

# Investor Presentation

## *Q3 FY19*

# Major Highlights of Q3 FY19

## Profitability metrics improve

- PAT up 131% YOY
- Operating profit up 43% YOY
- NII up 18% YOY

## Asset Quality metrics improve

- NPA ratios improved from Q2 levels
- Slippages ratios remain moderate
- BB & Below pool reduced 14% sequentially

## Provision Coverage strengthened

- Provision Coverage Ratio increased further, stands at 75%
- Contingent provision of ₹600 crores created in Q3 FY19\*

## Strong Deposit growth

- Deposits up 26% YOY
- CASA + Retail TDs up 17% on quarterly average basis
- Loan to Deposit Ratio down to 92% from 95% sequentially

## Healthy loan growth

- Domestic loan book grew 18% YOY
- Retail book grew 20% YOY

## Capital Ratios stable

- CET1 ratio (incl. profit for 9MFY19) stood at 11.77%

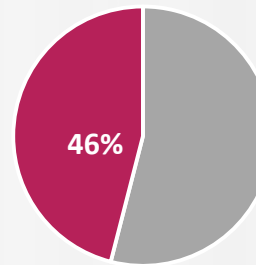
\* Contingent provision not included in computation of provision coverage ratio

# Key Metrics for Q3FY19

## Snapshot (As on Dec 31, 2018) (in ₹Crores)

	Q3FY19	YOY Growth %
<b>Balance Sheet</b>		
Total Assets	7,56,176	17%
Net Advances	4,75,105	13%
Total Deposits	5,14,092	26%
Shareholders' Funds	66,698	2%
<b>Profit &amp; Loss</b>		
Net Interest Income	5,604	18%
Fee Income	2,615	16%
Operating Profit	5,525	43%
Net Profit	1,681	131%
	Q3FY19	Q3FY18
<b>Key Ratios</b>		
Diluted EPS <sup>1</sup> (in ₹)	25.86	11.86
Book Value per share (in ₹)	260	256
ROA <sup>1</sup> (in %)	0.88	0.44
ROE <sup>1</sup> (in %)	11.33	5.52
Gross NPA Ratio	5.75%	5.28%
Net NPA Ratio	2.36%	2.56%
Basel III Tier I CAR <sup>2</sup>	13.07%	14.13%
Basel III Total CAR <sup>2</sup>	16.40%	18.00%

Deposits ↑ 26% YOY

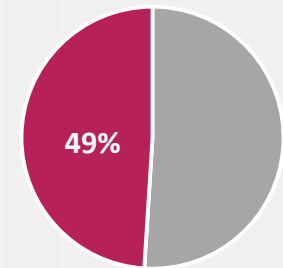


**CASA** ↑ 17% YOY (End balance)  
 ↑ 11% YOY (QAB\*)  


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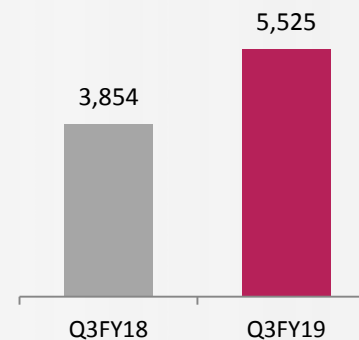
**SA** ↑ 15% YOY (End balance)  
 ↑ 15% YOY (QAB\*)

Advances ↑ 13% YOY

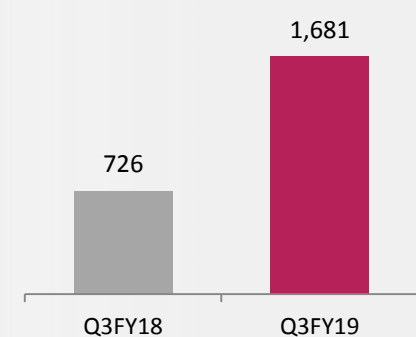


**Retail Advances**  
 ↑ 20% YOY

Operating Profit (in ₹Crores)  
43% YOY ↑



Net Profit (in ₹Crores)  
131% YOY ↑



<sup>1</sup> Annualised

<sup>2</sup> Including profit for 9M

\*QAB – Quarterly Average Balance

## Financial Highlights

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Business Segment performance

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Asset Quality

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Shareholder Returns and Capital Position

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Subsidiaries' Performance

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Other important information

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### Special Analysis slides



Long term trend for BB & Below pool 52



Long term Credit costs trend 54

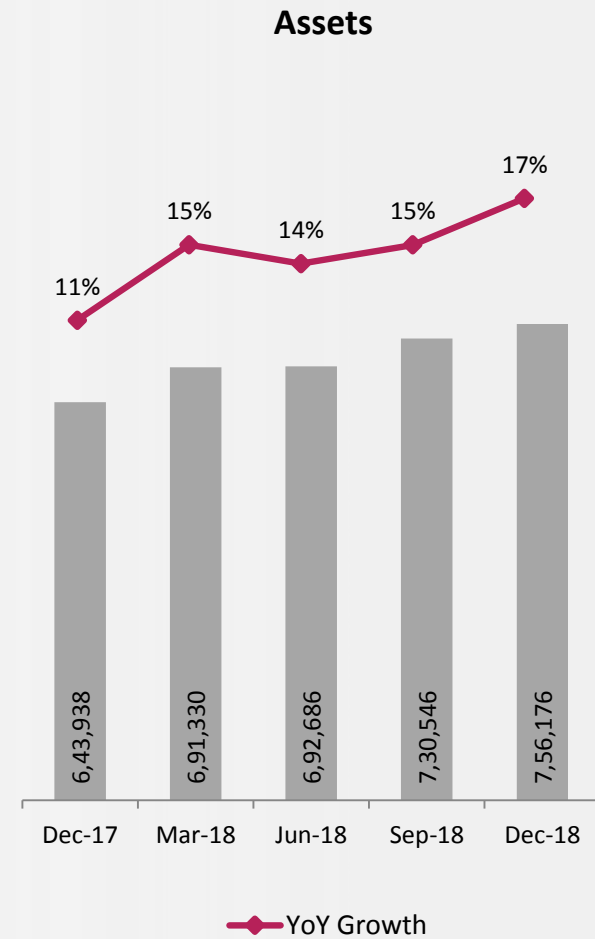
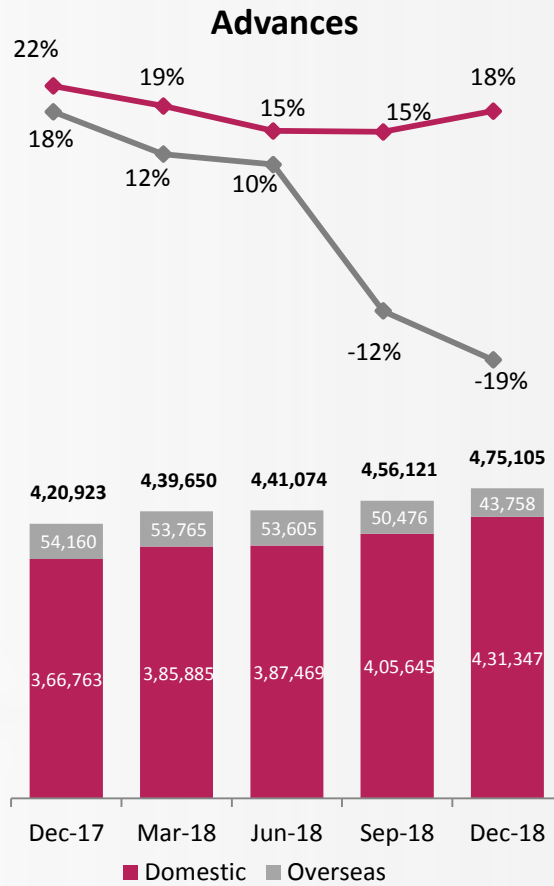
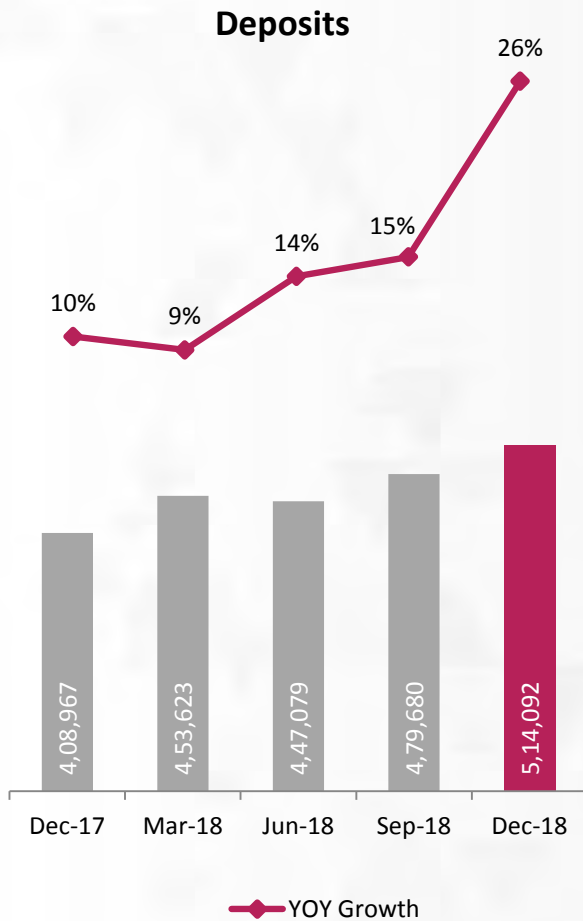
# Financial Highlights – Balance Sheet

## Summary

- Strong deposit growth enables healthy loan growth
- Total Deposits grew 26% with Retail term deposits up 24%
- Domestic loan growth stood at 18%, driven by Retail and SME segments
- Share of low cost CASA and Retail term deposits stood at 80%

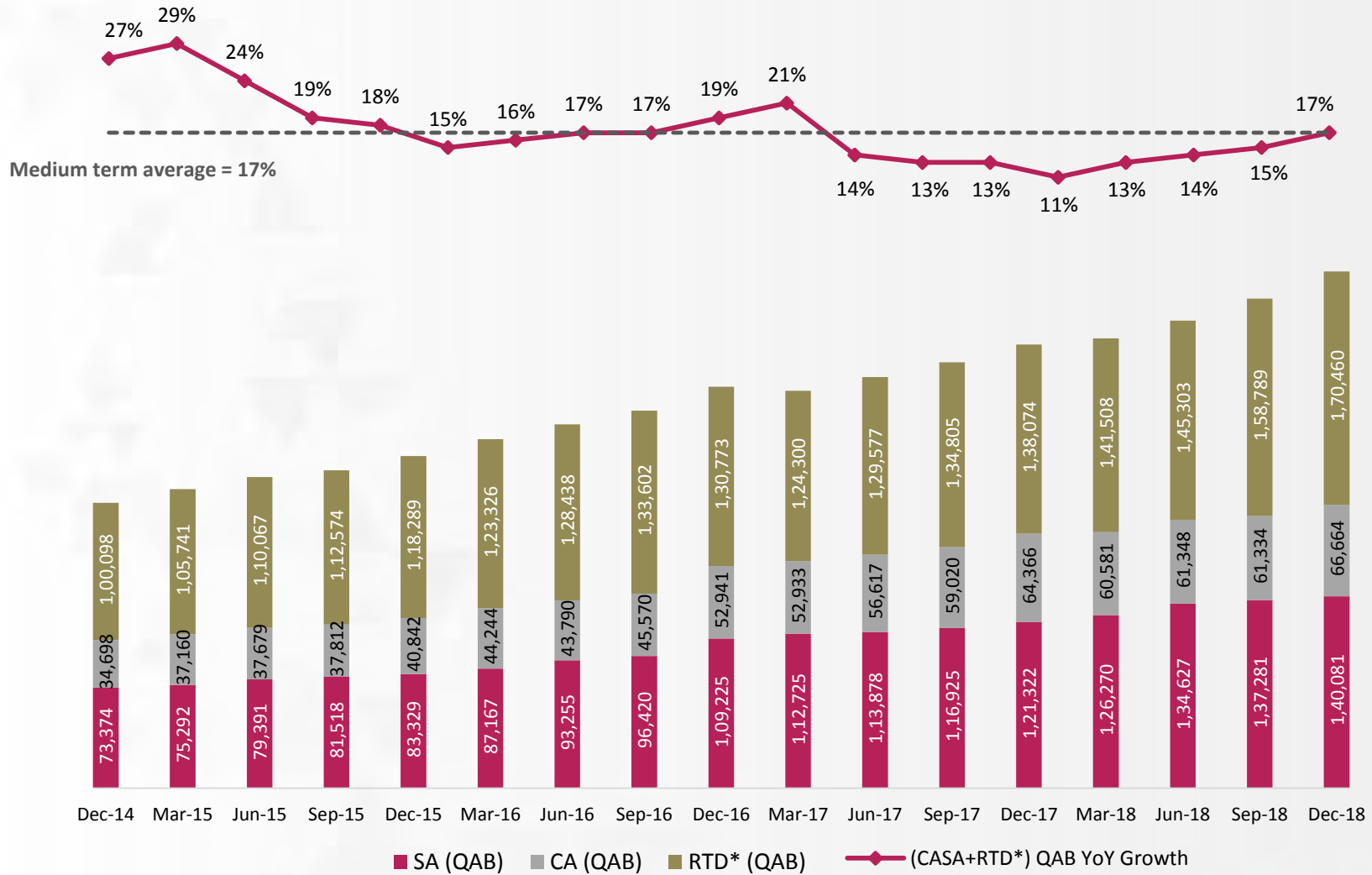
# Strong deposit growth enables healthy loan growth

All figures in ₹ Crores



# Deposit growth in the quarter was strong

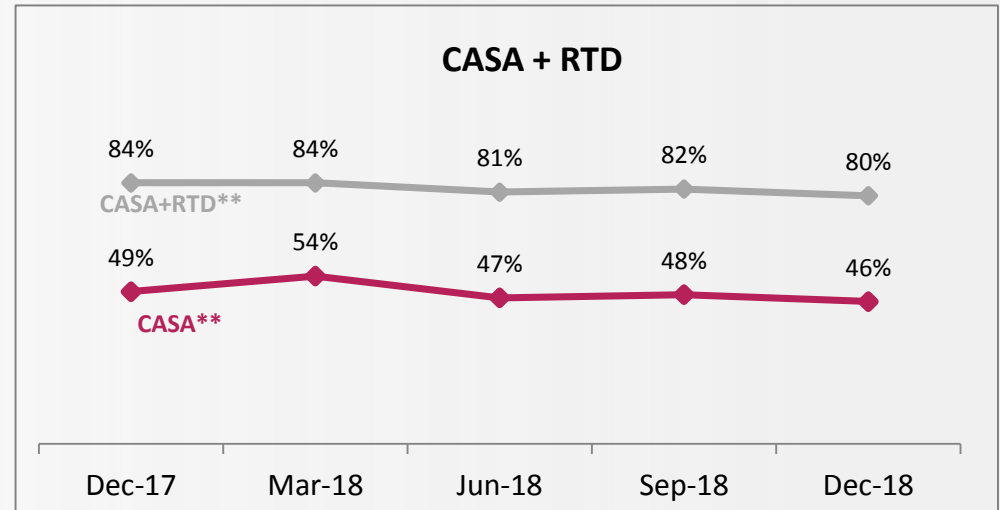
All figures in ₹ Crores



\* Retail Term Deposits

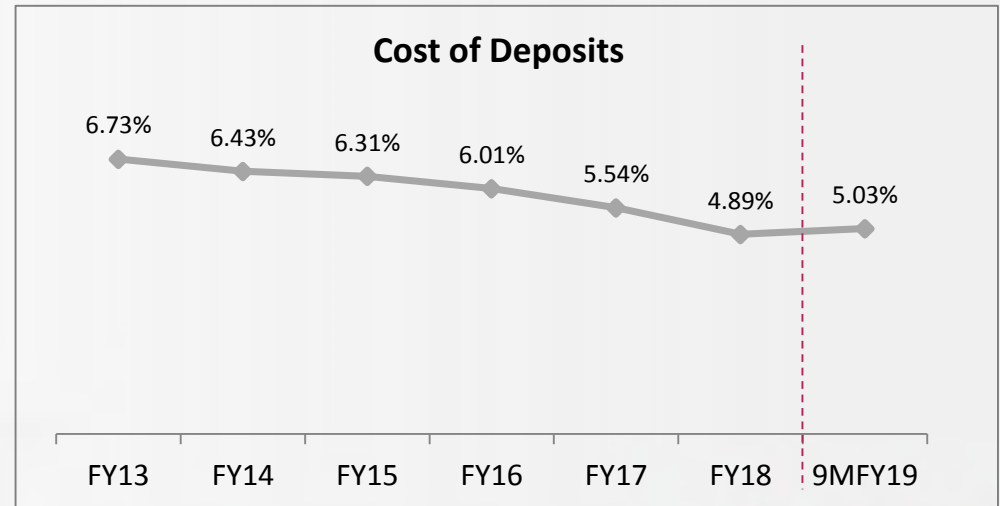
# The Bank retains a stable, low cost deposit franchise

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



\*\* as % of total deposits

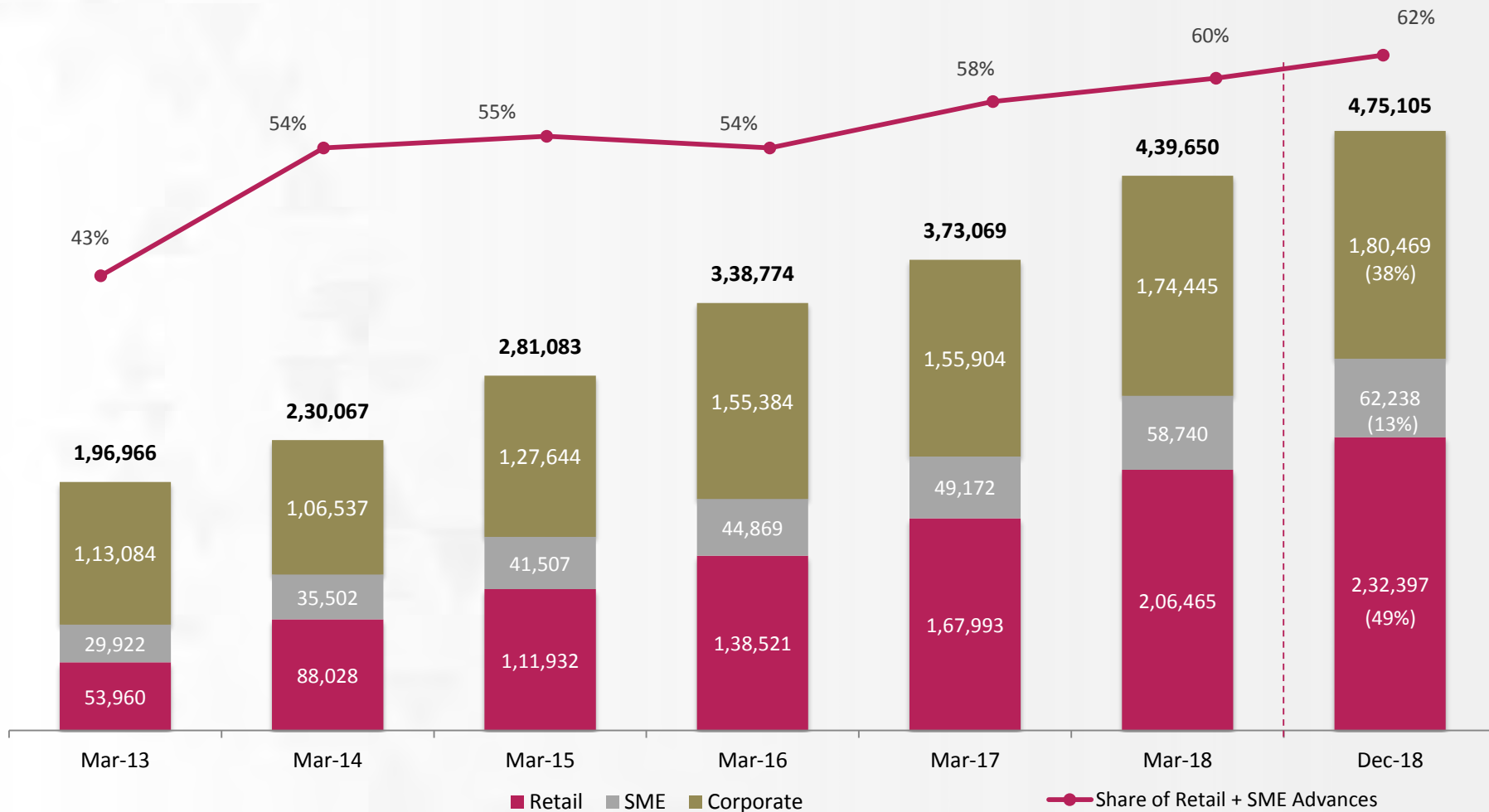
Cost of Deposits has remained steady during the year





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

All figures in ₹ Crores



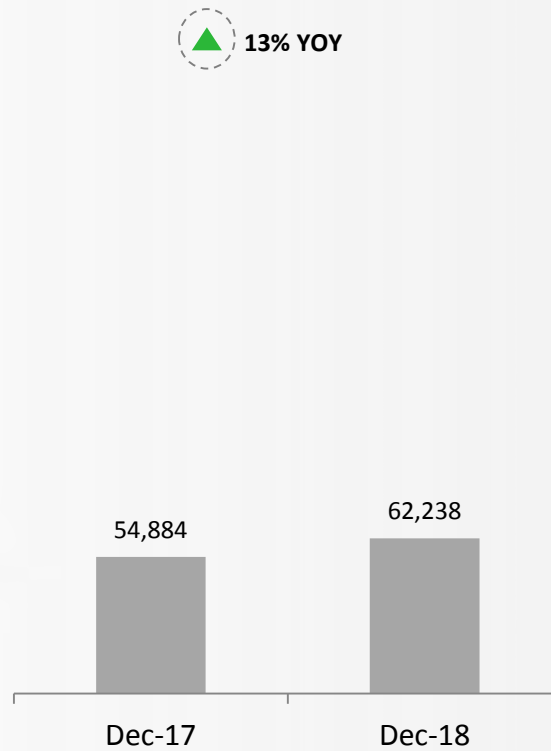
# Loan growth in the quarter was driven by Retail and SME

