

PRESS RELEASE
AXIS BANK ANNOUNCES FINANCIAL RESULTS
FOR THE QUARTER AND HALF YEAR ENDED 30th SEPTEMBER 2023

H1FY24 PAT at ₹11,661 crores growing 23% YOY, H1 consolidated ROE at 19.04% up 179 bps YOY, driven by NIMs at 4.11%, 30%YOY H1 fee growth, 23% YOY loan growth, aided by 15% YOY RTD¹ growth

- Q2FY24 PAT at ₹5,864 crores with consolidated ROE of 18.67%
- Q2 Consolidated ROA at 1.83%, with 7 bps contributed by subsidiaries
- Net Interest Income grew 19% YOY and 3% QOQ, Net Interest Margin at 4.11%, up 15 bps YOY and 1 bps QOQ
- Fee income grew 31% YOY and 11% QOQ, Retail fee grew 38% YOY and 11% QOQ, granular fees at 93% of total fees
- Core Operating profit grew 12% YOY and 5% QOQ
- On a MEB², retail term deposits grew 15% YOY & 4% QOQ, CASA ratio at 44%, total deposits grew 18% YOY & 1% QOQ
- Domestic advances up 26% | 5%, Retail up 23% | 4%, SME up 27% | 9%, Corporate up 21% | 3% on YOY | QOQ basis
- Overall CAR stood at 17.84% with CET 1 ratio of 14.56%, net accretion to CET-1 of 54 bps in H1FY24, 18 bps in Q2 FY24
- GNPA% at 1.73% declined by 77 bps YOY and 23 bps QOQ, NNPA% at 0.36% declined by 15 bps YOY and 5 bps QOQ
- 1.2 million credit cards issued in Q2, CIF market share³ of 14.1% as of Sep'23, spends up 60% YOY & 5% QOQ
- 2nd largest player in Merchant Acquiring with market share of 18.6%, incremental share of 23% in last one year³

The Board of Directors of Axis Bank Limited approved the financial results for the quarter and half year ended 30th September 2023 at its meeting held in Mumbai on Wednesday, 25th October 2023.

This quarter, Axis Bank etched a historical milestone with the opening of its 5,000th branch in Ahmedabad, inaugurated by the Hon. Chief Minister of Gujarat. This holds great significance, as the Bank's very first branch was opened in the same city 29 years ago. Hundred more branches were inaugurated on the same day in different parts of the country.

Axis Bank is constantly working to empower its customers, especially in the semi-urban and rural geographies. The Bank launched 'Sampann' premium banking services, offering several exclusive benefits such as discounts on agri inputs, personalized financial offerings, healthcare package, family banking, preferential rates for housing finance and dedicated relationship managers.

The Bank has won a slew of credible recognitions this quarter, including ABF Retail Banking Award 2023 for Domestic Retail Bank of the Year (India) & Digital Transformation of the Year (India), Business World India's Most Sustainable Companies 2023 for Banking and NBFC Sector, ASSOCHAM Issuer Investment Banker Award 2023 and Greenwich Share Leaders for Indian Large Corporate Banking and Middle Market Banking.

Amitabh Chaudhry, MD&CEO, Axis Bank said, "In spite of a highly volatile global geopolitical landscape, we believe the India story remains strong. With the upcoming festivities, we are already seeing a surge in demand, which augurs well for business. At Axis Bank, our GPS agenda is on track and we are looking at steady growth for all major business verticals of the Bank. We have been diligently working on both physical reach and digital prowess, extending our services not just to the metros and urban centres, but to the heart of Bharat which is home to the vast majority of India's population."

