

**AXIS BANK**

**FY 2009-10  
Annual Results**

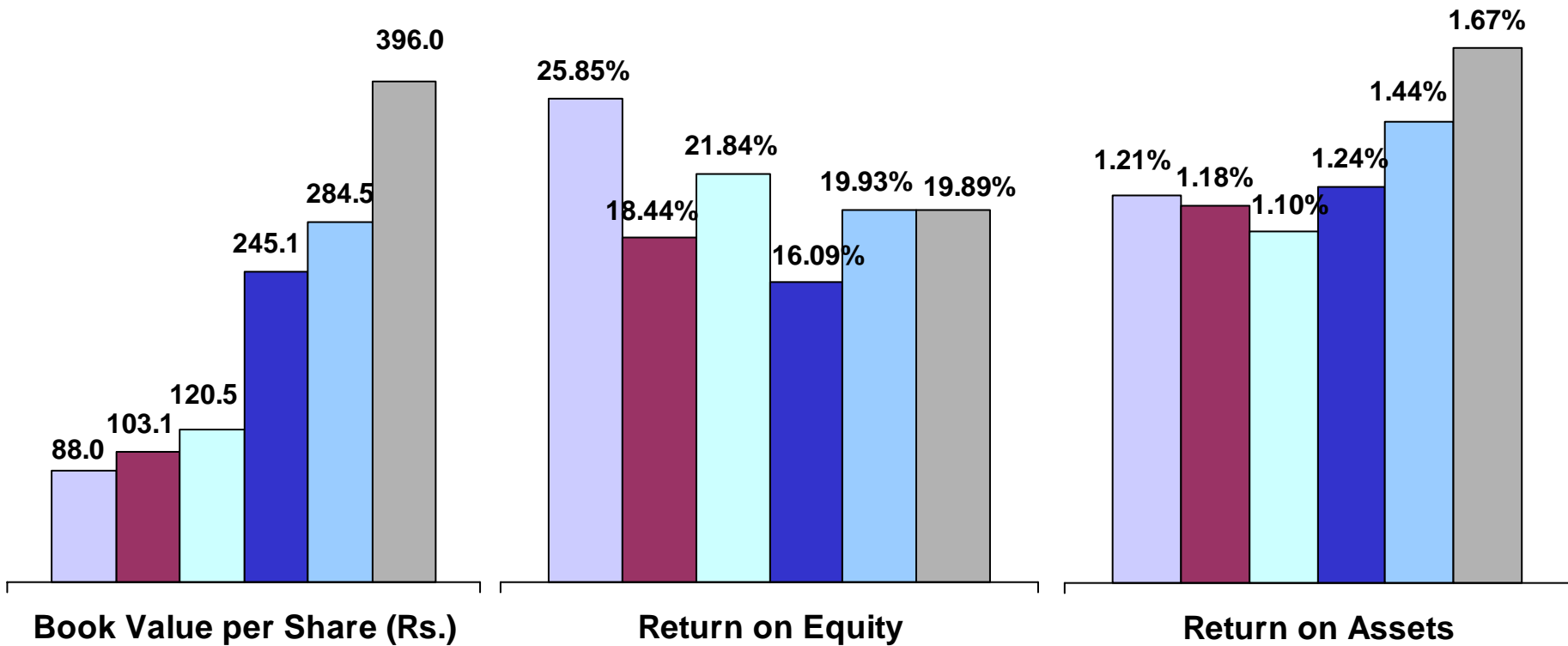
**Investor Presentation**

# Performance Highlights

	<u>Q4FY10</u>	<u>FY10</u>
Net Profit	↑ 32% YOY	↑ 39% YOY
Net Interest Income	↑ 41% YOY	↑ 36% YOY
Fee Income	↑ 17% YOY	↑ 20% YOY
Operating Revenue	↑ 27% YOY	↑ 36% YOY
Operating Profit	↑ 22% YOY	↑ 41% YOY
Net Interest Margin	4.09%	3.75%
Cost of Funds	4.54%	5.20%

# Shareholder Returns

FY05 FY06 FY07  
FY08 FY09 FY10



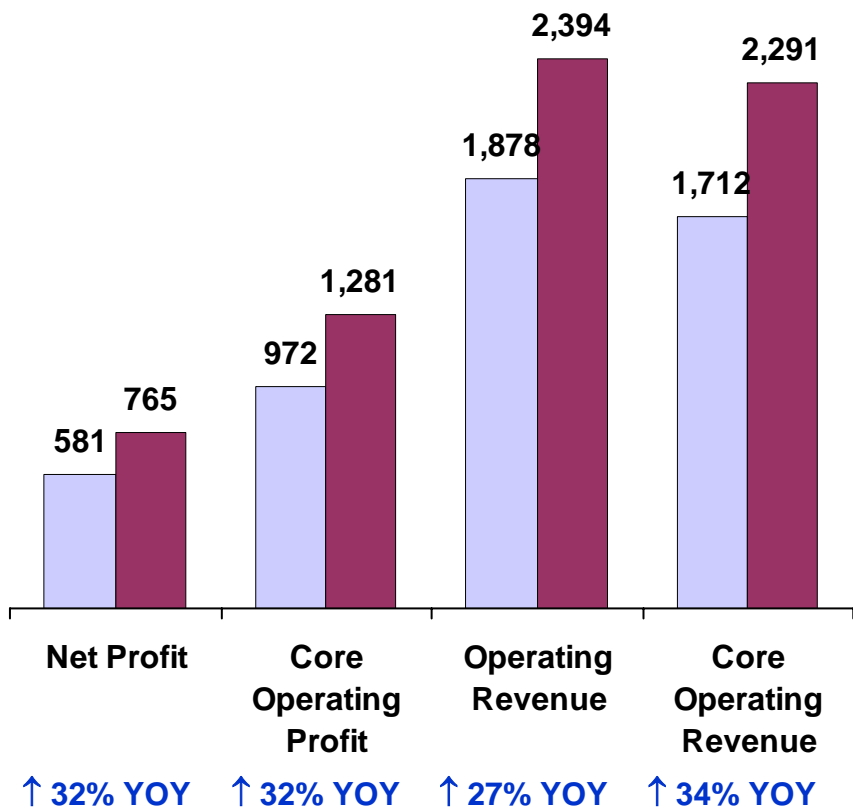
# Interpretation of Q4 FY10 Performance

- **Growth in the Bank's core businesses**
  - Total Net Advances grew 28% yoy to Rs. 1,04,343 crores
  - Total Investments grew 21% yoy to Rs. 55,975 crores
  - Total Assets registered a 22% yoy growth, rising to Rs. 1,80,648 crores
  - Fees grew by 17% yoy, rising to Rs. 780 crores
  - Share of demand deposits in total deposits stood at 43% on daily average basis
- **Retail Advances grew by 30% yoy to Rs. 20,823 crores; constituted 20% of total advances, as compared to 20% at the end of Q4FY09.**
- **Net NPAs at 0.36%, as compared to 0.35% at the end of Q4FY09.**
- **At the end of March 2010, book value per share was Rs. 395.99, as compared to Rs. 284.50 at the end of March 2009**
- **Capital Adequacy stood at 15.80% with Tier-I capital at 11.18%**

