



AXIS BANK

FY 2009-10
First Half Results

Investor Presentation



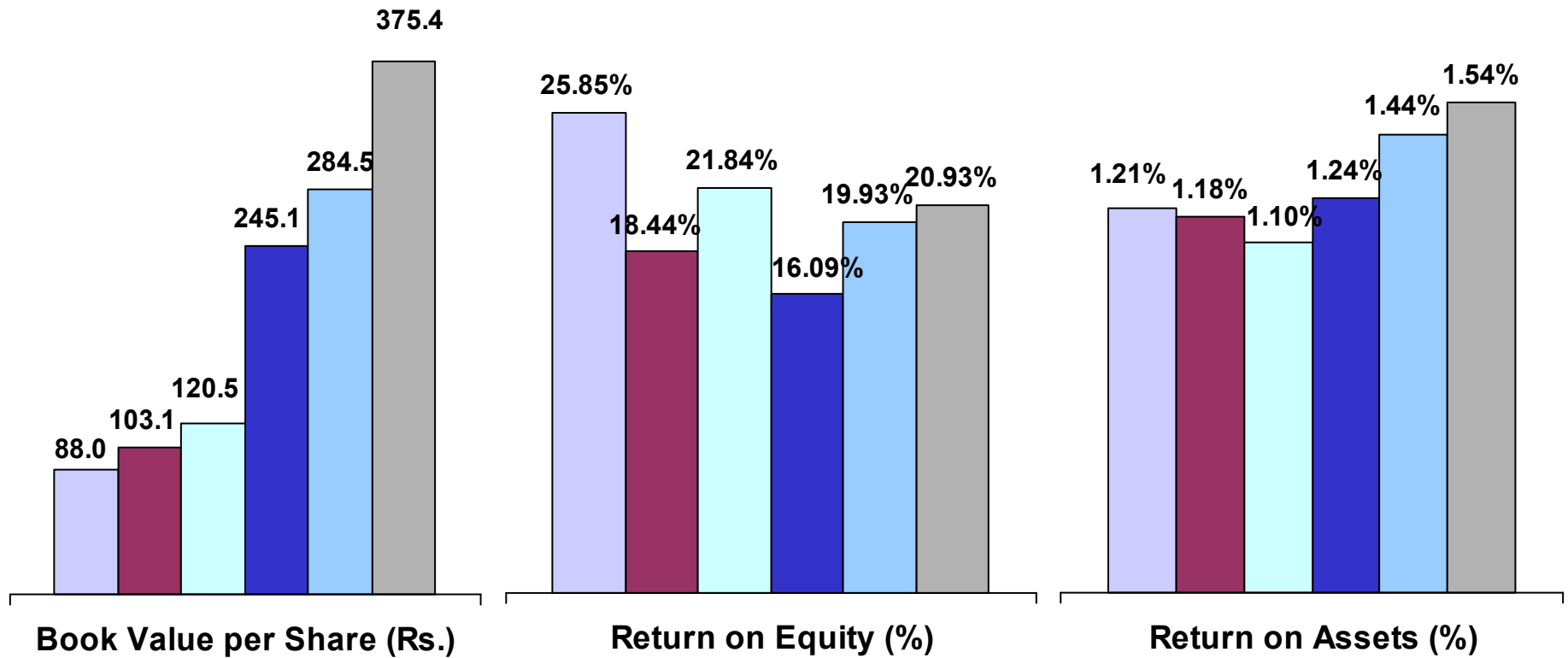
AXIS BANK

Performance Highlights

	<u>Q2FY10</u>	<u>H1FY10</u>
Net Profit	↑ 32% YOY	↑ 49% YOY
Net Interest Income	↑ 26% YOY	↑ 27% YOY
Fee Income	↑ 15% YOY	↑ 16% YOY
Operating Revenue	↑ 38% YOY	↑ 39% YOY
Operating Profit	↑ 49% YOY	↑ 48% YOY
Net Interest Margin	3.52%	3.43%
Cost of Funds	5.41%	5.74%

Shareholder Returns

FY05 FY06 FY07
FY08 FY09 H1FY10

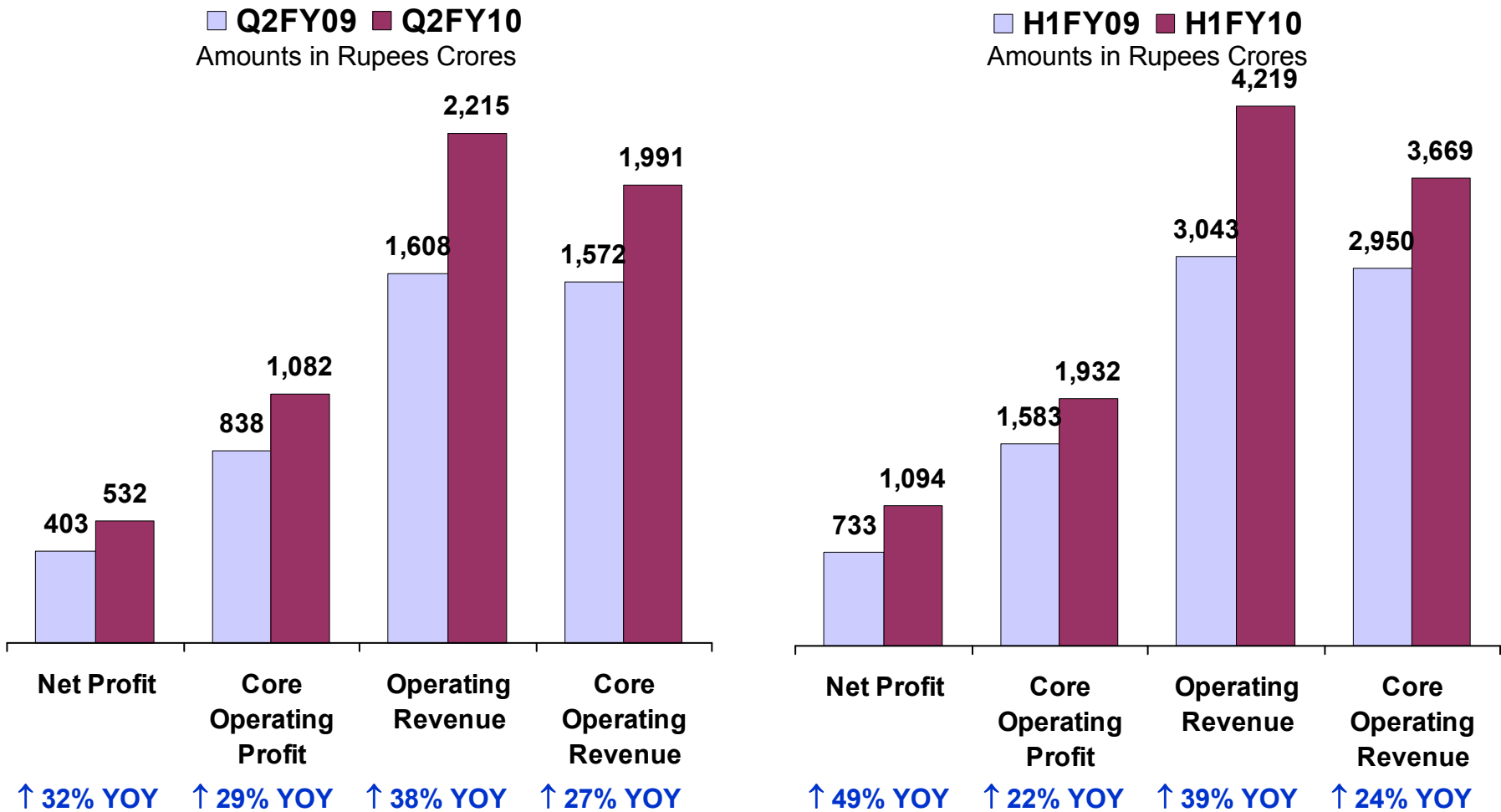


Interpretation of Q2FY10 Performance

- **Growth in the Bank's core businesses**
 - Total Net Advances grew 18% yoy to Rs. 81,044 crores
 - Total Investments grew 37% yoy to Rs. 52,072 crores
 - Total Assets registered a 19% yoy growth, rising to Rs. 1,51,714 crores
 - Fees grew by 15% yoy, rising to Rs. 719 crores
 - Share of demand deposits in total deposits stood at 43%
- **Retail Assets grew by 7% yoy to Rs. 17,984 crores; constituted 22% of total advances, as compared to 24% at the end of Q2FY09.**
- **Net NPAs at 0.45%, as compared to 0.43% at the end of Q2FY09.**
- **At the end of Sep'09, book value per share was Rs. 375.35, as compared to Rs. 265.85 at the end of Sep'08**
- **Capital Adequacy stood at 16.47% with Tier – I capital at 11.43%**

