

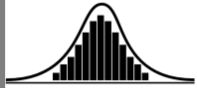
Execution Strategy for FY19

Four elements of our FY19 strategy

Return To Predictability

01

Normalize
Credit
Risk



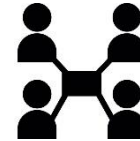
02

Deliver
Profitable
Growth



03

Enhance
capabilities



04

Invest in
the Future



New NPA formation would come down from elevated levels by H2 FY19

Normalize Credit Risk

NPA Recognition phase of this credit cycle is nearly complete. Will be complete in H1.

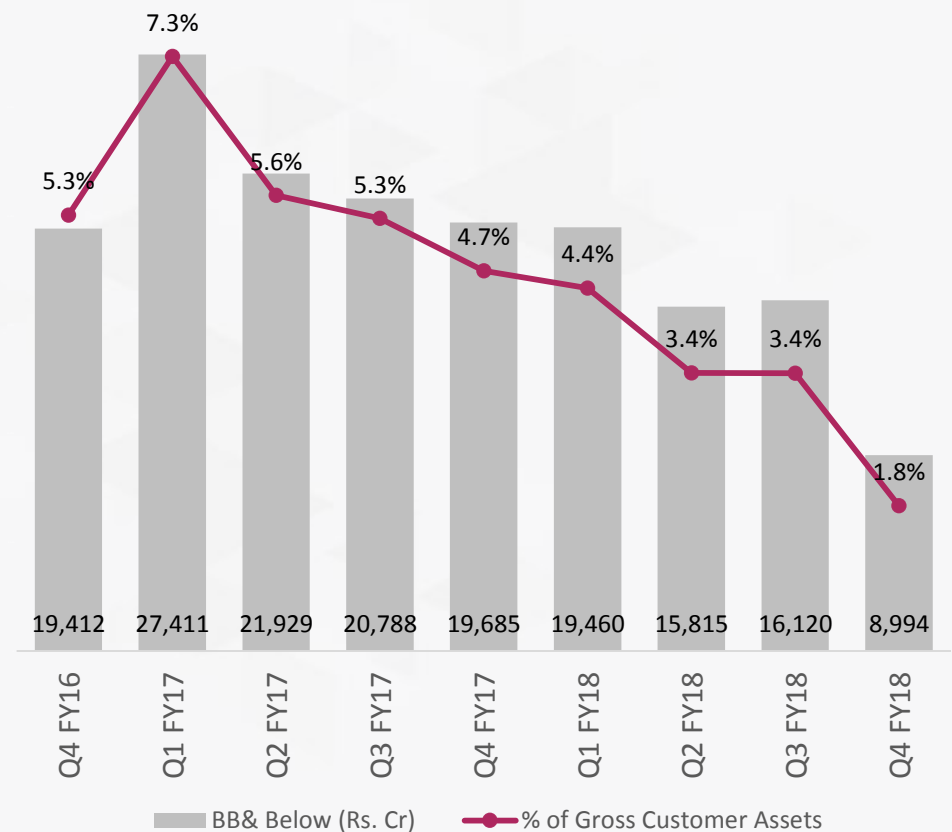
The vulnerable pool has shrunk significantly.

Consequently, we expect new NPA formation this year to be significantly lower than last year.

We have increased confidence in normalization of credit costs by H2.

We start the year with high Provision Coverage. We will continue to maintain PCR at conservative levels.

Vulnerable Corporate loan book has reduced significantly



Corporate Lending will continue to move towards better rated customers and Working Capital loans.

Business Mix has changed materially in recent years



'A or better' rated clients form 77% of loans, up from 61% in FY14.



Loans to stressed sectors (Power, Iron & Steel) has reduced from 9.2% in FY16 to 4.5% today.

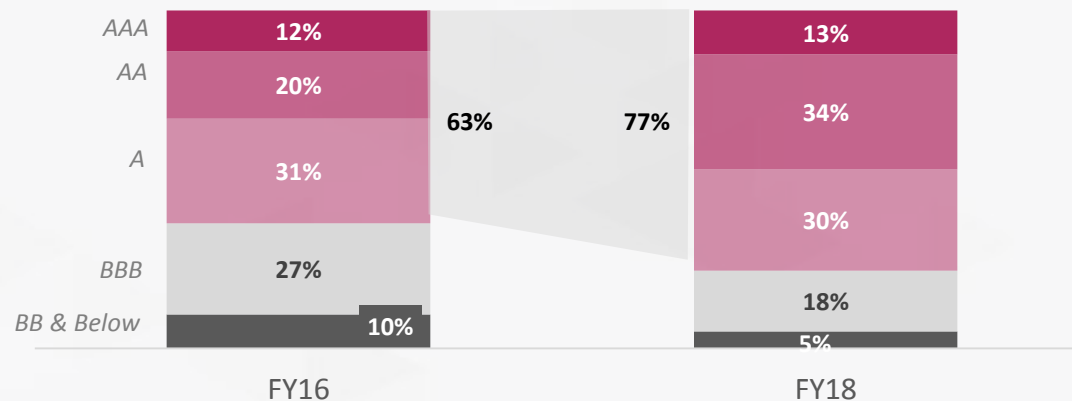


Concentration risk has reduced. Exposure to top 20 borrowers is down from 287% of tier 1 capital in FY11 to 121% today.

