







Investor Presentation

Quarterly Results Q2FY23









NSE: **AXISBANK** BSE: **532215** LSE (GDR): **AXB** 

## Axis Bank at a glance



**Axis Bank** 



3rd largest Private Bank in India

88,540+ **Employees** 

4,760 Branches\*

straight year Part of FTSE 4Good EI ^

6th

Market Share



Traditional Banking Segment

5.0% 4.7%

Assets ##

Deposits # Advances #

5.7%

Digital Banking Segment

16% UPI 1

**15%** Mobile\*\*

11%

Credit Cards<sup>^^</sup>

**Profitability** 



3.96% Net Interest Margin<sup>2</sup>

2.25% Cost to Assets<sup>2</sup>

2.64% Core Operating Profit Margin<sup>2</sup>

**Balance Sheet** 



17.72% | **15.14%** CAR\*\*\* 3 CET 13

₹11.6 Bn | 1.60%

Cumulative provisions (standard + additional non-NPA)

80% 0.51% **PCR** Net NPA

Key Subsidiaries



**53%** Growth in Axis Finance PAT (H1FY23)

24%

Growth in Axis AMC *PAT (H1FY23)* 

1st

Axis Capital's position in ECM\$

97%

Growth in Axis Securities new customer additions (H1FY23)

\*domestic network including extension counters ^ EI - Emerging Index Series #Based on Sep'22 data ## Based on Mar'21 data

<sup>2</sup> For Q2FY23

<sup>\*\*</sup> by volumes for July-August'22

<sup>\$</sup> As per Prime Database rankings for Equity Capital Markets for H1FY23

<sup>\*\*\*</sup>CAR - Capital Adequacy ratio; CET 1 - Common Equity Tier 1 ratio



## **Executive Summary**

Financial Highlights

Capital and Liquidity Position

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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, SBB1, 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\*
- 2nd 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 2 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

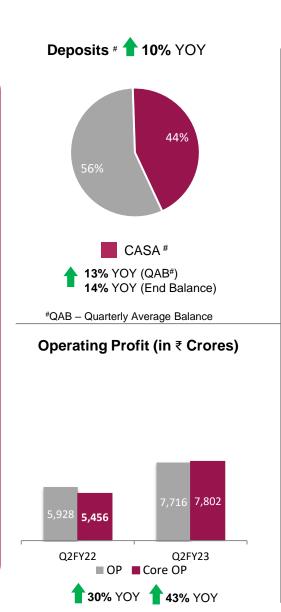
- \* Based on RBI data from Nov'21 to Aug'22
- <sup>3</sup> Month End Balances

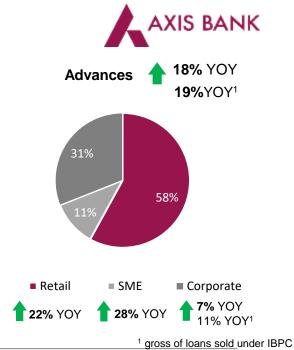
- <sup>1</sup> SBB: Small Business Banking;
- <sup>2</sup> Coverage Ratio = Aggregate provisions (specific + standard + additional + Covid) / IRAC GNPA

## **Key metrics for Q2FY23**

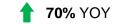
**Snapshot (As on 30th September 2022)** 

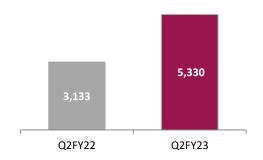
(		Absolute (Rs. Cr)			QOQ   YOY Growth		
		Q2FY23	Q1FY23	H1FY23	Q2FY23	Q2FY23	H1FY23
Profit & Loss	Net Interest Income	10,360	9,384	19,744	10%	31%	26%
	Fee Income	3,862	3,576	7,438	8%	20%	26%
	Operating Expenses	6,585	6,496	13,081	1%	14%	22%
	Operating Profit	7,716	5,887	13,603	31%	30%	12%
	Net Profit	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%			
		Q2FY23 / H1FY23		Q2FY22 / H1FY22			
Key Ratios	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%	)





