

AXIS BANK

FY2015-16
Third Quarter Results

Earnings Presentation

Safe Harbor

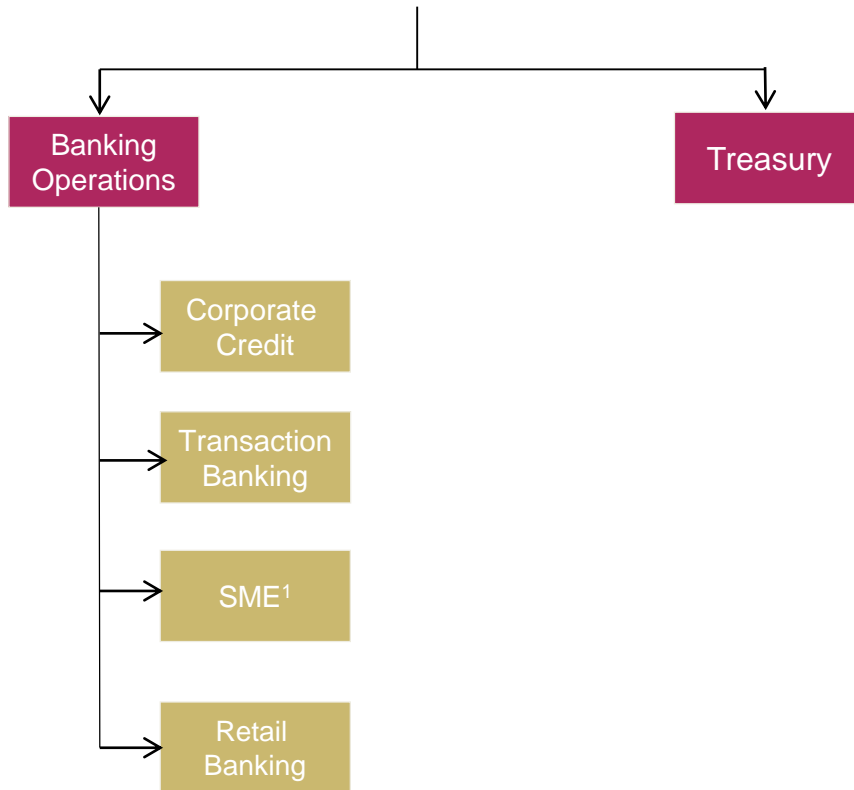
Except for the historical information contained herein, statements in this release which contain words or phrases such as “will”, “aim”, “will likely result”, “would”, “believe”, “may”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”,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



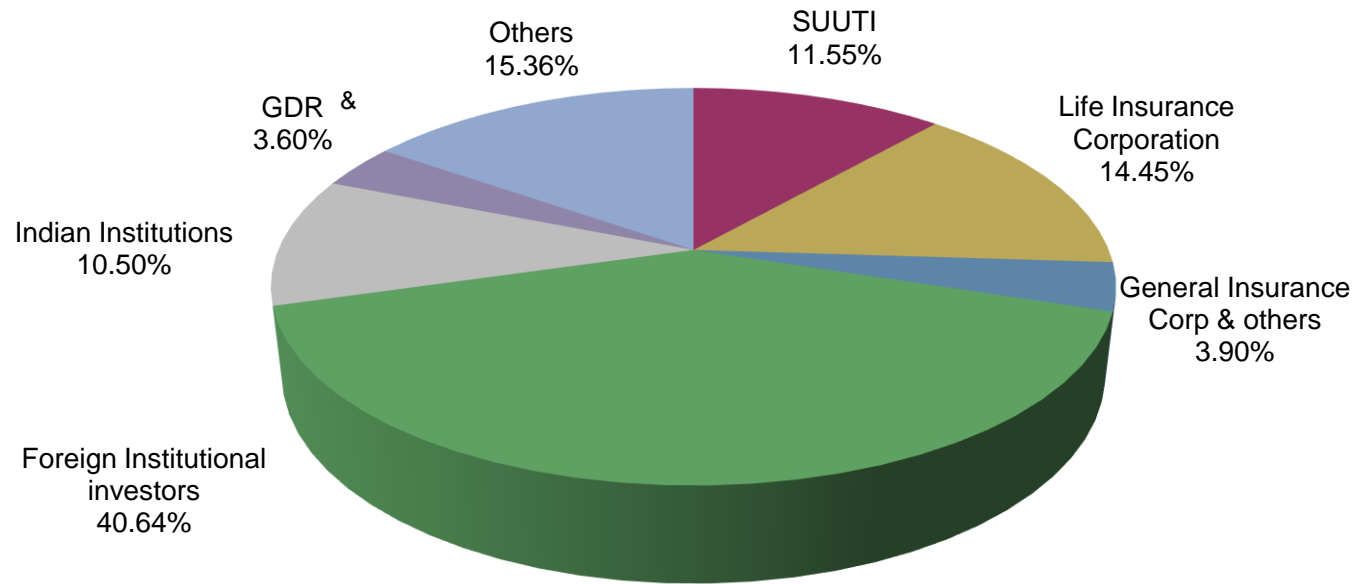
¹ Small and Medium Enterprises
² Includes profits for nine months
³ Include extension counters
⁴ Includes overseas subsidiary in UK

Snapshot (As on December 31, 2015)

Total Assets	₹4,96,391 crores
Net Advances	₹3,15,367 crores
Total Deposits	₹3,38,343 crores
Net Profit (Q3FY16)	₹2,175 crores
Net Profit (9MFY16)	₹6,069 crores
Shareholders' Funds	₹51,047 crores
Diluted EPS (annualised)	₹33.76
ROA (9MFY16)	1.74%
ROE (9MFY16)	17.60%
Net NPA Ratio	0.75%
Basel III Tier I CAR ²	12.35%
Basel III Total CAR ²	15.47%
Saving Bank Accounts (No.)	166 lac
Branches ³	2,805
International Presence ⁴	9
ATMs	12,631



Shareholding Pattern (As on December 31, 2015)

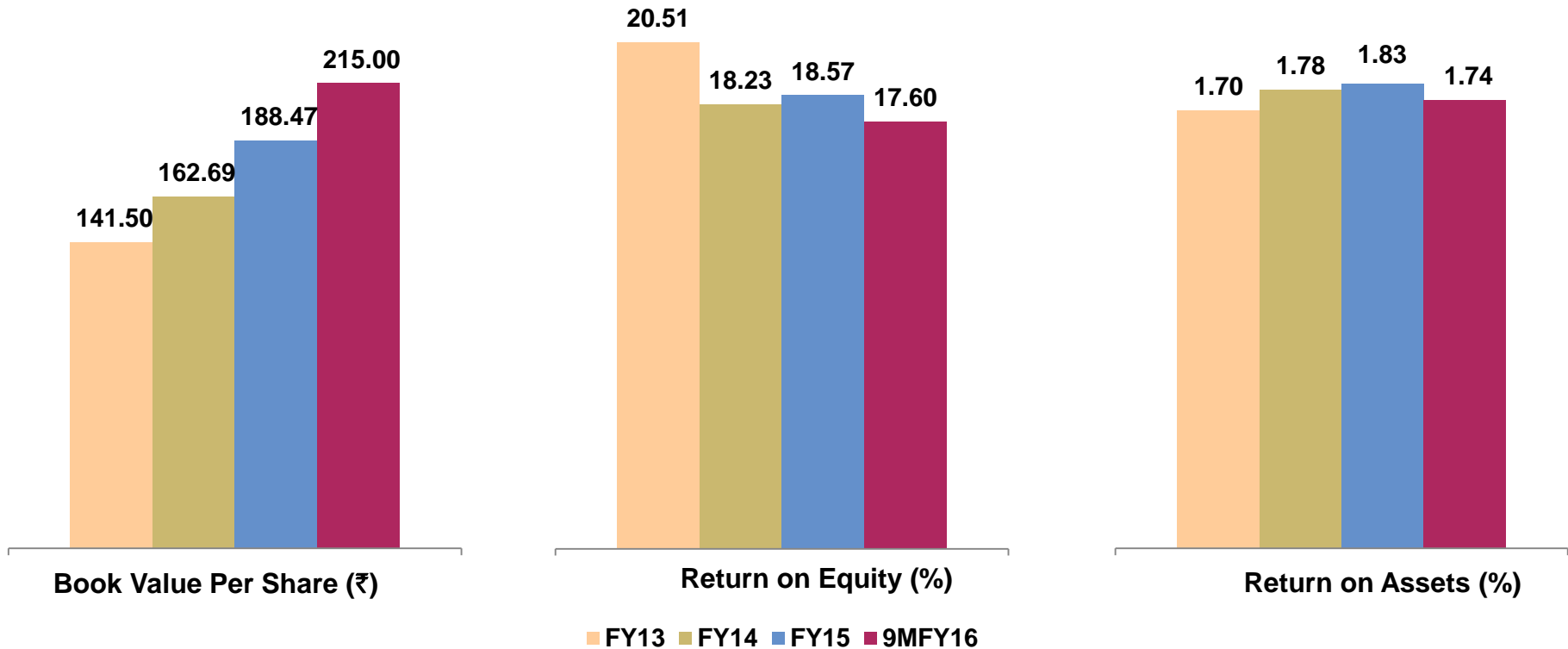


- Share Capital ₹476 crores
- Shareholders' Funds ₹51,047 crores
- Book Value Per Share ₹215
- Diluted EPS (annualised) ₹33.76
- Market Capitalisation ₹93,512 crores (as on January 19, 2016)

As on December 31, 2015, against GDR[&] issuance of 62.7 mn, outstanding GDRs stood at 17.1 mn

[&]1 GDR = 5 shares

High Shareholder Returns



A strong franchise demonstrating consistent value creation over time

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Performance Highlights

	<u>Q3FY16</u>	<u>9MFY16</u>
Net Profit	↑ 15% YOY	↑ 17% YOY
Net Interest Income	↑ 16% YOY	↑ 18% YOY
Fee Income	↑ 12% YOY	↑ 13% YOY
Core Operating Revenue	↑ 15% YOY	↑ 17% YOY
Core Operating Profit	↑ 20% YOY	↑ 24% YOY
CASA ¹	↑ 17% YOY	
CASA (Daily Average)	↑ 15% YOY	
Total Deposits ¹	↑ 16% YOY	
Total Advances ¹	↑ 21% YOY	

