

**AXIS BANK**

Q1 FY2015-16  
First Quarter Results

**Earnings Presentation**

# Safe Harbor

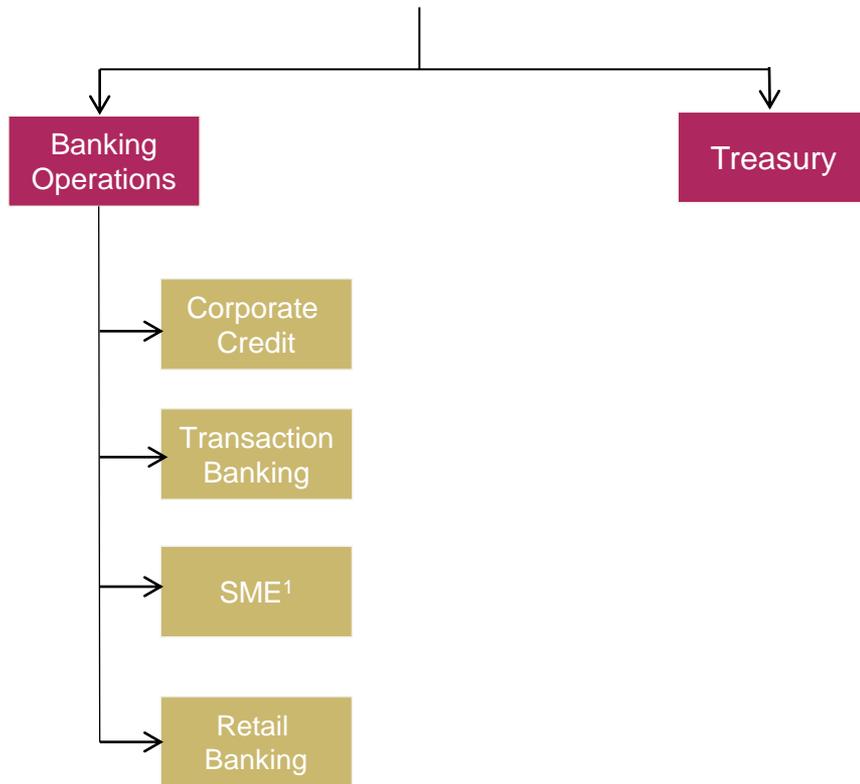
Except for the historical information contained herein, statements in this release which contain words or phrases such as “will”, “aim”, “will likely result”, “would”, “believe”, “may”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”,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

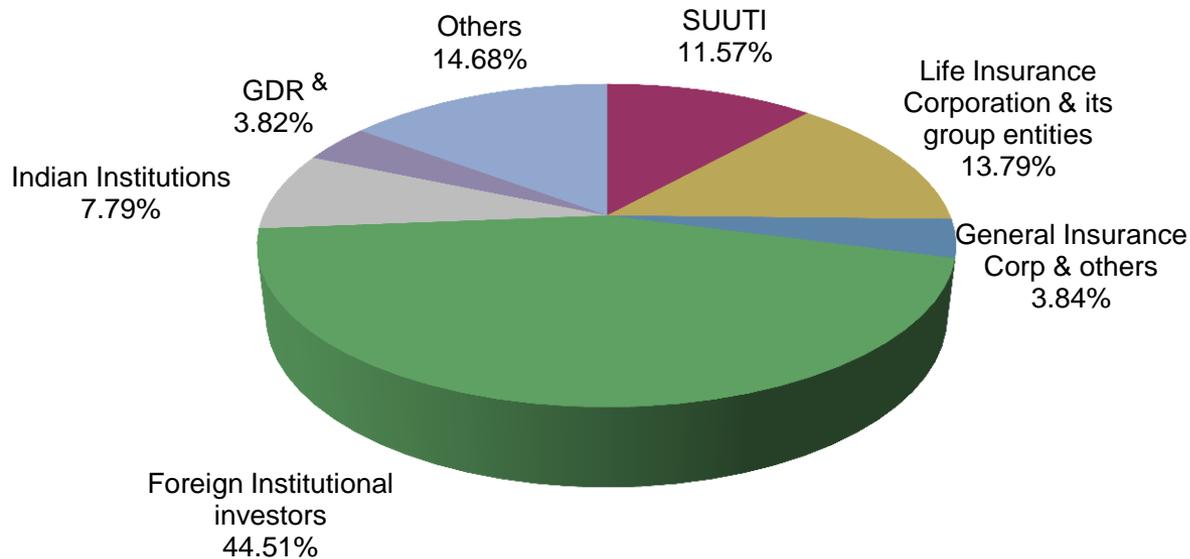
# Overview



<sup>1</sup> Small and Medium Enterprises  
<sup>2</sup> Includes profits for the quarter  
<sup>3</sup> Includes extension counters  
<sup>4</sup> Includes overseas subsidiary in UK

Snapshot (As on June 30, 2015)	
Total Assets	₹4,52,492 crores
Net Advances	₹2,84,649 crores
Total Deposits	₹3,07,784 crores
Net Profit (Q1FY16)	₹1,978 crores
Shareholders' Funds	₹46,826 crores
Diluted EPS (annualised)	₹33.25
ROA (Q1FY16)	1.78%
ROE (Q1FY16)	18.15%
Net NPA Ratio	0.48%
Basel III Tier I CAR <sup>2</sup>	12.15%
Basel III Total CAR <sup>2</sup>	15.05%
Saving Bank Accounts (No.)	153 lac
Branches <sup>3</sup>	2,589
International Presence <sup>4</sup>	8
ATMs	12,179

# Shareholding Pattern (As on June 30, 2015)

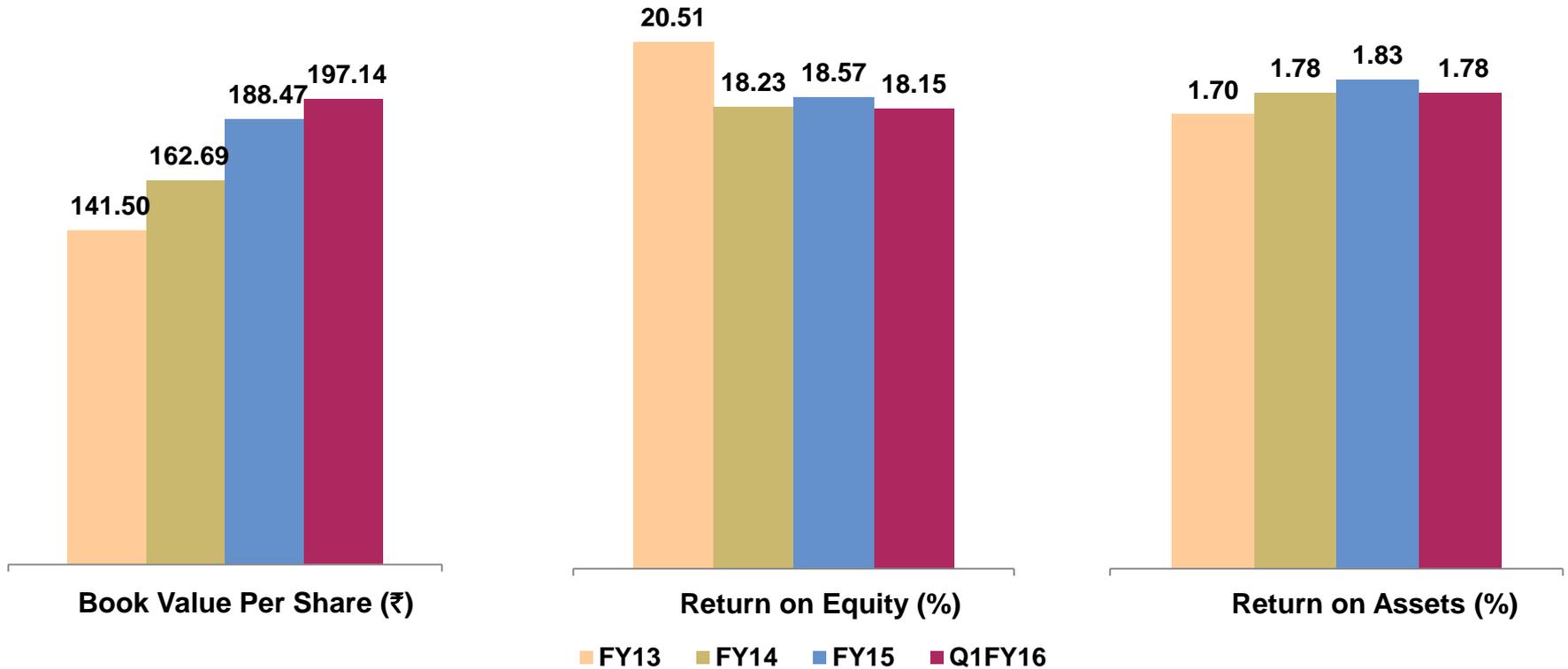


- Share Capital ₹475.06 crores
- Shareholders' Funds ₹46,826 crores
- Book Value Per Share ₹197.14
- Diluted EPS (annualised) ₹33.25
- Market Capitalisation ₹1,38,675 crores (as on July 23, 2015)

As on June 30, 2015, against GDR<sup>&</sup> issuance of 62.7 mn, outstanding GDRs stood at 18.2 mn

