

AXIS BANK

Q1 FY 2014-15
First Quarter Results

Earnings Presentation

Safe Harbor

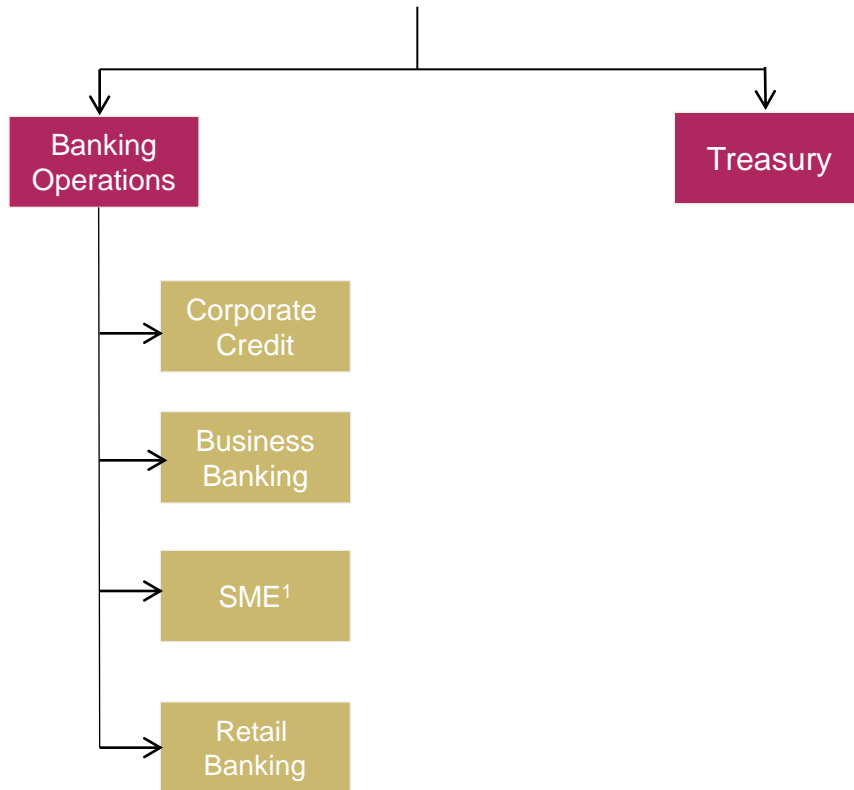
Except for the historical information contained herein, statements in this release which contain words or phrases such as “will”, “aim”, “will likely result”, “would”, “believe”, “may”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”,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



Snapshot (As on June 30, 2014)

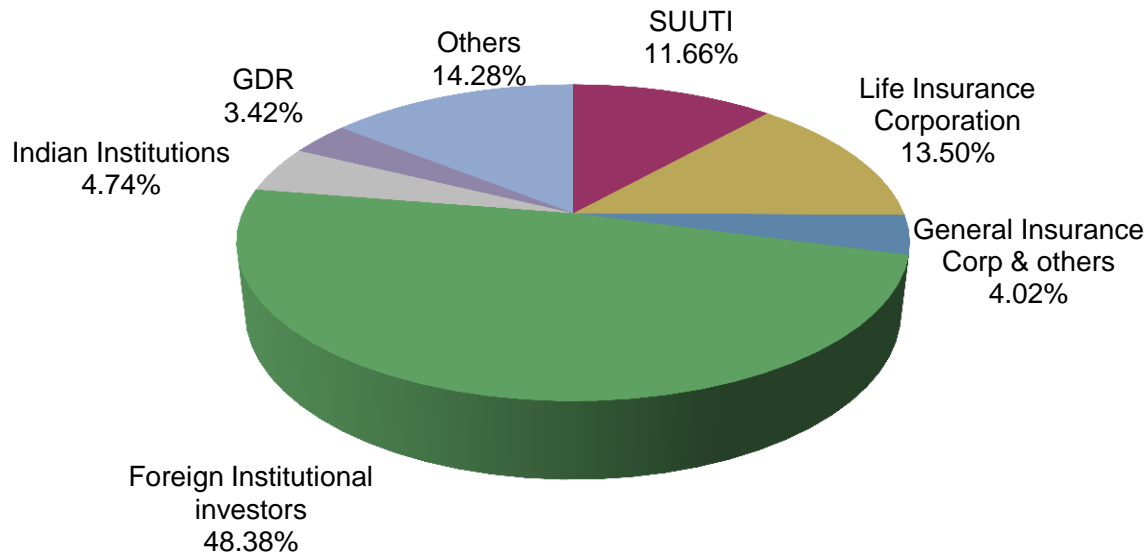
Total Assets	₹379,361 crores
Net Advances	₹230,535 crores
Total Deposits	₹272,004 crores
Net Profit (Q1FY15)	₹1,667 crores
Shareholders' Funds	₹40,049 crores
ROA (Q1FY15)	1.78%
ROE (Q1FY15)	17.89%
Net NPA Ratio	0.44%
Basel III Tier I CAR ²	12.64%
Basel III Total CAR ²	16.09%
Saving Bank Accounts (No.)	136 lac
Branches ³	2,421
International Presence	8
ATMs	12,930

¹ Small and Medium Enterprises

² Includes profits for the quarter

³ Includes extension counters

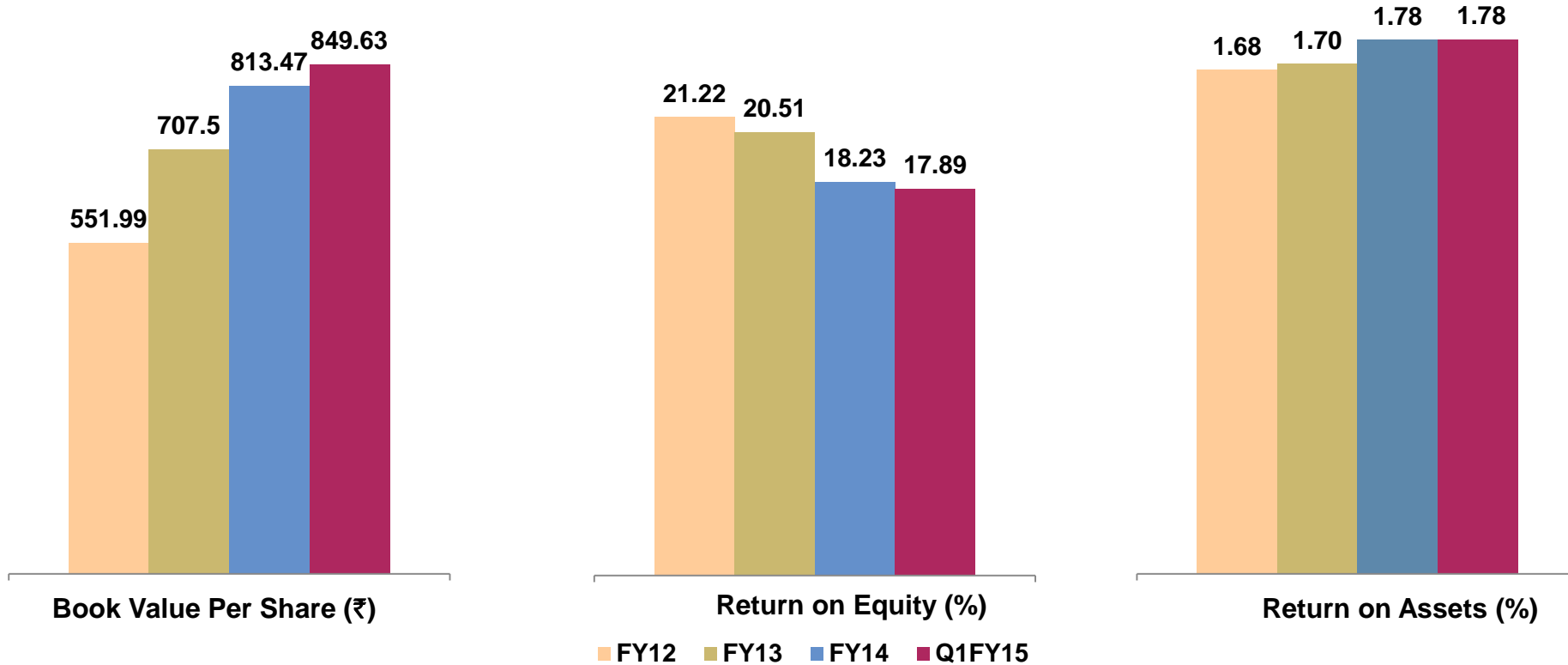
Shareholding Pattern (As on June 30, 2014)



- Share Capital ₹471 crores
- Shareholders' Funds ₹ 40,049 crores
- Book Value Per Share ₹ 849.63
- Market Capitalisation ₹ 95,412 crores (as on July 21, 2014)

As on June 30, 2014, against GDR issuance of 62.7 mn, outstanding GDRs stood at 16.1 mn

