

Corporate Banking Business

Media Roundtable - Dec 2021



Key highlights



Green shoots visible - poised to ride the next wave of growth



We have strengthened the organizational core and quality of our balance sheet significantly



Tech led transformation aiding growth in CBG



Leveraging technology to become India's Best Wholesale Digital Bank



Best in class Corporate & Investment Bank Franchisee - Ability to provide holistic solutions to corporates across their capital structure leveraging on 'One Axis' capabilities

High frequency leading indicators in Oct and Nov'21 show broad based improvement

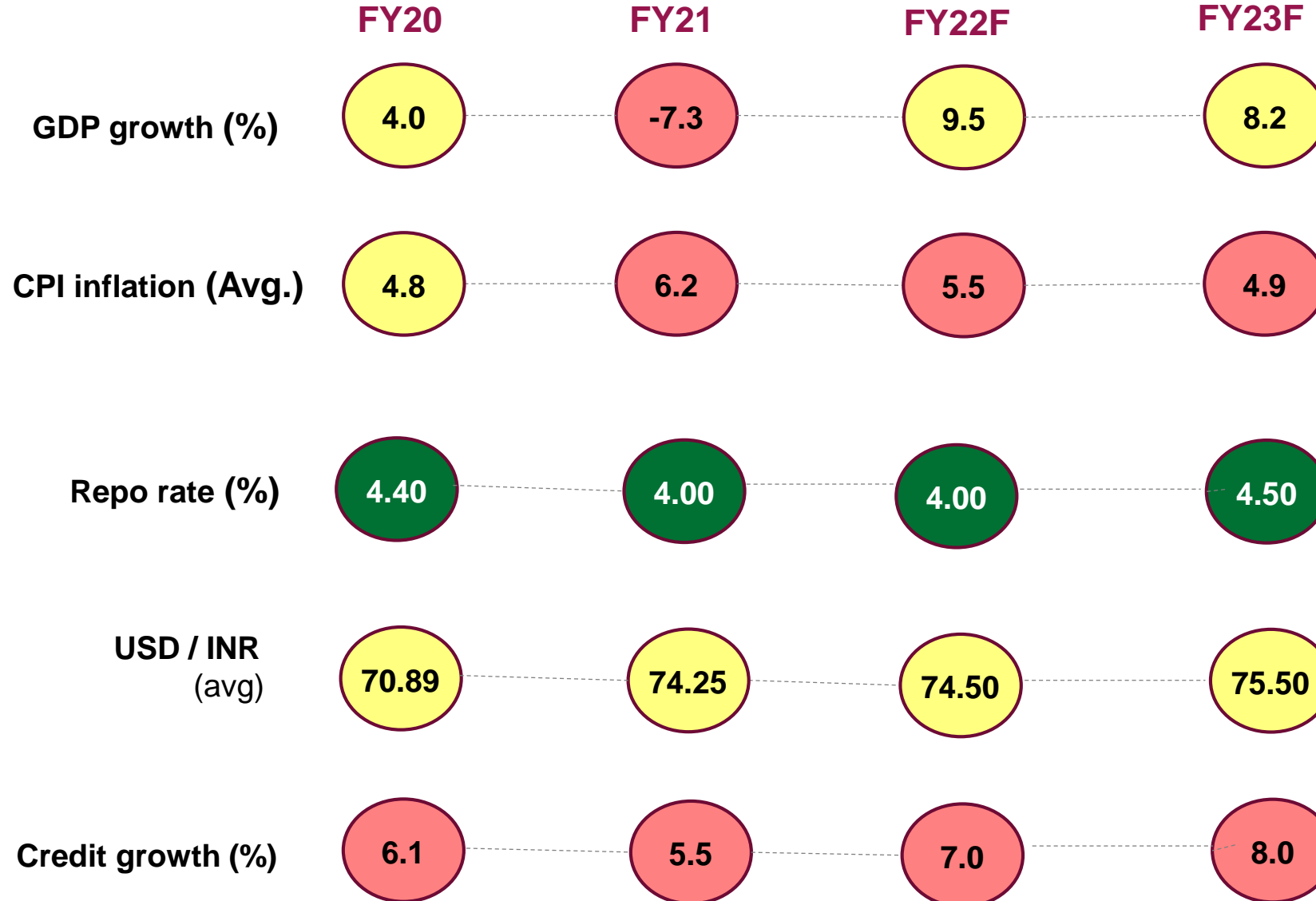


India High Frequency Activity Indicators, Indexed to 100 pre-COVID Levels

Leading Indicator	Pre-Covid	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21
Gol Spends (Ex. Interest) (INR value)	100	157	89	139	167	104	
GST collections (value in INR)	100	87	109	105	110	122	124
Rail Freight (weight)	100	104	104	102	98	108	
Poll Cargo (weight)	100	98	92	96	90	100	99
PMI Services	100	74	82	102	100	105	105
Diesel Consumption (volume)	100	86	86	78	77	92	
Petrol Consumption (volume)	100	97	106	109	105	111	
Electricity Consumption (units)	100	110	120	124	110	110	96
Tractor Sales (TMA) (volume)	100	215	127	105	180	225	
Vehicle Registrations (VAHAN) (volume)	100	71	91	81	76	79	106
Exports (value in USD)	100	120	131	123	124	132	111
Exports (Ex Oil, Gold)	100	124	126	122	122	126	114
Imports (Ex Oil, Gold)	100	118	114	113	131	139	137
Cement Production (weight)	100	92	96	92	87	100	
Steel Production (Weight)	100	97	98	99	98	101	
Coal Production (weight)	100	69	73	73	70	86	
IIP (Index)	100	91	97	97	94		
PMI Manufacturing	100	89	102	97	99	103	106
FASTag Payments (Rs Cr)	100	164	189	196	191	213	202
E-way Bills No (Cr)	100	97	114	116	120	130	106

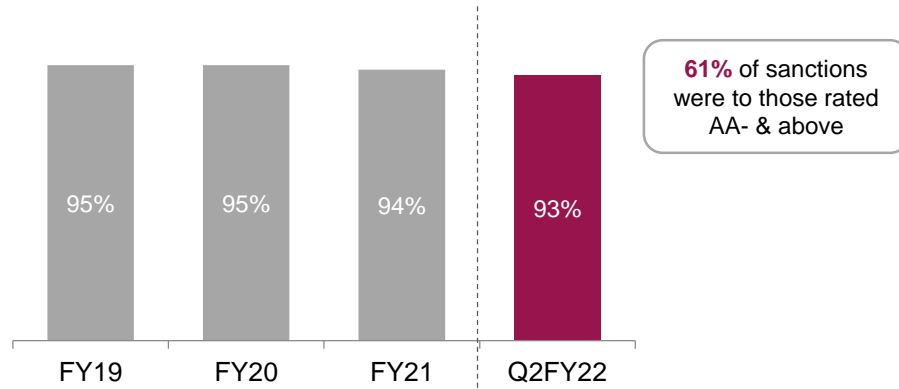
Source: Multiple data sources, Axis Bank Research

Key macro and markets forecasts

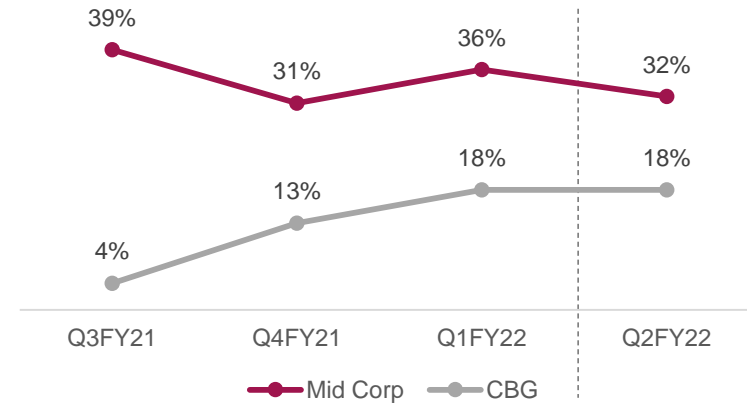


Originations continue with better rated corporates with asset quality firmly under control

