

PRESS RELEASE
AXIS BANK ANNOUNCES FINANCIAL RESULTS
FOR THE QUARTER ENDED 30th JUNE 2022

Axis Bank PAT grew sequentially to ₹4,125 crores, up 91% YOY

Strong core operating performance and margin expansion, healthy growth in average deposits and loans

- Net Interest Income up **21%** YOY and **6%** QOQ, NIM at **3.60%**, up **14 bps** YOY and **11 bps** QOQ, Fee up **34%** YOY
- Core operating profit up **17%** YOY and **5%** QOQ, PAT at ₹4,125 crores, up **91%** YOY
- Consolidated ROE (annualized) at **15.66%**, up **587 bps** YOY, subsidiaries contribute 59 bps
- Retail loans up **25%** YOY, SME up **27%** YOY. Retail loans constitute **59%** of the loan book
- On QAB basis: SA grew **16%** YOY and **4%** QOQ, CA grew **15%** YOY
- GNPA% at **2.76%** declined by **109 bps** YOY & **6 bps** QOQ, NNPA% at **0.64%** declined by **56 bps** YOY and **9 bps** QOQ
- Overall capital adequacy ratio (CAR) including profit for Q1FY23 stood at **17.83%** with CET 1 ratio of **15.16%**
- ~**0.99 million** credit cards issued in Q1, incremental share of **17%** for last 6 months*, spends up **96%** YOY & **16%** QOQ
- **2nd** largest player in Merchant Acquiring with market share of **17%**, incremental share of **30%** for last 3 months*

The Board of Directors of Axis Bank Limited approved the financial results for the quarter ended 30th June 2022 at its meeting held in Mumbai on Monday, 25th July 2022.

This quarter, various initiatives of Axis Bank were recognized at both national and international platforms. Some of the most recent ones being Best Private Bank for Client Acquisition, Asia by The Financial Times; Best Asian Private Bank at the Asiamoney Private Banking Awards; ET DataCon Award for Modern and Agile Data Architecture and Infrastructure, amongst several others.

Axis Bank and India SME Forum collaborated to host the 9th edition of the India SME 100 Awards, recognising the remarkable contributions made by India's top performing SMEs, while also creating awareness and opportunities to raise capital.

The quarter was also marked by an array of partnerships for the Bank, aimed at providing smarter solutions and more convenience to customers. It partnered with Airtel Payments Bank to digitize last mile cash collections. With the shared goal of expanding their reach to Tier 2 & 3 cities and leveraging other synergies, the two brands are committed to serving a much larger populace. In a separate development, Axis Bank and Asian Development Bank are working together to offer supply chain finance with a special focus towards ESG and priority sectors, re-affirming the Bank's commitment to positive developmental & environmental impact.

The Bank signed an MOU with Assam Rifles and National Integrity and Educational Development Organisation (NIEDO) for supporting underprivileged students in Nagaland, to help them prepare for various competitive entrance examinations. It also reinforced its commitment to the Defence sector by signing an MOU with the Indian Air Force, offering a defence service salary package with best-in-class benefits under its 'Power Salute' initiative.

Axis Bank has been constantly working towards customized solutions with more innovative features for its customers. In partnership with Indian Oil Corporation Limited (IOCL), the Bank announced the launch of IndianOil Axis Bank Rupay Credit Card, providing a host of benefits on everyday transactions. The Bank also launched Dining Delights in collaboration with EazyDiner, an enriching dining experience for its customers with the option to choose from over 10,000 premium restaurants across India and Dubai, instant table reservations and exclusive offers.

Amitabh Chaudhry, MD&CEO, Axis Bank said, "As an institution, we continue to make good progress despite the macroeconomic headwinds that pose a challenge at multiple levels, both domestically and to the larger global economy. We continue to strengthen our core, as we open up all doors of growth and development, keeping our priorities intact on building a nimble, smart and customer obsessed bank.

One of the highlights for Axis Bank in the previous quarter was our acquisition of Citibank's consumer business in India. We have filed for the due approvals and once they are in place, the integration process will pick up pace."

