

Investor Presentation

July 2020



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Agenda



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Axis Bank – At a glance



3rd Largest Private Sector Bank in India in terms of total assets ⁽¹⁾

Size of Balance Sheet ⁽²⁾

INR 8,971 bn

Total assets

INR 5,613 bn

Net advances

INR 6,282 bn

Total deposits

INR 861 bn

Shareholders' funds

Scale of retail presence ⁽²⁾

4,528

Domestic branches + Extension counters

17,456

ATMs and cash deposit and withdrawal machines

83%

CASA + RTD as % of total deposits ⁽²⁾

53%

Retail advances as % of total net advances ⁽²⁾

Prudent Risk Management ⁽²⁾

75%

Provision Coverage Ratio (excludes technical write-offs) ⁽³⁾

17.47%

Basel III Total CAR ⁽⁴⁾

13.50%

Basel III CET I CAR ⁽⁵⁾

1.23%

Net NPA ⁽⁶⁾

Robust Financial Metrics ⁽⁷⁾

19.5%

Growth in net interest income (Q1FY21 vs Q1FY20)

3.40%

NIM – Overall ⁽⁸⁾

38.94%

Cost to income ratio ⁽⁹⁾

INR 305

Book value per equity share ⁽¹⁰⁾

Note Figures and financials for the quarter ending June 30, 2020, unless specified otherwise. Figures rounded off to nearest integral values

(1) As on March 31st, 2020. Source: Public filings

(2) End of period figures; data as of 30 June 2020

(3) Calculated as closing Gross NPAs minus Net NPA divided by closing Gross NPAs

(4) Includes profit for Q1FY21

(5) Includes profit for Q1FY21

(6) As % of net customer assets. Net customer assets include advances, credit substitutes after deductions of provisions

(7) Data for the quarter ended 30 June 2020

(8) Annualized; Ratio of net interest income to daily average interest earning assets for Q1FY21

(9) Ratio of operating expenses to sum of net interest income and non-interest income

(10) Shareholders' funds divided by number of total equity shares outstanding as of 30 June 2020

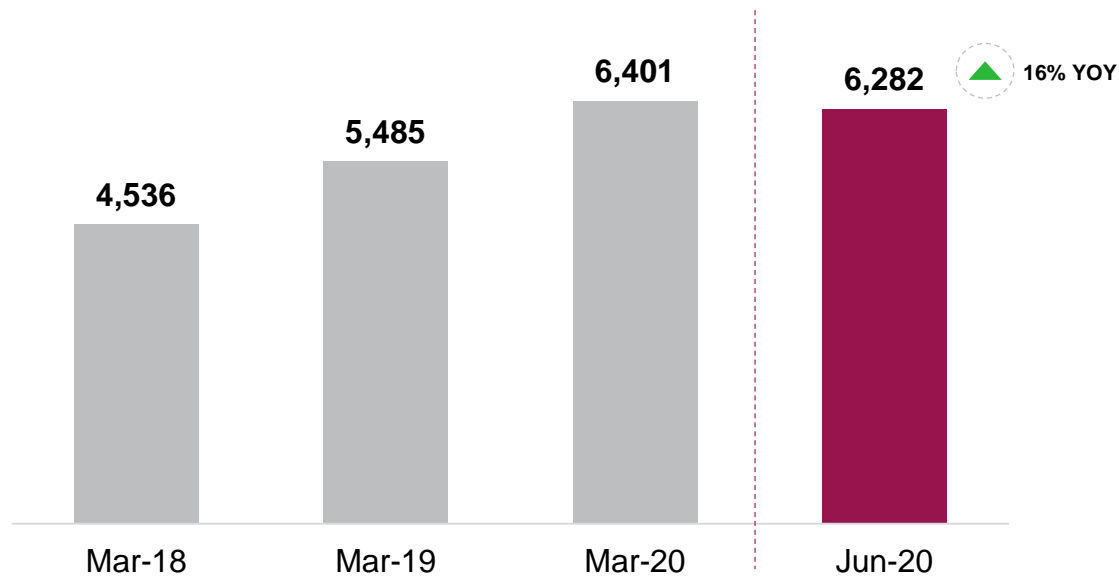
Business highlights

Balance Sheet growth

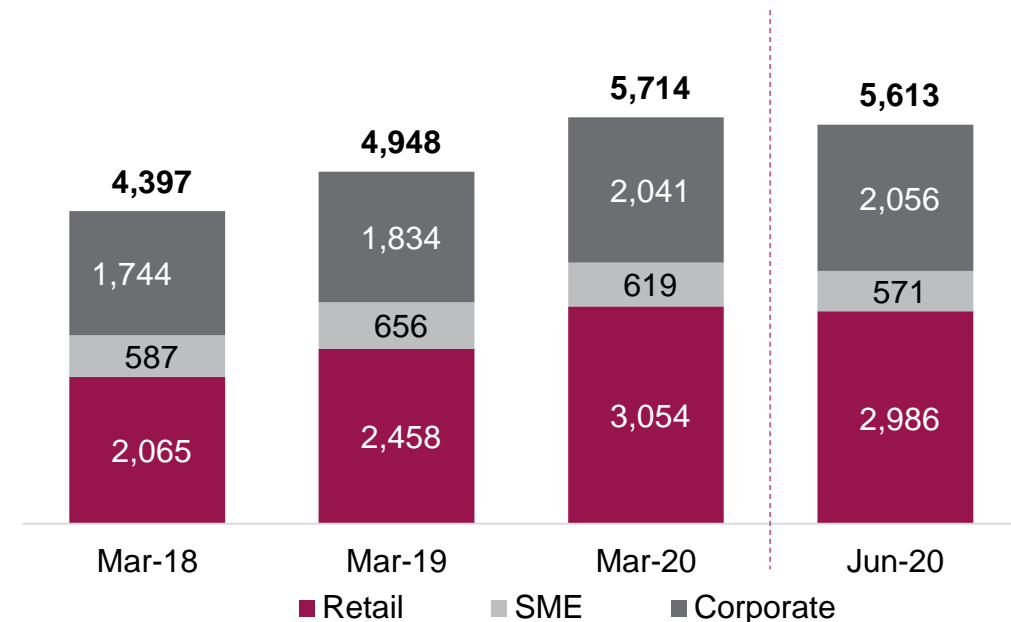
Healthy growth in deposits supporting balanced growth in advances

All figures in INR bn

Deposits (1)



Advances (2)



- Including TLTRO investments, advances grew 16.5% YoY as of 30 June 2020 to INR 5,794bn
- Corporate loan portfolio increased 26% YoY including TLTRO investments as of 30 June 2020

Note: Figures rounded off to nearest integral values.