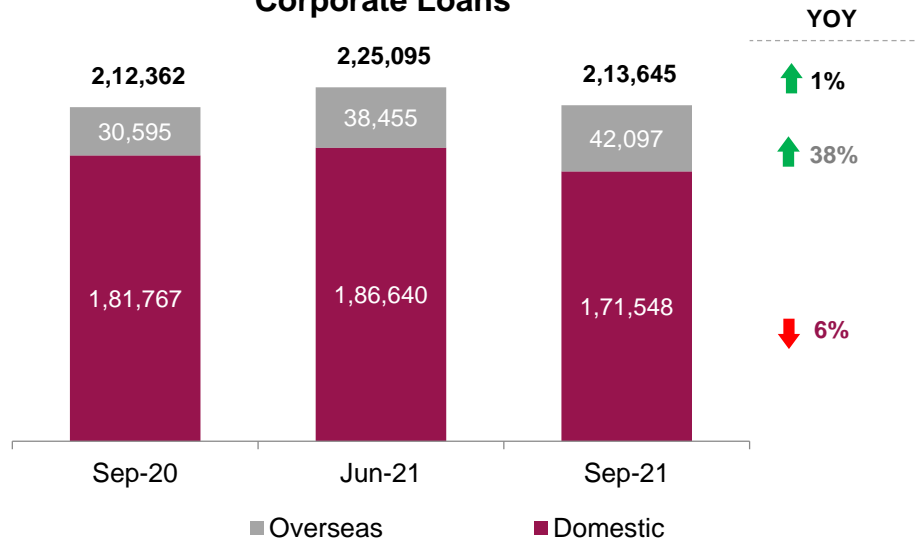
Incremental sanctions to corporates rated A- & above



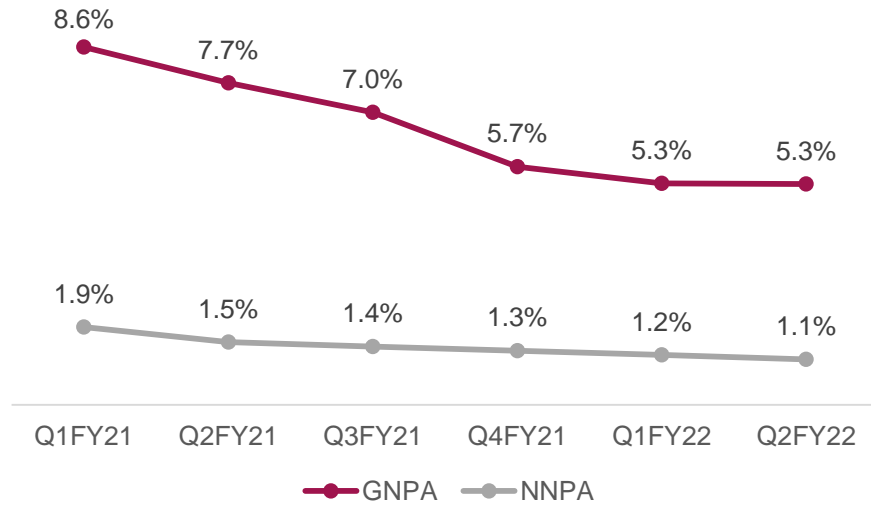
Mid Corp & CBG y-o-y growth trending well



Corporate Loans



Wholesale Bank – GNPA & NNPA



*GNPA & NNPA ratios are as per IRAC norms

Short term refers to loans of less than 1 year tenure; Long term refers to loans of greater than or equal to 1 year tenure

Commercial Banking business benefitting from technology led transformation



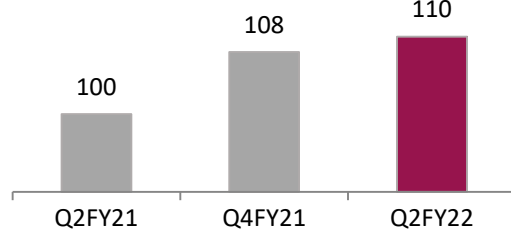
One of the most profitable segments of the Bank with high PSL coverage



Data driven credit decisions, minimal documentation, simplified products and digitized operations aiding higher business growth

CBG Current Account Balances (QAB)

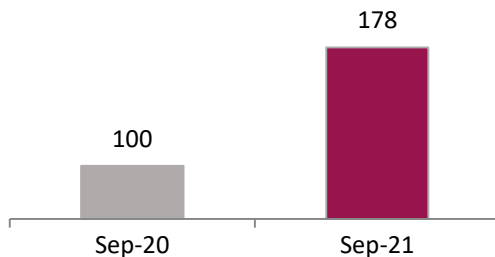
Indexed to 100



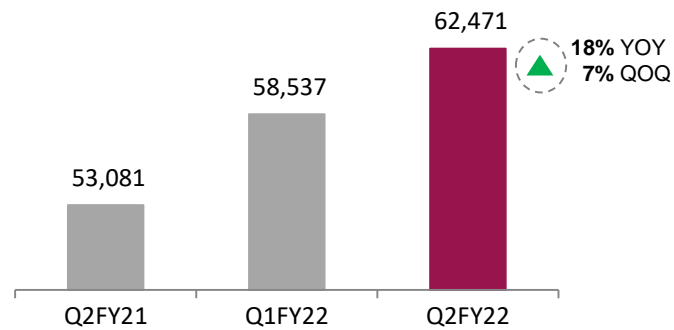
19% of Burgundy & Burgundy Private accounts were sourced through CBG

New to Bank (NTB) book YTD

Indexed to 100

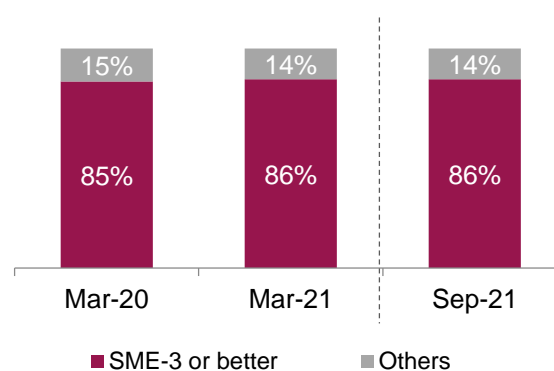


CBG Advances



85% of loans were PSL compliant

86% of book is rated SME3 or better



Project Sankalp - Delivering Customer First & One Axis



Customer 360 view coupled with customer tiers and effective meeting rhythm based on analytics to fulfil needs vs. selling products



Enhanced synergy with Branch Banking equipped with automated dashboards for better lead management



60%+

Reduction in docs required

30 mins

for pre-screening vs 1 day

4x

Increase in Client Meetings per RM (YOY in Q2FY22)

We continue to be recognized for our excellence in service



Axis was adjudged **#1** on the **Greenwich Quality index** couple of months back amongst **Large Corporate banking customers** and as per their latest report Axis stands **#1 on Greenwich quality index for Middle Market banking customers as well.**



Axis stands as **#1** for distinctive in "**Addressing COVID-19 Needs for clients**" both for Large Corporate Banking and Middle Market Banking.



Axis stands as **#1** on the Greenwich service excellence on following aspects

For **Large corporate banking**

- Knowledge of Transaction Banking Needs
- Timely Follow-up

For **Middle market banking**

- Ease of Doing Business
- Knowledge of Transaction Banking Needs
- Coordination of Product Specialists
- Timely Follow-up

We are progressing well towards building India's leading digital wholesale bank



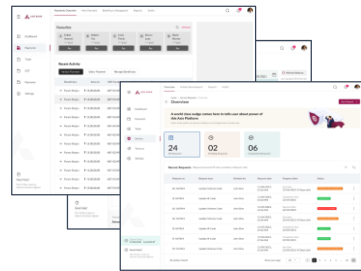
1 Enable **multi-product, multi-channel linkage** both internally and with customers



Digital CIB platform (2.0)



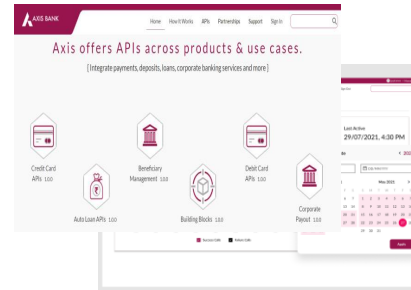
2 Become **easiest bank to do business with across** segments



End-to-end digital journeys



3 Become nation's leading **API-driven** wholesale bank



B2B API enablement



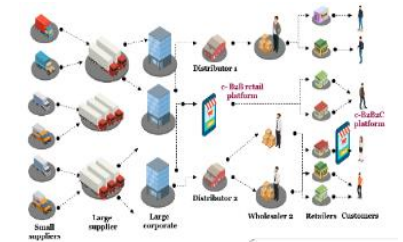
4 Power **paperless txns** leveraging smart documentation



