



Delivering Profitable Growth

August 2015



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.

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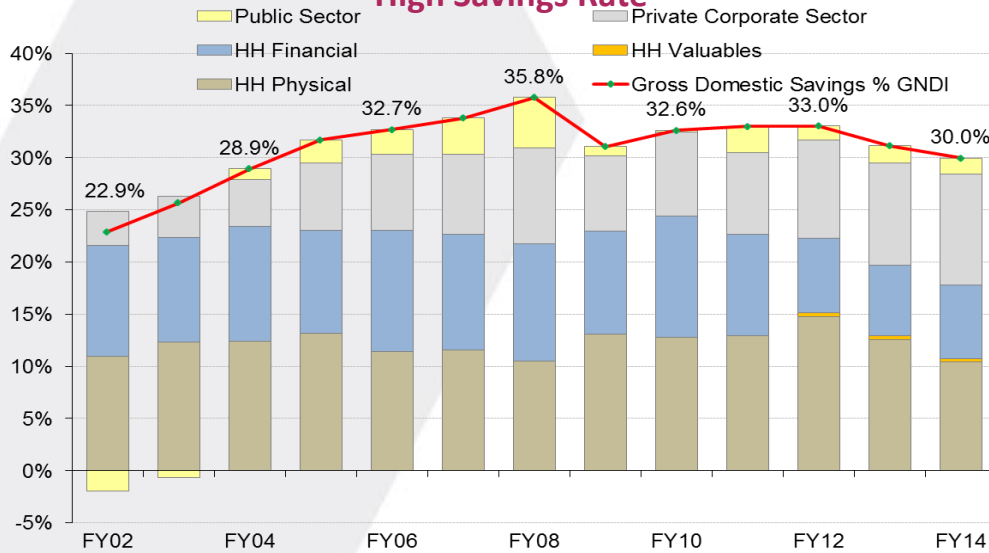
Key Macro Trends

Business Model & Strategy

Financial Snapshot

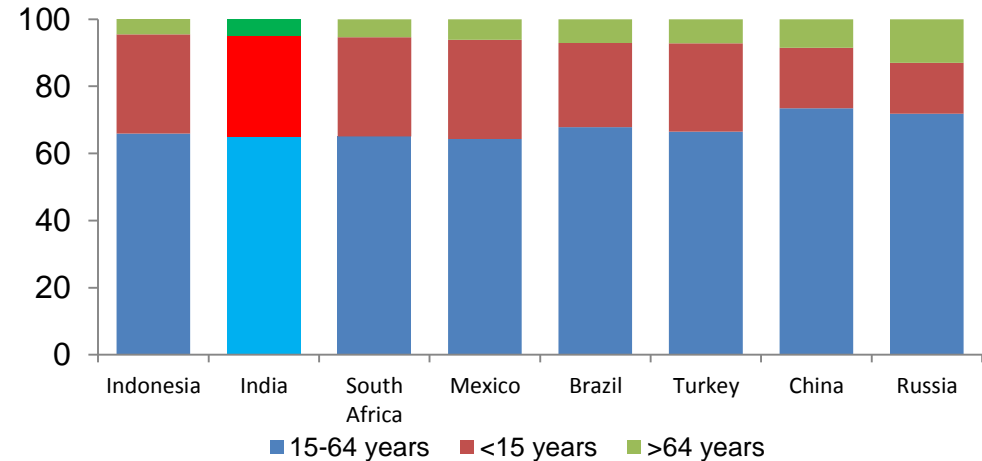
India Opportunity

High Savings Rate

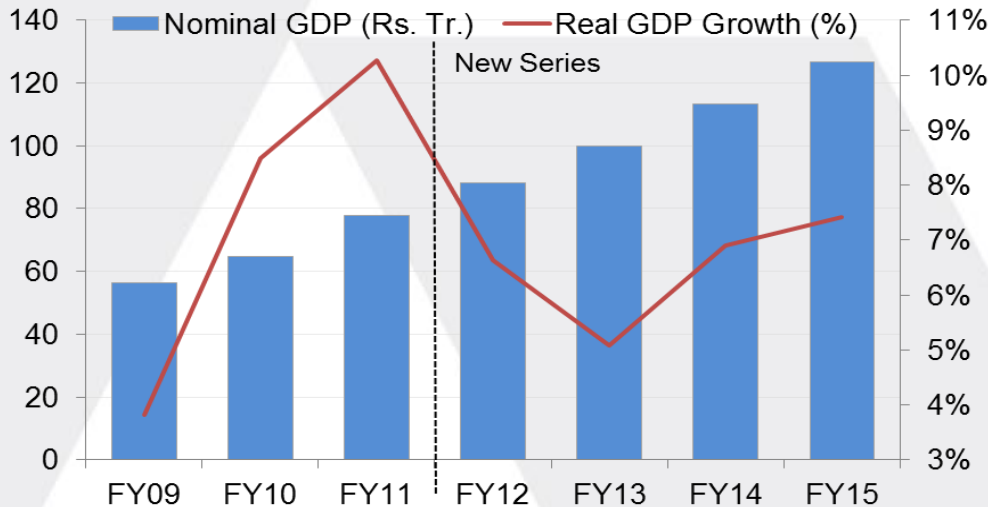


Favorable Demographics

Population by age group

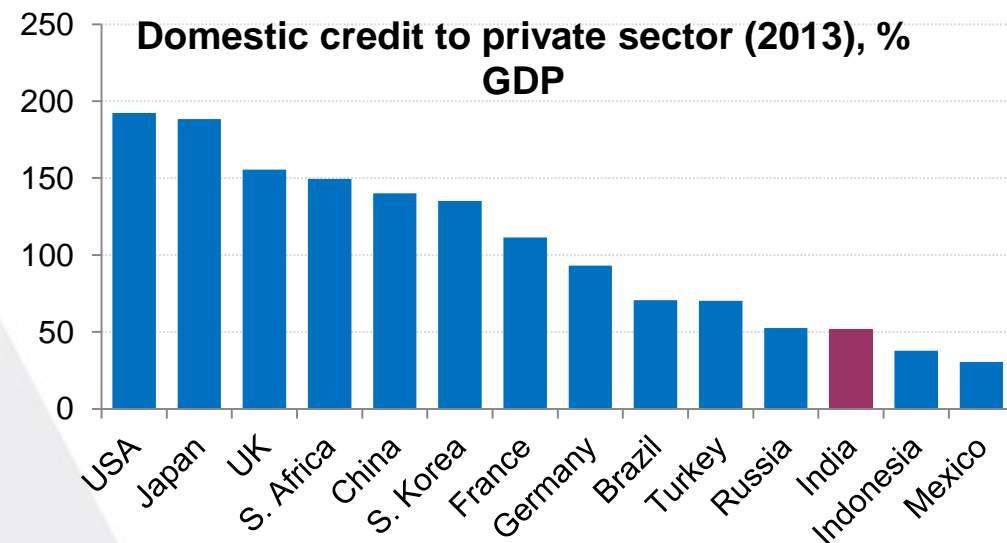


GDP Growth



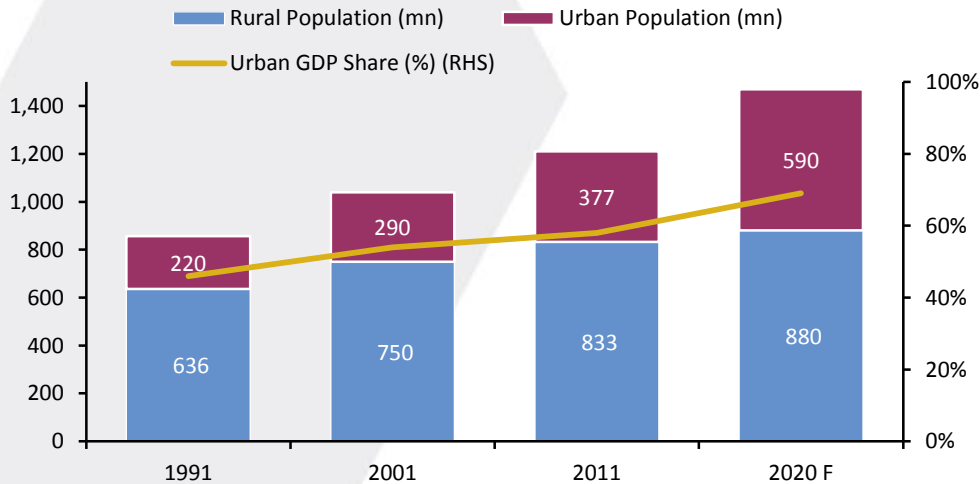
Underpenetrated Banking Sector

Domestic credit to private sector (2013), % GDP

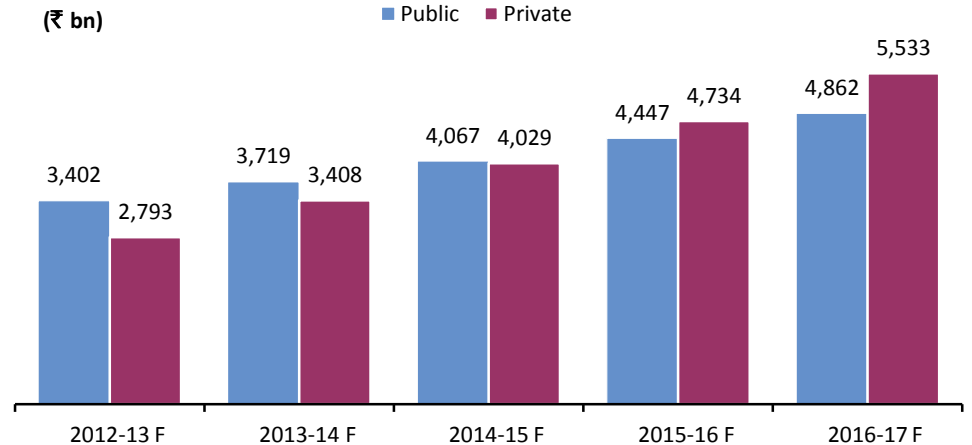


Key Opportunities for Banking Sector

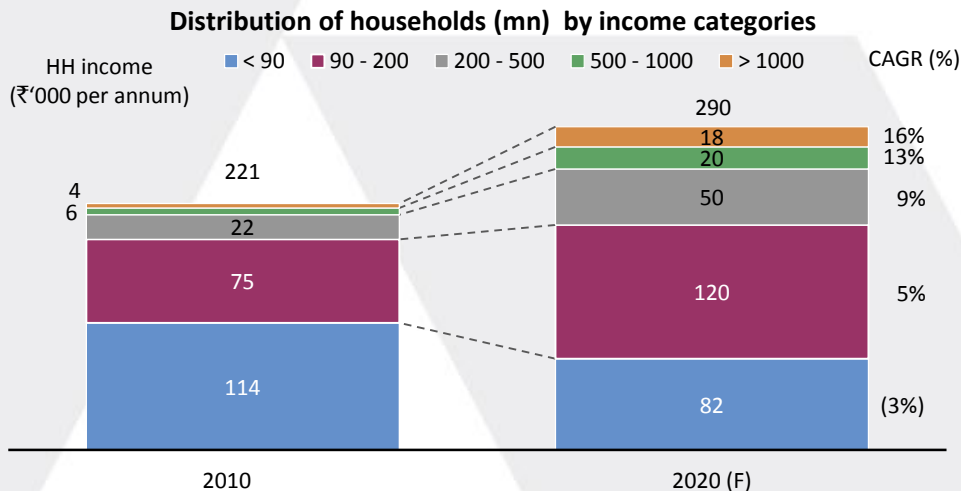
Rapid Urbanization



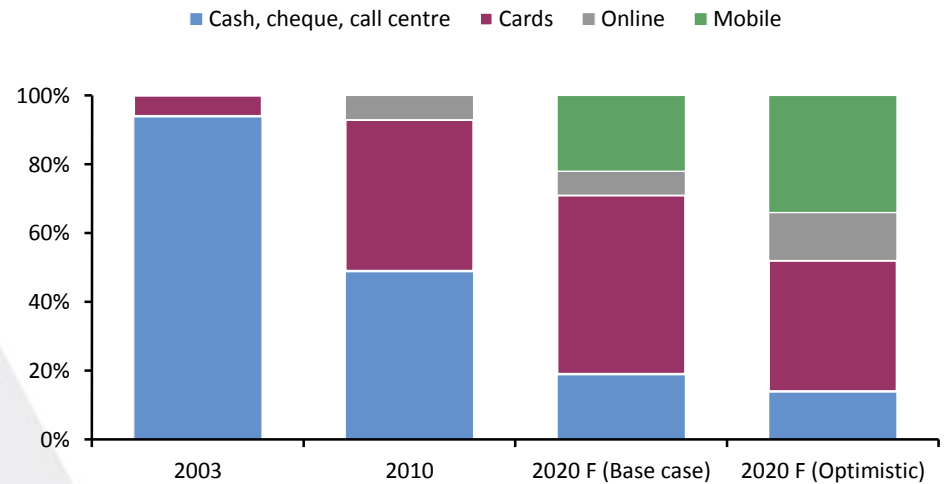
Private Investment in Infrastructure (Twelfth Plan)



