

AXIS BANK

FY2015-16
Annual Results

Earnings Presentation

Safe Harbor

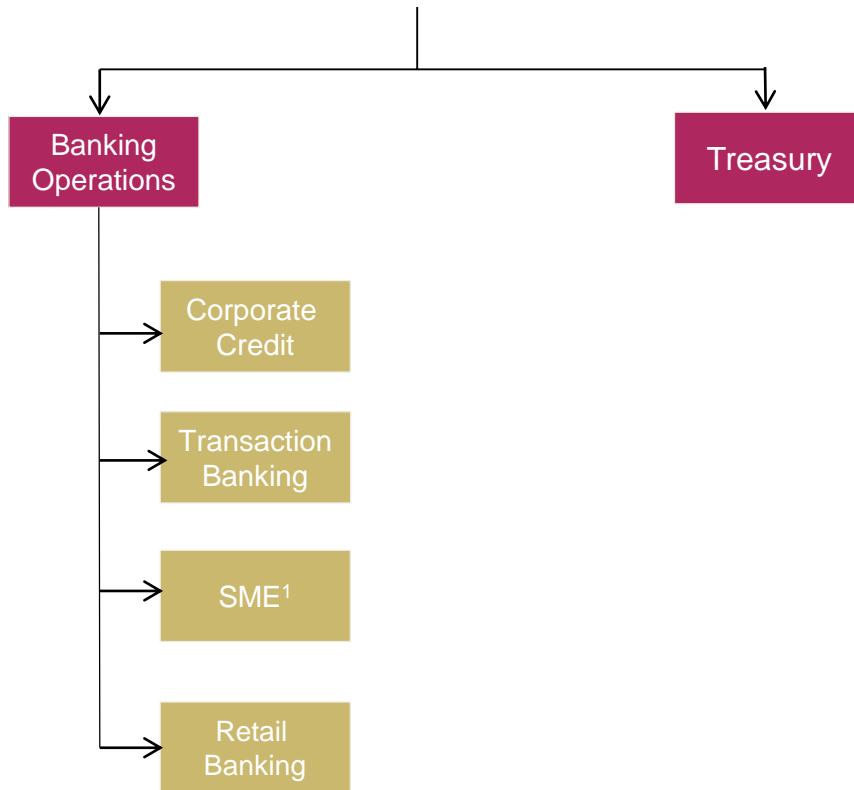
Except for the historical information contained herein, statements in this release which contain words or phrases such as “will”, “aim”, “will likely result”, “would”, “believe”, “may”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”,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

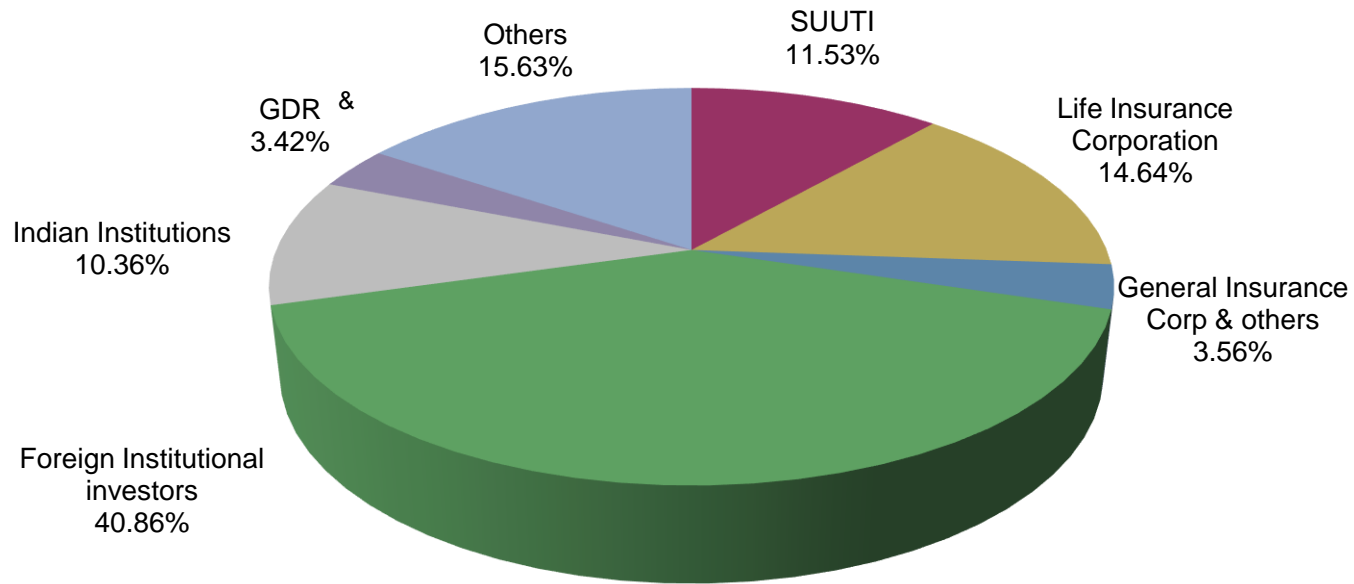
² Include extension counters

³ Includes overseas subsidiary in UK

Snapshot (As on March 31, 2016)

Total Assets	₹5,25,468 crores
Net Advances	₹3,38,774 crores
Total Deposits	₹3,57,968 crores
Net Profit (Q4FY16)	₹2,154 crores
Net Profit (FY16)	₹8,224 crores
Shareholders' Funds	₹53,165 crores
Diluted EPS (FY16)	₹34.40
ROA (FY16)	1.72%
ROE (FY16)	17.49%
Net NPA Ratio	0.70%
Basel III Tier I CAR	12.51%
Basel III Total CAR	15.29%
Saving Bank Accounts (No.)	172 lac
Branches ²	2,904
International Presence ³	9
ATMs	12,743

Shareholding Pattern (As on March 31, 2016)

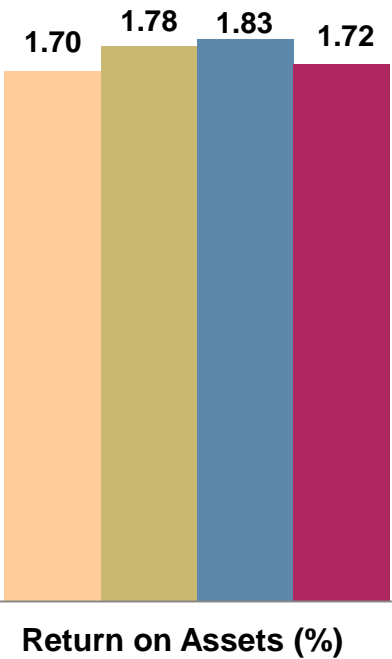
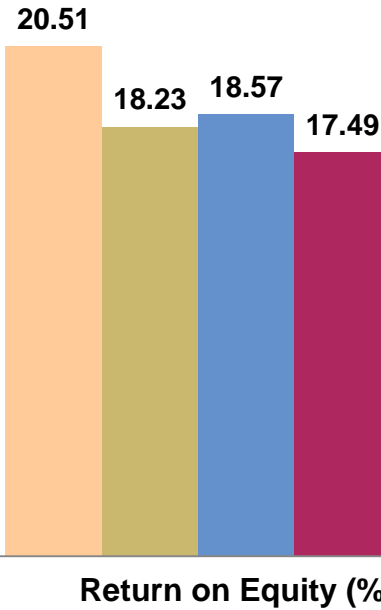
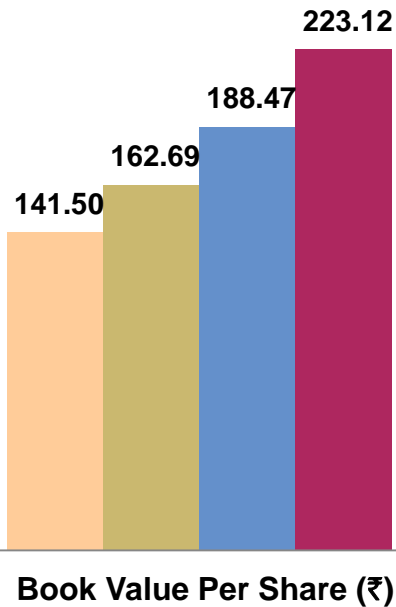


- Share Capital ₹477 crores
- Shareholders' Funds ₹53,165 crores
- Book Value Per Share ₹223.12
- Diluted EPS ₹34.40
- Market Capitalisation ₹1,12,058 crores (as on April 25, 2016)

As on March 31, 2016, against GDR[&] issuance of 62.7 mn, outstanding GDRs stood at 16.3 mn

[&]1 GDR = 5 shares

High Shareholder Returns



Legend: FY13 (Orange), FY14 (Olive), FY15 (Blue), FY16 (Maroon)

A strong franchise demonstrating consistent value creation over time

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Performance Highlights

	<u>Q4FY16</u>	<u>FY16</u>
Net Profit	↓ 1% YOY	↑ 12% YOY
Net Interest Income	↑ 20% YOY	↑ 18% YOY
Fee Income	↑ 6% YOY	↑ 11% YOY
Core Operating Revenue	↑ 15% YOY	↑ 16% YOY
Core Operating Profit	↑ 15% YOY	↑ 21% YOY
CASA ¹	↑ 17% YOY	
CASA (Daily Average)	↑ 17% YOY	
Total Deposits ¹	↑ 11% YOY	
Total Advances ¹	↑ 21% YOY	

¹ As on March 31 2016

Key Financial Highlights

Retail Franchise registered strong performance

- CASA Deposits for Q4FY16 grew 17% YOY and constitutes 47% of Total Deposits; Savings Bank Deposits for Q4FY16 grew well at 20% YOY
- Retail Advances growth remains strong at 24% YOY and accounts for 41% of Net Advances
- Retail Fee Income in Q4FY16 grew 15% YOY and constitutes 42% of Total Fee Income

