

Performance and Outlook

November 2017

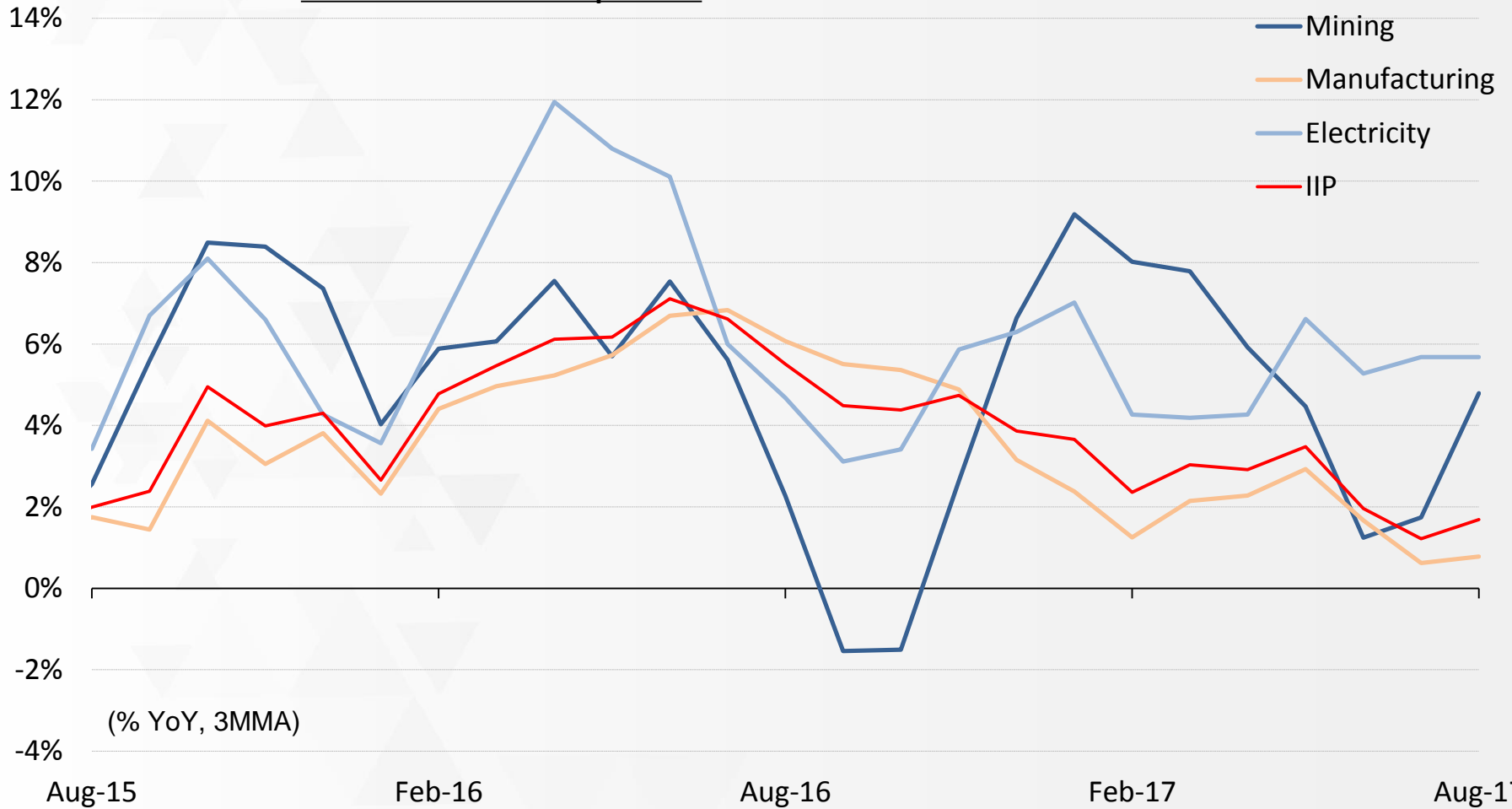
Safe Harbor

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.

