

PRESS RELEASE
AXIS BANK ANNOUNCES FINANCIAL RESULTS
FOR THE QUARTER AND YEAR ENDED 31st MARCH 2022

Axis Bank reports FY22 PAT of ₹13,025 crores, up 98% YOY
Strong growth performance across deposits and loans, improving return ratio's

- Q4FY22 PAT at ₹4,118 crores, up 54% YOY & 14% QOQ;
- Net Interest Income up **17%** YOY & **2%** QOQ, NIM stood at **3.49%**, Fee income up **11%** YOY & **12%** QOQ
- On QAB basis: Total deposits grew **19%** YOY & **4%** QOQ; SA grew **19%** YOY & **2%** QOQ, CA grew **19%** YOY & **3%** QOQ
- Loans up **15%** YOY & **6%** QOQ, Retail up **21%** YOY & **9%** QOQ, SME up **26%** YOY & **13%** QOQ.
- GNPA% at **2.82%** declined by **88 bps** YOY and **35 bps** QOQ, NNPA% at **0.73%** declined by **32 bps** YOY and **18 bps** QOQ,
- Overall capital adequacy ratio (CAR) stood at **18.54%** with CET 1 ratio of **15.24%**
- Q4 FY22 consolidated ROE (annualized) at **16.67%**, subsidiaries contribute **80 bps** to consolidated ROE
- **~1.1 million** credit cards issued in Q4FY22, highest ever for any quarter taking total card issuances in FY22 to **2.7 million**
- **2nd** largest player in Merchant Acquiring with market share of 16%, incremental share of 31% in 11MFY22

The Board of Directors of Axis Bank Limited approved the financial results for the quarter and year ended 31st March 2022 at its meeting held in Mumbai on Thursday, 28th April 2022.

Amitabh Chaudhry, MD&CEO, Axis Bank said, "We have made steady progress across all dimensions of our business. Considerable work has gone into strengthening our core, building granularity while at the same time ensuring that we are well positioned to grow and leverage the opportunities opening up, hopefully with the pandemic behind us. The Citi deal is one of its kind, and should pivot us into a premium franchise in line with our strategic objectives. With smart products, services, partnerships and talent on our side, we look forward to further building on our performance in the new financial year."

In a move that would consolidate its position amongst the large private lenders, Axis Bank entered into an agreement to acquire Citibank's consumer businesses - covering loans, credit cards, wealth management and retail banking operations in India, in line with its growth ambitions. A healthy strategic fit, with this acquisition Axis Bank will gain access to the large and affluent customer franchise of Citibank. The deal offers strategic advantages to the Bank such as premiumization of its overall customer portfolio, increased opportunities to cross-sell and various cost synergies.

During the quarter, Axis Bank took a variety of initiatives to support critical sectors. It committed \$150 million to SAMRIDH Healthcare Blended Finance, providing healthcare enterprises access to affordable debt finance. The Bank hosted the 9th edition of the India SME 100 Awards in partnership with the India SME Forum, helping create awareness and networking opportunities for SMEs. It collaborated with the Asian Development Bank to offer supply chain financing solutions focusing on ESG and other priority sectors, and with the Reserve Bank Innovation Hub for the 'Swanari TechSprint' initiative working towards digital financial inclusion of women in India, as part of its Bharat Banking initiative. To facilitate higher adoption of digitized payments in tier 2 & 3 cities, Axis Bank announced a strategic partnership with Bharti Airtel offering a range of financial solutions, including the first-of-its-kind Airtel Axis Bank Credit Card with exclusive benefits for Airtel's 340 million plus customers. Launched in 2019, the Flipkart Axis Bank Credit Card was one of the fastest co-branded credit cards to cross the 2 million card issuance milestone, covering over 18,000 pin codes pan India. Axis Bank also became the first member of the Banking Industry Architecture Network (BIAN) in India.

Axis Bank bagged IFR Asia's 'Asian Bank of the Year' and 'India Bond House Award' (first Indian bank to win the award), acknowledging the bank's outstanding performance in equity and debt issuance, across all major products and segments. The Bank also received various recognitions for people, innovation and digital initiatives.

