



AXIS BANK

**FY 2008-09
Annual Results**

INVESTOR PRESENTATION



AXIS BANK

PERFORMANCE HIGHLIGHTS

	<u>Q4</u>	<u>FY09</u>
Net Profit	↑ 61 % yoy	↑ 69 % yoy
Net Interest Income	↑ 25 % yoy	↑ 43 % yoy
Fee Income	↑ 42 % yoy	↑ 64 % yoy
Operating Revenue	↑ 36 % yoy	↑ 50 % yoy
Operating Profit	↑ 58 % yoy	↑ 67 % yoy
Net Interest Margin	3.37 %	3.33 %
Cost of Funds	6.64 %	6.50 %

INTERPRETATION OF Q4 PERFORMANCE

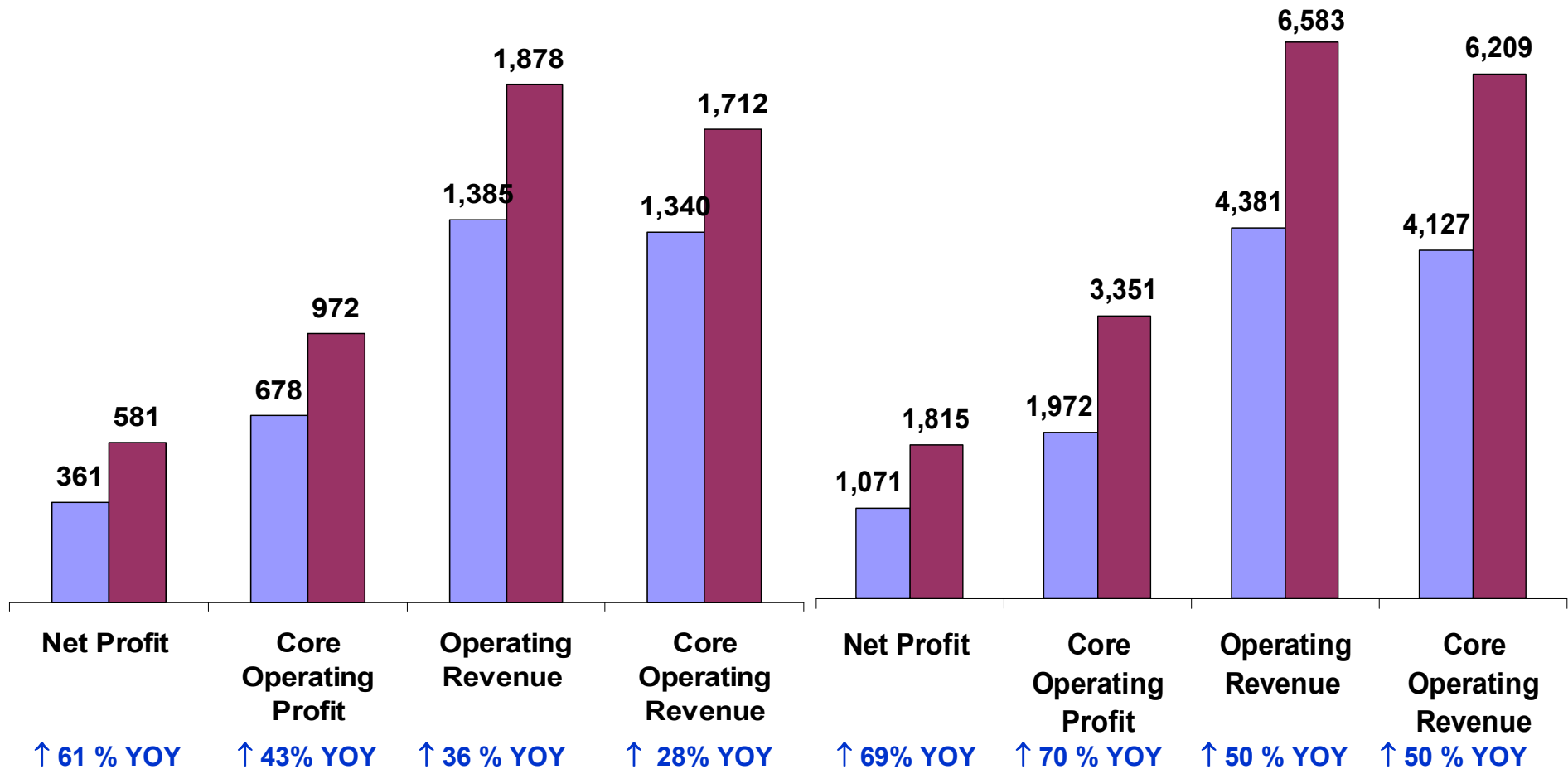
- **Rapid Growth in the Bank's core businesses**
 - Total Net Advances grow 37% yoy to Rs. 81,557 crores
 - Total Investments grow 37% yoy to Rs. 46,330 crores
 - Total Assets register a 35% yoy growth, rising to Rs. 1,47,722 crores
 - Fees grow by 42% yoy, rising to Rs. 664.40 crores
 - Share of demand deposits in total deposits at 43%
- **Retail Assets grow by 18% yoy to Rs. 16,052 crores; constitute 20% of total advances, as compared to 23% as on end March'08**
- **Net NPAs at 0.35%, compared to 0.36% as at end March'08**
- **At end March'09, Book Value per share was Rs. 284.50, compared to Rs. 245.14 as at end March'08**
- **Capital Adequacy at 13.69% with Tier – I capital at 9.26%**

PROFITABILITY

Sustained Growth: Robust Core Revenues

Q4 (FY09 vs FY08)

FY09 vs FY08



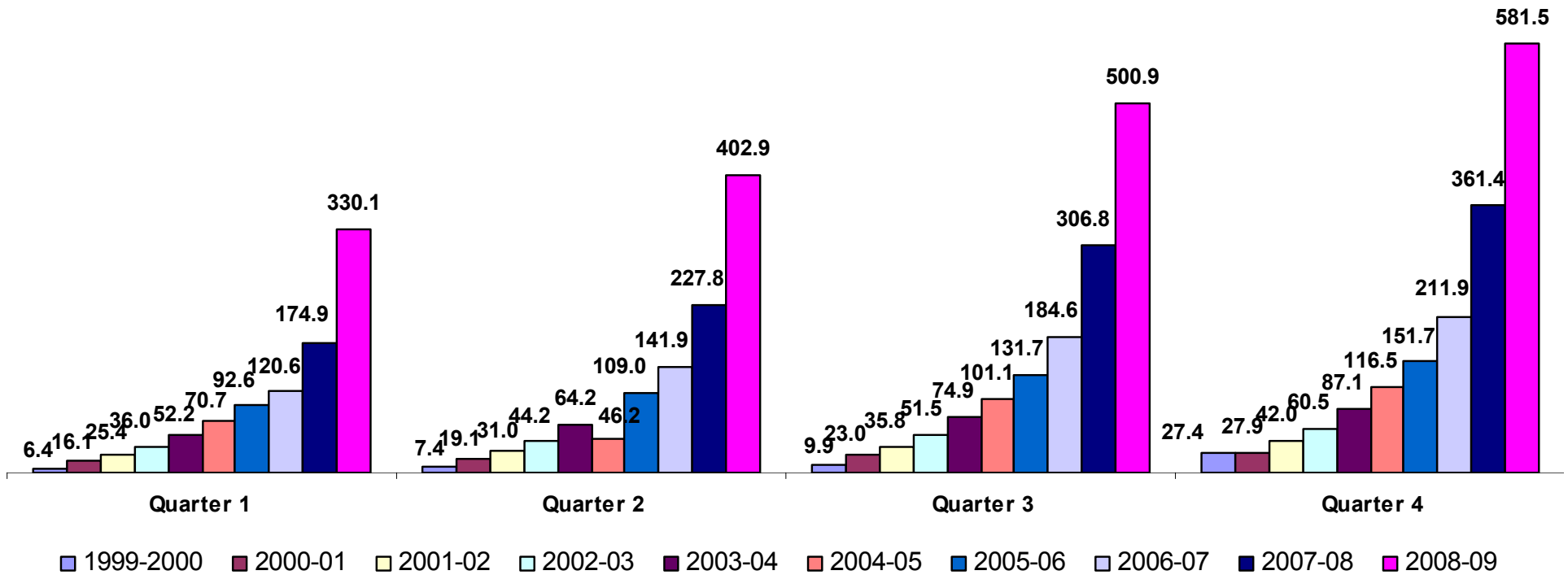
■ FY 08 ■ FY 09
 Rs. crores

Note: Core Operating Revenue/ Profit excludes trading gains/losses

CONSISTENT NET PROFIT GROWTH

Over 30% yoy growth in Net Profit in 35 out of the last 37 quarters
 Over 60% yoy growth in Net Profit in each of the last 7 quarters

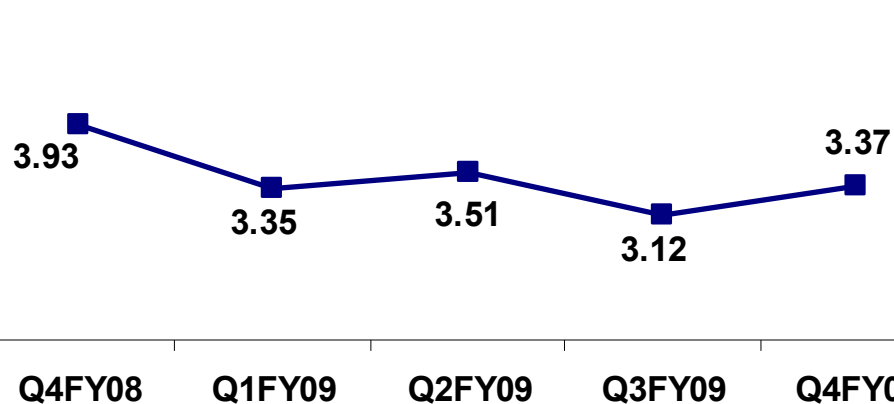
Quarterly Net Profits (FY 1999-2000 to FY 2008-09)



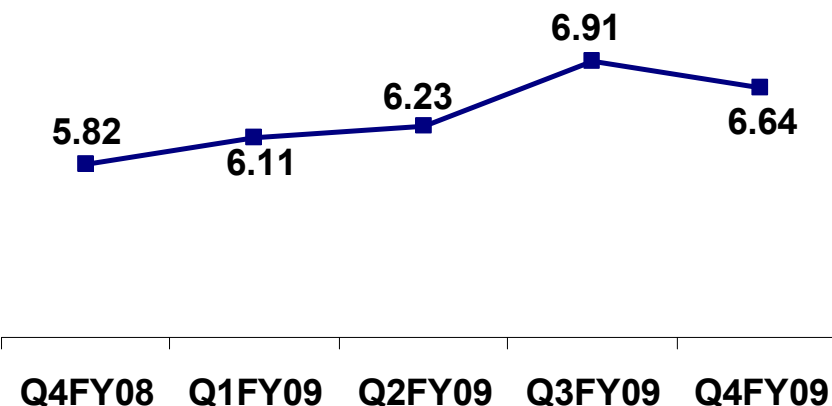
Rs. crores

NET INTEREST MARGINS & COST OF FUNDS

Net Interest Margins (%)
(Q4 FY08 to Q4 FY09)