Macro Economic Picture

Growth in industrial production has been weak

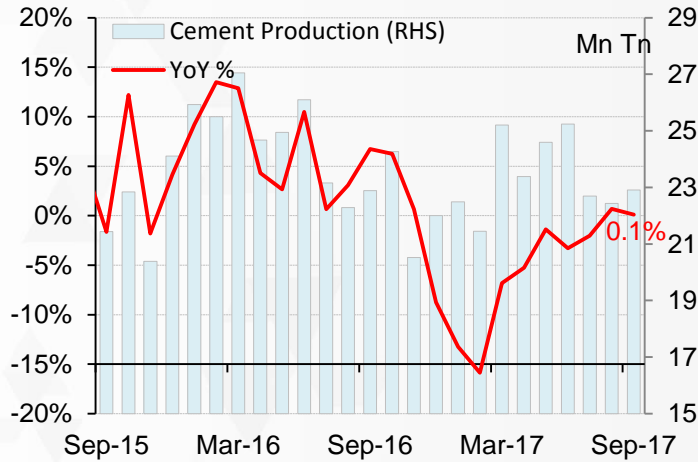
Growth in IIP and Components



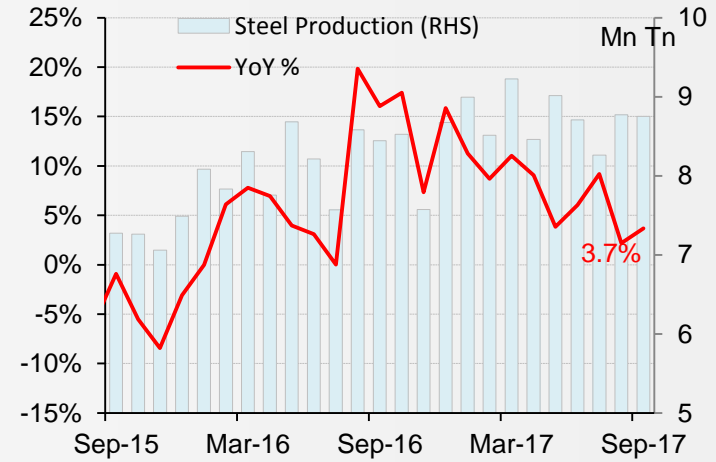
Output parameters have partly rebounded

Select output indicators

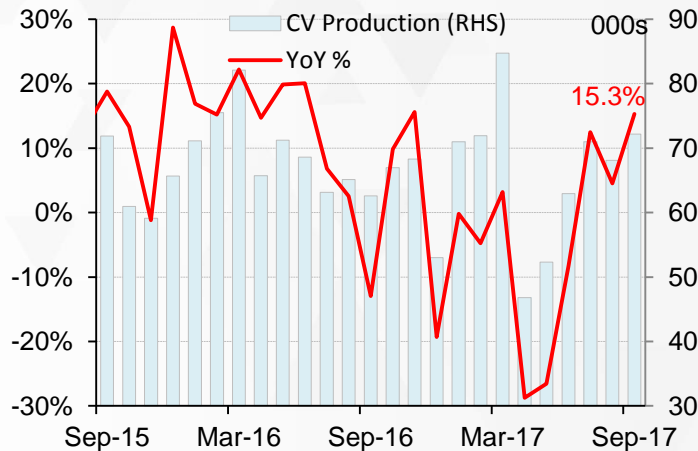
Cement shows moderate growth



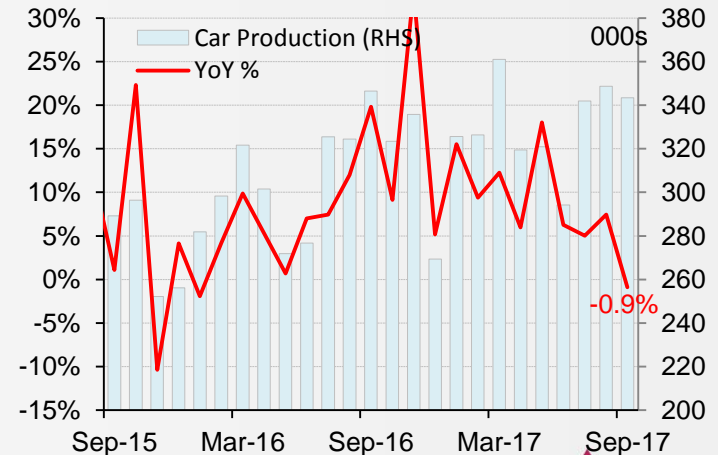
Steel production slows



HCV production picks up sharply after GST

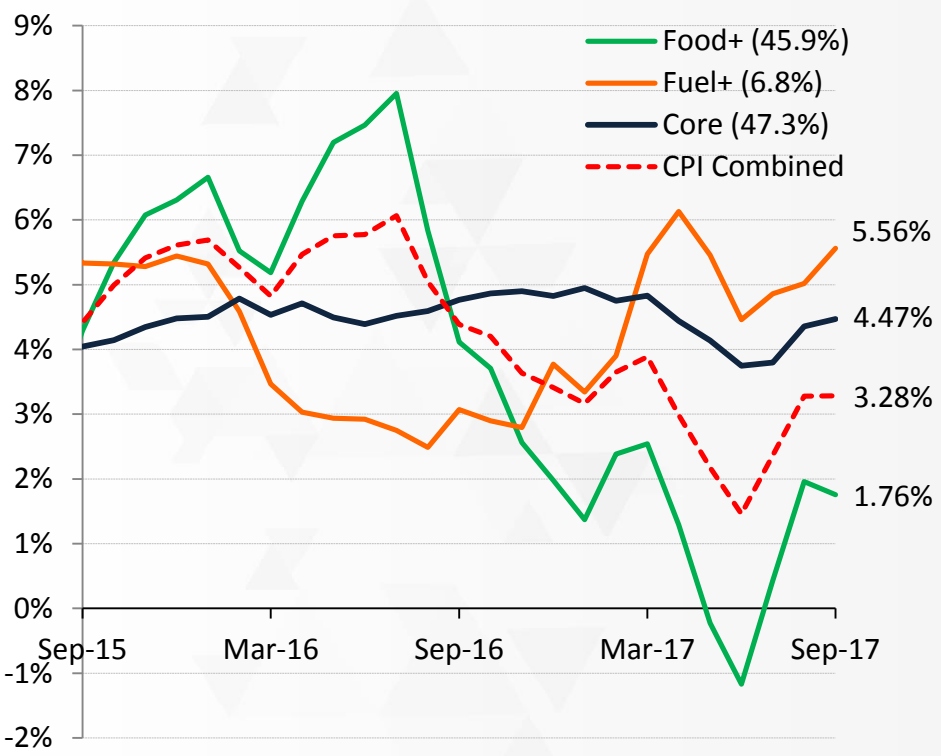


Car production steady

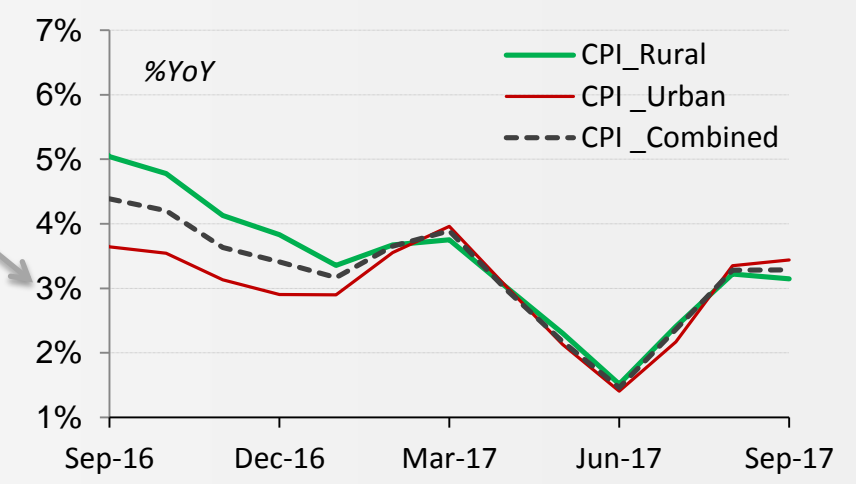
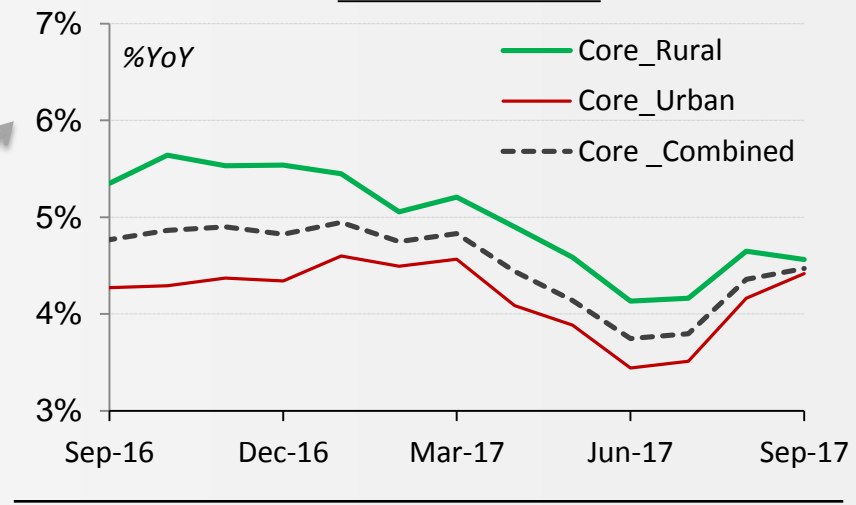


Inflation continues to be benign, but upside risks from food prices, commodities and global factors remain

CPI Inflation and components ...

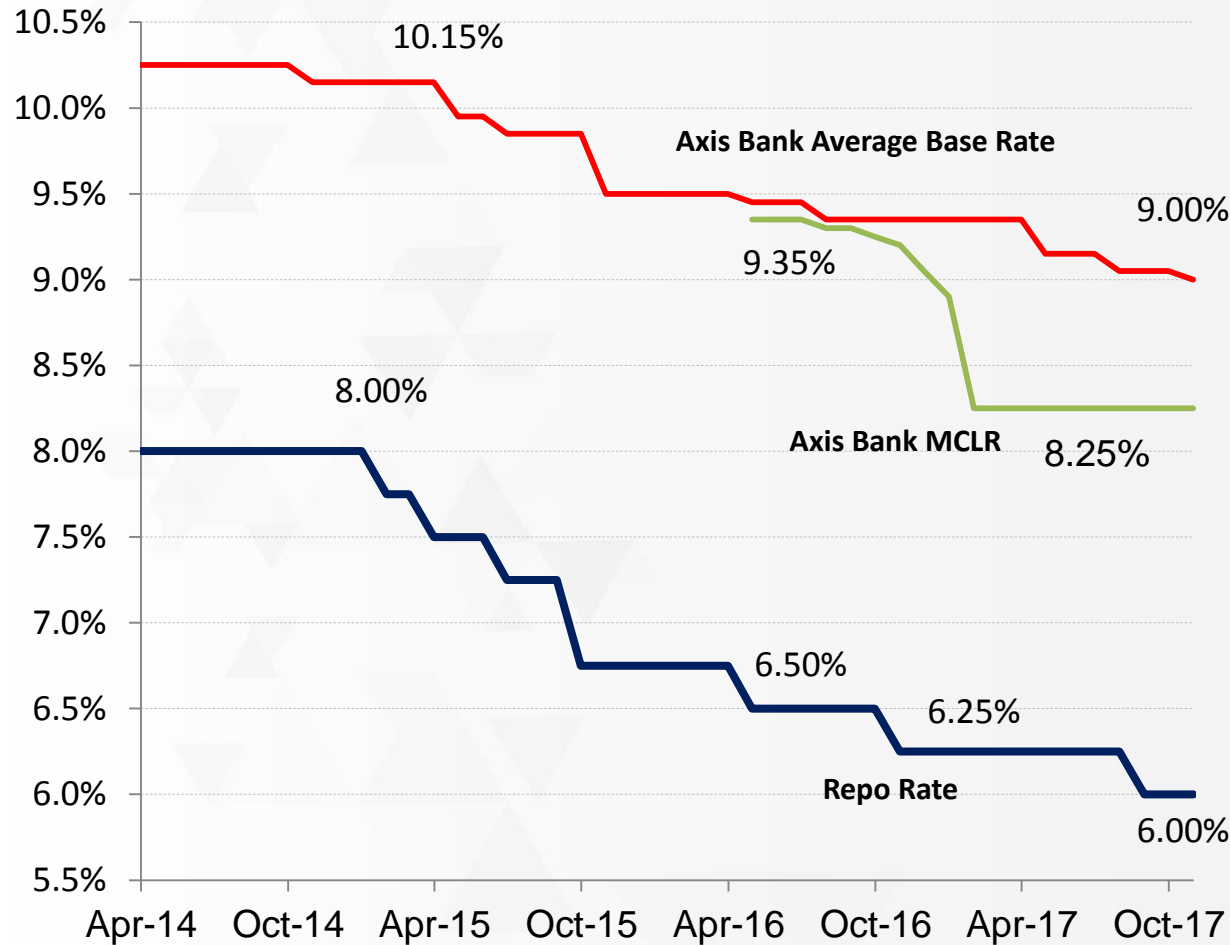


... Urban vs Rural



In line with falling inflation, RBI continues to ease rates and the easing is being transmitted by banks

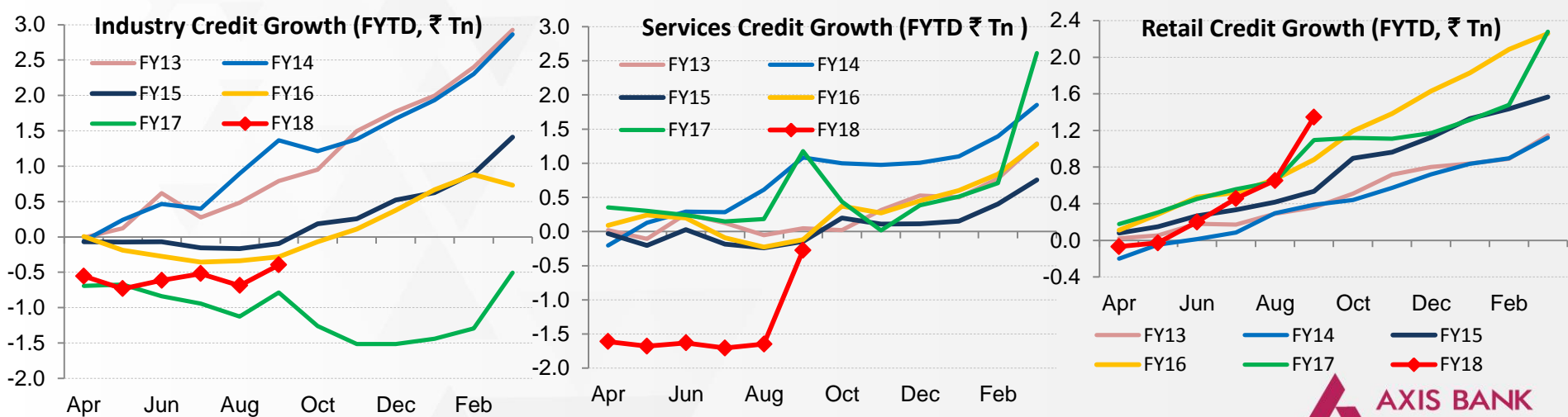
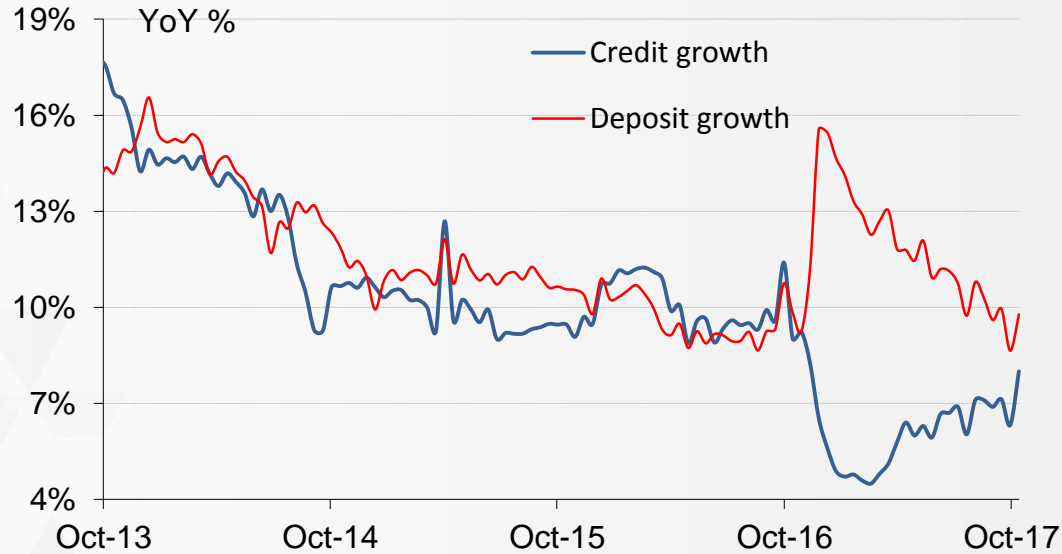
Repo Rate vs Axis Bank Lending Rates



- 200 bps rate cut by RBI since Jan'15
- Bank responded with a reduction of 115 bps in the Base Rate
- Bank has reduced its MCLR too by 110 bps since Apr'15

Deposit growth aided by demonetization, while credit slowed

Banking system credit and deposit growth



Axis Bank Story

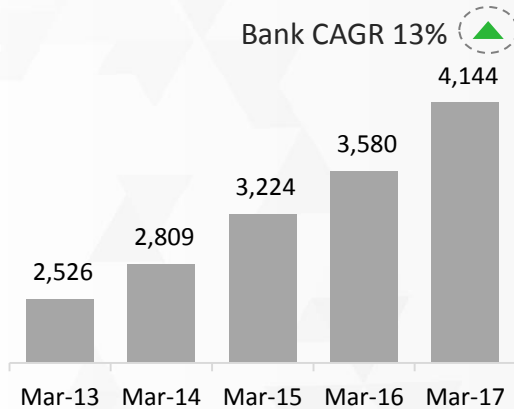
Axis Bank Today

- » Retail franchise continues to show strong traction
- » Strong market positioning in Payments space
- » Continue to make investments in Digital and Analytics to build on strong position
- » Focus remains on building a quality SME book
- » Significant reduction in concentration risk in the Corporate segment
- » Loan growth momentum starting to come back
- » Credit cycle coming to its last phases. Normalization expected next year
- » Subsidiaries continue to deliver healthy performance

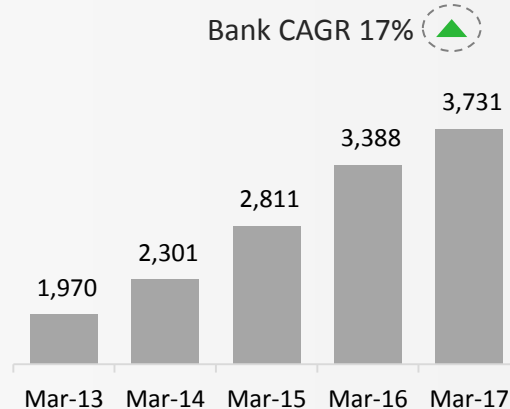
The retail-ization of Axis Bank has been the bedrock of our financial performance...

