

# Wholesale Banking

**Analyst Day 2022**

**November 24<sup>th</sup>, 2022**



# Amongst the **best and most comprehensive** Wholesale Banking franchise for our customers



## Growth

- ✓ Step up growth in Wholesale Bank led by higher growth in focus segments & products
- ✓ Leverage One Axis capabilities to offer comprehensive solutions to corporates

**18%**

CBG advances CAGR\*

**43%**

Mid corporate advances CAGR\*

**1st**

rank in ECM segment over last decade

## Profitability

- ✓ Strengthen our positioning as a Transaction Banker of Choice
- ✓ Brought down credit costs significantly

**80%**

Transaction banking fee as % of wholesale fee as of Sep'22, up 1173 bps^

**14.5%**

foreign LC market share in Sep'22, up from 5.2% as of Mar'19

**0.52%**

Net NPA in wholesale segment, down from 3.56% as of Mar'19

## Sustainability

- ✓ Enhanced review and rigour while strengthening the balance sheet significantly
- ✓ Strengthened the leadership team, product capabilities and processes

**700 bps**

Improvement in mix of corporates rated A- & above since FY19

**88%**

PCR in Wholesale segment

**Sankalp**

has transformed service delivery and improved productivity

**Building Best in Class Digital Corporate Bank – Project Neo**

**Recognized as the '2022 Greenwich Quality Leader' for 2nd consecutive year**

\* for 2.5 years / since Mar'20

## Our success differentiators **give us the right to win**

- 1 Strong relationship led franchise, transitioned out of an asset focussed business model**
- 2 Strengthened our Transaction Banking proposition with industry first product innovations**
- 3 Solution led banking with integrated 360° coverage across segments**
- 4 Serving customers across the capital structure leveraging 'One Axis' capabilities**
- 5 Made strong progress towards becoming best in class Digital Wholesale Bank**

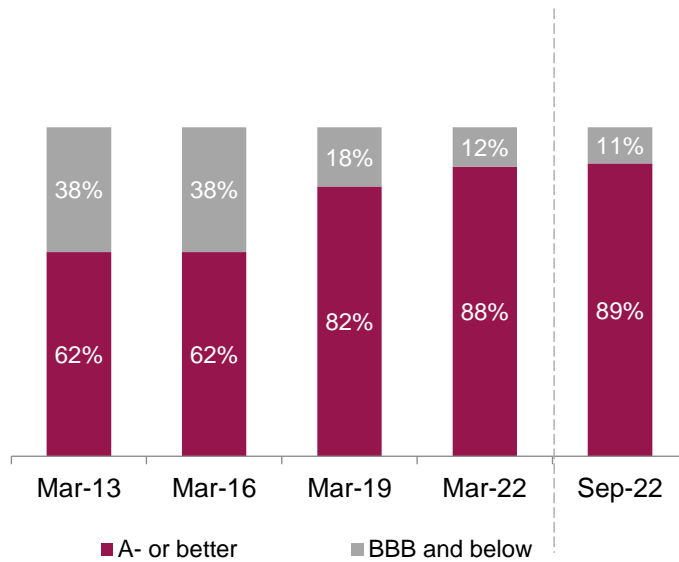
# 1

## We have changed the fabric of the Corporate segment...

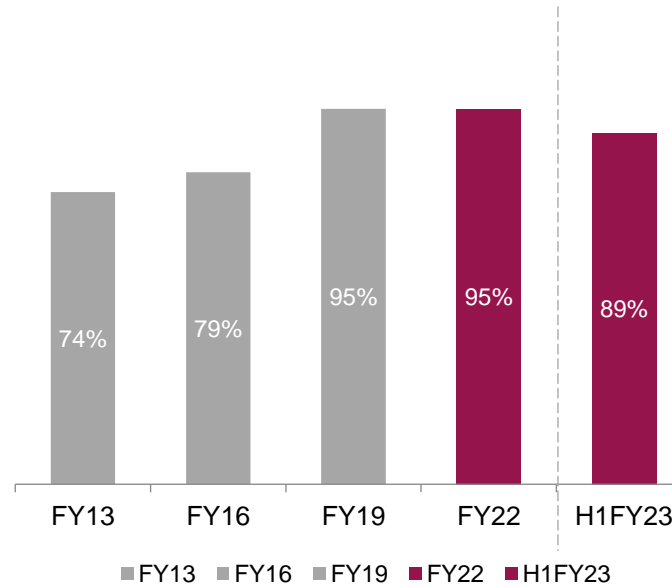


The ratings mix of clients has improved over the years with focus on improving transaction banking fees

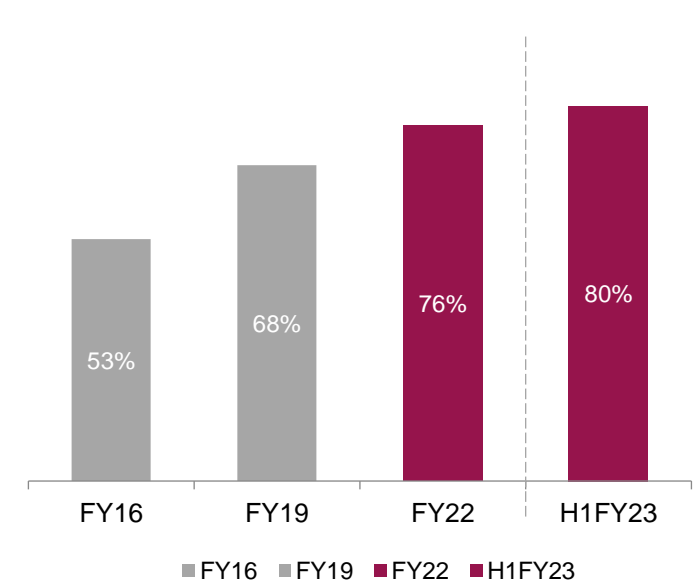
Significant Improvement in rating mix...



