

GPS Strategy Execution

ANALYST DAY 2023

November 23, 2023



Consistent execution on our GPS strategy, resulting in us becoming an all-weather franchise



Foundation & Strength

1. **Strengthened balance sheet**, one of the best asset quality metrics in the sector
2. Risk framework and culture, **ensure resilience through cycles**
3. **Deposit quality delivered; Deposit composition witnessing visible improvement**
4. **Lifted the growth momentum** across businesses, earnings **consistency making the Bank more sustainable**
5. **Continue to build scale and create significant value in key subsidiaries**
6. **Created multiplicative forces through unification of One Axis, partnerships & new-age tech platforms** to win across businesses
7. **Self sustaining capital structure** resulting in value accretion for all stakeholders



Distinctiveness

8. **Best in class Digital capabilities**, puts us on path to become **India's Best Tech Bank**
9. **Inherent strengths in Bharat Banking, gives us the right to win in RuSu markets**
10. **Sparsh (Customer Obsession) and Siddhi (Empowering Employees)** to set us apart in the next decade



Differentiation

11. Created a **'Premium' Consumer franchise** across wealth and cards
12. Amongst the **best and most comprehensive Wholesale Banking franchise**
13. Focus on **granular, risk adjusted, higher yielding segments** has made the business **more profitable**

Delivered or exceeded GPS commitments made...



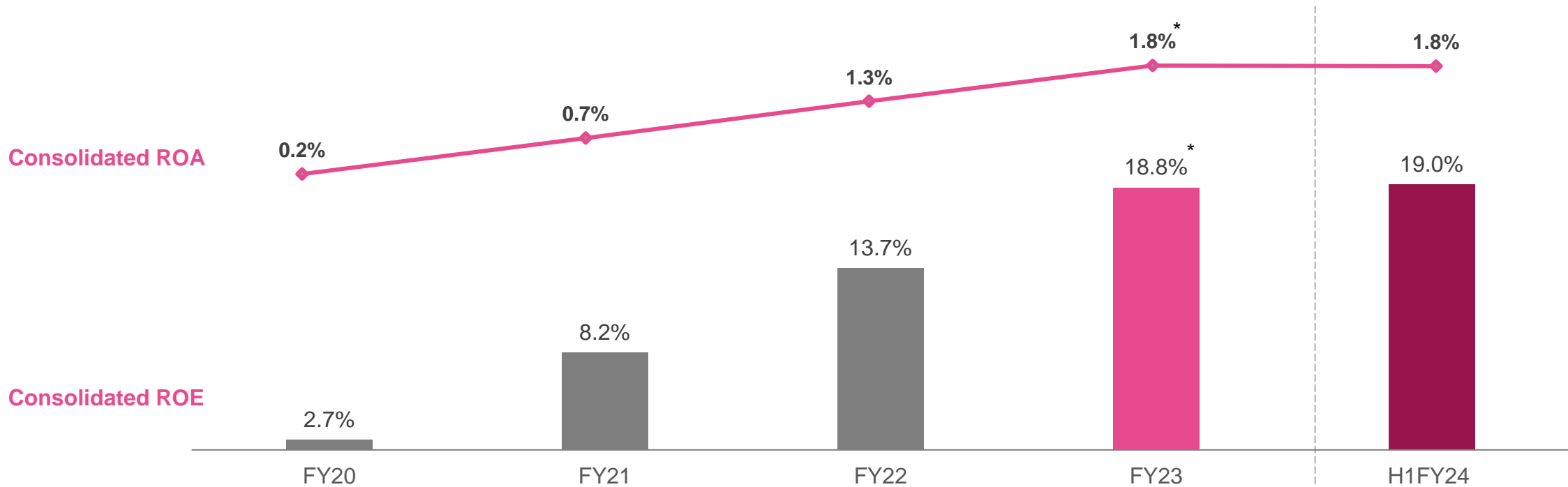
	FY19	FY23	H1FY24	
Lifted the growth momentum	Advances mkt share	4.9%	6.0%	6.0%
	Deposits mkt share	4.3%	5.1%	4.8%
	Operating Revenue growth	8% ⁽¹⁾	16% ⁽²⁾	30%
Improved profitability considerably	Cons ROE	8.58%	18.84% ⁽³⁾	19.04%
	NIM	3.43%	4.02%	4.11%
	Core Op Profit growth	4% ⁽¹⁾	19% ⁽²⁾	19%
Strengthened the Bank significantly	CET 1 ⁽⁵⁾	11.27%	14.02% ⁽⁴⁾	14.56% ⁽⁴⁾
	PCR ⁽⁶⁾	62%	81%	79%
	Net NPA	2.06%	0.39%	0.36%

(1) CAGR during FY16 to FY19 period (2) CAGR for FY19 to FY23 period (3) excluding exceptional items
 (4). Net of Citi transaction consuming 191 bps (5) Common Equity Tier -1 (6)excluding technical write-offs

...and surpassed our aspirational targets to deliver stronger, consistent and sustainable returns



Trend in Consolidated ROA and ROE

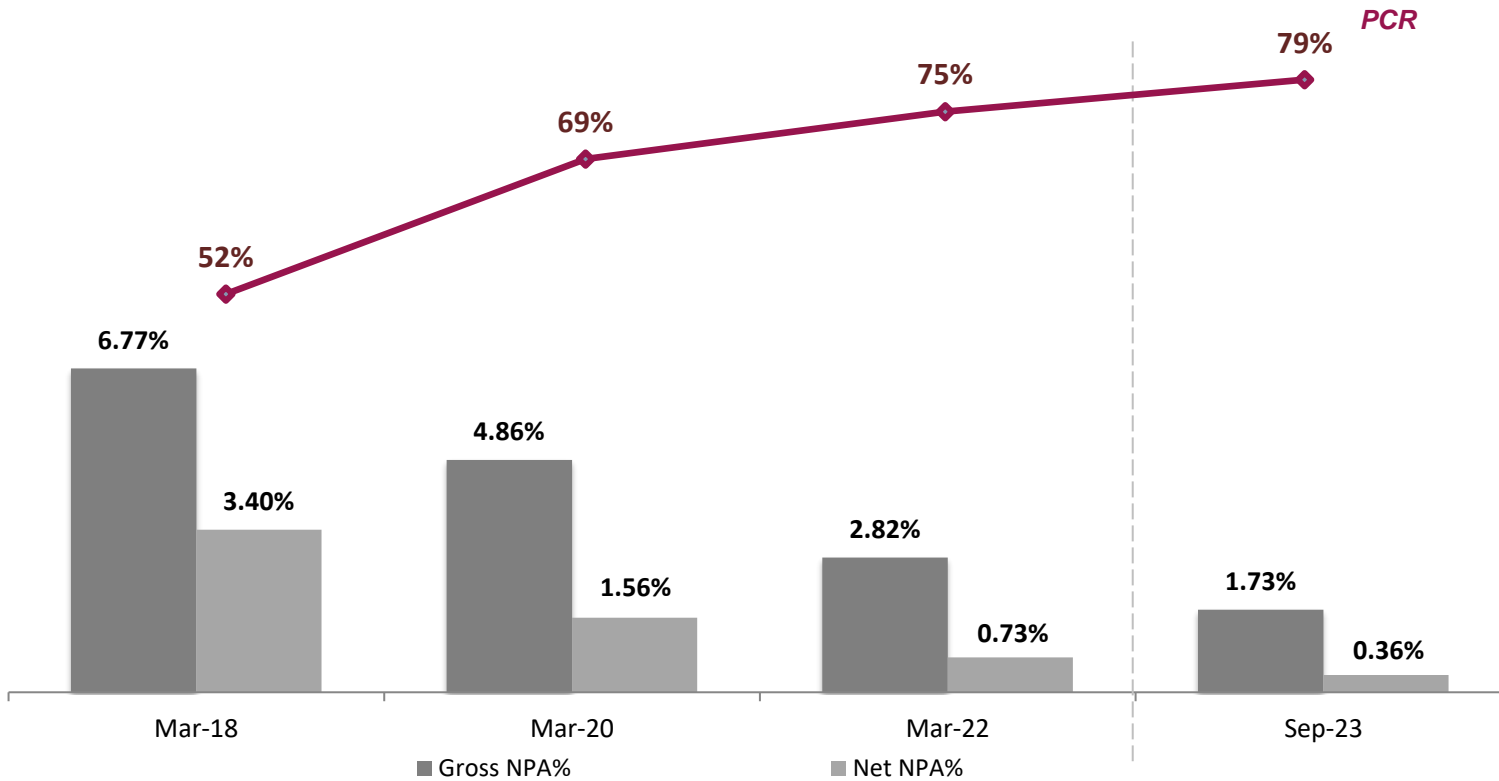


Consistently delivered over 18% ROEs in the last 5 quarters*

* Excluding exceptional items reported in Q4FY23 related to Citibank India Consumer business acquisition



Strengthened balance sheet significantly with one of the best asset quality metrics in the industry



✓ Gross NPA ratio – Lowest in 30 Quarters | Net NPA ratio – Lowest in 41 Quarters