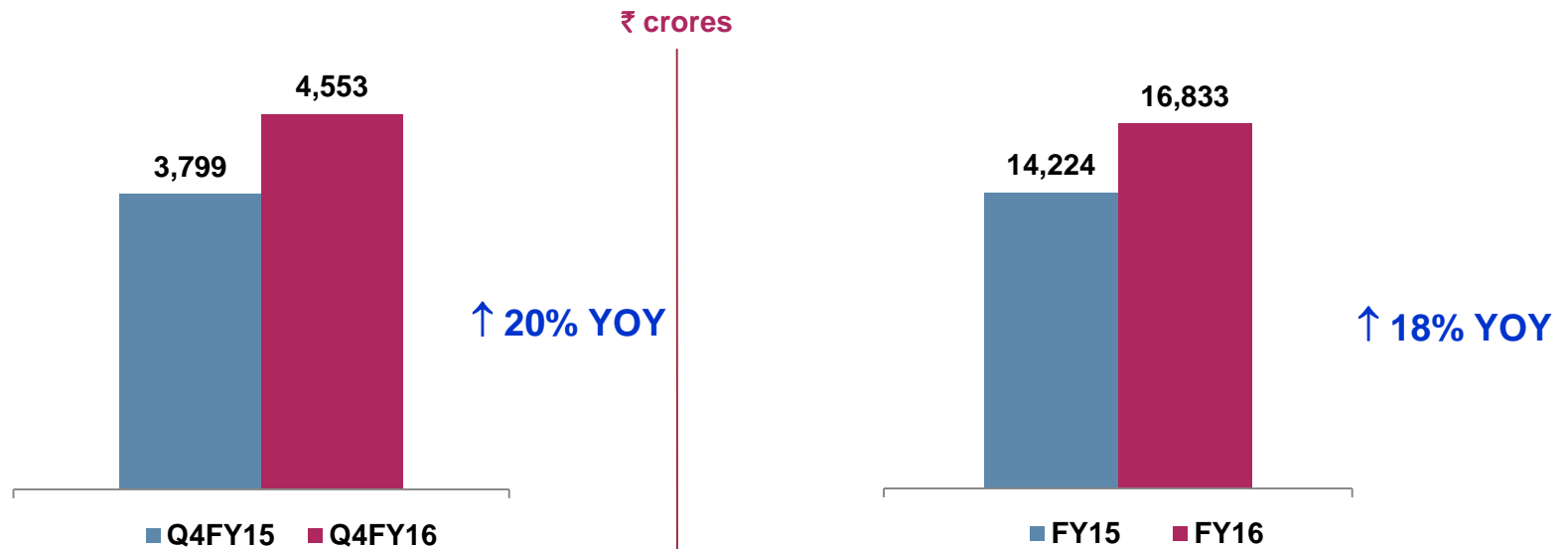
Stable Earnings Profile

- Core Operating Revenue in Q4FY16 grew 15% YOY and stood at ₹6,983 crores
- Core Operating Profit in Q4FY16 grew 15% YOY and stood at ₹4,134 crores
- Return on Assets & Return on Equity for FY16 stood at 1.72% and 17.49% respectively

Well positioned for future growth with Tier I CAR of 12.51% & Total CAR of 15.29% under Basel III

Overall, a well capitalised Bank achieving consistently superior returns

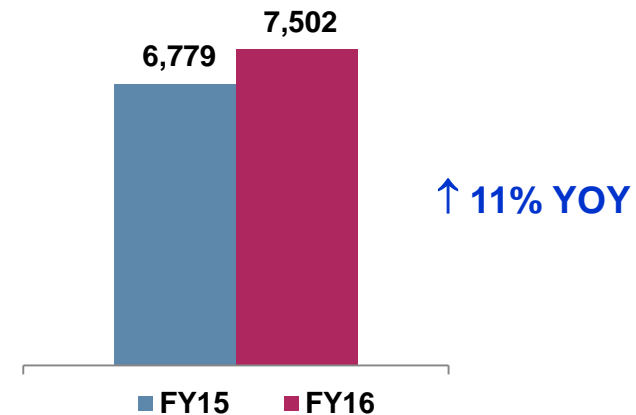
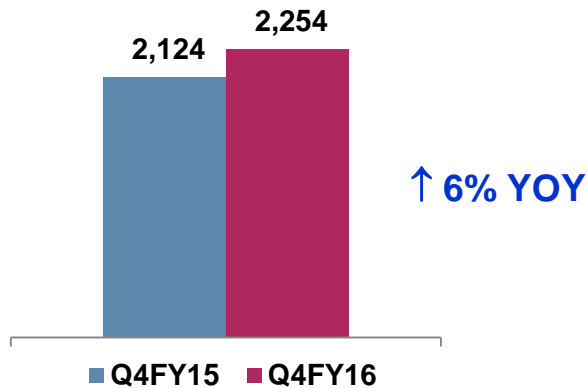
Growing Net Interest Income



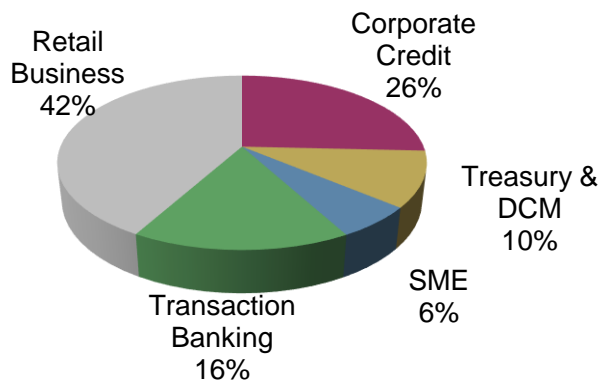
Trend in NII	(₹ crores)
FY13	9,666
FY14	11,952
FY15	14,224
FY16	16,833
CAGR	20%

Diversified Fee Income Profile

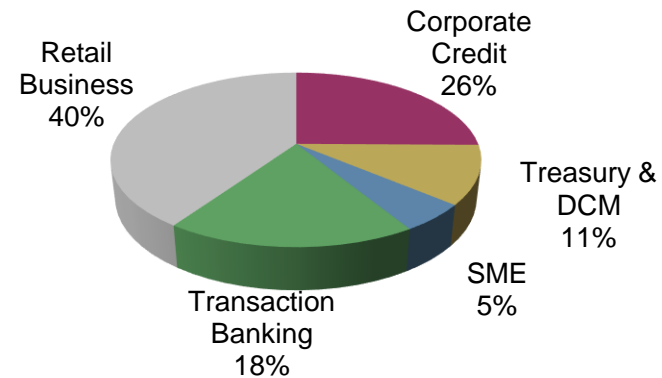
₹ crores



Q4FY16



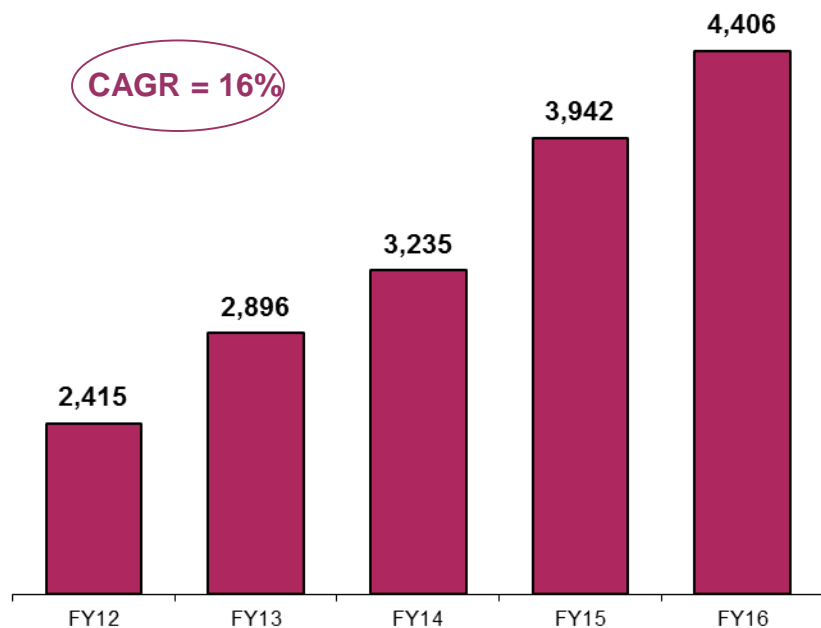
FY16



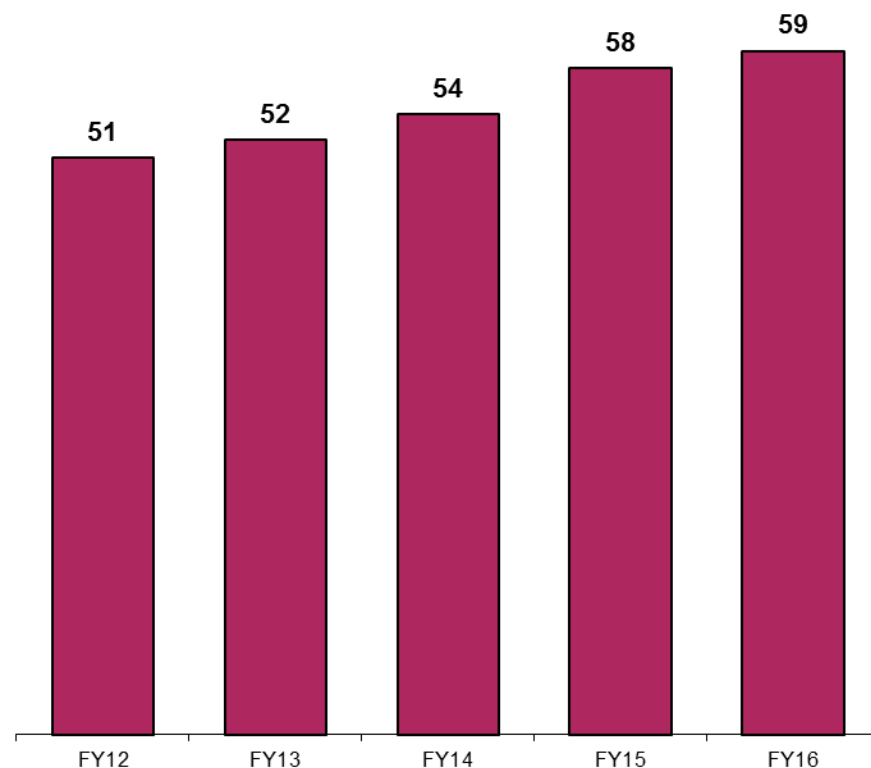
Granularity of fee income has increased steadily

