

# Investor Presentation

## *Q2 FY19*

# Major Highlights of Q2 FY19

- **Asset Quality metrics improve**
  - NPA ratios improved from Q1 levels
  - Slippages continue to moderate
  - Corporate slippages continue to be predominantly from (disclosed) BB & Below book
  - Provision Coverage Ratio increased further, stands at 73%
- **Core financial performance remains healthy**
  - PAT growth of 83% YOY; Core operating profit growth of 16% YOY
  - Sequential improvement in NIM from Q1 levels adjusted for one offs
  - Costs to Assets ratio continues to moderate; We remain on track for our goal of Cost to Assets under 2% in 3 years
- **Strong Retail franchise continues to deliver**
  - Savings Account balances grew 17% on quarterly average basis
  - Retail fees in Q2FY19 grew 24% and constitutes 62% of the total fee income
  - Digital Payments continue to witness strong growth
- **Domestic Loan growth was healthy**
  - Domestic loan growth stood at 15%
  - Retail and SME loan book grew 20% and 14% YOY respectively
  - Retail and SME loans constituted 62% of total loans
- **Capital Ratios remain healthy to pursue growth opportunities**
  - The Bank has accreted 3 bps of capital to CET1 after incorporating profits in the half-year
  - CET1 ratio (incl. profit for H1) stood at 11.71%

# Key Metrics for Q2FY19

## Snapshot (As on Sep 30, 2018) (in ₹Crores)

Total Assets	730,546
Net Advances	456,121
Total Deposits	479,680
Net Profit	790
Shareholders' Funds	65,059
Diluted EPS* (in ₹) (Q2/H1)	12.17 / 11.55
Book Value per share (in ₹)	253
ROA* (in %) (Q2/H1)	0.43 / 0.41
ROE* (in %) (Q2/H1)	5.43 / 5.18
Net NPA Ratio	2.54%
Basel III Tier I CAR <sup>1</sup>	13.04%
Basel III Total CAR <sup>1</sup>	16.45%
Branches <sup>2</sup>	3,882
International Presence <sup>3</sup>	10
ATMs and Recyclers	15,940

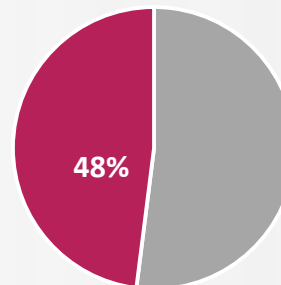
<sup>1</sup> Including profit for H1FY19

<sup>2</sup> Includes extension counters and RACs

<sup>3</sup> Includes overseas subsidiary in UK

\*Annualised

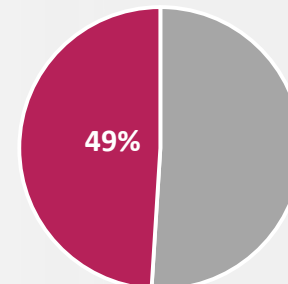
Deposits ↑ 15% YOY



■ CASA ↑ 13% YOY (QAB\*)

SA ↑ 17% YOY (QAB\*)

Advances ↑ 11% YOY

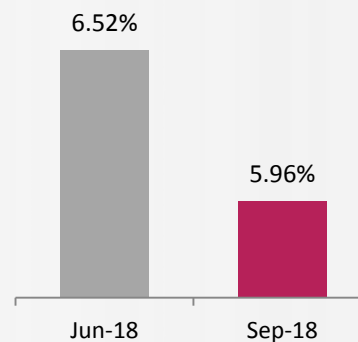


■ Retail Advances

↑ 20% YOY

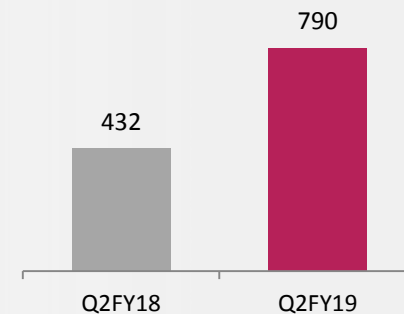
Gross NPA

56 bps QOQ ↓



Net Profit (in ₹Crores)

83% YOY ↑



\*QAB – Quarterly Average Balance

**Financial Highlights**

4

Business Segment performance

19

Asset Quality

48

Shareholder Returns and Capital Position

56

Subsidiaries' Performance

59

Other important information

67

**Special Analysis slides**

Wealth management

24



Long term Credit costs trend

54



Freecharge

65

# Financial Highlights – Balance Sheet

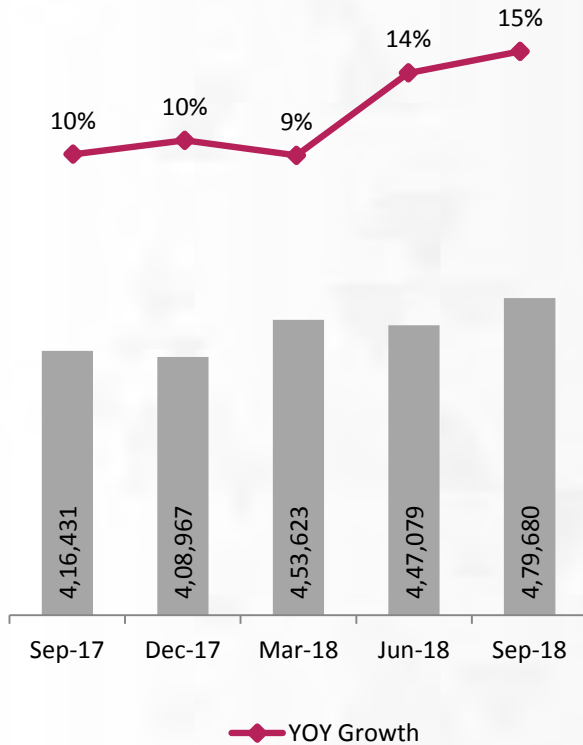
## Summary

- Savings Account deposits (quarterly average) grew 17%
- Domestic loan growth stood at 15%, driven by Retail and SME segments
- Share of low cost CASA and Retail term deposits stood at 82%

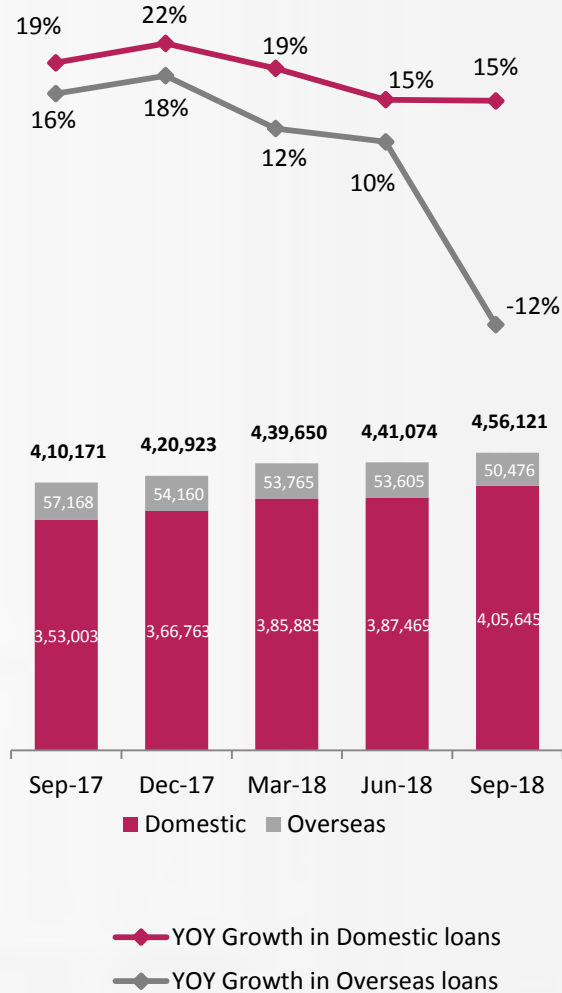
# Business growth remains healthy

All figures in ₹ Crores

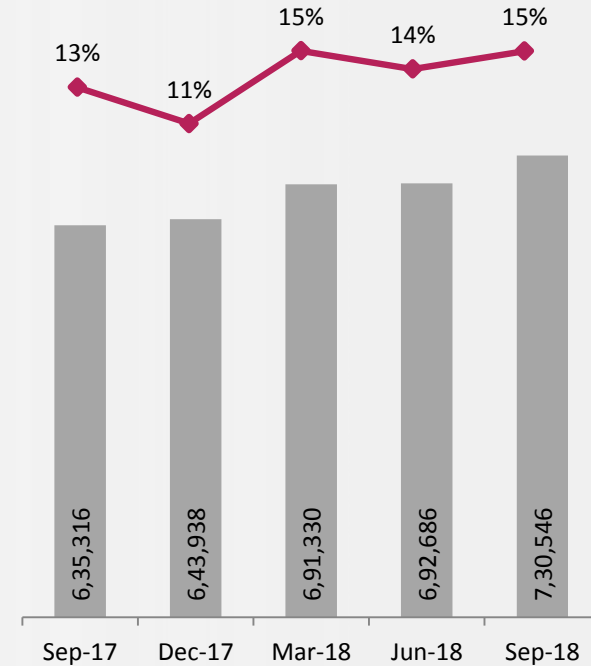
## Deposits



## Advances



## Assets

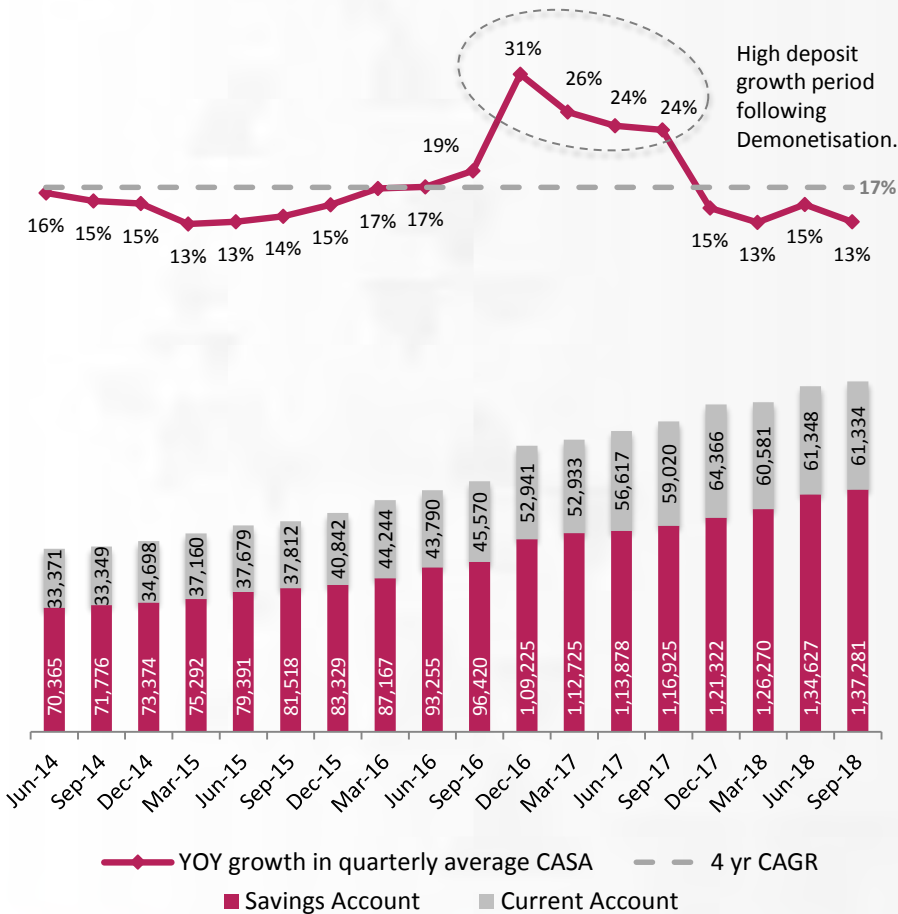


# CASA growth has been steady. Term Deposit growth was strong.

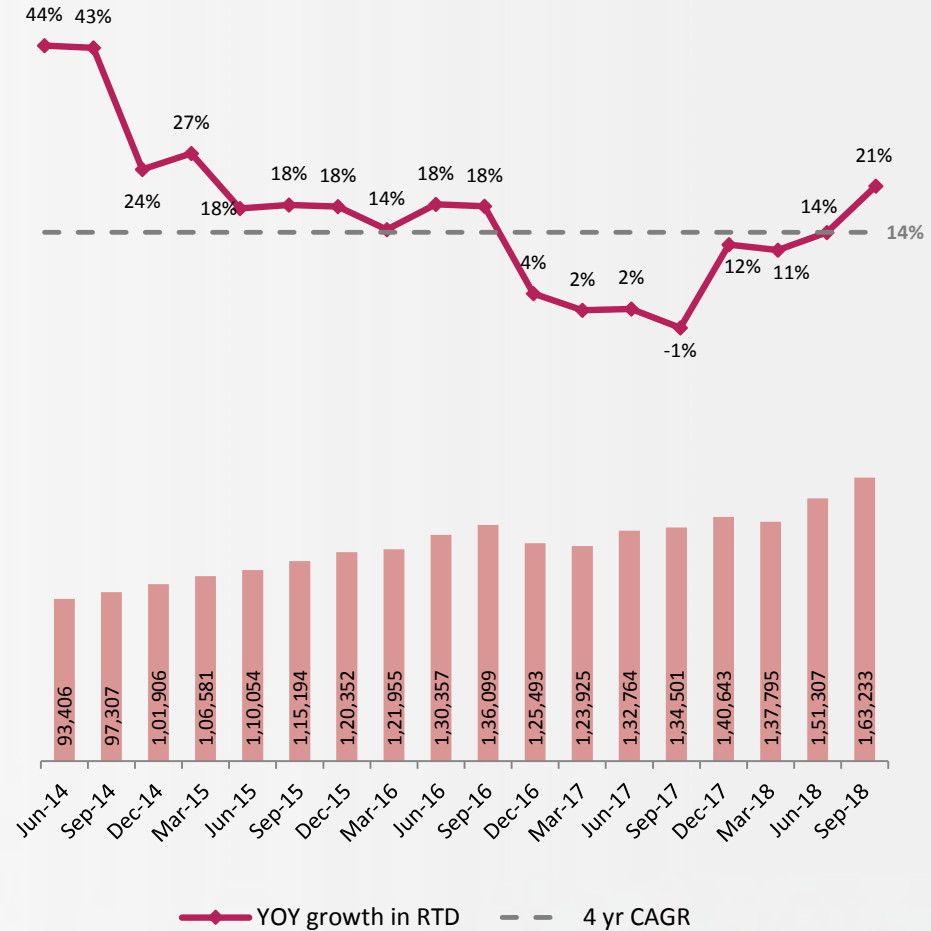
All figures in ₹ Crores

## CASA Deposits

(Quarterly Average Balances)

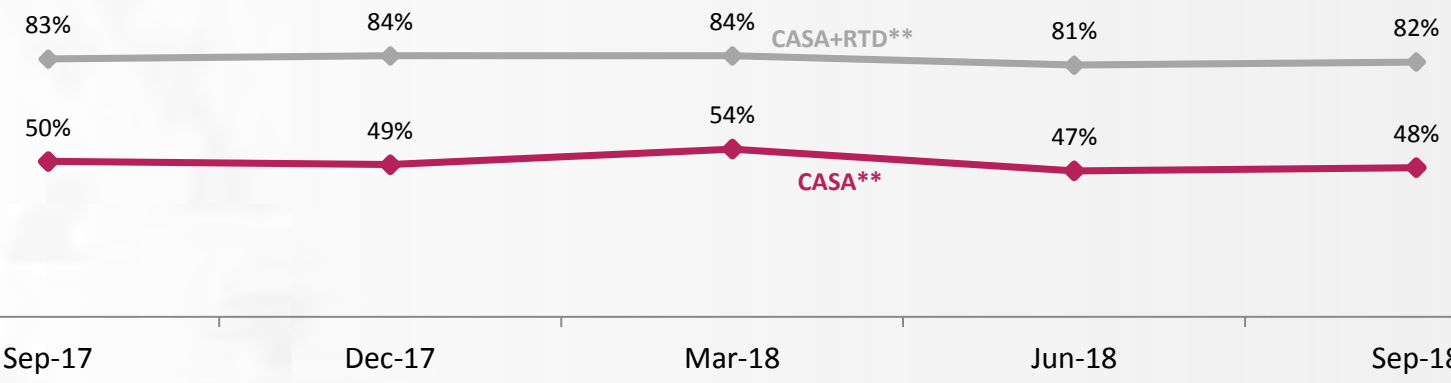


## Retail Term Deposits



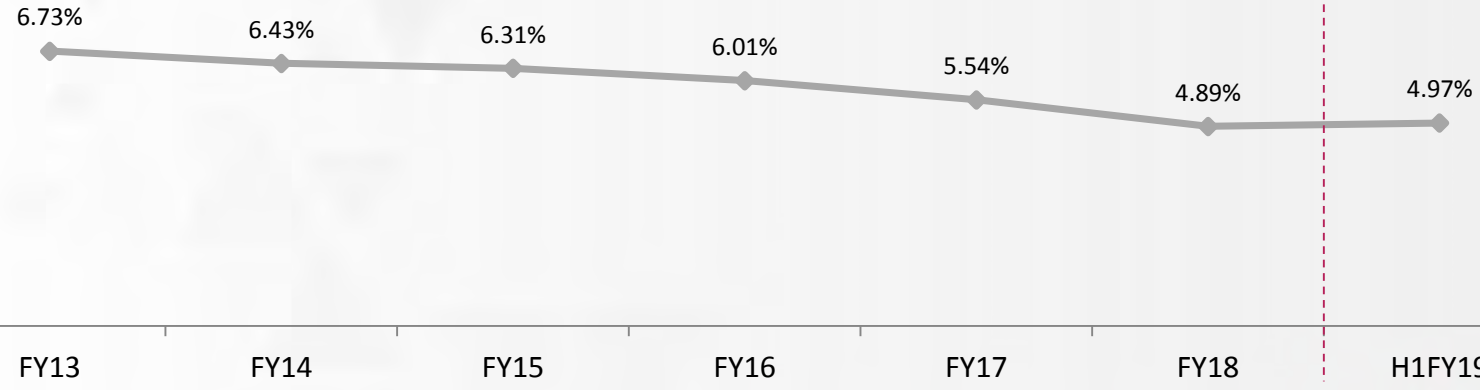
# High share of CASA and Retail term deposits ensures a relatively stable funding cost, that remains amongst the best in the industry

Retail forms dominant share of Bank's deposits



\*\* as % of total deposits

Cost of Deposits

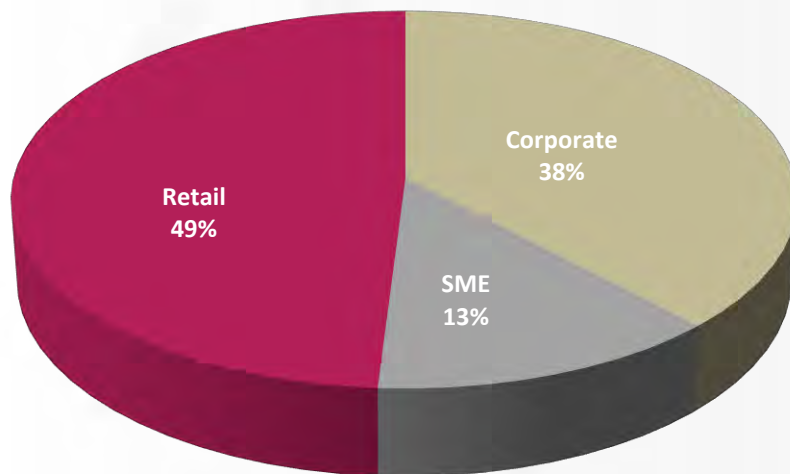




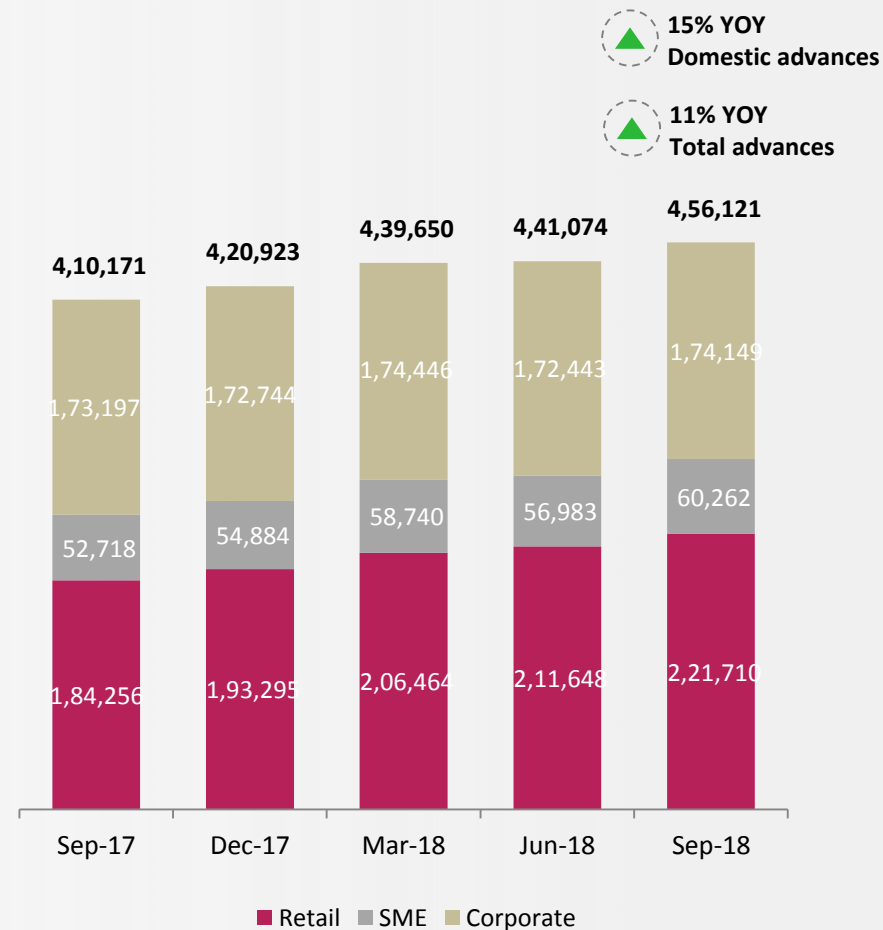
# Retail and SME now form 62% of the Bank's Loans

