

**AXIS BANK**

Q1 2013-14  
First Quarter Results

**Earnings Presentation**

# Safe Harbor

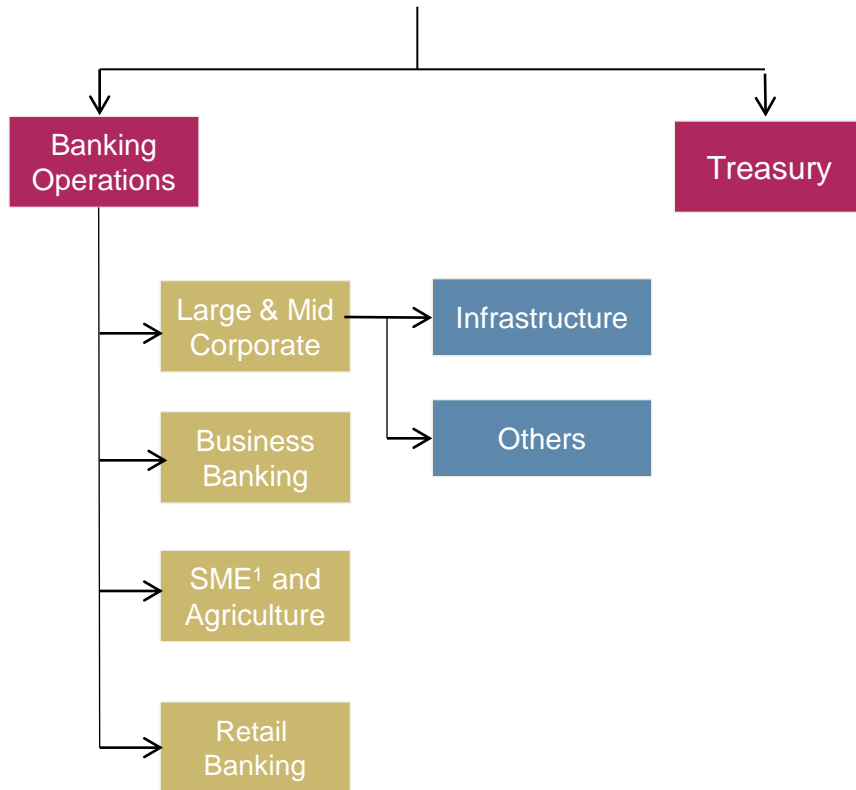
Except for the historical information contained herein, statements in this release which contain words or phrases such as “will”, “aim”, “will likely result”, “would”, “believe”, “may”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”,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



<sup>1</sup> Small and Medium Enterprises

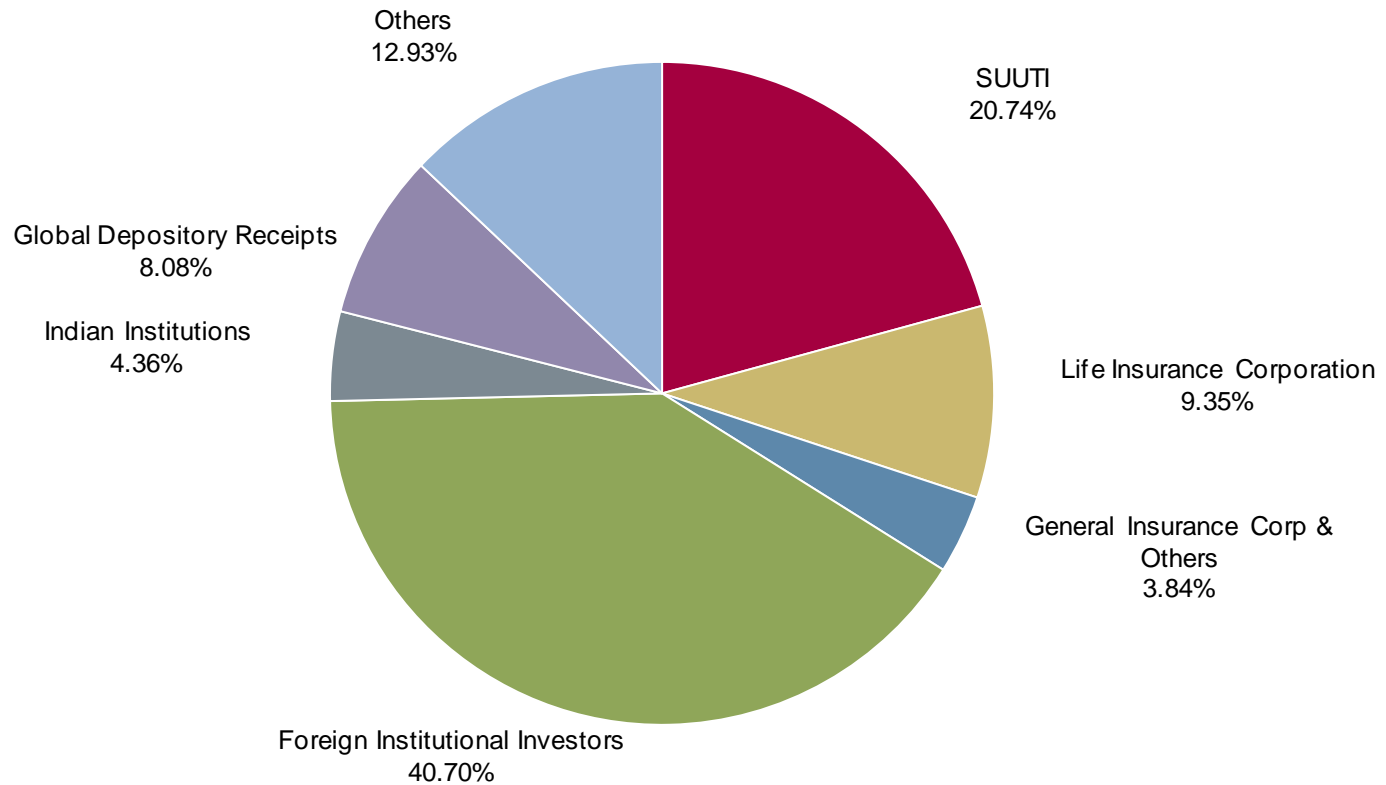
<sup>2</sup> Includes profits for the quarter

<sup>3</sup> Includes extension counters

## Snapshot (As on June 30, 2013)

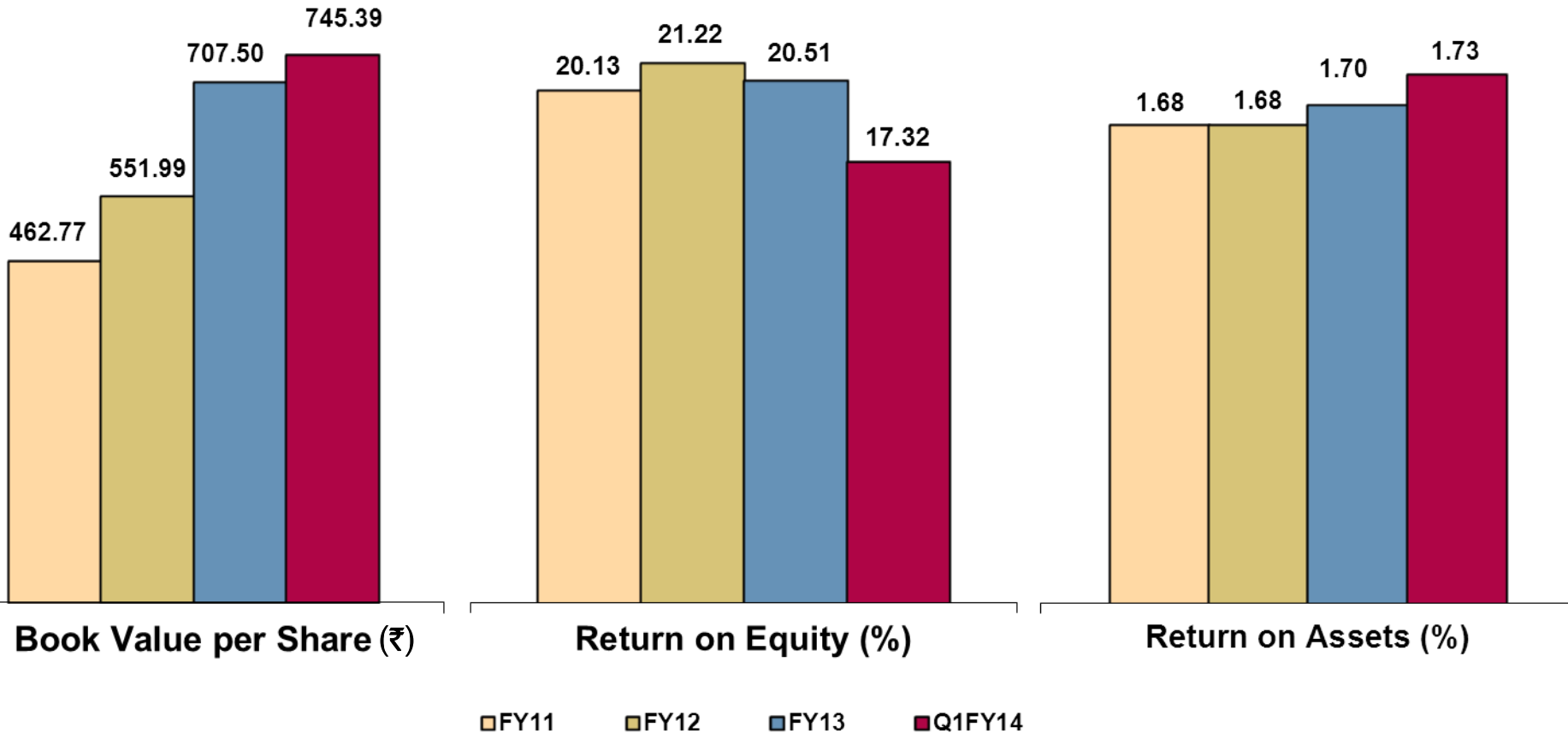
Total Assets	₹3,34,061 crores
Net Advances	₹1,98,151 crores
Total Deposits	₹2,38,441 crores
Net Profit (Q1FY14)	₹1,409 crores
Shareholders' Funds	₹34,948 crores
ROA (Q1FY14)	1.73%
ROE (Q1FY14)	17.32%
Net NPA Ratio	0.35%
Basel II Tier-I CAR <sup>2</sup>	12.35%
Basel II Total CAR <sup>2</sup>	16.90%
Basel III Tier I CAR <sup>2</sup>	12.25%
Basel III Total CAR <sup>2</sup>	16.40%
Saving Bank Accounts (No.)	132 lac
Branches <sup>3</sup>	2,021
Foreign Offices	7
ATMs	11,488