All figures in ₹ Crores

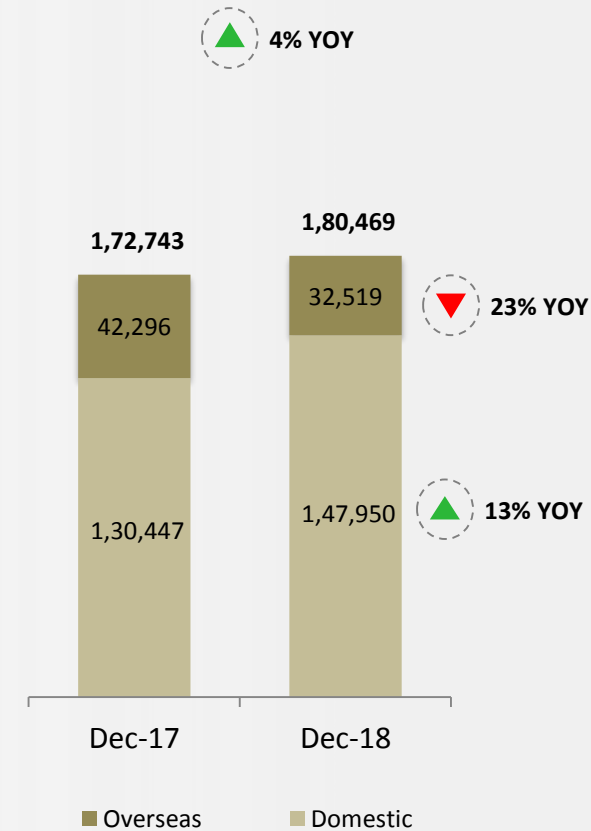
## Retail Advances



## SME Advances



## Corporate Advances



# Financial Highlights – Profit & Loss Statement

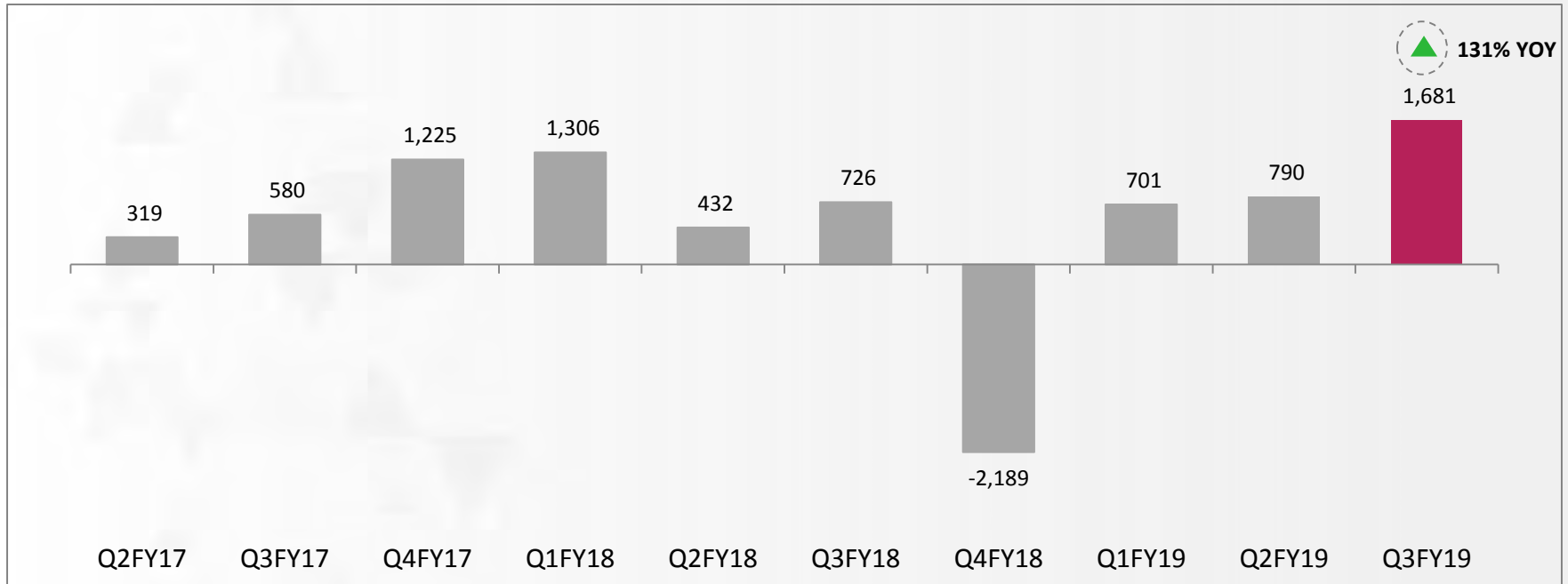
## Summary

- PAT grew 131% YOY
- Operating profit growth was strong
- Fee income grew at 16%, led by Retail Fees, which grew 22%
- Opex to Assets ratio remained stable

# Earnings trend has improved

All figures in ₹ Crores

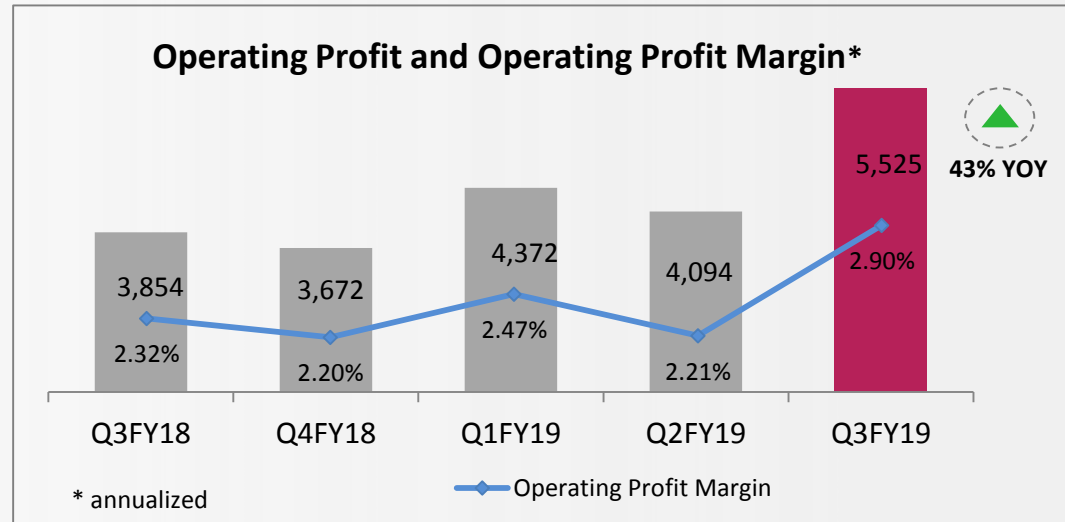
## Net Profit



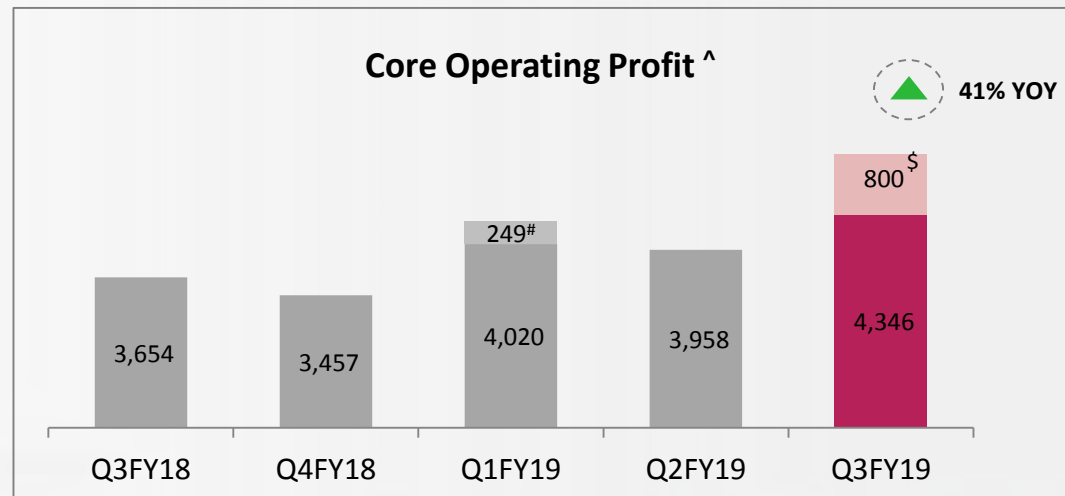
# Core Operating Profit growth has been strong

All figures in ₹ Crores

Operating profit grew 43% YOY



Core operating profit grew 41% YOY

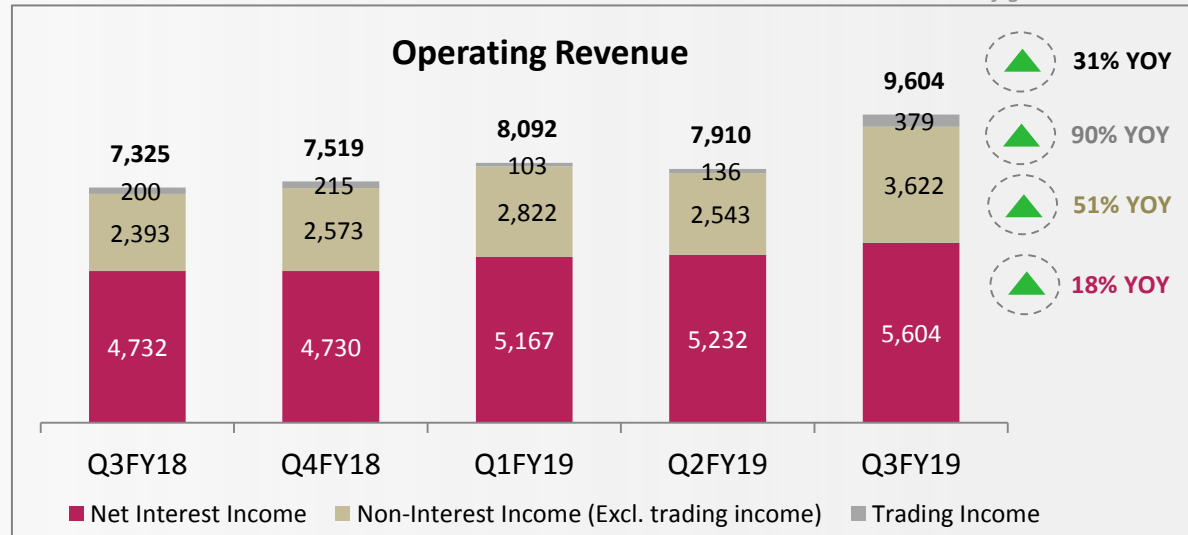


^ computed as operating profit less trading profit  
 # Impact of one large recovery from IBC list 1  
 \$ impact of one large recovery in Q3FY19

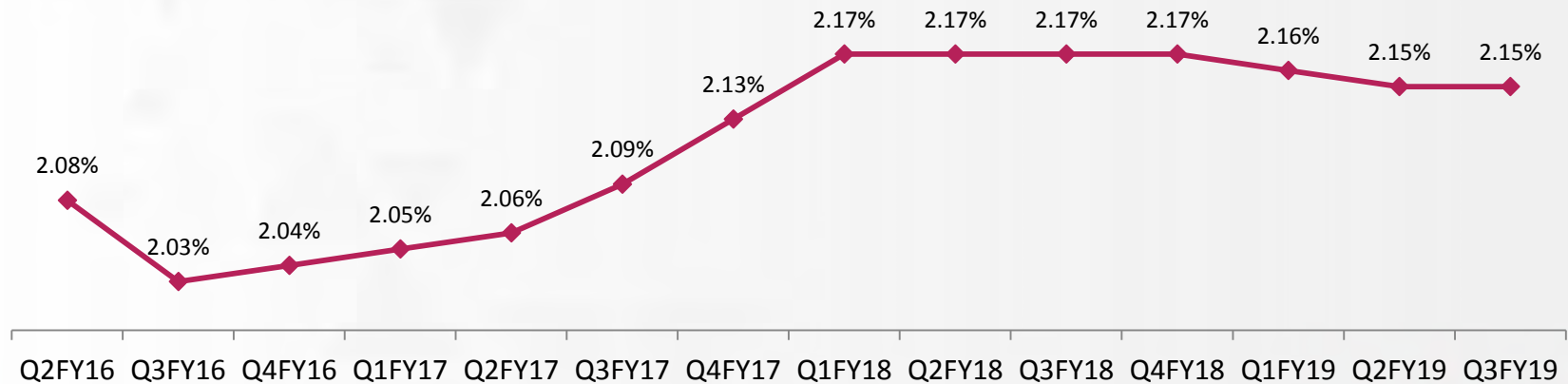
# Operating profit metrics were stable

All figures in ₹ Crores

- NII up 18% YOY
- Non-interest income (excluding trading income) up 51% YOY



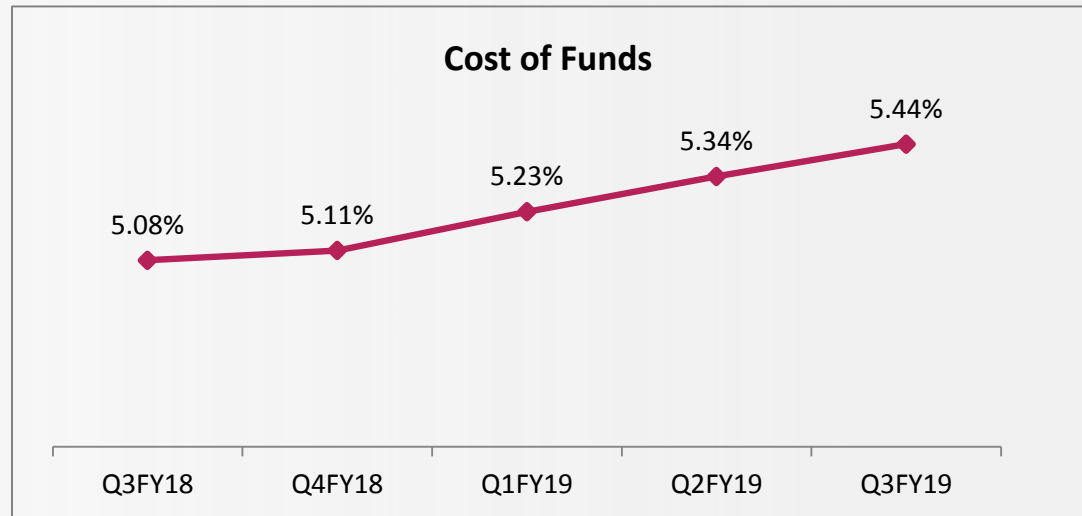
## Opex to Average Assets\*



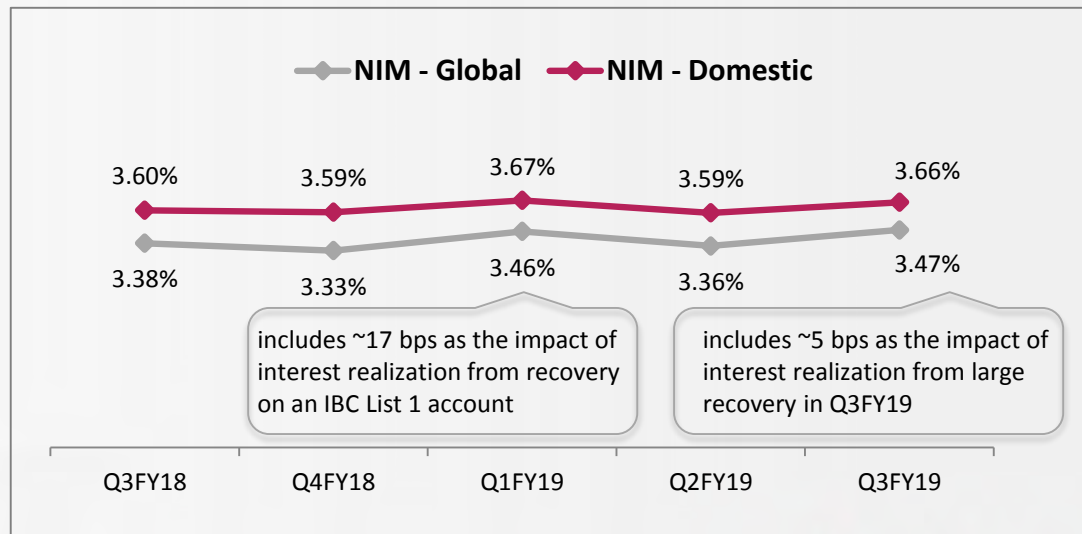
\* annualized

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

Cost of funds went up 10 bps q-o-q...

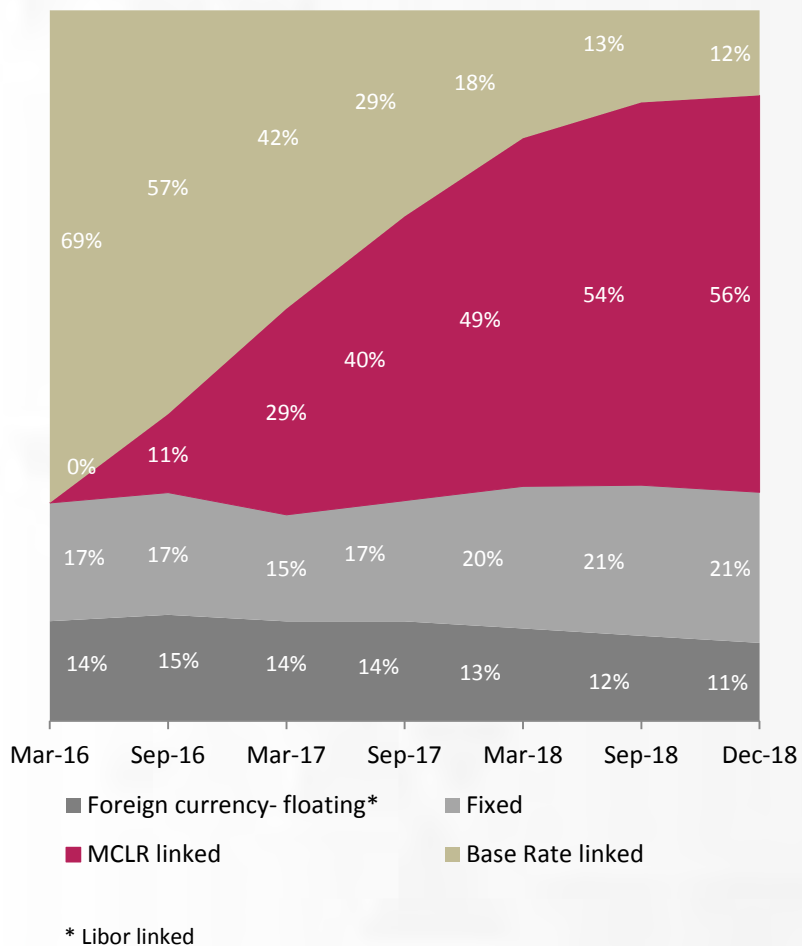


...however NIM remained steady



# MCLR mix in advances has started to stabilize

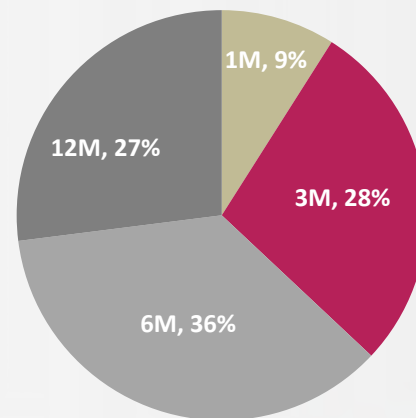
## Advances mix by Rate type



## 1 year MCLR (%)



## MCLR Duration Split (Dec-18)



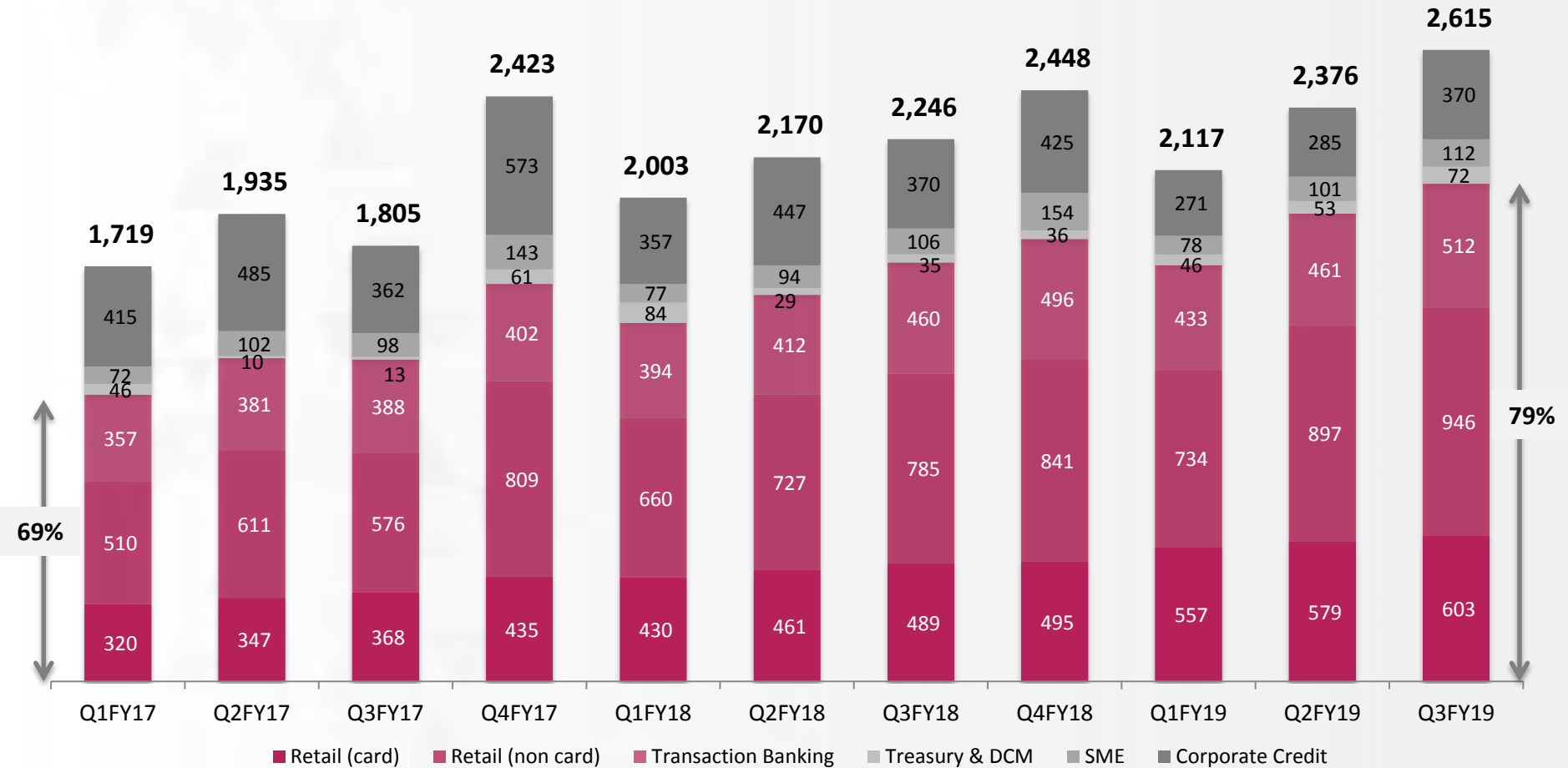


# Retail and Transaction Banking now form 79% of the Bank's Fees

All figures in ₹ Crores

## Fee Composition\*

16% YOY



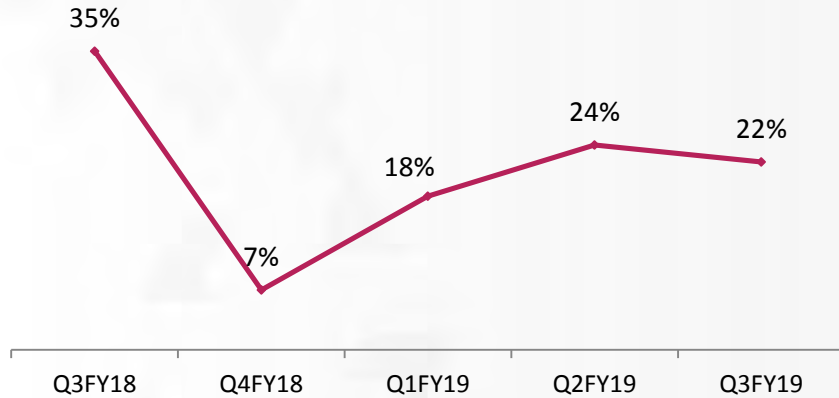
\*There has been reclassification of certain segments from Transaction Banking to Retail starting Q1FY19. Accordingly the figures for all the prior periods are adjusted to reflect reclassified data

