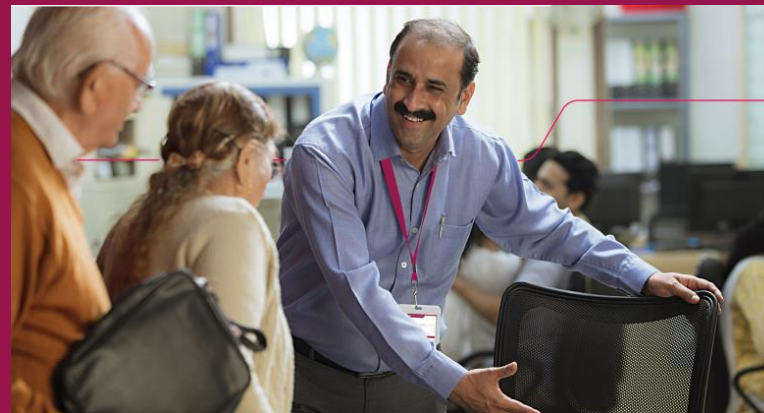







# Investor Presentation

## *Quarterly Results Q2FY23*



# Axis Bank at a glance



<b>Axis Bank</b> 	<b>3<sup>rd</sup></b> <i>largest Private Bank in India</i>	<b>88,540+</b> <i>Employees</i>	<b>4,760</b> <i>Branches*</i>	<b>6<sup>th</sup></b> <i>straight year Part of FTSE 4Good EI<sup>^</sup></i>	
<b>Market Share</b> 	<b>Traditional Banking Segment</b> <b>5.0%</b> <b>4.7%</b> <b>5.7%</b> <i>Assets<sup>##</sup> Deposits<sup>#</sup> Advances<sup>#</sup></i>			<b>Digital Banking Segment</b> <b>16%</b> <b>15%</b> <b>11%</b> <i>UPI<sup>1</sup> Mobile<sup>**</sup> Credit Cards<sup>^^</sup></i>	
<b>Profitability</b> 	<b>3.96%</b> <i>Net Interest Margin<sup>2</sup></i>	<b>2.25%</b> <i>Cost to Assets<sup>2</sup></i>	<b>2.64%</b> <i>Core Operating Profit Margin<sup>2</sup></i>		
<b>Balance Sheet</b> 	<b>17.72%   15.14%</b> <i>CAR<sup>***3</sup> CET<sup>13</sup></i>		<b>₹11.6 Bn   1.60%</b> <i>Cumulative provisions (standard + additional non-NPA)</i>		<b>80%   0.51%</b> <i>PCR Net NPA</i>
<b>Key Subsidiaries</b> 	<b>53%</b> <i>Growth in Axis Finance PAT (H1FY23)</i>	<b>24%</b> <i>Growth in Axis AMC PAT (H1FY23)</i>	<b>1<sup>st</sup></b> <i>Axis Capital's position in ECM<sup>§</sup></i>	<b>97%</b> <i>Growth in Axis Securities new customer additions (H1FY23)</i>	

<sup>\*</sup>domestic network including extension counters    <sup>^</sup> EI – Emerging Index Series    <sup>\*\*</sup> by volumes for July-August'22    <sup>\*\*\*</sup>CAR – Capital Adequacy ratio; CET 1 – Common Equity Tier 1 ratio  
<sup>#</sup> Based on Sep'22 data    <sup>##</sup> Based on Mar'21 data    <sup>§</sup> As per Prime Database rankings for Equity Capital Markets for H1FY23  
<sup>^^</sup> Credit Cards in force as of Aug'22    <sup>1</sup> by volumes for Q2FY23    <sup>2</sup> For Q2FY23    <sup>3</sup> including profit H1FY23

## Executive Summary

Financial Highlights

Capital and Liquidity Position

Business Segment performance

Asset Quality

Sustainability

Subsidiaries' Performance

Other important information

# Major highlights of Q2FY23

**Q2FY23 PAT at ₹5,330 crores, up 70% YOY driven by NII growth, NIM expansion, higher fees and flat QOQ operating expenses**



## Strong operating performance

- NII grew **31%** YOY and **10%** QOQ, NIM at **3.96%**, improved by **57 bps** YOY and **36 bps** QOQ
- Fee income grew **20%** YOY and **8%** QOQ, granular fee constituted **93%** of overall fees, Retail fee grew **28%** YOY and **10%** QOQ
- Core operating profit up **43%** YOY & **19%** QOQ, Operating profit grew **30%** YOY & **31%** QOQ, Operating expense was flat QOQ
- PAT at ₹ **5,330** crores grew **70%** YOY & **29%** QOQ
- Q2FY23 consolidated ROA (annualized) at **1.87%**, up **59 bps** YOY, with subsidiaries contributing **7 bps**

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

- Overall capital adequacy ratio (CAR) including profit for H1FY23 stood at **17.72%** with CET 1 ratio of **15.14%**
- ₹ **5,012** crores of COVID provisions not considered for CAR calculation, provides cushion of **55 bps** over the reported CAR
- Self-sustaining capital structure, with capital accretion through profits being sufficient to fund H1FY23 growth
- Excess SLR of ₹ **55,513** crores

## Steady growth in granular deposits, improving quality visible

- Deposits on QAB basis grew by **10%** YOY; QAB SA grew **14%** YOY and **3%** QOQ, QAB CA deposits grew **11%** YOY
- On QAB basis CASA grew **13%** YOY and **2%** QOQ,
- CASA ratio<sup>3</sup> stood at **46%**, up **172 bps** YOY and **251 bps** QOQ
- Average LCR during Q2FY23 was **~121%**, increasing sequentially

## Healthy loan growth delivered across focused business segments

- Domestic net loan book grew **20%** YOY and **4%** QOQ; Domestic loans (gross of loans sold under IBPC) grew **21%** YOY and **5%** QOQ
- Retail loans grew **22%** YOY and **3%** QOQ, SBB<sup>1</sup>, Cards and Rural loans portfolio grew **69%** YOY, **47%** YOY & **46%** YOY respectively
- Within retail segment, Personal loan, SBB and Rural disbursements were up **26%**, **33%** & **28%** YOY
- SME loans grew **28%** YOY, Mid-Corporate (MC) up **49%** YOY, SBB+SME+MC mix at ₹**1,435** bn | **20%** of loans, up **~542 bps** in last 2 years

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

- **1.04** million credit cards acquired in Q2FY23, incremental spends CIF market share of **~13%** in last nine months\*
- **2<sup>nd</sup>** largest player in Merchant Acquiring with terminal market share of **17%**, incremental share of **21%** in last one year
- 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 **10 million+** MAU
- **75+** Corporate APIs now live as part of Project Neo

## Declining NPAs and slippages, moderating credit costs

- GNPA at **2.50%** declined by **103 bps** YOY & **26 bps** QOQ, NNPA at **0.51%** declined **57 bps** YOY & **13 bps** QOQ, PCR healthy at **80%**
- Coverage<sup>2</sup> ratio at **1.60%**, Standard Covid-19 restructuring implemented loans at **0.38%** of GCA
- Gross slippage ratio (annualized) at **1.88%**, declined **156 bps** YOY and **17 bps** QOQ
- Net slippage ratio (annualized) stood at **0.32%**, declined **14 bps** YOY and **9 bps** QOQ
- Annualized credit cost for Q2FY23 at **0.38%**, declined by **16 bps** YOY

## Key subsidiaries continue to deliver steady performance

- Total annualised H1FY23 PAT of domestic subsidiaries at ₹**1,170** crs, up **14%** YOY; Return on investments in subsidiaries at **46%**
- Axis Finance H1FY23 PAT grew **53%** YOY, ROE at **16.6%**, asset quality metrics improve with net NPA declining **88 bps** YOY to **0.42%**
- Axis AMC's H1FY23 PAT grew **24%** YOY, Quarterly AAUM grew **4%** YOY
- Axis Capital H1FY23 PAT at ₹**64** crores
- Axis Securities H1FY23 revenue up **9%** YOY, PAT at ₹**100** crores

**Q2 FY23 Consolidated ROE (annualized) at 18.90%, up 545 bps YOY, with subsidiaries contributing 41 bps**

QAB: Quarterly Average Balance MAU: Monthly Active Users \* - Based on RBI data from Nov'21 to Aug'22 <sup>3</sup> Month End Balances

<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 Q2FY23

Snapshot (As on 30<sup>th</sup> September 2022)



Profit & Loss

	Absolute (Rs. Cr)			QOQ   YOY Growth		
	Q2FY23	Q1FY23	H1FY23	Q2FY23	Q2FY23	H1FY23
Net Interest Income	10,360	9,384	19,744	10%	31%	26%
Fee Income	3,862	3,576	7,438	8%	20%	26%
Operating Expenses	6,585	6,496	13,081	1%	14%	22%
Operating Profit	7,716	5,887	13,603	31%	30%	12%
Net Profit	5,330	4,125	9,455	29%	70%	79%

Balance Sheet

	Q2FY23	YOY Growth
Total Assets	11,85,272	13%
Net Advances	7,30,875	18%
Total Deposits ^	8,10,807	10%
Shareholders' Funds	1,24,564	16%

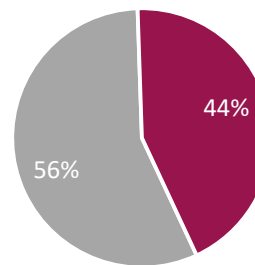
Key Ratios

	Q2FY23 / H1FY23	Q2FY22 / H1FY22
Diluted EPS (Annualised in ₹) (Q2/H1)	68.36 / 61.27	40.42 / 34.34
Book Value per share (in ₹)	405	349
ROA (Annualised) (Q2/H1)	1.80 / 1.62	1.19 / 1.03
ROE (Annualised) (Q2/H1)	18.49 / 16.80	12.72 / 10.92
Gross NPA Ratio	2.50%	3.53%
Net NPA Ratio	0.51%	1.08%
Basel III Tier I CAR *	15.75%	17.54%
Basel III Total CAR *	17.72%	20.04%

^ period end balances

\* including profit for H1 FY23

Deposits # ↑ 10% YOY

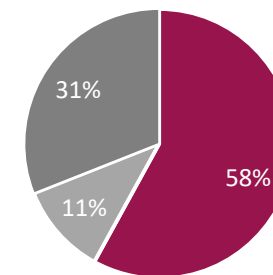


■ CASA #

↑ 13% YOY (QAB#)  
↑ 14% YOY (End Balance)

#QAB – Quarterly Average Balance

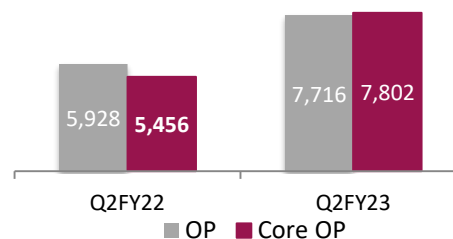
Advances ↑ 18% YOY  
↑ 19%YOY<sup>1</sup>



■ Retail ■ SME ■ Corporate  
↑ 22% YOY ↑ 28% YOY ↑ 7% YOY  
↑ 11% YOY<sup>1</sup>

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

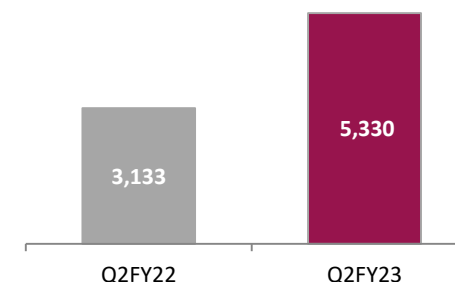
Operating Profit (in ₹ Crores)



↑ 30% YOY ↑ 43% YOY

Profit After Tax (in ₹ Crores)

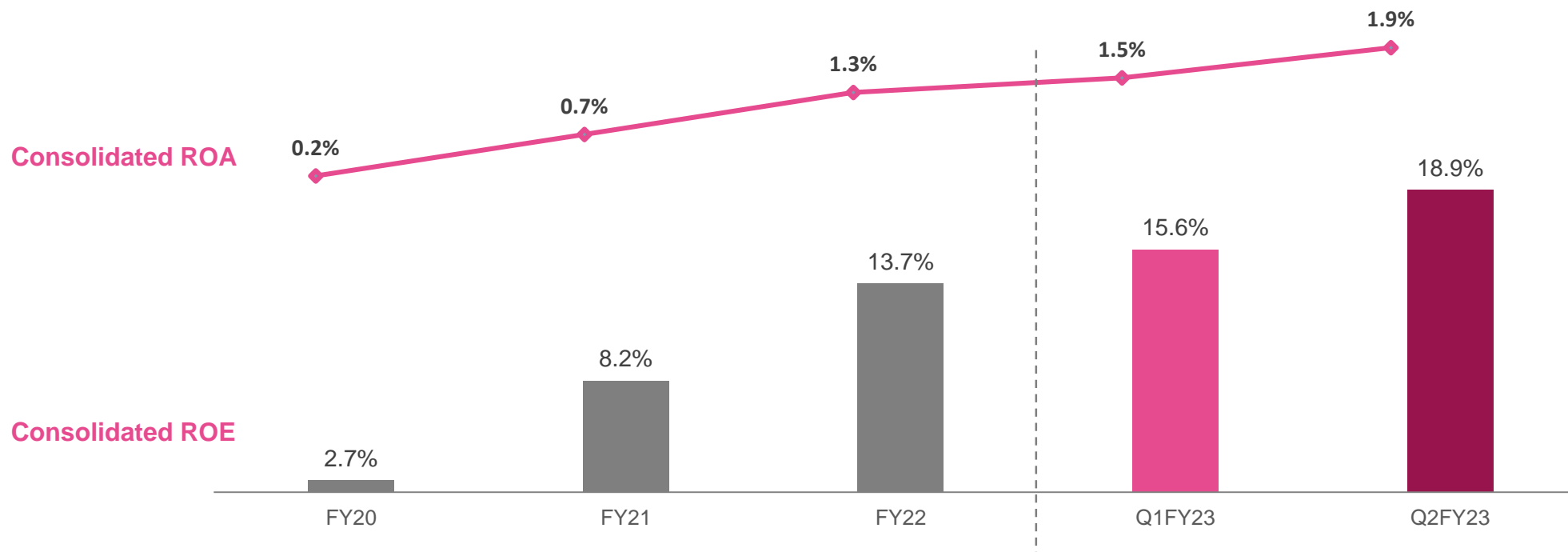
↑ 70% YOY





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

Trend in Consolidated ROA and ROE



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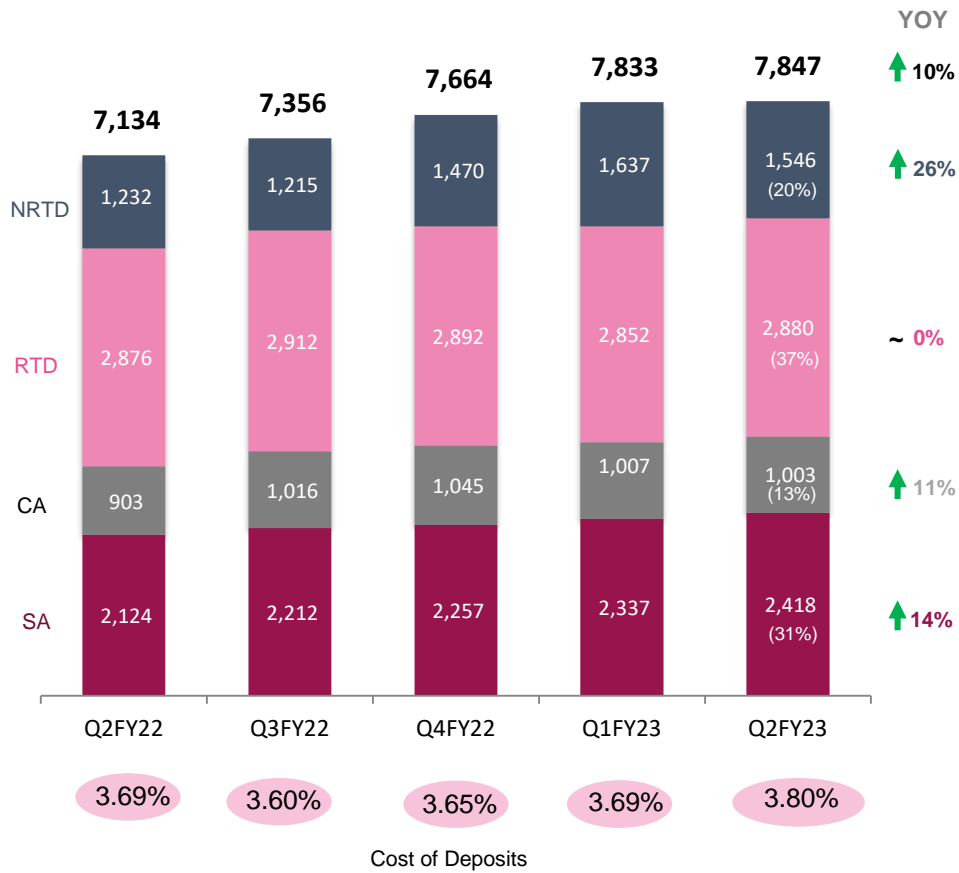
Other important information

# Deposit and Loan growth performance



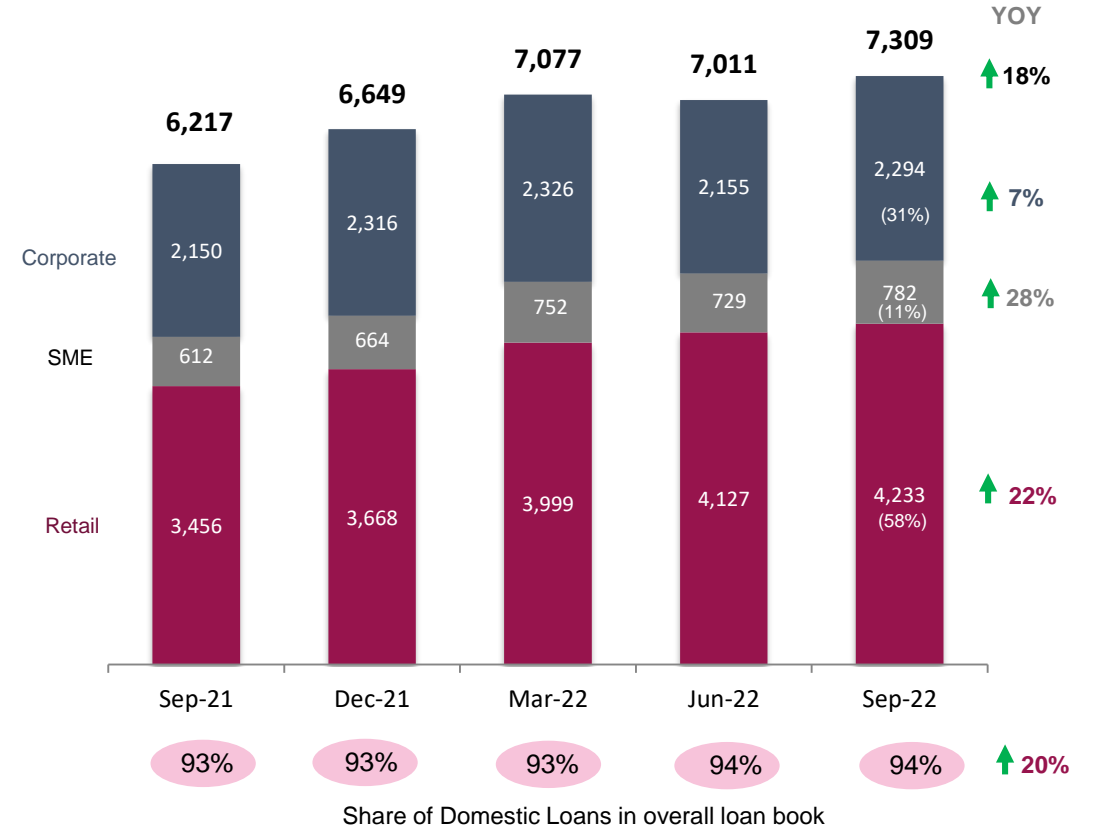
All figures in ₹ Billion

## Deposit mix (QAB)^



## Segment loan mix

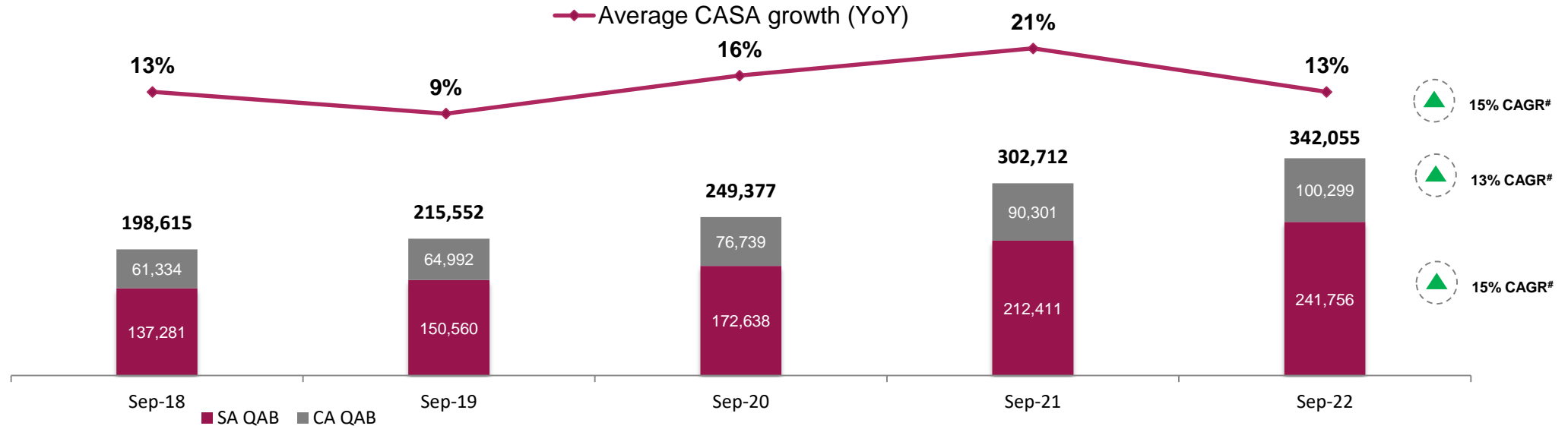
Gross of IBPC sold, loan growth at 19% YOY & 5% QOQ



