

PRESS RELEASE
AXIS BANK ANNOUNCES FINANCIAL RESULTS
FOR THE QUARTER AND HALF YEAR ENDED 30th SEPTEMBER 2024

Q2FY25 Operating profit up 24% YOY, PAT up 18% YOY, Consolidated ROA at 1.92% up 9 bps / 22 bps YOY / QOQ, Consolidated ROE at 18.1%; aided by steady growth in deposits and advances

- Net Interest Income grew **9%** YOY, Net Interest Margin at **3.99%**
- Fee income grew **11%** YOY and **6%** QOQ, Retail fee grew **11%** YOY and **5%** QOQ, granular fees¹ at **92%** of total fees
- On a MEB², total deposits grew **14%** | **2%**, term deposits grew **21%** | **4%** on YOY | QOQ basis, CASA grew **4%** YOY
- Net advances grew **11%** YOY and **2%** QOQ, Advances (gross of IBPC) up **12%** YOY and **2%** QOQ
- Retail loans grew **15%** YOY, SME grew **16%** YOY, Corporate loans (gross of IBPC³) grew **6%** YOY
- Overall CAR stood at **16.61%** with CET 1 ratio of **14.12%**, net accretion to CET-1 of **38 bps** in H1FY25, **6 bps** in Q2FY25
- GNPA% at **1.44%** declined by **29 bps** YOY and **10 bps** QOQ, NNPA% at **0.34%** declined by **2 bps** YOY
- Largest player in Merchant Acquiring with market share of **20%**, incremental share of **36%** in last one year⁴
- Bank achieves **no. 1** position in UPI Payer PSP space with a market share of **~31%**
- H1FY25 Operating profit at ₹**20,819** crore, up **19%** YOY, PAT at ₹**12,952** crores up **11%** YOY
- H1FY25 Consolidated ROA at **1.80%**, Consolidated ROE at **17.43%**

The Board of Directors of Axis Bank Limited approved the financial results for the quarter and half year ended 30th September 2024 at its meeting held in Mumbai on Thursday, 17th October 2024.

This quarter, Axis Bank significantly advanced its digital agenda with pioneering future-ready solutions and customer-centric initiatives, both in the retail and wholesale banking spaces. Axis Bank exhibited the first-of-its-kind UPI-ATM, an integrated Android Cash Recycler with Unified Payments Interface (UPI) technology, for cardless cash withdrawal, deposits, and access to various banking products like savings account, loans, fixed deposits etc. In partnership with Visa, the Bank unveiled India's first ultra luxury credit card, PRIMUS, with unparalleled access, personalised services and curated experiences for the most discerning of India's elite.

Axis was one of the first banks to introduce 'Bharat Connect (erstwhile BBPS) for Business' in partnership with NPCI's Bharat BillPay Limited (NBBL), to provide a comprehensive solution to businesses for efficiently managing their working capital needs at various stages of supply chain, and streamlining account receivables and payables. The Bank launched 'neo for merchants' in partnership with Visa and Mintoak, a one-stop solution for all business requirements of the merchant community. Axis Bank's commitment to sustainability and financial inclusion was illustrated through its INR 1 billion loan to Muthoot Capital focused on e-mobility solutions. The Bank's New Economy Group launched a suite of Corporate Credit Cards for startups, empowering them with customised benefits and solutions.

Axis Bank celebrated Sparsh Week 2024 to reaffirm its commitment to customer delight across 5,000+ of its branches. The week-long initiative included various customer-centric programs, employee engagements and exclusive offers. Axis Bank bagged a slew of industry accolades including - Best in Future of Trust at the IDC India Future Enterprise Awards, Derivatives House of the Year (India) at the Asia Risk Awards, Best Bank in India (Private Sector - Large) for Profitability, Risk Management and Asset Quality at the ICC Emerging Asia Banking Awards and CNBC-TV18 Risk Management Awards 2024.

Amitabh Chaudhry, MD&CEO, Axis Bank said, 'This quarter we balanced digital prowess and advancement with physical expansion and proximity to our customers. We have opened 150 new branches in the last three months, both urban and rural. The Bank strengthened its regional presence by laying the foundation for a new Corporate Office in Kolkata, which will be the hub for all activities in the Eastern region. We also expanded our private banking business 'Burgundy Private' network to 15 new cities increasing its presence to 42 locations across India, offering bespoke wealth management services in India's rapidly evolving Tier 2 markets.'

