

**AXIS BANK**

FY 2013-14  
Annual Results

**Earnings Presentation**

# Safe Harbor

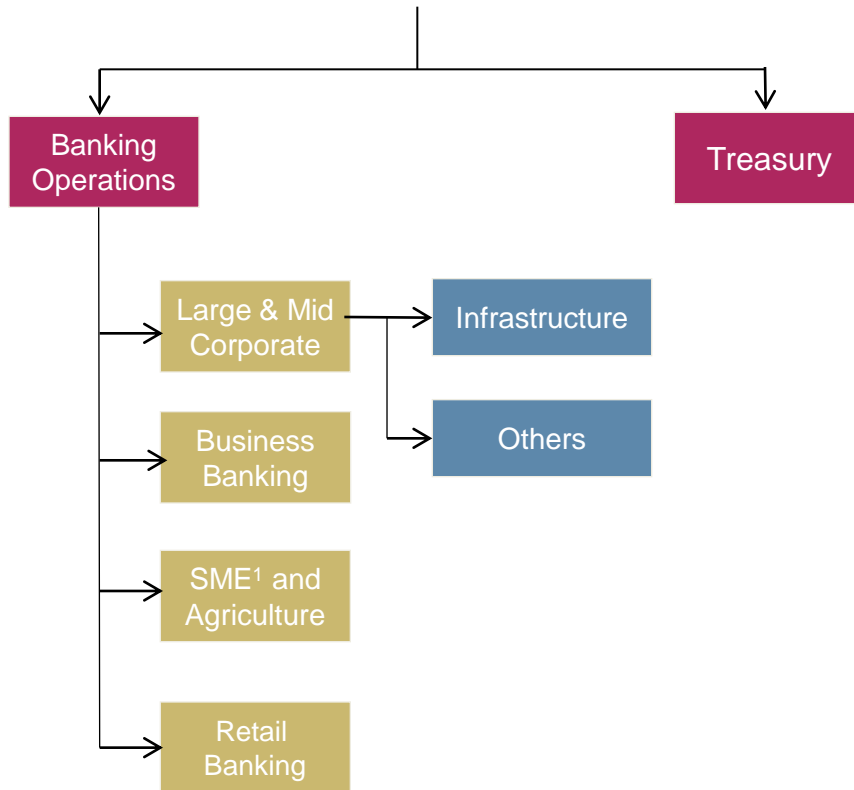
Except for the historical information contained herein, statements in this release which contain words or phrases such as “will”, “aim”, “will likely result”, “would”, “believe”, “may”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”,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

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Business Overview

# Overview



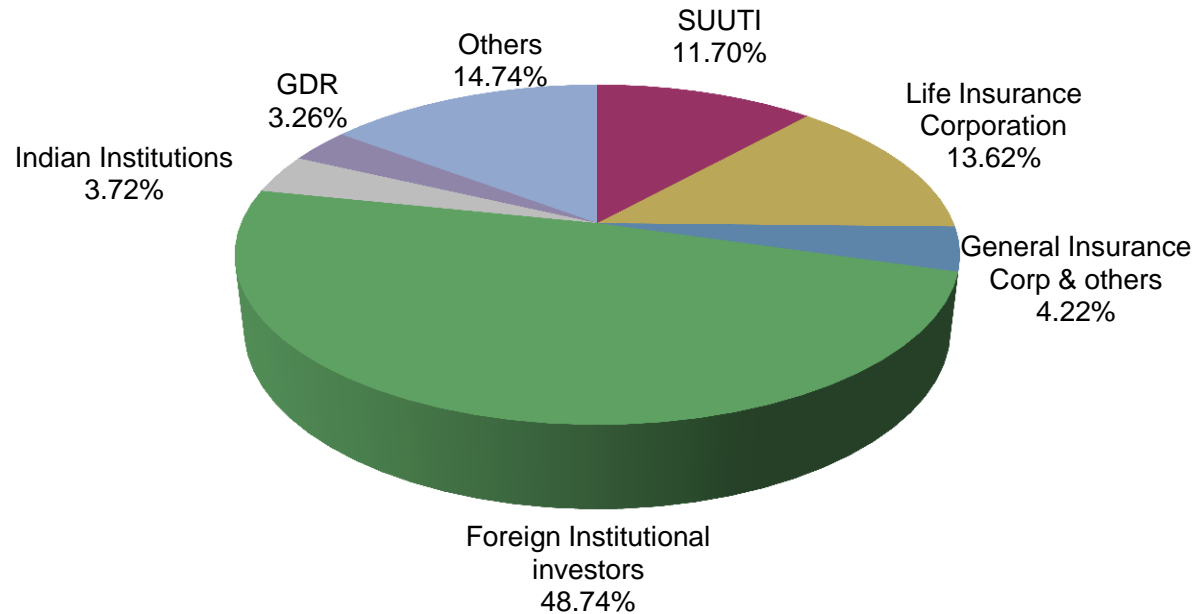
<sup>1</sup> Small and Medium Enterprises

<sup>2</sup> Includes extension counters

## Snapshot (As on March 31, 2014)

Total Assets	₹383,245 crores
Net Advances	₹230,067 crores
Total Deposits	₹280,945 crores
Net Profit (Q4FY14)	₹1,842 crores
Net Profit (FY14)	₹6,218 crores
Shareholders' Funds	₹38,220 crores
ROA (FY14)	1.78%
ROE (FY14)	18.23%
Net NPA Ratio	0.40%
Basel III Tier I CAR	12.62%
Basel III Total CAR	16.07%
Saving Bank Accounts (No.)	133 lac
Branches <sup>2</sup>	2,402
Foreign Offices	7
ATMs	12,922

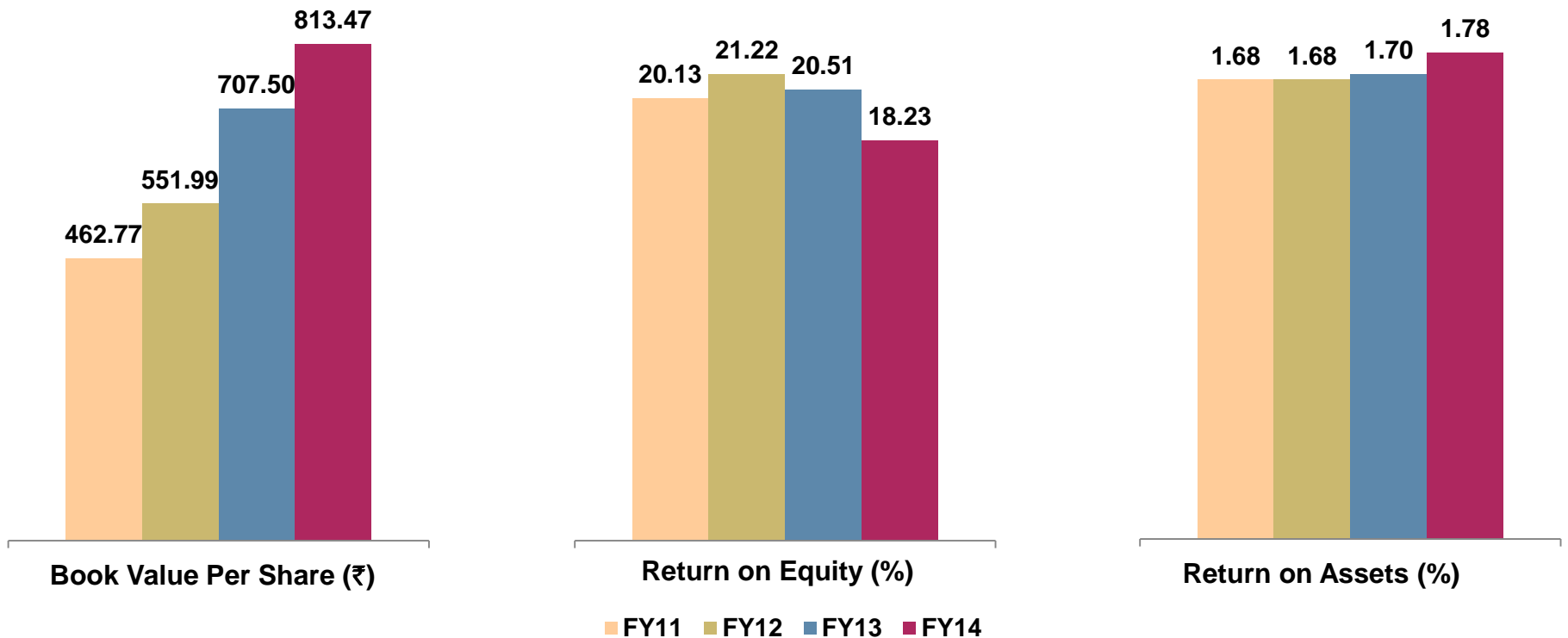
# Shareholding Pattern (As on March 31, 2014)



- Share Capital ₹470 crores
- Shareholders' Funds ₹ 38,220 crores
- Book Value Per Share ₹ 813.47
- Market Capitalisation ₹ 71,526 crores (as on April 23, 2014)

As on March 31, 2014, against GDR issuance of 62.7 mn, outstanding GDRs stood at 15.3 mn