^ Quarterly Average Balance

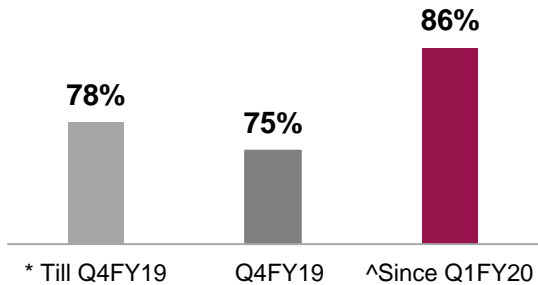


# CASA growth remains steady

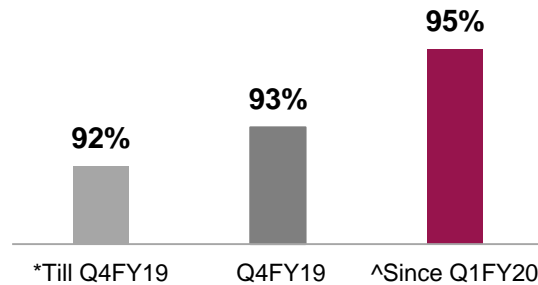


#Sep-18 to Sep-22

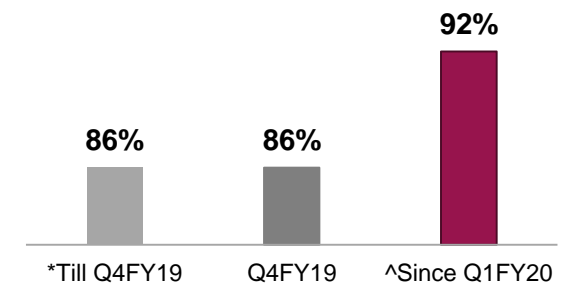
CA QAB as % of period end CA balances



SA QAB as % of period end SA balances



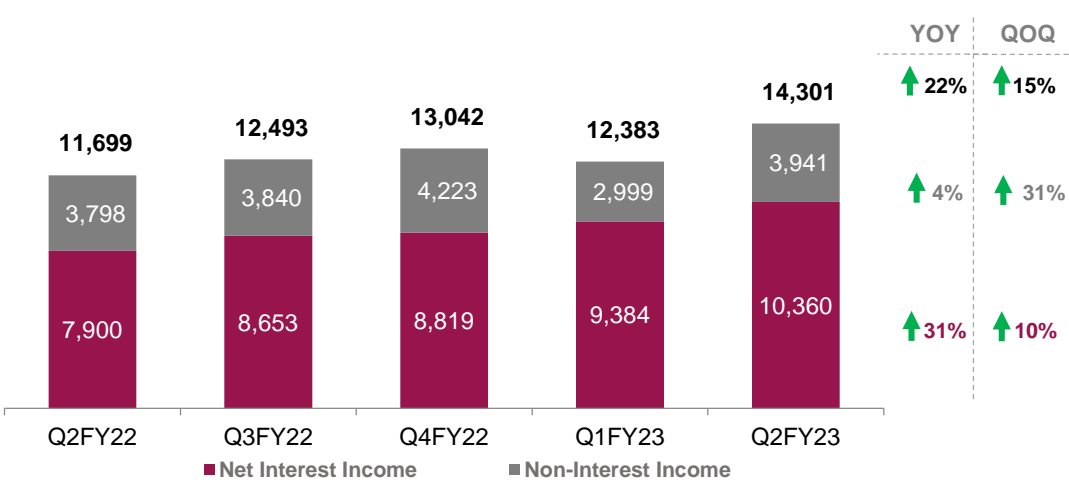
CASA QAB as % of period end CASA balances



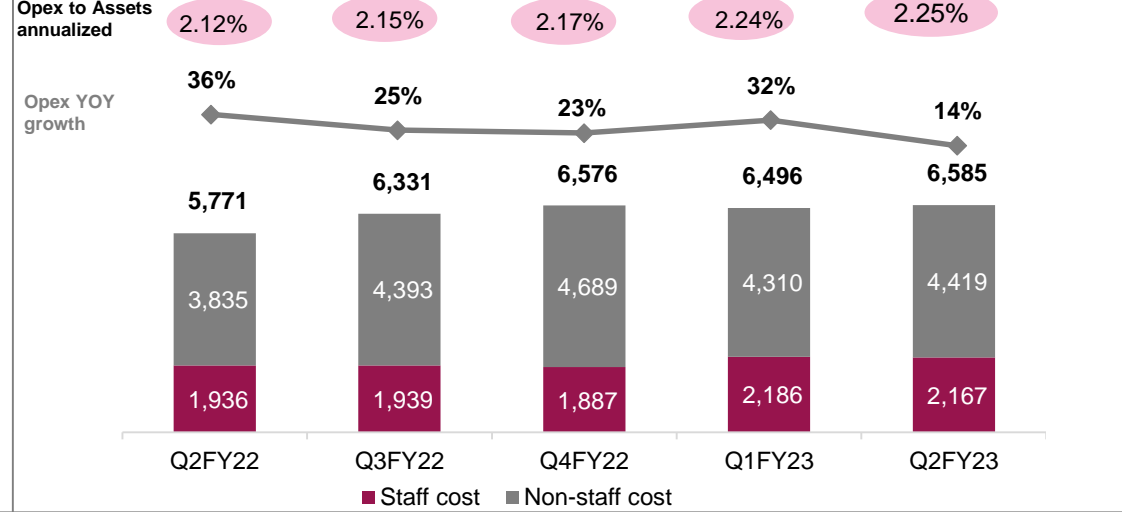
\*Q1FY17 to Q4FY19  
^Q1FY20 to Q2FY23

# Core operating profit up 43% YOY, Net Profit up 70% YOY

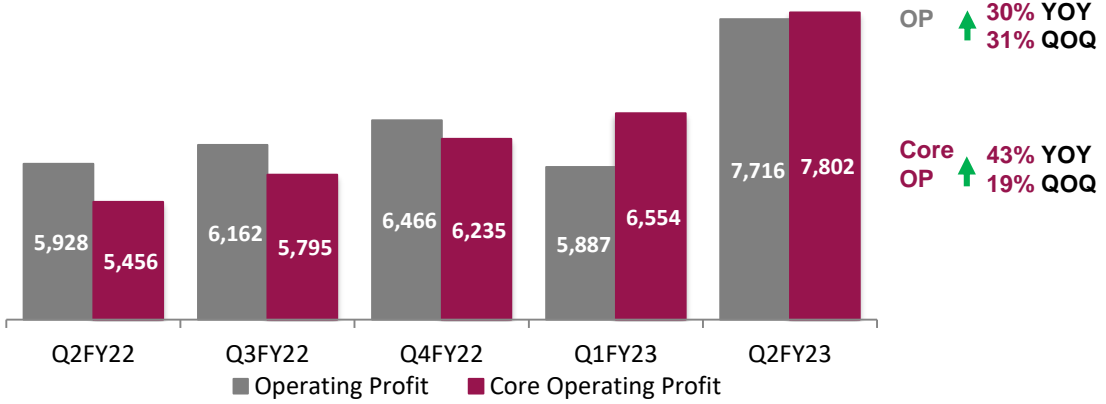
## Operating revenue



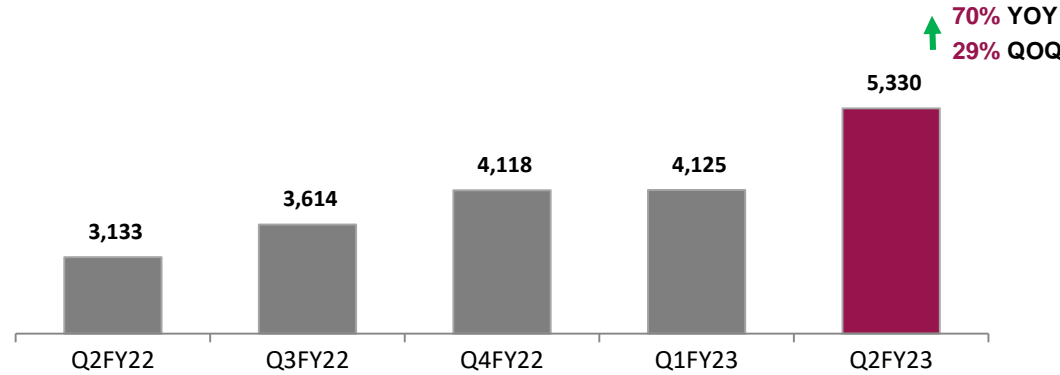
## Operating expense



## Operating profit & Core Operating profit



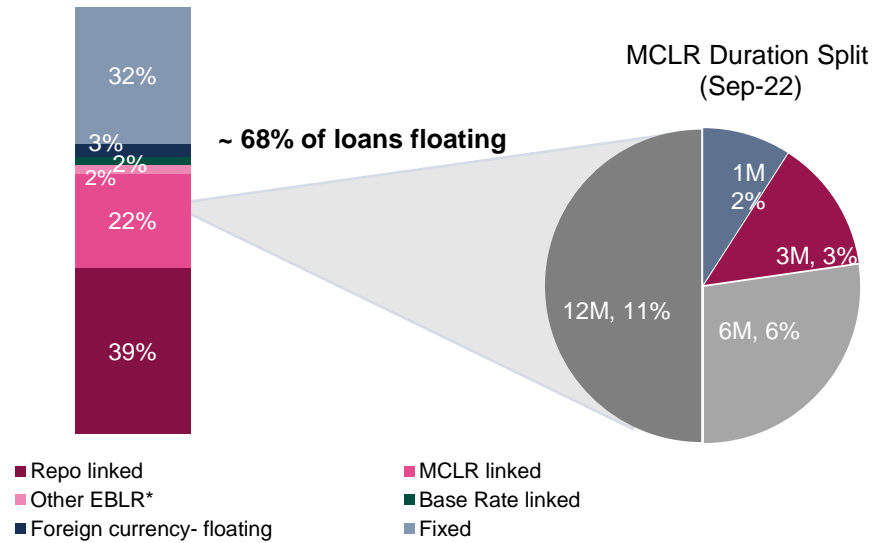
## Profit after tax



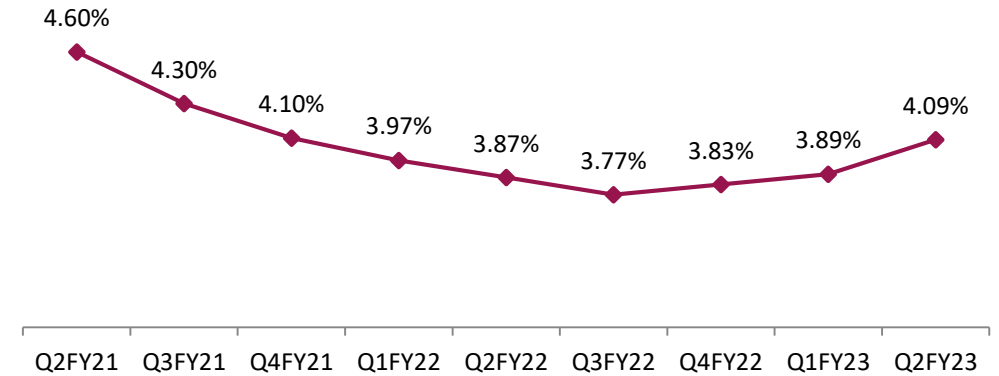
# Net interest margin improved 57 bps YOY and 36 bps QOQ



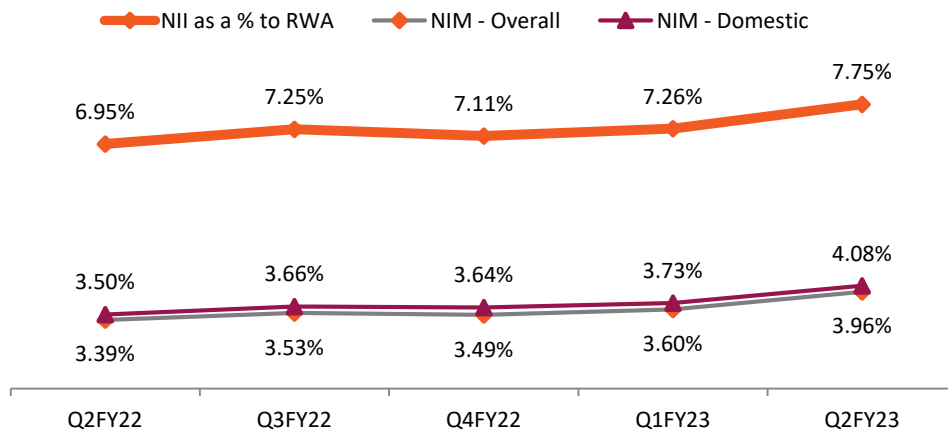
### Advances mix by rate type



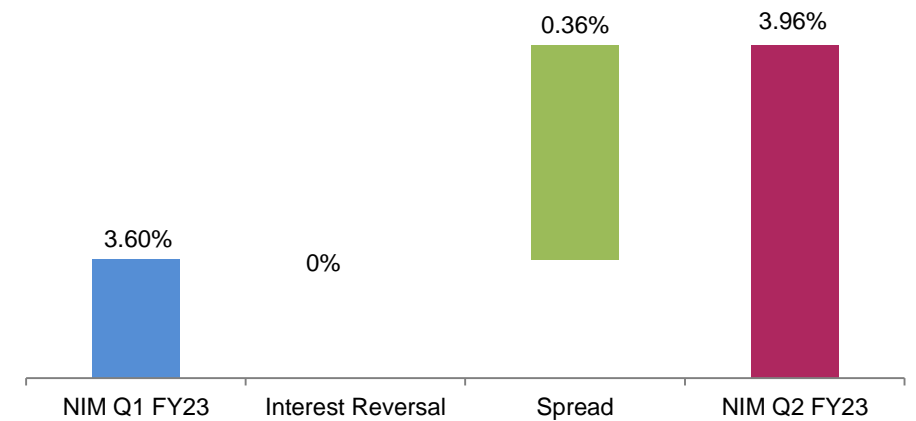
### Cost of Funds



### Net interest Margin (NIM)



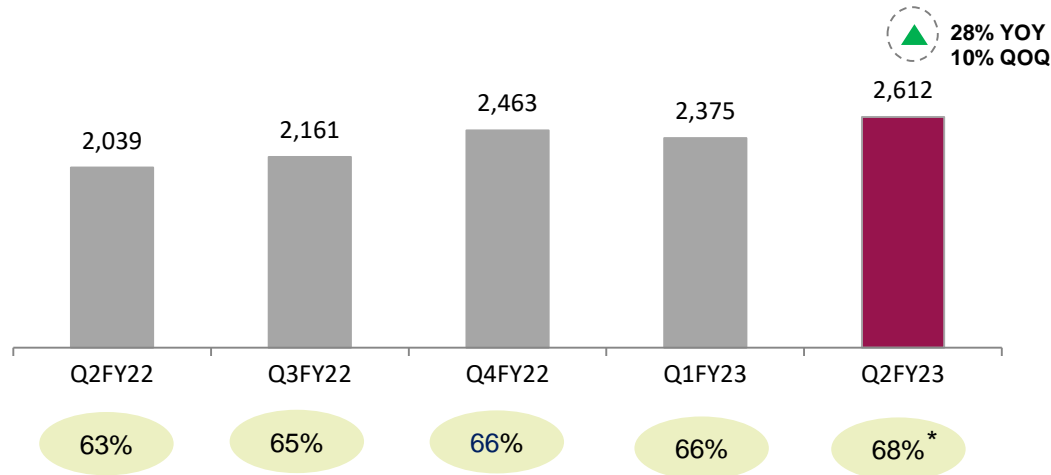
### NIM Movement - Q1 FY23 to Q2 FY23



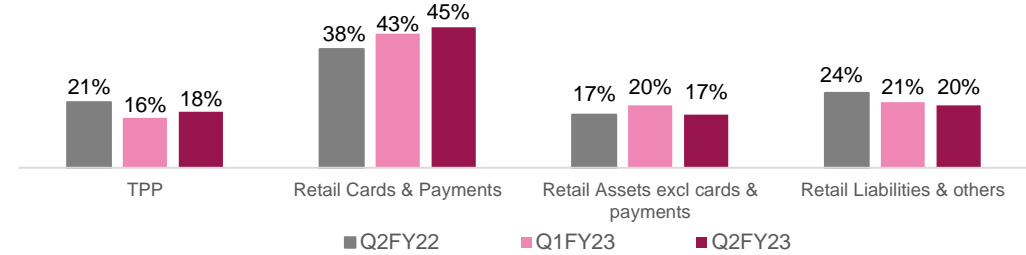
\*External benchmark linked rate

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

## Retail Banking fees

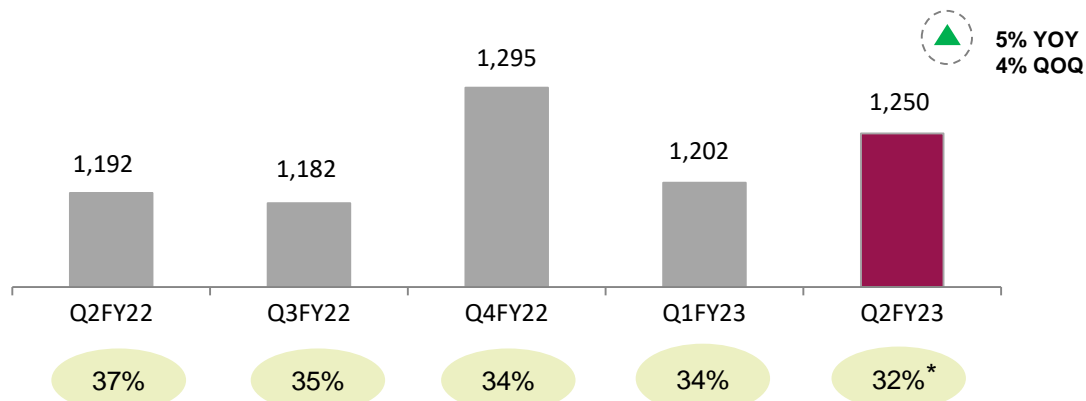


## Retail fee mix

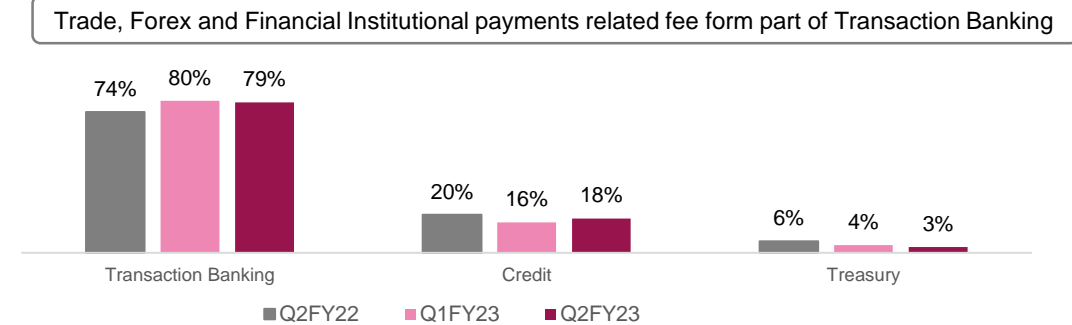


- **53% YOY & 16% QOQ** growth in Retail Cards & payments fees; of which Digital Banking fee grew **45% YOY**
- **29% YOY** growth in Retail Assets fees (excl cards & payments)
- **6% YOY & 20% QOQ** growth in Third Party products (TPP) distribution fees


## Corporate & Commercial Banking fee



## Corporate & Commercial Banking fee mix



- **30% YOY & 11% QOQ** growth in conventional Transactional Banking fees \*\*

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

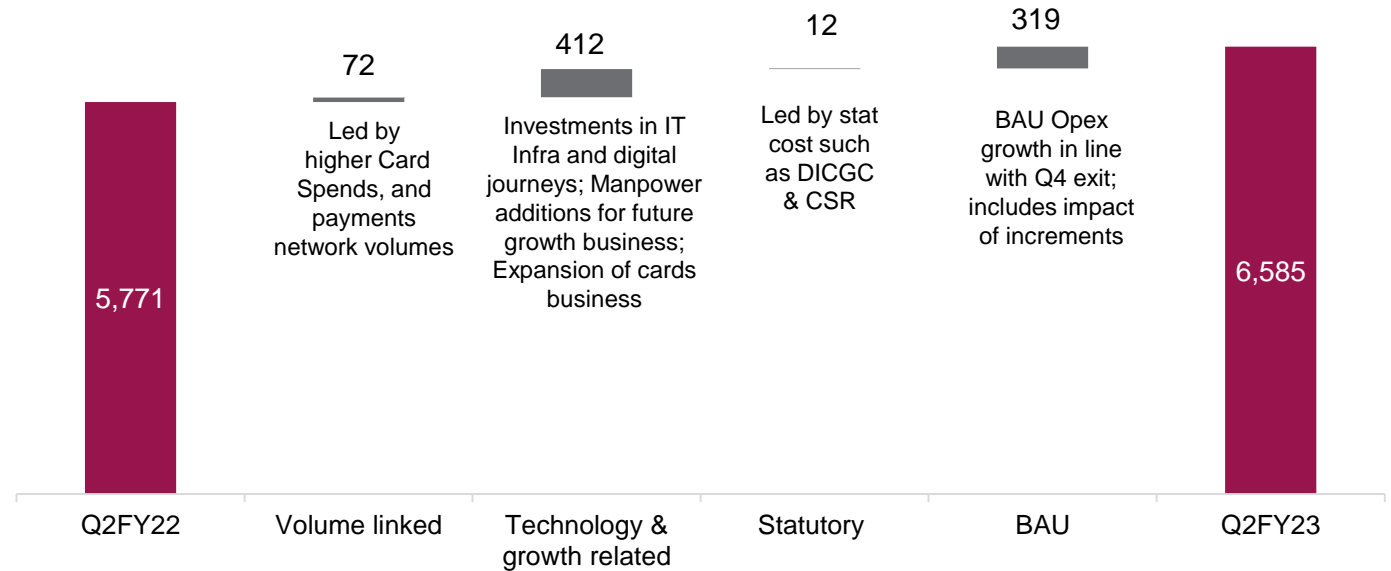
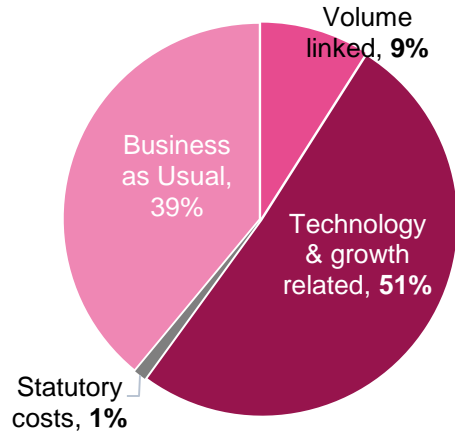
\*\* includes current accounts, CMS, commercial cards etc.