Commercial Banking Proposition



5 Help customers to **integrate their physical and financial value chains**



Ecosystem solutions

Client-centric design grounded in rich **customer insights**

Digital Bank & Wholesale Banking Products

Digital leadership and technology driven transformation are key pillars of our GPS strategy

-  **Strengthen the organizational core and quality of our balance sheet significantly**
-  **Invest in technology capabilities to deliver on our Transformation plans**
-  **Act with relentless focus on making Axis digital**
-  **Build granularity across all our business segments to drive sustainable growth**
-  **Deliver strong operating performance with improvement in return metrics**
-  **Create significant value among our key subsidiaries**

... and we are progressing well towards building India's leading digital wholesale bank



1 Enable **multi-product, multi-channel linkage** both internally and with customers

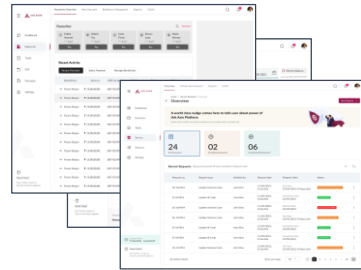


Digital CIB platform (2.0)

- Integrated and fully-digitised **onboarding**
- Persona-based **personalized dashboards**
- **Integrated analytics** use cases



2 Become **easiest bank to do business with across** segments

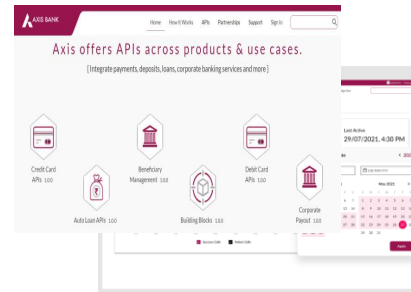


End-to-end digital journeys

- **Simplified and fully-digital stack** of value generating and engagement journeys
- **Straight-through processing** resulting in significant reduction in journey TAT
- **AI/ML enabled chatbots** to resolve queries on the go



3 Become nation's leading **API-driven** wholesale bank



B2B API enablement

- **100+ APIs** across transaction banking products
- **Commercialization push** via APIs launched on developer portal
- **Partnerships to drive smooth integration** with corporate ERP



4 Power **paperless txns** leveraging smart documentation

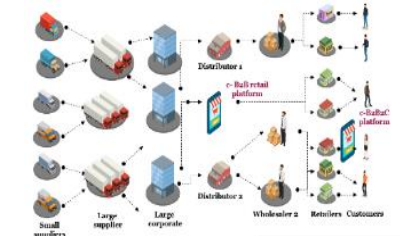


Commercial Banking Proposition

- **Mobile-first proposition** catering to SMEs and MSMEs
- **Fully-paperless and digitized onboarding process**



5 Help customers to **integrate their physical and financial value chains**



Ecosystem solutions

- **Customized solutions to be** launched across select corporates integrated into their business operating systems

Client-centric design grounded in rich **customer insights**

We have adopted agile principles to continuously augment our offering



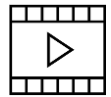
Illustration: Axis Corporate API developer portal

Features live



Self registration

View and sandbox test Axis bank's APIs, simply by creating user ID and password.



Starter guide

Access video on developer portal to guide you on entire process



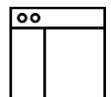
Real time IP/CSR validation

Get real time validation as you input the IP and CSR in UAT access request page



Flowcharts

Each API journey is depicted with flowchart to help easy comprehension



Website notification

Registered developers can receive notification when they login for updates



Suggest your use case

Become our thought partner by suggesting APIs/use-cases to the Bank



Developer forum

Communication between developers on the Developer portal w.r.t API issues/queries.

Features coming soon...



End to end Digital Onboarding

STP onboarding into production with automated IP / certificate whitelisting



API Analytics

View analytics, by applying date and API filters



Certificate exchanges

Allows to exchange certificates digitally on the developer portal



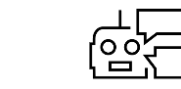
User nudge

Send nudges based on completion of certain stages and defined period of inactivity



Raise complaints/queries

Automated complaint desk, with reduced TAT on solutions provided for your queries/complaints.



Instant query resolution

Chatbot integrated to answer developer queries



Suggest API

Recommend APIs based on your browsing history on the portal and API usage patterns



Best in class features



<https://apiportal.axisbank.com/>

Launched in Aug'21

50+ APIs across cash management and trade

Our market share on transaction banking products continues to be higher than our lending and liabilities share

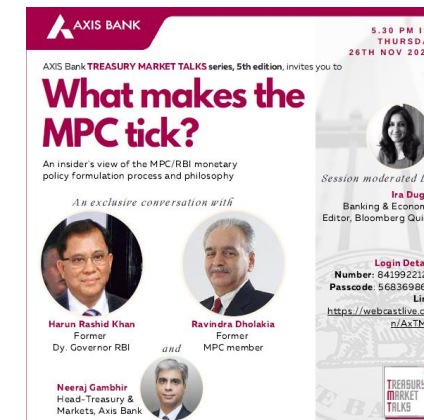


Treasury Market Talks (TMT) organized by the Bank have given a boost to Corporate Client outreach and relationships



TMT (Treasury Markets Talks) overview

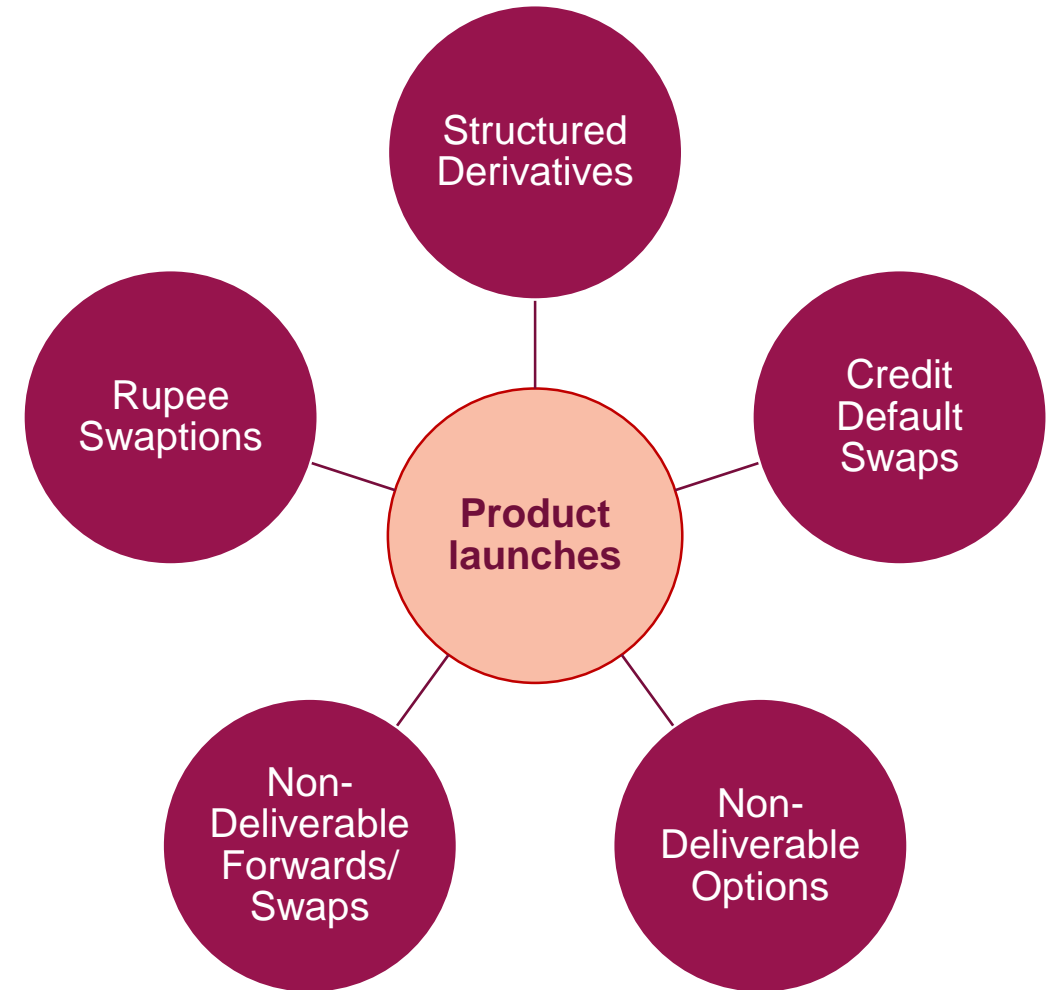
- A talk series on diverse topics Involving eminent speakers who are experts in their area of work.
- Speakers in past editions included Dr. Arvind Subramaniam, Mr. Todd Buchholz, Prof. Ravindra Dholakia, and Mr. Harun Khan
- Topics covered in the series include Monetary and fiscal policy, International trade & economy, Indian economy & financial markets, Union budget, Impact of covid-19, US Presidential elections and such others



