

**AXIS BANK**

FY 2014-15  
Annual Results

**Earnings Presentation**

# Safe Harbor

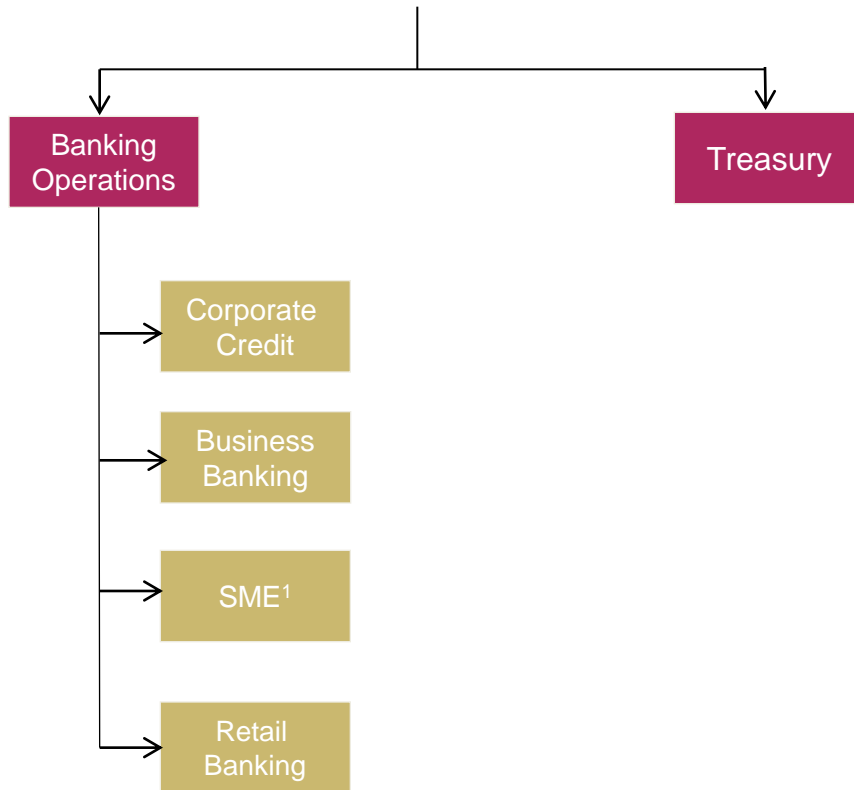
Except for the historical information contained herein, statements in this release which contain words or phrases such as “will”, “aim”, “will likely result”, “would”, “believe”, “may”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”,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

Introduction

Performance Overview

Business Overview

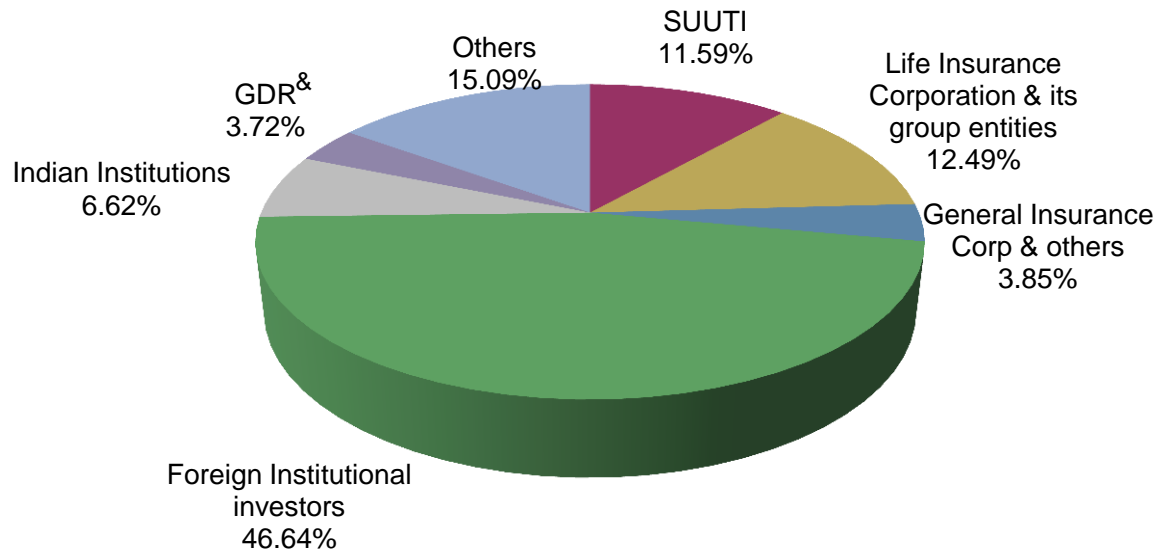
# Overview



<sup>1</sup> Small and Medium Enterprises  
<sup>2</sup> Includes extension counters  
<sup>3</sup> Includes overseas subsidiary in UK

Snapshot (As on March 31, 2015)	
Total Assets	₹4,61,932 crores
Net Advances	₹2,81,083 crores
Total Deposits	₹3,22,442 crores
Net Profit (Q4FY15)	₹2,181 crores
Net Profit (FY15)	₹7,358 crores
Shareholders' Funds	₹44,677 crores
Diluted EPS (annualized)	₹30.85
ROA (FY15)	1.83%
ROE (FY15)	18.57%
Net NPA Ratio	0.44%
Basel III Tier I CAR	12.07%
Basel III Total CAR	15.09%
Saving Bank Accounts (No.)	149 lac
Branches <sup>2</sup>	2,589
International Presence <sup>3</sup>	8
ATMs	12,355

# Shareholding Pattern (As on March 31, 2015)

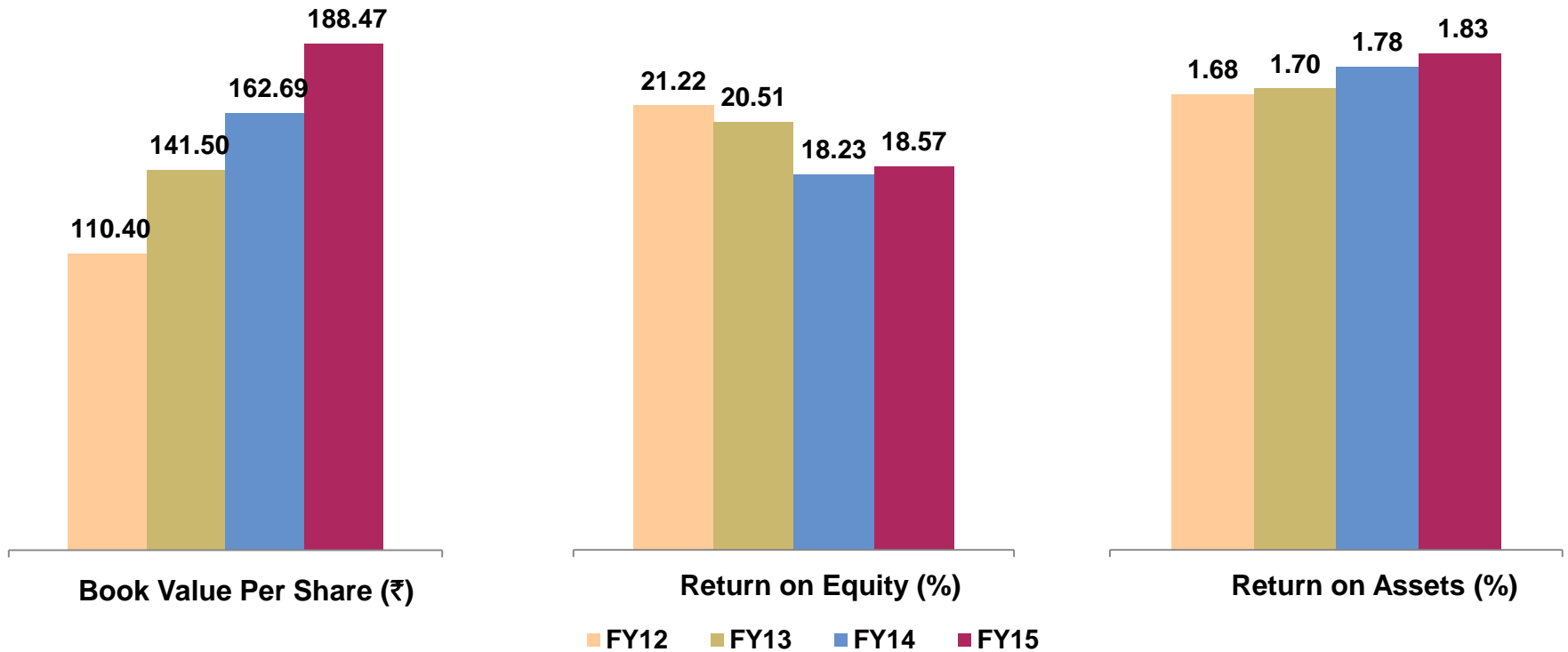


- Share Capital ₹ 474.10 crores
- Shareholders' Funds ₹ 44,677 crores
- Book Value Per Share ₹ 188.47
- Diluted EPS (annualised) ₹ 30.85
- Market Capitalisation ₹ 1,26,974 crores (as on April 28, 2015)

As on March 31, 2015, against GDR& issuance of 62.7 mn, outstanding GDRs stood at 17.6 mn