High Shareholder Returns







A strong franchise demonstrating consistent value creation over time

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Performance Highlights

		<u>Q1FY15</u>
Net Profit		18% YOY
Net Interest Income		16% YOY
Fee Income		5% YOY
Core Operating Revenue		13% YOY
Core Operating Profit		10% YOY
Net Interest Margin		3.88%
CASA¹		14% YOY
CASA (Daily Average)		16% YOY
Total Deposits¹		14% YOY
Total Advances¹		16% YOY

¹ As on June 30 2014

Highlights of Q1FY15

Retail Franchise continues to show traction

- Savings Bank Deposits registered strong growth, rose 18% YOY to ₹74,583 crores as on June 30, 2014, and 20% YOY to ₹70,365 crores on Daily Average Basis
- Retail Term Deposits grew 44% YOY, constituted 60% of Term Deposits
- Domestic CASA and Retail Term Deposits constituted 78% of Total Domestic Deposits
- Consumer Loans grew 29% YOY and accounted for 32% of Net Advances

Stable Earnings Profile

- Core Operating Revenue grew 13% YOY, stood at ₹4,741 crores
- Core Operating Profit rose to ₹2,635 crores, registered growth of 10% YOY
- Return on Assets stood at 1.78% and Return on Equity at 17.89%

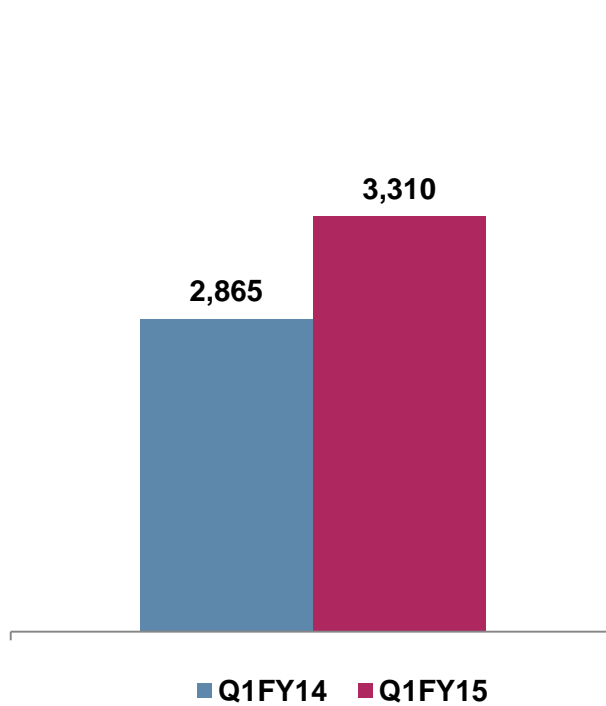
Well positioned for future growth with Tier I CAR[&] of 12.64% & Total CAR[&] of 16.09% under Basel III

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

[&] Includes profits for the quarter

Growing Net Interest Income

₹ crores

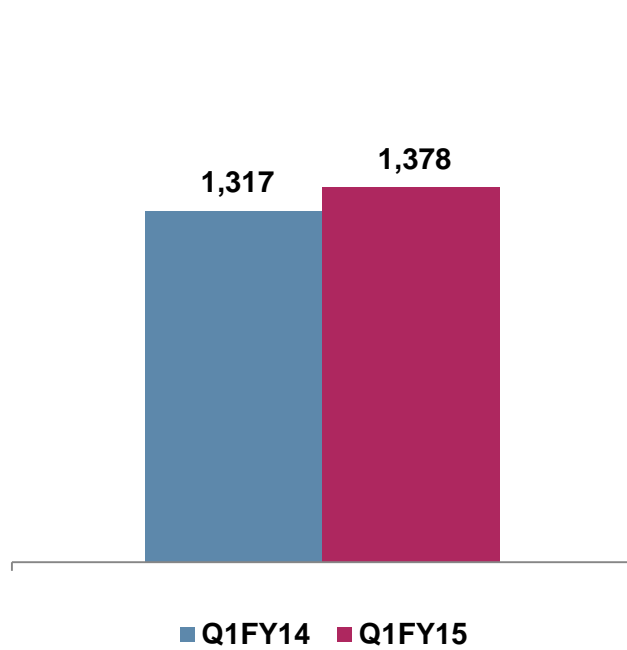


↑ 16% YOY

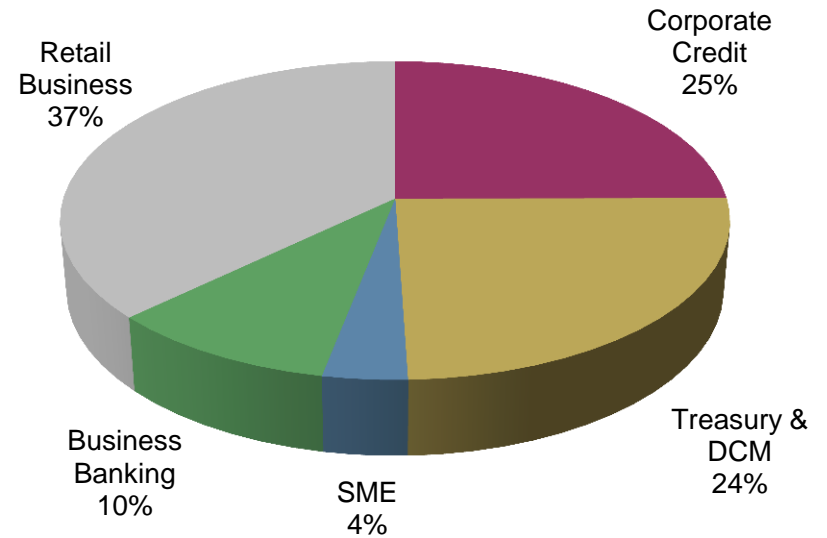
Trend in NilIs	(₹crores)
FY11	6,563
FY12	8,018
FY13	9,666
FY14	11,952
CAGR	22%