Robust new product pipeline - leveraging recent changes in Treasury regulations

Key regulatory changes

- ✓ Rupee Interest Rate Derivatives Directions, 2019
- ✓ Risk management and Interbank dealings – Participation of Banks in Offshore Non-Deliverable Rupee Derivatives Market
- ✓ Market Makers in OTC Derivatives Directions, 2021



LIBOR transition: Among the first banks in India to execute transaction in SOFR linked derivative

Axis Bank is the first Indian private bank to do a term SOFR trade finance deal



Axis Bank said it has paved the way for other Indian banks to advance in the LIBOR transition phase.

Axis Bank announces its first transaction in SOFR linked derivative



SOFR is the suggested US Dollar interest rate benchmark, which is likely to replace LIBOR at the end of 2021.

Axis Bank on Friday announced its first derivative

LIBOR ready ahead of regulatory deadline

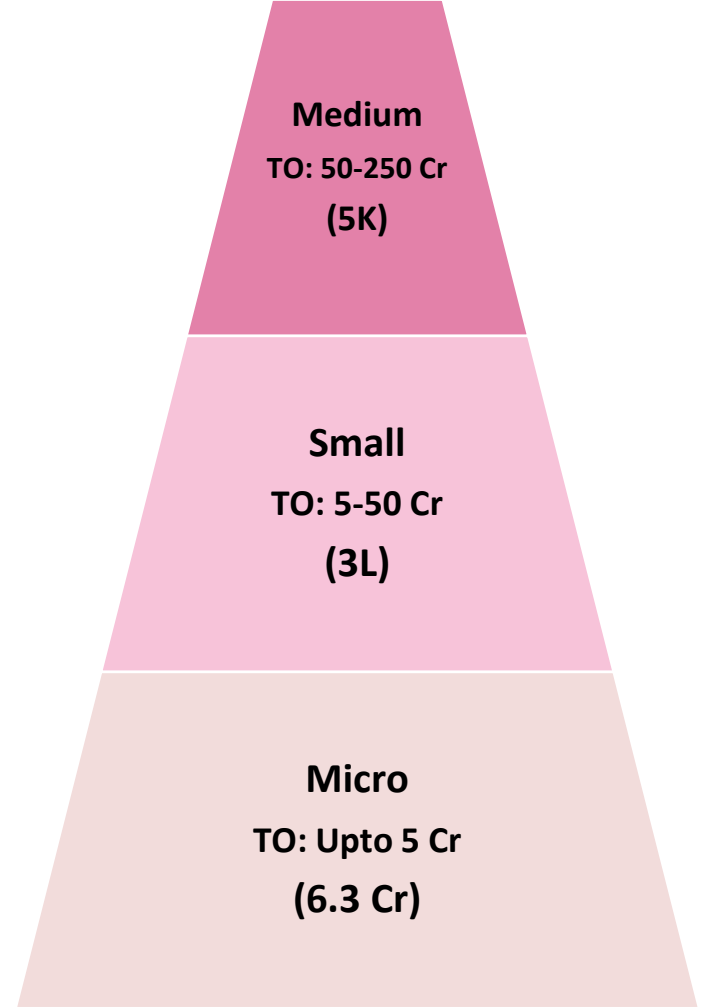
- Inclusion of robust fallback clauses in financial contracts that reference LIBOR is on track
- Treasury systems and resources have been geared up for smooth transition

Commercial Banking Group

India has over 6.3 Cr MSME's in the country, contributing significantly towards the economy



Classification



TO : Turnover in INR
Fig in brackets is the count of entities

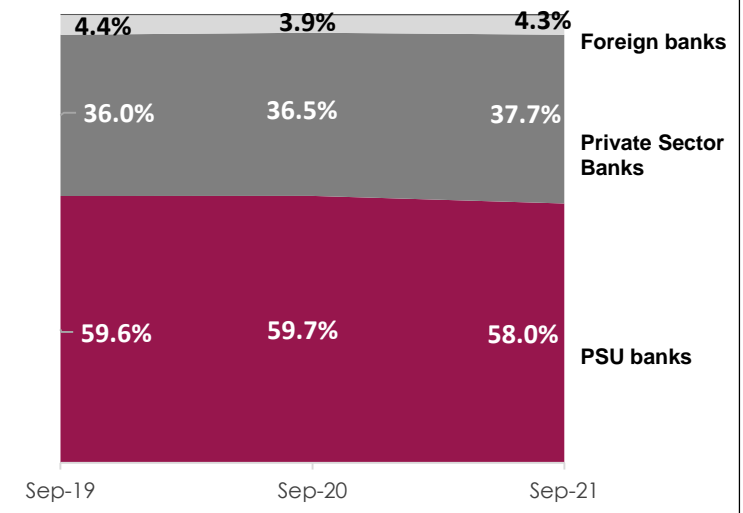
Nearly **60 lakh** enterprises have registered themselves on GOI's Udyam portal

Contribution



Source: MSME website

Overall Banking Credit



Source: RBI website

Axis Bank Commercial Banking is targeted to serve the needs of the SME customers



Extensive reach of Commercial banking across the country



Delivering comprehensive banking solutions for all the business and financial needs of the segment

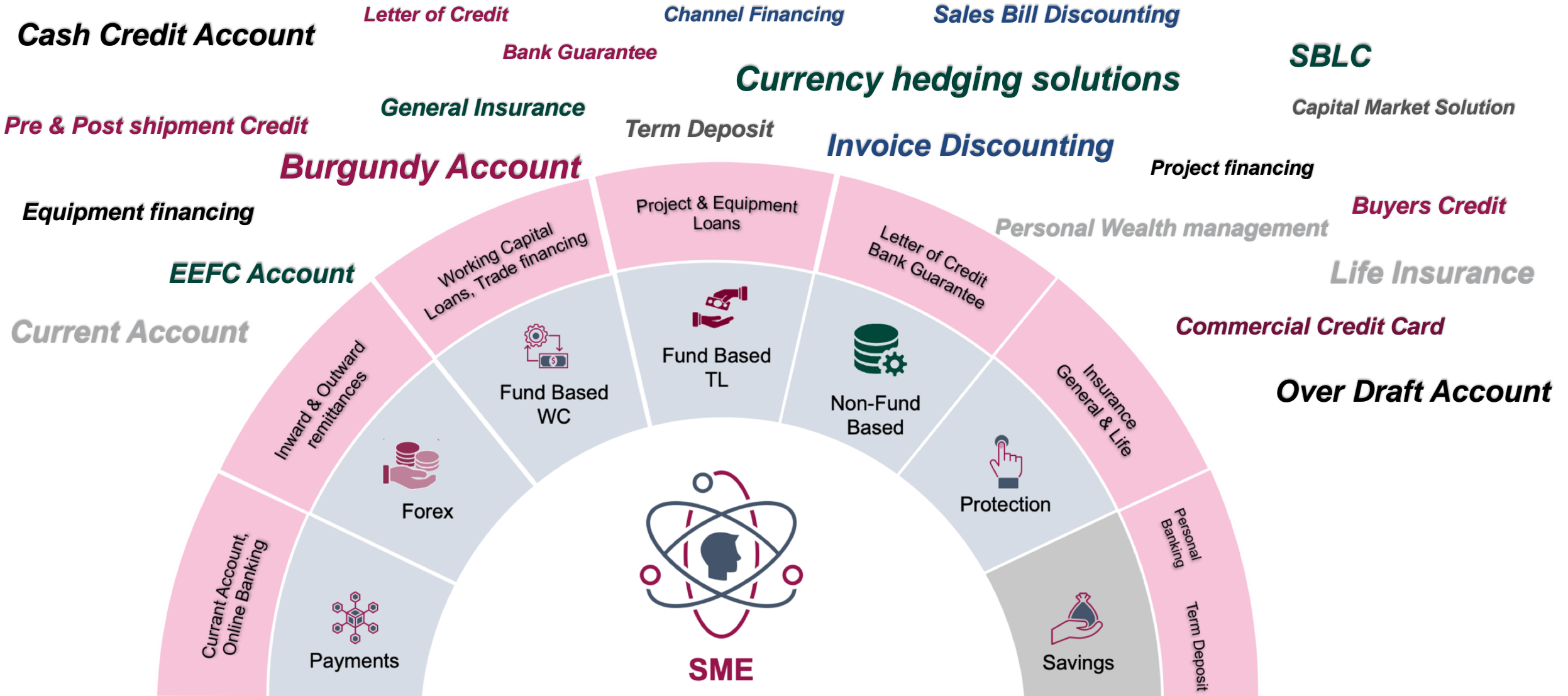


Well diversified to reflect the heterogeneity of the segment and the diversity of the requirements