<sup>&</sup>1 GDR = 5 shares

# High Shareholder Returns



**A strong franchise demonstrating consistent value creation over time**

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Performance Overview

Business Overview

# Performance Highlights

Q1FY16

<b>Net Profit</b>		<b>19%</b>	<b>YOY</b>
<b>Net Interest Income</b>		<b>23%</b>	<b>YOY</b>
<b>Fee Income</b>		<b>13%</b>	<b>YOY</b>
<b>Operating Revenue</b>		<b>27%</b>	<b>YOY</b>
<b>Operating Profit</b>		<b>41%</b>	<b>YOY</b>
<b>CASA<sup>1</sup></b>		<b>14%</b>	<b>YOY</b>
<b>CASA (Daily Average)</b>		<b>13%</b>	<b>YOY</b>
<b>Total Deposits<sup>1</sup></b>		<b>13%</b>	<b>YOY</b>
<b>Total Advances<sup>1</sup></b>		<b>23%</b>	<b>YOY</b>

<sup>1</sup> As on 30<sup>th</sup> June 2015

# Key Financial Highlights

## Retail Franchise continues to show traction

- Daily average CASA Deposits in Q1FY16 grew 13% YOY and constitutes 40% of Total Deposits
- Retail Term Deposits grew 18% YOY and constitutes 62% of Term Deposits
- CASA and Retail Term Deposits constituted 79% of Total Deposits
- Retail Advances grew 26% YOY and accounts for 40% of Net Advances
- Retail Fee Income grew 17% YOY and constitutes 39% of Total Fee Income

## Stable Earnings Profile

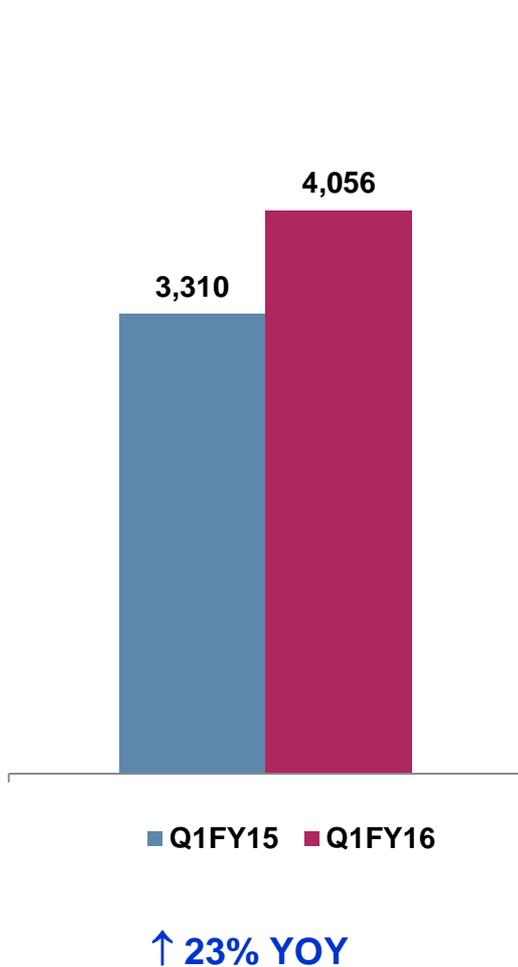
- Core Operating Revenue in Q1FY16 grew 20% YOY and stood at ₹5,708 crores
- Core Operating Profit in Q1FY16 rose to ₹3,446 crores, registered growth of 31% YOY
- Return on Assets & Return on Equity for Q1FY16 stood at 1.78% and 18.15% respectively

Well positioned for future growth with Tier I CAR<sup>&</sup> of 12.15% & Total CAR<sup>&</sup> of 15.05% under Basel III

Overall, a Bank with consistently superior returns and healthy capital position

<sup>&</sup> Includes profits for the quarter

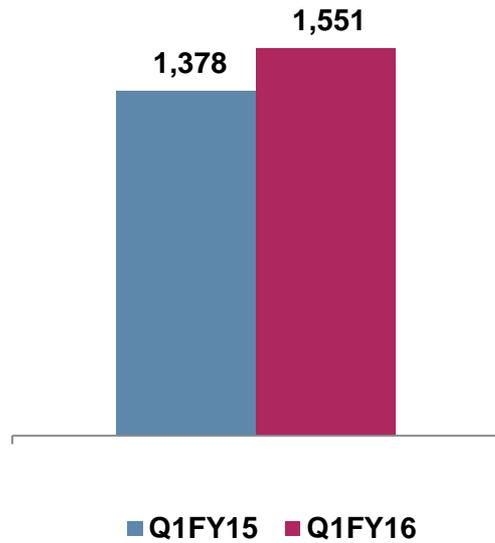
# Growing Net Interest Income



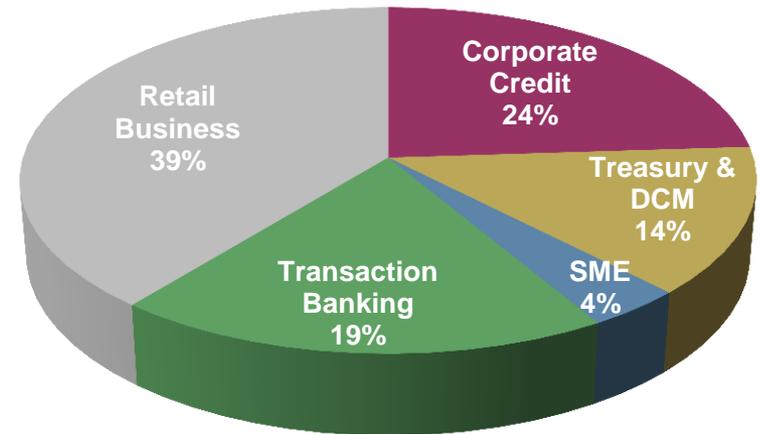
Trend in NIIs	(₹crores)
FY12	8,018
FY13	9,666
FY14	11,952
FY15	14,224
<b>CAGR</b>	<b>21%</b>

