



# Investor Presentation

*Quarterly Results Q2FY20*



# Major Highlights of Q2FY20



## Strong Profitability Performance

- PBT for Q2FY20 stood at ₹2,433 crores, up 109% YOY
- Net loss of ₹112 crores, driven by a one-time tax impact of ₹2,138 crores due to changes in corporate tax rate. Ex of this extraordinary item, PAT would have been ₹2,026 crores, up 157% YoY

## Operating Profitability remains strong

- NII up 17% YOY
- NIM increased sequentially to 3.51% from 3.40%
- Operating profit up 45% YOY

## Provision Coverage enhanced

- PCR improved sequentially to 79% from 78%
- The Bank also holds ~ ₹2,600 crores of provisions for various contingencies

## Asset quality metrics largely stable

- NPA ratios continue to improve
- 97% of Gross slippages in corporate came from BB and below rated clients
- Outstanding BB & Below corporate loans declined by 16% QOQ

## Loan book growth remains healthy

- Domestic loan book grew 19% YOY
- Retail book grew 23% YOY and domestic corporate loans grew 18%
- Retail loans now constitute 52% of the overall loan book

## Deposit Franchise had a strong quarter

- Total Deposits up 23% YOY on quarterly average basis
- CASA + Retail Term Deposits up 21% YOY on quarterly average basis

# Key Metrics for Q2FY20

Snapshot (As on Sept. 30<sup>th</sup>, 2019)

Profit & Loss

	Absolute (in ₹ crs)		YOY Growth	
	Q2FY20	H1FY20	Q2FY20	H1FY20
Net Interest Income	6,102	11,945	17%	15%
Fee Income	2,649	5,312	11%	18%
Operating Expenses	4,046	7,866	6%	4%
Operating Profit	5,952	11,844	45%	40%
Profit Before Tax	2,433	4,511	109%	105%
Net Profit / (Loss)	(112)	1,258	-	(16%)

Balance Sheet

	Q2FY20	YOY Growth
Total Assets	8,09,294	11%
Net Advances	5,21,594	14%
Total Deposits	5,83,958	22%
Shareholders' Funds	83,875	29%

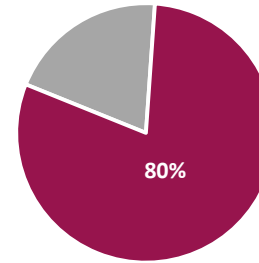
Key Ratios

	Q2FY20	Q2FY19
Diluted EPS* (in ₹) (Q2/H1)	(1.69) / 9.59	12.17 / 11.55
Book Value per share (in ₹)	298	253
ROA* (in %) (Q2/H1)	(0.06) / 0.31	0.43 / 0.41
ROE* (in %) (Q2/H1)	(0.68) / 3.98	5.43 / 5.18
Gross NPA Ratio	5.03%	5.96%
Net NPA Ratio	1.99%	2.54%
Basel III Tier I CAR <sup>1</sup>	15.25%	13.04%
Basel III Total CAR <sup>1</sup>	18.45%	16.45%

\* Annualised

<sup>1</sup> including profit for H1

Deposits ↑ 22% YOY

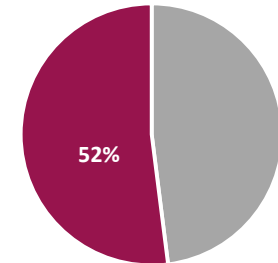


■ CASA + RTD

↑ 21% YOY (QAB\*)  
19% YOY (End Balance)

\*QAB – Quarterly Average Balance

Domestic Advances ↑ 19% YOY



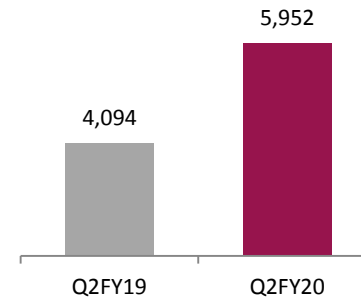
■ Retail Advances<sup>^</sup>

↑ 23% YOY

<sup>^</sup> As proportion of Total Advances

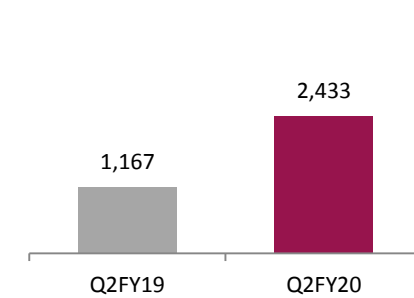
Operating Profit (in ₹ Crores)

↑ 45% YOY



Profit Before Tax (in ₹ Crores)

↑ 109% YOY



**Financial Highlights****5**

Business Segment performance

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Other important information

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## Financial Highlights : *Balance Sheet*

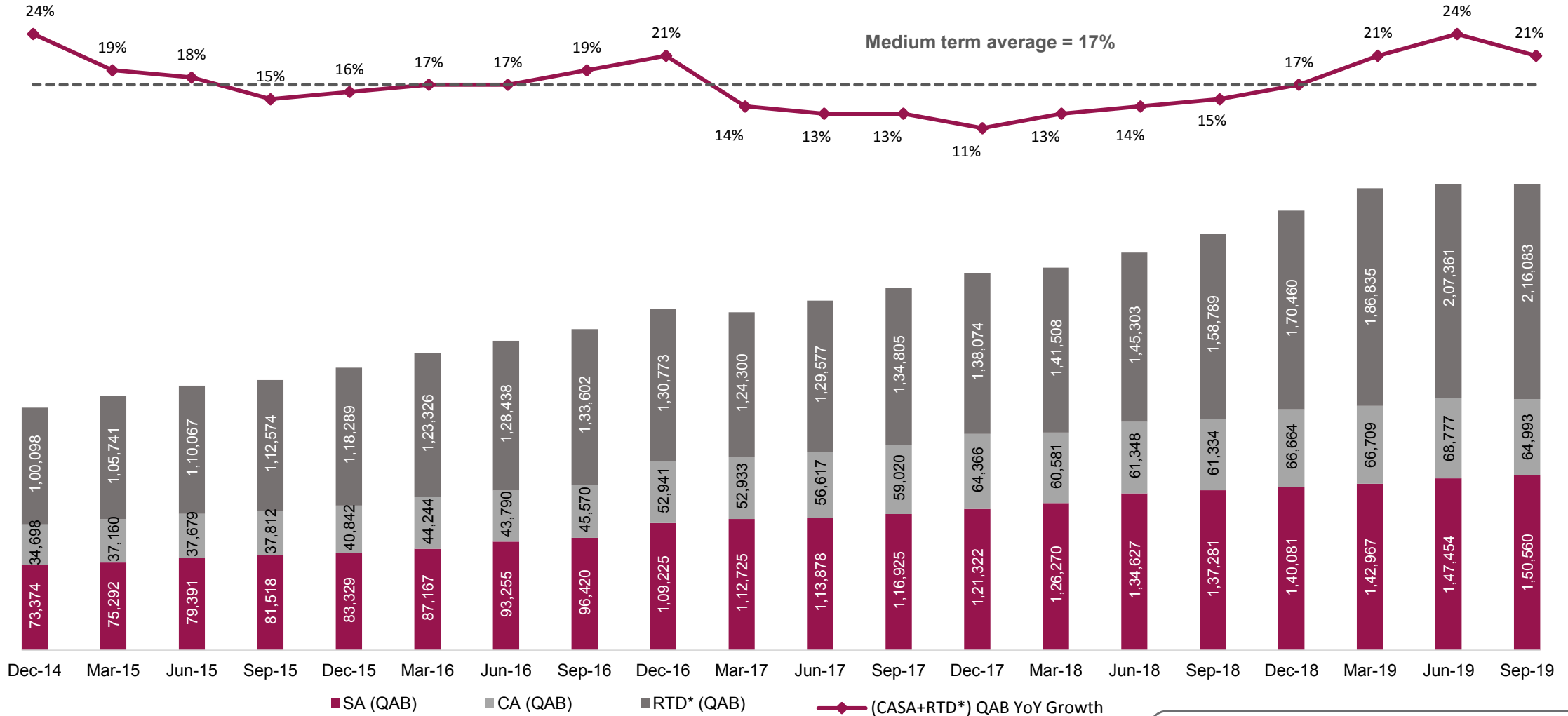
### Summary

- Deposits grew 23% YoY; CASA and Retail Term Deposits together up 21% (QAB basis)
- Share of CASA and Retail term deposits stood at 80% as on quarter end
- Domestic loan growth stood at 19%

# Granular deposits had strong growth during the quarter



All figures in ₹ Crores



\* Retail Term Deposits

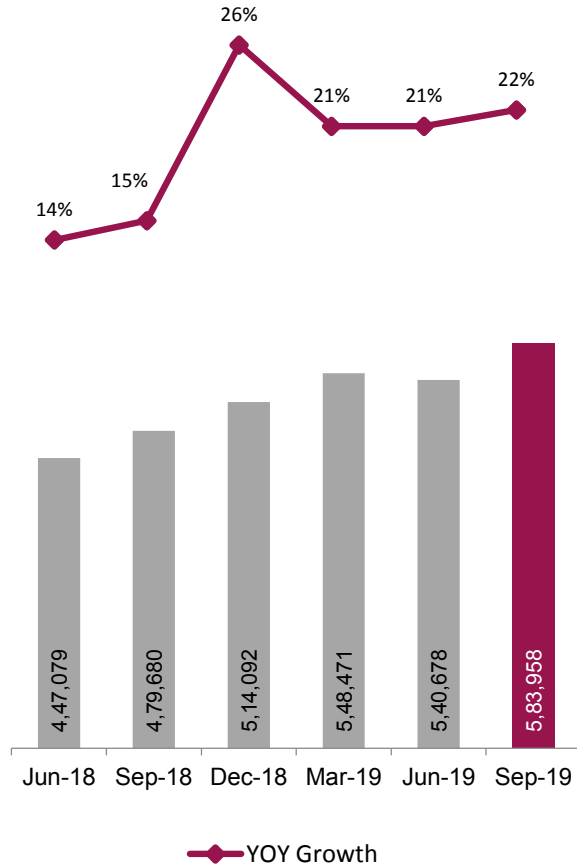


# Domestic loan growth remains strong on the back of healthy deposit growth



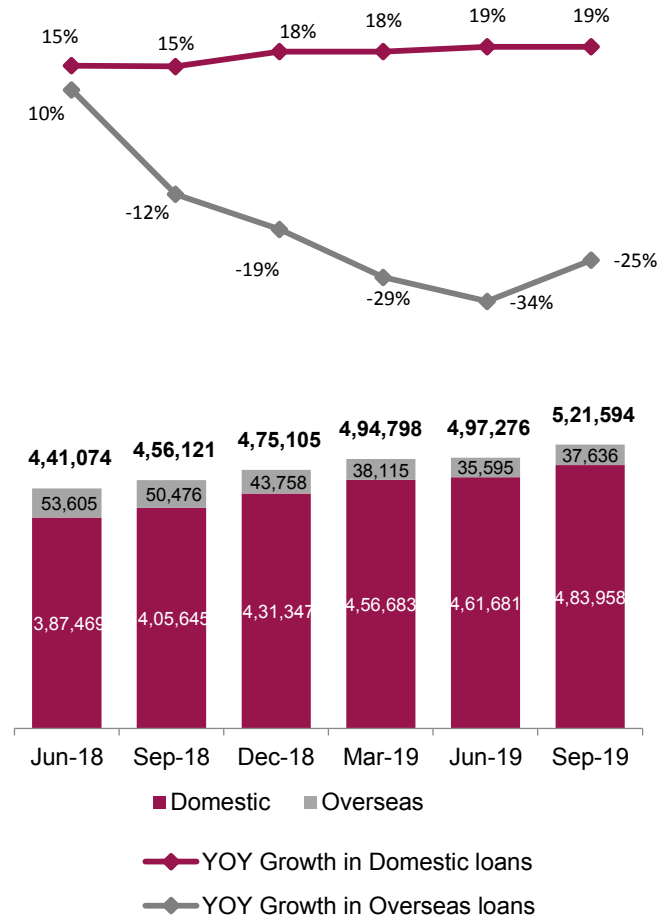
All figures in ₹ Crores

## Deposits\*

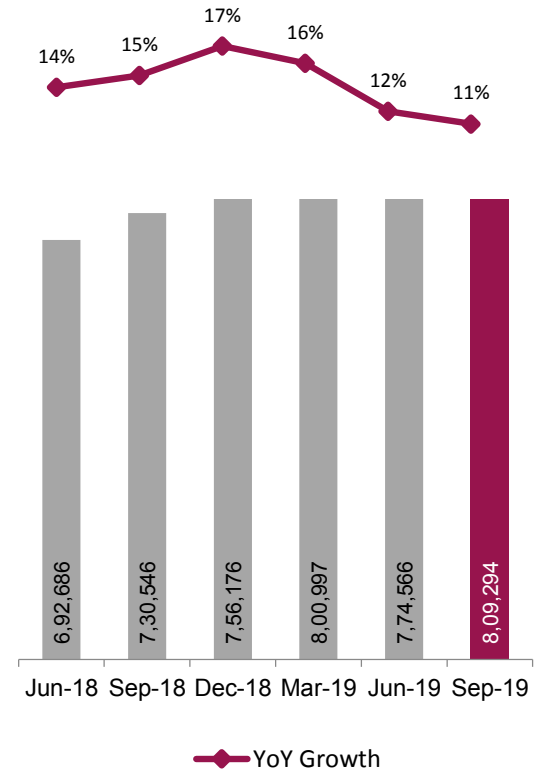


\* Period End Deposits

## Advances



## Assets



Assets growth has remained moderate as corporate bond book has steadily reduced in size over last few quarters – See slide 68

# Loan growth was driven by Retail and Domestic Corporate



All figures in ₹ Crores

## Retail Advances

▲ 23% YOY

2,21,710

2,73,223

Sep-18

Sep-19

## SME Advances

▲ 2% YOY

60,262

61,371

Sep-18

Sep-19

## Corporate Advances

▲ 7% YOY

1,74,149

1,87,000

35,647

24,194

1,38,502

1,62,806

Sep-18

Sep-19

■ Overseas

■ Domestic

▼ 32% YOY

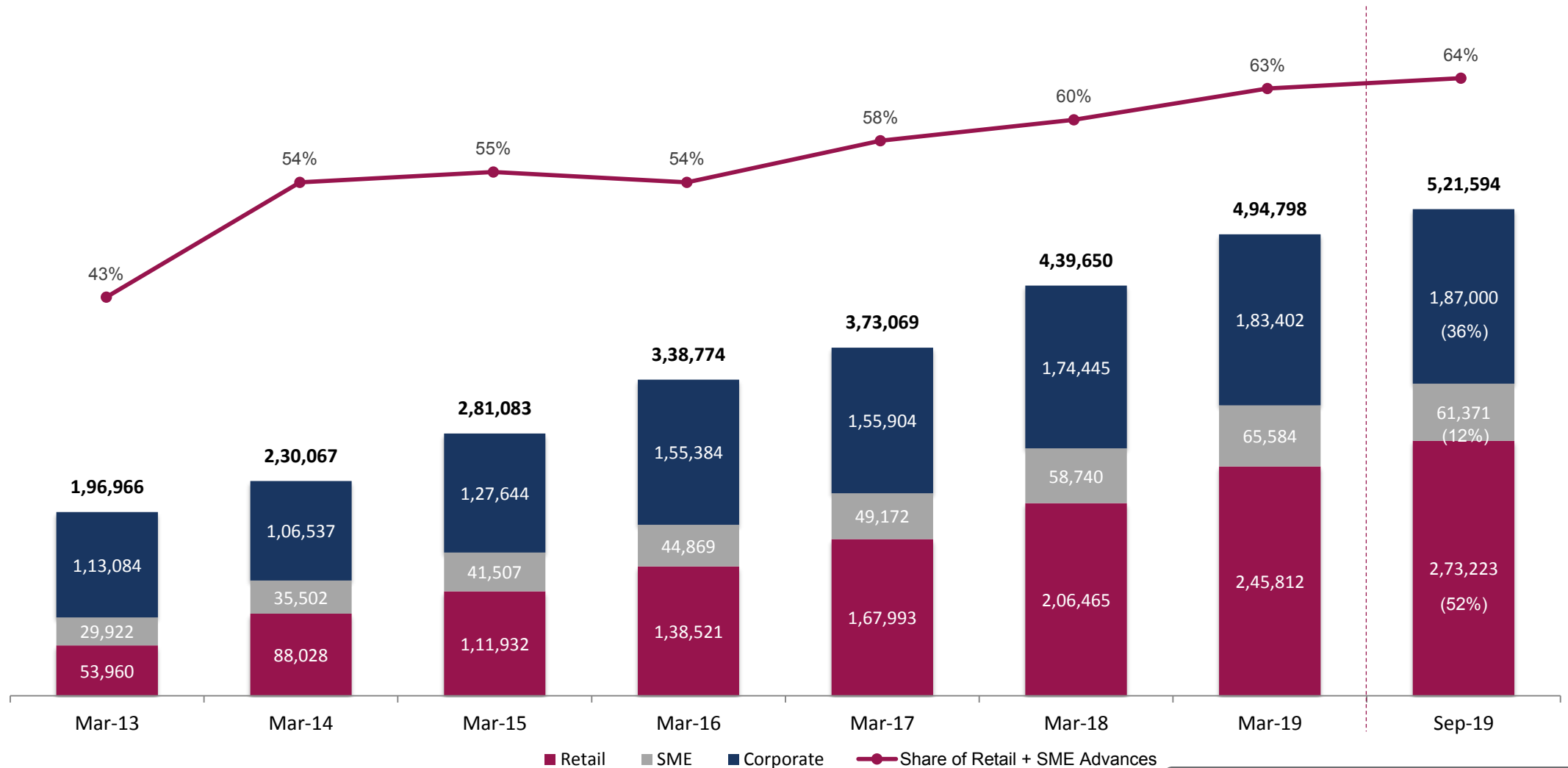
▲ 18% YOY



# Retail and SME now form 64% of the Bank's Loans



All figures in ₹ Crores



## Financial Highlights : *Profit & Loss Statement*

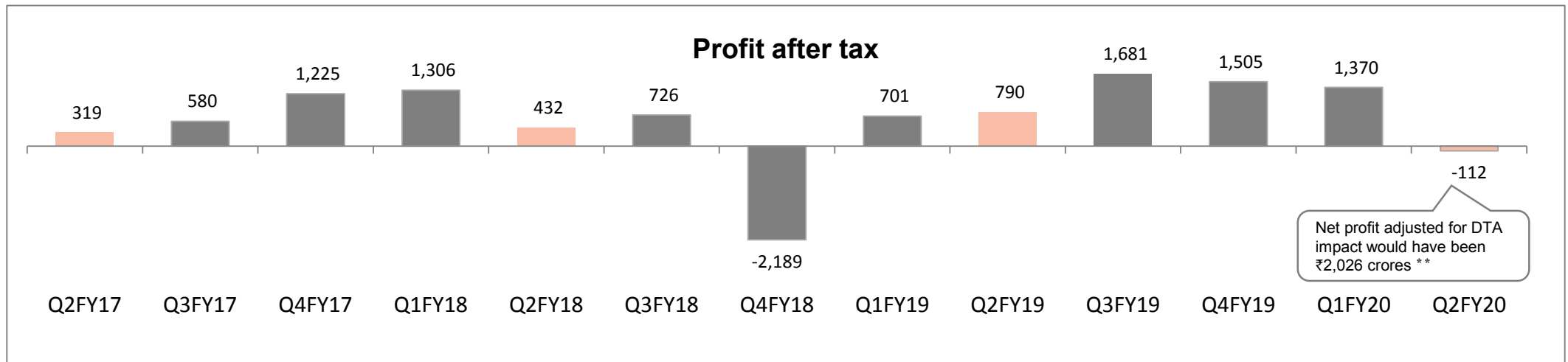
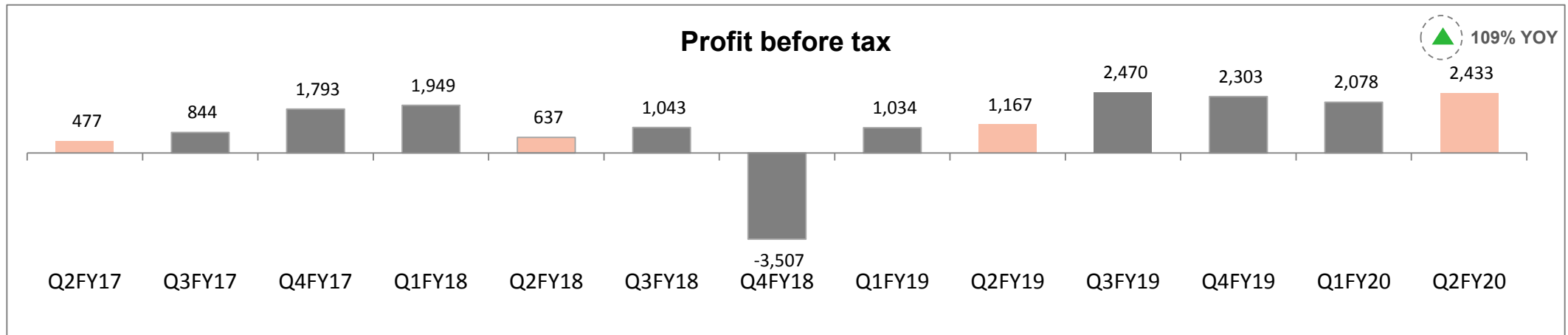
### Summary

- PBT stood at ₹2,433 crores, up 109% YOY
- Operating profit grew strongly by 45% YOY
- Fee income grew by 11%, led by Retail Fees, which grew 16%
- Opex to Assets ratio improved to 2.06%

# PBT performance has been strong, PAT has been impacted by DTA write-off during the quarter



All figures in ₹ Crores



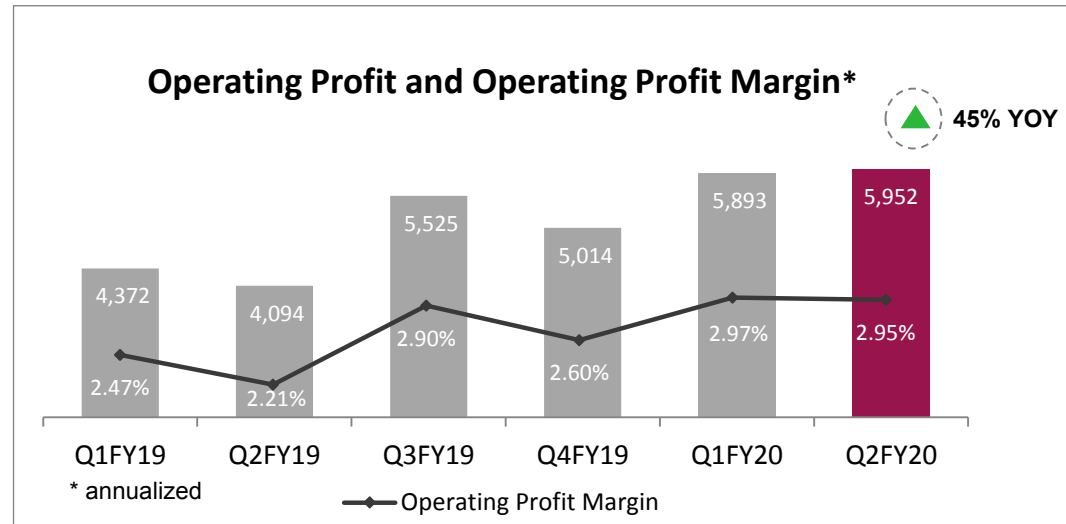
\*\* Pursuant to the change in corporate tax rate introduced during the quarter, the Bank has re-measured the balance of net DTA, resulting in a write-off of the net DTA by ₹2,138 crores which has been fully charged to the profit and Loss account.

