

**AXIS BANK**

FY 2010-11  
Third Quarter Results

**Investor Presentation**



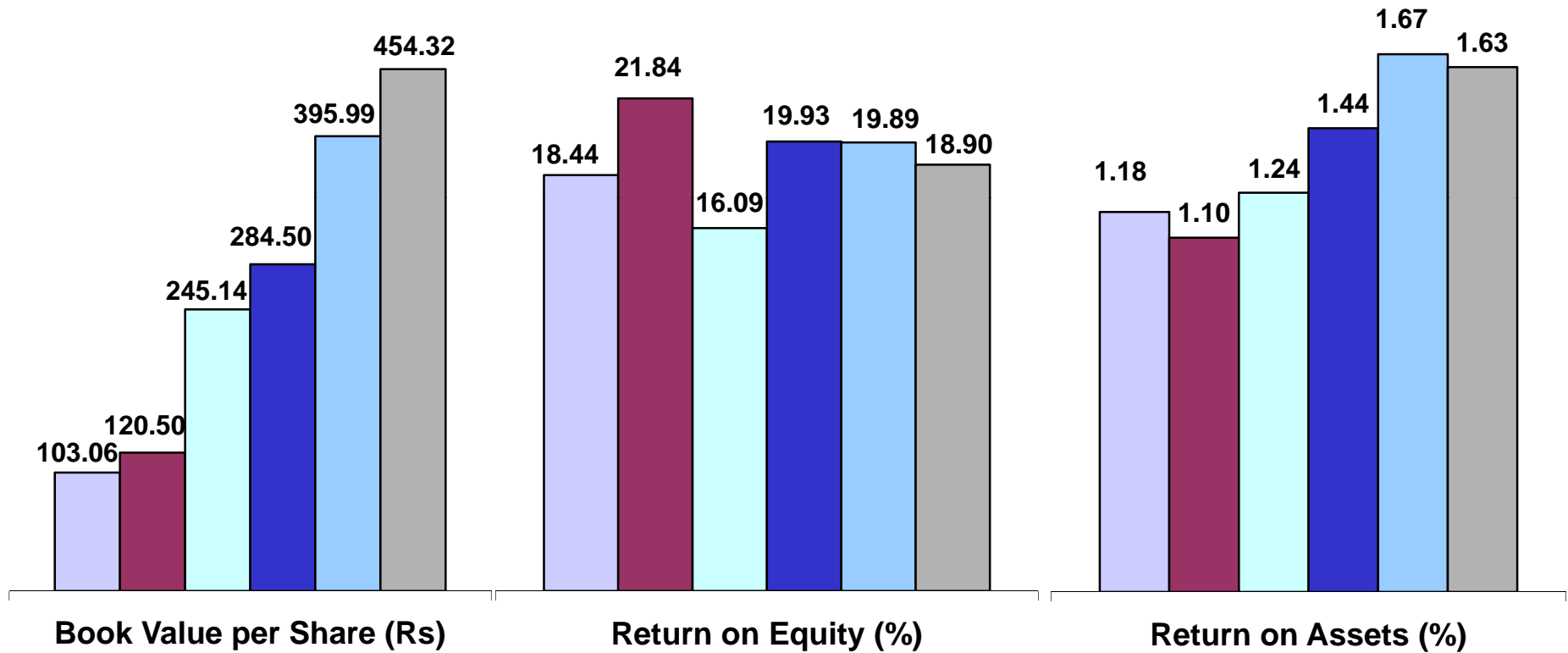
**AXIS BANK**

# Performance Highlights

	<u>Q3 FY11</u>	<u>9M FY11</u>
Net Profit	↑ 36% YOY	↑ 35% YOY
Net Interest Income	↑ 28% YOY	↑ 37% YOY
Fee Income	↑ 21% YOY	↑ 19% YOY
Operating Revenue	↑ 23% YOY	↑ 23% YOY
Operating Profit	↑ 21% YOY	↑ 19% YOY
Net Interest Margin	3.81%	3.74%
Cost of Funds	4.79%	4.73%

# Shareholder Returns

□ FY06    ■ FY07    □ FY08  
■ FY09    □ FY10    □ 9M FY11



# Interpretation of Q3 FY11 Performance

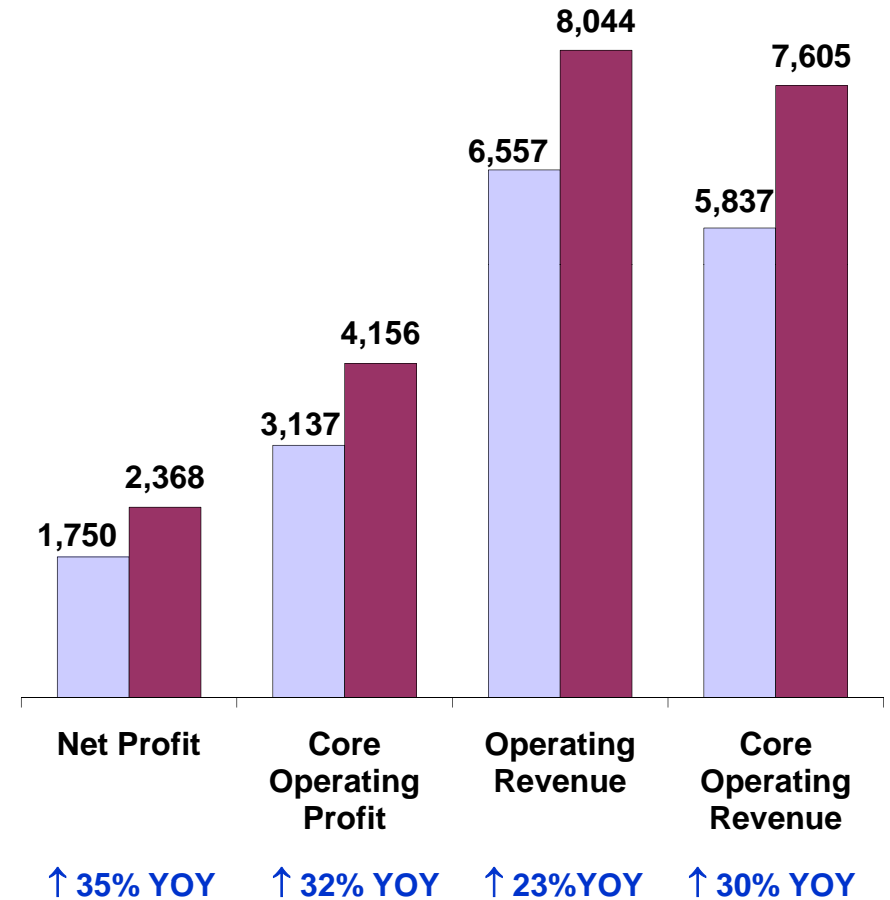
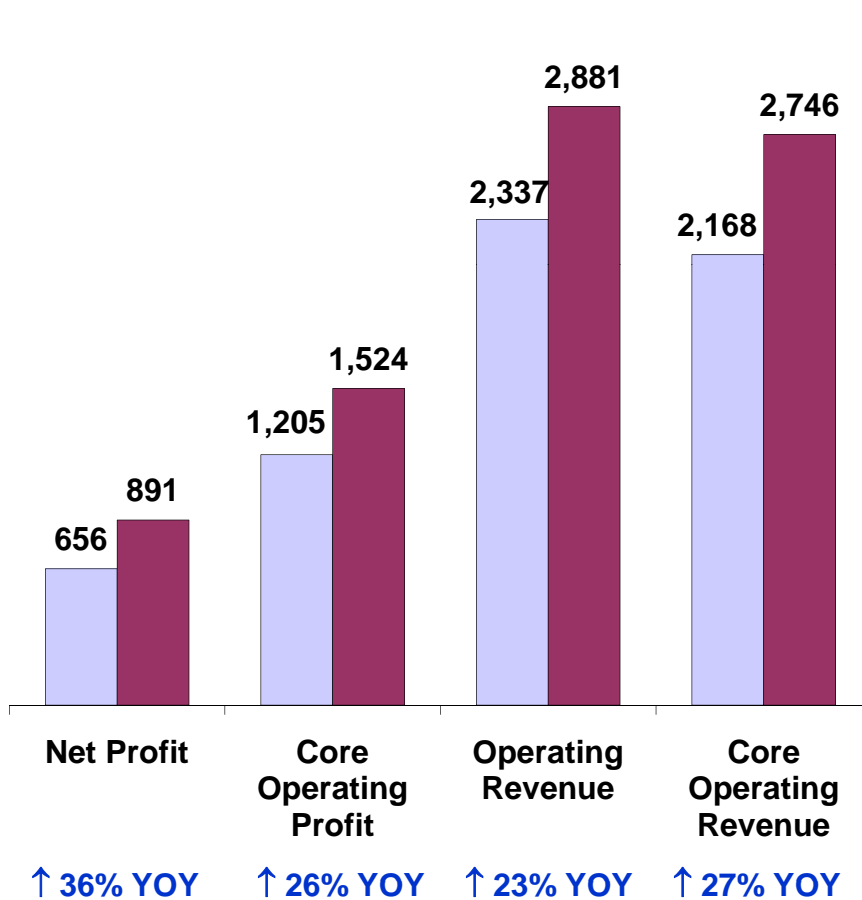
- **Growth in the Bank's core businesses**
  - Total Net Advances grew 46% yoy to ₹1,23,547 crores
  - Total Investments grew 21% yoy to ₹59,623 crores
  - Total Assets registered a 37% yoy growth, rising to ₹2,06,706 crores
  - Fees grew by 21% yoy, rising to ₹968 crores
  - Share of demand deposits in total deposits stood at 42%
- **Retail Assets grew by 33% yoy to ₹25,204 crores; constituted 20% of total advances, as compared to 22% at the end of Q3 FY10.**
- **Net NPAs at 0.29%, as compared to 0.46% at the end of Q3 FY10.**
- **At the end of Dec'10, Book Value per share was ₹454.32, as compared to ₹391.37 at the end of Dec'09**
- **Capital Adequacy stood at 12.46% with Tier-I capital at 8.86%**