# Retail and Transaction Banking Fee growth remains healthy

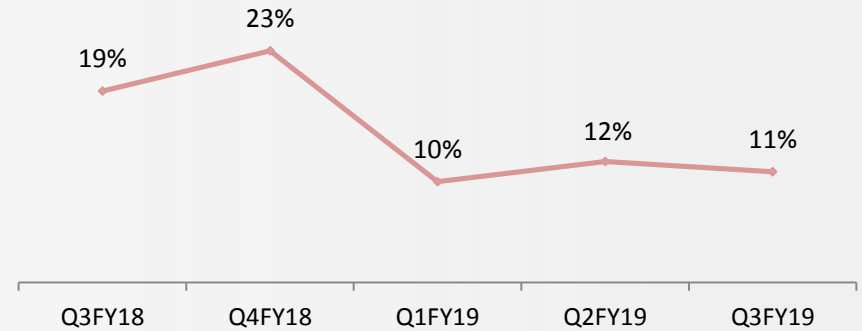
All figures represent YOY growth

Fee Growth (YOY)

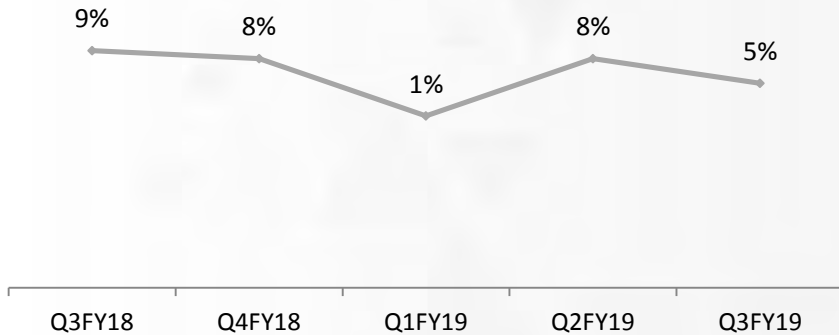
## Retail\*



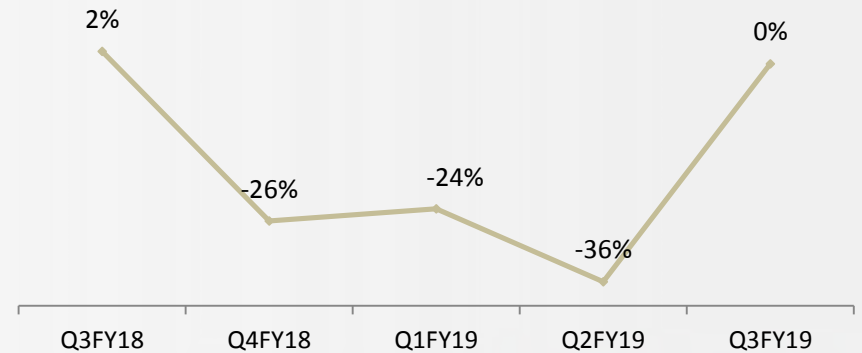
## Transaction Banking\*



## SME



## Corporate Credit



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

Financial Highlights

**Business Segment performance**

Asset Quality

Shareholder Returns and Capital Position

Subsidiaries' Performance

Other important information

# The Bank's strengths revolve around four key themes



## ...with subsidiaries complementing the strategy

### AXIS FINANCE

- One of the fastest growing NBFCs
- Offers complementary product offerings to Bank customers
- Product offerings include Structured Financing, Special Situations Funding

### AXIS MUTUAL FUND

- Among the fastest growing AMC since launch in '09
- More than **3.6 mn** client folios
- Has market share of **3.46%** as at end of Dec'18

### AXIS DIRECT

- Among the fastest growing equity broker in India
- Among top 3 brokers in India with cumulative client base of 2.02 mn

### AXIS CAPITAL

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

### freecharge

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

### TReDS

- One of the 3 entities allowed by RBI to set up the Trade Receivables Discounting System
- **'Invoicemart'** continues to be India's leading TReDS platform with market share of nearly **40%**

# Business Performance – Retail

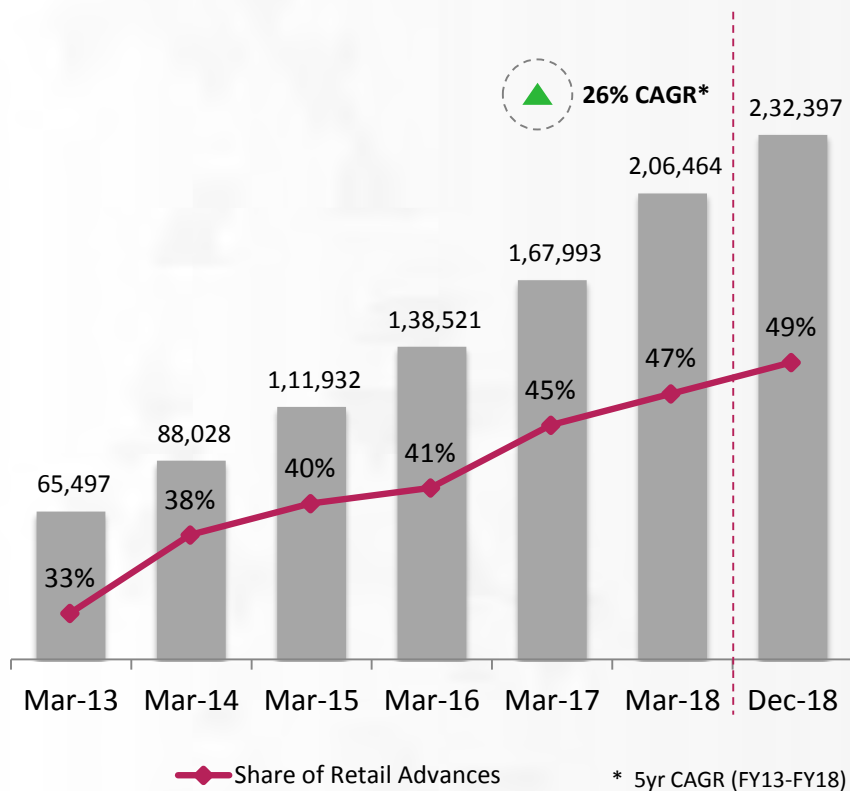
## Summary

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

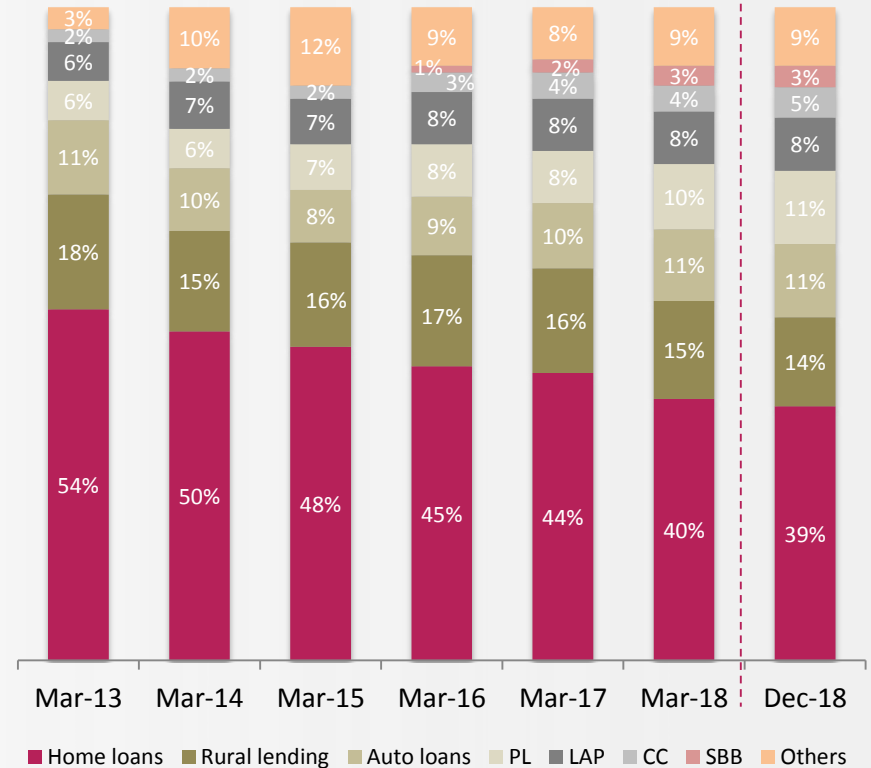
# Retail Loans form the largest part of the Bank's loan book and are well diversified

All figures in ₹ Crores

## Retail Advances have shown strong growth...



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



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

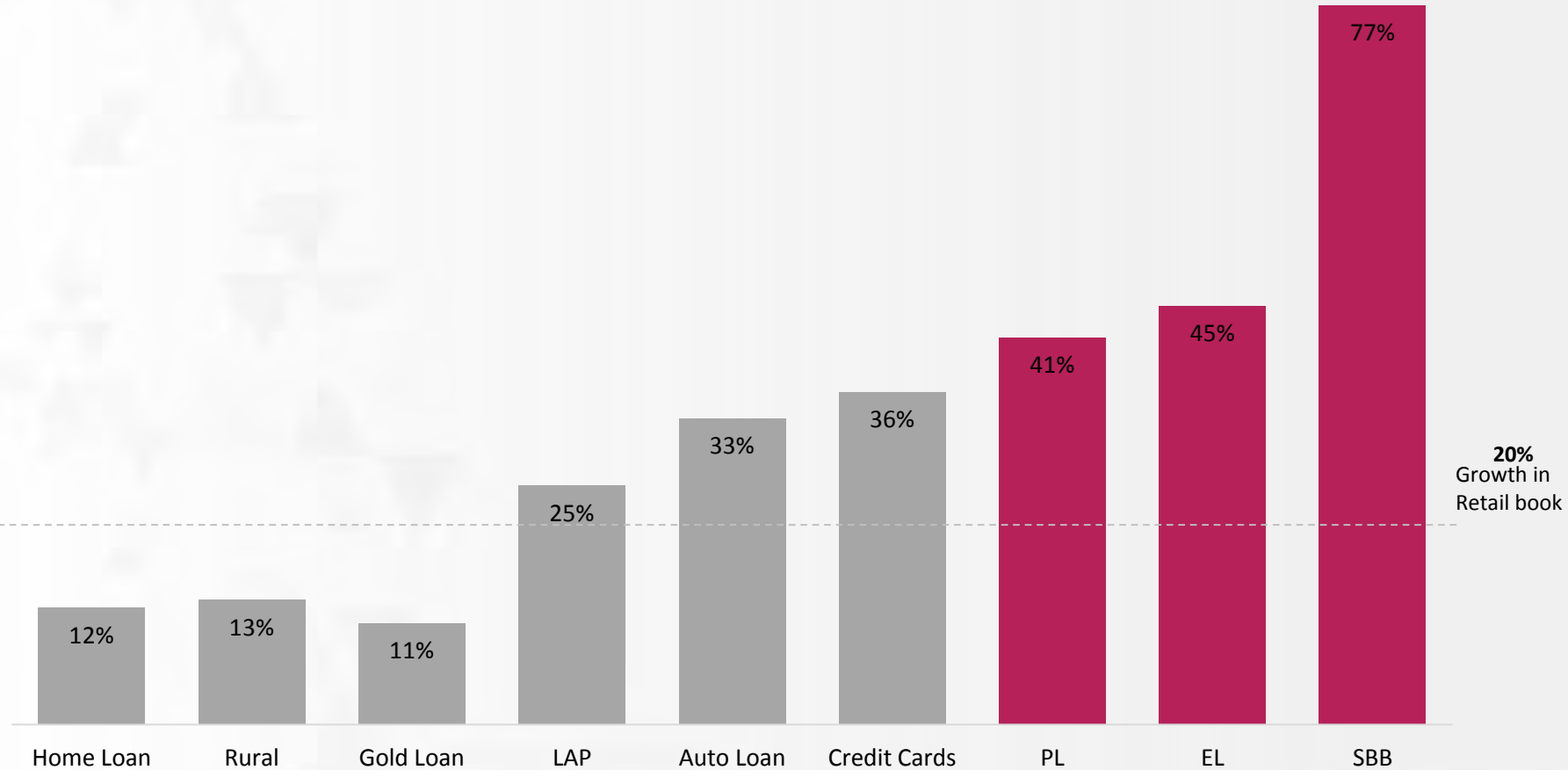
- ▲ Cross sell to existing deposit customers
- ▲ Distribution through branches
- ▲ Strong analytics engine driving underwriting

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

# Our identified “new engines of growth” continue to grow strongly


## Sourcing Strategy

- 83% of sourcing in Q3 was from existing customers
- 48% of overall sourcing was through Bank branches

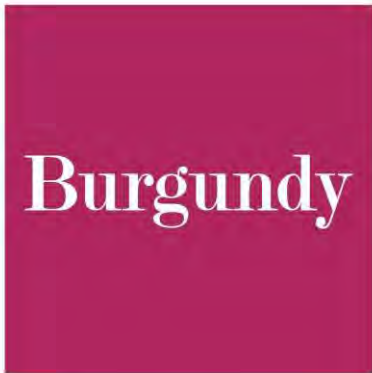


20%  
Growth in  
Retail book

EL – Education Loan

 New engines of growth

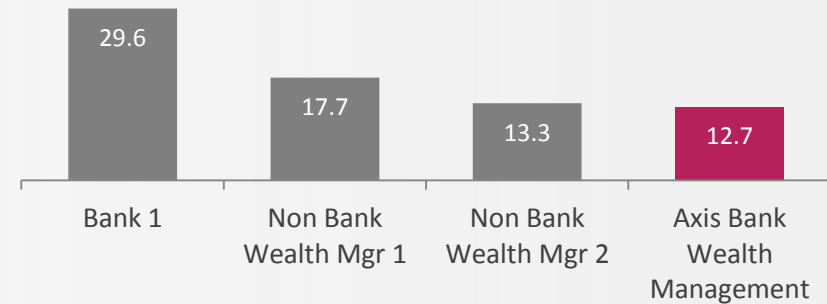
# We remain a leading player in Wealth Management



Wealth Management | Axis Bank

**Assets Under Management:** ₹129,651 crore  
(as at end of Dec'18) **(\$ 19 Bn)**

4<sup>th</sup> largest Wealth Management business in India  
(Asian Private Banker\*)



## Burgundy Performance (FY14-FY18)

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

<sup>#</sup> CAGR growth for 2 yrs

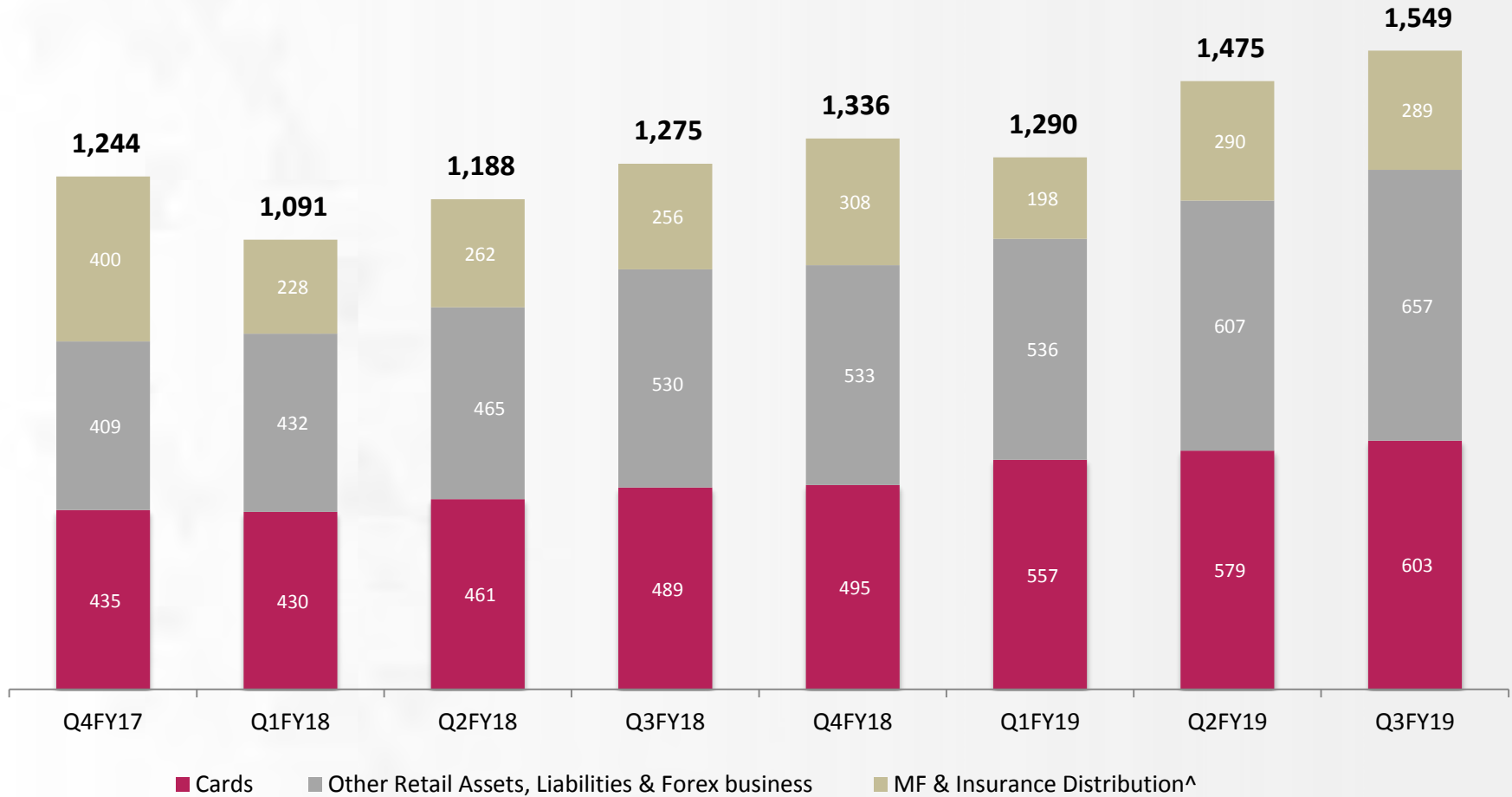
\* As per their India 2017 AUM League Table in terms of AUM (\$ Bn)

• Reference Exchange rate \$ = ₹70



# Granular Retail Fees have been a major revenue driver

All figures in ₹ Crores

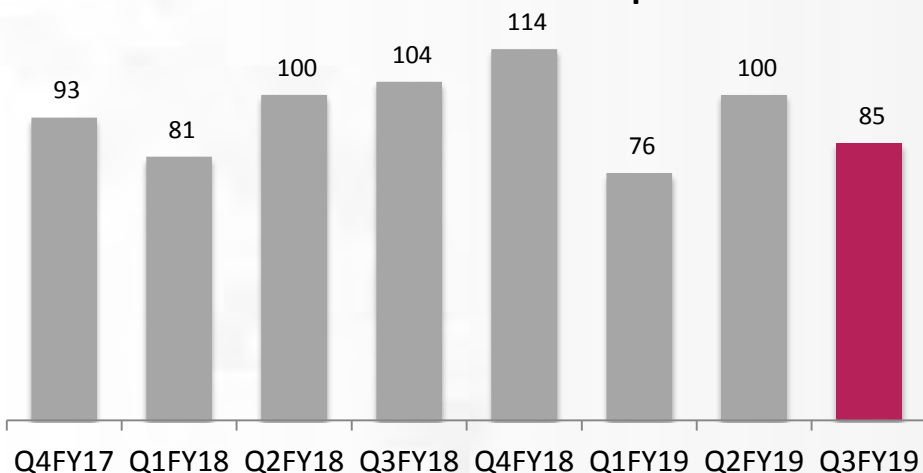


<sup>^</sup> Includes distribution fees of others like bonds, gold coins, etc

\*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

# Network expansion continues at a steady pace

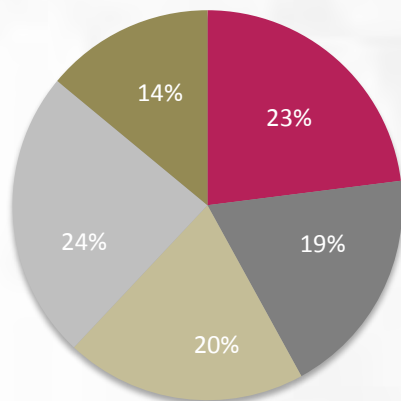
**New Branches Opened\***



## Why are we continuing to invest in Branches?

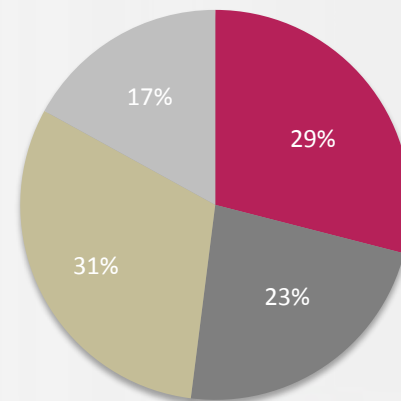
- India continues to be a growth economy
- New customer acquisition is a larger growth driver than deepening of existing customer wallet share
- Physical distribution continues to be central to new customer acquisition (even as transactions and cross-sell have shifted to Digital channels)

## Very well distributed branch presence across regions and categories



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

- Our network has been completely organic, built over last 25 years
- Total no. of domestic branches\* as on 31<sup>st</sup> December 2018 stood at **3,964**



■ Metro ■ Urban ■ Semi-Urban ■ Rural

\* Includes extension counters

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

Featured amongst Top 10 most valuable brands in India



Axis Bank Mobile App



People's Choice



Among 42 leading banks worldwide







# Business Performance – Digital

## Summary

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

# We have strong market position across most Digital Payment products

## Axis Bank Market Standing Across Products

Product						
	Debit Cards <sup>1</sup>	Credit Cards <sup>2</sup>	Mobile Banking <sup>3</sup>	Point of Sale Terminals <sup>^</sup>	UPI <sup>4</sup>	Forex Cards
Market share	7%	12%	14%	14%	9%	46%
Ranking	4 <sup>th</sup>	4 <sup>th</sup>	4 <sup>th</sup>	3 <sup>rd</sup>		1 <sup>st</sup>