#### **Profit After Tax (in ₹ Crores)**





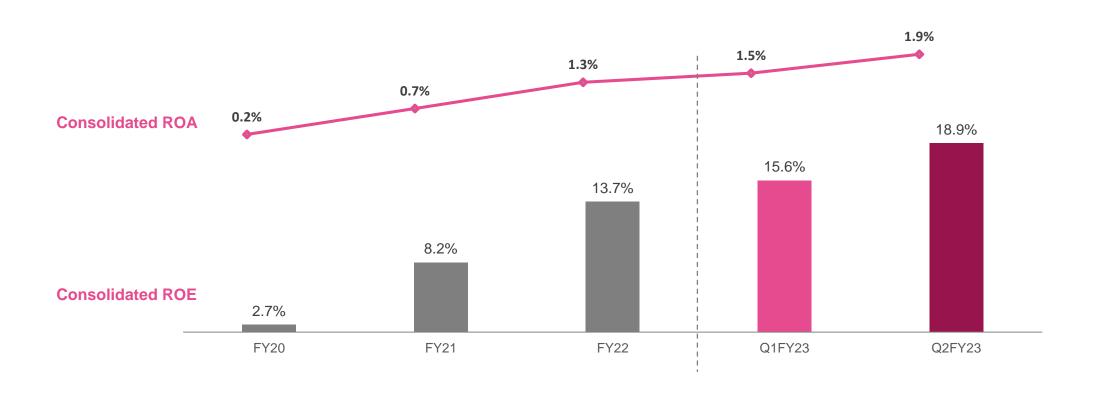
<sup>^</sup>period end balances

<sup>\*</sup> including profit for H1 FY23

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



#### Trend in Consolidated ROA and ROE





### **Executive Summary**

### Financial Highlights

Capital and Liquidity Position

Business Segment performance

Asset Quality

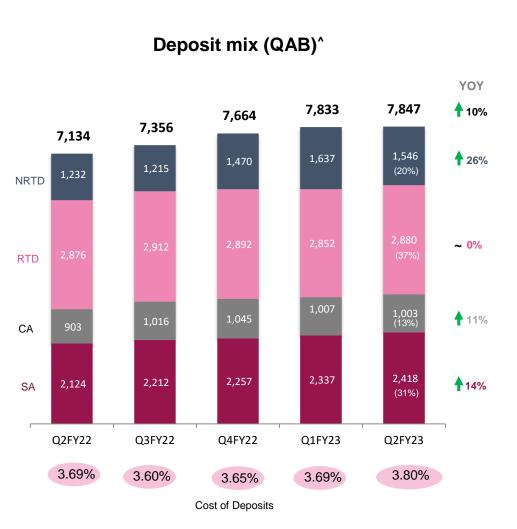
Sustainability

Subsidiaries' Performance

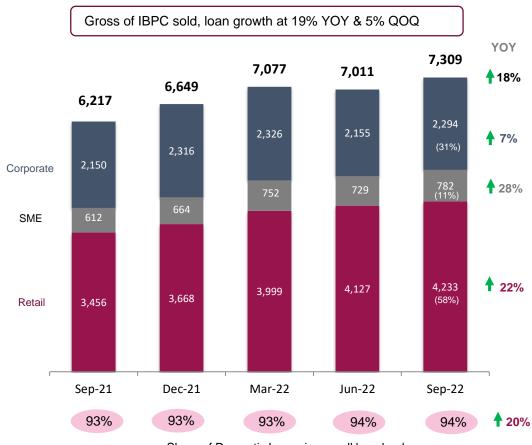
Other important information

## **Deposit and Loan growth performance**





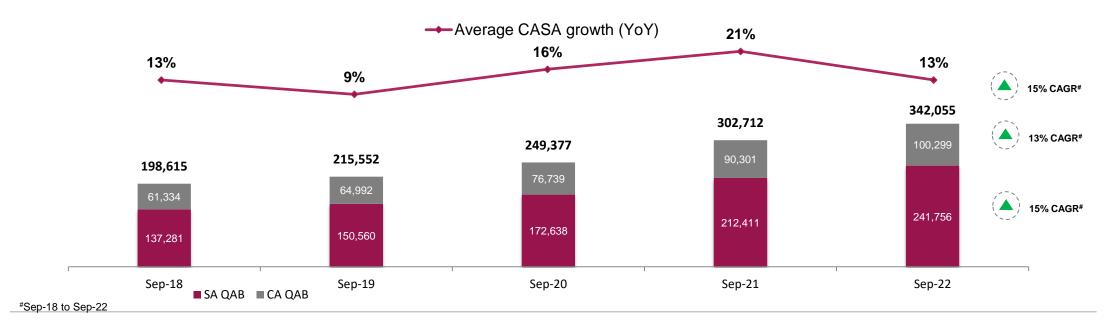




Share of Domestic Loans in overall loan book

## **CASA** growth remains steady





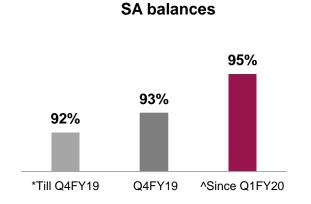
CA QAB as % of period end CA balances

86%

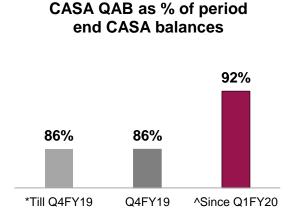
78%

75%

\* Till Q4FY19 Q4FY19 ^Since Q1FY20

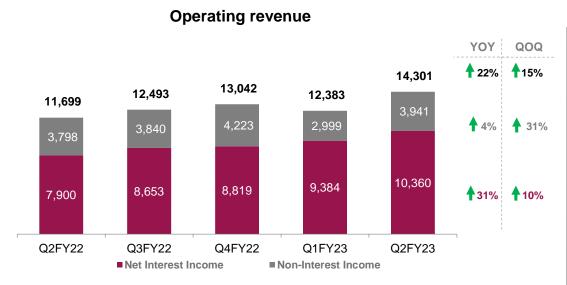


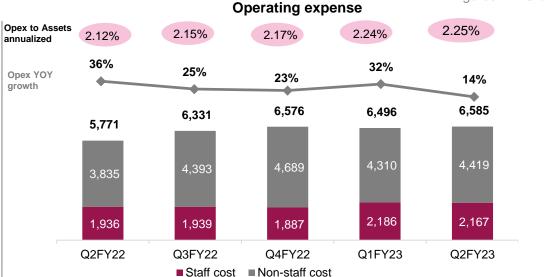
SA QAB as % of period end



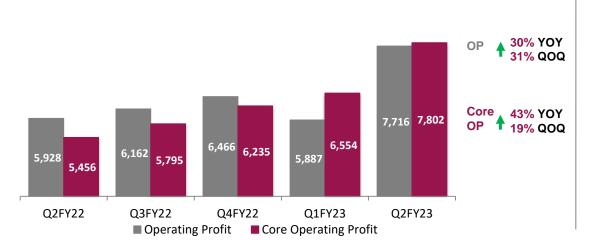
## Core operating profit up 43% YOY, Net Profit up 70% YOY



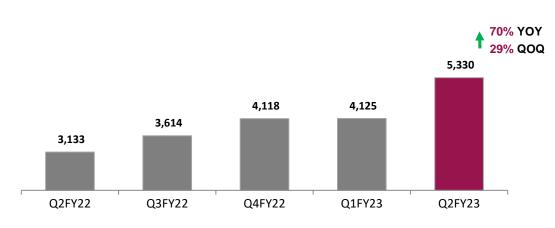




#### **Operating profit & Core Operating profit**



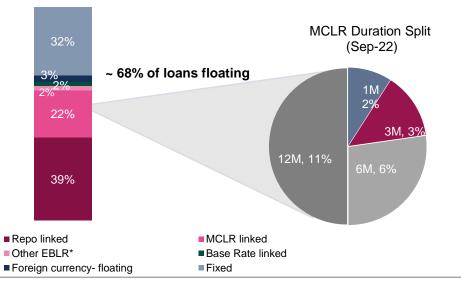
#### Profit after tax



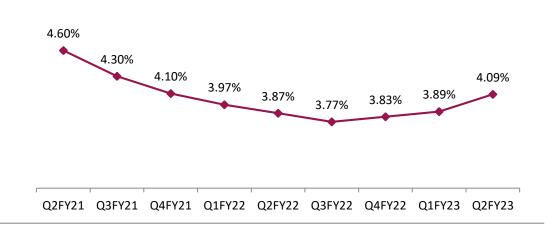
## Net interest margin improved 57 bps YOY and 36 bps QOQ



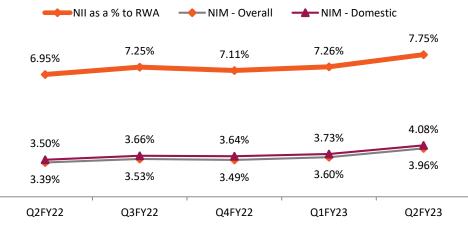




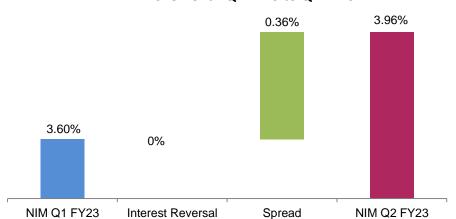
#### **Cost of Funds**



#### **Net interest Margin (NIM)**

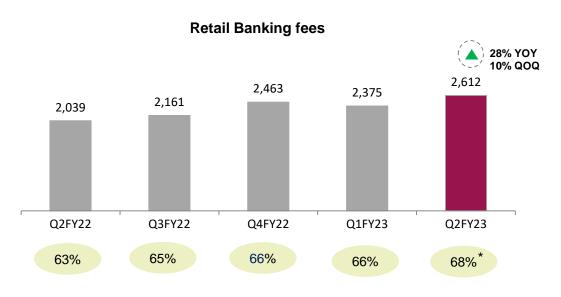


#### NIM Movement - Q1 FY23 to Q2 FY23

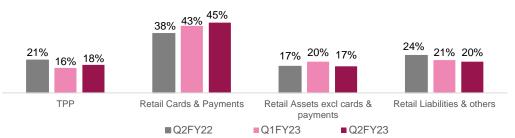


## Strong growth in fees; granularity built across our business segments



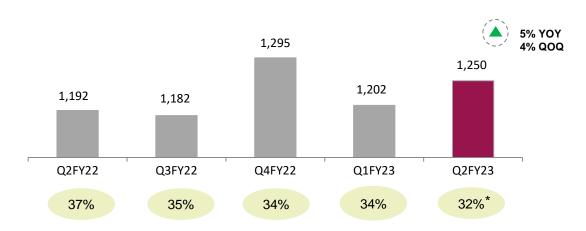


#### Retail fee mix

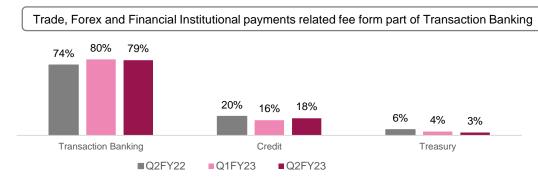


- 53% YOY & 16% QOQ growth in Retail Cards & payments fees; of which Digital Banking fee grew 45% YOY
- 29% YOY growth in Retail Assets fees (excl cards & payments)
- 6% YOY & 20% QOQ growth in Third Party products (TPP) distribution fees

#### Corporate & Commercial Banking fee



#### Corporate & Commercial Banking fee mix

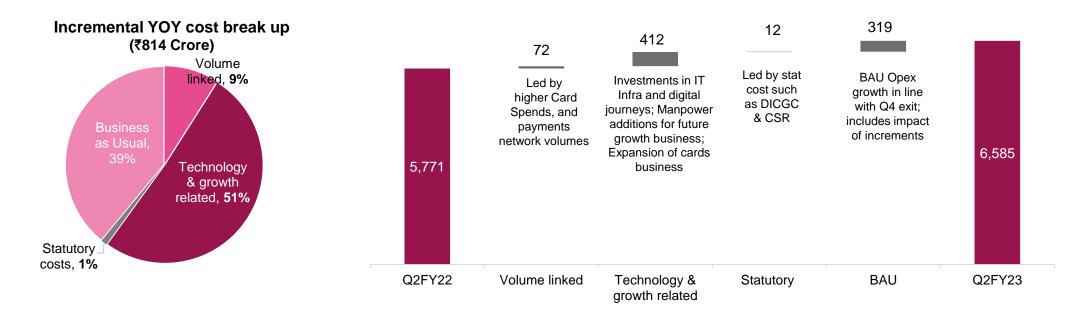


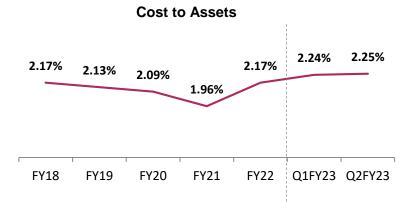
30% YOY & 11% QOQ growth in conventional Transactional Banking fees \*\*

