

**Press Release**

**Axis Bank completes acquisition of Citibank India's consumer businesses in India; strongly positions Axis Bank for accelerated premium market share growth**

**Key Highlights:**

- **Axis Bank consolidates its position amongst the large private lenders by acquiring Citibank's consumer businesses in India - covering loans, credit cards, wealth management and retail banking operations, in line with its growth ambitions**
- **Acquisition completed in an accelerated timeframe - has been carried out in 7 months post receipt of CCI approval**
- **Total purchase consideration (subject to customary & contractual adjustments) of INR 11,603 Cr\***
- **The acquisition has strengthened Axis Bank's market position:**
  - **High-quality credit card portfolio of 1.8 Mn+ cardholders with industry leading transaction per card and spend per card metrics**
  - **Addition of aggregate Deposits of INR 399 Bn of which 77% is CASA**
  - **Access to 1600 Suvidha corporate relationships that significantly strengthens Axis Bank's Salary Business**
  - **Access to a large wealth franchise of ~ Total AUM (Wealth & Private Banking) of INR 947 Bn across Citi products including Citigold Private, Citigold, Citi Priority and Citi Private Bank customers**
  - **Aggregate Ending Net Receivables (ENR )of INR 273 Bn <sup>(1)</sup> across Credit Cards, Mortgage, Personal & Ready Credit Loans, Asset Backed Finance, Small Business Loans**
- **Key talent retained; ~3200 consumer employees to join Axis family with effect from 1<sup>st</sup> March 2023**
- **The Bank will gain access to Citi's 6 offices, 21 branches\*\* and 459 ATMs**
- **Service continuity and customer experience is prioritized with continued access to existing Citibank branches, ATMs, Phone Banking, Internet & Mobile banking**

**Mumbai, March 01, 2023:** Axis Bank, one of India's largest private sector banks, has completed the acquisition of Citibank's consumer business in an accelerated time frame of within 7 months post receipt of CCI approval, displaying a strong testament of its execution

strength. The deal has been closed with Axis Bank paying a total purchase consideration (after customary & contractual adjustments) of INR 11,603 Cr\* to Citibank India.

The transaction comprises the sale of the consumer businesses of Citibank India, which includes loans, credit cards, wealth management and retail banking operations. The deal also includes the sale of the consumer business of Citi's non-banking financial company, Citicorp Finance (India) Limited, comprising asset-backed financing business, which includes commercial vehicle and construction equipment loans, as well as the personal loans portfolio.

The acquisition is a healthy strategic fit in line with Axis Bank's GPS (Growth, Profitability & Sustainability) strategy and its **focus on premium segment growth**. The Bank has gained access to the large, affluent and profitable customer franchise of Citibank, which aligns well with its **Premiumization strategy**.

With the acquisition, comes a quality credit card franchise with one of the highest wallet shares in premium cards, that is Complementary and consolidates Axis' position in the cards business, market share improving from 11.4% to 16.2%<sup>(1)</sup>. The acquired portfolio would increase Axis Bank's credit card customer base by ~19%, with an addition of 1.8 million cards\*\*\*. With the highest number of transactions per card across the industry and digitally engaged customers, the deal would strengthen Axis Bank's position in the top 8 metros, while also providing the opportunity to adopt global best practices in client servicing and operations through Citi Phone banking.

Additionally, the acquisition of 2.4 million customers of Citibank India enhances Axis Bank's presence in the key growth segments, complimenting the existing Axis franchise. The Bank now has aggregate deposits of INR 8,881 Bn of which high proportion of CASA is at 77%, with SA constituting 71%. Access to a premium deposit base with deep corporate salary relationships has improved the combined CASA ratio on proforma basis by ~150 bps to 46%. Affluent and digitally engaged SA customer base with access to ~1600 Suvidha corporate relationships that significantly strengthens Axis Bank's Salary Business.

Post-acquisition, Axis Bank gains ready access to highly affluent wealth customers resulting in a **33%** addition to overall AUM of Burgundy Private Banking portfolio, further strengthening the existing franchise. With an added AUM of INR 947 bn across Citi products in Wealth Management and Private Banking, the current AUM of the Bank's wealth management portfolio stands at INR 3785 bn, making it the 3rd largest in the industry.