Retail and Transaction Banking Fee

₹ crores

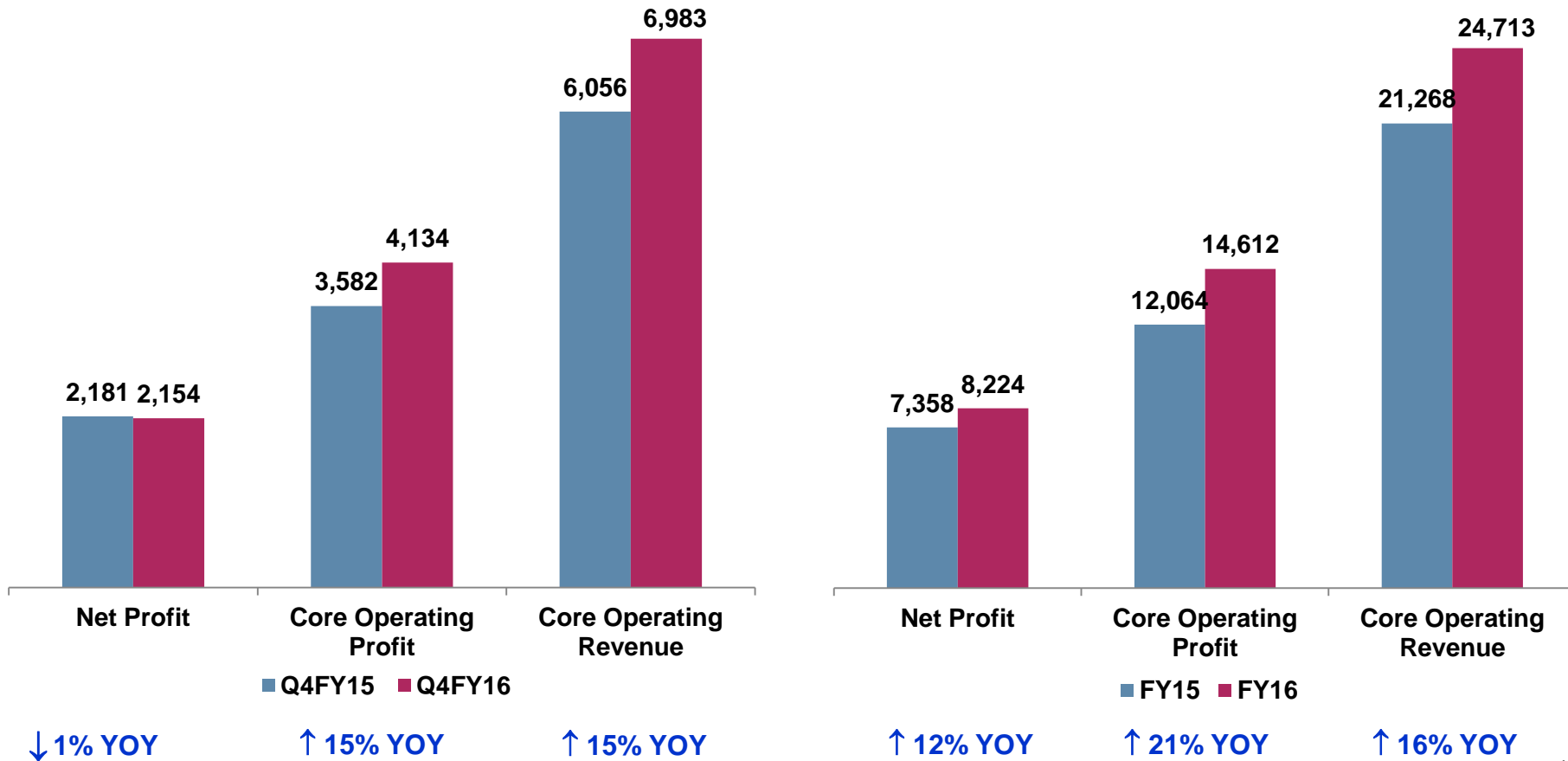


Share of Retail and Transaction Banking in Total Fee (%)



Sustained Profitability Growth: Robust Operating Revenue

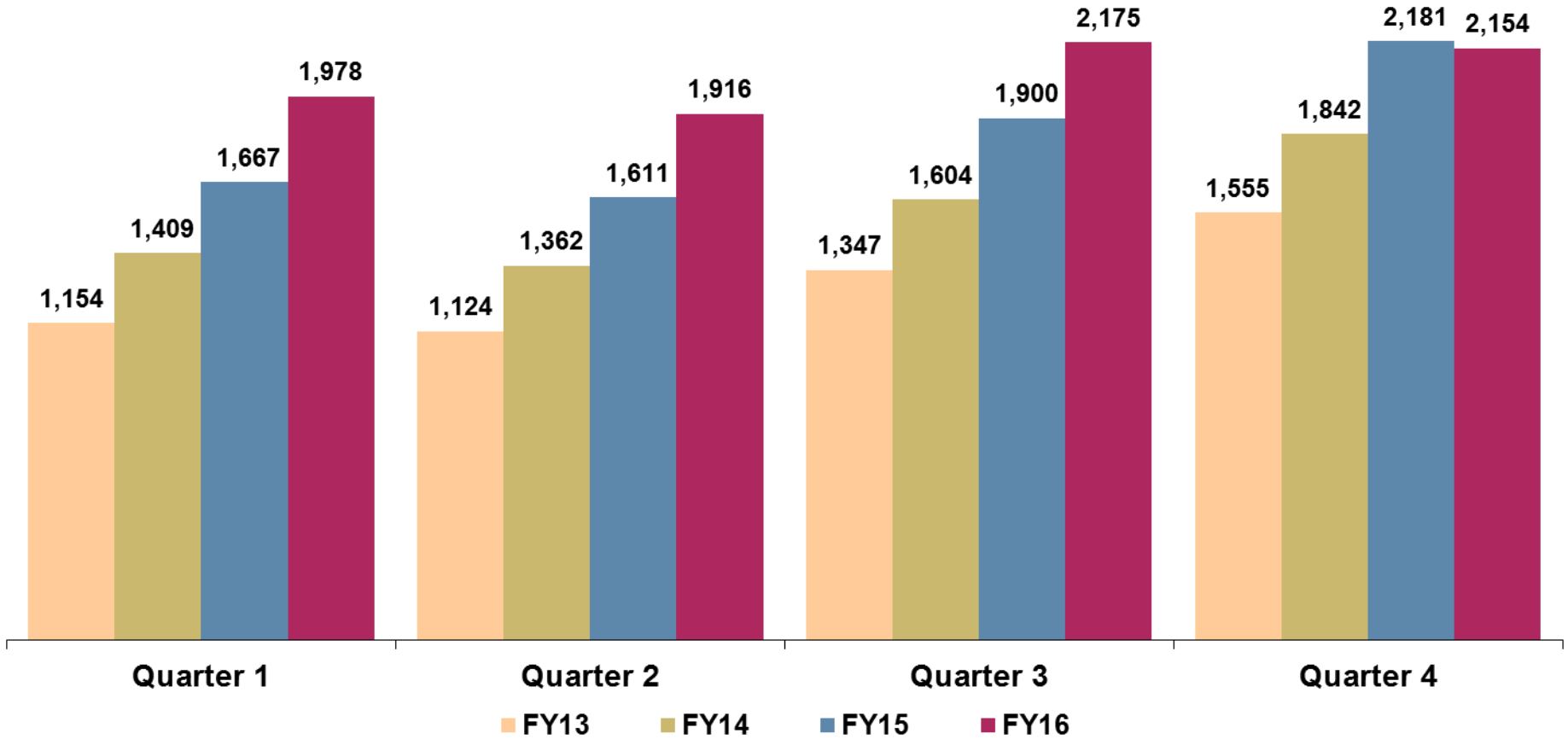
₹ crores



Net Profit Growth

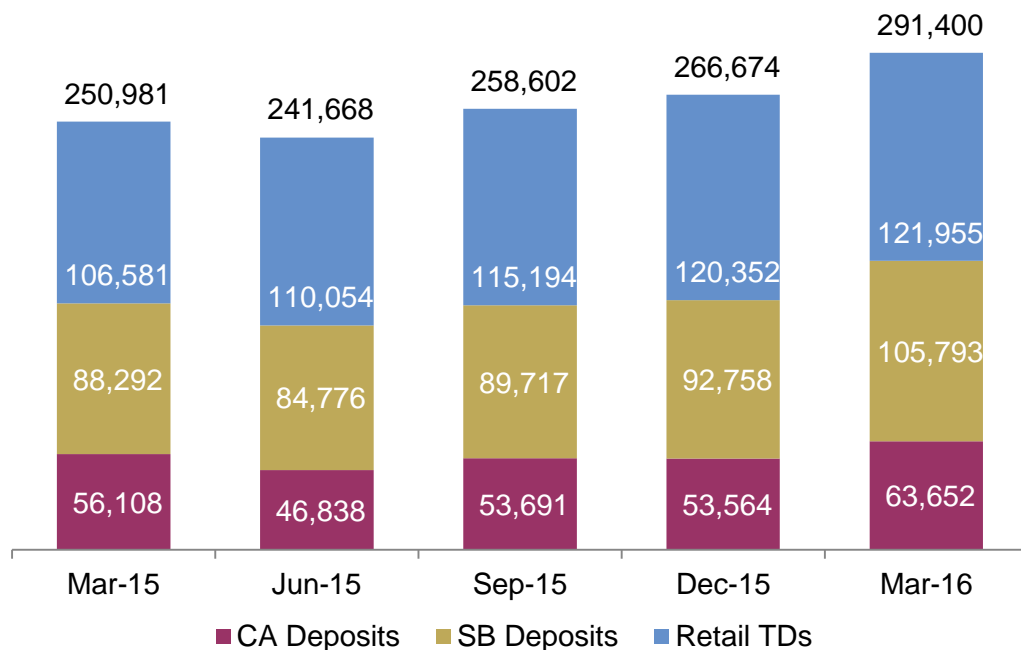
Quarterly Net Profits

₹ crores



Stable CASA Growth Underpins Low-Cost Deposit Franchise

CASA and Retail Term Deposits
(₹ crores)

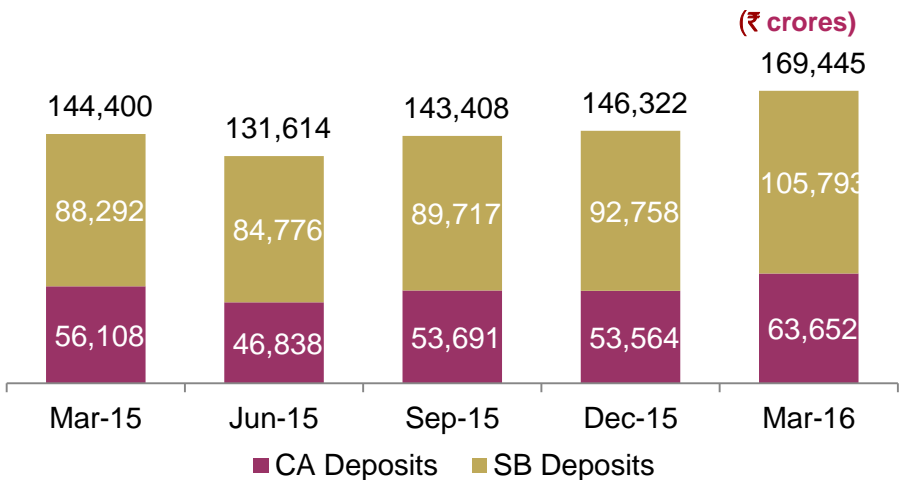


	Growth (%)	
	As on March 31, 2016	Daily Average for the year
Savings Bank	20	14
CASA	17	15

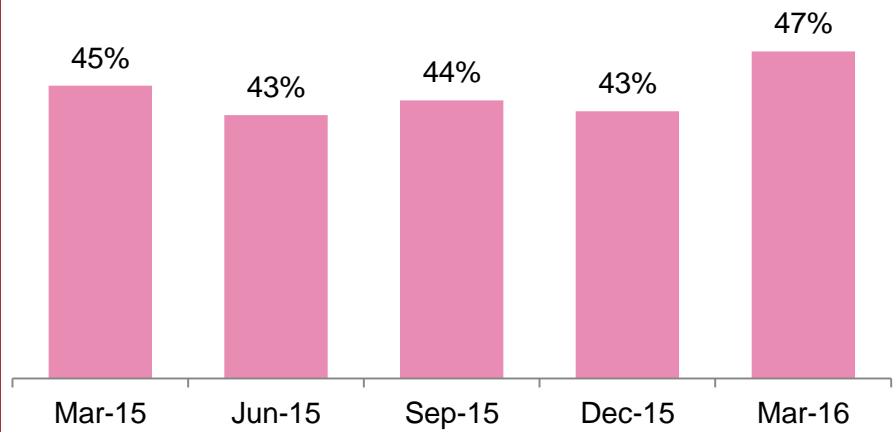
- Share of Retail Term Deposits to Total Term Deposits stood at 65%
- CASA + Retail Term Deposits constitutes 81% of Total Deposits

