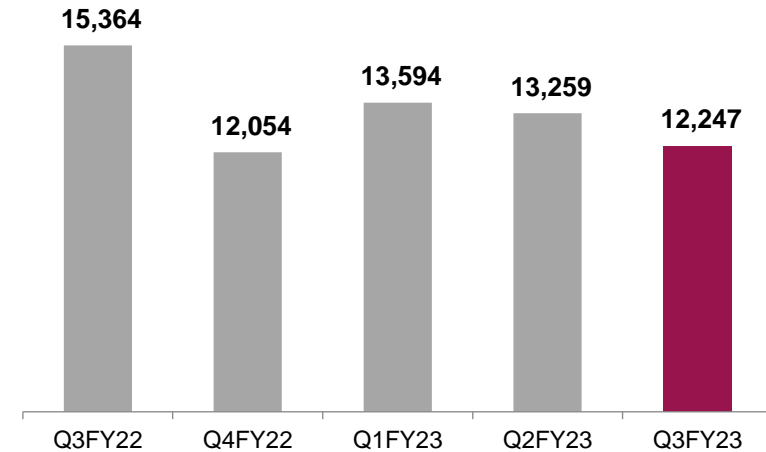
**~89%** YOY growth in transactions

**~60%** YOY increase in GMV

### Trend in Credit Card spends market share



### Trend in Debit Card spends

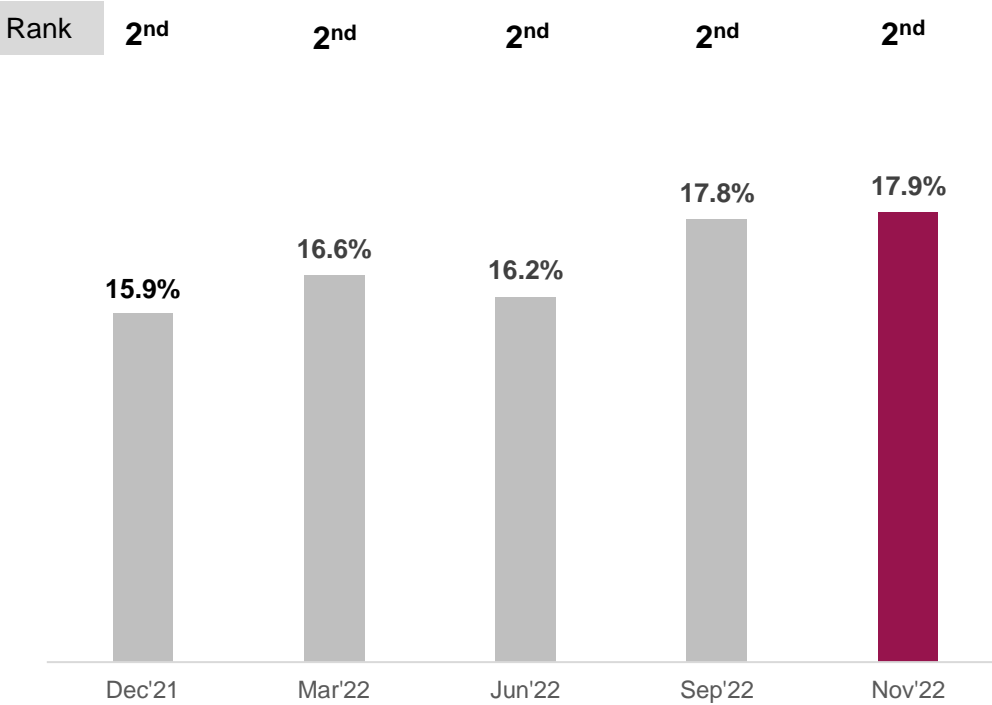


\*Market share based on RBI reported data for the months of Oct'22 and Nov'22

# We are the 2<sup>nd</sup> largest Merchant Acquiring Bank led by ‘One Axis’ focus, improved product capabilities and partnerships



Market share in POS terminals



Source: RBI data, available till Nov22

**43%**  
Axis incremental market share in last 3 months  
(POS Terminals)



## One Axis approach – Taking Bank to Merchant

**Curated solution offerings** : Payment solutions, Deposits, Business loans, Credit Cards and Insurance

Co-origination & conversion drives reflecting in healthy CASA balance growth



## Capabilities and products

**Powerful terminals**: State-of-the-art, feature rich terminals; Android Smart POS, Pocket Android POS launched – **74%** penetration on new installations in Q3FY23

**All in One offering** : Features like Tap & PIN, Bharat QR, Digital Khata with VAS offerings like Card less EMI, Pay Later, Merchant Rewards

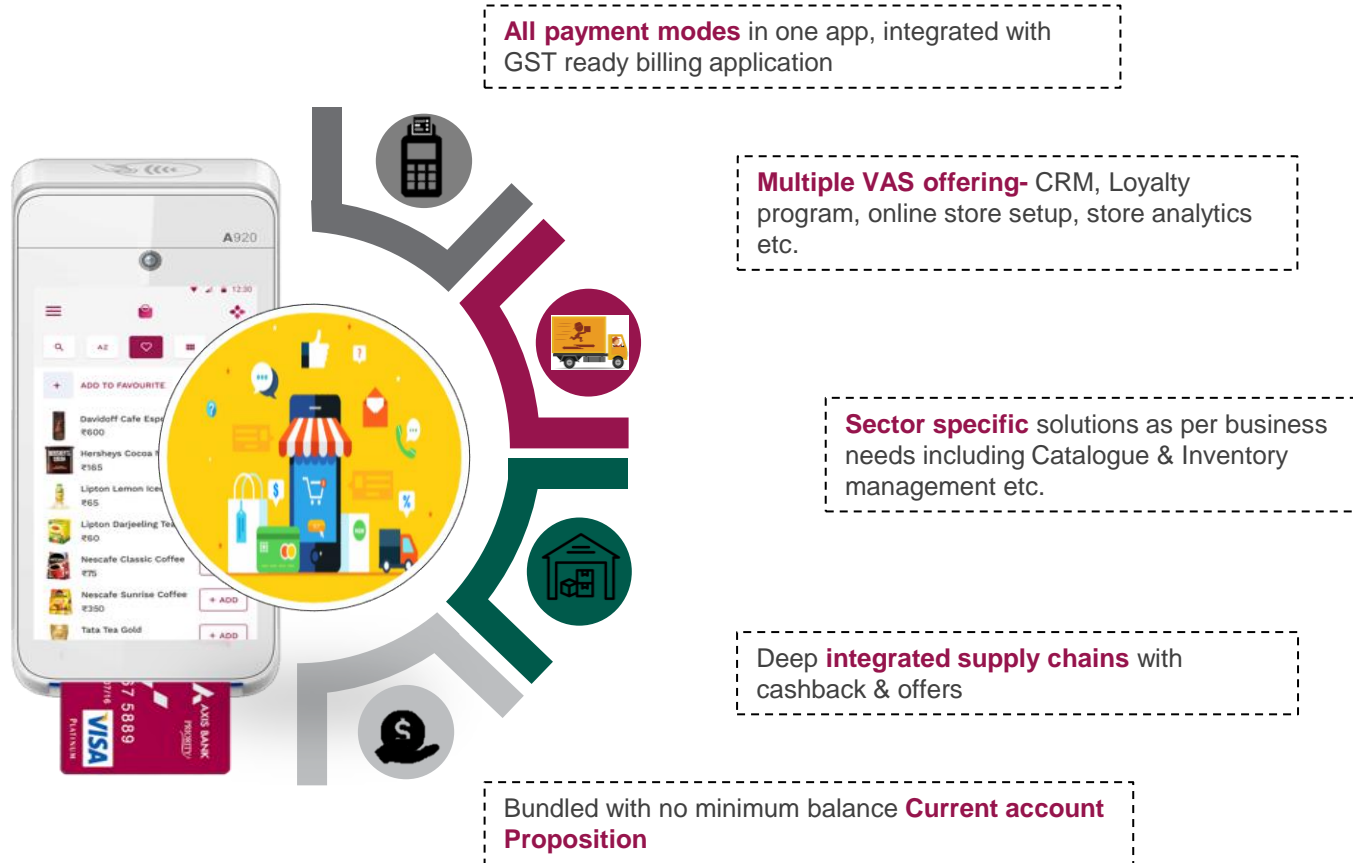


## Market partnerships

**Marquee partnerships**: Extension of digital payments ecosystem to fintech aggregators

**Unique sector specific VAS**: supported by deep integrations with merchant value chain players to provide holistic business oriented solutions

# Empowering merchants through Integrated Ecosystem solutions



**Strong and deep rooted alliance** with multiple partners across India with over **3 lakh** MIDs and a yearly throughput of **16k+ crores**



**Payswiff**

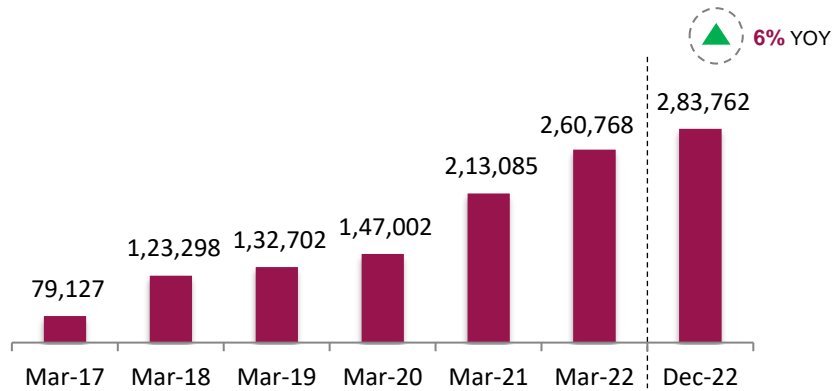
**Worldline**

# The Bank is a leading player in India's Wealth Management space



All figures In ₹ Cr

Overall Burgundy AUM^ has grown steadily



^ includes Burgundy Private AUM as well

Burgundy Performance has been strong (CAGR for Mar'17 -Dec'22 period)

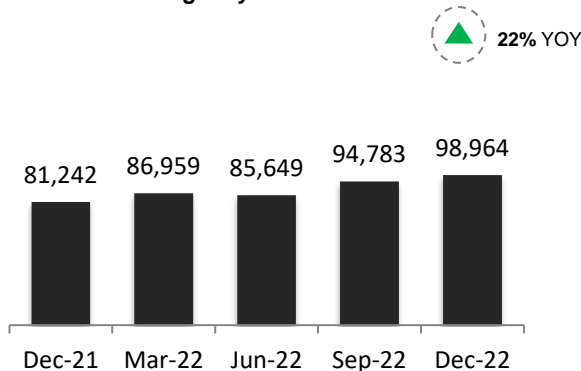
- 25% Assets under management
- 22% Customer base
- 7% Touch points -



5<sup>th</sup> Annual Wealth Tech Awards

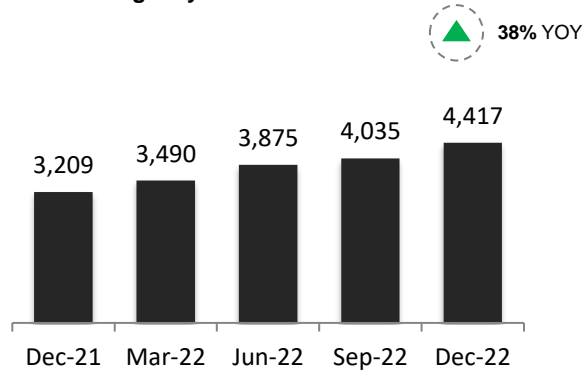
- includes RMs, Wealth Specialist team, Managing partners and Investment Advisors

Burgundy Private AUM

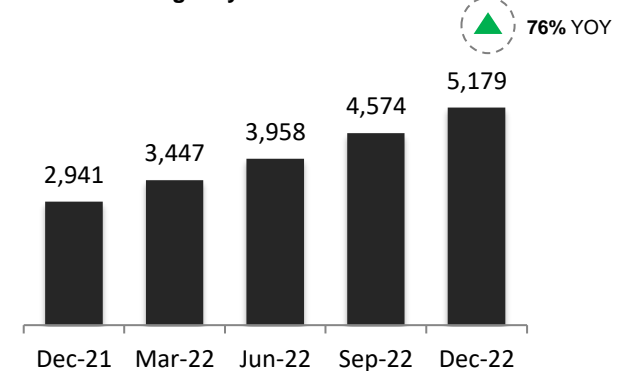


Burgundy Private was launched on 2<sup>nd</sup> December, 2019

Burgundy Private Client Base



Burgundy Private 3-in-1 Cards

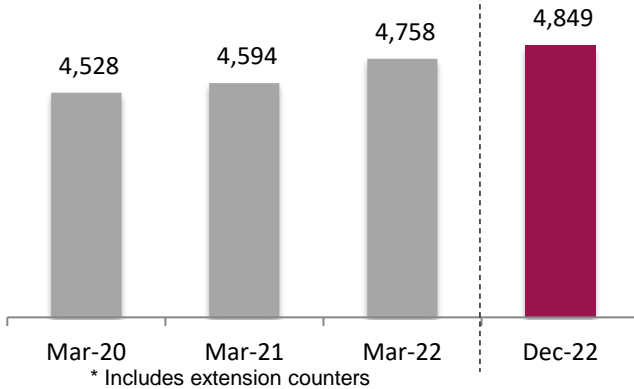




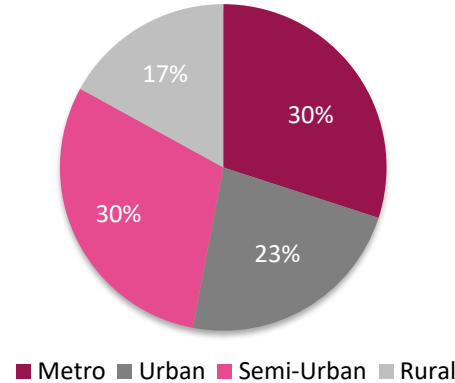
# We have a very well distributed branch network



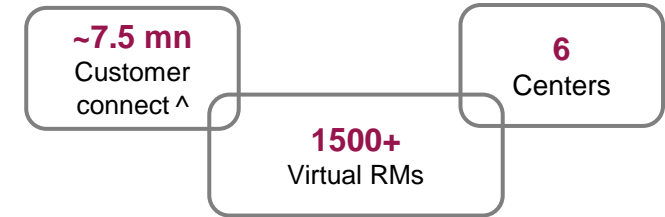
## Domestic branch network\*



## Branch presence across categories



## Axis Virtual Centre



- Calibrated approach towards new branch additions across focused regions
- Aligned to our **Bharat Banking strategy**, specific RuSu branches follow an asset-led liability model
- **Dedicated Asset Desk Managers** for fulfilment of all loan leads at select branches
- Select **Platinum branches** to cater to SBB customer base

- Connected with **~7.5 mn** customers through this channel in Q3FY23.
- AVC manages relationship with our existing customers under **affluent and other programs**
- AVC is present across West, South, North and East with **six centres**