# Profitability

## Sustained Growth: Robust Core Revenues

■ Q3 FY10 ■ Q3 FY11  
Amounts in ₹ crores

■ 9M FY10 ■ 9M FY11  
Amounts in ₹ crores

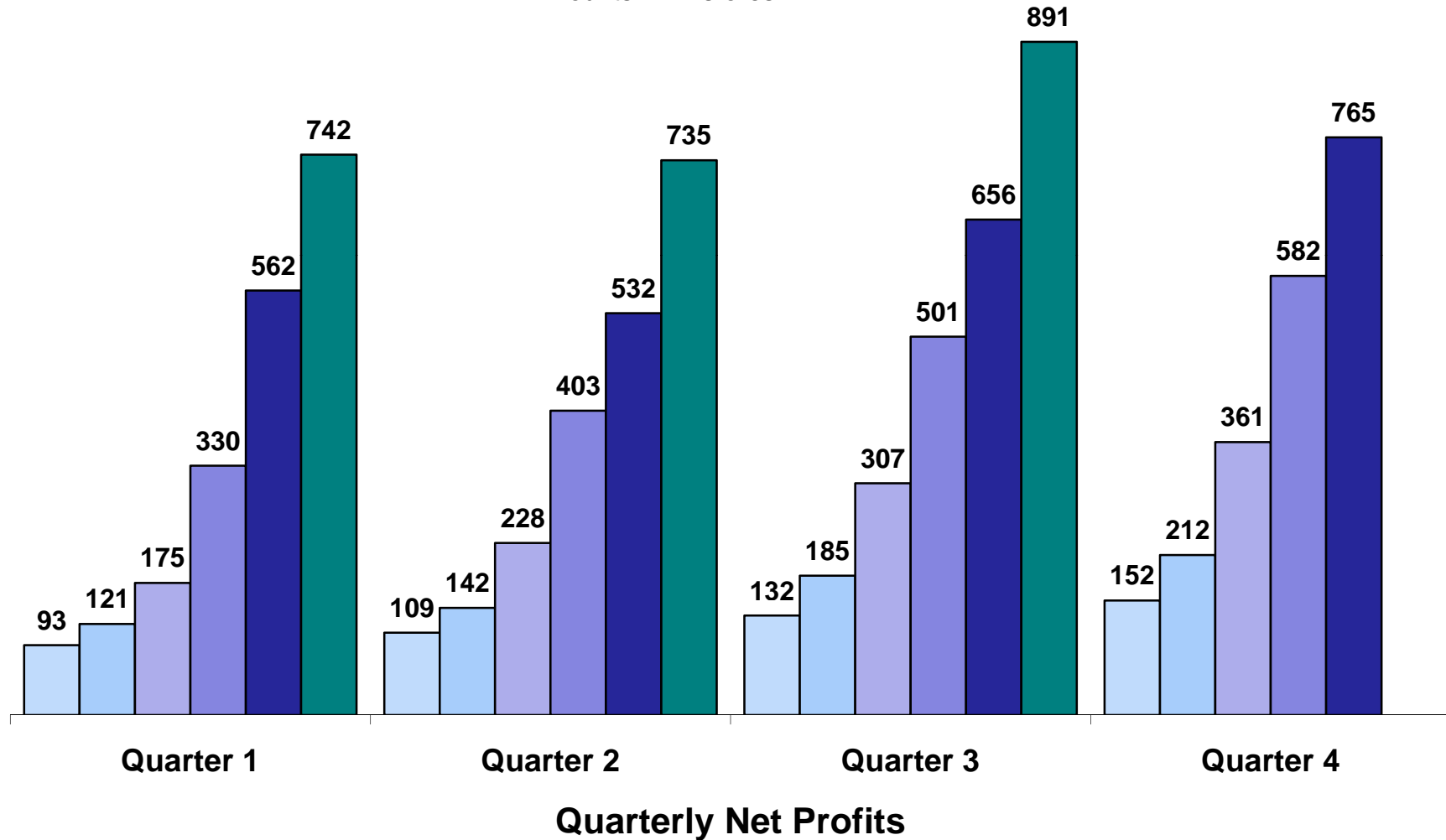


Note: Core Operating Revenue / Profit excludes trading gains / losses

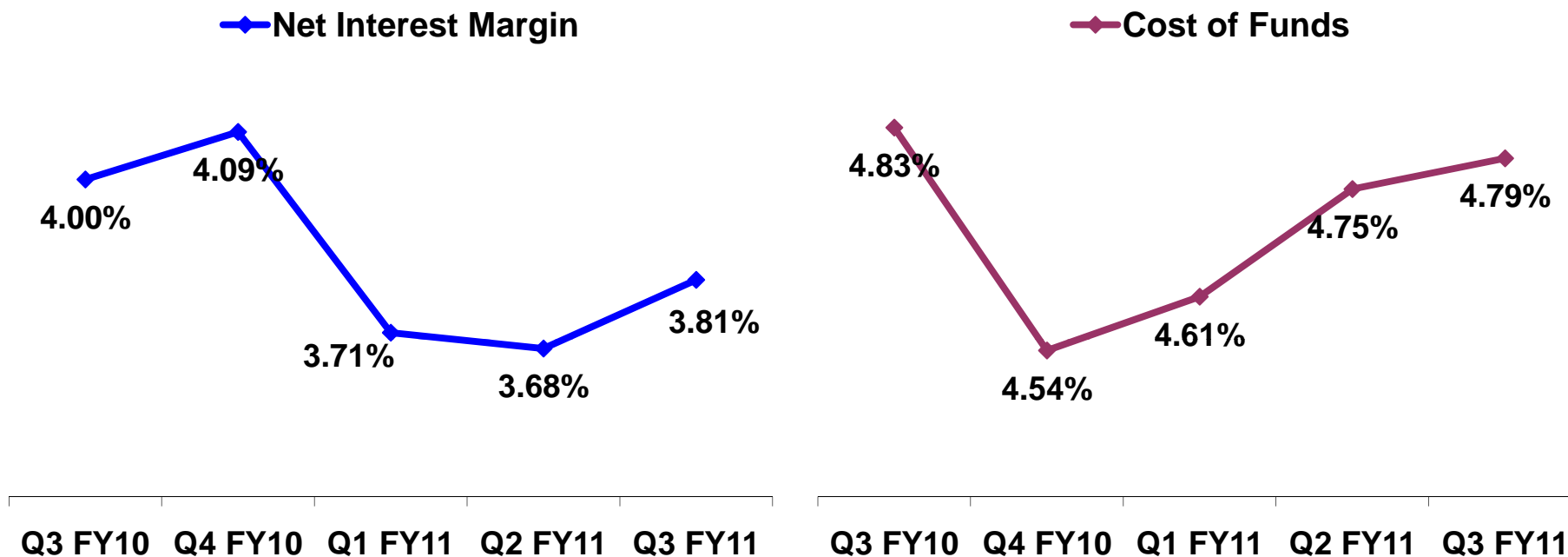
# Consistent Net Profit Growth

■ FY06 ■ FY07 ■ FY08 ■ FY09 ■ FY10 ■ FY11

Amounts in ₹ crores



# Net Interest Margin and Cost of Funds

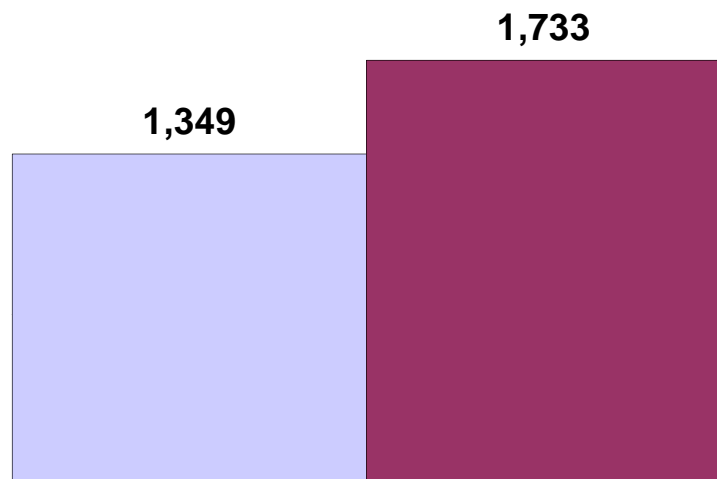


NIMs for the last 5 years	
FY06	2.85%
FY07	2.74%
FY08	3.47%
FY09	3.33%
FY10	3.75%

# Growing Net Interest Income

■ Q3 FY10 ■ Q3 FY11

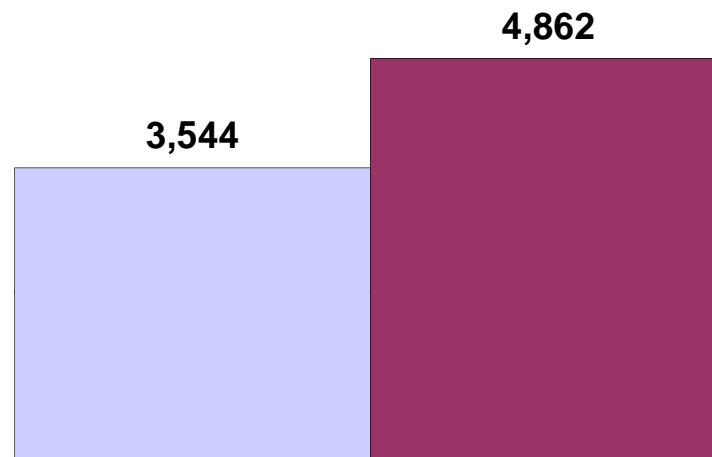
Amounts in ₹ crores



↑ 28% YOY

■ 9M FY10 ■ 9M FY11

Amounts in ₹ crores



↑ 37% YOY

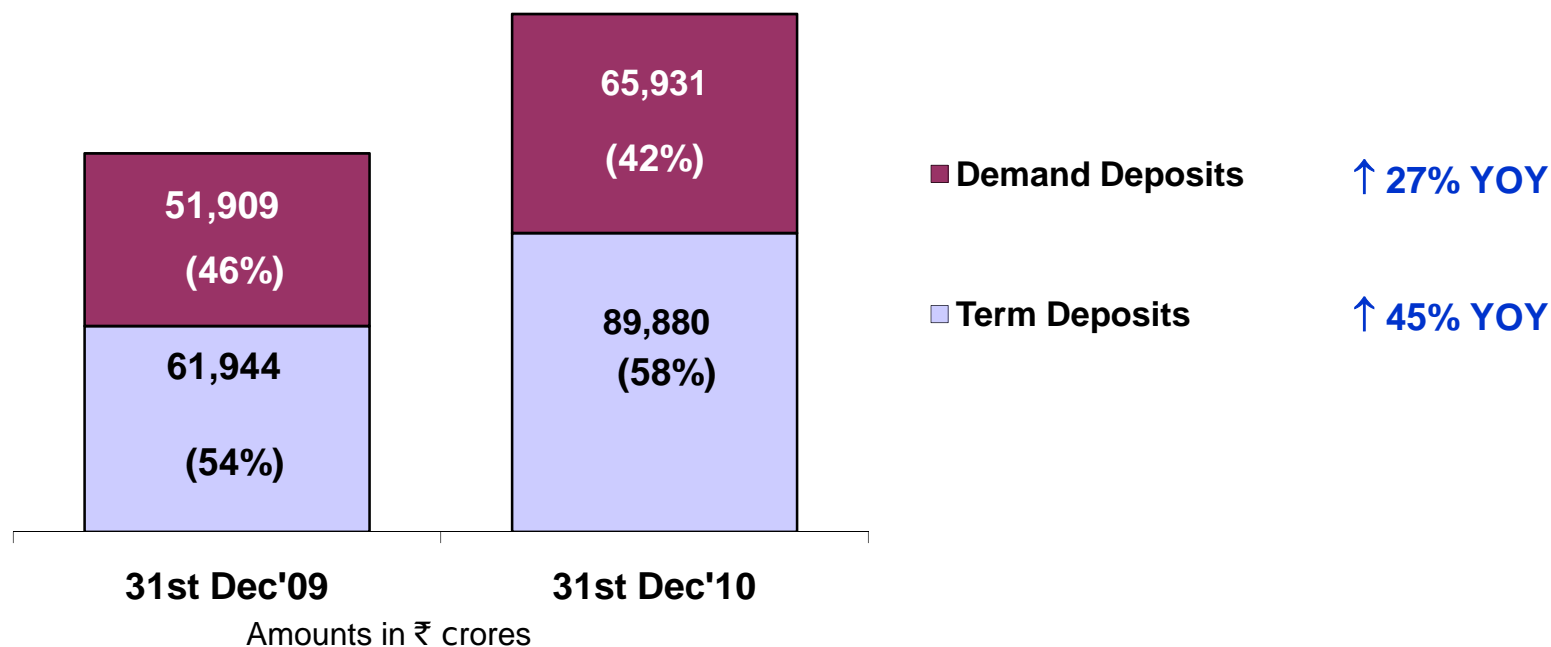
## NIIs for the last 5 years (₹ crores)