# High Shareholder Returns



A strong franchise demonstrating consistent value creation over time

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# Performance Highlights

	<u>Q4FY14</u>	<u>FY14</u>
Net Profit	↑ 18% YOY	↑ 20% YOY
Net Interest Income	↑ 19% YOY	↑ 24% YOY
Fee Income	↑ 10% YOY	↑ 8% YOY
Operating Revenue	↑ 15% YOY	↑ 19% YOY
Operating Profit	↑ 16% YOY	↑ 23% YOY
Net Interest Margin	3.89%	3.81%
CASA <sup>1</sup>		↑ 13% YOY
CASA (Daily Average)		↑ 16% YOY
Total Deposits <sup>1</sup>		↑ 11% YOY
Total Advances <sup>1</sup>		↑ 17% YOY

<sup>1</sup> As on 31<sup>st</sup> March 2014



# Highlights of Q4FY14

## Retail Franchise continues to show traction

- Savings Bank Deposits registered strong growth, rose 22% YOY to ₹77,776 crores as on March 31, 2014, and 20% YOY to ₹66,119 crores on Daily Average Basis
- Domestic Retail Term Deposits grew 36% YOY, constituted 59% of Domestic Term Deposits
- Domestic CASA and Retail Term Deposits constituted 78% of Total Domestic Deposits
- Domestic Retail Advances grew 31% YOY and accounted for 36% of Net Domestic Advances

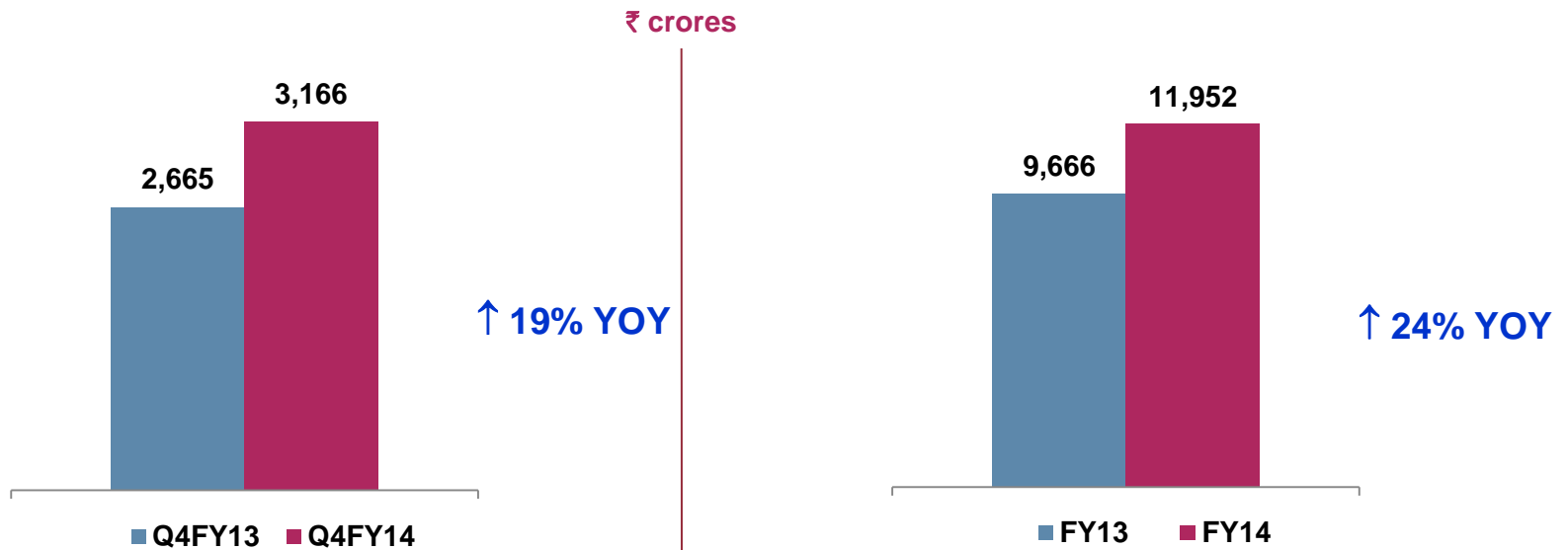
## Stable Earnings Profile

- Operating Revenue grew 15% YOY, stood at ₹5,379 crores
- Operating Profit rose to ₹3,248 crores, registered growth of 16% YOY
- Return on Assets stood at 2.01% and Return on Equity at 20.62%

Well positioned for future growth with Tier I CAR of 12.62% & Total CAR of 16.07% under Basel III

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

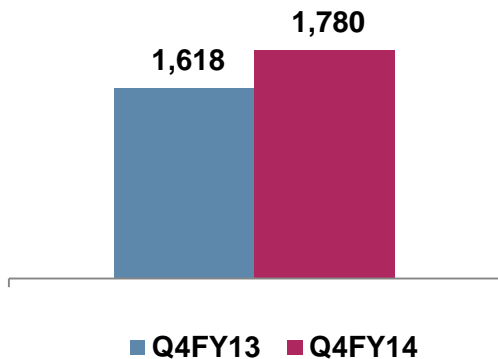
# Growing Net Interest Income



Trend in NII's	(₹crores)
FY11	6,563
FY12	8,018
FY13	9,666
FY14	11,952
<b>CAGR</b>	<b>22%</b>

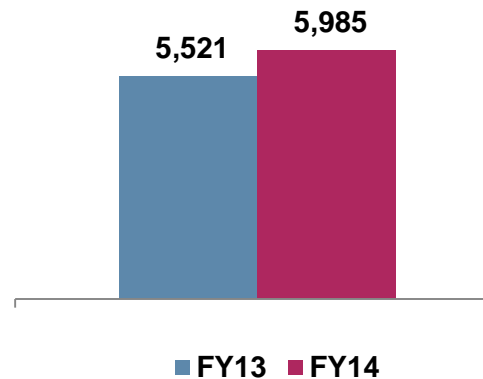
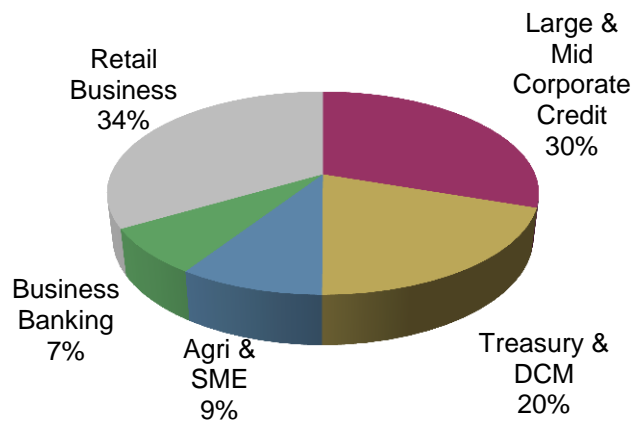
# Diversified Fee Income Profile