Profitability

Sustained Growth: Robust Core Revenues

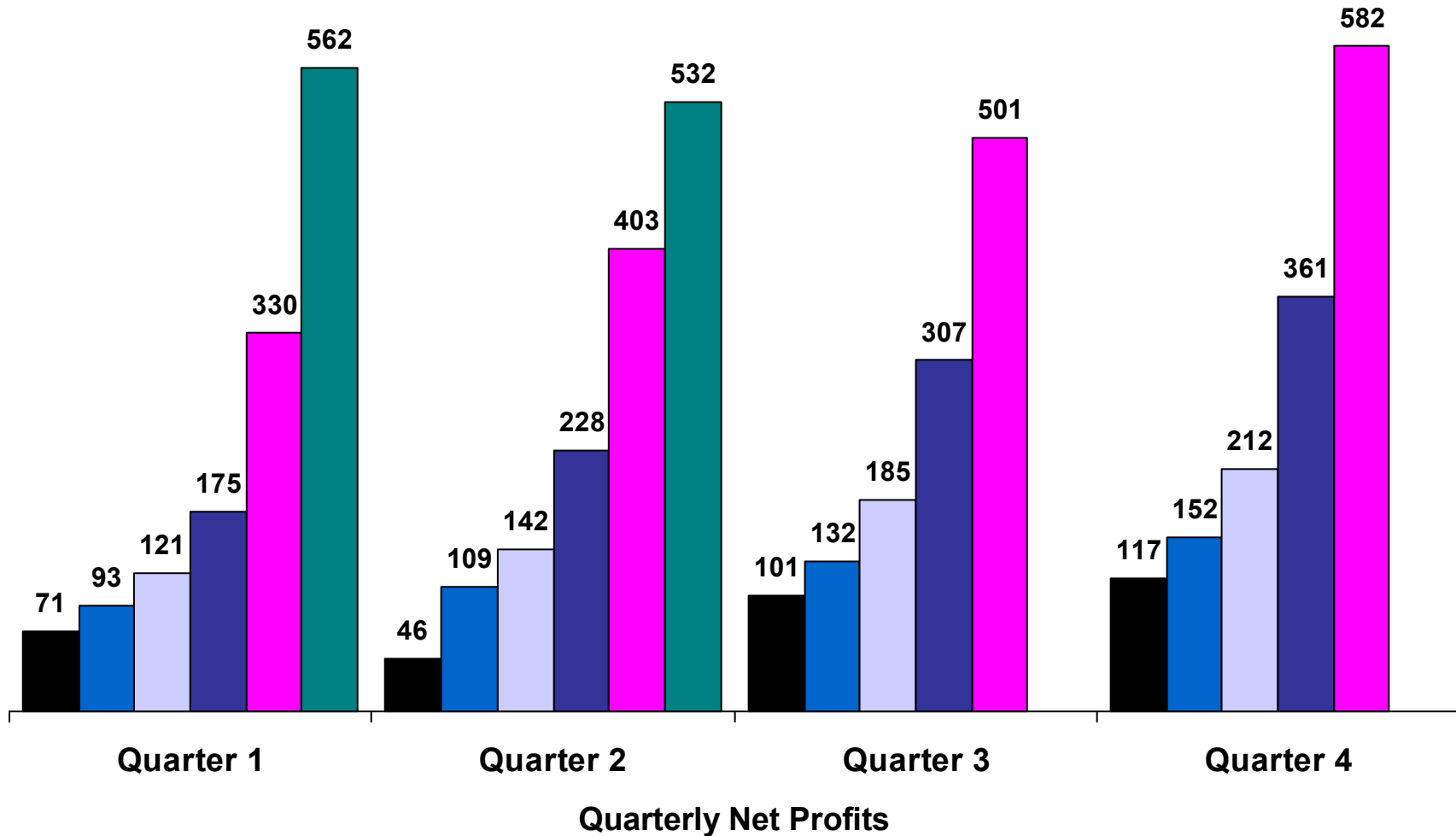


Note: Core Operating Revenue / Profit excludes trading gains / losses

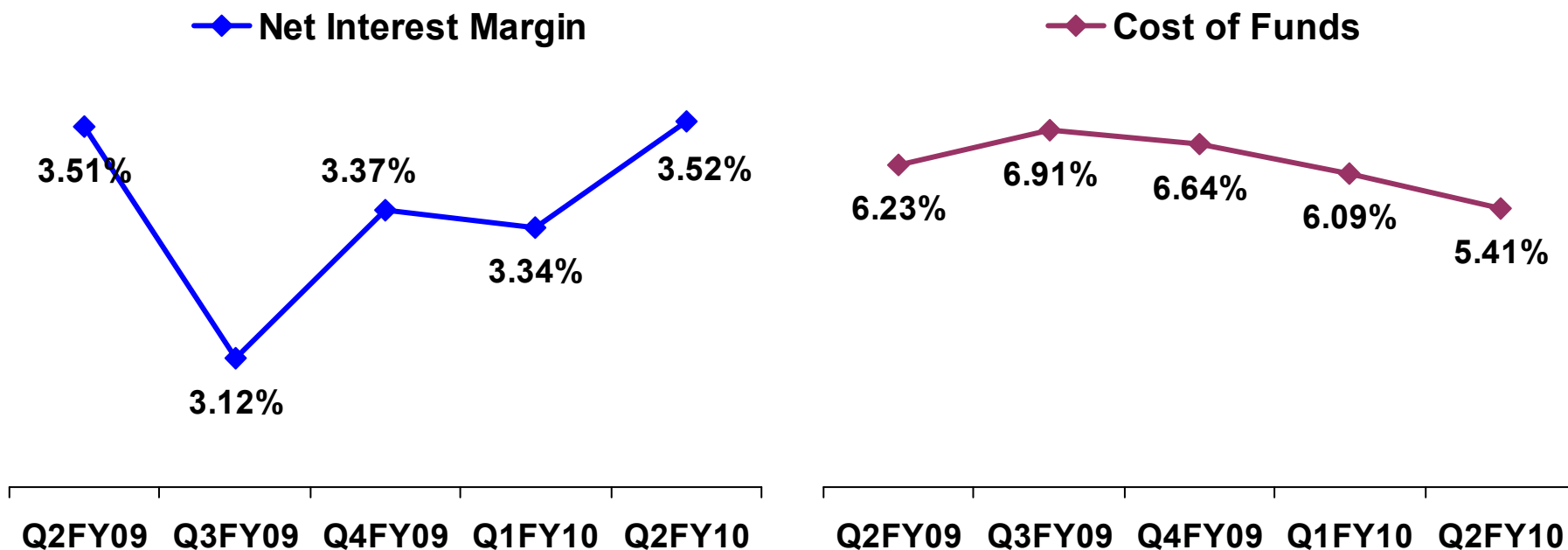
Consistent Net Profit Growth

■ FY05 ■ FY06 ■ FY07 ■ FY08 ■ FY09 ■ FY10

Amounts in Rupees Crores



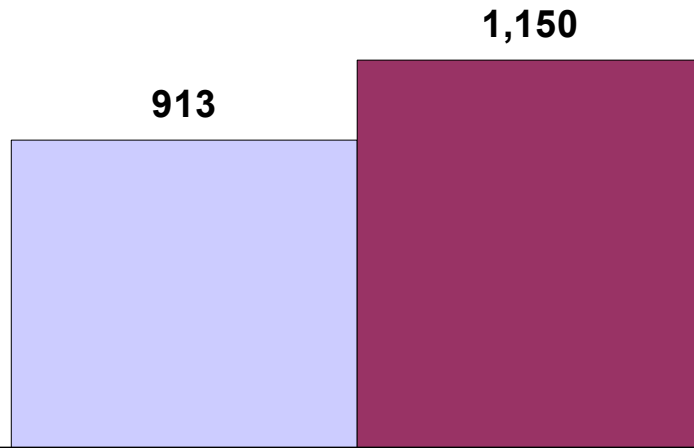
Net Interest Margin and Cost of Funds



NIMs for the last 5 years	
FY05	2.90%
FY06	2.85%
FY07	2.74%
FY08	3.47%
FY09	3.33%

