

BUSINESS SEGMENT PERFORMANCE – RETAIL BANKING

Opening a World of Possibilities

Supported by continued growth in consumer spending, innovative payment products, synergies with the acquired Citibank business, and improved resource mobilisation, Retail Banking was able to sustain a strong growth momentum.

Capitals Impacted



SDGs Impacted



Retail franchise is growing faster than the industry, led by our focused execution of GPS strategy and the ongoing transformational projects. We continue to focus on building iconic payment products to deepen customer engagement and cater to digital payment users. Committed to being a partner of choice and

creating a distinctive customer experience, our retail franchise offers a world of possibilities to our customers. During the fiscal year 2024, the Retail segment contributed 76%, 60% and 72% to the Bank's deposits (in the form of CASA and Retail Term Deposits), advances and fee income respectively.






Retail Lending

Our retail franchise is focused on deepening our connect with individuals and businesses by offering innovative products and transformation initiatives through our branches and mobile app. The demand of the Indian consumers has changed and owing to that, we expect to see continued growth in consumer spending. This will create a huge demand for consumer-led loans. Our retail assets strategy is to drive business growth with a focus on high Risk Adjusted Return on Capital (RAROC) businesses, and aiming for higher incremental market share in chosen segments. We increased the growth in “focus product segments” within retail, by 31% y-o-y, as against Retail advances growth of 20%.

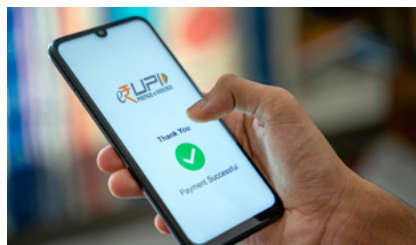
Enhancing resource productivity, leveraging partnerships, driving fee growth, deepening geographical reach, expanding digital channels, and strengthening risk management frameworks are all pivotal aspects of our strategy.

₹58.33 trillion

Retail net advances up by
 20% on y-o-y basis

60%

Retail advances as a % to
Total net advances of the Bank



UPI & Partnerships

We strengthened our market presence with strategic UPI, acquiring, and issuance partnerships, boasting 83.7 crores registered virtual payment addresses (VPAs). In UPI, we maintained our strong position with a market share of 26% by value as on March 31, 2024. Further, during the year, the market share was 20% as Payer Payment Service Provider (PSP) by volumes and 19% in Payment-to-Merchant (P2M) acquiring throughput, as against 17% and 18% in fiscal 2023 for Payer PSP by volumes and P2M acquiring throughput, respectively.

Collaborations with fintech players such as PhonePe and Google Pay are driving UPI volumes, while initiatives like RuPay credit card on UPI are helping us enhance presence. Our ongoing investments in UPI infrastructure and cloud migration ensure sustained growth. In the UPI space, the Bank continues its efforts towards distinctiveness in becoming one of the leading payment franchises in the country by driving continued growth and focus on seamless customer experience.

26%

UPI market share

~8.3 million

Merchants
transacting per day on
our UPI stack



Credit Card Market Soars

The business has sustained its growth momentum with steady traction in credit cards market share, and strong growth in acquisitions, cards in force as well as spends. We ended fiscal 2024 with 1 million+ cards sourced for nine consecutive quarters, and a cumulative ~4.8 million cards, driven by strong data analytics capabilities and Known to Bank (KTB) strategy.

The acquisition of Citi's card business has further provided us a complementary quality portfolio of 1.8 million cards, with one of the highest transactions per card across industry. We had 14 million cards in force with a market share of 14% as of March 31, 2024. The acquisition of Citi's card business further augments the Bank's position as the fourth largest Credit Card player in India and continues to have the fastest-growing book with a healthy accretion of ~19% to existing card advances as of March 31, 2024.

The credit cards business also touched the highest ever YTD spends of ~₹2.25 lakh crores, with overall retail card spending growing at 76% y-o-y, another milestone for the business.

