

PRESS RELEASE
AXIS BANK ANNOUNCES FINANCIAL RESULTS
FOR THE QUARTER ENDED 30th JUNE 2021

Axis Bank reports Q1FY22 PAT of ₹ 2,160 crores, up 94% YOY
Healthy CASA growth, steady operating performance, resilient balance sheet

- PAT at ₹2,160 crores, up 94% YOY, Core Operating Profit up 13% YOY
- Net Interest Income up 11% YOY, Fees up 62% YOY
- On QAB basis, SA grew 19% YOY & 7% QOQ, CASA up 19% YOY & 4% QOQ, CASA ratio improved 342 bps to 42%
- Loan book grew 12% YOY, led by balanced growth across segments. Retail loans grew 14%, SME loans up 18% YOY
- Market share in UPI and Mobile banking for Q1FY22 stood at 15% and 14%, respectively
- GNPA% at 3.85% declined by 87 bps YOY, limited restructuring at 0.33% of which 95% is secured
- Covid provisions not utilised, cumulative GNPA cover at 118%, Total CRAR at 19.01% with CET1 of 15.42%
- One Axis: Domestic subsidiaries gained market share, delivered strong PAT of ₹ 245 crores, YOY growth of 98%

The Board of Directors of Axis Bank Limited approved the financial results for the quarter and year ended 30th June 2021 at its meeting held in Mumbai on Monday, 26th July 2021.

Axis Bank delivered a strong performance across segments in 1QFY22 despite the impact of second wave of Covid-19 cases in the period. The Bank and its staff remained focused on serving the needs of its customers during this difficult period. The Bank also used this opportunity to widen its leadership in the digital banking space. It announced a long-term partnership arrangement with Amazon Web Services (AWS) to accelerate its digital transformation programme which includes a plan to transition 70% of its applications and infrastructure on to cloud in the next few years. The Bank made significant progress on its 'O-P-E-N' digital roadmap with multiple initiatives in the quarter. Subzero - its proprietary design platform; a cutting edge Developers portal with over 120 additional APIs went live. Along with Freecharge, the Bank scaled up engagements for its 'Buy Now Pay Later' product. This proposition facilitates customers to make payments through a single click for their small ticket purchases backed by credit limit.

The Bank also completed the first edition of 'Grab Deals Fest', a mega sale event exclusively for its credit and debit card customers. The 10-day fest offered attractive deals for customers on two of the largest online shopping platforms - Amazon & Flipkart, and up to 45% cashback on 30+ elite brands. It received a phenomenal response from its customers, recording 25 times increase in sales compared to the standard volumes.

Axis Bank partnered with Mumbai Metro One and RuPay to launch 'ONE MUMBAI' Smart Card, an open loop, contactless card with all-in-one multi-utility use for travel, e-commerce & retail spends of Mumbaikars. The Bank also launched its 'Send Money Abroad' feature on the Axis Mobile App, offering an omni-channel experience for its customers to send money abroad 24/7, in over 100 different currencies. Further, Axis Bank entered into a strategic partnership with Jeep India to support their 'go local' strategy, offering best in class funding solutions to its new and existing customers.

Commenting on developments during the quarter, Amitabh Chaudhry, MD&CEO, Axis Bank said, "Despite Wave 2 headwinds, we made tremendous progress this quarter on our strategy of building a high quality granular franchise, increasing our relevance in the lives of the customers and the communities we serve and building the best digital bank in the country. The journey we started two years back is gathering momentum with a strong balance sheet, conservative provisions and a steady operating performance supporting our aspirations. We continued to differentiate on our pioneering people and diversity initiatives. We have also set a bold mandate for our long-term ESG goals. We continue to monitor the macroeconomic environment closely and we remain confident about our strategy and the road ahead."

