

AXIS BANK

FY 2015-16
First Half Results

Earnings Presentation

Safe Harbor

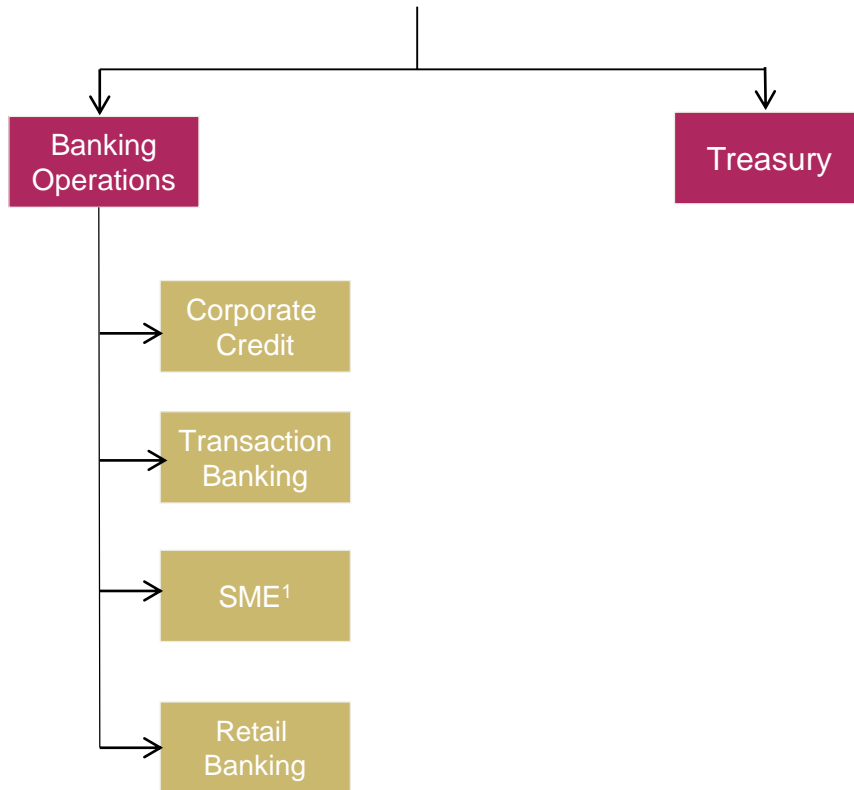
Except for the historical information contained herein, statements in this release which contain words or phrases such as “will”, “aim”, “will likely result”, “would”, “believe”, “may”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “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.

Introduction

Performance Overview

Business Overview

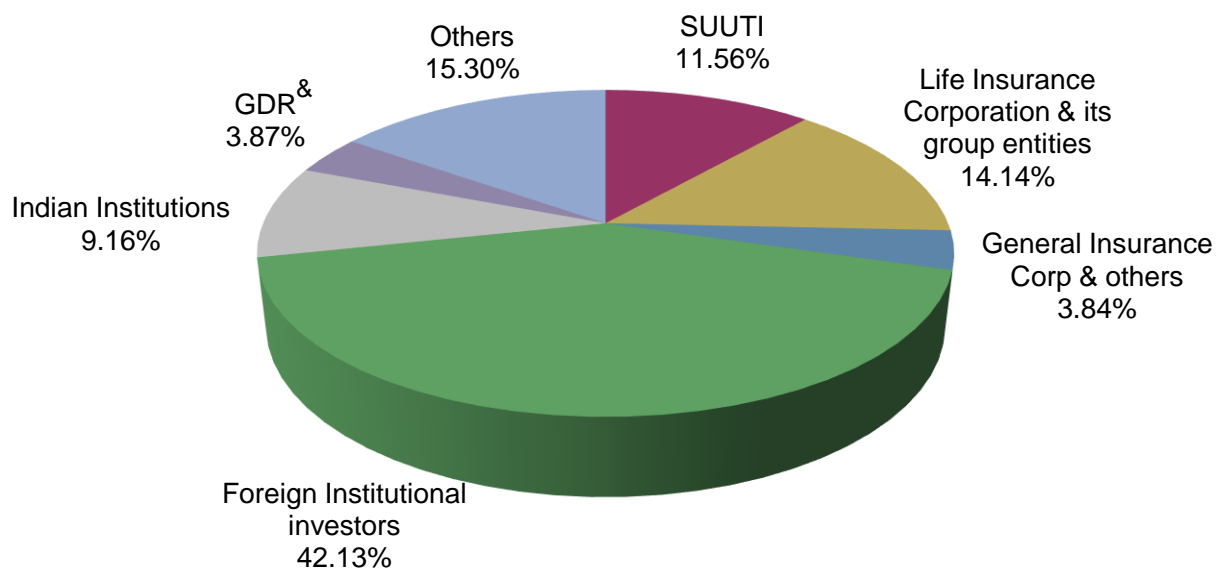
Overview



¹ Small and Medium Enterprises
² Includes profits for the half year
³ Include extension counters
⁴ Includes overseas subsidiary in UK

Snapshot (As on September 30, 2015)	
Total Assets	₹4,72,725 crores
Net Advances	₹2,98,066 crores
Total Deposits	₹3,24,101 crores
Net Profit (Q2FY16)	₹1,916 crores
Net Profit (H1FY16)	₹3,894 crores
Shareholders' Funds	₹48,892 crores
Diluted EPS (annualised)	₹32.54
ROA (H1FY16)	1.71%
ROE (H1FY16)	17.37%
Net NPA Ratio	0.48%
Basel III Tier I CAR ²	12.21%
Basel III Total CAR ²	15.42%
Saving Bank Accounts (No.)	159 lac
Branches ³	2,743
International Presence ⁴	8
ATMs	12,352

Shareholding Pattern (As on September 30, 2015)

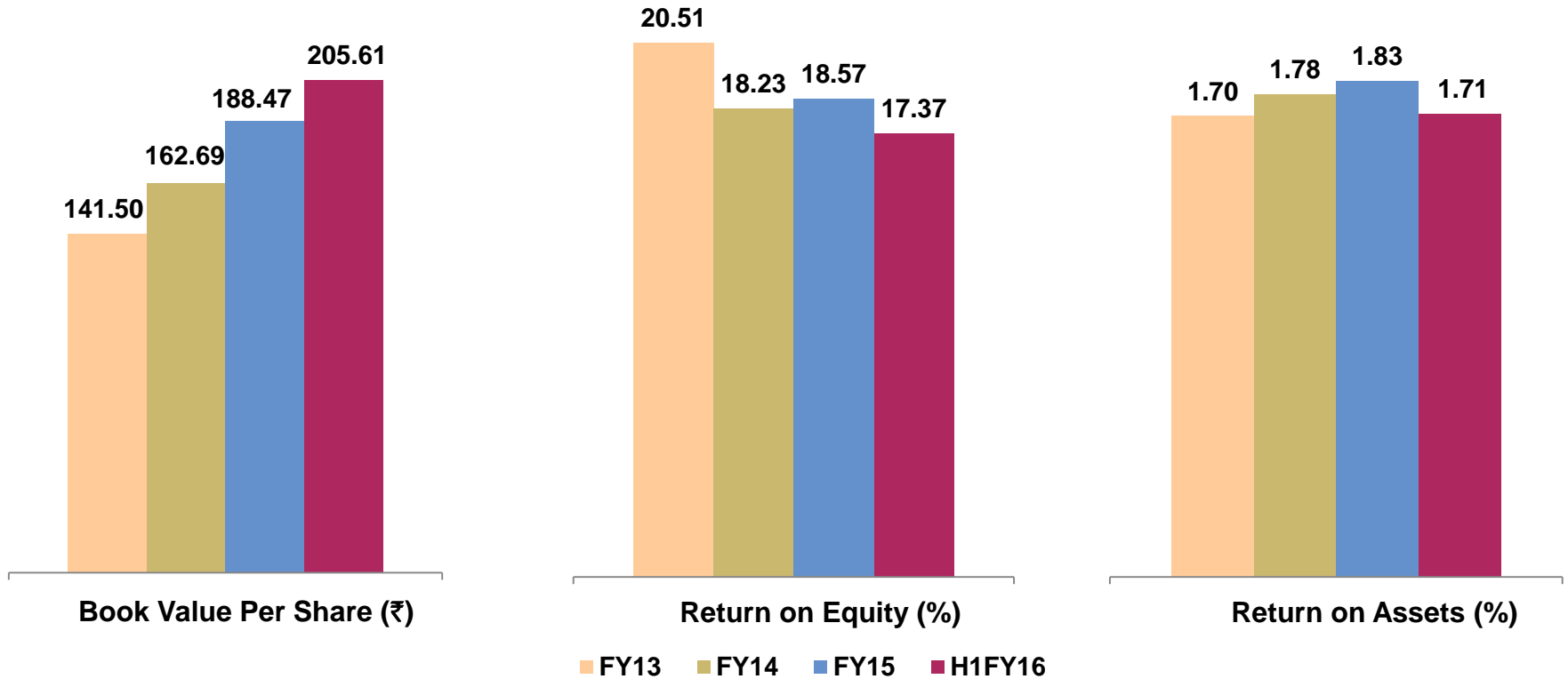


- Share Capital ₹475.59 crores
- Shareholders' Funds ₹48,892 crores
- Book Value Per Share ₹205.61
- Diluted EPS (annualised) ₹32.54
- Market Capitalisation ₹1,23,909 crores (as on October 26, 2015)

As on September 30, 2015, against GDR& issuance of 62.7 mn, outstanding GDRs stood at 18.4 mn

&1 GDR = 5 shares

High Shareholder Returns



A strong franchise demonstrating consistent value creation over time

Introduction

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Business Overview

Performance Highlights

	<u>Q2FY16</u>	<u>H1FY16</u>
Net Profit	↑ 19% YOY	↑ 19% YOY
Net Interest Income	↑ 15% YOY	↑ 19% YOY
Fee Income	↑ 14% YOY	↑ 13% YOY
Core Operating Revenue	↑ 15% YOY	↑ 17% YOY
Core Operating Profit	↑ 21% YOY	↑ 26% YOY
CASA ¹	↑ 13% YOY	
CASA (Daily Average)	↑ 14% YOY	
Total Deposits ¹	↑ 14% YOY	
Total Advances ¹	↑ 23% YOY	

