

AXIS BANK

FY 2010-11
First Quarter Results

Investor Presentation



AXIS BANK

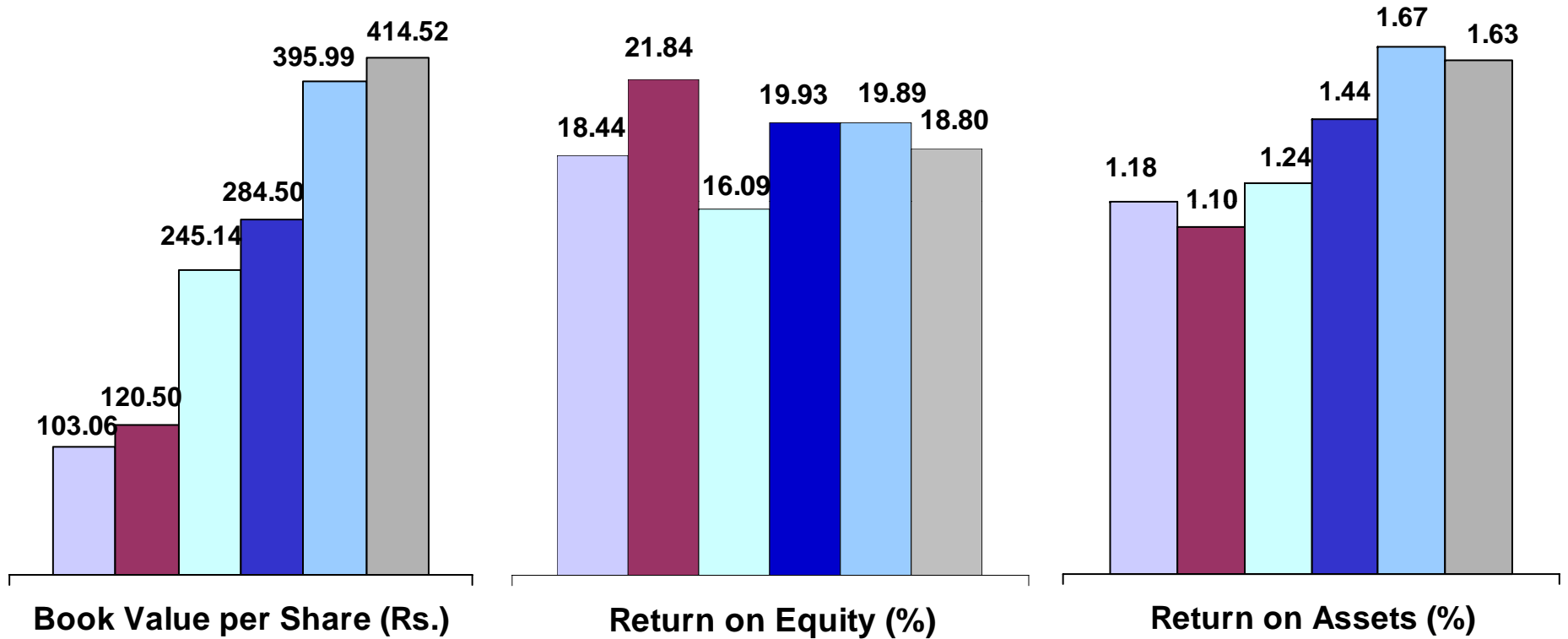
Performance Highlights

Q1FY11

Net Profit	↑ 32% YOY
Net Interest Income	↑ 45% YOY
Fee Income	↑ 19% YOY
Operating Revenue	↑ 25% YOY
Operating Profit	↑ 23% YOY
Net Interest Margin	3.71%
Cost of Funds	4.61%

Shareholder Returns

FY06 FY07 FY08
FY09 FY10 Q1FY11

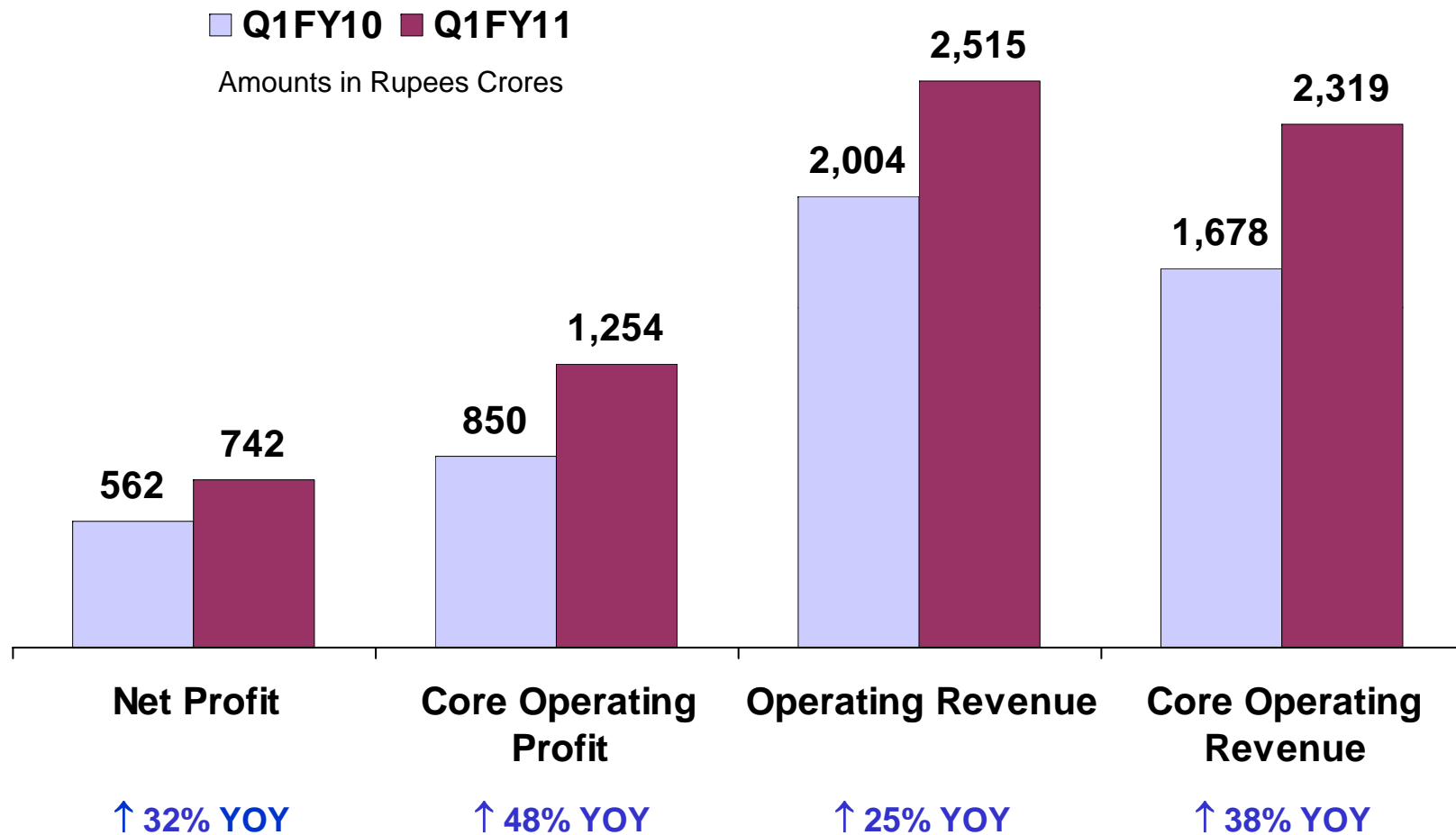


Interpretation of Q1 FY11 Performance

- **Growth in the Bank's core businesses**
 - Total Net Advances grew 39% yoy to Rs. 1,08,609 crores
 - Total Investments grew 24% yoy to Rs. 57,540 crores
 - Total Assets registered a 34% yoy growth, rising to Rs. 1,89,459 crores
 - Fees grew by 19% yoy, rising to Rs. 743 crores
 - Share of demand deposits in total deposits stood at 40% on daily average basis
- **Retail Advances grew by 26% yoy to Rs. 21,073 crores; constituted 19% of total advances, as compared to 21% at the end of Q1FY10.**
- **Net NPAs at 0.35% as compared to 0.41% at the end of Q1FY10.**
- **At the end of June 2010, book value per share was Rs. 414.52 , as compared to Rs. 299.76 at the end of June 2009**
- **Capital Adequacy stood at 14.54% with Tier-I capital at 10.32% (without reckoning Q1FY11 profit, as stipulated by Reserve Bank of India)**