₹ crores



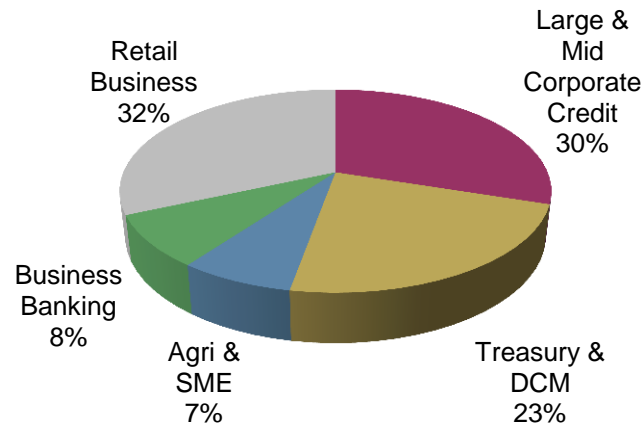
↑ 10% YOY

Q4FY14



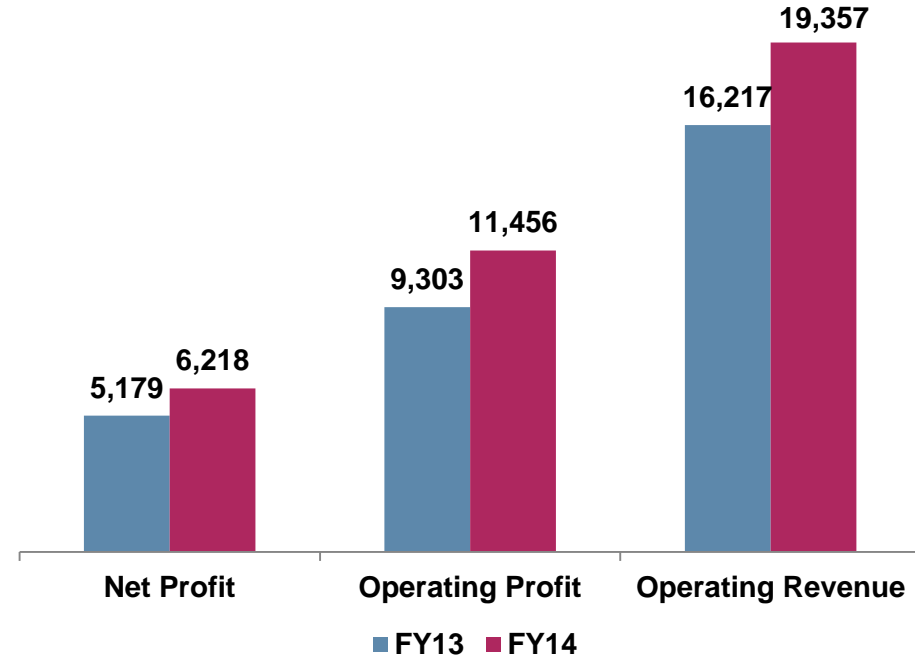
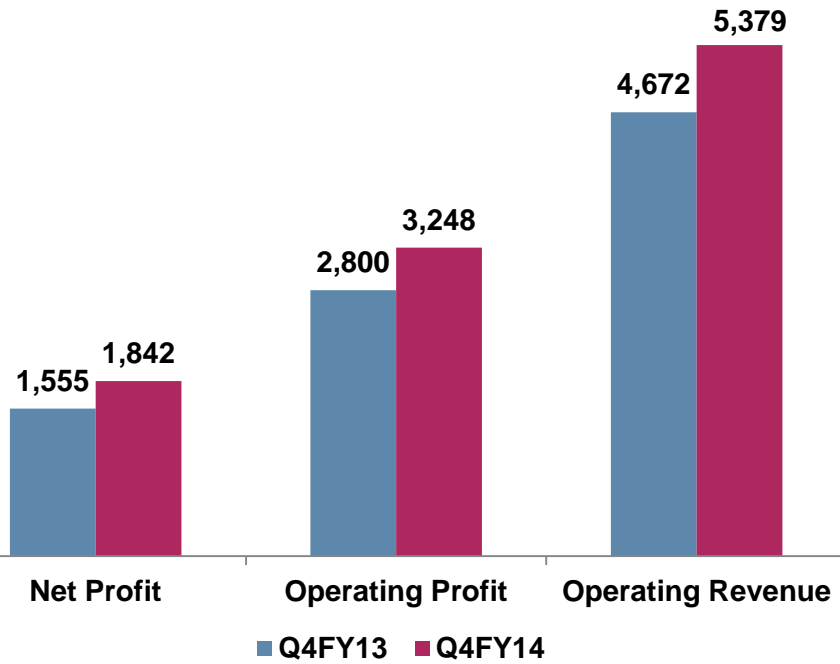
↑ 8% YOY

FY14



# Sustained Profitability Growth: Robust Operating Revenue

₹ crores



↑ 18% YOY

↑ 16% YOY

↑ 15% YOY

↑ 20% YOY

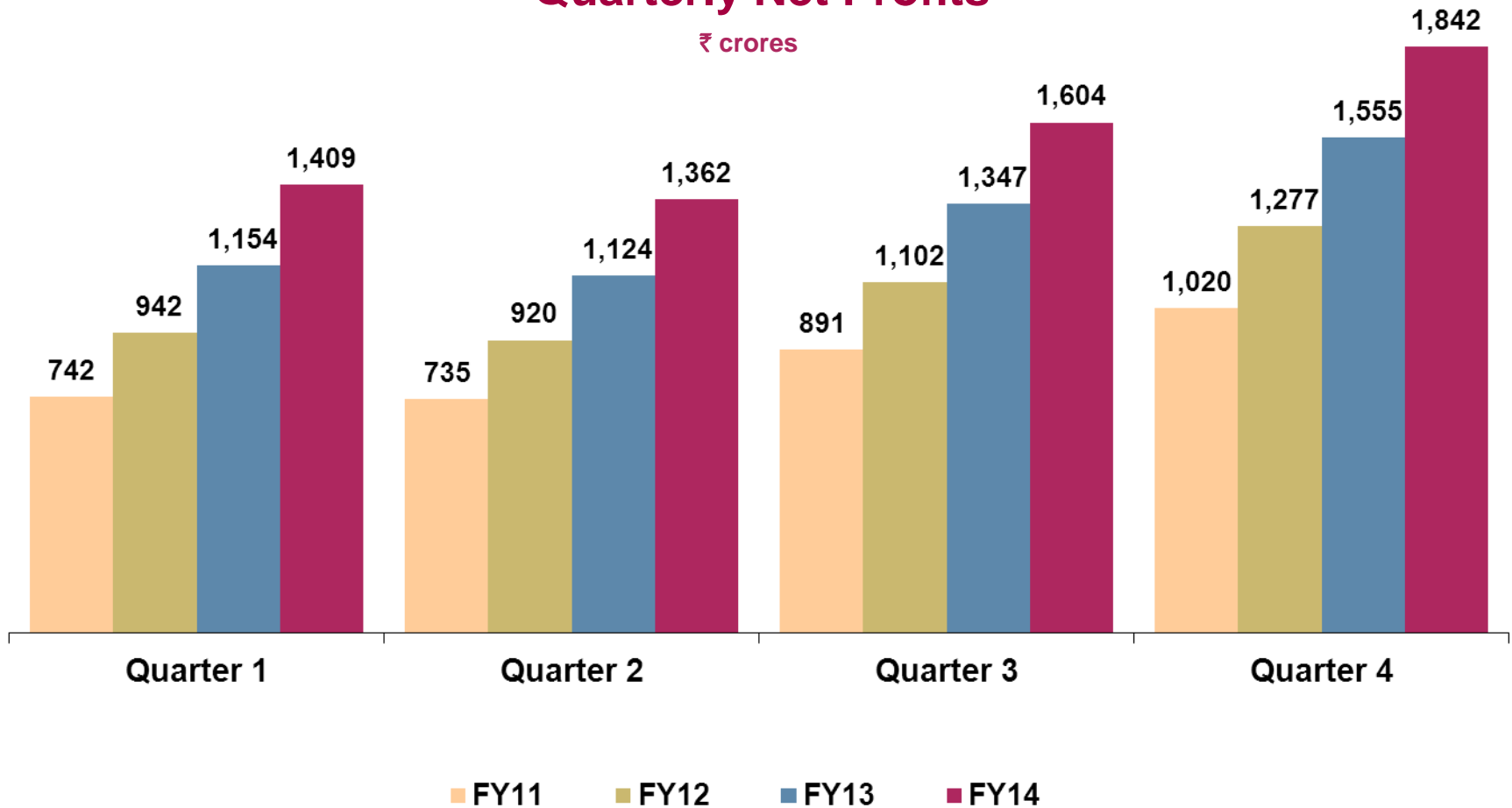
↑ 23% YOY

↑ 19% YOY

# Consistent Net Profit Growth

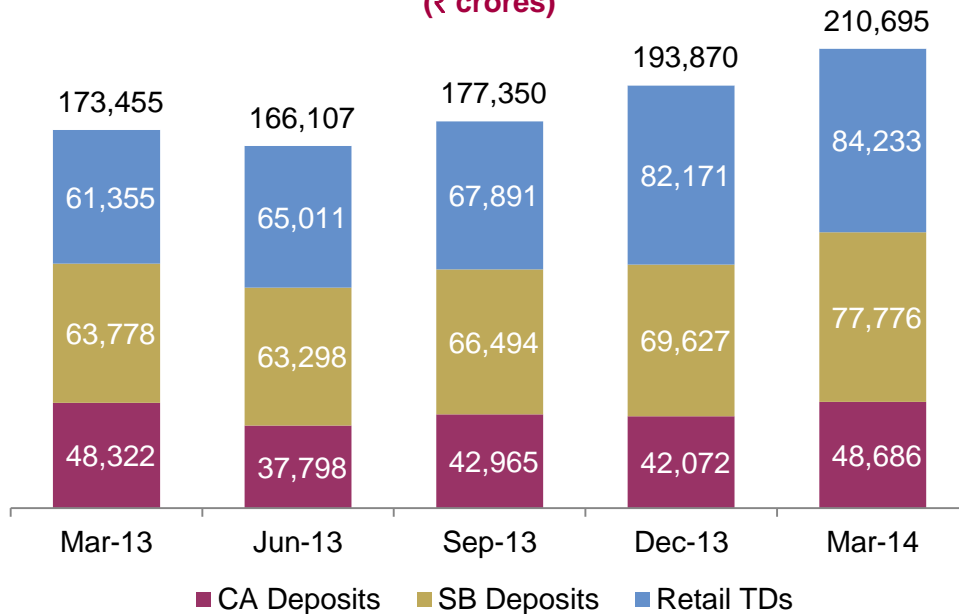
## Quarterly Net Profits

₹ crores



# Stable CASA Growth Underpins Low-Cost Deposit Franchise

**CASA and Retail Term Deposits**  
(₹ crores)

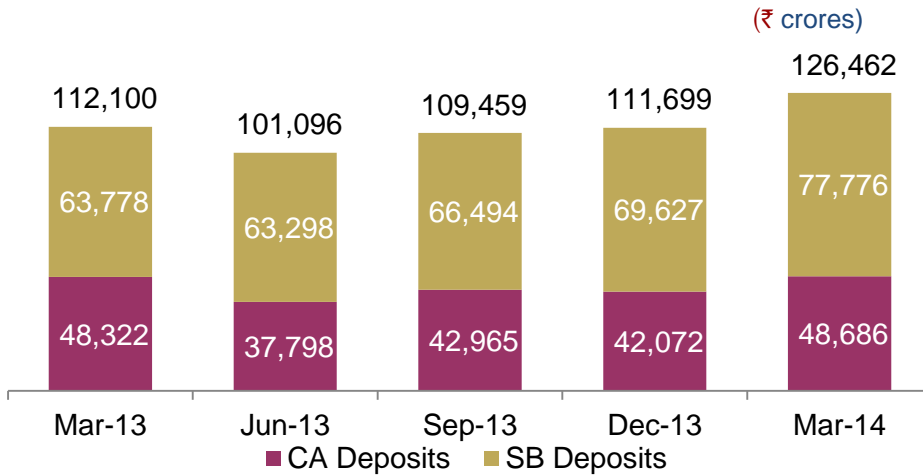


As on 31 <sup>st</sup> March 2014	Growth (%)	
	End Day	Daily Average for the quarter
Savings Bank	22	20
CASA	13	16