Growing Prosperity



Transformation of Payments Landscape



Source: Planning Commission, NCAER, Indian Urbanization Econometric Model; Indian Banking 2020, Report by BCG in association with FICCI and IBA, Analyst and sector reports

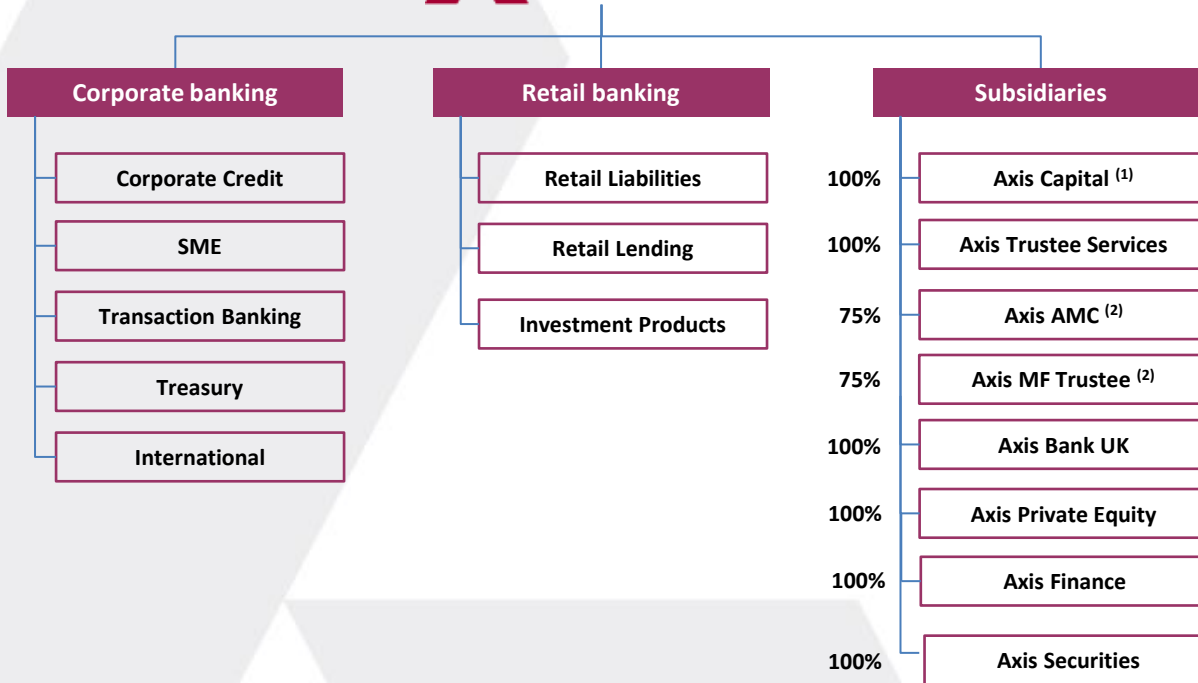
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Key Macro Trends

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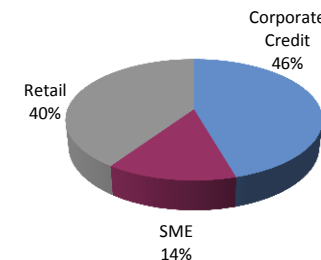
Leading Universal Banking Franchise



Snapshot (As on June 30, 2015)

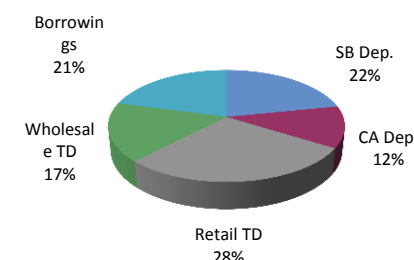
Key financials	₹ bn	US\$ bn
Total Assets	4,525	71
Net Advances	2,847	45
Total Deposits	3,078	48
Net Profit (Q1FY16)	20	0.3
Shareholders' Funds	468	7.4
Market Capitalization ⁽³⁾	1,379	22
ROA (Q1FY16)	1.78%	
ROE (Q1FY16)	18.15%	
Net NPA Ratio	0.48%	
Basel III Total CAR ⁽⁵⁾	15.05%	
Basel III Tier 1 CAR ⁽⁵⁾	12.15%	

Segmental Advance Mix



Total: ₹2,846 bn

Liability Mix



Total: ₹3,887 bn

- Diversified business mix with universal banking operations
- Growing customer franchise with nearly 15 million Savings Bank accounts ⁽⁴⁾
- Pan-India distribution network of 2,589 branches and 12,179 ATMs ⁽⁴⁾
- Stable asset quality underpinned by strong risk management framework
- Thrust on efficient capital management



⁽¹⁾ Investment Banking activities related to equity capital market business, mergers and acquisitions and private equity advisory conducted under Axis Capital; ⁽²⁾ Partnership with Schroders plc; ⁽³⁾ As on August 07, 2015 based on NSE closing price; ⁽⁴⁾ As of June 30, 2015 and number of branches includes extension counters; ⁽⁵⁾ Includes unaudited profits for the quarter
 Note: Exchange rate of 1 USD = ₹63.645 based on the FEDAI exchange rate as of June 30, 2015.

Q1FY16 Key Highlights

Strong Retail Franchise

- Retail franchise continues to show healthy traction
 - CASA and Retail Term Deposits constituted 79% of Total Domestic Deposits, Daily Average CASA was 40% of Total Deposits
 - Savings Deposits grew 14% YOY as at end June 2015, while Retail Term Deposits grew 18% YOY
 - Retail Loans grew 26% YOY and accounted for 40% of Net Advances

Robust Distribution Network

- Domestic branch count at 2,589 including extension counters.
- Currently present in 1,714 centers across the country.
- One of the largest ATM networks in the country with 12,179 ATMs

Stable Earnings Profile

- Core Operating Revenue grew 20% YOY, stood at ₹57 bn
- Core Operating Profit grew 31% YOY, stood at ₹34 bn
- Return on Assets was 1.78% and Return on Equity stood at 18.15% for Q1FY16

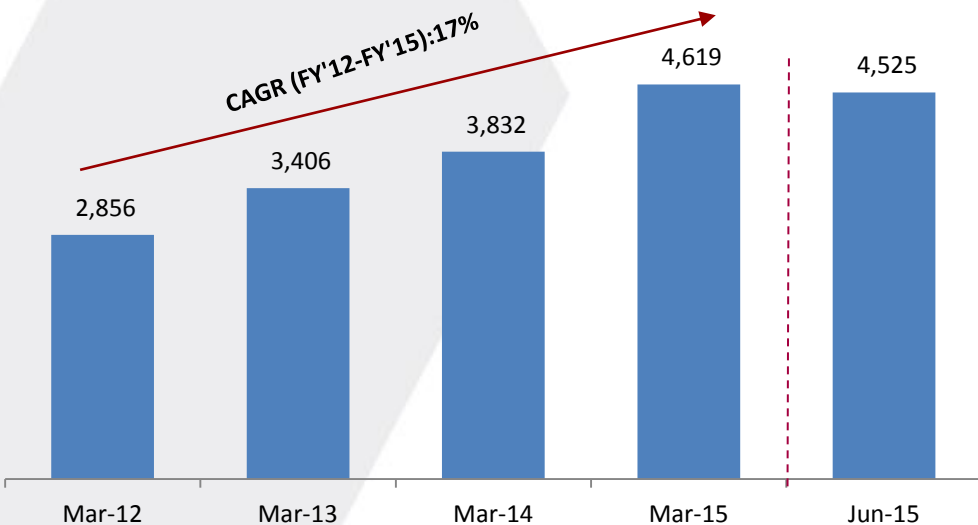
Efficient Capital Management

- Well capitalised & continue pursuit of optimal capital allocation
 - Basel III Tier I CAR[&] of 12.15% and Basel III Total CAR[&] of 15.05%

Consistent Growth across Business Metrics...

