

“One Axis”

- Significant value creation in key subsidiaries

Analyst Day 2022

November 24th, 2022



1 **Axis Finance Limited**

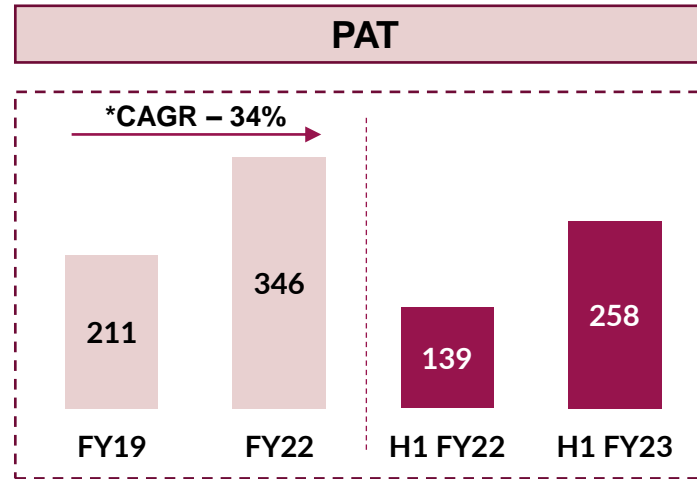
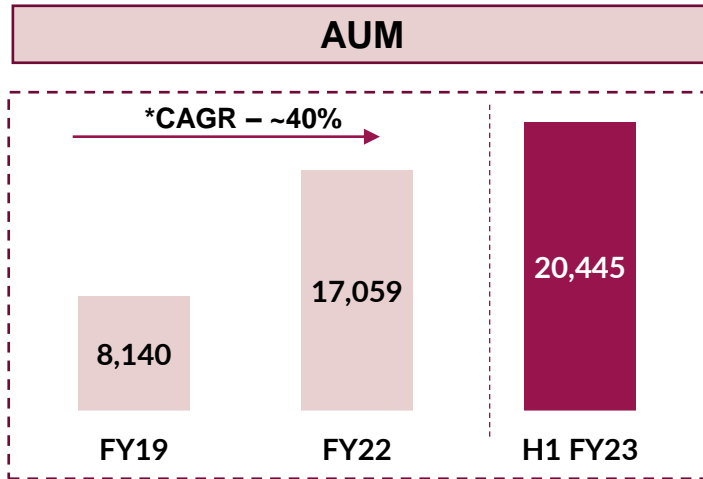
2 **Axis Capital Limited**

3 **Axis Asset Management Company Limited**

4 **Axis Securities Limited**

Quick Recap of our Journey: Consistent and Credible Performance

All amt. are in ₹ Crore



Highlights

One of the youngest and fastest growing NBFCs (~40% CAGR)

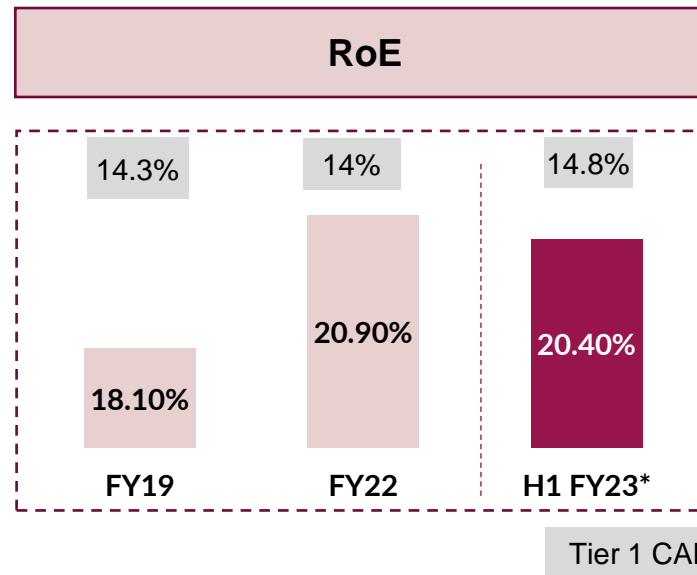
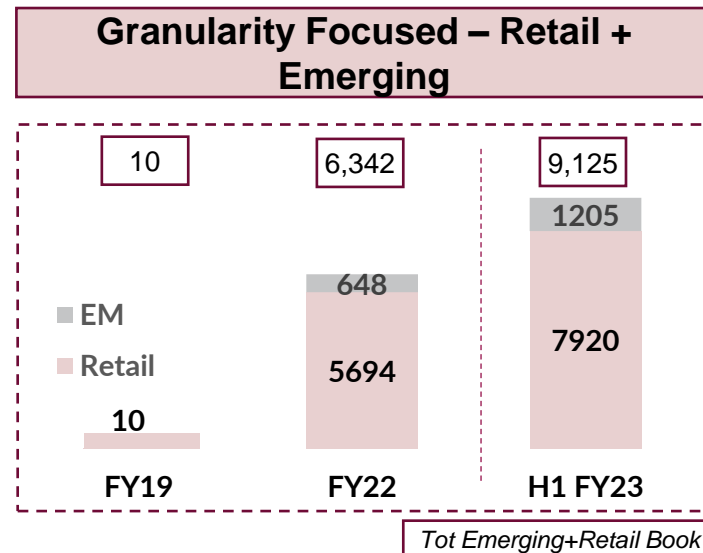
Granular & Diverse Portfolio
Aided with launch of Retail Book in mid-FY20

Robust Asset Quality Metrics
Lowest **GNPA - 0.85%** & **NNPA – 0.36%** amongst Peers

Best-in-class Return parameters (20%+ RoE)

85%+ Secured Book

Retail Book achieved Break-Even in record time of <2 years



*CAGR represent growth from FY14 to FY22

*H1FY23 – annualized figures

Axis Finance at a glance (H1 FY23) - IndAS



Axis Finance



₹ 20,445 Cr
Assets under Finance

19.2%
Capital Adequacy
Ratio

AAA
Highest Credit
Rating

2.6% | **20.4%**
Return on Asset | Return on equity

Growth



32%
CAGR*
Overall Book

53%
YoY growth of
overall book

22%
Growth in Wholesale book
(YoY)

2.6 times
Growth in Retail book
(YoY)

Profitability



258 Cr | **85%**
Profit after tax | YoY Growth

4.8% | **62%**
NIM | YoY growth
Operating profit

0.10% | **0.36%**
Restructuring
Account | Net NPA

Wholesale



₹12,525 Cr
Wholesale loan book

92%
Proportion of secured
loans in Wholesale

75%
Of total corporate loan book falls
under A- & above rating category

Retail



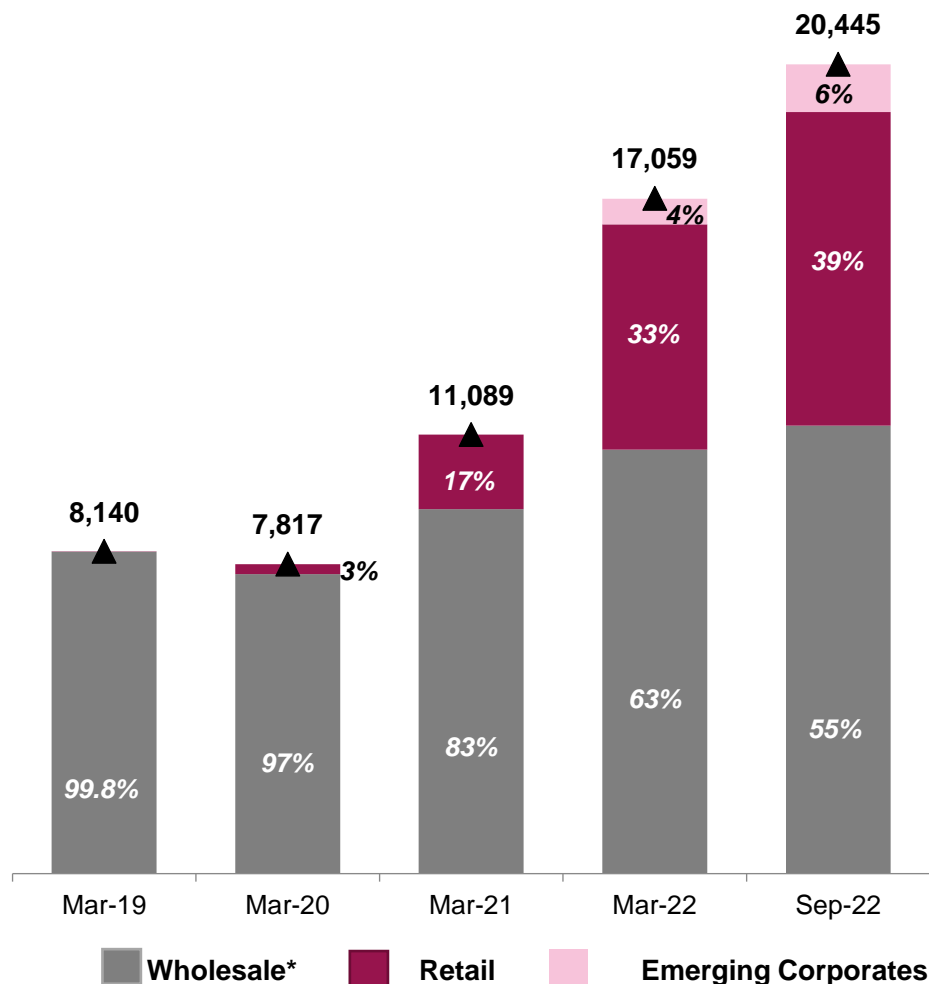
39%
Proportion of Retail in overall
book, entirely built in last 3 yrs

45%
Retail disbursements as % of
total disbursements in H1FY23

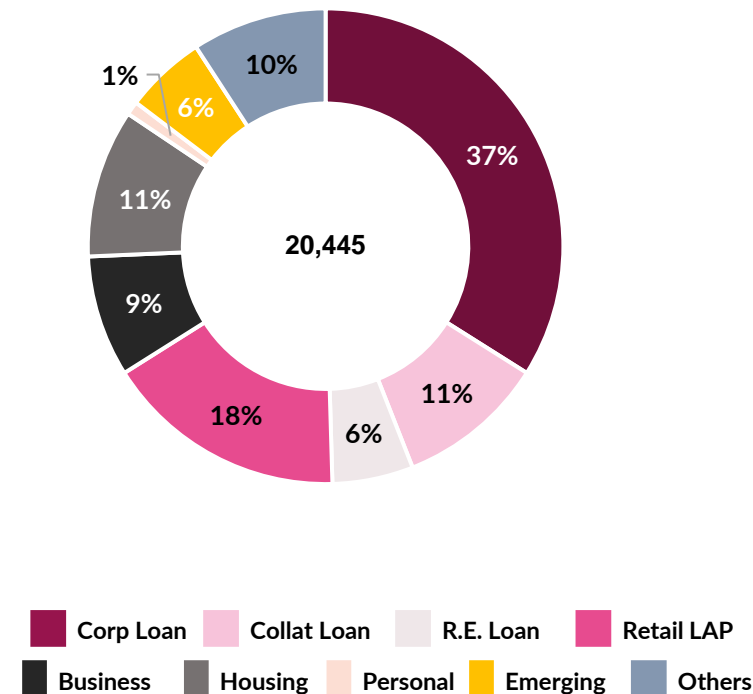
70%
Proportion of secured loans
in Retail book

Increasing Diversification with Granular Portfolio Build

No. of Customers
(indexed)