led by higher incremental sanctions to better rated corporates



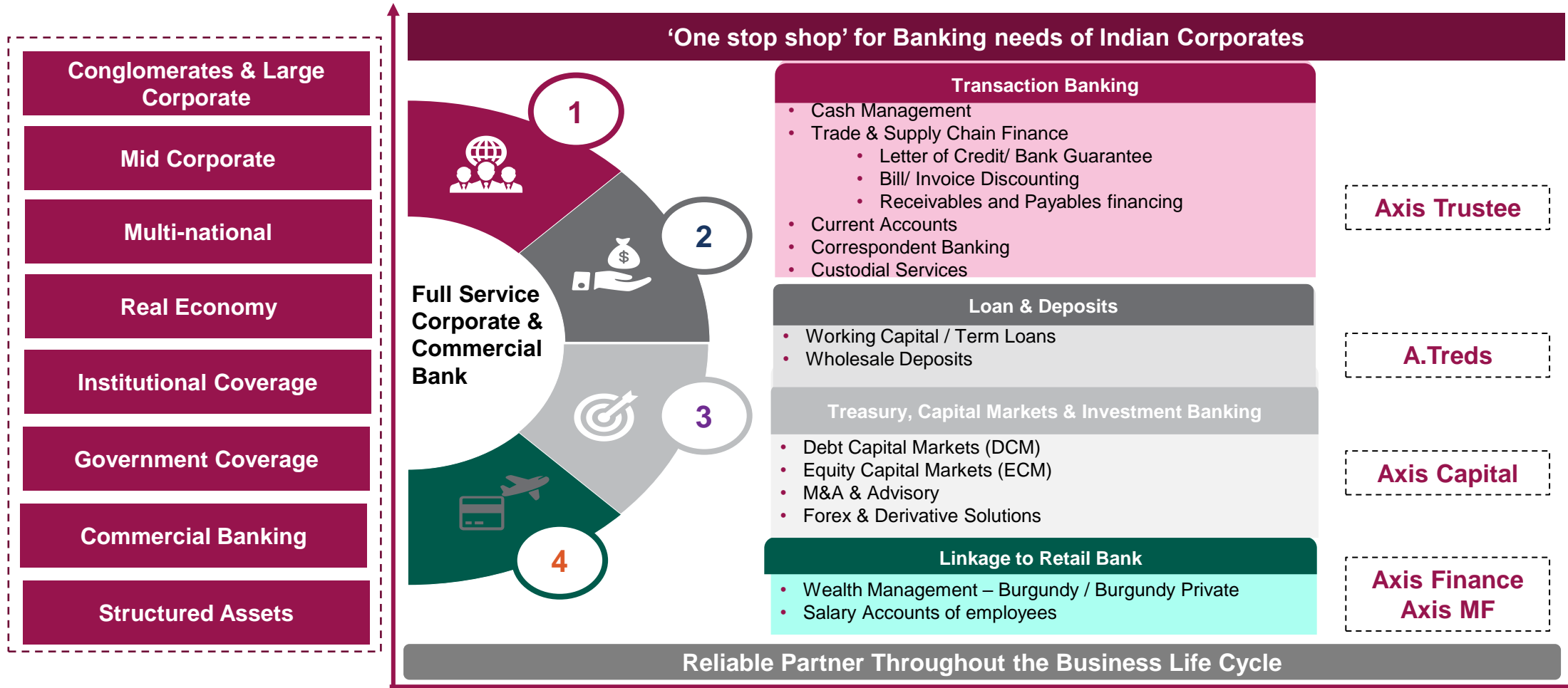
...and higher contribution of transaction banking fees to wholesale fees



# ...to become strong 'Relationship led Franchise' with segmental approach



- *Segmental approach* has helped us focus on the market opportunities in a systematic manner to deliver execution excellence
- *Segregated the responsibilities* of coverage and product groups to ensure sharper focus





- **Gained market share** across multiple products (foreign LC, RTGS, BBPS)
- **First mover** in launch of new and innovative treasury products



- **Scaled up existing products and built new product lines**
- **Thought Leadership** in Treasury, Markets and Transaction Banking



- **Invested in Talent & Expertise** to build cohesive Transaction Banking
- **Strengthened the treasury** segment with high quality talent



- **WB Service Architecture revamped** to deliver externally benchmarked best-in-class service
- STP journeys for Back-office processing



- Transitioned from “Fit for Purpose” to “**Fit for Growth**” by offering scalable and cost-efficient products



- Driving Digital Transformation (**Project Neo**) to build leading Digital Corporate Bank
- **5x** YOY growth in transaction value

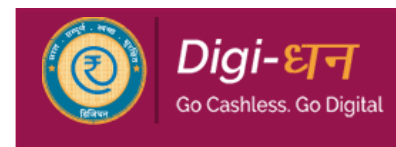
**Well-managed for Risk**



1st for Large Corporates and Middle Markets – Knowledge of TXB needs



India Bond House for topping the rupee league table



Digidhan Awards (2020-21)

...with leadership in product innovations and several industry firsts...



**Axis Bank executes first Domestic Trade transactions on GOI-backed blockchain platform**  
January 11, 2022

**Axis Bank concludes Structured Derivative transactions with leading Corporates**  
January 3, 2022

**Axis Bank becomes first Indian private bank to arrange a term SOFR linked trade deal**  
October 6, 2021

**Axis Bank launches a wide range of API Banking solutions**  
October 12, 2021

...reflected in strong market share position across digital payments

**31%**  
IMPS

**18%**  
BBPS

**11%**  
Foreign LC

**10%**  
NEFT

**8%**  
RTGS

**8%**  
GST

## Solution led banking has helped in gaining significant incremental share of Government business

### Comprehensive solutions across various Departments / Bodies

#### Central and State Government



- Central Sector & CSS (SNA & CNA)
- GeM
- PFMS Integration

#### Central and State Autonomous Bodies



- Collection solutions (Fee, commission)
- e-tendering & e-procurement
- Central Nodal Account