¹ As on 30th September 2015

Key Financial Highlights

Retail Franchise continues to show traction

- Daily Average CASA Deposits in Q2FY16 grew 14% YOY and constituted 40% of Total Deposits
- Retail Term Deposits grew 18% YOY and constituted 64% of Term Deposits
- CASA and Retail Term Deposits constituted 80% of Total Deposits
- Retail Advances grew 27% YOY and accounts for 40% of Net Advances
- Retail Fee Income in Q2FY16 grew 19% YOY and constituted 40% of Total Fee Income

Stable Earnings Profile

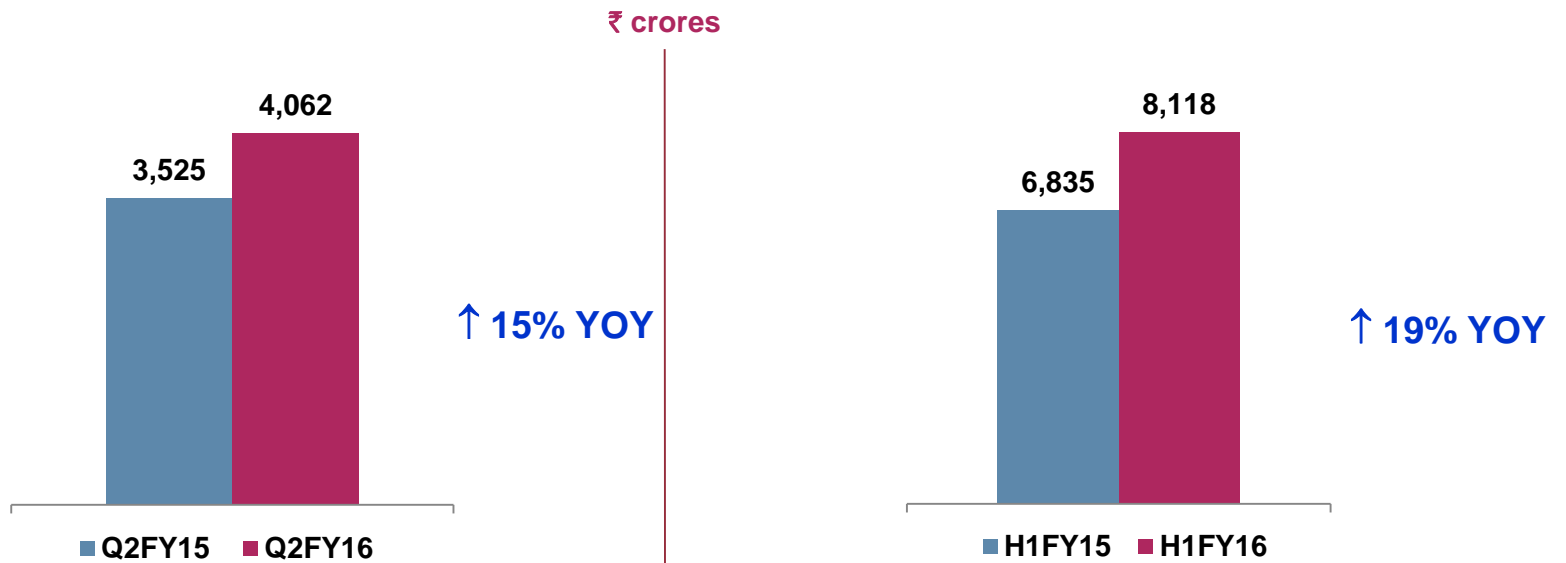
- Core Operating Revenue in Q2FY16 grew 15% YOY and stood at ₹5,936 crores
- Core Operating Profit in Q2FY16 rose to ₹3,460 crores, registered growth of 21% YOY
- Return on Assets & Return on Equity for Q2FY16 stood at 1.64% and 16.62% respectively

Well positioned for future growth with Tier I CAR[&] of 12.21% & Total CAR[&] of 15.42% under Basel III

Overall, a well capitalised Bank achieving consistently superior returns

[&] Includes profits for the half year

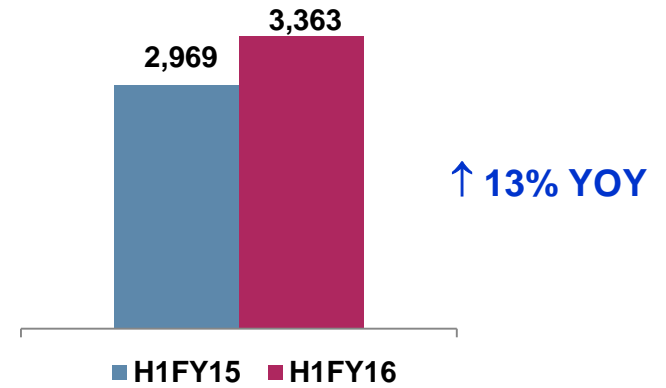
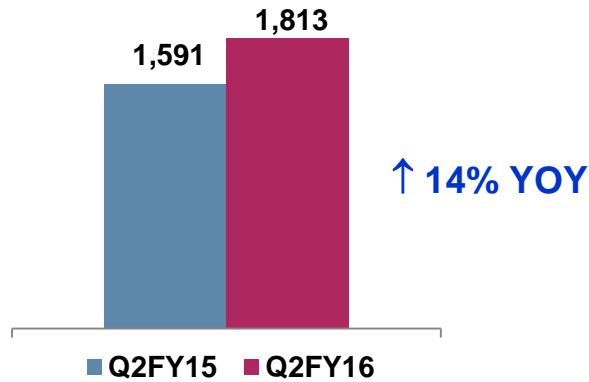
Growing Net Interest Income



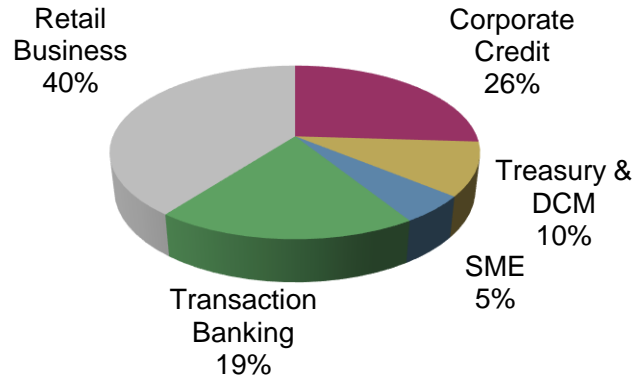
Trend in NIIs	(₹ crores)
FY12	8,018
FY13	9,666
FY14	11,952
FY15	14,224
CAGR	21%