Results at a Glance

- **Steady operating performance, net profit at ₹2,160 crores, up 94% YOY**
 - NII grew 11% YOY, NIM* at **3.46%**, growing 6 bps YOY
 - Fee income grew **62%** YOY on a lower base, granular fee composition improving
 - Retail fee grew **76%** YOY and constituted **62%** of the overall fees
 - Core operating profit grew **13%** YOY
- **Loan book growth of 12% YOY driven by all three business segments**
 - Retail loans grew **14%** YOY and flat on sequential basis, ~ 80% of the book is secured
 - Q1FY22 disbursements in Retail were up around **3.3 times** YOY
 - Corporate loans grew **8%** YOY and 1.3% QOQ, **94%** of incremental sanctions to those rated A- and above
 - SME loans grew **18%** YOY led by tech driven transformation initiative 'Sankalp'
- **Healthy growth in stable and granular CASA deposits**
 - Deposits on QAB¹ basis grew by **11%** YOY & **7%** QOQ
 - On QAB basis, SA grew **19%** YOY and **7%** QOQ, RTD deposits grew **11%** YOY and **2%** QOQ.
 - On QAB basis, CASA grew **19%** YOY and **4%** QOQ, CASA ratio stood at **42%**, up **342 bps** YOY
- **Retain strong position in Digital Banking**
 - **15%** market share in UPI transactions and **14%** in Mobile Banking for Q1FY22 period
 - Total Credit Card spends were up **84%** YOY
 - **60%** of Personal loan disbursements were through digital channels
 - Bank's first edition of 'Grab Deals Fest' received phenomenal response, with over 25x increase in sales
- **Well capitalized with adequate liquidity buffers**
 - Overall capital adequacy ratio (CAR) including profit for Q1FY22 stood at 19.01% with CET 1 ratio of 15.42%
 - COVID provisions of ₹ 5,012 Crores, not in CAR calculation provides additional cushion of 67 bps
 - Average LCR² during Q1FY22 was 115%, excess SLR³ of ₹74,974 crores
- **Balance sheet buffers maintained, high PCR and additional provisions lend strength to the balance sheet**
 - NNPA at 1.20% decreased by 3 bps YOY, limited Covid restructuring at 0.33% of which 95% secured
 - Cumulative provisions (standard + additional other than NPA) translate to 2.05% of our standard loans
 - On an aggregated basis (specific+ standard+ additional + Covid), our coverage ratio stands at 118% of GNPA at 30th June, 2021
- **Bank's domestic subsidiaries deliver strong performance, annualized profit closer to ~ ₹1,000 crore**
 - Cumulative Q1FY22 PAT⁴ at ₹245 crores, up **98%** YOY
 - Axis AMC's PAT grew **90%** YOY to ₹73 crores, AAUM growth of **55%** YOY
 - Axis Finance PAT grew **86%** to ₹60 crores; asset quality remains stable, with near zero restructuring
 - Axis Capital PAT stood at ₹47 crores, up **6 times** YOY on lower base of corresponding period
 - Axis Securities PAT at ₹56 crores, was up **61%** YOY

*Net Interest Margin;

¹ QAB – Quarterly Average Balance, ² LCR – Liquidity Coverage Ratio, ³ Statutory Liquidity ratio

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

Profit & Loss Account: Period ended 30th June 2021**Operating Profit and Net Profit**

The Bank's operating profit for the quarter grew 10% YOY to ₹6,416 crores while the core operating profit grew 13% to ₹5,896 crores. Net profit grew 94% from ₹1,112 crores in Q1FY21 to ₹2,160 crores in Q1FY22.

Net Interest Income and Net Interest Margin

The Bank's Net Interest Income (NII) grew 11% YOY to ₹7,760 crores from ₹6,985 crores in Q1FY21. Net interest margin (NIM) for Q1FY22 stood at 3.46%.

Other Income

Fee income for Q1FY22 grew 62% YOY to ₹2,668 crores. Retail fees grew 76% YOY; and constituted 62% of the Bank's total fee income. The corporate & commercial banking fee grew 42% YOY. The trading profits and miscellaneous income for the quarter stood at ₹499 crores and ₹421 crores respectively. Overall, non-interest income (comprising of fee, trading profit and miscellaneous income) for Q1FY22 stood at ₹3,588 crores, up 39% YOY.

Provisions and contingencies

Specific loan loss provisions for Q1FY22 were ₹3,151 crores compared to ₹3,512 crores in Q1FY21.

The Bank has not utilized Covid provisions during the quarter. The Bank holds cumulative provisions (standard + additional other than NPA) of ₹12,425 crores at the end of Q1FY22. It is pertinent to note that this is over and above the NPA provisioning included in our PCR calculations. These cumulative provisions translate to a standard asset coverage of 2.05% as on 30th June, 2021. On an aggregated basis, our provision coverage ratio (including specific + standard + additional + Covid provisions) stands at 118% of GNPA as on 30th June, 2021.

Net Credit cost for the quarter ended 30th June 2021 was 1.70% as compared to 2.11% in Q1FY21.

Balance Sheet: As on 30th June 2021

The Bank's balance sheet grew 14% YOY and stood at ₹10,12,050 crores as on 30th June 2021. The total deposits grew by 16% on period end basis and by 11% YOY on quarterly average balance (QAB) basis. On QAB basis, Savings account deposits grew 19% YOY and 7% QOQ, current account deposits grew 17% YOY; and retail term deposits (RTD) grew 11% YOY and 2% QOQ. On QAB basis, CASA and RTD deposits put together grew 15% YOY and 3% QOQ. The share of CASA plus RTD deposits in total deposits on QAB basis was up 209 bps YOY to 83% as of 30th June 2021.

