

AXIS/CS/CO/697/2021-22

March 30, 2022

The Chief Manager
(Listing & Compliance)
National Stock Exchange of India
Limited
Exchange Plaza, 5th Floor
Plot No. C/1, "G" Block
Bandra-Kurla Complex,
Bandra (E), Mumbai – 400 051

The Senior General Manager (Listing)
BSE Limited
1st Floor, New Trading Ring, Rotunda
Building
P. J. Towers, Dalal Street
Fort, Mumbai – 400 001

NSE Code: AXISBANK

BSE Code: 532215

Sub: Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") w.r.t. acquisition of business undertakings

Dear Sir/ Madam,

Pursuant to Regulation 30 of the SEBI Listing Regulations, we wish to inform that, the board of directors of Axis Bank Limited (Axis Bank) at their meeting held today i.e. March 30, 2022 have approved the purchase of the Citibank's India Consumer Business from Citibank N.A. (acting through its branch in India) ("**CBNA**") and the NBFC Consumer Business from Citicorp Finance (India) Limited ("**CFIL**"), as going concerns, without values being assigned to individual assets and liabilities to either business, subject to fulfilment of specific conditions and obtaining requisite approvals. Axis Bank has executed, *inter alia*, business transfer agreements with CBNA ("**CBNA BTA**") and CFIL ("**CFIL BTA**") on March 30, 2022.

The information required pursuant to Regulation 30 of the SEBI Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015, is enclosed herewith as Annexure 1. Also, attached as Annexure 2 is the investor presentation and press release capturing further details about the transaction.

We wish to inform you that Axis Bank will host a call with analysts and investors on the above matter at 19.00 P.M. (IST) on March 30, 2022.

Conference call- Dial in information is as follows:

Date	30th March 2022
Time	19.00 P.M. (IST)
Universal Dial-In numbers	+91 22 6280 1253 +91 22 7115 8154

International Toll	HongKong : +852 30186877 Singapore : +65 31575746 UK : +44 2034785524 USA : +1 3233868721
International Toll Free	Hong Kong : 800964448 Singapore : 8001012045 UK : 08081011573 USA : 18667462133
Pre-registration Link	Diamond Pass Registration (choruscall.in)

The above is for your information and records.

Thanking you,
Yours faithfully,
For Axis Bank Limited

Sandeep Poddar
Company Secretary
Encl: As above
CC: LSE, SGX

Annexure 1

Disclosure of information pursuant to Regulation 30 of the SEBI Listing Regulations read with SEBI circular No. CIR/CFD/CMD/4/2015 dated 9 September 2015.

S. No.	Particulars	Description
1.	Name of the target entity, details in brief such as size, turnover etc.;	<p>1. Citibank N.A. (acting through its branch in India) ("CBNA"): Axis Bank Limited (Axis Bank) proposes to acquire CBNA's entire consumer business in India, including the Credit Cards Business, the Deposits Business, the Wealth Management Business, the Loans Business, the Customer Guarantees Business, the Insurance Distribution Business and the Small Banking Business (collectively the "CBNA Undertaking"), as a going concern, without values being assigned to individual assets and liabilities. The amount of gross revenue of CBNA in India for FY 20-21 was INR 16,15,019 Lacs.¹</p> <p>2. Citicorp Finance (India) Limited ("CFIL"): Axis Bank proposes to acquire CFIL's consumer business which includes the commercial vehicle and construction equipment asset backed financing facilities, assigned asset backed financing portfolio, personal loans portfolio, servicing of assigned mortgages loan portfolio (collectively the "CFIL Undertaking"), as a going concern,</p>

¹ This figure represents the total income, i.e., interest earned and other income for Citibank N.A, India Branch, as a whole (which includes the CBNA Undertaking as well as other business lines of Citibank N.A., India Branch), as per its audited financials for FY 2021, and is not representative of the gross revenue of the CBNA Undertaking.

S. No.	Particulars	Description
		without values being assigned to individual assets and liabilities. The amount of gross revenue of CFIL, on a standalone basis, for FY 20-21 was INR 77,933 Lacs. ²
2.	Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arms length"	No, the transactions are not related party transactions.
3.	Industry to which the entity being acquired belongs	The proposed transaction is acquisition of the CBNA Undertaking from CBNA and CFIL Undertaking from CFIL. Both CBNA and CFIL belong to the Banking and Finance Industry.
4.	Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity)	The acquisition of CBNA Undertaking and CFIL Undertaking will help strengthen Axis Bank's retail banking franchise and accelerate Axis Bank's growth ambitions across various consumer banking segments.
5.	Brief details of any governmental or regulatory approvals required for the acquisition	<p>1. CBNA Undertaking – In terms of government or regulatory approvals, the transaction is subject to approval from the Competition Commission of India. Additionally, approval from other governmental authorities may be required for certain transitional services.</p> <p>2. CFIL Undertaking – In terms of government or regulatory approvals, the transaction is subject to approval from the Competition Commission of India. Additionally, approval from other governmental</p>

² This figure represents the total income, i.e., interest earned and other income for CFIL, as a whole (which includes the CFIL Undertaking as well as other business lines of CFIL), as per its audited financials for FY 2021, and is not representative of the gross revenue of the CFIL Undertaking.