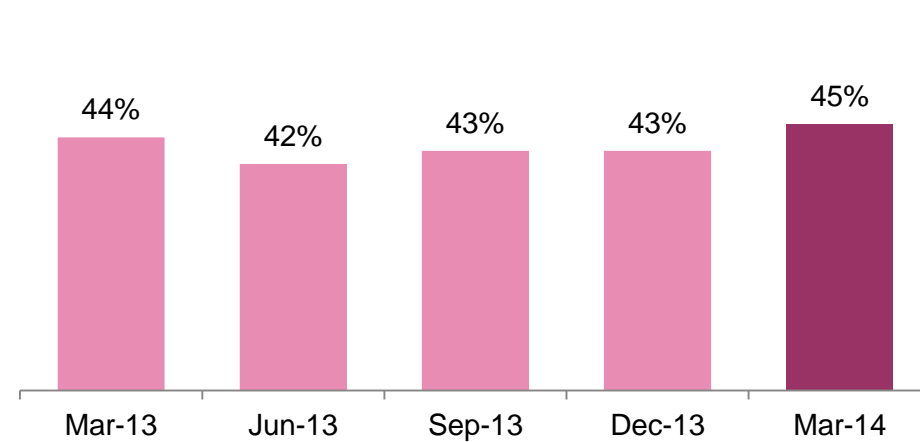
- Share of Domestic Retail Term Deposits to Domestic Term Deposits at 59%
- Domestic CASA + Retail Term Deposits constitute 78% of Total Domestic Deposits

# Strong CASA Franchise Supports Margin Stability

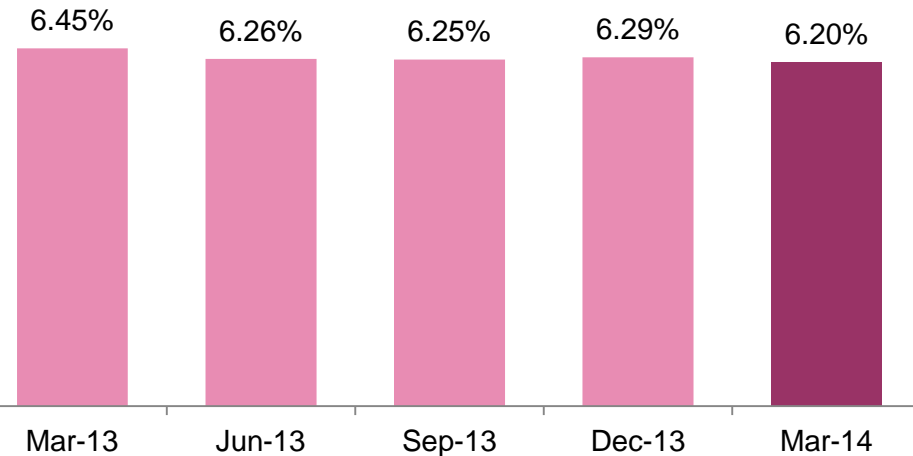
## CASA Deposits



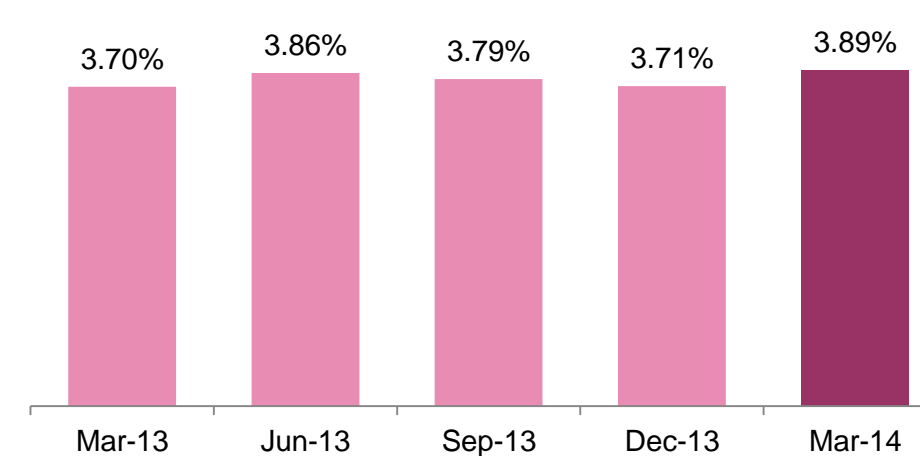
## CASA Ratio



## Cost of Funds

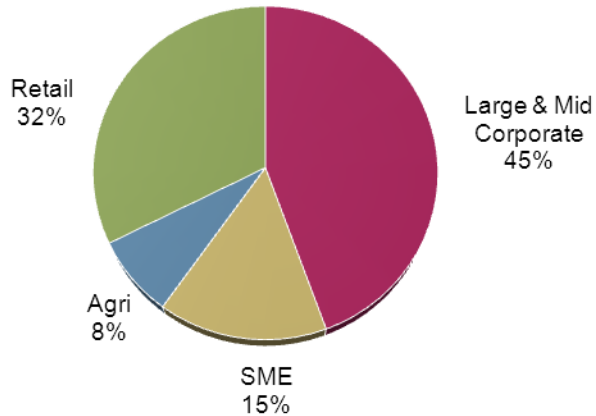


## Net Interest Margin

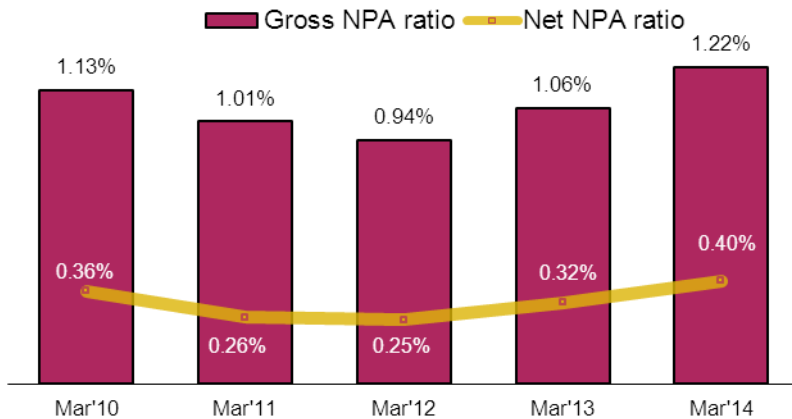


# Stable Asset Quality

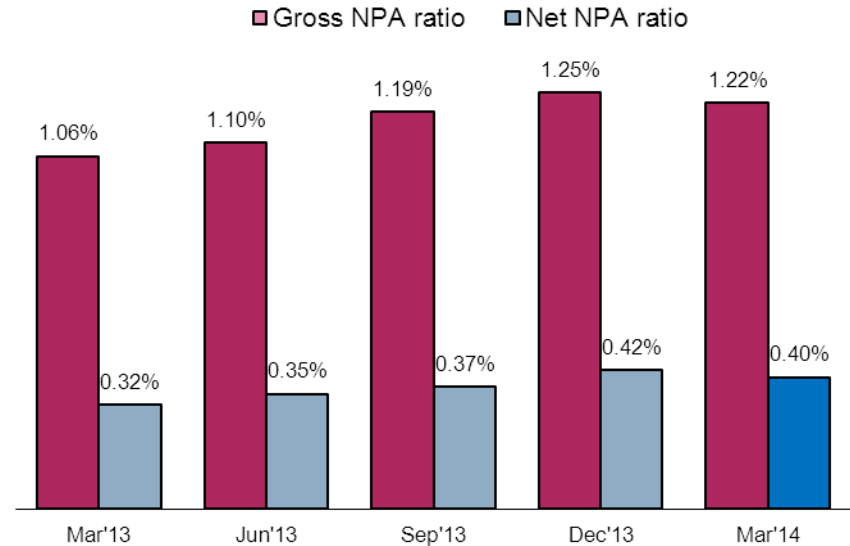
**Loan Mix**  
(As on 31<sup>st</sup> March 2014)