All figures in ₹ Crores

**Loan Mix**  
(As on Sep 30, 2018)



**Total Advances**



# Loan growth driven by Retail and SME segments

All figures in ₹ Crores

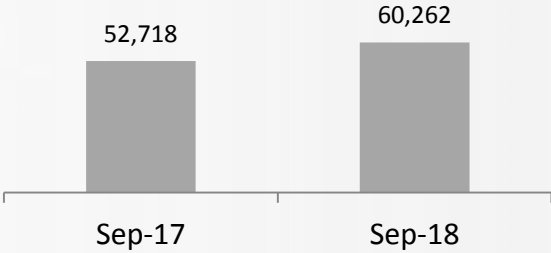
## Retail Advances

▲ 20% YOY



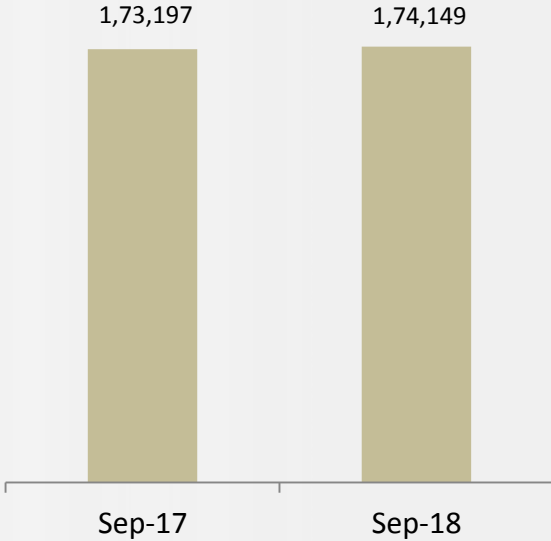
## SME Advances

▲ 14% YOY



## Corporate Advances

↔ 0.6% YOY



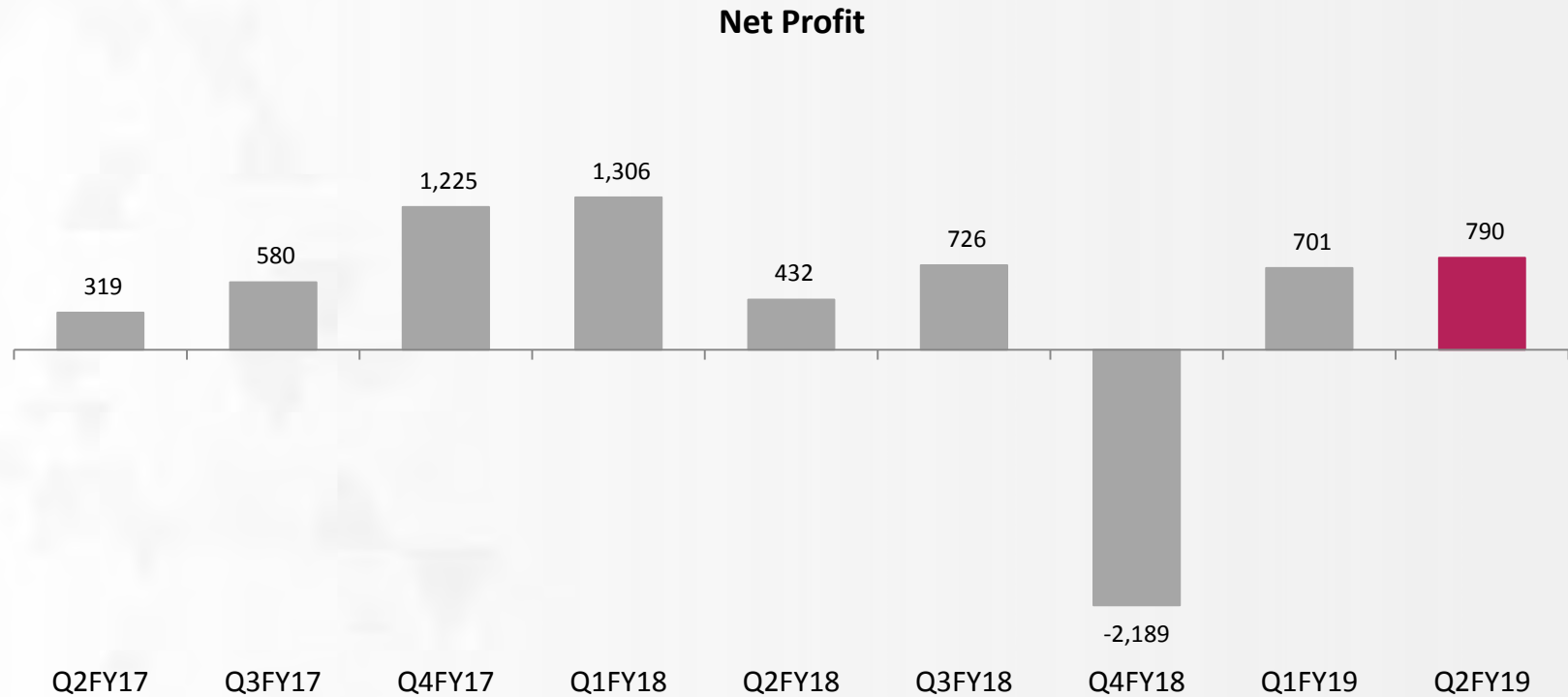
# Financial Highlights – Profit & loss Statement

## Summary

- Core operating profit growth has been healthy
- Retail Fee growth remains strong
- Opex to Assets ratio continues to improve

# Earnings trend has improved post one off provisioning done in Q4

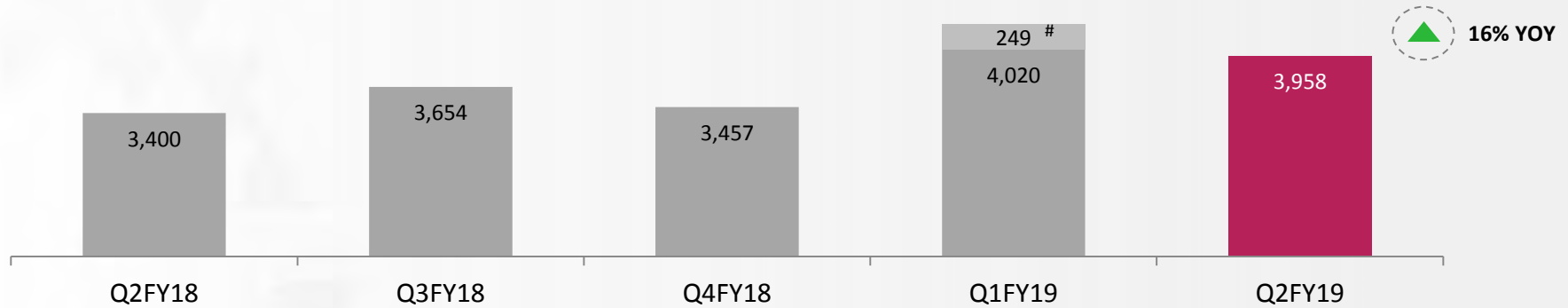
All figures in ₹ Crores



# Core Operating Profit growth has been healthy

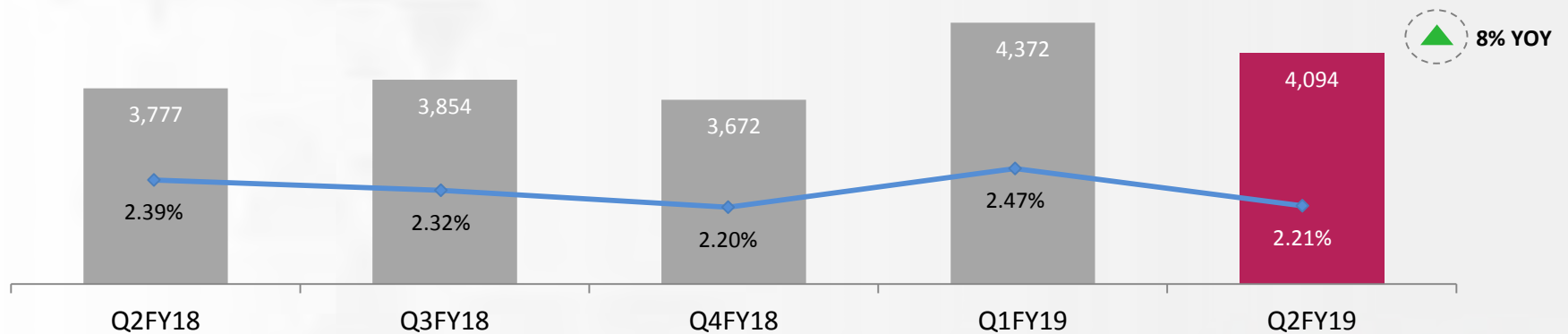
All figures in ₹ Crores

## Core Operating Profit ^



^ computed as operating profit less trading profit  
# Impact of one large recovery from IBC list 1

## Operating Profit and Operating Profit Margin\*



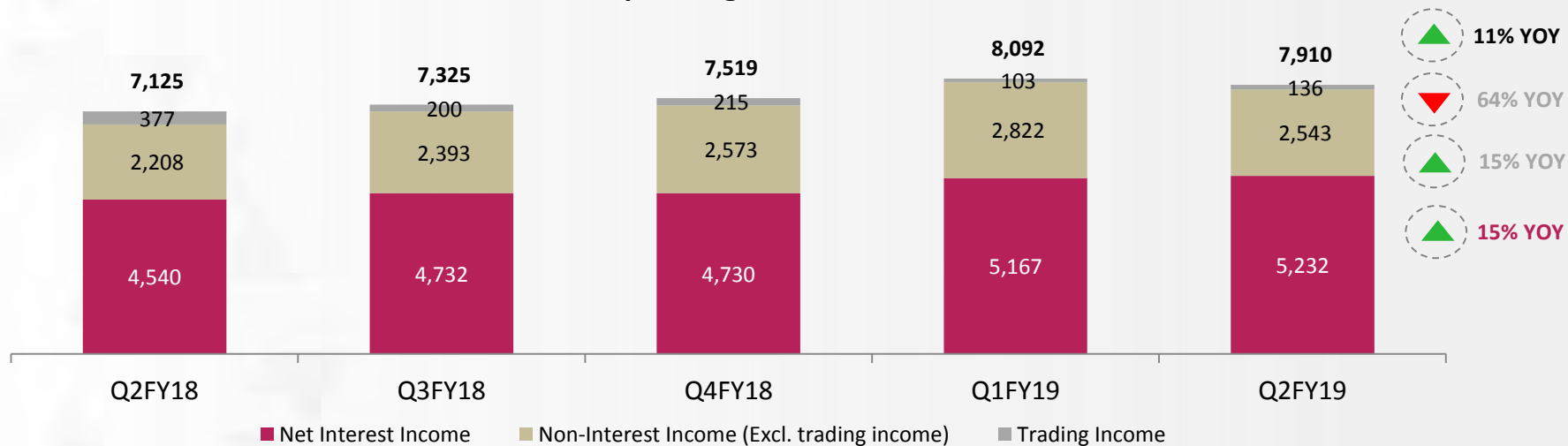
\* annualized

—◆— Operating Profit Margin

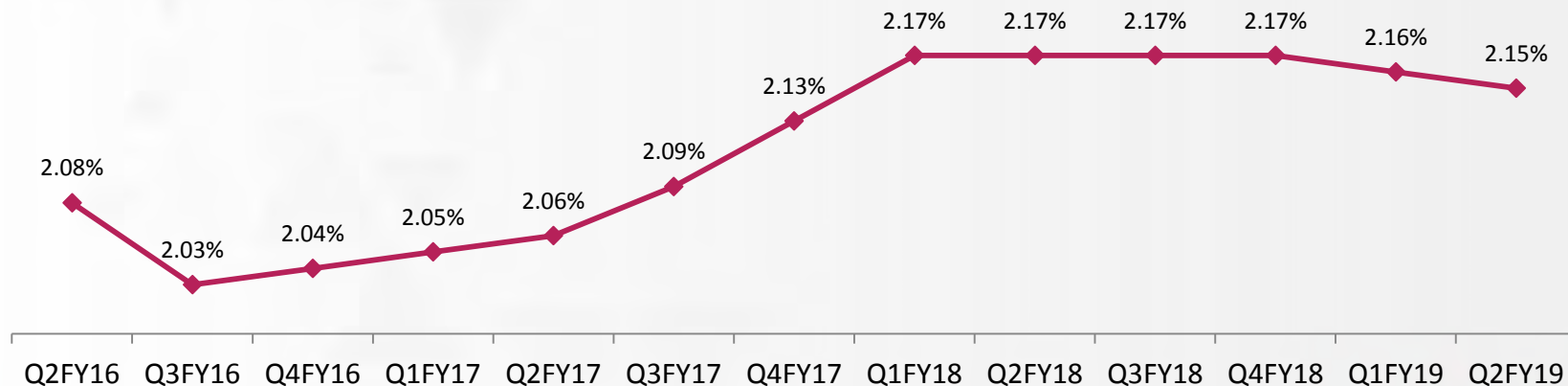
# Net Interest Income grew 15%, opex to average assets ratio improved

## Operating Revenue

All figures in ₹ Crores

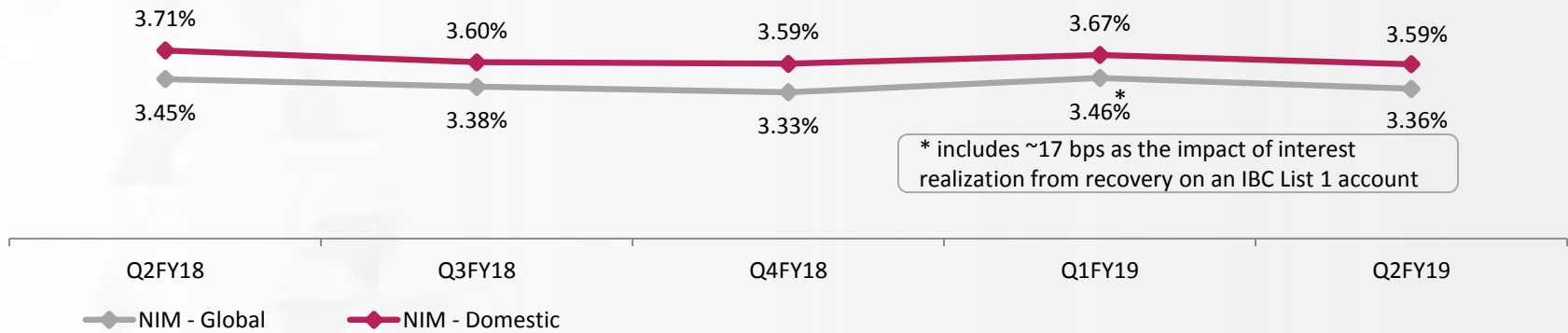


## Opex to Average Assets\*

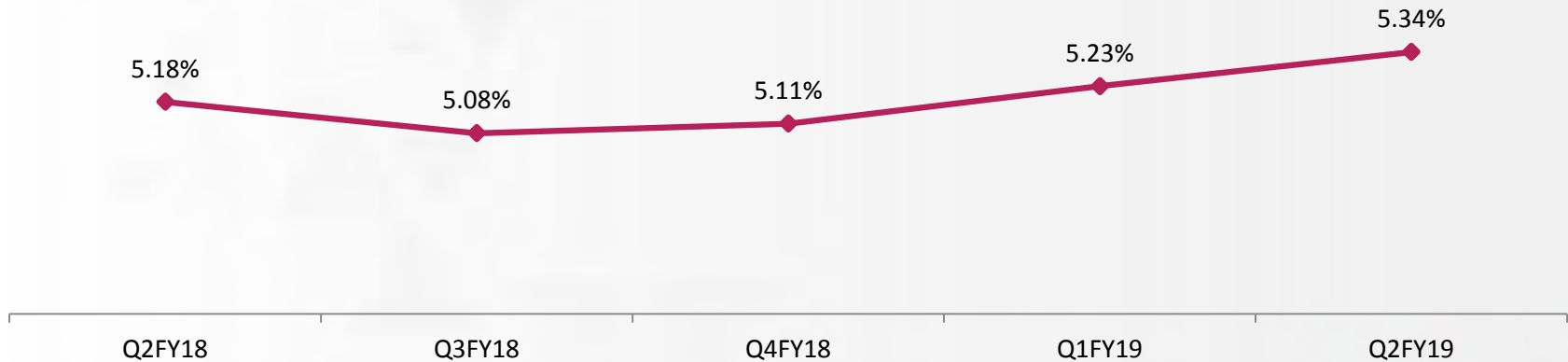


\* annualized

# Domestic NIM adjusted for one offs has been stable q-o-q

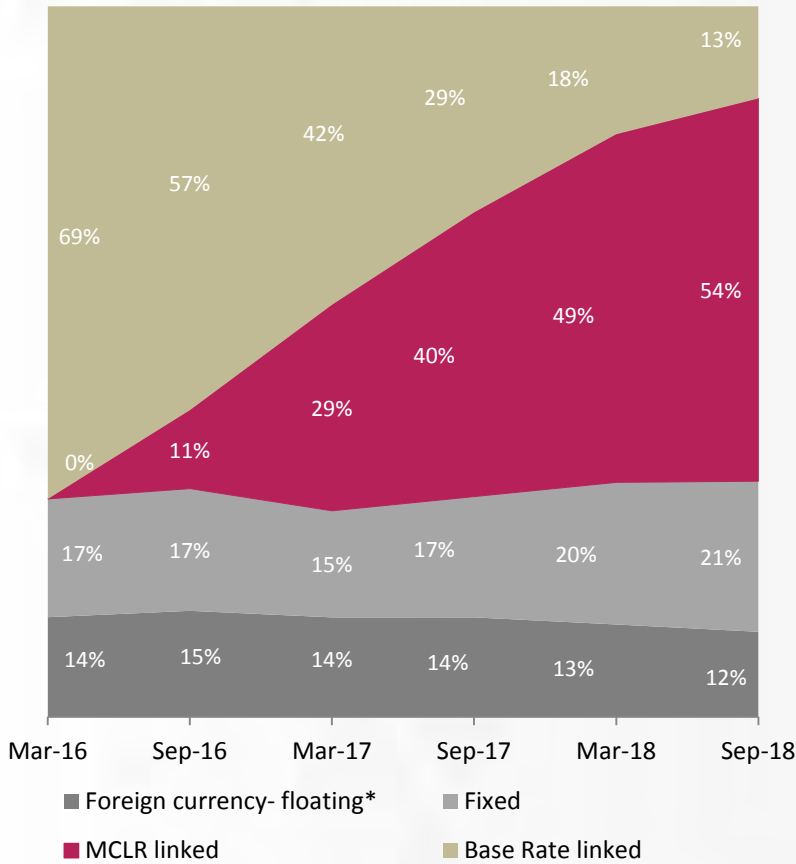


## Cost of Funds

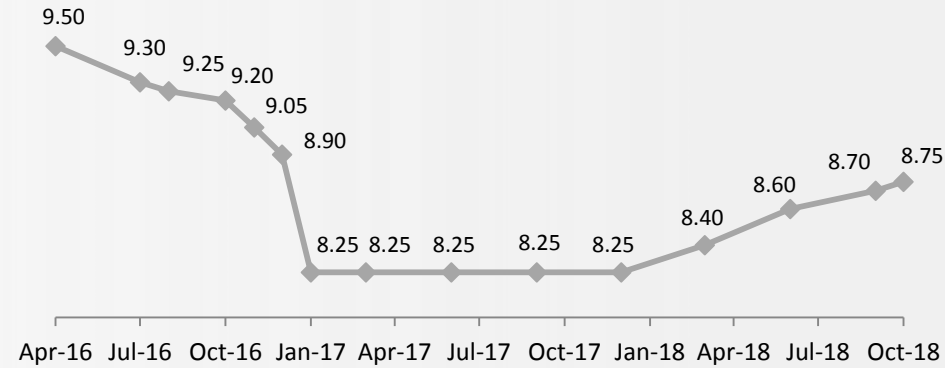


# MCLR moved up by 50 bps in last 9 months. 54% of advances are now MCLR linked

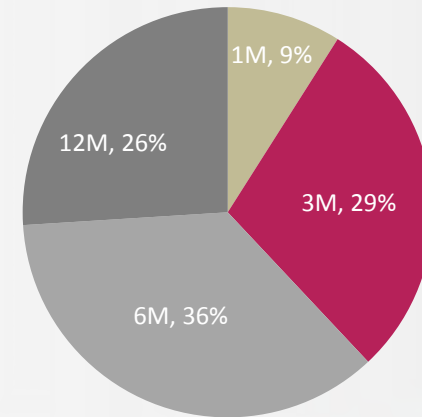
### Advances mix by Rate type



### Trend in 1 year MCLR (%)



### MCLR Duration Split



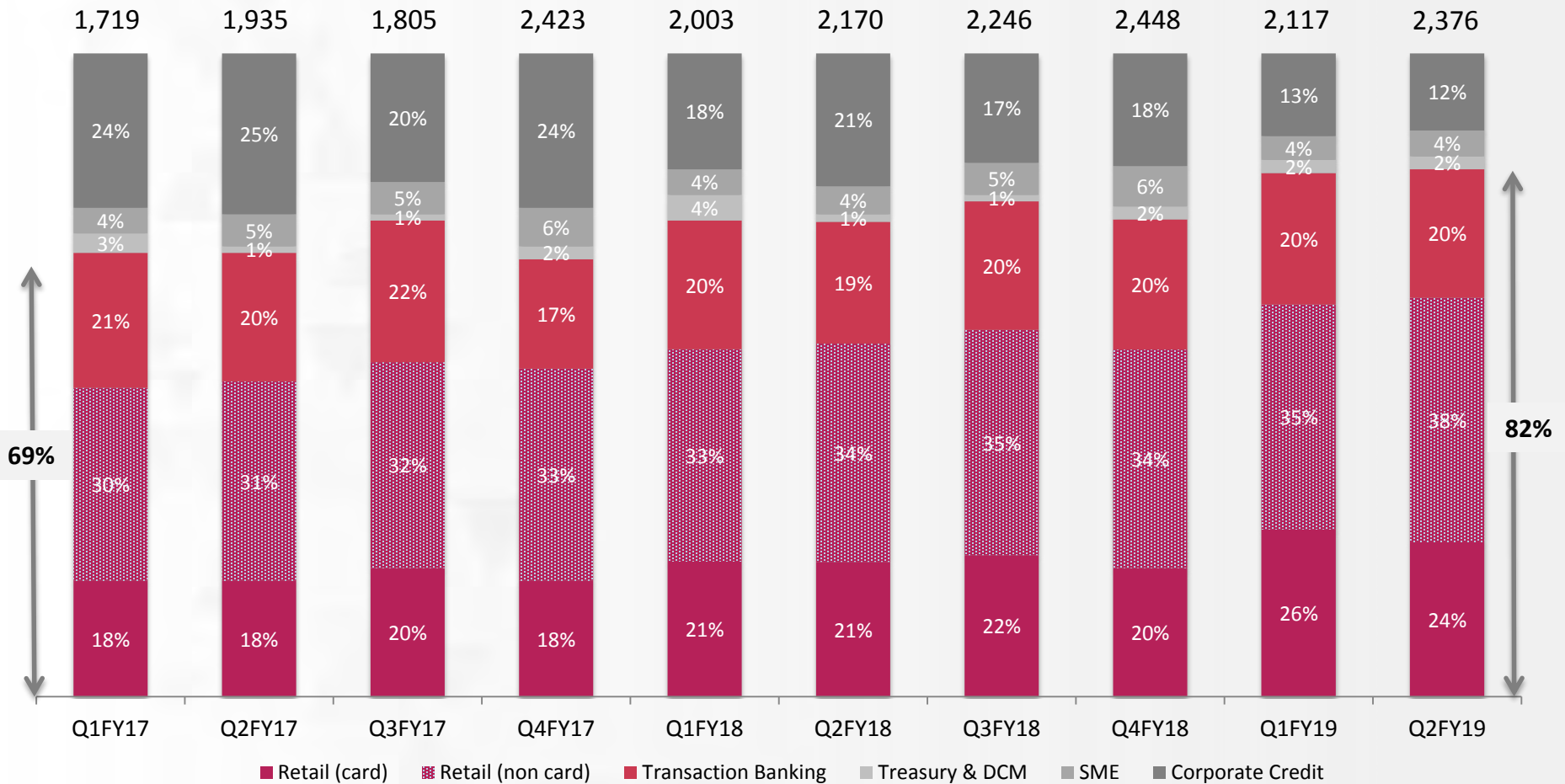


# Retail and Transaction Banking now form 82% of the Bank's Fees

All figures in ₹ Crores

## Fee Composition\*

▲ 9% YOY



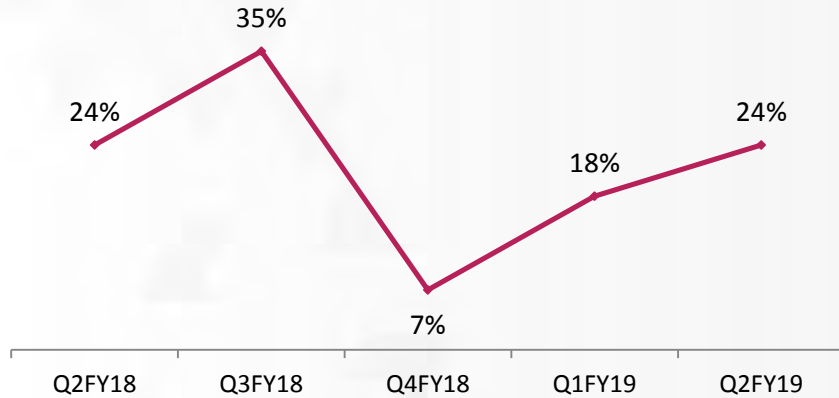
\*There has been reclassification of certain segments from Transaction Banking to Retail starting Q1FY19. Accordingly the figures for all the prior periods are adjusted to reflect reclassified data