(1) End of period numbers

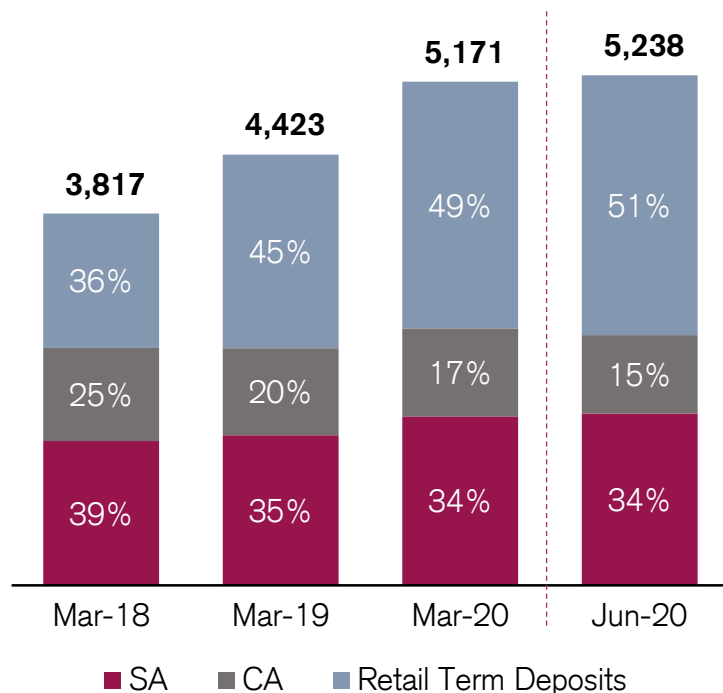
(2) Figures on net advances basis

1A Retail segment

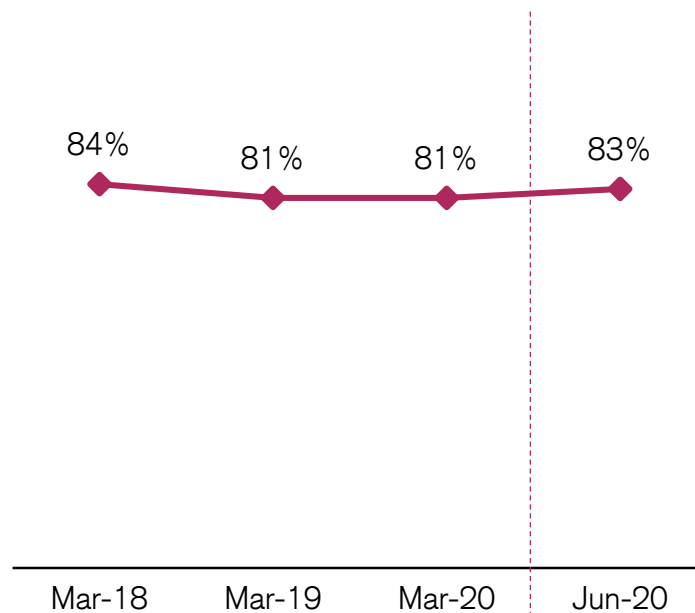
Granularization of deposits profile helping optimize cost of funds

All figures in INR bn

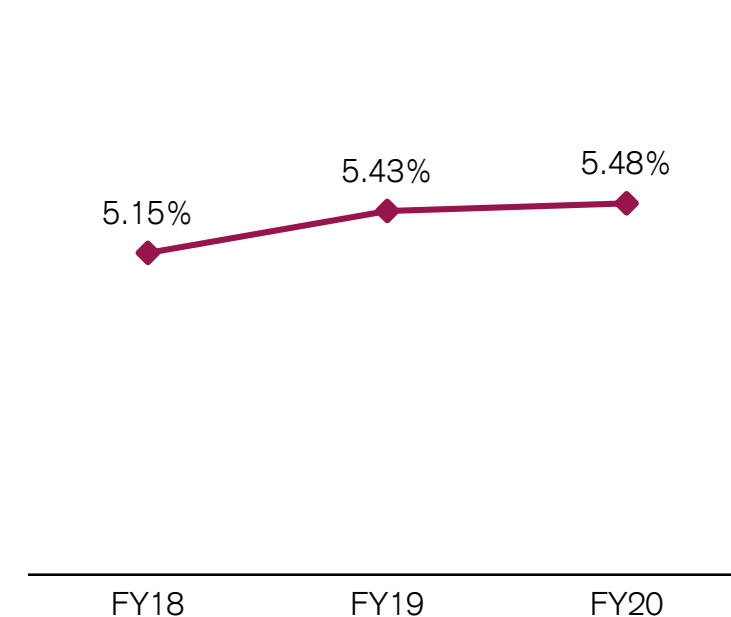
Retail deposits (CASA plus RTD) ⁽¹⁾



Share of retail deposits ⁽¹⁾⁽²⁾



Cost of funds (%) ⁽³⁾



Note: Figures rounded off to nearest integral values. RTD – Retail Term Deposits (Term deposits from individuals, term deposits of up to INR 50mn from non-individuals)

