



Aiming at Balanced Growth

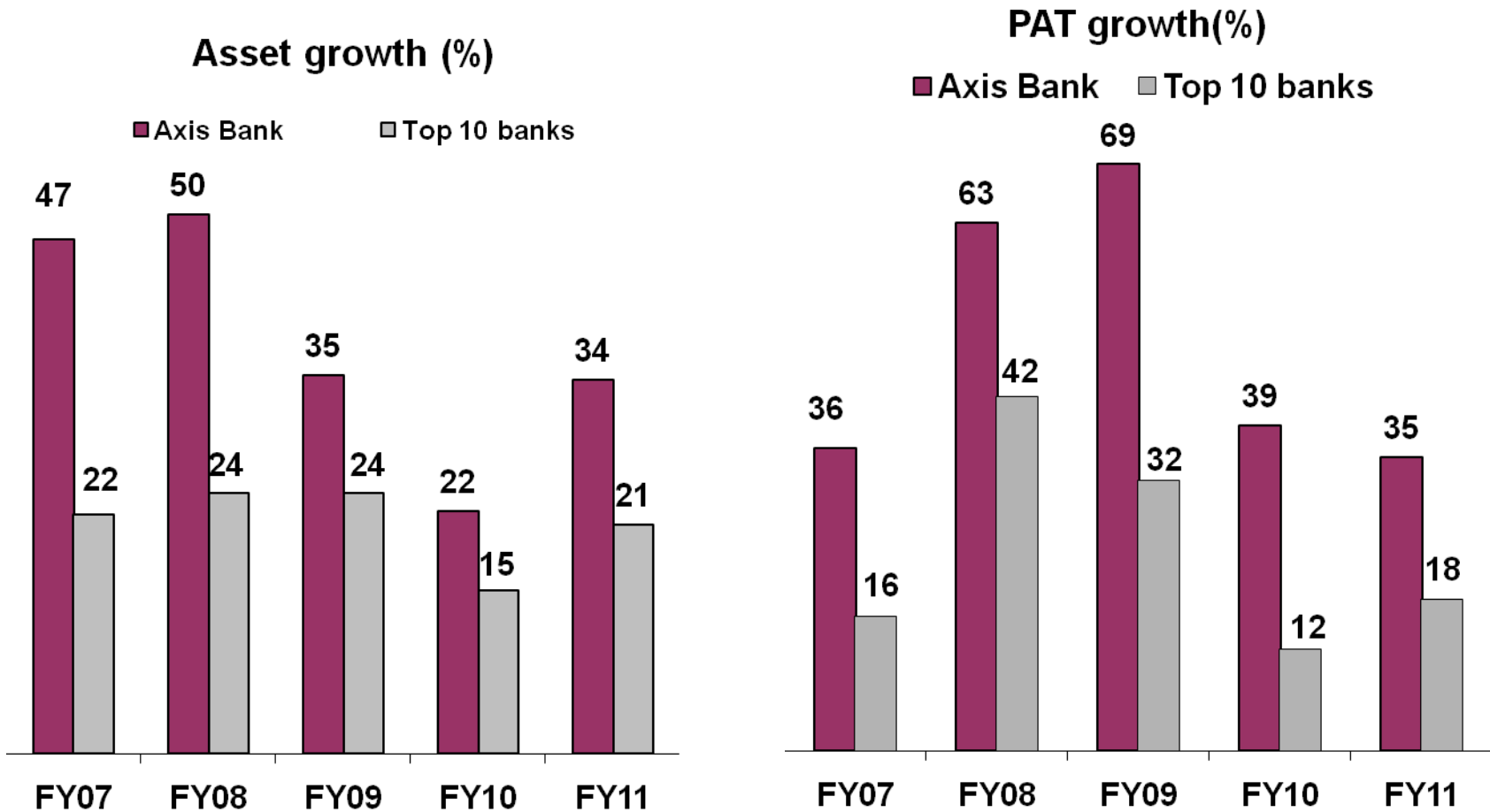
August 2011

Track record of growth & profitability

- ➔ **Consistent growth trajectory**
- ➔ **Above industry profitability**
- ➔ **Diversified fee income franchise**
- ➔ **Expanding retail deposit franchise**
- ➔ **Pan-India multi-channel presence**
- ➔ **Robust asset quality**

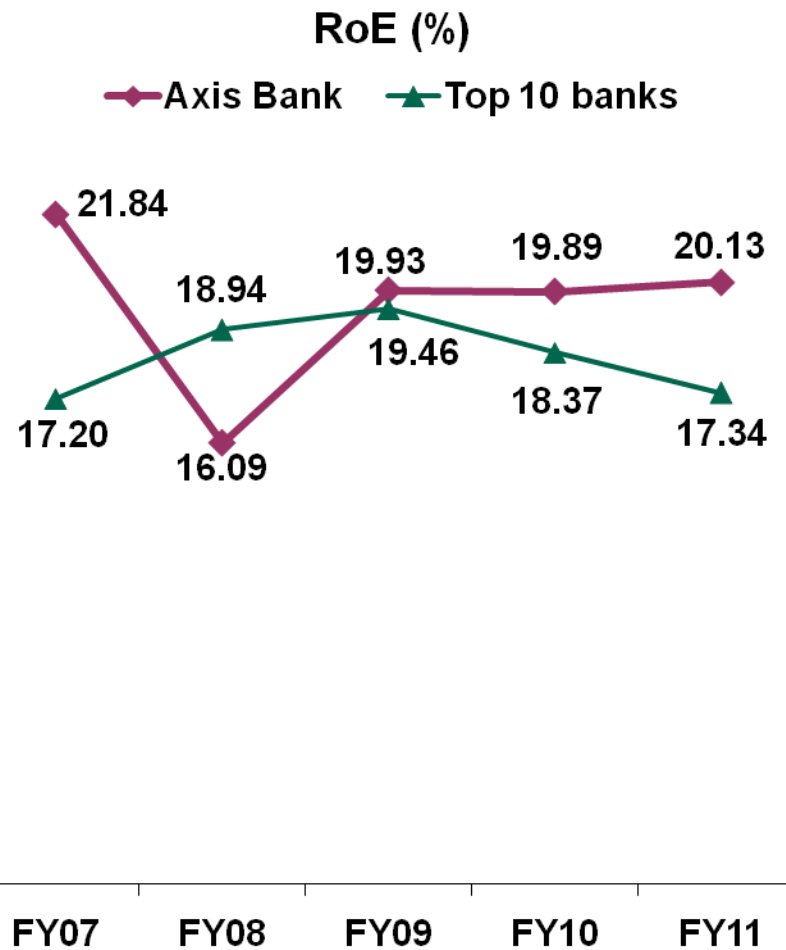
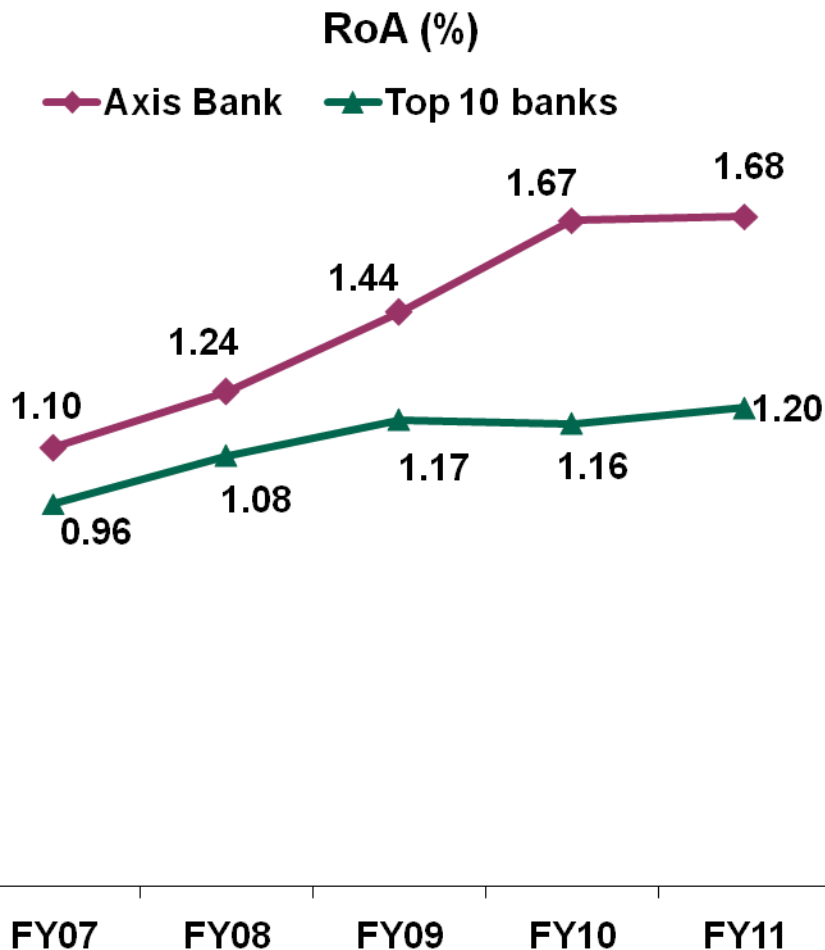
Consistently Gaining Market Share

