



Investor Presentation

February 2016



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.

Contents

Key Macro Trends

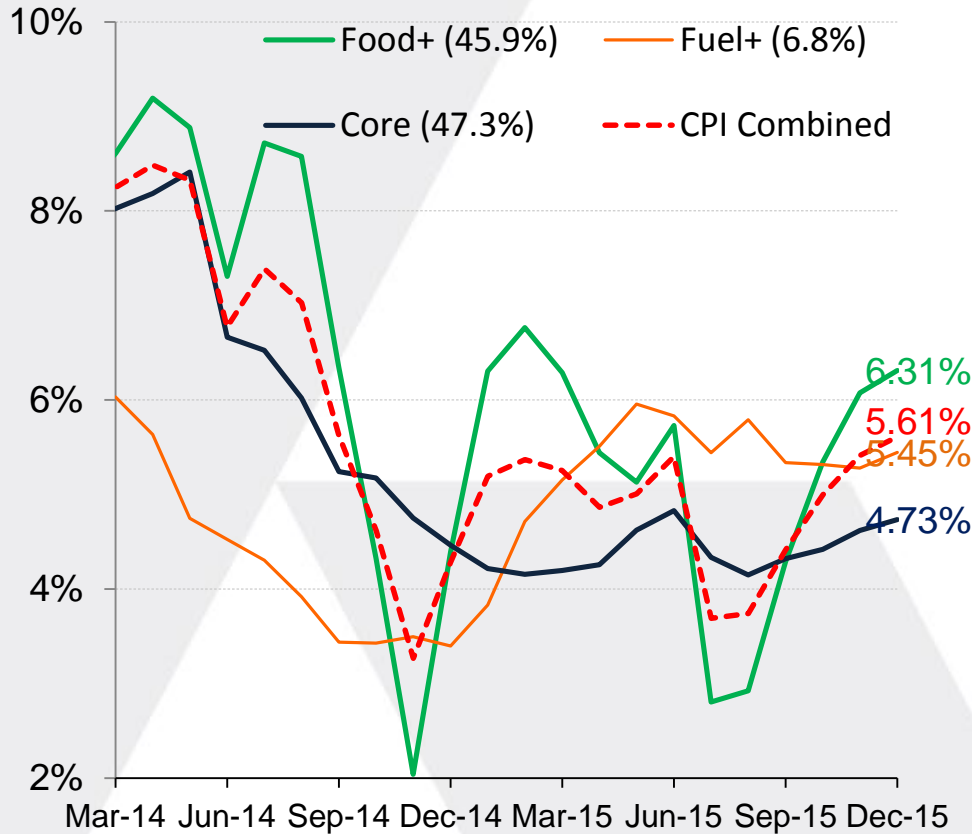
- Inflation and Rate environment
- Sectoral Credit and Deposit metrics

Business Model & Strategy

Financial Snapshot

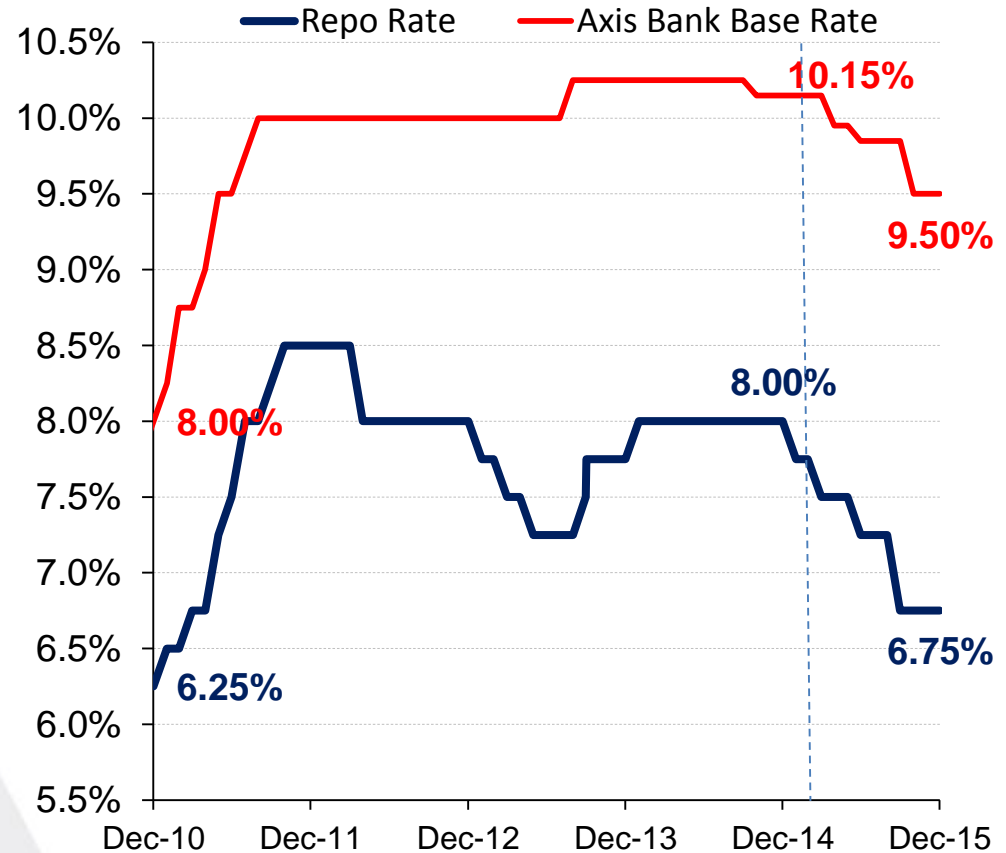
Benign inflation trends have created room for monetary easing

Inflation of 4.9% in CY15 significantly lower than 9.6% in CY12

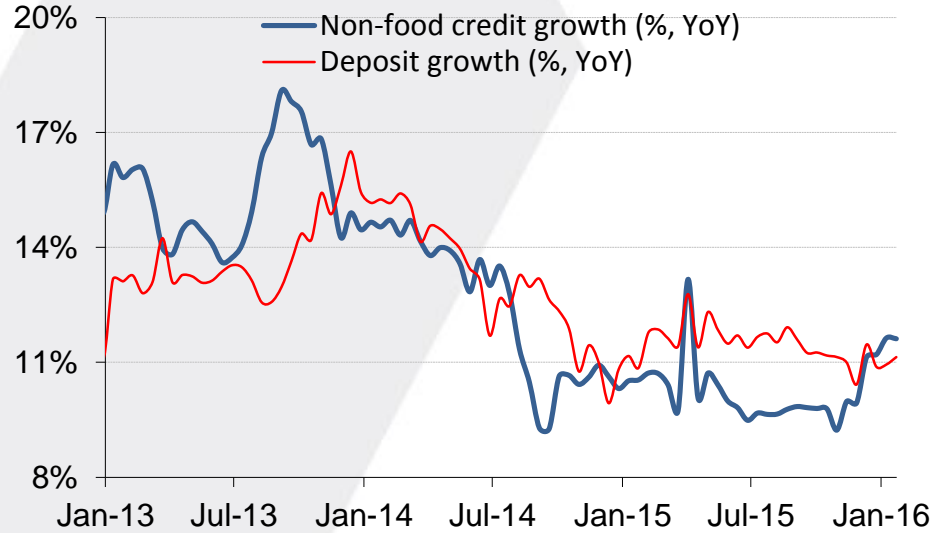


Source: RBI, MOSPI, Axis Bank Research

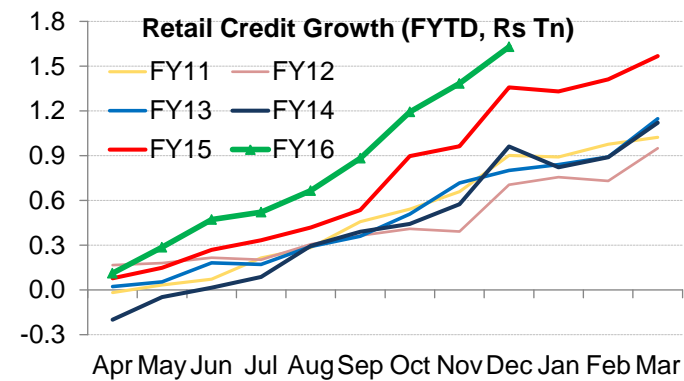
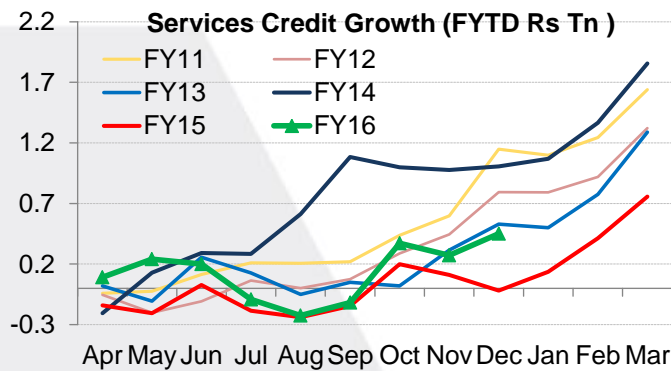
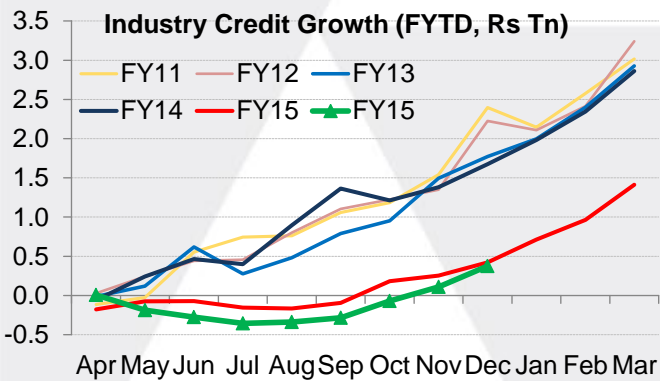
125 bps cumulative rate cut by RBI in 2015 responded with significant transmission of 65 bps by Axis Bank



Sector Credit and Deposit performance has improved recently



- **Non-food credit growth has revived to ~12%**
- **Deposits growth has marginally have recovered to ~11%**
- **Sectorally, the credit story is all in Retail as FYTD16 credit driven by Agri and Retail**
- **Industry witnessing steady off-take in H2FY16**
- **Retail growth strong, at ~19% YOY, led by unsecured lending and housing**



