

Quarterly Earnings Presentation

Q1 FY17

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.

Performance Highlights

Growth

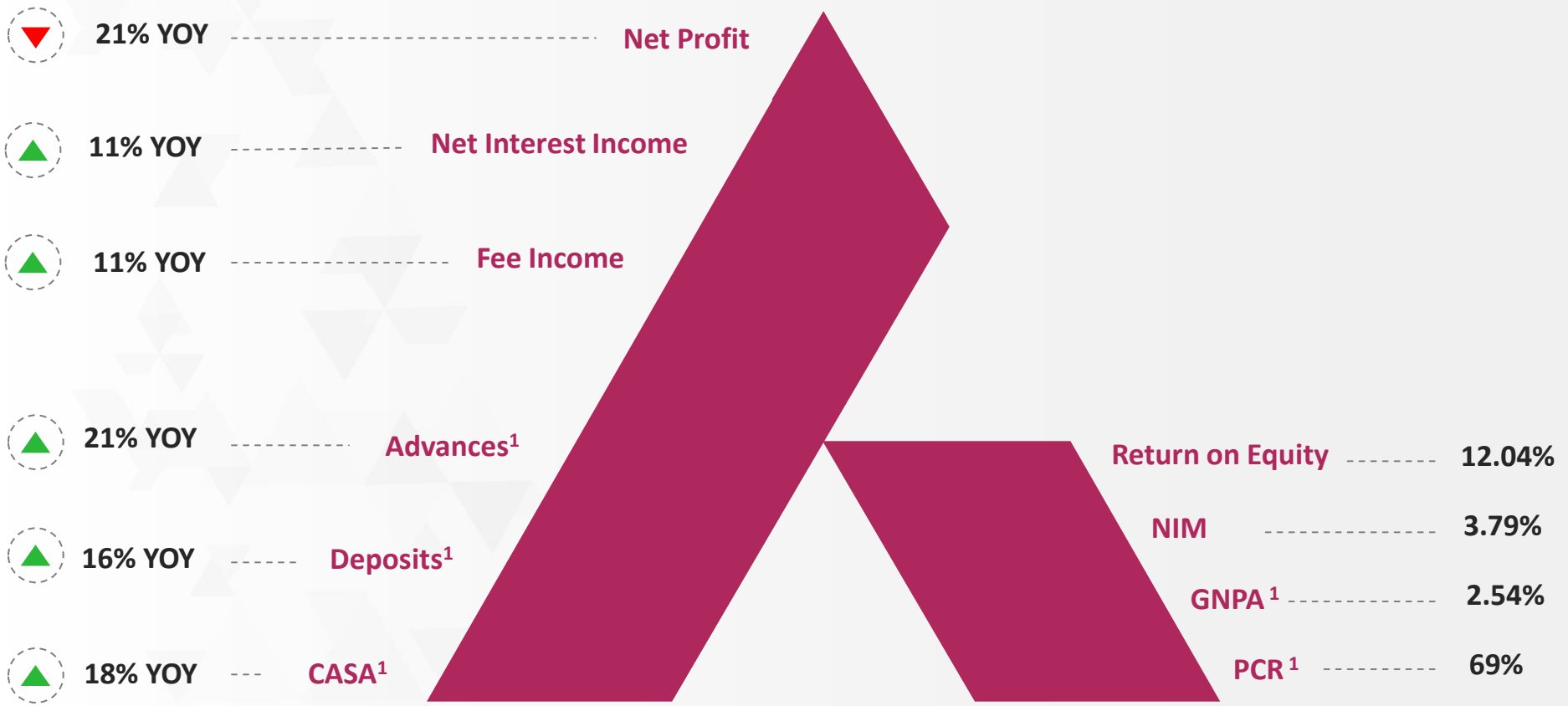
Earnings Quality

Retail Franchise

Asset Quality

Other important information

Summary of Key Metrics for Q1FY17

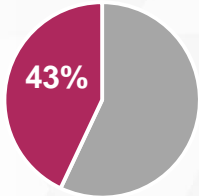


¹ as on 30th June, 2016

Our franchise continues to perform well

Retail Franchise registered strong performance

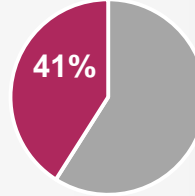
Deposits ↑ 16% YOY



CASA ↑ 18% YOY

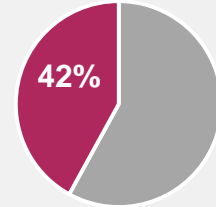
SA Deposits ↑ 18% YOY

Advances ↑ 21% YOY



Retail Advances ↑ 24% YOY

Fee Income ↑ 11% YOY



Retail Fee Income ↑ 19% YOY

Stable Earnings Profile

14%
YOY



Operating Revenue

₹7,255 crores

9%
YOY



Operating Profit

₹4,469 crores

1.19%



Return on Assets**

12.04%



Return on Equity**

Well positioned for future growth

12.38%

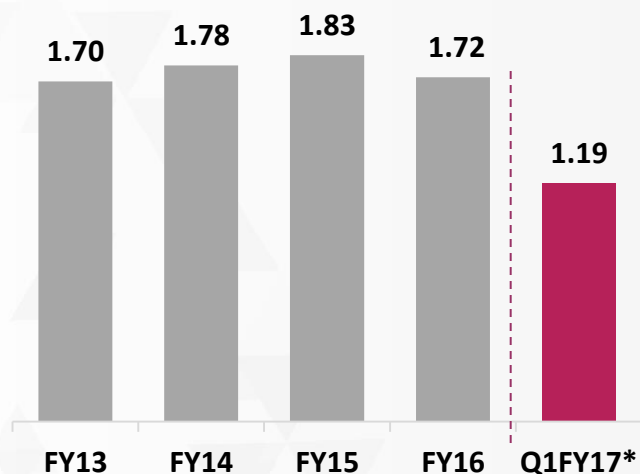
Tier I CAR*

15.67%

Total CAR*

There has been some moderation in shareholder return metrics

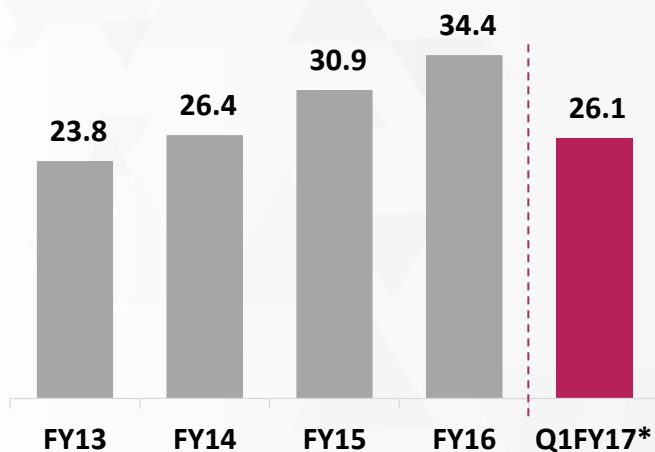
Return on Assets (in %)



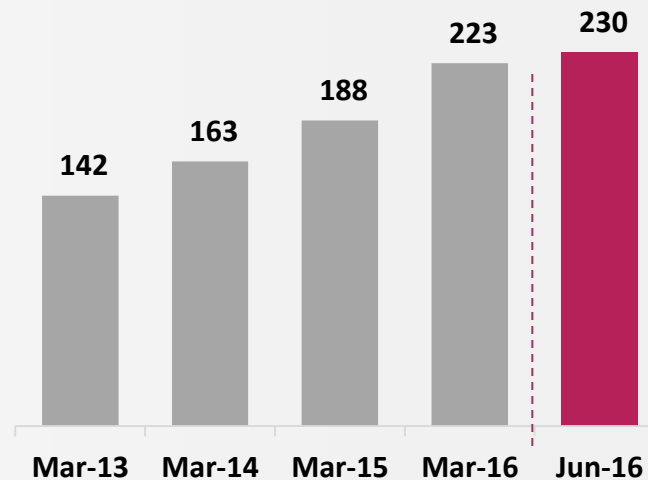
Return on Equity (in %)



Diluted EPS (₹)

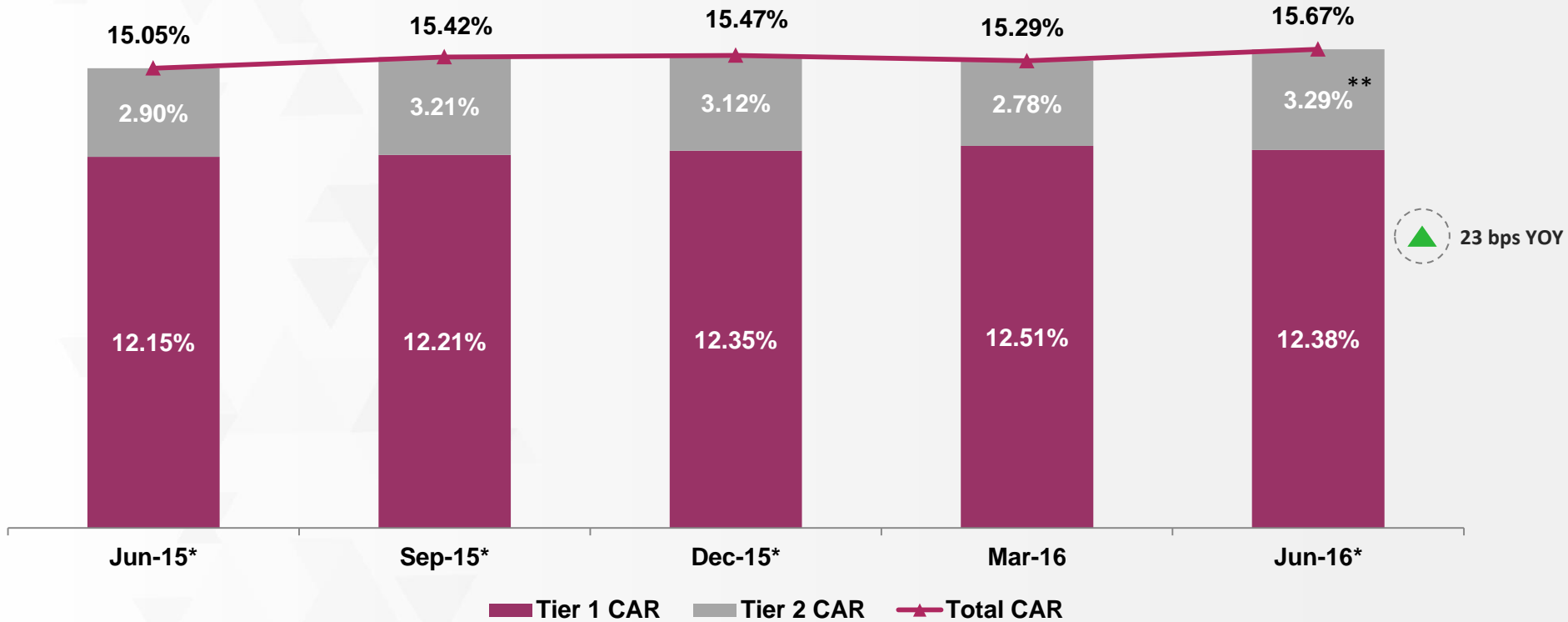


Book Value Per Share (₹)