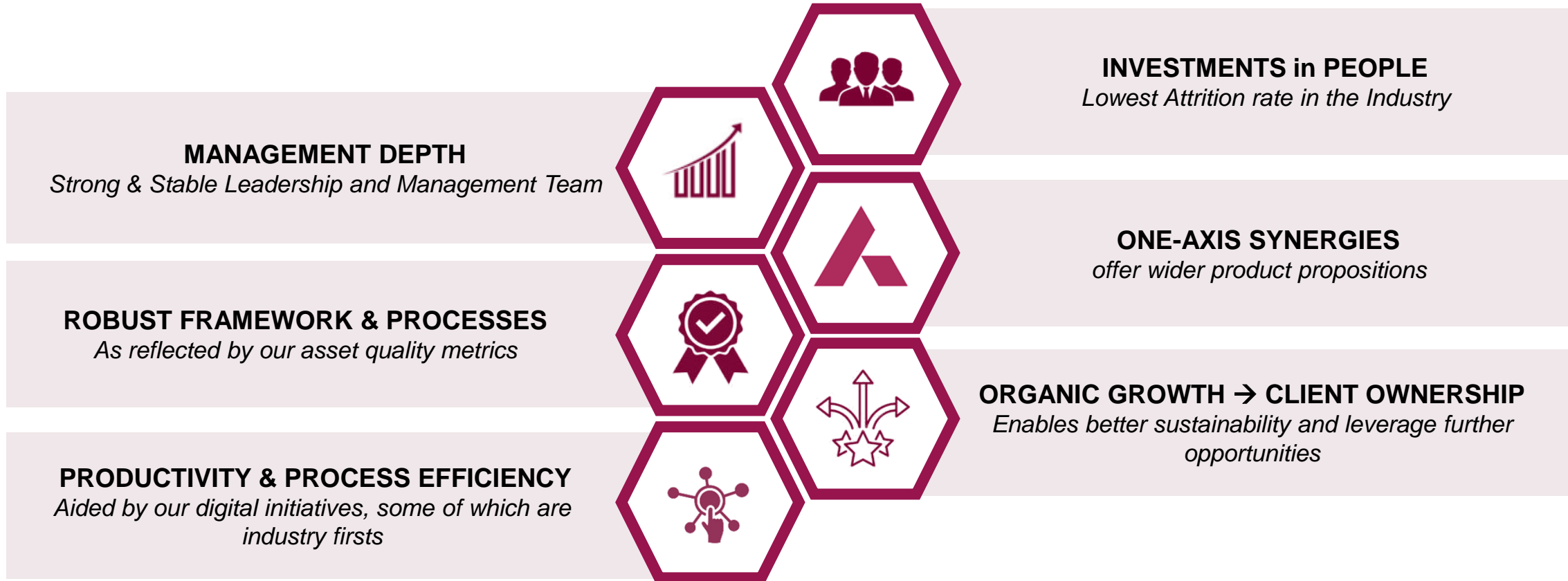


Diversified Portfolio as of Sept'22
(as a % of total Book)



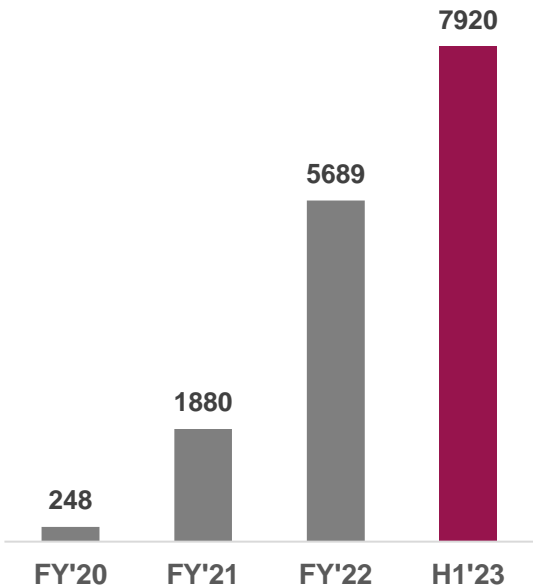
* Collateralised Loans entail cash-flow backed Loans against Property including LRD & certain focused sectors

Our Success Story...



Retail: Break-Even in record 2 years

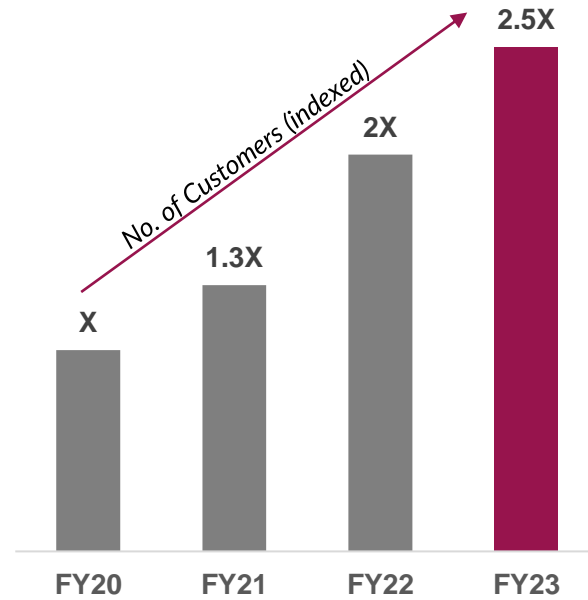
Strong Book Growth



140%

CAGR of 140% indicating the book size led by strong disbursements

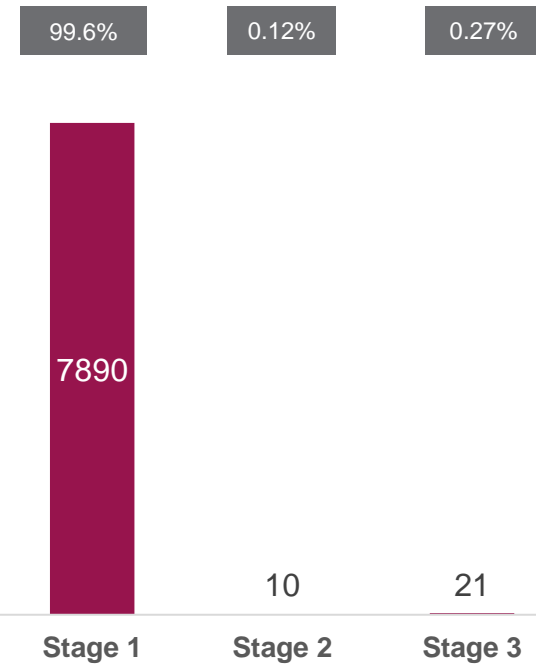
Customer Acquisition



2.5x

Numbers of customers grew substantially enabling building upsell opportunities

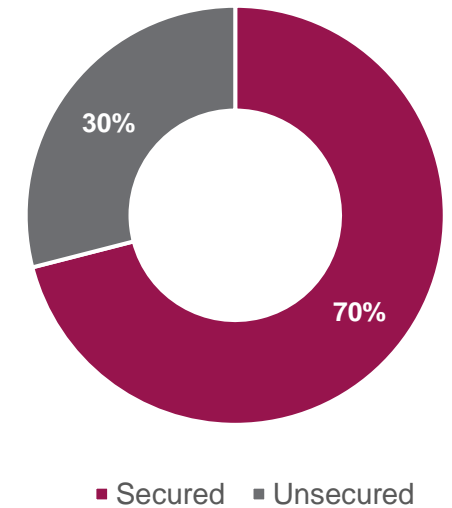
Portfolio Quality



0.27%

Best in class NPA with stage 3 at 0.27% in Retail business

Secured / Unsecured mix



70%

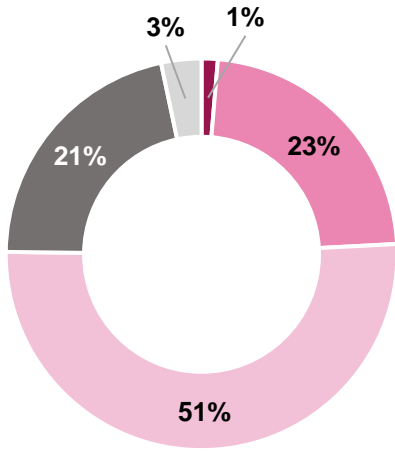
Strong retail franchise with LAP / HL leading the book with collateral cover

Retail Book is granular with Technology led processes enabling build to scale model

Wholesale: Best-in-Class Asset Quality & Profitability Metrics

All figures in ₹ Crores

Rating Quality – O/s Book

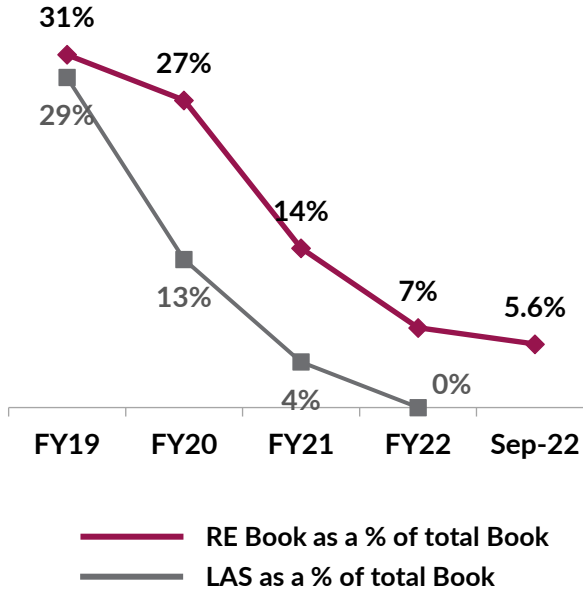


■ AAA Family ■ AA Family ■ A Family
■ BBB Family ■ BB and below

75%

of total corp book is rated A- & above

Real Estate & LAS Exposure

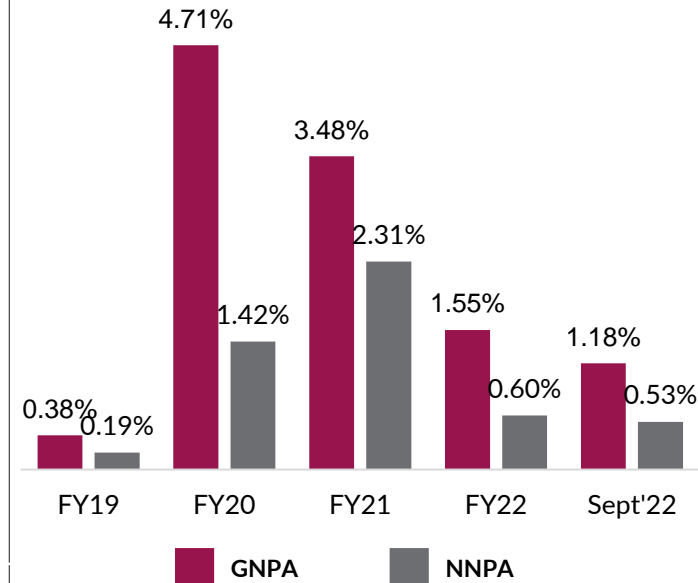


— RE Book as a % of total Book
— LAS as a % of total Book

5.6%

RE Book is Inventory-backed with exposure in selective markets

Portfolio Quality

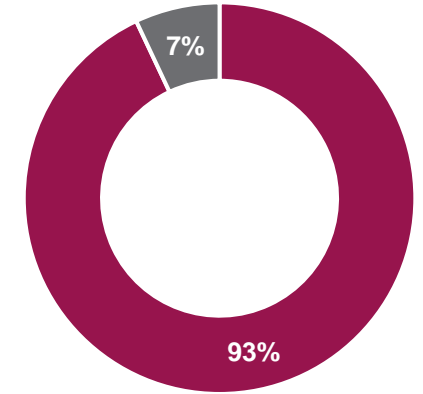


■ GNPA ■ NNPA

0.5%

Lowest NNPA ratio among NBFC Peer Set

Secured / Unsecured mix



■ Secured ■ Unsecured

93%

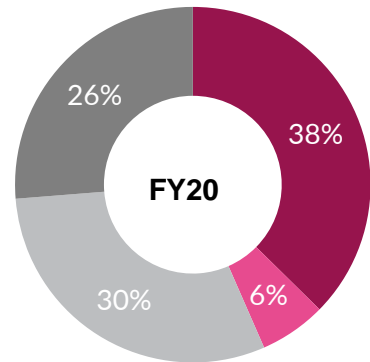
of total wholesale book stands secured as of Sept'22

Wholesale Business operates on Twin Strategy: “Hold-to-Maturity” as well as “Originate-to-Distribute”

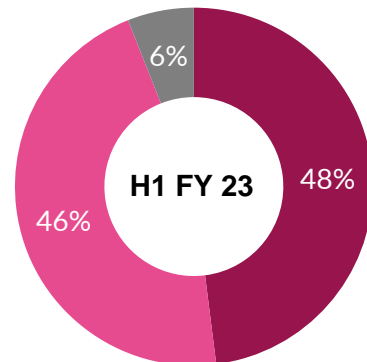
Well diversified liability mix with best-in-class funding cost among NBFCs