# Operating Profit growth in Q2 was strong

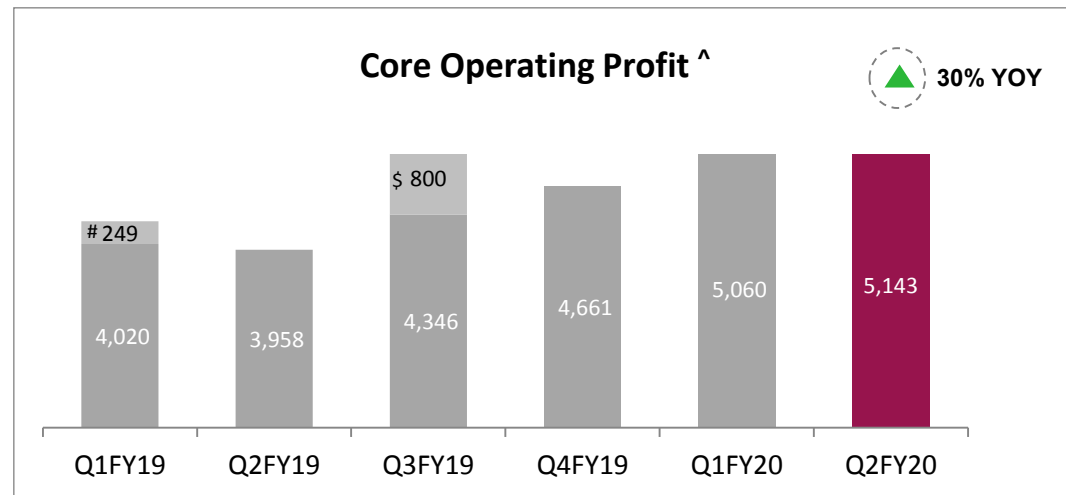


All figures in ₹ Crores

**Operating profit grew 45% YOY**



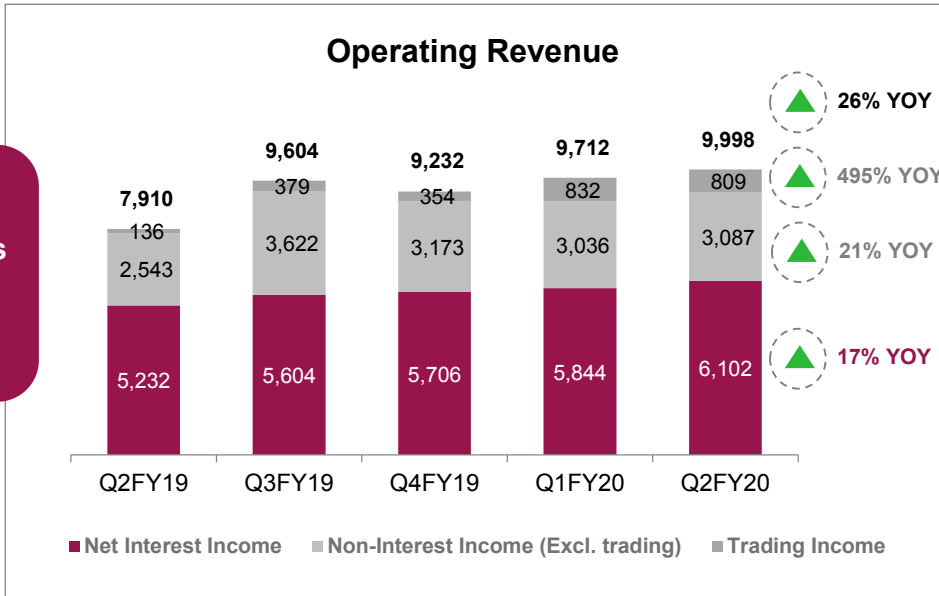
**Core operating profit grew 30% YOY**



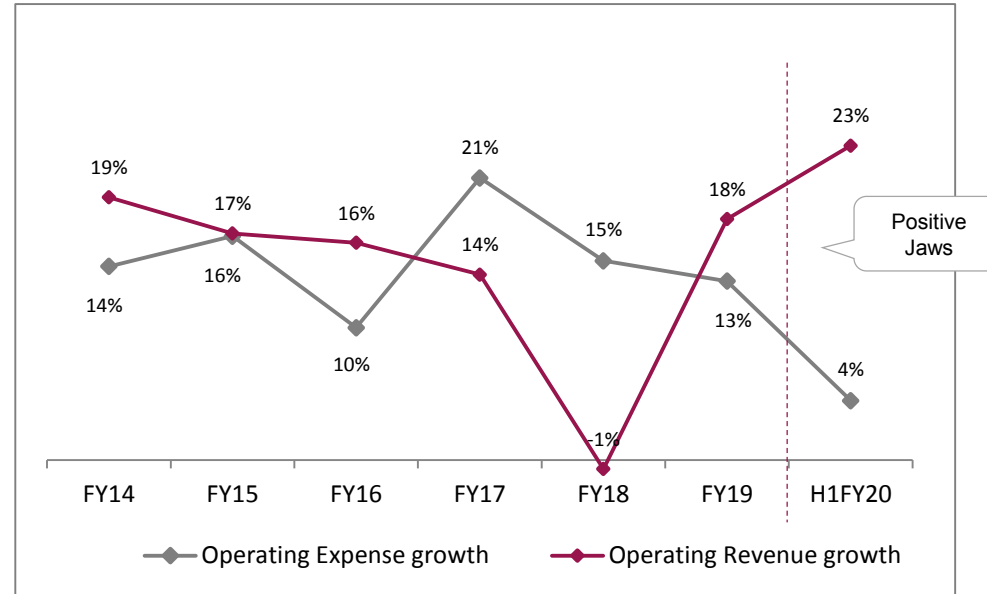
^ computed as operating profit less trading profit  
 # Impact of one large recovery from IBC list 1  
 \$ impact of one large recovery in written off account

# Operating jaws improved further during the quarter

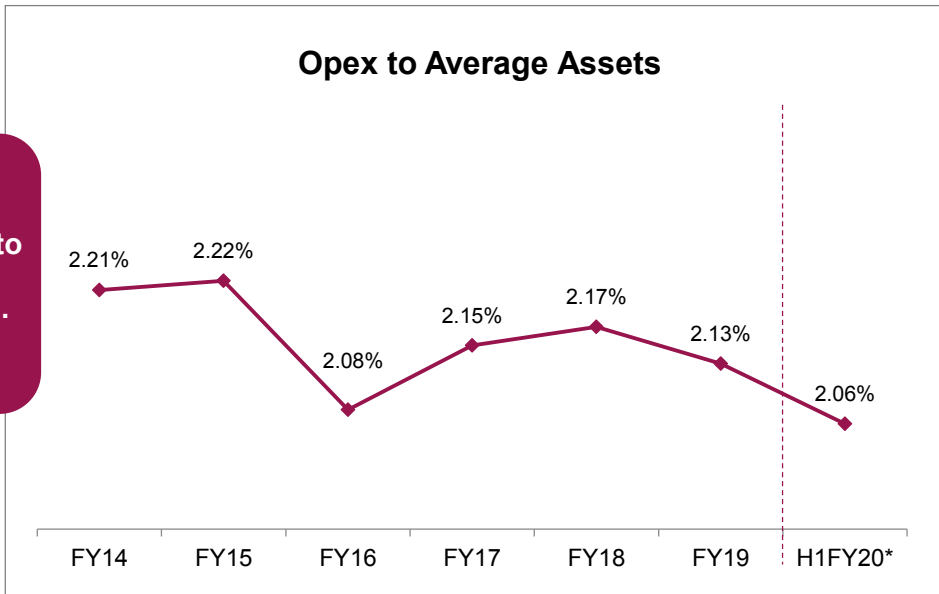
Operating Revenue has grown robustly ...



... Resulting in widening of positive jaws



... And Opex to assets has moderated ...

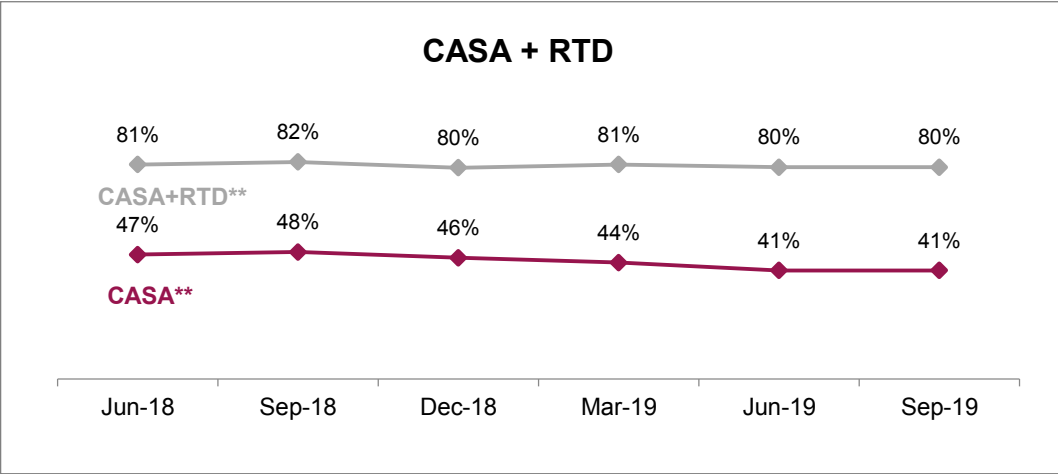


\* on annualised basis

# The Bank retains a stable, low cost deposit franchise

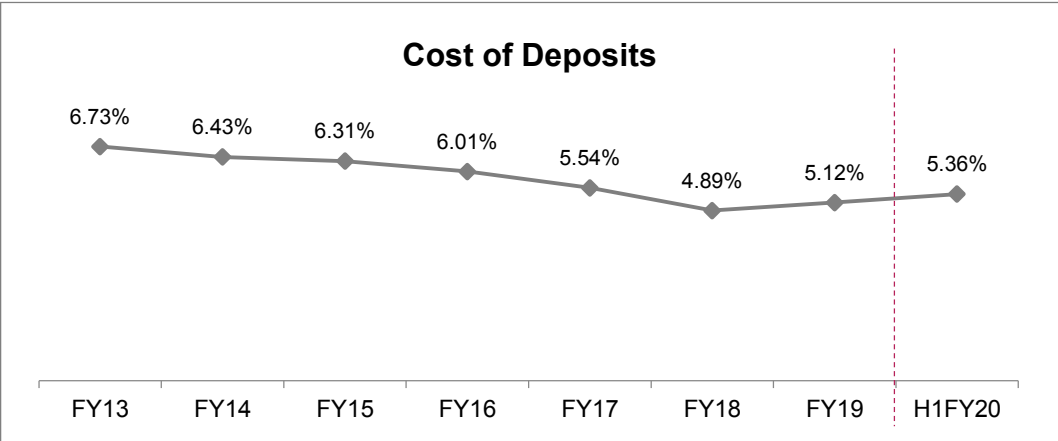


Bulk of the Bank's deposits continue to come from granular, retail sources



\*\* as % of total deposits on period end balance

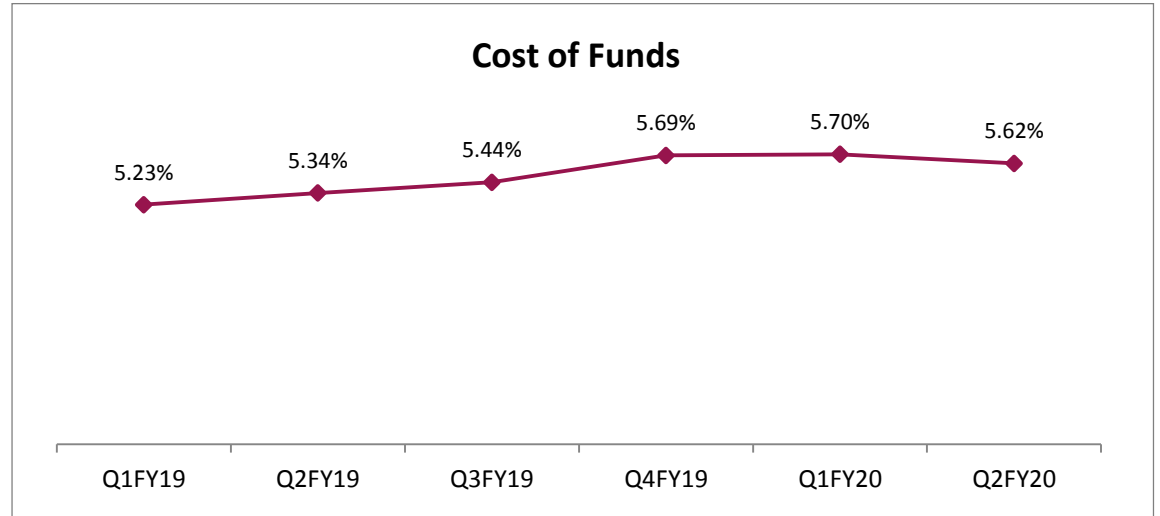
Cost of Deposits has increased during the quarter / H1FY20



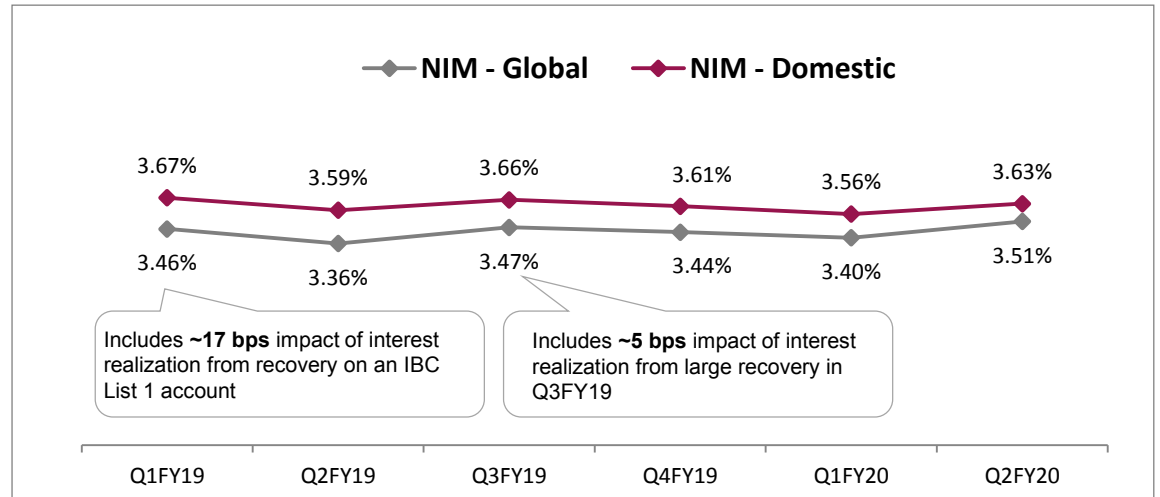
# NIM was up 11 bps on QOQ basis...



Cost of funds declined by 8 bps q-o-q...



...NIM up 11 bps q-o-q

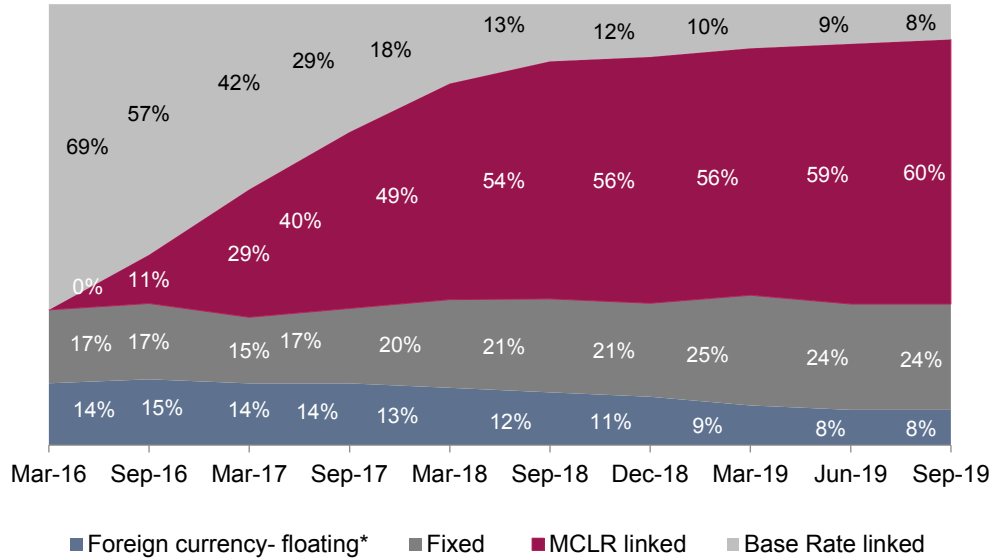




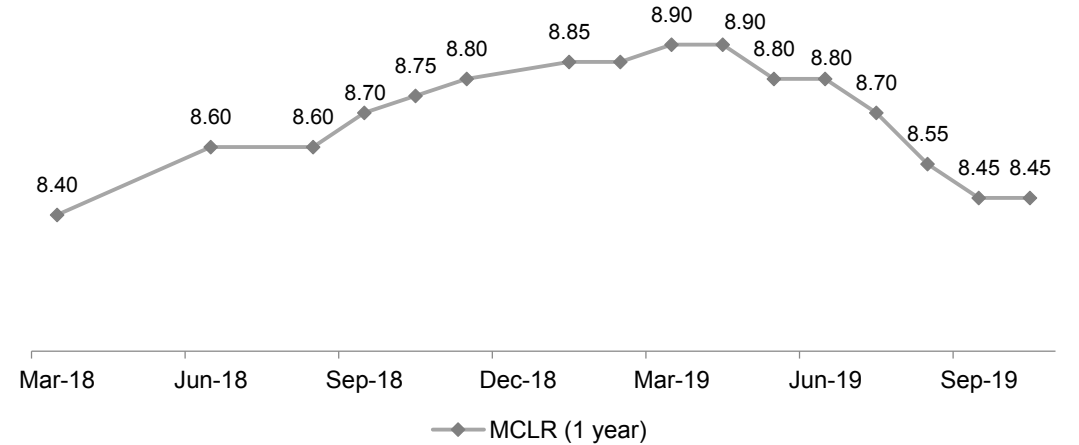
# MCLR mix in advances has stabilized



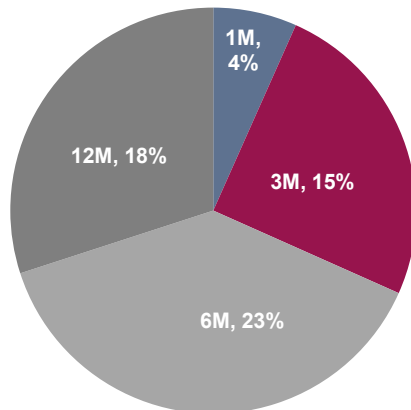
Advances mix by Rate type



1 year MCLR (%)



MCLR Duration Split (Sep-19)



\* Libor linked

- The Bank has introduced new floating rate loans linked to RBI policy repo rate for retail customers and micro & small enterprises with effect from October 1<sup>st</sup> 2019.
- The Bank will review the benchmark rate and the applicable spread once a month.

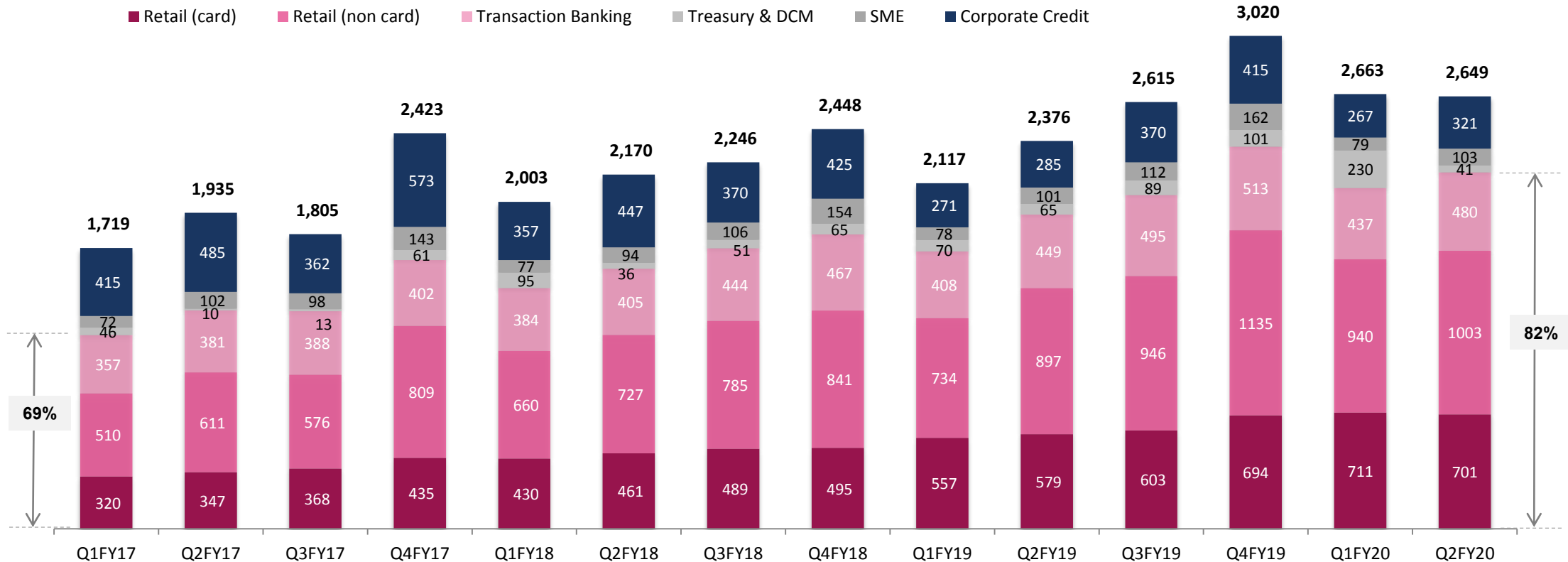
# Retail and Transaction Banking now form 82% of the Bank's Fees



All figures in ₹ Crores

## Fee Composition\*

▲ 11% YOY



69%

82%

In Q2FY20, Retail Card Fees constituted 26% of total Fee

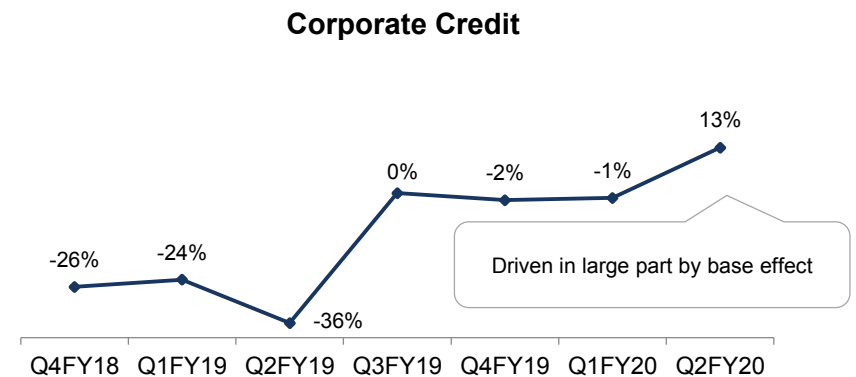
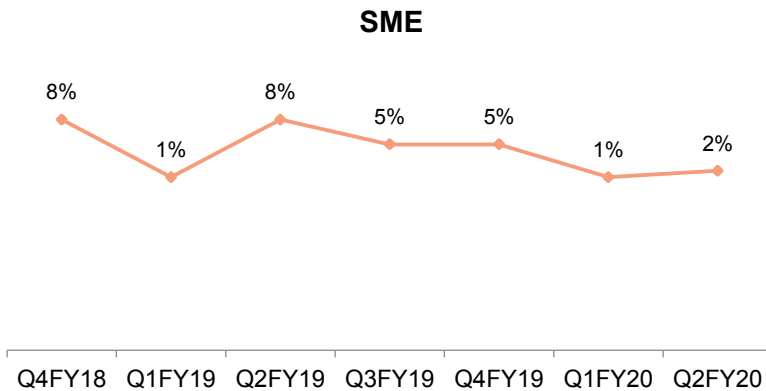
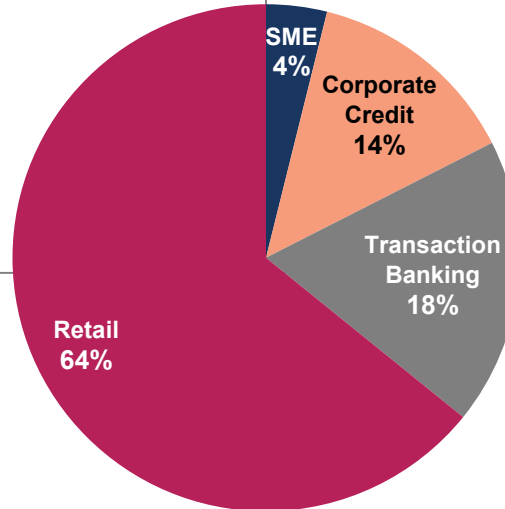
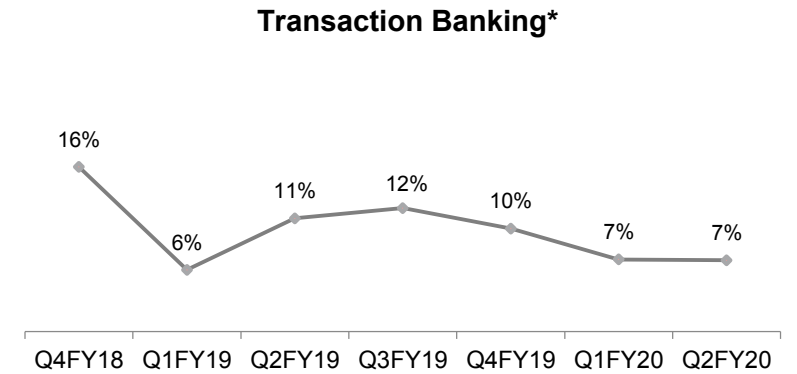
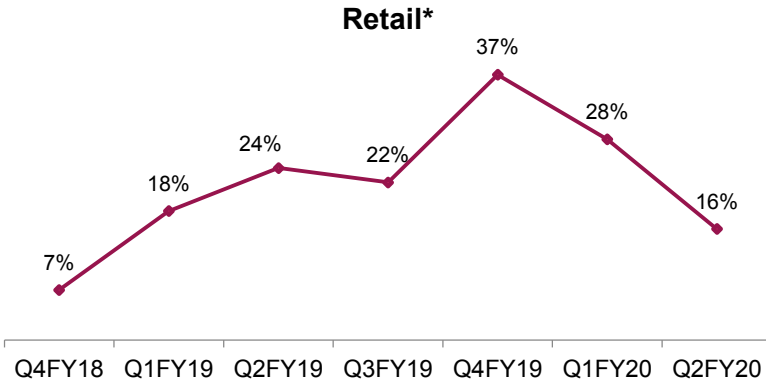
\*There has been reclassification of certain segments from Transaction Banking to Retail starting and between Transaction Banking & Treasury starting Q1FY20. Accordingly the figures for all the prior periods are adjusted to reflect reclassified data

# Retail is the largest contributor to Bank's fee income



All figures represent YOY growth

## Fee Growth (YOY) and Composition



\*There has been reclassification of certain segments from Transaction Banking to Retail starting and between Transaction Banking & Treasury starting Q1FY20. 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

# Business Performance

## Retail

- Retail Lending has grown at 25% CAGR over the last 6 years
- Loan mix has shifted decisively and is now highly diversified
- Retail is the largest contributor of Fees for the Bank
- The Bank continues to expand branches aggressively
- Axis Bank ranks amongst the most valuable brands in India