& 1GDR = 5 shares

# High Shareholder Returns



**A strong franchise demonstrating consistent value creation over time**

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# Performance Highlights

	<u>Q4FY15</u>	<u>FY15</u>
Net Profit	↑ 18% YOY	↑ 18% YOY
Net Interest Income	↑ 20% YOY	↑ 19% YOY
Fee Income	↑ 19% YOY	↑ 13% YOY
Operating Revenue	↑ 21% YOY	↑ 17% YOY
Operating Profit	↑ 24% YOY	↑ 17% YOY
CASA <sup>1</sup>		↑ 14% YOY
CASA (Daily Average)		↑ 15% YOY
Total Deposits <sup>1</sup>		↑ 15% YOY
Total Advances <sup>1</sup>		↑ 22% YOY

<sup>1</sup> As on 31<sup>st</sup> March 2015



# Key Financial Highlights

## Retail Franchise continues to show traction

- CASA Deposits in FY15 on daily average basis grew 15% YOY of which Savings Bank Deposits grew 17% & Current Account Deposits grew 11%; Daily Average CASA constitutes 40% of Total Deposits
- Retail Term Deposits grew 27% YOY and constitutes 60% of Term Deposits
- CASA and Retail Term Deposits constituted 78% of Total Deposits
- Retail Advances grew 27% YOY and accounted for 40% of Net Advances
- Retail Fee Income grew 30% YOY and constitutes 38% of Total Fee Income

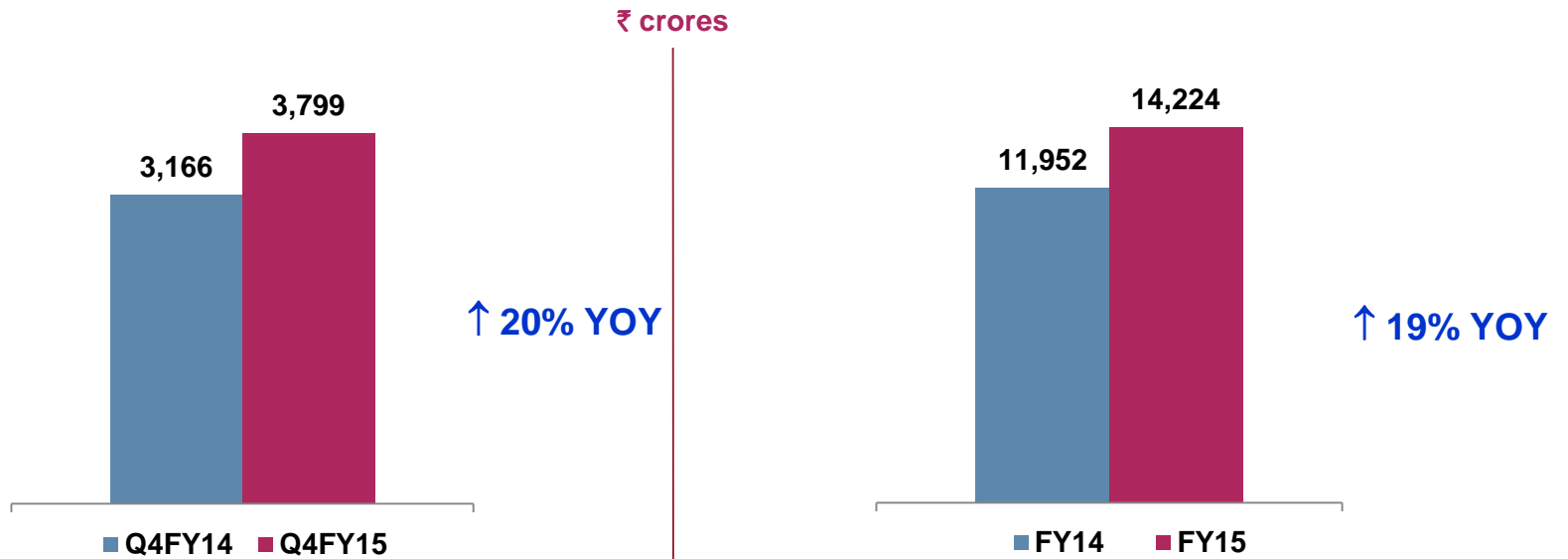
## Stable Earnings Profile

- Core Operating Revenue in Q4FY15 grew 21% YOY and stood at ₹6,056 crores
- Core Operating Profit in Q4FY15 rose to ₹3,582 crores, registered growth of 24% YOY
- Return on Assets & Return on Equity for FY15 stood at 1.83% and 18.57% respectively

Well positioned for future growth with Tier I CAR of 12.07% & Total CAR of 15.09% under Basel III

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

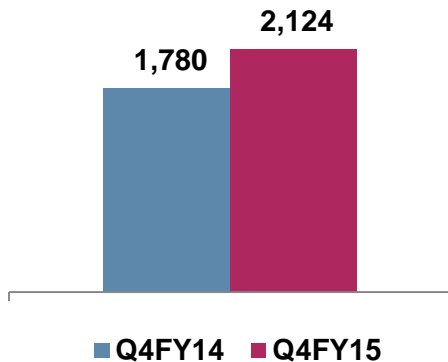
# Growing Net Interest Income



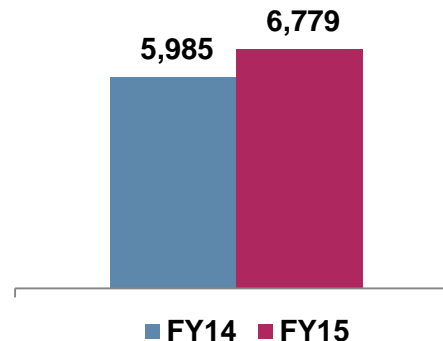
Trend in NII	(₹crores)
FY12	8,018
FY13	9,666
FY14	11,952
FY15	14,224
<b>CAGR</b>	<b>21%</b>

# Diversified Fee Income Profile

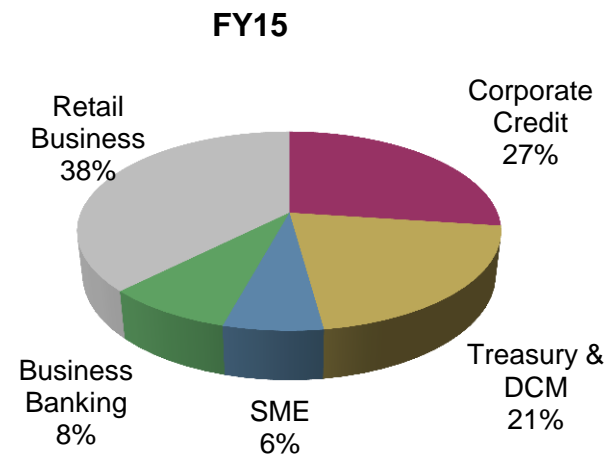
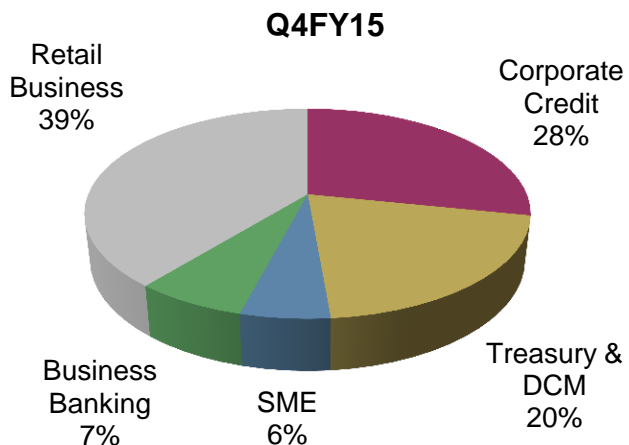
₹ crores