# Retail and Transaction Banking Fee growth remains healthy

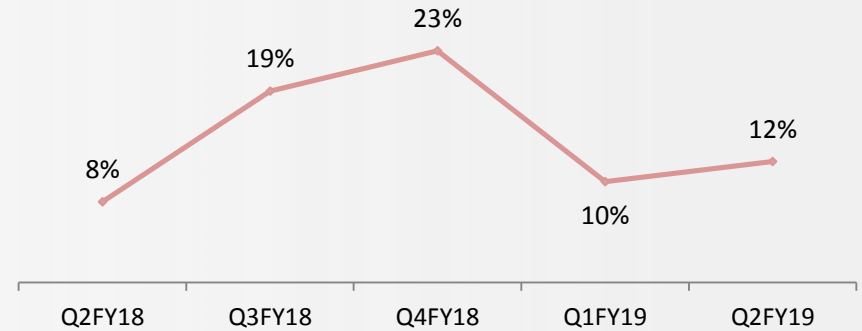
All figures represent YOY growth

Fee Growth (YOY)

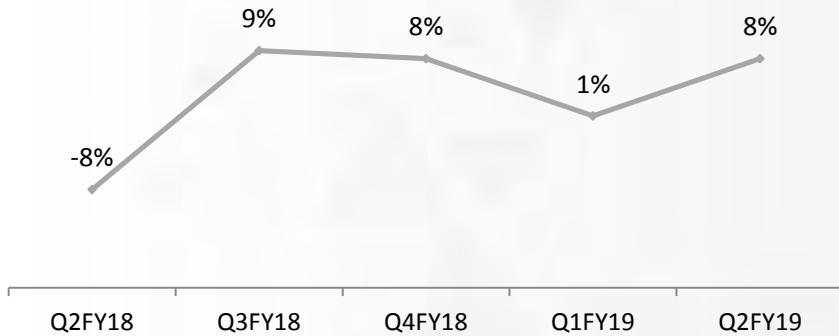
## Retail\*



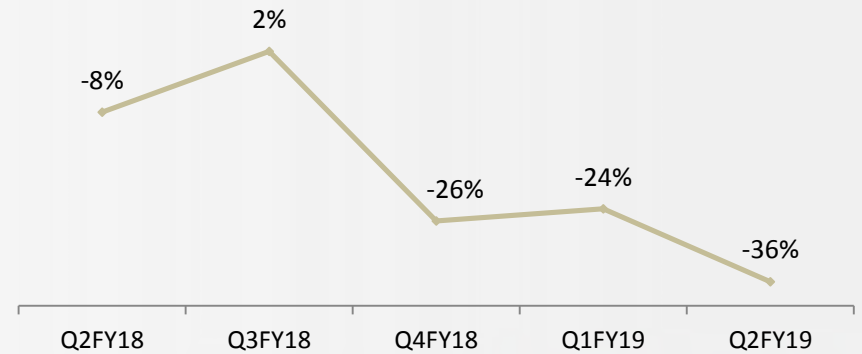
## Transaction Banking\*



## SME



## Corporate Credit



\*There has been reclassification of certain segments from Transaction Banking to Retail. Accordingly the figures for all the prior periods are adjusted to reflect reclassified data

Financial Highlights

**Business Segment performance**

Asset Quality

Shareholder Returns and Capital Position

Subsidiaries' Performance

Other important information

# The Bank's strengths revolve around four key themes



## ...with subsidiaries complementing the strategy

### **AXIS MUTUAL FUND**

- Fastest growing AMC since launch in '09
- More than **3.3 mn** client folios
- Has market share of ~ **3.60%**

### **AXIS FINANCE**

- Fast growing NBFC
- Offers complimentary product offerings to Bank customers
- Product offerings include Structured Financing, Special Situations Funding

### **AXIS DIRECT**

- Fastest growing equity broker in India
- Among **top 3** brokers in India with cumulative client base of **1.96 mn**

### **AXIS CAPITAL**

- Leading player in Investment banking
- Ranked no. 1 ECM Banker, executed equity deals worth over **₹1000 bn** in last 5 years

### **freecharge**

- Acquired in Sep'17
- Creating an at-scale bank-led Fintech business model
- Agility of a Fintech backed by the strength of the Bank

# Business Performance – Retail

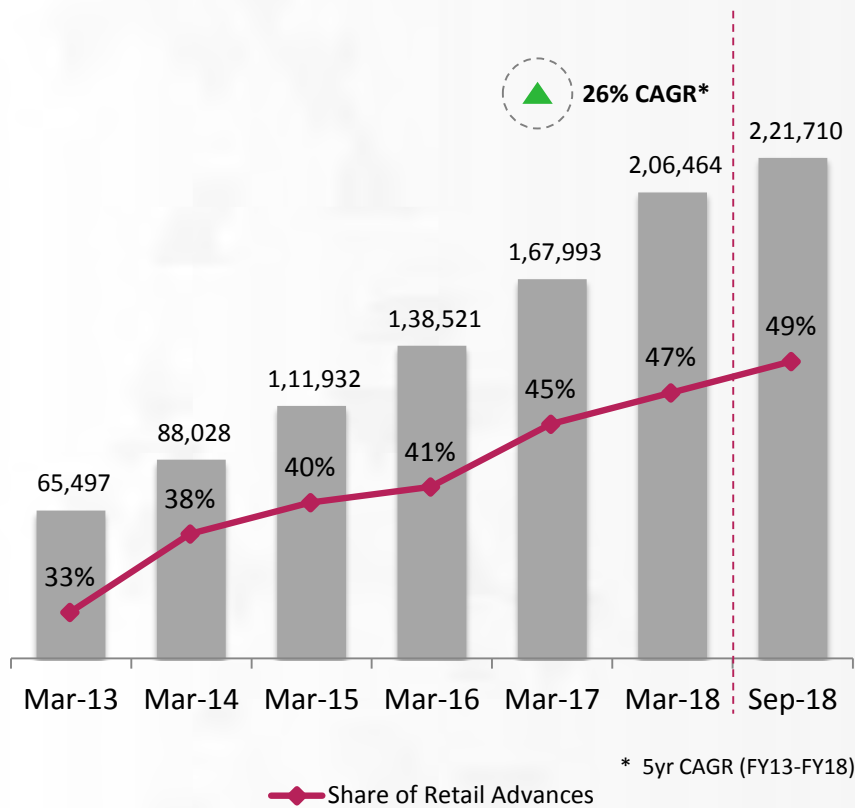
## Summary

- Retail Lending has shown strong growth with significant diversification in loan mix over time
- Our identified “new growth engines” continue to drive loan growth
- Our Wealth Management business has witnessed strong growth
- Granular Retail Fees remain a major revenue driver
- Continue to pursue steady branch expansion strategy with focus on cost optimization
- Axis Bank ranks amongst the most valuable brands in India

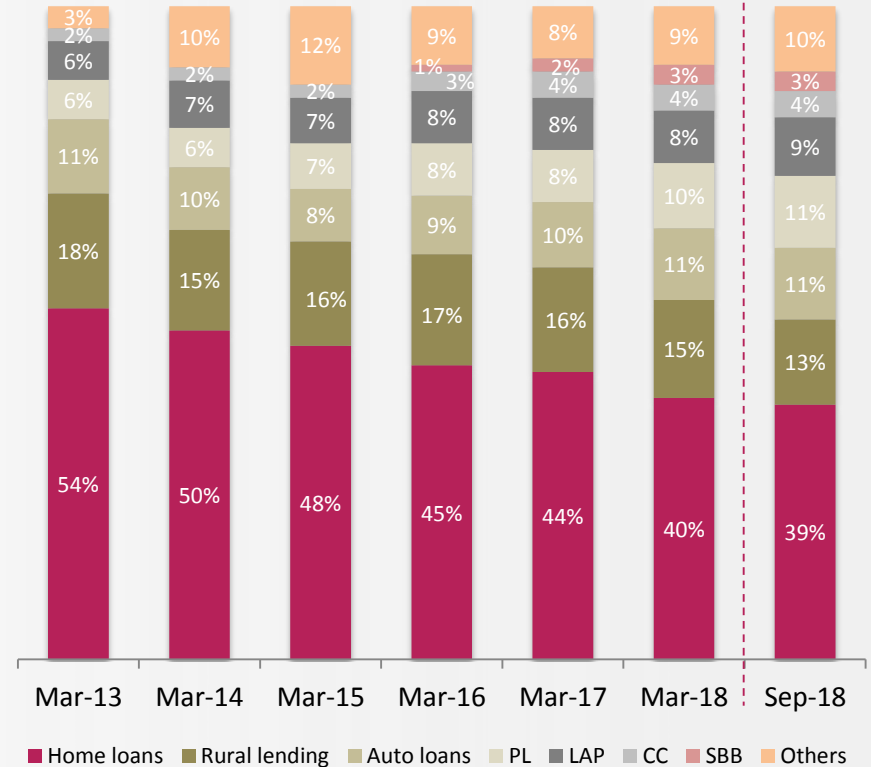
# Retail Loans form the largest part of the Bank's loan book and are well diversified

All figures in ₹ Crores

## Retail Advances have shown strong growth...



## ...with significant dispersion in mix over time



- ▲ Superior growth in Retail loan product distribution achieved by deepening business relationships within existing branches, coupled with expansion in new geographies, where the Bank already had seasoned branches.
- ▲ This strategy was augmented by deep data analytics capabilities, used to identify, market to, and underwrite to the most appropriate pockets of our customer base.

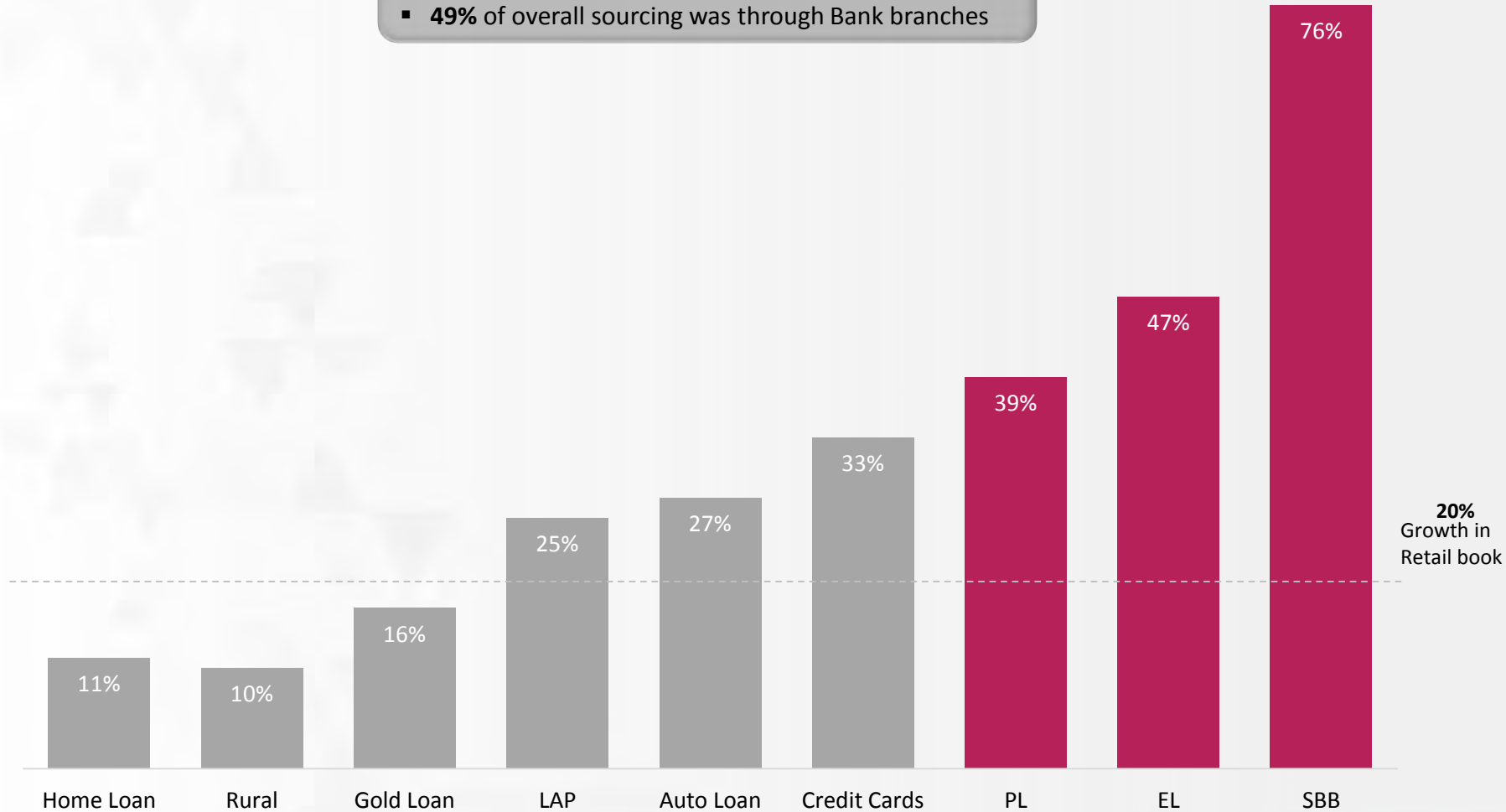
PL – Personal Loan, SBB – Small Business Banking, LAP – Loan against Property, CC – Credit Cards




# Our identified “new engines” continue to see disproportionate growth

## Sourcing Strategy

- 82% of sourcing in Q2 was from existing customers
- 49% of overall sourcing was through Bank branches



EL – Education Loan, PL – Personal Loan, SBB – Small Business Banking, LAP – Loan Against Property

 New engines of growth

# We remain a leading player in Wealth Management



Wealth Management | Axis Bank

Data as at end of Sep'18

Current AUM	:	<b>₹127,425 Crores</b>
Customer Base	:	<b>114,245</b>
Total touch points (RMs & ICs)	:	<b>506</b>

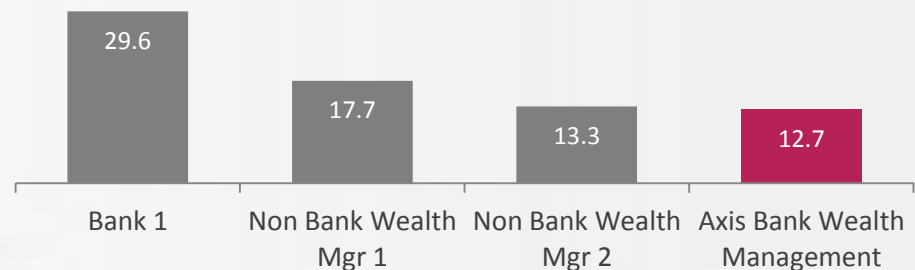
## Burgundy Performance

## FY14-18 CAGR

AUM#	▲	45%
Fee Revenue	▲	55%
Customer Base	▲	36%
Touch points (RMs & ICs)	▲	15%

## 4<sup>th</sup> largest Wealth Management business in India

(Asian Private Banker\*)



RM – Relationship manager, IC – Investment Counsellor

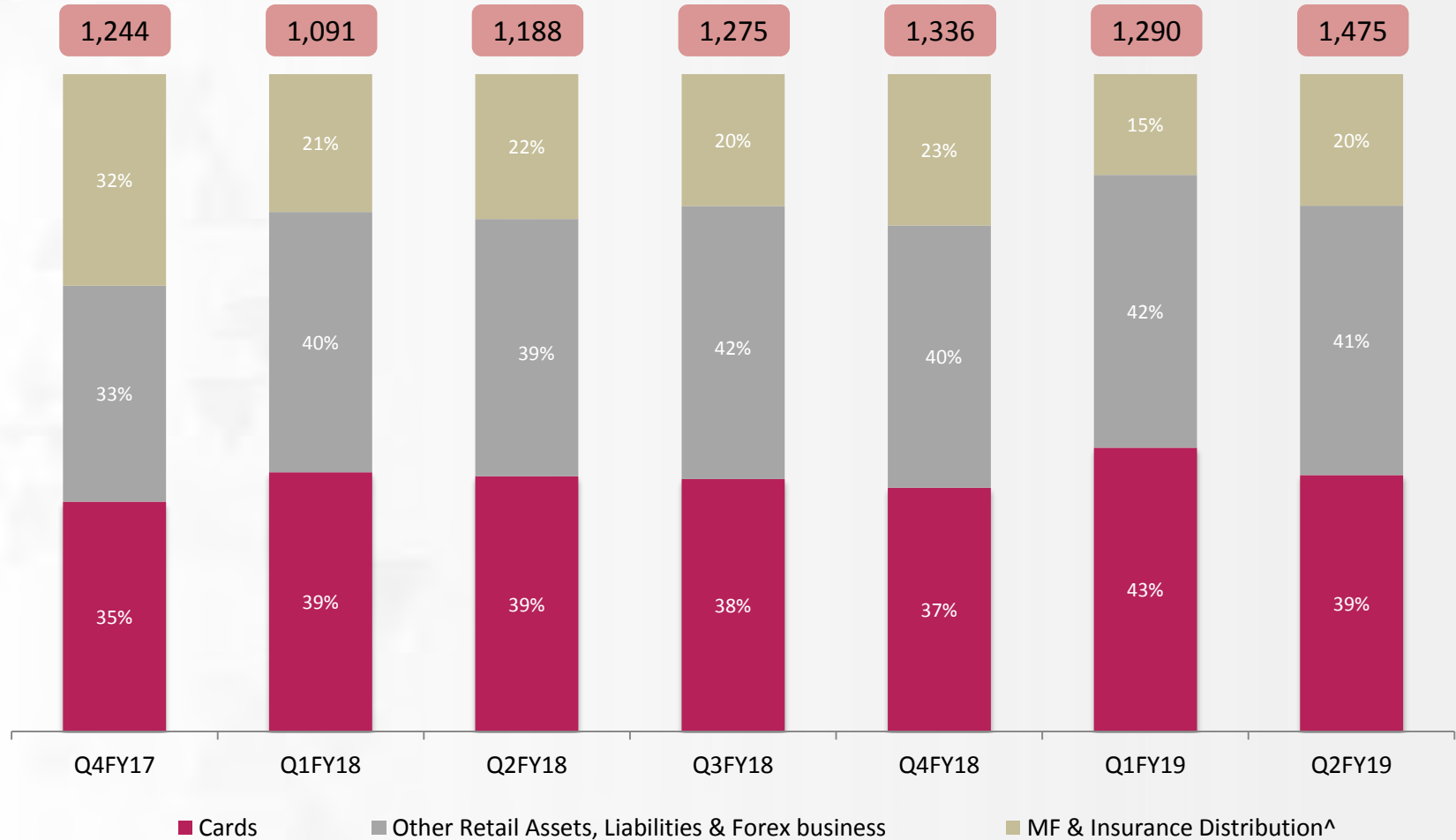
# CAGR growth for 2 yrs

\* As per their India 2017 AUM League Table in terms of AUM (\$ Bn)



# Granular Retail Fees have been a major revenue driver

All figures in ₹ Crores

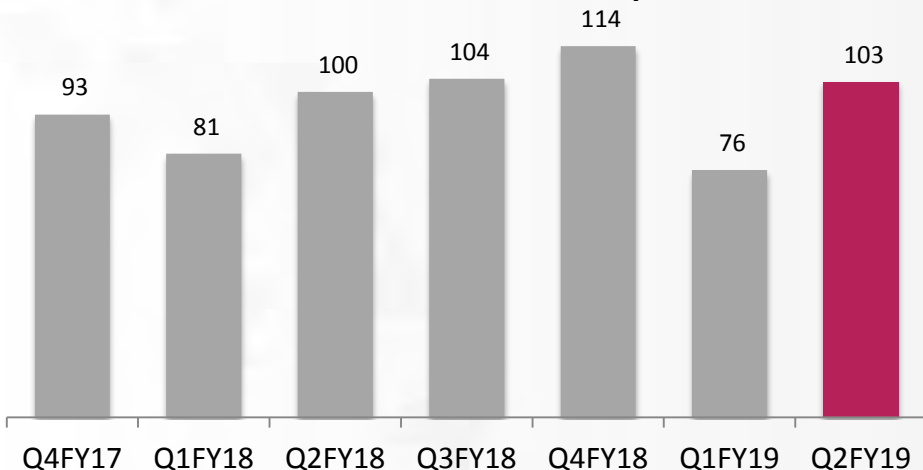


^ Includes distribution fees of others like bonds, gold coins, etc

\*There has been reclassification of certain segments from Transaction Banking to Retail starting Q1FY19. Accordingly the figures for all the prior periods are adjusted to reflect reclassified data

# Network expansion continues at a steady pace

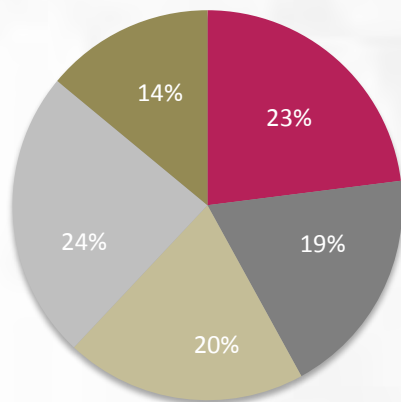
**New Branches Opened\***



## Why are we continuing to invest in Branches?

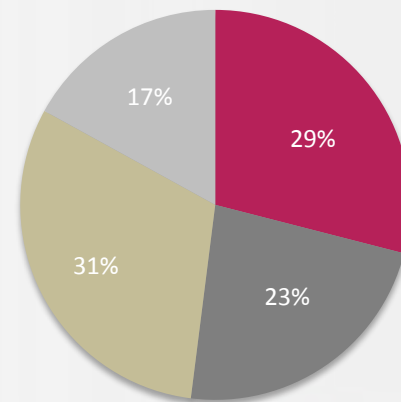
- India continues to be a growth economy
- New customer acquisition is a larger growth driver than deepening of existing customer wallet share
- Physical distribution continues to be central to new customer acquisition (even as transactions and cross-sell have shifted to Digital channels).