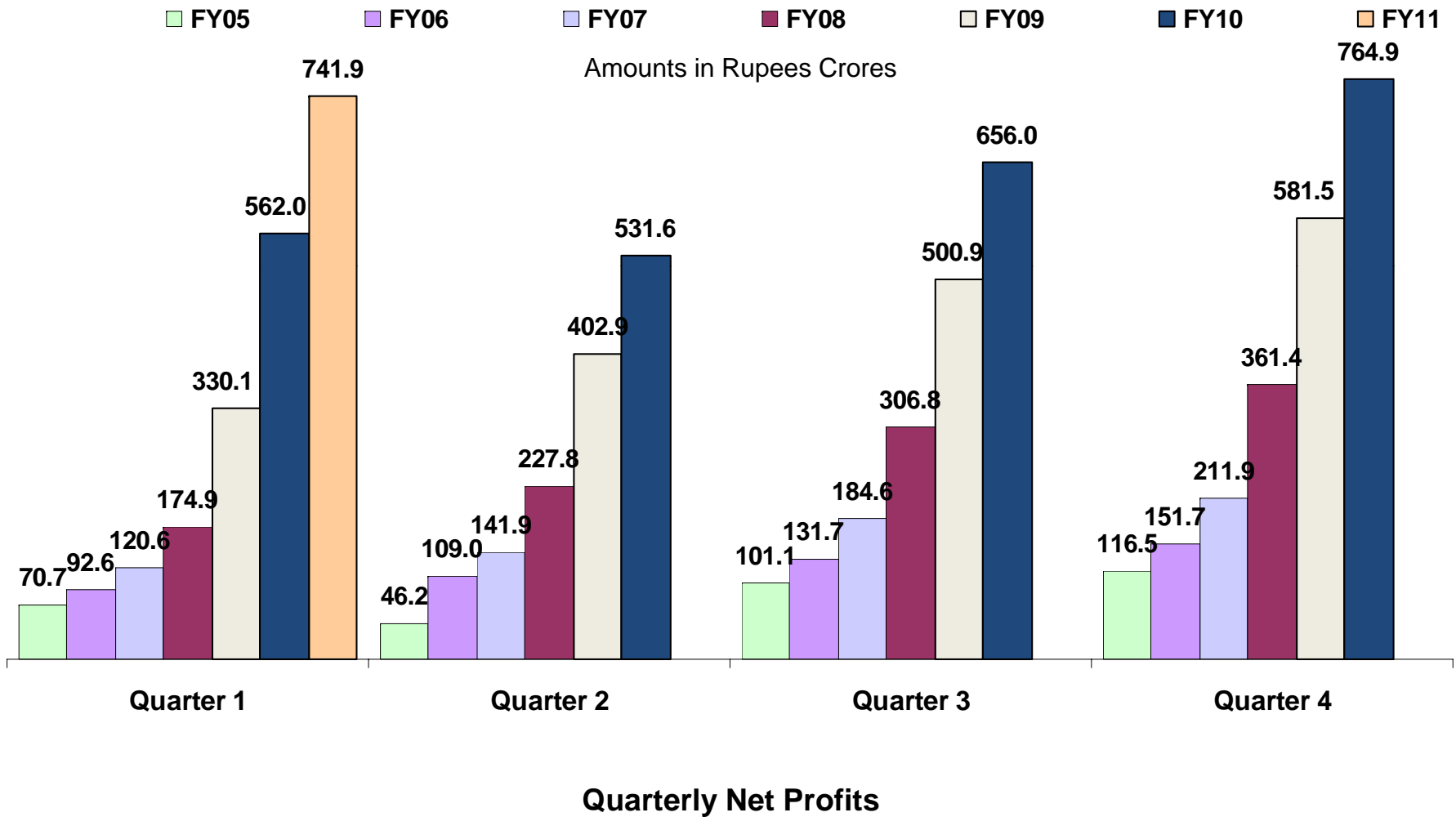
Profitability

Sustained Growth: Robust Core Revenues

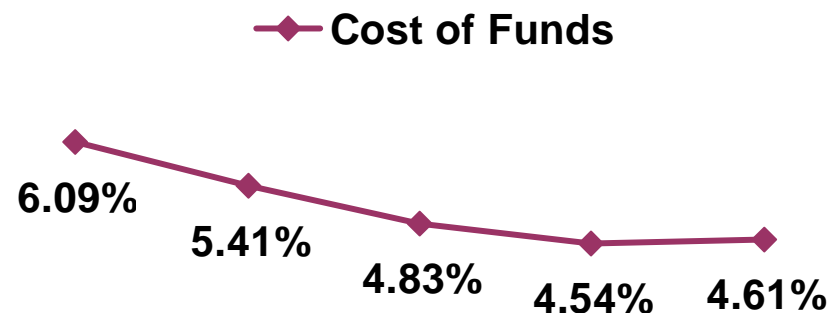
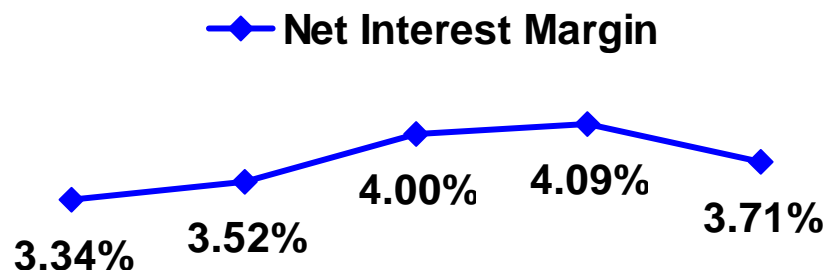


Note: Core Operating Revenue / Profit excludes trading gains / losses

Consistent Net Profit Growth



Net Interest Margin and Cost of Funds



Q1FY10 Q2FY10 Q3FY10 Q4FY10 Q1FY11

Q1FY10 Q2FY10 Q3FY10 Q4FY10 Q1FY11

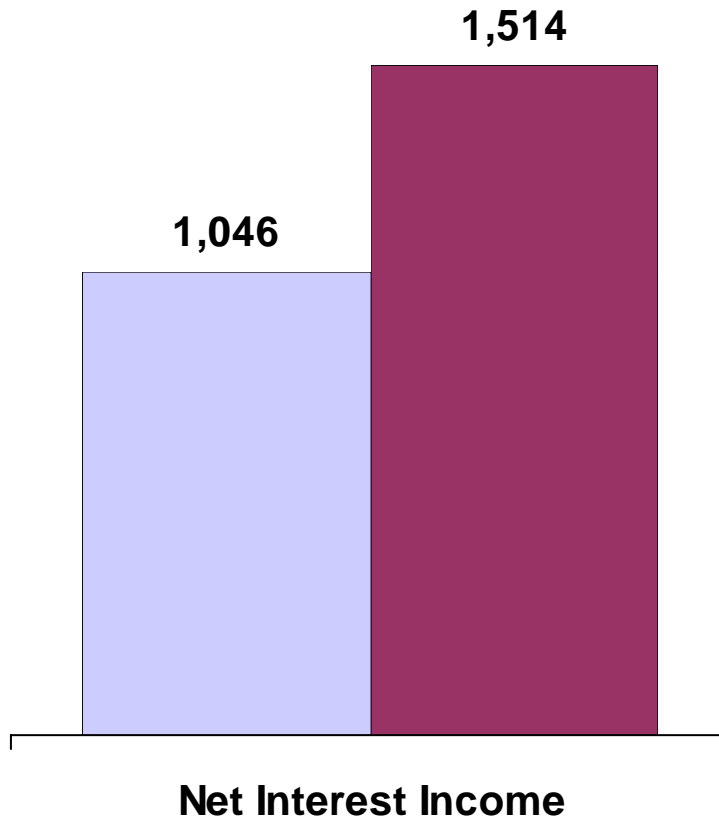
NIMs in the last 5 years:

