

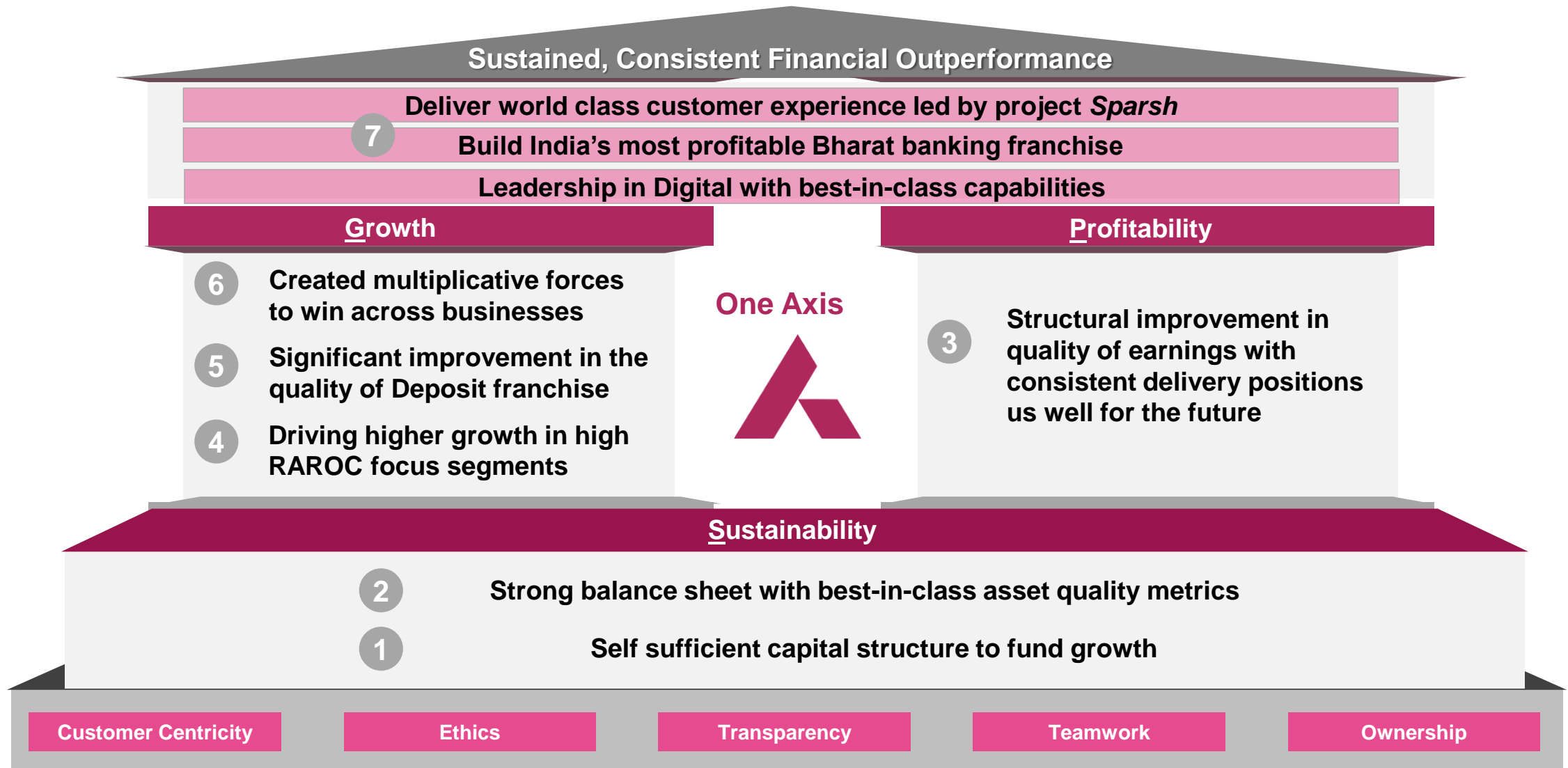
Stronger, consistent and sustainable

ANALYST DAY 2023

November 23, 2023



We are a strong, future ready and an all-weather franchise

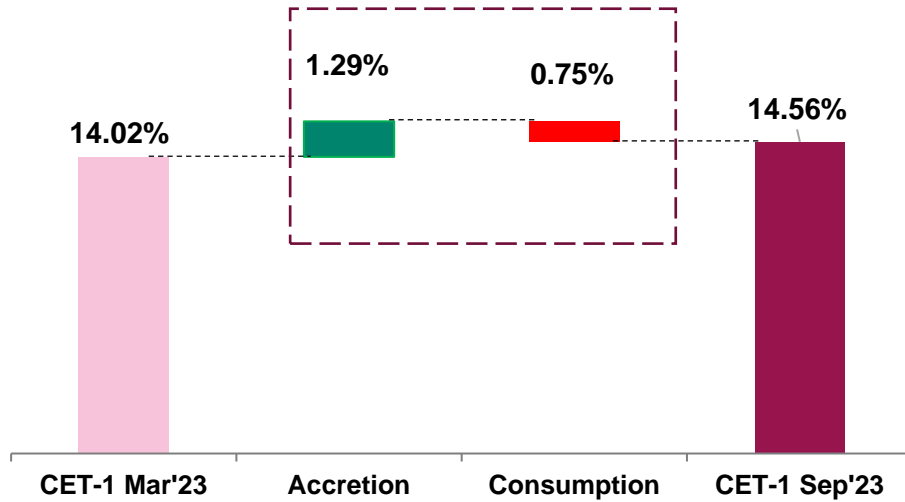


1

Self sufficient capital structure to fund growth



CET-1 accretion adequate to fund organic growth



54 bps

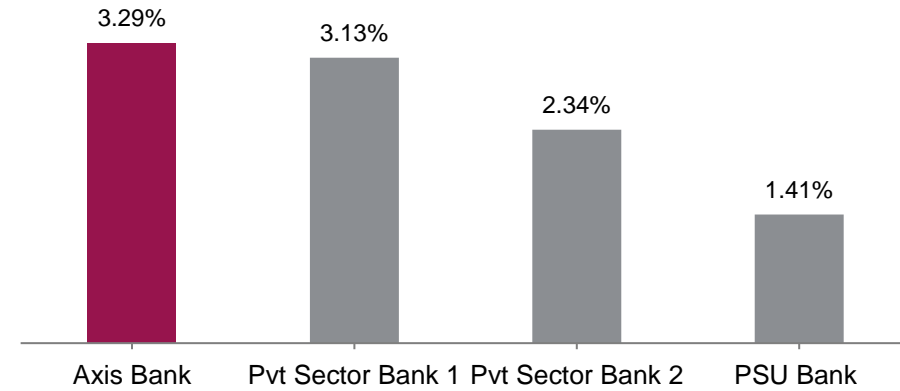
Net CET-1 accretion in H1FY24

Vs

107 bps