* annualised

We are well capitalized to pursue growth opportunities



* including unaudited Net Profit for the quarter / half year / nine-months

** includes ₹2,430 crores mobilized through issuance of subordinated debt during the quarter

Performance Highlights

Growth

Earnings Quality

Retail Franchise

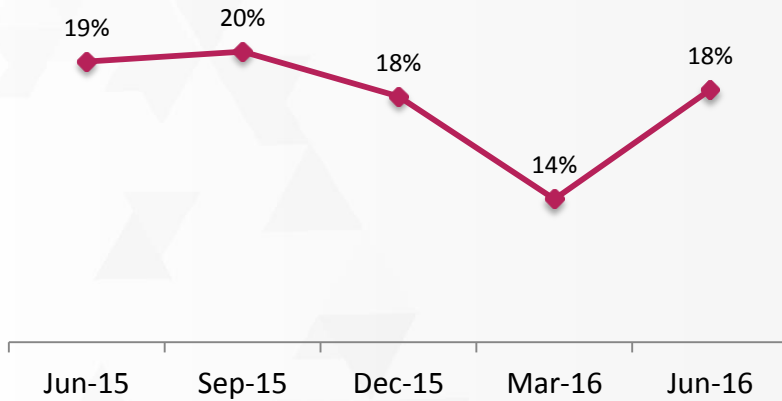
Asset Quality

Other important information

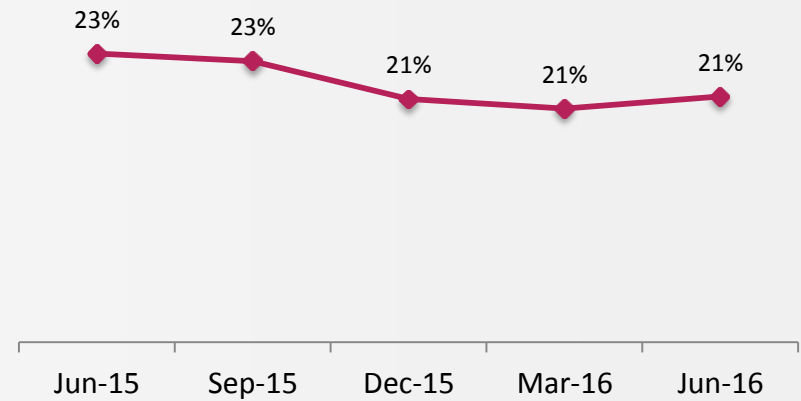
We have delivered strong growth on key balance sheet parameters

All figures in YOY growth

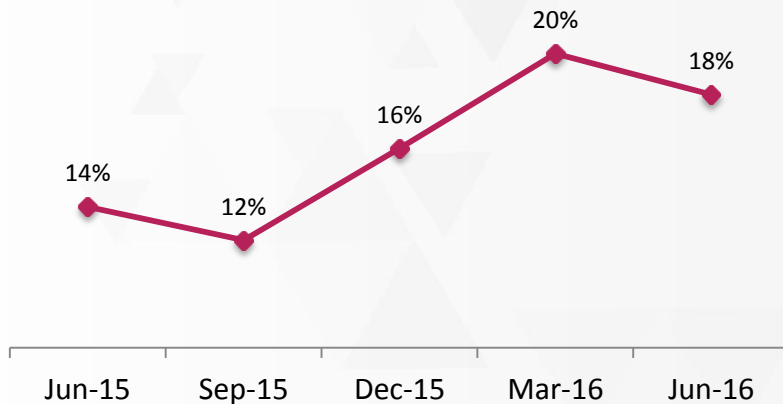
Balance Sheet



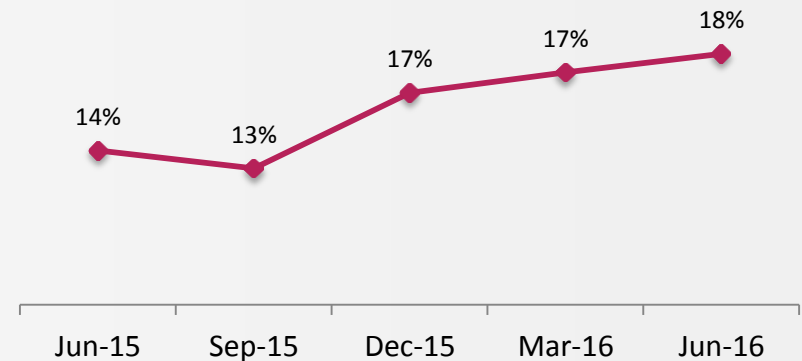
Advances



Savings Bank Deposits



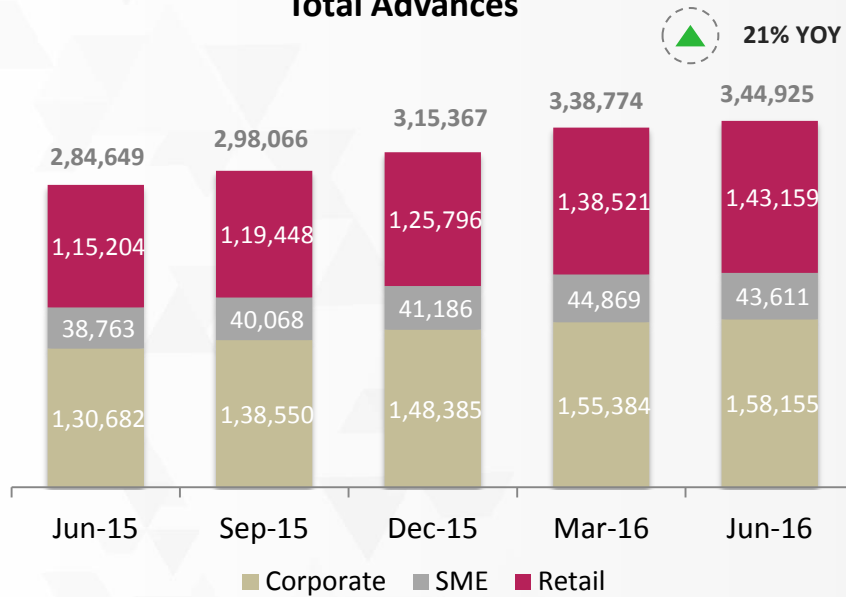
CASA



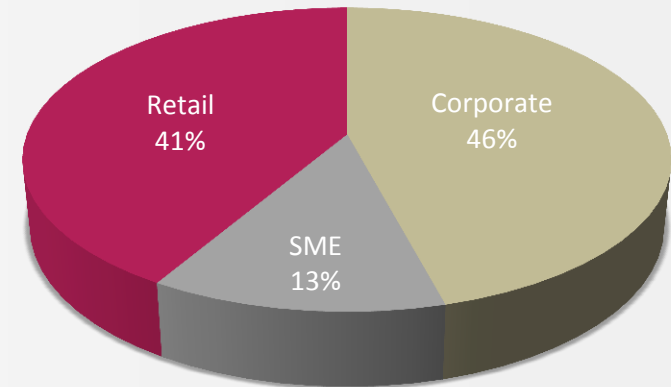
Diversified loan mix with growth driven by retail

All figures in ₹ Crores

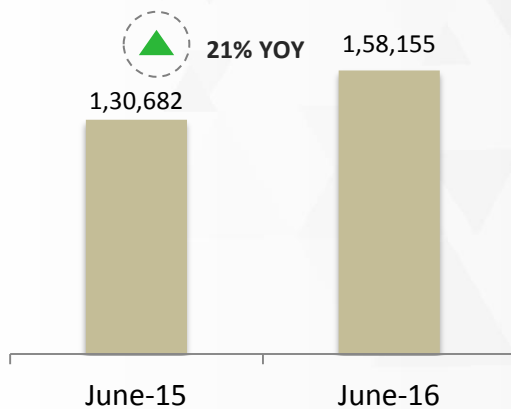
Total Advances



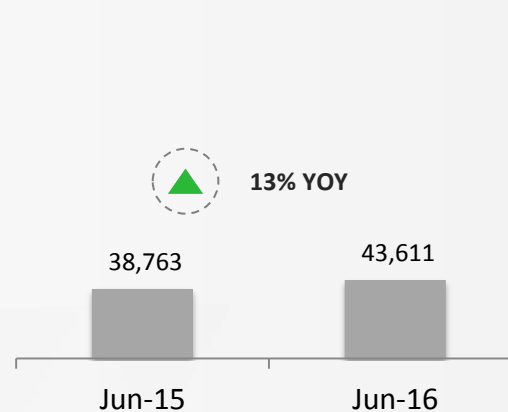
Loan Mix (As on June 30, 2016)



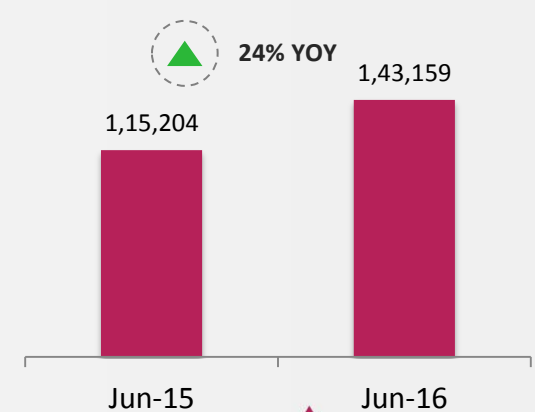
Corporate Advances



SME Advances



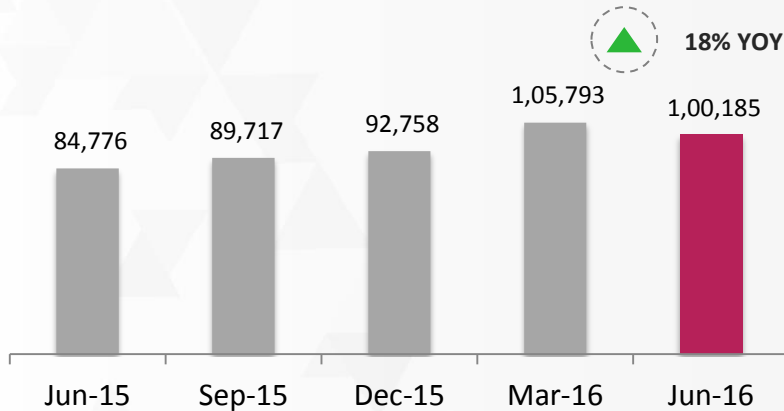
Retail Advances



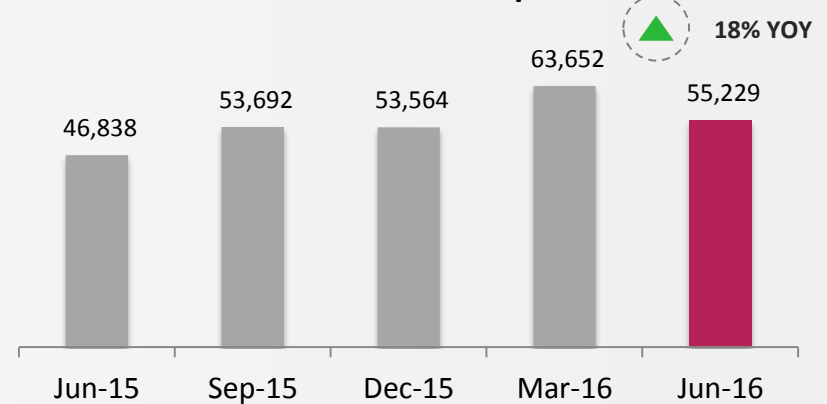
Deposit franchise continues to be robust

