

Green Bond Issuance

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Preparatory Activities

1. Self Appraisal of Green Goals

- Scoping Organization's ESG activities and initiatives
- Assessing current and future Green investment requirements

2. Investor Engagement

- Engaging through calls about the ESG profile of the organisation to develop a positive perception about the organization.
- Dedicated SRI funds have their own internal standards for investing in green bonds. Sufficient time is required for the funds to analyse the green bond framework as well as to take requisite internal approvals.

3. Designing Green bond Framework

- Incorporate the investor feedback to align the Green Bond Framework according to investor expectations
- Highly recommended to take a second party opinion (Assurance report) on the framework to boost the credibility of the issuer

Executing Green Bond Issue

- **Dedicated separate one on one/conference/video calls** for Green investors. Can also think of dedicated roadshow for Green Funds in Europe.
- **Targeted Presentation-** Since most of the green investors invest on the basis of ESG credentials of issuer, its advisable to have separate presentation briefing about ESG credentials of the company as well as highlighting other performance parameters.
- **Sharing of potential impact** of the Green investment with investors- a prelim study can be undertaken to assess the impact of allocation of bond proceeds. This helps investor in analysing the impact and makes the process more transparent.

Post Launch: Annually reporting of

- the allocation of bond proceeds
- quantitative and qualitative impact assessment of green investments

Axis Bank Green Bond Framework

Under its Environmental agenda the bank endeavours to support transition to low carbon economy by increasing Environmental Financing. The bank's Green Bond Framework is one such initiative to further this objective.

Our Framework is assured by KPMG to be in compliant with Climate Bonds Initiative Standards guidelines Version 2.0

1. Use of Proceeds

- Renewable Energy : Solar, Wind and Small Hydro
- Urban Mass Transport: Electrified Public Transport and Bus Rapid Transport System
- Low Carbon Emission Buildings

2. Selection and Evaluation Process

- Corporate Credit Team to Nominate green assets
- Green Committee consisting of Senior Management to approve the eligibility of nominated asset as per framework
- Post approval asset qualifies for applying Green Bond Proceeds

3. Earmarking of Funds

- To maintain a dedicated register for tracking application of Green Bond Proceeds
- Register to contain bond ISIN, loan amount sanctioned, amount disbursed, category of asset, project description etc
- Unallocated proceeds to be invested in Money Market Instruments and T Bills/Government securities.

4. Reporting

- Axis Bank will report the 'Use of Proceeds' for each green bond issued through a separate section in Annual Sustainability Report which will be published on website.
- Wherever possible, we will also report the environmental impact of our investments and reduction in GHGs.

AXIS BANK || Green Bond || USD 500 million RegS/144A Fixed Rate Notes



USD 500 MILLION
REGS & 144A NOTES
DUE 2021



JOINT LEAD MANAGER
& BOOKRUNNER

**Largest Green Bond
Issuance by an
Indian Scheduled
Commercial Bank**

**Dedicated Pool of
Green-only
Investors**

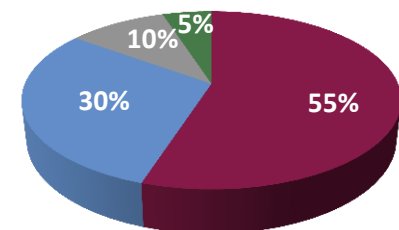
**Dual Listing of Bond
Instrument on
LSE and SGX**

EXECUTION HIGHLIGHTS

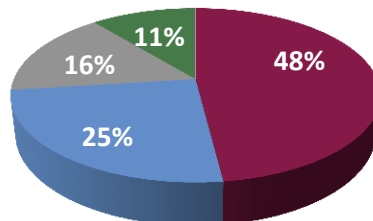
- On 23rd May 2016, Axis Bank Limited launched a USD 500 million benchmark Green Bond transaction at IPG of 5year UST+175bps: strong participation from global investors enabled the bookrunners to price the Notes at 5-year UST+160 bps at a price of 99.479 to yield 2.988%.
- Axis Bank, Singapore Branch acted as a Joint Lead Manager and Bookrunner on this RegS/144A 5 year Senior Notes issuance due in 2021 for Axis Bank.
- Orders grew to over USD 1.1bn before final price guidance was announced at 160bps - investment from quality real money accounts
- The deal set new precedents for Axis Bank in terms of lowest coupon rate (2.875%) with the tightest spread for a benchmark offering from the bank.