Highest Rated – AAA by both CRISIL as well as India Ratings



Book size : Rs. 6,362 Crores



Book size : Rs. 17,518 Crores

■ NCD ■ Bank Term Loans ■ Short term WC limits ■ CPs

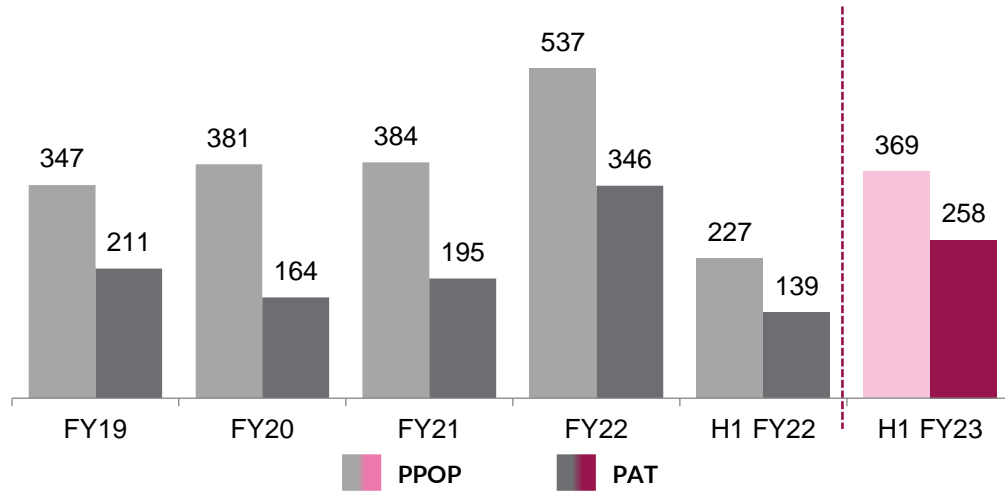
- **94%** share of long term funding instruments as on September-22 up from 44% in Mar-20
- **95%** term loans funding from non Axis Bank sources ensuring deeper and wider funding access
- **56 bps** YOY increase in average cost of borrowing in H1 FY 23 to 6.69%, compared to 190 bps increase in repo rates
- **48%** share of Long-Term Capital Market Borrowings as on Sept-22 up from 38% in Mar-20
- Significant reduction in share of Borrowings via Short-term instruments from 56% in FY20 to only **6%** as on Sept-22

- **Well-Diversified list of Term Loan Bankers** including – SBI, HDFC, Federal Bank, Canara Bank, ICICI, HSBC etc.
- **Well-Diversified list of NCD investors** across Mutual Funds, Family Offices, Provident Funds and Institutional Investors

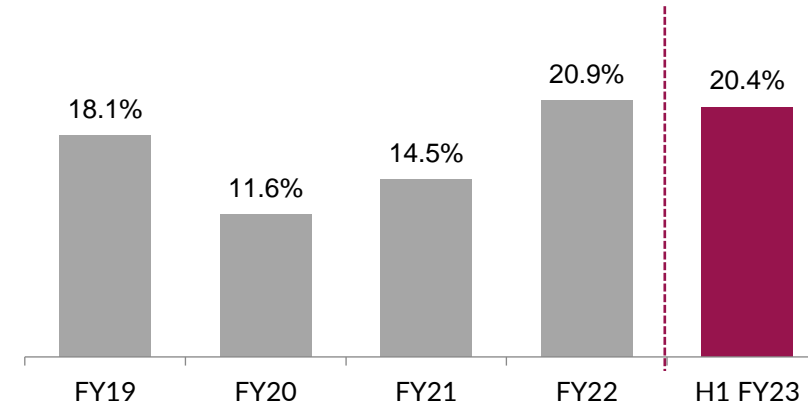
Delivering consistently strong financial performance despite ongoing investments for building out Retail business



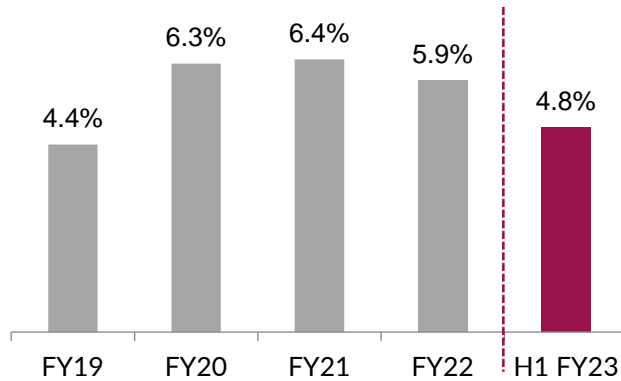
PPOP and PAT (Rs. Crs)



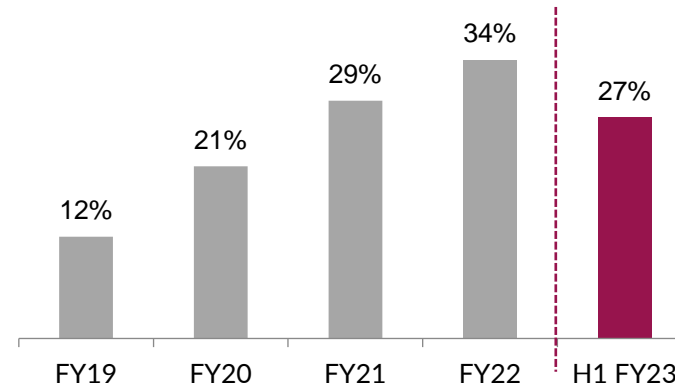
RoE



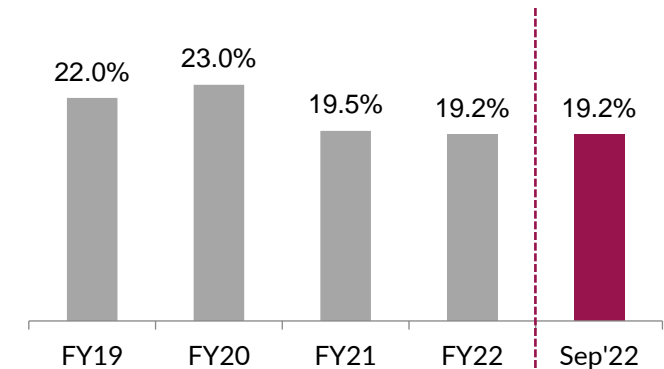
NIM







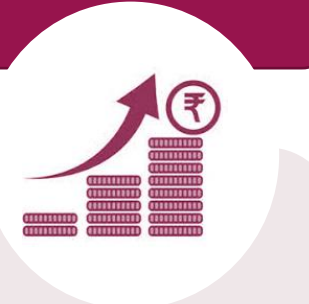
Cost to Income ratio



Capital Adequacy Ratio



Strategy and execution aligned to our Vision

Fastest Growth in Industry	End-to-End Digitization	Wide Presence/ Preferred Employer	Best in Class Processes	Maintain RoE > 20%
				
<ul style="list-style-type: none">• Robust AUM Growth (>2 times of the Industry) backed by market / product expansion• Focus on Yield Accretive Assets	<p>Scale up the digital capabilities and presence</p>	<ul style="list-style-type: none">• Pan-India footprints with over 300 locations/ touchpoints• Amongst lowest Attrition rates	<p>Robust Risk Framework + Stringent Regulatory Compliance + Process Excellence at scale</p>	<ul style="list-style-type: none">• Amongst lowest Cost Income ratio in the Industry of <30%• Maintain best-in-class Asset Quality metrics

Axis Finance offers an ideal combination of

best-in-class Financial metrics, consistent & resilient performance across multiple business cycles
coupled with its ability to enter & deliver new businesses while harnessing digital capabilities

To provide unique customer experience

1 Axis Finance Limited

2 Axis Capital Limited

3 Axis Asset Management Company Limited

4 Axis Securities Limited

Axis Capital at a glance



Axis Capital



No. 1* | INR 5.2 Tn

ECM house, executed equity deals since Jan 2015^{^^}

No.2[^]

Domestic M&A House since Jan 2015^{^^}

~51%

Deals as left lead banker since Jan 2015^{^^}

Market Share



10.10%

Revenue market share in Equity Capital Markets (YTD FY23)

86 / 183

Highest IPOs / ECM mandates closed Since Jan 2015^{^^}

3.44%

Market share in Institutional Equities by volumes

Profitability



17.6%

Return on equity^{**}

INR 64 Cr

Profit after tax^{**}

9.6%

CAGR – PAT^{**}

Full Service Investment Bank



38%

Repeat clients H1FY23

27%

Deals from large corporations H1FY23

7

Advisory deals H1FY23

Institutional Equities



73%

of India's market cap under active research coverage

297

Institutional relationships with FIIs and DIIs

11

No. of tier-1 Ranks for Lead Analysts from the top 50 funds

*Source: Primedatabase; Includes IPO, REIT, InvITa, QIP, OFS, FPO and Rights offerings on full basis, No1 basis deal count

[^]Refinitiv, Since Jan 2015 among Domestic Investment Banks

^{**} 4 yr CAGR until March'22 [^]ROE & PAT as on 30th Sept'22

^{^^}Since Jan 2015 to 30th Sept 2022

Key differentiators



Experienced management team with unparalleled execution capabilities



Long-term Relationship mindset – both with Corporates and Investors, built over two decades



Ability to provide holistic solutions to Corporates, leveraging on 'One Axis' capabilities



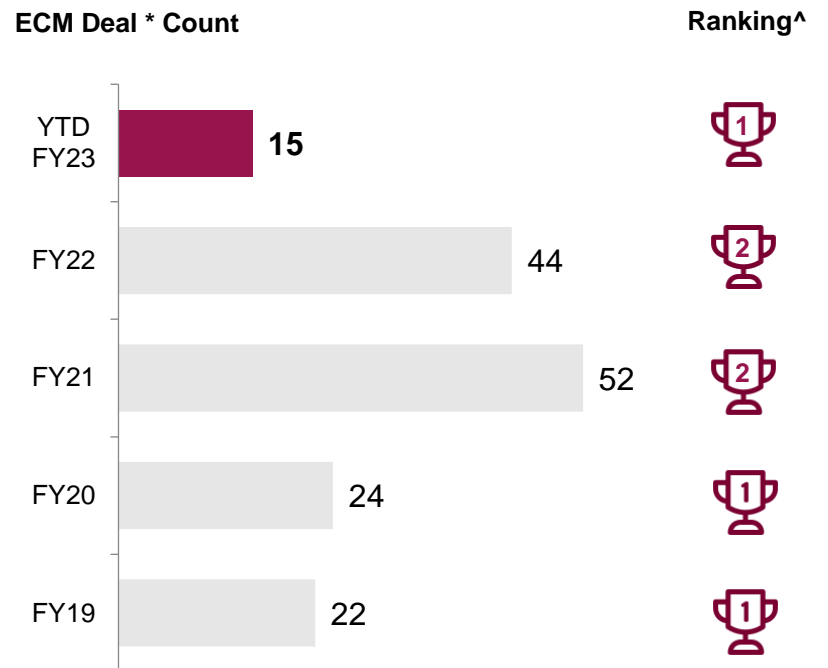
Robust distribution and reach to market new offerings



Committed to invest and build a world class franchise leveraging technology and our relationships

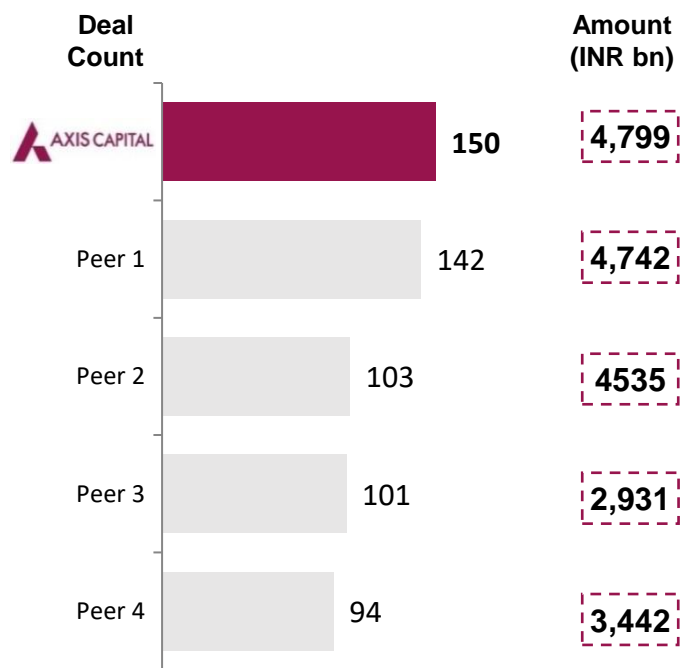
Consistent recognition as one of India's best Investment Bank