CET-1 consumption in FY17 to FY23 period excluding exceptional items

Incremental CET-1 accretion has been better than peers ⁽¹⁾



48 bps

Well capitalized with additional cushion on account of Covid provision buffer

Existing capital position and accretion enables us to adequately address recent regulatory changes and ECL when implemented

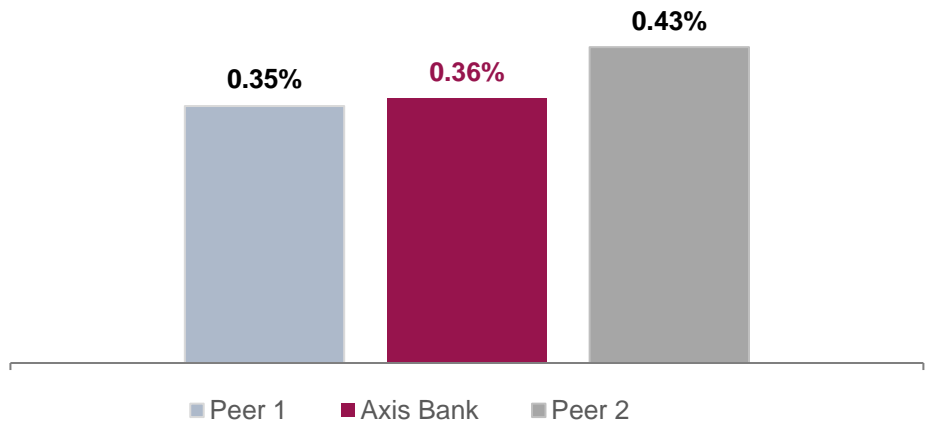
(1) Incremental CET-1, September 23 over March`19