#### State Local Bodies



- Revenue Collection
- Fine & Fee collection
- Smart City & Smart Card

#### Constitutional Bodies & IHLs



- Collection & Payment
- Smart Campus Solution
- Salary & Payroll Management

#### Central and State PSUs

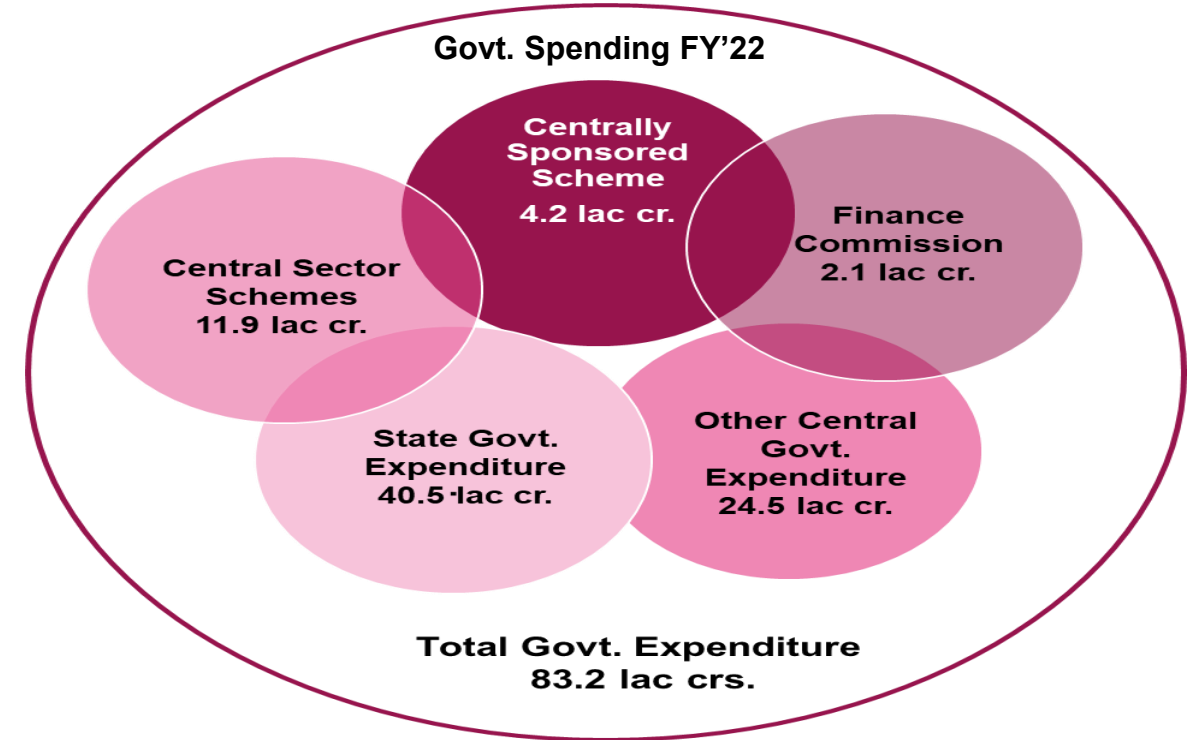


- Collection solutions (Online & Physical)
- e-tendering & GeM
- Vendor Payment

#### Co-operatives & Federations



- Account Management Solutions
- e-tendering & e-auction
- Vendor Payment & Agent collection



**Axis Bank Govt. Business inflows  
₹10.1 lac crores (FY22)**

Other Central Expenditure : Payments on subsidies, Defence, Devolution of taxes, pensions, transfer to Public Enterprises etc..



# Integrated Coverage of Financial Sponsors & Start-Ups



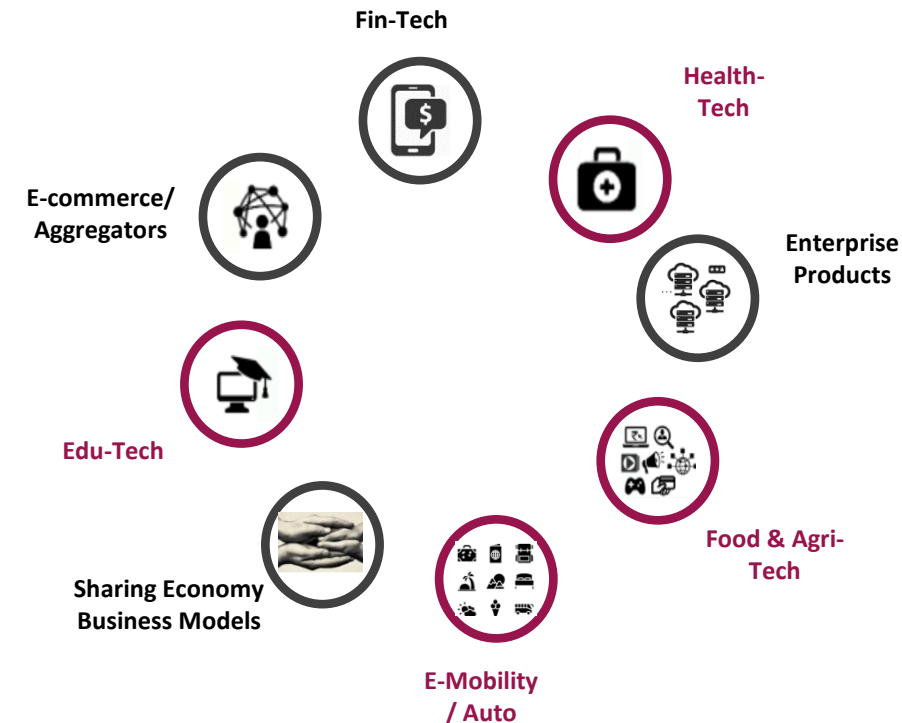
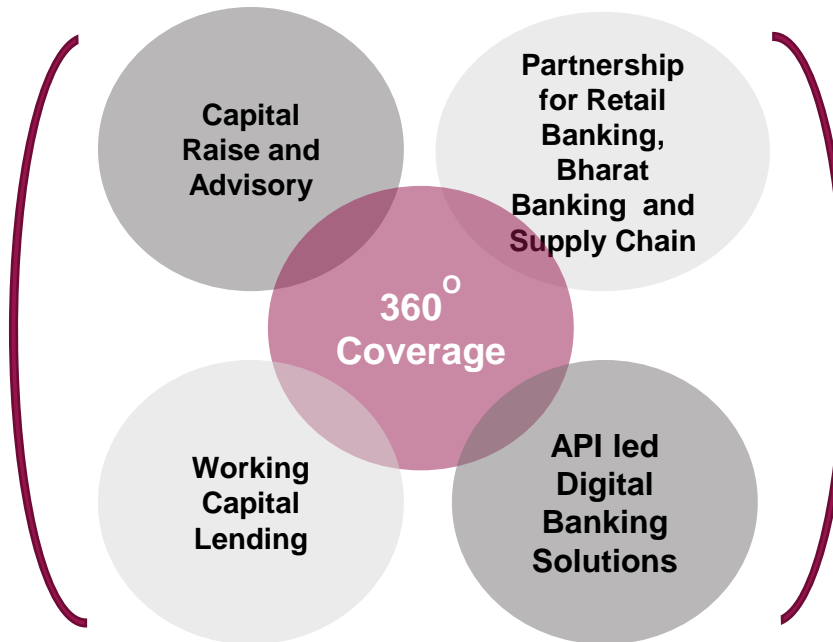
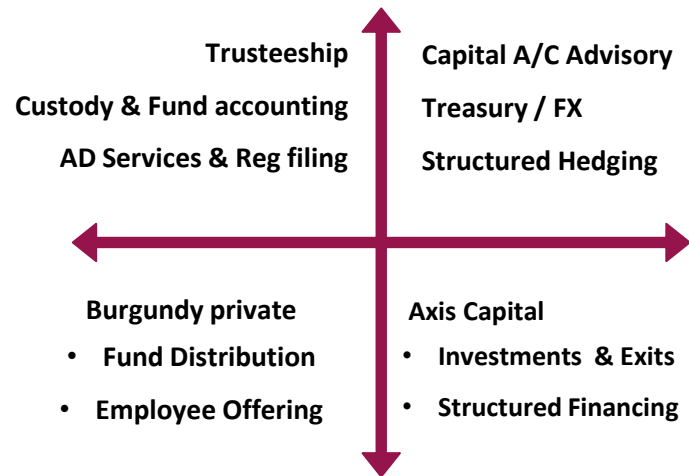
Creating Value for sponsors in their portfolios