Digital innovation to deliver faster and tailored solutions to the clients

Offering comprehensive banking solutions to meet all the needs of the SME customers



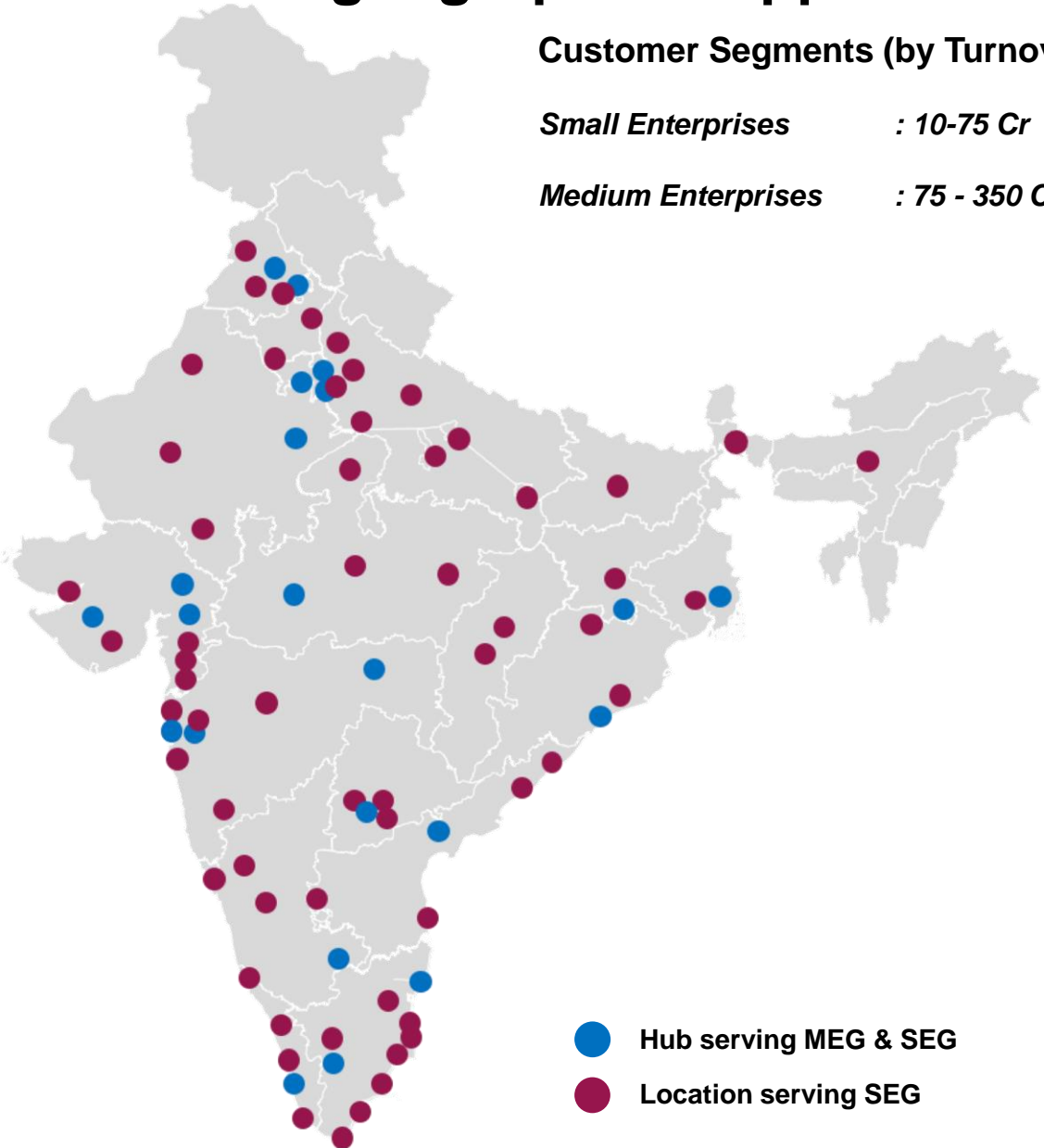
Commercial Banking Business spread across the country, to address all geographical opportunities in assets and liabilities



Customer Segments (by Turnover)

Small Enterprises : 10-75 Cr

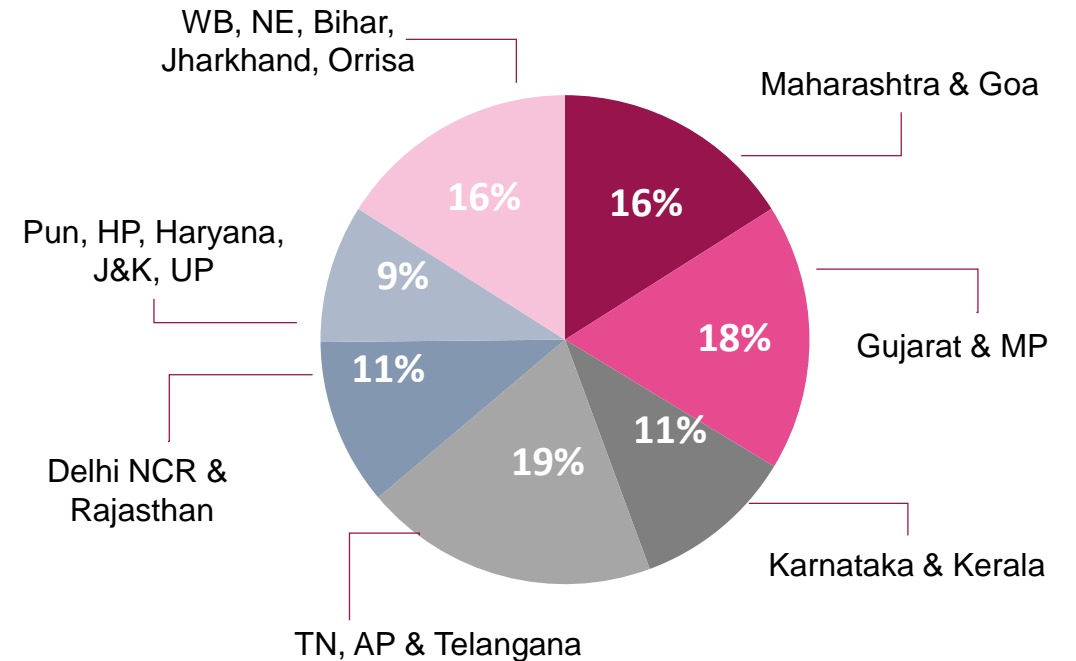
Medium Enterprises : 75 - 350 Cr



Commercial Banking Footprint

- 146 SEG & 30 MEG Centers, across 78 locations, targeting SME business
- Over 70% of business generated through the branch network

