

PRESS RELEASE
AXIS BANK ANNOUNCES FINANCIAL RESULTS
FOR THE QUARTER AND NINE MONTHS ENDED 31st DECEMBER 2021

Q3FY22 PAT of ₹ 3,614 crores up 224% YOY & 15% QOQ
Strong growth performance across deposits and loans, improving asset quality

- Operating profit grew **17%** YOY & **4%** QOQ; Net Interest Income up **17%** YOY & **10%** QOQ, Fee income up **15%** YOY & **3%** QOQ
- On QAB basis: Total deposits grew **22%** YOY & **3%** QOQ; SA grew **24%** YOY & **4%** QOQ, CA grew **27%** YOY & **13%** QOQ
- Loans up **17%** YOY & **7%** QOQ, Retail up **18%** YOY & **6%** QOQ, SME up **20%** YOY & **9%** QOQ. Corporate up **13%** YOY & **7%** QOQ
- GNPA% at **3.17%** declined by **138** bps YOY and **36** bps QOQ, NNPA% at **0.91%** declined by **28** bps YOY and **17** bps QOQ,
- Total CRAR (incl. 9MFY22 profit) at 18.72% with CET1 of 15.33%, covid provisions not utilised, limited restructuring at **0.63%** of GCA
- One Axis: Domestic subsidiaries delivered strong 9MFY22 PAT of ₹872 crores, up **61%** YOY and higher than full year FY21 profit
- More than **0.77 million** credit cards issued in Q3FY22, highest ever for any quarter
- Among the highest rated mobile banking app with Apple App store rating of **4.6** and Google Play store rating of **4.6**

The Board of Directors of Axis Bank Limited approved the financial results for the quarter and nine months ended 31st December 2021 at its meeting held in Mumbai on Monday, 24th January 2022.

In the 3rd quarter, Axis Bank further firmed up its commitment towards positive climate action and the Sustainable Development Goals. The Bank partnered with Guarantco through PIDG, to execute an umbrella guarantee framework of USD 200 million towards accelerating the E-Mobility eco-system in India. This is an important milestone in the Bank's ESG journey and will act as a significant force multiplier for India's EV sector, which is expected to cross over 6 million units annually within the next decade.

Customer convenience through faster and seamless processes has been a key theme for the Bank this year. Axis Bank announced its partnership with MinkasuPay to offer a biometric authentication solution for NetBanking transactions, providing a smoother and more secure banking experience without username, passwords or OTPs that go through in a matter of seconds. Reinforcing Axis Bank's commitment to lead digitization in the Transaction banking space and build a digital wholesale Bank, it executed the industry-first blockchain enabled Domestic Trade Transaction on Secured Logistics Document Exchange (SLDE) - a GOI-backed platform, ensuring greater transparency, visibility, and sustainability for all stakeholders in the process. The Bank also concluded industry-leading structured derivative transactions with large Indian corporates.

Providing a boost to local communities during the festive season, Axis Bank roped in more than 2500 local stores across 50 cities under its 'Dil Se Open Celebrations' initiative. The Bank rolled out 'Splash', a pan India Drawing and Essay writing competition for children, which also contributed towards education of children impacted by Covid-19. Reaffirming its commitment to support and safeguard the financial requirements of government and defence personnel, the Bank has signed MOUs with the Indian Army, Indian Navy, Kolkata Police and Maharashtra Forest Department to offer best-in-class financial solutions. The Bank was awarded the 'Finacle Innovation Award' and 'IDC Industry Innovation Award' for Customer Journey Re-imagination and Innovation in Data Intelligence respectively.

Amitabh Chaudhry, MD&CEO, Axis Bank said, "As part of our digital strategy, we continue to focus on 'OPEN' Banking initiatives to enhance user experience through constant innovation in our offerings to both Retail and Corporate Banking customers. Our integrated 'One Axis' approach has supported many corporates, some of which have also figured in the 2021 Burgundy Private Hurun India 500 List launched last month. In Retail, we continue our growth focus, with the economy turning around and limited impact of the virus. We are optimistic about the future and plan to leverage every sustainable growth opportunity that is available to us."