Cost Of Funds (%)
(Q4 FY08 to Q4 FY09)

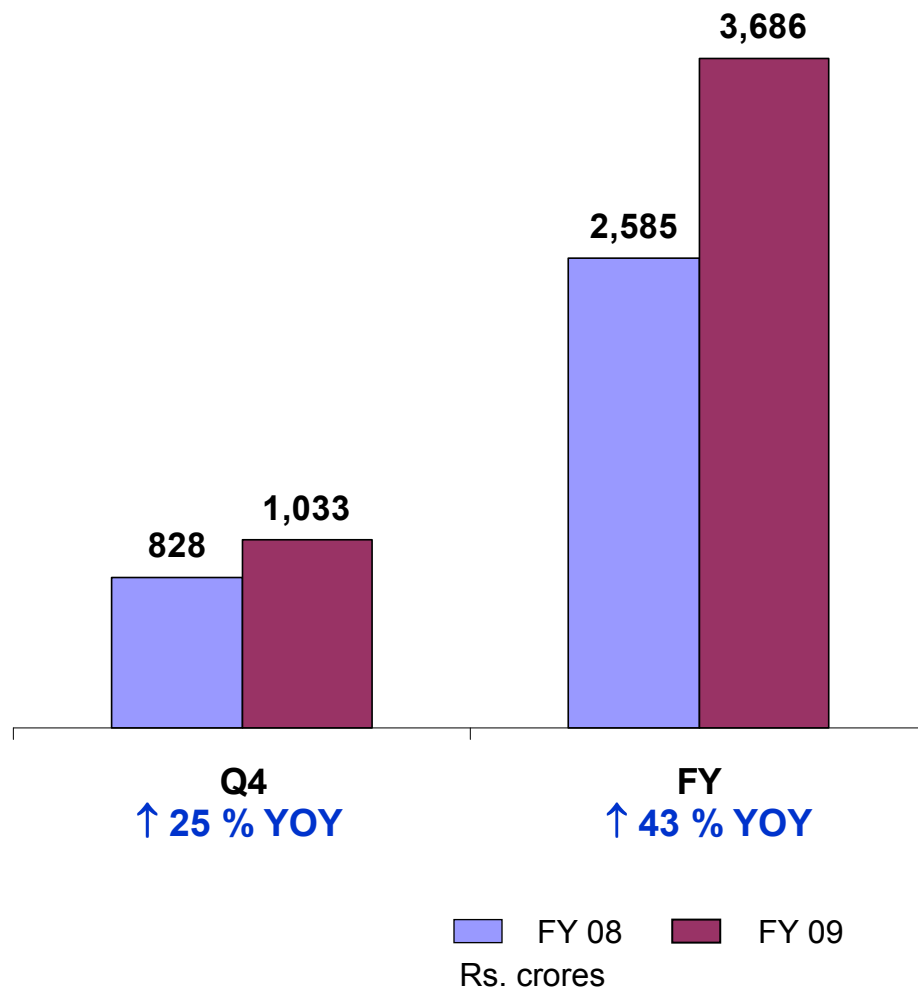


NIMs in the last 5 years (%):

FY 05:	2.90
FY 06:	2.85
FY 07:	2.74
FY 08:	3.47
FY 09:	3.33

GROWING NET INTEREST INCOME

Net Interest Income (FY09 vs FY08)



NII in the last 5 years (Rs. crores)

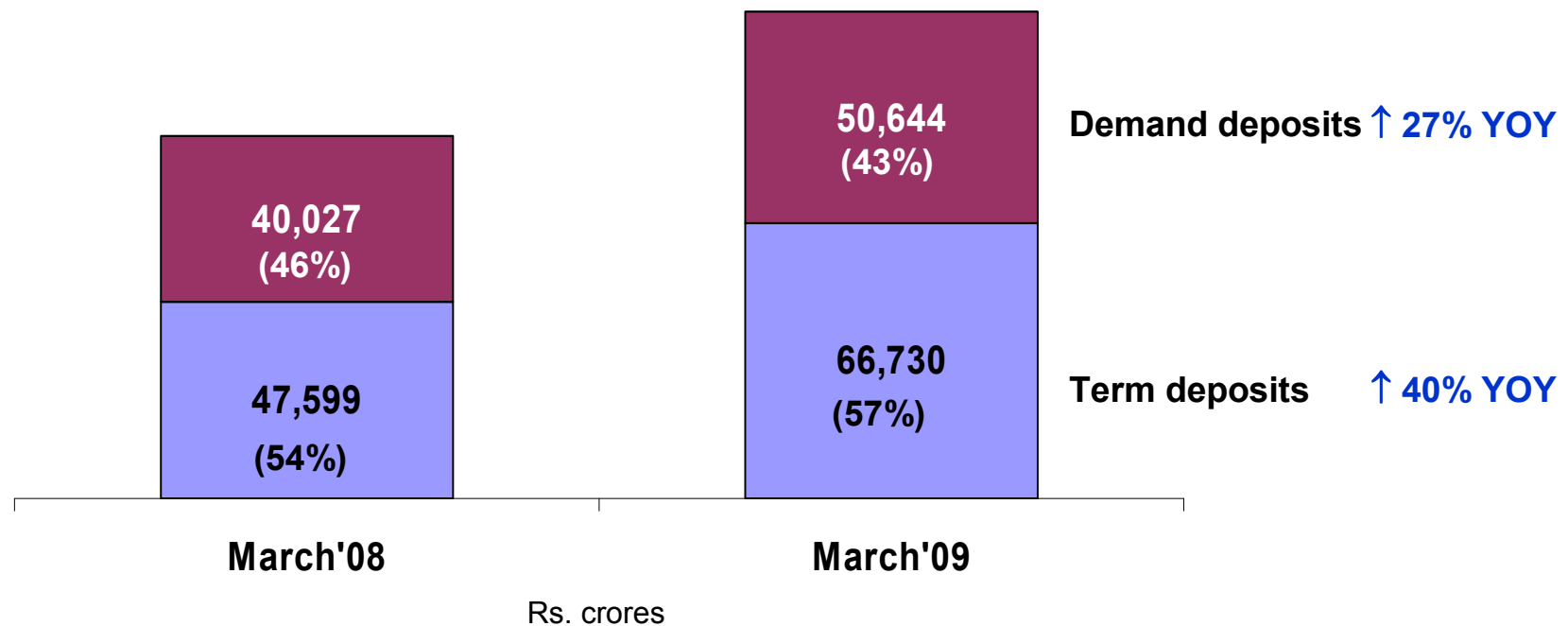
- FY 05 : 731
- FY 06 : 1,078
- FY 07 : 1,468
- FY 08 : 2,585
- FY 09 : 3,686

CAGR (5 years) : 45%

GROWING DEMAND DEPOSITS

YoY growth in daily average demand and term deposits (%)		
Deposits	Q4 FY09	FY09
Savings	32	42
Current	7	24
Total Demand	21	34
Term Deposits	59	60

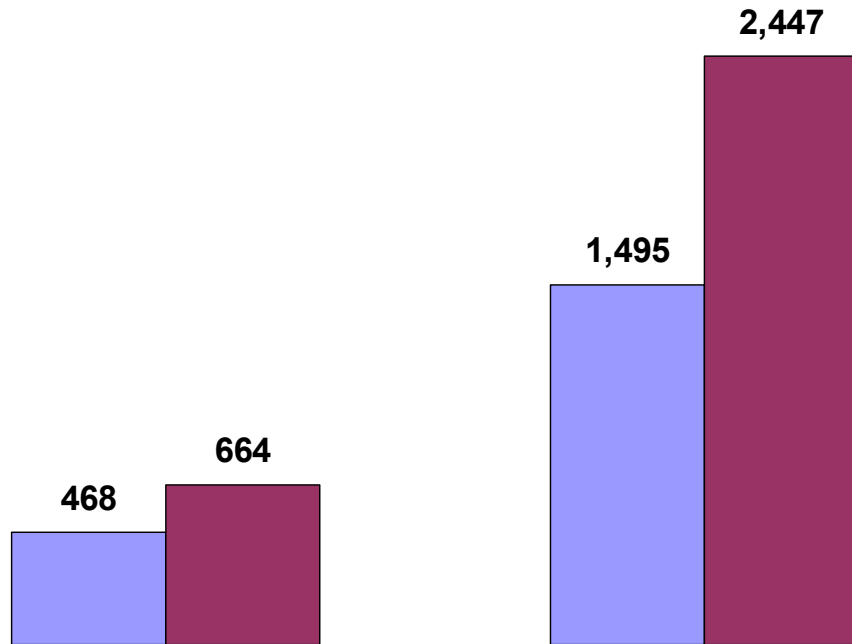
Profile of Deposits (31st March '09 vs 31st March '08)



FEES

Q4 (FY09 vs FY08)