Diversified Fee Income Profile

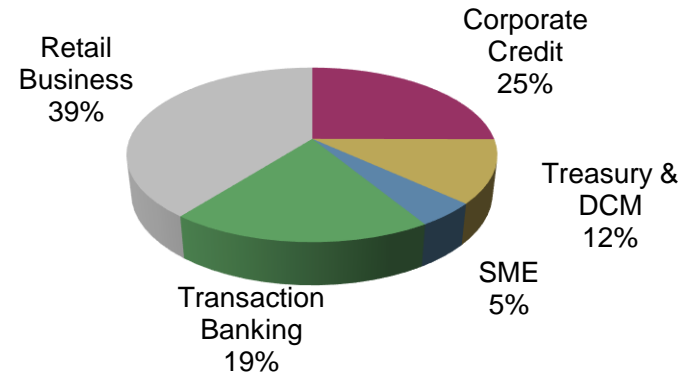
₹ crores



Q2FY16

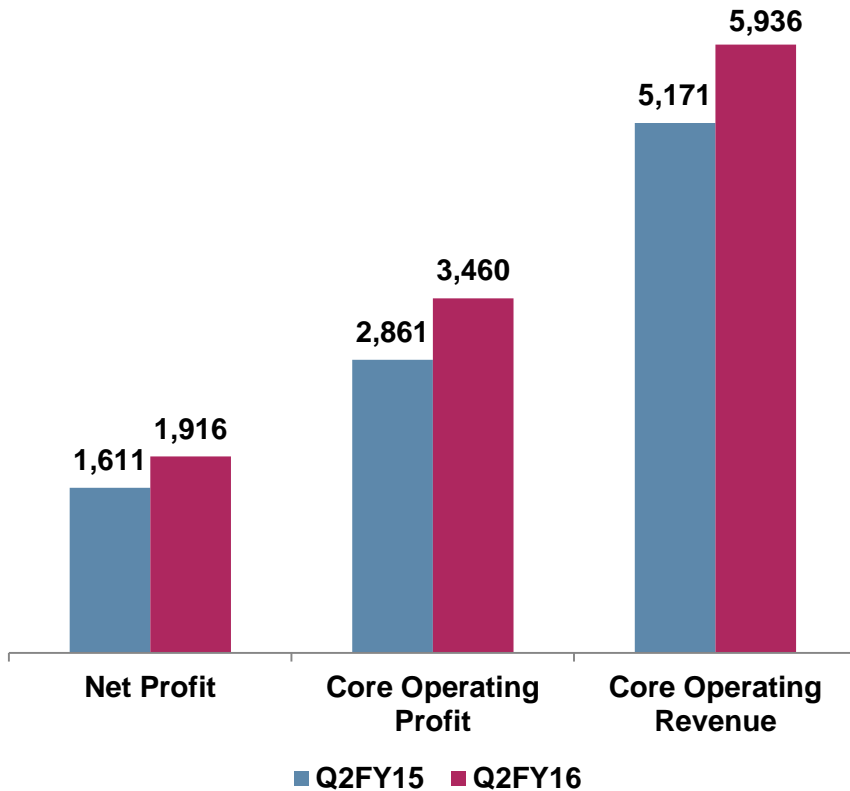


H1FY16



Sustained Profitability Growth: Robust Operating Revenue

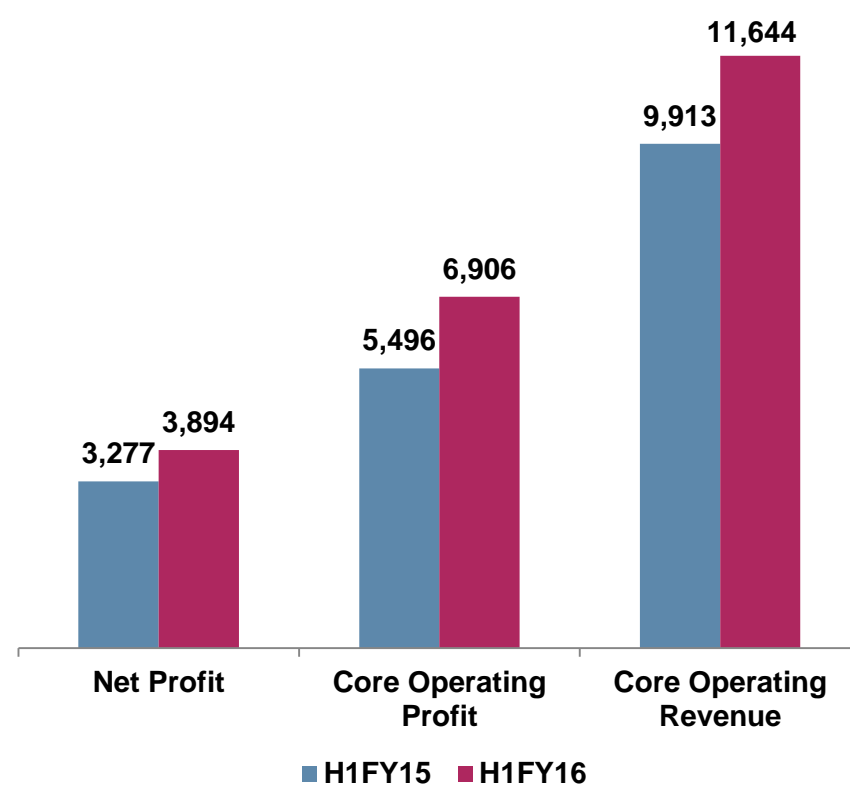
₹ crores



↑ 19% YOY

↑ 21% YOY

↑ 15% YOY



↑ 19% YOY

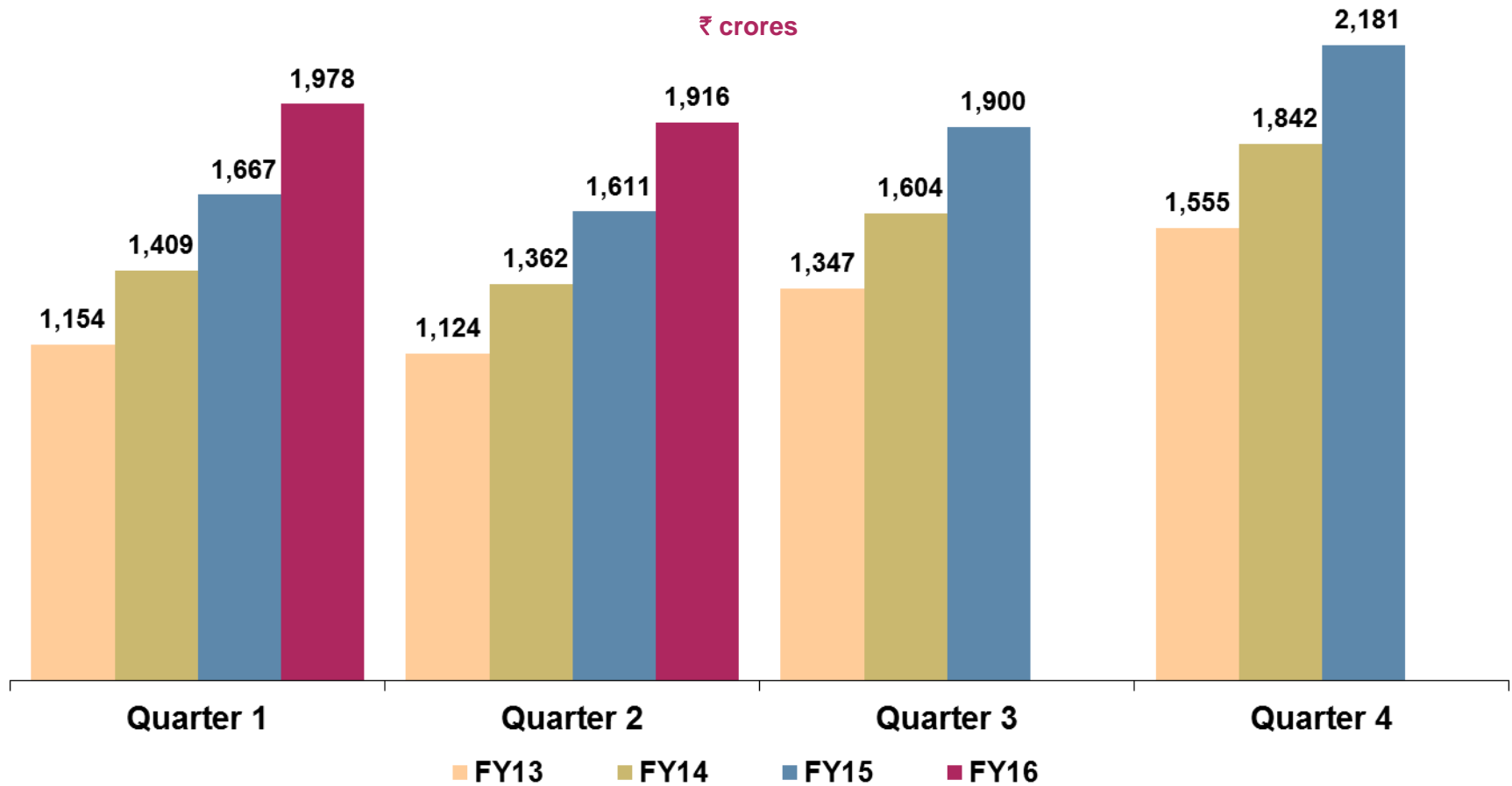
↑ 26% YOY

↑ 17% YOY

Consistent Net Profit Growth

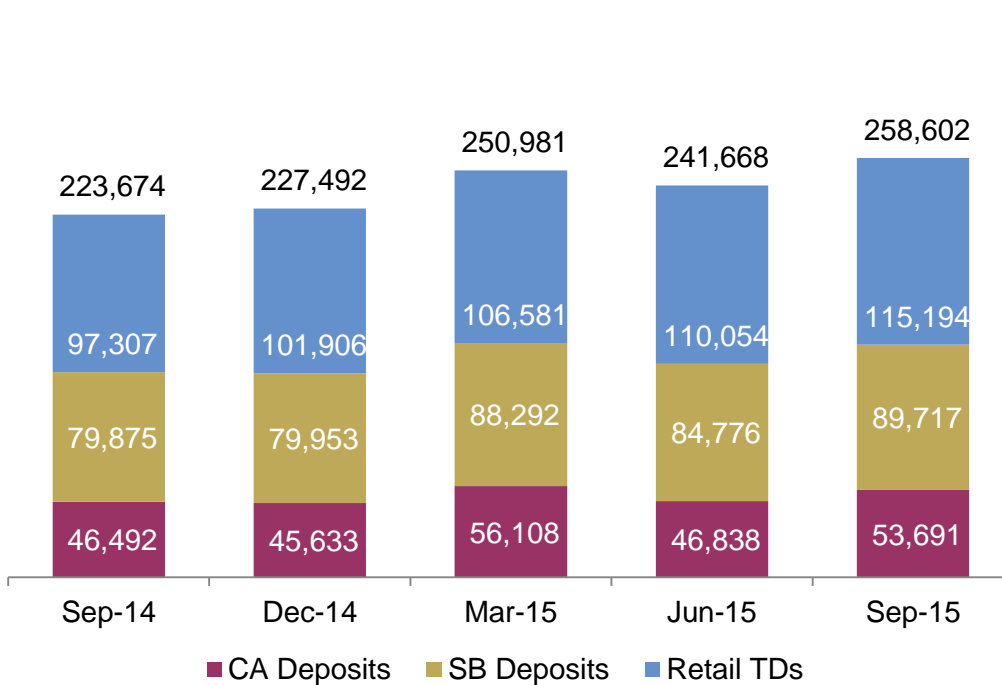
Quarterly Net Profits

₹ crores



Stable CASA Growth Underpins Low-Cost Deposit Franchise

CASA and Retail Term Deposits
(₹ crores)

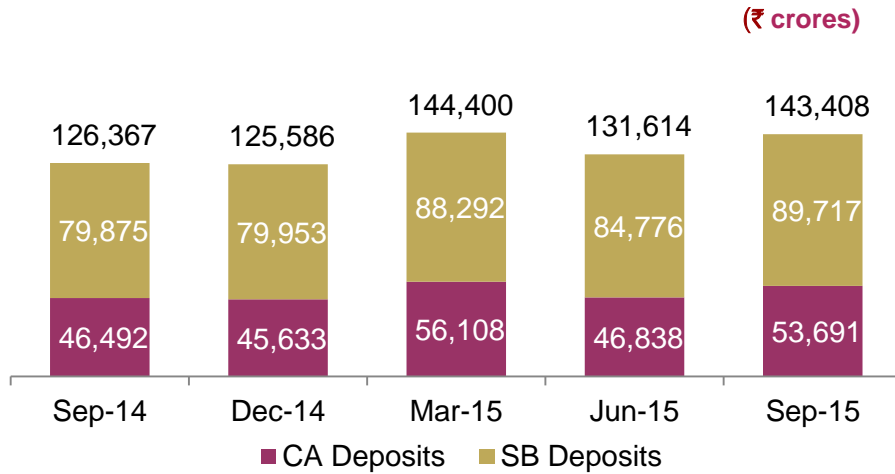


	Growth (%)	
	As on September 30, 2015	End Day
Savings Bank	12	Daily Average for the half year: 13
CASA	13	Daily Average for the half year: 13

