

GPS Strategy execution

Analyst Day 2022

November 24th, 2022



Surpassed our aspirational ROE target and have structurally improved NIMs to deliver stronger, consistent and sustainable earnings



18.9%

Consolidated ROE
(Q2FY23 Annualized)

3.96%

Net Interest Margin
(Q2FY23 Annualized)

...led by strong performance over the last three and half years...



Strengthened the Bank significantly

CET 1	15.14%	↑	11.27%	PCR [^]	80%	↑	62%	Net NPA	0.51%	↑	2.06%
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Improved profitability considerably

Cons. ROE	18.90%	↑	8.58%	NIM	3.96%	↑	3.44%	Core Op Profit CAGR*	13%	↑	4%
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Lifted the growth momentum

Advance Market share	5.7%	↑	4.9%	Deposits Market share	4.7%	↑	4.3%	Operating Revenue CAGR*	12%	↑	8%
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*CAGR for H1FY23 Annualized (based on last 4 quarter trailing average) over FY19 as compared to CAGR during FY16 to FY19 period

[^] excluding technical writeoffs

...and exceeding our strategic goals articulated in 2019

Growth

- ✓ Continue momentum in Retail Bank
- ✓ Step up growth in Wholesale Bank
- ✓ Grow deposits in line with loans
- ✓ Establish leadership in digital and payments
- ✓ Scale-up subsidiaries materially

28%
SME+MC+SBB advances
(2.5yr CAGR)

51%
Domestic Subsidiaries
PAT CAGR*

17%
Retail advances
CAGR*

13%
CASA deposits
CAGR*

Profitability

- ✓ Optimize business mix
- ✓ Sweat existing infrastructure
- ✓ Improve operating efficiency
- ✓ Reduce credit cost below long-term average

69%
Granular loans mix, up
from 61% as at Mar'19

93%
Granular fee mix, up 500
bps since Mar'19

0.39%
Net credit costs in H1FY23
well below long term average

28%
Improvement in branch
productivity ¹

Sustainability

- ✓ Strengthen the Core - technology, operations, credit risk and process excellence
- ✓ Focus on disciplined execution
- ✓ Embed conservatism in the Bank's internal policies and practices

4.8
Highest rated MB app on
Google Playstore²

1st
among peers to create 3
landing zones to support
multi-cloud strategy

1.60%
Coverage³ ratio as
at Sep'22

6th
straight year of being on
FTSE 4Good EI*

Leadership in Digital and Technology

Delivering world class customer experience

✓ On track

✓ Significant progress made

* for 3.5 years since Mar'19

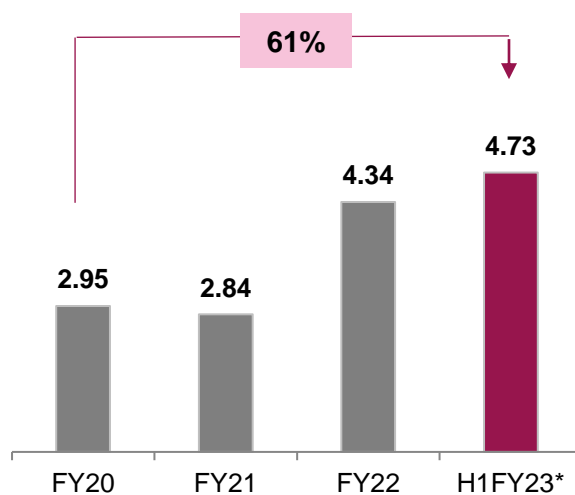
¹ Increase in Deposits per branch since Mar-19

² across 59 global banks, 8 global neo banks and 50 Indian fintech apps with 15 lakh+ reviews

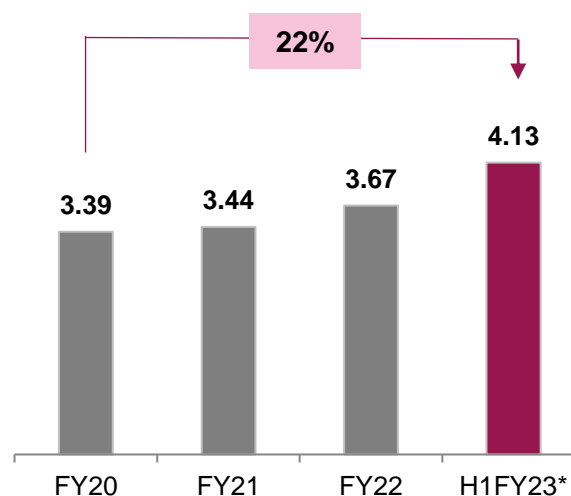
³ Considering specific+ standard+ additional + COVID provisions

Robust new customer acquisition trends across segments...

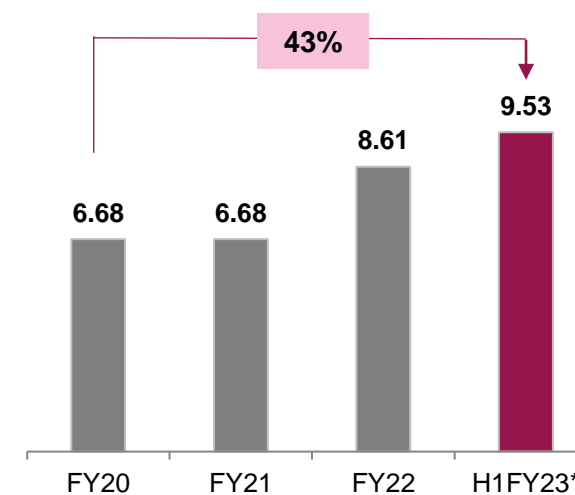
New savings account opened (in mn)



New term deposits opened (in mn)



New liability relationships added (in mn)



New products to enrich segment offerings like Prestige, Liberty (in SA)



Partnerships across fintechs and platforms

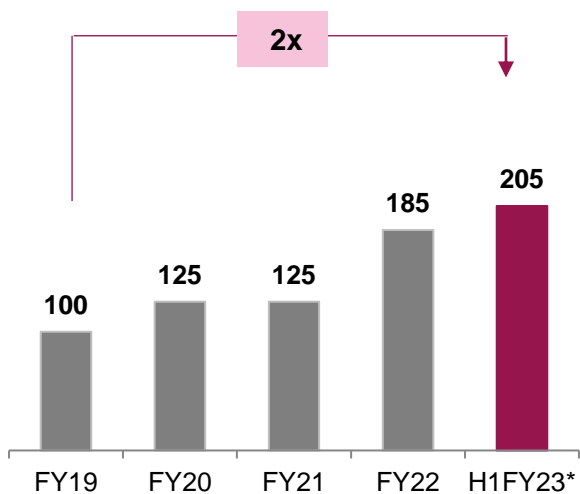


Multiple transformation projects (Triumph and digital initiatives including SA VKYC)

* Annualized using trailing 4 quarter method

...yielding higher Retail disbursements, aided by productivity improvement and digital...

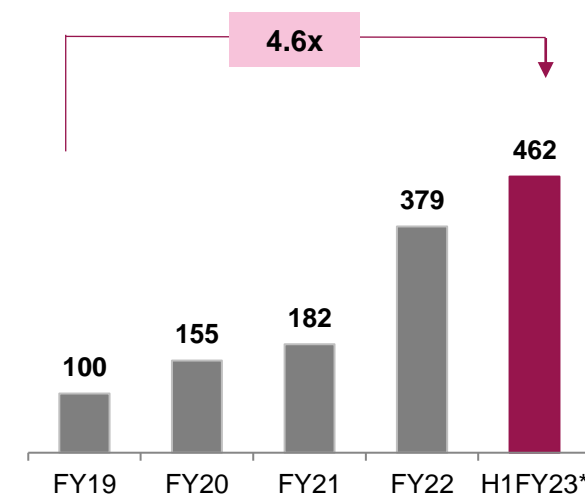
Overall Retail assets and Rural disbursements (indexed)



Mortgage disbursements (indexed)



SBB disbursements (indexed)