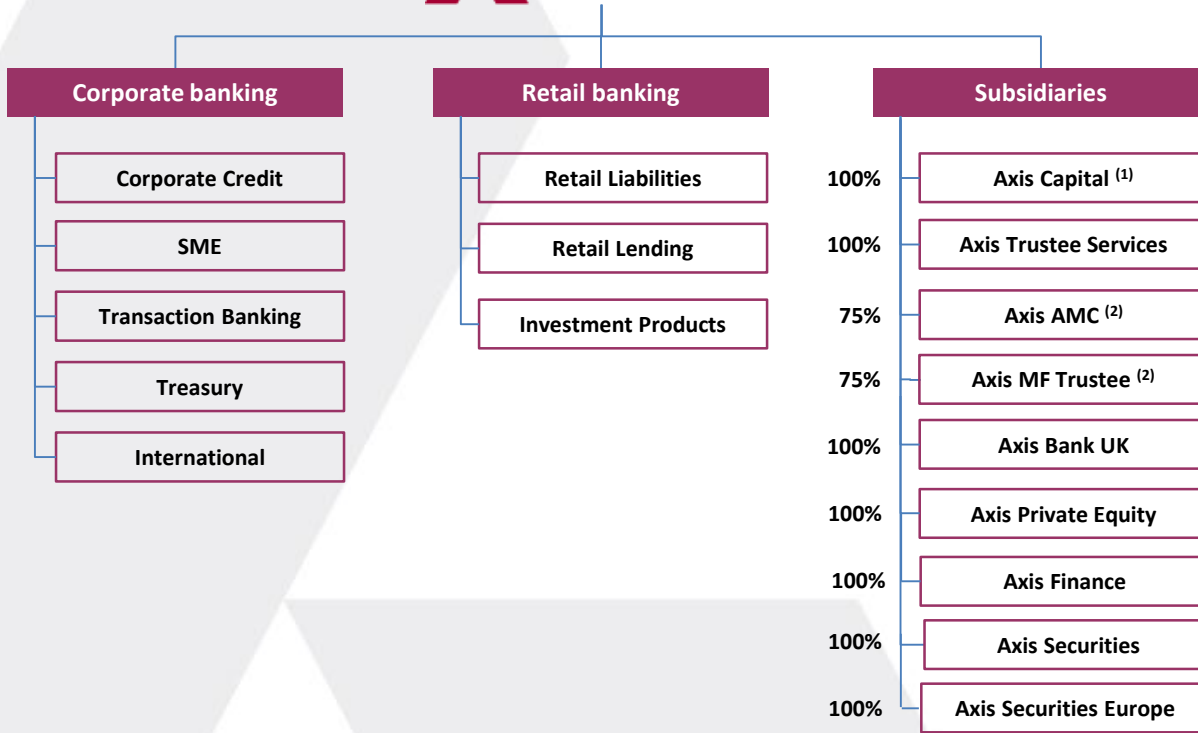
Contents

Key Macro Trends

Business Model & Strategy

Financial Snapshot

Leading Universal Banking Franchise

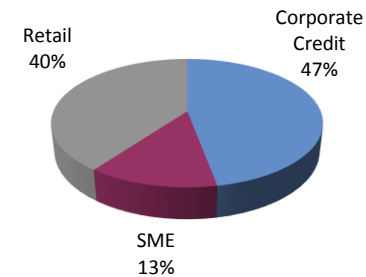


Snapshot (As on December 31, 2015)

Key financials	₹ bn	US\$ bn
Total Assets	4,964	75
Net Advances	3,154	48
Total Deposits	3,383	51
Net Profit (9MFY16)	61	0.9
Shareholders' Funds	510	7.7
Market Capitalisation ⁽³⁾	972	14.7
ROA (9MFY16)	1.74%	
ROE (9MFY16)	17.60%	
Net NPA Ratio	0.75%	
Basel III Total CAR ⁽⁵⁾	15.47%	
Basel III Tier 1 CAR ⁽⁵⁾	12.35%	

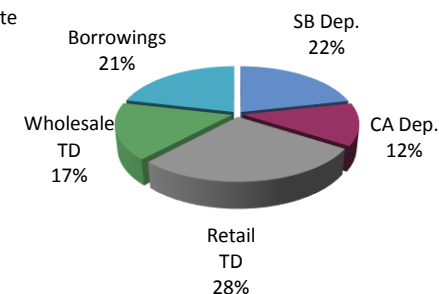
- Diversified business mix with universal banking operations
- Growing customer franchise with nearly 17 million Savings Bank accounts ⁽⁴⁾
- Pan-India distribution network of 2,805 branches and 12,631 ATMs ⁽⁴⁾
- Stable asset quality underpinned by strong risk management framework
- Thrust on efficient capital management

Segmental Advance Mix



Total: ₹3,154 bn

Liability Mix



Total: ₹4,303 bn



⁽¹⁾ Investment Banking activities related to equity capital market business, mergers and acquisitions and private equity advisory conducted under Axis Capital; ⁽²⁾ Partnership with Schroders plc; ⁽³⁾ As on 29th January 2016 based on NSE closing price; ⁽⁴⁾ As on December 31, 2015 and number of branches include extension counters; ⁽⁵⁾ Includes unaudited profits for the nine months. Note: Exchange rate of 1 USD = ₹66.155 based on the FEDAI exchange rate as on December 31, 2015.

9MFY16 Key Highlights

Strong Retail Franchise

- Retail franchise continues to show healthy traction
 - Daily Average CASA was 40% of Total Deposits, CASA and Retail Term Deposits constituted 79% of Total Deposits
 - Savings Deposits in Q3 grew 16% YOY, while Retail Term Deposits grew 18% YOY
 - Retail Loans grew 27% YOY and accounted for 40% of Net Advances

Robust Distribution Network

- Domestic branch count at 2,805 including extension counters
- Currently present in 1,796 centres across the country
- One of the largest ATM networks in the country with 12,631 ATMs

Stable Earnings Profile

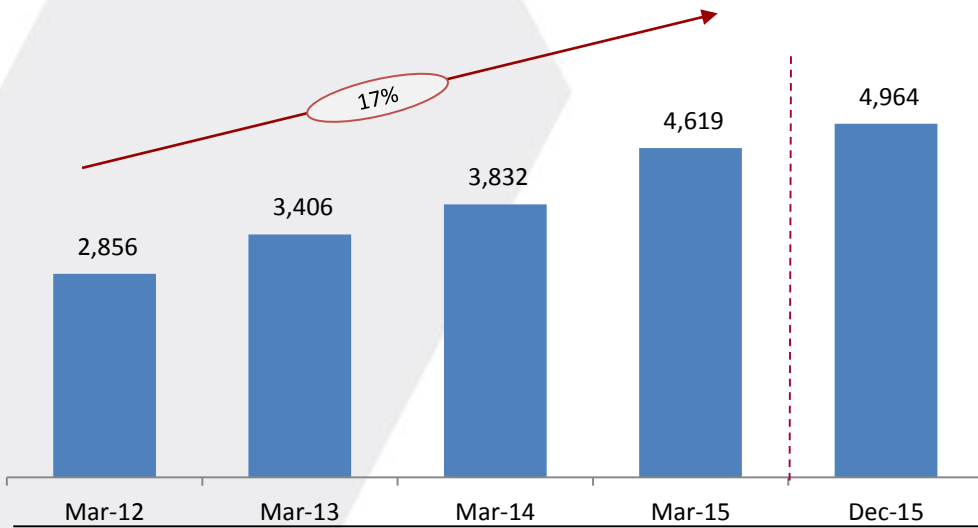
- Core Operating Revenue grew 17% YOY, stood at ₹177 bn
- Core Operating Profit grew 24% YOY, stood at ₹105 bn
- Return on Assets was 1.74% and Return on Equity stood at 17.60% for 9MFY16

Efficient Capital Management

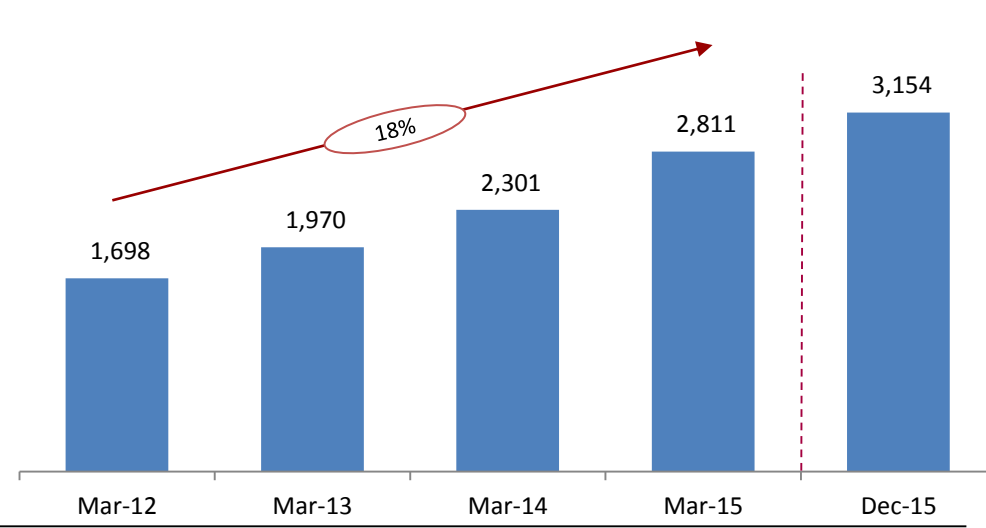
- Well capitalised & continue pursuit of optimal capital allocation
 - Basel III Tier I CAR[&] of 12.35% and Basel III Total CAR[&] of 15.47%

Consistent Growth across Business Metrics...

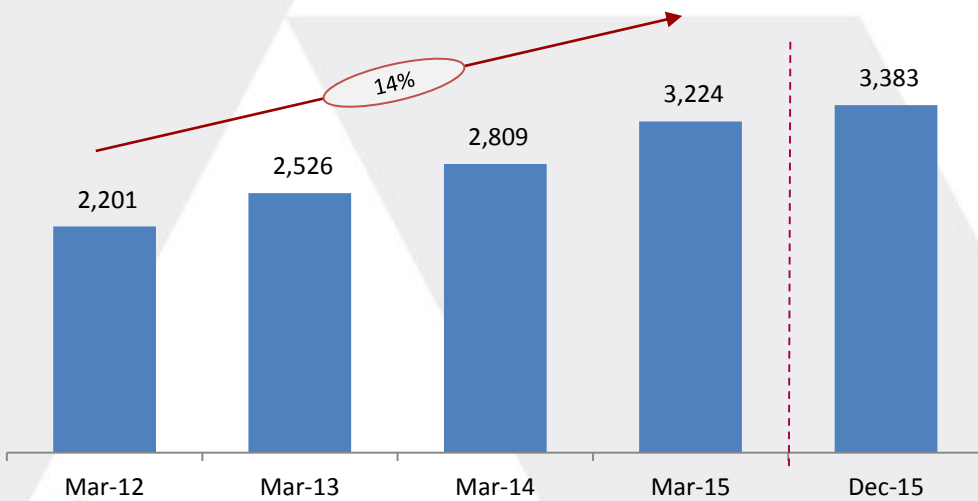
Assets



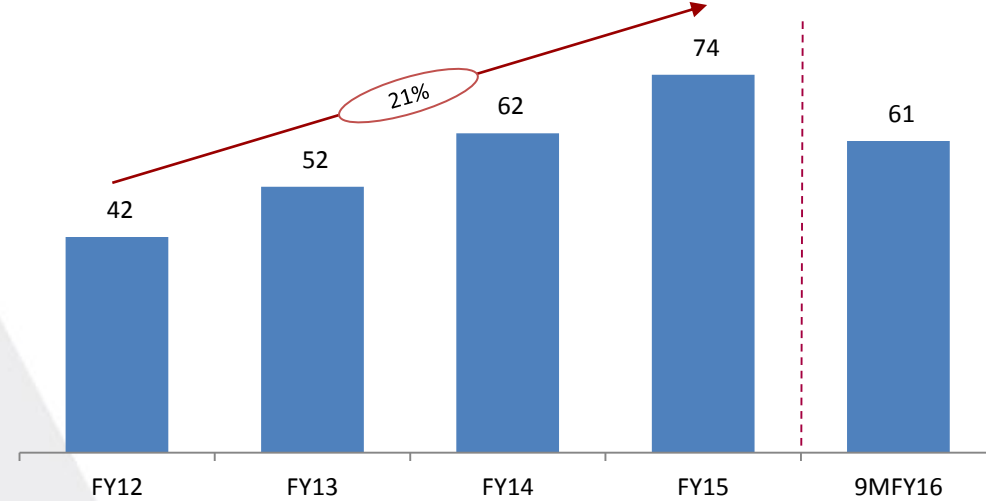
Advances



Deposits



Net Profit

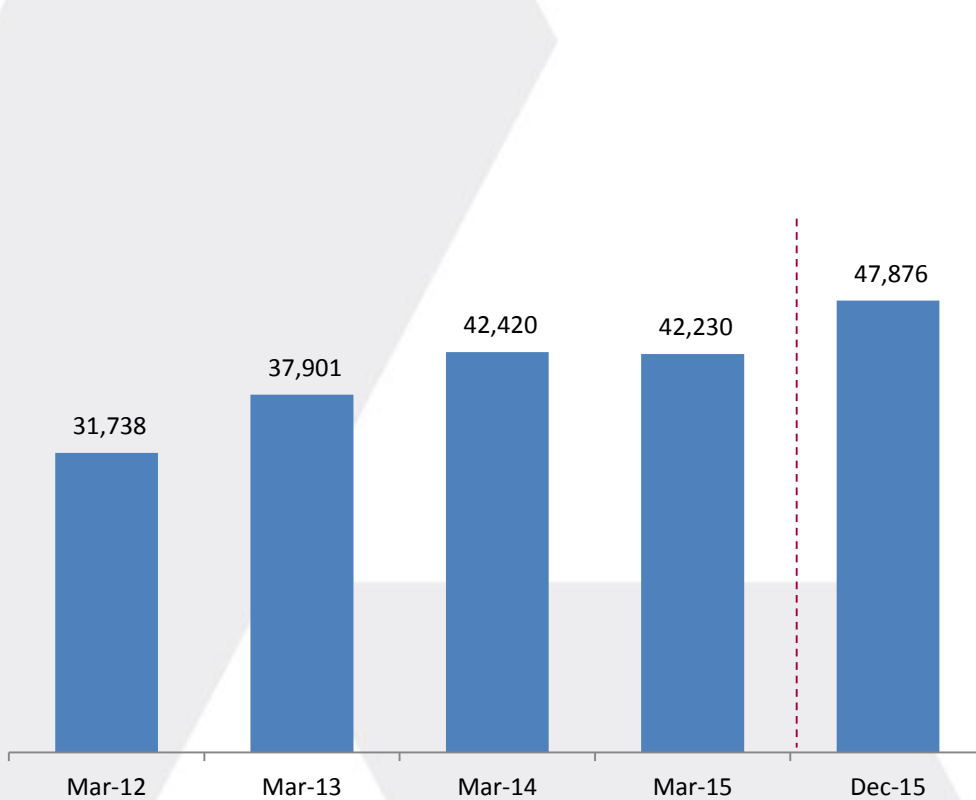


Note: All figures in ₹ bn

CAGR
(FY'12-FY'15)