ECM Deal Activity in H1FY23



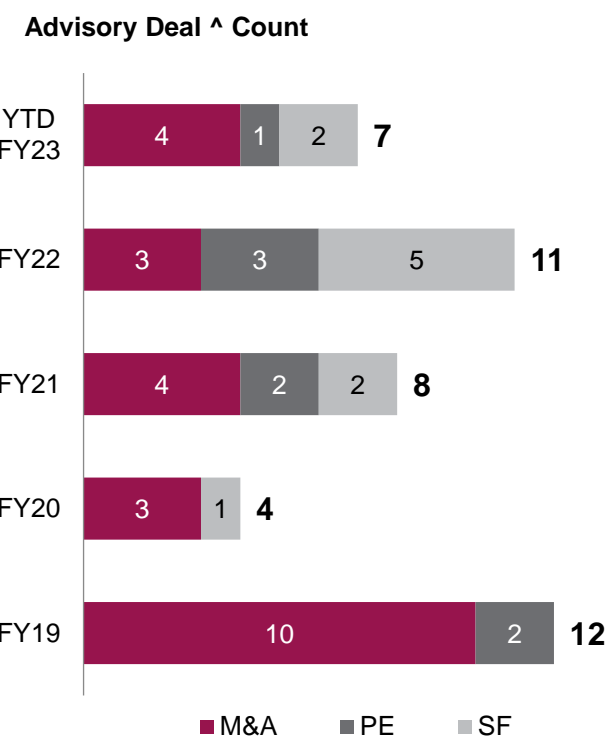
*Includes all ECM fund raise products, Buybacks and ECM Advisory

5 years (since April 2017)^



For the period: 1st April 2017 till 30th September 2022

Among the top players in Advisory



■ M&A ■ PE ■ SF

Asiamoney Award India's Best Investment Bank & India's Best Securities House 2022	IFR Asia Award Asian Banker of the year 2021	Finance Asia Achievement Awards PGInvIPO – Deal of the Year (Best of South Asia) 2021	The Asset Country Awards Best QIP - Embassy Office Parks REIT 2021	FinanceAsia Best ECM House in India 2020, 2018, 2015, 2013	The Banker Most Innovative Investment Bank (Asia Pacific) 2019	FinanceAsia Best Investment Bank in India 2018, 2017, 2016, 2015, 2013	FinanceAsia Best DCM House in India 2020, 2018, 2017, 2016, 2015, 2013
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^Source: Primedatabase; Includes IPO, REIT, InvITs, QIP, OFS, FPO and Rights offerings (Basis # of deals)

Investing in strengthening our Institutional Equities business



People

- Key talent addition across Sales, Trading and Research
- Research team fully staffed, key sector gaps closed with senior hires.
- Strengthening support functions - Operations, Risk and Compliance.



Products

- Revamped our Research products, moving away from maintenance to thematic and differentiated research
- Tier 1 rank in 11 accounts, Rankings up in 10% of tiered accounts;
- Derivatives business amongst the top on the street.
- Full Corporate Access calendar released – over 1200 client touchpoints from conferences, bespoke events and sector series.



Processes

- Automation of vital settlement and post execution process - now at 90% from a predominantly manual environment.
- Advanced trading, risk management systems and algo strategies to enhance client offering, surveillance monitoring and execution quality.
- New software for CRM and Corporate Access implemented – enhancements continue.

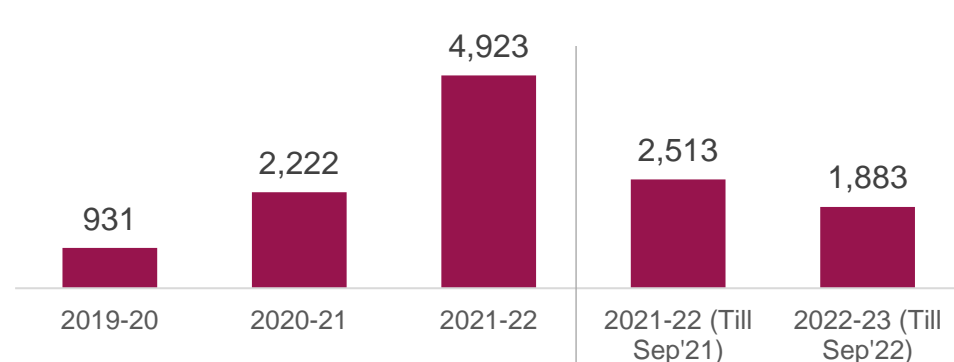
Cash and F&O Volumes of IE (INR Bn)

34

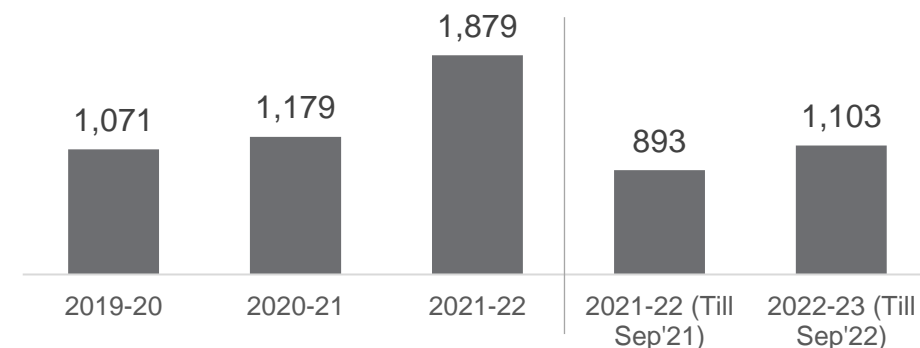
member research team

73%

India's market capitalization under research coverage



F&O Turnover

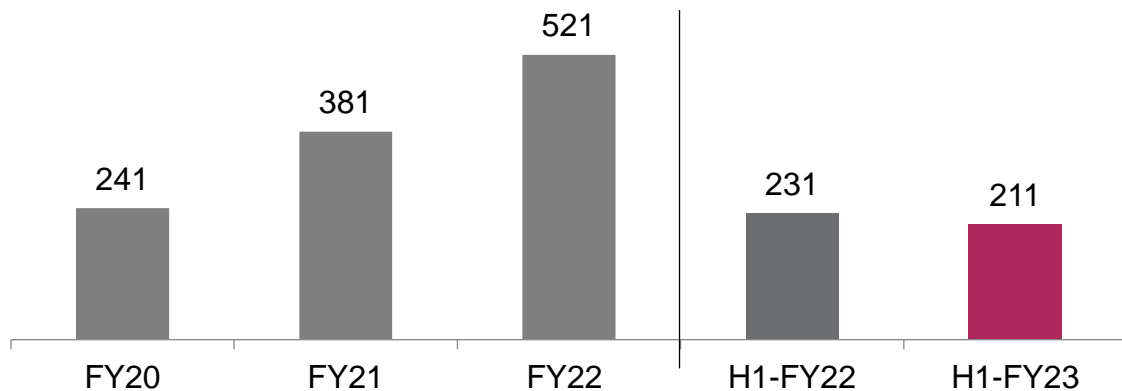


Cash Turnover

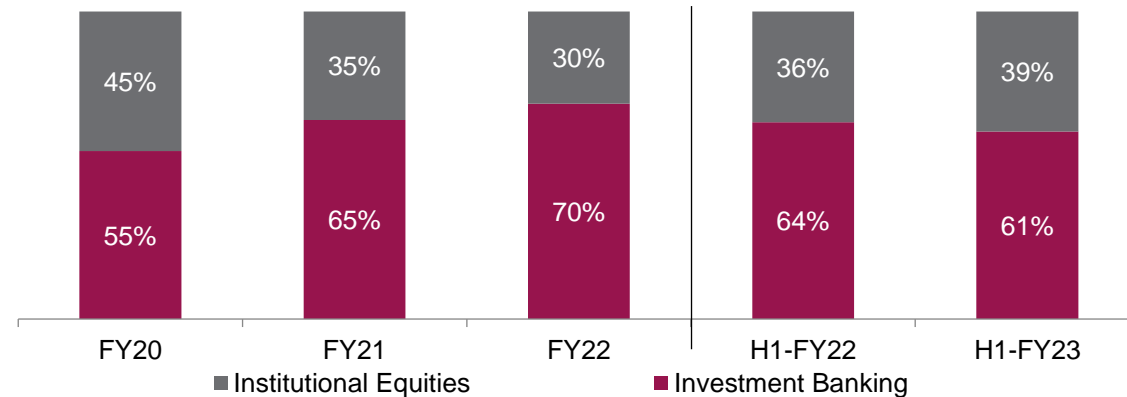
Strong financial performance in a challenging market environment



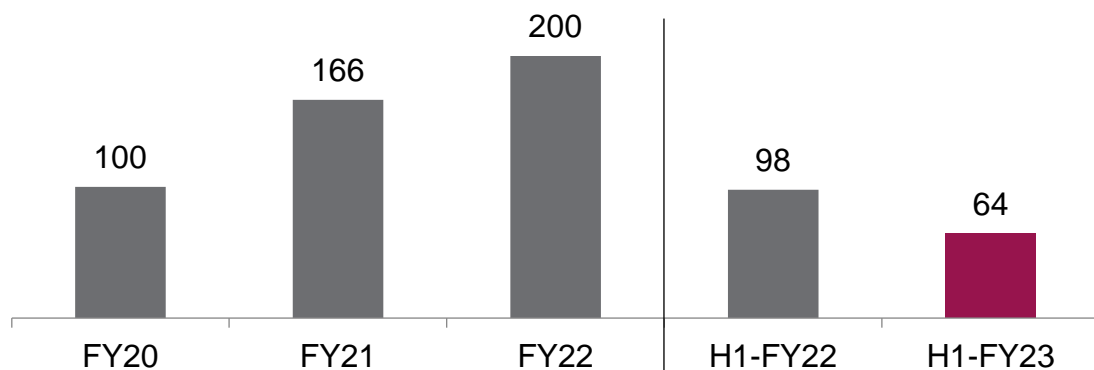
Revenue from Operations



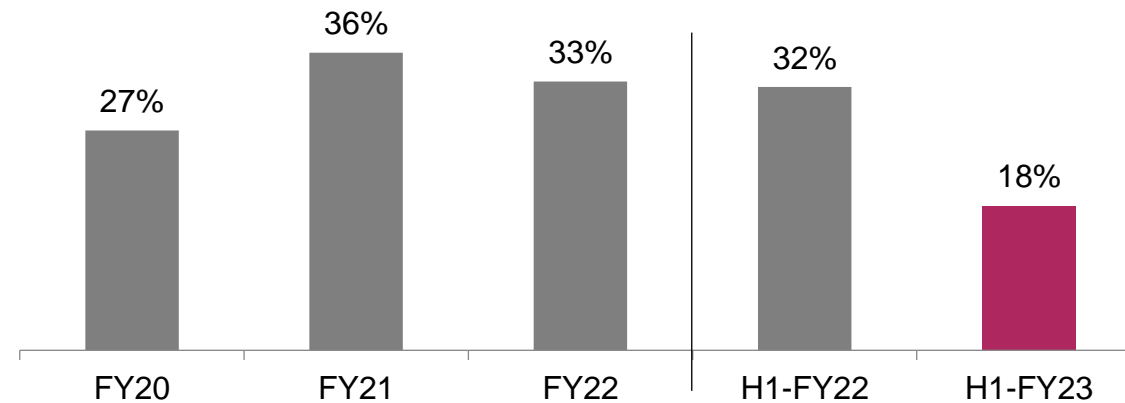
Breakup of Revenue from operations



Profit after tax



Return On Equity



Building India's best Investment Bank and Institutional Equities house

Key Initiatives



Sector Championship



New Economy Group



Structured Credit AIF



Strengthening Distribution



Research Revamp



Leverage One-Axis

Takeaways

- Sector driven Coverage model in the Investment Bank – early successes in Chemicals, Realty, REITs/INVITs, Auto
- Engaging with new businesses early in their life cycle – also a feeder for late-stage PE and IPO
- Leveraging our Investment Banking and Corporate Relationship strengths to create a differentiated Alternatives platform
- Strengthen Family Offices / HNI distribution through Burgundy / Burgundy Private to cater to emerging products – REITs, INVITs, Structured Credit
- Research driven by insights and actionable ideas
- To provide high-quality corporate access to Institutional Investor clients
- Build Growth-PE business by tapping into the Axis Bank Client relationships

