AXIS BANK

Progress on...

Quarterly Earnings Presentation

Q3 FY17

Safe Harbor

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

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Performance Highlights

Growth

Earnings Quality

Retail Franchise

Asset Quality

Other important information

Summary of Key Metrics for Q3FY17

73% YOY	Net Profit
4% YOY	Net Interest Income
4% YOY	Fee Income
10% YOY	Advances[1]
10% YOY	Deposits[1]
21% YOY	CASA[1]

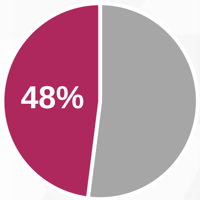
Return on Equity	4.44%
NIM	3.43%
GNPA [1]	5.22%
PCR [1]	64%

[1] as on 31st December, 2016

Profit remains suppressed due to provision costs. However operating parameters continue to be resilient.

Retail franchise registered healthy performance

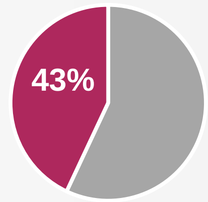
Deposits ↑ 10% YOY



CASA ↑ 21% YOY

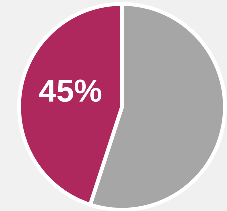
SA Deposits ↑ 27% YOY

Advances ↑ 10% YOY



Retail Advances
↑ 19% YOY

Fee Income ↓ 4% YOY



Retail Fee Income
↑ 8% YOY

Earnings Profile

19% YOY
Operating Revenue
₹7,734 crores

16% YOY
Operating Profit
₹4,640 crores

0.39%
Return on Assets**

4.44%
Return on Equity**

Well capitalised

12.99%
Tier I CAR*

16.59%
Total CAR*

*Including unaudited Net Profit for 9MFY17; ** annualised

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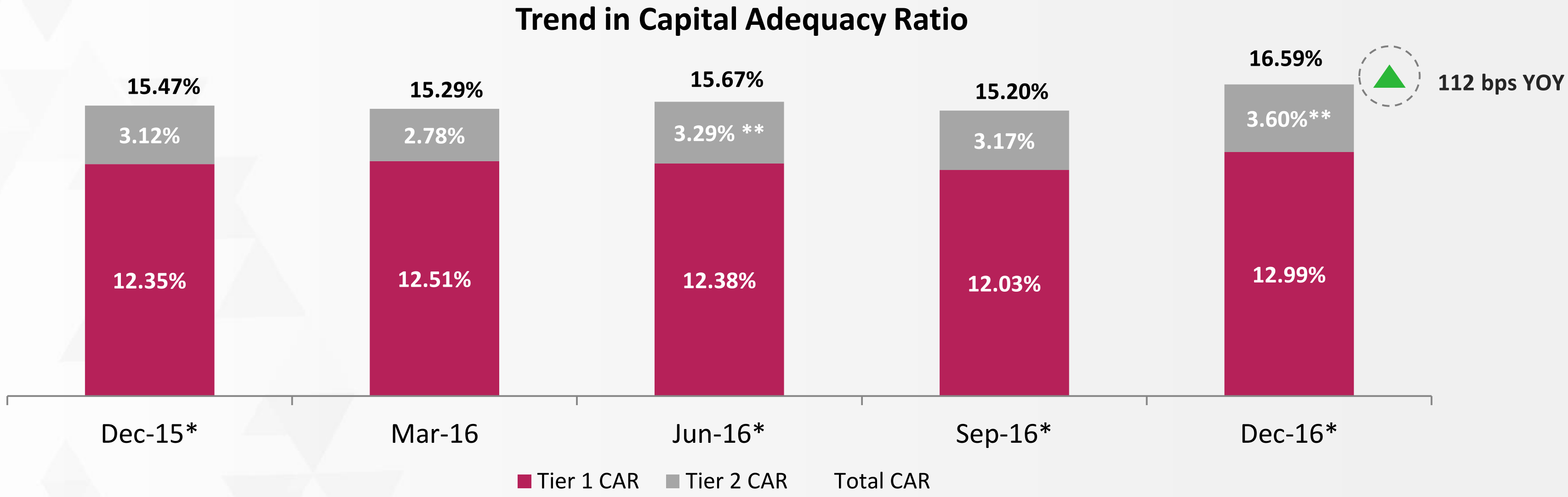
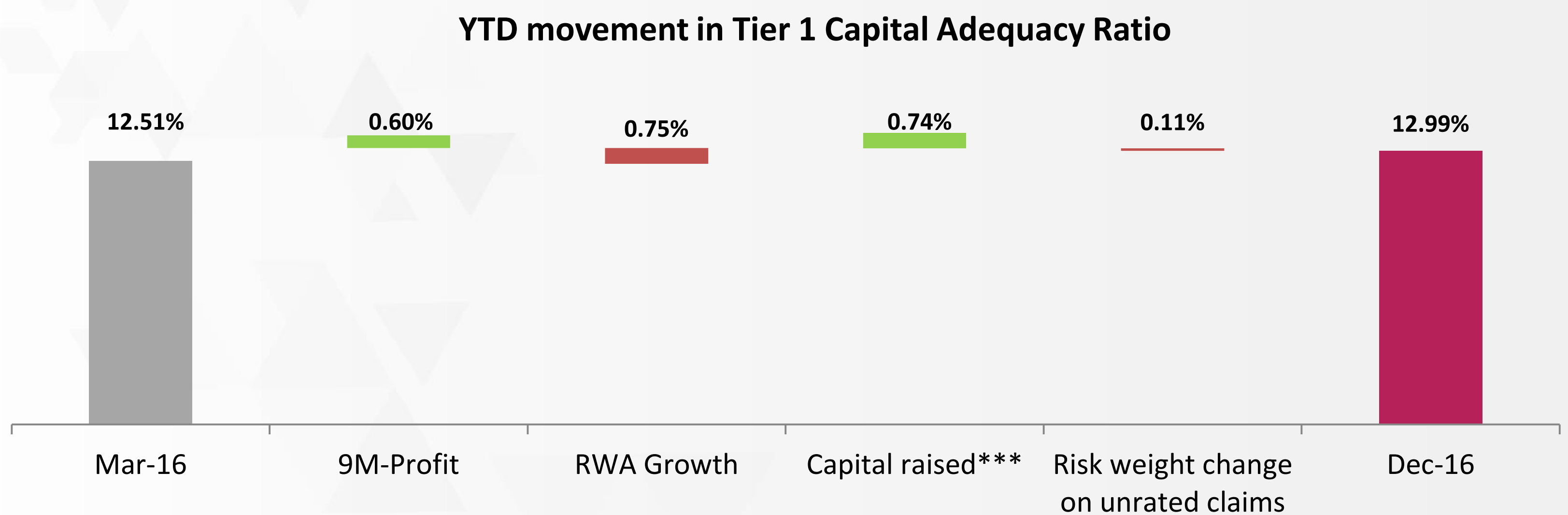
Capital adequacy has strengthened during the quarter





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

** includes ₹2,430 crores and ₹1,800 crores mobilized through issuance of subordinated debt during Q1FY17 and Q3FY17, respectively

*** ₹3,500 crores mobilised through Additional Tier-1 bonds

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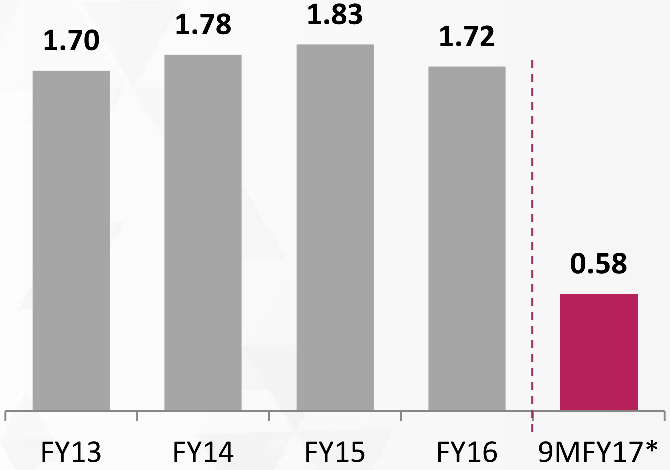
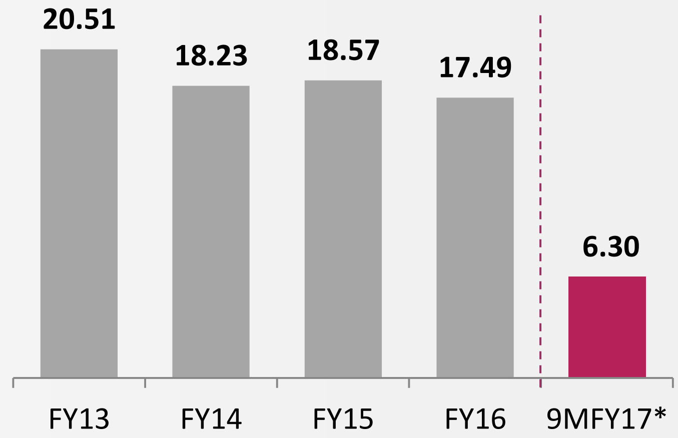
Shareholder return metrics have reduced for 9MFY17

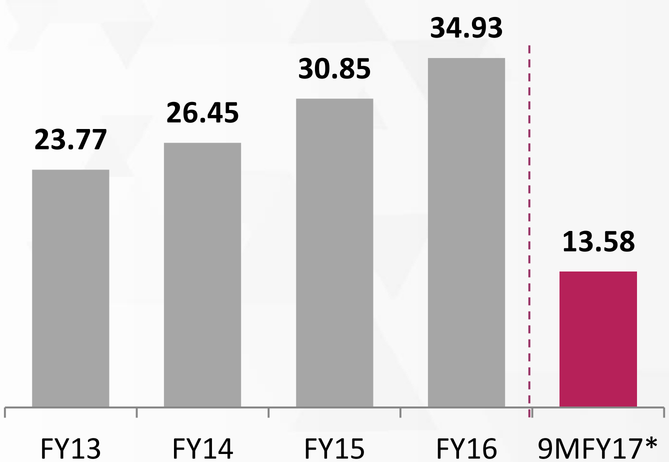
Return on Assets (in %)



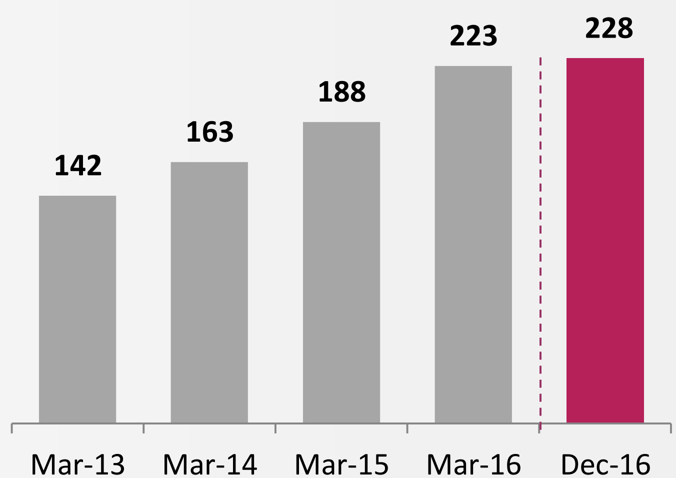
Return on Equity (in %)



Diluted EPS (₹)



Book Value Per Share (₹)



* annualised

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Performance Highlights

Growth

Earnings Quality

Retail Franchise

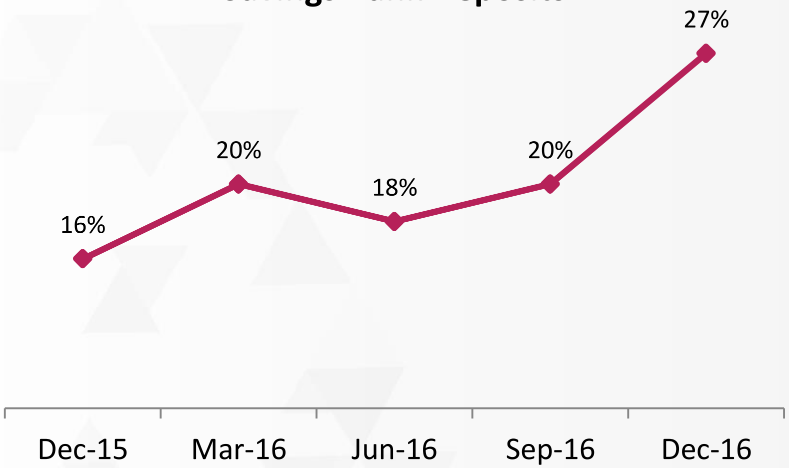
Asset Quality

Other important information

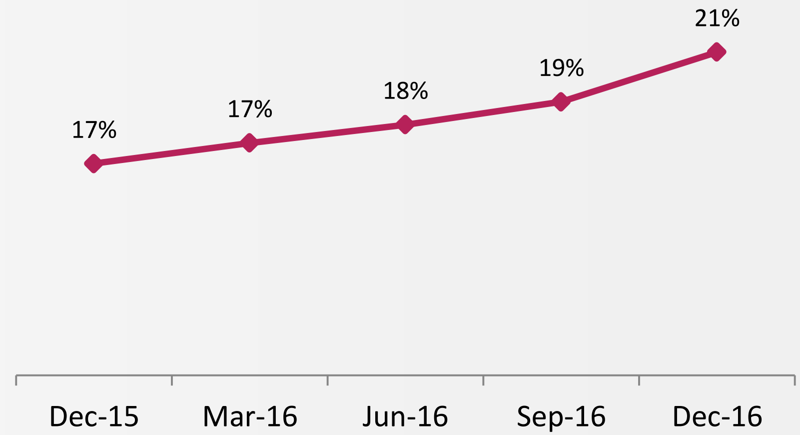
Key balance sheet parameters report healthy growth

