Wholesale Banking

Analyst Day 2022

November 24th, 2022



Amongst the best and most comprehensive Wholesale Banking franchise for our customers





- Step up growth in Wholesale Bank led by higher growth in focus segments & products
- Leverage One Axis capabilities to offer comprehensive solutions to corporates

18%
CBG advances
CAGR*

43%
Mid corporate
advances CAGR*

1st

rank in ECM segment over last decade

Profitability

- ✓ Strengthen our positioning as a Transaction Banker of Choice
- ✓ Brought down credit costs significantly

80%

Transaction banking fee as % of wholesale fee as of Sep'22, up 1173 bps^

14.5%

foreign LC market share in Sep'22, up from 5.2% as of Mar'19

0.52%

Net NPA in wholesale segment, down from 3.56% as of Mar'19

O Sustainability

- ✓ Enhanced review and rigour while strengthening the balance sheet significantly
- ✓ Strengthened the leadership team, product capabilities and processes

700 bps

88%

Improvement in mix of corporates rated A- & above since FY19

PCR in Wholesale segment

Sankalp

has transformed service delivery and improved productivity

Building Best in Class Digital Corporate Bank – Project Neo

Recognized as the '2022 Greenwich Quality Leader' for 2nd consecutive year

Our success differentiators give us the right to win

Strong relationship led franchise, transitioned out of an asset focussed business model

Strengthened our Transaction Banking proposition with industry first product innovations

Solution led banking with integrated 360° coverage across segments

Serving customers across the capital structure leveraging 'One Axis' capabilities

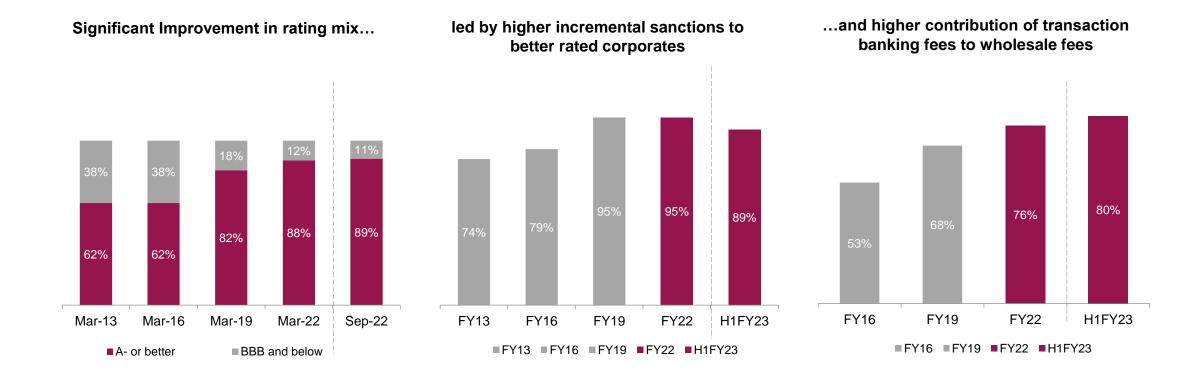
Made strong progress towards becoming best in class Digital Wholesale Bank



We have changed the fabric of the Corporate segment...