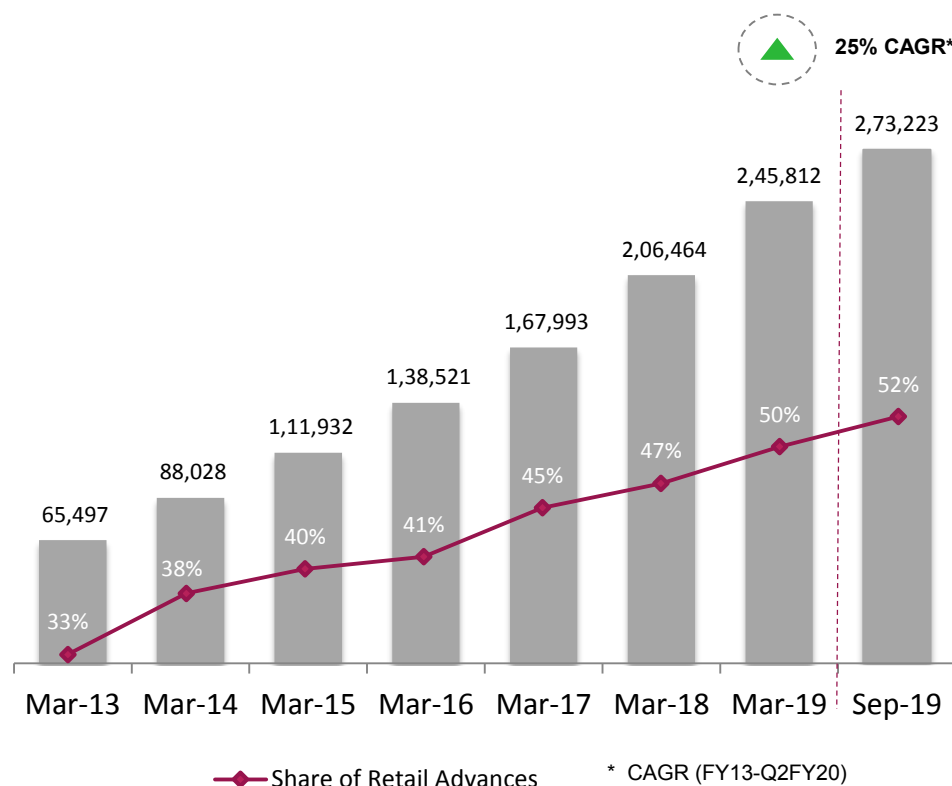


# Retail Loans have grown and diversified significantly

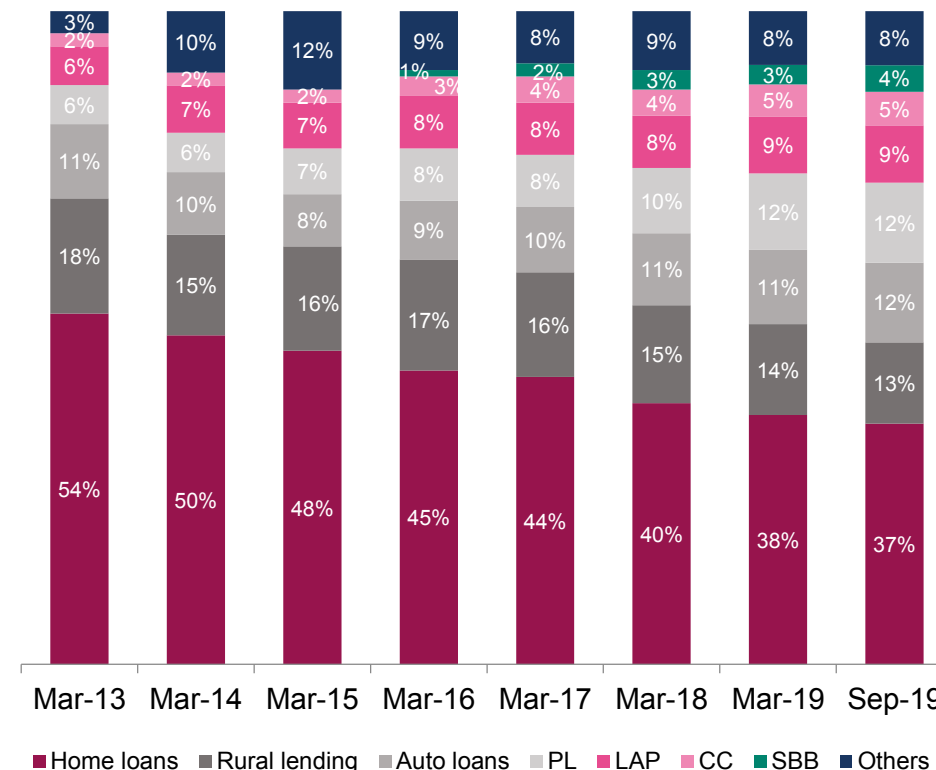


All figures in ₹ Crores

## Retail Advances have shown strong growth...



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



### 3 core components of the Bank's strategy in Retail Lending

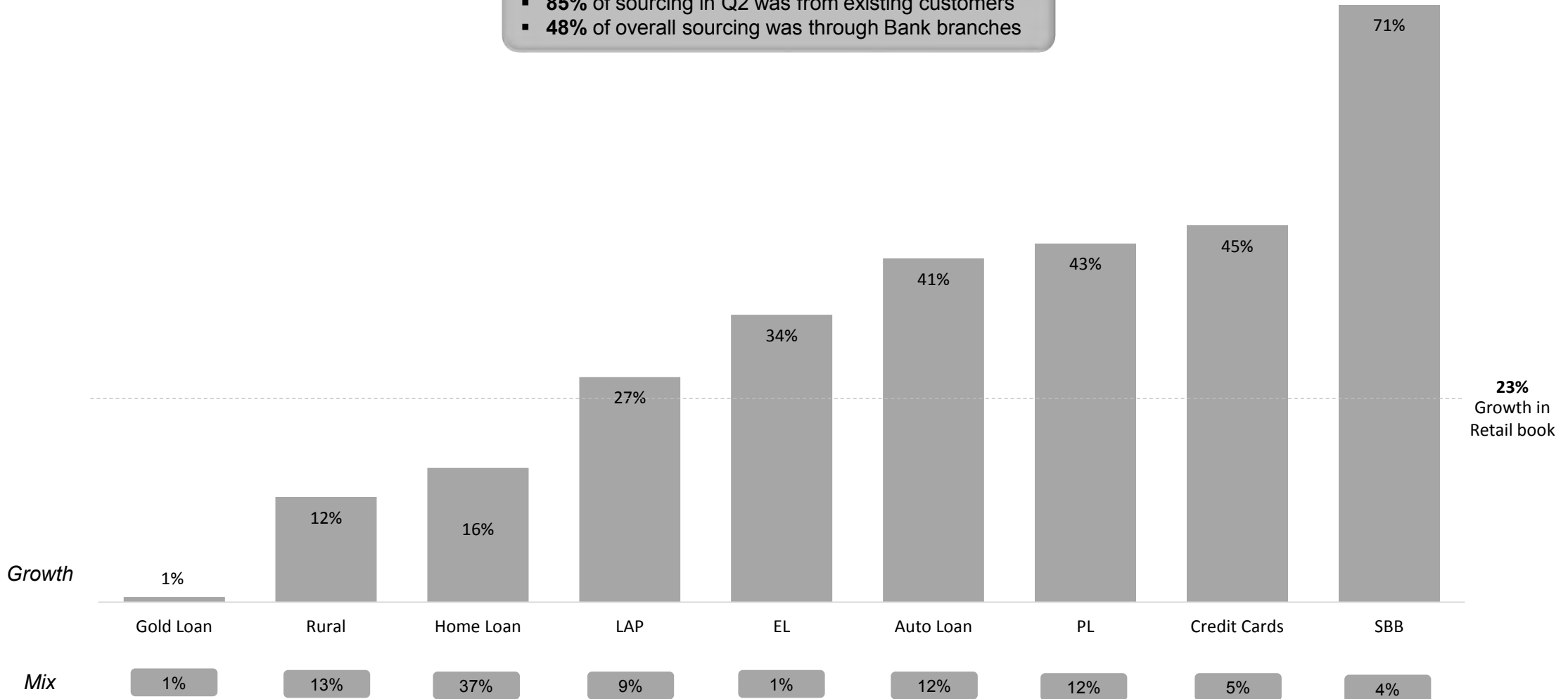
- ▲ Cross sell to existing deposit customers
- ▲ Distribution through branches and digital platforms
- ▲ Strong analytics engine driving underwriting

# Retail product segments continue to grow strongly



**Sourcing Strategy**

- 85% of sourcing in Q2 was from existing customers
- 48% of overall sourcing was through Bank branches



EL – Education Loan



# The Bank is a leading player in India's Wealth Management space



Relationship Management and Wealth Specialist team of over 649



AUM\* of over ₹ 1,40,711 Crores (\$20 Bn)

Wealth Management | Axis Bank

## Burgundy Performance (Apr'14 - Sept'19)

AUM <sup>^</sup>		28%	Fee Revenue <sup>~</sup>		43%
Customer Base		27%	Touch Points (RMs & ICs)		16%

\* As of 30<sup>th</sup> Sept. 2019

<sup>^</sup> CAGR growth for 3.5 years, since Apr'16

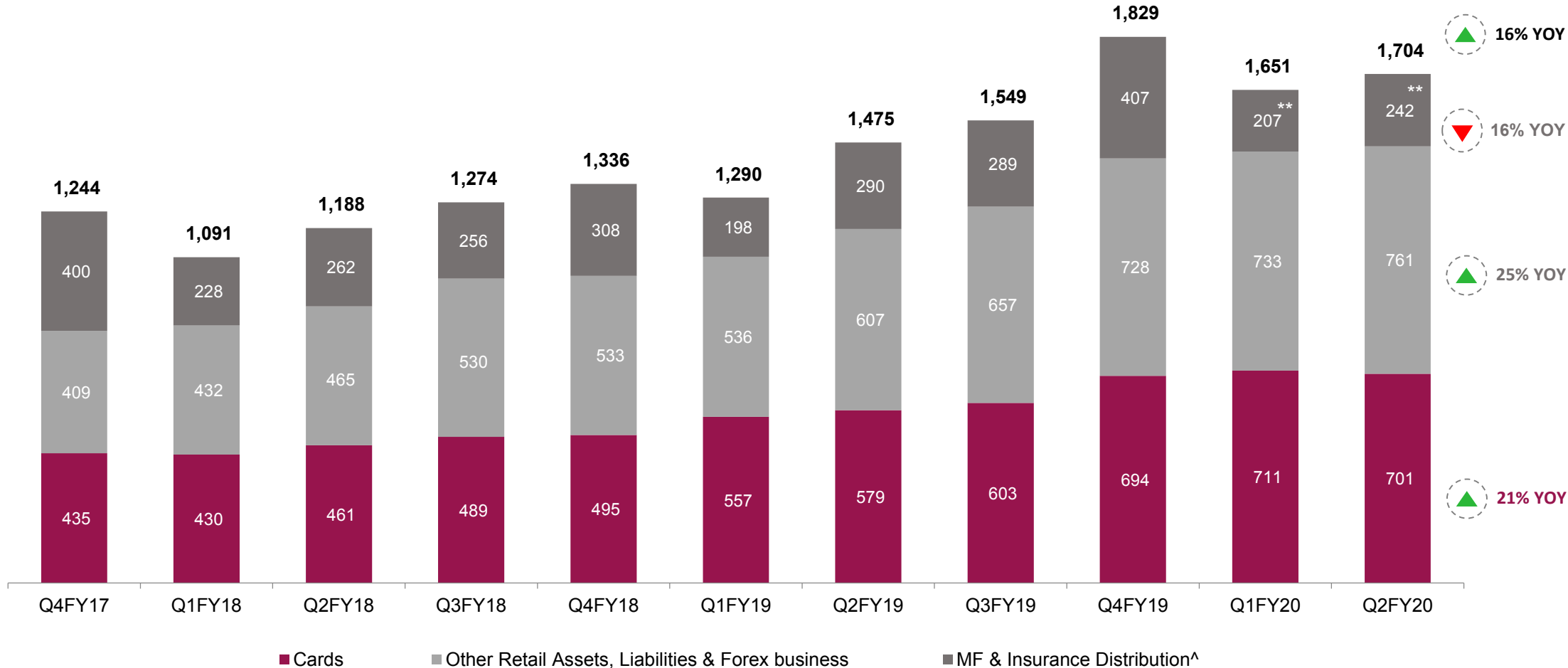
<sup>~</sup> CAGR for FY14-FY19

Reference Exchange rate \$ = ₹70.875

# Retail Fees have shown robust growth



All figures in ₹ Crores



**\*\*** There has been a decline in fee income earned from distribution of mutual funds on account of revision in cap on Total Expense Ratio of schemes as per SEBI guidelines w.e.f. 1.4.2019

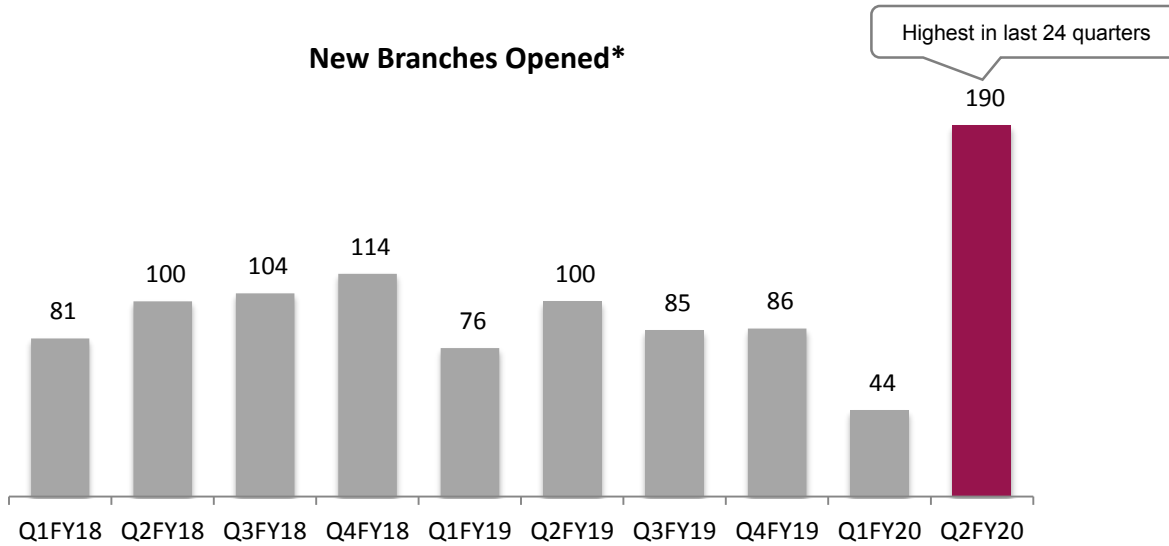
<sup>^</sup> Includes distribution fees of others like bonds, gold coins, etc.

\*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

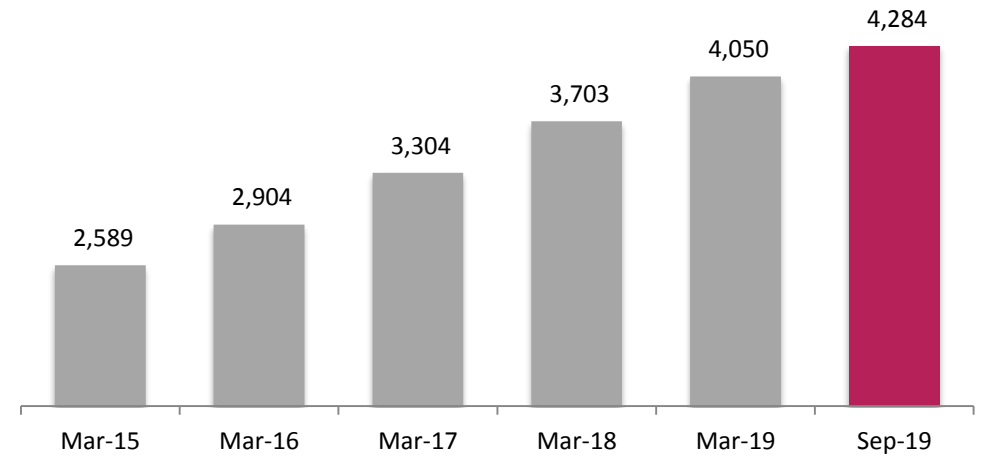
# We continue to invest in Network expansion



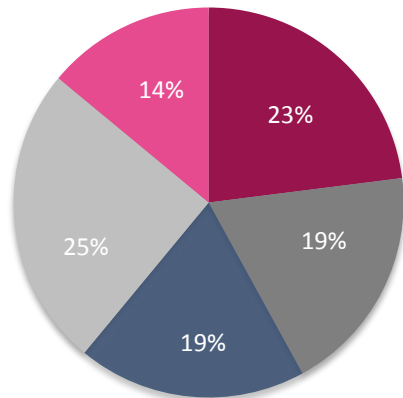
**New Branches Opened\***



**Domestic Branch Network\***



## Very well distributed branch presence across regions and categories

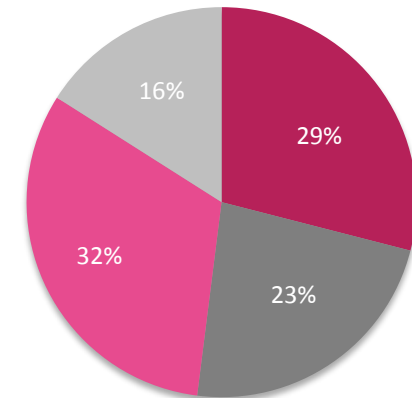


■ North ■ East ■ West ■ South ■ Central

Geographical distribution based on RBI classification

\* Includes extension counters

- Our network has been completely organic, built over last 25 years
- Total no. of domestic branches\* as on 30<sup>th</sup> Sept 2019 stood at **4,284**



■ Metro ■ Urban ■ Semi-Urban ■ Rural

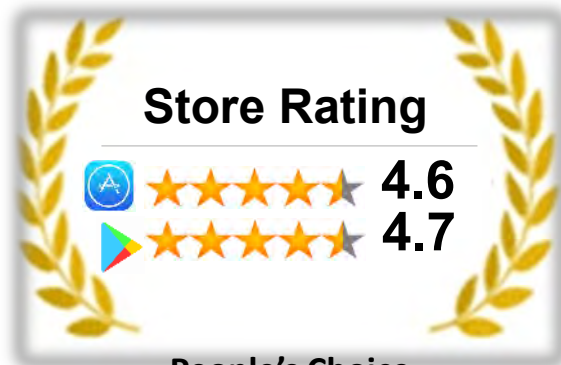
We have created a differentiated identity and are amongst the most valuable Brands in India



Featured amongst Top 20 most valuable brands in India



Axis Bank Mobile App



People's Choice



Among 42 leading banks worldwide

# Business Performance

## Digital

- The Bank has a leadership position across most digital products
- A Top 3 Bank in India in Mobile Banking spends
- Digital channels continue to witness brisk 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 position 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 <sup>5</sup>
Market share	7%	13%	10%	12%	12%	25%
Ranking	4 <sup>th</sup>	4 <sup>th</sup>	3 <sup>rd</sup>	4 <sup>th</sup>		3 <sup>rd</sup>

Source: RBI, Internal Data

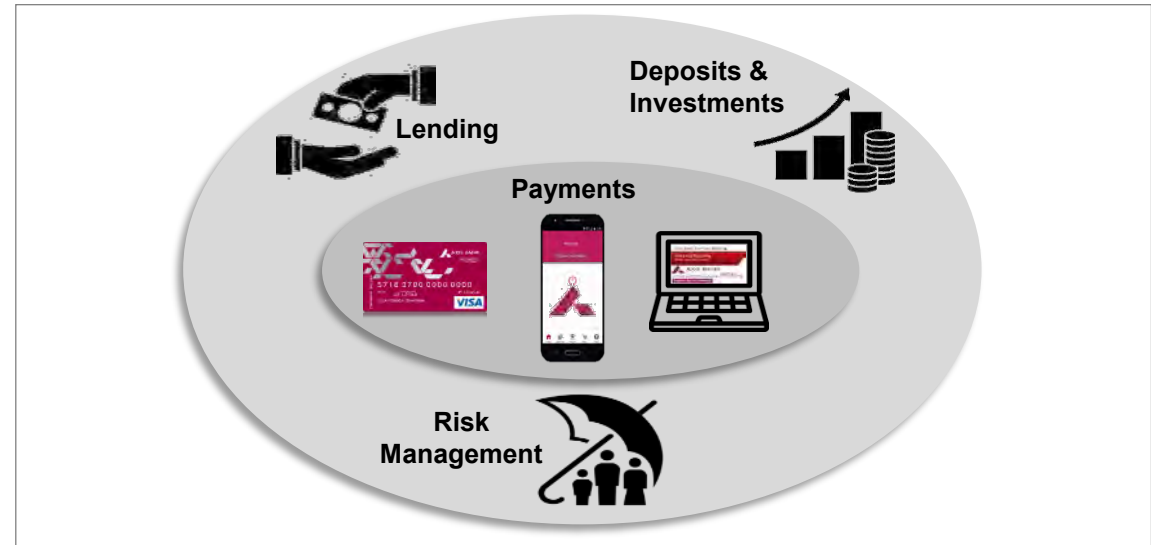
1 – based on card spends at point of sale terminals ; 2 – based on cards issued (RBI July. 2019 data) <sup>^</sup> July. 2019 data

3 – based on transaction volume (RBI 4MFY20 data), 4 – market share based on transaction volume in Q2FY20

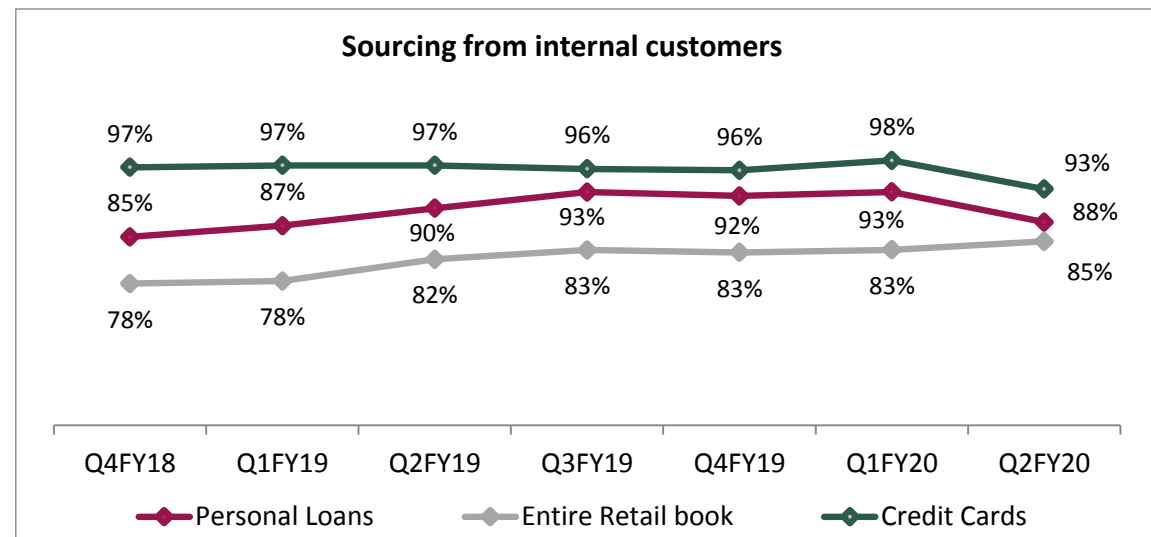
5 – based on spends for Q2FY20

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

Analytics on payments 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





# Our Credit Cards business has grown strongly in the last 6 years and is now the 4th largest in the country



## Featured Cards



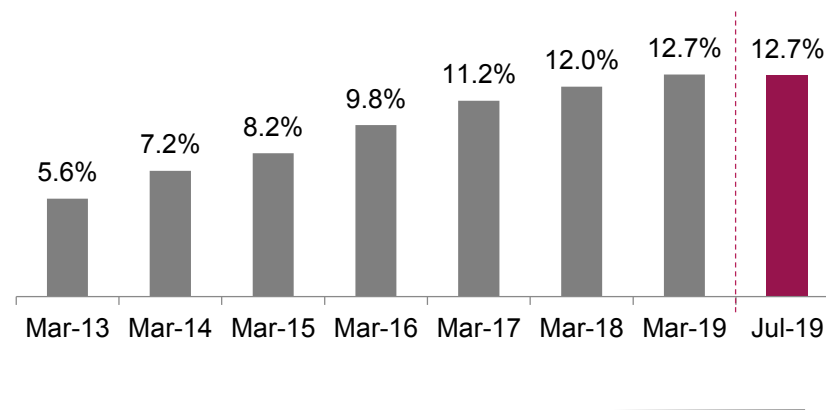
## Co-branded Cards



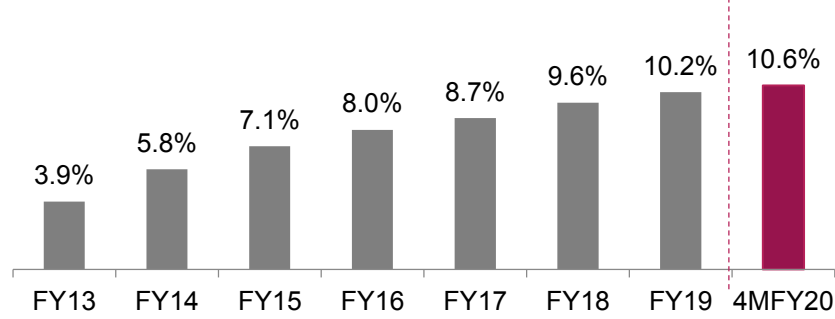
## Premium Cards



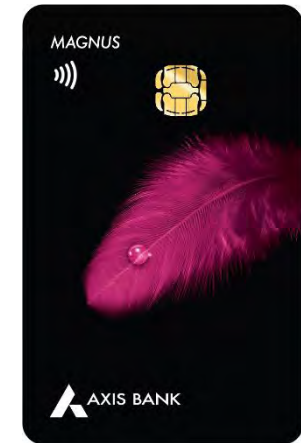
## Credit Cards in Force – Market Share



## Credit Cards Spends – Market Share



## Magnus Credit Card



- Offers best-in-industry benefits for HNI customers – both, Axis Bank and non-Axis Bank
- Unique and exclusive card offers such as complimentary flight ticket every year, airport concierge services etc.
- Benefits of the card encompass all aspects of lifestyle - travel, dining, movie and wellness

Source: RBI Data Reports

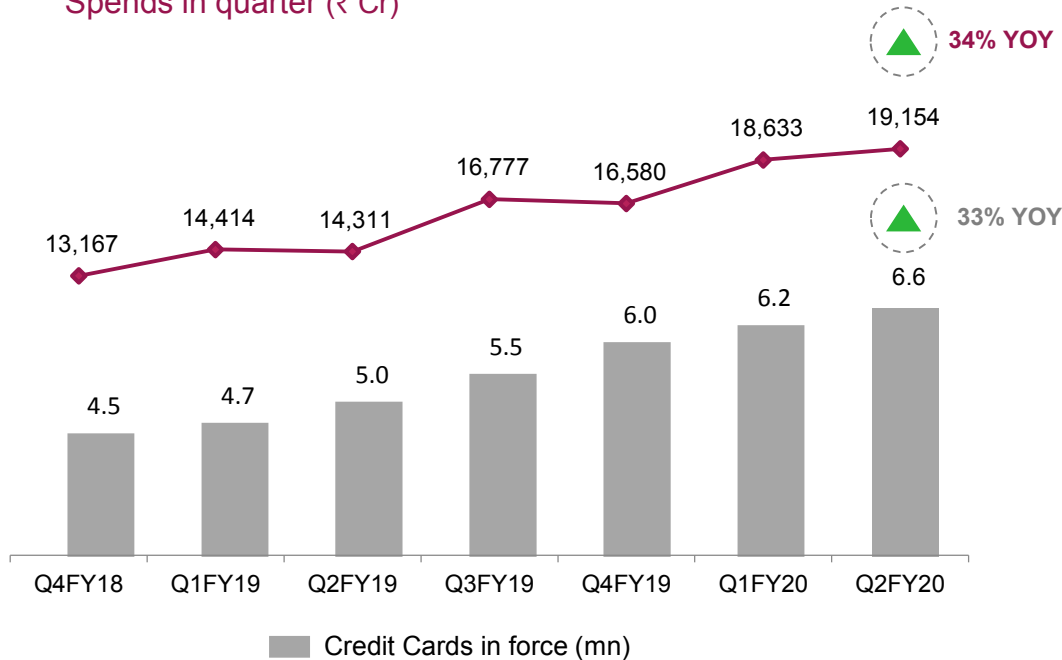
# Over ₹55,000\*\* crores of card spends went through Axis Bank in Q2FY20