All figures in ₹ billion

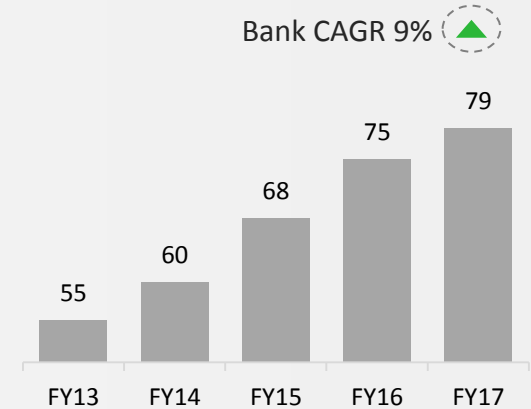
Overall Deposits



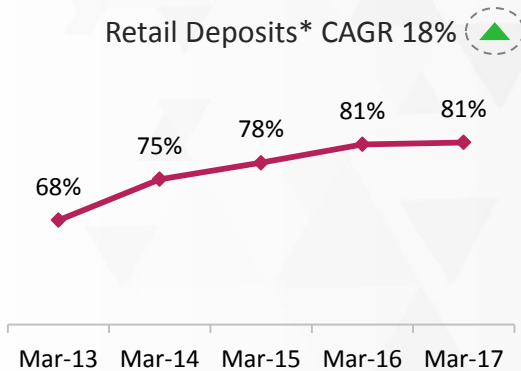
Overall Advances



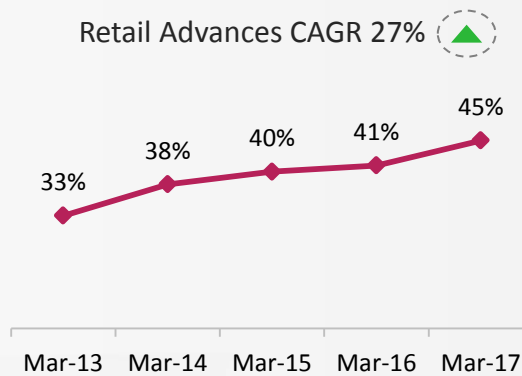
Overall Fee Income



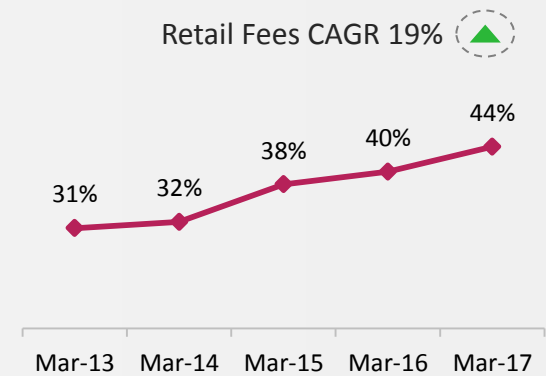
Retail % - Deposits



Retail % - Advances



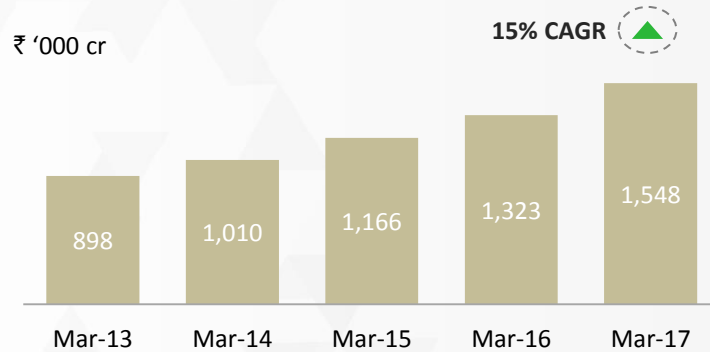
Retail % - Fee Income



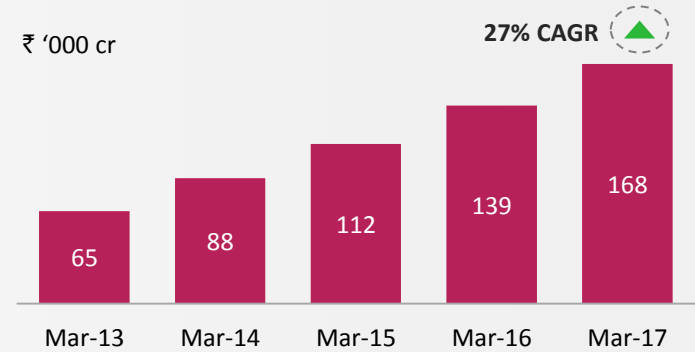
* Includes CASA and Retail TD

We have been able to grow retail advances faster than Industry by focusing on our core strengths

Banking Industry Retail Advances



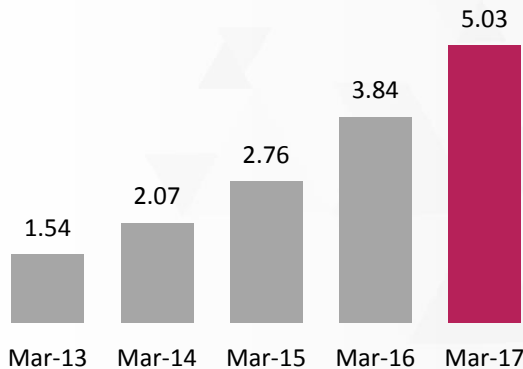
Axis Bank Retail Advances



* Personal Loans from RBI reports on Sectoral deployment of Bank Credit

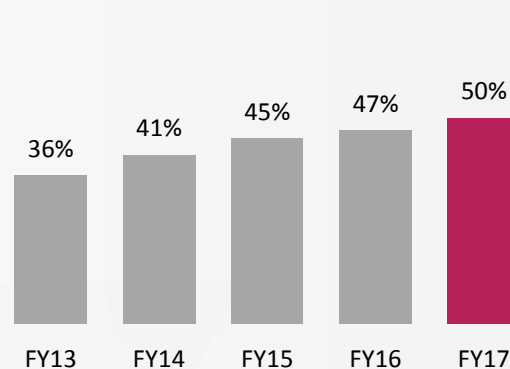
Granular Growth

Customer* Growth (in mn)



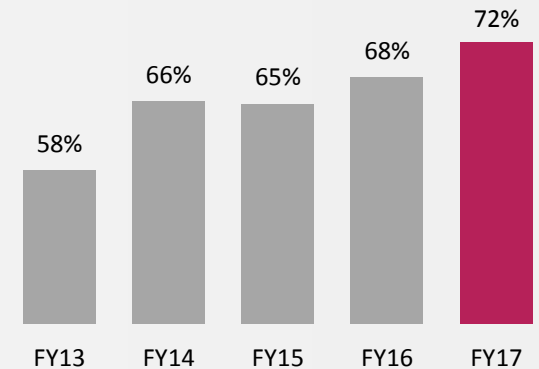
Leverage Branch Channel

% Sourcing through branches



Focus on existing customers

% Sourcing from existing customers



* Include unique customers availing retail loans, rural loans and credit cards

We have strong market position across Digital Payment Solutions

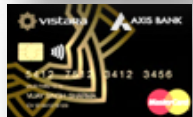
Axis Bank Market Standing Across Products

Product	Credit Cards ¹	Debit Cards ²	Mobile Banking ³	Point of Sale Terminals	Forex Cards	Savings Accounts
Market share	11%	7%	17%	16%	44%	4%
Ranking	4 th	4 th	1 st	2 nd	1 st	8 th

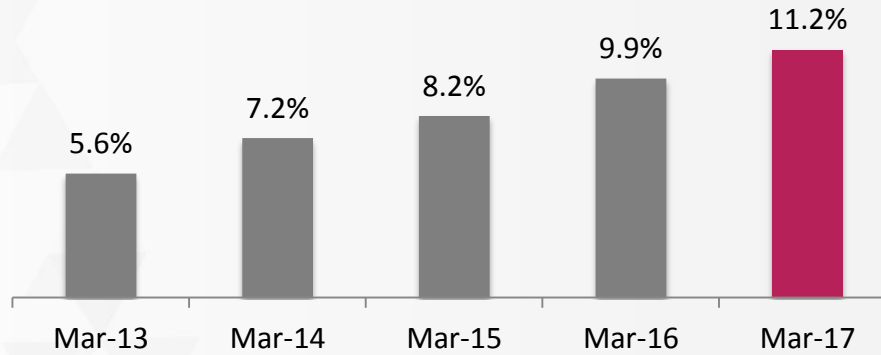
Source: RBI, Internal Data

1- based on cards issued; 2 – based on card spends at point of sale terminals ; 3 – based on value (RBI August 2017 data)
Savings Accounts data is based on RBI figures as on 31 March 2017

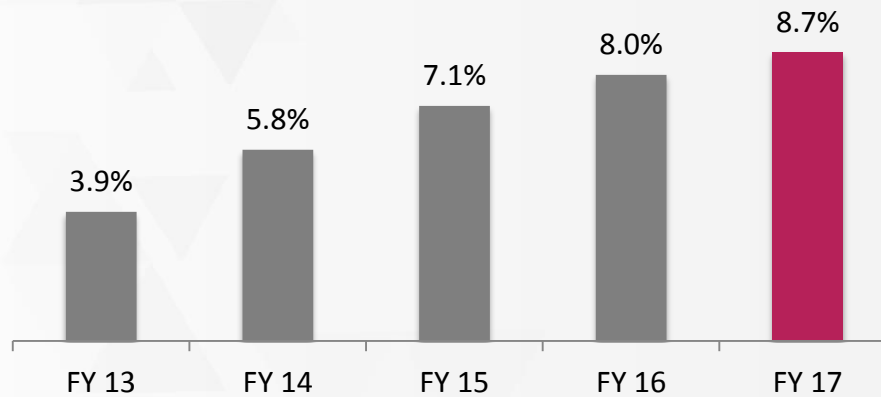
Our Cards Issuance business continues to grow and deepen the franchise