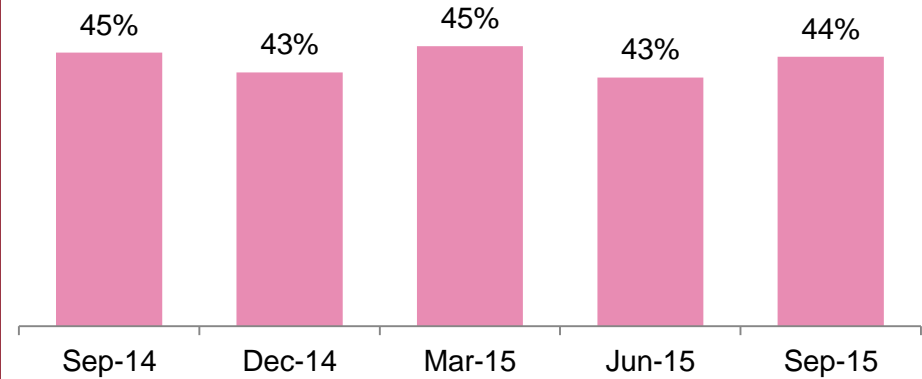
- Share of Retail Term Deposits to Total Term Deposits stood at 64%
- CASA + Retail Term Deposits constitutes 80% of Total Deposits

Strong CASA Franchise Supports Margin Stability

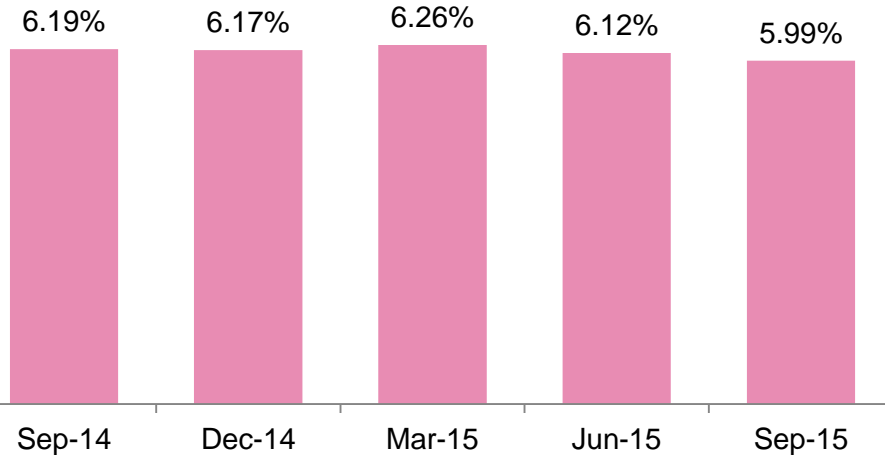
CASA Deposits



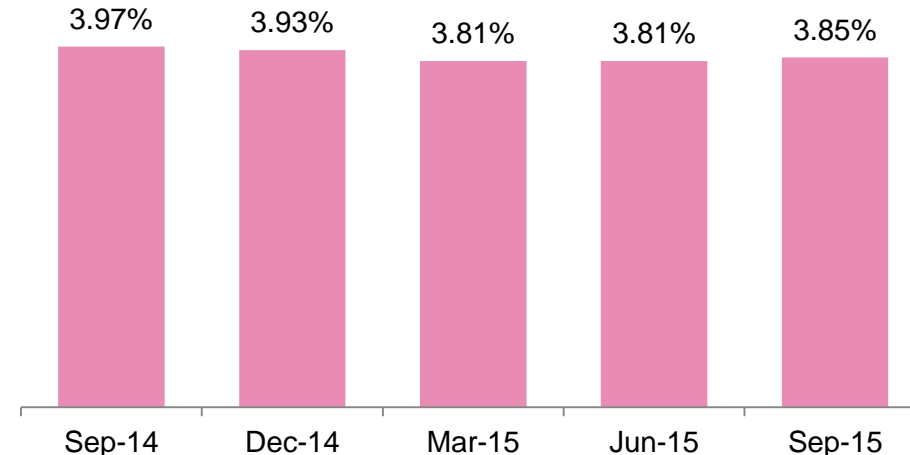
CASA Ratio



Cost of Funds

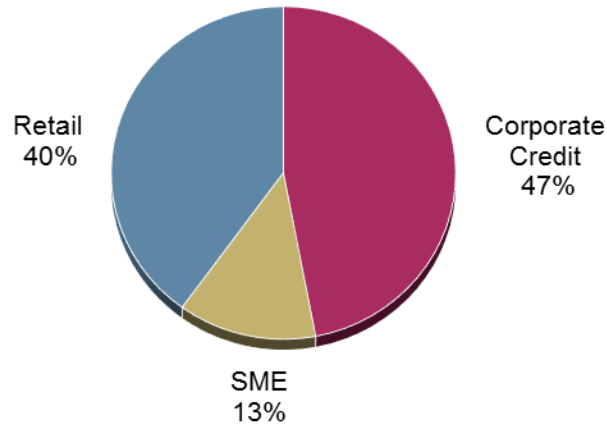


Net Interest Margin

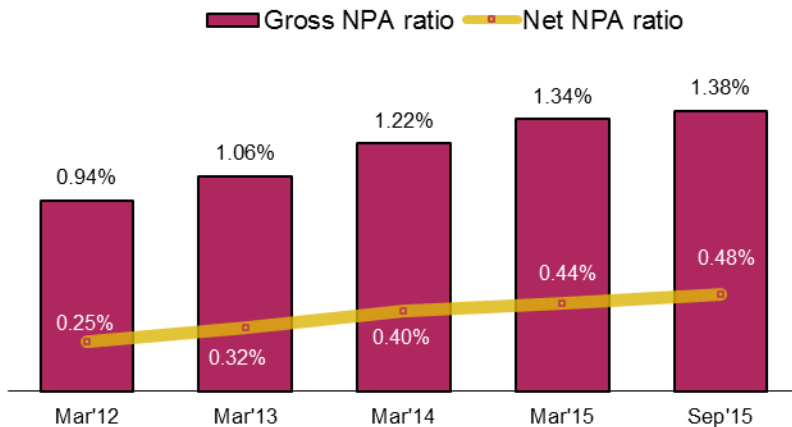


Stable Asset Quality

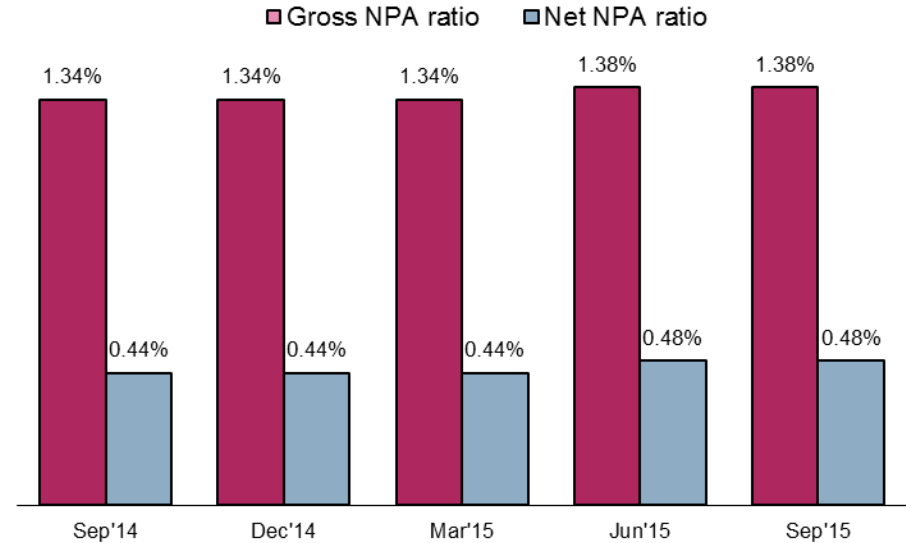
Loan Mix
(As on September 30, 2015)



NPA trend

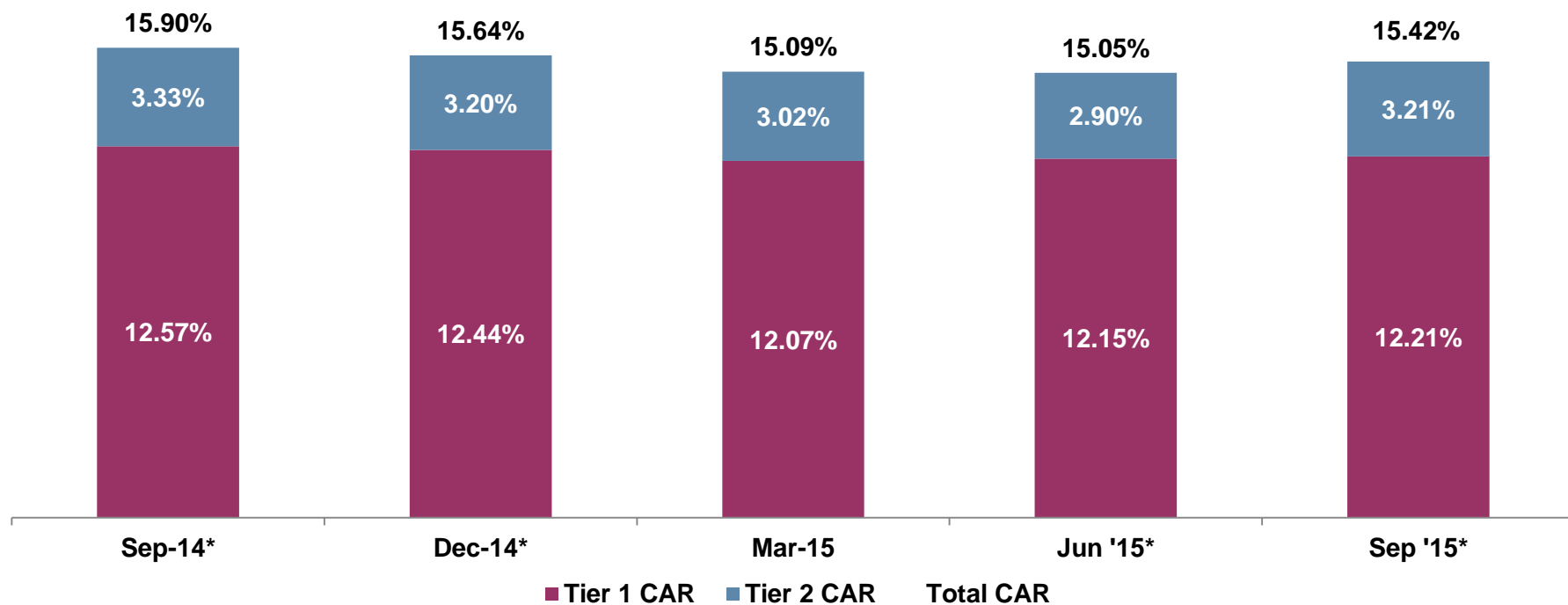


Asset Quality



- Provision coverage of 78% as on 30th September 2015 including prudential write-offs (87% before accumulated write-offs)
- Net Cumulative restructured advances were ₹8,426 crores (2.65% of net customer assets) as on 30th September 2015