Diversified Fee Income Profile

₹ crores

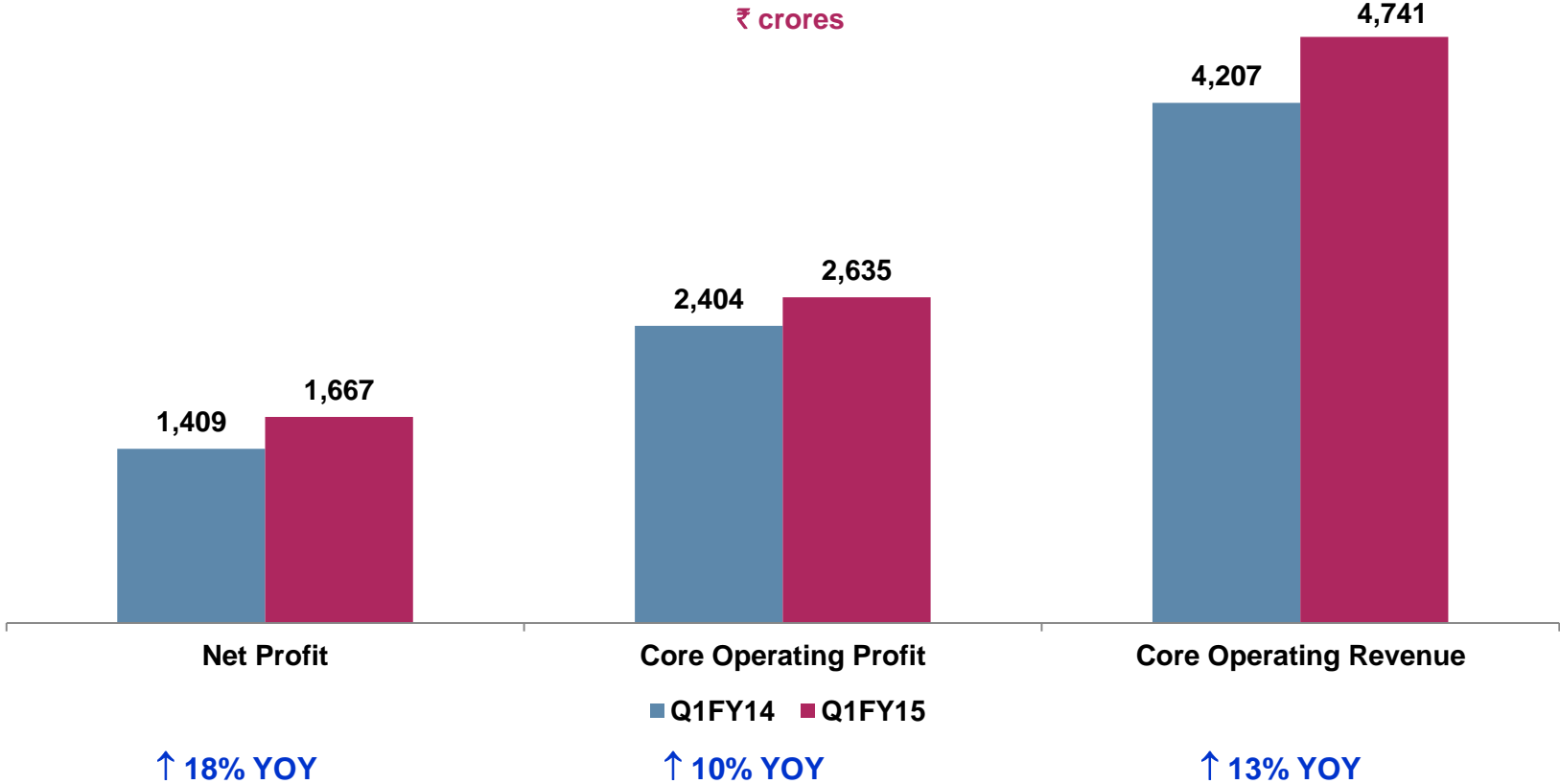


↑ 5% YOY



Q1FY15

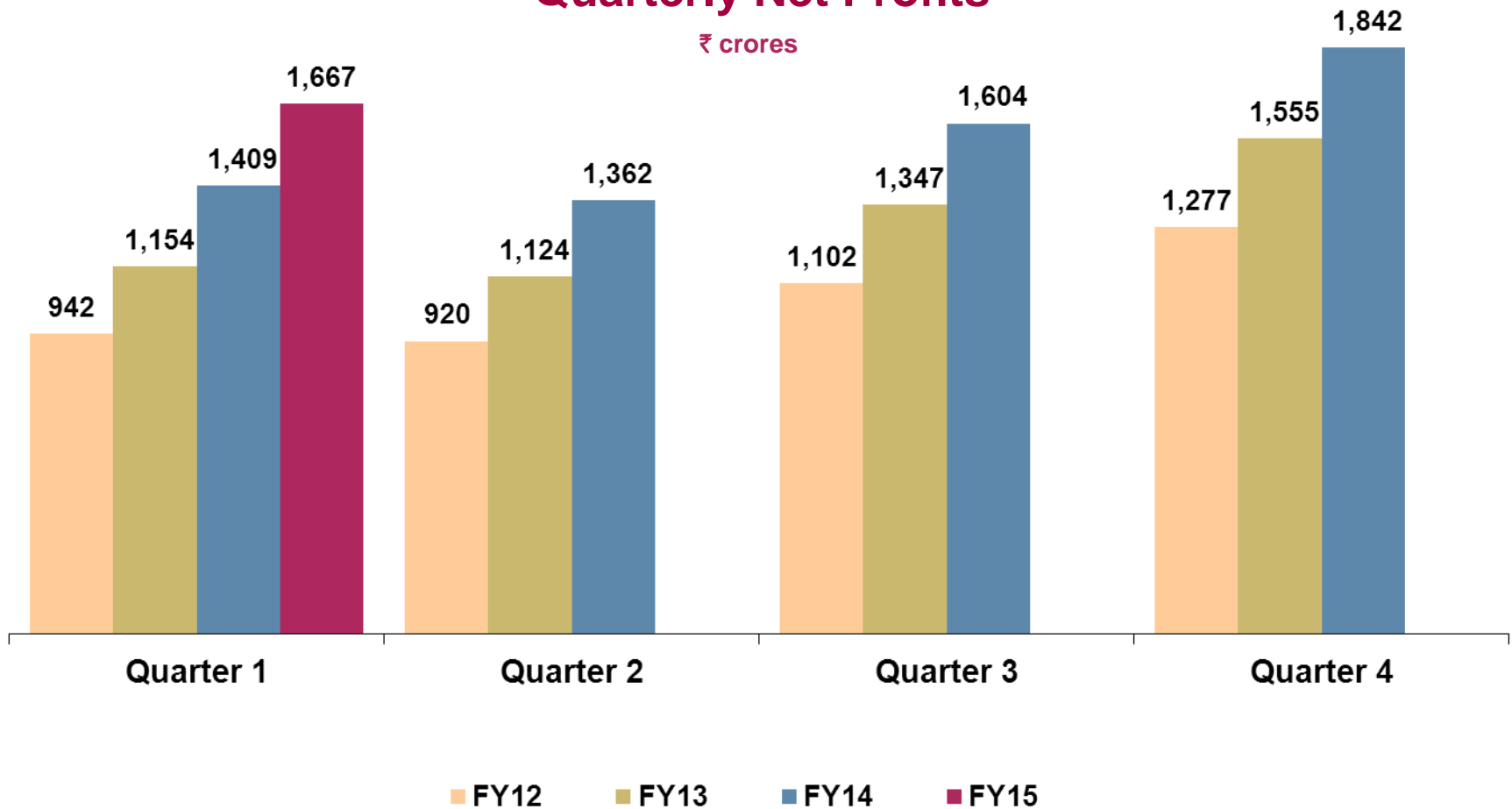
Sustained Profitability Growth: Strong Core Performance



Consistent Net Profit Growth

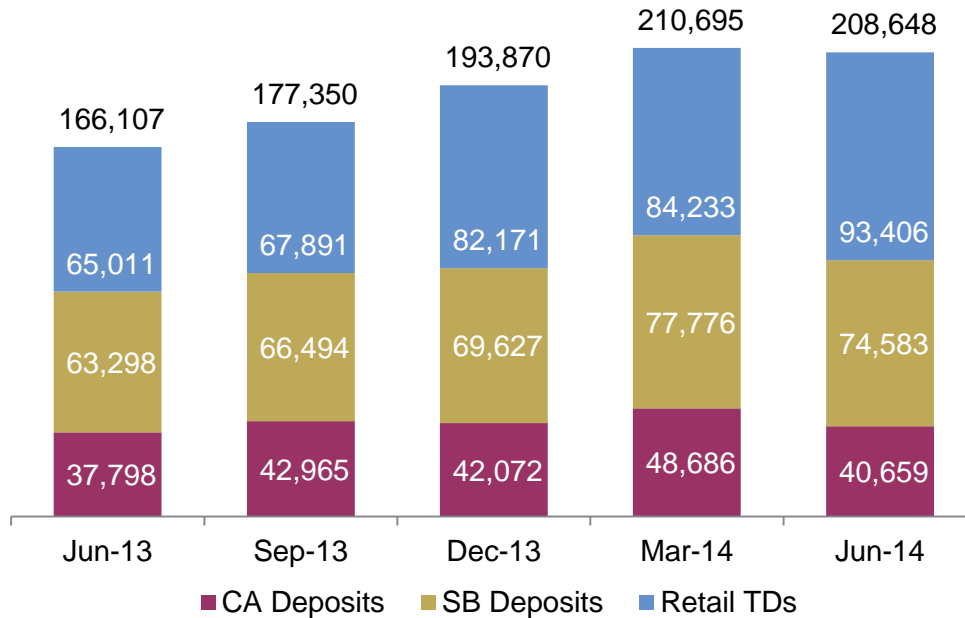
Quarterly Net Profits

₹ crores



Stable CASA Growth Underpins Low-Cost Deposit Franchise

CASA and Retail Term Deposits
(₹ crores)

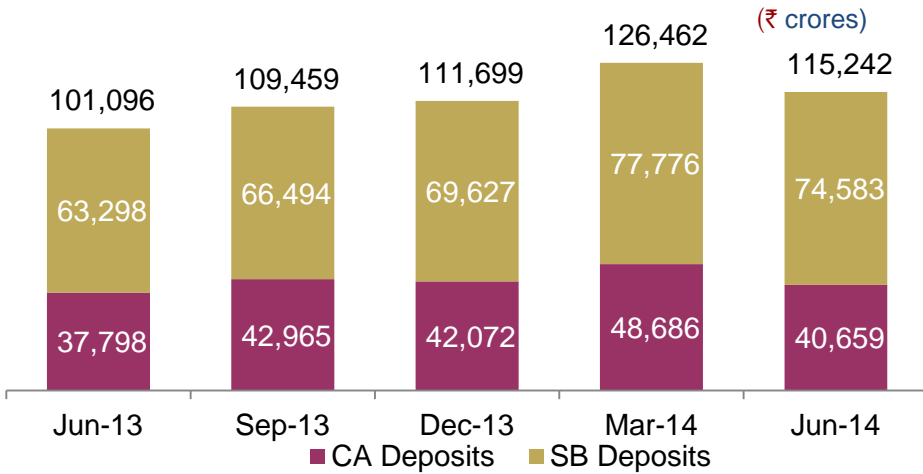


As on June 30 2014	Growth (%)	
	End Day	Daily Average for the quarter
Savings Bank	18	20
CASA	14	16

