Stronger, Consistent, Sustainable

Analyst Day 2022

November 24th, 2022

AXIS BANK

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.

Axis Bank: Stronger, consistent, sustainable

AXIS BANK

Strong balance sheet

1. Self sufficient to fund growth
2. Significant balance sheet buffers
3. Asset quality adequately addressed

Significant improvement in quality of earnings

4. Improved NIMs, while reducing RWA
5. Granular fees improves significantly
6. Trading income contribution declining

Improving visibility and consistency of delivery

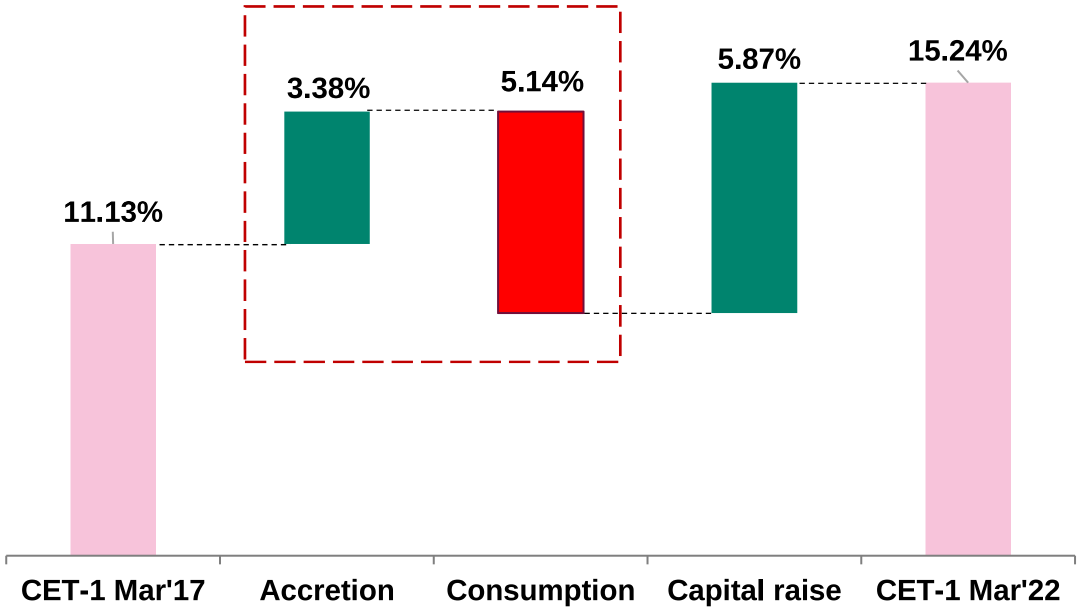
7. Operating jaws positive in this cycle
8. Disciplined execution on articulated strategy

All actions to deliver on aspirational ROE of 18%

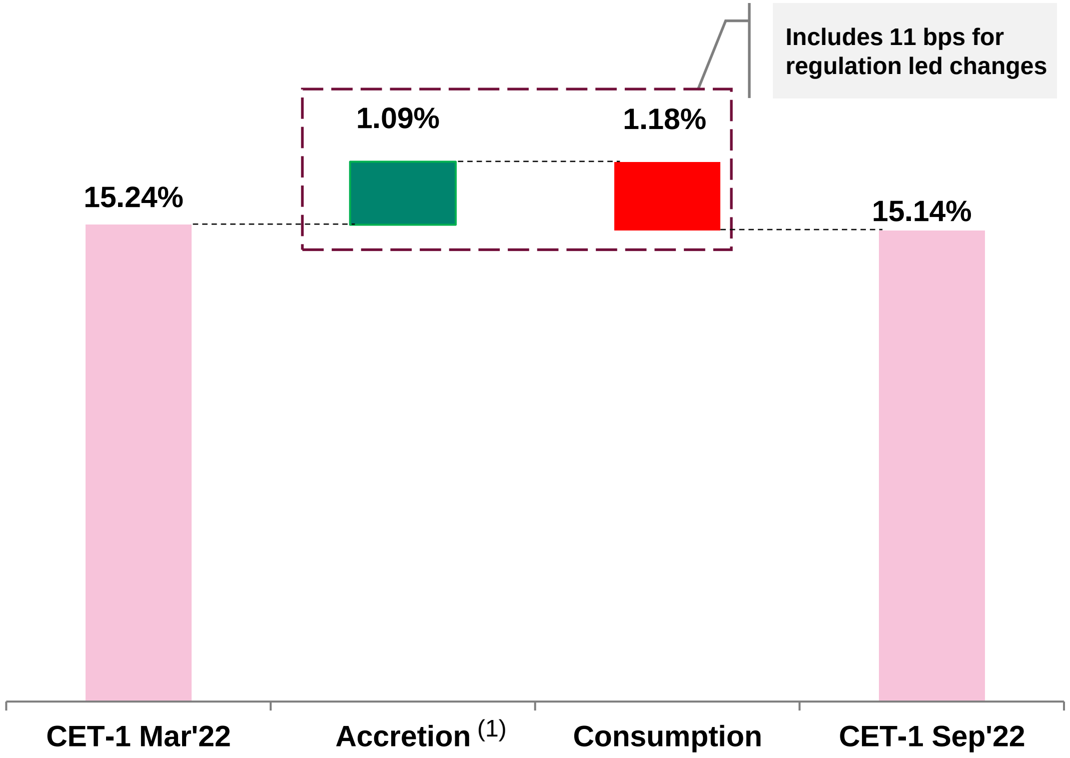
1 Getting self sufficient on capital to fund future growth