¹ Comprising of Retail, Transaction Banking, Trade and forex related fees, ² Month End Balance; ³ Inter Bank Participatory Certificate

⁴ Based on RBI reported data as of Aug'24

Performance at a Glance

- **Healthy operating performance**
 - Operating profit up **24%** YOY and **6%** QOQ | Operating revenue up **16%** YOY and **5%** QOQ
 - Operating cost growth moderated to **9%** YOY
- **Steady growth in deposits, CASA continues to be the best amongst large peer banks**
 - On QAB¹ basis, term deposits grew **21%** YOY, CA grew **13%** YOY, SA grew **1%** YOY
 - Average LCR² during Q2FY25 was **~115%**
- **Loan growth delivered across focus business segment**
 - Advances (gross of IBPC) up **12%** YOY and **2%** QOQ, Retail loans grew **15%** YOY and **2%** QOQ
 - Small Business Banking loans grew **23%** | **6%**, Mid-Corporate (MC) book grew **18%** | **5%** on YOY | QOQ basis
 - SBB + SME + MC mix at **₹2,22,080 crores** | **22.2%** of loans, up **~800 bps** in last 4 years
- **Well capitalized with self-sustaining capital structure; adequate liquidity buffers**
 - Overall capital adequacy ratio (CAR) stood at **16.61%** with CET 1 ratio of **14.12%**
 - **₹5,012** crores of other provisions, not considered for CAR calculation, provides additional cushion of **~38 bps** over the reported CAR
 - Excess SLR of **₹76,769** crores
- **Continue to maintain strong position in Payments and Digital Banking**
 - **open** by Axis Bank remains among the world's top rated³ MB app on Google Play store and iOS app store with rating of **4.7** and **4.8** respectively; **~15 mn** MAU⁴
 - **open** by Axis Bank & Axis Pay have **~13 mn** non-Axis Bank customers
 - **~26.9 mn** customers on WhatsApp banking
 - Credit card CIF market share at **14%**, Retail Card spends grew **15%** YOY
- **Asset quality stable, added prudently to non NPA provisions in the quarter**
 - Q2FY25 net credit cost⁵ at **0.54%**, down **43 bps** sequentially
 - Q2FY25 Gross slippage ratio⁵ at **1.78%** declined **19 bps** QOQ, Net slippage ratio⁵ at **0.96%** declined **41 bps** QOQ
 - PCR healthy at **77%**; On an aggregated basis⁶, Coverage ratio at **153%**
- **Key domestic subsidiaries⁷ delivered strong performance**
 - H1FY25 profit at **₹927** crores up **35%** YOY, with a return on investment in domestic subsidiaries of **~58%**
 - Axis Finance H1FY25 PAT grew **24%** YOY to **₹327** crores; asset quality metrics stable, ROE at **15.79%** for Q2FY25
 - Axis AMC H1FY25 PAT grew **29%** YOY to **₹244** crores
 - Axis Securities H1FY25 PAT grew **139%** YOY to **₹272** crores
 - Axis Capital H1FY25 PAT grew **29%** YOY to **₹87** crores and executed **30** ECM deals in H1FY25

¹ QAB – Quarterly Average Balance, ² Liquidity Coverage Ratio ³ with 2.9 mn+ reviews

⁴ Monthly active users, engaging in financial and non-financial transactions ⁵ Annualized

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

Profit & Loss Account: Period ended 30th September 2024

Operating Profit and Net Profit

The Bank's operating profit for the quarter grew 24% YOY and 6% QOQ to ₹10,712 crores. Core operating profit (i.e. operating profit – trading profit) grew 10% YOY to ₹9,601 crores. Operating cost growth moderated to 9% YOY in Q2FY25 from 11% YOY in Q1FY25. Net profit grew 18% YOY and 15% QOQ to ₹6,918 crores in Q2FY25.

Net Interest Income and Net Interest Margin

The Bank's Net Interest Income (NII) grew 9% YOY to ₹13,483 crores. Net Interest Margin (NIM) for Q2FY25 stood at 3.99%.