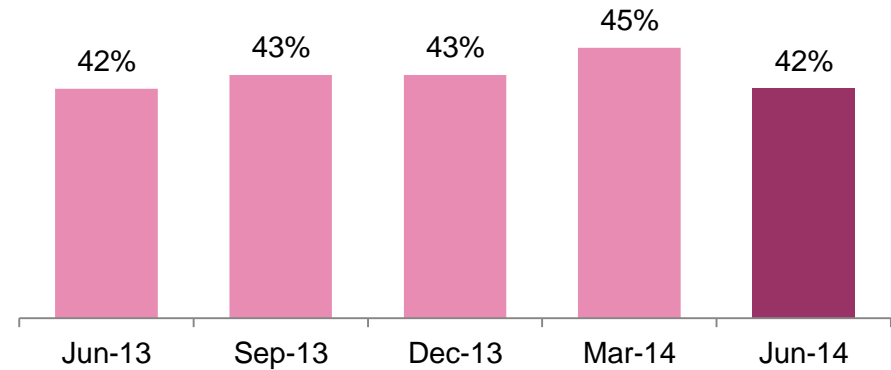
- Share of Domestic Retail Term Deposits to Domestic Term Deposits at 61%
- Domestic CASA + Retail Term Deposits constitute 78% of Total Domestic Deposits

Strong CASA Franchise Supports Margin Stability

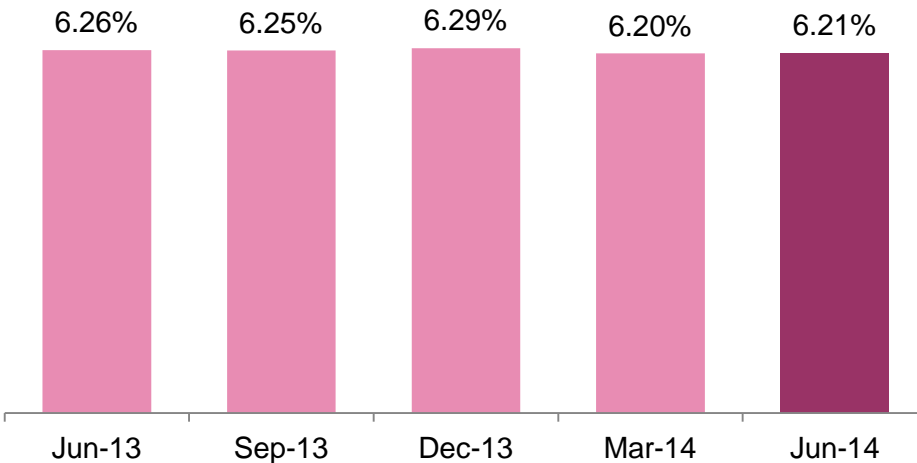
CASA Deposits



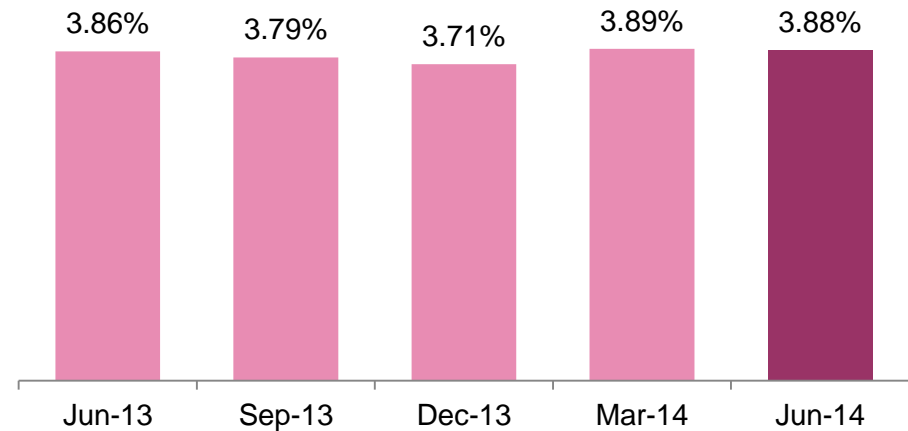
CASA Ratio



Cost of Funds



Net Interest Margin

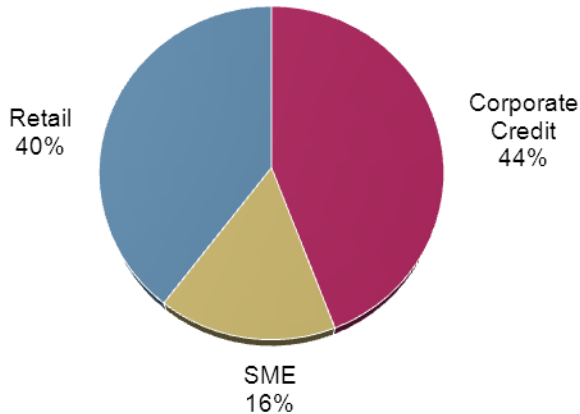


Loan Book Reclassification

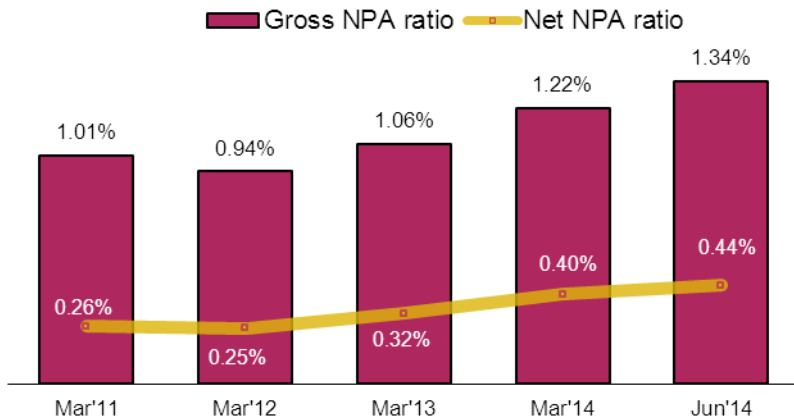
Nature of Loan	Earlier Reported in	Now Reported in
Rural retail (i.e. agricultural gold loans, farm equipment loans)	Agriculture	Retail
Crop loans to farmers, Kisan credit card, etc.	Agriculture	Retail
Commodity Warehousing Loans	Agriculture	Retail
Non-retail loans related to agriculture	Agriculture	SME

Stable Asset Quality

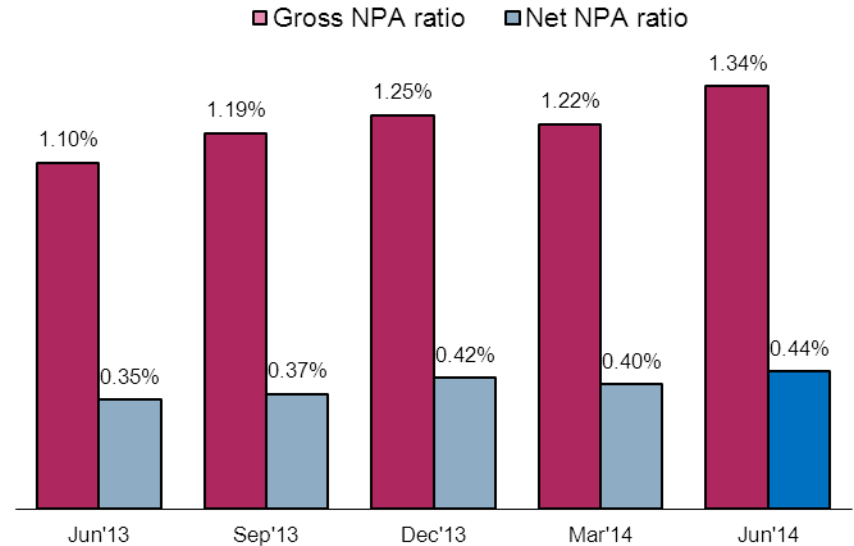
Loan Mix
(As on June 30 2014)