Focus on high RAROC segments



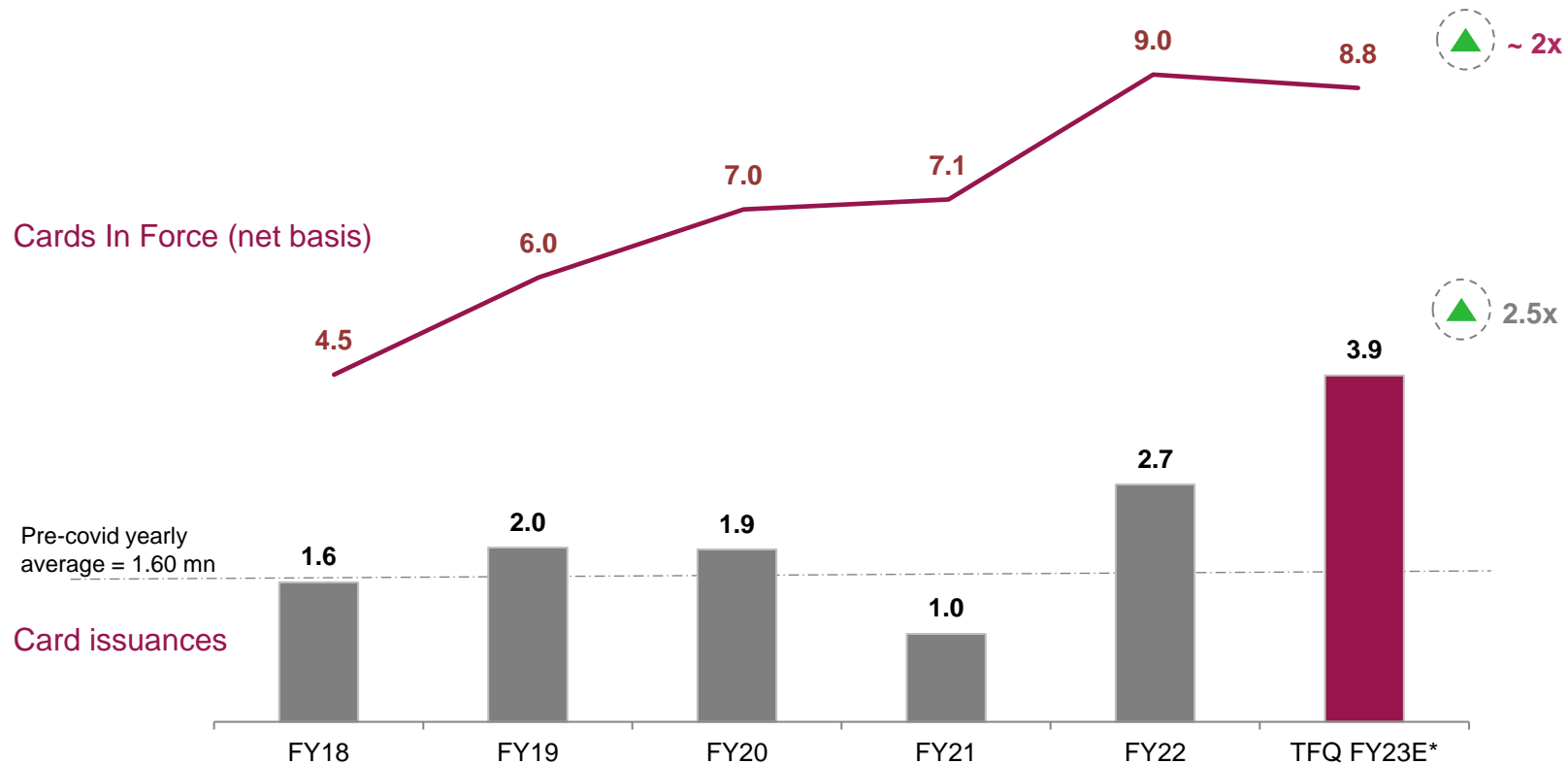
Digital and partnerships



Multiple transformation projects

* Annualized using trailing 4 quarter method

...and strong growth in Credit Card issuances



* Annualized using trailing 4 quarter method

31%
share of KTB[^] sourcing to total card issuances in H1FY23

11.4%
period end market share for credit cards in force as of Sep'22

160 bps
Increase in Retail Cards spends market share since Mar'19

43%
Increase in Card advances^{^^} post Citi acquisition

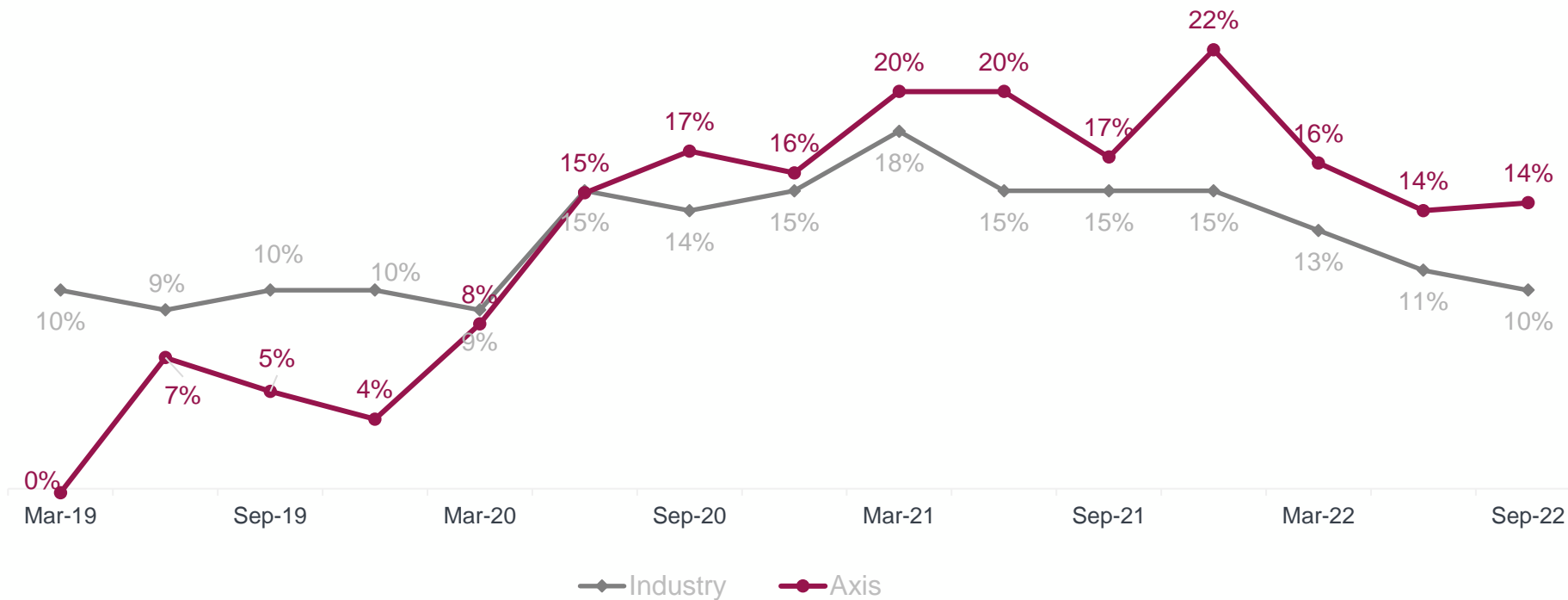
[^] Known to Bank
^{^^} based on Citi's card advances as of Jun'21

Strong traction in new card issuances with over 1m cards issued in each of last 3 quarters

CASA growth trajectory remains higher than industry led by focus on granular deposits...



Continue to deliver higher CASA growth than that for industry



6.50%

Incremental market share in CASA deposits in last 1 yr

4.80%

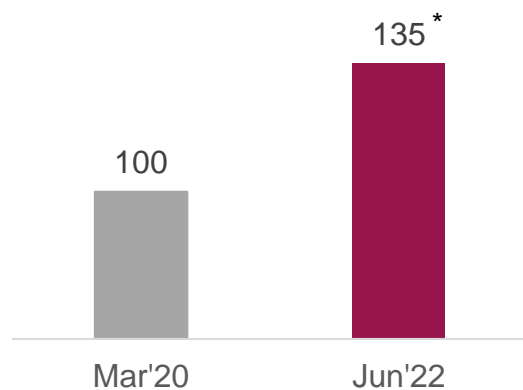
Period end market share in CASA deposits

15%

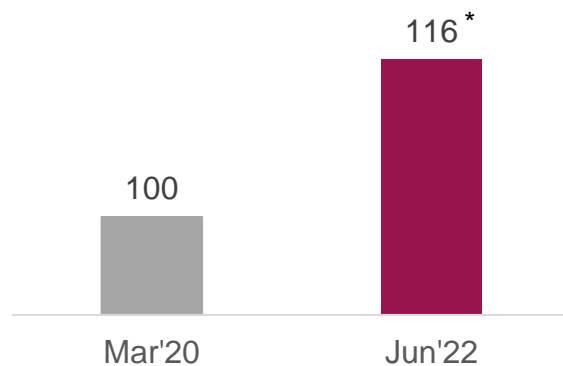
3 yr CAGR growth in CASA deposits

...and gained market share at district level across liability products

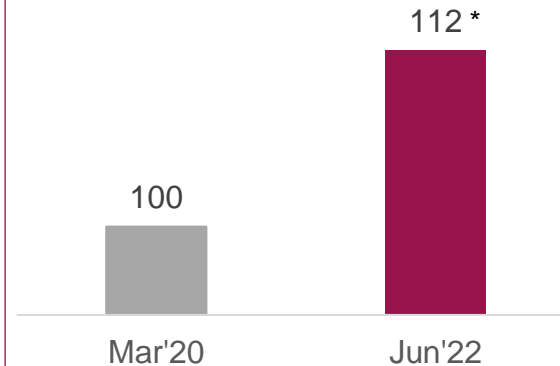
No of districts with total deposits market share greater than 5%
(indexed)



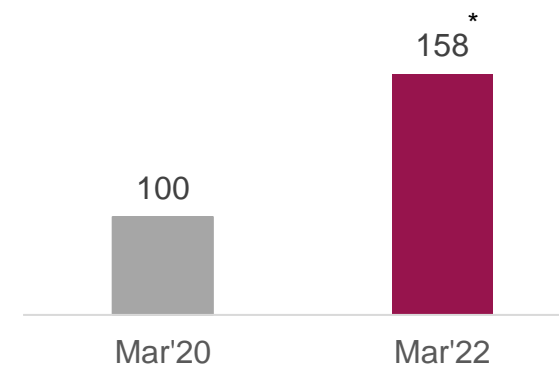
No of districts with SA deposits market share greater than 5%
(indexed)