(1) Based on end of period numbers

(2) As % of total deposits

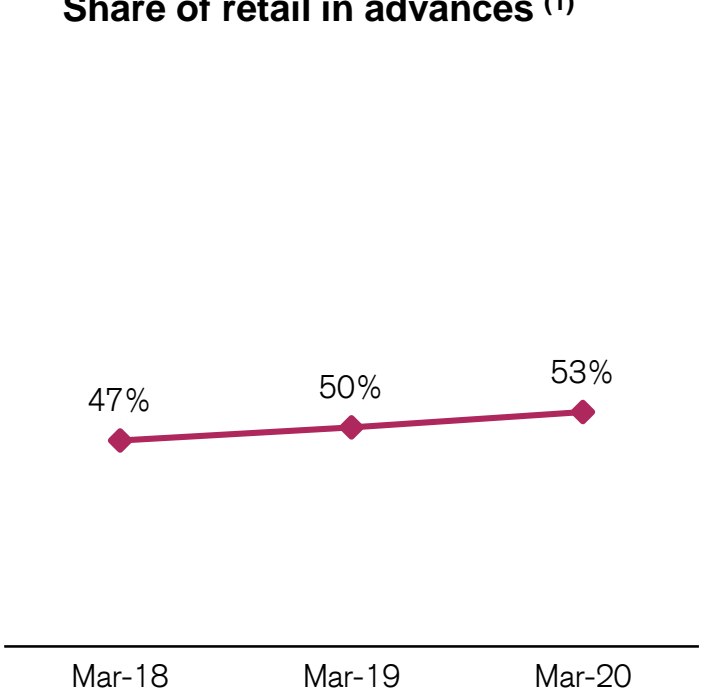
(3) Computed based on daily average balances. Calculated as ratio of total interest expense to average interest-bearing liabilities for the period

1B Retail segment

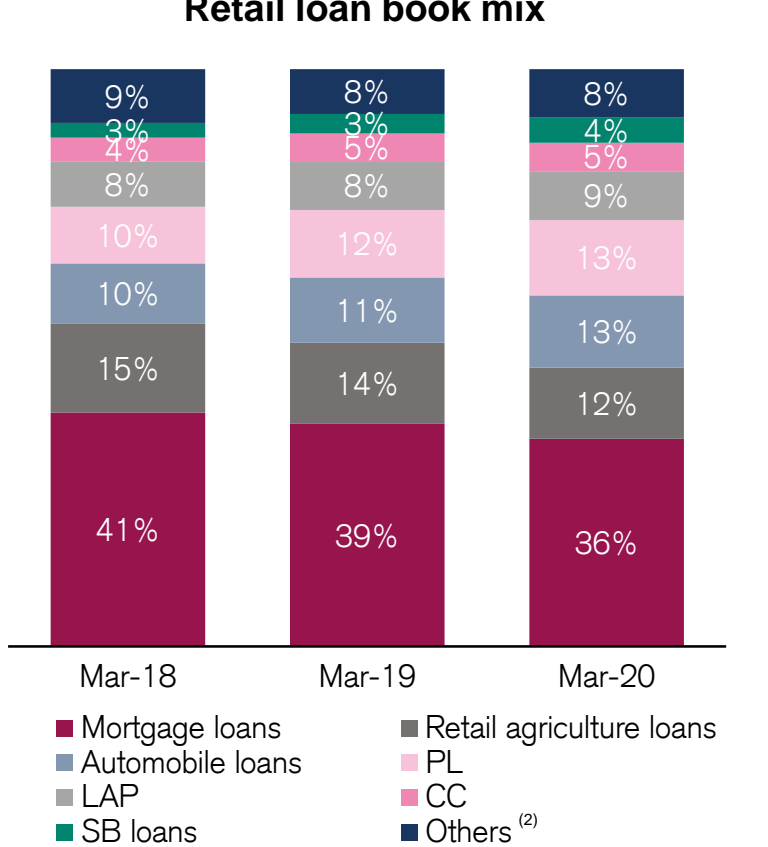


Retail loan book is well diversified and stood at 53% of total loans

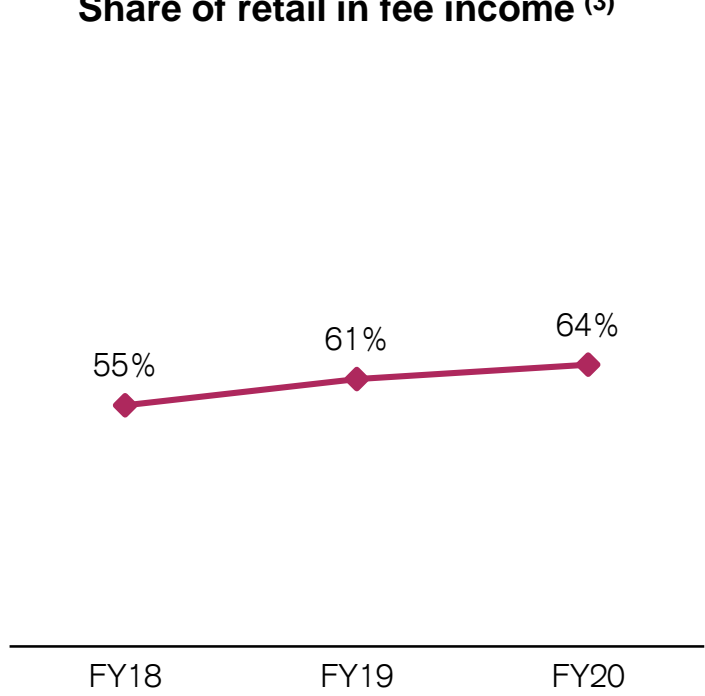
Share of retail in advances (1)



Retail loan book mix



Share of retail in fee income (3)



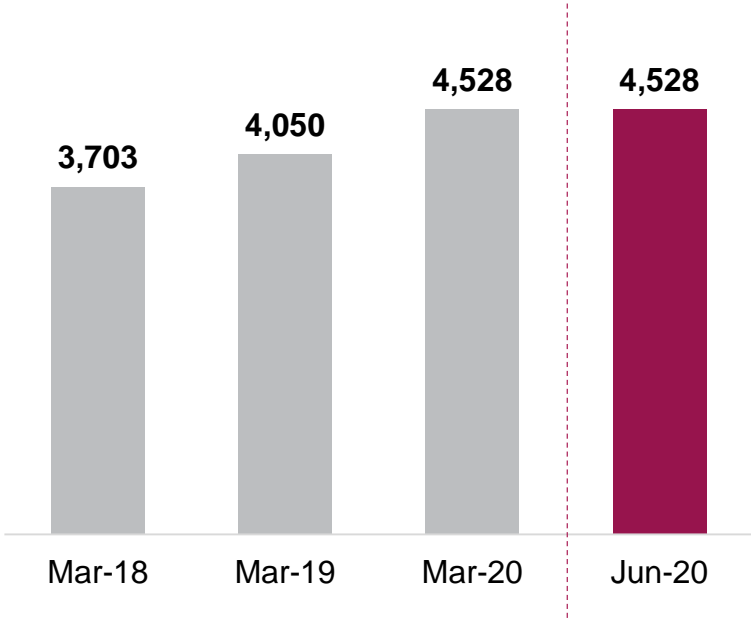
Note: Figures rounded off to nearest integral values for share of retail in advances and share of retail in fee income. Figures rounded off to one decimal for retail loan book mix.
 PL – Personal loans, LAP – Loan against property, CC – Credit card loans, SB loans – Small business loans
 (1) As % of total net advances
 (2) Others primarily includes education loans, gold loans, business equipment loans, loans against deposit and other non-schematic loans
 (3) Retail fee income includes income from cards, mutual fund & insurance distribution, other retail fees including forex exchange services fees