^ Customers contacted every month

# Corporate & Commercial Banking

**24%**

*YoY growth in  
CBG\* advances*

**42%**

*YoY growth in  
Mid Corporate book*

**9%**

*YOY growth in CA  
(QAB) deposits*

**66%**

*Share of short  
term loans to overall  
corporate loans*

**89%**

*Share of corporate  
advances to clients  
rated A-and above*

**89%**

*Incremental sanctions  
to A-and above\*\**

**8%**

*YOY growth in  
Corporate & CBG fees*

**10.8%**

*Foreign LC Market  
Share Q3FY23*

**8.1%**

*RTGS payments  
market share  
(Q3FY23)*



\* Commercial Banking Group \*\* in corporate segment for 9MFY23

# Recognized as the '2022 Greenwich Quality Leader' for 2<sup>nd</sup> consecutive year



## ***2022 Greenwich Excellence Awards for Indian Large Corporate Banking***

- Ease of Doing Business
- Frequency of Contact
- Proactive Provision of Advice
- Knowledge of Transaction Banking Needs
- Coordination of Product Specialists
- Customer Service

*Among more than 70 banks evaluated, Axis Bank was voted for its distinctive quality w.r.t. 6 out of 9 metrics where the respondents expressed their preference*

*\*as per the [Coalition Greenwich 2022 India Corporate Banking Study](#)*



## ***2022 Greenwich Excellence Awards for Indian Middle Market Banking***

- Effective Senior Management Support
- Frequency of Contact
- Overall Digital Experience

*Among more than 70 banks evaluated, Axis Bank was voted for its distinctive quality w.r.t. 3 out of 10 metrics where the respondents expressed their preference*



## ***Market Penetration - Local Banks Indian Middle Market Banking***

**47%**  
*Market penetration*

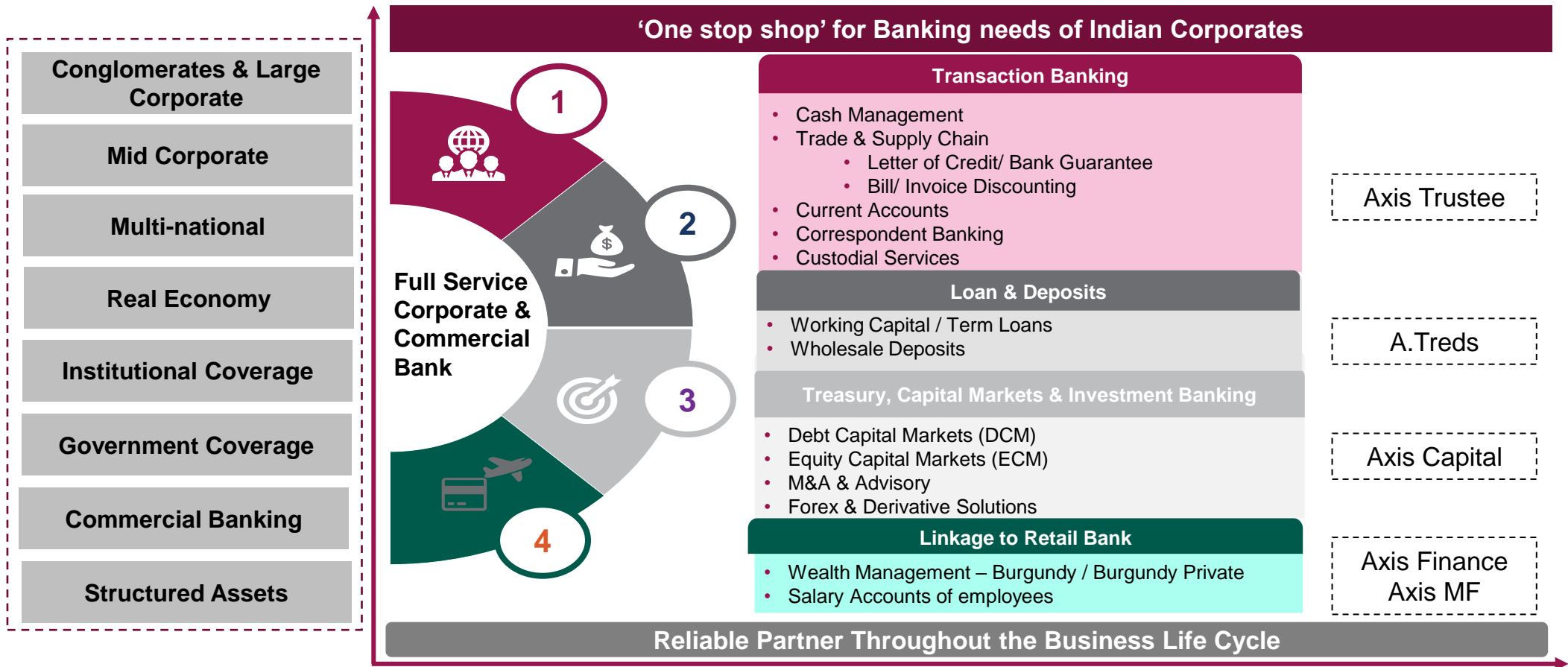
*\*Market Penetration is the proportion of companies interviewed that consider each bank an important provider of corporate banking services*

# Strong relationship led franchise driving synergies across One Axis entities...



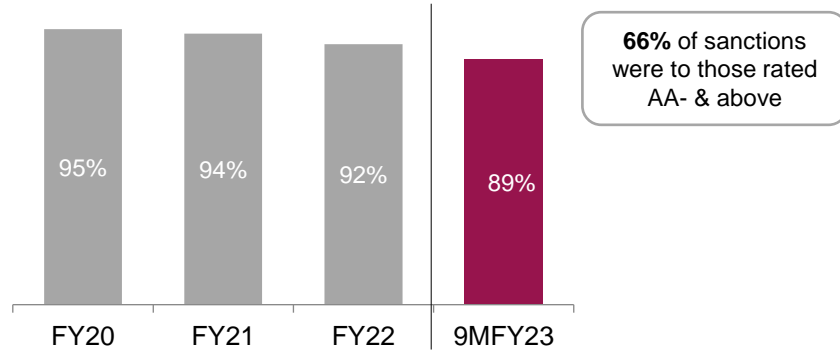
We have re-oriented the organisation structure in Corporate & Commercial Banking for delivering execution excellence

- Segregated the responsibilities of coverage and product groups to ensure sharper focus
- Corporate & Commercial Bank coverage reorganized into 8 coverage groups, each with a stated objective

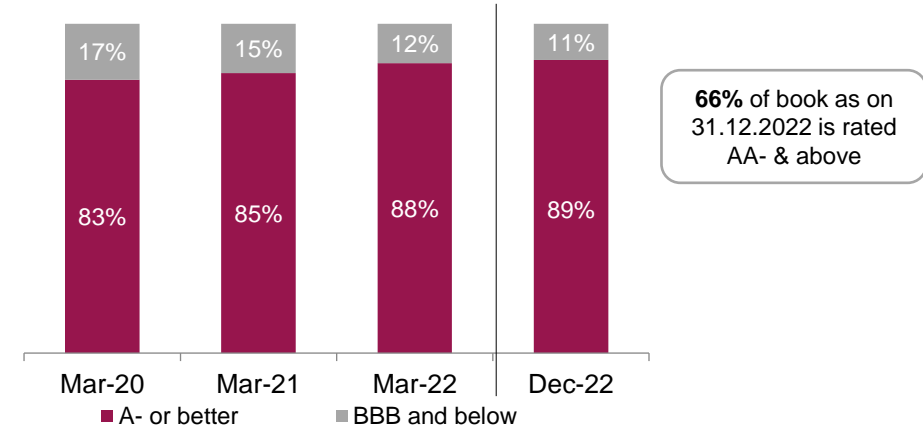


# ...with 89% of the book rated A- and above

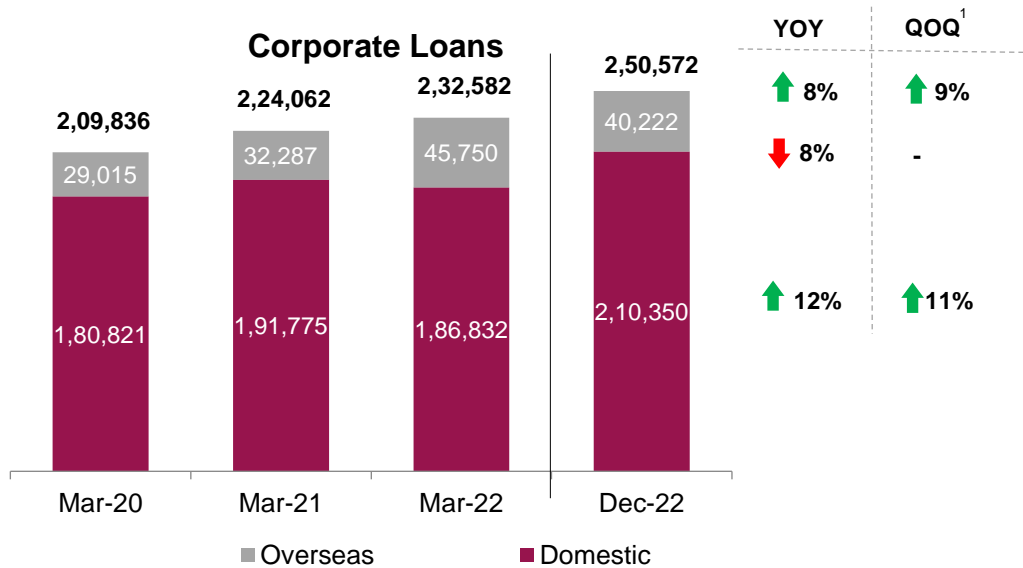
## Incremental sanctions to corporates rated A- & above



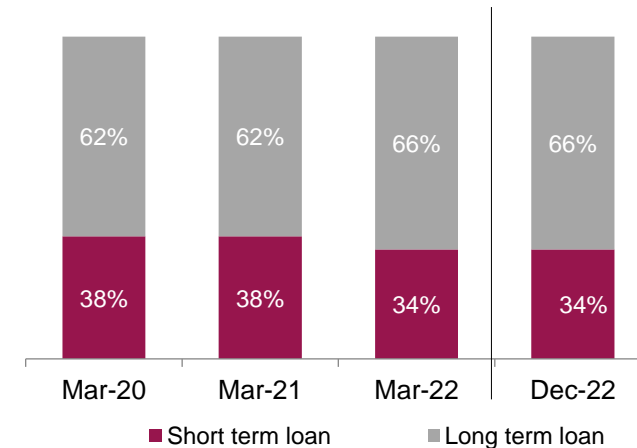
## 89% of the corporate loan book is rated A- or better



## Corporate Loans



## Corporate loan book mix (tenure based)



Short term refers to loans of less than 1 yr tenure; Long term refers to loans of greater than 1 yr tenure

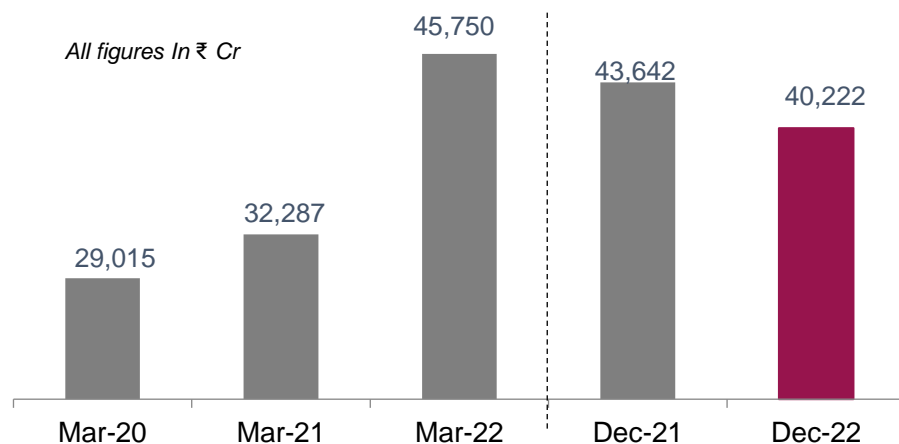
1. Gross of loans sold under IBPC

# Overseas Corporate loan book is 97% India linked



- The Bank's International strategy is to focus on Indian corporates that have global operations
- We have consolidated our overseas business through branches in Dubai, Singapore and Gift City, India

Overseas corporate loan contribution driven by Gift City IBU <sup>1</sup>



Well balanced in term and working capital loan mix

... the funding is primarily for Indian conglomerates and PSU entities

- **97%** is India linked based on standard book
- **95%** is rated A- and above based on standard book
- **68%** of standard outstanding constituted by top 10 conglomerates

<sup>1</sup> International Business Unit

# We have strengthened our proposition as a Transaction Bank

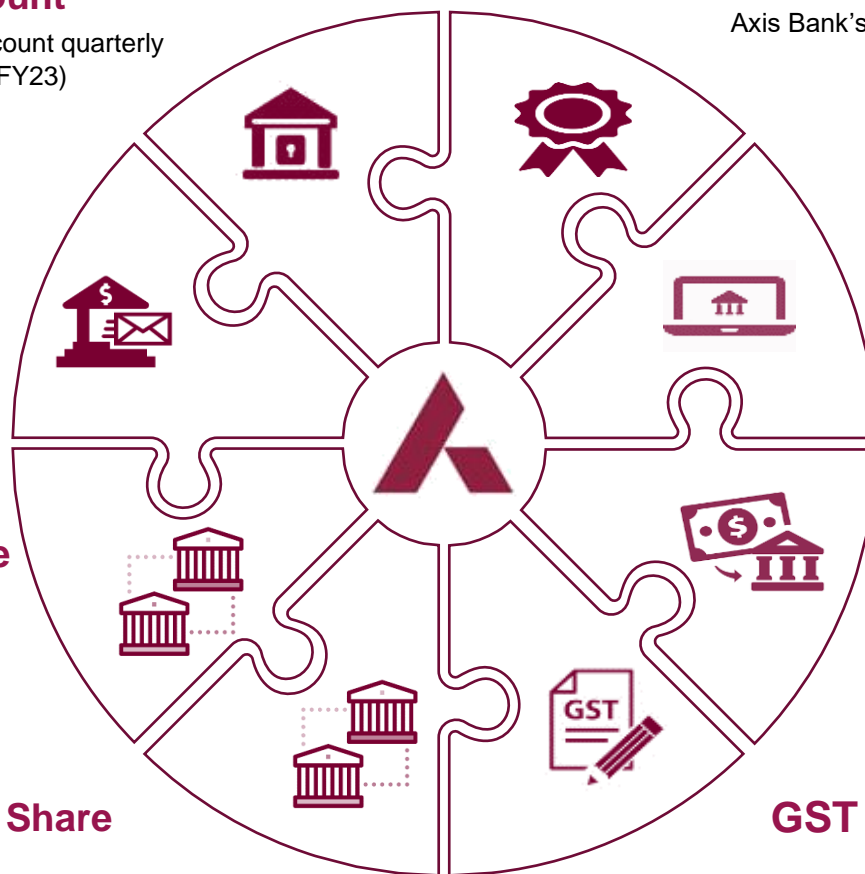


## Current Account

**9%** YoY growth in Current Account quarterly average Balances (Q3FY23)

## Middle East International Business Awards

Axis Bank's **DIFC** branch wins for **Customer Service Excellence**



## Foreign LC Market Share

Increase in Market Share from **10.65%** (Q3FY22) to **10.83%** (Q3FY23)

## Digital Adoption

**71%** Current Account customers registered for internet/mobile banking

## RTGS Value Payment Market Share

Market Share maintained **8.1%** (Q3FY23)

## Forex Turnover Market Share

Increase in Market Share from **4.1%** (Nov'21) to **5.1%** (Nov'22)

## NEFT Volume Payment Market Share

Increase in Market Share from **9.9%** (Nov'21) to **11.7%** (Nov'22)

## GST Payment Market Share

Market Share maintained at **8%** (Q3FY23)

## Capital Markets

Ranked **1<sup>st</sup>** in "IPO" business by capturing **50%** of market deals.