In Business as well as Profits



Source : Company annual reports
 Top 10 sample is based on ranking of banks by FY11 asset base

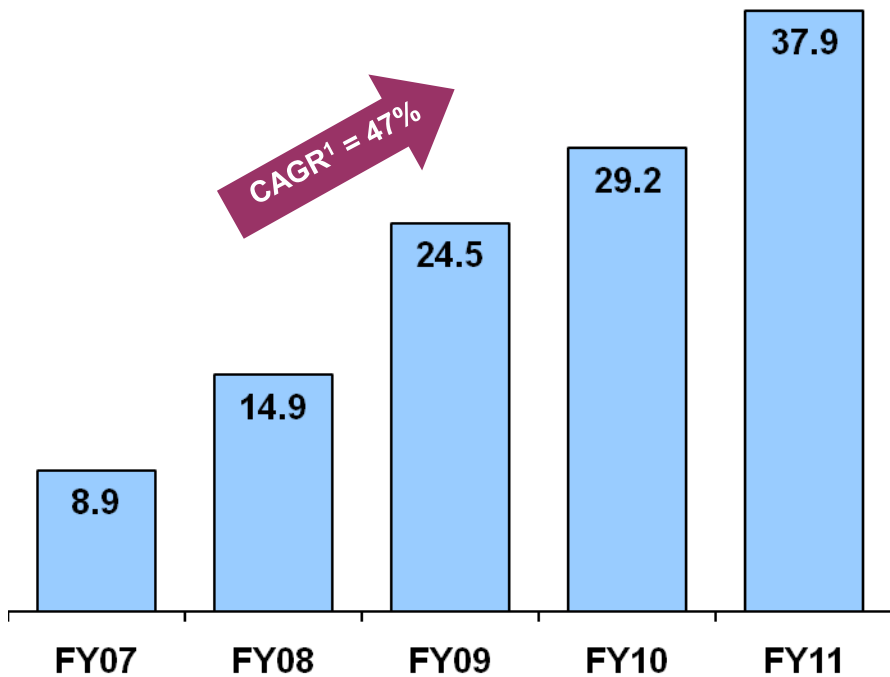
Delivering Above Industry Profitability



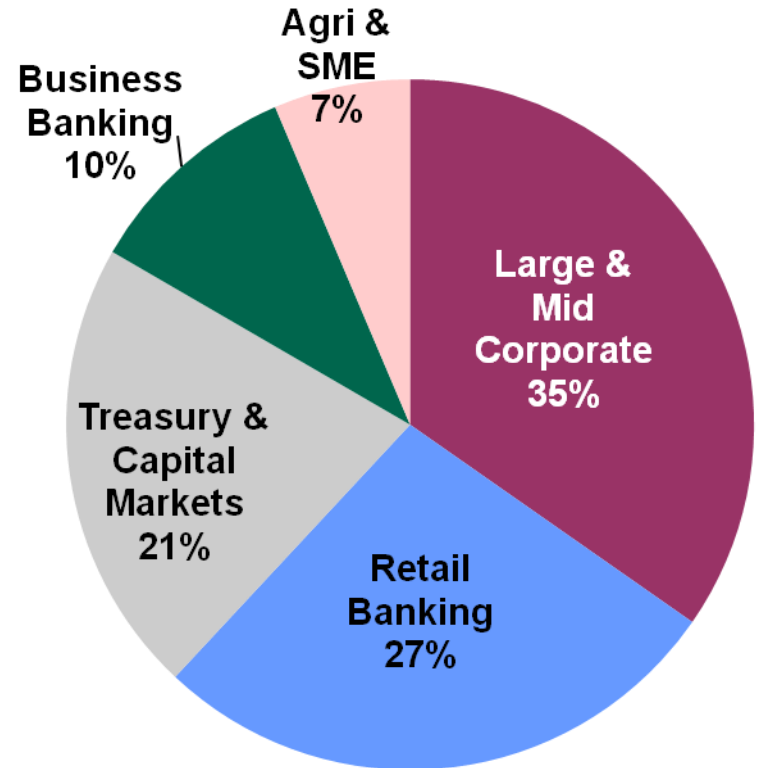
Source : Company annual reports
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Diversified Fee Income Franchise

Fee income (₹ bn)



Fee profile (FY11)



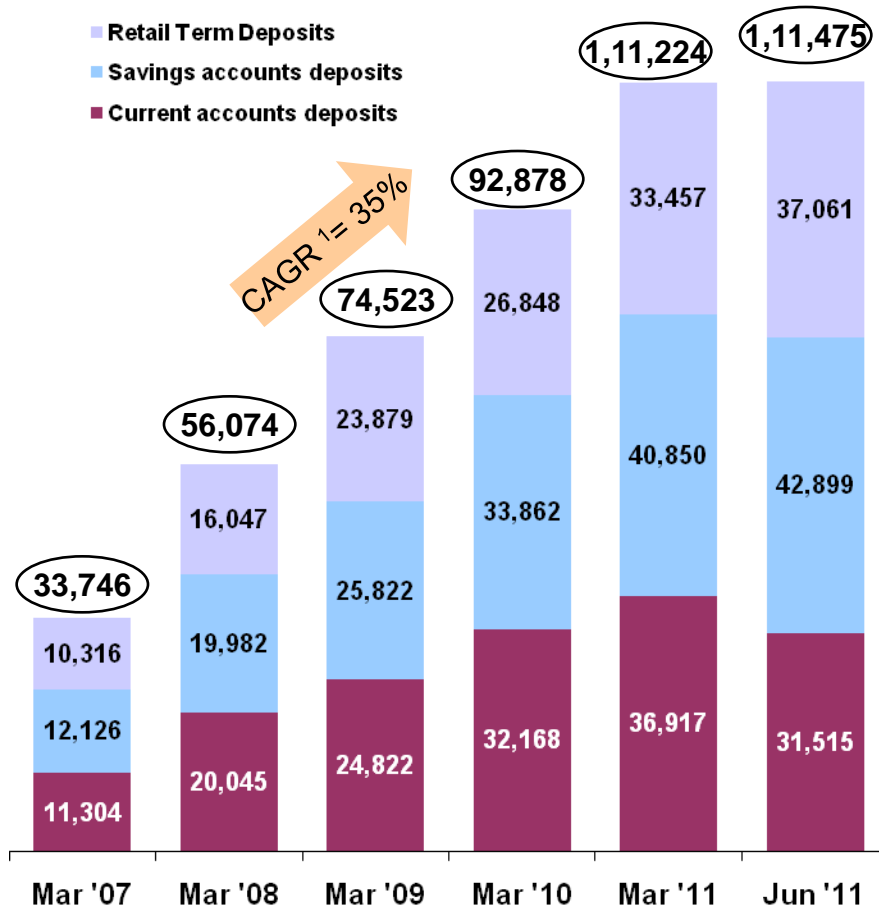
Fee Income as % of Operating Revenue

35.9% 34.1% 37.2% 32.7% 33.9%

1 CAGR is based on data of Fiscal 2006 to 2011
Note: Previous year's figures have been restated where required

Stable Deposit Base

CASA and Retail term deposits (₹ crore)



1 . CAGR (between Mar'07-Mar'11)

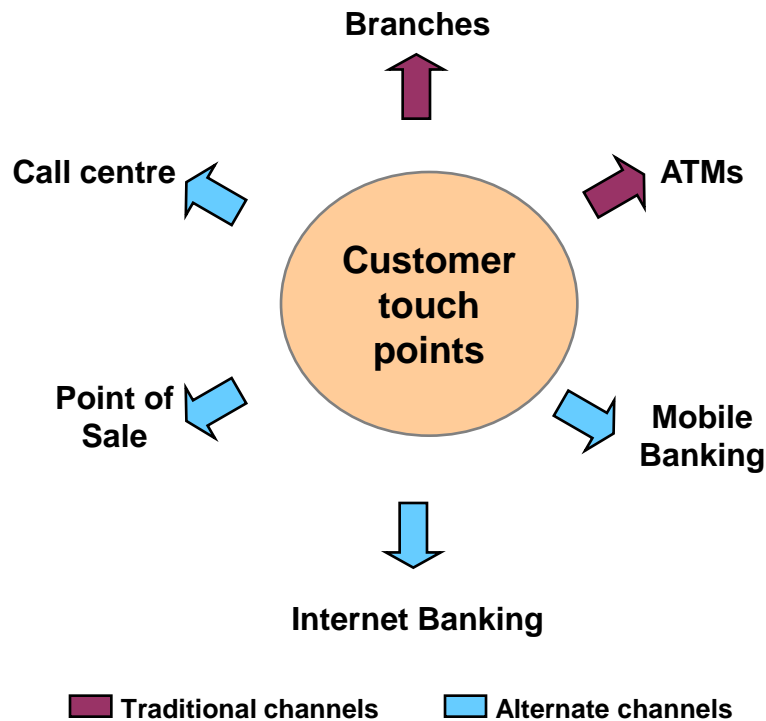
Composition of deposits

As on	CASA Deposits	CASA + Retail Term Deposits*
Mar'07	40%	57%
Mar'08	46%	64%
Mar'09	43%	63%
Mar'10	47%	66%
Mar'11	41%	59%
Jun'11	41%	61%