All figures in YOY growth

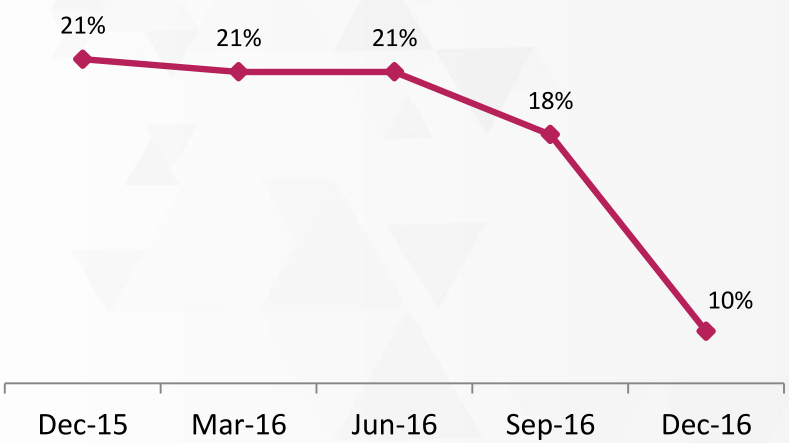
Savings Bank Deposits



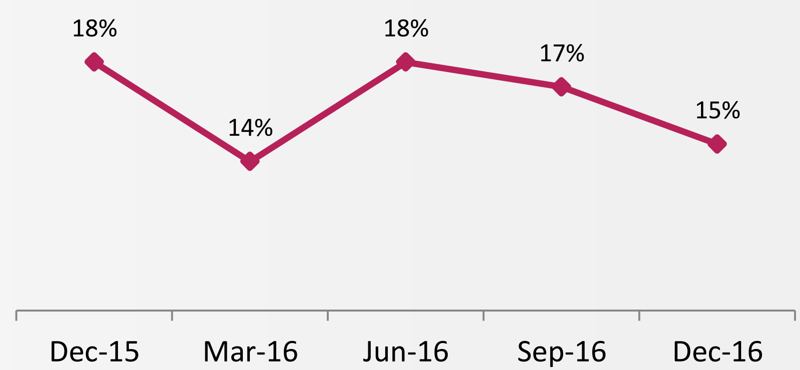
CASA



Advances



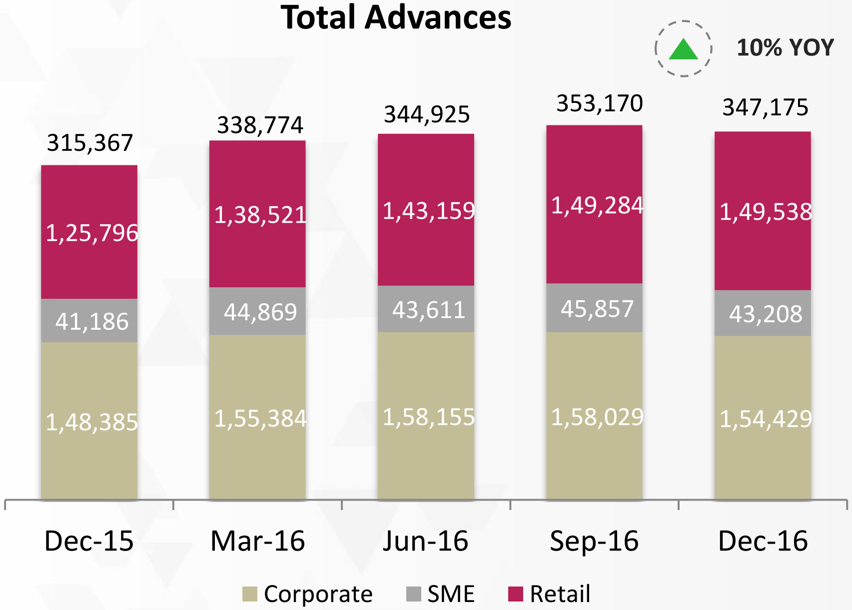
Balance Sheet



Loan growth continues to be driven by retail

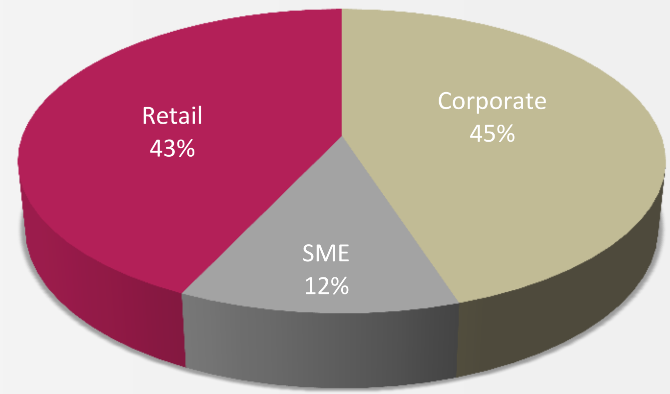
All figures in ₹ Crores

Total Advances



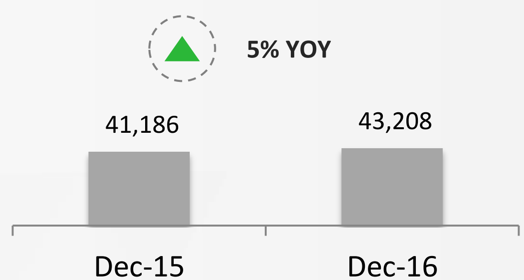
Loan Mix

(As on December 31, 2016)

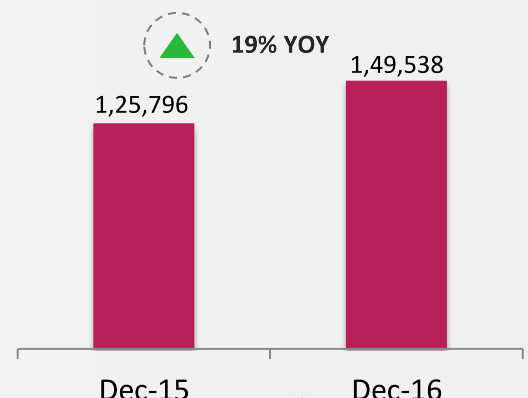


Corporate Advances

SME Advances



Retail Advances



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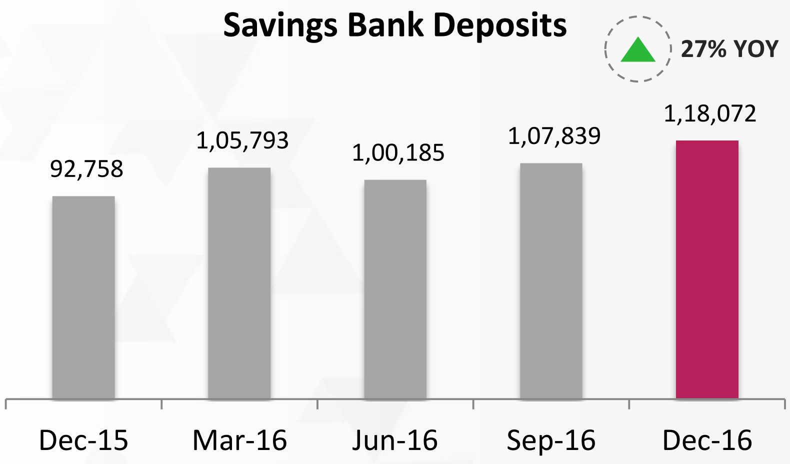
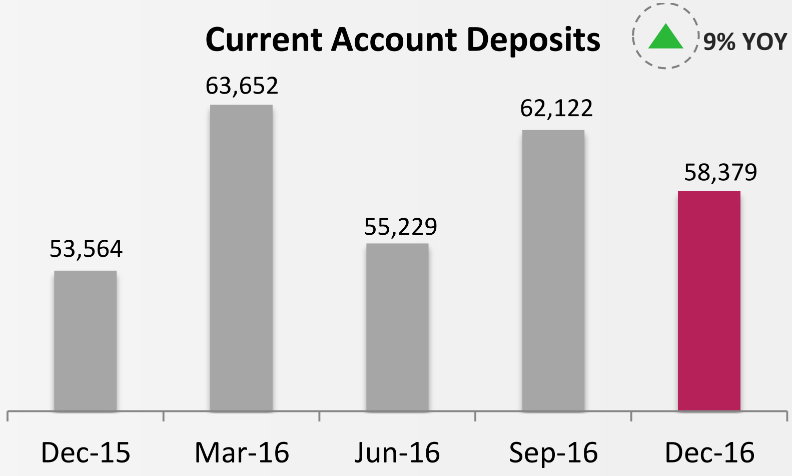
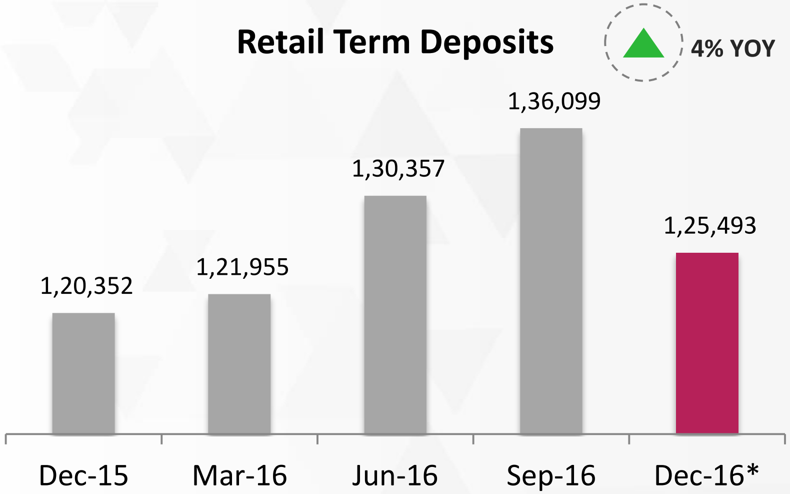
Deposit franchise was aided by demonetisation during last quarter

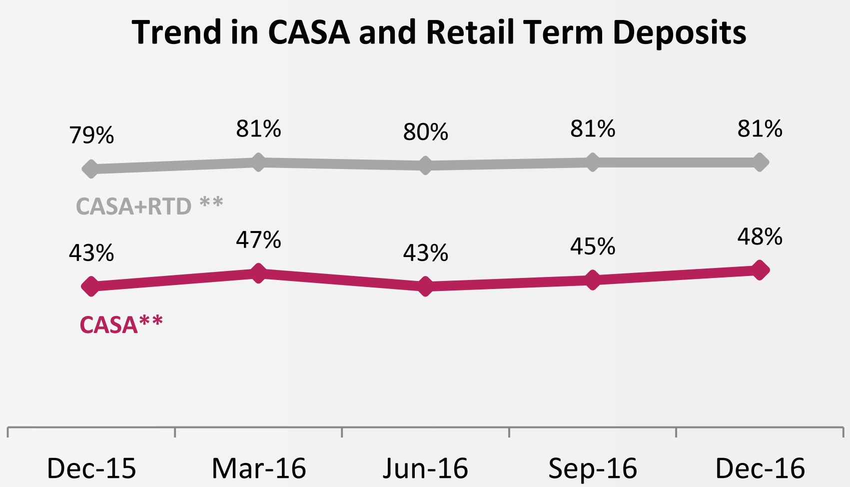
All figures in ₹ Crores







* includes the impact of redemption of FCNR-B deposits



** as % of total deposits

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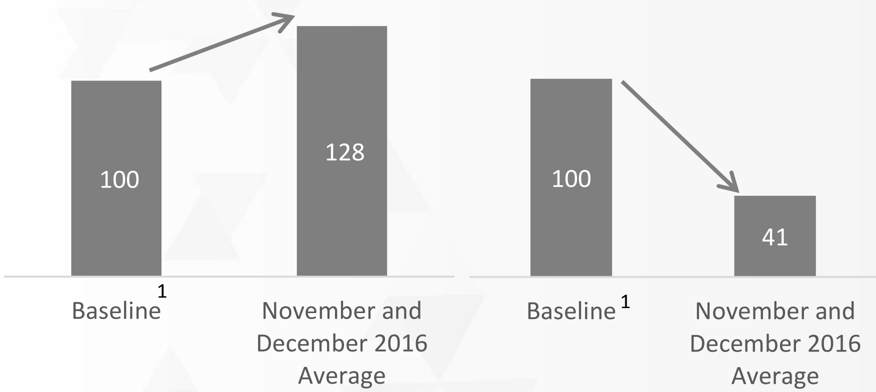
SPECIAL ANALYSIS TOPIC

Impact of Demonetisation in Q3 FY17

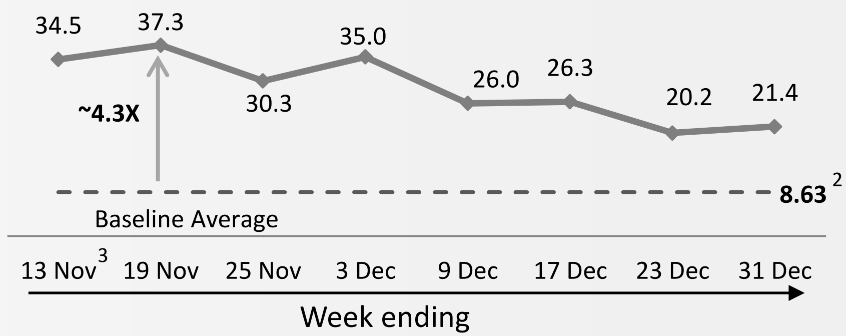
All figures in ₹ Crores

We saw significant increase in amount of cash transactions



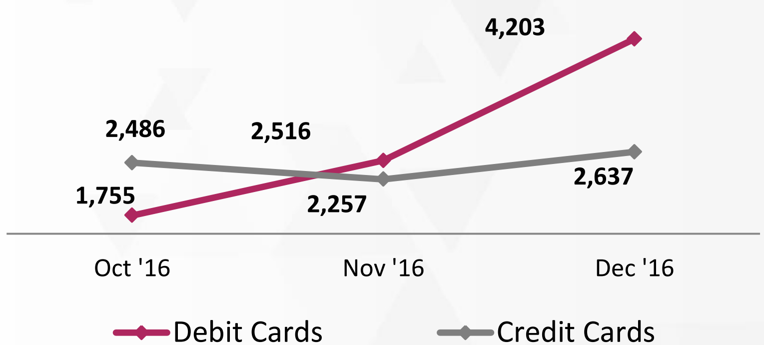
Transactions at branches increased

Weekly Branch Transactions (Lakhs)

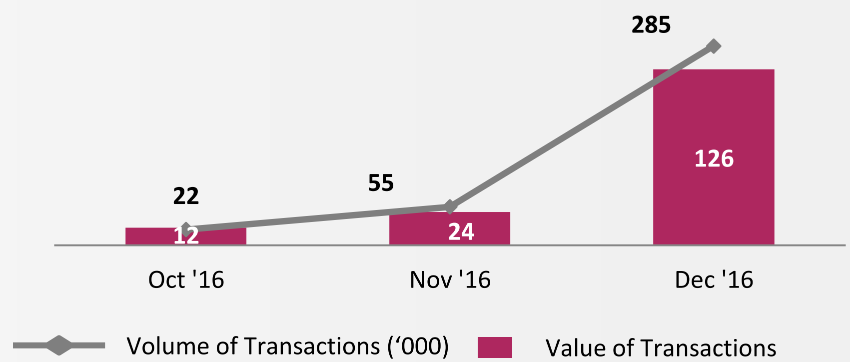


Electronic Payments increased significantly

Card Spends



UPI Transactions



1) Baseline indexed to 100 and calculated as average for the months of July, August and September 2016
2) Baseline calculated as weekly average for transactions in the period 1st October to 8th November 2016
3) For the period 10th November to 13th November 2016