# Costs flat sequentially, continue to invest in technology and growth related businesses

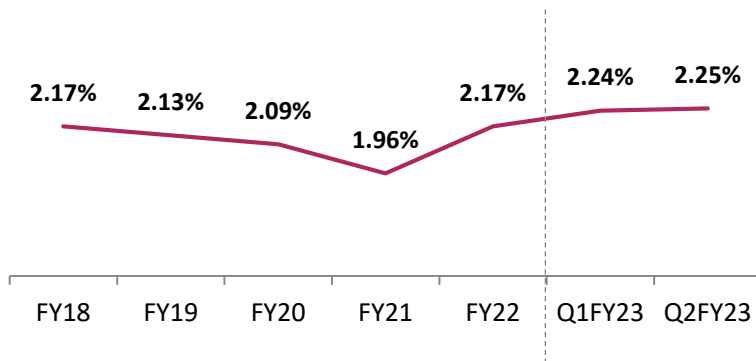


YOY incremental Opex in Q2FY23 was led by technology and growth related expenses

**Incremental YOY cost break up (₹814 Crore)**



**Cost to Assets**



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

Executive Summary

Financial Highlights

**Capital and Liquidity Position**

Business Segment performance

Asset Quality

Sustainability

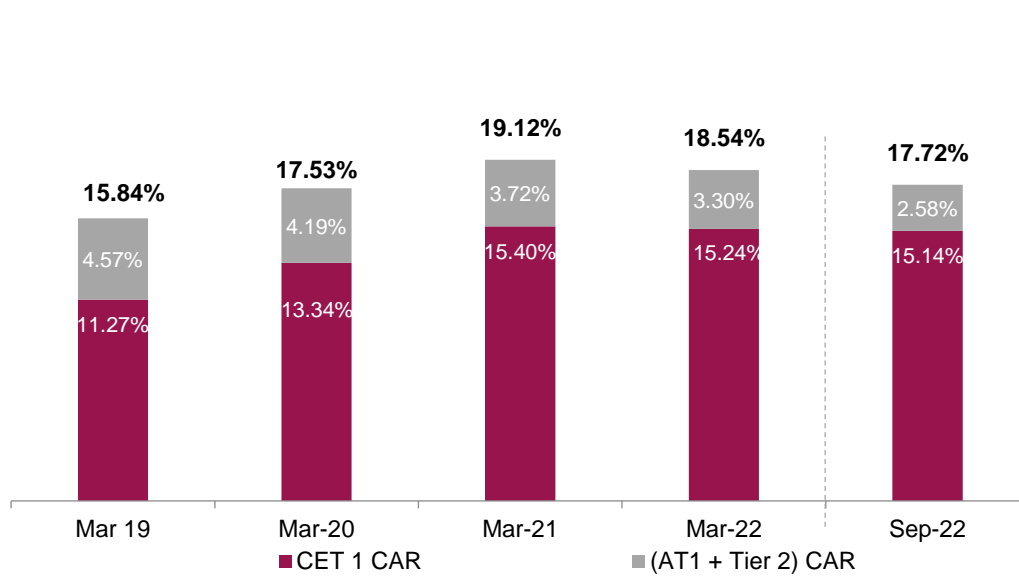
Subsidiaries' Performance

Other important information

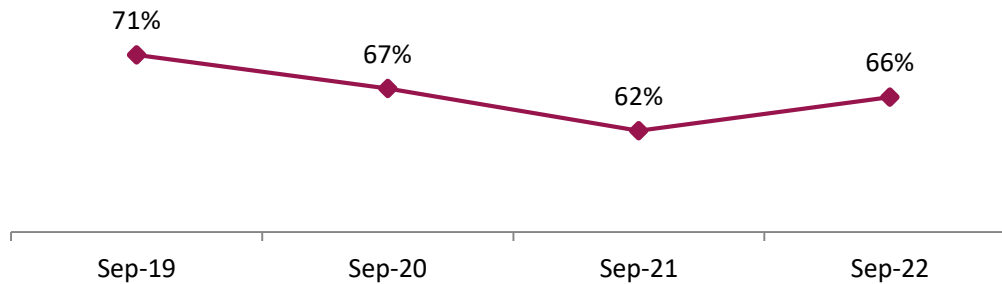
# Healthy capital position with adequate liquidity



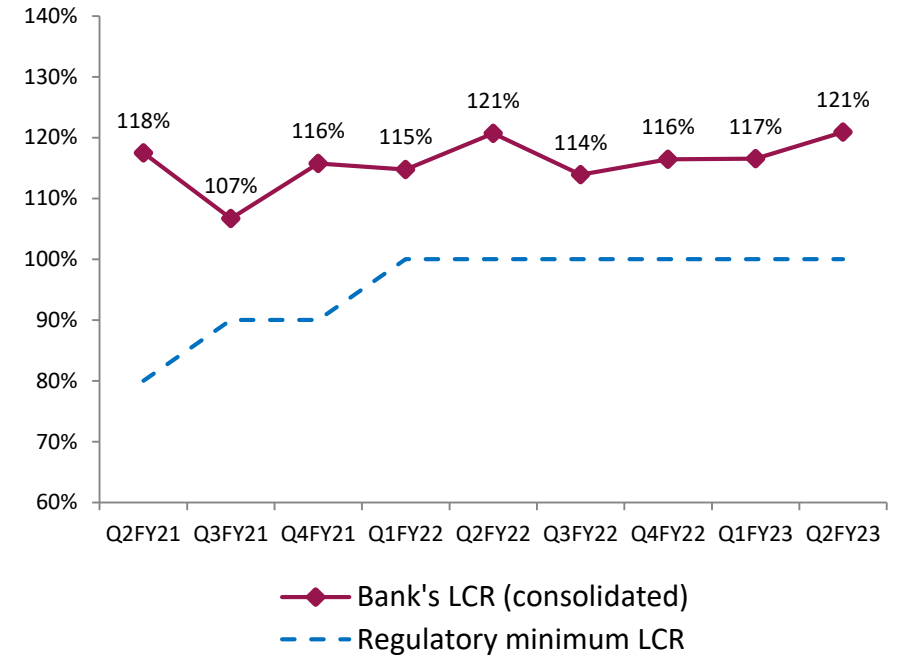
Bank's Capital Adequacy Ratio



RWA to Total Assets



Liquidity Coverage Ratio (consolidated)



• The Bank holds excess SLR of ₹55,513 crores



Executive Summary

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Capital and Liquidity Position

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# Retail Banking

**~29 Mn**  
SA customers

**4<sup>th</sup>**  
Largest issuer of  
Credit Cards

**₹2.7 Tn**  
AUM in wealth  
management

**22%**  
YOY growth in  
Retail advances

**46%**  
YOY growth in  
Rural advances

**58%**  
Share of  
Advances~

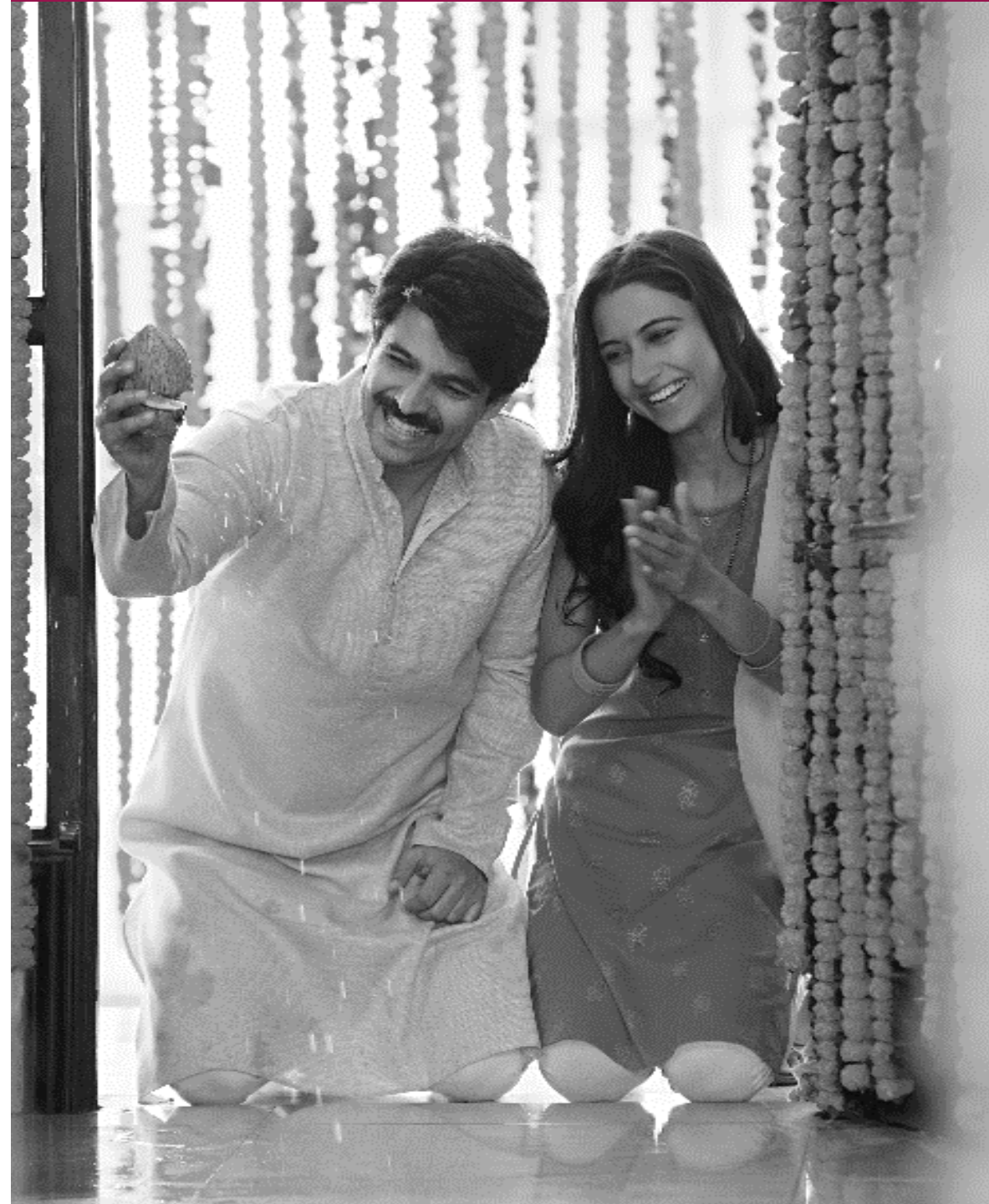
**14%**  
YOY Growth in SA  
QAB deposits

**46%**  
CASA ratio  
(MEB)\*

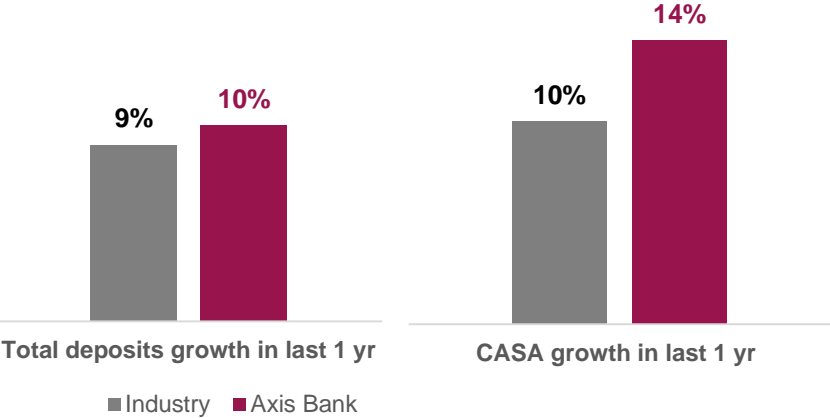
**68%**  
Share in  
total fee^

~ share in Bank's total advances, ^ share in Bank's total fee for Q2FY23

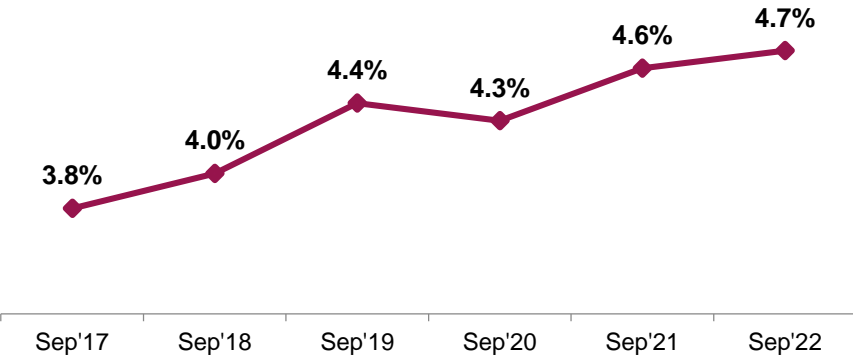
\* MEB: Month End Balance



# Our CASA Deposit franchise continues to grow faster than the overall deposits



## Trend in Bank's overall deposits market share



## Continue to focus on improving the franchise quality further

- 1 **“Right fit” customers to accelerate ‘Premiumization’**
  - ~220 bps YoY increase in share of Premium segment in Retail SA portfolio
- 2 **Higher digital channel contribution to sourcing and balances**
  - In H1FY23, Digital now contributes **24%** to overall SA (non salary) sourcing, ~51% to CA individual sourcing and **66%** to individual RTD sourcing
- 3 **Building focus on Corporate Salary acquisitions**
  - **64%** YOY growth in new salary labels acquired in H1 FY23
- 4 **Project ‘Neo’ focused on end-to-end digital transformation**
  - **10x** 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

**11.5%**  
Foreign LC  
market share  
up **210** bps YOY

**8.2%**  
RTGS  
market share  
up **10** bps YOY

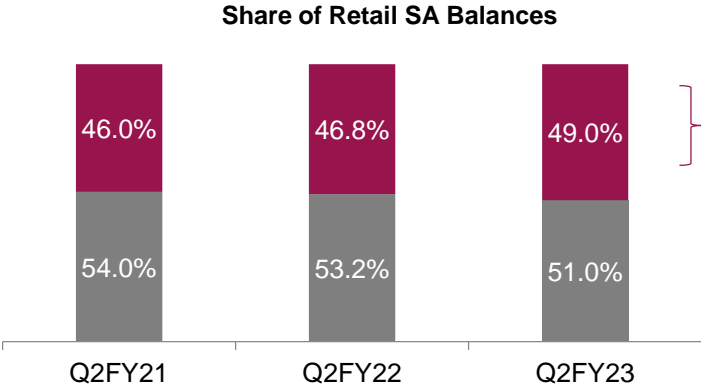
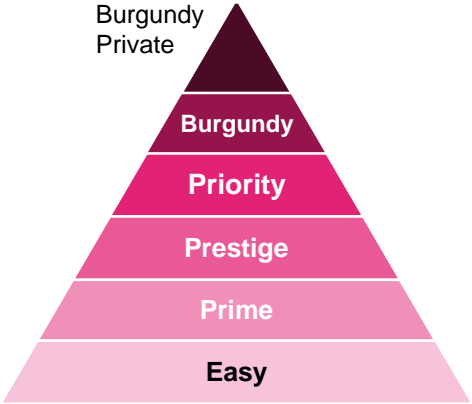
**3.8%**  
Forex turnover  
market share as of  
Jul'22

# 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



Premium segment share in the Retail Savings<sup>1</sup> portfolio increased by ~220 bps YOY

1. as percentage of Retail SA (excluding TASC)

## New 'Priority' & 'Ultima' product propositions with focus on lifestyle and travel benefits, launched in Q1FY23



^ Not to scale, Area doesn't represent the actual proportion of deposits

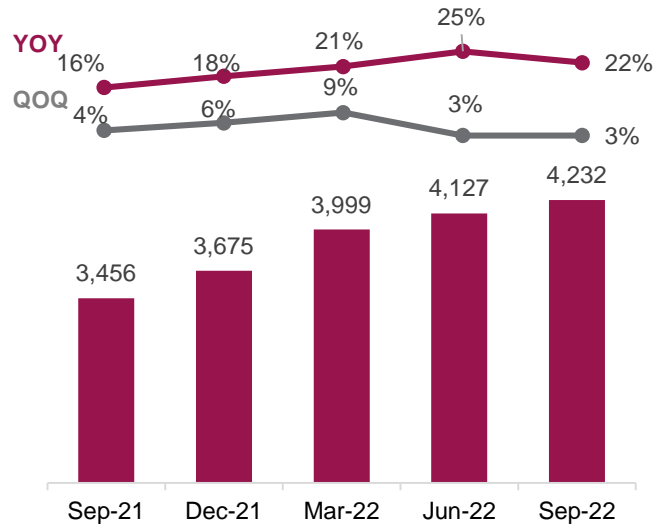
\* NTB: New to Bank; ETB: Existing to Bank

# Premium includes Burgundy Private, Burgundy, Priority and Prestige and NRI segments

# Rs 4 trillion Retail loan book remains well diversified



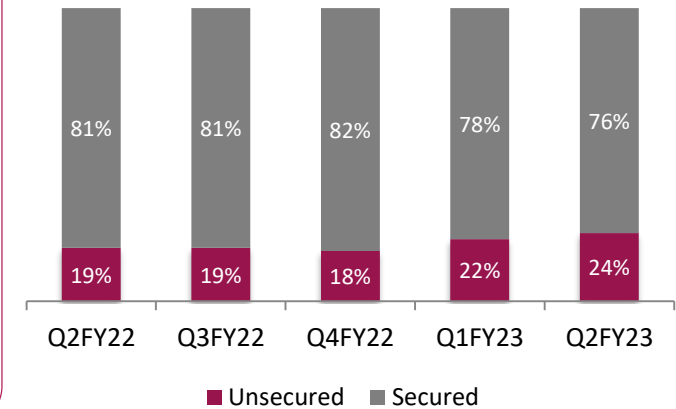
**Retail book**  
(in ₹ Billion)



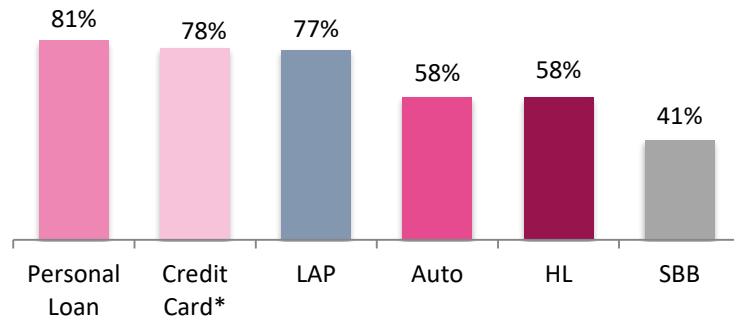
~ 79% of our retail book is secured

in Rs Crores	Sep-22	QOQ	YOY	% Prop
<b>Home Loans</b>	1,46,525	1%	13%	35%
<b>LAP</b>	43,922	2%	21%	10%
<b>Auto loans</b>	45,397	1%	11%	11%
<b>SBB</b>	35,341	12%	69%	8%
<b>Comm Equipment</b>	7,427	(1%)	17%	2%
<b>Personal loans</b>	49,066	4%	22%	12%
<b>Credit Cards</b>	20,635	14%	47%	5%
<b>Rural loans</b>	60,199	2%	46%	14%
<b>Others</b>	14,723	(9%)	(10%)	3%
<b>Total Retail</b>	<b>4,23,235</b>	<b>3%</b>	<b>22%</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



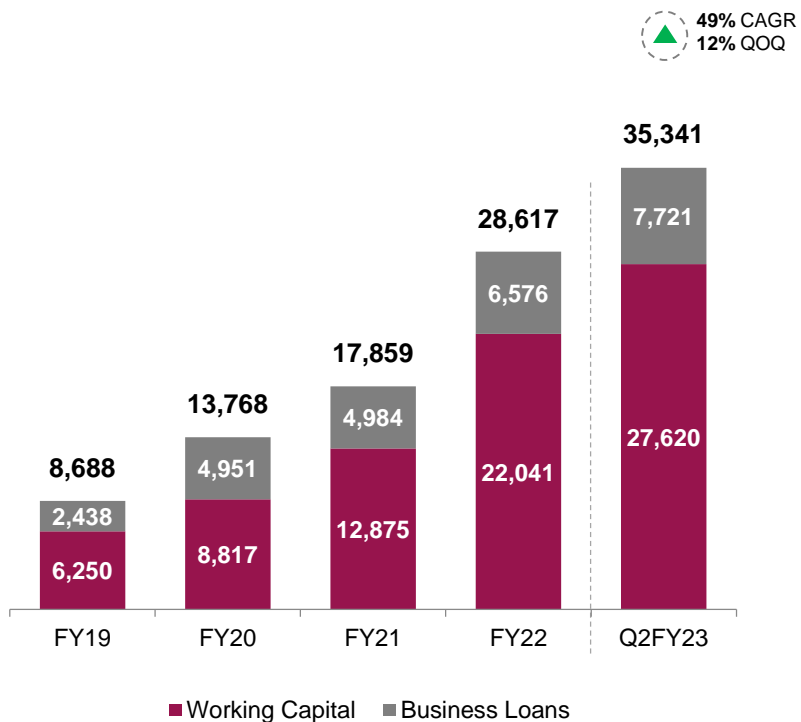
**Sourcing:**  
**51%** contribution from Branches to overall Retail book sourcing in Q2 FY23

\* ETB contribution in Credit Cards has come down on account of significant KTB sourcing in last one year

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

69% YOY growth backed by strong distribution channels, innovative product offerings and our One Axis approach

SBB portfolio (Cr.)



