

AXIS BANK

FY 2013-14
First Half Results

Earnings Presentation

Safe Harbor

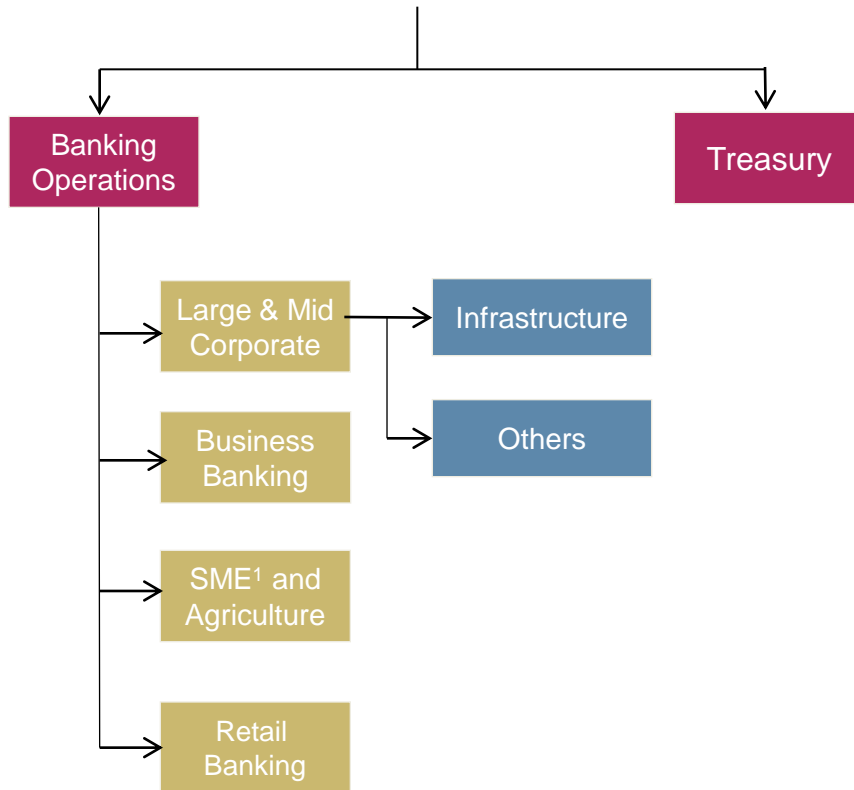
Except for the historical information contained herein, statements in this release which contain words or phrases such as “will”, “aim”, “will likely result”, “would”, “believe”, “may”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “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.

Introduction

Performance Overview

Business Overview

Overview



¹ Small and Medium Enterprises

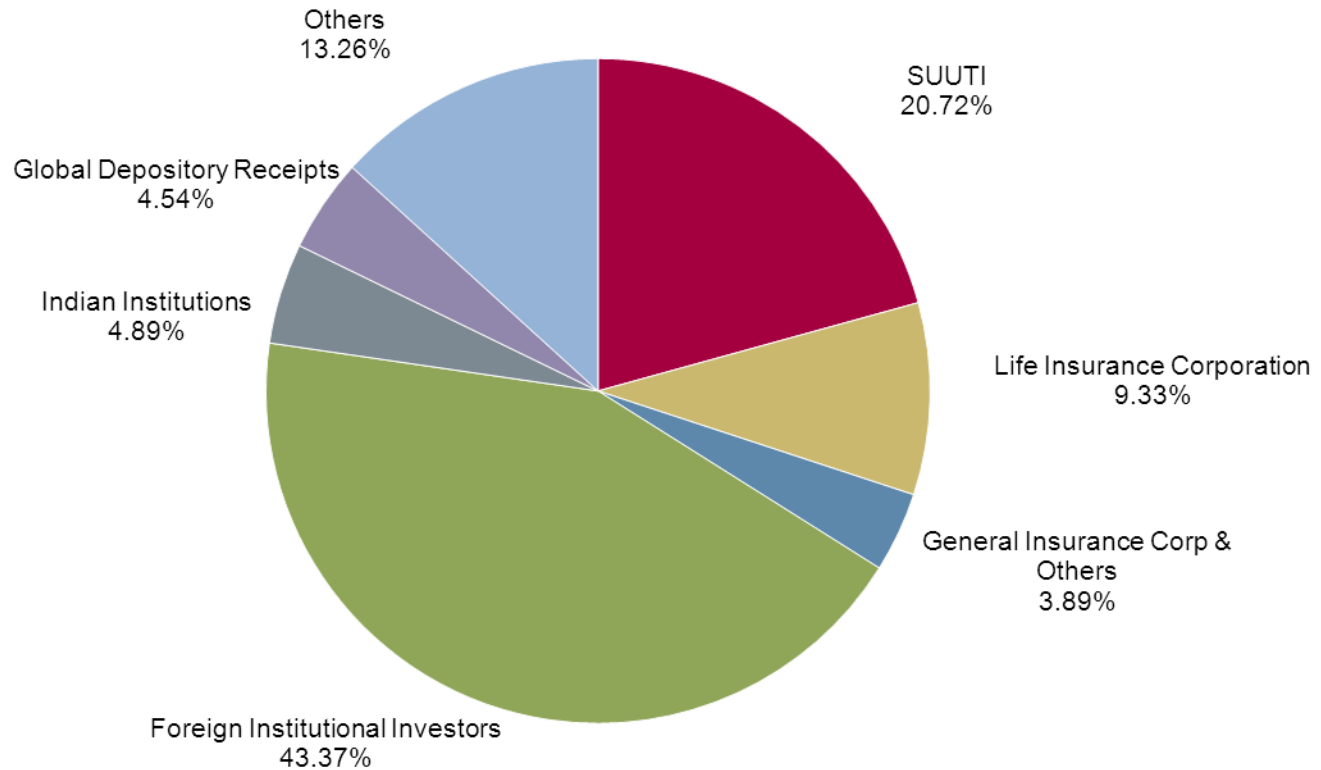
² Considering unaudited profits for H1FY14

³ Includes extension counters

Snapshot (As on September 30, 2013)

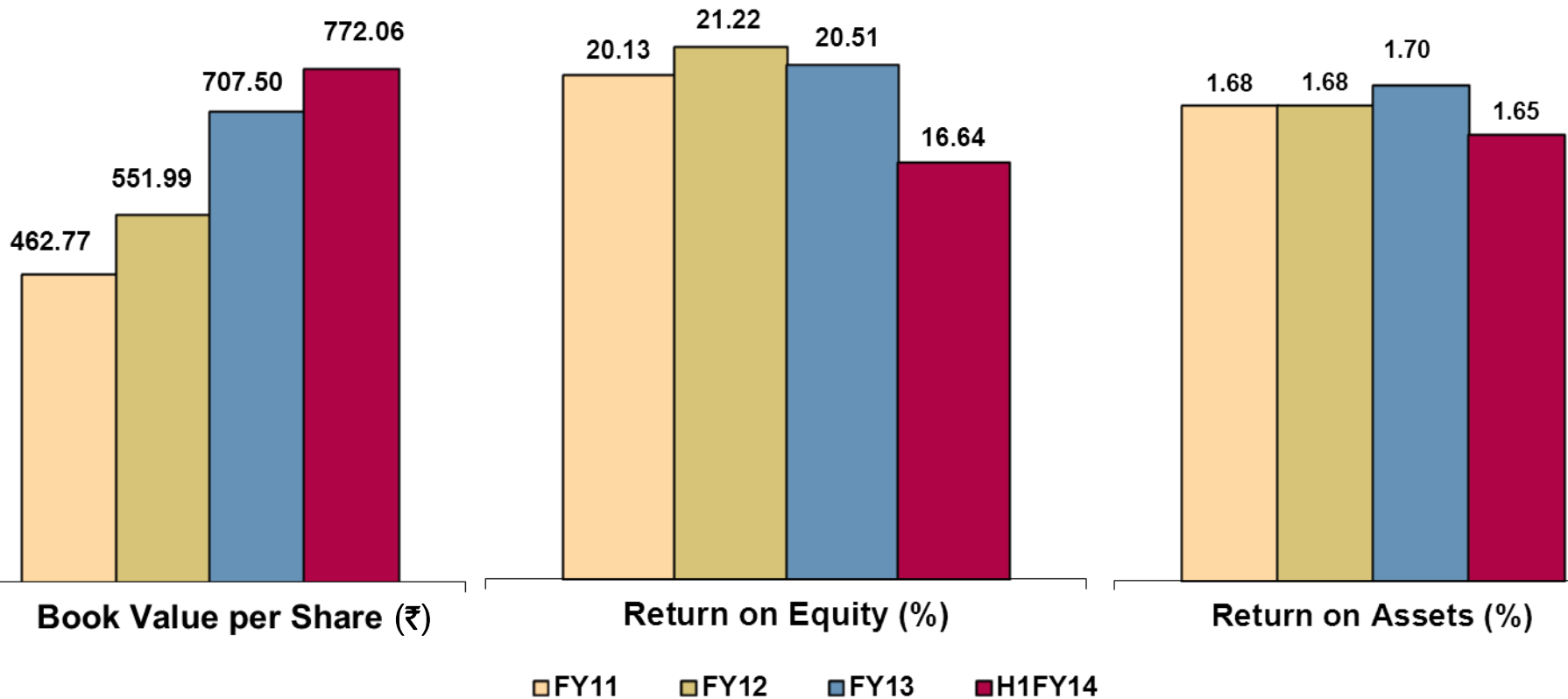
Total Assets	₹3,51,363 crores
Net Advances	₹2,01,303 crores
Total Deposits	₹2,55,365 crores
Net Profit (Q2FY14)	₹1,362 crores
Net Profit (H1FY14)	₹2,771 crores
Shareholders' Funds	₹36,224 crores
ROA (for H1FY14)	1.65%
ROE (for H1FY14)	16.64%
Net NPA Ratio	0.37%
Basel II Tier-I CAR ²	12.81%
Basel II Total CAR ²	17.40%
Basel III Tier I CAR	11.68%
Basel III Total CAR	15.85%
Saving Bank Accounts (No.)	132 lac
Branches ³	2,225
Foreign Offices	7
ATMs	11,796