## Very well distributed branch presence across regions and categories



■ North ■ East ■ West ■ South ■ Central  
Geographical distribution based on RBI classification

- Our network has been completely organic, built over last 24 years
- Total no of branches\* as on 30<sup>th</sup> September 2018 stood at **3,882**



■ Metro ■ Urban ■ Semi-Urban ■ Rural

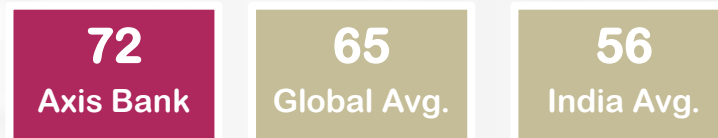
\* Includes extension counters and RACs

# We have created a differentiated identity and are amongst the most valuable Brands in India

Featured amongst Top 10 most valuable brands in India



Ranked #2 on Functionality in Forrester's Mobile Banking Benchmark, 2017 (India Banks)



# FORRESTER®

Global Ranking 20 in 2017 vs. 37 in 2016

# Business Performance – Digital

## Summary

- Digital Payments are a key strategic thrust for the Bank
- We have a strong position across most digital payment products
- We are ranked # 1 in Mobile Banking spends
- Digital channels continue to witness healthy growth
- The Bank has emerged as a leading partnership-driven innovator on payments use cases

# We have strong market position across most Digital Payment products

## Axis Bank Market Standing Across Products

Product	Debit Cards <sup>1</sup>	Credit Cards <sup>2</sup>	Mobile Banking <sup>3</sup>	Point of Sale Terminals <sup>^</sup>	UPI <sup>4</sup>	Forex Cards
Market share	7%	12%	17%	15%	8%	45%
Ranking	4 <sup>th</sup>	4 <sup>th</sup>	1 <sup>st</sup>	3 <sup>rd</sup>		1 <sup>st</sup>

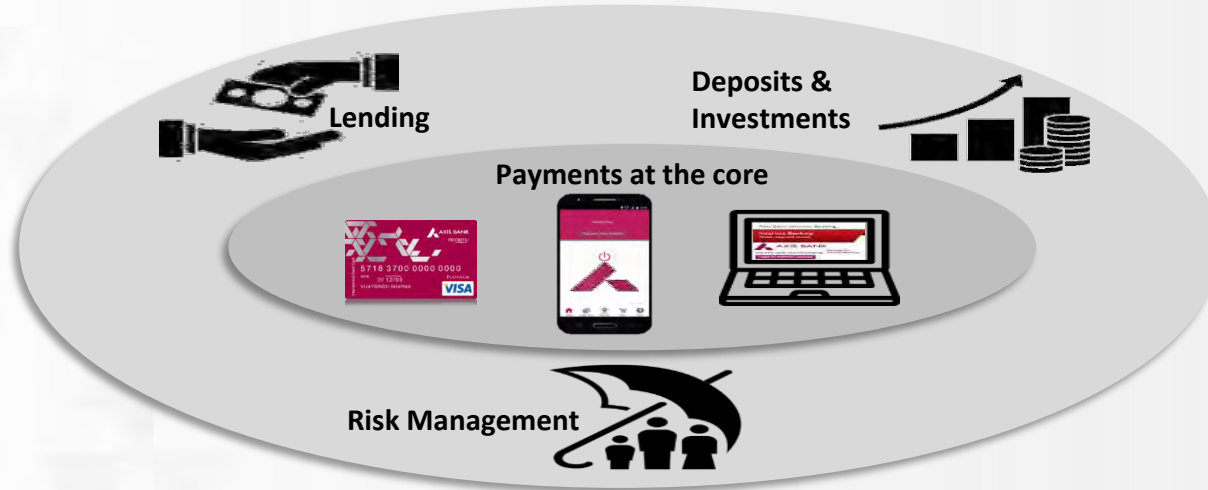
Source: RBI, Internal Data

1 – based on card spends at point of sale terminals ; 2 – based on cards issued (RBI August 2018 data) ^ August 2018 data

3 – based on value (RBI Jan. 2018 data), 4 – market share based on value, ranking data (Q2FY19) not available from authenticated sources

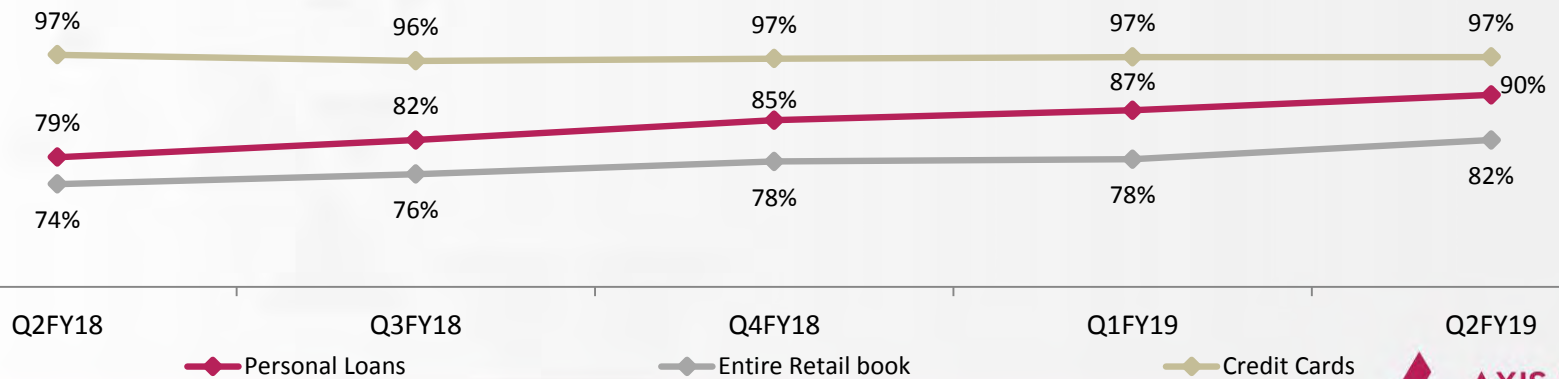
# Investments in analytics have helped build and sustain this strong position

Analytics on Payment data has enabled cross-selling of financial and investment products



Cross-sell metrics remain healthy aided by big data led analytics of the known retail customer base

Sourcing from internal customers\*



# Our Credit Cards business has grown strongly in the last 5 years and is now the 4<sup>th</sup> largest in the country

## Featured Cards



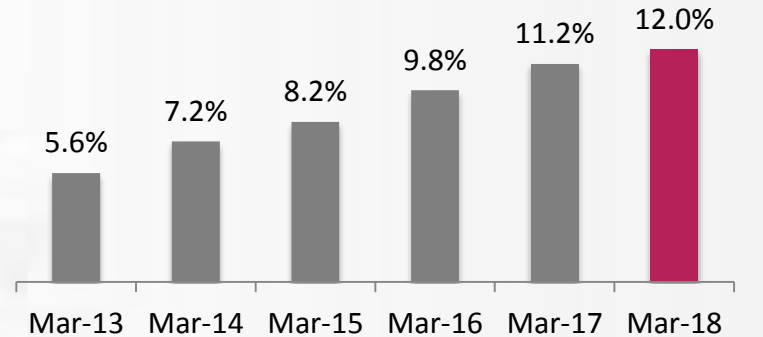
## Co-branded Cards



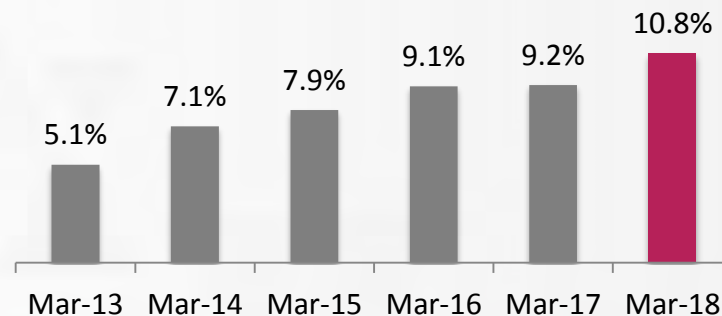
## Premium Cards



## Credit Cards in Force – Market Share



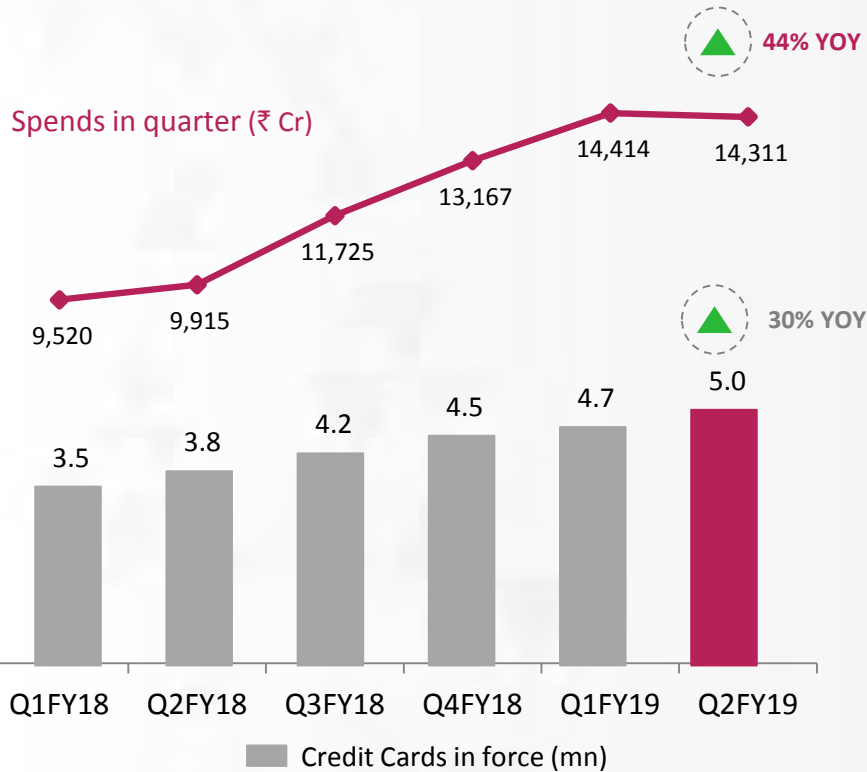
## Credit Cards Spends – Market Share



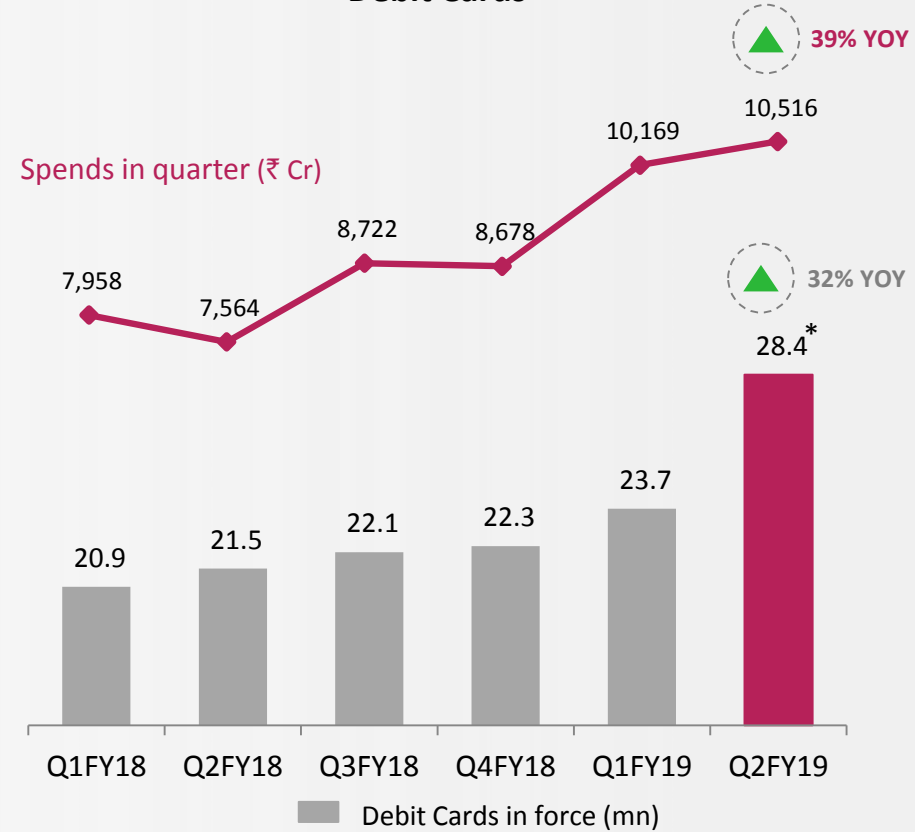
- Market Share grew 2x in last 5 years
- Credit Cards business is a major contributor to Fee income

# Card Spends continue to show strong growth

## Credit Cards



## Debit Cards



\* Includes 0.7mn and 2.5 mn of debit cards recorded in Q1FY19 and Q2FY19, respectively as per RBI guidelines



# We are ranked #1 in Mobile Banking spends



**43%** of Mobile Banking customers bank only on Mobile App

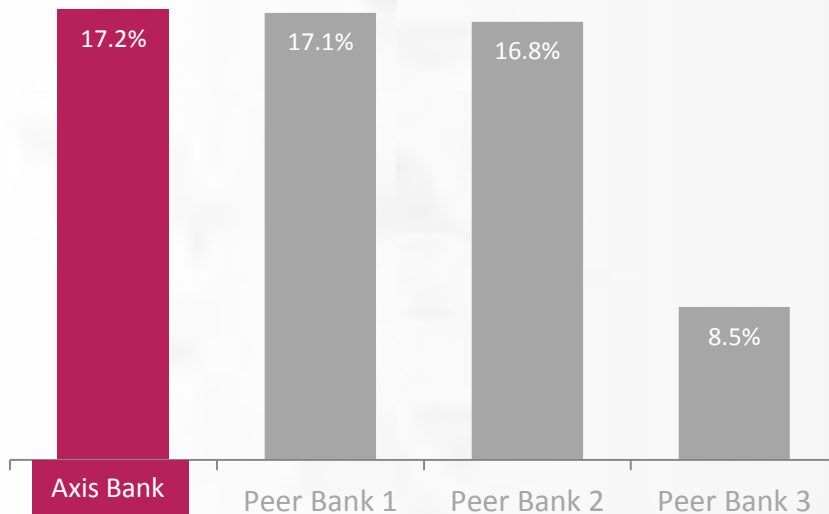


Mobile Banking logins stand at **9.9 times** of Internet Banking logins



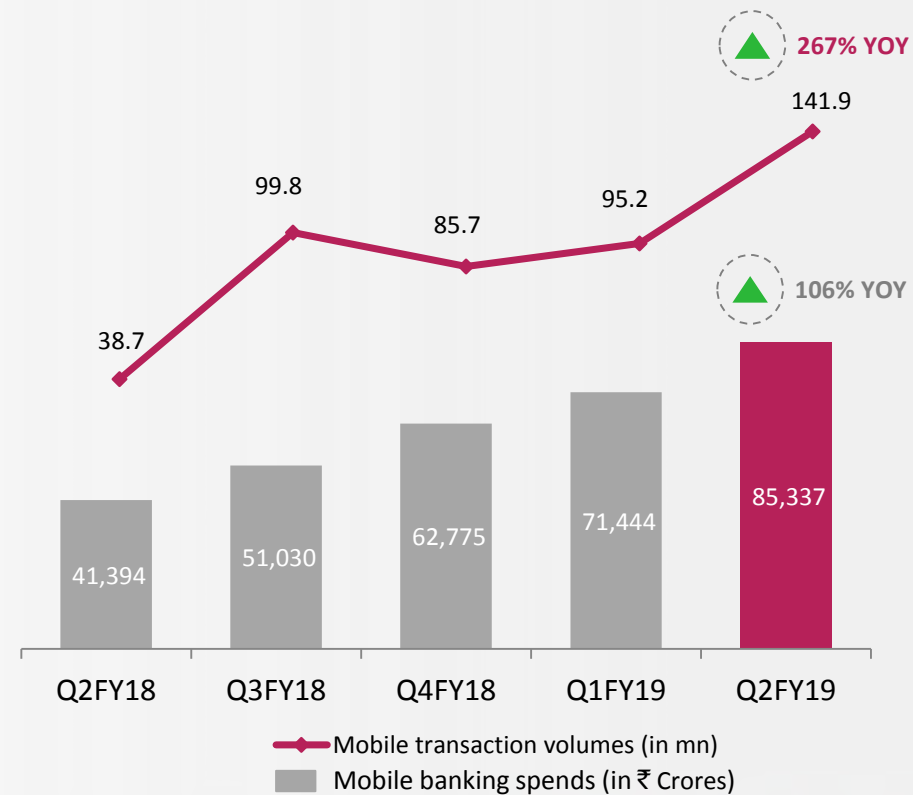
Amongst the highest ranked Banking app on Google Play Store

## Mobile Transactions Market Share by Value



Source: RBI data, January 2018

## Axis Bank Mobile Banking Spends and Volumes

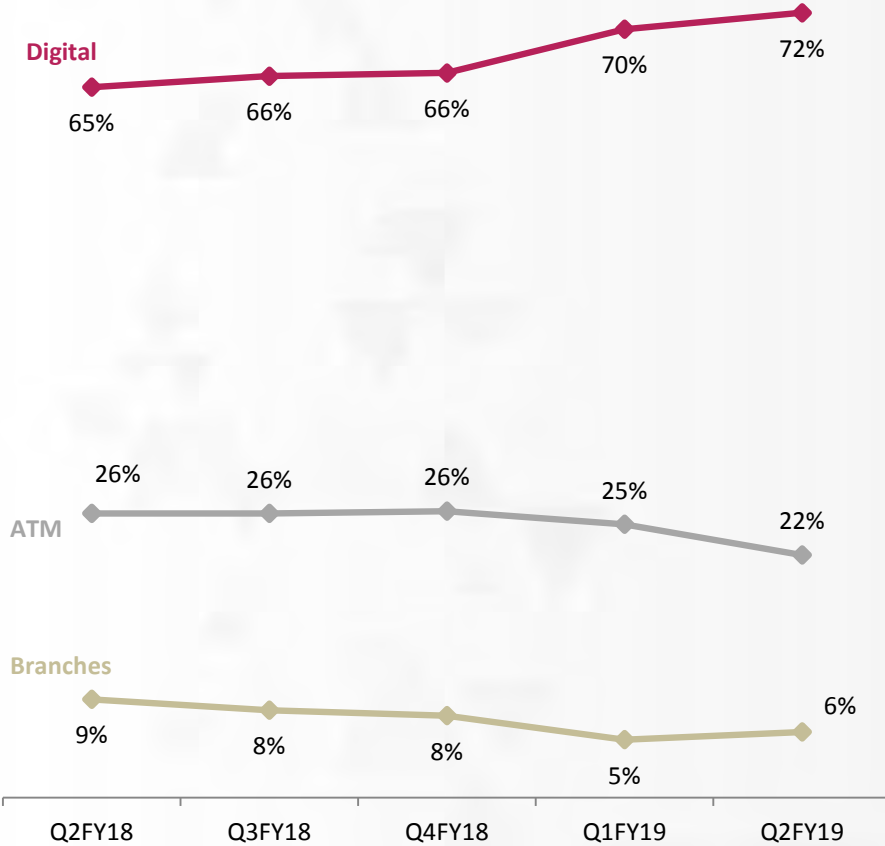


# Digital Channels continue strong growth – now 72% of all transactions



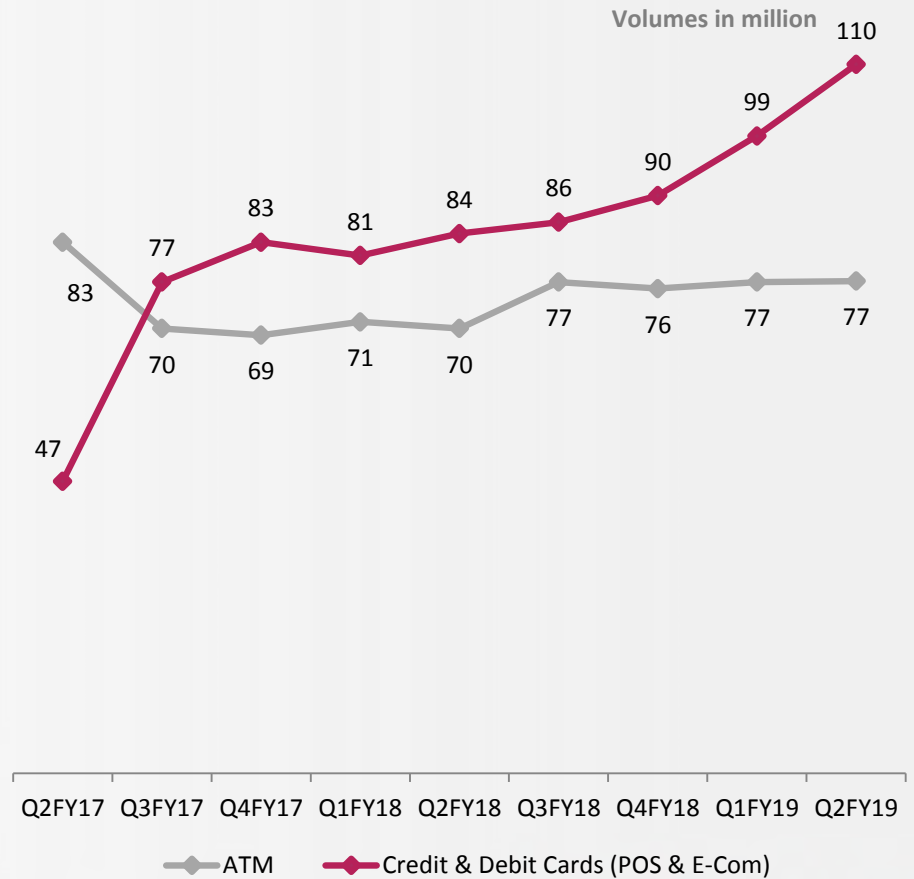
60% of Bank's active customers are Digitally active