FY09 vs FY08



↑ 42 % YOY

↑ 64 % YOY

■ FY 08 ■ FY 09
 Rs. crores

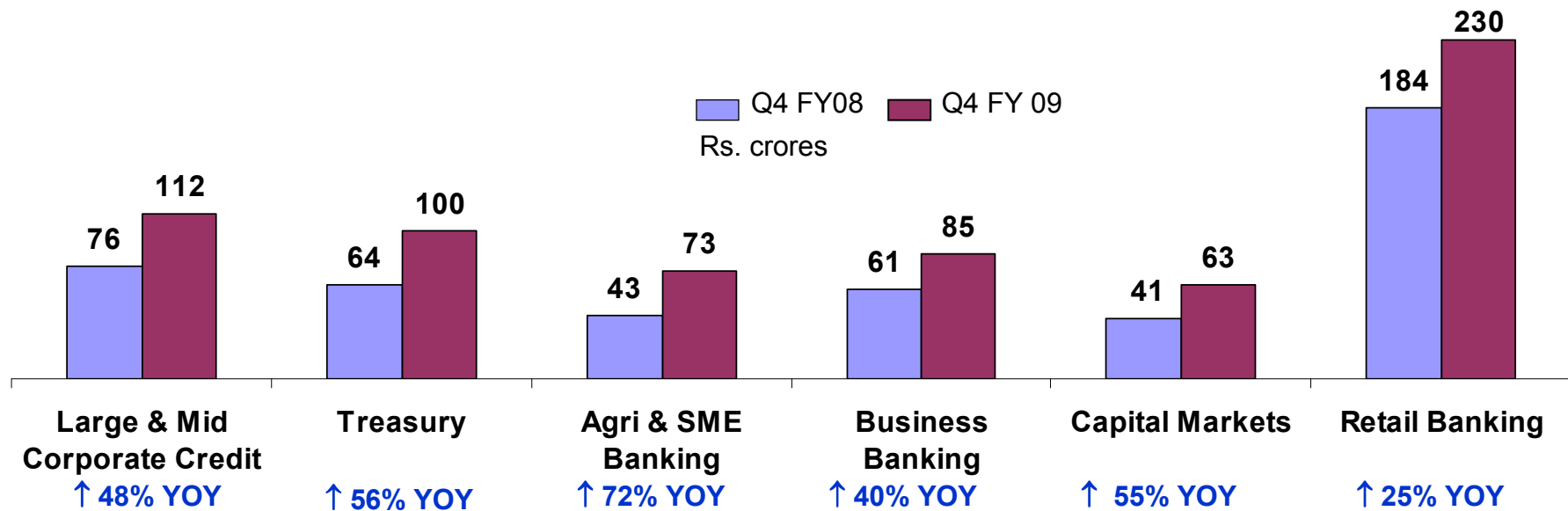
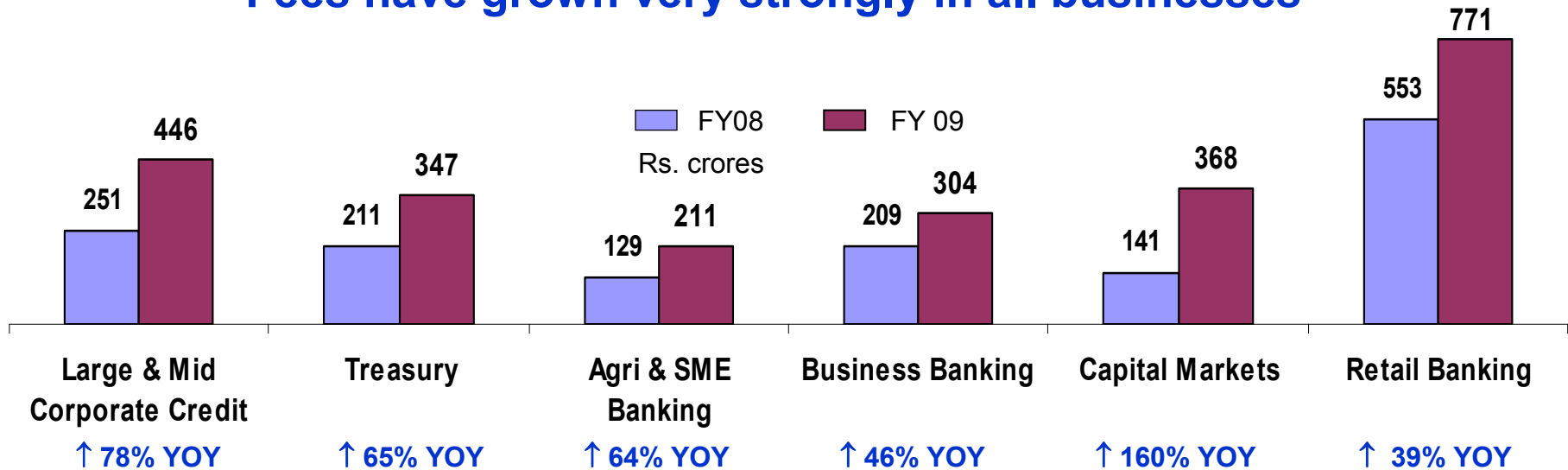
Fees in the last 5 years (Rs crores):

FY 05	:	366
FY 06	:	558
FY 07	:	890
FY 08	:	1,495
FY 09	:	2,447
CAGR (5 years)	:	65%

Note: Earnings from customer forex transactions have been shown as fees (instead of trading profit) from Q2 onwards in accordance with the practice commonly adopted by other banks

FEE INCOME COMPOSITION

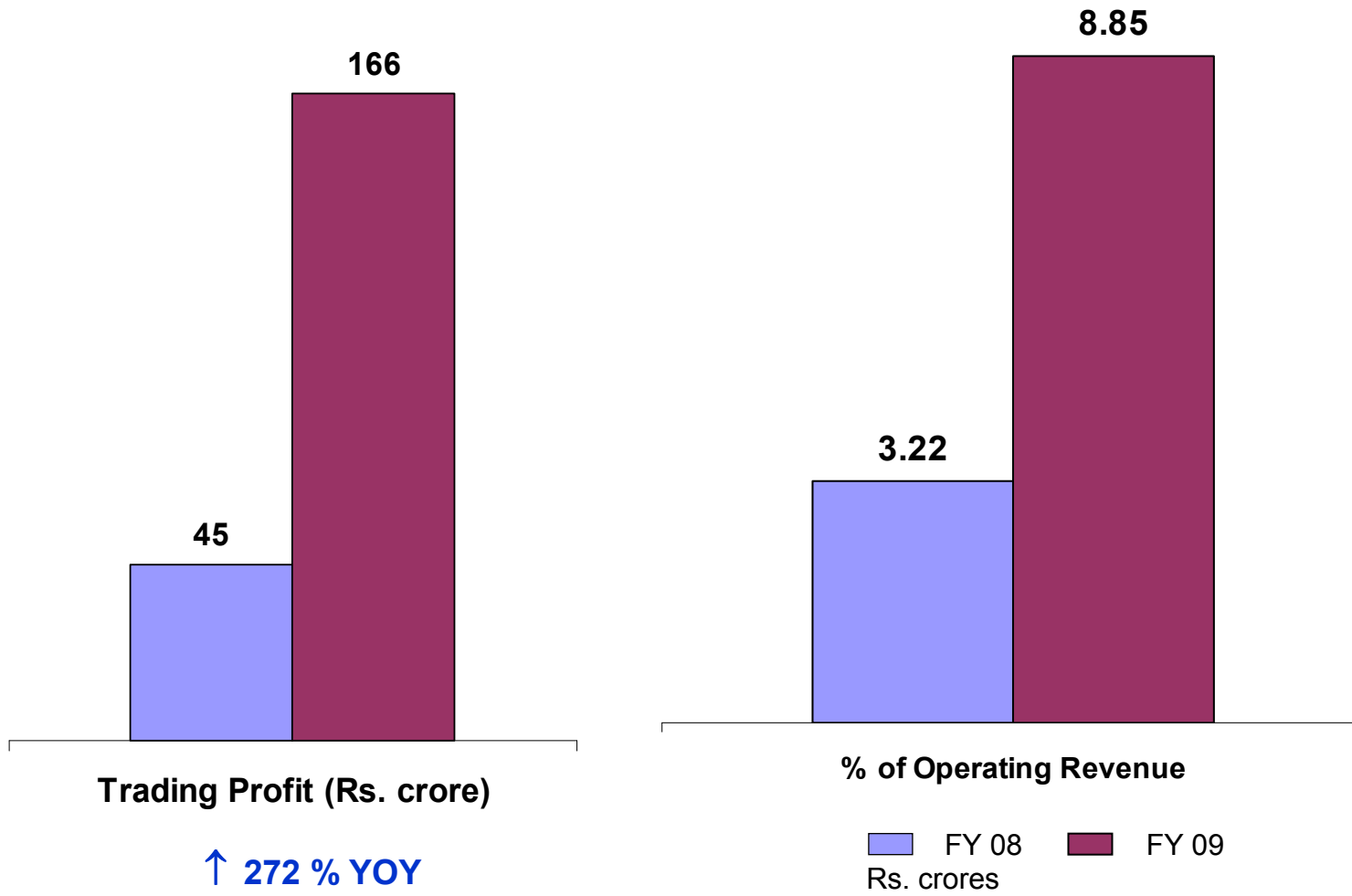
Fees have grown very strongly in all businesses



TRADING PROFITS

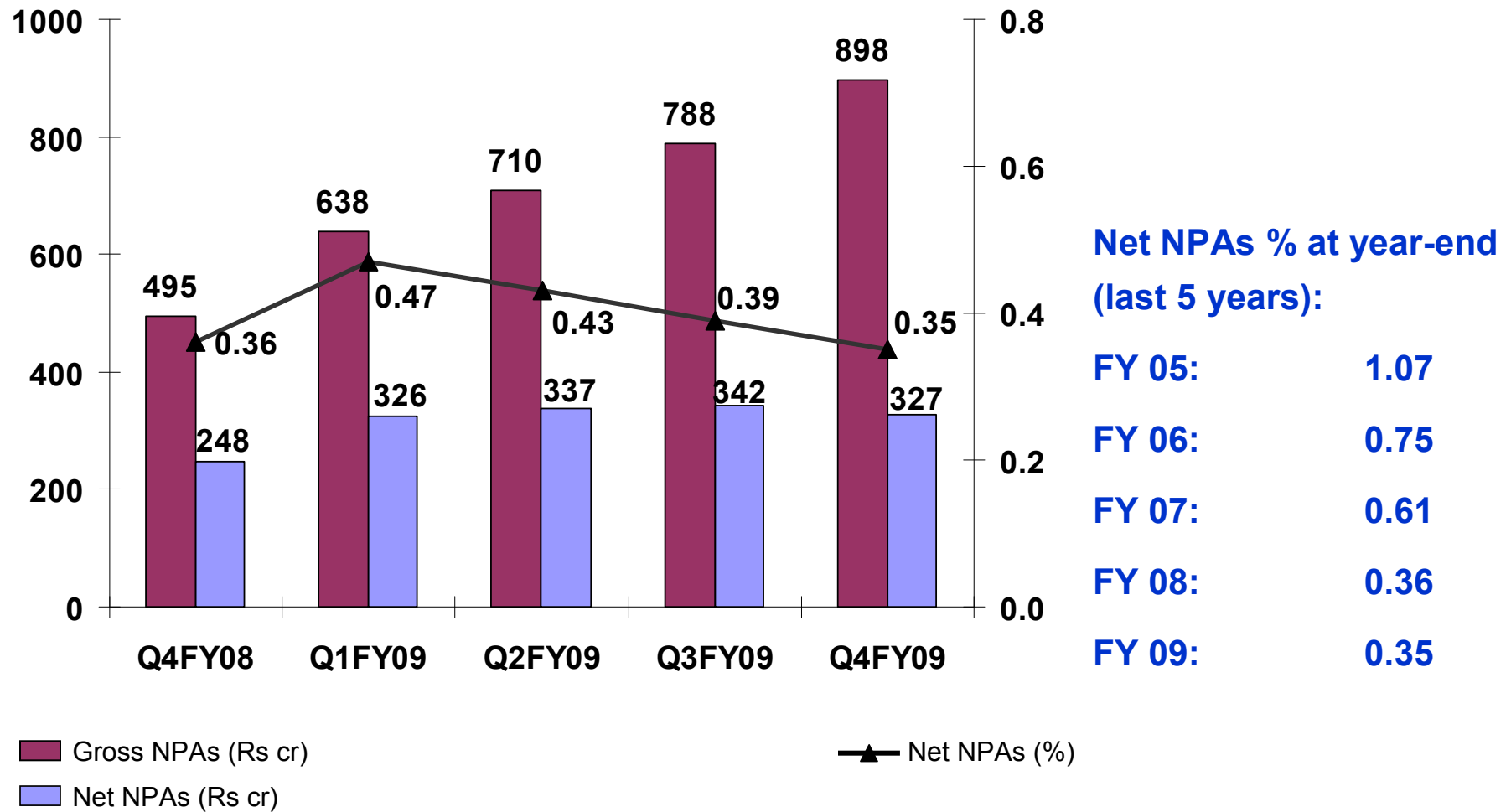
Constitute 8.85% of Operating Revenue in Q4