Five Year NPA trend

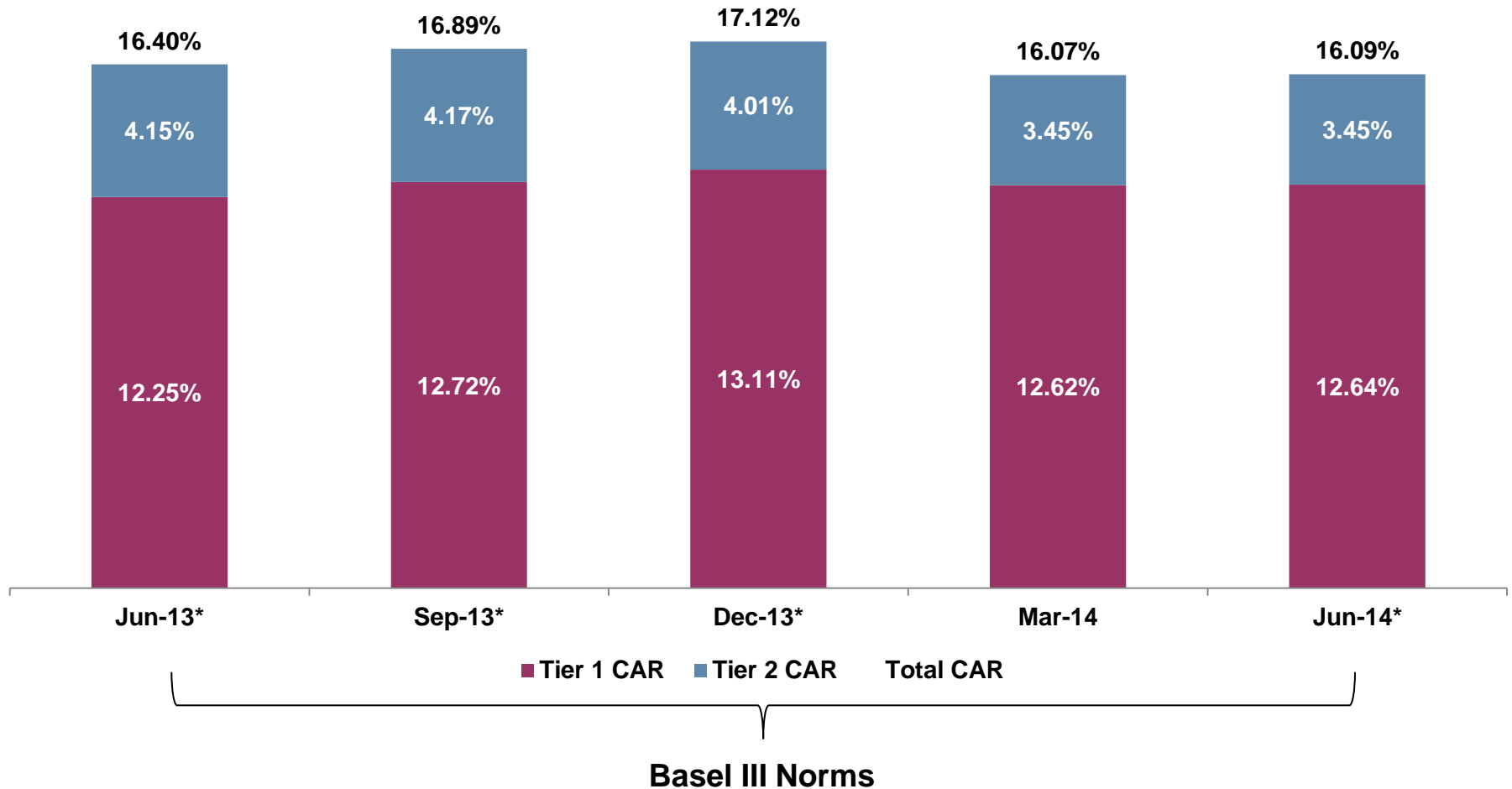


Asset Quality



- Provision coverage of 77% as on June 2014 including prudential write-offs (87% before accumulated write-offs)
- Net Cumulative restructured advances were ₹6,289 crores (2.47% of net customer assets) as on June 2014
- ₹480 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

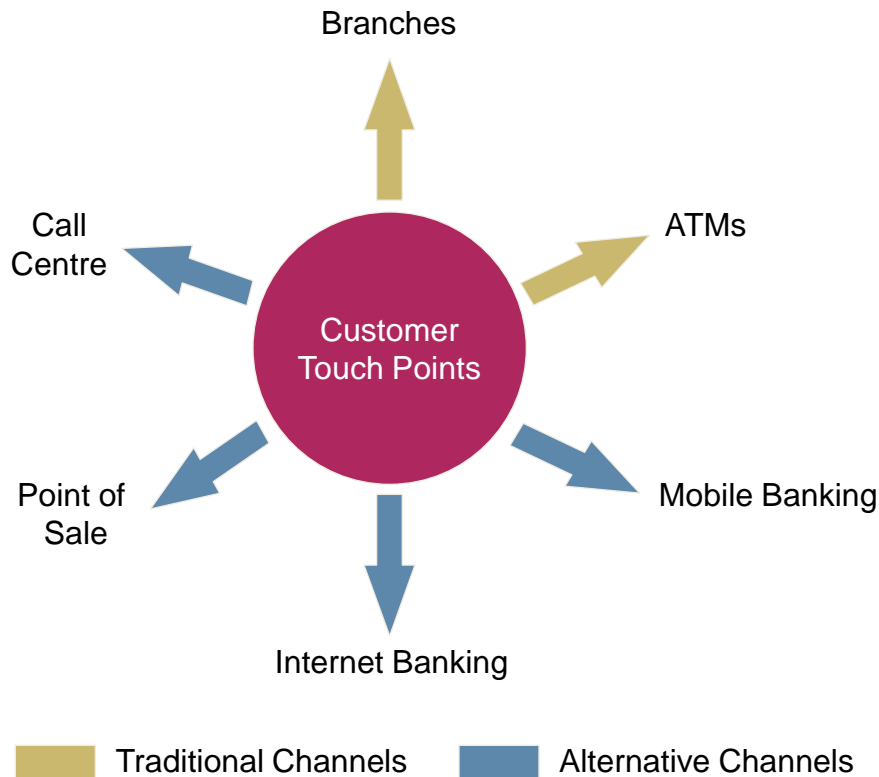
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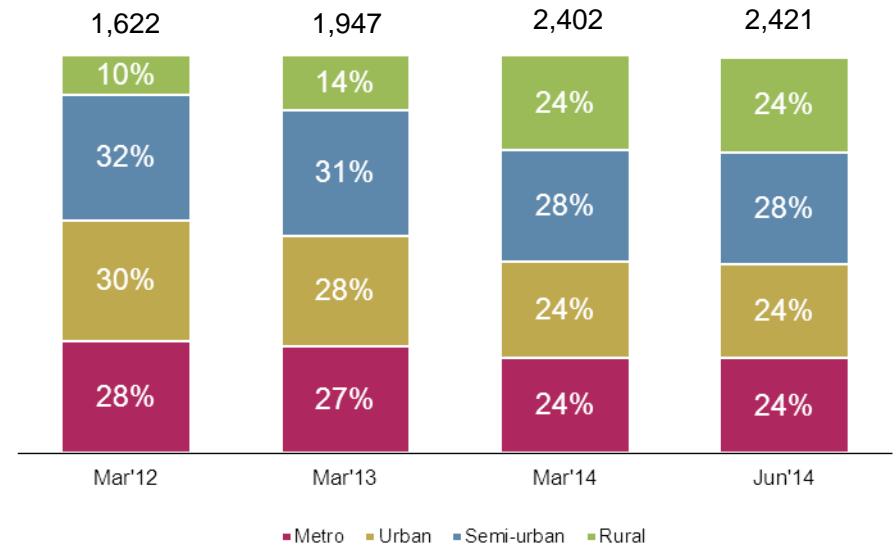
Well distributed, countrywide network of Branches & ATMs

- 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 network¹

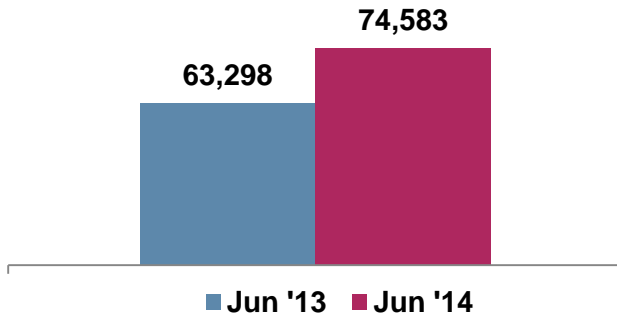


	Mar'12	Mar'13	Mar'14	Jun'14
ATMs	9,924	11,245	12,922	12,930
Centers Covered	1,050	1,263	1,636	1,647
Employees	31,738	37,901	42,420	42,839

¹ Including extension counters

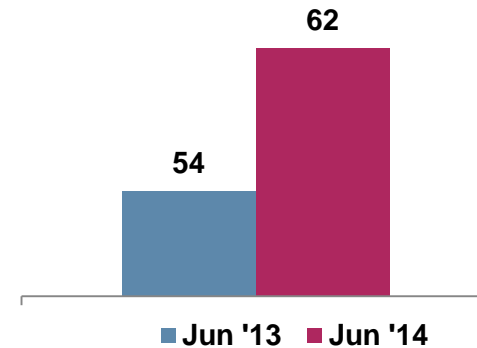
Retail Liabilities Exhibit Consistent Growth

Savings Bank Deposits
(₹ crores)