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Axis AMC at a glance

Axis AMC



₹2.48 Tn | **33%**
Quarterly AAUM | CAGR*

13.1 mn | **34%**
Client folios | YoY growth

92
Branches

Market Share



6.4%
Overall market share (QAAUM),
up from 3.7% as of Mar'19

10.0%
Equity market share (QAAUM),
up from 5.3% as of Mar'19

91%
Share of individual investors** in
growth / equity oriented AAUM

Profitability



32%
Return on equity
In H1 FY23

₹ 183 Cr | **24%**
Profit after tax | YoY Growth
In H1 FY23

18%
Total Income YoY Growth
in H1 FY23

Acquisition



3.4 mn
YoY Increase in Client folios
over Sep'21

13%
YoY Incremental client folios
market share over Sep'21

4.76 mn | **17%**
SIP Count | YoY Growth
in Sep'22

Fund Performance



84%
Axis MF equity schemes that have outperformed the
benchmark in 5 years period

100%
Axis MF fixed income schemes that have outperformed
the benchmark in 5 years period

Key differentiators



Unique, differentiated investment process that focuses on high quality portfolios



Robust long term performance track record



Capabilities across equity (listed/ unlisted), debt and real estate



Continued product innovation including Global, Alternatives and Passives



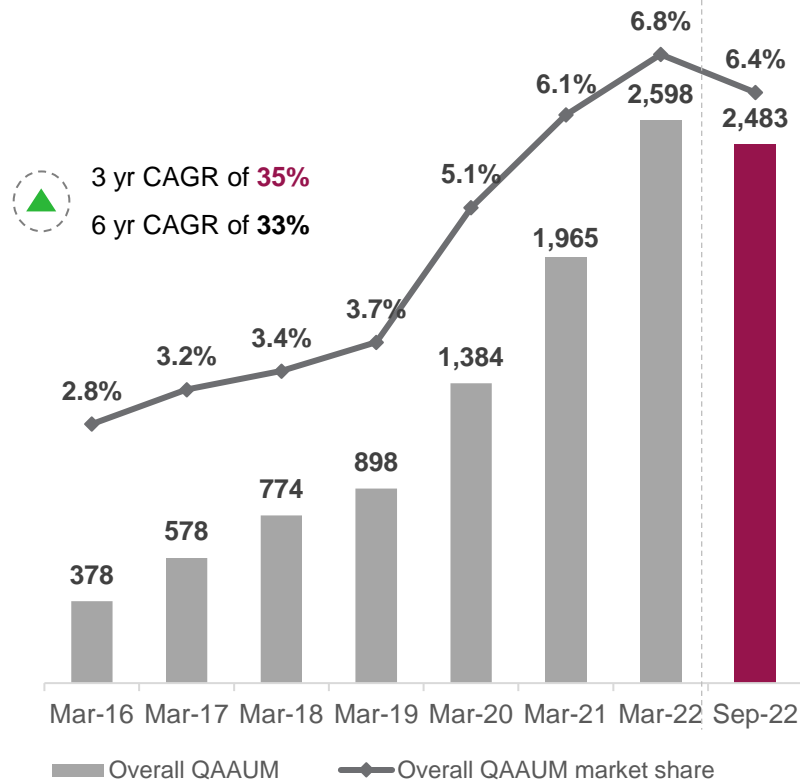
Significant investments in digital and fintech channels to drive growth

Strong long term growth trajectory but current year impacted by market volatility

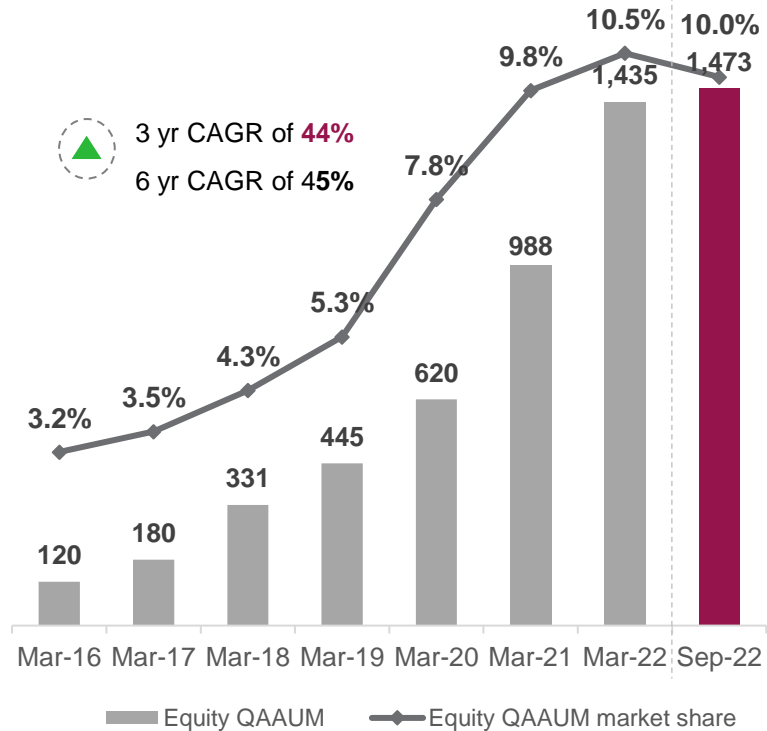
- Our average incremental market share in Overall QAAUM has been **~1.5x** of our closing market share
- Equity & Hybrid funds QAAUM constitute **64%** of our overall QAAUM, compared to 50% for the industry

All figures in ₹ bn

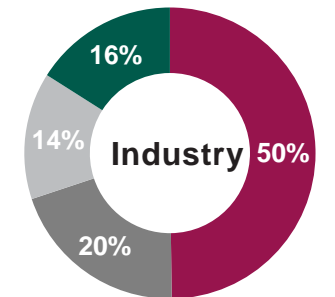
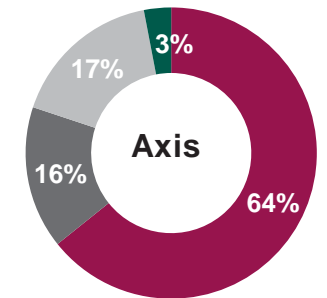
Overall QAAUM and market share



Equity QAAUM and market share



QAAUM mix (Sep-22)

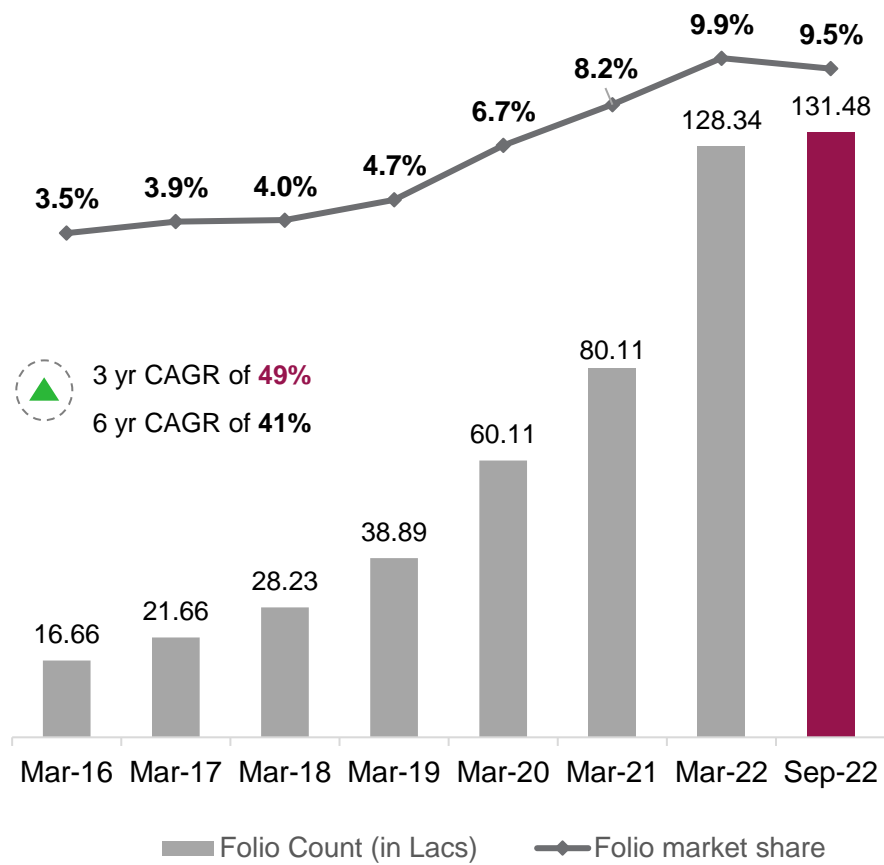


■ Equity & Hybrid ■ Debt
■ Liquid ■ Others

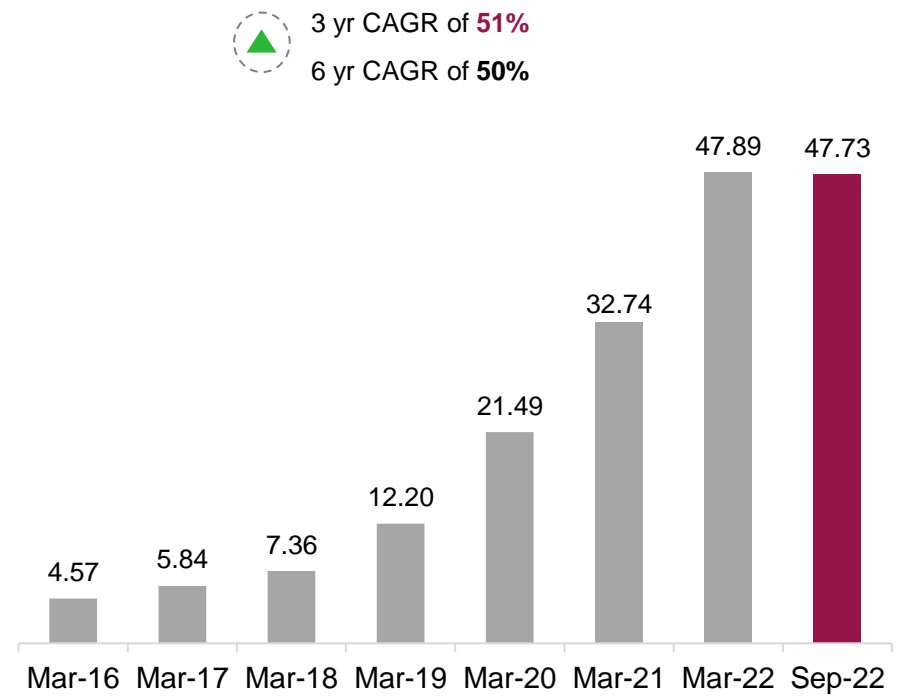
* Industry Equity AAUM had reported negative growth in Mar-20

Continued focus on building customer base and SIP portfolio

Folio count & market share



SIP count



13% - YoY Incremental market share in client folios over Sep'21 | **51%** - 3yr CAGR for SIP count

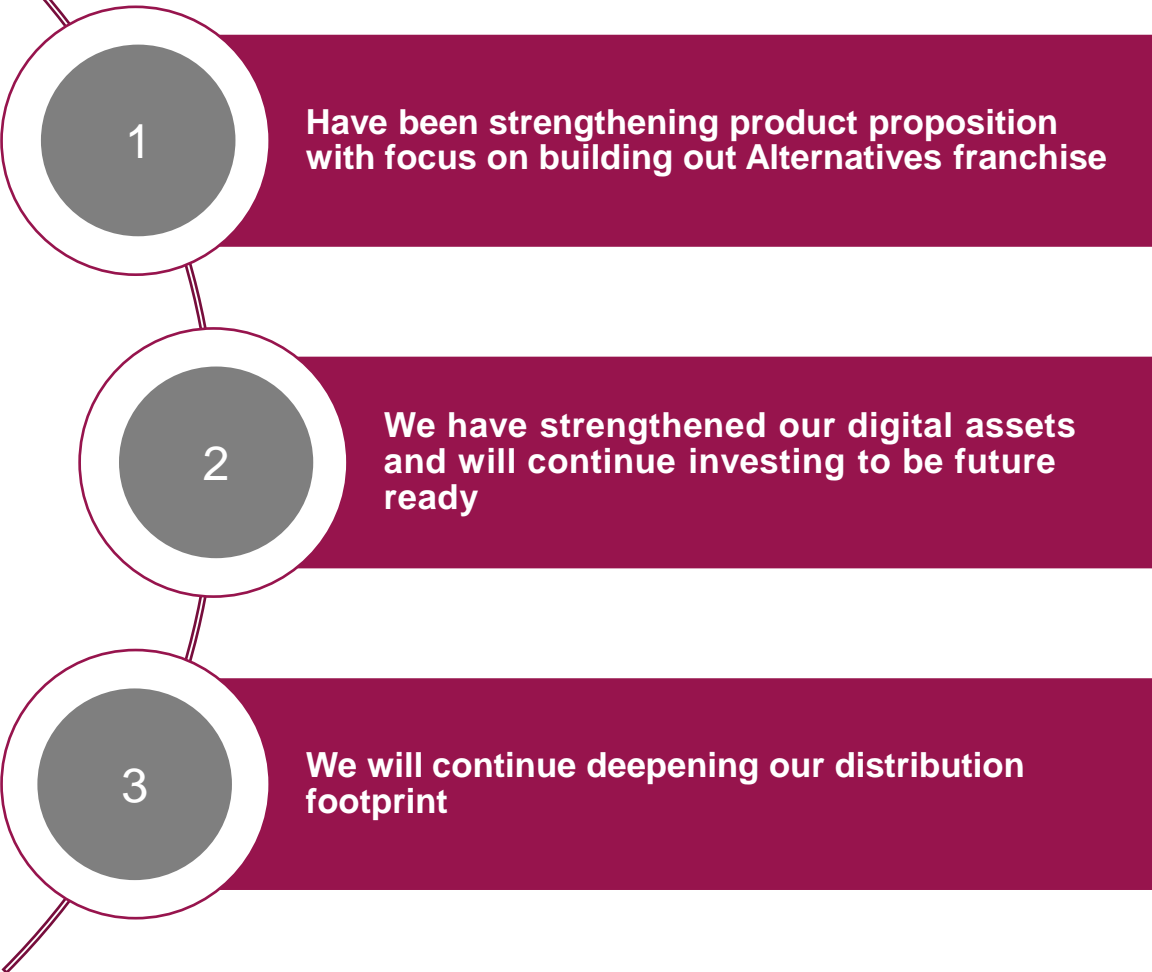
Source: Internal, AMFI , SIP – Systematic Investment Plan