2

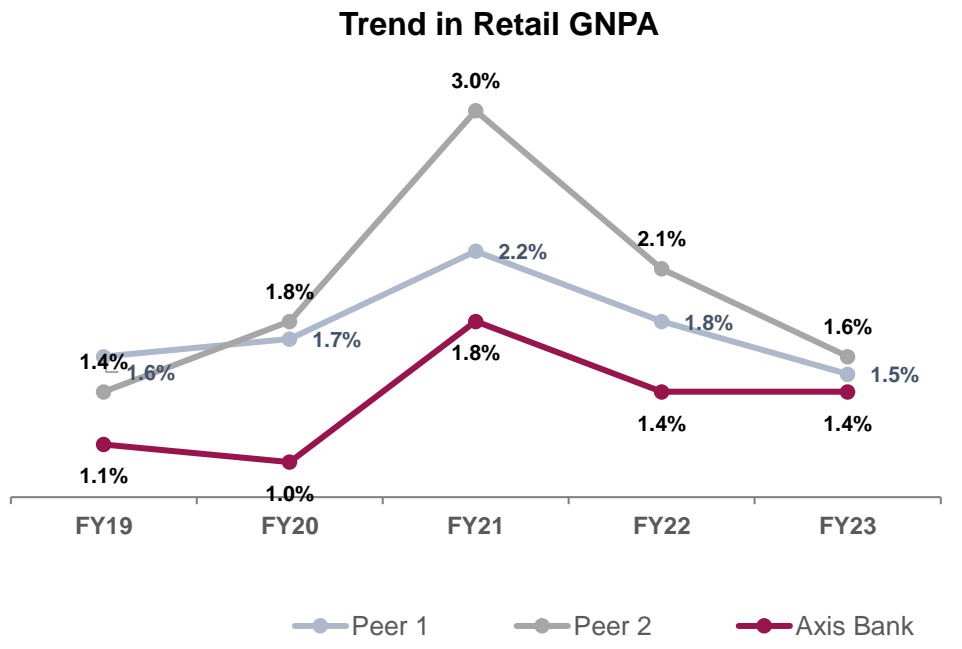
Strong balance sheet with best-in-class asset quality metrics



Our asset quality metrics are now among the best in class...
(as of Sep'23)