Shareholding Pattern (As on September 30, 2013)



- Share Capital ₹469 crores
- Shareholders' Funds ₹ 36,224 crores
- Book Value Per Share ₹ 772.06
- Market Capitalisation ₹ 50,741 crores (as on October 15, 2013)

High Shareholder Returns



A strong franchise demonstrating consistent value creation over time

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Performance Highlights

	<u>Q2FY14</u>	<u>H1FY14</u>
Net Profit	↑ 21% YOY	↑ 22% YOY
Net Interest Income	↑ 26% YOY	↑ 29% YOY
Fee Income	↑ 7% YOY	↑ 10% YOY
Operating Revenue	↑ 20% YOY	↑ 26% YOY
Operating Profit	↑ 26% YOY	↑ 35% YOY
Net Interest Margin	3.79%	3.82%
CASA ¹		↑ 15% YOY
CASA (Daily Average)		↑ 14% YOY
Total Deposits ¹		↑ 8% YOY
Total Advances ¹		↑ 17% YOY

¹ As on 30th September 2013

Highlights of Q2FY14

Retail Franchise continues to show traction

- Savings Bank Deposits registered strong growth, rose 18% YOY to ₹66,494 crores as on September 30, 2013, and 19% YOY to ₹61,024 crores on daily average basis
- Domestic Retail Term Deposits grew 17% YOY, constituted 50% of Total Term Deposits
- Domestic CASA and Retail Term Deposits constituted 73% of Total Deposits
- Retail Assets grew 37% YOY and accounted for 30% of Net Advances

Stable Earnings Profile

- Operating Revenue grew 20% YOY, stood at ₹4,703 crores
- Operating Profit rose to ₹2,750 crores, registered growth of 26% YOY
- Return on Assets stood at 1.58% and Return on Equity at 15.85%

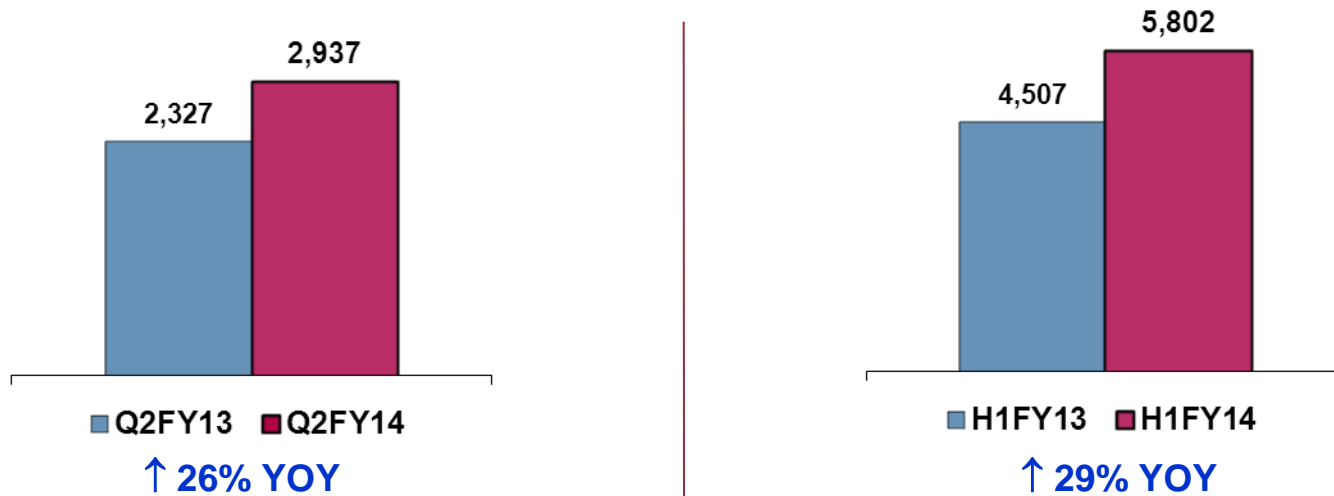
Well positioned for future growth with Tier I CAR[&] of 12.81% and Total CAR[&] of 17.40% as per Basel II and Tier I CAR of 11.68% & Total CAR of 15.85% under Basel III

Overall, a Bank with consistently superior returns and healthy capital position

[&] Considering unaudited profits for the half year

Growing Net Interest Income

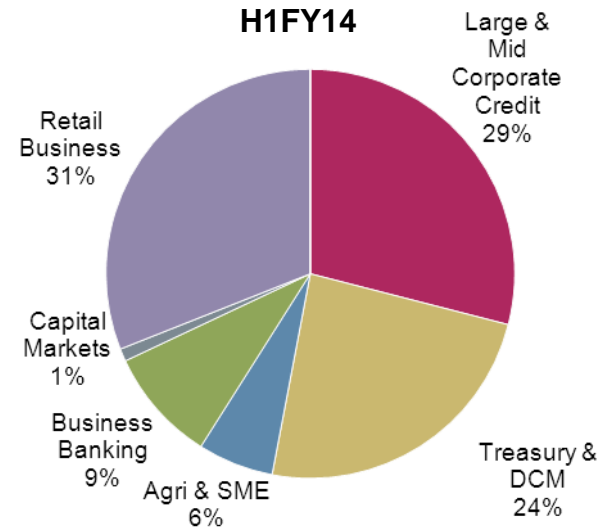
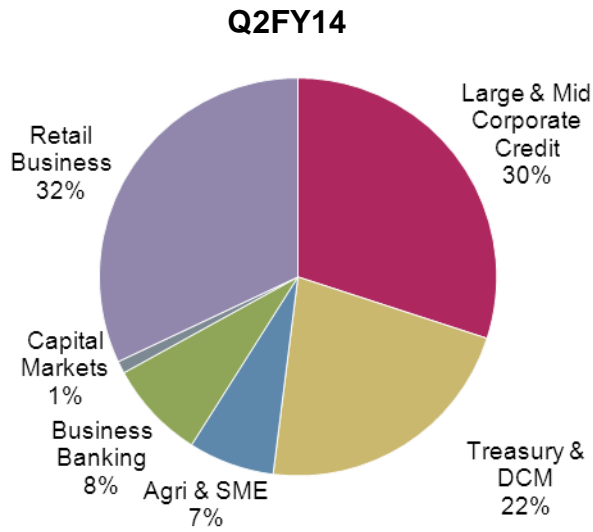
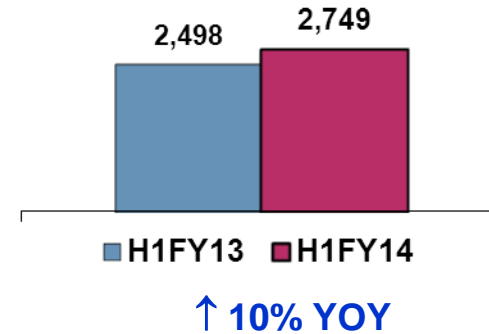
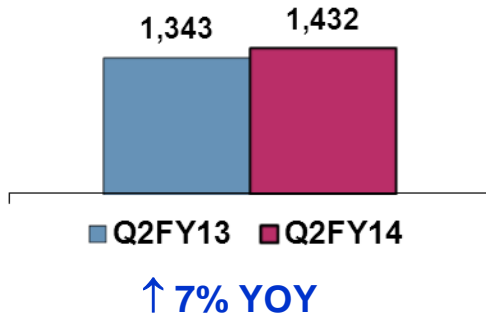
₹ crores