# Shareholding Pattern (As on June 30, 2013)



- Share Capital ₹469 crores
- Shareholders' Funds ₹ 34,948 crores
- Book Value Per Share ₹ 745.39
- Market Capitalisation ₹ 55,980 crores (as on July 16, 2013)

# High Shareholder Returns



A strong franchise demonstrating consistent value creation over time

Introduction

Performance Overview

Business Overview

# Performance Highlights

		<u>Q1 FY 2014</u>
Net Profit	↑	22% YOY
Net Interest Income	↑	31% YOY
Fee Income	↑	14% YOY
Operating Revenue	↑	32% YOY
Operating Profit	↑	45% YOY
Net Interest Margin		3.86%
CASA <sup>1</sup>	↑	16% YOY
CASA (Daily Average)	↑	17% YOY
Total Deposits <sup>1</sup>	↑	7% YOY
Total Advances <sup>1</sup>	↑	16% YOY

<sup>1</sup> As on 30<sup>th</sup> June 2013



# Highlights of Q1FY14

## Retail Franchise continues to show traction

- Savings Bank Deposits registered strong growth, rose 20% YOY to ₹63,298 crores as on June 2013, and 20% YOY to ₹58,709 crores on daily average basis
- Retail Term Deposits grew 18% YOY, constituted 46% of Total Term Deposits
- CASA and Retail Term Deposits constituted 69% of Total Deposits
- Retail Assets grew 40% YOY and accounted for 29% of Net Advances
- Fee Income rose 23% YOY, accounting for 30% of Total Fees

## Stable Earnings Profile

- Operating Revenue grew 32% YOY, stood at ₹4,647 crores
- Operating Profit rose to ₹2,844 crores, registered growth of 45% YOY
- Return on Assets stood at 1.73% and Return on Equity at 17.32% on an expanded capital base

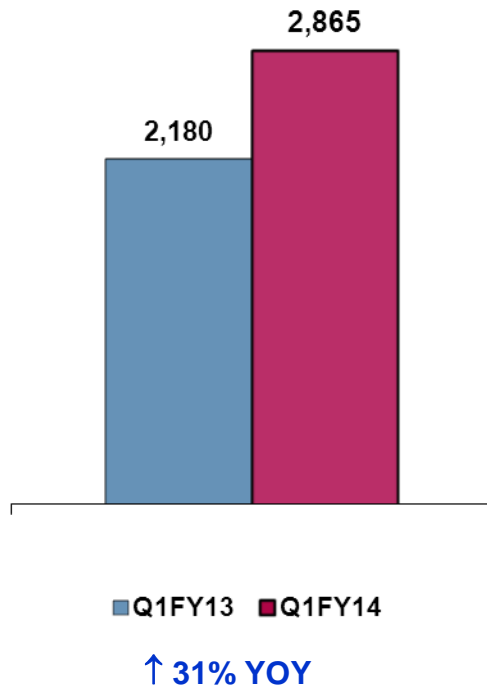
Well positioned for future growth with Tier I CAR<sup>&</sup> of 12.35% and Total CAR<sup>&</sup> of 16.90% as per Basel II and Tier I CAR<sup>&</sup> of 12.25% & Total CAR<sup>&</sup> of 16.40% under Basel III