# 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





- 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



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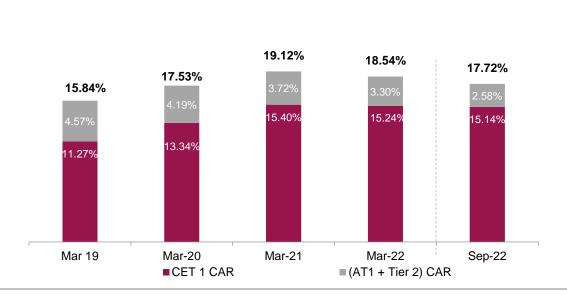
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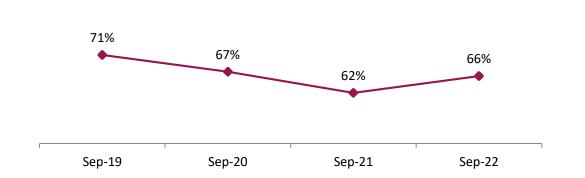
Other important information

## Healthy capital position with adequate liquidity



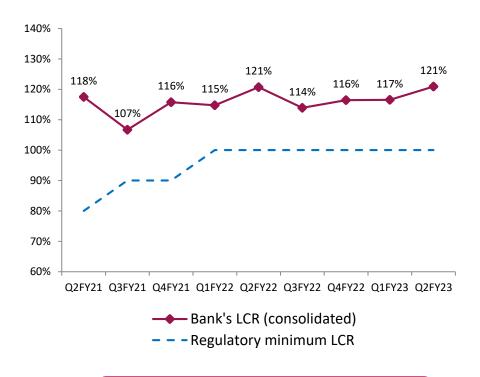


#### **RWA to Total Assets**





#### **Liquidity Coverage Ratio (consolidated)**



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



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## **Retail Banking**

~29 Mn
SA customers

4th

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%

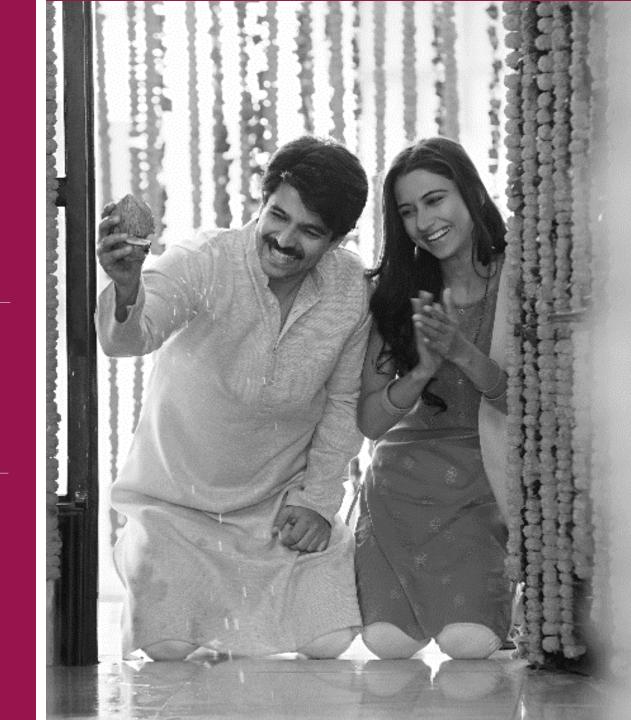
Share of Advances<sup>~</sup>

14%

YOY Growth in SA QAB deposits 46%

CASA ratio (MEB)\* 68%

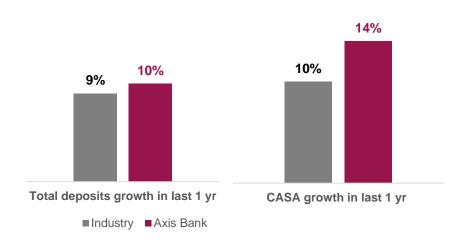
Share in total fee^



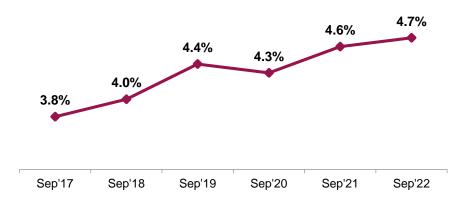
<sup>~</sup> share in Bank's total advances, ^ share in Bank's total fee for Q2FY23 \* MEB: Month End Balance

## 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

- "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

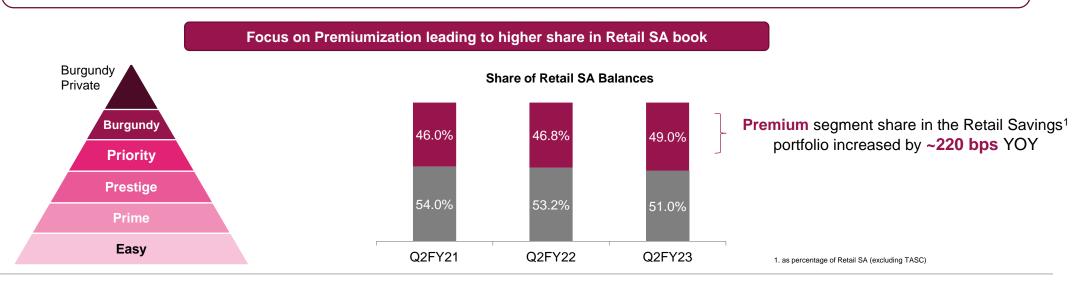




Continue to maintain sharp focus on quality of NTB\* acquisitions; Branch channel continued its focus on deepening ETB\* relationships



Premiumisation strategy focuses on improving account quality of overall balances while increasing contribution from premium# segments



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



<sup>^</sup> Not to scale, Area doesn't represent the actual proportion of deposits



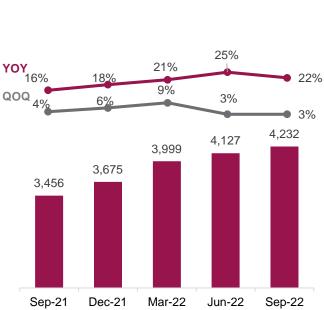
<sup>\*</sup> NTB: New to Bank; ETB: Existing to Bank

#### Rs 4 trillion Retail loan book remains well diversified



#### Retail book

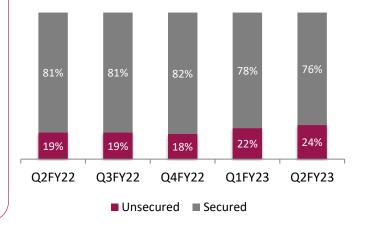
(in ₹ Billion)



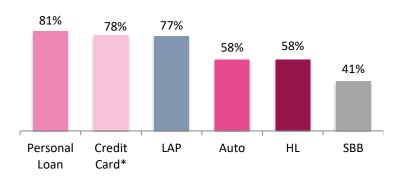
#### ~ 79% of our retail book is secured

in Rs Crores	Sep-22	QOQ	YOY	% Prop
Home Loans	1,46,525	1%	13%	35%
LAP	43,922	2%	21%	10%
Auto loans	45,397	1%	11%	11%
SBB	35,341	12%	69%	8%
Comm Equipment	7,427	(1%)	17%	2%
Personal loans	49,066	4%	22%	12%
Credit Cards	20,635	14%	47%	5%
Rural loans	60,199	2%	46%	14%
Others	14,723	(9%)	(10%)	3%
Total Retail	4,23,235	3%	22%	100%

#### 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

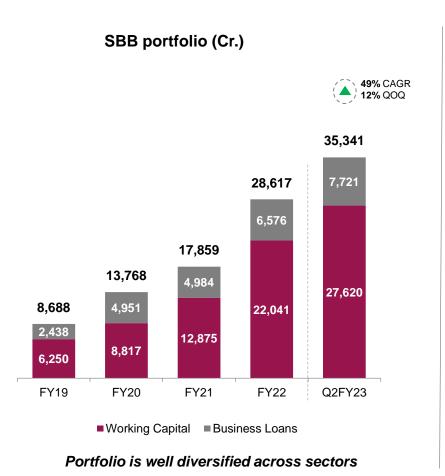
<sup>\*</sup> ETB contribution in Credit Cards has come down on account of significant KTB sourcing in last one year

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



21

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



- 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 Quarterly Results Q2FY23

## ...led by our innovative product offerings and transformation initiatives AXIS BANK



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

#### 24 X 7 Business Loan - 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



#### Sankalp offers DIY Journeys for both ETB & NTB Customers



'SBB Sankalp' project to further improve efficiencies and deliver superior TATs by reimagining and digitizing underwriting systems and loan disbursals