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



# Growing Demand Deposits

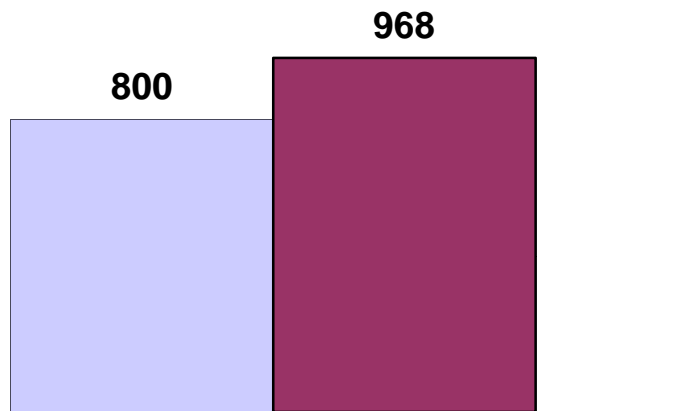
YOY Growth in Daily Average Demand and Term Deposits		
Deposit	Q3 FY11	9M FY11
Savings	35%	38%
Current	38%	34%
Total Demand Deposits	36%	37%
Total Deposits	39%	35%



# Fees

■ Q3 FY10 ■ Q3 FY11

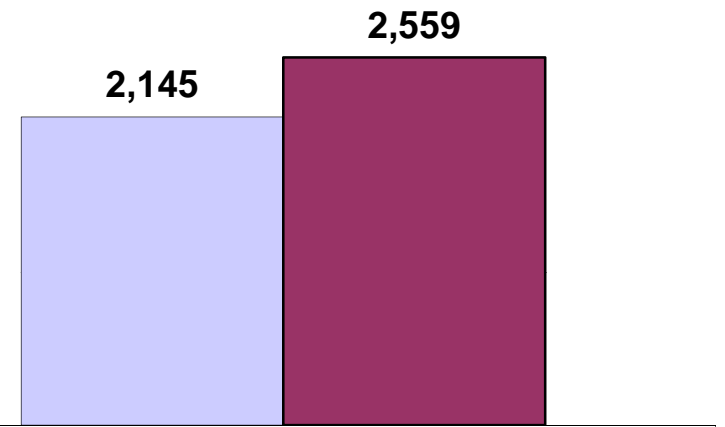
Amounts in ₹ crores



↑ 21% YOY

■ 9M FY10 ■ 9M FY11

Amounts in ₹ crores

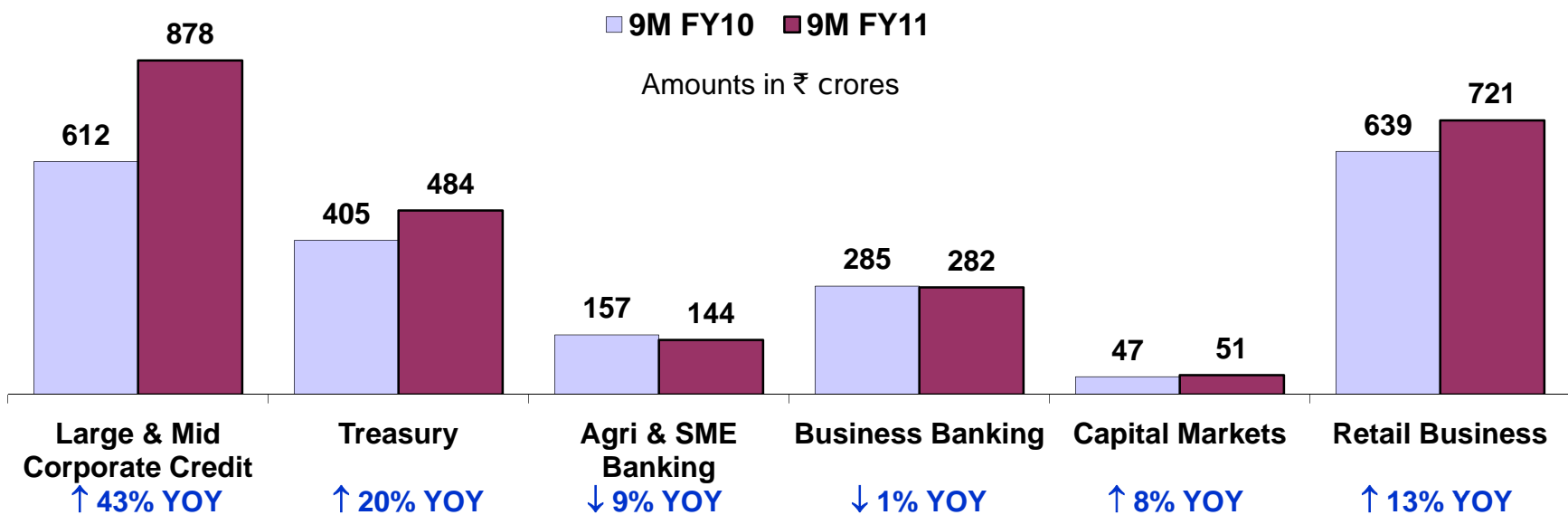
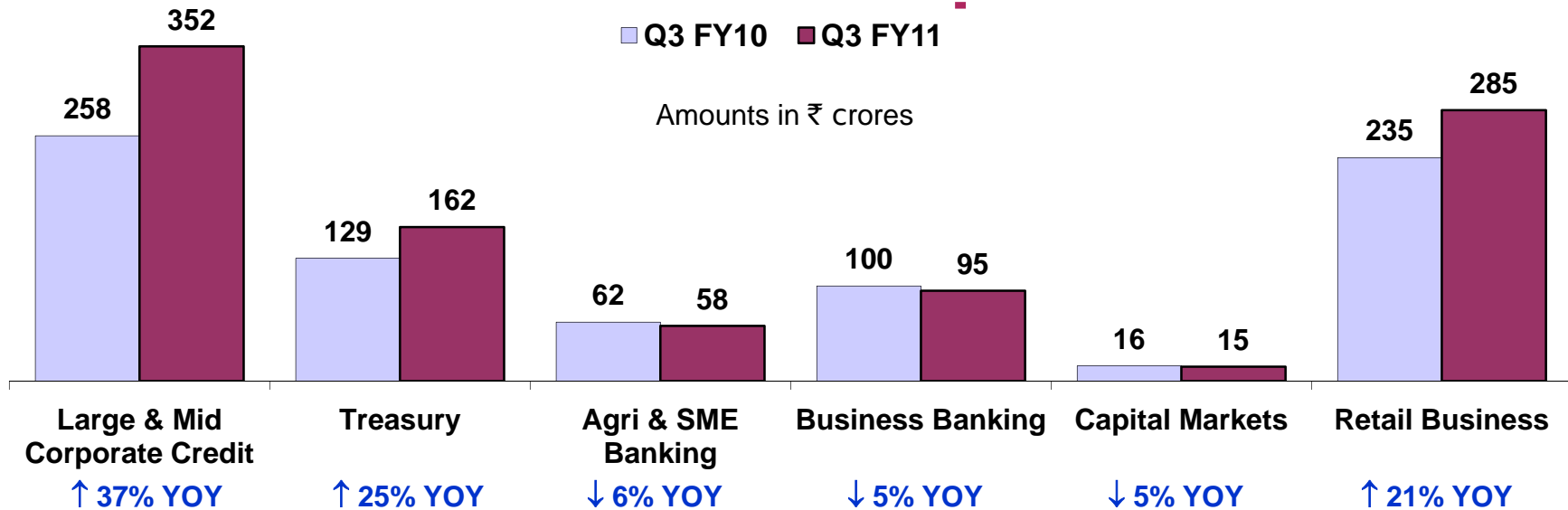


↑ 19% YOY

## Fees for the last 5 years (₹ crores)

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

# Fee Income Composition

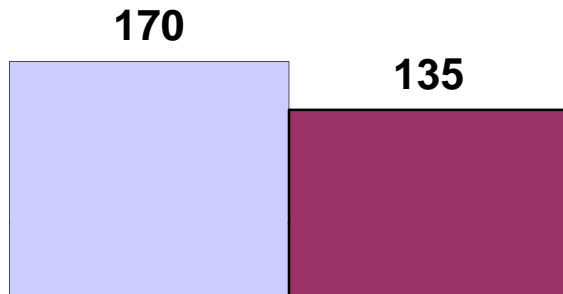


Note: Previous year's figures have been restated pursuant to a realignment of the organization structure