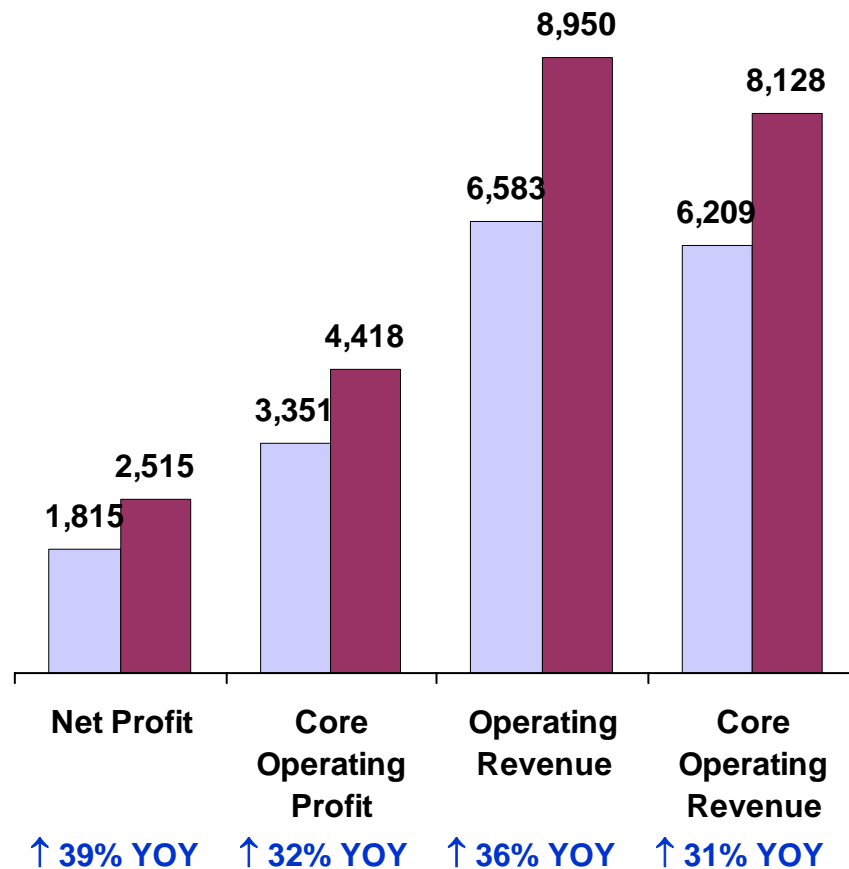
# Profitability

## Sustained Growth: Robust Core Revenues

■ Q4FY09 
 ■ Q4FY10  
 Amounts in Rupees Crores



■ FY09 
 ■ FY10  
 Amounts in Rupees Crores

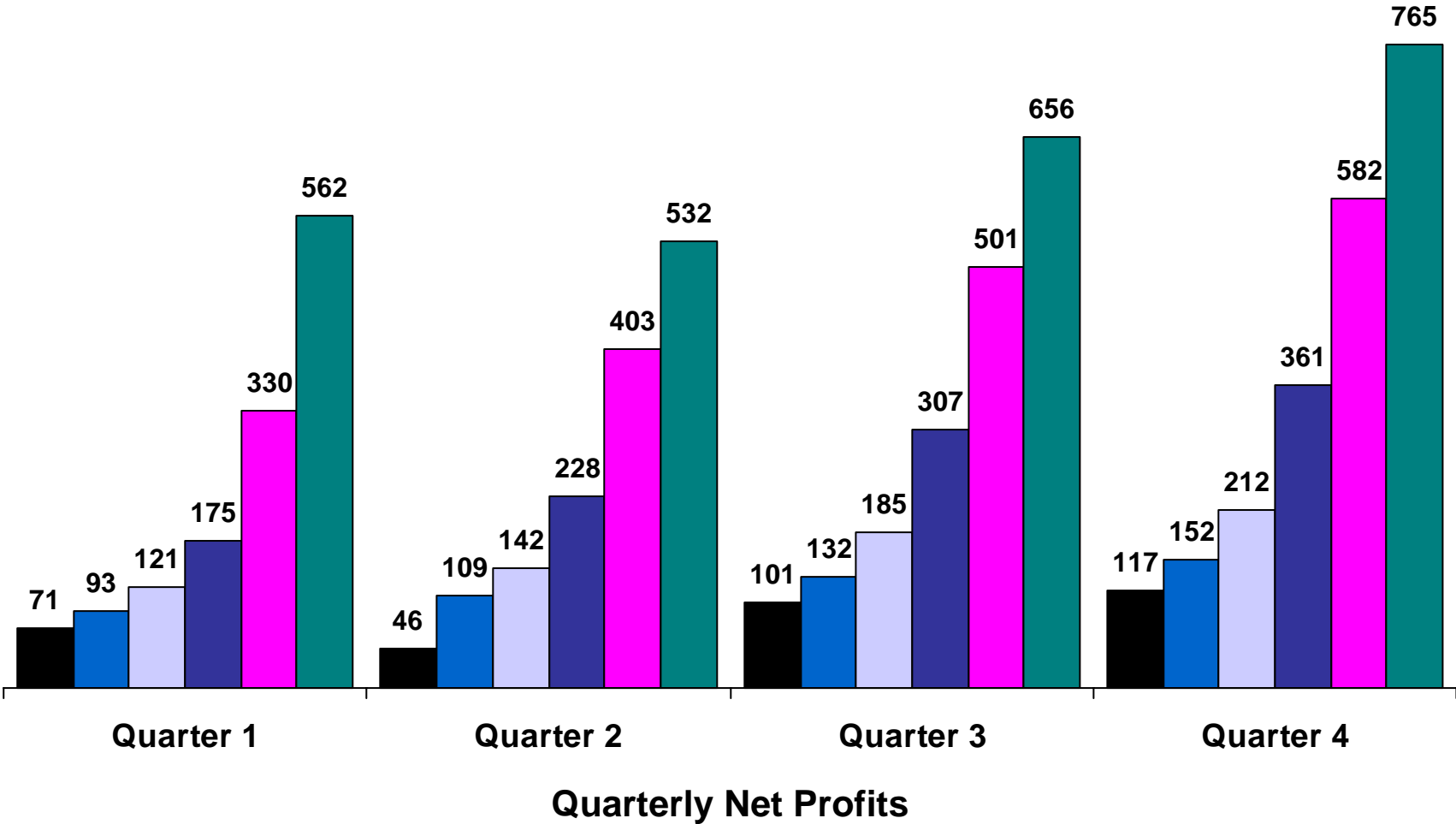


Note: Core Operating Revenue / Profit excludes trading gains / losses

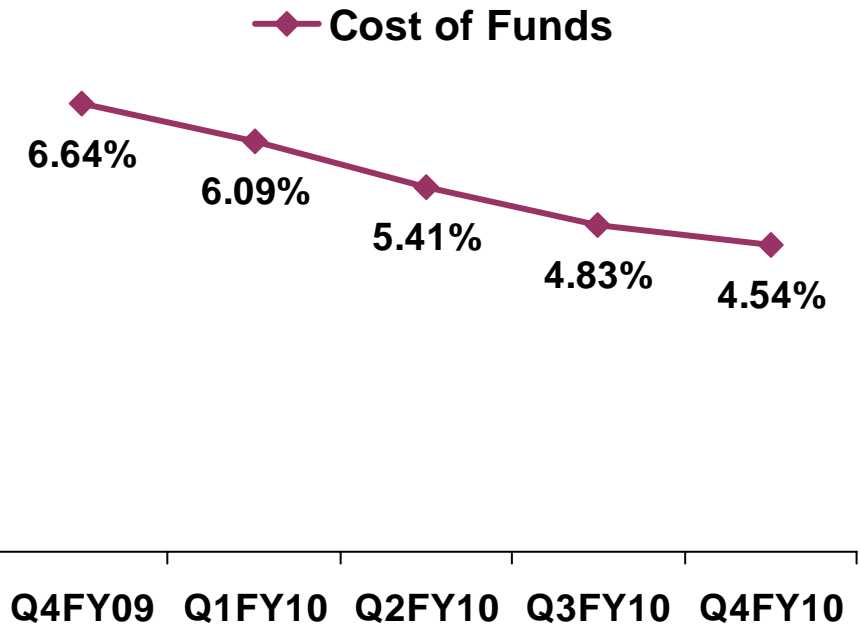
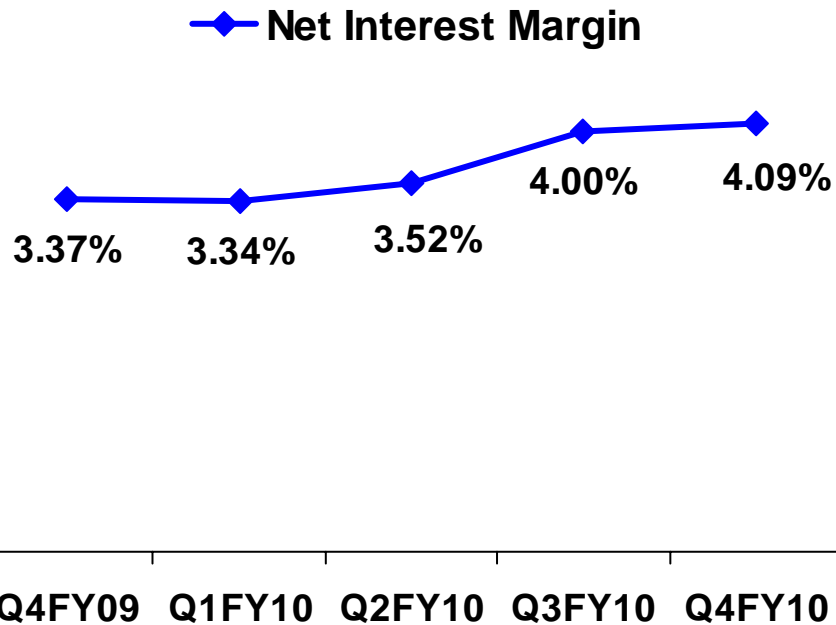
# Consistent Net Profit Growth