Capital Adequacy: Well Positioned for Growth



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

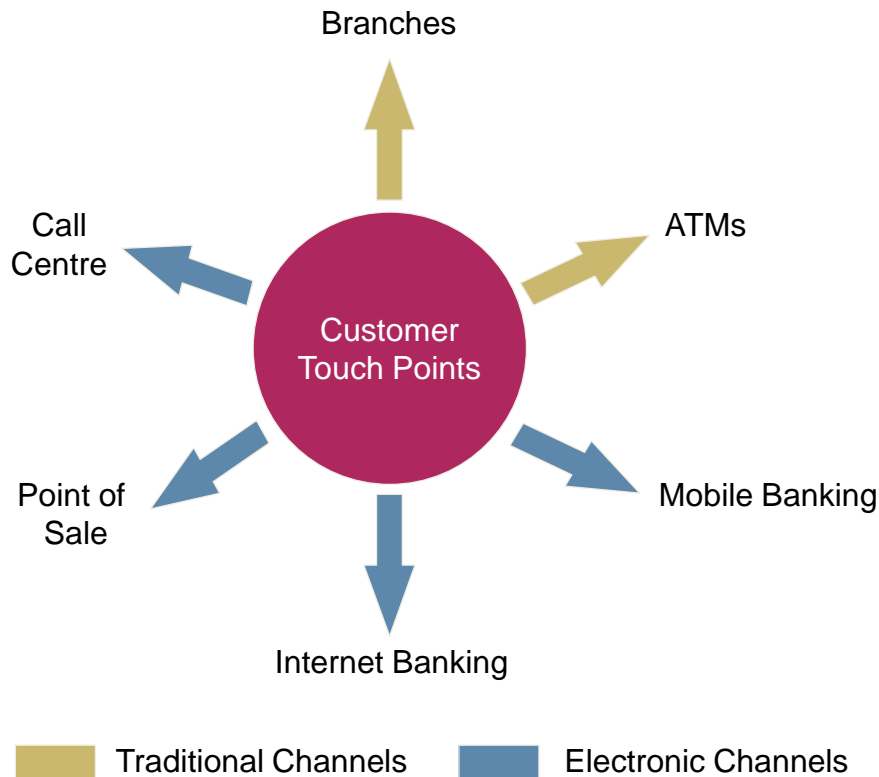
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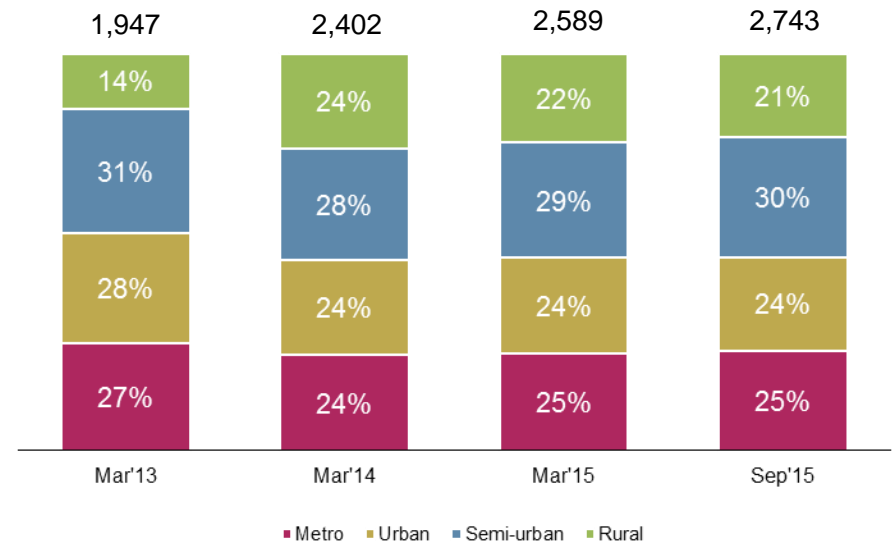
Well distributed, countrywide network of Branches & ATMs

- Multiple channels drive business growth
- Extensive use of technology to provide services



- Expanding footprint across centres
- One of the largest ATM networks in the industry

Domestic Branch network¹

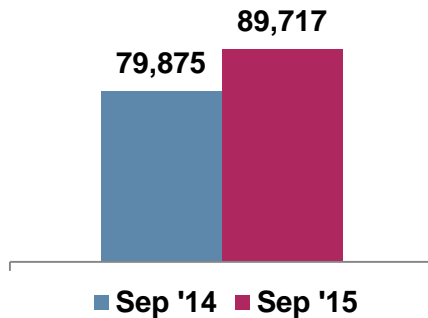


	Mar'13	Mar'14	Mar'15	Sep'15
ATMs	11,245	12,922	12,355	12,352
Centres Covered	1,263	1,636	1,714	1,796
Employees	37,901	42,420	42,230	46,366

¹ Including extension counters

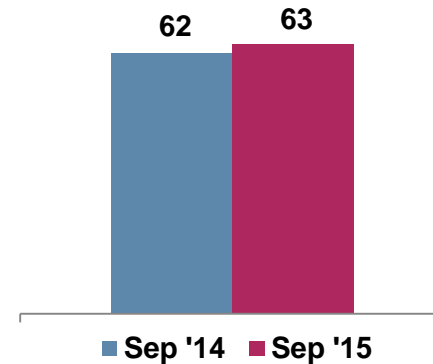
Retail Liabilities Exhibit Consistent Growth

Savings Bank Deposits
(₹ crores)

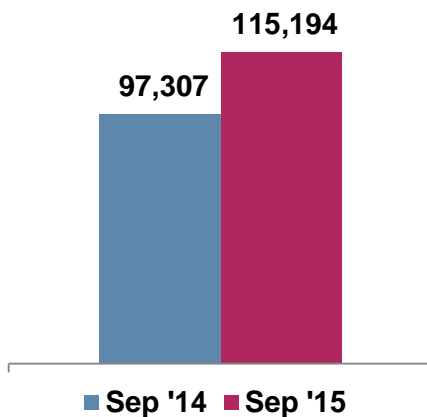


↑ 12% YOY

Retail Deposits* (% of Total Deposits)

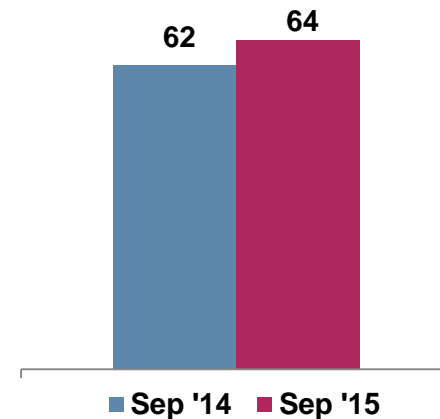


Retail Term Deposits (RTD)
(₹ crores)



↑ 18% YOY

RTD as % of Term Deposits



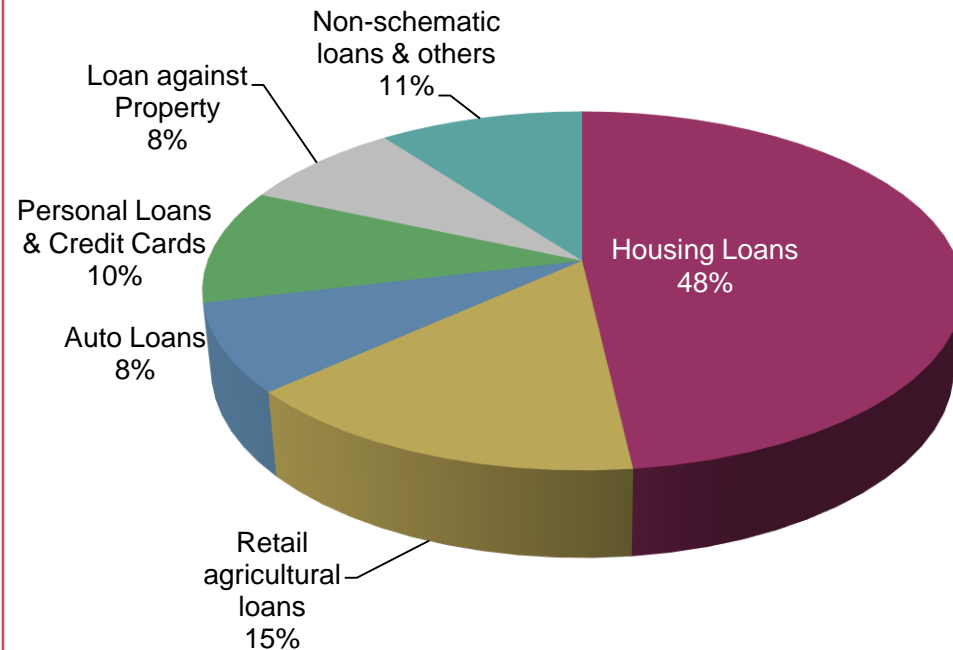
* Retail Deposits include Savings Bank and Retail Term Deposits

Sustained Traction in Retail Assets

Key Highlights

- Maintained focus on secured lending with greater emphasis on mining existing liability customers
- Integrated strategy for tapping into consumer lending opportunity in rural markets
- Retail Advances constitute 40% of Bank's Net Advances in September 2015
- Secured Loans make up 86% of Retail Loans
- Housing Loans account for 48% of Retail Loans