~4.8 million

Credit cards issued
in fiscal 2024

Building Blocks for Tomorrow

Reimagining the Branch Channel:

To enhance business growth, we prioritise expanding within our existing customer base. This strategy capitalises on customer loyalty, boosts portfolio performance, increases wallet share, and reduces acquisition costs.

Investment in People:

We have invested in training our frontline staff and digitally empowering our sales teams and branch operations. These investments aim to enhance frontline productivity through initiatives like Unnati and implementing end-to-end digital journeys for onboarding and servicing.

Enhanced Customer Experience and Customer Delight:

We prioritise customer feedback to drive a culture of agility and customer centricity. Utilising Net Promoter Scores (NPS), we continuously assess performance across the customer journey, from lead creation to disbursement.

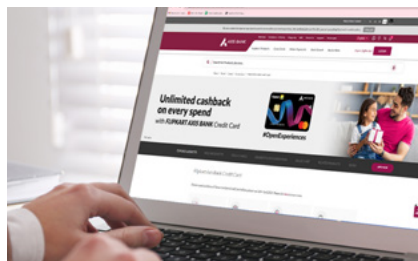


Digital Initiatives

We are actively reducing our environmental impact by promoting digital banking platforms. Initiatives like Project Sankalp have optimised the banking journeys of small businesses, with over 95% of business loans now disbursed digitally. We have launched OMEGA for home loans and digital journeys for instant approvals. Our DIY digital journeys contribute over 60% to personal loans. Also, “more than 95% of Business Loans, Two-Wheeler and ODFD are disbursed digitally”. We offer seamless digital solutions across channels, including car and two-wheeler loans. MSME lending in the Bharat Bank franchise is growing strongly, and initiatives like Project Myrtle and Project SPARSH focus on data migration and customer satisfaction respectively.

Under our Retail Lending segment, Project Athena is a focused effort to amplify our Personal Loan business,

targeting a significant increase in monthly disbursements from the fiscal 2023 baseline. With 80 initiatives spread across five key workstreams, targeted at expanding customer bases, optimising channel efficiencies, and leveraging partnerships, the project aims to drive substantial growth. Agile portfolio monitoring and targeted growth levers further enhance our ability to adapt to and excel in the dynamic lending landscape.



Redefining Customer Engagement

Our co-branded card ‘Flipkart Axis Bank Credit Card’, achieved yet another significant milestone of 4.13 million cards, making it one of the fastest-growing co-branded portfolios since its 2019 launch. The Axis Bank spends on partnership cards continue to outperform industry in terms of

activation and card usage with better risk outcomes.

The launch of Magnus for Burgundy was another milestone achieved by the business which added to the cards product suite. This led to momentum on acquiring Burgundy accounts.

We continue to invest in improved sourcing and offer propositions like Wednesday Delights, Grab Deals along with long term programmes like Dining Delights 2.0, Miles programme, Duty-free programme and others to deepen spends.

The recently launched Duty-free programme for Axis cardholders spans across 14 airports across India. This programme is a testament of adopting the best practices from the Citi business synergy.

On the acquiring front, we gained an incremental terminal market share of 28% in fiscal 2024 led by our ‘One Axis’ approach towards empowering merchants with innovative offerings and integrated ecosystem solutions like ‘Pin-on-glass’ and ‘Zero-day installations’ that we launched during the year.