FY06	2.85%
FY07	2.74%
FY08	3.47%
FY09	3.33%
FY10	3.75%

Growing Net Interest Income

■ Q1FY10 ■ Q1FY11

Amounts in Rupees Crores



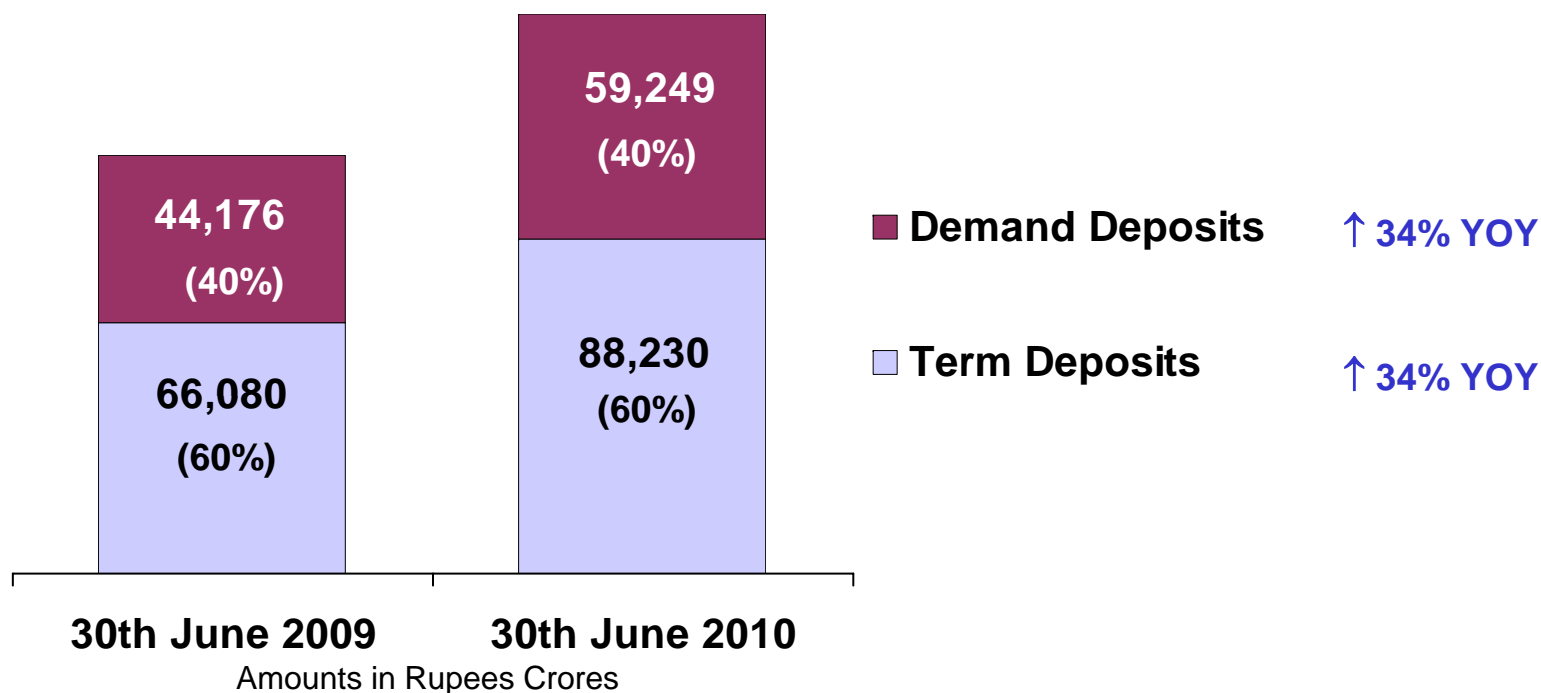
↑ 45% YOY

NII's for the last 5 years

FY06	1,078
FY07	1,468
FY08	2,585
FY09	3,686
FY10	5,004
CAGR	47%

Growing Demand Deposits

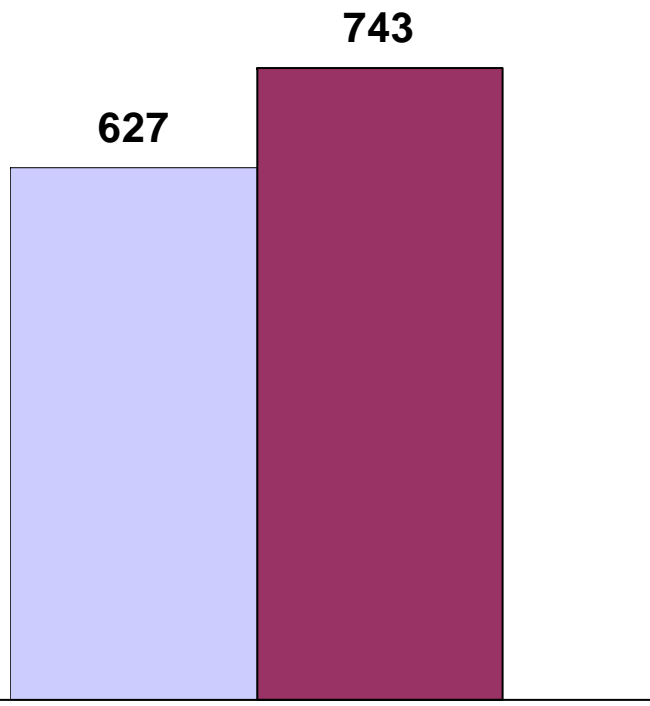
YOY Growth in Daily Average Demand and Term Deposits	
Deposit	Q1FY11
Savings	39%
Current	37%
Total Demand Deposits	39%
Total Deposits	29%



Fees

■ Q1FY10 ■ Q1FY11

Amounts in Rupees Crores



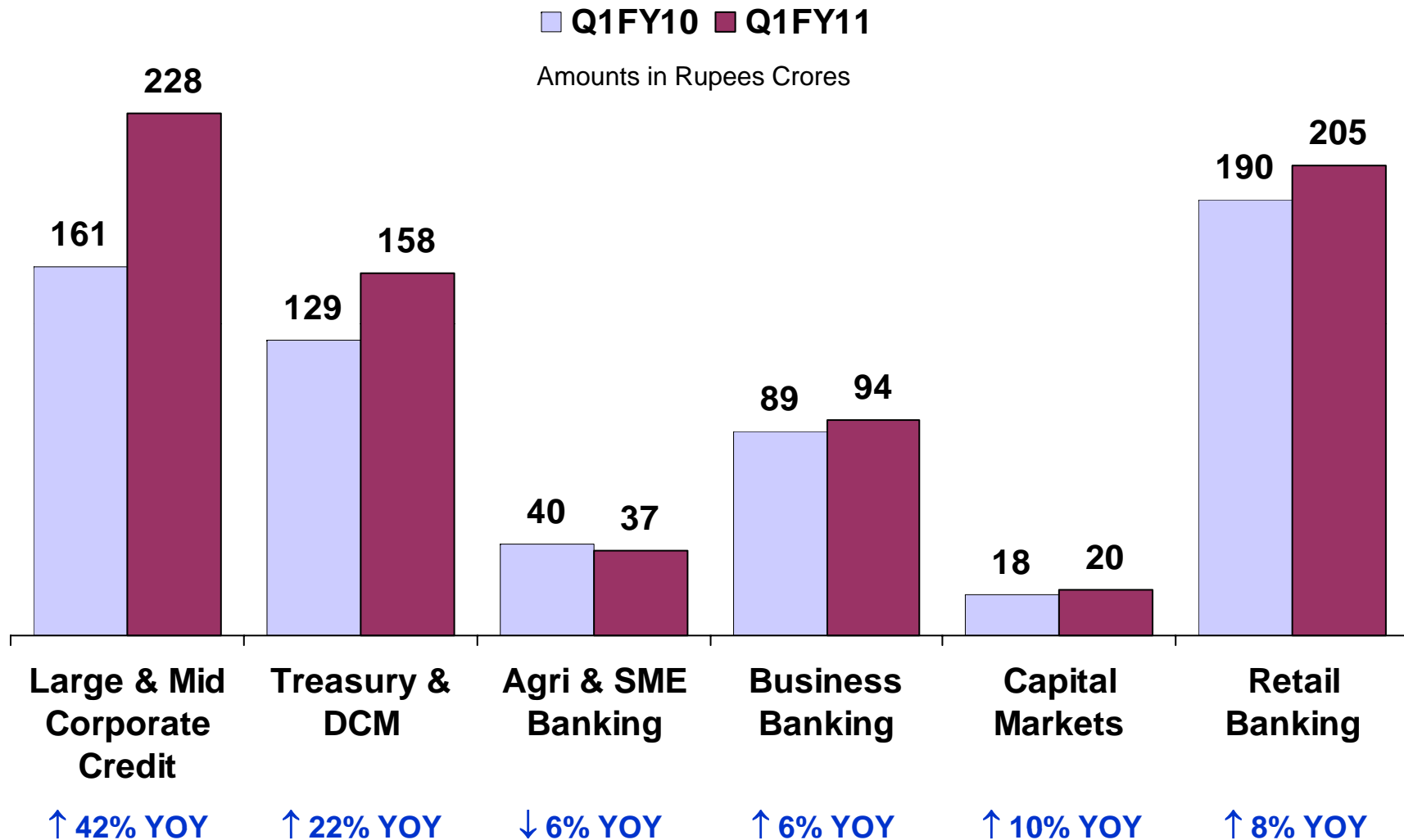
Fees

↑ 19% YOY

Fees for the last 5 years

FY06	558
FY07	890
FY08	1,495
FY09	2,447
FY10	2,925
CAGR	51%

Fee Income Composition

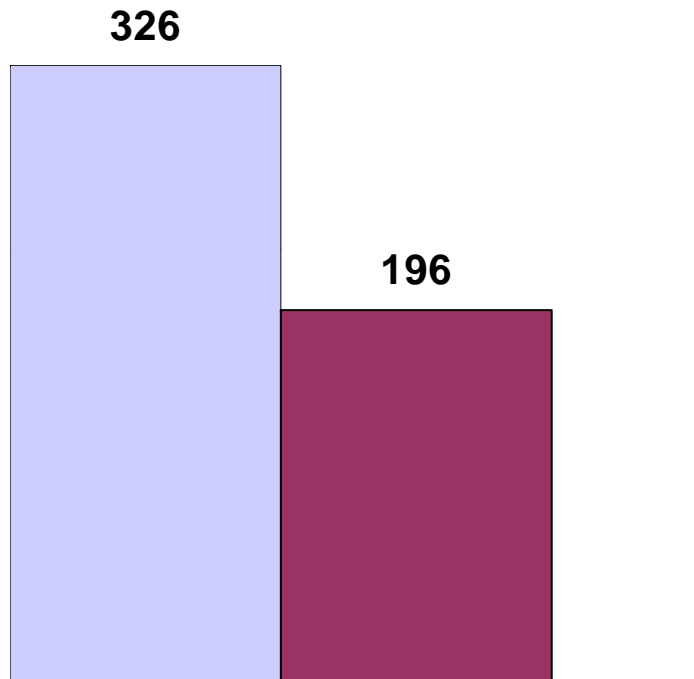


Note: Previous year's figures have been restated pursuant to a realignment of the organisation structure