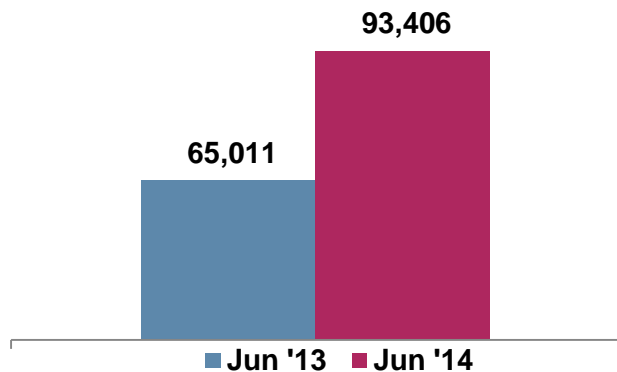


↑ 18% YOY

Retail Deposits* (% of Total Deposits)

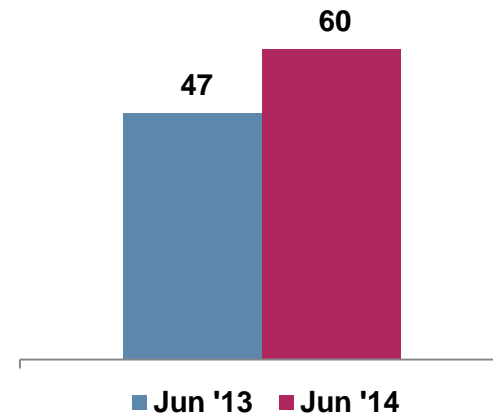


Retail Term Deposits (RTD)
(₹ crores)



↑ 44% YOY

Share of RTD as % of Term Deposits



Domestic Retail Deposits* constitutes 63% of Total Domestic Deposits

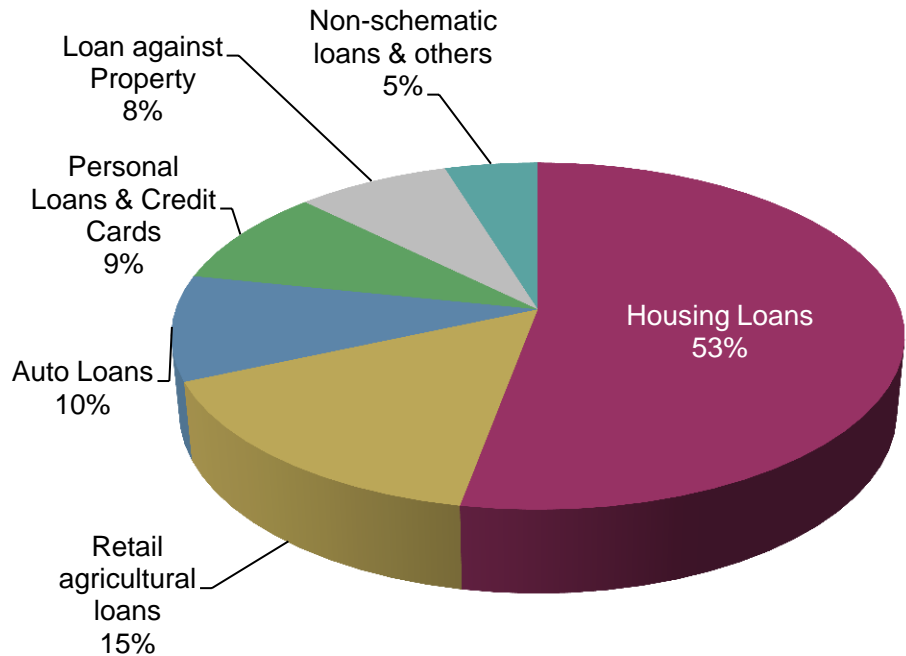
* Retail Deposits include Savings Bank and Retail Term Deposits

Sustained Traction in Retail Lending

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
- Domestic Retail Advances constitute 45% of Bank's Net Domestic Advances in Jun 2014 against 41% in Jun 2013
 - Secured Loans make up 88% of Retail Loans
 - Housing Loans account for 53% of Retail Loans
- 2,066 branches source at least one retail lending product

Composition of Domestic Retail Advances

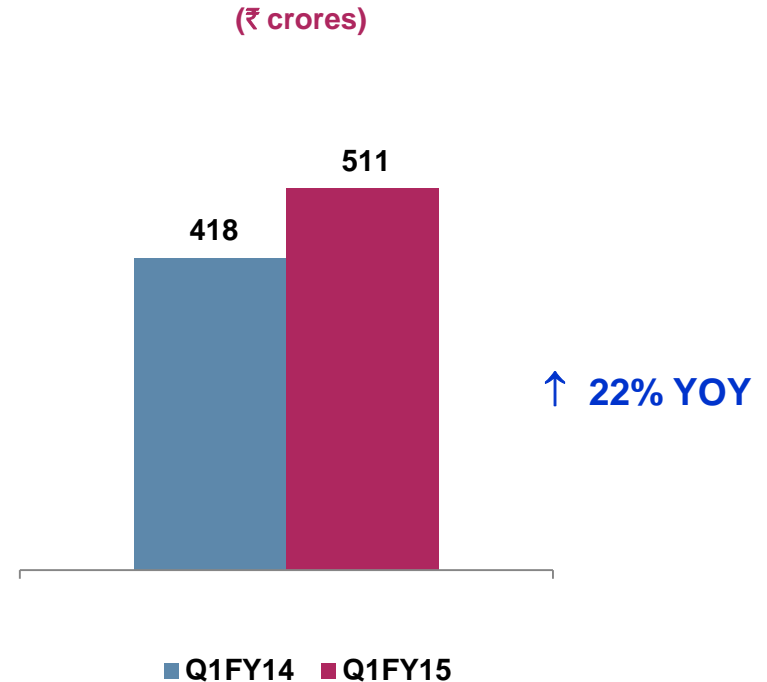


Portfolio Size: ₹86,446 crores

Growth in Retail Fees

Key Highlights

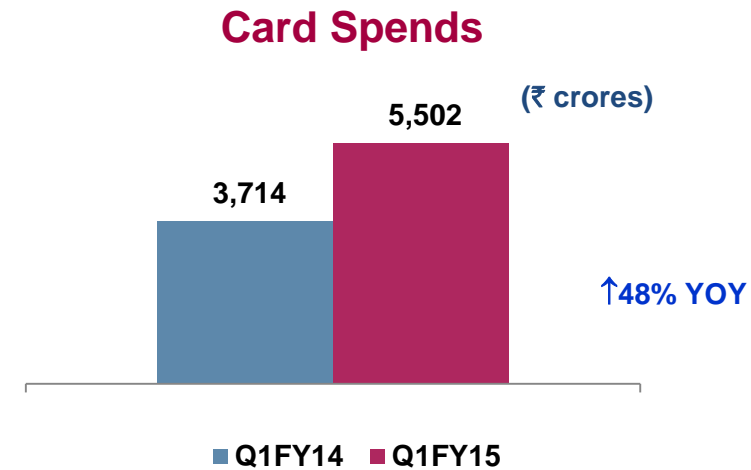
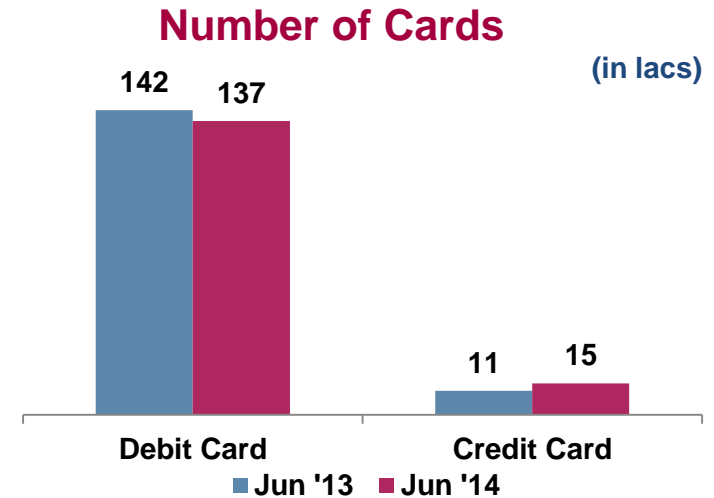
- Focus on cross-selling to existing customers key driver for growth
- Third-party products sold include mutual funds, insurance, portfolio management services (non-discretionary) and gold coins
- Healthy retail asset growth provides momentum to asset linked fees



Retail Payments Franchise

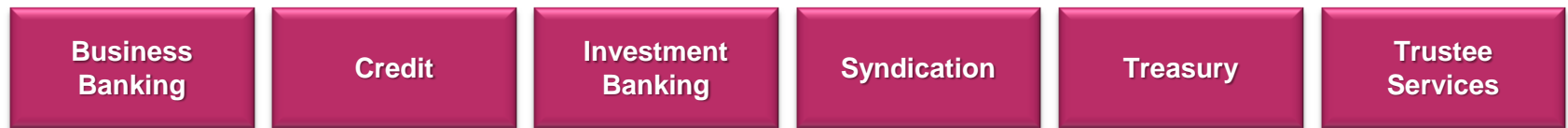
Key Highlights

- One of the largest issuers of debit cards
- Over 15 lac credit cards in circulation
- Credit card acquisition focused on large retail depositor base
- Travel Currency Cards in 12 foreign currencies – USD, Euro, GBP, AUD, CAD, SGD, SEK, CHF, JPY, AED, SAR, THB; INR (for foreign nationals and NRIs)
- Prominent player in merchant acquiring business