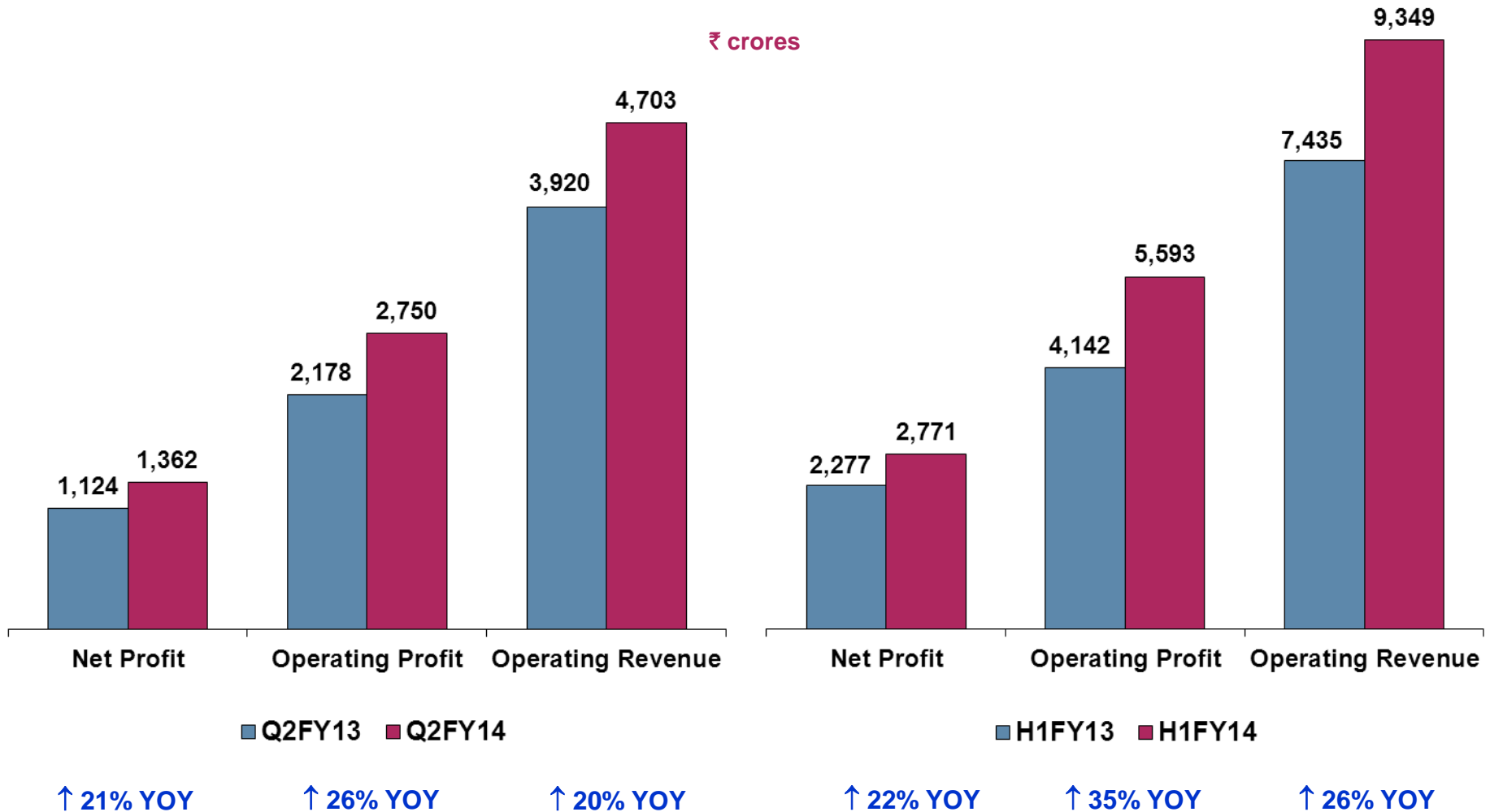
Trend in NII	(₹crores)
FY10	5,004
FY11	6,563
FY12	8,018
FY13	9,666
CAGR	27%

Diversified Fee Income Profile

₹ crores



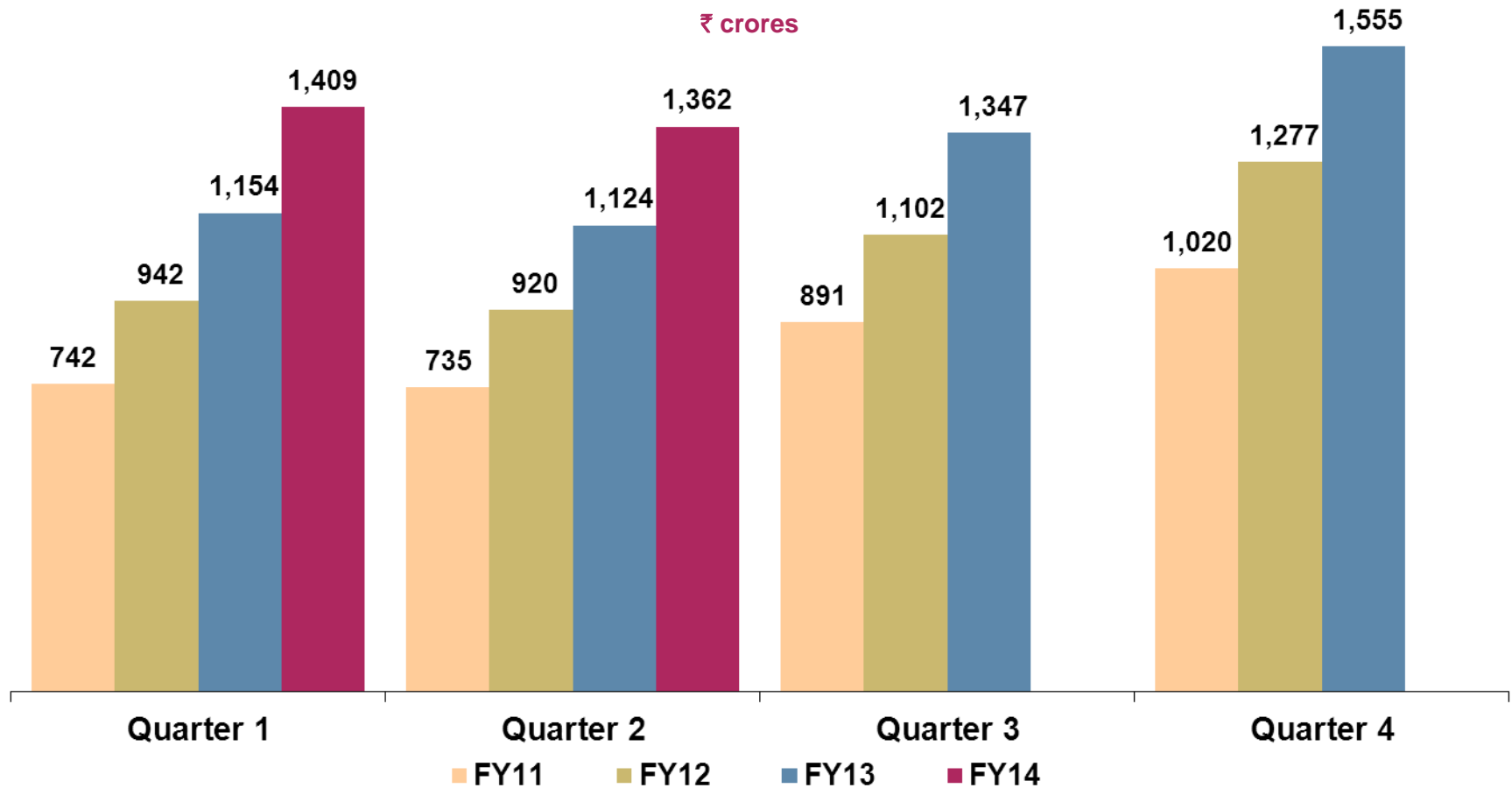
Sustained Profitability Growth: Robust Operating Revenue



Consistent Net Profit Growth

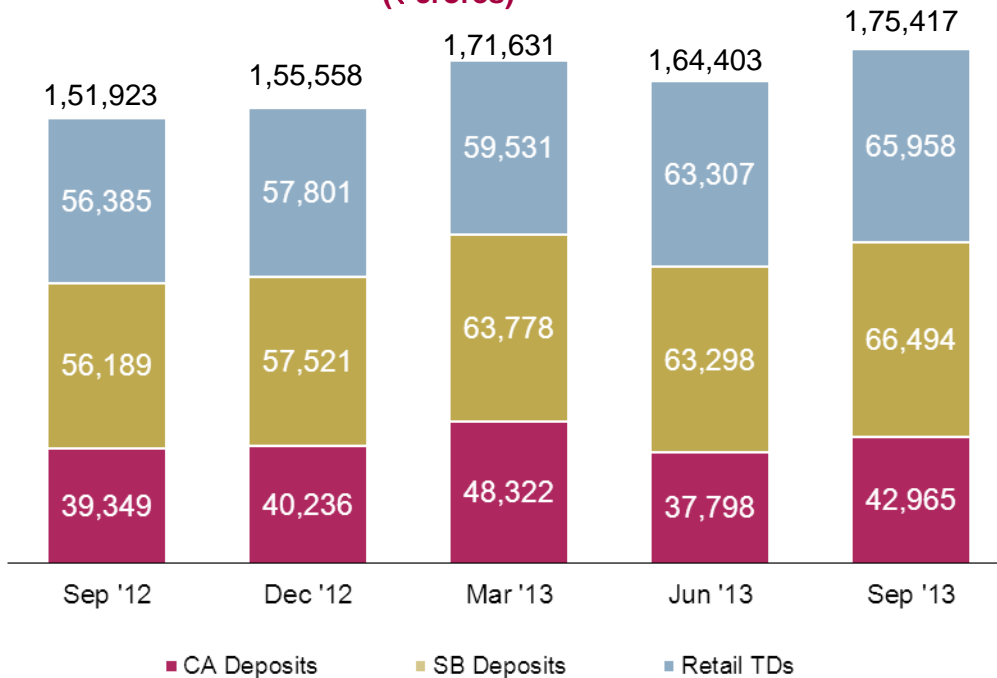
Quarterly Net Profits

₹ crores



Stable CASA Growth Underpins Low-Cost Deposit Franchise

CASA and Retail Term Deposits
(₹ crores)

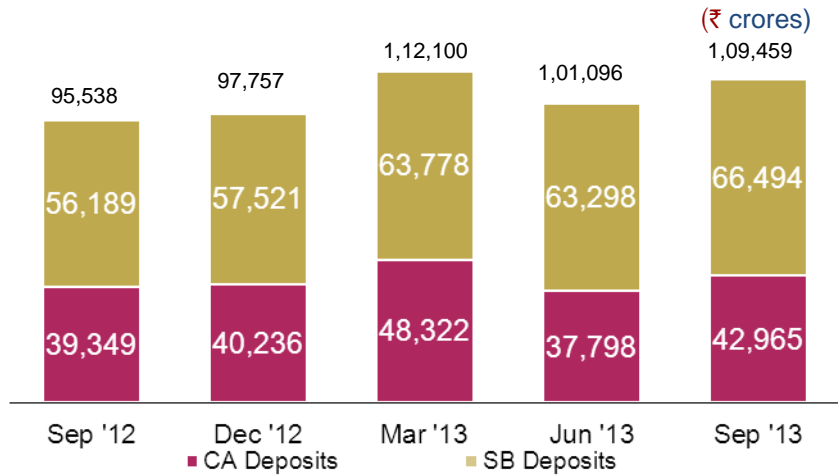


As on 30 th September 2013	Growth (%)	
	End Day	Daily Average for the quarter
Savings Bank	18	19
Current Accounts	9	7
CASA	15	14
Retail Term Deposits	17	17