AXIS BANK

Historically capital raise was supporting capital consumption…



… profit accretion getting adequate to fund growth



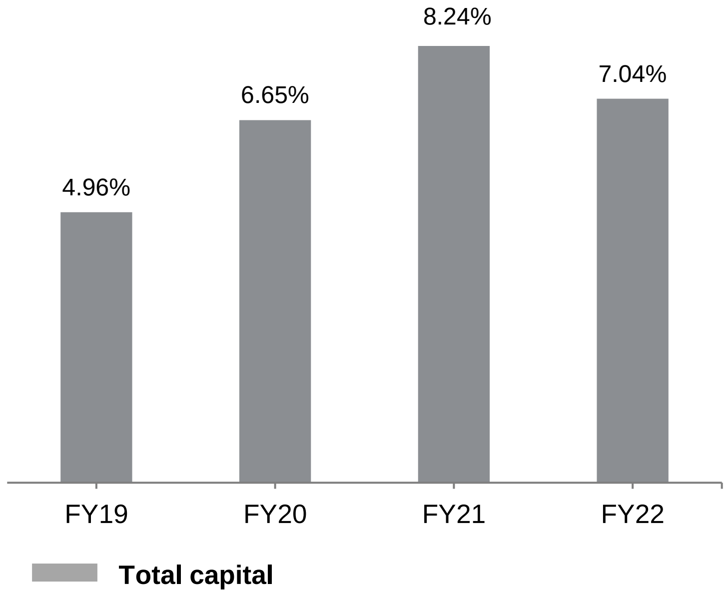
(1) Accretion includes ESOP exercise

2 Significant balance sheet buffers built

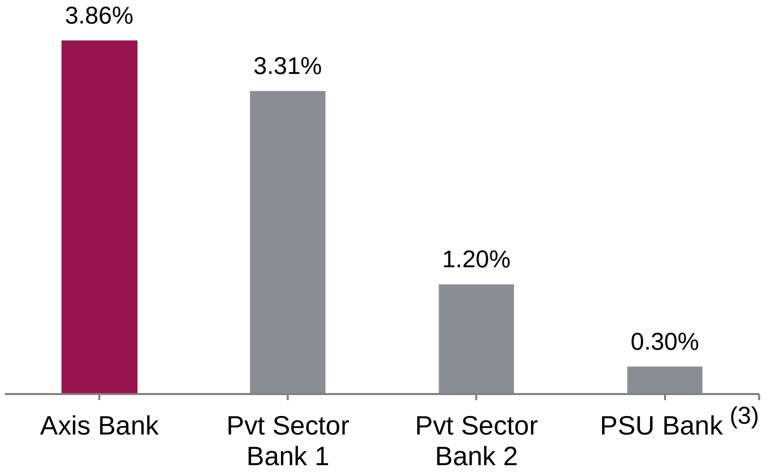
AXIS BANK

Margin of safety for capital, increased materially…

CET-1	3.9%	5.97%	8.03%	7.24%



…added CET-1 better than peers (1)



…complimented with balance sheet buffers

1.60% (2)

Standard asset cover
(all non NPA prov / std assets)

55 bps

Additional capital cushion over and above the reported capital adequacy

(1) Incremental CET-1, September 22 over March`19

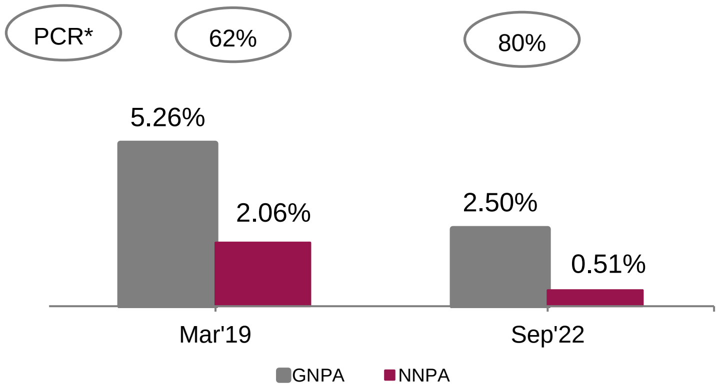
(2) At September 30, 2022

(3) Incremental CET-1, March 22 over March 19 as with profit CET-1 not available at September 22