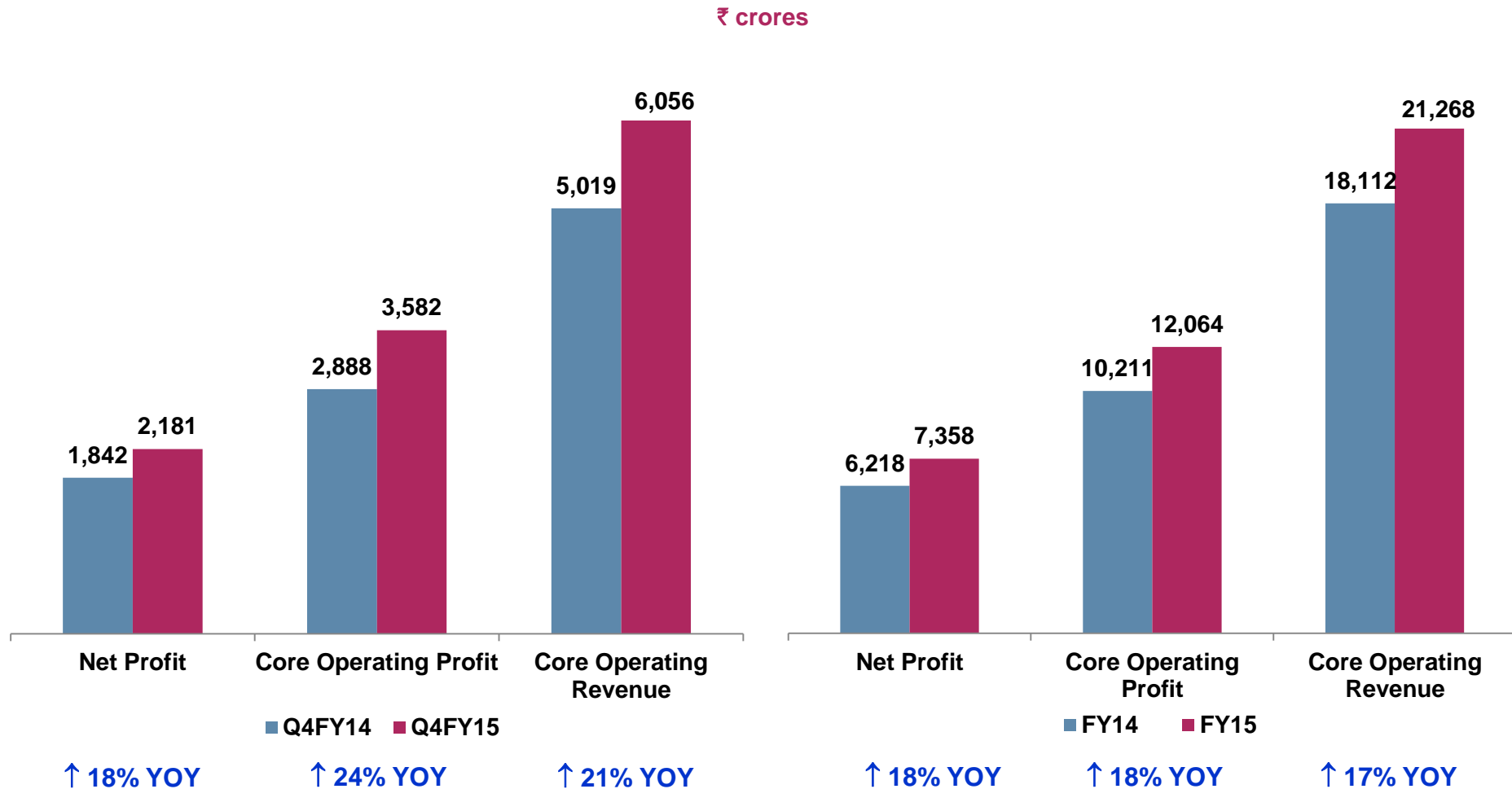
↑ 19% YOY



↑ 13% YOY



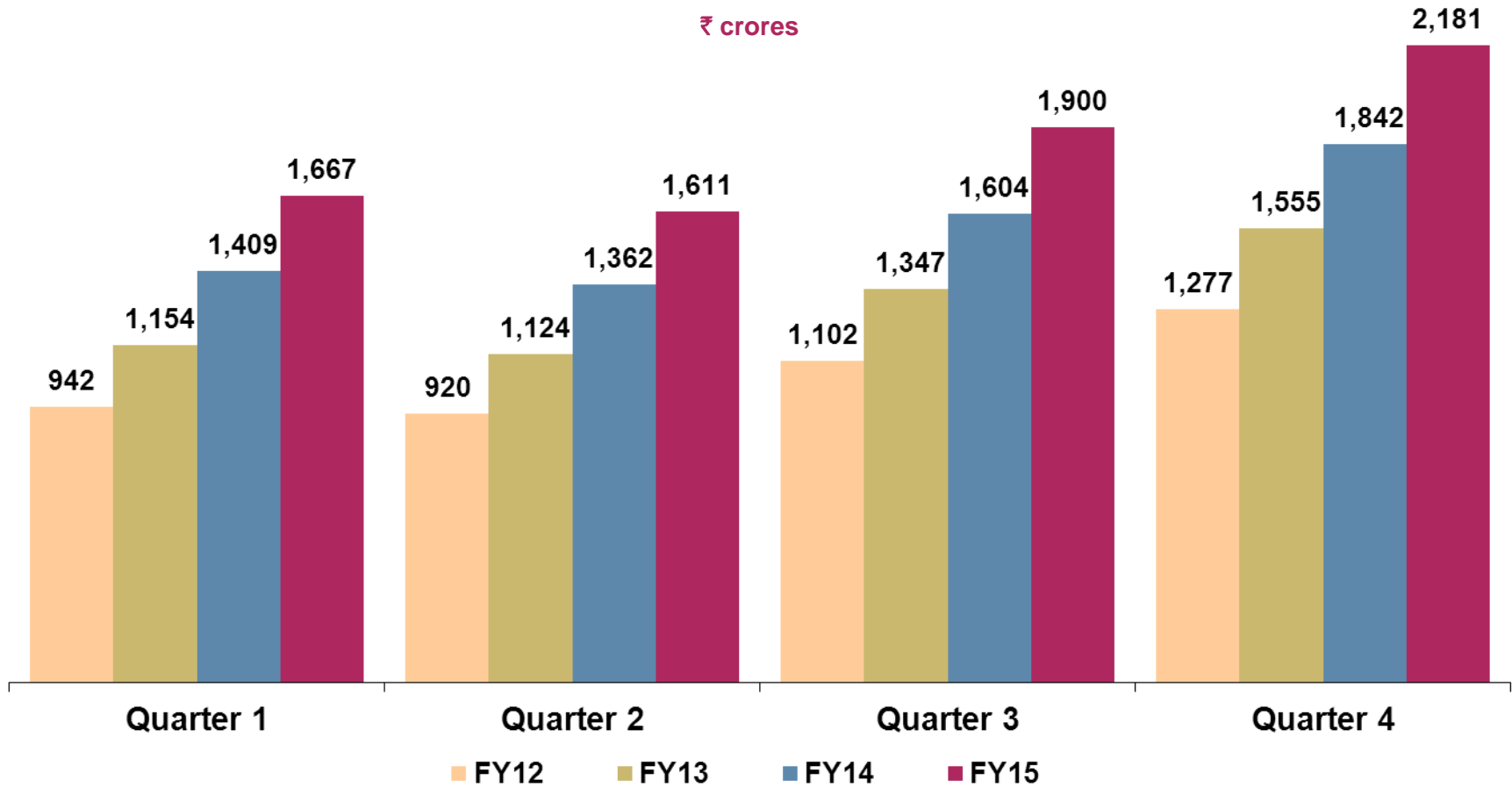
# Sustained Profitability Growth: Robust Operating Revenue



# Consistent Net Profit Growth

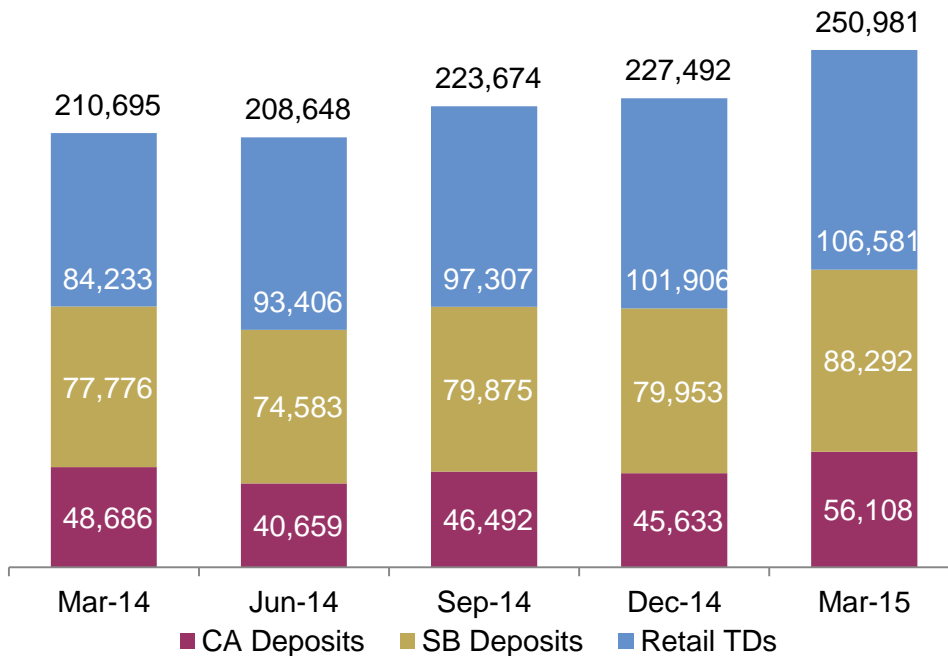
## Quarterly Net Profits

₹ crores



# Stable CASA Growth Underpins Low-Cost Deposit Franchise

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

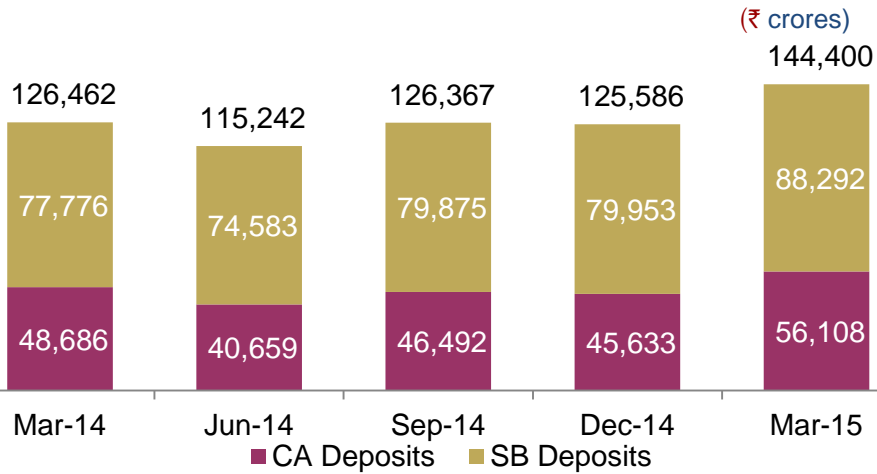


	Growth (%)	
	As on March 31 2015	Daily Average for the year
Savings Bank	14	17
CASA	14	15