**Largest clearing member** in the listed derivative space with the market share of **~18%**

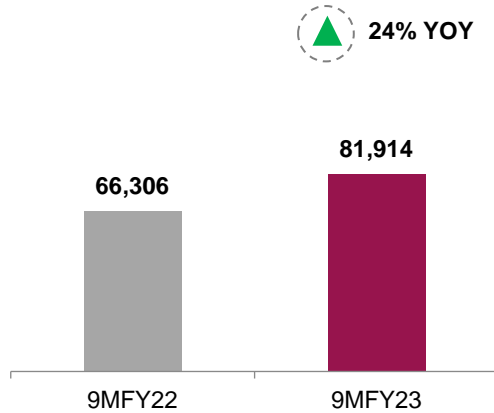
# We remain well placed to benefit from a vibrant Corporate Bond market



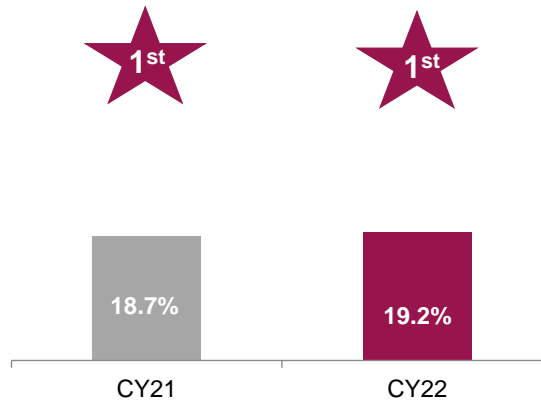
All figures in ₹ Crores

## Placement & Syndication of Debt Issues

### Amount mobilized / arranged<sup>^</sup>



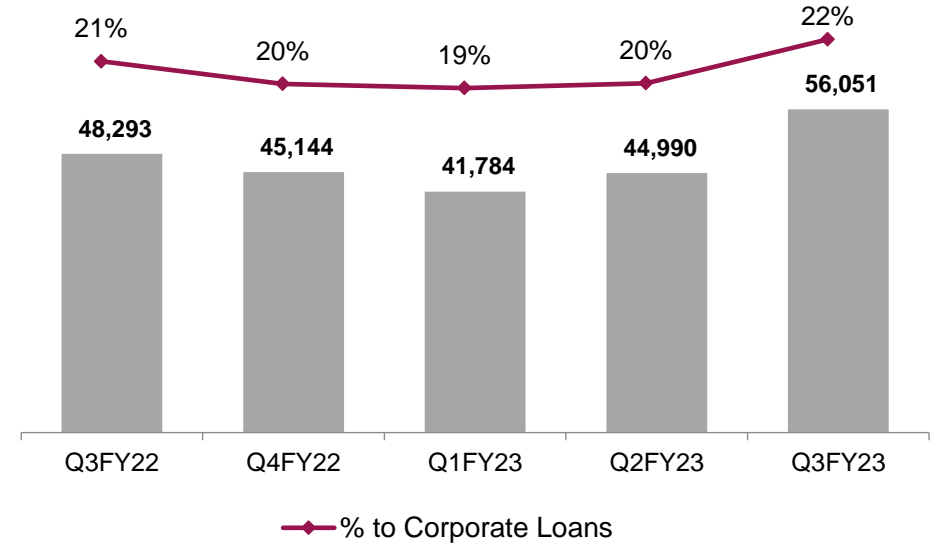
### Market share and Rank\*



**16<sup>th</sup> straight year**

Ranked No. 1 arranger for rupee denominated bonds as per Bloomberg league table since 2007

## Movement in corporate bonds



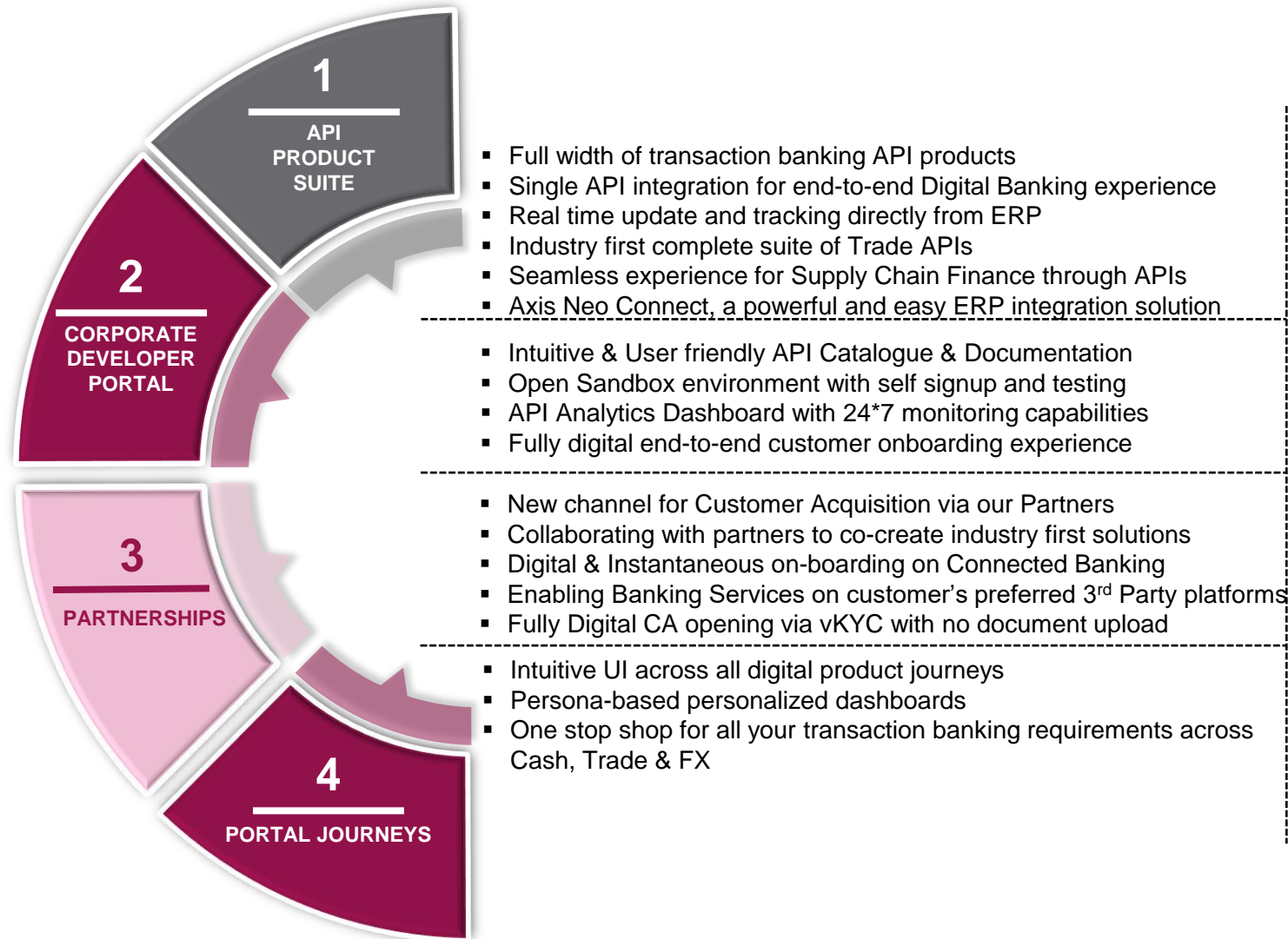
- Leveraging our leadership position in Debt capital markets, we had mobilized ~ ₹18,000 crores through active participation in the TLTRO auctions
- We have invested funds in marquee names (non FI, non PSU) thereby helping to build some new client relationships in wholesale segment .
- We have limited our investments under this book to AAA/AA rated corporate issuers

<sup>^</sup> Only includes the proportion of amount arranged by Axis Bank

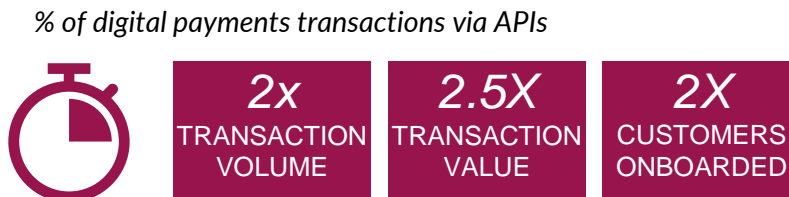
\*As per Bloomberg League Table for India Bonds



# We are progressing well on the Corporate Digital transformation and are witnessing strong corporate interest



## Growing contribution of transactions for newly onboarded customers onto APIs



*Year-on-year growth - Dec'22 vs Dec'21*

# Industry-wise Distribution (Top 10)



All figures in ₹ Crores

Rank	Outstanding <sup>1</sup> as on 31 <sup>st</sup> Dec'22 Sectors	Advances	Investments	Non-fund based	Total	
					Value	(in % terms)
1.	Financial Companies <sup>2</sup>	55,105	34,078	29,563	1,18,746	12.16%
2.	Engineering & Electronics	15,254	1,750	33,386	50,390	5.16%
3.	Infrastructure Construction <sup>3</sup>	20,170	5,005	14,010	39,185	4.01%
4.	Petroleum & Petroleum Products	19,327	3,713	13,164	36,204	3.71%
5.	Trade	28,962	700	5,784	35,446	3.63%
6.	Power Generation & Distribution	20,886	2,865	6,570	30,321	3.11%
7.	Iron & Steel	15,639	1,016	10,592	27,247	2.79%
8.	Real Estate <sup>4</sup>	25,456	750	792	26,998	2.77%
9.	Chemicals & Chemical Products	13,154	675	11,265	25,094	2.57%
10.	Food Processing	19,864	25	3,122	23,011	2.36%

<sup>1</sup> Figures stated represent only standard outstanding (advances, investments and non fund based) across all segments

<sup>2</sup> Includes Banks (30%), Non Banking Financial Companies (34%), Housing Finance Companies (19%), MFIs (3%) and others (14%)

<sup>3</sup> Financing of projects (roads, ports, airports, etc.)

<sup>4</sup> Lease Rental Discounting (LRD) outstanding stood at ₹17,492 crores

**Business Performance**

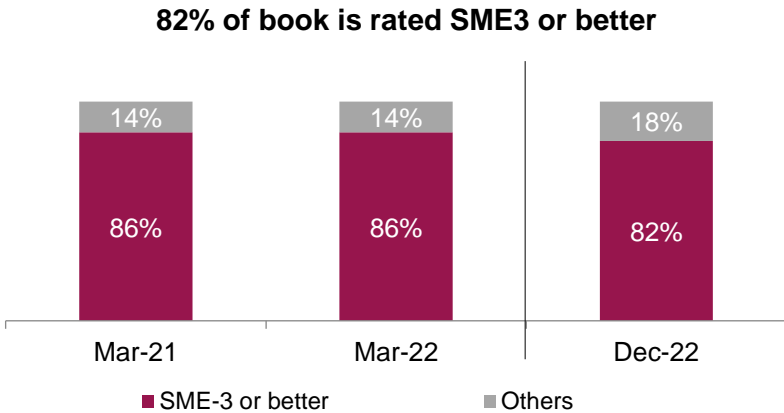
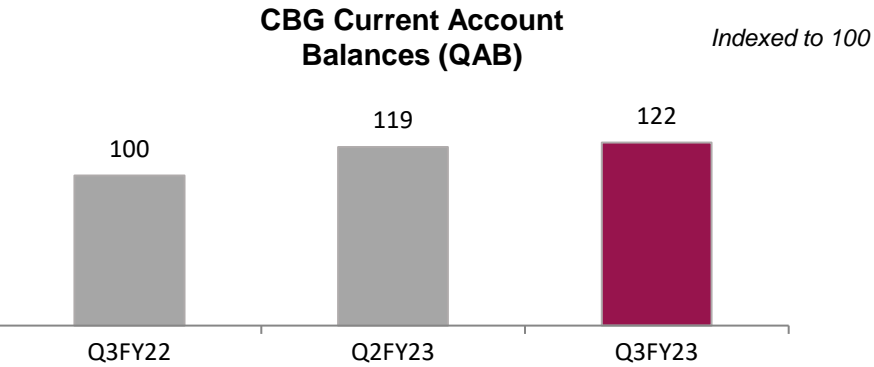
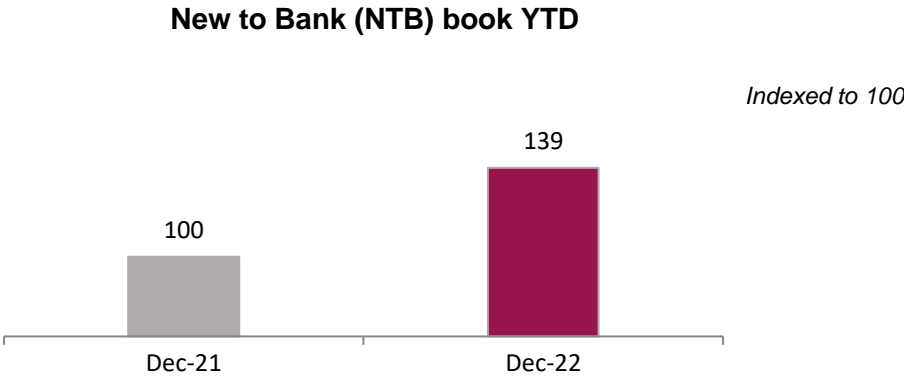
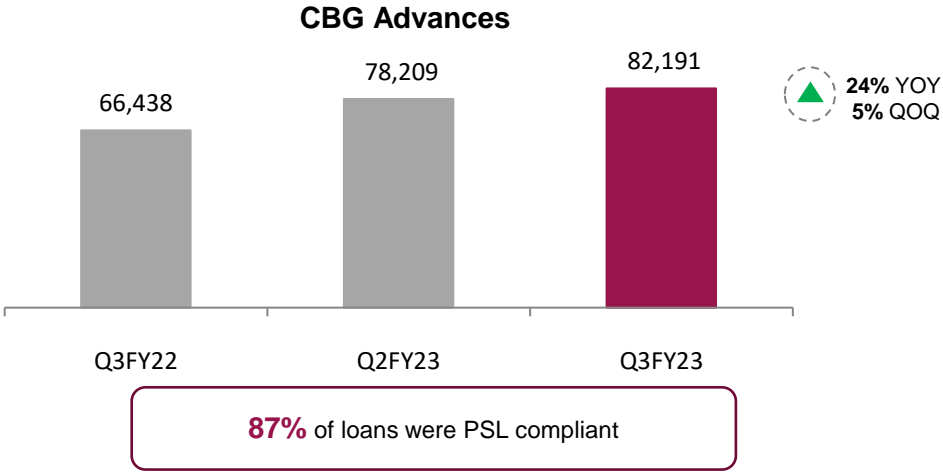
**Commercial Banking**



# Commercial Banking business benefitting from technology led transformation






- One of the most profitable segments of the Bank with high PSL coverage
- Data driven credit decisions, minimal documentation, simplified products and digitized operations aiding higher business growth