¹ As on 31st December 2015

Key Financial Highlights

Retail Franchise registered strong performance

- CASA Deposits for Q3FY16 grew 17% YOY and constitutes 43% of Total Deposits; Savings Bank Deposits for Q3FY16 grew well at 16% YOY
- Retail Advances growth remains strong at 27% YOY and accounts for 40% of Net Advances
- Retail Fee Income in Q3FY16 grew 14% YOY and constitutes 40% of Total Fee Income

Stable Earnings Profile

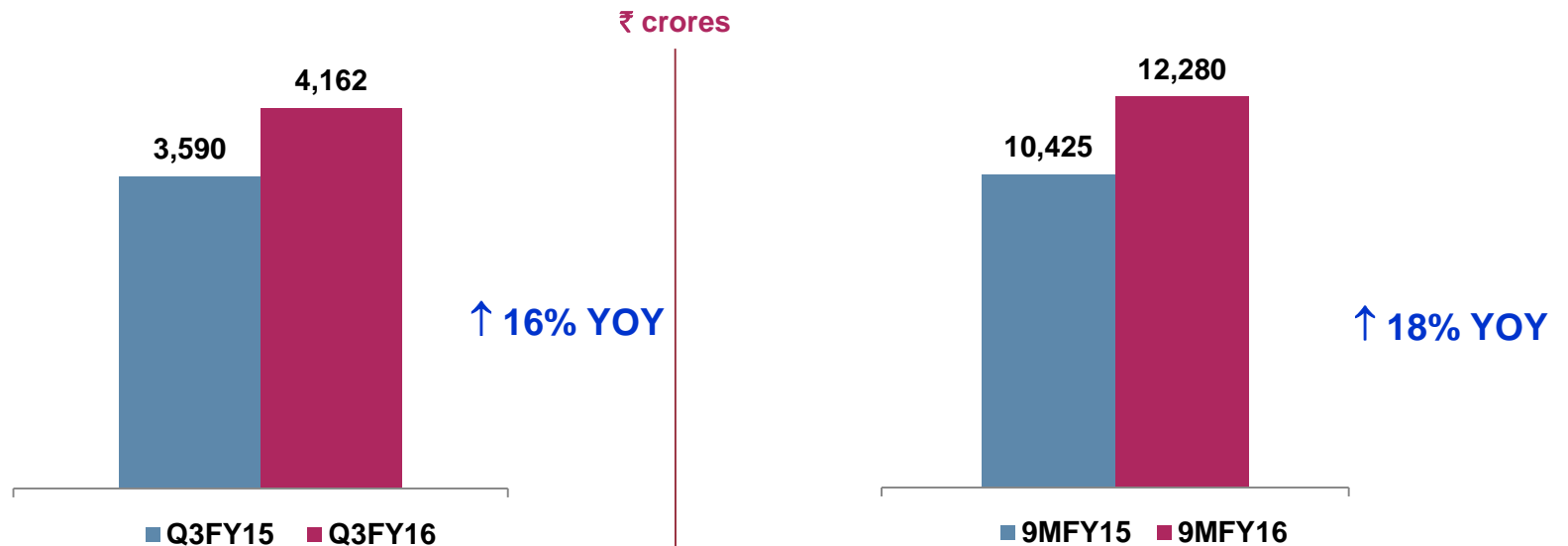
- Core Operating Revenue in Q3FY16 grew 15% YOY and stood at ₹6,086 crores
- Core Operating Profit in Q3FY16 rose to ₹3,571 crores, registered growth of 20% YOY
- Return on Assets & Return on Equity for Q3FY16 stood at 1.79% and 18.07% respectively

Well positioned for future growth with Tier I CAR[&] of 12.35% & Total CAR[&] of 15.47% under Basel III

Overall, a well capitalised Bank achieving consistently superior returns

[&] Includes profits for the nine months

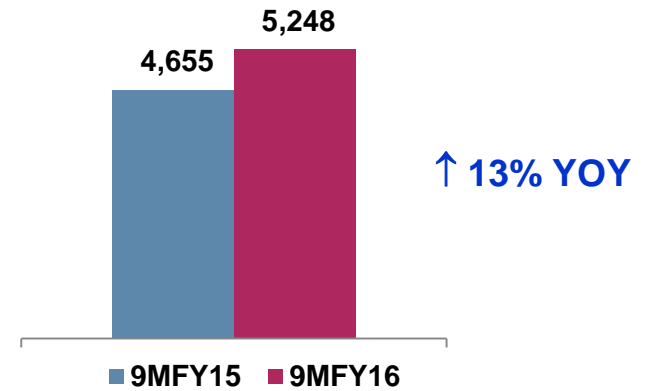
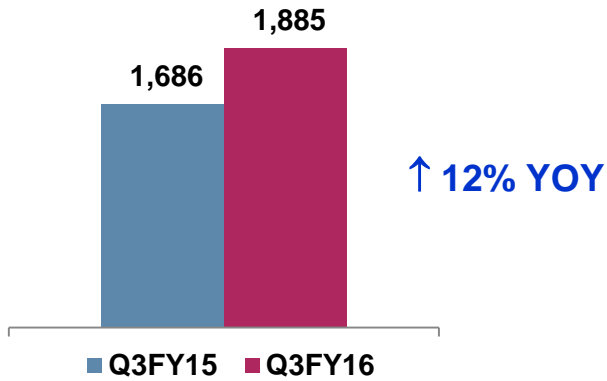
Growing Net Interest Income



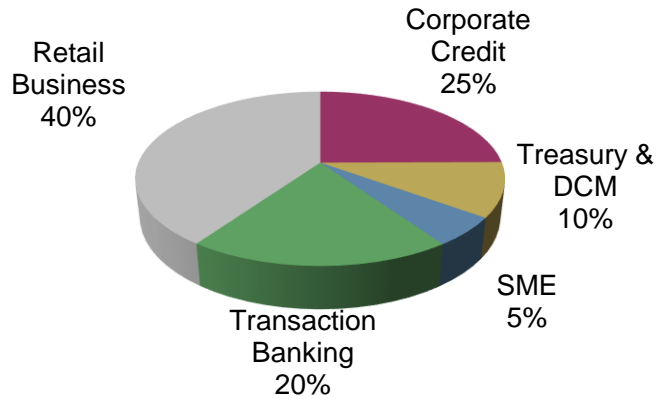
Trend in NIIs	(₹ crores)
FY12	8,018
FY13	9,666
FY14	11,952
FY15	14,224
CAGR	21%