1C Retail segment

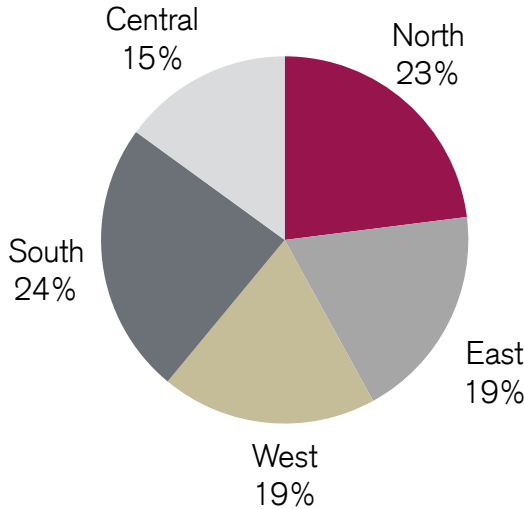


Well distributed Pan-India branch network

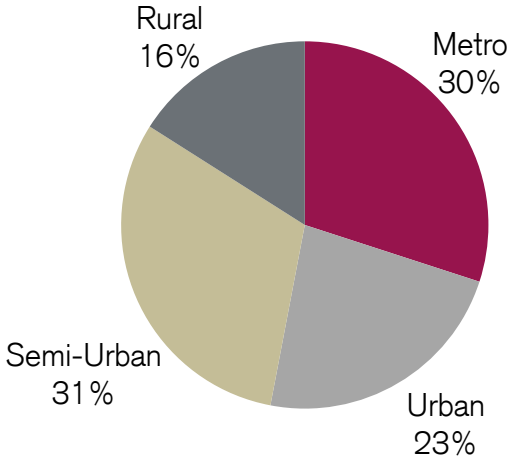
Domestic branch network (1)



Branch presence classified by geography (2)



Branch presence classified by category (3)



Note: Figures rounded off to nearest integral values
(1) Includes extension counters
(2) Geographical distribution is as of June 30, 2020 based on RBI classification
(3) Classification by category as of June 30, 2020 based on the India 2011 census

Wholesale segment

Strong relationship led wholesale franchise driving synergies across One Axis entities

'One stop shop' for banking needs of Indian corporates



Investment Banking / Capital Markets

- Debt Capital Markets (DCM)
- Equity Capital Markets (ECM)
- M&A & Advisory
- Forex & Derivative Solutions

Axis Capital
Axis MF

Commercial Banking

- Working Capital / Term Loans
- Letter of Credit / Bank Guarantee
- Bill / Invoice Discounting, Supply Chain financing
- Wholesale Deposits

A. Treds

Transaction Banking

- Cash Management Services (Collection / Payment)
- Current Accounts
- Custodial Services
- Correspondent Banking Services

Axis Trustee

Linkage to Retail Bank

- Wealth Management – Burgundy / Burgundy Private
- Salary Accounts of employee

Axis Finance

- Re-oriented coverage groups and strengthened operations & service infrastructure
- Leveraged 'One Axis' platform to provide comprehensive solutions to clients

Reliable Partner Throughout the Business Life Cycle

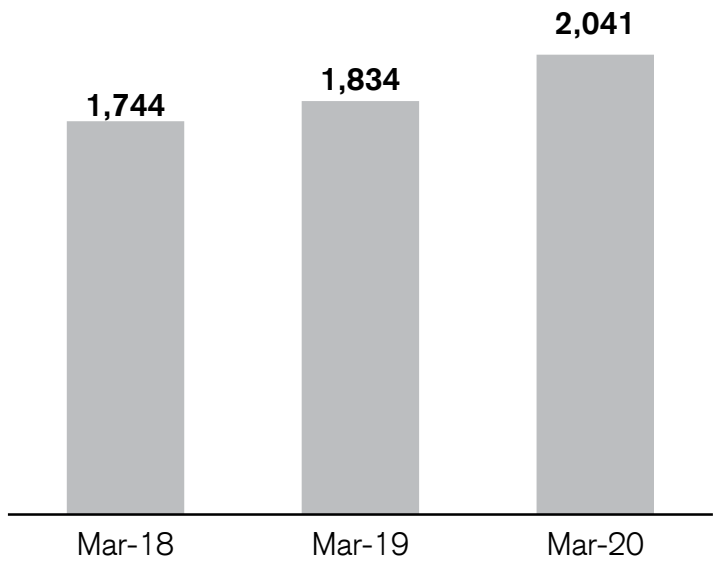
2A Corporate segment



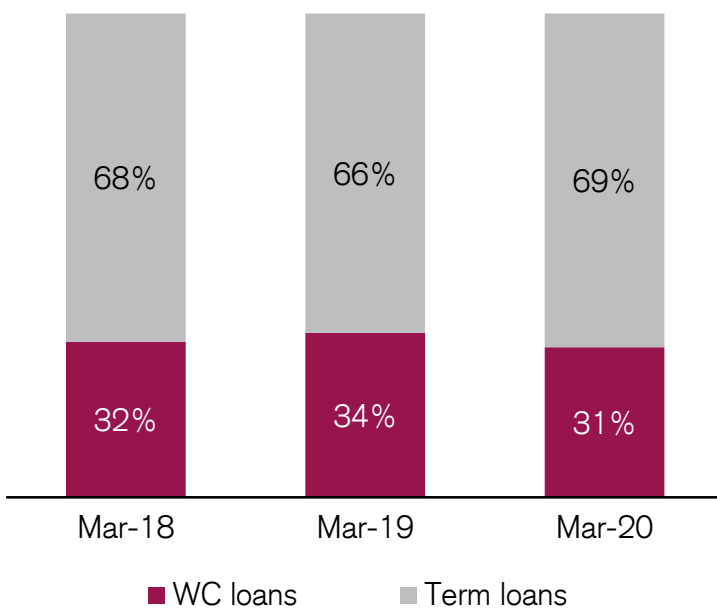
Better rated originations; focus on short term loans