### Transaction Mix\*



\* Based on all financial transactions by individual customers

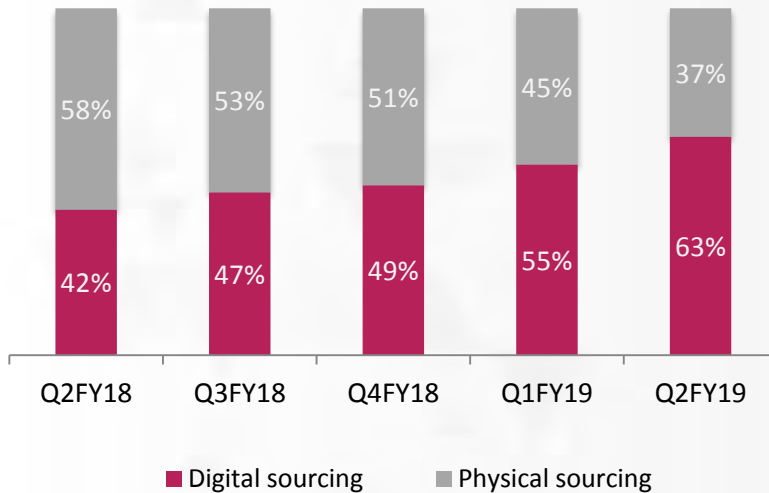
### Gap between Digital & ATM transactions has widened



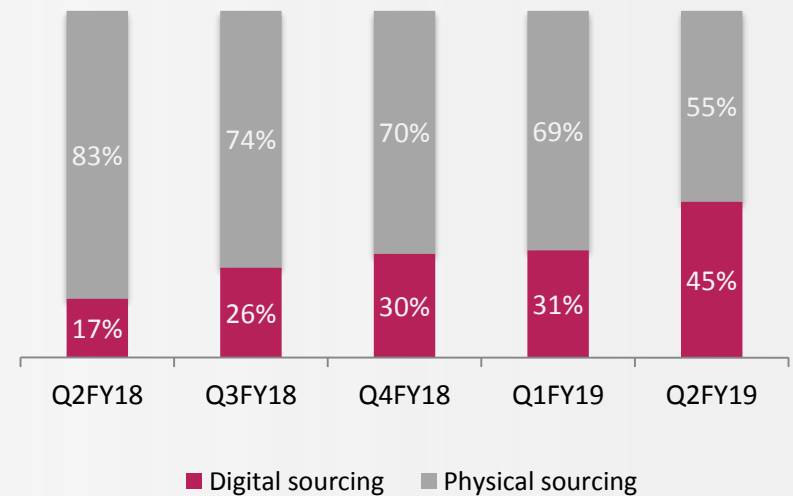
# Customer Acquisition in key products is also decisively moving Digital



Proportion of Savings accounts sourced through Tab banking



Proportion of Personal loans sourced through Digital channels



# UPI has scaled up tremendously to become a key channel for customer transactions

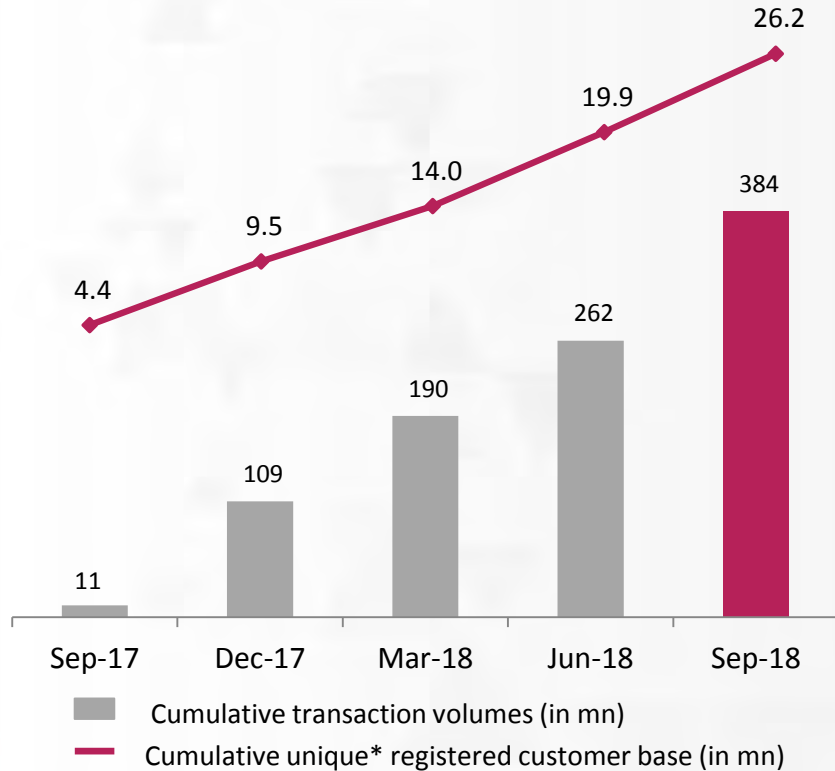
Axis Bank's UPI  
Growth story

1 18.8 mn VPAs

2 384 mn transactions<sup>#</sup>

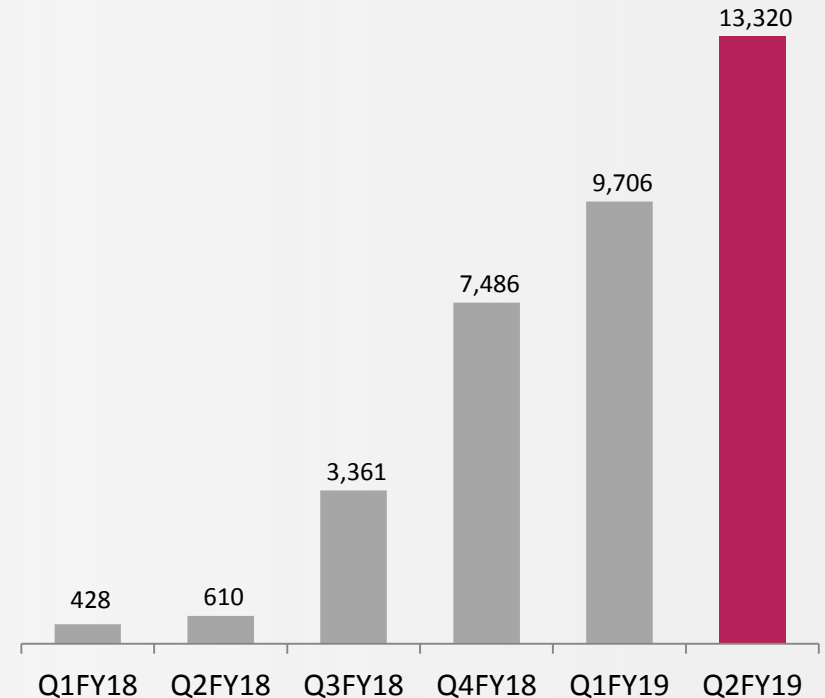
3 75,129 merchants on boarded

We now have a 26 million registered UPI customer base



Quarterly UPI transaction value has grown 22x in last one year

(in ₹ Crores)



\* A customer registering once in Axis Pay and once in Google Tez is counted as one user and not 2.

<sup>#</sup>Debit transactions for Axis Pay, Axis MB UPI, Samsung Pay, Google Tez, Merchant transactions and fulfilment transactions from Tez have been considered.

# The Bank has emerged as a leading partnership-driven innovator on payments used cases

## Axis AHA



- Launched an AI-led Virtual Assistant to Enhance online customer experience
- Has processed over 1.4 mn conversations, answered over 4.2 mn FAQs and transacted over ₹15 mn since inception

## Axis Tap & Pay



- Introduced "Axis Tap & Pay" mobile APP, which allow customer to pay by just tapping EFC enabled Android on contactless POS

## Samsung Pay



- Enabled for Credit & Debit Card across Visa & Master Card
- 221,353+ registered cards till date
- Users added close to 1.32 million bank accounts using @pingpay VPA

## 'One Raipur' common payment system



- The all in one digital payment solutions offers a prepaid One Raipur smart card, mobile app and a web portal which will enable citizens to make cashless payment for various services.

## Axis Bank BMTC Smart Card



- India's first prepaid transit card with acceptability at merchant outlets for shopping
- Over 138,088+ cards issued till date

## Ripple-powered Instant Payment Services



- Uses Ripple's enterprise block chain technology
- Makes international remittances faster and transparent for customers

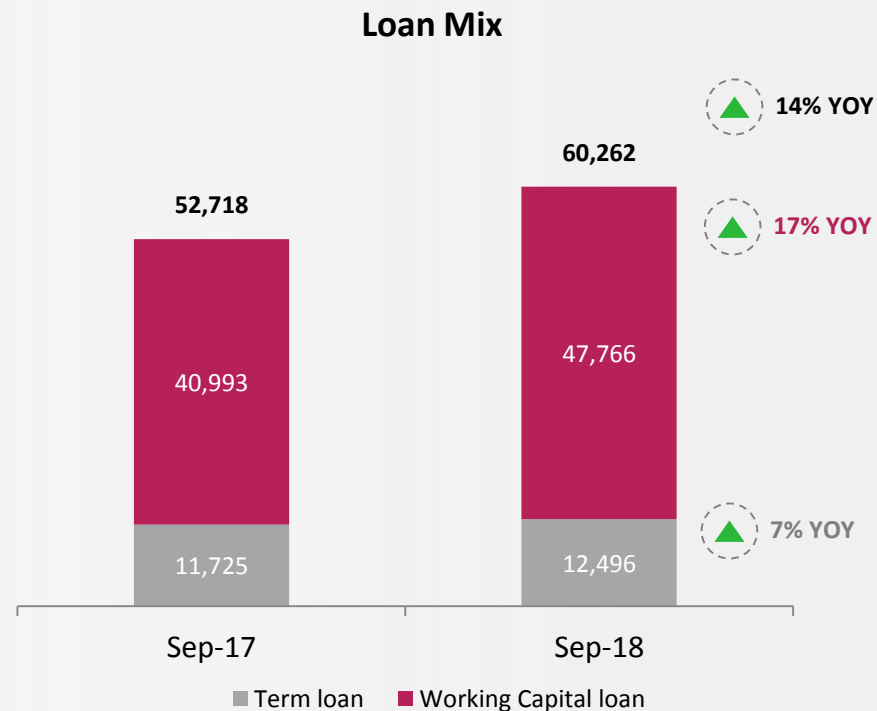
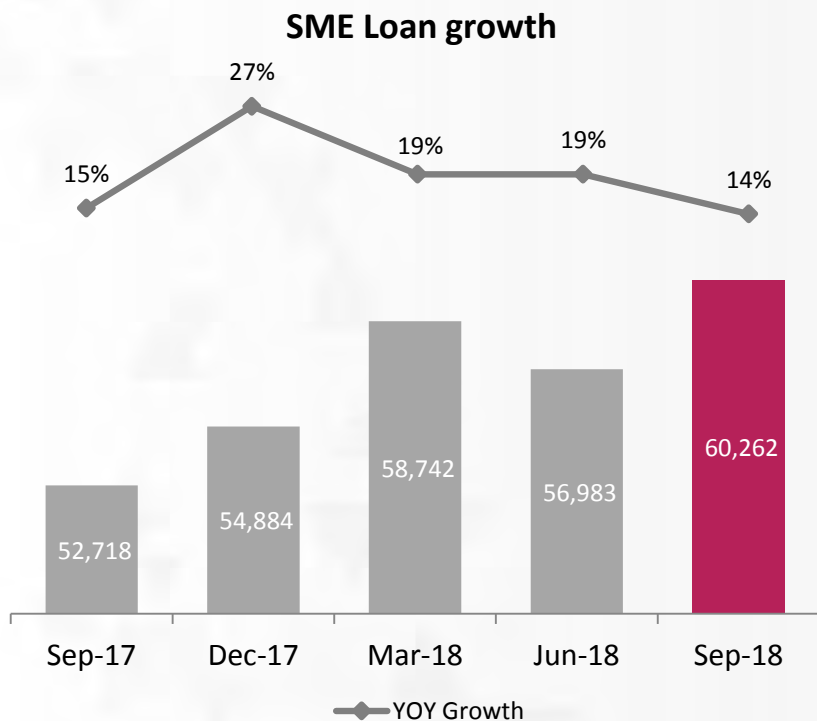
# Business Performance - SME

## Summary

- SME loan growth continues to remain healthy
- Focus remains on building a high rated SME Book

# SME loan growth continues to remain healthy

All figures in ₹ Crores

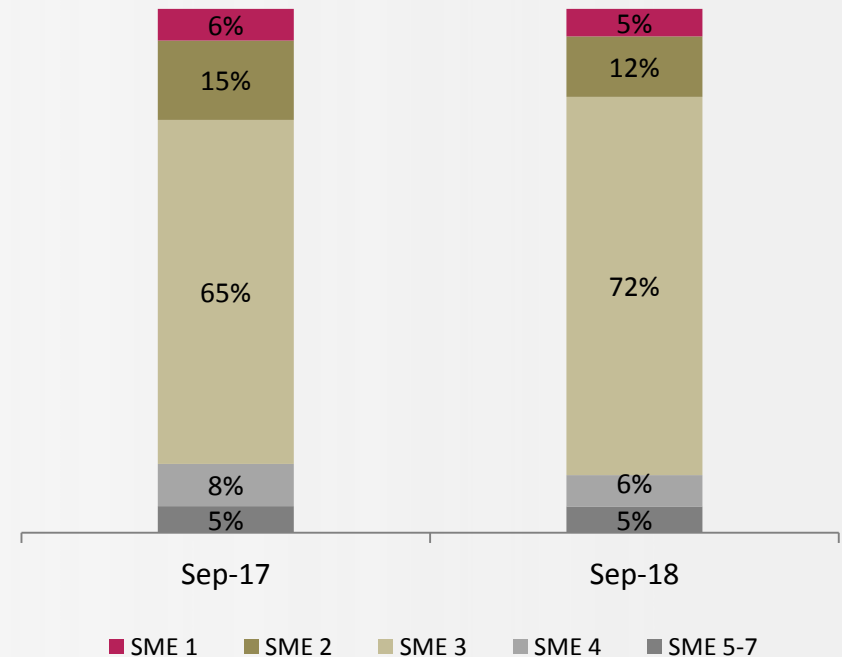


- Our SME business is divided into 3 business verticals: Medium Enterprises Group (MEG), Small Enterprises Group (SEG) and Supply Chain Finance (SCF)
- The Bank extends Working Capital, Term Loan, Trade Finance, Bill / Invoice Discounting and Project Finance facilities to SMEs.

# Focus remains on building a high rated SME book

- Our SME segment continues to focus towards lending to the Priority sector.
- The Bank's SME Awards event "SME 100" acknowledges the best performers in the SME segment. It is aligned with the Government's Make in India, Skill India and Digital India initiatives.
- The Bank's 4<sup>th</sup> edition of SME Knowledge Series 'Evolve' brought forward owners of successful family businesses to share managerial insights that can help SMEs

89% of SME exposure\* is rated at least 'SME3'



\* Only includes standard exposure



# Business Performance - Corporate

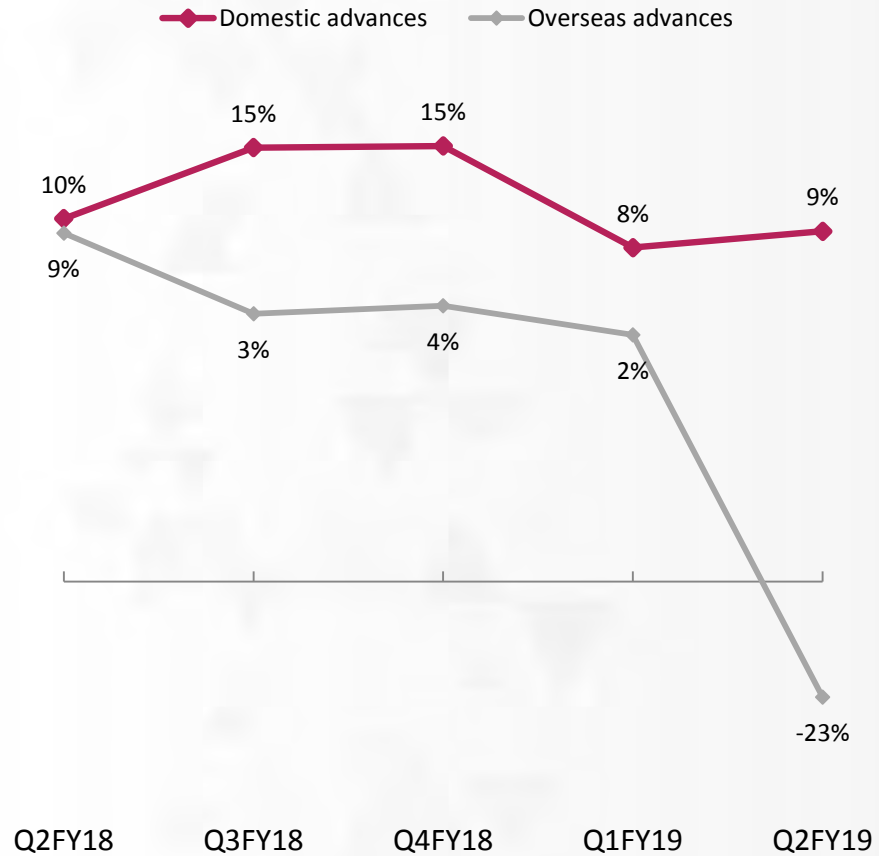
## Summary

- Corporate loan growth driven by domestic working capital loans
- Continued increase in share of transaction banking revenues
- Significant reduction in concentration risk with incremental sanctions to better rated corporates
- Leadership in DCM places us well to benefit from vibrant corporate bond markets

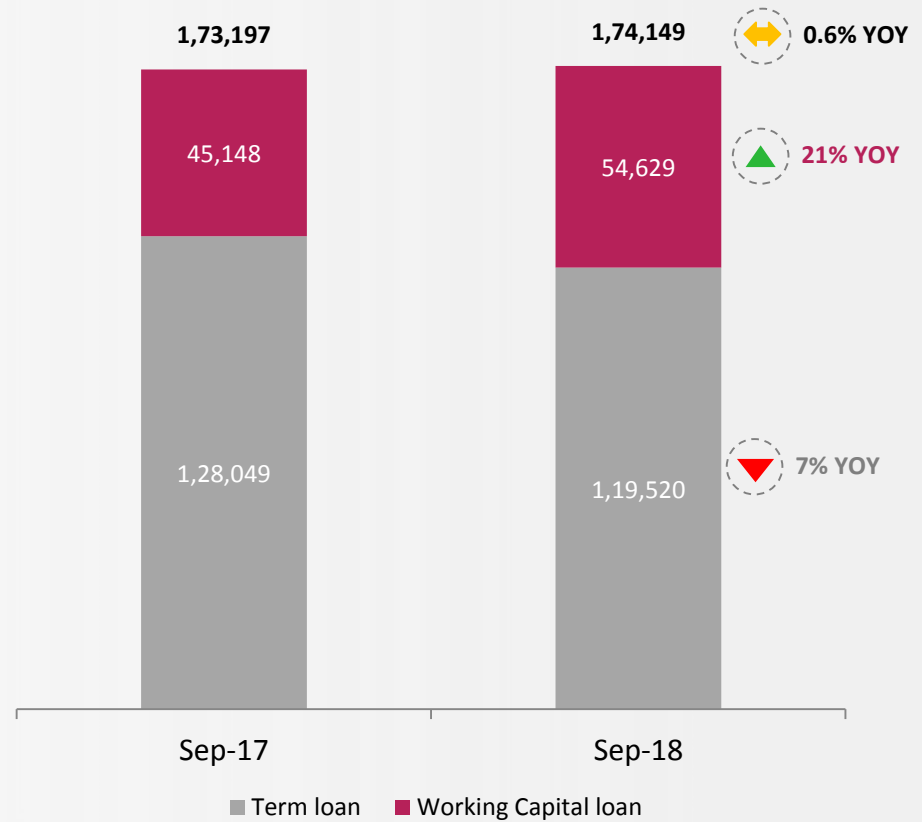
# Corporate loan book continues to pivot towards Working Capital loans...