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

<sup>&</sup> Includes profits for the quarter

# Growing Net Interest Income

₹ crores



## Trend in NIIs (₹crores)

FY10 5,004

FY11 6,563

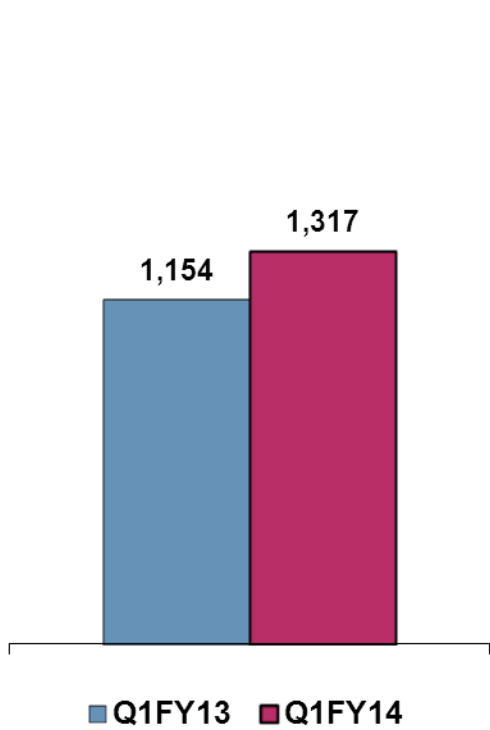
FY12 8,018

FY13 9,666

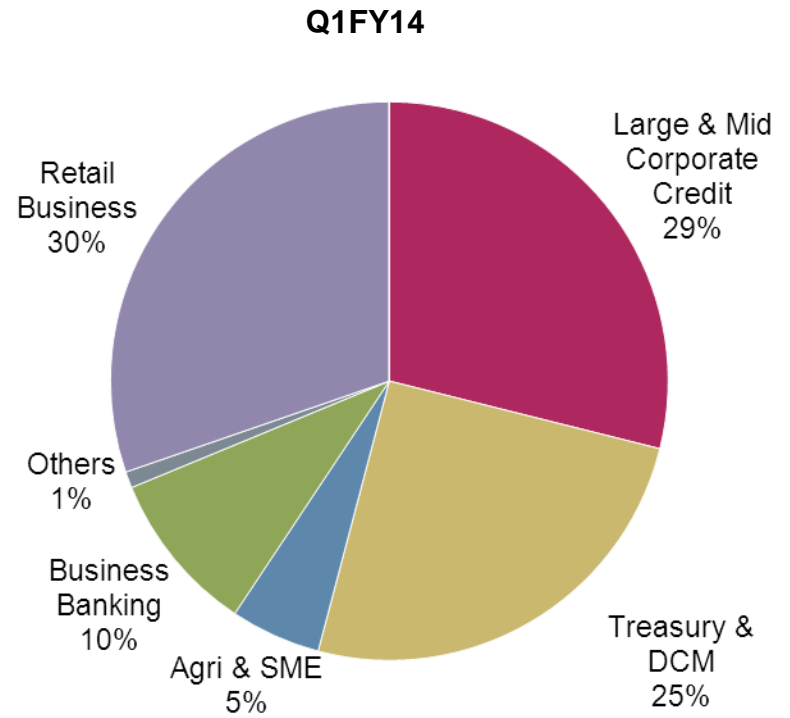
**CAGR 27%**

# Diversified Fee Income Profile

₹ crores

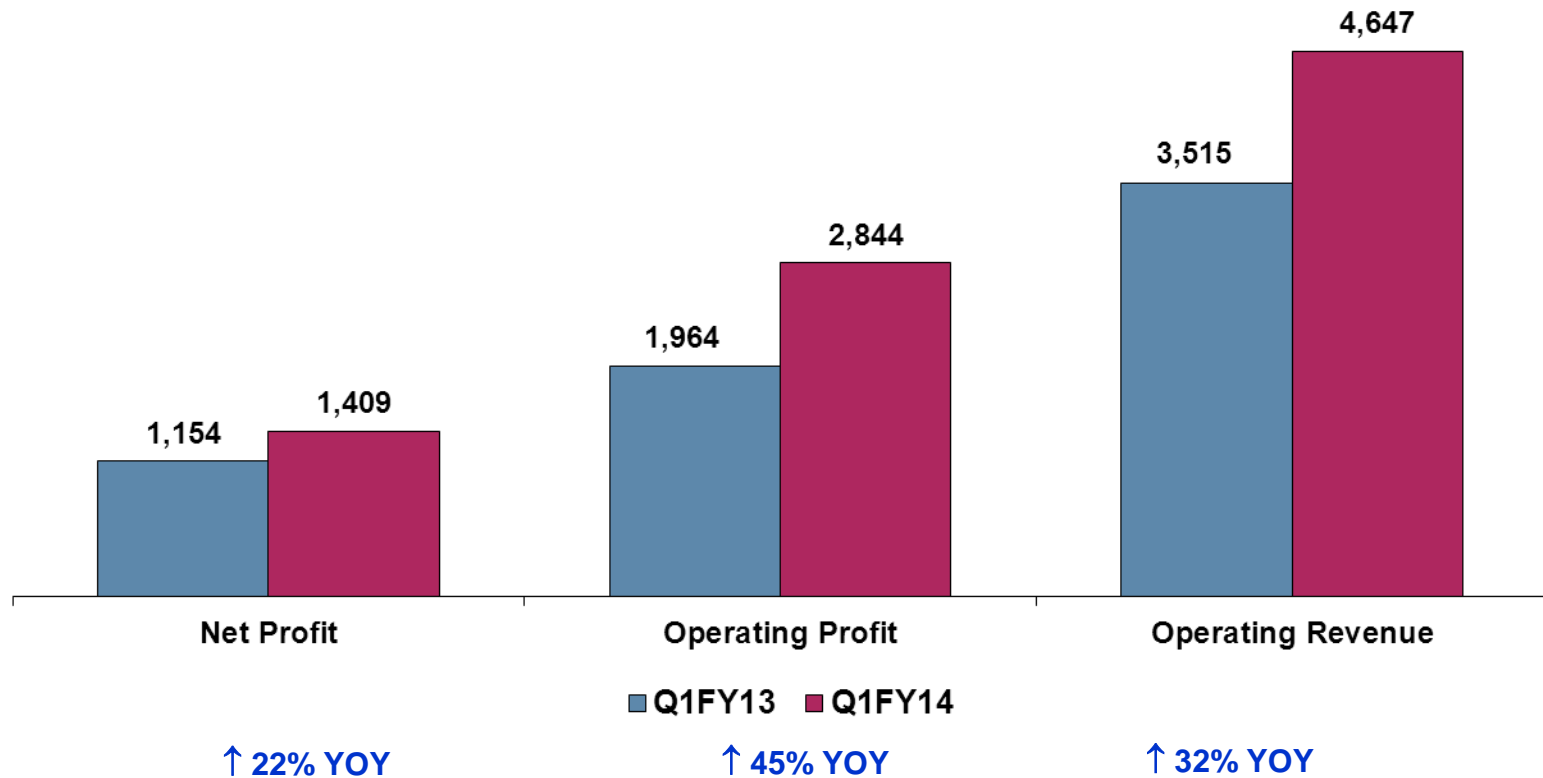


↑ 14% YOY



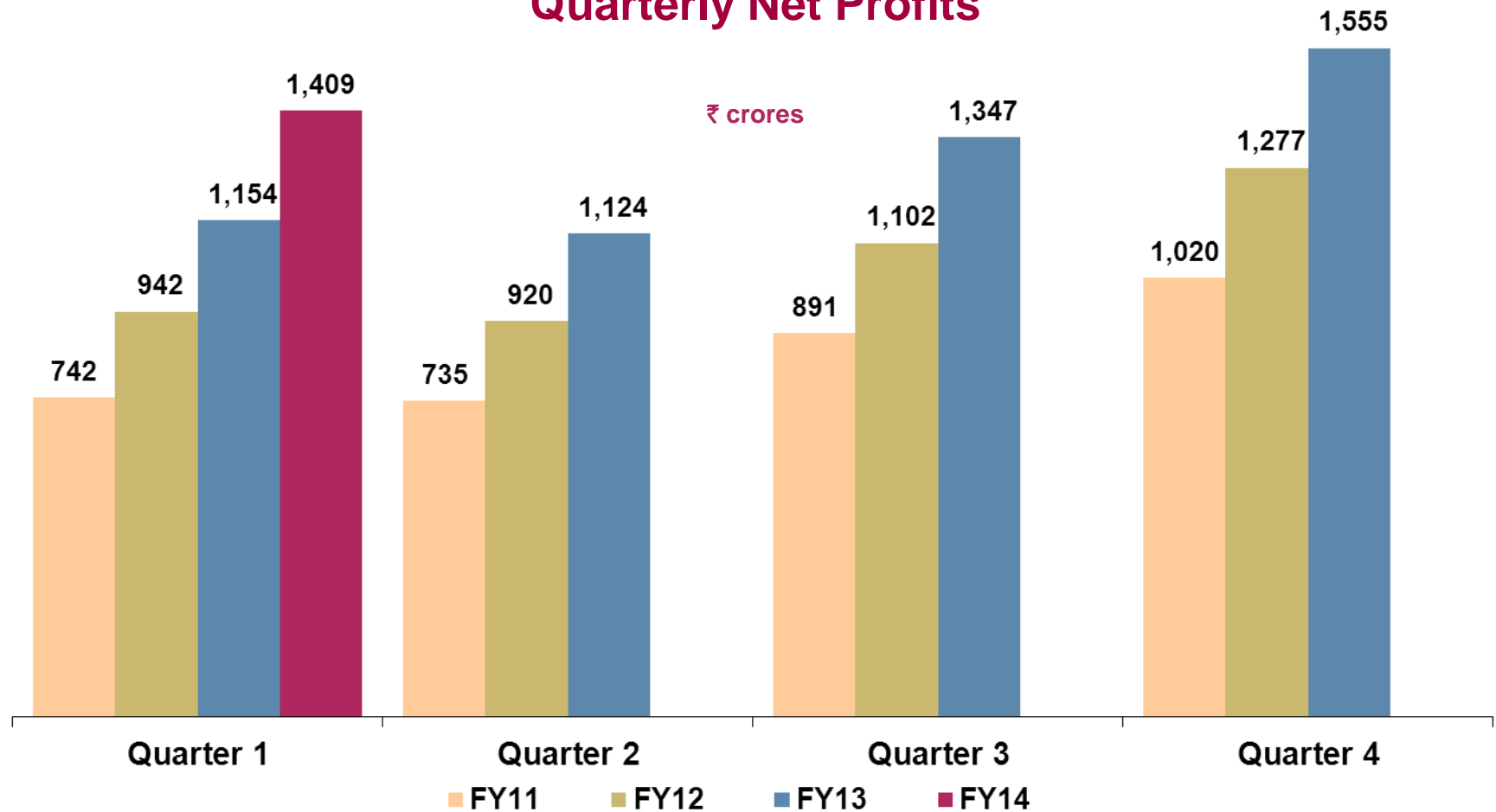
# Sustained Profitability Growth: Robust Operating Revenue

₹ crores



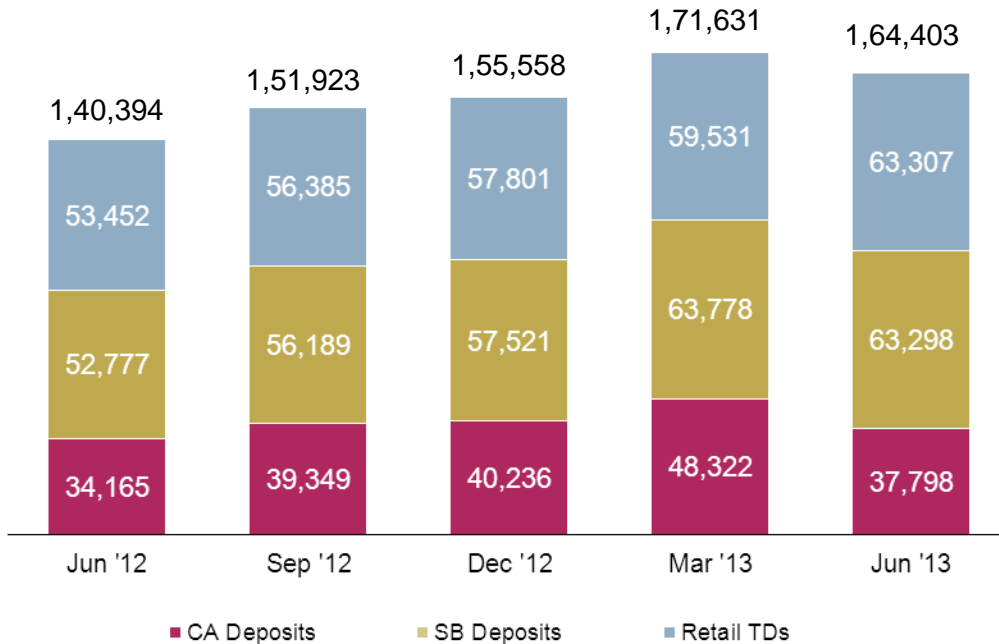
# Consistent Net Profit Growth

## Quarterly Net Profits



# Stable CASA Growth Underpins Low-Cost Deposit Franchise

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



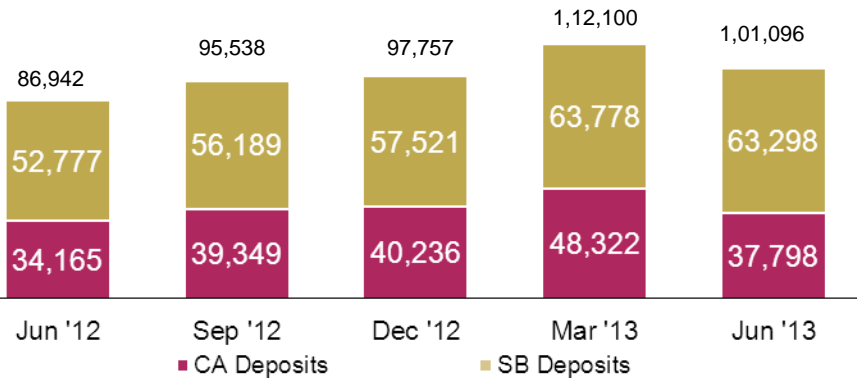
As on 30 <sup>th</sup> June 2013	Growth (%)	
	End Day	Daily Average
Savings Bank	20	20
Current Accounts	11	11
CASA	16	17
Retail Term Deposits	18	20