Performance at a Glance

- **Strong core operating performance, net profit grew sequentially to ₹4,125 crores, up 91% YOY**
 - NIM at **3.60%**, improved by **14 bps** YOY and **11 bps** QOQ, NII grew **21%** YOY and **6%** QOQ
 - Fee income grew **34%** YOY, granular fee constituted **93%** of overall fees, Retail fee grew **43%** YOY
 - Core operating profit grew **17%** YOY and **5%** QOQ
 - Consolidated ROE (annualized) at **15.66%**, up **587 bps** YOY, subsidiaries contribute **59 bps**
- **Loan growth delivered across focused business segments**
 - Retail loans grew **25%** YOY and **3%** QOQ, SBB and Rural loans grew **74%** YOY and **42%** YOY respectively
 - SME loans grew **27%** YOY, Mid-Corporate(MC) book up **54%** YOY and **5%** QOQ
 - SME+SBB+MC mix at **₹1,29,949 crores** | **19%** of loans, up **~500 bps** in last 2 years
 - Total loans grew **14%** YOY
- **Healthy growth in granular deposits**
 - On QAB basis, SA grew **16%** YOY and **4%** QOQ, CA grew **15%** YOY and Term deposits grew **13%** YOY
 - On QAB basis, CASA grew **16%** YOY and **1%** QOQ, CASA ratio stood at **43%**, up **53 bps** YOY
 - On QAB¹ basis, total deposits grew **14%** YOY and **2%** QOQ
- **Retaining strong position in Payments and Digital Banking**
 - **16%** market share in UPI transactions and **22%** in UPI P2M acquiring (by throughput)
 - Among the highest rated mobile apps with ratings of **4.6****, mobile banking market share stood at **15%**
 - Mobile Banking has Monthly Active Users of **9.7** million and nearly **6** million non-Axis Bank customers
 - The Bank has **85+** digital partnerships across ecosystem
 - During the quarter, the Bank completed rollout of its new Internet Banking platform.
- **Well capitalized with adequate liquidity buffers**
 - Overall capital adequacy ratio (CAR) for Q1FY23 stood at **17.83%** with CET 1 ratio of **15.16%**
 - COVID provisions of **₹5,012** crores, not in CAR calculation provides additional cushion of **58 bps**
 - Average Liquidity Coverage Ratio (LCR) during Q1FY23 was **~116%**, excess SLR² of **₹75,636** crores
- **Declining gross slippages and NPA's, moderating credit costs, low restructured book**
 - Annualized, gross slippage ratio declined **210 bps** YOY & **33 bps** QOQ, net slippage ratio at **0.41%**, down **219 bps** YOY
 - Annualized credit cost for Q1FY23 at **0.41%**, declined by **129 bps** YOY, PCR healthy at **77%**
 - GNPA at **2.76%** declined by **109 bps** YOY & **6 bps** QOQ, NNPA at **0.64%** declined **56 bps** YOY & **9 bps** QOQ,
 - On an aggregated basis³, Coverage ratio at **134%**
 - Covid-19 restructuring implemented loans at **0.45%** of GCA, amongst the lowest in the industry
- **Bank's domestic subsidiaries continue to deliver robust performance; annualized profit⁴ at ₹1,082 crores**
 - Axis Finance Q1FY23 PAT grew **59%** YOY to **₹95 crores**; asset quality remains stable, with near zero restructuring
 - Axis AMC's Q1FY23 PAT grew **20%** YOY to **₹88 crores**, Quarterly AAUM grew **18%** YOY
 - Axis Capital Q1FY23 PAT stood at **₹34 crores**
 - Axis Securities Q1FY23 PAT at **₹39 crores**

* For the period Mar 22 to May 22 based on issuances

¹ QAB – Quarterly Average Balance, ² Statutory Liquidity Ratio, ³ (specific+ standard+ additional + Covid)

⁴ Figures of subsidiaries are as per Indian GAAP, as used for consolidated financial statements of the Group

**ratings on Google Play & Apple App stores

Profit & Loss Account: Period ended 30th June 2022

Core Operating Profit and Net Profit

The Bank's core operating profit for the quarter grew 17% YOY and 5% QOQ to ₹6,554 crores. Net profit grew 91% from ₹2,160 crores in Q1FY22 to ₹4,125 crores in Q1FY23.