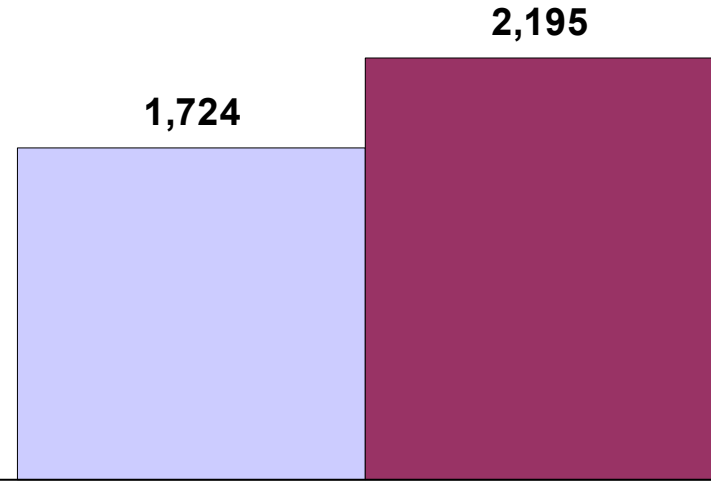
Growing Net Interest Income

■ Q2FY09 ■ Q2FY10
Amounts in Rupees Crores



↑ 26% YOY

■ H1FY09 ■ H1FY10
Amounts in Rupees Crores



↑ 27% YOY

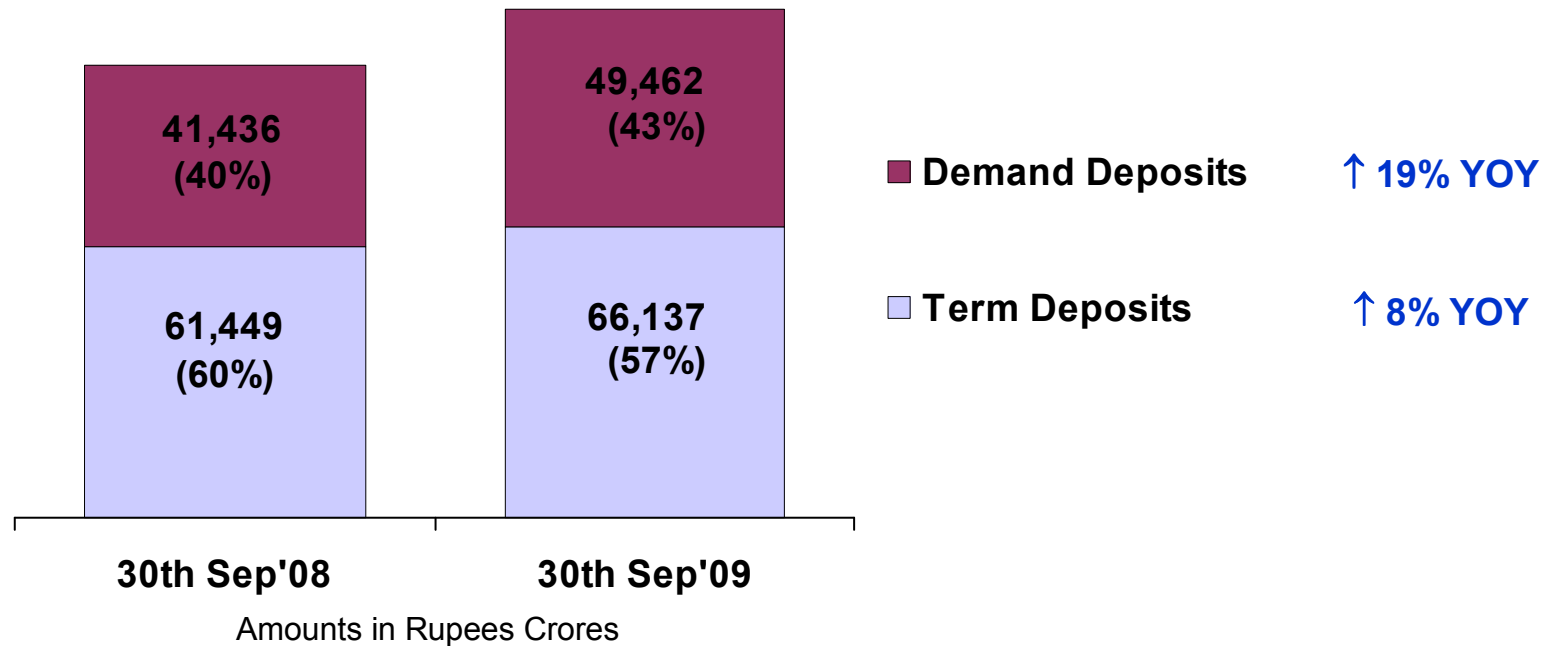
NIIs for the last 5 years

FY05	731
FY06	1,078
FY07	1,468
FY08	2,585
FY09	3,686

CAGR (5 years) 45%

Growing Demand Deposits

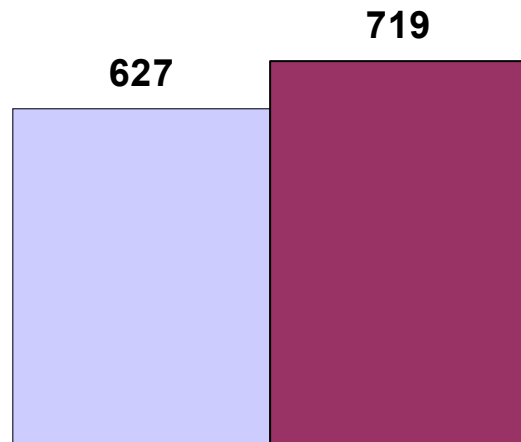
YOY Growth in Daily Average Demand and Term Deposits		
Deposit	Q2FY10	H1FY10
Savings	33%	33%
Current	21%	18%
Total Demand Deposits	28%	26%
Total Deposits	20%	23%



Fees

■ Q2FY09 ■ Q2FY10

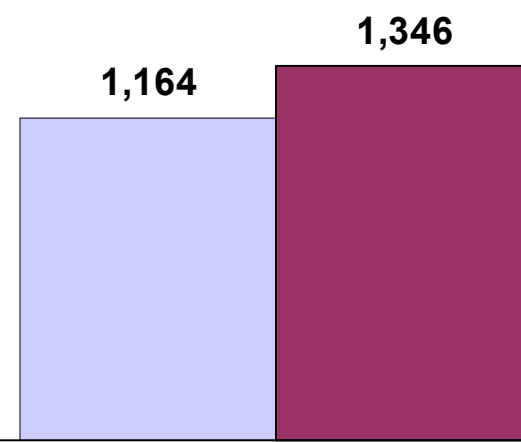
Amounts in Rupees Crores



↑ 15% YOY

■ H1FY09 ■ H1FY10

Amounts in Rupees Crores

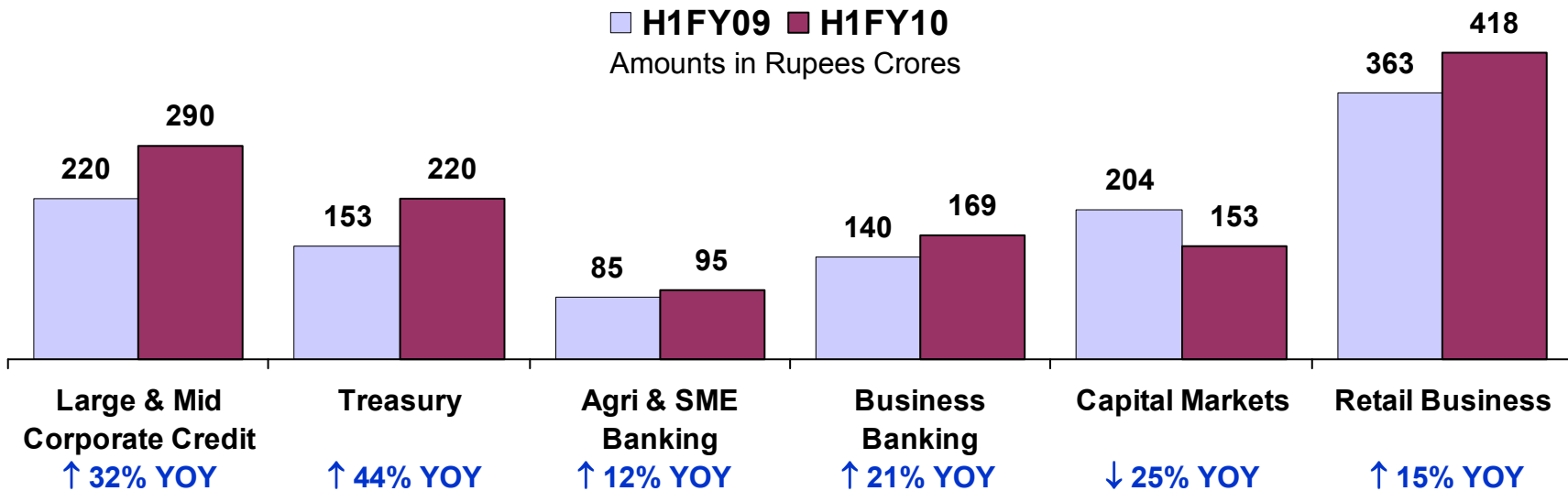
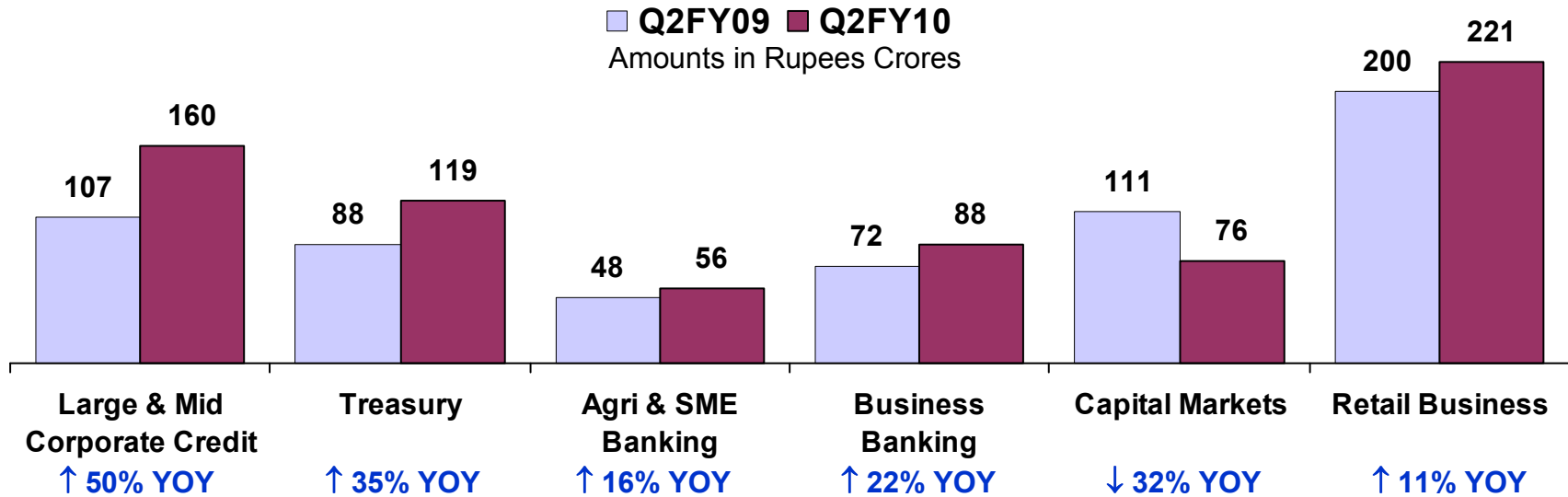