- Share of Retail Term Deposits to total term deposits at 46% (up 7% YOY)
- CASA + Retail Term Deposits constitute 69% of total deposits (up 6%YOY)

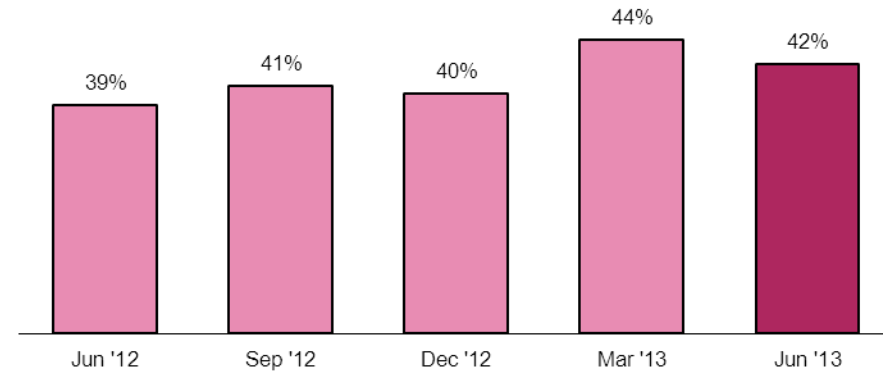
# Strong CASA Franchise Supports Margin Stability

## CASA Deposits

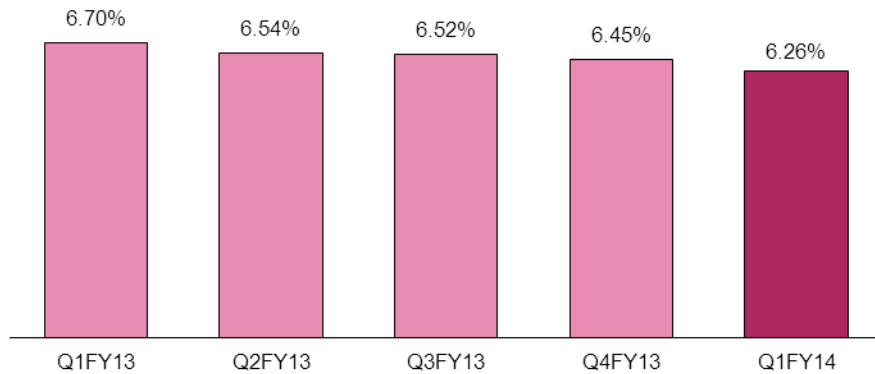
(₹ crores)



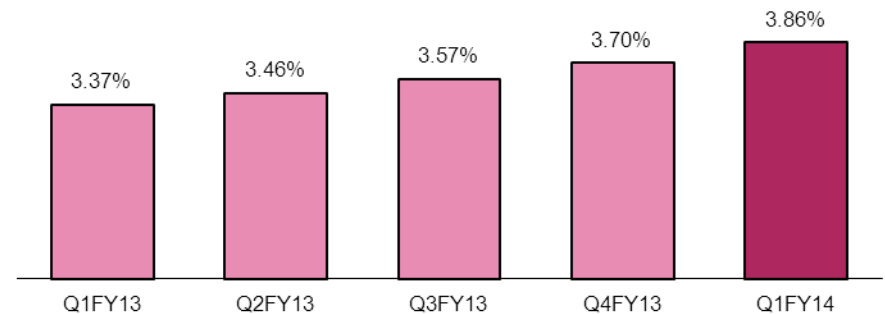
## CASA Ratio



## Cost of Funds

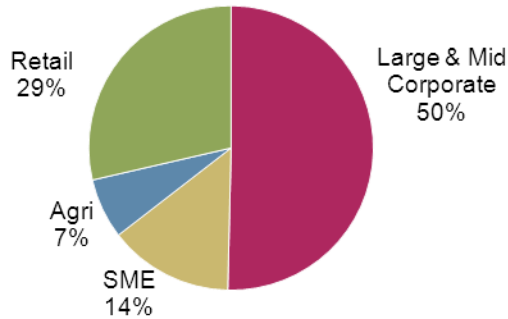


## Net Interest Margin

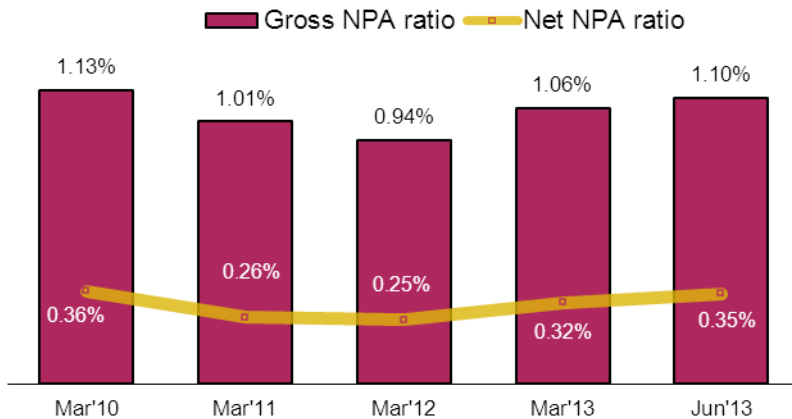


# Stable Asset Quality

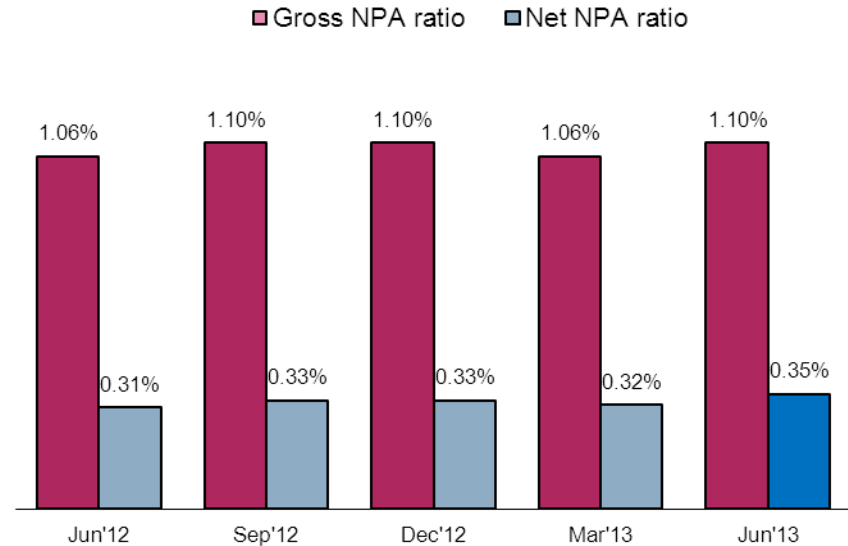
**Loan Mix**  
(As on 30<sup>th</sup> June 2013)