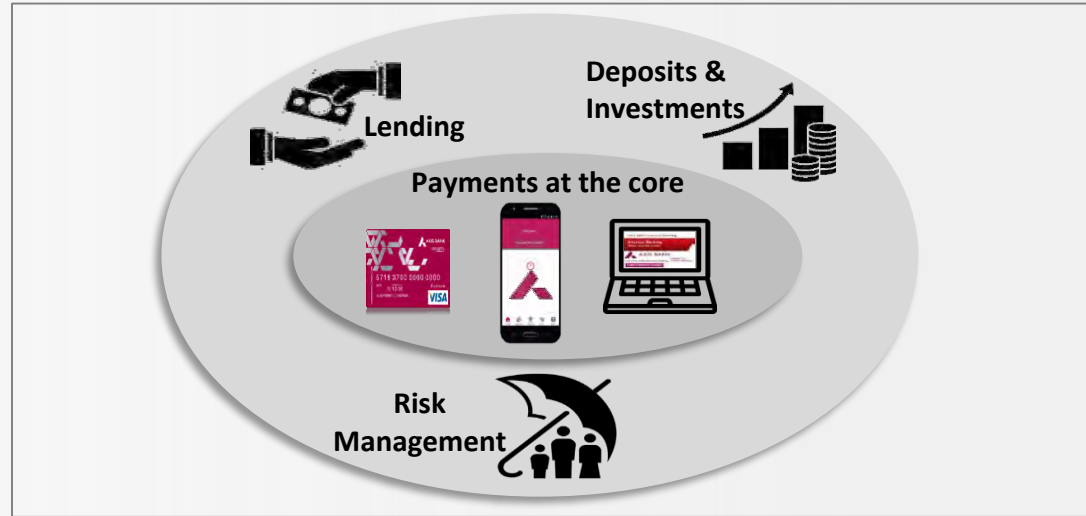
Source: RBI, Internal Data

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

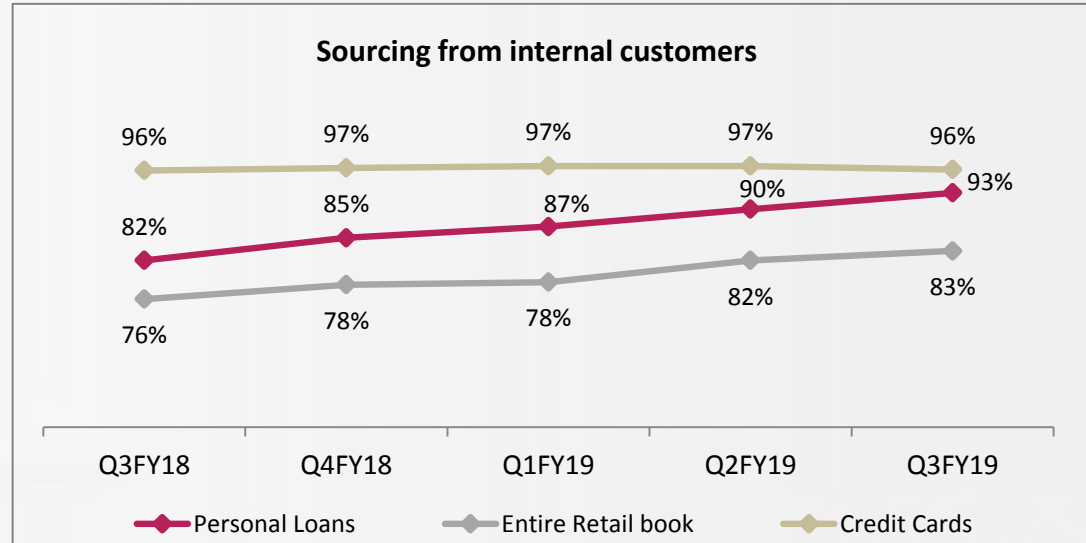
3 – based on value (RBI Sept. 2018 data), 4 – market share based on value, ranking data (Q3FY19) not available from authenticated sources

# 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 5 years and is now the 4<sup>th</sup> largest in the country

## Featured Cards



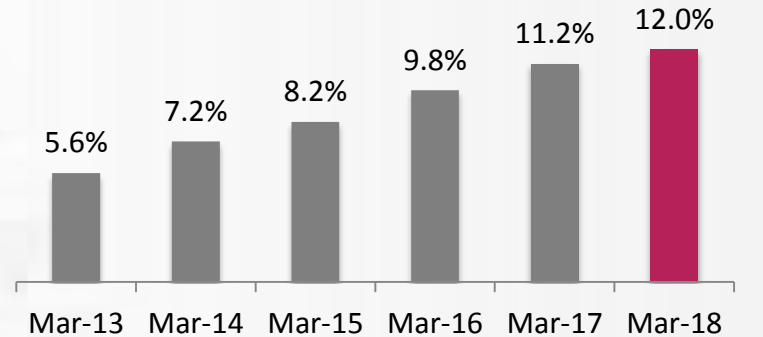
## Co-branded Cards



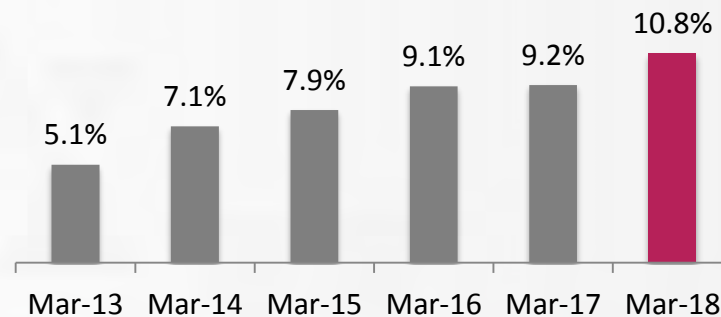
## Premium Cards



## Credit Cards in Force – Market Share



## Credit Cards Spends – Market Share



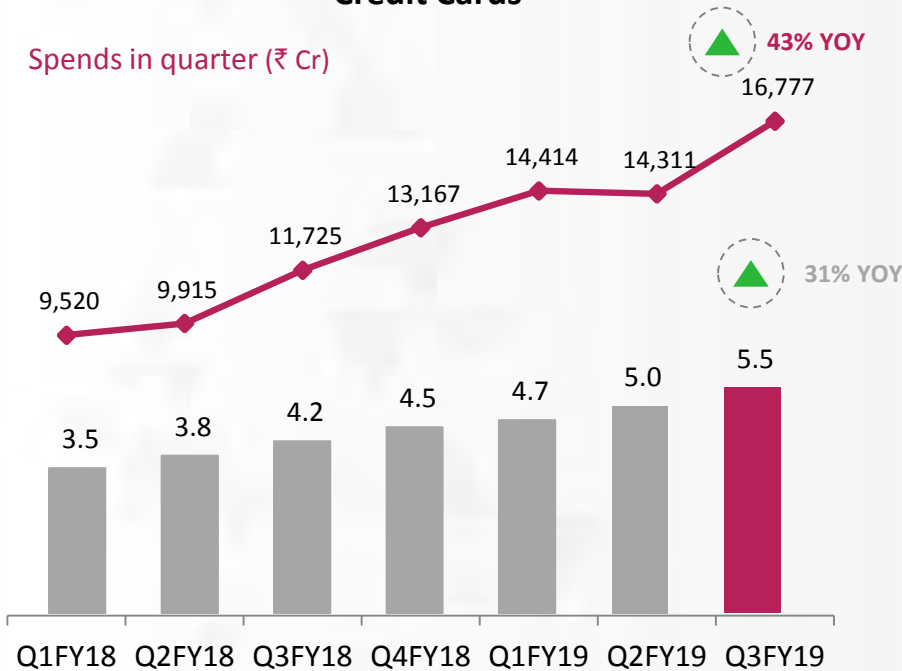
- Market Share grew 2x in last 5 years
- Credit Cards business is a major contributor to Fee income

# Over ₹54,000 crores of card spends went through Axis Bank in Q3

Credit card spends up 43% YOY

## Credit Cards

Spends in quarter (₹ Cr)



■ Credit Cards in force (mn)

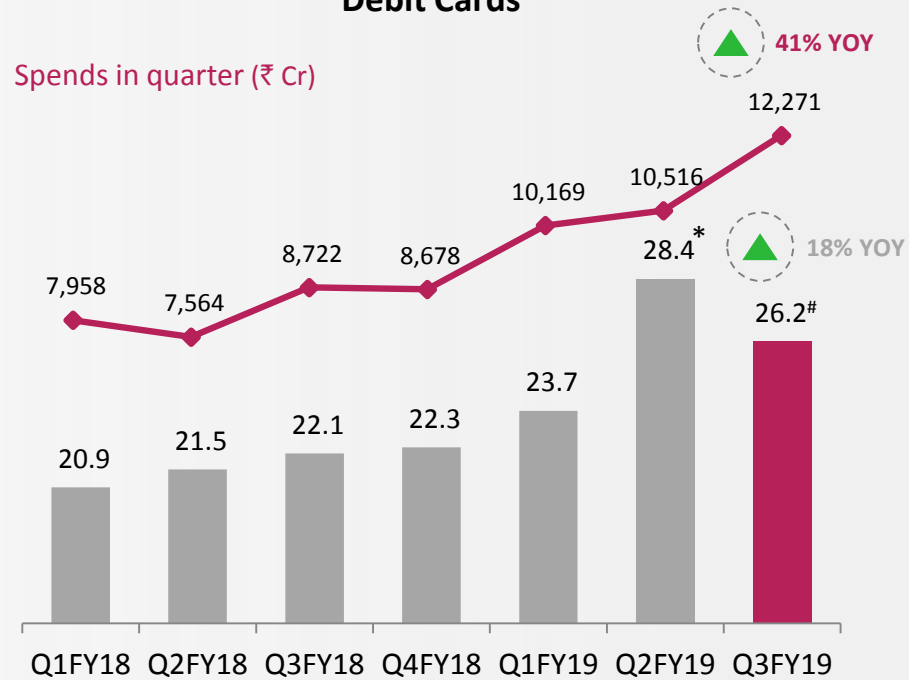
**Acquiring throughput (In ₹ Cr) Q3 FY'19**

On-Us	3,693
Off-Us	25,263
<b>Total</b>	<b>28,956</b>

Debit card spends up 41% YOY

## Debit Cards

Spends in quarter (₹ Cr)



■ Debit Cards in force (mn)

\* 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



# Mobile Banking spends doubled over last year levels



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

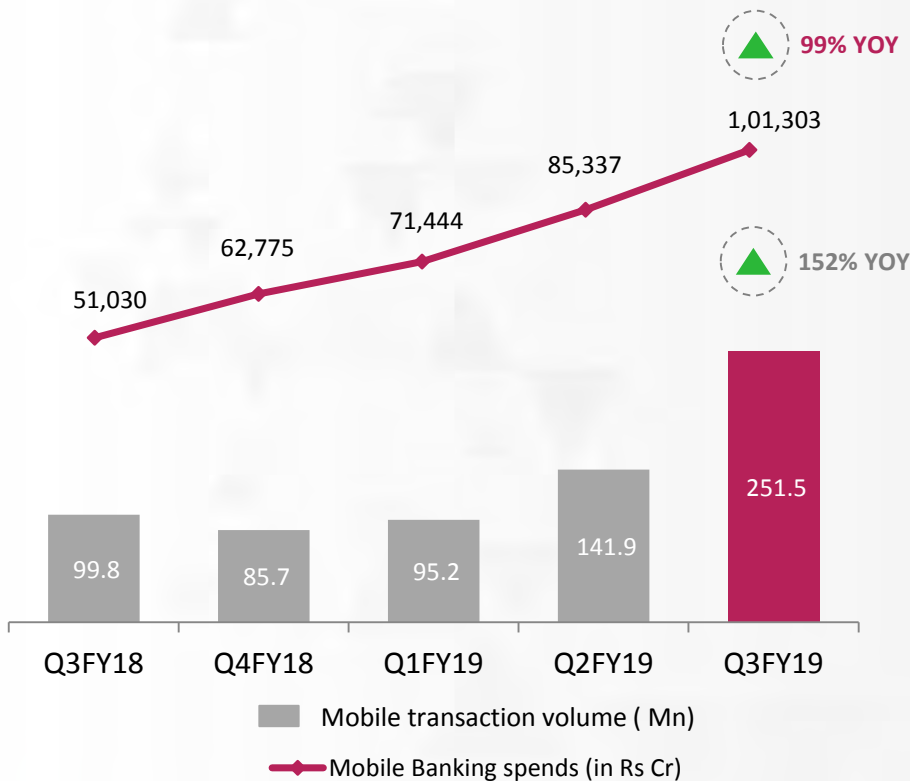


Mobile Banking logins stand at **9.2 times** of Internet Banking logins

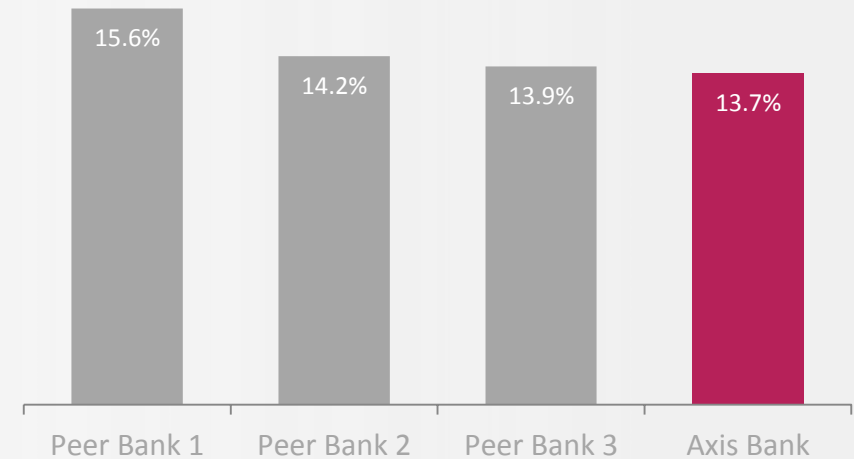


Amongst the highest ranked Banking app on Apple Store (rating of 4.6) & Google Play Store (rating of 4.5)

## Axis Bank Mobile Banking Spends and Volumes



## Mobile Transactions Market Share by Value



Source: RBI data, September 2018

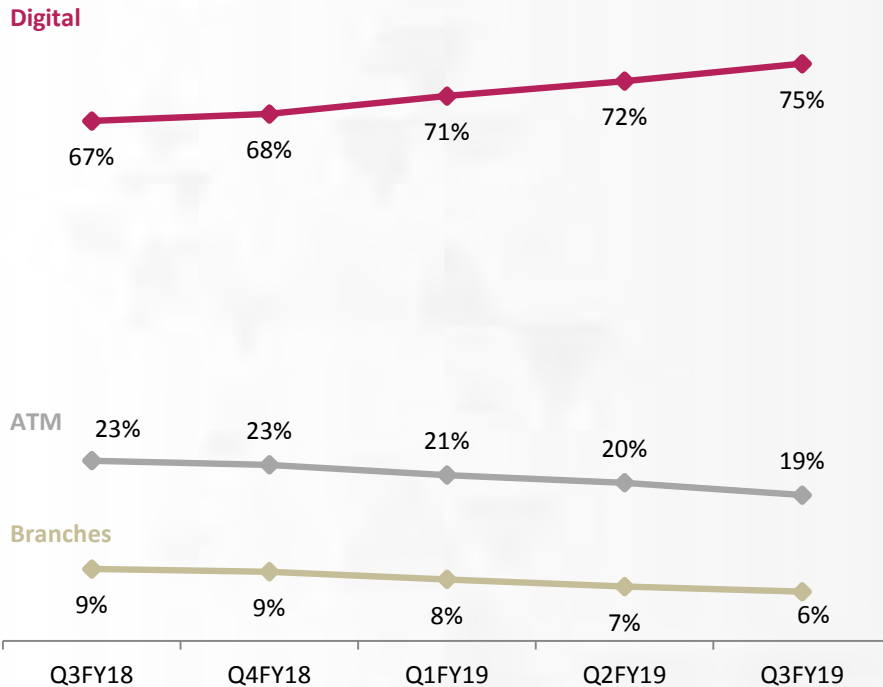
# Digital Channels continue strong growth – now 75% of all transactions



64% of Bank's active customers are Digitally active

75% of all financial transactions are now digital

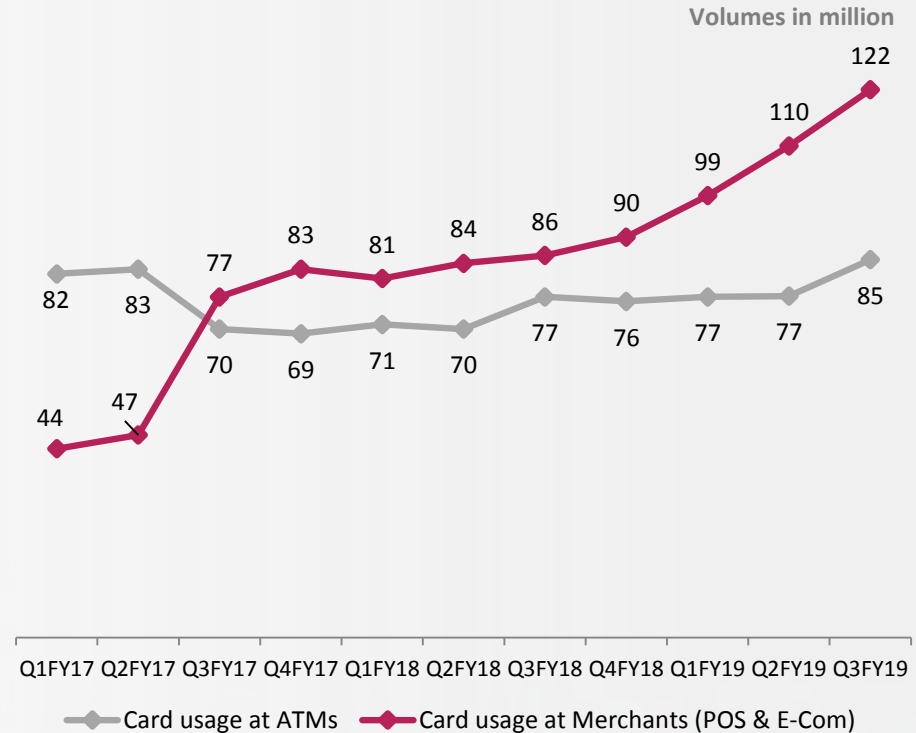
### Transaction Mix\* for Retail



\* Based on all financial transactions by individual customers

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

### Credit and Debit card usage

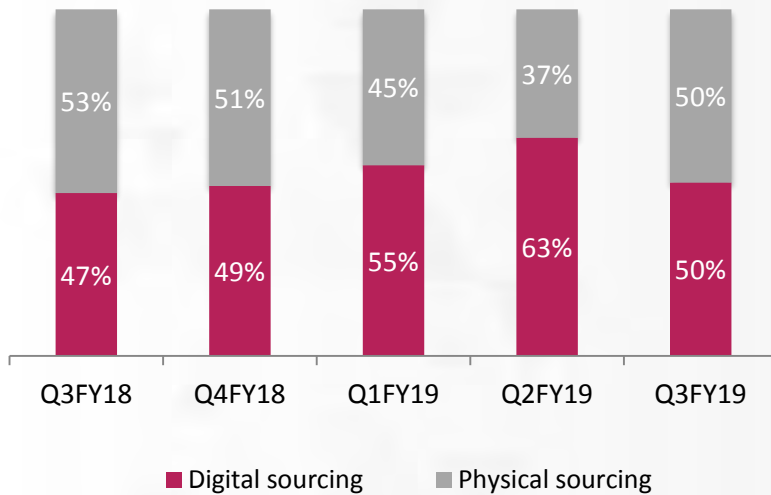


# Nearly half of our Personal loans are sourced through digital channels



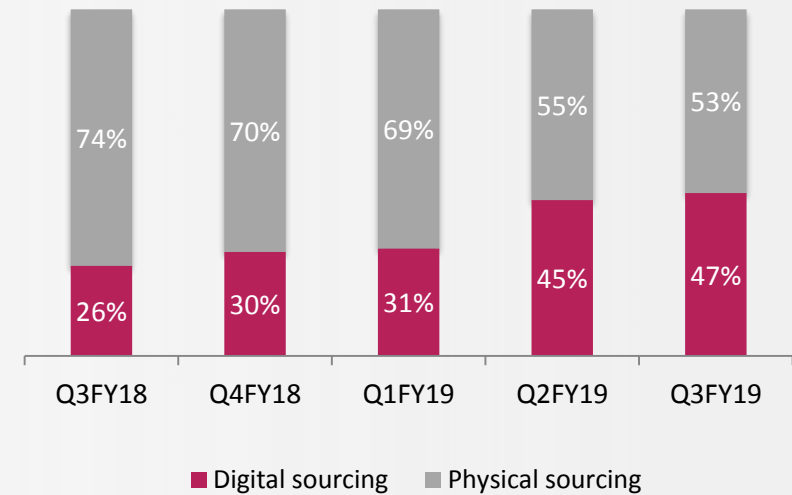
Change in Aadhaar/eKYC authentication norms impacted tab sourcing of Savings Accounts significantly in Q3...

