

AXIS BANK

**FY 2009-10
First Quarter Results**

Investor Presentation

Performance Highlights

Q1FY10

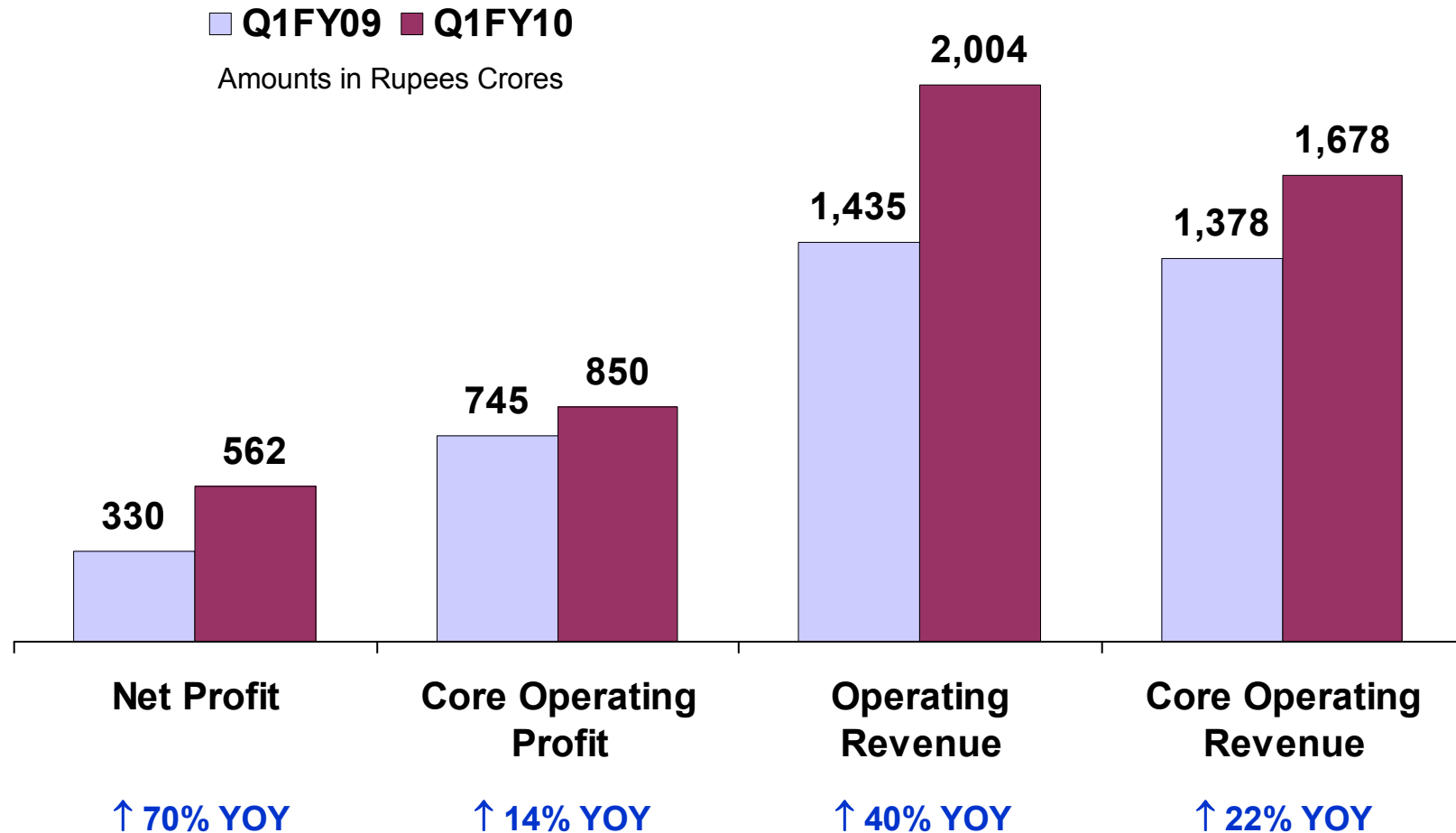
Net Profit	↑ 70% YOY
Net Interest Income	↑ 29% YOY
Fee Income	↑ 17% YOY
Operating Revenue	↑ 40% YOY
Operating Profit	↑ 47% YOY
Net Interest Margin	3.34%
Cost of Funds	6.09%

Interpretation of Q1FY10 Performance

- **Rapid Growth in the Bank's core businesses**
 - Total Net Advances grow 28% yoy to Rs. 78,105 crores
 - Total Investments grow 30% yoy to Rs. 46,328 crores
 - Total Assets register a 24% yoy growth, rising to Rs. 1,41,142 crores
 - Fees grow by 17% yoy, rising to Rs. 626.63 crores
 - Share of demand deposits in total deposits at 40%
- **Retail Assets grow by 15% yoy to Rs. 16,780 crores; constitute 21% of total advances, as compared to 24% as on end June '08**
- **Net NPAs at 0.41%, compared to 0.47% as at end June '08**
- **At end June '09, Book Value per share was Rs. 299.76, compared to Rs. 254.42 as at end June '08**
- **Capital Adequacy at 15.28% with Tier – I capital at 9.39%**

Profitability

Sustained Growth: Robust Core Revenues



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

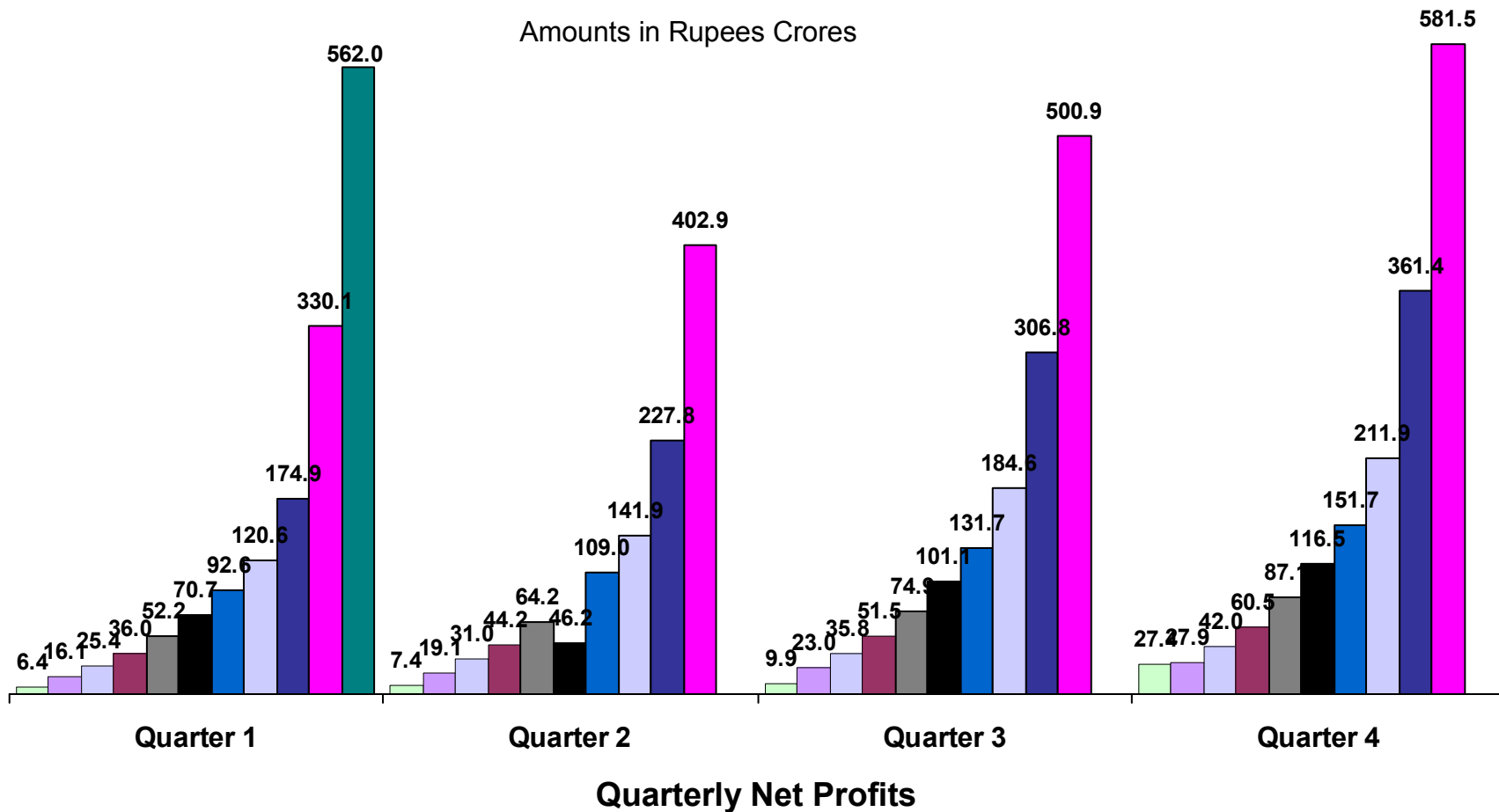
Consistent Net Profit Growth

Over 30% yoy growth in Net Profit in 36 out of the last 38 quarters

Over 60% yoy growth in Net Profit in each of the last 8 quarters

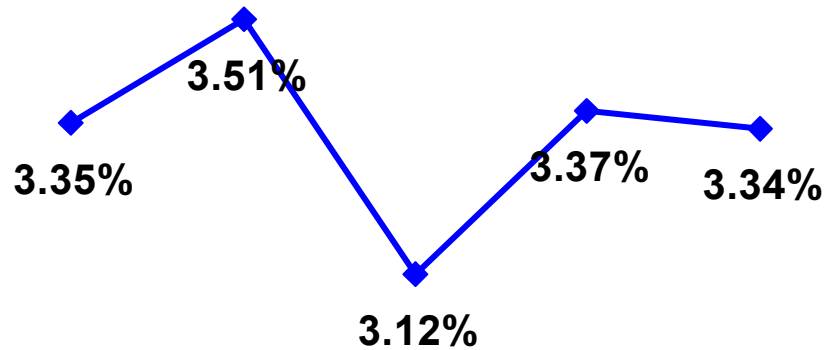
■ FY00 ■ FY01 ■ FY02 ■ FY03 ■ FY04 ■ FY05 ■ FY06 ■ FY07 ■ FY08 ■ FY09 ■ FY10