Performance Highlights

Growth

Earnings Quality

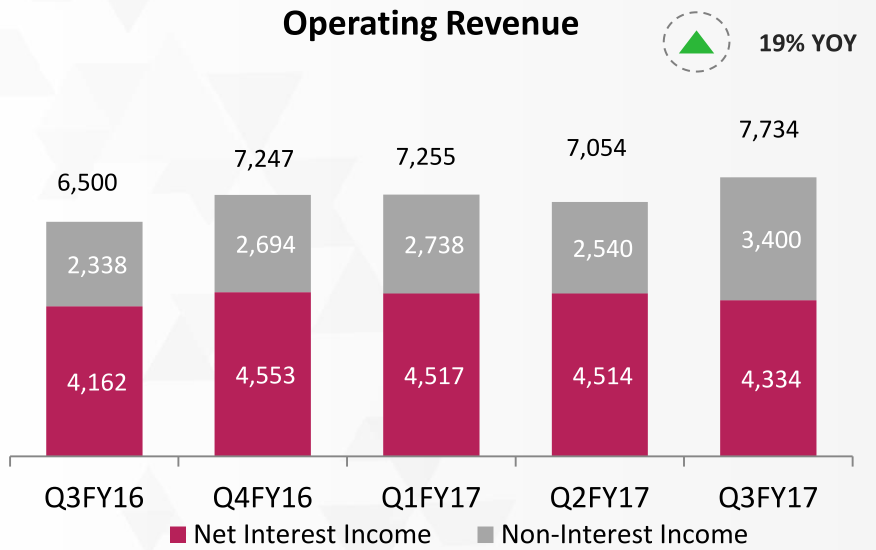
Retail Franchise

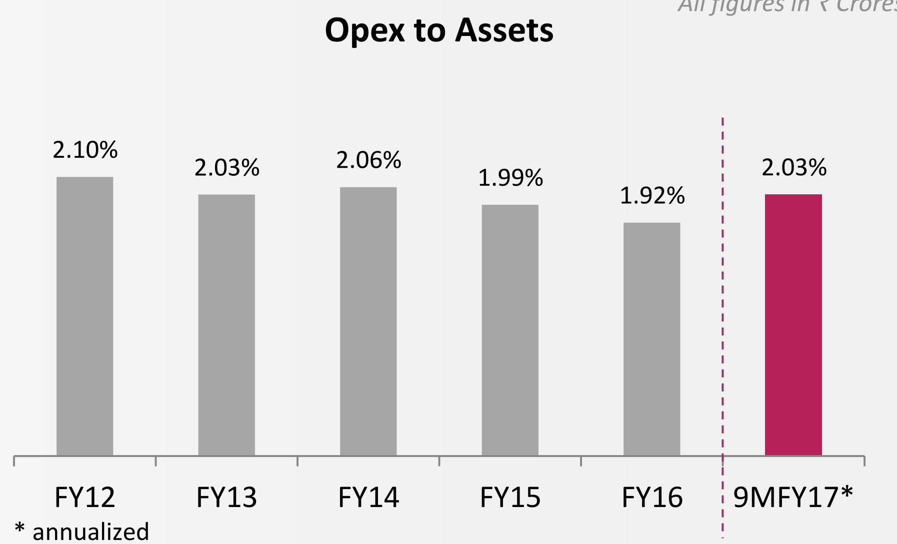
Asset Quality

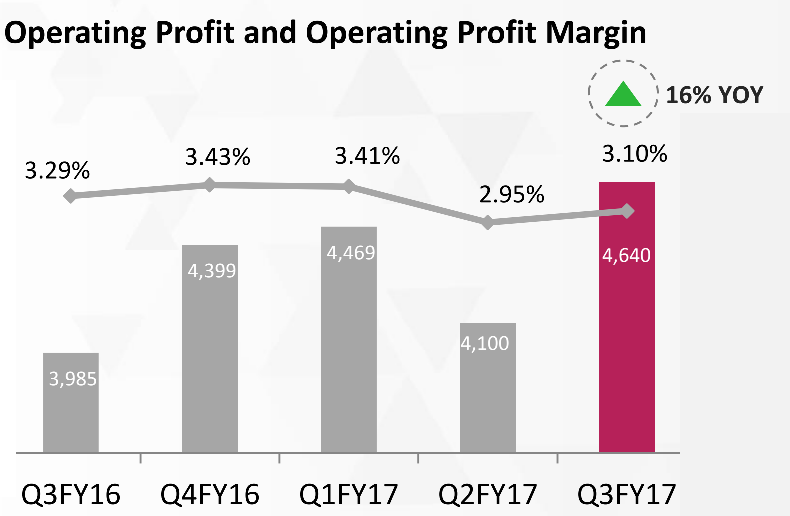
Other important information

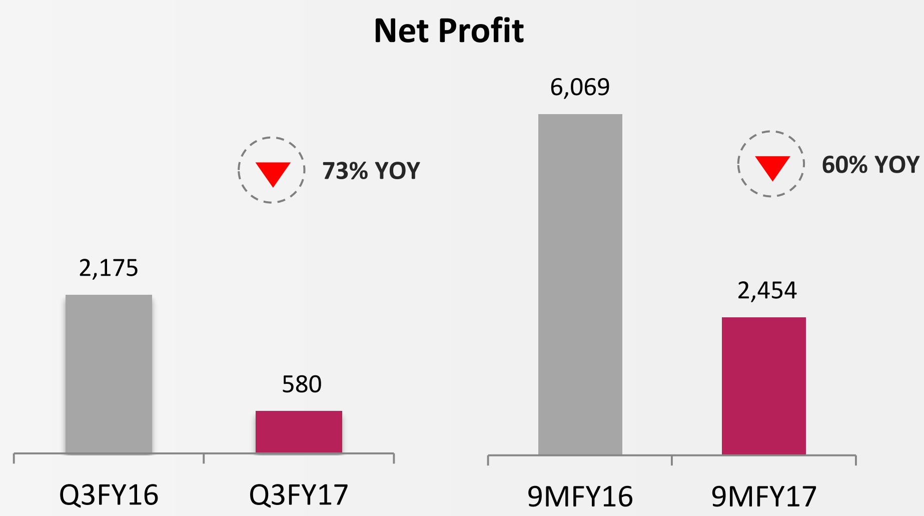
Operating Profit delivery has been steady even as Net Profit has dipped due to credit provisions

All figures in ₹ Crores









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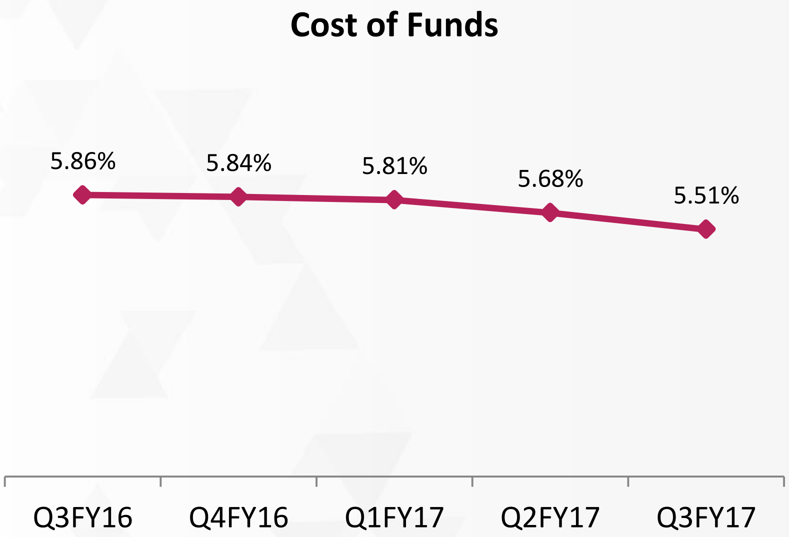
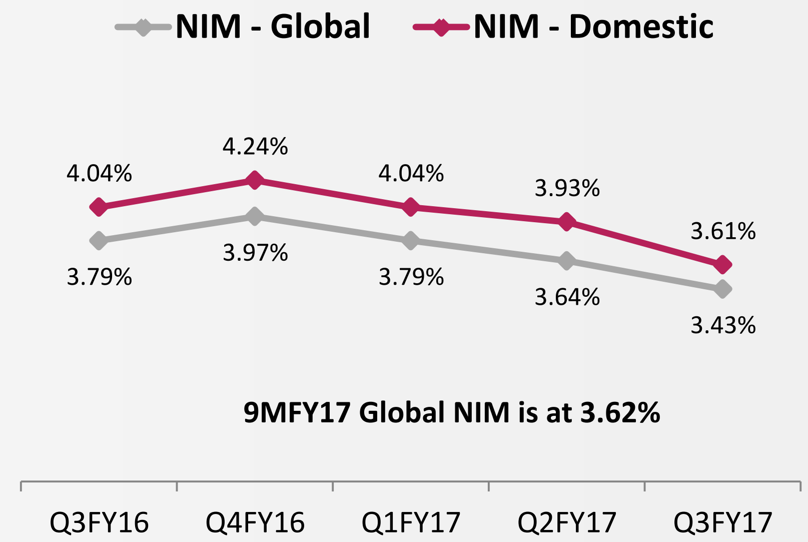
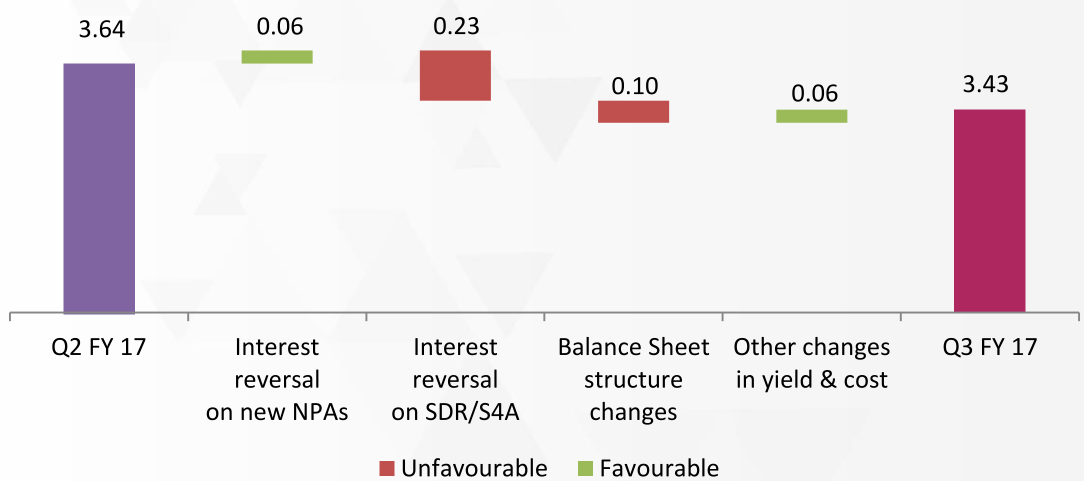
NIM has moderated during the quarter





9MFY17 Global NIM is at 3.62%



Interest Reversal on SDR/S4A

- RBI issued guidelines in Nov 16 requiring reversal of interest on SDR/S4A loans
- Additional one time interest reversal of ₹317 crores during Q3FY17 related to above guidelines

Balance Sheet structure changes

- Higher deposits
- Higher cash in hand and reserve requirements
- Change in mix of assets and liabilities
- Resulting impact observed on NIM during Q3FY17

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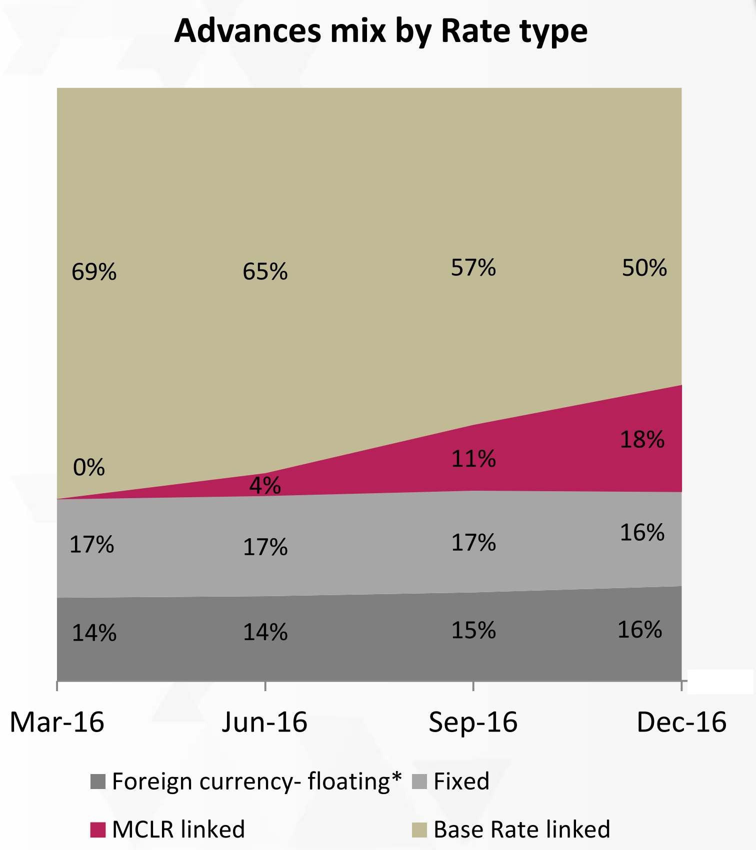
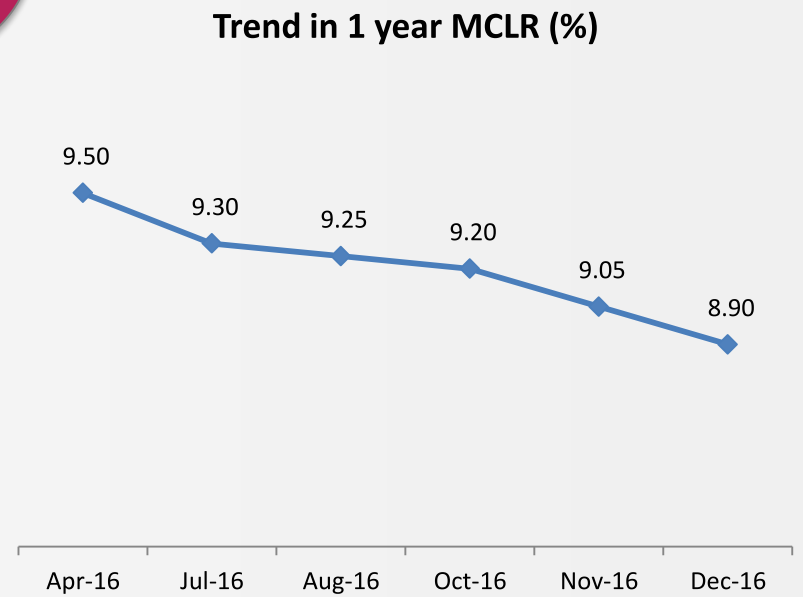
MCLR based loans are growing, at the expense of Base Rate linked loans