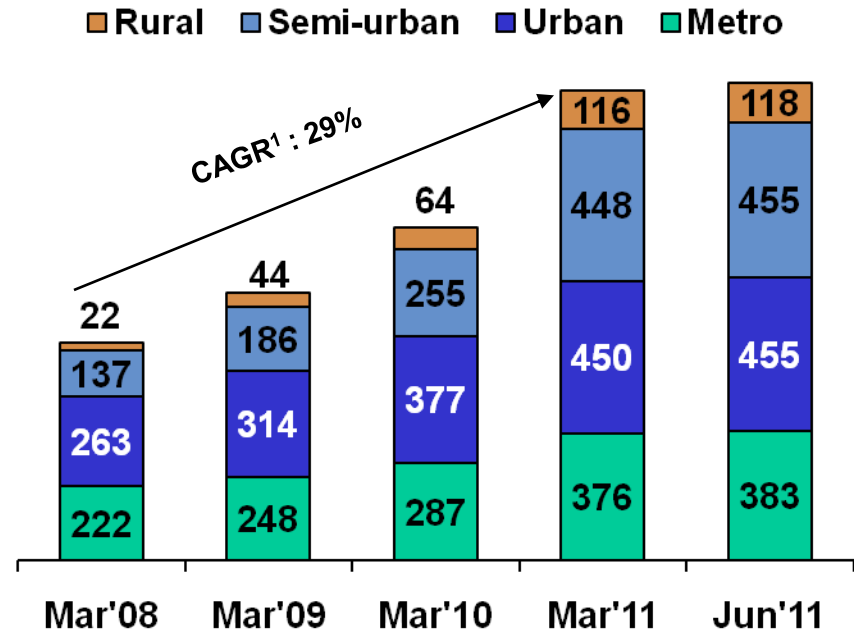
*Retail Term Deposits are defined as term deposits up to ₹ 5 crore

Multi-channel Presence Pan-India

- Customer convenience and cost effective customer delivery
- Advanced use of technology



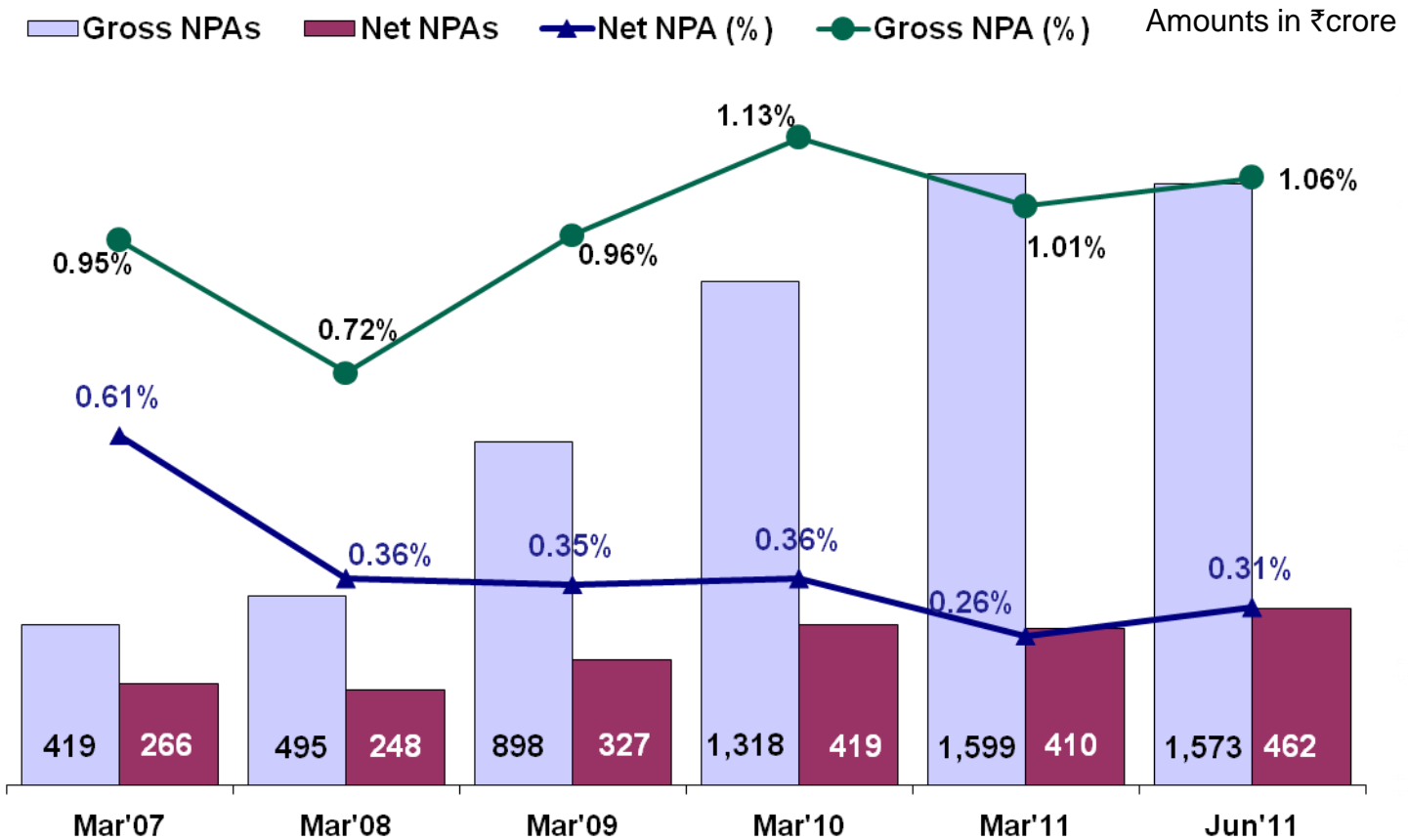
Integrated channel strategy
No. of branches & Extension counters



Particulars	Mar'08	Mar'09	Mar'10	Mar'11	Jun'11
Branches + Extn counters	644	792	983	1,390	1,411
ATM's	2,764	3,595	4,293	6,270	6,871
Centers Covered	405	515	643	921	932

1. CAGR for period from March 2008 to March 2011

Asset Quality



- Provision coverage of 80.00% as on June 2011 after write-offs and 90.38% before accumulated write offs

Summary

- **Combining growth & profitability**
 - **Gained market share and maintained above industry profitability**
 - **Diversified revenue streams**
 - **Strong retail deposit franchise**
 - **Robust asset quality**

- **Aiming for balanced growth**
 - **Continue to build on key strengths of the franchise**
 - **Leverage customer relationships with a complete product portfolio**
 - **Pursue growth opportunities in key businesses**

Business Strategy Along Four Key Themes

Leveraging Domestic Growth Opportunities

Continue to build and strengthen *Retail Banking* franchise

Leverage leadership position in *Infrastructure* linked Financial services

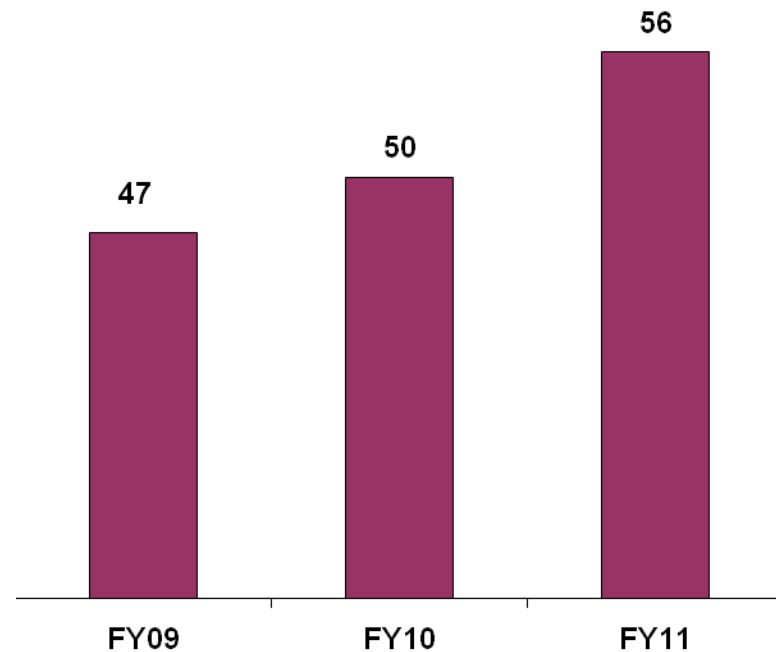
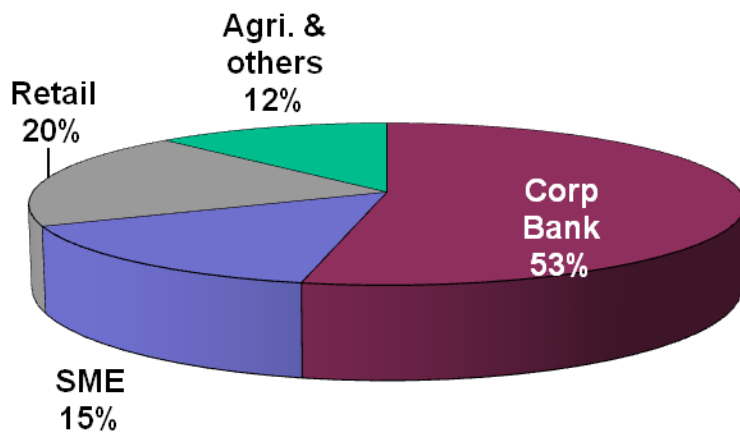