Strong CASA Franchise Supports Margin Stability

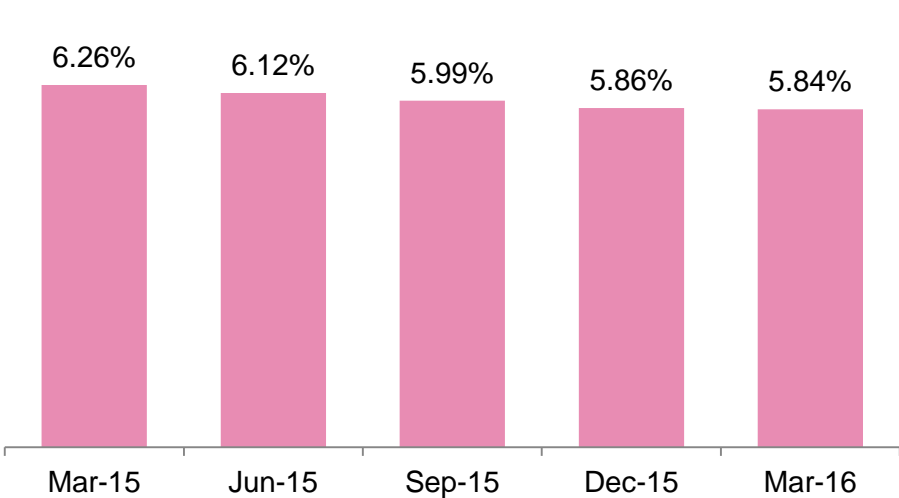
CASA Deposits



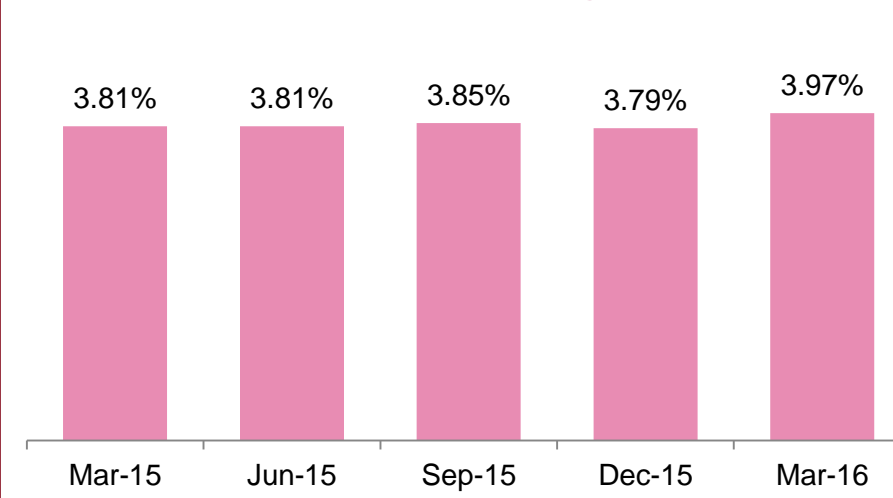
CASA Ratio



Cost of Funds

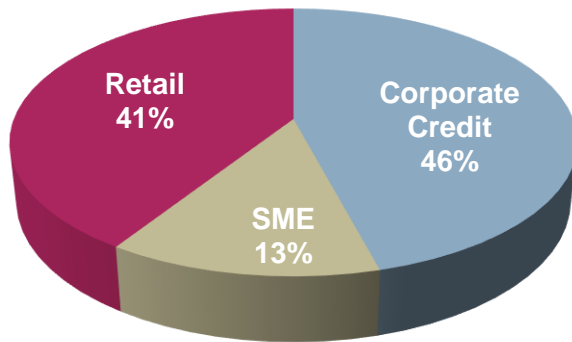


Net Interest Margin

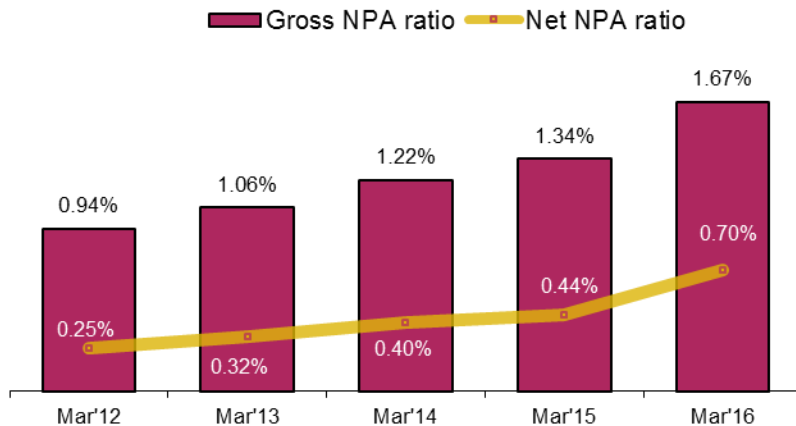


Asset Quality

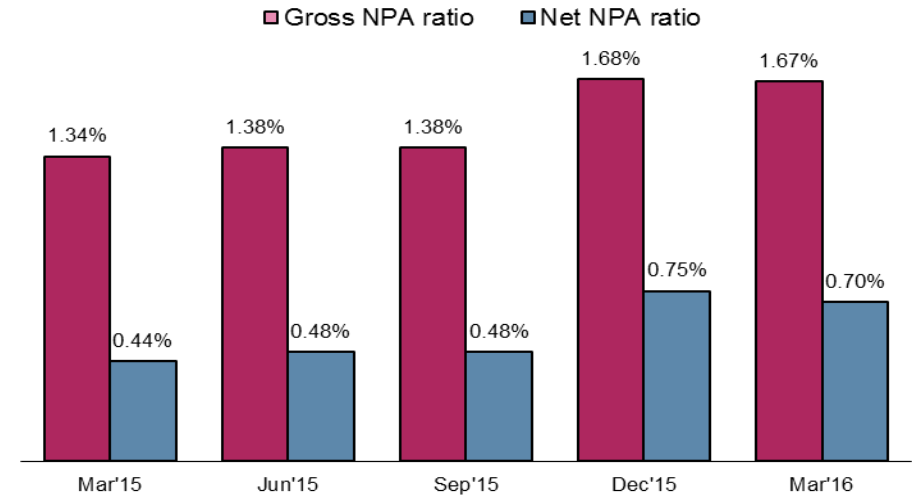
Loan Mix
(As on March 31, 2016)



NPA trend

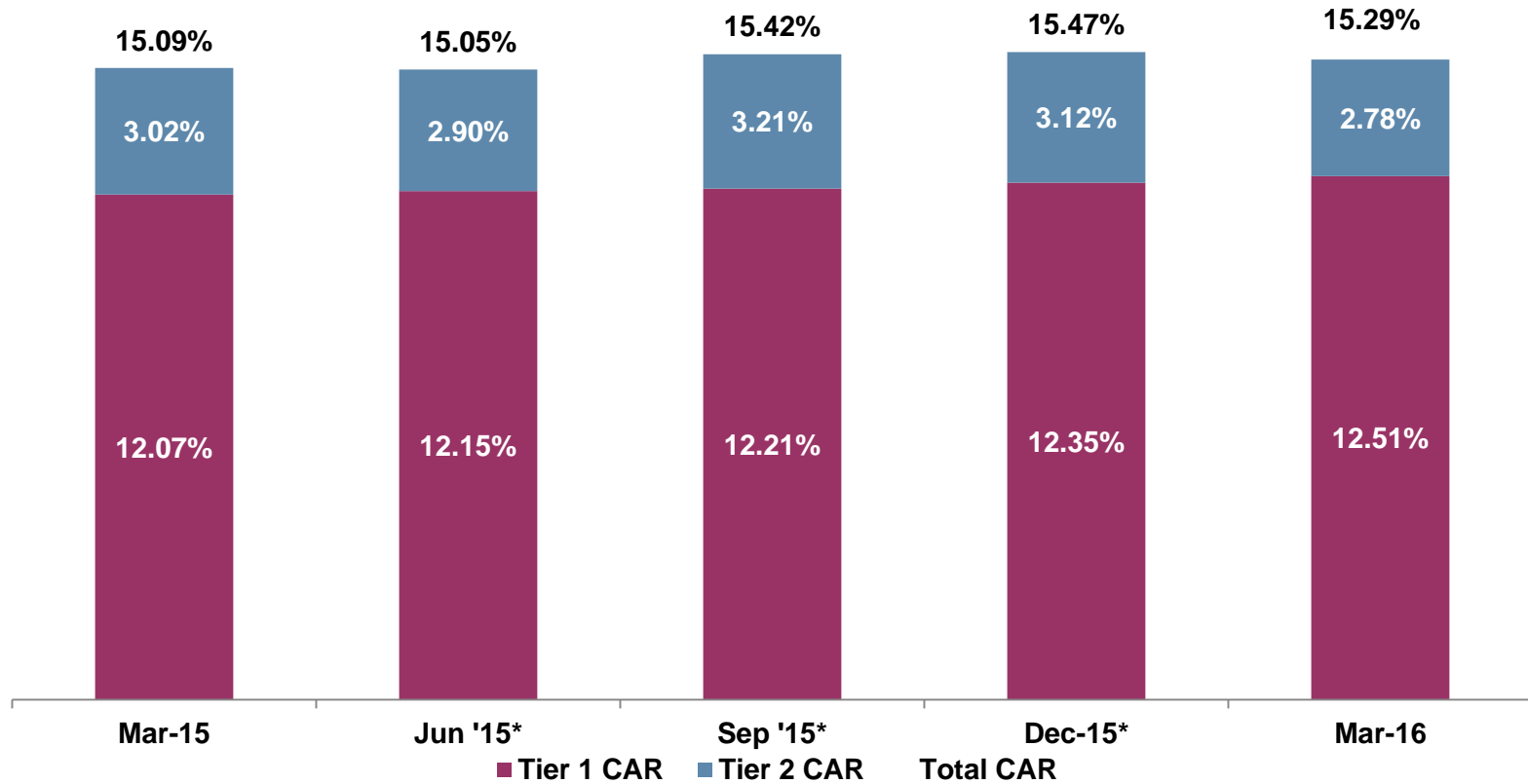


Asset Quality Ratios



- Provision coverage of 72% as on 31st March 2016 including prudential write-offs
- Contingency asset provision of ₹300 crores created in Q4FY16. Outstanding contingency asset provision balance as at March 31, 2016 stood at ₹480 crores
- Net Cumulative restructured advances were ₹8,072 crores (2.25% of net customer assets) as on 31st March 2016
- NPA sale to ARC during the quarter was ₹349 crores; Sale consideration was ₹110 crores of which cash consideration received was ₹25 crores

