

AXIS BANK

FY 2012-13
Third Quarter Results

Earnings Presentation

Safe Harbor

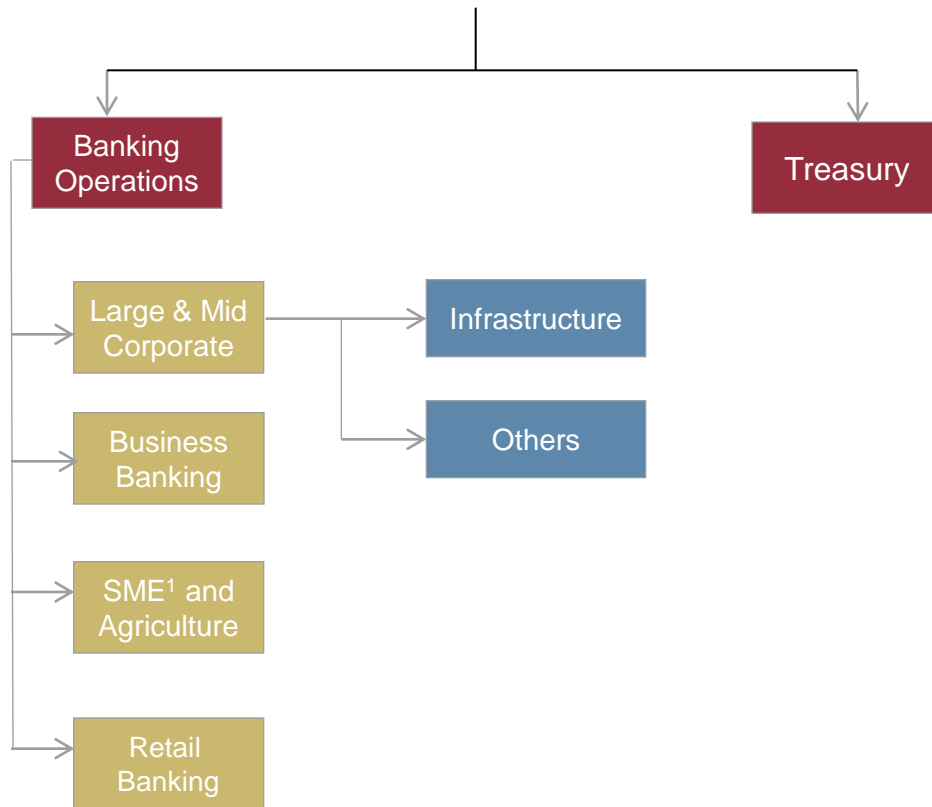
Except for the historical information contained herein, statements in this release which contain words or phrases such as “will”, “aim”, “will likely result”, “would”, “believe”, “may”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”,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