# Diversified Fee Income Profile

₹ crores

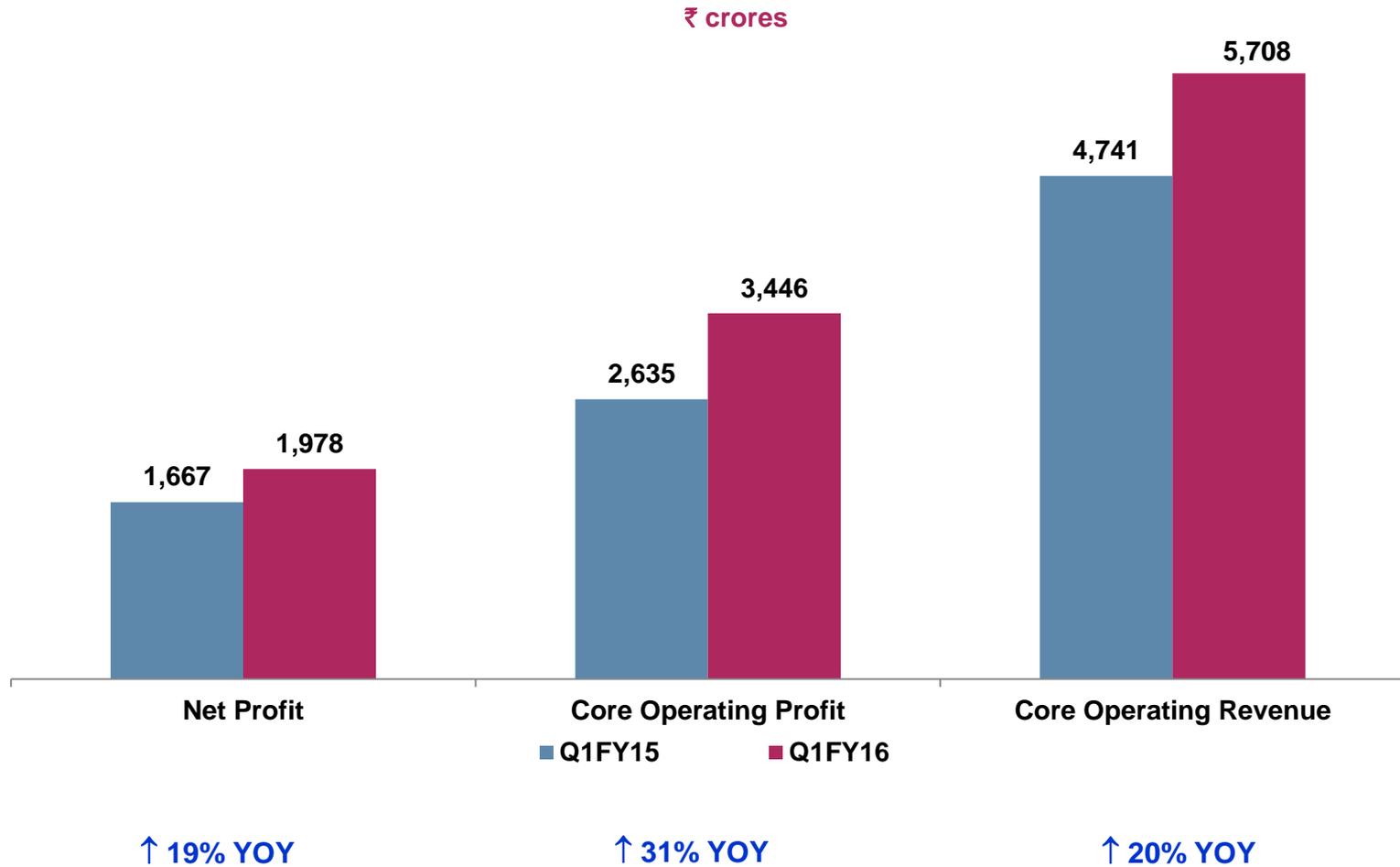


↑ 13% YOY



Q1FY16

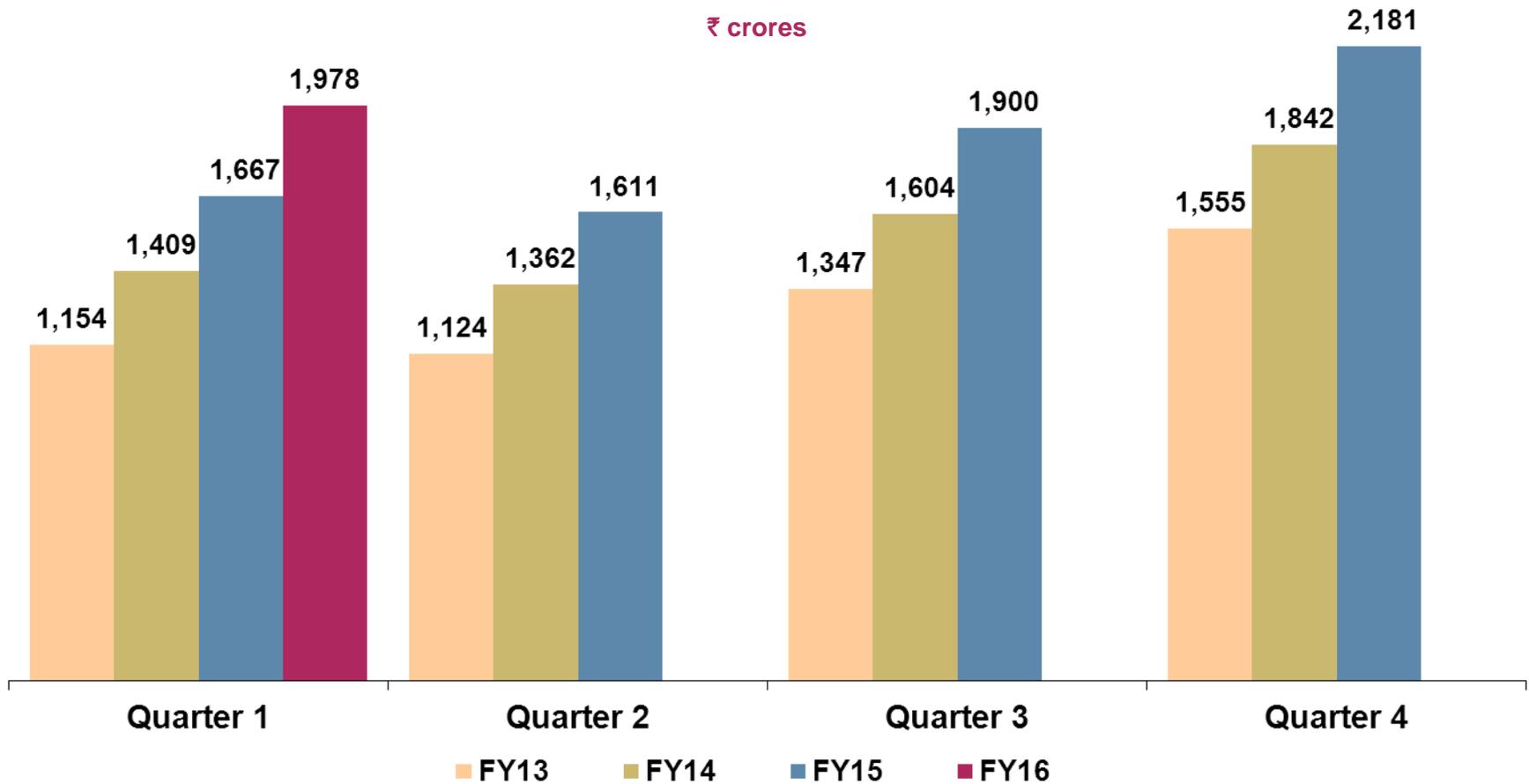
# Sustained Profitability Growth: Robust Operating Revenue



# Consistent Net Profit Growth

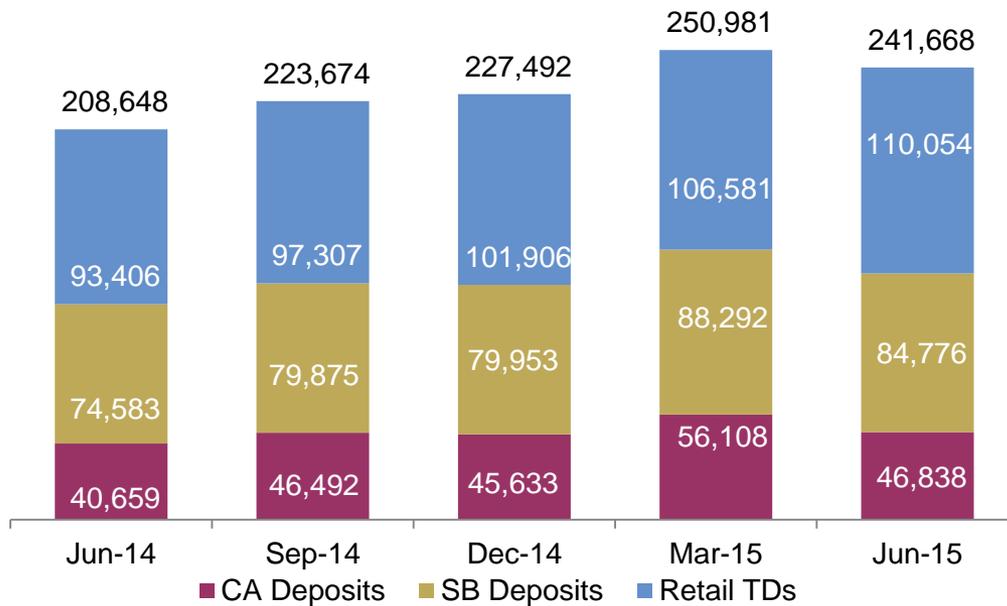
## Quarterly Net Profits

₹ crores



# Stable CASA Growth Underpins Low-Cost Deposit Franchise

**CASA and Retail Term Deposits**  
(₹ crores)



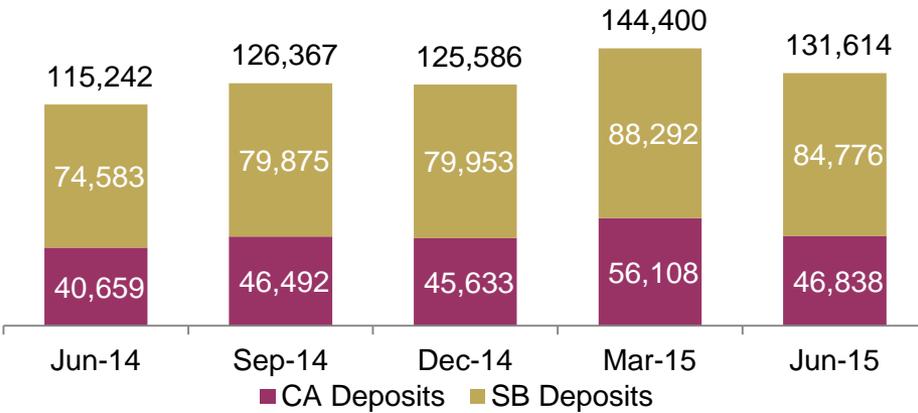
	Growth (%)	
	As on June 30 2015	Daily Average for the quarter
Savings Bank	14	13
CASA	14	13

- **Share of Retail Term Deposits to Total Term Deposits stood at 62%**
- **CASA + Retail Term Deposits constitute 79% of Total Deposits**

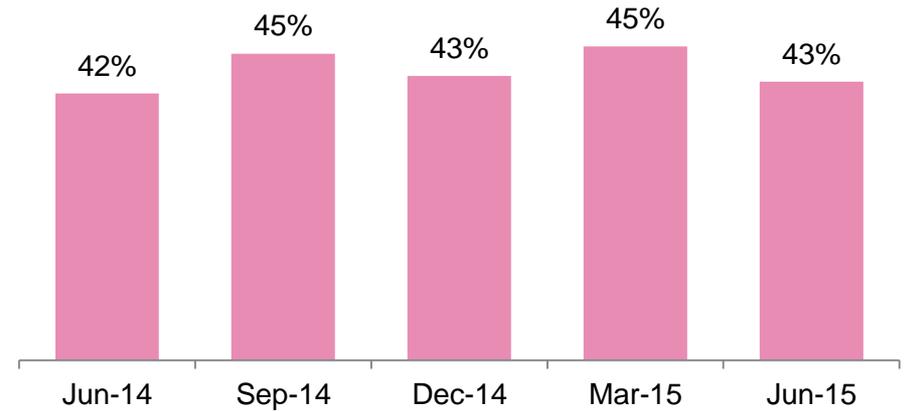
# Strong CASA Franchise Supports Margin Stability