Net Interest Income and Net Interest Margin

The Bank's Net Interest Income (NII) grew 21% YOY and 6% QOQ to ₹9,384 crores. Net interest margin (NIM) for Q1FY23 stood at 3.60%, up 14 bps YOY and 11 bps QOQ.

Other Income

Fee income for Q1FY23 grew 34% YOY to ₹3,576 crores. Retail fees grew 43% YOY; and constituted 66% of the Bank's total fee income. Retail Assets (excluding cards and payments) fee grew 81% YOY. Retail cards and payments fee grew 62% YOY. The Corporate & Commercial banking fees together grew 19% YOY. The trading loss for the quarter stood at ₹667 crores as compared to trading gains of ₹556 crores in Q1 FY22; miscellaneous income in Q1FY23 stood at ₹90 crores. Overall, non-interest income (comprising of fee, trading profit and miscellaneous income) for Q1FY23 stood at ₹2,999 crores.

Provisions and contingencies

Specific loan loss provisions for Q1FY23 were ₹777 crores compared to ₹602 crores in Q4FY22.

The Bank has not utilized Covid provisions during the quarter. The Bank holds cumulative provisions (standard + additional other than NPA) of ₹11,830 crores at the end of Q1FY23. 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 1.70% as on 30th June, 2022. On an aggregated basis, our provision coverage ratio (including specific + standard + additional + Covid provisions) stands at 134% of GNPA as on 30th June, 2022.

Credit cost for the quarter ended 30th June, 2022 stood at 0.41%, declining by 129 bps YOY.

Balance Sheet: As on 30th June 2022

The Bank's balance sheet grew 14% YOY and stood at ₹11,52,580 crores as on 30th June 2022. The total deposits grew by 14% YOY on quarterly average balance (QAB) basis and 13% YOY on period end basis. On QAB basis, savings account deposits grew 16% YOY and 4% QOQ, current account deposits grew 15% YOY; and total term deposits grew 13% YOY. On QAB basis, the share of CASA deposits in total deposits stood at 43% as of 30th June 2022.

The Bank's advances grew 14% YOY to ₹7,01,130 crores as on 30th June 2022. The Bank's loan to deposit ratio stood at 87%. Retail loans grew 25% YOY and 3% QOQ to ₹4,12,683 crores and accounted for 59% of the net advances of the Bank. The share of secured retail loans was ~ 79%, with home loans comprising 35% of the retail book. Home loans grew

18% YOY, Small Business Banking (SBB) grew 74% YOY and 11% QOQ; and rural loan portfolio grew 42% YOY and 4% QOQ. Unsecured personal loans grew 20% YOY and 4% QOQ; Credit Card advances grew 42% YOY and 14% QOQ respectively. SME book that remains well diversified across geographies and sectors, grew 27% YOY to ₹71,972 crores. Corporate loan book stood at ₹2,16,475 crores. Mid-corporate book grew 54% YOY and 5% QOQ. 88% of corporate book is now rated A- and above with 84% of incremental sanctions in Q1FY23 being to corporates rated A- and above.

The book value of the Bank's Investments portfolio as on 30th June 2022, was ₹2,97,765 crores, of which ₹2,48,510 crores were in government securities, while ₹41,784 crores were invested in corporate bonds and ₹7,471 crores in other securities such as equities, mutual funds, etc. Out of these, 66% are in held till maturity (HTM) category, while 31% of investments are available for sale (AFS) and 3% are in held for trading (HFT) category.

Payments and Digital

The Bank issued 0.99 million new credit cards in Q1FY23. The Bank has been one of the highest credit card issuers in the country in the last two quarters, with incremental market share of 17%, higher than Bank's period ending market share of 12.3%. Axis Bank continues to remain among the top players in the Retail Digital banking space.