The Bank's advances grew 12% YOY to ₹6,14,874 crores as on 30th June 2021. The Bank's loan to deposit ratio stood at 86%. Retail loans grew 14% YOY and were largely flat on a sequential basis to ₹3,31,242 crores and accounted for 54% of the net advances of the Bank. The share of secured loans was ~ 80%, with home loans comprising 37% of the retail book. Disbursements in Retail segment were up around 3.3 times. SME loan book grew 18% YOY to ₹58,537 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 by 8% YOY. 85% of corporate book is now rated A- and above with 94% of incremental sanctions in Q1FY22 being to corporates rated A- and above.

The book value of the Bank's Investments portfolio as on 30th June 2021, was ₹2,39,915 crores, of which ₹1,99,109 crores were in government securities, while ₹32,190 crores were invested in corporate bonds and ₹8,616 crores in other securities such as equities, mutual funds, etc. Out of these, 72% are in held till maturity (HTM) category, while 24% of investments are available for sale (AFS) and 4% are in held for trading (HFT) category.

Digital

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

- 196% - YOY growth in total UPI transaction value in Q1FY22. Market share in UPI transactions at 15%
- 156% - YOY growth in mobile banking transaction volumes in Q1FY22, with market share of 14%
- 90% - Share of digital transactions in the Bank's total financial transactions by individual customers during Q1FY22
- 74% - Credit cards sourced through digital channels
- 69% - Fixed deposits (by volume) opened digitally
- 67% - SA accounts opened digitally through tab banking
- 60% - Personal loan disbursements through digital channels
- 57% - New mutual fund SIPs sourced through digital channels

The Bank's focus remains on reimagining end-end journeys, transforming the core and becoming a partner of choice for ecosystems. The Bank has taken a cloud-first approach for its digital banking platform having deployed all new customer facing applications on cloud platform since last year. The Bank's partnership agreement with AWS will enhance further agility and resilience to manage two key features that define Bank's digital business — rapid scale and high velocity.

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 of over ₹2,30,873 crores as at end of 30th June 2021. Burgundy Private that was launched in December 2019 for the high and ultra-high net worth clients, has scaled up rapidly to cover over 2,093 families from 986 families in last one year. The combined assets for Burgundy Private increased over 3 times YOY to ₹63,372 crores as at 30th June 2021.

Capital Adequacy and Shareholders' Funds

The shareholders' funds of the Bank grew 2% QOQ and stood at ₹1,03,890 crores as on 30th June 2021. Under Basel III, the Capital Adequacy Ratio (CAR) and CET1 ratio as on 30th June 2021 including Q1FY22 profits were 19.01% and 15.42% respectively. Additionally, the Bank held ₹5,012 crores of COVID provisions, not considered for CAR calculation providing cushion of 67 bps over the reported CAR. The Book value per equity share increased from ₹305 as of 30th June, 2020 to ₹339 as of 30th June 2021.

Asset Quality

As on 30th June 2021, the Bank's reported Gross NPA and Net NPA levels were 3.85% and 1.20% respectively as against 3.70% and 1.05% as on 31st March 2021.

Gross slippages during the quarter were ₹6,518 crores, compared to ₹5,285 crores during Q4FY21 and ₹2,218 crores in Q1FY21. Slippages in Q1FY21 were moderated due to regulatory forbearances that do not exist in the current quarter. Recoveries and upgrades from NPAs during the quarter were ₹2,543 crores while write-offs were ₹3,341 crores. Consequently, there were net slippages in NPAs (before write-offs) for the quarter of ₹3,976 crores as compared to ₹1,822 crores in Q4FY21 and net slippages of ₹1,610 crores in Q1FY21. Net slippages in NPAs (before write-offs) for Retail and SME loans stood at ₹3,741 crores and ₹84 crores respectively.

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

The standard restructured loans under resolution framework for COVID-19 related stress as at 30th June 2021 stood at ₹2,192 crores that translates to 0.33% of the gross customer assets. The Bank carries a provision of ~ 23% on restructured loans, which is in excess of regulatory limits.

Network

As on 30th June 2021, the Bank had a network of 4,600 domestic branches and extension counters situated in 2,628 centres compared to 4,528 domestic branches and extension counters situated in 2,559 centres as at end of 30th June 2020. As on 30th June 2021, the Bank had 11,061 ATMs and 5,744 cash recyclers spread across the country. The Bank's Axis Virtual Centre channel had six centres with over 1,500 Virtual Relationship Managers as on 30th June 2021.