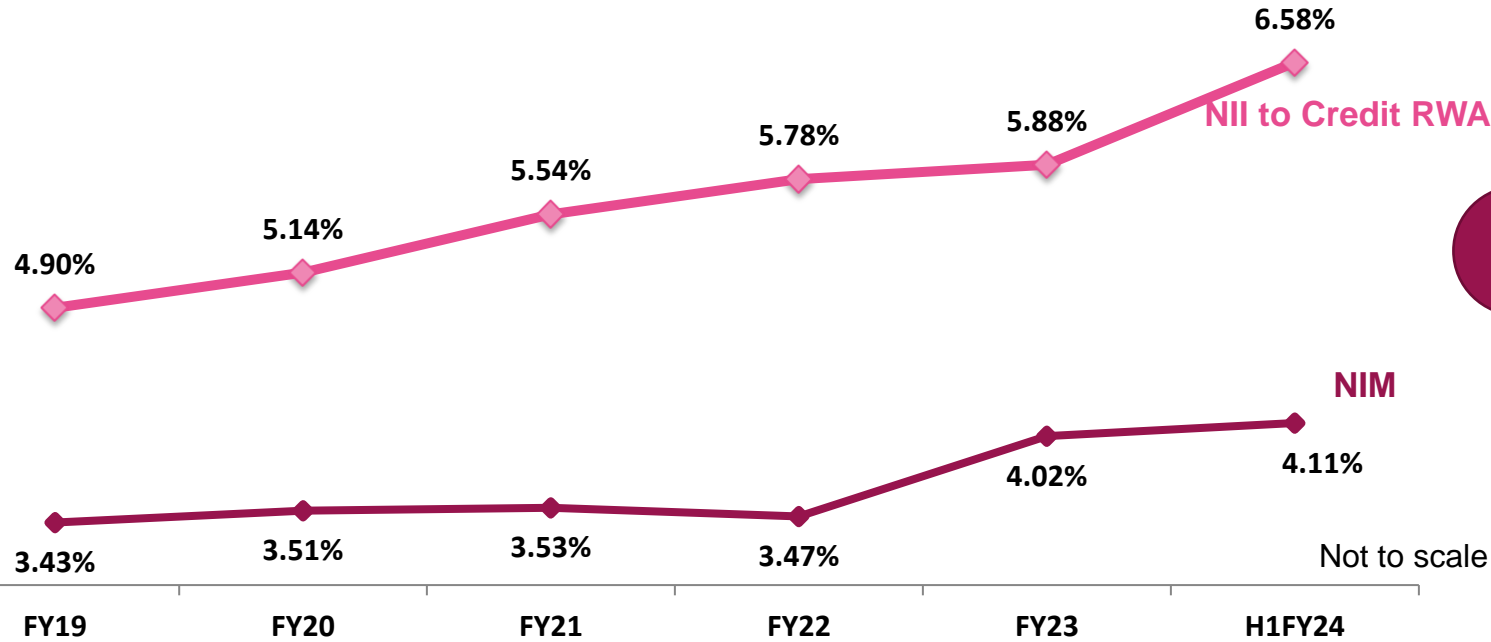


...and recent credit cycle tested quality of retail underwriting



304 bps	~3%	~2700 bps	1.32% ⁽¹⁾
<i>Reduction in NNPA since Mar'18</i>	<i>Net NPA / Net worth, security receipts fully provided</i>	<i>Improvement in PCR since Mar'18</i>	<i>Standard asset cover (all non NPA prov / std assets)</i>
Net NPA ratio – Lowest in 41 Quarters			

3A Structurally improved NIMs, while maintaining credit RWA



Credit RWA as % of total assets (closing basis)

Led by structural drivers of our NIM improvement journey

- 1 700 bps improvement* in share of Retail & SME in overall book
- 2 600 bps reduction* in share of non INR book
- 3 300 bps reduction* in share of low yielding RIDF bonds
- 4 400 bps improvement* in share of average CASA %