**Five Year NPA trend**



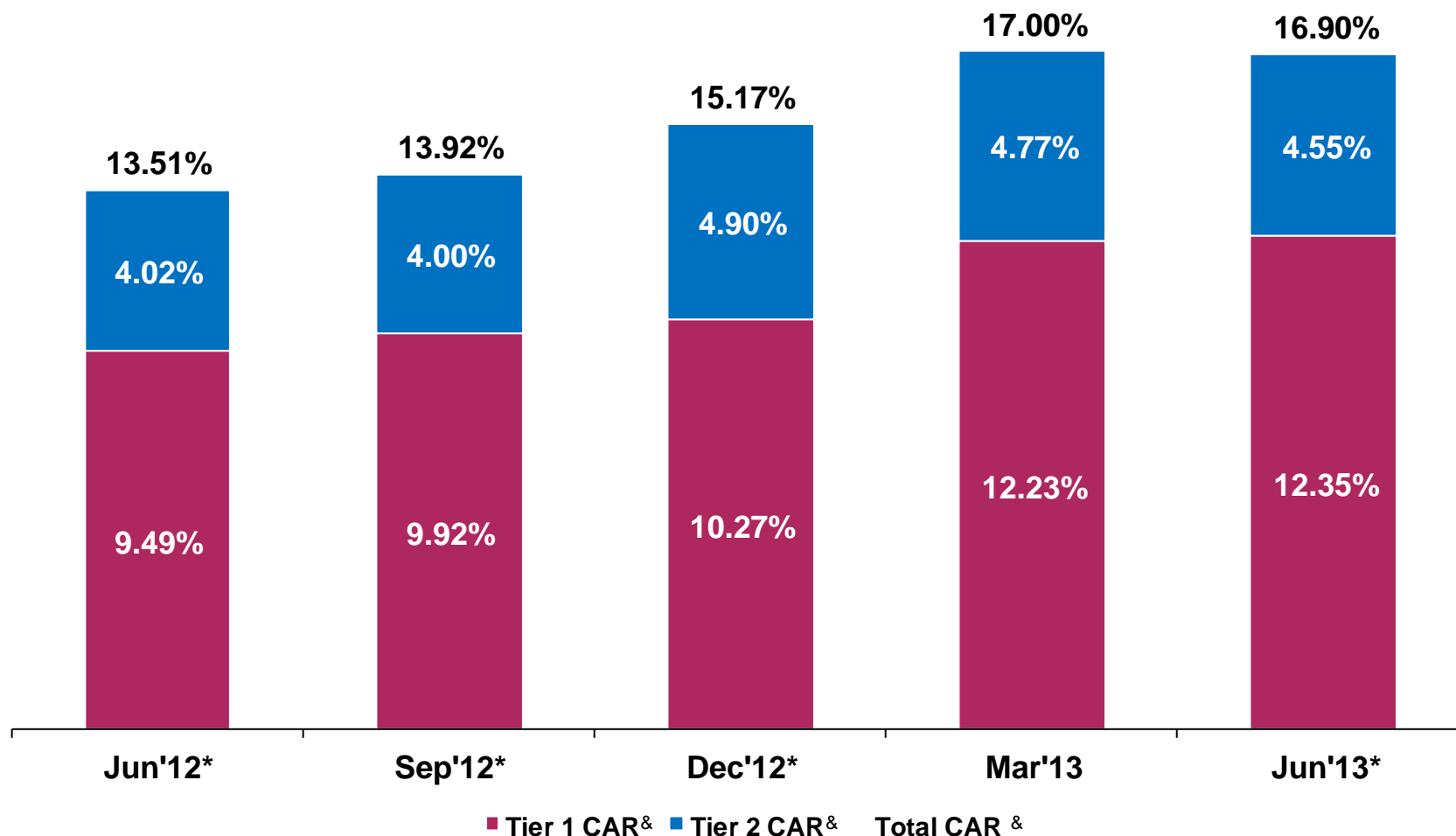
**Asset Quality**



- Provision coverage of 80% as on June 2013 including prudential write-offs (89% before accumulated write-offs)
- Cumulative restructured assets were ₹4,211 crores (1.87% of gross customer assets) as on June 2013



# Capital Adequacy: Well Positioned for Growth



\* Includes unaudited profits for the quarter / half year / nine-months

& All ratios computed are based on Basel II norms

Tier I CAR & Tier II CAR under Basel III norms (including quarterly profits would be 16.40% & 12.25% respectively

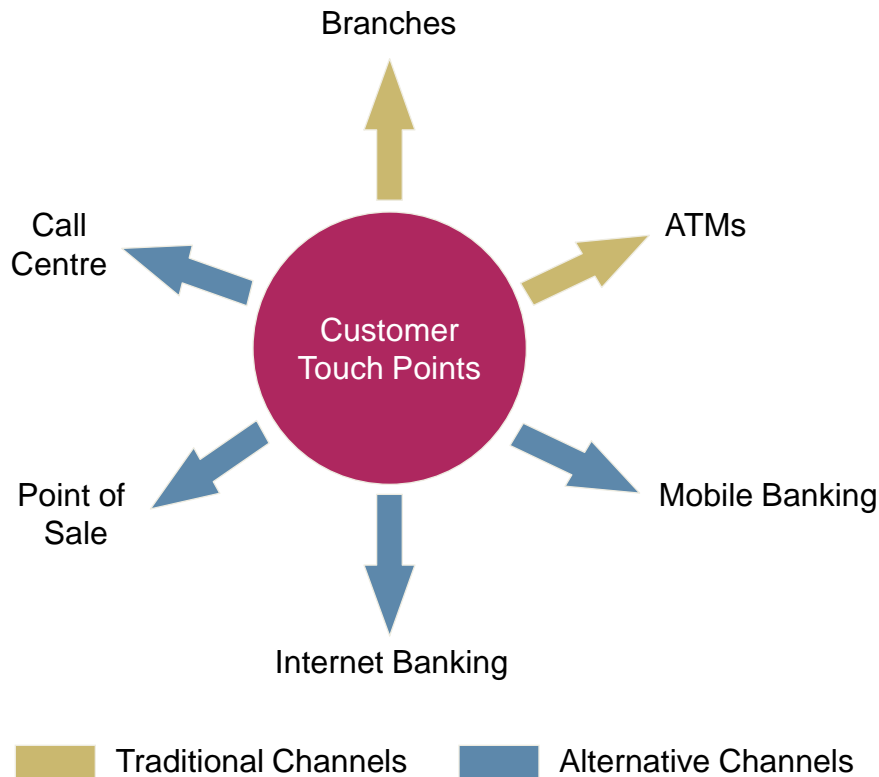
Introduction

Performance Overview

Business Overview

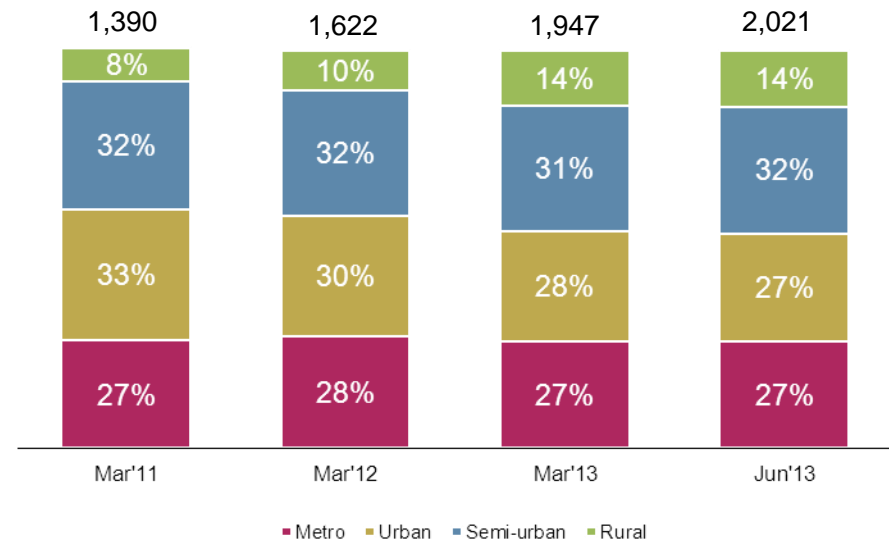
# Well distributed, countrywide network of Branches & ATMs

- 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 network<sup>1</sup>

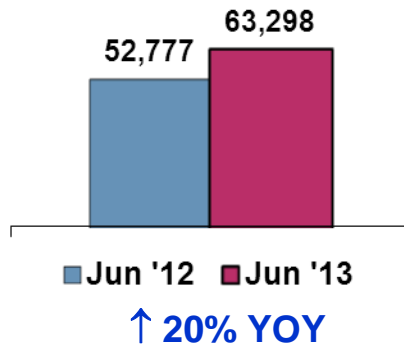


	Mar'11	Mar'12	Mar'13	Jun'13
ATMs	6,270	9,924	11,245	11,488
Centers Covered	921	1,050	1,263	1,300
Employees	26,435	31,738	37,901	38,589

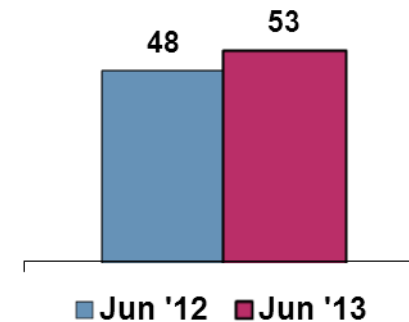
<sup>1</sup> Including extension counters

# Retail Liabilities Exhibit Consistent Growth

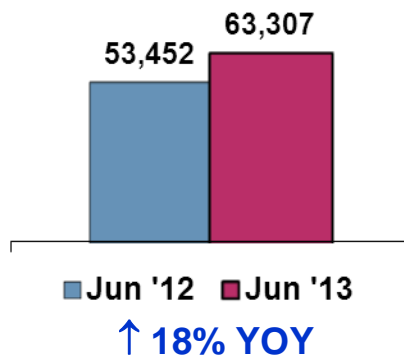
### Savings Bank Deposits (₹ crores)