No of districts with CA deposits market share greater than 5%
(indexed)



No of districts with term deposits market share greater than 5%
(indexed)



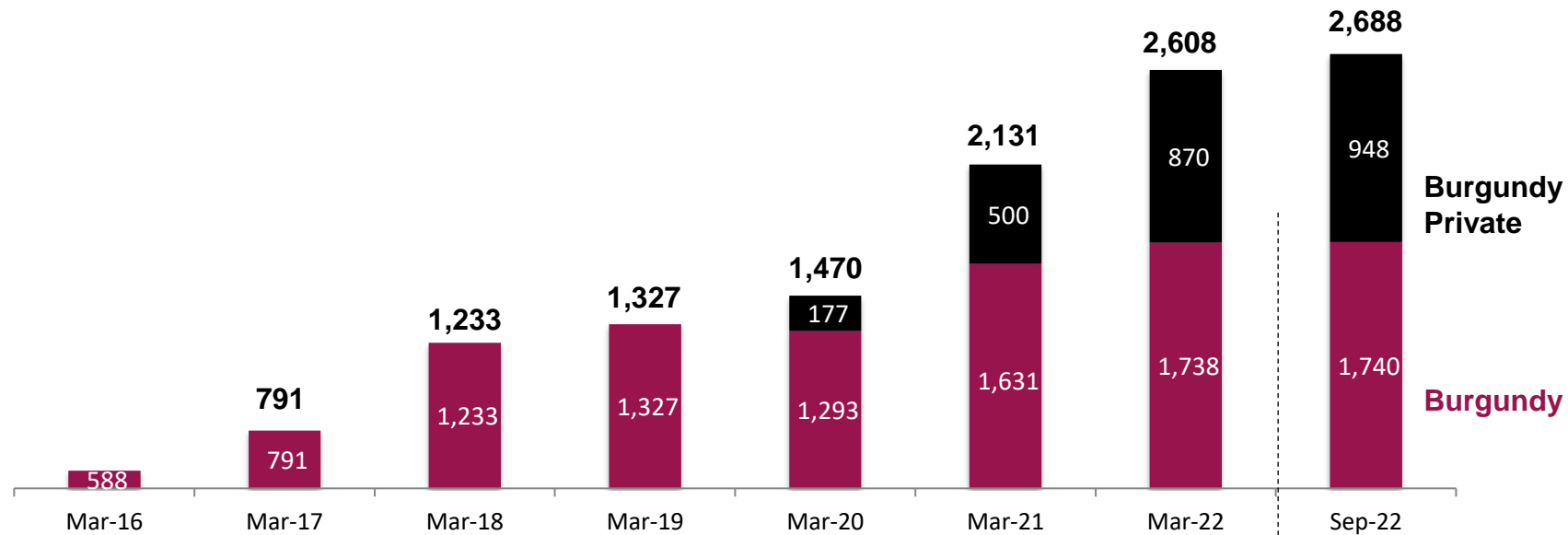
Became a leading player in India's Wealth Management space in the last 3 years



(In ₹ Bn)

Overall Burgundy AUM[^] has grown steadily

26% CAGR



30

of the 100 *Richest Indians* are Burgundy Private clients

25% YOY

Growth in Burgundy Private AUM

4,035 families

Burgundy Private Customer base

89% YOY

Growth in Burgundy Private 3-in-1 Metal Card

PWM
PROFESSIONAL WEALTH MANAGEMENT

"Best Private Bank for Client Acquisition, Asia", 5th Annual Wealth Tech Awards
Published by the Financial Times



Marketing Excellence at the Global Private Banking Innovation Awards 2022

[^] includes Burgundy Private AUM as well

Amongst the best and most comprehensive Wholesale Banking franchise

We have evolved our business model over the last 5 years

Deal based lending focus (pre-2017)

- Transaction-based revenue; credit as an anchor
- NII, Fees-based target; less focus on capital consumption
- Exposure to long term project finance/term loans



Dominant player across capital structure (2022)

- **Relationship-based** revenue with focus on non-credit income
- Focus on **efficient usage of capital** and through-the-cycle earnings
- Faster response to clients with **focus on service quality**

Focus on higher RAROC segments

28%

YOY growth in CBG advances

49%

YOY growth in Mid corporate

80%

Share of transaction flow-based fees as % of total wholesale fee

Transaction Banker of Choice

540 bps

Increase in Foreign LC market share to 11% from 4.6% in FY20

1st Indian private bank to arrange **SOFR linked trade financing** deal

1st **Blockchain enabled** domestic trade* executed

Leadership in DCM and One Axis

1st rank in DCM for rupee bonds for 15 consecutive years

Best DCM House at the Finance Asia's Country Awards, 2021

One Axis capabilities with Axis Capital and other subsidiaries



#1 in Quality for Large Corporate banking and Middle Market banking in India



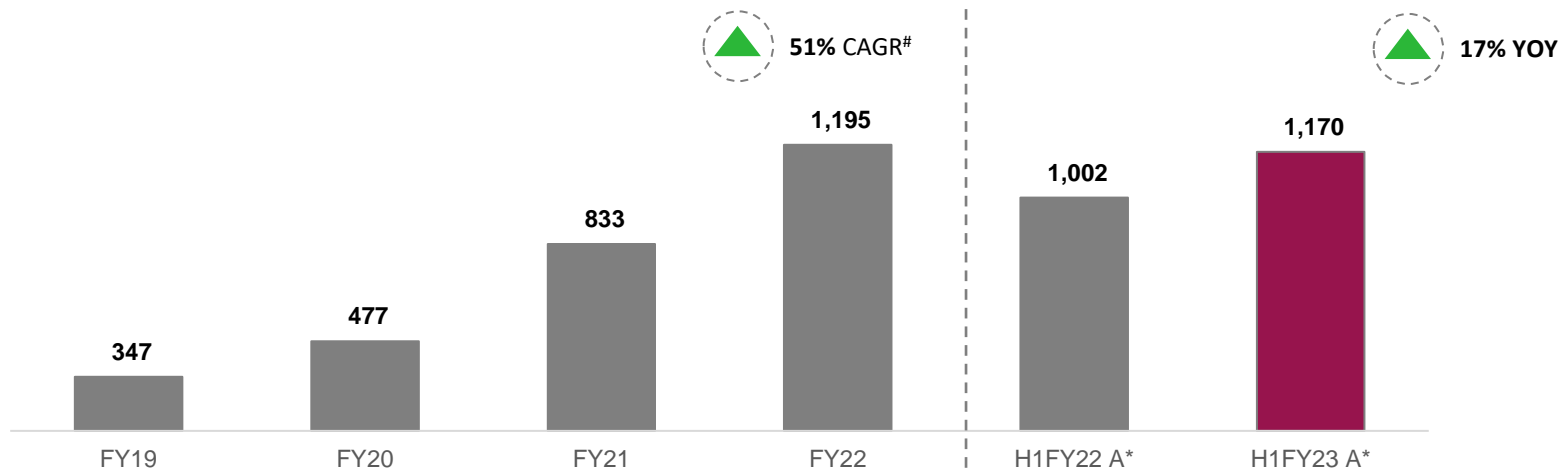
"Asian Bank of the year 2021" and **"India Bond House"** award

Significant value creation happening in our key group entities



Entity	Stake	Key Achievement
 AXIS MUTUAL FUND	75% (JV Schroders Plc [^])	One of the fastest growing MF player
 AXIS CAPITAL	100%	Leadership position in ECM deals segment
 AXIS FINANCE	100%	AAA rated NBFC with diversified product offerings
 AXIS SECURITIES	100%	3rd largest bank led brokerage firm
 AXIS TRUSTEE	100%	Amongst the leading trustees in India
 freecharge	100%	One of the major fintech players in India
 ATREDS	67%	Leading player on TReDs platform
 MAX LIFE INSURANCE	12.99%** (Co-promoter)	4th largest private insurance company[@]

Combined PAT * of operating subs (annualized)



Subsidiaries contributed **41 bps** to Bank's consolidated ROE (annualized) at **18.90%**

₹5,641 Cr
Combined network of operating subsidiaries

28%
CAGR[^] in combined network

46%
Return on Investments H1FY23

* The figures represented above are for the bank's domestic group entities as per Indian GAAP, as used for consolidated financial statements of the Group; Annualized basis