Build a full-service offering to *SME* customers

Capture end-to-end opportunities in *Payments* across customer segments

Corporate Banking

Corporate Banking: A key driver of overall bank performance



CB share (%) in aggregate loans – FY11

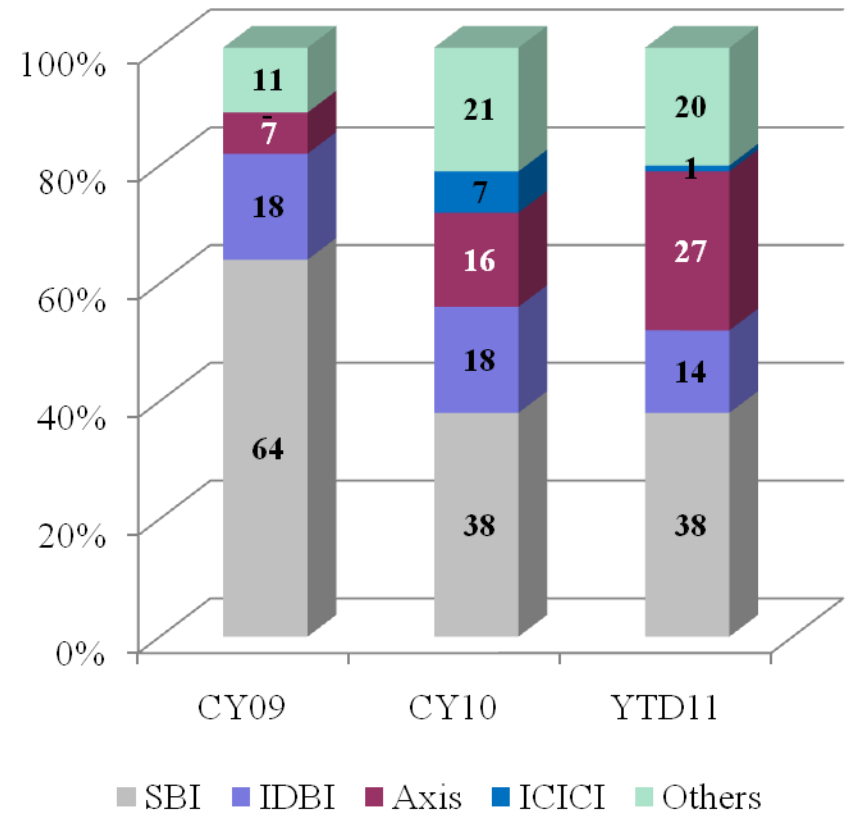
CB share (%) in fees

Originate and Distribute Model

Debt Private Placement League Table

Institution	Rank (CY11 YTD)	Rank (CY10)	Rank (CY09)
Axis Bank	1	1	1
ICICI Bank	2	2	10
I-Sec Primary	3	5	4
Citi	4	12	9
KMCC	5	11	8

Loan syndication market share



Source: Bloomberg

Infra focus has helped Axis establish credibility & recognition in the industry

Dedicated Infrastructure Group

- Leveraging strong position in infrastructure financing to capture end-to-end opportunity
- Origination and relationship management – strengthen and deepen
- Risk Distribution

End to End Infrastructure Player

Credit

- Project Advisory
- Underwriting
- Rupee & FCL/ECB
- Credit Appraisal
- Risk Assessment
- Trade Finance
- Performance bonds, bid bonds

Syndication

- Relationship with FIs, banks, Insurance company's, MFs, PFs
- Syndication Thrust – Rupee & FCL

Investment Banking

- Relationship with overseas /domestic equity investors
- Private Equity
- M&A Advisory
- IPO placements

Treasury

- FX & interest rate hedging
- DCM - Bond Syndication

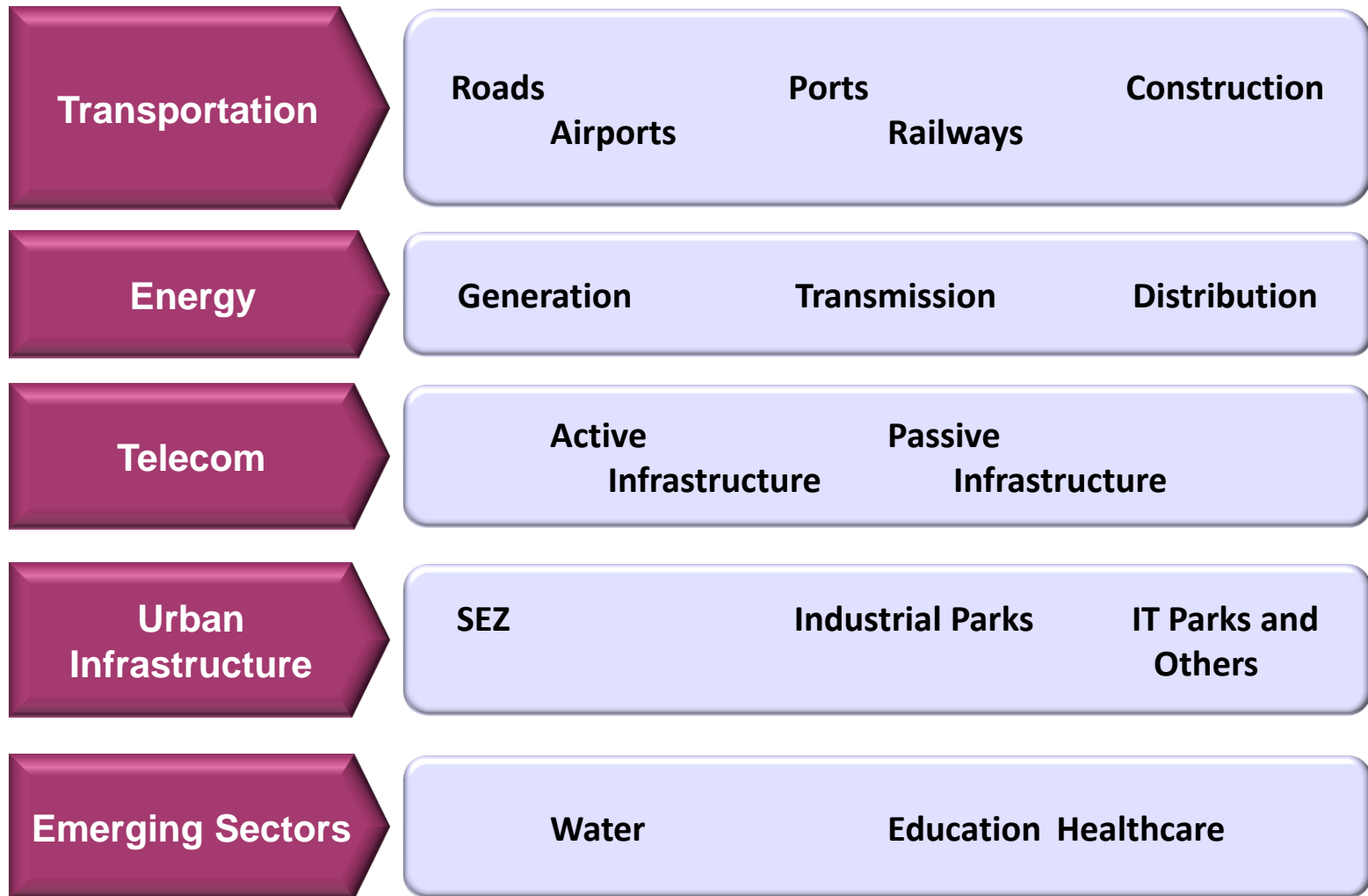
Business Banking

- Escrow and TRA
- Cash Management Solutions
- CDAB (CA)

Non-Bank Units

- Trusteeship Services

Skill Sets in Place to Cover Key Infra Sectors



Risk Management Approach In Infra Lending

Origination	<ul style="list-style-type: none">• Promoters with significant experience and proven track record• Ability to access capital
Project specific risk mitigation	<ul style="list-style-type: none">• Avoid projects where land acquisition and environmental clearances are sensitive issues• Ensure that fuel supply and long term PPA's for off-take of power generated are adequately tied up• Upfront equity contribution
Portfolio risk mitigation	<ul style="list-style-type: none">• Distribute the exposure to other banks through syndication• Maintain and closely monitor cash/escrow accounts