All figures in ₹ Crores

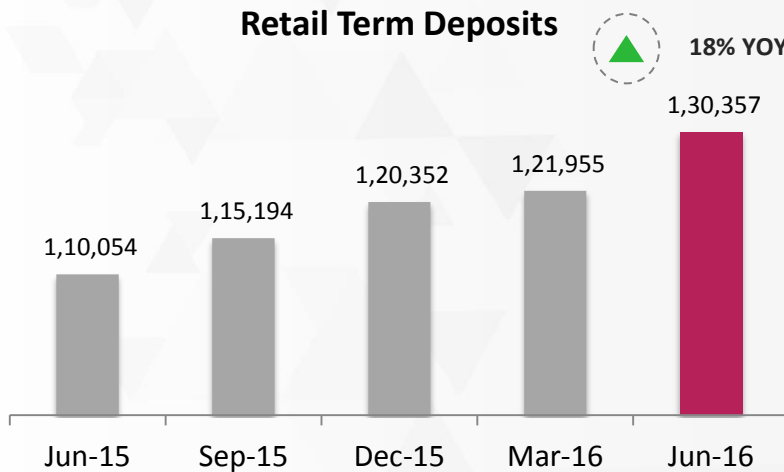
Savings Bank Deposits



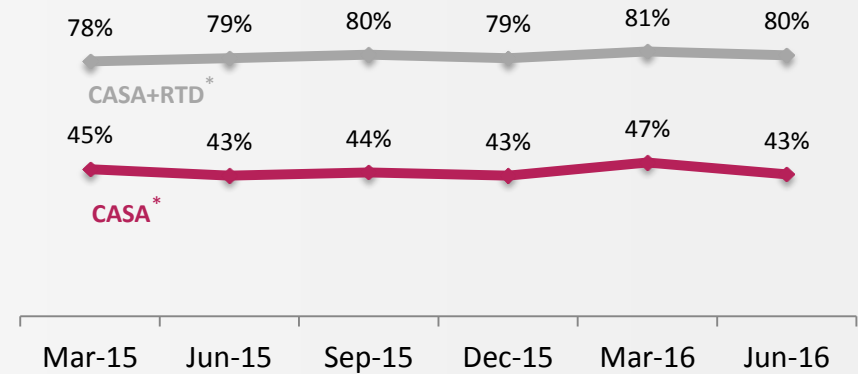
Current Account Deposits



Retail Term Deposits



Trend in CASA and Retail Term Deposits



*as % of total deposits

Performance Highlights

Growth

Earnings Quality

Retail Franchise

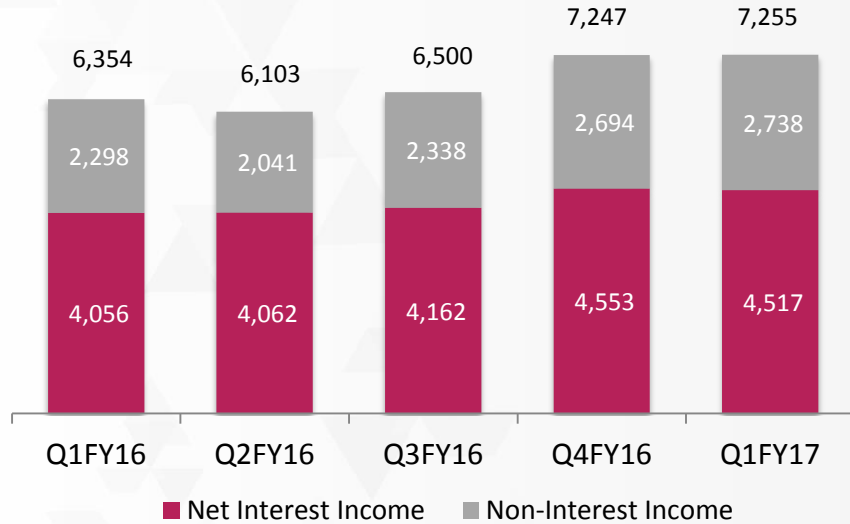
Asset Quality

Other important information

Operating Profit delivery has been steady

Operating Revenue

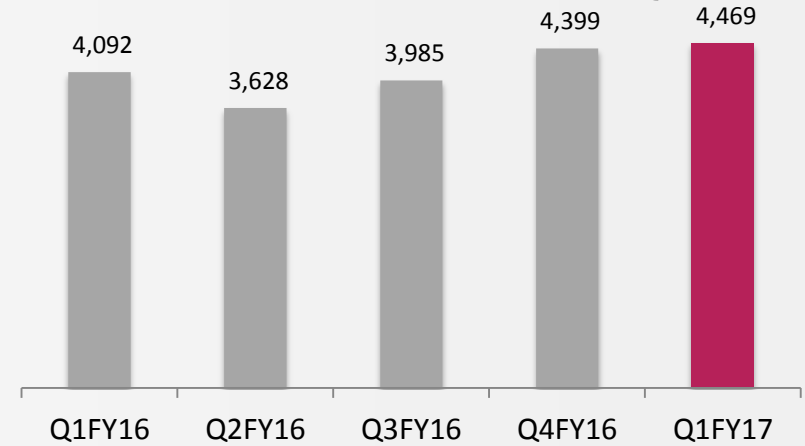
▲ 14% YOY



Operating Profit

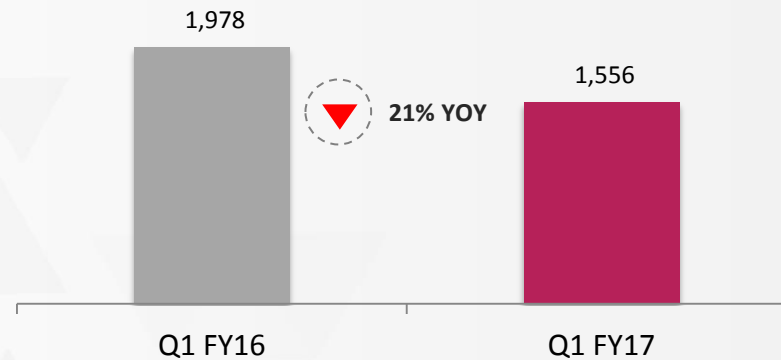
All figures in ₹ Crores

▲ 9% YOY



Net Profit

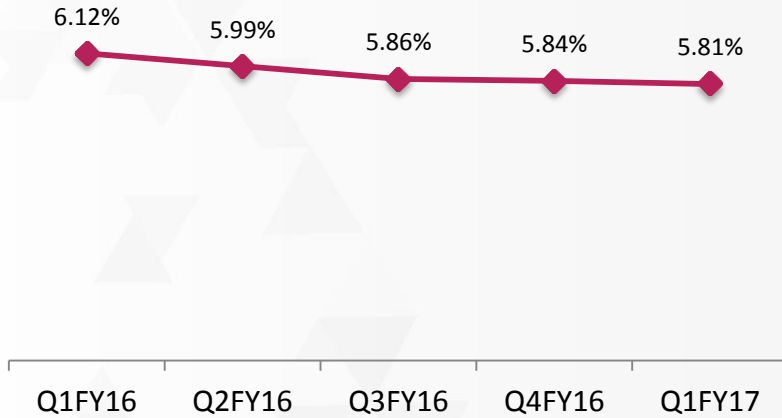
▼ 21% YOY



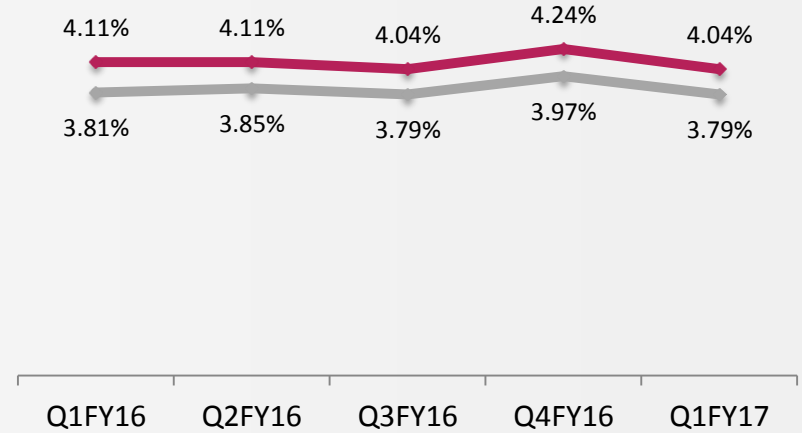
NIM has moderated during the quarter

All figures in ₹ Crores

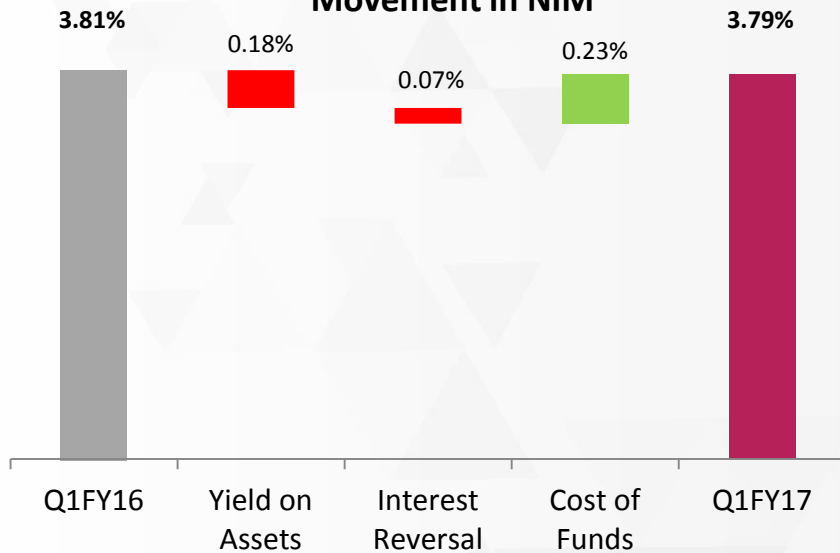
Cost of Funds



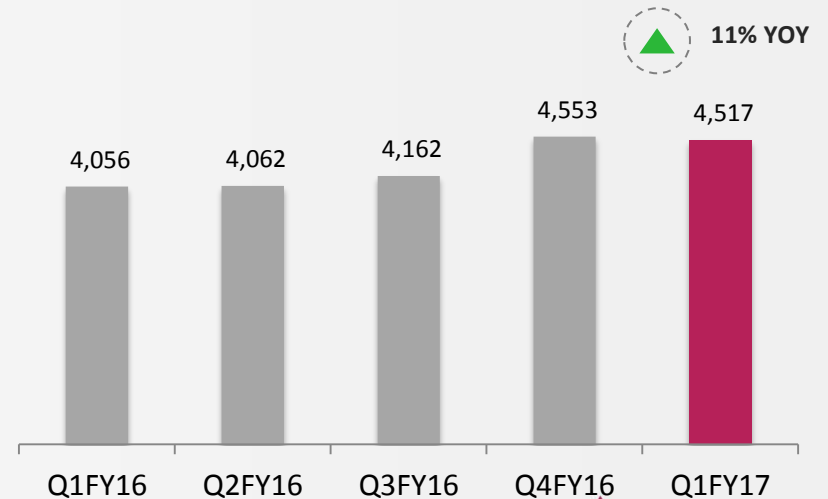
NIM - Global NIM - Domestic



Movement in NIM

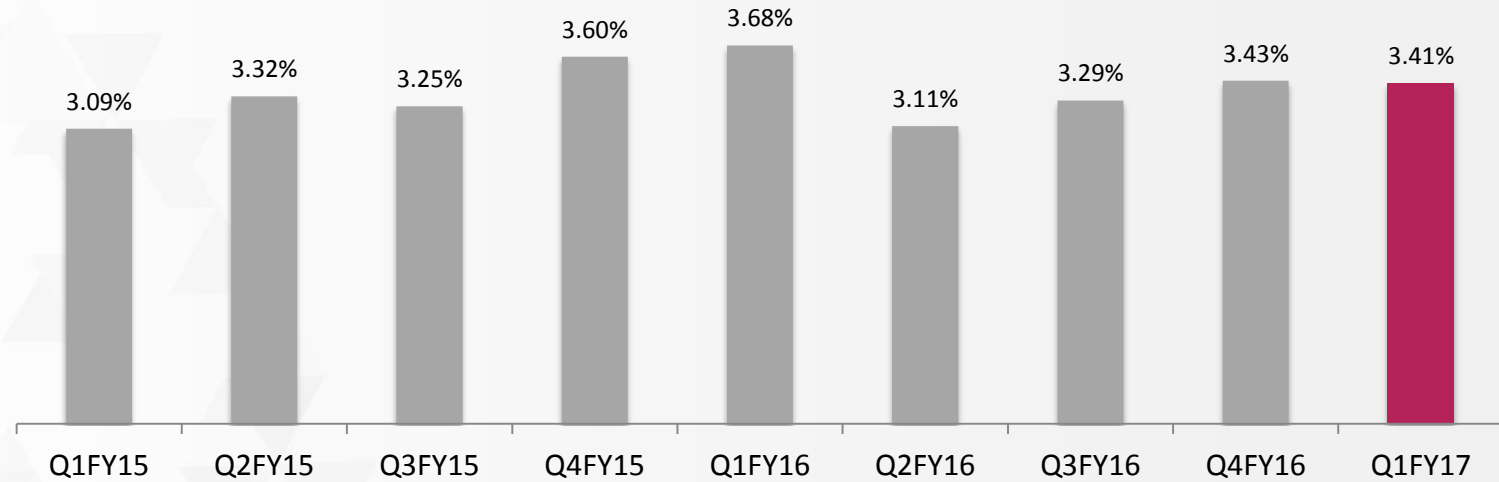


Net Interest Income

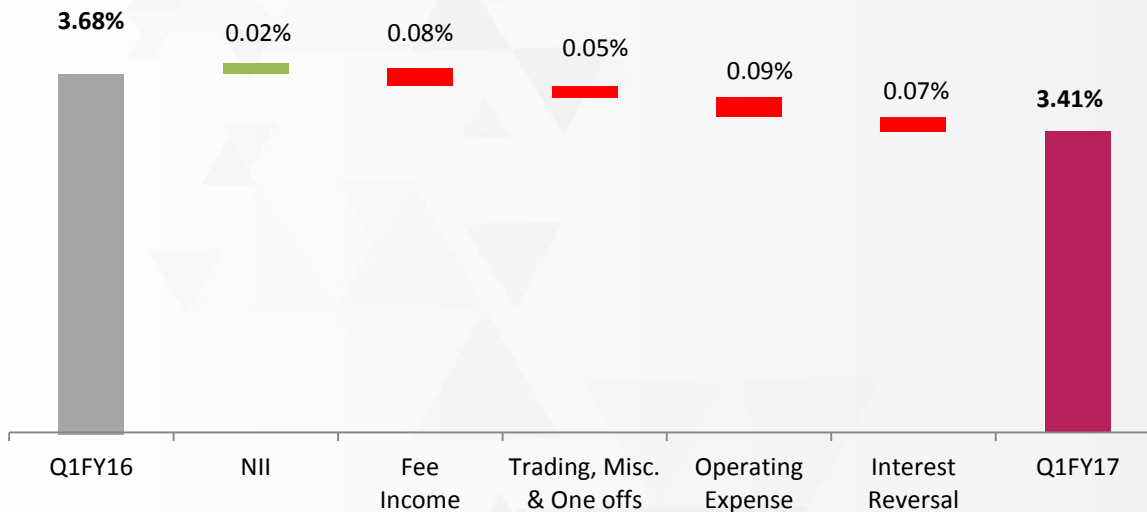