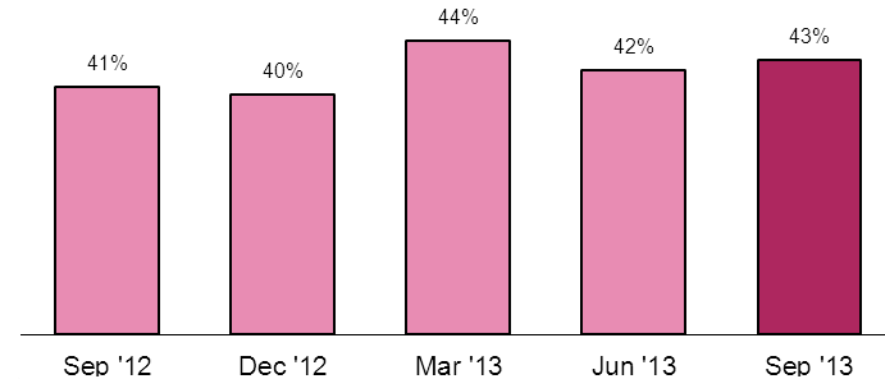
- Share of Domestic Retail Term Deposits to total term deposits at 50%
- Domestic CASA + Retail Term Deposits constitute 73% of total deposits

Strong CASA Franchise Supports Margin Stability

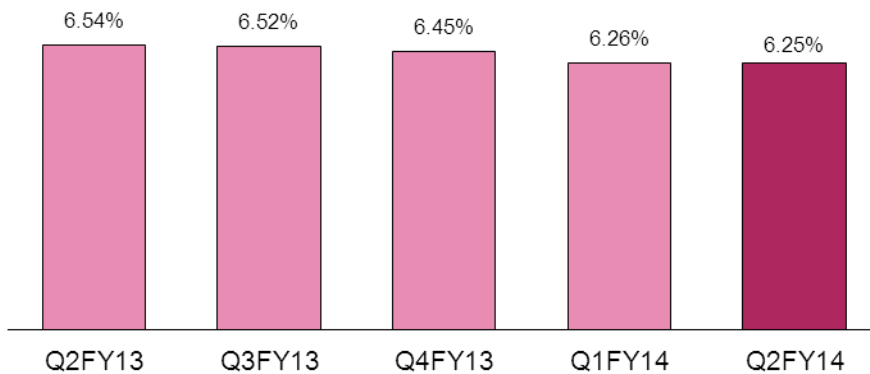
CASA Deposits



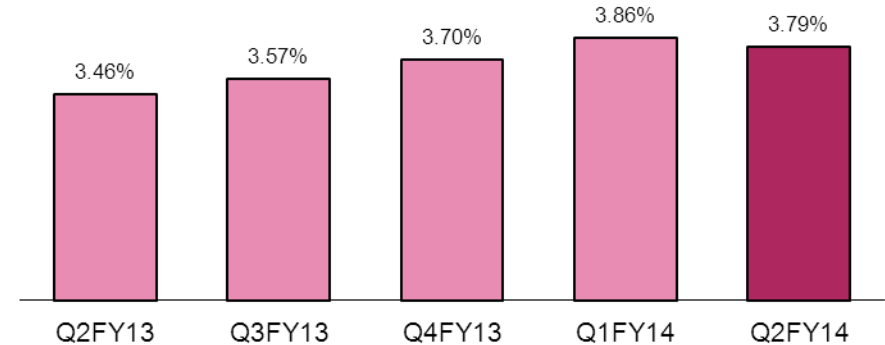
CASA Ratio



Cost of Funds

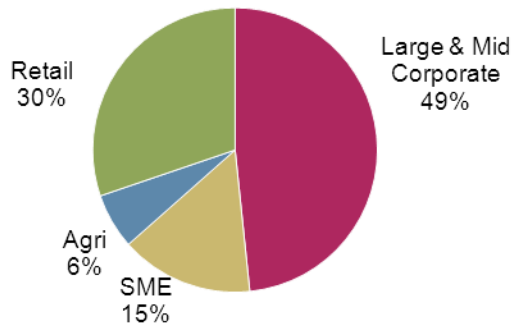


Net Interest Margin

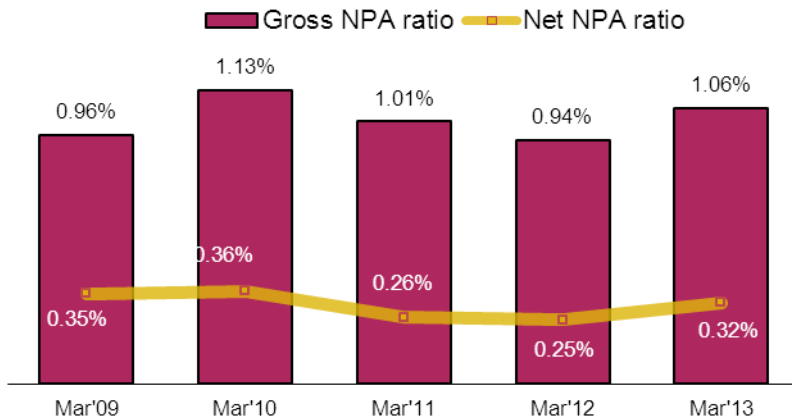


Stable Asset Quality

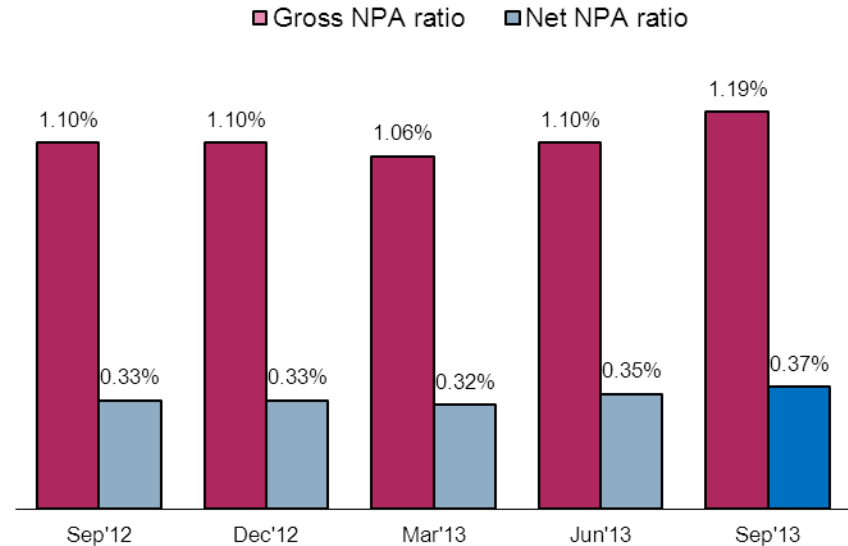
Loan Mix
(As on 30th September 2013)