Cards in Force – Market Share



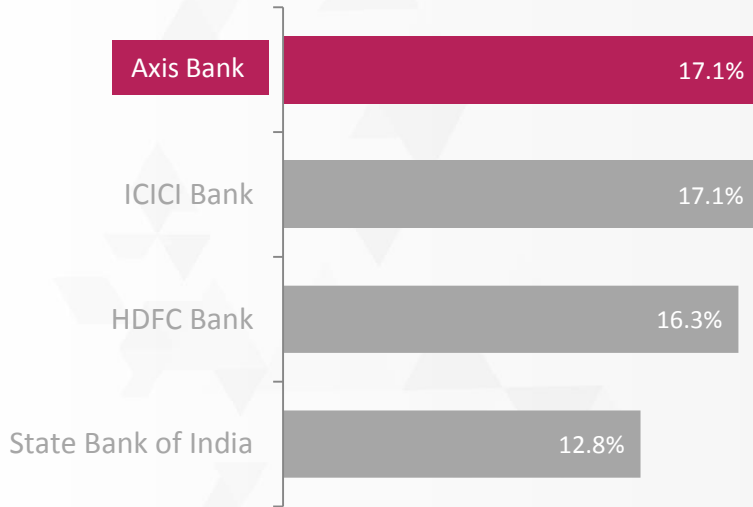
Cards Spends – Market Share



Market Share grew 2X in last 4 years

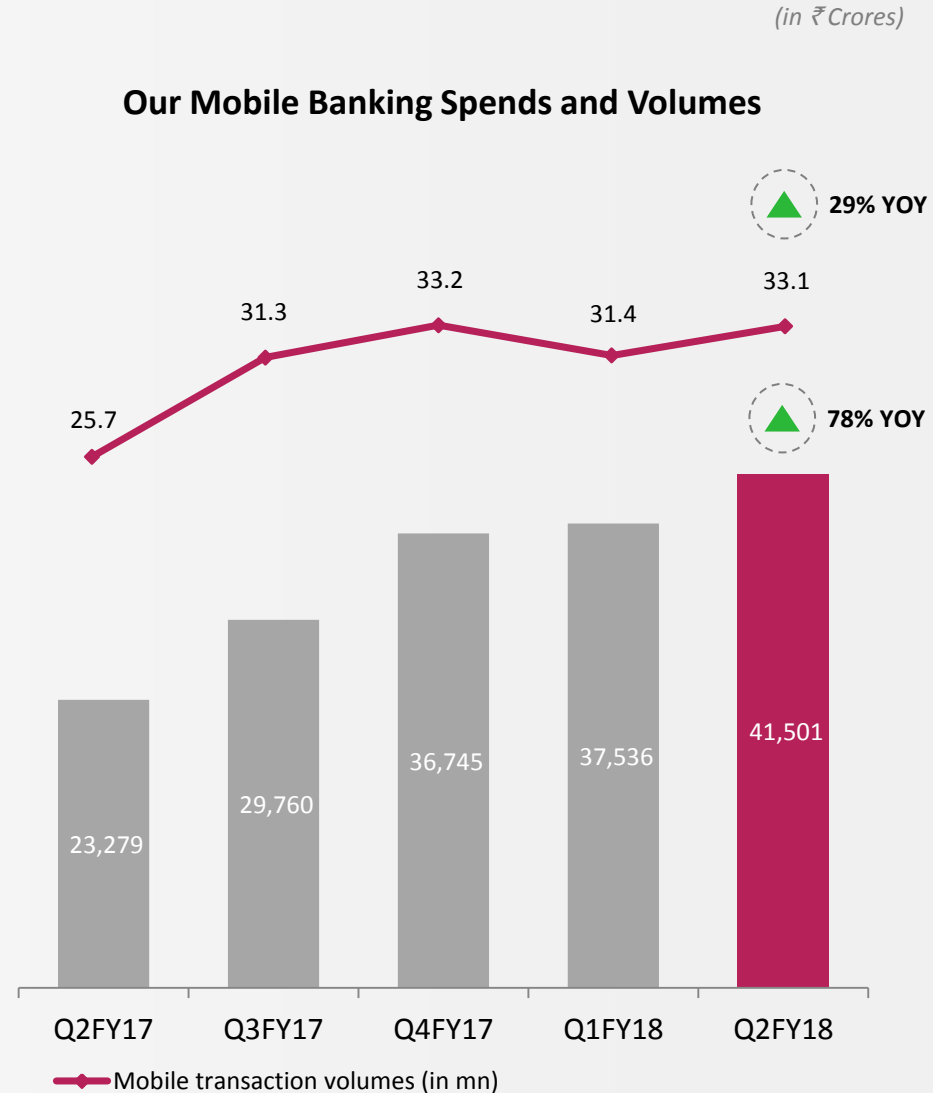
We are ranked #1 in mobile spends market share

Market Share in Mobile Banking (by Value)



Source: RBI data for August 2017

Our Mobile Banking Spends and Volumes



Freecharge helps us augment our digital capabilities and execution capacity



More than 2x Customer Base



Popular Digital-only Brand



High Frequency Use-cases



World Class Team with a start-up mind-set



Digital Distribution



100% API based Technology Stack

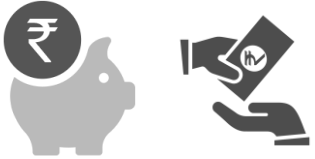
Through Freecharge, we intend to....



Leverage Payments as a Hook (UPI, QR etc)



Target digitally-native, mobile-first SA customers

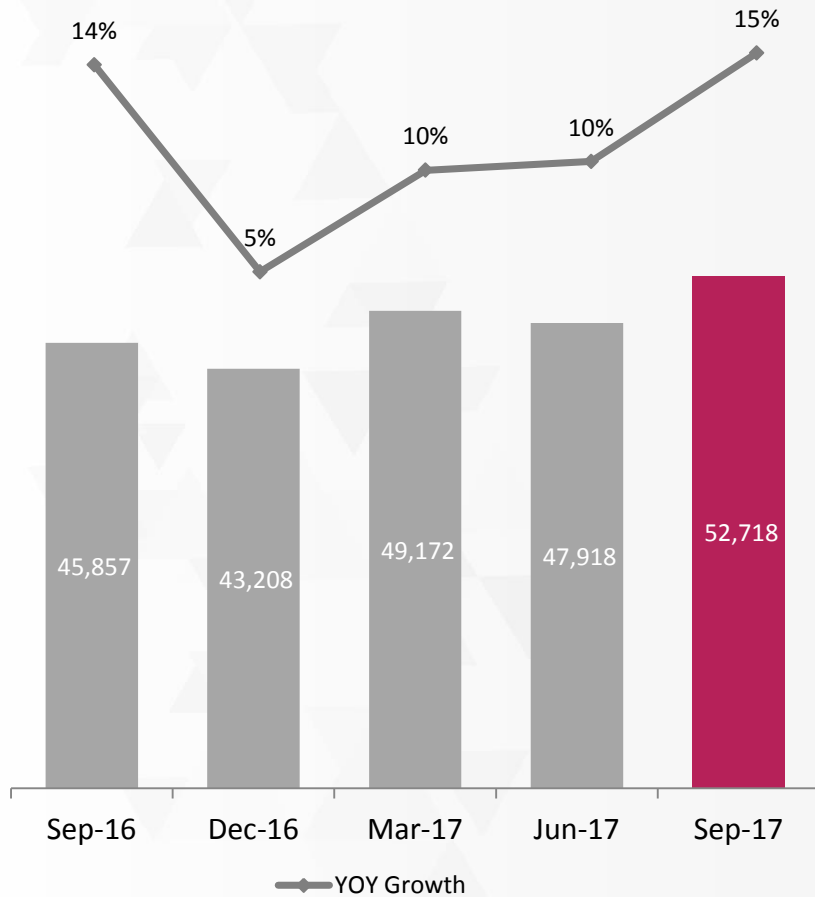


Source and service loans (PL, Cards, Consumer Loans) digitally

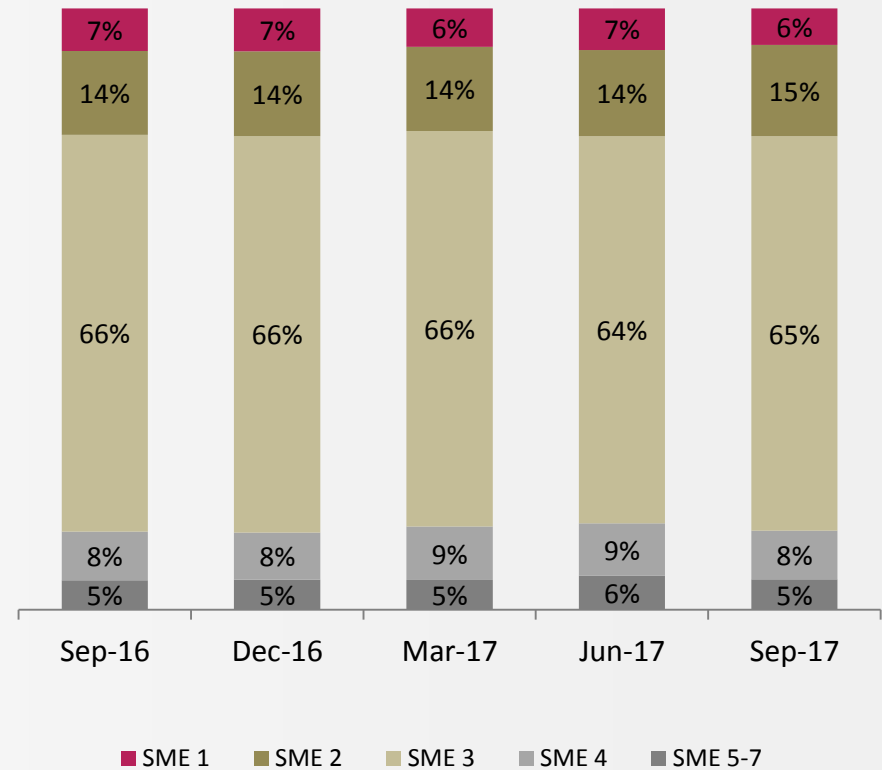
SME - focus remains on building a quality book

All figures in ₹ Crores

SME Loan growth



87% of SME exposure* have rating of at least 'SME3'

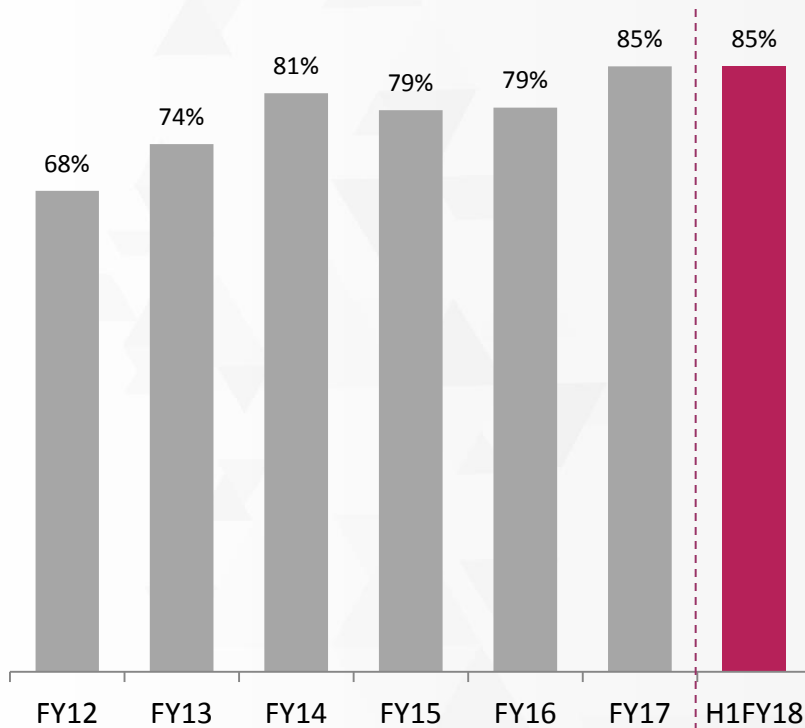


* Only includes standard exposure

Corporate loan book is now of much better quality with reduced concentration risk