¹ Small and Medium Enterprises

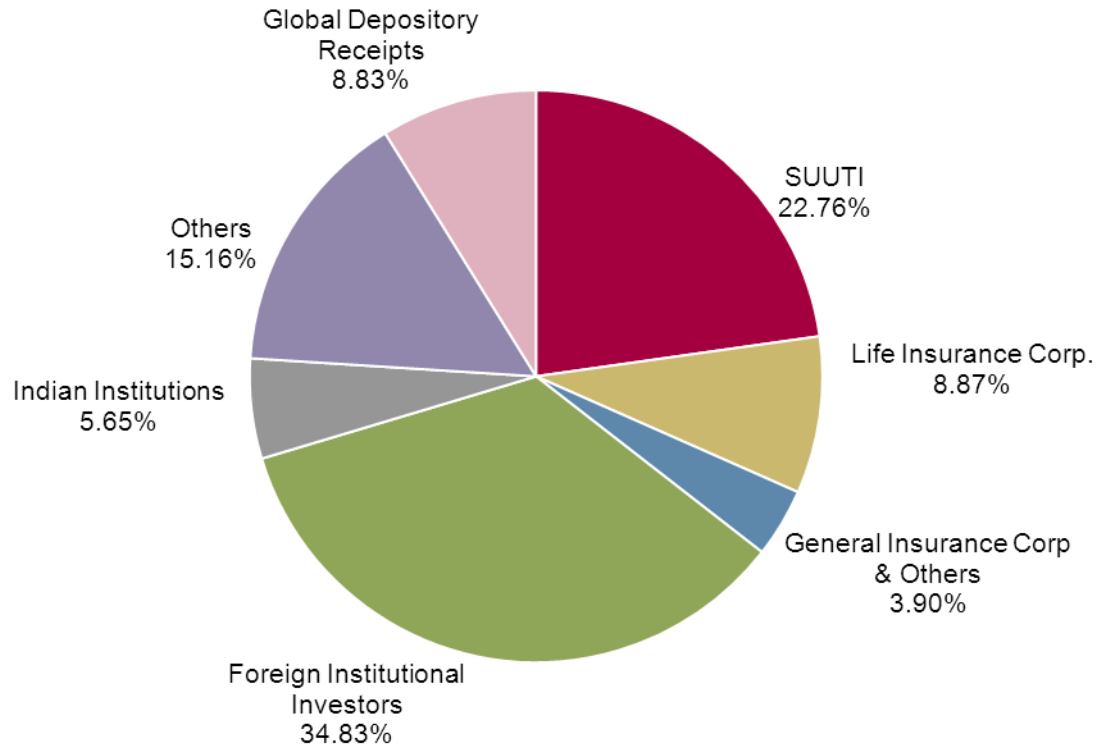
² Includes profits for 9MFY13

³ Includes extension counters

Snapshot (As on December 31, 2012)

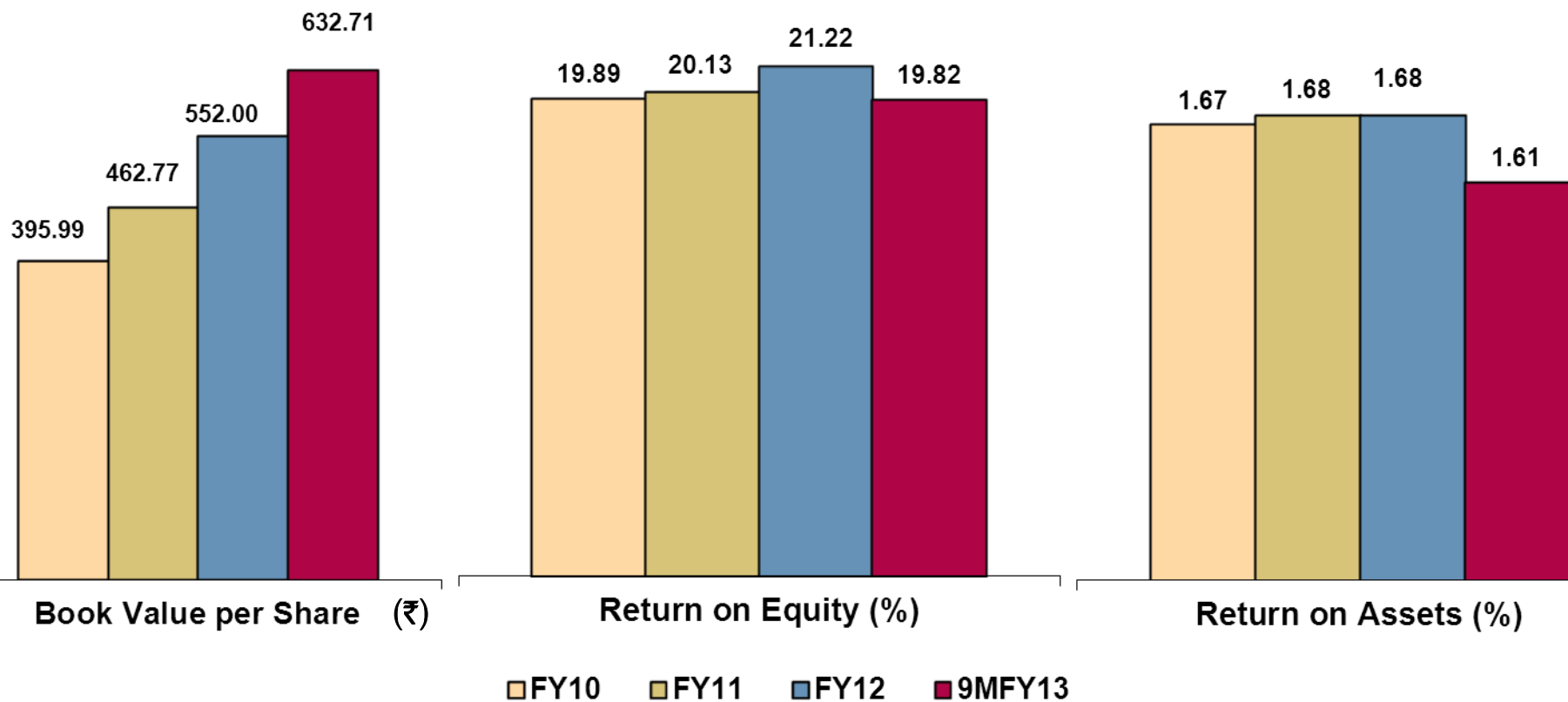
| | |
|-------------------------------------|------------------|
| Total Assets | ₹3,18,942 crores |
| Net Advances | ₹1,79,504 crores |
| Total Deposits | ₹2,44,501 crores |
| Net Profit (Q3FY13) | ₹1,347 crores |
| Net Profit (9MFY13) | ₹3,624 crores |
| Shareholders' Funds | ₹27,027 crores |
| ROA (for 9MFY13) | 1.61% |
| ROE (for 9MFY13) | 19.82% |
| Net NPA Ratio | 0.33% |
| Capital Adequacy Ratio ² | 15.17% |
| Tier 1 CAR ² | 10.27% |
| Saving Bank Accounts (No.) | 124 lac |
| Branches ³ | 1,787 |
| Foreign Offices | 7 |
| ATMs | 10,363 |