Operating Profit margin has reduced compared to last year

Operating Profit Margin Trend



Movement in Operating Profit Margin

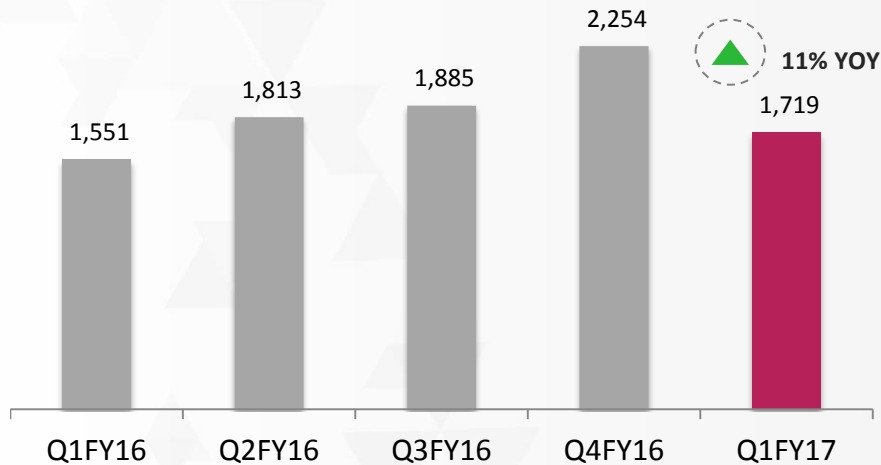


- **Operating expenses** - 102 new branches opened in Q1FY17, a total of 201 new branches in the last two quarters, compared to 31 in the similar period one year ago
- **Interest reversal** - Higher slippages compared to Q1FY16 resulted in higher interest reversals

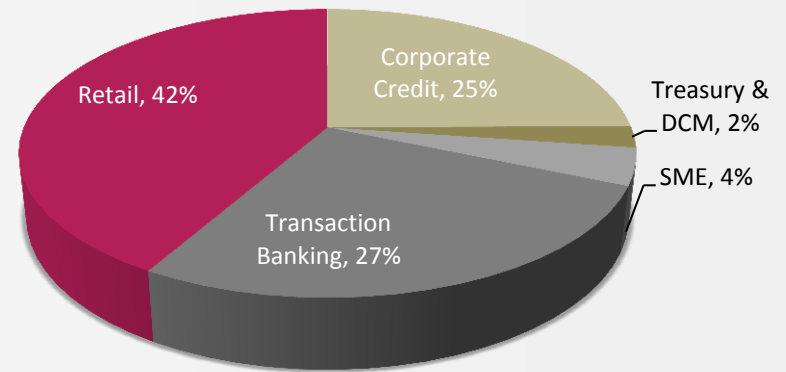
Fee growth is steady. Granular fees continue to grow.

All figures in ₹ Crores

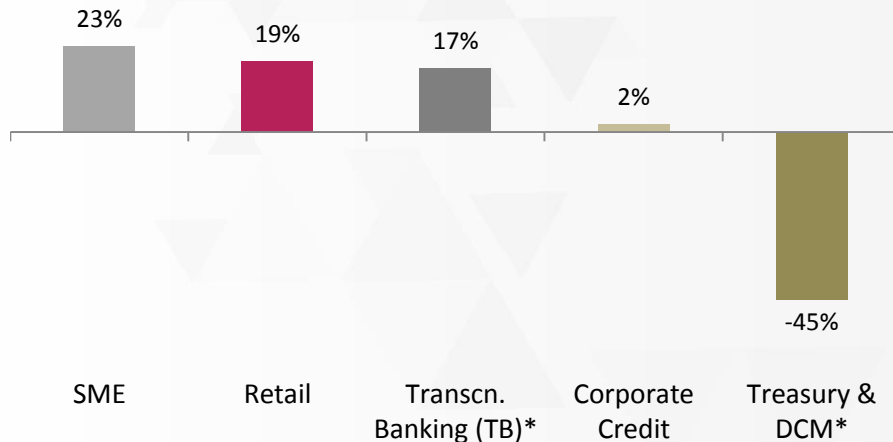
Fee Income



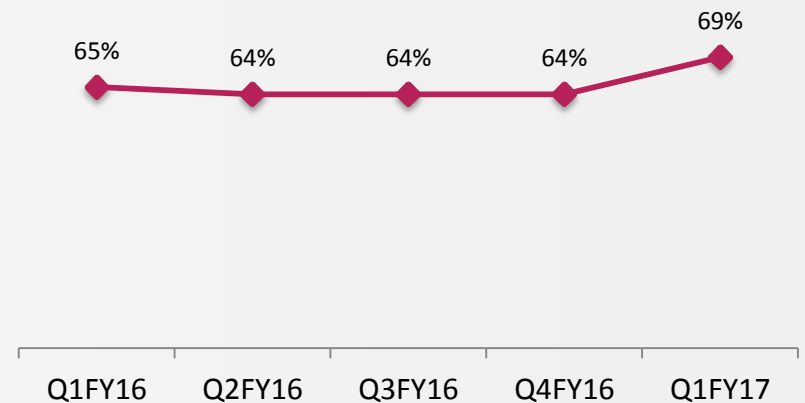
Fee Composition



Fee Growth (YOY)



Granular Fees**



*some fees have been reclassified as TB fees from Treasury & DCM segment

**Retail + Transaction Banking Fee as % of total fee income

Performance Highlights

Growth

Earnings Quality

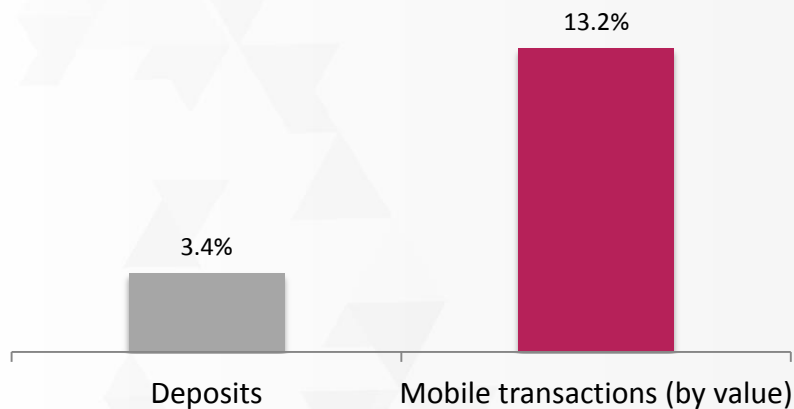
Retail Franchise

Asset Quality

Other important information

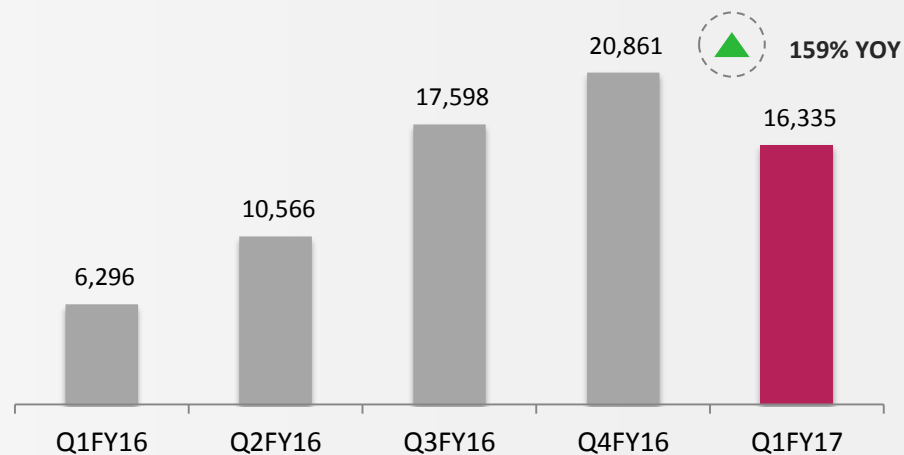
Retail Bank has market leading digital capabilities