# Digital Banking

 <p><b>D2C products</b></p>	<p><b>94%</b> Digital transactions<sup>^</sup></p>	<p><b>79%</b> Credit cards issued<sup>**</sup> (Q3FY23)</p>	<p><b>73%</b> New MF SIP volume (Q3FY23)</p>	<p><b>70%</b> New SA acquisition*</p>	<p><b>67%</b> Individual RTDs volume (Q3FY23)</p>	<p><b>54%</b> PL disbursed (end-to-end digital)</p>	<p><b>4.8@</b> Mobile App ratings</p>
 <p><b>Transformation</b></p>	<p><b>250+</b> Services on digital channels</p>	<p><b>17%</b> Market share in UPI (Q3FY23)</p>	<p><b>15%</b> Market share in mobile (9MFY23<sup>^</sup>)</p>	<p><b>~11 Mn</b> Mobile Banking MAU<sup>#</sup>(Q3FY23)</p>	<p><b>103500+</b> Devices on BYOD<sup>^</sup></p>	<p><b>2750+</b> Automated Processes (IA)</p>	<p><b>300+</b> Employee tool Journeys</p>
 <p><b>Capabilities</b></p>	<p><b>1600+</b> People dedicated to technology agenda</p>	<p><b>~370</b> In-house development digital team</p>	<p><b>67%</b> New hires from non-banking backgrounds</p>	<p><b>PB</b> Scale big data Hadoop clusters</p>	<p><b>40+%</b> Lift of bank credit model GINI scores over bureau</p>	<p><b>~76</b> Apps on cloud</p>	<p><b>Agile</b> Enabled teams with CI/CD, micro-services architecture</p>

**~6.8 Mn**

Non Axis Bank customers using Axis Mobile & Axis Pay apps (as of Dec'22)

**33%**

Contribution of KTB channels to overall sourcing of Cards (in Q3FY23)



\*Digital tablet based account opening process for Q3FY23 \*\*through digital and phygital mode ^RBI data for 9MFY23

@ on Google Play store ~Bring your own device enabled for staff and outsourced team  
<sup>^</sup>Based on all financial transactions by individual customers in Q3FY23 #Monthly Active Users

# Our digital strategy is aligned with our GPS strategy

A

## Reimagine Customer Proposition



**Digital-first products** embedding design thinking



**End-to-end simplification** of customer journeys



Banking services **integrated** across partner ecosystems



**Omnichannel experience** to differentiate customer experience and **hyper personalization**



B

## Transform the Core



**Ops excellence** & institutionalization of data & tech enabled operating rhythm



**Twin-engine approach** to build digital stack and **modernize the core**



**Modular, resilient technology** with **Cloud first** architecture



**Proprietary in-house capabilities** for accelerated design and go-to-market



Next gen **cyber security capabilities**

C

## Build Future-ready Capabilities



**Data architecture 3.0**; moving beyond analytical models to **data engineering**



Integrating **alternate, unconventional data** for **risk-moderated growth**



**Digital workforce** for digital consumers



Creating a **cutting edge, future ready workspace 2.0**

# We continue to introduce and scale new products driven by our *OPEN philosophy*



## Our product portfolio

Deposits		Investments & Insurance		Loans & Cards	
Saving Accounts	Current Accounts	Mutual Funds	General Insurance	Personal loan	Credit cards
Fixed Deposit	PPF	Forex card	Life Insurance	GST based business loans	Auto loans

## Recent launches in last few quarters

Buy Now Paylater	Merchant Cash Advance	Cards lifecycle	Auto loan
OW Remittance	GrabDeals	Insurance 2.0	CA Sole Proprietor



**O**-based redesign; customer centric, design led and 0-operations



**P** Proprietary in-house capabilities



**E** Ecosystems capable; built for all Axis and partner channels



**N** Numbers, Numbers, Numbers: Impact led and metrics driven



# We are investing heavily in building capabilities



## Building the right talent

- **1600+** people dedicated to technology agenda
- **~370** member full service inhouse team:
- **~67%** new hires from non-banking background
  - Design
  - Product managers
  - Developers: Front-end, back-end, full stack
  - Dev-ops
  - QA
  - Scrum masters
  - Digital marketers



## Establishing agile processes

- Agile operating model established
- Cross-functional teams as end-end owners
- Operating rhythms across daily huddles, development in sprints, in-sprint automated user testing setup
- Dev-ops infrastructure set up. Info-sec checks integrated into development lifecycle



## Enabling the team through technology

- Fully cloud ready: new customer facing applications as cloud native
- CI-CD pipeline in place; using new age tools such as Jira, Confluence, Bitbucket, Jfrog etc
- Deployment in Kubernetes clusters for scale
- Modular micro-services based architecture



## Setting the right data infrastructure

- Big data clusters developed on Hadoop with PetaByte scale data
- **150+** use cases deployed across credit, fraud, marketing analytics on cloud decisioning platform
- Multiple machine learning based credit models developed; **2000** attributes considered; up to **40+%** lift on GINI over generic bureau models

# Leadership in technology with several industry firsts



**1<sup>st</sup>**

Indian Bank to be member of Banking Industry Architecture Network (BIAN)

**1<sup>st</sup>**

Bank to hollow the core for elite merchants on UPI  
Leading player in UPI Payer PSP<sup>1</sup>

**Cloud 1<sup>st</sup>**

Only among peers to have 3 Enterprise grade landing zones

**790**

Best-in-class BitSight\* rating in BFSI, better than 90% of the Finance peer group

**2.5x**

Tech investment growth in 3 years with 2x growth in IT team strength

**350+**

Retail & Corporate APIs Partnership  
Integration with Market Leaders

**# 1**

in digital execution of corporate loan agreements<sup>2</sup>

**Next Gen Data Platform**

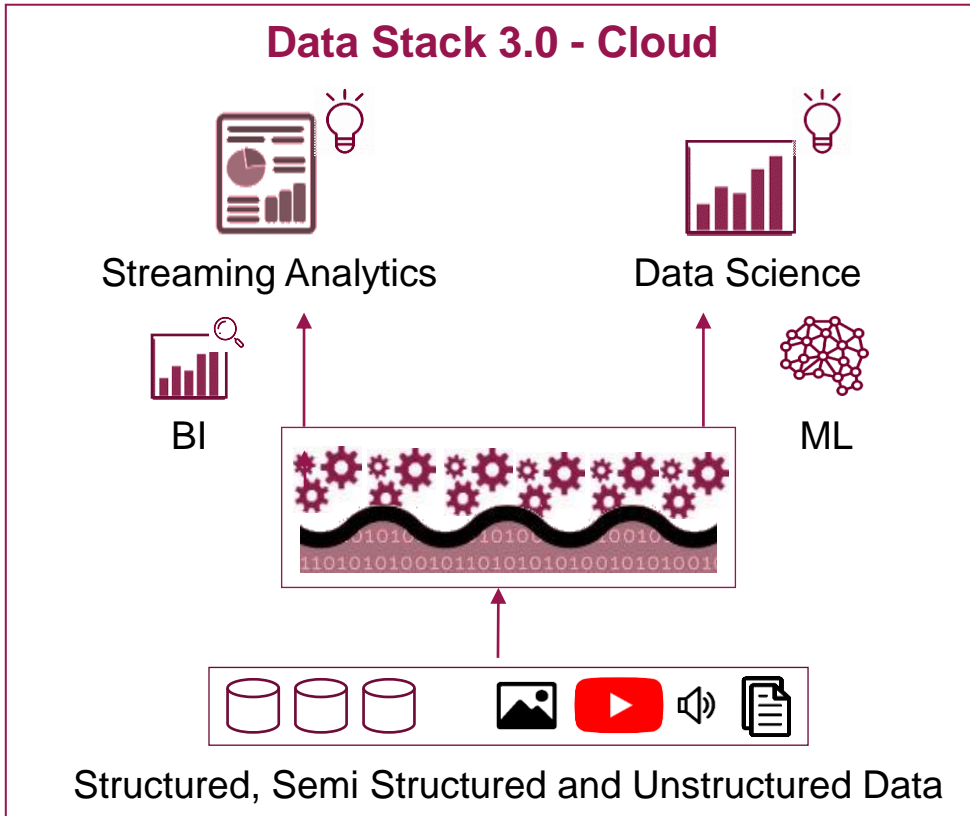
Customer 360, Central DQ, Enterprise Data, Decision Engine

1. National Payments Corporation of India; 2. National E-Governance Services Ltd

\* BitSight Security Ratings as of Jan'2023 – higher the rating, the more effective the company is in implementing good security practices

# Built best-in-class personalization capability and are leveraging alternate data to scale up our customer centric franchise

*Building data stack 3.0 for next level of analytics and have created service data lake for enhanced customer experience*



**On the fly elasticity**  
**Separation of compute from storage**



**Personalization – 10k+** nudge variants live to become best customer experience app in the world



**100+ Alternate Data** features powering **50+** distinctive models



**Data Stack 3.0** is the modern and scalable architecture that helps deploy **1000+** use cases

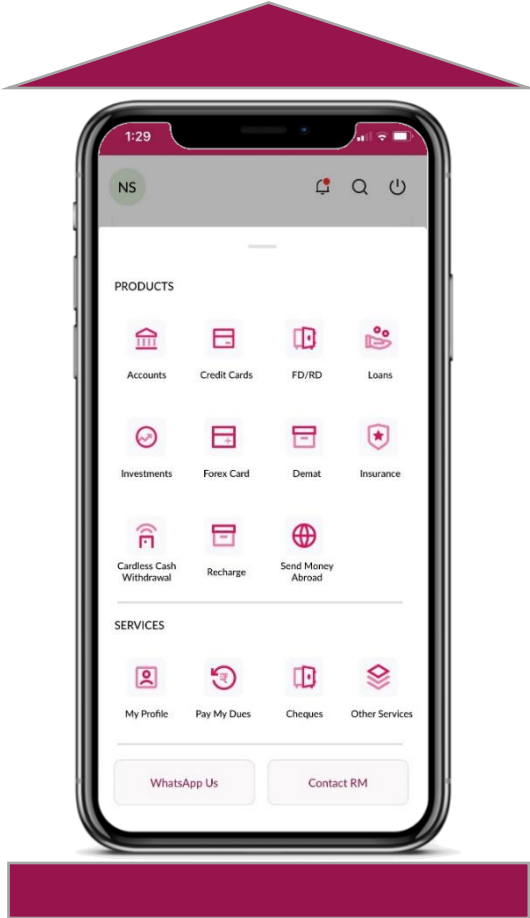


**80%** of the lending happens via in-house scorecards, **1.5x** more predictive than CIBIL scores



**Big data clusters** developed on Hadoop with PetaByte scale data

World's highest rated Mobile Banking App, doubling up as our largest branch



**Store Rating**

★★★★★ 4.8  
 ★★★★★ 4.6

**People's Choice**

**Bank on-the-go with Axis Mobile App**

**Hyper personalized | Intuitive | Seamless**

Highest rating of **4.8** on Google Play Store with **16 lakh+ reviews** across 59 global banks, 8 global neo banks and 50 Indian fintech apps

<p><b>65%</b> of Branch service request volumes covered</p>	<p><b>250+</b> DIY Services on mobile channel</p>	<p><b>~ 22 mn</b> Registered customers on Axis Mobile Banking</p>	<p><b>~ 11 mn</b> Monthly active users on Axis Mobile Banking</p>
<p><b>~ 6.8 mn</b> Non-Axis Bank customers using Axis Mobile &amp; Axis Pay apps in Q3FY23</p>	<p><b>~₹7.6 tn</b> MB spends in Q3FY23, up <b>50% YOY</b></p>	<p><b>~ 3.9 bn</b> MB volumes in Q3FY23, up <b>88% YOY</b></p>	<p><b>60%</b> MB customers banking only on mobile app</p>

# UPI has scaled up tremendously to become a key channel for customer transactions



We have developed best-in-class UPI stack that enables us to offer cutting edge customized solutions across SDK, Intent, Collect and Pay offerings apart from new use cases like UPI AutoPay



Dedicated IT cloud infrastructure to exclusively handle high volume UPI transactions has resulted in Axis Bank achieving one of the lowest decline rates as a remitter when compared to peer banks

## Strong customer base and partnerships

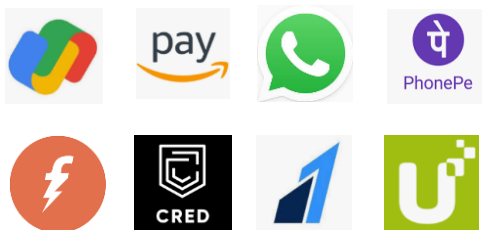
**553 mn**

Cumulative VPA base\*\*

**~ 50 lakh**

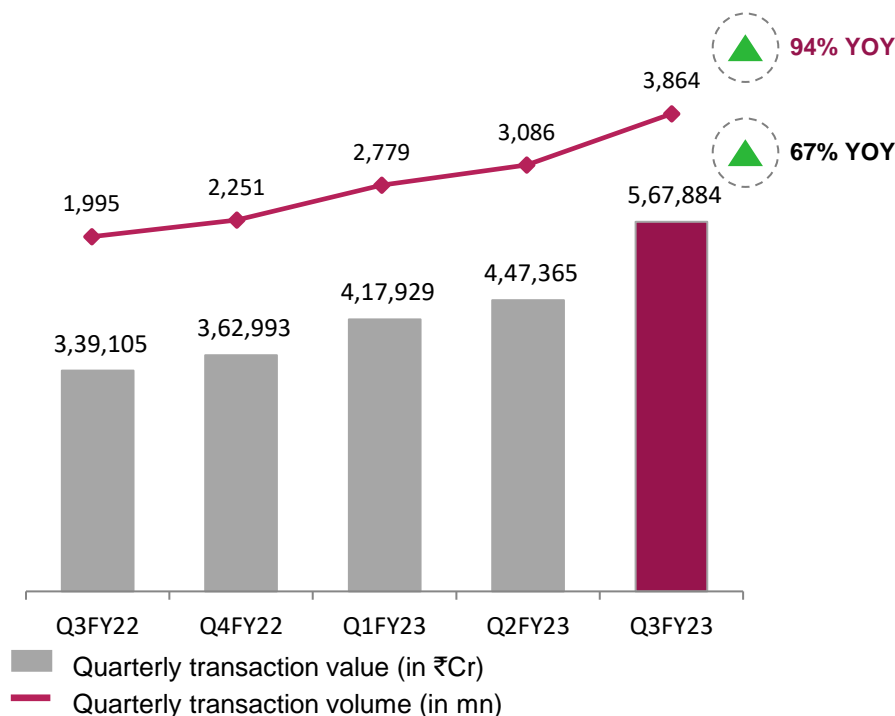
Merchants transacting per day on our stack

Marque partnerships across the PSP and acquiring side

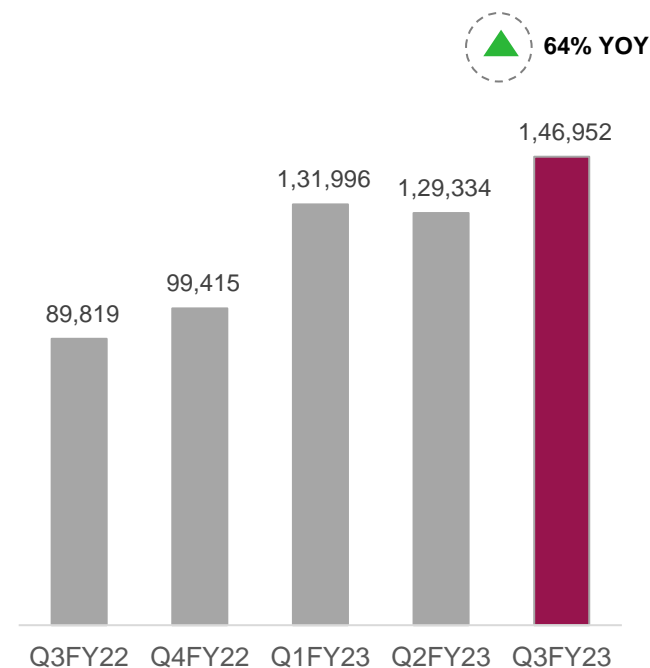


and many others..