Portfolio is well diversified across sectors

- **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

\*Q2: July to September'22

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



**Business Loans are now 100% Phygital / Digital**

### 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

### Merchant Cash Advance\*

- 1st Private Sector Bank to offer an integrated Digital Current Account & Unsecured Term Loan proposition in partnership with **Freecharge** helping branch channel to onboard NTB customers

\*Currently Pilot Program in selected locations

### 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...

**46%**

YOY growth in Rural advances

**28%**

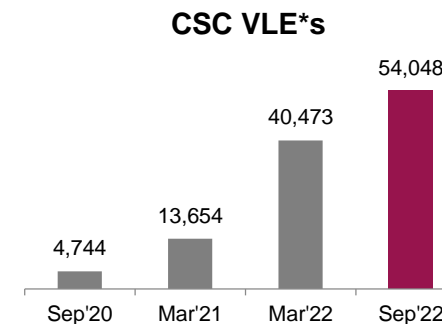
YOY growth in disbursements

**15%**

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**

- 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

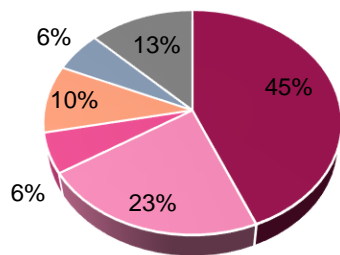
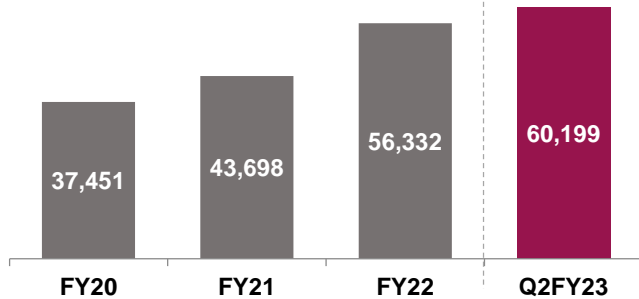


Well diversified rural lending portfolio with presence across 659 districts across India

## Rural loans portfolio & composition

(in ₹Cr.)

21% CAGR<sup>#</sup>  
46% YOY



- Farmer Funding
- Bharat Enterprises
- Gold loans
- Farm Mechanization
- MFI - Retail
- MFI - Wholesale

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

### Farm Mechanization Loans

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

### Gold loans

- Launching new products with multiple use cases and bringing sharper differentiation in segments
- Expanding branch coverage & sourcing leads via partnership network

### 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

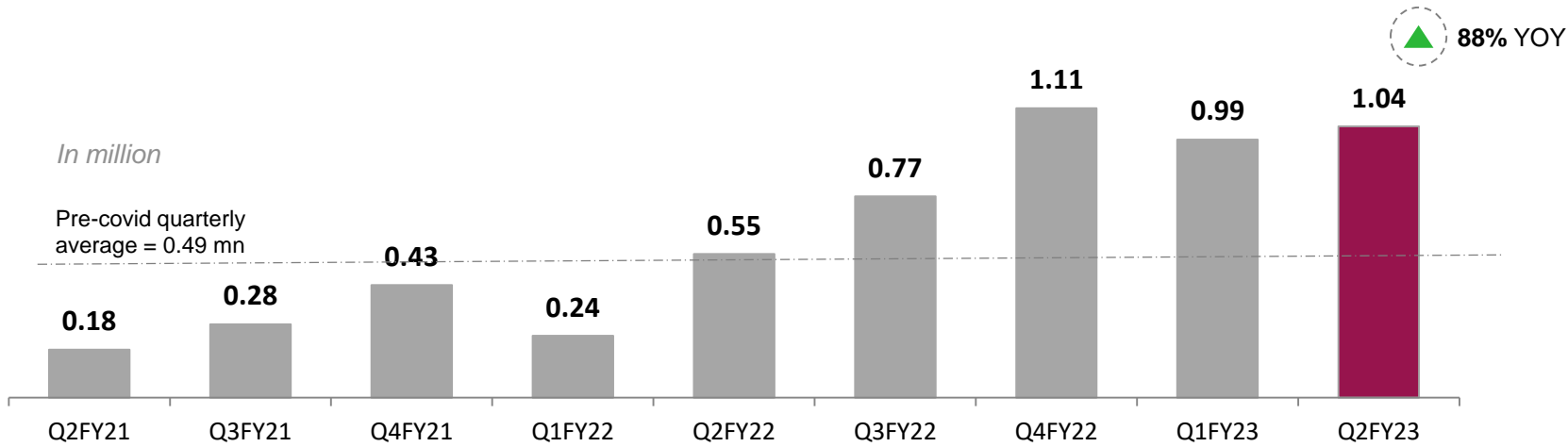
- Redesigning end to end customer journeys to reduce TAT and improve customer experience in the high growth products
- Partnerships with corporates with rural presence to penetrate deeper into the rural supply chains
- Leverage the tech stack of Agritech and Fintech companies to serve the Bharat customer
- Partnership with NBFCs' for co-lending opportunities
- Building capability stack such as e-KYC to deliver bank products via third party physical channels
- Building single journey for multiple products to improve coverage and provide better sales experience
- Better data farming for underwriting and cross sell opportunities
- Launching more sales enablement tools and continue to enhance the existing applications

# 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 third consecutive quarter



**31%**

share of KTB sourcing to total card issuances in Q2FY23

**13%**

incremental spends market share in last 9 months\*

**11.4%**

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



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

**Airtel Axis Bank Credit Card**



**Samsung Axis Bank Credit Card**

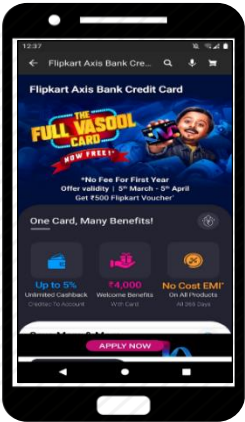


**Axis Bank Atlas Credit Card**



<sup>^</sup> Known to Bank  
\* Nov'21 to Aug'22 as per RBI reported data

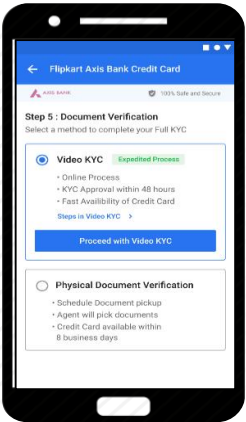
# End to End Digital KTB acquisition journey with best in class early activation and spend metrics for Flipkart Axis Bank Credit Card



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



**2.93 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

**68%** monthly activity rate\* - Best in class engagement in Retail segment

<sup>§</sup> CIF as of 30<sup>th</sup> Sep 2022  
\*Based on the average data for the period Dec-21 to Aug-22 for cards acquired via Flipkart Platform

# Retail spends market share up 65 bps YOY, with spends up 79% YOY



All figures In ₹ Cr

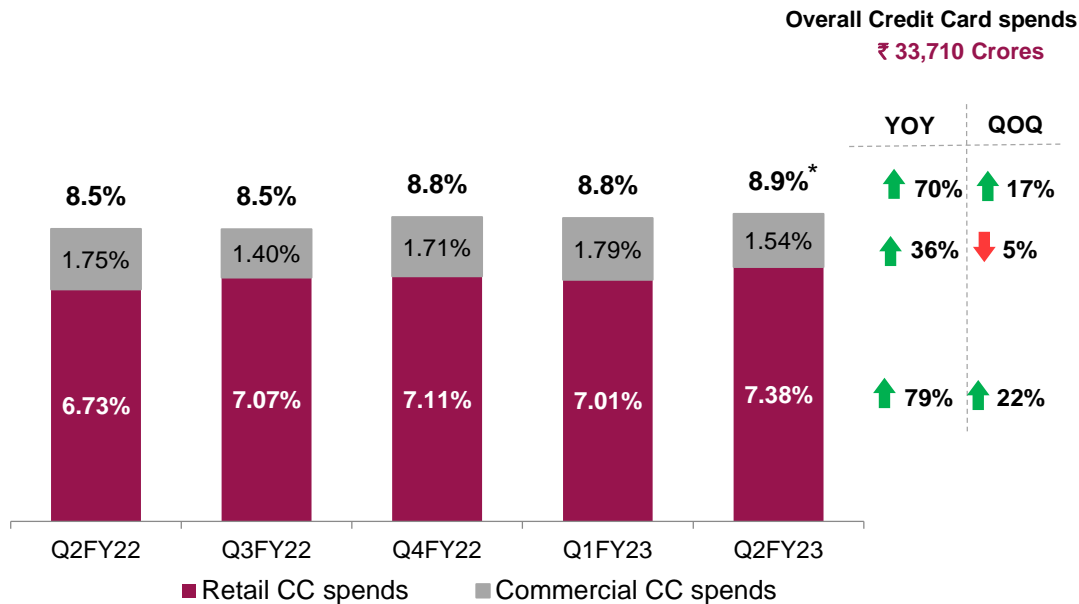


**'GRAB DEALS', Axis Bank's exclusive shopping platform has scaled up significantly**

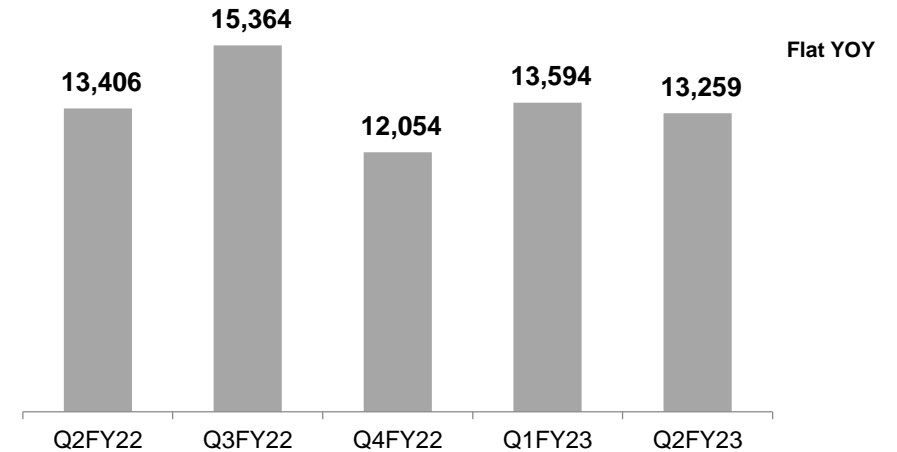
**~2x** YOY growth in transactions

**~3x** YOY increase in GMV

### Trend in Credit Card spends market share



### Trend in Debit Card spends



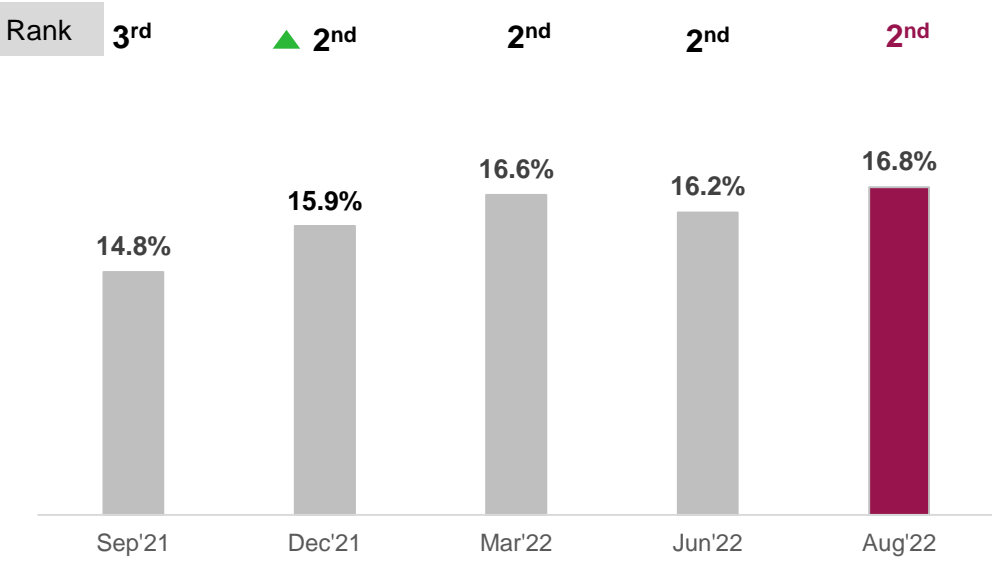
\*Market share based on RBI reported data for the months of Jul'22 and Aug'22

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



**21%**  
Axis incremental market share in last 12 months\* (POS Terminals)

Market share in POS terminals



Source: RBI data, available till Aug'22



**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 – **56%** penetration on new installations in Q2FY23

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

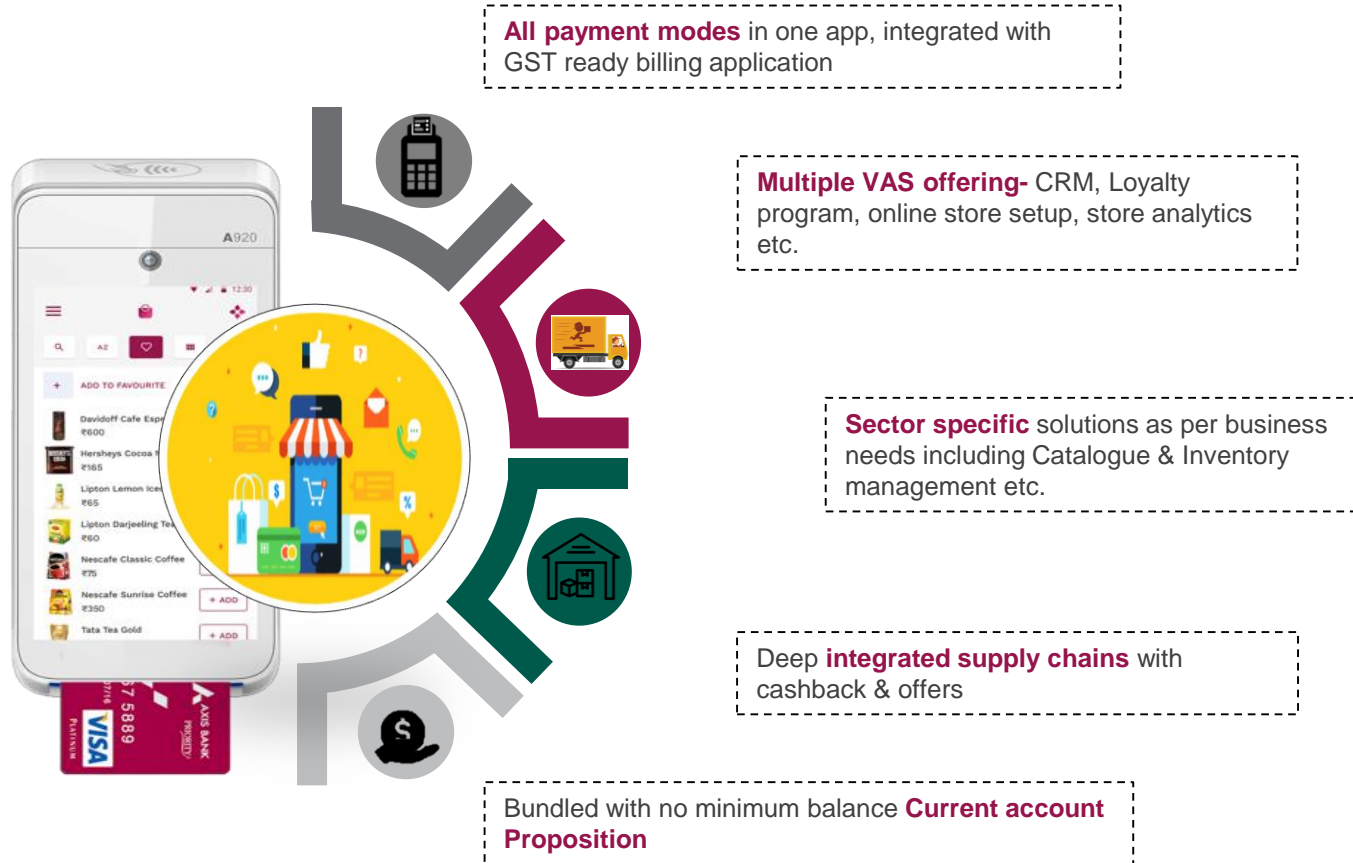


**Market partnerships**

**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 **2.9 lakh** MIDs and a yearly throughput of **15k+ crores**



**Worldline**

**Payswiff**

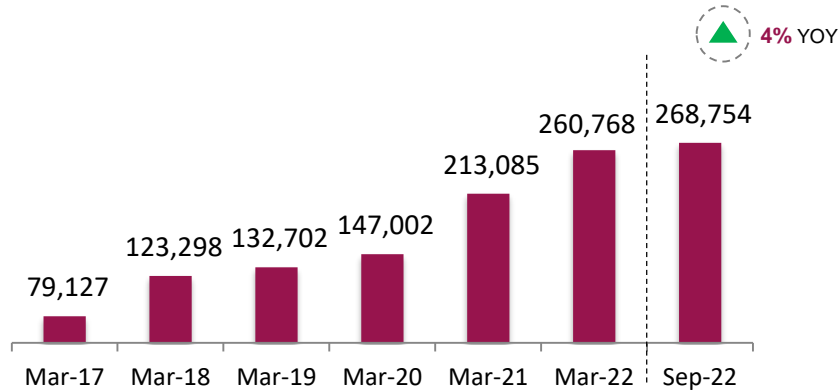


# The Bank is a leading player in India's Wealth Management space



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 -Sep'22 period)

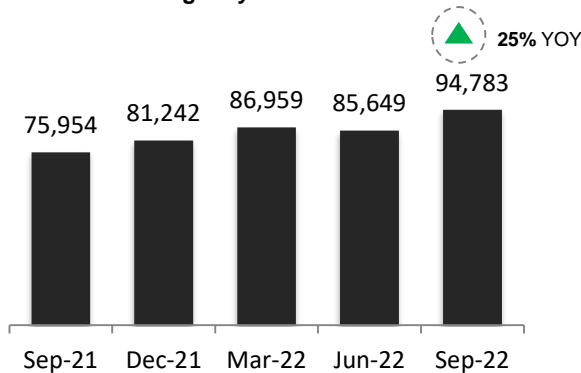
- 25% Assets under management
- 21% Customer base
- 7% Touch points -



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

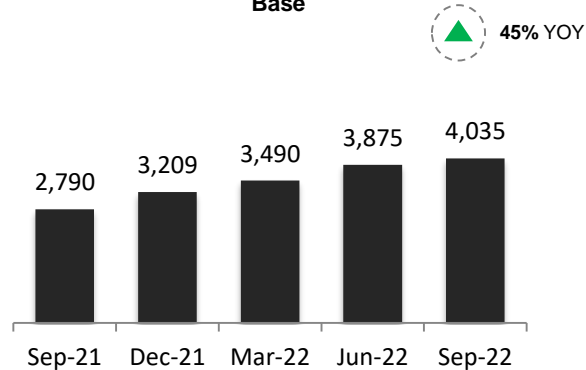
- includes RMs, Wealth Specialist team, Managing partners and Investment Advisors

Burgundy Private AUM

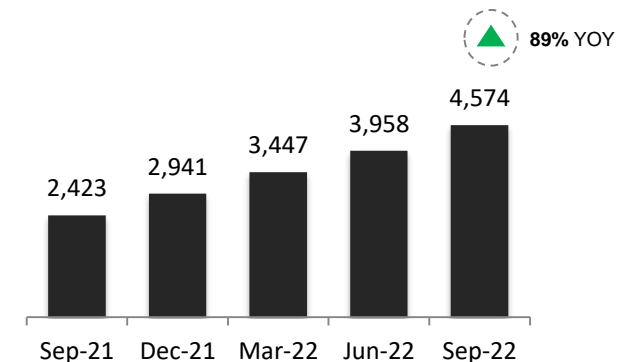


Burgundy Private was launched on 2<sup>nd</sup> December, 2019

Burgundy Private Client Base



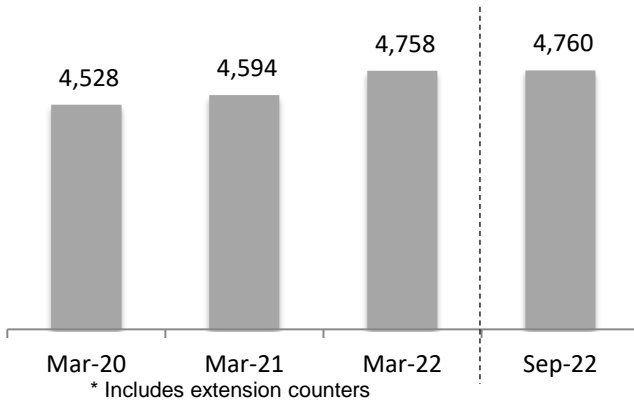
Burgundy Private 3-in-1 Cards



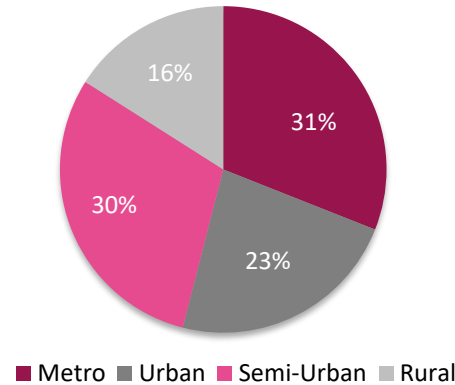
# We have a very well distributed branch network



## Domestic branch network\*

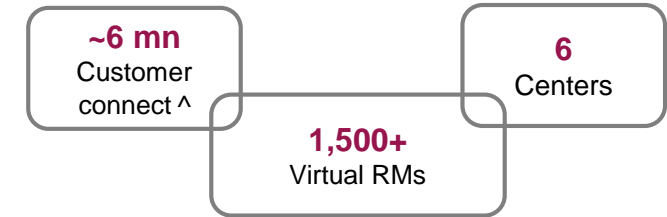


## Branch presence across categories



- 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

## Axis Virtual Centre



- Connected with **~6 mn** customers on a monthly basis through this channel in Q2FY23.
- 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