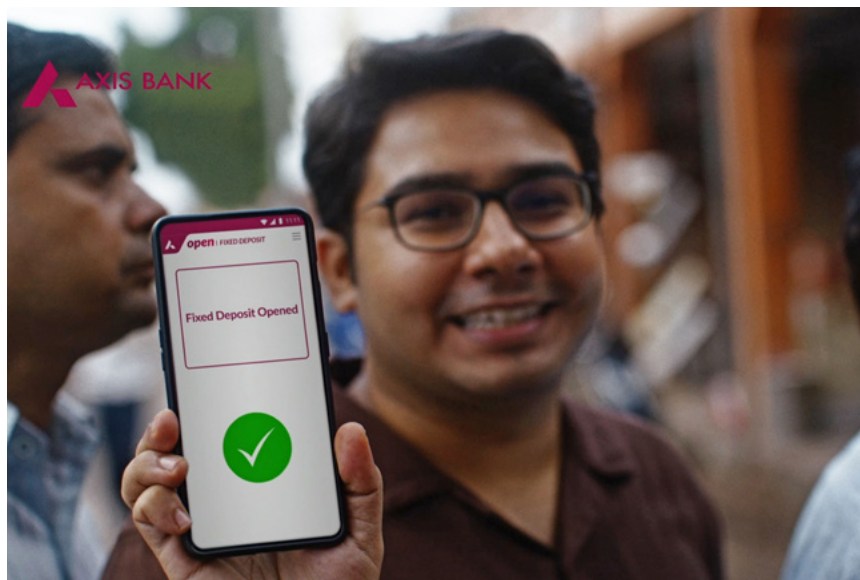
Liability Franchise Progress

Our strategic focus remains on 'quality of growth', with growth in Retail Term Deposits by 17% and 13% overall growth in Deposits on y-o-y basis. Monthly Daily Average Balance (MDAB) is chosen as the metric for deposit growth, which reflects sustained balance growth, while market share is reported in Month-End Balance (MEB) terms. In fiscal 2024, efforts were made to transform core liability, reducing reliance on expensive short-term funding to enhance profitability.

Additionally, we ensured end-to-end lead management in liability channels and expanded opportunities across other areas of the balance sheet, including assets, cards, and Bharat Banking, to drive deposit growth and create sales opportunities beyond core liability channels.

5.2%

↑ Premium SA MDAB deposits on y-o-y basis



Retail Deposits

A key element of the Bank's Retail Deposits strategy has been the shift from a 'product centric' to a 'customer centric' approach with an objective to have sharper growth in deposits from Existing to Bank (ETB) as well as New to Bank (NTB) customers. The Bank's micromarket-focused approach to address the specific needs of customers in a particular district, leveraging its strong distribution reach and 'One Axis' approach, has seen strong progress in the last four years where its market share in deposits averaged out at ~5%.

The Bank remains focused on garnering high quality, stable and granular retail deposits in order to drive its balance sheet growth. During the year, the Bank made multiple strategic changes across Deposit franchise by transforming the NTB engine while reinforcing the ETB engagement supported by differentiated product propositions and Digital enablers.

The growth trajectory of Retail Term Deposits continued to improve through the year as the Bank continued to focus on new individual customers leveraging its strong acquisition channels. This has been achieved through innovative offerings such as the industry-first full KYC digital term deposit, digital alliances, and a revamped mobile banking journey that allows for quick and easy FD booking. The Bank also launched a digital journey to source deposits from its existing non-CASA base.

Premiumisation of Deposits franchise continues to be an important imperative for the Bank. During the year, the Bank introduced several new product propositions that included 'Sampann', 'Suvidha Salary Programme' and renewed 'Priority Banking' programme among others to offer the best of banking services and life experiences under one bouquet.

Above are standalone figures as on/for year ended March 31, 2024 unless otherwise mentioned



Wealth Management

In less than a decade since its launch, our Burgundy franchise has become a leading player in wealth management. This has now been further boosted by the integration of Citibank’s wealth management business. The combined franchise serves over 10,650 clients and their families, helping them manage over ₹5.4 trillion of their financial assets. We share a very strong relationship with each family, duly corroborated by the high average of ~4 products per family (PPF) ratio. The business strategy centred around client-centricity, offering a comprehensive range of financial products & services for self,

family, and business needs has yielded the desired results. The Burgundy business was built on **four pillars**, to ensure convenience for clients, and delivering returns for shareholders, and we continue to build and further strengthen each of these.