Will continue to target strong growth led by our strategic imperatives

Changing Industry Dynamics

- Margin pressure in traditional distribution channels
- Emergence of digital and fintech channels
- Customer preference for self-service
- HNI preference for Alternative investments

Axis AMC focus areas



Most admired asset manager

Among the best across asset classes

1

We have been strengthening product proposition with focus on building out the Alternatives franchise

Mutual Funds

- Thematic Equity Strategies
- Fund of Funds
- Global Funds

Passives

- Debt
- Equity
- Commodity
- Global






Alternatives

- Structured Credit
- Late-stage PE/VC
- Real Estate (Residential/Commercial RE)
- Quant Equity (long only)
- Cat-III Listed Equity

- We have built one of the broadest Alternatives platforms among domestic asset managers
- We will continue to invest in the capability and expect it to gain scale over the medium term

2

We have strengthened our digital assets and will continue investing to be future ready

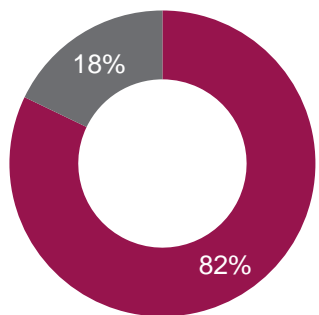
	Initiatives taken	Outcomes
 B2C App	<ul style="list-style-type: none"> Better user experience on the mobile app with new features like UPI and RTGS for payments, Stay Invested flow. 	<ul style="list-style-type: none"> 47% Transaction Counts for SIP & Lumpsum now flow through the B2C App, in just 2 years of the B2C App Launch 21% increase in logins / downloads in Sep'22 v/s. Mar'22.
 B2C website	<ul style="list-style-type: none"> Quick Invest flow for existing users Personalised communication to 170 new segments. Enhanced Financial planning tools & calculators 	<ul style="list-style-type: none"> 21% increase in final conversion ratio due to interventions on the website
 B2B Axis Connect	<ul style="list-style-type: none"> Enabling WhatsApp as a mode of communication Implementation of Call Back feature for VRM IFA's Introducing Knowledge series for Distributor Cobranding 	<ul style="list-style-type: none"> 25% increase in transactions approval after a reminder is sent on WhatsApp 100% Increase in the usage of Co-branded content
 Fintech	<ul style="list-style-type: none"> Implementation of INR 100 SIP as min. investment amount for top Equity funds and INR 500 for Index funds. 	<ul style="list-style-type: none"> 200 – 300 bps – Increase in Market share overall for Oct-22 compared to Sep-22. 10 million additional impressions p.m. – Increased visibility due to inclusion in INR 100 category
 Cloud	<ul style="list-style-type: none"> Migrating key digital assets to cloud 	

3

We have made investments in expanding our distribution

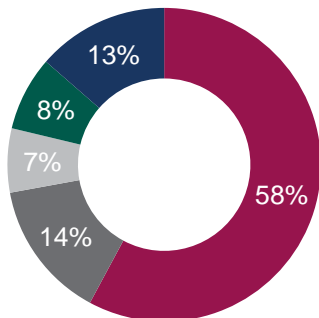
- Expanded our geographical reach with well diversified AAUM base across regions and cities
- 40%** of AAUM sourcing is through direct channels, with **91%** of Equity AAUM contribution from Individual Investors

18% of AAUM is from B30 locations



■ T30 ■ B30

Well diversified across cities

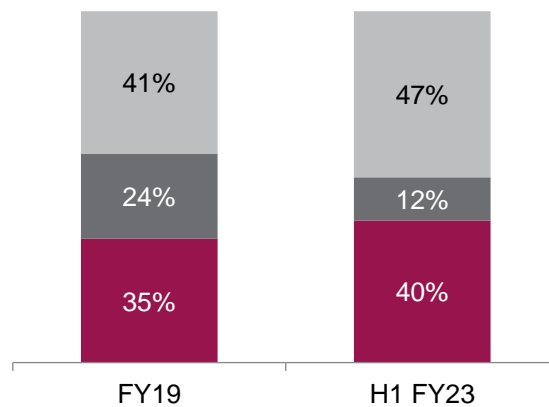


■ Top 5 ■ Next 10 ■ Next 20 ■ Next 75 ■ Others

Source: Axis MF, Data as of Sep'22

40% of AAUM sourcing is through direct channels

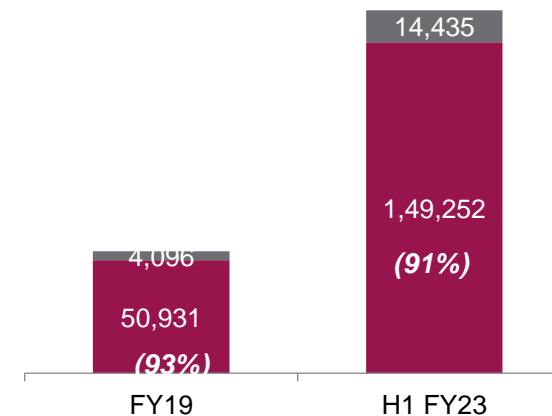
AAUM market share across distribution channels



■ Non Associate Distributors
 ■ Associate Distributors
 ■ Direct

91% of Equity AAUM is from Individual* investors

figures in ₹ Cr

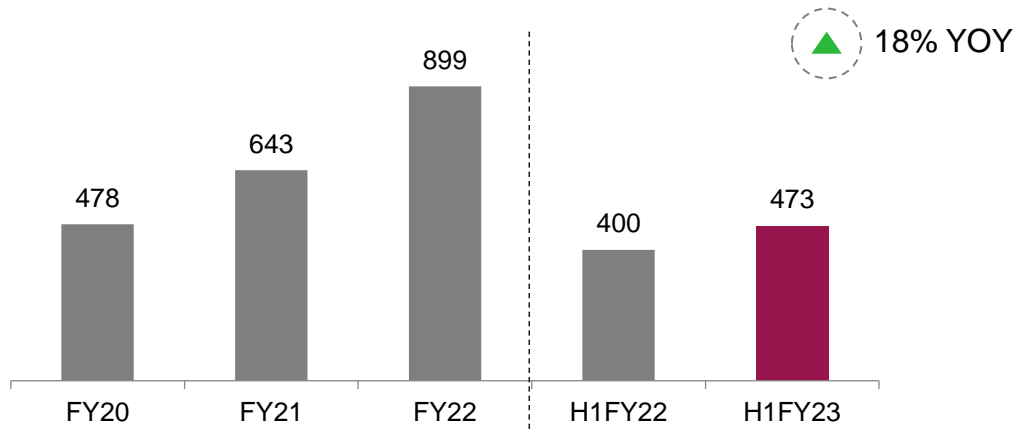


■ Institutional ■ Individual

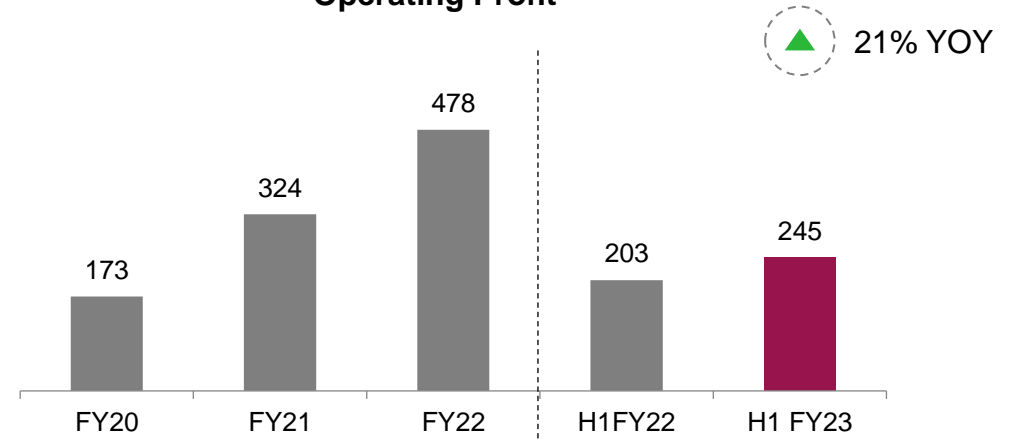
Individuals include Retail and HNI investors
 Equity AAUM refers to growth / equity oriented funds