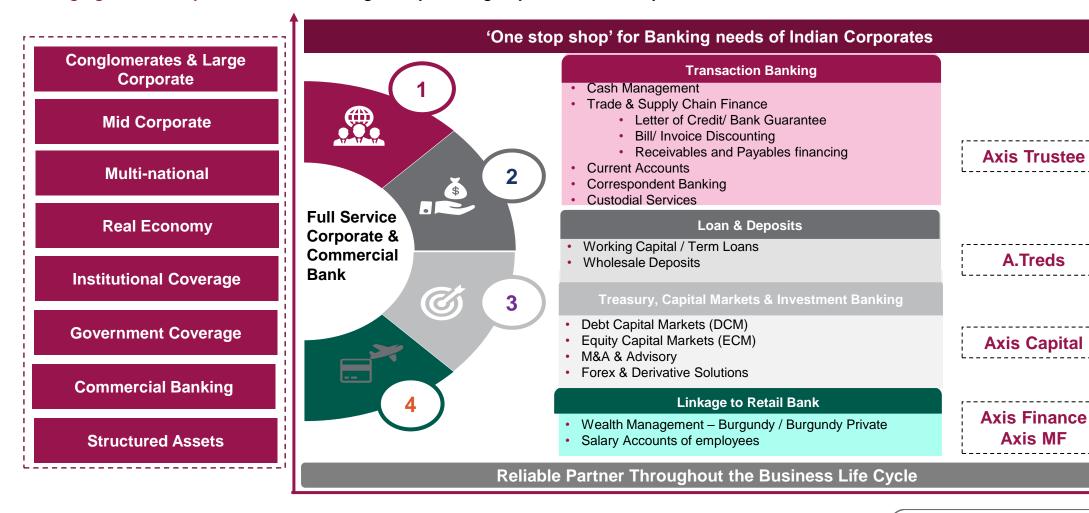
The ratings mix of clients has improved over the years with focus on improving transaction banking fees



...to become strong 'Relationship led Franchise' with segmental approach AXIS BANK

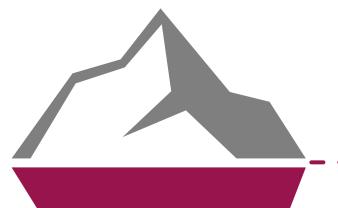


- Segmental approach has helped us focus on the market opportunities in a systematic manner to deliver execution excellence
- Segregated the responsibilities of coverage and product groups to ensure sharper focus



We have also strengthened our proposition as a Transaction Bank... AXIS BANK



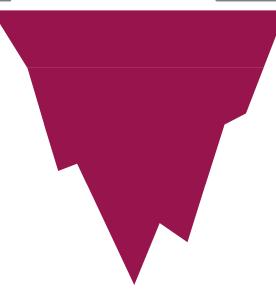




- Gained market share across multiple products (foreign LC, RTGS, BBPS)
- First mover in launch of new and innovative treasury products



- Scaled up existing products and built new product lines
- Thought Leadership in Treasury, Markets and Transaction Banking





- Invested in Talent & Expertise to build cohesive Transaction Banking
- **Strengthened the treasury** segment with high quality talent



- **WB Service Architecture revamped to** deliver externally benchmarked best-inclass service
- STP journeys for Back-office processing



Transitioned from "Fit for Purpose" to "Fit for Growth" by offering scalable and cost-efficient products



- **Driving Digital Transformation** (Project Neo) to build leading Digital Corporate Bank
- **5x** YOY growth in transaction value





1st for Large Corporates and Middle Markets - Knowledge of TXB needs



India Bond House for topping the rupee league table



Digidhan Awards (2020-21)

...with leadership in product innovations and several industry firsts... AXIS BANK



Axis Bank executes first Domestic Trade transactions on GOI-backed blockchain platform January 11, 2022

Axis Bank becomes first Indian private bank to arrange a term SOFR linked trade deal

October 6, 2021

Axis Bank concludes Structured Derivative transactions with leading Corporates

January 3, 2022

Axis Bank launches a wide range of **API Banking solutions**

October 12, 2021

...reflected in strong market share position across digital payments

31%

IMPS

18%

BBPS

11%

Foreign LC

10%

NEFT

8%

RTGS

8%

GST



Solution led banking has helped in gaining significant incremental share of Government business



Comprehensive solutions across various Departments / Bodies

Central and State Government



- Central Sector & CSS (SNA & CNA)
- GeM
- PFMS Integration

Central and State Autonomous Bodies



- Collection solutions (Fee, commission)
- e-tendering & e-procurement
- Central Nodal Account