**Five Year NPA trend**



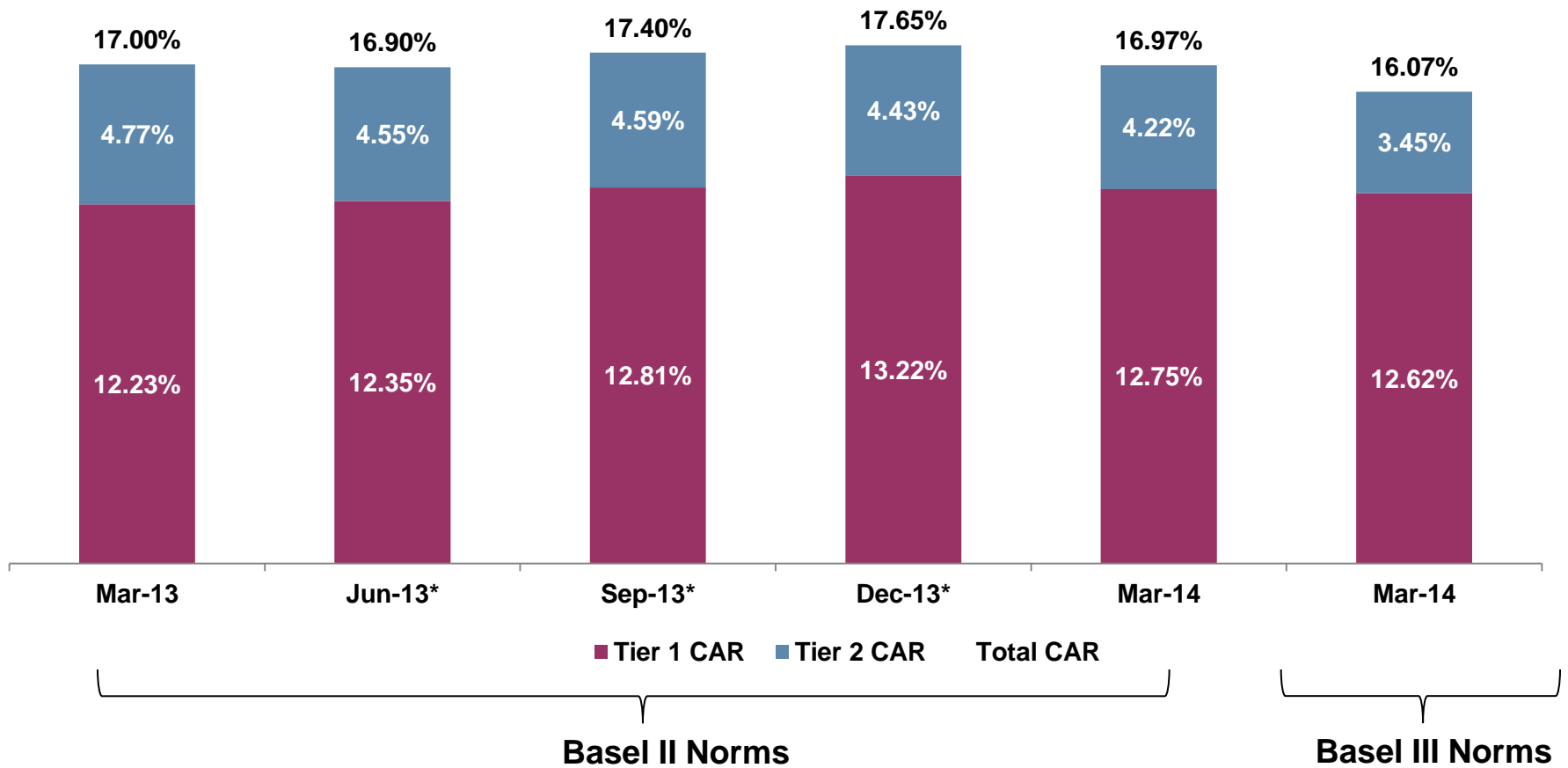
**Asset Quality**



- Provision coverage of 78% as on March 2014 including prudential write-offs (88% before accumulated write-offs)
- Net Cumulative restructured advances were ₹6,079 crores (2.39% of net customer assets) as on March 2014
- ₹1,115 crores of loans were restructured during the quarter



# Capital Adequacy: Well Positioned for Growth



\* Considering unaudited Net Profit for the quarter / half year / nine-months

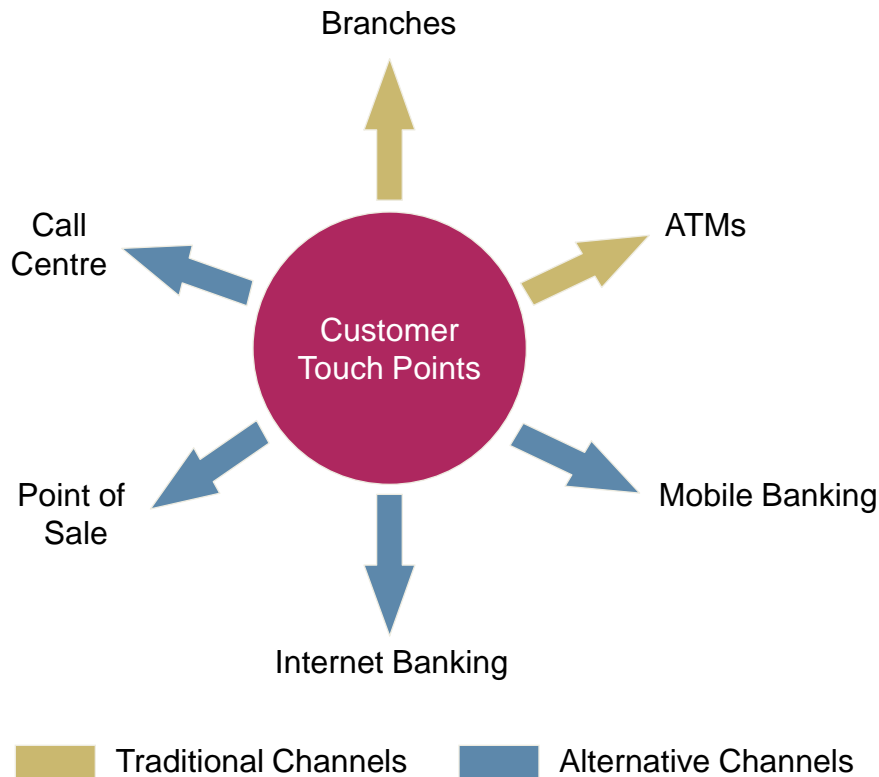
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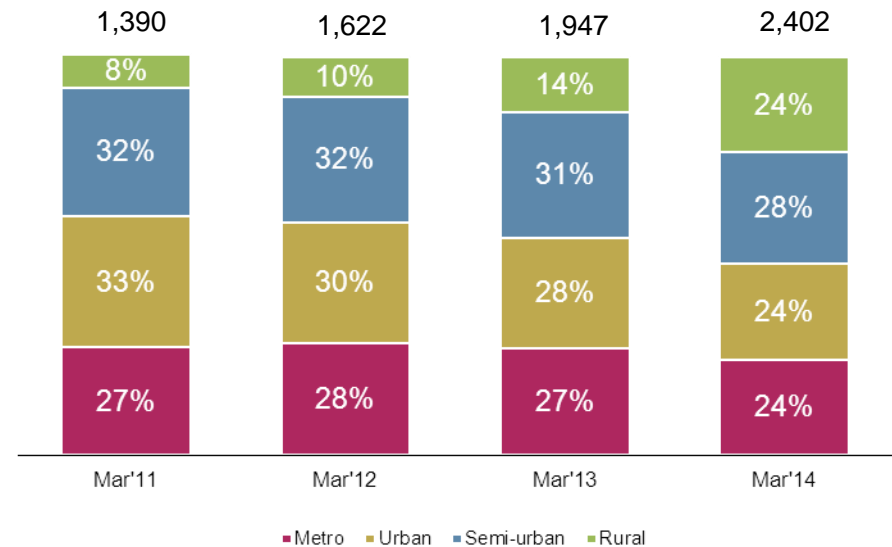
# Well distributed, countrywide network of Branches & ATMs

- 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 network<sup>1</sup>

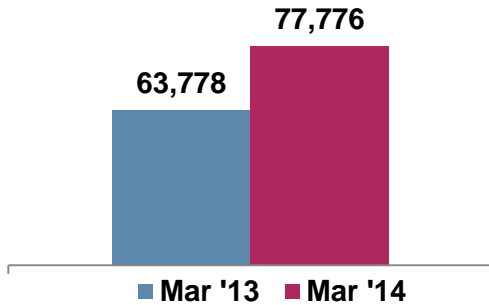


	Mar'11	Mar'12	Mar'13	Mar'14
ATMs	6,270	9,924	11,245	12,922
Centers Covered	921	1,050	1,263	1,636
Employees	26,435	31,738	37,901	42,420

<sup>1</sup> Including extension counters

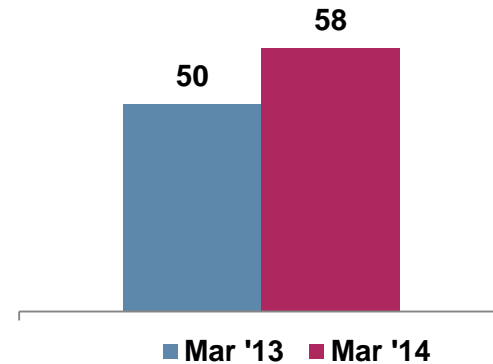
# Retail Liabilities Exhibit Consistent Growth

Savings Bank Deposits  
(₹ crores)