Key Subsidiaries' Performance

The Bank's domestic subsidiaries delivered strong performance with reported total PAT of ₹245 crores, up 98% YOY over the Q1FY21 total profit of ₹124 crores.

- **Axis AMC:** Axis AMC continued to strengthen its positioning driven by strong leadership team and innovative product launches on the equity savings side including global and sustainability strategies. Axis AMC's average AUM for the quarter grew by 55% YOY to ₹2,08,143 crores and its PAT grew 90% YOY to ₹73 crores from ₹39 crores in Q1FY21.
- **Axis Finance:** Axis Finance has been investing in building a strong customer focused franchise. Retail book constituted 18% 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 20.6%. The asset quality metrics remain stable with net NPA at 1.8% with near zero restructuring. Axis Finance Q1FY22 PAT was ₹60 crores, up 86% YOY.
- **Axis Capital:** Continued to maintain its leadership position in ECM. Axis Capital completed 19 investment banking transactions in Q1FY22. Its Q1FY22 PAT stood at ₹47 crores, up **6 times** YOY on lower base.
- **Axis Securities:** Axis Securities' broking revenues for Q1FY22 grew 93% YOY to ₹147 crores, net profit for Q1FY22 at ₹56 crores grew by 61% YOY.

₹ crore

Financial Performance	Q1 FY22	Q1 FY21	% Growth
Net Interest Income	7,760	6,985	11%
Other Income	3588	2,587	39%
- Fee Income	2,668	1,652	62%
- Trading Income	499	622	(20%)
- Miscellaneous Income	421	313	34%
Operating Revenue	11,348	9,572	19%
Core Operating Revenue*	10,828	8,950	21%
Operating Expenses	4,932	3,728	32%
Operating Profit	6,416	5,844	10%
Core Operating Profit*	5,896	5,222	13%
Net Profit	2,160	1,112	94%
EPS Diluted (₹) (annualized)	28.19	15.79	
Return on Average Assets (annualized)	0.86%	0.48%	
Return on Equity (annualized)	9.11%	5.74%	

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

₹ crore

Balance Sheet	As on	As on
	30 th June '21	30 th June '20
CAPITAL AND LIABILITIES		
Capital	613	564
Reserves & Surplus	1,03,277	85,507
Deposits	7,13,862	6,15,655
Borrowings	1,50,938	1,42,836
Other Liabilities and Provisions	43,360	40,081
Total	10,12,050	8,84,643
ASSETS		
Cash and Balances with RBI and Banks and Money at Call and Short Notice	72,996	60,080
Investments	2,39,915	1,87,323
Advances	6,14,874	5,48,846
Fixed Assets	4,279	4,359
Other Assets	79,986	84,035
Total	10,12,050	8,84,643

Note - Advances and deposits are after netting structured collateralised foreign currency loans. Further there has also been migration of certain loan accounts amongst segments in Q1FY22. Prior period numbers have been regrouped as applicable for comparison.

₹ crore

Business Performance	As on 30 th June '21	As on 30 th June '20	% Growth
Total Deposits (i)+(ii)	7,13,862	6,15,655	16%
(i) Demand Deposits			
- Savings Bank Deposits	2,11,025	1,76,318	20%
- Current Account Deposits	97,005	80,439	21%
Demand Deposits as % of Total Deposits	43%	41%	
(ii) Term Deposits			
- Retail Term Deposits	2,82,925	2,54,590	11%
- Non Retail Term Deposits	1,22,907	1,04,307	18%
Demand Deposits on a Quarterly Daily Average Basis (QAB)	2,89,139	2,43,651	19%
Demand Deposits as % of Total Deposits (QAB)	42%	39%	
Net Advances (a) +(b) + (c)	6,14,874	5,48,846	12%
(a) Corporate	2,25,095	2,08,998	8%
(b) SME	58,537	49,670	18%
(c) Retail	3,31,242	2,90,177	14%
Investments	2,39,915	1,87,323	28%
Balance Sheet Size	10,12,050	8,84,643	14%
Gross NPA as % of Gross Customer Assets	3.85%	4.72%	
Net NPA as % of Net Customer Assets	1.20%	1.23%	
Equity Capital	613	564	9%
Shareholders' Funds	1,03,890	86,071	21%
Capital Adequacy Ratio (Basel III)	19.01%	17.29%	
- Tier I	16.48%	14.44%	
- Tier II	2.53%	2.85%	

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

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