Diversified Fee Income Profile

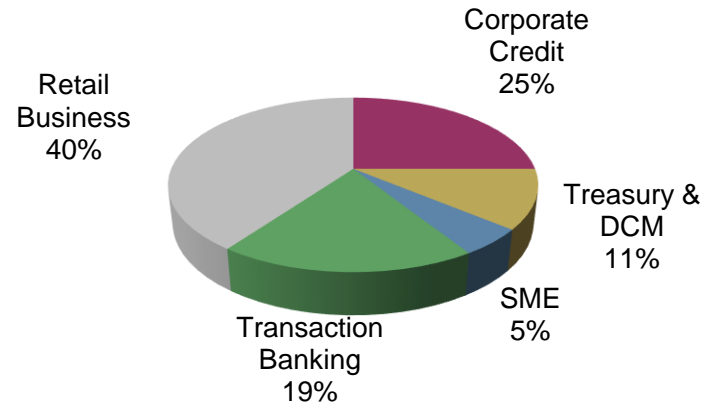
₹ crores



Q3FY16

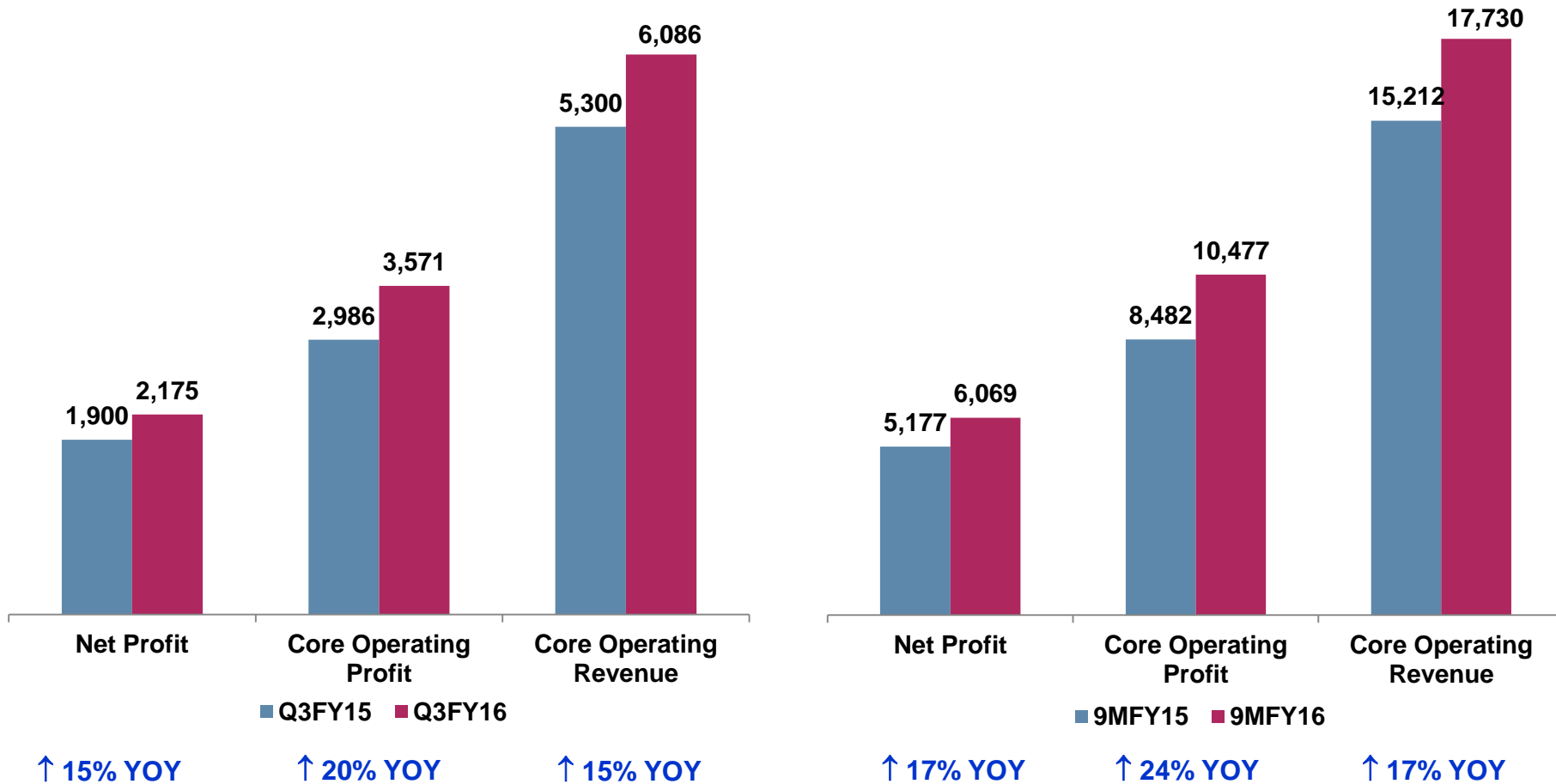


9MFY16



Sustained Profitability Growth: Robust Operating Revenue

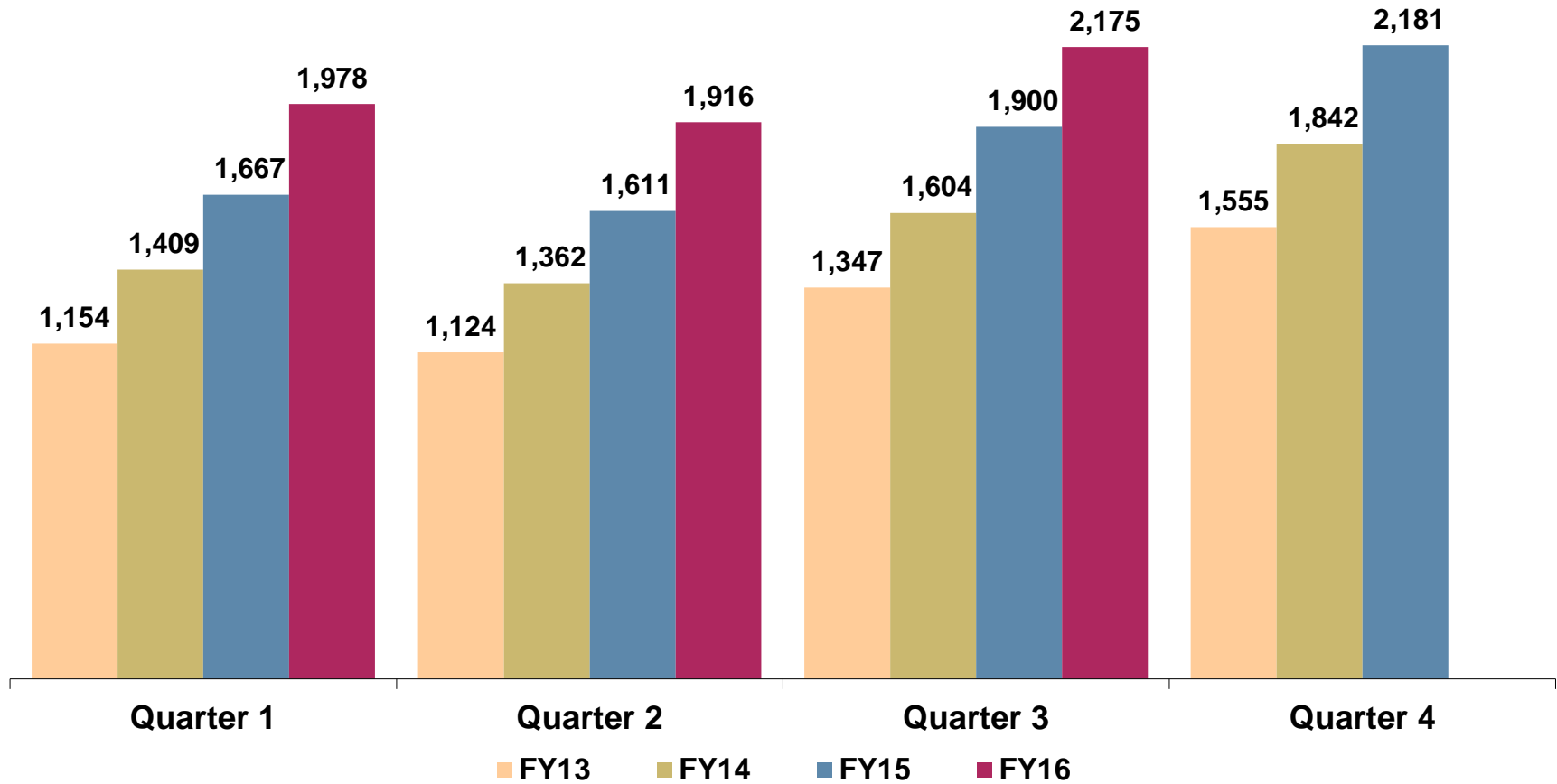
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Consistent Net Profit Growth

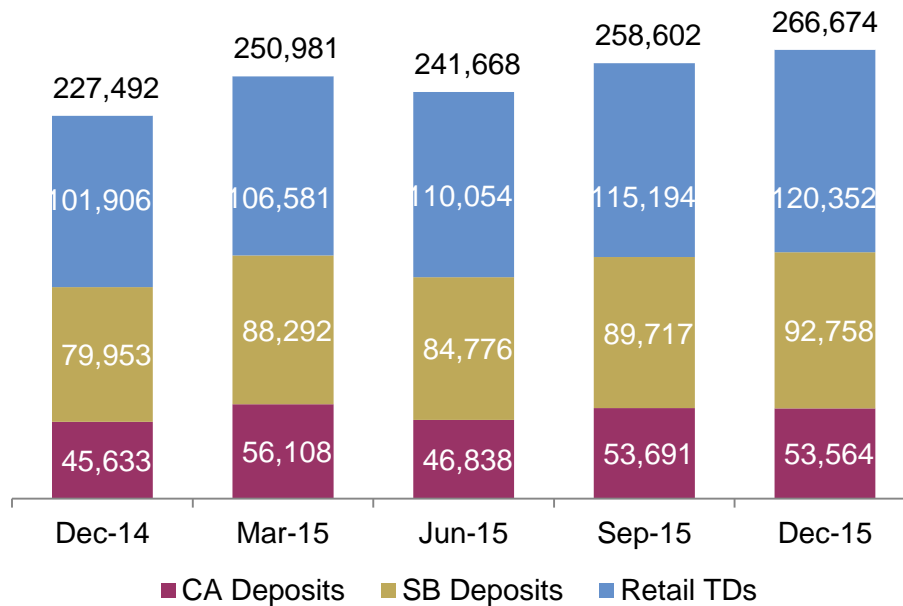
Quarterly Net Profits

₹ crores



Stable CASA Growth Underpins Low-Cost Deposit Franchise

CASA and Retail Term Deposits
(₹ crores)

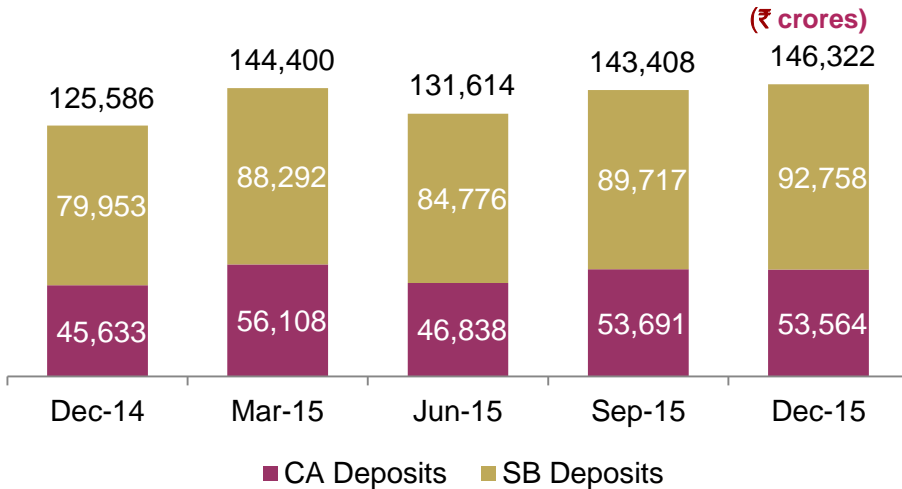


As on December 31, 2015	Growth (%)	
	End Day	Daily Average for the nine months
Savings Bank	16	13
CASA	17	14

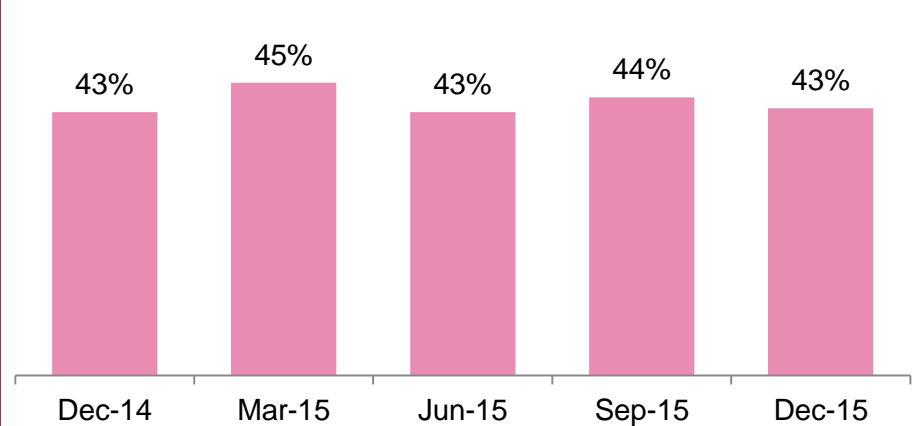
- Share of Retail Term Deposits to Total Term Deposits stood at 63%
- CASA + Retail Term Deposits constitutes 79% of Total Deposits