Corporate Banking Franchise

Presence across the Value Chain



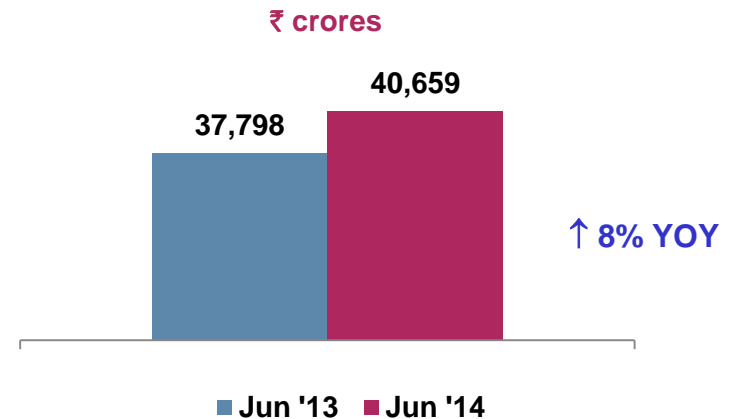
- Strong franchise spread across liability and asset businesses
- Adopted value generating Originate and Distribute Model
- Dominant player in placement and syndication of debt / loans
- Focus on building out a high quality portfolio of credit assets
- Rigorous and regular risk assessment of accounts

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)

FY11	36,917
FY12	39,754
FY13	48,322
FY14	48,686
CAGR	10%

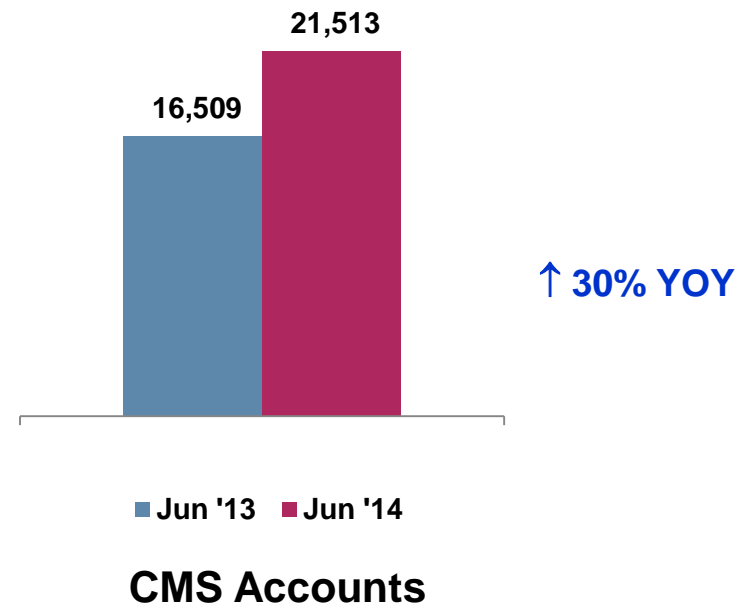
Business Banking

Government Business

- Collection of Central Government taxes on behalf of CBDT and CBEC, including through e-payments
- Collection of state taxes on behalf of 14 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 10 State Government and UT
- NPS Trustee Bank & Collection Bankers for subscriptions through 2,316 authorised Branches

Cash Management Business

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

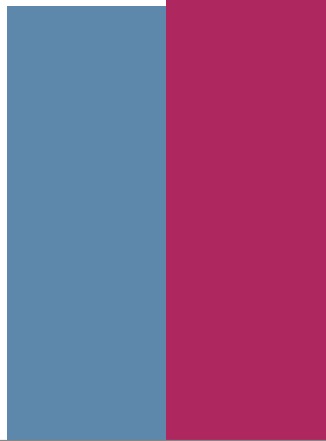


Corporate Banking

Advances

(₹ crores)

99,818 101,841



■ Jun '13 ■ Jun '14

↑ 2% YOY

Fees

(₹ crores)

392 344



■ Q1FY14 ■ Q1FY15

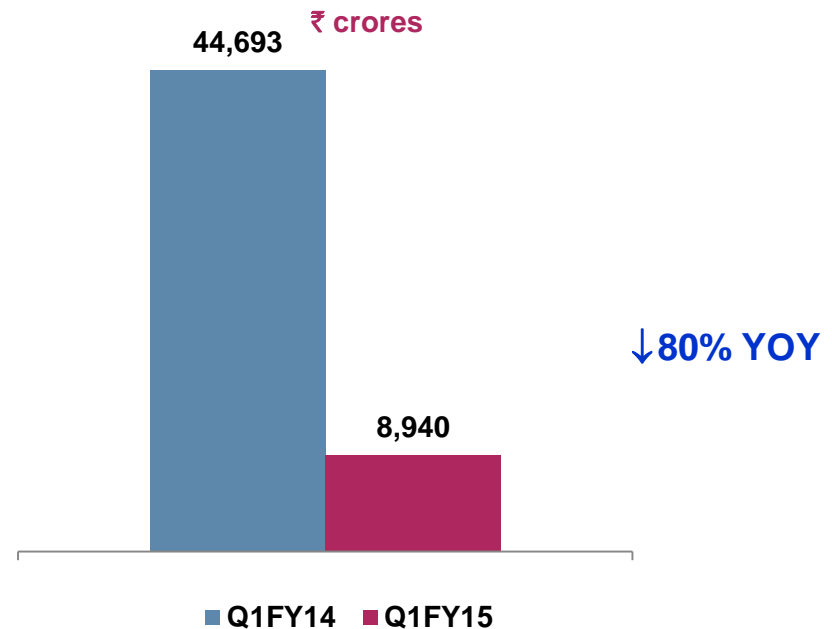
↓ 12% YOY

Debt Capital Markets

Key Highlights

- Dominant player in placement and syndication of debt issuances
- Ranked No. 1 debt arranger by Prime Database for year ended March 2014.
- Ranked No. 1 underwriter for Rupee Denominated Bonds by Bloomberg for half year ended June 2014.
- Awarded 'Best DCM House' 2014 by Finance Asia
- Recognized as 'Best Domestic Debt House' by Asia Money

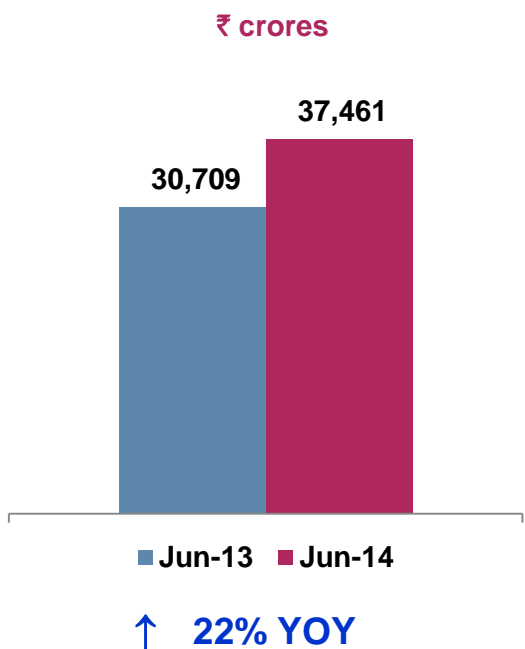
Placement & Syndication of Debt Issues



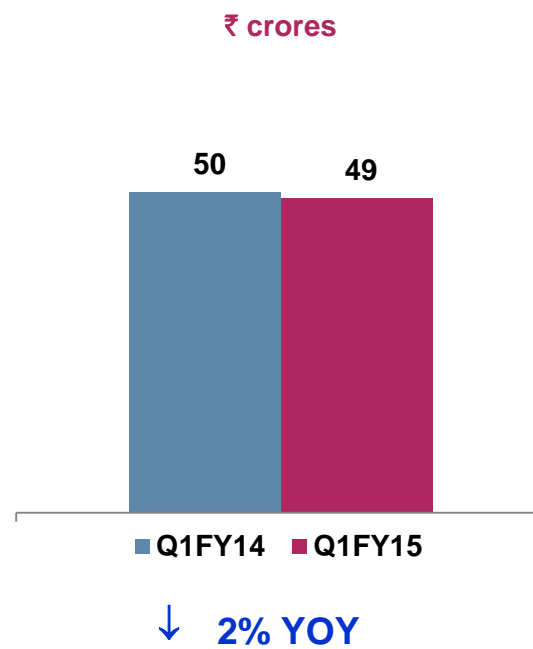
Overall industry volumes shrunk 12% for calendar year ended December 2013 - Source: Bloomberg