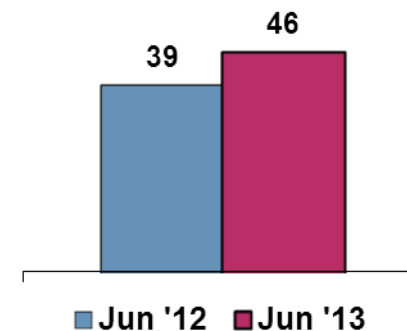
### Retail Deposits\* (% of Total Deposits)



### Retail Term Deposits (RTD) (₹ crores)



### Share of RTD as % of Term Deposits



**Retail Deposits\* constitutes 53% of Total Deposits**

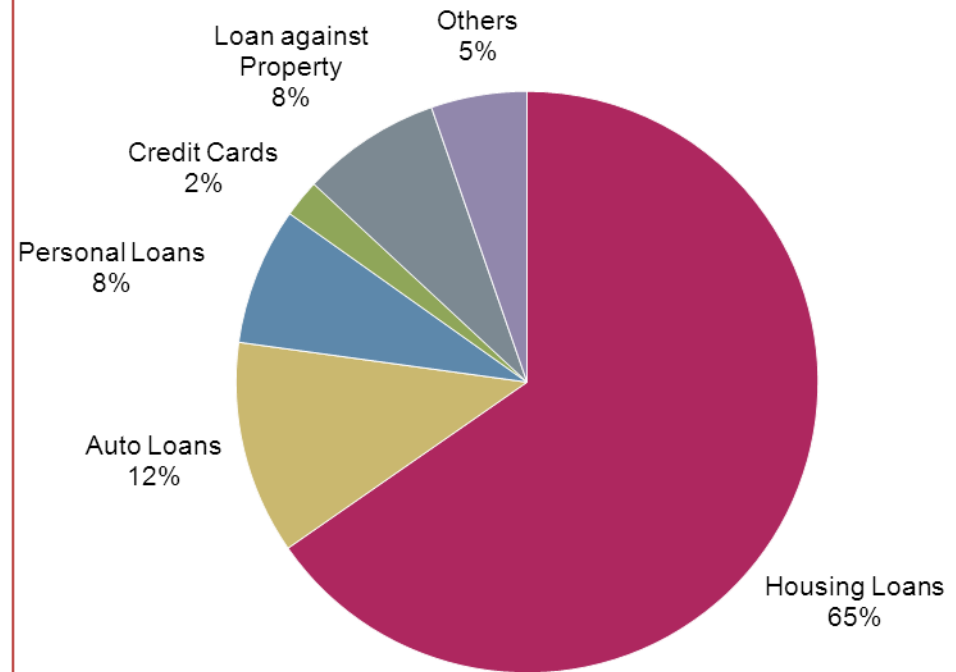
\* Retail Deposits include Savings Bank and Retail Term Deposits

# Sustained Traction in Retail Assets

## Key Highlights

- Retail assets constitute 29% of the Bank's total advances in June 2013 against 24% in June 2012
  - Secured loans make up 85% of retail loans
  - Home Loans account for 65% of retail loans
- 125 Asset Sales Centres (ASCs) with standardized appraisal and oversight mechanisms
- Retail assets originated from 1,236 branches

## Composition of Retail Advances



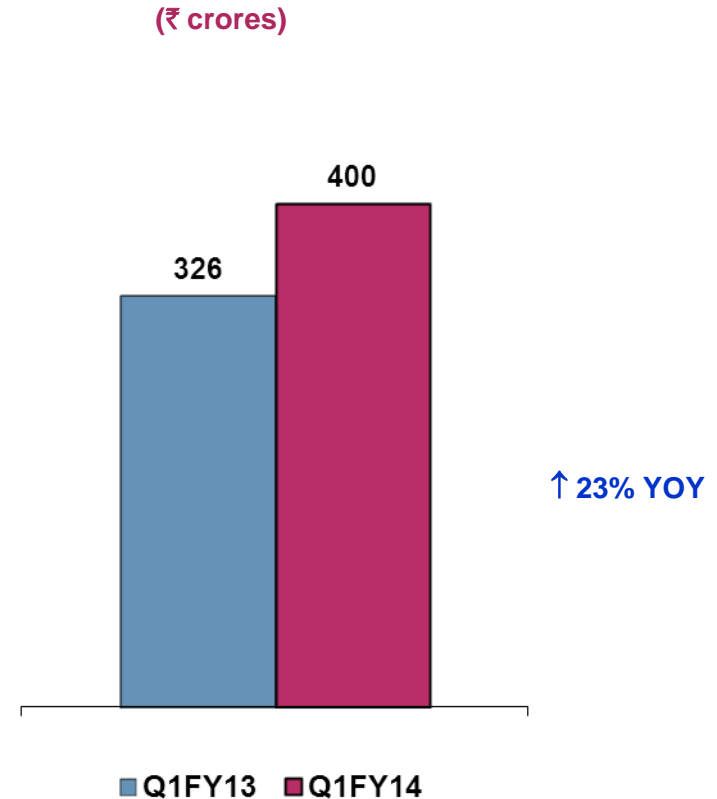
**Portfolio Size: ₹56,706 crores**

**↑ 40% 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 providing momentum to asset linked fees

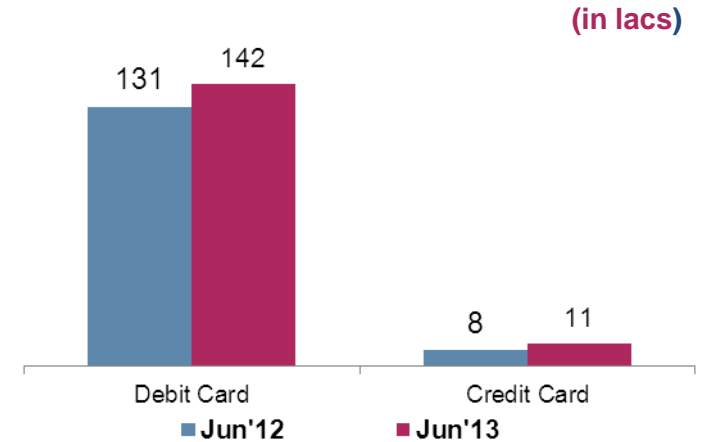


# Retail Payments Franchise

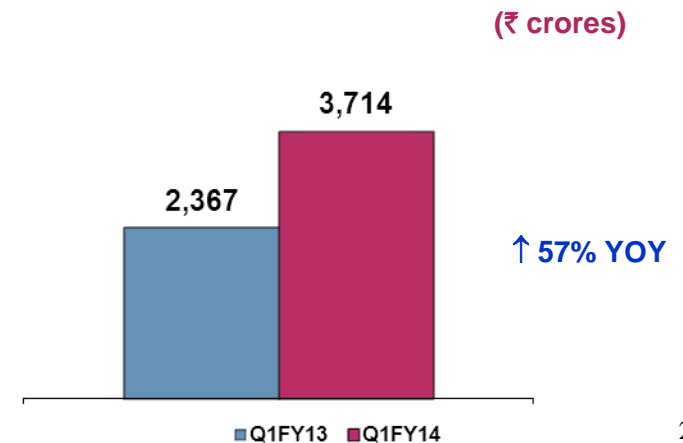
## Key Highlights

- One of the largest issuers of debit cards
- Over 11 lac credit cards in circulation
- Credit card acquisition focused on large retail depositor base
- Travel Currency Cards in 11 foreign currencies – USD, Euro, GBP, AUD, CAD, SGD, SEK, CHF, JPY, AED, SAR; INR (for foreign nationals and NRIs)
- Prominent player in merchant acquiring business

## Number of Cards



## Card Spends



# 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



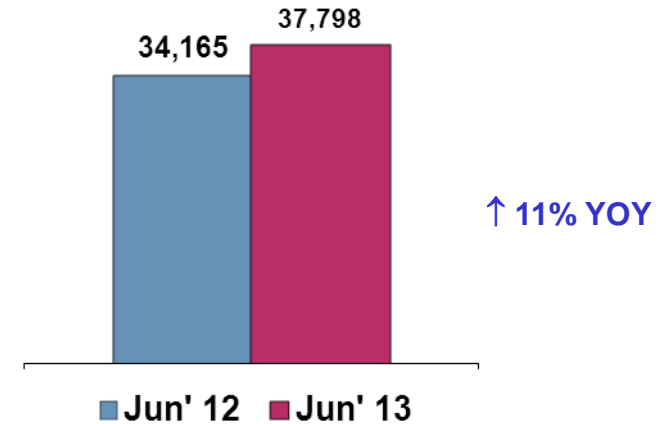
# Business Banking

## Key Highlights

- Strong transaction banking capabilities driving growth
- 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, Institutions and Government