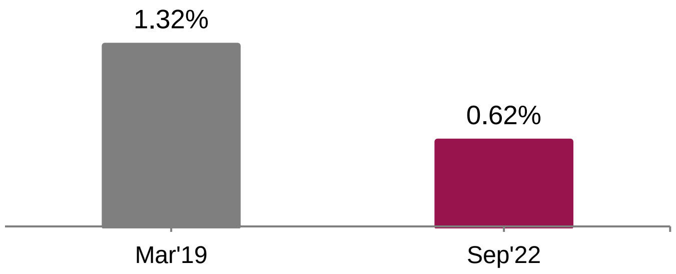
3 Asset quality issues adequately addressed

AXIS BANK

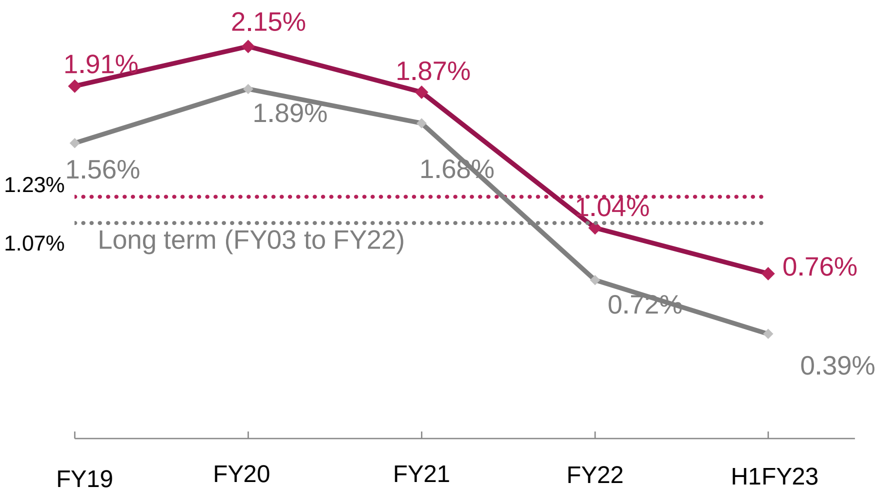
Material reduction in gross and net NPA



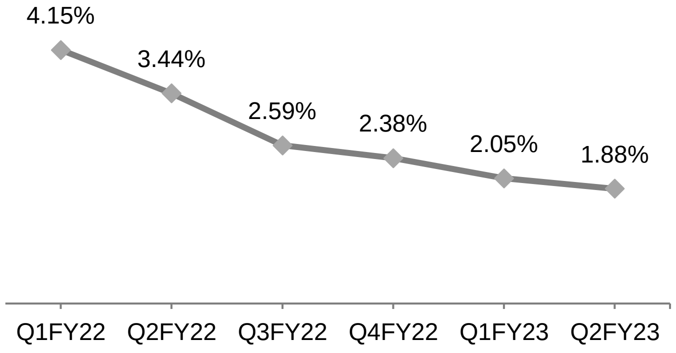
BB and Below corporate book has lost reporting significance (Fund based as % of GCA)



Credit costs improving and below long term averages

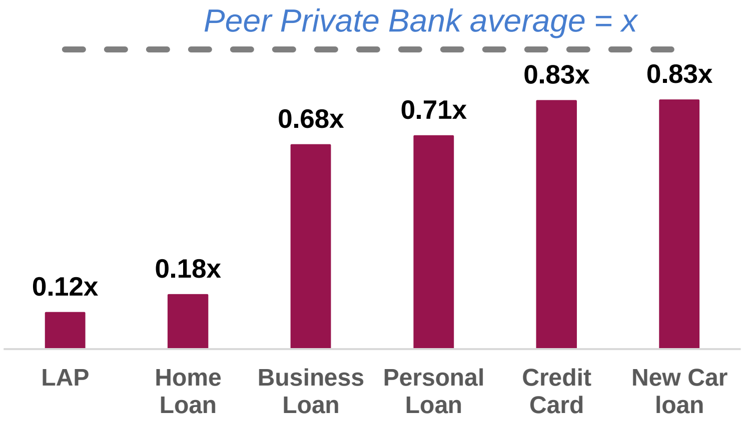


Gross slippage ratios trending well…



…retail delinquency robust

(Overview of 90+ across prducts)