# Trading Profits

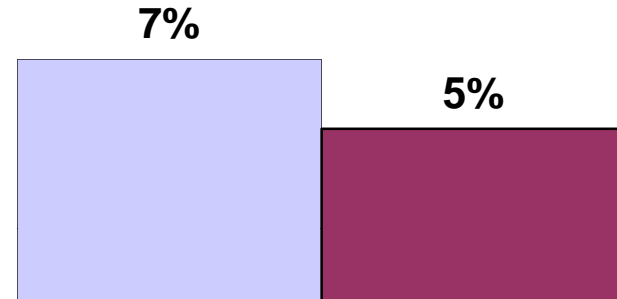
## Trading Profit Volume

Amounts in ₹ crores

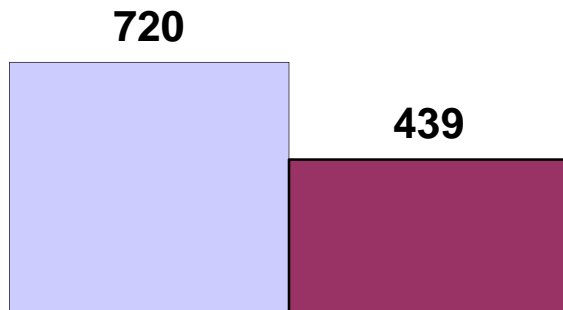


Q3 FY10 Q3 FY11  
↓ 21% YOY

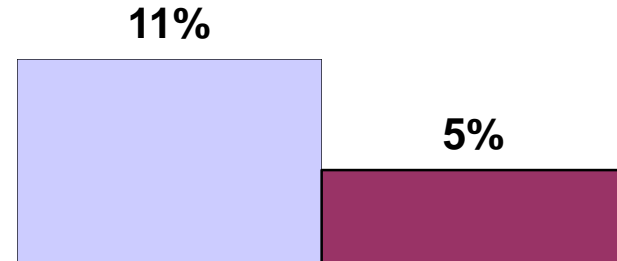
## % of Operating Revenue



Q3 FY10 Q3 FY11

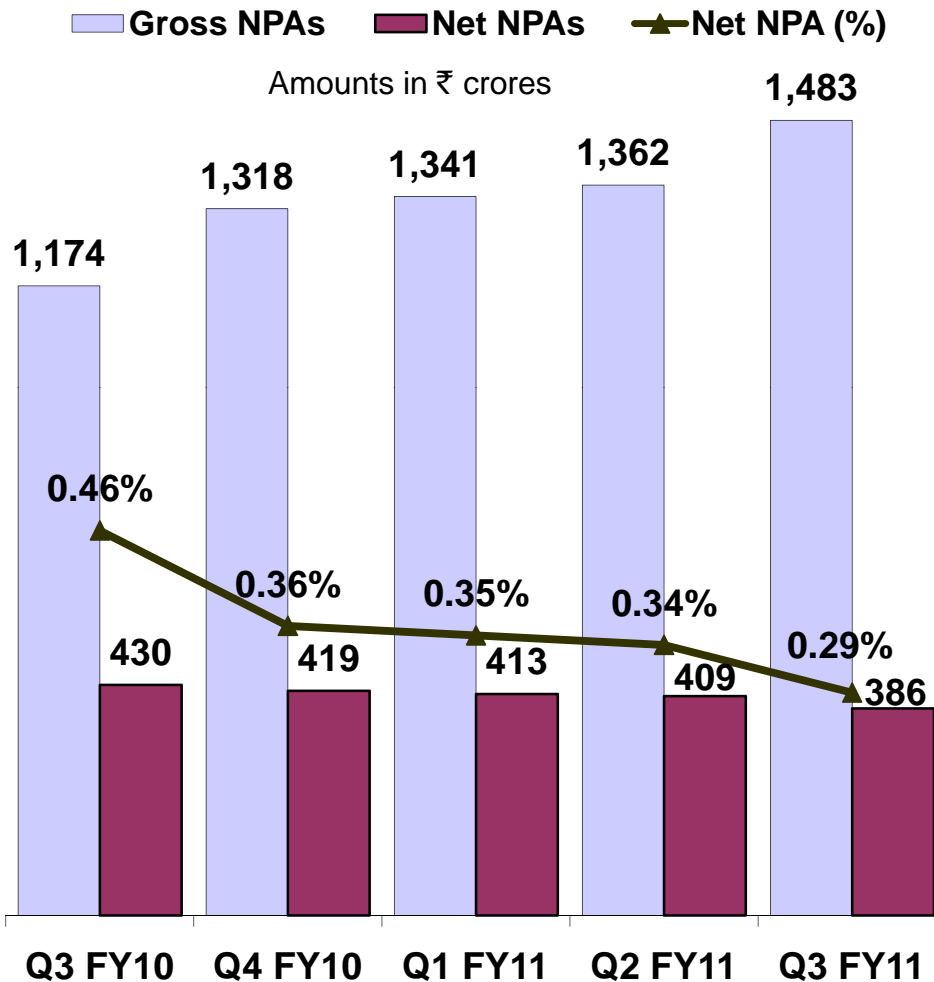


9M FY10 9M FY11  
↓ 39% YOY



9M FY10 9M FY11

# Stressed Assets and Net NPA (%)

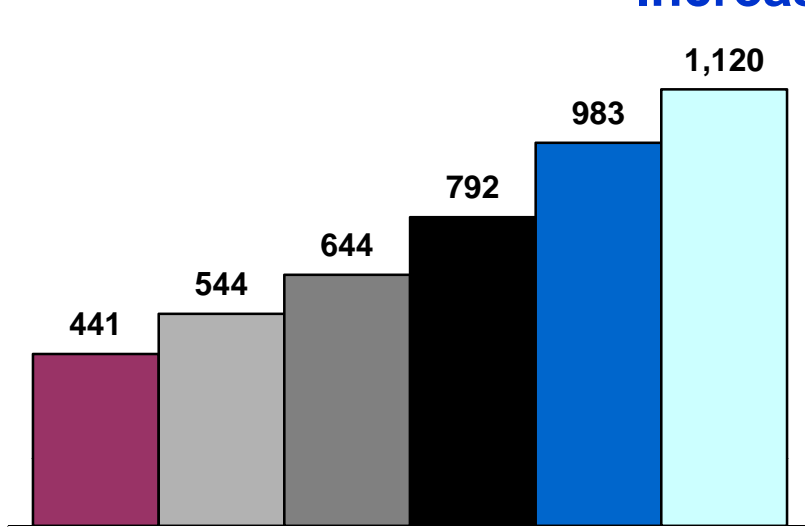


Net NPA as at year-end	
FY06	0.75%
FY07	0.61%
FY08	0.36%
FY09	0.35%
FY10	0.36%

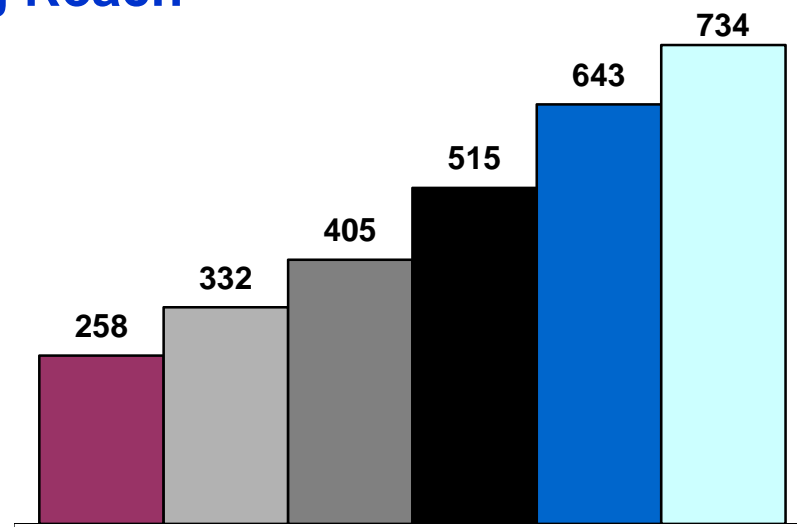
# BUSINESS OVERVIEW

# Network

## Increasing Reach

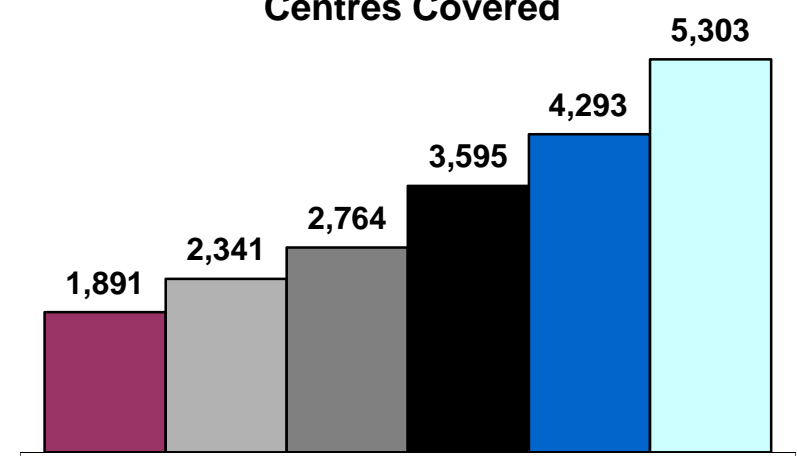


Branches + Extension Counters \*



Centres Covered

Branch Demographics (Domestic)		
	Branches	Extn. Counters
Metro	310	6
Urban	404	2
Semi-urban	314	-
Rural	84	-
<b>Total</b>	<b>1,112</b>	<b>8</b>



ATMs

■ Mar'06 ■ Mar'07 ■ Mar'08 ■ Mar'09 ■ Mar'10 □ Dec'10

\* Excludes service branches and central processing centres

# Large and Mid Corporate Banking

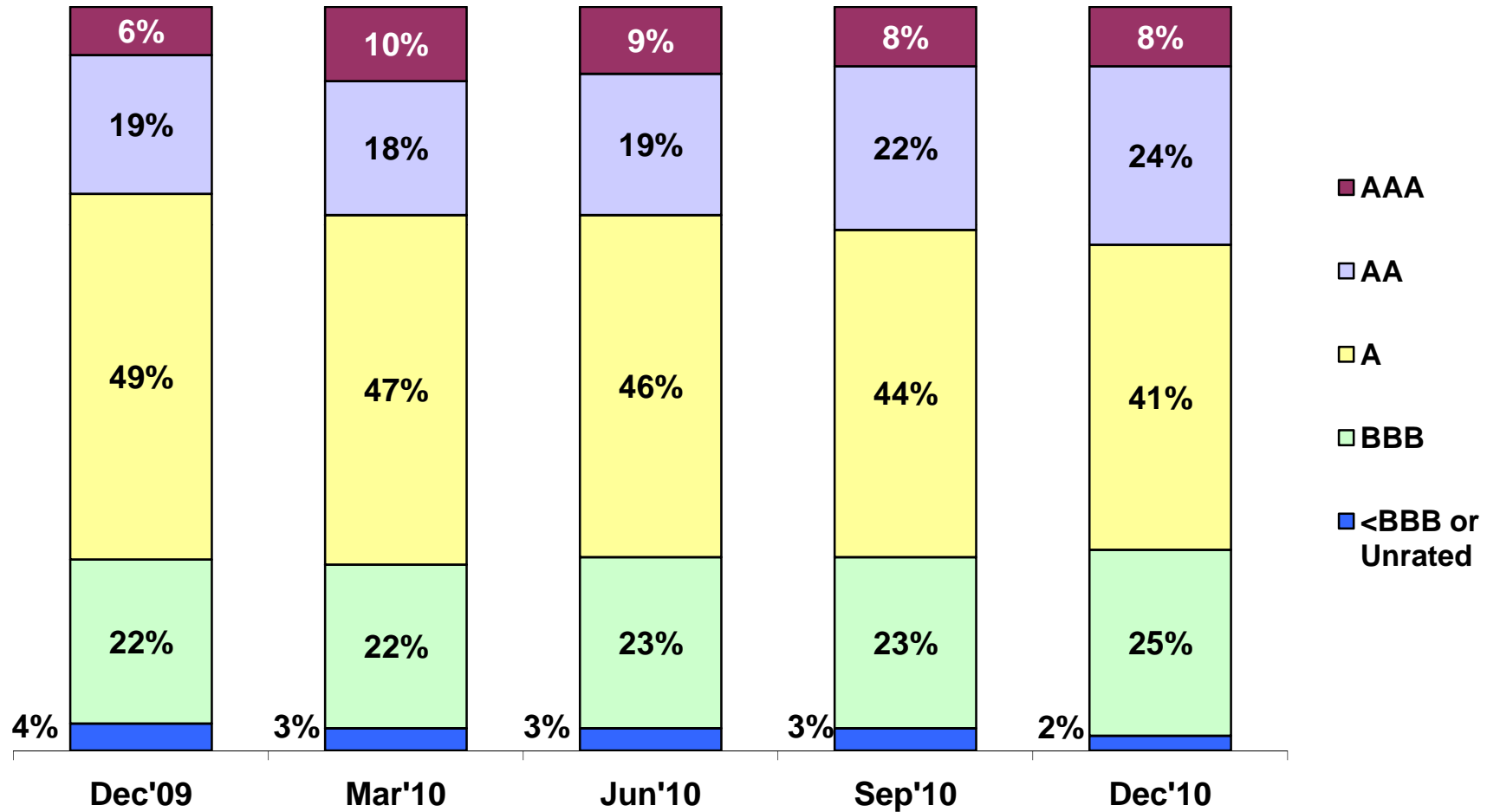
- **Focus on quality of credit assets with stress on corporates having**
  - **Global competitive advantage in their businesses**
  - **Good corporate governance and management practices**
- **Business Segments**
  - **Large Corporates**
  - **Mid Corporates**
  - **Structured Products**
- **Rigorous and regular risk assessment of individual accounts**
  - **Rating Tools and Monitoring Tools**
- **Offer broad suite of products with continued focus on customised offerings**