¹ Retail Term Deposits; ² Month End balances; ³ Based on RBI reported data as of Sep'23

Performance at a Glance

- **Healthy operating performance**
 - Net Interest Income grew **19%** YOY and **3%** QOQ, Net Interest Margin at **4.11%**, up by **15 bps** YOY and **1 bps** QOQ
 - Core Operating revenues grew **22%** YOY and **6%** QOQ, Core Operating profit grew **12%** YOY and **5%** QOQ
 - Consolidated ROE | ROA at **18.67% | 1.83%**, subsidiaries contributed **37 bps | 7 bps** respectively
- **Strong loan growth delivered across all business segments**
 - Rural loans grew **24%** YOY & **4%** QOQ, Small Business Banking loans grew **42%** YOY & **9%** QOQ
 - Mid-Corporate (MC) book grew **37%** YOY, SME book grew **27%** YOY & **9%** QOQ
 - SBB + SME + MC mix at **₹1,88,573 crores** | **21%** of loans, up over **680 bps** in last 3 years
- **Retail term deposits gaining traction, steady growth in granular deposits**
 - On a QAB¹ basis total deposits grew **16%** | **1%** and retail term deposits grew **13%** | **4%** on YOY | QOQ basis
 - On QAB, SA grew **17%** YOY & **1%** QOQ, CA grew **11%** YOY, CASA ratio stood at **43%**
 - Average LCR² during Q2FY24 was **~118%**, outflow rates improved **~ 550 bps** over last 2 years
- **Well capitalized with self-sustaining capital structure; adequate liquidity buffers**
 - Overall capital adequacy ratio (CAR) including profit stood at **17.84%** with CET 1 ratio of **14.56%**
 - Self-sustaining capital structure with net accretion to CET-1 of **54 bps** in H1FY24, **18 bps** in Q2 FY24
 - COVID provisions of **₹5,012 crores**, not in CAR calculation provides additional cushion of **~48 bps**
- **Retaining strong position in Payments and Digital Banking**
 - Axis Mobile & Axis Pay have **~9.2 mn** non-Axis Bank customers
 - **100+** digital partnerships across platforms and ecosystems; **~16.5 mn** customers on WhatsApp banking
 - Axis Mobile remains the world's³ highest rated MB app on Google Play store with rating of **4.8**; **~13 mn** MAU⁴
 - Credit card CIF market share at **14.1%**⁵, Retail Card spends grew **72%** YOY and **4%** QOQ
- **Declining gross NPA's and slippages**
 - Gross NPA at **1.73%** declined by **77 bps** YOY & **23 bps** QoQ, Net NPA at **0.36%** declined **15 bps** YOY, **5 bps** QoQ
 - PCR healthy at **79%**; On an aggregated basis⁶, coverage ratio at **150%**
 - Q2FY24 gross slippage ratio (annualized) at **1.49%** declined **39 bps** YOY, net slippage ratio (annualized) at **0.59%**
 - Q2FY24 net credit cost (annualized) at **0.42%**, declined **8 bps** QOQ
- **Bank's domestic subsidiaries⁷ continue to deliver steady performance**
 - H1FY24 profit at **₹689 crores** up **18%** YOY, with a return on investment in domestic subsidiaries of **53%**
 - Axis Finance H1FY24 PAT grew **26%** YOY to **₹265 crores**; asset quality improved, CAR healthy at **17.9%**
 - Axis AMC H1FY24 PAT stood at **₹189 crores**, Axis Securities H1FY24 PAT grew **14%** YOY to **₹113 crores**
 - Axis Capital executed **48** investment banking deals in H1FY24

¹ QAB – Quarterly Average Balance, ² Liquidity Coverage Ratio, ³ across 64 global banks, 82 fintechs and 9 neo banks with 2.2 mn+ reviews

⁴ Monthly active users, engaging in financial and non-financial transactions, ⁵ Based on RBI reported data as of Sep'23

⁶ (specific+ standard+ additional + COVID) ⁷ Figures of subsidiaries are as per Indian GAAP, as used for consolidated financial statements of the Group

Profit & Loss Account: Period ended 30th September 2023

Operating Profit and Net Profit

The Bank's operating profit for the quarter grew 12% YOY to ₹8,632 crores. Core Operating profit for Q2FY24 grew 12% YOY and 5% QOQ to ₹8,733 crores. Net profit at ₹5,864 crores in Q2FY24 grew by 10% YOY.

Net Interest Income and Net Interest Margin

The Bank's Net Interest Income (NII) grew 19% YOY and 3% QOQ to ₹12,315 crores. Net interest margin (NIM) for Q2FY24 stood at 4.11%, up 15 bps YOY and 1 bps QOQ.