SME

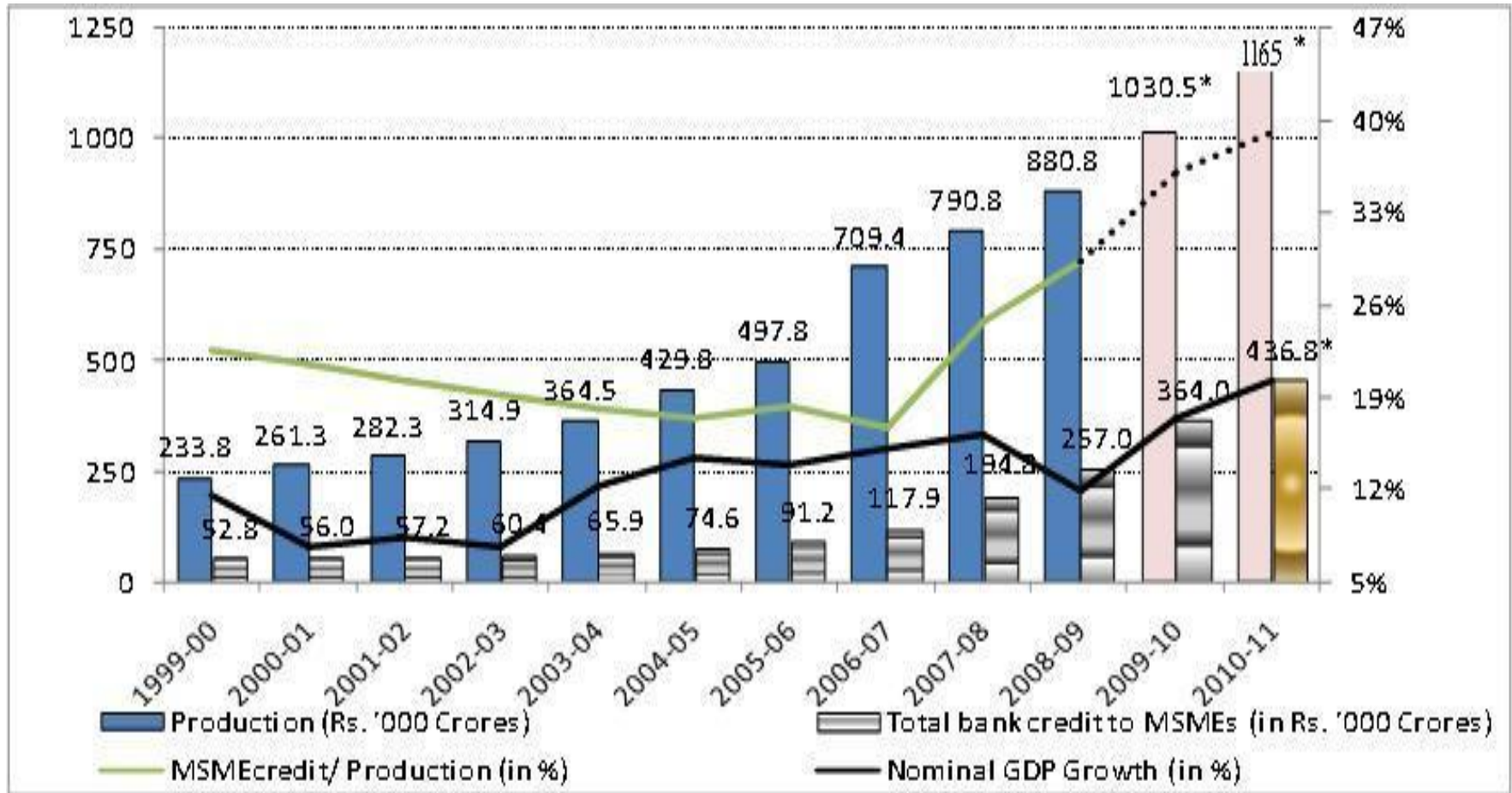
MSME: Growing Segment

Year	Total MSME units (lacs units)	Fixed Investment (₹'000 Crores)	Production at Current Prices (₹'000 Crores)
2006-07	261.01	500.8	709.4
2007-08	272.79	558.2	790.8
2008-09	285.16	621.8	880.8
2009-10	298.08	696.4	1,030.5
2010-11	NA	786.9	1,165.0

Census Data

Source: Ministry of Micro, Small and Medium Enterprises Govt of India, Annual Report 2007-08 and 2008-09
For 2009-10 and 2010-11 fixed investment and Production is estimated based on recent years performance.

Steady Growth in Bank Credit to MSMEs

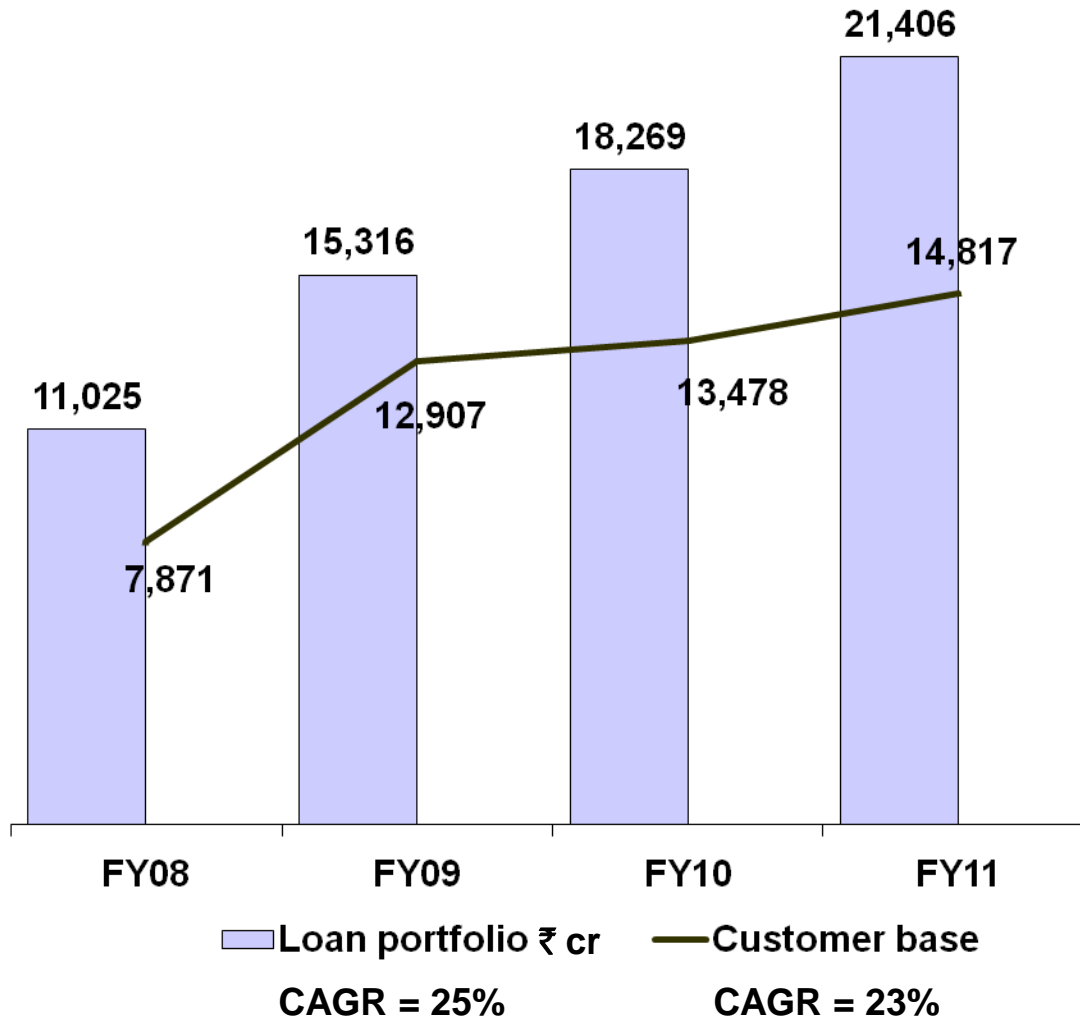


Source- RBI. As per the Data published by RBI/SIDBI, production data till FY06 is only for SSIs and from FY07 onwards it pertains to overall MSME segment (as per regulatory definition).

*Total value of the goods produced by MSME sector in FY09-10 & 10-11 is estimated. Amount of bank credit available to SSI in FY10-11 is estimated.