Five Year NPA trend

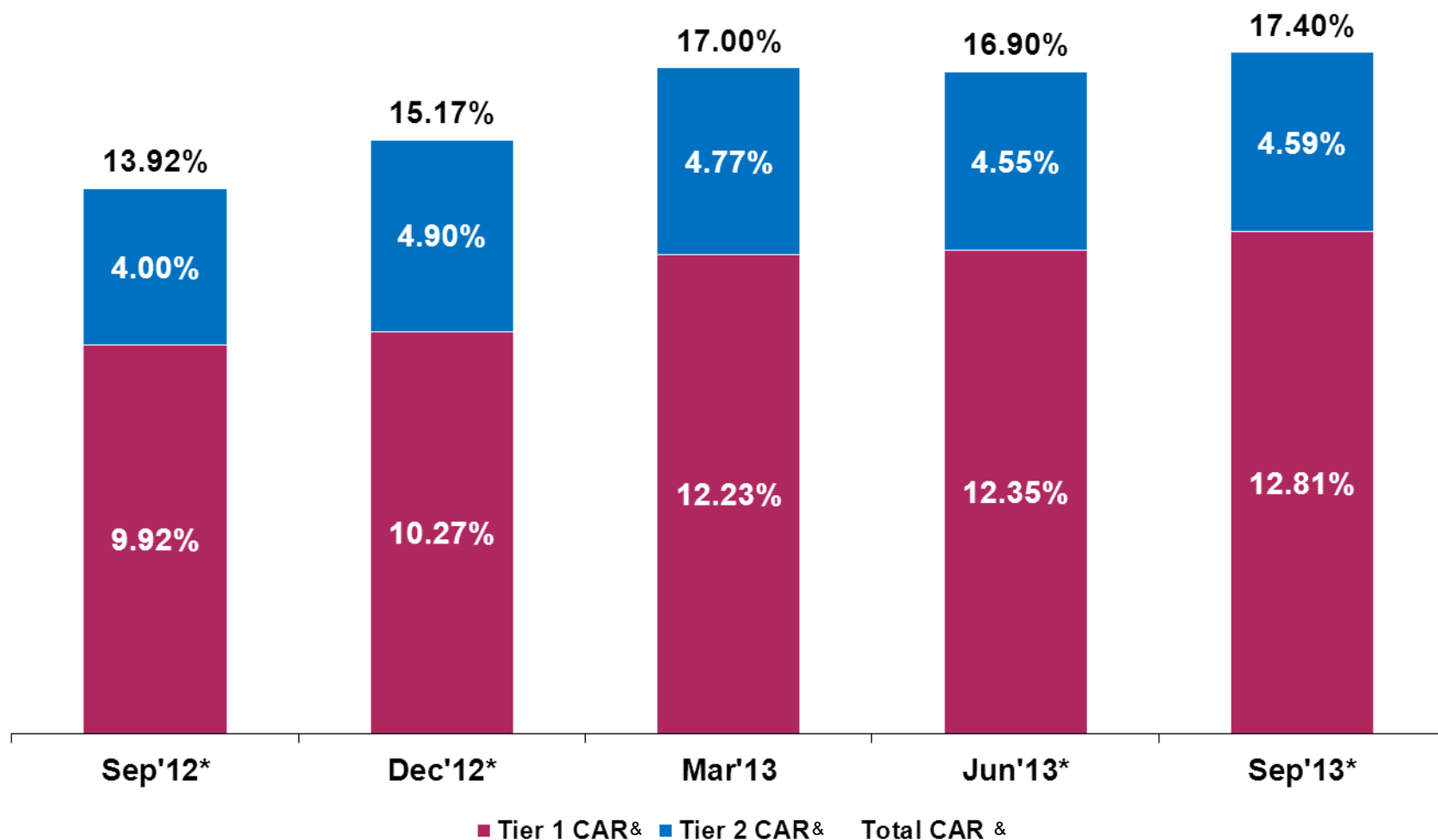


Asset Quality



- Provision coverage of 80% as on September 2013 including prudential write-offs (89% before accumulated write-offs)
- Cumulative restructured assets were ₹4,807 crores (2.10% of gross customer assets) as on September 2013
- ₹1,031 crores of assets were restructured during the quarter

Capital Adequacy: Well Positioned for Growth



* Considering unaudited profits for the quarter / half year / nine-months

& All ratios computed are based on Basel II norms

Total CAR & Tier I CAR under Basel III norms would be 15.85% & 11.68% respectively

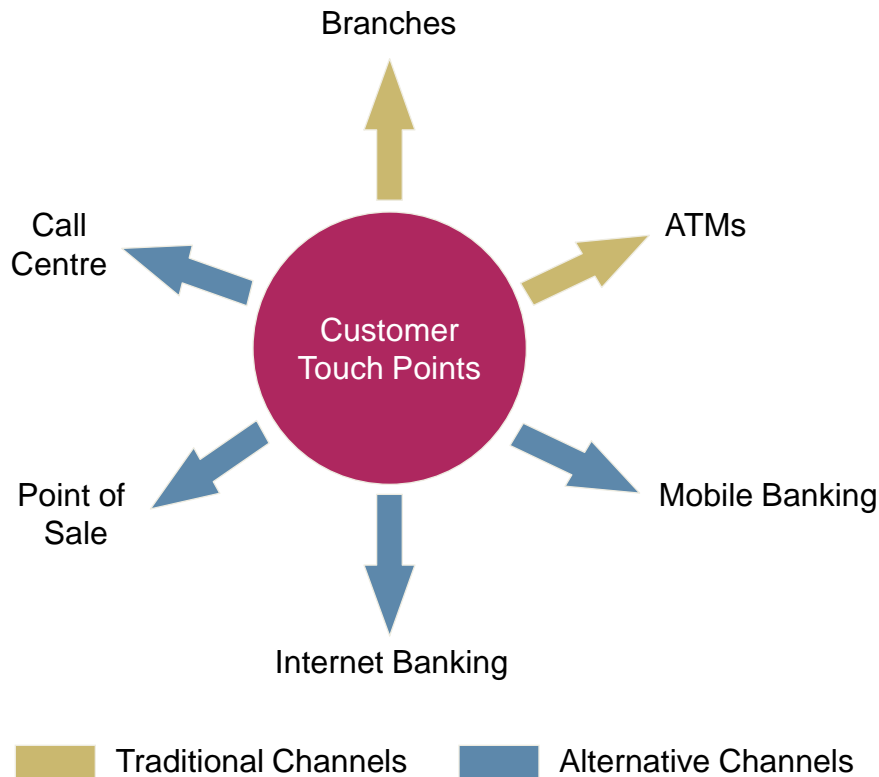
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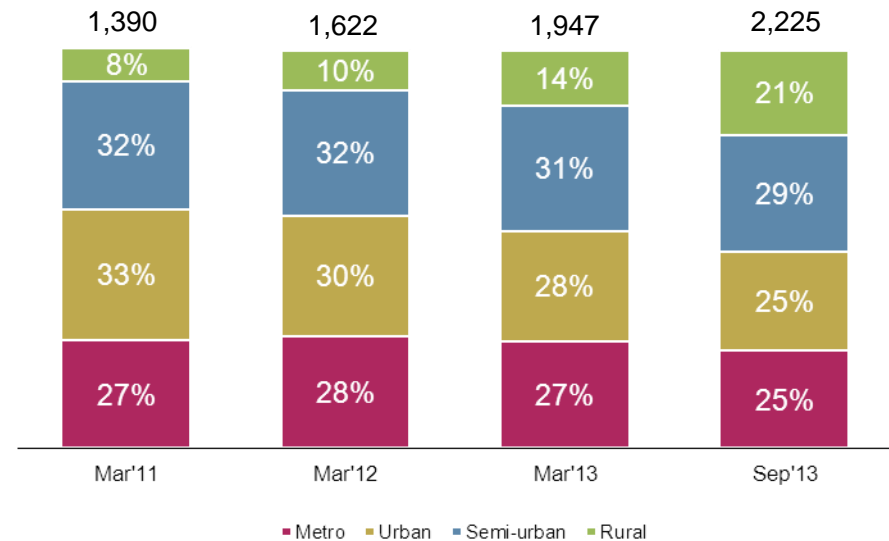
Well distributed, countrywide network of Branches & ATMs

- Multiple channels drive business growth
- Extensive use of technology to provide services



- Expanding footprint across centres
- Largest ATM network in the private sector

Domestic Branch network¹

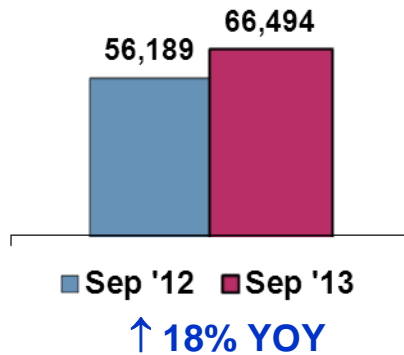


	Mar'11	Mar'12	Mar'13	Sep'13
ATMs	6,270	9,924	11,245	11,796
Centers Covered	921	1,050	1,263	1,502
Employees	26,435	31,738	37,901	40,239

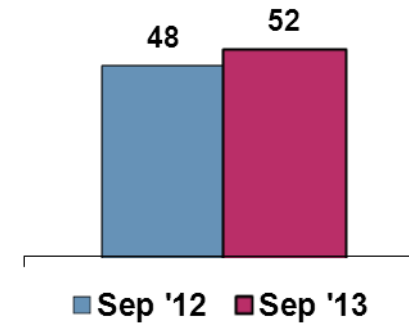
¹ Including extension counters

Retail Liabilities Exhibit Consistent Growth

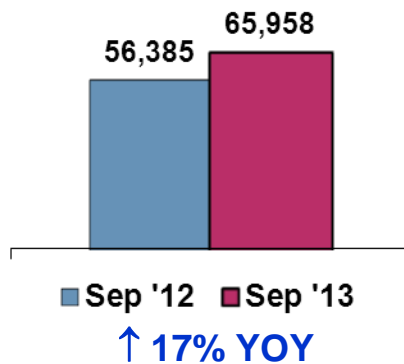
Savings Bank Deposits (₹ crores)



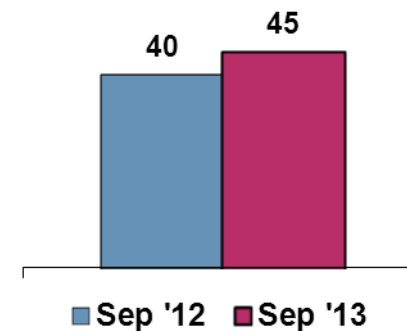
Retail Deposits* (% of Total Deposits)



Retail Term Deposits (RTD) (₹ crores)