Strong financial performance

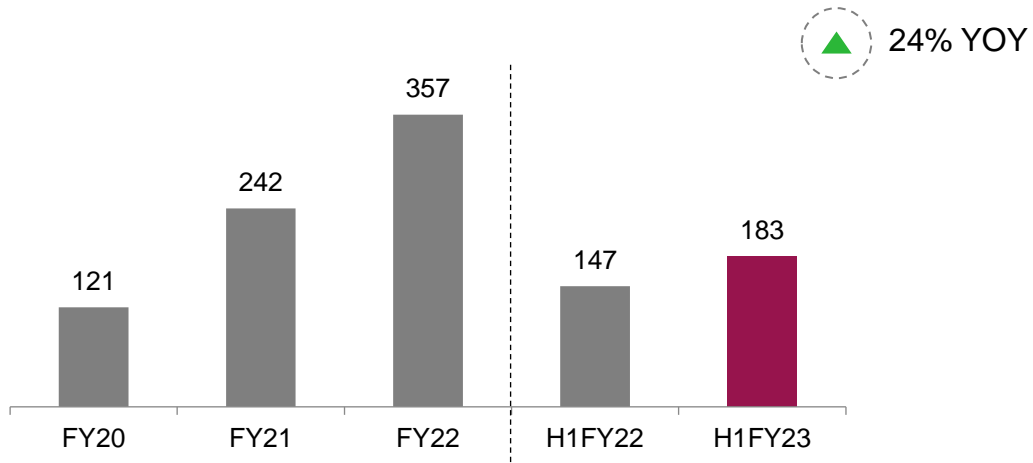
Total Income



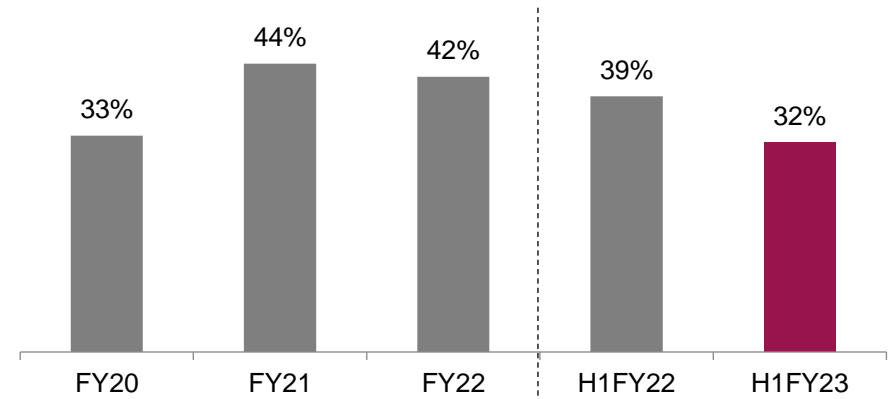
Operating Profit



Profit after tax



Return On Equity



Disclosure of Average AUM in regulatory format for period ended Sep'22

- **Disclosure:** Scheme AUM/AAUM (Amt in cr) 241632.06 / Rs.248343.28 Asset Classwise AUM / AAUM: Liquid/Money Market: 37801.08/41937.66, Gilt: 126.09/124.09, Income/Debt: 37396.91/39220.94 Equity including ELSS: 146537.79/145533.15, Hybrid: 10578.18/12303.53, Solution: 1745.18/1732.92, Index: 3109.96/2934.23, ETF: 2094.53/2016.27, FOF: 2242.33/2540.49 . AUM by geography (%) [Cities]: Top 5: 58.38% Next 10: 14.36% Next 20: 6.63% Next 75: 7.44% Others: 13.19%
- For Fund of Fund schemes : Investors will be bearing the recurring expenses of the scheme in addition to the expenses of other schemes in which Fund of Funds scheme makes investment.
- **Past performance may or may not be sustained in the future**
- **Statutory Details:** Axis Mutual Fund has been established as a Trust under the Indian Trusts Act, 1882, sponsored by Axis Bank Ltd. (liability restricted to ` 1 Lakh). **Trustee:** Axis Mutual Fund Trustee Ltd. **Investment Manager:** Axis Asset Management Co. Ltd. (the AMC). **Risk Factors:** Axis Bank Limited is not liable or responsible for any loss or shortfall resulting from the operation of the scheme. This document must not be taken as the basis for an investment decision. Neither Axis Mutual Fund, Axis Mutual Fund Trustee Limited nor Axis Asset Management Company Limited, its Directors or associates shall be liable for any damages including lost revenue or lost profits that may arise from the use of the information contained herein. No representation or warranty is made as to the accuracy, completeness or fairness of the information and opinions contained herein.
- **Mutual Fund Investments are subject to market risks, read all scheme related documents carefully**

One Axis : Collaborating with Bank to drive business growth

Assisted partnerships with Axis Bank Digital Banking Team

Partner Name	Business Model
BankSathi	Financial product aggregation through agents
FreoMoney	Neo bank
EasyPay	Payment enabler for merchants
GoldenPi	Fixed Income investment platform
FinMapp	Financial product aggregator
ONFY	Financial product aggregation through agents
Asset Plus	Financial product aggregator

Axis AMC partners collaborating with Axis Bank to offer products like credit cards, fixed deposits

1 Axis Finance Limited

2 Axis Capital Limited

3 Axis Asset Management Company Limited

4 Axis Securities Limited

Axis Securities at a glance



Axis Securities



4.5+ mn¹
Customer base - **3rd** largest
Bank-led broker

2,167+
Employees

45+
Advisory branches
& CDD[^] desks

430+
Business Partners &
Tie up with 5 Indian Banks

Market Share



52 %
Cash delivery volume

3.02%
Online cash market share

2.17%
Cash market share

Profitability



26.0%
Return on equities

₹99.5 Cr | (15%)
PAT YoY degrowth

39%
CAGR* - PAT

Acquisition & UTC



91%
Digital acquisition

₹5,760
Average annual revenue per customer

2.65L
Active customers traded in H1FY 23

TPP Business



₹2,814+ Cr
Mutual Fund AUM
as on 30th Sep 22

1.21 L
Active SIP's

₹665+ Cr
SmartEdge/
Smallcase AUM

₹1,012 Cr
AUM of NDPMS², Managed
Account & CAT3

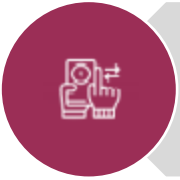
¹ Post acquisition of trading accounts from Karvy

* 5 yr CAGR (FY18 to FY23 annualised) ^ Central dealing desks **Unique Client Codes ² Non Discretionary Portfolio Management Service

Key differentiators



Full service retail brokerage with focus on quality customer acquisitions and profitability



Robust technology infrastructure and digital capabilities



Ability to provide holistic solutions to retail clients leveraging on 'One Axis' capabilities



Extensive distribution reach using omni channel platforms



Continuous product and service innovations to offer superlative customer experience

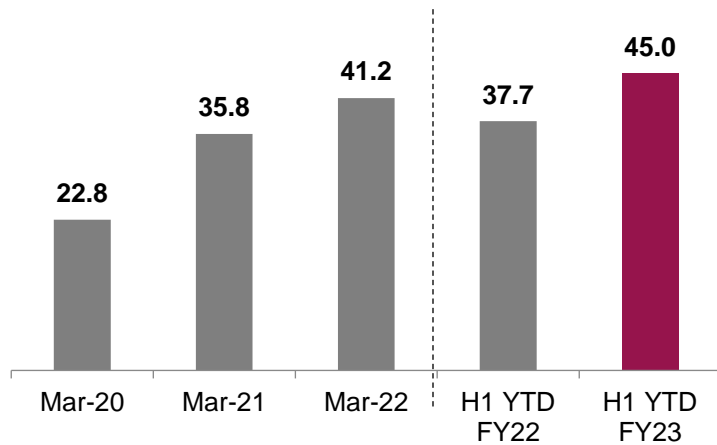
We are the 3rd largest bank led retail brokerage firm in terms of Customer base



- A full service retail brokerage firm with focus on cash delivery volumes to drive profitable growth
- **52%** average daily cash delivery volumes, higher than exchange market cash delivery volumes of 40%

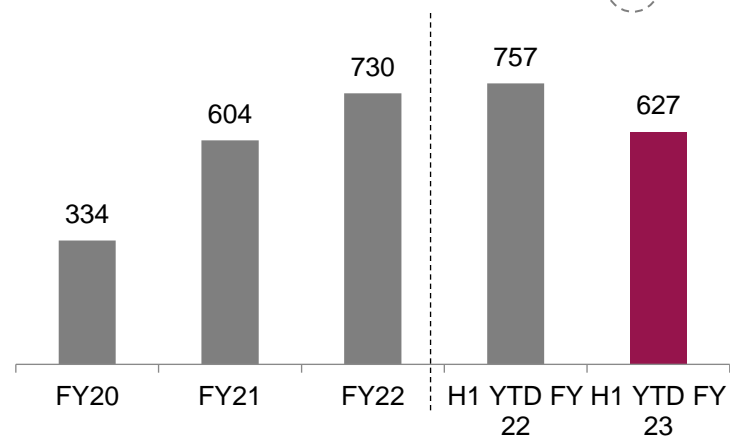
Customer Base
(in lakhs)

▲ 19% YOY



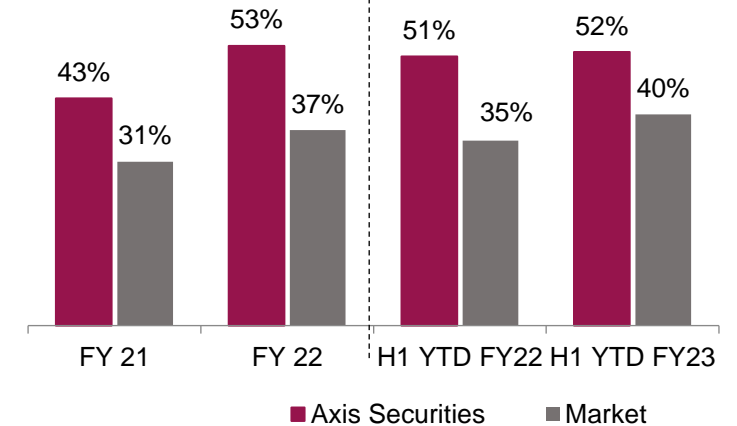
Average daily cash volume
(in ₹ Cr)

▼ 17% YOY



Average daily cash volume of ASL has fallen by 17% whereas Exchange volume has come down by 28%

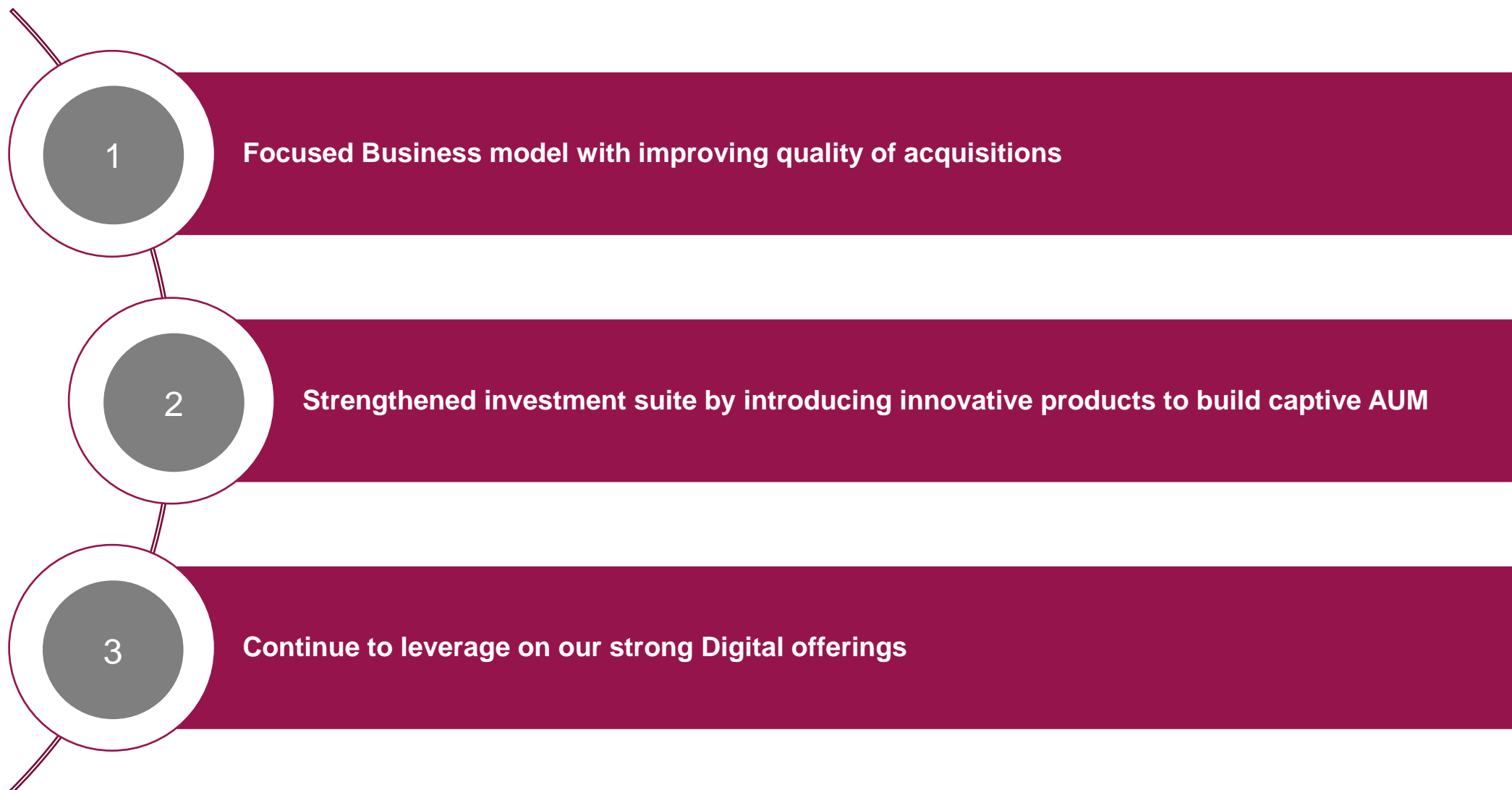
Average daily cash delivery %



50% of the clients acquired are millennials

3.78 lakh new customers added organically in H1 FY23

39% of the clients acquired belong to tier 1 and tier 2 cities



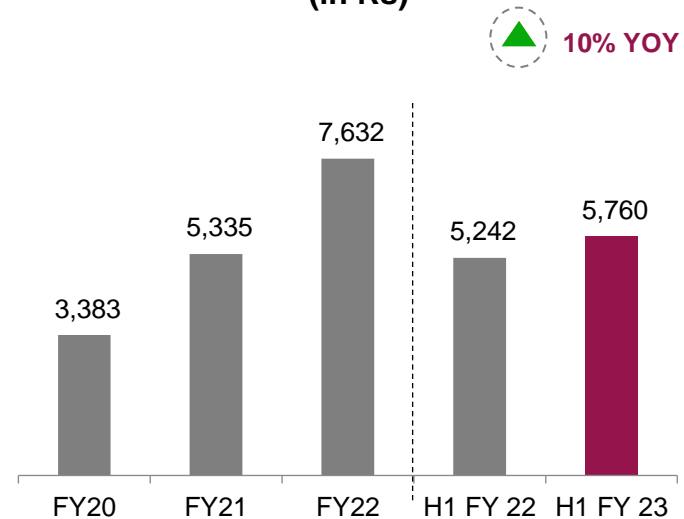
Focused Business model with improving quality of acquisitions