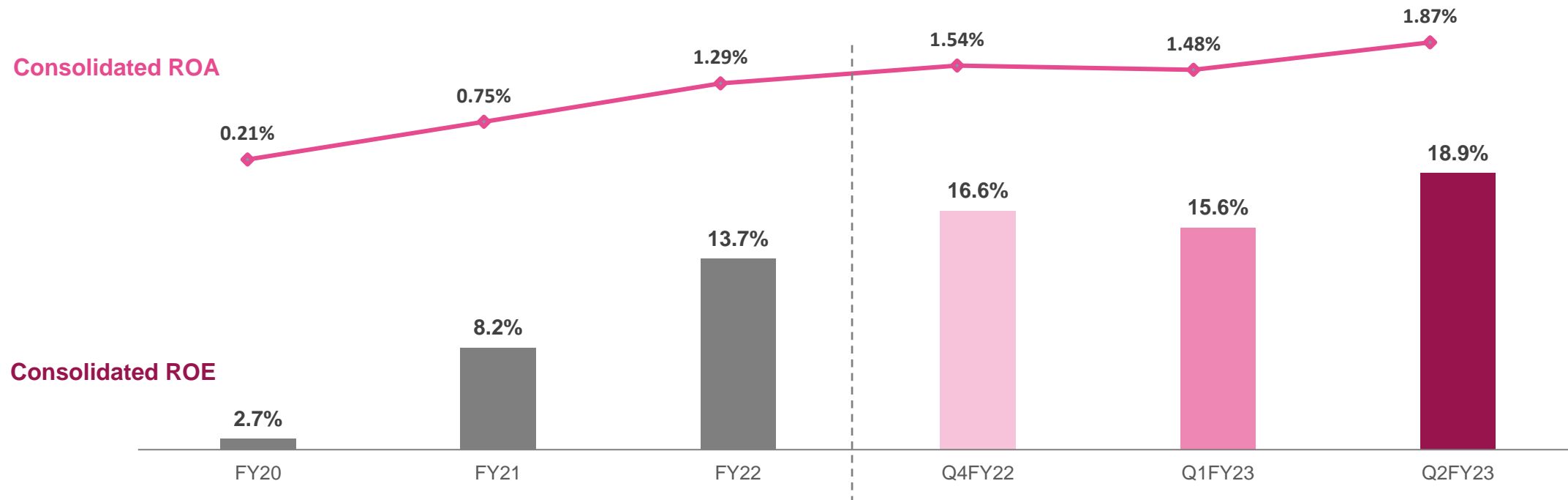
[#] CAGR for period FY19 to FY22

[^] CAGR for Mar-19 to Sep-22 period

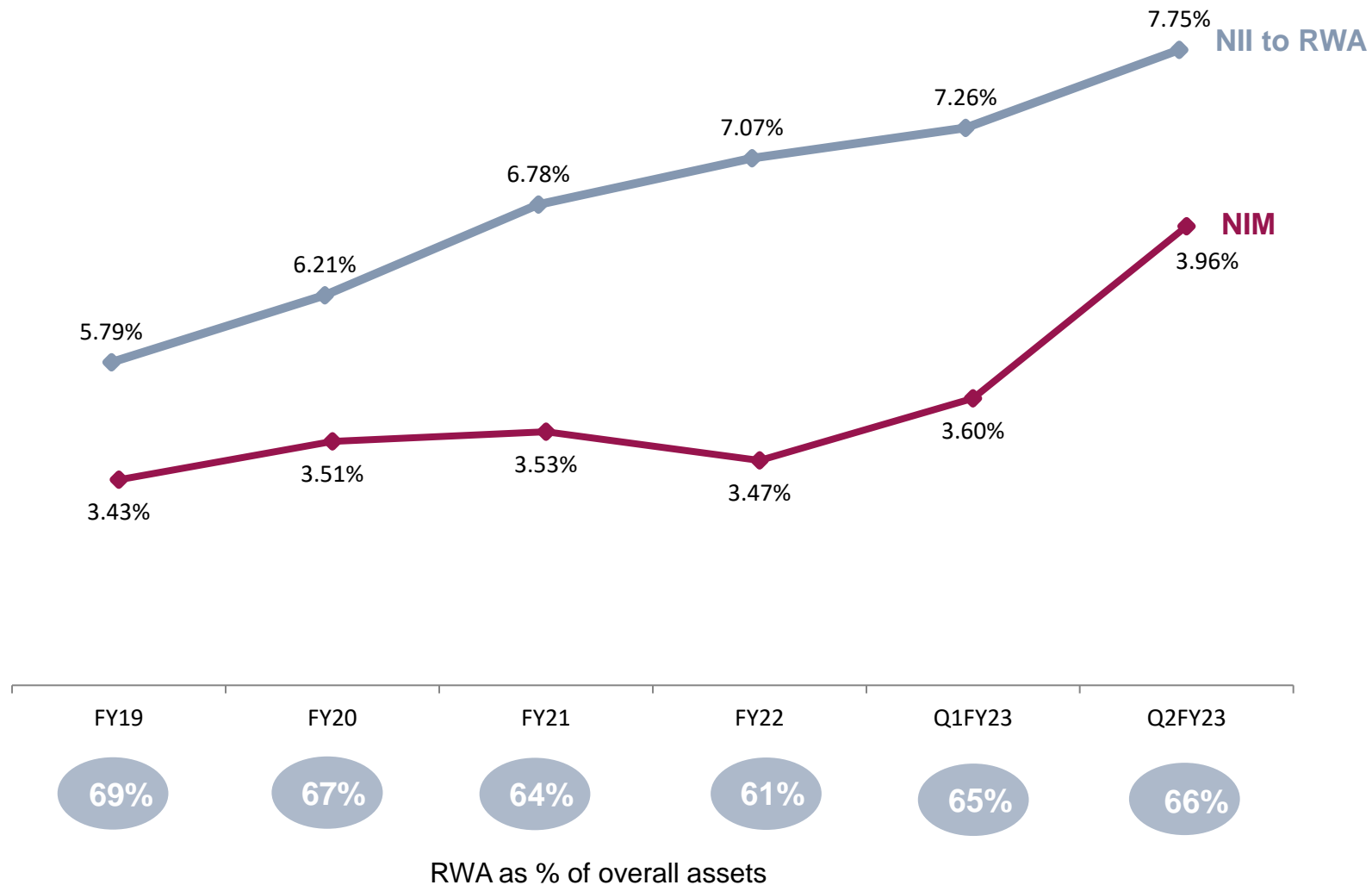
** Including stakes owned by Axis Capital and Axis Securities; Also, there is further Option to take overall stake to 19.99% [^] 25% is held by Schroders Plc [@] Based on New Business Premium

Delivered consistent improvement in shareholder return metrics

Trend in Consolidated ROA and ROE



Significant improvement in NIMs while reducing RWA steadily



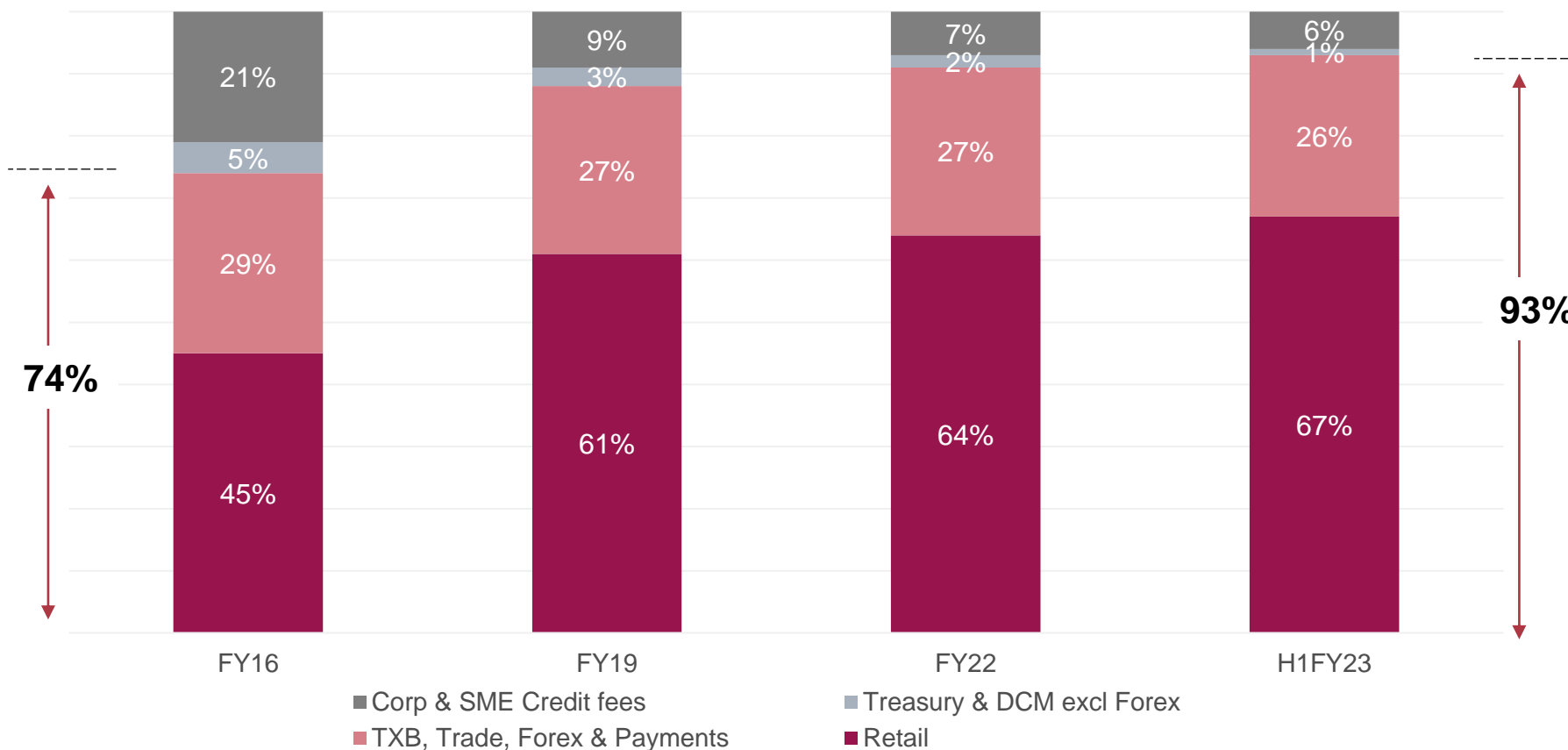
4.08%
Domestic NIM (Q2FY23) up by
45 bps since Mar'19