↑ 16% YOY

Fees for the last 5 years

FY05	366
FY06	558
FY07	890
FY08	1,495
FY09	2,447
CAGR (5 years)	65%

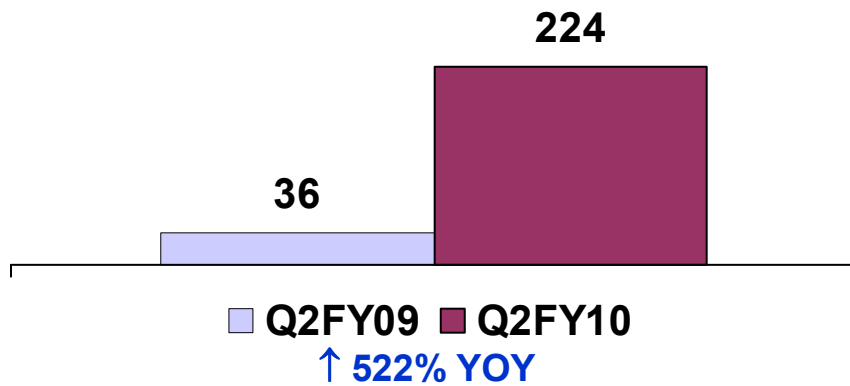
Fee Income Composition



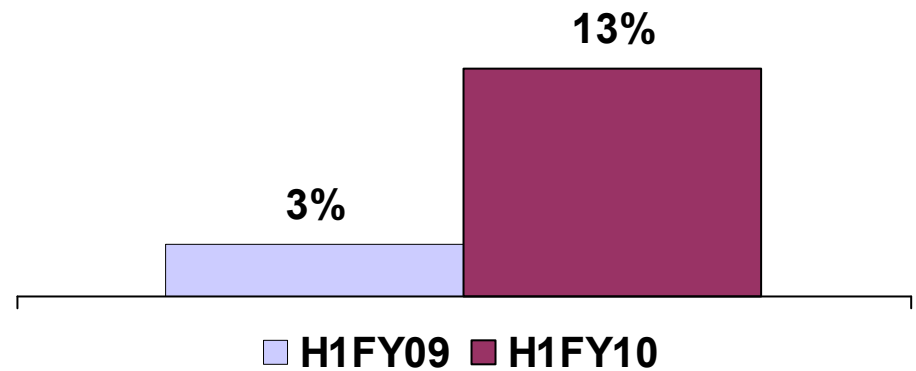
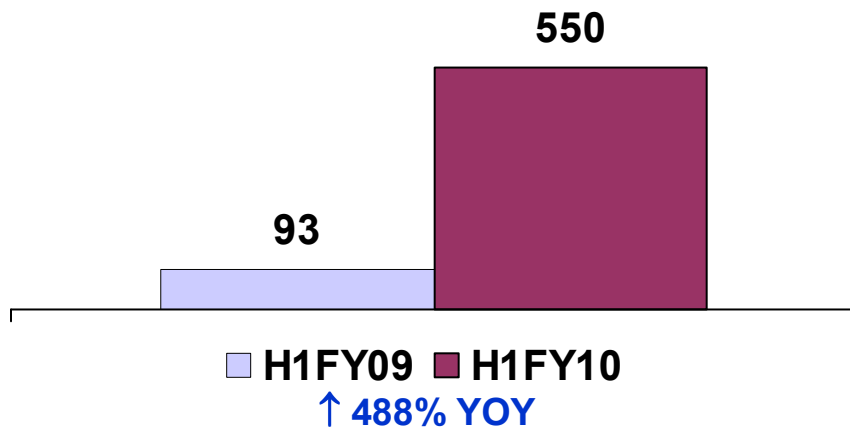
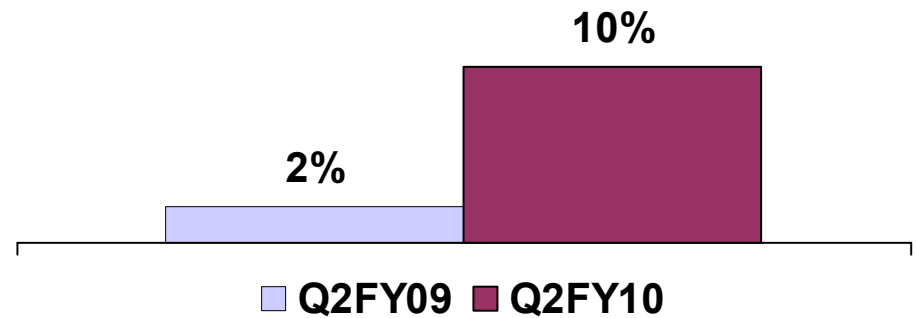
Trading Profits

Trading Profit Volume

Amounts in Rupees Crores



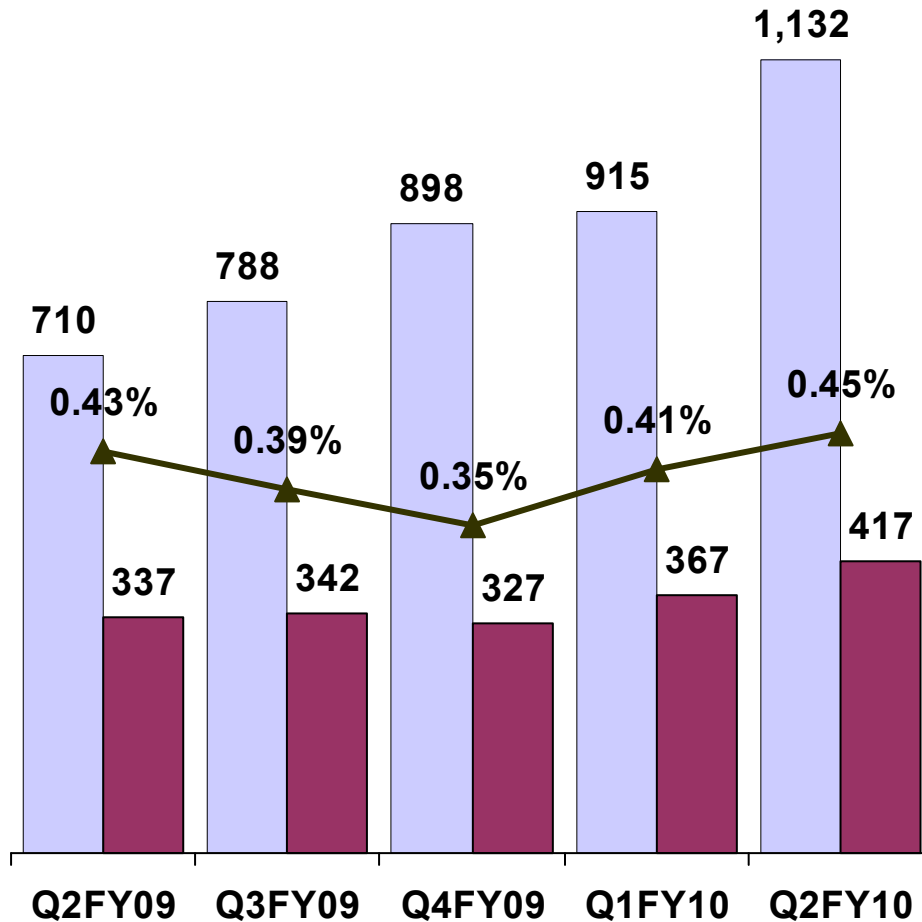
% of Operating Revenue



Stressed Assets and Net NPA (%)

■ Gross NPAs
 ■ Net NPAs
 ▲ Net NPA (%)

Amounts in Rupees Crores

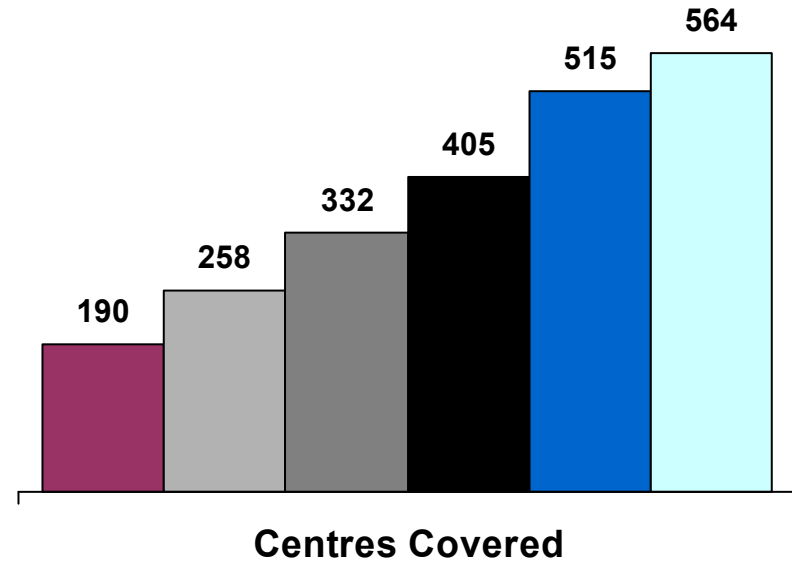
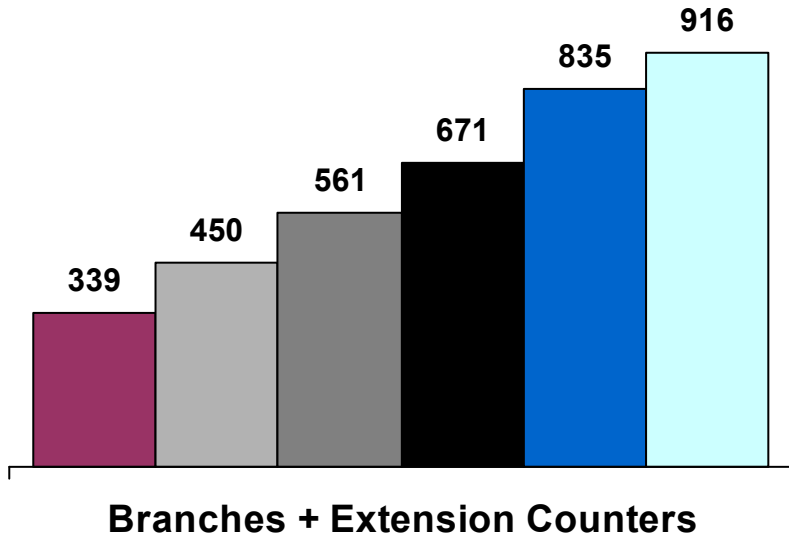


Net NPA as at year-end	
FY05	1.07%
FY06	0.75%
FY07	0.61%
FY08	0.36%
FY09	0.35%

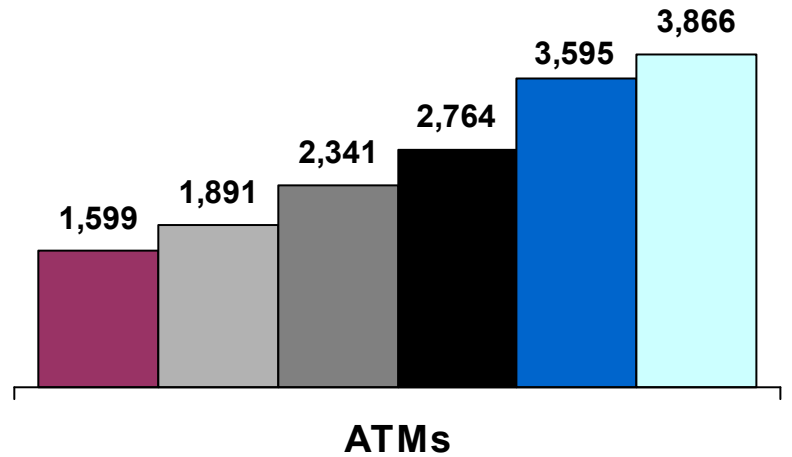
BUSINESS OVERVIEW

Network

Increasing Reach



Branch Demographics (Domestic)		
	<u>Branches</u>	<u>Extn. Counters</u>
Metro	293	6
Urban	356	2
Semi-urban	209	0
Rural	50	0
Total	908	8