Composition of Retail Advances



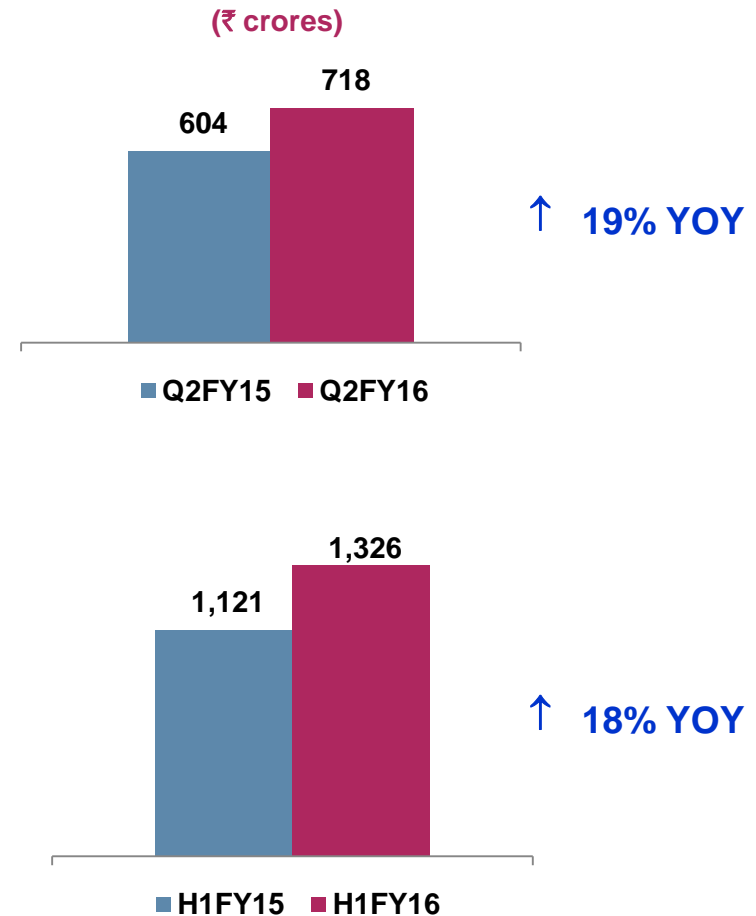
Portfolio Size: ₹1,19,448 crores

↑ 27% YOY

Growth in Retail Fees

Key Highlights

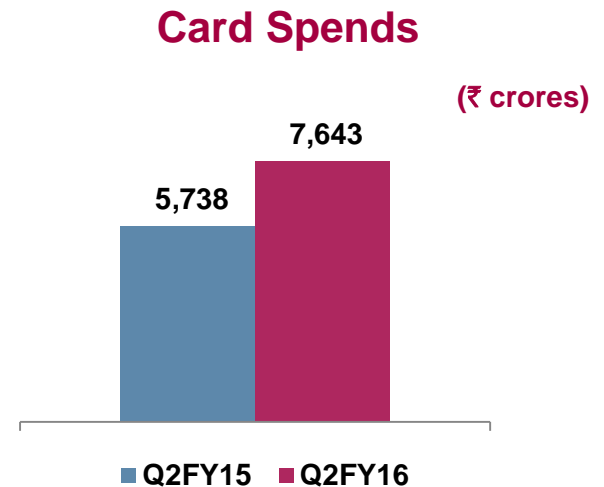
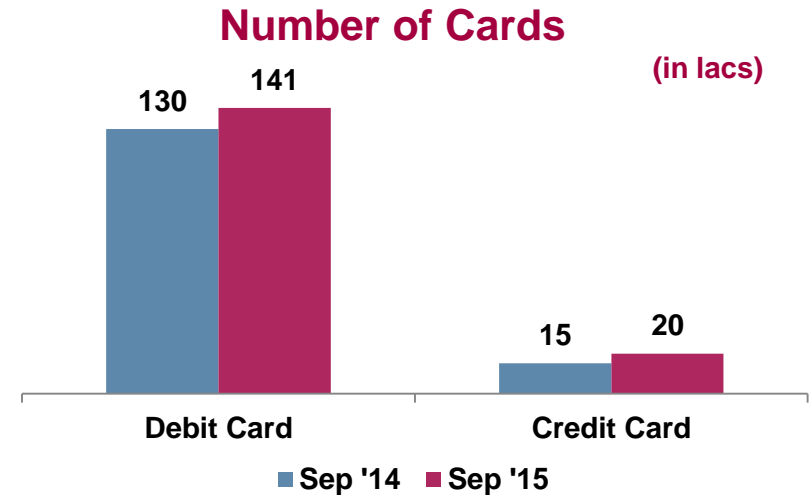
- Focus on cross-selling to existing customers is the key driver for growth
- Third-party products sold include mutual funds, insurance, on-line broking, portfolio management services (non-discretionary) and gold coins
- Healthy retail asset growth provides momentum to asset linked fees



Retail Payments Franchise

Key Highlights

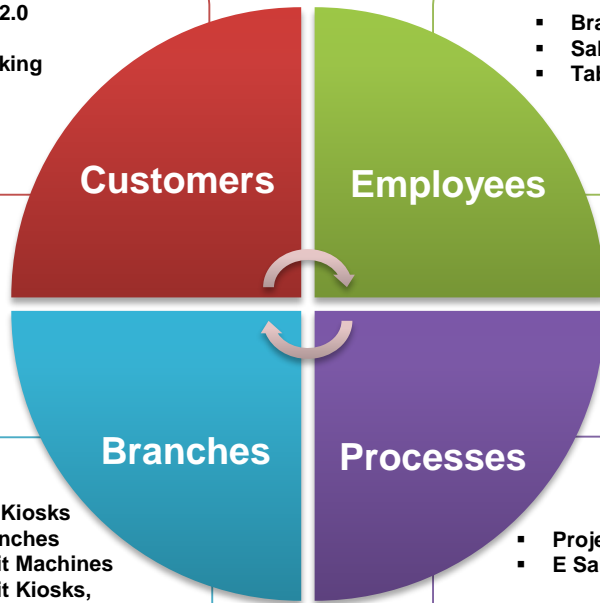
- One of the largest issuers of debit cards
- Over 19 lac credit cards in circulation
- Credit card acquisition focused on large retail depositor base
- Multi Currency Forex Cards in 15 currencies – USD, Euro, GBP, AUD, CAD, SGD, SEK, CHF, JPY, AED, SAR, THB, NZD, HKD & ZAR; INR (for foreign nationals and NRIs)
- Prominent player in merchant acquiring business



↑ 33% YOY

Digital Banking

Digital Ecosystem



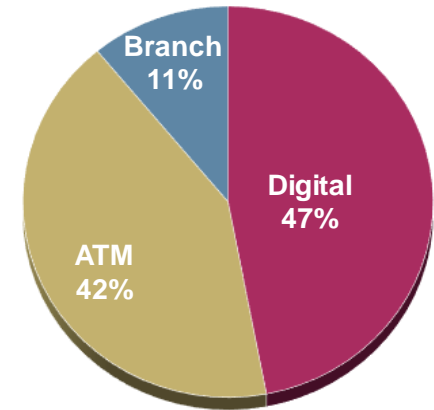
- Axis Mobile 2.0
- Ping Pay
- Internet Banking
- Social

- Branch Analytics
- Sales force tracker
- Tablet Applications

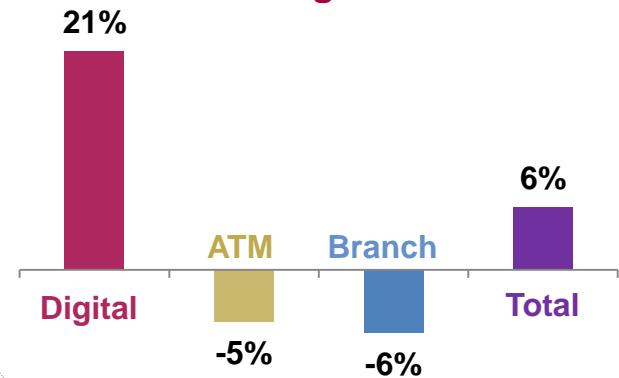
- Self Service Kiosks
- Express Branches
- Cash Deposit Machines
- Cash Deposit Kiosks, Recyclers

- Project Pratham
- E Sales on Insurance

Channel Mix – Q2FY16



YOY growth



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

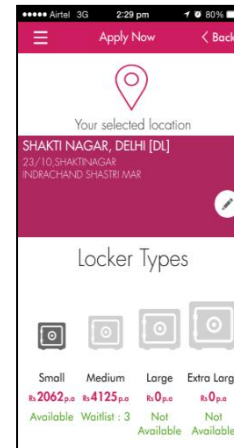
Mobile Banking Solutions

Axis Mobile App

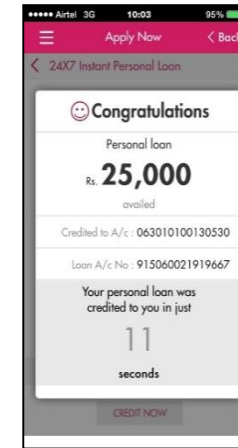


- Multiple registration options
- Add beneficiaries & transfer funds instantly
- Highly secure – SIM, Device lock
- Personalisation options
- Instant conversion to EMI
- Instant redemption of Rewards
- Unique control options – debit / credit cards

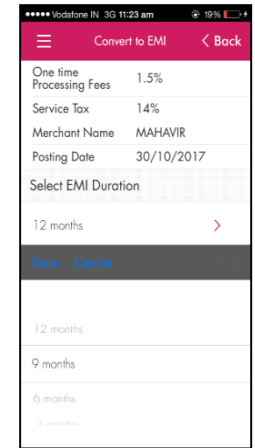
Our Mobile App is smarter with 60+ features



Locker on Mobile



Instant Personal Loan



Conversion to EMI



2.3 Mn
users



₹21,629 Cr
overall spends

For 6 month period ended September 30, 2015



414%
growth in spends

YOY growth as on September 30, 2015

Lime... The first integrated mobile money platform

Ping Pay – Multi-social payment app

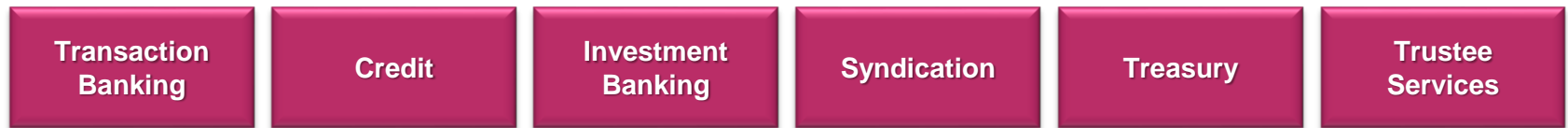


- SHOP** *Seamless shopping experience*
- PAY** *Simplified payments & transfers*
- WALLET** *Multi-purpose wallet*
- BANK** *Completely digitised bank*
- AND MUCH MORE...**