Amounts in Rupees Crores

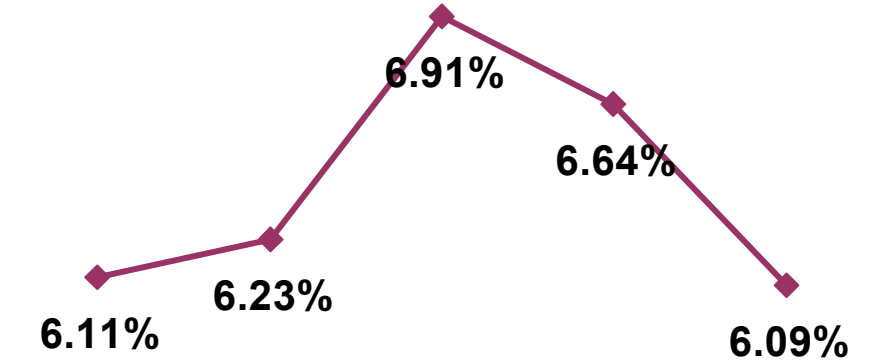


Net Interest Margin and Cost of Funds

◆ Net Interest Margin



◆ Cost of Funds



Q1FY09 Q2FY09 Q3FY09 Q4FY09 Q1FY10

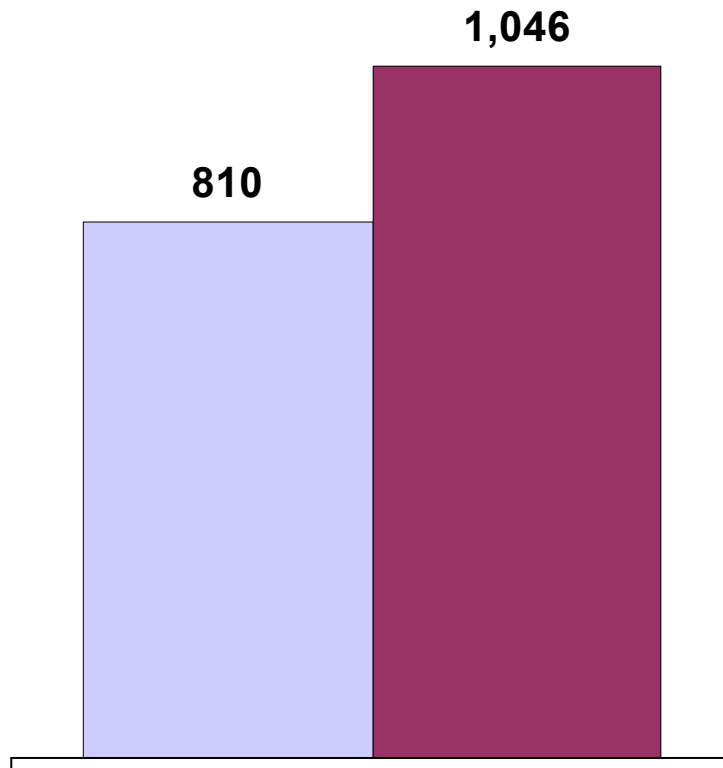
Q1FY09 Q2FY09 Q3FY09 Q4FY09 Q1FY10

NIMs in the last 5 years (%):

FY 05:	2.90
FY 06:	2.85
FY 07:	2.74
FY 08:	3.47
FY 09:	3.33

Growing Net Interest Income

■ Q1FY09 ■ Q1FY10
Amounts in Rupees Crores



Net Interest Income

↑ 29% YOY

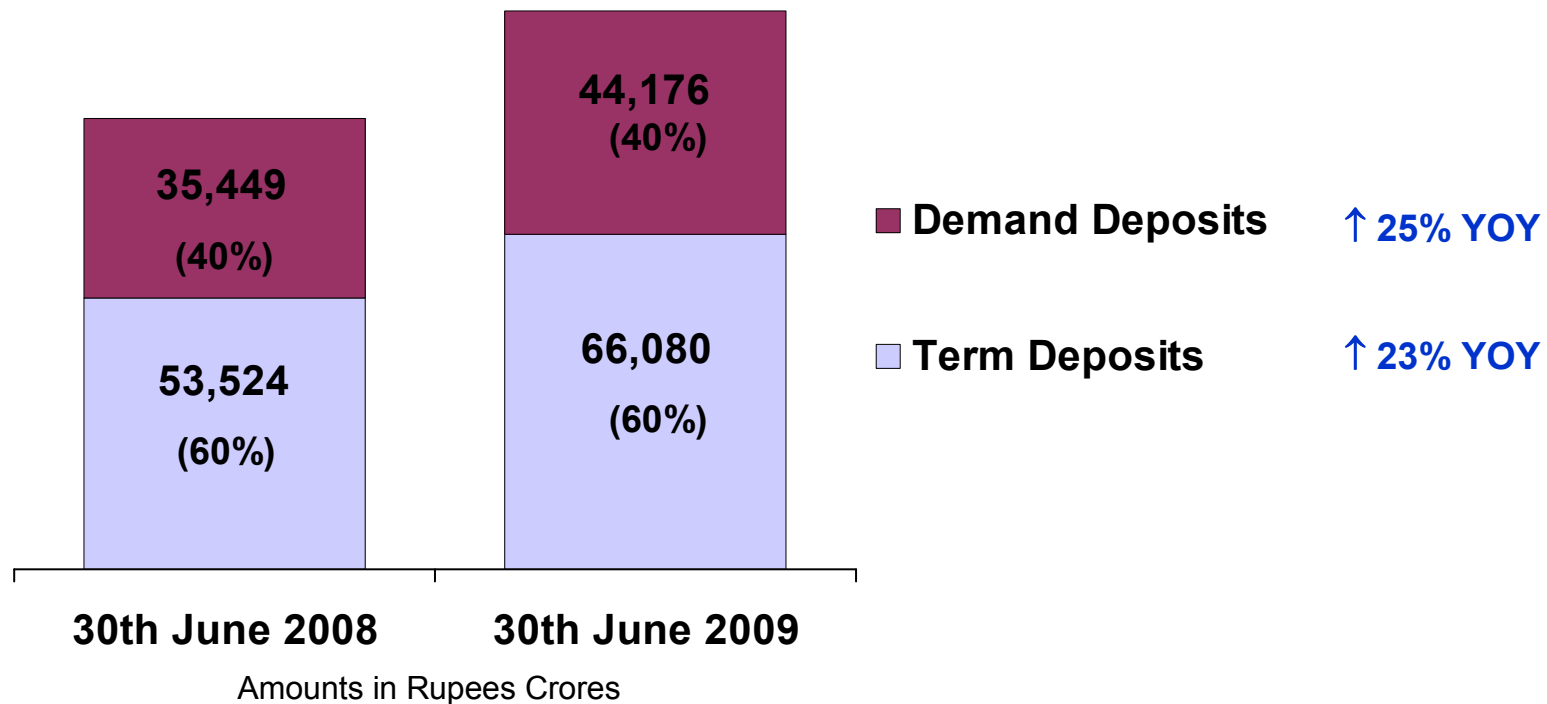
NII's in the last 5 years

FY05	:	731
FY06	:	1,078
FY07	:	1,468
FY08	:	2,585
FY09	:	3,686

CAGR (5 years) : 45%

Growing Demand Deposits

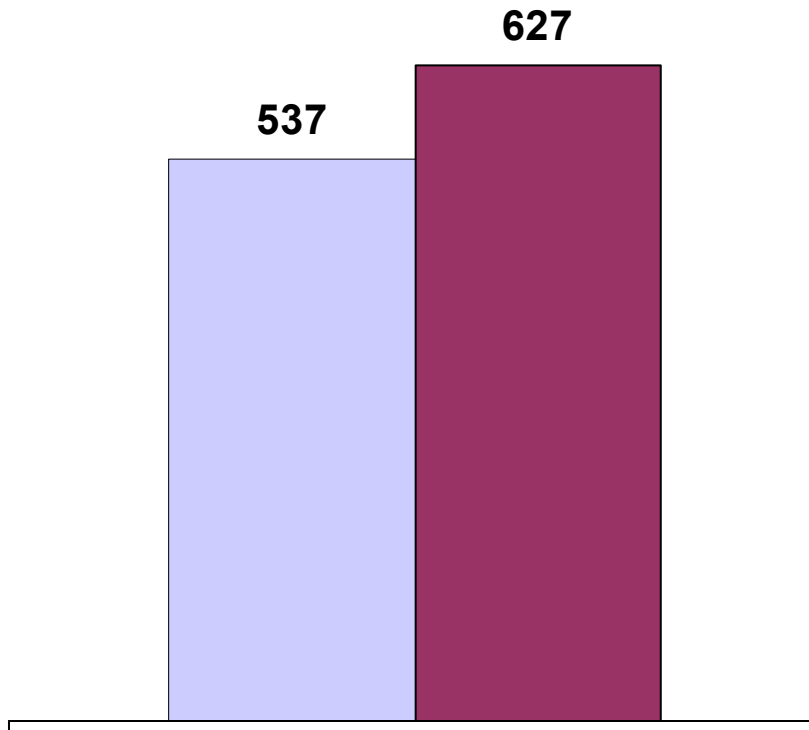
YOY Growth in Daily Average Demand and Term Deposits	
Savings	33%
Current	15%
Total Demand Deposits	25%
Total Deposits	26%