### Proportion of Savings accounts sourced through Tab banking



...however personal loans sourcing through Digital channels continues to grow strongly

### Proportion of Personal loans sourced through Digital channels



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

Axis Bank's UPI  
Growth story

1 26.4 mn VPAs

2 635 mn transactions<sup>#</sup>

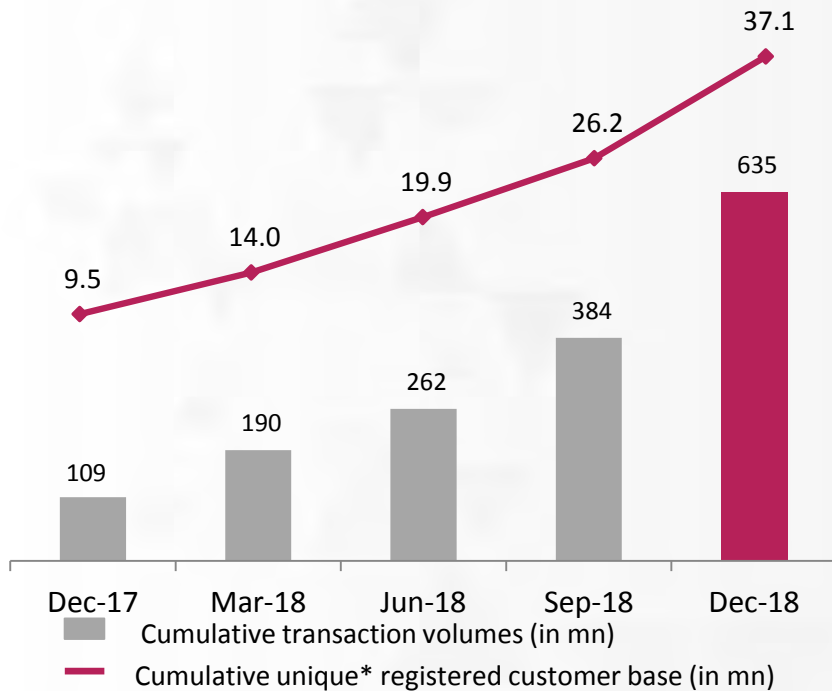
3 85,000 merchants on boarded

We now have a 37 million registered UPI customer base

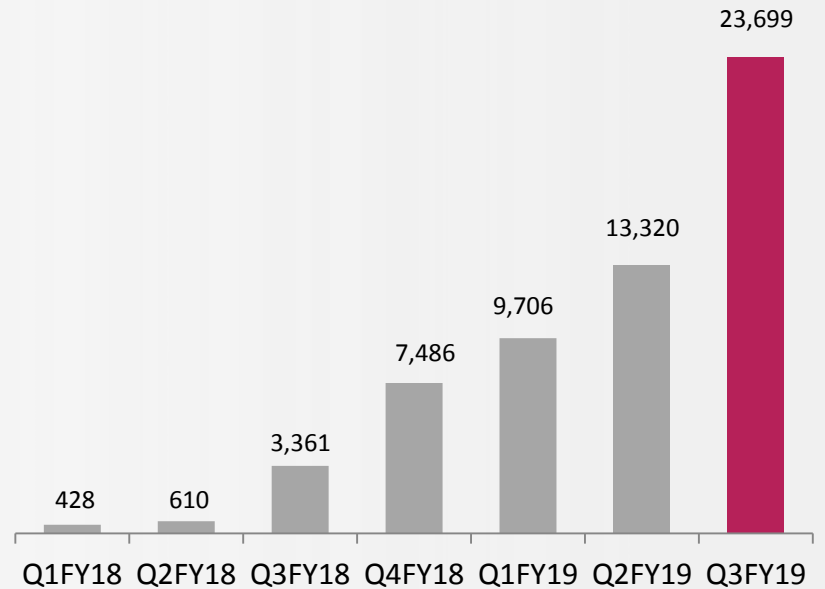
Quarterly UPI transaction value has grown by 6x in the last one year

(in ₹ Crores)

UPI customer base and transaction volumes



UPI transaction value



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

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

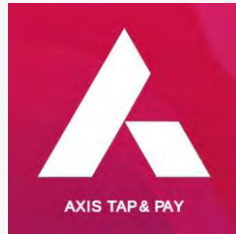
# The Bank has emerged as a leading partnership-driven innovator on payments used cases

## Axis AHA



- Launched an AI-led Virtual Assistant to Enhance online customer experience
- Has answered over 5.5 mn FAQs and transacted over ₹26 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
- 246,833+ registered cards till date
- Users added close to 1.64 million bank accounts using @pingpay VPA

## 'One Raipur' common payment system



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

## Axis Bank BMTC Smart Card



- India's first prepaid transit card with acceptability at merchant outlets for shopping
- Over 139,065+ cards issued till date

## Ripple-powered Instant Payment Services



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

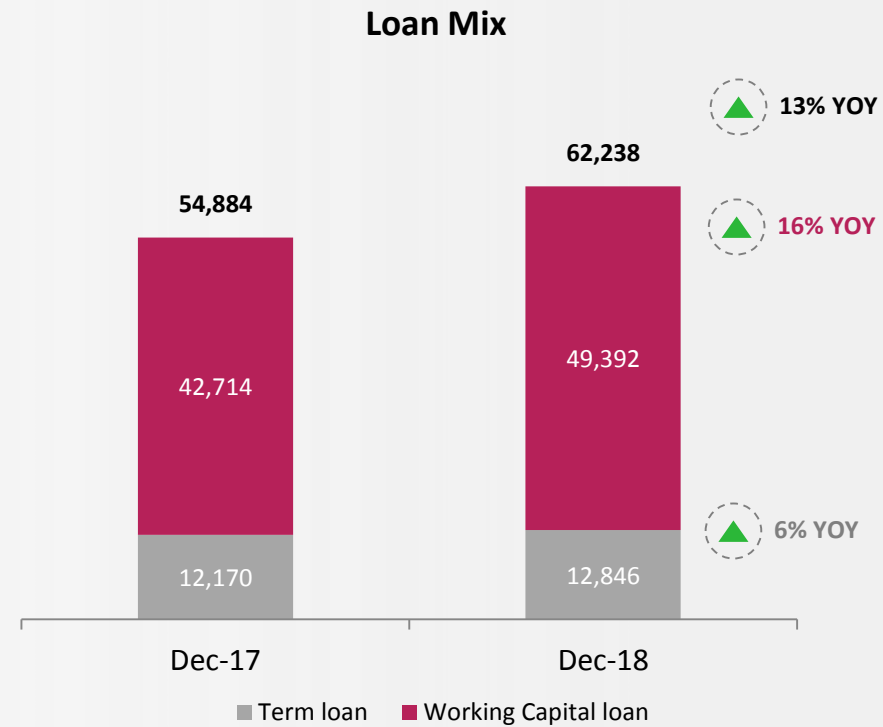
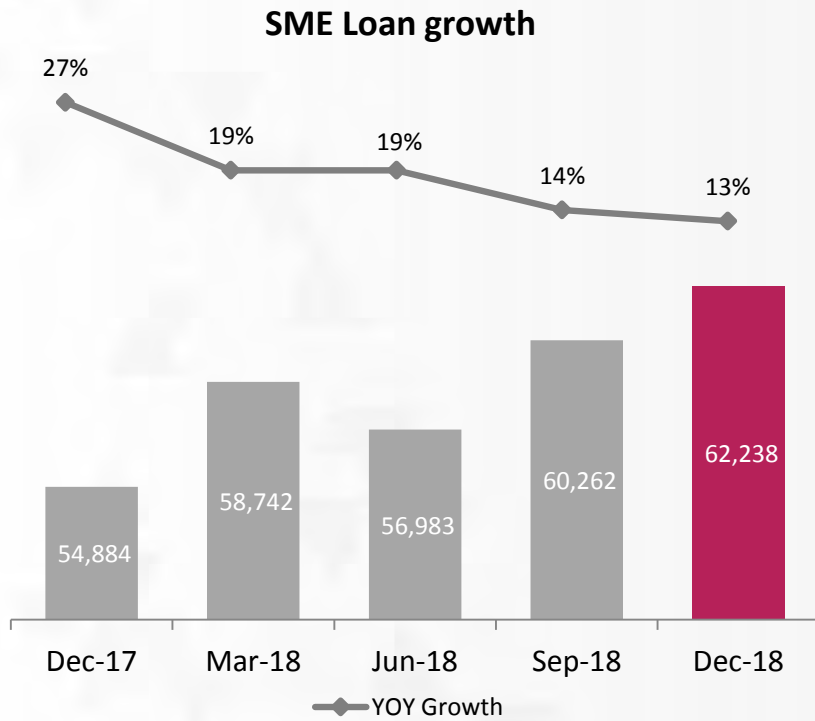
# Business Performance - SME

## Summary

- SME loans grew 13% year on year
- Focus remains on building a high rated SME Book

# SME loans grew 13% year on year

All figures in ₹ Crores

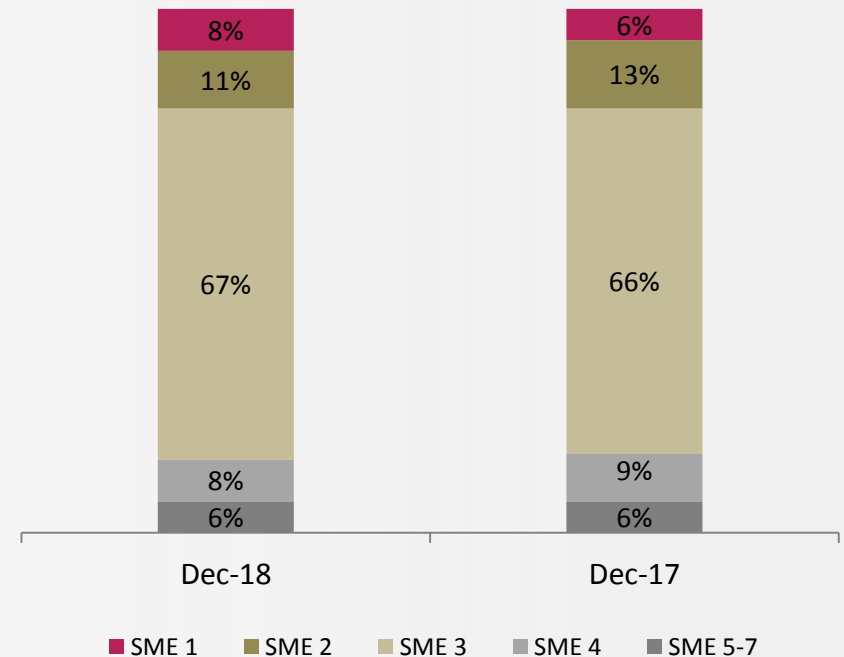


- Our SME business is divided into 3 business verticals: Medium Enterprises Group (MEG), Small Enterprises Group (SEG) and Supply Chain Finance (SCF)
- The Bank extends Working Capital, Term Loan, Trade Finance, Bill / Invoice Discounting and Project Finance facilities to SMEs

# Focus remains on building a high rated SME book

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

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



\* Only includes standard exposure



# Business Performance - Corporate

## Summary

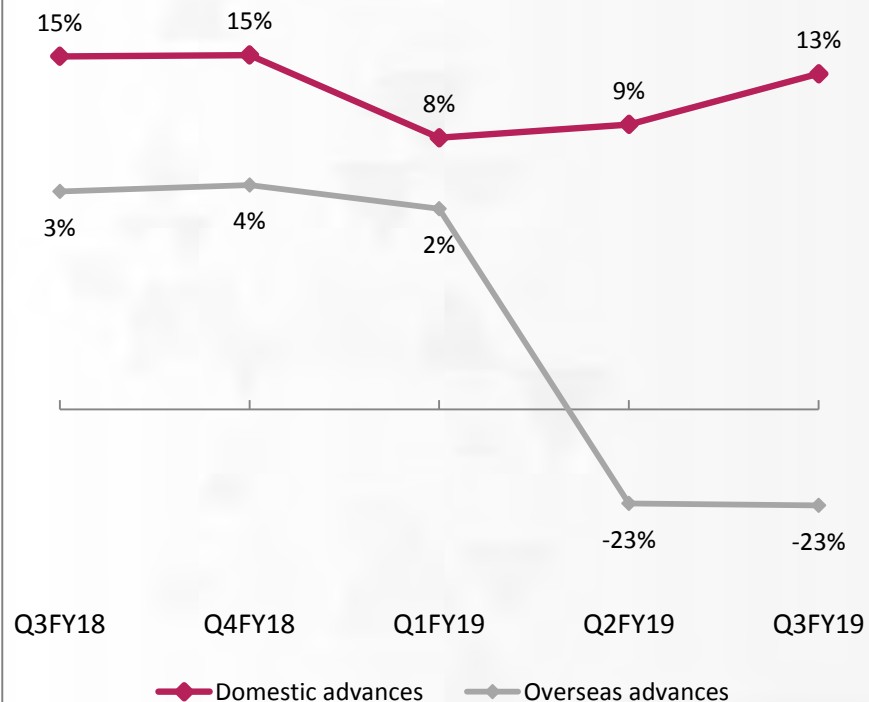
- Early signs of revival in domestic corporate loan growth
- Continued increase in share of transaction banking revenues
- Significant reduction in concentration risk with incremental sanctions to better rated corporates
- Leadership in DCM places us well to benefit from vibrant corporate bond markets

# Early signs of revival in domestic corporate loan growth

All figures in ₹ Crores

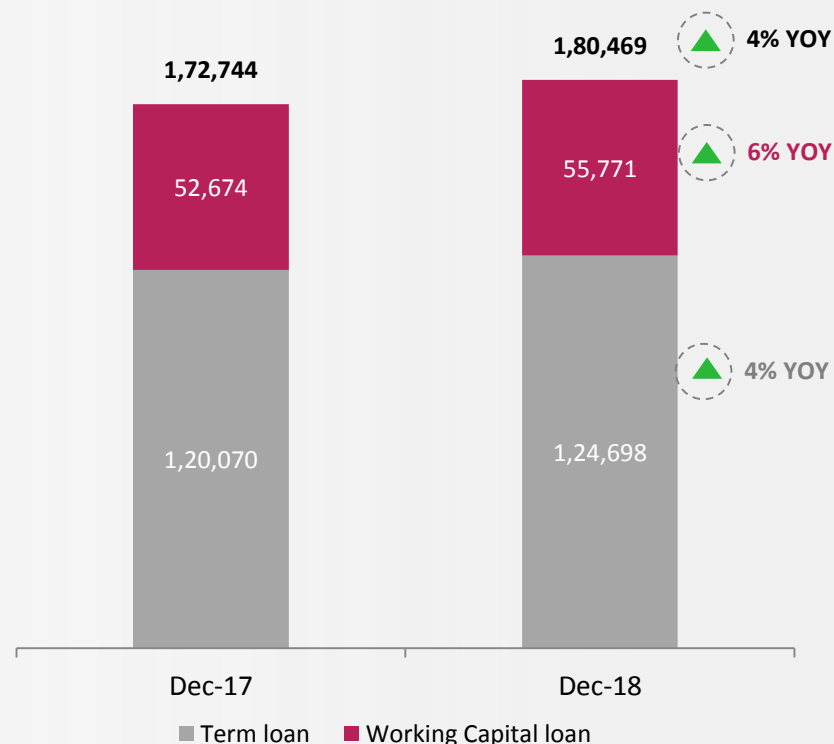
International book de-grew while domestic loan growth strong

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



Mix of corporate loan book remains steady

### Corporate loan book mix

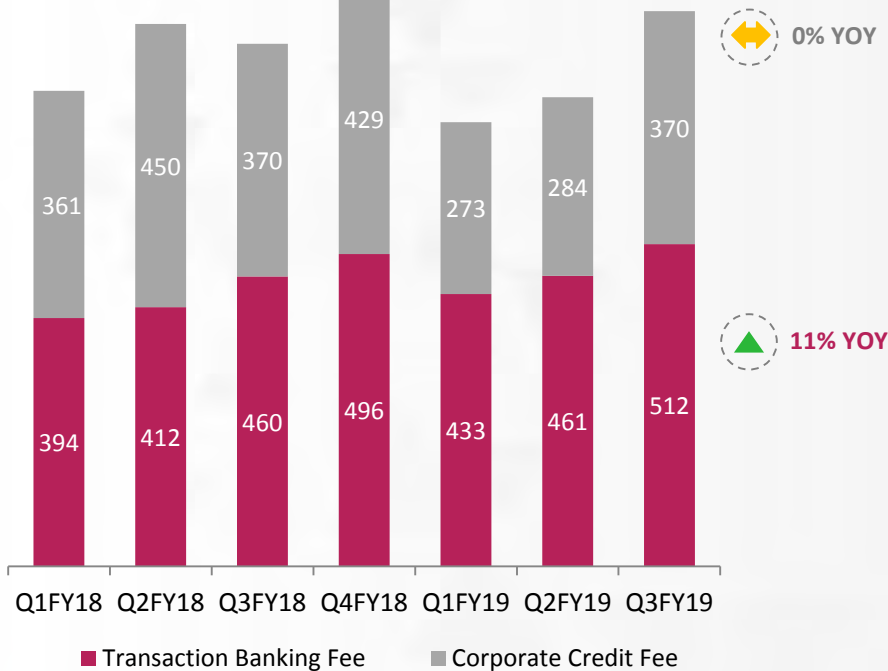


# Transaction based business to better rated corporates

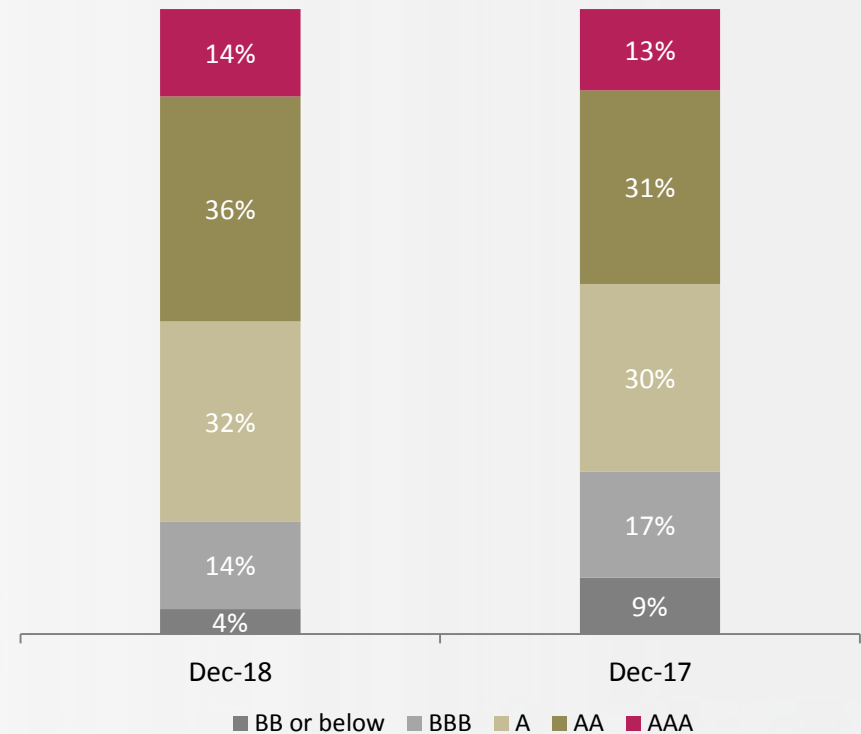
All figures in ₹ Crores

Steady growth in Transaction Banking fees

Corporate Credit & Transaction Banking fees



82% of corporate exposure\* is rated 'A' or better



\* Only includes standard exposure

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

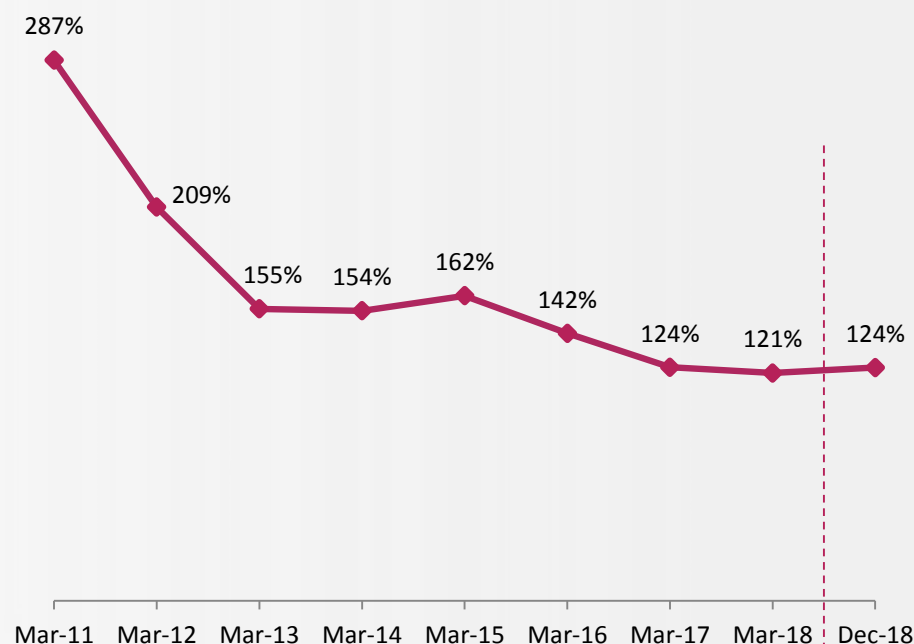
Incremental sanctions to corporates rated A- and above remain above last 3 year average levels of 80-85%

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 31 <sup>st</sup> Dec '18 Sectors	Fund-based		Non-fund based		Total	
		Value	(in % terms)	Value	(in % terms)	Value	(in % terms)
1.	Financial Companies <sup>2</sup>	41,528	8.96%	15,665	14.36%	57,193	9.99%
2.	Engineering & Electronics	11,363	2.45%	25,590	23.45%	36,953	6.45%
3.	Infrastructure Construction <sup>3</sup>	13,244	2.86%	12,448	11.41%	25,693	4.49%
4.	Iron & Steel	14,927	3.22%	8,467	7.76%	23,394	4.09%
5.	Trade	14,389	3.11%	4,603	4.22%	18,992	3.32%
6.	Petroleum & Petroleum Products	8,205	1.77%	8,991	8.24%	17,196	3.00%
7.	Real Estate	15,278	3.30%	1,044	0.96%	16,322	2.85%
8.	Power Generation & Distribution	11,224	2.42%	3,427	3.14%	14,651	2.56%
9.	Telecommunication Services	6,733	1.45%	7,412	6.79%	14,144	2.47%
10.	Food Processing	10,500	2.27%	2,020	1.85%	12,519	2.19%

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

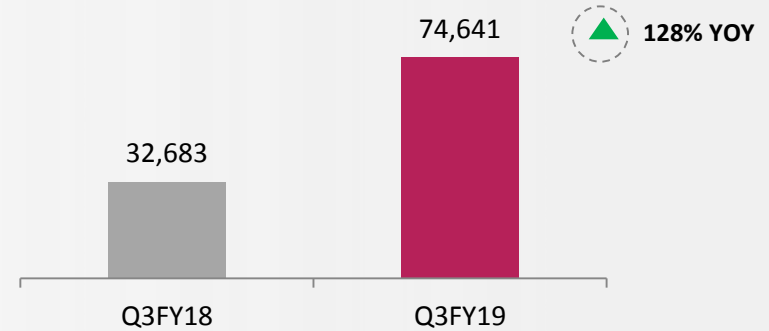
<sup>2</sup> Includes Banks, Non Banking Financial Companies, Housing Finance Companies (HFCs), MFIs and others (Details on next slide)

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

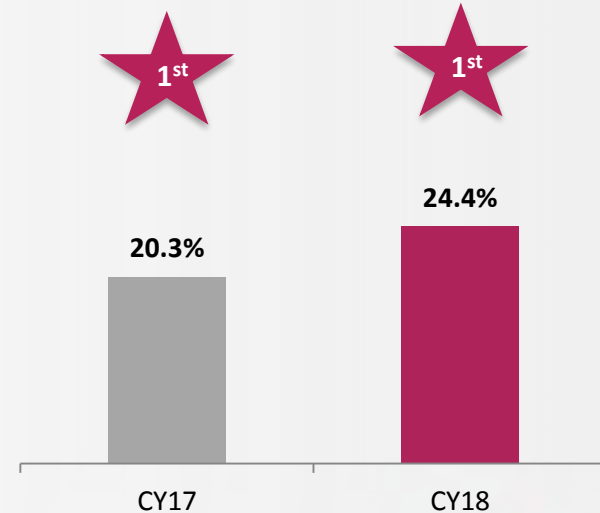
# We remain well placed to benefit from a vibrant Corporate Bond market