■ Mar'05

■ Mar'06

■ Mar'07

■ Mar'08

■ Mar'09

■ Sep'09

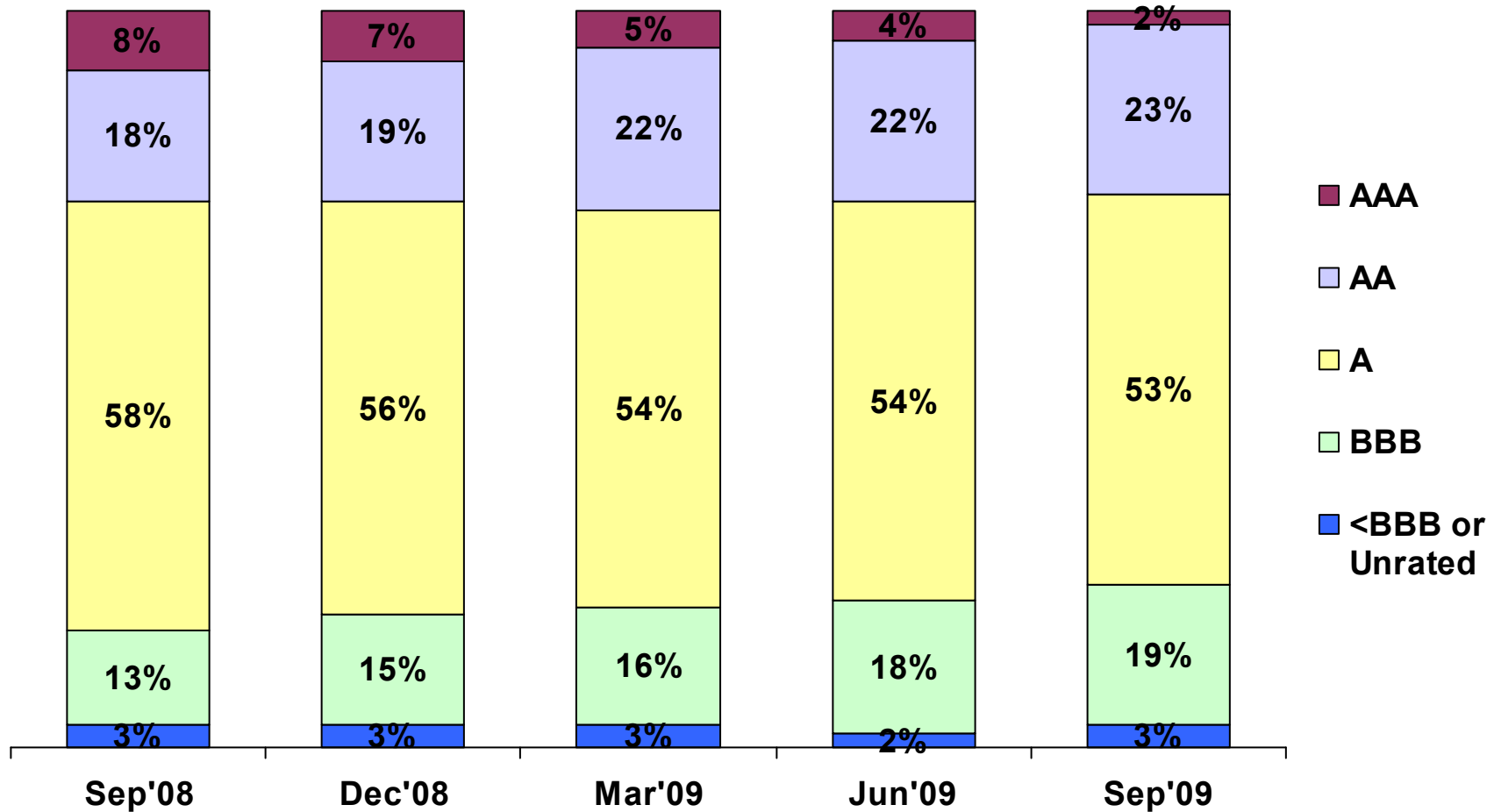
Large and Mid Corporate Banking

- **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**

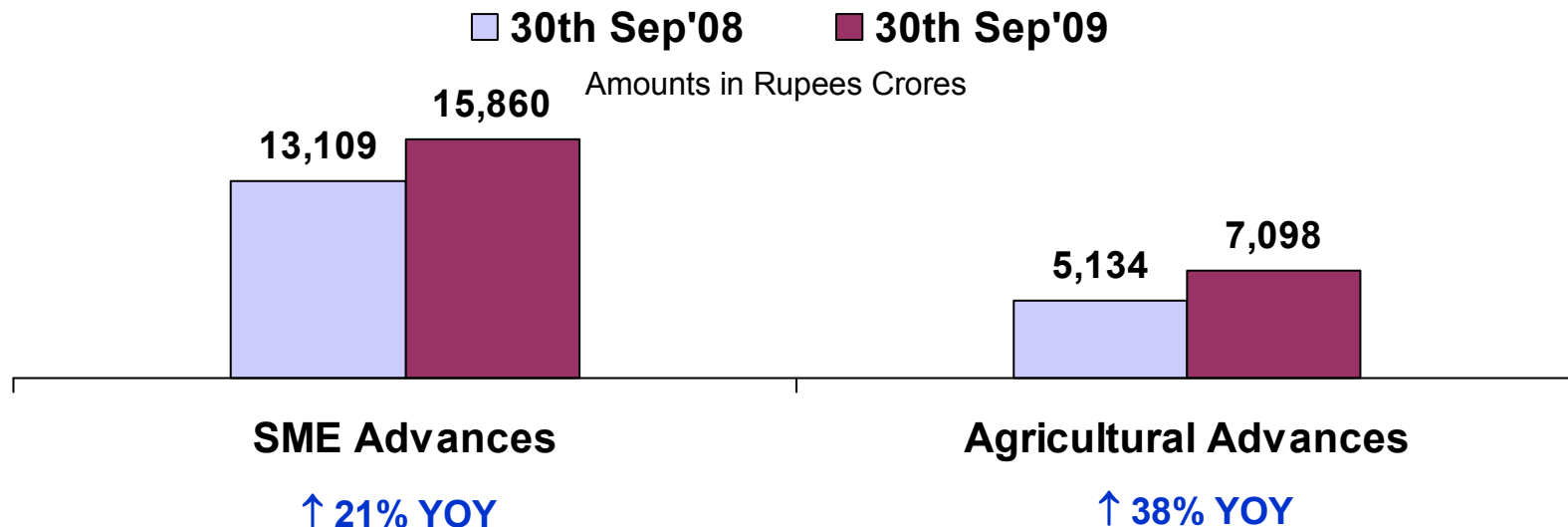
Distribution of Ratings

(Large and Mid Corporate)

78% of corporate advances have rating of at least 'A' as at Sep'09



SME and Agri Business



SME Centres	24	25
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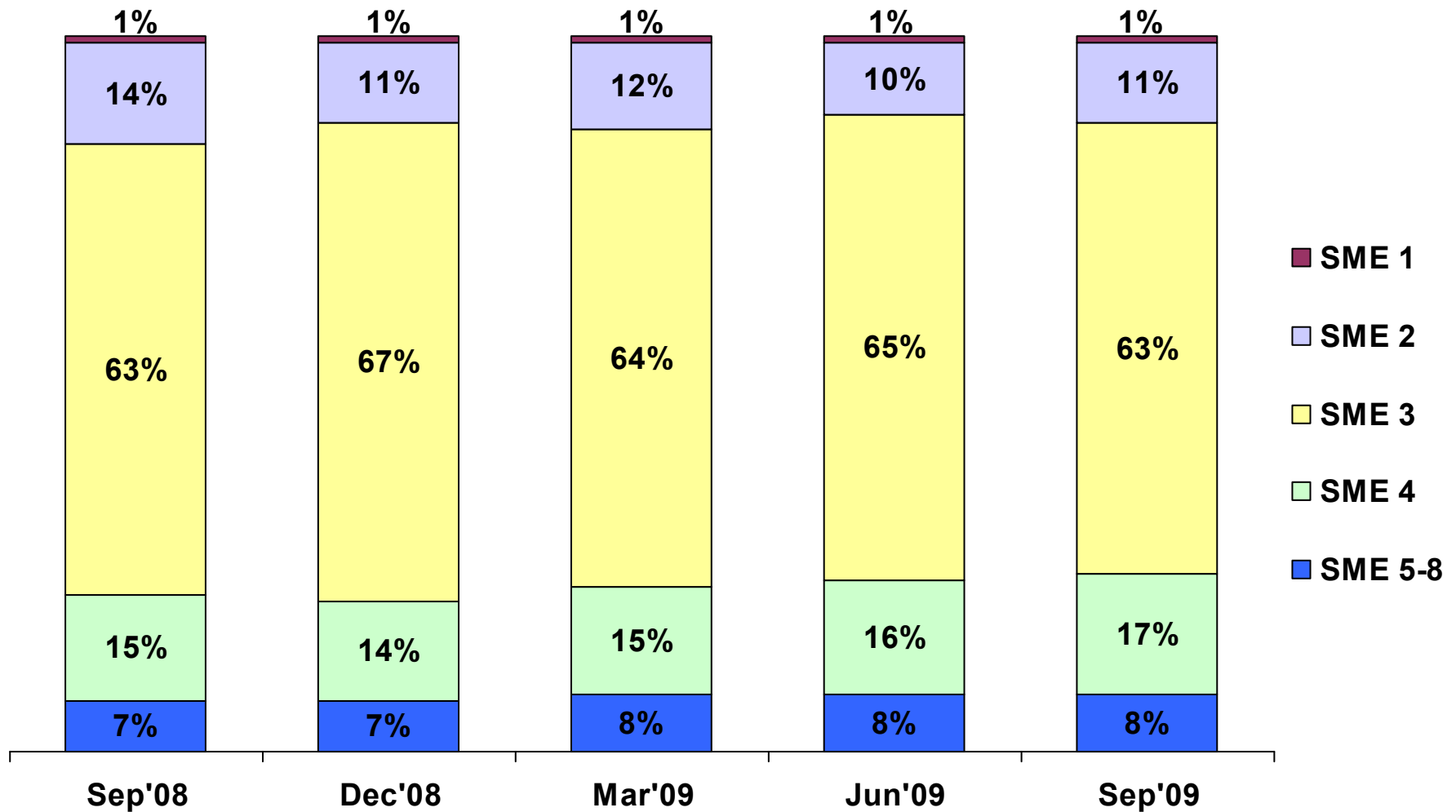
Agri Clusters	44	56
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- **Specialised SME Centres** for SME appraisals, sanctions and post-sanction monitoring
- **Product categories**
 - Schematic loans
 - Non-schematic loans