Strong CASA Franchise Supports Margin Stability

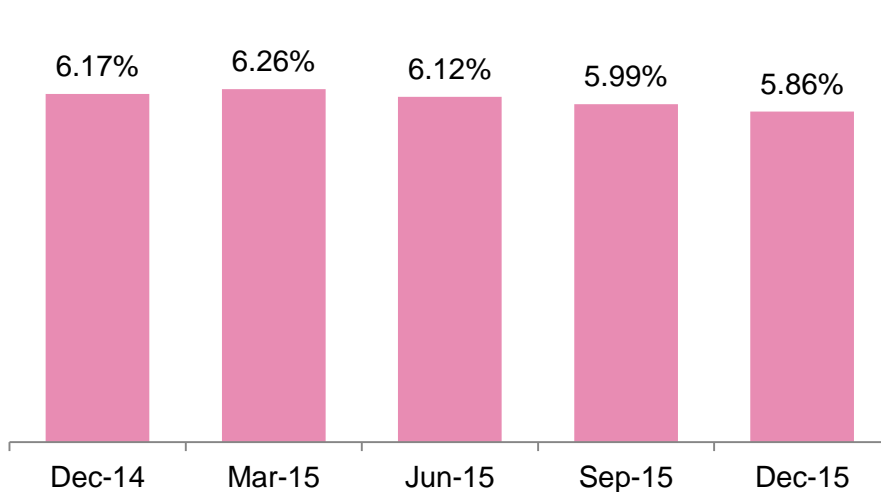
CASA Deposits



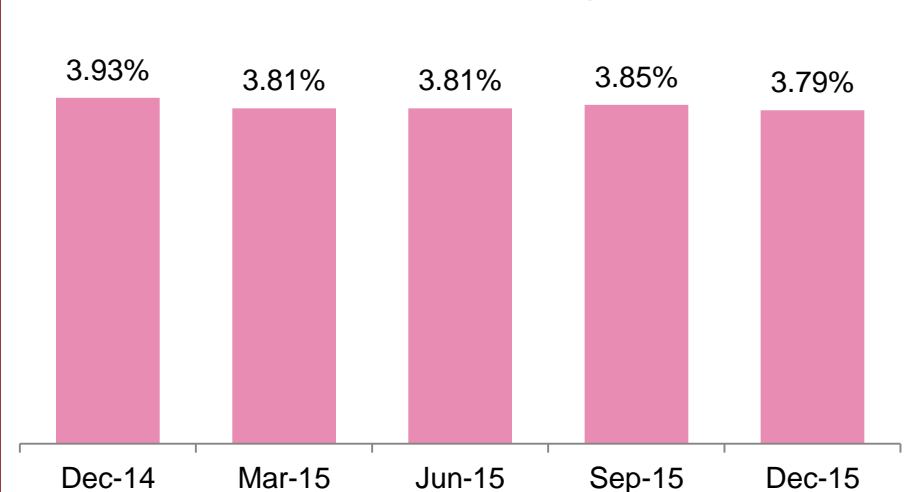
CASA Ratio



Cost of Funds

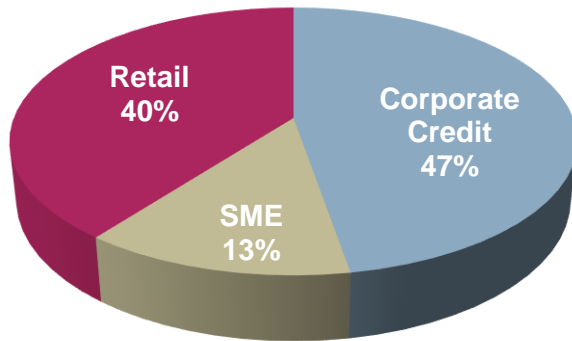


Net Interest Margin

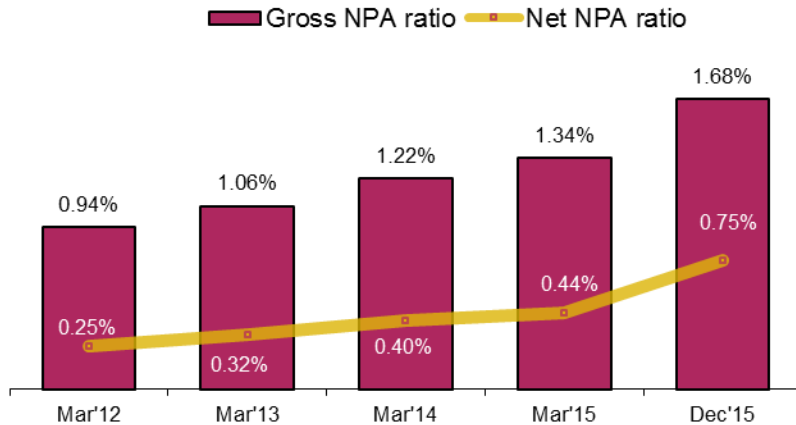


Asset Quality

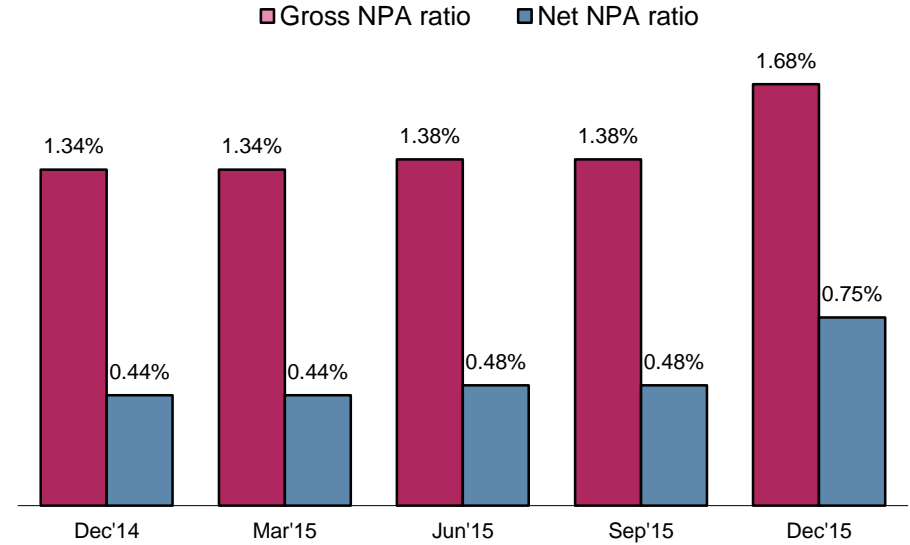
Loan Mix
(As on December 31, 2015)



NPA trend

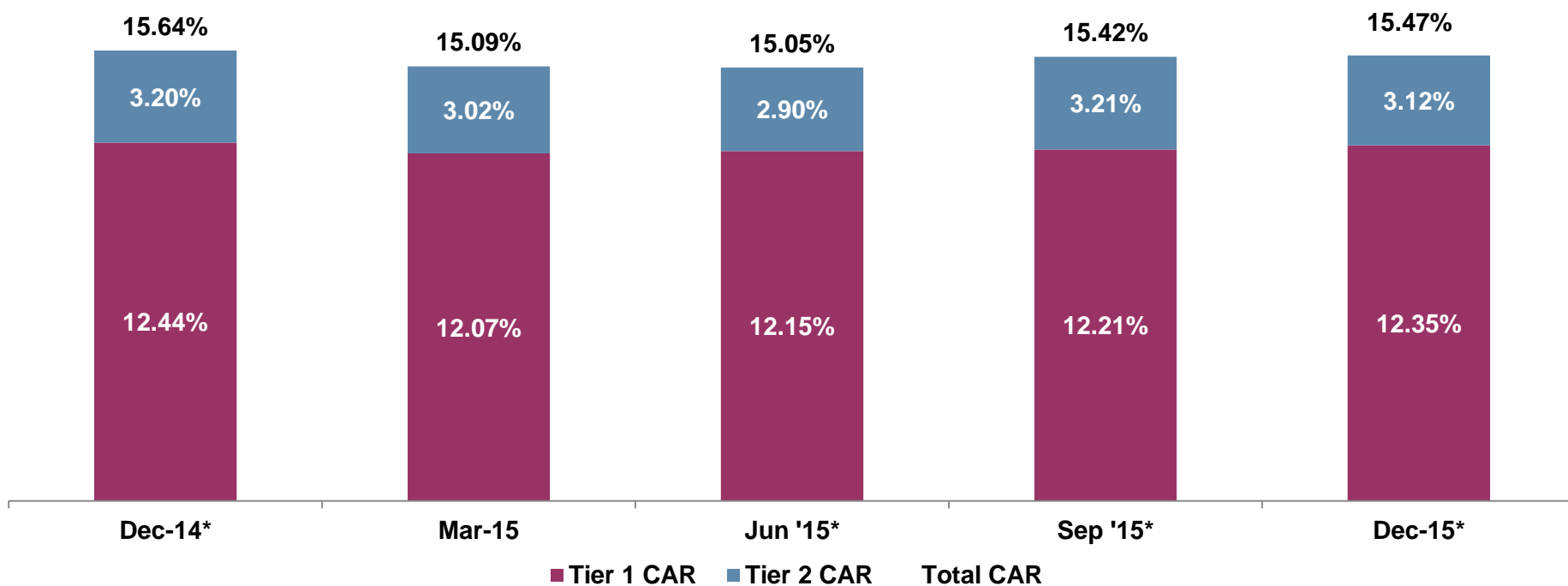


Asset Quality Ratios



- Provision coverage of 72% as on 31st December 2015 including prudential write-offs (82% before accumulated write-offs)
- Net Cumulative restructured advances were ₹7,745 crores (2.31% of net customer assets) as on 31st December 2015