Share of RTD as % of Term Deposits



Domestic Retail Deposits* constitutes 73% of Total Domestic Deposits

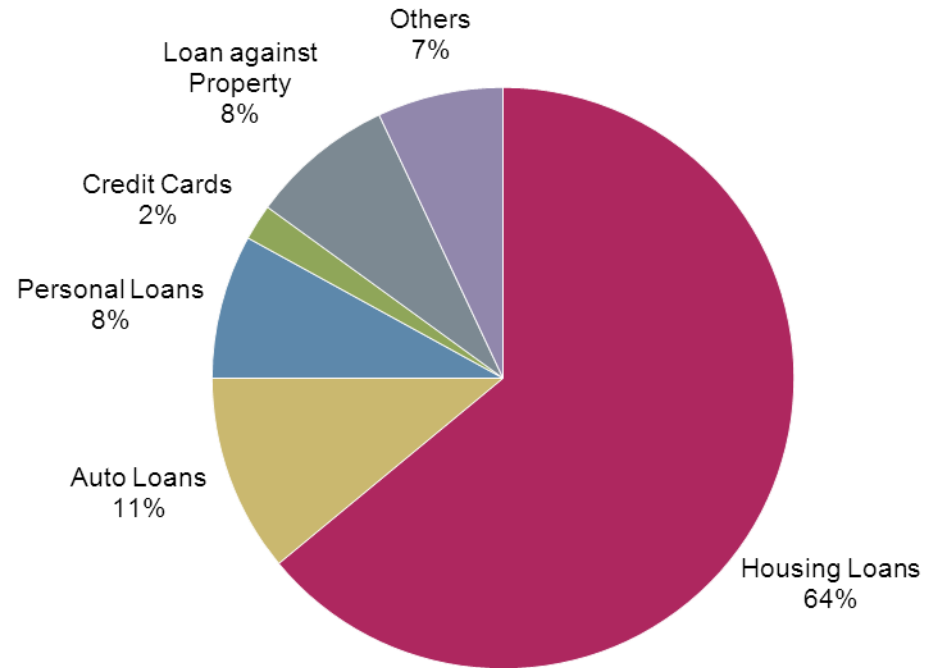
* Retail Deposits include Savings Bank and Retail Term Deposits

Sustained Traction in Retail Assets

Key Highlights

- Retail assets constitute 30% of the Bank's total advances in Sep 2013 against 26% in Sep 2012
 - Secured loans make up 86% of retail loans
 - Home Loans account for 64% of retail loans
- 131 Asset Sales Centres (ASCs) with standardized appraisal and oversight mechanisms
- Retail assets originated from 1,426 branches

Composition of Retail Advances



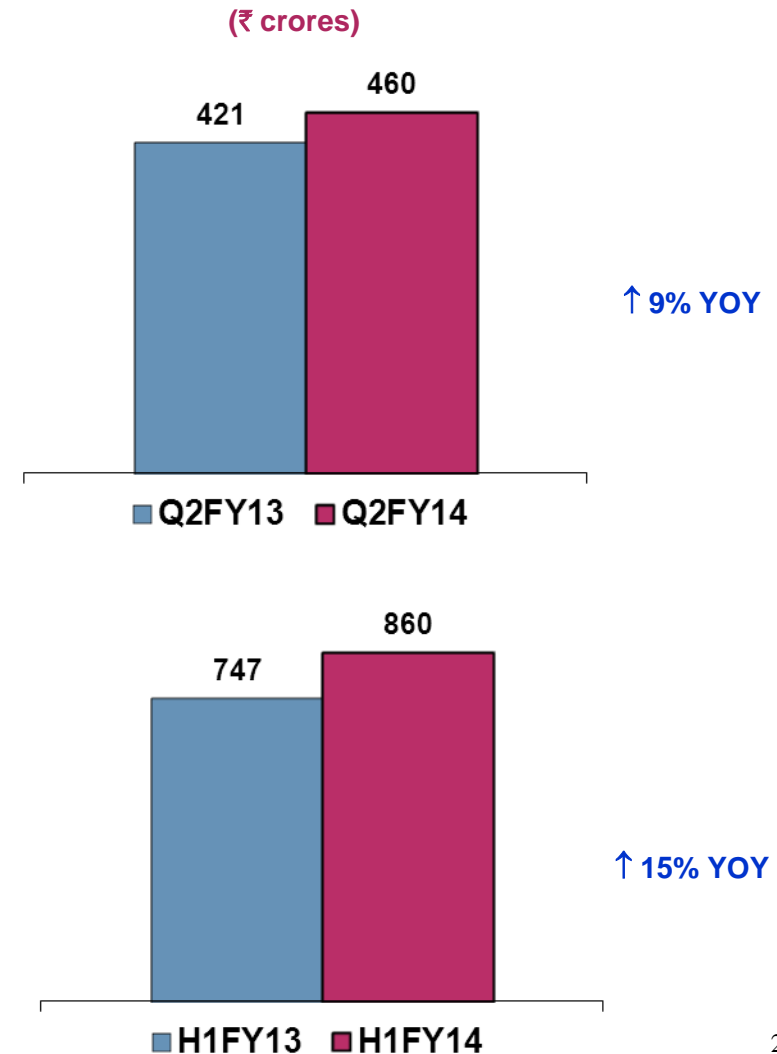
Portfolio Size: ₹60,869 crores

↑ 37% YOY

Growth in Retail Fees

Key Highlights

- Focus on cross-selling to existing customers key driver for growth
- Third-party products sold include mutual funds, insurance, on-line broking, portfolio management services (non-discretionary) and gold coins
- Healthy retail asset growth provides momentum to asset linked fees

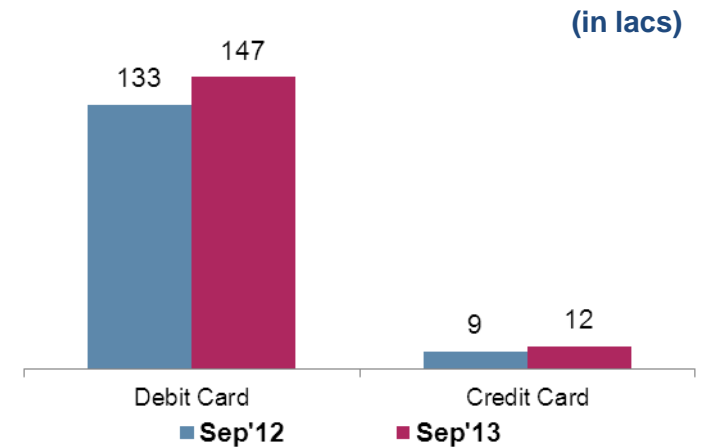


Retail Payments Franchise

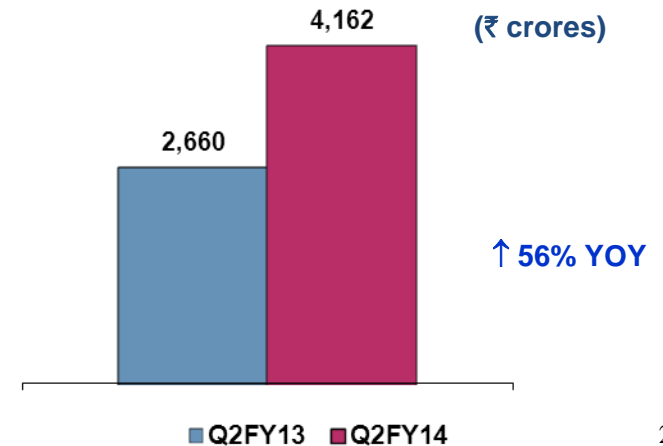
Key Highlights

- One of the largest issuers of debit cards
- Over 11 lac credit cards in circulation
- Credit card acquisition focused on large retail depositor base
- Travel Currency Cards in 11 foreign currencies – USD, Euro, GBP, AUD, CAD, SGD, SEK, CHF, JPY, AED, SAR; INR (for foreign nationals and NRIs)
- Prominent player in merchant acquiring business

Number of Cards

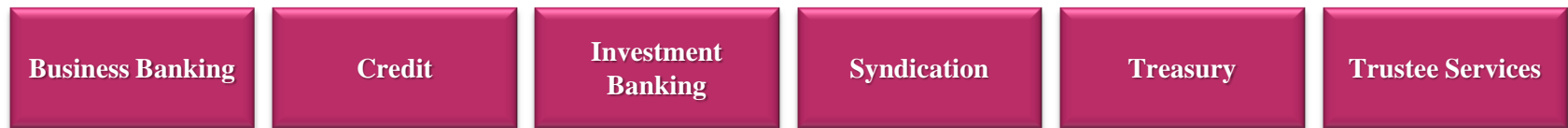


Card Spends



Corporate Banking Franchise

Presence across the Value Chain



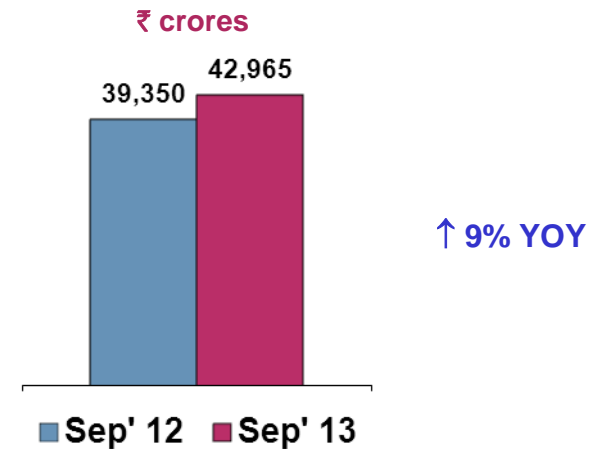
- Strong franchise spread across liability and asset businesses
- Adopted value generating Originate and Distribute Model
- Dominant player in placement and syndication of debt / loans
- Focus on building out a high quality portfolio of credit assets
- Rigorous and regular risk assessment of accounts

Business Banking

Key Highlights

- Strong transaction banking capabilities
- Wide range of products with 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, Financial Institutions and Government

Current Accounts



Current A/c Deposits (₹ crore)