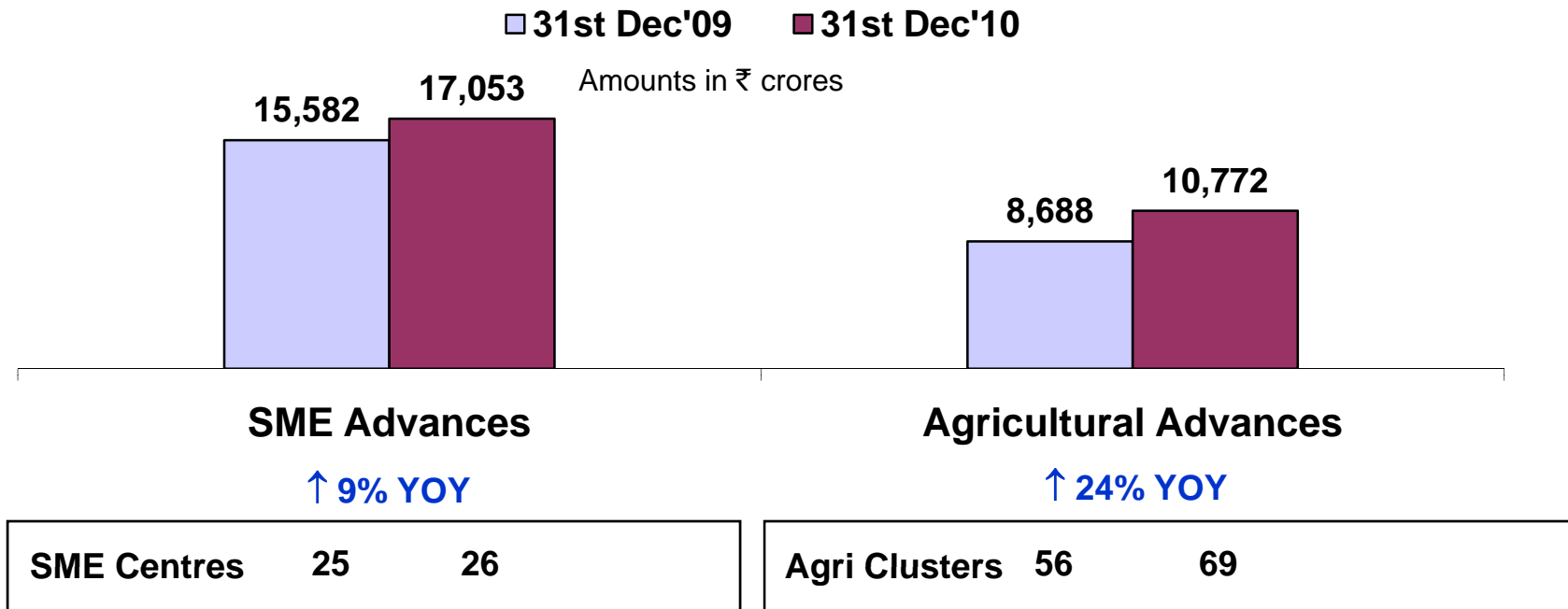
# Distribution of Ratings

(Large and Mid Corporate)

73% of corporate advances have rating of at least 'A' as at Dec'10



# SME and Agri Business

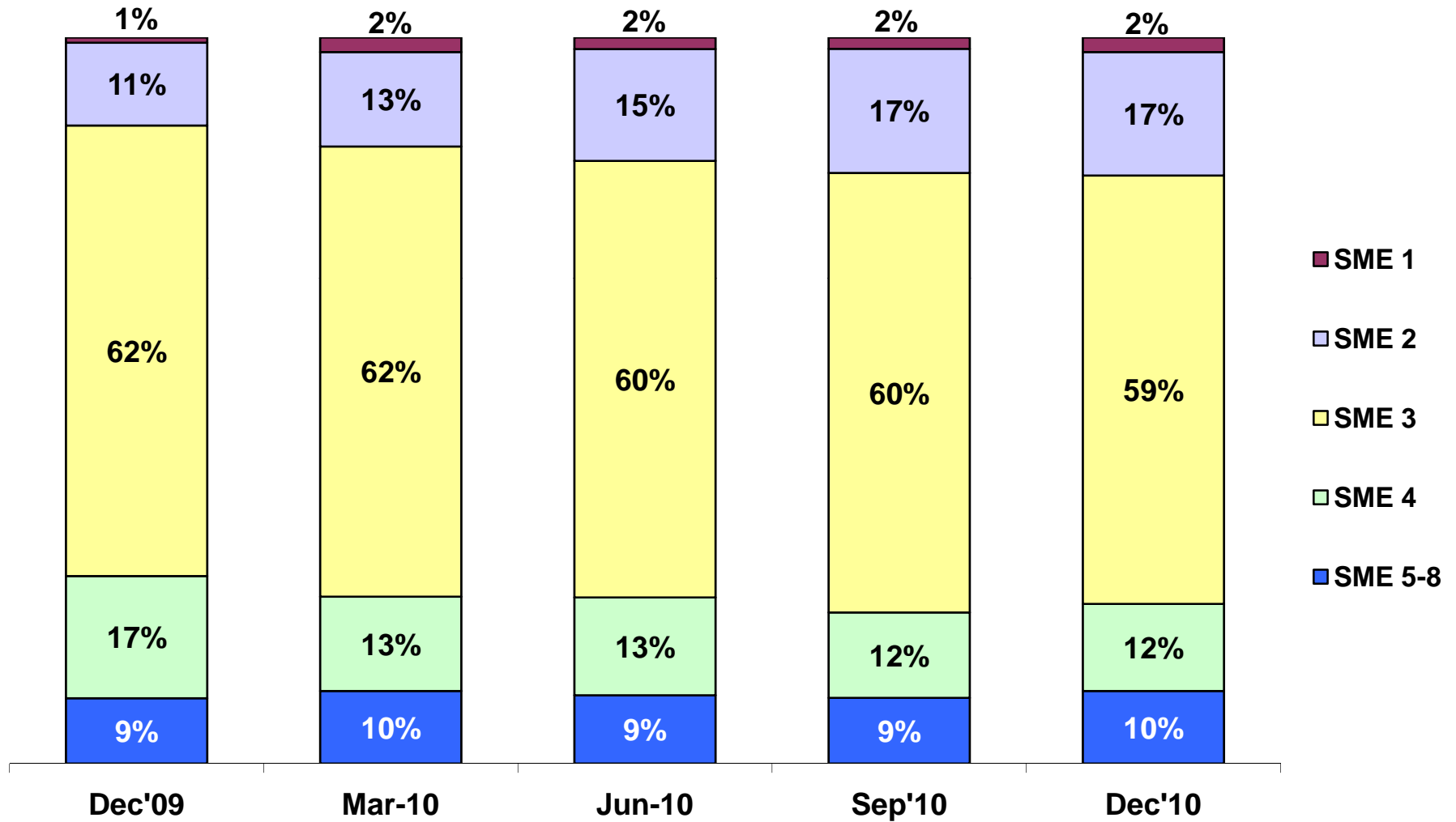


- Specialised SME Centres for SME appraisals, sanctions and post-sanction monitoring
- Product categories
  - Schematic loans
  - Non-schematic loans

- 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

78% of SME advances have rating of at least 'SME3' as at Dec'10



# Industry-wise Distribution of Corporate Advances Across Large Corporate, Mid Corporate, SME & Corporate Agri

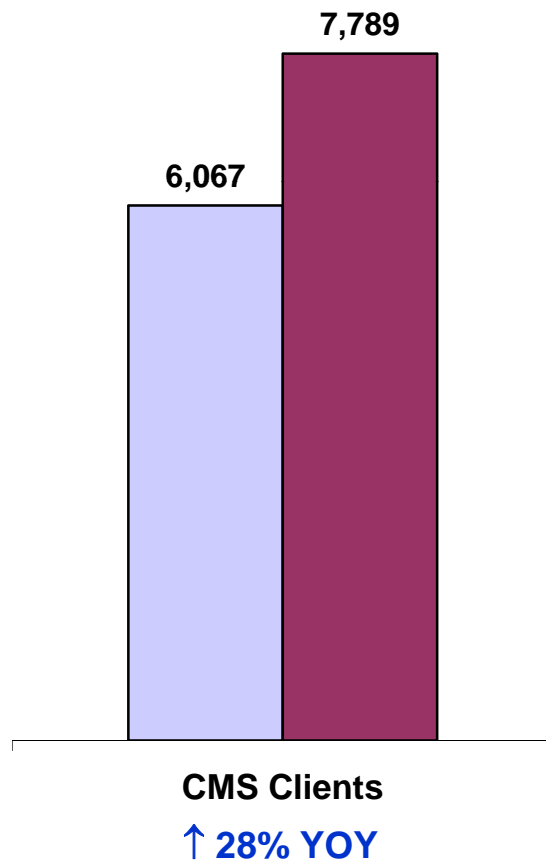
Rank	Sectors	Outstanding as on 31st Dec'10 (%)		
		Total	Fund-based	Non-fund based
1.	Financial Companies*	12.72	13.32	11.69
2.	Infrastructure Construction	11.63	9.49	15.32
3.	Power Generation & Distribution	9.67	5.39	17.08
4.	Metal & Metal Products	7.89	7.48	8.59
5.	Engg. & Electronics	6.07	3.08	11.23
6.	Telecommunication Services	4.99	6.66	2.11
7.	Trade	4.74	4.40	5.32
8.	Real Estate	3.72	5.67	0.35
9.	Petrochemical & Petroleum Products	3.51	3.11	4.19
10.	Food Processing	3.42	4.07	2.31

\* Includes HFCs & other NBFCs

# Business Banking

## Cash Management Services

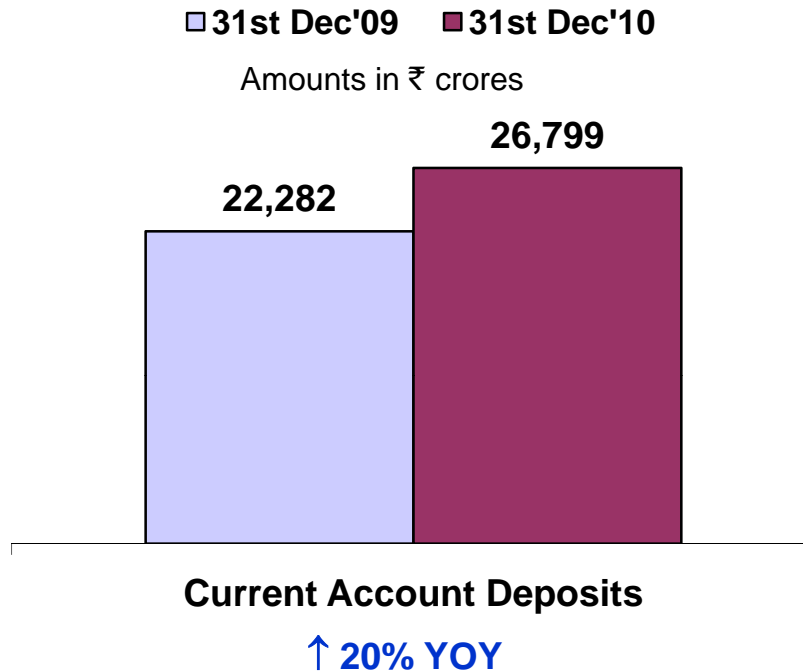
□ 31st Dec'09 ■ 31st Dec'10



- 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 UT
- Collections and payments for Central Government ministries - Railways, Ministry of Finance, Urban Development and Housing & Urban Poverty Alleviation
- Collections under e-governance initiatives of 7 State Governments and UT