...Supported by Motivated Employees and Experienced Senior Management

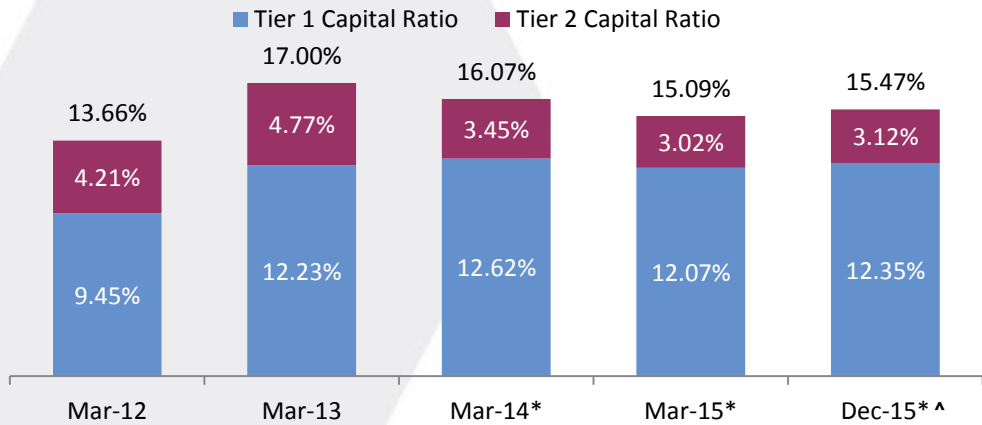
Number of Employees



- Strong brand attracting good quality talent pool
- High employee satisfaction resulting in relatively low attrition
 - Attrition level particularly low in senior and middle management cadre
- Experienced and stable senior management
- Eminent Board of Directors with majority of independent members
- Innovative employee engagement initiatives
 - Ideal platform for employees
 - Mentorship programme
 - Platform for senior managers to share strategic direction

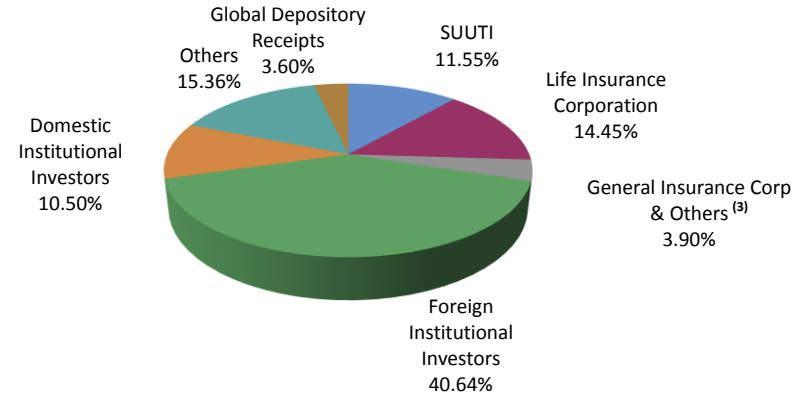
Healthy Capital Profile & Stable Shareholder Returns

Capital Adequacy



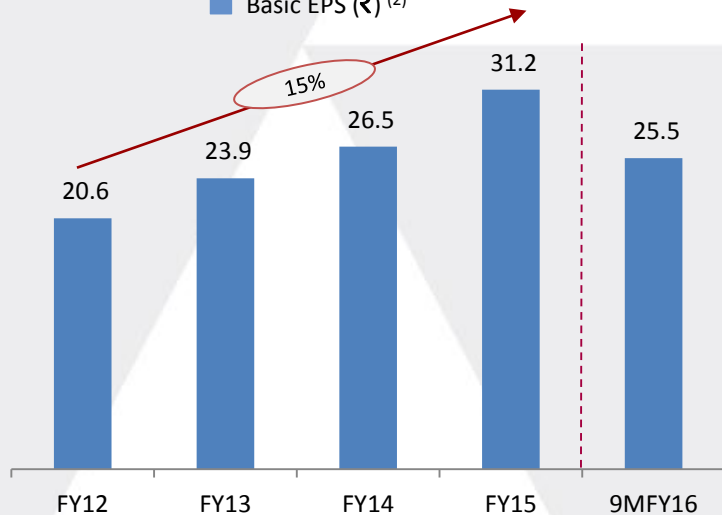
Note: * Capital Adequacy ratios as on Mar-14, Mar-15 & Dec-15 are computed based on Basel III norms & not comparable with previous year ratios. ^ Ratios computed for Dec-15 include unaudited profits for the nine-months

Shareholding Structure⁽¹⁾



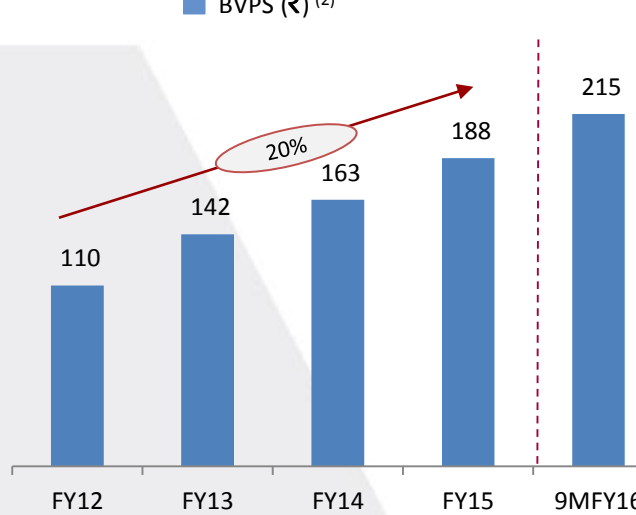
EPS Growth

Basic EPS (₹)⁽²⁾



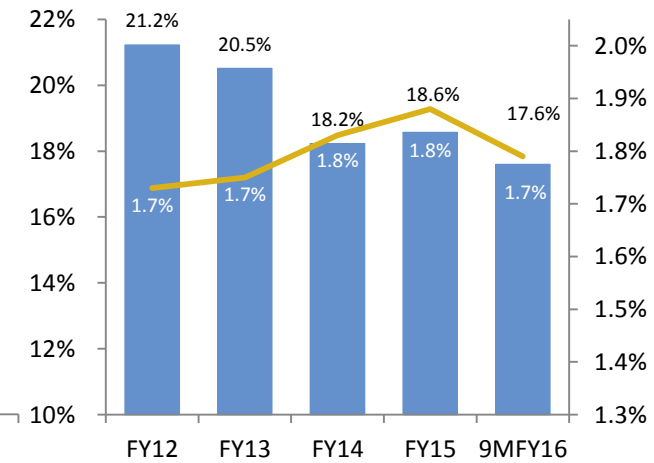
BVPS Growth

BVPS (₹)⁽²⁾



ROE and ROA

ROE⁽²⁾ ROA⁽²⁾

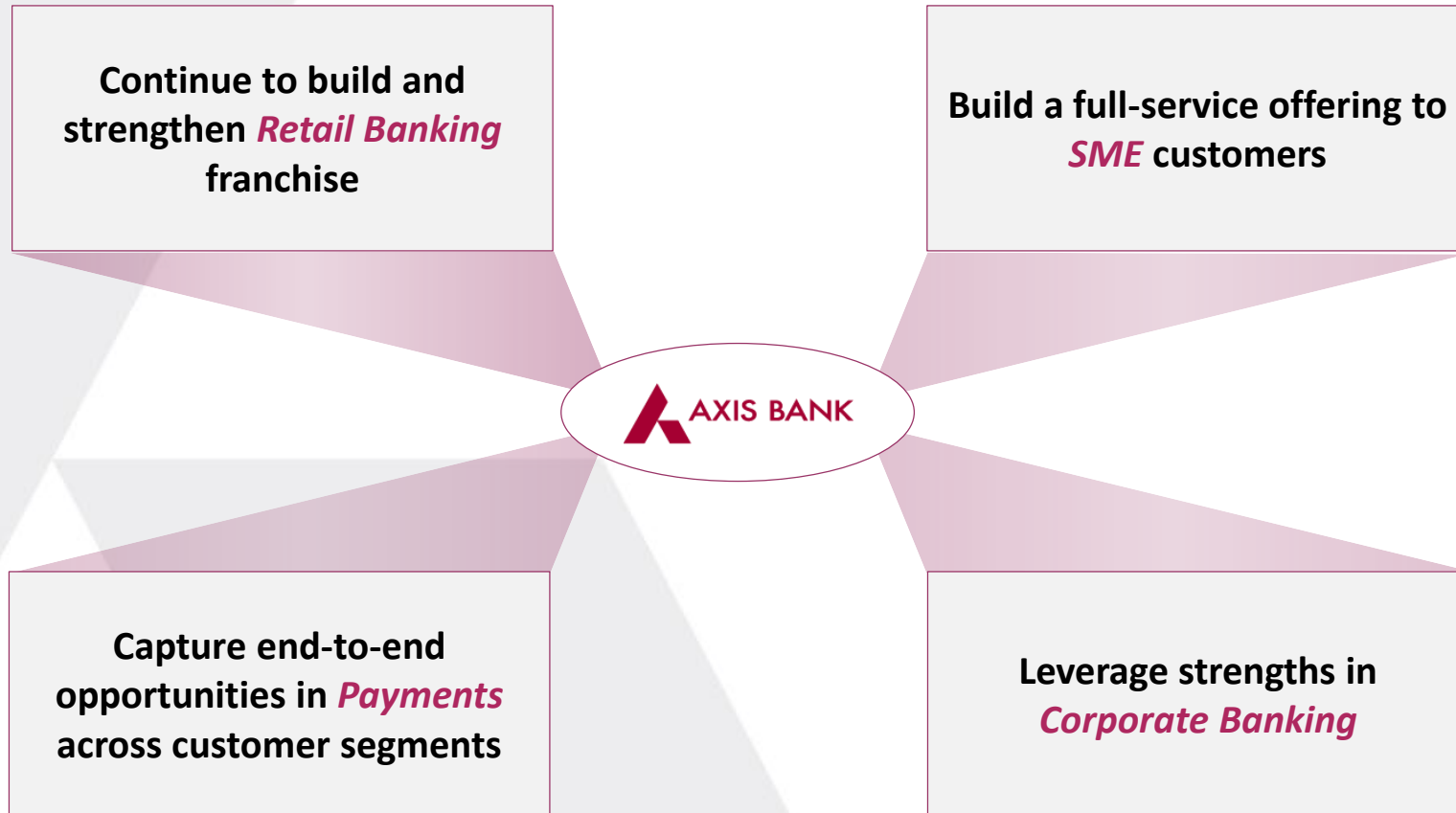


Note: ⁽¹⁾ As on December 31, 2015; ⁽²⁾ Based on non-consolidated financials; ⁽³⁾ Others include The New India Assurance Company Ltd, National Insurance Company Ltd, The Oriental Insurance Company Ltd and United India Insurance Company Ltd.

