

PRESS RELEASE
AXIS BANK ANNOUNCES FINANCIAL RESULTS
FOR THE QUARTER AND NINE MONTHS ENDED 31st DECEMBER 2022

Q3FY23 PAT at ₹5,853 crores, up 62% YOY, Consolidated ROA at 2.00%, ROE% at 19.81%, driven by strong NII growth, higher fees and moderation in operating expenses

- NII¹ up **32%** YOY and **11%** QOQ, NIM at **4.26%**, up **73 bps** YOY and **30 bps** QOQ, Fee up **23%** YOY and **6%** QOQ
- Operating profit up **51%** YOY & **20%** QOQ, Operating expense growth moderates from **14%** YOY in Q2 to **8%** YOY in Q3
- Advances up **15%** | **4%**, SME up **24%** | **5%**, Corporate **8%** | **9%**, Retail up **17%** | **1%**, on YOY | QOQ basis
- On QAB basis: CASA grew **10%** YOY and **4%** QOQ, CASA ratio stood at **44%**, up **18 bps** YOY & **48 bps** QOQ
- Overall CAR² stood at **19.51%** with CET 1 ratio of **15.55%**, **self-sustaining capital structure for 9MFY23**
- GNPA% at **2.38%** declined by **79 bps** YOY & **12 bps** QOQ, NNPA% at **0.47%** declined by **44 bps** YOY & **4 bps** QOQ
- **~1.04 million** credit cards issued in Q3, spends up **42%** YOY with incremental spends share of **9.5%** for last 3 months³
- Axis Mobile remains the world's⁴ highest rated mobile banking app on Google Play store with rating of **4.8**; **~11 mn** MAU⁵

The Board of Directors of Axis Bank Limited approved the financial results for the quarter and nine months ended 31st December 2022 at its meeting held in Mumbai on Monday, 23rd January 2023.

In Q3 FY23, the bank continued to make progress on its GPS agenda with new businesses and partnerships, strengthening of digital banking solutions, while also advancing the Bank's initiatives around diversity and inclusion.

Axis Pension Fund Management Limited (Axis PFM) was launched as a step-down subsidiary of Axis Bank, to manage pension funds for investors across all retirement product categories and provide the best retirement solutions to customers. It crossed Rs.100 crore of AUM in the first 45 days of business. Axis Bank continued to bolster its digital journey, with several new capabilities. The bank can now underwrite a loan or credit card to any citizen of India digitally, without documents and human intervention. The Axis Mobile app became the World's highest rated Mobile Banking App on Playstore, with a rating of 4.8. - the highest across 59 global banks, 8 global neo banks and 50 Indian fintech apps.

The quarter also marked several exciting partnerships. Axis Bank's Burgundy Private and Hurun India launched the '2022 Burgundy Private Hurun India 500', which found that despite global challenges, the top 500 companies on the list created a colossal value of Rs 226 lakh crore (USD 2.7 trillion) for their stakeholders. We partnered with actyv.ai, an AI-powered Enterprise SaaS platform, to offer Supply Chain Finance solutions to MSME customers. This will help providing credit solutions to a wider base of MSMEs and actively contribute to their business growth. In retail, Axis Bank and Flipkart partnered to launch the 'Flipkart Axis Bank Super Elite' Credit Card with greater rewards and activation benefits for shoppers.

The Bank's "Dil Se Open" initiative found a larger canvas in partnership with Tata AIG General Insurance, to offer Group Medicare products for its new customers from the LGBTQIA+ community, taking the Bank's foray into diversity and inclusivity one notch higher. To cater to the innate needs of the Senior Citizen segment, the Bank launched the 'Silver Linings Program' with benefits across travel, well-being, entertainment and banking convenience. We also launched the 7th edition of Evolve, an exclusive multi-city knowledge sharing platform for MSME customers. In a remarkable feat, Axis Bank continued to be the No. 1 arranger for Rupee Corporate bond issuances by Indian companies in CY 2022, for the 16th consecutive year. It was the arranger for 127 bond issues for an amount of Rs 92,904.5 crore and ended the year 2022 with a market share of 19.2%.