## CASA Deposits

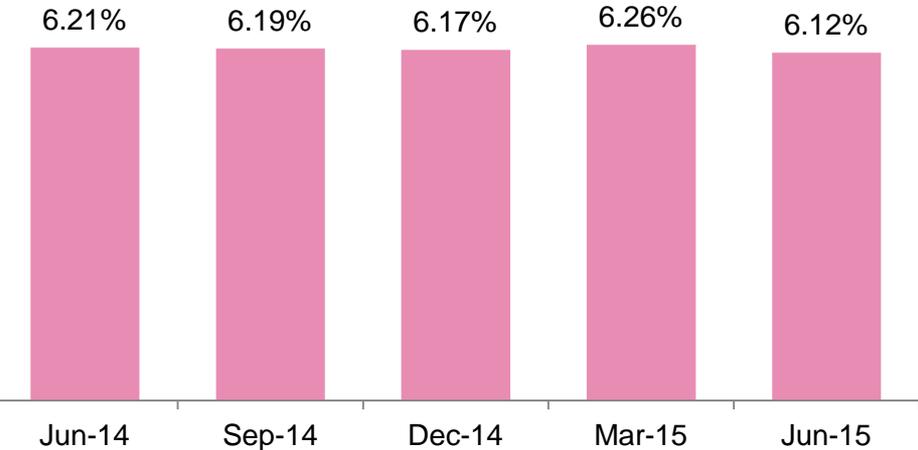
(₹ crores)



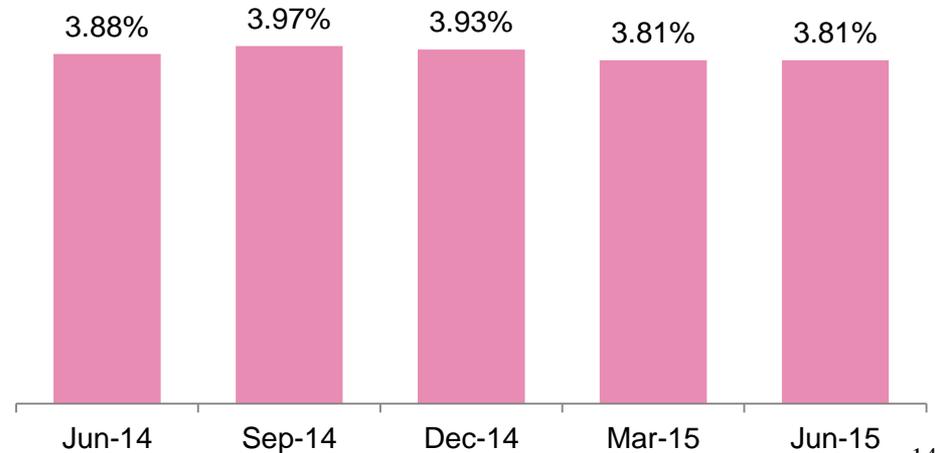
## CASA Ratio



## Cost of Funds

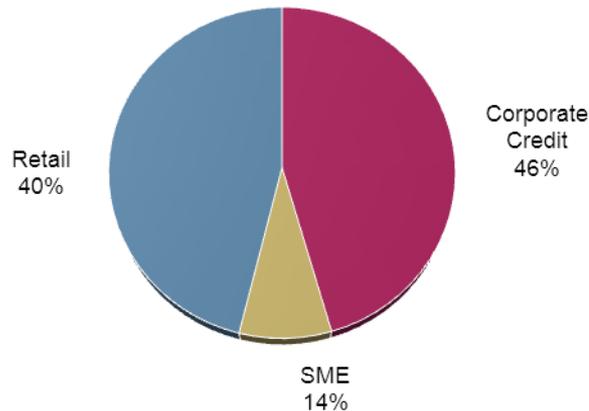


## Net Interest Margin

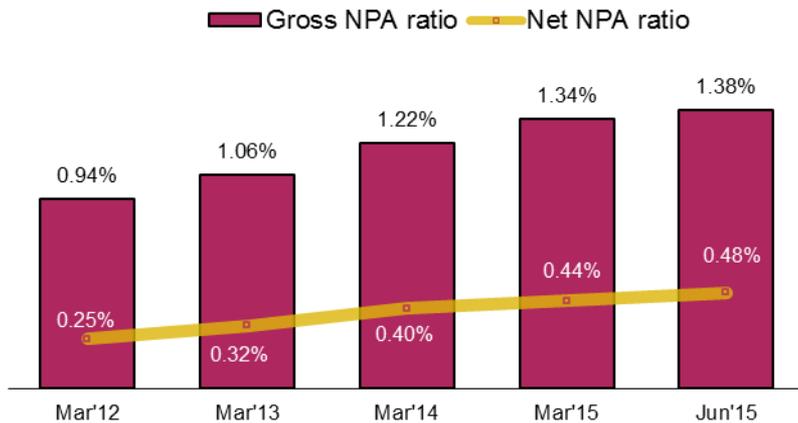


# Stable Asset Quality

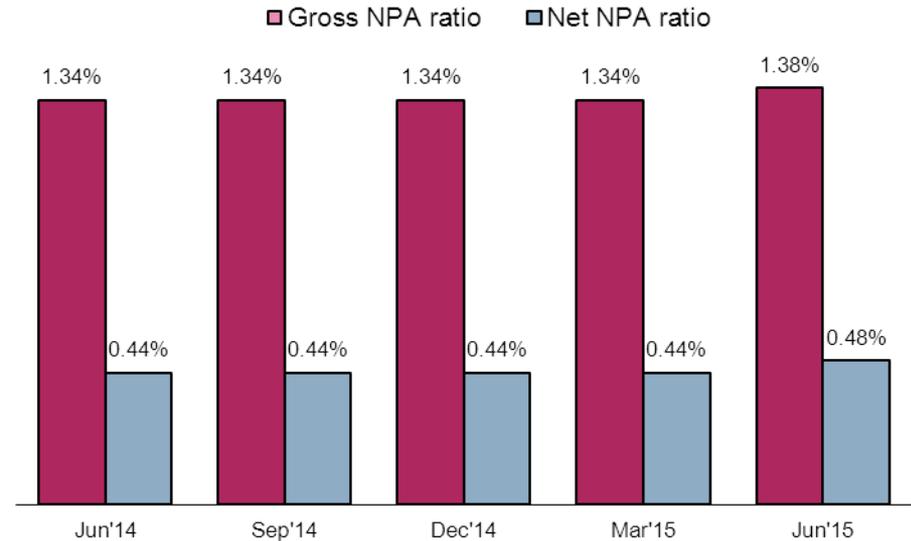
**Loan Mix**  
(As on June 30, 2015)



**NPA trend**

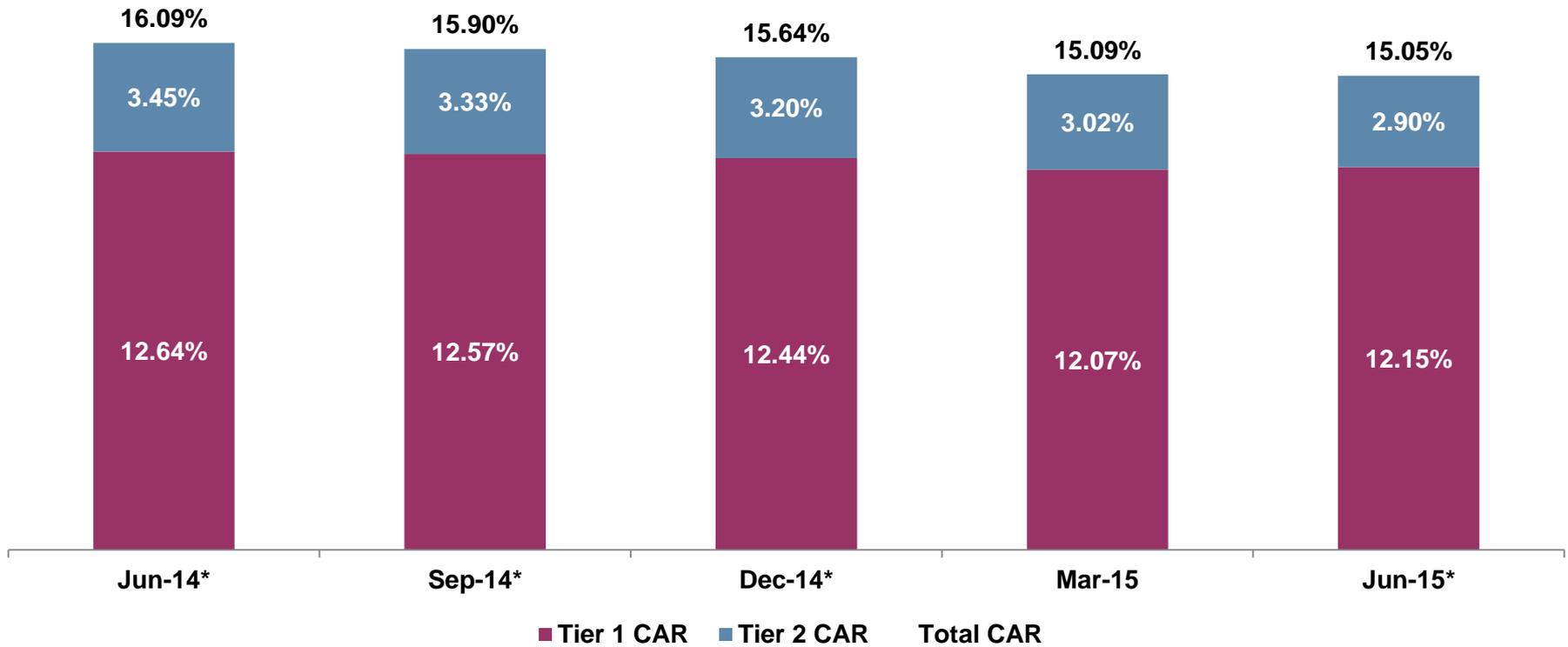


**Asset Quality**



- Provision coverage of 78% as on June 2015 including prudential write-offs (86% before accumulated write-offs)
- Net Cumulative restructured advances were ₹8,515 crores (2.80% of net customer assets) as on June 2015
- ₹740 crores of loans were restructured during the quarter