Performance at a Glance

Q4FY22

- Net profit at ₹4,118 crores, up 54% YOY & 14% QOQ
- Operating profit grew 13% YOY & 5% QOQ, NII grew 17% YOY & 2% QOQ, NIM stood at 3.49%
- Fee income grew 11% YOY and 12% QOQ, Retail fee grew 14% YOY and 14% QOQ

FY22

- Net profit at ₹13,025 crores, up 98% YOY
- NII grew 13% YOY; Fee income grew 22% YOY
- **Strong growth witnessed in customer acquisitions, driving healthy deposit growth**
 - Added 2.4 mn new liability relationships in Q4, up 30% YOY & 11% QOQ, 8.6 mn for FY22, up 29% YOY
 - On period end basis, CASA grew 16% YOY & 7% QOQ; CASA ratio stood at 45%
- **Wealth Management business *Burgundy* continues to show strong growth**
 - Total AUMs over ₹2.6 trillion up 22% YOY with Burgundy Private AUMs at ₹86,959 crores up 74% YOY
 - Burgundy Private now covers over 3,490 families up from 1,666 families in last one year
- **Loan growth delivered across focused business segments**
 - Retail loans grew 21% YOY and 9% QOQ, SBB and Rural loans grew 60% YOY and 29% YOY respectively
 - SME loans grew 26% YOY and 13% QOQ
 - Mid-corporate book grew 45% YOY & 13% QOQ
- **Retain strong positioning in Payments and Digital Banking**
 - Credit cards - incremental market share stood at around 17%*; spends were up 46% YOY & 3% QOQ
 - The Bank crossed a significant milestone of 2 million Flipkart Axis Bank Credit Cards in force
 - 15% market share in UPI transactions and 19% in UPI P2M acquiring
 - Among the highest rated mobile apps with ratings of 4.6**, mobile banking market share stood at 14%
- **Well capitalized with adequate liquidity buffers**
 - Overall capital adequacy ratio (CAR) for FY22 stood at 18.54% with CET 1 ratio of 15.24%
 - COVID provisions of ₹5,012 crores, not in CAR calculation provides additional cushion of 60 bps
 - Average Liquidity Coverage Ratio (LCR) during Q4FY22 was over 116%, excess SLR² of ₹96,190 crores
- **Declining net slippages and NPA's, moderating credit costs, limited restructuring**
 - Net slippages declined 75% QOQ, Net slippage ratio (annualized) at 0.13%, improved 42 bps QOQ
 - Annualized credit cost for Q4FY22 at 0.32%, declined by 116 bps YOY & 12 bps QOQ, PCR healthy at 75%
 - GNPA at 2.82% declined by 88 bps YOY & 35 bps QOQ, NNPA at 0.73% declined 32 bps YOY & 18 bps QOQ,
 - On an aggregated basis³, Coverage ratio at 132%
 - Covid-19 restructuring implemented loans at 0.52% of GCA, amongst the lowest in the industry
- **Bank's domestic subsidiaries deliver strong performance, combined FY22 PAT grew 44% to ₹1,195 crores**
 - Axis AMC's FY22 PAT grew 47% YOY to ₹357 crores, AAUM growth of 32% YOY
 - Axis Capital FY22 PAT stood at ₹200 crores, up 20% YOY.
 - Axis Finance FY22 PAT grew 72% YOY to ₹364 crores; asset quality remains stable, with near zero restructuring
 - Axis Securities FY22 PAT at ₹232 crores, was up 40% YOY

* For the period Aug 21 to Feb 22 based on issuances

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

**ratings on Google Play & Apple App stores

Profit & Loss Account: Period ended 31st March 2022

Operating Profit and Net Profit

The Bank's operating profit for the quarter grew 13% YOY and 5% QOQ to ₹6,466 crores. Net profit grew 54% from ₹2,677 crores in Q4FY21 to ₹4,118 crores in Q4FY22.

Net Interest Income and Net Interest Margin

The Bank's Net Interest Income (NII) grew 17% YOY and 2% QOQ to ₹8,819 crores. Net interest margin (NIM) for Q4FY22 stood at 3.49%.