Shareholding Pattern (As on December 31, 2012)



- Share Capital ₹427 crores
- Shareholders' Funds ₹ 27,027 crores
- Book Value Per Share ₹ 632.71
- Market Capitalisation ₹ 59,208 crores (as on January 14, 2013)

High Shareholder Returns



A strong franchise demonstrating consistent value creation over time

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Performance Highlights

| | <u>Q3FY13</u> | <u>9MFY13</u> |
|-----------------------------|---------------|---------------|
| Net Profit | ↑ 22% YOY | ↑ 22% YOY |
| Net Interest Income | ↑ 17% YOY | ↑ 19% YOY |
| Fee Income | ↑ 15% YOY | ↑ 15% YOY |
| Operating Revenue | ↑ 15% YOY | ↑ 19% YOY |
| Operating Profit | ↑ 15% YOY | ↑ 21% YOY |
| Net Interest Margin | 3.57% | 3.47% |
| CASA ¹ | ↑ 13% YOY | |
| Total Deposits ¹ | ↑ 17% YOY | |
| Total Advances ¹ | ↑ 21% YOY | |

¹ As on 31st December 2012

Highlights of Q3FY13

Retail Franchise continues to show traction

- Savings Bank Deposits registered strong growth, rose 22% YOY to ₹ 57,521 crores
- Retail Term Deposits grew 30% YOY, constituted 39% of Total Term Deposits
- CASA and Retail Term Deposits constituted 64% of Total Deposits
- Retail Assets grew 45% YOY and accounted for 27% of Net Advances
- Fee Income rose 35% YOY, accounting for 32% of Total Fees

Stable Earnings Profile

- Operating Revenue grew by 15% YOY, stood at ₹4,110 crores
- Operating Profit rose to ₹2,362 crores, registered growth of 15% YOY
- Return on Assets was 1.71% and Return on Equity at 21.24%