~2700 bps

Improvement in PCR since Mar'18

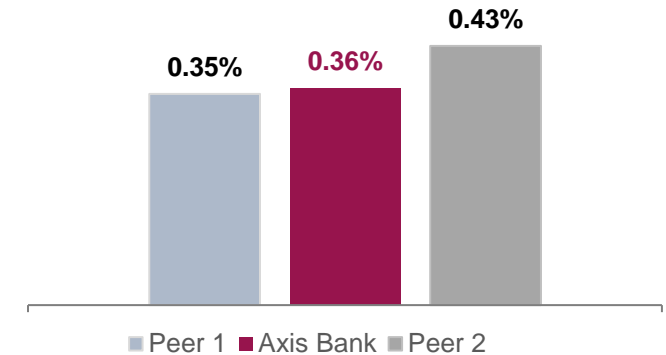
304 bps

Reduction in NNPA since Mar'18

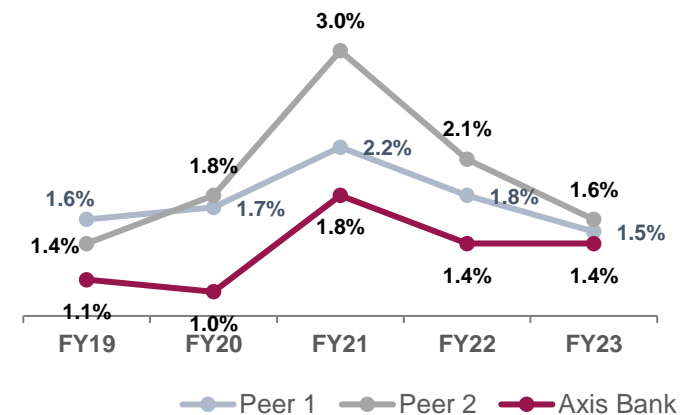
1.32%

Cumulative provisions as % of overall book (as of Sep'23)

Net NPA ratio for large banks (as of Sep'23)



Gross Retail NPA ratio for large banks



Augmented risk frameworks and culture change, gives us confidence that franchise will remain resilient through cycles



Stronger risk governance

- **Robust ERM framework** establishing risk governance and oversight
- **Granular risk appetite** to drive risk based decisioning
- **Model risk** framework to ensure oversight on decisioning models
- **Group oversight** aligned with Risk management practices across group

Non-financial risks

- **Operational risk strengthened** focusing on key risk Indicators
- **Enhanced focus on** cyber security and fraud risk management
- **Security Validation through ISO27017 Cloud Certification**

Embedding risk management in the DNA



Systematic interventions

- **Credit risk** – EWS models, policy intervention, onboarding guardrails
 - 89% of Corporate loans on-boarding from A- & above
 - Periodic policy calibration in Retail ensures high risk segments proactively curtailed
- **Strengthened product approval process** – reducing design failure risk

Strengthening emerging risks

- **Unsecured Lending** – Remains focused on ETB/KTB led growth , avoiding low ticket loans
- **Bharat Banking tool kit** – Improved Underwriting & Monitoring
- **ESG Rating model** – support 'ESG commitment' aspirations
- **Digital risk framework** – monitor through checks , controls & guardrails



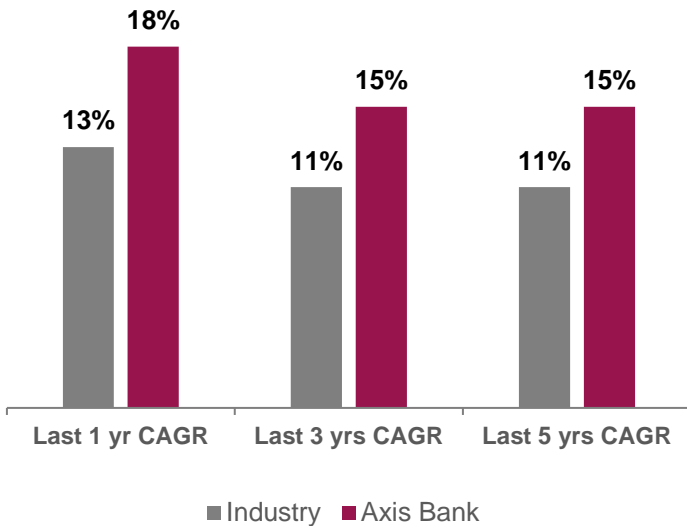
THE ASIAN BANKER
RISK MANAGEMENT AWARDS

Won “**Achievement in Enterprise Risk Management, Asia**”, at the Asian Banker Risk Management Awards, 2022

Delivering better than industry deposit growth, complimented with significant improvement in the quality of our deposit franchise

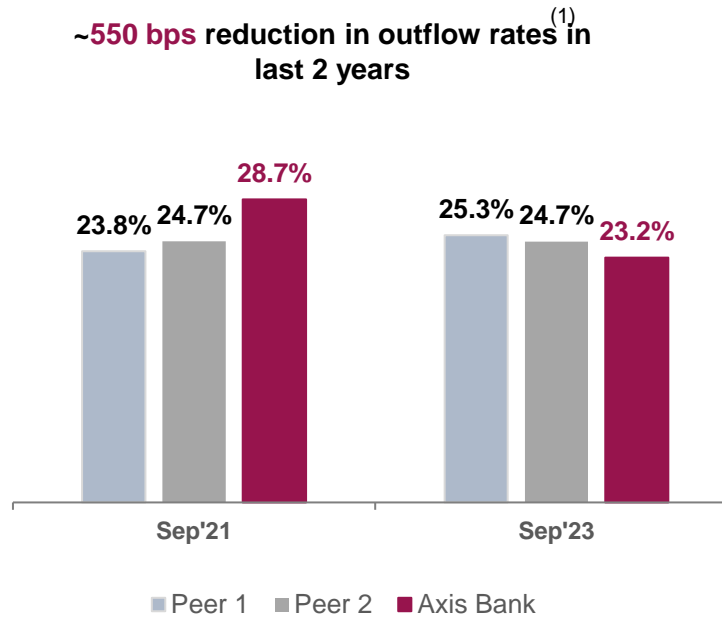


Growing faster than industry consistently...



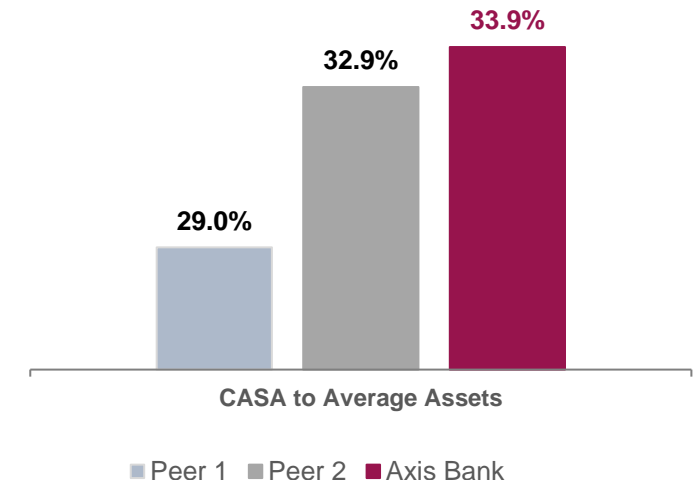
Incremental market share of **6.2%** in last 3 years

...with improvement in the quality of LCR deposits...



Outflow rate, the best amongst large peer banks

...and higher CASA ratio than peers⁽²⁾



CASA to Average Assets ratio at **33.9%** is better than large peer banks

Source: RBI, Axis Bank reported data

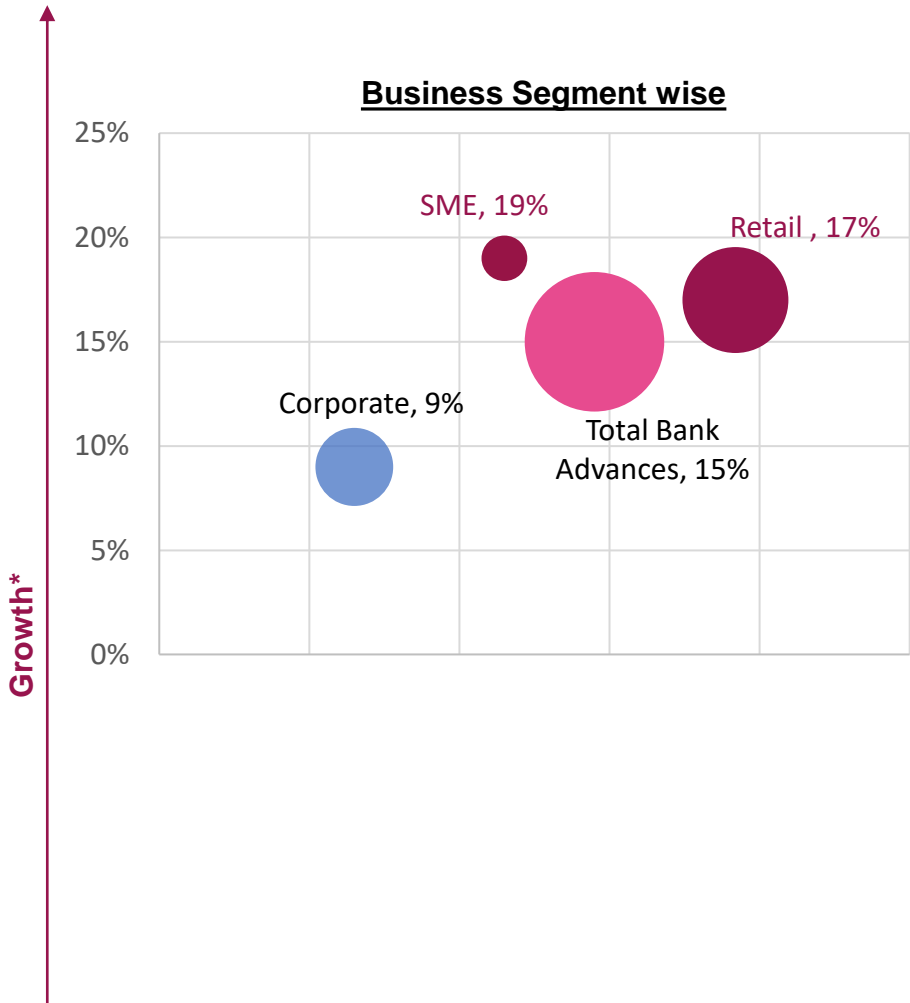
(1) Source : LCR disclosures of peer banks