Credit card spends up 34% YOY

## Credit Cards

Spends in quarter (₹ Cr)

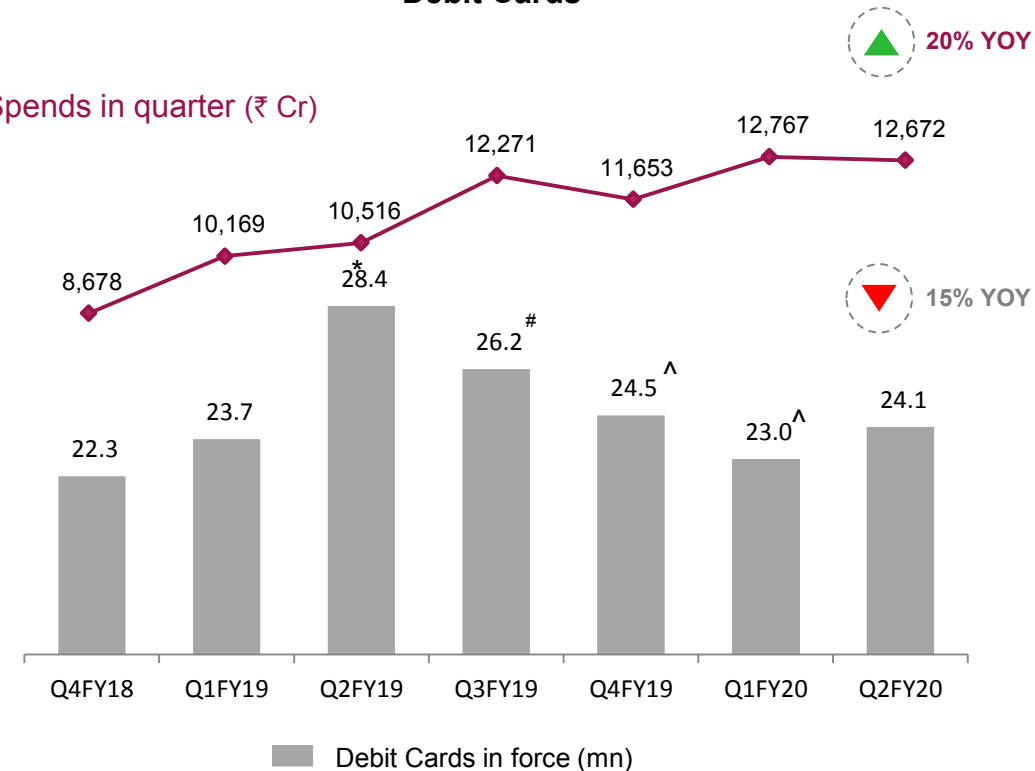


Acquiring throughput (In ₹ Cr)	Q2 FY20	H1FY20
On-Us	11,167	21,039
Off-Us	26,168	51,273
<b>Total</b>	<b>37,334</b>	<b>72,312</b>

Debit card spends up 20% YOY

## Debit Cards

Spends in quarter (₹ Cr)






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

# Excludes 2.6 mn cards due to expiry and closure of magstripe based cards for dormant accounts

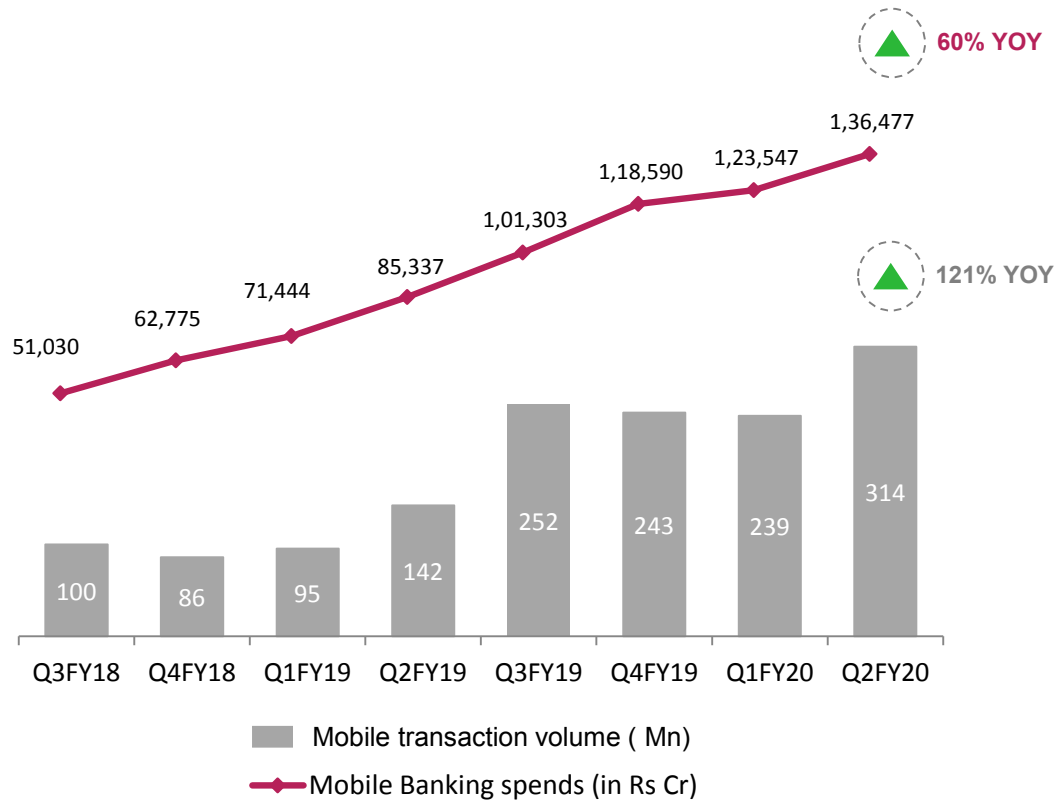
^ Excludes magstripe cards blocked due to RBI guidelines on chip based cards

\*\* Computed as summation of Debit Card Spends, Credit Card Spends and Off-Us Acquiring throughput

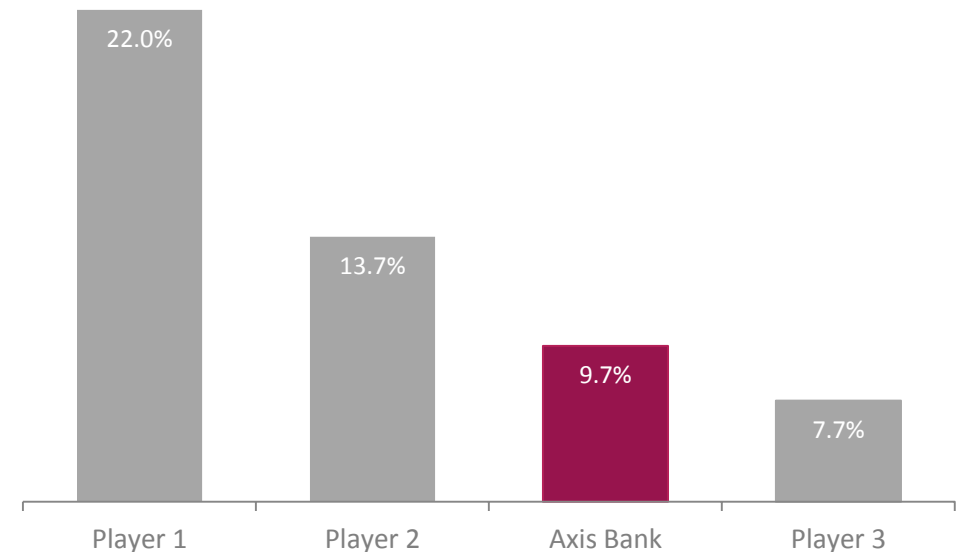
# Mobile Banking spends continue to grow strongly

-  **51%** of Mobile Banking customers bank only on Mobile App
-  Mobile Banking logins stand at **11 times** of Internet Banking logins
-  Amongst the highest ranked Banking app on Apple Store (rating of **4.6**) & Google Play Store (rating of **4.7**)

### Axis Bank Mobile Banking Spends and Volumes



### Mobile Transactions Market Share by Volume (4M'FY20)



Source: RBI data

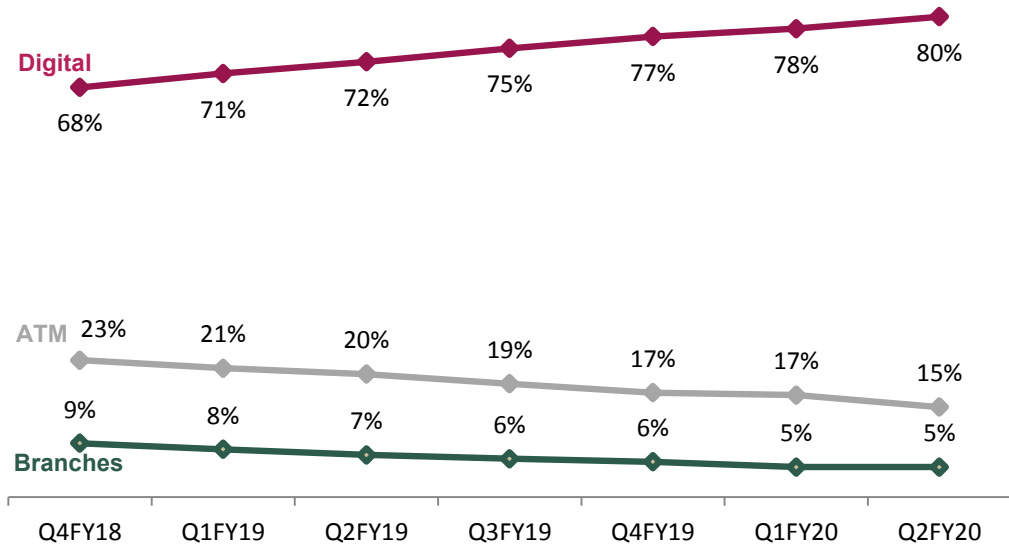
# Digital Channels now contribute 80% of all transactions

**67%** of Bank's active customers are Digitally active

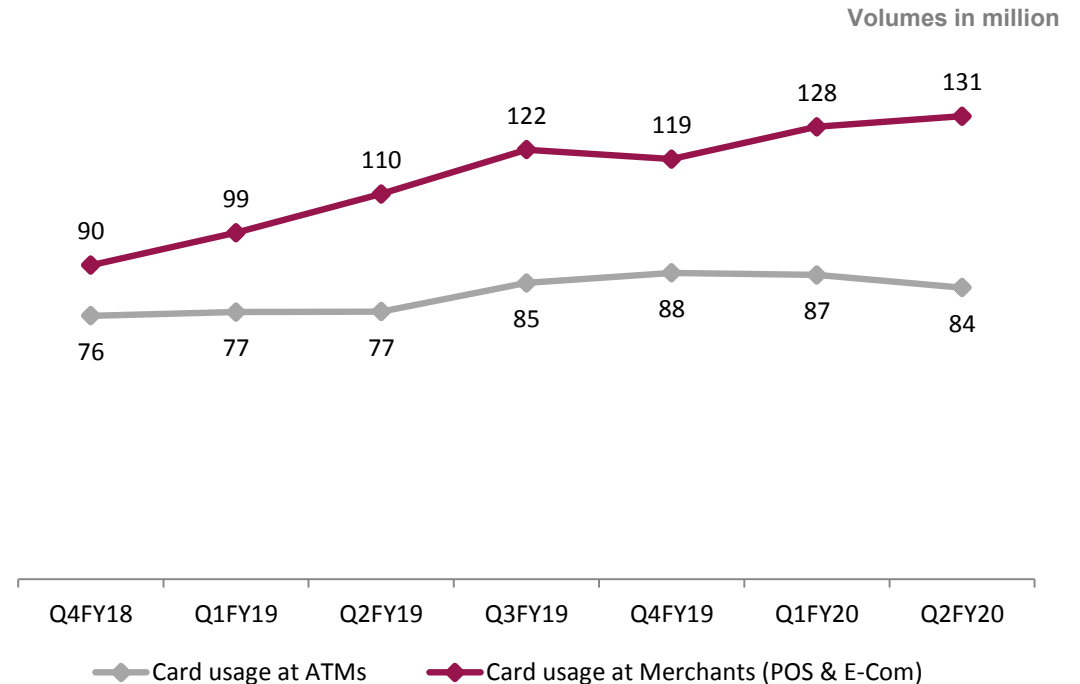
**80% of all financial transactions are now digital**

**Axis Bank cards are increasingly being used for Merchant payments, not at ATMs**

Transaction Mix\* for Retail



Credit and Debit card usage

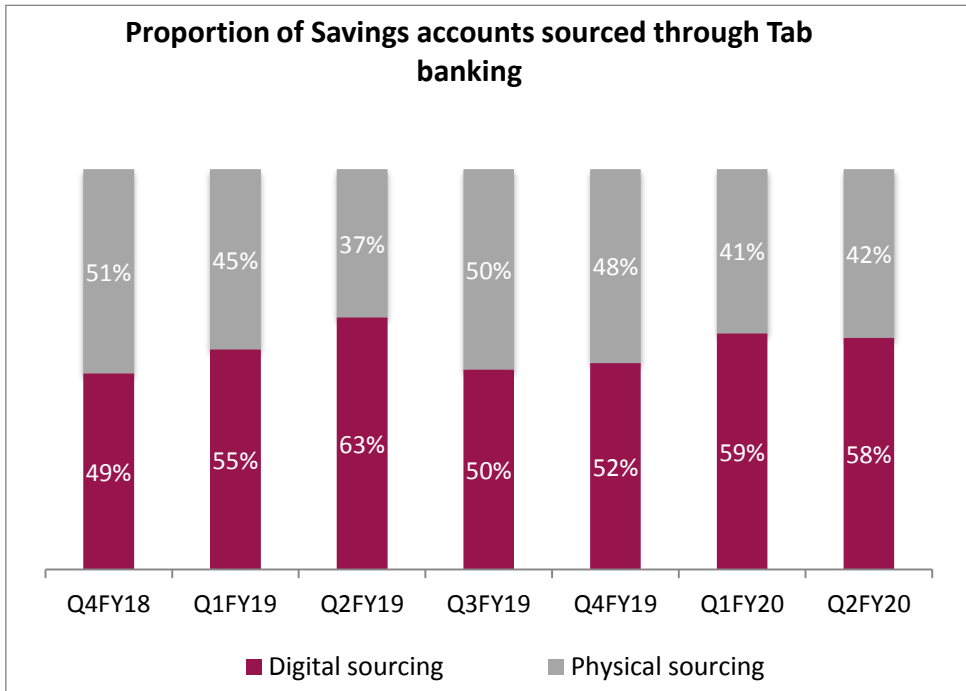


\* Based on all financial transactions by individual customers

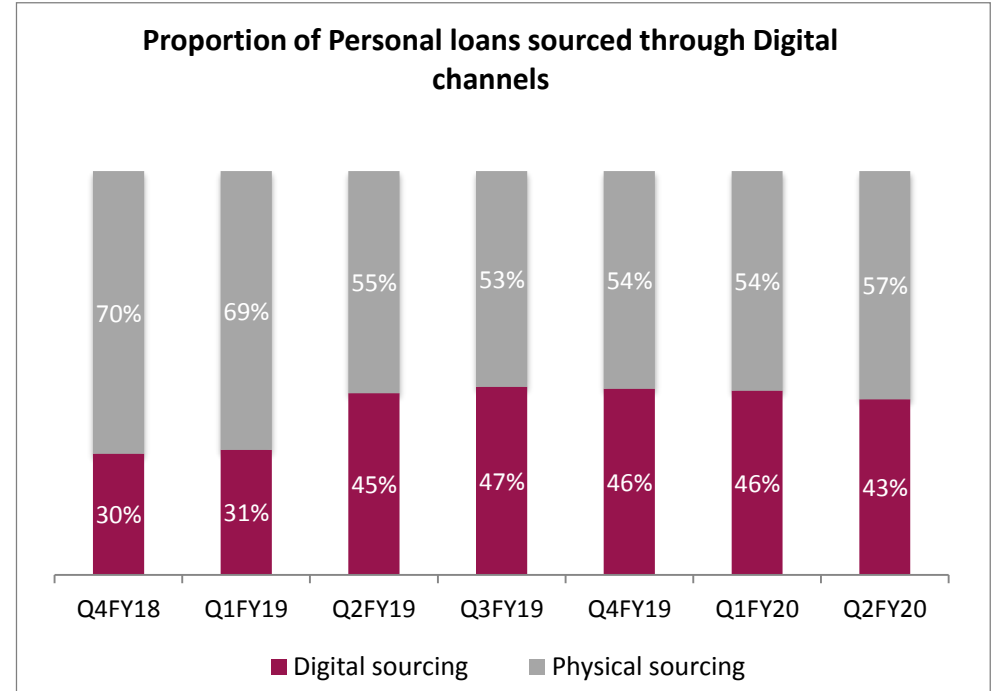
# 43% of our Personal loans are sourced through digital channels



**Tab sourcing of Savings Accounts has picked up strongly**



**Personal loans sourcing through Digital channels continues to remain steady**



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



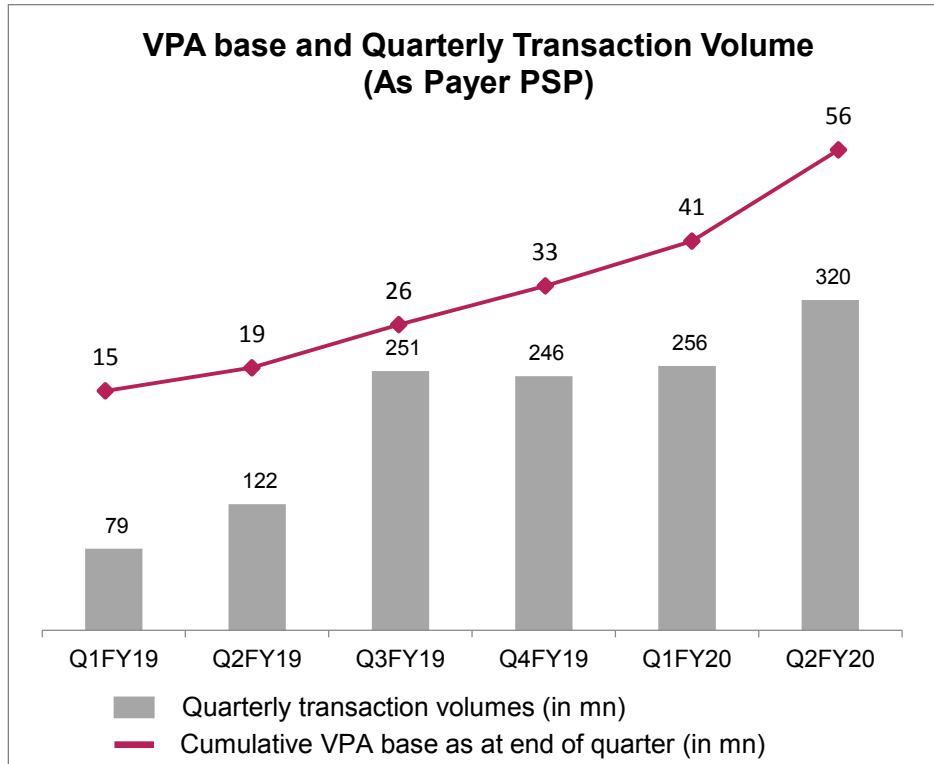
Axis Bank's UPI Growth story

1 56 mn VPAs

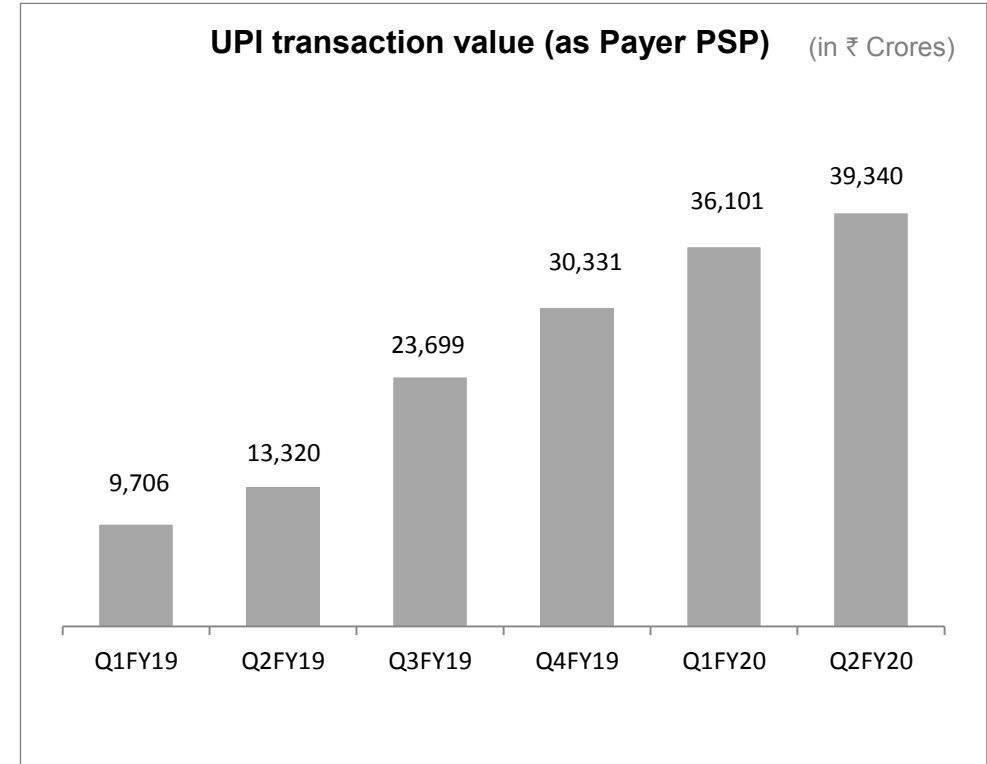
2 Over 1,541 mn transactions<sup>#</sup>

3 96,000+ merchants on boarded

UPI transaction volumes continue to remain healthy



Quarterly UPI transaction value has grown 3x in the last one year



\* A user registering VPA once in Axis Pay and once in Google Pay is counted as 2.

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

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

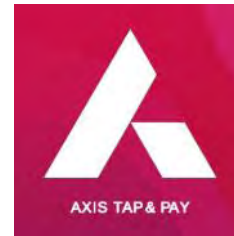


## Axis AHA



- Launched an AI-led Virtual Assistant to Enhance online customer experience
- Answered over 18 mn messages and transacted over ₹152 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

## '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

## Ripple-powered Instant Payment Services



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



# Business Performance

## Corporate

- Domestic corporate loan growth has been strong
- Significant reduction in concentration risk
- Incremental sanctions continue to be to well rated corporates



# We have re-organized the Wholesale Bank, creating an integrated franchise



## Re-Oriented Coverage Groups

Large Corporate

Mid Corporate

Focused Segmental Coverage

Commercial Banking

## Bank and Subsidiary Products

Credit

Liabilities and Transaction Banking

Treasury



## Strengthened Operations and Service Infrastructure

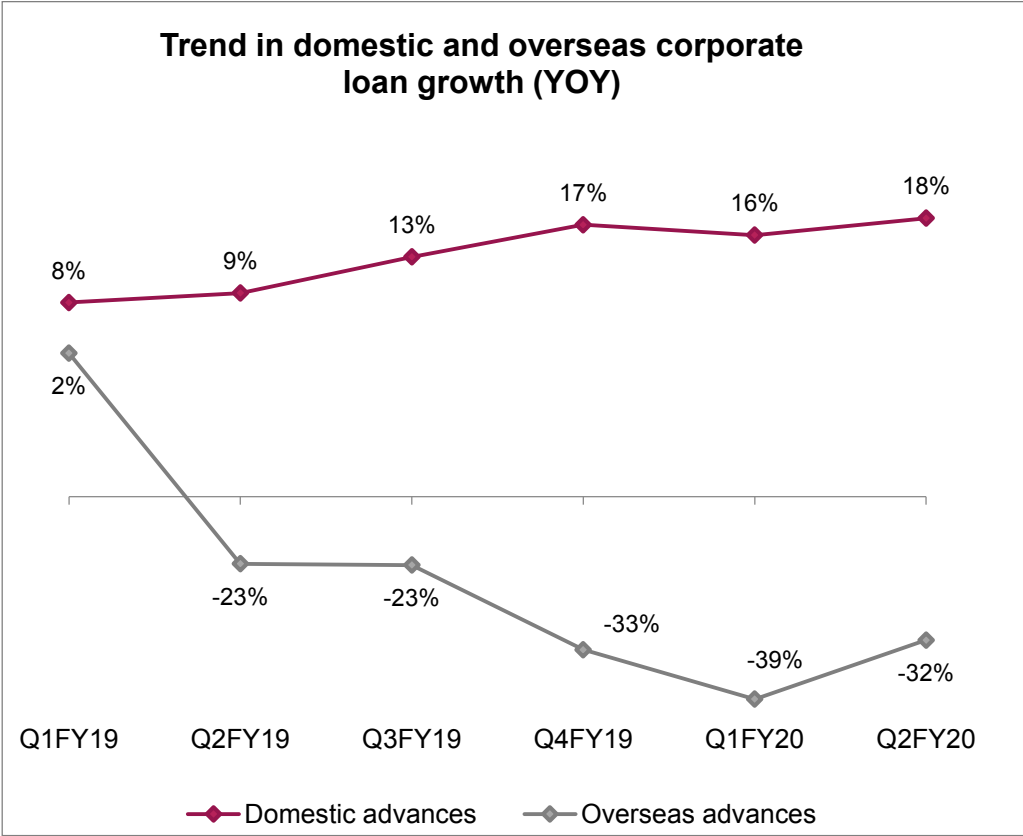
Note: Classification based on client annual revenue – Commercial ( ₹10 cr- ₹250 cr); Mid ( ₹ 250 cr- ₹ 1000 cr); Large ( > ₹ 1000 cr)