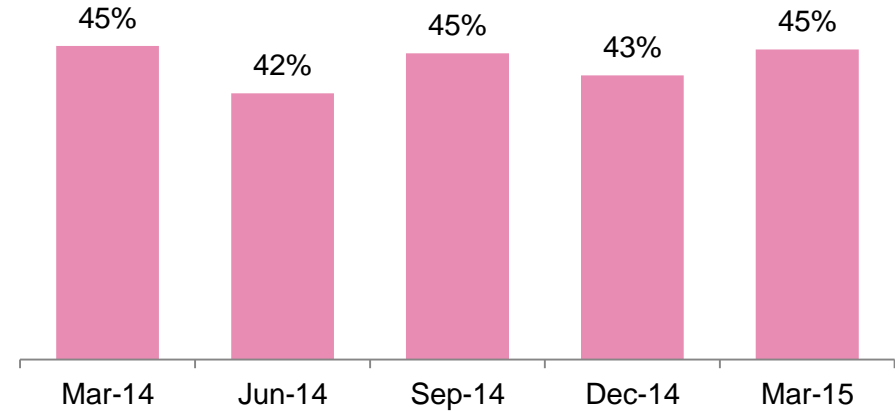
- **Share of Retail Term Deposits to Total Term Deposits stood at 60%**
- **CASA + Retail Term Deposits constitute 78% of Total Deposits**