Market Share*

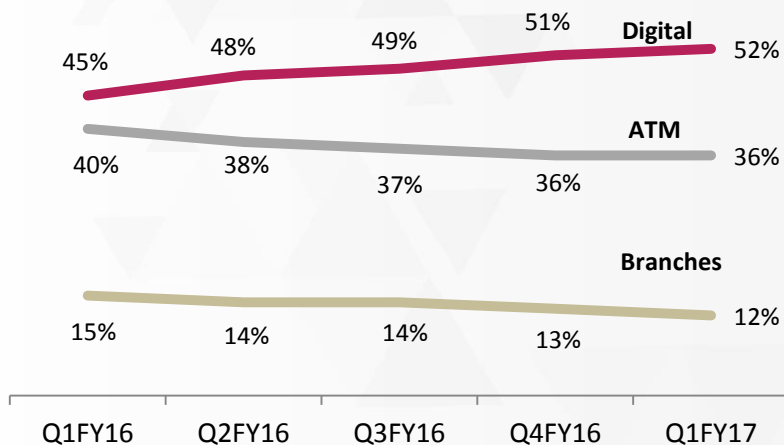


* Source : RBI as on March 2016

Mobile Banking Spends (₹Cr)

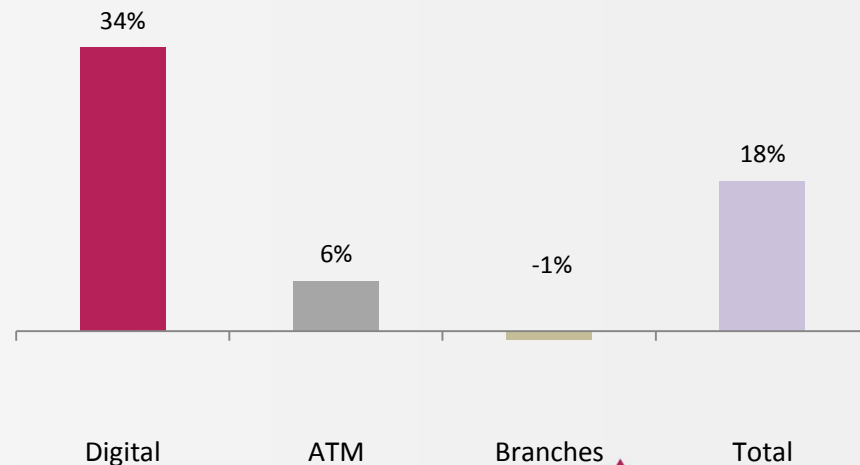


Transaction Mix*



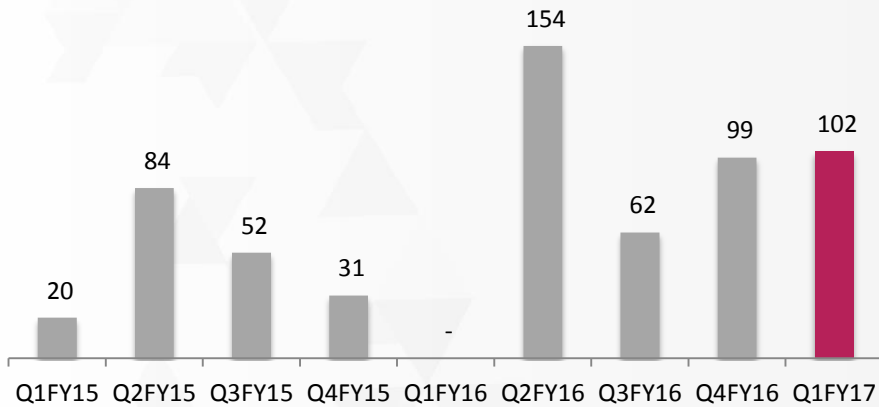
* Based on number of financial transactions performed by individual customers

Transaction Volume Growth YOY

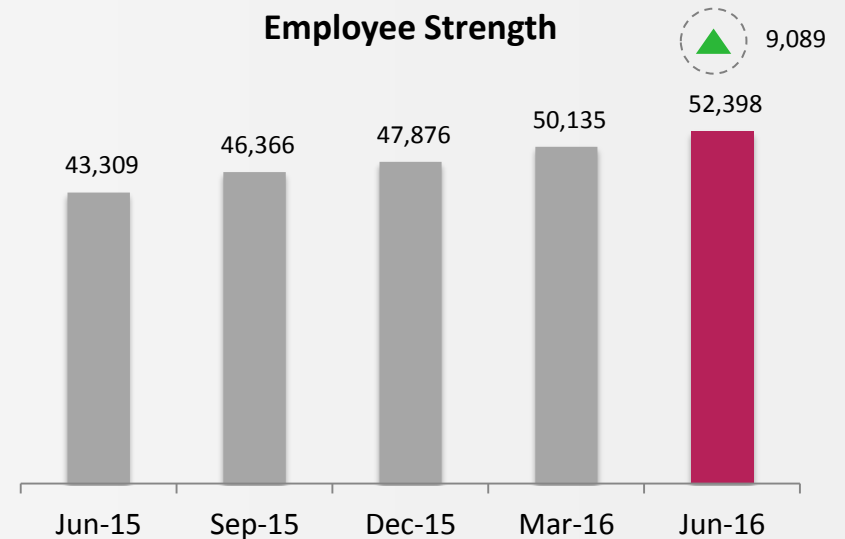


We have also been opening new branches with renewed pace

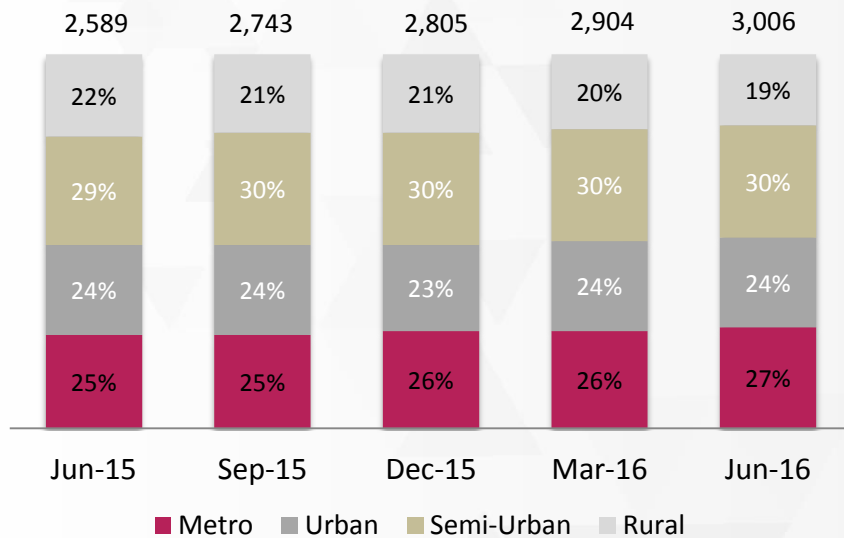
New Branches Opened



Employee Strength

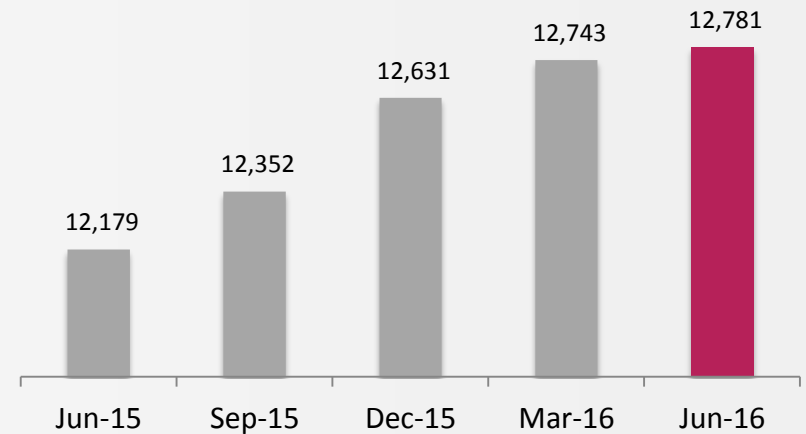


Branch Mix*



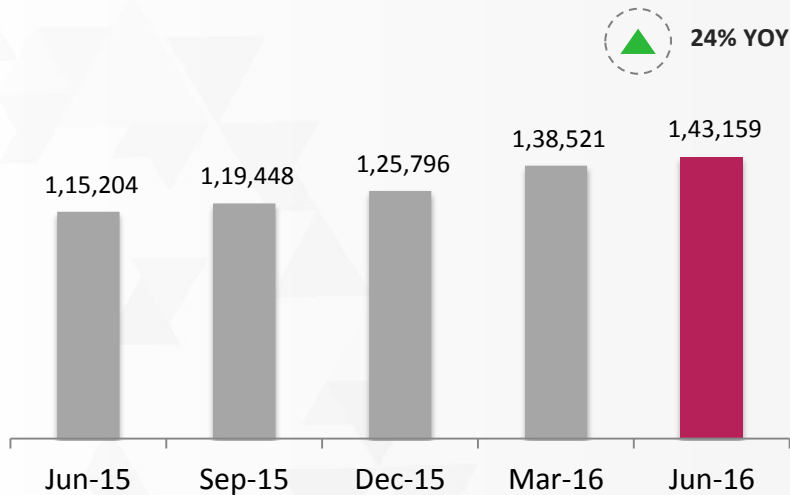
* Includes extension counters

ATMs



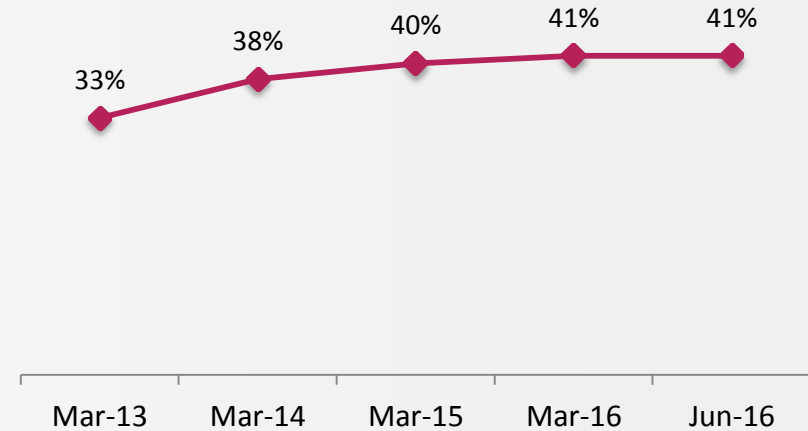
Retail Lending continues to grow steadily

Retail Advances

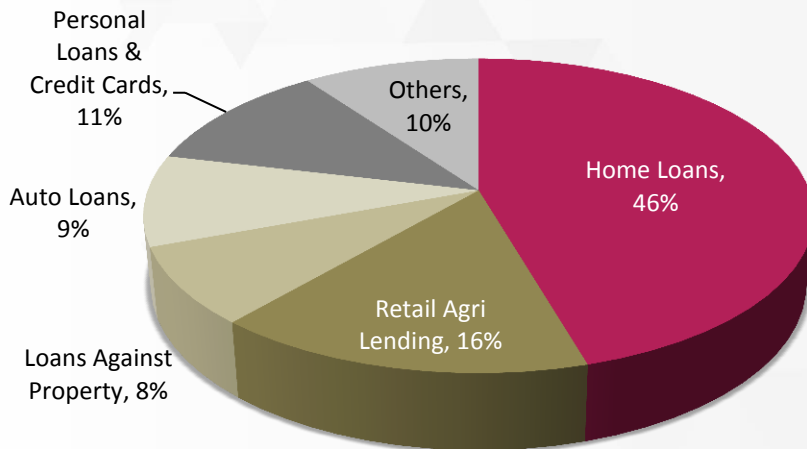


Retail as % of Advances

All figures in ₹ Crores



Retail Advances Mix

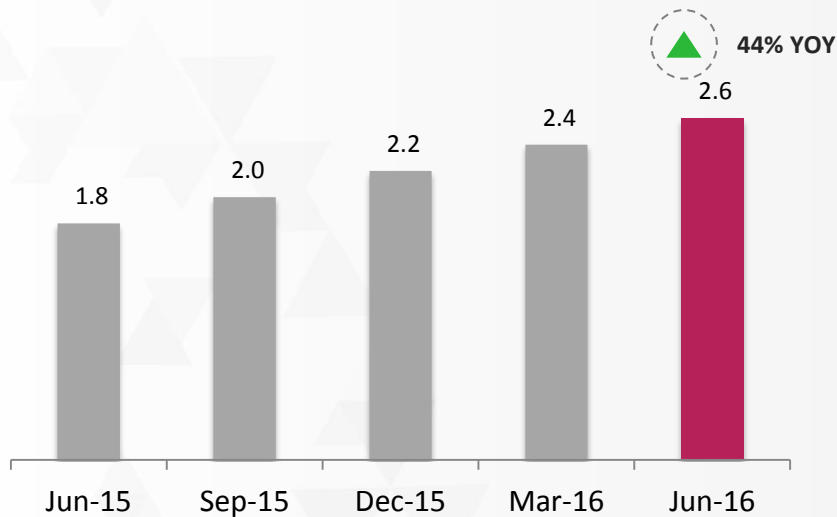


- Sourcing strategy focused on internal customer base of the Bank
- 97% of credit card and 78% of Personal Loan originations in the quarter were from existing customers
- 65% of overall sourcing in Q1 was from existing customers
- 43% of overall sourcing was through Bank branches