S. No.	Particulars	Description
		<p>authorities may be required for certain transitional services.</p> <p>In addition to the above, the parties will undertake continuous consultations with the Reserve Bank of India and other relevant governmental authorities as may be required for the implementation of the transactions.</p>
6.	Indicative time period for completion of the acquisition	Subject to the satisfactory completion of the customary and contractual conditions in accordance with the provisions of the CBNA BTA and CFIL BTA, respectively, the transactions are currently anticipated to be completed within 12 months or such other date as may be mutually agreed.
7.	Nature of consideration - whether cash consideration or share swap and details of the same	<ol style="list-style-type: none"> 1. CBNA Undertaking - The entire consideration will be discharged by Axis Bank only in cash. 2. CFIL Undertaking - The entire consideration will be discharged by Axis Bank only in cash.
8.	Cost of acquisition or the price at which the shares are acquired	No shares are being acquired pursuant to the proposed transaction. The cost of acquisition of the CBNA Undertaking and the CFIL Undertaking is INR 12,325 crores.
9.	Percentage of shareholding / control acquired and / or number of shares acquired	Not applicable as no shares are being acquired pursuant to the proposed transaction. The transactions are proposed to be consummated as going concern, without values being assigned to individual assets and liabilities to either business.
10.	Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief)	<ol style="list-style-type: none"> 1. CBNA Undertaking - CBNA is the consumer division of financial services multinational Citigroup. CBNA was founded in 1812 as the City Bank of New York, and later became First National City Bank of New York. CBNA began operations in India over a century ago in 1902 in Kolkata. The amount of CBNA's

S. No.	Particulars	Description
		<p>gross revenue in India for the last three financial years is as below³:</p> <ul style="list-style-type: none"> • FY 18-19: INR 15,23,784 Lacs; • FY 19-20: INR 17,70,195 Lacs; and • FY 20-21: INR 16,15,019 Lacs. <p>2. CFIL Undertaking - CFIL is Citigroup's flagship non-banking finance entity. It was incorporated on May 1, 1997 in India. The amount of CFIL's gross revenue, on a standalone basis, for the last three financial years is as below⁴:</p> <ul style="list-style-type: none"> • FY 18-19: INR 96,368 Lacs; • FY 19-20: INR 83,994 Lacs; and • FY 20-21: INR 77,933 Lacs.

³ This figure represents the total income, i.e., interest earned and other income for Citibank N.A, India Branch, as a whole (which includes the CBNA Undertaking as well as other business lines of Citibank N.A., India Branch), as per its audited financials for FY 2019, FY 2020 and FY 2021, and is not representative of the gross revenue of the CBNA Undertaking.

⁴ This figure represents the total income, i.e., interest earned and other income for CFIL, as a whole (which includes the CFIL Undertaking as well as other business lines of CFIL), as per its audited financials for FY 2019, FY 2020 and FY 2021, and is not representative of the gross revenue of the CFIL Undertaking.

Axis Bank's proposed acquisition of Citibank's consumer businesses in India strongly positions it for accelerated premium market share growth

Key highlights:

- *Axis Bank consolidates its position amongst the large private lenders by entering into an agreement to **acquire Citibank's consumer businesses - covering loans, credit cards, wealth management and retail banking operations in India**, in line with its growth ambitions*
- *The Bank will pay a **consideration upto INR 12,325 Crore** to Citibank for the acquisition*
- ***Acquisition of ~3 million unique customers** of Citibank India to enhance Axis Bank's presence in the key identified growth segments*
- *Axis Bank's **Cards balance sheet to grow by 57%** with an additional ~2.5 million Citibank cards, making it one of the top 3 Cards businesses in the country*
- *Axis Bank's large loan book would be complemented by Citibank's affluent customer segment, creating product and branch footprint synergies*
- ***Valuable addition of INR 1,109 Bn AUM from Citi Wealth & Private Banking products** to augment and reinforce Axis' Burgundy brand, making it the 3rd largest by combined AUM in the wealth management space*
- ***Addition of aggregate Deposits of INR 502 Bn**, of which 81% is CASA*
- ***1,600+ Suvidha Corporate relationships with more than 1 million customers** and an **average salary of INR 70,000 per month** to strengthen Axis Bank's Salary Business*
- *Citibank's customers to get benefitted from Axis Bank's **augmented scale, larger geographical reach and width of products and offerings***
- *Axis Bank set to **access world class CitiPhone Banking** prowess, to ensure continuity of service excellence for Citibank's customers, and enhancement of services for Axis Bank customers*
- *The Bank will gain **access to 7 offices, 21 branches and 499 ATMs across 18 cities***
- ***Approximately 3600 in-scope consumer employees of Citibank will be absorbed in Axis Bank***

Mumbai, 30 March 2022: Axis Bank and Citibank today announced that their respective Boards of Directors have approved the acquisition of Citibank's consumer businesses in India by Axis Bank. The acquisition is subject to customary closing conditions, including receipt of regulatory approvals.

The transaction comprises the sale of the consumer businesses of Citibank India, which includes credit cards, retail banking, wealth management and consumer loans. The deal also includes the sale of the consumer business of Citi's non-banking financial company, Citicorp Finance (India) Limited, comprising the asset-backed financing business, which includes commercial vehicle and construction equipment loans, as well as the personal loans portfolio.

Axis Bank looks at this acquisition as a healthy strategic fit. It will gain access to the large and affluent customer franchise of Citibank having a bouquet of fee-oriented and profitable segments, that include quality credit card portfolio, affluent wealth management clientele, meaningful deposits with 81% being CASA, along with a strong consumer lending portfolio. Post the acquisition, Axis Bank will have ~ 28.5 mn Savings Accounts, 2.3 lakh+ Burgundy customers and 10.6 mn Cards.