- **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

75% of SME advances have rating of at least 'SME3' as at Sep'09



Top Sector Exposures

Across Large Corporate, Mid Corporate, SME and Corporate Agri

Rank	Sectors	Exposure as on 30th Sep'09		
		Total	Fund-based	Non-fund based
1.	Infrastructure*	11.94%	8.82%	17.75%
2.	Metal & Metal Products	7.99%	6.15%	11.40%
3.	Financial Companies**	7.83%	9.54%	4.63%
4.	Trade	5.47%	5.71%	5.02%
5.	Power Generation & Distribution	5.14%	3.35%	8.47%
6.	Real Estate	4.90%	7.25%	0.52%
7.	Shipping & Logistics	4.54%	4.30%	5.00%
8.	Textiles	4.51%	5.83%	2.05%
9.	Food Processing	4.50%	5.30%	3.00%
10.	Telecommunications	4.35%	3.40%	6.12%

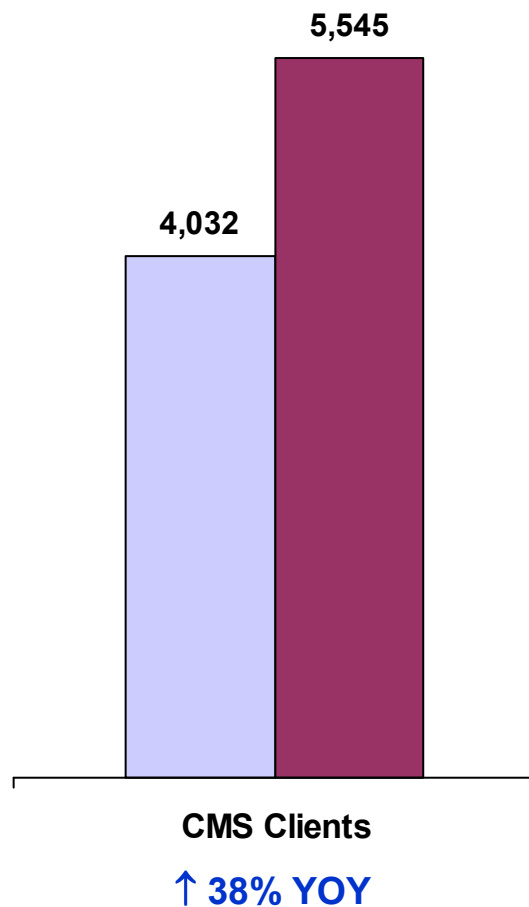
* Financing of projects (roads, ports, airports etc.)

** Housing Finance Companies and other NBFCs

Business Banking

Cash Management Services

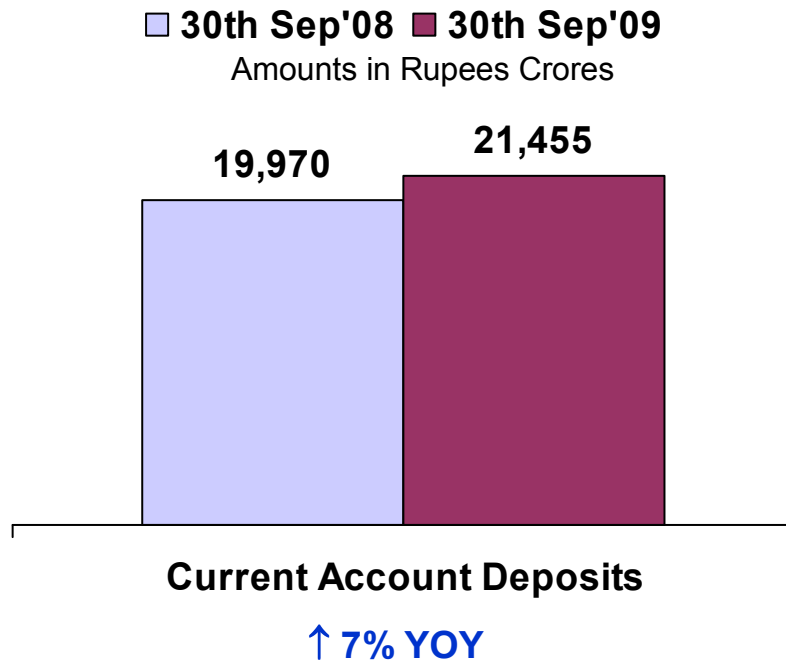
■ 30th Sep'08 ■ 30th Sep'09



- Collection of Central Government taxes on behalf of CBDT and CBEC, including through e-payments
- Collection of State Government taxes on behalf of seven State Governments and Union Territories
- Collections and payments for Central Government ministries - Railways, Urban Development and Housing and Urban Poverty Alleviation
- Collections under e-governance initiatives of 4 State Governments and Chandigarh
- Disbursement of Central Government pension to civil and defence pensioners.
- Electronic Benefit Transfer (EBT) project mandates in 5 districts across 3 states for payments of NREGS wages and social security pension through smart cards, under IT-enabled financial inclusion model.