Capital Adequacy: Well Positioned for Growth



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

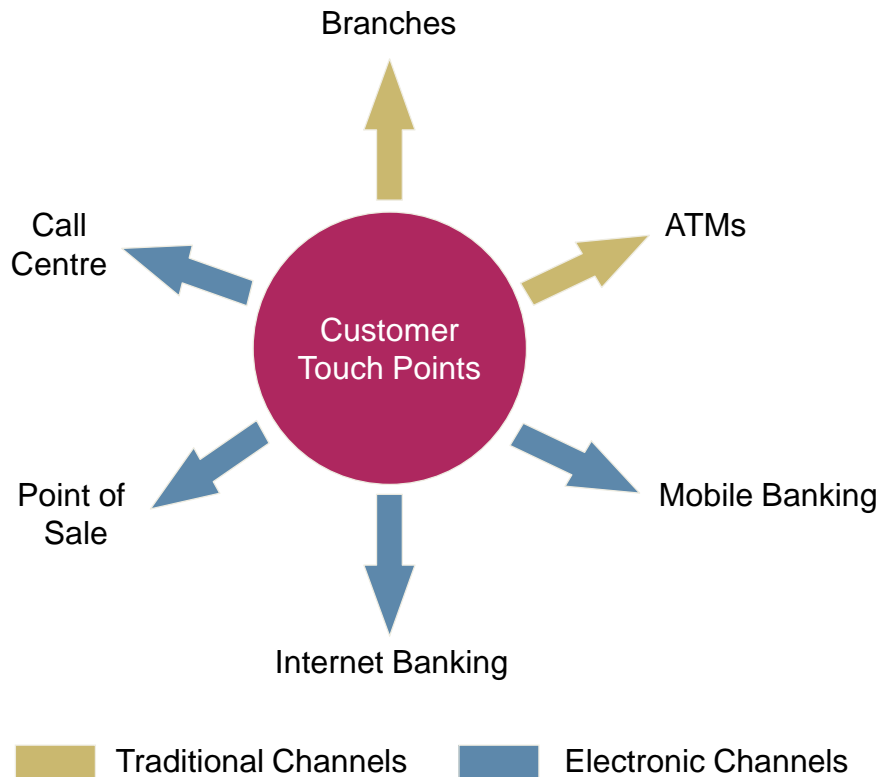
Introduction

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Business Overview

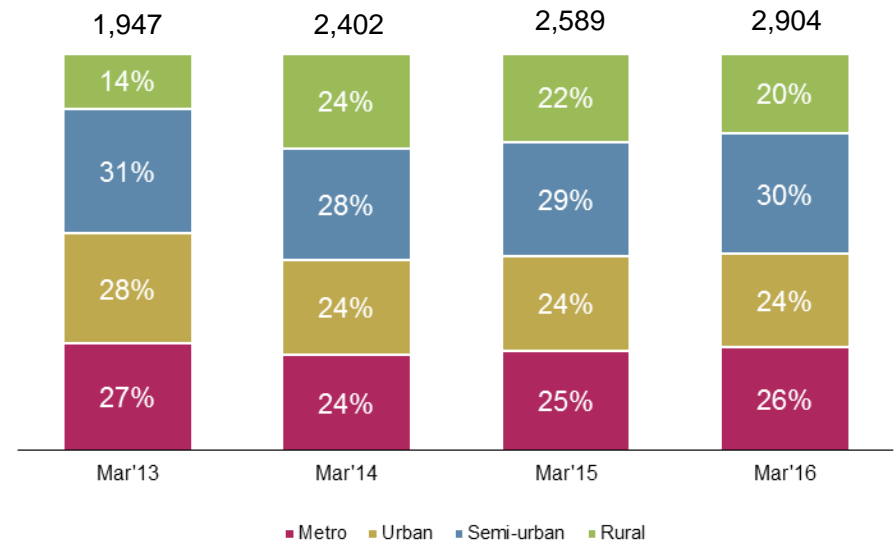
Well distributed, countrywide network of Branches & ATMs

- 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

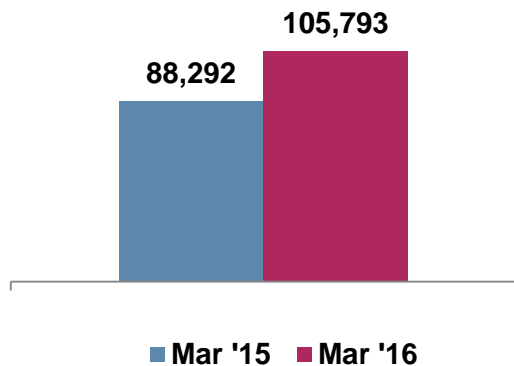


	Mar'13	Mar'14	Mar'15	Mar'16
ATMs	11,245	12,922	12,355	12,743
Centres Covered	1,263	1,636	1,714	1,855
Employees	37,901	42,420	42,230	50,135

¹ Including extension counters

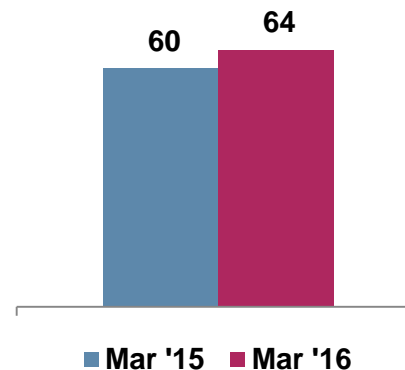
Retail Liabilities Exhibit Consistent Growth

Savings Bank Deposits (₹ crores)

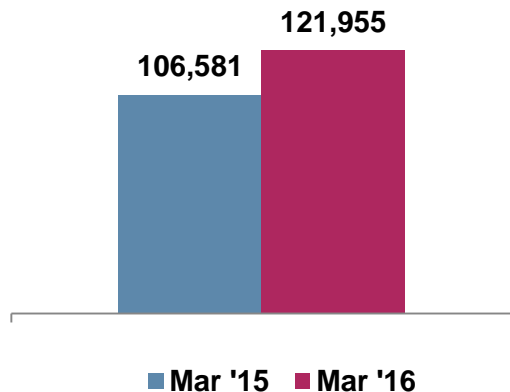


↑ 20% YOY

Retail Deposits* (% of Total Deposits)

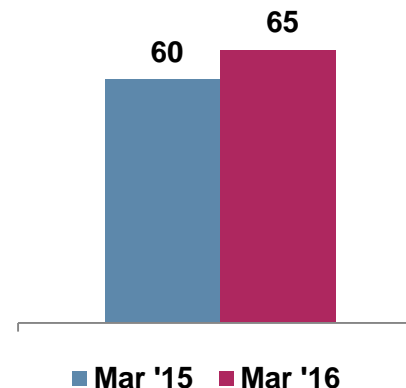


Retail Term Deposits (RTD) (₹ crores)



↑ 14% YOY

RTD as % of Term Deposits



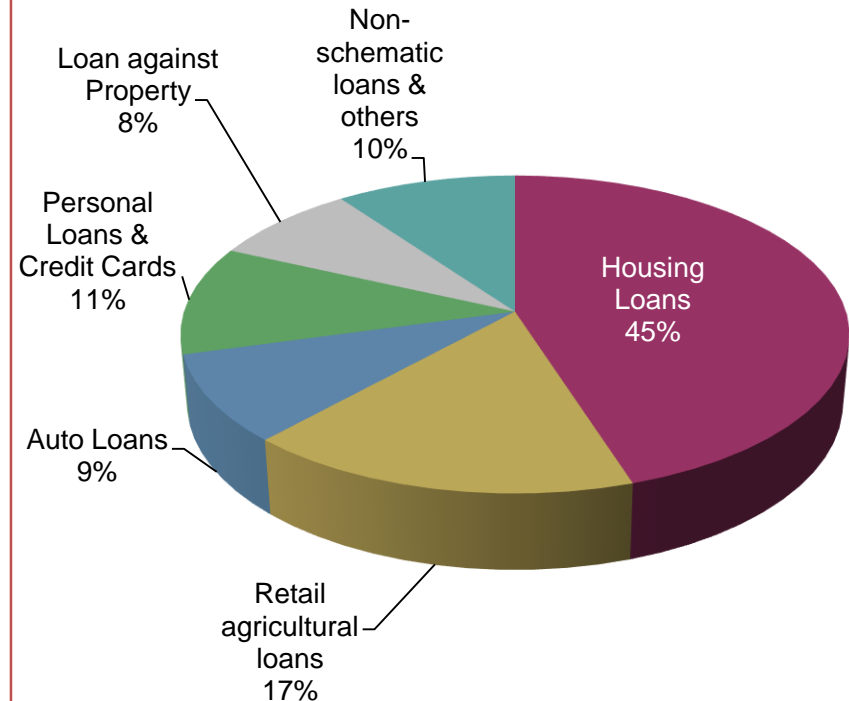
* Retail Deposits include Savings Bank and Retail Term Deposits

Sustained Traction in Retail Assets

Key Highlights

- Maintain focus on secured lending with greater emphasis on mining existing liability customers
- Integrated strategy for tapping consumer lending opportunity in rural markets
- Retail Advances constitute 41% of Bank's Net Advances in March 2016
- Secured Loans make up 86% of Retail Loans
- Housing Loans account for 45% of Retail Loans