All figures in ₹ Crores






## Placement & Syndication of Debt Issues



## Market share and Rank\*



\*As per Bloomberg League Table for India Bonds

-  **Ranked No. 1 arranger** for rupee denominated bonds as per Bloomberg for calendar year ended Dec. 2018
-  **Ranked No. 1 arranger** for rupee denominated bonds as per Bloomberg for 12 consecutive years now
-  **Ranked No. 1 mobilizer** as per PRIME Database for nine months ended Sept 2018
-  Bank has been ranked as **"Top arrangers - Investors' Choice for primary issues - Corporate bonds – INR"** by **The Asset Benchmark Research 2018**
-  Bank has won **Best Debt Payments & Arranger** at the **NSE Market Achievers Awards**

Financial Highlights

Business Segment performance

**Asset Quality**

Shareholder Returns and Capital Position

Subsidiaries' Performance

Other important information

# Asset Quality

## Summary

- Corporate slippages continue to be from BB & Below pool
- Gross and Net NPA ratio's have improved from Q2 levels
- BB & Below pool has reduced to 1.4% of Gross Customer Assets
- Provision Coverage Ratio increased further, stands at 75%

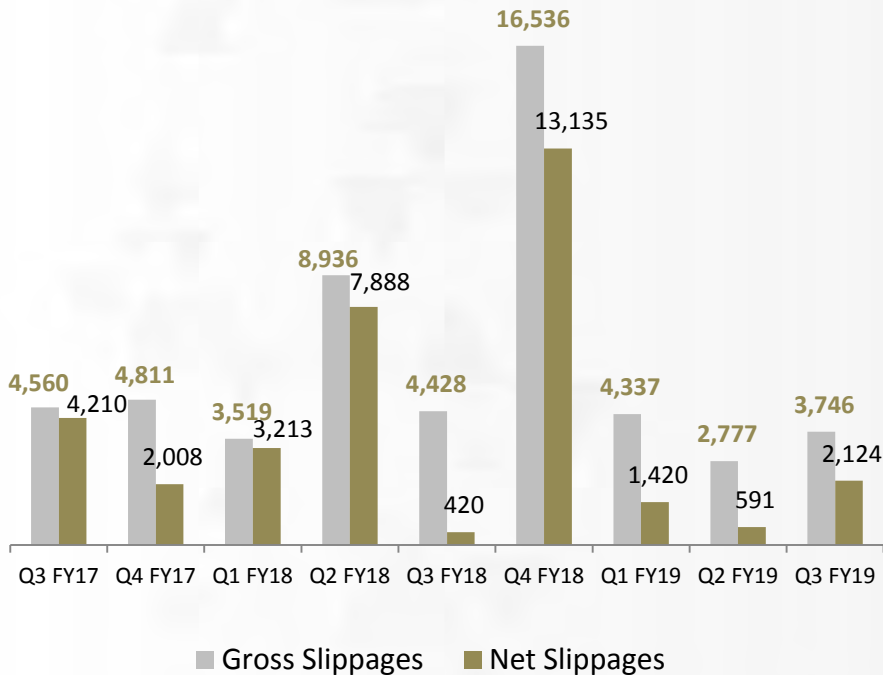


# Corporate Slippages continue to be from BB & Below pool

All figures in ₹ Crores

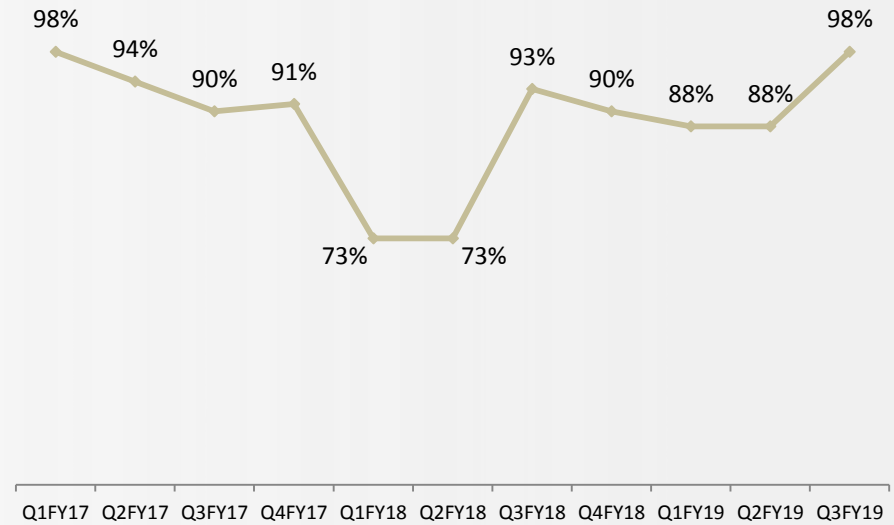
Gross & Net Slippages have come off Q4 peaks

### Gross and Net Slippages



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

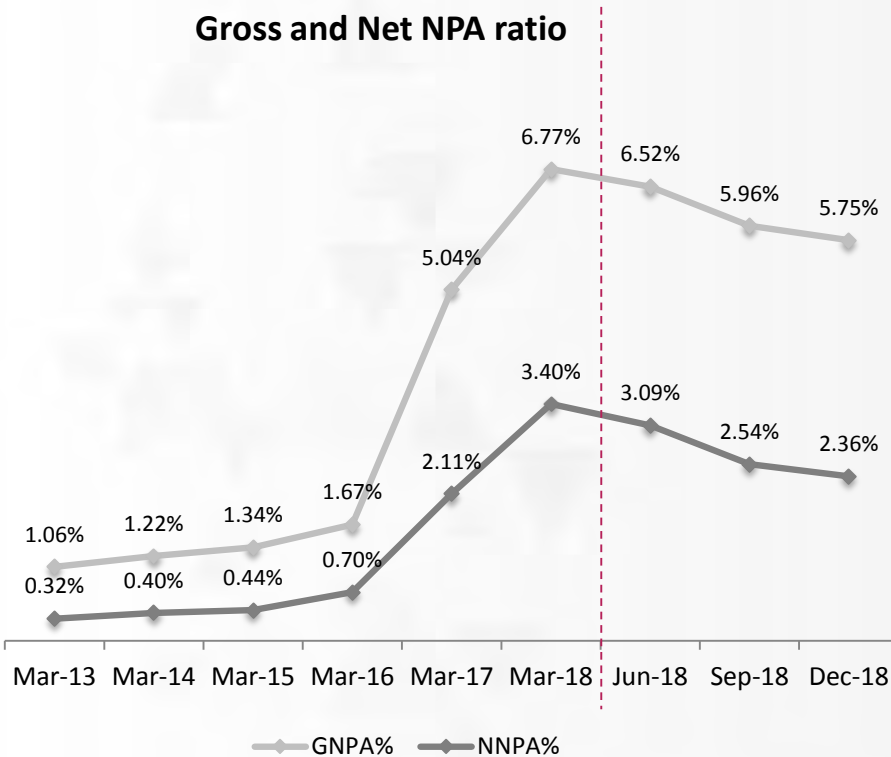
### Corporate slippages from BB & Below pool



# Gross and Net NPA ratios have improved from Q2 levels

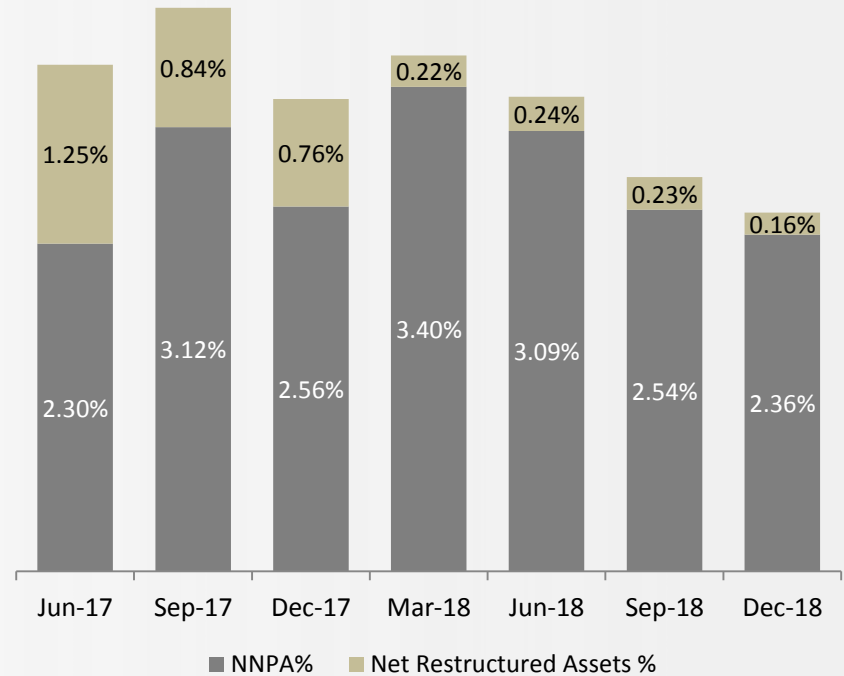
Gross and Net NPA ratios continue to moderate

Gross and Net NPA ratio



Restructured assets are now negligible as a proportion of loan book

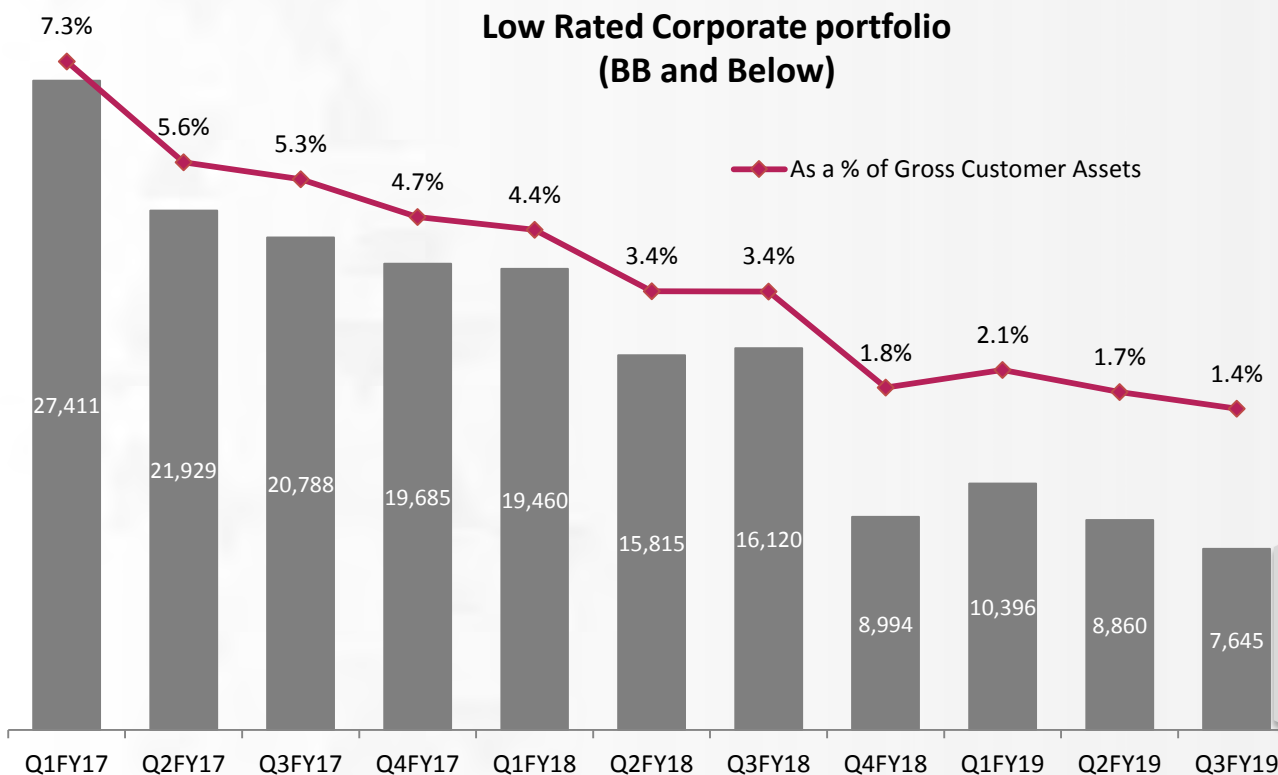
Net NPA + Net Restructured Assets ratio



# The pool of BB & Below accounts has reduced significantly

All figures in ₹ Crores

**BB & Below pool has fallen to 1.4% of customer assets**



**Top 4 sectors form 71% of BB & Below book**

Industry	%
Power	32%
Infra. Construction	24%
Shipping, Transport & Logistics	8%
Real Estate	7%

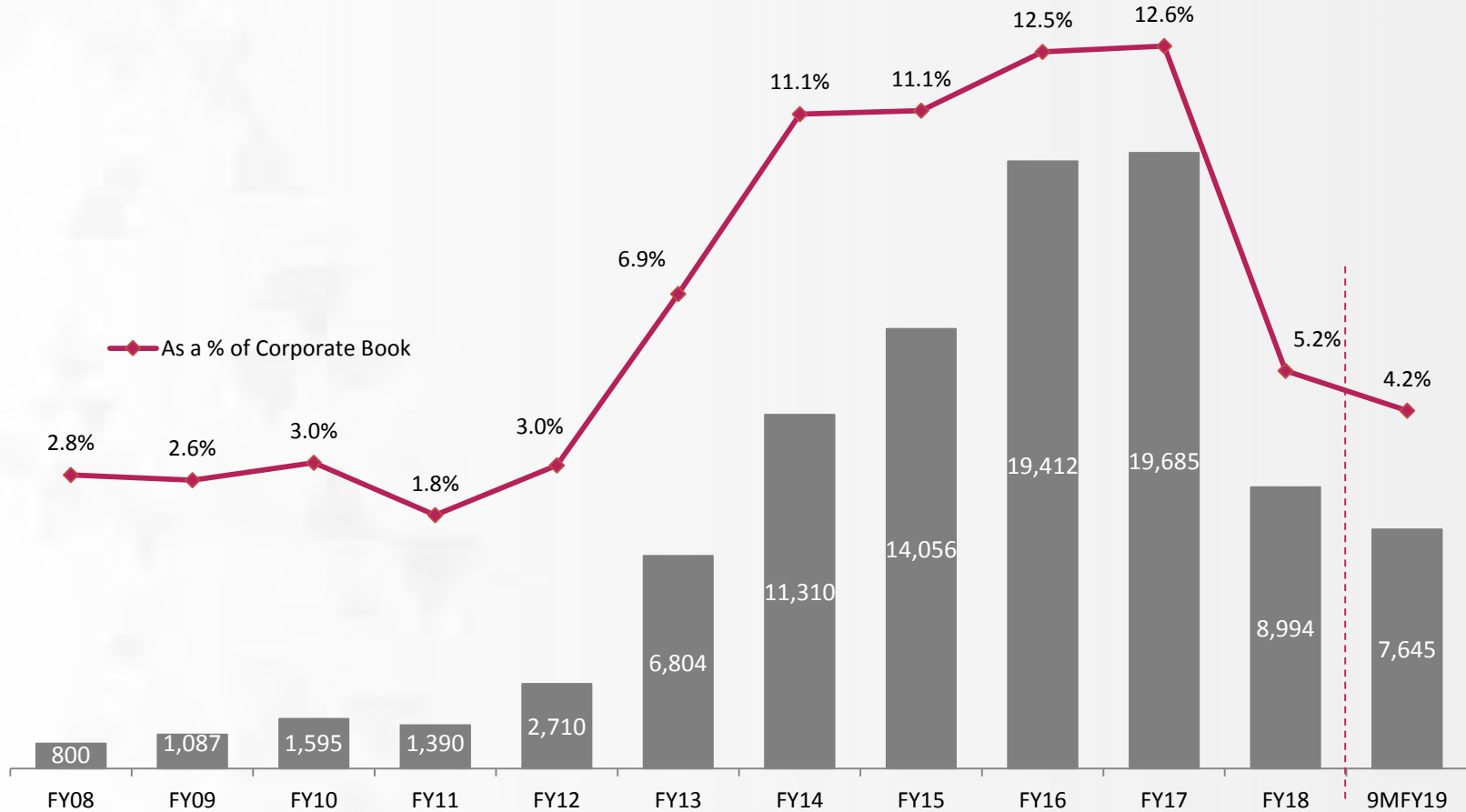
- NFB outstanding in BB & below corporate portfolio is ~ ₹2,500 crores

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

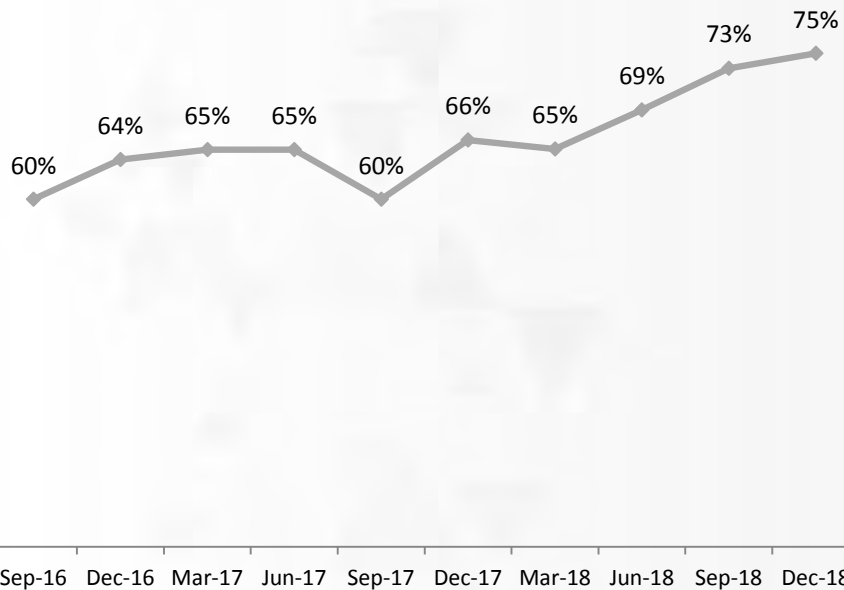


The outstanding amount in 'BB and Below' portfolio incorporates cumulative impact of rating Upgrades / Downgrades and Slippages from the pool

# Provision Coverage Ratio has increased further during the quarter

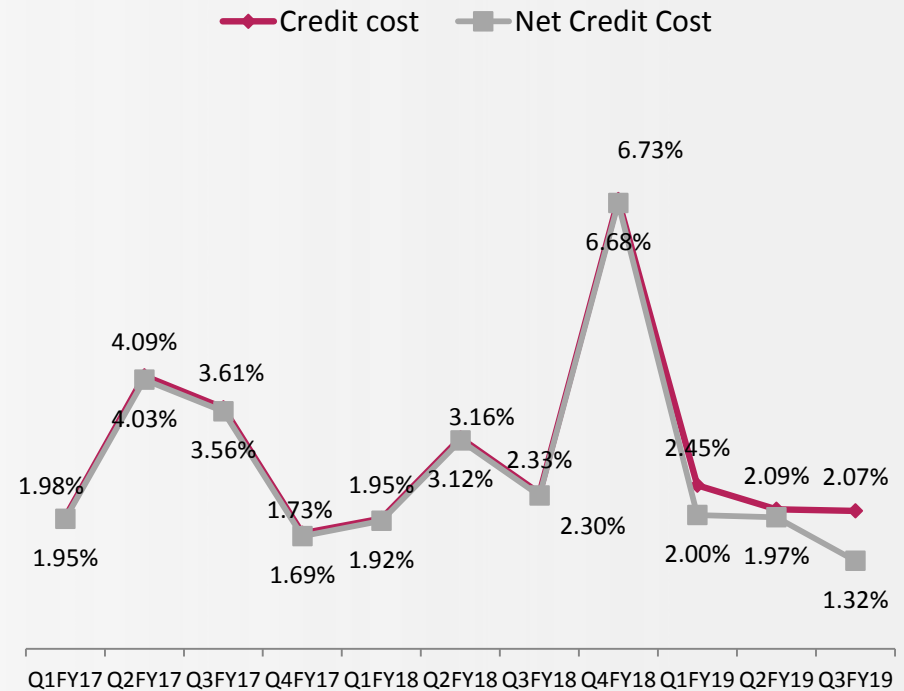
Provision Coverage Ratio on NPAs is now 75%

Provision Coverage Ratio



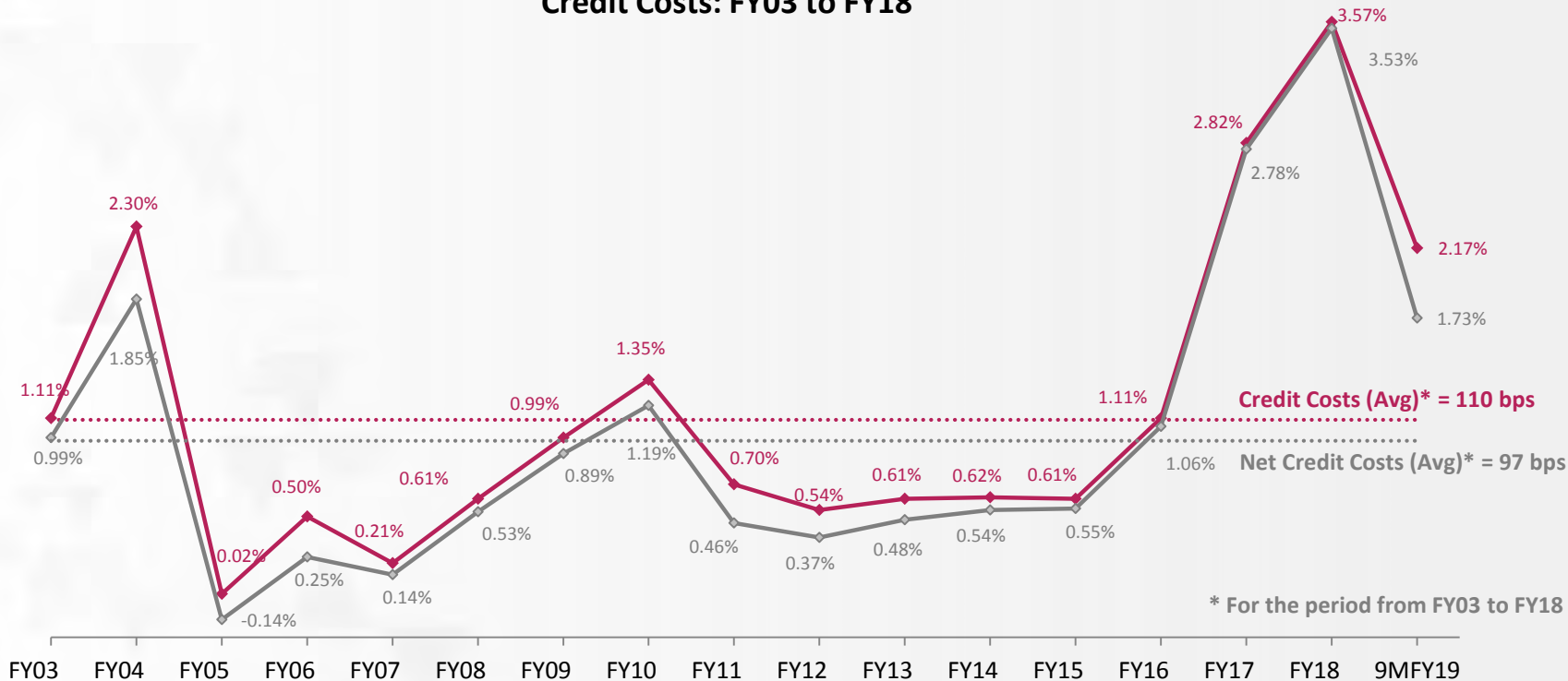
Credit cost (net of recoveries from written-off accounts) down to lowest level in last 11 quarters