CAGR (FY'12-FY'15)

Business Strategy along Four Key Themes

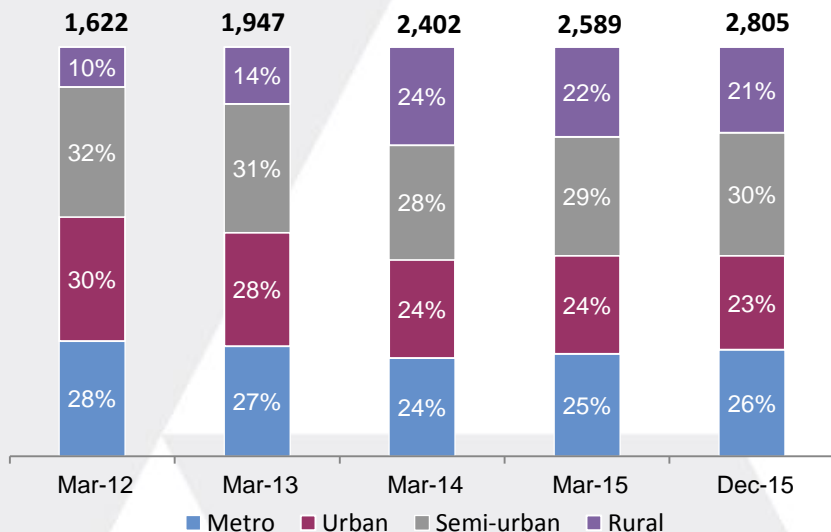
Leveraging domestic growth opportunities



Pan-India Distribution Network Complemented by Technology Driven Alternate Channels



Increasing presence in rural & semi-urban areas



ATMs	9,924	11,245	12,922	12,355	12,631
Centres	1,050	1,263	1,636	1,714	1,796
Employees	31,738	37,901	42,420	42,230	47,876

Alternate Channels



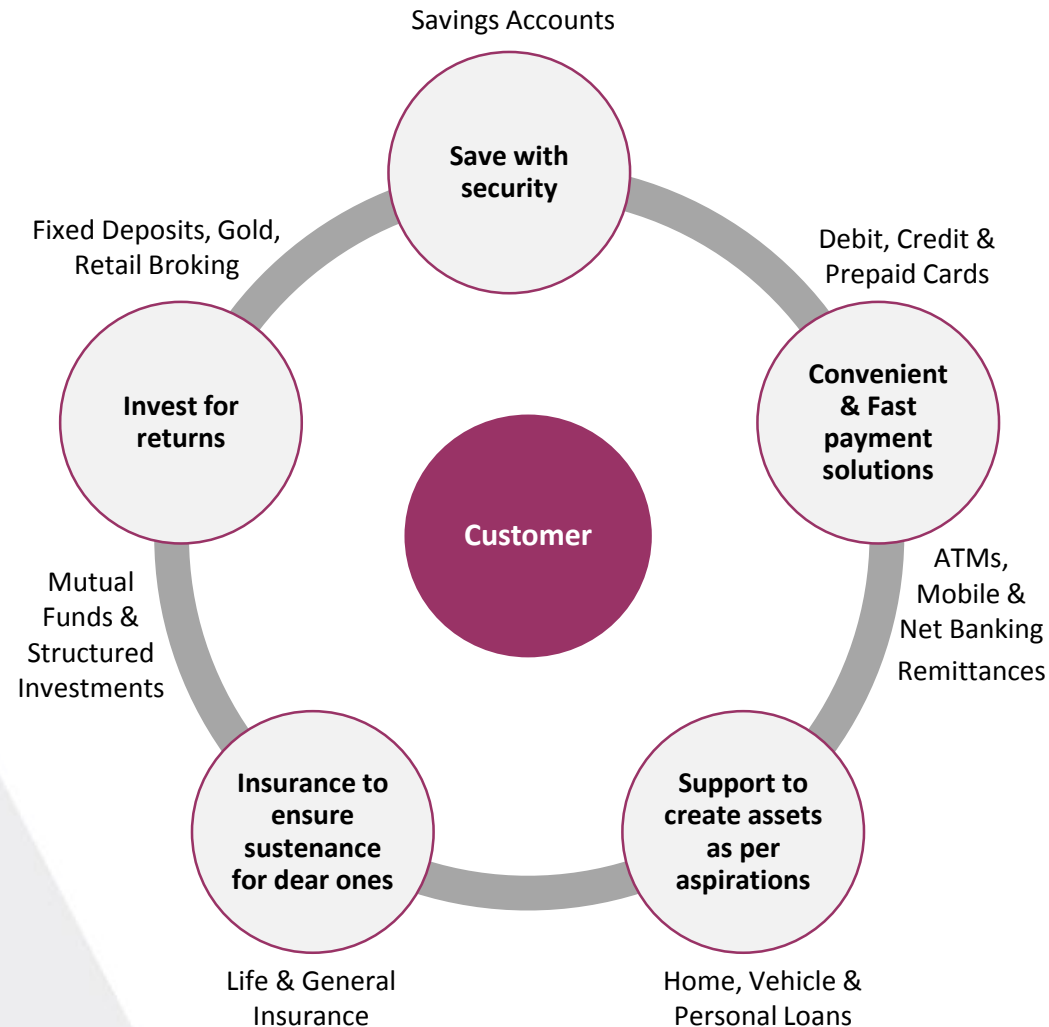
Leveraging Strong Brand Recall across Products

Badhti Ka Naam Zindagi... or Progress On...



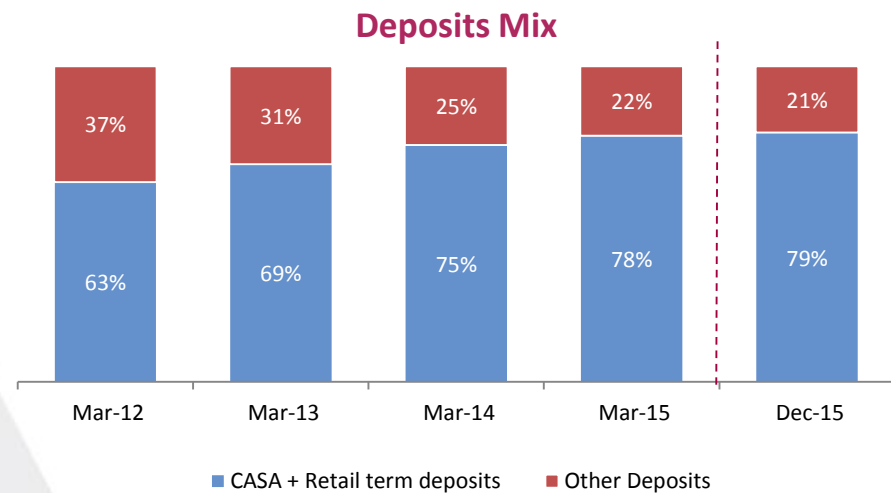
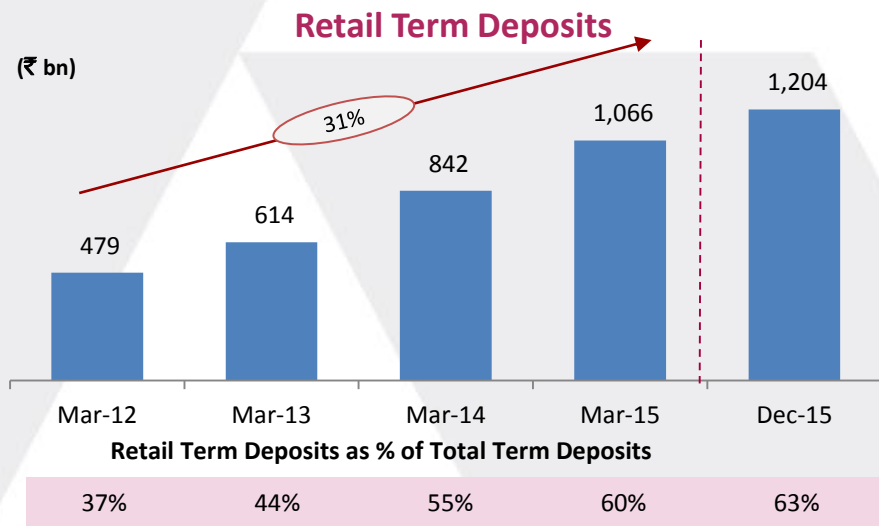
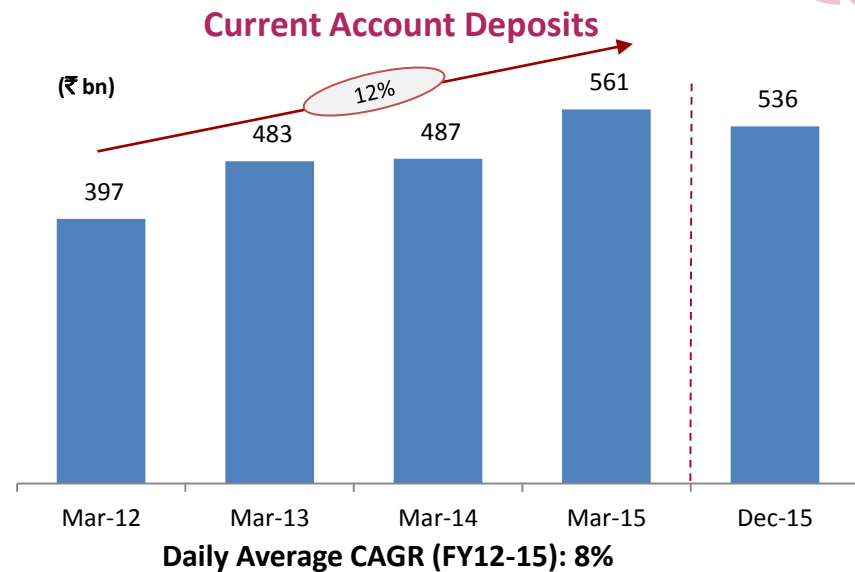
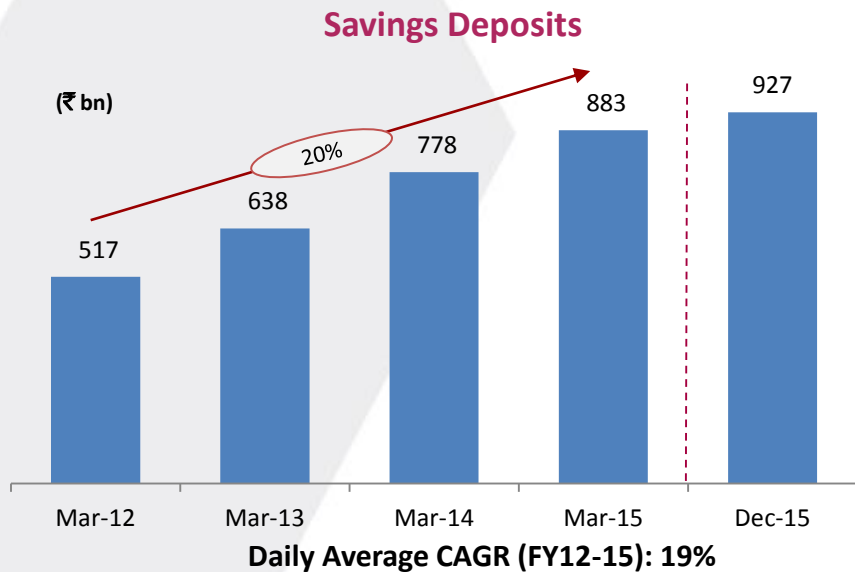
- Ranked amongst the Top 75 safest banks in the world in September 2015 by *The Banker*
- Awarded title of Superbrand India for 2014-15 in April
- Ranked fourth in Nielsen's Corporate Image Monitor 2014-15 survey
- No. 1 Promising Banking Brand of 2015, ET Best Brands 2015
- Ranked as the 'Most Trusted Private Sector Bank' second year in a row - 'Most Trusted Brand Survey 2014', by *The Economic Times*
- Enhancing customer experience
 - Award winning mobile enabled Website
 - Customer centric design of branches