Performance at a Glance

- **Net profit at ₹3,614 crores, up 224% YOY and 15% QOQ; Operating profit up 17% YOY & 4% QOQ,**
 - NII grew **17% YOY & 10% QOQ**, NIM* improved **14 bps QOQ** and **2 bps YOY**[^] to **3.53%**
 - Fee income grew **15% YOY** and **3% QOQ**, granular fee constituted **92%** of overall fees
 - Retail fee grew **16% YOY** and **6% QOQ**; Retail Cards fee grew **21% YOY** and **8% QOQ**
- **Loan growth delivered in all business segments**
 - Retail loans grew **18% YOY** and **6% QOQ**, Retail disbursements up **37% YOY** and **19% QOQ**
 - SME loans grew **20% YOY** and **9% QOQ**,
 - Corporate loan book grew **13% YOY** and **7% QOQ**, Mid-corporate book grew **44% YOY & 17% QOQ**
- **Strong growth in granular deposits**
 - Deposits on QAB¹ basis grew by **22% YOY & 3% QOQ**,
 - On QAB basis, CASA deposits grew **25% YOY & 7% QOQ**; CASA ratio stood at **44%**, up 189 bps YOY
 - On QAB basis, Retail term deposits grew **12% YOY** and **1% QOQ**
 - **2.15 million** new liability relationships added in the quarter
- **Retain strong positioning in Payments and Digital Banking**
 - Credit card spends up **52% YOY & 22% QOQ**
 - **2nd** largest player in Merchant Acquiring with market share of **16%**, incremental share of **42%** in 8MFY22
 - **15%** market share in UPI transactions and **20%** in UPI P2M acquiring
 - The Bank's digital auto loans and personal loans went live on the account aggregator framework
- **Well capitalized with adequate liquidity buffers**
 - Overall capital adequacy ratio (CAR) including profit for 9MFY22 stood at **18.72%** with CET 1 ratio of **15.33%**
 - COVID provisions of **₹ 5,012 crore**, not in CAR calculation provides additional cushion of **63 bps**
 - Average Liquidity Coverage Ratio (LCR) during Q3FY22 was over **113%**, excess SLR² of **₹82,935 crores**
- **Declining loan slippages and NPA's, moderating credit costs, limited restructuring**
 - Net loan slippage ratio (annualized) at **0.06%**, improved **380 bps YOY** and **38 bps QOQ**
 - Annualized credit cost for Q3FY22 at **0.44%**, declined by **258 bps YOY & 10 bps QOQ**, PCR healthy at **72%**
 - GNPA at **3.17%** declined by **138 bps YOY & 36 bps QOQ**, NNPA at **0.91%** declined **28 bps YOY & 17 bps QOQ**,
 - On an aggregated basis³, Coverage ratio at **130%** improved **576 bps QOQ & 1,406 bps YOY**
 - Covid-19 restructuring implemented loans at **0.63%** of GCA, amongst the lowest in the industry
- **Bank's domestic subsidiaries deliver strong performance, annualized profit⁴ closer to ~ ₹1,157 crore**
 - Axis AMC's 9MFY22 PAT grew **54% YOY** to **₹252 crores**, AAUM growth of **43% YOY**
 - Axis Finance 9MFY22 PAT grew **81%** to **₹251 crores**; asset quality remains stable, with near zero restructuring
 - Axis Capital 9MFY22 PAT stood at **₹166 crores**, up **88% YOY**.
 - Axis Securities 9MFY22 PAT at **₹174 crores**, was up **48% YOY**

*Net Interest Margin ^ NIM for Q3FY21 adjusted for interest on income tax refund of ₹153 crores, translating to 8 bps

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

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

Profit & Loss Account: Period ended 31st December 2021

Operating Profit and Net Profit

The Bank's operating profit for the quarter grew 17% YOY and 4% QOQ to ₹6,162 crores. Net profit grew 224% from ₹1,117 crores in Q3FY21 to ₹3,614 crores in Q3FY22.

Net Interest Income and Net Interest Margin

The Bank's Net Interest Income (NII) grew 17% YOY and 10% QOQ to ₹8,653 crores. Net interest margin (NIM) for Q3FY22 improved by 14 bps QOQ to 3.53%.