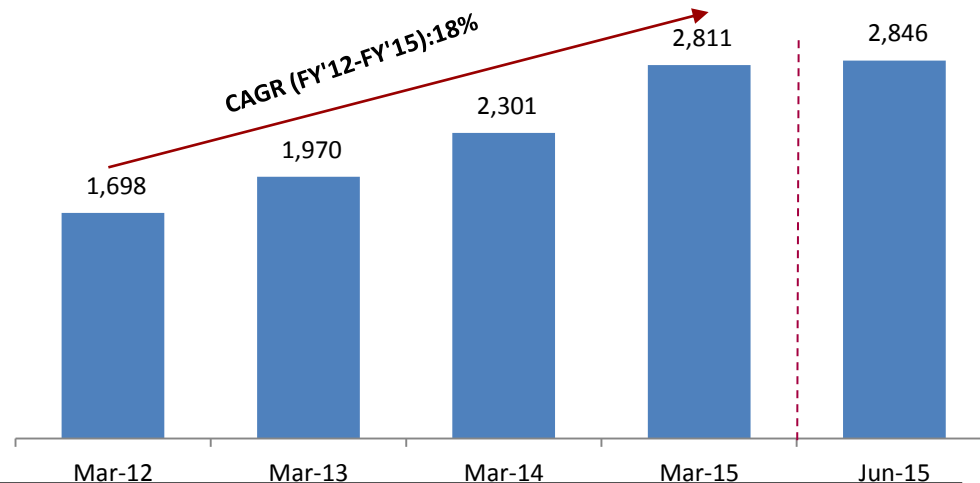
Assets

CAGR (FY'12-FY'15): 17%



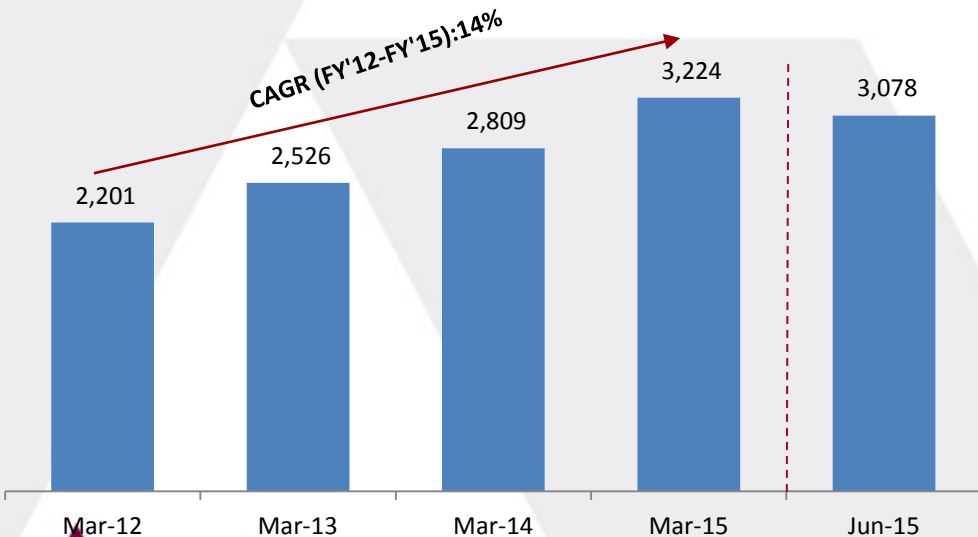
Advances

CAGR (FY'12-FY'15): 18%



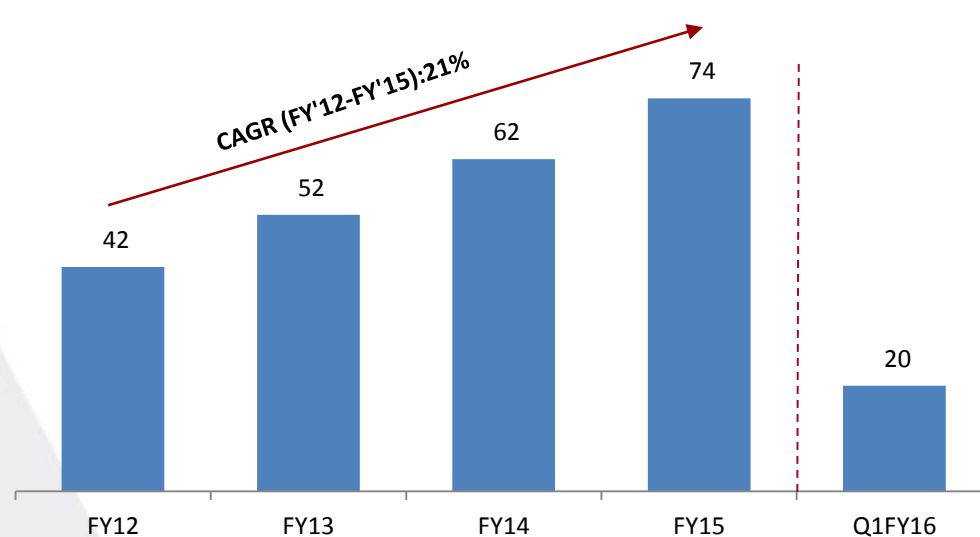
Deposits

CAGR (FY'12-FY'15): 14%



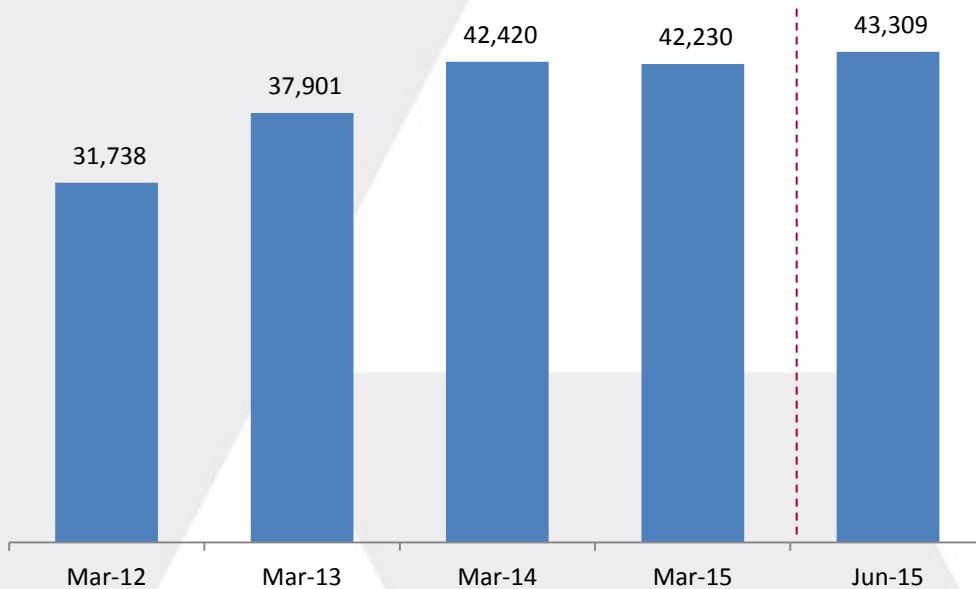
Net Profit

CAGR (FY'12-FY'15): 21%



...Supported by Motivated Employees and Experienced Senior Management

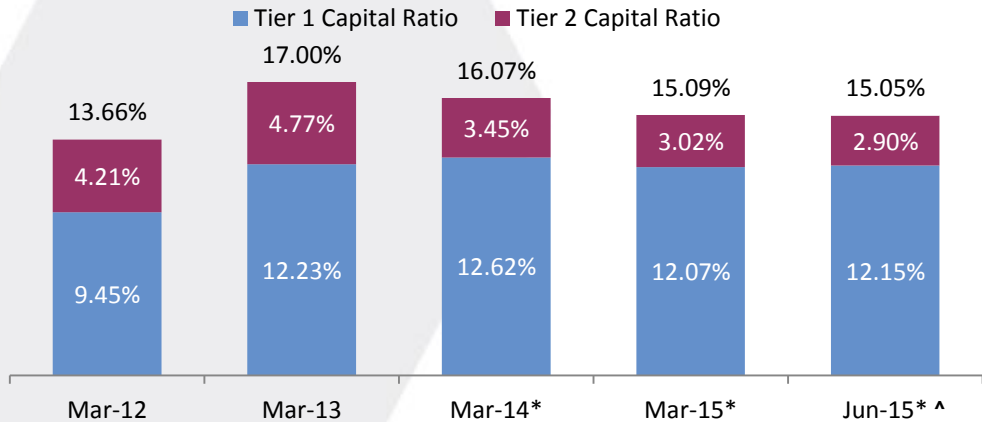
Number of Employees



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

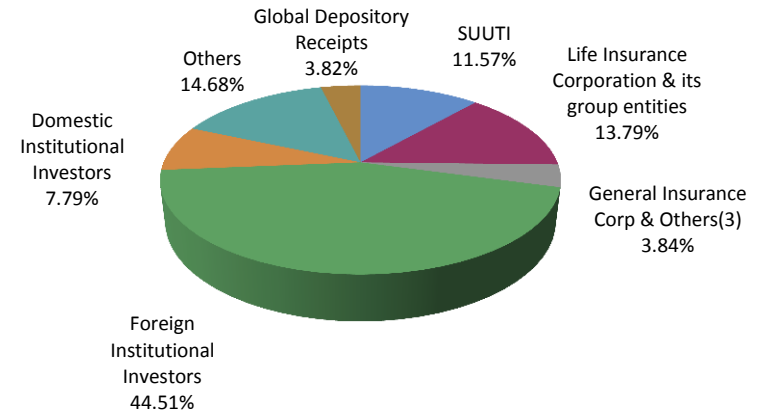
Healthy Capital Profile & Stable Shareholder Returns

Capital Adequacy



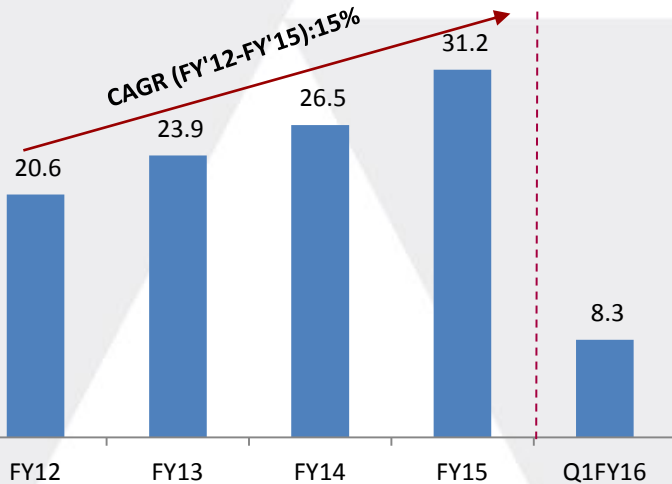
Note: * Capital Adequacy ratios as on Mar-14 & Mar-15 are computed based on Basel III norms & not comparable with previous year ratios. ^ Ratios computed for Jun-15 include unaudited profits for the quarter

Shareholding Structure⁽¹⁾



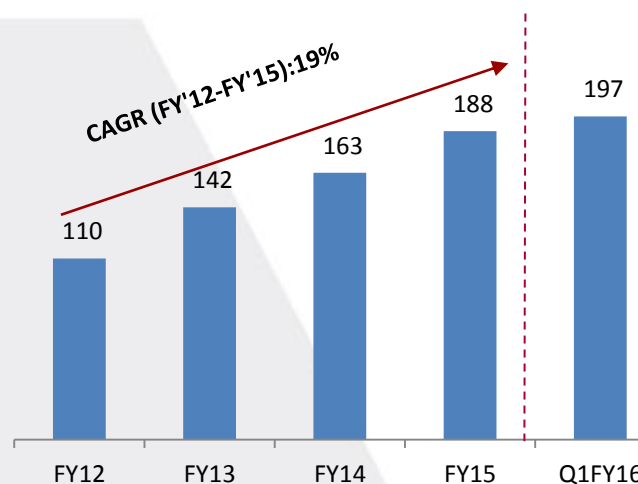
EPS Growth

Basic EPS (₹) ⁽²⁾



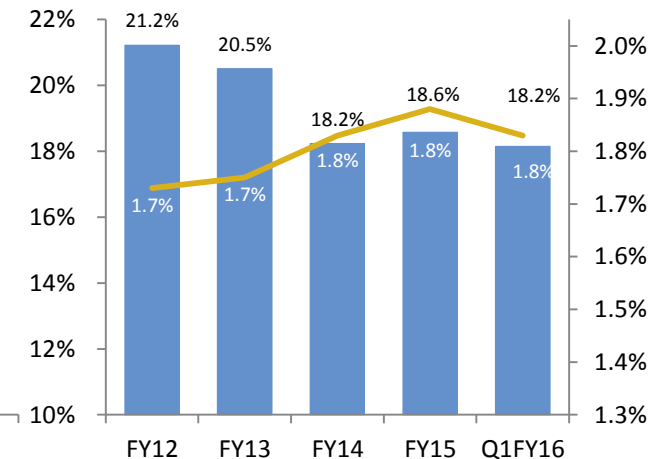
BVPS Growth

BVPS (₹) ⁽²⁾



ROE and ROA

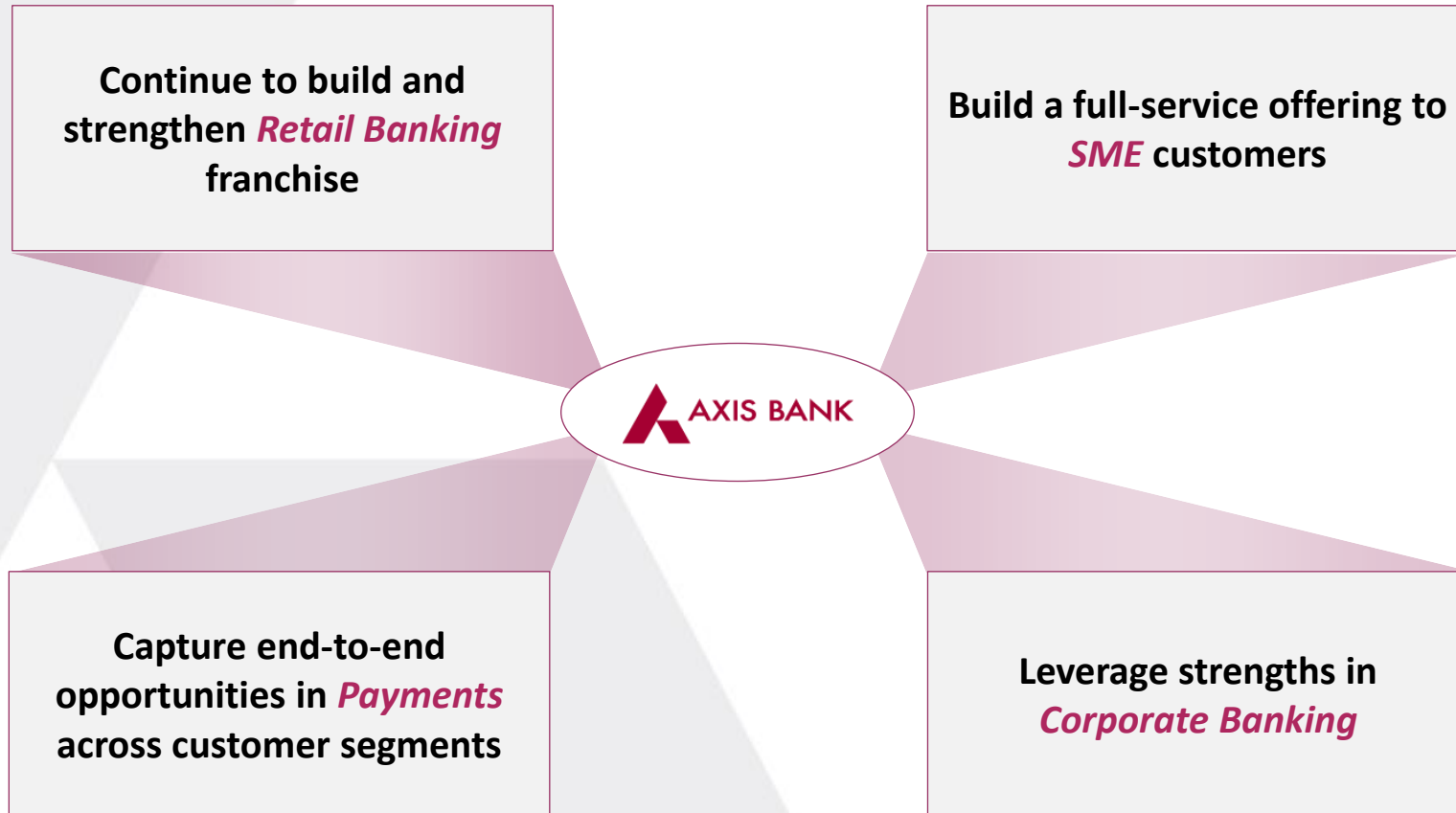
ROE ⁽²⁾ ROA ⁽²⁾



Note: ⁽¹⁾ As on June 30, 2015; ⁽²⁾ Based on non-consolidated financials; ⁽³⁾ Others include The New India Assurance Company Ltd, National Insurance Company Ltd, The Oriental Insurance Company Ltd and United India Insurance Company Ltd