# Capital Adequacy: Well Positioned for Growth



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

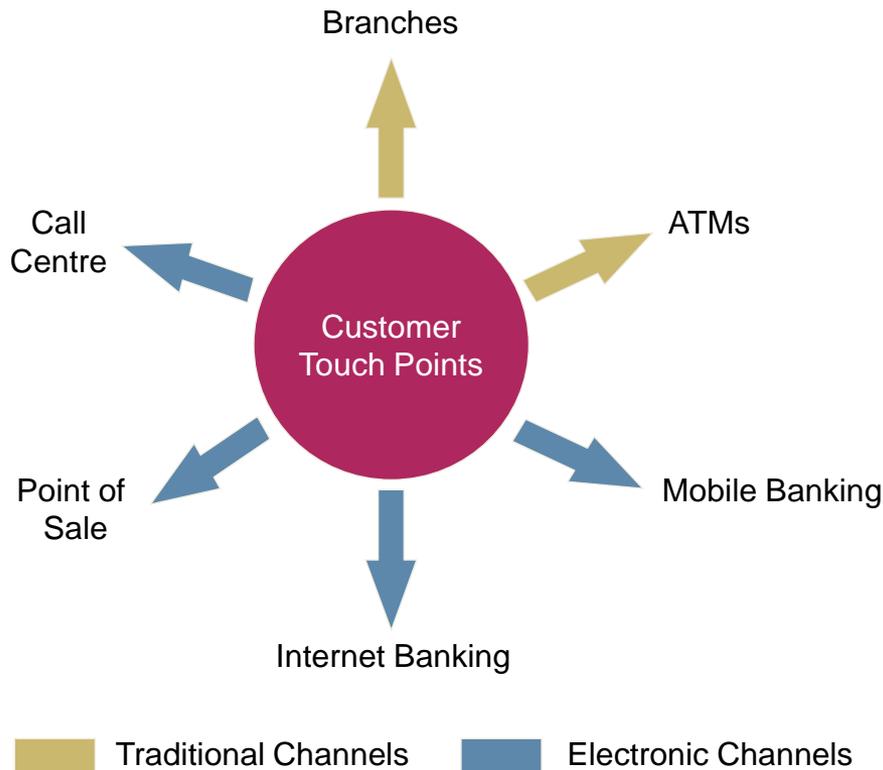
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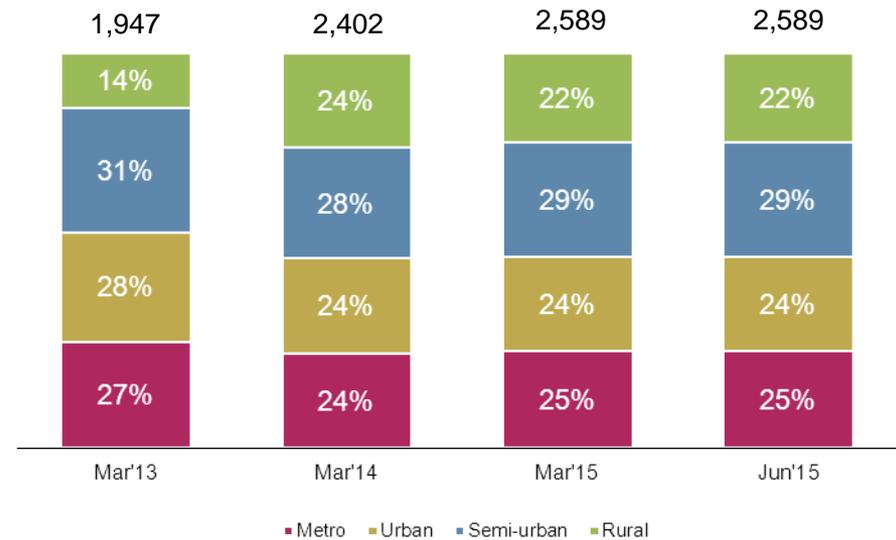
# Well distributed, countrywide network of Branches & ATMs

- 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 network<sup>1</sup>

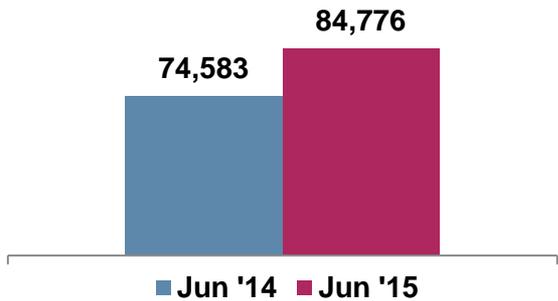


	Mar'13	Mar'14	Mar'15	Jun'15
ATMs	11,245	12,922	12,355	12,179
Centres Covered	1,263	1,636	1,714	1,714
Employees	37,901	42,420	42,230	43,309

<sup>1</sup> Including extension counters

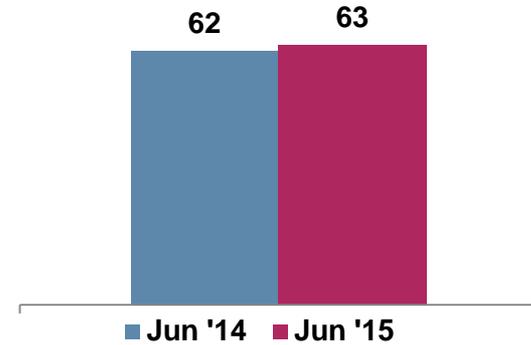
# Retail Liabilities Exhibit Consistent Growth

Savings Bank Deposits  
(₹ crores)

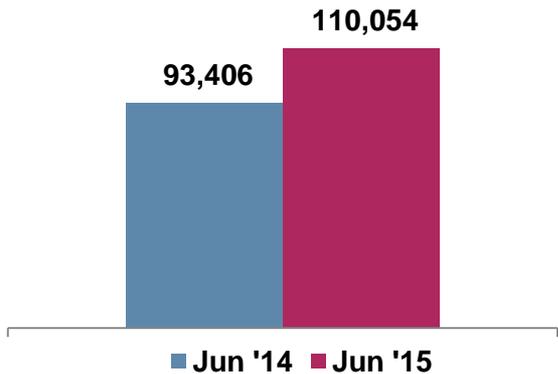


↑ 14% YOY

Retail Deposits\* (% of Total Deposits)

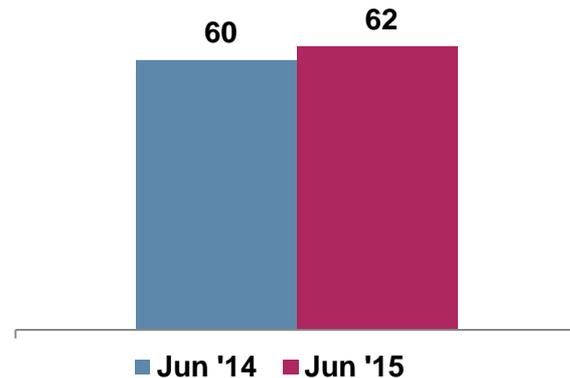


Retail Term Deposits (RTD)  
(₹ crores)



↑ 18% YOY

RTD as % of Term Deposits



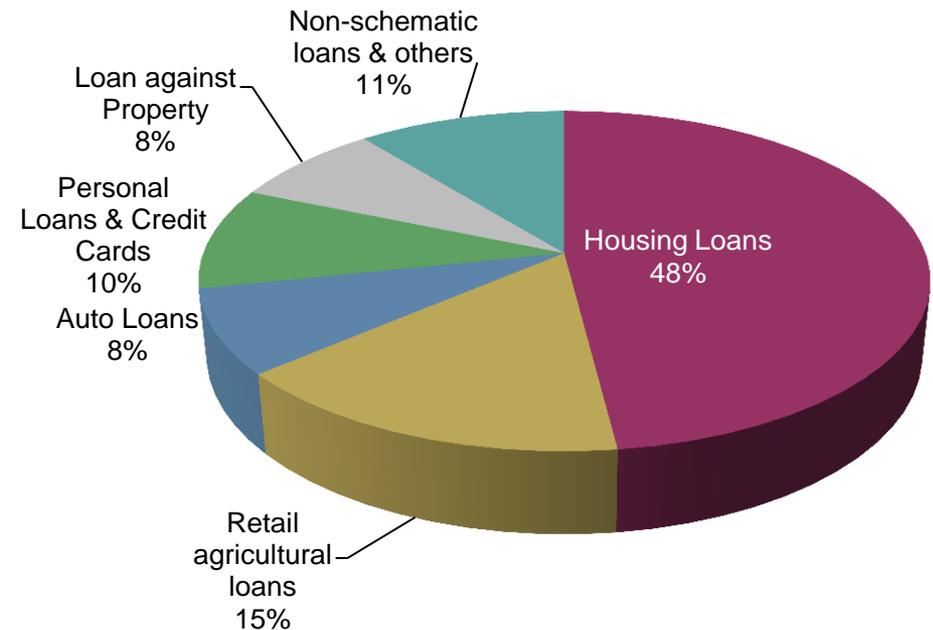
\* Retail Deposits include Savings Bank and Retail Term Deposits