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

Amounts in Rupees Crores



# Net Interest Margin and Cost of Funds

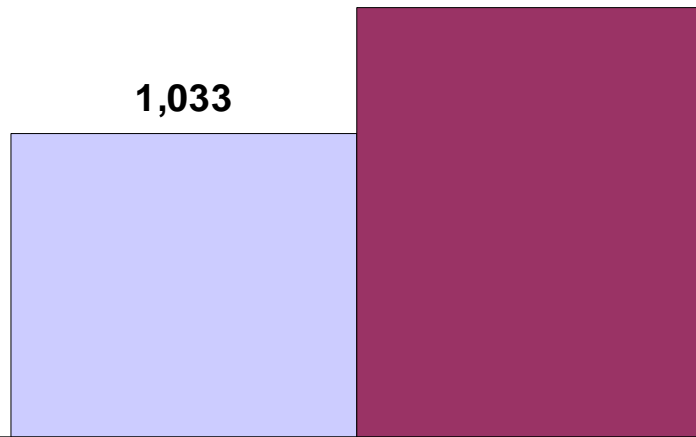


## NIMs for the last 5 years

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

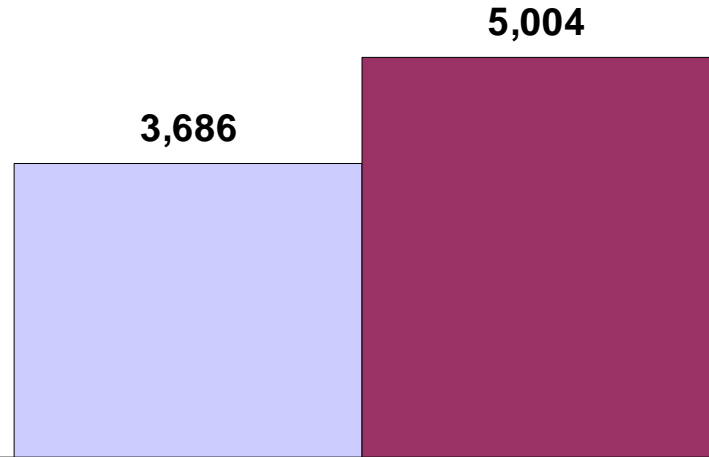
# Growing Net Interest Income

■ Q4FY09 
 ■ Q4FY10  
 Amounts in Rupees Crores  
**1,461**



↑ 41% YOY

■ FY09 
 ■ FY10  
 Amounts in Rupees Crores  
**5,004**



↑ 36% YOY

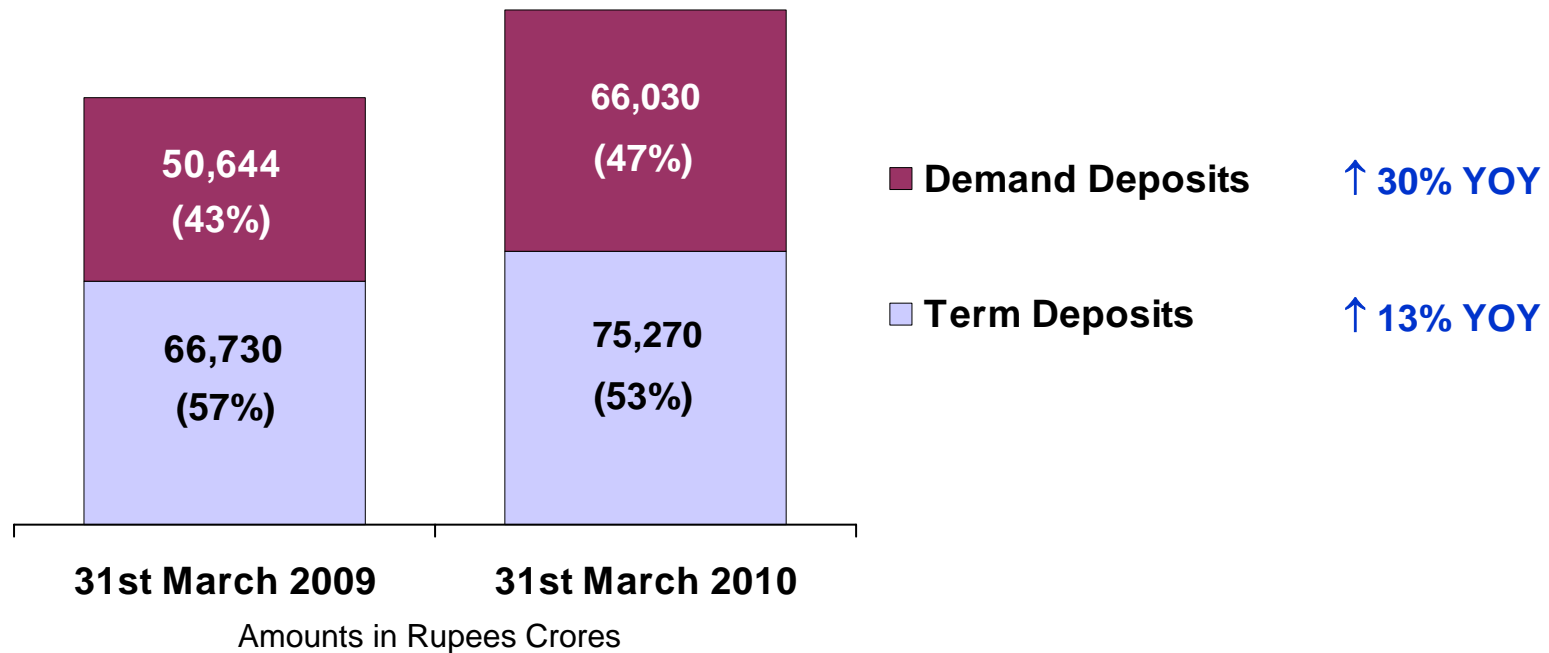
## NII for the last 5 years

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



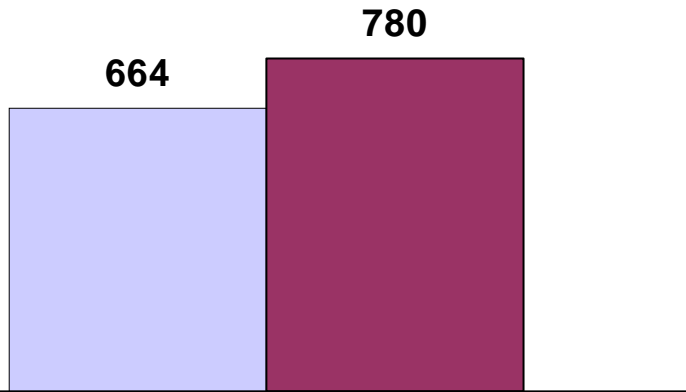
# Growing Demand Deposits

YOY Growth in Daily Average Demand and Term Deposits		
Deposit	Q4FY10	FY10
Savings	40%	36%
Current	42%	25%
<b>Total Demand Deposits</b>	<b>41%</b>	<b>31%</b>
<b>Total Deposits</b>	<b>16%</b>	<b>17%</b>



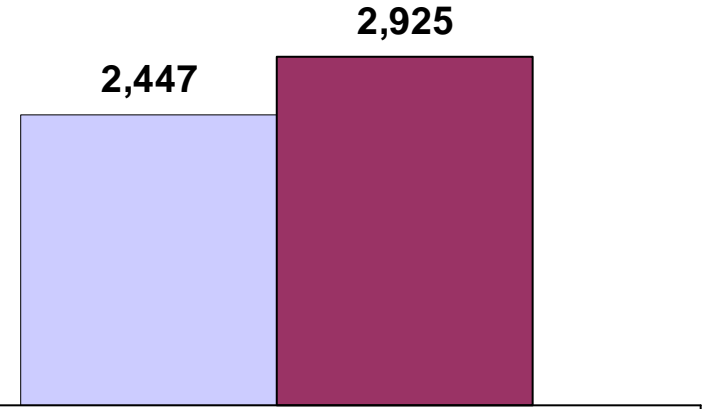
# Fees

■ Q4FY09    ■ Q4FY10  
 Amounts in Rupees Crores



↑ 17% YOY\*

■ FY09    ■ FY10  
 Amounts in Rupees Crores

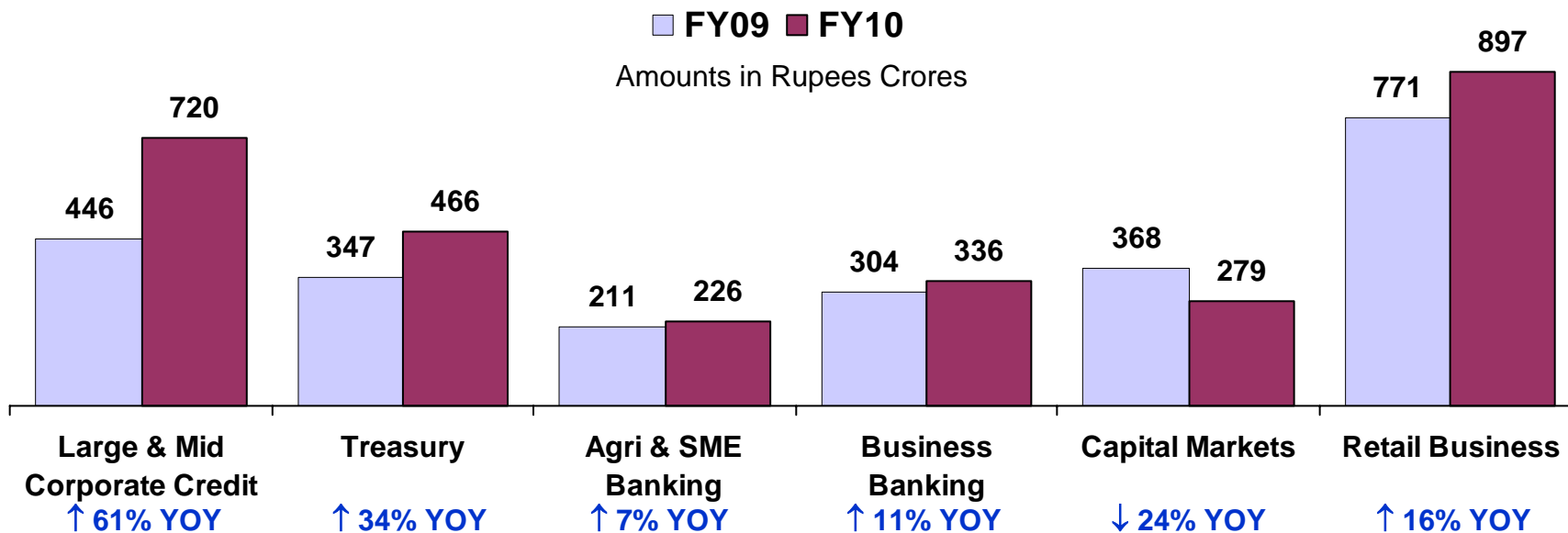
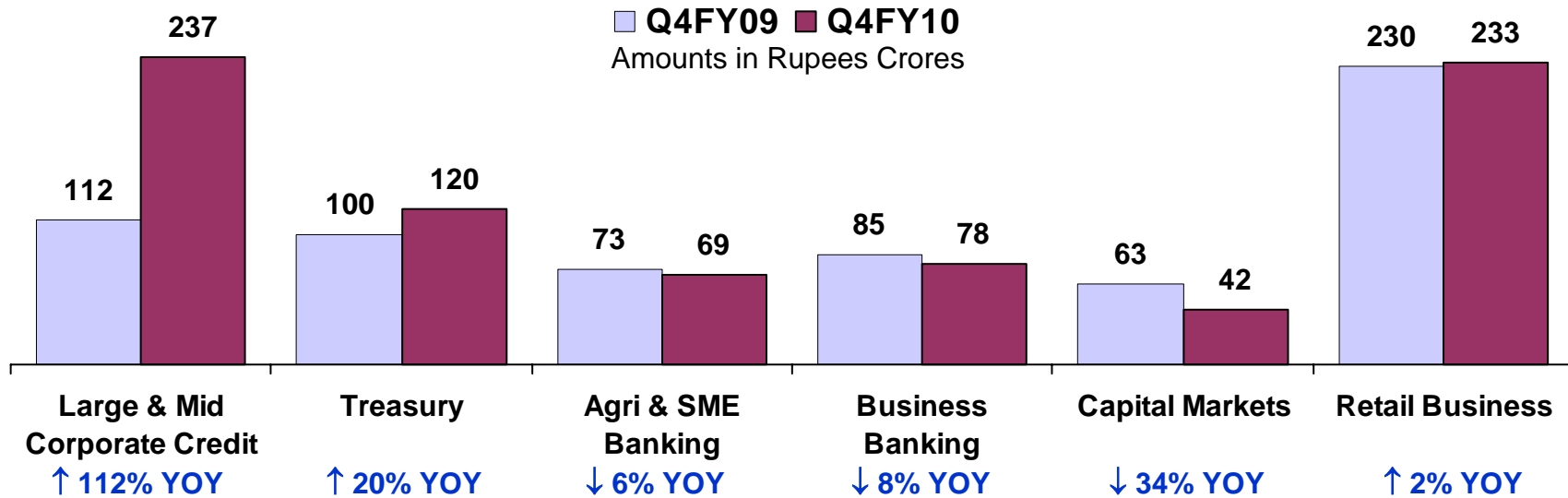


↑ 20% YOY\*

Fees for the last 5 years	
FY06	558
FY07	890
FY08	1,495
FY09	2,447
FY10	2,925
<b>CAGR</b>	<b>51%</b>

\* During the quarter, the Bank changed its accounting policy to recognise fee income on bank guarantees on a pro-rata basis over the period of the guarantee. As a result, the fee income for the year is lower by Rs. 137 crores.