* In last 3.5 years

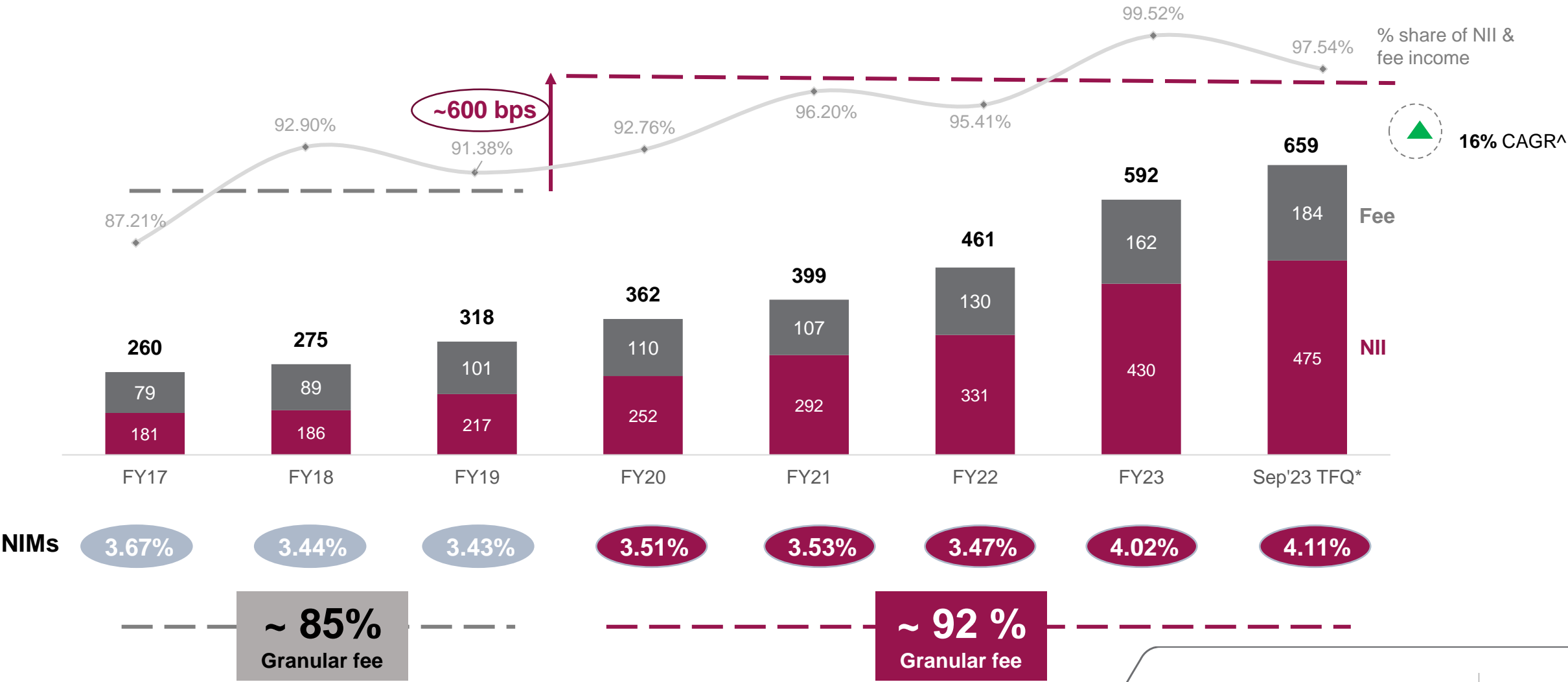
3B

Significantly improved quality of non-interest income and granularity of fee income



All values In Rs Bn

600 bps improvement in NII and fee income as % of total income



^ Sep'23 TFQ over FY19 * Trailing four quarters

4

Megatrends provide a long runway to drive sustained growth in our identified high RAROC focus segments...



1

Atmanirbhar Bharat and SME opportunity

75 million
Small & Medium Enterprises in India

25 trillion
Credit gap in MSME sector (2022)

3x
Expected growth in Rural consumption

2

Robust Digital & Payments ecosystem

> 1 trillion
Size of India's digital economy on the back of AA, OCEN, and CBDC among others

> 10 billion
Monthly transactions on UPI

2x
Expected growth in E-commerce penetration

3

Rising affluent population & consumption boom

75%
rise in consumer confidence index since Jul-21

2x
Expected rise in India's per capita income by FY32

~10%
Expected CAGR in Consumer spends upto 2030

4

Infrastructure & PLI led Manufacturing surge

> 3x
Expected growth in Manufacturing output

4.5%
Export market share to grow over 2x by 2031

800 bps
Expected rise in share of manufacturing and capex in GDP by 2025



One Axis

* Focus segments include SBB (Small Business Banking), SME (Small and Medium Enterprises), Mid Corporates, Rural, PL and Credit Card Advances

..within our established and tested risk guardrails, while ensuring we address emerging risks effectively

Digital Risk



- De-risked the entire digital journey through comprehensive Risk oversight and enhanced monitoring of digital lending portfolios
- Checklists for key risks – credit, operational and infosec – in each digital initiative
- Seamless integration of models and controls into partnerships

ESG & Climate Risk



- ESG considerations form part of core credit decisions – aligned with IFC Performance Standards
- ESG Rating model pilot version created, currently being deployed
- Climate risk forms a part of stress testing and capital planning processes

Bharat Banking



- Dedicated credit risk approach
- Customised scorecard models for farmer financing, farm mechanisation and MFI
- Alternative sources of data, geotagging etc. explored to adapt to the expanse of Bharat
- Focus on process and fraud risks

Cyber security risk



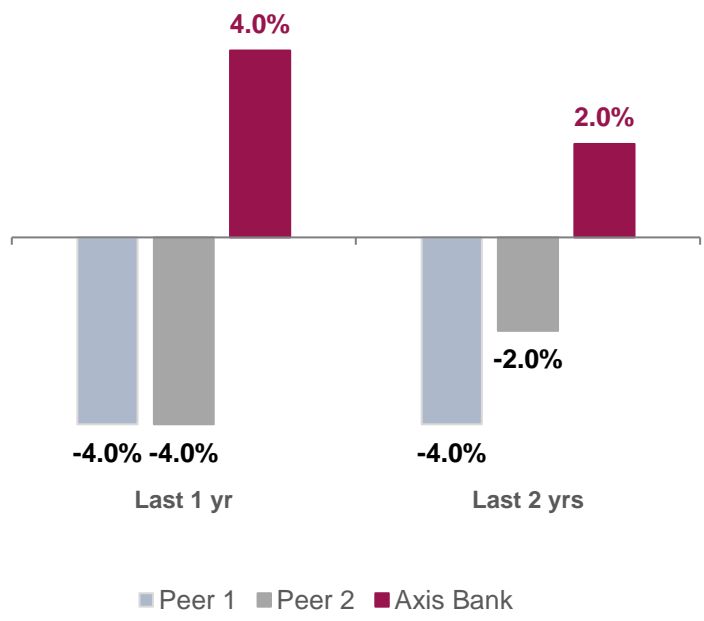
- Group wide approach to cyber security – uniform practices and standards across Bank and subsidiaries
- Enhanced investments in tools to upgrade security and ringfence perimeter
- ISO27017 cloud security certification