All figures in INR bn

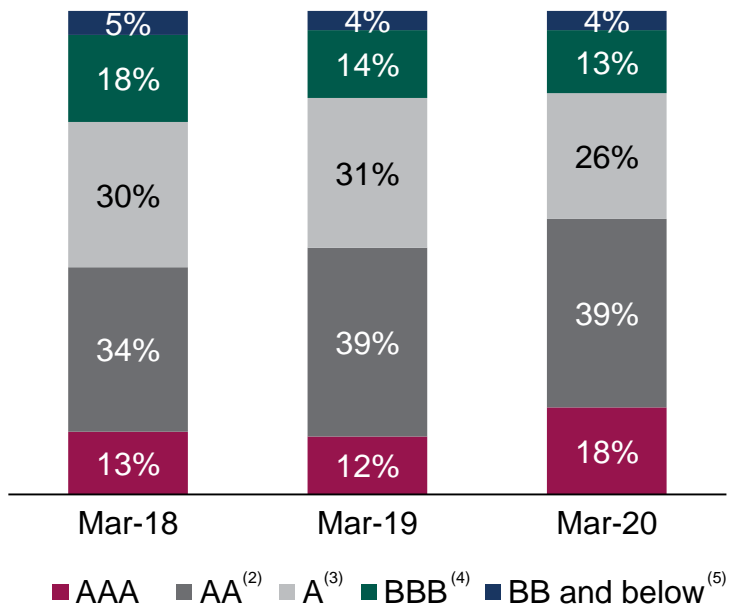
Corporate loans ⁽¹⁾



Corporate loan book mix (by type)



Corporate loan book mix (by rating)



Approximately 95% of the new corporate loans sanctioned in FY20 and FY19 were rated A- and above

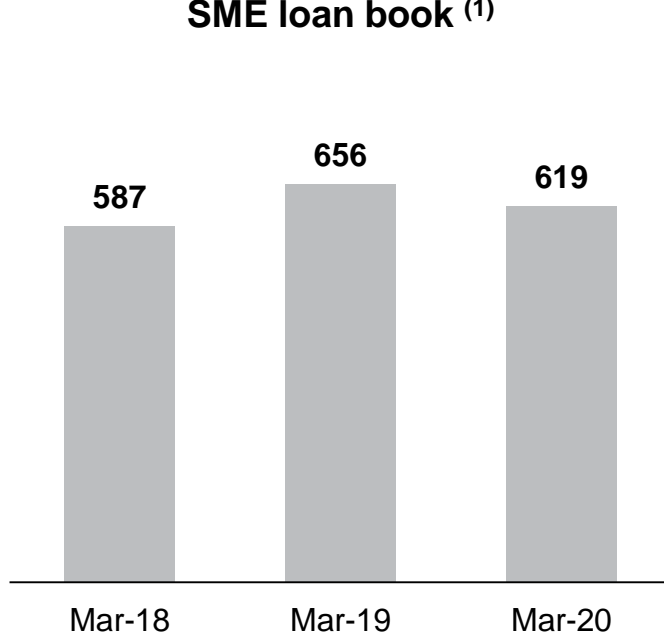
Note: Figures rounded off to nearest integral values
 (1) Figures on net advances basis
 (2) Includes AA+, AA and AA-
 (3) Includes A+, A and A-
 (4) Includes BBB+, BBB and BBB-
 (5) Includes BB+, BB and BB- and below

2B Commercial segment

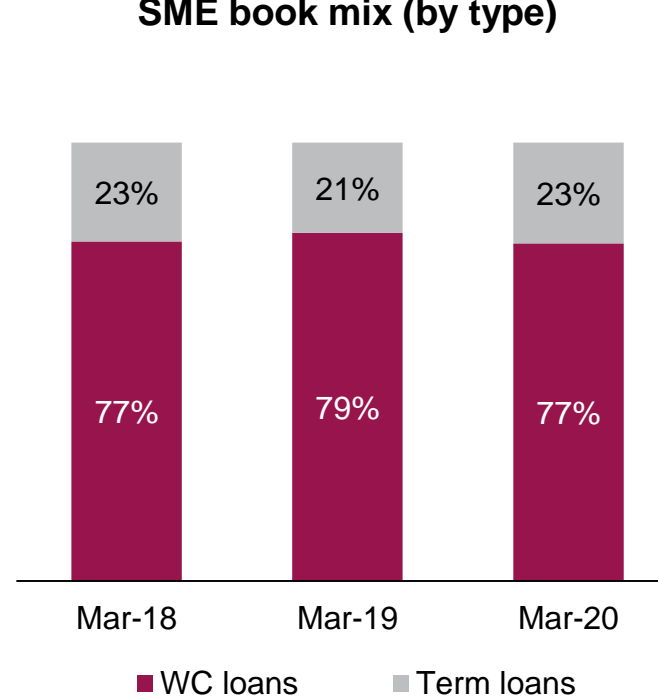
Majority of SME book is secured and predominantly working capital financing