# Sustained Traction in Retail Assets

## Key Highlights

- Maintain focus on secured lending with greater emphasis on mining existing liability customer base
- Integrated strategy for tapping into consumer lending opportunity in rural markets
- Retail Advances constitute 40% of Bank's Net Advances in June 2015
- Secured Loans make up 87% of Retail Loans
- Housing Loans account for 48% of Retail Loans

## Composition of Retail Advances



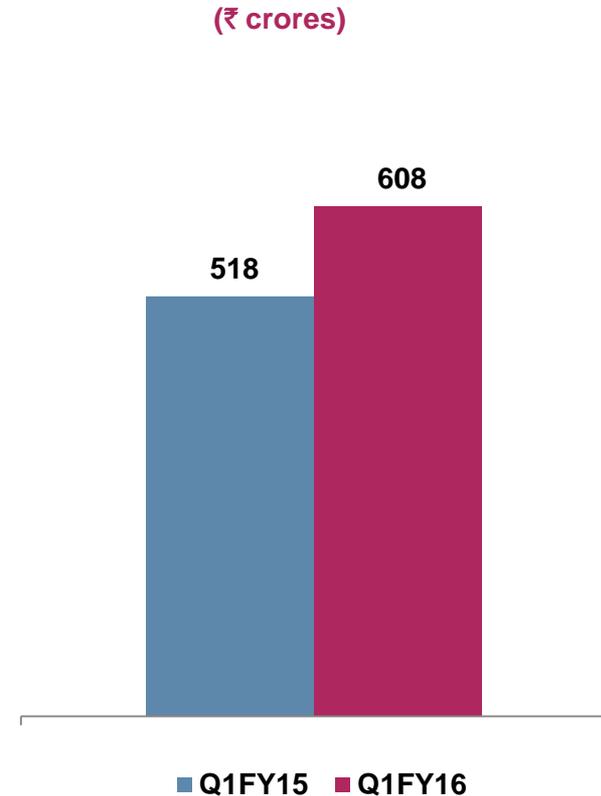
**Portfolio Size: ₹1,15,204 crores**

**↑ 26% YOY**

# Growth in Retail Fees

## Key Highlights

- Focus on cross-selling to existing customers 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

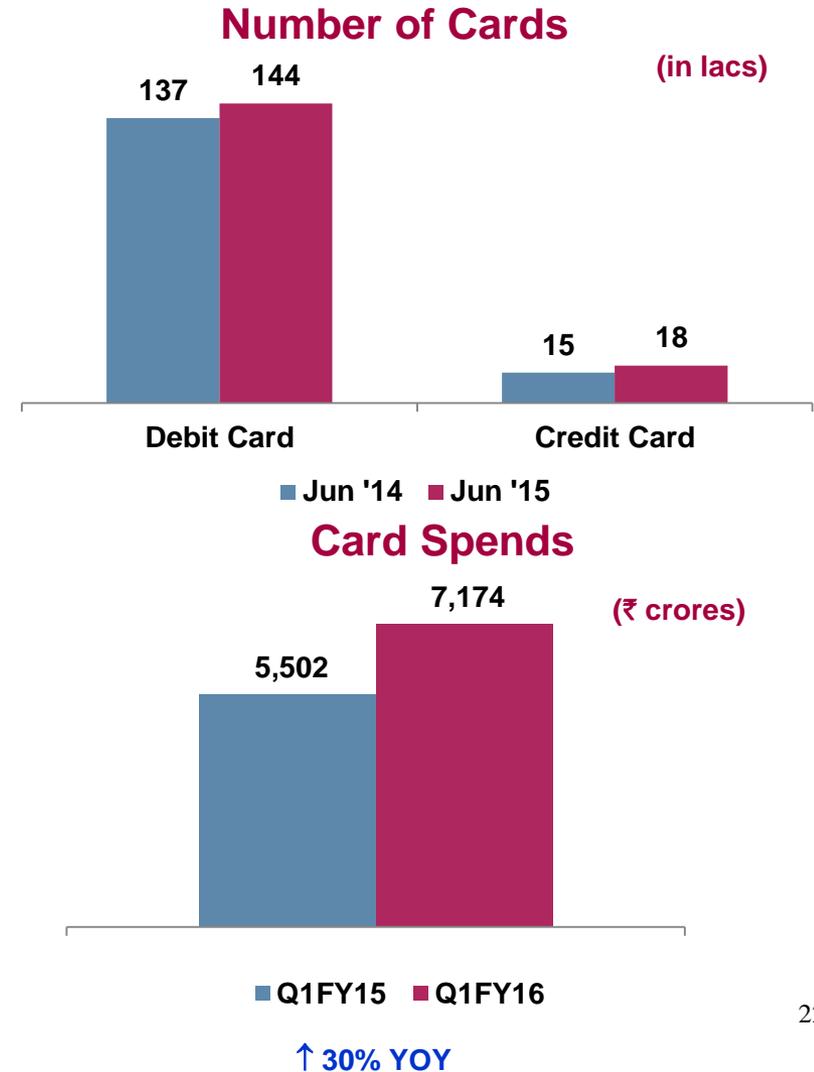


↑ 17% YOY

# Retail Payments Franchise

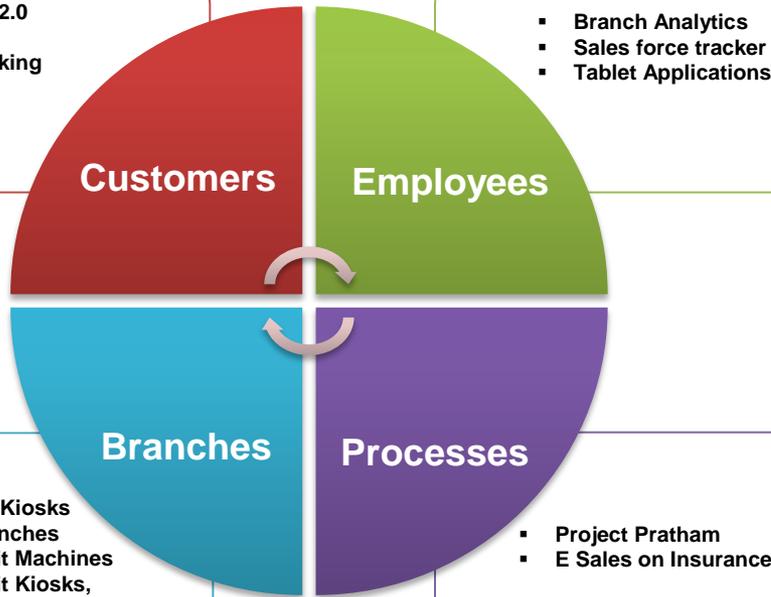
## Key Highlights

- One of the largest issuers of debit cards
- Over 18 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

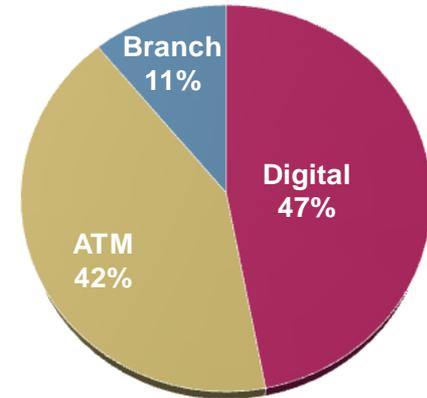


# Digital Banking

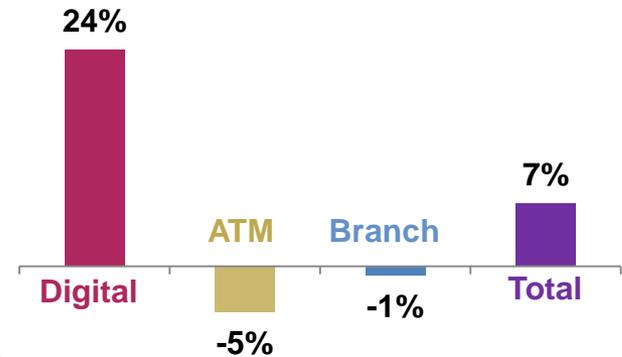
## Digital Ecosystem



## Channel Mix



## YOY growth



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

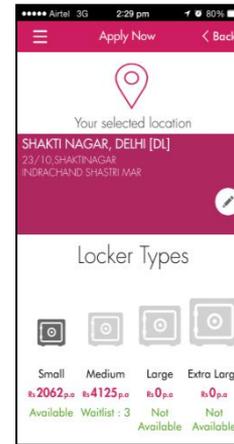
# Mobile Banking Solutions

## Axis Mobile App

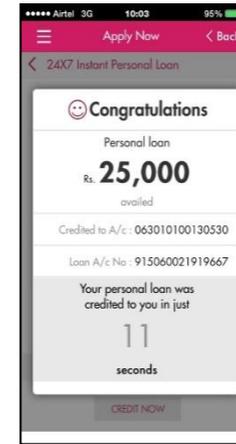


- Multiple registration options
- Add beneficiaries & transfer funds instantly
- Highly secure – SIM, Device lock
- Personalisation options
- Instant conversion to EMI
- Instant redemption of Rewards
- Unique control options – debit / credit cards