Capturing End-to-End Customer Requirements



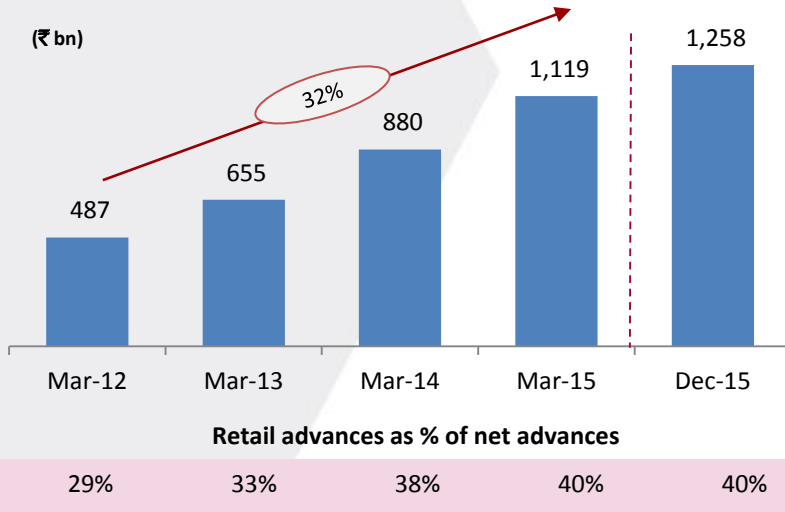


...Resulting in a Robust Liabilities Franchise

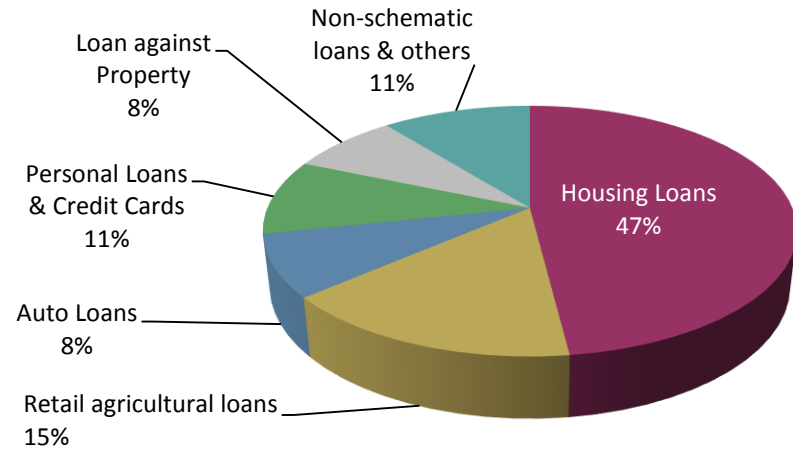


Growing Retail Advances

Retail Advances Portfolio

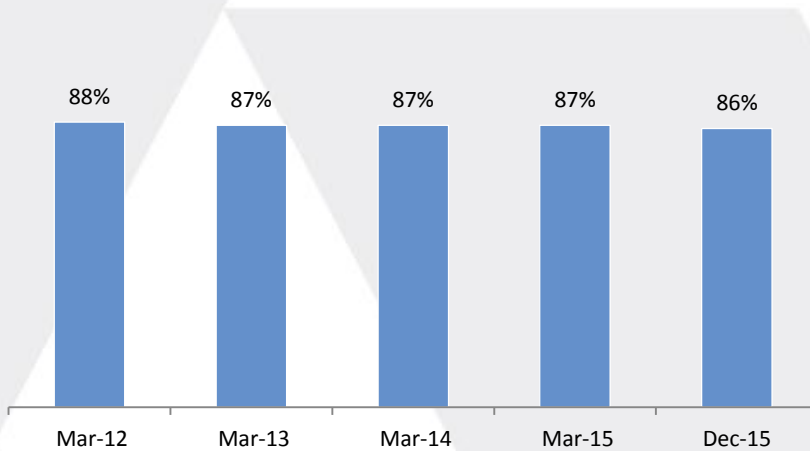


Composition of Retail Advances



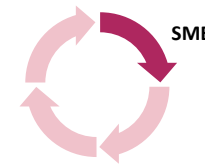
Portfolio Size (Dec-2015): ₹1,258 bn

Secured Retail Advances as % of Total Retail Advances



Key Highlights

- Focus on cross sell – Nearly 60% of new originations in retail lending to existing customers
- Branch focused distribution strategy – All branches source at least one retail lending product
- Branches account for a third of new originations
- Focused on risk management
 - High proportion of secured retail assets
 - Product mix oriented to manage risk
 - Experienced collections team



Full-service Offering to SME Customers

Lending

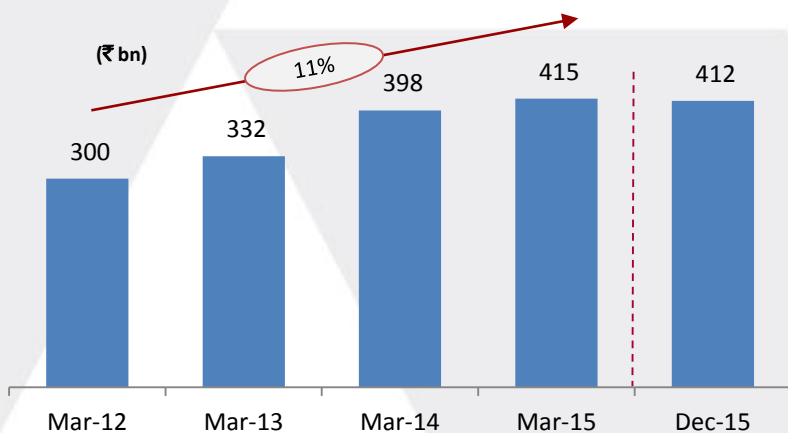
- Diversified portfolio across 3 segments: Medium Enterprises Group, Small Enterprises Group and Supply Chain Finance
- Driven through 61 SME centres and cells, with dedicated teams for sales and credit
- Risk management
 - Qualitative Credit Assessment in addition to rating
 - Exit/Watch list category
 - Collection managers

SME Franchise

Other offerings

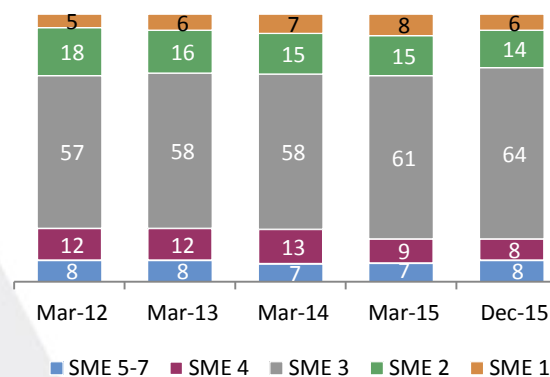
- Commercial banking products
 - Current accounts, forex, trade services and CMS
- Retail banking solutions
 - Salary account products, Wealth & Priority Banking services, Insurance
- Advisory services
 - Financial advisory, private equity, M&A and capital market solutions

SME Loan Portfolio



Risk Management of SME Portfolio

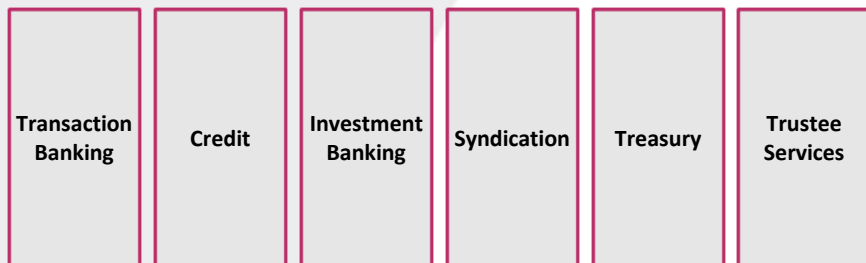
Rating Distribution of SME Advances¹ (%)



- 84% of SME advances have rating of at least 'SME3' in December 2015
- Controlled sourcing of customers
- Early Warning System tool in place to predict default behaviour

¹ As per internal ratings

Comprehensive Corporate Banking Solutions...

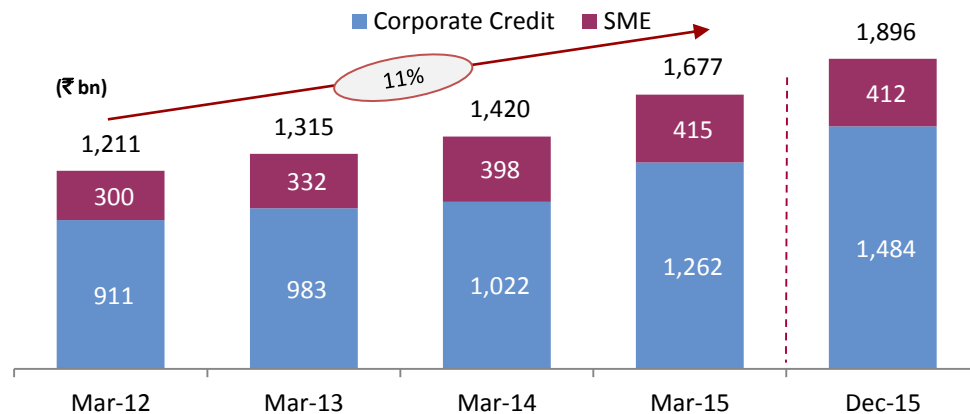


- Won Best Corporate Payment Project Award in April 2015 under the Asian Banker Technology Implementation Awards Programme
- Strong franchise spread across liability and asset businesses
- Focus on building out a high quality portfolio of credit assets
- Adopted value generating Originate and Distribute Model
- Dominant player in placement and syndication of debt / loans
- Leading debt capital market franchise – Ranked #1 in Debt Private Placement in India ⁽¹⁾
- International banking presence to cover offshore fund requirements of Indian corporates
 - Total overseas assets size of US\$ 8.06 bn as on December 31, 2015

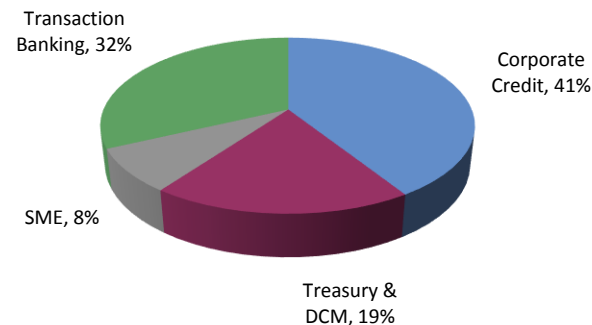
⁽¹⁾ Source: Bloomberg



Corporate Banking Advances Growth



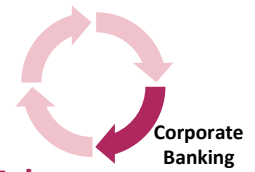
Corporate Banking Fee Income Mix



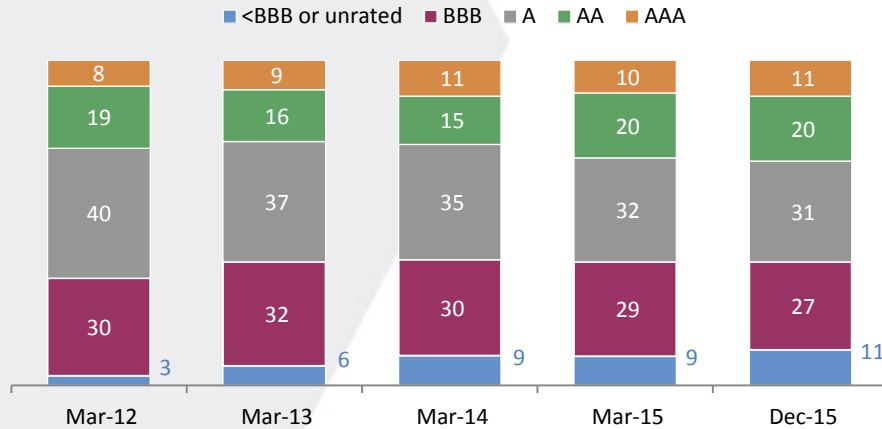
9MFY16

CAGR (FY'12-FY'15)