Composition of Retail Advances



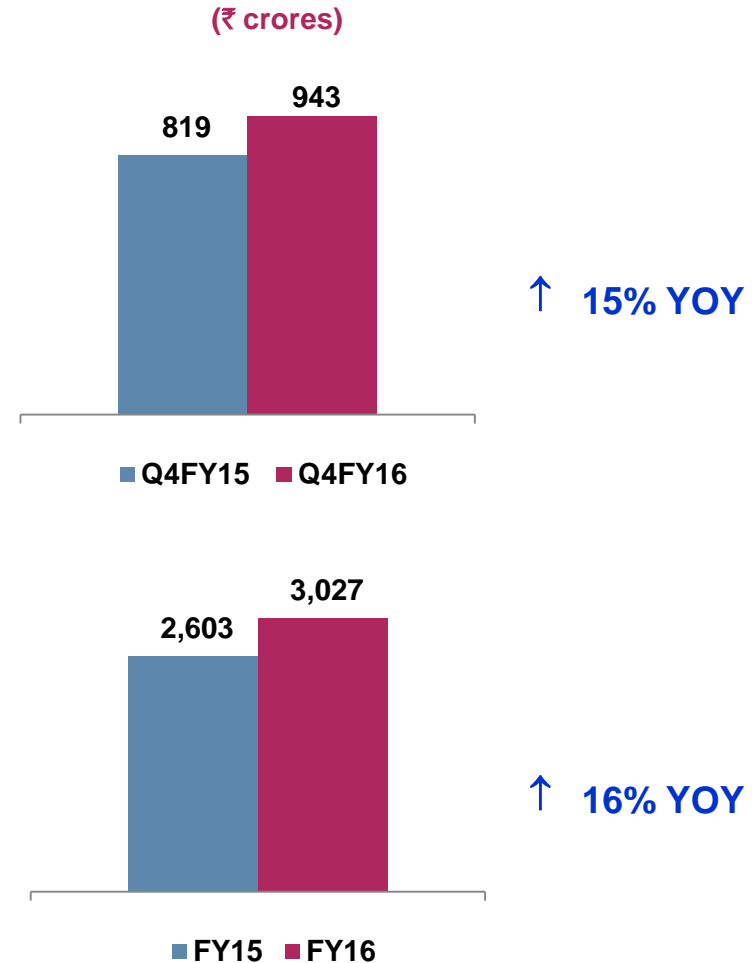
Portfolio Size: ₹1,38,521 crores

↑ 24% YOY

Growth in Retail Fees

Key Highlights

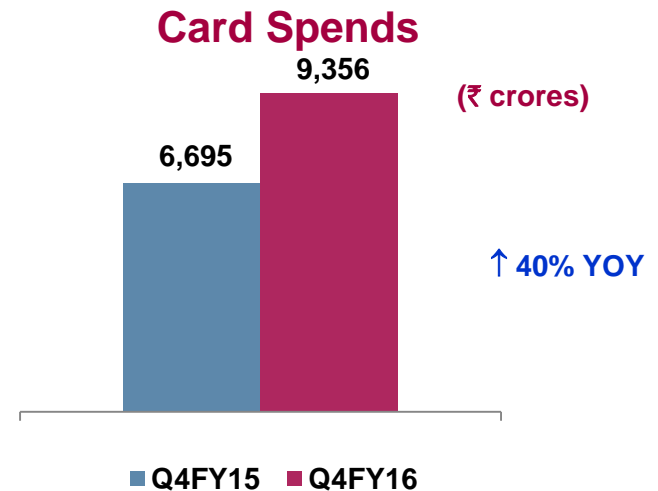
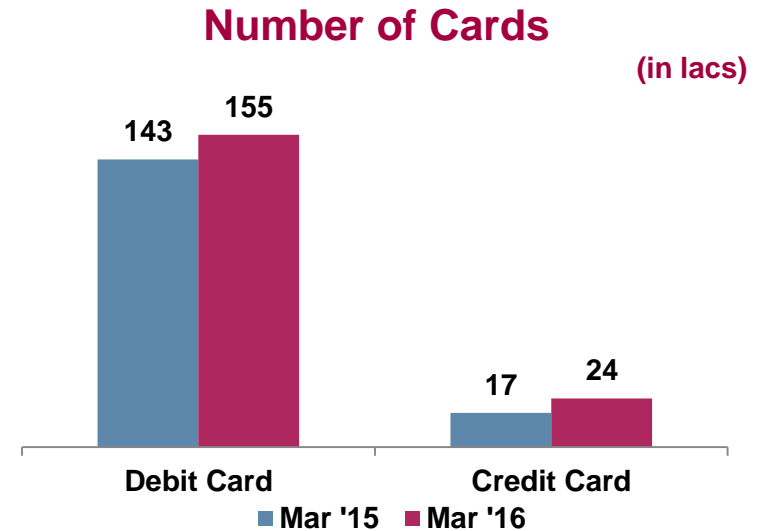
- Focus on cross-selling to existing customers is the key driver for growth
- Third-party products sold include mutual funds, insurance, on-line broking, portfolio management services (non-discretionary) and gold coins
- Healthy retail asset growth provides momentum to asset linked fees



Retail Payments Franchise

Key Highlights

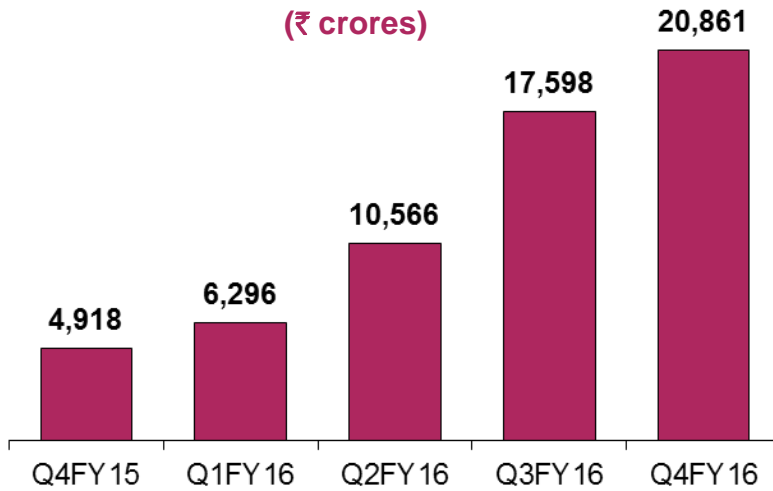
- One of the largest issuers of debit cards
- Fifth largest credit card issuer with over 24 lac credit cards in circulation
- Credit card acquisition focused on large retail depositor base
- Multi Currency Forex Cards in 15 currencies – USD, Euro, GBP, AUD, CAD, SGD, SEK, CHF, JPY, AED, SAR, THB, NZD, HKD & ZAR; INR (for foreign nationals and NRIs)
- Prominent player in merchant acquiring business



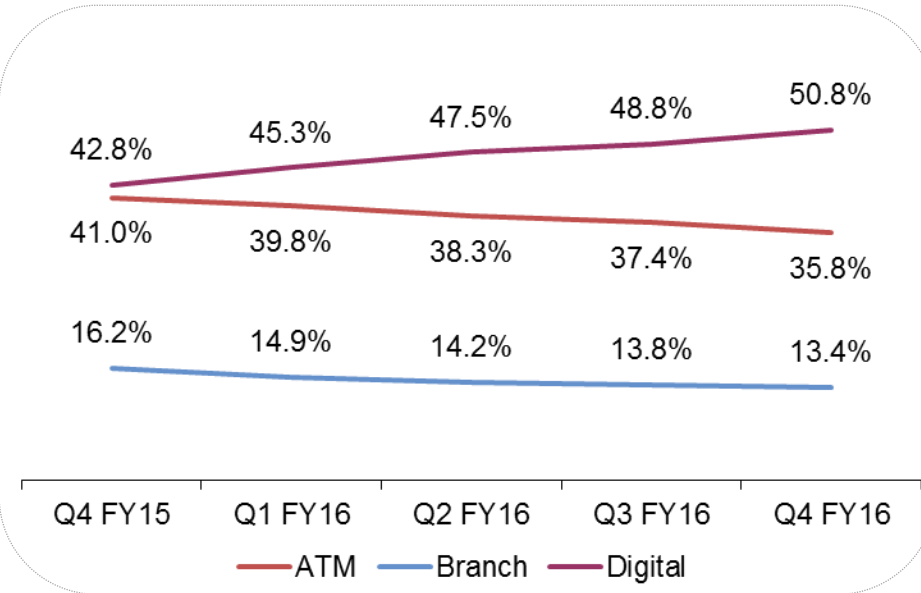
Digital Banking

Mobile Banking Spends

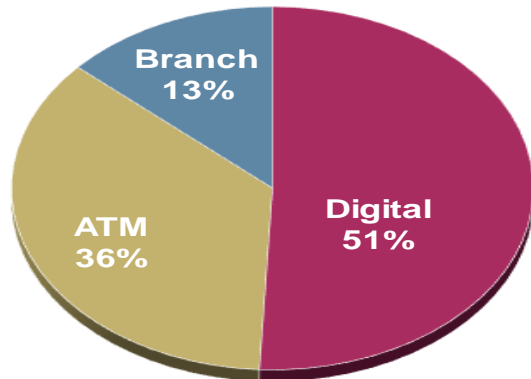
(₹ crores)



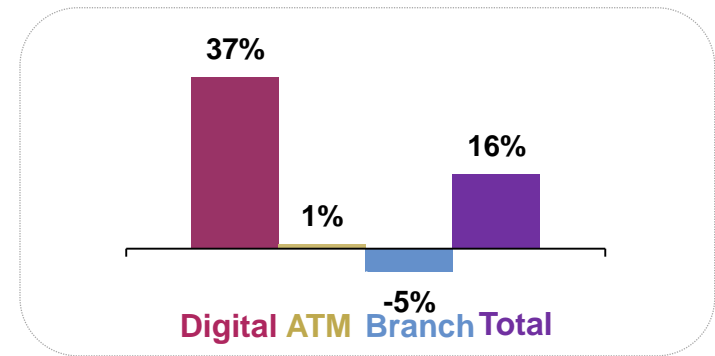
Channel Transaction Trend



Channel Mix – Q4FY16



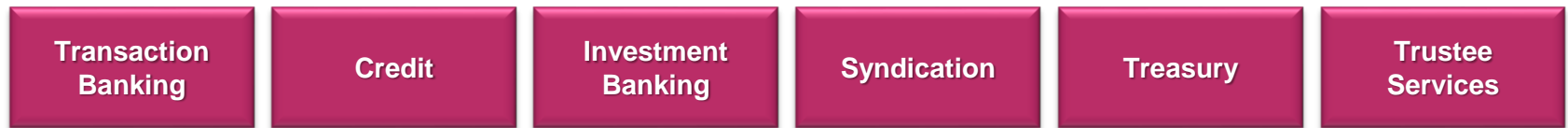
YOY growth



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

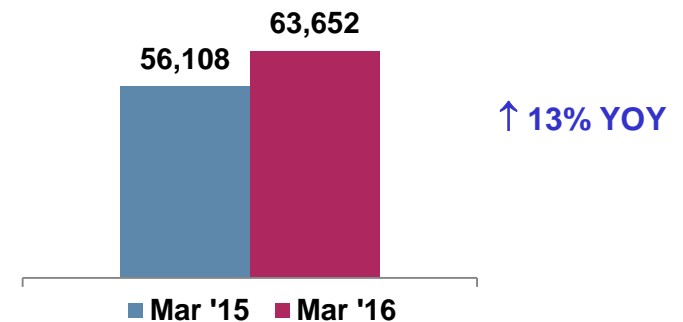
Transaction Banking

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

₹ crores



Current A/c Deposits (₹ crores)

FY13	48,322
FY14	48,686
FY15	56,108
FY16	63,652
CAGR	10%

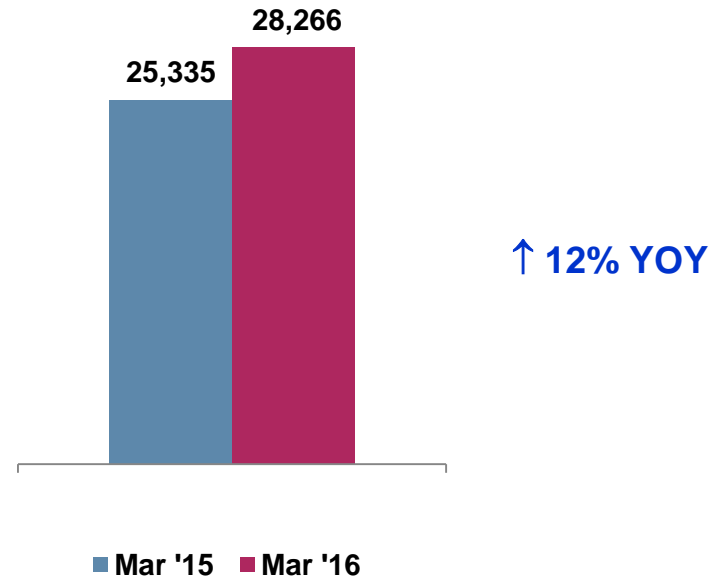
Transaction Banking

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
- Empanelled for the prestigious Public Financial Management System by Government of India
- One of the authorized banks for opening PPF accounts through 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