600 bps
Improvement in Avg QAB CASA as % of
period end CASA (since Mar'19)

800 bps
Improvement in granular loan mix to
Retail + SME since Mar'19

200 bps
Decline in share of low yielding RIDF
bonds to overall assets since Mar'20

Granularity built across fee income



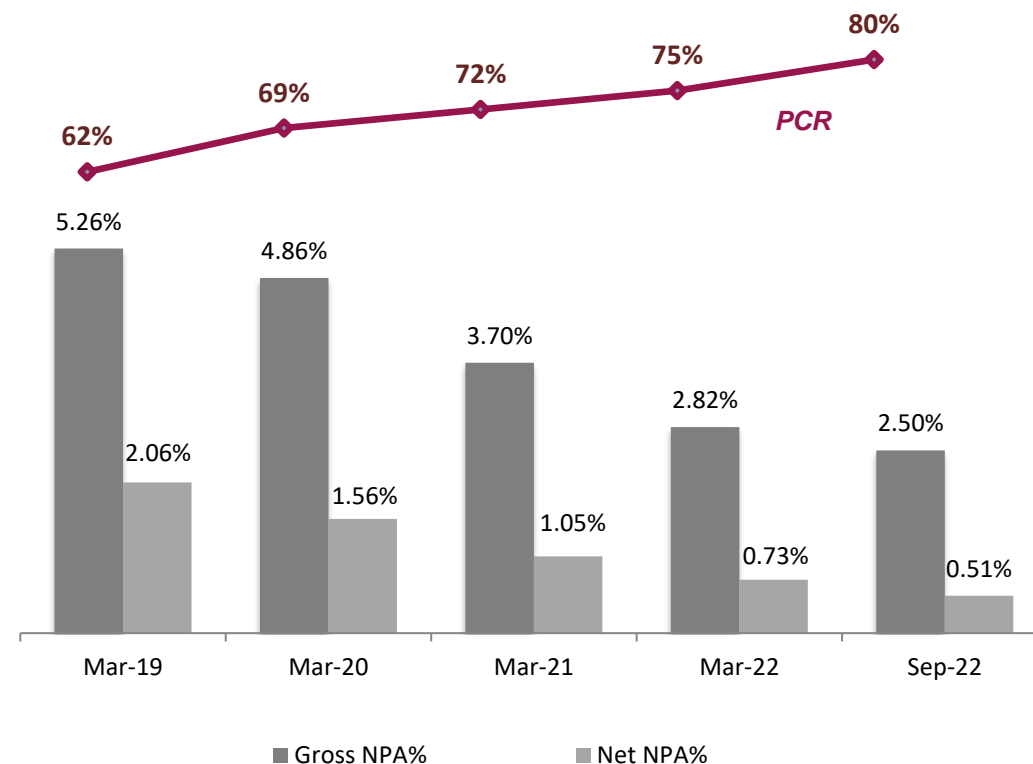
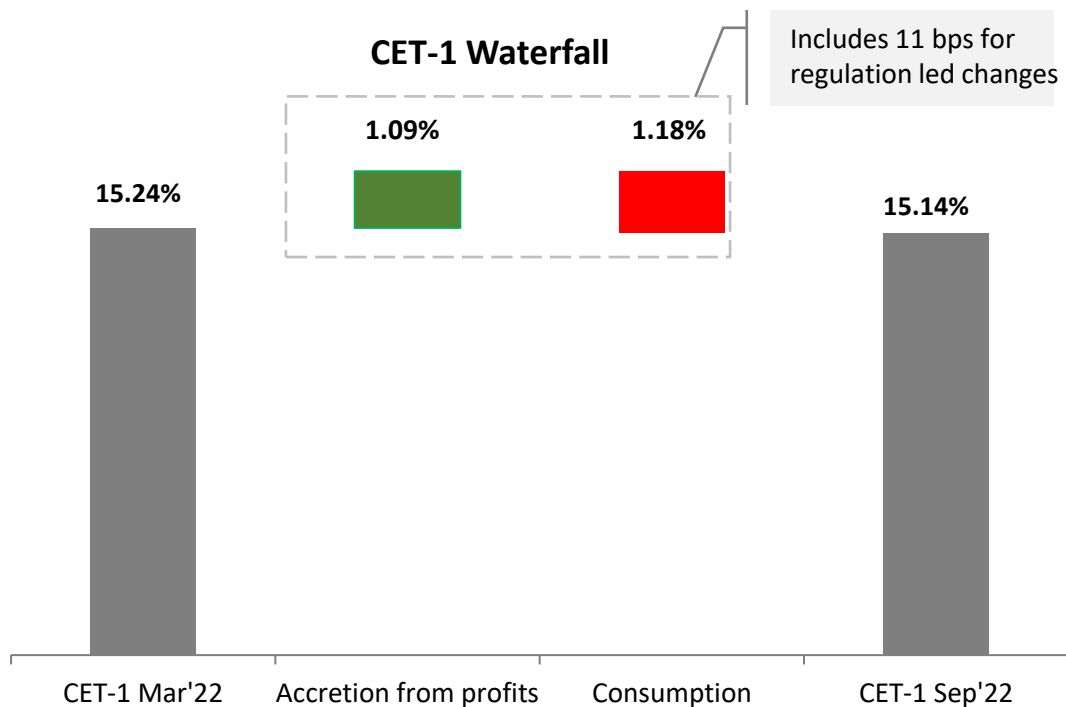
1900 bps
 Improvement in proportion of granular fees since FY16

16%
 7yr CAGR in Retail Fees

10%
 7yr CAGR in Total Fees

Granular Retail and Transaction Banking fees now contributes ~93% of total fees

Self sustaining capital structure, asset quality adequately dealt with



17.72%

Total Capital Adequacy Ratio with profits as of Sep'22

0.51%

Net NPA as of Sep'22, lowest in the last 28 quarters since Dec'15

1.60%

Standard asset cover as of Sep'22 (all non NPA prov / std assets)

Our winning mindset is reflected in multiple awards and recognitions



#1 for Large Corporate banking and Middle Market banking in India



Won "Retail Banker's International Asia Trailblazer", for use of AI & ML in financial services



Digital Transformation and Cloud-Native Development



Best CRM System Implementation



'Financial Inclusion Initiative of the Year - India'



Won "Best Private Bank for Client Acquisition, Asia", 5th Annual Wealth Tech Awards



Asia's Best in Infrastructure Modernization



"Best DCM House" for the year 2021



"Asian Bank of the year 2021" and "India Bond House" award



'Best Sustainability-linked Bond - Financial Institution' for its US\$600m Sustainable AT1 Bond



"Great Place to Work-Certified" among India's Best Workplaces™ in BFSI 2022.



Won 'Analytics India Magazine's Cypher' award for Data Engineering excellence



Won 'Red Hat APAC Innovation' award for Digital Transformation and Cloud Native Development

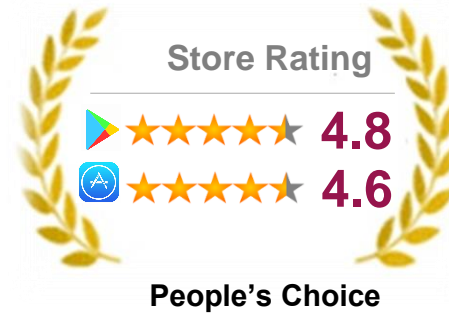
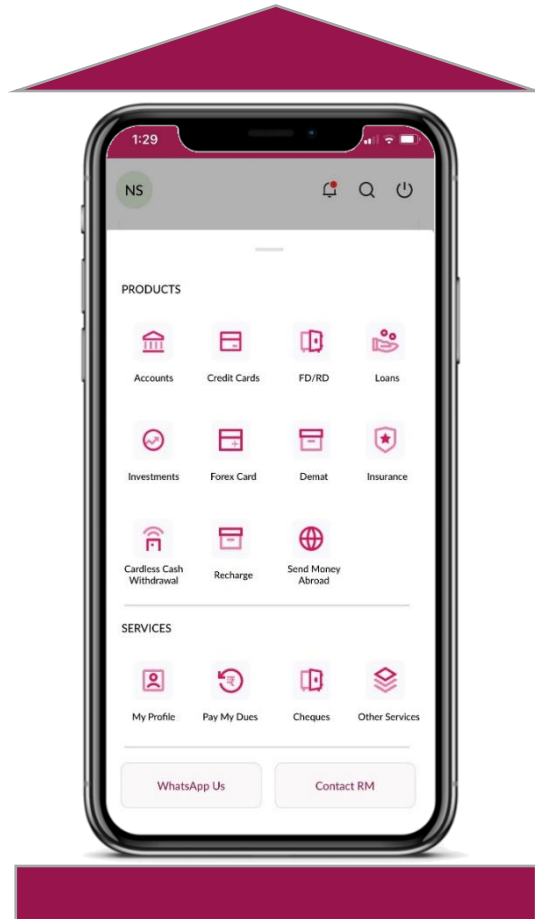


'Most Recommended Retail Bank in India' and 'Most Helpful Bank during Covid-19 in India'



Won 'Leadership in Social Impact' award at the ESG India Leadership Awards 2021

World's highest rated Mobile Banking App, doubling up as our largest branch



Bank on-the-go with **Axis Mobile App**

Hyper personalized | Intuitive | Seamless

Highest rating of **4.8** on Google Play Store with **15 lakh+ reviews** across 59 global banks, 8 global neo banks and 50 Indian fintech apps