Credit Cost (Annualised)



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

## Credit Costs: FY03 to FY18



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

- Over the long term, annualised Credit Cost for the Bank has averaged **110 bps**
- The Bank consistently writes off accounts into prudential write off (PWO) pool, after making 100% provisions
- Recoveries from these PWO accounts are reflected under 'other income', and not as a release of prior period provisions
- If we notionally net these recoveries, the resultant "Net Credit Costs" averages **97 bps** over the long term
- The gap between the two credit cost metrics tends to widen in the years immediately after credit cycle peaks (e.g. FY05-07 & FY11-14)
- The Bank presently has an accumulated PWO portfolio of ₹17,478 crores. 82% of this was written off in the last 7 quarters

# Detailed walk of NPA movement over recent quarters

All figures in ₹ Crores

		Q3FY18	Q4FY18	Q1FY19	Q2FY19	Q3FY19
<b>Gross NPAs - Opening balance</b>	<b>A</b>	27,402	25,001	34,249	32,662	30,938
Fresh slippages	B	4,428	16,536	4,337	2,777	3,746
Upgradations & Recoveries	C	4,008	3,401	2,917	2,186	1,622
Write offs	D	2,821	3,887	3,007	2,315	2,207
<b>Gross NPAs - closing balance</b>	<b>E = A+B-C-D</b>	<b>25,001</b>	<b>34,249</b>	<b>32,662</b>	<b>30,938</b>	<b>30,855</b>
Provisions incl. interest capitalisation	F	13,232	17,657	17,760	18,222	18,622
<b>Net NPA</b>	<b>G = E-F</b>	<b>11,769</b>	<b>16,592</b>	<b>14,902</b>	<b>12,716</b>	<b>12,233</b>
Accumulated Prudential write offs	H	9,587	13,224	14,832	16,502	17,478
<b>Provision Coverage Ratio</b>	<b>(F+H)/(E+H)</b>	<b>66%</b>	<b>65%</b>	<b>69%</b>	<b>73%</b>	<b>75%</b>

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

	Q3FY18	Q4FY18	Q1FY19	Q2FY19	Q3FY19
For Loan losses	2,754	8,128	3,069	2,686	3,352 <sup>§</sup>
For Standard assets*	60	(217)	71	68	(12)
For SDR and S4A accounts	(11)	(396)	(3)	(5)	-
For Investment depreciation	(9)	(105)	135	136	(321)
Other provisions	17	(230)	66	42	36
<b>Total Provisions &amp; Contingencies (other than tax)</b>	<b>2,811</b>	<b>7,180</b>	<b>3,338</b>	<b>2,927</b>	<b>3,055</b>

\* including unhedged foreign currency exposures

§ includes contingent provision of Rs. 600 crores

Financial Highlights

Business Segment performance

Asset Quality

Shareholder Returns and Capital Position

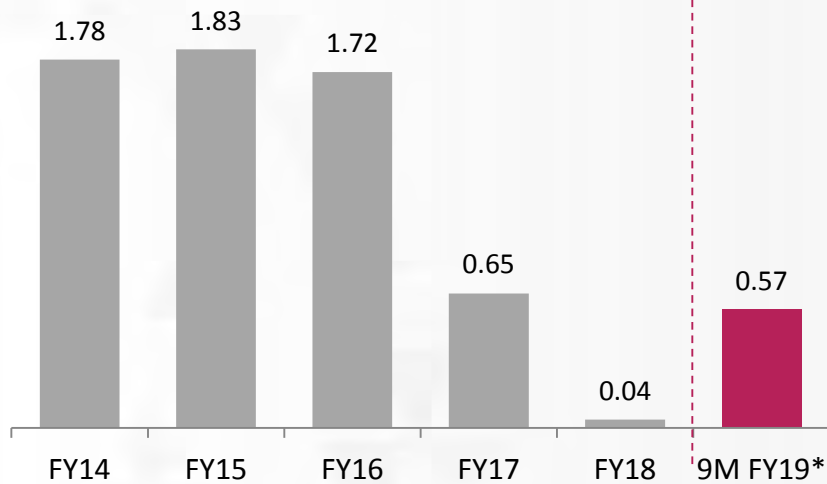
Subsidiaries' Performance

Other important information

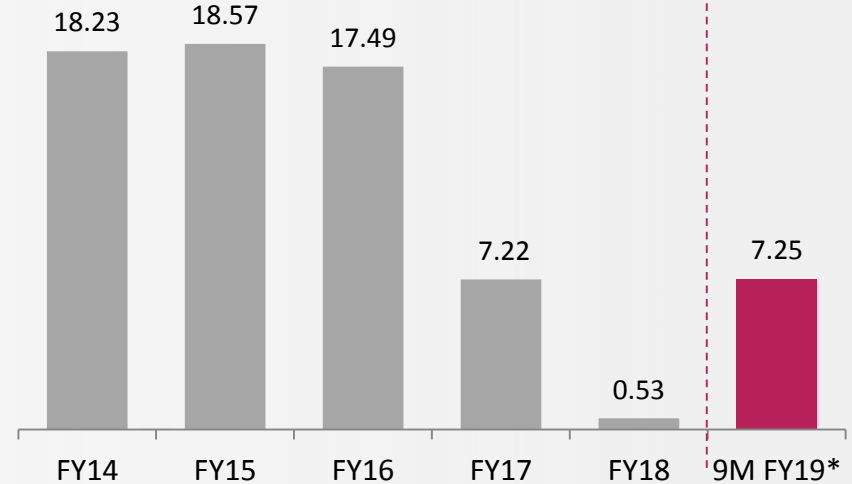


# Shareholder return metrics have started improving

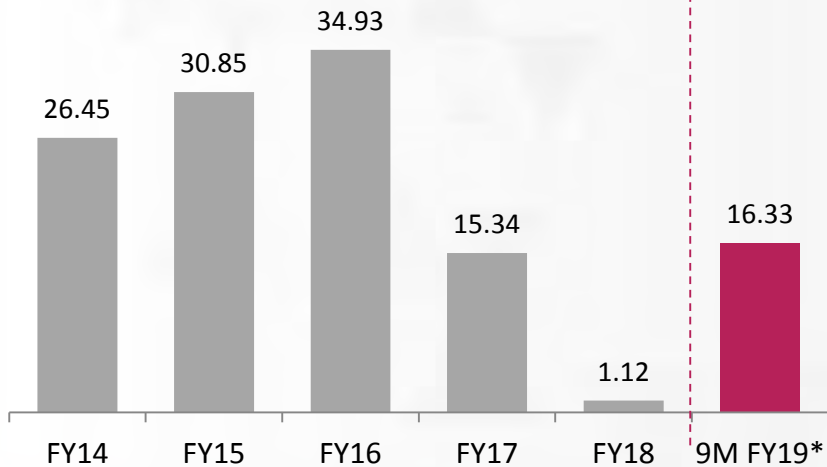
**Return on Assets (in %)**



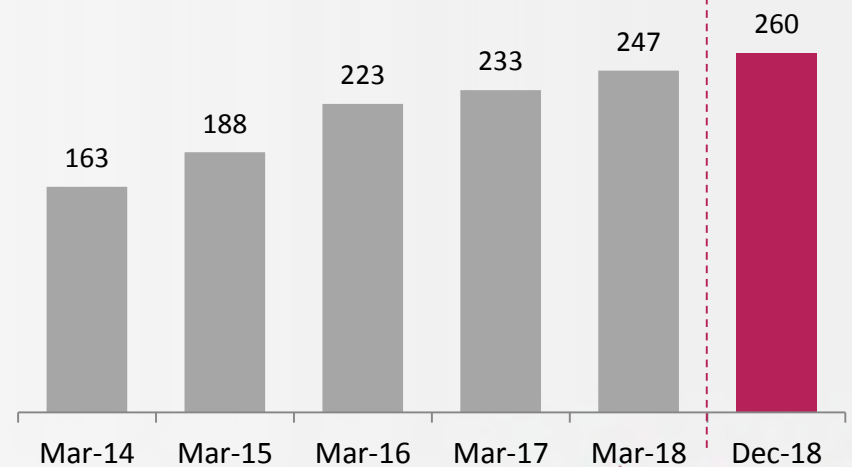
**Return on Equity (in %)**



**Diluted EPS (₹)**



**Book Value Per Share (₹)**

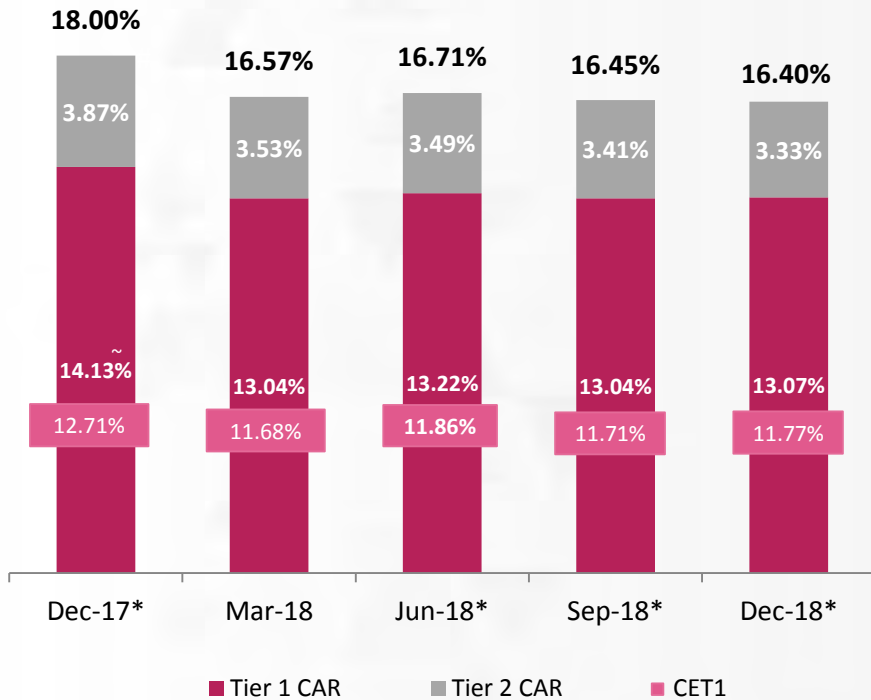


\* Annualized

# Capital Ratios remain healthy to pursue growth opportunities

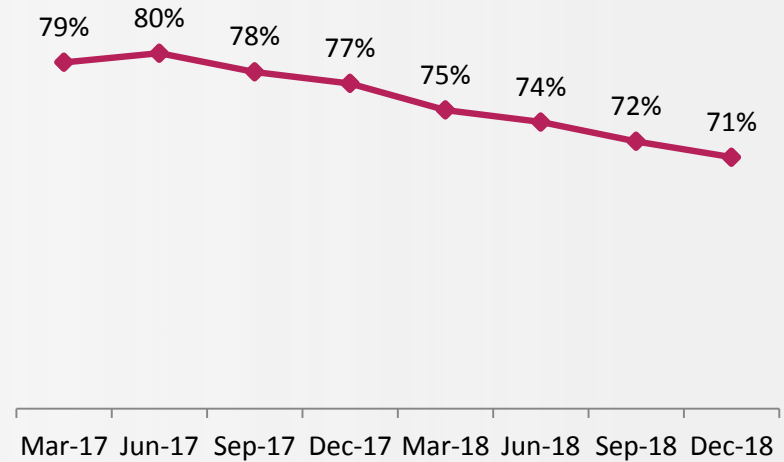
Bank has accreted 9 bps of capital to CET1 during 9MFY19; growth during the year has been funded through internal accruals

Trend in Capital Adequacy Ratio



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

RWA to Total Assets



~ Includes capital raise of ₹8,680 crores through preferential allotment in Q3FY18  
 \* including unaudited Net Profit for the quarter / half year / nine-months

Financial Highlights

Business Segment performance

Asset Quality

Shareholder Returns and Capital Position

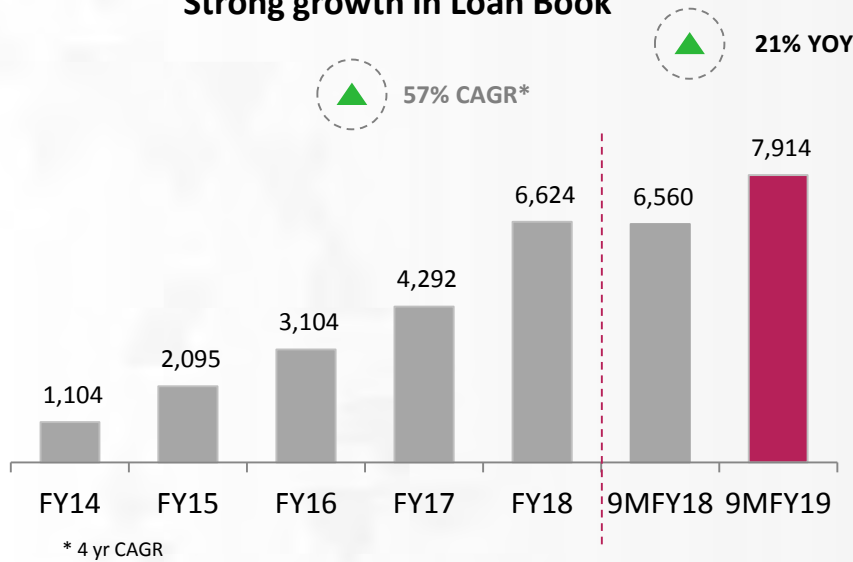
**Subsidiaries' Performance**

Other important information

# Axis Finance : Strong loan growth continues

All figures in ₹ Crores

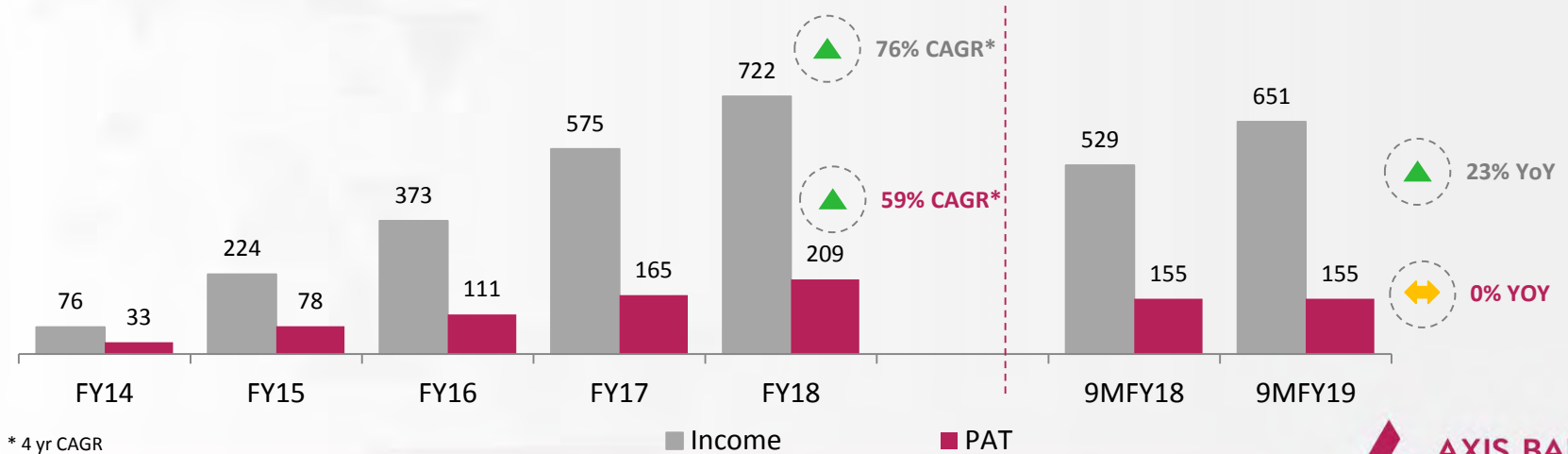
## Strong growth in Loan Book



## Major Highlights

- Average Advances Mix: Wholesale: 83%, Retail 17%
- NIM for 9MFY19 stood at **4.21 %**
- NPA ratio stood at 0.36%
- Enjoys the highest Credit Rating: AAA from CRISIL & A1+ from India Ratings

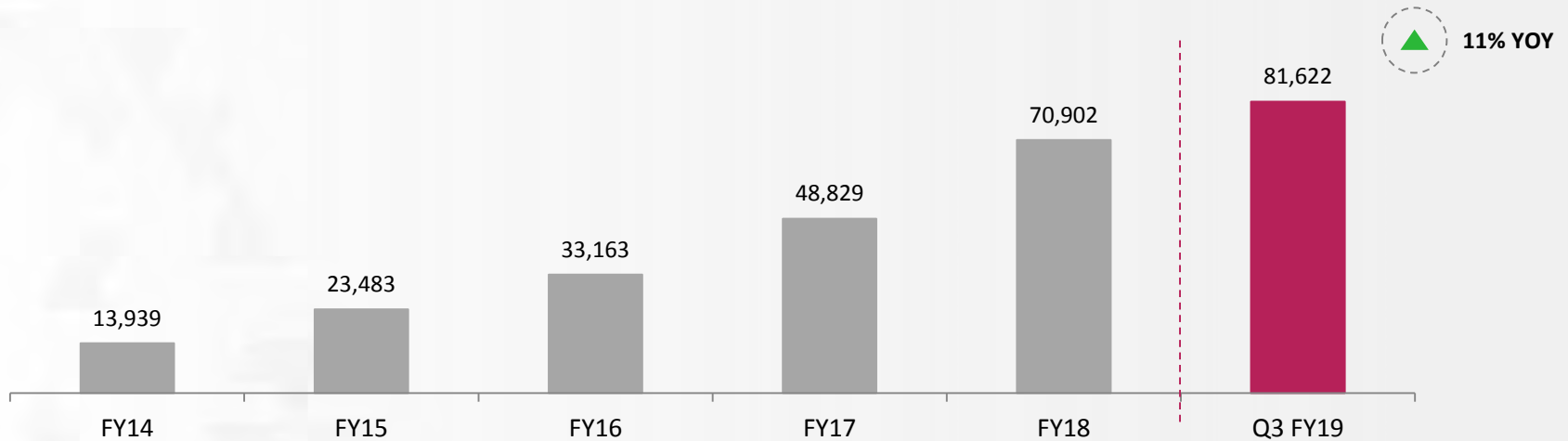
## Growth in Income and PAT has been steady



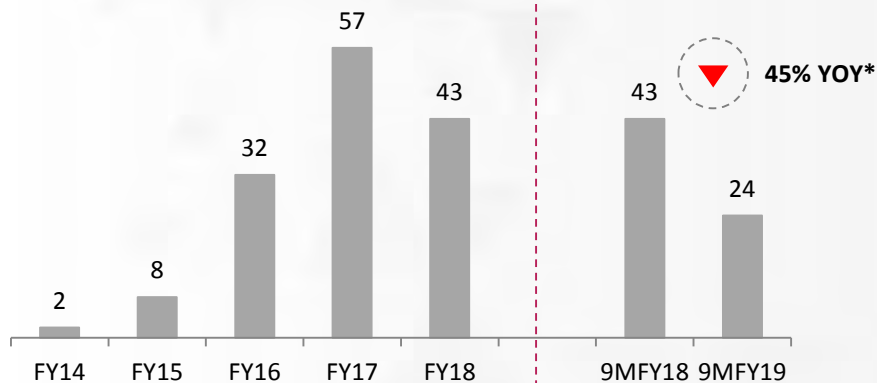
# Axis AMC : Healthy growth in AUM

All figures in ₹ Crores

Average AUM has shown strong growth



## Trend in PAT



\* 9MFY19 PAT was impacted due to increase in operating expenses related to business expansion

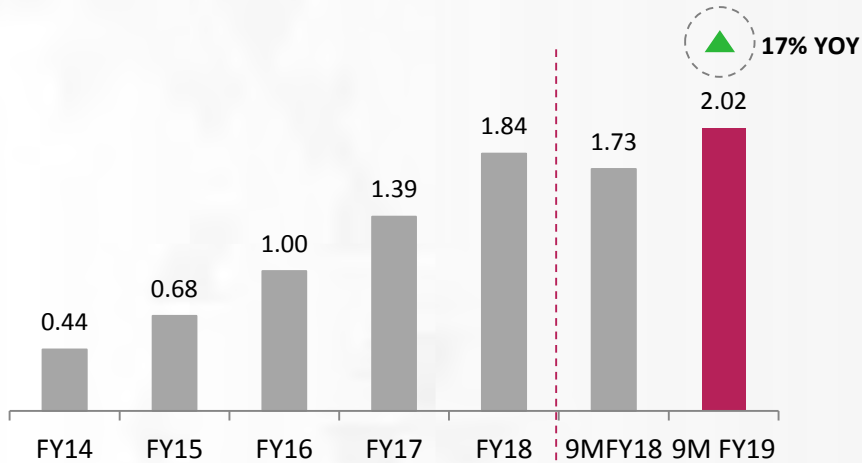
## Major Highlights

- Total Gross revenue of ₹573 Cr earned during 9MFY19, increased by 4% YOY
- Added 1 mn investors in last one year taking its overall investor folios to 3.6 mn
- Has current market share of 3.46% (as at end of Dec'18)

# Axis Securities : Strong growth in customer additions

All figures in ₹ Crores

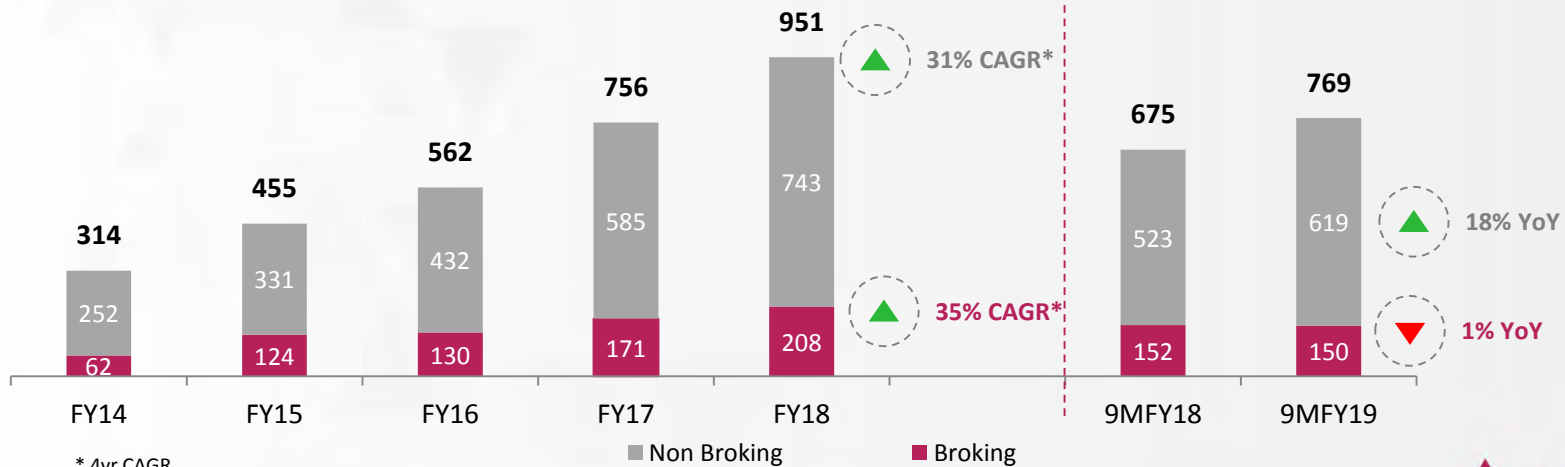
Trend in customer base (in mn)