SPECIAL ANALYSIS TOPIC

Loan mix



* Libor linked



- All incremental variable rate sanctions are linked to MCLR

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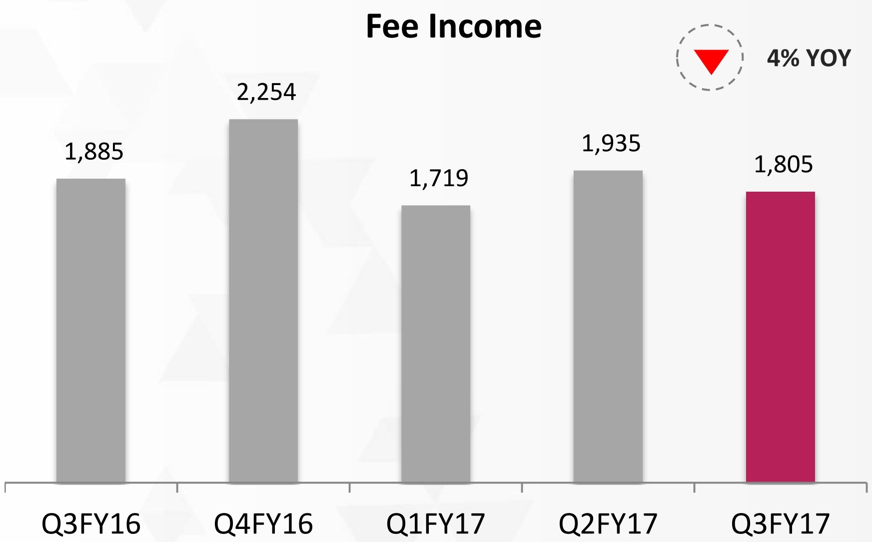
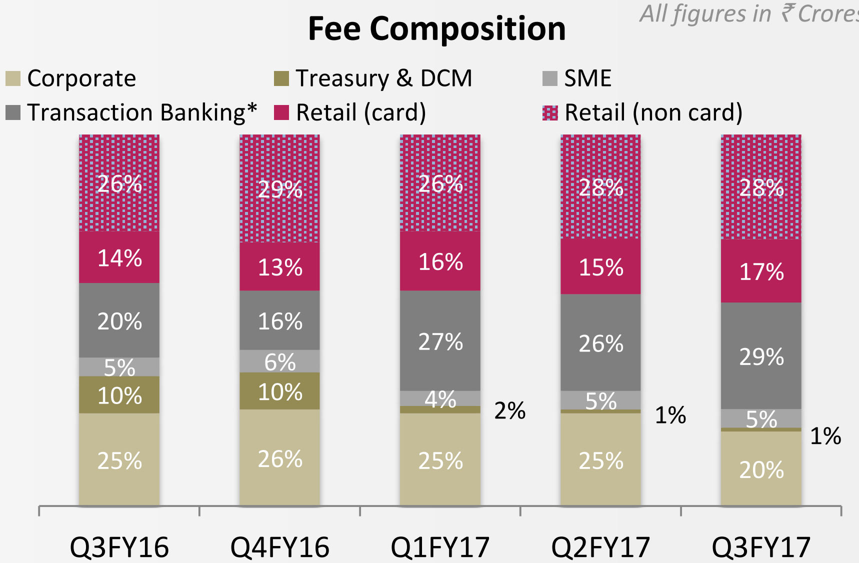
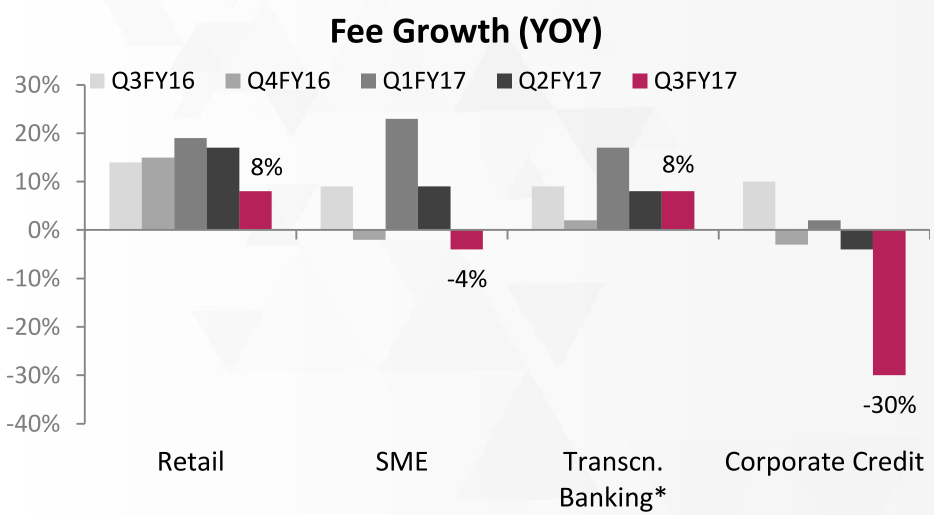
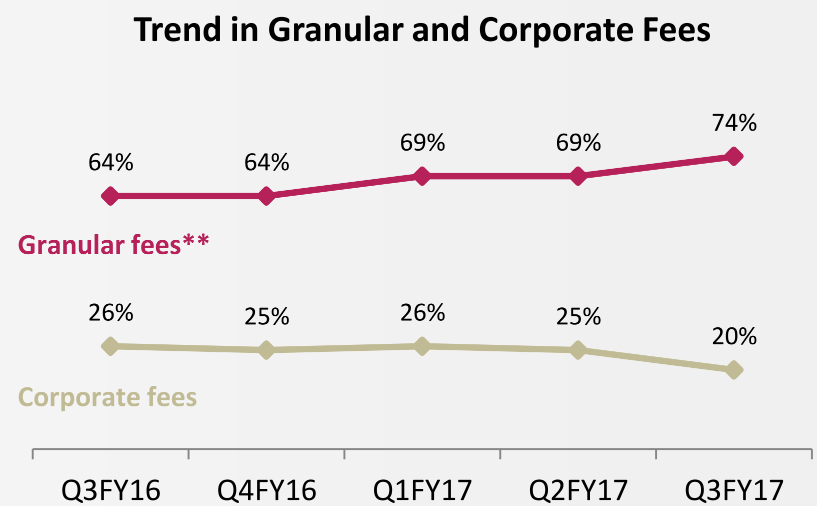
Overall fees have contracted but granularity has improved

All figures in ₹ Crores









*some fees have been reclassified as Transaction Banking fees from Treasury & DCM segment starting Q1FY17

**Retail + Transaction Banking Fee as % of total fee income

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Performance Highlights

Growth

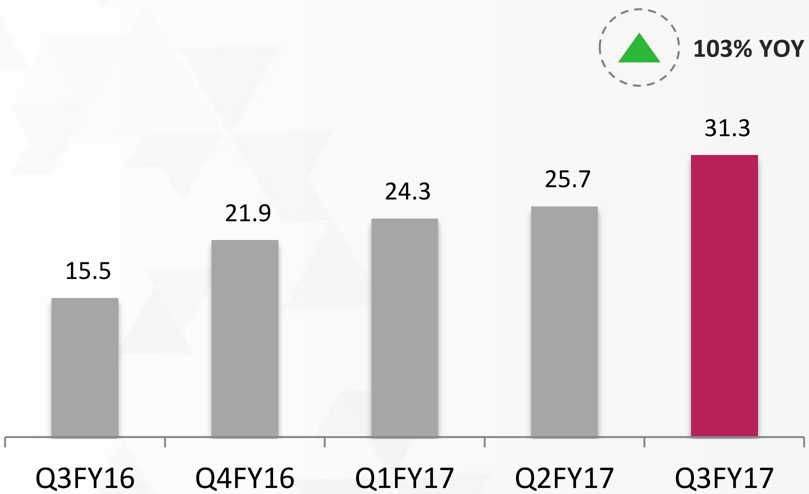
Earnings Quality

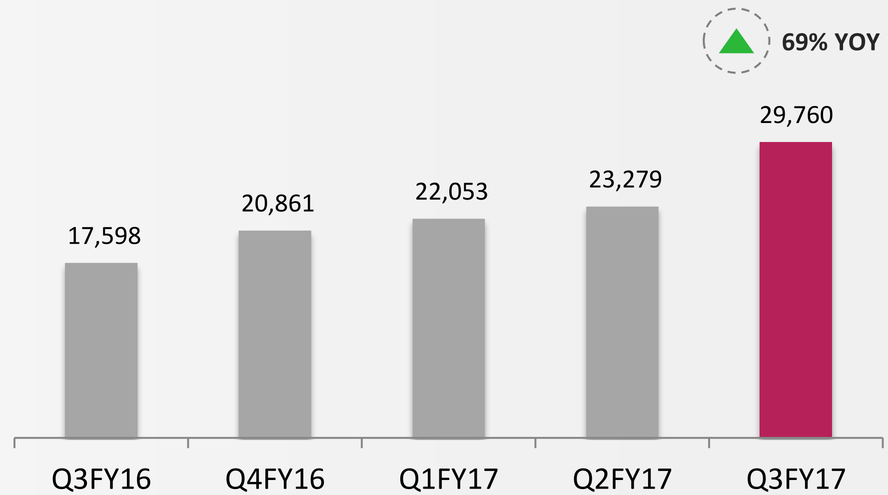
Retail Franchise

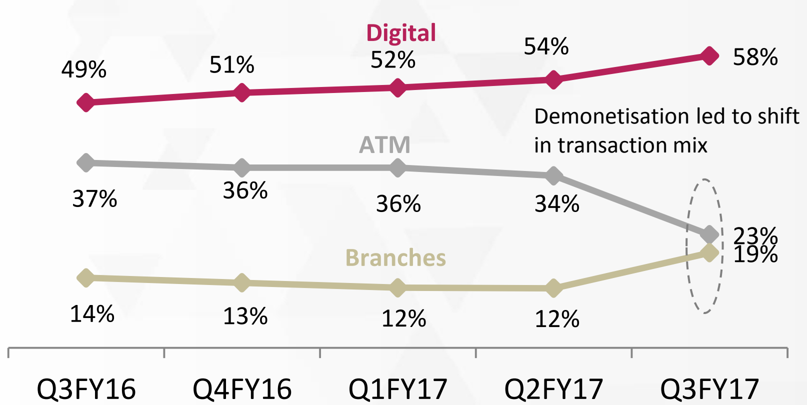
Asset Quality

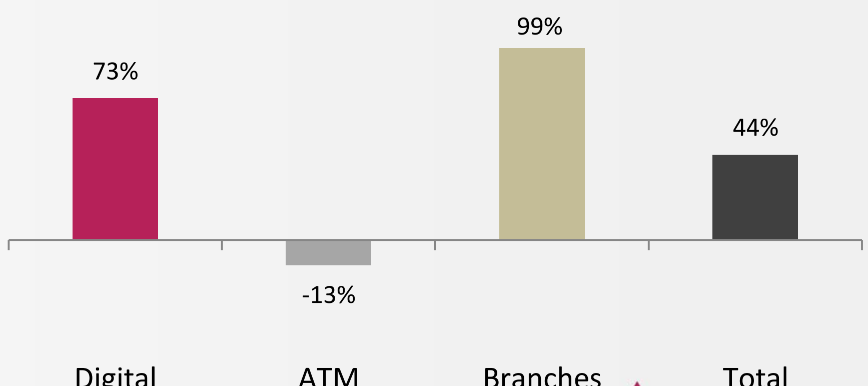
Other important information

Retail Bank transaction mix change reflects the demonetisation drive









* Based on all financial transactions by individual customers

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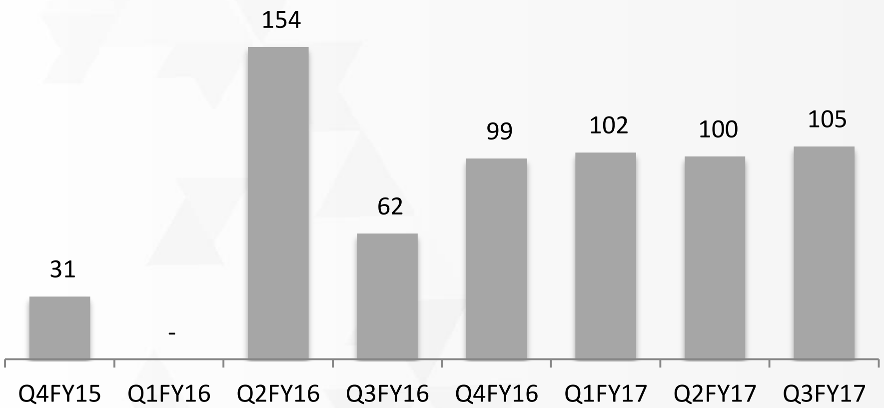
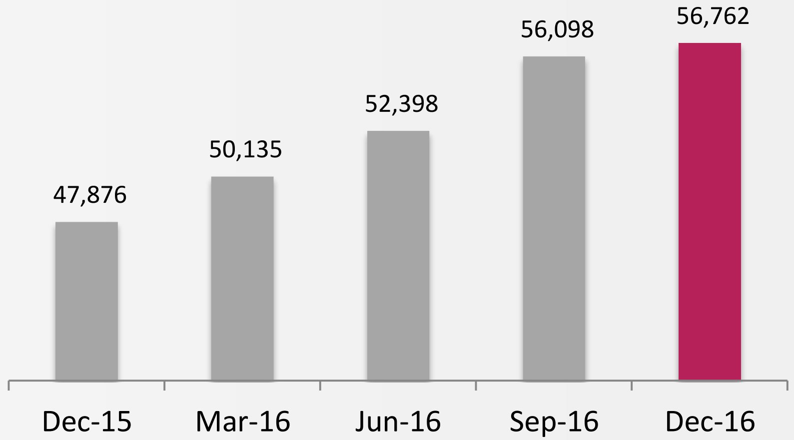
Network has been expanding at a steady pace