Capital Adequacy: Well Positioned for Growth



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

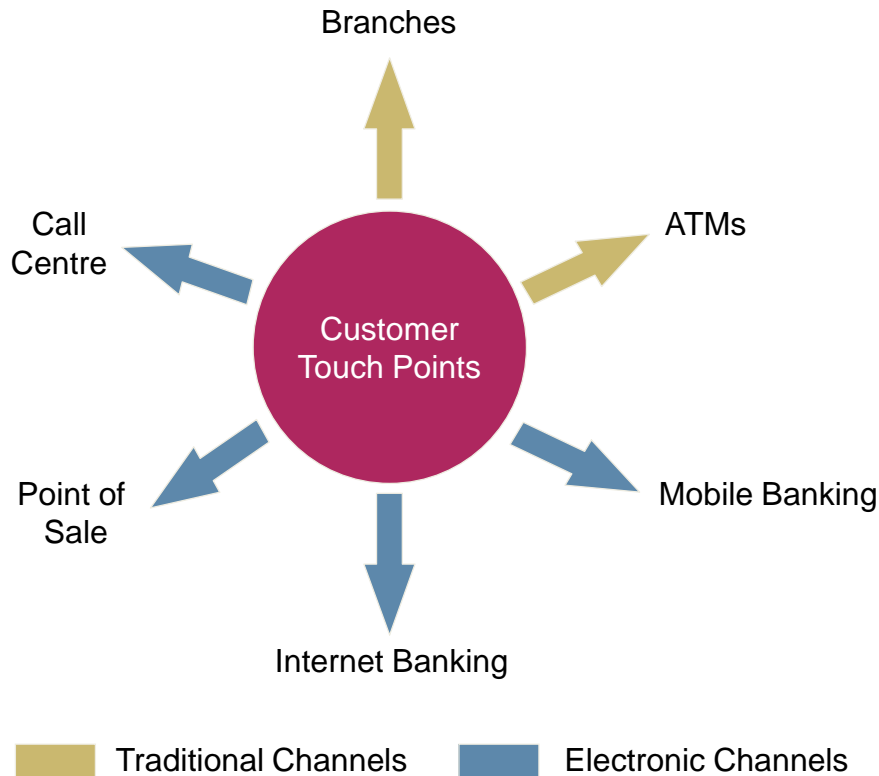
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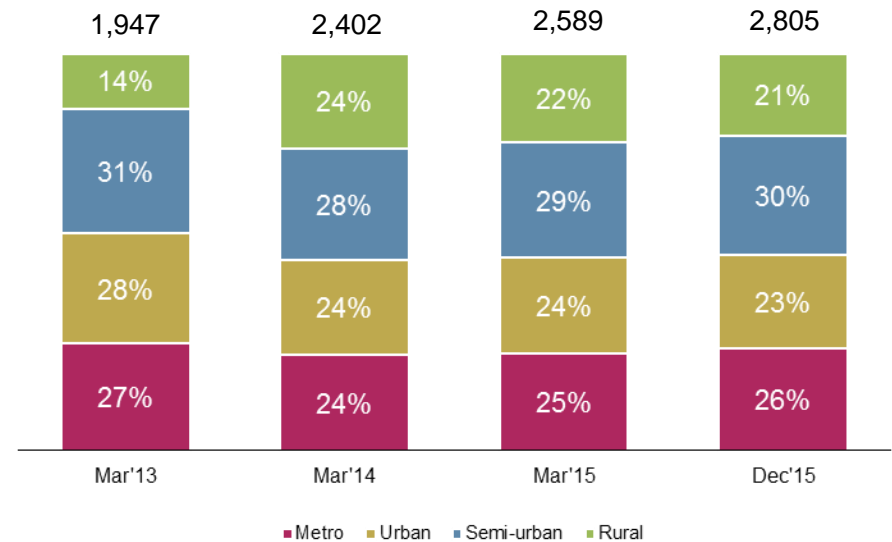
Well distributed, countrywide network of Branches & ATMs

- 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

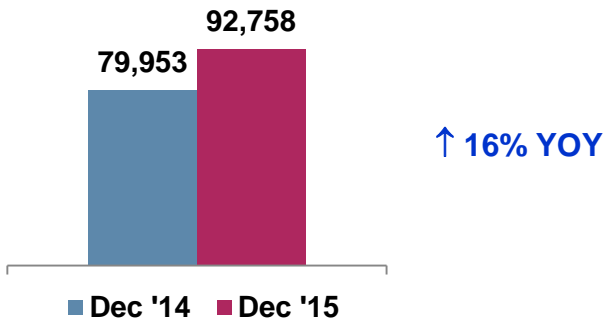


	Mar'13	Mar'14	Mar'15	Dec'15
ATMs	11,245	12,922	12,355	12,631
Centres Covered	1,263	1,636	1,714	1,796
Employees	37,901	42,420	42,230	47,876

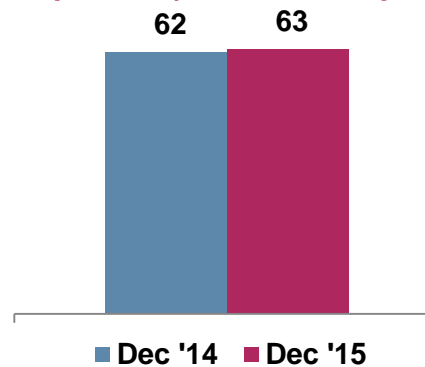
¹ Including extension counters

Retail Liabilities Exhibit Consistent Growth

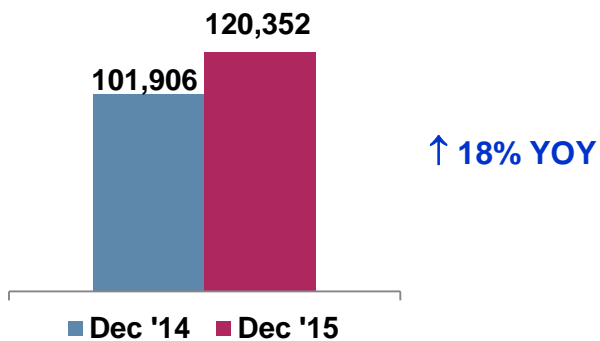
Savings Bank Deposits
(₹ crores)



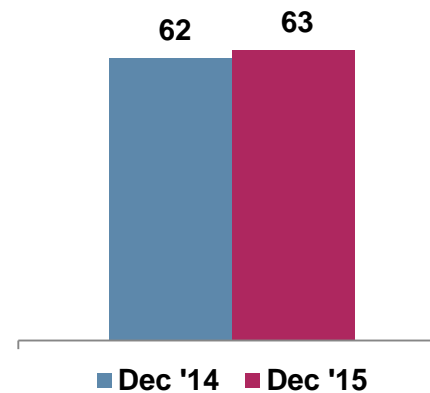
Retail Deposits* (% of Total Deposits)



Retail Term Deposits (RTD)
(₹ crores)



RTD as % of Term Deposits



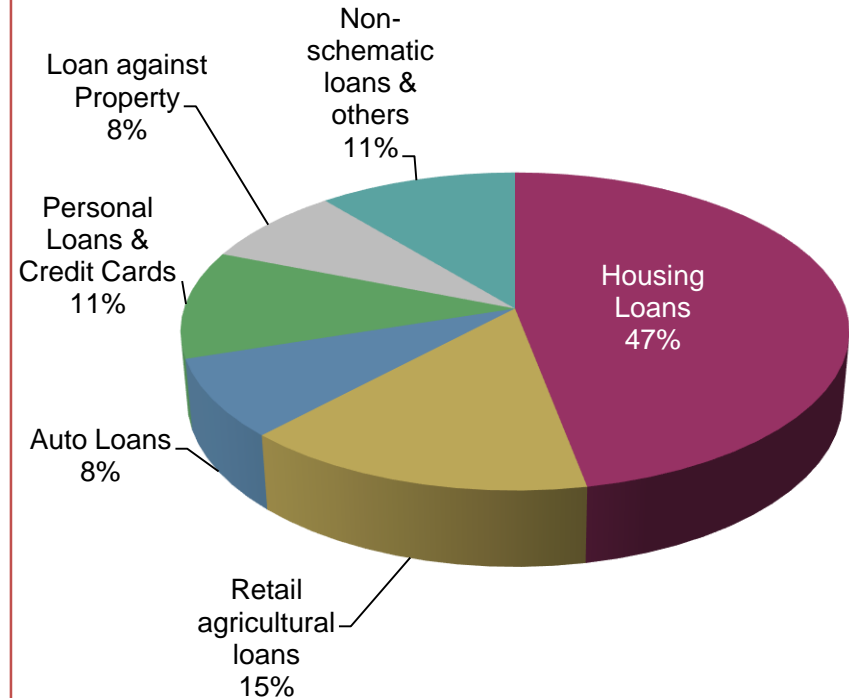
* Retail Deposits include Savings Bank and Retail Term Deposits

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 December 2015
- Secured Loans make up 86% of Retail Loans
- Housing Loans account for 47% of Retail Loans