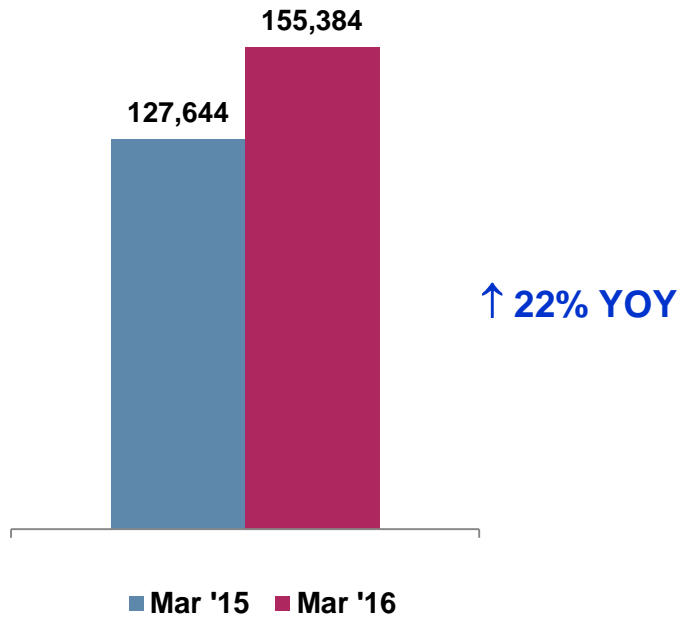


CMS Accounts

Corporate Banking

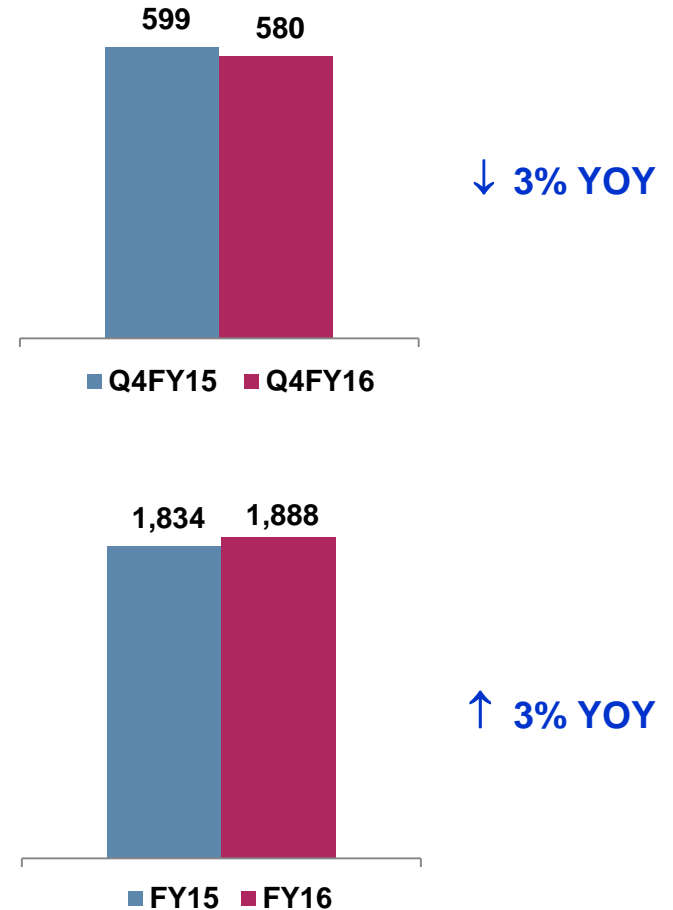
Advances

(₹ crores)



Fees

(₹ crores)

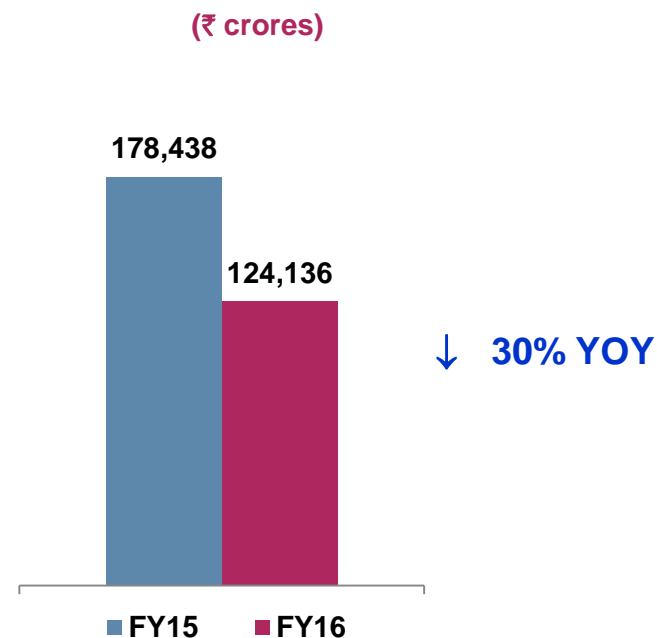


Debt Capital Markets

Key Highlights

- Dominant player in placement and syndication of debt issuances
- Ranked No. 1 debt arranger by Prime Database for nine months ended December 2015
- Ranked No. 1 underwriter for ₹ Denominated Bonds by Bloomberg for quarter ended March 2016.
- 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 March 2016 stood at ₹1,22,006 crore

Investment Bifurcation	Book Value# (₹ crore)
Government Securities ¹	87,020
Corporate Bonds ²	23,079
Others	11,907
Total Investments	1,22,006

as on 31st March 2016

¹ 79 % classified under HTM category

² 94 % classified under AFS category

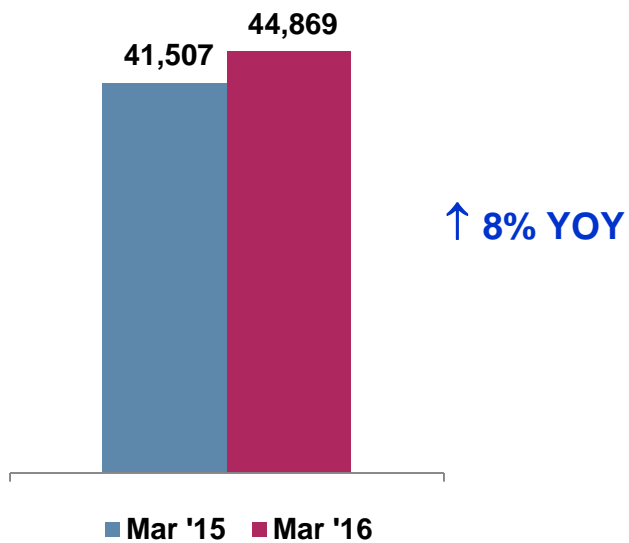
Category	Proportion	Modified Duration*
Held For Trading (HFT)	11%	2.60 years
Available For Sale (AFS)	32%	3.02 years
Held Till Maturity (HTM)	57%	6.18 years

* For SLR & Corporate Bonds as on 31st March 2016

SME Banking

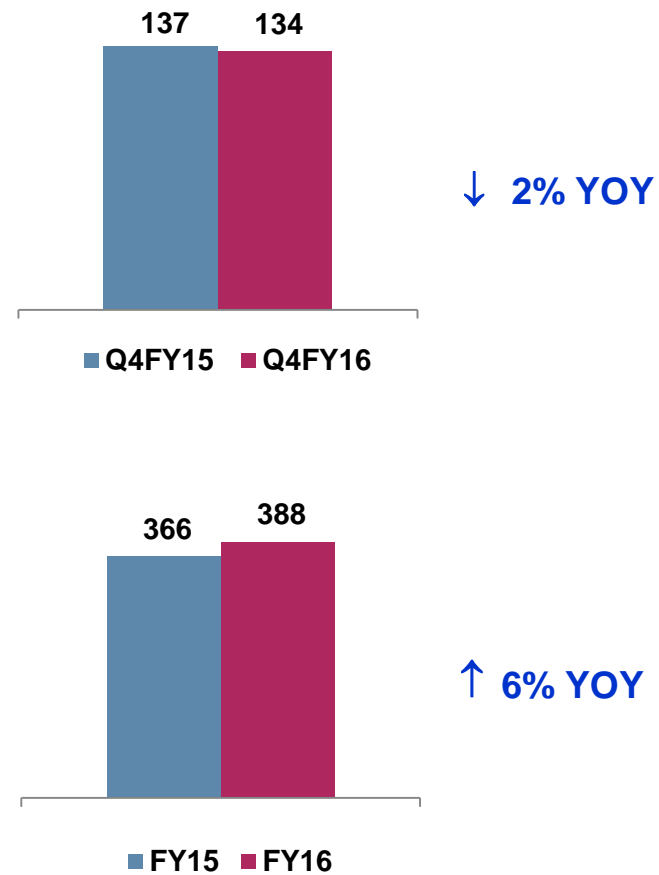
Advances

(₹ crores)