Corporate Banking Franchise

Presence across the Value Chain



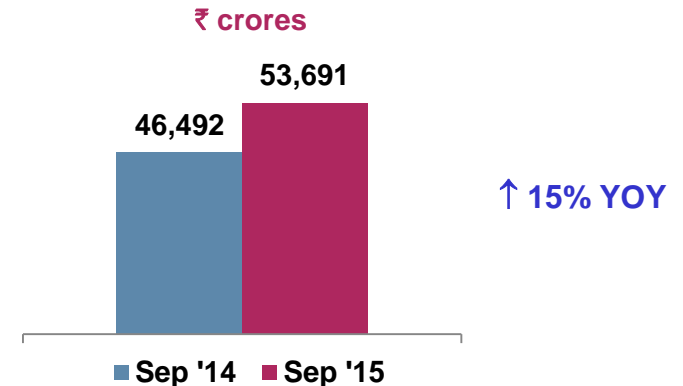
- Strong franchise spread across liability and asset businesses
- Adopted value generating Originate and Distribute Model
- Dominant player in placement and syndication of debt / loans
- Focus on building out a high quality portfolio of credit assets
- Rigorous and regular risk assessment of accounts

Transaction Banking

Key Highlights

- Strong transaction banking capabilities
- Wide range of products with customised offerings for various business segments
- Growth aided by “Club 50” and “Channel One” high-end premium products
- Broad-based sales strategy
- Focused approach for Corporates, Financial Institutions and Government

Current Accounts



Current A/c Deposits (₹ crores)

FY12	39,754
FY13	48,322
FY14	48,686
FY15	56,108
CAGR	12%

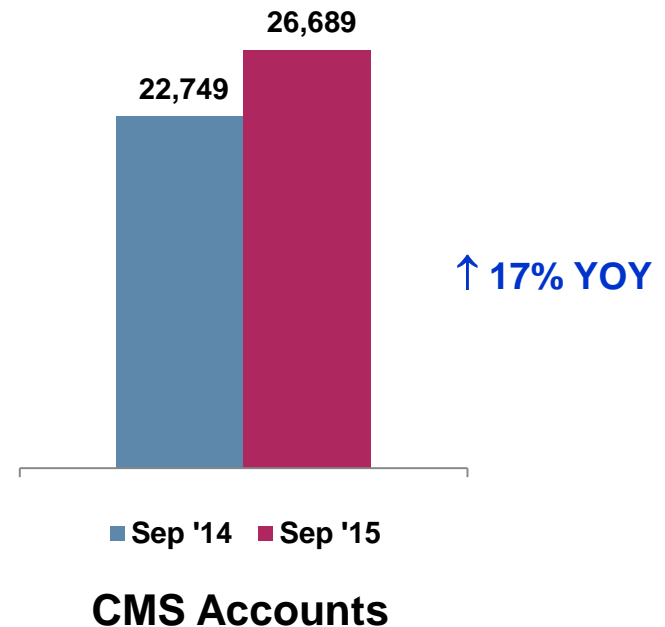
Transaction Banking

Government Business

- Collection of Central Govt. taxes on behalf of CBDT and CBEC, including through e-payments
- Collection of state taxes & collections under E-governance on behalf of 16 & 5 State Govt. and Union Territories respectively
- Collections and payments for Central Govt ministries - Railways, MOF, Urban Development and Housing & Urban Poverty Alleviation
- NPS Trustee Bank & Collection Bankers for subscriptions through all Branches
- Appointed as Centralised Clearing House for Electronic Toll collection based on RFID tags by a subsidiary of NHAI
- Leverage 50 authorised branches as Hubs and source PPF accounts from all branches

Cash Management Business

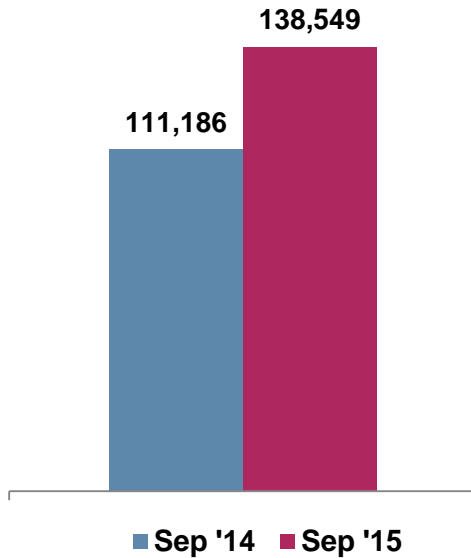
- Leading CMS provider in the country
- Among few banks offering host to host transaction banking facility



Corporate Banking

Advances

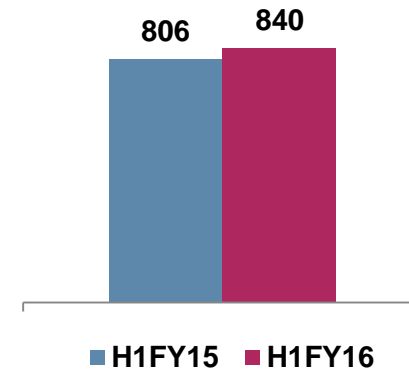
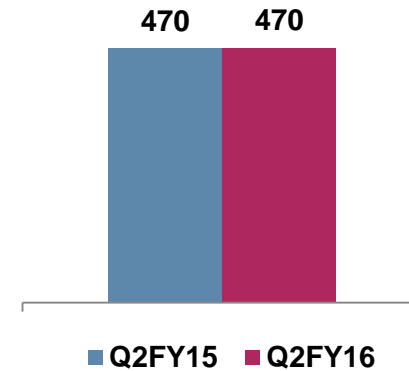
(₹ crores)



↑ 25% YOY

Fees

(₹ crores)



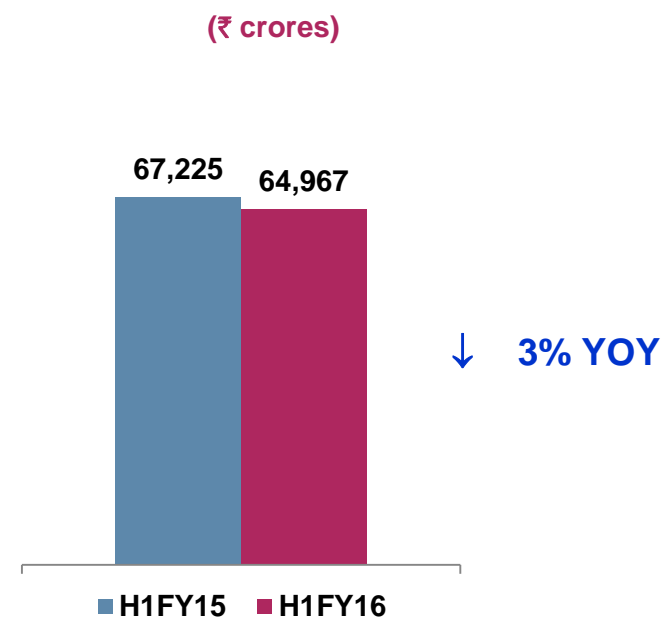
↑ 4% YOY

Debt Capital Markets

Key Highlights

- Dominant player in placement and syndication of debt issuances
- Ranked No. 1 debt arranger by Prime Database for quarter ended June 2015
- Ranked No. 1 underwriter for ₹ Denominated Bonds by Bloomberg for nine months ended September 2015.
- Awarded 'Best DCM House' 2015 by Finance Asia
- Awarded 'Best Debt House in India' by Euromoney & Asiamoney for 2015

Placement & Syndication of Debt Issues

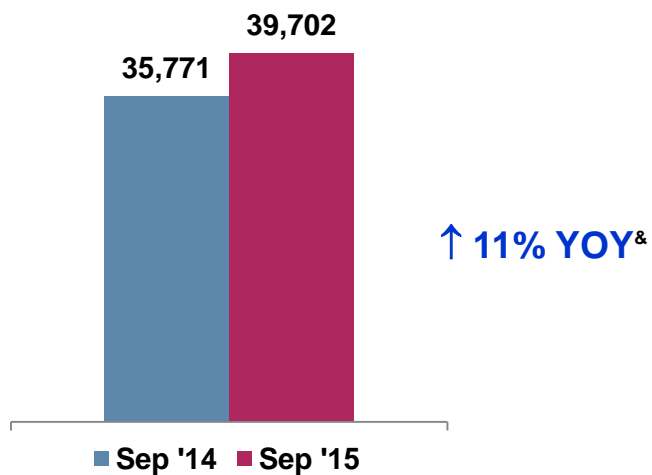


Overall industry volumes shrunk 7% for half-year ended September 2015 - Source: Bloomberg

SME Banking

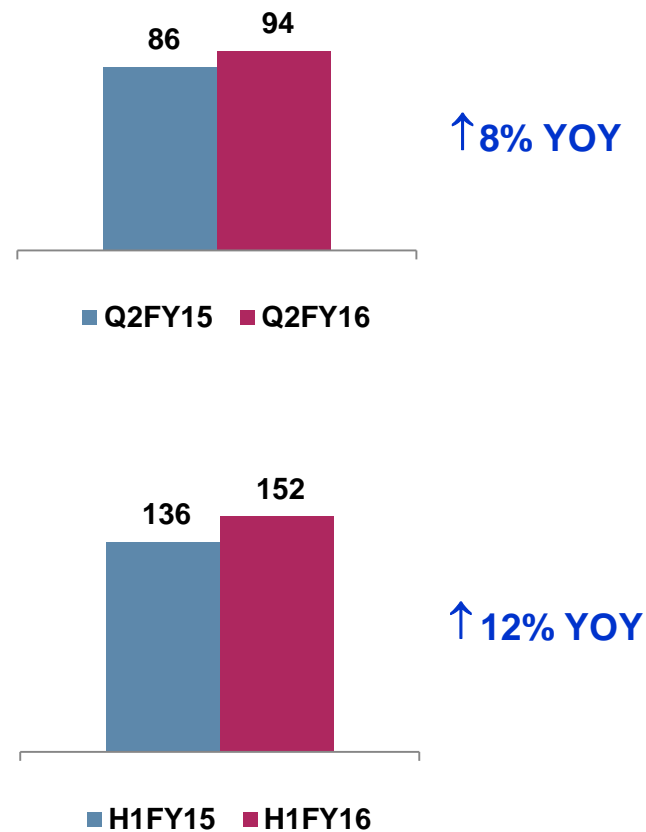
Advances

(₹ crores)