Trading Profits

Trading Profit

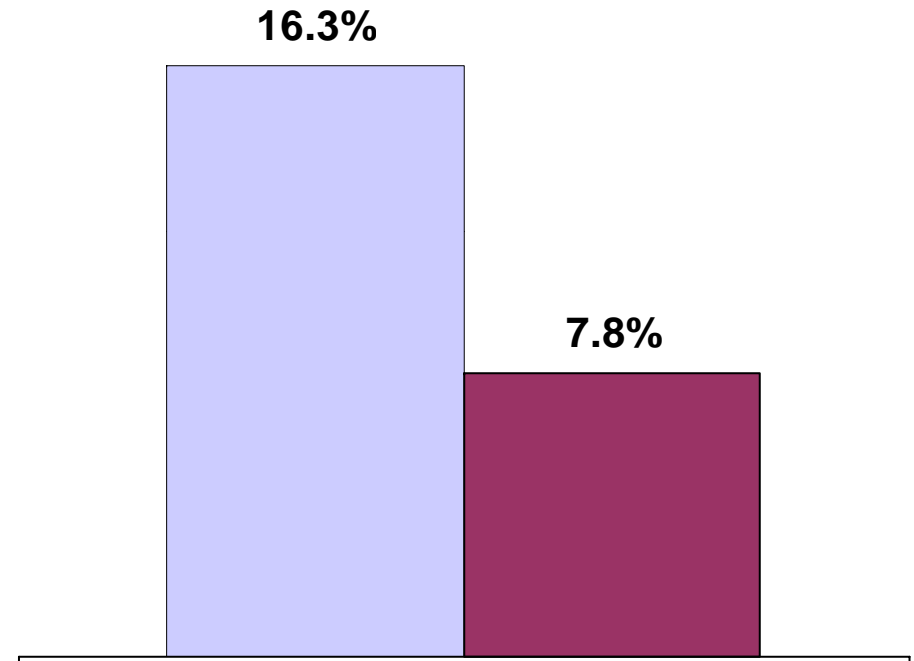
Amounts in Rupees Crores



■ Q1FY10 ■ Q1FY11

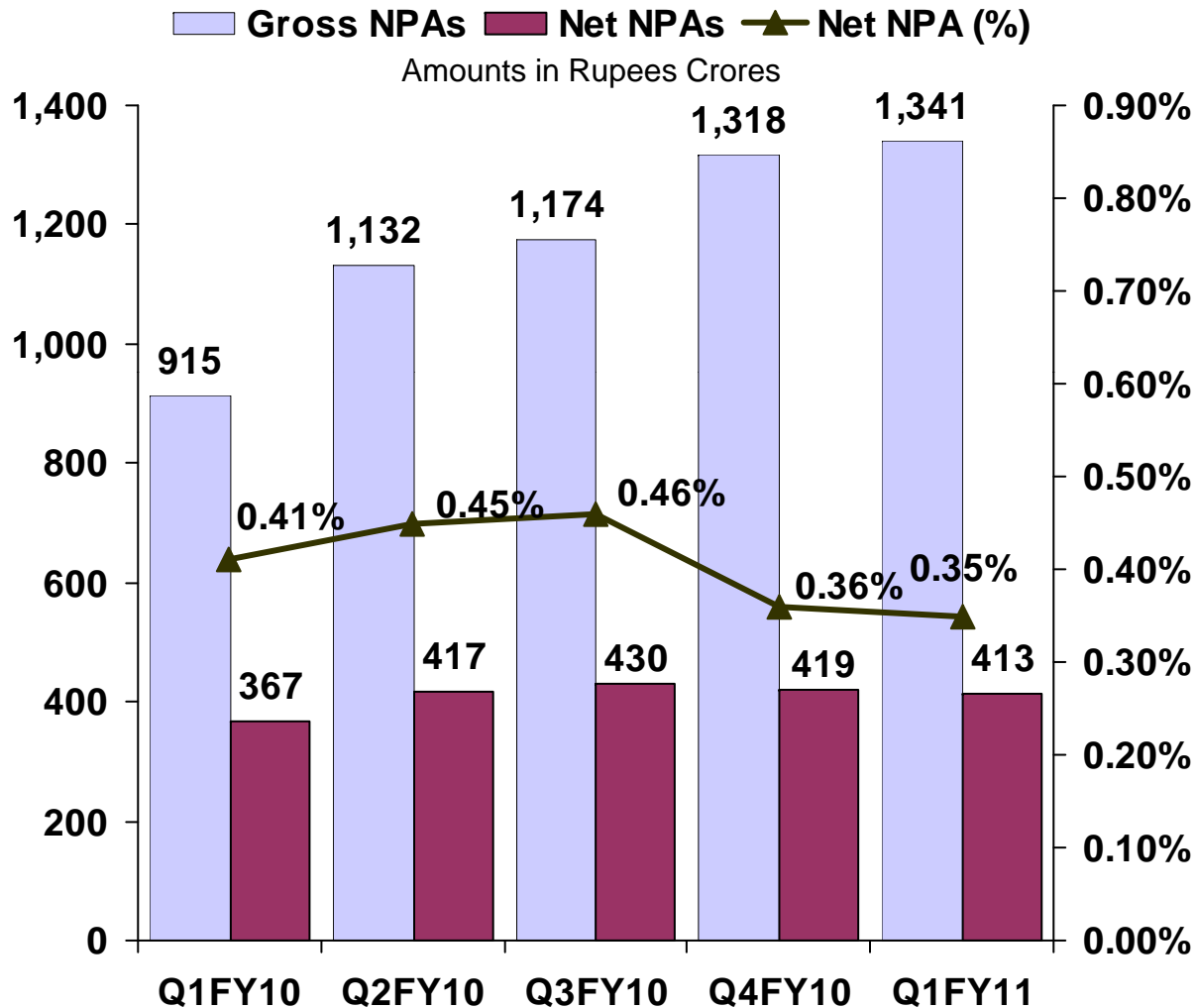
↓ 40% YOY

% of Operating Revenue



■ Q1FY10 ■ Q1FY11

Stressed Assets and Net NPA (%)

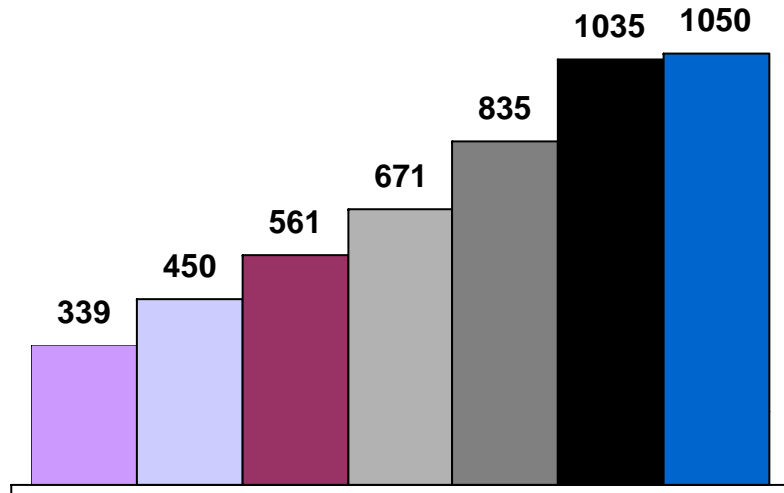


Net NPA as at year-end	
FY06	0.75%
FY07	0.61%
FY08	0.36%
FY09	0.35%
FY10	0.36%

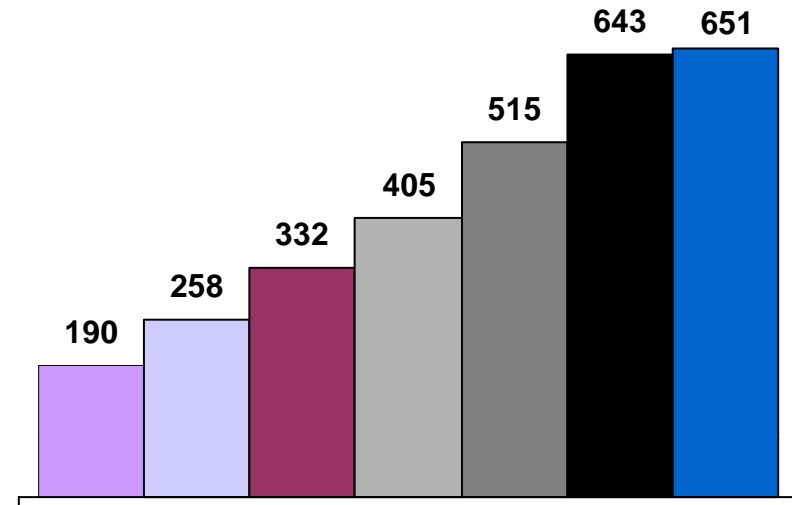
BUSINESS OVERVIEW

Network

Increasing Reach

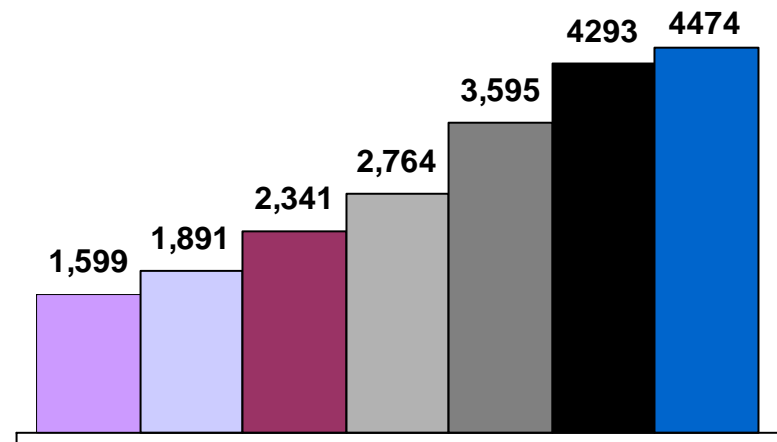


Branches + Extension Counters



Centres Covered

Branch Demographics (Domestic)		
	Branches	Extn. Counters
Metro	321	6
Urban	395	2
Semi-urban	261	-
Rural	65	-
Total	1042	8



ATMs

■ March 2005
 ■ March 2006
 ■ March 2007
 ■ March 2008
 ■ March 2009
 ■ March 2010
 ■ June 2010

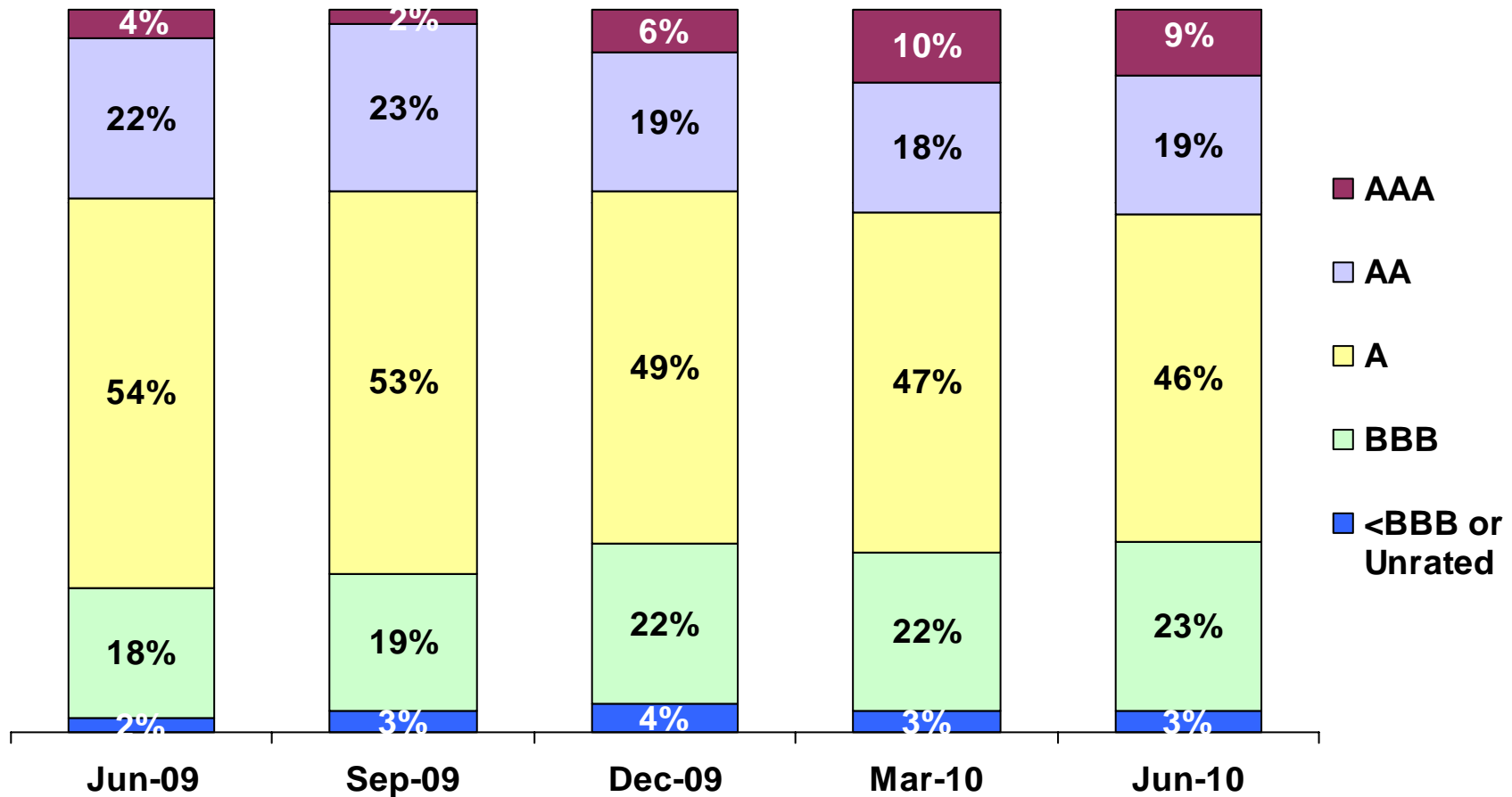
Large and Mid Corporate Banking

- **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**
 - **Infrastructure**
 - **Mid Corporates**
- **Rigorous and regular risk assessment of individual accounts**
 - **Rating Tools and Monitoring Tools**
- **Offer broad suite of products with continued focus on customised offerings**