## UPI transaction value and volumes (as Payer PSP)



## UPI P2M Throughput (in ₹ crores)



\*\* A user registering VPA once in Axis Pay and once in Google Pay is counted as 2













The Bank maintained its strong positioning in the UPI space with a market share of 17% as Payer PSP (by volume) and ~11% in UPI P2M Acquiring (by throughput) in Q3FY23

# Partnerships as a channel has significant potential to expand our customer base



## We have 85+ Partnerships across Platforms and Ecosystems

<p><b>Product Specific (API banking)</b></p> <ul style="list-style-type: none"> <li>• Channel to acquire &amp; service customers, complete customer ownership with Bank</li> <li>• Co- branded products; revenue sharing (Offering FDs, PL and Credit Cards)</li> </ul>	<p><b>Transaction banking (White-labelled banking)</b></p> <ul style="list-style-type: none"> <li>• Banking as a Service</li> <li>• Deep integration with the partner</li> </ul>
---	--

<p><b>Aggregators</b></p>     					
<p><b>Digital Lenders</b></p>     		<p><b>Neo-Banks</b></p>   		<p><b>Investment Platforms</b></p>   	
<p><b>Mobility</b></p>       					
<p><b>Enablers</b></p>   		<p><b>Telecom</b></p>  		<p><b>Payments</b></p>    	

APIs hosted on Bank's API Developer Portal

350+ Total APIs

~275+ Retail APIs

Executive Summary

Financial Highlights

Capital and Liquidity Position

Business Segment performance

**Asset Quality**

Sustainability

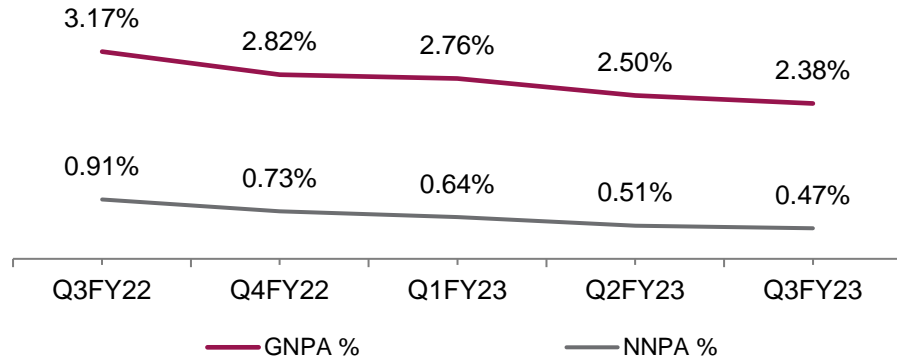
Subsidiaries' Performance

Other important information

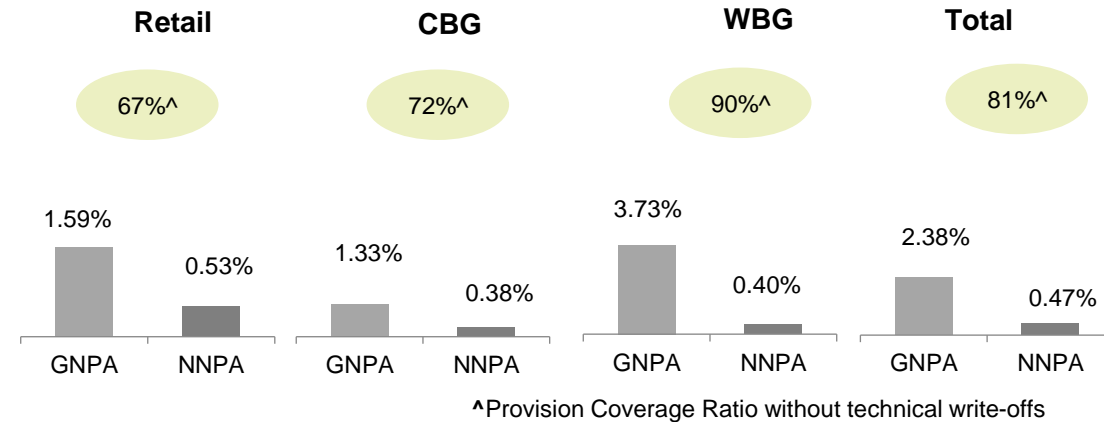
# Consistently improving asset quality visible across all segments



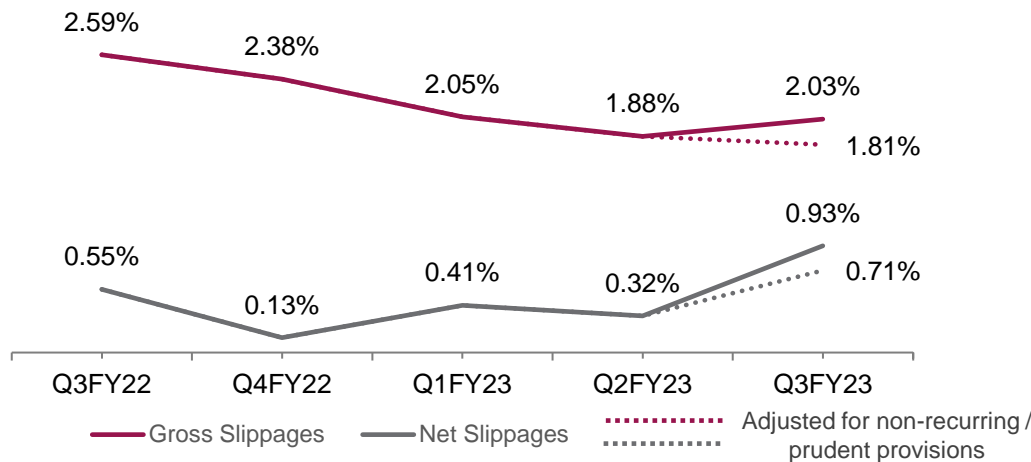
**GNPA at 2.38% & NNPA at 0.47%**



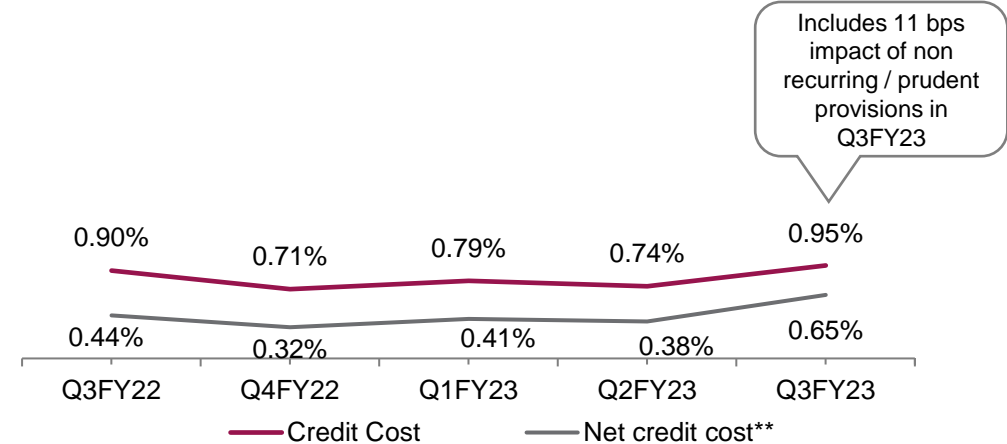
**Segmental composition improving sequentially and YOY**



**Slippages (Annualised)**



**Credit Cost (Annualised)**



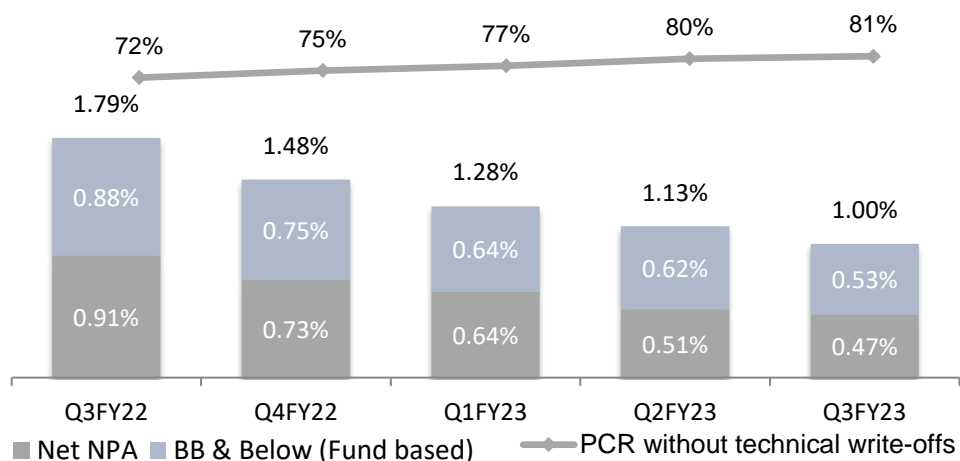
\*\* credit cost net of recoveries in written off accounts



# Limited restructuring, largely secured and well provided; Declining BB & Below Book

## Bank's Net NPA\* and Fund based BB and Below\* portfolio

PCR (excluding technical write offs) up 89 bps QoQ at 81%;  
net NPA improved 44 bps YoY and 4 bps QoQ



### BB & below book

BB & Below Outstanding	Q2 FY23	Q3 FY23
Fund based (FB)	4,939	4,451
Non fund based	2,261	1,894
Investments	787	731

The outstanding amount in 'BB and Below' portfolio incorporates cumulative impact of rating Upgrades / Downgrades and Slippages from the pool

\*As % of customer assets, as applicable

## Update on restructured book

Outstanding Covid (1+2) restructuring as on 31.12.2022	Implemented
<b>Bank</b>	<b>2,482</b>
Retail	2,059
Wholesale	407
CBG	16
<b>Bank as a % of GCA</b>	<b>0.30%</b>
Retail as a % of segment GCA	0.47%
Wholesale as a % of segment GCA	0.16%
CBG as a % of segment GCA	0.02%

- Provision on restructured book Rs. 693 crs, coverage ~ 23%
- ~96% of Retail Covid (1+2) is secured, unsecured 100% provided
- Linked but not restructured NFB Rs. 949 crores
- MSME (1+2) restructured book Rs. 490 crs, 0.06% of GCA, provision held Rs. 149 crs
- Linked non-restructured book Rs. 195 crores, provision held Rs. 86 crs

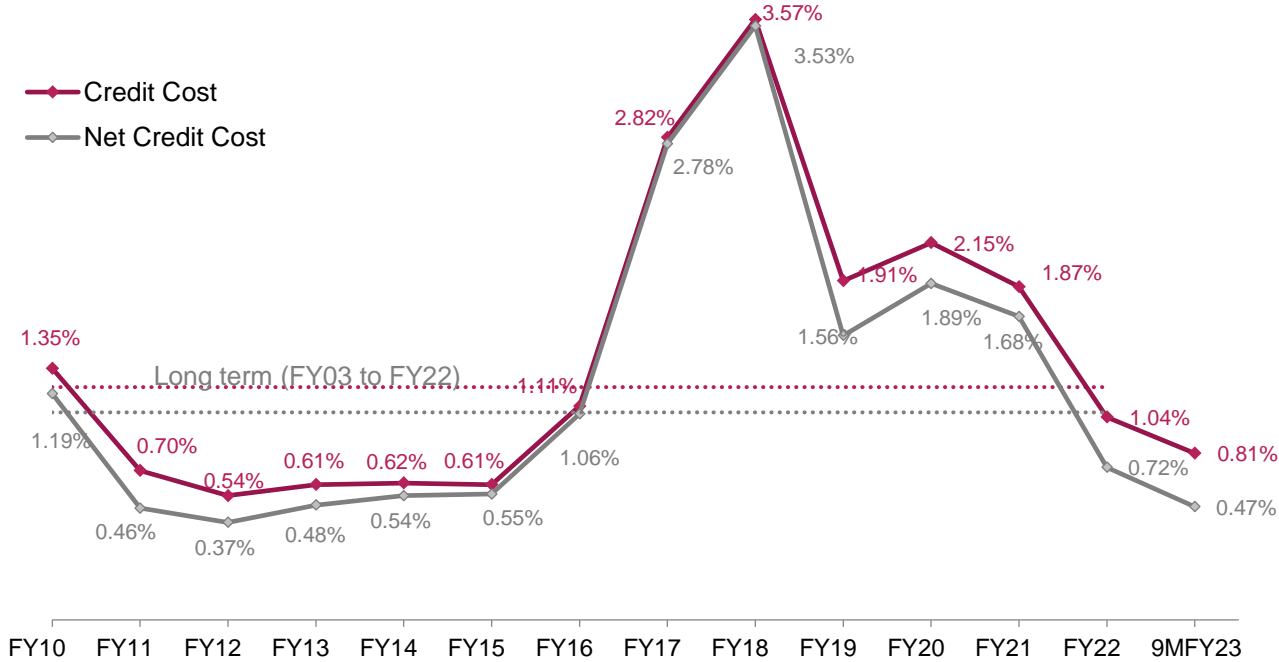
### Key comments on BB and Below book

- Rs. 417 crs of reduction is due to recoveries/upgrades
- Rs. 180 crs downgraded to BB & below during the quarter, down 78% YOY
- Rs. 439 crs slippages (FB + Investments) to NPA (of which prudent Rs. 169 crs) with linked NFB of Rs. 449 crs; and Rs. 155 crs upgrade from past NPA
- Average ticket size ~ Rs. 40 crs
- ~ 17% of BB & Below book rated better by at least one rating agency
- Top 4 sectors comprising Power Generation & Distribution, Hotels, Infra Construction and Petroleum & Petroleum Products account for 65% of FB book

# Legacy asset quality issues adequately addressed



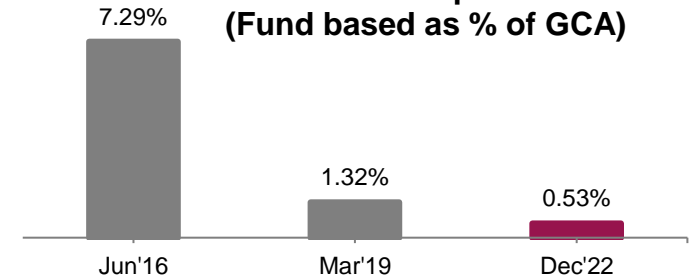
### Overall Credit Costs: FY10 to 9MFY23