# Strong CASA Franchise Supports Margin Stability

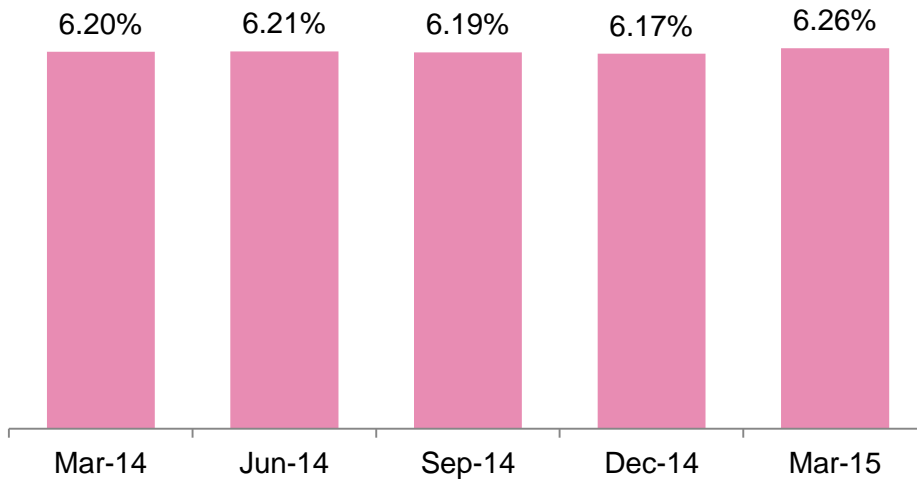
## CASA Deposits



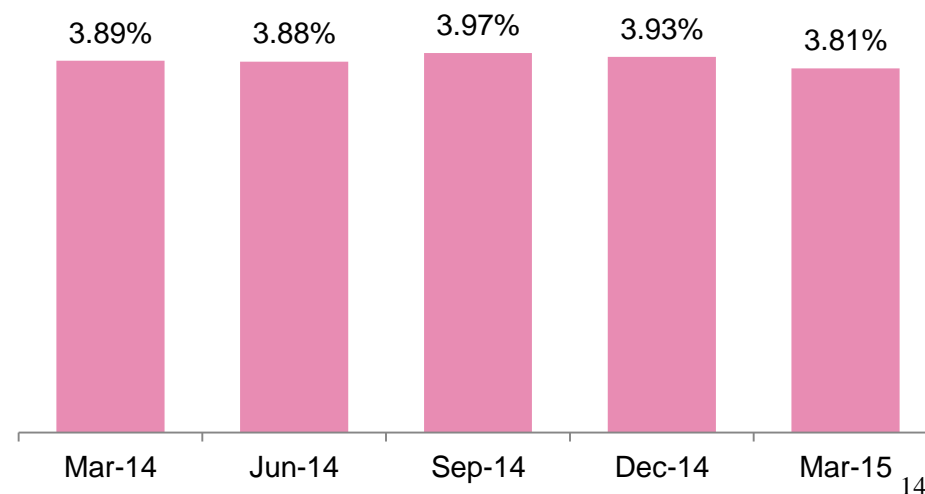
## CASA Ratio



## Cost of Funds

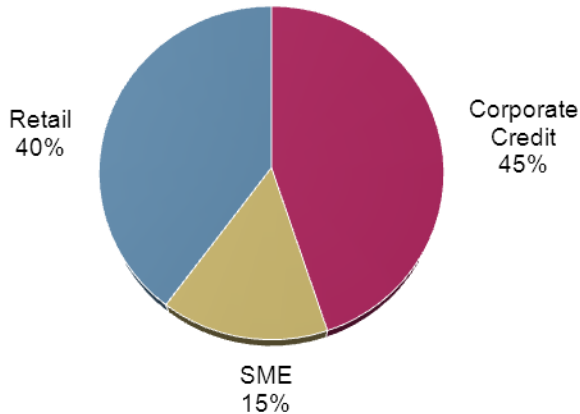


## Net Interest Margin



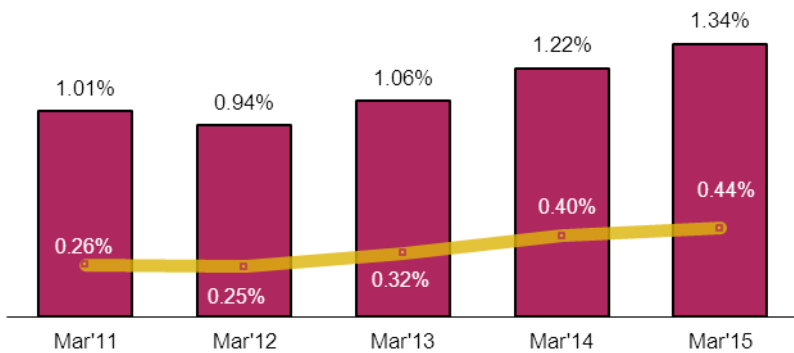
# Stable Asset Quality

**Loan Mix**  
(As on March 31 2015)



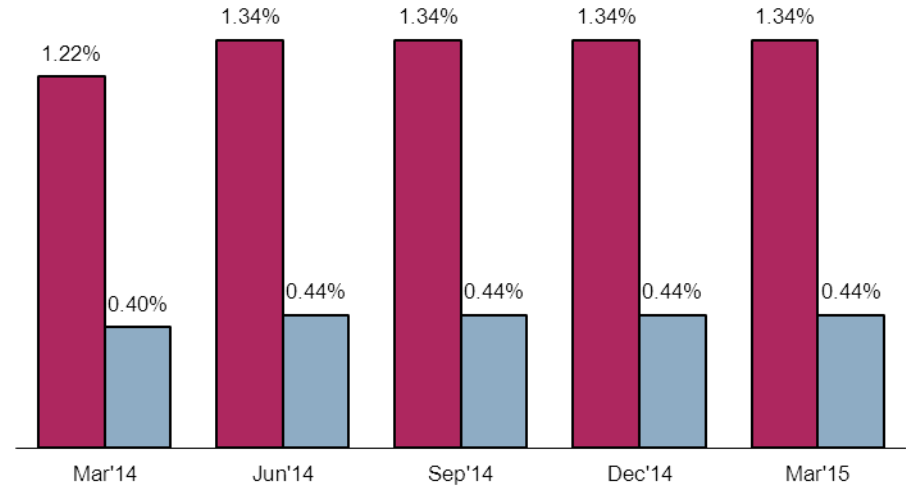
**NPA trend**

■ Gross NPA ratio    ■ Net NPA ratio



**Asset Quality**

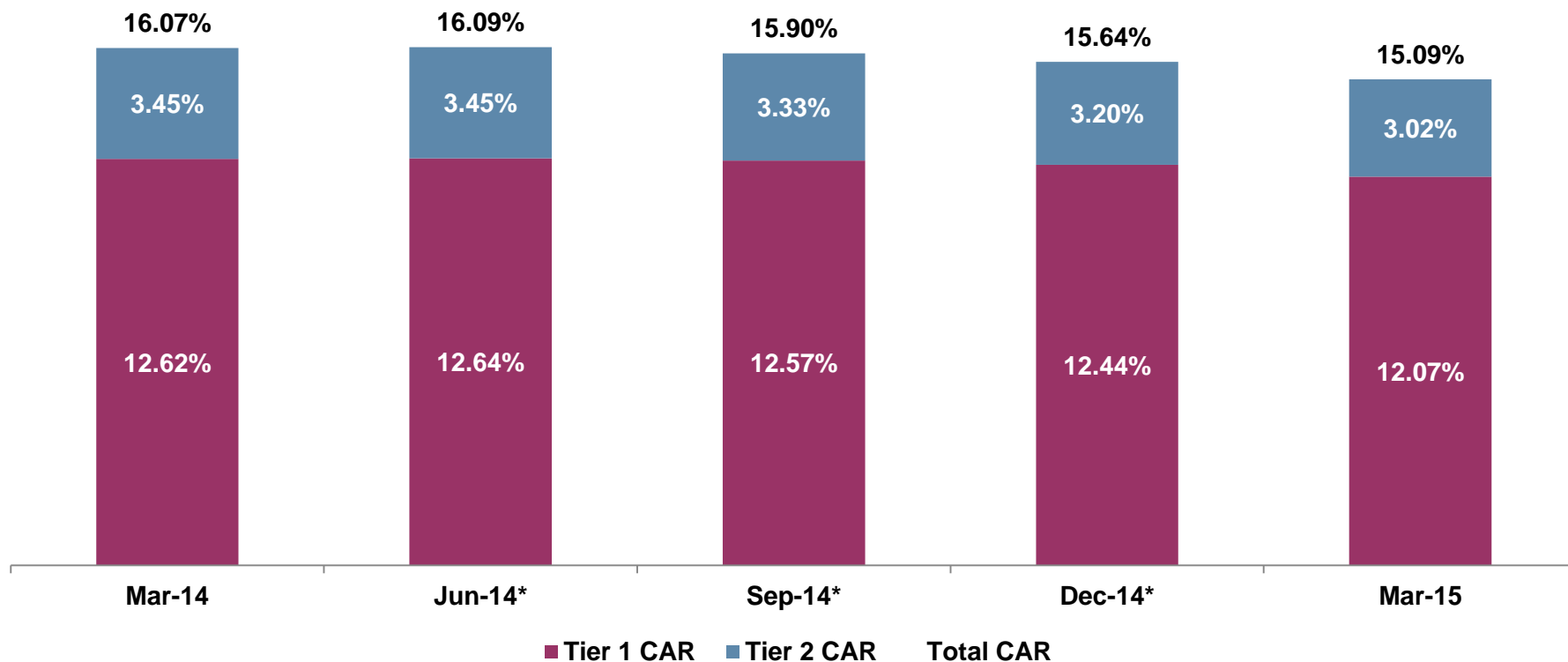
■ Gross NPA ratio    ■ Net NPA ratio



- Provision coverage of 78% as on March 2015 including prudential write-offs (87% before accumulated write-offs)
- Net Cumulative restructured advances were ₹8,166 crores (2.71% of net customer assets) as on March 2015
- ₹1,540 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

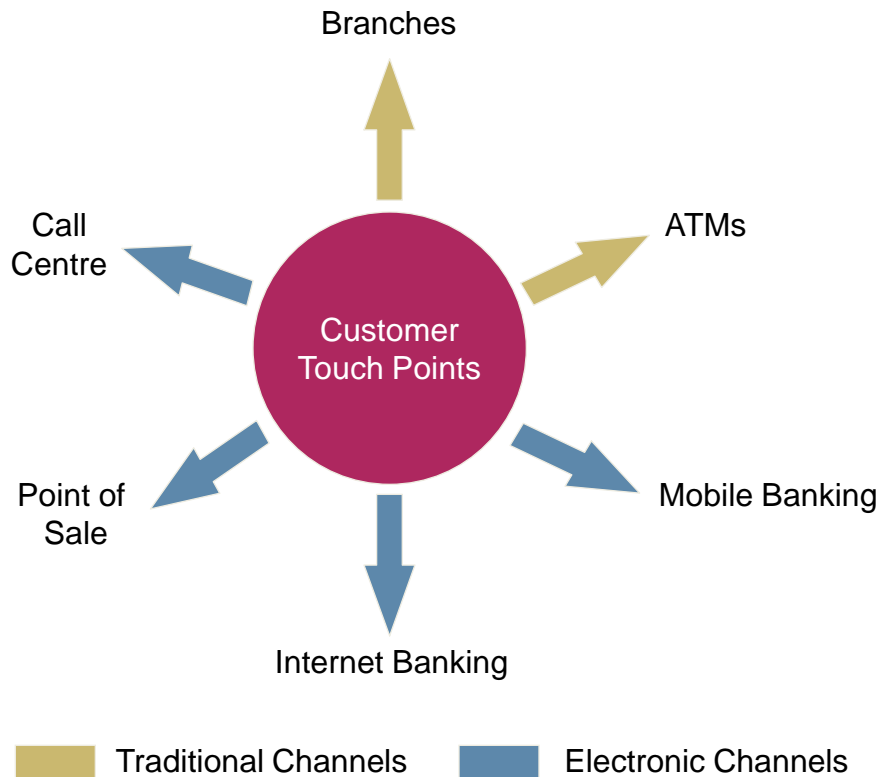
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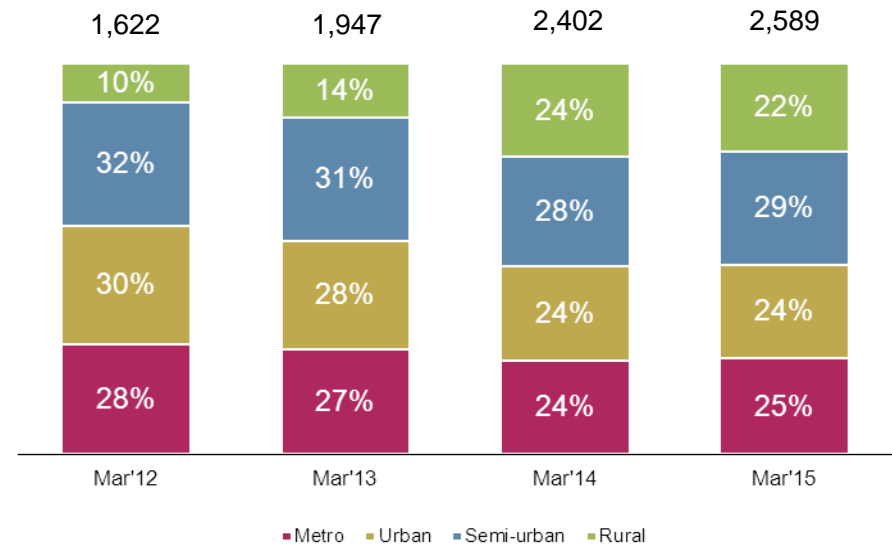
# Well distributed, countrywide network of Branches & ATMs

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



- Expanding footprint across centres
- One of the largest ATM network in the industry

## Domestic Branch network<sup>1</sup>

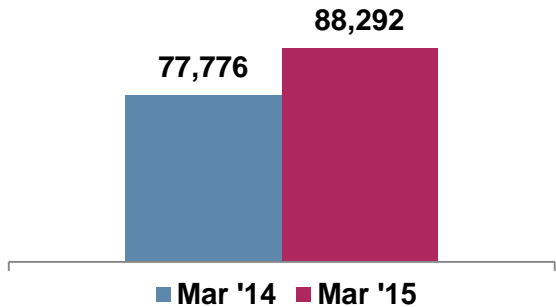


	Mar'12	Mar'13	Mar'14	Mar'15
ATMs	9,924	11,245	12,922	12,355
Centers Covered	1,050	1,263	1,636	1,714
Employees	31,738	37,901	42,420	42,230

<sup>1</sup> Including extension counters

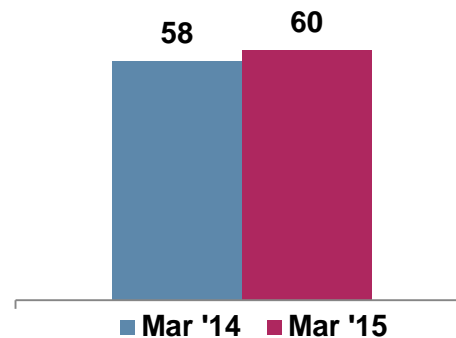
# Retail Liabilities Exhibit Consistent Growth

Savings Bank Deposits  
(₹ crores)

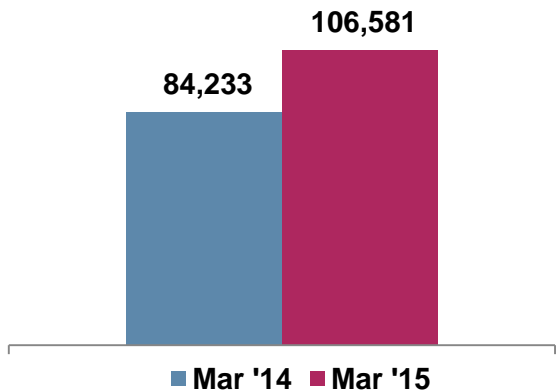


↑ 14% YOY

Retail Deposits\* (% of Total Deposits)

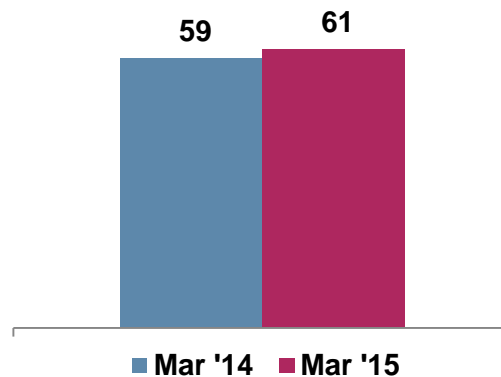


Retail Term Deposits (RTD)  
(₹ crores)