Composition of Retail Advances



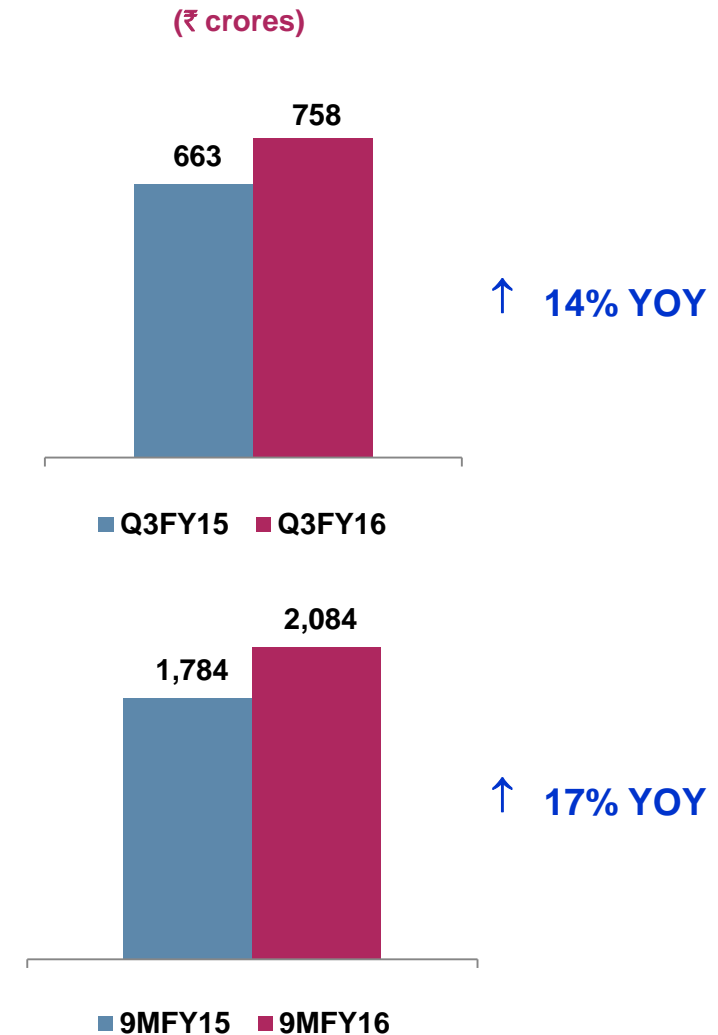
Portfolio Size: ₹1,25,796 crores

↑ 27% YOY

Growth in Retail Fees

Key Highlights

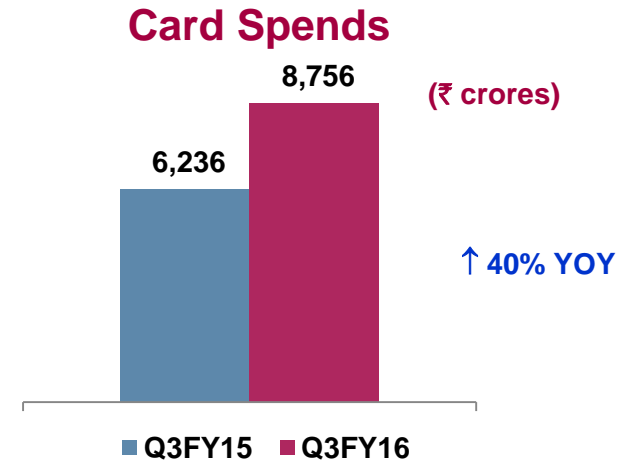
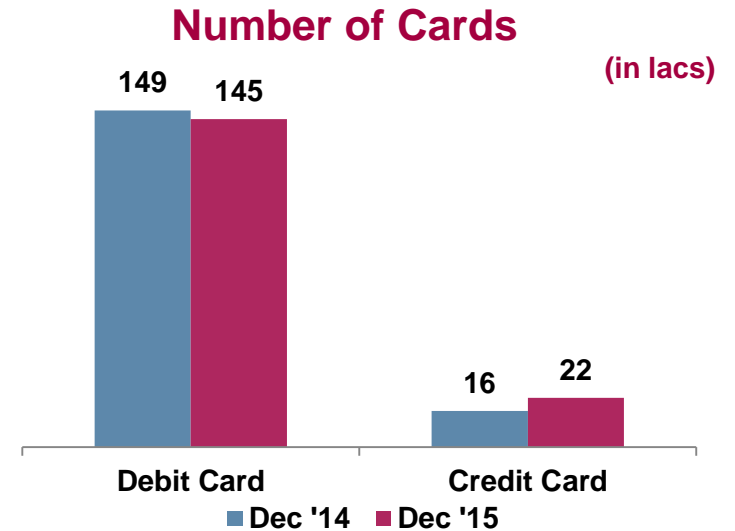
- Focus on cross-selling to existing customers is the key driver for growth
- Third-party products sold include mutual funds, insurance, on-line broking, portfolio management services (non-discretionary) and gold coins
- Healthy retail asset growth provides momentum to asset linked fees



Retail Payments Franchise

Key Highlights

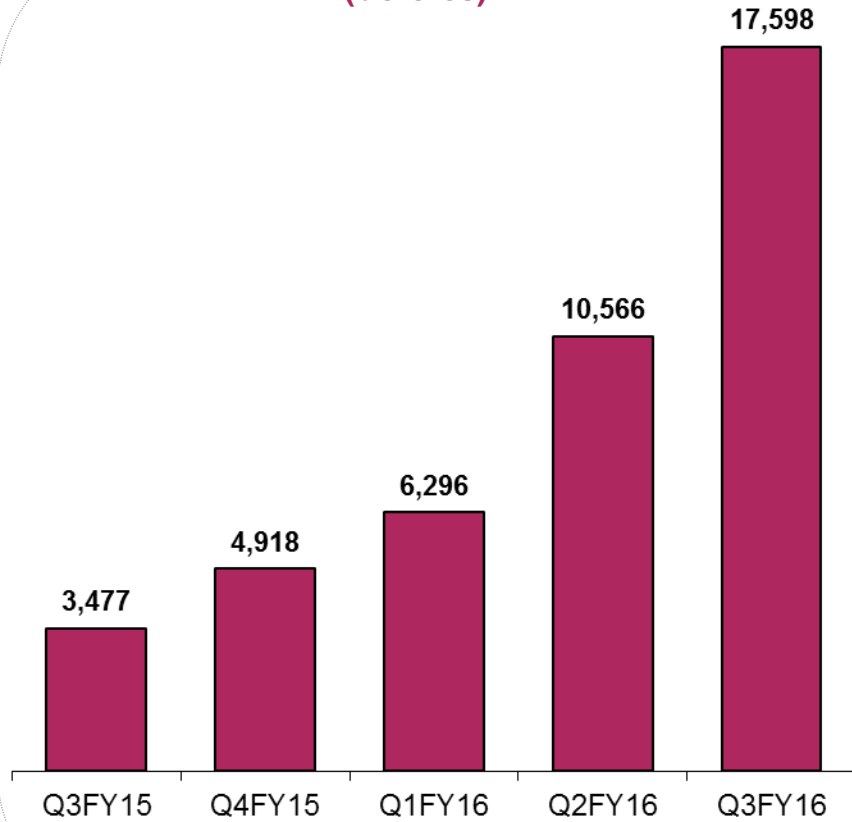
- One of the largest issuers of debit cards
- Fifth largest credit card issuer with around 22 lac credit cards in circulation
- Credit card acquisition focused on large retail depositor base
- Multi Currency Forex Cards in 15 currencies – USD, Euro, GBP, AUD, CAD, SGD, SEK, CHF, JPY, AED, SAR, THB, NZD, HKD & ZAR; INR (for foreign nationals and NRIs)
- Prominent player in merchant acquiring business



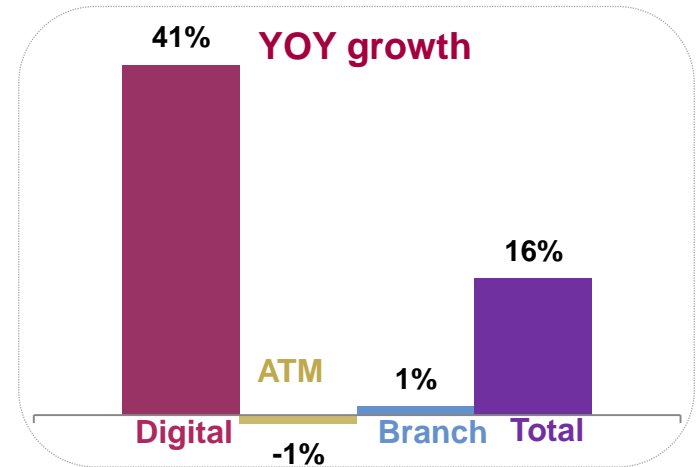
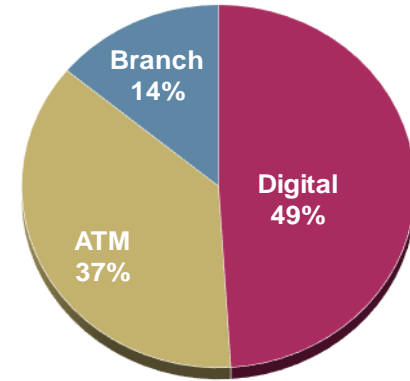
Digital Banking

Mobile Banking Spends

(₹ crores)



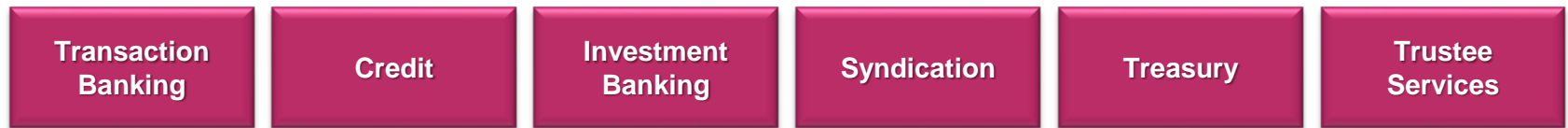
Channel Mix – Q3FY16



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

Corporate Banking Franchise

Presence across the Value Chain



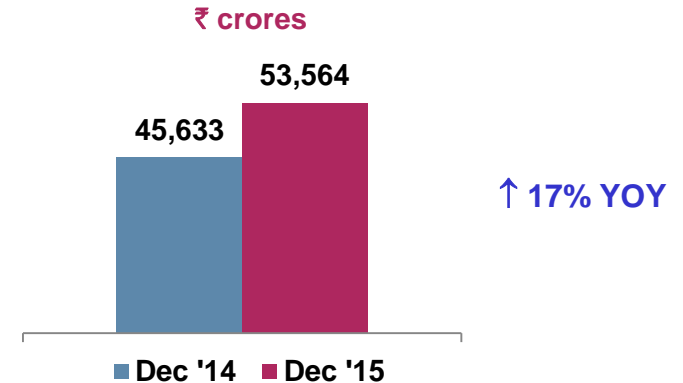
- Strong franchise spread across liability and asset businesses
- Adopted value generating Originate and Distribute Model
- Dominant player in placement and syndication of debt / loans
- Focus on building out a high quality portfolio of credit assets
- Rigorous and regular risk assessment of accounts