- **113%** - YOY growth in total UPI transaction value in Q1FY23. Market share in UPI transactions at 16%
- **123%** - YOY growth in mobile banking transaction volumes in Q1FY23, with market share of 15%
- **93%** - Share of digital transactions in the Bank's total financial transactions by individual customers in Q1FY23
- **68%** - SA accounts opened through tab banking in Q1FY23
- **68%** - Retail term deposits (by volume) opened digitally in Q1FY23
- **42%** - New mutual fund SIPs sourced (by volume) through digital channels in Q1FY23

The Bank's focus remains on reimagining end-to-end journeys and transforming the core and becoming a partner of choice for ecosystems. During the quarter, the Bank completed the rollout of its new Internet Banking. The Bank's mobile app continues to see strong growth, with Monthly Active Users of 9.7 million and nearly 6 million non-Axis Bank customers using Axis Mobile and Axis Pay apps. The Bank now has over 85+ partnerships across ecosystem and has 300+ APIs hosted on its API Developer Portal. On WhatsApp banking, the Bank now has ~5.2 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 ₹2,42,335 crores as at end of 30th June 2022. Burgundy Private, the Bank's proposition for high and ultra-high net worth clients, covers 3,875 families, up from 2,093 families in last one year. The AUM for Burgundy Private increased 35% YOY to ₹85,649 crores.

Capital Adequacy and Shareholders' Funds

The shareholders' funds of the Bank grew 15% YOY and 4% QOQ and stood at ₹1,19,378 crores as on 30th June 2022. As on 30th June 2022, the Capital Adequacy Ratio (CAR) and CET1 ratio including profit for Q1FY23 was 17.83% and 15.16% respectively. Additionally, the Bank held ₹5,012 crores of COVID provisions, not considered for CAR calculation, providing cushion of 58 bps over the reported CAR. The Book value per equity share increased from ₹339 as of 30th June, 2021 to ₹389 as of 30th June, 2022.

Asset Quality

As on 30th June, 2022 the Bank's reported Gross NPA and Net NPA levels were 2.76% and 0.64% respectively as against 2.82% and 0.73% as on 31st March 2022.

Gross slippages during the quarter were ₹3,684 crores, compared to ₹3,981 crores in Q4FY22 and ₹6,518 crores in Q1FY22. Recoveries and upgrades from NPAs during the quarter were ₹2,957 crores. Consequently, the net slippages in NPAs (before write-offs) for the quarter of ₹727 crores as compared to ₹218 crores in Q4FY22 and ₹3,976 crores in Q1FY22. The net slippages in Retail and CBG stood at ₹869 crores, ₹38 crores respectively and net slippages in Corporate were negative ₹180 crores. In addition to recoveries and upgrades previously mentioned, recoveries from written off accounts were ₹744 crores. Hence on aggregate, the slippages were lower than recoveries, upgrades and collections from written off accounts. The Bank in the quarter wrote off NPAs aggregating ₹1,513 crores.

As on 30th June, 2022, the Bank's provision coverage, as a proportion of Gross NPAs stood at 77%, as compared to 70% as at 30th June, 2021 and 75% as at 31st March 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 2022 stood at ₹3,402 crores that translates to 0.45% of the gross customer assets. The Bank carries a provision of ~ 24% on restructured loans, which is in excess of regulatory limits.

Network

As on 30th June 2022, the Bank had a network of 4,759 domestic branches and extension counters situated in 2,702 centres compared to 4,600 domestic branches and extension counters situated in 2,628 centres as at end of 30th June 2021. As on 30th June 2022, the Bank had 10,161 ATMs and 6,063 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 2022.

Key Subsidiaries' Performance

The Bank's domestic subsidiaries delivered robust performance with reported total PAT of ₹270 crores, up 10% YOY.