Amitabh Chaudhry, MD&CEO, Axis Bank commented, "In the midst of global uncertainty, India stands as a bright spot offering great stability and opportunities for the economy and businesses. The Banking sector is in a good position to leverage this great momentum built over the last few quarters. Axis Bank has been steadily enhancing its capabilities, buoyed by good business growth and great partnerships. The Citi merger has been shaping very well, and we are extremely happy with the response we are getting from customers and employees alike. We are excited to welcome them all to the Axis family."

¹ Net Interest Income ² Capital Adequacy Ratio including 9MFY23 profits ³ as per RBI reported data from Sep-22 to Nov-22⁴ across 59 global banks, 8 global neoks and 50 Indian fintech apps with 16 lakh+ reviews ⁵ Monthly active users

Performance at a Glance

- **Strong operating performance, net profit grew 62% YOY and 10% QOQ to ₹5,853 crores**
 - NIM at **4.26%**, improved by **73 bps** YOY and **30 bps** QOQ, NII grew **32% YOY** and **11% QOQ**
 - Fee income grew **23% YOY & 6% QOQ**, Retail fee grew **30% YOY & 8% QOQ**, Retail cards fee up **44% YOY**
 - Operating profit grew **51% YOY** and **20% QOQ**, Core operating profit grew **53% YOY** and **13% QOQ**
 - Q3FY23 Consolidated ROE (annualized) at **19.81%**, up **465 bps** YOY, subsidiaries contribute **47 bps**
- **Healthy loan growth delivered across all business segments**
 - Credit Card advances grew **39% YOY**, Personal loans grew **21% YOY & 3% QOQ**
 - SBB grew **60% YOY & 8% QOQ**, Rural loans grew **27% YOY**
 - Mid-Corporate (MC) book up **42% YOY** and **11% QOQ**
 - SME + SBB + MC mix at **₹1,53,652 crores** | **20%** of loans, up **~510 bps** in last 2 years
- **Steady growth in granular deposits, early visibility of improving quality**
 - On QAB¹ basis, SA grew **10% YOY** and **1% QOQ**, CA grew **9% YOY** and **10% QOQ**
 - On QAB basis, total deposits grew **9% YOY** and **2% QOQ**
 - Average LCR² during Q3FY23 was **~116%**
- **Well capitalized with self-sustaining capital structure; adequate liquidity buffers**
 - Overall capital adequacy ratio (CAR) including profit for 9MFY23 stood at **19.51%** with CET 1 ratio of **15.55%**
 - COVID provisions of **₹5,012 crores**, not in CAR calculation provides additional cushion of **55 bps**
 - Net CET-1 accretion of **41 bps** in Q3FY23, **31 bps** for 9MFY23
- **Retaining strong position in Payments and Digital Banking**
 - **17%** market share in UPI transactions and **11%** in UPI P2M acquiring (by throughput)
 - Mobile banking market share stood at **15%**, Axis Mobile & Axis Pay have **~6.8mn** non-Axis Bank customers
 - **85+** digital partnerships across platforms and ecosystems; **~8.9 mn** customers on WhatsApp banking
 - **350+** APIs hosted on Bank's API Developer Portal with **275** Retail APIs
- **Declining NPA's and gross slippages, moderate credit costs**
 - GNPA at **2.38%** declined by **79 bps** YOY & **12 bps** QOQ, NNPA at **0.47%** declined **44 bps** YOY & **4 bps** QOQ
 - PCR healthy at **81%**; On an aggregated basis³, Coverage ratio at **139%**
 - Annualized, gross slippage ratio declined **56 bps** YOY to **2.03%**, net slippage ratio at **0.93%**
 - Annualized credit cost for Q3FY23 at **0.65%**
 - Non-recurring, one-time / prudent items impacted gross and net slippage by **22 bps** and credit cost by **11 bps**
- **Bank's domestic subsidiaries continue to deliver steady performance; annualized profit⁴ at ₹1,252 crores, with a return on investment of 50%**
 - Axis Finance 9MFY23 PAT grew **35% YOY** to **₹340 crores**; asset quality remains stable, CAR healthy at 22.2%
 - Axis AMC 9MFY23 PAT grew **16% YOY** to **₹292 crores**
 - Axis Capital 9MFY23 PAT stood at **₹110 crores**
 - Axis Securities 9MFY23 PAT at **₹151 crores**