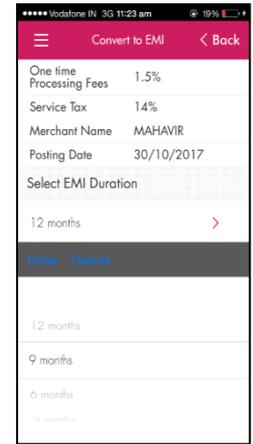
Our Mobile App is smarter with 60+ features



Locker on Mobile



Instant Personal Loan



Conversion to EMI



**2.1 Mn**  
users



**₹6,296 Cr**  
overall spends  
as on June 30, 2015



**245%**  
growth in spends  
YOY growth as on June 30, 2015

## Ping Pay – India's first multi-social payment app



Send and Ask  
money instantly



Integrate with  
Social connects



Attach video,  
audio & images



Register from  
your mobile



Beneficiary  
details not  
needed

# Corporate Banking Franchise

Presence across the Value Chain



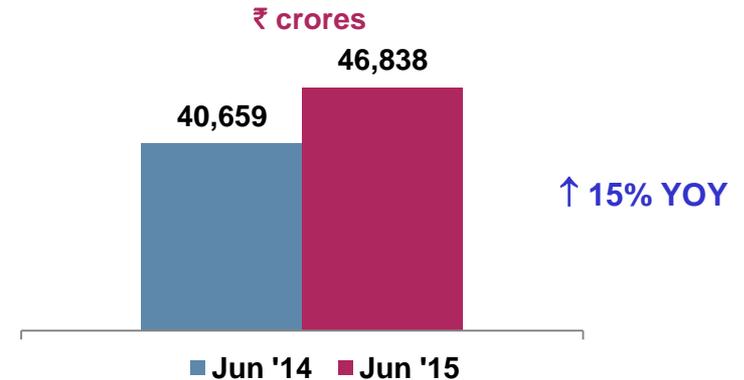
- Strong franchise spread across liability and asset businesses
- Adopted value generating Originate and Distribute Model
- Dominant player in placement and syndication of debt / loans
- Focus on building out a high quality portfolio of credit assets
- Rigorous and regular risk assessment of accounts

# 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 (₹ crore)

FY12	39,754
FY13	48,322
FY14	48,686
FY15	56,108
<b>CAGR</b>	<b>12%</b>

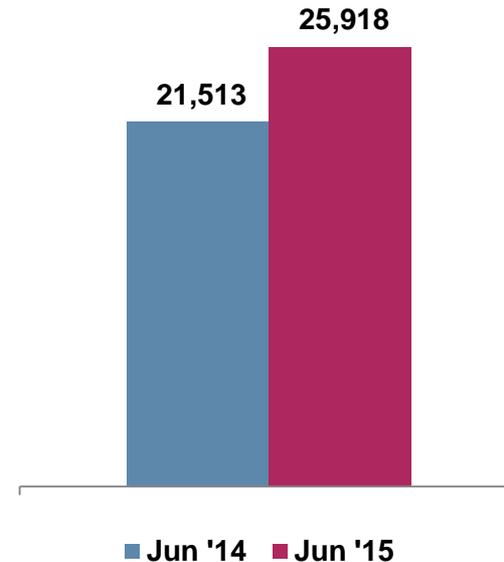
# Transaction Banking

## 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 17 & 10 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



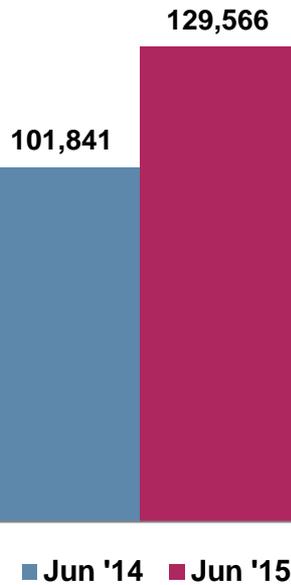
**CMS Accounts**

↑ 20% YOY

# Corporate Banking

## Advances

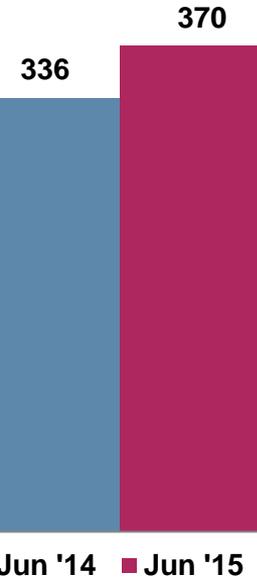
(₹ crores)



↑ 27% YOY

## Fees

(₹ crores)



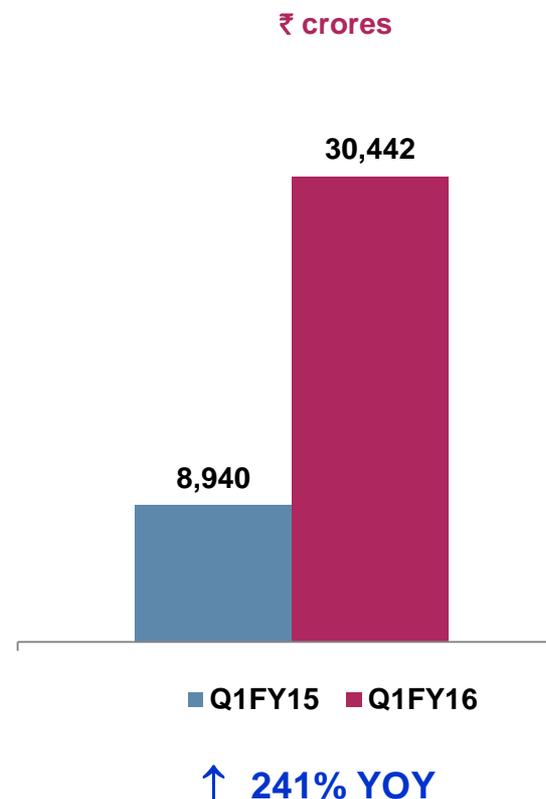
↑ 10% YOY

# Debt Capital Markets

## Key Highlights

- Dominant player in placement and syndication of debt issuances
- Ranked No. 1 debt arranger by Prime Database for year ended March 2015
- Ranked No. 1 underwriter for ₹ Denominated Bonds by Bloomberg for year ended March 2015 and 6 months ended June 2015.
- Awarded 'Best DCM House' 2015 by Finance Asia
- Awarded 'Best Debt House in India' by Euromoney & Asiamoney for 2015

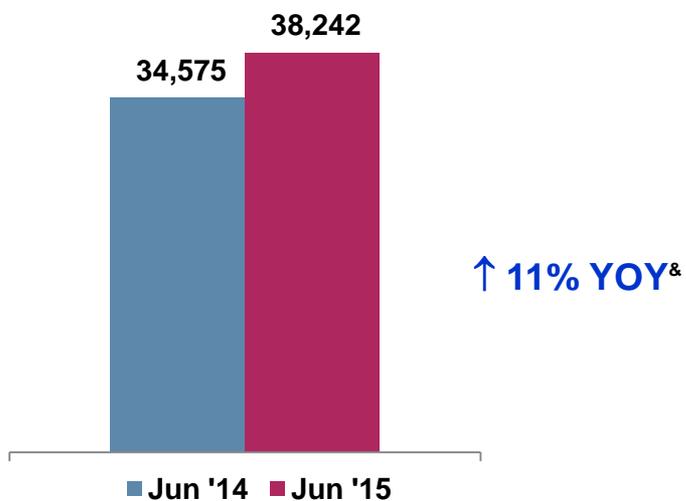
## Placement & Syndication of Debt Issues



# SME Banking

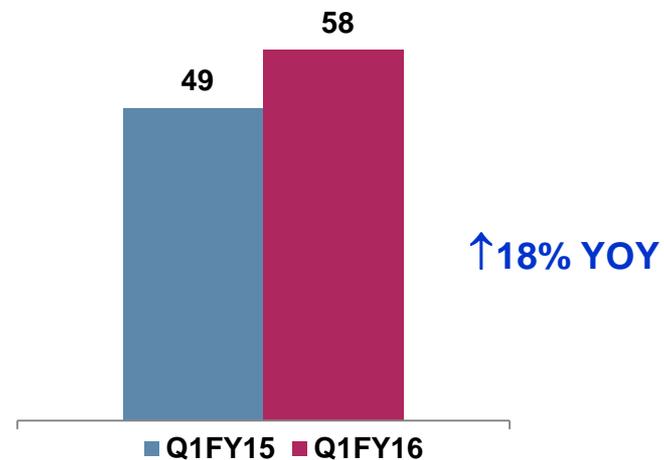
## Advances

(₹ crores)