Business Banking

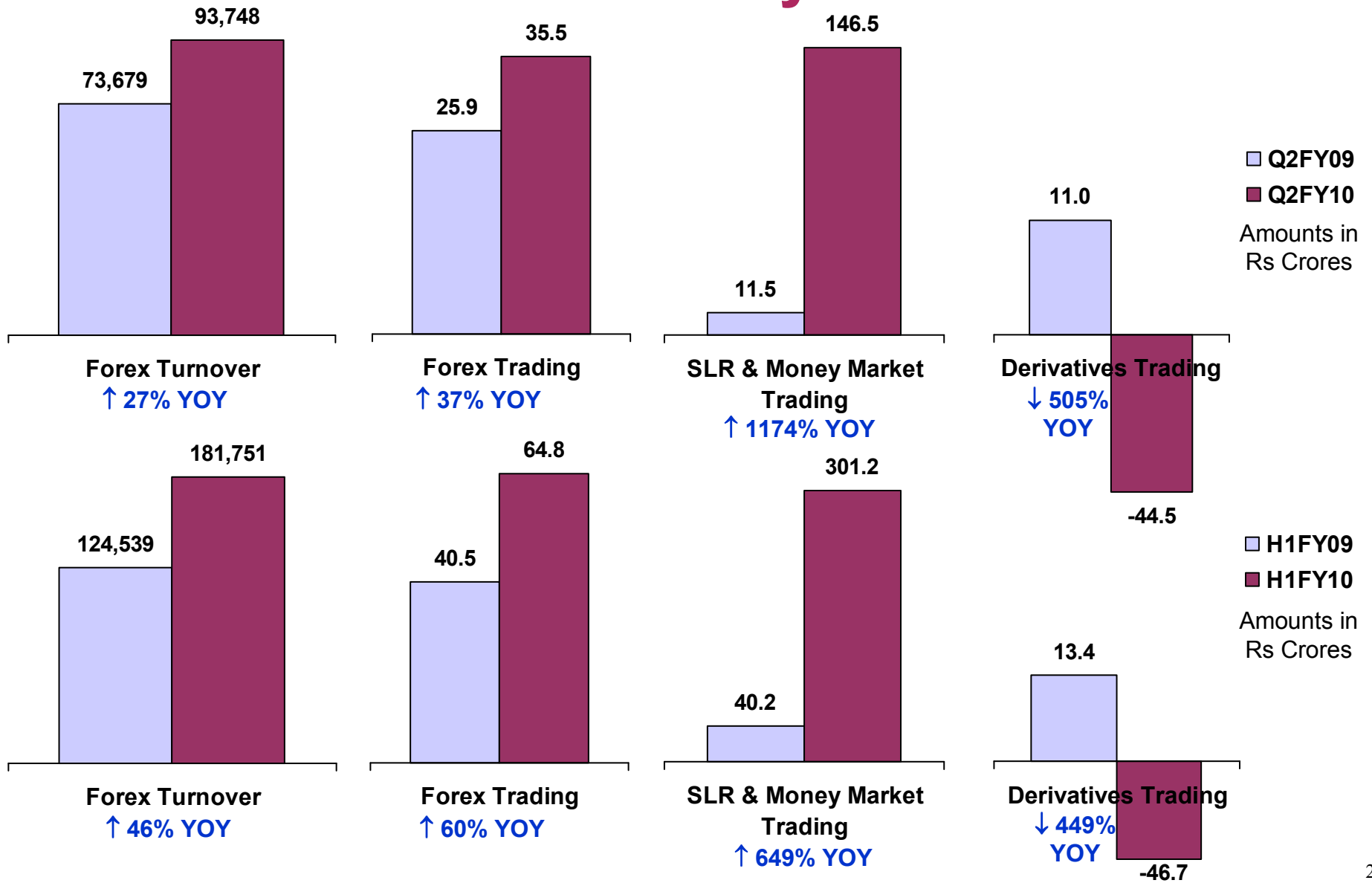
Current Accounts Growth



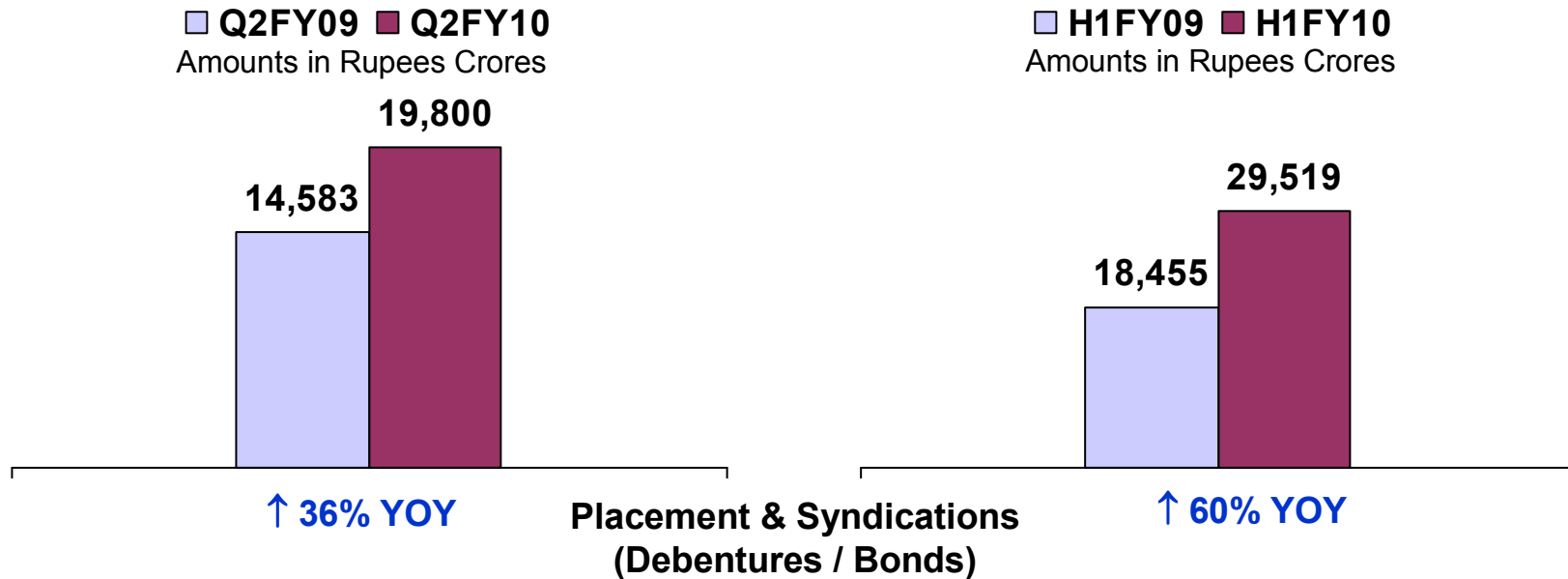
Current Account deposits for the last 5 years (as on 31st March)	
Mar'05	7,155
Mar'06	7,970
Mar'07	11,304
Mar'08	20,045
Mar'09	24,822
CAGR (5 years)	36%

- 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 and Government

Treasury



Capital Markets

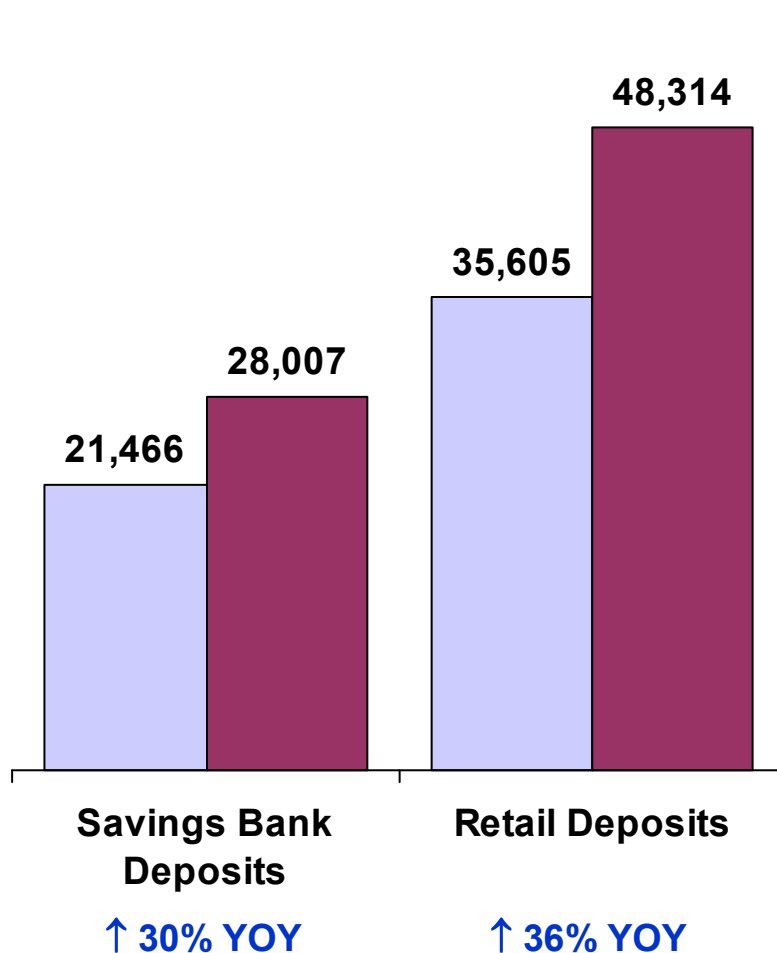


- **A dominant player in placement and syndication of debt issues**
- **Ranked No.1 in Bloomberg league table for 'India Domestic Bonds' for calendar year 2008 and till quarter ended 30th Jun'09**
- **Ranked No. 1 Debt Arranger by Prime Database for the quarter ended 30th Jun'09**
- **Recent Awards:**
 - **Asia Money 2009: Best Domestic Debt House in India**
 - **Euromoney 2008: Best Debt House in India**
 - **Finance Asia 2008: Best Bond House in India**
 - **IFR Asia: India Bond House 2008**

Savings Bank Growth

□ 30th Sep'08 ■ 30th Sep'09

Amounts in Rupees Crores



**Savings Bank deposits
for the last 5 years (as on 31st March)**

Mar'05 4,891

Mar'06 8,065

Mar'07 12,126

Mar'08 19,982

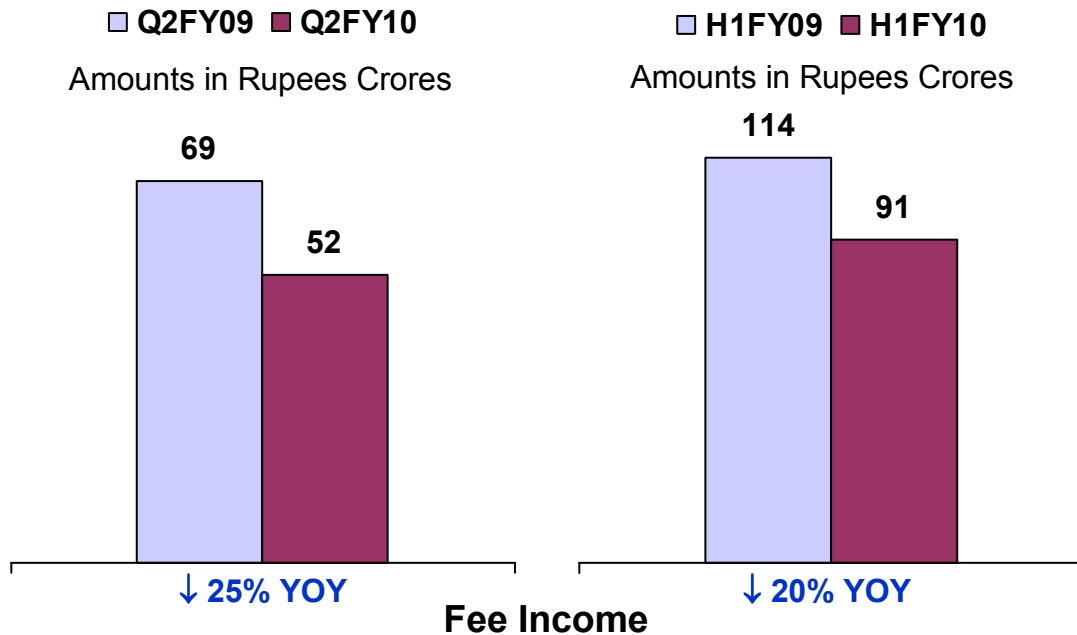
Mar'09 25,822

CAGR (5 years) 58%

Savings Bank deposit 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

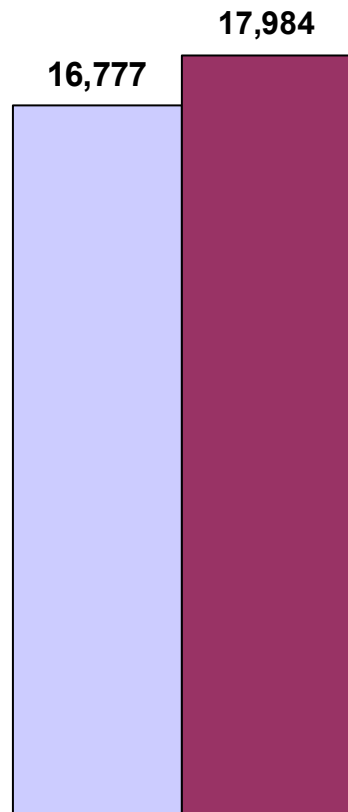


- **Focus on cross-selling to existing customers to generate fee income**
- **Third-party products sold include mutual funds, insurance, on-line broking, portfolio management services (non-discretionary), gold coins and depository services**
- **Systematic segmenting of customers**

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 to existing standardised portfolios	Customised Portfolios

Retail Assets

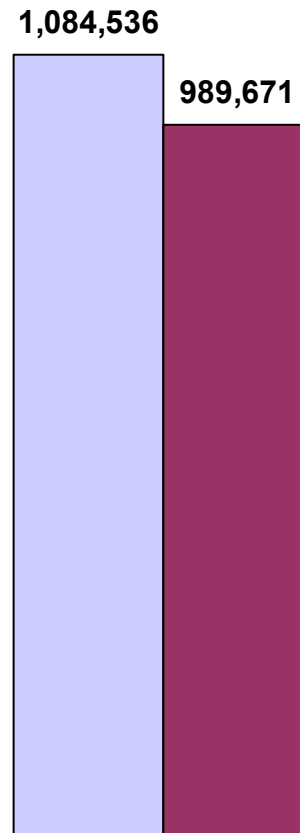
■ 30th Sep'08 ■ 30th Sep'09
Amounts in Rupees Crores