The Bank has made large investments in people, processes and technology over the past few years. With all the required capabilities in place, it expects successful integration across all key parameters including employees, customers, product offerings and technology in a value accretive manner. Additionally, the deal offers strategic advantages to the Bank such as premiumization of its overall customer portfolio, increased opportunities to cross-sell its products and accelerated digital transformation.

The acquired portfolio would increase Axis Bank's credit card customer base by ~31% with an additional 2.5 million cards, which will in turn bolster the Cards balance sheet position to be amongst the top 3 players in the Indian market. Moreover, the wealth and private banking portfolio will add great value to the Axis Burgundy business, further accelerating its growth ambitions in that segment. On an overall basis, the proposed transaction will add ~7% to the Bank's deposit base (with ~12% increase in CASA) and ~4% increase in advances.

Axis Bank and Citibank together will ensure continuity of superior customer service levels, even post-closing of transaction, across all customer channels. Citibank's customers will continue to avail all the rewards, privileges, and offers to which they were previously entitled. Further, Citibank's customers will specifically benefit from Axis Bank's wider geographical reach and comprehensive service offerings, along with One Axis capabilities that extend across all its subsidiaries. Digital Banking and the highly rated Axis Mobile app offering 250+ services will be an added advantage for customers, having immediate access to view and transact across product categories such as deposits, investments, payments and protection solutions. Moreover, the world class Citi Phone Banking will ensure service excellence for both Citibank and Axis Bank customers.

*Speaking on the occasion, **Amitabh Chaudhry, MD&CEO, Axis Bank** said, “We are delighted with the addition of an enviable retail franchise and a high-quality talent pool as we continue our journey towards becoming a premier financial services brand, in line with our GPS strategy framework. This is a significant milestone in Axis’ journey of growth and leadership and will bring in great value for all stakeholders. The amplified scale and width of offerings, the diversified portfolio of products and global best practices will enhance customer experience, while greater synergies both on revenue and cost side will augment value for the new franchise.*

We look forward to collaborating with Citi’s experienced senior leadership team and diverse talent pool, as they join Axis’ 86,000+ strong, dedicated workforce. Axis Bank already has a rich network of Citi alumni across the hierarchy, which reflects cultural alignment between the two organizations. Given the expertise that Citi employees bring to the table, we view them as a significant addition to our existing team that will help drive synergy realization and our GPS objectives. We welcome all employees to the Axis Family and together we will serve our customers ‘Dil Se’.”

***Citi India CEO, Ashu Khullar** said, “We are extremely pleased with this outcome for our consumer colleagues and clients. Axis Bank is committed to building its consumer banking business in India and is backed by a strong market presence. We believe Axis Bank will provide our employees an excellent environment to build their careers and shall meet all the financial needs of our consumer clients. We continue to remain committed to contributing to India’s growth and development as we deepen our presence through our institutional businesses and our community initiatives. Citi will also continue to harness India’s rich talent pool in the areas of Technology, Operations, Analytics, Finance and allied functional areas through its network of Citi Solution Centers that are located in five cities in India and support our global businesses.”*

A well outlined Integration Plan and a focused senior execution team will ensure smooth transition and seamless integration on all fronts, in collaboration with Citibank. The team comprising specialists with expertise in operationalizing large-scale integration programs will focus on Customer Service, Personnel, Systems & Technology, and other synergies.

Axis Capital and Credit Suisse acted as Financial Advisors to Axis Bank for the transaction, and Khaitan & Co acted as Legal Advisor. In addition, the Bank was supported by PricewaterhouseCoopers and Boston Consulting Group.

About Axis Bank:

Axis Bank is the third largest private sector bank in India. Axis Bank offers the entire spectrum of services to customer segments covering Large and Mid-Corporates, SME, Agriculture and Retail Businesses. With its 4,700 domestic branches (including extension counters) and 11,060 ATMs across the country as on 31st December 2021, the network of Axis Bank spreads across 2,665 centers, enabling the Bank to reach out to a large cross-section of customers with an array of products and services. The Axis Group includes Axis Mutual Fund, Axis Securities Ltd., Axis Finance, Axis Trustee, Axis Capital, A.TReDS Ltd., Freecharge and Axis Bank Foundation.



For further information on Axis Bank, please refer to the website: <https://www.axisbank.com>

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Proposed Acquisition of Citibank's Consumer Businesses in India

30th March 2022



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Table of Contents



1

Transaction Overview

2

Key Strategic Rationale & Potential Synergies

3

Proforma Financials and Capital Impact

4

Integration Plan and Timeline

Transaction Overview

Acquisition of Citibank's consumer businesses in India



Highlights of Business Acquired

- Axis Bank to acquire from Citibank NA India and Citicorp Finance (India) Limited (“Sellers”) the Citibank’s consumer businesses (“Citi India Consumer”) as going concerns, without values being assigned to individual assets and liabilities.
 - Aggregate ENR of INR 274 Bn across Credit Cards, Mortgage, Personal & Ready Credit Loans, Asset Backed Finance, Small Business Banking
 - ~ 2.5 Mn cards with industry leading transaction per card and spend per card metrics
 - Aggregate Deposits of INR 502 Bn of which 81% CASA
 - Total AUM (Wealth & Private Banking) of INR 1,109 Bn across Citi products including Citigold Private, Citigold, Citi Priority and Citi Private Bank customers
 - 7 offices, 21 branches, 499 ATMs
- Axis Bank to make offers of employment to ~ 3,600 in-scope consumer employees to ensure business continuity for Citi customers joining the Axis family