Through the acquisition, Axis Bank welcomes a diverse talent pool of ~3200 employees trained in global best practices, and an experienced leadership with deep domain expertise.

## **Benefits for Citibank customers**

The Citi customers will continue to enjoy same benefits and privileges with no changes in their existing Bank account number, Credit/Debit Card numbers, cheque books, IFSC & MICR code. They will continue to be serviced by same relationship managers and teams. All the 21 in-perimeter branches remain fully equipped to serve the incoming customers; we are also equipping 13 additional branches that would be available for incoming customer servicing during the transition period. The necessary IT applications and trained staff have been deployed at acquired branches. All the services to the incoming customers will continue to function as before as the same teams from Citi move to Axis intact.

On the other hand, the erstwhile Citi retail franchise will now have access to massive national scale of (~4900) branches and (~16,000) ATMs and recyclers as well as cutting-edge digital plus data-science assets through the Axis platform.

Further, Citibank's customers will specifically benefit from Axis Bank's wider geographical reach and comprehensive service offerings, along with One Axis capabilities that extend across all its subsidiaries ensuring '**same or better**' offer to all Citi customers.

**Speaking on the occasion, Amitabh Chaudhry, MD&CEO, Axis Bank** said, "We welcome over 2.4 million customers and ~3200 employees to our Axis family 'Dil Se', as we successfully conclude the first leg of integration. This is a significant milestone in Axis' journey of growth and leadership in the Banking industry and is set to bring great value for all stakeholders involved. We have a strong balance sheet, comfortable capital levels, and the right team and customer segments to further realize our ambitions."

He added, "Citibank has a culture that is much like ours, with a commitment to best-in-class customer service, people focus and community engagement. Axis Bank already has a rich network of Citi alumni across the hierarchy, which reflects of the cultural alignment between the two organizations. Given the expertise that the new employees will bring to the table, we view them as a significant force to help drive our GPS objectives. The premium portfolio and business synergies through this deal will help accelerate and add further momentum to our already robust plans across priority segments."

**Subrat Mohanty, Group Executive & Head - Banking Operations and Transformation, Axis Bank** said, "We are delighted with the addition of Citi's premium consumer business and a high quality team of colleagues to Axis Bank. We expect our customers to experience the value of this integration with newer, innovative products and world class customer practices. Axis Bank is positioned strongly to power India's growth story."

**Arjun Chowdhry, Group Executive & Head – Cards, Payments & Wealth, Axis Bank said,** “Axis Bank is committed to building a strong consumer banking business in India, and already has deep market presence, across all segments and geographies. All ~3200 Citi colleagues, who carry a strong and diversified skill set, are extremely excited to join the Axis family and further build on its growth ambitions. We look forward to collaborating with Axis’ experienced senior leadership team and diverse talent pool, as we join the 88,000+ strong, dedicated workforce and live up to the brand’s credo ‘Dil Se Open’.”

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(1) Excludes ~ Rs 5 bn of potentially assignable cards receivables

(\*)The said cash consideration is subject to contractual and customary true up and / or true down adjustments and changes in the business position from January 31, 2023 to 24:00 hours February 28,2023. The post completion action items as contractually agreed will be completed as per mutually agreed timelines.

(\*\*) includes 21 in-perimeter branches, and additional 13 branches are available for customer servicing (till LD2 atleast).

(\*\*\*) as of 20<sup>th</sup> Feb 2023 considering only the customers who provided the consent.

### **About Axis Bank:**

Axis Bank is the third largest private sector bank in India. Axis Bank offers the entire spectrum of services to customer segments covering Large and Mid-Corporates, SME, Agriculture and Retail Businesses. With its 4,849 domestic branches (including extension counters) and 15,674 ATMs across the country as on 31<sup>st</sup> December 2022, the network of Axis Bank spreads across 2,734 cities and towns, enabling the Bank to reach out to a large cross-section of customers with an array of products and services. The Axis Group includes Axis Mutual Fund, Axis Securities Ltd., Axis Finance, Axis Trustee, Axis Capital, A.TReDS Ltd., Freecharge and Axis Bank Foundation.

For further information on Axis Bank, please refer to the website: <https://www.axisbank.com>

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