Providing a platform for Start-ups to hyper scale

## Financial Sponsors

## Axis Franchise

## Sectoral Solutions for New Economy



4

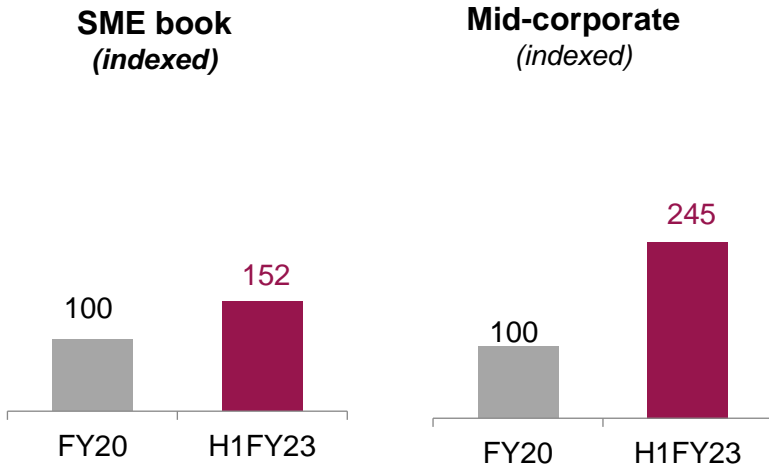
# Our leadership position across segments places us well to serve customers across the capital structure



← Comprehensive presence across the value chain →



### Strong growth in focus segments



### Wide distribution reach

**33,000+** Clients (excl CBG & GCG)  
**750+** Relationship managers  
**100+** Cities covered

### Innovative Digital solutions

- CIB 2.0
- TF Connect
- Fx Connect
- PayPro
- EasyPay
- SCF Connect

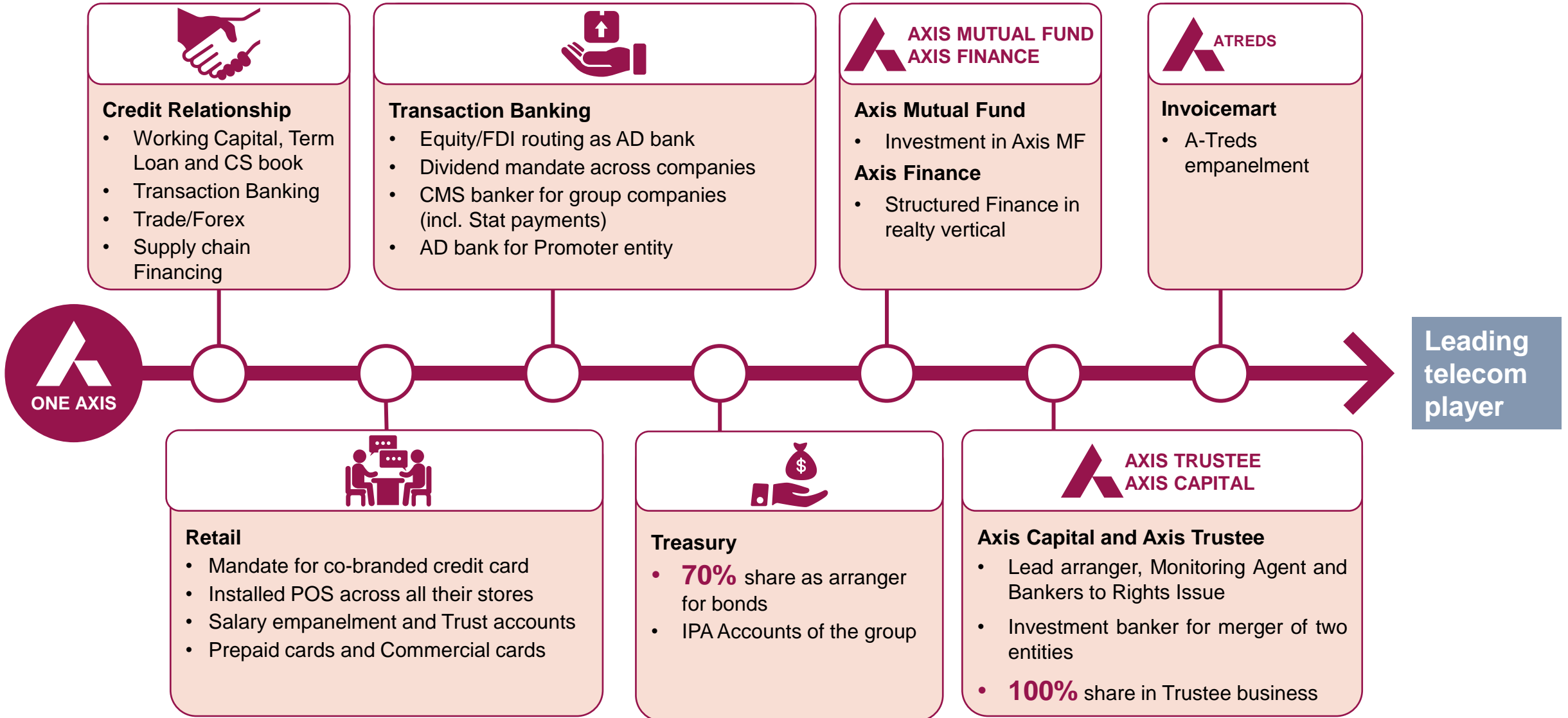
### Asian Banker of the Year – Recognition of One Axis