## Current Accounts

₹ crores



## Current A/c Deposits (₹ crore)

FY10	32,168
FY11	36,917
FY12	39,754
FY13	48,322
<b>CAGR</b>	<b>18%</b>

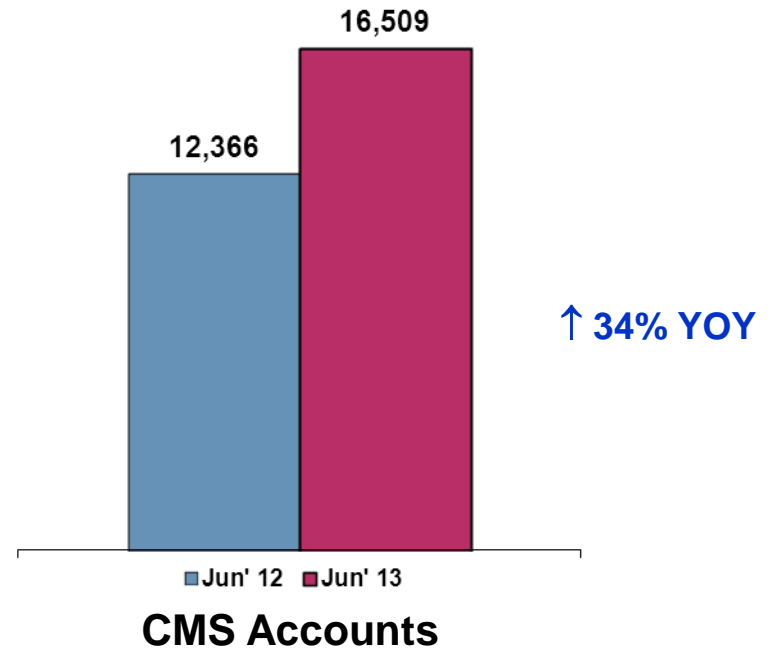
# Business Banking

## Government Business

- Collection of Central Government taxes on behalf of CBDT and CBEC, including through e-payments
- Collection of local taxes on behalf of 13 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 9 State Governments and UT
- Appointed as NPS Trustee Bank for a five year period

## Cash Management Business

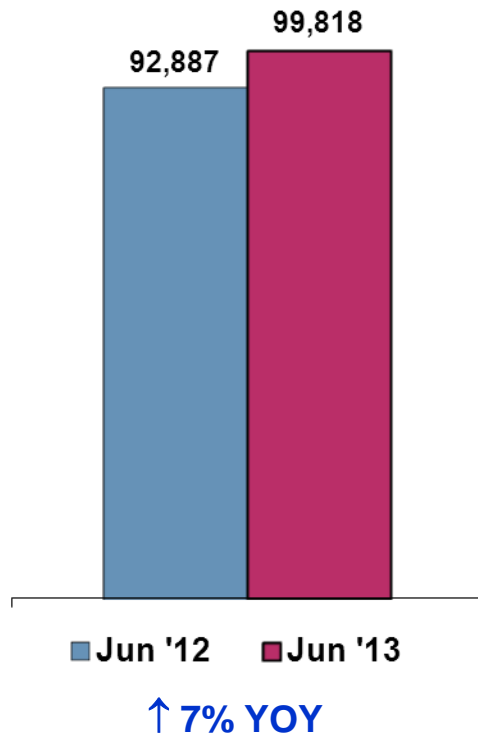
- Leading CMS provider in the country
- Among few banks offering host to host transaction banking facility



# Large & Mid-Corporate Banking

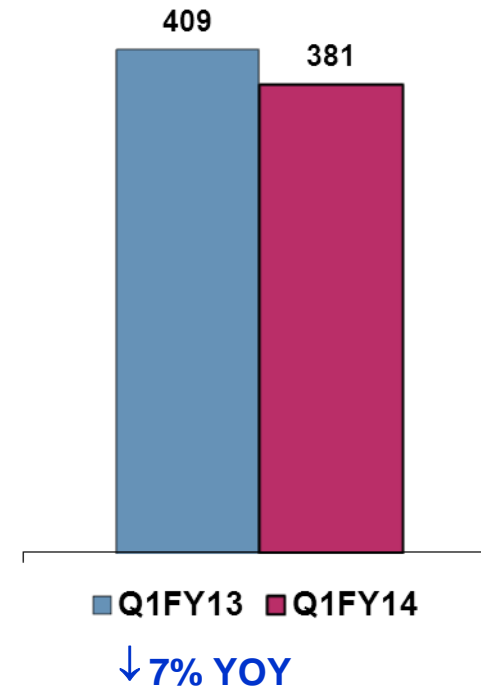
## Advances

(₹ crores)



## Fees

(₹ crores)

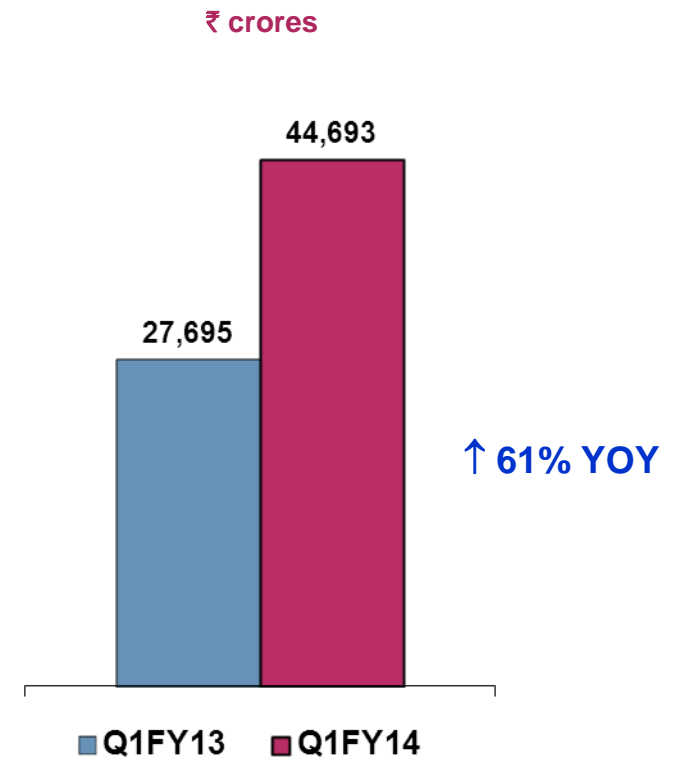


# Debt Capital Markets

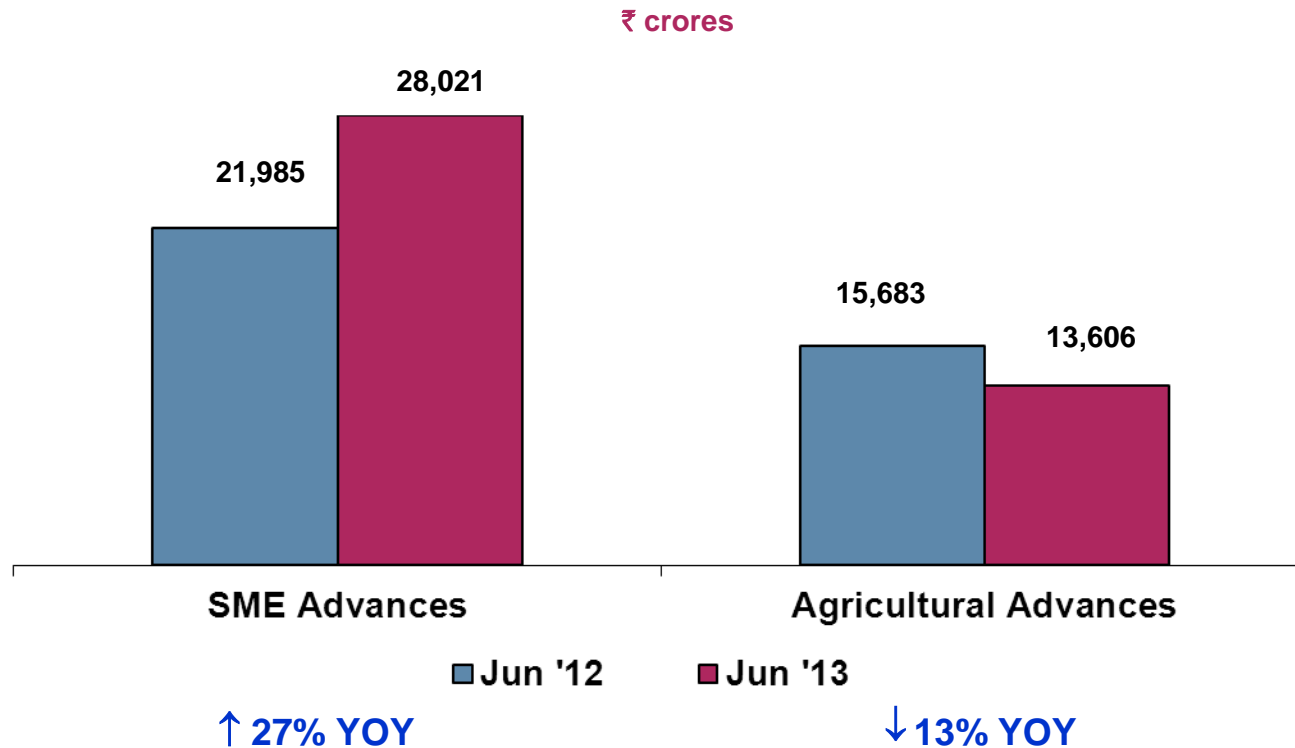
## Key Highlights

- Dominant player in placement and syndication of debt issuances
- Ranked Best Domestic Debt House – India 2013 by Asia Money
- Ranked Best Bond House – India 2013 by Finance Asia
- Ranked No. 1 debt arranger for INR denominated bonds by Bloomberg for half year ended June 2013.