65%

of Branch service request volumes covered

250+

DIY Services on mobile channel

20 mn+

Registered customers on Axis Mobile Banking

11 mn+

Monthly active users on Axis Mobile Banking

~6.2 mn

Non-Axis Bank customers using Axis Mobile & Axis Pay apps in Q2FY23

~₹6.3 tn

MB spends in Q2FY23, up **64% YOY**

~3.1 bn

MB volumes in Q2FY23, up **92% YOY**

59%

MB customers banking only on mobile app

Organization wide transformation projects have started delivering results

Triumph (Liabilities)

220 bps

YOY improvement in premium retail SA mix

Zenith (Credit Cards)

1 mn+

Cards issued every quarter over the last 3 quarters

Unnati (Retail Assets)

2x

Retail disbursements by value as compared to that in FY19

Sankalp (SME)

45%

YOY growth in NTB business book

Neo (Wholesale Banking)

5x

Growth in Transaction value YOY (Sep'22 over Sep'21)

Bharat Banking (Rural)

46%

YOY growth in Rural advances

Kanban

2nd

Largest Merchant Acquiring Bank with 18% market share

Siddhi

>35%

Higher lead conversions

Branch of the Future

65%

Service requests done digitally

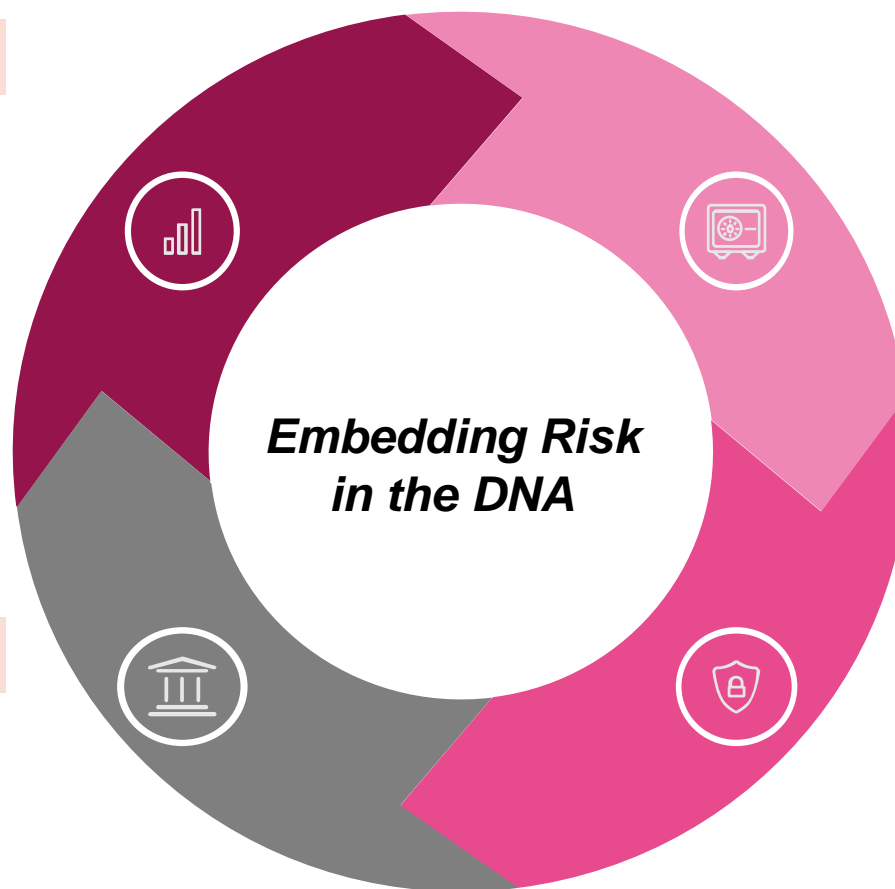
Risk culture and framework has been strengthened significantly

Stronger risk frameworks

- **Robust ERM framework** establishing risk governance and oversight
- **Comprehensive risk appetite** to drive risk – sensitive decisioning
- **Model risk** framework to ensure oversight on decisioning models

Non financial risks

- **Critical risk framework** to focus on key operational risks
- **Strengthen focus on** cyber security and fraud risk management



Systematic interventions

- **Enhanced credit risk frameworks – EWS** models, policy intervention, onboard guardrails
 - Led to improved asset quality through and post COVID: A- & above from 83% in Mar 20 to 88% in Sep 22, 90 DPD retail delinquency better than peers
- **Strengthened product approval process –** reducing design failure risk
- **Strong dealer conduct oversight**

Strengthening emerging risks

- **Digital risk framework** – to support growing digital businesses
- **ESG Rating model** – support ‘ESG commitment’ aspirations
- **Bharat Banking tool kit** – support build out of the Bharat Bank



THE ASIAN BANKER
RISK MANAGEMENT AWARDS

Won “**Achievement in Enterprise Risk Management, Asia**”, at the Asian Banker Risk Management Awards, 2022

Our ESG performance continues to get recognition



1st

Indian Bank to constitute an ESG Committee of the Board

62%

% of Independent, Non-Executive directors

23%

% of women Directors on Board

MSCI



Among Top 10 Constituents of MSCI India ESG Leaders Index



FTSE4Good Index constituent for **6th consecutive year** in 2022



National Winner

- Leadership in Social Impact
- Leadership in Transparency

Steady Progress on ESG Benchmarks

- One of the **14 companies out of 586** companies placed in the '**Leadership**' Category at CRISIL annual ESG assessment 2022
- CDP Score at **B-** in 2021[#]
- MSCI ESG Ratings at **A** in 2022



DJSI 2021[#] - Axis Bank is placed in the 78th percentile among global banks, improving its score from 51 to 60

* Awarded by ESG.AI, India's first ESG Rating Company

2022 score awaited

Strategic bets for this decade & beyond to make Axis Bank a distinctive winner



Best in class Digital, Technology and Data Analytics capabilities



Focus on higher RAROC 'Bharat Banking' and 'MSME+MC' segments



Integrated Play leveraging on partnerships and ecosystems



Delivering Distinctiveness - Customer Obsession and Empowering Employees



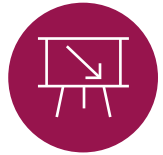
'Best in class' Digital, Technology and Data Analytics capabilities