Other Income

Fee income for Q3FY22 grew 15% YOY and 3% QOQ to ₹3,344 crores. Retail fees grew 16% YOY and 6% QOQ; and constituted 65% of the Bank's total fee income. Retail card fee grew 21% YOY and 8% QOQ. The corporate & commercial banking fee together grew 13% YOY. The trading profits and miscellaneous income for the quarter stood at ₹367 crores and ₹130 crores respectively. Overall, non-interest income (comprising of fee, trading profit and miscellaneous income) for Q3FY22 stood at ₹3,840 crores, up 31% YOY and 1% QOQ.

Provisions and contingencies

Specific loan loss provisions for Q3FY22 were ₹790 crores compared to ₹927 crores in Q2FY22.

The Bank has not utilized Covid provisions during the quarter. The Bank holds cumulative provisions (standard + additional other than NPA) of ₹13,404 crores at the end of Q3FY22. 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 2.03% as on 31st December, 2021. On an aggregated basis, our provision coverage ratio (including specific + standard + additional + Covid provisions) stands at 130% of GNPA as on 31st December, 2021.

Credit cost for the quarter ended 31st December, 2021 stood at 0.44%, declining by 258 bps YOY and 10 bps QOQ.

9MFY22 Financial Performance:

Net Interest Income for 9MFY22 grew 12% YOY to ₹24,313 crores from ₹21,684 crores. Fee income grew 26% YOY to ₹9,242 crores. Operating profit grew by 5% to ₹18,276 crores from ₹17,391 crores in 9MFY21. Total provisions for 9MFY22 stood at ₹6,372 crores, down 48% over the same period last fiscal. Net Profit for 9MFY22 grew 128% to ₹8,908 crores from ₹3,911 crores in 9MFY21.

Balance Sheet: As on 31st December 2021

The Bank's balance sheet grew 20% YOY and stood at ₹11,13,066 crores as on 31st December 2021. The total deposits grew by 22% YOY on quarterly average balance (QAB) basis and 20% YOY on period end basis. On QAB basis, savings account deposits grew 24% YOY and 4% QOQ, current account deposits grew 27% YOY and 13% QOQ; and retail term deposits (RTD) grew 12% YOY and 1% QOQ. On QAB basis, CASA and RTD deposits put together grew 18% YOY and 4% QOQ. On QAB basis, the share of CASA plus RTD deposits in total deposits stood at 83% as of 31st December 2021.

The Bank's advances grew 17% YOY and 7% QOQ to ₹6,64,866 crores as on 31st December 2021. The Bank's loan to deposit ratio stood at 86%. Retail loans grew 18% YOY and 6% QOQ to ₹3,67,494 crores and accounted for 55% of the net advances of the Bank. The share of secured retail loans was ~ 80%, with home loans comprising 37% of the retail book. Disbursements in Retail segment were up 37% YOY and 19% QOQ. SME loan book grew 20% YOY and 9% QOQ to ₹67,909 crores. 96% of the SME book is secured with predominantly working capital financing, and is well diversified across geographies and sectors. Corporate loan book grew 13% YOY and 7% QOQ to ₹2,29,462 crores. 87% of corporate book is now rated A- and above with 92% of incremental sanctions in Q3FY22 being to corporates rated A- and above.

The book value of the Bank's Investments portfolio as on 31st December 2021, was ₹2,66,419 crores, of which ₹2,12,391 crores were in government securities, while ₹48,293 crores were invested in corporate bonds and ₹5,735 crores in other securities such as equities, mutual funds, etc. Out of these, 70% are in held till maturity (HTM) category, while 28% of investments are available for sale (AFS) and 2% are in held for trading (HFT) category.

Digital

Axis Bank continues to remain among the top players in the Retail Digital banking space.

- **133%** - YOY growth in total UPI transaction value in Q3FY22. Market share in UPI transactions at 15%
- **92%** - Share of digital transactions in the Bank's total financial transactions by individual customers in Q3FY22
- **75%** - YOY growth in mobile banking transaction volumes in Q3FY22, with market share of 15%
- **71%** - SA accounts opened through tab banking
- **68%** - Retail term deposits (by volume) opened digitally in 9MFY22
- **46%** - New mutual fund SIPs sourced through digital channels in 9MFY22

The Bank's focus remains on reimagining end-end journeys, transforming the core and becoming a partner of choice for ecosystems. The Bank launched a new digital savings account which offers 10-15% as cashback for purchases on the leading ecommerce platforms. On WhatsApp banking, the Bank now has over 3 million customers on board within a year of launch.