State Local Bodies



- Revenue Collection
- Fine & Fee collection
- Smart City & Smart Card

Constitutional Bodies & IHLs



- Collection & Payment
- Smart Campus Solution
- Salary & Payroll Management

Central and State PSUs



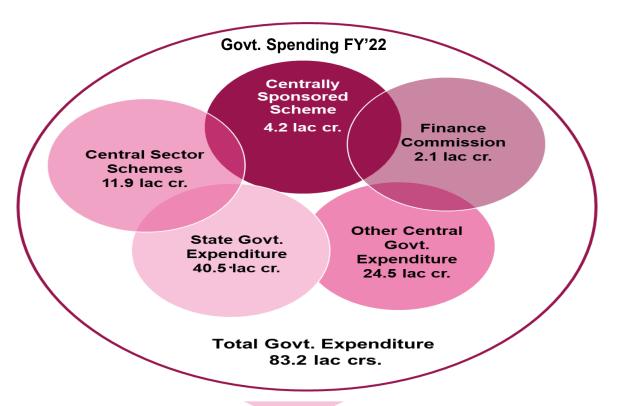
- Collection solutions (Online & Physical)
- e-tendering & GeM
- Vendor Payment

Co-operatives &

Federations



- Account Management Solutions
- e-tendering & e-auction
- Vendor Payment & Agent collection



Axis Bank Govt. Business inflows ₹10.1 lac crores (FY22)

Other Central Expenditure: Payments on subsidies, Defence, Devolution of taxes, pensions, transfer to Public Enterprises etc..

Integrated Coverage of Financial Sponsors & Start-Ups





Financial Sponsors

Capital A/C Advisory Treasury / FX

Structured Hedging

AD Services & Reg filing

Custody & Fund accounting

Trusteeship

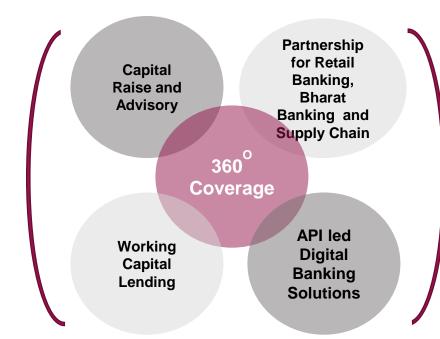
Burgundy private

- **Fund Distribution**
- · Employee Offering

Axis Capital

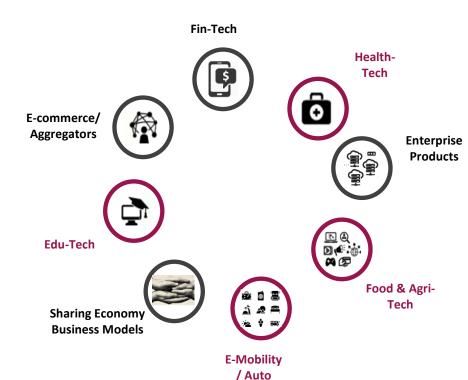
- **Investments & Exits**
- **Structured Financing**

Axis Franchise



Providing a platform for Start-ups to hyper scale

Sectoral Solutions for New Economy

















Our leadership position across segments places us well to serve customers across the capital structure



Comprehensive presence across the value chain

Credit

Transaction Banking

Treasury

Syndication

Investment Banking

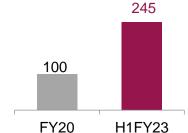
Trustee Services

Strong growth in focus segments

SME book (indexed)

Mid-corporate (indexed)





Wide distribution reach

33,000+

Clients (excl CBG & GCG)

750+
Relationship

managers

100+
Cities
covered

Innovative Digital solutions

- CIB 2.0
- TF Connect
- Fx Connect
- PayPro
- EasyPay
- SCF Connect

Asian Banker of the Year – Recognition of One Axis



1 St

ECM Ranking in the last decade (Prime Database)

1st

on Bloomberg DCM league table for 15 straight years

One Axis approach at play





Credit Relationship

- Working Capital, Term Loan and CS book
- Transaction Banking
- Trade/Forex
- Supply chain Financing



Transaction Banking

- Equity/FDI routing as AD bank
- Dividend mandate across companies
- CMS banker for group companies (incl. Stat payments)
- AD bank for Promoter entity



Axis Mutual Fund

· Investment in Axis MF

Axis Finance

Structured Finance in realty vertical



Invoicemart

 A-Treds empanelment





Retail

- · Mandate for co-branded credit card
- Installed POS across all their stores
- Salary empanelment and Trust accounts
- Prepaid cards and Commercial cards