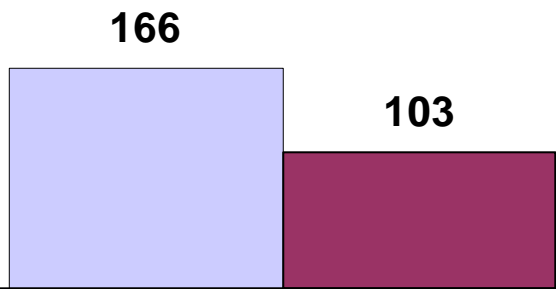
# Fee Income Composition



# Trading Profits

## Trading Profit

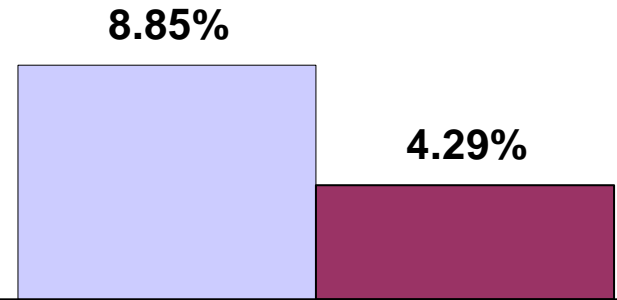
Amounts in Rupees Crores



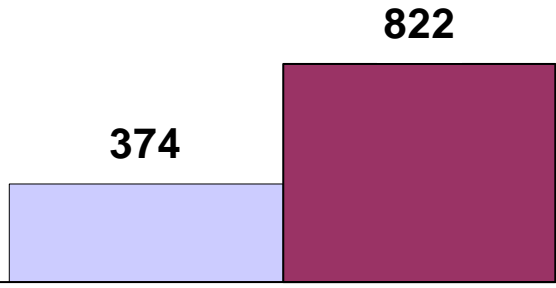
■ Q4FY09 ■ Q4FY10

↓ 38% YOY

## % of Operating Revenue

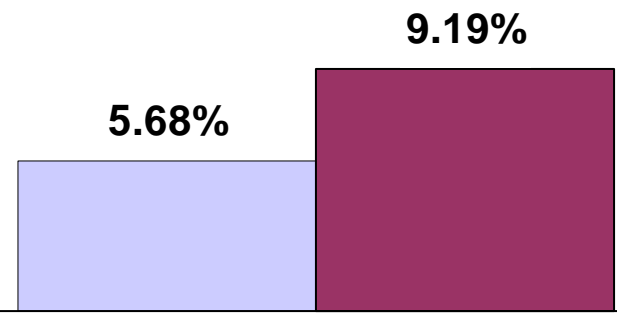


■ Q4FY09 ■ Q4FY10



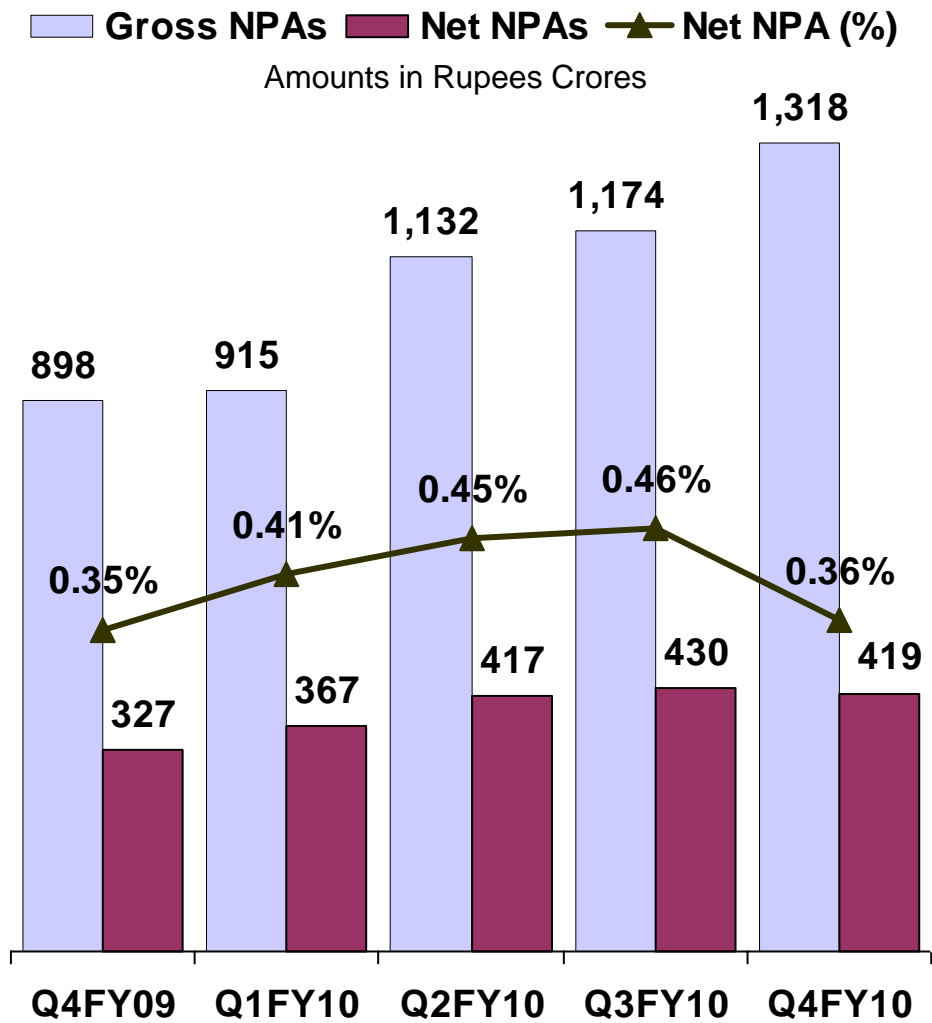
■ FY09 ■ FY10

↑ 120% YOY



■ FY09 ■ FY10

# Stressed Assets and Net NPA (%)

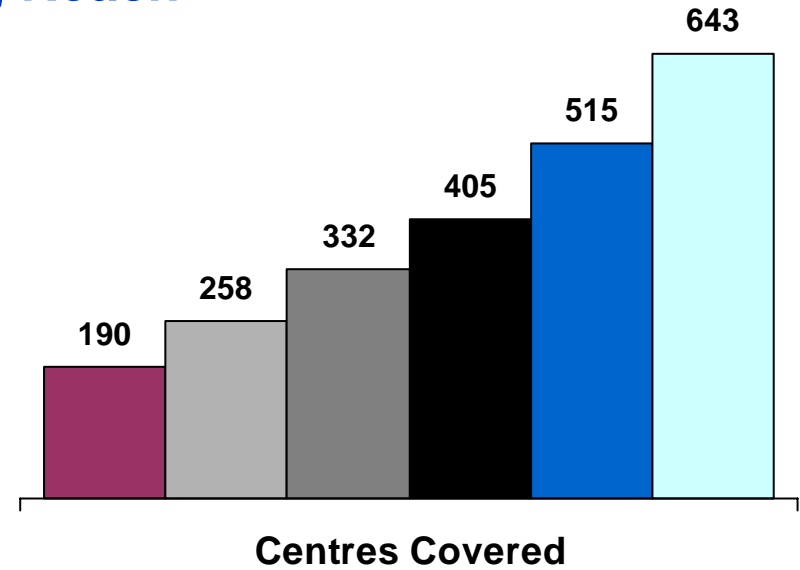
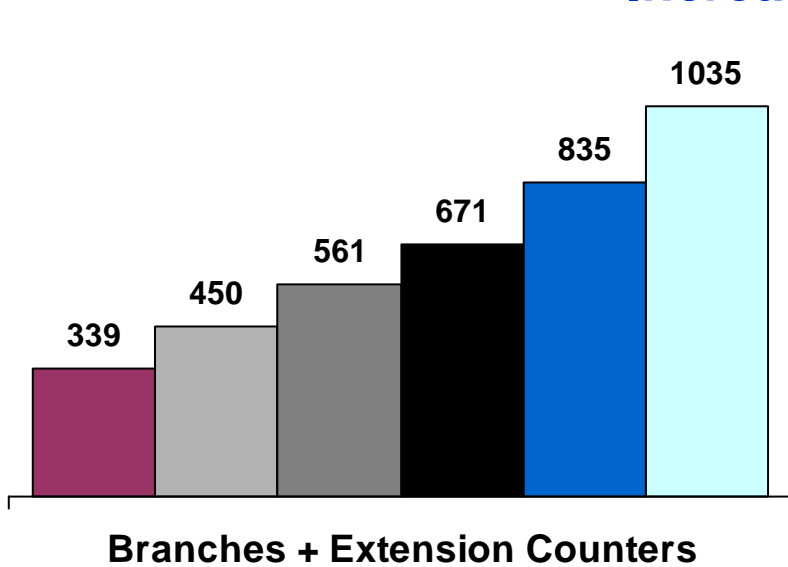


Net NPA as at year-end	
FY06	0.75%
FY07	0.61%
FY08	0.36%
FY09	0.35%
FY10	0.36%

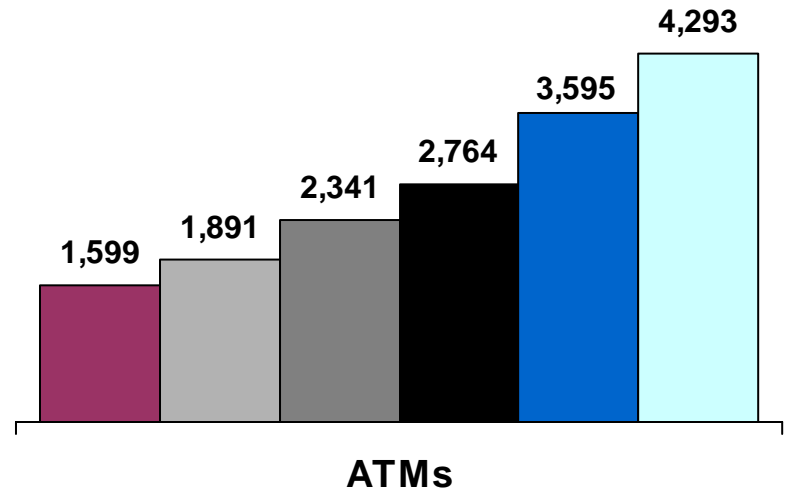
# BUSINESS OVERVIEW

# Network

## Increasing Reach



<b>Branch Demographics (Domestic)</b>		
	<u>Branches</u>	<u>Extn. Counters</u>
Metro	320	6
Urban	387	2
Semi-urban	256	-
Rural	64	-
<b>Total</b>	<b>1,027</b>	<b>8</b>