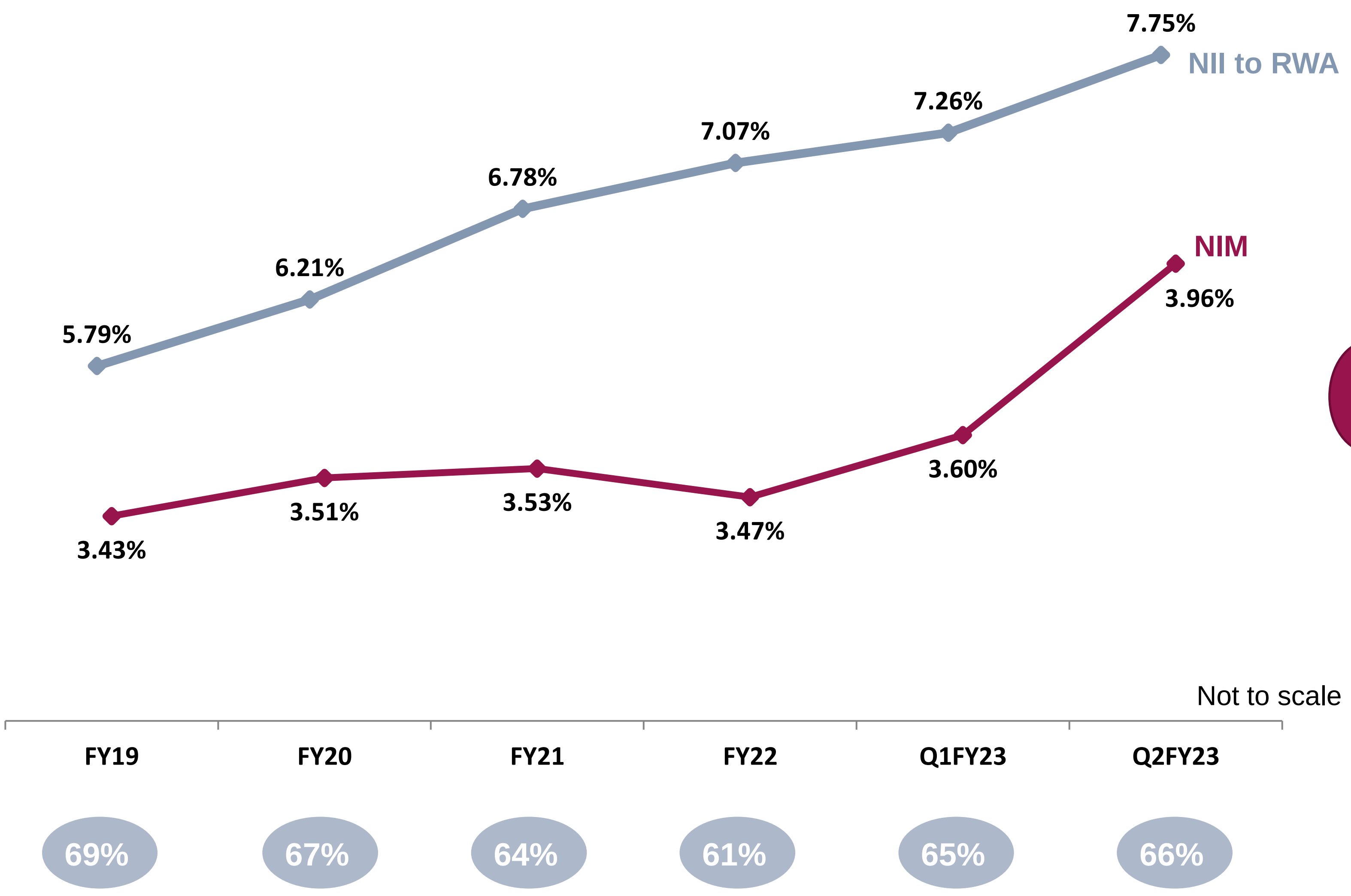


Source: CIBIL TransUnion as of Jun'22 data

* Without technical write-offs

4 Improved NIMs, while reducing RWA

AXIS BANK



RWA as % of total assets

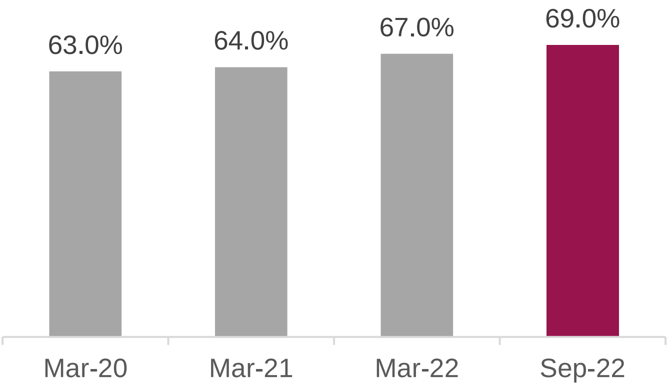
Structural drivers of our NIM improvement journey have scope for further improvement

1. Improvement in balance sheet, currency, segment and product mix
2. RIDF reduction
3. Improvement in the composition of deposits
4. Improvement in the quality of deposits