# Business Banking

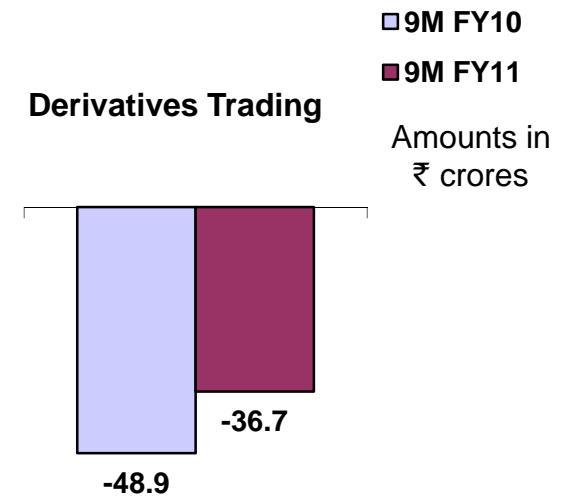
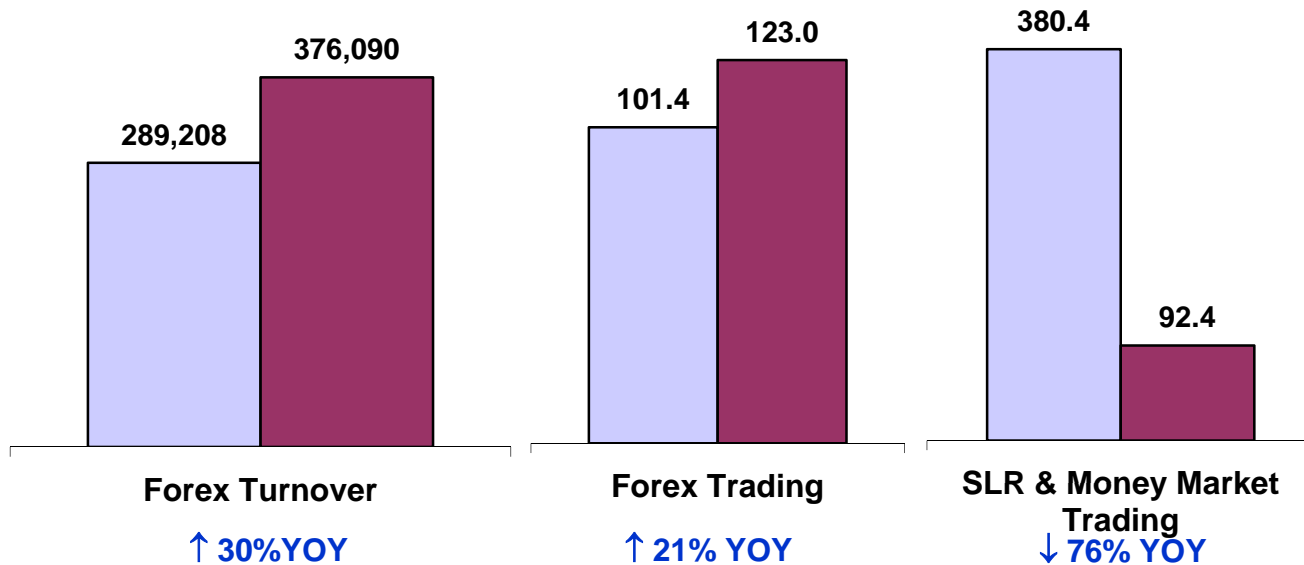
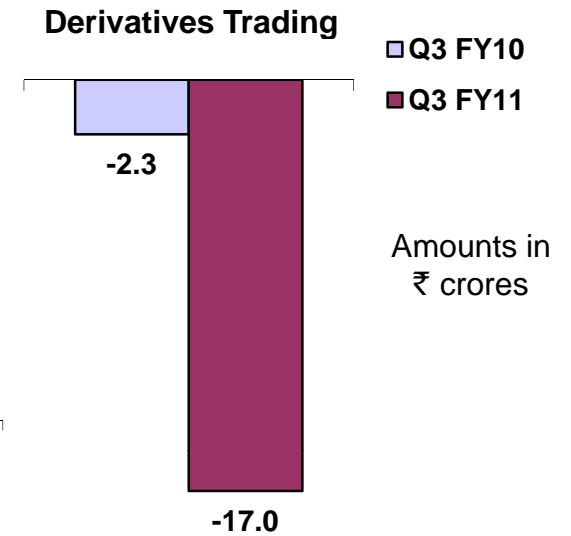
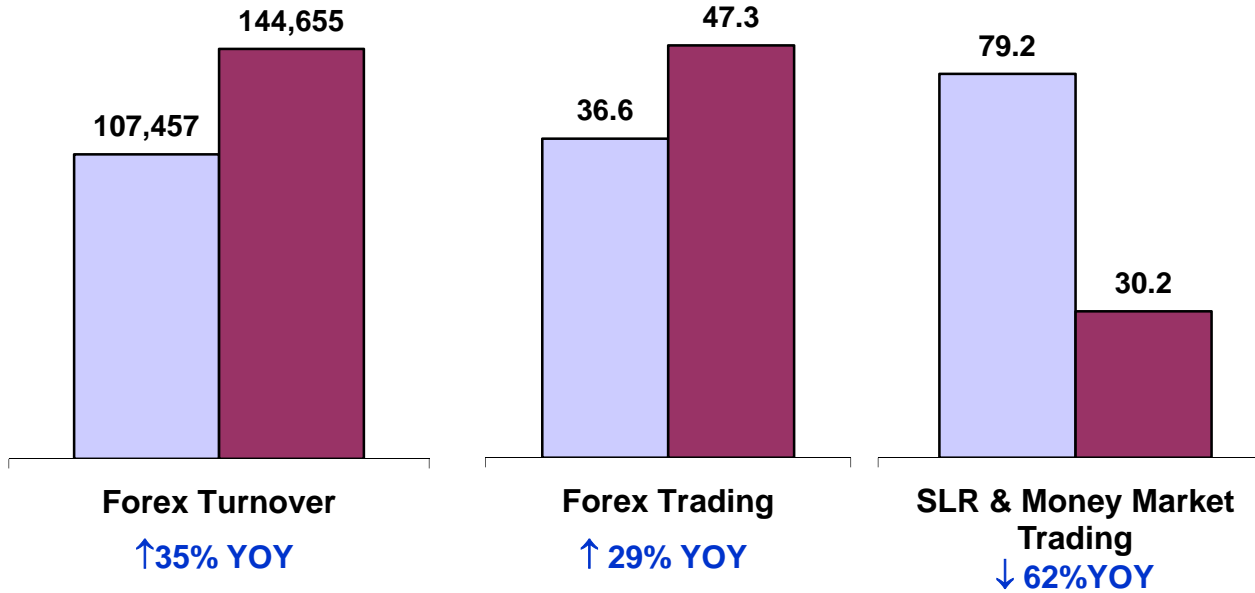
## Current Accounts Growth



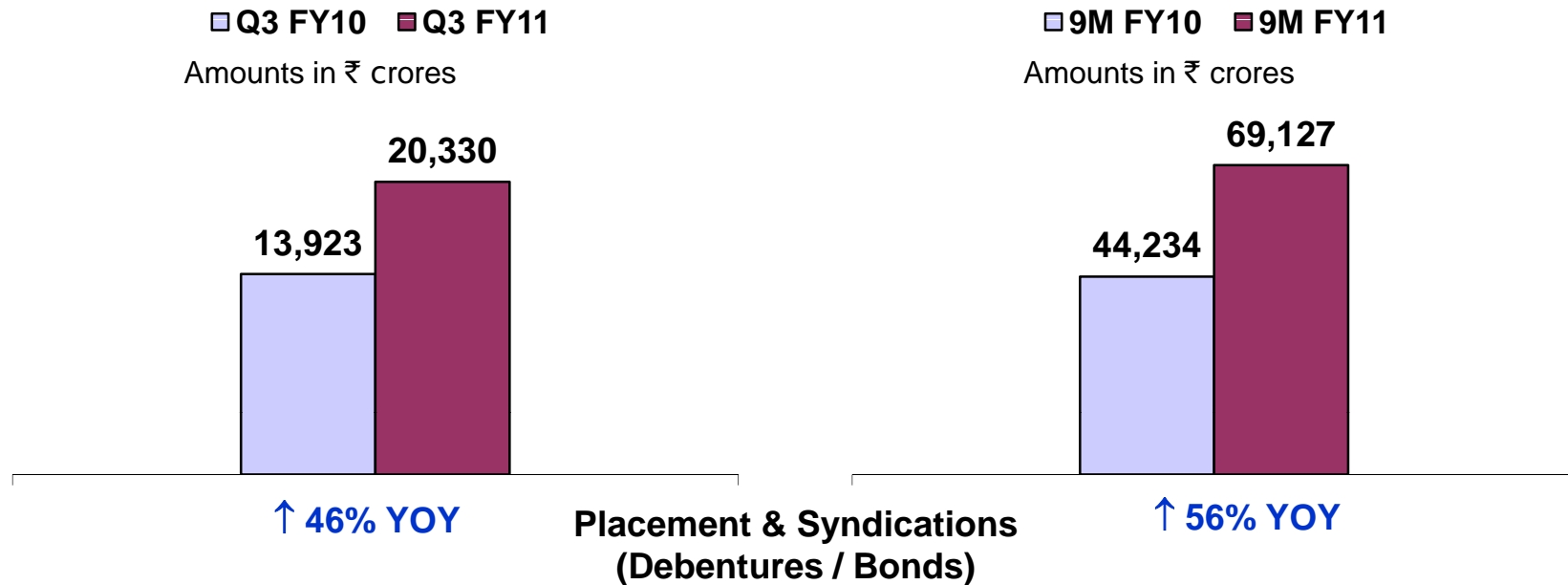
Current Account deposits for the last 5 years (as on 31st March)	
Mar'06	7,970
Mar'07	11,304
Mar'08	20,045
Mar'09	24,822
Mar'10	32,168