All figures in ₹ Crores

## Trend in domestic and overseas corporate loan growth (YOY)



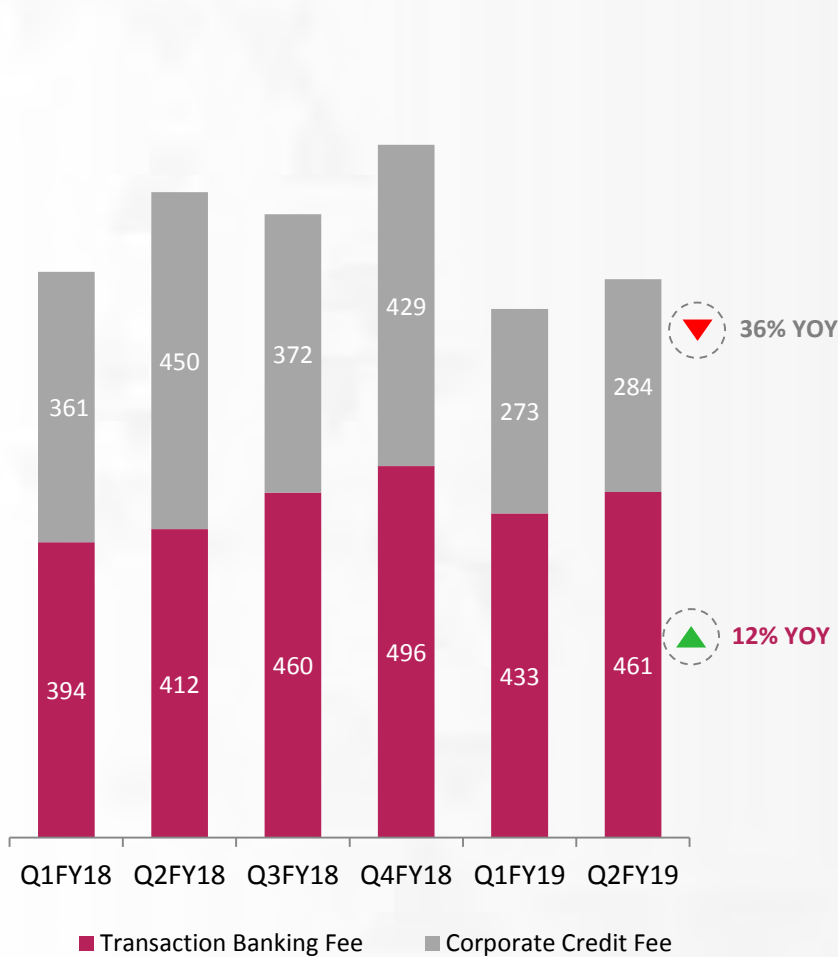
## Working Capital loan growth has been strong



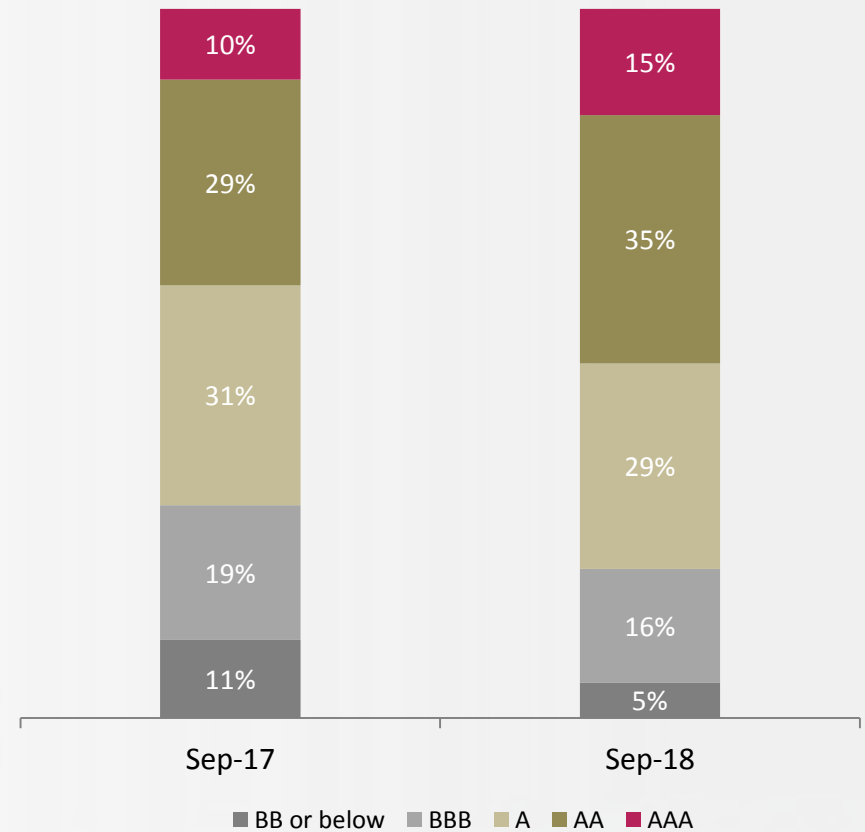
# ...resulting in transaction based business to better rated corporates

All figures in ₹ Crores

## Steady growth in Transaction Banking fees



## 79% of corporate exposure\* is rated 'A' or better

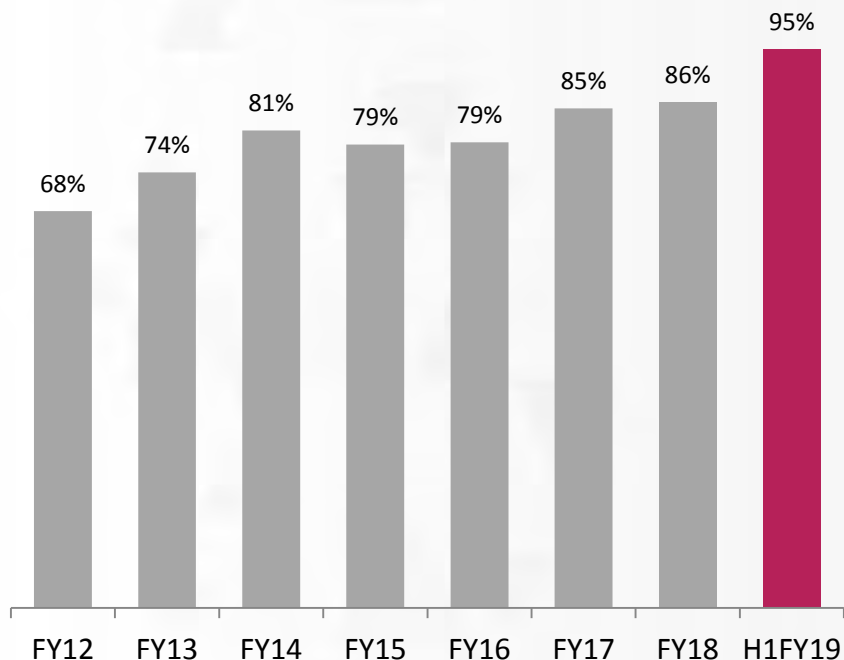


\* Only includes standard exposure

# Significant reduction in concentration risk with incremental sanctions to better rated corporates

## Incremental sanctions have been to better rated corporates

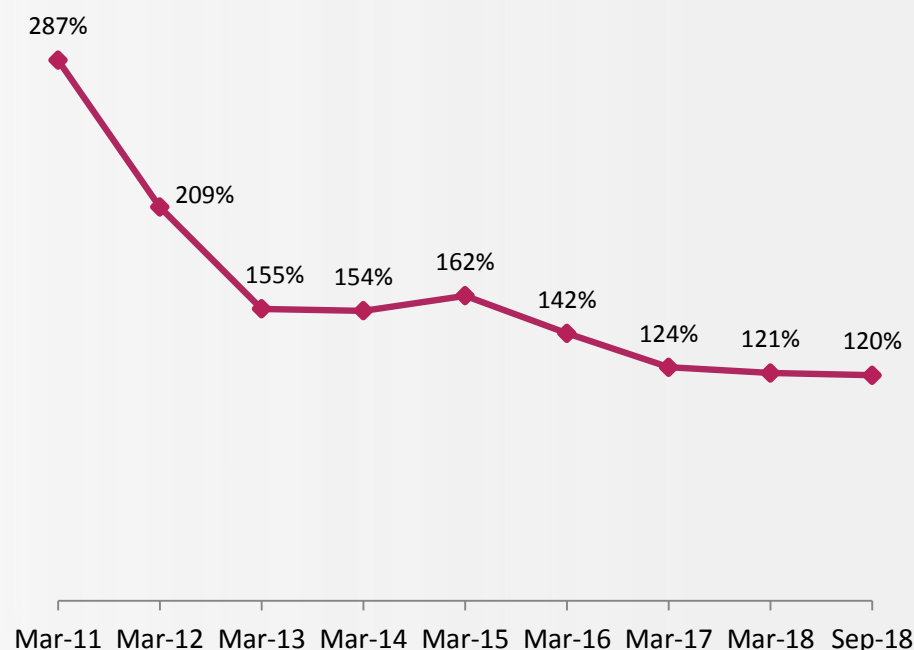
Percentage of sanctions rated A- & above



Incremental sanctions to corporates rated A- and above remain above last 3 year average levels of 80-85%

## Concentration Risk is reducing

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



# Industry-wise Distribution (Top 10)

All figures in ₹ Crores

Rank	Outstanding <sup>1</sup> as on Sept. 2018 Sectors	Fund-based		Non-fund based		Total	
		Value	(in % terms)	Value	(in % terms)	Value	(in % terms)
1.	Financial Companies	37,869	8.53%	16,909	15.11%	54,777	9.86%
2.	Engineering & Electronics	11,467	2.58%	24,582	21.96%	36,049	6.49%
3.	Infrastructure Construction	13,892	3.13%	12,985	11.60%	26,877	4.84%
4.	Petroleum & Petroleum Products	7,847	1.77%	14,003	12.51%	21,850	3.93%
5.	Trade	13,497	3.04%	3,660	3.27%	17,157	3.09%
6.	Iron & Steel	11,274	2.54%	4,891	4.37%	16,165	2.91%
7.	Real Estate	14,929	3.36%	969	0.87%	15,897	2.86%
8.	Telecommunication Services	6,038	1.36%	7,854	7.02%	13,892	2.50%
9.	Power Generation & Distribution	10,235	2.31%	3,353	3.00%	13,588	2.45%
10.	Chemicals & Chemical Products	7,689	1.73%	5,177	4.63%	12,866	2.32%

<sup>1</sup> Figures stated represent only standard fund and non-fund based outstanding across all loan segments

<sup>2</sup> Includes Banks, Non Banking Financial Companies, Housing Finance Companies (HFCs), MFIs and others (Details on next slide)

<sup>3</sup> Financing of projects (roads, ports, airports, etc.)

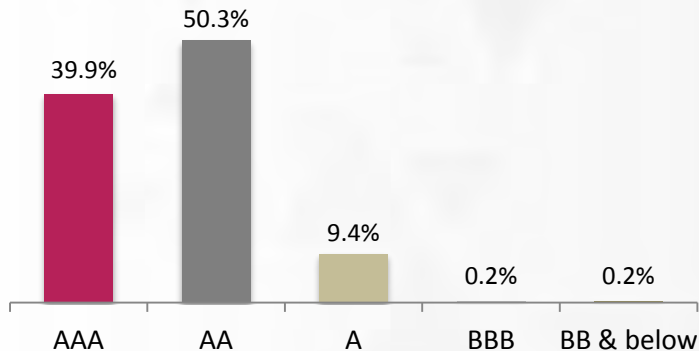
# Almost entire NBFC and HFC portfolio is rated A and above

All figures in ₹ Crores

Rank	Outstanding <sup>1</sup> as on Sept. 2018 to Financial sector	Fund-based		Non-fund based		Total	
		Value	(in % terms)	Value	(in % terms)	Value	(in % terms)
1.	Banks	10,374	2.33%	10,669	9.53%	21,042	3.79%
2.	NBFCs	9,783	2.20%	1,287	1.15%	11,070	1.99%
3.	HFCs	10,188	2.30%	14	0.01%	10,203	1.84%
4.	MFIs	3,995	0.90%	7	0.01%	4,002	0.72%
5.	Others	3,529	0.80%	4,932	4.41%	8,460	1.52%
	<b>TOTAL</b>	<b>37,869</b>	<b>8.53%</b>	<b>16,909</b>	<b>15.11%</b>	<b>54,777</b>	<b>9.86%</b>

## Fund based outstanding to NBFCs and HFCs

### Ratings Mix



### Outstanding of Infrastructure conglomerate





- As on 30<sup>th</sup> Sept, 2018, the Bank had total outstanding of ₹825 Cr to an infrastructure conglomerate in the news recently.
- Of this, ₹238 Cr is fund based and ₹587 Cr is non-fund based.
- In Q2, we have made a provision of 20% on on the fund based outstanding.
- ₹539 crores of the outstanding is part of the BB and below rated book.

<sup>1</sup> Figures stated represent only standard fund and non-fund based outstanding across all loan segments

\* Loan distribution based on number of accounts

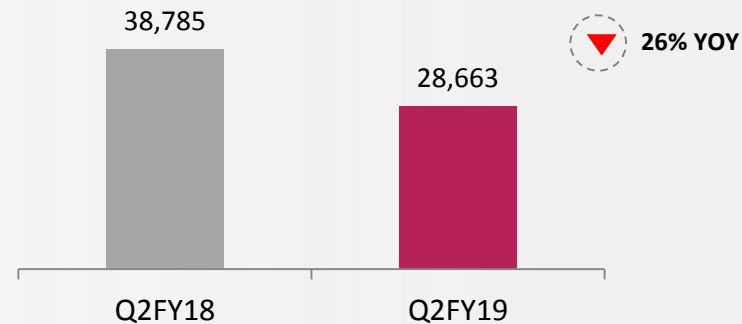
# We remain well placed to benefit from a vibrant Corporate Bond market

All figures in ₹ Crores

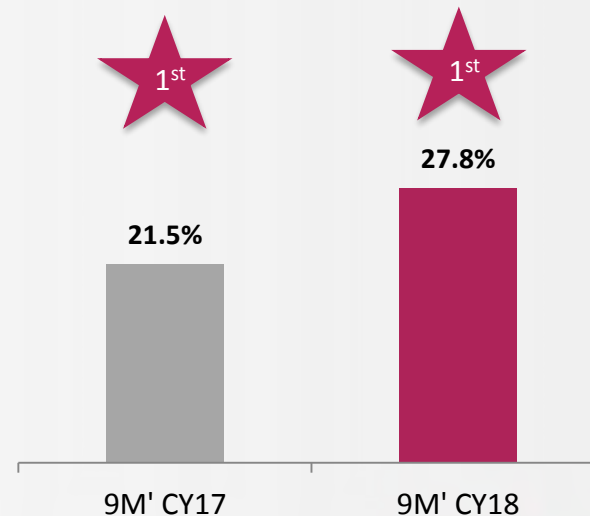
-  **Ranked No. 1 arranger** for rupee denominated bonds as per Bloomberg for half year ended Sept. 2018.
-  **Ranked No. 1 arranger** for rupee denominated bonds as per Bloomberg for 11 consecutive years now
-  **Ranked No. 1 mobilizer** as per PRIME Database for financial year ended March 2018.
-  Bank has been ranked as **"Top arrangers - Investors' Choice for primary issues - Corporate bonds – INR"** by **The Asset Benchmark Research 2018**

## Placement & Syndication of Debt Issues

Overall India Bonds credit issuance was down 52% in Q2 with Axis Bank as the top manager\*



## Market share and Rank\*



\*As per Bloomberg League Table for India Bonds

Financial Highlights

Business Segment performance

**Asset Quality**

Shareholder Returns and Capital Position

Subsidiaries' Performance

Other important information



# Asset Quality

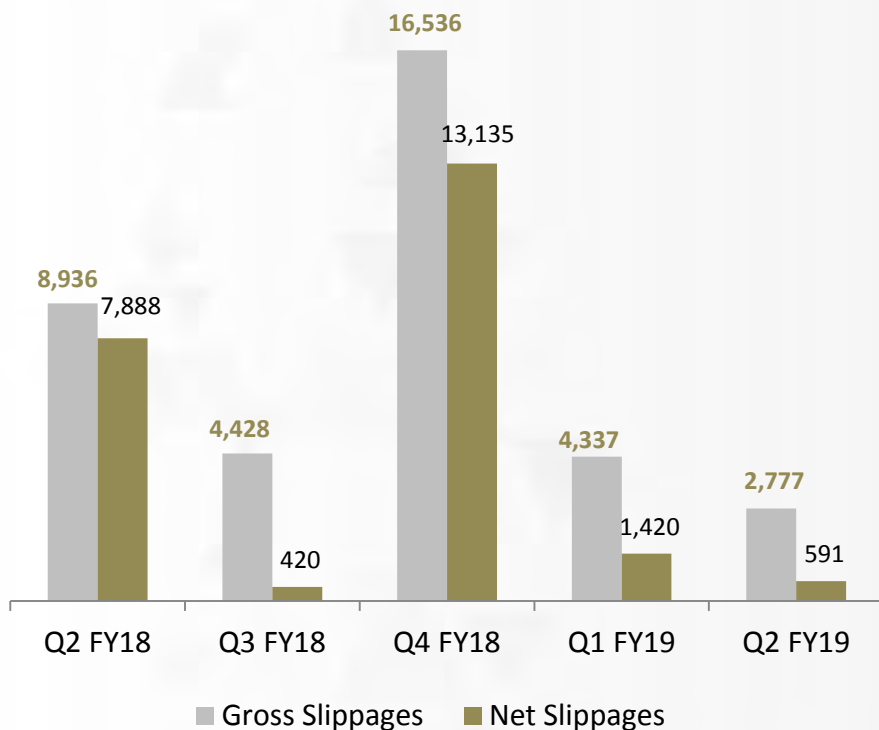
## Summary

- Slippages continue to moderate
- Corporate slippages continue to come predominantly from (disclosed) BB & Below book
- Gross and Net NPA ratios have peaked
- Provision Coverage Ratio increased further, stands at 73%

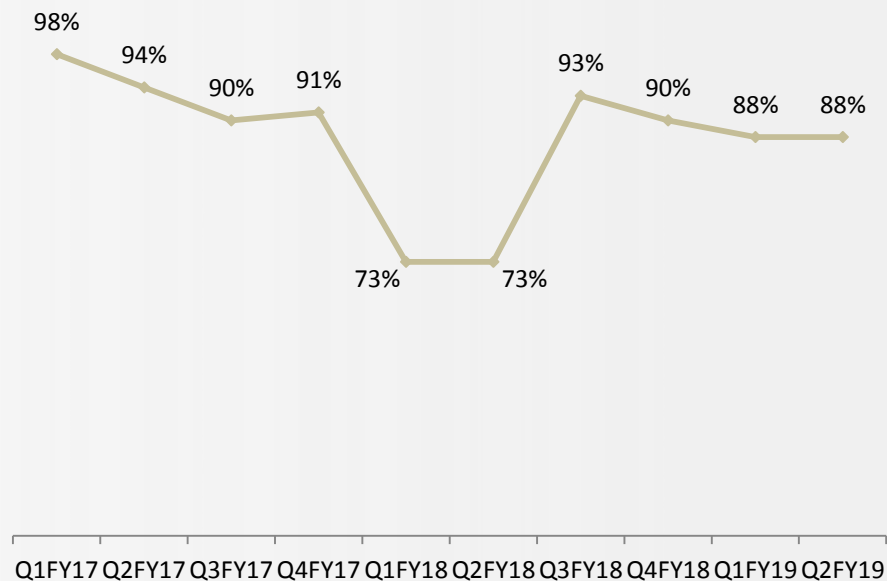
# Slippages have moderated from the high levels of Q4'FY18

All figures in ₹ Crores

Gross & Net Slippages have come off Q4 peaks

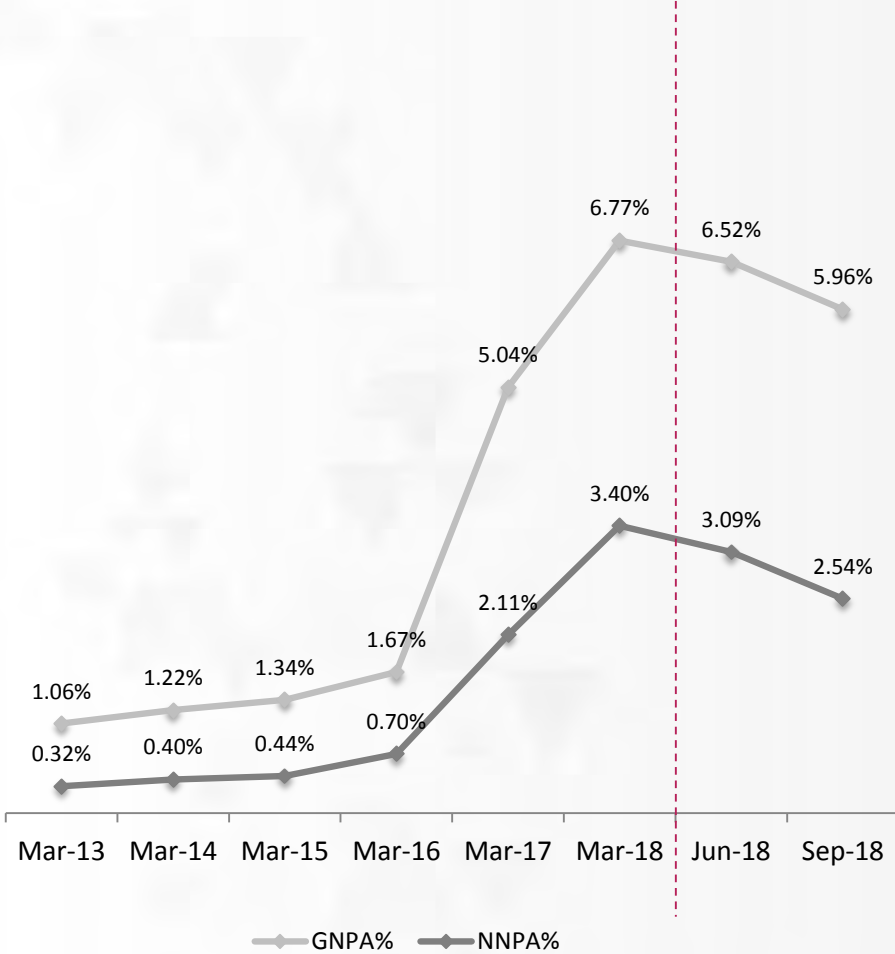


New NPA formation in Corporate continues to be from BB & Below pool

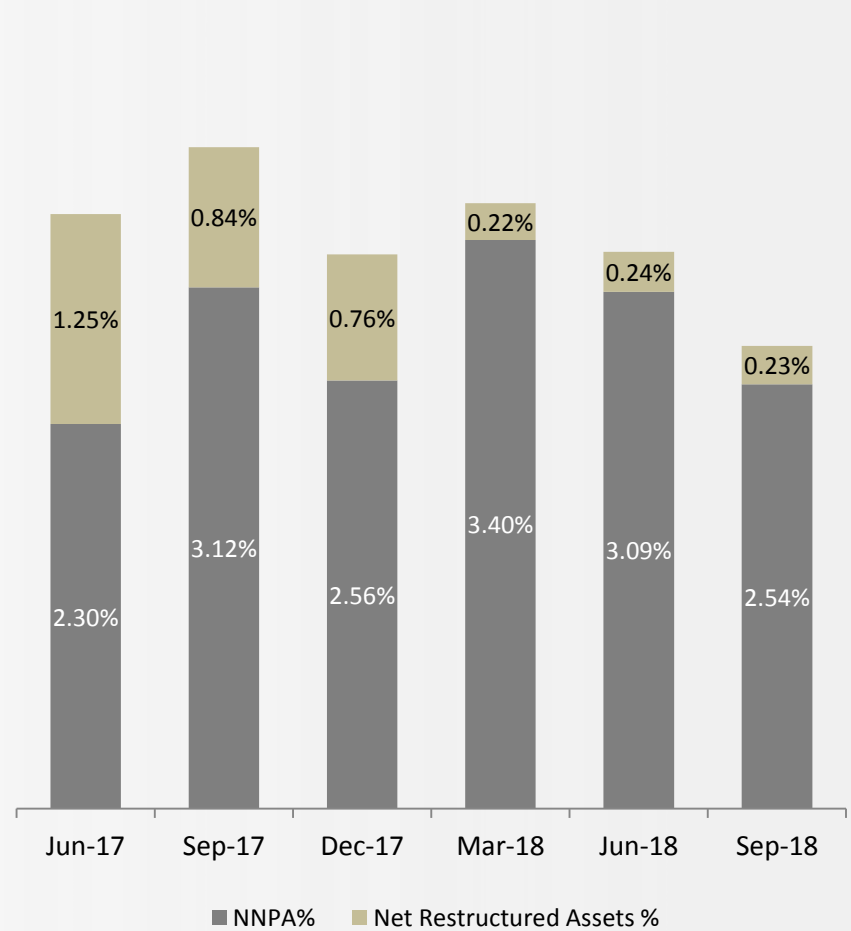


# Gross and Net NPA ratios have peaked

## Gross and Net NPA ratio



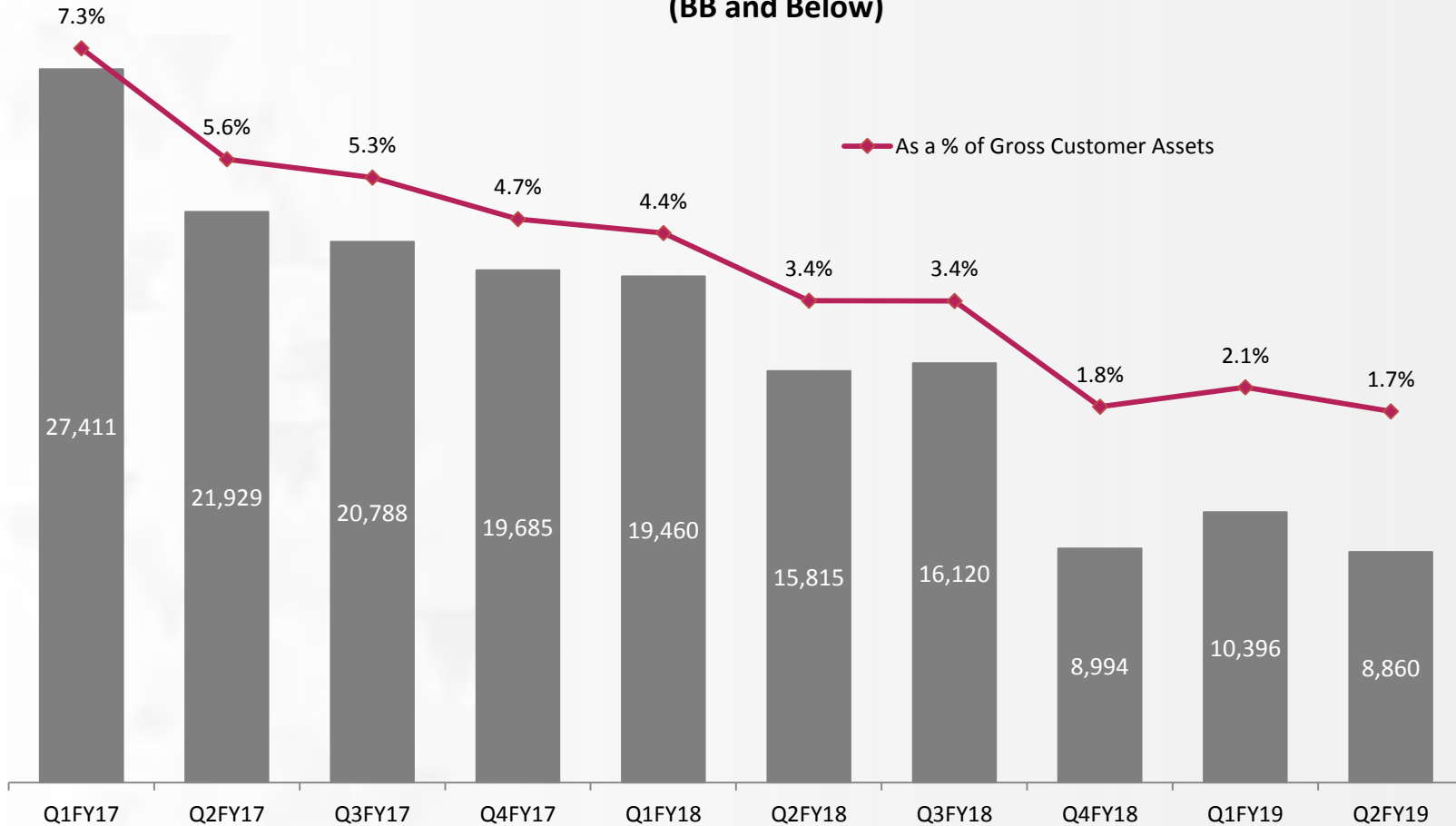
## Net NPA + Net Restructured Assets ratio