## Major Highlights

- Has one of the highest mobile adoption rates in the industry with over **38%** volumes coming from Mobile
- Enhanced current E-margin product from T+30 days to T+90 days
- Introduced MF SIP in Exchange platform
- Top Equity Broker of year 2018 at the BSE Commodity Equity Outlook Awards

Trend in Revenue growth



\* 4yr CAGR

■ Non Broking

■ Broking



# Axis Capital : Leadership position maintained in volatile capital markets

All figures in ₹ Crores

## 9M FY19 Ranking based on IPO, QIP, Rights, OFS & IPP

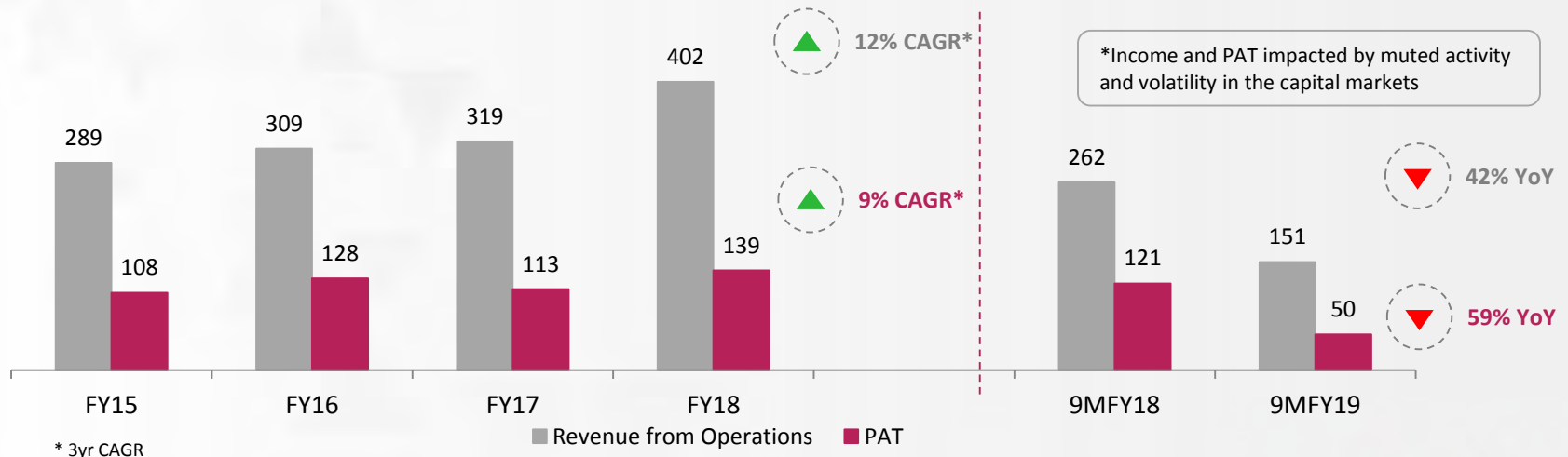
Rank	Banker	No of deals
1	<b>Axis Capital</b>	9
2	Peer 1	8
3	Peer 2	7
4	Peer 3	6
5	Peer 4	6

Source: Prime database

## Major Highlights

- Ranked No 1 in Equity and Equity Linked Deals over the last decade
- Successfully closed 8 transactions across IB in Q3FY19 including 1 Pref Issue, 1 Buyback, 1 OFS, and 5 Advisory deals
- Axis Capital has won the 'Best Investment Bank' in India for the 4th year in a row (2018, 2017, 2016, 2015)

## Trend in Income & PAT



## 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 **40%**
- » 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
- » **18** Financiers on-boarded on the platform

### Progress so far

Throughput

1,695 cr

No. of Invoices Discounted

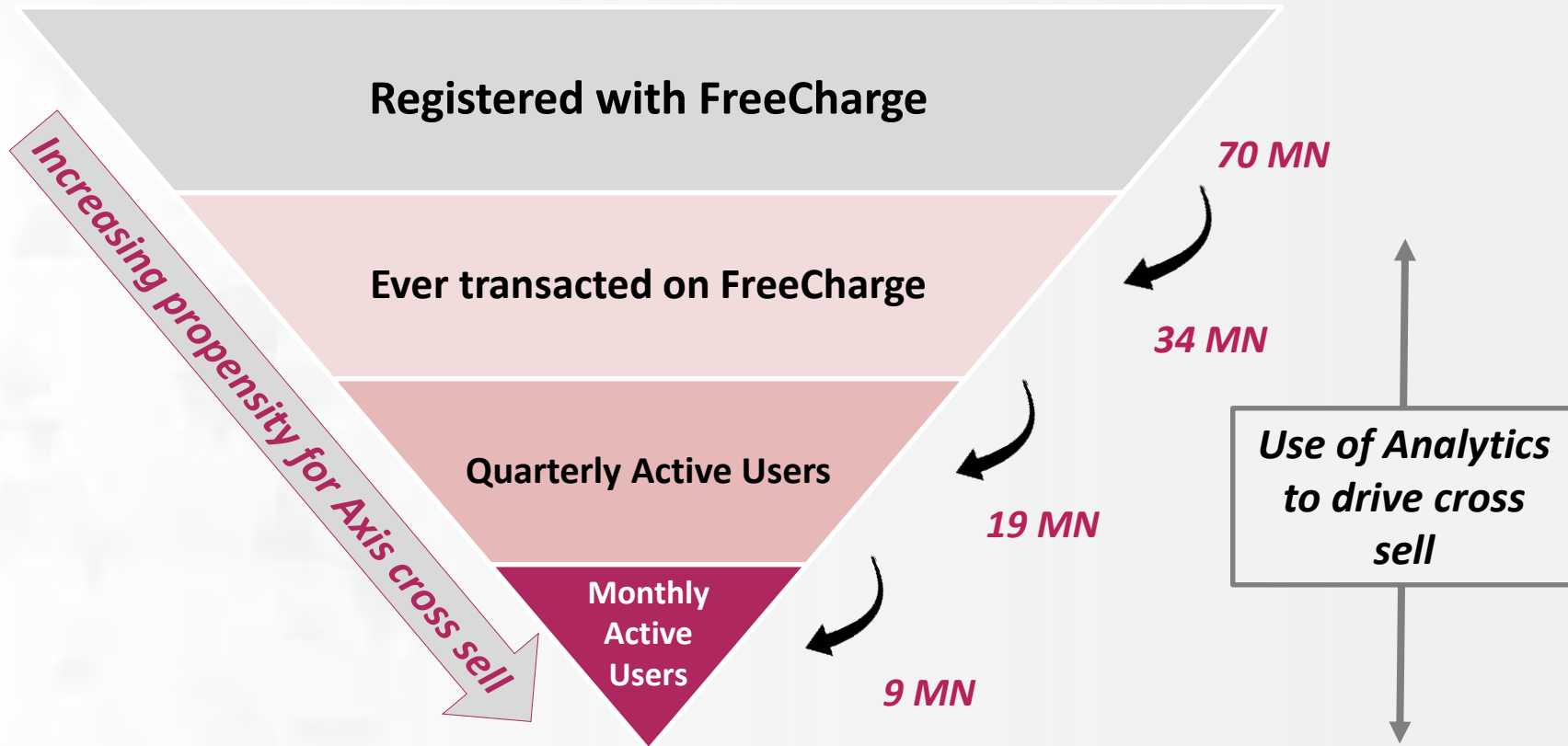
1,19,614

Participants

1,306



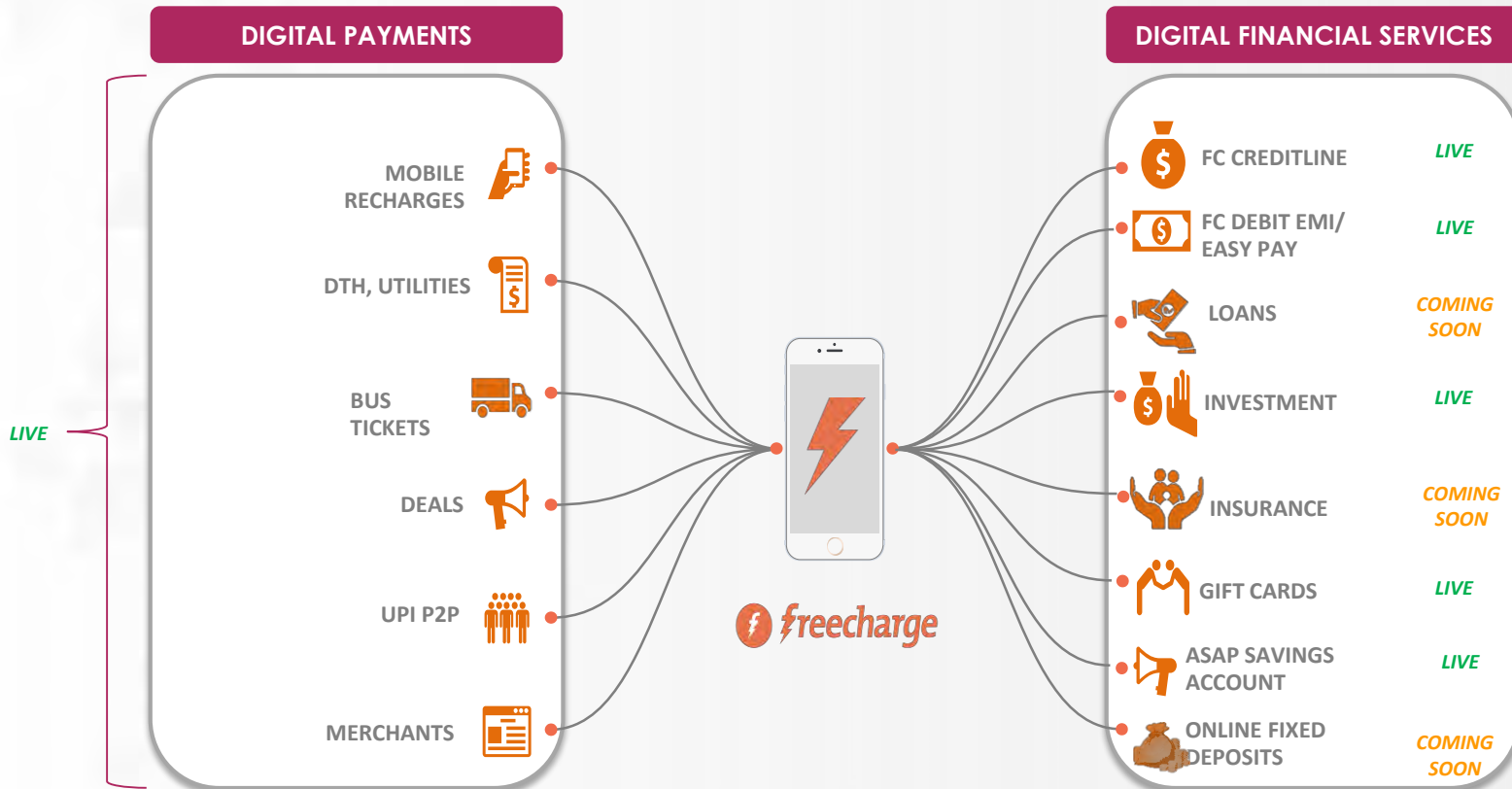
# FreeCharge continues to act as an engine that attracts digitally native customers and creates a significant cross sell base for the Bank



**12 million** new users have been registered since acquisition

Only **10%** of FreeCharge users are Axis Bank customers right now

# Since acquisition, product portfolio has been expanded to build a broader financial services platform



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

# Treasury Portfolio and Non-SLR Corporate Bonds

Investment Bifurcation	Book Value* (₹ Crores)
Government Securities <sup>1</sup>	116,039
Corporate Bonds <sup>2</sup>	31,555
Others	13,442
<b>Total Investments</b>	<b>161,036</b>

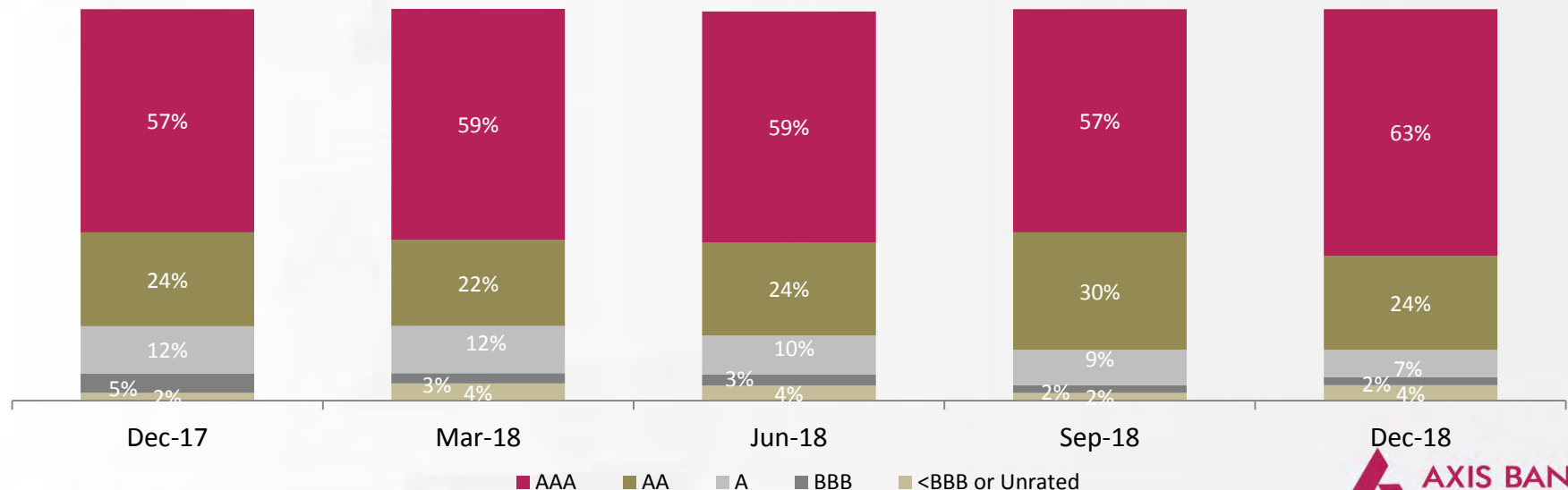
Category	Proportion
Held Till Maturity (HTM)	64%
Available For Sale (AFS)	31%
Held For Trading (HFT)	5%

\* as on Dec 31, 2018

<sup>1</sup> 87% classified under HTM category

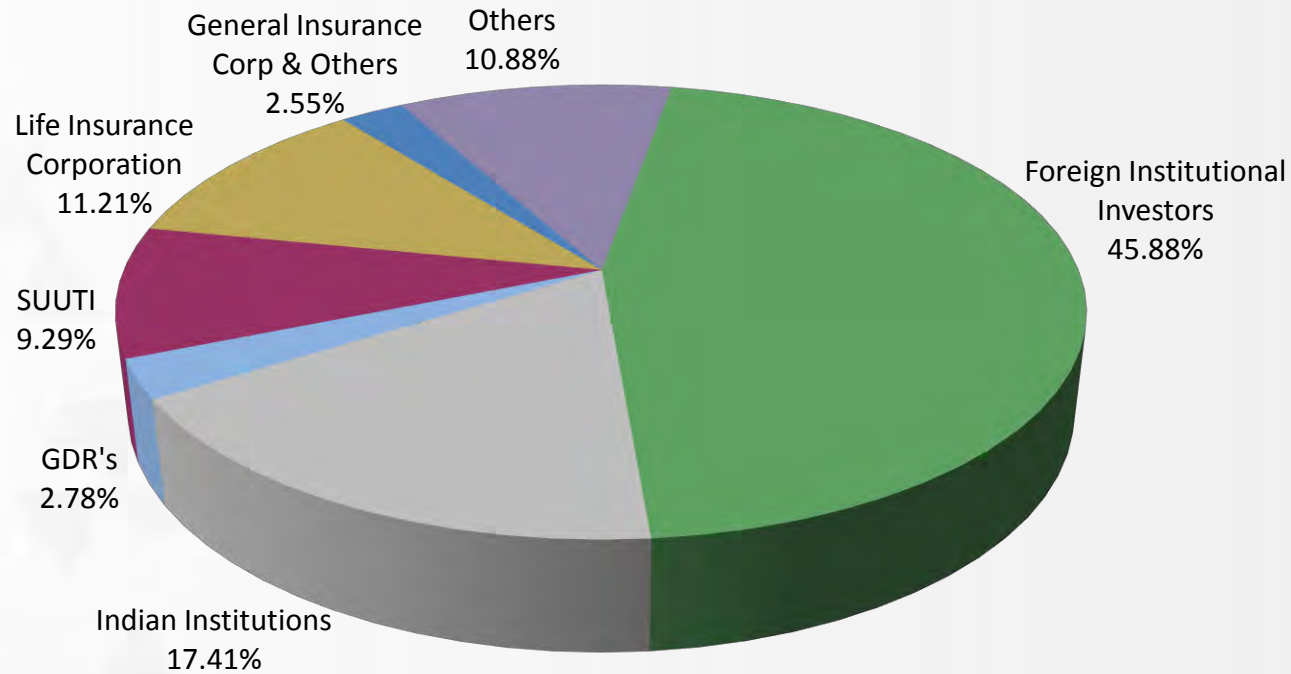
<sup>2</sup> 93% classified under AFS category

## 94% of Corporate bonds\* have rating of at least 'A'



\*Only includes standard investments

# Shareholding Pattern (as on December 31, 2018)



- Share Capital ₹514 crores
- Shareholders' Funds ₹66,698 crores
- Book Value Per Share ₹260
- Diluted EPS (Q3'FY19)\* ₹25.86
- Market Capitalization ₹168,674 crores (as on Jan 28<sup>th</sup>, 2019)

& 1 GDR = 5 shares

As on Dec 31<sup>st</sup>, 2018, against GDR issuance of 62.7 mn, outstanding GDRs stood at 14.31 mn

\* Annualised

# Major awards won by the Bank and its subsidiaries



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



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



Customer Service Excellence Award for Transformation



Best Performing Private Bank



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



Dale Carnegie Global Leadership Award for 2017

# Financial Performance

All figures in ₹ Crores

Financial Performance		Q3FY19	Q3FY18	% Growth	9MFY19	9MFY18	% Growth
Interest Income	A	14,129	11,722	21%	40,188	34,009	18%
Other Income	B = C+D+E	4,001	2,593	54%	9,604	8,178	17%
- Fee Income	C	2,615	2,246	16%	7,108	6,419	11%
- Trading Income	D	379	200	90%	617	1,401	(56%)
- Miscellaneous Income	E	1,007	147	582%	1,879	358	424%
- Recoveries in written-off a/c's		998	40		1,706	123	
<b>Total Income</b>	<b>F = A+B</b>	<b>18,130</b>	<b>14,315</b>	<b>27%</b>	<b>49,792</b>	<b>42,188</b>	<b>18%</b>
Interest Expended	G	8,526	6,990	22%	24,185	20,122	20%
<b>Net Interest Income</b>	<b>H = A-G</b>	<b>5,603</b>	<b>4,732</b>	<b>18%</b>	<b>16,003</b>	<b>13,887</b>	<b>15%</b>
<b>Operating Revenue</b>	<b>I = B+H</b>	<b>9,604</b>	<b>7,325</b>	<b>31%</b>	<b>25,607</b>	<b>22,066</b>	<b>16%</b>
Core Operating Revenue*	J = I-D	9,225	7,125	29%	24,990	20,664	21%
Operating Expenses	K	4,079	3,471	18%	11,616	10,143	15%
- Staff Expense	L	1,202	1,063	13%	3,605	3,234	11%
- Non Staff Expense	M	2,877	2,408	19%	8,011	6,909	16%
<b>Operating Profit</b>	<b>N = I-K</b>	<b>5,525</b>	<b>3,854</b>	<b>43%</b>	<b>13,991</b>	<b>11,922</b>	<b>17%</b>
<b>Core Operating Profit*</b>	<b>O = N-D</b>	<b>5,146</b>	<b>3,654</b>	<b>41%</b>	<b>13,374</b>	<b>10,521</b>	<b>27%</b>
Provisions other than taxes	P	3,055	2,811	9%	9,320	8,293	12%
Profit Before Tax	Q = N-P	2,470	1,043	137%	4,671	3,629	29%
Tax Expenses	R	789	317	150%	1,499	1,165	29%
<b>Net Profit</b>	<b>S = Q-R</b>	<b>1,681</b>	<b>726</b>	<b>131%</b>	<b>3,172</b>	<b>2,464</b>	<b>29%</b>
EPS Diluted (₹) (annualized)		25.86	11.86		16.33	13.56	
Return on Average Assets (annualized)		0.88%	0.44%		0.57%	0.53%	
Return on Equity (annualized)		11.33%	5.52%		7.25%	6.38%	
Capital Adequacy Ratio (Basel III) (including Net Profit for 9M)		16.40%	18.00%		16.40%	18.00%	

\*Excluding trading profit for all the periods.

# Balance Sheet

All figures in ₹ Crores

Condensed Unconsolidated Balance Sheet	As on 31 <sup>st</sup> December'18	As on 31 <sup>st</sup> December'17	% Growth
<b>CAPITAL AND LIABILITIES</b>			
Capital	514	513	0.2%
Reserves & Surplus	66,184	65,035	2%
Deposits	5,14,092	4,08,967	26%
Borrowings	1,44,669	1,40,874	3%
Other Liabilities and Provisions	30,717	28,549	8%
<b>Total</b>	<b>7,56,176</b>	<b>6,43,938</b>	<b>17%</b>
<b>ASSETS</b>			
Cash and Balances with RBI and Balances with Banks and Money at Call and Short Notice	55,736	28,398	96%
Investments	1,61,036	1,42,389	13%
Advances	4,75,105	4,20,923	13%
Fixed Assets	3,988	3,940	1%
Other Assets	60,311	48,288	25%
<b>Total</b>	<b>7,56,176</b>	<b>6,43,938</b>	<b>17%</b>



# Safe Harbor

Except for the historical information contained herein, statements in this release which contain words or phrases such as “will”, “aim”, “will likely result”, “would”, “believe”, “may”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “strategy”, “philosophy”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions may constitute “forward-looking statements”. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, future levels of non-performing loans, our growth and expansion, the adequacy of our allowance for credit losses, our provisioning policies, technological changes, investment income, cash flow projections, our exposure to market risks as well as other risks. Axis Bank Limited undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

**Thank You**