# Domestic corporate loan growth has been strong

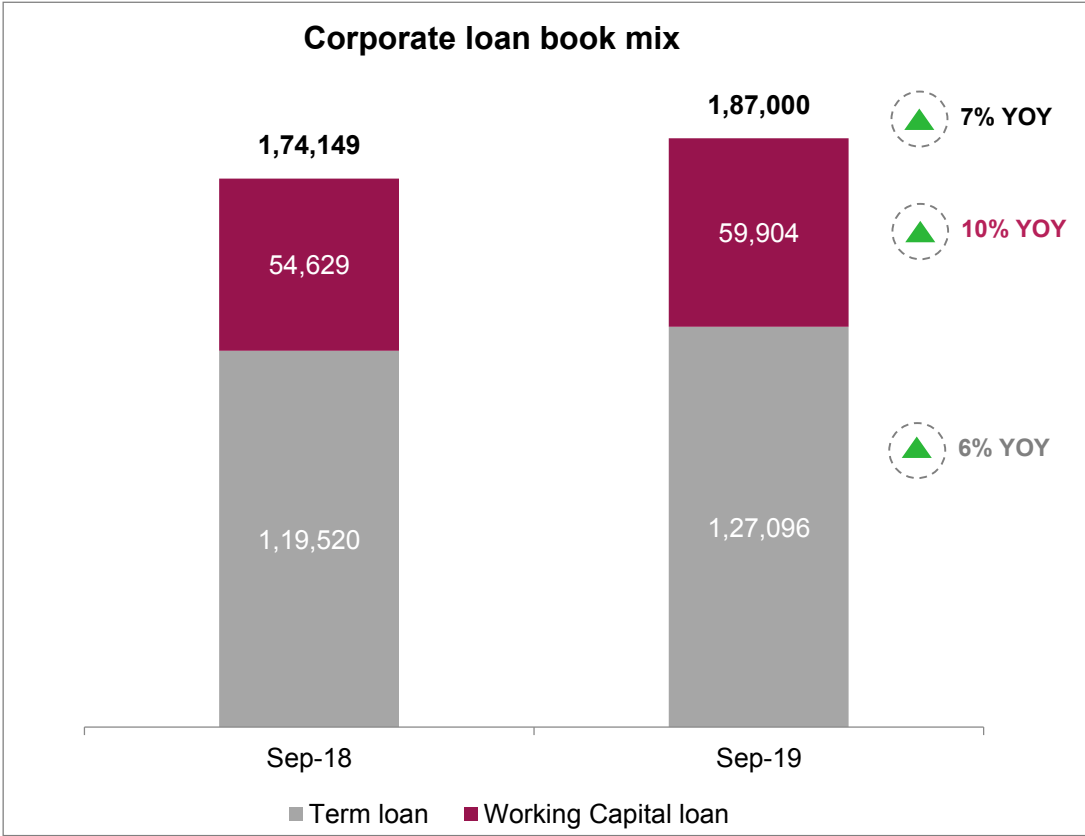


All figures in ₹ Crores

**International book de-grew while domestic loan growth was strong**



**Mix of corporate loan book remains steady**

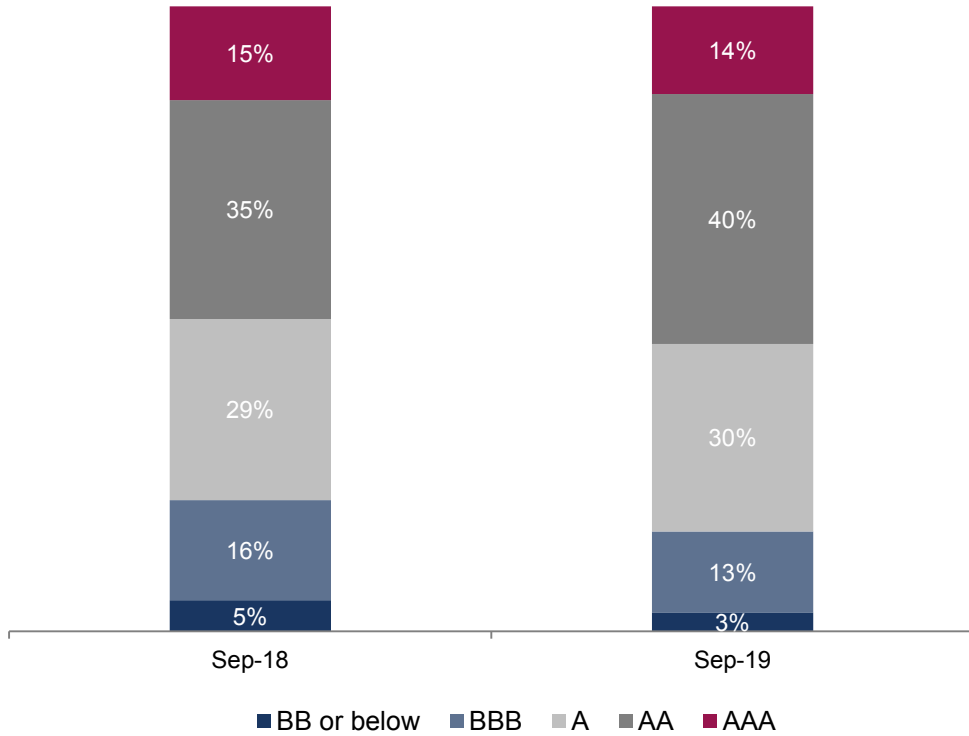


# The corporate lending portfolio continues to shift towards better rated clients



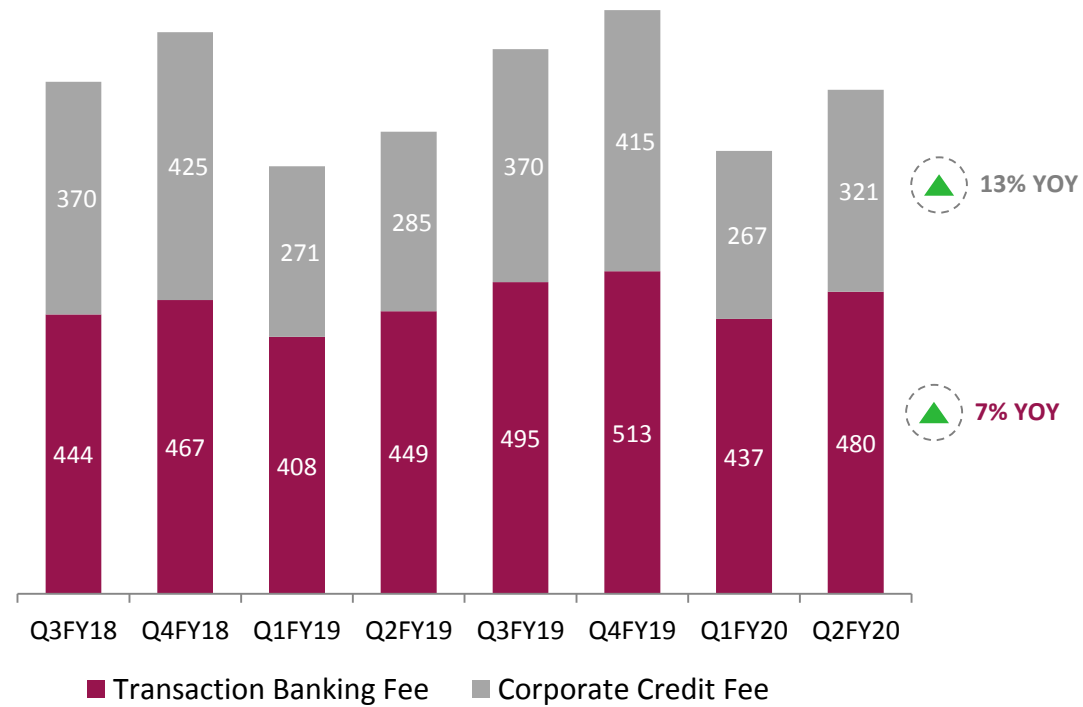
All figures in ₹ Crores

**84% of corporate exposure\* is rated 'A' or better**



\* Only includes standard exposure

**Transaction Banking forms 60% of Corporate fees**

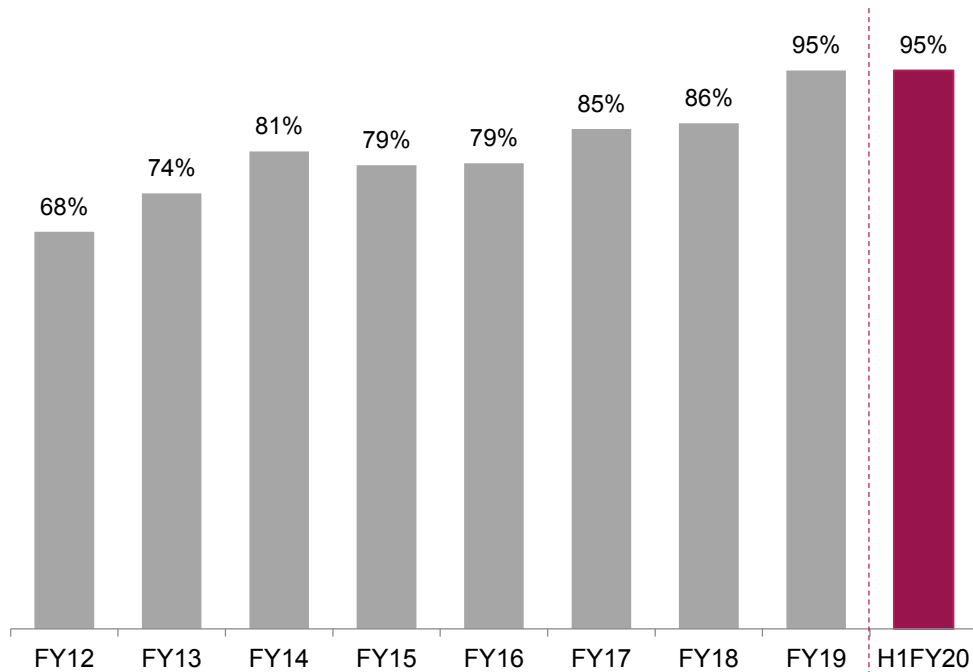


# New originations in Corporate Credit are of better quality and more granular



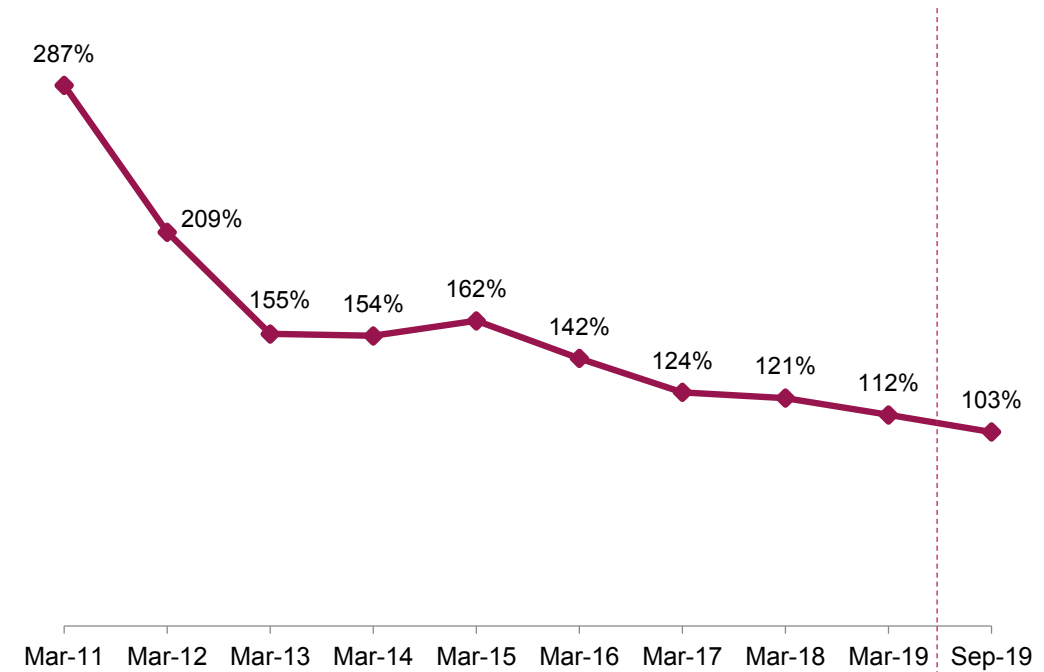
Fresh originations are predominantly from entities rated A- or better

Percentage of sanctions rated A- & above



Concentration Risk has reduced significantly from peak

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 30 <sup>th</sup> Sept. '19 Sectors	Advances	Investments	Non-fund based	Total	
					Value	(in % terms)
1.	Financial Companies <sup>2</sup>	45,531	12,333	12,829	70,693	10.93%
2.	Engineering & Electronics	10,986	248	26,130	37,364	5.78%
3.	Infrastructure Construction <sup>3</sup>	14,737	3,872	10,813	29,422	4.55%
4.	Petroleum & Petroleum Products	10,518	3,192	10,497	24,207	3.74%
5.	Iron & Steel	12,226	28	7,838	20,092	3.11%
6.	Power Generation & Distribution	11,264	4,990	2,699	18,953	2.93%
7.	Trade	14,001	458	2,755	17,214	2.66%
8.	Telecommunication Services	11,565	775	4,795	17,135	2.65%
9.	Real Estate	14,140	1,100	1,013	16,253	2.51%
10.	Other Metal & Metal Products	11,496	220	1,380	13,096	2.03%

<sup>1</sup> Figures stated represent only standard outstanding across all loan segments

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

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

# 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 nine months ended Sept 2019.



**Ranked No. 1 arranger** for rupee denominated bonds as per Bloomberg for 12 consecutive calendar years since 2007

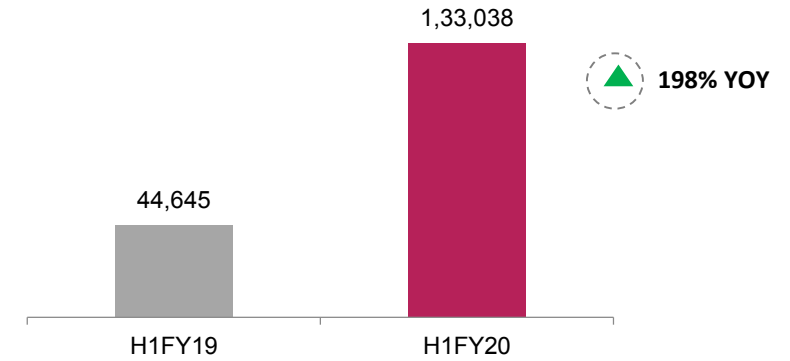


Bank has been awarded as the **Best DCM House** at the **Finance Asia Country Awards, 2019**

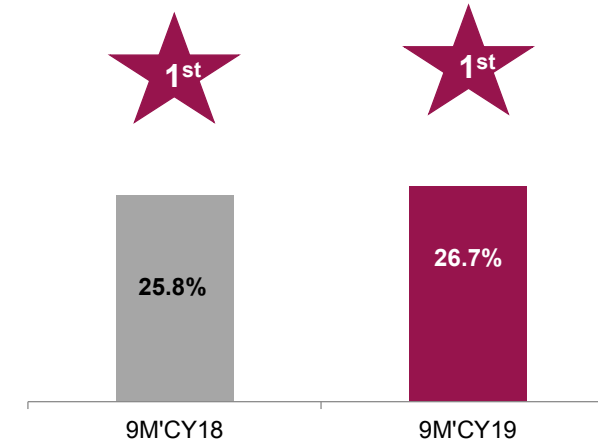


Bank has been recognised as the **Top arrangers - Investors' Choice for primary issues - Corporate bonds – INR** at the **Asset Benchmark Research Awards 2019**

## Placement & Syndication of Debt Issues



## Market share and Rank\*



\*As per Bloomberg League Table for India Bonds



# Business Performance

## Commercial

- Building customer relationships across both assets and liabilities
- Focus remains on a high rated, predictable SME lending business

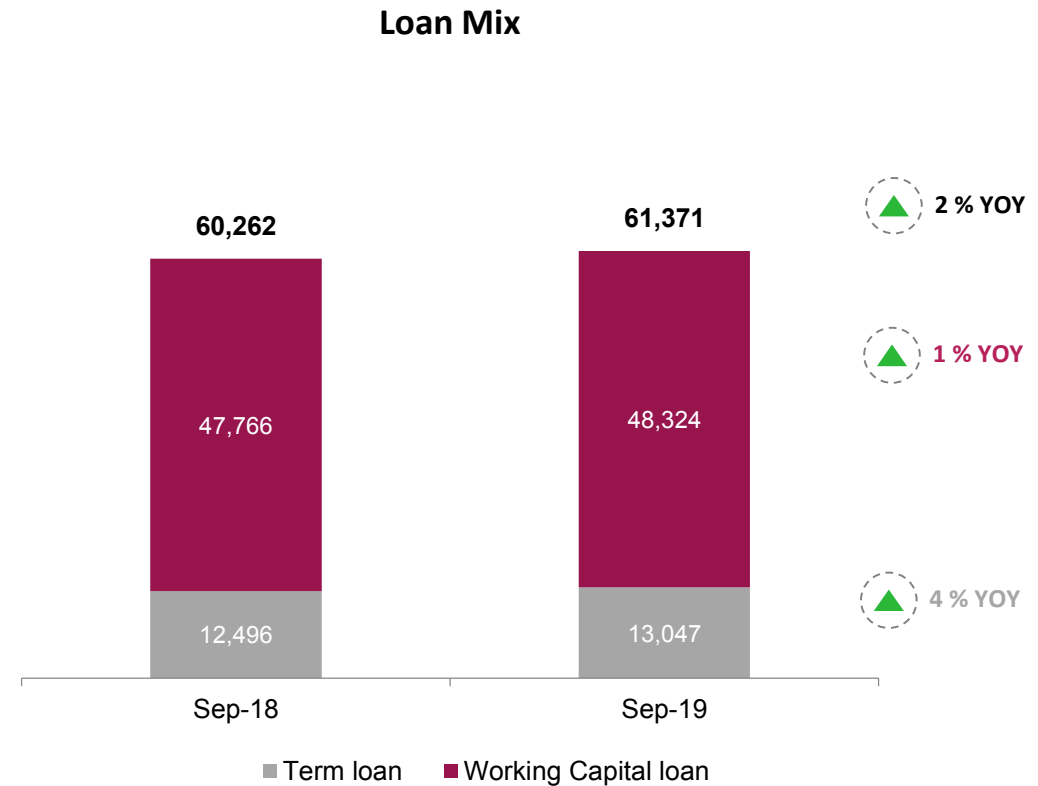
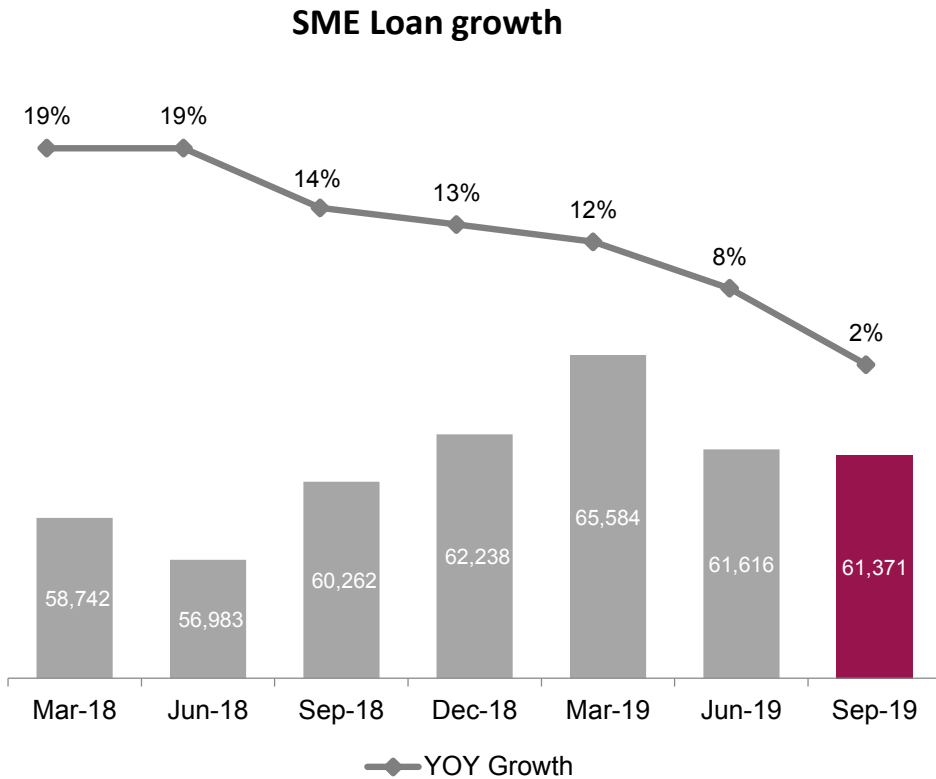




# SME loan growth has been softening over the last year



All figures in ₹ Crores

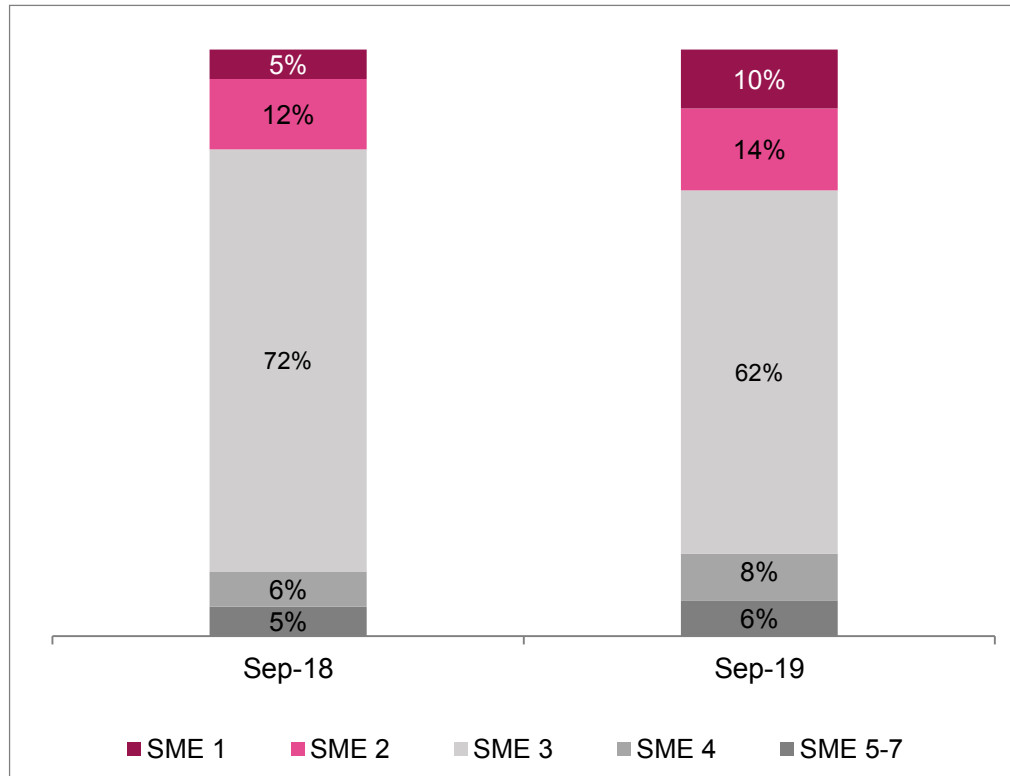


- Credit relationships in SME are split into 3 parts: Medium Enterprises Group (MEG), Small Enterprises Group (SEG) and Supply Chain Finance (SCF)

# Focus remains on building a high rated, predictable SME lending book



86% of SME exposure\* is rated at least 'SME3'



\* Only includes standard exposure

- With focus on building a high rated SME book, the distribution of the portfolio continues to shift towards towards better rated clients
- The segment continues to focus on 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



Financial Highlights

Business Segment performance

**Asset Quality**

Shareholder Returns and Capital Position

Subsidiaries' Performance

Other important information

## Asset Quality

### Summary

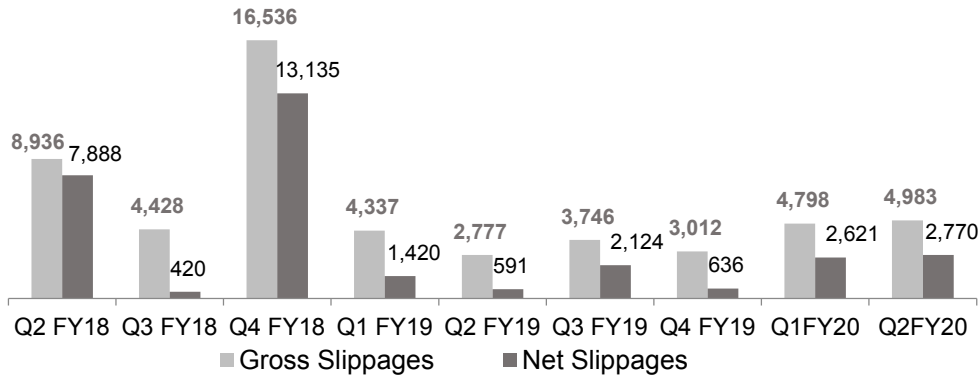
- BB & Below pool of corporate loans has reduced to 1.1% of Gross Customer Assets
- Gross and Net NPA ratios continue to moderate
- Provision Coverage Ratio increased further, now stands at 79%