**28%**

*YoY growth in  
CBG\* advances*

**49%**

*YoY growth in  
Mid Corporate book*

**11%**

*YOY growth in CA  
(QAB) deposits*

**33%**

*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\*\**

**5%**

*YOY growth in  
Corporate & CBG fees*

**11.5%**

*Foreign LC Market  
Share Q2FY23*

**8.2%**

*RTGS payments  
market share  
(Q2FY23)*



\* Commercial Banking Group \*\* in corporate segment for H1FY23

# 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*

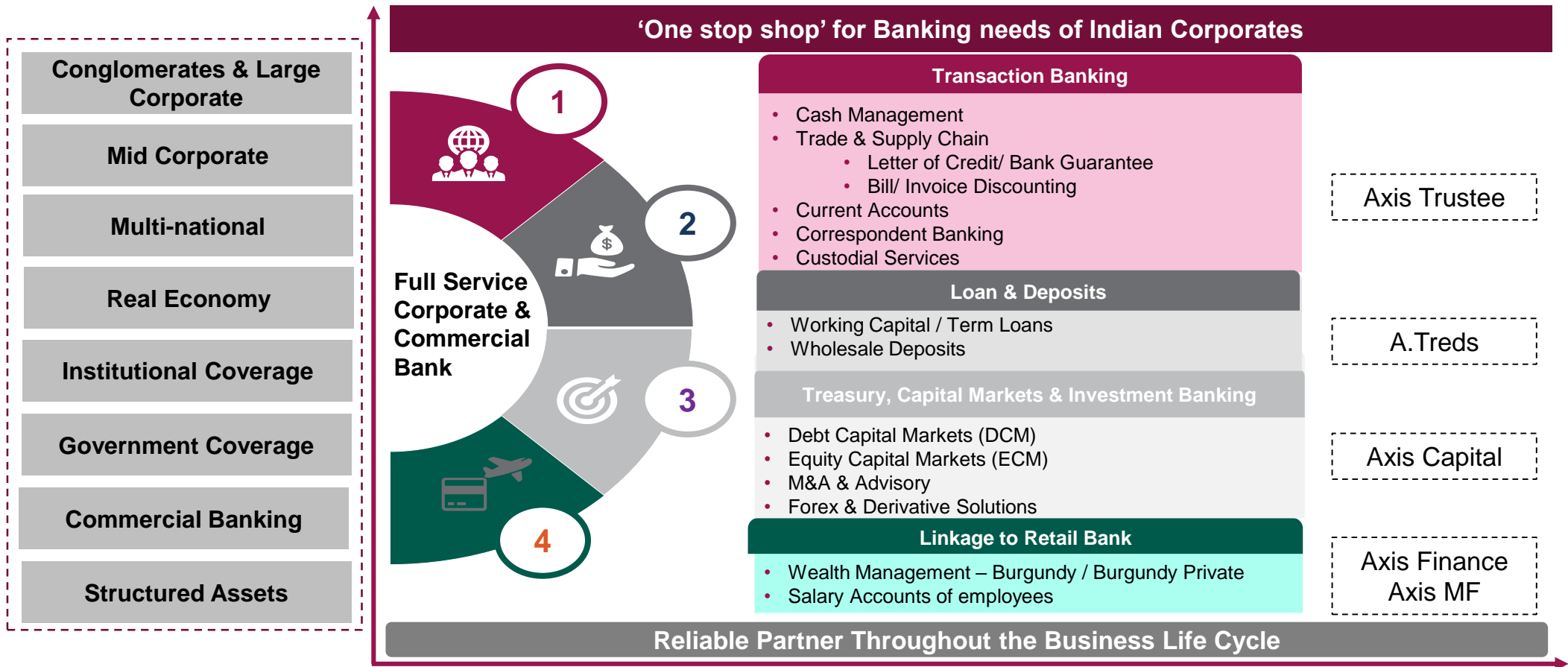
*\*Market Penetration is the proportion of companies interviewed that consider each bank an important provider of corporate banking services*

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



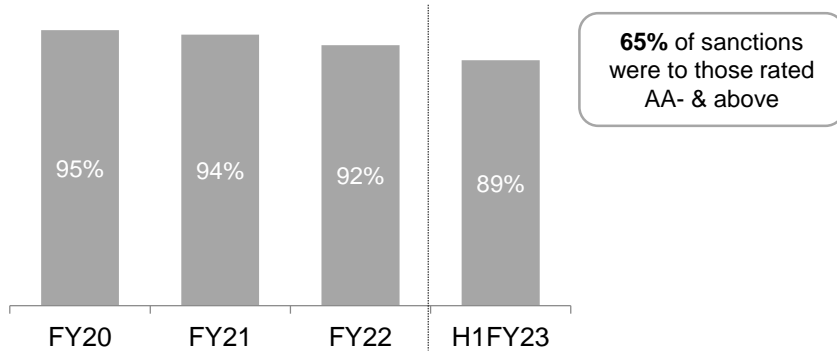
We have re-oriented the organisation structure in Corporate & Commercial Banking for delivering execution excellence

- 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

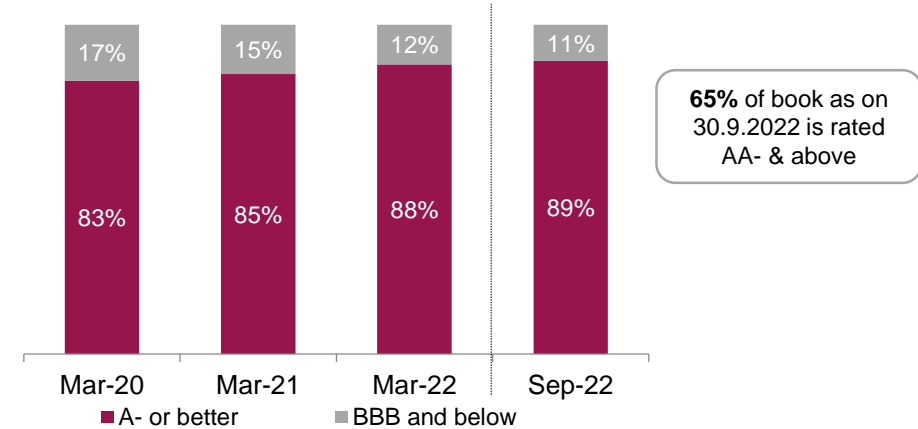


# ...with 89% of the book rated A- and above

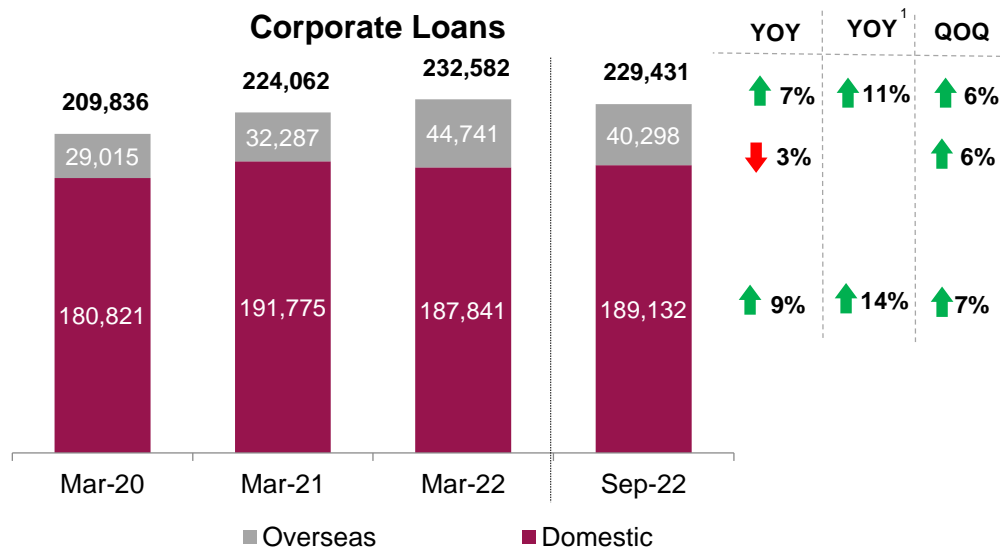
## Incremental sanctions to corporates rated A- & above



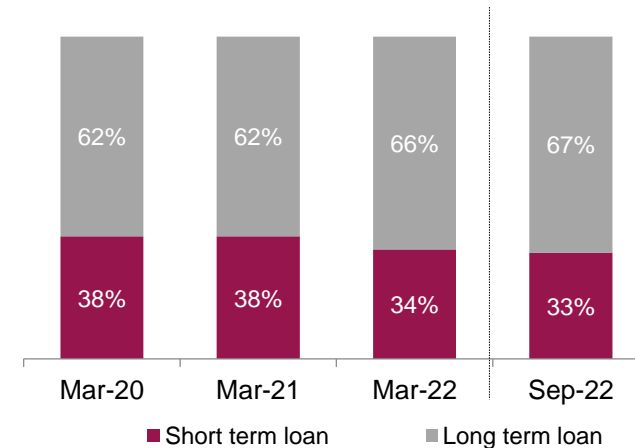
## 89% of the corporate loan book is rated A- or better



## Corporate Loans



## Corporate loan book mix (tenure based)

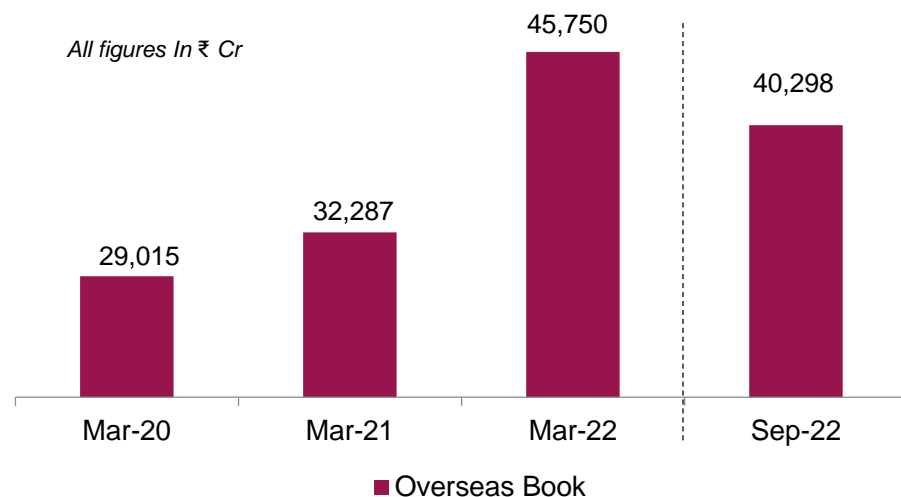


Short term refers to loans of less than 1 yr tenure; Long term refers to loans of greater than 1 yr tenure  
1. Gross of loans sold under IBPC

# 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>



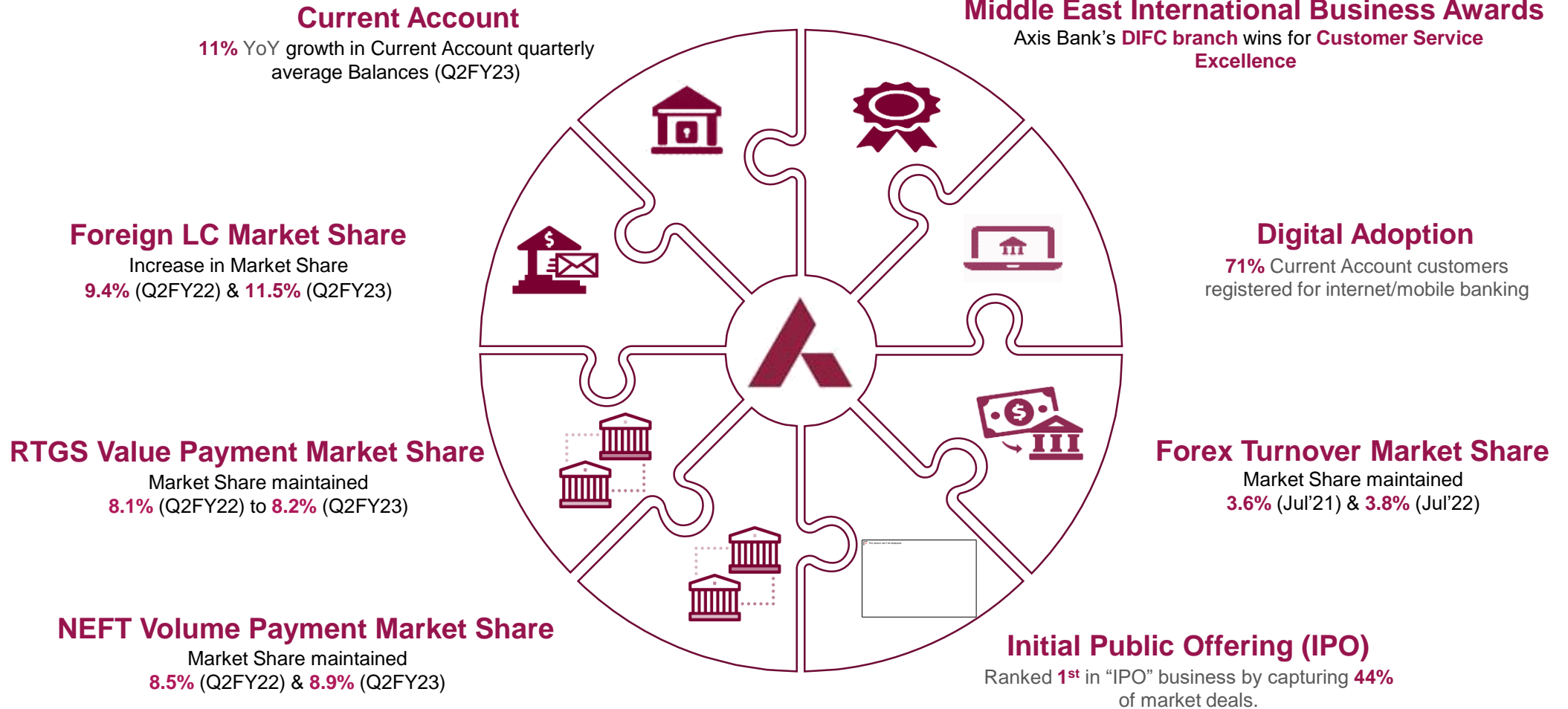
Well balanced in term and working capital loan mix

## ... 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
- **69%** constituted by top 10 conglomerates

<sup>1</sup> International Business Unit

# We have strengthened our proposition as a Transaction Bank

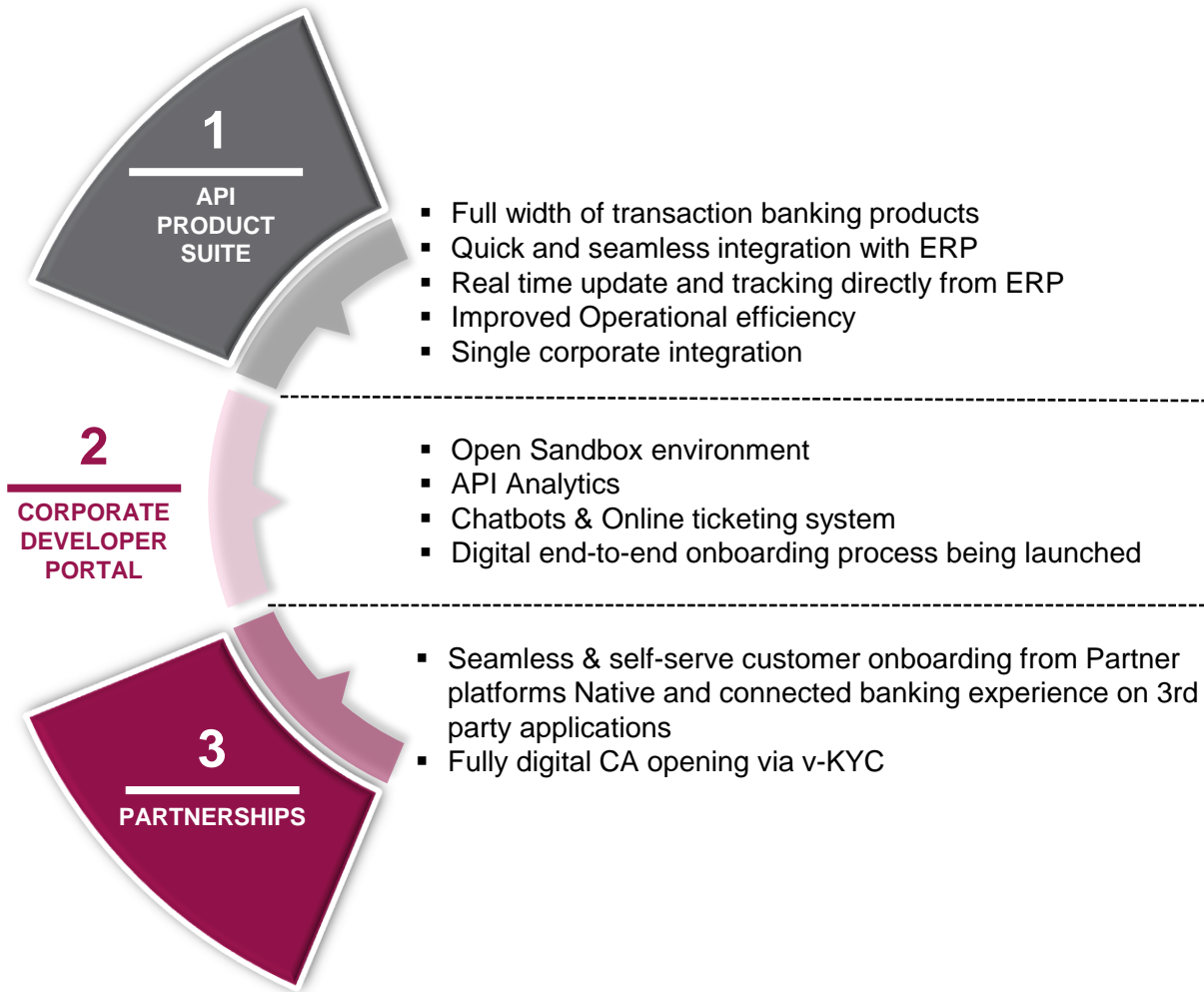


Source:  
Foreign LC – SWIFT Watch  
RTGS/NEFT Payment – RBI Report

Forex Turnover – RBI Report  
IPO – SEBI Report



# 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

*% of digital payments transactions via APIs*



**10x**  
Transaction Volume

**5x**  
Transaction Value

*Growth in the month of September'22 over last 12 months*

**~75+**  
Corporate APIs

**~18+**  
Connected Banking APIs

# Industry-wise Distribution (Top 10)



All figures in ₹ Crores

Rank	Outstanding <sup>1</sup> as on 30 <sup>th</sup> Sep'22 Sectors	Advances	Investments	Non-fund based	Total	
					Value	(in % terms)
1.	Financial Companies <sup>2</sup>	58,230	27,196	27,777	1,13,203	12.17%
2.	Engineering & Electronics	14,997	1,750	30,268	47,015	5.06%
3.	Infrastructure Construction <sup>3</sup>	20,342	4,936	13,890	39,168	4.21%
4.	Trade	27,468	700	8,212	36,380	3.91%
5.	Petroleum & Petroleum Products	12,968	3,693	15,092	31,753	3.41%
6.	Power Generation & Distribution	21,780	2,465	6,082	30,327	3.26%
7.	Real Estate <sup>4</sup>	23,658	750	813	25,221	2.71%
8.	Iron & Steel	13,739	1,016	9,118	23,873	2.57%
9.	Chemicals & Chemical Products	12,205	183	10,302	22,690	2.44%
10.	Automobiles & Ancillaries	16,223	2,433	2,133	20,789	2.24%

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

<sup>2</sup> Includes Banks (33%), Non Banking Financial Companies (31%), Housing Finance Companies (18%), MFIs (7%) and others (11%)

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

<sup>4</sup> Lease Rental Discounting (LRD) outstanding stood at ₹17,012 crores

**Business Performance**

**Commercial Banking**

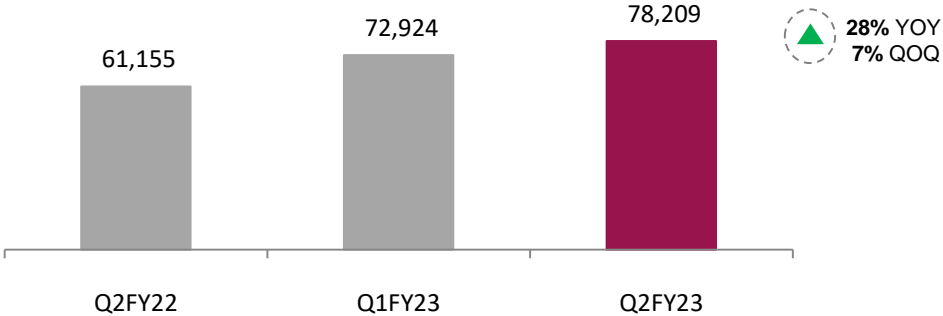


# Commercial Banking business benefitting from technology led transformation



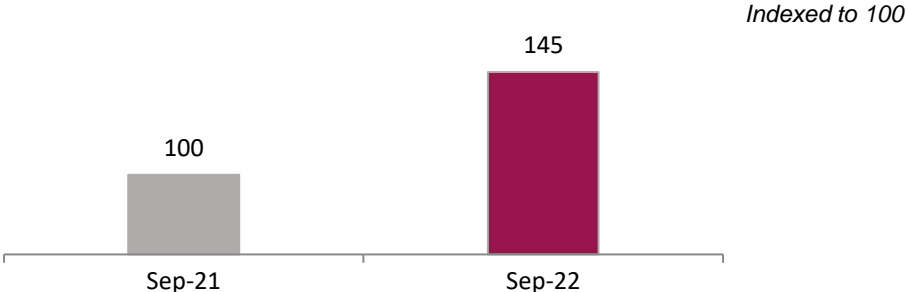
- One of the most profitable segments of the Bank with high PSL coverage
- Data driven credit decisions, minimal documentation, simplified products and digitized operations aiding higher business growth