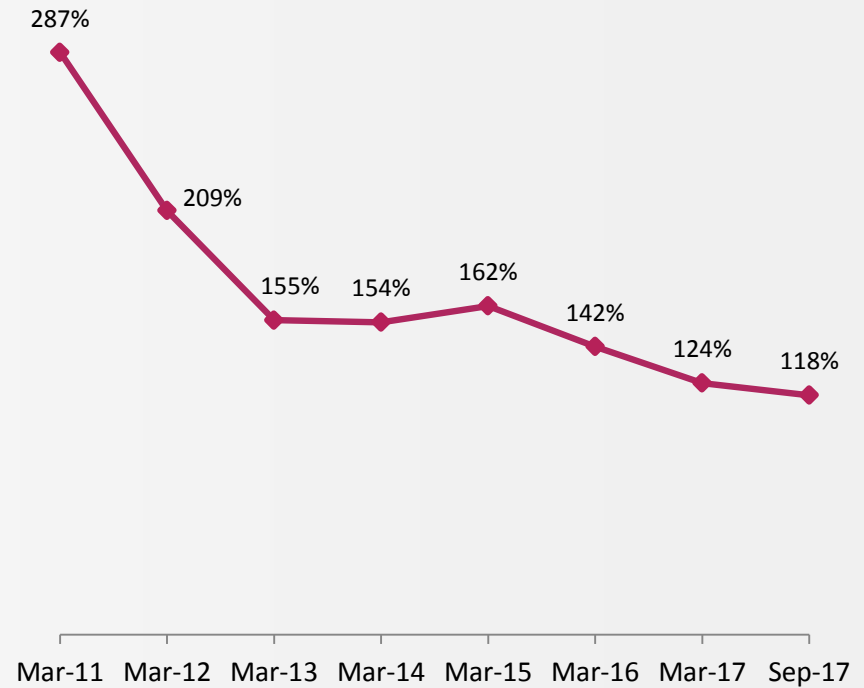
Incremental sanctions have been to better rated corporates

Percentage of sanctions rated A- & above



Concentration Risk is reducing

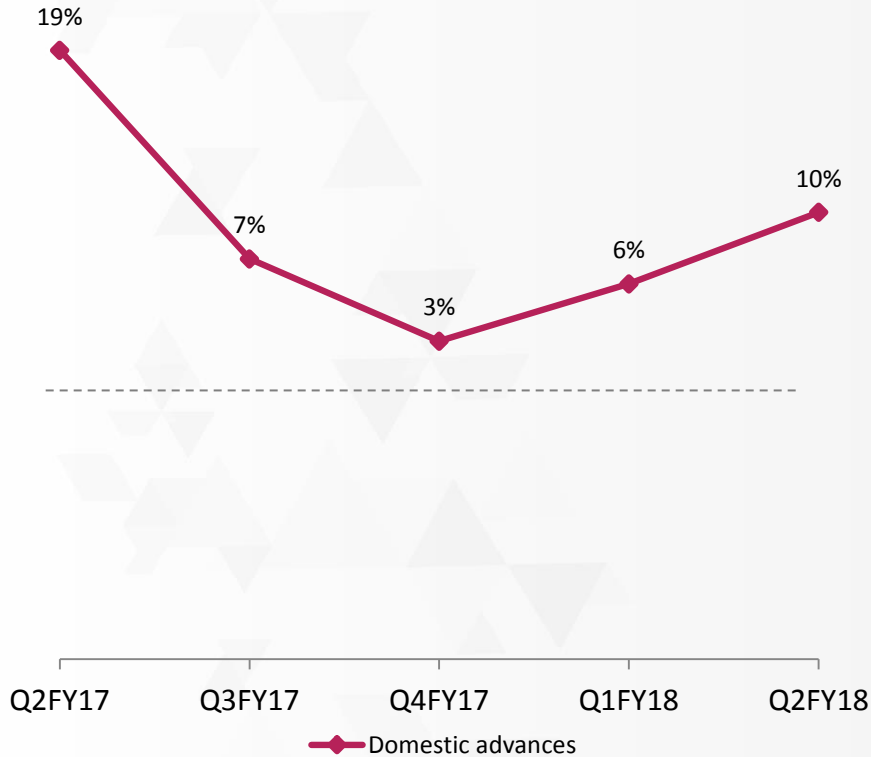
Exposure to Top 20 single borrowers as a % of Tier I Capital



Corporate loan growth driven by Working Capital loans

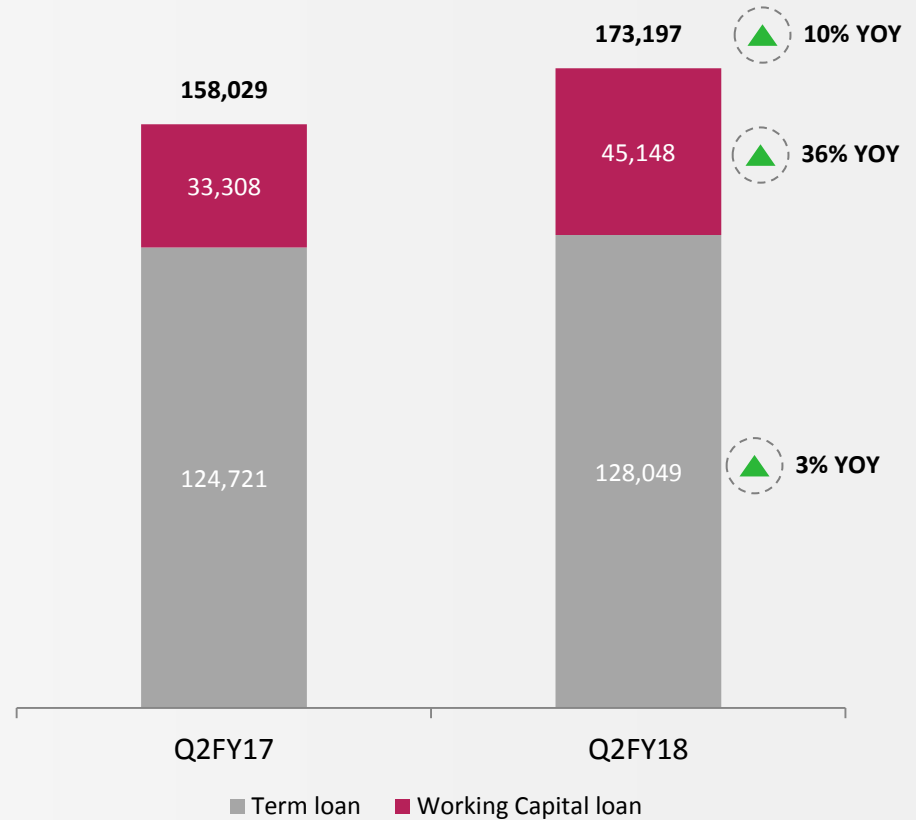
All figures in ₹ Crores

Trend in domestic and overseas corporate loan growth



Overseas loan growth in Q2 has been driven by higher disbursements to marquee domestic financial institutions

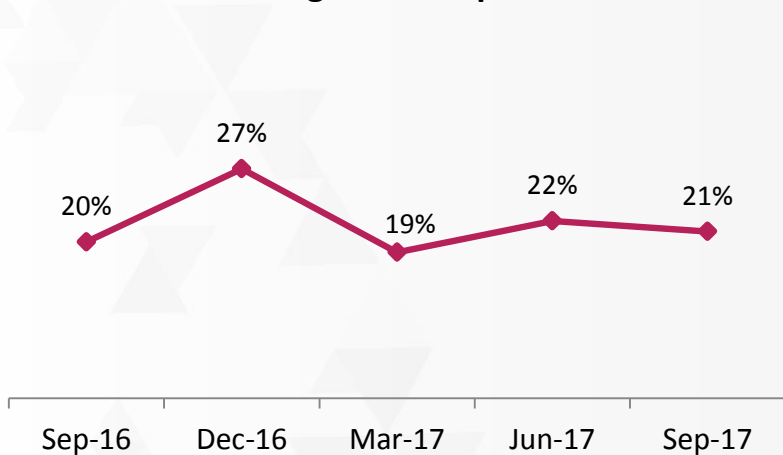
Working Capital loan growth has been strong



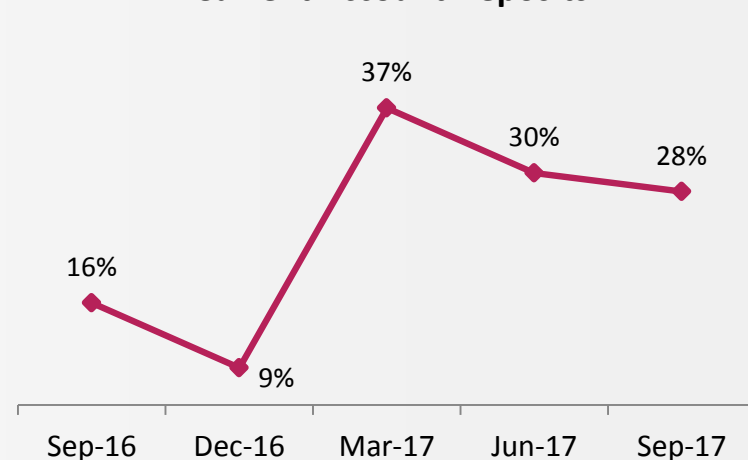
Key Balance Sheet parameters continue to report healthy growth