5

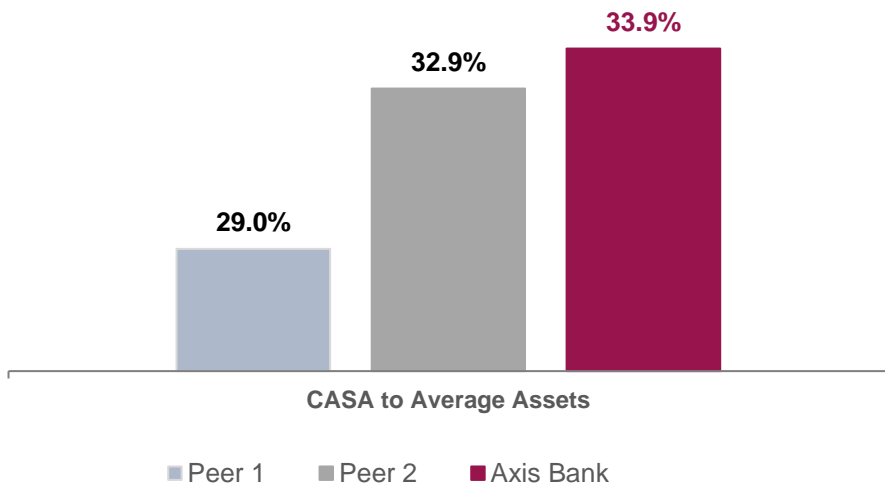
Delivered significant improvement in the quality of our deposit franchise.....



Retail LCR deposits have grown faster than overall deposits Vs peers (1)



CASA to average assets ratio is the best amongst the peers



... gives us confidence that initiatives being executed today will deliver composition and growth outcomes over the next 7 to 8 quarters

(1) Differential in growth of Retail LCR deposits over total MEB deposits growth for the period

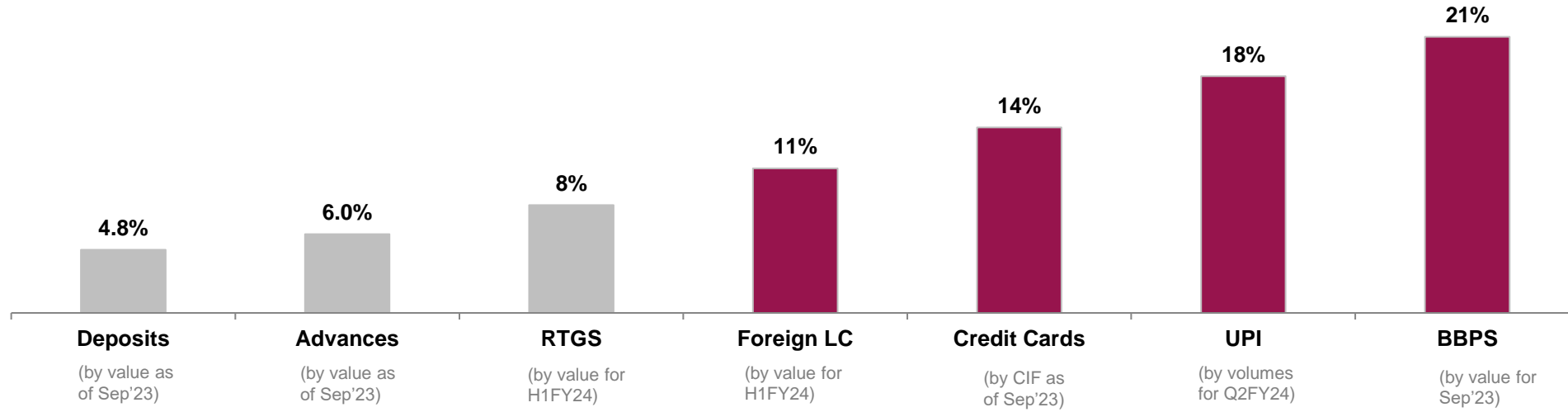
(2) CASA to average assets = CASA MEB deposits as of Sep'23 / (Average assets for the quarter ended Jun'23 and Sep'23)