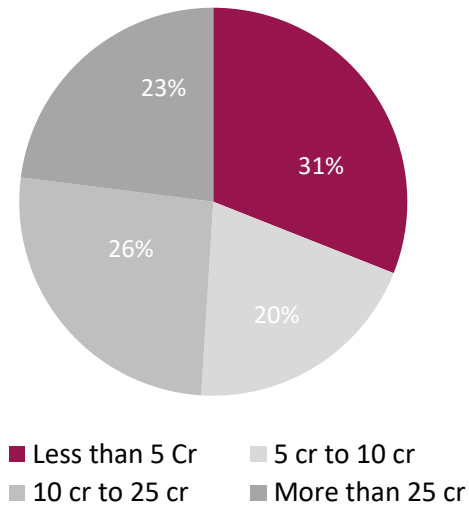
Distribution across Geography



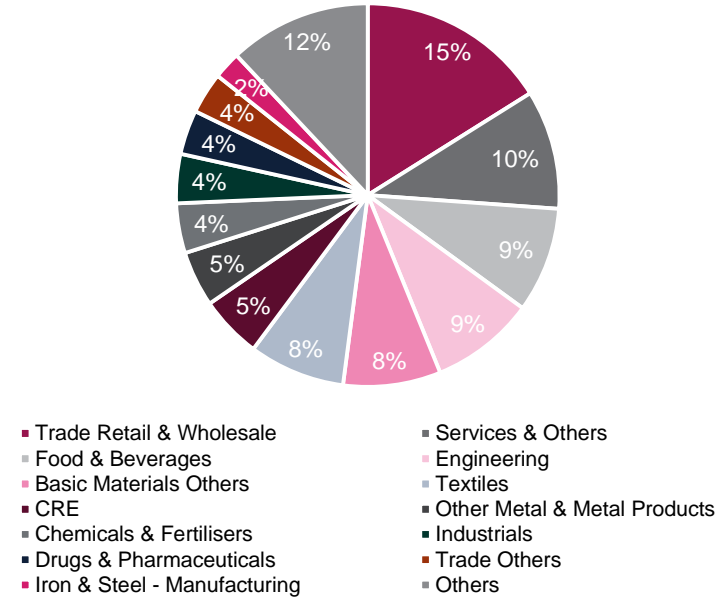
SME lending book is granular, diversified, secured and predominantly working capital based



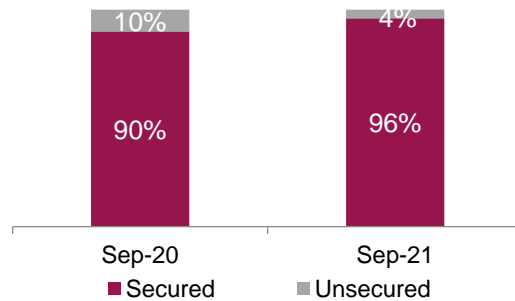
Granular loan book, largely in the small to medium loan size



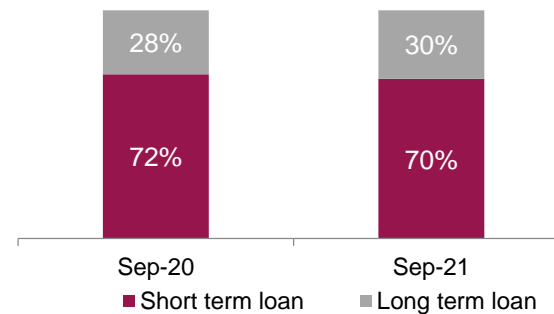
Extremely well diversified across a wide range of industries



1. Well Secured advances

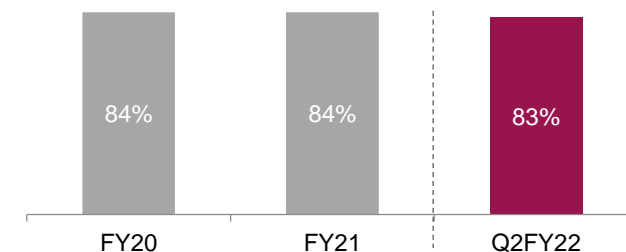


2. Short Term Funding

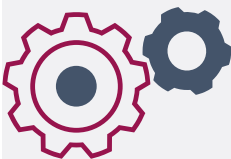


3. Strong rating distribution


Incremental sanctions SME 1-3




Next Gen Loan Origination System leading to efficiencies in client acquisition processes



Minimal input




Name




PAN

5 to 10 mins for user
(RM/ Branch/ BD teams)


Pre – screening engine



Jocata
BQS (RBI,
SEBI negative
check)

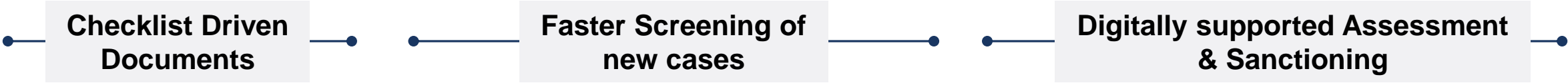


CRILC check
(for SMA classification)



TransUnion CIBIL
CIBIL check

Digital pre-screening
Perfios Financials Analyzer
Perfios Banking Analyzer
Single click rating via Blaze
Digital CAM with pre-fill
U/w dashboard
Auto trigger of deviations
System generated sanction letter
Automated a/c opening/ limit



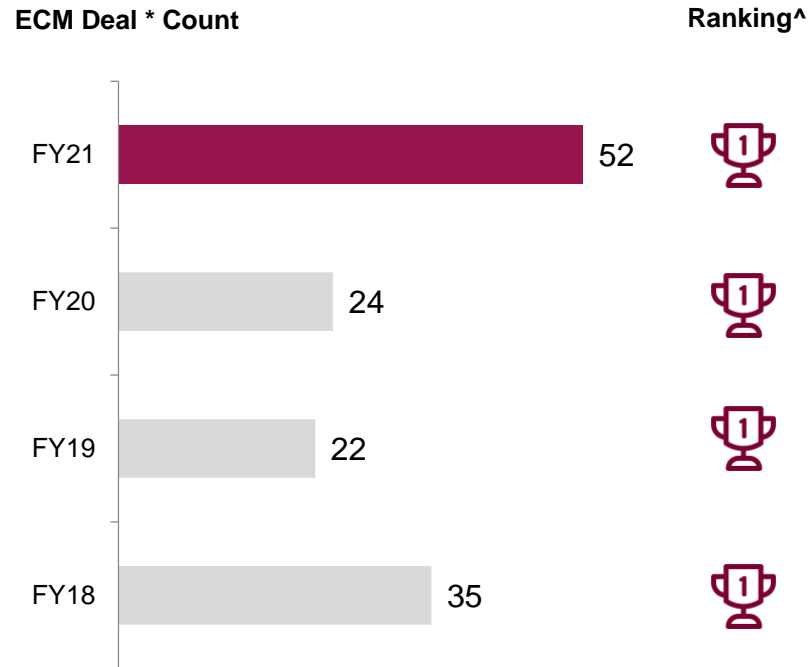
60% reduction in time to disburse post implementation of new LOS