Other Income

Fee income for Q2FY24 grew 31% YOY and 11% QOQ to ₹4,963 crores. Retail fees grew 38% YOY and 11% QOQ; and constituted 70% of the Bank's total fee income. Retail cards and payments fee grew 39% YOY and 4% QOQ. Retail Assets (excluding cards and payments) fee grew 38% YOY and 17% QOQ. The Corporate & Commercial banking fees together grew 17% YOY and 9% QOQ to ₹1,468 crores. The trading loss for the quarter stood at ₹101 crores; miscellaneous income in Q2FY24 stood at ₹172 crores. Overall, non-interest income (comprising of fee, trading and miscellaneous income) for Q2FY24 grew 31% YOY to ₹5,034 crores.

Provisions and contingencies

Provision and contingencies for Q2FY24 stood at ₹815 crores. Specific loan loss provisions for Q2FY24 stood at ₹1,010 crores. The Bank has not utilized Covid provisions during the quarter. The Bank holds cumulative provisions (standard + additional other than NPA) of ₹11,758 crores at the end of Q2FY24. 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 1.32% as on 30th September, 2023. On an aggregated basis, our provision coverage ratio (including specific + standard + additional + Covid provisions) stands at 150% of GNPA as on 30th September, 2023. Credit cost for the quarter ended 30th September, 2023 stood at 0.42%.

H1FY24 Financial Performance:

Net Interest Income for H1FY24 grew 23% YOY to ₹24,273 crores from ₹19,744 crores. Fee income grew 30% YOY to ₹9,451 crores. Core operating profit for H1FY24 grew by 19% to ₹17,028 crores from ₹14,357 crores. Operating profit for H1FY24 grew by 28% to ₹17,446 crores from ₹13,603 crores. Total provisions for H1FY24 stood at ₹1,849 crores. Net Profit for H1FY24 grew 23% to ₹11,661 crores from ₹9,455 crores in H1FY23.

Balance Sheet: As on 30th September 2023

The Bank's balance sheet grew 13% YOY and stood at ₹13,38,914 crores as on 30th September 2023. The total deposits grew 18% YOY and 1% QOQ on period end basis, within which savings account deposits grew 16% YOY, current account deposits grew 7% YOY; total term deposits grew 22% YOY and 4% QOQ of which retail term deposits grew 15% YOY and

4% QOQ. The share of CASA deposits in total deposits stood at 44%. On QAB basis, total deposits grew 16% YOY and 1% QOQ, within which savings account deposits grew 17% YOY and 1% QOQ, current account deposits grew 11% YOY; and total term deposits grew 17% YOY and 3% QOQ.

The Bank's advances grew 23% YOY and 5% QOQ to ₹8,97,347 crores as on 30th September 2023. Domestic net loans grew 26% YOY and 5% QOQ. Retail loans grew 23% YOY and 4% QOQ to ₹5,19,736 crores and accounted for 58% of the net advances of the Bank. The share of secured retail loans was ~ 76%, with home loans comprising 31% of the retail book. Home loans grew 9% YOY, Personal loans grew 25% YOY, Credit card advances grew 72% YOY, Small Business Banking (SBB) grew 42% YOY and 9% QOQ; and rural loan portfolio grew 24% YOY and 4% QOQ. SME book remains well diversified across geographies and sectors, grew 27% YOY and 9% QOQ to ₹95,954 crores. Corporate loan book grew 21% YOY and 3% QOQ to ₹2,81,657 crores of which domestic corporate book grew 33% YOY and 4% QOQ. Mid-corporate book grew 37% YOY and 9% QOQ. 89% of corporate book is now rated A- and above with 89% of incremental sanctions in H1FY24 being to corporates rated A- and above.

The book value of the Bank's Investments portfolio as on 30th September 2023, was ₹2,95,691 crores, of which ₹2,35,555 crores were in government securities, while ₹50,811 crores were invested in corporate bonds and ₹9,325 crores in other securities such as equities, mutual funds, etc. Out of these, 72% are in Held till Maturity (HTM) category, while 26% of investments are Available for Sale (AFS) and 2% are in Held for Trading (HFT) category.