…led by structural drivers across the businesses

1 Improvement in balance sheet mix

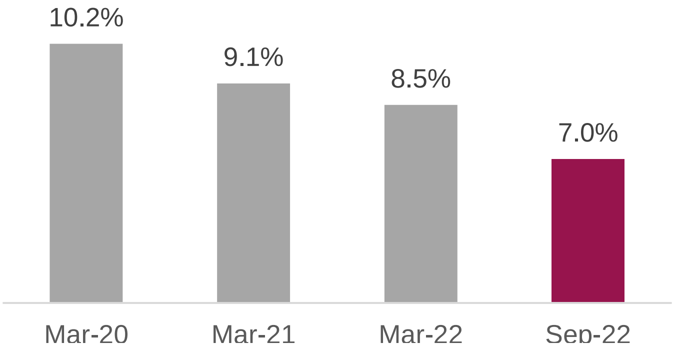
Retail & SME as % of loan book



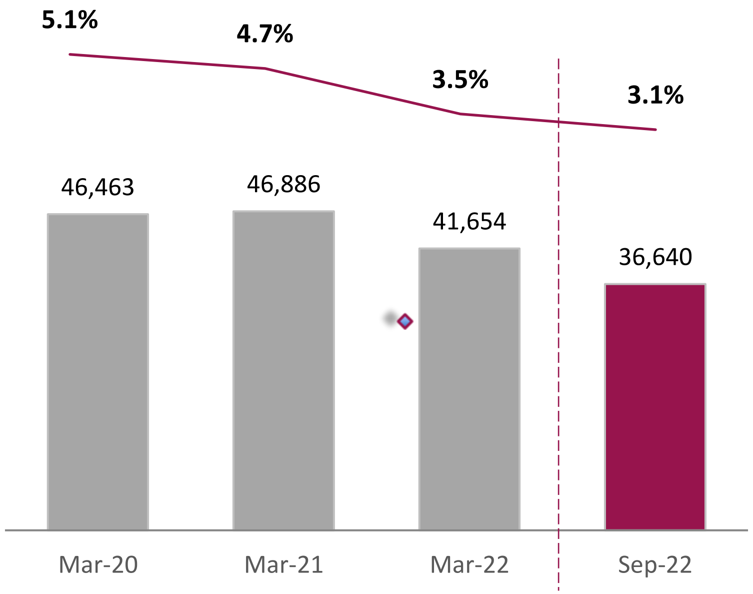
79% 85% 84% 86%

Loans and investments as % of total assets

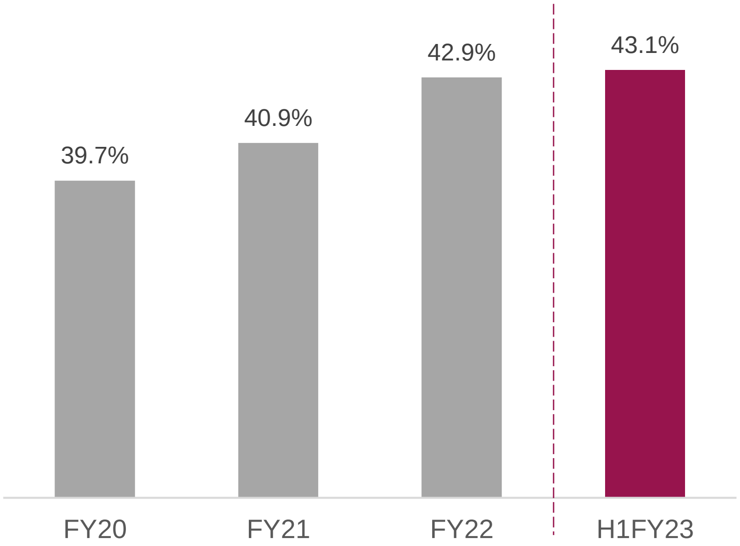
Non INR book as % of overall loan book



2 Reducing share of low yielding RIDF bonds



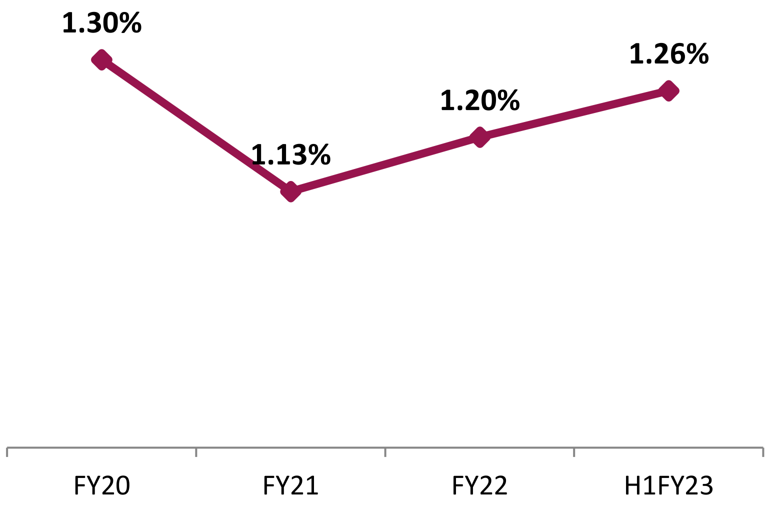
3 Improvement in composition reflected through improvement in average CASA %