**CBG Advances**

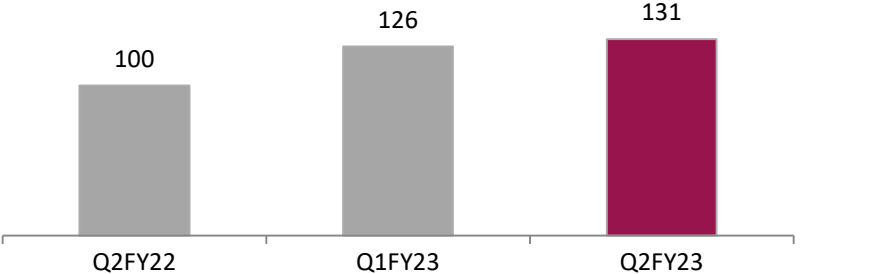


**87%** of loans were PSL compliant

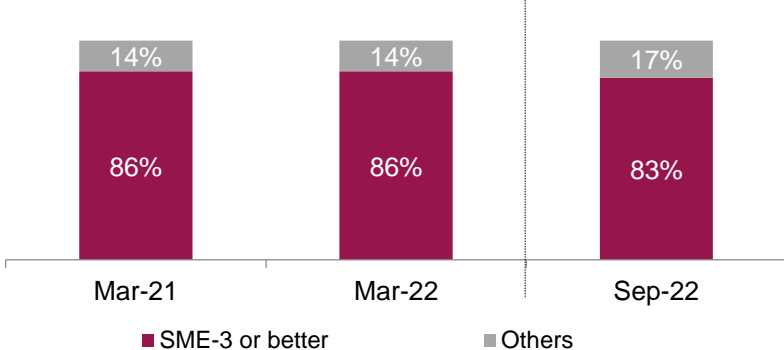
**New to Bank (NTB) book YTD**



**CBG Current Account Balances (QAB)**

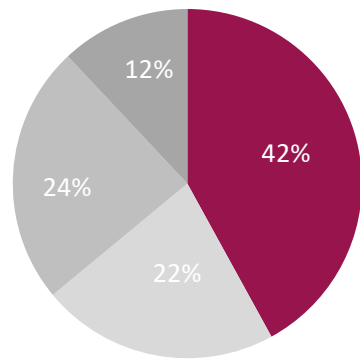


**83% of book is rated SME3 or better**



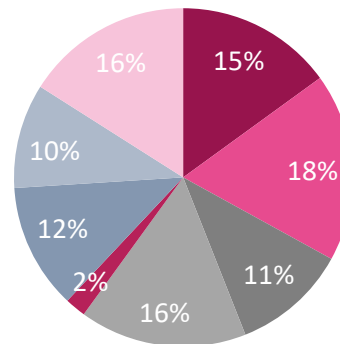
## SME lending book is well diversified

**Book by Loan size**



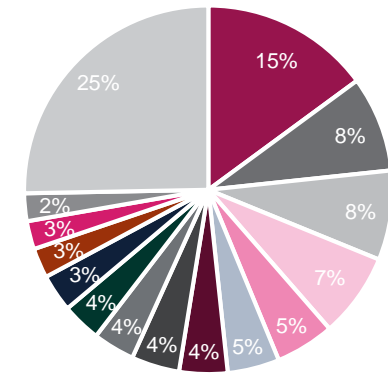
- Less than 5 Cr
- 5 cr 10 cr

**Well diversified Geographical mix**






- West 1
- West 2
- South 1
- South 2
- South 3
- North 1
- North 2
- East & others

**Well diversified Sectoral mix**



- Trade Retail and Wholesale
- Food and Beverages
- Textile
- Engineering Others
- Petrochemical and Petroleum Products
- CRE
- Other Services
- Other Metal and Metal Products
- Chemicals
- Iron & Steel - Manufacturing

# Digital Banking

 <p><b>D2C products</b></p>	<p><b>94%</b> Digital transactions<sup>^</sup></p>	<p><b>81%</b> Credit cards issued<sup>**</sup> (Q2FY23)</p>	<p><b>72%</b> New SA acquisition*</p>	<p><b>58%</b> PL disbursed (end-to-end digital)</p>	<p><b>44%</b> New MF SIP sales (Q2FY23)</p>	<p><b>41%</b> Individual RTDs opened (Q2FY23)</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>16%</b> Market share in UPI (Q2FY23)</p>	<p><b>15%</b> Market share in mobile (Q2FY23<sup>^</sup>)</p>	<p><b>10.5 Mn</b> Mobile Banking MAU<sup>#</sup>(Q2FY23)</p>	<p><b>109,833</b> Staff on BYOD<sup>-</sup></p>	<p><b>2,510+</b> Automated Processes (IA)</p>	<p><b>300+</b> Employee tool Journeys</p>
 <p><b>Capabilities</b></p>	<p><b>1,500+</b> People dedicated to digital agenda</p>	<p><b>350+</b> In-house development team</p>	<p><b>77%</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>~72</b> Apps on cloud</p>	<p><b>Agile</b> Enabled teams with CI/CD, micro-services architecture</p>

**~6.2 Mn**

Non Axis Bank customers using Axis Mobile & Axis Pay apps (in Q2FY23)

**31%**

Contribution of KTB channels to overall sourcing of Cards (in Q2FY23)

**45%**

Growth in Digital Banking fees



\*Digital tablet based account opening process for Q2FY23 \*\*through digital and phygital mode ^RBI data for Jul'22 – Aug'22

@ on Google Play store -Bring your own device enabled for staff and outsourced team

^Based on all financial transactions by individual customers in Q2FY23 #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
O/W Remittance	GrabDeals	Insurance 2.0	CA Sole Proprietor



**O** 0-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

- **1500+** people dedicated to digital agenda
- **~77%** new hires from non-banking background
- **350+** member full service inhouse team:
  - 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

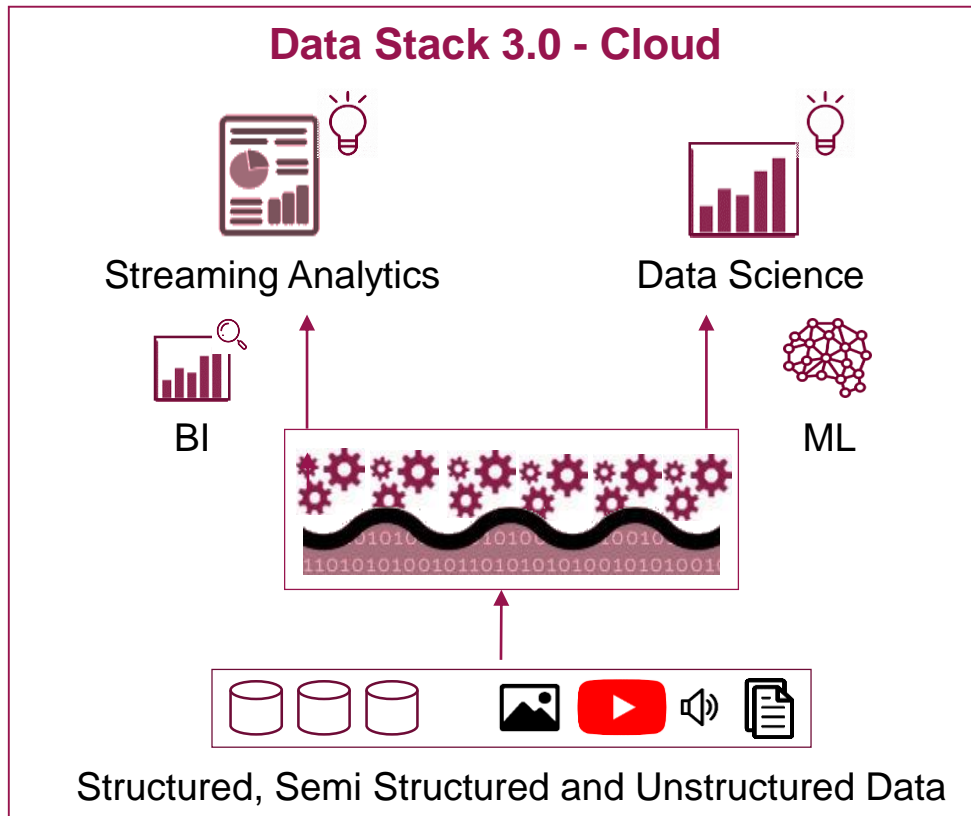


## Setting the right data infrastructure

- 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

# We are moving to Data Architecture 3.0

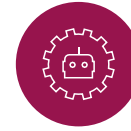
**Building data stack 3.0 for next level of analytics and have created service data lake for enhanced customer experience**



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



Building **alternate data platforms** to enable score-based underwriting large cross section of lendable population



**100+ nudges** developed & deployed via custom cloud native serving layer



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

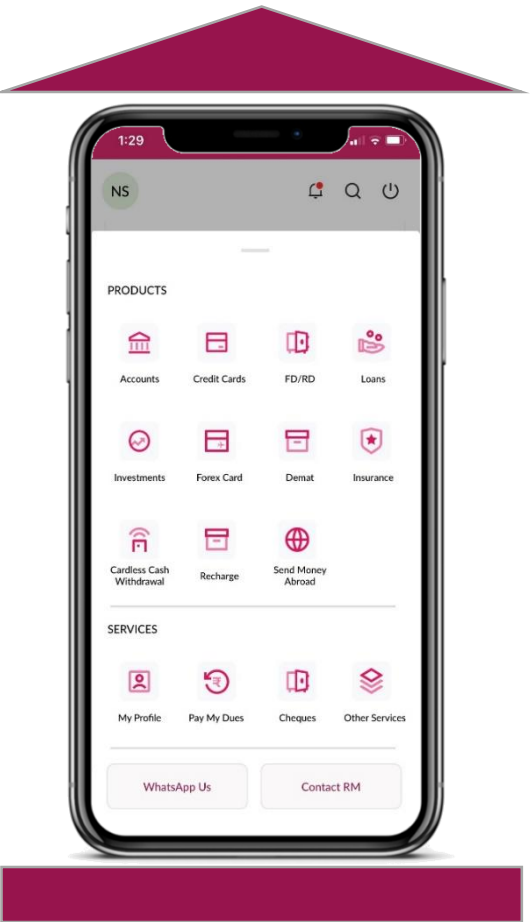


**150+** use cases deployed across credit, fraud, marketing analytics on cloud decisioning platform



Multiple machine learning based credit models developed; **2000** attributes considered; over **40+%** lift on GINI over generic bureau models

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



**Store Rating**

Google Play Store: 4.8  
 App Store: 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 **15 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>20 mn+</b> Registered customers on Axis Mobile Banking</p>	<p><b>10 mn+</b> Monthly active users on Axis Mobile Banking</p>
<p><b>~6.2 mn</b> Non-Axis Bank customers using Axis Mobile &amp; Axis Pay apps in Q2FY23</p>	<p><b>~₹6.3 tn</b> MB spends in Q2FY23, up <b>64% YOY</b></p>	<p><b>~3.1 bn</b> MB volumes in Q2FY23, up <b>92% YOY</b></p>	<p><b>59%</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

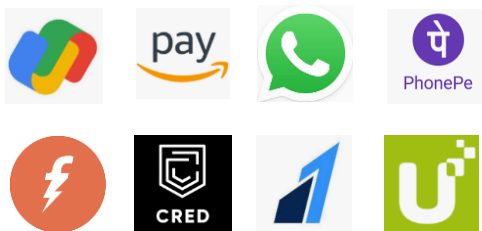
**425 mn**

Cumulative VPA base\*\*

**~ 15 lakh**

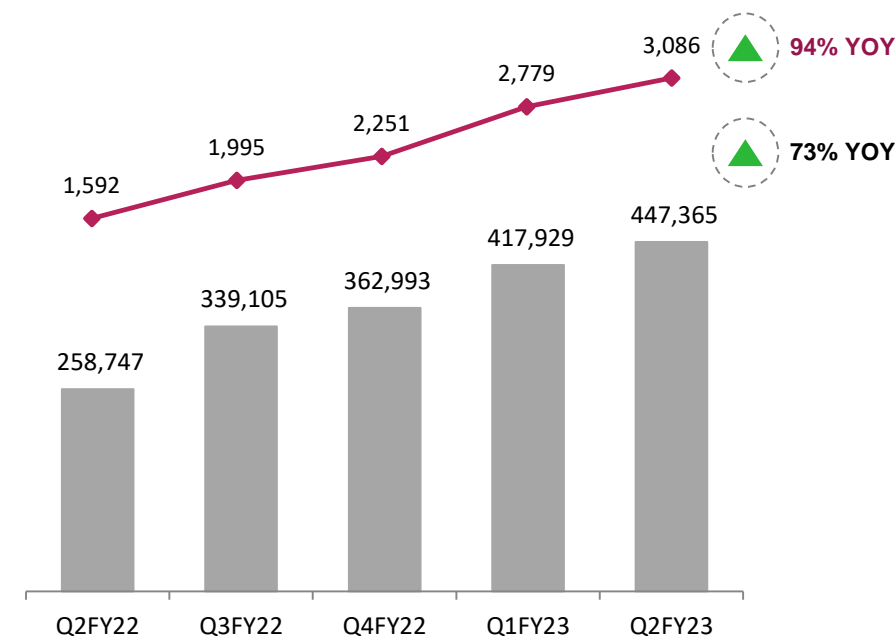
Merchants transacting per day on our stack

Marque partnerships across the PSP and acquiring side

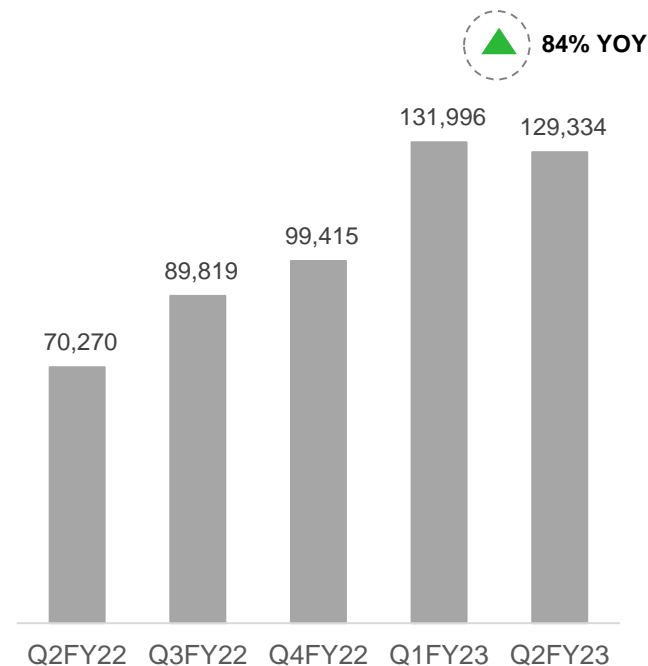


and many others..

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



## UPI P2M Throughput (in ₹ crores)



■ Quarterly transaction value (in ₹Cr)  
 — Quarterly transaction volume (in mn)

\*\* 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 16% as Payer PSP (by volume) and ~18% in UPI P2M Acquiring (by throughput) in Q2FY23

# 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

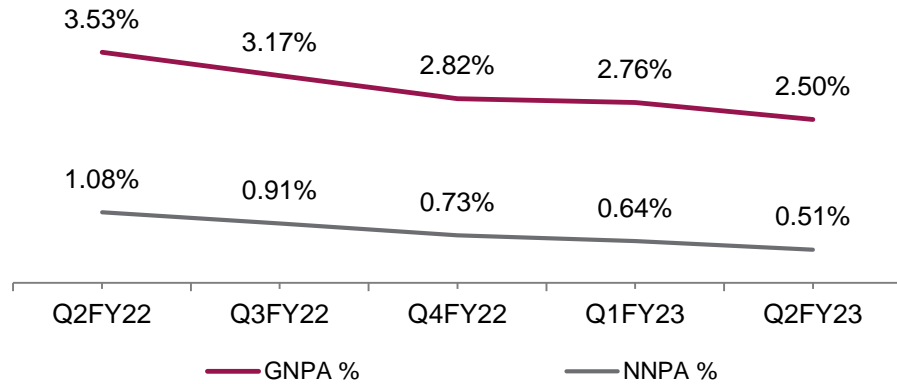
Subsidiaries' Performance

Other important information

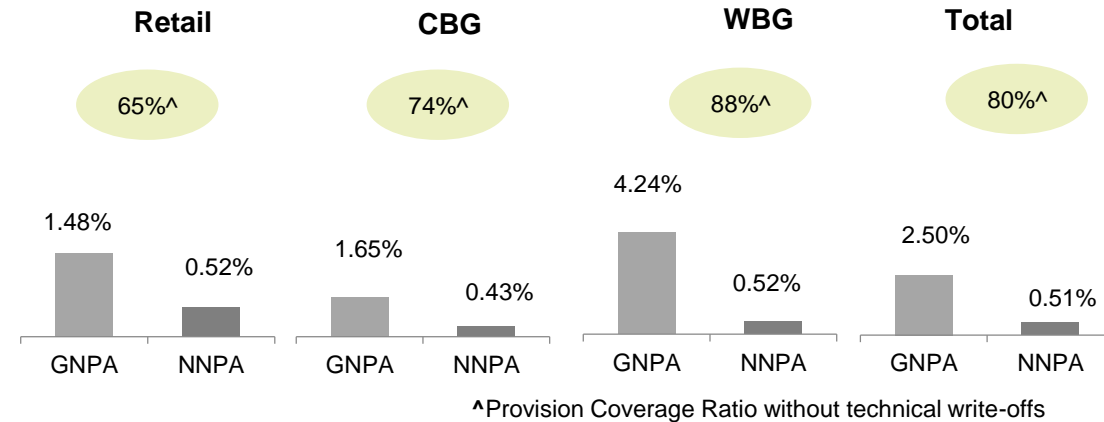
# Consistently improving asset quality visible across all segments



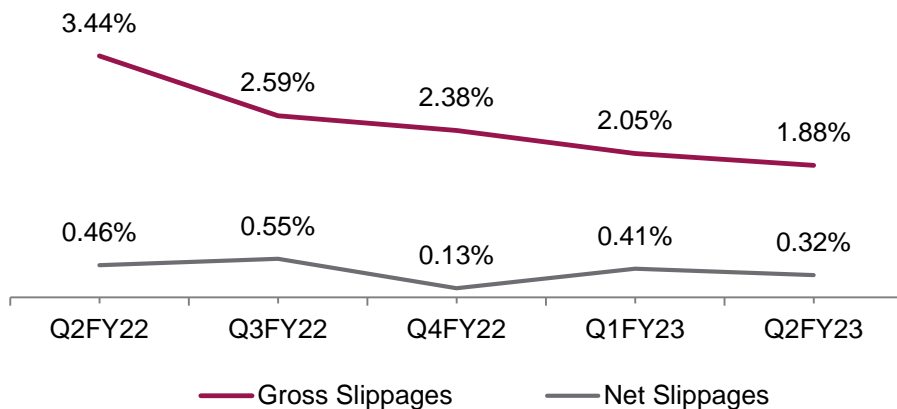
**GNPA at 2.50% & NNPA at 0.51%**



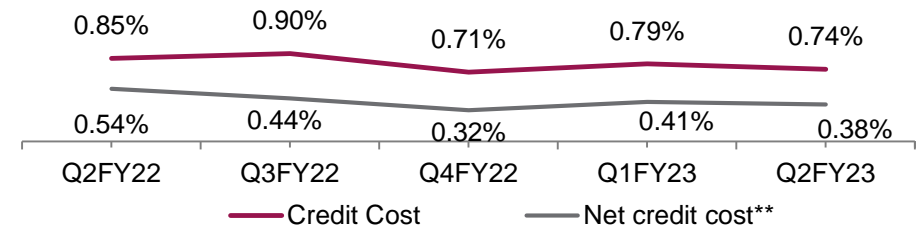
**Segmental composition improving sequentially and YOY**



**Slippages (Annualised)**



**Credit Cost (Annualised)**

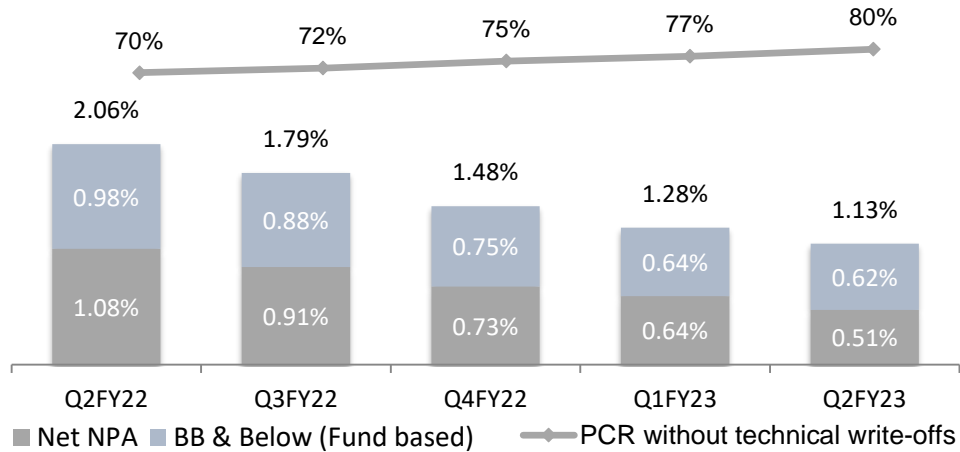


\*\* credit cost net of recoveries in written off accounts

# 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 264 bps QoQ at 80%;  
net NPA improved 57 bps YoY and 13 bps QoQ



### BB & below book

BB & Below Outstanding	Q1 FY23	Q2 FY23
Fund based (FB)	4,858	4,939
Non fund based	2,519	2,261
Investments	796	787

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 30.09.2022	Implemented
<b>Bank</b>	<b>2,996</b>
Retail	2,353
Wholesale	627
CBG	16
<b>Bank as a % of GCA</b>	<b>0.38%</b>
Retail as a % of segment GCA	0.55%
Wholesale as a % of segment GCA	0.26%
CBG as a % of segment GCA	0.02%

- 73% of the Covid restructuring book is standard
- Provision on restructured book Rs. 1,008 crs, coverage 23%
- ~95% of Retail Covid (1+2) is secured, unsecured 100% provided
- Linked but not restructured NFB Rs. 966 crores
- MSME (1+2) standard restructured book Rs. 585 crs, 0.07% of GCA
- Linked non-restructured book Rs. 210 crores, provision held on the same Rs. 92 crs