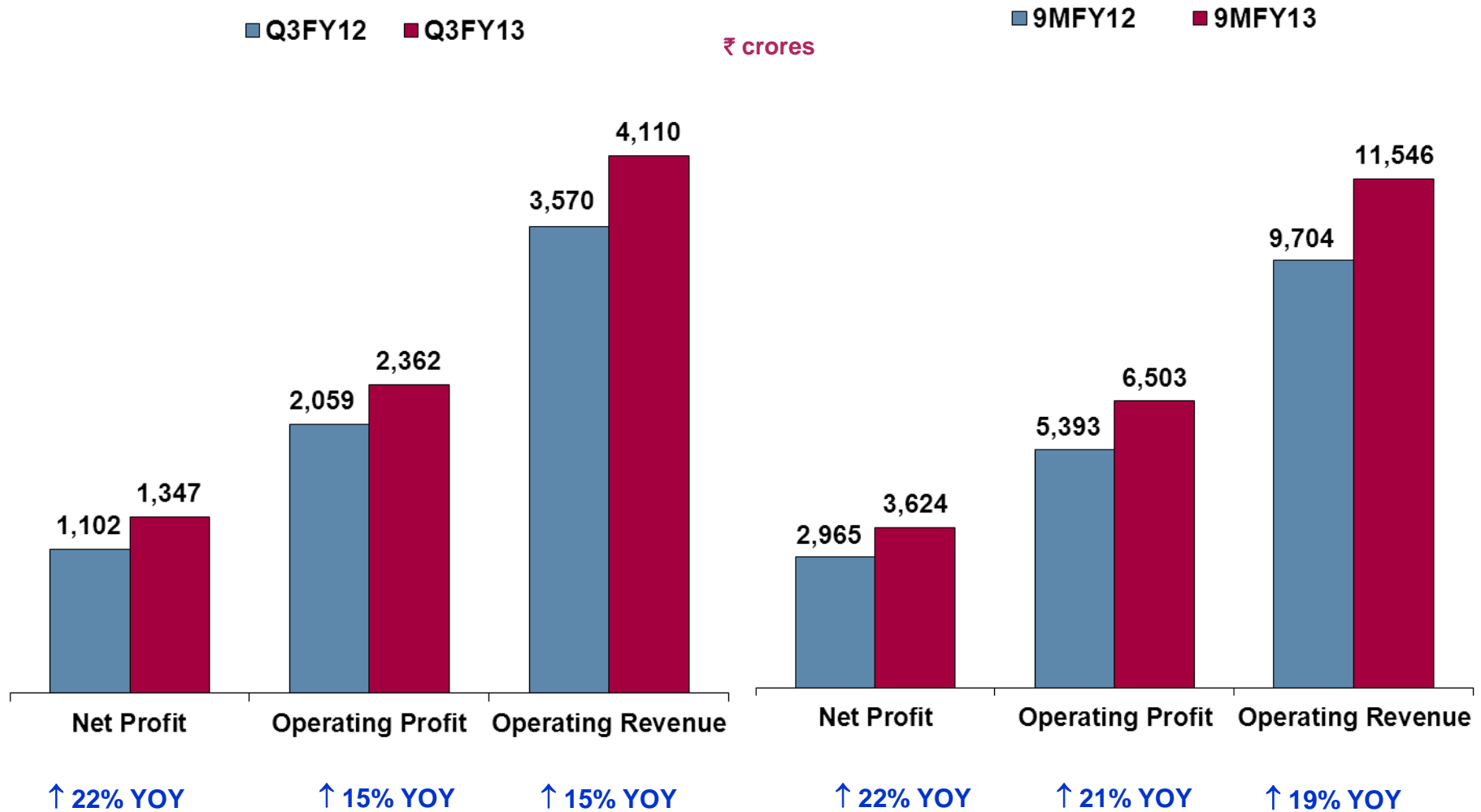
Focus on capital conservation , Tier I CAR of 10.27%*, Total CAR of 15.17%*