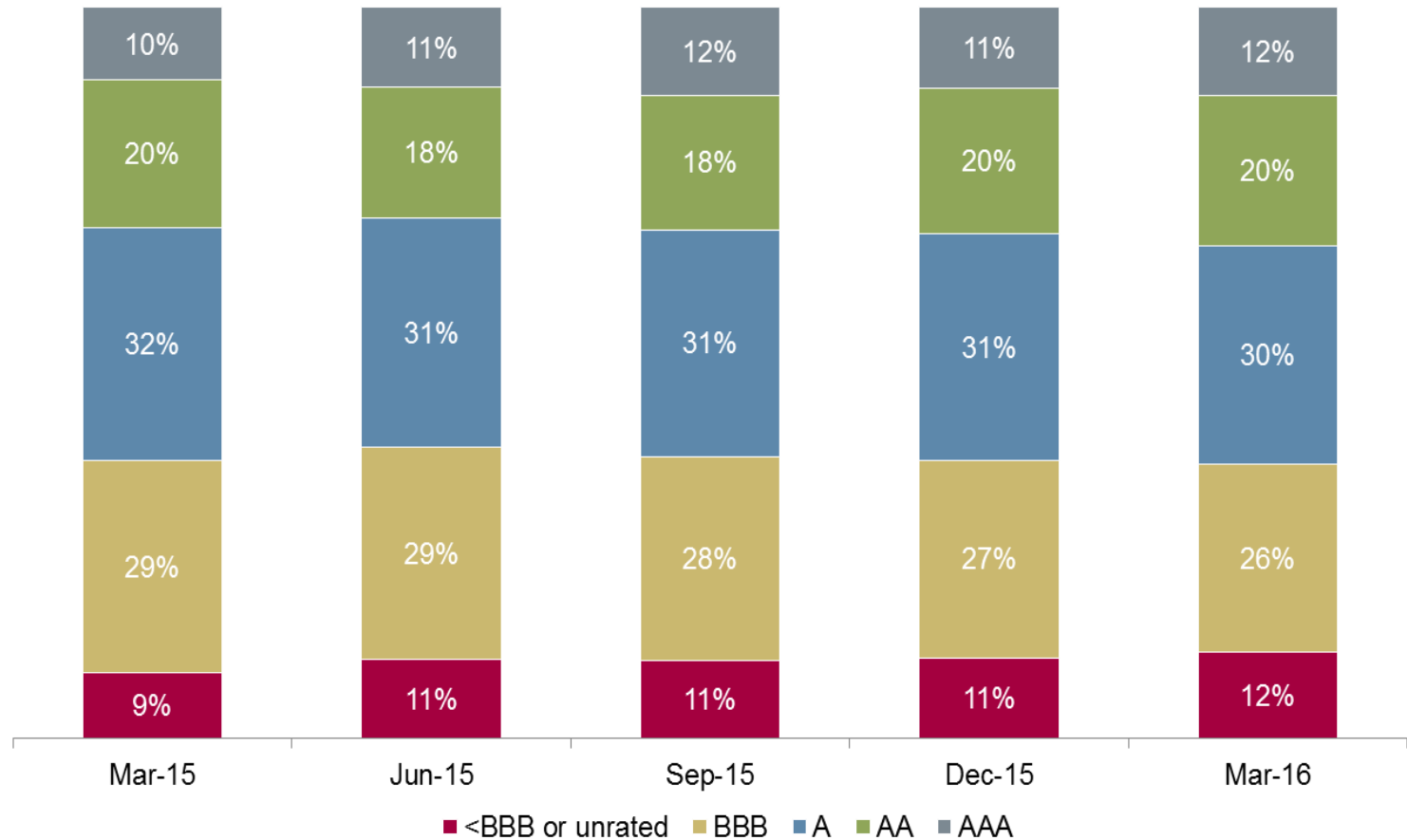
Fees

(₹ crores)



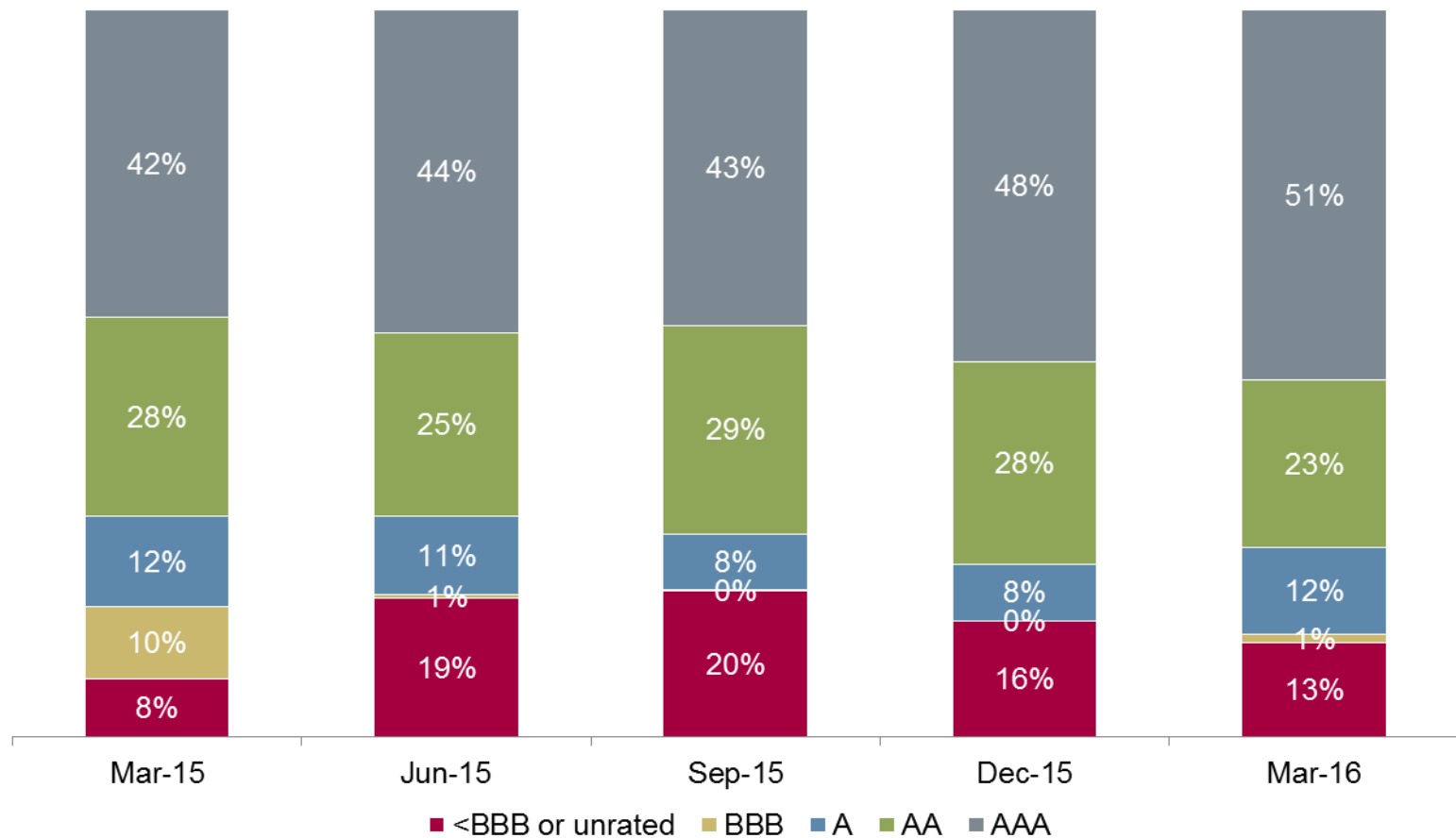
Rating Distribution: Corporate Banking Advances

62% of corporate advances have rating of at least 'A' in March 2016



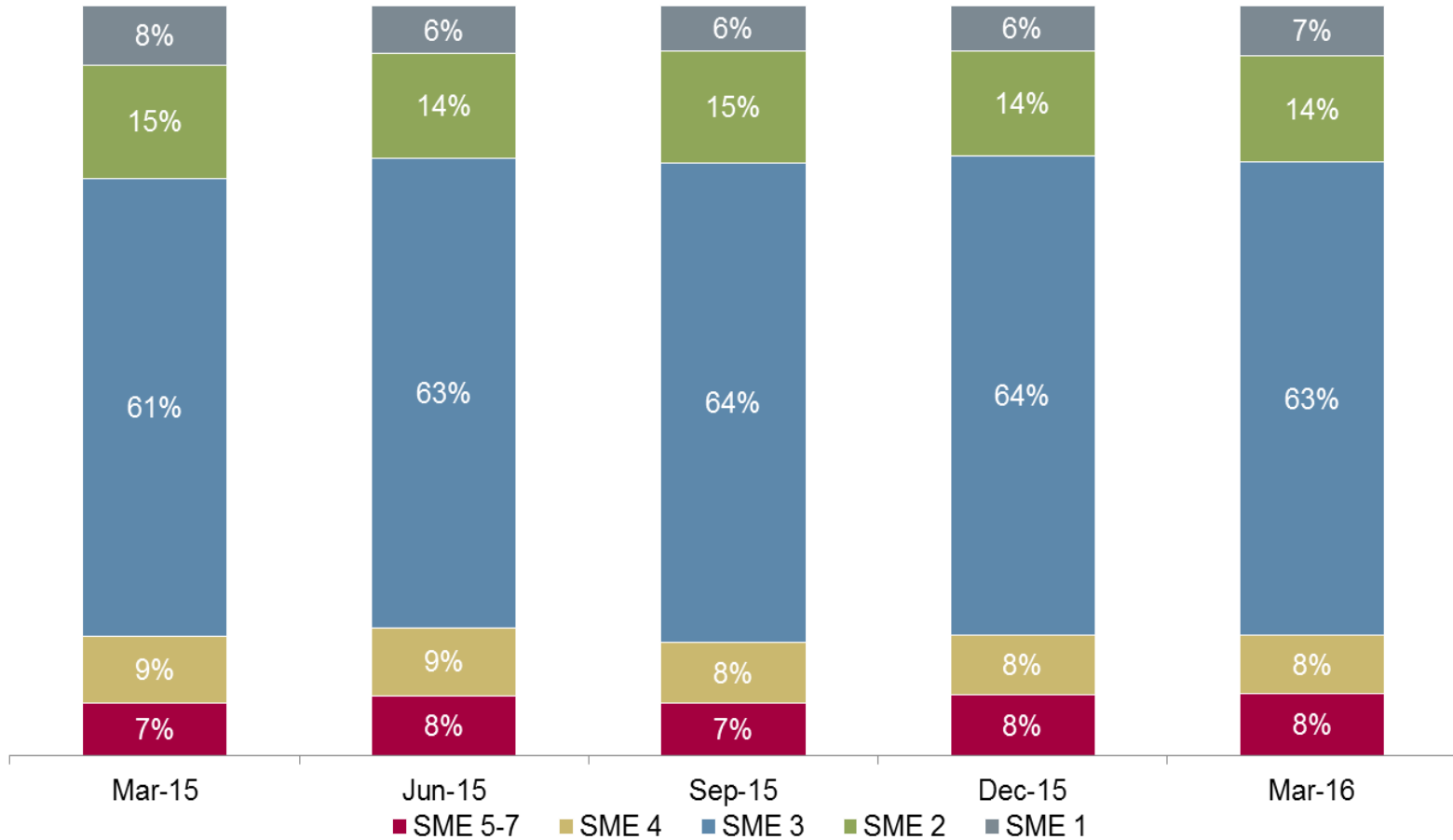
Rating Distribution: Non SLR Corporate Bonds

86% of corporate bonds have rating of at least 'A' in March 2016



Rating Distribution: SME Advances

84% of SME advances have rating of at least 'SME3' in March 2016



Industry-wise Distribution (Top 10)

Rank	Sectors	Outstanding as on March 31, 2016 (%) ¹		
		Fund-based	Non-fund based	Total
1.	Infrastructure ²	6.75	9.95	7.47
2.	Engineering & Electronics	3.29	17.86	6.56
3.	Financial Companies ³	4.56	12.35	6.31
4.	Power Generation & Distribution	6.21	4.41	5.80
5.	Trade	3.32	4.26	3.54
6.	Real Estate	4.08	1.54	3.51
7.	Iron & Steel	3.57	2.73	3.38
8.	Petroleum & Petroleum Products	1.07	9.01	2.85
9.	Food Processing	2.70	2.07	2.56
10.	Telecommunication Services	1.26	6.62	2.46

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

The Banker

GLOBAL FINANCIAL INTELLIGENCE SINCE 1926

Ranked amongst the Top 75
safest banks in the world

ASIAMONEY

Ranked Best Domestic Bank
in India 2015

FORRESTER®

Best Smartphone Mobile
Banking App in India

DRBT

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

THE ASIAN BANKER

STRATEGIC BUSINESS INTELLIGENCE FOR ASIA'S FINANCIAL SERVICES COMMUNITY

Best Corporate Payment
Project – Technology
Implementation Award 2015

Thank You