### Key comments on BB and Below book

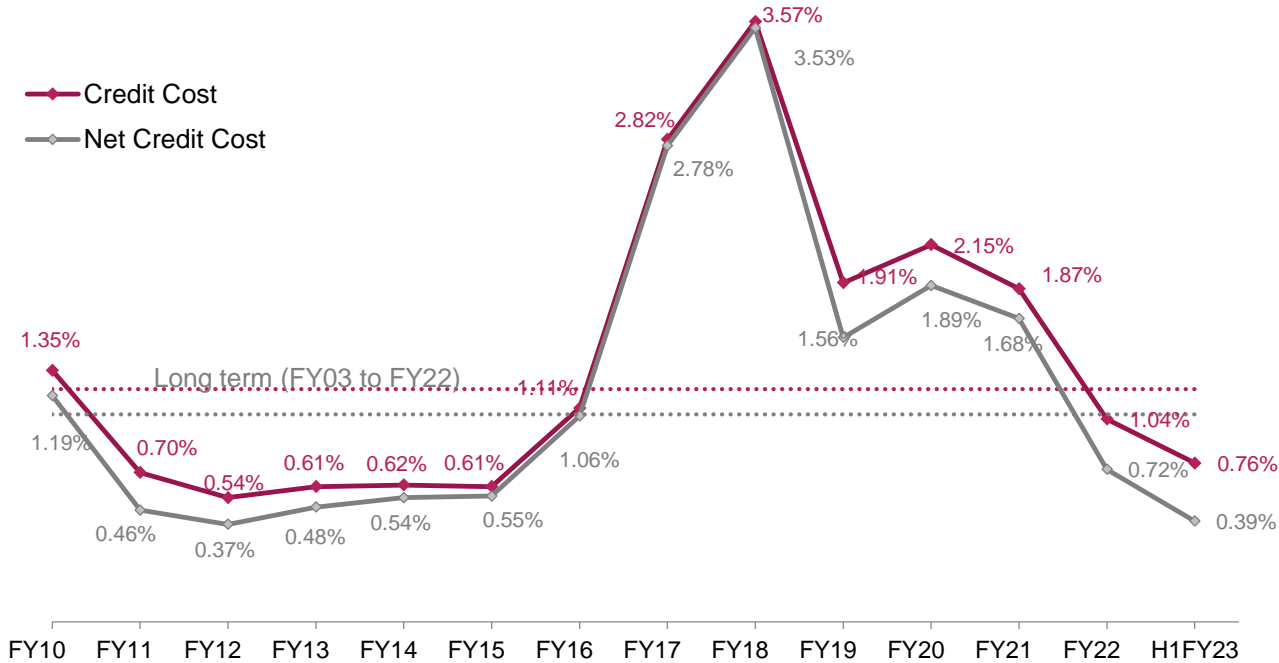
- Rs. 198 crs of reduction is due to recoveries/upgrades
- Rs. 225 crs downgraded to BB & below during the quarter, down 68% YOY
- Rs. 778 crores slippages to NPA and Rs. 565 crores upgrade from past NPA
- Average ticket size ~ Rs. 40 crs
- 100% of restructured corporate book classified BB & below
- ~ 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 63% of FB book



# Legacy asset quality issues adequately addressed

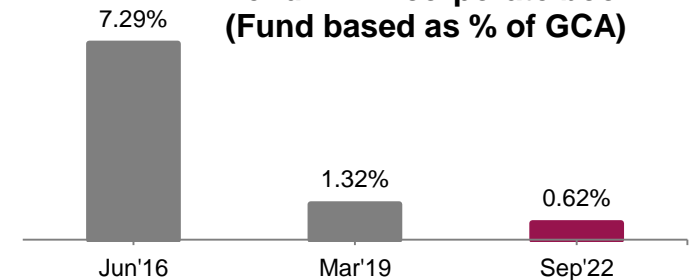


### Overall Credit Costs: FY10 to H1FY23

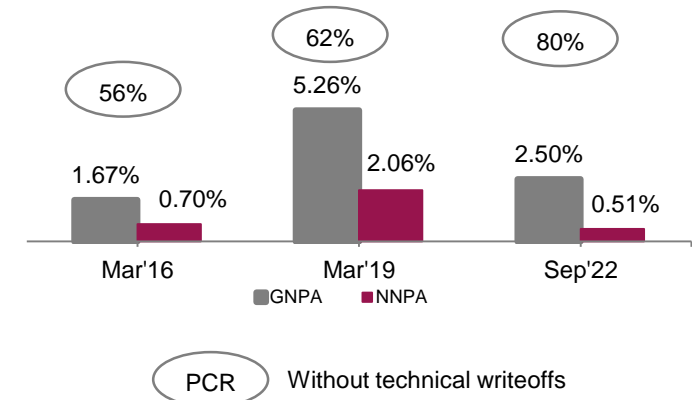


- Drivers of Credit Costs**
- **Reduced lumpiness of the wholesale business:** Given quality and granularity of the wholesale book, the new credit costs should be lower for this cycle as compared to previous cycle
  - **Provisioning rules tightened and rule based, PCR an outcome:** We now operate at 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

		Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23
<b>Gross NPAs - Opening balance</b>	<b>A</b>	25,949	24,149	23,301	<b>21,822</b>	<b>21,037</b>
Fresh slippages	B	5,464	4,147	3,981	3,684	3,383
Upgradations & Recoveries	C	4,757	3,288	3,763	2,957	2,826
Write offs	D	2,508	1,707	1,697	1,512	1,700
<b>Gross NPAs - closing balance</b>	<b>E = A+B-C-D</b>	<b>24,149</b>	<b>23,301</b>	<b>21,822</b>	<b>21,037</b>	<b>19,894</b>
Provisions incl. interest capitalisation	F	16,949	16,788	16,310	16,256	15,898
<b>Net NPA</b>	<b>G = E-F</b>	<b>7,200</b>	<b>6,513</b>	<b>5,512</b>	<b>4,781</b>	<b>3,996</b>
<b>Provision Coverage Ratio (PCR)</b>		<b>70%</b>	<b>72%</b>	<b>75%</b>	<b>77%</b>	<b>80%</b>
Accumulated Prudential write offs	H	35,808	35,620	36,256	36,569	36,865
<b>PCR (with technical write-off)</b>	<b>(F+H)/(E+H)</b>	<b>88%</b>	<b>89%</b>	<b>91%</b>	<b>92%</b>	<b>93%</b>

## Provisions & Contingencies charged to Profit & Loss Account

	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23
Loan Loss Provisions	927	790	602	777	751
Other Provisions	808	545	385	(418)	(201)
<i>For Standard assets*</i>	(122)	100	121	(20)	161
<i>Others**</i>	930	445	264	(398)	(362)
<b>Total Provisions &amp; Contingencies (other than tax)</b>	<b>1,735</b>	<b>1,335</b>	<b>987</b>	<b>359</b>	<b>550</b>

\* including provision for unhedged foreign currency exposures

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

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Asset Quality

**Sustainability**

Subsidiaries' Performance

Other important information

# ESG a Bank-wide Agenda



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

## ESG a Board-level agenda

- Axis Bank is the first Indian Bank to constitute an ESG Committee of the Board

## ESG oversight at Leadership level

- ESG Steering Committee at the Management level championing ESG across the Bank
- DEI Council providing oversight on Diversity, Equity and Inclusion
- ESG Working Group driving ESG integration in lending activities

## Building Ownership at Business Level

- ESG Commitments announced for Retail and Corporate businesses
- Sustainable Financing Framework in place to drive ESG issuances

### Steady Progress on ESG Benchmarks

- **6<sup>th</sup>** Consecutive year on FTSE4Good Index in 2022
- MSCI ESG Ratings at **A** in 2022
- CDP Score at **B-** in 2021<sup>#</sup>
- In **78<sup>th</sup>** percentile among global banks, improving its score from 51 to 60 on DJSI



Among the top 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

<sup>#</sup>2022 score awaited

## ESG commitments announced by the Bank in September 2021



### Positive Impact Financing

- Incremental financing of **₹30,000 crores** for positive-impact sectors by FY26
- Making **5%** of Retail Two-Wheeler loan portfolio as electric by FY24, offering 0.5% interest discount for new EV loans



### Proactive Risk Mitigation

- Integrating ESG into risk management at the enterprise level
- Expanding ESG risk coverage in credit appraisal under our ESG Policy for Lending
- Scaling down exposure to carbon-intensive sectors in our wholesale lending portfolio



### Inclusive and Equitable Economy

- Incremental disbursement of **₹10,000 crores** by FY24 under Asha Home Loans for affordable housing
- Ensuring **30%** female representation in workforce by FY27, aligned to our #ComeAsYouAre Diversity Charter



### Healthier Planet

- Planting **2 million** trees by FY27 across India towards contributing to creating a carbon sink
- Achieving carbon neutrality in our business operations

Please access the [Press Release](#) to know more

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**Subsidiaries' Performance**

Other important information

# Significant value creation happening in our key group entities

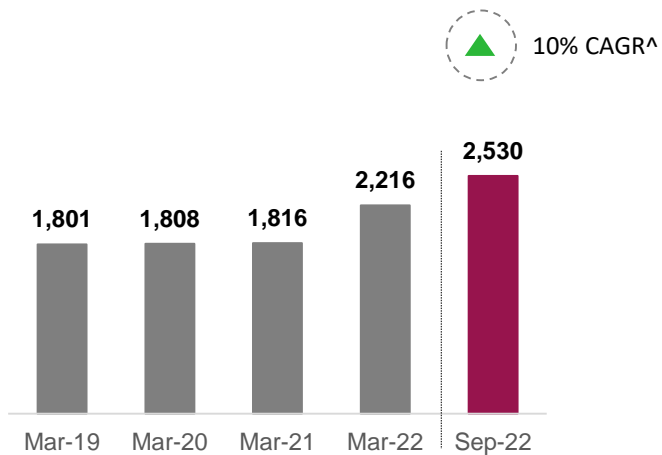


Detailed One Axis presentation [Link](#)

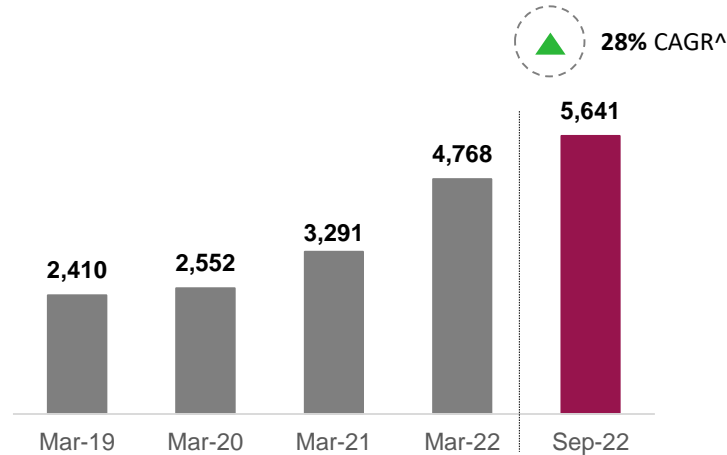
Asset Management	Invst Banking & Inst Equities	Consumer focused NBFC	Retail Brokerage	Trustee	Fintech platform	TReDS platform	Insurance
One of the fastest growing MF player	Leadership position in ECM deals segment	AAA rated NBFC with diversified product offerings	3 <sup>rd</sup> largest bank led brokerage 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

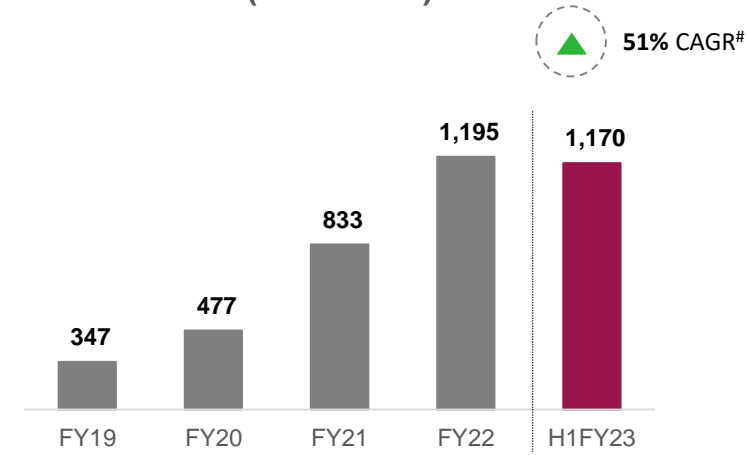
Total investments\* made



Combined network\* of operating subs



Combined PAT \* of operating subs (annualized)



# CAGR for period FY19 to FY22

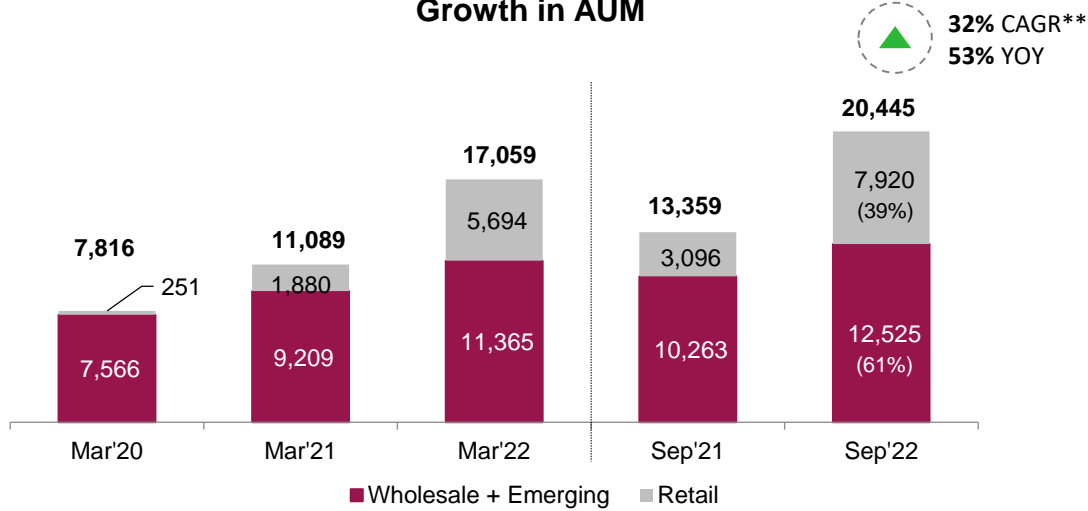
\*\* Including stakes owned by Axis Capital and Axis Securities; Also, there is further Option to take overall stake to 19.99% ^ 25% is held by Schroders Plc

<sup>^</sup> CAGR for Mar-19 to Sep-22 period @ Based on New Business Premium

\* 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 53% YOY, Retail book up 3 times YOY

## Growth in AUM



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

## Major Highlights

- **2.6x** YOY growth in Retail book, retail mix up from **8%** in Sep'20 to **39%** in Sep'22
- **22%** YOY growth in Wholesale loan book
- **93% & 70%** of the wholesale book and retail book are secured respectively
- **16.6%** ROE for Q2FY23
- **19.6%** Capital adequacy ratio
- **0.42%** Net NPA with near zero restructuring

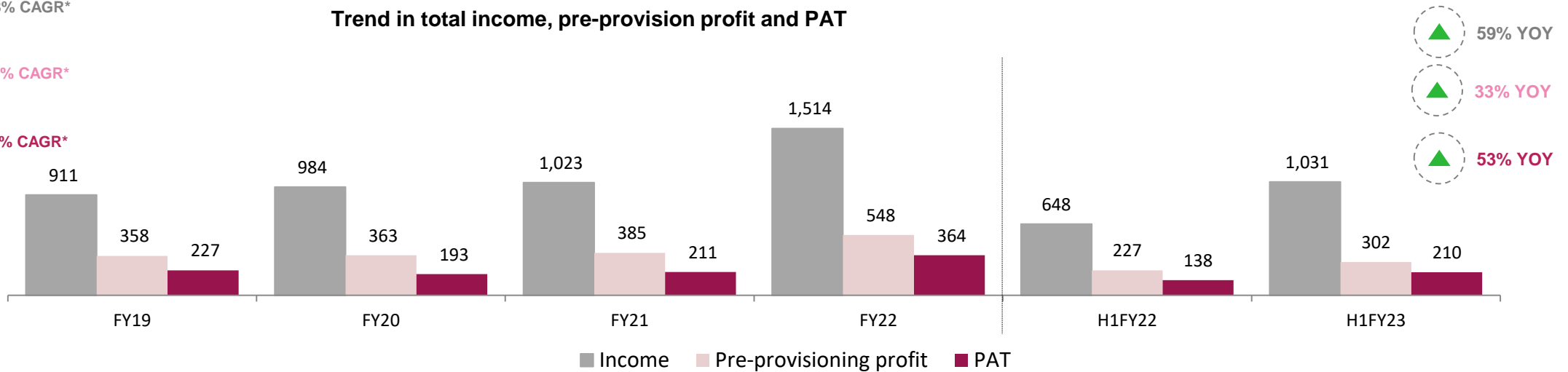


18% CAGR\*

15% CAGR\*

17% CAGR\*

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



Started investment in retail franchise FY 19 onwards

\* 3 yr CAGR (FY19 to FY22)

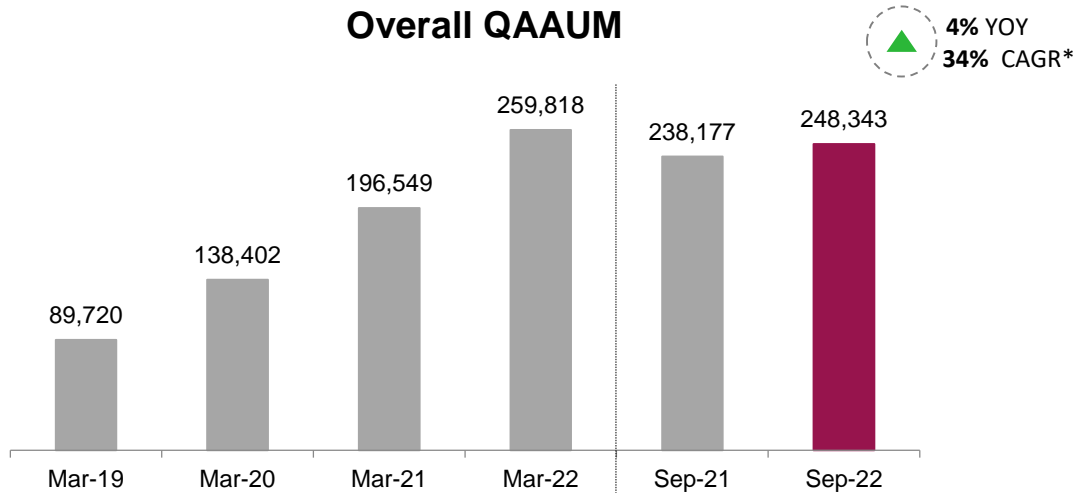


# Axis AMC : PAT up 24% YOY

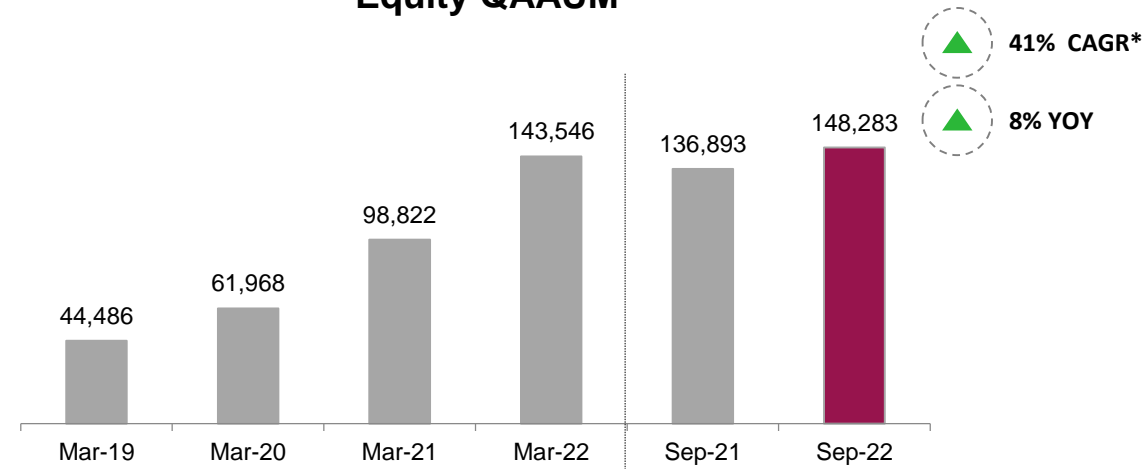


All figures in ₹ Crores

## Overall QAAUM

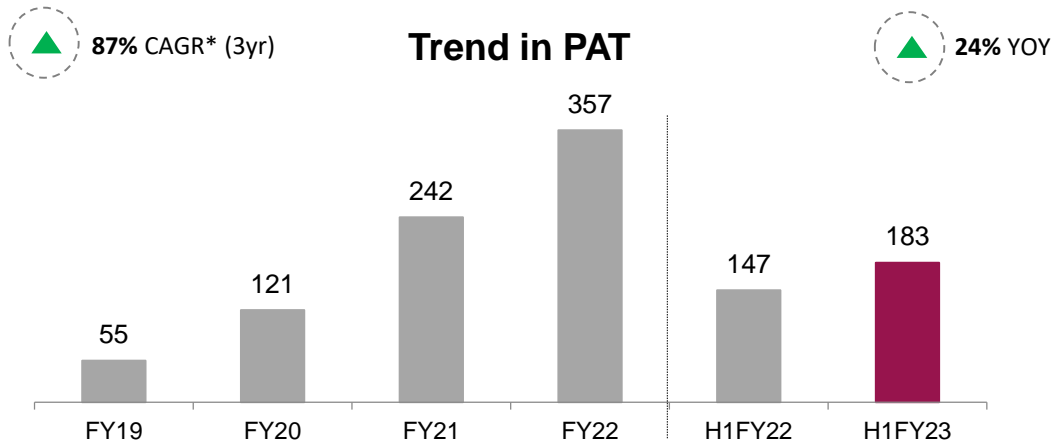


## Equity QAAUM



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

## Trend in PAT



\* CAGR for period FY19 to FY22

## Major Highlights

- **6.4%** AAUM market share as of Sep'22
- **64%** of overall AUM consists of Equity & Hybrid funds
- **18%** YOY growth in total gross revenue in H1FY23
- **34%** YOY growth in Client folios at **13.2 mn** as at 30.9.2022