New Branches Opened

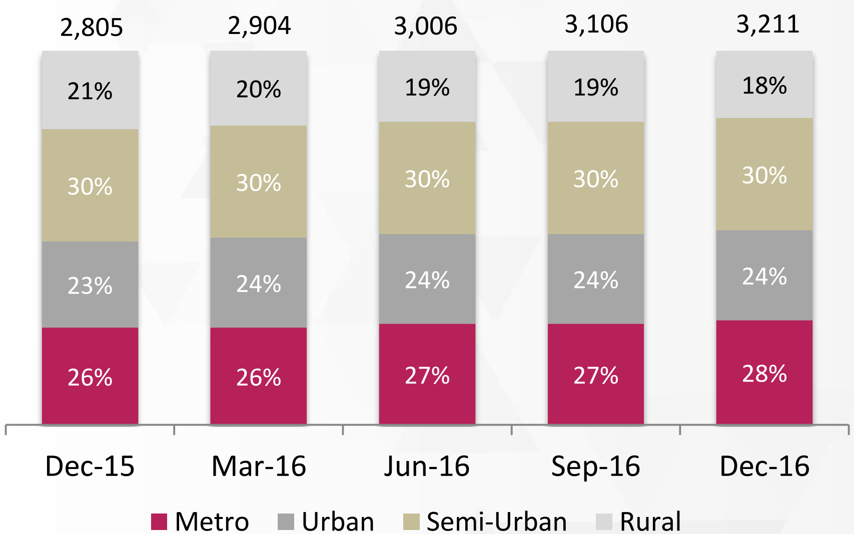


Employee Strength

19% YOY

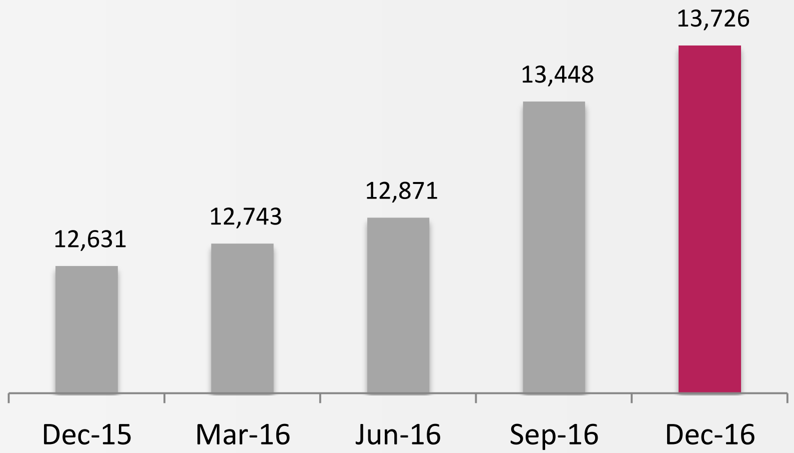


Branch Mix*



* Includes extension counters

ATMs



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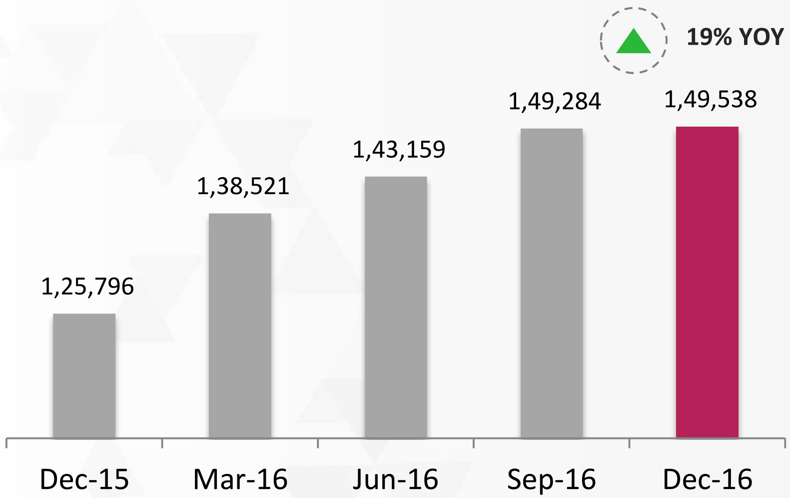
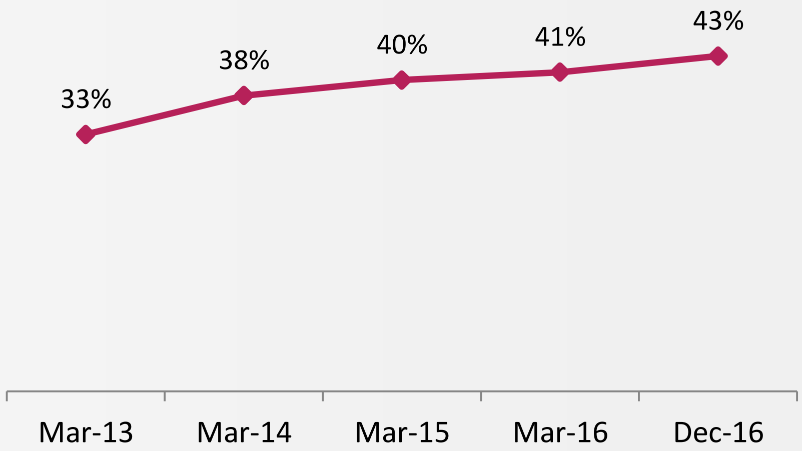
Retail Lending growth remains steady

All figures in ₹ Crores

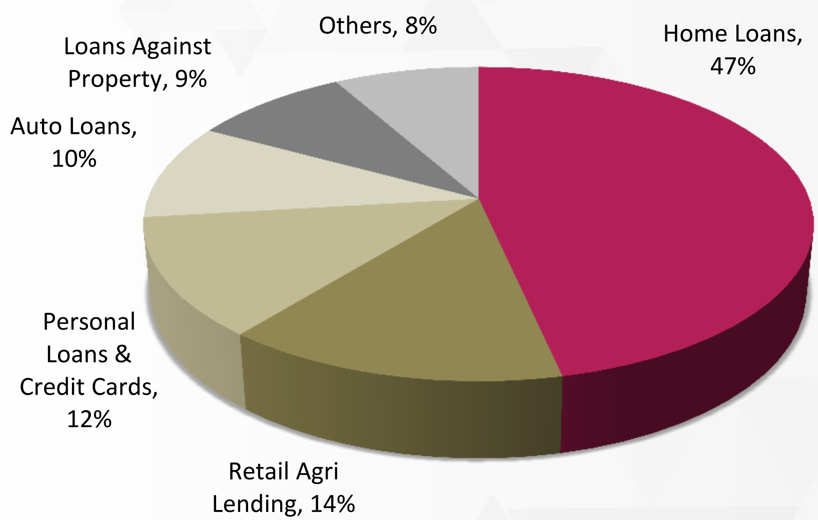
Retail Advances



Retail as % of Advances



Retail Advances Mix



- Sourcing strategy focused on internal customer base of the Bank
- 71% of sourcing in Q3 was from existing customers
- 97% of Credit Card and 81% of Personal Loan originations in the quarter were from existing customers
- 49% of overall sourcing was through Bank branches

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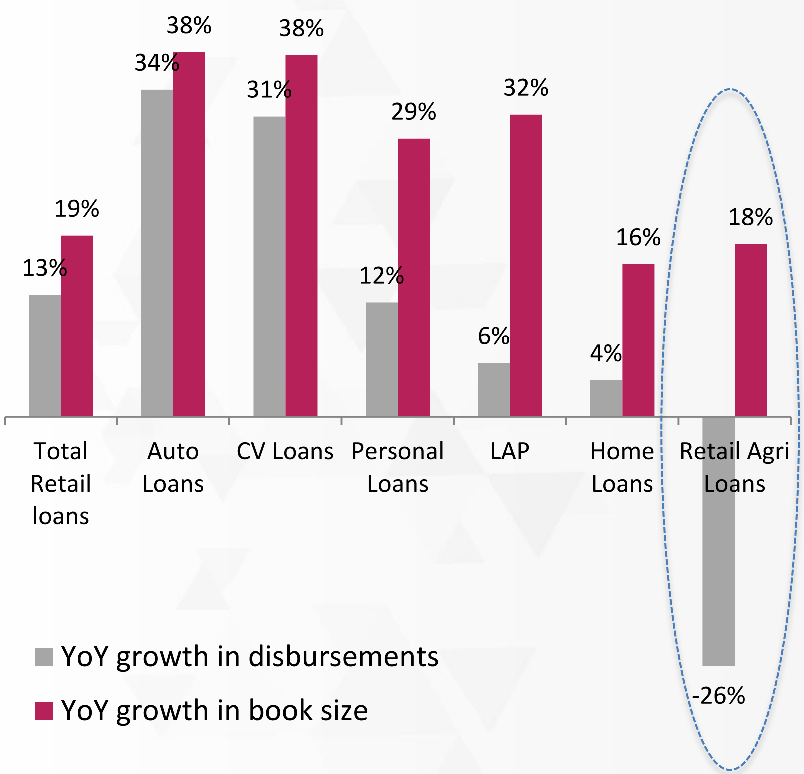
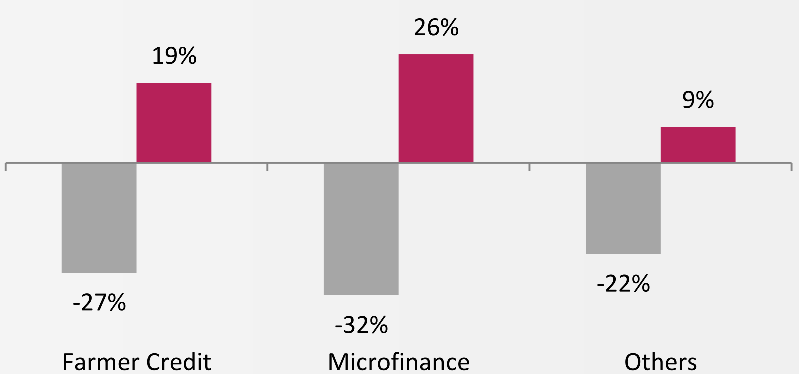
However, demonetisation has had varying impact on different retail loan segments

Property and agriculture related disbursements have been impacted



Rural Agri related disbursements have taken a hit



Book Size*	12,777	2,767	3,817

*As of December 2016 in ₹ Crores

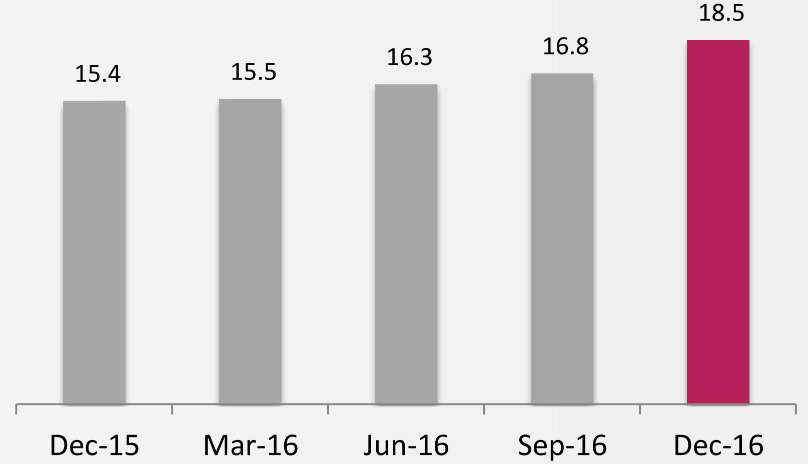
CV - Commercial Vehicles
LAP - Loan against Property

Transactions and payments businesses got significant boost post demonetisation

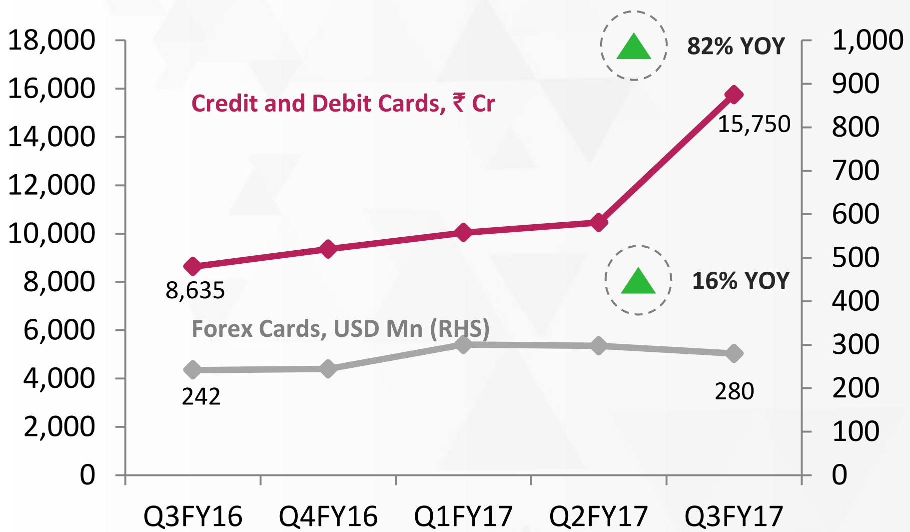
All figures in Mn

Credit Cards - Cards In Force

Debit Cards - Cards In Force



Cards Spends



Strong positioning in the payments space

	Product	Market share*	Ranking*
	Credit Cards[1]	10.6%	4th
	Debit Cards[2]	5.8%	4th
	Forex Cards	45%	1st
	Merchant Acquisition	18.3%	3rd

*Based on RBI data as on Oct 2016 except for Forex Cards

1 – based on cards issued; 2 – based on card spends

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Performance Highlights

Growth

Earnings Quality

Retail Franchise

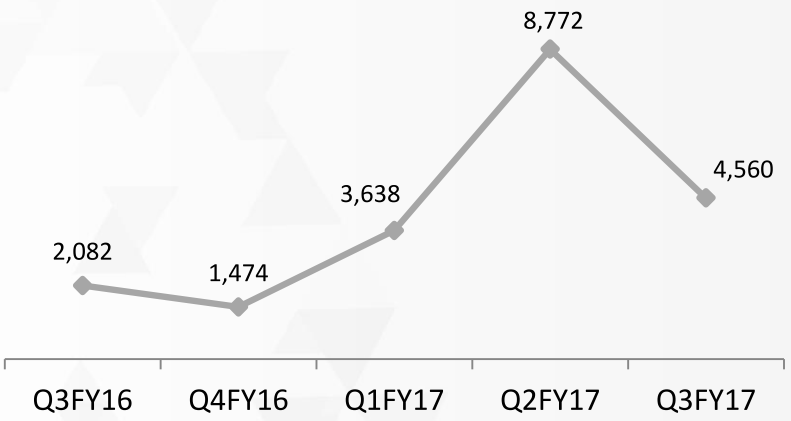
Asset Quality

Other important information

Slippages and credit costs have reduced from Q2 peaks. PCR has improved during the quarter.

All figures in ₹ Crores

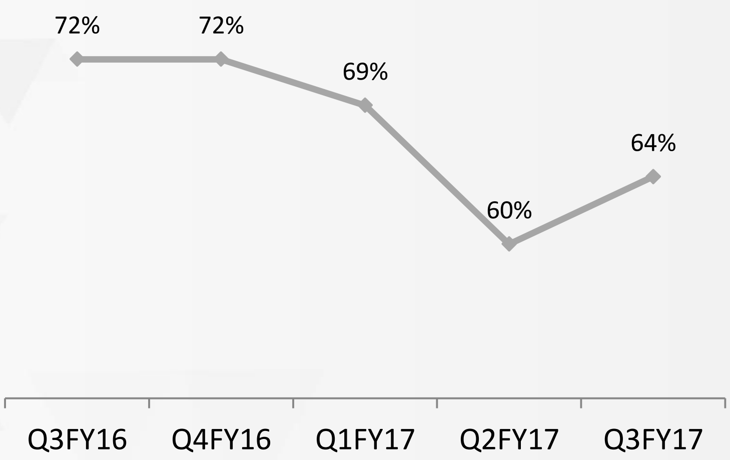
Movement in Gross Slippages



Movement in Credit Cost* in the quarter

* On annualised basis

Trend in Provision Coverage Ratio



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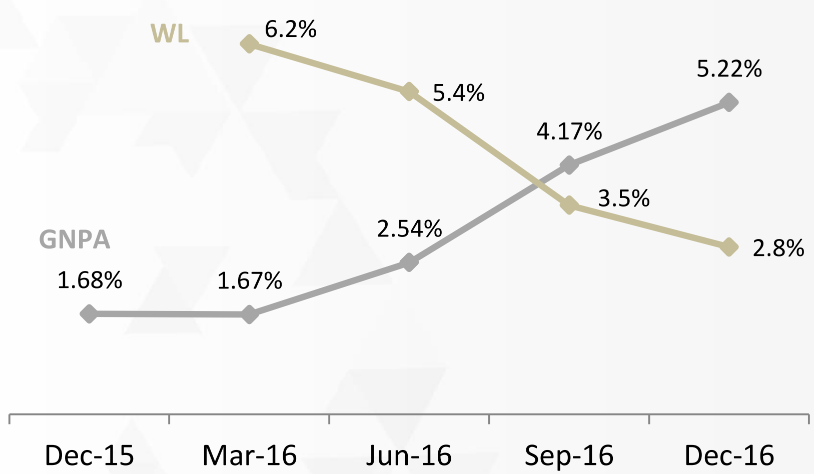
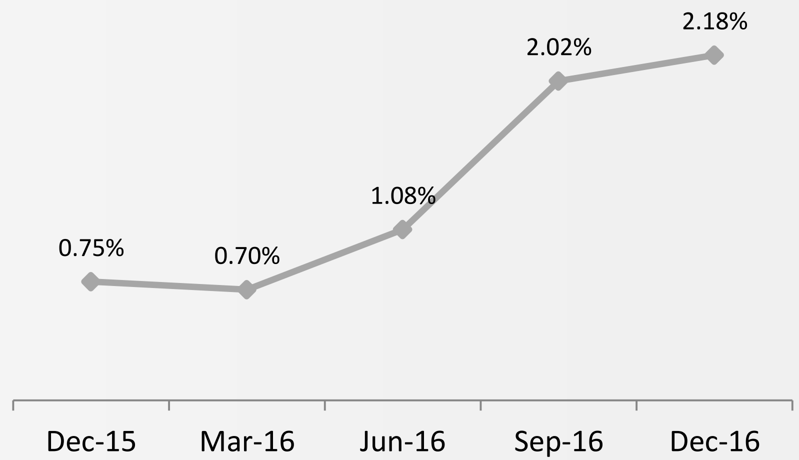
Gross and Net NPAs have increased in Q3FY17