Business Strategy along Four Key Themes

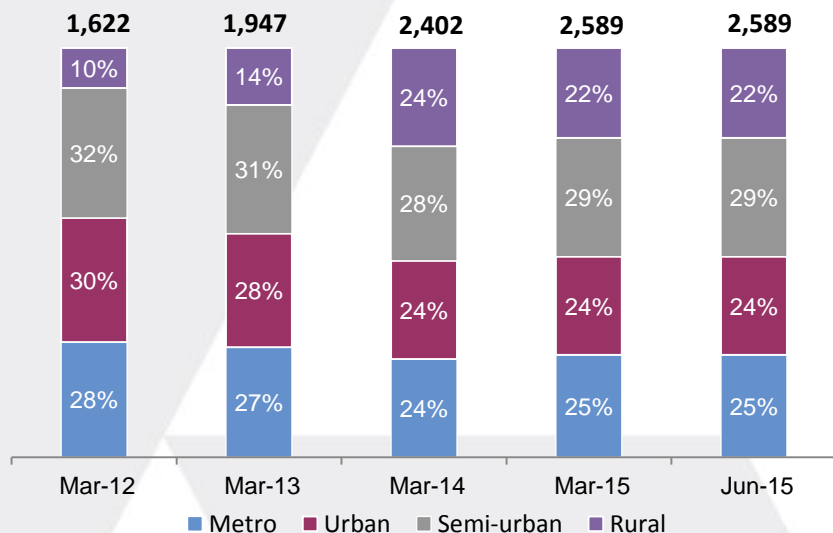
Leveraging domestic growth opportunities



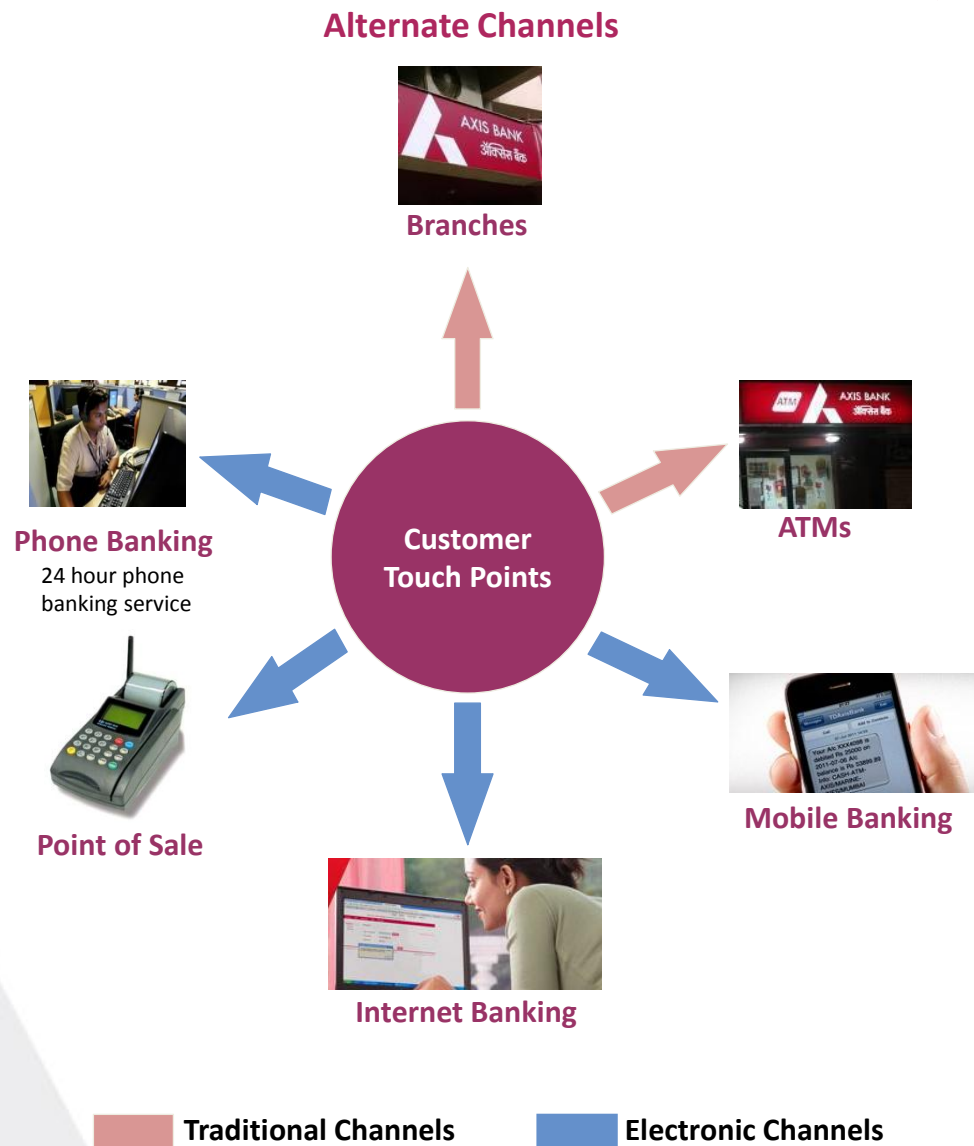
Pan-India Distribution Network Complemented by Technology Driven Alternate Channels



Increasing presence in rural & semi-urban areas



ATMs	9,924	11,245	12,922	12,355	12,179
Centers	1,050	1,263	1,636	1,714	1,714
Employees	31,738	37,901	42,420	42,230	43,309



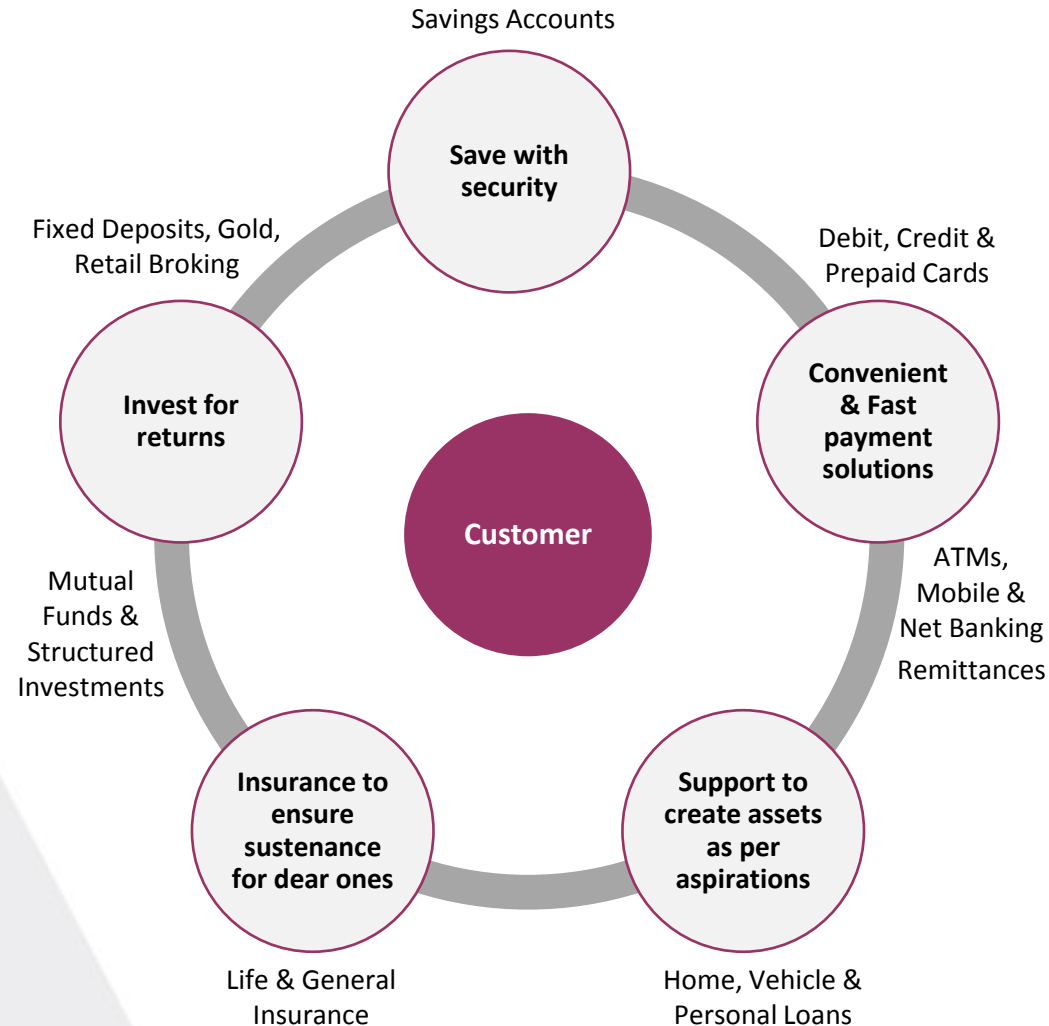
Leveraging Strong Brand Recall across Products

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



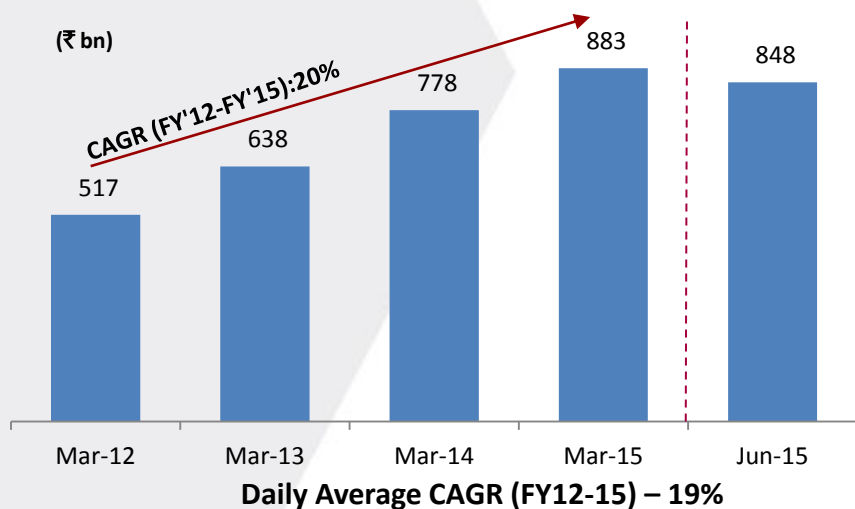
- Spontaneous Brand Awareness Score has seen a consistent increase
- Enhancing customer experience
 - Award winning mobile enabled Website
 - Customer centric design of branches
- Featured in the Asia's Fab 50 companies for 2013 by Forbes Asia.
- Most Trusted Private Sector Bank in India in the Brand Equity - Most Trusted Brands Survey (2014)