Fees

■ Q1FY09 ■ Q1FY10

Amounts in Rupees Crores



Fees

↑ 17% YOY

Fees in the last 5 years

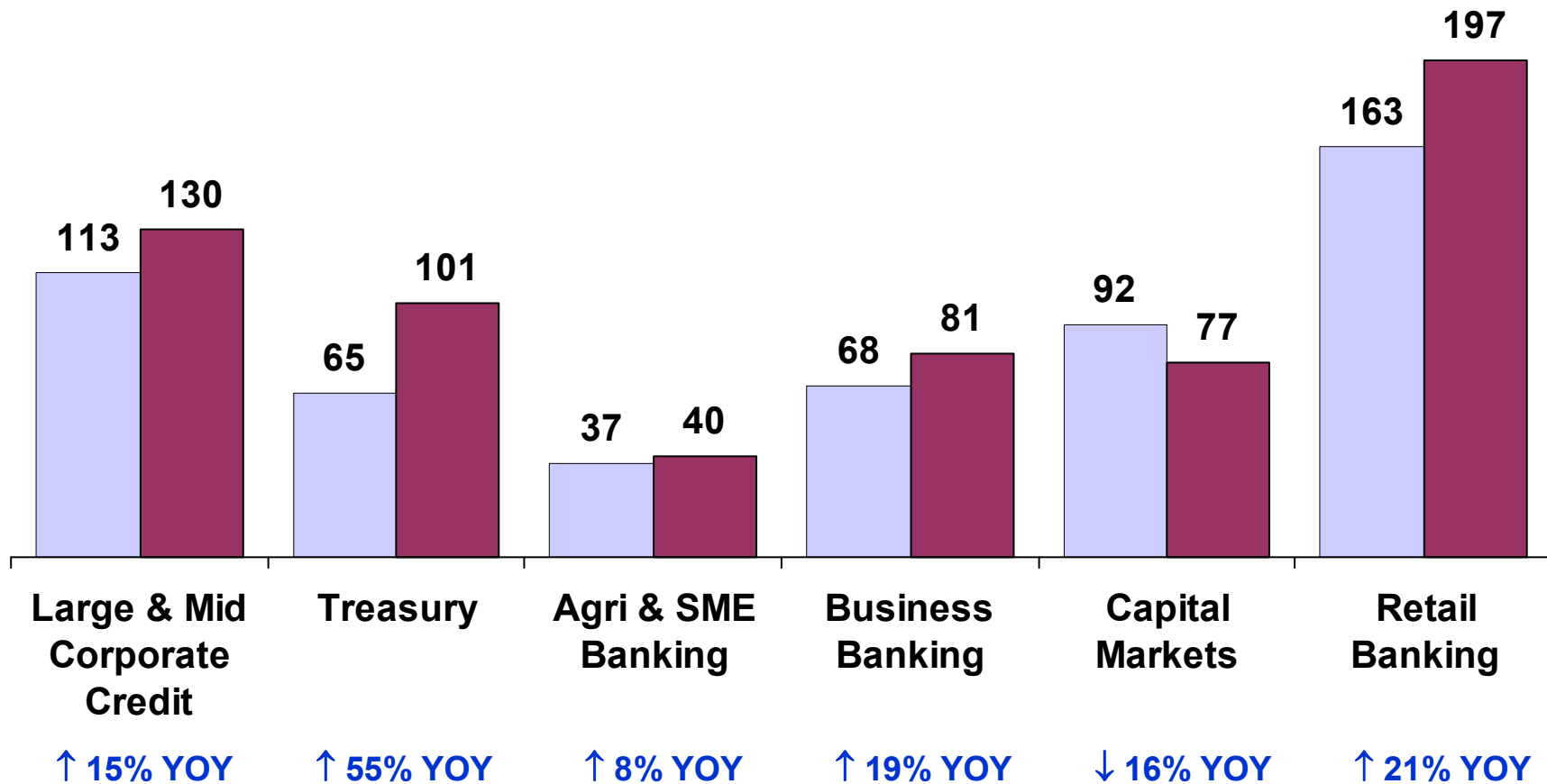
FY 05	:	366
FY 06	:	558
FY 07	:	890
FY 08	:	1,495
FY 09	:	2,447