<sup>\*</sup>Currently Pilot Program in selected locations

## '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

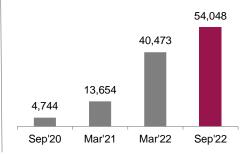
**15%** 

YOY growth in deposits\*

\*from Bharat Banking segment

#### ... with increased coverage in Semi Urban and Rural markets

#### CSC VLE\*s



- 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

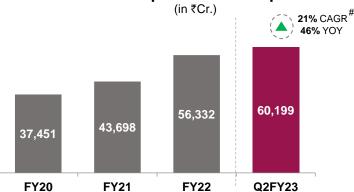
<sup>\*</sup> Common Service Center Village Level Entrepreneurs

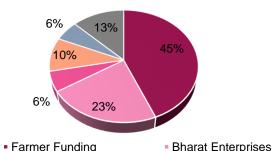
# Rural portfolio is well diversified, offering holistic and integrated financial solutions by leveraging technology and partnerships



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

#### **Rural loans portfolio & composition**





The book is well diversified across regions

Farm Mechanization

MFI -Wholesale

... 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

Gold loans

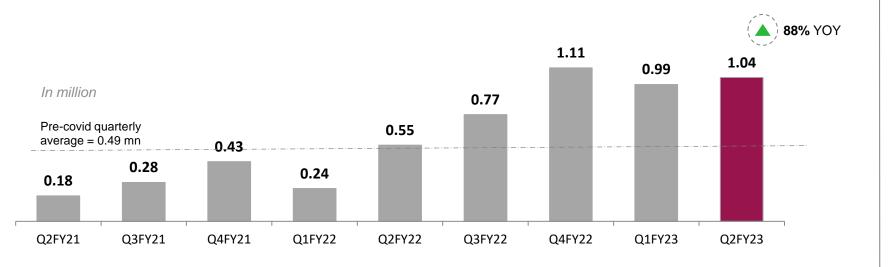
MFI - Retail

## **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\*



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



11.4%

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

<sup>^</sup> Known to Bank

<sup>\*</sup> 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

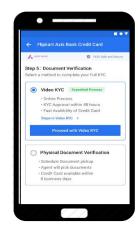




Customer clicks on Flipkart Axis Bank Credit card banner and can view details



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

\$ CIF as of 30th 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



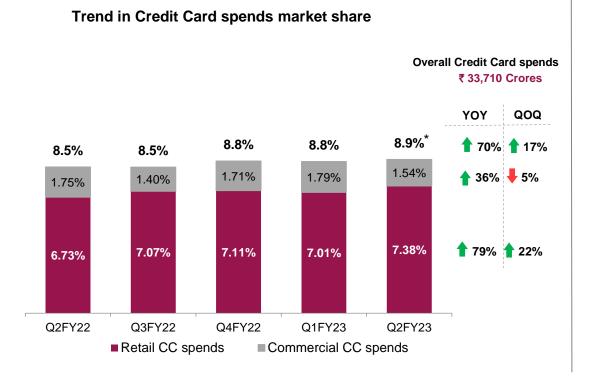
All figures In ₹ Cr

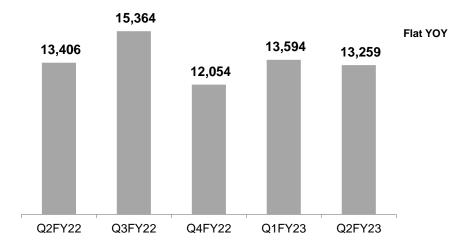
'GRAB DEALS', Axis Bank's exclusive shopping platform has scaled up significantly

~2x YOY growth in transactions

~3x YOY increase in GMV

**Trend in Debit Card spends** 





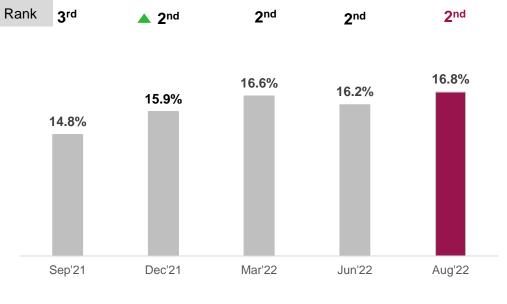
# We are the 2<sup>nd</sup> largest Merchant Acquiring Bank led by 'One Axis' focus, improved product capabilities and partnerships



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**



**All payment modes** in one app, integrated with GST ready billing application



**Multiple VAS offering-** CRM, Loyalty program, online store setup, store analytics etc.

**Sector specific** solutions as per business needs including Catalogue & Inventory management etc.

Deep **integrated supply chains** with cashback & offers

Bundled with no minimum balance Current account Proposition

**Strong and deep rooted alliance** with multiple partners across India with over **2.9 lakh** MIDs and a yearly throughput of **15k+ crores** 



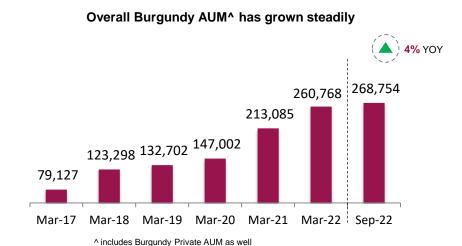
Worldline

**Payswiff** 

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



All figures In ₹ Cr



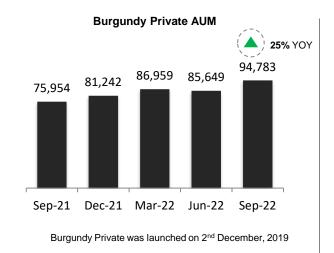
## Burgundy Performance has been strong (CAGR for Mar'17 -Sep'22 period)

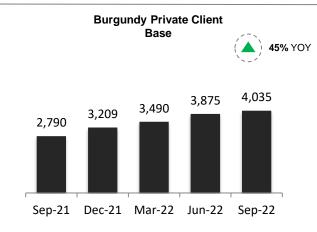
25% Assets under management
21% Customer base
7% Touch points ~

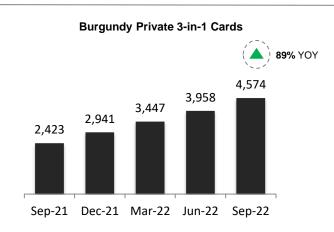


5th Annual Wealth Tech Awards

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

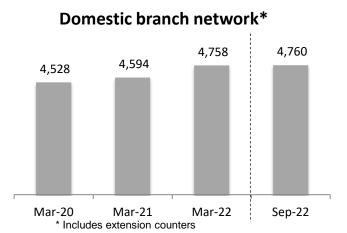


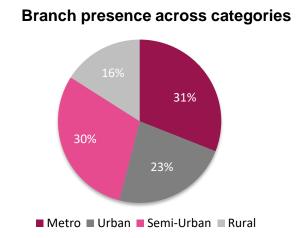




## We have a very well distributed branch network

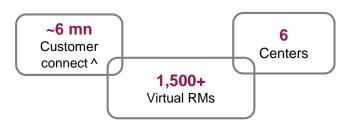






- Calibrated approach towards new branch additions across focused regions
- Aligned to our **Bharat Banking strategy**, specific RuSu branches follow an asset-led liability model
- Dedicated Asset Desk Managers for fulfilment of all loan leads at select branches
- Select Platinum branches to cater to 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)



## 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** 



#### 2022 Greenwich Excellence Awards for Indian Middle Market Banking



**Effective Senior Management Support** 



Frequency of Contact



Overall Digital Experience



Market Penetration - Local Banks Indian Middle Market Banking

> **47%** Market penetration

\*Market Penetration is the proportion of companies

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

interviewed that consider each bank an important provider of corporate banking services