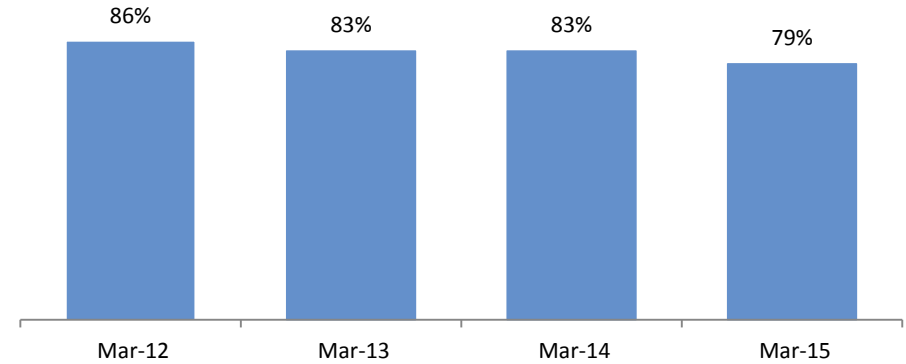
...with an Emphasis on Risk Management



Rating Distribution - Corporate Credit ¹ (%)



Secured Loans as a % of Total Aggregate Advances



Industry-wise Advances Distribution (Top 10) (%)

Rank	Sectors	Fund-based	Non-fund based	Total
1	Infrastructure ²	6.85	9.87	7.57
2	Engineering & Electronics	3.08	17.17	6.42
3	Financial Companies ³	4.60	10.94	6.11
4	Power Generation & Distribution	6.32	5.38	6.10
5	Metal & Metal Products	6.19	5.67	6.06
6	Trade	3.09	4.32	3.38
7	Real Estate	3.31	1.42	2.86
8	Food Processing	2.86	2.45	2.77
9	Petroleum & Petroleum Products	1.05	8.18	2.74
10	Telecommunication Services	1.09	4.82	1.98

Key Highlights

- 62% of corporate advances have rating of at least 'A' in December 2015
- Won Compliance Risk Technology Implementation Award in April 2015 under the Asian Banker Risk Management Awards Programme
- Conservative approach of rating new projects; two notches below their normal rating
- Centralised credit monitoring mechanism



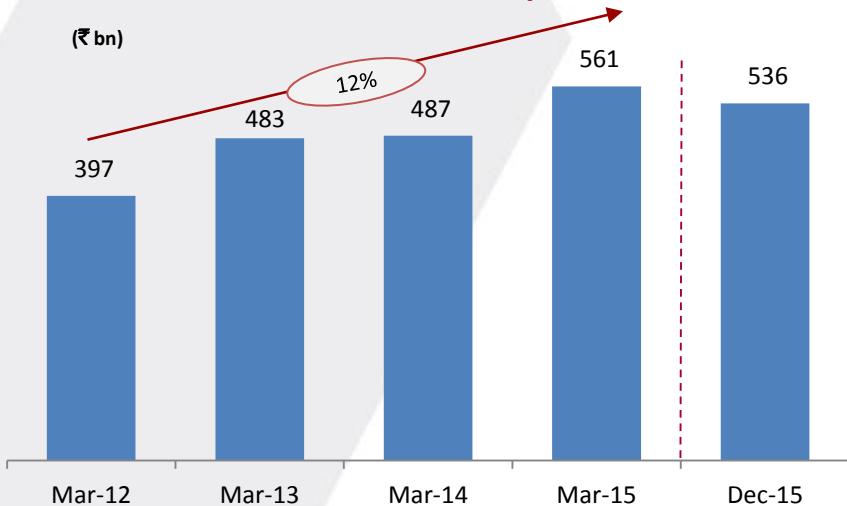
Note: Outstanding exposure as on December 31, 2015;

(¹) Based on internal ratings; (²) Includes financing of projects (roads, ports, airports etc.); (³) Includes HFCs and NBFCs

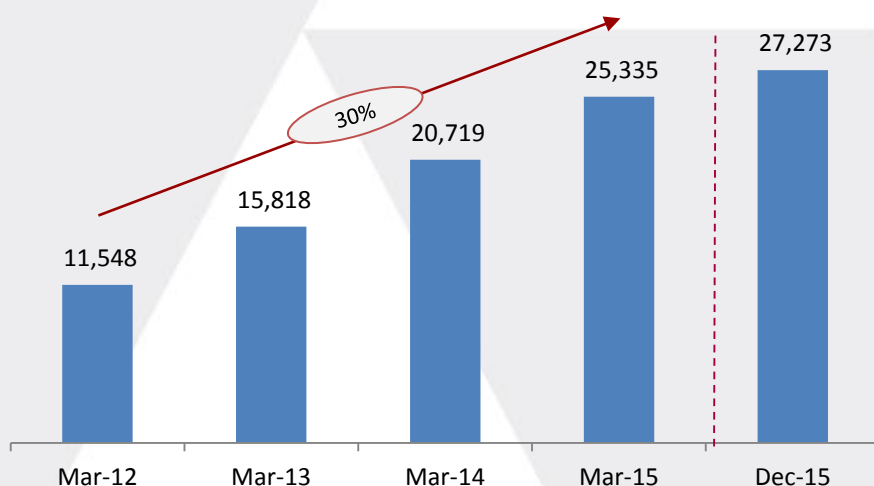
Capturing End-to-End Opportunities in Transaction Banking...



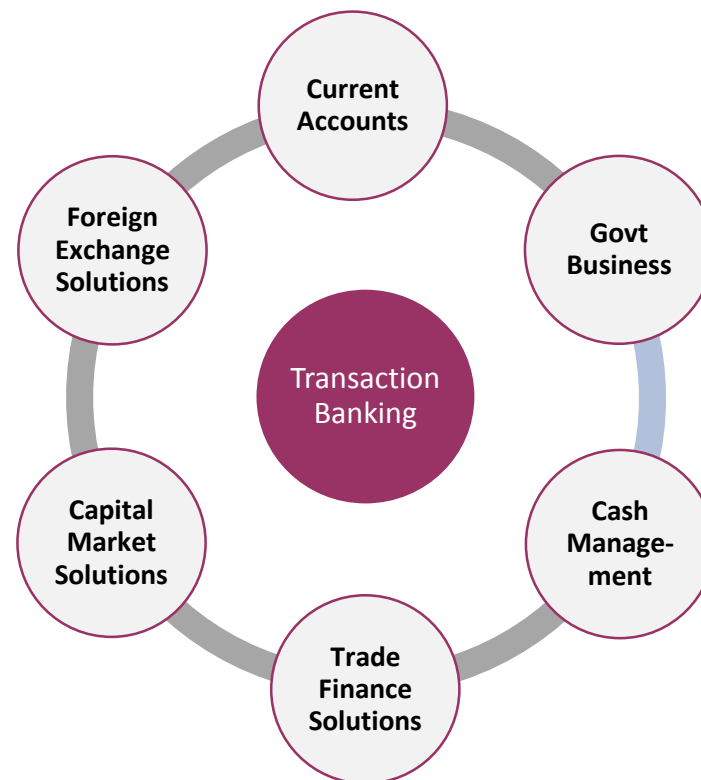
Current Account Deposits



CMS Accounts



CAGR (FY'12-FY'15)

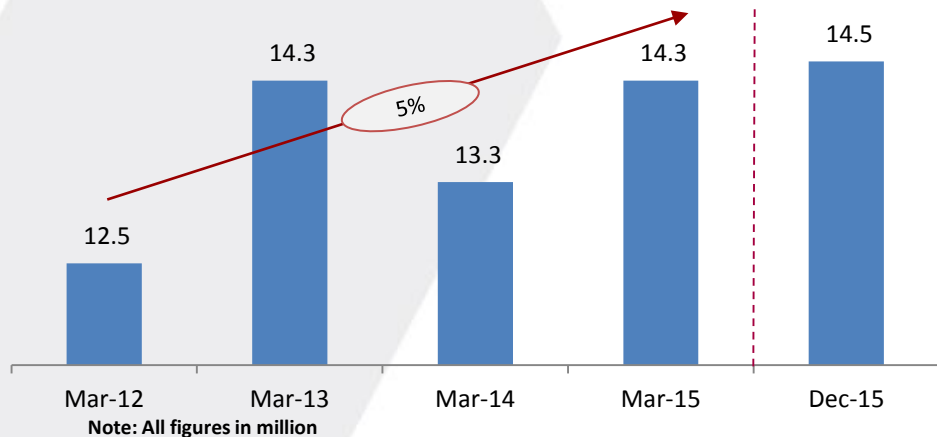


- Wide range of products with customised offerings & dedicated Relationship Manager for all Transaction Banking requirements
- Focused approach towards Corporates, Institutions and Government and strengthening presence in G2B e-Governance initiatives
- One of the leading Cash Management Services (CMS) providers in India
- Comprehensive suite of mobility solutions to meet Transaction Banking needs of customers
- Amongst select set of Indian banks offering host-to-host transaction banking facility

... and Establishing Leadership in the Retail Payments Segment



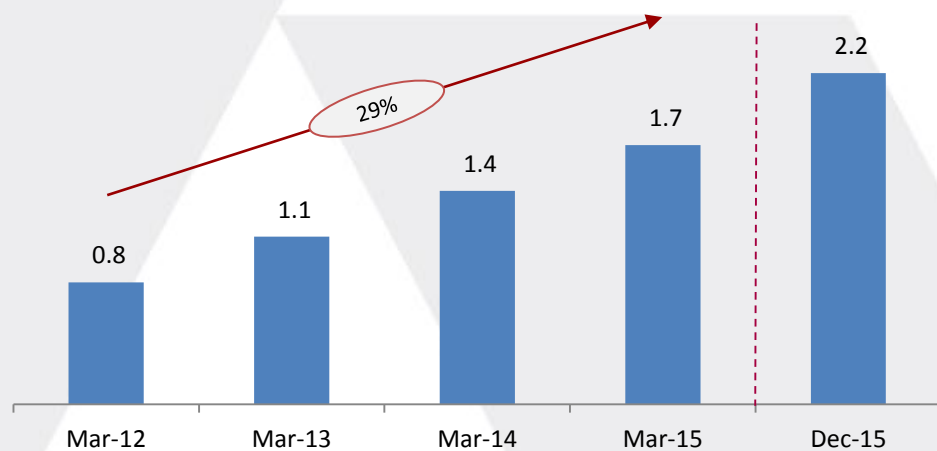
Debit Cards



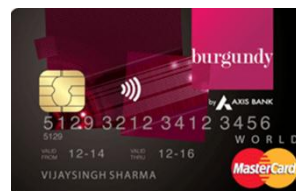
Market Leader in Retail Payments

- One of the largest issuers of debit cards & 5th largest credit card issuer in the country with a card base of around 2.2 mn
- Multi Currency Foreign currency cards in 15 foreign currencies
- Won 'Best Payment Initiatives' Award amongst Private Sector Banks organised by IBA Banking Technology Awards 2014-15