CAGR (5 years) : 65%

Fee Income Composition

■ Q1FY09 ■ Q1FY10

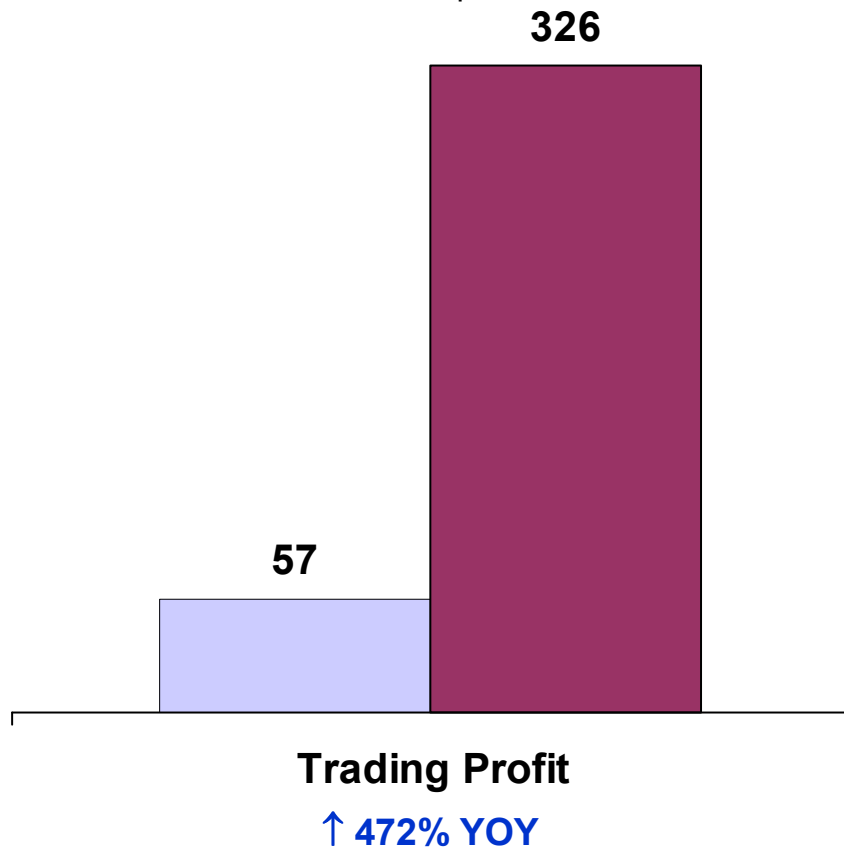
Amounts in Rupees Crores



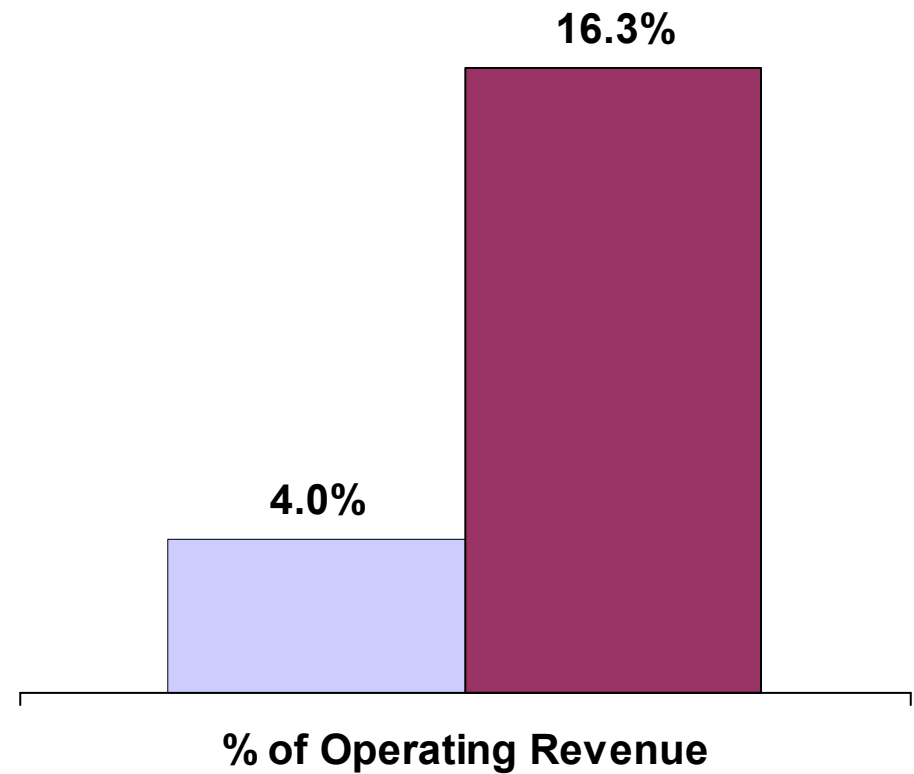
Trading Profits

■ Q1FY09 ■ Q1FY10

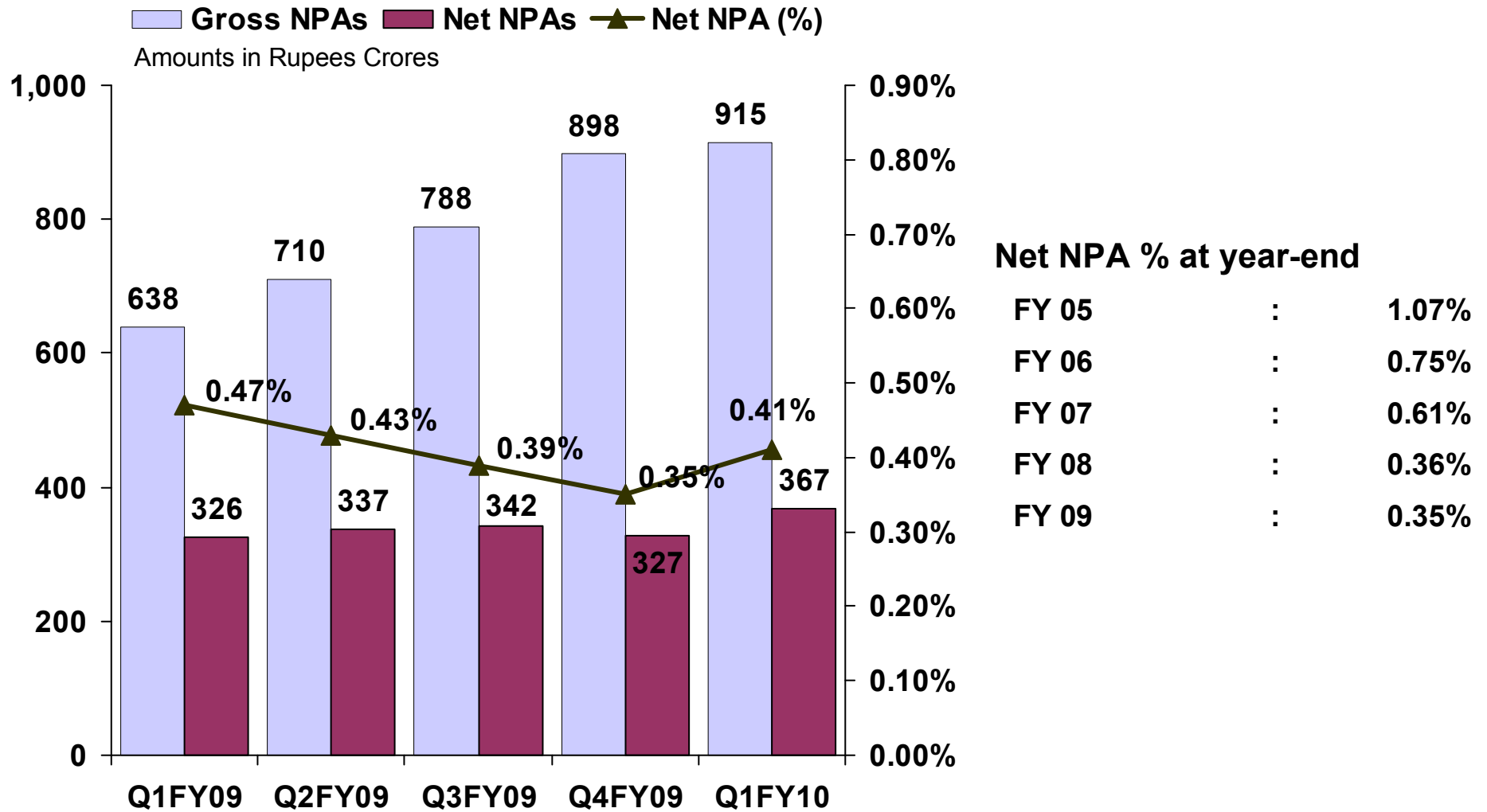
Amounts in Rupees Crores



■ Q1FY09 ■ Q1FY10



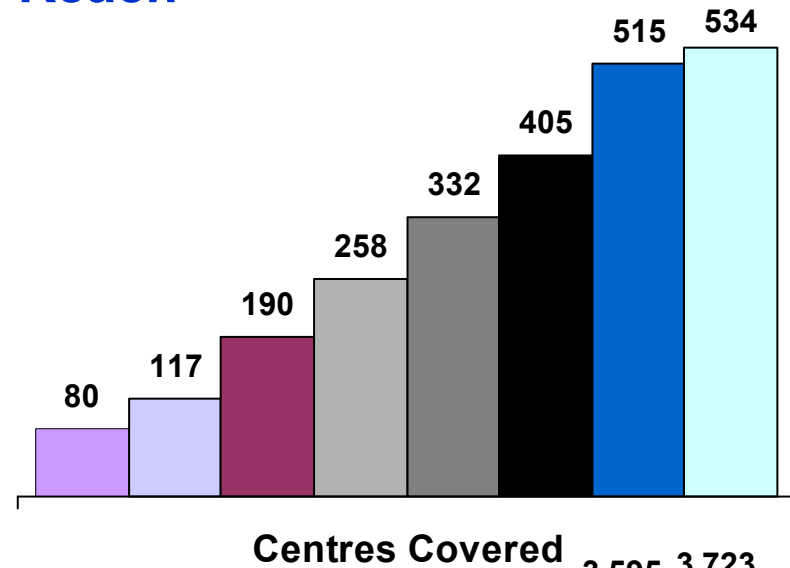
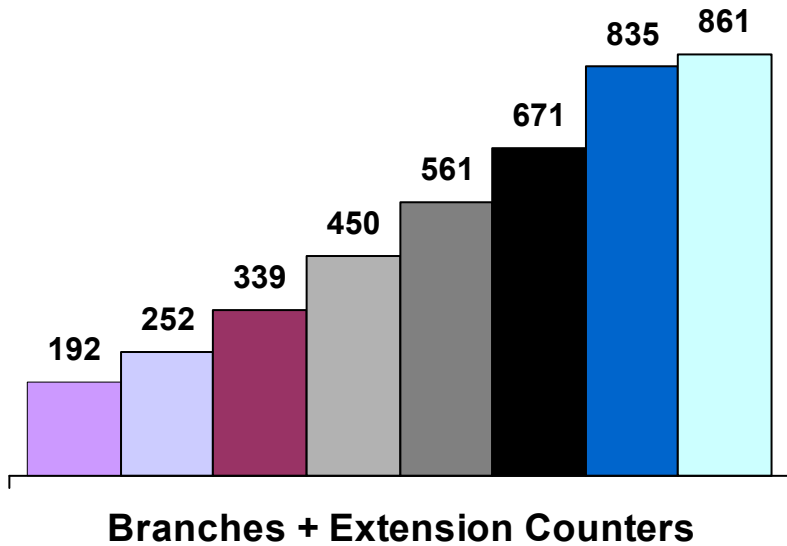
Stressed Assets and Net NPA (%)



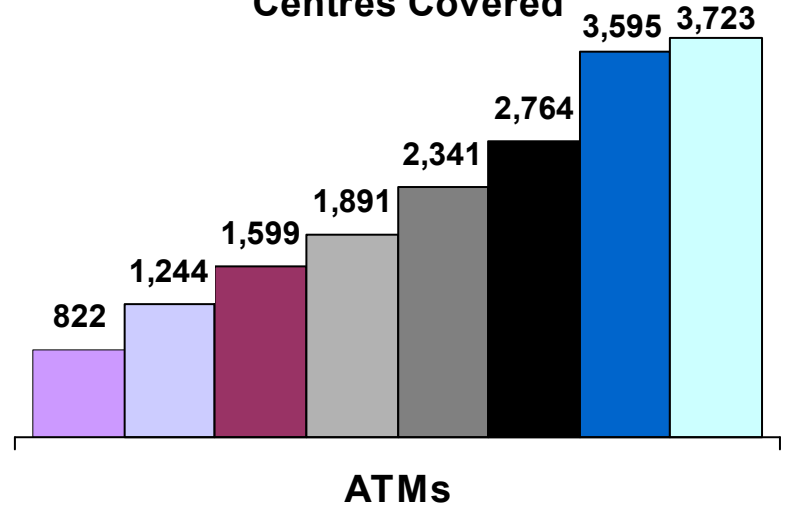
BUSINESS OVERVIEW

Network

Increasing Reach



Branch Demographics (Domestic)		
	<u>Branches</u>	<u>Extn. Counters</u>
Metro	275	6
Urban	334	2
Semi-urban	197	0
Rural	47	0
Total	853	8



■ March 2003
 ■ March 2004
 ■ March 2005
 ■ March 2006
 ■ March 2007
 ■ March 2008
 ■ March 2009
 ■ June 2009