Profitable Business Growth

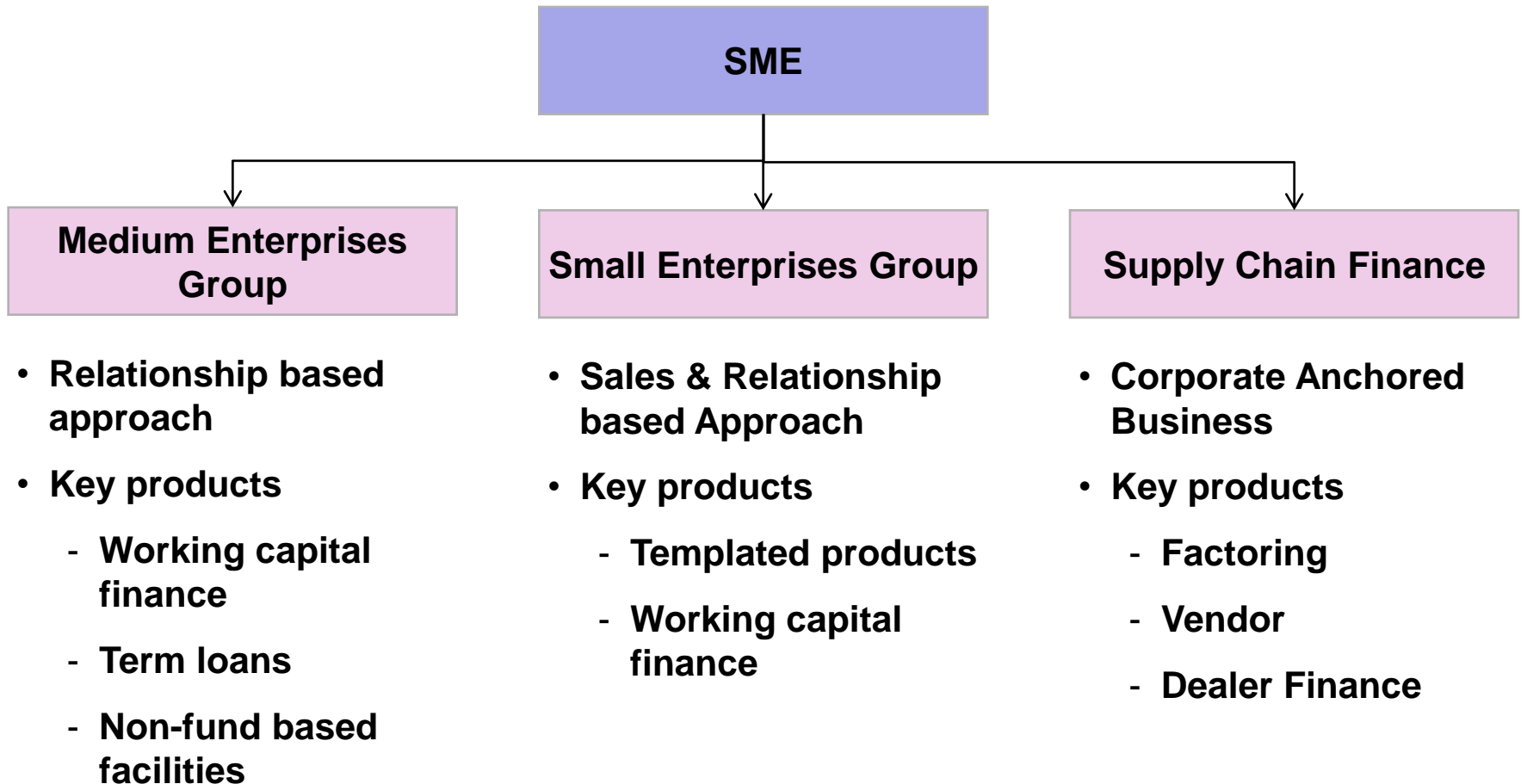
Growth in loan portfolio and customer base



Full-service product offering

- Loans
- Current Accounts
- Trade finance and Forex
- Payroll accounts

Segmented Approach



Relationship-led Model

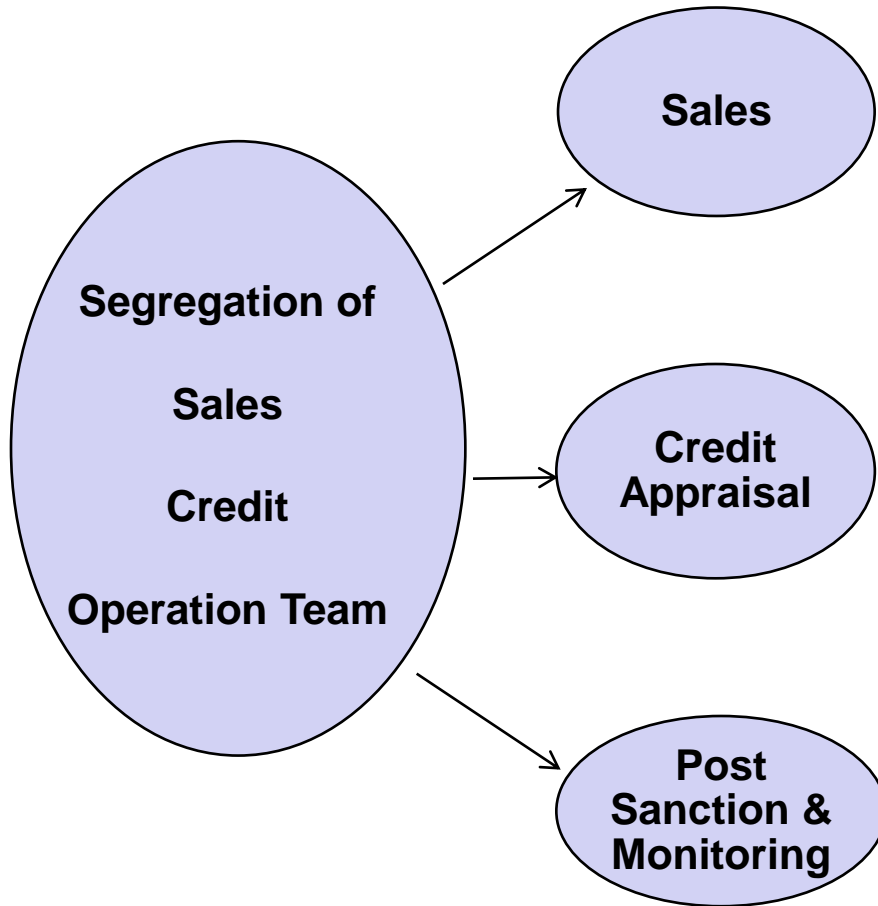
Encourage cross-sell

- **Almost all SME customers have Current Accounts with the Bank**
- **Nearly 1/3rd of SME customers avail forex products**
- **Integration with Wealth Management a key priority going forward**

Invest in quality and personal touch of RMs

- **78% of SME Customers have rated overall quality of RM highly (source: IMRB survey, 2011)**
- **Key strengths of RM model as per the IMRB survey:**
 - **Availability**
 - **Knowledge level**
 - **Timely product and service delivery**
 - **Promptness in responding to queries**

Separation of Sales, Credit and Operations



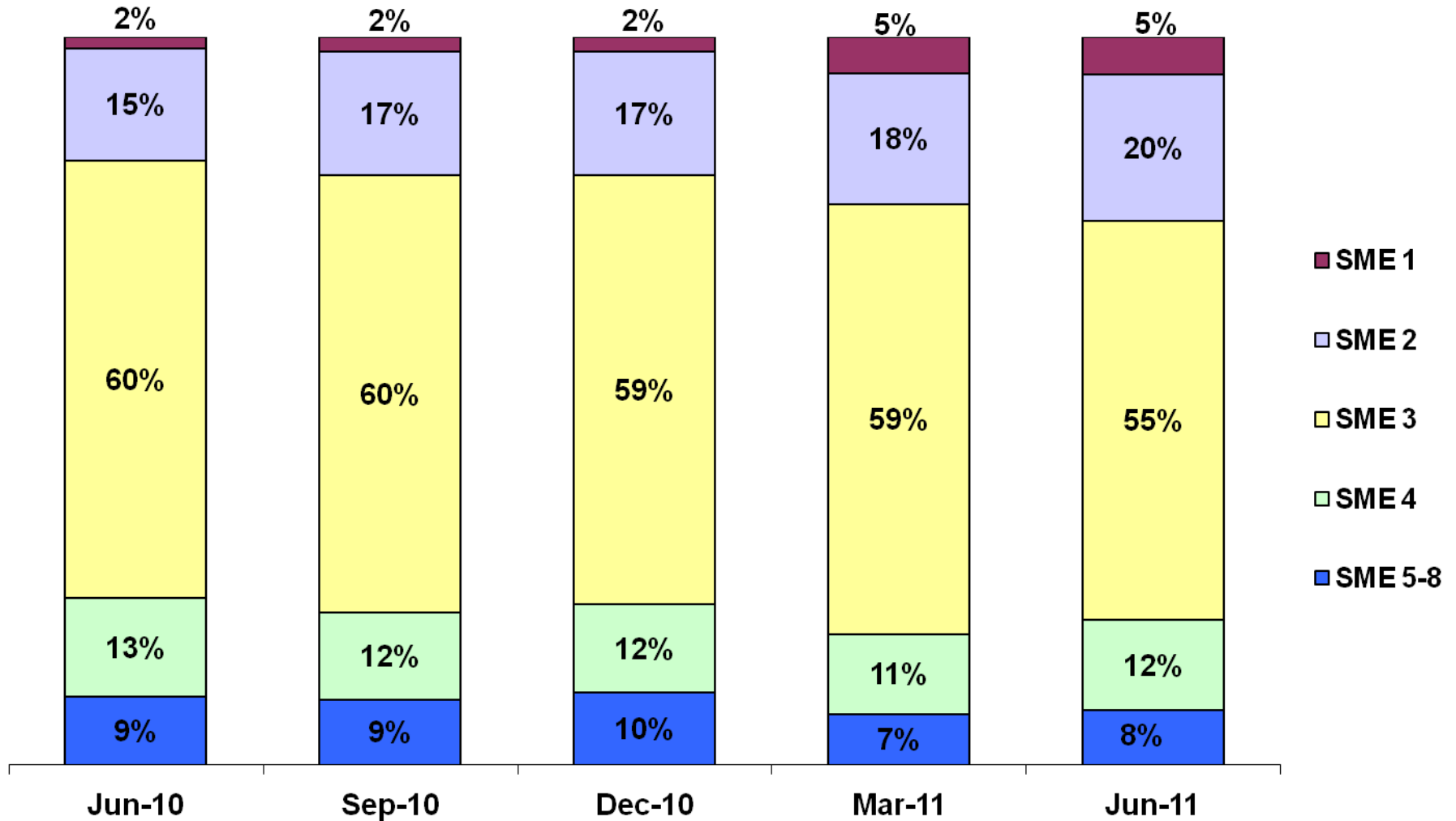
- Relationship Managers
- Branch leads

- Business Proposals processed through dedicated credit cells at 32 SME Centers
- Proposals rated and vetted by independent Risk team