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

# Large and Mid Corporate Banking

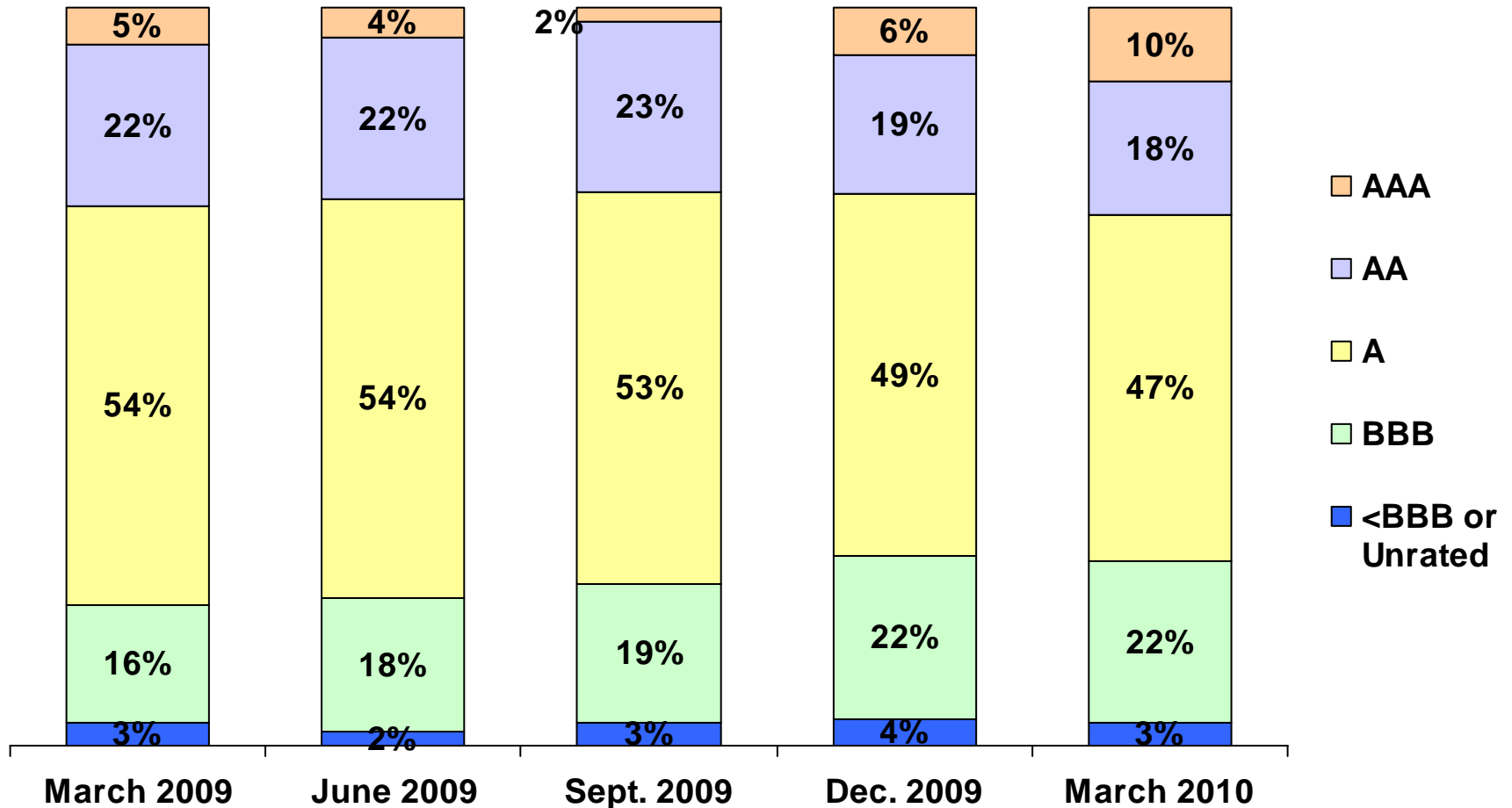
- **Focus on quality of credit assets with stress on corporates having**
  - **Global competitive advantage in their businesses**
  - **Good corporate governance and management practices**
- **Business Segments**
  - **Large Corporates**
  - **Infrastructure**
  - **Mid Corporates**
  - **Structured 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**



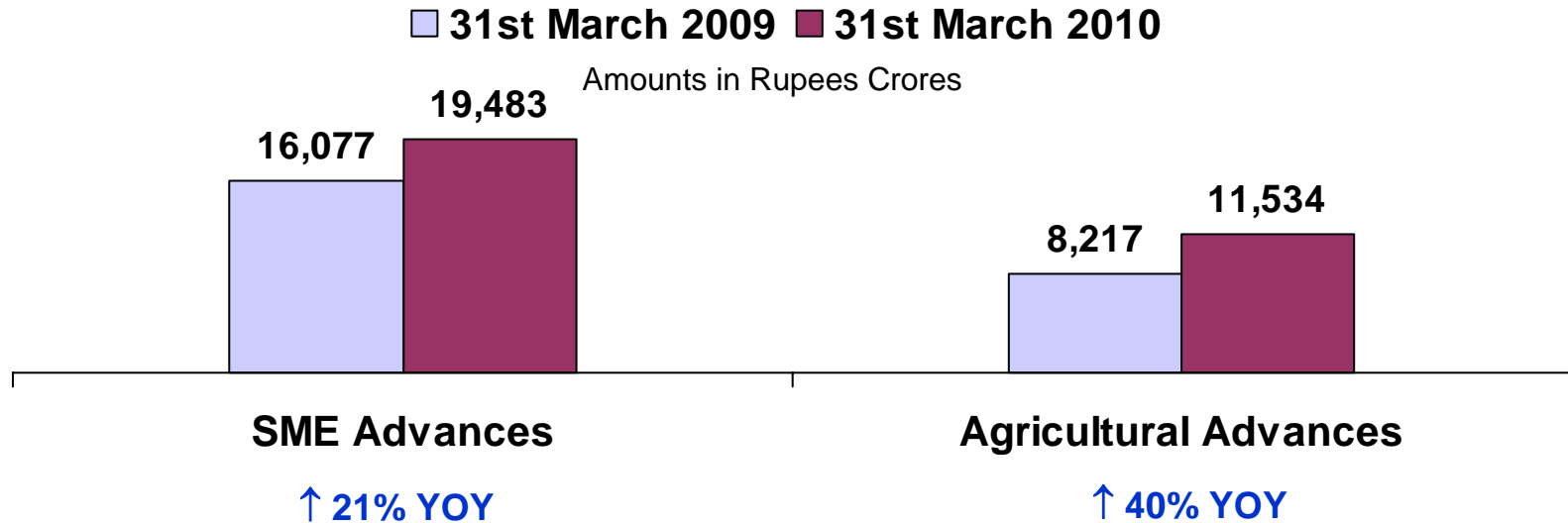
# Distribution of Ratings

(Large and Mid Corporate)

75% of corporate advances have rating of at least 'A' as at March 2010



# SME and Agri Business



<b>SME Centres</b>	<b>24</b>	<b>25</b>
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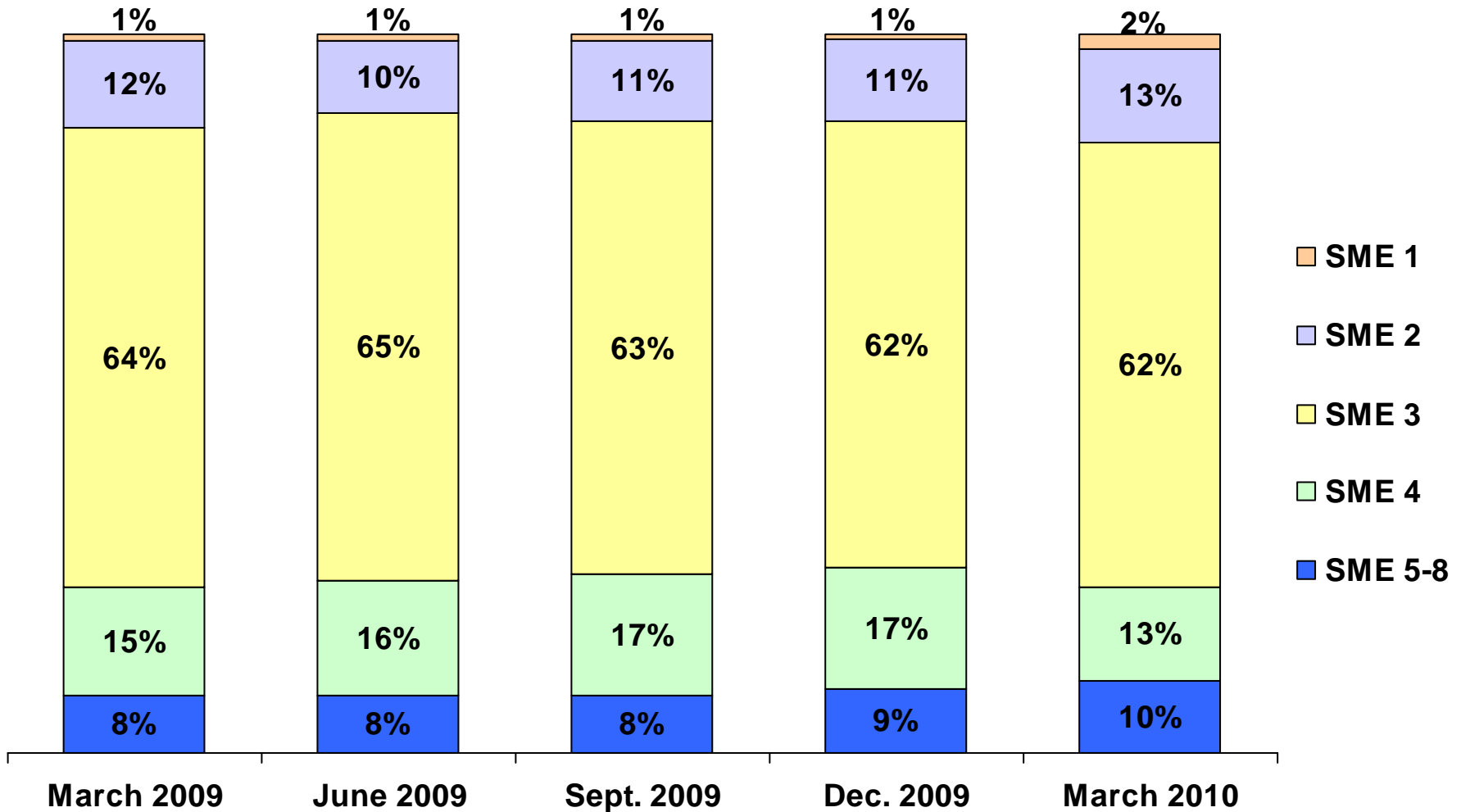
<b>Agri Clusters</b>	<b>46</b>	<b>56</b>
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- **Specialised SME Centres** for SME appraisals, sanctions and post-sanction monitoring
- **Product categories**
  - Schematic loans
  - Non-schematic loans
  - Channel finance