- 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



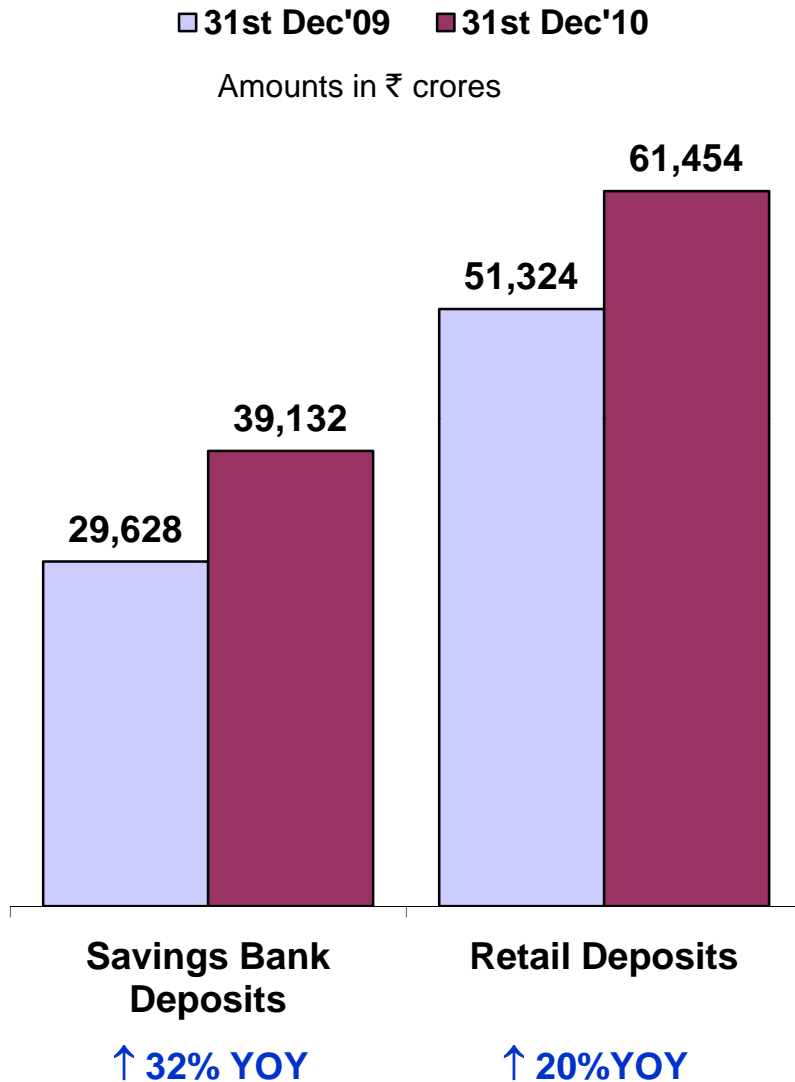
# Capital Markets



- A dominant player in placement and syndication of debt issues
- Ranked No. 1 Debt Arranger by Prime Database for the period April 2010 to September 2010
- Ranked No.1 Debt Arranger by Bloomberg Underwriter league table for the calendar year 2010
- Recent Awards:
  - The Asset Triple A Country Awards 2010: Best domestic bank in India and Best domestic bond house in India
  - Asiamoney 2010: Best Domestic Debt House in India
  - Euromoney 2010: Best Debt House in India
  - Finance Asia 2010: Best Bond House in India



# Savings Bank Growth



## Savings Bank deposits for the last 5 years (as on 31<sup>st</sup> March)

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

### 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

### Term deposits portfolio as on 31<sup>st</sup> December 2010

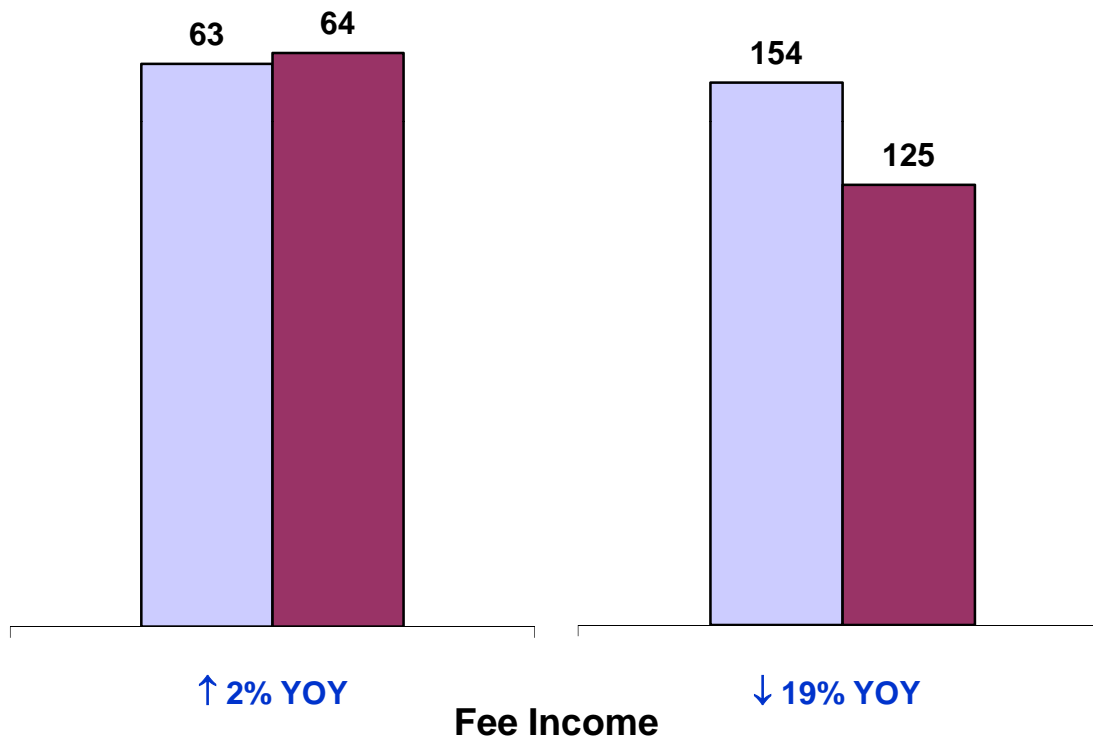
- Upto ₹1 crore: ₹22,322 crores
- Upto ₹5 crores: ₹33,220 crores

Note: Retail Deposits defined as Savings Bank deposits and Term deposits upto ₹ 1 crore

# Third Party Products Business

□ Q3 FY10 ■ Q3 FY11  
Amounts in ₹ crores

□ 9M FY10 ■ 9M FY11  
Amounts in ₹ crores

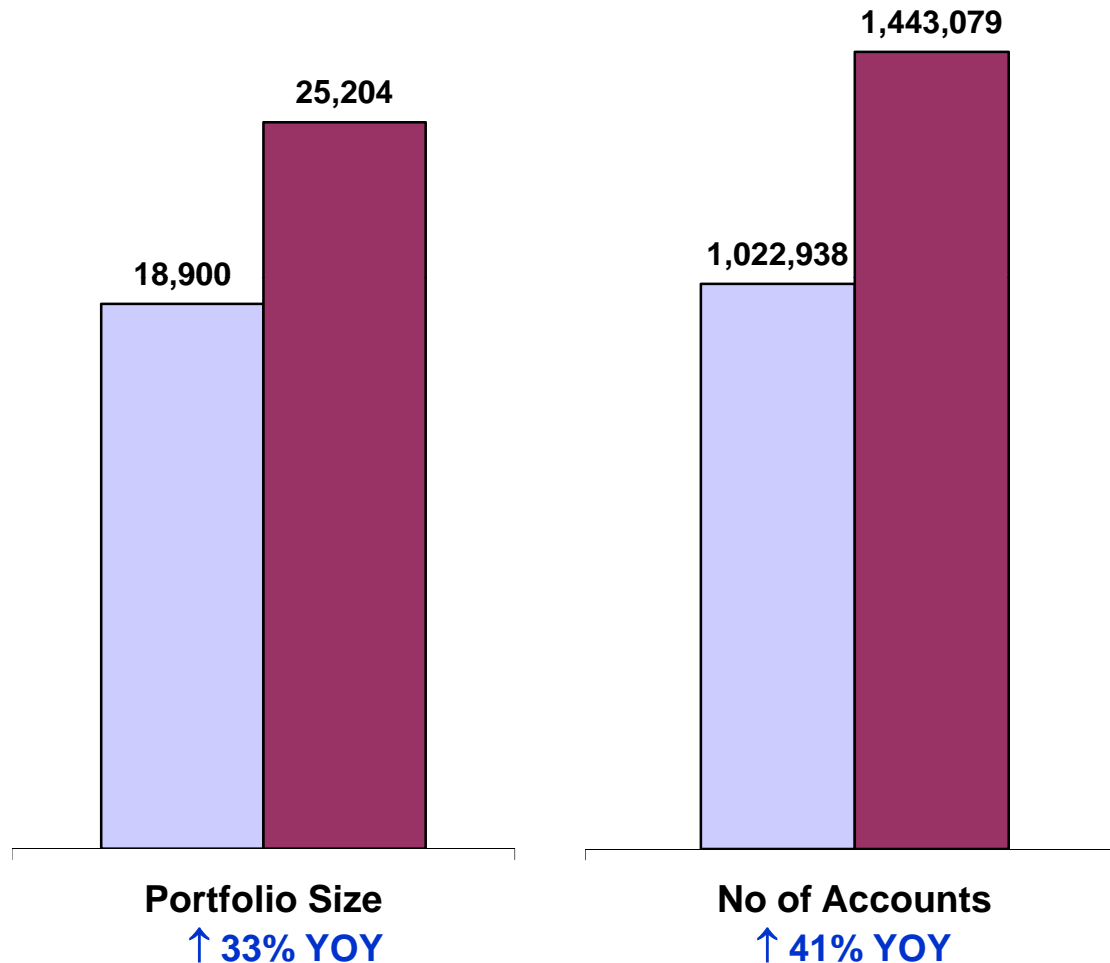


- Focus on cross-selling to existing customers to generate fee income
- Third-party products sold include mutual funds, insurance, on-line broking, portfolio management services (non-discretionary), gold coins and depository services
- Systematic segmenting of customers