Q4 (FY09 vs FY08)



STRESSED ASSETS AND NET NPA (%)

Gross and Net NPAs (Q4 FY08 to Q4 FY09)



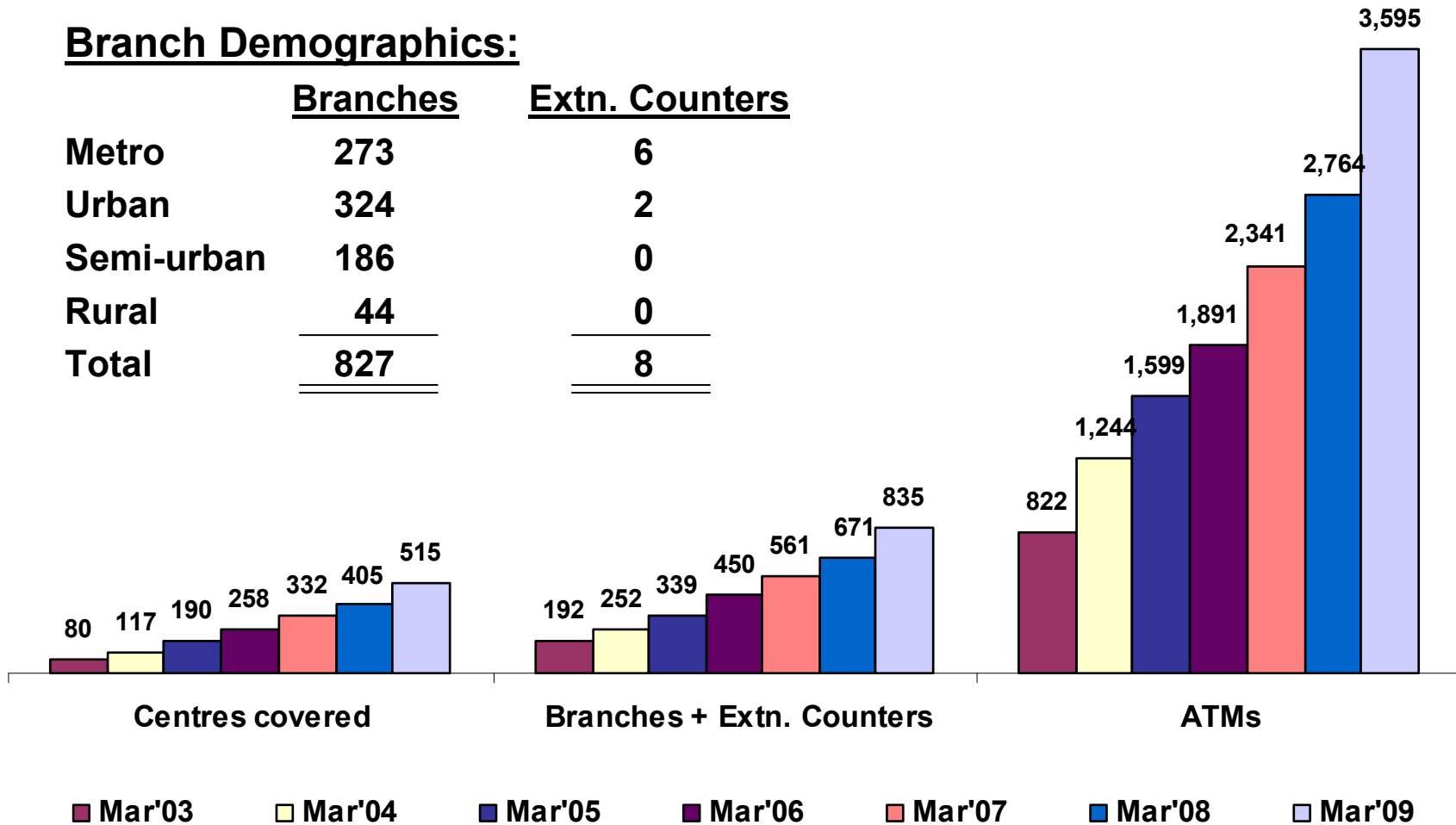
BUSINESS OVERVIEW

NETWORK

Increasing Reach

Branch Demographics:

	<u>Branches</u>	<u>Extn. Counters</u>
Metro	273	6
Urban	324	2
Semi-urban	186	0
Rural	44	0
Total	827	8

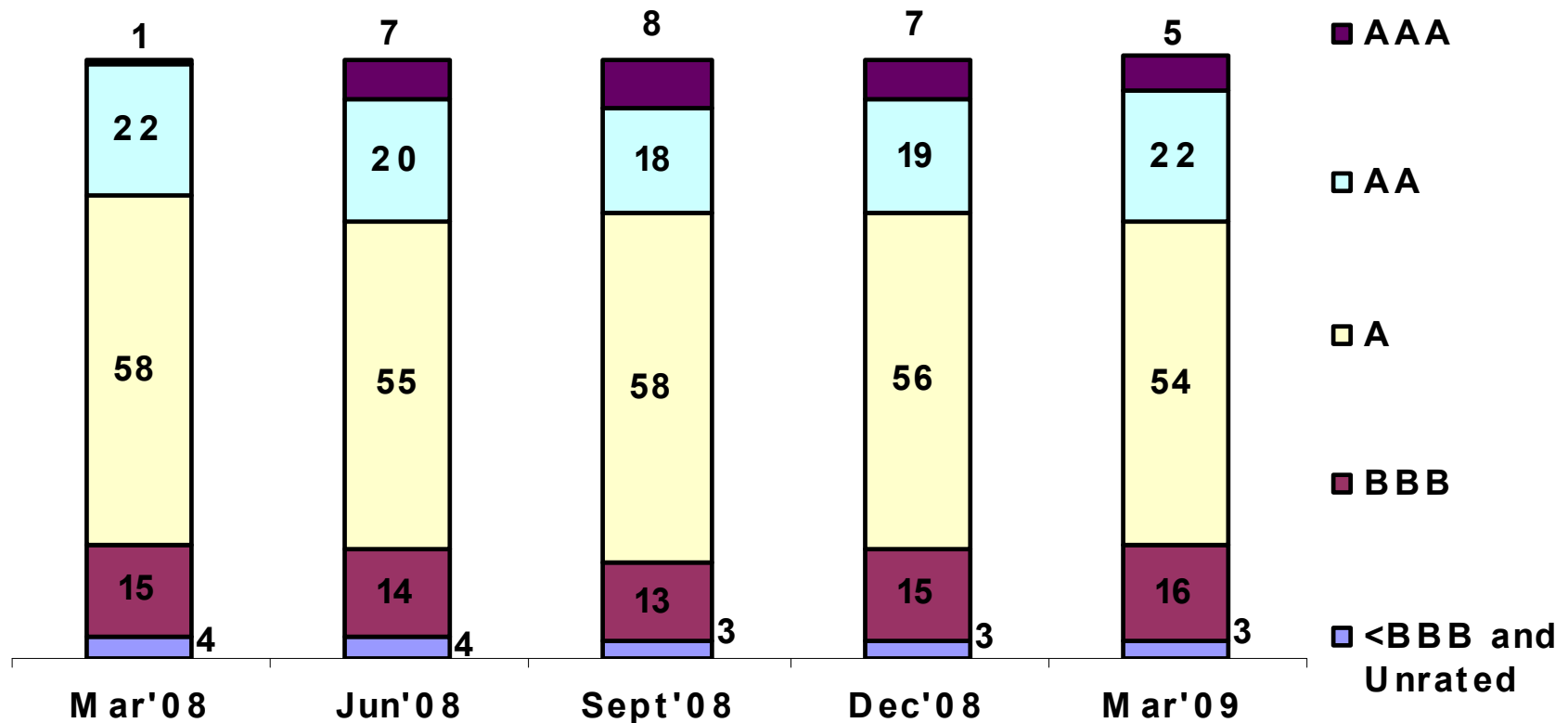


LARGE & MID-CORPORATE BANKING

- **Focus on quality of credit assets with stress on corporates having**
 - Global competitive advantage in their businesses
 - Good corporate governance and management practices
- **Business Segments**
 - Large Corporates
 - Mid Corporates
 - Structured Products
- **Rigorous and regular risk assessment of individual accounts**
 - Rating Tools and Monitoring Tools
- **Offer broad suite of products with continued focus on customised offerings**

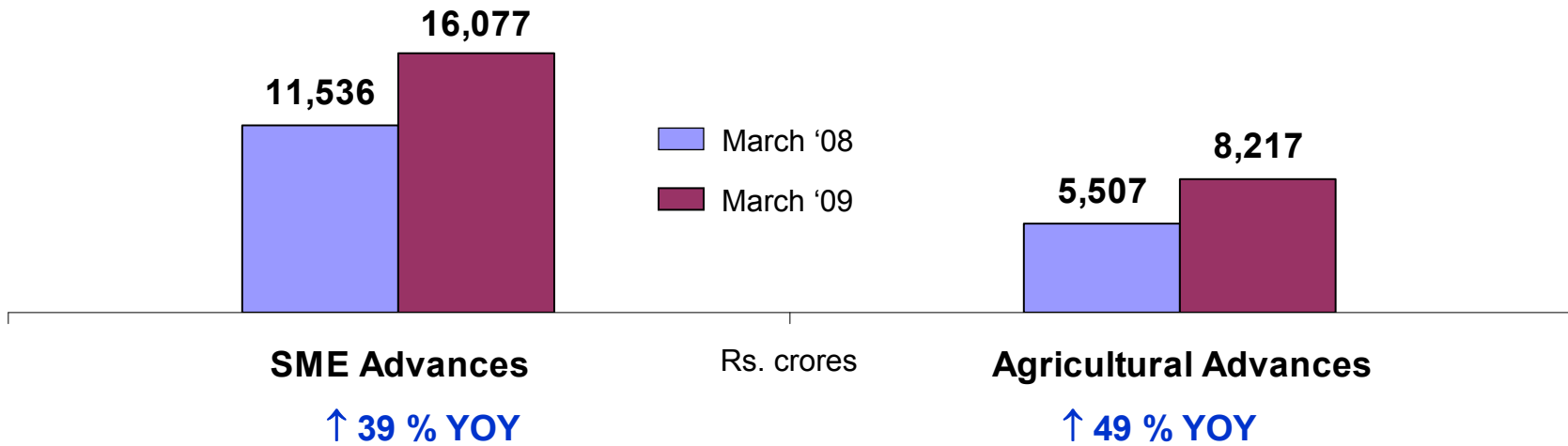
DISTRIBUTION OF RATINGS: LARGE & MID CORPORATE