Other Income

Fee income for Q2FY25 grew 11% YOY and 6% QOQ to ₹5,508 crores. Retail fees grew 11% YOY and 5% QOQ; and constituted 70% of the Bank's total fee income. Retail cards and payments fee grew 10% YOY and 3% QOQ. Fees from Third Party Products grew 21% YOY and 24% QOQ. The Corporate & Commercial banking fees together grew 11% YOY and 9% QOQ to ₹1,631 crores. The trading income gain for the quarter stood at ₹1,111 crores; miscellaneous income in Q2FY25 stood at ₹103 crores. Overall, non-interest income (comprising of fee, trading and miscellaneous income) for Q2FY25 grew 34% YOY to ₹6,722 crores.

Provisions and contingencies

Provision and contingencies for Q2FY25 stood at ₹2,204 crores. Specific loan loss provisions for Q2FY25 stood at ₹1,441 crores. In addition to specific loan loss provisions, in the quarter, the Bank made provisions aggregating to ₹520 crores under the head provision for other contingencies, these are entirely prudent and not for current or future NPA assets and should not be construed in any manner as the Bank's assessment of its expected asset quality. The Bank holds cumulative provisions (standard + additional other than NPA) of ₹11,815 crores at the end of Q2FY25. 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 1.2% as on 30th September, 2024. On an aggregated basis, our provision coverage ratio (including specific + standard + additional) stands at 153% of GNPA as on 30th September, 2024. Credit cost (annualized) for the quarter ended 30th September, 2024 stood at 0.54%.

H1FY25 Financial Performance

Net Interest Income for H1FY25 grew 11% YOY to ₹26,931 crores from ₹24,273 crores. Fee income grew 13% YOY to ₹10,711 crores. Operating profit for H1FY25 grew by 19% to ₹20,819 crores from ₹17,446 crores. Core operating profit for H1FY25 grew by 13% to ₹19,238 crores from ₹17,028 crores. Total provisions for H1FY25 stood at ₹4,243 crores. Net Profit for H1FY25 grew 11% to ₹12,952 crores from ₹11,661 crores in H1FY24.

Balance Sheet: As on 30th September 2024

The Bank's balance sheet grew 12% YOY and stood at ₹15,05,658 crores as on 30th September 2024. The total deposits grew 14% YOY on month end basis, of which current account deposits grew 8% YOY and saving account deposits grew 2% YOY; total term deposits grew 21% YOY and 4% QOQ. The share of CASA deposits in total deposits stood at 41%. On QAB basis, total deposits grew 14% YOY and 1% QOQ, within which savings account deposits grew 1% YOY, current account deposits grew 13% YOY; and total term deposits grew 21% YOY and 2% QOQ.

The Bank's advances grew 11% YOY and 2% QOQ to ₹9,99,979 crores as on 30th September 2024. Gross of transfers through Inter Bank Participation Certificates (IBPC), total Bank advances grew 12% YOY and 2% QOQ. Retail loans grew 15% YOY and 2% QOQ to ₹5,98,715 crores and accounted for 60% of the net advances of the Bank. The share of secured retail loans[§] was ~ 71%, with home loans comprising 28% of the retail book. Home loans grew 5% YOY, Personal loans grew 23% YOY, Credit card advances grew 22% YOY, Small Business Banking (SBB) grew 23% YOY and 6% QOQ; and rural loan portfolio grew 20% YOY and 1% QOQ. SME book remains well diversified across geographies and sectors, grew 16% YOY and 6% QOQ to ₹1,10,474 crores. Corporate loan book (gross of IBPC sold) grew 6% YOY; domestic corporate book grew 1% YOY. Mid-corporate book grew 18% YOY and 5% QOQ. 89% of corporate book is now rated A- and above with 91% of incremental sanctions in H1FY25 being to corporates rated A- and above.

The book value of the Bank's investments portfolio as on 30th September 2024, was ₹3,48,855 crores, of which ₹2,81,641 crores were in government securities, while ₹54,580 crores were invested in corporate bonds and ₹12,634 crores in other securities such as equities, mutual funds, etc. Out of these, 67% are in Held till Maturity (HTM) category, 14% of investments are Available for Sale (AFS), 17% are in Fair Value through Profit & Loss (FVTPL) category and 2% are investments in Subsidiaries and Associate.

Payments and Digital

The Bank issued ~1.06 million new credit cards in Q2FY25 and has been one of the highest credit card issuers in the country over last eleven quarters. The Bank continues to remain among the top players in the Retail Digital banking space.