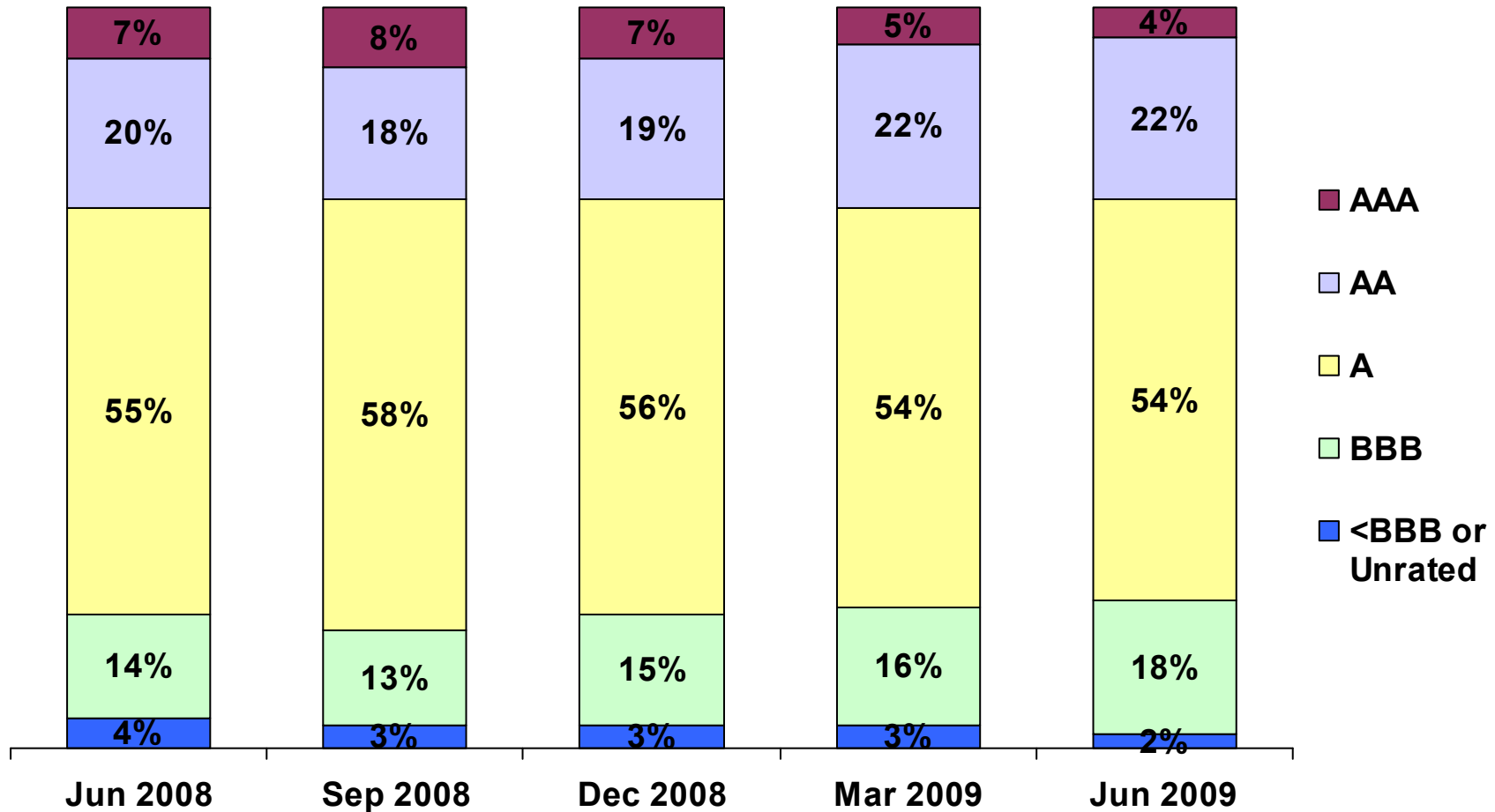
Large and Mid Corporate Banking

- 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

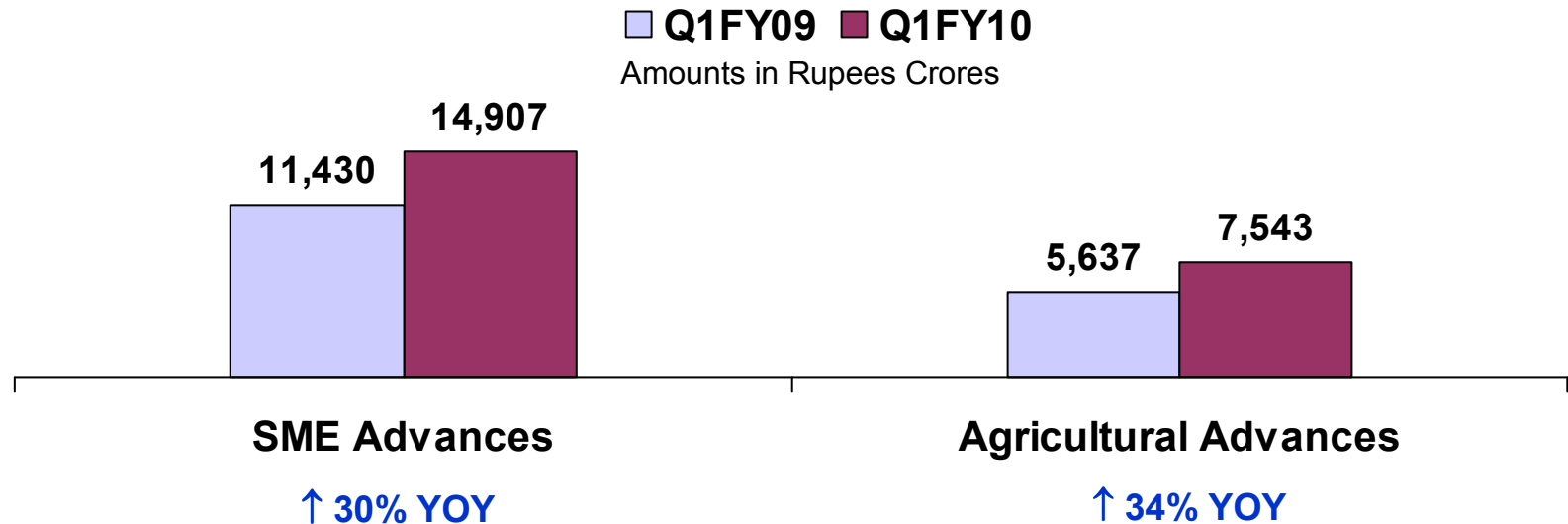
Distribution of Ratings

(Large and Mid Corporate)

80% of corporate advances have rating of at least 'A' as at June 2009



SME and Agri Business



SME centres	24	25
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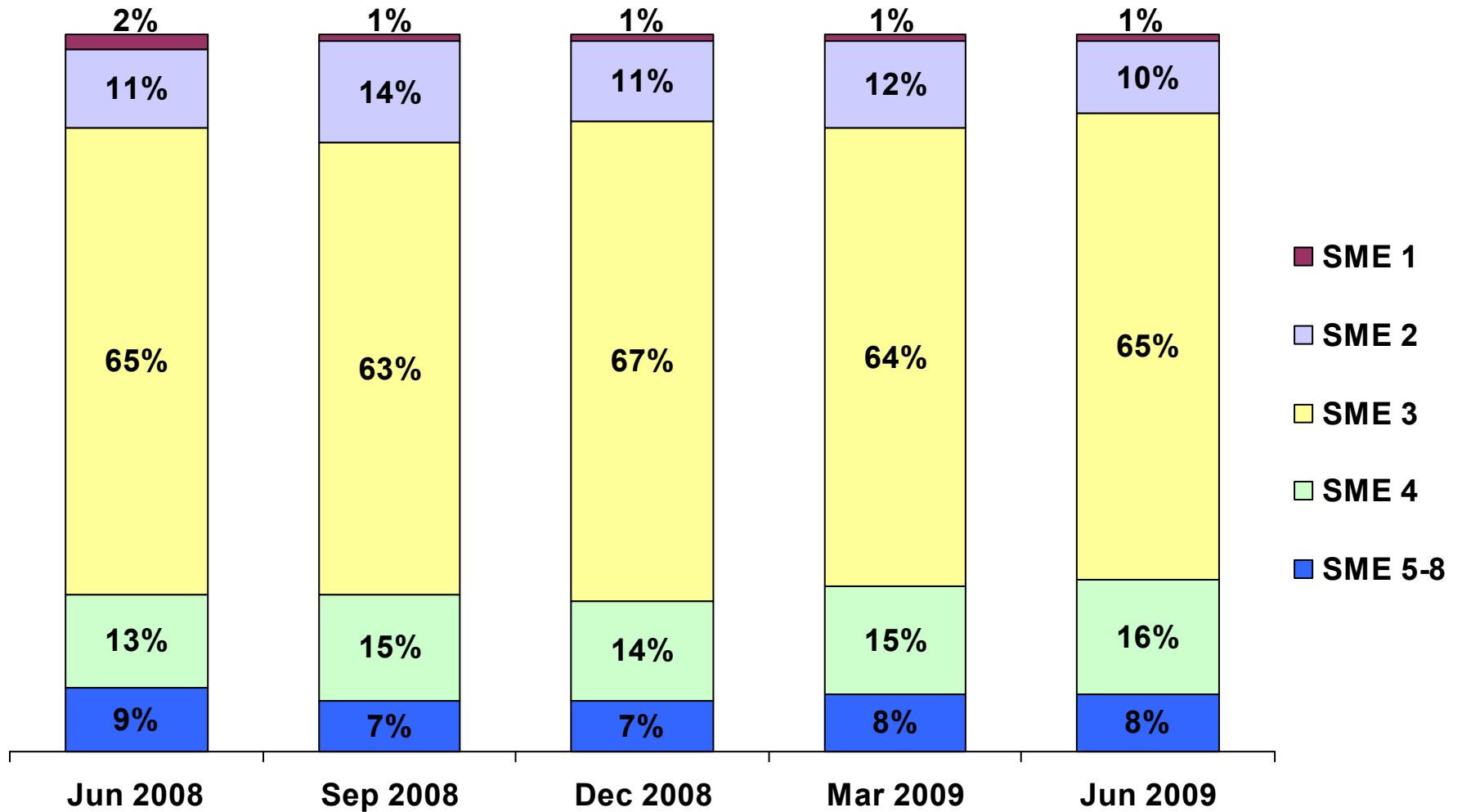
Agri clusters	39	49
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- **Specialised SME Centres** for SME appraisals, sanctions and post-sanction monitoring
- **Product categories**
 - Schematic loans
 - Non-schematic loans

- **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

76% of SME advances have rating of at least 'SME3' as at June 2009



Top Sector Exposures

Across Large and Mid Corporates, SME and Corporate Agri

Rank	Sectors	Exposure as on 30 June 2009 (%)		
		Total	Fund-based	Non-fund based
1.	Infrastructure*	12.10	8.95	18.47
2.	Financial Companies**	8.13	9.61	5.13
3.	Metal & Metal Products	8.06	6.83	10.53
4.	Real Estate	5.56	8.00	0.62
5.	Power Generation & Distribution	5.14	3.42	8.61
6.	Trade	5.12	5.28	4.79
7.	Shipping & Logistics	4.63	4.48	4.93
8.	Textiles	4.62	5.82	2.19
9.	Telecommunications	4.05	2.74	6.68
10.	Gems & Jewellery***	3.71	2.40	6.38

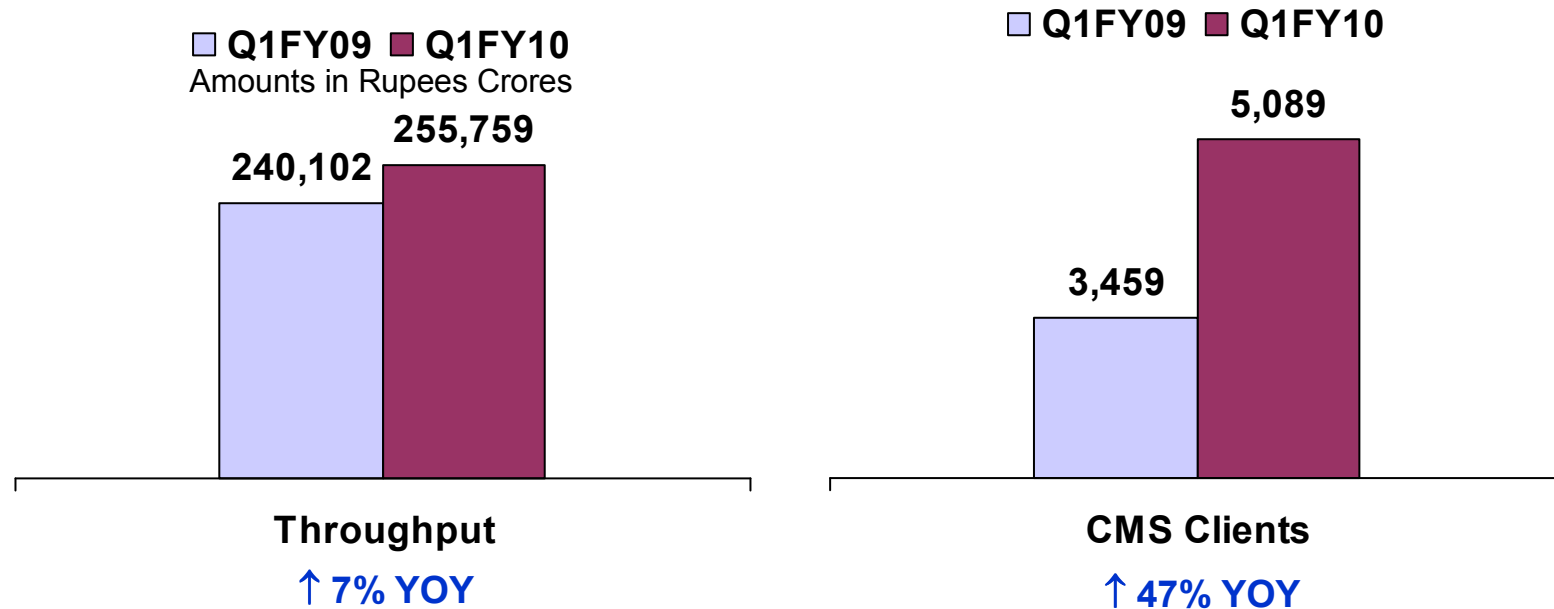
* Financing of projects (roads, ports, airports etc.)