Capturing End-to-End Customer Requirements

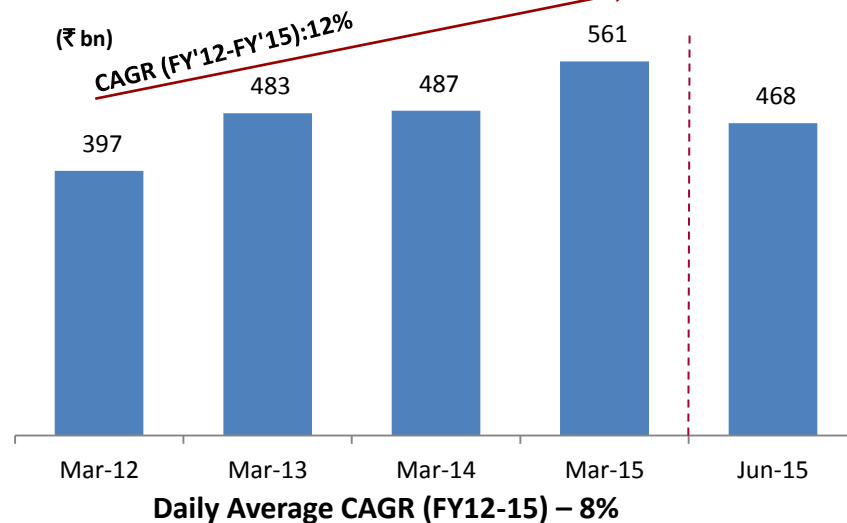


...Resulting in a Robust Liabilities Franchise

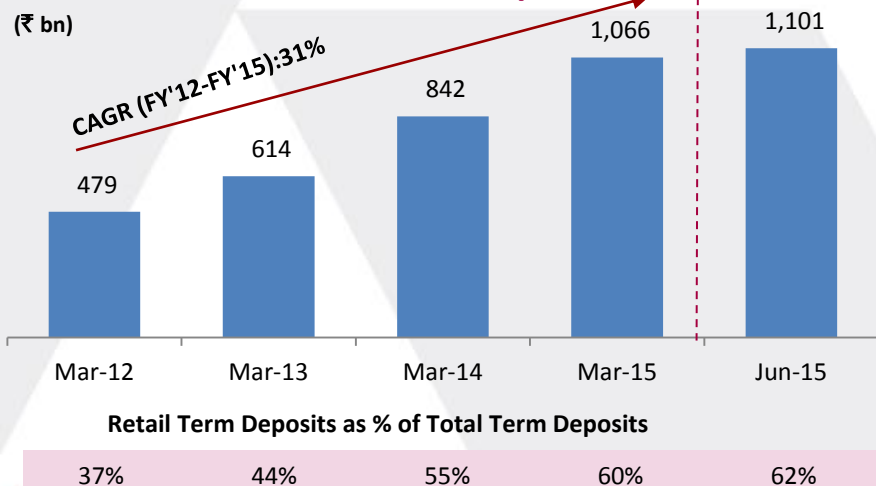
Savings Deposits



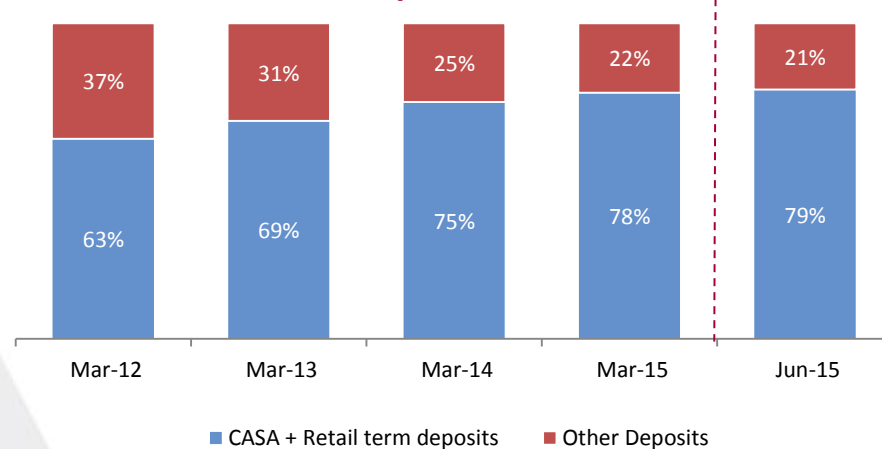
Current Account Deposits



Retail Term Deposits

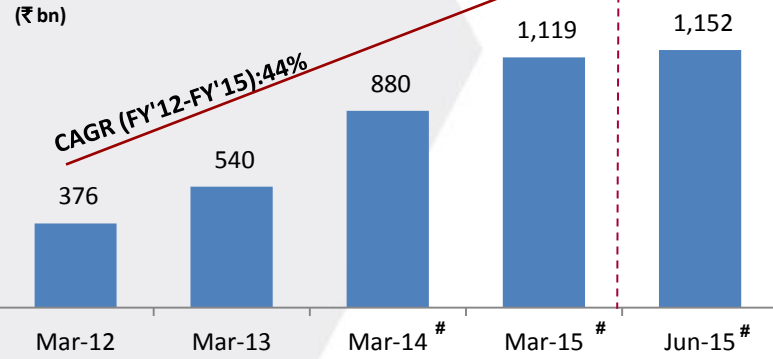


Deposits Mix



Growing Retail Advances

Retail Advances Portfolio

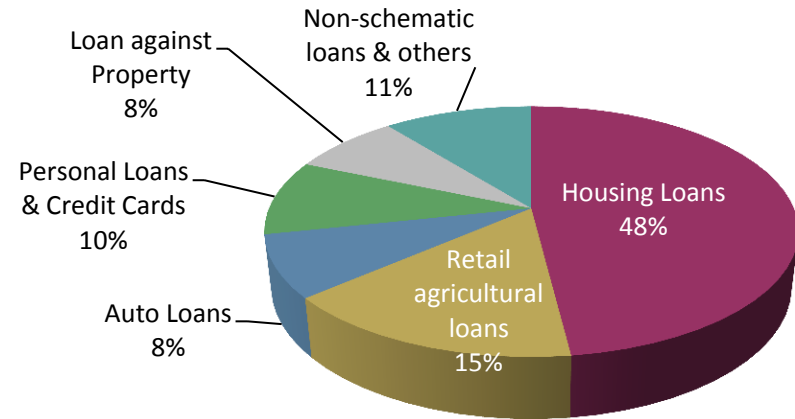


Retail advances as % of net advances

22%	27%	38%	40%	40%
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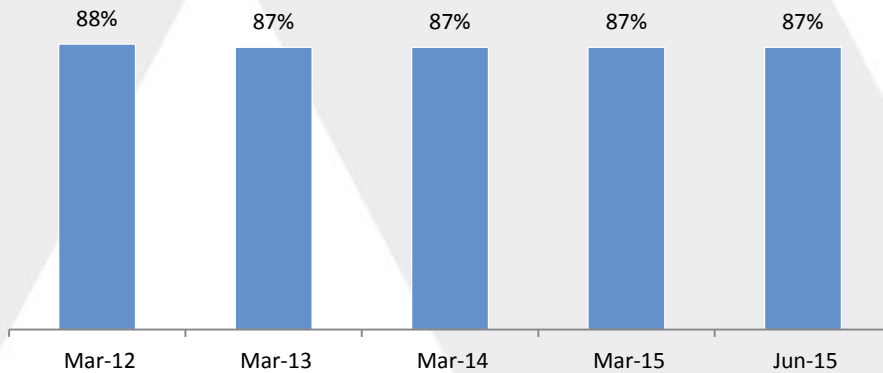
#Retail Loan's include retail agriculture loans post reclassification exercise conducted in June-14

Composition of Retail Advances



Portfolio Size (Jun-2015): ₹ 1,152 bn

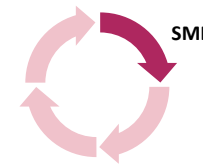
Secured Retail Advances as % of Total Retail Advances



Key Highlights

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

Full-service Offering to SME Customers



Lending

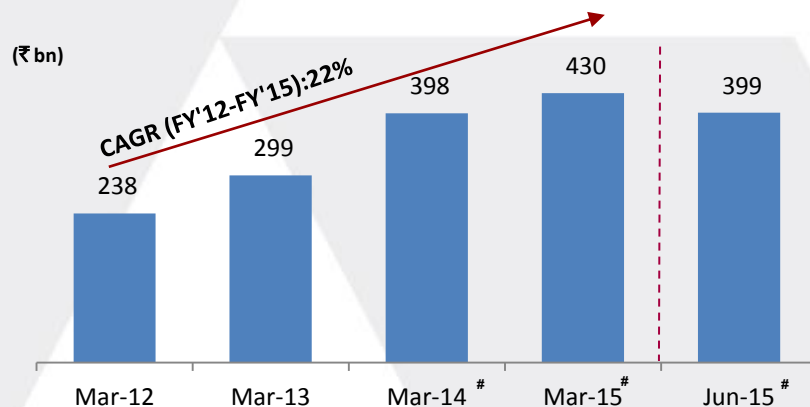
- Diversified portfolio across 3 segments: Medium Enterprises Group, Small Enterprises Group and Supply Chain Finance
- Driven through 52 SME centres and cells, with dedicated teams for sales and credit
- Risk management
 - Qualitative Credit Assessment in addition to rating
 - Exit/Watch list category
 - Collection managers

SME Franchise

Other offerings

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

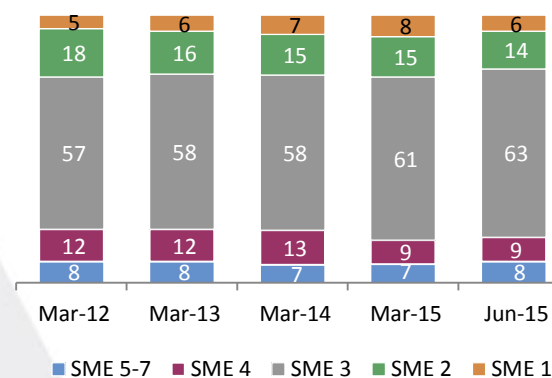
SME Loan Portfolio



#SME loans include corporate agriculture loans post reclassification exercise

Risk Management of SME Portfolio

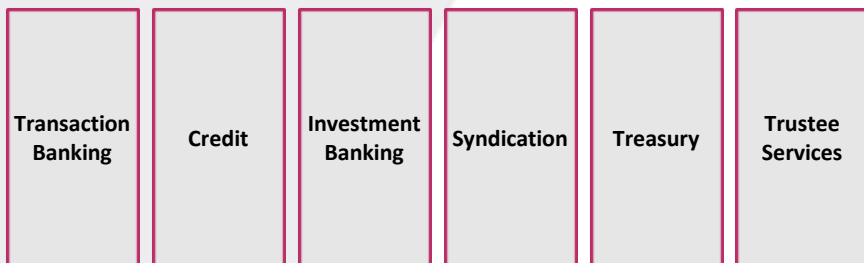
Rating Distribution of SME Advances¹ (%)



- 83% of SME advances have rating of at least 'SME3' in June 2015
- Controlled sourcing of customers
- Early Warning System tool in place to predict default behavior

¹ As per internal ratings

Comprehensive Corporate Banking Solutions...