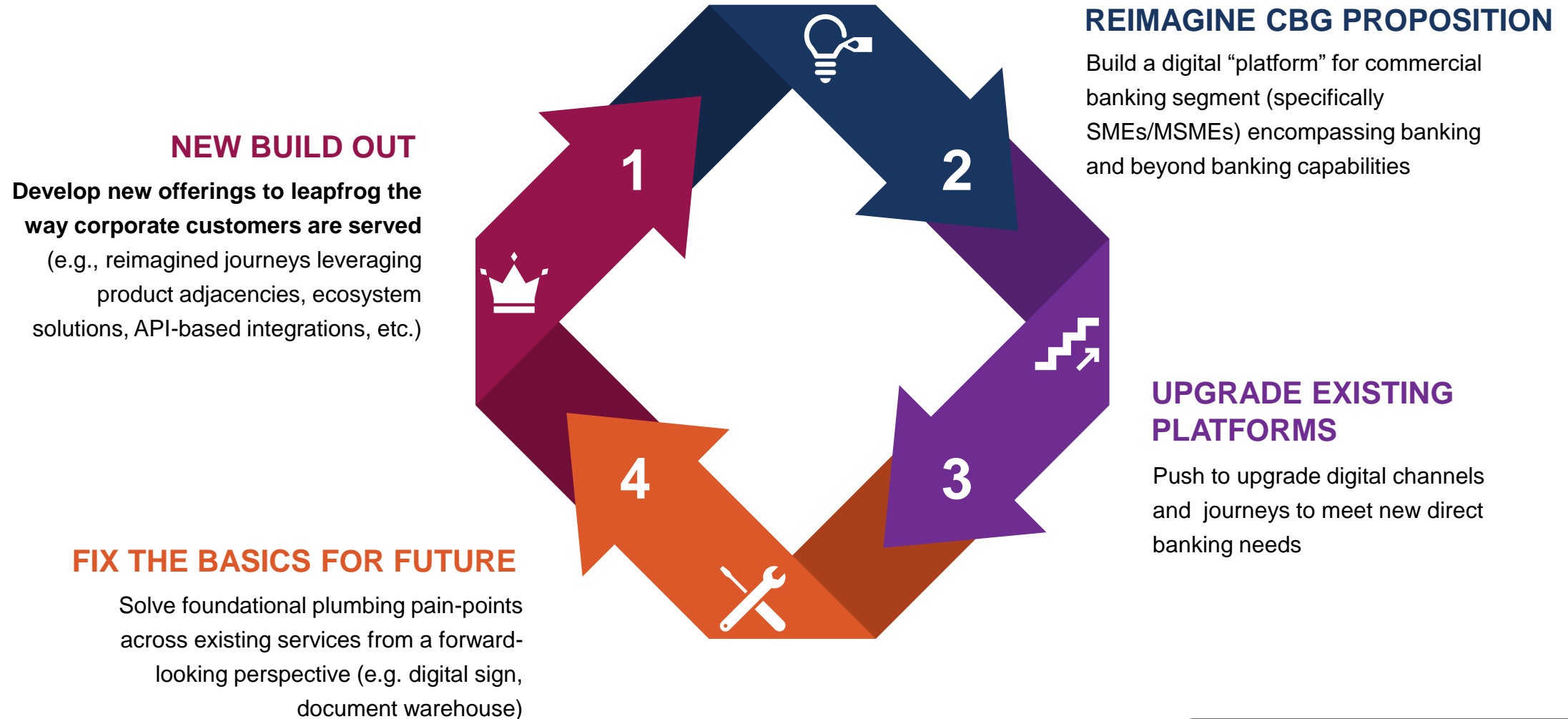
**1st**  
 ECM Ranking in the last decade (Prime Database)

**1st**  
 on Bloomberg DCM league table for 15 straight years

# One Axis approach at play



# Project Neo reflects our ambition to build India's #1 digital corporate bank



# Key takeaways





**Strengthened capabilities**  
across people, products and  
processes, thereby  
transforming the Wholesale  
Bank significantly

**Driving sustainable  
relationship RAROC,**  
building dominance across  
the capital structure

We have made strong  
progress towards building  
**best in class Digital  
Corporate Bank**

# We have made large investments into Project Neo with clearly visible early impact and many notable successes...











Client	Proposition
 <p>Leading manufacturing company</p>	<ul style="list-style-type: none"><li>• Enables client to leapfrog from traditional banking to APIs</li><li>• API Banking for vendor payments and balance confirmation</li></ul>
 <p>Mid-sized pharmaceutical company</p>	<ul style="list-style-type: none"><li>• Adopted suite of Trade APIs for Open Account Import payments.</li><li>• Currently under integration for LC via APIs.</li></ul>
 <p>One of the largest food services company</p>	<ul style="list-style-type: none"><li>• Complete collections journey on merchant page - across collection modes - coupled with instant refunds across c.1500 outlets; going live soon</li></ul>
 <p>Large German MNC</p>	<ul style="list-style-type: none"><li>• Dynamic Discounting - solution offers fungibility between own treasury funds / bank funding</li><li>• Bank as a solution provider as compared to a Fintech - enabling two-way flow with single connectivity layer. Solution preferred over house MNC Bank</li></ul>

**Project Neo deliverables already demonstrating Product-Market fit  
World-class journey reimagination and tech execution**