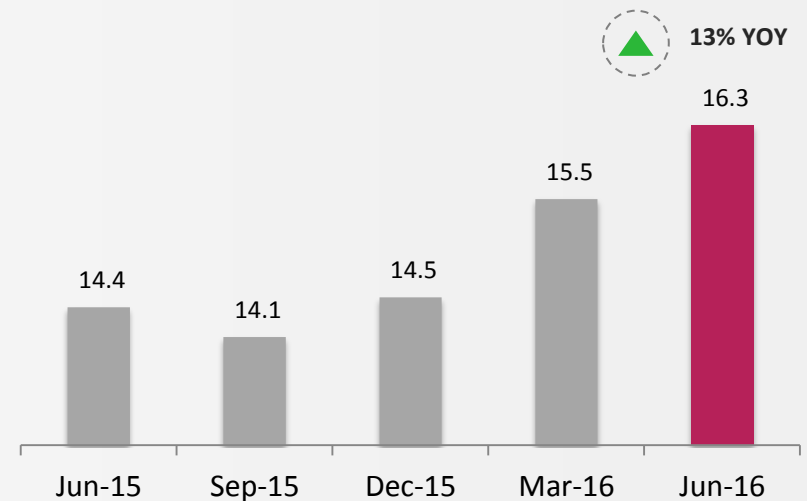
Payments businesses continue to drive deep customer engagement

All figures in mn

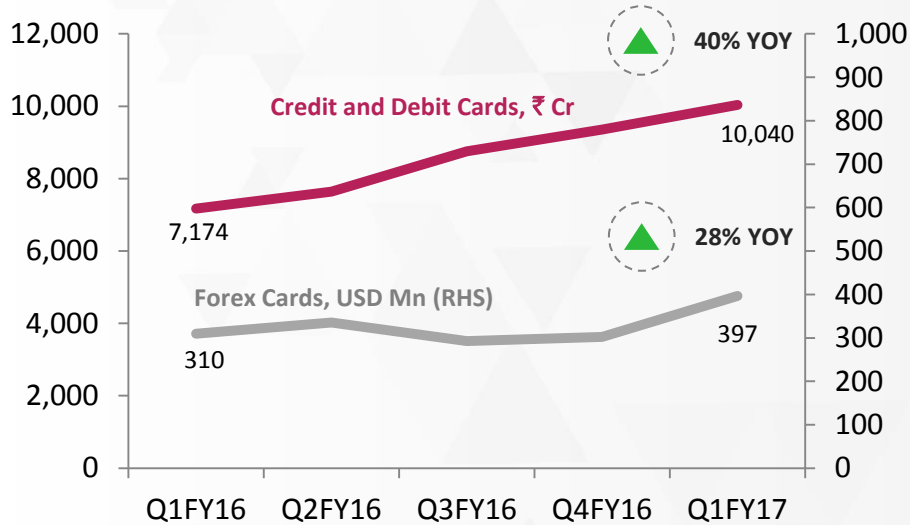
Credit Cards – Cards In Force



Debit Cards – Cards In Force



Cards Spends



Strong positioning in the payments space



4th largest Credit Card issuer in the country



4th largest by debit card spends in the country



Largest Forex Card issuer in the country



3rd largest Merchant Acquirer in the country

Rankings as on March 2016

Performance Highlights

Growth

Earnings Quality

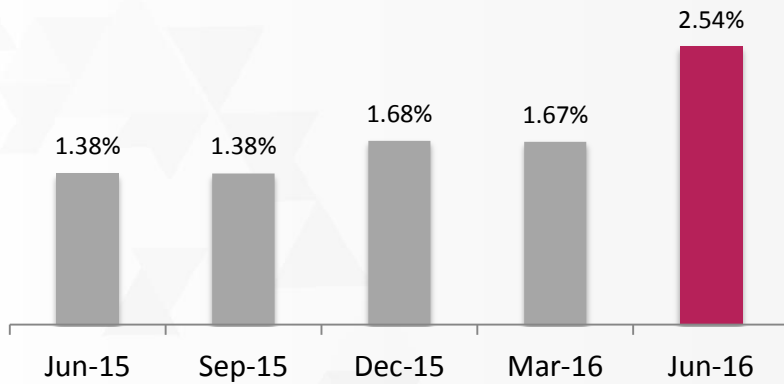
Retail Franchise

Asset Quality

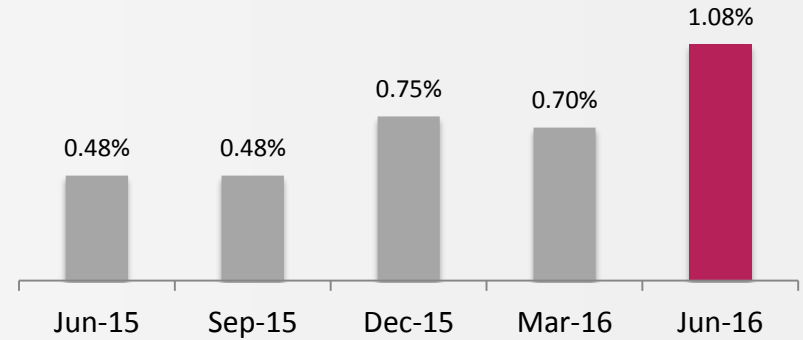
Other important information

Gross and Net NPAs increased in Q1FY17

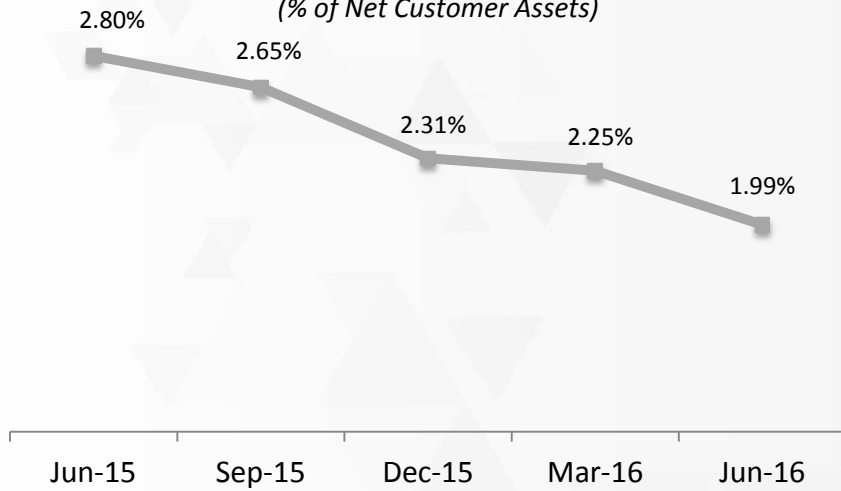
Gross NPA



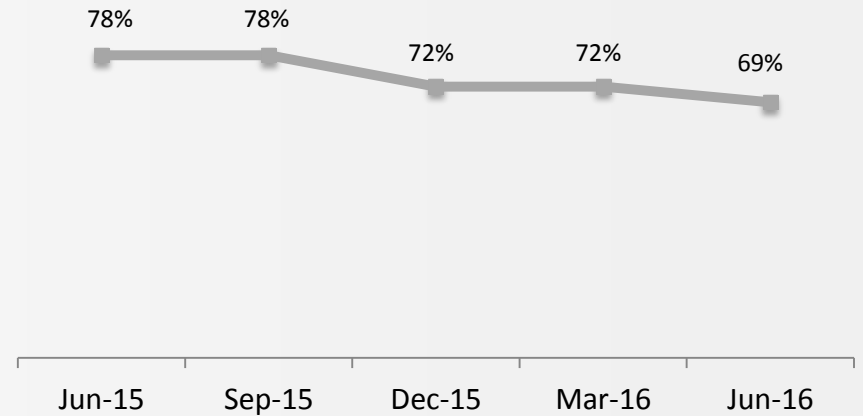
Net NPA



Net Restructured Assets (% of Net Customer Assets)



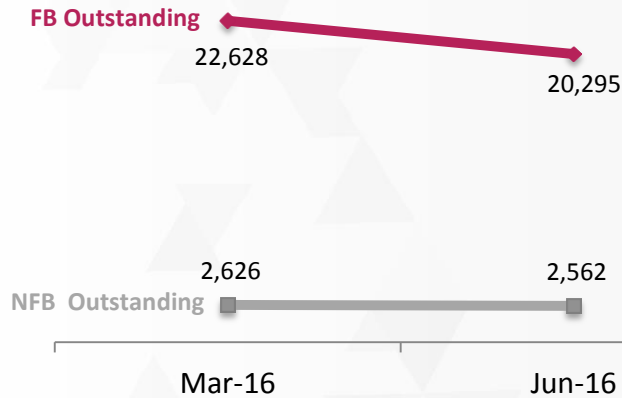
Provision Coverage Ratio



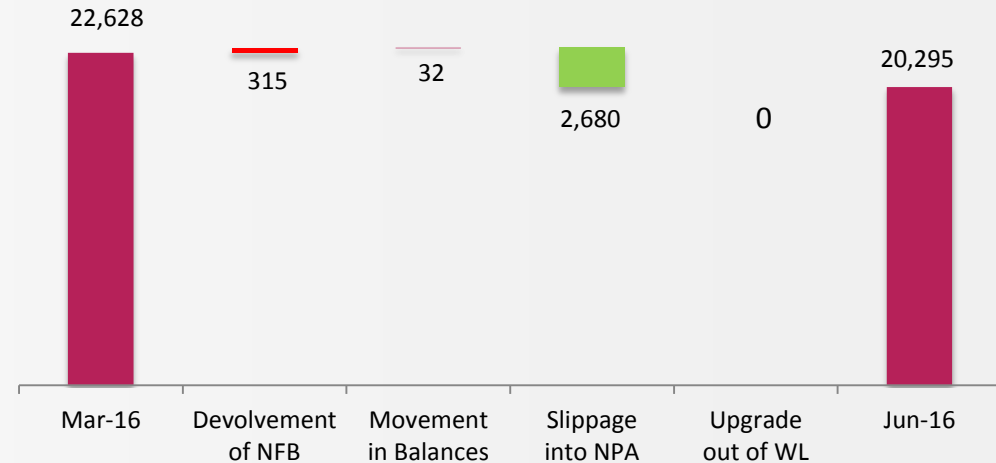
Most of the slippages on Corporate Lending were from the Watch List