## Placement & Syndication of Debt Issues

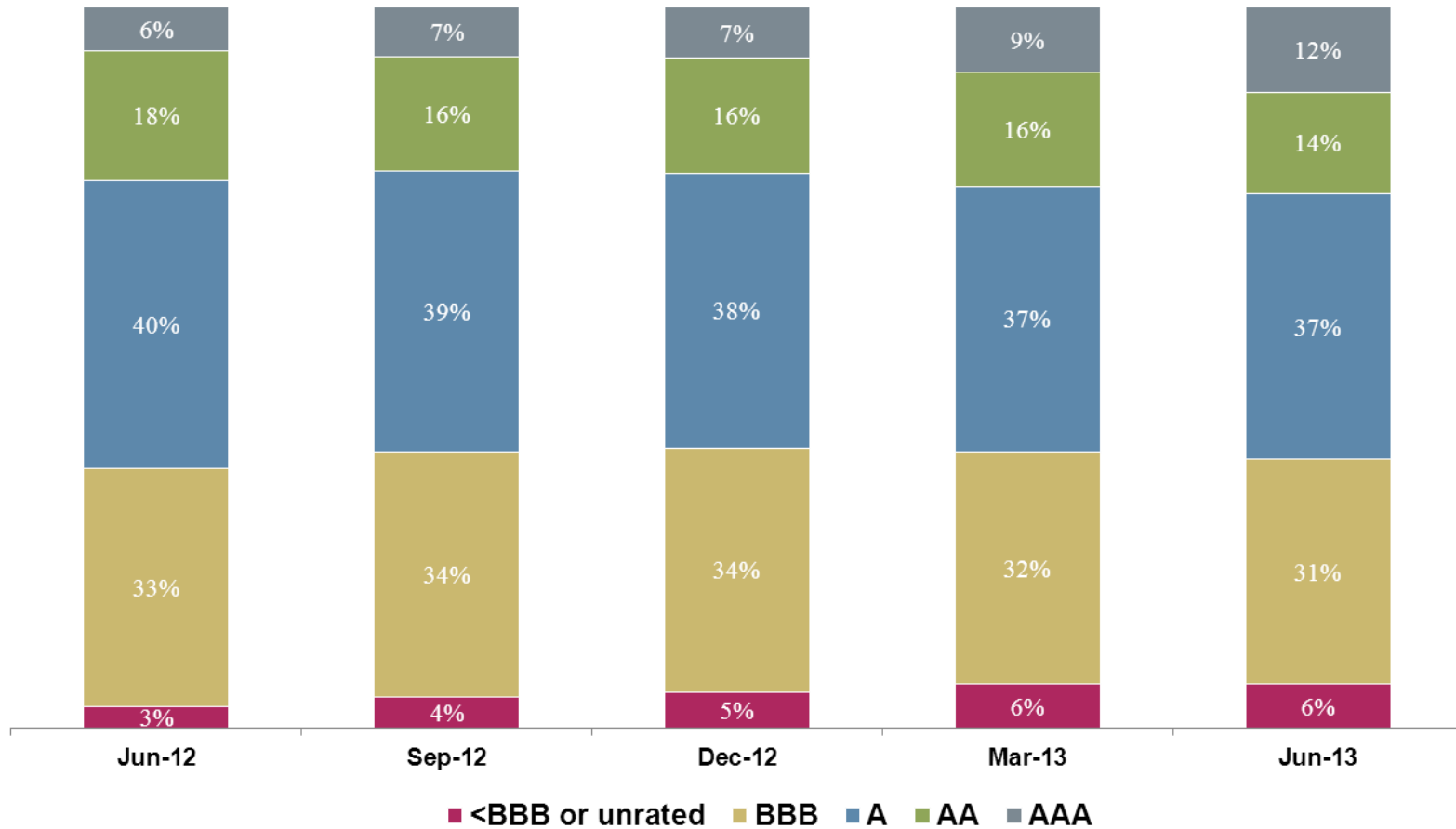


# SME and Agriculture Business



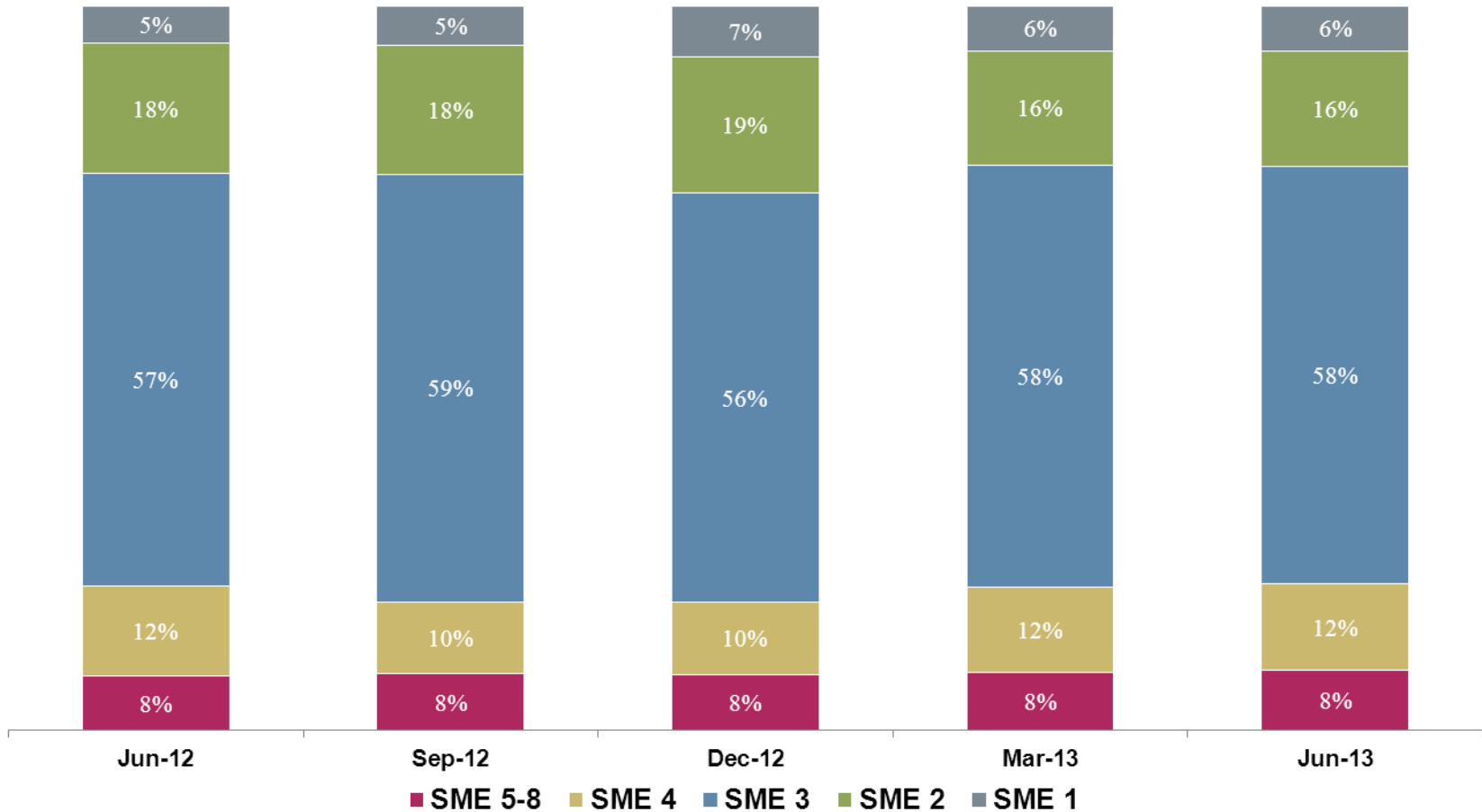
# Rating Distribution: LC & MC

63% of corporate advances have rating of at least 'A' in June 2013



# Rating Distribution: SME

80% of SME advances have rating of at least 'SME3' in June 2013



# Industry-wise Distribution (Top 10)

Rank	Sectors	Outstanding as on June 30, 2013 (%) <sup>1</sup>		
		Fund-based	Non-fund based	Total
1.	Infrastructure <sup>2</sup>	7.72	11.55	8.93
2.	Power Generation & Distribution	4.95	16.08	8.46
3.	Financial Companies <sup>3</sup>	6.23	9.32	7.20
4.	Engineering & Electronics	3.97	12.61	6.69
5.	Metal & Metal Products	4.63	7.66	5.58
6.	Food Processing	4.19	1.81	3.44
7.	Trade	3.19	3.95	3.43
8.	Petroleum & Petroleum Products	0.76	6.57	2.59
9.	Shipping Transportation & Logistics	2.27	2.77	2.43
10.	Real Estate	2.85	0.93	2.24

<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**

**Representative offices at Shanghai, Dubai & Abu Dhabi**

**Presence in UK with 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 6.72 billion**

*Thank You*