All figures in INR bn

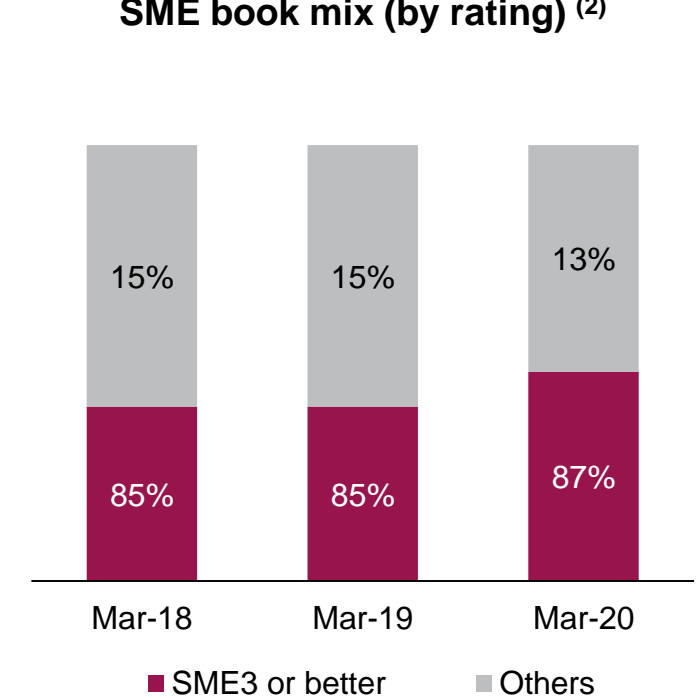
SME loan book ⁽¹⁾



SME book mix (by type)



SME book mix (by rating) ⁽²⁾



Note: Figures rounded off to nearest integral values

(1) Figures on net advances basis

(2) SME rating scale goes from SME1 to SME8 with SME1 denoting highest credit quality. SME3 represents "Good" credit quality (CRISIL) – Better than above average credit quality (SME4)

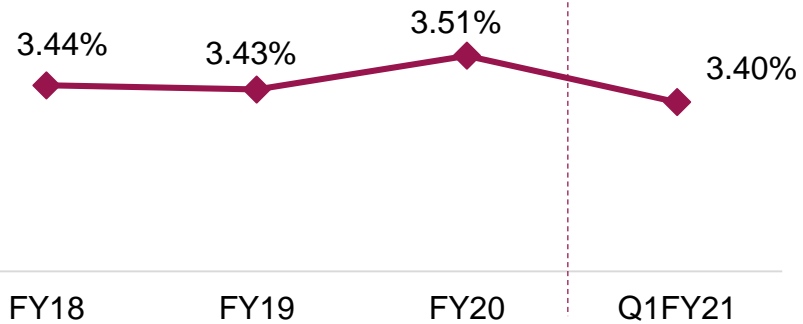
Financial highlights

Financial performance

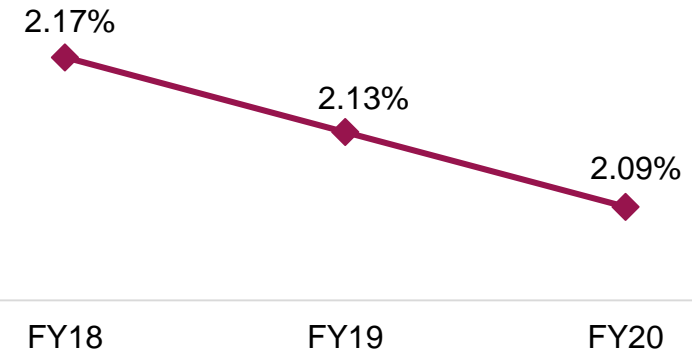
Steady operating performance across parameters