- Disbursement & Monitoring by separate Corporate Banking Operations Team

Distribution of Ratings

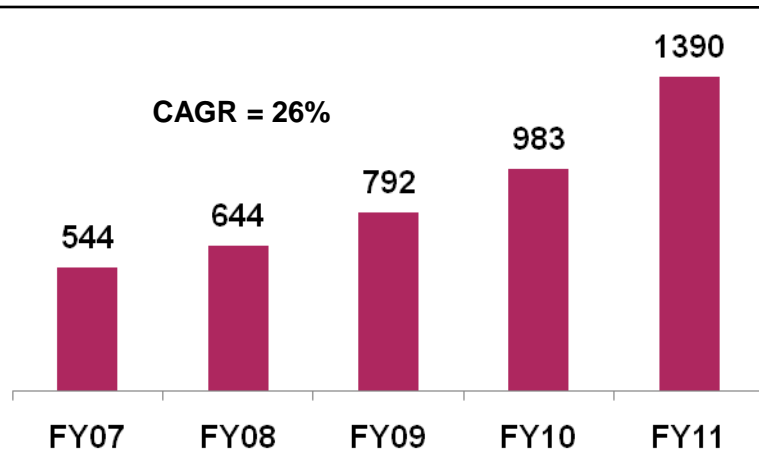
80% of SME advances have rating of at least 'SME3' as at June 2011



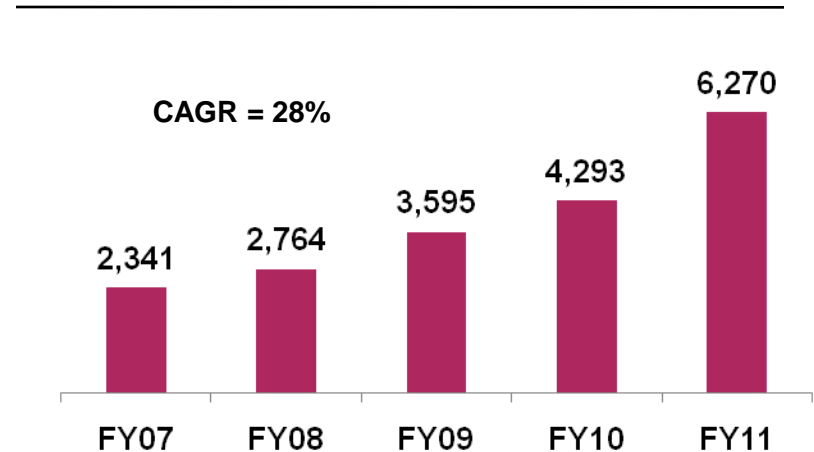
Retail Banking

Consistent Growth in Retail Franchise

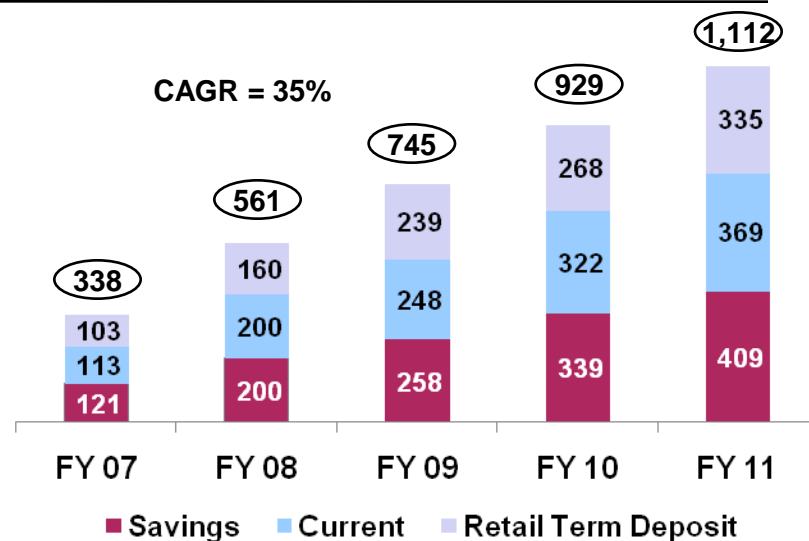
Branch Network



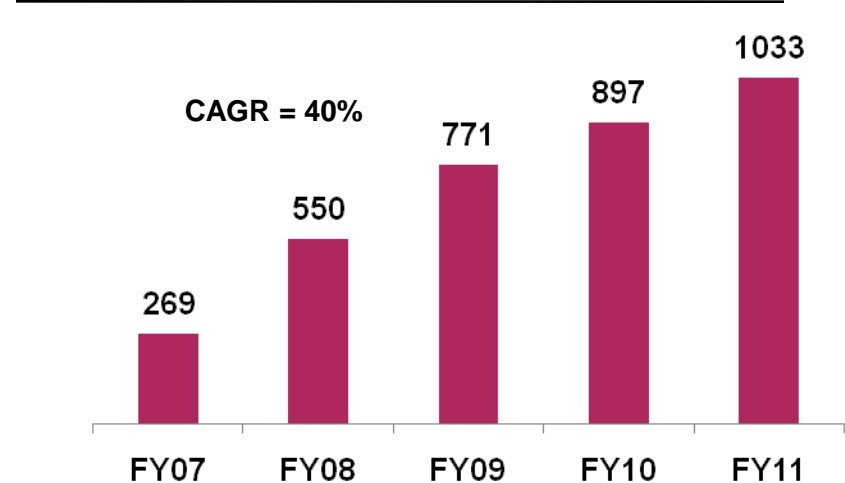
ATM Network



Retail Deposit franchise (₹ bn.)

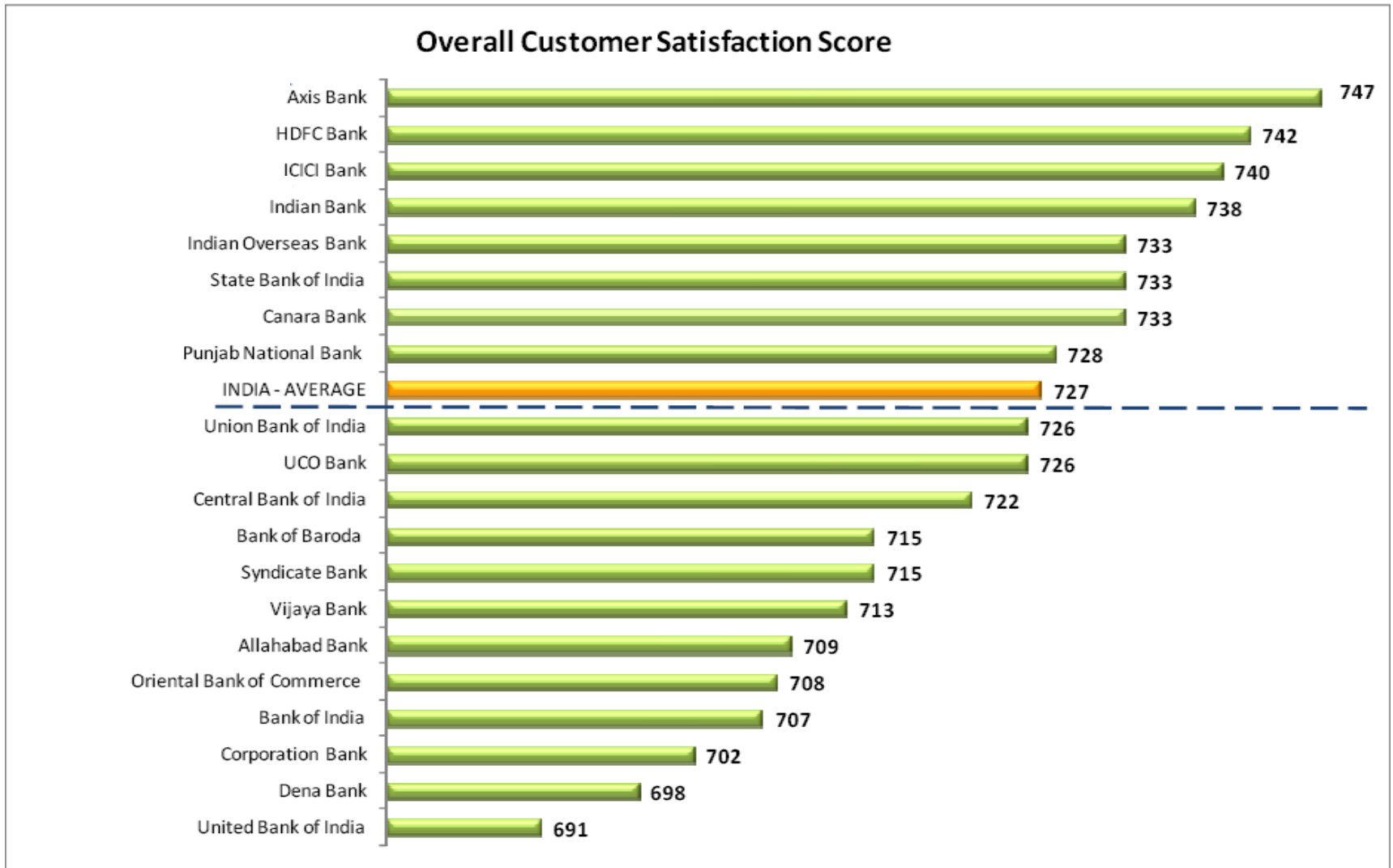


Retail Fees (₹ Cr.)