Among more than 70 banks evaluated, Axis Bank was

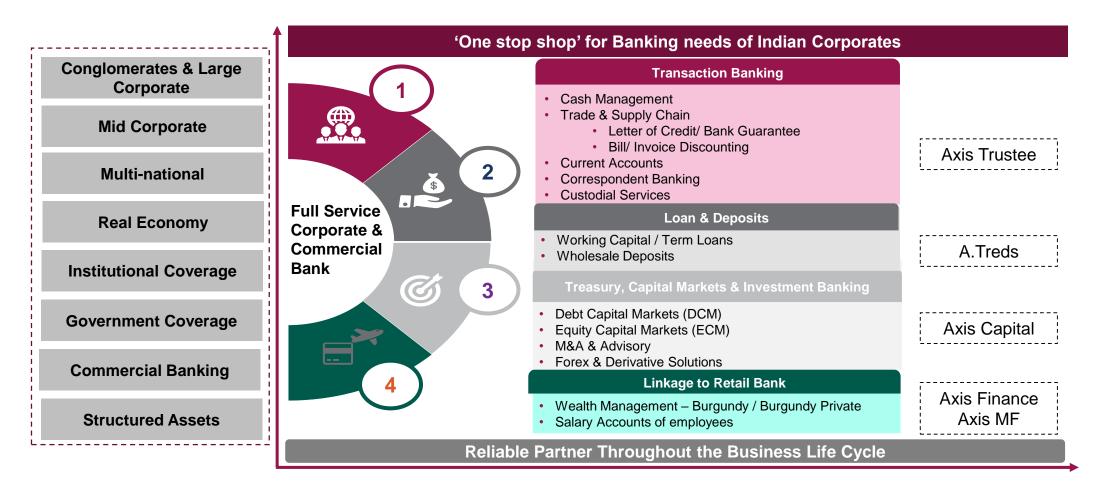
voted for its distinctive quality w.r.t. 6 out of 9 metrics where the respondents expressed their preference \*as per the Coalition Greenwich 2022 India Corporate Banking Study

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



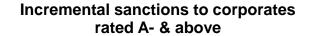
We have re-oriented the organisation structure in Corporate & Commercial Banking for delivering execution excellence

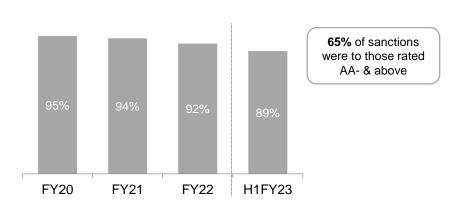
- Segregated the responsibilities of coverage and product groups to ensure sharper focus
- Corporate & Commercial Bank coverage reorganized into 8 coverage groups, each with a stated objective



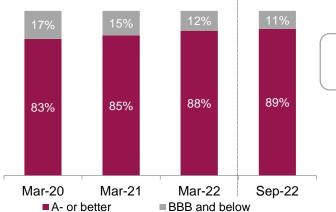
### ...with 89% of the book rated A- and above



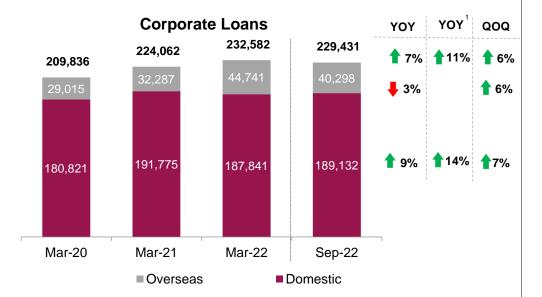




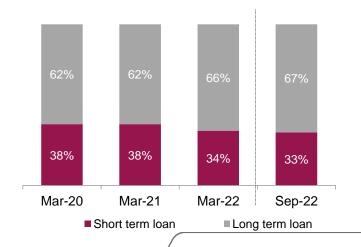
## 89% of the corporate loan book is rated A- or better



65% of book as on 30.9.2022 is rated AA- & above



## Corporate loan book mix (tenure based)



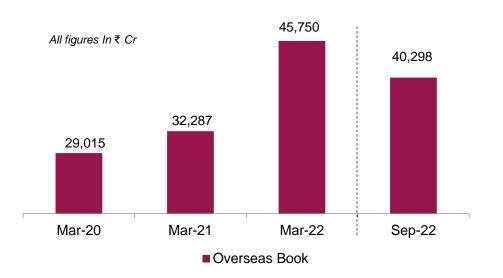
Short term refers to loans of less than 1 yr tenure; Long term refers to loans of greater than 1 yr tenure 1. Gross of loans sold under IBPC

## Overseas Corporate Ioan 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>



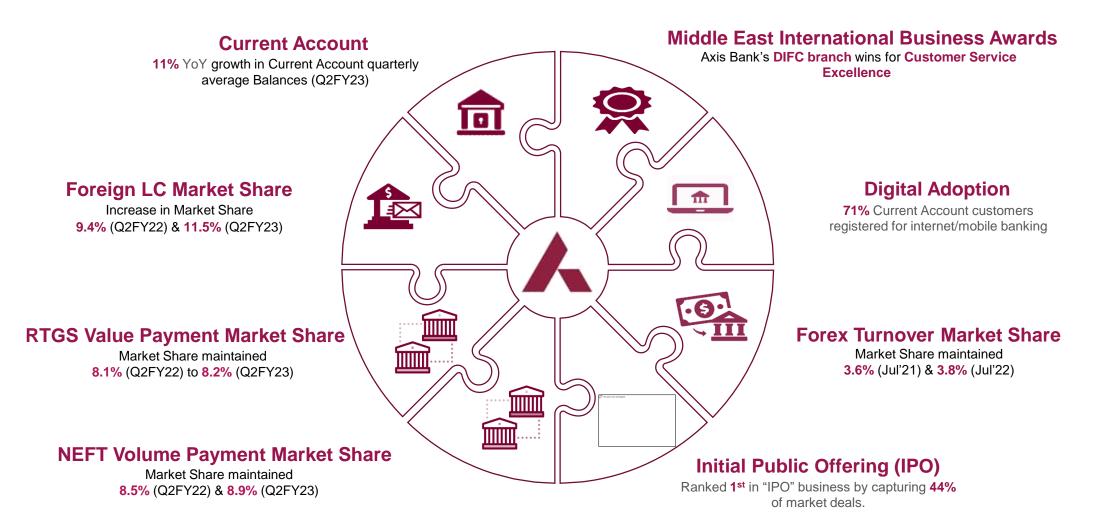
Well balanced in term and working capital loan mix

# ... 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

## We have strengthened our proposition as a Transaction Bank



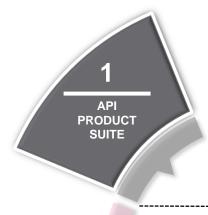


Foreign LC – SWIFT Watch RTGS/NEFT Payment – RBI Report

Forex Turnover – RBI Report IPO – SEBI Report

# We are progressing well on the Corporate Digital transformation and are witnessing strong corporate interest





- Full width of transaction banking products
- Quick and seamless integration with ERP
- Real time update and tracking directly from ERP
- Improved Operational efficiency
- Single corporate integration

CORPORATE DEVELOPER PORTAL

- Open Sandbox environment
- API Analytics
- Chatbots & Online ticketing system
- Digital end-to-end onboarding process being launched



- Seamless & self-serve customer onboarding from Partner platforms Native and connected banking experience on 3rd party applications
- Fully digital CA opening via v-KYC

# Growing contribution of transactions for newly onboarded customers onto APIs

% of digital payments transactions via APIs



**10x**Transaction
Volume

**5**x 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	Outstanding¹ as on 30 <sup>th</sup> Sep'22	Advances	Investments	Non-fund	Total		
Rank	Sectors	Advances	investments	based	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>&</sup>lt;sup>1</sup> Figures stated represent only standard outstanding (advances, investments and non fund based) across all segments

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

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

<sup>&</sup>lt;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

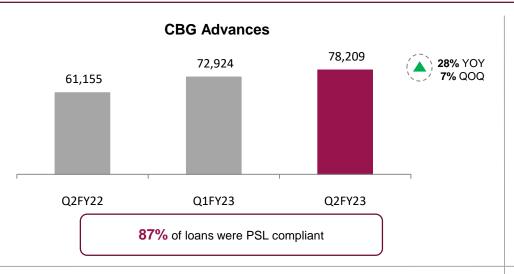


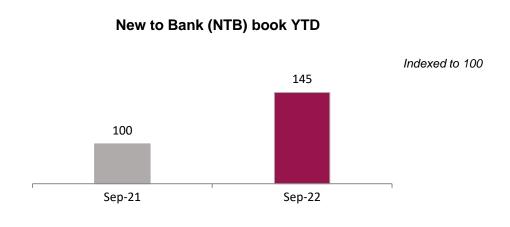


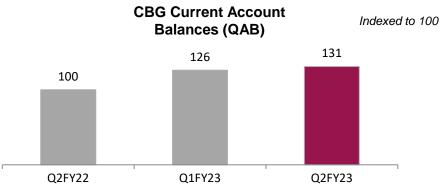
One of the most profitable segments of the Bank with high PSL coverage