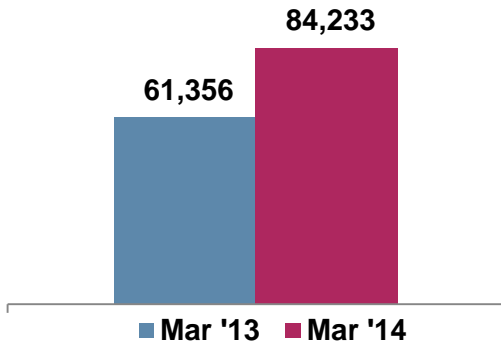


↑ 22% YOY

Retail Deposits\* (% of Total Deposits)

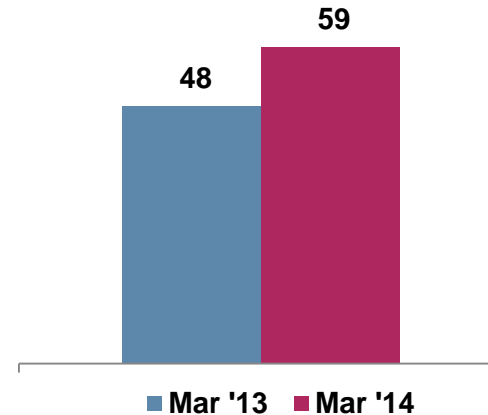


Retail Term Deposits (RTD)  
(₹ crores)



↑ 37% YOY

Share of Domestic RTD as % of Domestic Term Deposits



**Domestic Retail Deposits\* constitutes 60% of Total Domestic Deposits**

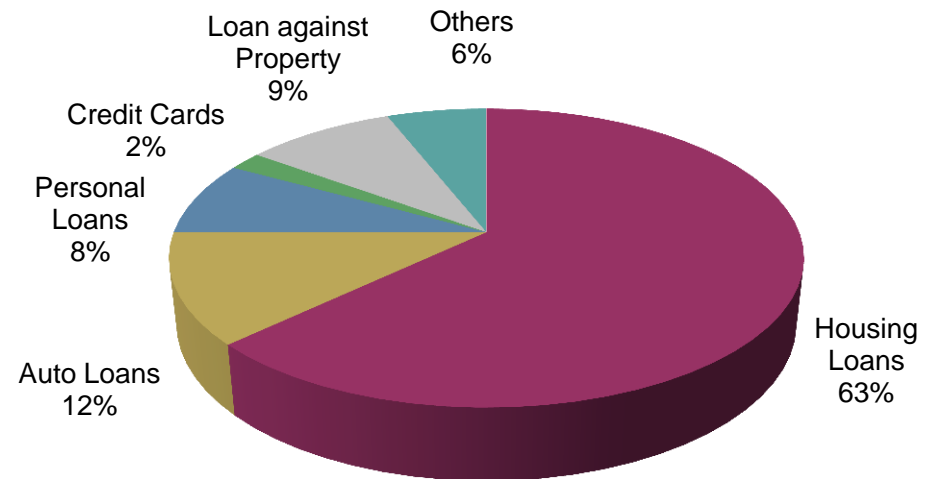
\* Retail Deposits include Savings Bank and Retail Term Deposits

# Sustained Traction in Retail Assets

## Key Highlights

- Domestic Retail Advances constitute 36% of Bank's Net Domestic Advances in Mar 2014 against 32% in Mar 2013
  - Secured Loans make up 86% of Retail Loans
  - Housing Loans account for 63% of Retail Loans
- 132 Asset Sales Centres (ASCs) with standardised appraisal and oversight mechanisms
- Retail Assets originated from 1,716 branches

## Composition of Domestic Retail Advances



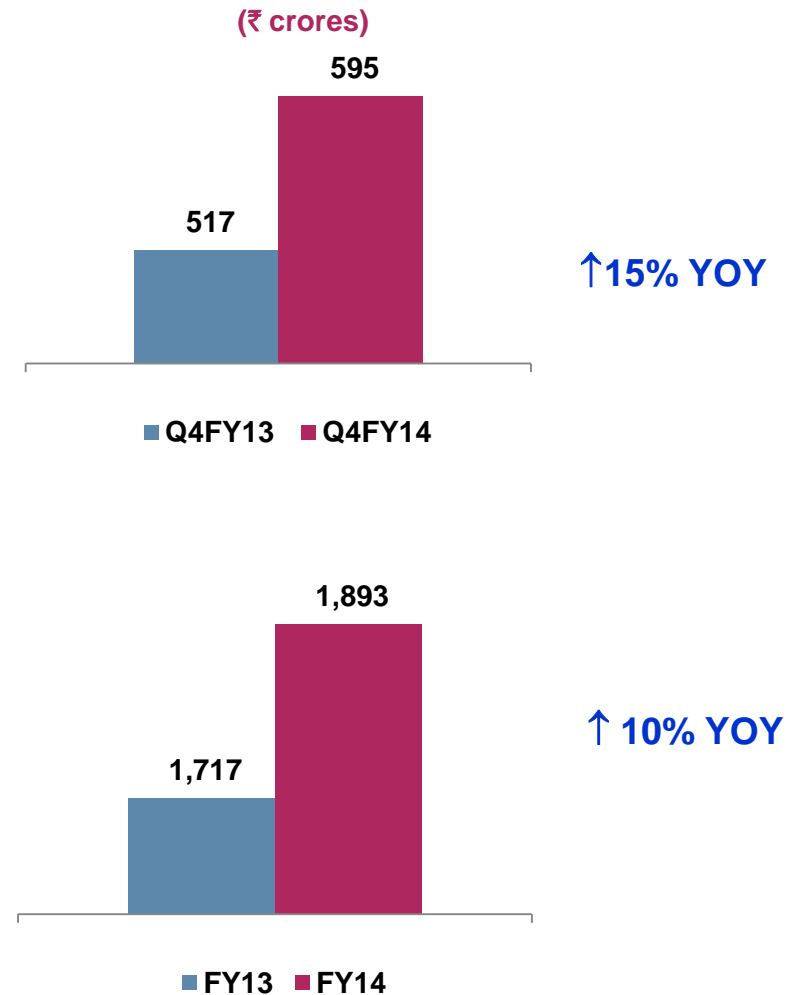
Portfolio Size: ₹70,745 crores

↑ 31% 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

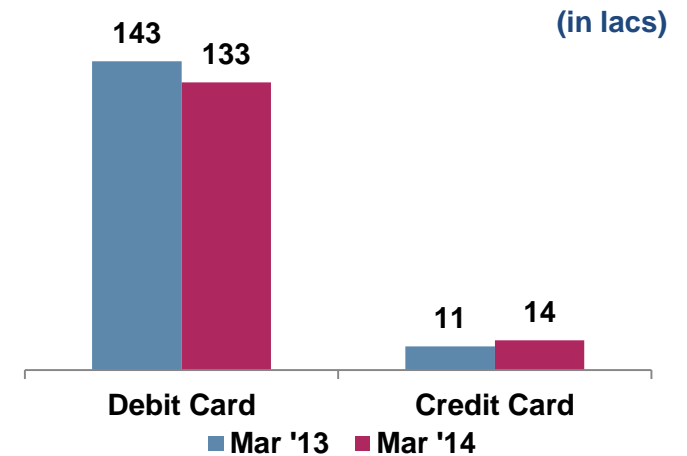


# Retail Payments Franchise

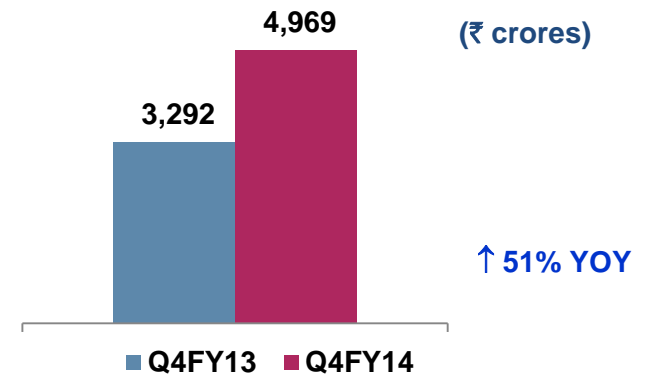
## Key Highlights

- One of the largest issuers of debit cards
- Over 14 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