6

We have demonstrated our execution and innovation capability by establishing leadership in Digital and many industry first positions



Market share across various products



1st

Among the first on UPI framework

1st

Domestic Trade transactions on GOI backed blockchain platform

1st

Indian private bank to arrange a term SOFR linked trade deal

100+

Partnerships across Digital ecosystem

* across 64 global banks, 82 fintechs and 9 neo banks with 2.2 mn+ reviews on Google Playstore



Sustained execution resulting in consolidation of our position across various businesses



3rd

Largest Private Banking & Wealth Mgmt. AUM

₹4.5 Tn

Wealth AUM as of Sep'23

A leading **Wealth Management franchise** with significant scale

44.4%

One of the highest CASA ratio among large peers (MEB basis)

550 bps

Reduction in outflow rates in last 2 years, quality of LCR deposits among the best

CASA deposits franchise is now among the best in industry

4.5 Mn

Cards issued in last 12 months among the highest in industry

14%

CIF market share as of Sep'23

4th largest Credit Card player, closed gap significantly with **3rd** ranked player

28%

CAGR in combined SBB, SME and MC segments (Mar'20 to Sep'23)

15.6%

Axis Bank MSME incremental market share in last 3 years (till Sep'23) ^

SBB+ SME + MC segment has scaled up significantly

4.8

Mobile app rating on Google Play Store, highest among global peers*

13 Mn

Monthly active users on Axis Mobile app

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

1st

ECM Ranking – no of deals since Mar'20 (Prime Database)

1st

on Bloomberg DCM league table for 16 straight years

Amongst the best and most comprehensive Wholesale Banking franchise

* across 64 global banks, 82 fintechs and 9 neo banks with 2.2 mn+ reviews

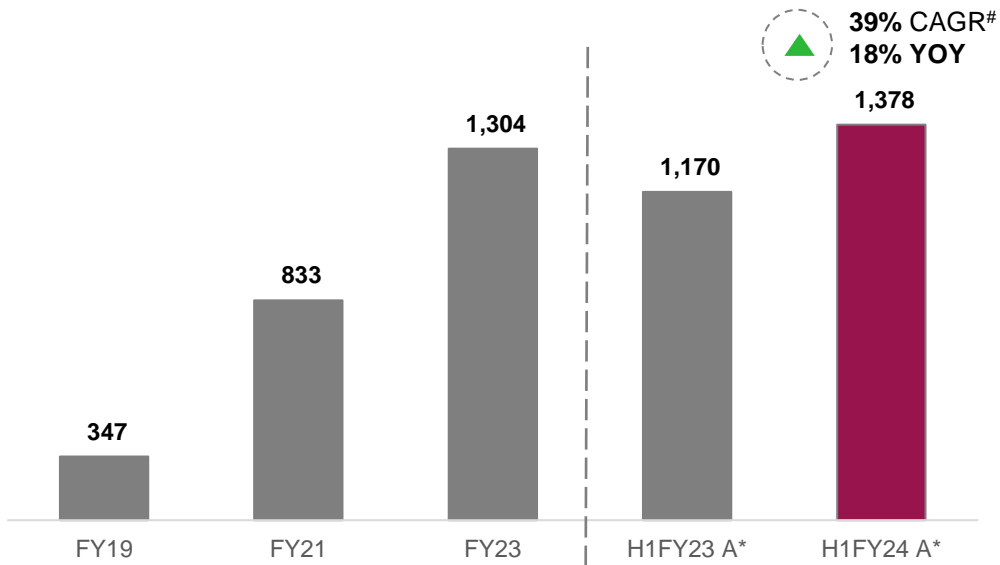
^ basis RBI sectoral deployment data as of Sep'23