Other Income

Fee income for Q4FY22 grew 11% YOY and 12% QOQ to ₹3,758 crores. Retail fees grew 14% YOY and 14% QOQ; and constituted 66% of the Bank's total fee income. Retail assets (excl. cards) fees grew 41% YOY and 16% QOQ. The corporate & commercial banking fees together grew 7% YOY and 10% QOQ. The trading profits and miscellaneous income for the quarter stood at ₹231 crores and ₹234 crores respectively. Overall, non-interest income (comprising of fee, trading profit and miscellaneous income) for Q4FY22 stood at ₹4,223 crores, up 19% YOY and 10% QOQ.

Provisions and contingencies

Specific loan loss provisions for Q4FY22 were ₹602 crores compared to ₹790 crores in Q3FY22.

The Bank has not utilized Covid provisions during the quarter. The Bank holds cumulative provisions (standard + additional other than NPA) of ₹12,428 crores at the end of Q4FY22. It is pertinent to note that this is over and above the NPA provisioning included in our PCR calculations. These cumulative provisions translate to a standard asset coverage of 1.77% as on 31st March, 2022. On an aggregated basis, our provision coverage ratio (including specific + standard + additional + Covid provisions) stands at 132% of GNPA as on 31st March, 2022.

Credit cost for the quarter ended 31st March, 2022 stood at 0.32%, declining by 116 bps YOY and 12 bps QOQ.

FY22 Financial Performance:

Net Interest Income for FY22 grew 13% YOY to ₹33,132 crores from ₹29,239 crores. Fee income grew 22% YOY to ₹13,001 crores. Operating profit grew by 7% to ₹24,742 crores from ₹23,128 crores in FY21. Total provisions for FY22 stood at ₹7,359 crores, down 49% over the same period last fiscal. Net Profit for FY22 grew 98% to ₹13,025 crores from ₹6,588 crores in FY21.

Balance Sheet: As on 31st March 2022

The Bank's balance sheet grew 19% YOY and stood at ₹11,75,178 crores as on 31st March 2022. The total deposits grew by 19% YOY on quarterly average balance (QAB) basis and 18% YOY on period end basis. On QAB basis, savings account deposits grew 19% YOY and 2% QOQ, current account deposits grew 19% YOY and 3% QOQ; and retail term deposits (RTD) grew 6% YOY and declined 1% QOQ. On QAB basis, CASA and RTD deposits put together grew 13% YOY and 1% QOQ. On QAB basis, the share of CASA plus RTD deposits in total deposits stood at 81% as of 31st March 2022.

The Bank's advances grew 15% YOY and 6% QOQ to ₹7,07,696 crores as on 31st March 2022. The Bank's loan to deposit ratio stood at 86%. Retail loans grew 21% YOY and 9% QOQ to ₹3,99,891 crores and accounted for 57% of the net advances of the Bank. The share of secured retail loans was ~ 80%, with home loans comprising 36% of the retail book. Home loans, Small business Banking and Rural loans portfolio grew 18% YOY, 60% YOY, & 29% YOY respectively. Unsecured personal loans and credit card advances grew 15% YOY and 19% YOY respectively. SME loan book grew 26% YOY and 13% QOQ to ₹77,067 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 4% YOY and was flat QOQ to ₹2,30,738 crores. 88% of corporate book is now rated A- and above with 92% of incremental sanctions in FY22 being to corporates rated A- and above.

The book value of the Bank's Investments portfolio as on 31st March 2022, was ₹2,75,597 crores, of which ₹2,24,763 crores were in government securities, while ₹45,143 crores were invested in corporate bonds and ₹5,691 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.

Payments and Digital

The Bank issued 1.1 million new credit cards in Q4FY22, highest ever for the quarter in Bank's history, taking the overall new card additions to 2.7 mn for the year. The Bank crossed a significant milestone of 2 million Flipkart Axis Bank Credit Cards in force, making it one of the fastest growing co-branded portfolios since its launch in July 2019. During the quarter, the Bank also entered into a strategic partnership with Airtel that will provide it an opportunity to offer credit cards and various digital financial offerings to Airtel's 340 million customers.