- **Axis Finance:** Axis Finance has been investing in building a strong customer focused franchise. Retail book grew over 3 times and constituted 36% of total loans, up from 4% in last two years. The focus in wholesale business continues to be on well rated companies and cash flow backed transactions. Axis Finance remains well capitalized with Capital Adequacy Ratio of 19%. The book quality remains strong with net NPA at 0.46%, near zero restructuring. Cumulative stage 3 loans net of provisions stood at ₹69 crores, or 0.36% of loans. Axis Finance Q1FY23 PAT was ₹95 crores, up 59% YOY from ₹60 crores in Q1FY22.
- **Axis AMC:** Axis AMC's average AUM for the quarter grew by 18% YOY to ₹2,45,510 crores. Its Q1FY23 PAT grew 20% YOY to ₹88 crores from ₹73 crores in Q1FY22.
- **Axis Capital:** Axis Capital completed 10 Investment Banking transactions including 5 equity market transactions in Q1FY23. It's PAT for Q1FY23 stood at ₹34 crores.
- **Axis Securities:** Axis Securities' broking revenues for Q1FY23 grew 7% YOY to ₹158 crores. Q1FY23 PAT stood at ₹39 crores.

₹ crore

Financial Performance	Q1 FY23	Q1 FY22	% Growth
Net Interest Income	9,384	7,760	21%
Other Income	2,999	3,358	(11%)
- Fee Income	3,576	2,668	34%
- Trading Income	(667)	556	-
- Miscellaneous Income	90	134	(33%)
Operating Revenue	12,383	11,119	11%
Core Operating Revenue*	13,050	10,541	24%
Operating Expenses	6,496	4,932	32%
Operating Profit	5,887	6,186	(5%)
Core Operating Profit*	6,554	5,608	17%
Net Profit	4,125	2,160	91%
EPS Diluted (₹) (annualized)	53.76	28.19	
Return on Average Assets (annualized)	1.44%	0.86%	
Return on Equity (annualized)	15.07%	9.11%	

* excluding trading profit and gain on capital repatriated from overseas subsidiary

₹ crore

Balance Sheet	As on	As on
	30 th June'22	30 th June'21
CAPITAL AND LIABILITIES		
Capital	614	613
Employee Stock Options Outstanding	230	-
Reserves & Surplus	1,18,764	1,03,277
Deposits	8,03,572	7,13,862
Borrowings	1,70,605	1,50,938
Other Liabilities and Provisions	58,795	43,360
Total	11,52,580	10,12,050
ASSETS		
Cash and Balances with RBI and Banks and Money at Call and Short Notice	65,067	72,996
Investments	2,97,765	2,39,915
Advances	7,01,130	6,14,874
Fixed Assets	4,655	4,279
Other Assets	83,963	79,986
Total	11,52,580	10,12,050

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

₹ crore

Business Performance	As on 30 th June '22	As on 30 th June '21	% Growth
Total Deposits (i)+(ii)	8,03,572	7,13,862	13%
(i) Demand Deposits	3,51,193	3,08,030	14%
- Savings Bank Deposits	2,43,093	2,11,025	15%
- Current Account Deposits	1,08,100	97,005	11%
Demand Deposits as % of Total Deposits	44%	43%	
(ii) Term Deposits	4,52,378	4,05,832	11%
- Retail Term Deposits	2,85,482	2,82,925	1%
- Non Retail Term Deposits	1,66,896	1,22,907	36%
Demand Deposits on a Quarterly Daily Average Basis (QAB)	3,34,376	2,89,139	16%
Demand Deposits as % of Total Deposits (QAB)	43%	42%	
Net Advances (a) +(b) + (c)	7,01,130	6,14,874	14%
(a) Corporate	2,16,475	2,27,103	(5%)
(b) SME	71,972	56,528	27%
(c) Retail	4,12,683	3,31,242	25%
Investments	2,97,765	2,39,915	24%
Balance Sheet Size	11,52,580	10,12,050	14%
Gross NPA as % of Gross Customer Assets	2.76%	3.85%	
Net NPA as % of Net Customer Assets	0.64%	1.20%	
Equity Capital	614	613	0.20%
Shareholders' Funds	1,19,378	1,03,890	15%
Capital Adequacy Ratio (Basel III)	17.28%	18.67%	
- Tier I	15.24%	16.15%	
- Tier II	2.04%	2.52%	
Capital Adequacy Ratio (Basel III) (incl. profit)	17.83%	19.01%	
- Tier I	15.79%	16.48%	
- Tier II	2.04%	2.53%	

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.