Fees

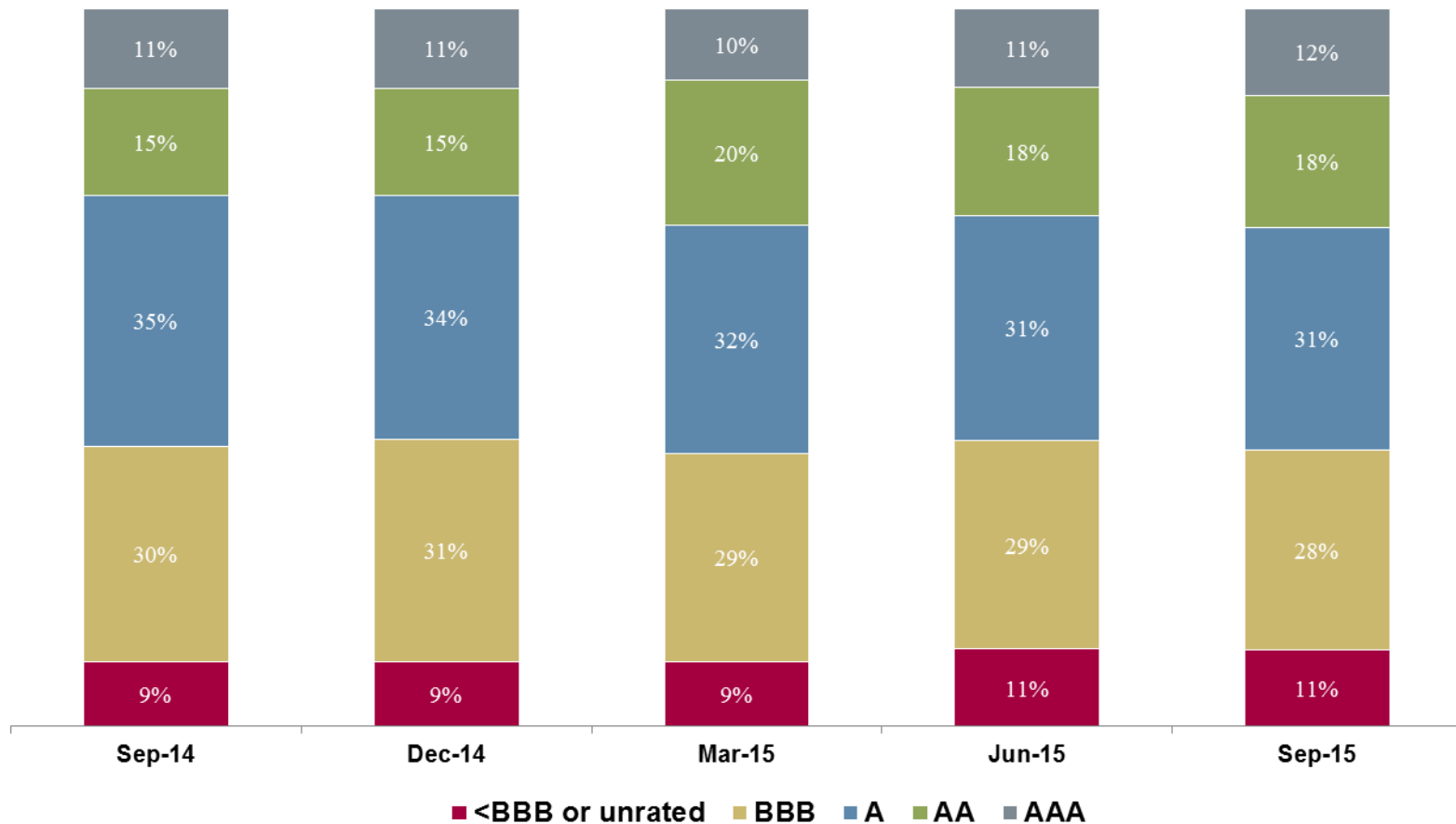
(₹ crores)



[&]SME loans (including non-retail agriculture loans) grew 9% YOY

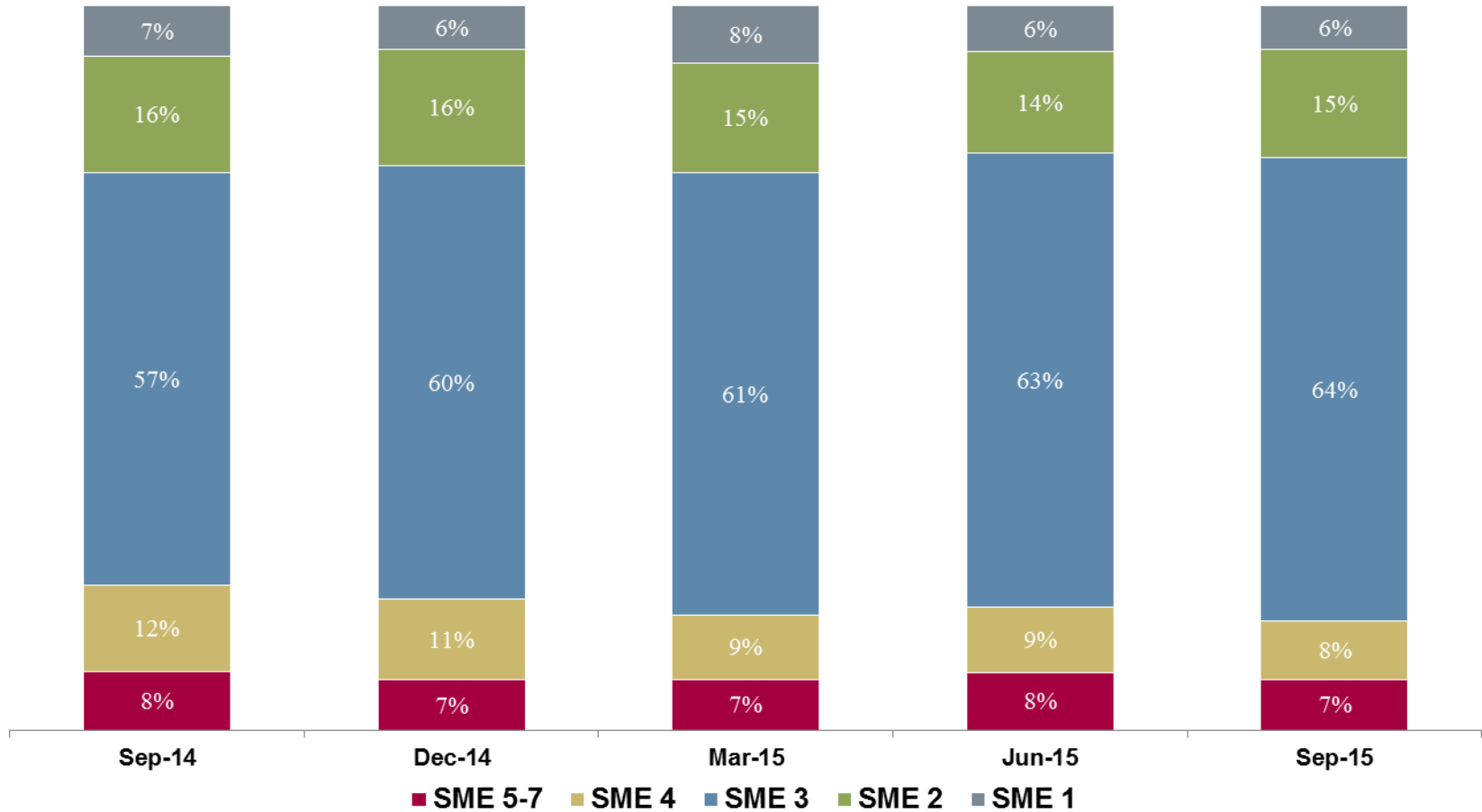
Rating Distribution: Corporate Banking

61% of corporate advances have rating of at least 'A' in September 2015



Rating Distribution: SME

85% of SME advances have rating of at least 'SME3' in September 2015



Industry-wise Distribution (Top 10)

Rank	Sectors	Outstanding as on September 30, 2015 (%) ¹		
		Fund-based	Non-fund based	Total
1.	Infrastructure ²	7.20	10.23	7.95
2.	Engineering & Electronics	3.25	16.96	6.67
3.	Metal & Metal Products	6.18	6.10	6.16
4.	Financial Companies ³	4.80	10.51	6.22
5.	Power Generation & Distribution	5.90	6.24	5.98
6.	Trade	3.09	5.70	3.74
7.	Real Estate	3.12	2.06	2.85
8.	Food Processing	2.83	2.33	2.70
9.	Petroleum & Petroleum Products	0.49	7.60	2.27
10.	Telecommunication Services	1.03	4.78	1.96

¹ Percentages stated above are on the total fund and non-fund based outstanding across all loan segments

² Financing of projects (roads, ports, airports etc)

³ Includes Housing Finance Companies and other NBFCs

International Presence

Branches at Singapore, Hong Kong, DIFC – Dubai, Colombo & Shanghai

Representative offices at Dubai & Abu Dhabi

Axis Bank UK Limited (a wholly-owned subsidiary of the Bank)

Business offerings include Corporate Loans, Trade Finance Products, Debt Syndication and Liability Business

Total Assets overseas stood at USD 7.51 billion

Some Awards & Recognition

Ranked amongst the Top 75 safest banks in the world by The Banker

Axis Bank brand awarded title of Superbrand 2014-2015

Best Smartphone Mobile Banking App in India by Forrester Research

Mobile Banking Initiative of the Year - India, Asian Banking and Finance (ABF) Retail Banking Awards 2015

Best Corporate Payment Project- The Asian Banker Technology Implementation Award 2015

Thank You