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

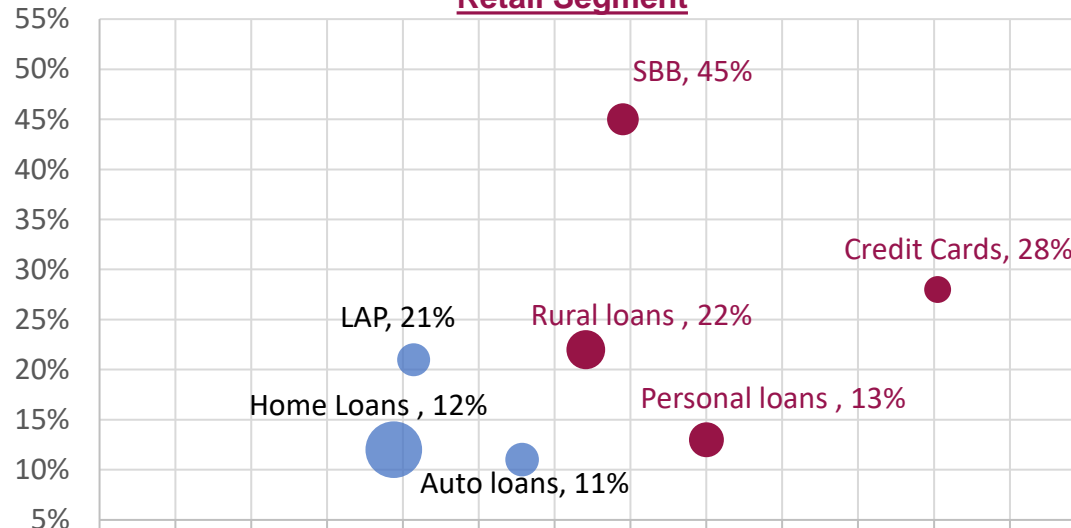
Lifted growth momentum across our risk adjusted, higher yielding segments....



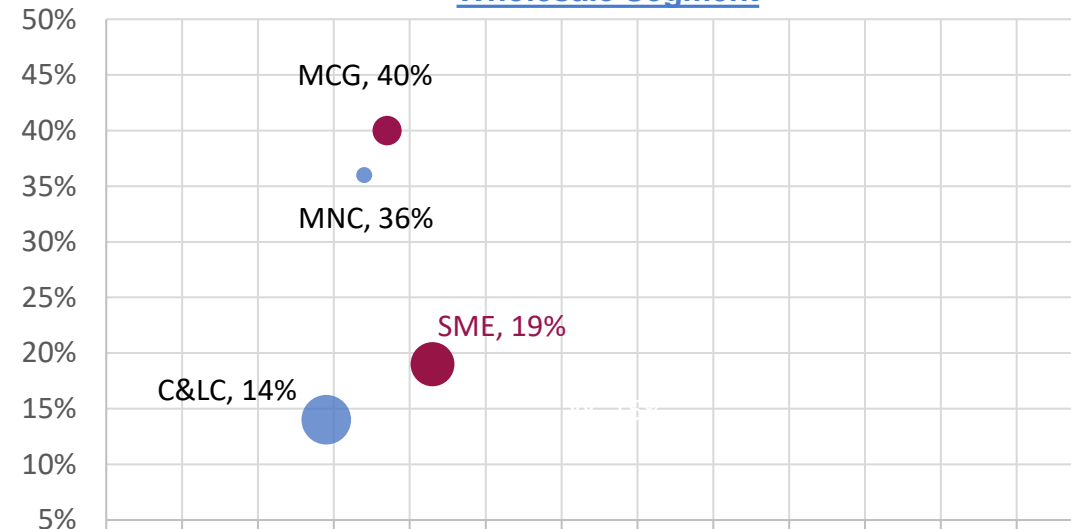
Business Segment wise



Retail Segment



Wholesale Segment



24%
CAGR (since FY20) in **Focus business segments**

40%
Proportion of **Focus business segments** in Bank's total advances (as of Sep'23)

~950 bps
Increase in share of **Focus business segments** in last 3.5 years

Yield

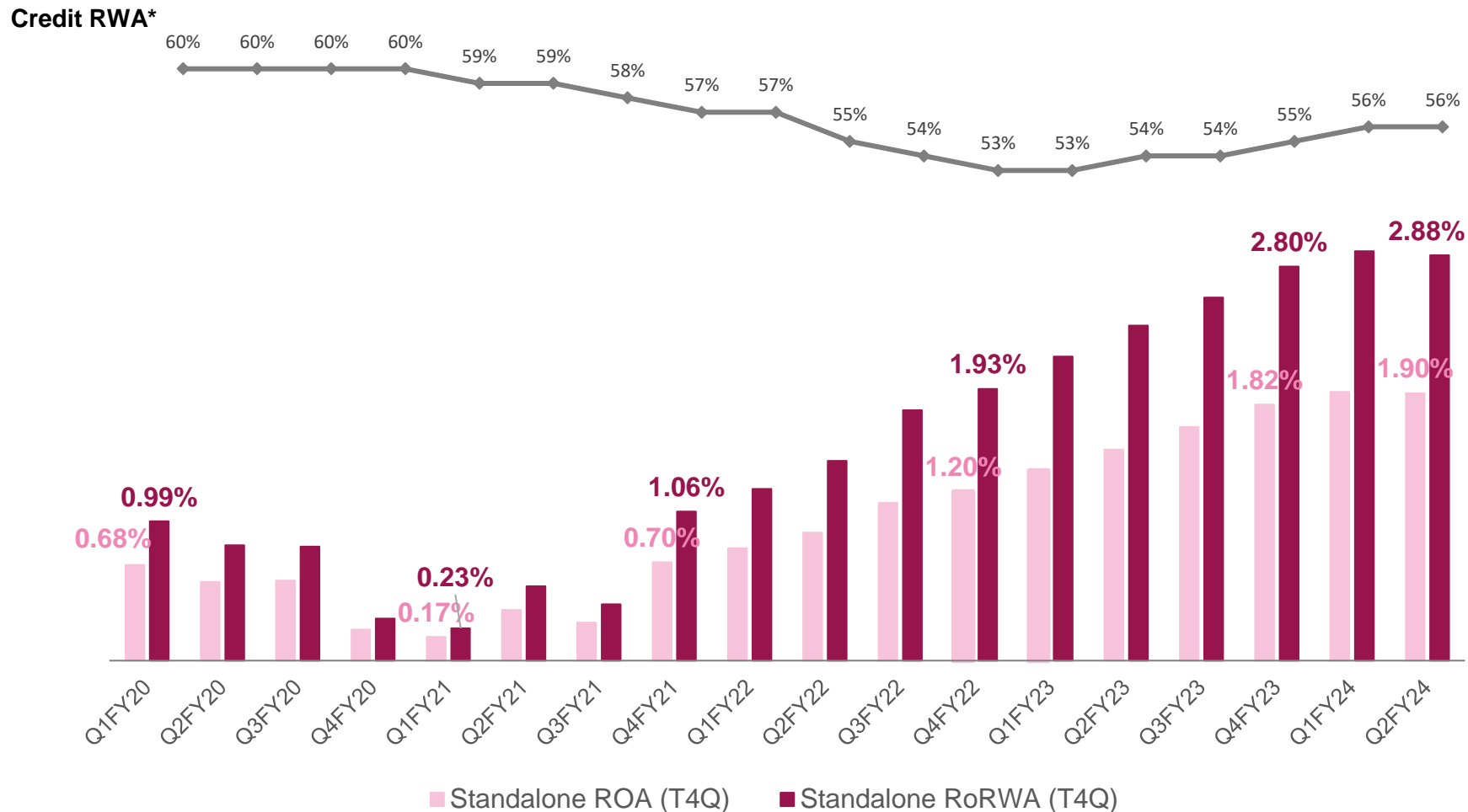
* Focus segments for the Bank include Small Business Banking (SBB), Small & Medium Enterprises (SME), Mid Corporate, Rural, Personal Loans (PL) and Credit Card Advances

*CAGR (for last 3.5 yrs)

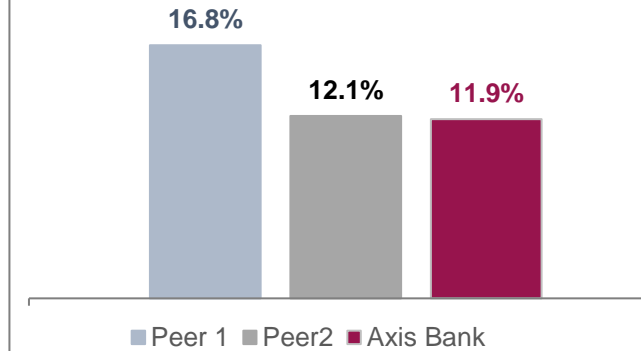
...contributing to the structural improvement in quality of earnings with better RWA profile.....