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

- **122%** - YOY growth in total UPI transaction value in Q4FY22. Market share in UPI transactions at 15%
- **97%** - YOY growth in mobile banking transaction volumes in Q4FY22, with market share of 14%
- **91%** - Share of digital transactions in the Bank's total financial transactions by individual customers in FY22
- **70%** - SA accounts opened through tab banking in FY22
- **68%** - Retail term deposits (by volume) opened digitally in FY22
- **46%** - New mutual fund SIPs sourced (by volume) through digital channels in FY22

The Bank's focus remains on reimagining end-end journeys and transforming the core and becoming a partner of choice for ecosystems. The Bank now has over 80 partnerships across ecosystem and has over 300 APIs hosted on its API Developer Portal. On WhatsApp banking, the Bank now has over 4 million customers on board since its launch in 2021. We have ~ 5.6 million non-Axis Bank customers using our Axis mobile and Axis Pay apps

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 ₹2,60,768 crores as at end of 31st March 2022. Burgundy Private for the high and ultra-high net worth clients, covers over 3,490 families from 1,666 families in last one year. The AUM for Burgundy Private increased 74% YOY to ₹86,959 crores.

Capital Adequacy and Shareholders' Funds

The shareholders' funds of the Bank grew 4% QOQ and stood at ₹1,15,025 crores as on 31st March 2022. Under Basel III, the Capital Adequacy Ratio (CAR) and CET1 ratio as on 31st March 2022 were 18.54% and 15.24% respectively. Additionally, the Bank held ₹5,012 crores of COVID provisions, not considered for CAR calculation providing cushion of 60 bps over the reported CAR. The Book value per equity share increased from ₹332 as of 31st March, 2021 to ₹375 as of 31st March, 2022.

Dividend

The Board of Directors has recommended dividend of ₹1 per equity share of face value of ₹2 per equity share for the year ended 31st March 2022. This would be subject to approval by the shareholders at the next annual general meeting.

Asset Quality

As on 31st March, 2022 the Bank's reported Gross NPA and Net NPA levels were 2.82% and 0.73% respectively as against 3.17% and 0.91% as on 31st December 2021.

Gross slippages during the quarter were ₹3,981 crores, compared to ₹4,147 crores in Q3FY22 and ₹5,285 crores in Q4FY21 (as per IRAC norms). Recoveries and upgrades from NPAs during the quarter were ₹3,763 crores. Consequently, the net slippages in NPAs (before write-offs) for the quarter of ₹218 crores as compared to ₹860 crores in Q3FY22 and ₹1,822 crores in Q4FY21. The net slippages in retail were ₹193 crores, commercial banking was ₹85 crores and wholesale banking were negative ₹60 crores. In addition to recoveries and upgrades previously mentioned, recoveries from written off accounts were ₹719 crores. Hence on aggregate, the slippages were lower than recoveries, upgrades and collections from written off accounts. The Bank in the quarter wrote off NPAs aggregating ₹1,696 crores.

As on 31st March 2022, the Bank's provision coverage, as a proportion of Gross NPAs stood at 75%, as compared to 72% as at 31st March 2021 and 72% as at 31st December 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) declined during the quarter and as at 31st March 2022 stood at ₹4,029 crores that translates

to 0.52% 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 March 2022, the Bank had a network of 4,758 domestic branches and extension counters situated in 2,702 centres compared to 4,594 domestic branches and extension counters situated in 2,596 centres as at end of 31st March 2021. As on 31st March 2022, the Bank had 10,990 ATMs and 5,972 cash recyclers spread across the country. The Bank's Axis Virtual Centre is present across six centres with over 1,500 Virtual Relationship Managers as on 31st March 2022.

Key Subsidiaries' Performance

The Bank's domestic subsidiaries delivered strong performance with reported total PAT of ₹1,195 crores, up 44% YOY.