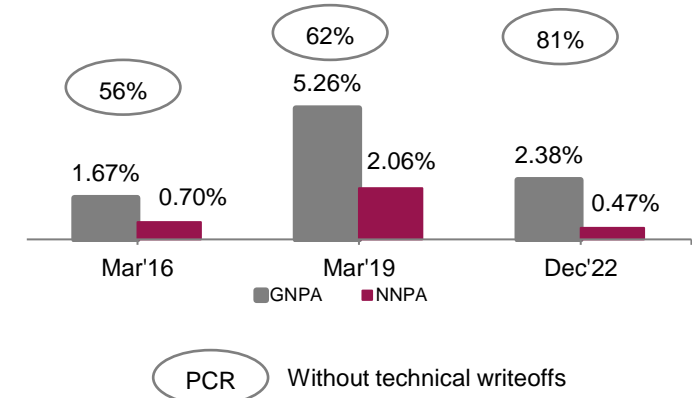
Drivers of Credit Costs

- **Reduced lumpiness of the wholesale business:** Given quality and granularity of the wholesale book, the new credit costs should be lower for this cycle as compared to previous cycle
- **Provisioning rules tightened and rule based, PCR an outcome:** We now operate at 15% to 20% higher than where we used to previously operate. This needs to be factored in the incremental provisioning in the short term
- **We feel comfortable growing our retail unsecured book now:** It will give us better risk adjusted NIMs, credit costs standalone will be higher

### Trend in BB corporate book (Fund based as % of GCA)



### Asset quality metrics



# Detailed walk of NPAs over recent quarters

		Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23
<b>Gross NPAs - Opening balance</b>	<b>A</b>	24,149	23,301	<b>21,822</b>	<b>21,037</b>	<b>19,894</b>
Fresh slippages	B	4,147	3,981	3,684	3,383	3,807
Upgradations & Recoveries	C	3,288	3,763	2,957	2,826	2,088
Write offs	D	1,707	1,697	1,512	1,700	1,652
<b>Gross NPAs - closing balance</b>	<b>E = A+B-C-D</b>	<b>23,301</b>	<b>21,822</b>	<b>21,037</b>	<b>19,894</b>	<b>19,961</b>
Provisions incl. interest capitalisation	F	16,788	16,310	16,256	15,898	16,131
<b>Net NPA</b>	<b>G = E-F</b>	<b>6,513</b>	<b>5,512</b>	<b>4,781</b>	<b>3,996</b>	<b>3,830</b>
<b>Provision Coverage Ratio (PCR)</b>		<b>72%</b>	<b>75%</b>	<b>77%</b>	<b>80%</b>	<b>81%</b>
Accumulated Prudential write offs	H	35,620	36,256	36,569	36,865	37,366
<b>PCR (with technical write-off)</b>	<b>(F+H)/(E+H)</b>	<b>89%</b>	<b>91%</b>	<b>92%</b>	<b>93%</b>	<b>93%</b>

## Provisions & Contingencies charged to Profit & Loss Account

	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23
Loan Loss Provisions	<b>790</b>	<b>602</b>	<b>777</b>	<b>751</b>	<b>1,341</b>
Other Provisions	<b>545</b>	<b>385</b>	<b>(418)</b>	<b>(201)</b>	<b>97</b>
<i>For Standard assets*</i>	100	121	(20)	161	106
<i>Others**</i>	445	264	(398)	(362)	(9)
<b>Total Provisions &amp; Contingencies (other than tax)</b>	<b>1,335</b>	<b>987</b>	<b>359</b>	<b>550</b>	<b>1,438#</b>

\* including provision for unhedged foreign currency exposures

\*\* includes provision for restructuring pool and other non-NPA provisions

# includes Rs. 340 crs on account of non recurring, one-time / prudent items, representing 24% of provisions for the quarter

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**Sustainability**

Subsidiaries' Performance

Other important information

# Our ESG Progress

**Our Purpose Statement: Banking that leads to a more inclusive and equitable economy, thriving community and a healthier planet**



Environmental

**~9,745 tCO<sub>2</sub>e**

GHG emissions avoided

**₹12,255 Cr**

Green Wholesale lending portfolio

**7.05 MW**

In-house solar power capacity

\* As of March 2022



Social

**1.03 Mn**

Households reached under Sustainable Livelihoods

**1.87 Mn**

Women borrowers under Retail Microfinance

**24.6%**

Female representation in workforce



Governance

**1<sup>st</sup>**

Indian Bank to constitute an ESG Committee of the Board

**62%**

Proportion of Independent, Non-Executive directors

**23%**

Proportion of women directors on the Board

## Steady Performance on Global ESG Benchmarks



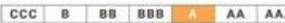
Above **80<sup>th</sup>** percentile among global banks on DJSI in 2022



**6<sup>th</sup>** Consecutive year on FTSE4Good Index in 2022



MSCI ESG Ratings at **A** in 2022



CDP Score at **C** in 2022



Among the top 10 Constituents of Nifty100 ESG Sector Leaders Index



Among top 10 constituents of S&P BSE 100 ESG Index



Among Top 10 Constituents of MSCI India ESG Leaders Index

# Committed to Positive Climate Action and Achieving the Sustainable Development Goals



- Axis Bank is the first Indian Bank to constitute a standalone ESG Committee of the Board
- In September 2021, the Bank announced commitments aimed at supporting India's low-carbon and equitable economic transition
- The Bank's commitments are aligned to pertinent SDGs and India's commitments under the Paris Agreement



## Our Commitment

Incremental financing of **Rs. 30,000 Crores under Wholesale Banking** to sectors with positive social and environmental outcomes, **by FY 2026**



## Our Progress in FY 2022 and aspiration for FY 2023

- Achieved a disbursement of **₹10,414 Cr** as of March 2022



Making **5% of its retail Two-Wheeler loan** portfolio as electric by **FY 2024**



- EV penetration of **0.82%** of the overall two-wheeler business achieved, as of March 2022



Incremental disbursement of **Rs. 10,000 crores by FY 2024 under Asha Home Loans** for affordable housing; increasing share of women borrowers from **13.9% to 16.9%**



- Achieved disbursement of **₹4,710 Cr** as of March 2022
- Share of women borrowers increased to **15.86%** as of March 2022



**Scaling down exposure to carbon-intensive sectors**



- Committed to gradually phasing down wholesale book exposure in four identified carbon intensive sectors – Coal (mining, logistics and trade), thermal power, shipping, and aviation



Reaching **30% female representation** in its workforce by **FY 2027**



- Overall diversity at **24.6%** as of March 2022; hiring diversity at **27.6%**



**Planting 2 million trees by FY 2027** across India towards contributing to creating a carbon sink



- Site preparation completed at 5 locations in FY 2022
- ~0.875 million saplings to be planted in FY 2023

# Striving for Operational Excellence

## Committed to reducing our operational carbon footprint

The Bank's 3 largest offices, in Mumbai and Bangalore are running on **100%** renewable power

**7.05 MW** functional captive solar power capacity at close to 250 locations\*, helping avoid **approximately 3,066 tCO<sub>2</sub>e** annually

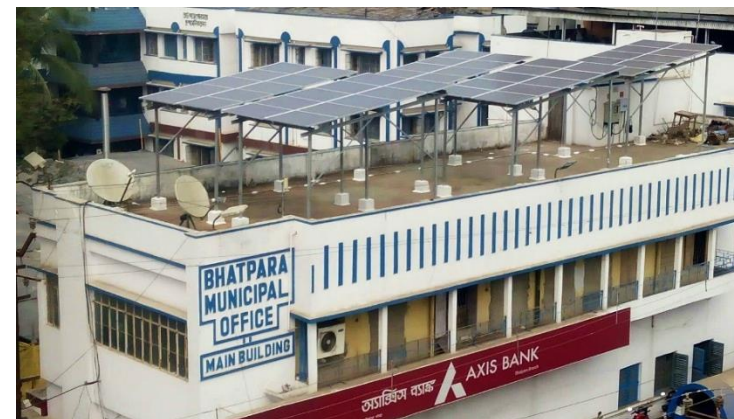
Centralized Energy Management System (CEMS) at 600 branches, saving **~3,066 tonnes** of CO<sub>2</sub> emissions

On-grid inverter solutions at 200+ rural branches to move away from DG sets

Providing **EV Charging** infrastructure at Head offices in Mumbai and at Noida

**~ 9,745 Metric tons** of GHG emissions avoided from diverse energy saving initiatives

'Branch of the Future' initiative by Digital Banking helping each branch save estimated **~1.1 million** sheets of paper monthly



\* All data for FY 2022

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**Subsidiaries' Performance**

Other important information



# Significant value creation happening in our key group entities

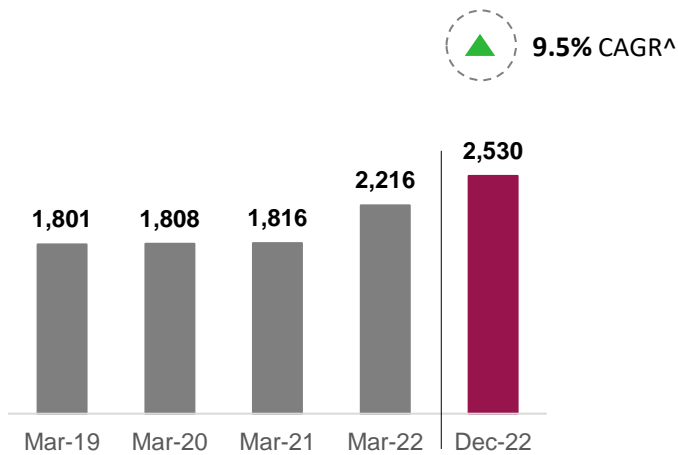


Detailed One Axis presentation [Link](#)

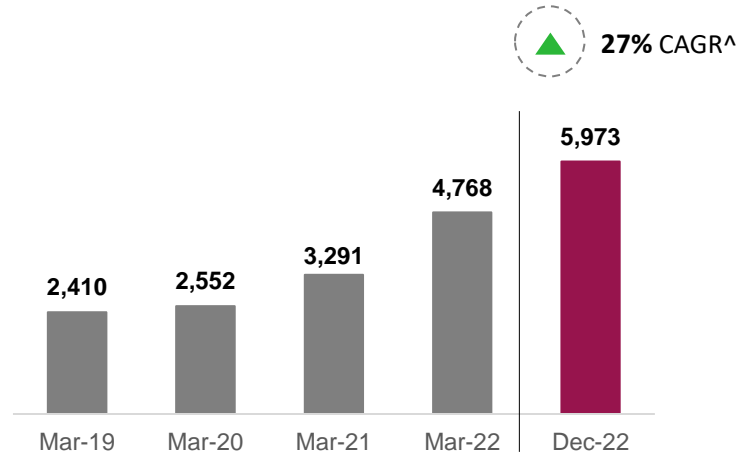
Asset Management	Invst Banking & Inst Equities	Consumer focused NBFC	Retail Brokerage	Trustee	Fintech platform	TReDS platform	Insurance
One of the fastest growing MF player	Leadership position in ECM deals segment	AAA rated NBFC with diversified product offerings	3 <sup>rd</sup> largest bank led brokerage firm	Amongst the leading trustees in India	One of the major fintech players in India	Leading player on TReDS platform	4 <sup>th</sup> largest private insurance company <sup>@</sup>
75% (JV Schroders Plc <sup>^^</sup> ) Stake	100%	100%	100%	100%	100%	67%	12.99%** (Co-promoter), Accounting Associate

All figures in ₹ Crores

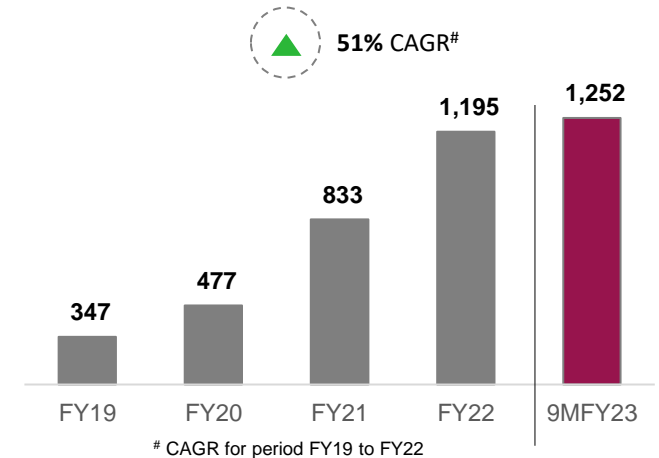
Total investments\* made



Combined network\* of operating subs



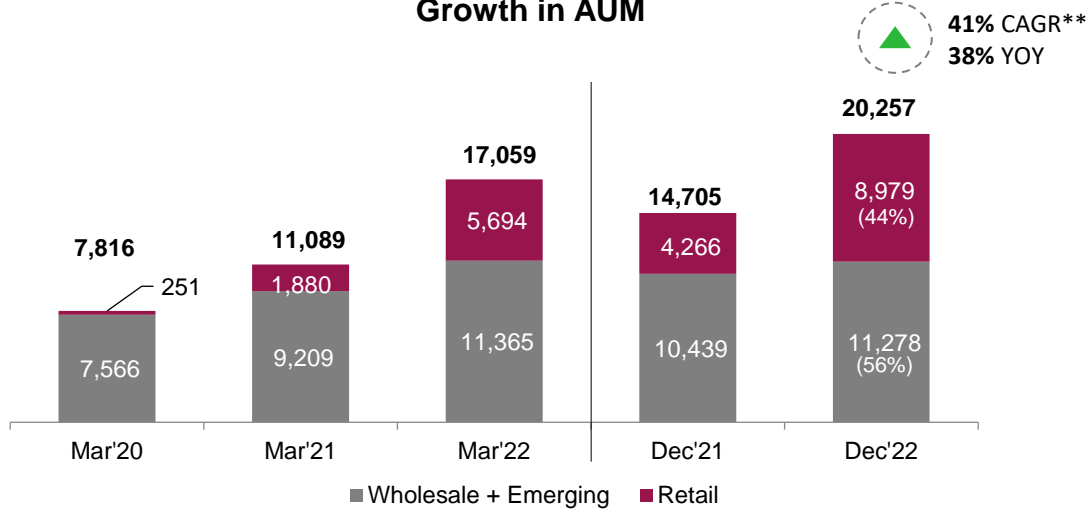
Combined PAT \* of operating subs (annualized)



\*\* Including stakes owned by Axis Capital and Axis Securities; Also, there is further Option to take overall stake to 19.99% ^ 25% is held by Schroders Plc  
<sup>^</sup> CAGR for Mar-19 to Dec-22 period @ Based on New Business Premium  
<sup>\*</sup> The figures represented above are for the bank's domestic group entities as per Indian GAAP, as used for consolidated financial statements of the Group