# Slippages were stable and NPA ratios continued to decline

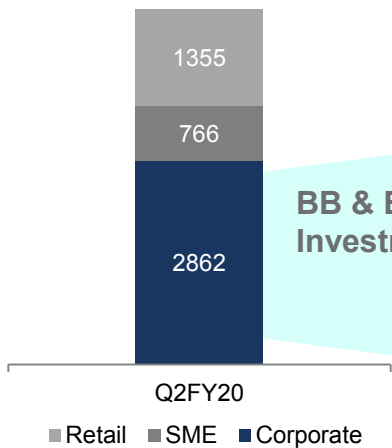
All figures in ₹ Crores

**Slippages have been stable over last few quarters**

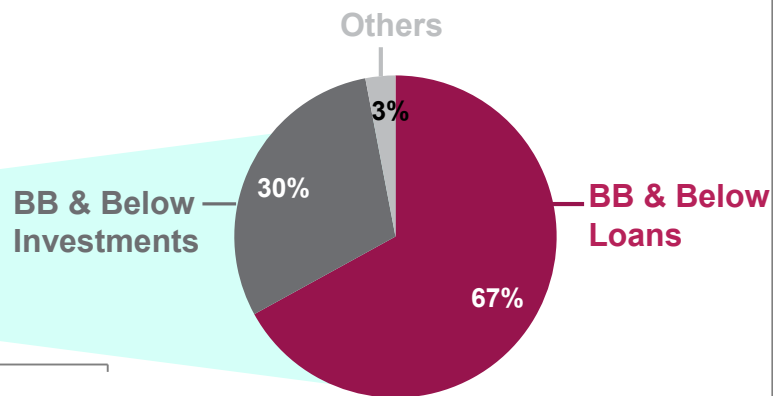
**Gross and Net Slippages**



**Segment-wise breakup of gross slippages**

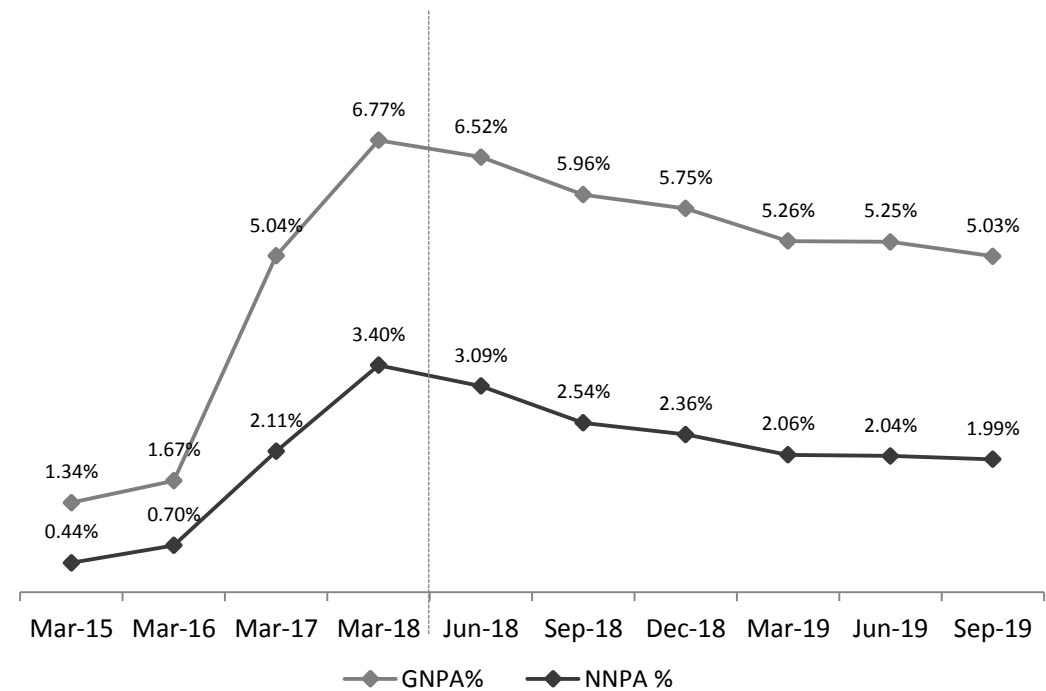


**97% of gross corporate slippages came from BB & Below rated clients**



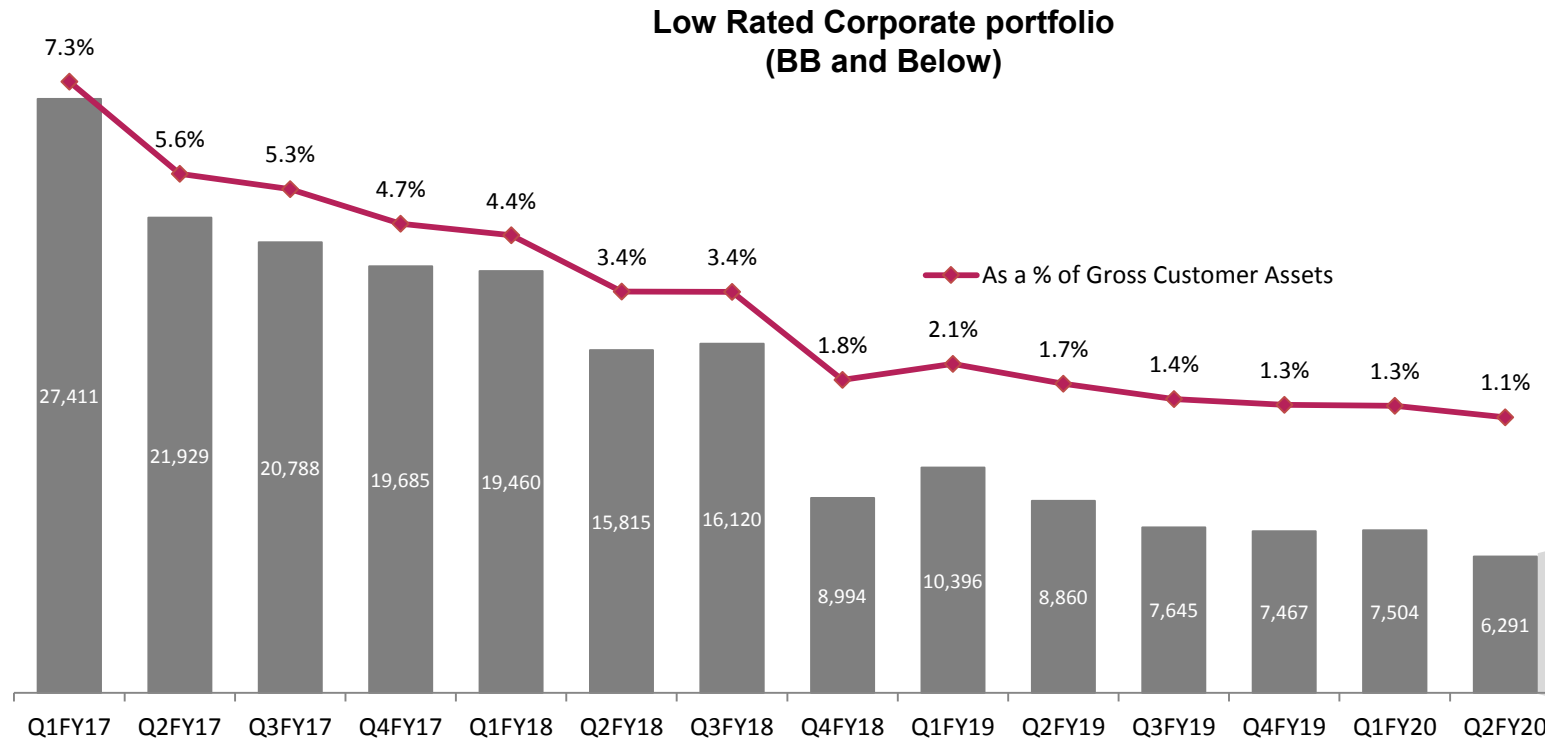
**Gross and Net NPA ratios continue to moderate**

**Gross and Net NPA ratio**



# BB & Below pool of fund based corporate loans has reduced sequentially

**BB & Below pool of corporate loans has fallen to 1.1% of customer assets**



**4 sectors form 44% of BB & Below book**

Industry	%
Power	17%
Infra. Roads	11%
Hotels	8%
Infra. Construction	8%

- Non Fund Based outstanding in BB & below corporate portfolio is ~ ₹2,200 crores
- Investment outstanding with BB & below rated corporates is ~ ₹1,750 crores

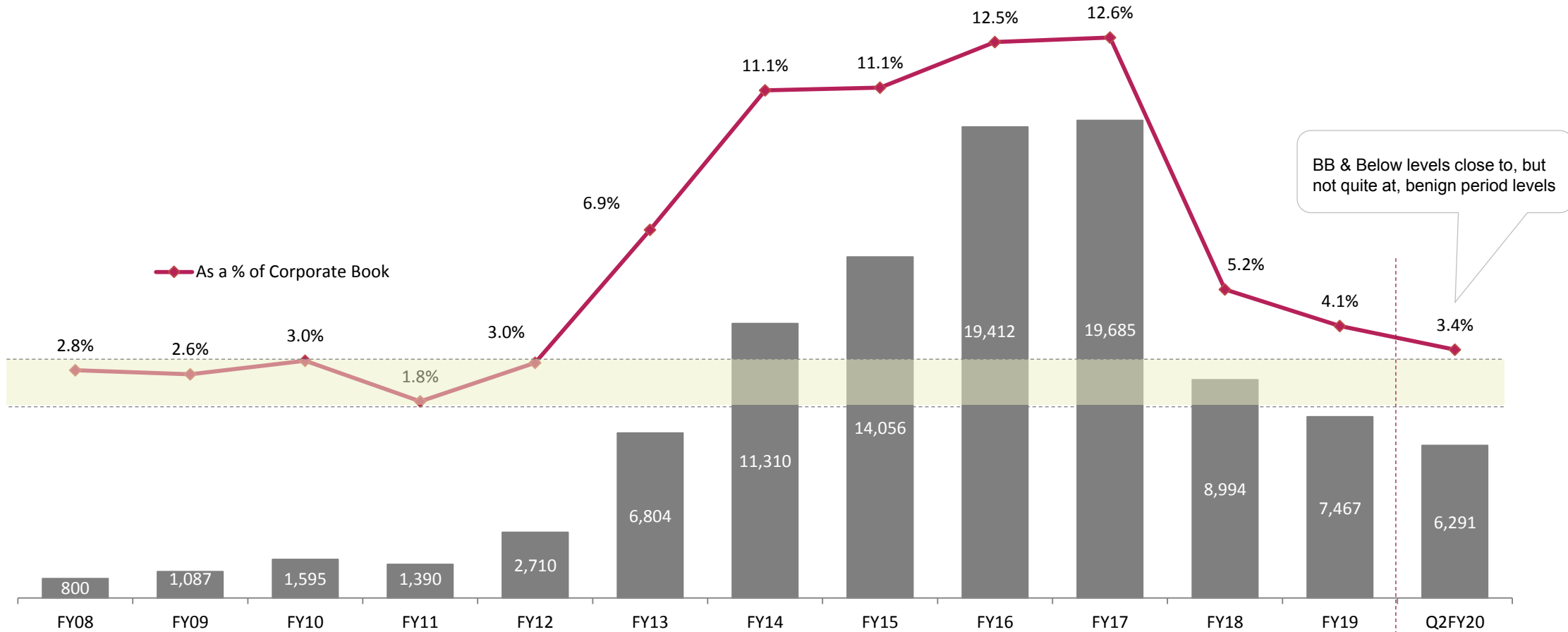
The outstanding amount in 'BB and Below' portfolio incorporates cumulative impact of rating Upgrades / Downgrades and Slippages from the pool

# In benign risk periods, BB & Below has been 2-3% of corporate loans



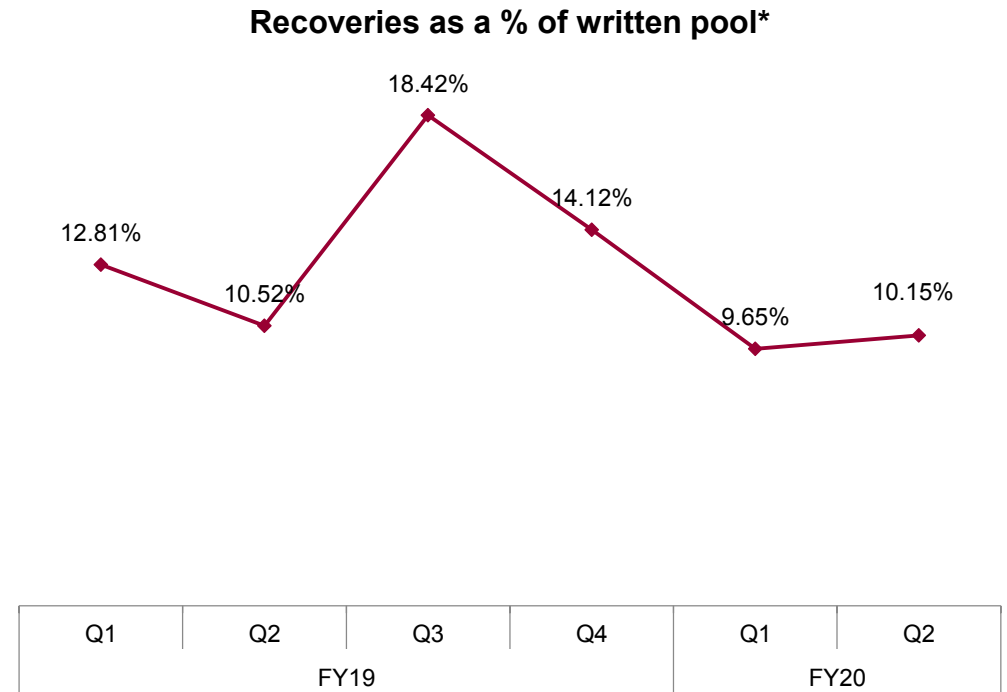
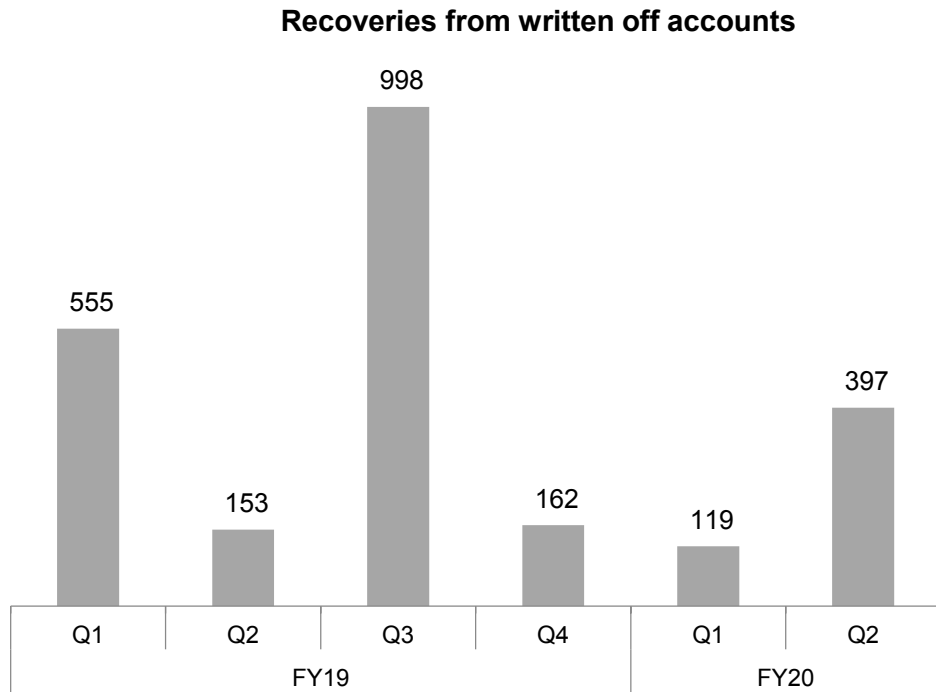
All figures in ₹ Crores

## BB & Below rated Corporate portfolio



The outstanding amount in 'BB and Below' portfolio incorporates cumulative impact of rating Upgrades / Downgrades and Slippages from the pool

# We continue to see steady recoveries from written-off accounts



**The prudential write off pool at the end of September 2019 is ₹23,089 crores**

\* 4 quarter moving sum of recoveries as a % of opening written-off pool

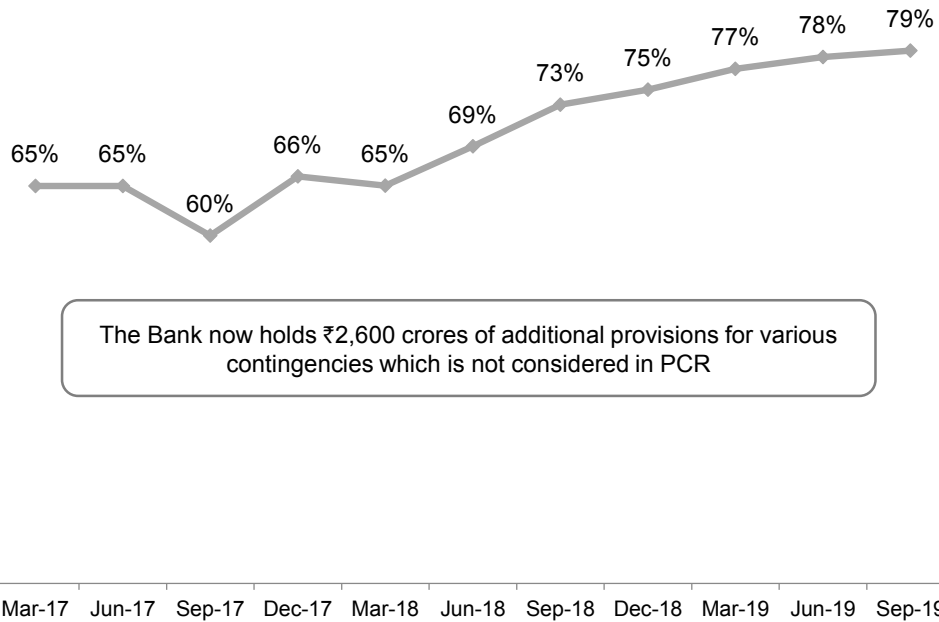


# Provision Coverage improved further during the quarter



**Provision Coverage Ratio on NPAs is now 79%**

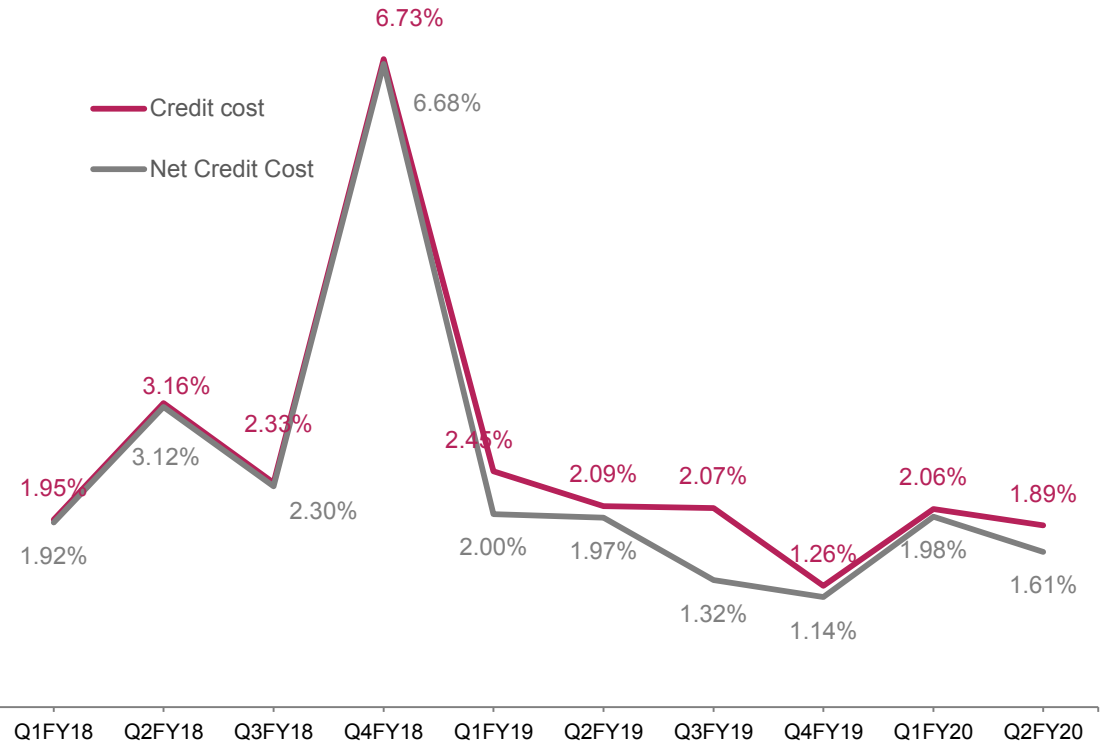
**Provision Coverage Ratio**



The Bank now holds ₹2,600 crores of additional provisions for various contingencies which is not considered in PCR

**Credit cost**

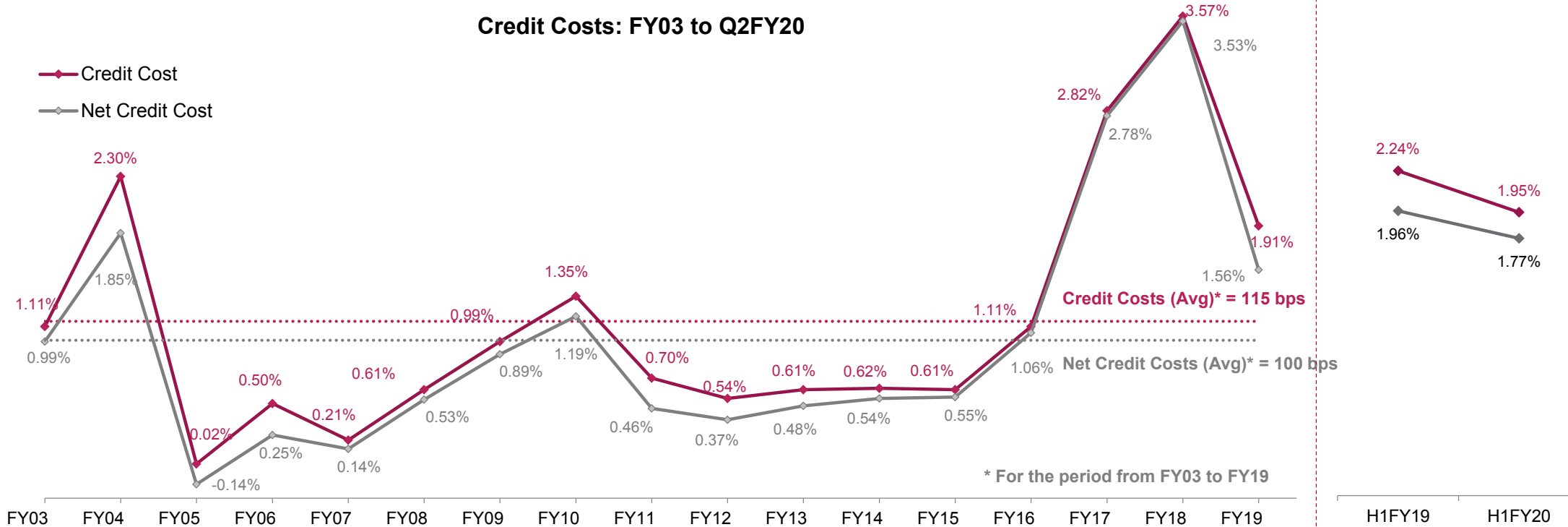
**Credit Cost (Annualised)**



# Our long term average credit cost has been 100-115 bps



Credit Costs: FY03 to Q2FY20



'Net' Credit Costs

- Over the long term, annualised Credit Cost for the Bank has averaged **115 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 **100 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 ₹23,089 crores. 87% of this was written off in the last 10 quarters

## Detailed walk of NPAs over recent quarters

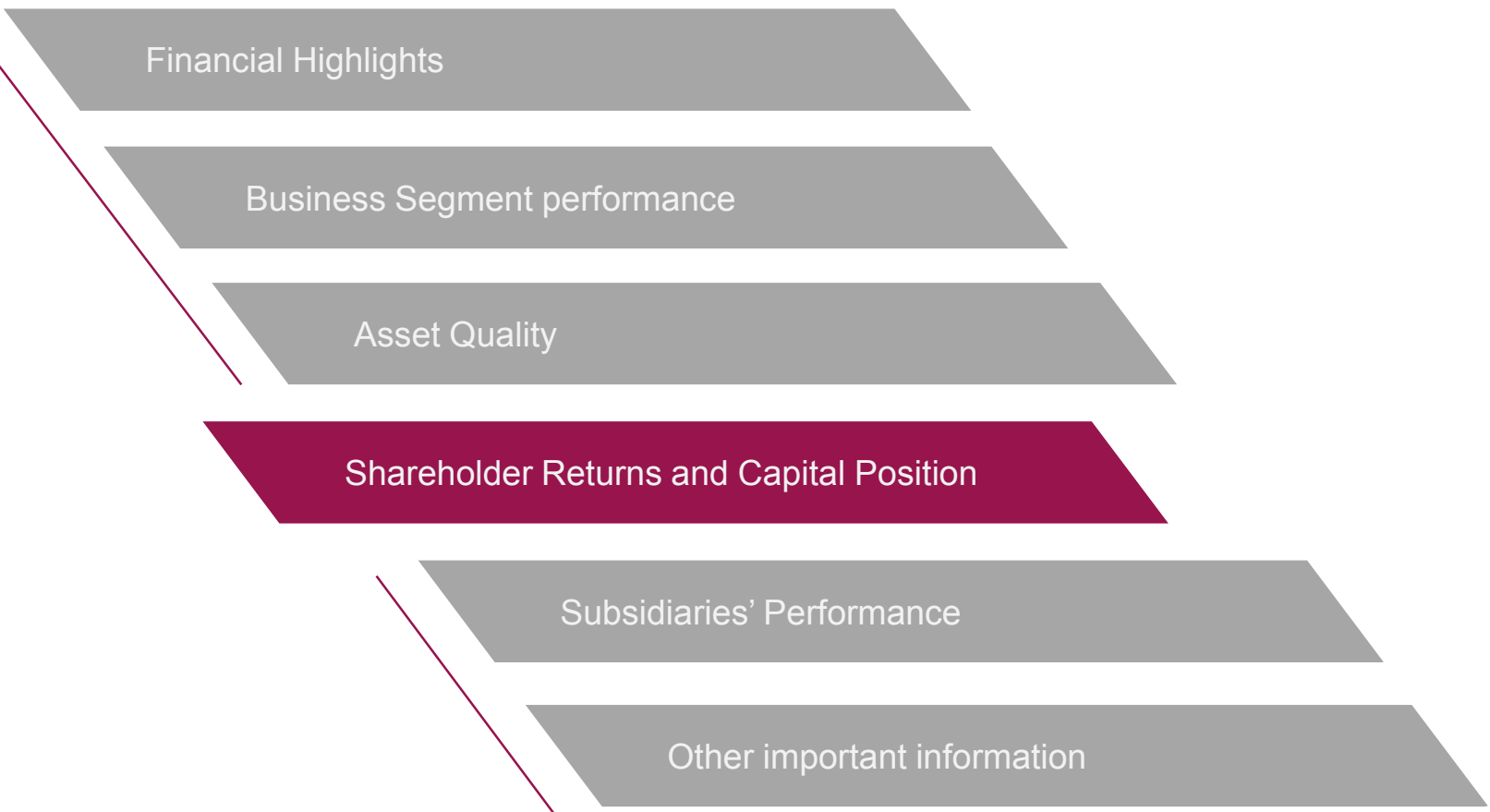
		Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20
<b>Gross NPAs - Opening balance</b>	<b>A</b>	32,662	30,938	30,855	29,789	29,405
Fresh slippages	B	2,777	3,746	3,012	4,798	4,983
Upgradations & Recoveries	C	2,186	1,622	2,376	2,177	2,213
Write offs	D	2,315	2,207	1,701	3,005	3,104
<b>Gross NPAs - closing balance</b>	<b>E = A+B-C-D</b>	<b>30,938</b>	<b>30,855</b>	<b>29,789</b>	<b>29,405</b>	<b>29,071</b>
Provisions incl. interest capitalisation	F	18,222	18,622	18,513	18,367	17,933
<b>Net NPA</b>	<b>G = E-F</b>	<b>12,716</b>	<b>12,233</b>	<b>11,276</b>	<b>11,037</b>	<b>11,138</b>
Accumulated Prudential write offs	H	16,502	17,478	18,772	21,317	23,089
<b>Provision Coverage Ratio</b>	<b>(F+H)/(E+H)</b>	<b>73%</b>	<b>75%</b>	<b>77%</b>	<b>78%</b>	<b>79%</b>