50% y-o-y

Multifold growth of Burgundy offering with 441,300 clients

₹1.83 trillion

↑ 33% y-o-y

Burgundy Private AUM*

* Consists of deposits and assets under advice

The Four Pillars of Burgundy Business

People

The diverse and experienced team comprises of Burgundy Private Partners & Service Partners, Burgundy Relationship Managers, and Specialists in Wealth Management and Investment Advisory*. Guided by our ‘3i’ approach - Integrity, Intellect, and Innovation - this team, with an average experience of over 17 years has helped us win not only our client’s hearts but also various global awards. Our people policies focus on attracting and retaining talent, fostering a performance-based culture, encouraging teamwork, and upholding high standards of conduct to create sustainable value for stakeholders.

Service

Our hybrid servicing model blends high-touch with high-tech. Clients enjoy personalized service from Partners/Relationship Managers along with convenient access through Internet banking & the highly rated Mobile banking app, enhancing the client experience. We are progressing in our attempt to be ‘First Time Right’ and provide guarantee to our clients for execution of specific service requests within a pre-defined time frame, helping us stand out in this intensely competitive market. The learnings from global best practices of Citibank’s franchise and regular feedback from our clients is helping us further enhance the client experience.

Granularity

Our upgraded wealth management system integrates seamlessly with the core banking and the digital platforms of the Bank, enhancing efficiency and scalability. The omni-channel capability coupled with the advanced analytics and simplified operations has helped us scale geographically while ensuring the same enhanced risk management. Burgundy is offered in 400+ cities across 4,950+ branches across India. Burgundy Private is available in 27 cities and growing. We continue to invest in technology to improve our proposition, increase productivity and reduce costs.

One Axis

Over the years, One Axis has become an organisational philosophy that defines how we serve our clients in an extremely competitive business environment. It not only helps bring together the intellectual capital and expertise across all our businesses in the Bank and other Axis group companies but also helps in providing various products & Services to be able to meet all the financial needs of our clients, their families and business requirements in a comprehensive manner.

* Investment Advisory services are provided by Axis Securities Limited



STAR Behaviour: Take charge

The customer had closed his loan and wanted his the property documents. The Bank official, Mr. Jas Patel, came to know that one of property owners was suffering from cancer and had just undergone surgery.

Due to serious health issues, the property owner was not able to visit RAC and collect property documents. The Bank official visited the customer's residence and handed over all property documents to the property owners within the scheduled timeline.



Voice of the customer

“I am writing to express my sincere appreciation for the exceptional service I have received from your Bank. I would like to extend my gratitude to Mr. Jas Patel, whose dedication and expertise have been instrumental in addressing my banking needs. In closing, I would like to commend the entire Axis Bank team for their unwavering commitment to excellence. Your dedication to providing top-tier service has not gone unnoticed, and I look forward to continuing our mutually beneficial relationship for years to come.”

Outlook and focus for 2025-27

Productivity

Improving resource productivity, boosting liability growth through non-liabilities channels. Branch expansion strategy prioritises advanced centre selection. Micromarket-based sourcing enhances physical channel productivity. Leveraging of co-origination and enhanced digital journeys drive digital acquisition.

Granularity

Accelerating our acquisition engine by implementing a district-level strategy, targeting high-potential segments and focusing on capturing white spaces in COEs like education/healthcare and Mandi/industrial clusters, including corporate parks.

Customer Centricity

Focusing on customer centricity, we envision continuous product innovation tailored to deep customer insights. Our objective remains offering the perfect proposition to each segment. Embracing futuristic tools like 'Siddhi', we empower Relationship Managers for enhanced efficiency. We foresee transforming corporate salary with the power of 'One Axis', alongside ongoing rationalisation of charges.

People Centricity

Prioritising people-centricity by focusing on our People & KRA strategy. Efforts to include building key client relationships across the Bank, reducing frontline sales employee attrition, and upskilling resources to drive premiumisation.