SME Banking

Advances



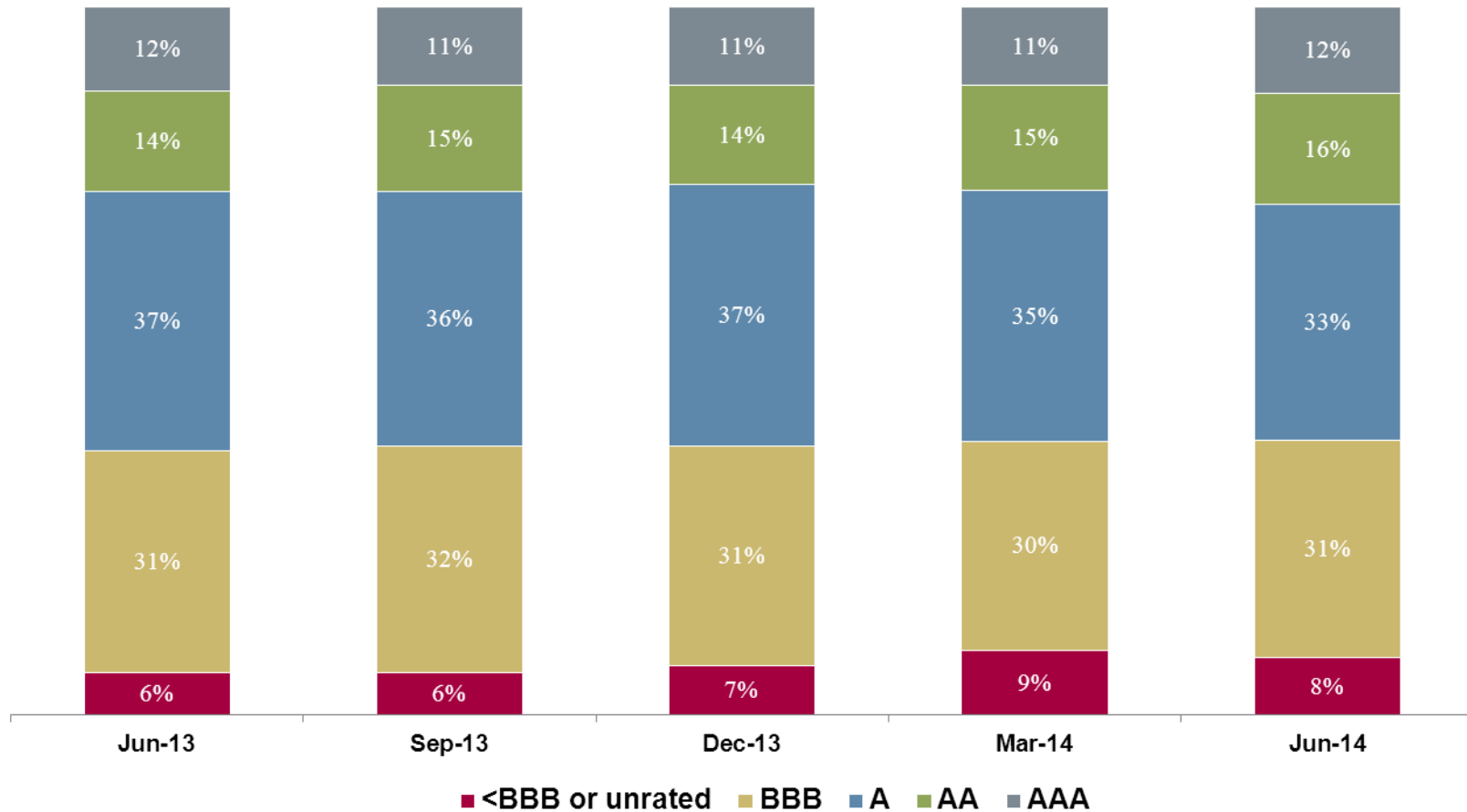
Fees



Includes non-retail agricultural loans amounting to ₹2,688 crores as on June 30 2013 & ₹2,895 crores as on June 30 2014

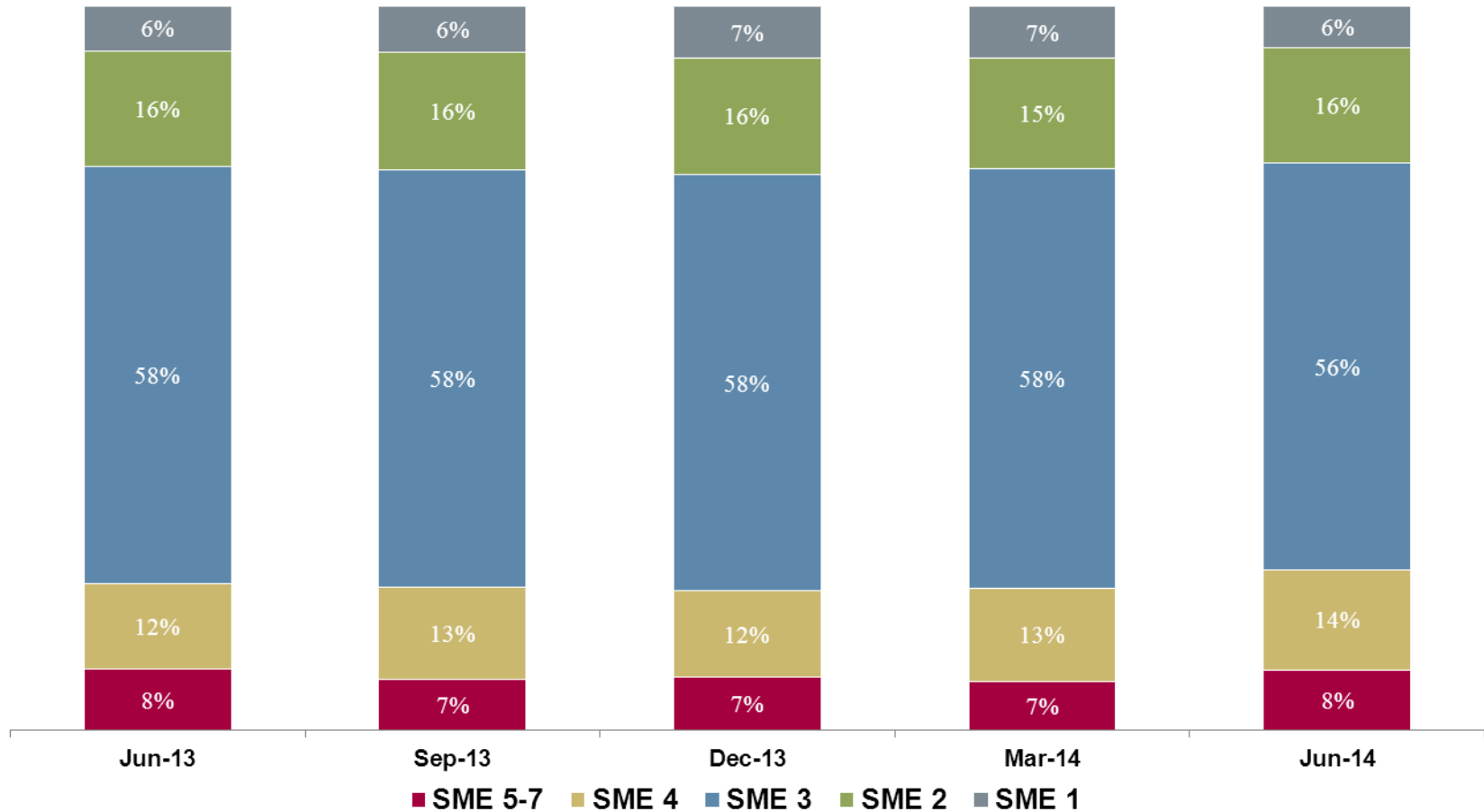
Rating Distribution: Corporate Banking

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



Rating Distribution: SME

78% of SME advances have rating of at least 'SME3' in June 2014



Industry-wise Distribution (Top 10)

Rank	Sectors	Outstanding as on June 30, 2014 (%) ¹		
		Fund-based	Non-fund based	Total
1.	Infrastructure ²	7.58	12.30	8.92
2.	Power Generation & Distribution	5.20	11.91	7.12
3.	Engineering & Electronics	3.31	15.37	6.75
4.	Financial Companies ³	4.30	9.74	5.85
5.	Metal & Metal Products	4.60	7.27	5.36
6.	Trade	3.60	4.79	3.94
7.	Food Processing	3.70	1.37	3.03
8.	Real Estate	3.30	1.32	2.74
9.	Shipping Transportation & Logistics	2.30	2.82	2.45
10.	Petroleum & Petroleum Products	0.53	5.42	1.93

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 & 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 billion

Thank You