81% of corporate advances have rating of at least 'A' as at March'09



SME & AGRI BUSINESS

SME and Agricultural advances (March '08 vs March '09)



SME centres	20	24
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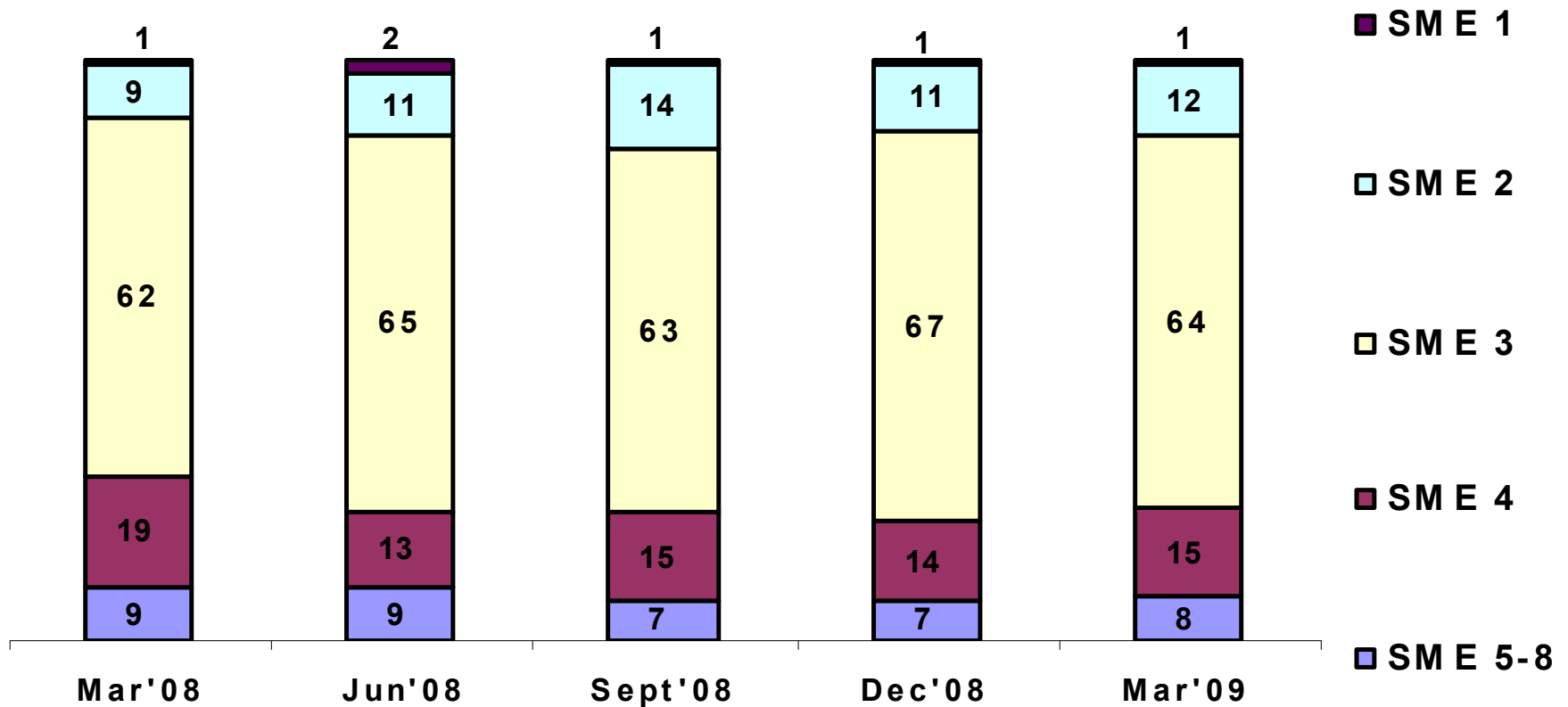
Agri clusters	36	46
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- **Specialised SME Centres for SME appraisals, sanctions and post-sanction monitoring**
- **Product categories**
 - Schematic loans
 - Non-schematic loans

- **Specialised Clusters for Agricultural lending, coordinating appraisals, sanctions and post-sanction monitoring**
- **Segmented approach**
 - Retail Agri
 - Corporate Agri
 - Commodity Agri
 - Microfinance

DISTRIBUTION OF RATINGS: SME

77% of SME advances have rating of at least 'SME3' as at March'09
as against 72% as at end March'08



TOP SECTOR EXPOSURES

Across Large & Mid Corporates, SME and Corporate Agri businesses

Rank	Sectors	% Exposure (as on 31 March 2009)		
		Total	Fund Based	Non-Fund Based
1	Infrastructure*	12.43	7.87	22.58
2	Financial Companies**	8.57	10.34	4.63
3	Metal & Metal Products	8.28	6.64	11.93
4	Shipping & Logistics	6.12	6.28	5.76
5	Real Estate	5.54	7.70	0.71
6	Trade	5.01	5.43	4.07
7	Telecommunications	4.52	3.55	6.69
8	Chemical & Chemical products	4.51	3.35	7.12
9	Textiles	4.45	5.54	2.01
10	Gems & Jew ellery***	3.93	2.52	7.08

* Financing of projects roads, ports, airports, etc.

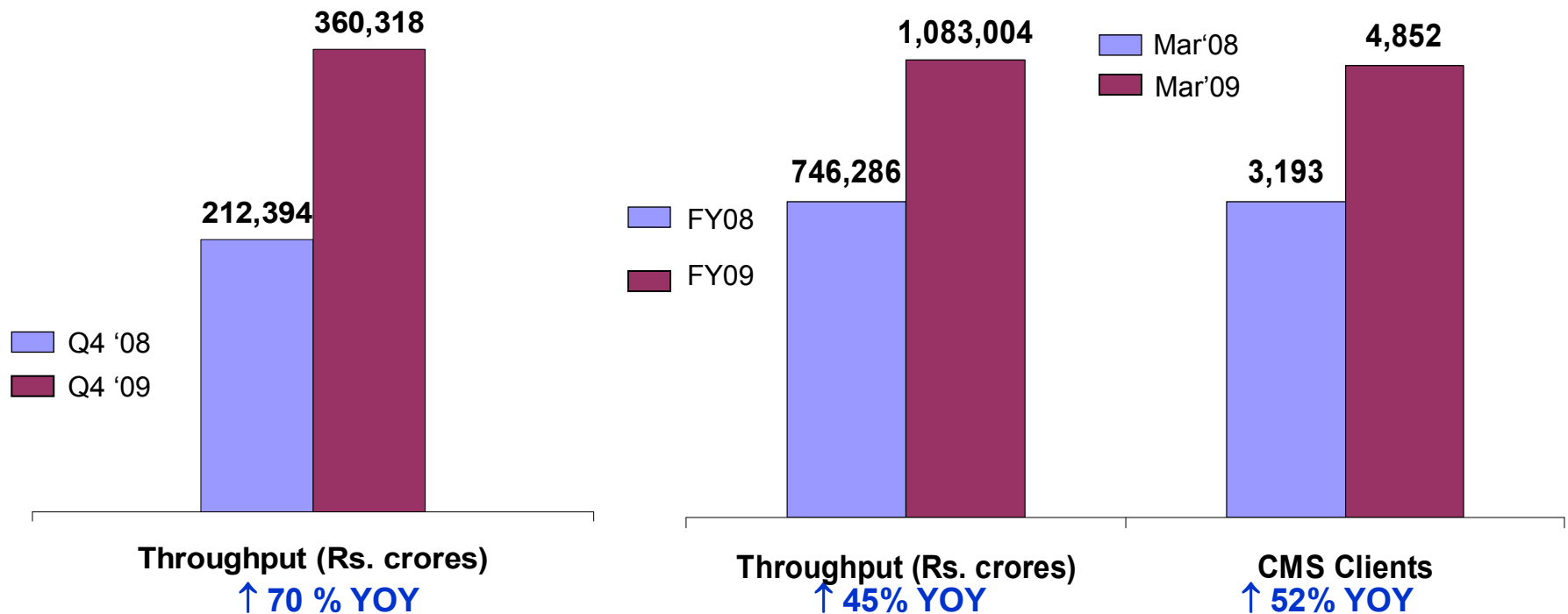
** Housing Finance Companies and other NBFCs.

*** Approximately 35% of exposure is backed by cash margin.

BUSINESS BANKING

Cash Management Services

Throughput and number of clients (FY09 vs FY08)

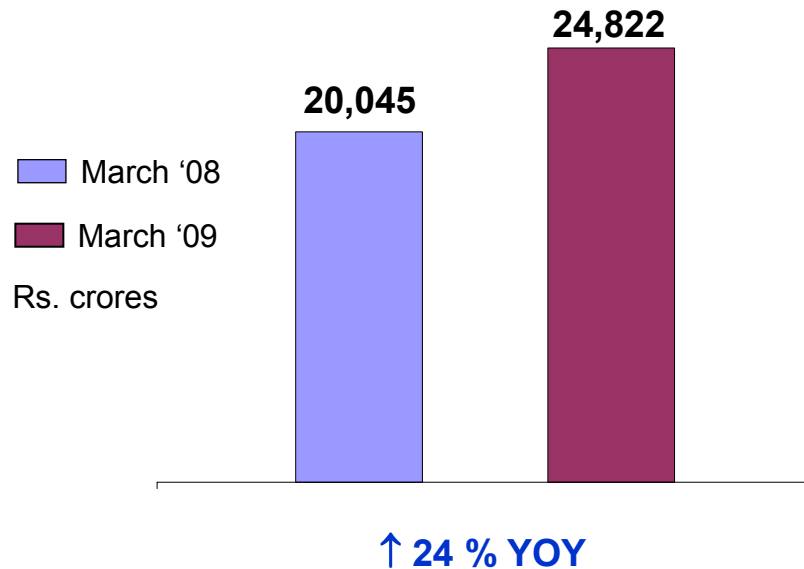


- Collection of Central Government Taxes on behalf of CBDT and CBEC, including through e-Payments
- Collection of State Taxes on behalf of seven State Governments and UTs
- Collections & Payments for Central Government Ministries - Railways, Urban Development and Housing & Urban Poverty Alleviation
- Collections under e-Governance initiatives of 4 State Governments and Chandigarh

BUSINESS BANKING

Current Accounts Growth

Current account deposits (March '09 vs March '08)



Current Account deposits in the last 5 years (Rs crores)