All figures represent YOY growth

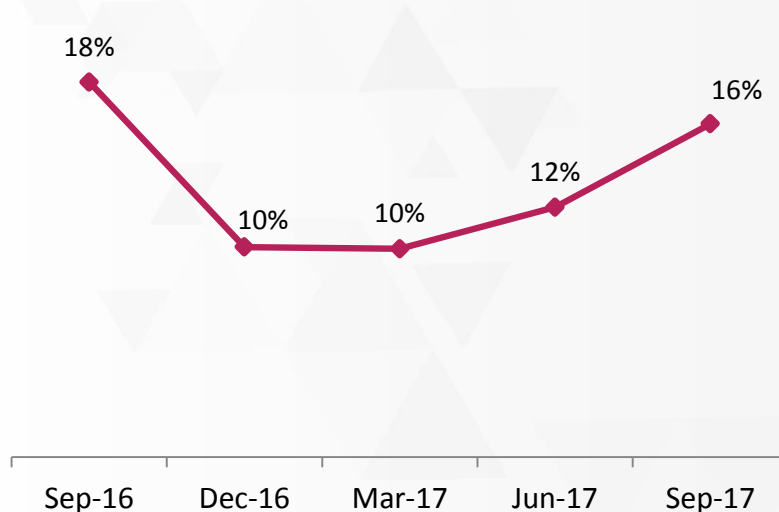
Savings Bank Deposits



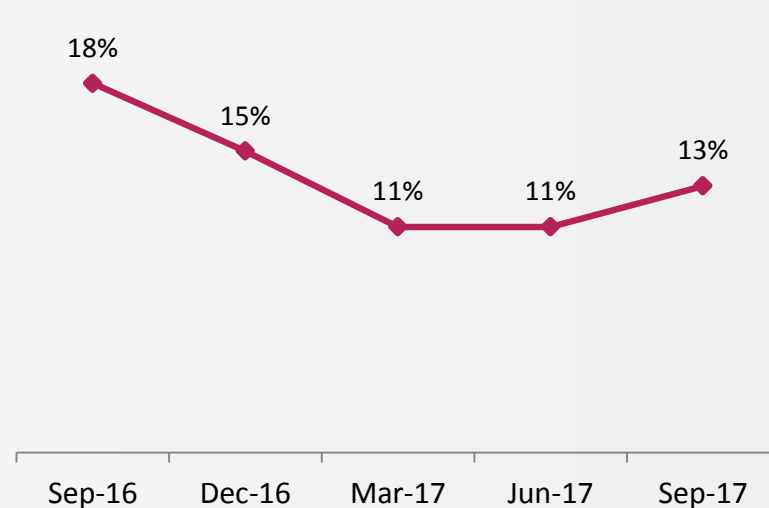
Current Account Deposits



Advances



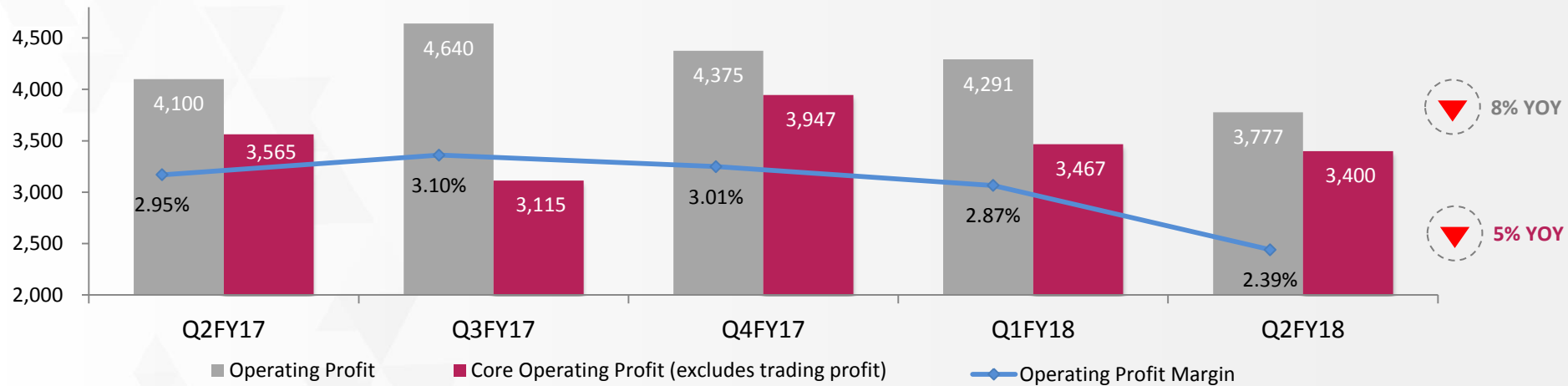
Total Assets



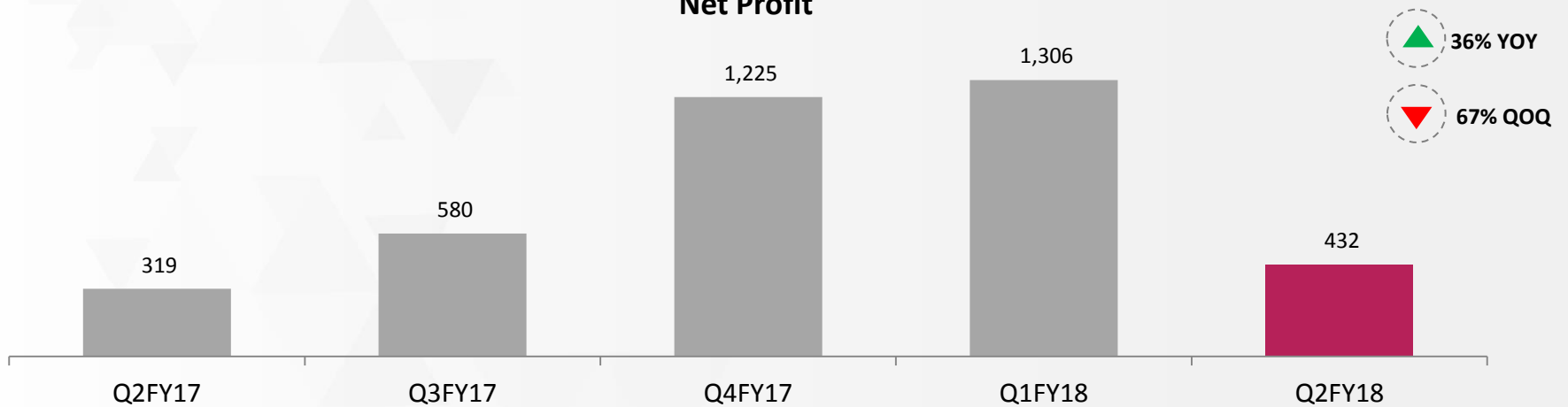
Core Operating Profit engine continues to be steady

All figures in ₹ Crores

Operating Profit and Core Operating Profit



Net Profit

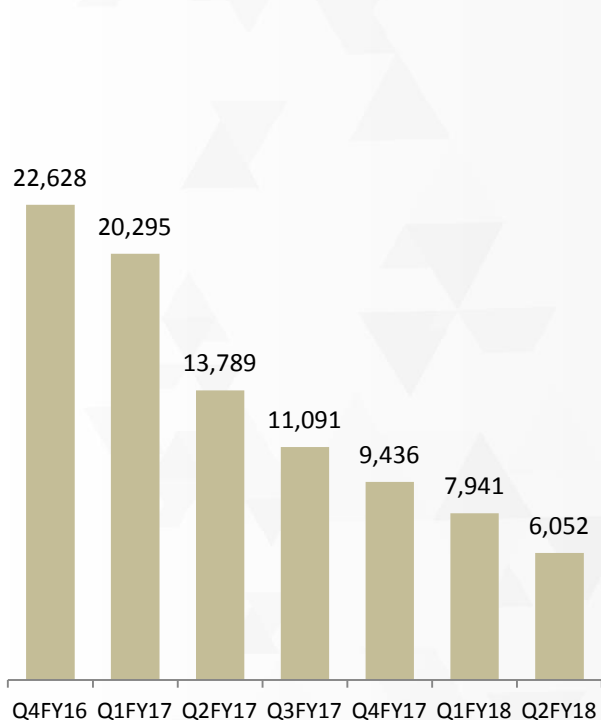


Size of stressed asset pool has been reducing steadily

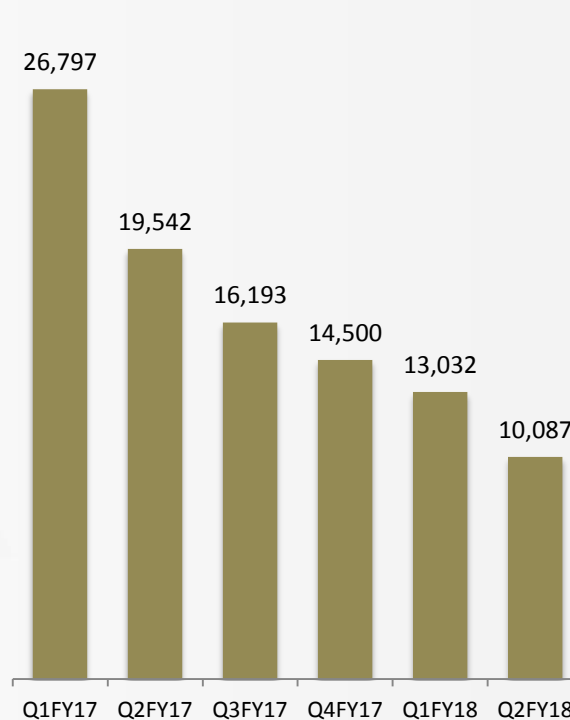
BB and Below pool has reduced significantly in the last 6 quarters

All figures in ₹ Crores

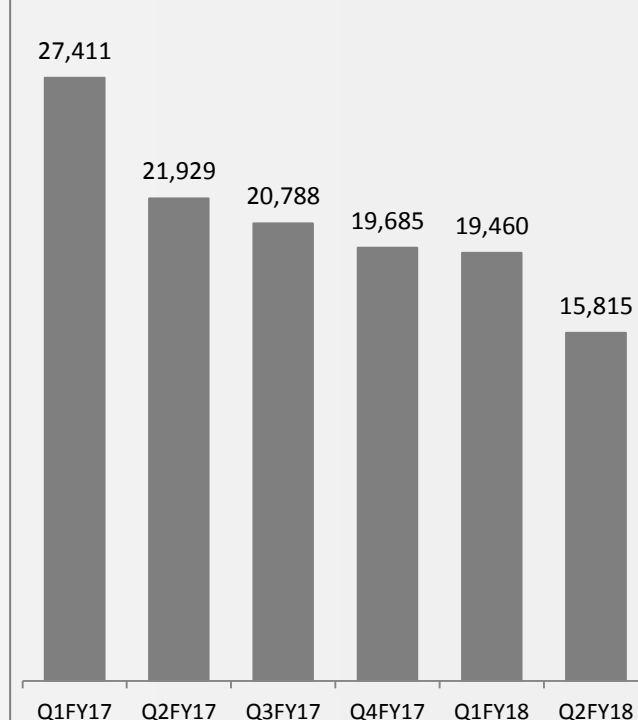
Watch List (WL) outstanding



WL + Restructuring* dispensations



Low Rated Corporate portfolio (BB and Below)



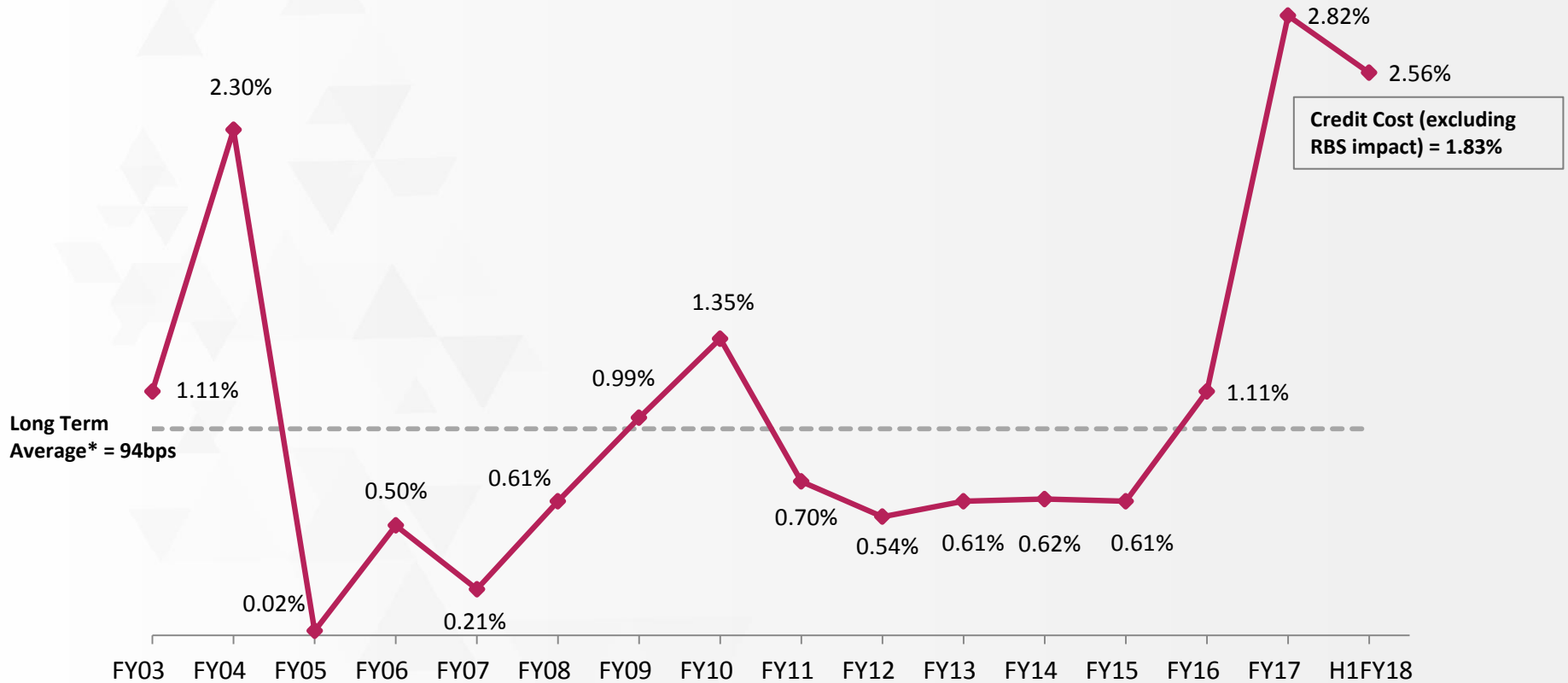
Size of 'BB and Below' portfolio reflects cumulative impact of Upgrades / Downgrades and Slippages from the pool.