- **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 March 2010



# Sector Composition

Across Large Corporate, Mid Corporate, SME and Corporate Agri

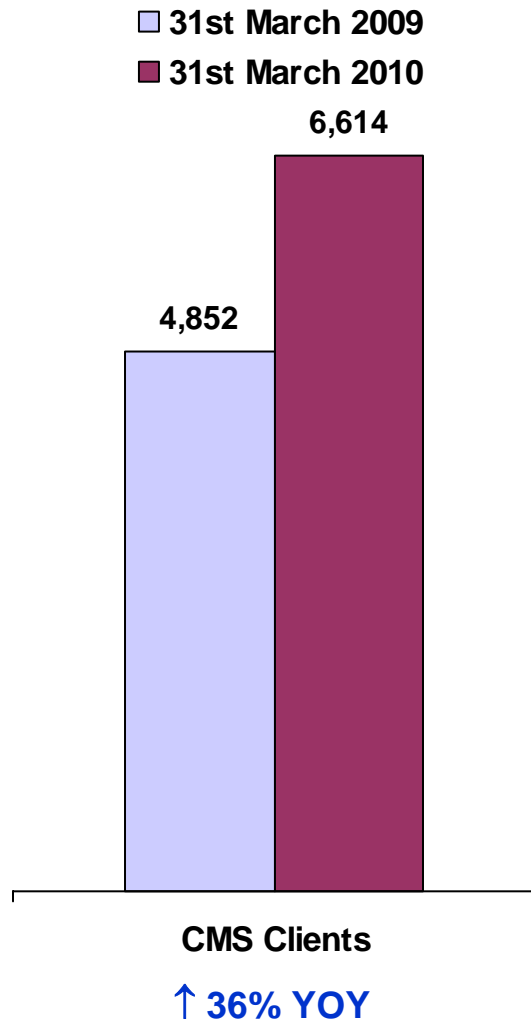
Rank	Sectors	Outstanding as on 31st March 2010		
		Total	Fund-based	Non-fund based
1.	Financial Companies*	12.16	10.96	14.92
2.	Infrastructure**	11.86	8.22	20.28
3.	Power Generation & Distribution	7.19	5.13	11.96
4.	Metal & Metal Products	6.38	5.98	7.30
5.	Trade	6.15	6.53	5.27
6.	Food Processing	5.14	6.42	2.18
7.	Engg. & Electronics	4.75	2.93	8.94
8.	Real Estate	3.89	5.38	0.44
9.	Petrochemical & Petroleum Products	3.79	2.72	6.28
10.	Textiles	3.52	4.45	1.37

\* Housing Finance Companies and other NBFCs

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

# Business Banking

## Cash Management Services and Government Business



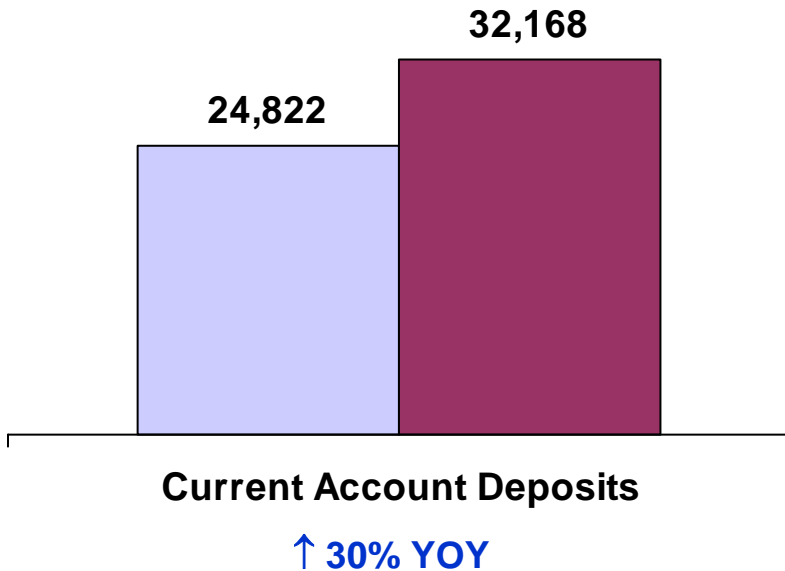
- Collection of Central Government taxes on behalf of CBDT and CBEC
- Collection of State Government taxes on behalf of 8 State Governments and Union Territories
- Collections and payments for Central Government ministries - Railways, Urban Development and Housing and Urban Poverty Alleviation
- Collections under e-governance initiatives of 5 State Governments and Chandigarh
- Disbursement of Central Government pension to civil and defence pensioners.
- ~11 lac accounts opened under Electronic Benefit Transfer (EBT) project mandates in 9 districts across 4 states for payments of NREGS wages and social security under an IT-enabled financial inclusion model.

# Business Banking

## Current Accounts Growth

■ 31st March 2009 ■ 31st March 2010

Amounts in Rupees Crores



Current Account deposits  
for the last 5 years (as on 31st March)