All figures in ₹ Crores

Watch List Outstanding



Watch List Activity, Q1 FY17

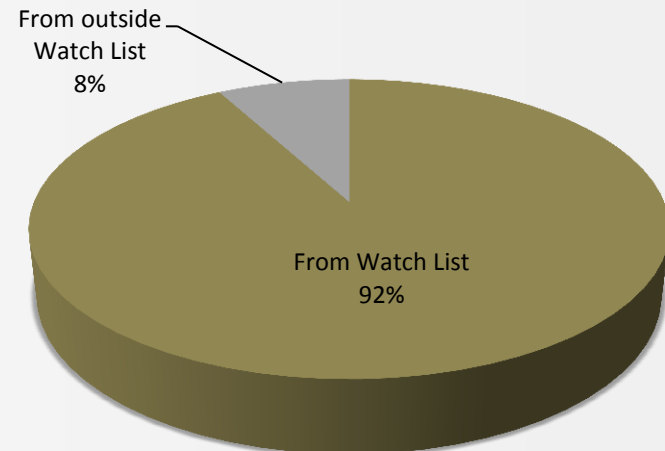


Dissolution Rate

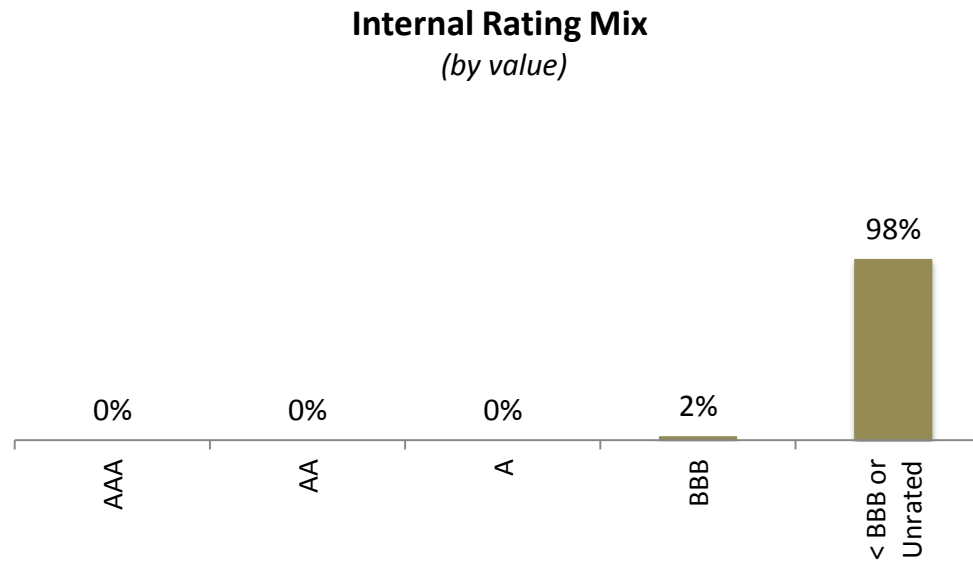
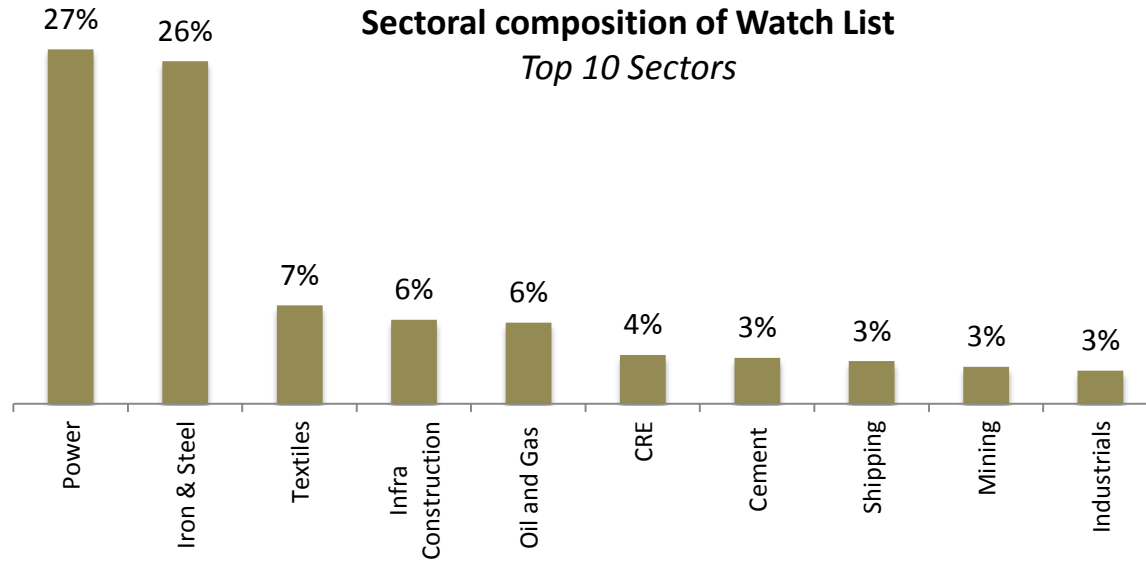
$$\text{Dissolution Rate} = \frac{\text{Net Reduction in WL Outstanding}}{\text{WL Outstanding on 31-Mar-16}}$$

10.3%

Slippages in Corporate Lending

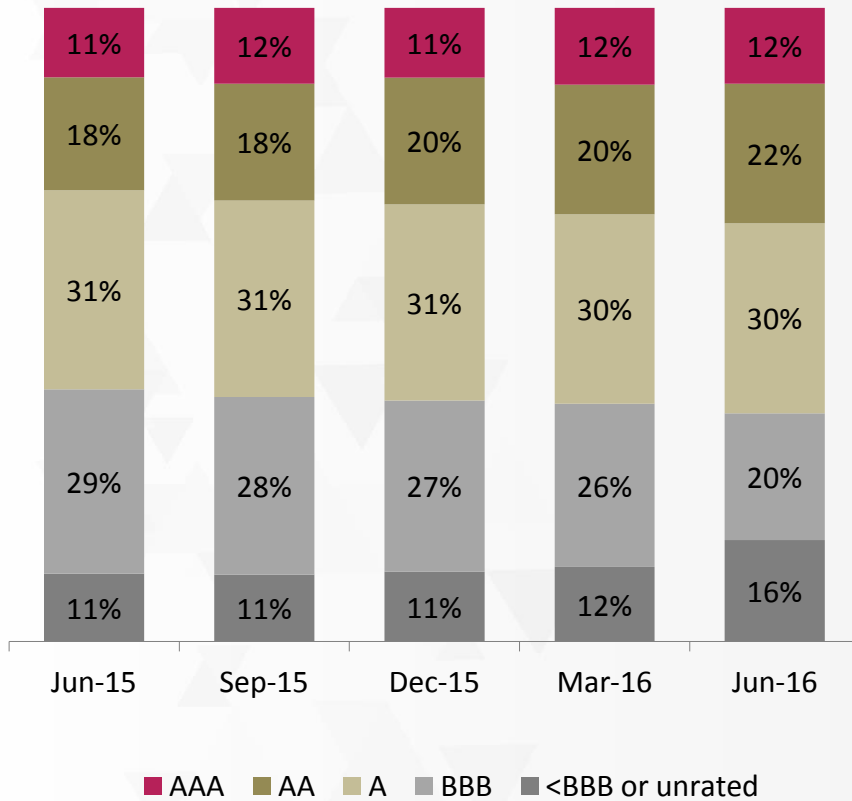


The composition and rating mix of the Watch List has changed



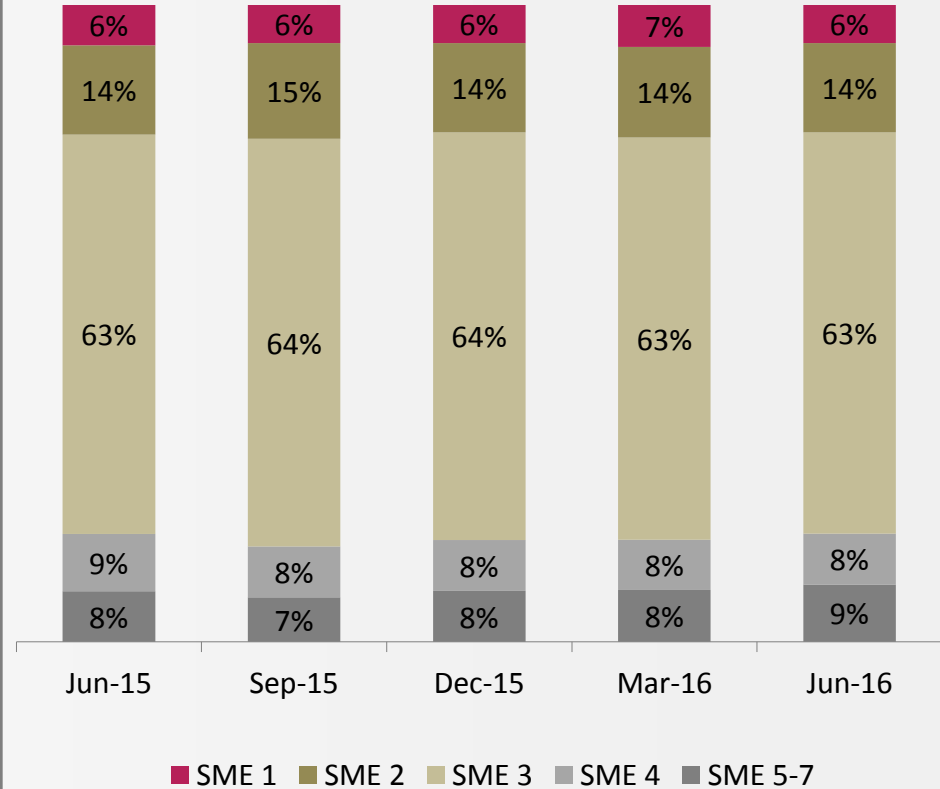
Some corporate exposures were downgraded during the quarter

Corporate Lending



64% of corporate advances have rating of at least 'A' in June 2016

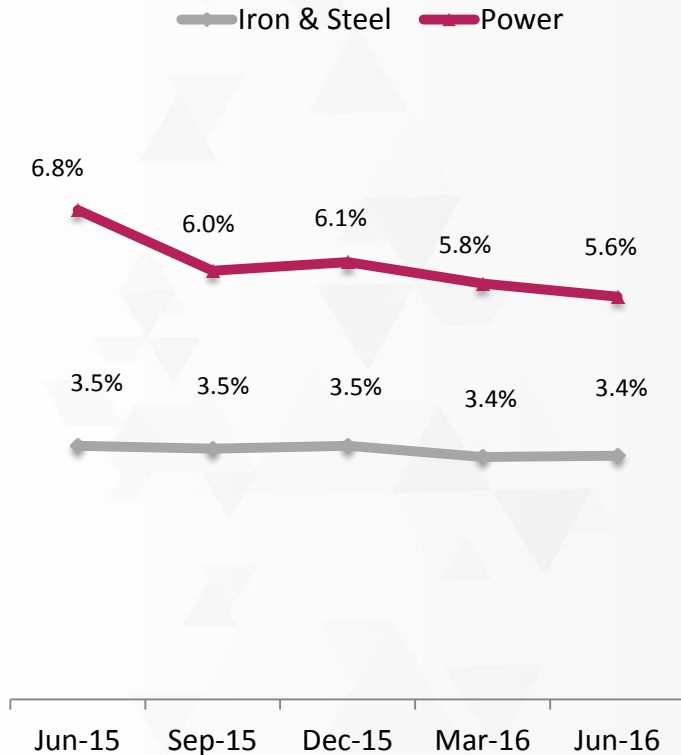
SME Lending



83% of SME advances have rating of at least 'SME3' in June 2016

Industry concentration is stable

Industry Concentration
(% of total outstanding)