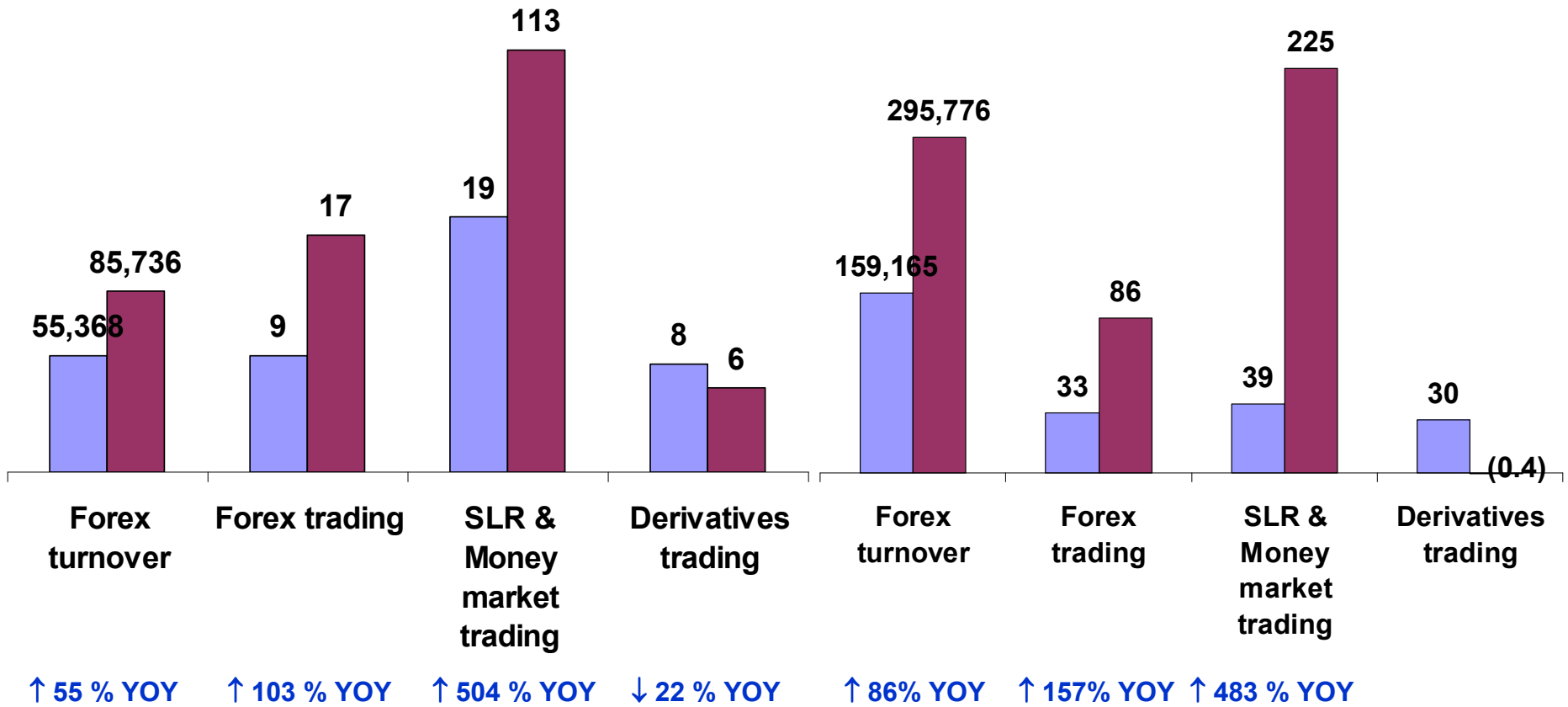
Mar'05	:	7,155
Mar'06	:	7,970
Mar'07	:	11,304
Mar'08	:	20,045
Mar'09	:	24,822
CAGR (5 years)	:	36%

- Wide Range of Products
- Customised offerings for various business segments
- Growth aided by “Club 50” and “Channel One” – high-end premium products
- Broad-based sales strategy
- Focused approach for Corporates, Institutions & Government

TREASURY

Q4 (FY09 vs FY08)

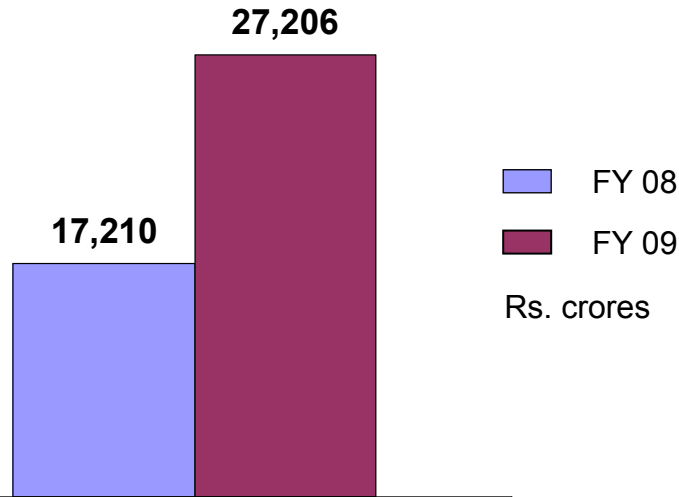
FY09 vs FY08



■ FY 08 ■ FY 09
 Rs. crores

CAPITAL MARKETS

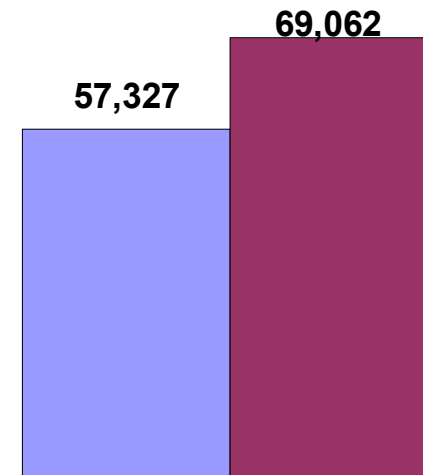
Q4 (FY09 vs FY08)



Placements & Syndications

↑ 58% YOY

FY09 vs FY08



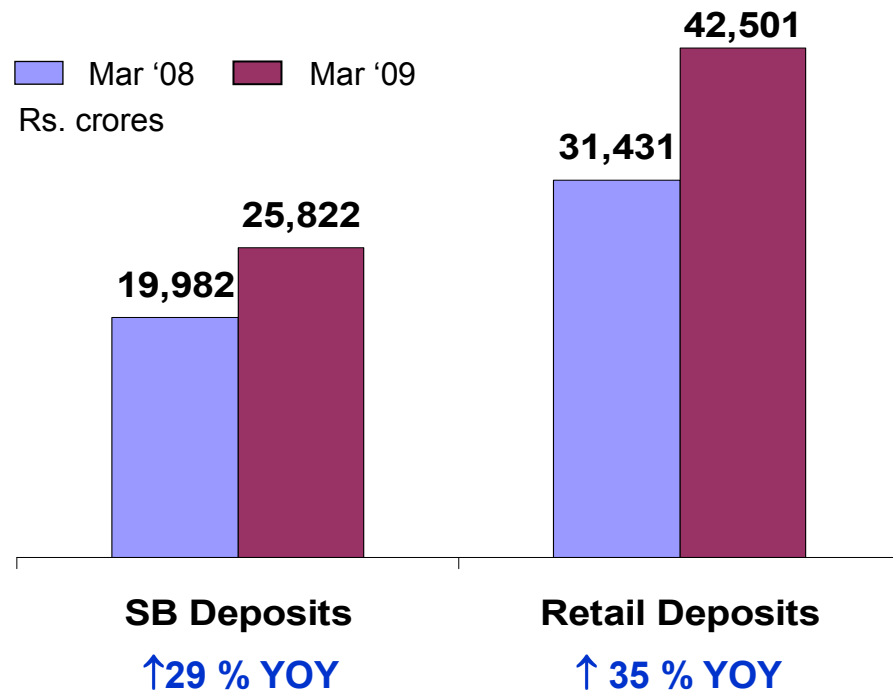
Placement & Syndications

↑ 20% YOY

- A dominant player in Placement and Syndication of debt issues
- Ranked No.1 in the Bloomberg league table for 'India Domestic Bonds' for the calendar year 2008 and quarter ended 31st March 2009
- Ranked No. 1 Debt arranger by Prime Database for the 9 month period ended 31st December 2008
- Recent Awards:
 - Euromoney 2008: Best Debt House in India;
 - Finance Asia 2008: Best Bond House in India;
 - Asia Money 2008: Best Domestic Debt House in India
 - IFR Asia: India Bond House - 2008

SAVINGS BANK GROWTH

Retail and SB Deposits (Mar '09 vs Mar '08)



SB deposits in the last 5 years (Rs crores)

Mar'05	:	4,891
Mar'06	:	8,066
Mar'07	:	12,126
Mar'08	:	19,982
Mar'09	:	25,822

CAGR (5 years) : 58%

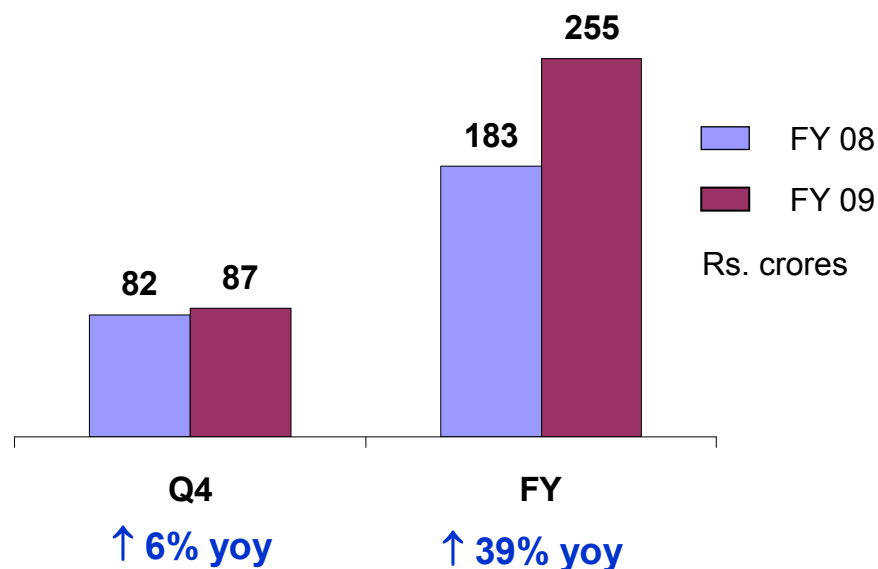
Savings Bank growth led by:

- Wide Network - Branch and ATM Channel reach
- Bank's own sales channel
- Focused strategy for niche customer segments
- Corporate and Government payroll accounts