Payments and Digital

The Bank issued 1.2 million new credit cards in Q2FY24. The Bank has been one of the highest credit card issuers in the country over last seven quarters and has gained incremental CIF market share of 15% in the last twelve months¹. The Bank continues to remain among the top players in the Retail Digital banking space.

- **95%** - Share of digital transactions in the Bank's total financial transactions by individual customers in H1FY24
- **74%** - Individual Retail term deposits (by volume) opened digitally in H1FY24
- **71%** - SA accounts opened through tab banking in H1FY24
- **70%** - New mutual fund SIPs sourced (by volume) through digital channels in H1FY24
- **70%** - YOY growth in total UPI transaction value in Q2FY24
- **50%** - YOY growth in mobile banking transaction volumes in Q2FY24

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 2.2 million reviews. The Bank's mobile app continues to see strong growth, with Monthly Active Users of ~13 million and nearly ~9.2 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 100+ partnerships across platforms and ecosystems and has 400+ APIs hosted on its API Developer

¹ as per RBI reported data as of Sep'23 , * across 64 global banks, 82 fintechs and 9 neo banks on Google Playstore with 2.2 mn+ reviews

Portal. On WhatsApp banking, the Bank now has over 16.5 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 ₹4,53,096 crores as at end of 30th September 2023 that grew 69% YOY and 6% QOQ. Burgundy Private, the Bank's proposition for high and ultra-high net worth clients, covers 9,639 families. The AUM for Burgundy Private increased 76% YOY and 4% QOQ to ₹1,66,499 crores.

Capital Adequacy and Shareholders' Funds

The shareholders' funds of the Bank grew 10% YOY and stood at ₹1,36,702 crores as on 30th September 2023. As on 30th September 2023, the Capital Adequacy Ratio (CAR) and CET1 ratio including profit for H1 was 17.84% and 14.56% respectively. Additionally, the Bank held ₹5,012 crores of COVID provisions, not considered for CAR calculation, providing cushion of ~48 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 54 bps for the H1FY24 and 18 bps in Q2FY24. The Book value per equity share increased from ₹405 as of 30th September, 2022 to ₹444 as of 30th September, 2023.

Asset Quality

As on 30th September, 2023 the Bank's reported Gross NPA and Net NPA levels were 1.73% and 0.36% respectively as against 1.96% and 0.41% as on 30th June, 2023.

Recoveries from written off accounts for the quarter was ₹664 crores. Reported net slippages in the quarter adjusted for recoveries from written off pool was ₹605 crores, of which retail was ₹953 crores, CBG was ₹25 crores and Wholesale was negative ₹373 crores.

Gross slippages during the quarter were ₹3,254 crores, compared to ₹3,990 crores in Q1FY24 and ₹3,383 crores in Q2FY23. Recoveries and upgrades from NPAs during the quarter were ₹1,985 crores. The Bank in the quarter wrote off NPAs aggregating ₹2,671 crores.

As on 30th September, 2023, the Bank's provision coverage, as a proportion of Gross NPAs stood at 79%, as compared to 80% as at 30th September, 2022.

The fund based outstanding of standard restructured loans implemented under resolution framework for COVID-19 related stress (Covid 1.0 and Covid 2.0) declined during the quarter and as at 30th September, 2023 stood at ₹1,756 crores that translates to 0.19% of the gross customer assets. The Bank carries a provision of ~ 21% on restructured loans, which is in excess of regulatory limits.

Network

During the quarter, the Bank added 207 branches taking its overall distribution network to 5,152 domestic branches and extension counters situated across 2,864 centres compared to 4,760 domestic branches and extension counters situated

across 2,676 centres as at 30th September, 2022. As on 30th September, 2023, the Bank had 15,806 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 30th September 2023.

Key Subsidiaries' Performance

The Bank's domestic subsidiaries delivered steady performance with H1FY24 PAT of ₹689 crores, up 18% YOY.