Mar'06 7,970

Mar'07 11,304

Mar'08 20,045

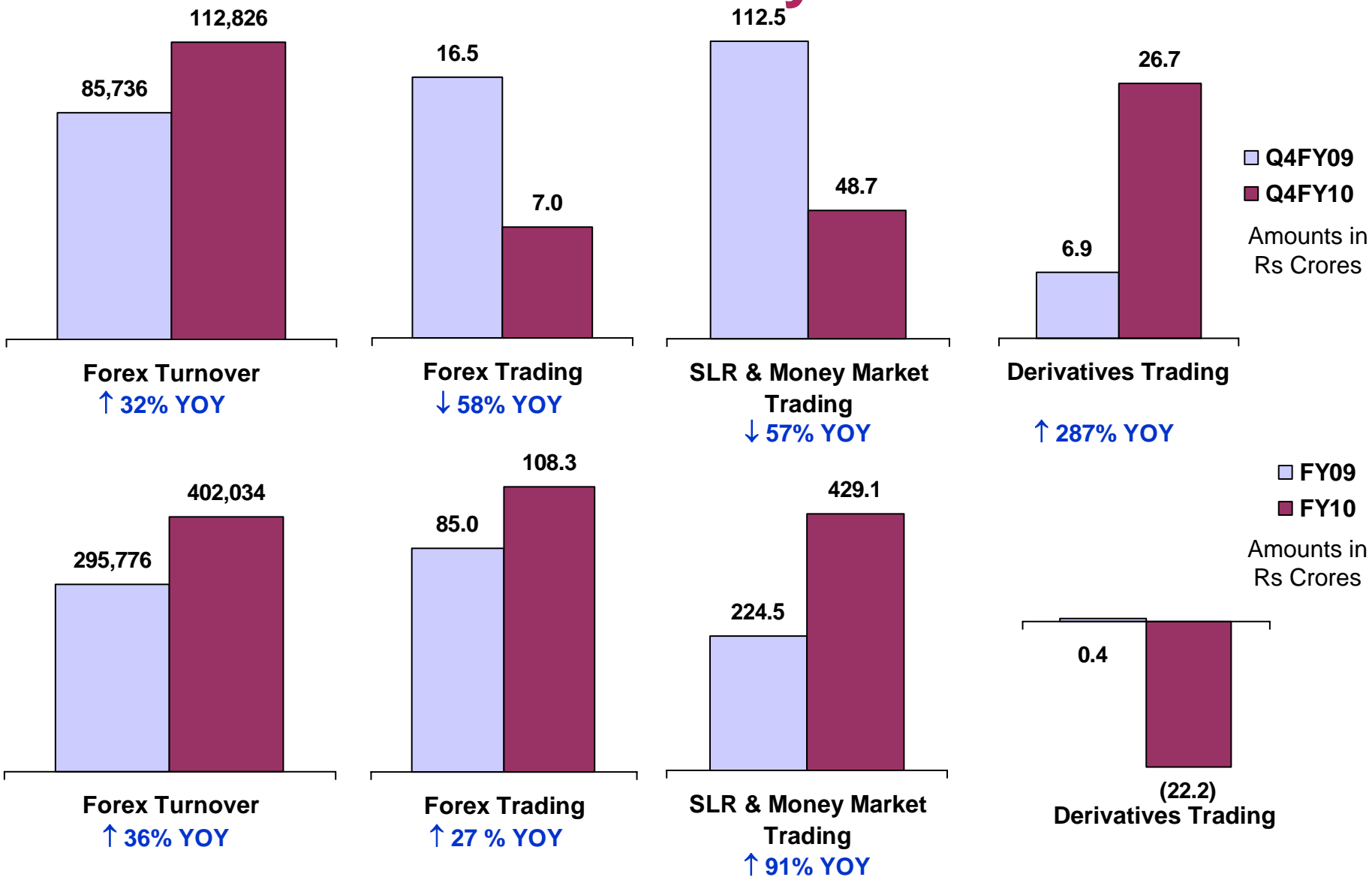
Mar'09 24,822

Mar'10 32,168

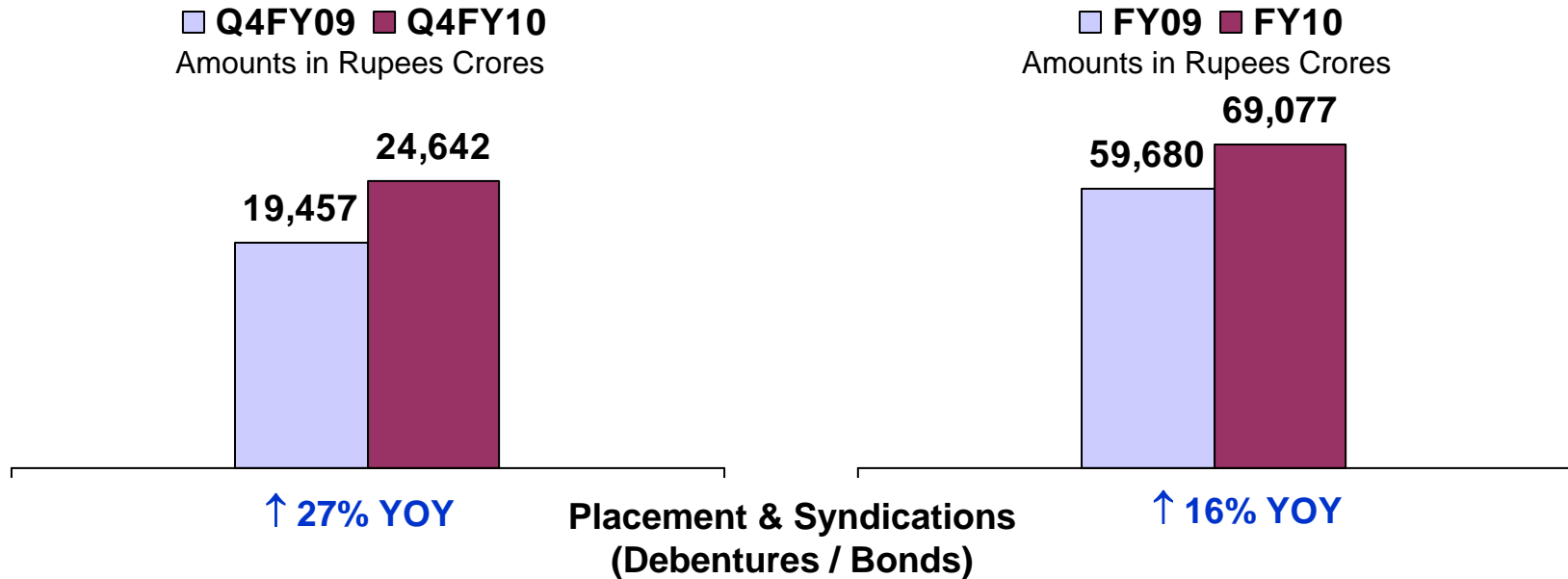
**CAGR 42%**

- Wide range of products
- Customised offerings for various business segments
- Broad-based sales strategy
- Focused approach for Corporates, Institutions and Government

# Treasury



# Placement and Syndication



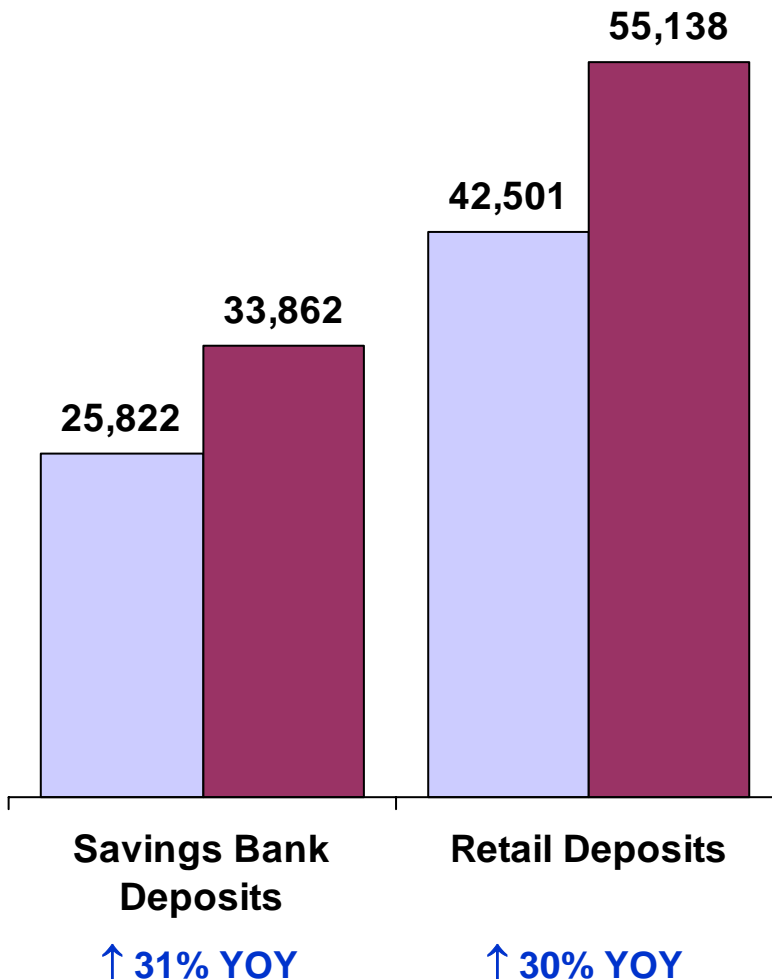
- Ranked No. 1 by Prime Database for the 9-month period ended December 31st, 2009
- Ranked No.1 for the Indian Domestic Bonds (Underwriter League Table) by Bloomberg for the calendar year ended December 2009 and quarter ended March 2010
- Rated the ' Best Domestic Debt House-India' for the year 2009 by Asia Money
- Won 3 awards from Euromoney for “Deals of the Year for 2009”



# Savings Bank Growth

□ 31st March 2009 ■ 31st March 2010

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

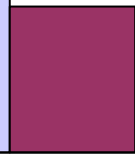
□ Q4FY09 ■ Q4FY10

Amounts in Rupees Crores

87



33



↓ 62% YOY

Fee Income

□ FY09 ■ FY10

Amounts in Rupees Crores

255



186



↓ 27% YOY

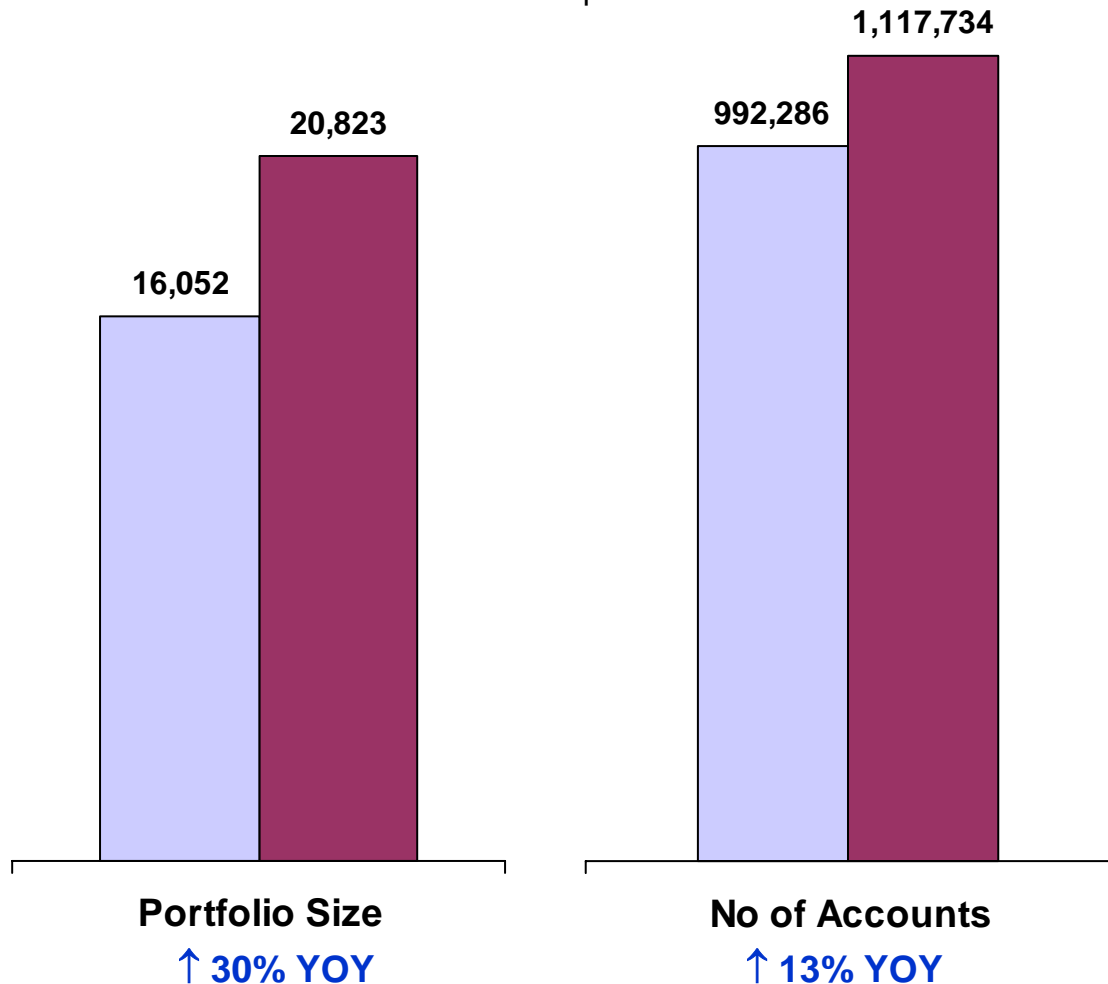
- Focus on cross-selling to existing customers to generate fee income
- Third-party products sold include mutual funds, insurance, on-line broking, portfolio management services (non-discretionary), gold coins and depository services
- Systematic segmenting of customers

Description	Mass market	Mass Affluent	Affluent
<b>Profile</b>	Largest customer segment within the bank	Small, but growing base of customers	Niche customer base
<b>Focus</b>	Transactions-driven cross-sales of products	Transactions-driven but with initial relationships being built	Total focus on relationships which results in cross-selling
<b>Products</b>	Bundled insurance with home loans and credit cards	Customer needs mapped to existing standardised portfolios	Customised Portfolios