INVESTOR ALLOCATION

BY



BY GEOGRAPHY



■ FM/INS ■ Banks ■ SWF/PF ■ PB/Others ■ Asia ■ EU ■ US ■ Middle East

SUMMARY TERMS

Ratings	Baa3, BBB - (Moody's, S&P)
Structure	Fixed Rate Senior Unsecured
Pricing Date	23 rd May 2016
Settlement Date	1 st June 2016
Maturity Date	1 st June 2021
Issue Size	USD 500 Million
Tenor	5 Years
Reference Benchmark	5 Year UST
Benchmark Yield	1.388%
Spread over Benchmark	160 bps
Re-offer Yield	2.988%
Re-offer Price	99.479
Coupon	2.875%
Denominations	USD 200K/ 1K
Listing	LSE and SGX
Governing Law	English Law

1st

Bond by Indian Issuer to be listed on London Stock Exchange

1st

Labelled \ Climate Bonds Initiative certified bond issuance by a bank from Asia

Quality

Participation from socially responsible investors, some of whom were first-time subscribers to an Indian issuance

NTPC Ltd || Green Masala II Synthetic INR 20B RegS Fixed Rate Notes



**GREEN MASALA
INR 20 BILLION
REGS NOTES
DUE 2021**

AXIS BANK
JOINT LEAD MANAGER
& BOOKRUNNER

SUMMARY TERMS

Ratings	BBB-(S&P)/BBB-(Fitch)
Structure	Fixed Rate Senior Unsecured
Pricing Date	3 rd Aug 2016
Settlement Date	10 th August 2016
Maturity Date	10 th August 2021
Issue Size	INR 2,000 Crores
Tenor	5 Years
Re-offer Yield	7.48%
Re-offer Price	99.575
Coupon	7.375%
Denominations	INR 1 Crore and multiples of 1 Cr there off
Listing	LSE/SGX
Governing Law	English Law

TRANSACTION HIGHLIGHTS

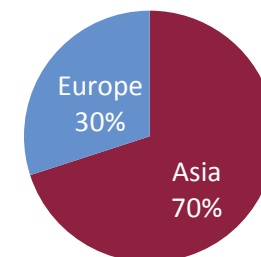
- On Aug 3, **Axis Bank** launched the **first ever Green Masala Bond** transaction for **NTPC**, the largest state owned power generation Company in India.
- The deal was launched at HK markets open with **IPG of 7.50-7.60% (p.a.)**. The book grew swiftly and within an hour crossed the base issue size envisaged. Post London open the book witnessed participation from **High Quality European & Scandinavian Real Money Green/ SRI investors** in decent numbers. Thereafter the books continued to grow throughout the day; the **peak order book stood at circa 3.5x of the base issue size** on the backdrop of extremely high quality global real money accounts.
- Given the strong oversubscription, the bookrunners decided to revise the price and released the final guidance at 7.50% +/- 2bp.
- The book remained resilient despite the revision. The strong participation from investors enabled NTPC to execute and price the transaction intraday at the **tighter end** of the final price guidance of **7.48% for INR 20bn.**

DEAL HIGHLIGHTS

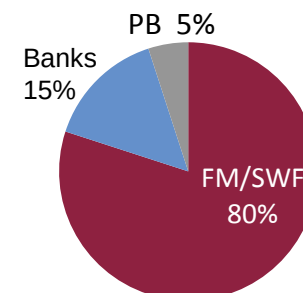
- First Green Masala Bond by an Indian Issuer**
- First Masala Bond by an Indian Corporate**
- 20 bps inside domestic AAA benchmark**

INVESTOR ALLOCATION

By Geography



By Type



Questions?