Purchase Consideration

- Total purchase consideration (subject to customary & contractual adjustments) for Citi India Consumer upto INR 12,325 Cr
- Implied PE of 18.7x on normalized CY20 standalone financials⁽¹⁾

1) Refer slide 15 for details

Transaction Overview

Acquisition of Citibank's consumer businesses in India



Financial considerations

- Estimated to be EPS & ROE accretive in CY24
- ~180 bps⁽¹⁾ impact on Axis Bank's CET 1 capital ratio attributable towards purchase premium
- ~50 bps⁽¹⁾ impact on Axis Bank's CET 1 capital ratio to meet incremental RWA capital requirements
- Strong balance sheet provides flexibility to fund Citi India Consumer purchase through on balance sheet liquidity, external capital or combination of both
- On a Proforma basis⁽¹⁾, post transaction CAR would be ~16.4% which is well above the regulatory requirement

Closing Timeline

- Closing is expected to be achieved in Q4FY23, subject to regulatory and/or other customary conditions

Branding and Transition Support

- Post Closing, Sellers or Seller affiliates to provide requisite support and services to be covered under a Transition Servicing Agreement for a period of ~18 months as well as Citi brand continuity during this period for smooth transition and integration of the business with Axis Bank's platform

1) Based on financial position at December 31,2021

Key Strategic Rationale



Access to a large, affluent and profitable consumer franchise

- Aligns well with Axis Bank's Premiumization strategy



Complementary and strengthens our position to a top 3 Credit Card player⁽¹⁾ in India

- A quality credit card franchise with one of the highest wallet share in premium cards



Access to a sizable granular deposit base with deep corporate salary relationships

- Aids journey to bridge the gap with peers : CASA of 81% with SA deposits 73%, CASA ratio on a proforma basis⁽²⁾ of ~ 47%



Natural fit for our strong wealth management franchise to accelerate growth ambitions

- Well positioned to leverage Burgundy platform to serve affluent Citi customer base – 3rd largest Wealth manager by combined AUM



Experienced leadership and diverse talent pool

- Access to one of the best banking teams with deep domain expertise to augment Axis Bank's overall bench strength



Significant potential for revenue and cost synergies

- Revenue upside from cross sell of differentiated products to a larger combined customer base, 30-40% cost synergy

1) Based on End Net Receivables

2) Proforma is addition of Axis Bank's deposits as at December 31, 2021 and that for Citi as at June 30, 2021

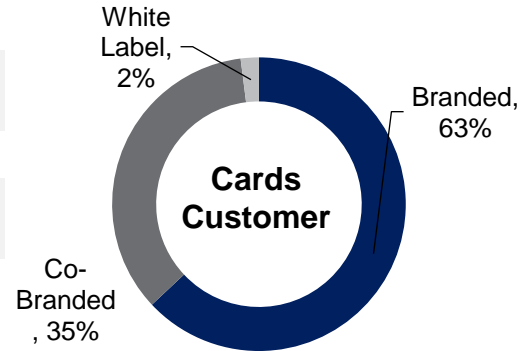
Overview of Citi India Consumer businesses



#1 Foreign Bank Credit Card Issuer in India

#1 in Transactions per Active Card in India

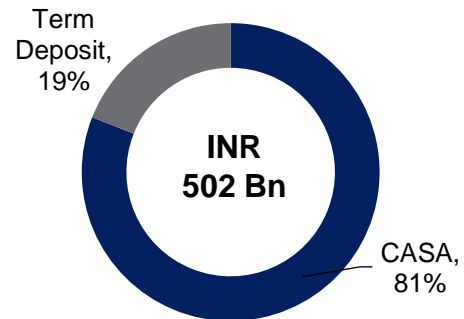
INR **89 Bn** ENR



#1 Foreign Bank with 1.2 Mn+ Retail customers

>1,600 Suvidha Corporates

INR **502 Bn** of Deposits



Wealth Management & Private Banking

Wealth Management

#1 MF distributor among Foreign Banks

40,000+ Affluent Customers

INR **820 Bn** AUM

Citi Private Banking

100+ Families

UHNI Client > USD 25 Mn Net Worth

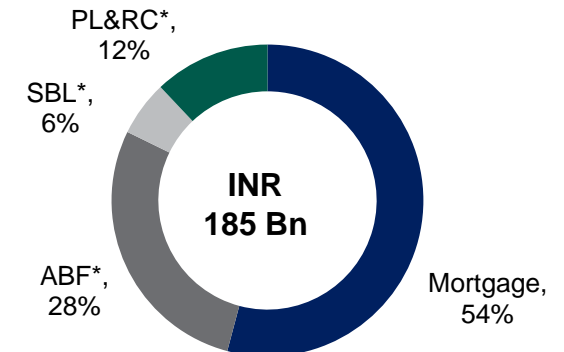
INR **289 Bn** AUM

Other Lending

Mortgage : **90%+** owner occupied

PL & RC* – **2.2 lakh+** Customers

INR **185 Bn** ENR



~ 3,600 Employees

7 Offices

21 Branches

499 ATMs


“Fee oriented” consumer business with comprehensive suite of products & services catering to attractive affluent customer base

* ABF – Asset Backed Finance, PL & RC – Personal loans & Ready Credit, SBL – Small Business Lending