Treasury

- 70% share as arranger for bonds
- IPA Accounts of the group



Axis Capital and Axis Trustee

- Lead arranger, Monitoring Agent and Bankers to Rights Issue
- Investment banker for merger of two entities
- 100% share in Trustee business

Leading telecom player



Project Neo reflects our ambition to build India's #1 digital corporate bank



NEW BUILD OUT

Develop new offerings to leapfrog the way corporate customers are served (e.g., reimagined journeys leveraging product adjacencies, ecosystem solutions, API-based integrations, etc.)

FIX THE BASICS FOR FUTURE

REIMAGINE CBG PROPOSITION

Build a digital "platform" for commercial banking segment (specifically SMEs/MSMEs) encompassing banking and beyond banking capabilities

UPGRADE EXISTING PLATFORMS

Push to upgrade digital channels and journeys to meet new direct banking needs

Solve foundational plumbing pain-points across existing services from a forward-

> looking perspective (e.g. digital sign, document warehouse)

Key takeaways



Strengthened capabilities
across people, products and
processes, thereby
transforming the Wholesale
Bank significantly

Driving sustainable relationship RAROC, building dominance across the capital structure

We have made strong progress towards building best in class Digital Corporate Bank

We have made large investments into Project Neo with clearly AXIS BANK visible early impact and many notable successes...



Client		Proposition
44	Leading manufacturing company	 Enables client to leapfrog from traditional banking to APIs API Banking for vendor payments and balance confirmation
<u>\$</u>	Mid-sized pharmaceutical company	 Adopted suite of Trade APIs for Open Account Import payments. Currently under integration for LC via APIs.
	One of the largest food services company	 Complete collections journey on merchant page - across collection modes - coupled with instant refunds across c.1500 outlets; going live soon
	Large German MNC	 Dynamic Discounting - solution offers fungibility between own treasury funds / bank funding Bank as a solution provider as compared to a Fintech - enabling two-way flow with single connectivity layer. Solution preferred over house MNC Bank

Project Neo deliverables already demonstrating Product-Market fit World-class journey reimagination and tech execution

Project Neo = building India's leading Digital Wholesale Bank via the most respected Transaction Banking proposition



"..helping clients beyond their articulated needs..."





Extensive competition benchmarking – local and global peers including fintechs



Broad-based customer interviews across value and geographic segments



Customer feedback and complaint data



Design in the customer's world rather than a product-led approach



Integration of the financial and physical value chains



Front-to-back transformation to deliver an Amazon-like convenience



Leverage global expertise – wealth of transaction banking talent within the Bank clubbed with inputs from global thought leaders



Build for future rather than mere experience layer changes

... delivering significantly ahead of market solutions

... with a clear roadmap that is already delivering "what Great looks like"





Become India's leading **API-driven** Corporate Bank - Live, at scale



Create an integrated banking + beyond banking SME proposition



Become easiest bank to do business with across segments



Enable multi-product, multi-4 channel linkage both internally and with customers



Help customers to integrate their physical and financial value chains



B2B API enablement

- 100+ APIs across Transaction Banking products
- **Commercialization** via API **Developer Portal**
- Plug-n-play adapters to drive smooth ERP integration
- **Partnerships** for capability enhancement & connected banking



Neo - Business platform

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



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



Digital Corporate Internet Banking Platform (2.0)

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



Ecosystem solutions

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

Client-centric design grounded in rich customer insights

...across the full spectrum of corporate use-cases



Preference for own channels

channels **Bank's** Access through 3rd parties and **Accounting Software**



(Cloud ERPs, aggregators, multi bank platforms)



Integration with clients' own front-end and enterprise/internal systems

API based integrations

(SAP, Oracle, Tally etc)