↑ 27% YOY

Share of Domestic RTD as % of Domestic Term Deposits



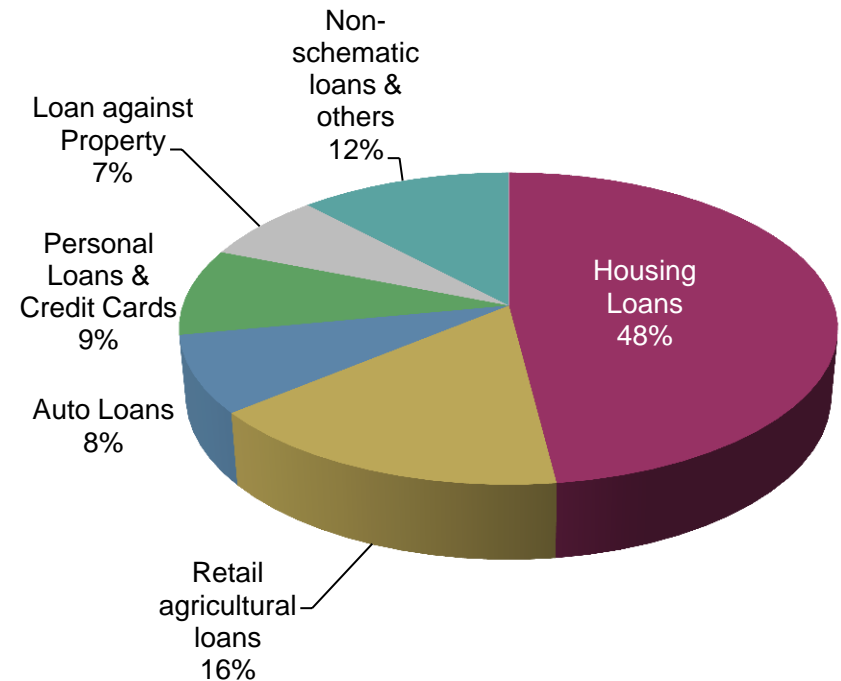
\* Retail Deposits include Savings Bank and Retail Term Deposits

# Sustained Traction in Retail Assets

## Key Highlights

- Maintain focus on secured lending with greater emphasis on mining existing liability customer base
- Integrated strategy for tapping into consumer lending opportunity in rural markets
- Retail Advances constitute 40% of Bank's Net Advances in March 2015
- Secured Loans make up 87% of Retail Loans
- Housing Loans account for 48% of Retail Loans

## Composition of Retail Advances



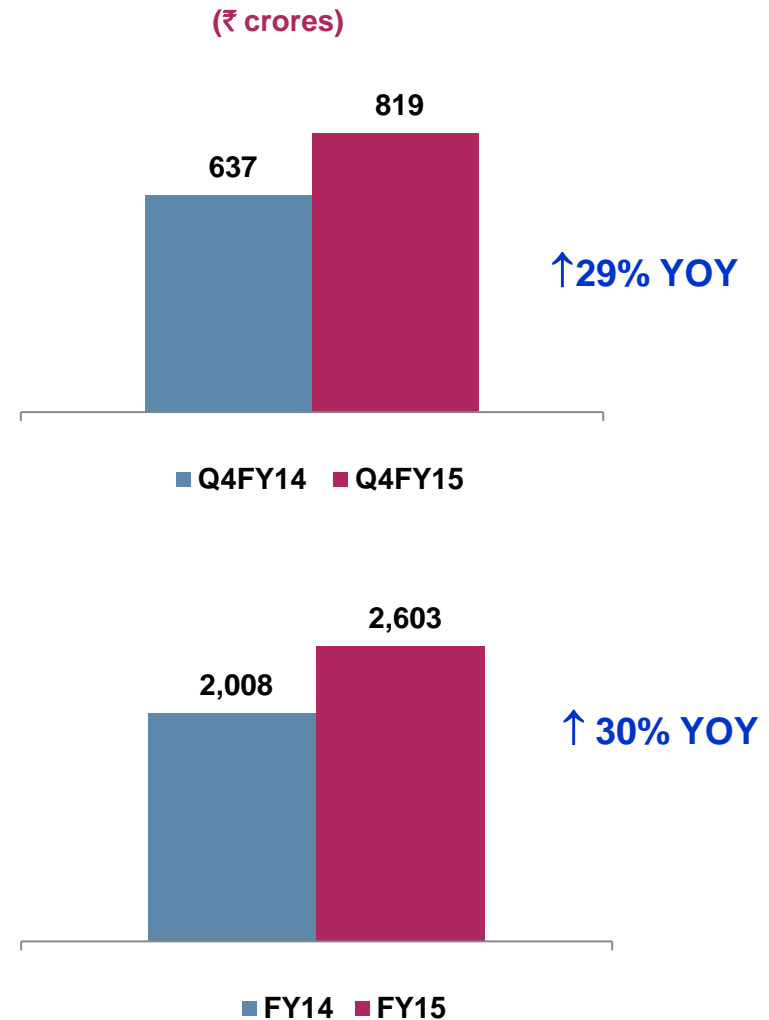
Portfolio Size: ₹1,11,932 crores

↑ 27% YOY

# Growth in Retail Fees

## Key Highlights

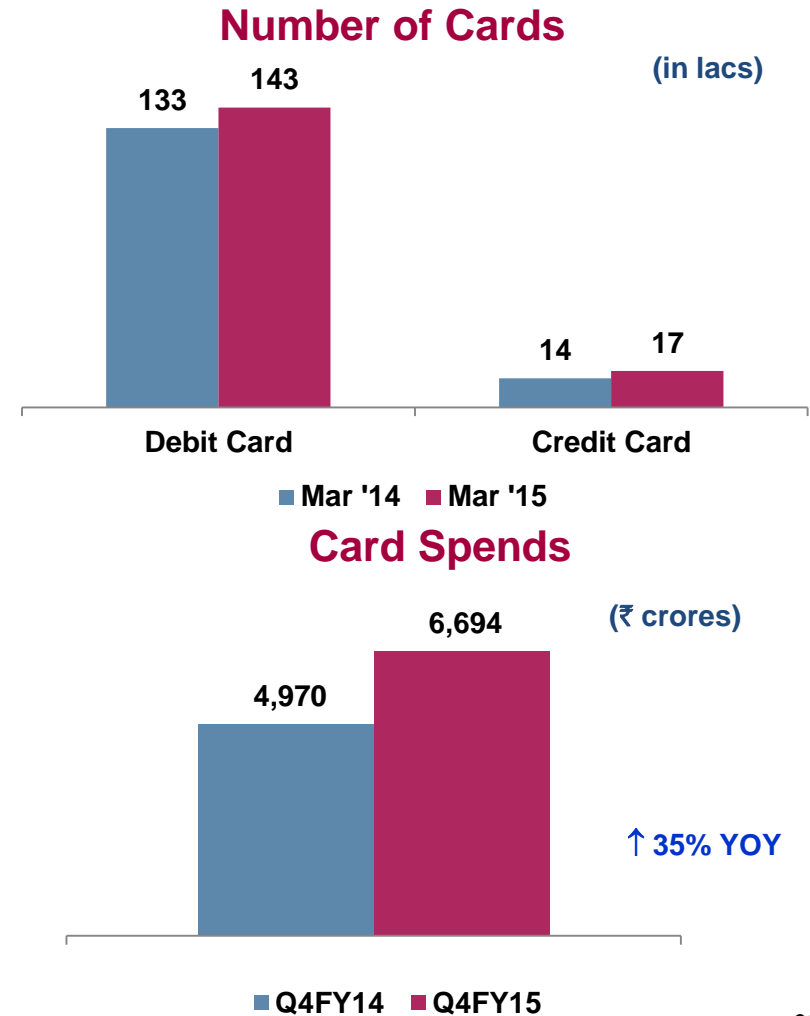
- Focus on cross-selling to existing customers key driver for growth
- Third-party products sold include mutual funds, insurance, on-line broking, portfolio management services (non-discretionary) and gold coins
- Healthy retail asset growth provides momentum to asset linked fees



# Retail Payments Franchise

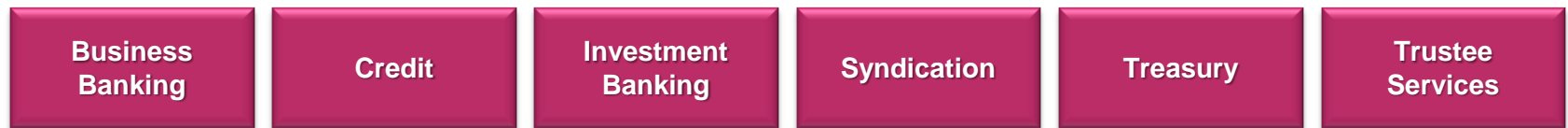
## Key Highlights

- One of the largest issuers of debit cards
- Over 17 lac credit cards in circulation
- Credit card acquisition focused on large retail depositor base
- Multi Currency Forex Cards in 15 currencies – USD, Euro, GBP, AUD, CAD, SGD, SEK, CHF, JPY, AED, SAR, THB, NZD, HKD & ZAR; INR (for foreign nationals and NRIs)
- Prominent player in merchant acquiring business