Portfolio Size

↑ 7% YOY

■ 30th Sep'08 ■ 30th Sep'09



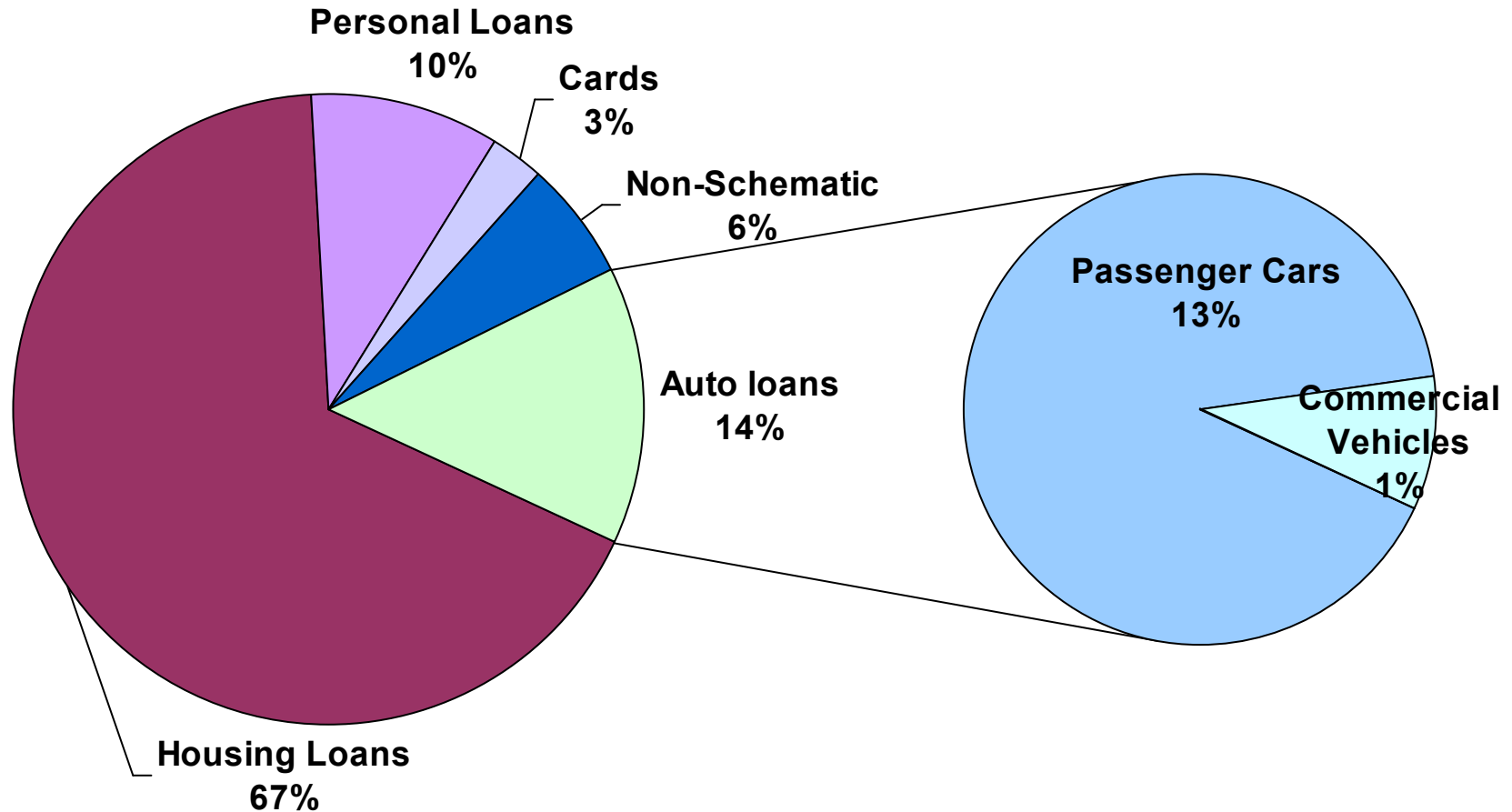
No of Accounts

↓ 9% YOY

- Retail Assets constitute 22% of the bank's total advances, as compared to 24% as at 30th Sep'08.
- Growth driven through 64 Retail Asset Centres (RACs)

Composition of Retail Assets

Product-wise composition of Retail Assets portfolio (30th Sep'09)

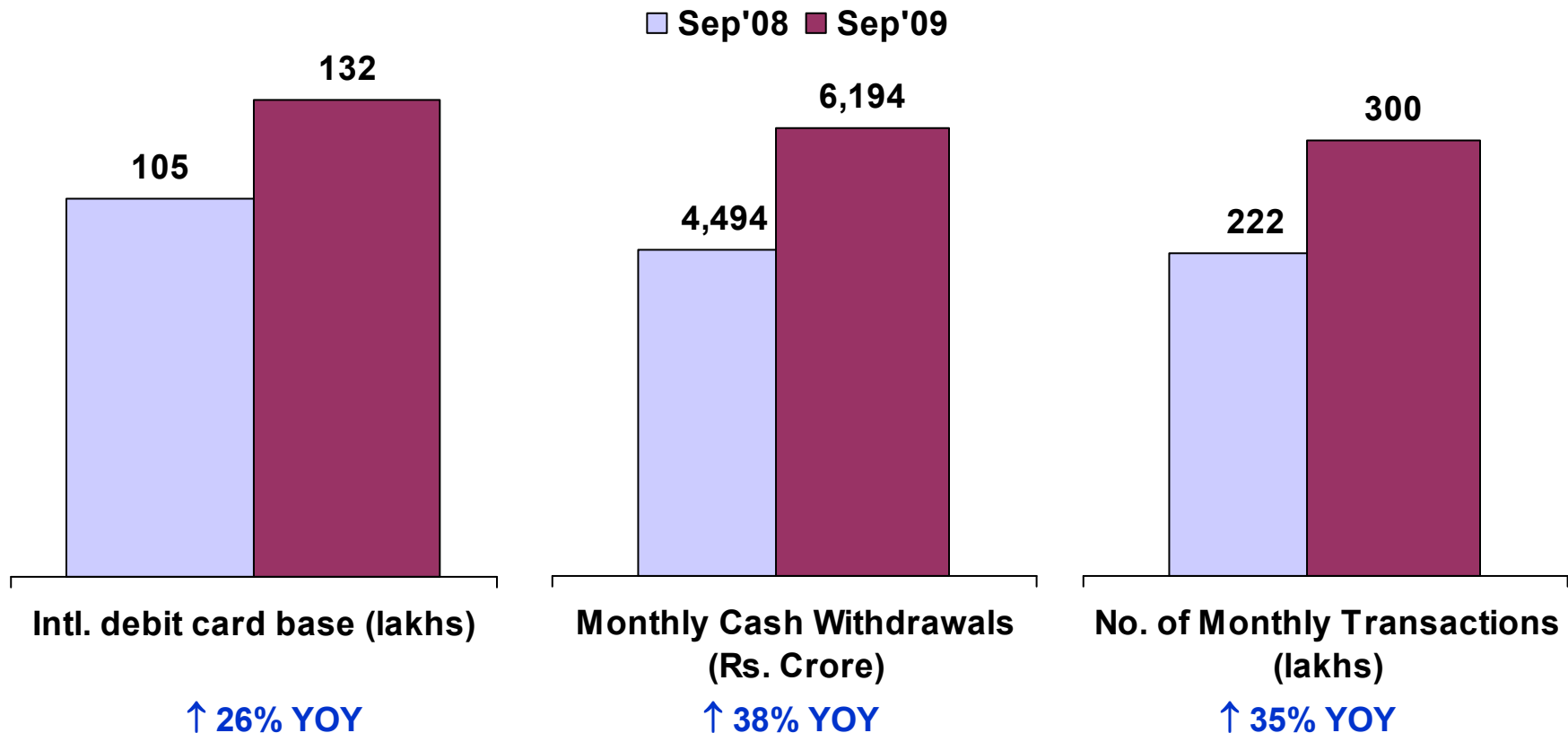


Cards Business



- **Issuance**
 - Over 5,52,000 Credit Cards in force till 30th Sep'09
 - 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 1,35,000 EDCs
- **Cards business a significant contributor to Retail Fees**

ATM Channel



- Pioneer in ATM sharing arrangements
- Value added services such as bill payments, mutual fund investments, mobile top-ups and VISA money transfer services

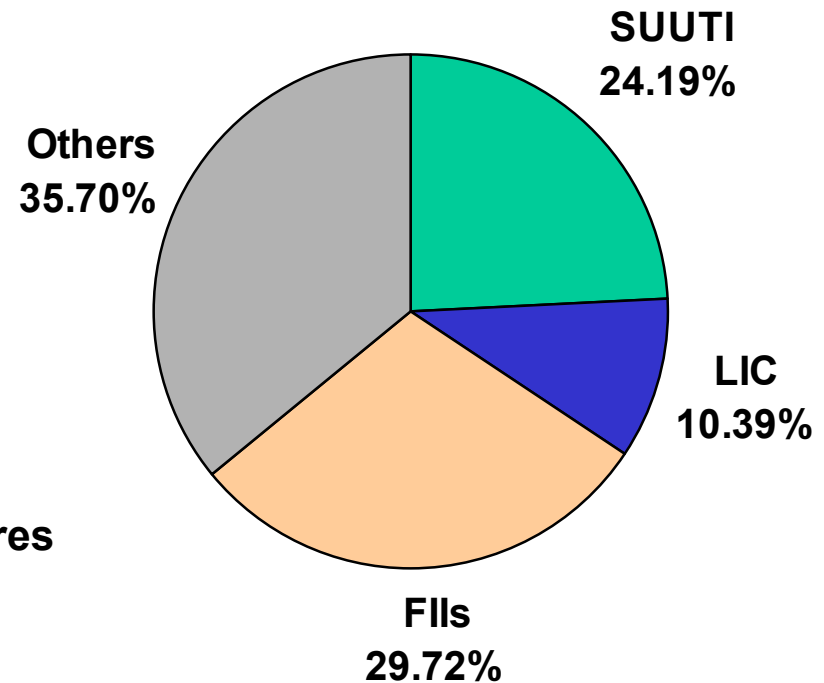
International Presence

- **Branches at Singapore, Hong Kong and DIFC, Dubai**
- **Representative offices at Shanghai and Dubai**
- **Total assets overseas amounted to US\$ 2.19 billion as compared to US\$ 1.95 billion as at end Sep'08, a growth of 12% yoy**
- **Corporate Banking, Trade Finance products, Debt Syndication and Liability businesses**

Shareholding

Shareholding pattern (Sep'09)

- Share Capital - Rs. 401.95 crores
- Shareholders' Funds - Rs. 15,087 crores
- Book Value per share - Rs. 375.35
- Market Price as on 09/10/09 - Rs. 998.00
- Market Cap as on 09/10/09 - Rs. 40,114 crores
(US \$8.34 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: MEASURING THE TRUE FINANCIAL HEALTH OF COMPANIES

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

EUROMONEY
IN ASIA

Best Debt House India 2008

ifrasia awards 2008

India Bond House 2008

Thank You



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