THIRD PARTY PRODUCTS BUSINESS

Personal Investment Products - Fees

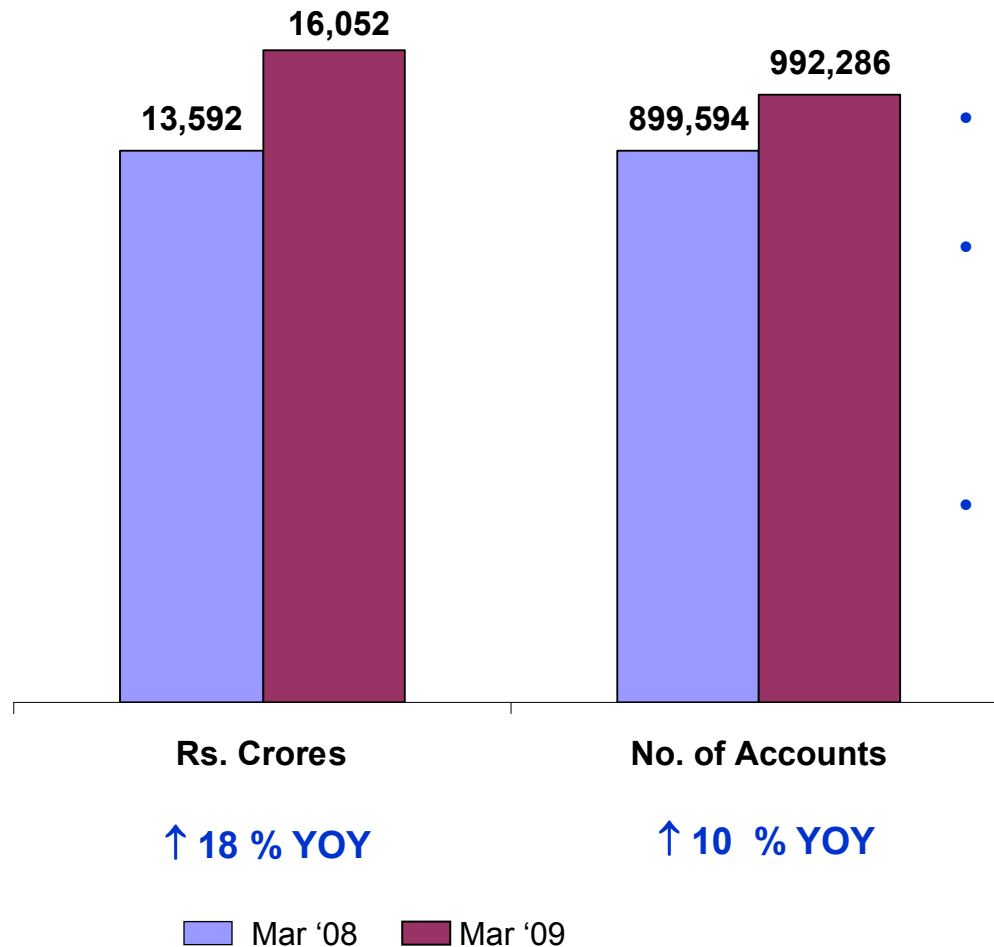
- Focus on cross-selling to existing customers to generate fee income
- Third-party products sold include: Mutual Funds, Insurance, On-Line Broking, Portfolio Management Services (Non-discretionary), Gold Coins and Depository services
- Systematic segmenting of customers



Description	Mass market	Mass Affluent	Affluent
Profile	Largest customer segment within the Bank	Small, but growing, base of customers	Niche customer base
Focus	Transactions-driven cross-sales of products	Transactions-driven, but with initial relationships being built	Total focus on relationships which results in cross-selling
Products	Bundled insurance with home loans and credit cards	Customer needs mapped on to existing standardised portfolios	Customised Portfolios

RETAIL ASSETS

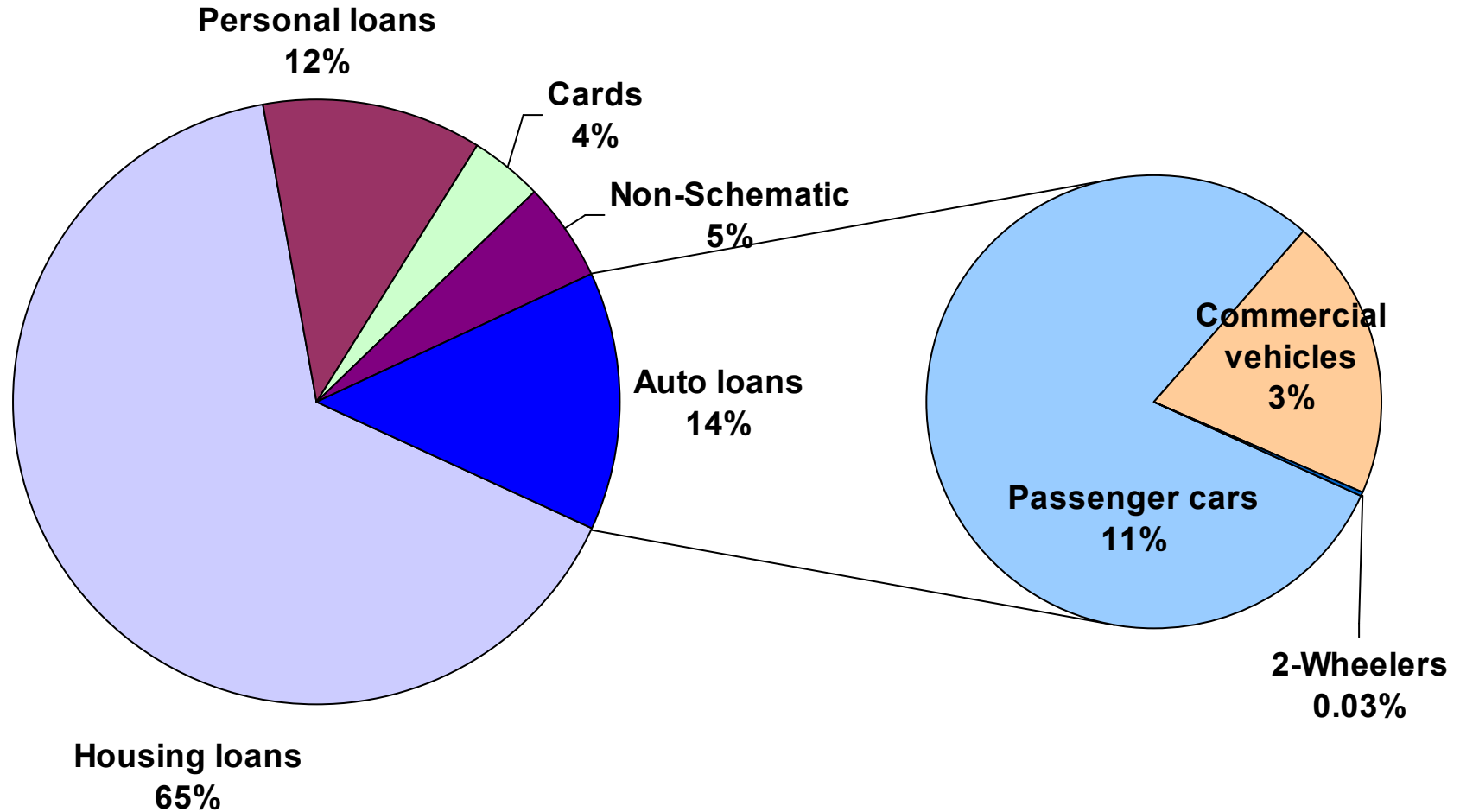
Retail Assets portfolio (March '09 vs March '08)



- Retail Assets grew by 18% yoy
- Retail Assets constitute 20% of the Bank's total advances, as compared to 23% as at end March' 08
- Growth driven through Retail Asset Centres (RACs)

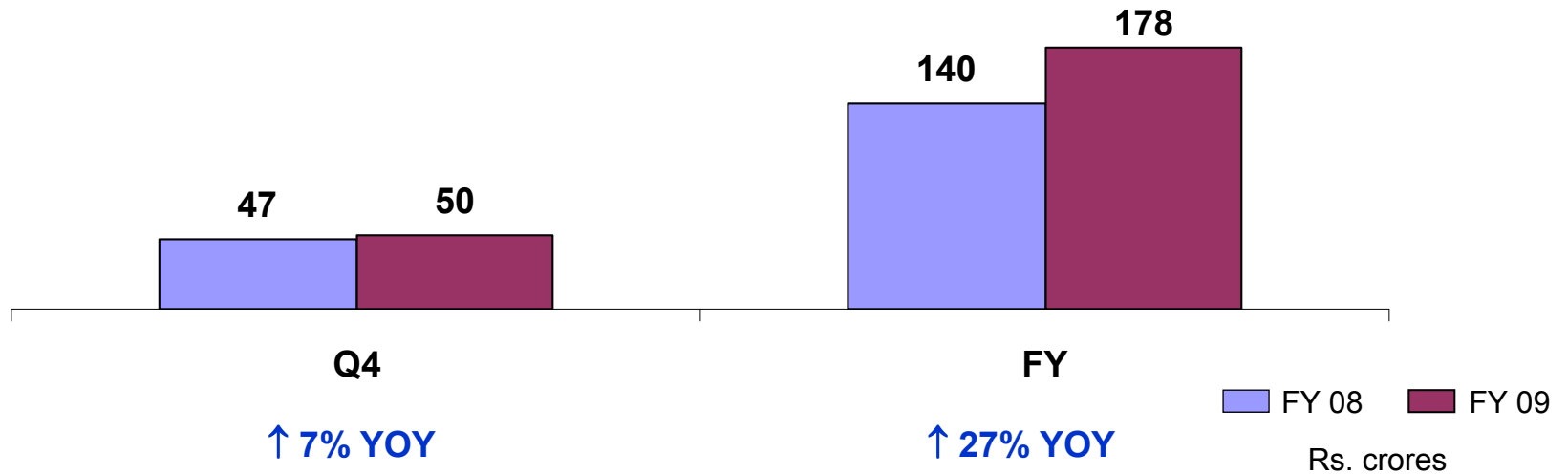
COMPOSITION OF RETAIL ASSETS

Product-wise composition of Retail Assets portfolio (March '09)