** Housing Finance Companies and other NBFCs

*** Approximately 41% of exposure is backed by cash margin

Business Banking

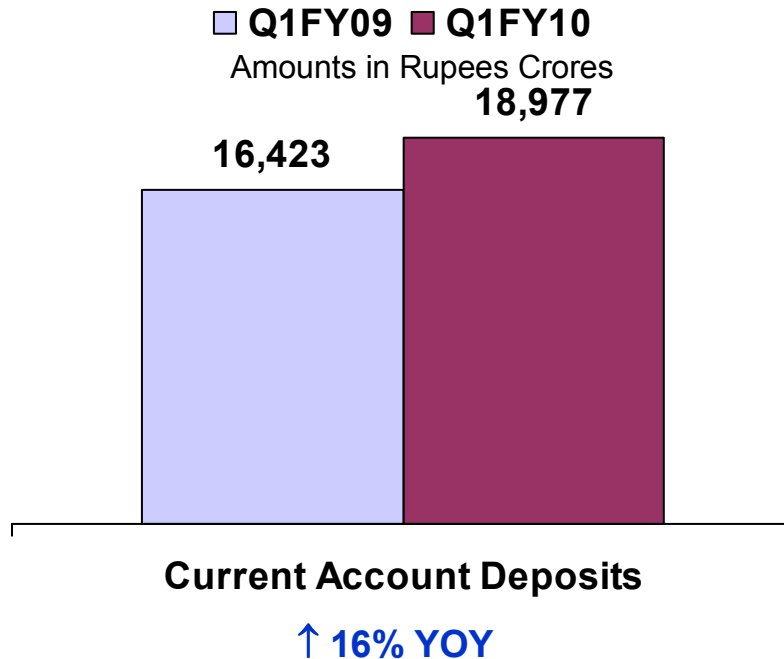
Cash Management Services



- Collection of Central Government taxes on behalf of CBDT and CBEC, including through e-payments
- Collection of State Government taxes on behalf of seven State Governments and UTs
- Collections and payments for Central Government ministries - Railways, Urban Development and Housing & Urban Poverty Alleviation
- Collections under e-governance initiatives of 4 State Governments and Chandigarh

Business Banking

Current Accounts Growth



Current Account Deposits for the last 5 years

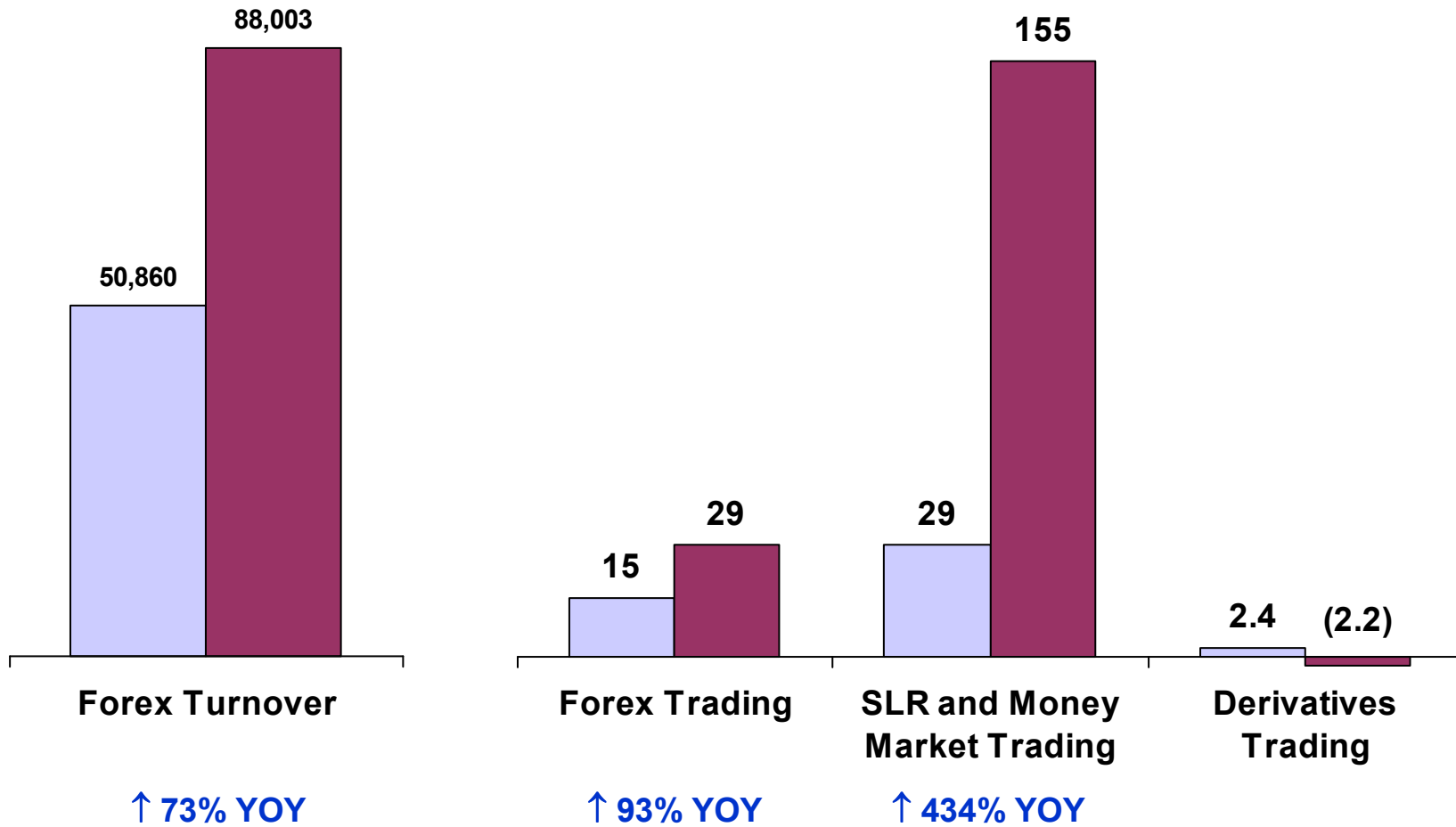
Mar'05	:	7,155
Mar'06	:	7,970
Mar'07	:	11,304
Mar'08	:	20,045
Mar'09	:	24,822

CAGR : 36%

- 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

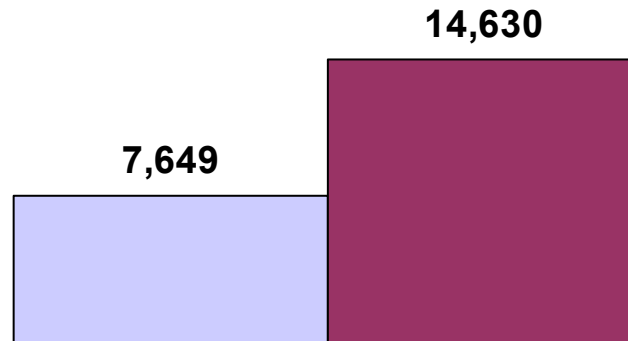
Treasury

□ Q1FY09 ■ Q1FY10
Amounts in Rupees Crores



Capital Markets

■ Q1FY09 ■ Q1FY10
Amounts in Rupees Crores



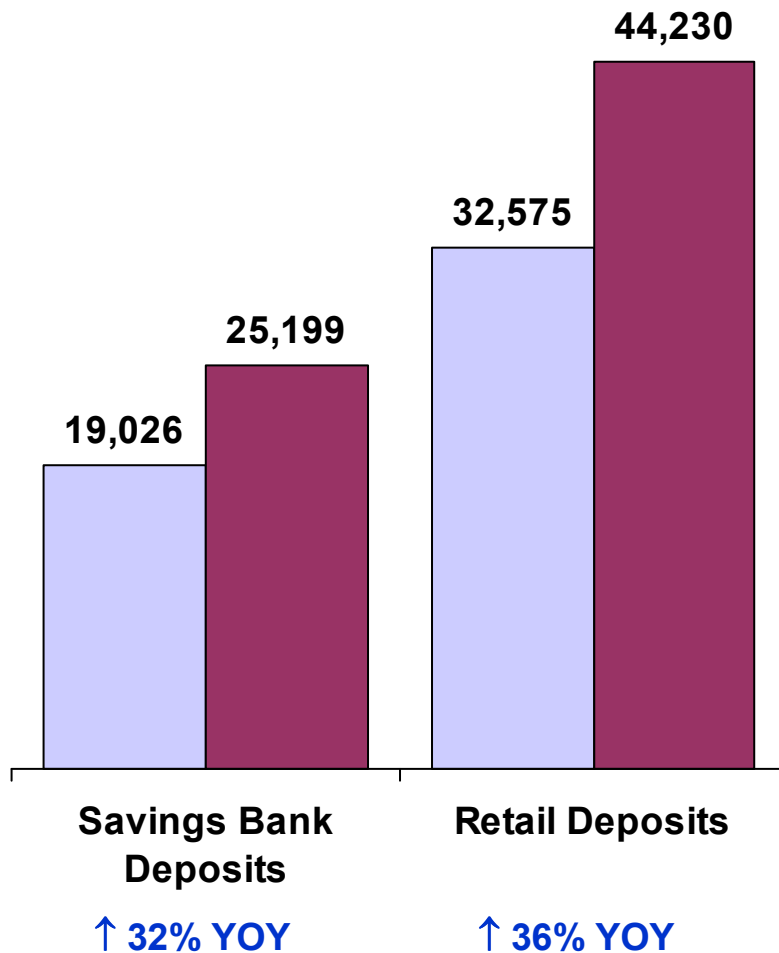
Placements & Syndications

↑ 91% YOY

- A dominant player in placement and syndication of debt issues
- Ranked No.1 in Bloomberg league table for 'India Domestic Bonds' for calendar year 2008 and quarter ended 31st March 2009
- Ranked No. 1 Debt Arranger by Prime Database for the year ended 31st March 2009
- 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

■ Q1FY09
 ■ Q1FY10
 Amounts in Rupees Crores



Savings Bank Deposits for the last 5 years

Mar 2005	:	4,891
Mar 2006	:	8,065
Mar 2007	:	12,126
Mar 2008	:	19,982
Mar 2009	:	25,822