## Fees

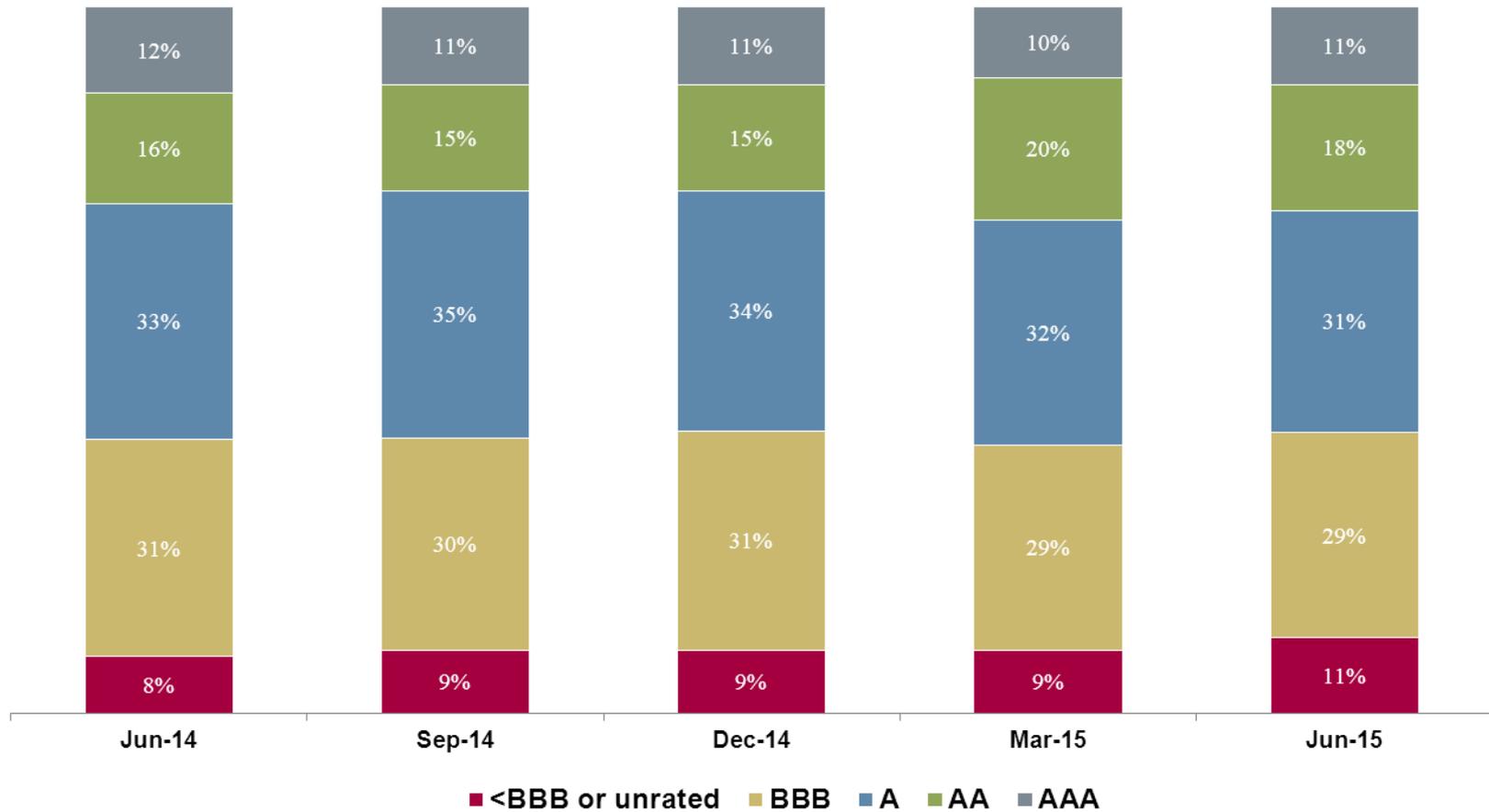
(₹ crores)



<sup>&</sup>SME loans (including non-retail agriculture loans) grew 6% YOY

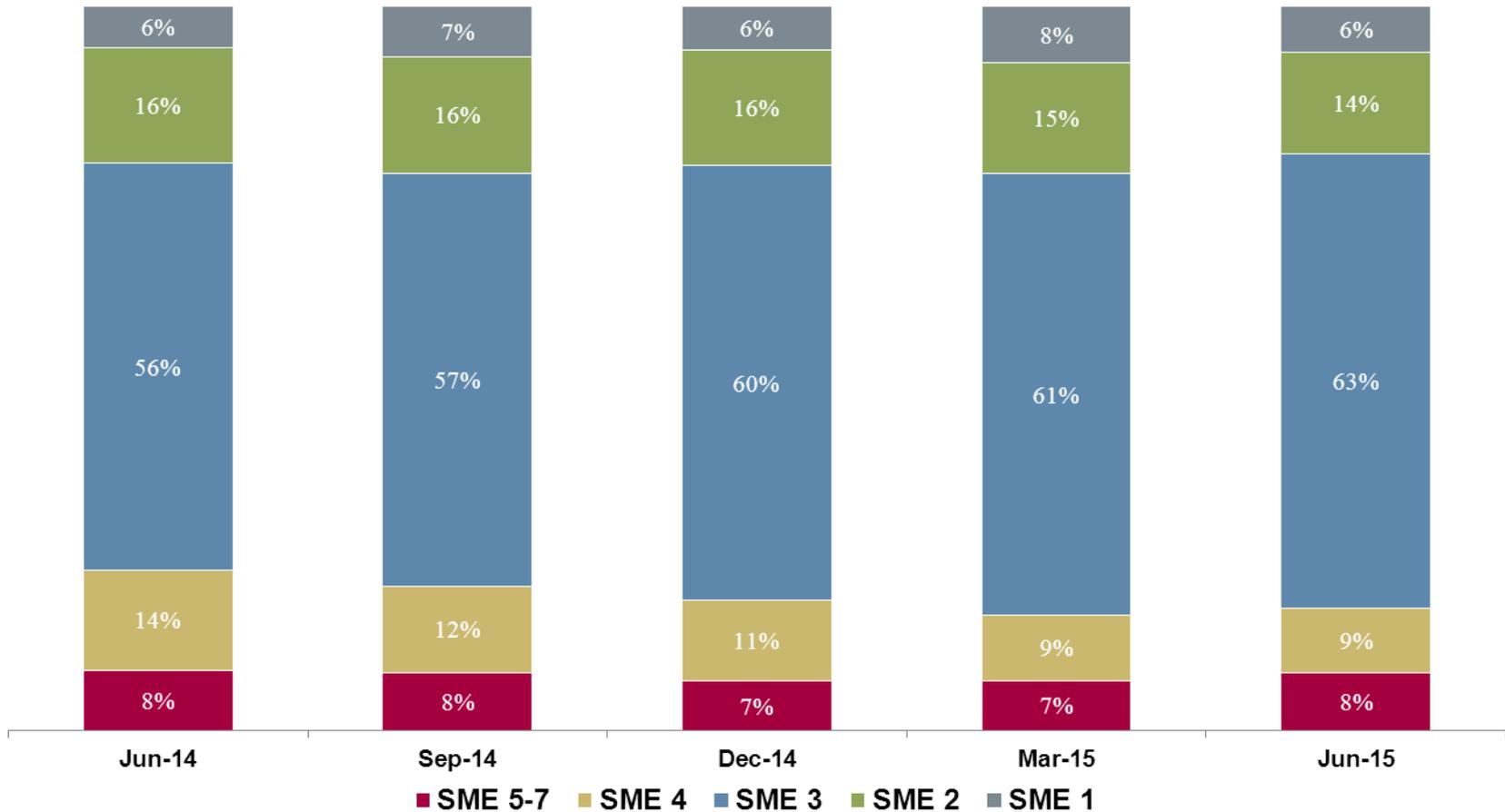
# Rating Distribution: Corporate Banking

60% of corporate advances have rating of at least 'A' in June 2015



# Rating Distribution: SME

83% of SME advances have rating of at least 'SME3' in June 2015



# Industry-wise Distribution (Top 10)

Rank	Sectors	Outstanding as on June 30, 2015 (%) <sup>1</sup>		
		Fund-based	Non-fund based	Total
1.	Infrastructure <sup>2</sup>	6.83	10.41	7.74
2.	Power Generation & Distribution	6.66	7.30	6.83
3.	Engineering & Electronics	3.26	16.39	6.61
4.	Metal & Metal Products	5.89	6.15	5.96
5.	Financial Companies <sup>3</sup>	4.44	9.75	5.80
6.	Trade	3.09	4.71	3.50
7.	Food Processing	3.09	2.47	2.93
8.	Real Estate	3.25	1.93	2.92
9.	Petroleum & Petroleum Products	0.59	7.27	2.29
10.	Telecommunication Services	1.00	4.99	2.02

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

<sup>2</sup> Financing of projects (roads, ports, airports etc)

<sup>3</sup> 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 7.73 billion**

*Thank You*