# The pool of BB & Below accounts has reduced significantly

Low Rated Corporate portfolio  
(BB and Below)

All figures in ₹ Crores

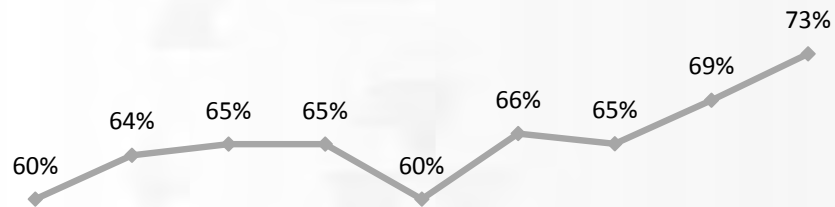


- NFB outstanding in BB & below corporate portfolio continues to be around ₹2,800 crores, similar to Q1FY19 levels
- The outstanding under restructuring dispensations stands at ₹2,756 crores, of which ₹688 Cr overlaps with the BB & Below pool

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

# Provision Coverage Ratio has increased further during the quarter

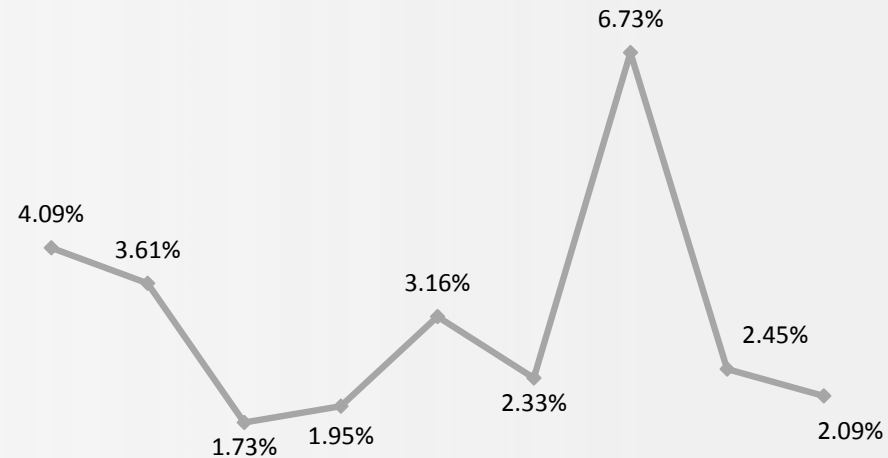
## Provision Coverage Ratio



For steady state, our target PCR range remains 60-65%

Sep-16 Dec-16 Mar-17 Jun-17 Sep-17 Dec-17 Mar-18 Jun-18 Sep-18

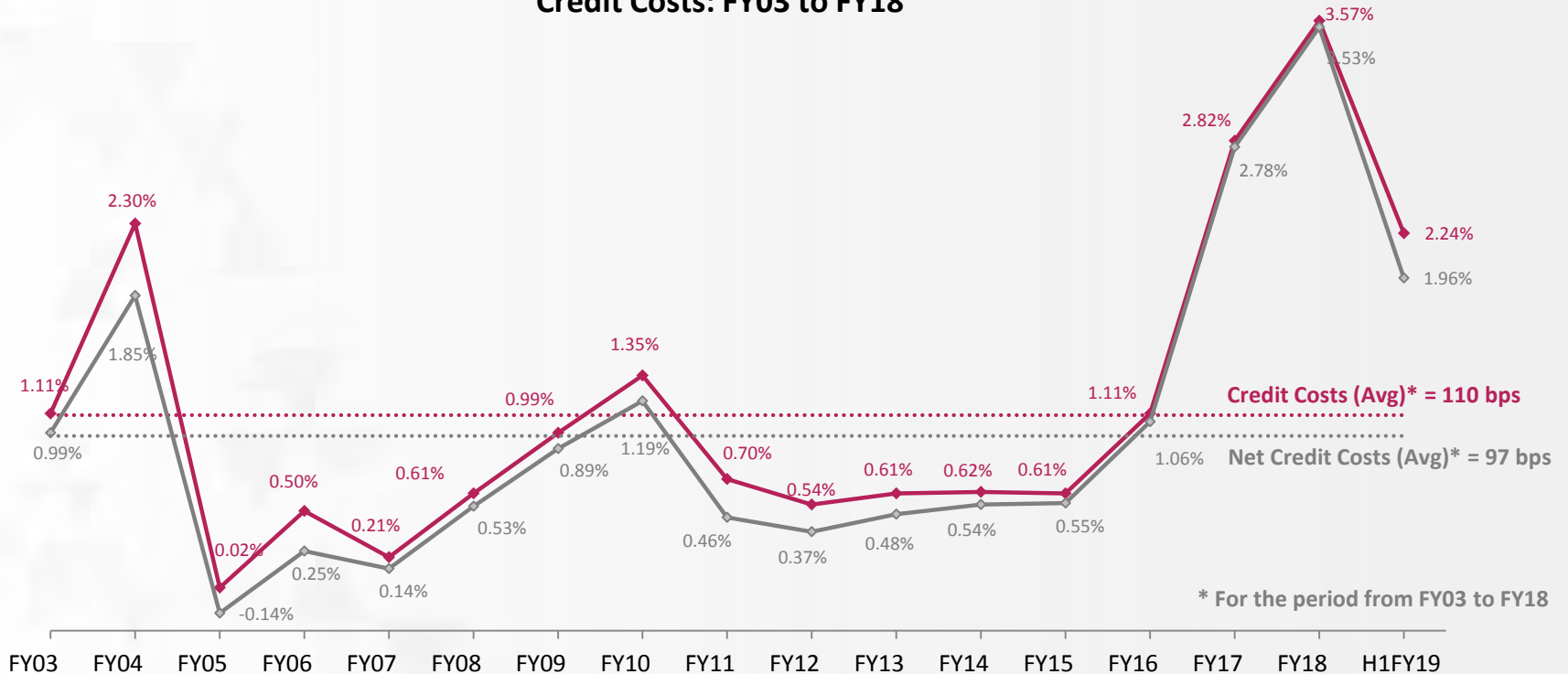
## Credit Cost (Annualised)



Q2FY17 Q3FY17 Q4FY17 Q1FY18 Q2FY18 Q3FY18 Q4FY18 Q1FY19 Q2FY19

# Our long term average credit cost has been 100-110 bps

Credit Costs: FY03 to FY18



## Commentary on Long Term Credit Costs trajectory of the Bank

- Over the long term, annualised Credit Cost for the Bank has averaged **110 bps**
- The Bank consistently writes off accounts into prudential write off (PWO) pool, after making 100% provisions
- Recoveries from these PWO accounts are reflected under 'other income', and not as a release of prior period provisions
- If we notionally net these recoveries, the resultant "Net Credit Costs" averages **97 bps** over the long term
- The gap between the two credit cost metrics tends to widen in the years immediately after credit cycle peaks (e.g. FY05-07 & FY11-14)
- The Bank presently has an accumulated PWO portfolio of ₹16,502 crores. 81% of this was written off in the last 6 quarters

# Detailed walk of NPA movement over recent quarters

All figures in ₹ Crores

		Q2FY18	Q3FY18	Q4FY18	Q1FY19	Q2FY19
<b>Gross NPAs - Opening balance</b>	<b>A</b>	22,031	27,402	25,001	34,249	32,662
Fresh slippages	B	8,936	4,428	16,536	4,337	2,777
Upgradations & Recoveries	C	1,048	4,008	3,401	2,917	2,186
Write offs	D	2,517	2,821	3,887	3,007	2,315
<b>Gross NPAs - closing balance</b>	<b>E = A+B-C-D</b>	<b>27,402</b>	<b>25,001</b>	<b>34,249</b>	<b>32,662</b>	<b>30,938</b>
Provisions incl. interest capitalisation	F	13,350	13,232	17,657	17,760	18,222
<b>Net NPA</b>	<b>G = E-F</b>	<b>14,052</b>	<b>11,769</b>	<b>16,592</b>	<b>14,902</b>	<b>12,716</b>
Accumulated Prudential write offs	H	7,687	9,587	13,224	14,832	16,502
<b>Provision Coverage Ratio</b>	<b>(F+H)/(E+H)</b>	<b>60%</b>	<b>66%</b>	<b>65%</b>	<b>69%</b>	<b>73%</b>

## Details of Provisions & Contingencies charged to Profit & Loss Account

	Q2FY18	Q3FY18	Q4FY18	Q1FY19	Q2FY19
For Loan losses	3,335	2,754	8,128	3,069	2,686
For Standard assets*	18	60	(217)	71	68
For SDR and S4A accounts	39	(11)	(396)	(3)	(5)
For Investment depreciation	(137)	(9)	(105)	135	136
Other provisions	(115)	17	(230)	66	42
<b>Total Provisions &amp; Contingencies (other than tax)</b>	<b>3,140</b>	<b>2,811</b>	<b>7,180</b>	<b>3,338</b>	<b>2,927</b>

\* including unhedged foreign currency exposures

Financial Highlights

Business Segment performance

Asset Quality

Shareholder Returns and Capital Position

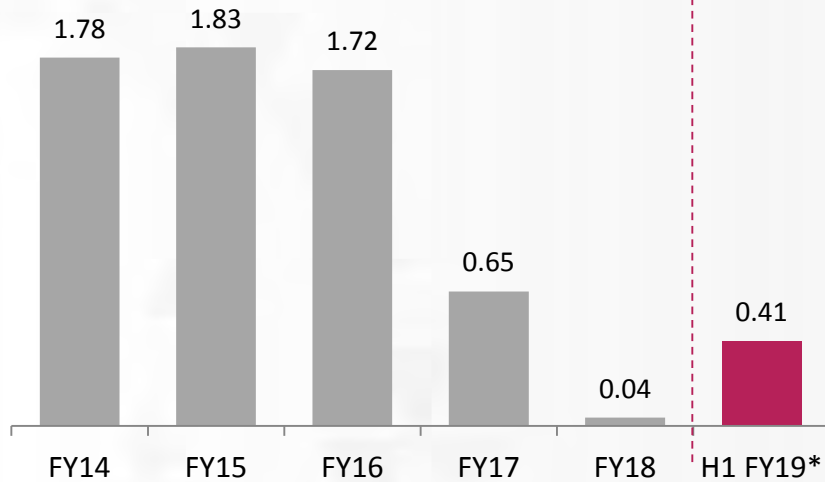
Subsidiaries' Performance

Other important information

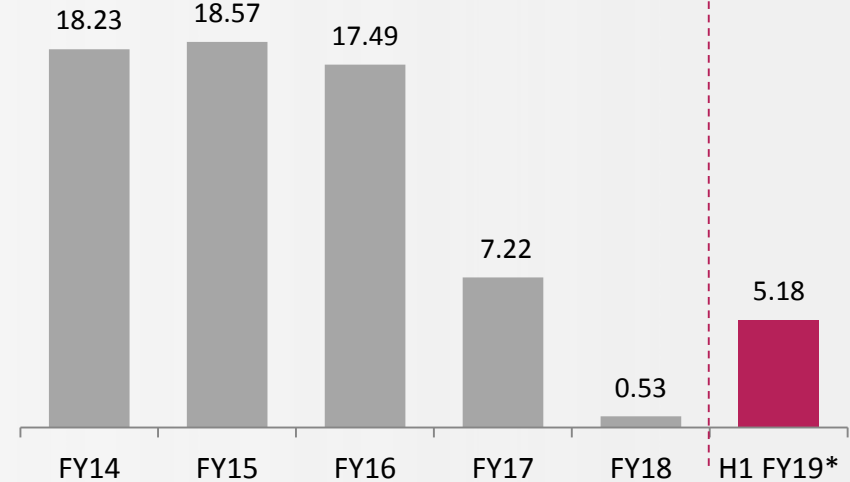


# Shareholder return metrics have started improving

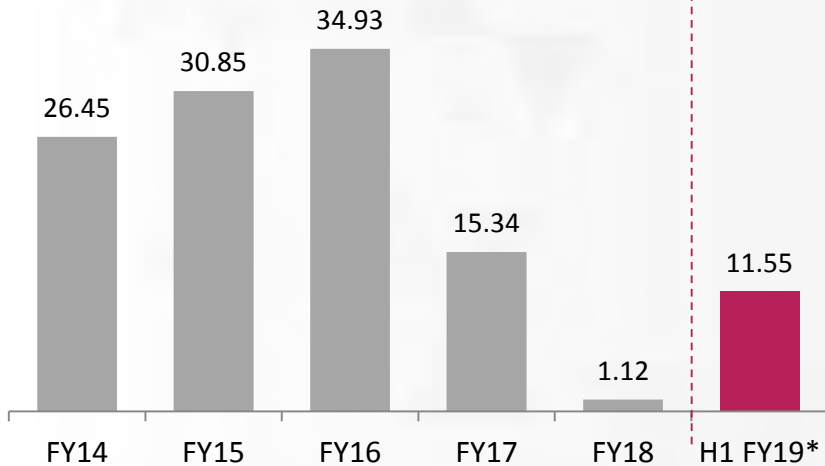
### Return on Assets (in %)



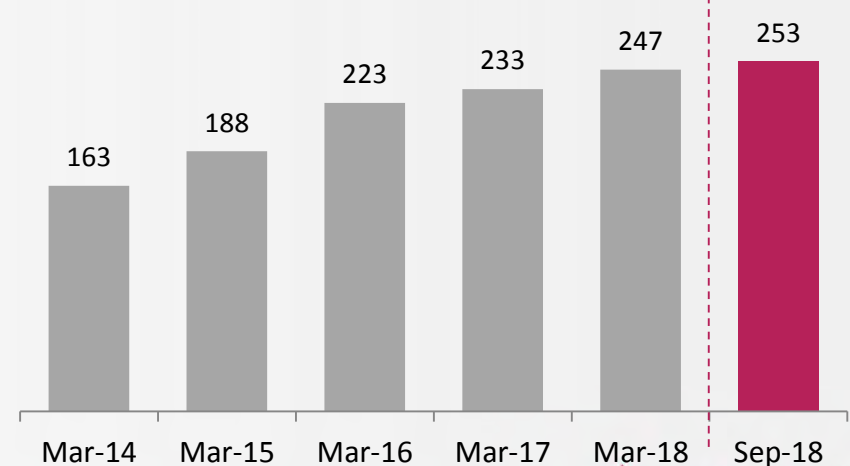
### Return on Equity (in %)



### Diluted EPS (₹)



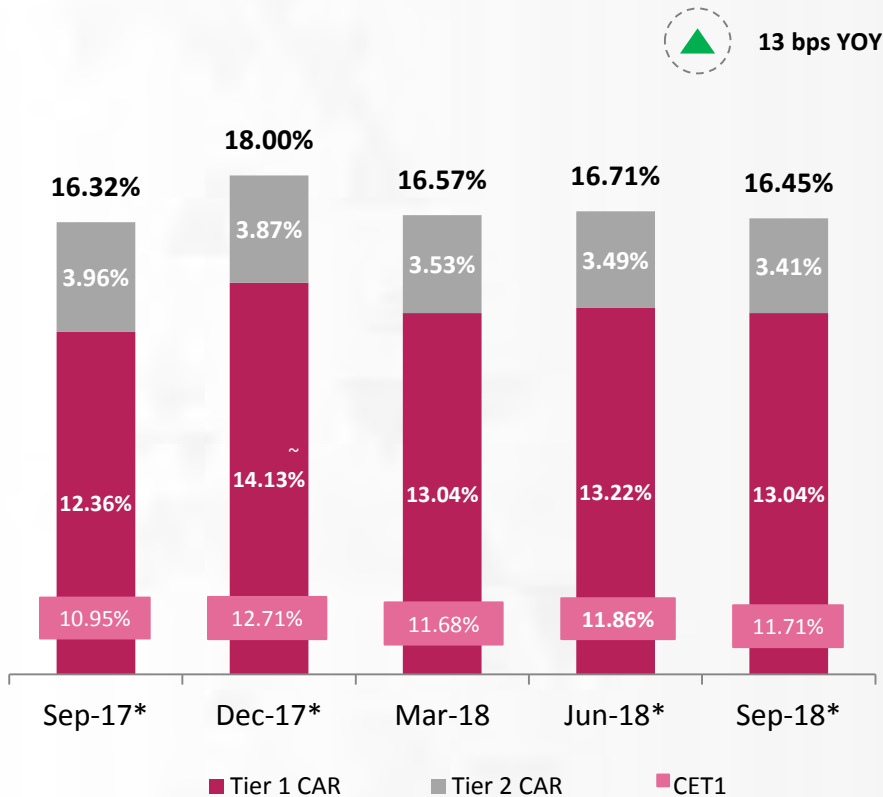
### Book Value Per Share (₹)



\* Annualized

# Capital Ratios remain healthy to pursue growth opportunities

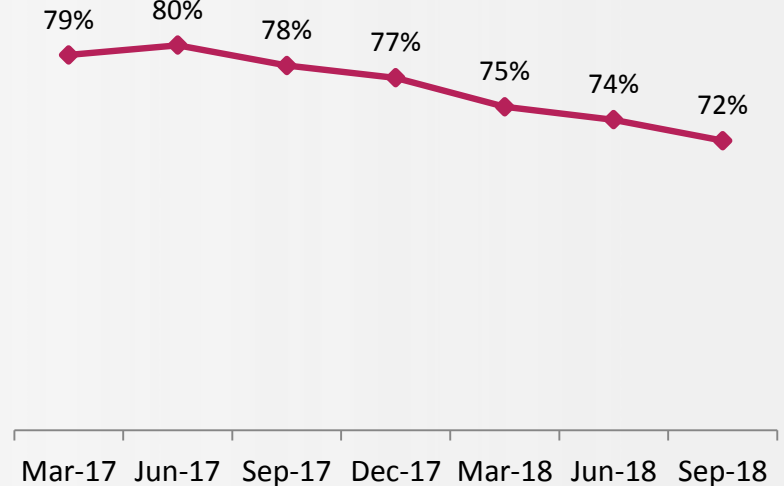
## Trend in Capital Adequacy Ratio



~ Includes capital raise of ₹8,680 crores through preferential allotment in Q3FY18

\* including unaudited Net Profit for the quarter / half year / nine-months

## RWA to Total Assets



RWA as a proportion to total assets continues to reduce primarily driven by the improvement in rating profile of corporate book

Financial Highlights

Business Segment performance

Asset Quality

Shareholder Returns and Capital Position

**Subsidiaries' Performance**

Other important information

# Axis Finance : Strong growth, No NPAs so far

All figures in ₹ Crores

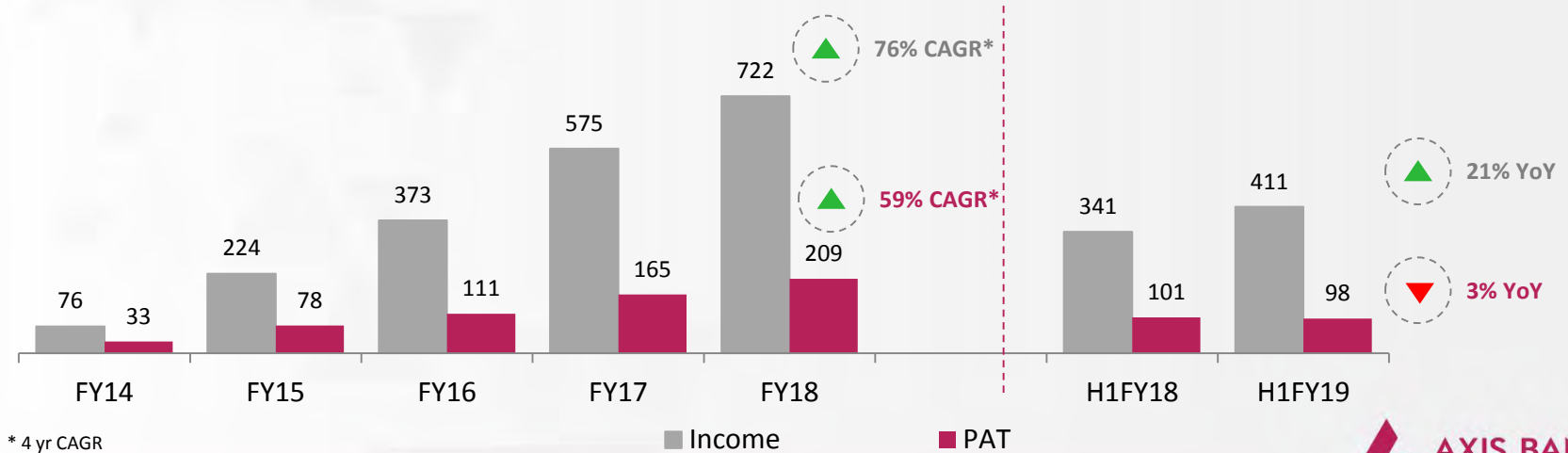
## Strong growth in Loan Book



## Major Highlights

- Average Advances Mix: Wholesale: 80%, Retail 20%
- NIM for H1FY19 stood at **4.14 %**
- Continues to maintain **NIL** NPA ratios
- Enjoys the highest Credit Rating: AAA from CRISIL & A1+ from India Ratings