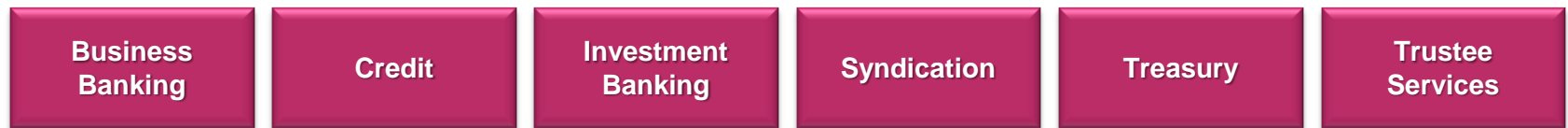


## Card Spends



# 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

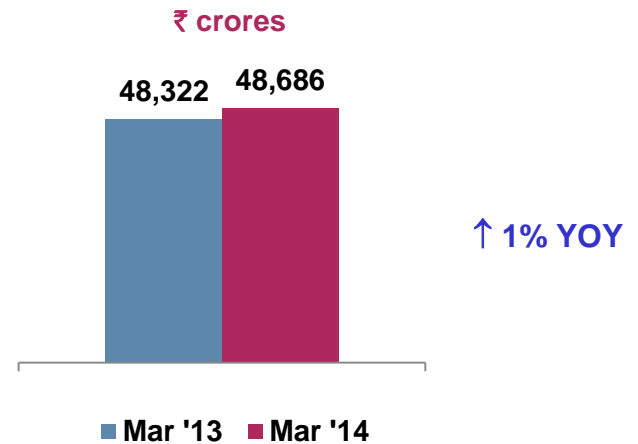


# Business Banking

## 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)

FY11	36,917
FY12	39,754
FY13	48,322
FY14	48,686
<b>CAGR</b>	<b>10%</b>

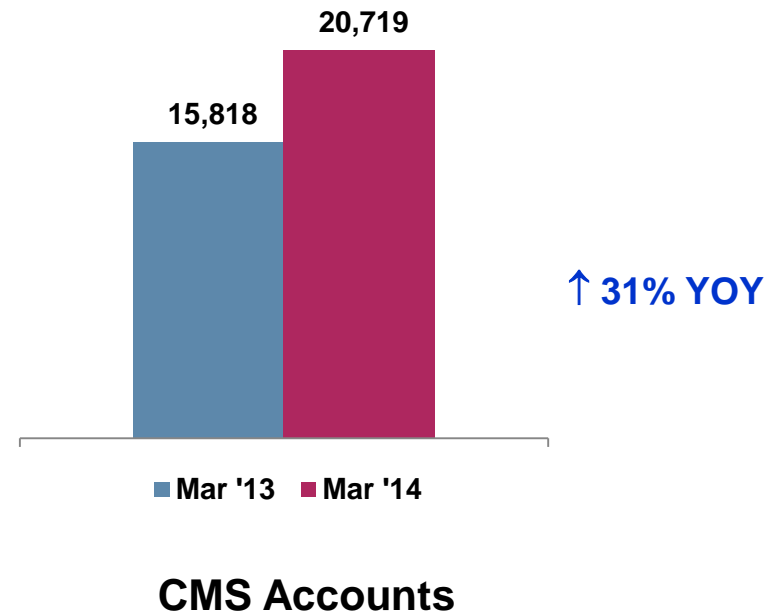
# Business Banking

## 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

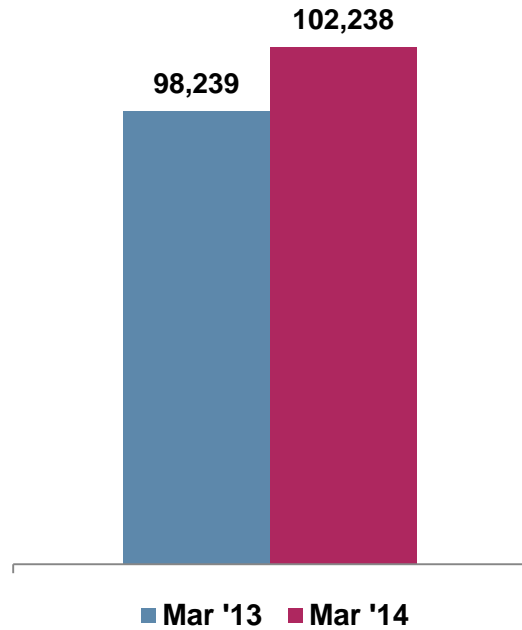
- Leading CMS provider in the country
- Among few banks offering host to host transaction banking facility



# Large & Mid-Corporate Banking

## Advances

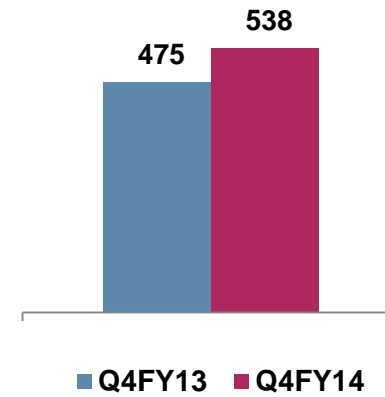
(₹ crores)



↑ 4% YOY

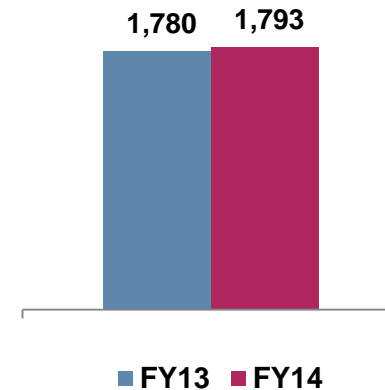
## Fees

(₹ crores)



↑ 13% YOY

(₹ crores)



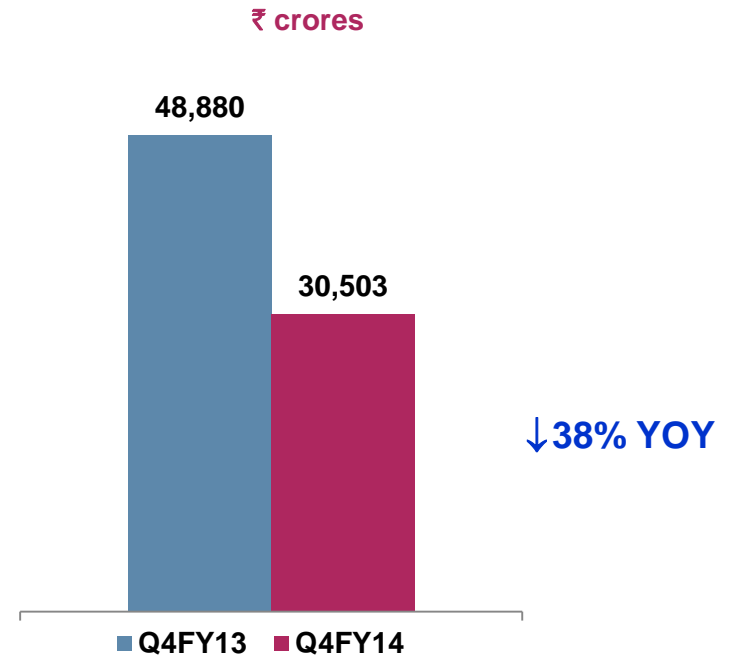
↑ 1% YOY

# Debt Capital Markets

## Key Highlights

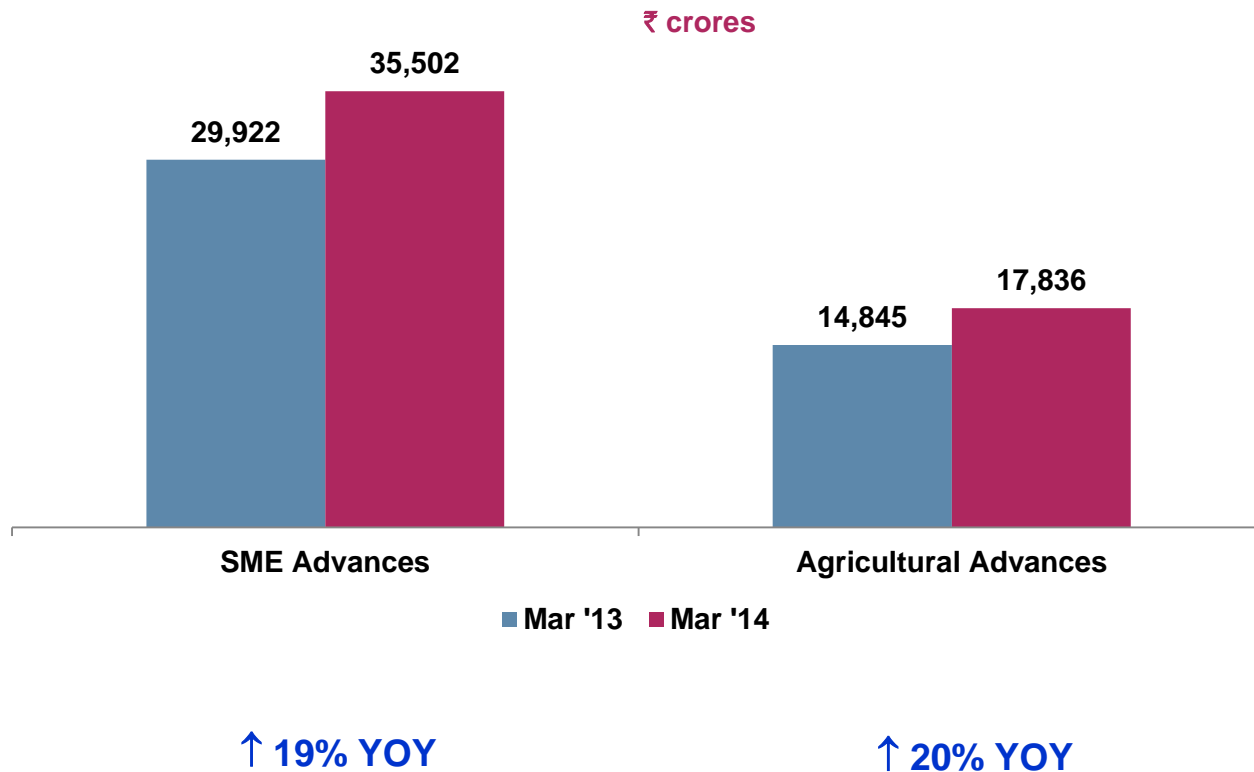
- Dominant player in placement and syndication of debt issuances
- Ranked No. 1 debt arranger by Prime Database for nine months ended December 2013.
- Ranked No. 1 underwriter for Rupee Denominated Bonds by Bloomberg for year ended March 2014.