Axis Capital

– India's #1 ECM Franchise

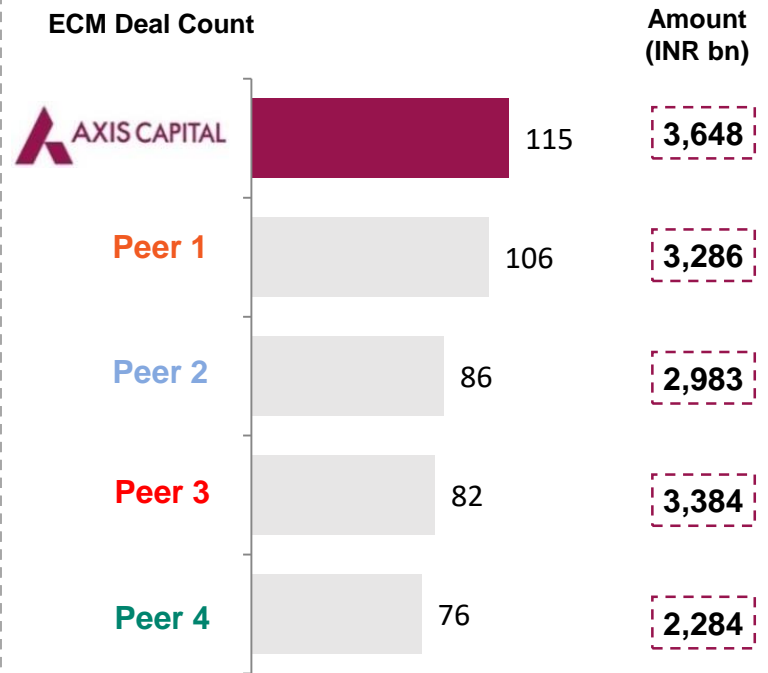
India's No. 1 ECM franchise

Highest number of ECM deals in FY21



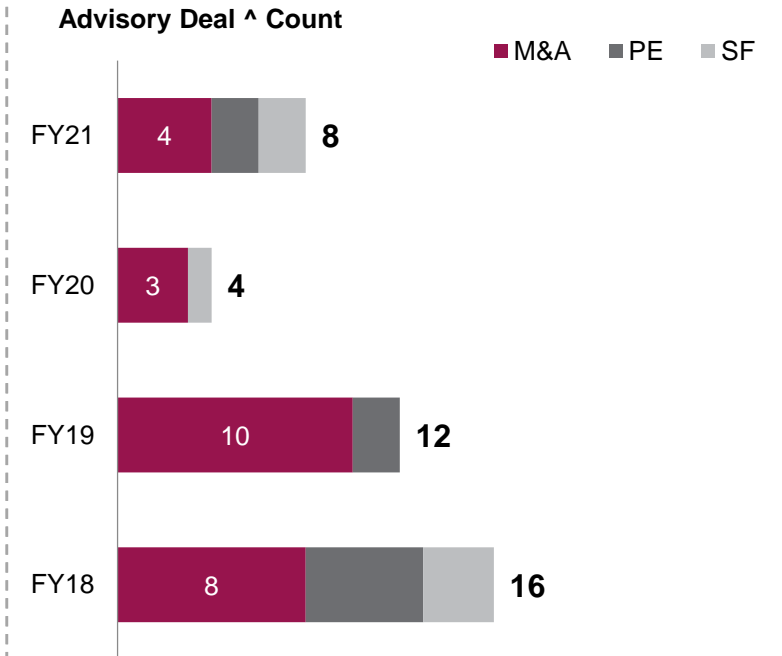
*Includes all ECM fund raise products, Buybacks and ECM Advisory

Consistent leader over last 5 years



For the period: 1st April 2016 till 31st March, 2021

Among the top players in Advisory



FinanceAsia



The Asset Triple A Awards



The Asset Triple A Awards



- Proven capability in closing multiple transactions in short span of time – completed **27** ECM transactions in H1FY22 aggregating to **~INR 464 bn**

[^]Source: Primedatabase; Includes IPO, REIT, InvITs, QIP, OFS, FPO and Rights offerings (Basis # of deals)

[^]Based on Mergermarket (on deal announcement basis by deal count); Considered investment banks (domestic and international) excluding the Big 4 accounting firms and RBSA Advisors ; Does not include minority stake deals / fund raise transactions,

India's Leading Investment Bank

ECM power house across sectors and sizes

<p>November 2021</p> <p>Bharti Airtel</p> <p>Rs. 209,874 Mn</p> <p>Rights Issue</p>	<p>October 2021</p> <p>One 97 Communications</p> <p>Rs. 183,000 Mn</p> <p>IPO</p>	<p>September 2021</p> <p>Embassy Office Parks REIT</p> <p>Rs. 20,250 Mn</p> <p>Block Deal for Blackstone</p>	<p>December 2021</p> <p>Star Health and Allied Insurance</p> <p>Rs. 725,000 Mn</p> <p>IPO</p>	<p>August 2021</p> <p>Chemplast Sanmar</p> <p>Rs. 38,500 Mn</p> <p>IPO</p>	<p>April 2021</p> <p>India Grid Trust</p> <p>Rs. 12,836 Mn</p> <p>Rights Issue</p>
<p>April 2021</p> <p>PowerGrid InvIT</p> <p>Rs. 77,350 Mn</p> <p>IPO</p>	<p>April 2021</p> <p>Macrotech Developers Ltd.</p> <p>Rs. 25,000 Mn</p> <p>IPO</p>	<p>July 2021</p> <p>Clean Science & Technology</p> <p>Rs. 15,472 Mn</p> <p>IPO</p>	<p>June 2021</p> <p>KIMS</p> <p>Rs. 21,440 Mn</p> <p>IPO</p>	<p>November 2021</p> <p>Latent View Analytics</p> <p>Rs. 6,000 Mn</p> <p>IPO</p>	<p>November 2021</p> <p>Route Mobile</p> <p>Rs. 8,675 Mn</p> <p>QIP</p>

- ECM Banker to the largest IPOs as well as young emerging enterprises
- Consistent and Experienced Buy-side and Sell-side M&A Banker
- Repeat business through high-quality transaction execution and client relationship management

Consistent M&A and Private Equity Advisor*

<p>December 2020</p> <p>Financial Advisor to Piramal Group for sale of its glass packaging business to Blackstone</p>	<p>March 2021</p> <p>Exclusive financial advisor to Axis Bank for acquisition of 9.90% partnership interest in a True North controlled SPV which owns a majority stake in Max Bupa Health Insurance</p>	<p>July 2020</p> <p>Financial Advisor to Motherson Sumi Systems Ltd for its Group Reorganization Plan</p>	<p>April 2021</p> <p>Rs. 2,000 Mn</p> <p>Advisor to True North for Stake Sale to MOPE</p>	<p>April 2021</p> <p>Rs. 3,220 Mn</p> <p>Sole advisor to MXC Solutions (operates Cartrade.com, Carwale.com, Bikewale.com) for private placement*</p>	<p>April 2020</p> <p>Exclusive financial advisor to Axis Bank for acquisition of a 30% strategic stake in Max Life Insurance from Max Financial Services</p>
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The Banker

Most Innovative Investment Bank (Asia Pacific)

2019

FinanceAsia

Best Investment Bank in India

2018, 2017, 2016, 2015, 2013

Successfully delivered key marquee transactions in the recent past

*Source: Includes Axis Capital led marquee transactions since 1st April, 2020

Institutional Equities – rapidly scaling up

New Equities leadership team – Key talent additions including Head of Equities, Research, CTO

Significant **investment in Trading & Infrastructure** to move towards cutting-edge systems and processes

Institutional Research coverage across **211** companies representing **73%** of **India's Market Capitalization**

Rapid growth in FY21 - **70%** increase in **Overall Equities** and **120%** increase in **Derivatives turnover**

Improved Research rankings across **60%** of our clients

Institutional Equities contributes **35%** of Axis Capital turnover – strong hedge against cyclical nature of ECM business

One Axis – A Central Theme

Axis Bank Relationships

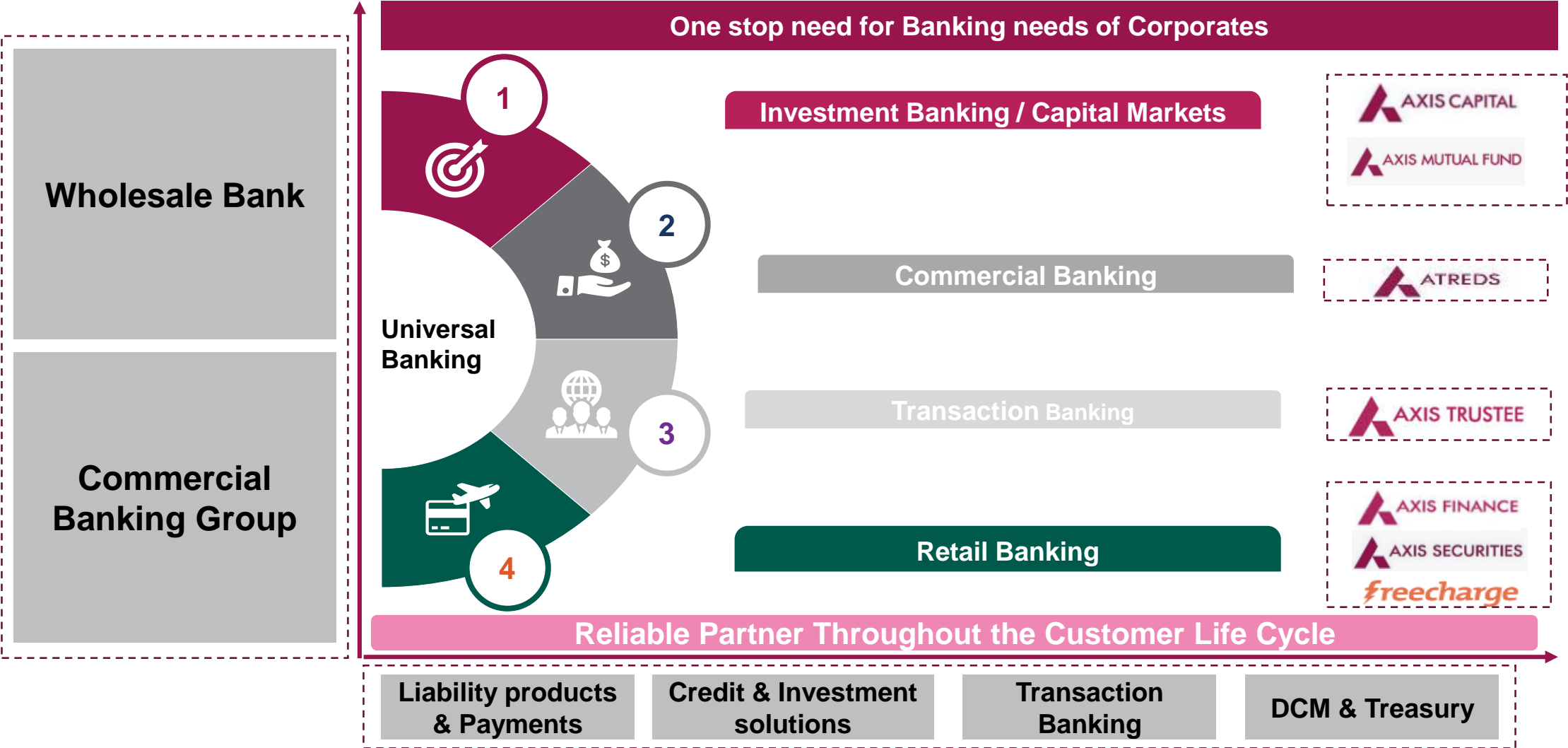
- In FY21, **40%** of IB transactions from **Axis Bank client relationships**
- Wholesale Banking relationships regularly harnessed for **corporate access**
- **Commercial Banking** and **Branch banking** relationships harnessed for **Research reach and insights**
- Coordinated approach with Bank's Wholesale Coverage team to mine Financial Sponsors