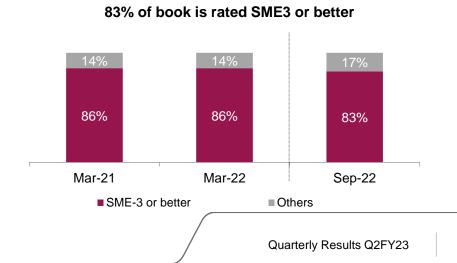


Data driven credit decisions, minimal documentation, simplified products and digitized operations aiding higher business growth



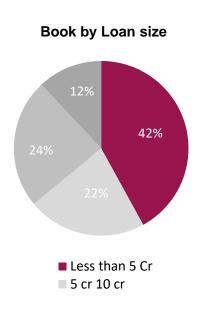


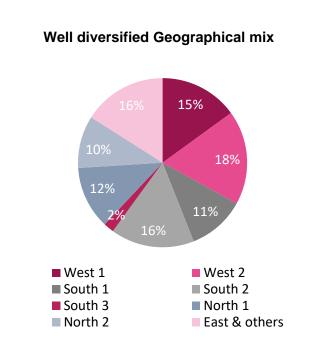




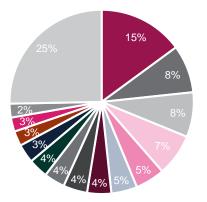


## **SME** lending book is well diversified





#### **Well diversified Sectoral mix**



- Trade Retail and WholesaleFood and Beverages
- Textile
- Engineering OthersPetrochemical and Petroleum Products
- CRE
- Other Services
- Other Metal and Metal Products
- Chemicals
- Iron & Steel Manufacturing

# **Digital Banking**

D2C products	<b>94%</b> Digital transactions <sup>^</sup>	81% Credit cards issued** (Q2FY23)	<b>72%</b> New SA acquisition*	58% PL disbursed (end-to-end digital)	44% New MF SIP sales (Q2FY23)	41% Individual RTDs opened (Q2FY23)	<b>4.8</b> @  Mobile App ratings
Transformation	250+ Services on digital channels	16% Market share in UPI (Q2FY23)	15% Market share in mobile (Q2FY23^)	10.5 Mn Mobile Banking MAU#(Q2FY23)	<b>109,833</b> Staff on BYOD	2,510+ Automated Processes (IA)	300+ Employee too Journeys
(3) (%) (%) (%) (%) (%) (%) (%) (%) (%) (%	1,500+ People dedicated to digital agenda	350+ In-house development team	<b>77%</b> New hires from non-banking backgrounds	PB Scale big data Hadoop clusters	40+% Lift of bank credit model GINI scores over bureau	~ <b>72</b> Apps on cloud	Agile Enabled teams with CI/CD, micro-services architecture
				40/		450/	

~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





# Reimagine Customer Proposition



# Transform the Core









**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



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



Data architecture 3.0; moving beyond analytical models to data engineering



Integrating alternate, unconventional data for risk-moderated growth



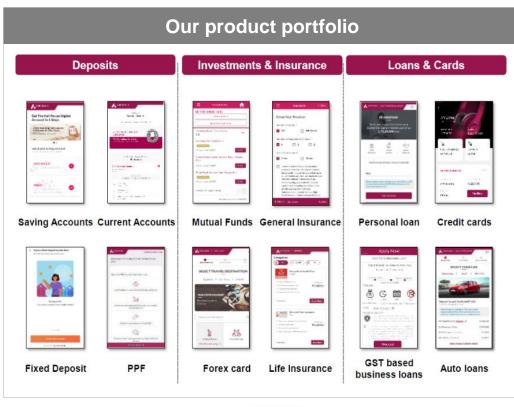
**Digital workforce** for digital consumers

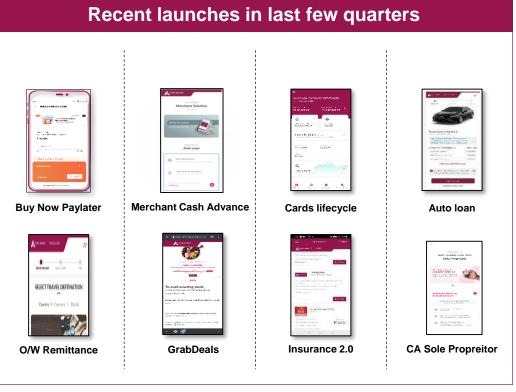


Creating a cutting edge, future ready workspace 2.0

# We continue to introduce and scale new products driven by our *OPEN philosophy*















# 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

Dev-ops

Product managers

- QA
- Developers: Front-end, back Scrum masters end, full stack

  - Digital marketers



#### Establishing agile processes

- Agile operating model established
- Cross-functional teams as end-end owners
- Operating rhythms across daily huddles, development in sprints, insprint 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



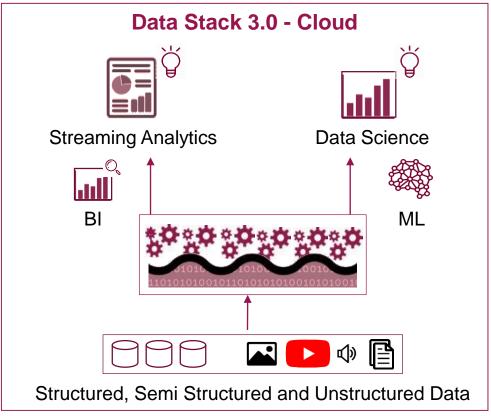
#### Setting the right data infrastructure

- 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







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



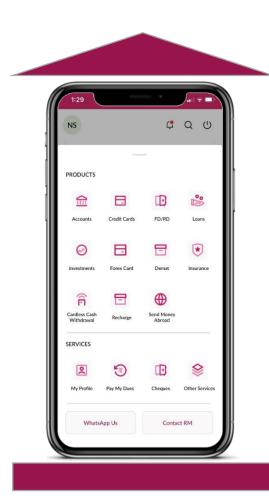
**150+** use cases deployed across credit, fraud, marketing analytics on cloud decisioning platform



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







#### 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

65%
of Branch service request volumes covered

~6.2 mn

Non-Axis Bank customers using Axis Mobile & Axis Pay apps in Q2FY23

250+
DIY Services on mobile channel

~**₹6.3 tn**MB spends in Q2FY23,
up 64% YOY

20 mn+
Registered customers on

Axis Mobile Banking

**~3.1 bn**MB volumes in Q2FY23,

up 92% YOY

10 mn+
Monthly active users on
Axis Mobile Banking

**59%**MB customers banking only on mobile app

#### 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

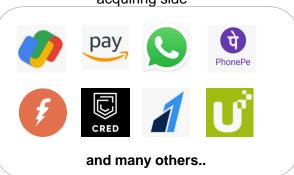
#### 425 mn

Cumulative VPA base\*\*

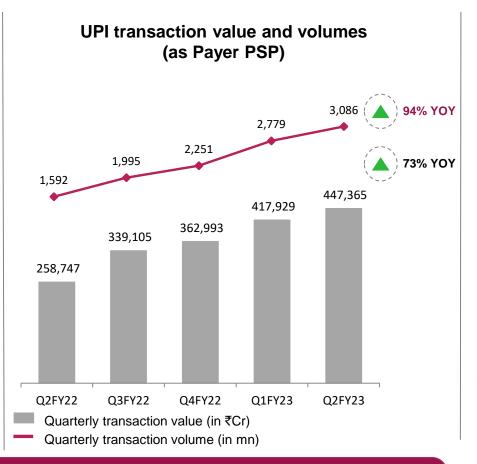
#### ~ 15 lakh

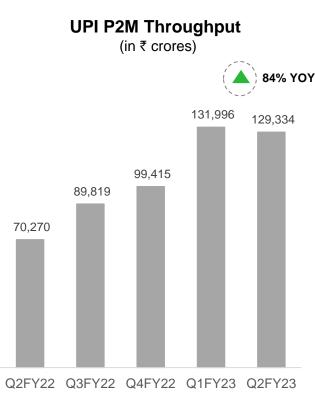
Merchants transacting per day on our stack

Marque partnerships across the PSP and acquiring side



<sup>\*\*</sup> A user registering VPA once in Axis Pay and once in Google Pay is counted as 2





## Partnerships as a channel has significant potential to expand our customer base



#### We have 85+ Partnerships across Platforms and Ecosystems

#### **Product Specific (API banking)**

- Channel to acquire & service customers, complete customer ownership with Bank
- Co- branded products; revenue sharing (Offering FDs, PL and Credit Cards)