All figures in ₹ Crores

Gross NPA and Watch List (WL)

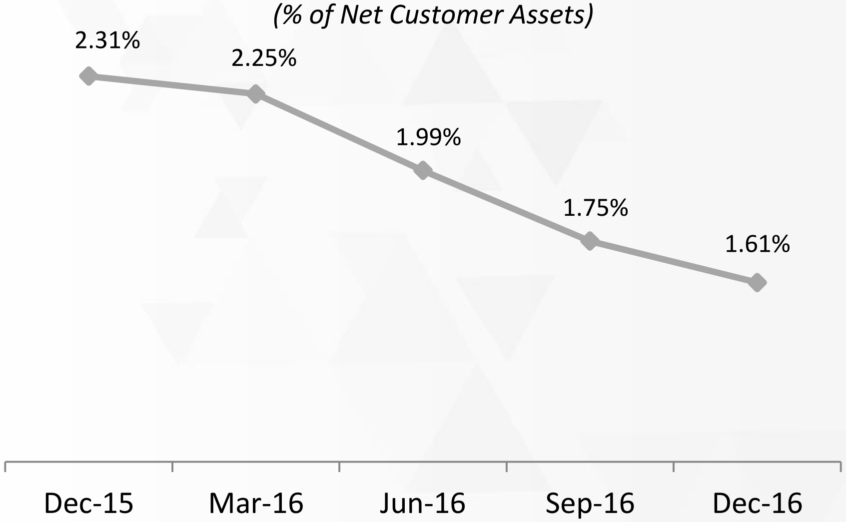


Net NPA

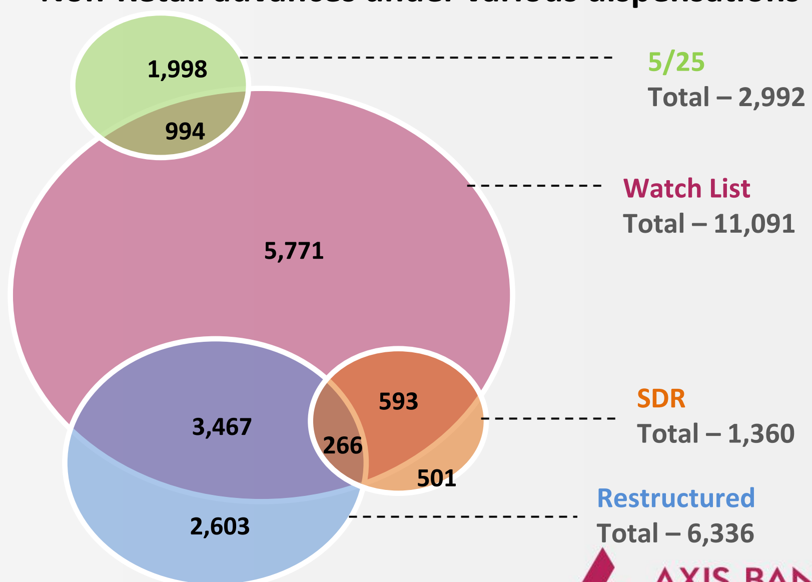


Net Restructured Assets

(% of Net Customer Assets)



Non-Retail advances under various dispensations

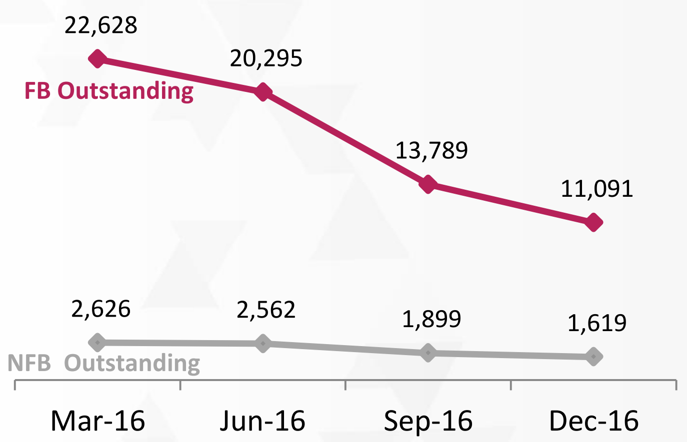


AXIS BANK

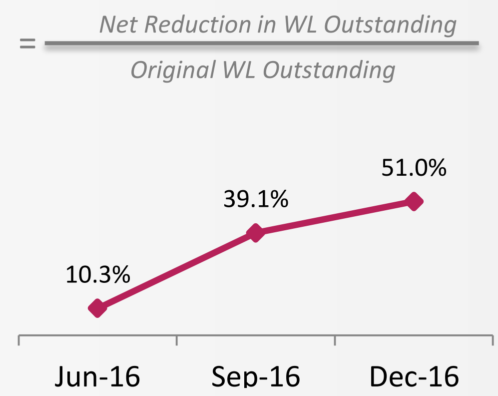
Most of the slippages in Corporate Lending were from the Watch List

All figures in ₹ Crores

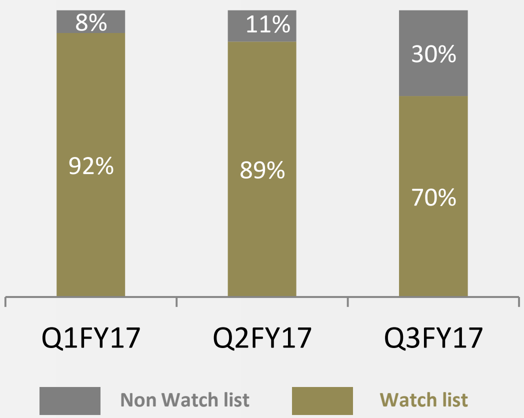
Watch List Outstanding



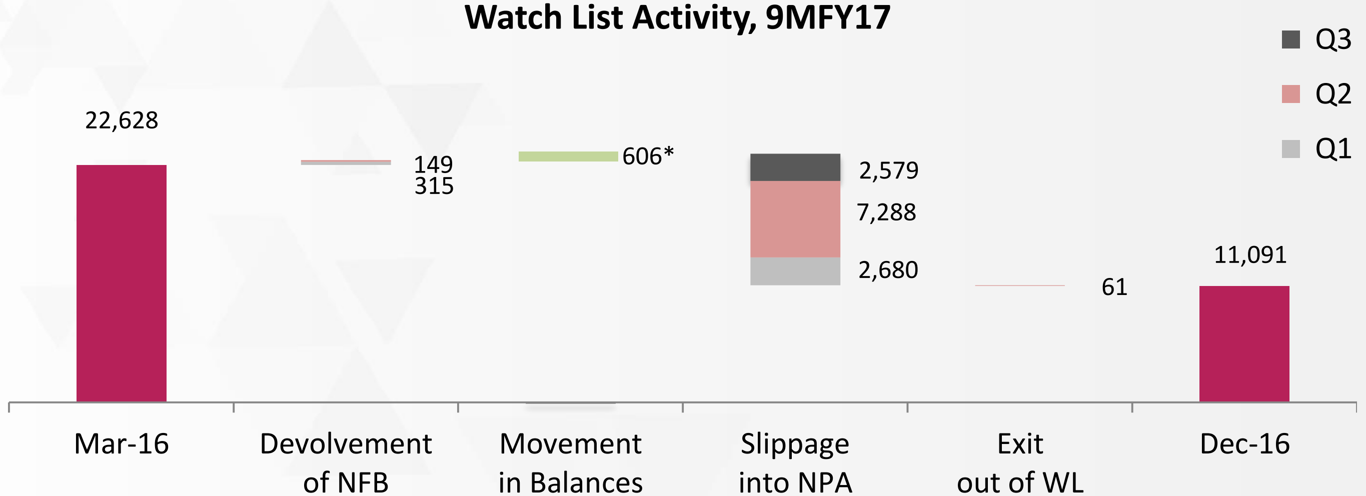
Cumulative Dissolution Rate



Slippages in Corporate Lending



Watch List Activity, 9MFY17



* represents cumulative movement in balances during 9M FY17

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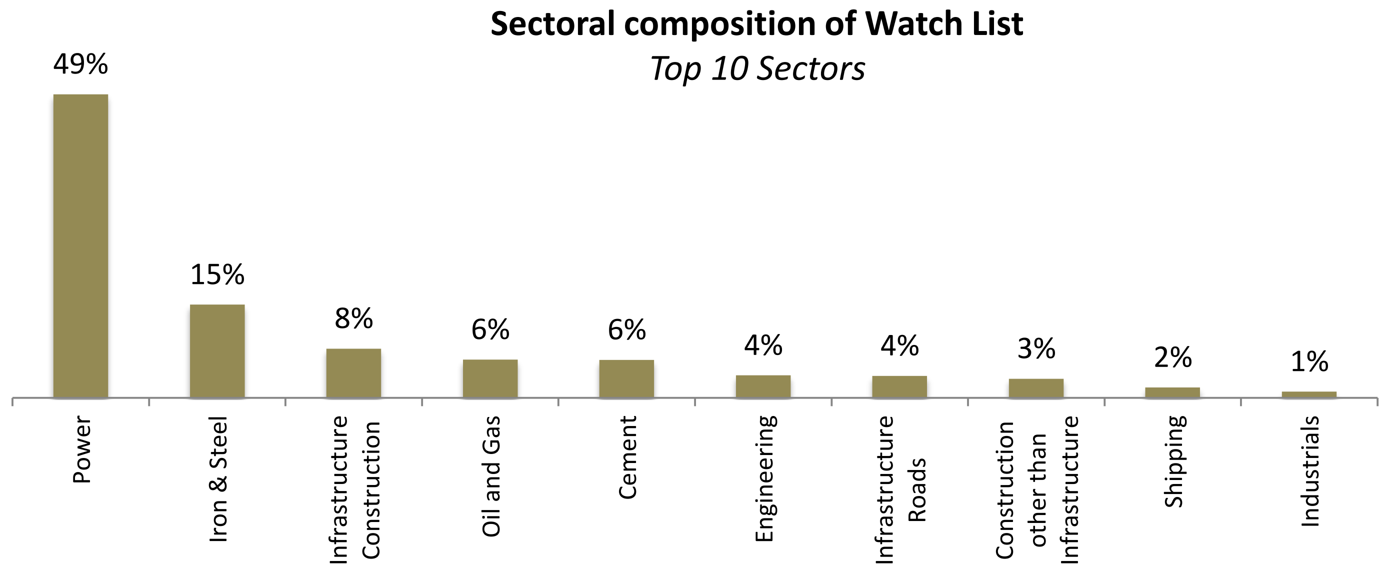
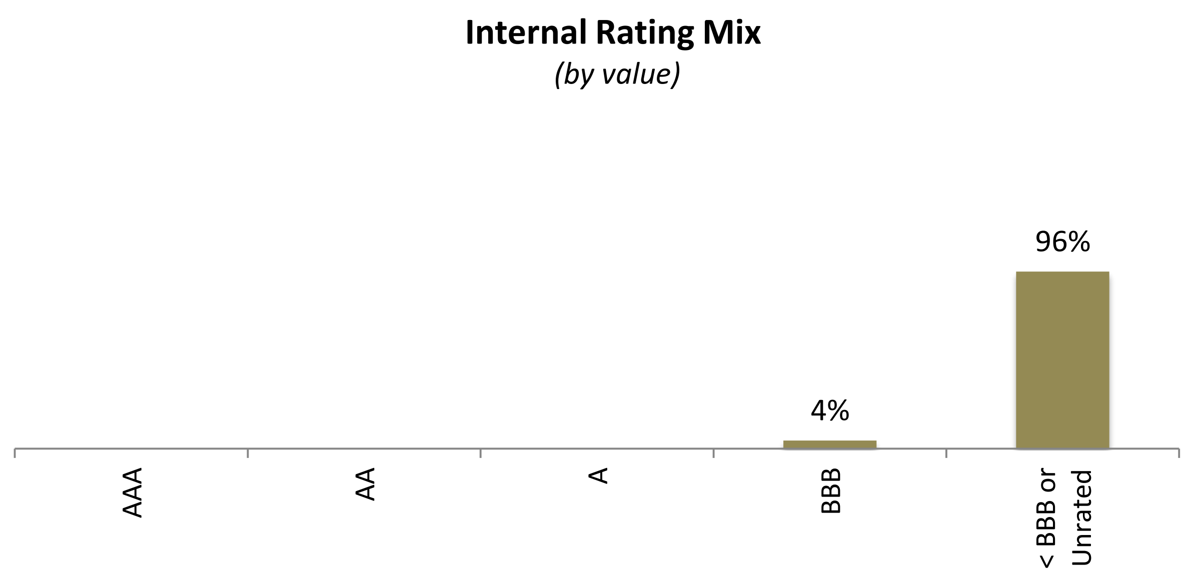
Remaining Watch List portfolio is now dominated by Power