- **96%** - Share of digital transactions in the Bank's total financial transactions by individual customers in Q2FY25
- **77%** - New mutual fund SIPs sourced (by volume) through digital channels in Q2FY25
- **76%** - SA accounts opened through tab banking in Q2FY25
- **65%** - YOY growth in total UPI transaction value in Q2FY25
- **42%** - Individual Retail term deposits (by value) opened digitally in Q2FY25
- **41%** - YOY growth in mobile banking transaction volumes in Q2FY25

The Bank's focus remains on reimagining end-to-end journeys and transforming the core and becoming a partner of choice for ecosystems. Axis Mobile is among the world's highest rated mobile banking app on Google Play store and iOS app store with rating of 4.7 and 4.8 respectively with over 2.9 million reviews. The Bank's mobile app continues to see strong growth, with Monthly Active Users of ~15 million and nearly ~13 million non-Axis Bank customers using Axis Mobile and Axis Pay apps.

[§] as per Bank's internal classification

On WhatsApp banking, the Bank now has over ~26.9 million customers on board since its launch in 2021. The Bank has been among the first to go live on Account Aggregator (AA) network and has seen strong initial traction in AA based digital lending. The Bank has 475+ APIs hosted on its API Developer Portal.

Wealth Management Business – Burgundy

The Bank's wealth management business is among the largest in India with assets under management (AUM) of ₹6,14,724 crores as at end of 30th September 2024 that grew 36% YOY and 3% QOQ. Burgundy Private, the Bank's proposition for high and ultra-high net worth clients, covers 12,591 families. The AUM for Burgundy Private increased 28% YOY and 2% QOQ to ₹2,13,125 crores.

Capital Adequacy and Shareholders' Funds

The shareholders' funds of the Bank grew 20% YOY and stood at ₹1,64,688 crores as on 30th September 2024. The Bank now has a self-sustaining capital structure to fund growth, with organic net capital accretion through profits to CET-1 of 38 bps for the H1FY25. As on 30th September 2024, the Capital Adequacy Ratio (CAR) and CET1 ratio was 16.61% and 14.12% respectively. Additionally, ₹5,012 crores of other provisions, is not considered for CAR calculation, providing cushion of ~38 bps over the reported CAR. The Book value per equity share increased from ₹444 as of 30th September, 2023 to ₹532 as of 30th September, 2024.

Asset Quality

As on 30th September, 2024 the Bank's reported Gross NPA and Net NPA levels were 1.44% and 0.34% respectively as against 1.54% and 0.34% as on 30th June, 2024. Recoveries from written off accounts for the quarter was ₹984 crores. Reported net slippages in the quarter adjusted for recoveries from written off pool was ₹1,390 crores, of which retail was ₹2,164 crores, CBG was ₹31 crores and Wholesale was negative ₹805 crores.

Gross slippages during the quarter were ₹4,443 crores, compared to ₹4,793 crores in Q1FY25 and ₹3,254 crores in Q2FY24. Recoveries and upgrades from NPAs during the quarter were ₹2,069 crores. The Bank in the quarter wrote off NPAs aggregating ₹3,119 crores.

As on 30th September, 2024, the Bank's provision coverage, as a proportion of Gross NPAs stood at 77%, as compared to 79% as at 30th September, 2023 and 78% as at 30th June, 2024.

The fund based outstanding of standard restructured loans implemented under resolution framework for COVID-19 related stress (Covid 1.0 and Covid 2.0) declined during the quarter and as at 30th September, 2024 stood at ₹1,320 crores that translates to 0.12% of the gross customer assets. The Bank carries a provision of ~ 20% on restructured loans, which is in excess of regulatory limits.

Network

The Bank added 150 branches during the quarter, taking its overall distribution network to 5,577 domestic branches and extension counters along with 182 Business Correspondent Banking Outlets (BCBOs) situated across 3,062 centres as at

30th September, 2024 compared to 5,152 domestic branches and extension counters, and 156 BCBO's situated in 2,864 centres as at 30th September, 2023. As on 30th September, 2024, the Bank had 14,728 ATMs and cash recyclers spread across the country. The Bank's Axis Virtual Centre is present across eight centres with over ~1,000 Virtual Relationship Managers as on 30th September 2024.