^Scheme AUM/AAUM (Amt in cr) Rs.241632.06 / Rs.248343.28 Asset Classwise AUM / AAUM:Liquid/Money Market: 37801.08/41937.66, Gilt: 126.09/124.09, Income/Debt: 37396.91/39220.94 Equityincluding ELSS: 146537.79/145533.15, Hybrid: 10578.18/12303.53, Solution: 1745.18/1732.92, Index:3109.96/2934.23, ETF: 2094.53/2016.27, FOF: 2242.33/2540.49 . AUM by geography (%) [Cities]: Top 5:58.38% Next 10: 14.36% Next 20: 6.63% Next 75: 7.44% Others: 13.19%

# Axis Capital : Volatile markets weighed on deal activity



## FY22 Ranking\* (includes IPO, FPO, QIP, REIT, OFS & Rights)

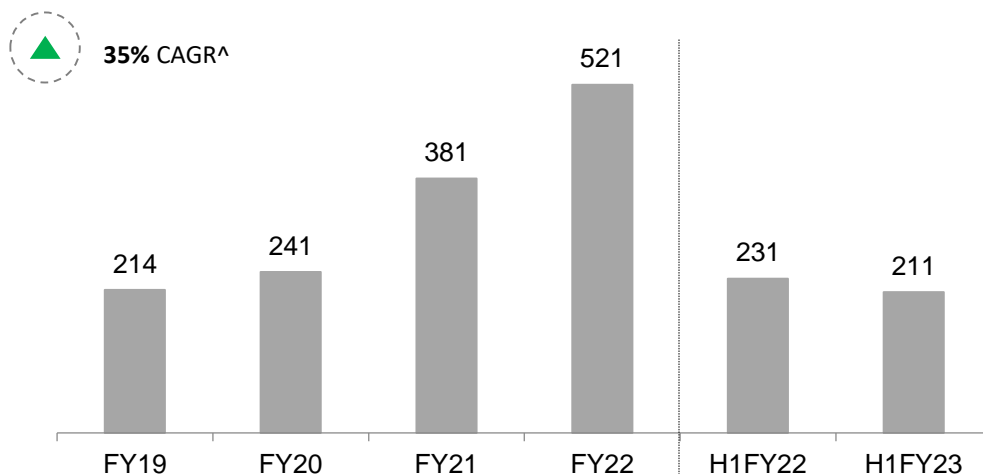
Rank	Banker	No of Deals*
1	Axis Capital	8
2	Peer 1	6
3	Peer 2	6
4	Peer 3	6
5	Peer 4	5

## Major Highlights

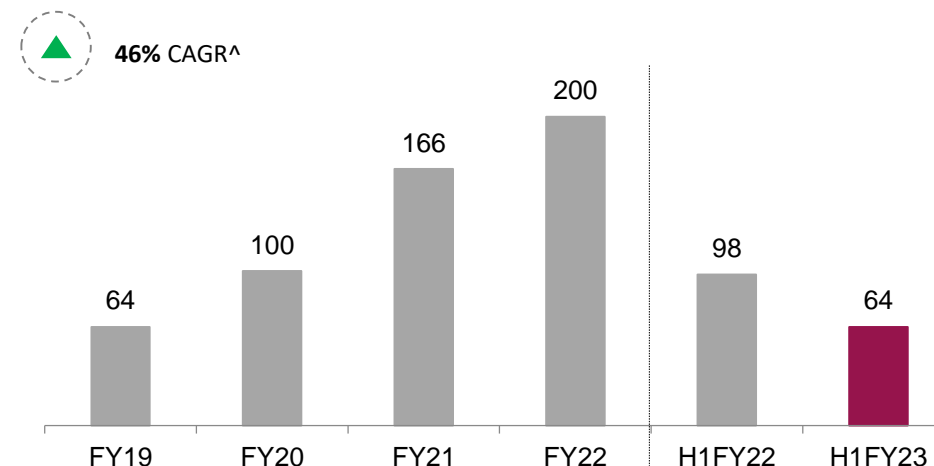
- **21** IB deals closed in H1FY23 that include **5** IPOs, **1** QIP, **2** SF Syndication, **4** M&A and **1** Private Equity
- **~10.1%** investment banking market share in H1FY23
- **12%** YOY growth in Axis Capital's Institutional Equity business trading volumes in cash segment
- **₹64 crores** – PAT in H1FY23

All figures in ₹ Crores

## Revenue from Operations



## Profit After Tax



\*Source: Primedatabase; Updated till 30<sup>th</sup> September, 2022;  
Includes all Equity IPOs, FPOs, QIPs, OFS, REIT, InvIT, Rights Transactions <sup>^</sup> CAGR for period FY19 to FY22

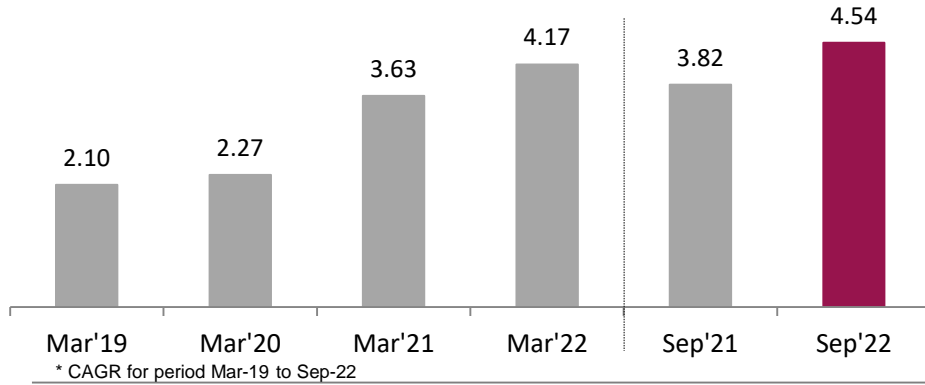
# Axis Securities : Strong growth in new customer additions



## Total customer base (in mn)

Axis Securities had acquired nearly 1 mn Karvy's trading accounts in Q4FY21, making Axis Securities as the 3<sup>rd</sup> largest bank led retail brokerage in terms of customer base

▲ 19% YOY  
25% CAGR\*



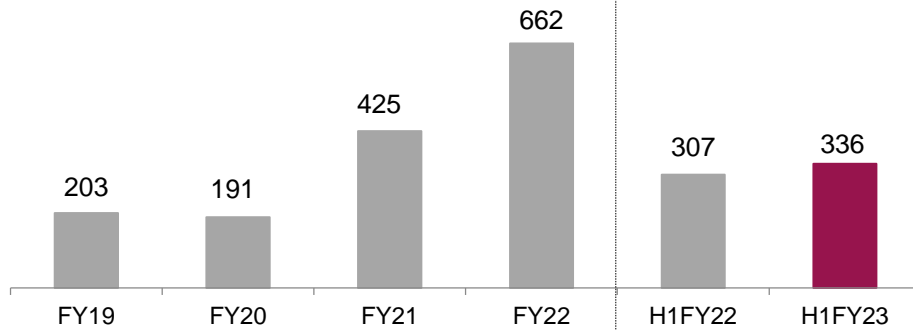
## Major Highlights

- **97%** YOY growth in new clients added during H1FY23 period
- **62%** of the volumes in H1FY23 was from Mobile trading
- **55%** of clients traded through Axis Direct Mobile App in H1FY23
- **₹ 336 crores** - broking revenues in H1FY23, up 9% YOY

All figures in ₹ Crores

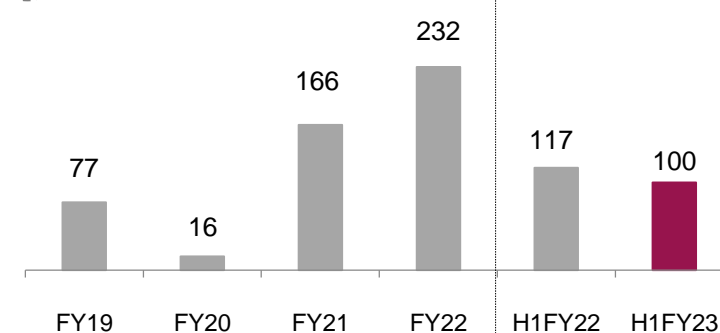
## Broking Revenue

▲ 48% CAGR\*



## Profit After Tax

▲ 44% CAGR\*



\* CAGR for period FY19 to FY22

## A.TREDS: *Invoicemart continues to be a market leader*



- 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 **₹ 39,400 crs+**. Crossed a monthly figure of **₹ 2,544+ crs** in September 2022.
- Invoicemart has helped in price discovery for MSMEs across **750+** locations in India who are now able to get their bills discounted from **50** financiers (banks and NBFC factors)

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



**Throughput**  
~ ₹ 39,400 Cr



**Invoices Discounted (in No's)**  
~ 12.9 Lakh

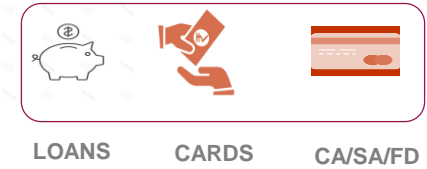


**Participants on-board**  
~ 16,850

# Freecharge: “Lending” products continue to deliver strong growth; 75K customers cross-sold financial services products in Q2’FY23



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

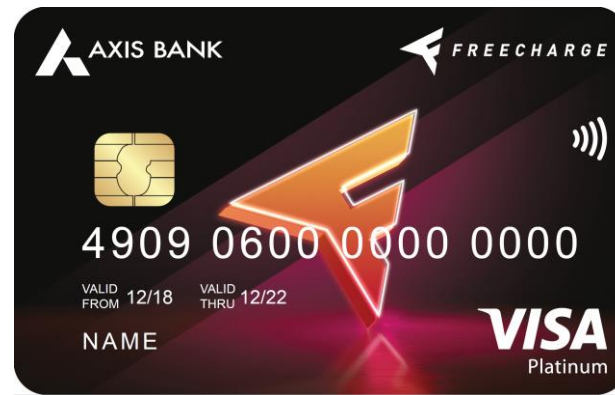


## BNPL



- ~15% growth in applications submitted QoQ;
- 3.5x growth in GMV YoY
- ~3x growth in transactions YoY
- 64% M1 retention in Q2’FY23

## Consumer Lending



### Personal loans

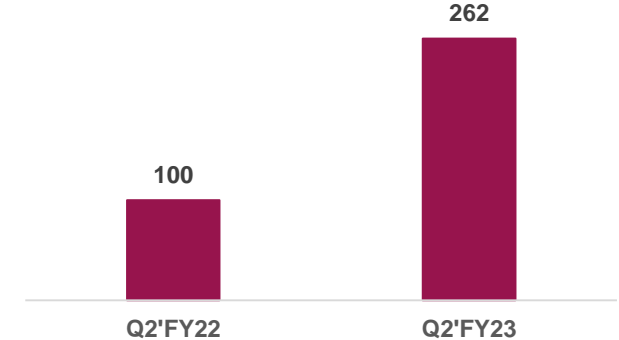
- 2x growth in number of loans disbursed QoQ.

### Credit Cards

- ~30% growth in issued cards QoQ
- ~45% increase in spends QoQ

## SMB\* Ecosystem

Processed volume growth SMB  
(Values are Indexed)



- Loans disbursement steady in Q2
- Current accounts and loans sourced from 1800+ pincodes
- ~10% increase in GMV & ~16% increase in transactions QoQ
- 3.6x transactions of lending SMBs compared to non-lending SMBs
- 3x growth in merchant acquisition YoY.

\*Small and medium 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.

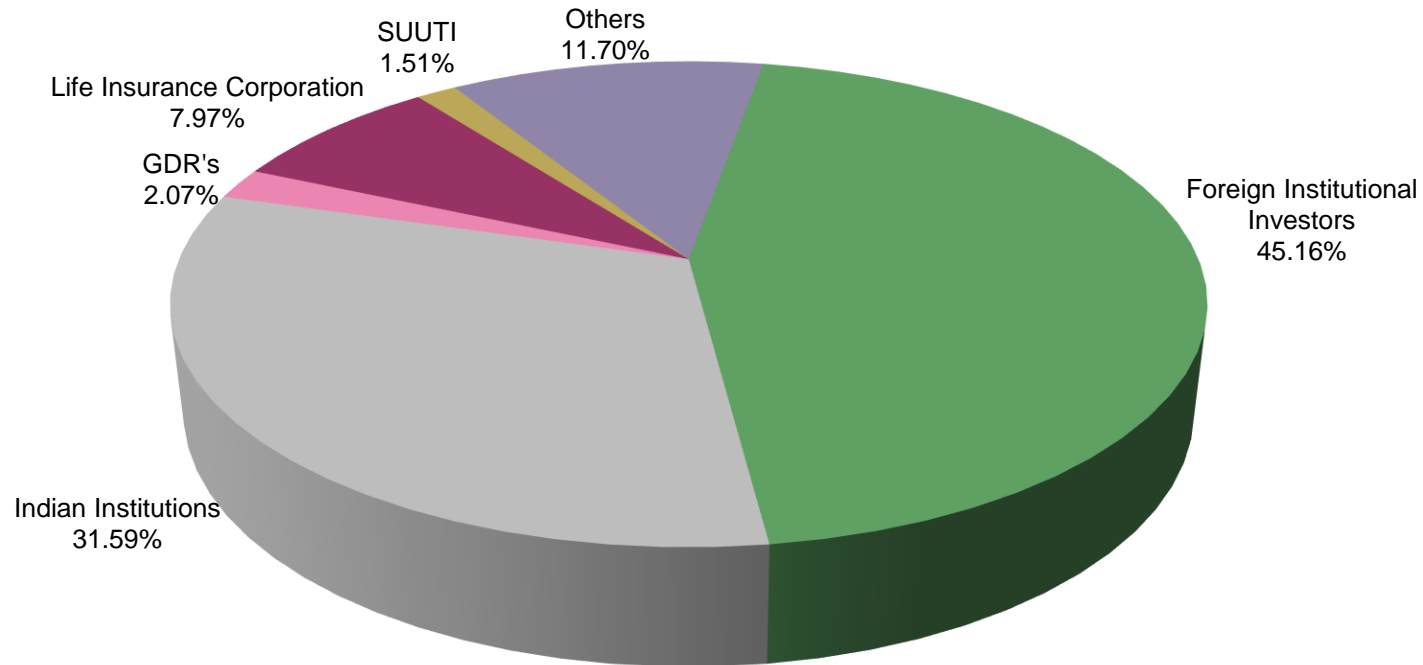
Won **‘Analytics India Magazine’s Cypher’** award for Data Engineering excellence

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 September 30, 2022)



- Share Capital ₹614 crores
- Shareholders' Funds ₹124,564 crores
- Book Value Per Share ₹405
- Diluted EPS (Q2 FY23) # ₹68.36
- Market Capitalization ₹254,963 crores (as on October 19<sup>th</sup>, 2022)

# annualised



# Financial Performance



Financial Performance (₹ crores)		Q2FY23	Q2FY22	% Growth	H1FY23	H1FY22	% Growth
Interest Income	A	20,239	16,336	24%	38,967	32,339	20%
Other Income	B = C+D+E	3,941	3,798	4%	6,940	7,157	(3%)
- Fee Income	C	3,862	3,231	20%	7,438	5,899	26%
- Trading Income	D	(86)	473	-	(753)	1,029	-
- Miscellaneous Income	E	165	95	73%	255	229	11%
<b>Total Income</b>	<b>F = A+B</b>	<b>24,180</b>	<b>20,134</b>	<b>20%</b>	<b>45,907</b>	<b>39,496</b>	<b>16%</b>
Interest Expended	G	9,879	8,436	17%	19,223	16,679	15%
<b>Net Interest Income</b>	<b>H = A-G</b>	<b>10,360</b>	<b>7,900</b>	<b>31%</b>	<b>19,744</b>	<b>15,661</b>	<b>26%</b>
<b>Operating Revenue</b>	<b>I = B+H</b>	<b>14,301</b>	<b>11,699</b>	<b>22%</b>	<b>26,684</b>	<b>22,817</b>	<b>17%</b>
Core Operating Revenue*	J = I-D	14,387	11,226	28%	27,438	21,767	26%
Operating Expenses	K	6,585	5,771	14%	13,081	10,703	22%
-Staff Expense	L	2,167	1,936	12%	4,353	3,787	15%
-Non Staff Expense	M	4,418	3,835	15%	8,728	6,916	26%
<b>Operating Profit</b>	<b>N = I-K</b>	<b>7,716</b>	<b>5,928</b>	<b>30%</b>	<b>13,603</b>	<b>12,114</b>	<b>12%</b>
<b>Core Operating Profit*</b>	<b>O = N-D</b>	<b>7,802</b>	<b>5,456</b>	<b>43%</b>	<b>14,357</b>	<b>11,064</b>	<b>30%</b>
Provisions other than taxes	P	550	1,735	(68%)	909	5,037	(82%)
- Recoveries in written-off a/c's		(709)	(536)	32%	(1,453)	(824)	76%
Profit Before Tax	Q = N-P	7,166	4,193	71%	12,694	7,077	79%
Tax Expenses	R	1,836	1,060	73%	3,239	1,784	82%
<b>Net Profit</b>	<b>S = Q-R</b>	<b>5,330</b>	<b>3,133</b>	<b>70%</b>	<b>9,455</b>	<b>5,293</b>	<b>79%</b>
EPS Diluted (in ₹) (annualized)		68.36	40.42		61.27	34.34	
Return on Average Assets (annualized)		1.80%	1.19%		1.62%	1.03%	
Return on Equity (annualized)		18.49%	12.72%		16.80%	10.92%	
Capital Adequacy Ratio (Basel III) (incl. profit)		17.72%	20.04%		17.72%	20.04%	

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

# Financial Performance



Financial Performance (\$ mn)		Q2FY23	Q2FY22	% Growth	H1FY23	H1FY22	% Growth
Interest Income	A	2,488	2,008	24%	4,790	3,976	20%
Other Income	B = C+D+E	485	467	4%	853	879	(3%)
- Fee Income	C	475	397	20%	915	725	26%
- Trading Income	D	(10)	58	-	(93)	126	-
- Miscellaneous Income	E	20	12	73%	31	28	11%
<b>Total Income</b>	<b>F = A+B</b>	<b>2,973</b>	<b>2,475</b>	<b>20%</b>	<b>5,643</b>	<b>4,855</b>	<b>16%</b>
Interest Expended	G	1,214	1,037	17%	2,363	2,051	15%
<b>Net Interest Income</b>	<b>H = A-G</b>	<b>1,274</b>	<b>971</b>	<b>31%</b>	<b>2,427</b>	<b>1,925</b>	<b>26%</b>
<b>Operating Revenue</b>	<b>I = B+H</b>	<b>1,758</b>	<b>1,438</b>	<b>22%</b>	<b>3,280</b>	<b>2,805</b>	<b>17%</b>
Core Operating Revenue*	J = I-D	1,769	1,380	28%	3,373	2,676	26%
Operating Expenses	K	810	709	14%	1,608	1,316	22%
-Staff Expense	L	267	238	12%	535	466	15%
-Non Staff Expense	M	543	471	15%	1,073	850	26%
<b>Operating Profit</b>	<b>N = I-K</b>	<b>949</b>	<b>729</b>	<b>30%</b>	<b>1,672</b>	<b>1,489</b>	<b>12%</b>
<b>Core Operating Profit*</b>	<b>O = N-D</b>	<b>959</b>	<b>671</b>	<b>43%</b>	<b>1,765</b>	<b>1,360</b>	<b>30%</b>
Provisions other than taxes	P	68	213	(68%)	112	619	(82%)
- Recoveries in written-off a/c's		(87)	(66)	32%	(179)	(101)	76%
Profit Before Tax	Q = N-P	881	515	71%	1,560	870	79%
Tax Expenses	R	226	130	73%	398	219	82%
<b>Net Profit</b>	<b>S = Q-R</b>	<b>655</b>	<b>385</b>	<b>70%</b>	<b>1,162</b>	<b>651</b>	<b>79%</b>
EPS Diluted (in ₹) (annualized)		68.36	40.42		61.27	34.34	
Return on Average Assets (annualized)		1.80%	1.19%		1.62%	1.03%	
Return on Equity (annualized)		18.49%	12.72%		16.80%	10.92%	
Capital Adequacy Ratio (Basel III) (incl. profit)		17.72%	20.04%		17.72%	20.04%	

\$ figures converted using exchange rate of 1\$ = ₹81.345

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

# Balance Sheet



Balance Sheet	As on 30 <sup>th</sup> Sep'22	As on 30 <sup>th</sup> Sep'21		As on 30 <sup>th</sup> Sep'22	As on 30 <sup>th</sup> Sep'21	% Growth
	In ₹ Crores	In ₹ Crores		in \$ Mn	in \$ Mn	
<b>CAPITAL AND LIABILITIES</b>						
Capital	614	613		75	75	0.2%
Reserves & Surplus	1,23,950	1,06,470		15,238	13,089	16%
ESOP Outstanding	298	82		37	10	263%
Deposits	8,10,807	7,36,286		99,675	90,514	10%
Borrowings	1,81,400	1,58,709		22,300	19,511	14%
Other Liabilities and Provisions	68,203	48,578		8,384	5,972	40%
<b>Total</b>	<b>11,85,272</b>	<b>10,50,738</b>		<b>1,45,709</b>	<b>1,29,171</b>	<b>13%</b>
<b>ASSETS</b>						
Cash and Balances with RBI / Banks and Call money	71,209	96,969		8,754	11,921	(27%)
Investments	2,87,621	2,49,816		35,358	30,711	15%
Advances	7,30,875	6,21,719		89,849	76,430	18%
Fixed Assets	4,730	4,280		581	526	11%
Other Assets	90,837	77,954		11,167	9,583	17%
<b>Total</b>	<b>11,85,272</b>	<b>10,50,738</b>		<b>1,45,709</b>	<b>1,29,171</b>	<b>13%</b>

\$ figures converted using exchange rate of 1\$ = ₹81.345

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**