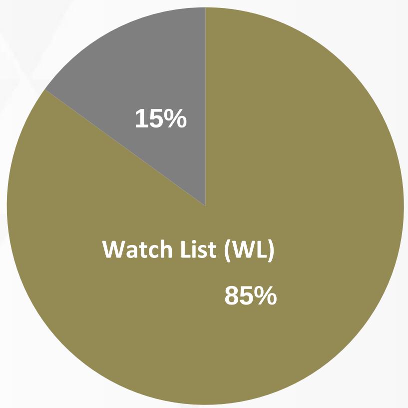




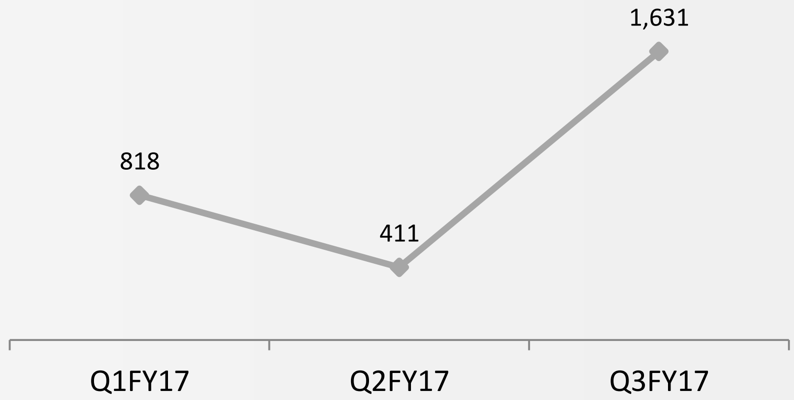
Trend in non Watch List slippages

All figures in ₹ Crores

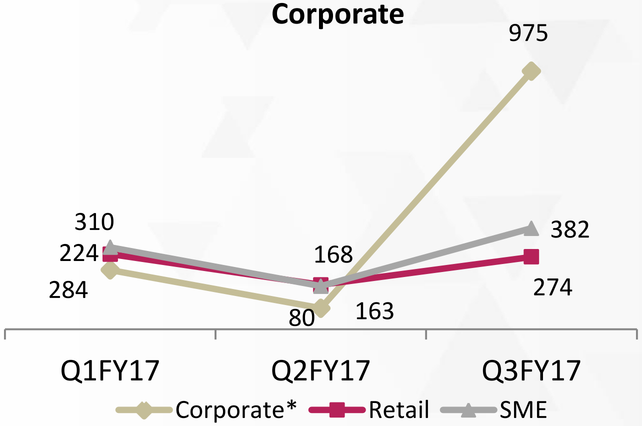
85% of Corporate Slippages in 9MFY17 have come from WL



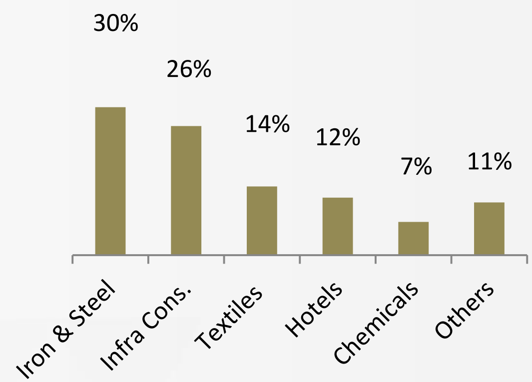
Net Slippages outside WL have increased#



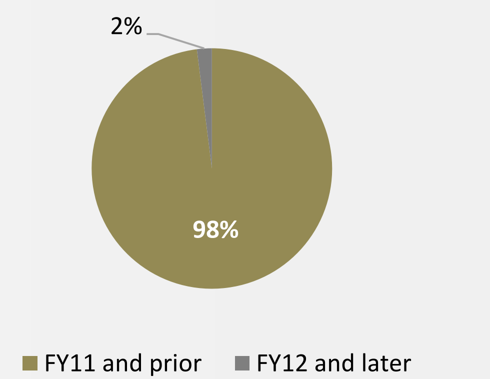
Most of the increase in net non WL slippages has come largely from Corporate



Corporate Slippages (non WL) have been led by Iron & Steel and Infra in Q3FY17



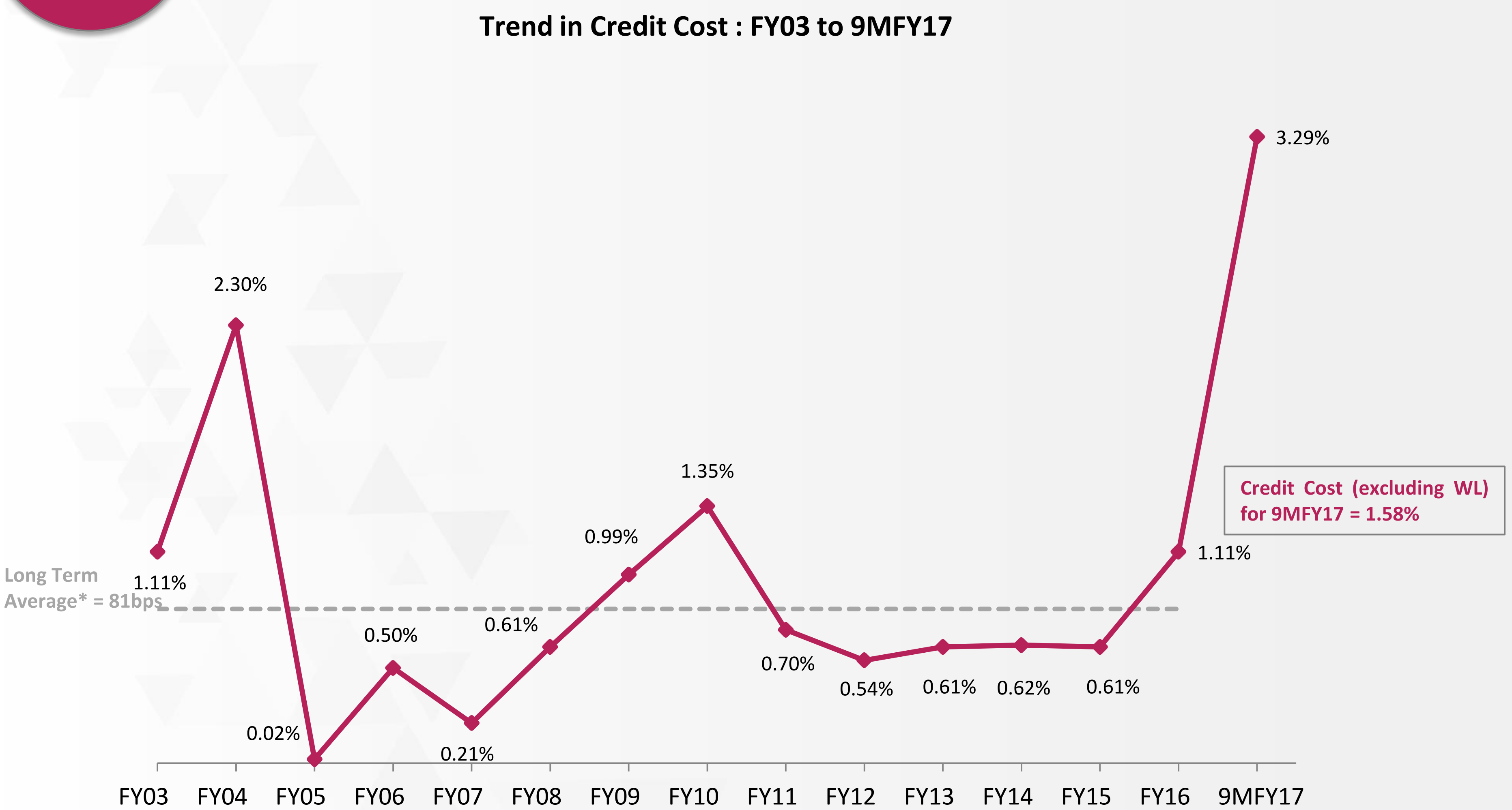
98% of non WL corporate slippages in Q3FY17 have originated in FY 11 and prior



*non Watch List accounts

before write-offs

The Long term average credit cost at the bank has been 81 bps



* For the period from FY03 to FY16

AXIS BANK

Movement in NPA's

All figures in ₹ Crores

		Q3FY16	Q4FY16	Q1FY17	Q2FY17	Q3FY17
Gross NPAs - Opening balance	**A**	4,451	5,724	6,088	9,553	16,379
Fresh slippages	B	2,082	1,474	3,638	8,772	4,560
Upgradations & Recoveries	C	(156)	(780)	(140)	(1,073)	(350)
Write offs	D	(653)	(330)	(33)	(873)	(122)
Gross NPAs - closing balance	**E = A+B-C-D**	5,724	6,088	9,553	16,379	20,467
Provisions incl. interest capitalisation	F	3,210	3,566	5,543	8,618	12,172
Net NPA	**G = E-F**	2,514	2,522	4,010	7,761	8,295
Accumulated Prudential write offs		3,717	3,627	3,547	2,901	2,818
Provision Coverage Ratio*		72%	72%	69%	60%	64%

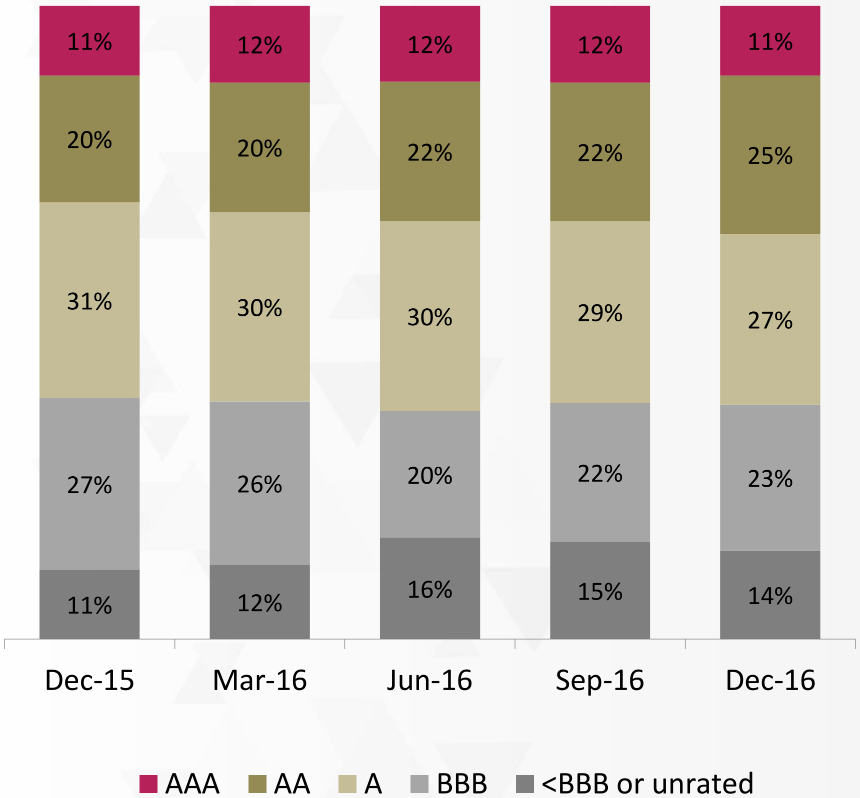
Details of Provisions & Contingencies charged to Profit & Loss Account

	Q3FY16	Q4FY16	Q1FY17	Q2FY17	Q3FY17
For Loan losses	626	906	1,823	3,648	3,576
For Standard assets**	71	258	238	(22)	(81)
For SDR accounts	-	22	71	9	17
For Investment depreciation	(15)	-	(18)	(37)	32
Other provisions	31	(17)	3	25	252
Total Provisions & Contingencies (other than tax)	713	1,169	2,117	3,623	3,796

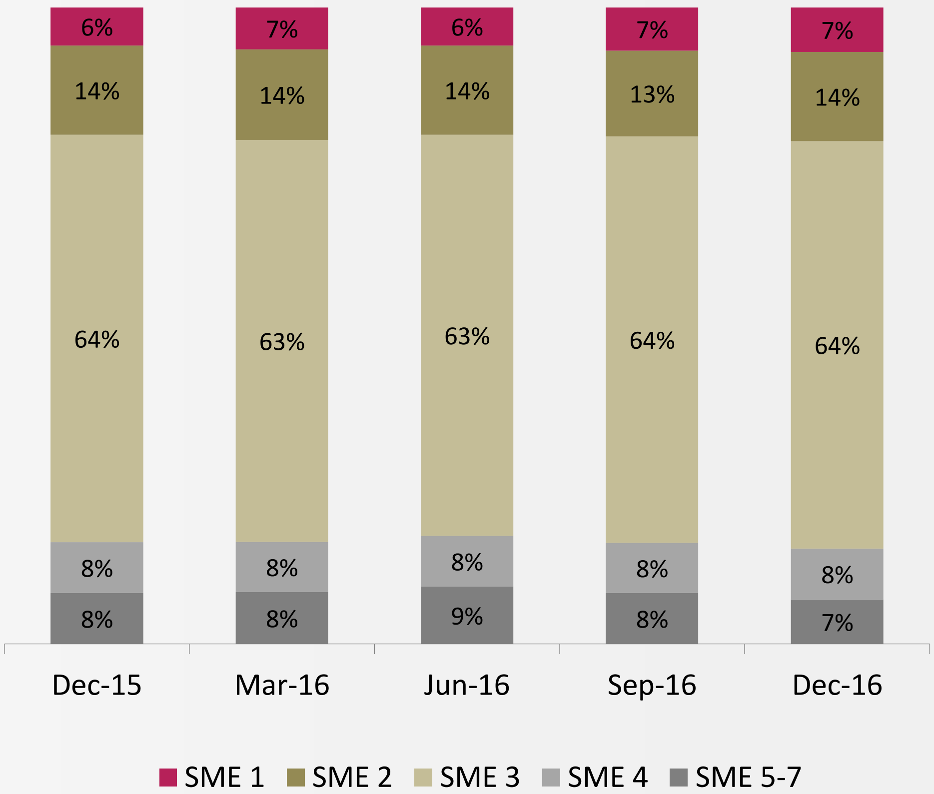
* including prudential write-offs
** including unhedged foreign currency exposures

Rating profile remains stable

Corporate Lending



SME Lending



63% of corporate advances have rating of at least 'A' in December 2016

85% of SME advances have rating of at least 'SME3' in December 2016

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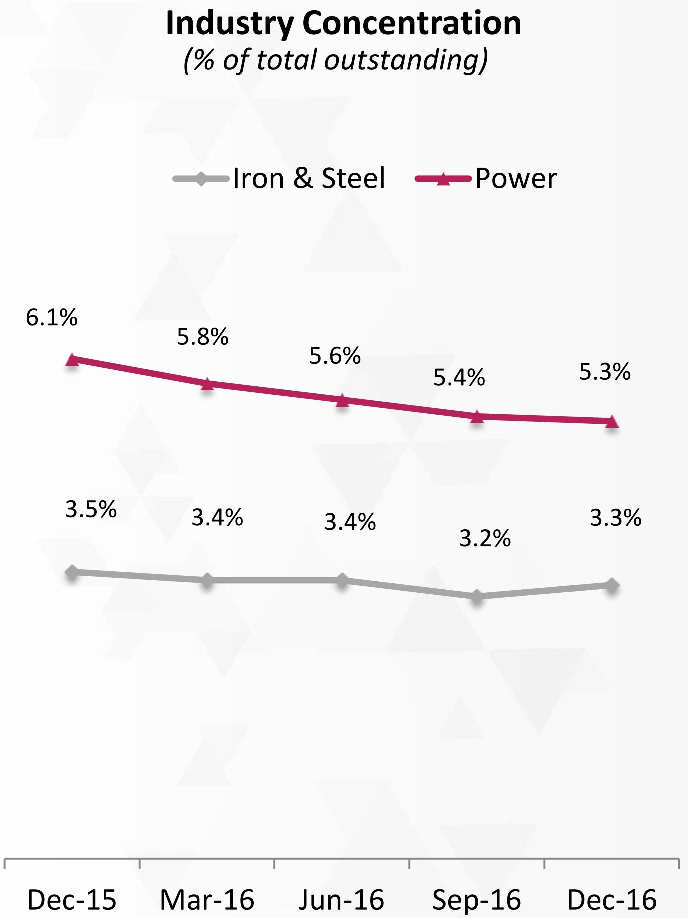
Top 10 Industry concentration remains stable



Rank	Sectors	Outstanding as on 31st December, 2016 (%)[1]		
		Fund-based	Non-fund based	Total
1.	Financial Companies[2]	5.43	13.96	7.40
2.	Infrastructure[3]	5.55	11.85	7.01
3.	Engineering & Electronics	3.03	18.31	6.57
4.	Power Generation & Distribution	5.73	4.06	5.34
5.	Other Metal and Metal Products	3.85	2.91	3.63
6.	Iron & Steel	3.45	3.01	3.34
7.	Trade	2.97	3.73	3.14
8.	Real Estate	3.42	1.51	2.97
9.	Petroleum & Petroleum Products	0.77	8.93	2.66
10.	Telecommunication	1.32	6.69	2.56

[1] Percentages stated above are on the total fund and non-fund based outstanding across all loan segments
[2] Includes Housing Finance Companies and other NBFCs
[3] Financing of projects (roads, ports, airports, etc.)