Trend in Trailing 4 Quarters Standalone ROA and RoRWA⁽¹⁾



RWA growth for large banks (FY20 to FY23)⁽²⁾

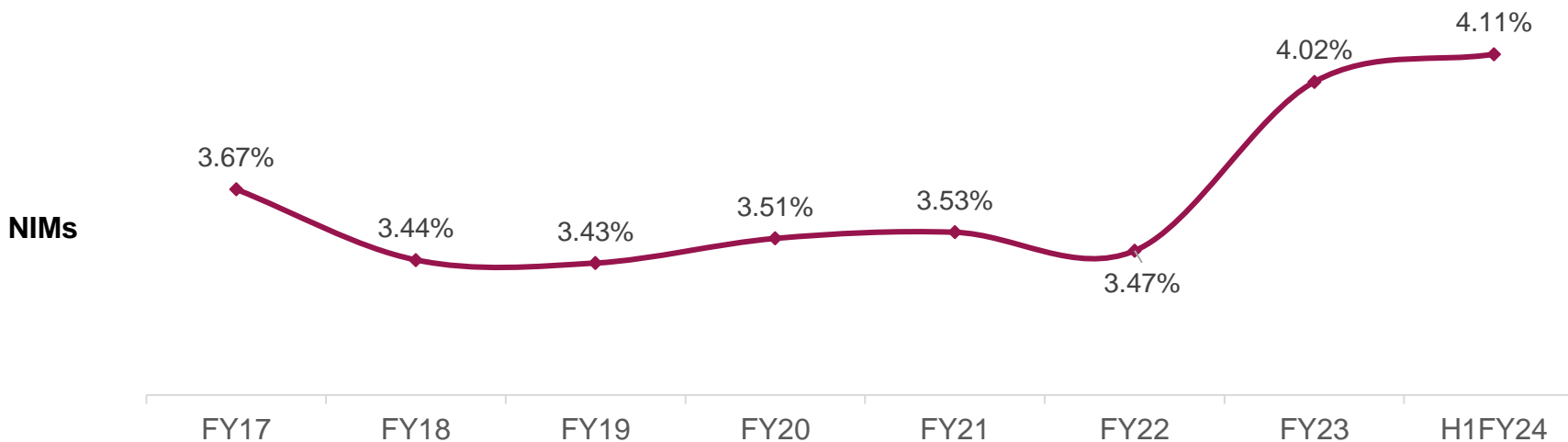


* On period closing basis for trailing four quarters

(1) Return on Risk Weighted Assets (2) Risk weighted assets

... and improving NIMs...

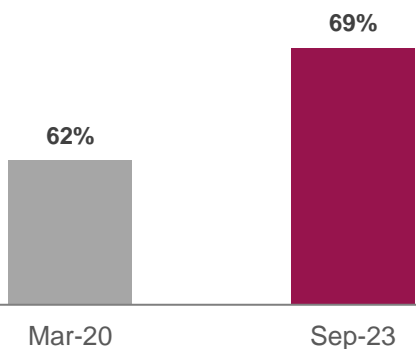
⁽¹⁾ Structurally improved NIM trajectory



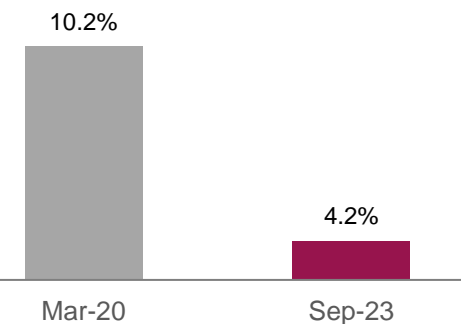
25 bps

Improvement in NIMs through cycle *

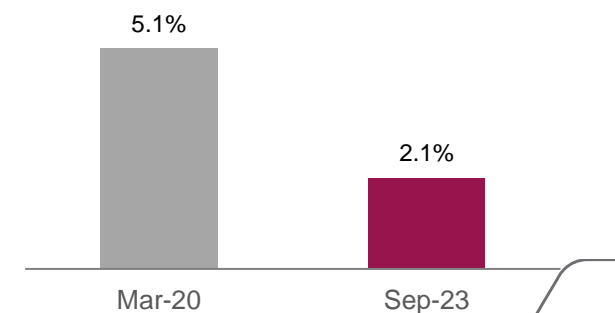
Retail & SME as % of loan book



Non INR book as % of overall book



Reducing share of low yielding RIDF bonds ⁽²⁾



17%

CAGR in total NII since FY19 **

* Average NIMs for FY20 till H1FY24 as compared to average of previous 15 years from FY05 till FY19

** Numerator taken as H1FY24 TTM

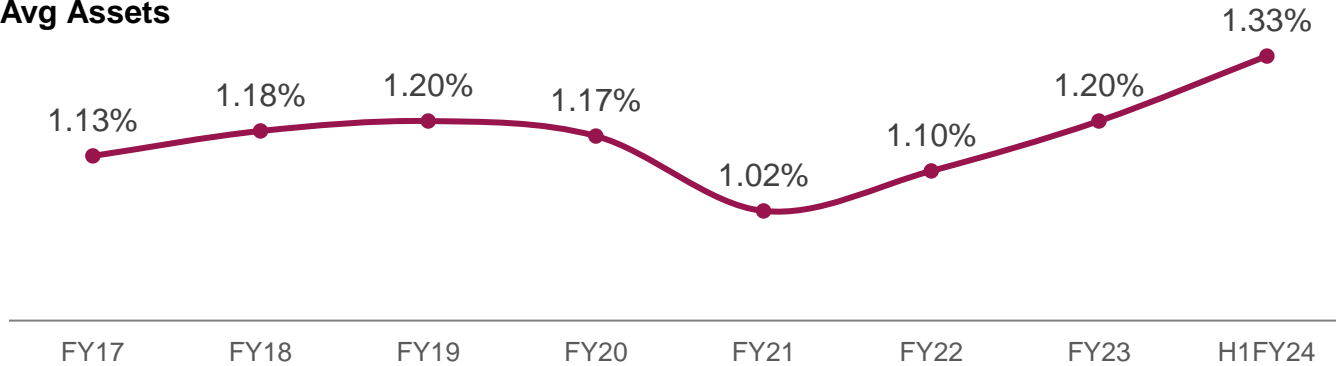
(1) Net Interest Margin (2) Rural Infrastructure Development Fund

.. and granular fees which is among the best in industry



Improved the fee profile significantly in last few years

Granular* Fee to Avg Assets



~94%

Share of **granular Retail & transaction banking related fee** (as of H1FY24)

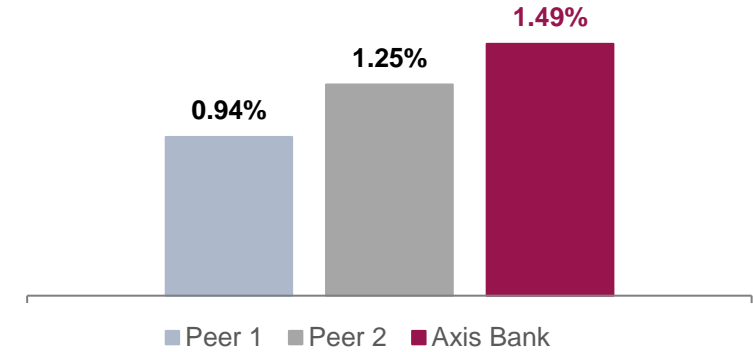
600 bps

Improvement in proportion of granular fees since FY19

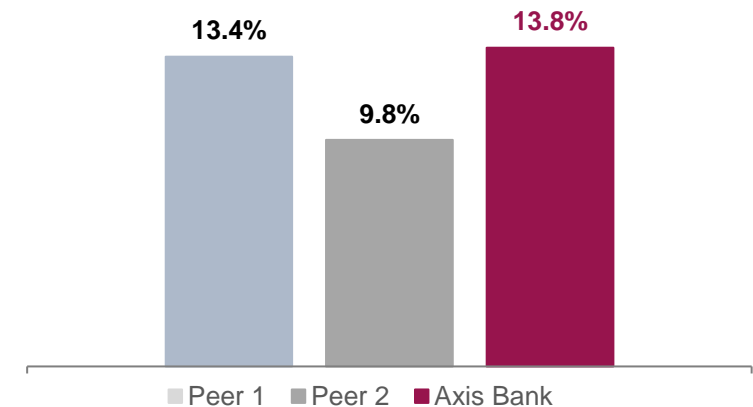
16%

Retail fee CAGR (since FY17)

Total fee to average assets (as of Q2FY24)