FY10	32,168
FY11	36,917
FY12	39,754
FY13	48,322
CAGR	18%

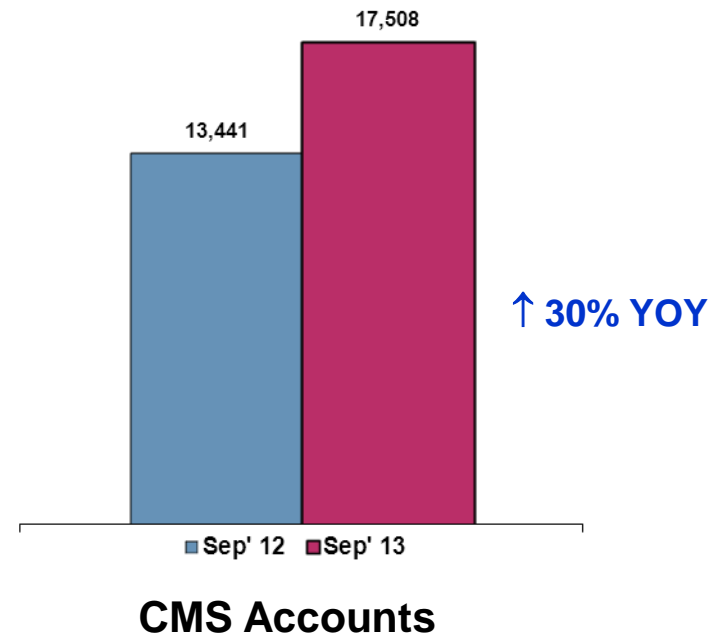
Business Banking

Government Business

- Collection of Central Government taxes on behalf of CBDT and CBEC, including through e-payments
- Collection of state taxes on behalf of 13 State Government and UTs
- Collections and payments for Central Government ministries - Railways, Ministry of Finance, Urban Development and Housing & Urban Poverty Alleviation
- Collections under e-governance initiatives of 9 State Government and UT
- NPS Trustee Bank & Collection Bankers for subscriptions through 784 authorised Branches

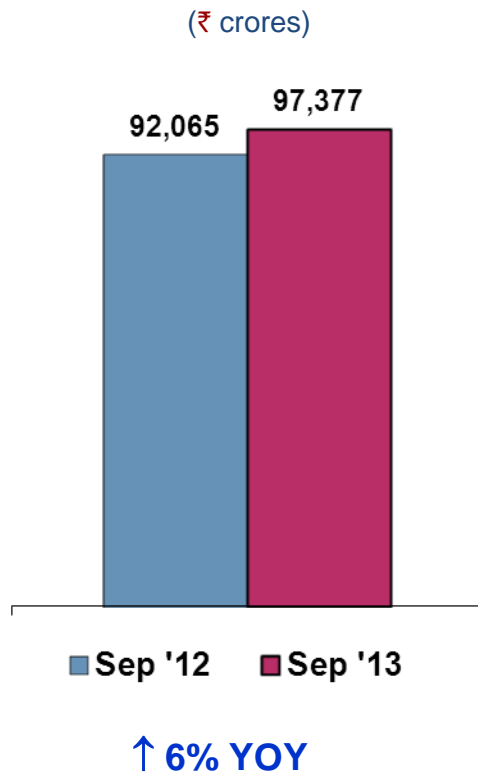
Cash Management Business

- Leading CMS provider in the country
- Among few banks offering host to host transaction banking facility

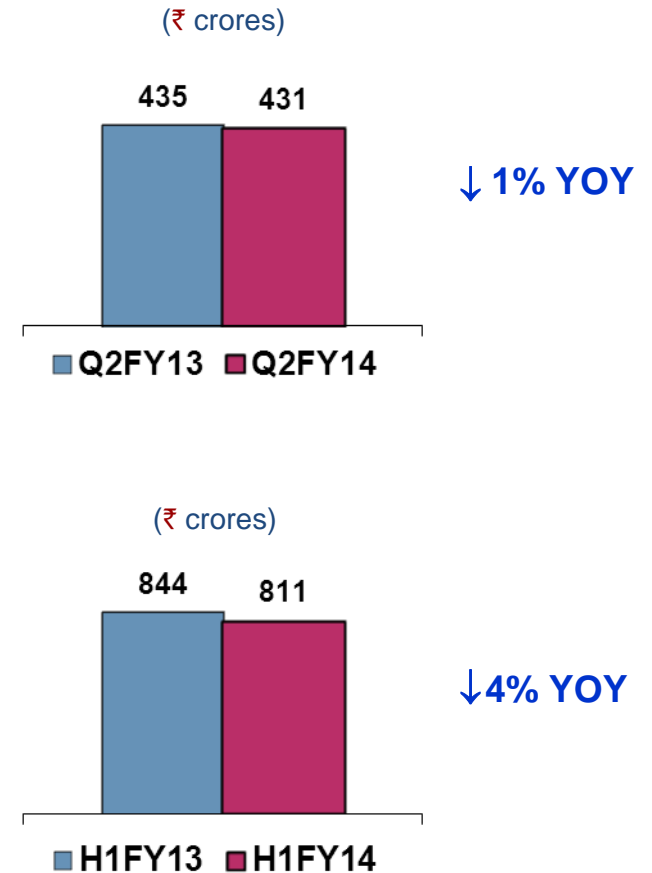


Large & Mid-Corporate Banking

Advances



Fees

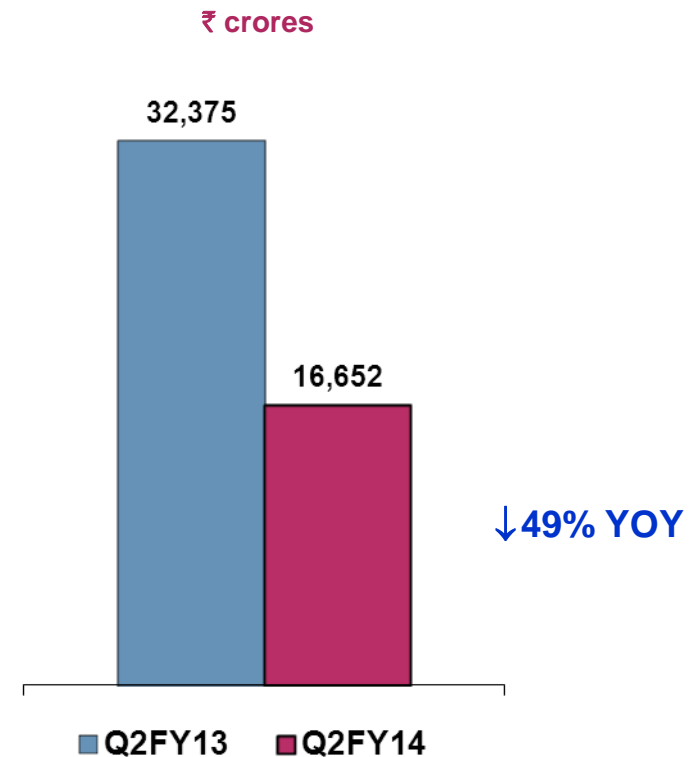


Debt Capital Markets

Key Highlights

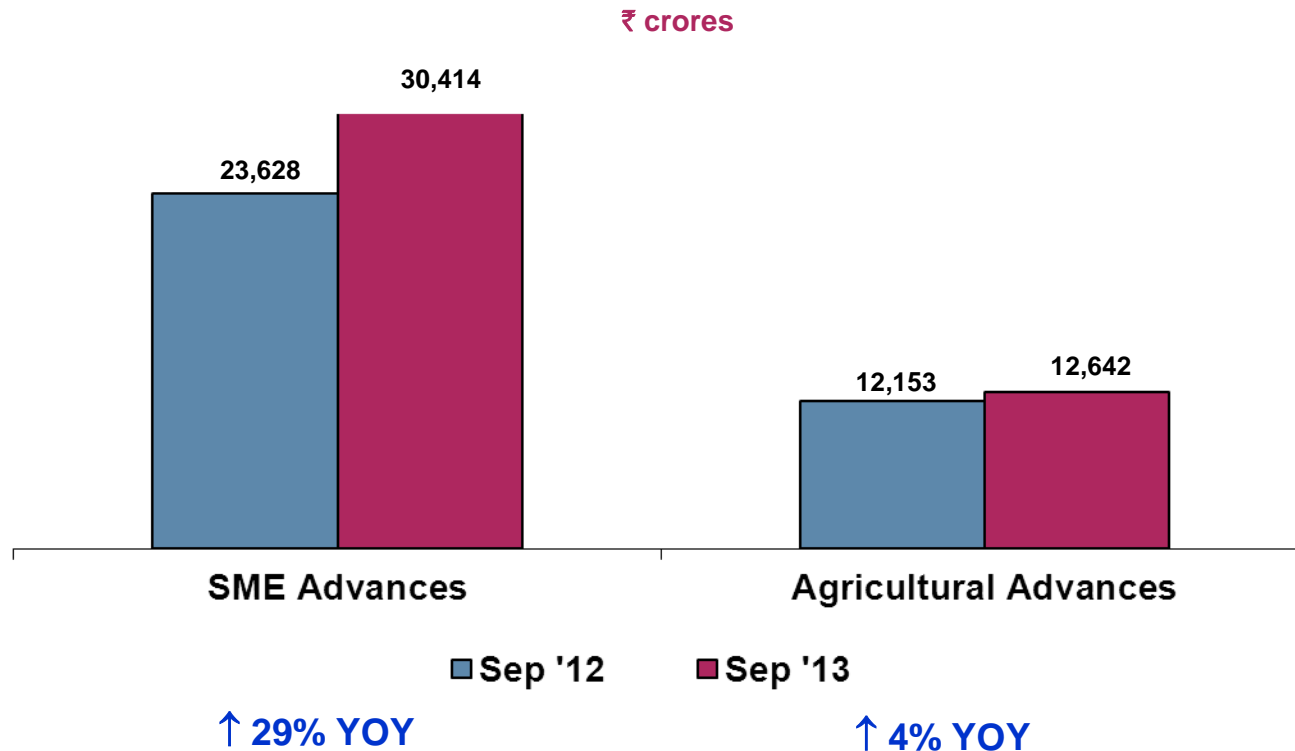
- Dominant player in placement and syndication of debt issuances
- Ranked No. 1 debt arranger by Prime Database for quarter ended June 2013.
- Ranked No. 1 debt arranger by Bloomberg for nine month ended September 2013.