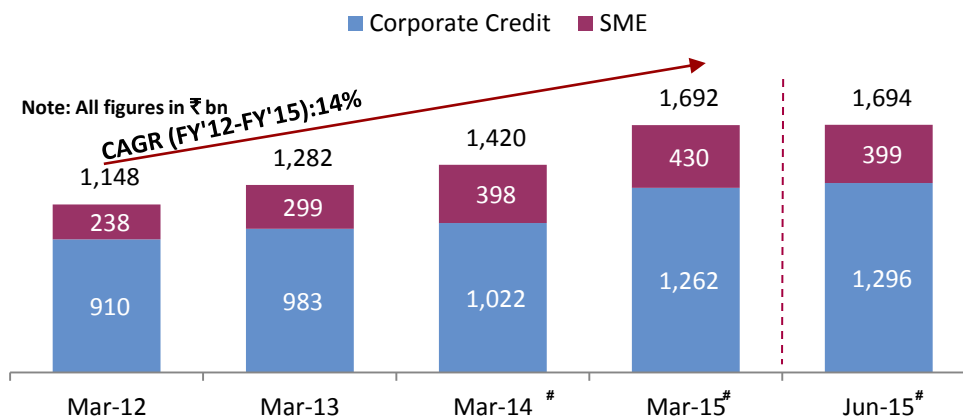


- Strong franchise spread across liability and asset businesses
- Focus on building out a high quality portfolio of credit assets
- Adopted value generating Originate and Distribute Model
- Dominant player in placement and syndication of debt / loans
- Leading debt capital market franchise – Ranked #1 in Debt Private Placement in India ⁽¹⁾
- International banking presence to cover offshore fund requirements of Indian corporates
 - Total overseas assets size of US\$ 7.73 bn as of June 30, 2015

⁽¹⁾ Source: Bloomberg

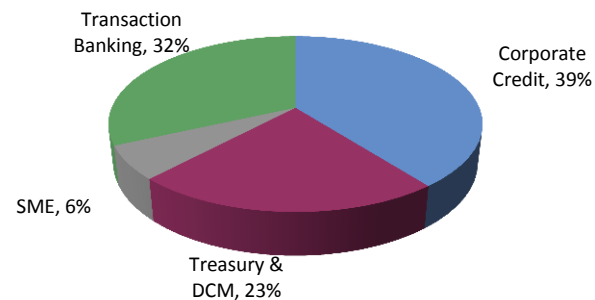


Corporate Banking Advances Growth



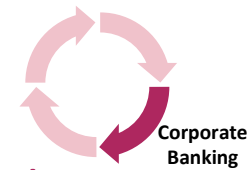
#SME loans include corporate agriculture loans post reclassification exercise

Corporate Banking Fee Income Mix

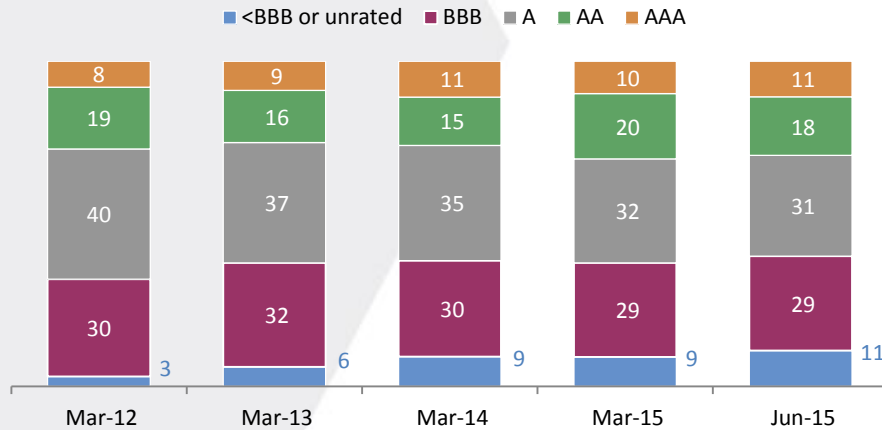


Q1FY16

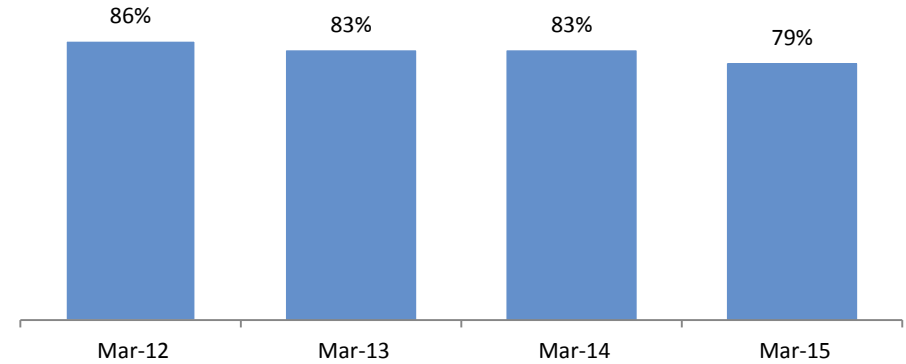
...with an Emphasis on Risk Management



Rating Distribution - Corporate Credit ¹ (%)



Secured Loans as a % of Total Aggregate Advances



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

Rank	Sectors	Fund-based	Non-fund based	Total
1	Infrastructure ²	6.83	10.41	7.74
2	Power Generation & Distribution	6.66	7.30	6.83
3	Engineering & Electronics	3.26	16.39	6.61
4	Metal & Metal Products	5.89	6.15	5.96
5	Financial Companies ³	4.44	9.75	5.80
6	Trade	3.09	4.71	3.50
7	Food Processing	3.09	2.47	2.93
8	Real Estate	3.25	1.93	2.92
9	Petroleum & Petroleum Products	0.59	7.27	2.29
10	Telecommunication Services	1.00	4.99	2.02

Key Highlights

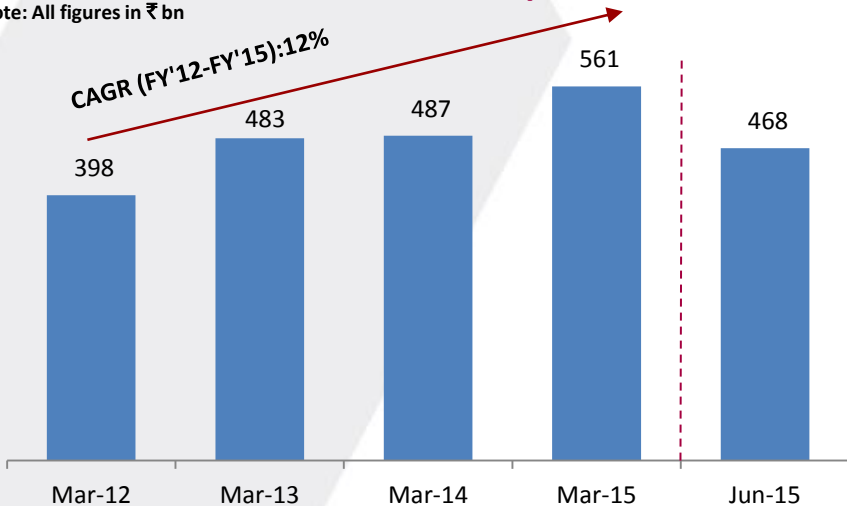
- 60% of corporate advances have rating of at least 'A'
- Conservative approach of rating new projects two notches below their normal rating
- Centralized credit monitoring mechanism

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



Current Account Deposits

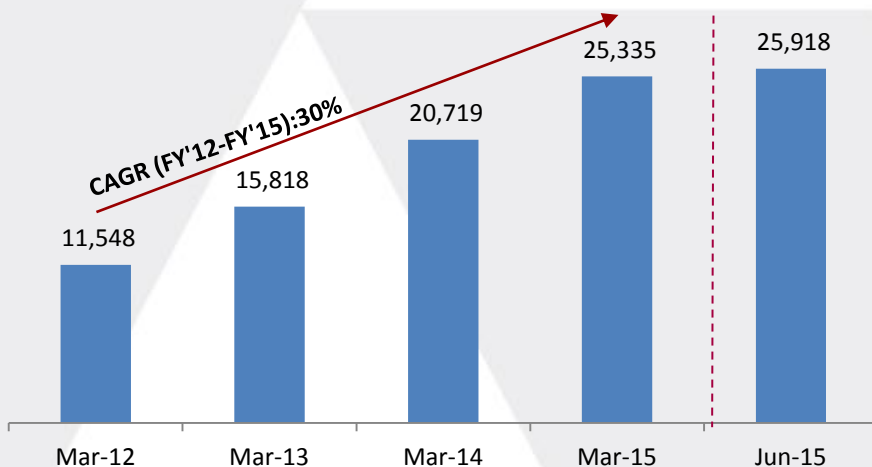
Note: All figures in ₹ bn



Current Accounts

- Wide range of products with customized offerings
- Growth aided by high-end premium products targeted at identified business segments
- Focused approach towards Corporates, Institutions and Government
- New products introduced consistently to help clients manage fund flows effectively

CMS Accounts



Government Business

- Provides Electronic Benefit Transfer (EBT) through Smart Cards under IT Enabled FI Model
- Strengthening presence in G2B e-Governance initiatives
- Amongst leading banks in Government payments and revenue collection

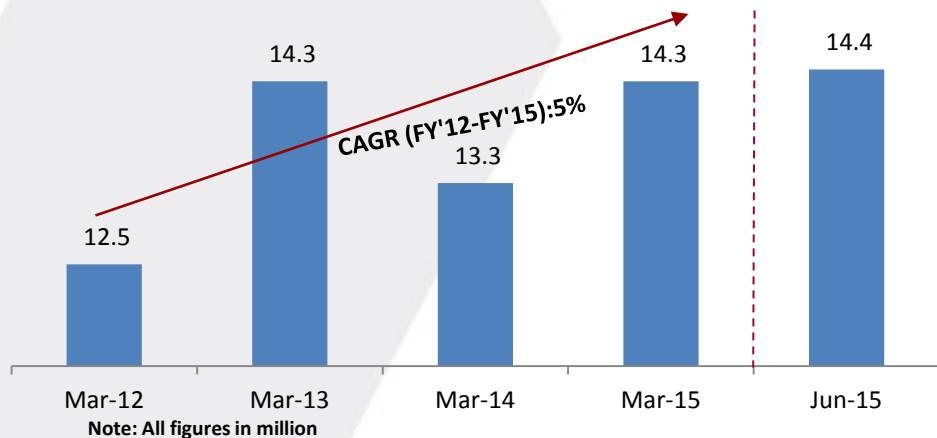
Cash Management

- One of the leading Cash Management Services (CMS) provider in India
- Amongst select set of Indian banks offering host-to-host transactional banking facility
- Amongst leading Banks in electronic payments
- Leading player in Escrow and Dividend payment business
- Synergies with Current Account franchise

... and Establishing Leadership in the Retail Payments Segment



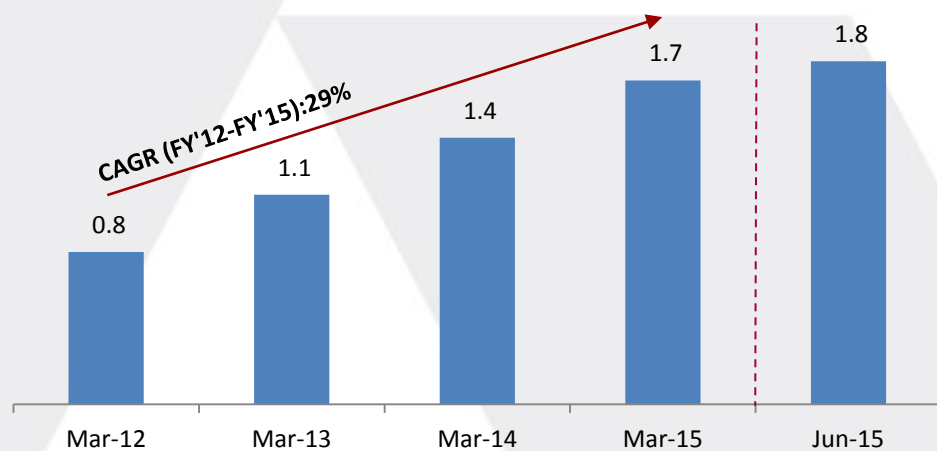
Debit Cards



Market Leader in Retail Payments

- One of the largest issuers of debit cards
- 5th largest credit card issuer in the country with a card base of over 1.8 mn
- Multi Currency Foreign currency cards in 15 foreign currencies
- Prominent player in merchant acquiring business