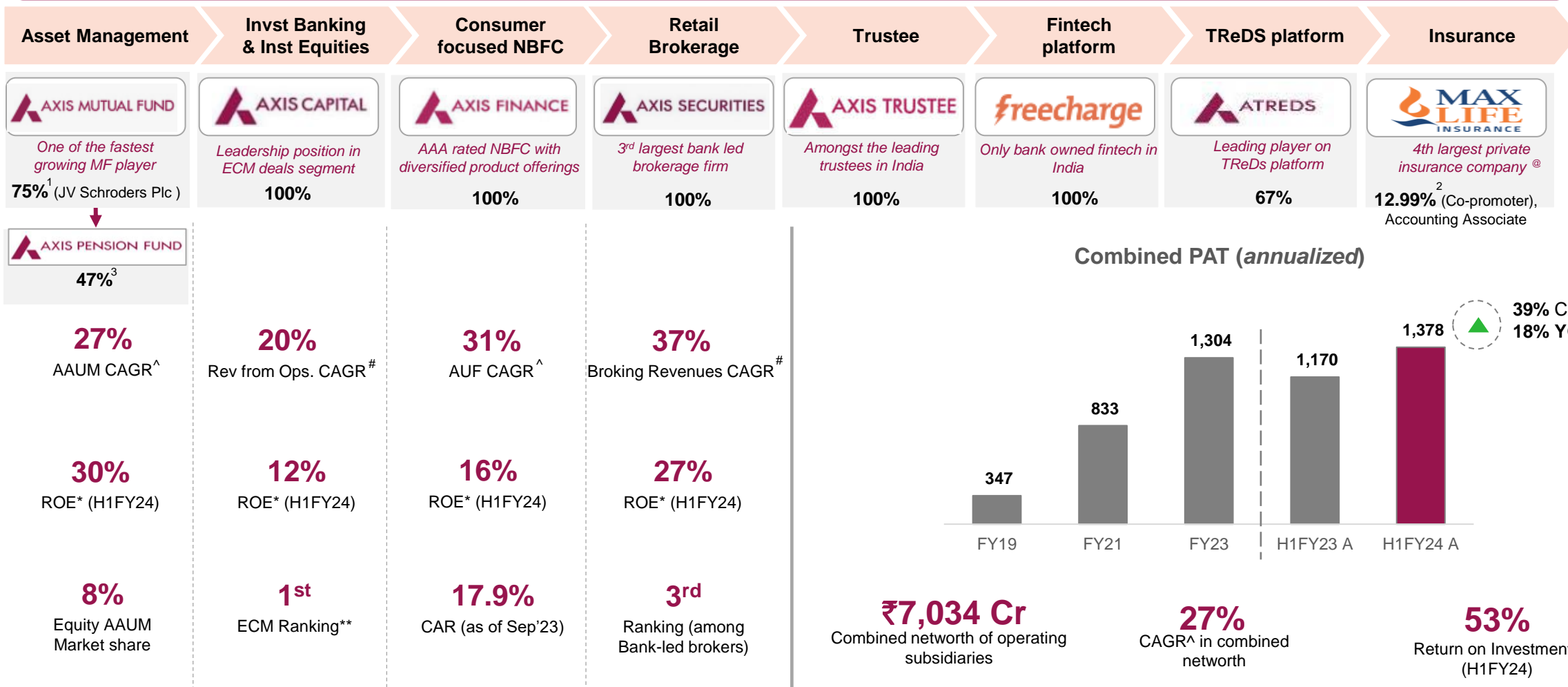


Fee income growth (FY20 to FY23 CAGR)



* Granular fee includes Retail, Transaction Banking, Trade, Forex and Financial Institutional payments related fee

Continue to build scale and create significant value in key subsidiaries



* Annualized ROE as per IndAS ^ CAGR for Mar-19 to Sep-23 period # 4yr CAGR (FY19 to FY23) ** as per Prime database (basis deal count) since Apr'20 to Sep'23
 (1) 25% is held by Schroders Plc (2) Including stakes owned by Axis Capital and Axis Securities; Also, there is further Option to take overall stake to 19.99%
 (3) 47% effective stake held by Axis Group in step down subsidiary (51% stake held by Axis Mutual Fund & 9% stake held by Axis Bank), @ Based on New Business Premium

The figures represented above are for the Bank's domestic group entities as per Indian GAAP, as used for consolidated financial statements of the Group, unless stated otherwise

We have crafted a winning strategy in partnerships, led by our cutting-edge tech stack and API prowess

100+ Partnerships across Platforms and Ecosystems – Highest among the peers

Aggregators⁽¹⁾				
Mobility⁽¹⁾		E-commerce⁽¹⁾		Telecom⁽¹⁾
Enablers⁽¹⁾		Neo-Banks⁽¹⁾		Remittance Platforms⁽¹⁾

APIs hosted on Bank's API Developer Portal

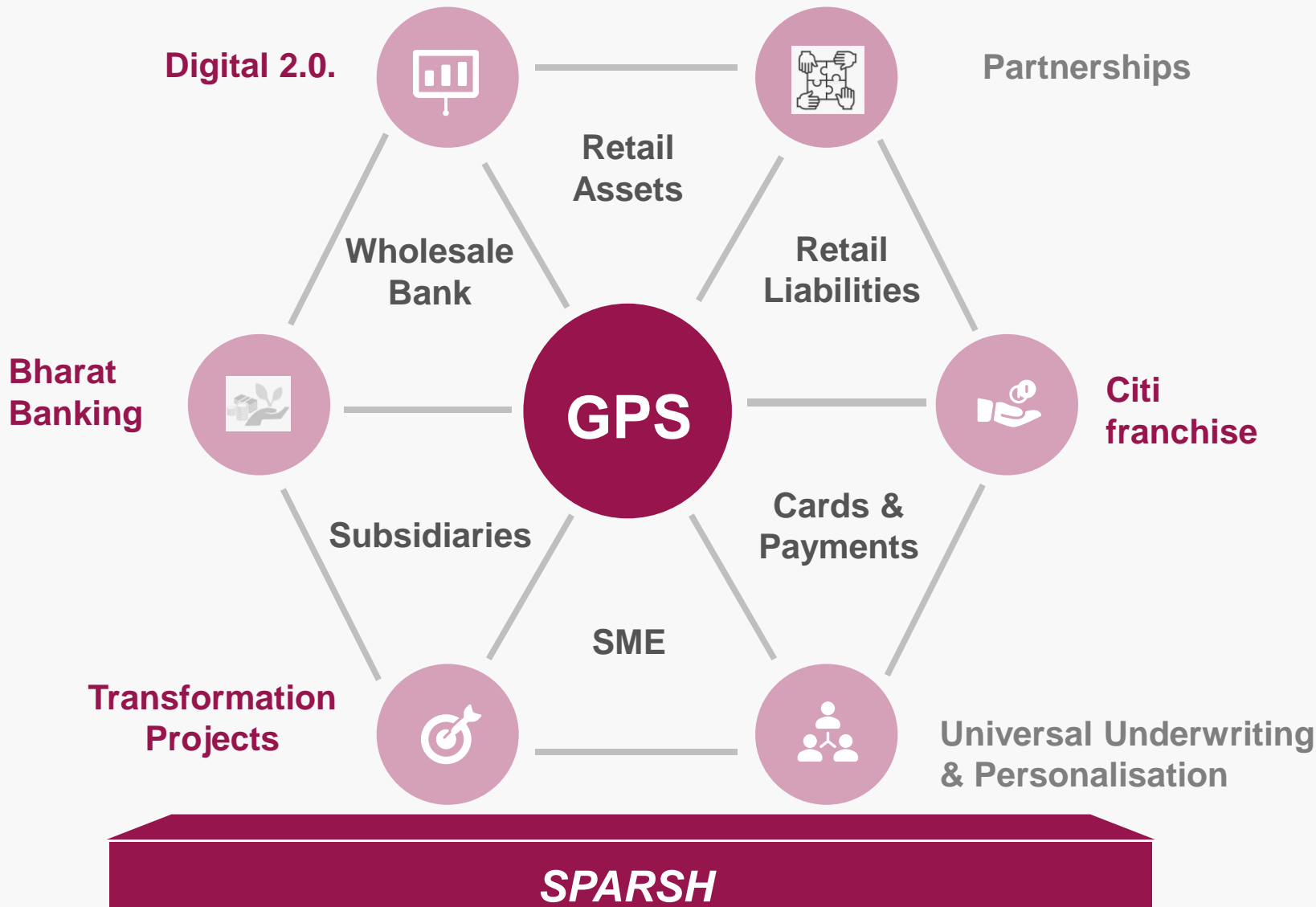
400+
Total APIs

285+
Retail APIs

~125
Corporate APIs

(1) Illustrative, not comprehensive

Created multiplicative forces through unification of One Axis, partnerships and new age tech platforms to win across businesses

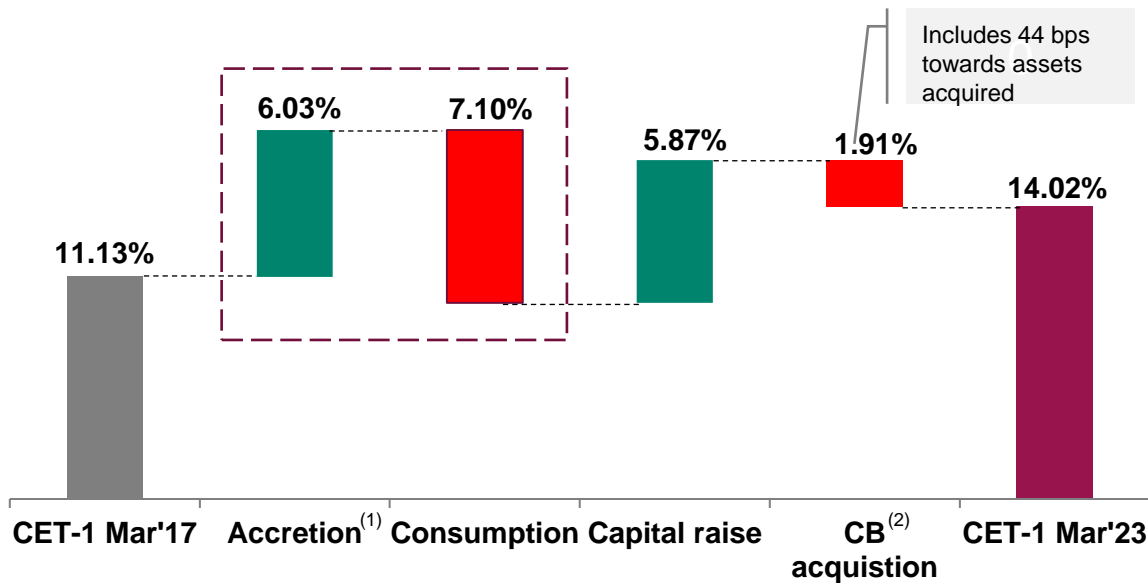


Bharat Banking	~63,500 Common Service Centre Village level entrepreneurs
Digital	13 mn Mobile Banking Monthly active users
Partnerships	34% Contribution of KTB channels to sourcing of Cards (in H1FY24)
Citi Franchise	1600 Suvidha Corporates
Personalization	15K+ Nudge variants live
Transformation projects	1 mn+ Cards sourced every quarter in the last 7 quarters