Access to a large, affluent and profitable consumer franchise




Innovative retail proposition
serving as an industry benchmark for quality customer centric approach

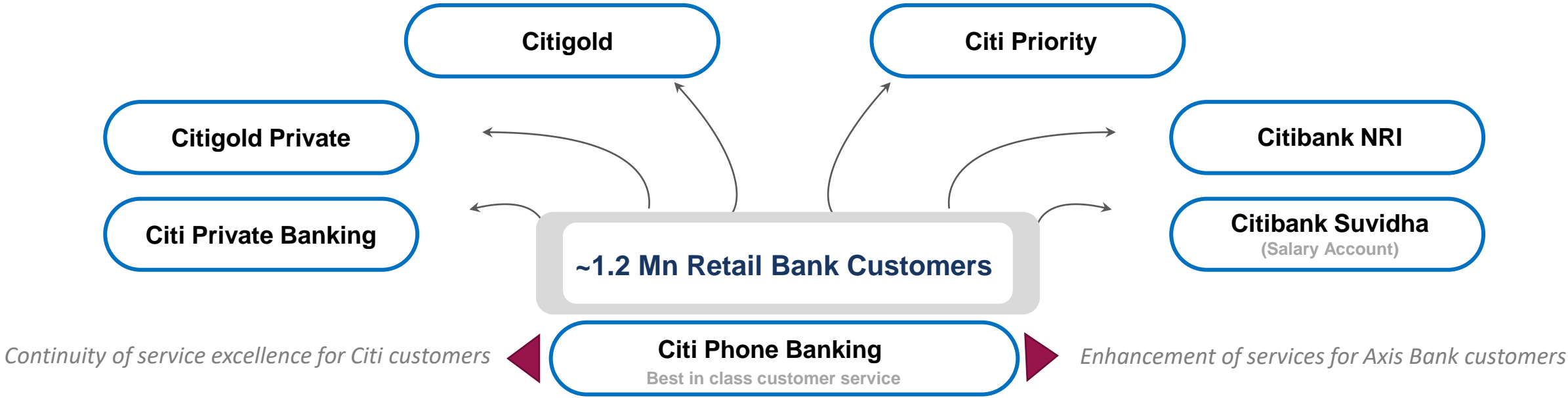


Highly attractive affluent customer base (Citigold and Citi Priority relationship vintage > 10 years)



80%+ of customers in the **attractive age group** (< 45 years) with high customer lifetime value

Differentiated value proposition across customer segments



Acquisition would enhance Axis Bank's ambition to expand its premium offerings

Complementary and strengthens our position to a top 3 Credit Card player in India



Highest no. of transactions per card across industry

Active & digitally engaged customers –strengthens Axis Bank’s position in top 8 metros

Opportunity to adopt **global best practices** in client servicing and operations

Boosts credit card franchise with quality base and **high vintage portfolio**

Customers would continue to avail all the rewards, privileges, and offers they were previously entitled to as Citi customers

	Axis Bank	+	Citi	=	Combined	
ENR (INR Bn)	155		89		244	↑ 57% Axis Bank amongst the Top 3 players
Outstanding Cards (INR Mn)	8.1		2.5		10.6	↑ 31% Healthy accretion to existing Card base
Annual Spend per Card (INR'000)	102 ⁽¹⁾		169 ⁽²⁾		119	↑ 17% Spend per card to increase by ~17%

Combination to help Axis Bank consolidate and gain meaningful share in the cards space along with addition of quality book

1) Source – RBI data for Jan-Dec 2021
2) Citi data for Jan-Dec 2021

Access to a sizable granular deposit base with deep corporate salary relationships

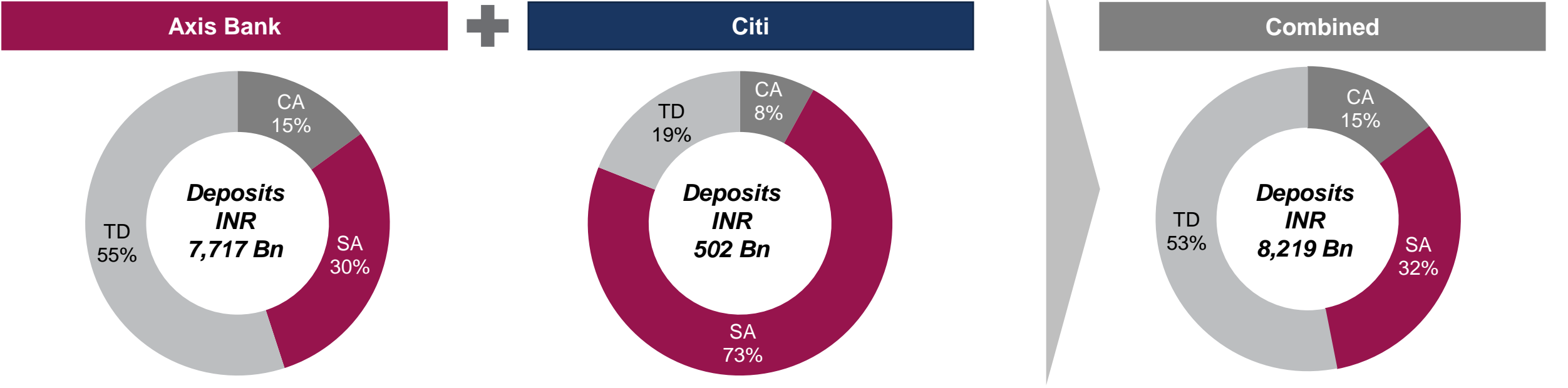


High proportion of CASA at 81% with SA constituting 73%

Affluent and digitally engaged SA customer base with access to 1600+ Suvidha corporates