# Project Neo = building India's leading Digital Wholesale Bank via the most respected Transaction Banking proposition



**"..helping clients beyond their articulated needs..."**

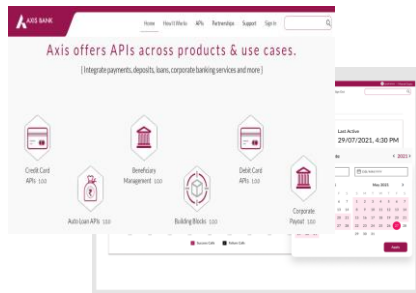
-  Extensive competition benchmarking – local and global peers including fintechs
-  Broad-based customer interviews across value and geographic segments
-  Customer feedback and complaint data
-  Design in the customer's world rather than a product-led approach
-  Integration of the financial and physical value chains
-  Front-to-back transformation to deliver an Amazon-like convenience
-  Leverage global expertise – wealth of transaction banking talent within the Bank clubbed with inputs from global thought leaders
-  Build for future rather than mere experience layer changes

**... delivering significantly ahead of market solutions**

# ... with a clear roadmap that is already delivering “*what Great looks like*”



**1** Become India's leading **API-driven Corporate Bank – Live, at scale**



## **B2B API enablement**

- **100+ APIs** across Transaction Banking products
- **Commercialization** via API Developer Portal
- **Plug-n-play adapters** to drive smooth ERP integration
- **Partnerships** for capability enhancement & connected banking



**2** Create an integrated **banking + beyond banking SME proposition**

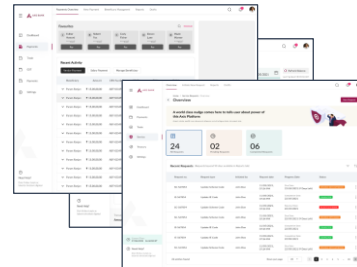


## **Neo - Business platform**

- **Mobile-first proposition** catering to SMEs and MSMEs
- **Fully-paperless and digitized onboarding process**

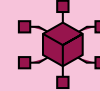


**3** Become **easiest bank to do business with across segments**



## **End-to-end digital journeys**

- **Simplified and fully-digital stack** of value generating and engagement journeys
- **Straight-through processing** resulting in significant reduction in journey TAT
- **AI/ML enabled chatbots** to resolve queries on the go



**4** Enable **multi-product, multi-channel linkage** both internally and with customers

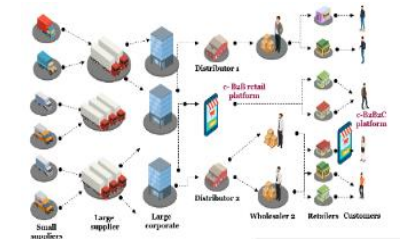


## **Digital Corporate Internet Banking Platform (2.0)**

- Integrated and fully-**digitised onboarding**
- Persona-based **personalized dashboards**
- **Integrated analytics** use cases



**5** Help customers to **integrate their physical and financial value chains**



## **Ecosystem solutions**

- **Customized solutions** to be launched across select corporates integrated into their business operating systems

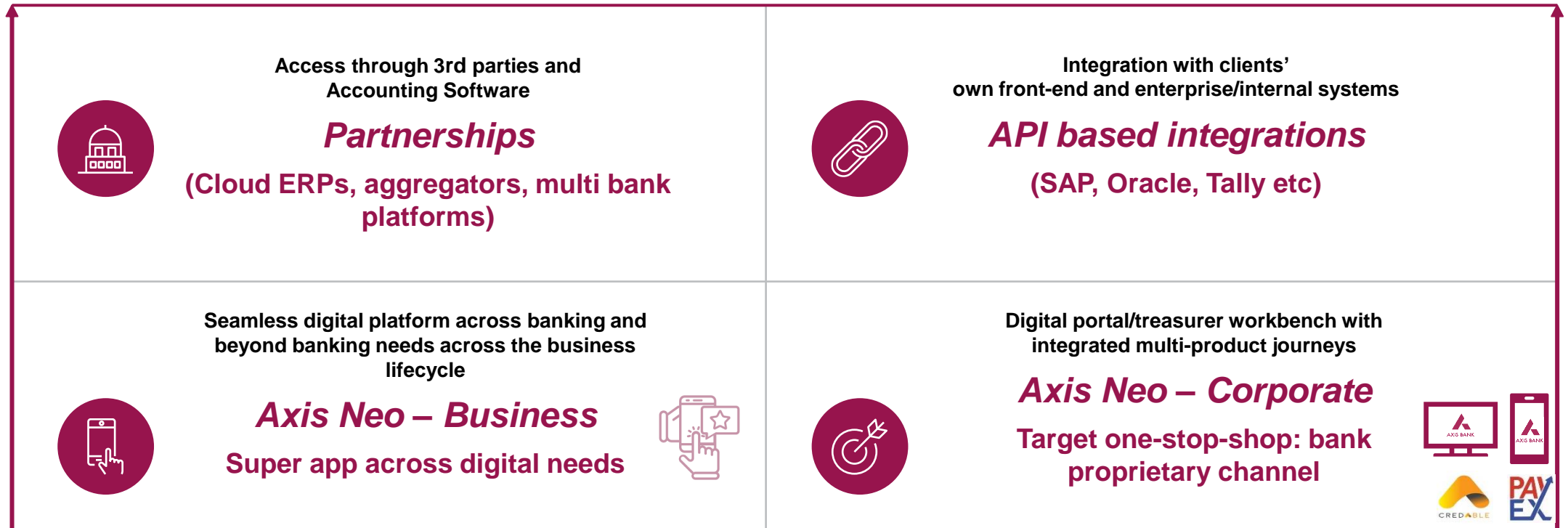
**Client-centric design grounded in rich customer insights**