#### Transaction banking (White-labelled banking)

- · Banking as a Service
- Deep integration with the partner



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** 

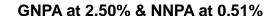
Sustainability

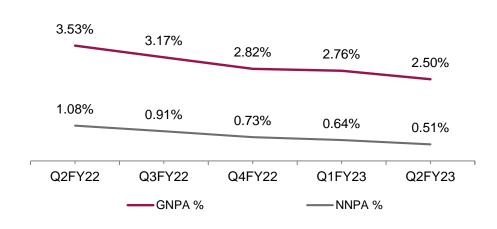
Subsidiaries' Performance

Other important information

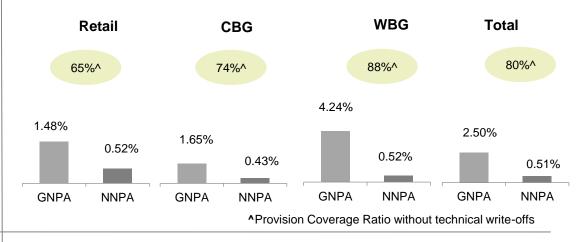
# Consistently improving asset quality visible across all segments



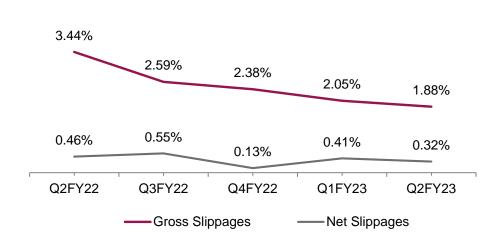




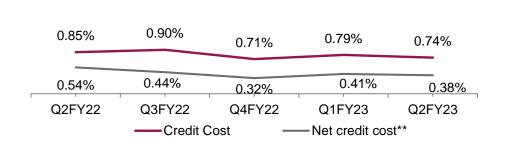
#### Segmental composition improving sequentially and YOY



#### Slippages (Annualised)



#### **Credit Cost (Annualised)**

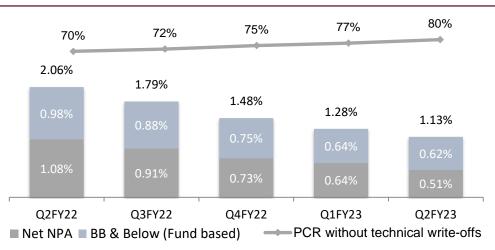


# Limited restructuring, largely secured and well provided; Declining BB & Below Book



#### 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
Bank	2,996
Retail	2,353
Wholesale	627
CBG	16
Bank as a % of GCA	0.38%
Retail as a % of segment GCA	0.55%
Wholesale as a % of segment GCA	0.26%
CBG as a % of segment GCA	0.02%

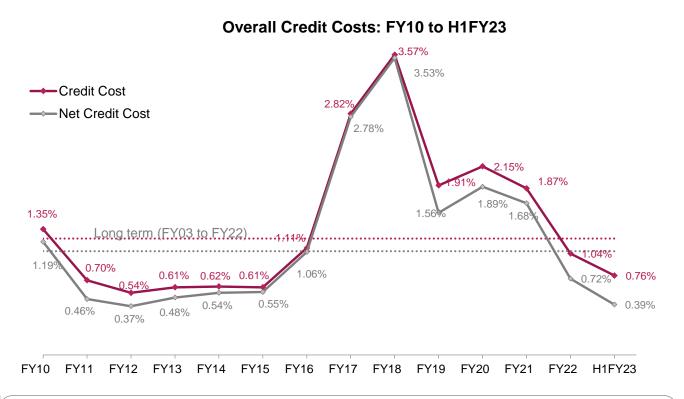
- 73% of the Covid restructuring book is standard
- Provision on restructured book Rs. 1,008 crs, coverage 23%
- ~95% of Retail Covid (1+2) is secured, unsecured 100% provided
- Linked but not restructured NFB Rs. 966 crores
- MSME (1+2) standard restructured book Rs. 585 crs, 0.07% of GCA
- Linked non-restructured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

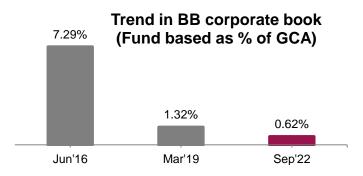
## Legacy asset quality issues adequately addressed



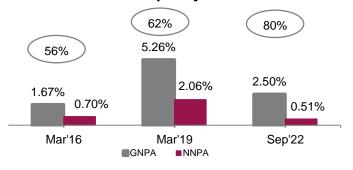


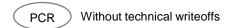
Drivers of Credit Costs

- 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



#### **Asset quality metrics**





# **Detailed walk of NPAs over recent quarters**



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

#### **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)
For Standard assets*	(122)	100	121	(20)	161
Others**	930	445	264	(398)	(362)
Total Provisions & Contingencies (other than tax)	1,735	1,335	987	359	550

<sup>\*</sup> including provision for unhedged foreign currency exposures

<sup>\*\*</sup> includes provision for restructuring pool and other non-NPA provisions



#### **Executive Summary**

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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#
- In 78th percentile among global banks, improving its score from 51 to 60 on DJSI



Among the top Constituents of Nifty100 ESG Sector Leaders Index 358

Among top 10 constituents of S&P BSE 100 ESG Index MSCI

Among Top 10 Constituents of MSCI India ESG Leaders Index

## Committed to Positive Climate Action and Achieving the Sustainable **Development Goals**



#### 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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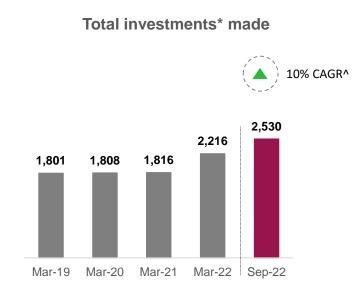
# Significant value creation happening in our key group entities

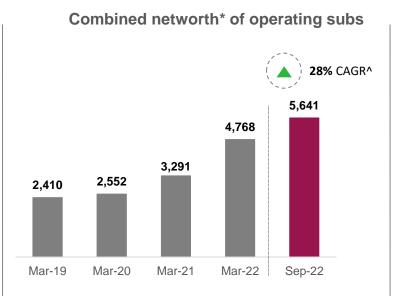


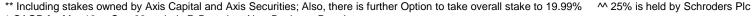
#### Detailed One Axis presentation Link

**Invst Banking** Consumer Retail Fintech **Asset Management** TReDS platform Trustee Insurance & Inst Equities focused NBFC **Brokerage** platform AXIS MUTUAL FUND **AXIS CAPITAL** AXIS FINANCE AXIS SECURITIES ATREDS **AXIS TRUSTEE** *f*reecharge One of the fastest Leading player on AAA rated NBFC with 3rd largest bank led Amongst the leading One of the major fintech 4th largest private Leadership position in growing MF player TReDs platform diversified product offerings brokerage firm trustees in India insurance company @ players in India ECM deals segment 75% (JV Schroders Plc^^) 100% 100% 100% 67% 100% 100% 12.99%\*\* (Co-promoter), Stake Accounting Associate

All figures in ₹ Crores

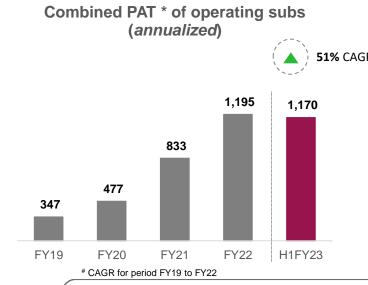






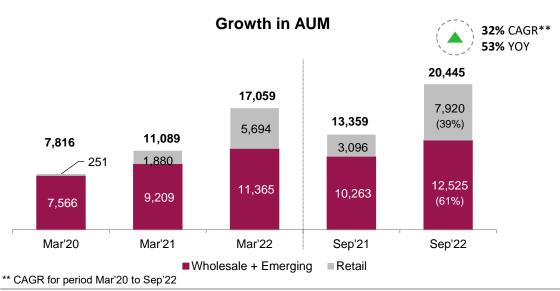
<sup>^</sup> CAGR for Mar-19 to Sep-22 period @ Based on New Business Premium