Strategically located branches with high customer balance per account

Strengthens Axis Bank's journey on CASA, LCR accretion



Combined CASA ratio on proforma basis to improve by 200bps to 47%

* CA – Current Account, SA – Savings Account, TD – Term Deposits

Natural fit for our strong wealth management franchise to accelerate growth ambitions

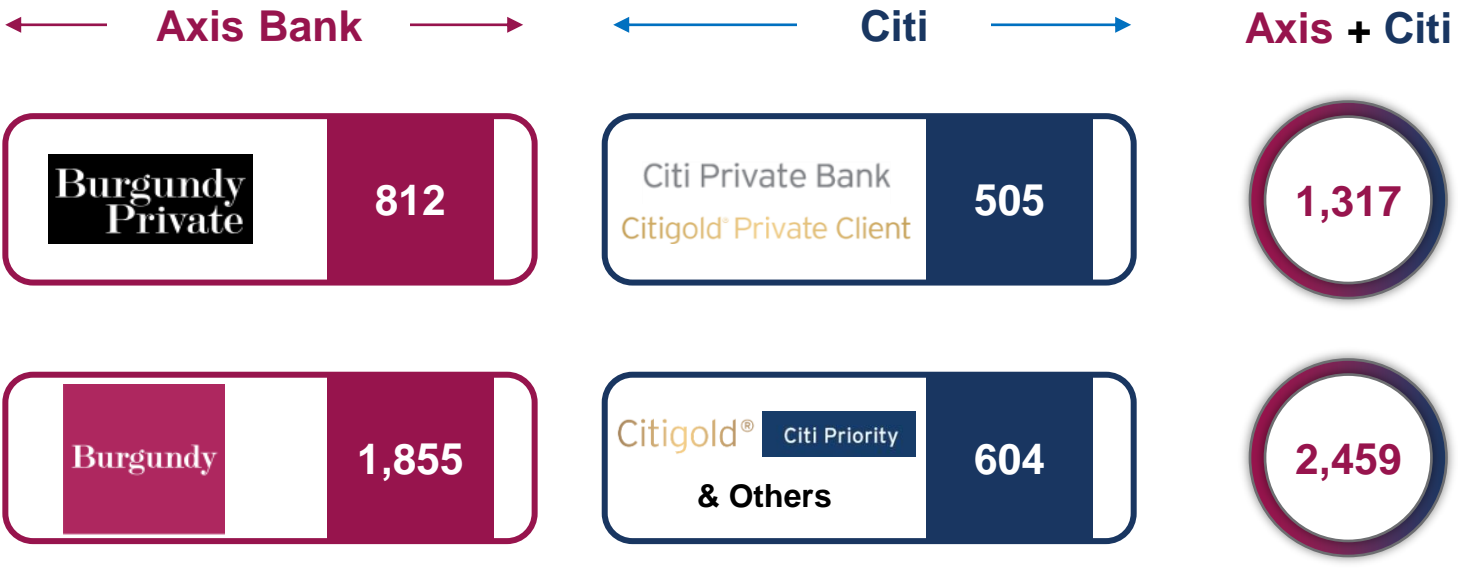


Ready access to highly affluent 40,000+ Wealth customers

42% addition to the overall Burgundy AUM, further strengthening existing franchise

Huge potential to cross sell Axis Bank's product offerings to Citi's affluent customer base

(AUM INR Bn)



3rd largest by combined AUM

62% addition to Burgundy Private AUM

42% addition to Total AUM

Citi's affluent clientele backed by global best practices in client servicing and operations to complement Axis Bank's Wealth Platform

Experienced leadership and diverse talent pool



Experienced team with deep domain expertise to add significant value



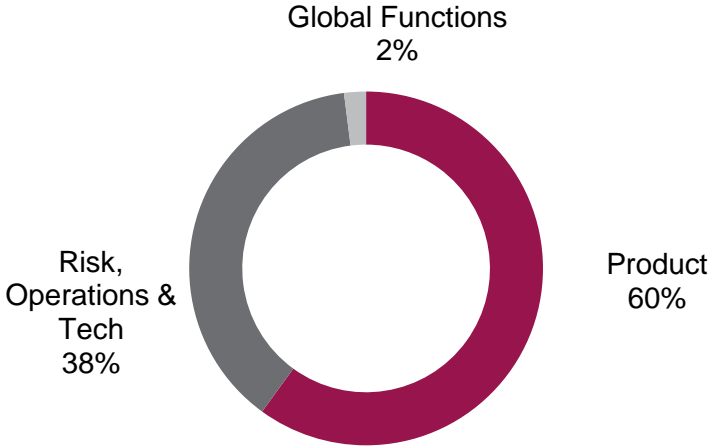
Employees trained in global best practices to enhance Axis Bank's processes