## Provisions & Contingencies charged to Profit & Loss Account

	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20
Loan Loss Provisions	2,686	3,352 <sup>\$</sup>	1,115	2,886	2,701
Other Provisions	241	(297)	1,596	929	817
<i>For Standard assets*</i>	68	(12)	701	(90)	272
<i>For SDR and S4A accounts</i>	(5)	-	(12)	-	(14)
<i>For Investment depreciation</i>	136	(321)	351	(64)	64
<i>Others</i>	42	36	556	1,082	495 <sup>#</sup>
<b>Total Provisions &amp; Contingencies (other than tax)</b>	<b>2,927</b>	<b>3,055</b>	<b>2,711</b>	<b>3,815</b>	<b>3,518</b>

\* including unhedged foreign currency exposures, \$ includes contingent provision of Rs. 600 crores

# Other provisions include provision of Rs. 535 crores towards land held as non-banking asset



Financial Highlights

Business Segment performance

Asset Quality

**Shareholder Returns and Capital Position**

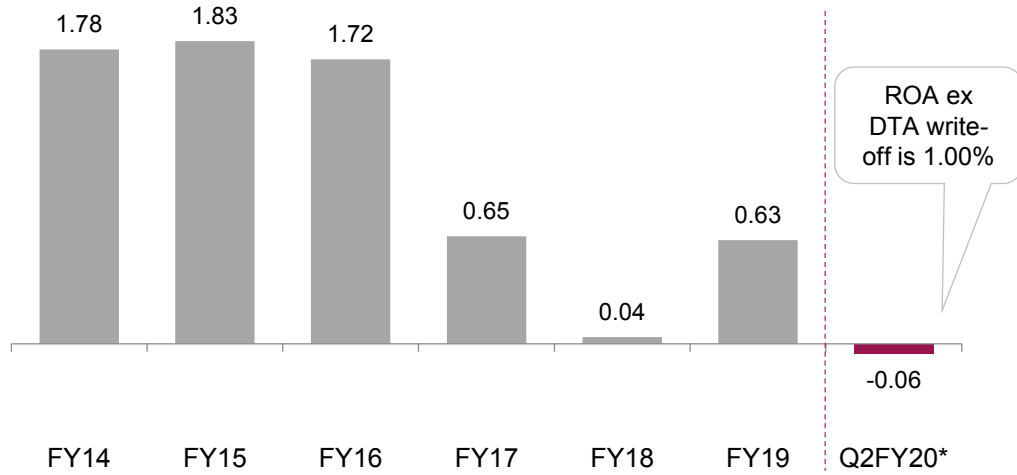
Subsidiaries' Performance

Other important information

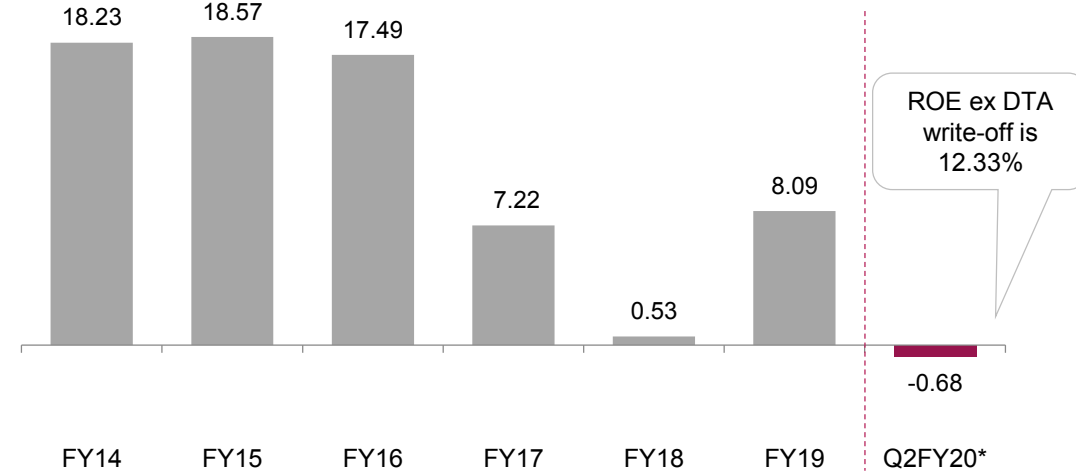
# Shareholder return metrics impacted by one time DTA write-off



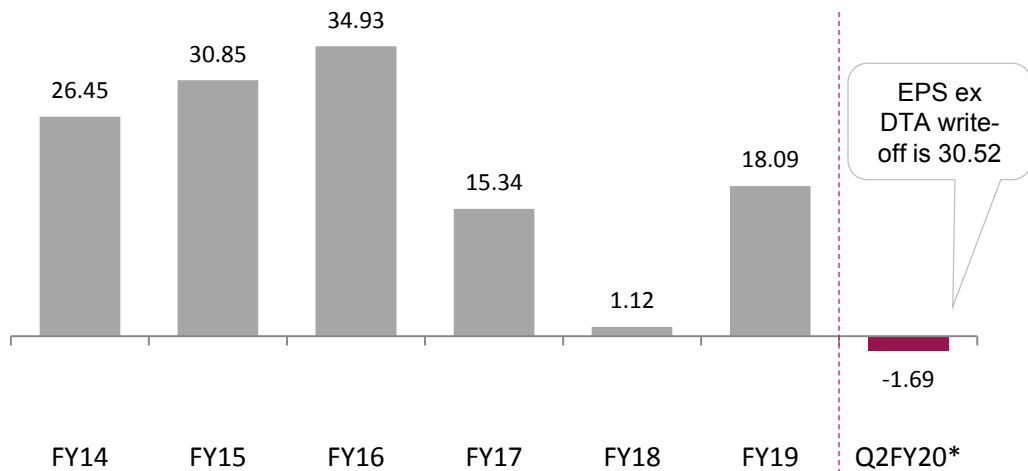
### Return on Assets (in %)



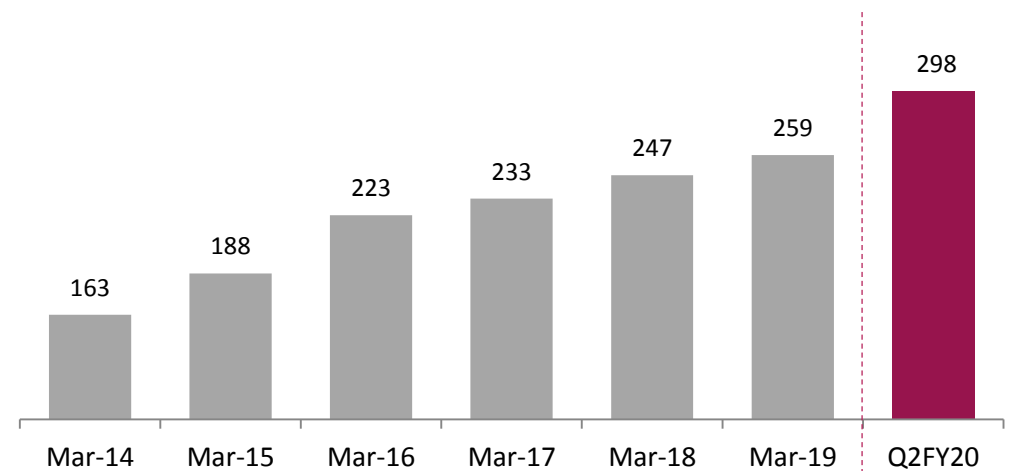
### Return on Equity (in %)



### Diluted EPS (₹)



### Book Value Per Share (₹)

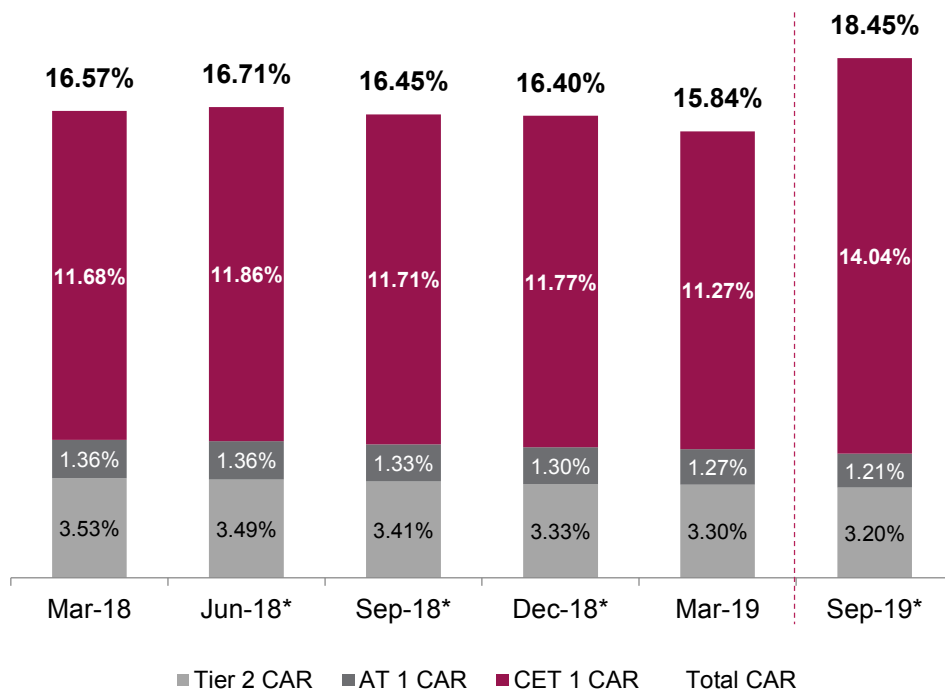


\* Q2FY20 numbers are on annualised basis

# Capital Ratios remain healthy

Bank has added 277 bps of CET1 capital during H1FY20

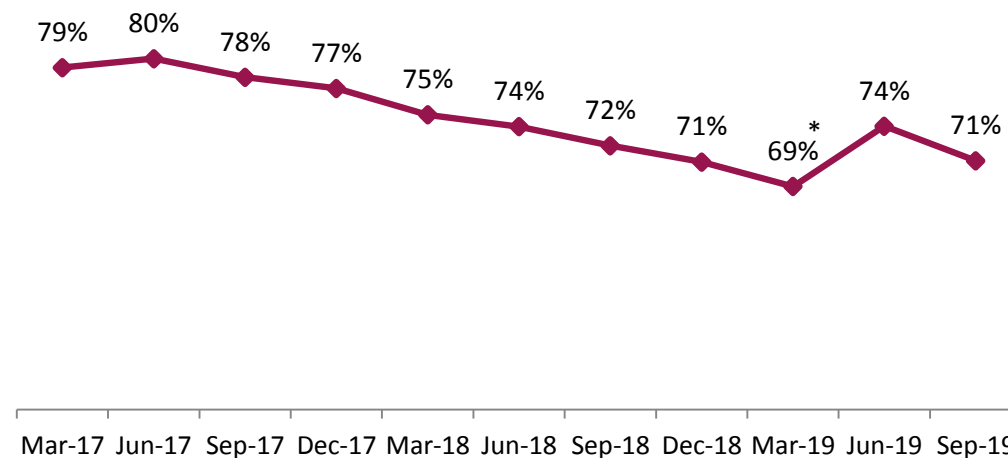
Trend in Capital Adequacy Ratio



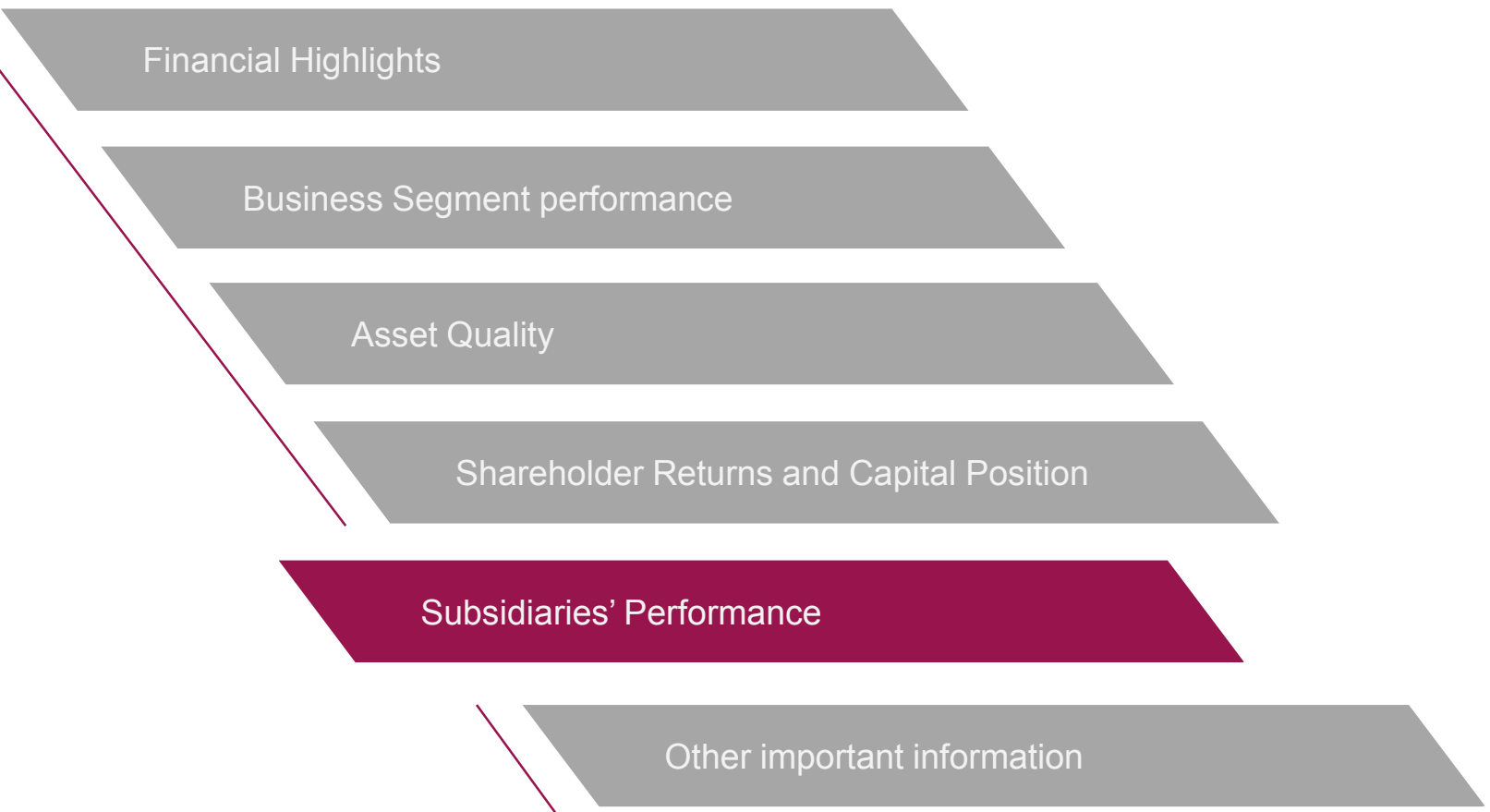
\* including unaudited Net Profit for the quarter / half year / nine-months

RWA as a proportion to total assets decreased during the quarter

RWA to Total Assets



\* Includes effect of one-off item impacting around 1%



Financial Highlights

Business Segment performance

Asset Quality

Shareholder Returns and Capital Position

**Subsidiaries' Performance**

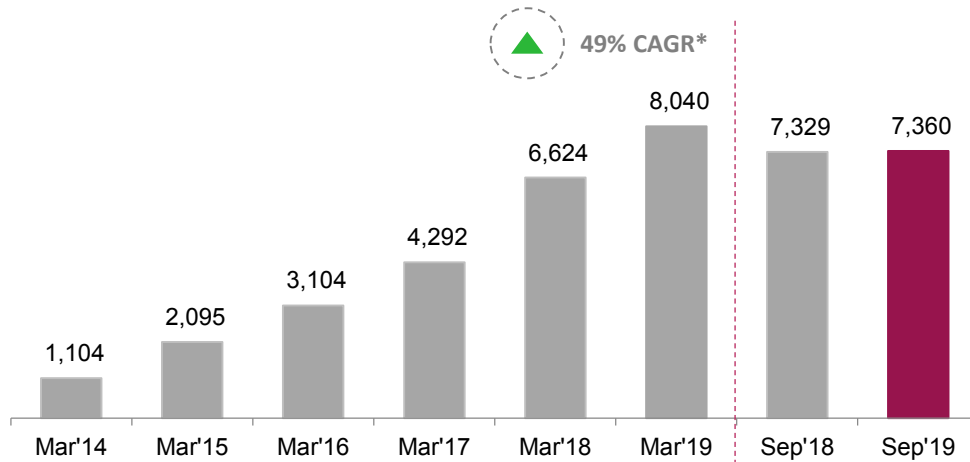
Other important information

# Axis Finance : Good all round performance



All figures in ₹ Crores

## Strong growth in Loan Book

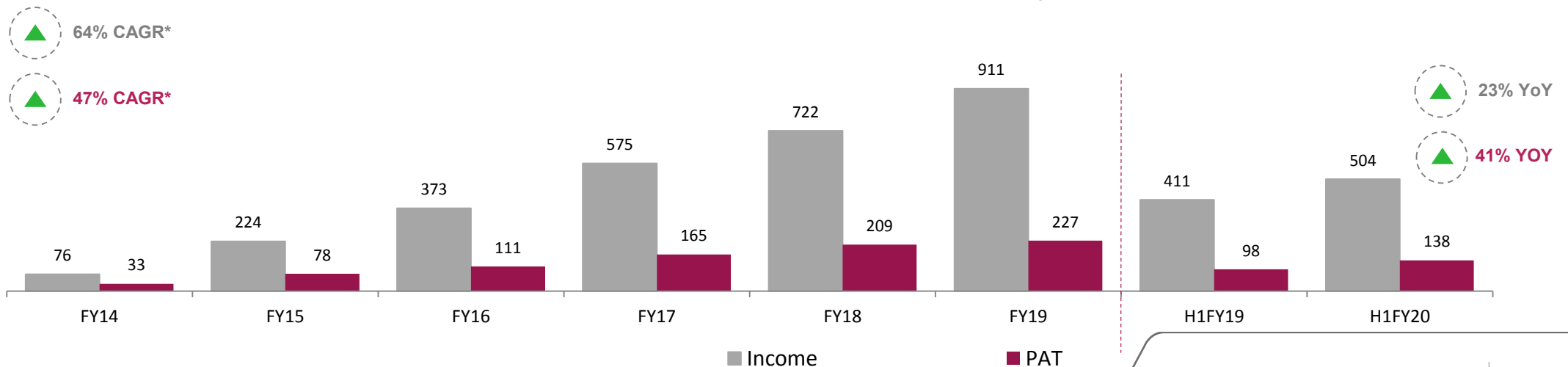


\* 5 yr CAGR

## Major Highlights

- NIM for H1FY20 stood at **4.9%**; GNPA at **0.4%**
- Enjoys the highest Credit Rating: AAA from CRISIL & A1+ from India Ratings
- ROE at **21.8%** up 422 bps YOY.
- CAR at **23.9%**.

## Growth in Income and PAT has been steady



\* 5 yr CAGR

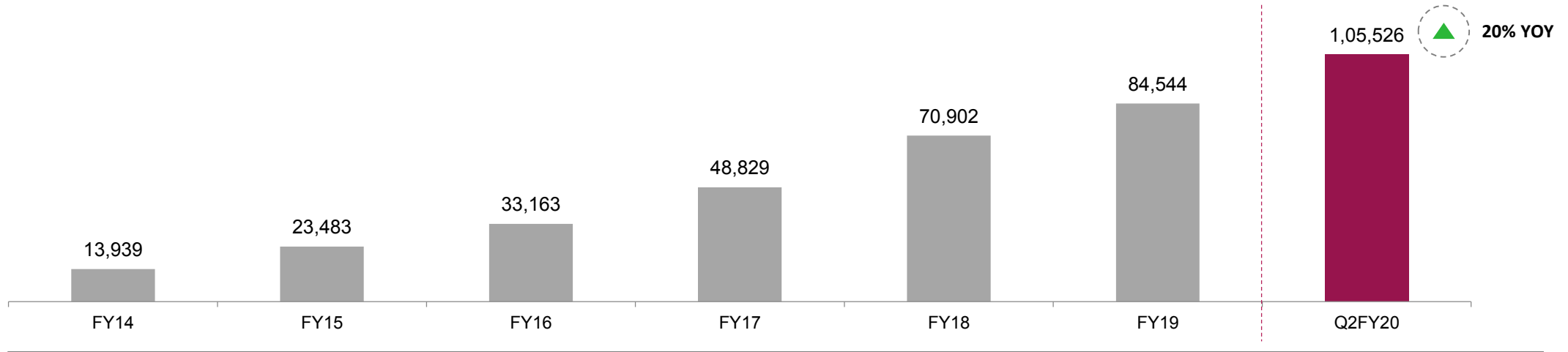


# Axis AMC : Noteworthy performance under current market conditions

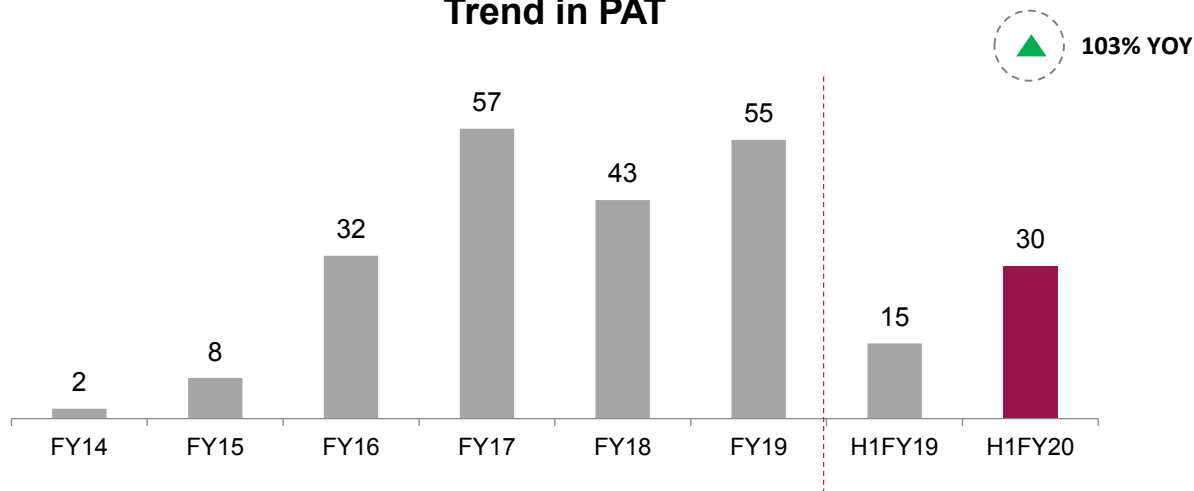


All figures in ₹ Crores

## Average AUM has shown strong growth



## Trend in PAT

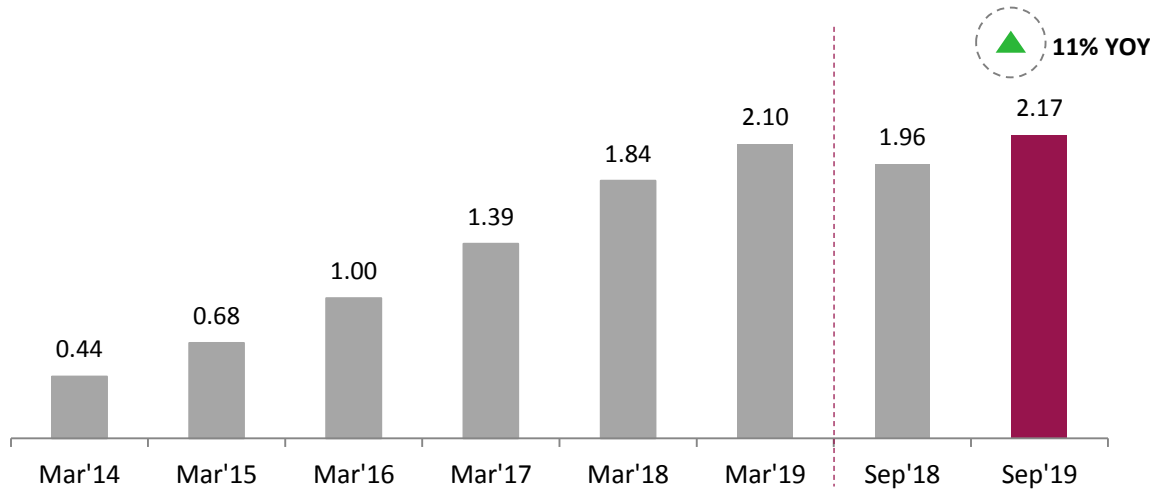


## Major Highlights

- Total Gross revenue of **₹209 Cr** earned during H1FY20
- Added **1.1 mn** investors in last one year taking its overall investor folios to **4.4 mn**
- Has current market share of **4.1 %** (as at end of Sep'19) and garnered **13%** incremental market share in H1FY20
- Equity & Hybrid funds constitutes **57%** of overall AUM