Self-sustaining capital structure, resulting in value accretion for all stakeholders



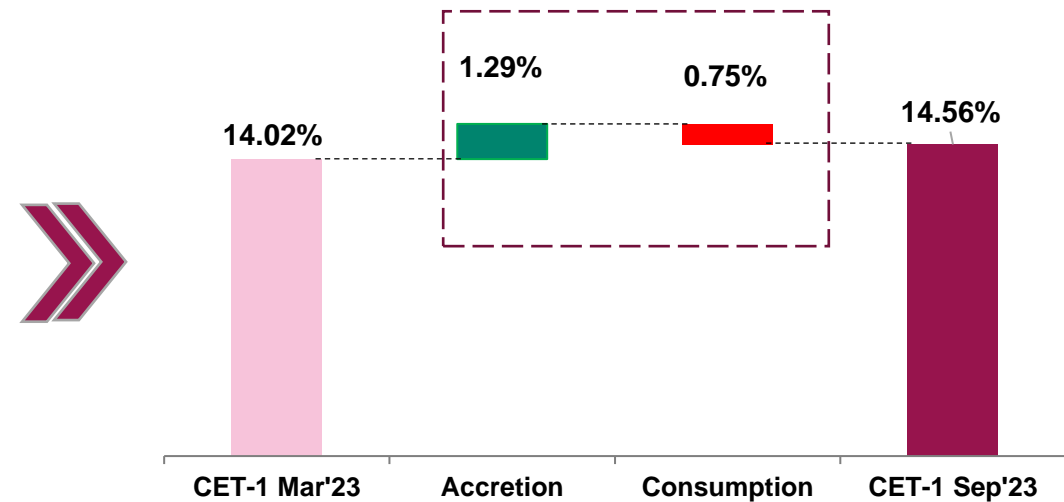
Historically equity raise was supporting capital consumption...



107 bps

CET-1 consumption in FY17 to FY23 period excluding CB items⁽²⁾

... profit accretion is adequate to fund organic growth



54 bps

Net CET-1 accretion in H1FY24

48 bps

Additional cushion on account of Covid provision buffer

(1) Accretion includes ESOP exercise (2) Citibank India Consumer Business acquisition

Considerable progress on our key 'strategic bets for this decade & beyond'

1



Best in class Digital and Analytics capabilities, puts us on path to become India's Best Tech Bank

2



Inherent strengths in Bharat Banking, gives us the right to win in RuSu markets

3

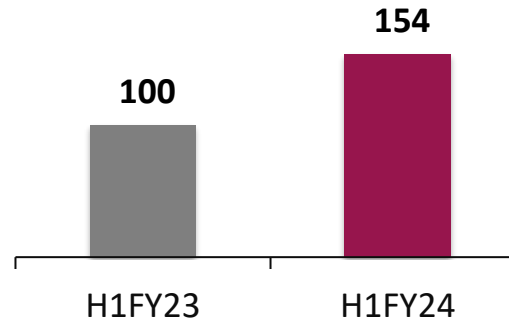


Sparsh (Customer Obsession) and Siddhi (Empowering Employees) to set us apart in the next decade

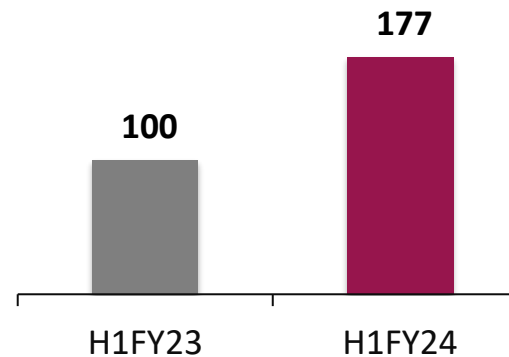
open by Axis Bank continues to deliver strong growth, as we remain ahead of the curve on new innovations



Deposits



Loans



1st

To go live on Account Aggregator framework

1st

Bank to launch CBDC⁽¹⁾ merchant app

1st

Bank to go live on RBI Tech platform offering Credit for MSME⁽²⁾ loans

'open' is now ~ 5% of the Bank's overall business and we intend to increase contribution by 3-4x by fiscal 2027

(1) Central Bank Digital Currency (2) Micro Small and Medium Enterprises

Our cutting-edge data analytics capabilities and leadership in technology continue to accelerate our distinctiveness journey



Resilient and scalable systems infrastructure

1st

Indian Bank to be ISO certified for its AWS and Azure Cloud security

1st

Indian Bank to roll-out MS GenAI Co-pilot

800

Best-in-class BitSight ⁽¹⁾ rating in BFSI



Hyper Personalization

15,000+

Hyperpersonalized nudge variants

3,000+

Customer attributes for over 4 Cr customers

1.6x +

Lift in term deposits booking via nudges



Alternate data and database programs

1.5x +

growth in total eligible for cross-sell programs

50%

YOY growth in retail lending disbursements through Database programs

10 +

Alternate data scorecards live

Bharat Banking strategy continues to play out well with strong growth momentum in RuSu markets



Large and deep distribution

2,373

Bharat Banking branches
as of Sept 2023

~63,500

Common Service Centre Village
level entrepreneurs

75+

Live Partners

Delivered strong growth at current scale

24%

YOY growth in Rural
advances

37%

YOY growth in asset
disbursements

13%

YOY growth in deposits
from BB branches

Early success in marquee partnerships such as CSC

3x

YOY growth in asset
disbursements

60K+

Liability NoA sourced
in Q1

20+

Products live with
the channel

Quality business model established

Higher **NIMs** driven
by high RAROC⁽¹⁾
product segments

63%

Increase in overall PSL
penetration since FY21

Strong **risk ,collect-ions & Underwriting** capabilities

(1) Risk adjusted return on capital

Sparsh (Customer Obsession) and Siddhi (Empowering Employees) to set us apart in the next decade



Sparsh – our Customer Obsession Program has aided improvement in our NPS ranking...

25% ↑

YOY Improvement in External NPS score for 2022

3rd ↑

NPS Rank as per Kantar Survey for the year 2022

Significantly closing the gap with top 2 peers

Getting us more customers as promoters

Internal NPS movement (over indexed baseline¹)

39% ↑

Retail Bank NPS

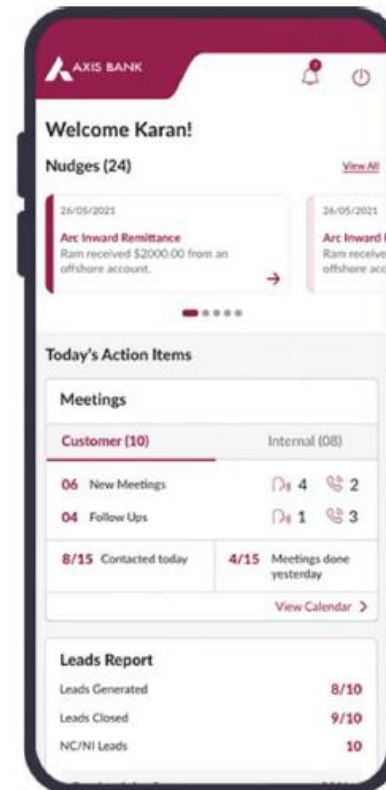
33% ↑

Wholesale Bank NPS*

1. Baseline as Q1 of FY 23

*Wholesale FY23 exit numbers, as NPS assessment done annually

Siddhi - the Super App that empowers Axis colleagues to engage seamlessly with customers



31K+
active users

70%
retail business covered (by volumes)