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%

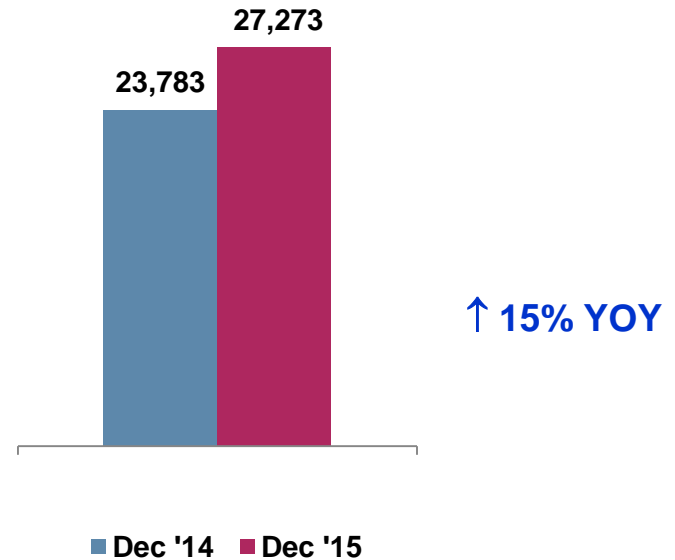
Transaction Banking

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 State Governments
- Collections and payments for Central Govt ministries - Railways, MOF, Urban Development and Housing & Urban Poverty Alleviation
- Empanelled for online disbursement of funds for Swachh Bharat (Urban) Mission by Central Govt. & Swachh Bharat (Rural) Mission by State of Orissa
- Part of E-Procurement projects for 3 states and 4 Large Public Sector Companies
- Leverage 50 authorised branches as Hubs and source PPF accounts from all branches
- PFRDA Trustee Bank & Collection Bankers for NPS subscriptions through all Branches

Cash Management Business

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

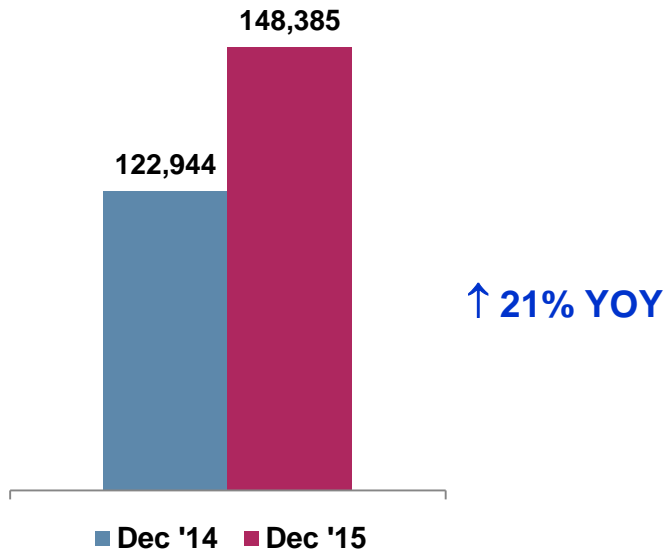


CMS Accounts

Corporate Banking

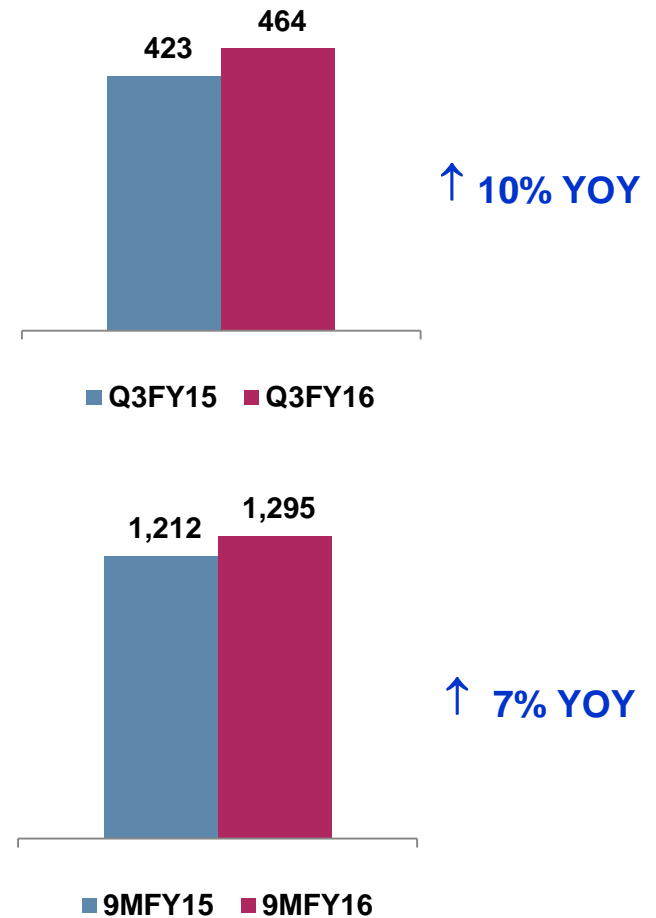
Advances

(₹ crores)



Fees

(₹ crores)

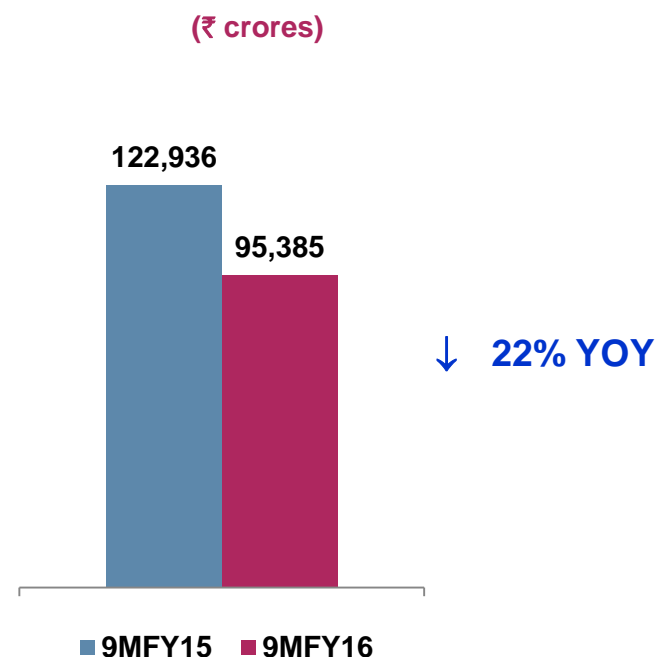


Debt Capital Markets

Key Highlights

- Dominant player in placement and syndication of debt issuances
- Ranked No. 1 debt arranger by Prime Database for quarter ended September 2015
- Ranked No. 1 underwriter for ₹ Denominated Bonds by Bloomberg for calendar year ended December 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



Treasury

Investment Book as on 31st December 2015 stood at ₹1,15,445 crore

Investment Bifurcation	Book Value# (₹ crore)
Government Securities ¹	83,711
Corporate Bonds ²	23,997
Others	7,737
Total Investments	1,15,445

as on 31st December 2015

¹ 80 % classified under HTM category

² 95 % classified under AFS category

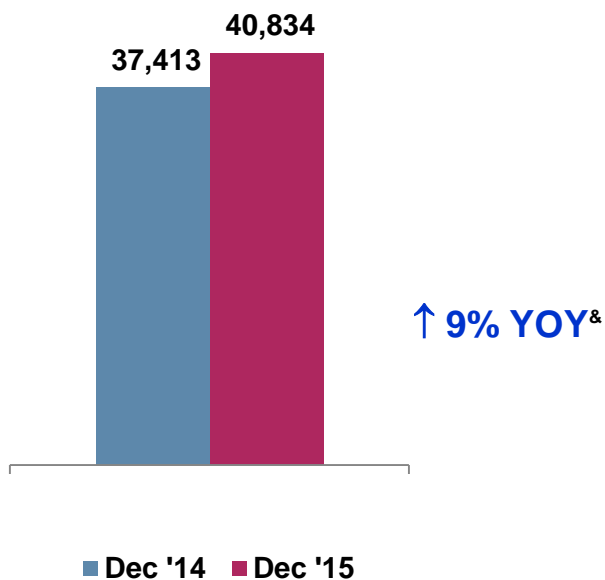
Category	Proportion	Modified Duration*
Held For Trading (HFT)	6%	1.25 years
Available For Sale (AFS)	35%	3.36 years
Held Till Maturity (HTM)	59%	6.00 years