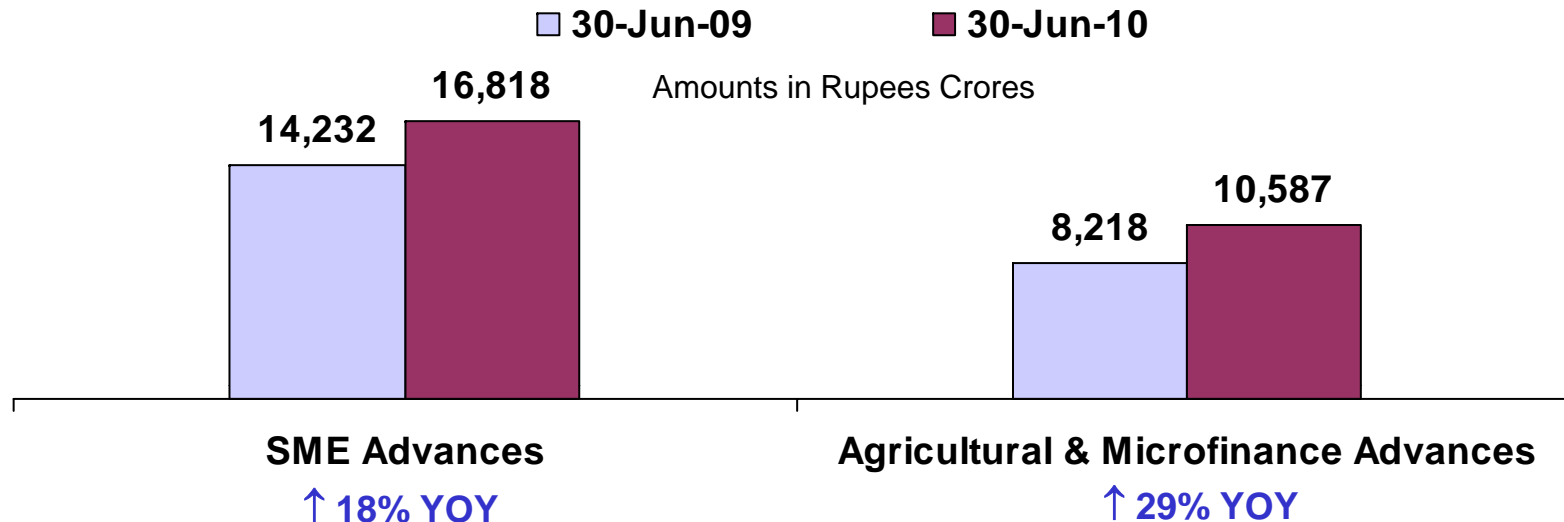
Distribution of Ratings

(Large and Mid Corporate)

74% of corporate advances have rating of at least 'A' as at June 2010



SME and Agri Business



SME Centres	25	26
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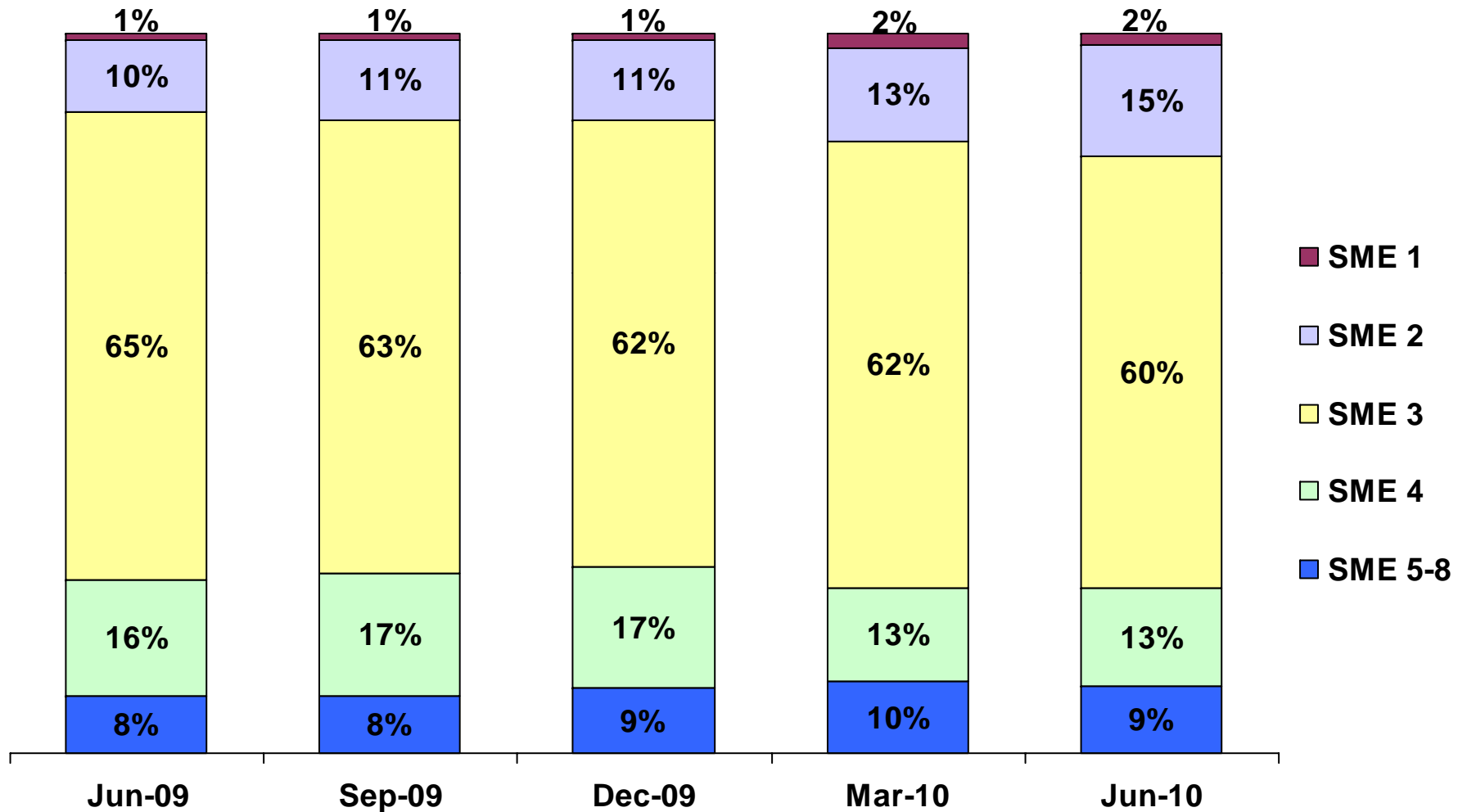
Agri Clusters	49	64
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- **Specialised SME Centres** for SME appraisals, sanctions and post-sanction monitoring
- **Product categories**
 - Schematic loans
 - Non-schematic loans
 - Channel finance

- **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

77% of SME advances have rating of at least 'SME3' as at June 2010



Sector Composition

Across Large Corporate, Mid Corporate, SME and Corporate Agri

Rank	Sectors	Outstanding as on 30 June 2010 (%)		
		Total	Fund-based	Non-fund based
1.	Infrastructure*	11.43	9.10	15.82
2.	Financial Companies**	10.56	9.46	12.64
3.	Power Generation & Distribution	8.50	5.98	13.26
4.	Telecommunication Services	7.70	10.05	3.26
5.	Metal & Metal Products	6.43	5.97	7.29
6.	Trade	4.83	4.53	5.41
7.	Engg. & Electronics	4.28	2.46	7.72
8.	Food Processing	4.09	4.83	2.68
9.	Chemical & Chemical Products	3.92	3.14	5.40
10.	Petrochemical & Petrochemical Products	3.24	2.36	4.88

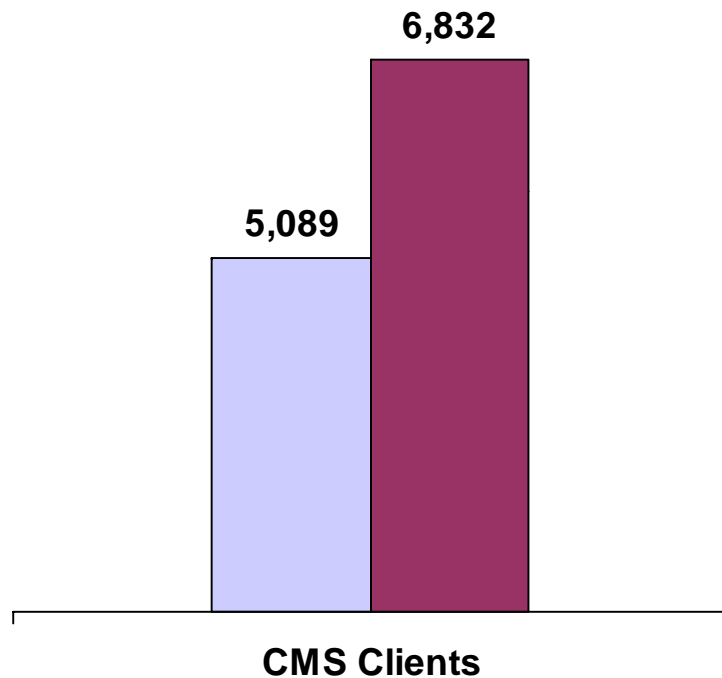
* Includes Housing Finance Companies and other NBFCs