Group Company Synergies

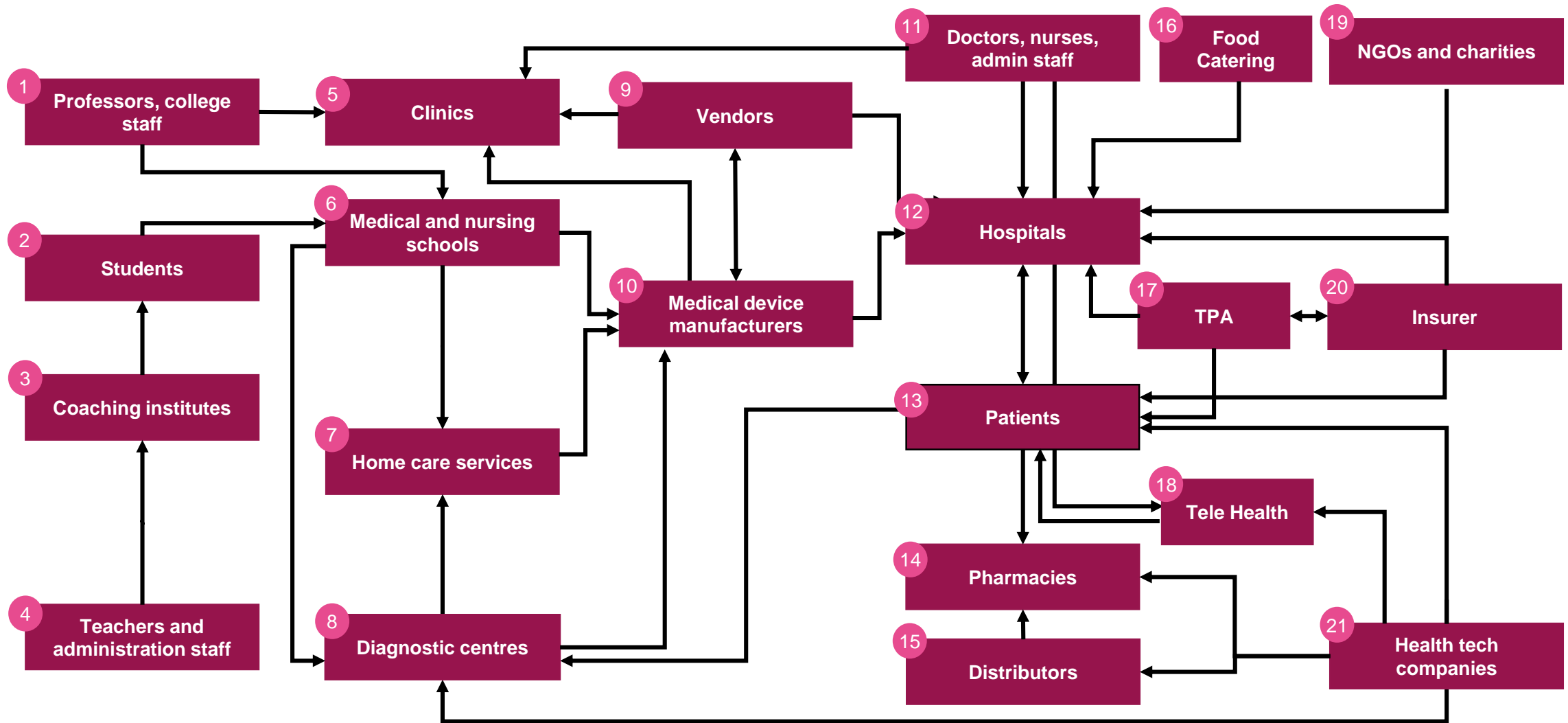
- **Axis Structured Credit AIF** – leveraged strengths of Axis Capital, **Burgundy Private & Axis AMC**
- Combined power of Axis Capital & **Axis Securities** for **IPO distribution**

One Axis

One Axis has now become part of our ethos



Ecosystem approach to our customers - Healthcare ecosystem of one of the largest hospital chains in the country



Sustainability

ESG a Bank-wide Agenda

Our Purpose Statement: Banking that leads to a more inclusive and equitable economy, thriving community and a healthier planet

ESG a Board-level agenda

- Axis Bank becomes the first Indian Bank to constitute an ESG Committee of the Board

ESG oversight at Leadership level

- ESG Steering Committee established comprising senior leadership
- DEI Council providing oversight on Diversity, Equity and Inclusion
- ESG Working Group driving ESG integration in banking & financing activities

Building Ownership at Business Level


- ESG Commitments announced for Retail and Corporate businesses
- Sustainable Financing Framework to drive ESG issuances

Axis Bank issues USD 600 mn Sustainable AT1 Notes

- First such issuance by an Indian entity
- Oversubscribed 3.8 times
- 47% allocations to ESG-focused investors

Steady Progress on ESG Benchmarks

- **5th** Consecutive year on FTSE4Good Index
- CDP Score moved from C to **B** in 2020
- In **70th** percentile among global Banks on DJSI
- MSCI ESG Ratings improves from BBB to **A**

 **NSE** Among the top Constituents of Nifty100 ESG Sector Leaders Index **BSE** Among top 10 constituents of S&P BSE 100 ESG Index **MSCI** Among Top 10 Constituents of MSCI India ESG Leaders Index **FTSE4Good** FTSE4Good Index constituent for 5th consecutive year in 2021

Axis Bank Announces Commitments towards Positive Climate Action and the Sustainable Development Goals



Positive Impact Financing

- Incremental financing of ` **30,000 crores** for positive-impact sectors by FY26
- Making **5%** of Retail Two-Wheeler loan portfolio as electric by FY24, offering 0.5% interest discount for new EV loans



Proactive Risk Mitigation

- Integrating ESG into risk management at the enterprise level
- Expanding ESG risk coverage in credit appraisal under our ESG Policy for Lending
- Scaling down exposure to carbon-intensive sectors in our wholesale lending portfolio



Inclusive and Equitable Economy

- Incremental disbursement of ` **10,000 crores** by FY24 under Asha Home Loans for affordable housing
- Ensuring **30%** female representation in workforce by FY27, aligned to our #ComeAsYouAre Diversity Charter



Healthier Planet

- Planting **2 million** trees by FY27 across India towards contributing to creating a carbon sink
- Achieving carbon neutrality in our business operations

Please access the [Press Release](#) to know more