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

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

Profit & Loss Account: Period ended 31st December 2022

Core Operating Profit and Net Profit

The Bank's operating profit for Q3FY23 grew 51% YOY and 20% QOQ to ₹9,277 crores. Core operating profit for the quarter grew 53% YOY and 13% QOQ to ₹8,850 crores. Net profit at ₹5,853 crores in Q3FY23 grew 62% YOY and 10% QOQ.

Net Interest Income and Net Interest Margin

The Bank's Net Interest Income (NII) grew 32% YOY and 11% QOQ to ₹11,459 crores. Net interest margin (NIM) for Q3FY23 stood at 4.26%, up 73 bps YOY and 30 bps QOQ.

Other Income

Fee income for Q3FY23 grew 23% YOY and 6% QOQ to ₹4,101 crores. Retail fees grew 30% YOY and 8% QOQ; and constituted 69% of the Bank's total fee income. Retail Assets (excluding cards and payments) fee grew 22% YOY and 14% QOQ. Retail cards and payments fee grew 44% YOY and 1% QOQ. The Corporate & Commercial banking fees together grew 8% YOY and 3% QOQ. The trading gains for the quarter grew 17% YOY to ₹428 crores; miscellaneous income in Q3FY23 grew 5% YOY to ₹136 crores. Overall, non-interest income (comprising of fee, trading profit and miscellaneous income) for Q3FY23 grew 21% YOY and 18% QOQ to ₹4,665 crores.

Provisions and contingencies

Provision and contingencies for Q3FY23 stood at ₹1,438 crores. These include non-recurring, one-time / prudent provisions of ₹340 crores.

Specific loan loss provisions for Q3FY23 stood at ₹1,341 crores. The Bank has not utilized Covid provisions during the quarter. The Bank holds cumulative provisions (standard + additional other than NPA) of ₹11,633 crores at the end of Q3FY23. 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 1.53% as on 31st December, 2022. On an aggregated basis, our provision coverage ratio (including specific + standard + additional + Covid provisions) stands at 139% of GNPA as on 31st December, 2022.

Credit cost for the quarter ended 31st December, 2022 stood at 0.65%.

9MFY23 Financial Performance:

Net Interest Income for 9MFY23 grew 28% YOY to ₹31,204 crores from ₹24,313 crores. Fee income grew 25% YOY to ₹11,540 crores. Core operating profit in 9MFY23 grew 38% YOY to ₹23,206 crores from ₹16,859 crores. Operating profit in 9MFY23 grew 25% YOY to ₹22,881 crores from ₹18,276 crores. Total provisions for 9MFY23 stood at ₹2,347 crores, down 63% over the same period last fiscal. Net Profit for 9MFY23 grew 72% to ₹15,308 crores from ₹8,908 crores in 9MFY22.

Balance Sheet: As on 31st December 2022

The Bank's balance sheet grew 10% YOY and stood at ₹12,23,509 crores as on 31st December 2022. The total deposits grew by 9% YOY and 2% QOQ on quarterly average balance (QAB) basis; and 10% YOY and 5% QOQ on period end basis. On QAB basis, savings account deposits grew 10% YOY and 1% QOQ, current account deposits grew 9% YOY and 10% QOQ; and total term deposits grew 9% YOY and 2% QOQ. On QAB basis, the share of CASA deposits in total deposits stood at 44%, up 18 bps YOY & 48 bps QOQ.