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

Business Banking

Cash Management Services

■ 30-Jun-09 ■ 30-Jun-10

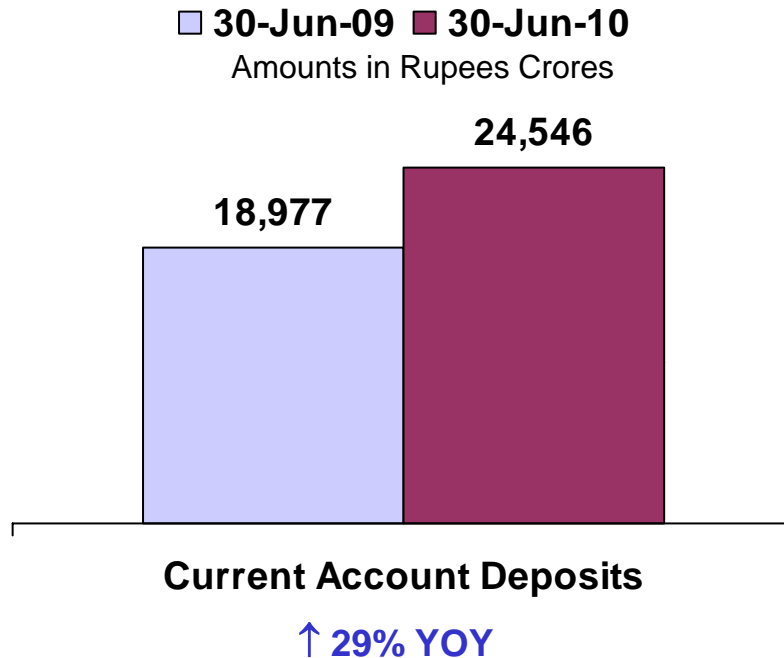


↑ 34% YOY

- Collection of Central Government taxes on behalf of CBDT and CBEC, including through e-payments
- Collection of State Government taxes on behalf of 8 State Governments 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 6 State Governments and UT

Business Banking

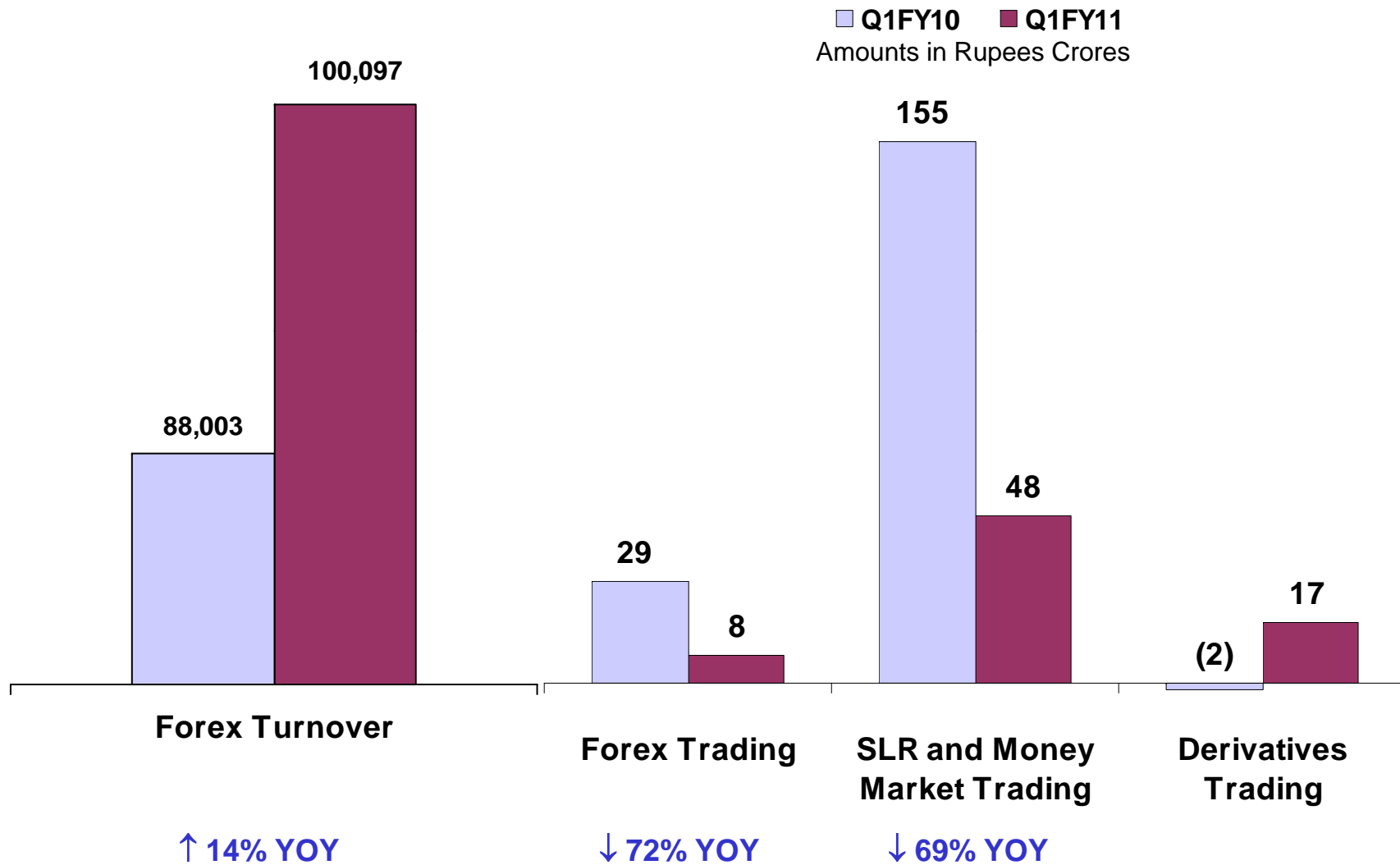
Current Accounts Growth



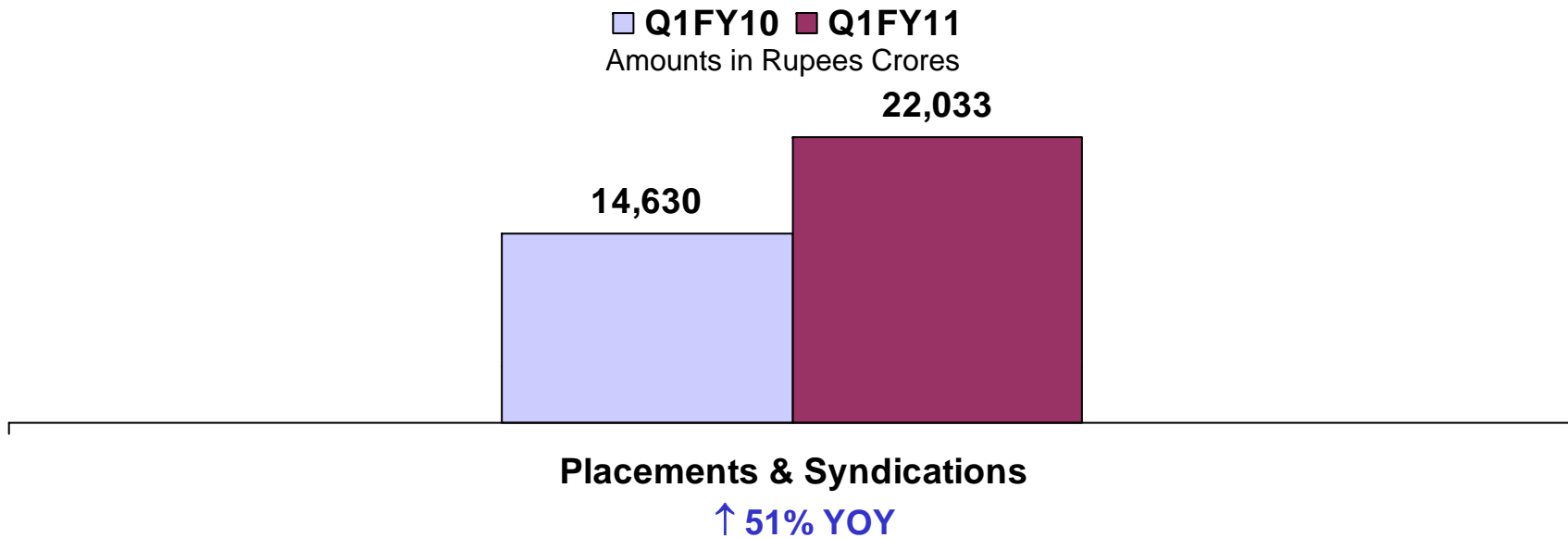
Current Account deposits for the last 5 years (as on 31st March)	
Mar'06	7,970
Mar'07	11,304
Mar'08	20,045
Mar'09	24,822
Mar'10	32,168
CAGR	42%