# Axis Finance : PAT up 35% YOY, Retail book up 2 times YOY

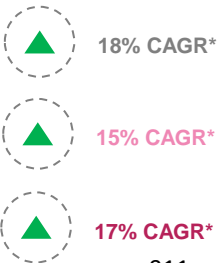
## Growth in AUM



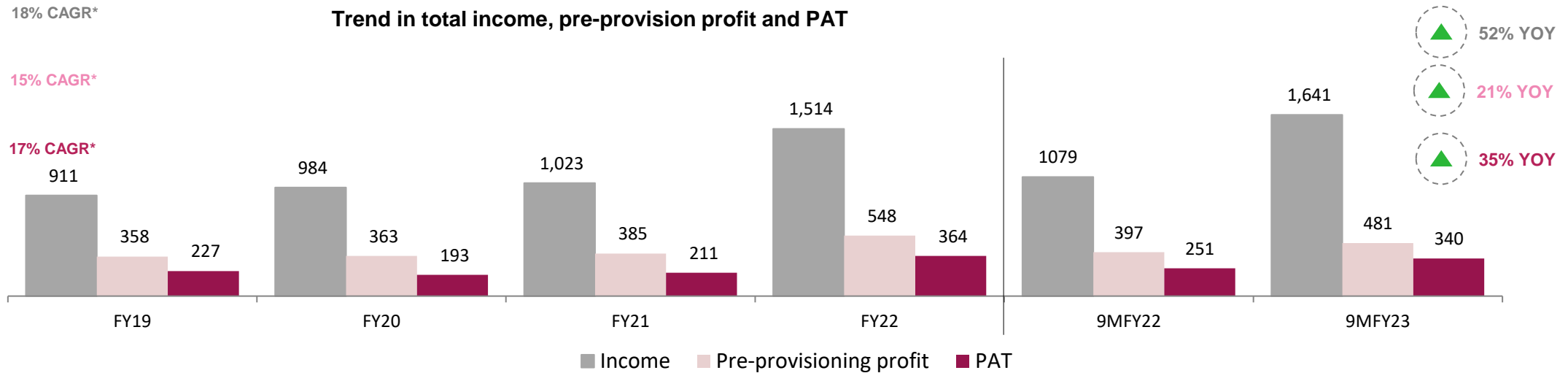
\*\* CAGR for period Mar'20 to Dec'22

## Major Highlights

- **2x** YOY growth in Retail book, retail mix up 1500 bps YOY to **44%** as of Dec'22
- **8%** YOY growth in Wholesale loan book
- **93%** of the wholesale book and **70%** of retail book secured respectively
- **17.7%** ROE for Q3FY23
- **22.2%** Capital adequacy ratio
- **0.37%** Net NPA with near zero restructuring



## Trend in total income, pre-provision profit and PAT



Started investment in retail franchise FY 19 onwards

\* 3 yr CAGR (FY19 to FY22)

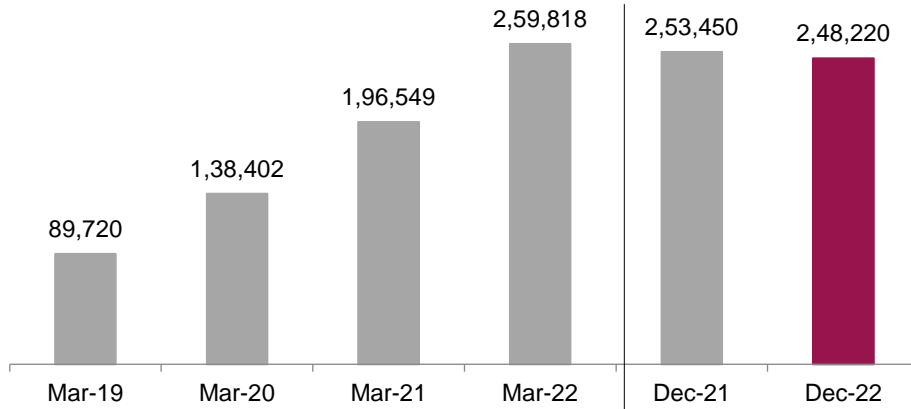
# Axis AMC : PAT up 16% YOY



All figures in ₹ Crores

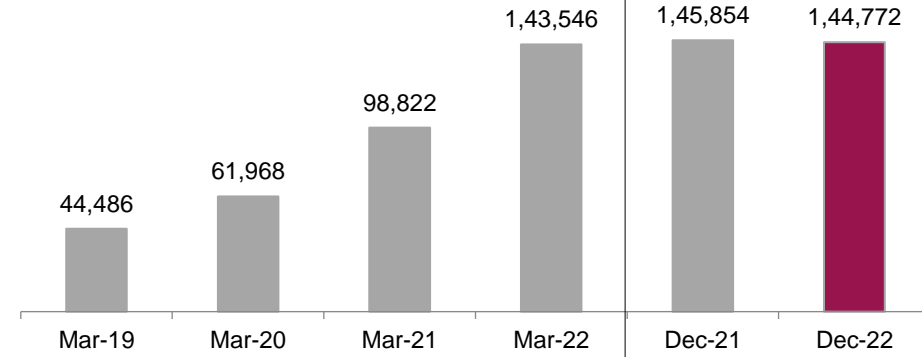
## Overall QAAUM

31% CAGR\*



## Equity QAAUM

37% CAGR\*

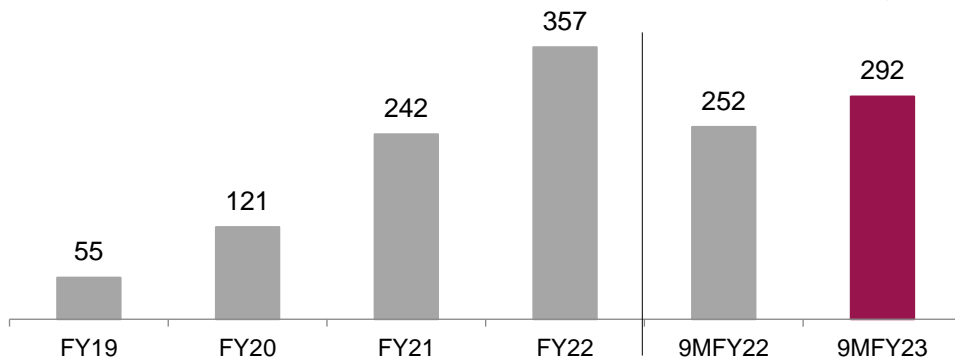


\* CAGR for period Mar-19 to Dec-22

## Trend in PAT

87% CAGR\* (3yr)

16% YOY



\* CAGR for period FY19 to FY22

## Major Highlights

- **6.2%** AAUM market share as of Dec'22
- **63%** of overall AUM consists of Equity & Hybrid funds
- **14%** YOY growth in total gross revenue in 9MFY23
- **17%** YOY growth in Client folios at **13.1 mn** as of Dec'22

Scheme AUM/AAUM (Amt in cr) Rs.241311.69 / Rs.248220.01 Asset Classwise AUM / AAUM: Liquid/Money Market: 42688.17/43375.10, Gilt: 125.64/126.72, Income/Debt: 36012.91/37022.34 Equity including ELSS: 143047.97/147134.56, Hybrid: 9737.73/11090.08, Solution: 1724.28/1754.46, Index: 3328.42/3213.40, ETF: 2380.90/2183.44, FOF: 2265.65/2319.90 . AUM by geography (%) [Cities]: Top 5: 57.72% Next 10: 14.32% Next 20: 6.50% Next 75: 7.68% Others: 13.78%

# Axis Capital : Volatile markets weighed on deal activity



## 9MFY23 Ranking\* (includes IPO, FPO, QIP, REIT, OFS & Rights)

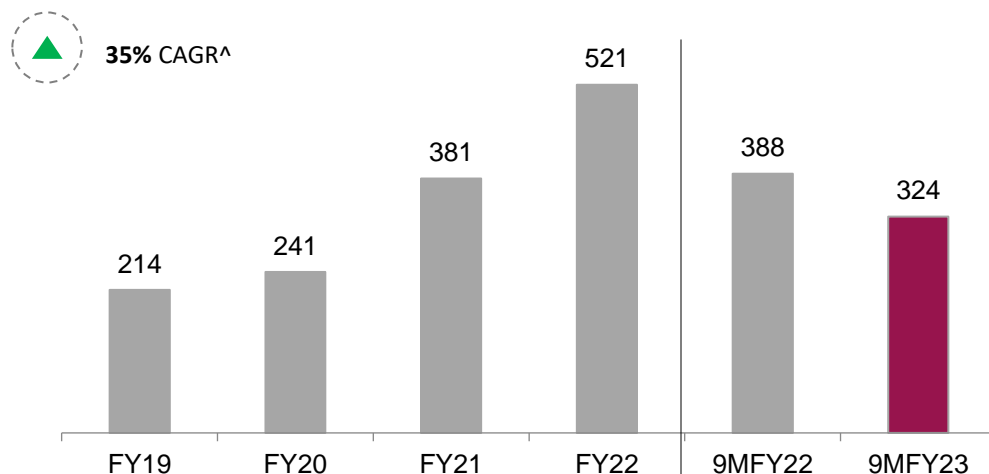
Rank	Banker	No of Deals*
1	Axis Capital	18
2	Peer 1	15
3	Peer 2	13
4	Peer 3	13
5	Peer 4	12

## Major Highlights

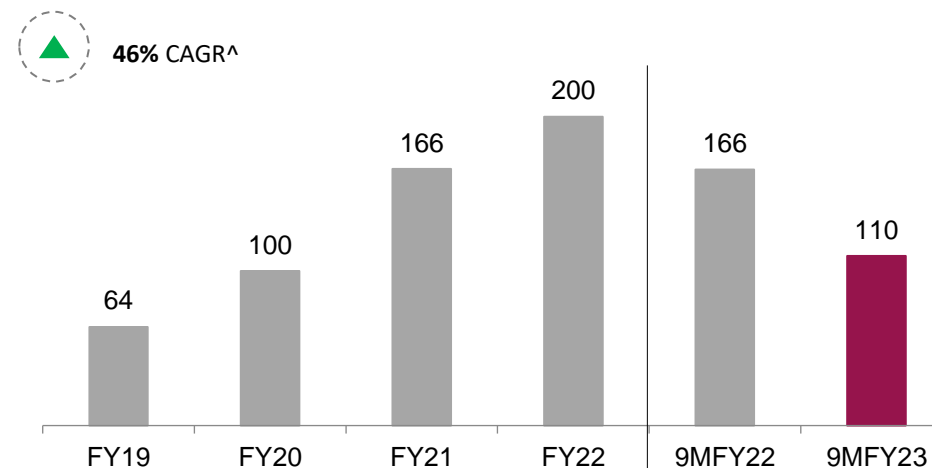
- **33** IB deals closed in 9MFY23 that include **11** IPOs, **2** QIPs, **3** SF Syndication, **5** M&A and **1** Private Equity
- **~12.2%** investment banking market share in 9MFY23
- **44%** YOY growth in Axis Capital's revenue from Institutional Equity business
- **₹110 crores** – PAT in 9MFY23

All figures in ₹ Crores

## Revenue from Operations



## Profit After Tax



\*Source: Primedatabase; Updated till 31<sup>st</sup> December, 2022;  
Includes all Equity IPOs, FPOs, QIPs, OFS, REIT, InvIT, Rights Transactions

<sup>^</sup> CAGR for period FY19 to FY22

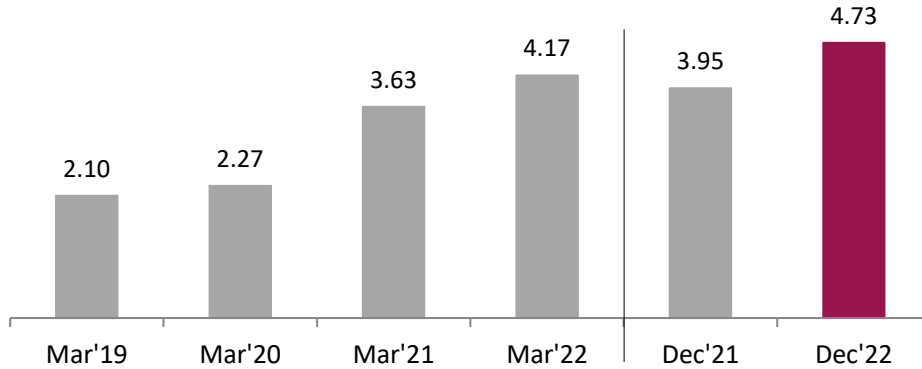
# Axis Securities : Strong growth in new customer additions



**Total customer base (in mn)**

3<sup>rd</sup> largest bank led retail brokerage in terms of customer base

20% YOY  
24% CAGR\*



\* CAGR for period Mar-19 to Dec-22

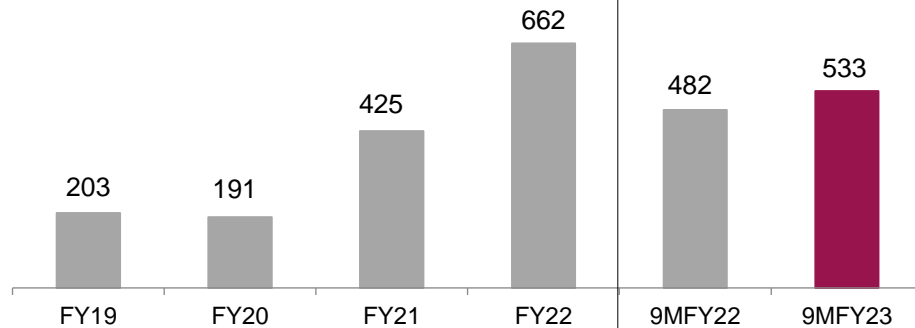
## Major Highlights

- **71%** YOY growth in new clients added during 9MFY23
- **61%** of the volumes in 9MFY23 was from Mobile trading
- **53%** of clients traded through Axis Direct Mobile App in 9MFY23
- **₹ 533 crores** - broking revenues in 9MFY23, up 11% YOY

All figures in ₹ Crores

## Broking Revenue

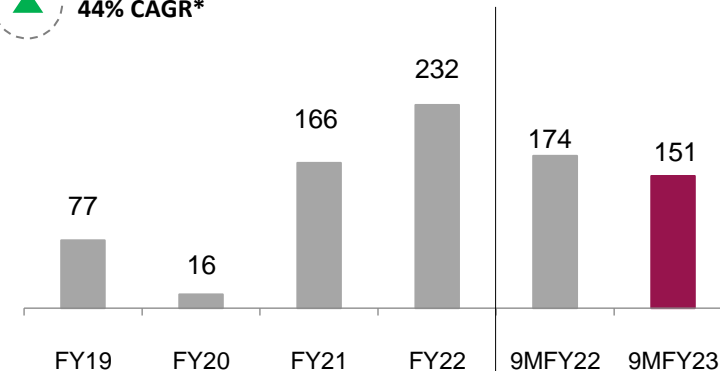
10% YOY  
48% CAGR\*



\* CAGR for period FY19 to FY22

## Profit After Tax

44% CAGR\*



# A.TREDS: Invoicemart setting a new benchmark in TReDS



A.TREDS is one of the three entities allowed by RBI to set up the Trade Receivables Discounting System (TReDS), an electronic platform for facilitating cash flows for MSMEs

- » The TReDS platform connects MSME sellers and their corporate buyers to multiple financiers. It enables discounting of invoices of the MSME sellers raised on large buyers, through a transparent bidding mechanism that ensures financing of receivables at competitive market rates.
- » Our digital invoice discounting platform '**Invoicemart**' has set a new benchmark by facilitating financing of MSME invoices of more than **₹ 46,800 crs+**. Crossed a monthly figure of **₹ 2796+ crs** in December 2022.
- » Invoicemart has helped in price discovery for MSMEs across **870+** locations in India who are now able to get their bills discounted from **52** financiers (banks and NBFC factors)