The Bank's net advances grew 15% YOY and 4% QOQ to ₹7,62,075 crores as on 31st December 2022. Domestic net loans grew 17% YOY and 5% QOQ. The advances growth (gross of transfers through inter-bank participation certificates) was 16% YOY and 4% QOQ. Retail loans grew 17% YOY and 1% QOQ to ₹4,29,313 crores and accounted for 56% of the net advances of the Bank. The share of secured retail loans was ~ 79%, with home loans comprising 34% of the retail book. Home loans grew 9% YOY, Small Business Banking (SBB) grew 60% YOY and 8% QOQ; and rural loan portfolio grew 27% YOY. Unsecured personal loans grew 21% YOY and 3% QOQ; Credit Card advances grew 39% YOY. SME book remains well diversified across geographies and sectors, grew 24% YOY and 5% QOQ to ₹82,190 crores. Corporate loan book grew 8% YOY and 9% QOQ to ₹2,50,572 crores. Mid-corporate book grew 42% YOY and 11% QOQ. 89% of corporate book is now rated A- and above with 89% of incremental sanctions in 9MFY23 being to corporates rated A- and above.

The book value of the Bank's Investments portfolio as on 31st December 2022, was ₹3,05,103 crores, of which ₹2,39,495 crores were in government securities, while ₹56,051 crores were invested in corporate bonds and ₹9,557 crores in other securities such as equities, mutual funds, etc. Out of these, 67% are in Held till Maturity (HTM) category, while 32% of investments are Available for Sale (AFS) and 1% are in Held for Trading (HFT) category.

Payments and Digital

The Bank issued 1.04 million new credit cards in Q3FY23. The Bank has been one of the highest credit card issuers in the country over last three quarters and has gained incremental CIF market share of 16% in the last 3 months¹. The Bank continues to remain among the top players in the Retail Digital banking space.

- **94%** - Share of digital transactions in the Bank's total financial transactions by individual customers in Q3FY23
- **88%** - YOY growth in mobile banking transaction volumes in Q3FY23, with market share of 15%
- **67%** - YOY growth in total UPI transaction value in Q3FY23. Market share in UPI transactions at 17%
- **73%** - New mutual fund SIPs sourced (by volume) through digital channels in Q3FY23
- **70%** - SA accounts opened through tab banking in Q3FY23
- **67%** - Retail term deposits (by volume) opened digitally in Q3FY23

¹ as per RBI reported data from Sep-22 to Nov-22

The Bank's focus remains on reimagining end-to-end journeys and transforming the core and becoming a partner of choice for ecosystems. Axis Mobile is among the world's* highest rated mobile banking app on Google Play store with rating of 4.8

and over 16 lakh reviews. The Bank's mobile app continues to see strong growth, with Monthly Active Users of ~11.0 million and nearly ~6.8 million non-Axis Bank customers using Axis Mobile and Axis Pay apps. The Bank has been among the first to go live on Account Aggregator (AA) network and has seen strong initial traction in AA based digital lending. The Bank now has over 85+ partnerships across platforms and ecosystems and has 350+ APIs hosted on its API Developer Portal. On WhatsApp banking, the Bank now has ~8.9 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 ₹2,83,762 crores as at end of 31st December 2022. Burgundy Private, the Bank's proposition for high and ultra-high net worth clients, covers 4,417 families, up from 3,209 families in last one year. The AUM for Burgundy Private increased 22% YOY to ₹98,964 crores.