- 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



Debt Capital Markets

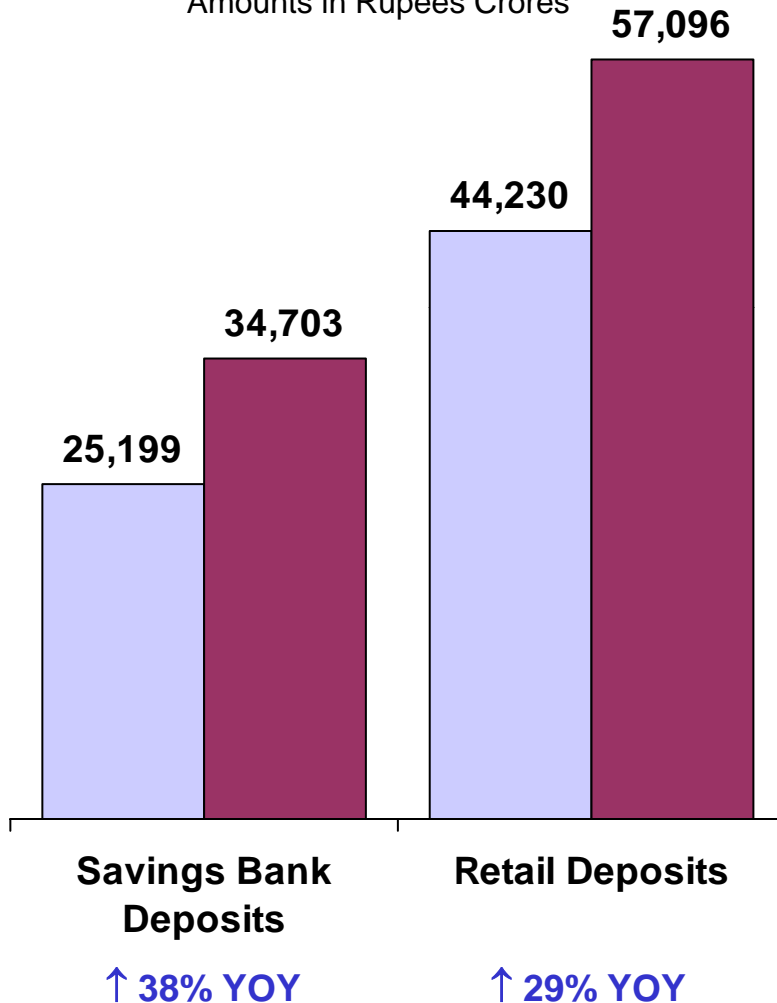


- A dominant player in placement and syndication of debt issues
- Ranked No. 1 Debt Arranger by Prime Database for the year ended 31st March 2010
- Ranked No.1 Debt Arranger by Bloomberg Underwriter league table for the 1st half of 2010
- Recent Awards:
 - Asia Money 2009: Best Domestic Debt House in 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

■ 30-Jun-09 ■ 30-Jun-10

Amounts in Rupees Crores



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

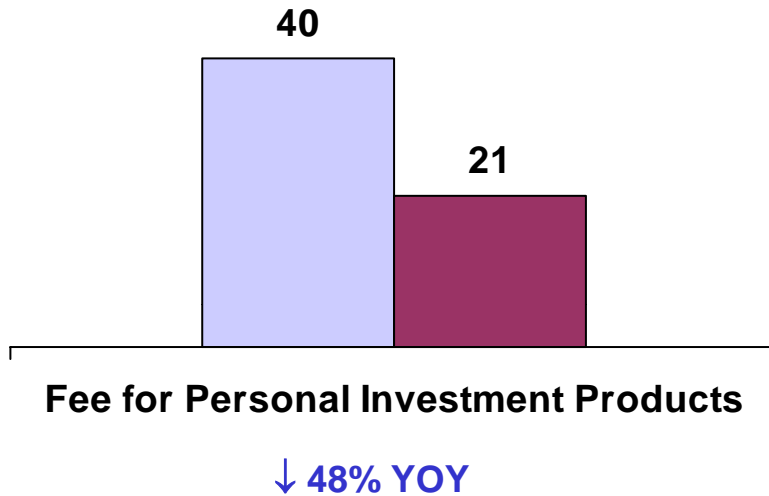
Mar'06	8,065
Mar'07	12,126
Mar'08	19,982
Mar'09	25,822
Mar'10	33,862
CAGR	43%

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

■ Q1FY10
 ■ Q1FY11
 Amounts in Rupees Crores



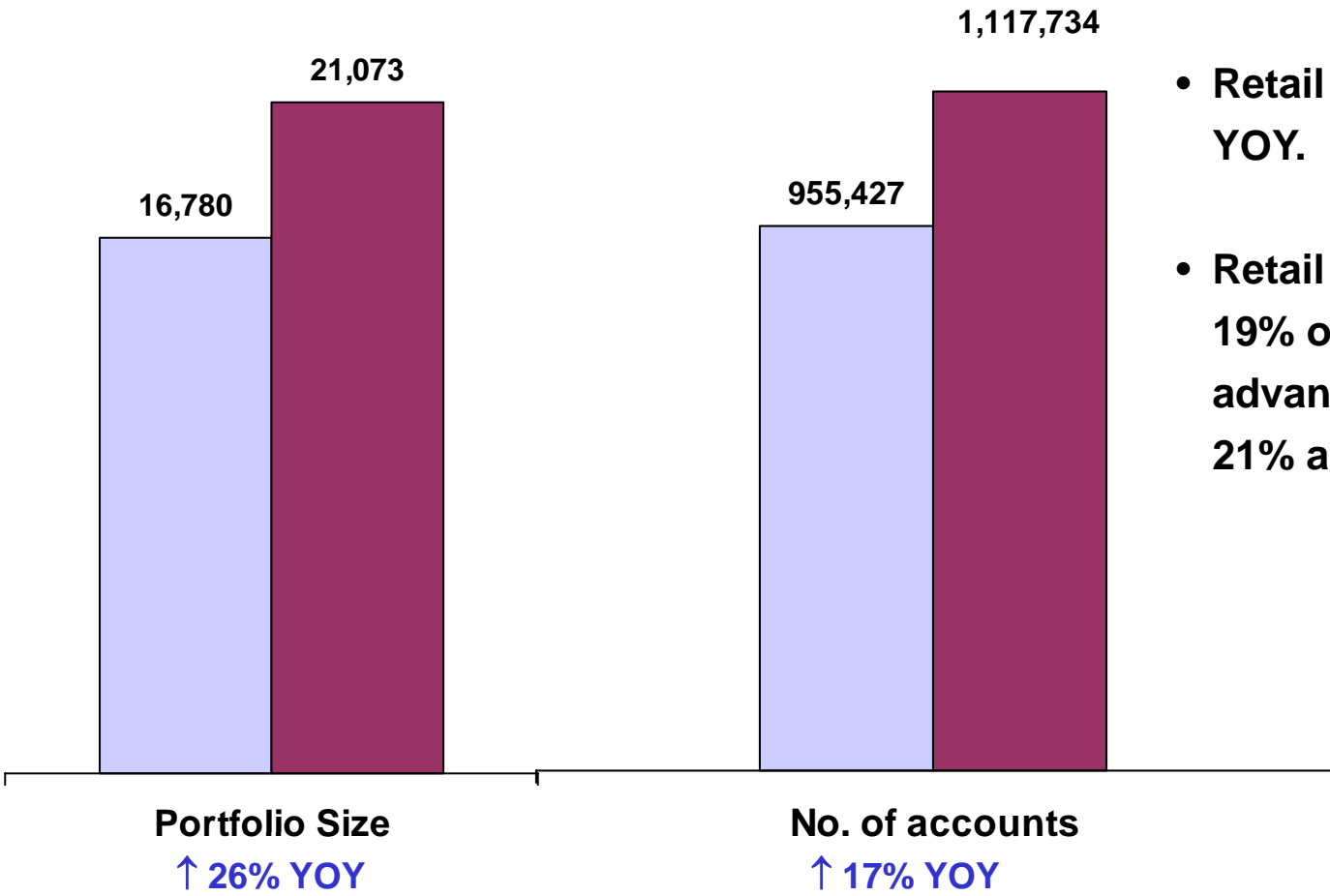
- **Focus on cross-selling to existing customers to generate fee income**
- **Third-party products sold include mutual funds, insurance, on-line broking, portfolio management services (non-discretionary), gold coins and depository services**
- **Systematic segmenting of customers**

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

■ 30-Jun-09 ■ 30-Jun-10
Amounts in Rupees Crores

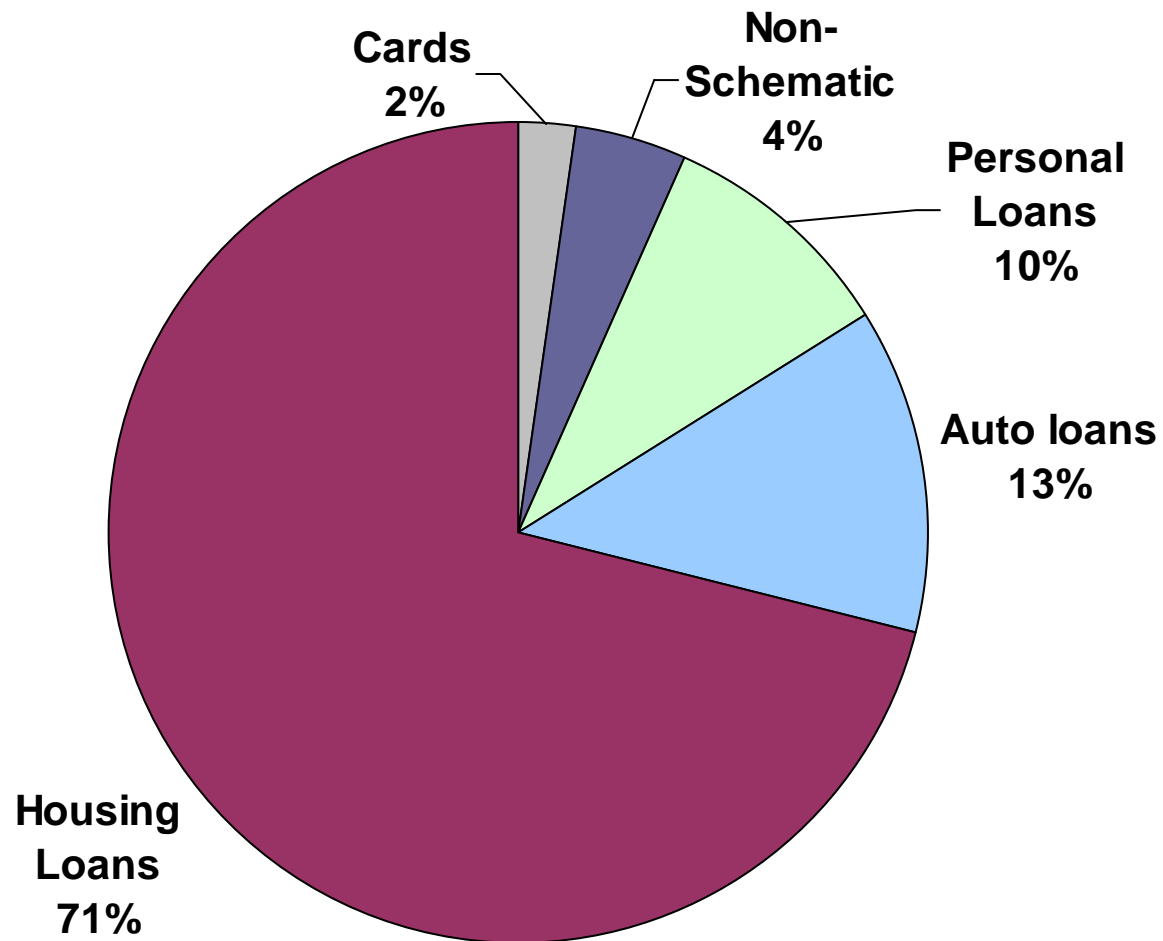
■ 30-Jun-09 ■ 30-Jun-10



- Retail Assets grew by 26% YOY.
- Retail Assets constitute 19% of the bank's total advances, as compared to 21% as at end June '09.