# ...across the full spectrum of corporate use-cases

Preference for  
own channels

Preference for  
Bank's channels



Complexity of business model

# ... reflected in Growth of API transactions

**10x**

**TRANSACTION  
VOLUME**

**5x**

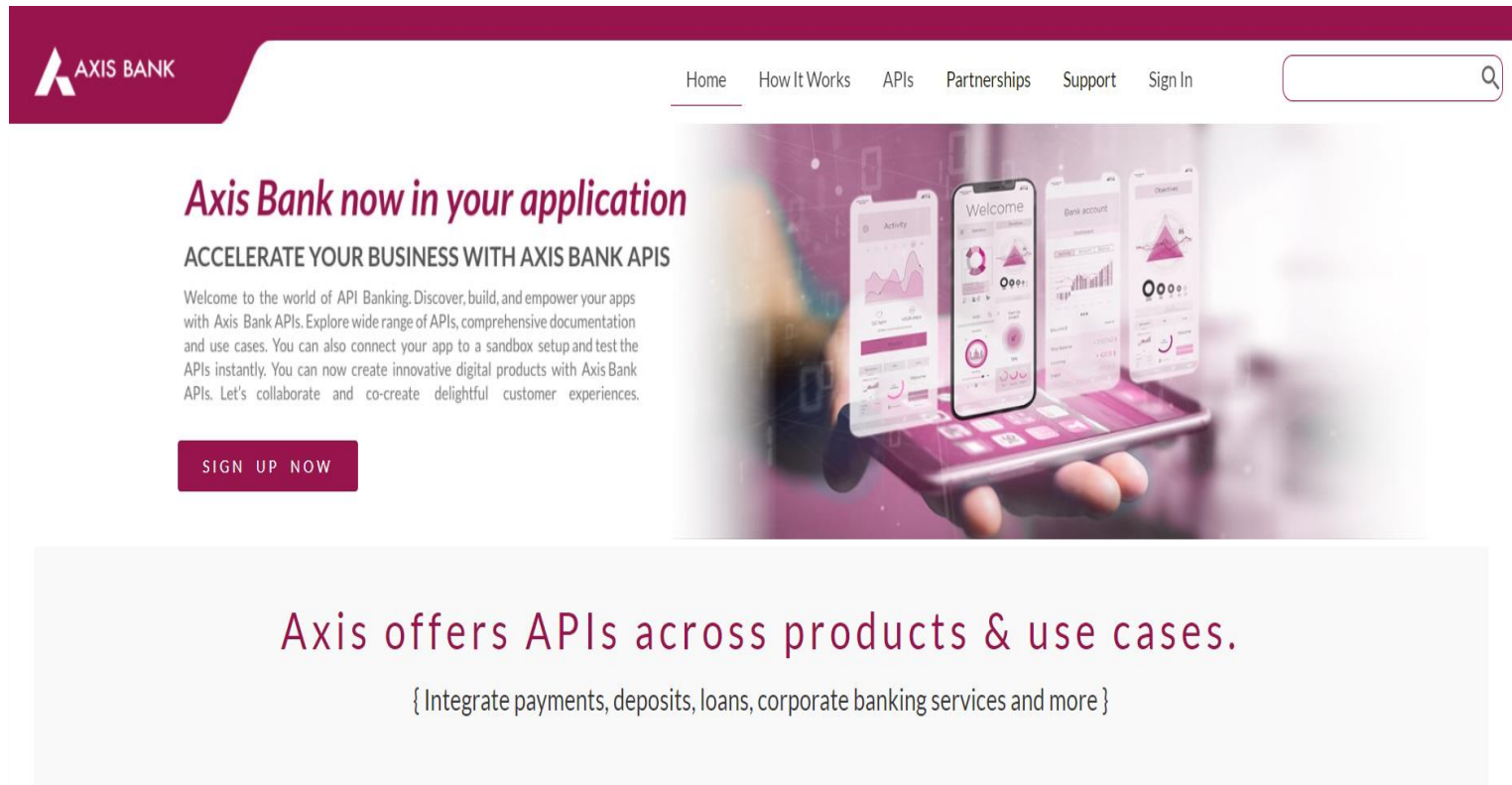
**TRANSACTION  
VALUE**

**2.5x**

**CUSTOMERS  
ONBOARDED**

*Year-on-year growth – Sept'22 vs Sept'21*

# A best in class Developer Portal for clients to integrate, self-serve



## Self registration

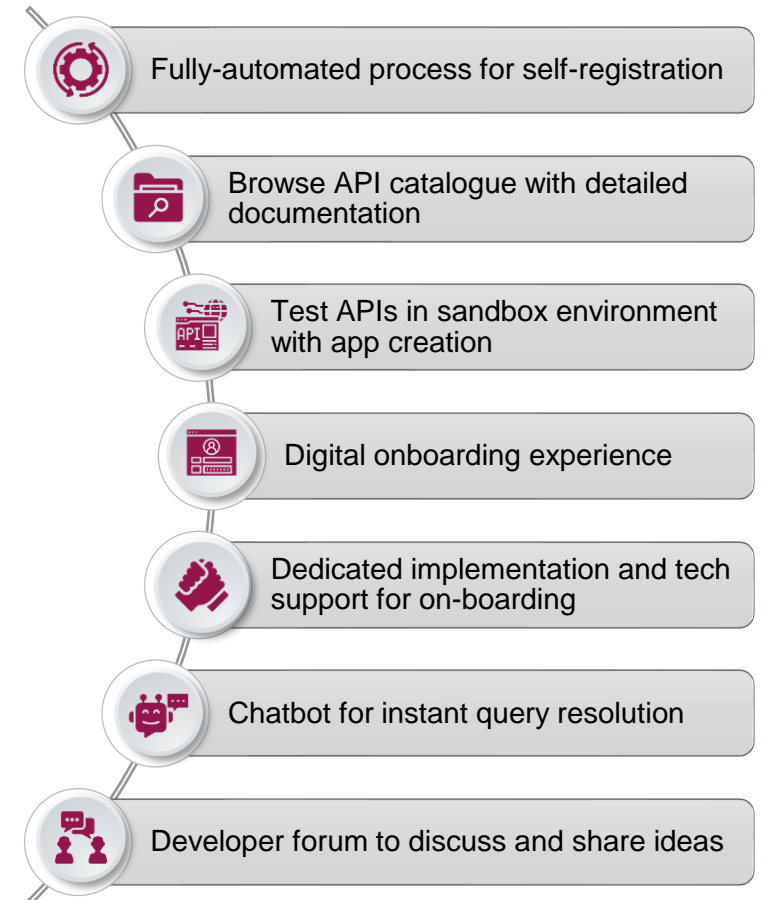
Fully automated process to view and sandbox test Axis bank's APIs

## Starter Guide

Access video on developer portal to guide you on registration, app creation and API subscription process