- Significant steps has been taken to increase the penetration of burgundy and burgundy private customers with the focused Programme on high quality customers of the bank
- Build Exclusive product for premium customers to provide whole bouquet of investment product
- Focus has been to improve the quality of new customer acquisitions drive higher cash volumes leading to better ARPUs and profitability

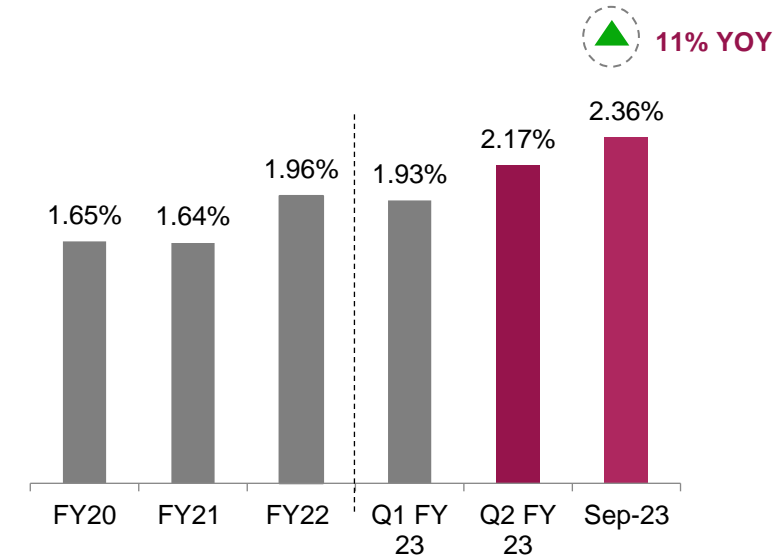
Unique clients (UCC*)
(in lakhs)



ARPU^
(in Rs)

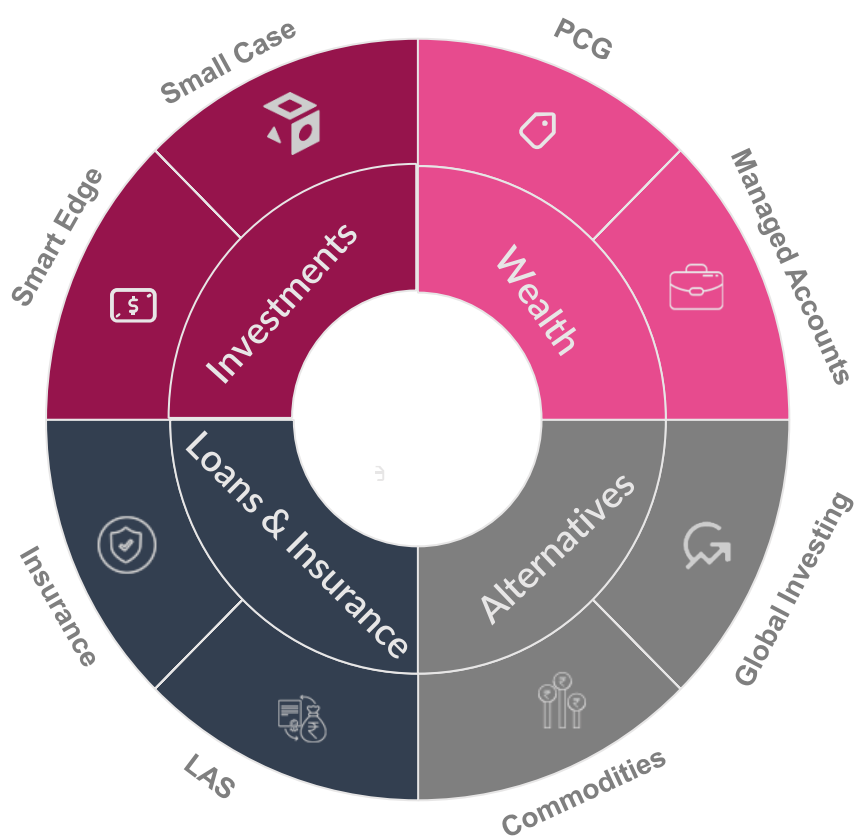


Cash market share %



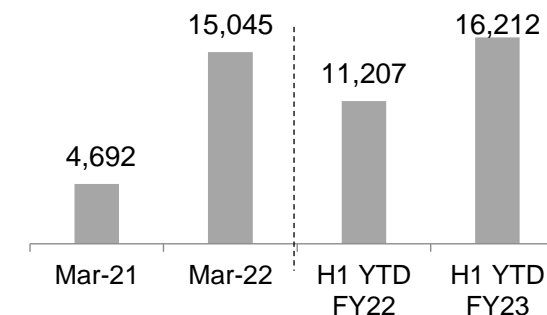
24% - Clients acquired from April 21 are active

- 48% of revenue contribution is from non direct broking business
- Focus has been to build captive AUM business through robust research engine and product offerings to reduce volatility
- We have 10+ innovative product offerings across equities, commodities and advisory to scale up growth

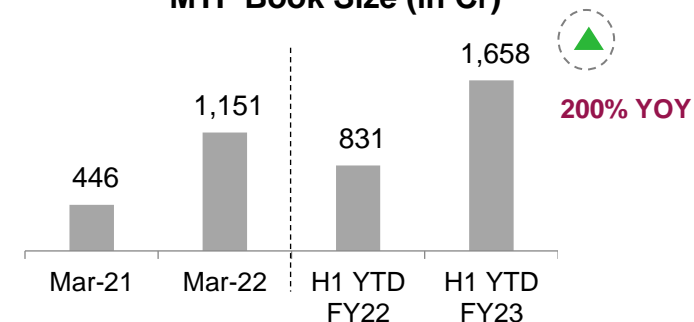


- ✓ ₹2.77 crores of overall DP holdings
- ✓ ₹2,814 crores AUM for mutual funds, having scaled up SIP distribution
- ✓ ₹5,535 crores Investment advisory AUM
- ✓ ₹665 crores collective AUM of newly launched advisory products **SmartEdge** and **Smallcase**
- ✓ 44% growth in **Margin Trading Funding (MTF) book** with nearly 2x collateral
- ✓ **Axis Intellect AUM** – INR 62 cr from 2170 clients
- ✓ **NDPMS / CAT 3 AUM** – INR 1012 Crore
- ✓ Introduced **IPO bidding using UPI**

Smart Edge – No of clients



MTF Book Size (in Cr)





Cloud Native apps

New state of the art trading platforms are being developed which will be cloud native and will be available in FY-23



Auto-Scale

Putting the middleware on cloud shall keep us ready for scaling up the business with minimal effort



Leveraging One Axis

A complete team of over 50 members across Product, Design, Developers & Infra to enhance our digital assets



Flexibility

Ability to design and develop platform features without vendor dependencies



Own the Source Code

Technology upgrades, feature additions & modifications will be easier & transparent



Open APIs for FinTechs

FinTechs can use our APIs to design their own platforms and execute trades through us



Core Engine Agnostic

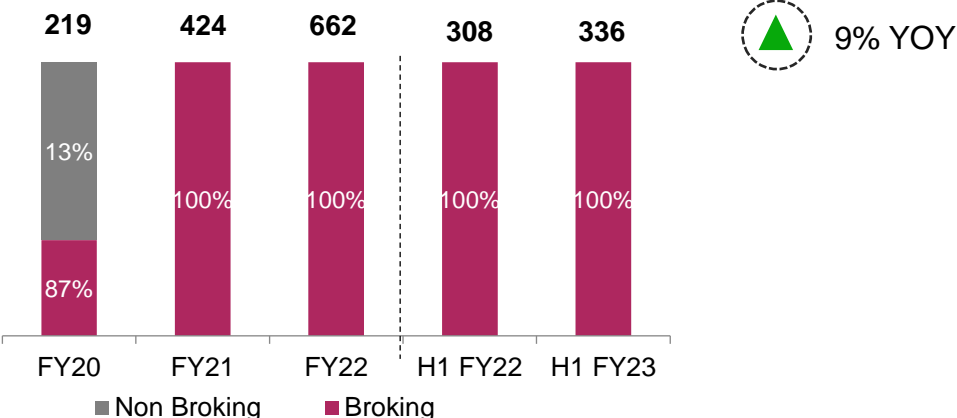
In-house Middleware will be our own property and can be connected to any OMS-RMS seamlessly

Delivered strong performance with 40% growth in PAT

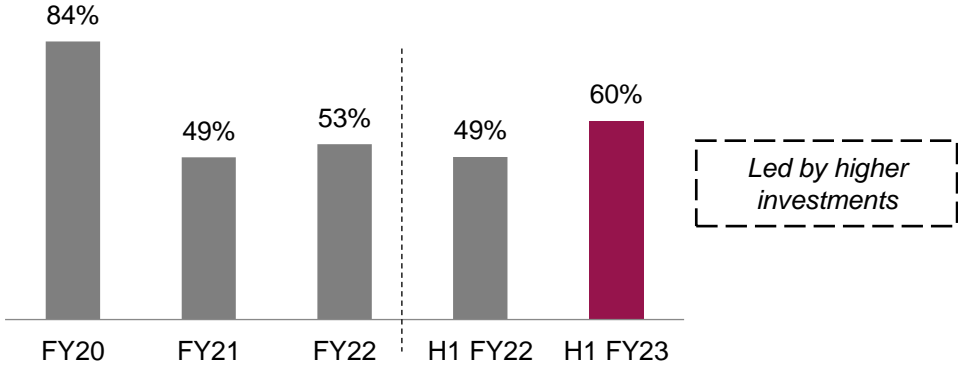


All figures in ₹ Cr

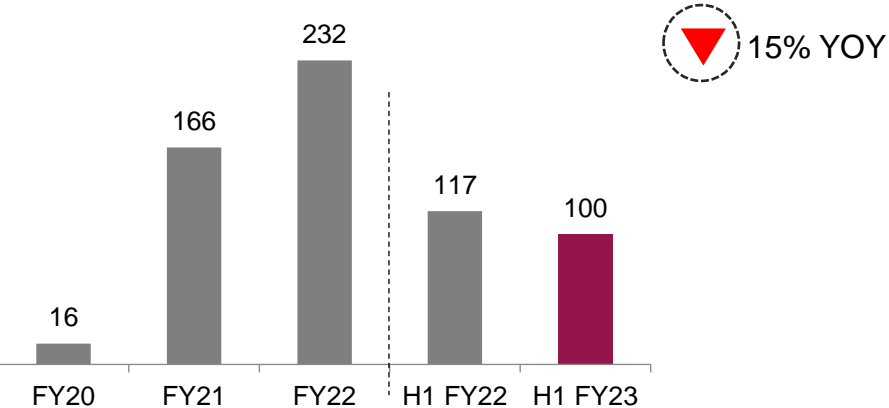
Total revenue mix (by segments)



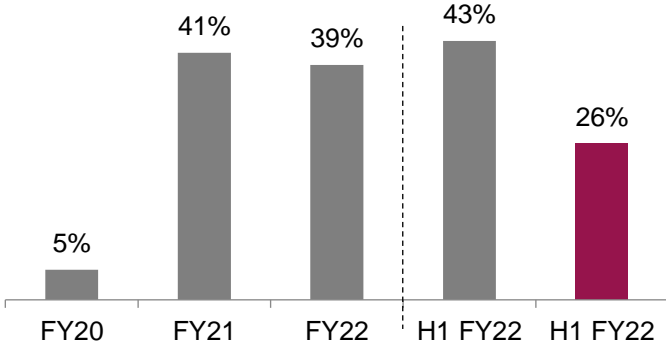
Cost to income ratio (Broking)



Profit after tax



Return On Equity



All numbers reported above are as per IGAAP
 FY20 numbers include non broking business and are therefore not comparable with FY21 and FY22

Thank You