# Retail Assets

□ 31st Dec'09 ■ 31st Dec'10

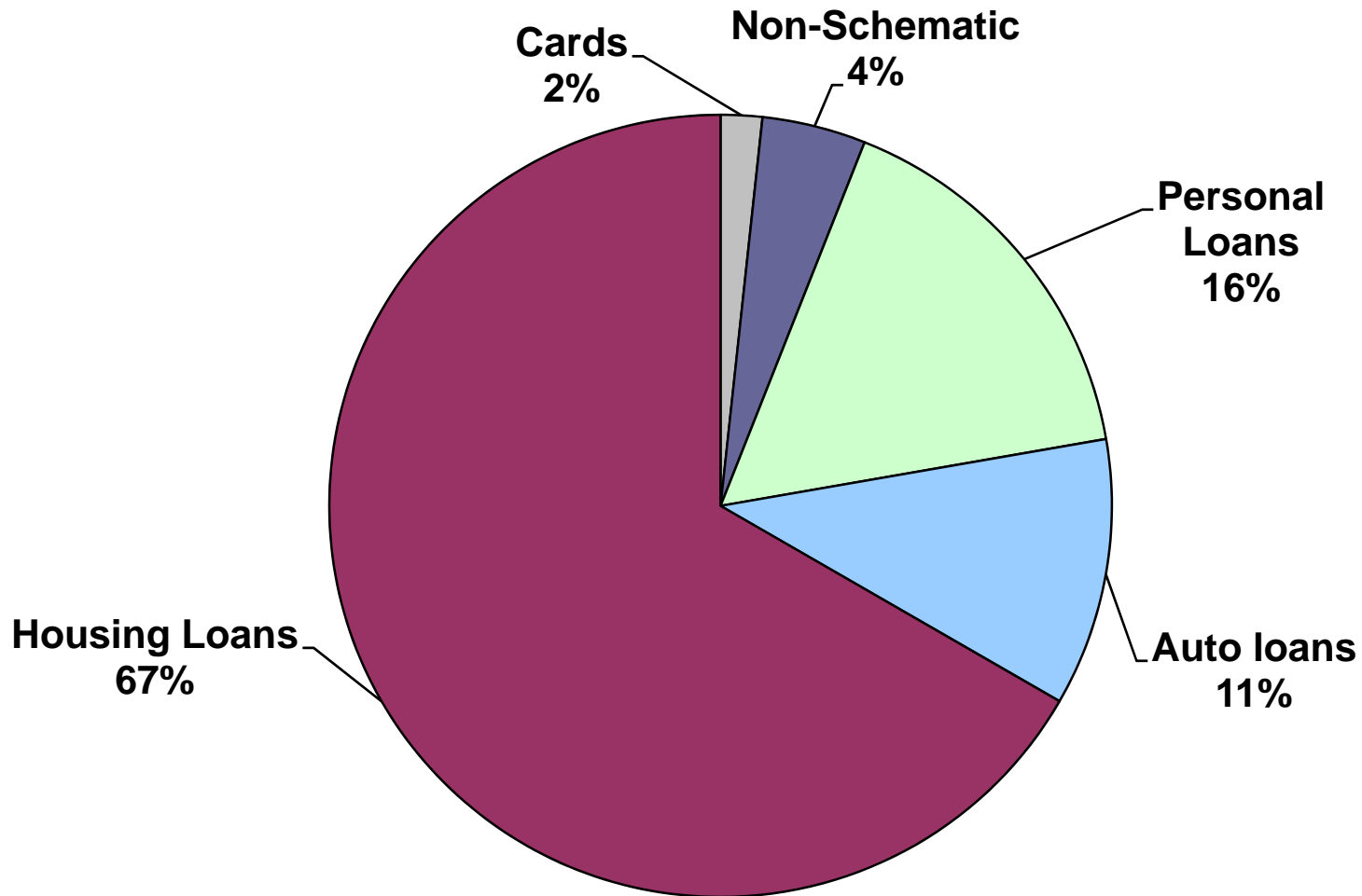
Amounts in ₹ crores



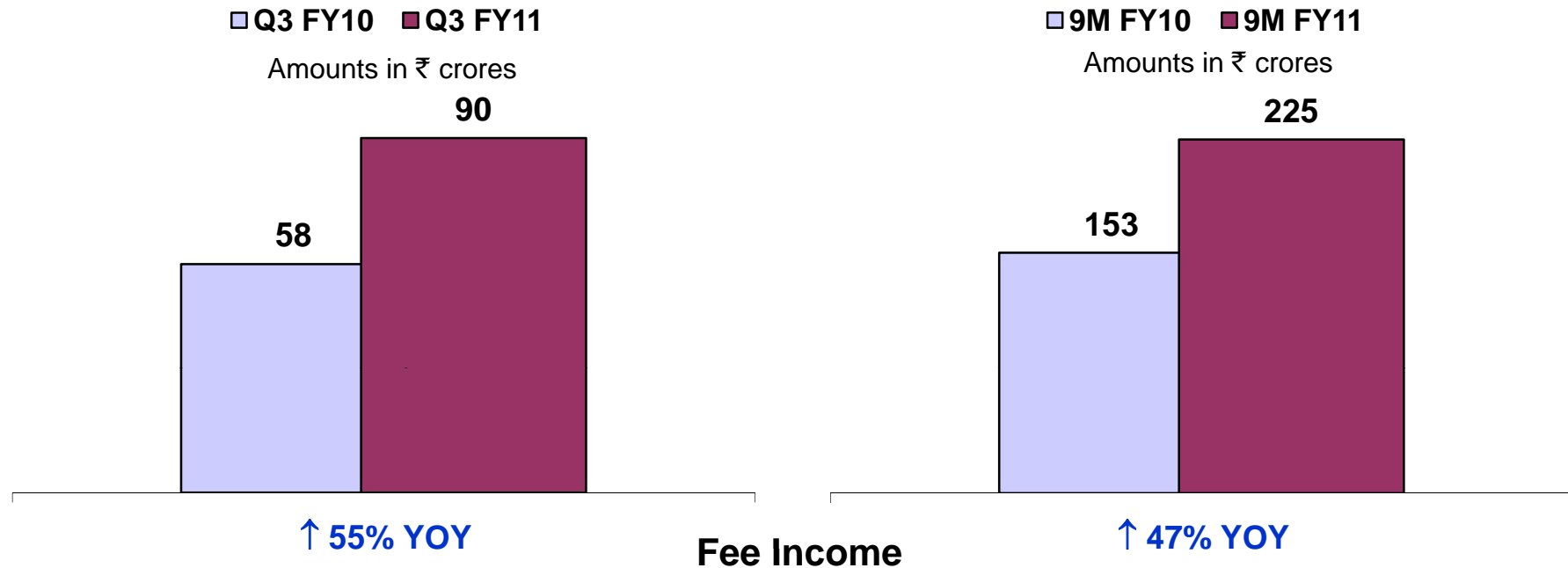
- Retail Assets constitute 20% of the bank's total advances, as compared to 22% as at 31st Dec'09.
- Growth driven through 58 Retail Asset Centres (RACs)

# Composition of Retail Assets

Product-wise composition of Retail Assets portfolio (31st Dec'10)



# Cards, Retail Forex & Remittances Business



- **Issuance**

- Over 6,11,000 Credit Cards in force till 31st Dec'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

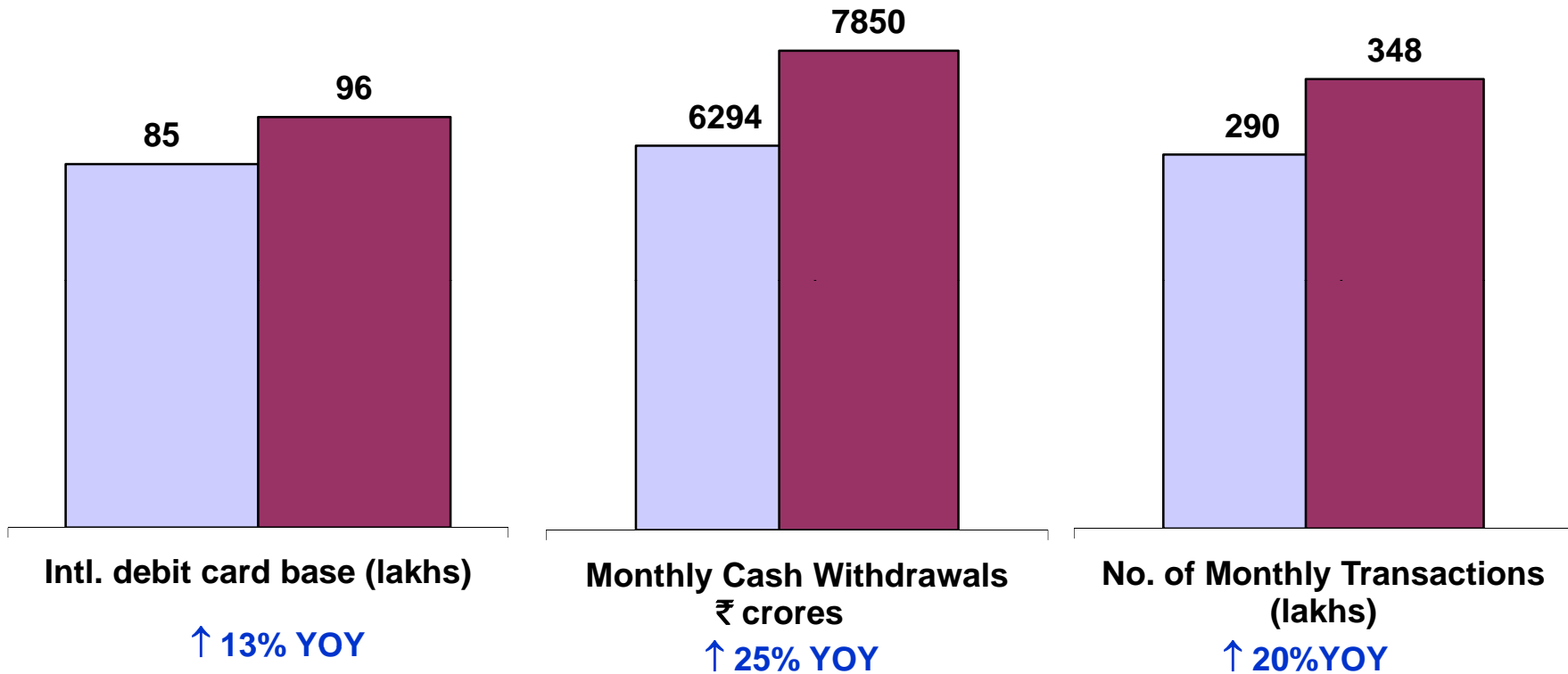
- **Acquiring**

- Installed base of over 1,77,500 EDCs

Note: Previous year's figures exclude fee income from retail forex & remittances

# ATM Channel

□ Dec'09   ■ Dec'10



- 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

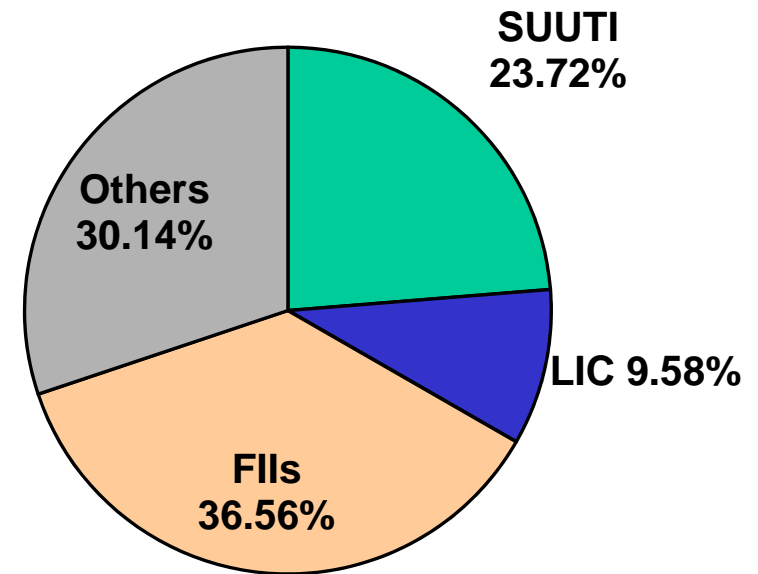
- **Branches at Singapore, Hong Kong and DIFC, Dubai**
- **Representative offices at Shanghai and Dubai**
- **Total assets overseas amounted to US\$ 4.59 billion as compared to US\$ 2.51 billion as at end Dec'09, a growth of 83% yoy**
- **Corporate Banking, Trade Finance products, Debt Syndication and Liability businesses**

# Shareholding

## Shareholding pattern (Dec'10)

- Share Capital - ₹ 409.9 crores
- Shareholders' Funds - ₹ 18,622 crores
- Book Value per share - ₹ 454.32
- Market Price as on 14/01/11 - ₹ 1,201.60
- Market Cap as on 14/01/11 - ₹ 49,254 crores

(US\$ 10.87 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*