Digital portal/treasurer workbench with integrated multi-product journeys

Axis Neo – Corporate

Target one-stop-shop: bank proprietary channel









Complexity of business model

... reflected in Growth of API transactions



10x

TRANSACTION VOLUME

5x

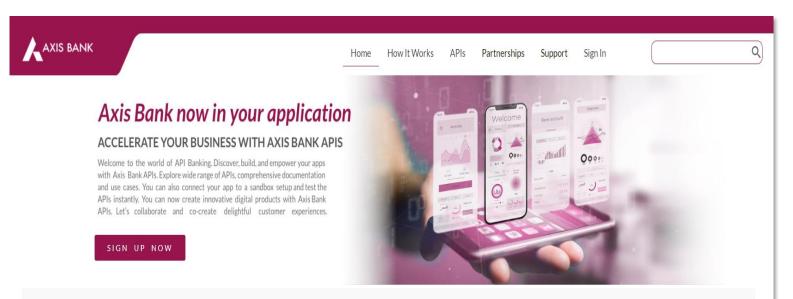
TRANSACTION VALUE

2.5x

CUSTOMERS ONBOARDED

Year-on-year growth – Sept'22 vs Sept'21

A best in class Developer Portal for clients to integrate, self-serve AXIS BANK



Axis offers APIs across products & use cases.

{ Integrate payments, deposits, loans, corporate banking services and more }

Self registration

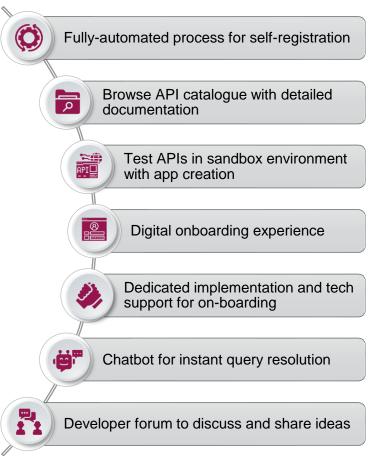
Fully automated process to view and sandbox test Axis bank's APIs

Starter Guide

Access video on developer portal to guide you on registration, app creation and API subscription process

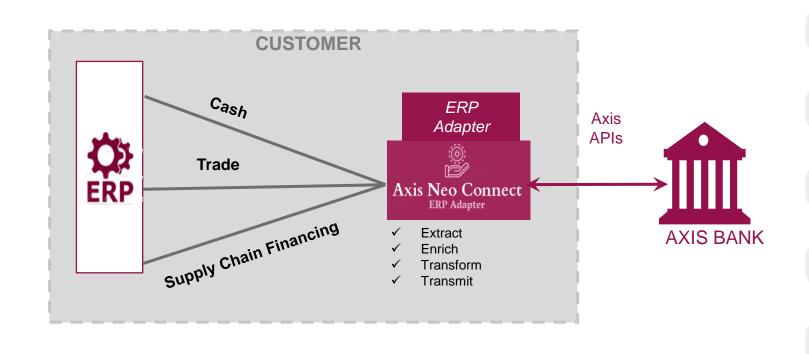
API Analytics

View analytics by applying date and API filters



...and if needed, leverage Axis's Transaction Banking expertise AXIS BANK





1st in Industry API integration proposition

Sophisticated to handle complex Business logics

Customizable data formats

Easy to embed in corporate Technology landscape

Truly integrated experience

An example where we have leveraged partnerships to deliver market leading, differentiated solutions

Client/



Buyers/ Payments I **Axis Receivables Suite (ARS)** Reconciliation **ARS Dealers Supplier** Financing **Dealer Portal/Mobile App Axis Receivables** Buyer logs in Dealer Portal/App for making the Suite payment Invoices, Credit/Debit notes and other A/R data **ARS** Corporate Supplier Reconciled Invoice Information with status **Highlights** Pay Invoices through various modes **Own Funds Bank Funding*** -О • Seamless digital collection & payment experience – App/Portal for Buyers Net Banking **Dealer Financing** Cards (Debit/Credit) Digital/consent led Streamline Invoice management, Collections through Digital credit decisionina UPI channels, financing and Reconciliation Tailored finance RTGS/NEFT/IMPS program NACH 888 AI / ML based reconciliation of open ledger and payment advice sent by institutional buyers

Settlement to Corporate

Real time visibility of collections & reconciliation

Thank You