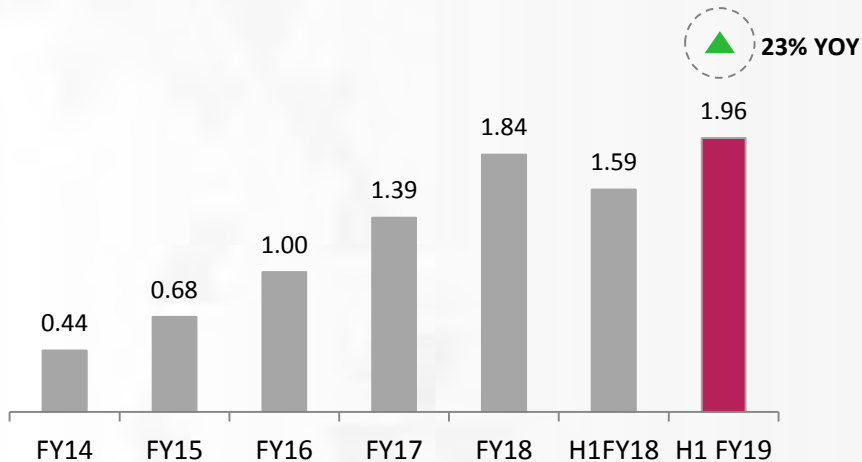
## Growth in Income and PAT has been steady



# Axis Securities : Strong growth in customer additions

All figures in ₹ Crores

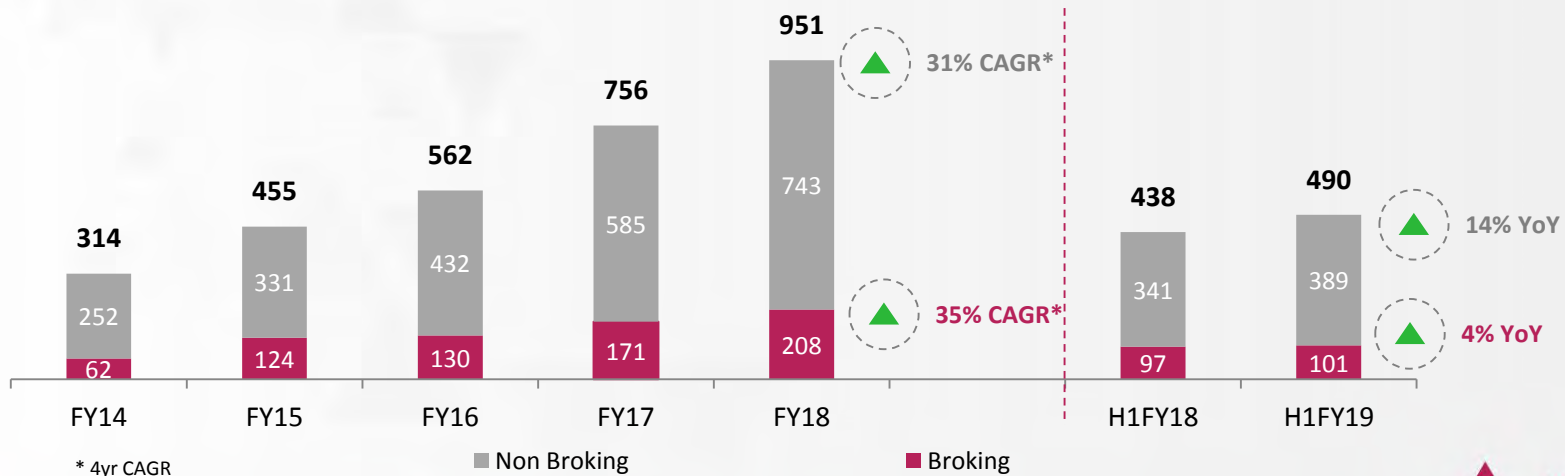
### Trend in customer base (in mn)



### Major Highlights

- Top Equity Broker of year 2018 at the BSE Commodity Equity Outlook Awards
- Has one of the highest mobile adoption rates in the industry with over **39%** volumes coming from Mobile
- Launched Commodities derivatives trading business in August 2018

### Trend in Revenue growth



# Axis Capital : Leadership position maintained in volatile capital markets

All figures in ₹ Crores

## H1 FY19 Ranking based on IPO, QIP, Rights, OFS & IPP

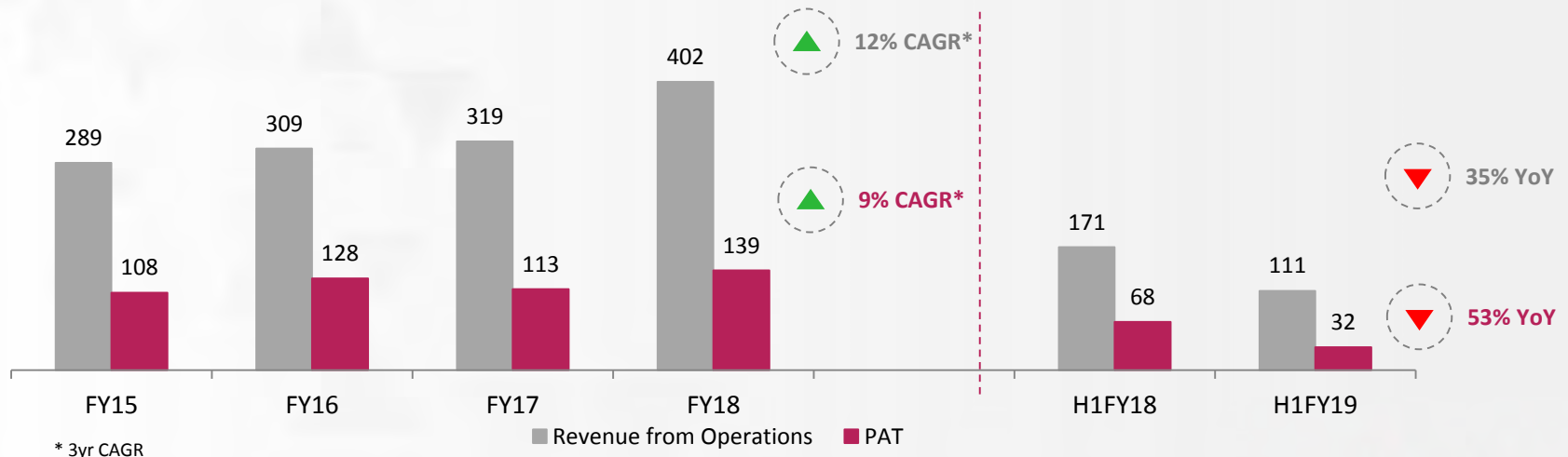
Rank	Banker	No of deals
1	Axis Capital	7
2	Peer 1	7
3	Peer 2	6
4	Peer 3	6
5	Peer 4	5

Source: Primedatabase

## Major Highlights

- Ranked No 1 in Equity and Equity Linked Deals over the last decade
- Successfully closed 15 transactions across IB in H1FY19 including 7 ECM (1 QIP, 2 IPOs, 3 OFS deals) and 4 M&A Advisory.
- Axis Capital has won the 'Best Investment Bank' in India for the 4th year in a row (2018, 2017, 2016, 2015)

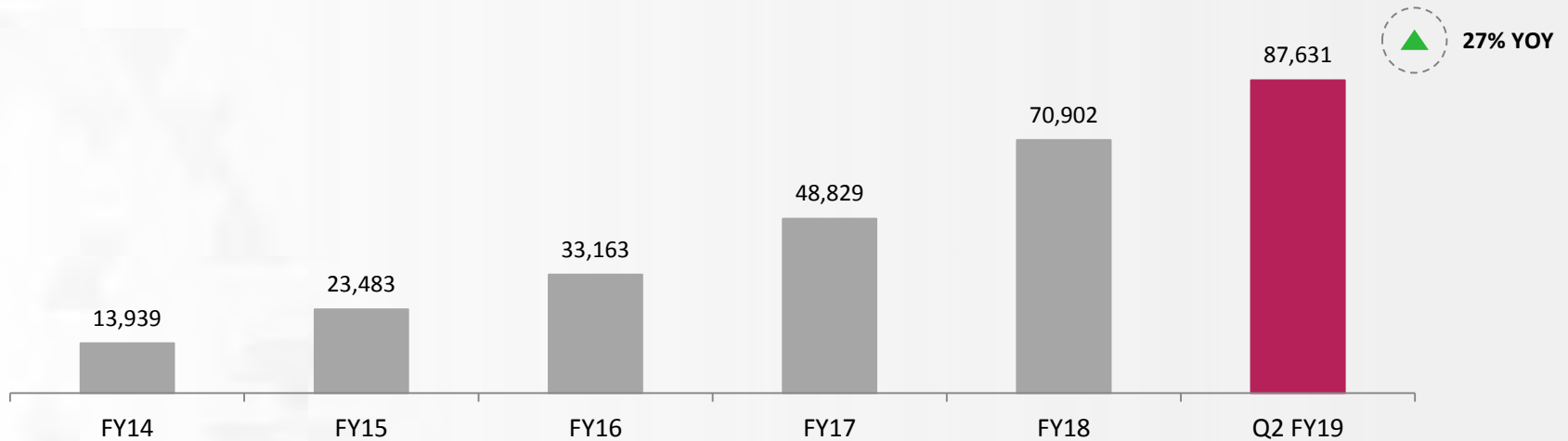
## Trend in Income & PAT



# Axis AMC : Healthy growth in AUM

All figures in ₹ Crores

Average AUM has shown strong growth



## Trend in PAT



\* H1FY19 PAT was impacted due to increase in operating expenses related to business expansion

## Major Highlights

- Total Gross revenue of ₹445 Cr earned during H1FY19 increased by 26% YOY
- Added 0.9 mn investors in last one year taking its overall investor folios to 3.3 mn.
- Has current market share of 3.60% (as at end of Sep'18)

# A.TReDs: *The Invoicemart product continues to be a market leader*



- » Axis Bank is one of the three entities allowed by RBI to set up the Trade Receivables Discounting System (TReDS), an electronic platform for facilitating cash flows for MSMEs
- » TReDS is an electronic platform that connects MSME sellers with buyers and financiers
- » Our digital invoice discounting platform '**Invoicemart**' continues to be India's leading TReDS platform with market share of nearly **41%**
- » Invoicemart was the first TReDS exchange to reach INR 100 crore in financed throughput, and reached the milestone within just 100 days of starting operations
- » **16** Financiers on-boarded on the platform

## Progress so far

Throughput

₹ 1,163 cr

No. of Invoices Discounted

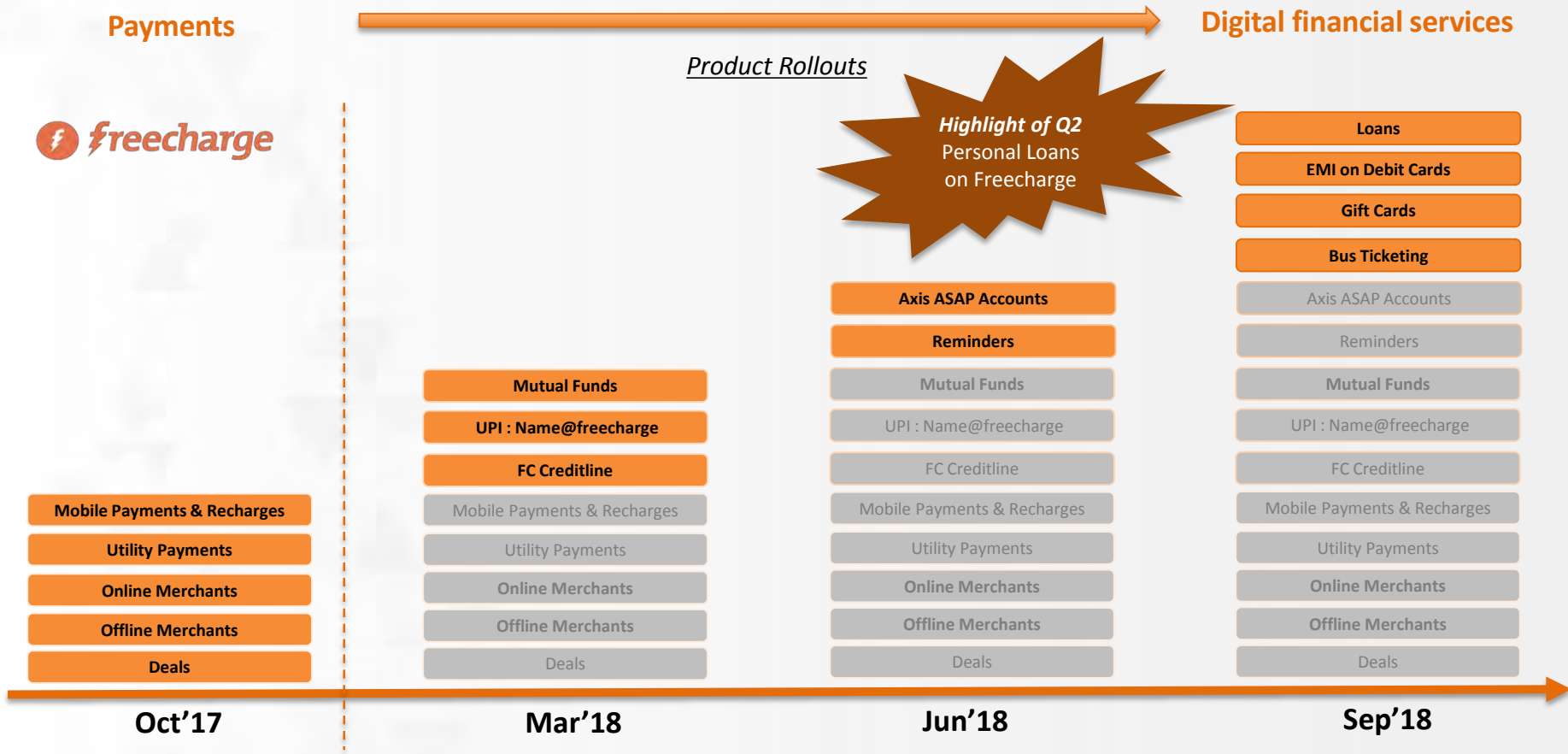
73,400 +

Participants

890 +



# The Freecharge acquisition is now 1 year old. In this period, Freecharge has significantly diversified its product offering



Key top line metrics continue to grow \*

Total Payments Volumes **↑ 90%**

New Active Users **↑ 133%**

Spends per User **↑ 83%**

\* Oct'17 to Sep'18

# The agility of a Fintech, backed by the strength of a Bank

## Select Use Cases



### Personal Loans

- Instant paperless Personal Loan with the flexibility of taking the money in Bank A/c or Freecharge Wallet
- Multi lender platform which caters to customers across the risk spectrum
- Using payments data along with traditional data for offering Personal Loans to the Freecharge Customer base



### EMI on Axis Bank Debit Cards

- Instant credit in Freecharge Wallet for Pre-approved Axis Debit Card Users
- Creating synergies between the Bank and the Fintech company
- Focus on cross-selling various Axis Bank lending products to customers using Big Data Analytics



### Sourcing of Axis ASAP accounts

- Online Instant Saving Account offering for digitally active New to Bank Customers
- Leveraging Payments as a Hook to broaden the customer reach and increase the deposit franchise of the bank
- Currently halted in light of recent Supreme Court decision on e-KYC using Aadhaar

Financial Highlights

Business Segment performance

Asset Quality

Shareholder Returns and Capital Position

Subsidiaries' Performance

Other important information

# Treasury Portfolio and Non-SLR Corporate Bonds

Investment Bifurcation	Book Value* (₹ Crores)
Government Securities <sup>1</sup>	109,832
Corporate Bonds <sup>2</sup>	30,647
Others	15,206
<b>Total Investments</b>	<b>155,685</b>

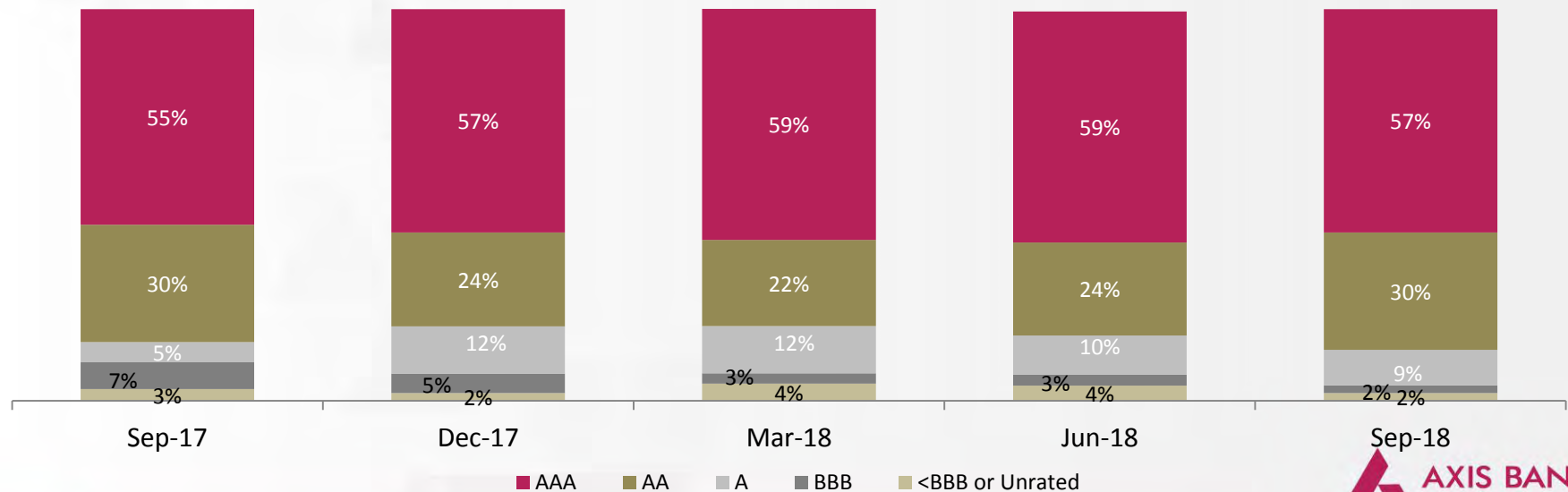
Category	Proportion
Held Till Maturity (HTM)	61%
Available For Sale (AFS)	35%
Held For Trading (HFT)	4%

\* as on Sep 30, 2018

<sup>1</sup> 84% classified under HTM category

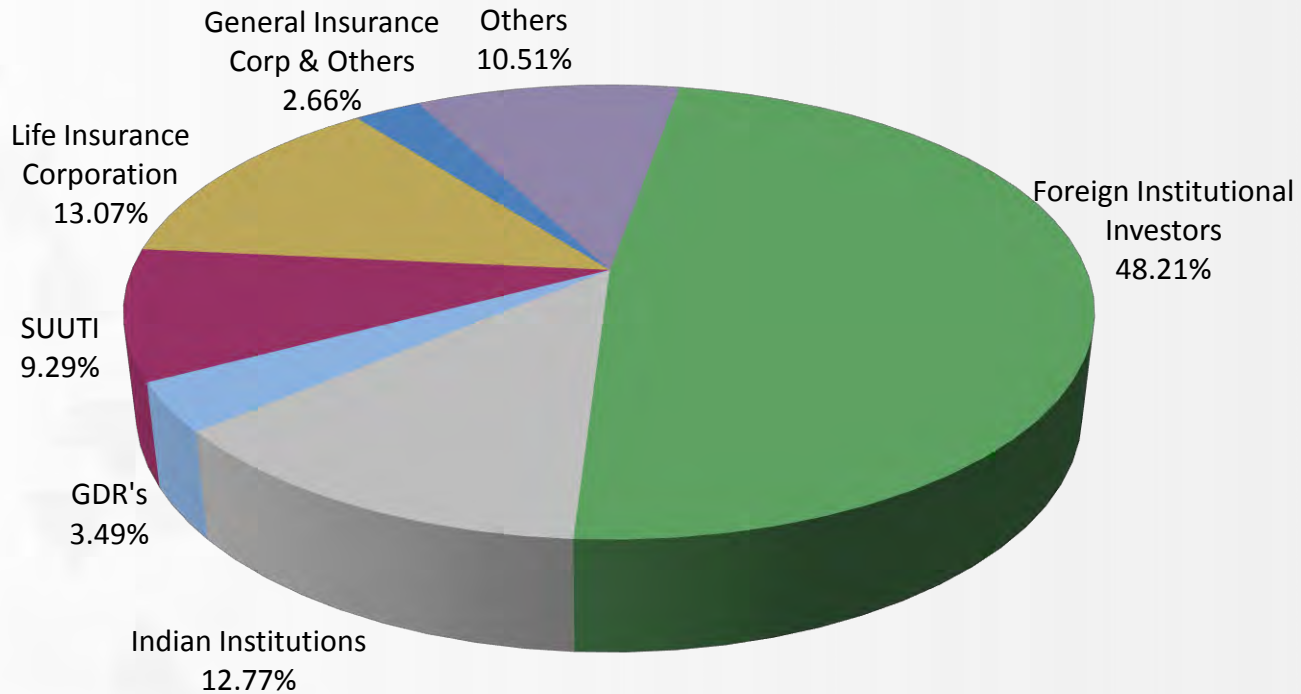
<sup>2</sup> 95% classified under AFS category

## 96% of Corporate bonds\* have rating of at least 'A'



\*Only includes standard investments

# Shareholding Pattern (as on September 30, 2018)



- Share Capital ₹514 crores
- Shareholders' Funds ₹65,059 crores
- Book Value Per Share ₹253
- Diluted EPS (Q2'FY19)\* ₹12.17
- Market Capitalization ₹154,722 crores (as on Nov 01, 2018)

& 1 GDR = 5 shares

As on Sep. 30, 2018, against GDR issuance of 62.7 mn, outstanding GDRs stood at 17.93 mn

\* Annualised

# Major awards won by the Bank and its subsidiaries



- Best use of Analytics for Business Outcome
- Best use of Digital and Channels Technology



- Most Innovative Emerging Technologies Project, India - Ripple Blockchain project



Customer Service Excellence Award for Transformation



Best Performing Private Bank



- Best Contactless Payments Project of the Year
- Best Prepaid card of the Year



Dale Carnegie Global Leadership Award for 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.

**Thank You**