Credit Cards



Innovative Offerings

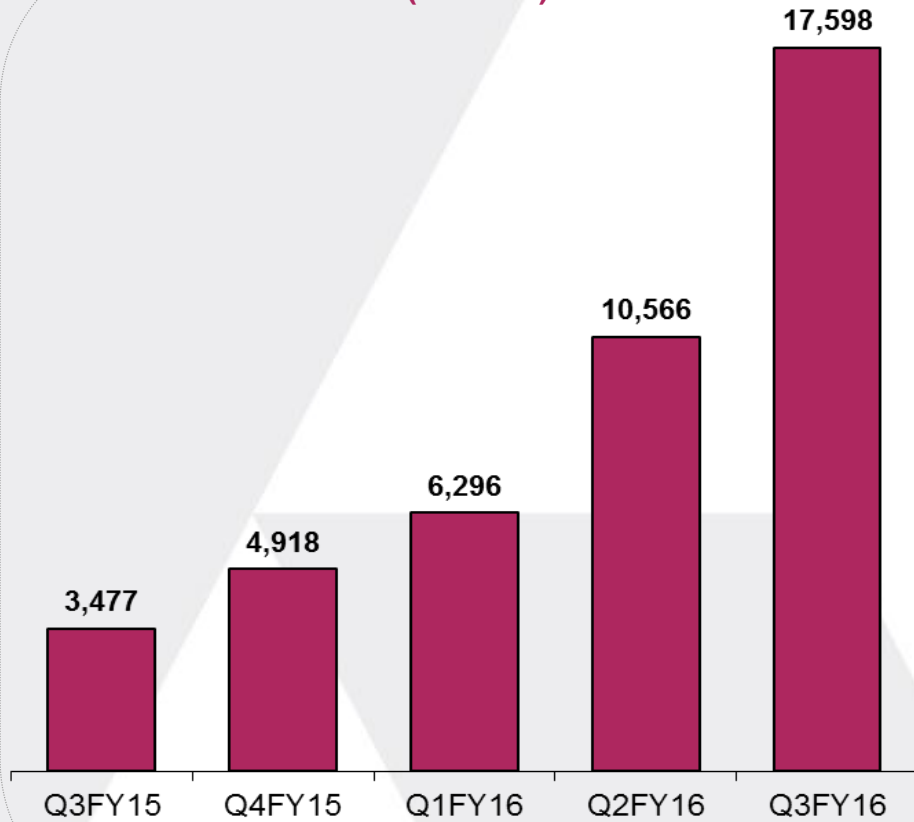


- **Power Packed Cards:** Burgundy World Debit Card
- **New Launches:** Neo Credit Card; Pride Platinum and Pride Signature Credit Card - Serving those who Serve the Nation
- **Value Added Cards:** Display Debit Card and Secure+ Debit Card
- **Premium Cards:** Privilege Credit Card

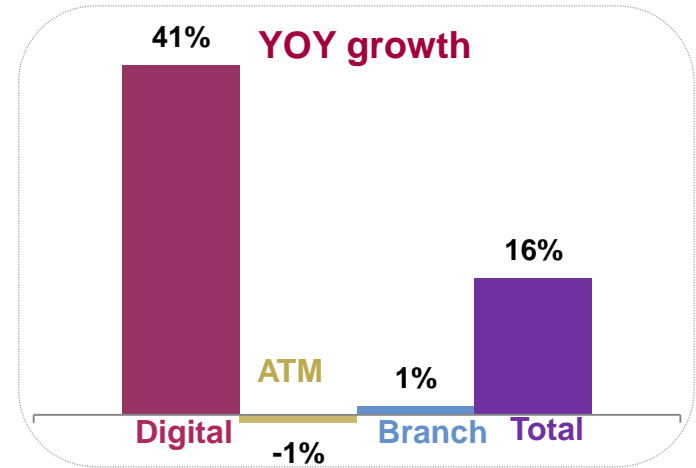
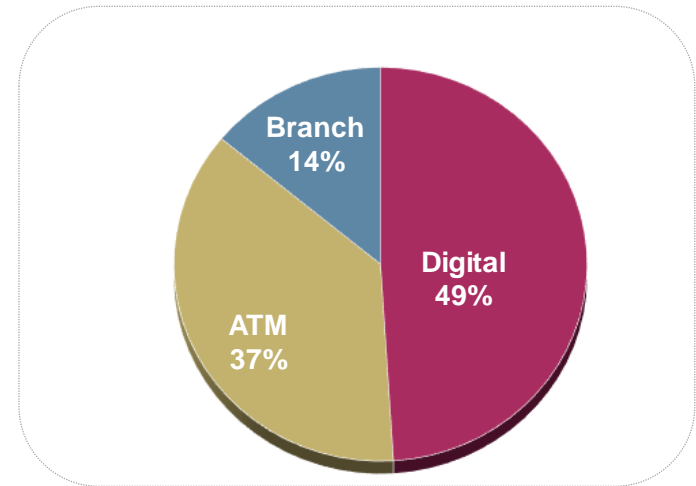
Digital Banking

Mobile Banking Spends

(₹ crores)



Channel Mix – Q3FY16



Note: Based on number of all financial transactions performed by individual customers

Contents

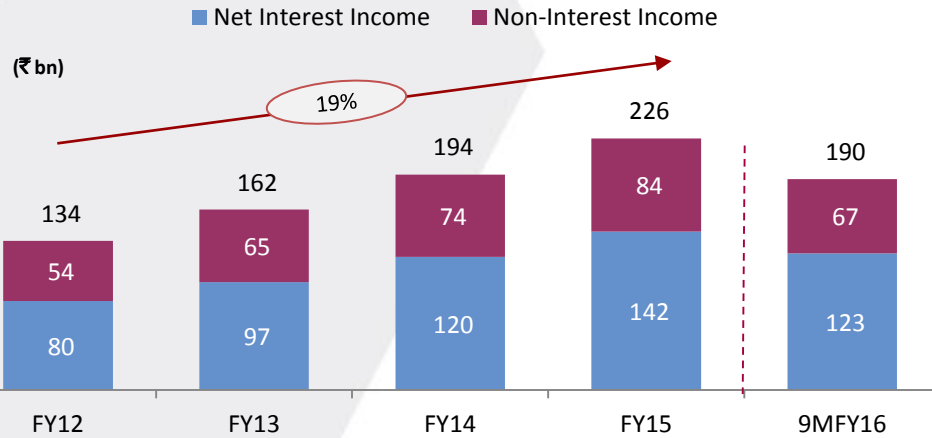
Key Macro Trends

Business Model

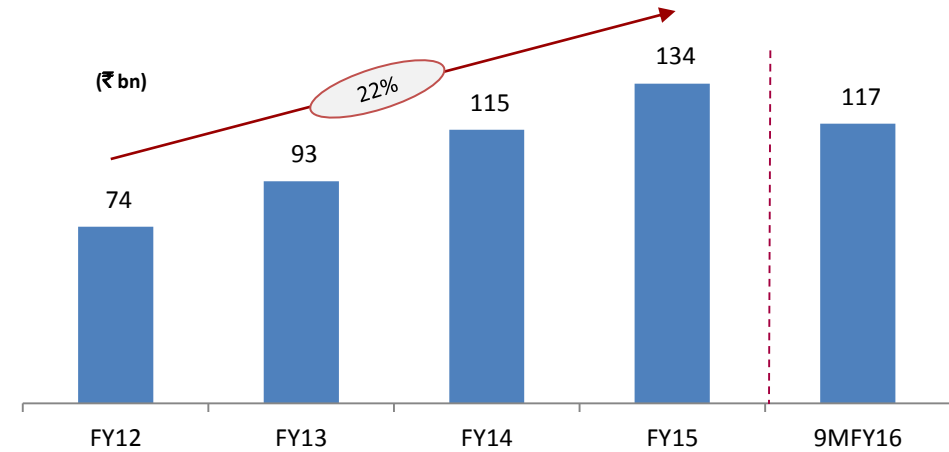
Financial Snapshot

Robust Growth in Core Revenue and Diversified Fee Income Franchise

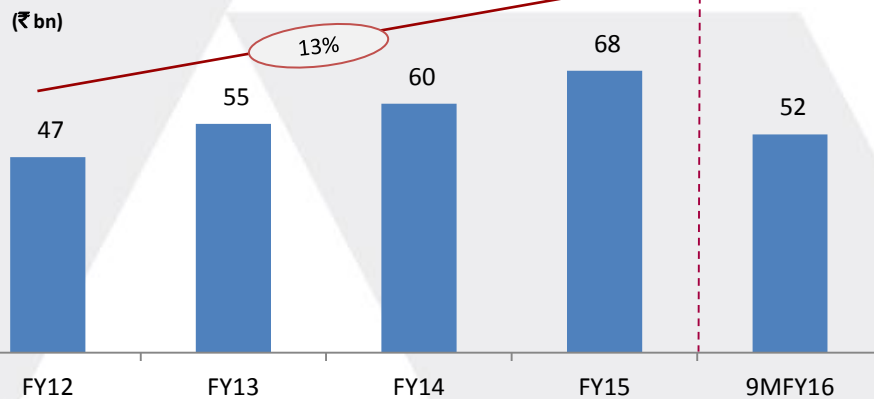
Operating Revenue



Operating Profit



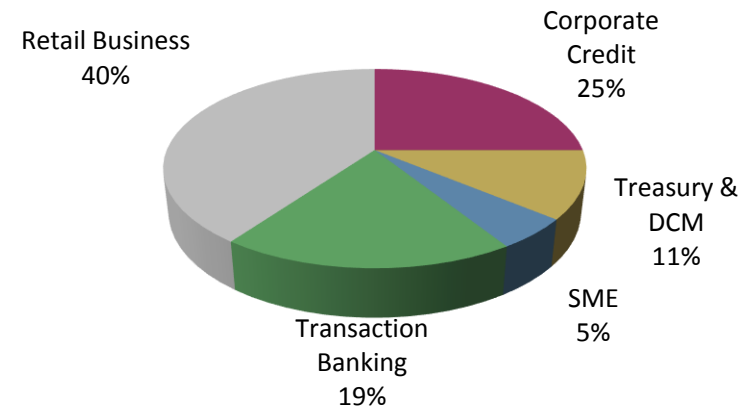
Fee Income



Fee Income as % of Operating Revenue

FY12	FY13	FY14	FY15	9MFY16
35%	34%	31%	30%	28%

Fee Profile (9MFY16)

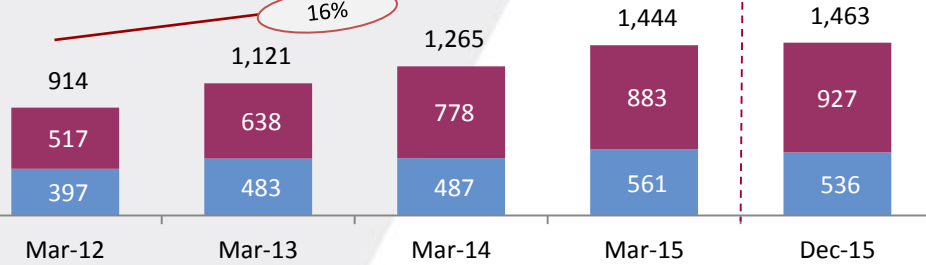


Margins Driven by Low Cost Deposits and Enhanced Operational Efficiency

Current and Savings Bank Deposits

■ Current Deposits ■ Savings Deposits

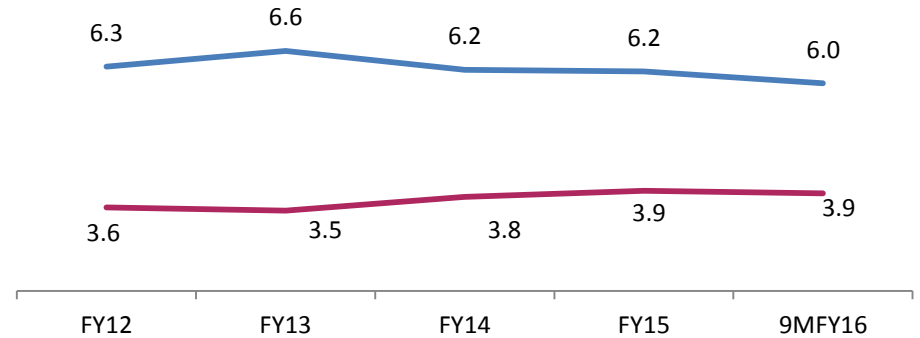
(₹ bn)