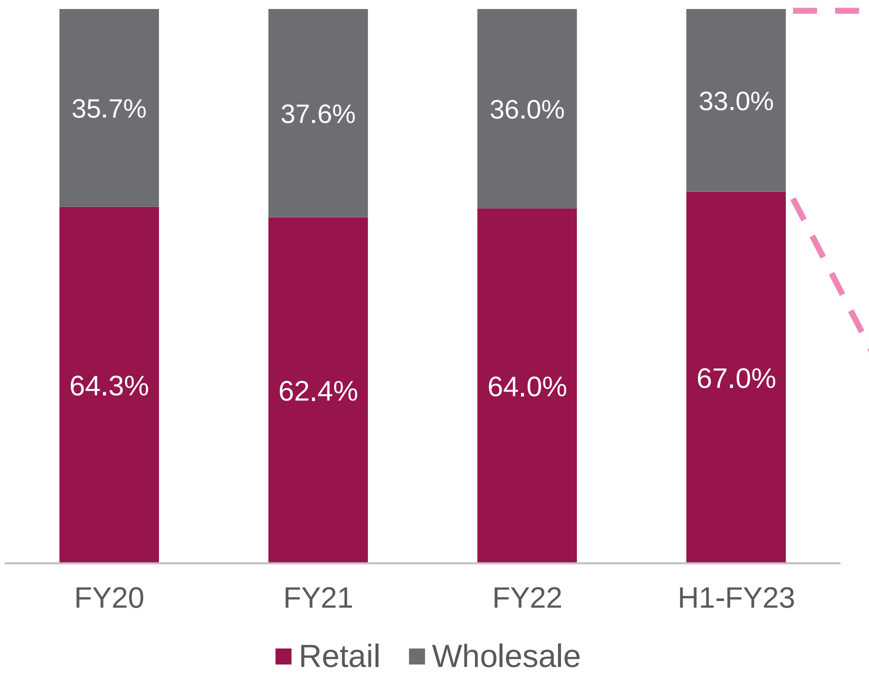
5 Significant improvement in granular fees

AXIS BANK

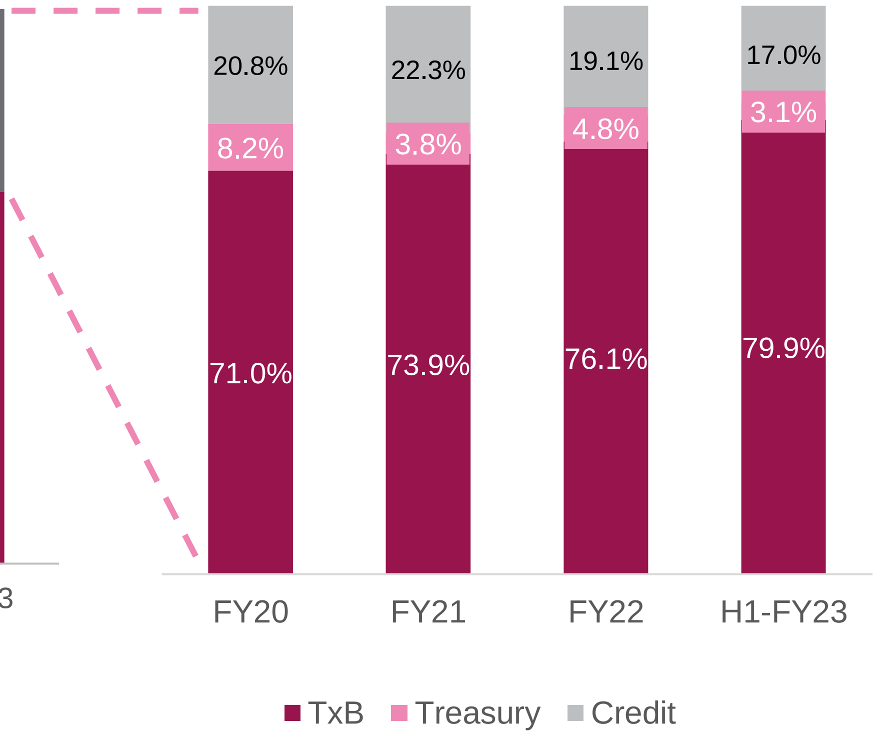
Fee to average assets % improving consistently