Placement & Syndication of Debt Issues



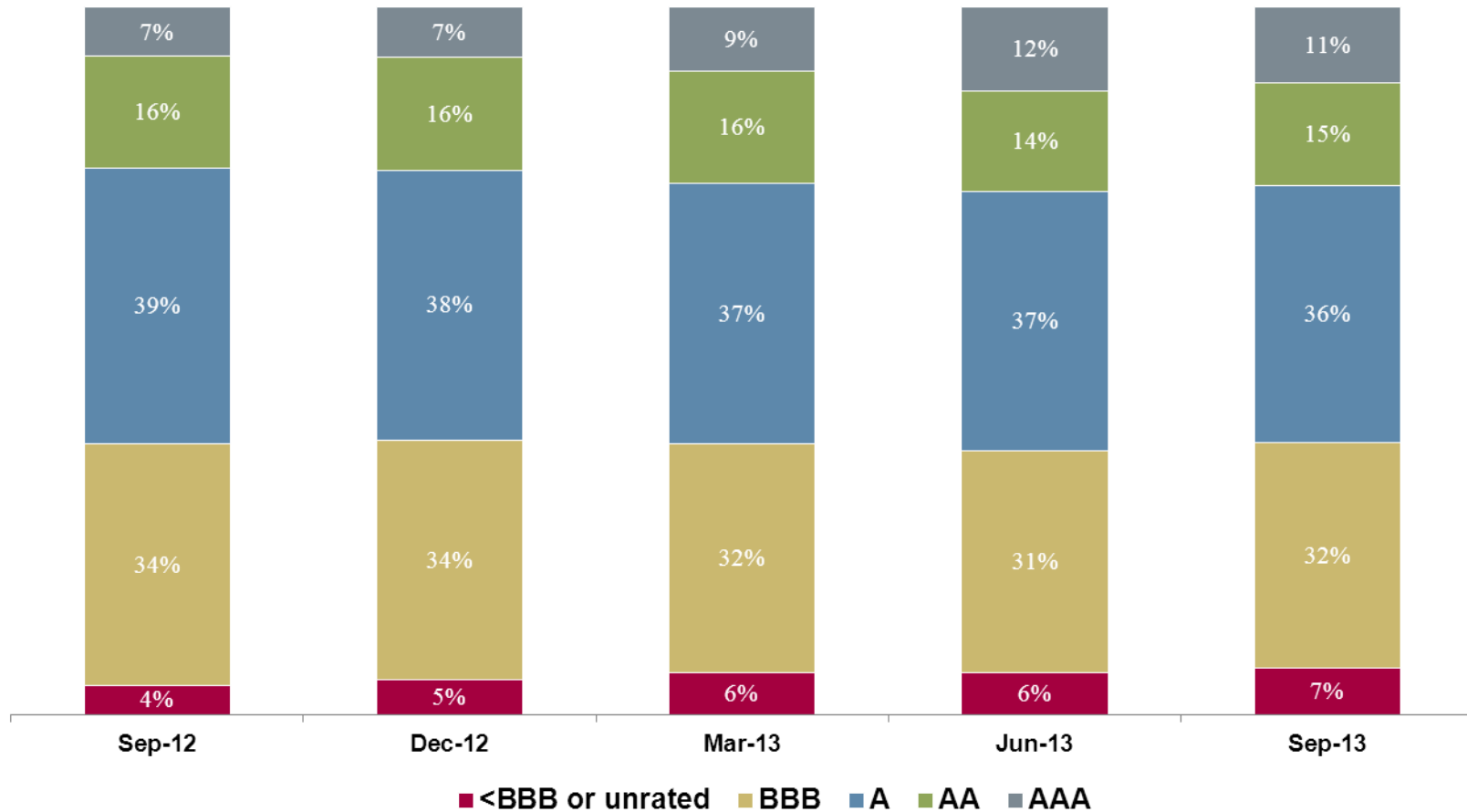
Overall industry volumes shrank 66% YOY - Source: Bloomberg

SME and Agriculture Business



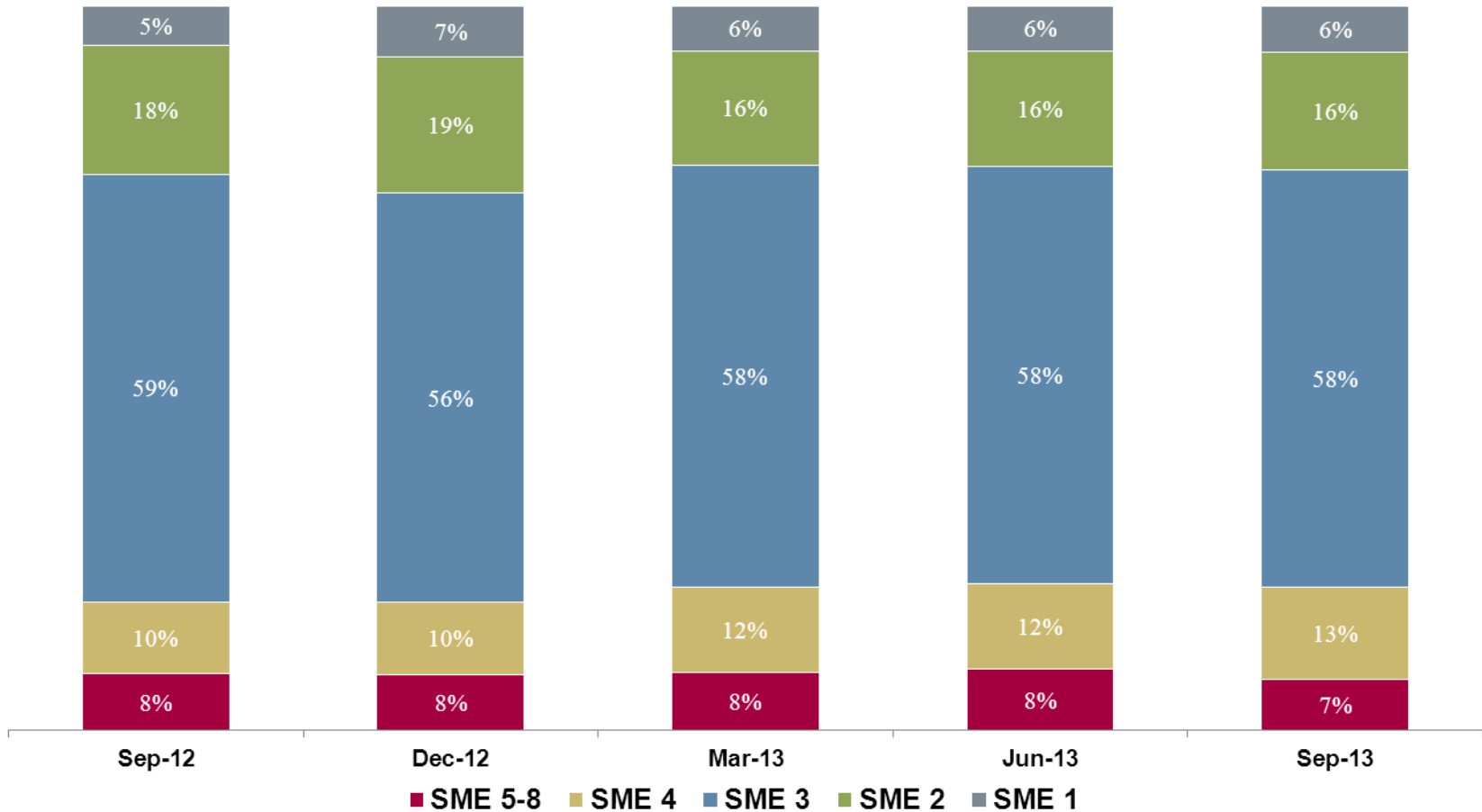
Rating Distribution: LC & MC

61% of corporate advances have rating of at least 'A' in September 2013



Rating Distribution: SME

80% of SME advances have rating of at least 'SME3' in September 2013



Industry-wise Distribution (Top 10)

Rank	Sectors	Outstanding as on September 30, 2013 (%) ¹		
		Fund-based	Non-fund based	Total
1.	Infrastructure ²	7.41	12.47	8.95
2.	Power Generation & Distribution	5.23	16.12	8.56
3.	Engineering & Electronics	3.69	13.70	6.75
4.	Metal & Metal Products	5.35	8.16	6.21
5.	Financial Companies ³	4.92	8.37	5.97
6.	Trade	3.41	5.17	3.95
7.	Food Processing	3.93	1.43	3.17
8.	Shipping Transportation & Logistics	2.46	3.10	2.66
9.	Chemical & Chemical Products	1.59	4.12	2.36
10.	Real Estate	2.95	0.95	2.34

¹ Percentages stated above are on the total fund and non-fund based outstanding across all loan segments

² Financing of projects (roads, ports, airports etc)

³ Includes Housing Finance Companies and other NBFCs

International Presence

Branches at Singapore, Hong Kong, DIFC – Dubai & Colombo

Representative offices at Shanghai, Dubai & Abu Dhabi

Axis Bank UK Limited (a wholly owned subsidiary of the Bank)

Business offerings include Corporate Loans, Trade Finance Products, Debt Syndication and Liability Business

Total Assets overseas stood at USD 6.46 billion

Thank You