All figures in INR bn

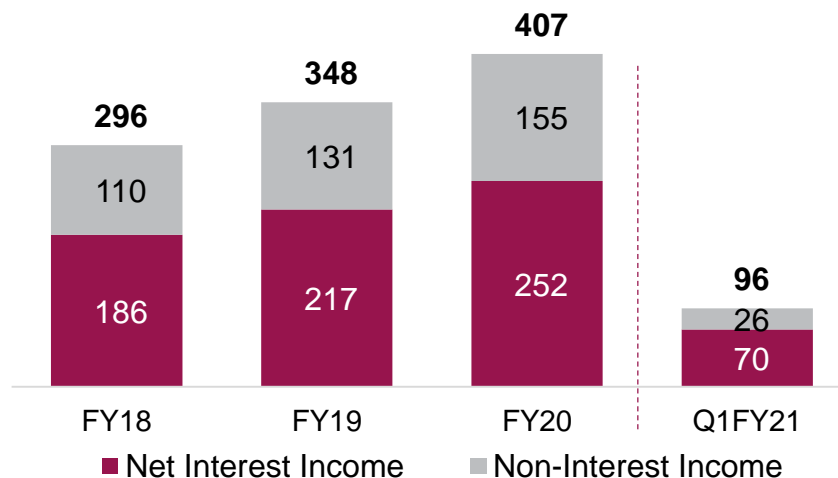
Net Interest Margin (NIM) ⁽¹⁾



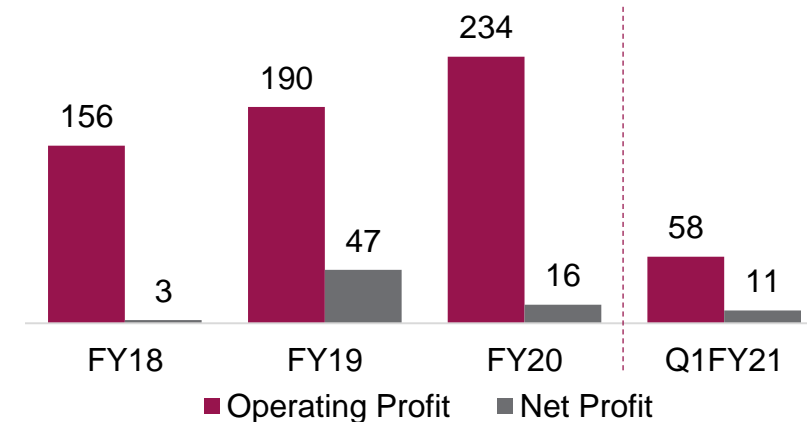
Opex to average assets ⁽²⁾



Operating revenue



Operating profit and Net profit ⁽³⁾



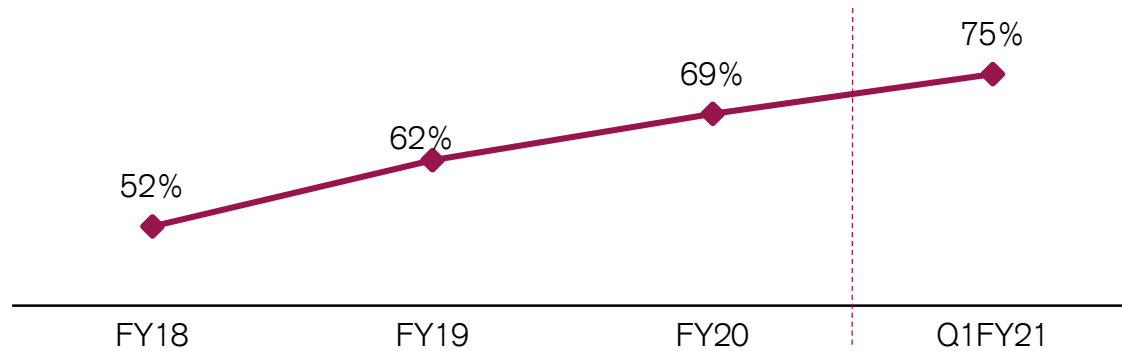
Note: Figures rounded off to nearest integral values for operating revenue and operating profit. NIM for Q1FY21 is annualized
 (1) Represents the ratio of net interest income to daily average interest earning assets
 (2) Calculated on a quarterly average basis
 (3) Operating profit calculated as sum of interest earned and Other Income, reduced by Interest Expended and Operating Expenses

Asset quality

Strengthening the Balance Sheet with prudent provisioning practices

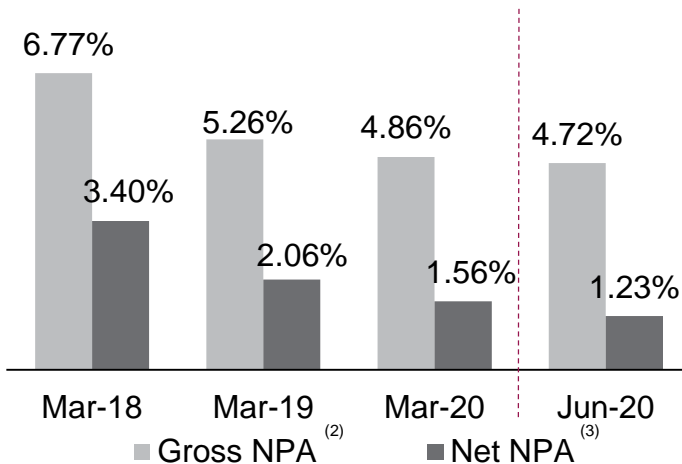
All figures in INR bn

Provision Coverage Ratio ⁽¹⁾

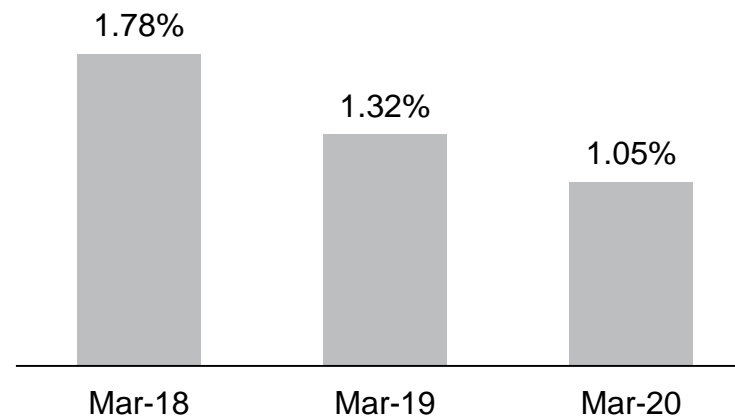


- The Bank has adopted a prudent and conservative approach towards provisioning to mitigate the impact of the Covid-19 pandemic
- In order to address the impact of the COVID-19 situation, the Bank made an additional provision of INR30bn in FY20

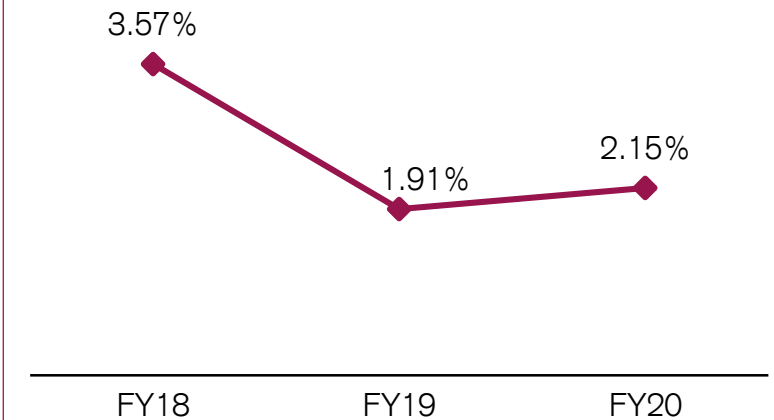
Movement in GNPA and NNPA



BB and below advances as % of gross customer assets



Credit cost



Note: Figures rounded off to nearest integral values for PCR and cumulative value of provisions.

(1) Excludes technical write-offs. Calculated as closing Gross NPAs minus Net NPA divided by closing Gross NPAs

(2) As % of gross customer assets. Gross customer assets include advances, credit substitutes before provisions

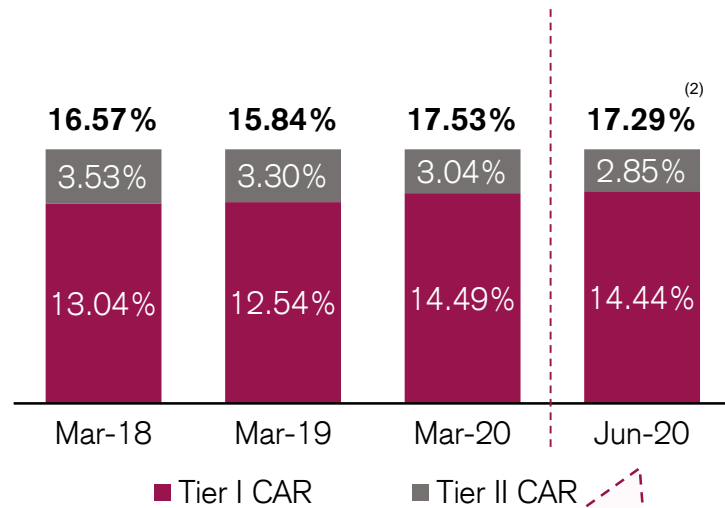
(3) As % of net customer assets. Net customer assets include advances, credit substitutes after deductions of provisions