- **Axis AMC:** Axis AMC continued to strengthen its positioning driven by strong leadership team and innovative product launches. Axis AMC's average AUM for the quarter grew by 32% YOY to ₹2,59,818 crores. Its FY22 PAT grew 47% YOY to ₹357 crores from ₹242 crores in FY21.
- **Axis Finance:** Axis Finance has been investing in building a strong customer focused franchise. Retail book constituted 33% 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 20%. The asset quality metrics remain stable with net NPA at 0.46% with near zero restructuring. Axis Finance Q4FY22 PAT was ₹113 crores, up 56% YOY. FY22 PAT grew 72% YOY to ₹364 crores from ₹211 crores in FY21.
- **Axis Capital:** Continued to maintain its leadership position in ECM. Axis Capital completed 44 ECM transactions in FY22. It's PAT for FY22 grew by 20% YOY.
- **Axis Securities:** Axis Securities' broking revenues for Q4FY22 & FY22 grew 36% and 56% YOY to ₹179 crores & ₹662 crores respectively, net profit for Q4FY22 & FY22 grew by 21% and 40% YOY to ₹58 crores and ₹232 crores respectively.

₹ crore

Financial Performance	Q4FY22	Q4FY21	% Growth	FY22	FY21	% Growth
Net Interest Income	8,819	7,555	17%	33,132	29,239	13%
Other Income	4,223	3,541	19%	15,221	12,264	24%
- Fee Income	3,758	3,376	11%	13,001	10,686	22%
- Trading Income	231	22	957%	1,626	1,218	34%
- Miscellaneous Income	234	143	64%	593	360	65%
Operating Revenue	13,042	11,096	18%	48,353	41,503	17%
Core Operating Revenue*	12,812	11,079	16%	46,705	40,279	16%
Operating Expenses	6,576	5,359	23%	23,611	18,375	28%
Operating Profit	6,466	5,737	13%	24,742	23,128	7%
Core Operating Profit*	6,235	5,720	9%	23,094	21,903	5%
Net Profit/(Loss)	4,118	2,677	54%	13,025	6,588	98%
EPS Diluted (₹) annualized	54.27	35.37		42.35	22.09	
Return on Average Assets (annualized)	1.46%	1.11%		1.21%	0.70%	
Return on Equity (annualized)	15.87%	11.72%		12.91%	7.55%	

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

₹ crore

Balance Sheet	As on	As on
	31 st March'22	31 st March'21
CAPITAL AND LIABILITIES		
Capital	614	613
Reserves & Surplus	1,14,411	1,00,990
Employee Stock Option Outstanding (net)	149	-
Deposits	8,21,721	6,97,986
Borrowings	1,85,134	1,42,873
Other Liabilities and Provisions	53,149	44,336
Total	11,75,178	9,86,798
ASSETS		
Cash and Balances with RBI and Banks and Money at Call and Short Notice	1,10,987	61,730
Investments	2,75,597	2,26,120
Advances	7,07,696	6,14,399
Fixed Assets	4,572	4,245
Other Assets	76,326	80,304
Total	11,75,178	9,86,798

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

₹ crore

Business Performance	As on 31st March '22	As on 31st March '21	% Growth
Total Deposits (i)+(ii)	8,21,721	6,97,986	18%
(i) Demand Deposits	3,69,755	3,17,749	16%
- Savings Bank Deposits	2,42,449	2,04,473	19%
- Current Account Deposits	1,27,306	1,13,276	12%
Demand Deposits as % of Total Deposits	45%	45%	
(ii) Term Deposits	4,51,966	3,80,237	19%
- Retail Term Deposits	2,86,612	2,75,607	4%
- Non Retail Term Deposits	1,65,354	1,04,630	58%
Demand Deposits on a Quarterly Daily Average Basis (QAB)	3,30,227	2,76,775	19%
Demand Deposits as % of Total Deposits (QAB)	43%	42%	
Net Advances (a) +(b) + (c)	7,07,696	6,14,399	15%
(a) Corporate	2,30,738	2,22,164	4%
(b) SME	77,067	60,931	26%
(c) Retail	3,99,891	3,31,304	21%
Investments	2,75,597	2,26,120	22%
Balance Sheet Size	11,75,178	9,86,798	19%
Gross NPA as % of Gross Customer Assets*	2.82%	3.70%	
Net NPA as % of Net Customer Assets*	0.73%	1.05%	
Equity Capital	614	613	0.2%
Shareholders' Funds	1,15,025	1,01,603	13%
Capital Adequacy Ratio (Basel III)	18.54%	19.12%	
- Tier I	16.34%	16.47%	
- Tier II	2.20%	2.65%	

*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

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