Daily Average CAGR (FY12-15): 15%

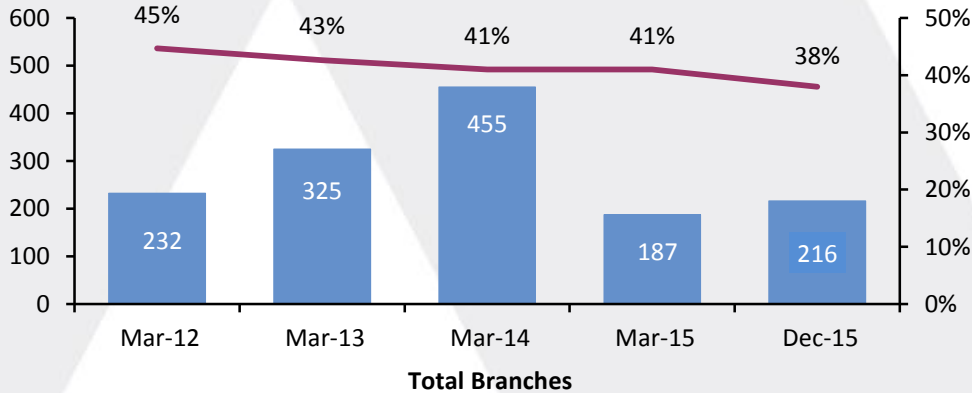
Cost of Funds and Net Interest Margin (%)

— Cost of Funds — Net Interest Margin



Branch Expansion and Cost to Income Ratio

■ New branches opened — Cost to income ratio



Key Highlights

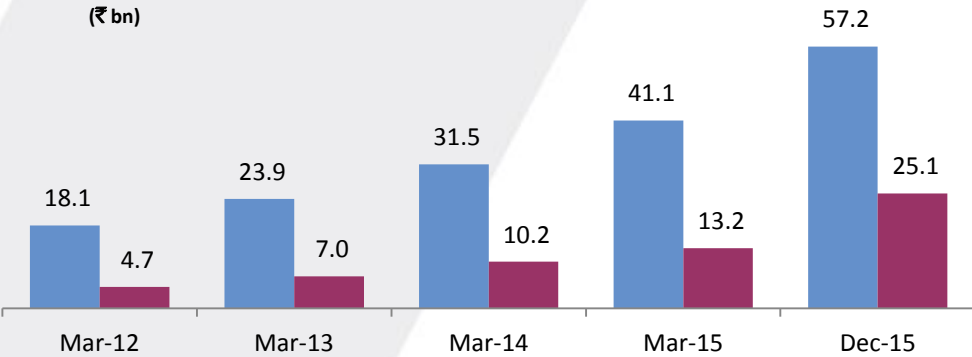
- Focused on maintaining low cost fund base
- Stable NIMs through interest rate cycles
- Calibrated reduction in cost to income despite investments in retail business
- Operating leverage from new branches expected in future

Stable Asset Quality

NPAs (Amounts)

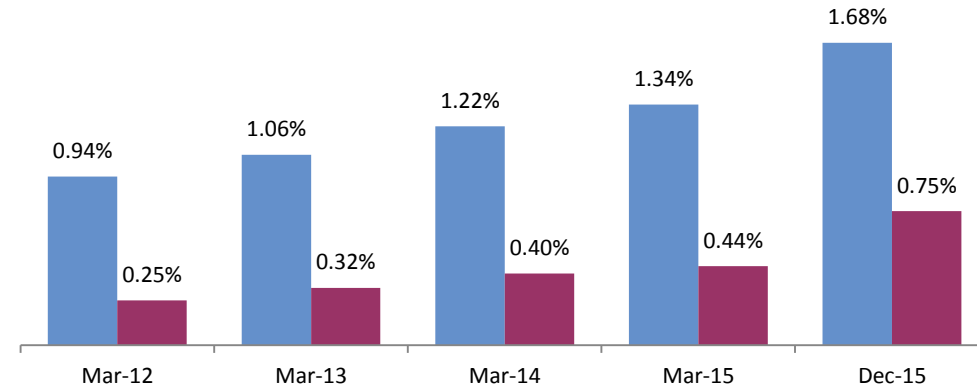
■ Gross NPA ■ Net NPA

(₹ bn)



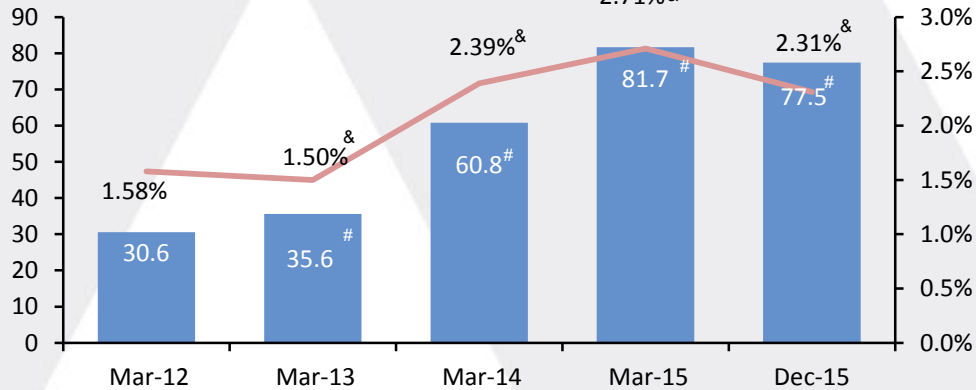
NPAs (%)

■ Gross NPA ■ Net NPA

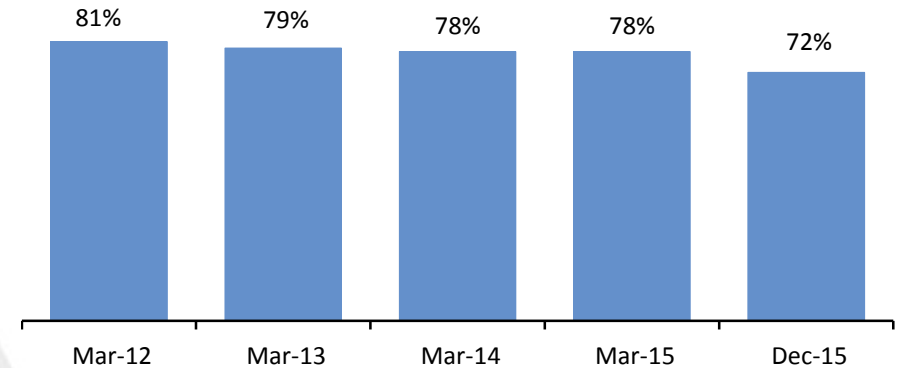


Restructured Assets

■ Cumulative restructured assets (₹ bn) — % of Restructured Assets to Net Customer Assets



Provisioning Coverage Ratio ⁽¹⁾



⁽¹⁾ Including prudential write-offs



[#]Cumulative net restructured advances
[&]Ratio of net restructured assets to net customer assets

Delivering Profitable Growth

Indian banking opportunity remains attractive with long term structural drivers in place

Well positioned to capture both consumption and investment themes through a comprehensive product suite

Strong retail franchise that continues to show traction

Steady and systematic growth of distribution footprint

Efficient capital management

Consistent profitable growth

Appendix

Summary Financials: Balance Sheet

₹ bn

US\$ mn

	FY12	FY13	FY14	FY15	9MFY16	FY12	FY13	FY14	FY15	9MFY16
Capital and liabilities										
Shareholders' funds	228	331	382	447	510	3,448	5,005	5,777	6,753	7,716
Deposits	2,201	2,526	2,809	3,224	3,383	33,271	38,185	42,468	48,741	51,144
Borrowings	341	440	503	798	920	5,150	6,643	7,602	12,056	13,901
Other liabilities	86	109	138	150	151	1,307	1,646	2,084	2,276	2,274
Total	2,856	3,406	3,832	4,619	4,964	43,176	51,479	57,931	69,826	75,035
Assets										
Cash and cash equivalents	139	204	282	361	331	2,106	3,089	4,269	5,457	4,995
Investments	881	1,068	1,025	1,175	1,154	13,316	16,138	15,500	17,769	17,451
Loans	1,698	1,970	2,301	2,811	3,154	25,661	29,773	34,777	42,489	47,671
Fixed assets	22	24	24	25	26	342	356	364	380	396
Other assets	116	140	200	247	299	1,751	2,123	3,021	3,731	4,522
Total	2,856	3,406	3,832	4,619	4,964	43,176	51,479	57,931	69,826	75,035

Note: Shareholders' funds include ESOP outstanding

Exchange rate of 1 USD = ₹66.155 based on the FEDAI exchange rate as on December 31, 2015

Summary Financials: Income Statement

	₹ bn					US\$ mn				
	FY12	FY13	FY14	FY15	9MFY16	FY12	FY13	FY14	FY15	9MFY16
Interest Income ⁽¹⁾	220	272	306	355	301	3,325	4,109	4,632	5,363	4,548
Interest Expense	140	175	187	213	178	2,113	2,648	2,825	3,213	2,692
Net Interest Income	80	97	119	142	123	1,212	1,461	1,807	2,150	1,856
Fee Income	47	55	60	68	53	714	835	905	1,024	793
Other Income	7	10	14	16	14	105	156	214	240	216
Operating Revenue	134	162	193	226	190	2,031	2,452	2,926	3,414	2,865
Operating Expense	60	69	79	92	73	908	1,045	1,194	1,391	1,096
Operating Profit	74	93	114	134	117	1,123	1,407	1,732	2,023	1,769
Provisions and Contingencies (excl. Tax)	11	17	21	23	25	173	265	319	352	384
Profit Before Tax	63	76	93	111	92	950	1,142	1,413	1,671	1,385
Tax	21	24	31	37	31	309	359	473	559	468
Net Profit	42	52	62	74	61	641	783	940	1,112	917

Note: Exchange rate of 1 USD = ₹66.155 based on the FEDAI exchange rate as on December 31, 2015

¹ Interest income includes dividends earned on equity and preference shares and units of mutual funds

Summary Financials: Key Ratios

	FY12	FY13	FY14	FY15	9MFY16
Profitability and efficiency					
Return on average total assets ⁽¹⁾	1.7%	1.7%	1.8%	1.8%	1.7%
Return on average net worth ⁽²⁾	21.2%	20.5%	18.2%	18.6%	17.6%
Net interest margin ⁽³⁾	3.6%	3.5%	3.8%	3.9%	3.9%
Cost income ratio ⁽⁴⁾	45%	43%	41%	41%	38%
Fee Income to Operating Revenue	35%	34%	31%	30%	28%
Capital Adequacy*					
Total capital adequacy ratio	13.66%	17.00%	16.07%	15.09%	15.47%^
Tier I capital adequacy ratio	9.45%	12.23%	12.62%	12.07%	12.35%^
Asset Quality					
Gross NPA as a % of gross customer assets ⁽⁵⁾	0.94%	1.06%	1.22%	1.34%	1.68%
Net NPA as a % of net customer assets ⁽⁶⁾	0.25%	0.32%	0.40%	0.44%	0.75%

* Capital adequacy ratio computed under Basel III guidelines with effect from 1st April, 2013. ^ Ratios computed for Dec-15 include unaudited profits for the nine months

¹ Net profit divided by average month-end assets for the year/period;

² Net profit divided by the sum of the daily weighted average of share capital, share premium and year/period-end average of other reserves and surplus as reduced by the year/period-end average of deferred tax assets;

³ Represents the ratio of net interest income to daily average interest earning assets

⁴ Represents the ratio of Operating Expense to Operating Revenue

⁵ NPA denotes non performing assets; Gross customer assets include advances and credit substitutes before provisions

⁶ Net customer assets include advances and credit substitutes after deductions of provisions

Thank You