Credit Cards



Innovative Offerings



- Launched Mobile POS (Swipeon) in July 2012

INTRODUCING MY CARDS



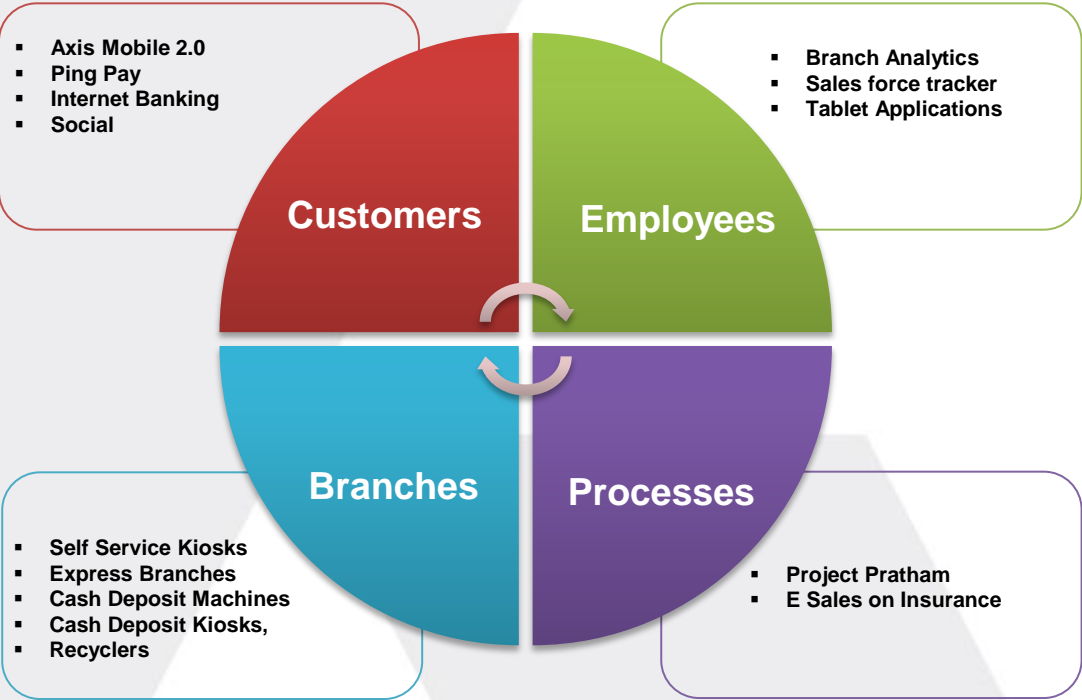
- Personalized “My Cards” credit cards



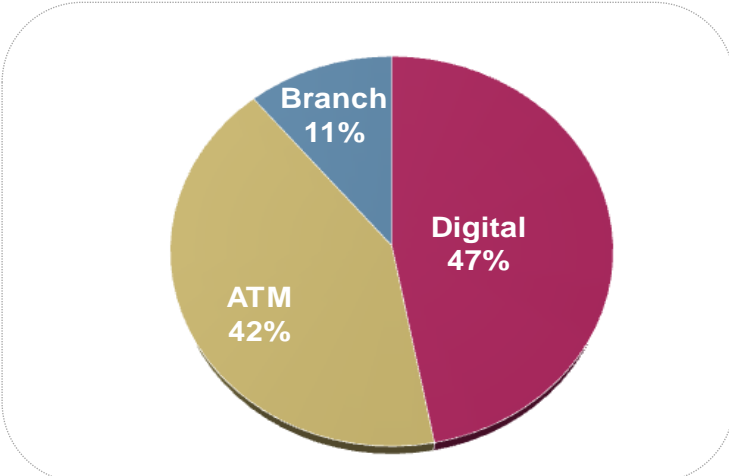
- “Ladies First” – exclusive card for women

Digital Banking

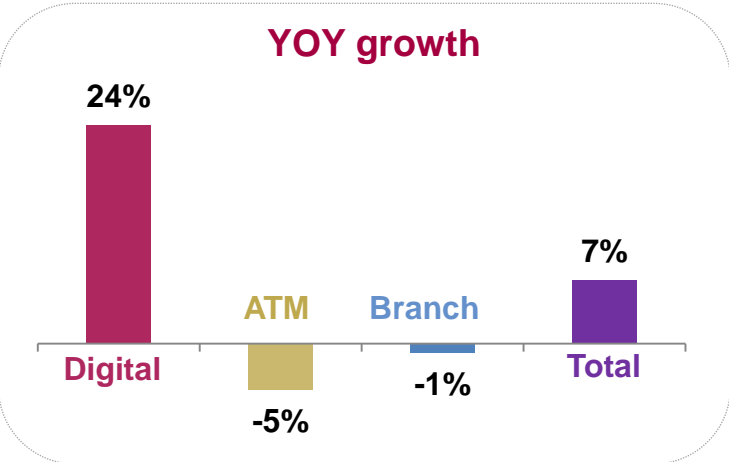
Digital Ecosystem



Channel Mix (Q1FY16)



YOY growth



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

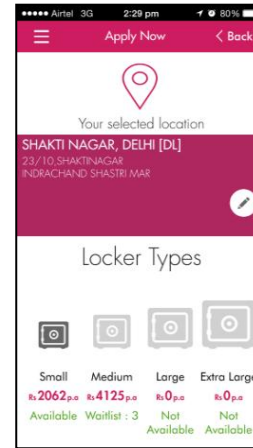
Mobile Banking Solutions

Axis Mobile App

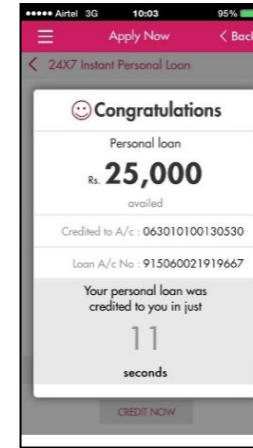


- Multiple registration options
- Add beneficiaries & transfer funds instantly
- Highly secure – SIM, Device lock
- Personalisation options
- Instant conversion to EMI
- Instant redemption of Rewards
- Unique control options – debit / credit cards

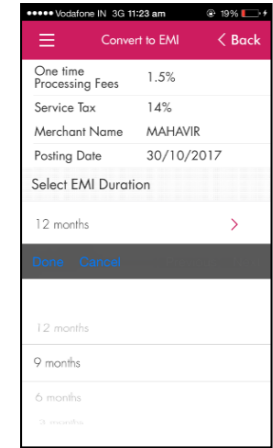
Our Mobile App is smarter with 60+ features



Locker on Mobile



Instant Personal Loan



Conversion to EMI


 **2.1 Mn**
users

 **₹62.96 bn**
overall spends
as on June 30, 2015


 **245%**
growth in spends
YOY growth as on June 30, 2015


Ping Pay – India's first multi-social payment app





Send and Ask money
instantly


Integrate with
Social connects


Register from your
mobile


Attach video, audio
& images


Beneficiary details
not needed

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Key Macro Trends

Business Model

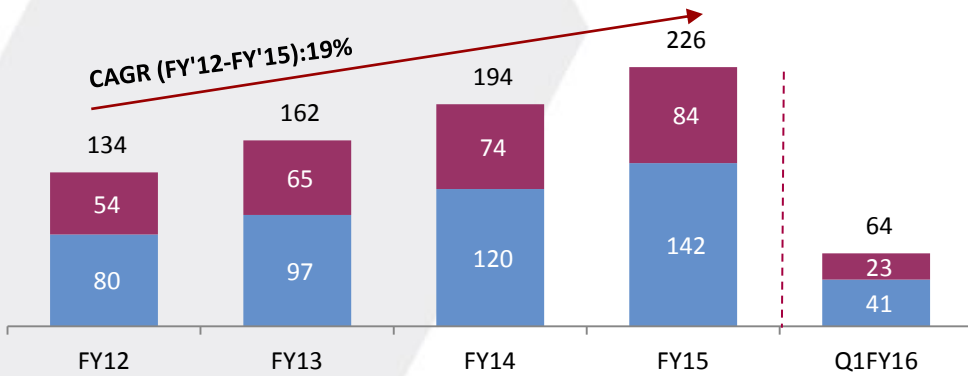
Financial Snapshot

Robust Growth in Core Revenue and Diversified Fee Income Franchise

Operating Revenue

■ Net Interest Income ■ Non-Interest Income

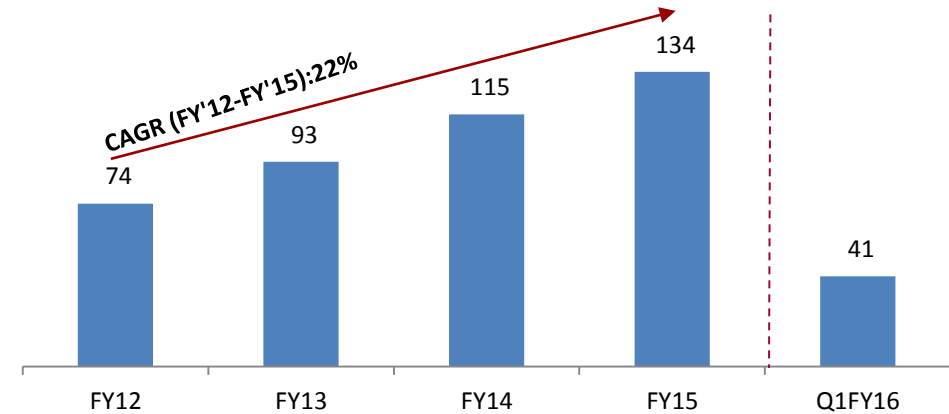
CAGR (FY'12-FY'15):19%



Note: All figures in ₹ bn

Operating Profit

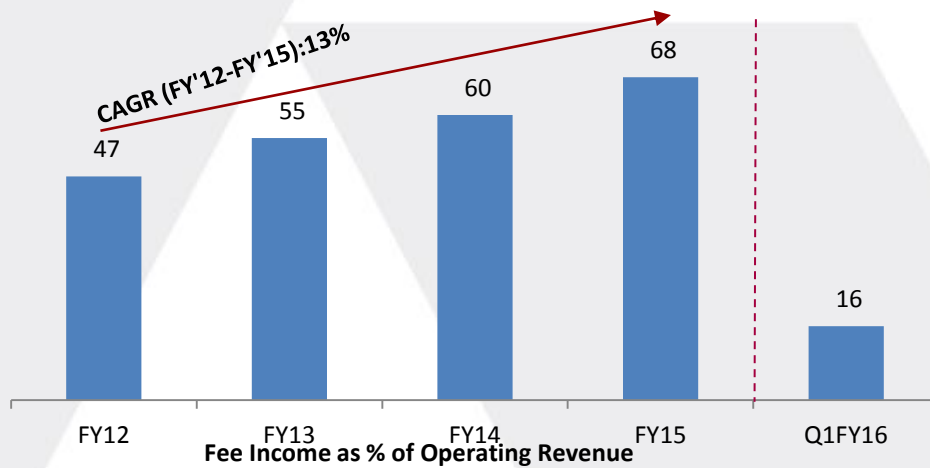
CAGR (FY'12-FY'15):22%



Note: All figures in ₹ bn

Fee Income

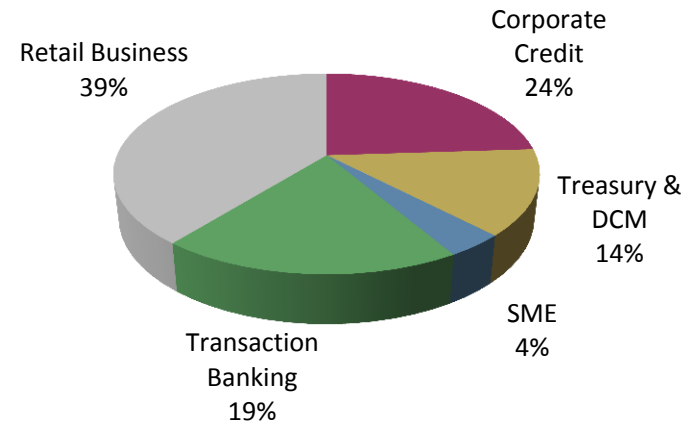
CAGR (FY'12-FY'15):13%



Fee Income as % of Operating Revenue

35% 34% 31% 30% 24%

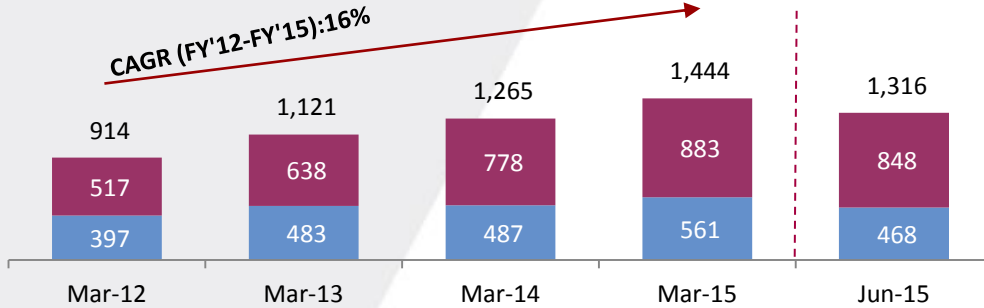
Fee Profile (Q1FY16)