6

Multiplicative forces through unification of One Axis, partnerships and new age tech platforms gives us a right to win



Combined PAT (Annualized) for Operating Subsidiaries



₹7,034 Cr

Combined network of operating subsidiaries

27%

CAGR in combined network (Mar'19-Sep'23)

53%

Return on Investments (H1FY24)

Bharat Banking	63K+	Common Service Centre Village level entrepreneurs VLEs
Digital	13 mn	Mobile Banking Monthly active users
Partnerships	34%	Contribution of KTB channels to sourcing of Cards (in H1FY24)
Citi Franchise	1600	Suvidha Corporates
Personalization	15K+	Nudge variants live
Transformation projects	1 mn+	Cards sourced every quarter in the last 7 quarters

CAGR for FY19 to FY23 period

7

To conclude, investments in long term ‘distinctiveness’ drivers have started yielding visible results



Digital

Best In class Digital Capabilities, puts us on the path to become *India’s Best Tech Bank*

~5%

of the Bank’s overall business

77%

YOY growth in loan book

1st

To go live on **Account Aggregator** framework

Bharat Banking

Inherent strengths giving us *Right to Win* in RuSu markets

24%

YOY growth in Rural advances

37%

YOY growth in asset disbursements

13%

YOY growth in deposits from BB branches

Sparsh

Customer Obsession Program at Axis has aided *improvement in our NPS ranking*

Significantly closing the gap with top 2 peers

25% ↑

YOY Improvement in External NPS score for 2022

3rd ↑

NPS Ranking as per Kantar Survey for the year 2022

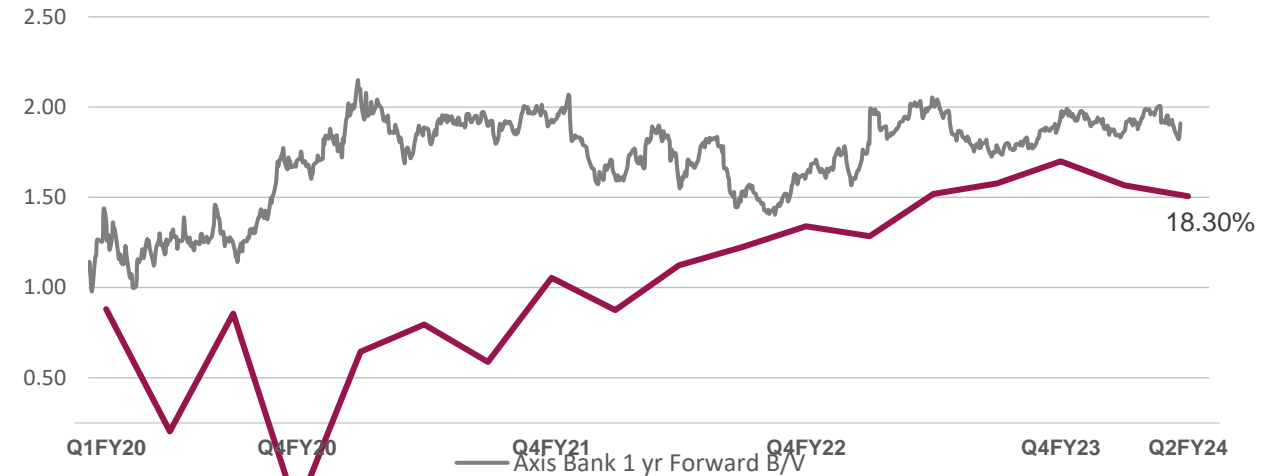
Something for us to think about



	Avg. FY 14/15	H1 FY24
ROA (standalone %)	1.8	1.8
ROE (standalone %)	18.4	18.7
NIM (%)	3.9	4.1
Advances Growth (%)	19%	22%
Net Credit Cost (%)	0.6%	0.5%
PCR (%)	68%	79%
Retail Book (%)	40%	58%
Corporate Advances (A- and better %)	62%	89%
Max P/B (X)	2.9	2.0
Beta (X)	1.4	1



Axis Bank ROE vs 1 yr forward P/B



- Better quality of balance sheet and balance sheet buffers
- Granular advances and corporate book of a better quality
- Better quality of other income and more granular fee
- Significant leadership in Digital
- One Axis and subsidiaries scaling up meaningfully

Thank You