Wealth Management Business – Burgundy

The Bank's wealth management business has seen strong growth and is among the largest in India with assets under management (AUM) of over ₹2,66,675 crores as at end of 31st December 2021. Burgundy Private that was launched in December 2019 for the high and ultra-high net worth clients, has scaled up rapidly to cover over 3,209 families from 1,415 families in last one year. The combined AUM for Burgundy Private increased 86% YOY to ₹81,242 crores.

Capital Adequacy and Shareholders' Funds

The shareholders' funds of the Bank grew 3% QOQ and stood at ₹1,10,746 crores as on 31st December 2021. Under Basel III, the Capital Adequacy Ratio (CAR) and CET1 ratio as on 31st December 2021 including 9MFY22 profits were 18.72% and 15.33% respectively. Additionally, the Bank held ₹5,012 crores of COVID provisions, not considered for CAR calculation providing cushion of 63 bps over the reported CAR. The Book value per equity share increased from ₹323 as of 31st December, 2020 to ₹361 as of 31st December, 2021.

Asset Quality

As on 31st December, 2021 the Bank's reported Gross NPA and Net NPA levels were 3.17% and 0.91% respectively as against 3.53% and 1.08% as on 30th September 2021.

Gross slippages during the quarter were ₹4,147 crores, compared to ₹5,464 crores in Q2FY22 and ₹7,993 crores in Q3FY21 (as per IRAC norms). Slippages from the loan book were at ₹3,332 crores and that from investment exposures stood at ₹815 crores. Recoveries and upgrades from NPAs during the quarter were ₹3,288 crores while write-offs were ₹1,707 crores. Consequently, there were net slippages in NPAs (before write-offs) for the quarter of ₹860 crores as compared to ₹707 crores in Q2FY22 and ₹5,831 crores in Q3FY21. Net decline in NPA's (before write-offs) for Retail loans in Q3FY22 stood at ₹94 crores. For SME, there were net slippages in NPAs (before write-offs) for the quarter of ₹40 crores.

As on 31st December 2021, the Bank's provision coverage, as a proportion of Gross NPAs stood at 72%, as compared to 75% as at 31st December 2020 and 70% as at 30th September 2021.

The fund based outstanding of standard restructured loans implemented under resolution framework for COVID-19 related stress (Covid 1.0 and Covid 2.0) as at 31st December 2021 stood at ₹4,643 crores that translates to 0.63% of the gross customer assets. The Bank carries a provision of ~ 24% on restructured loans, which is in excess of regulatory limits.

Network

As on 31st December 2021, the Bank had a network of 4,700 domestic branches and extension counters situated in 2,665 centres compared to 4,586 domestic branches and extension counters situated in 2,586 centres as at end of 31st December 2020. As on 31st December 2021, the Bank had 11,060 ATMs and 5,943 cash recyclers spread across the country. The Bank's Axis Virtual Centre channel had six centres with over 1,500 Virtual Relationship Managers as on 31st December 2021.

Key Subsidiaries' Performance

The Bank's domestic subsidiaries delivered strong performance with reported total PAT of ₹872 crores, up 61% YOY over the 9MFY21 total profit of ₹541 crores.

- **Axis AMC:** Axis AMC continued to strengthen its positioning driven by strong leadership team and innovative product launches on the equity savings side including global and sustainability strategies. Axis AMC's average AUM for the quarter grew by 43% YOY to ₹2,53,450 crores. Its 9MFY22 PAT grew 54% YOY to ₹252 crores from ₹164 crores in 9MFY21.
- **Axis Finance:** Axis Finance has been investing in building a strong customer focused franchise. Retail book constituted 29% of total loans while the focus in wholesale business continues to be on well rated companies and cash flow backed transactions. Axis Finance remains well capitalized with Capital Adequacy Ratio of 19.8%. The asset quality metrics remain stable with net NPA at 0.9% with near zero restructuring. Axis Finance Q3FY22 PAT was ₹113 crores, up 77% YOY. 9MFY22 PAT grew 81% YOY to ₹251 crores from ₹139 crores in 9MFY21.
- **Axis Capital:** Continued to maintain its leadership position in ECM. Axis Capital completed 16 and 43 ECM transactions in Q3FY22 and 9MFY22 respectively. Its PAT for Q3FY22 and 9MFY22 grew by 118% YOY and 88% YOY respectively.
- **Axis Securities:** Axis Securities' broking revenues for Q3FY22 & 9MFY22 grew 58% and 65% YOY to ₹175 crores ₹482 crores respectively, net profit for Q3FY22 & 9MFY22 grew by 29% and 48% YOY to ₹57 crores and ₹174 crores respectively.