# Axis Securities : Growth in broking revenue has slowed down

**Total customer base (in mn)**

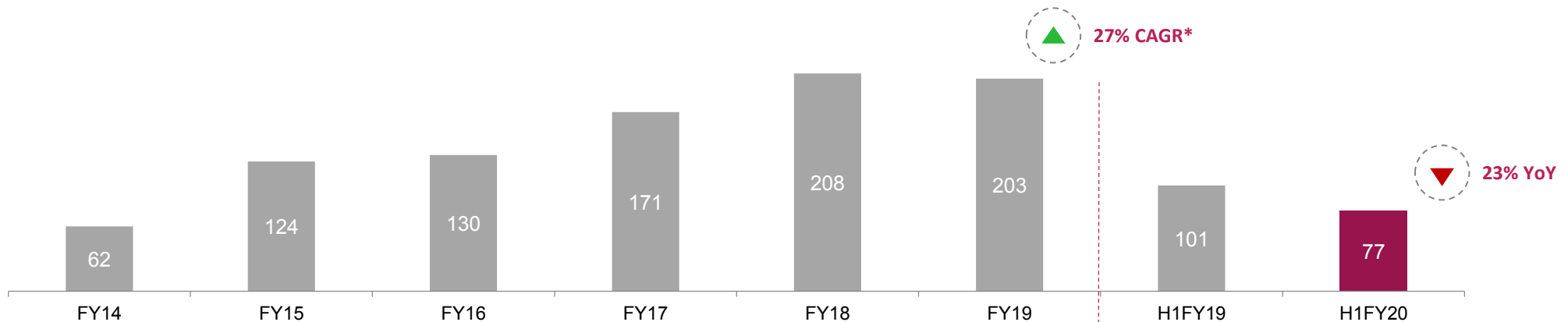


## Major Highlights - H1FY20

- Has one of the highest mobile adoption rates in the industry with over **70%** volumes coming from Mobile in H1FY20
- Introduced India, Trade @ 20 Brokerage Plan on Axis Direct, one can avail unlimited trading at ₹20 / order
- Won “Top Equity Broker of year 2019” at the BSE Commodity Equity Outlook Awards

**Trend in Broking Revenue growth**

All figures in ₹ Crores



\* 5yr CAGR

# Axis Capital : Leadership position maintained in volatile capital markets



All figures in ₹ Crores

## H1FY20 Ranking based on IPO, QIP, Rights, OFS & IPP

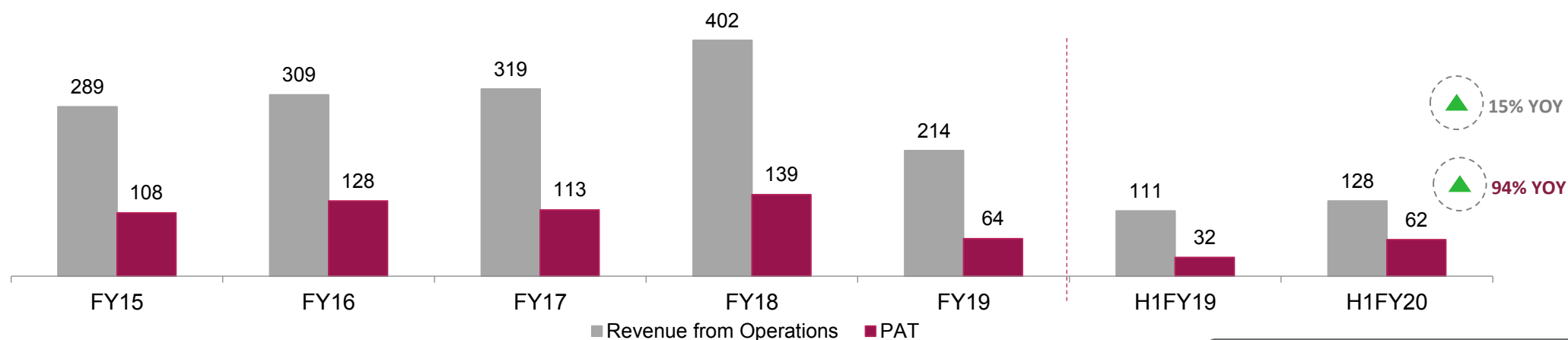
Rank	Banker	No of deals
1	Axis Capital	9
2	Peer 1	7
3	Peer 2	7
4	Peer 3	6
5	Peer 4	5

Source: Prime database

### Major Highlights

- Ranked No 1 in Equity and Equity Linked Deals over the last decade
- Successfully closed **15** transactions across IB in H1FY20 including 3 IPO, 3 QIPs, 1 OFS, 2 Buybacks, 2 Rights issue and 2 Advisory deals
- Axis Capital has won the 'Best Investment Bank' in India for the 4<sup>th</sup> year in a row (2018, 2017, 2016, 2015)

## Trend in Income & PAT



## 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 **42%**
- » 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
- » **33** Financiers on-boarded on the platform

### Progress so far (Jul'17 to Sep'19)

Throughput  
4,806 cr

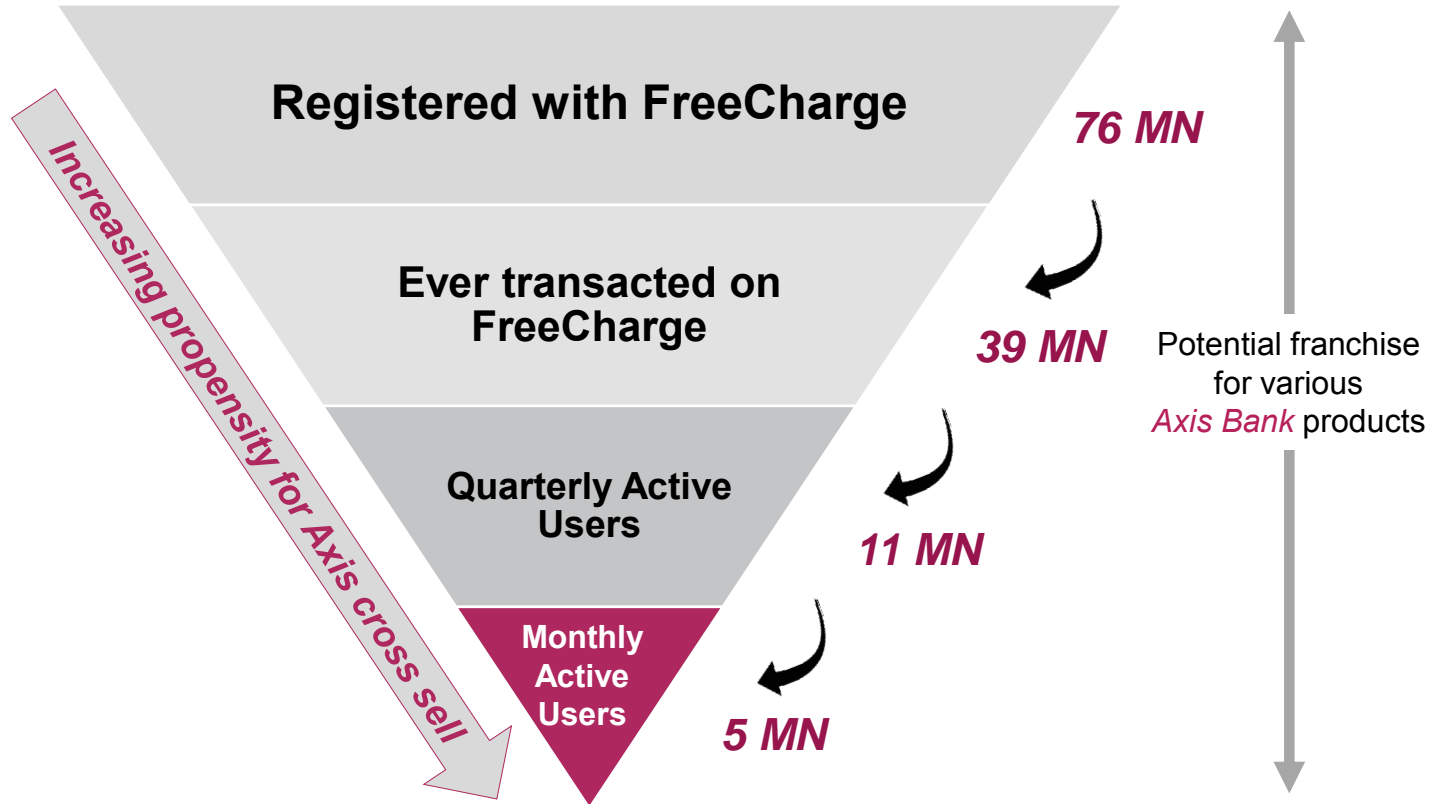
No. of Invoices Discounted  
3,30,906

Participants  
3,530

**Freecharge:** Among the top non-bank financial services platforms in the industry with a significant consumer franchise footprint

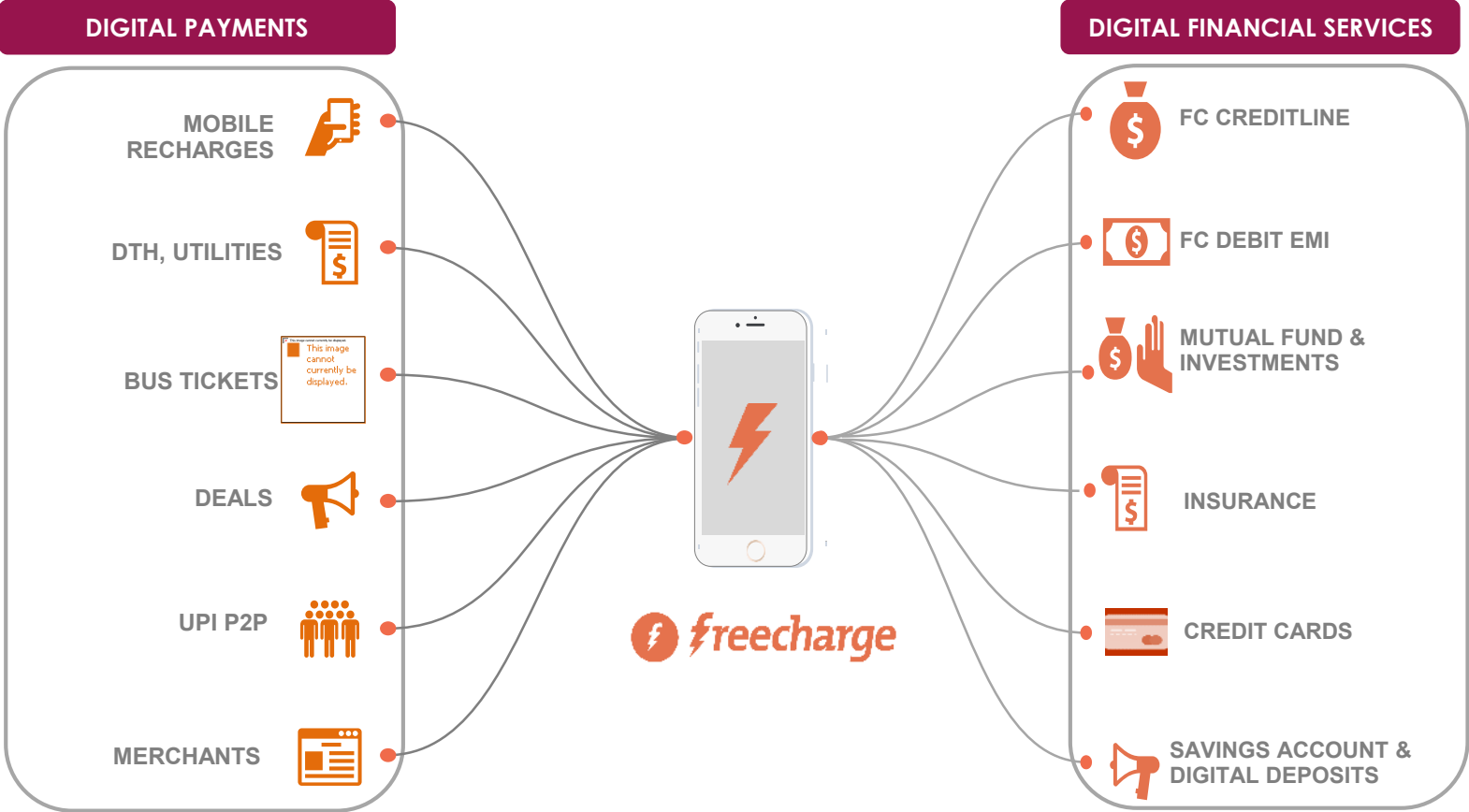


... With massive potential for cross selling Bank products




**19 million** new users registered since acquisition by Axis Bank

# Business is now focused on evolving from a leading Digital payments platform to a Digital Financial Services platform by offering new services



The platform will help Axis Bank **acquire young, digital native customers**, through **co-created financial services offerings**



Financial Highlights

Business Segment performance

Asset Quality

Shareholder Returns and Capital Position

Subsidiaries' Performance

Other important information

# The Bank has been reducing the Corporate Bond portfolio

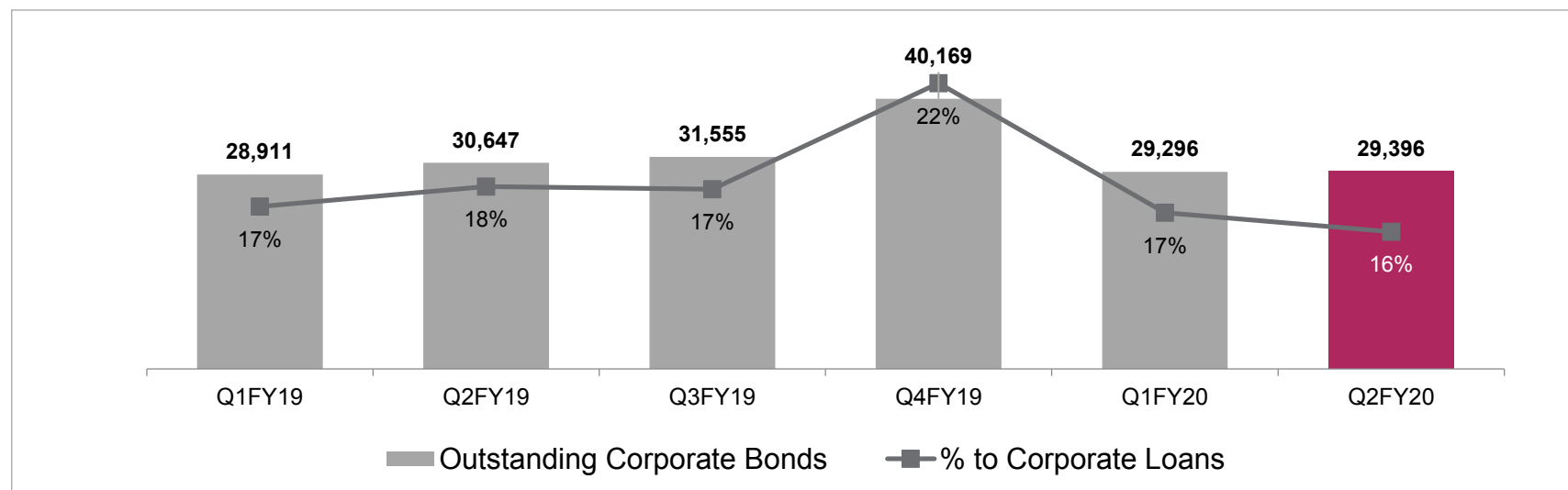
Investment Bifurcation	Book Value* (₹ Crores)
Government Securities <sup>1</sup>	1,23,810
Corporate Bonds <sup>2</sup>	29,396
Others	8,509
<b>Total Investments</b>	<b>1,61,715</b>

Category	Proportion
Held Till Maturity (HTM)	66%
Available For Sale (AFS)	29%
Held For Trading (HFT)	5%

\* as on Sep 30<sup>th</sup>, 2019

<sup>1</sup> 85% classified under HTM category

<sup>2</sup> 85% classified under AFS category

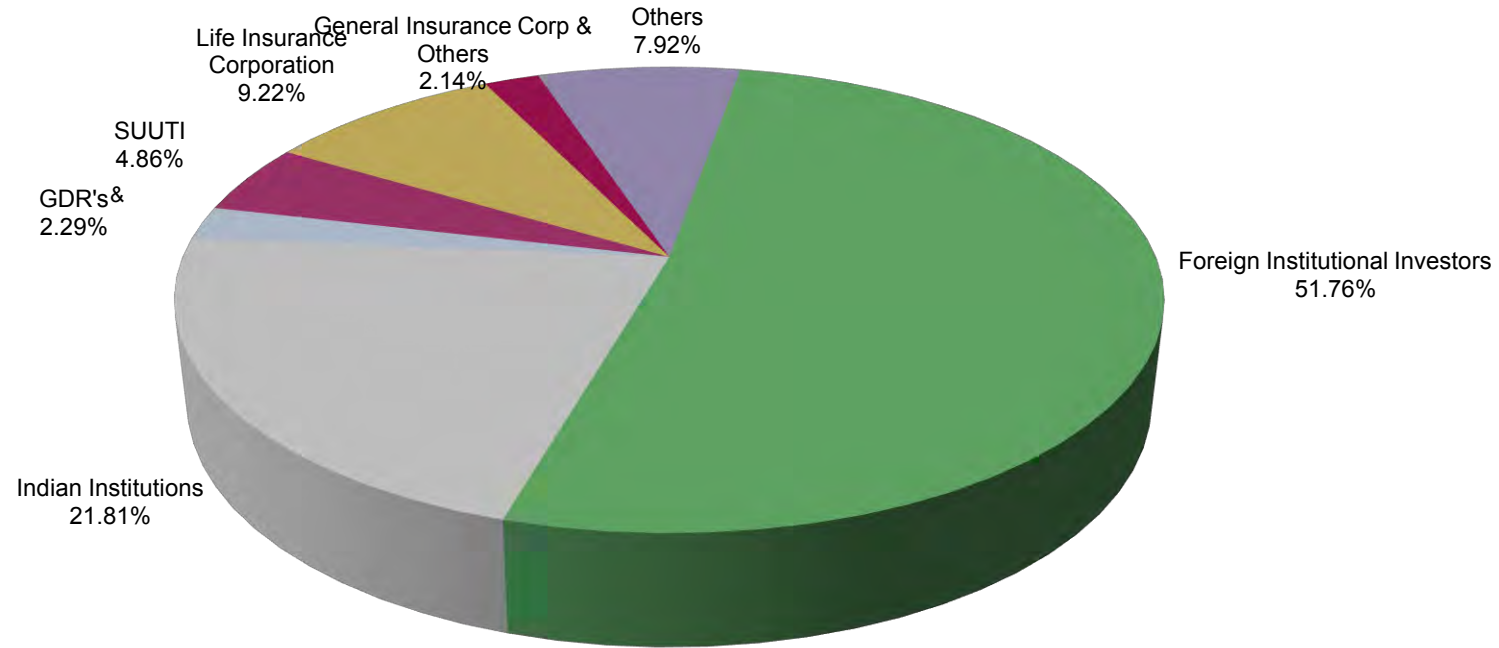




## Credit Ratings (as of Sept'19)

Rating Agency	Long term Issuer rating	Outlook
S&P Ratings	BBB-	Stable
Moody's	Baa3	Stable
Fitch	BB+	Stable
CRISIL	CRISIL AAA	Stable
CARE	CARE AAA	Stable
ICRA	ICRA AAA	Stable
India Ratings	IND AAA	Stable

# Shareholding Pattern (as on Sept 30<sup>th</sup>, 2019)



- Share Capital ₹ 564 crores
- Shareholders' Funds ₹ 83,875 crores
- Book Value Per Share ₹ 298
- Diluted EPS (Q2FY20)<sup>#</sup> ₹ (1.69)
- Market Capitalization ₹ 2,00,035 crores (as on Oct 18<sup>th</sup>, 2019)

& 1 GDR = 5 shares ; As on Sep 30<sup>th</sup>, 2019, outstanding GDRs stood at 64.6 mn  
<sup>#</sup> annualised

# Sustainability at Axis Bank



“Striving to create positive, financial as well as non-financial impact among our diverse stakeholder spectrum across rural and urban India”

## Green Banking



- First certified Green Bond by an Asian Bank, launched in 2016 for US\$ 500 mn
- 7.05 MW of solar power installations across 248 locations
- 2.2 million sheets of paper saved in 2018-19 through Saksham initiative for operational excellence

## Banking for Emerging India



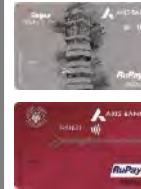
- 1.7 million women borrowers in 18 states & 1 UT under Axis Microfinance
- 3,200+ SMEs benefitted from Evolve series in 2018-19
- Over 1 million accounts under India's MUDRA Scheme

## CSR Impact



- Axis Bank Foundation active in 7,415 villages in 136 districts in 23 states
- 0.45 million households/trainees impacted in 2018-19 under Foundation's Mission 2 Million by 2025

## Digital Leadership



- 12% market share in UPI transactions with 56 mn VPAs
- First-of-its-kind Raipur Smart City Card under #SmartCities
- India's first single-wallet, contactless, open loop Metro card for Kochi Metro



On the prestigious FTSE4Good Index from 2017 onwards

FTSE4Good



Winner of the prestigious CII ITC Sustainability Award for CSR 2015, 2016, 2018



Featured in the Top 25 'Best Companies to Work For' by Business Today

# Major awards won by the Bank and its subsidiaries



**Best use of Data & Analytics  
for Business Outcome  
amongst Large Banks**



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



**Anti-Money Laundering  
Technology Implementation**



**Best Digital Bank for the  
second consecutive year**



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



**Financial Inclusion Initiative Of  
The Year**

# Financial Performance



Financial Performance ( ` crores)		Q2FY20	Q2FY19	% Growth
Interest Income	A	15,438	13,281	16%
Other Income	B = C+D+E	3,896	2,678	45%
- Fee Income	C	2,649	2,376	11%
- Trading Income	D	809	136	495%
- Miscellaneous Income	E	438	166	162%
- Recoveries in written-off a/c's		397	153	159%
<b>Total Income</b>	<b>F = A+B</b>	<b>19,334</b>	<b>15,959</b>	<b>21%</b>
Interest Expended	G	9,336	8,049	16%
<b>Net Interest Income</b>	<b>H = A-G</b>	<b>6,102</b>	<b>5,232</b>	<b>17%</b>
<b>Operating Revenue</b>	<b>I = B+H</b>	<b>9,998</b>	<b>7,910</b>	<b>26%</b>
Core Operating Revenue*	J = I-D	9,189	7,774	18%
Operating Expenses	K	4,046	3,816	6%
-Staff Expense	L	1,275	1,174	9%
-Non Staff Expense	M	2,771	2,642	5%
<b>Operating Profit</b>	<b>N = I-K</b>	<b>5,952</b>	<b>4,094</b>	<b>45%</b>
<b>Core Operating Profit*</b>	<b>O = N-D</b>	<b>5,143</b>	<b>3,958</b>	<b>30%</b>
Provisions other than taxes	P	3,518	2,927	20%
Profit Before Tax	Q = N-P	2,433	1,167	109%
Tax Expenses	R	2,545	377	572%
<b>Net Profit</b>	<b>S = Q-R</b>	<b>(112)</b>	<b>790</b>	<b>-</b>
EPS Diluted (in `) (annualized)		(1.69)	12.17	
Return on Average Assets (annualized)		(0.06%)	0.43%	
Return on Equity (annualized)		(0.68%)	5.43%	
Capital Adequacy Ratio (Basel III) (incl. profit for H1)		18.45%	16.45%	

\*Excluding trading profit for all the periods.

# Financial Performance



Financial Performance (\$ mn)		Q2FY20	Q2FY19	% Growth
Interest Income	A	2,178	1,874	16%
Other Income	B = C+D+E	550	378	45%
- Fee Income	C	374	335	11%
- Trading Income	D	114	19	495%
- Miscellaneous Income	E	62	24	162%
- Recoveries in written-off a/c's		56	22	159%
<b>Total Income</b>	<b>F = A+B</b>	<b>2,728</b>	<b>2,252</b>	<b>21%</b>
Interest Expended	G	1,317	1,136	16%
<b>Net Interest Income</b>	<b>H = A-G</b>	<b>861</b>	<b>738</b>	<b>17%</b>
<b>Operating Revenue</b>	<b>I = B+H</b>	<b>1,411</b>	<b>1,116</b>	<b>26%</b>
Core Operating Revenue*	J = I-D	1,297	1097	18%
Operating Expenses	K	571	539	6%
-Staff Expense	L	180	166	9%
-Non Staff Expense	M	391	373	5%
<b>Operating Profit</b>	<b>N = I-K</b>	<b>840</b>	<b>578</b>	<b>45%</b>
<b>Core Operating Profit*</b>	<b>O = N-D</b>	<b>726</b>	<b>558</b>	<b>30%</b>
Provisions other than taxes	P	496	413	20%
Profit Before Tax	Q = N-P	343	165	109%
Tax Expenses	R	359	53	572%
<b>Net Profit</b>	<b>S = Q-R</b>	<b>(16)</b>	<b>112</b>	<b>-</b>
EPS Diluted (in `) (annualized)		(1.69)	12.17	
Return on Average Assets (annualized)		(0.06%)	0.43%	
Return on Equity (annualized)		(0.68%)	5.43%	
Capital Adequacy Ratio (Basel III) (incl. profit for H1)		18.45%	16.45%	

\$ figures converted using exchange rate of 1\$ = ₹70.875

\*Excluding trading profit for all the periods.

# Balance Sheet



Balance Sheet (₹ crores)	As on 30 <sup>th</sup> Sep'19	As on 30 <sup>th</sup> Sep'18	% Growth
<b>CAPITAL AND LIABILITIES</b>			
Capital	564	514	10%
Reserves & Surplus	83,311	64,545	29%
Deposits	583,958	479,680	22%
Borrowings	108,946	148,399	-27%
Other Liabilities and Provisions	32,515	37,408	-13%
<b>Total</b>	<b>809,294</b>	<b>730,546</b>	<b>11%</b>
<b>ASSETS</b>			
Cash and Balances with RBI and Balances with Banks and Money at Call and Short Notice	57,074	48,704	17%
Investments	161,715	155,685	4%
Advances	521,594	456,121	14%
Fixed Assets	4,070	3,910	4%
Other Assets	64,841	66,126	-2%
<b>Total</b>	<b>809,294</b>	<b>730,546</b>	<b>11%</b>

# Balance Sheet



Balance Sheet (\$ mn)	As on 30 <sup>th</sup> Sep'19	As on 30 <sup>th</sup> Sep'18	% Growth
<b>CAPITAL AND LIABILITIES</b>			
Capital	79	73	10%
Reserves & Surplus	11,755	9,107	29%
Deposits	82,393	67,680	22%
Borrowings	15,371	20,938	-27%
Other Liabilities and Provisions	4,588	5,277	-13%
<b>Total</b>	<b>114,186</b>	<b>103,075</b>	<b>11%</b>
<b>ASSETS</b>			
Cash and Balances with RBI and Balances with Banks and Money at Call and Short Notice	8,053	6,872	17%
Investments	22,817	21,966	4%
Advances	73,593	64,356	14%
Fixed Assets	574	551	4%
Other Assets	9,149	9,330	-2%
<b>Total</b>	<b>114,186</b>	<b>103,075</b>	<b>11%</b>

\$ figures converted using exchange rate of 1\$ = ₹70.875



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**