- **Axis Finance:** Axis Finance has been investing in building a strong customer focused franchise. Its overall Assets Under Finance grew 31% YOY. Retail book grew 49% YOY and constituted 44% of total loans, up from 8% three 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 17.9%. The book quality remains strong with net NPA at 0.31%. Axis Finance H1FY24 PAT was ₹265 crores, up 26% YOY from ₹210 crores in H1FY23.
- **Axis AMC:** Axis AMC's quarterly average AUM grew 5% YOY to ₹2,59,795 crores. Its H1FY24 PAT stood at ₹189 crores.
- **Axis Capital:** Axis Capital completed 48 investment banking transactions in H1FY24.
- **Axis Securities:** Axis Securities' broking revenues for H1FY24 grew 36% YOY to ₹457 crores. Its H1FY24 PAT grew 14% YOY and stood at ₹113 crores.

₹ crore

Financial Performance	Q2FY24	Q2FY23	% Growth
Net Interest Income	12,315	10,360	19%
Other Income	5,034	3,855	31%
- Fee Income	4,963	3,776	31%
- Trading Income	(101)	(86)	-
- Miscellaneous Income	172	165	5%
Operating Revenue	17,349	14,216	22%
Core Operating Revenue#	17,450	14,302	22%
Operating Expenses	8,717	6,499	34%
Operating Profit	8,632	7,716	12%
Core Operating Profit#	8,733	7,802	12%
Net Profit	5,864	5,330	10%
EPS Diluted (₹) annualized	75.28	68.36	
Return on Average Assets (annualized)	1.76%	1.80%	
Return on Equity (annualized)	18.30%	18.49%	

excluding trading income

₹ crore

Balance Sheet	As on	As on
	30th September'23	30th September'22
CAPITAL AND LIABILITIES		
Capital	616	614
Reserves & Surplus	1,36,086	1,23,950
Employee Stock Options Outstanding	648	298
Deposits	9,55,556	8,11,015
Borrowings	1,85,243	1,81,400
Other Liabilities and Provisions	60,765	68,204
Total	13,38,914	11,85,481
ASSETS		
Cash and Balances with RBI and Banks and Money at Call and Short Notice	68,592	71,209
Investments	2,95,691	2,87,621
Advances	8,97,347	7,31,083
Fixed Assets	5,238	4,731
Other Assets	72,046	90,837
Total	13,38,914	11,85,481

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

₹ crore

Business Performance	As on 30 th September'23	As on 30 th September'22	% Growth
Total Deposits (i)+(ii)	9,55,556	8,11,015	18%
(i) CASA Deposits	4,23,866	3,74,846	13%
- Savings Bank Deposits	2,92,313	2,52,244	16%
- Current Account Deposits	1,31,553	1,22,602	7%
CASA Deposits as % of Total Deposits	44%	46%	
(ii) Term Deposits	5,31,690	4,36,169	22%
- Retail Term Deposits	3,32,025	2,88,076	15%
- Non Retail Term Deposits	1,99,665	1,48,093	35%
CASA Deposits on a Quarterly Daily Average Basis (QAB)	3,94,569	3,42,055	15%
CASA Deposits as % of Total Deposits (QAB)	43%	44%	
Net Advances (a) +(b) + (c)	8,97,347	7,31,083	23%
(a) Corporate	2,81,657	2,31,853	21%
(b) SME	95,954	75,786	27%
(c) Retail	5,19,736	4,23,444	23%
Investments	2,95,691	2,87,621	3%
Balance Sheet Size	13,38,914	11,85,481	13%
Gross NPA as % of Gross Customer Assets	1.73%	2.50%	
Net NPA as % of Net Customer Assets	0.36%	0.51%	
Equity Capital	616	614	0.31%
Shareholders' Funds	1,36,702	1,24,564	10%
Capital Adequacy Ratio (Basel III)	16.56%	16.52%	
- Tier I	13.80%	14.55%	
- Tier II	2.77%	1.97%	
Capital Adequacy Ratio (Basel III) (incl. profit)	17.84%	17.72%	
- Tier I	15.08%	15.75%	
- Tier II	2.77%	1.97%	

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

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.