18
product journeys

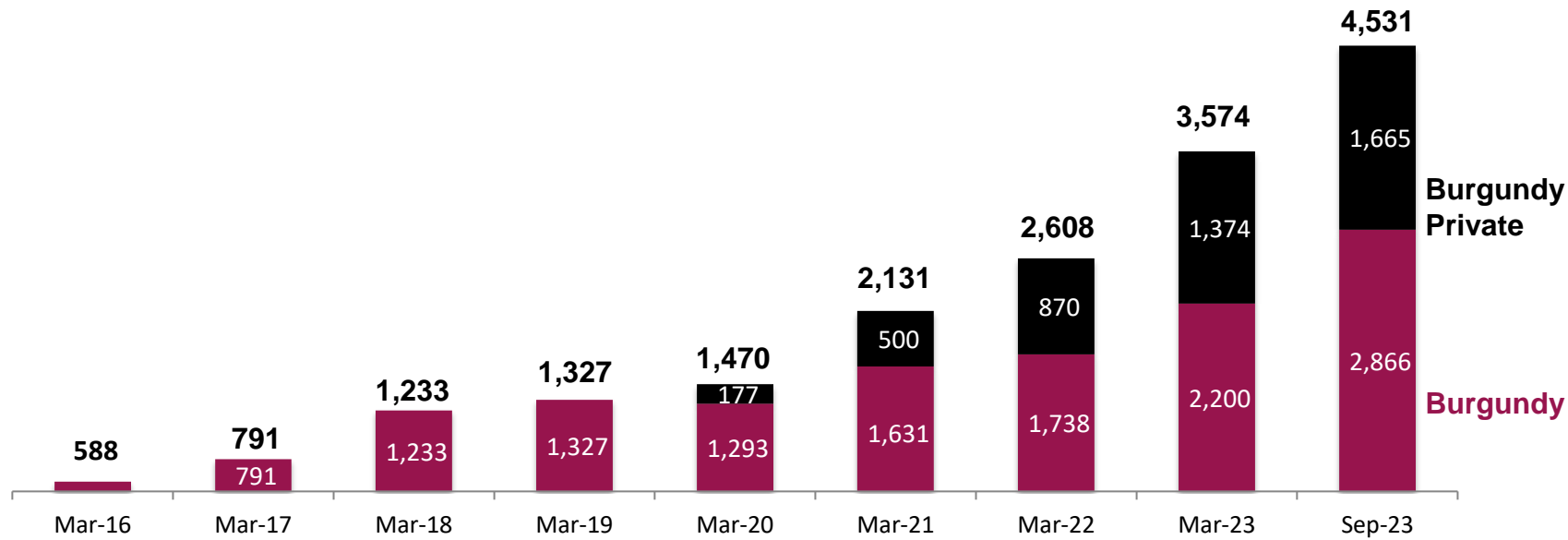
1 in 3 richest Indians is our customer, making us a leading player in India's Wealth Management space



(In ₹ Bn)

Overall Burgundy AUM^ has grown steadily

31% CAGR
(since Mar'16)



32

of the 100 *Richest Indians* are Burgundy Private clients

9,639 families

Burgundy Private Customer base

66% YOY

Growth in Burgundy Private 3-in-1 Metal Card

"Best Private Bank for Client Acquisition, Asia",
5th Annual Wealth Tech Awards
Published by the Financial Times

Marketing Excellence at the Global Private
Banking Innovation Awards 2022

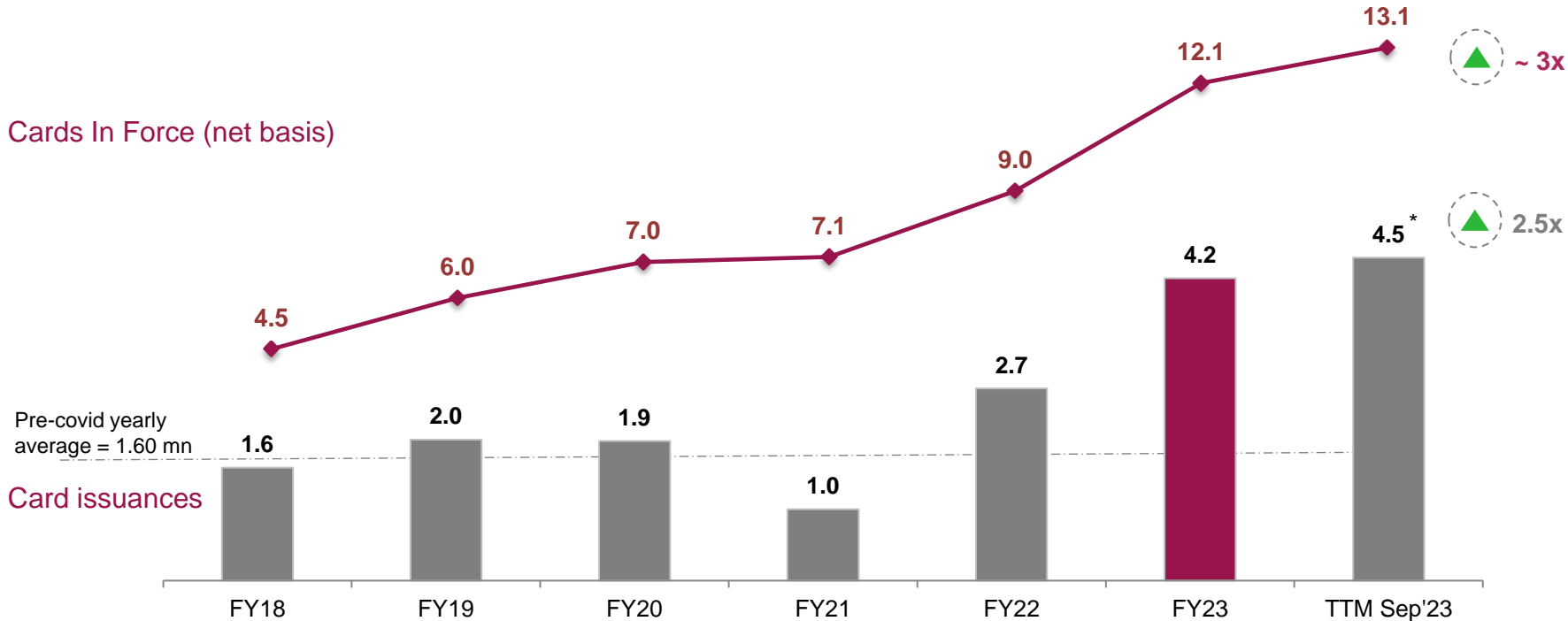
^ includes Burgundy Private AUM as well

Strong growth in Credit Card issuances and spends



Among the largest credit card issuer in country with over 1mn cards issued in each of last 7 quarters

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



14.1%
period end market share for credit cards in force as of Sep'23

390 bps
Increase in Retail Cards spends market share since Mar'19

72%
Increase in retail Card spends YOY

Amongst the best and most comprehensive Wholesale Banking franchise



Differentiated 'One Axis' approach

Strong market share position across payments..

1st
ECM Ranking in the last decade (Prime Database)

1st
on Bloomberg DCM league table for 16 straight years

8%
RTGS Value Payment Market Share (H1FY24)

11%
Foreign LC Market Share (H1FY24)

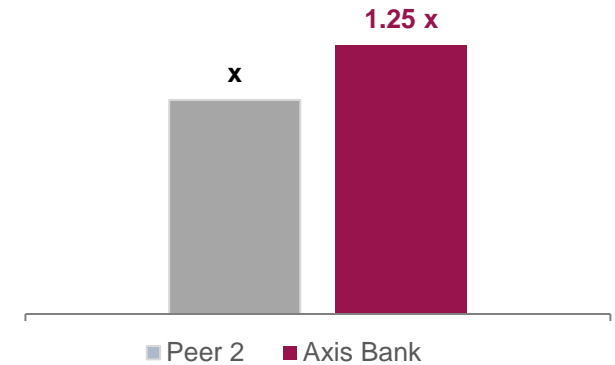
1st
Indian private bank to arrange a term SOFR linked trade deal

1st
Domestic Trade transactions on GOI backed blockchain platform

125+
APIs across Transaction Banking products

21%
Market share in BBPS (Sep'23)

With higher share of higher rated corporates (A-& above) as compared to peers



Ranked No. 1 arranger for rupee denominated bonds as per Bloomberg league table *since 2007*