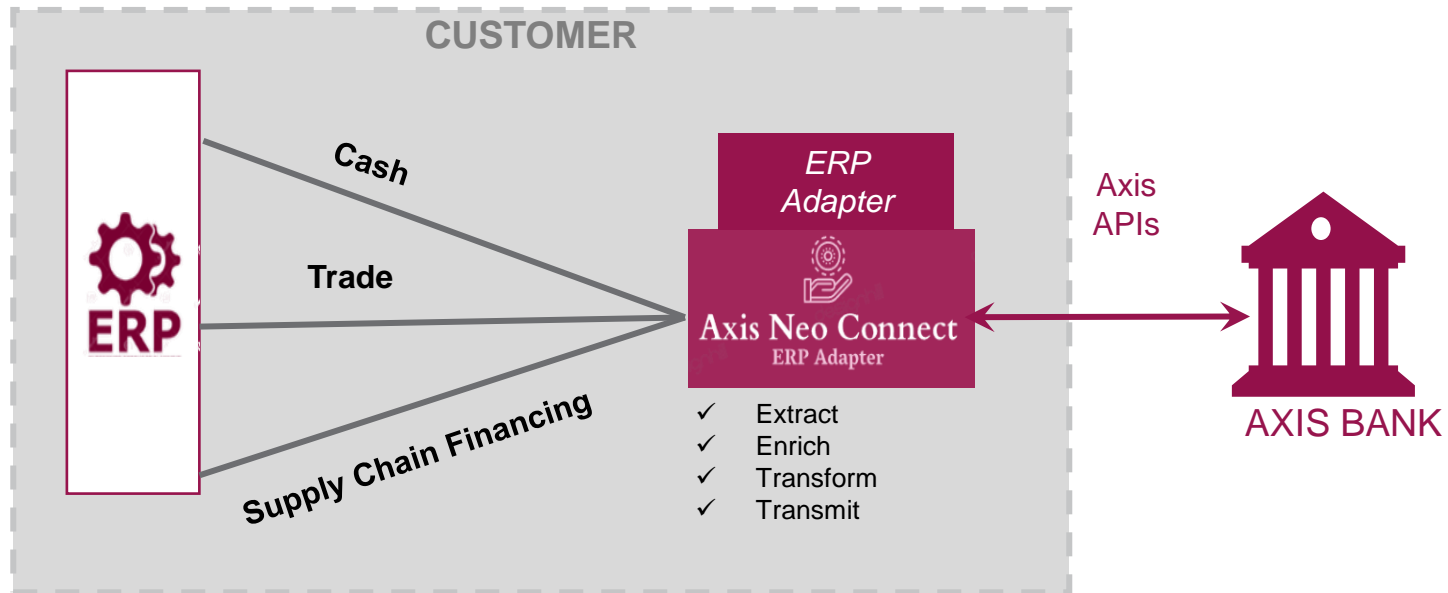
## API Analytics

View analytics by applying date and API filters



URL - <https://apiportal.axisbank.com>

...and if needed, leverage Axis's Transaction Banking expertise



*1<sup>st</sup> in Industry API integration proposition*

*Sophisticated to handle complex Business logics*

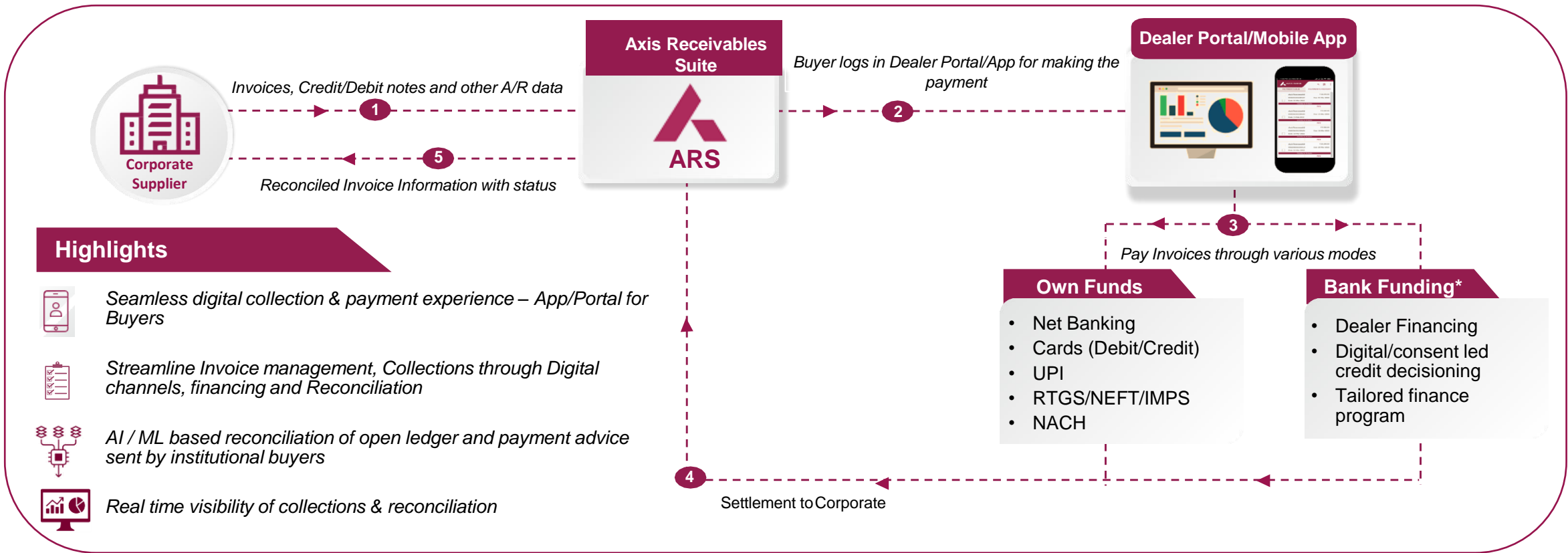
*Customizable data formats*

*Easy to embed in corporate Technology landscape*

*Truly integrated experience*

# An example where we have leveraged partnerships to deliver market leading, differentiated solutions

## Axis Receivables Suite (ARS)



### Highlights

- Seamless digital collection & payment experience – App/Portal for Buyers
- Streamline Invoice management, Collections through Digital channels, financing and Reconciliation
- AI / ML based reconciliation of open ledger and payment advice sent by institutional buyers
- Real time visibility of collections & reconciliation

\*upcoming launch

# Thank You