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Performance Highlights

Growth

Earnings Quality

Retail Franchise

Asset Quality

Other important information

Treasury Portfolio and Non-SLR Corporate Bonds

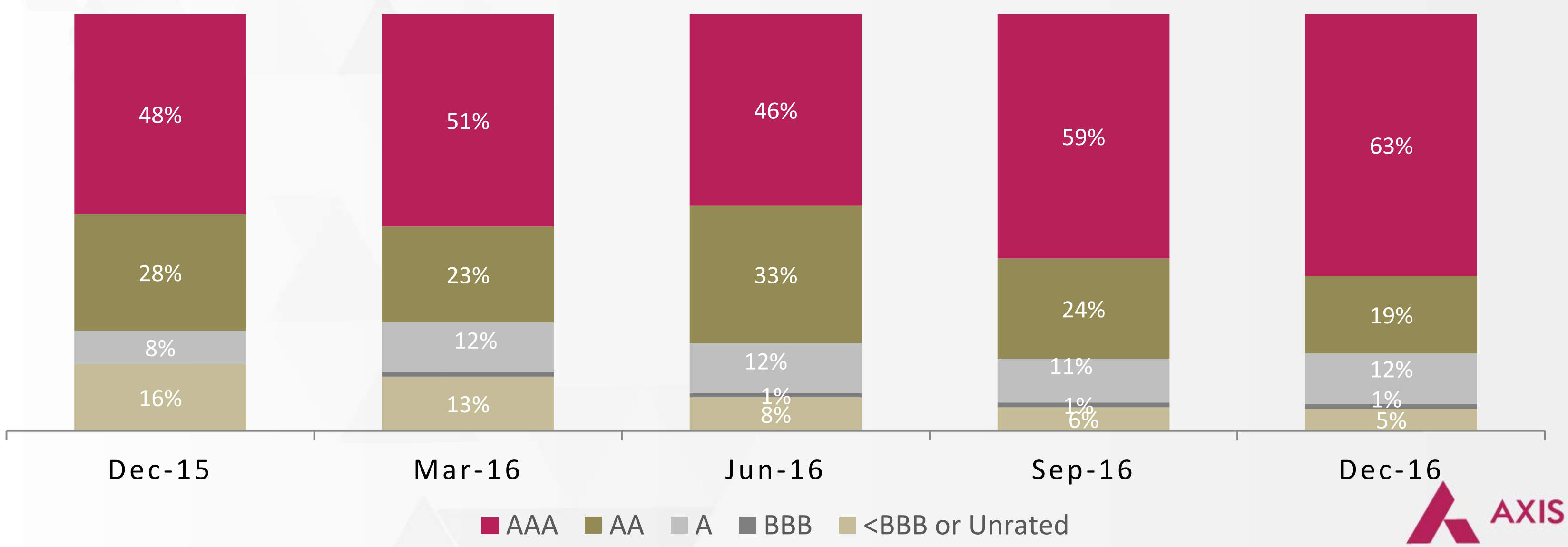
Investment Bifurcation	Book Value* (₹ Crore)
Government Securities[1]	102,912
Corporate Bonds[2]	24,699
Others	8,874
Total Investments	**136,485**

* as on 31st December 2016
[1] 78% classified under HTM category
[2] 95% classified under AFS category

Category	Proportion	Modified Duration*
Held Till Maturity (HTM)	60%	6.51 Years
Available For Sale (AFS)	36%	2.96 Years
Held For Trading (HFT)	4%	0.79 Years

* For SLR & Corporate Bonds as on 31st December 2016

94% of Corporate bonds have rating of at least 'A' in December 2016



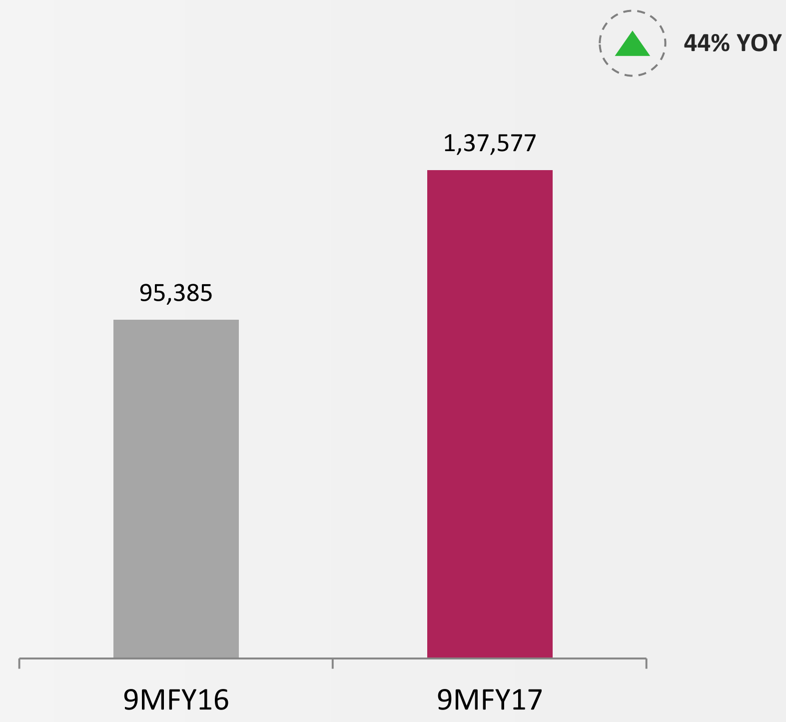
Bank continues to lead the league tables in Debt Capital Markets

All figures in ₹ Crores

Key Highlights

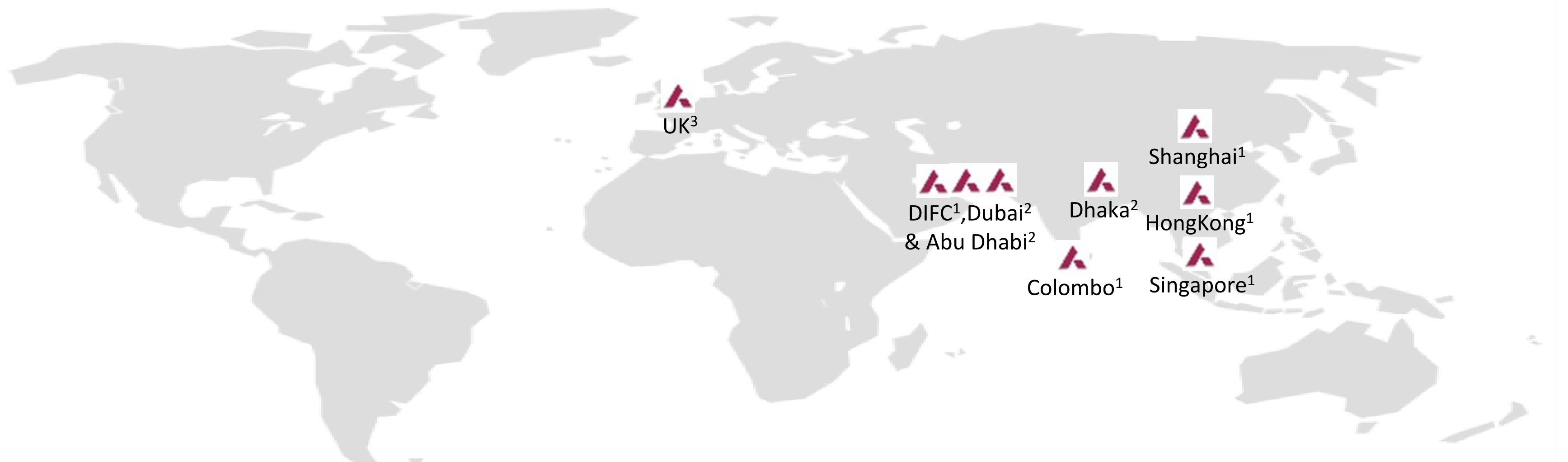
- Acted as arranger for some of the major PSUs and Corporates during the quarter.
- Received the award for India Bond House - 2016 by IFR Asia
- Ranked No. 1 arranger for rupee denominated bonds as per Bloomberg for calendar year 2016 for 10th consecutive year
- Ranked No. 1 mobilizer as per PRIME Database for quarter ended September 2016

Placement & Syndication of Debt Issues



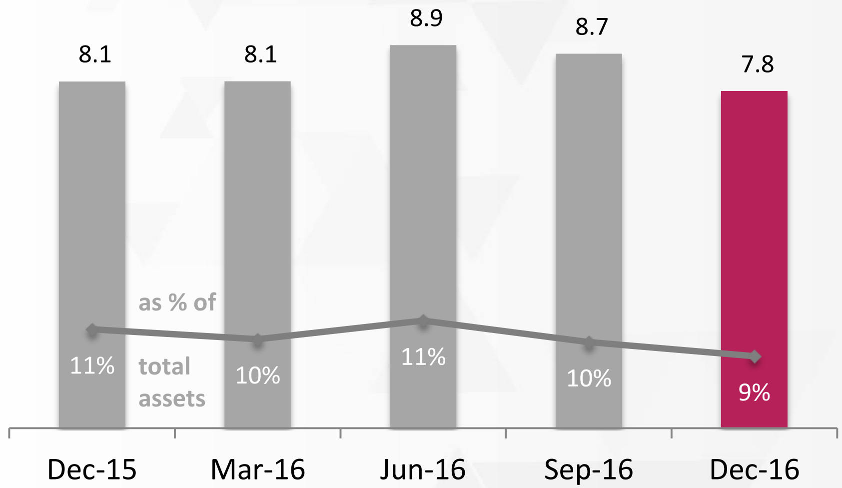
AXIS BANK

We have a small, strategic international network



1 – Overseas Branches; 2 – Overseas Representative offices; 3 – wholly-owned subsidiary

Trend in overseas total assets (USD bn)

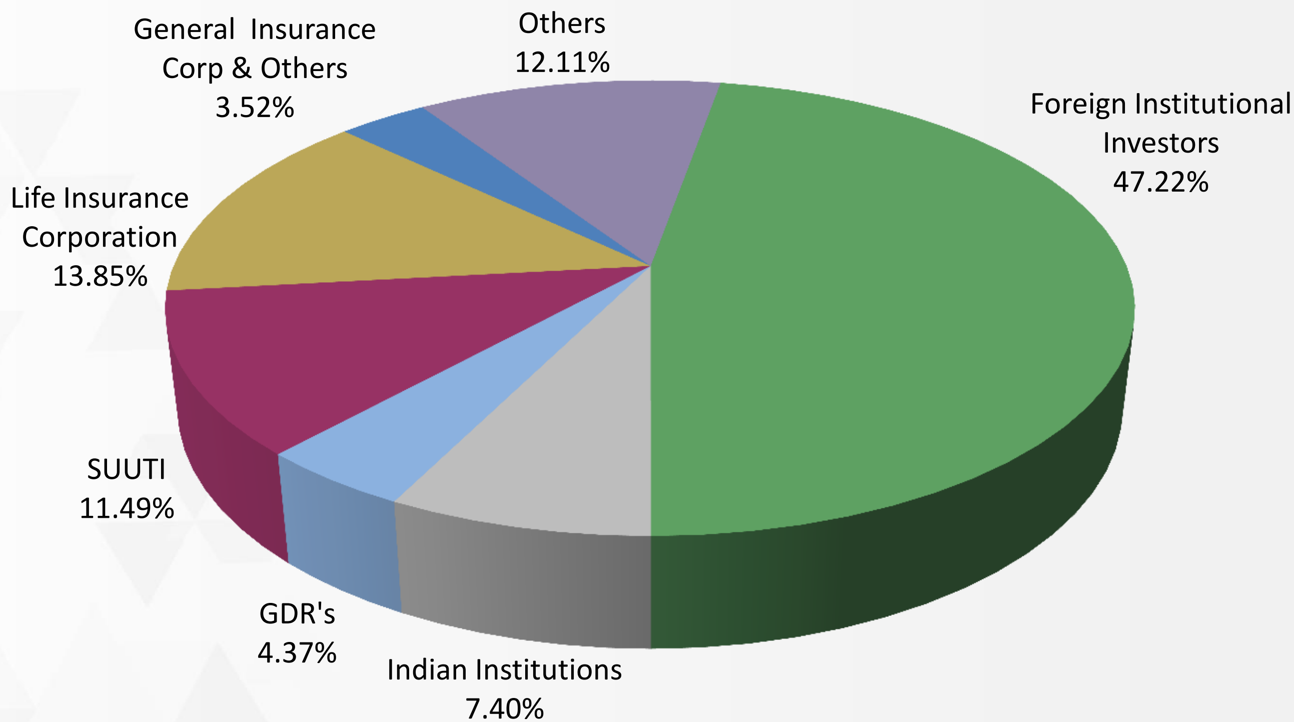


Value Proposition

- Wholesale Banking solutions comprises of cross border financing, trade finance, forex hedging products
- Merchant Banking, Debt Capital Market solutions to corporate and institutional clientele
- Retail solutions comprises of remittance products, other banking and investment solutions

AXIS BANK

Shareholding Pattern (as on 31st December, 2016)



➢ Share Capital	₹478 crores
➢ Shareholders' Funds	₹53,979 crores
➢ Book Value Per Share	₹228
➢ Diluted EPS – 9M*	₹13.58
➢ Market Capitalisation	₹116,827 crores (as on 18th January, 2017)

[&] 1 GDR = 5 shares

* annualised

As on December 31, 2016, against GDR issuance of 62.7 mn, outstanding GDRs stood at 20.9 mn

AXIS BANK

The Bank continues to earn accolades from the external community

CII-ITC SUSTAINABILITY AWARDS 2016

Excellence in Corporate Social Responsibility

The Banker — Global Financial Intelligence Since 1926

Bank of the Year in India – The Banker Awards 2016

EUROMONEY FX SURVEY 2016

Best Bank in India for Quantitative Research

INDIA'S BEST BANKS — A BT-KPMG STUDY

Best Digital Bank 2016 Business Today-KPMG Study

ASIAMONEY

Best Domestic Bank in India 2016

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Thank You