## Placement & Syndication of Debt Issues



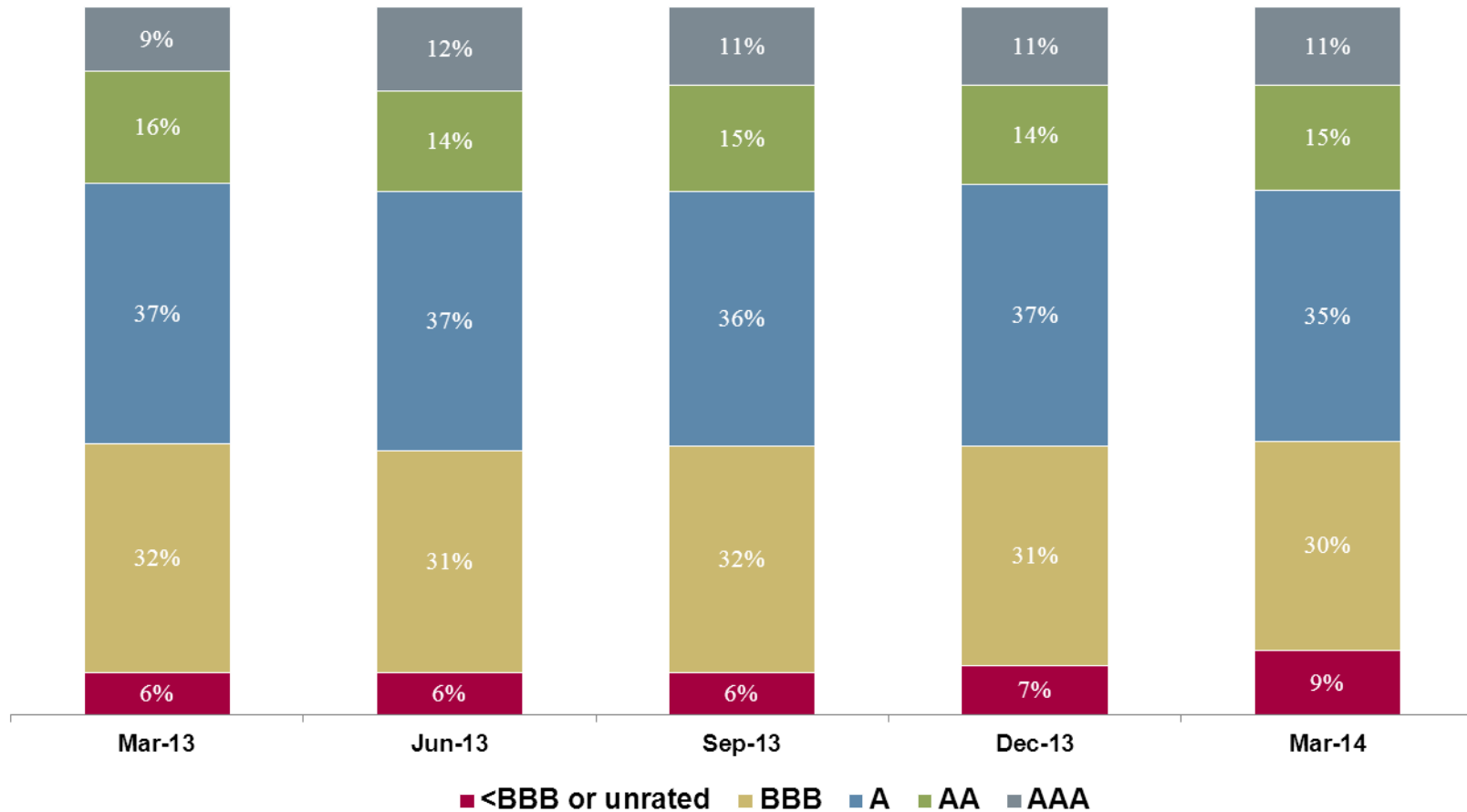
Overall industry volumes shrunk 12% for calendar year ended December 2013 - Source: Bloomberg

# SME and Agriculture Business



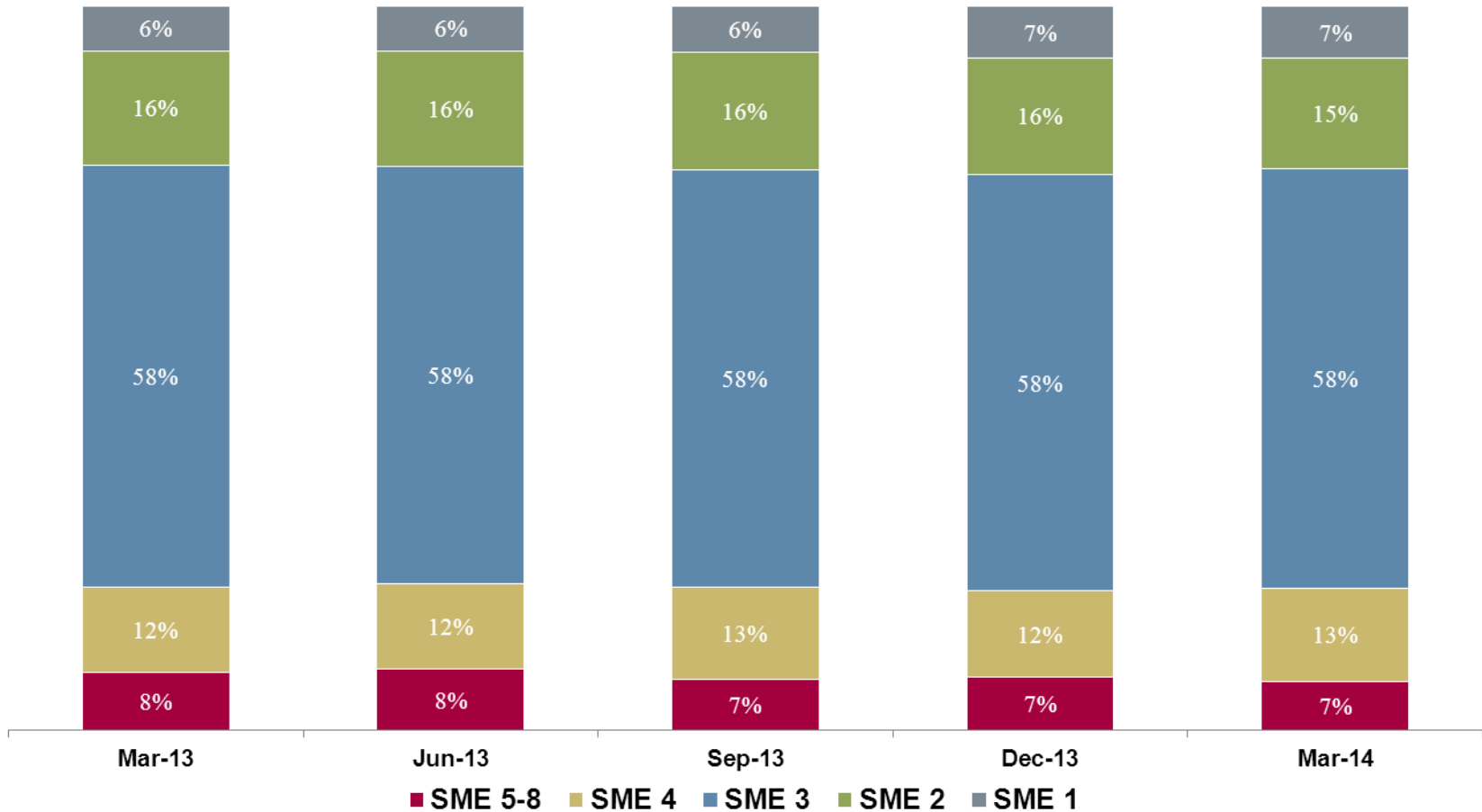
# Rating Distribution: LC & MC

61% of corporate advances have rating of at least 'A' in March 2014



# Rating Distribution: SME

80% of SME advances have rating of at least 'SME3' in March 2014



# Industry-wise Distribution (Top 10)

Rank	Sectors	Outstanding as on March 31, 2014 (%) <sup>1</sup>		
		Fund-based	Non-fund based	Total
1.	Infrastructure <sup>2</sup>	7.44	12.98	8.99
2.	Power Generation & Distribution	5.20	13.27	7.45
3.	Engineering & Electronics	3.33	15.60	6.76
4.	Financial Companies <sup>3</sup>	4.64	11.16	6.46
5.	Metal & Metal Products	4.62	7.11	5.32
6.	Trade	3.62	3.98	3.72
7.	Food Processing	3.59	1.45	2.99
8.	Real Estate	3.27	1.00	2.64
9.	Shipping Transportation & Logistics	2.29	2.78	2.42
10.	Telecommunication Services	1.38	3.87	2.07

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

<sup>2</sup> Financing of projects (roads, ports, airports etc)

<sup>3</sup> Includes Housing Finance Companies and other NBFCs



# International Presence

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

**Representative offices at 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 7.20 billion**

*Thank You*