Capital Adequacy and Shareholders' Funds

The shareholders' funds of the Bank grew 18% YOY and 5% QOQ and stood at ₹1,30,645 crores as on 31st December 2022. As on 31st December 2022, the Capital Adequacy Ratio (CAR) and CET1 ratio including profit for 9MFY23 was 19.51% and 15.55% respectively. Additionally, the Bank held ₹5,012 crores of COVID provisions, not considered for CAR calculation, providing cushion of 55 bps over the reported CAR. The Bank now has a self-sustaining capital structure to fund growth, with net capital accretion through profits to CET-1 of 31 bps for the 9MFY23. The Book value per equity share increased from ₹361 as of 31st December, 2021 to ₹425 as of 31st December, 2022.

Asset Quality

As on 31st December, 2022 the Bank's reported Gross NPA and Net NPA levels were 2.38% and 0.47% respectively as against 2.50% and 0.51% as on 30th September, 2022.

In the quarter, gross slippages stand increased by ₹410 crores on account of non recurring or prudent items. This adversely impacted reported gross slippages by 22 bps, reported net slippages by 22 bps, reported GNPA% by 5 bps, reported NNPA% by 1 bps. Gross slippages during the quarter were ₹3,807 crores, compared to ₹3,383 crores in Q2FY23 and ₹4,147 crores in Q3FY22. Recoveries and upgrades from NPAs during the quarter were ₹2,088 crores. Consequently, the net slippages in NPAs (before write-offs) for the quarter of ₹1,719 crores as compared to ₹557 crores in Q2FY23 and ₹860 crores in Q3FY22. The net slippages in Retail and CBG stood at ₹1,355 crores, ₹83 crores respectively and net slippages in Corporate were ₹281 crores. In addition to recoveries and upgrades previously mentioned, recoveries from written off accounts were ₹608 crores. Hence net slippages adjusted for recoveries from written off accounts were ₹1,111 crores. The Bank in the quarter wrote off NPAs aggregating ₹1,652 crores.

As on 31st December, 2022, the Bank's provision coverage, as a proportion of Gross NPAs stood at 81%, as compared to 72% as at 31st December, 2021 and 80% as at 30th September, 2022.

*across 59 global banks, 8 global neo banks and 50 Indian fintech apps on Google Playstore with 16 lakh+ reviews

The fund based outstanding of standard restructured loans implemented under resolution framework for COVID-19 related stress (Covid 1.0 and Covid 2.0) declined during the quarter and as at 31st December, 2022 stood at ₹2,482 crores that translates to 0.30% of the gross customer assets. The Bank carries a provision of ~ 22% on restructured loans, which is in excess of regulatory limits.

Network

As on 31st December, 2022, the Bank had a network of 4,849 domestic branches and extension counters situated in 2,734 centres compared to 4,700 domestic branches and extension counters situated in 2,665 centres as at 31st December, 2021. As on 31st December, 2022, the Bank had 15,674 ATMs and cash recyclers spread across the country. The Bank's Axis Virtual Centre is present across six centres with over 1,500 Virtual Relationship Managers as on 31st December 2022.

Key Subsidiaries' Performance

The Bank's domestic subsidiaries delivered steady performance with annualized 9MFY23 PAT of ₹1,252 crores, up 8% YOY.

- **Axis Finance:** Axis Finance has been investing in building a strong customer focused franchise. Its overall AUM grew 38% YOY. Retail book grew over 2 times and constituted 44% of total loans, up from 13% two years ago. The focus in its wholesale business continues to be on well rated companies and cash flow backed transactions. Axis Finance remains well capitalized with total Capital Adequacy Ratio of 22.2%. The book quality remains strong with net NPA at 0.37%. Axis Finance 9MFY23 PAT was ₹340 crores, up 35% YOY from ₹251 crores in 9MFY22.
- **Axis AMC:** Axis AMC's average AUM for the quarter stood at ₹2,48,220 crores. Its Q3FY23 PAT grew 16% YOY. 9MFY23 PAT stood at ₹292 crores.
- **Axis Capital:** Axis Capital completed 12 and 33 investment banking transactions in Q3FY23 and 9MFY23 respectively. Its PAT for 9MFY23 stood at ₹110 crores.
- **Axis Securities:** Axis Securities' broking revenues for 9MFY23 grew 10% YOY to ₹533 crores. PAT for 9MFY23 stood at ₹151 crores.