* Includes Restructured Accounts, SDR, S4A and 5:25, etc

Long term trend in Credit Cost

Trend in Credit Cost : FY03 to H1FY18

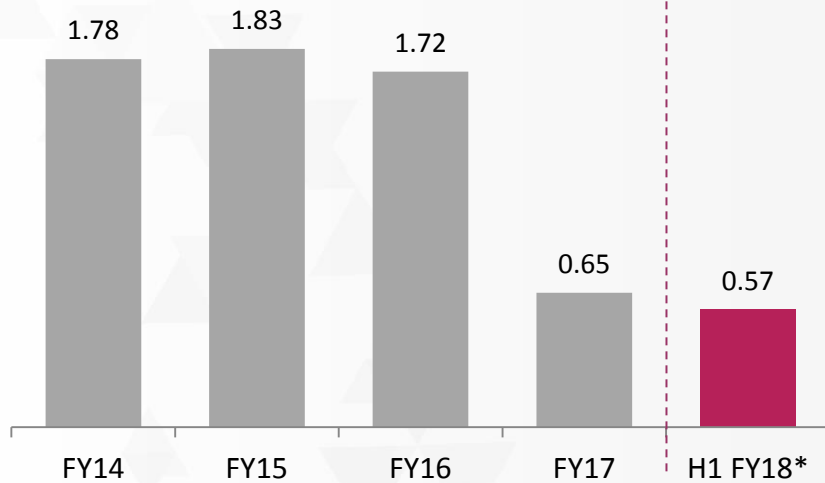
We expect normalization by the second half of FY19



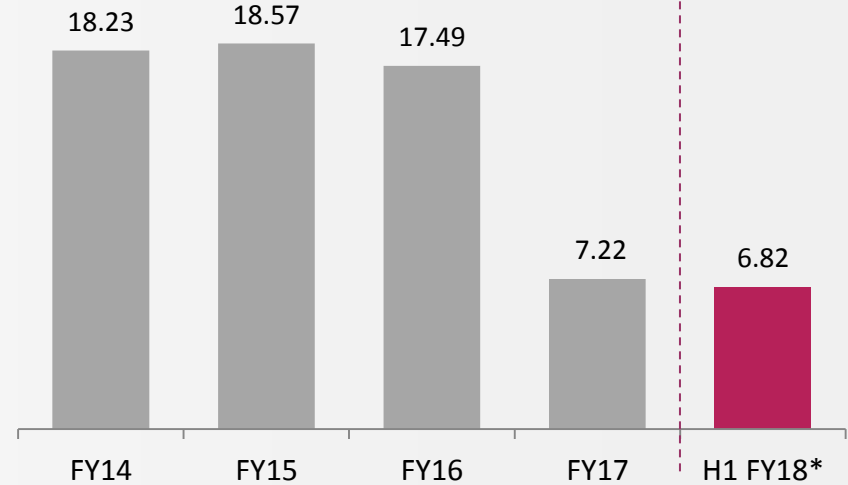
* For the period from FY03 to FY17

Shareholder return metrics have seen moderation

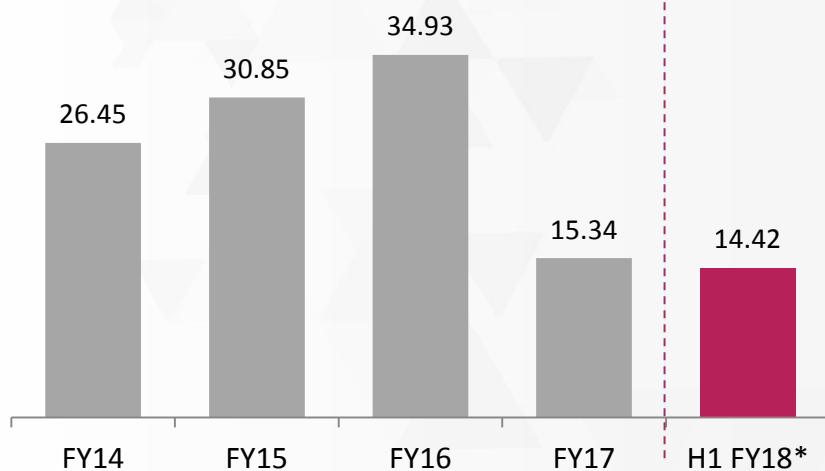
Return on Assets (in %)



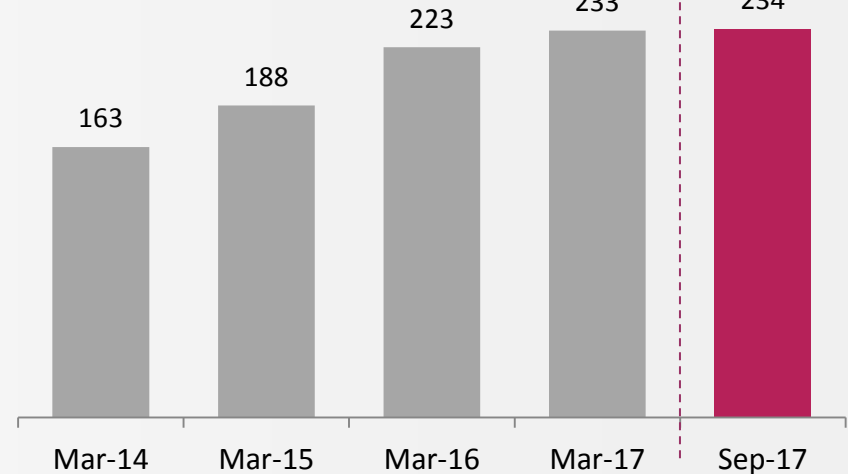
Return on Equity (in %)



Diluted EPS (₹)



Book Value Per Share (₹)



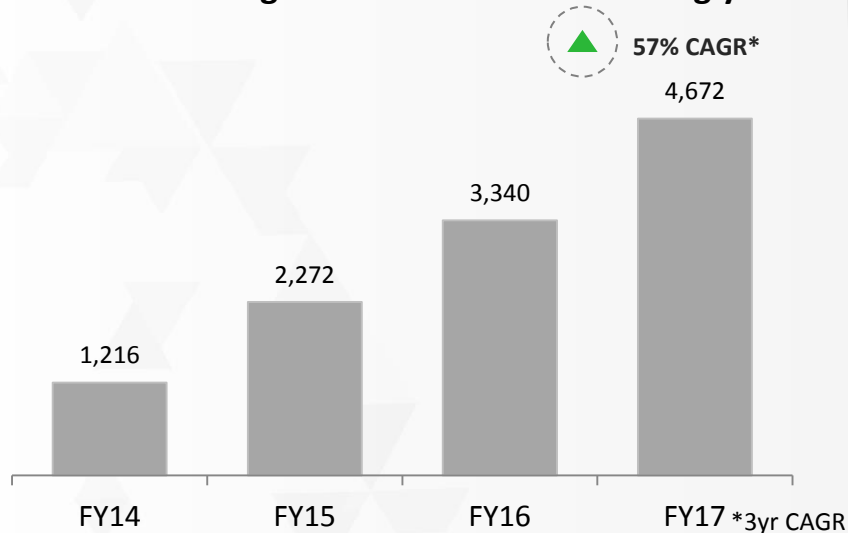
* annualized

Subsidiaries' Performance

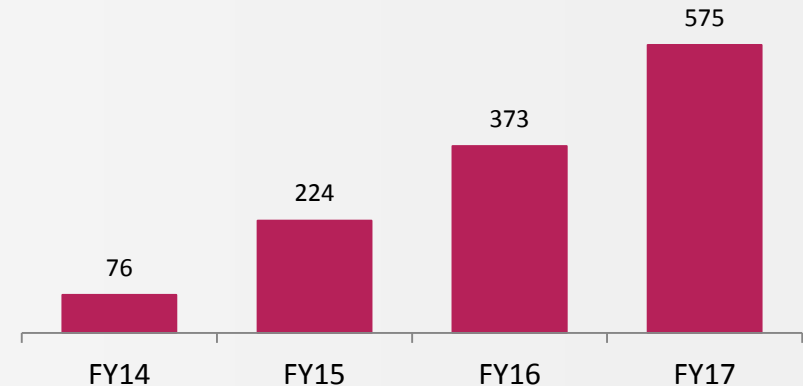
Axis Finance : Has started contributing meaningfully

All figures in ₹ Crores

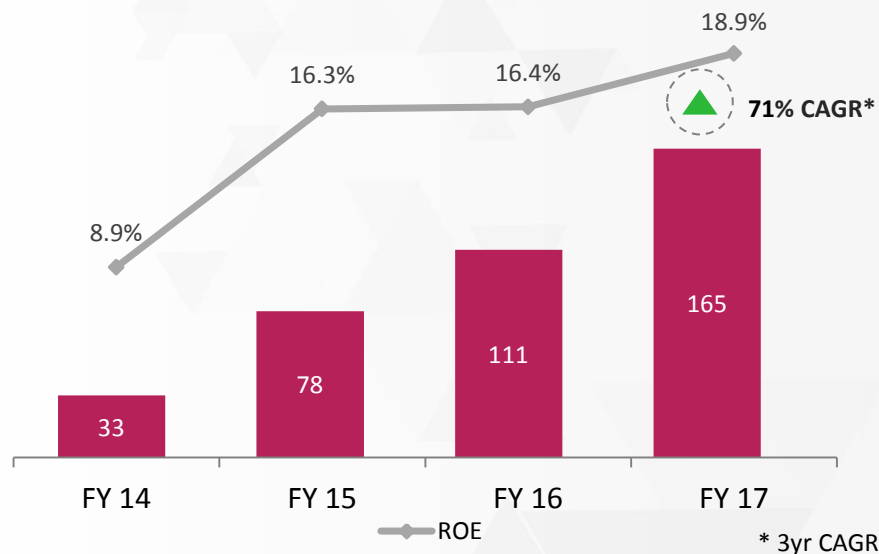
Axis Finance has grown its overall book strongly...