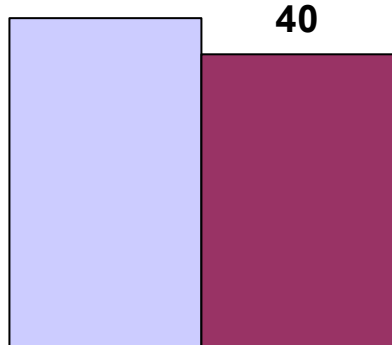
CAGR (5 years) : 58%

Savings Bank 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

■ Q1FY09
 ■ Q1FY10
 Amounts in Rupees Crores



Fee for Personal Investment Products

↓ 11% YOY

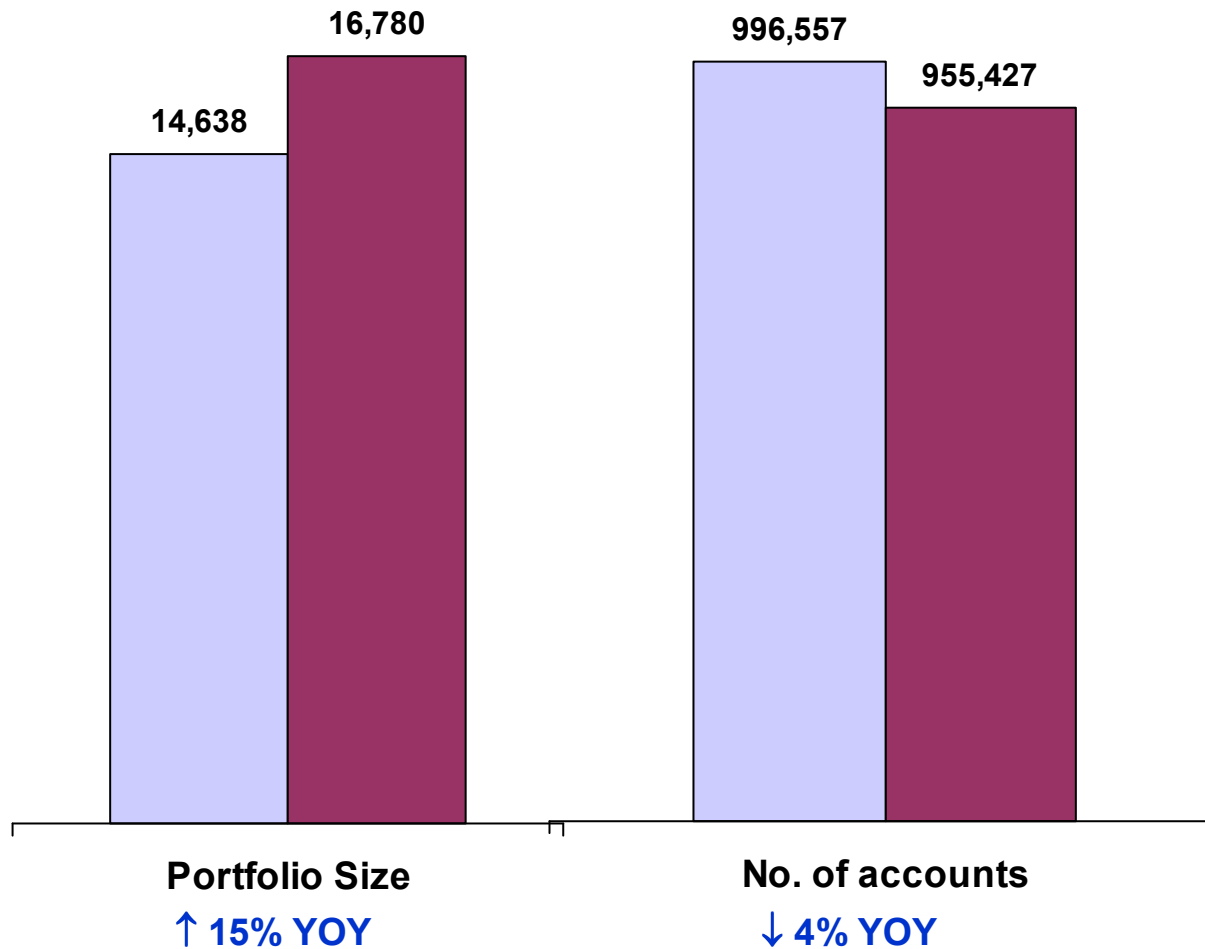
- **Focus on cross-selling to existing customers to generate fee income**
- **Third-party products sold include: Mutual Funds, Insurance, On-Line Broking, Portfolio Management Services (Non-discretionary), Gold Coins and Depository services**
- **Systematic segmenting of customers**

Description	Mass market	Mass Affluent	Affluent
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

■ Q1FY09 ■ Q1FY10
Amounts in Rupees Crores

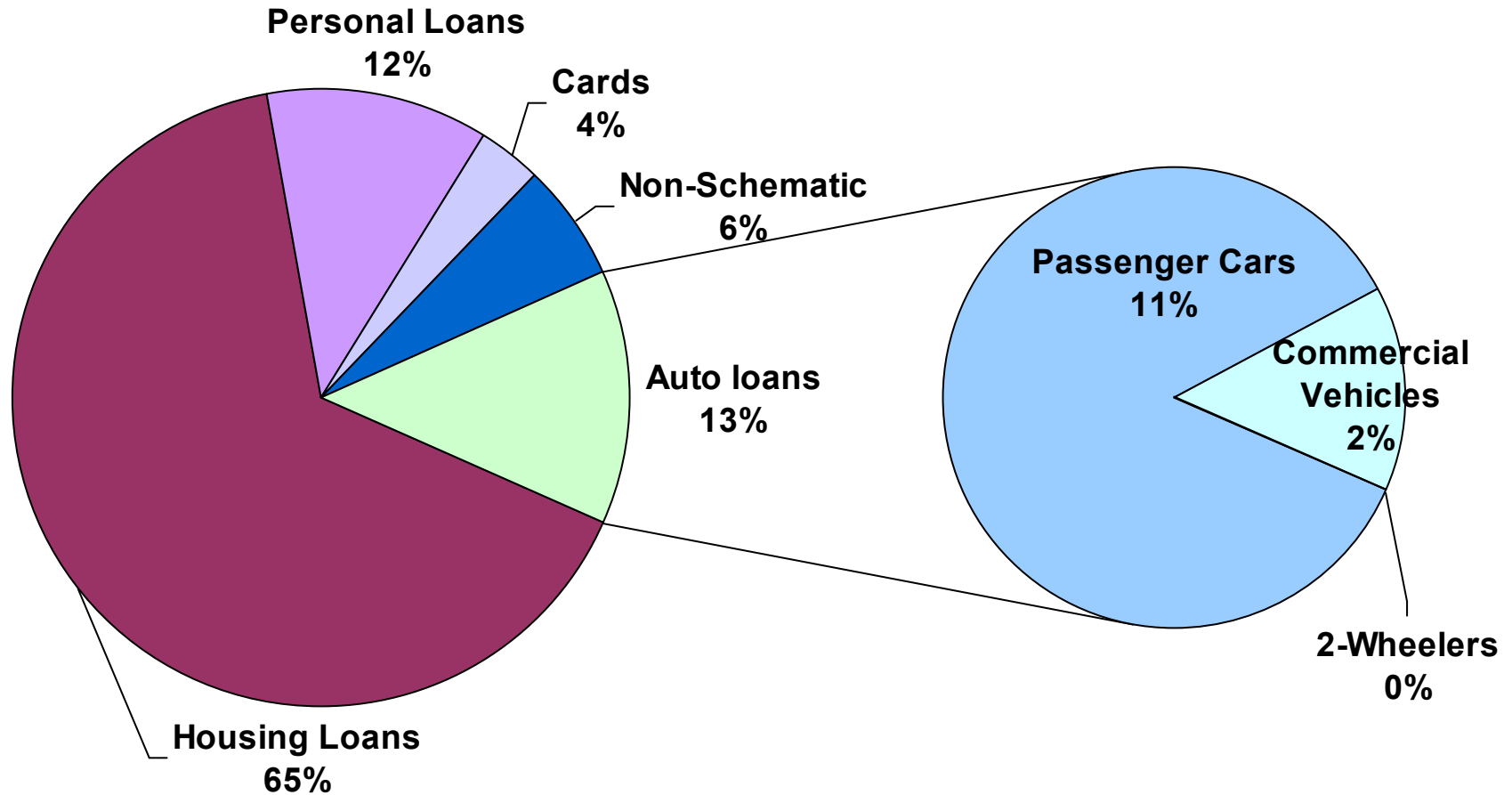
■ Q1FY09 ■ Q1FY10



- Retail Assets grew by 15% YOY.
- Retail Assets constitute 21% of the bank's total advances, as compared to 24% as at end June '08.
- Growth driven through Retail Asset Centres (RACs)

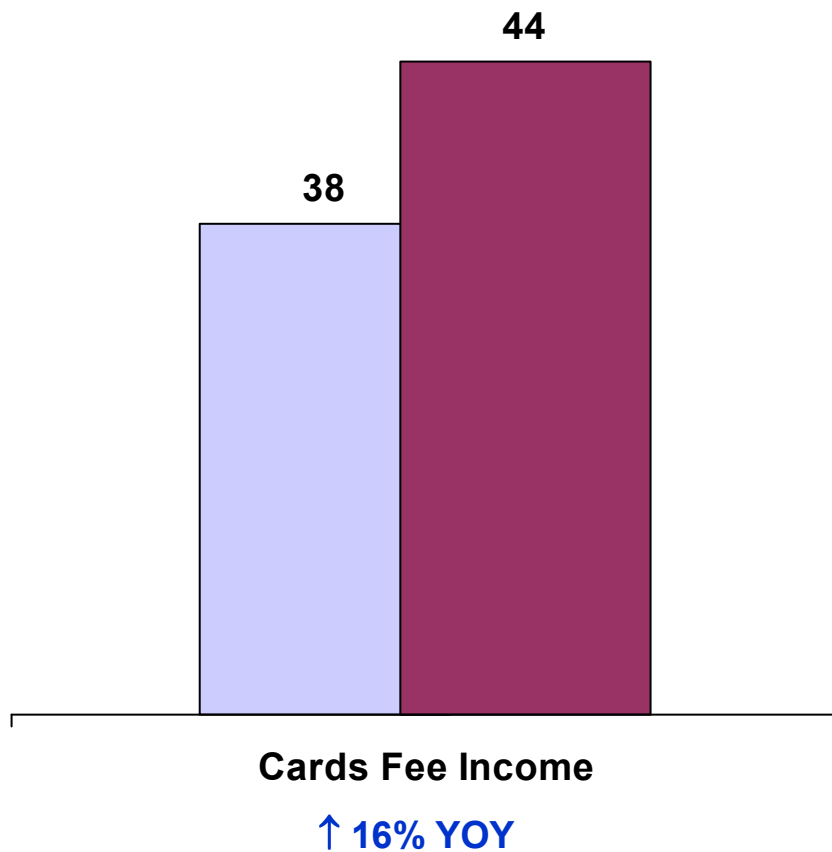
Composition of Retail Assets

Product-wise composition of Retail Assets portfolio (June '09)



Cards Business

■ Q1FY09 ■ Q1FY10
Amounts in Rupees Crores



- **Issuance**

- Over 5,43,000 Credit Cards in force till end June '09
- 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