Margins Driven by Low Cost Deposits and Enhanced Operational Efficiency

Current and Savings Bank Deposits

■ Current deposits ■ Savings Deposits

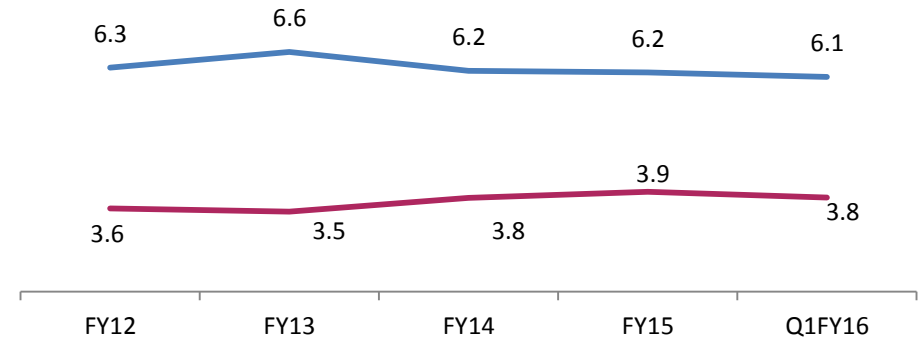


Daily Average CAGR (FY12-15) – 15%

Note: All figures in ₹ bn

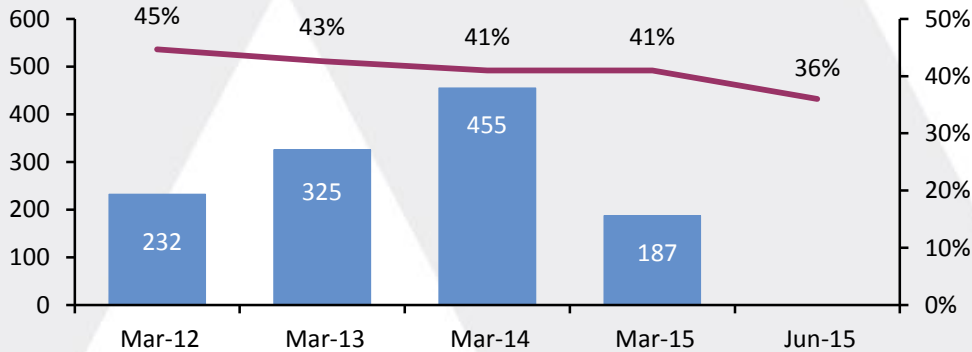
Cost of Funds and Net Interest Margin (%)

— Cost of Funds — Net Interest Margin



Branch Expansion and Cost to Income Ratio

■ New branches opened — Cost to income ratio



Total Branches

1,622 1,947 2,402 2,589 2,589

Key Highlights

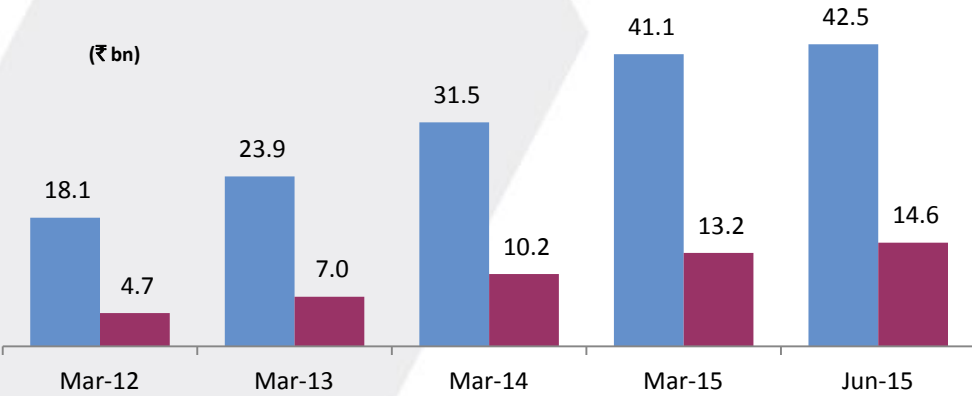
- Focused on maintaining low cost fund base
- Stable NIMs through interest rate cycles
- Calibrated reduction in cost to income despite investments in retail business
- Operating leverage from new branches expected in future

Stable Asset Quality

NPAs (Amounts)

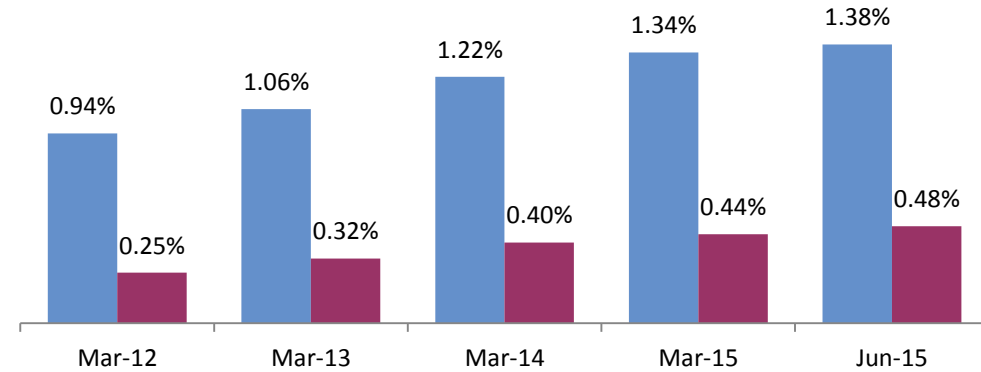
■ Gross NPA ■ Net NPA

(₹ bn)



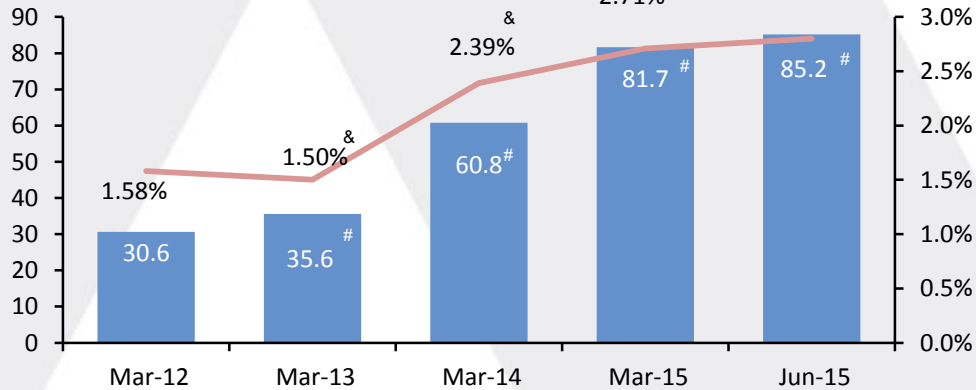
NPAs (%)

■ Gross NPA ■ Net NPA

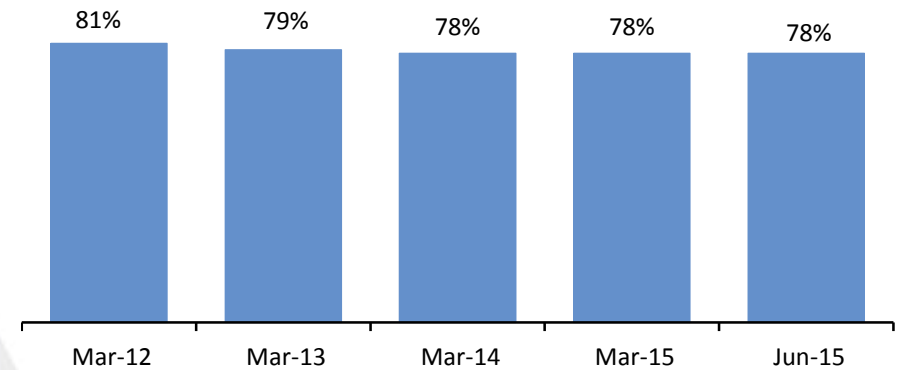


Restructured Assets

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



Provisioning Coverage Ratio ⁽¹⁾



⁽¹⁾ Including prudential write-offs



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

Delivering Profitable Growth

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

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

Strong retail franchise that continues to show traction

Steady and systematic growth of distribution footprint

Efficient capital management

Consistent profitable growth

Appendix

Summary Financials: Balance Sheet

	₹ bn					US\$ mn				
	FY12	FY13	FY14	FY15	Q1FY16	FY12	FY13	FY14	FY15	Q1FY16
Capital and liabilities										
Shareholders' funds	228	331	382	447	468	3,582	5,201	6,002	7,023	7,353
Deposits	2,201	2,526	2,809	3,224	3,078	34,582	39,689	44,135	50,656	48,362
Borrowings	341	440	503	798	809	5,358	6,913	7,903	12,538	12,711
Other liabilities	86	109	138	150	170	1,351	1,713	2,168	2,357	2,671
Total	2,856	3,406	3,832	4,619	4,525	44,874	53,516	60,209	72,574	71,097
Assets										
Cash and cash equivalents	139	204	282	361	316	2,184	3,205	4,431	5,672	4,965
Investments	932	1,137	1,135	1,175	1,079	14,644	17,865	17,833	18,462	16,953
Loans	1,698	1,970	2,301	2,811	2,847	26,679	30,953	36,154	44,167	44,733
Fixed assets	22	24	24	25	25	346	377	377	393	393
Other assets	65	71	90	247	258	1,021	1,116	1,414	3,881	4,054
Total	2,856	3,406	3,832	4,619	4,525	44,874	53,516	60,209	72,574	71,097

Note: Shareholders' funds include ESOP outstanding

Exchange rate of 1 USD = ₹ 63.645 based on the FEDAI exchange rate as of June 30, 2015

Summary Financials: Income Statement

	₹ bn					US\$ mn				
	FY12	FY13	FY14	FY15	Q1FY16	FY12	FY13	FY14	FY15	Q1FY16
Interest Income ⁽¹⁾	220	272	306	355	99	3,457	4,274	4,808	5,578	1,556
Interest Expense	140	175	187	213	58	2,200	2,750	2,938	3,347	911
Net Interest Income	80	97	119	142	40	1,257	1,524	1,870	2,231	628
Fee Income	47	55	60	68	16	738	864	943	1,068	251
Other Income	7	10	14	16	7	110	157	220	251	110
Operating Revenue	134	162	193	226	64	2,105	2,545	3,032	3,551	1,006
Operating Expense	60	69	79	92	23	943	1,084	1,241	1,446	361
Operating Profit	74	93	114	134	41	1,163	1,461	1,791	2,105	644
Provisions and Contingencies (excl. Tax)	11	17	21	23	11	173	267	330	361	173
Profit Before Tax	63	76	93	111	30	990	1,194	1,461	1,744	471
Tax	21	24	31	37	10	330	377	487	581	157
Net Profit	42	52	62	74	20	660	817	974	1,163	314

Note: Exchange rate of 1 USD = ₹ 63.645 based on the FEDAI exchange rate as of June 30, 2015

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

Summary Financials: Key Ratios

	FY12	FY13	FY14	FY15	Q1FY16
Profitability and efficiency					
Return on average total assets ⁽¹⁾	1.7%	1.7%	1.8%	1.8%	1.8%
Return on average net worth ⁽²⁾	21.2%	20.5%	18.2%	18.6%	18.2%
Net interest margin ⁽³⁾	3.6%	3.5%	3.8%	3.9%	3.8%
Cost income ratio ⁽⁴⁾	45%	43%	41%	41%	36%
Fee Income to Operating Revenue ⁽⁵⁾	35%	34%	31%	30%	24%
Capital Adequacy*					
Total capital adequacy ratio	13.66%	17.00%	16.07%	15.09%	15.05%^
Tier I capital adequacy ratio	9.45%	12.23%	12.62%	12.07%	12.15%^
Asset Quality					
Gross NPA as a % of gross customer assets ⁽⁶⁾	0.94%	1.06%	1.22%	1.34%	1.38%
Net NPA as a % of net customer assets ⁽⁷⁾	0.25%	0.32%	0.40%	0.44%	0.48%

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

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

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

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

⁴ Represents the ratio of Operating Expense to Operating Revenue

⁵ Represents ratio of Fee Income to Operating Revenue

⁶ NPA denotes non performing assets; Gross customer assets include advances and credit substitutes before provisions

⁷ NPA denotes non performing assets; Net customer assets include advances and credit substitutes after deductions of provisions.

Thank You