Favourable diversity ratio especially at senior levels

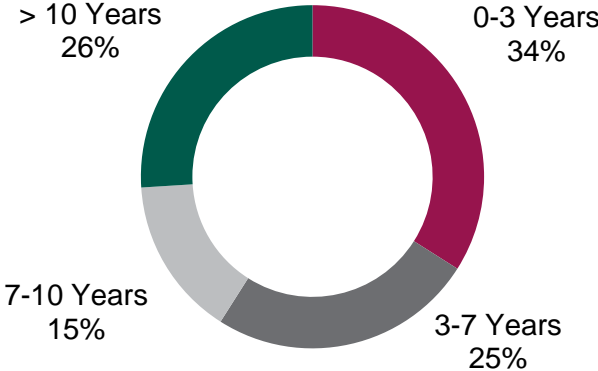
Competent employees with well rounded domain knowledge

Employees by Functions



Long standing team with wealth of experience

Tenure of Service



Access to a high-quality talent pool with culture and values aligned to Axis Bank

Significant potential for revenue and cost synergies



Revenue Synergies

Cross-sell Axis Bank's products to Citi customer base

Upsell to Citi's customer base

Attract NTB customers with a wider bouquet of products

Significant potential to increase revenue

Axis Bank
+
Citibank

Cost Synergies

Global shared services

Global oversight

Infrastructure, technology and others

Estimated cost savings of 30%-40% of Citi's operating expenses⁽¹⁾ to be realised under Axis Bank umbrella over 2 years post closing

The acquisition strengthens our market position and provides opportunity to accelerate retail business growth in a value accretive manner

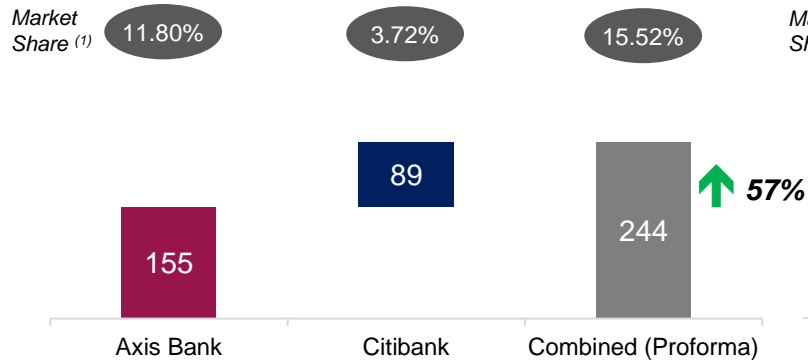
1) Basis CY2020 operating expenses for Citibank's India Consumer Business

Proforma Financial information

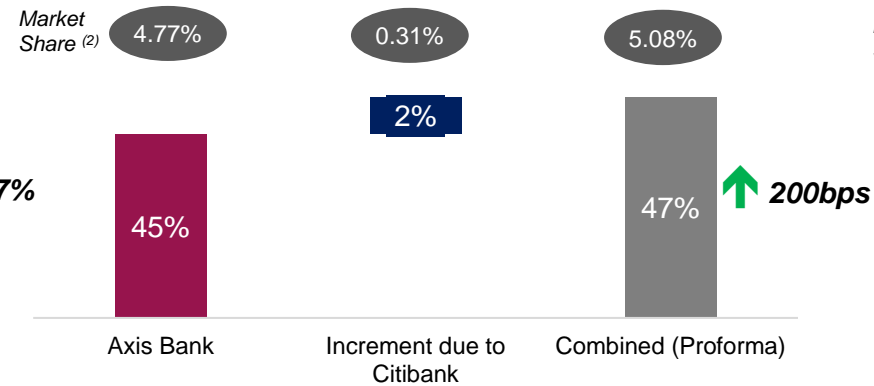


The acquisition provides a significant boost to key retail segments

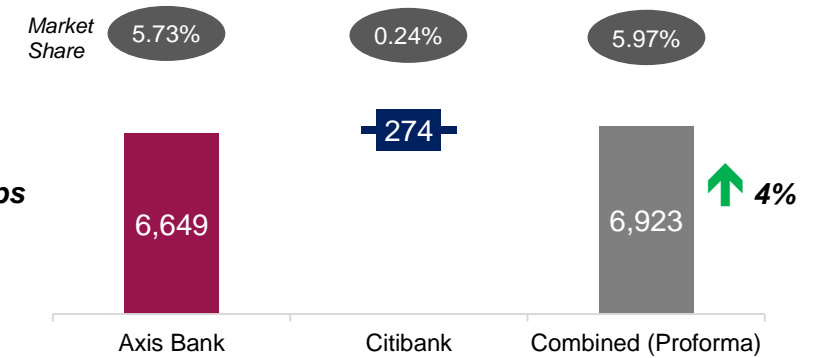
Credit Cards ENR (INR bn)



CASA Deposits (%)



Total Advances ENR (INR bn)

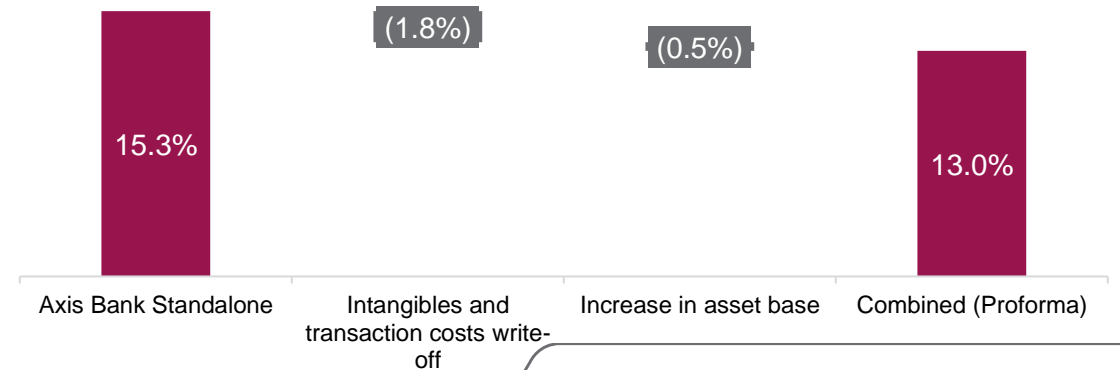


Wealth Management AUM (INR bn)