# 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

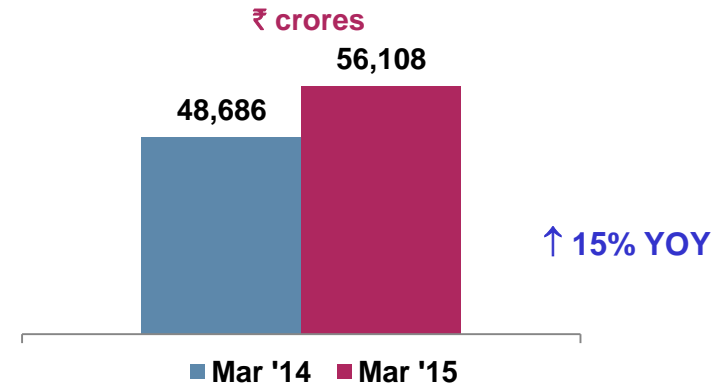


# Business Banking

## 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)

FY12	39,754
FY13	48,322
FY14	48,686
FY15	56,108
<b>CAGR</b>	<b>12%</b>

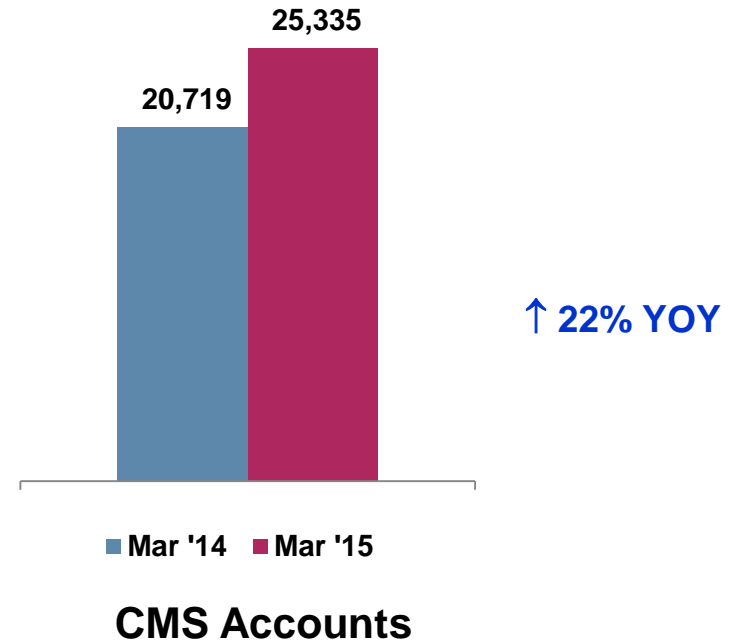
# Business Banking

## Government Business

- Collection of Central Govt. taxes on behalf of CBDT and CBEC, including through e-payments
- Collection of state taxes & collections under E-governance on behalf of 15 & 10 State Govt. and Union Territories respectively
- Collections and payments for Central Govt ministries - Railways, MOF, Urban Development and Housing & Urban Poverty Alleviation
- NPS Trustee Bank & Collection Bankers for subscriptions through all Branches
- Appointed as Centralised Clearing House for Electronic Toll collection based on RFID tags by a subsidiary of NHAI
- Leverage 50 authorized branches as Hubs and source PPF accounts from all branches.

## Cash Management Business

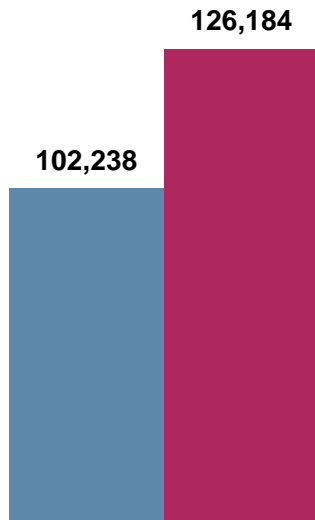
- Leading CMS provider in the country
- Among few banks offering host to host transaction banking facility



# Corporate Banking

## Advances

(₹ crores)

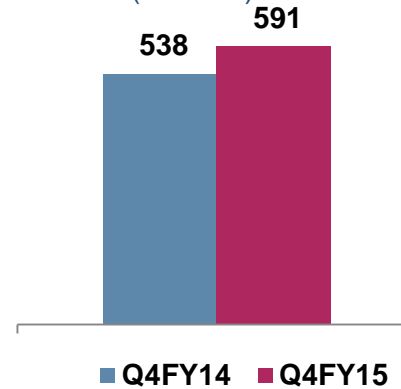


■ Mar '14 ■ Mar '15

↑ 23% YOY

## Fees

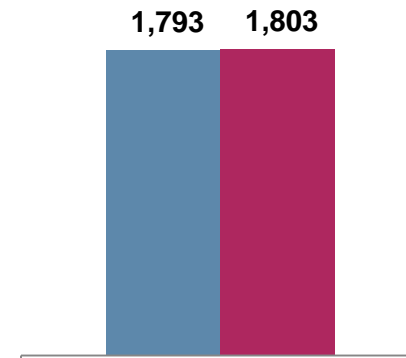
(₹ crores)



↑ 10% YOY

■ Q4FY14 ■ Q4FY15

(₹ crores)



↑ 1% YOY

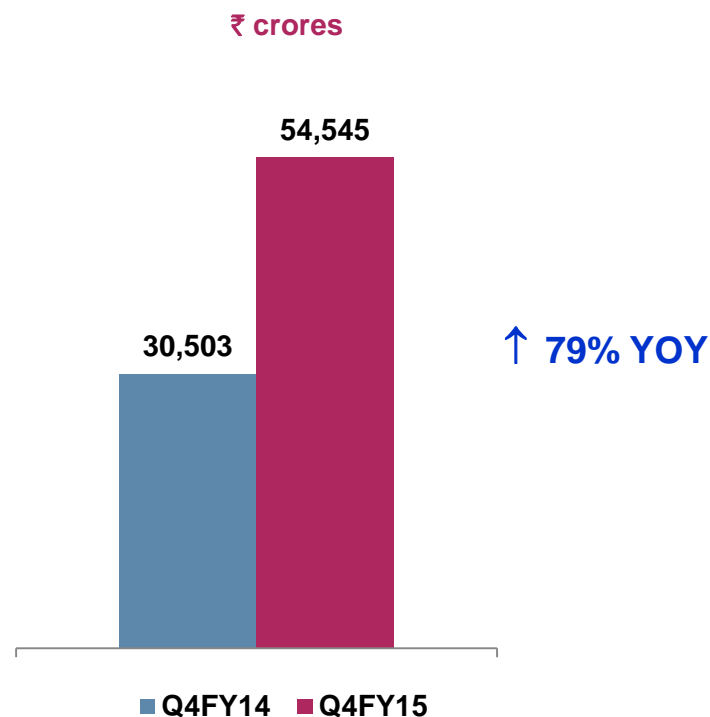
■ FY14 ■ FY15

# 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 2014
- Ranked No. 1 underwriter for Rupee Denominated Bonds by Bloomberg for year ended March 2015.
- Awarded 'Best DCM House' 2014 by Finance Asia
- Ranked No.1 Top Bank in the secondary market in Asian currency bonds for corporate bonds – India , by Asset Research

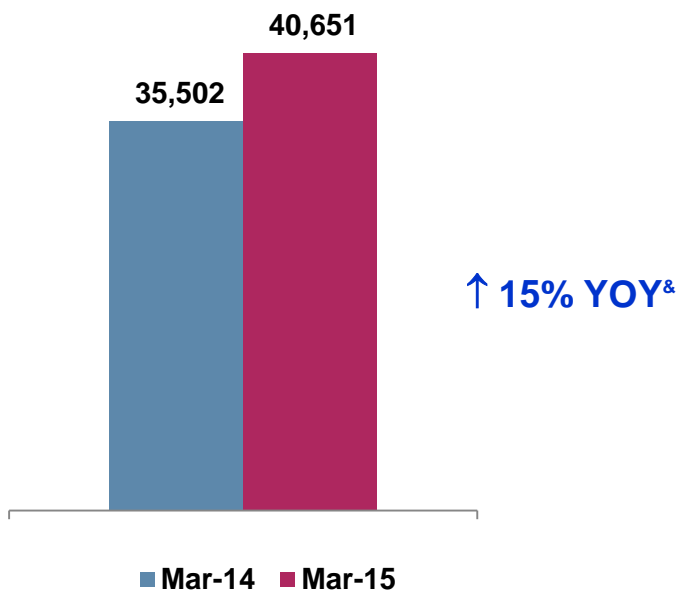
## Placement & Syndication of Debt Issues



# SME Banking

## Advances<sup>^</sup>

(₹ crores)

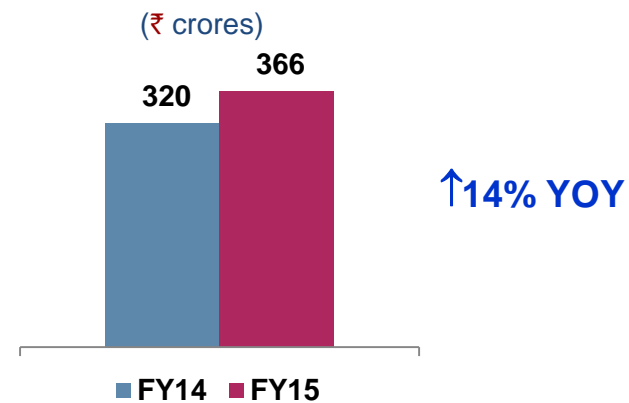
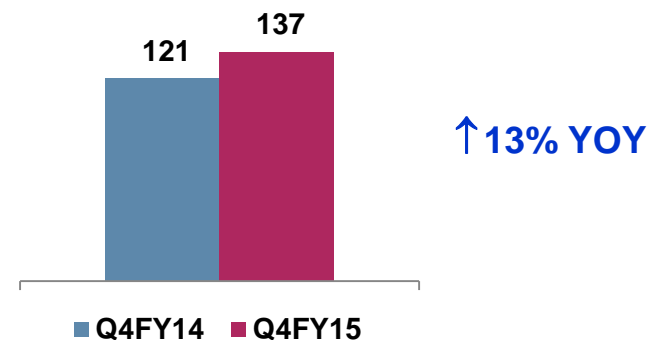