Leader among peers to take the **Cloud First approach**



500+ deployments in CI/CD mode



Integration of Dev-Sec-Ops led to over **70% reduction** in deployment time



One of the largest Work-From-Home setup on Cloud with **~95k+ registered users**



1500+

people dedicated to digital agenda



430

member strong in-house product, engineering and design team

Sub Zero

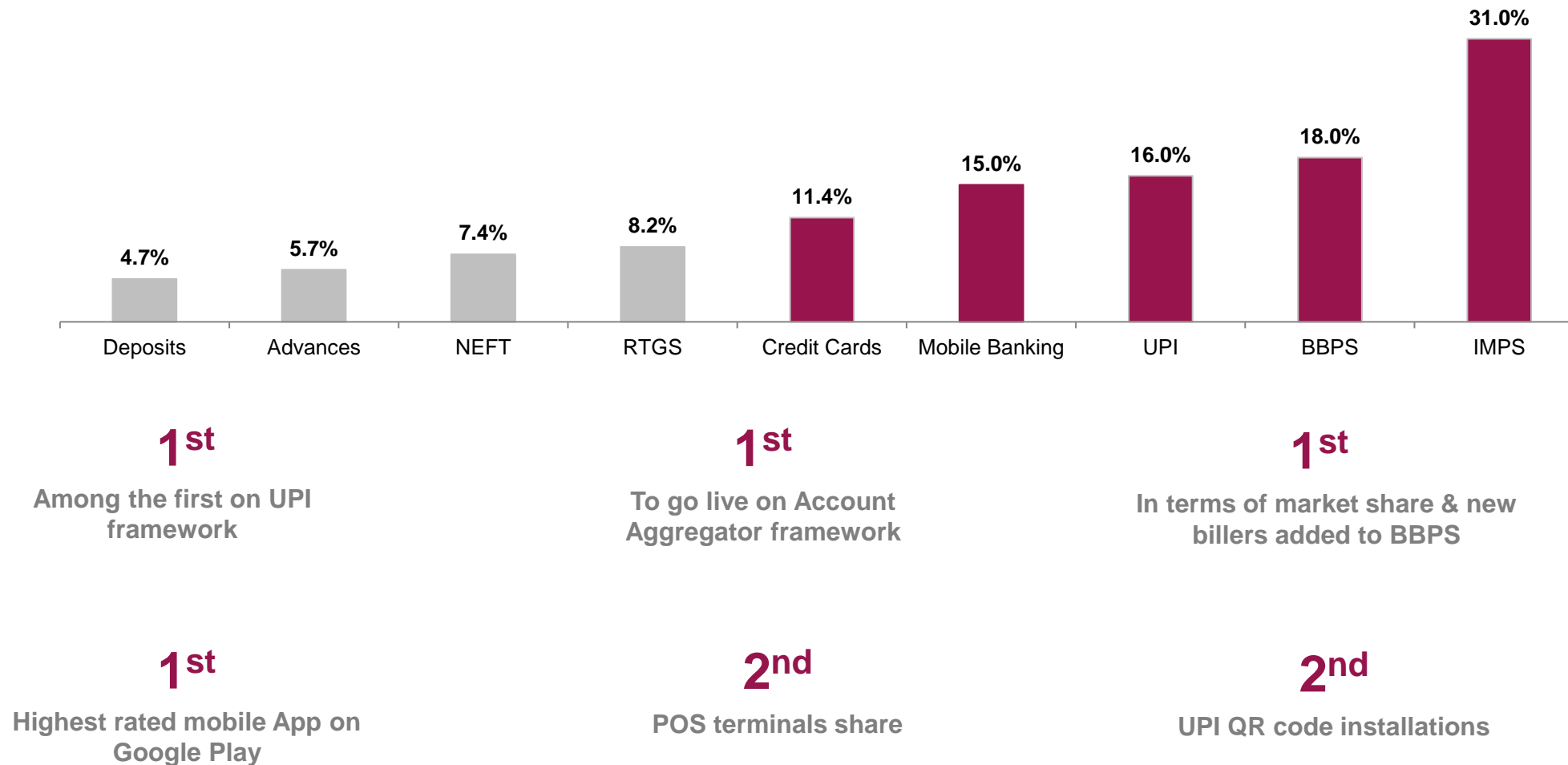
Axis Bank's proprietary design system

Accord

Axis Bank's proprietary illustration system

Agile, DevSecOps and Microservices

We are now a dominant and growing player in Indian payments space; which we believe gives us the 'right to win'



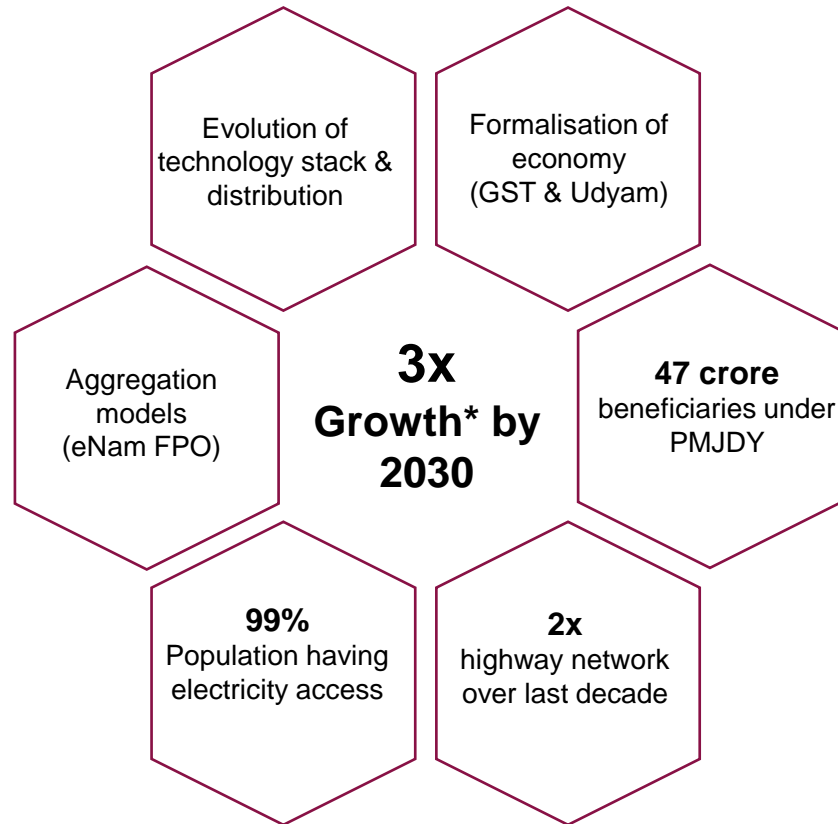


'Bharat Banking' strategy to gain market share and drive higher growth



Rural consumption is expected to grow 3x in this decade*, reaching USD 2.1 tn by 2030...

...offering us huge opportunity to leverage our distinctive capabilities to drive higher profitability & tap PSL opportunity



Huge Potential to increase our RUSU market share

	Advances	Deposits	PSL mix
RUSU[^]	3.8%	2.0%	90%
Bank level[^]	5.7%	4.7%	36%

We have delivered strong growth** across key metrics...

46%
YOY growth in Rural advances

28%
YOY growth in disbursements

15%
YOY growth in deposits

* Source: CCI proprietary consumption model, BCG analysis, NITI Aayog; McKinsey reports

** as of / for Q2FY23

[^] Market share as of Mar'22 end



MSME+MC segment a key growth area, delivering higher RaROC



Increasing formalisation of the MSME segment

~30%
share of MSME in India's total GDP

~ 344 mn
Invoices finance till date on TReDs platforms

Evolving digital public infrastructure

~ 12 mn
Udyam registered MSMEs (out of total 70mn MSMEs)

Account aggregator, OCEN to democratize lending

Supportive regulatory and government policies

Platforms (GST, e-invoicing, GeM)

Government schemes like PMMY, ECLGS

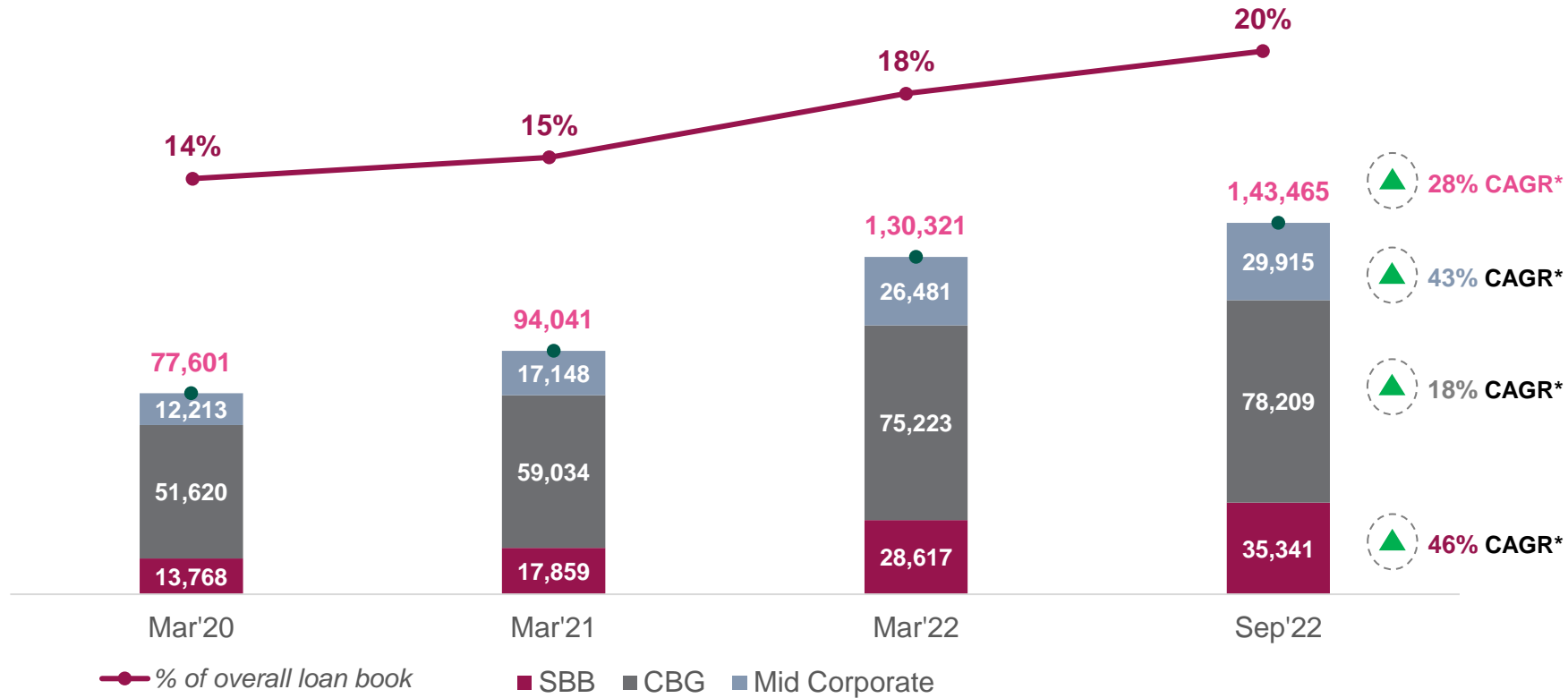
Favourable geo-political shift & Govt's Infra push

China plus One policy to benefit India manufacturing

Make in India, PLI schemes across 14 sectors



Strong growth in MSME+MC book despite tightening our risk standards



28%
CAGR in combined MSME, MC and SBB segment since Mar'20

11.25%
Axis Bank's Incremental MSME* market share* in last 2 years

7.2%
Axis Bank's market share* as % of overall Industry MSME credit

MSME+MC book has grown at ~2.5x the overall book growth, with 600 bps improvement in contribution mix from 14% to 20%