CARDS BUSINESS

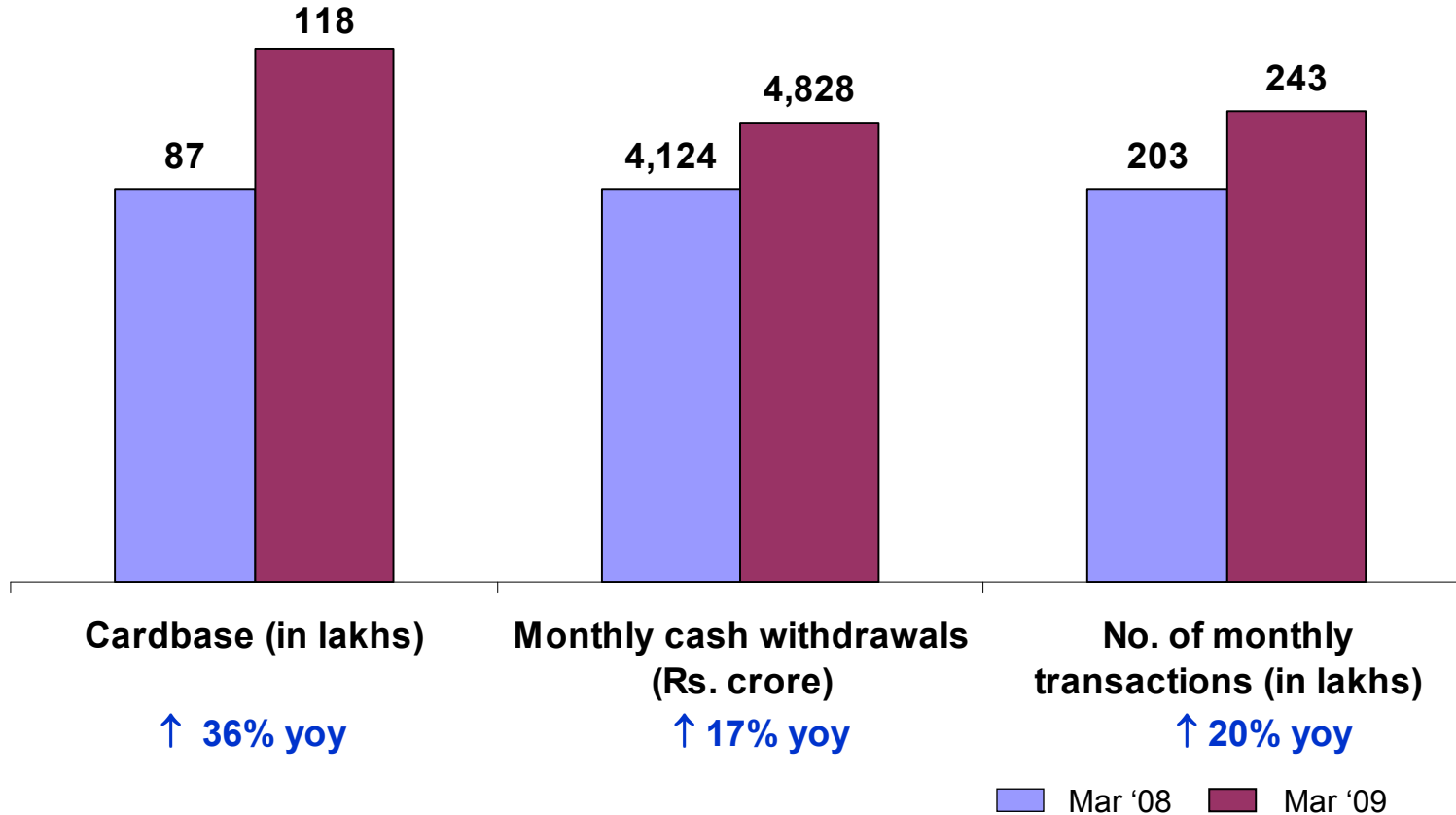
Cards fee income (FY09 vs FY08)



- **Issuance**
 - Over 533,000 Credit Cards in force till end March '09
 - 3rd largest Debit Card base in the country
 - 1st Indian Bank to launch Travel Currency Cards in 9 currencies -US\$, Euro, GBP, AUD, CAD, SGD, SEK, CHF, JPY
 - 1st Indian Bank to launch Remittance Card and Meal Card
- **Acquiring**
 - Installed base of over 115,000 EDCs
- **Cards business a significant contributor to Retail Fees**

ATM CHANNEL MIGRATION

Over 95% of SB account cash withdrawals occur on ATMs

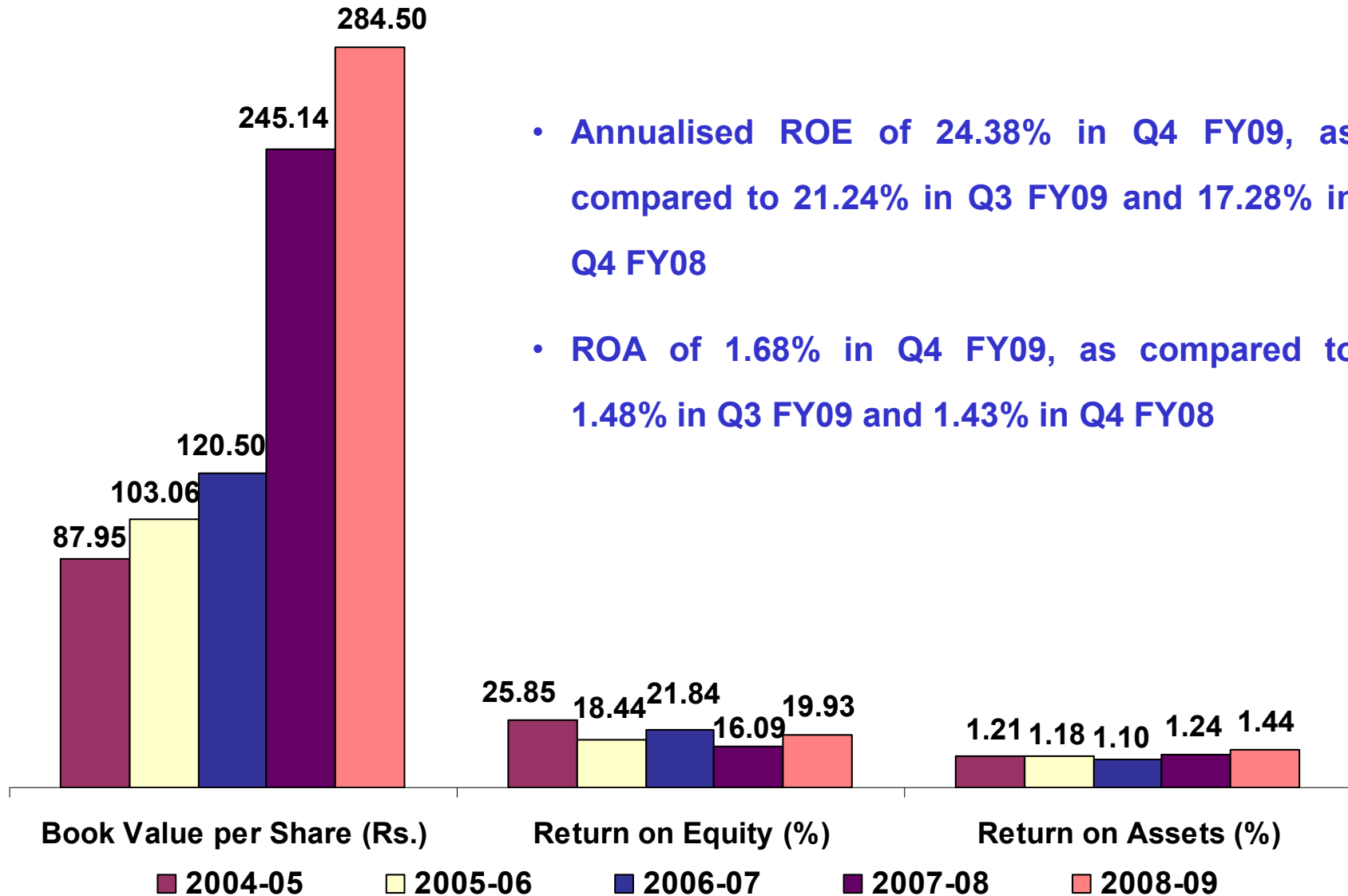


- Pioneer in ATM sharing arrangements
- Value added services such as Bill Payments, MF Investments, Mobile Top-ups and VISA Money Transfer services

INTERNATIONAL PRESENCE

- **Branches at Singapore, Hong Kong and DIFC, Dubai**
- **Representative offices at Shanghai and Dubai**
- **Total assets overseas amounted to US\$ 2.30 billion as compared to US\$ 1.66 billion as at end March'08, a growth of 39% yoy**
- **Corporate Banking, Trade Finance products, Debt Syndication and Liability businesses**

SHAREHOLDER RETURNS

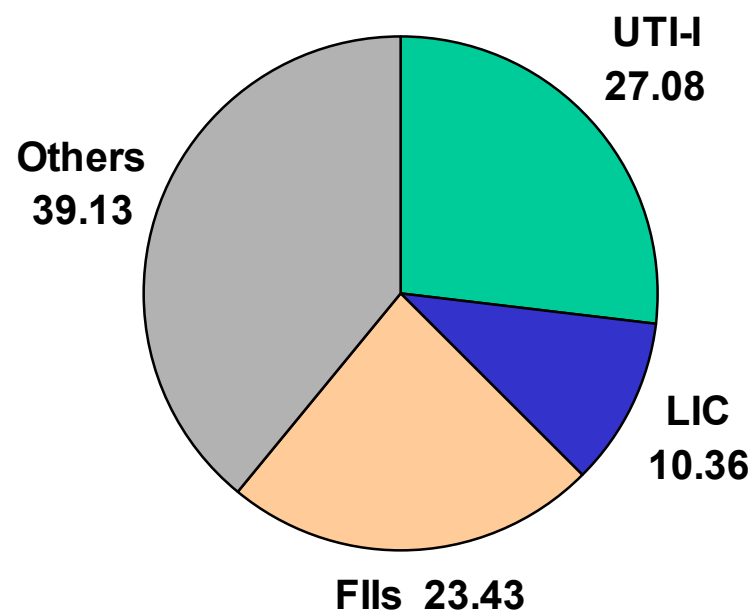


- Annualised ROE of 24.38% in Q4 FY09, as compared to 21.24% in Q3 FY09 and 17.28% in Q4 FY08
- ROA of 1.68% in Q4 FY09, as compared to 1.48% in Q3 FY09 and 1.43% in Q4 FY08

SHAREHOLDING

Shareholding pattern (Mar '09)

- Share Capital - Rs. 359.01 crores
- Net Worth - Rs. 9,757.45 crores
- Book Value per share - Rs. 284.50
- Market Price as on 17/04/09 - Rs. 503.25
- Market Cap as on 17/04/09 - Rs. 18,067 crores (US \$ 3.63 billion)



SAFE HARBOR

Except for the historical information contained herein, statements in this release which contain words or phrases such as “will”, “aim”, “will likely result”, “would”, “believe”, “may”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “strategy”, “philosophy”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions may constitute “forward-looking statements”. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, future levels of non-performing loans, our growth and expansion, the adequacy of our allowance for credit losses, our provisioning policies, technological changes, investment income, cash flow projections, our exposure to market risks as well as other risks. Axis Bank Limited undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

THE ASIAN BANKER
REPUTATION SURVEYS: THE STRONGEST BANKS IN THE ASIAN PACIFIC REGION

The strongest Indian Bank and 5th in Asia-Pacific - Asian Banker 300 - A survey of Asia-Pacific's Strongest Banks (2008-09)

BusinessWorld
PRICEWATERHOUSECOOPERS

Best New Private sector bank in India (2007-08)

NDTV PROFIT

Best Private Sector Bank 2008 - NDTV Profit Business Leadership Awards 2008

THE FINANCIAL EXPRESS

FE best banks award '07 – Best Private Sector Bank in India

Business India
THE MEASURE OF THE CORPORATE WORLD

Business India Awards 2007 – Best Bank in India

ASIAMONEY

Best Domestic Debt House in India for 2008

FinanceAsia

Best Bond House in India for 2008

SURMONEY
AND
ASIA MONEY

Best Debt House India 2008

Ifrasia awards 2008

India Bond House 2008

Thank You