...driving over 7x growth in Income in 3 years



Growth in PAT has been steady

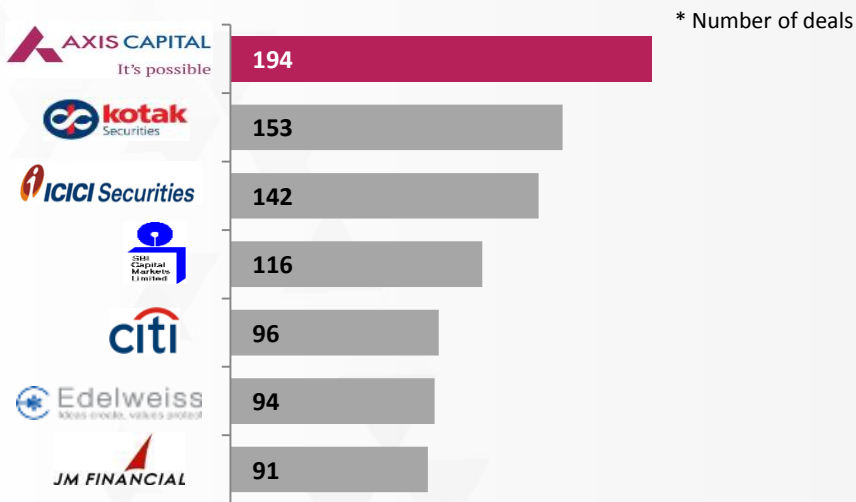


Major Highlights

- The Income and PAT for H1FY18 stood at ₹341 Cr and ₹101 Cr, up 19%YOY and 32%YOY respectively
- One of the lowest Cost-to-income in the industry
- Advances' average maturity at 18 months; 97% of all advances secured
- Highest Credit Rating for CPs and NCDs by Crisil and India Ratings

Axis Capital : Continues to maintain its leadership position

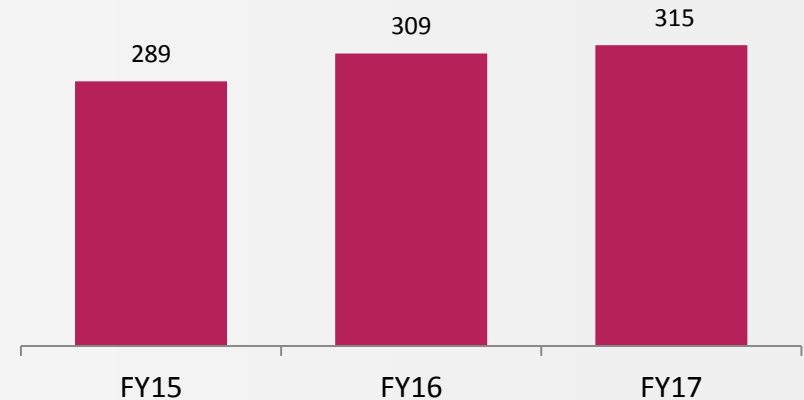
Equity League tables topper over the last decade



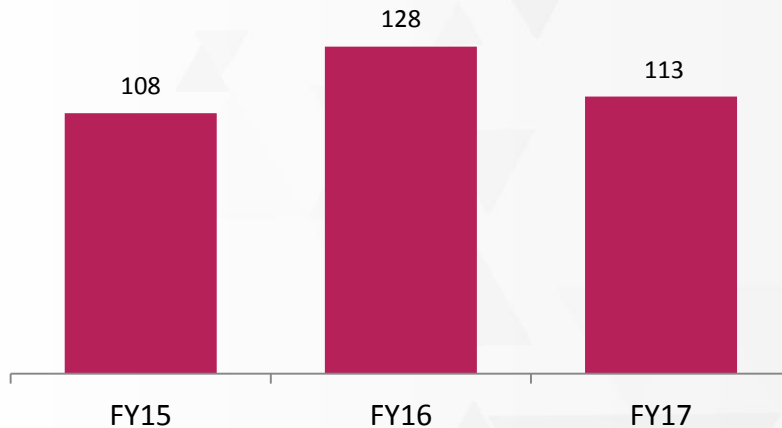
Source: Primedatabase (FY07 to FY17)

Revenue from Operations

All figures in ₹ Crores



Profit After Tax



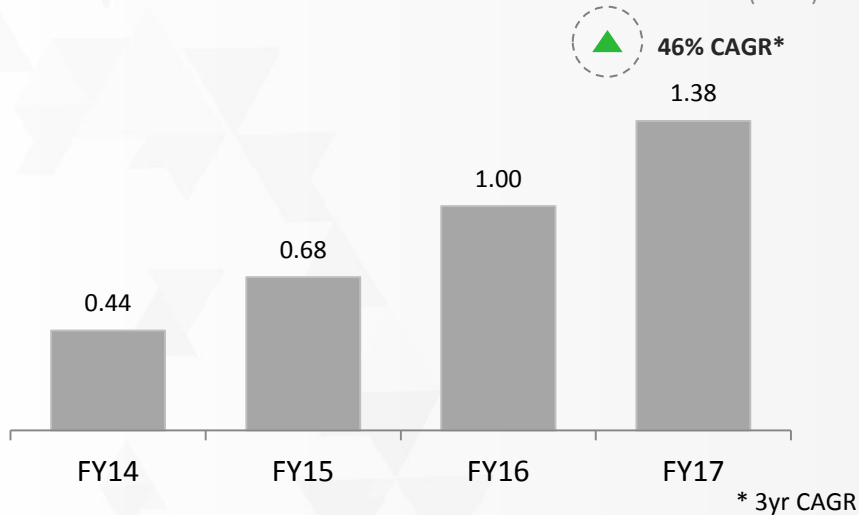
Major Highlights

- The Income and PAT for H1FY18 stood at ₹152 Cr and ₹68 Cr, up 21%YOY and 39%YOY respectively
- Axis Capital was awarded Best Investment Bank by Finance Asia
- Ranked No 1 ECM banker having executed deals worth ₹992 bn since April 2015
- Ranked No 1 in Equity and Equity Linked Deals over the last decade

Axis Securities : Significant growth in customer additions

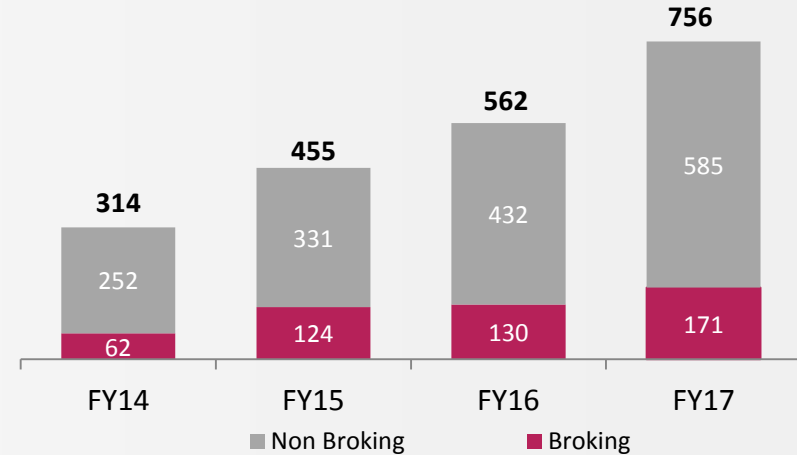
Trend in customer base

(in mn)



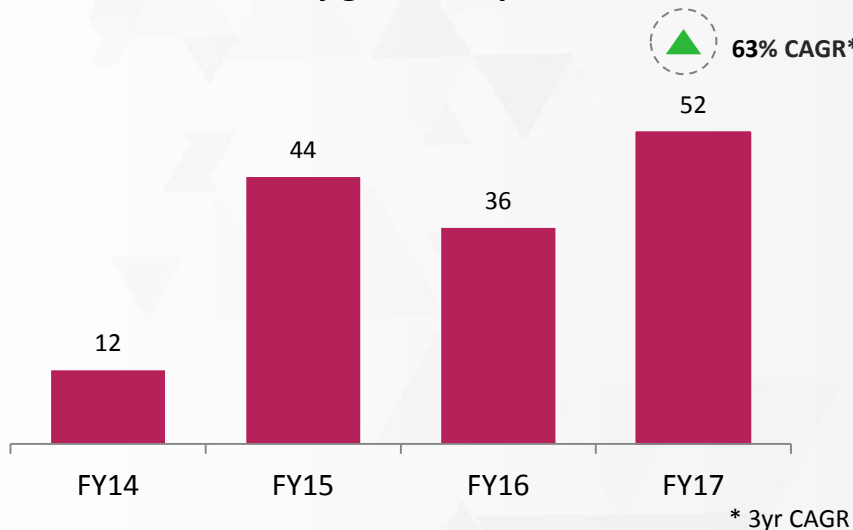
Total Revenue

All figures in ₹ Crores



Healthy growth in profit

63% CAGR*



Major Highlights



The Total Revenue and PAT for H1FY18 stood at ₹438 Cr and ₹26 Cr, up 32%YOY and 44%YOY respectively



Total Customer base as at end of September 2017 stood at 1.59 mn, up 37% .YOY




Jumped 6 ranks in NSE Unique Traded Client numbers - from 11th to 5th in 2 years

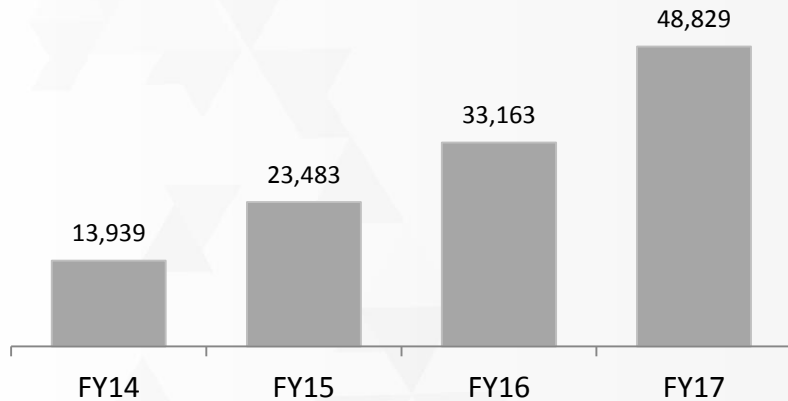


More than 30% clients trade through AxisDirect mobile app making it one of the highest in the industry

Axis AMC : Consistently gaining market share

~4x jump in Average AUM in 3 years

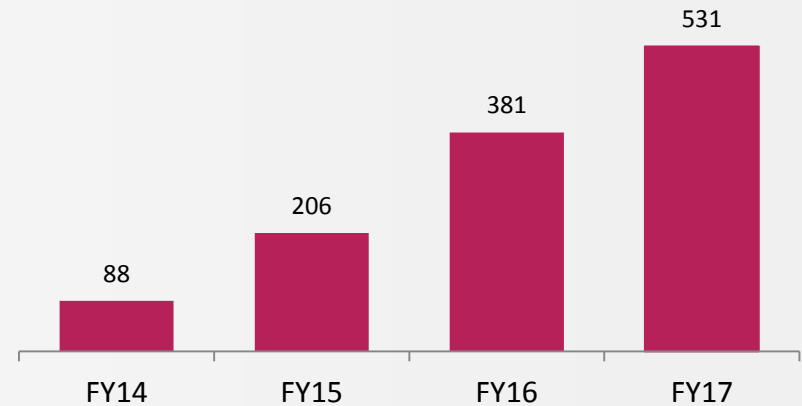
 52% CAGR*



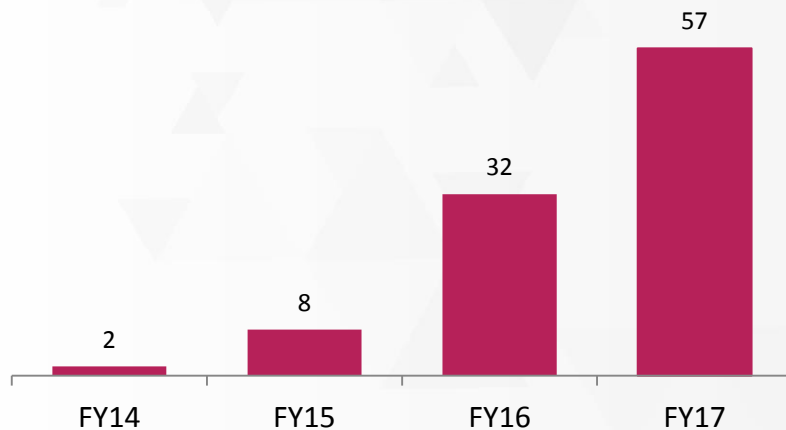
* 3yr CAGR

Gross Revenue

All figures in ₹ Crores



Growth in Profit has been strong



Major Highlights



The Income and PAT for H1FY18 stood at ₹354 Cr and ₹38 Cr, up 43%YOY and 52%YOY respectively



Added 0.45 mn investors in last one year taking its overall investor folios to 2.4 mn, as at end of Sept 2017.



Average AUM for the quarter ended Q2FY18 stood at ₹ 69088 Crores, up 46% YOY.



Easy App & Easy sell: Online platforms for Investors and distributors.

Thank You