* Considering our SME+SBB+MC book as numerator

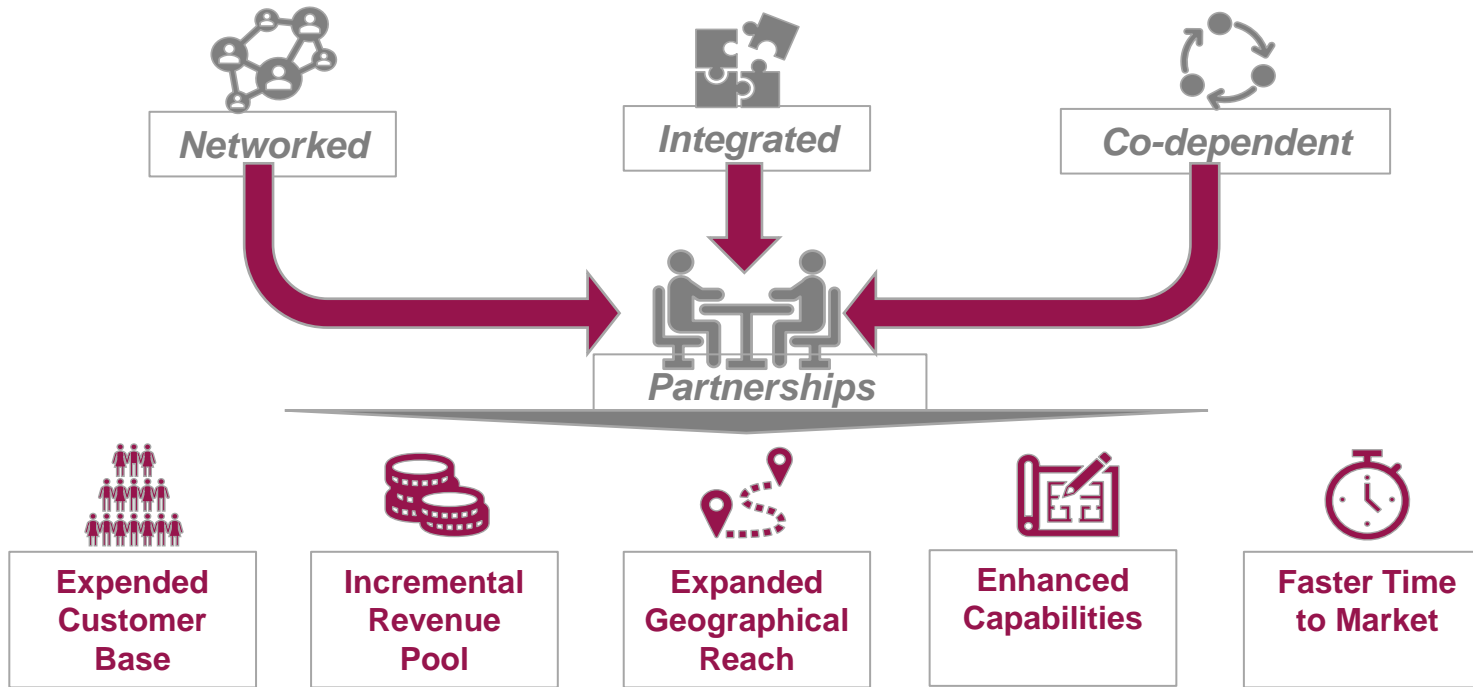


'Integrated Play' leveraging on One Axis, partnerships and ecosystems



Rise of networked and integrated ecosystem plays...

...to offer tremendous opportunity to leverage our strong partnerships across segments



85 +
Partnerships across digital ecosystem

350 +
APIs across segments

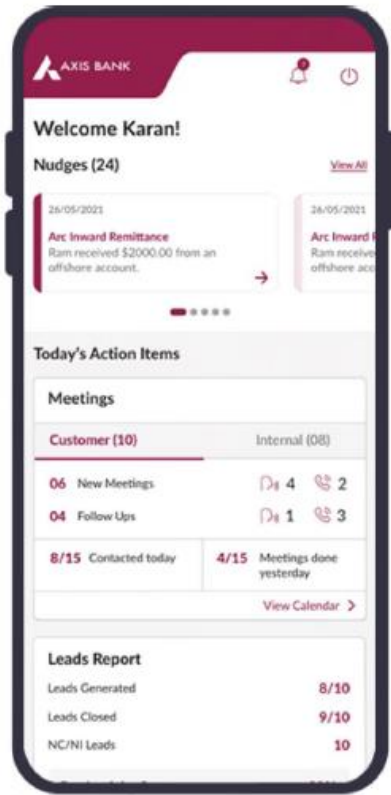
425 mn +
UPI VPA base



Deliver Distinctiveness - Empowering Employees, Delighting Customers



‘Siddhi’ - the Super App that empowers Axis colleagues to engage seamlessly with customers



- **Intelligent**
- **Proactive**
- **Personalised**
- **Comprehensive**

~35+ systems
integrated under single App

160+ APIs used



‘Sparsh’ - the Customer Obsession Program at Axis



CX as a competitive edge and primary differentiator

83.9% of Banks surveyed[^] agreed that CX offered a competitive edge, 60.9% considered it a primary differentiator.

Yet **just 17.4%** agreed that CX is a crucial part of their strategy



Great customer experience drives all metrics

Great customer service metrics will translate to great operational, financial and shareholder metrics²

Consumers are:

3.5x

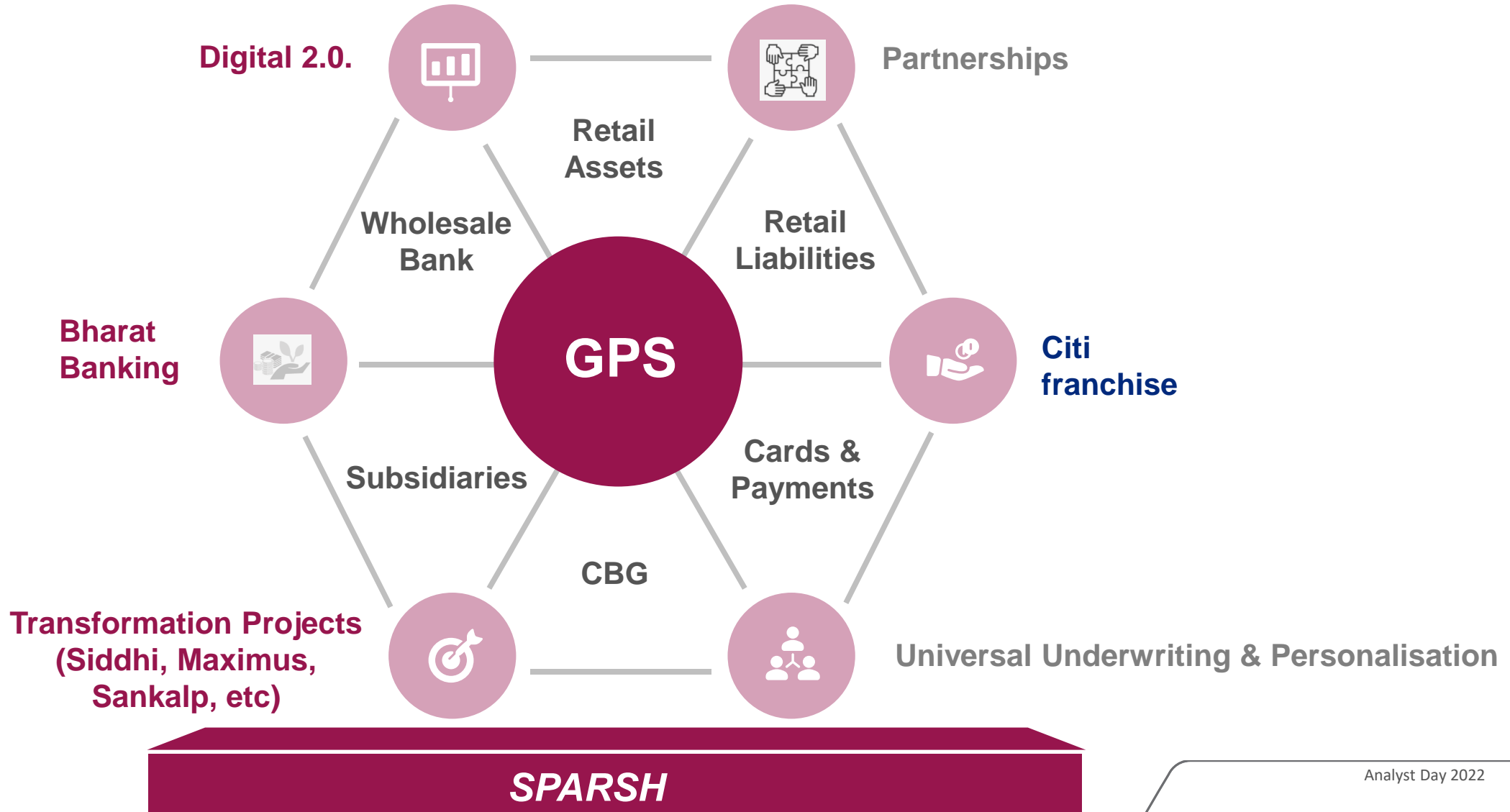
more likely to purchase from a business after a positive customer experience

5.1x

more likely to recommend an organization after a positive customer experience

[^] as part of Global Banking & Customer experience benchmarking report

Creating multiplicative forces through unification of digital platforms, partnerships, transformational projects and best in class analytics to win across businesses



Key takeaways

Our strong performance in the last 3 years demonstrates our **ability to translate 'intent' to 'action'** towards delivering **strong outcomes**

The several steps we have taken over the last few years further strengthen our capability to **deliver more efficient and sustainable outcomes**

The Bank's Digital capabilities and its 'Connect & Grow' philosophy to deliver **multiplicative effect** across segments

Thank You