Capital & Liquidity

Strong capital position with adequate liquidity

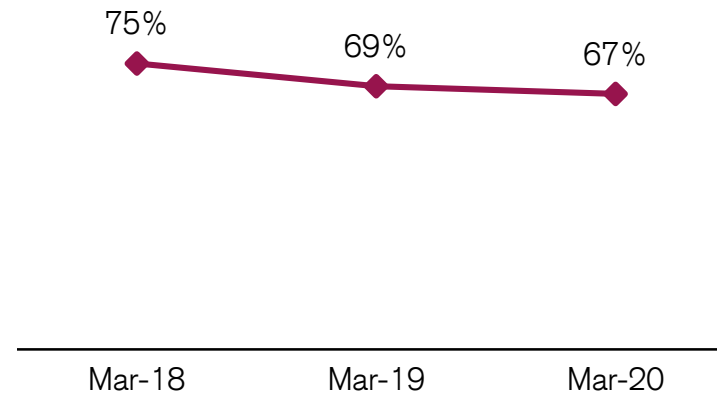
All figures in INR bn

Bank's Capital Adequacy Ratio ⁽¹⁾



Total CAR including Q1FY21 profit stood at 17.47% as of 30 June 2020

RWA to Total Assets ⁽³⁾



Liquidity coverage

For the quarter ended 31 March 2020 and the three months ended 30 June 2020, the Bank's average **liquidity coverage ratio** was 113.4% and 120% respectively

The Bank holds excess SLR of INR 266bn ⁽⁴⁾

Note: Figures rounded off to nearest integral values for RWA to total assets ratio and Liquidity Coverage Ratio

(1) Computed in accordance with RBI guidelines under Basel III

(2) Excludes profit for Q1FY21

(3) Calculated as Total risk weighted assets and contingents divided by total assets at the end of the period

(4) As of 30 June, 2020

Measures taken in relation to Covid-19



Operational measures

- Activated the CERT and Axis' risk assessment and business continuity plans
- Enabled employees to work from home
- Conducted mock drills and set up business continuity plans to ensure that all critical activities can be carried out from remote locations
- Organized online training programs on skill development for the Bank's users
- Activated additional digital channels for payments. Sending payment links to customers with pre-filled data, making it convenient for customers to make payments
- 'Awareness calls' done with customers to inform them of the terms of the moratorium



Supporting the community

- Bank has operationalized RBI's COVID-19 regulatory package, thereby offering payment moratorium to eligible borrowers
- Committed INR 1,000mn for fighting the Covid-19 pandemic



Prudent provisioning

- As on 31 March 2020, the Bank made an additional provision of INR30bn for COVID-19 pandemic
- Made additional provisions of INR7.3bn during Q1FY21 taking total Covid-19 related provisions to INR37.3bn as of 30 June 2020

Appendix

Financial Summary



Standalone Profit & Loss Account

Financial Performance (INR mn)		Q1FY21	Q1FY20	FY20	FY19	FY18
Interest Income ⁽¹⁾	A	165,389	152,549	626,352	549,858	457,803
Other Income	B	25,867	38,688	155,366	131,303	109,671
Total Income	C = A + B	191,256	191,237	781,718	681,161	567,474
Interest Expended	D	95,536	94,113	374,290	332,776	271,626
Net Interest Income	E = A - D	69,853	58,436	252,062	217,082	186,177
Operating Revenue	F = E + B	95,720	97,124	407,427	348,385	295,848
Operating Expenses	G	37,276	38,196	173,046	158,334	139,903
Operating Profit	H = F - G	58,444	58,928	234,381	190,051	155,945
Provisions and Contingencies	I	47,322	45,227	218,109	143,285	153,188
Net Profit	J = H - I	11,122	13,701	16,272	46,766	2,757
EPS Diluted (in INR) ⁽²⁾		3.94	5.26	5.97	18.09	1.12
Return on Average Assets (annualized)		0.48%	0.69%	0.20%	0.63%	0.04%
Return on Equity (annualized)		5.74%	9.19%	2.34%	8.09%	0.53%
Capital Adequacy Ratio (Basel III) ⁽³⁾		17.29%	15.82%	17.53%	15.84%	16.57%

Note: Figures rounded off to nearest integral values. Financial information prepared in accordance with Indian GAAP

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

(2) Diluted EPS for Q1FY21 and Q1FY20 are not annualized

(3) Capital adequacy ratios are computed in accordance with RBI guidelines

Financial Summary



Standalone Balance Sheet

Balance Sheet (INR mn)	As on 30 th Jun'20	As on 30 th Jun'19	As on 31 st Mar'20	As on 31 st Mar'19	As on 31 st Mar'18
Capital And Liabilities					
Capital	5,644	5,239	5,643	5,143	5,133
Reserves & Surplus	855,066	707,037	843,835	661,620	629,320
Deposits	6,281,503	5,406,777	6,401,050	5,484,713	4,536,227
Borrowings	1,428,360	1,301,214	1,479,541	1,527,758	1,480,161
Other Liabilities and Provisions	400,809	325,395	421,579	330,731	262,455
Total	8,971,382	7,745,662	9,151,648	8,009,965	6,913,296
Assets					
Cash and Balances with RBI / Banks and call money	600,800	382,769	972,682	672,046	434,549
Investments	1,873,231	1,757,915	1,567,343	1,749,693	1,538,761
Advances	5,613,408	4,972,760	5,714,242	4,947,980	4,396,503
Fixed Assets	43,589	40,532	43,129	40,366	39,717
Other Assets	840,355	591,686	854,252	599,880	503,766
Total	8,971,382	7,745,662	9,151,648	8,009,965	6,913,296

Note: Figures rounded off to nearest integral values. Financial information prepared in accordance with Indian GAAP

Thank You