Rank	Sectors	Outstanding as on 30 th June, 2016 (%) ¹		
		Fund-based	Non-fund based	Total
1.	Infrastructure ²	7.22	10.31	7.91
2.	Financial Companies ³	4.45	13.40	6.44
3.	Engineering & Electronics	3.06	18.11	6.40
4.	Power Generation & Distribution	6.06	4.09	5.62
5.	Iron & Steel	3.70	2.42	3.42
6.	Other Metal and Metal Products	3.35	2.73	3.22
7.	Trade	3.19	3.29	3.22
8.	Real Estate	3.42	1.44	2.98
9.	Food Processing	2.73	2.04	2.57
10.	Petroleum & Petroleum Products	0.81	8.46	2.51

¹ Percentages stated above are on the total fund and non-fund based outstanding across all loan segments

² Financing of projects (roads, ports, airports etc)

³ Includes Housing Finance Companies and other NBFCs

Performance Highlights

Growth

Earnings Quality

Retail Franchise

Asset Quality

Other important information

Treasury Portfolio and Non-SLR Corporate Bonds

Investment Bifurcation	Book Value* (₹ Crore)
Government Securities ¹	94,702
Corporate Bonds ²	20,049
Others	8,525
Total Investments	1,23,276

* as on 30th June 2016

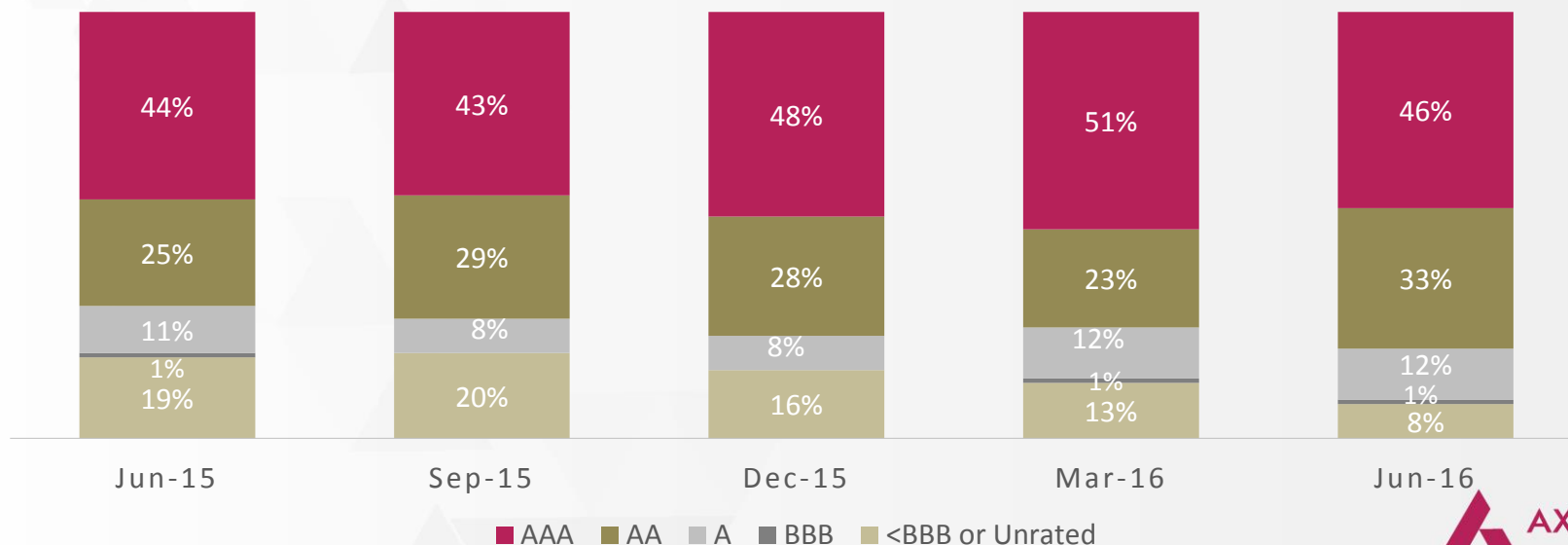
¹ 71% classified under HTM category

² 90% classified under AFS category

Category	Proportion	Modified Duration*
Held Till Maturity (HTM)	56%	6.63 years
Available For Sale (AFS)	33%	2.95 years
Held For Trading (HFT)	11%	4.02 years

* For SLR & Corporate Bonds as on 30th June 2016

91% of Corporate bonds have rating of at least 'A' in June 2016



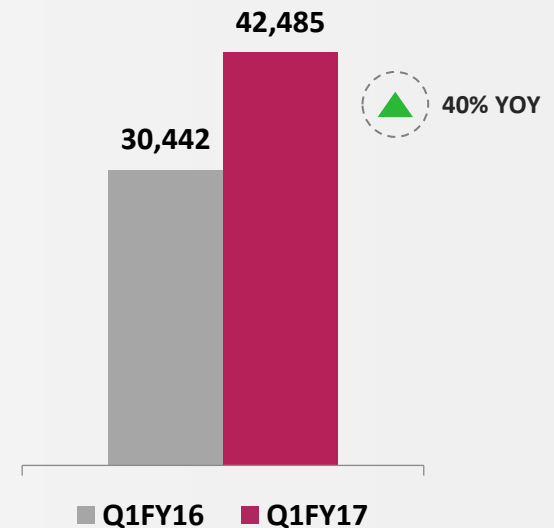
Bank continues to lead the league tables in Debt Capital Markets

All figures in ₹ Crores

Key Highlights

- Dominant player in placement and syndication of debt issuances
- Ranked No. 1 debt arranger by Prime Database for year ended March 2016
- Ranked No. 1 underwriter for ₹ Denominated Bonds by Bloomberg for period ended June 2016.
- Awarded 'Best Debt House in India' by Asiamoney for 2016

Placement & Syndication of Debt Issues

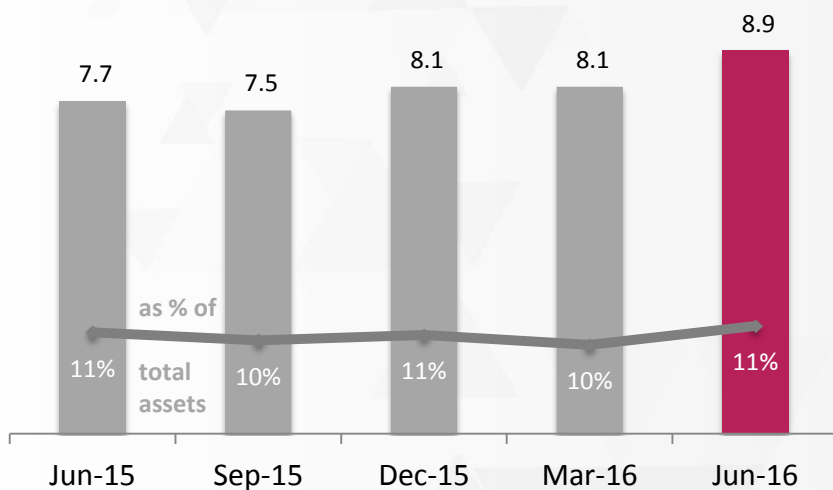


We have a small, strategic international network



1 – Overseas Branches; 2 – Overseas Representative offices; 3 – wholly-owned subsidiary

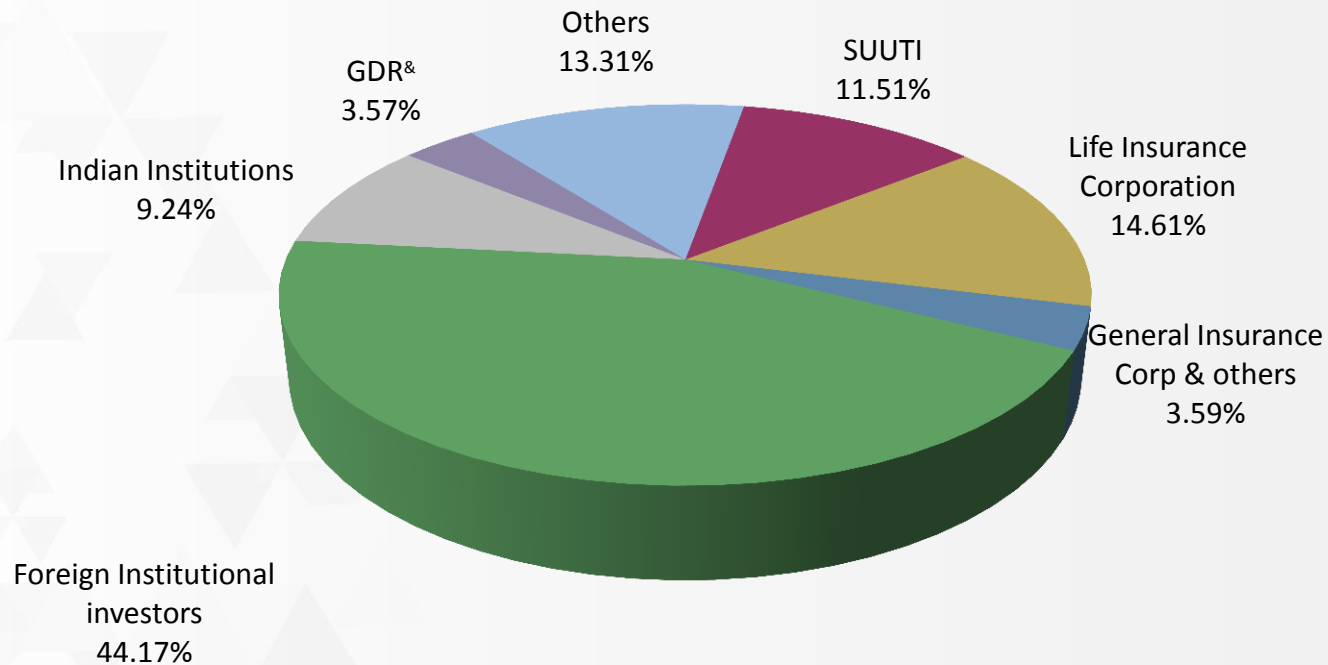
Trend in overseas total assets (USD bn)



Value Proposition

- Wholesale Banking solutions comprises of cross border financing, trade finance, forex hedging products
- Merchant Banking, Debt Capital Market solutions to corporate and institutional clientele
- Retail solutions comprises of remittance products, other banking and investment solutions

Shareholding Pattern (as on 30th June, 2016)



➤ Share Capital	₹477 crores
➤ Shareholders' Funds	₹54,871 crores
➤ Book Value Per Share	₹229.85
➤ Diluted EPS	₹26.05
➤ Market Capitalisation	₹1,28,464 crores (as on 21 st July, 2016)

& 1 GDR = 5 shares

As on June 30, 2016, against GDR issuance of 62.7 mn, outstanding GDRs stood at 17.0 mn

The Bank continues to earn accolades from the external community



The Banker
GLOBAL FINANCIAL INTELLIGENCE SINCE 1926

**Ranked amongst the Top 75
safest banks in the world**



**Best Performing Private Bank,
Financial Advisor Awards 15-16**



**Best among Large Banks for
Digital Banking, Analytics
& Big Data**



THE ASIAN BANKER
STRATEGIC BUSINESS INTELLIGENCE FOR ASIA'S FINANCIAL SERVICES COMMUNITY

**Best Corporate Payment
Project – Technology
Implementation Award 2015**



ASIAMONEY

**Ranked Best Domestic Bank
in India 2015**

Thank You