.. with share of retail fee increasing



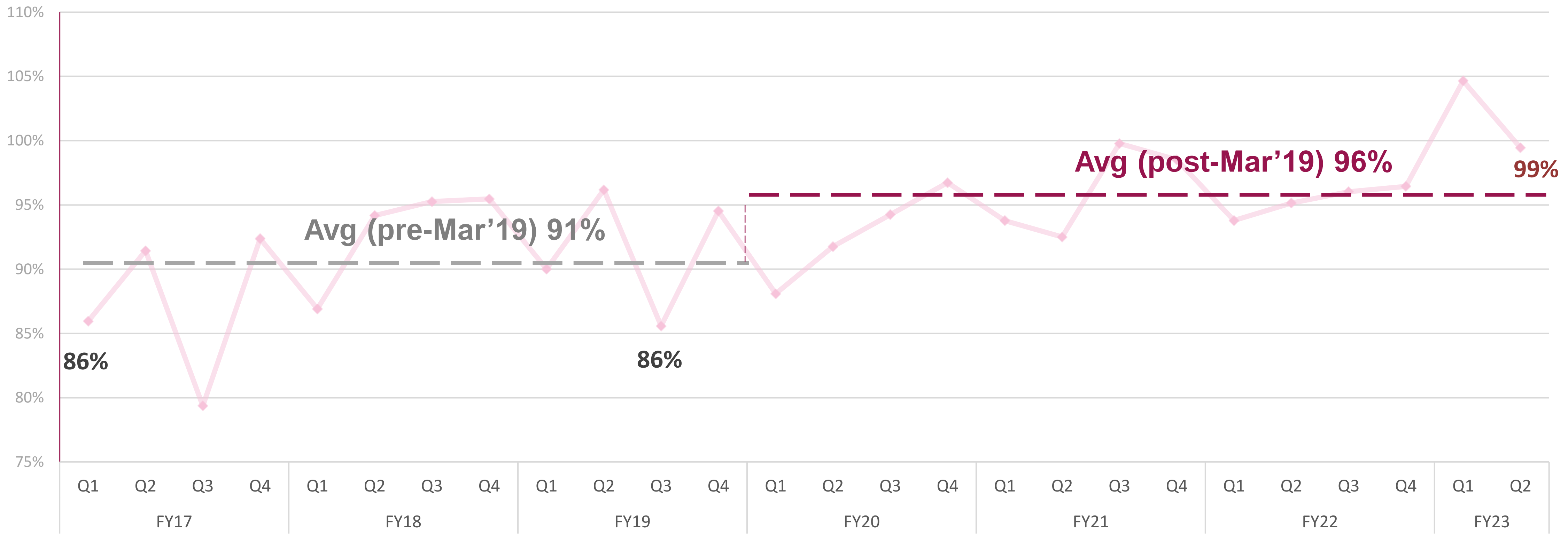
.... wholesale fee getting granular and with reduction in loan linked fee



6 The quality of earnings has improved with focus on driving core business revenues

AXIS BANK

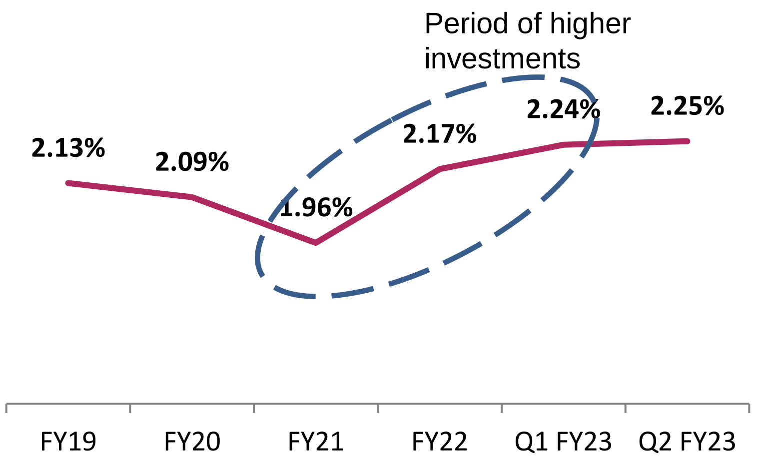
Net interest income and fee as % of total income



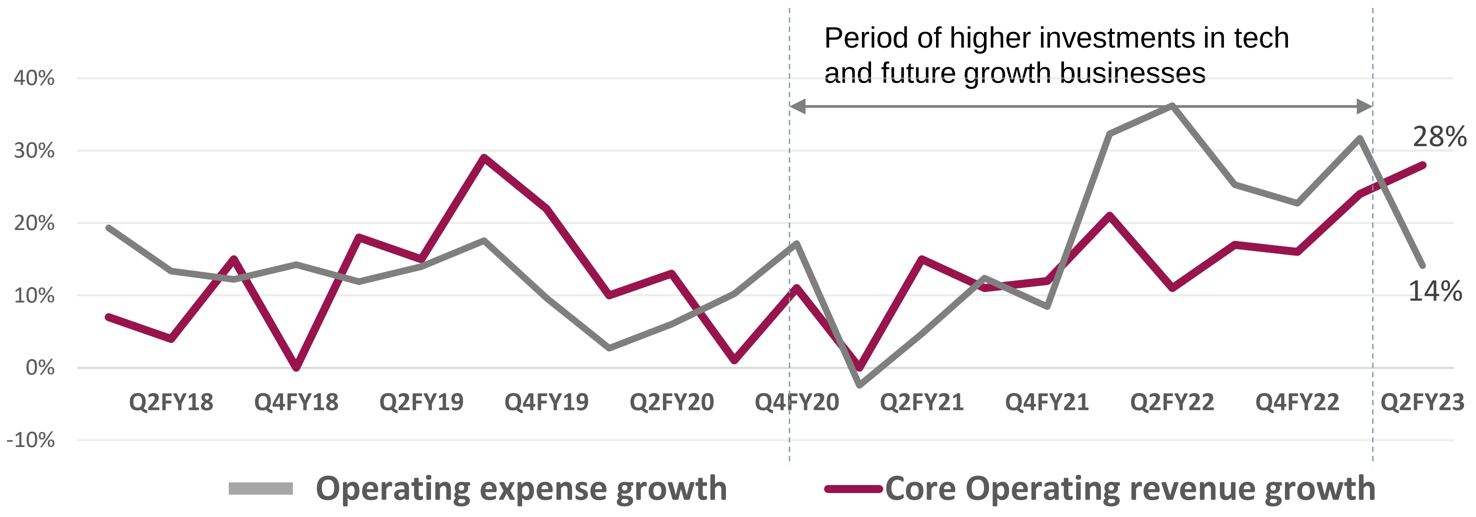
7 Operating jaws return to positive territory