Impact on CET1 Ratio (Assuming no fund raise)

The bank's proforma CET1 ratio remains comfortably above the regulatory requirement



1) Based on cards in force as at end of Dec'21
 2) Overall deposits market share as of Dec'21

Robust normalized metrics for Citi India consumer businesses and competitive valuation



Standalone Citi Business proforma financials	Citibank ⁽¹⁾
Net Interest Income	2,086
Other Income	1,959
Net Revenue	4,045
Operating Expenses	(2,298) ⁽²⁾
PPOP	1,747
PAT <i>(Basis CY20 normalized standalone view)⁽¹⁾</i>	842^(2,3)

Standalone Citi Business key ratio's	Citibank ⁽¹⁾
Net Interest Income % ⁽⁶⁾	3.9%
Other Income % ⁽⁶⁾	3.6%
Cost to Assets % ⁽⁶⁾	4.3%
Return Ratios:	
ROA% ⁽⁶⁾	1.6%
ROE % ⁽⁷⁾	21.7%

Post Covid BAU normalization of Citi business estimated in CY24

ROE accretive to Axis Bank in CY24

One time charge on P&L in the FY 23 (assuming closing in FY 23) due to policy harmonization⁽⁵⁾ and intangibles on acquisition

Transaction Valuation Metrics (INR Cr.)

Purchase Consideration <i>(subject to customary and contractual adjustments)</i>	12,325
Add: Estimated Equity Requirement (@13% of RWA)	3,450
Implied Equity Value	15,775

Proposed Acquisition PAT	842
Implied P / E <i>(Basis CY20 normalized standalone view)⁽¹⁾</i>	18.7x
Estimated integration cost⁽⁴⁾ <i>(post tax impact over 2 financial years)</i>	1,500

Notes:

- For CY ending December 31, 2020
- Post elimination for certain identified group related charges ("Group Overhead Adjustment") assuming the business operates on a standalone basis, **but does not include any synergy benefits** under Axis umbrella
- Post normalization of net credit losses such that 2020A NCL/ANR and change in LLR/ANR equals to average of 2018A and 2019A level ("Covid Adjustment")
- Integration expenses includes transition services agreement expenses to be paid to Citigroup or its Affiliates and Axis Bank's own cost
- One time and over and above integration costs, **Axis policies are more prudent in some instances**
- As a % of end of period total assets including undeployed cash
- Calculated basis theoretical equity assuming CET 1 at 13% of Risk Weighted Assets (RWA)

Well planned out integration to ensure smooth transition



Transition Timeline



Signing of Definitive Agreements
(end Mar)

Transaction Closing

End of Transition

Pre-Closing Activities

- Regulatory approvals
- Customer consent
- Other identified actions

Transfer of Citi India Consumer Business' assets, liabilities, customers, and employees to Axis Bank, as going concerns, without values being assigned to individual assets and liabilities

Transition Services

- Citi to provide various services under the TSA to Axis Bank to support normal business operations

TSA Closure

Transfer of all customers, products, data and partner connections to Axis Bank's systems

Focused Execution to ensure seamless Integration

1 *Dedicated Integration Management Committee has been set up along with a working team*

2 *Integration team to focus on Systems, Personnel, Technology and Synergies*

3 *Integration team comprises of specialists with expertise in operationalizing large scale integration programs*

4 *Streamlined channels to ensure timely & active communication with all stakeholders*

5 *Ongoing close collaboration with Citi to ensure efficient transition and integration*

Dedicated team towards focused execution will ensure steady progress in Axis Bank's current transformation journey

Deal Support



	Axis Bank	Citibank
Financial Advisors	Axis Capital, Credit Suisse	Citi
Legal Advisors	Khaitan & Co.	Linklaters, Clifford Chance and AZB & Partners
Transaction Support	Boston Consulting Group, PricewaterhouseCoopers	Ernst & Young

Annexures

Glossary of Terms

(All numbers for Axis Bank and Citibank's Indian Consumer Banking Business are as at December 31, 2021 and June 30, 2021 respectively, unless specified otherwise)

ANR – Average Net Receivables	MN – Million Units
AUM – Assets Under Management	NCL – Net Credit Loss
BAU – Business As Usual	NPA – Non Performing Assets
BN – Billion Units	NTB – New To Bank
CAR – Capital Adequacy Ratio	PAT – Profit After Tax
CASA – Current Account Savings Account	PBT – Profit Before Tax
CET1 – Common Equity Tier 1	PE – Price to Earnings
CY – Calendar Year	PPOP – Pre Provision Operating Profit
ENR – Ending Net Receivables	ROA – Return on Assets
EPS – Earnings Per Share	ROE – Return on Equity
FY – Financial Year	TD – Time Deposits
INR – Indian Rupees	TSA – Transition Services Agreement
LCR – Liquidity Coverage Ratio	UHNI – Ultra High Net Worth Individuals
LLR – Loan Loss Reserve	USD – United States Dollar

Thank You