₹ crore

Financial Performance	Q3FY22	Q3FY21	% Growth	9MFY22	9MFY21	% Growth
Net Interest Income	8,653	7,373	17%	24,313	21,684	12%
Other Income	3,840	2,929	31%	10,997	8,723	26%
- Fee Income	3,344	2,906	15%	9,242	7,310	26%
- Trading Income	367	(33)	-	1,396	1,196	17%
- Miscellaneous Income	129	55	135%	359	217	66%
Operating Revenue	12,493	10,302	21%	35,310	30,407	16%
Core Operating Revenue*	12,126	10,360	17%	33,893	29,200	16%
Operating Expenses	6,331	5,053	25%	17,034	13,017	31%
Operating Profit	6,162	5,248	17%	18,276	17,391	5%
Core Operating Profit*	5,795	5,307	9%	16,859	16,183	4%
Net Profit/(Loss)	3,614	1,117	224%	8,908	3,911	128%
EPS Diluted (₹) annualized	46.61	14.47		38.44	17.61	
Return on Average Assets (annualized)	1.30%	0.48%		1.12%	0.56%	
Return on Equity (annualized)	14.19%	4.91%		12.01%	6.13%	

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

₹ crore

Balance Sheet	As on	As on
	31 st December'21	31 st December'20
CAPITAL AND LIABILITIES		
Capital	614	612
Reserves & Surplus	1,10,132	98,205
Employee Stock Option Outstanding (net)	118	-
Deposits	7,71,670	6,41,215
Borrowings	1,78,898	1,35,666
Other Liabilities and Provisions	51,634	49,426
Total	11,13,066	9,25,124
ASSETS		
Cash and Balances with RBI and Banks and Money at Call and Short Notice	1,02,046	72,691
Investments	2,66,419	1,98,346
Advances	6,64,866	5,69,829
Fixed Assets	4,306	4,277
Other Assets	75,429	79,981
Total	11,13,066	9,25,124

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

₹ crore

Business Performance	As on 31 st December '21	As on 31 st December '20	% Growth
Total Deposits (i)+(ii)	7,71,670	6,41,215	20%
(i) Demand Deposits	3,44,878	2,82,392	22%
- Savings Bank Deposits	2,28,166	1,89,814	20%
- Current Account Deposits	1,16,712	92,578	26%
Demand Deposits as % of Total Deposits	45%	43%	
(ii) Term Deposits	4,26,792	3,58,823	19%
- Retail Term Deposits	2,89,910	2,68,175	8%
- Non Retail Term Deposits	1,36,882	90,648	51%
Demand Deposits on a Quarterly Daily Average Basis (QAB)	3,22,810	2,58,827	25%
Demand Deposits as % of Total Deposits (QAB)	44%	42%	
Net Advances (a) +(b) + (c)	6,64,866	5,69,829	17%
(a) Corporate	2,29,462	2,03,199	13%
(b) SME	67,909	56,463	20%
(c) Retail	3,67,494	3,10,167	18%
Investments	2,66,419	1,98,346	34%
Balance Sheet Size	11,13,066	9,25,124	20%
Gross NPA as % of Gross Customer Assets*	3.17%	4.55%	
Net NPA as % of Net Customer Assets*	0.91%	1.19%	
Equity Capital	614	612	0.2%
Shareholders' Funds	1,10,746	98,817	12%
Capital Adequacy Ratio (Basel III)	17.44%	18.68%	
- Tier I	15.18%	15.85%	
- Tier II	2.26%	2.83%	
Capital Adequacy Ratio (Basel III) (incl. profit for 9MFY22)	18.72%	19.31%	
- Tier I	16.46%	16.48%	
- Tier II	2.26%	2.83%	

*as per IRAC norms

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

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Safe Harbor

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