AXIS BANK

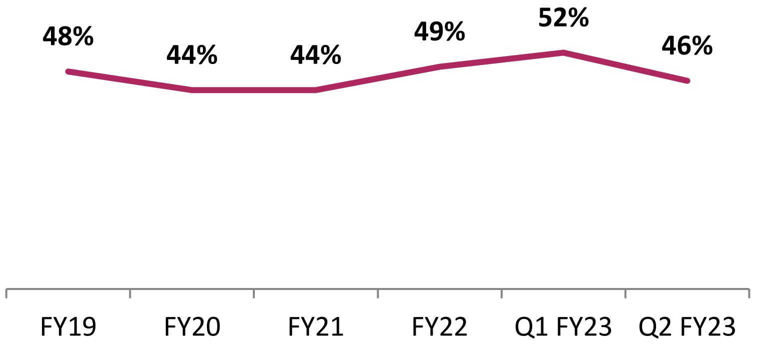
Cost to assets stable over last 2 quarters

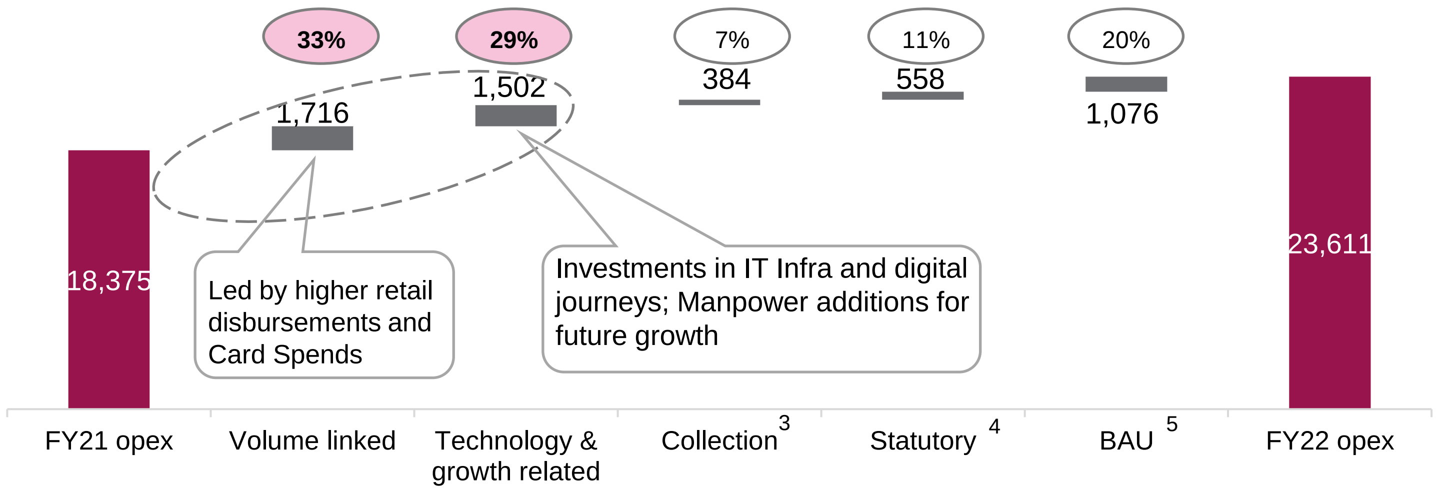


Operating jaws turning positive



Cost to income ratio





% of total growth

3. Higher collection volumes as FY21 collections lower due to COVID
4. Led by stat cost such as DICGC, CSR cost
5. BAU Opex growth in line with Q4 exit
All amounts in Rs crore

8 Disciplined execution across articulated strategy

AXIS BANK

		Structural call out	Q2 FY 23	
Net Interest Margin		3.70% - 3.80%	3.96%	Structural levers cushion deposit cost growth
Consolidated ROE %	Visible	16%- 16.5%	18.90%	Consistently above 15% for 3 quarters
	Aspirational	18.0%	18.90%	
Advances Growth (YOY)		4%-6% better than industry over the medium term	18% vs 15% for industry	In line, focus segments growing faster
Cost to assets %		Around 2%	2.25%	Achieve by FY 25 exit

Thank You