2022 Greenwich Excellence Awards for Indian Large Corporate Banking



Market Penetration - Local Banks Indian for Middle Market Banking



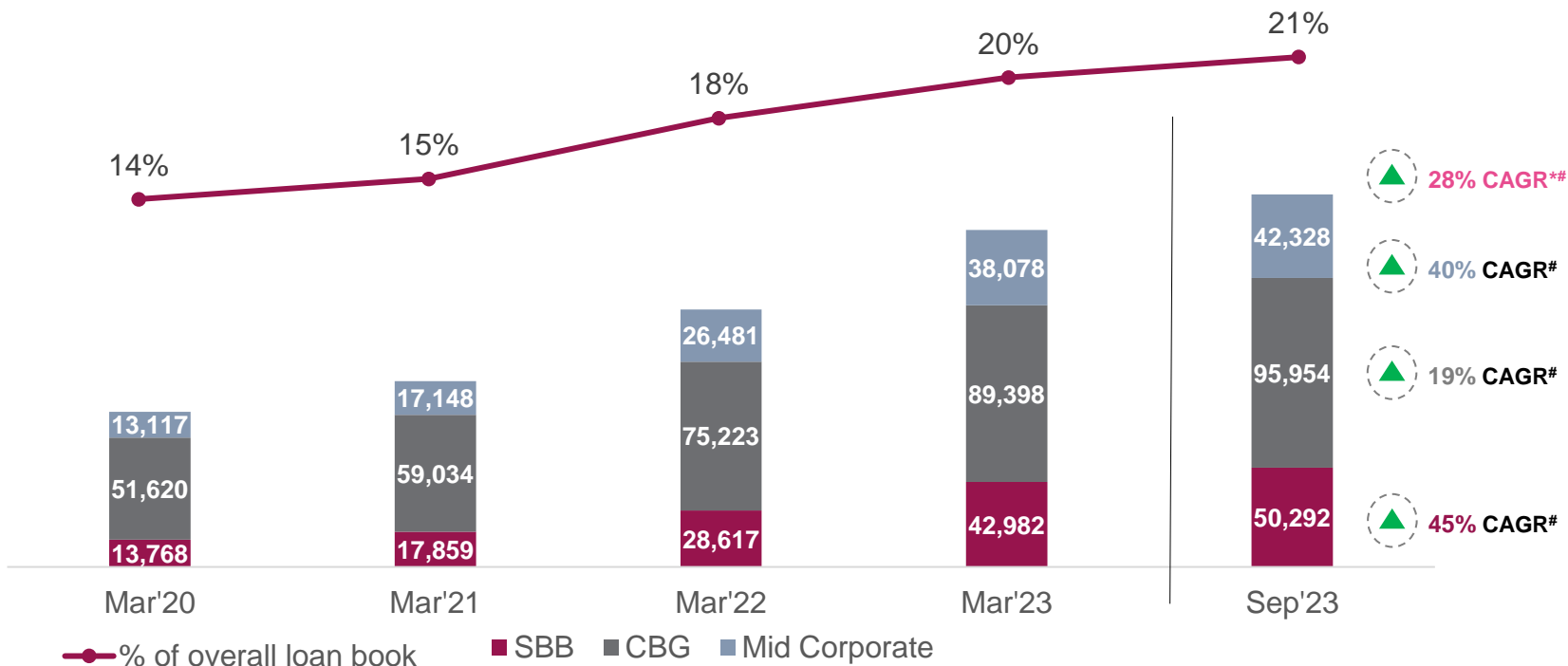
Best API Project



Best Product Innovation for Neo API Banking Suite



Focus on granular, risk adjusted, higher yielding segments has made the bank more profitable



SBB+SME+MC book has grown at ~2x the overall book growth, with over 680 bps improvement in contribution mix from 14.2% to 21.0% over last 3 years

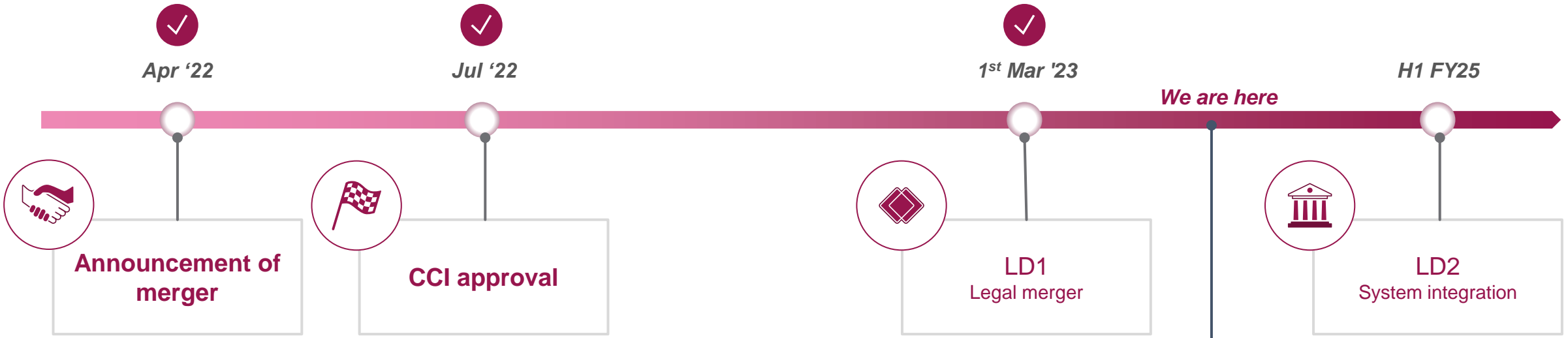
28%
CAGR# in combined MSME, MC and SBB segment since Mar'20

15.6%
Axis Bank's Incremental MSME market share in last 3 years

8.8%
Axis Bank's market share as % of overall Industry MSME credit

* Considering our SME+SBB+MC book as numerator
period for CAGR Mar'20 – Sep'23

Integration of acquired Citi Consumer Franchise remains on track



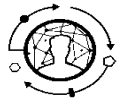
The ex-Citi colleagues have welcomed the opportunity to take on larger responsibilities

Some of the critical roles being driven by experienced leadership

Earlier Role	Bank-wide role in Axis
Country consumer business Head	→ GE & Head – Affluent Banking , NRI, Card & Payments
MD – Consumer operations	→ Head, Retail Operations
Business head – Cards	→ Head, Branch Banking
Head, Phone Banking	→ Head, Phone Banking
Head – Consumer Bus. Operational risk and control	→ Head, Operational Health and Control

Overall program on track, >60% of tech builds completed. We are in testing phase and robust 6-month production scale testing planned

Citi acquisition : The portfolio metrics trending in-line with deal projections



Key focus on customer retention



Synergy benefits by harmonizing product features and policies



*Adopting **global best practices** in client servicing and operations*



***Controlled attrition** in the acquired talent pool*

% to index¹

Cards ENR

~100%

Card base stable. Expanding distribution beyond 8 metros

Deposits Balances

~100%

Growth in TD balances from acquired customers and boost to new Suvidha customer acquisition

Wealth AUM

~110%

Offering the expanded suite of investment products to wealth clients

Other Lending ENR

~130%

Active cross-sell to acquired customers

1) % value achievement as on Oct 31, 2023 indexed to deal projections used for determining purchase consideration

We have a distinctive people proposition



thrive

An industry first focus on internal careers

"I was always fascinated to work for city-level branches. It was CATALYST that gave me this opportunity to fulfil my dream."

SUNIL CHOPADE
Branch Relationship Officer



"I now have a team who I guide and support on everyday assignments. Thank you for acknowledging my skills and providing ample space for development and growth."

MILIND BHARDWAJ
Branch Operations Head



"I got my dream profile via CATALYST where I am currently working as CRDM in Rajasthan Circle. Grateful for this opportunity and my role elevation."

JAYA KATHURIA
Circle Rural & Digital Manager
Bharat Banking



★ **2600+ employees** moved to a new role

★ **180+ employees** promoted

Strengthening the talent pipeline

AbLE **ABYB** **School of Fintech**
ARISE **ASPIRE** **School of AVC**
+ more campus and skill factories

Increased intake **2.3X** to build our own Bankers



300 selected in internal talent programs

Invested in Learning

100,000+ learning hours in FY23

3X increase in FY24 through microlearning

DE&I

#COMEASYOURE

VIBE industry forums

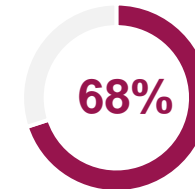
Future of work

GIG-A

GIG – A -Anywhere
GIG – A - Freelancer



Featured case study



Recommended to a friend



74% Positive Business Outlook



84% CEO approval



Committed to Positive Climate Action and Achieving the SDGs

- Axis Bank is the first Indian Bank to constitute a standalone ESG Committee of the Board
- In September 2021, the Bank announced commitments aimed at supporting India’s low-carbon and equitable economic transition
- The Bank’s commitments are aligned to pertinent SDGs and India’s commitments under the Paris Agreement

	Our Commitment	Unit	Progress in FY22	Progress in FY23
	Incremental financing of Rs. 30,000 Crores under Wholesale Banking to sectors with positive social and environmental outcomes, by FY 2026	Cumulative Exposure	₹10,414 Cr (from Aug 2021)	~₹20,400 Cr
	Making 5% of its retail Two-Wheeler loan portfolio as electric by FY 2024	EV % as share of TW loan portfolio	0.82%	2.52%
	Incremental disbursement of Rs. 10,000 crores by FY 2024 under Asha Home Loans for affordable housing; increasing share of women borrowers from 13.9% to 16.9%	<ul style="list-style-type: none"> • Incremental disbursement • Share of women borrowers 	₹3,359 Cr 5.86%	₹6,602 Cr 15.69%
	Scaling down exposure to carbon-intensive sectors, including Coal and Thermal Power	Progress on Glide Path	Glide path till 2030 created	Exposure below FY 2023 Target
	Reaching 30% female representation in its workforce by FY 2027	Overall diversity	24.6%	25.7%
	Planting 2 million trees by FY 2027 across India towards contributing to creating a carbon sink	Saplings planted	Site preparation completed at 5 locations	~0.83 mn saplings planted

Steady Performance on Global ESG Benchmarks

Above **80th** percentile among global banks in 2022

9th Consecutive year on FTSE4Good Index in 2023

MSCI ESG Ratings at **A** in 2022

CDP Score at **C** in 2022

One Axis positions us well to play all mega trends of the next decade



SME & Atmanirbhar businesses
Credit gap in MSME Rs. 25 tn (2022)

Rising financial inclusion
Financial inclusion index at 60.1 in Mar'23 vs 56.4 in Mar'22

Consumption boom
Consumer spending to rise at a CAGR of ~10% up to 2030

Digital platforms
India to become \$1 trillion digital economy by 2030 on the back of AA, OCEN, and CBDC among others

Revival in capex/ investment cycle
Real gross fixed capital formation (GFCF) expected to rise to 7.4% in FY25 from 6.8% in FY24

Financialisation of savings
Financial savings to jump from 57% of GDP in FY22 to 74% of GDP by FY27

Sustainability & ESG
Share of green-energy generation expected to double from ~23% to 44% by 2032

Rising affluent population
Ultra wealthy population to grow 58% from 2022 to 2027

Manufacturing surge
GDP share to increase from 17% in 2022 to 25% by 2025



Thank You