<sup>\*</sup> 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



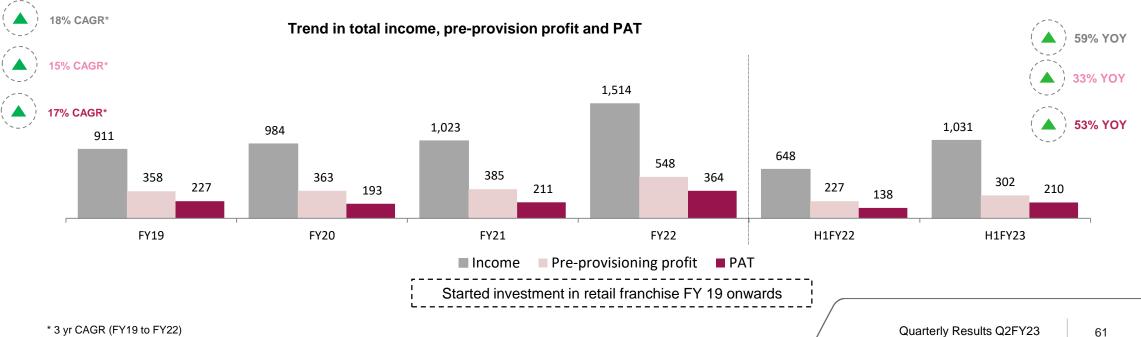
# Axis Finance: PAT up 53% YOY, Retail book up 3 times YOY



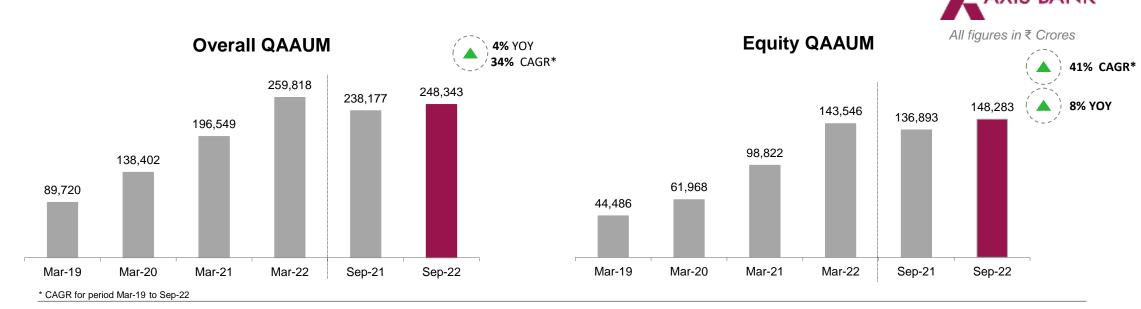


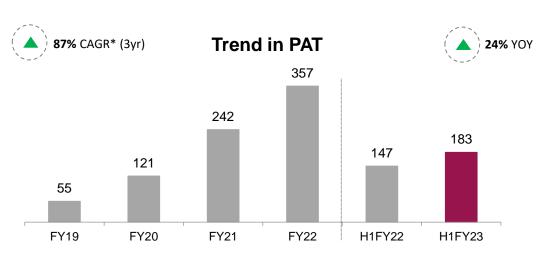
#### **Major Highlights**

- 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



## Axis AMC: PAT up 24% YOY





# 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

<sup>\*</sup> CAGR for period FY19 to FY22

# 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

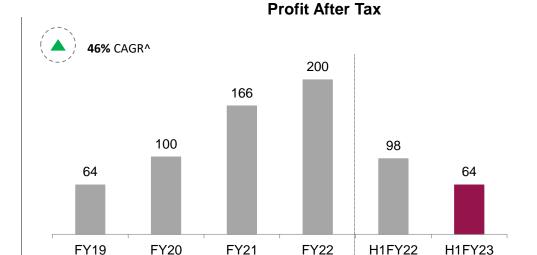
#### **Major Highlights**

- 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**

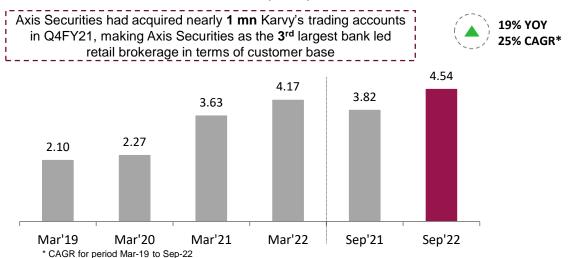




# **Axis Securities**: Strong growth in new customer additions



#### Total customer base (in mn)

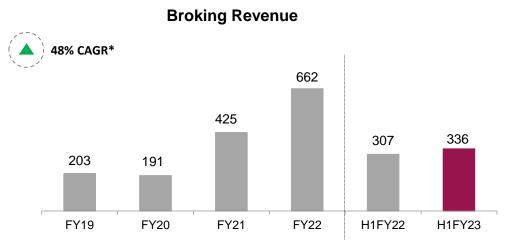


#### **Major Highlights**

- 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

**Profit After Tax** 

All figures in ₹ Crores



\* CAGR for period FY19 to FY22

# 44% CAGR\* 232 166 77 16 FY19 FY20 FY21 FY22 H1FY22 H1FY23

### **A.TREDS**: Invoicemant 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.
- Invoicement 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)





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

# Processed volume growth SMB (Values are Indexed) 262 100 Q2'FY22 Q2'FY23

- Loans disbursal 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.



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# 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



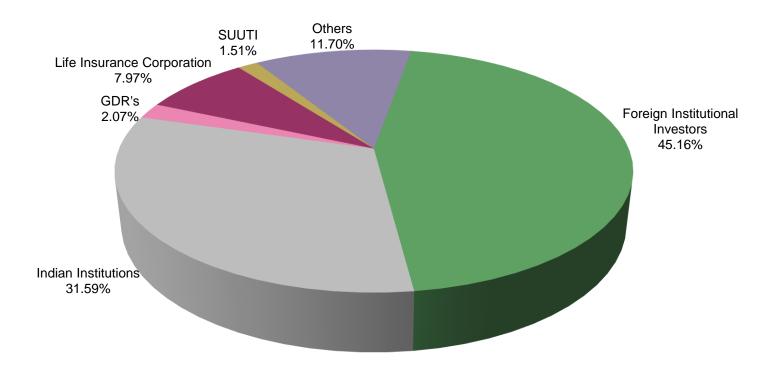
'Most Recommended Retail Bank in India' and 'Most Helpful Bank during Covid-19 in India'



Won 'Leadership in Social Impact' award at the ESG India Leadership Awards 2021

# **Shareholding Pattern (as on September 30, 2022)**





<ul><li>Share</li></ul>	Capital	
-------------------------	---------	--

Shareholders' Funds

Book Value Per Share

Diluted EPS (Q2 FY23) #

Market Capitalization

₹614 crores

₹124,564 crores

₹405

₹68.36

₹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	Α	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	С	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%
Total Income	F = A+B	24,180	20,134	20%	45,907	39,496	16%
Interest Expended	G	9,879	8,436	17%	19,223	16,679	15%
Net Interest Income	H = A-G	10,360	7,900	31%	19,744	15,661	26%
Operating Revenue	I = B+H	14,301	11,699	22%	26,684	22,817	17%
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	М	4,418	3,835	15%	8,728	6,916	26%
Operating Profit	N = I-K	7,716	5,928	30%	13,603	12,114	12%
Core Operating Profit*	O = N-D	7,802	5,456	43%	14,357	11,064	30%
Provisions other than taxes	Р	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%
Net Profit	S = Q-R	5,330	3,133	70%	9,455	5,293	79%
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%	

<sup>\*</sup> 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	С	475	397	20%	915	725	26%
- Trading Income	D	(10)	58	-	(93)	126	-
- Miscellaneous Income	E	20	12	73%	31	28	11%
Total Income	F = A+B	2,973	2,475	20%	5,643	4,855	16%
Interest Expended	G	1,214	1,037	17%	2,363	2,051	15%
Net Interest Income	H = A-G	1,274	971	31%	2,427	1,925	26%
Operating Revenue	I = B+H	1,758	1,438	22%	3,280	2,805	17%
Core Operating Revenue*	J = I-D	1,769	1,380	28%	3,373	2,676	26%
Operating Expenses	К	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%
Operating Profit	N = I-K	949	729	30%	1,672	1,489	12%
Core Operating Profit*	O = N-D	959	671	43%	1,765	1,360	30%
Provisions other than taxes	Р	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%
Net Profit	S = Q-R	655	385	70%	1,162	651	79%
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%	

<sup>\$</sup> figures converted using exchange rate of 1\$ = ₹81.345

<sup>\*</sup> 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
CAPITAL AND LIABILITIES	In ₹ Crores	In ₹ Crores	in \$ Mn	in \$ Mn	
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%
Total	11,85,272	10,50,738	1,45,709	1,29,171	13%
ASSETS					
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%
Total	11,85,272	10,50,738	1,45,709	1,29,171	13%

#### 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 nonperforming 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**