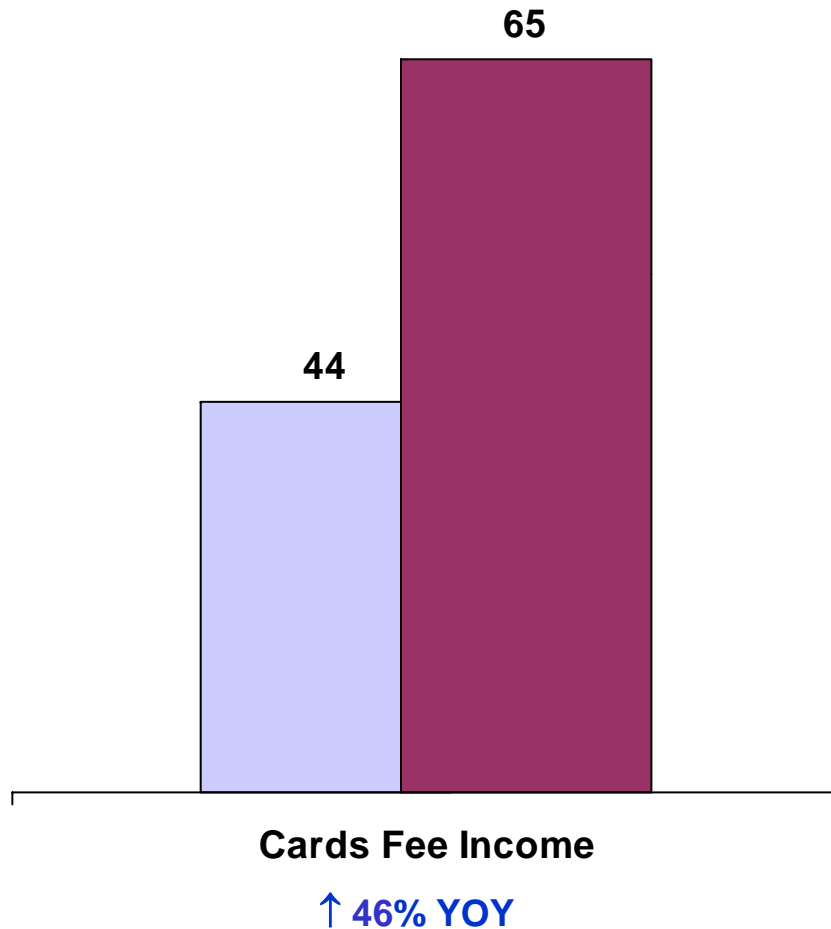
Composition of Retail Assets

Product-wise composition of Retail Assets portfolio (June '10)



Cards Business

■ Q1FY10 ■ Q1FY11
Amounts in Rupees Crores



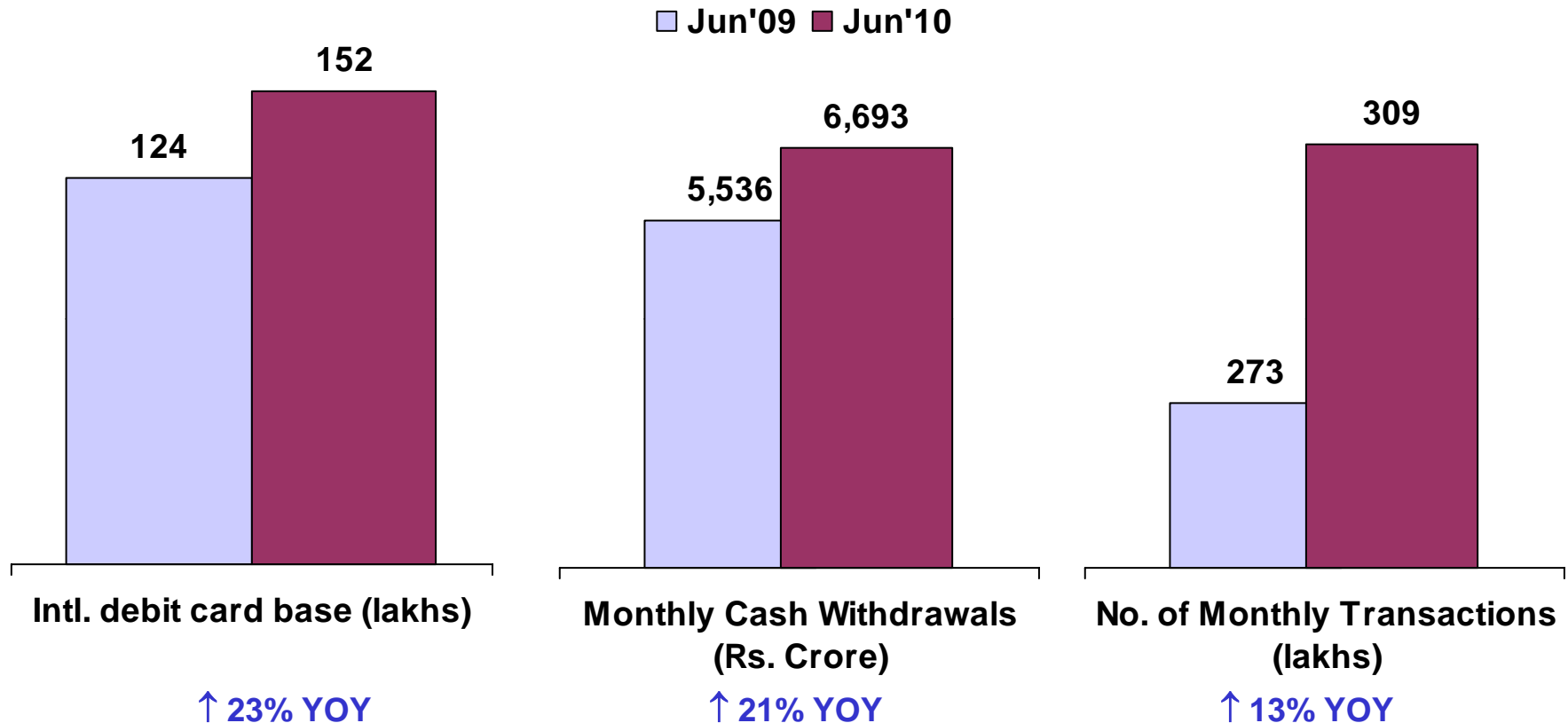
- **Issuance**

- Over 5,49,000 Credit Cards in force till end June '10
- 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 1,60,000 EDCs

ATM Channel Migration



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

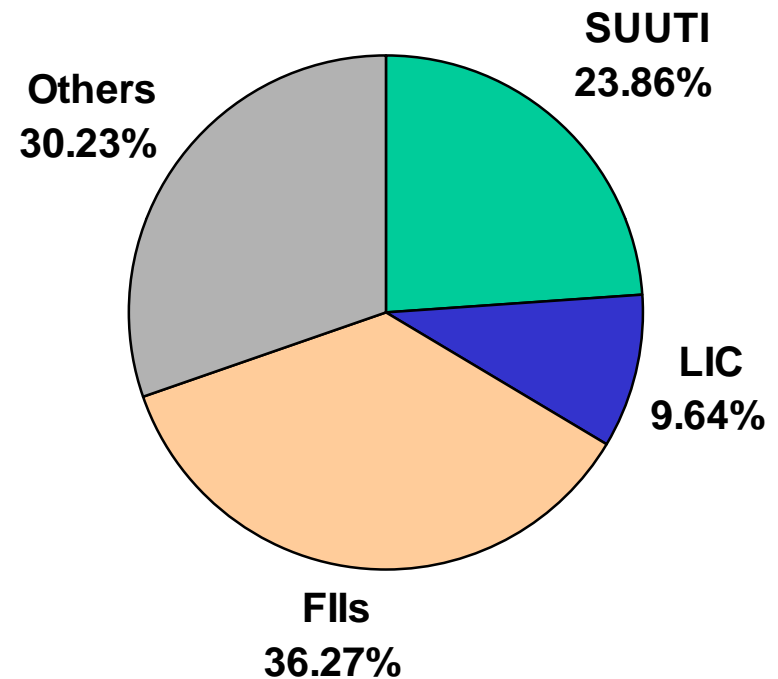
International Presence

- **Branches at Singapore, Hong Kong and DIFC, Dubai**
- **Representative offices at Shanghai and Dubai**
- **Total assets overseas amounted to US\$ 3.45 billion as compared to US\$ 2.26 billion as at end June '09, a growth of 53% yoy**
- **Corporate Banking, Trade Finance products, Debt Syndication and Liability businesses**

Shareholding

Shareholding pattern (Jun '10)

- Share Capital - Rs. 407.44 crores
 - Net Worth - Rs. 16,226 crores
 - Book Value per share - Rs. 414.52
 - Market Price as on 14/07/10 - Rs. 1,314.45
- Market Cap as on 14/07/10 - Rs. 53,556 crores
(US \$ 11.49 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.



Thank You