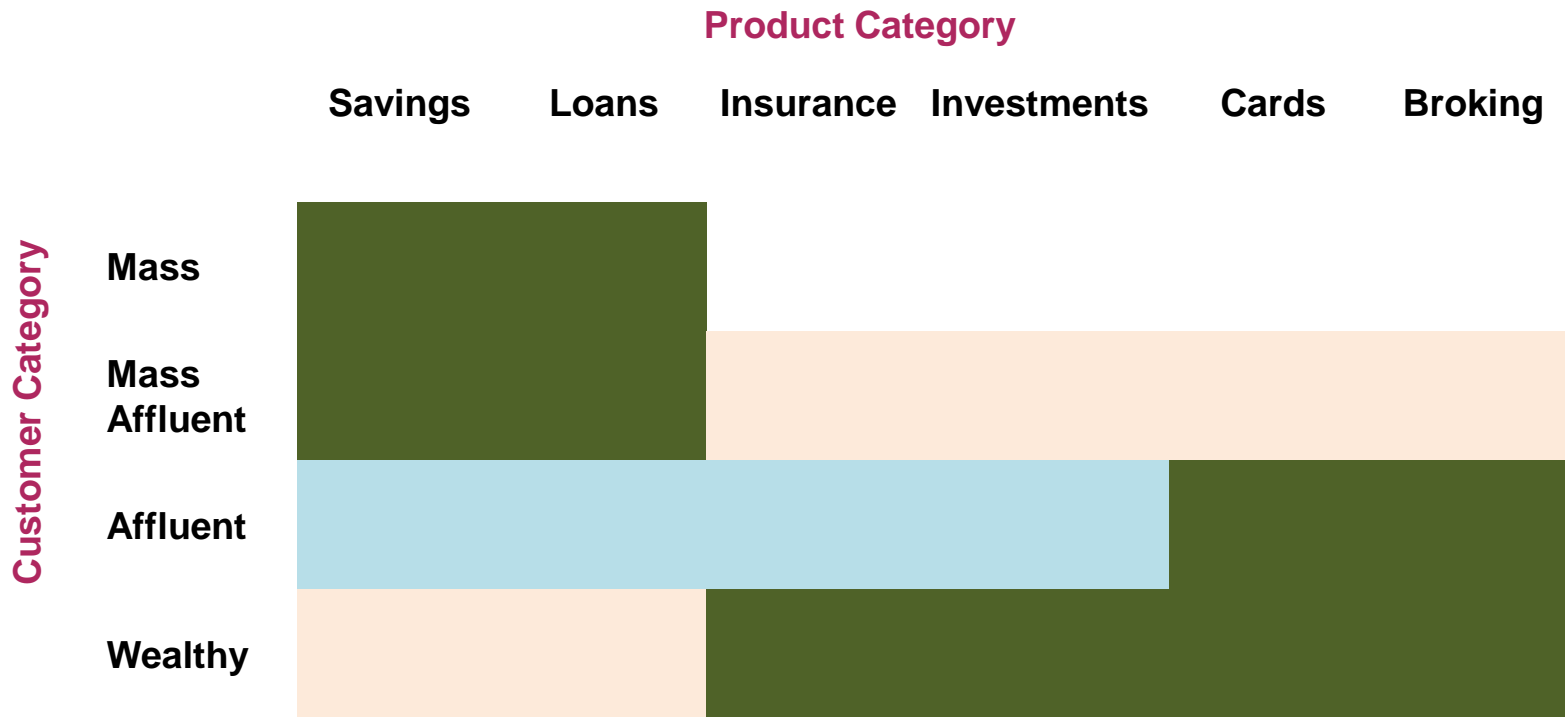
Recognised for High Quality Customer Service

Hindustan Times – MARS Banking Satisfaction study 2010



This independent survey covered 18 Cities and 9,486 bank account holders across India

Customer Needs Along Six Product Dimensions



Legend: Heavy requirement Moderate requirement Light requirement

Investment, Insurance and Broking offerings

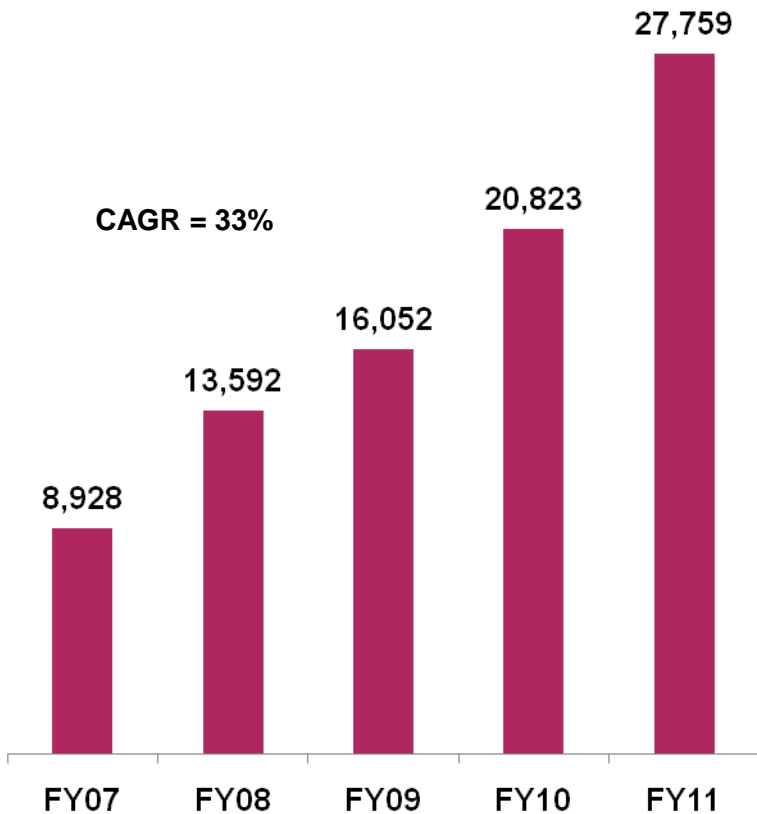
- ➔ **Distribution of investment products**
 - **Mutual Fund (particularly Axis Mutual Fund)**
 - **Wealth advisory services**

- ➔ **Life insurance distribution tie-up with Max New York Life**

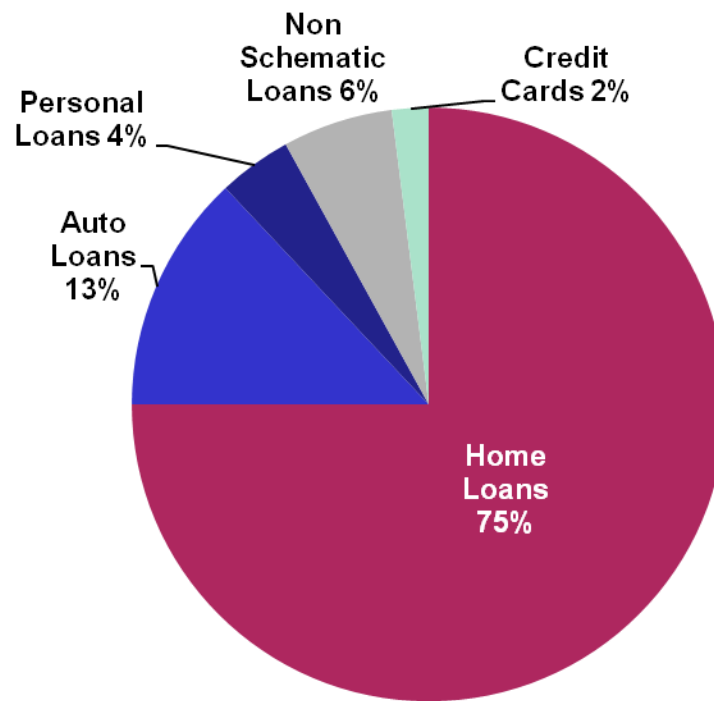
- ➔ **Launch of 'Axis Direct' – online broking offering targeted at savings bank customers**
 - **Integrated with Savings Bank and demat products of the Bank**

Retail Lending: A Key Driver for Cross-sell

Retail Advances Portfolio (₹cr)



Retail Loan mix – FY11



Five-pronged Strategy for Retail Assets

To Build a Profitable And Balanced Retail Lending Book



Thank You