₹ crore

Financial Performance	Q3FY23	Q3FY22	% Growth	9MFY23	9MFY22	% Growth
Net Interest Income	11,459	8,653	32%	31,204	24,313	28%
Other Income	4,665	3,840	21%	11,606	10,997	6%
- Fee Income	4,101	3,344	23%	11,540	9,242	25%
- Trading Income	428	367	17%	(325)	1,396	-
- Miscellaneous Income	136	129	5%	391	359	9%
Operating Revenue	16,125	12,493	29%	42,809	35,310	21%
Core Operating Revenue*	15,697	12,126	29%	43,135	33,893	27%
Operating Expenses	6,847	6,331	8%	19,928	17,034	17%
Operating Profit	9,277	6,162	51%	22,881	18,276	25%
Core Operating Profit*	8,850	5,795	53%	23,206	16,859	38%
Net Profit/(Loss)	5,853	3,614	62%	15,308	8,908	72%
EPS Diluted (₹) annualized	74.60	46.61		65.90	38.44	
Return on Average Assets (annualized)	1.92%	1.30%		1.73%	1.12%	
Return on Equity (annualized)	19.34%	14.19%		17.58%	12.01%	

* excluding trading income

₹ crore

Balance Sheet	As on	As on
	31 st December'22	31 st December'21
CAPITAL AND LIABILITIES		
Capital	615	614
Reserves & Surplus	1,30,030	1,10,132
Employee Stock Options Outstanding	364	118
Deposits	8,48,173	7,71,670
Borrowings	1,82,745	1,78,898
Other Liabilities and Provisions	61,582	51,634
Total	12,23,509	11,13,066
ASSETS		
Cash and Balances with RBI and Banks and Money at Call and Short Notice	70,463	1,02,046
Investments	3,05,103	2,66,419
Advances	7,62,075	6,64,866
Fixed Assets	4,744	4,306
Other Assets	81,124	75,429
Total	12,23,509	11,13,066

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

₹ crore

Business Performance	As on 31 st December'22	As on 31 st December'21	% Growth
Total Deposits (i)+(ii)	8,48,173	7,71,670	10%
(i) CASA Deposits	3,77,713	3,44,878	10%
- Savings Bank Deposits	2,51,392	2,28,166	10%
- Current Account Deposits	1,26,321	1,16,712	8%
CASA Deposits as % of Total Deposits	45%	45%	
(ii) Term Deposits	4,70,460	4,26,792	10%
- Retail Term Deposits	2,90,519	2,89,910	-
- Non Retail Term Deposits	1,79,941	1,36,882	31%
CASA Deposits on a Quarterly Daily Average Basis (QAB)	3,54,097	3,22,810	10%
CASA Deposits as % of Total Deposits (QAB)	44%	44%	
Net Advances (a) +(b) + (c)	7,62,075	6,64,866	15%
(a) Corporate	2,50,572	2,31,584	8%
(b) SME	82,190	66,438	24%
(c) Retail	4,29,313	3,66,843	17%
Investments	3,05,103	2,66,419	15%
Balance Sheet Size	12,23,509	11,13,066	10%
Gross NPA as % of Gross Customer Assets	2.38%	3.17%	
Net NPA as % of Net Customer Assets	0.47%	0.91%	
Equity Capital	615	614	-
Shareholders' Funds	1,30,645	1,10,746	18%
Capital Adequacy Ratio (Basel III)	17.60%	17.44%	
- Tier I	14.24%	15.18%	
- Tier II	3.36%	2.26%	
Capital Adequacy Ratio (Basel III) (incl. profit)	19.51%	18.72%	
- Tier I	16.15%	16.46%	
- Tier II	3.36%	2.26%	

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

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Safe Harbor

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