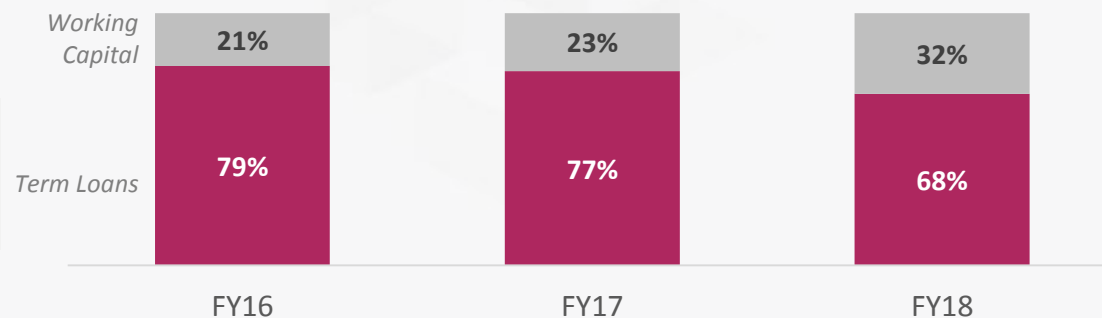


We will continue to pursue this new-look corporate lending business in FY19.

Rating Mix is Better



Share of Term Loans is Lower



Growth opportunities are abundant – on both sides of the Balance Sheet

Business Mix goals of the Bank have largely been achieved

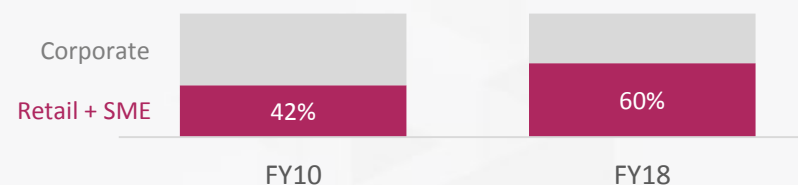
The Bank has a high quality deposit franchise. We expect strong growth here in FY19.

Our loan book has grown 6-10% points faster than industry in the last 9 years. We expect to continue the outperformance this year.

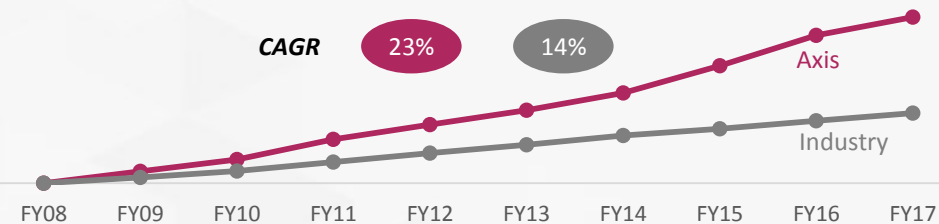
We see great opportunities to grow both Retail and Corporate loans this year. We will prioritize based on where we find better risk adjusted returns.

Our Cost to Assets ratio has averaged 2.14% in the last 5 years. We would like to bring this down to 2.0% in the medium term.

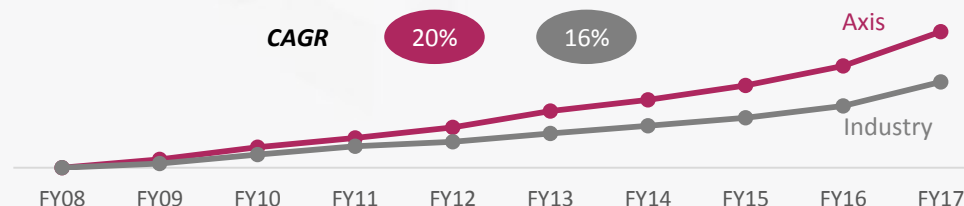
Retail + SME account for 59% of advances today



Loan growth has consistently been higher than industry ...

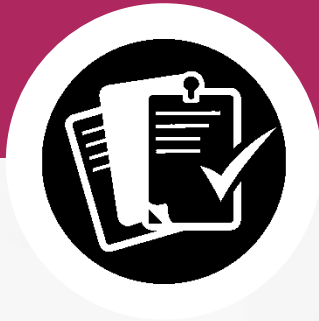


... as has CASA growth



We plan to focus on two major areas of capability development this year

Operational Risk Management



We are creating a **centralized operations team** independent of line business

We are **re-evaluating businesses** with high tail risks / disproportionate operational risks

Infuse additional talent in **Compliance**

Reinvent the Corporate Bank



Strengthen talent pool in **corporate lending**

Strengthen **tech and product capabilities** in Transaction Banking

Reorient the business model to deliver **sustainable returns** through the cycle

We will invest in three areas in FY19 to build a strong foundation for the future

Digital

Maintain leadership in Mobile

Invest in new Digital Assets

Freecharge, Digital SA, Digital CA

Increase penetration of Digital sourcing in retail loans

Analytics

Leverage RPA/AI to create straight through customer journeys

(lower ops risk, better customer experience)

Pivot from Traditional to Big Data

Strengthen our muscles for digital underwriting, leveraging new data sources

Subsidiaries

Maintain Market Leadership

Axis Capital, Axis Securities

Bulk Up / Diversify Established Subs

Axis Finance, Axis Mutual Fund

Scale Up New Subsidiaries

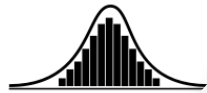
Freecharge, A.Treds

Evaluate New Opportunities

Summary of our FY19 strategy: *Return to Predictability*

01

**Normalize
Credit
Risk**



**Complete NPA recognition
of last cycle in H1**

**Continue shaping business
mix in corporate loan book**

02

**Deliver
Profitable
Growth**

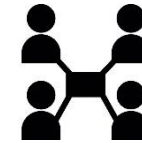


**Grow loans and CASA
materially faster than
industry**

Bring down Cost to Assets

03

**Enhance
Capabilities**



**Heighten focus on
Operational Risk**

Reinvent the Corporate Bank

04

**Invest in
the Future**



**Continue investment in
digital and analytics**

**Scale up subsidiaries and fill
white spaces**