# Retail Assets

□ 31st March 2009   ■ 31st March 2010

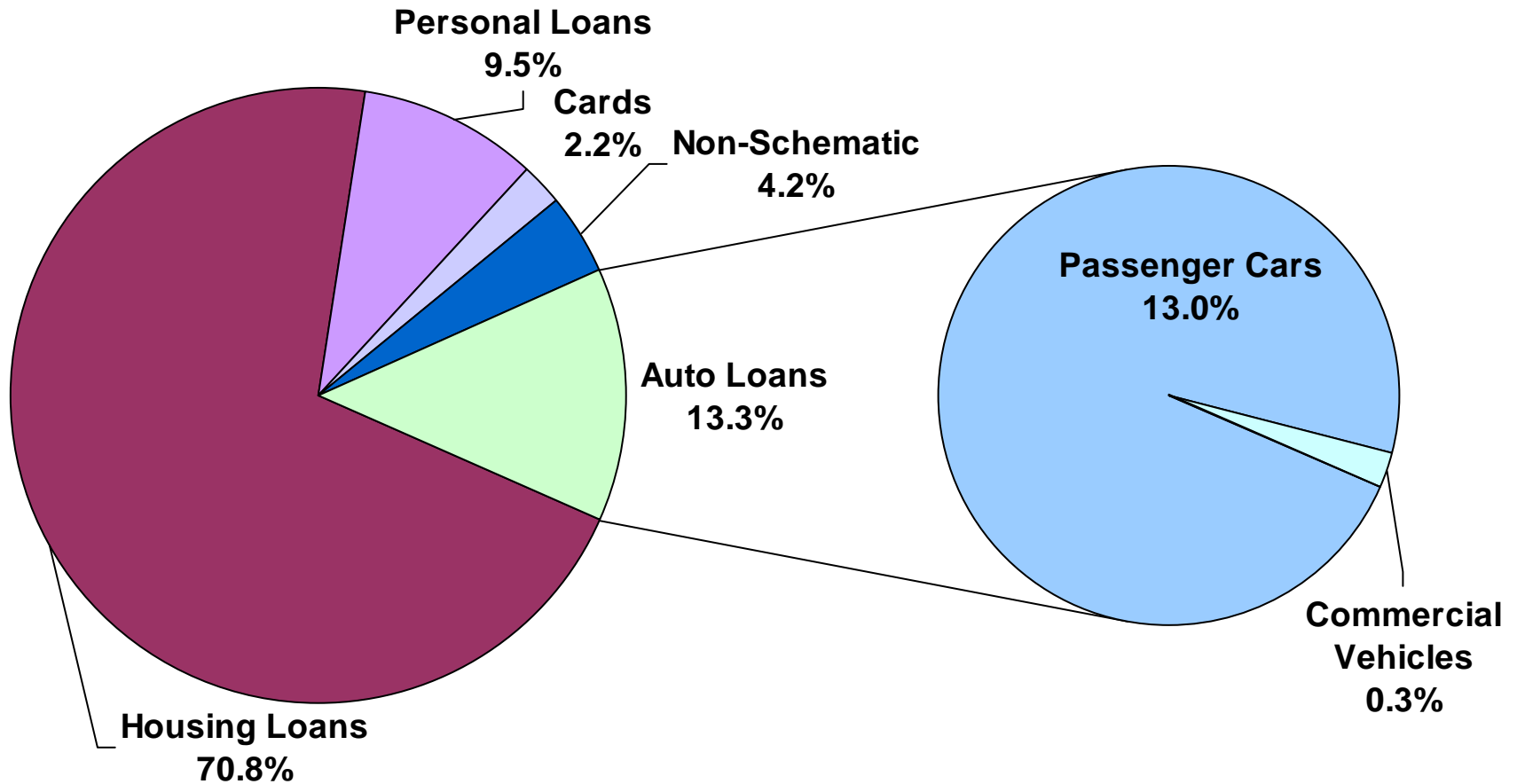
Amounts in Rupees Crores



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

# Composition of Retail Assets

Product-wise composition of Retail Assets portfolio (31st March 2010)



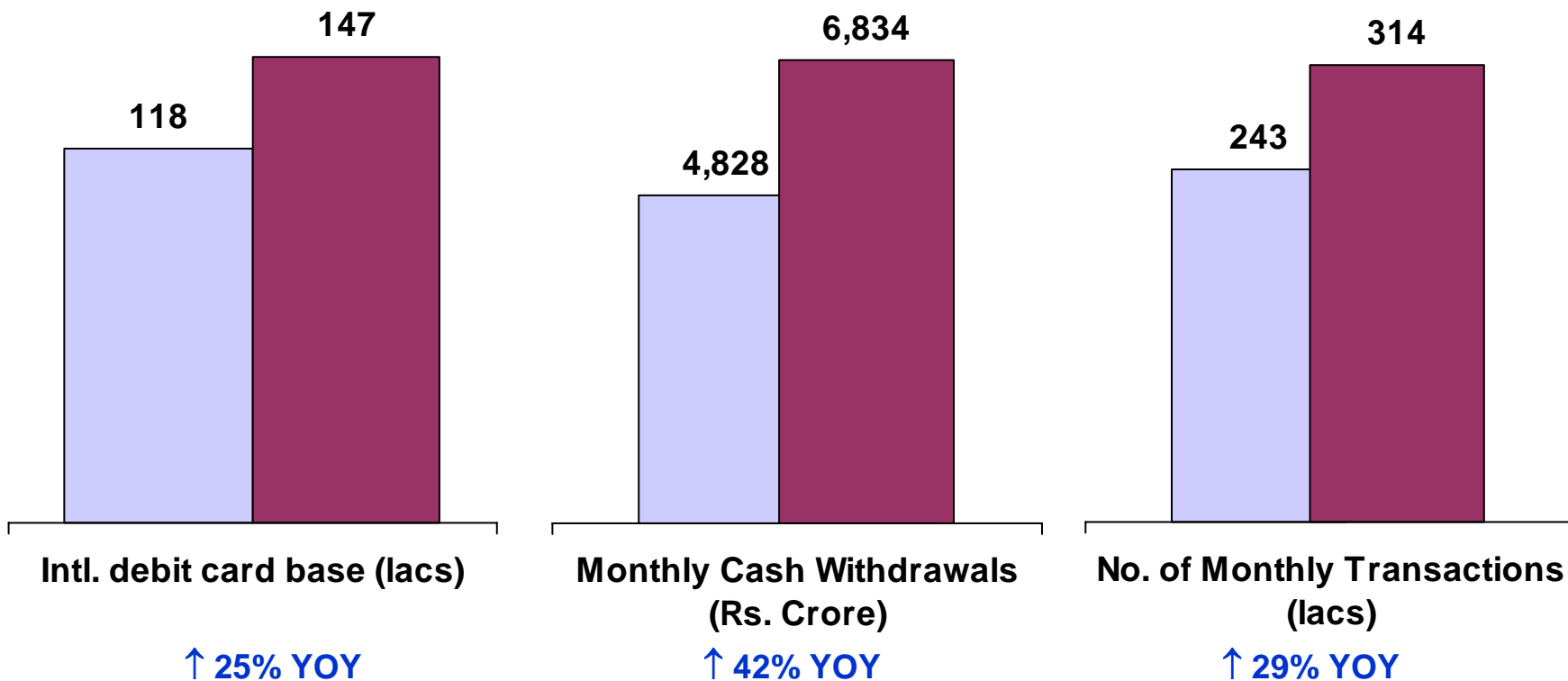
# Cards Business



- **Issuance**
  - Over 5,50,000 Credit Cards in force till 31st Mar'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

□ March 2009 ■ March 2010



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

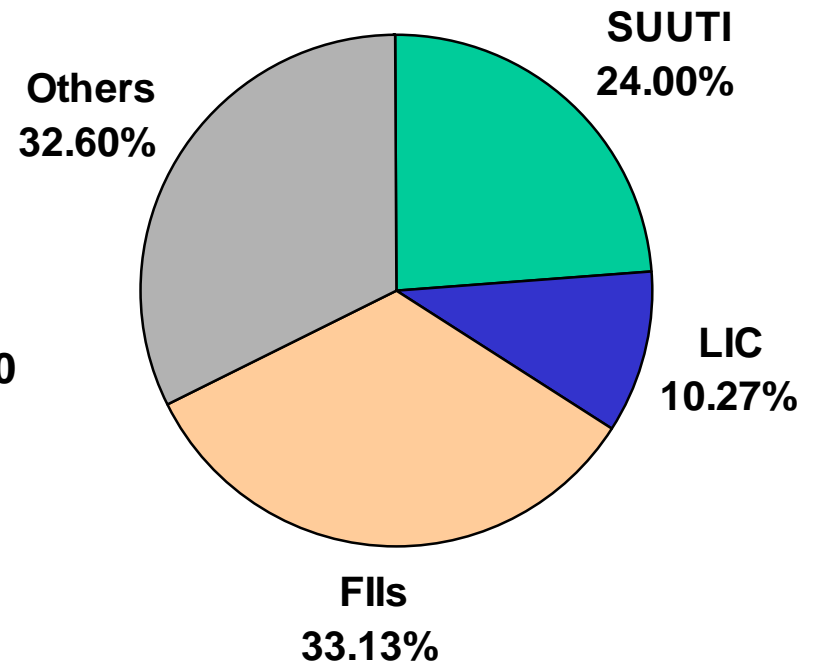
# International Presence

- **Branches at Singapore, Hong Kong and DIFC, Dubai**
- **Representative offices at Shanghai and Dubai**
- **Total assets overseas amounted to US\$ 3.10 billion**
- **Corporate Banking, Trade Finance products, Debt Syndication and Liability businesses**

# Shareholding

## Shareholding pattern (31<sup>st</sup> March 2010)

- Share Capital - Rs. 405.17 crores
- Shareholders' Funds - Rs. 16,045 crores
- Book Value per share - Rs. 395.99
- Market Price as on 19<sup>th</sup> April 2010 - Rs. 1,159.30
- Market Cap as on 19<sup>th</sup> April 2010 - Rs. 46,972 crores (US \$ 10.50 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*