<sup>^</sup> Excludes non-retail agricultural loans amounting to ₹4,298 crores as on 31<sup>st</sup> March 2014 & ₹2,316 crores as on 31<sup>st</sup> March 2015

<sup>&</sup> SME loans including non-retail agriculture loans grew 8% YOY

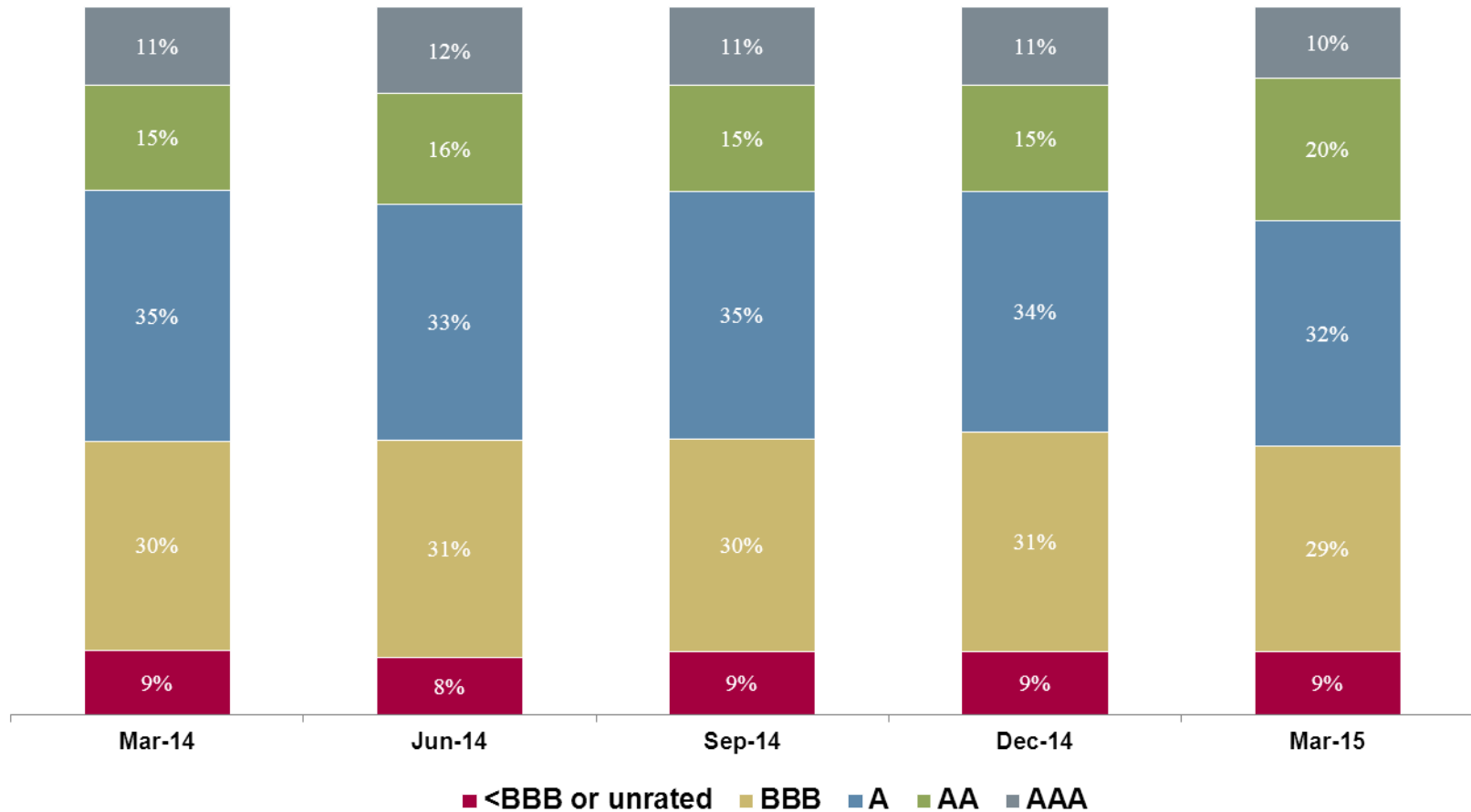
## Fees

(₹ crores)



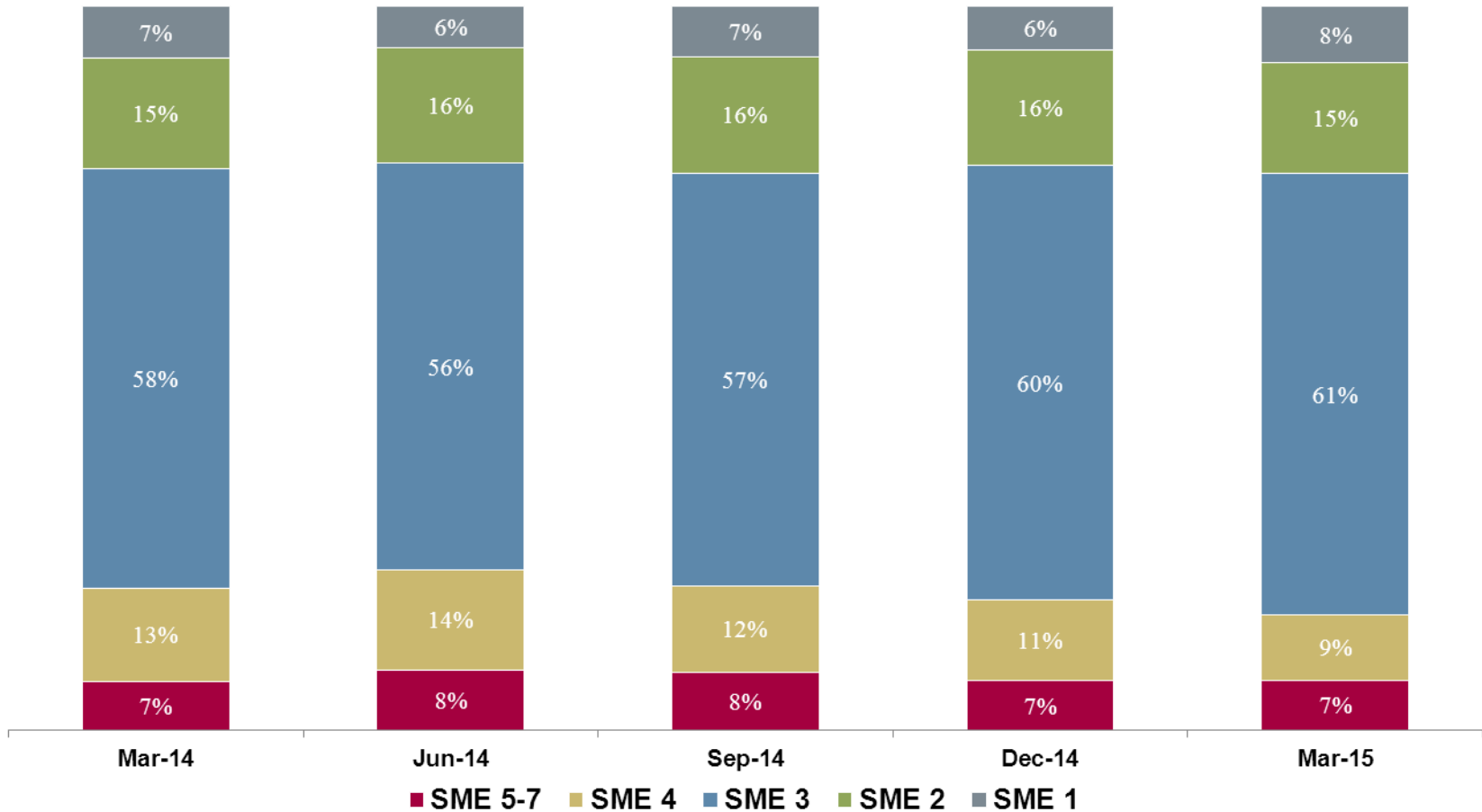
# Rating Distribution: Corporate Banking

62% of corporate advances have rating of at least 'A' in March 2015



# Rating Distribution: SME

84% of SME advances have rating of at least 'SME3' in March 2015



# Industry-wise Distribution (Top 10)

Rank	Sectors	Outstanding as on March 31, 2015 (%) <sup>1</sup>		
		Fund-based	Non-fund based	Total
1.	Infrastructure <sup>2</sup>	7.18	9.79	7.88
2.	Power Generation & Distribution	5.95	7.66	6.41
3.	Metal & Metal Products	5.88	6.17	5.96
4.	Financial Companies <sup>3</sup>	4.71	9.30	5.94
5.	Engineering & Electronics	3.19	12.99	5.81
6.	Trade	3.37	4.98	3.80
7.	Real Estate	3.16	1.82	2.80
8.	Food Processing	3.06	2.37	2.88
9.	Telecommunication Services	0.52	8.18	2.57
10.	Petroleum & Petroleum Products	0.54	6.05	2.01

<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 7.86 billion**

*Thank You*