## Progress so far (Jul'17 to Dec'22)



**Throughput**  
~ ₹ 46,800 Cr



**Invoices Discounted (in No's)**  
~ 14.5 Lakh



**Participants on-board**  
~ 18,550

# Freecharge: “Lending” products continue to gain strong traction



DTH, UTILITIES  
MOBILE RECHARGES

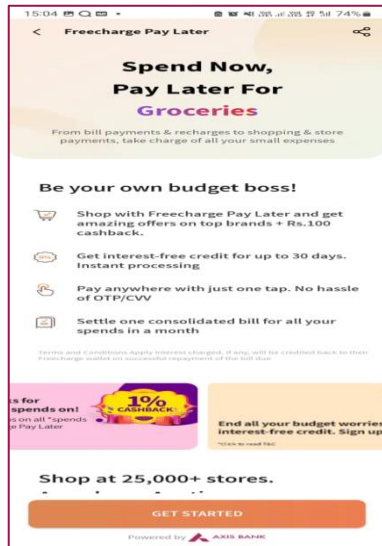
Freecharge continues to evolve from a recharge company to a payments led financial services company with a host of payment and lending products and solutions for both consumers and merchants



LOANS CARDS CA/SA/FD

## BNPL

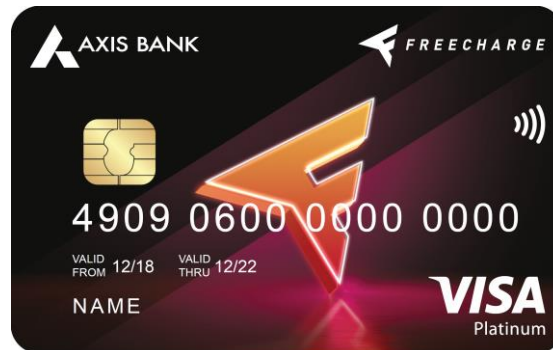
- ~40% growth in transacted amount YoY
- ~35% YoY growth in average spend per user per month
- ~4 Avg Transaction per user per month
- 63% M1 retention in Q3'FY23



## Consumer Lending

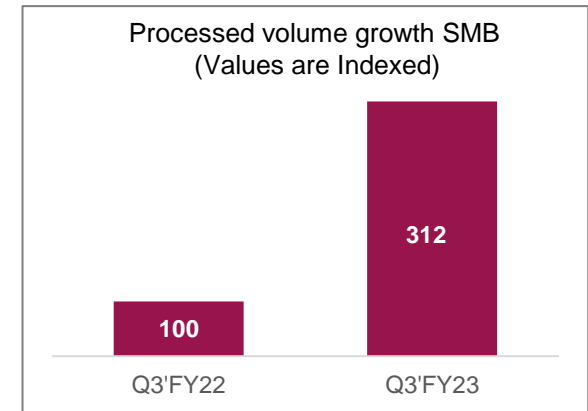
### Credit Cards

- ~13% growth in issued cards QoQ
- ~84% activation rate in Q3'FY23
- Spends in Q3 grew 1% over Q2.



## SMB\* Ecosystem

- ~40% increase in GMV & ~40% increase in transactions QoQ
- 3.7X transactions of lending SMBs compared to non-lending SMBs
- 3X growth in processed volume YoY.
- Sandbox pilot rolled out to 1000+ SMB's



\*Small and micro businesses

Executive Summary

Financial Highlights

Capital and Liquidity Position

Business Segment performance

Asset Quality

Sustainability

Subsidiaries' Performance

Other important information



# Major awards won by the Bank and its subsidiaries



Won **“Best Private Bank for Client Acquisition, Asia”**, 5th Annual Wealth Tech Awards

Won **“Retail Banker’s International Asia Trailblazer”**, for use of AI & ML in financial services

Won **“Finnoviti Award for Project Maximus”**

**Best CRM System Implementation**

**‘Financial Inclusion Initiative of the Year - India’**

**#1** for Large Corporate banking and Middle Market banking in India

**Asia’s Best in Infrastructure Modernization**

**“Best DCM House”** for the year 2021

**“Asian Bank of the year 2021”** and **“India Bond House”** award

**‘Best Sustainability-linked Bond – Financial Institution’** for its US\$600m Sustainable AT1 Bond

**“Great Place to Work-Certified”** among India’s Best Workplaces™ in BFSI 2022.

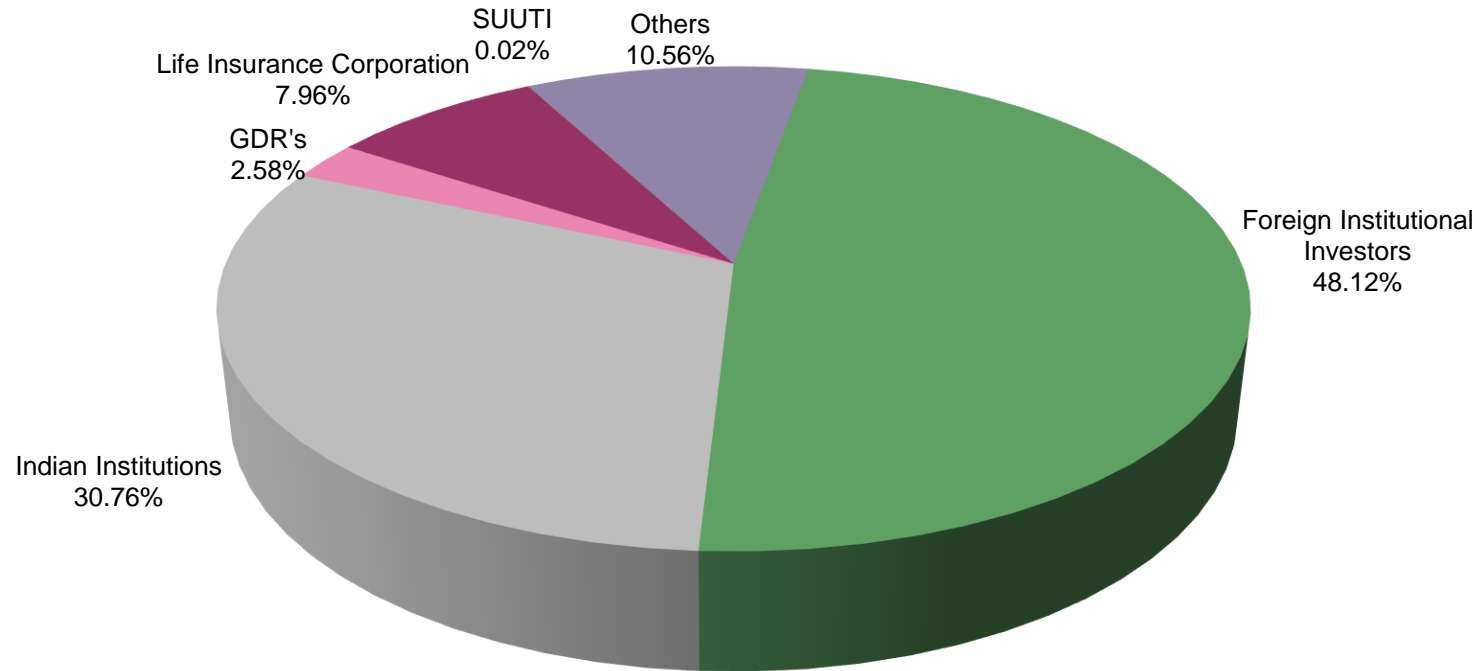
Won **‘Analytics India Magazine’s Cypher’** award for Data Engineering excellence

Won **‘Red Hat APAC Innovation’** award for Digital Transformation and Cloud Native Development

**‘Most Recommended Retail Bank in India’** and **‘Most Helpful Bank during Covid-19 in India’**

Won **‘Leadership in Social Impact’** award at the ESG India Leadership Awards 2021

# Shareholding Pattern (as on December 31, 2022)



- Share Capital ₹615 crores
- Shareholders' Funds ₹130,645 crores
- Book Value Per Share ₹425
- Diluted EPS (Q2 FY23) # ₹74.60
- Market Capitalization ₹286,190 crores (as on January 20<sup>th</sup>, 2023)

# annualised

# Financial Performance



Financial Performance (₹ crores)		Q3FY23	Q3FY22	% Growth	9MFY23	9MFY22	% Growth
Interest Income	A	22,226	17,261	29%	61,194	49,601	23%
Other Income	B = C+D+E	4,666	3,840	21%	11,606	10,997	6%
- Fee Income	C	4,102	3,344	23%	11,540	9,242	25%
- Trading Income	D	428	367	17%	(326)	1,396	-
- Miscellaneous Income	E	136	130	5%	391	359	9%
<b>Total Income</b>	<b>F = A+B</b>	<b>26,892</b>	<b>21,101</b>	<b>27%</b>	<b>72,800</b>	<b>60,598</b>	<b>20%</b>
Interest Expended	G	10,767	8,609	25%	29,990	25,287	19%
<b>Net Interest Income</b>	<b>H = A-G</b>	<b>11,459</b>	<b>8,653</b>	<b>32%</b>	<b>31,204</b>	<b>24,313</b>	<b>28%</b>
<b>Operating Revenue</b>	<b>I = B+H</b>	<b>16,125</b>	<b>12,493</b>	<b>29%</b>	<b>42,809</b>	<b>35,310</b>	<b>21%</b>
Core Operating Revenue*	J = I-D	15,697	12,126	29%	43,135	33,893	27%
Operating Expenses	K	6,847	6,331	8%	19,928	17,034	17%
-Staff Expense	L	2,281	1,939	18%	6,634	5,726	16%
-Non Staff Expense	M	4,566	4,392	4%	13,294	11,308	18%
<b>Operating Profit</b>	<b>N = I-K</b>	<b>9,277</b>	<b>6,162</b>	<b>51%</b>	<b>22,881</b>	<b>18,276</b>	<b>25%</b>
<b>Core Operating Profit*</b>	<b>O = N-D</b>	<b>8,849</b>	<b>5,795</b>	<b>53%</b>	<b>23,206</b>	<b>16,859</b>	<b>38%</b>
Provisions other than taxes	P	1,438	1,335	8%	2,347	6,372	(63%)
- Recoveries in written-off a/c's		(608)	(824)	(26%)	(2,062)	(1,647)	25%
Profit Before Tax	Q = N-P	7,840	4,827	62%	20,534	11,904	72%
Tax Expenses	R	1,987	1,213	64%	5,226	2,996	74%
<b>Net Profit</b>	<b>S = Q-R</b>	<b>5,853</b>	<b>3,614</b>	<b>62%</b>	<b>15,308</b>	<b>8,908</b>	<b>72%</b>
EPS Diluted (in ₹) (annualized)		74.60	46.61		65.90	38.44	
Return on Average Assets (annualized)		1.92%	1.30%		1.73%	1.12%	
Return on Equity (annualized)		19.34%	14.19%		17.58%	12.01%	
Capital Adequacy Ratio (Basel III) (incl. profit)		19.51%	18.72%		19.51%	18.72%	

\* excluding trading profit and exchange gain/loss on capital repatriated from overseas branch

# Financial Performance



Financial Performance (\$ mn)		Q3FY23	Q3FY22	% Growth	9MFY23	9MFY22	% Growth
Interest Income	A	2,687	2,087	29%	7,397	5,996	23%
Other Income	B = C+D+E	564	464	21%	1,403	1,329	6%
- Fee Income	C	496	404	23%	1,395	1,117	25%
- Trading Income	D	52	44	17%	(39)	169	-
- Miscellaneous Income	E	16	16	5%	47	43	9%
<b>Total Income</b>	<b>F = A+B</b>	<b>3,251</b>	<b>2,551</b>	<b>27%</b>	<b>8,800</b>	<b>7,325</b>	<b>20%</b>
Interest Expended	G	1,302	1,041	25%	3,625	3,057	19%
<b>Net Interest Income</b>	<b>H = A-G</b>	<b>1,385</b>	<b>1,046</b>	<b>32%</b>	<b>3,772</b>	<b>2,939</b>	<b>28%</b>
<b>Operating Revenue</b>	<b>I = B+H</b>	<b>1,949</b>	<b>1,510</b>	<b>29%</b>	<b>5,175</b>	<b>4,268</b>	<b>21%</b>
Core Operating Revenue*	J = I-D	1,897	1,466	29%	5,214	4,097	27%
Operating Expenses	K	828	765	8%	2,409	2,059	17%
-Staff Expense	L	276	234	18%	802	692	16%
-Non Staff Expense	M	552	531	4%	1,607	1,367	18%
<b>Operating Profit</b>	<b>N = I-K</b>	<b>1,121</b>	<b>745</b>	<b>51%</b>	<b>2,766</b>	<b>2,209</b>	<b>25%</b>
<b>Core Operating Profit*</b>	<b>O = N-D</b>	<b>1,070</b>	<b>701</b>	<b>53%</b>	<b>2,805</b>	<b>2,038</b>	<b>38%</b>
Provisions other than taxes	P	174	161	8%	284	770	(63%)
- Recoveries in written-off a/c's		(73)	(100)	(26%)	(249)	(199)	25%
Profit Before Tax	Q = N-P	948	583	62%	2,482	1,439	72%
Tax Expenses	R	240	147	64%	632	362	74%
<b>Net Profit</b>	<b>S = Q-R</b>	<b>708</b>	<b>437</b>	<b>62%</b>	<b>1,850</b>	<b>1,077</b>	<b>72%</b>
EPS Diluted (in ₹) (annualized)		74.60	46.61		65.90	38.44	
Return on Average Assets (annualized)		1.92%	1.30%		1.73%	1.12%	
Return on Equity (annualized)		19.34%	14.19%		17.58%	12.01%	
Capital Adequacy Ratio (Basel III) (incl. profit)		19.51%	18.72%		19.51%	18.72%	

\$ figures converted using exchange rate of 1\$ = ₹82.725

\* excluding trading profit and exchange gain/loss on capital repatriated from overseas operations

# Balance Sheet



Balance Sheet	As on 31 <sup>st</sup> Dec'22	As on 31 <sup>st</sup> Dec'21		As on 31 <sup>st</sup> Dec'22	As on 31 <sup>st</sup> Dec'21	% Growth
	In ₹ Crores	In ₹ Crores		in \$ Mn	in \$ Mn	
<b>CAPITAL AND LIABILITIES</b>						
Capital	615	614		74	74	0.2%
Reserves & Surplus	1,30,030	1,10,132		15,719	13,313	18%
ESOP Outstanding	364	118		44	14	207%
Deposits	8,48,173	7,71,670		1,02,529	93,281	10%
Borrowings	1,82,745	1,78,898		22,091	21,626	2%
Other Liabilities and Provisions	61,582	51,634		7,444	6,242	19%
<b>Total</b>	<b>12,23,509</b>	<b>11,13,066</b>		<b>1,47,901</b>	<b>1,34,550</b>	<b>10%</b>
<b>ASSETS</b>						
Cash and Balances with RBI / Banks and Call money	70,463	1,02,046		8,518	12,336	(31%)
Investments	3,05,103	2,66,419		36,882	32,205	15%
Advances	7,62,075	6,64,866		92,122	80,371	15%
Fixed Assets	4,744	4,306		573	520	10%
Other Assets	81,124	75,429		9,806	9,118	8%
<b>Total</b>	<b>12,23,509</b>	<b>11,13,066</b>		<b>1,47,901</b>	<b>1,34,550</b>	<b>10%</b>

\$ figures converted using exchange rate of 1\$ = ₹82.725

## 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.

**Thank You**