* For SLR & Corporate Bonds as on 31st December 2015

SME Banking

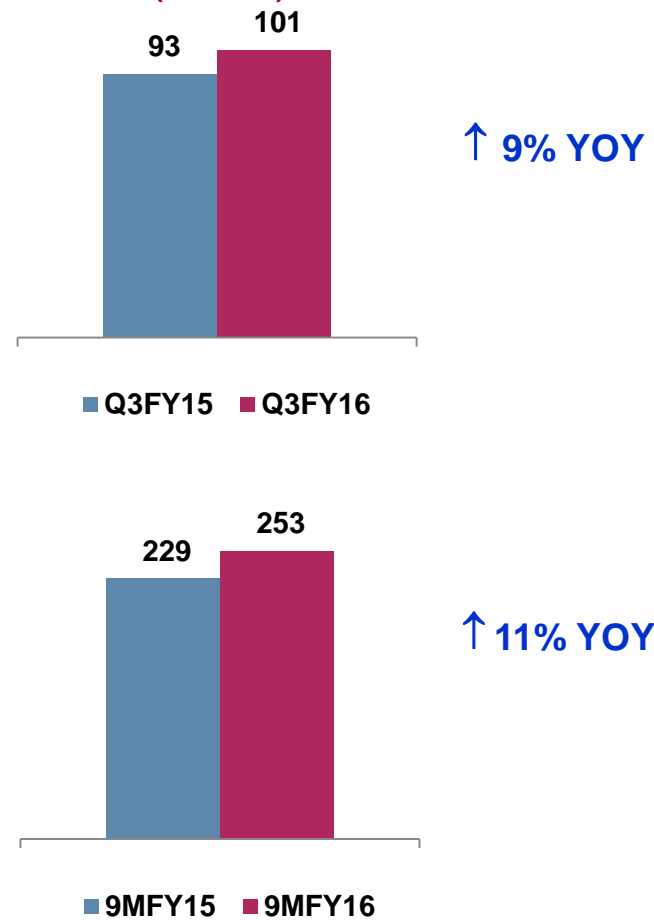
Advances

(₹ crores)



Fees

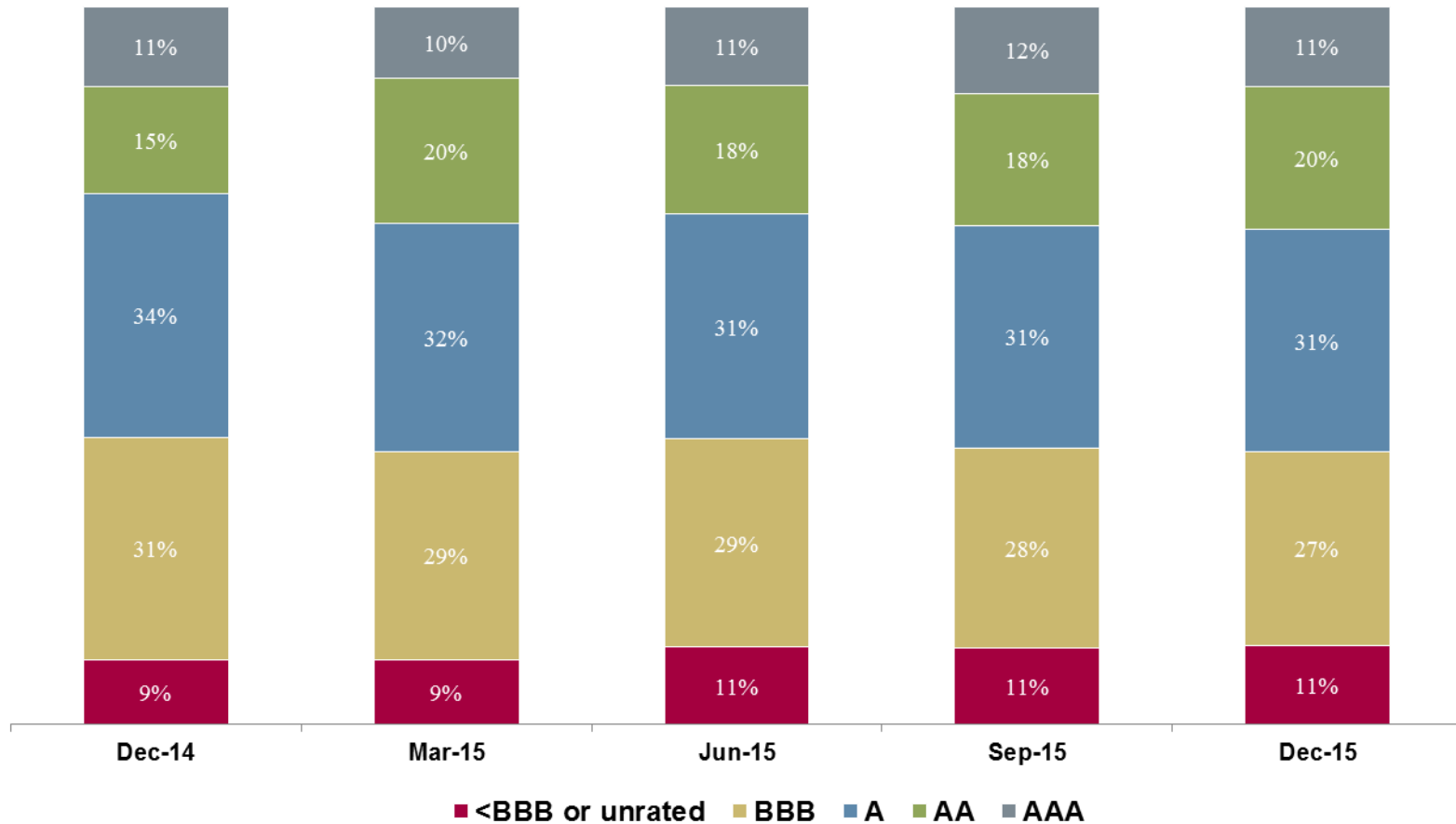
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[&]SME loans (including non-retail agriculture loans) grew 7% YOY

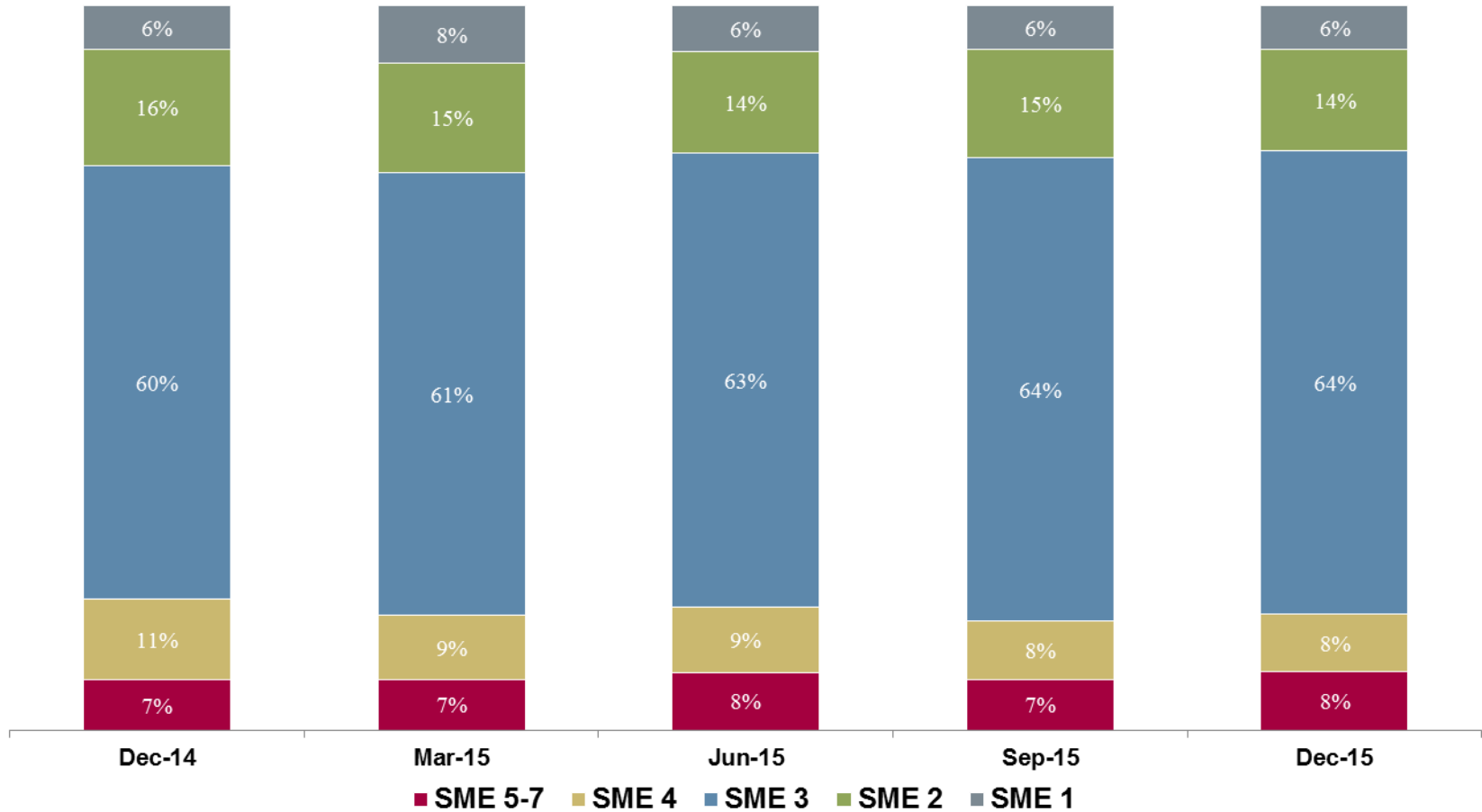
Rating Distribution: Corporate Banking

62% of corporate advances have rating of at least 'A' in December 2015



Rating Distribution: SME

84% of SME advances have rating of at least 'SME3' in December 2015



Industry-wise Distribution (Top 10)

Rank	Sectors	Outstanding as on December 31, 2015 (%) ¹		
		Fund-based	Non-fund based	Total
1.	Infrastructure ²	6.85	9.87	7.57
2.	Engineering & Electronics	3.08	17.17	6.42
3.	Financial Companies ³	4.60	10.94	6.11
4.	Power Generation & Distribution	6.32	5.38	6.10
5.	Metal & Metal Products	6.19	5.67	6.06
6.	Trade	3.09	4.32	3.38
7.	Real Estate	3.31	1.42	2.86
8.	Food Processing	2.86	2.45	2.77
9.	Petroleum & Petroleum Products	1.05	8.18	2.74
10.	Telecommunication Services	1.09	4.82	1.98

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 & Dhaka

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 8.06 billion

Some Awards & Recognition

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

Axis Bank ranked Best Domestic Bank in India 2015 by Asiamoney

Best Smartphone Mobile Banking App in India by Forrester Research

Best among Large Banks for Digital Banking, Analytics & Big Data by IDBRT

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

Thank You