Key Subsidiaries' Performance

- The Bank's domestic subsidiaries delivered steady performance with H1FY25 PAT of ₹927 crores, up 35% YOY.
- Axis Finance: Axis Finance has been investing in building a strong customer focused franchise. Its overall assets under finance grew 30% YOY. Retail book grew 39% YOY and constituted 47% of total loans. The focus in its wholesale business continues to be on well rated companies and cash flow backed transactions. Axis Finance remains well capitalized with total Capital Adequacy Ratio of 19.89%. The book quality remains strong with net NPA at 0.25%. Axis Finance H1FY25 PAT was ₹327 crores, up 24% YOY from ₹265 crores in H1FY24.
- Axis AMC: Axis AMC's overall QAAUM grew 20% YOY to ₹3,12,338 crores. Its H1FY25 PAT was ₹244 crores, up 29% YOY from ₹189 crores in H1FY24.
- Axis Capital: Axis Capital H1FY25 PAT was ₹87 crores, up 29% YOY from ₹68 crores in H1FY24 and completed 30 ECM transactions in H1FY25.
- Axis Securities: Axis Securities' revenues for H1FY25 grew 98% YOY to ₹907 crores. Its H1FY25 PAT grew 139% YOY and stood at ₹272 crores.

₹ crore

Financial Performance	Q2FY25	Q2FY24	% Growth
Net Interest Income	13,483	12,315	9%
Other Income	6,722	5,034	34%
- Fee Income	5,508	4,963	11%
- Trading Income	1,111	(101)	-
- Miscellaneous Income	103	172	(40%)
Operating Revenue	20,205	17,349	16%
Core Operating Revenue#	19,094	17,450	9%
Operating Expenses	9,493	8,717	9%
Operating Profit	10,712	8,632	24%
Core Operating Profit#	9,601	8,733	10%
Net Profit	6,918	5,864	18%
EPS Diluted (₹) annualized	88.20	75.28	
Return on Average Assets (annualized)	1.84%	1.76%	
Return on Equity (annualized)	17.58%	18.30%	

excluding trading income

₹ crore

Balance Sheet	As on	As on
	30th September'24	30th September'23
CAPITAL AND LIABILITIES		
Capital	619	616
Reserves & Surplus	1,64,069	1,36,086
Employee Stock Options Outstanding	941	648
Deposits	10,86,744	9,55,556
Borrowings	1,89,811	1,85,243
Other Liabilities and Provisions	63,474	60,765
Total	15,05,658	13,38,914
ASSETS		
Cash and Balances with RBI and Banks and Money at Call and Short Notice	86,075	68,592
Investments	3,48,855	2,95,691
Advances	9,99,979	8,97,347
Fixed Assets	5,927	5,238
Other Assets	64,822	72,046
Total	15,05,658	13,38,914

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

₹ crore

Business Performance	As on 30 th September'24	As on 30 th September'23	% Growth
Total Deposits (i)+(ii)	10,86,744	9,55,556	14%
(i) CASA Deposits	4,41,053	4,23,866	4%
- Savings Bank Deposits	2,98,533	2,92,313	2%
- Current Account Deposits	1,42,520	1,31,553	8%
CASA Deposits as % of Total Deposits	41%	44%	
(ii) Term Deposits	6,45,691	5,31,690	21%
CASA Deposits on a Quarterly Daily Average Basis (QAB)	4,12,651	3,94,569	5%
CASA Deposits as % of Total Deposits (QAB)	40%	43%	
Net Advances (a) +(b) + (c)	9,99,979	8,97,347	11%
(a) Corporate	2,90,790	2,82,766	3%
(b) SME	1,10,474	94,845	16%
(c) Retail	5,98,715	5,19,736	15%
Investments	3,48,855	2,95,691	18%
Balance Sheet Size	15,05,658	13,38,914	12%
Gross NPA as % of Gross Customer Assets	1.44%	1.73%	
Net NPA as % of Net Customer Assets	0.34%	0.36%	
Equity Capital	619	616	0.4%
Shareholders' Funds	1,64,688	1,36,702	20%
Capital Adequacy Ratio (Basel III) (incl. profit)	16.61%	17.84%	
- Tier I	14.54%	15.08%	
- Tier II	2.07%	2.77%	

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.