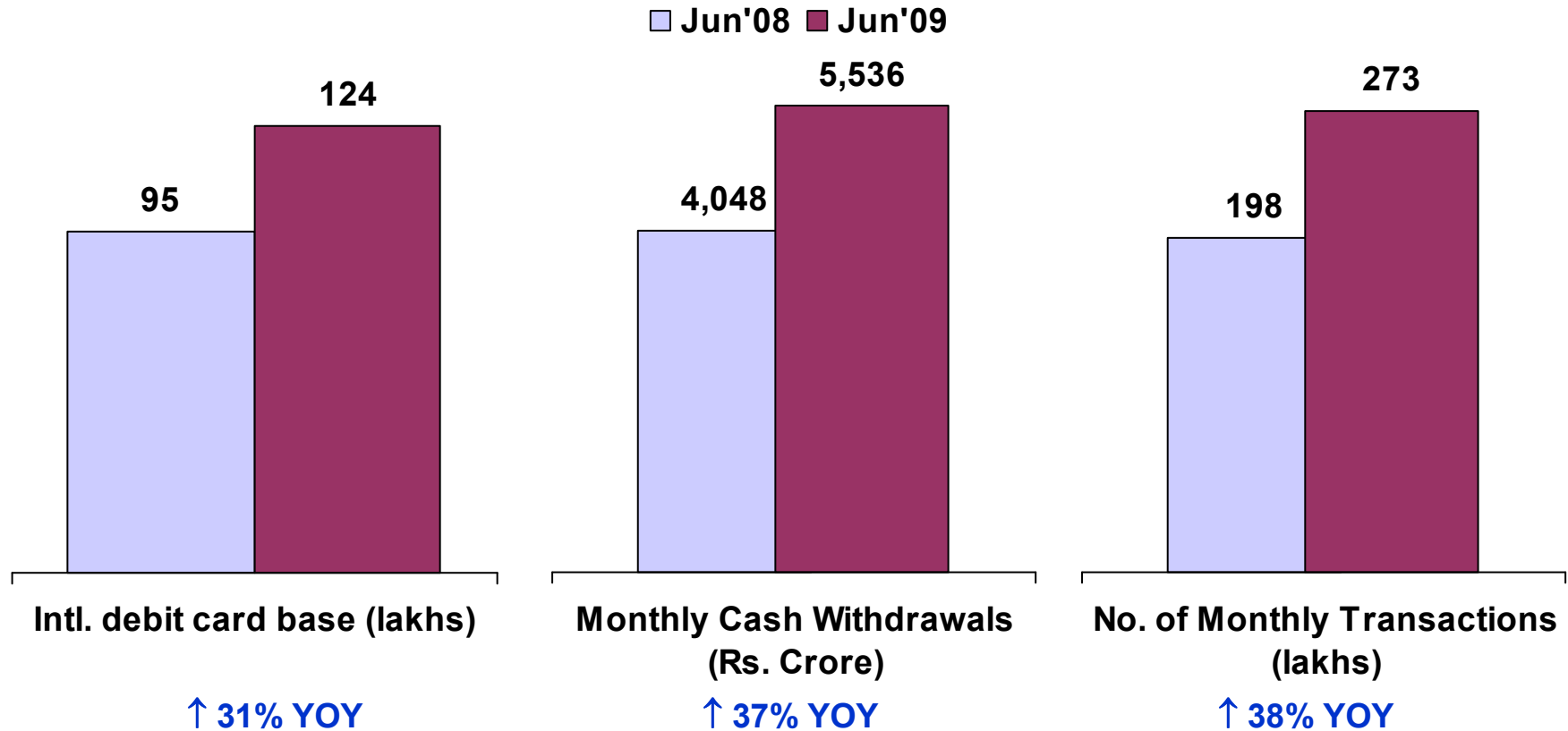
- **Acquiring**

- Installed base of over 1,23,000 EDCs

- **Cards business a significant contributor to Retail Fees**

ATM Channel Migration

Over 95% of SB account cash withdrawals occur on ATMs



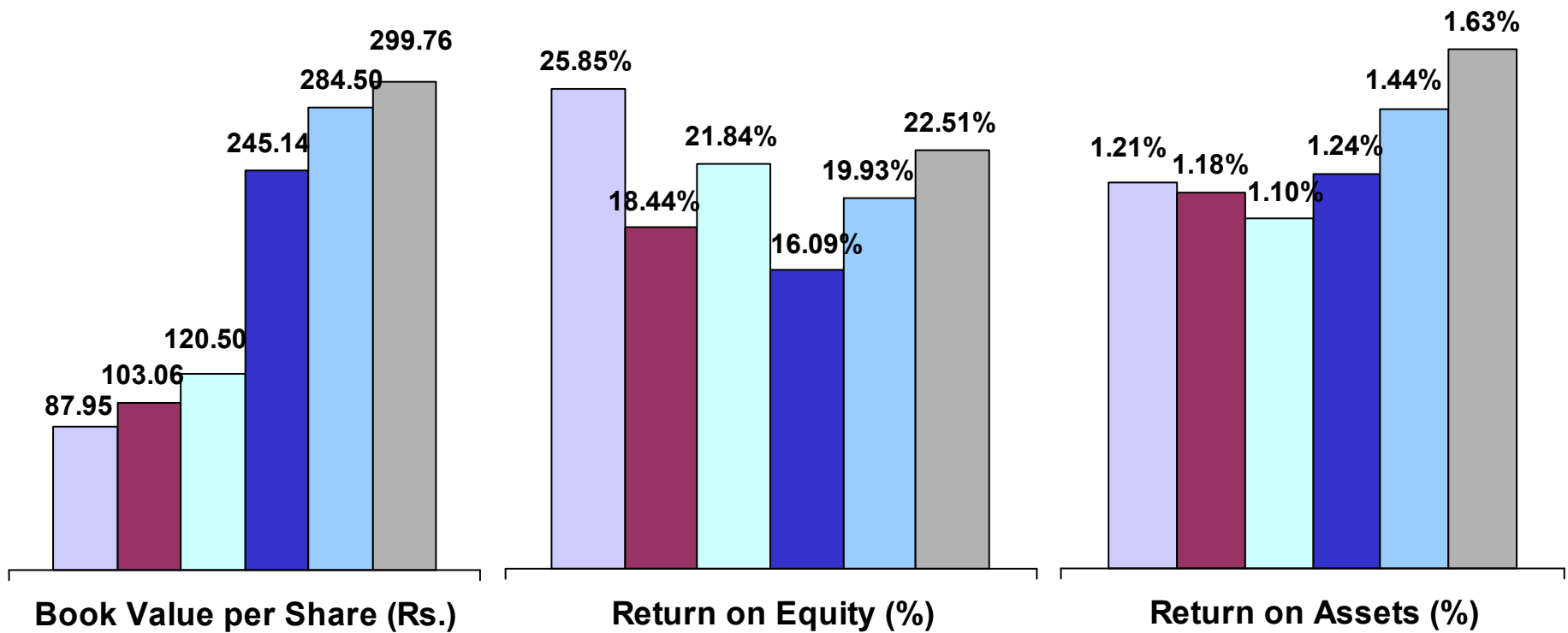
- Pioneer in ATM sharing arrangements
- Value added services such as bill payments, mutual fund investments, mobile top-ups and VISA money transfer services

International Presence

- **Branches at Singapore, Hong Kong and DIFC, Dubai**
- **Representative offices at Shanghai and Dubai**
- **Total assets overseas amounted to US\$ 2.18 billion as compared to US\$ 1.80 billion as at end June '08, a growth of 21% yoy**
- **Corporate Banking, Trade Finance products, Debt Syndication and Liability businesses**

Shareholder Returns

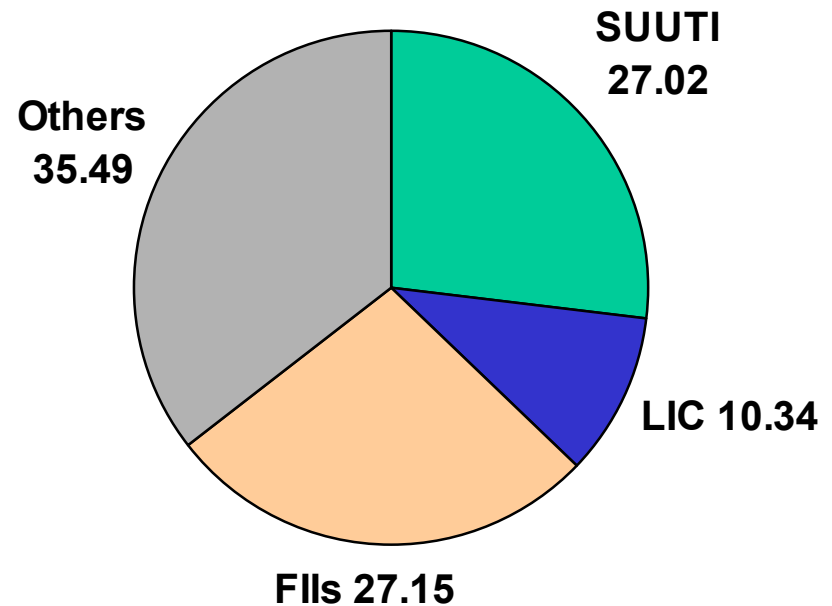
FY05 FY06 FY07
FY08 FY09 Q1FY10



Shareholding

Shareholding pattern (Jun '09)

- Share Capital - Rs. 359.76 crores
- Net Worth - Rs. 10,282 crores
- Book Value per share - Rs. 299.76
- Market Price as on 10/07/09 - Rs. 738.25
- Market Cap as on 10/07/09 - Rs. 26,559.28 crores (US \$ 5.46 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.

THE ASIAN BANKER
REPUTATION SURVEYS: WHO'S WHO IN THE FINANCIAL SERVICES COMMUNITY

The strongest Indian Bank and 5th in Asia-Pacific - Asian Banker 300 - A survey of Asia-Pacific's Strongest Banks (2008-09)

BusinessWorld
PRICEWATERHOUSECOOPERS

Best New Private sector bank in India (2007-08)

NDTV PROFIT

Best Private Sector Bank 2008 - NDTV Profit Business Leadership Awards 2008

THE FINANCIAL EXPRESS

FE best banks award '07 – Best Private Sector Bank in India

Business India
THE MAGAZINE OF THE CORPORATE WORLD

Business India Awards 2007 – Best Bank in India

ASIAMONEY

Best Domestic Debt House in India for 2008

FinanceAsia

Best Bond House in India for 2008

EUROMONEY
2008 Awards for Excellence

Best Debt House India 2008

ifrasia awards 2008

India Bond House 2008

Thank You