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

* Includes unaudited profits for 9MFY13

Profitability

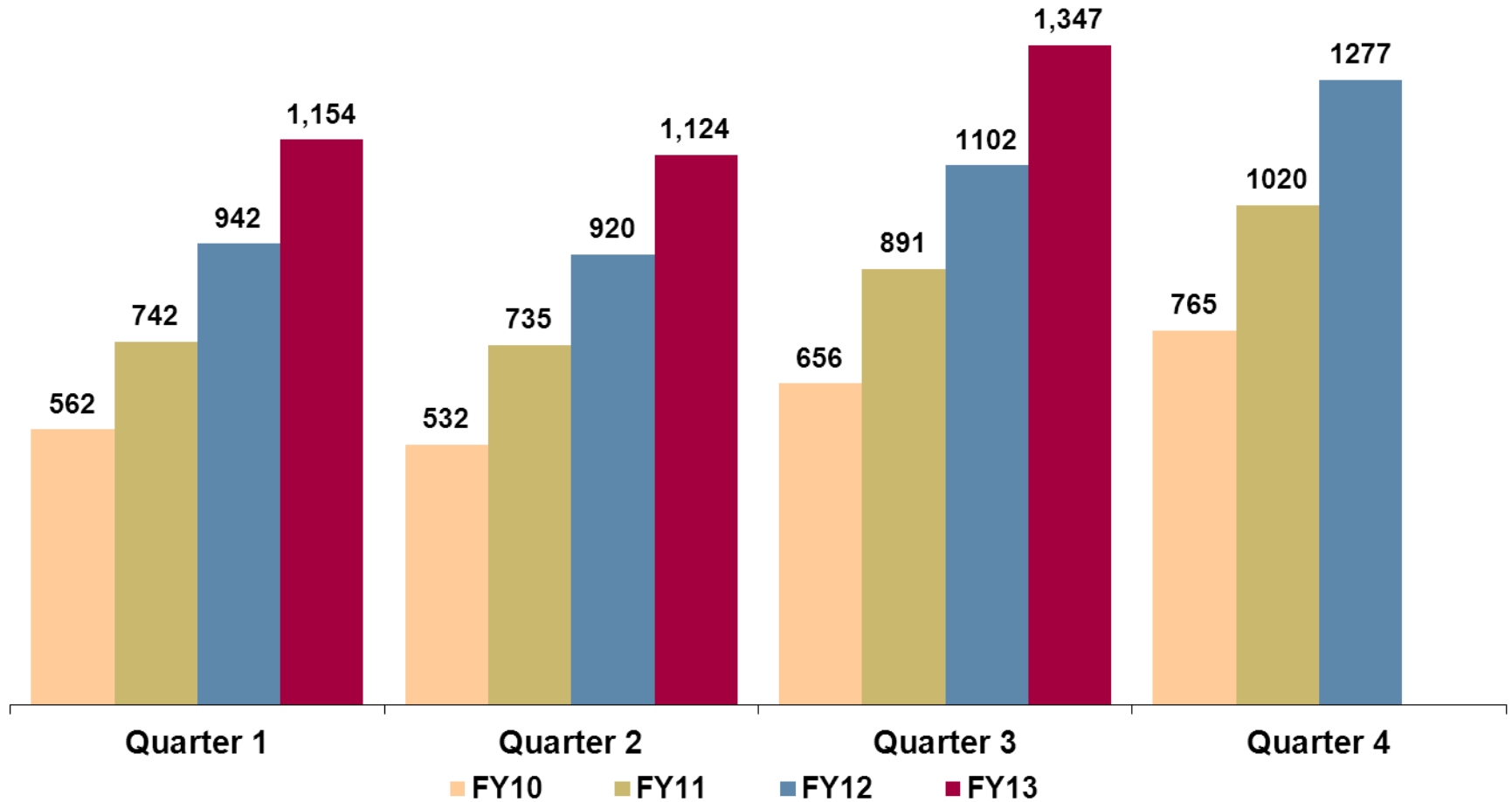
Sustained Growth: Robust Core Revenues



Consistent Net Profit Growth

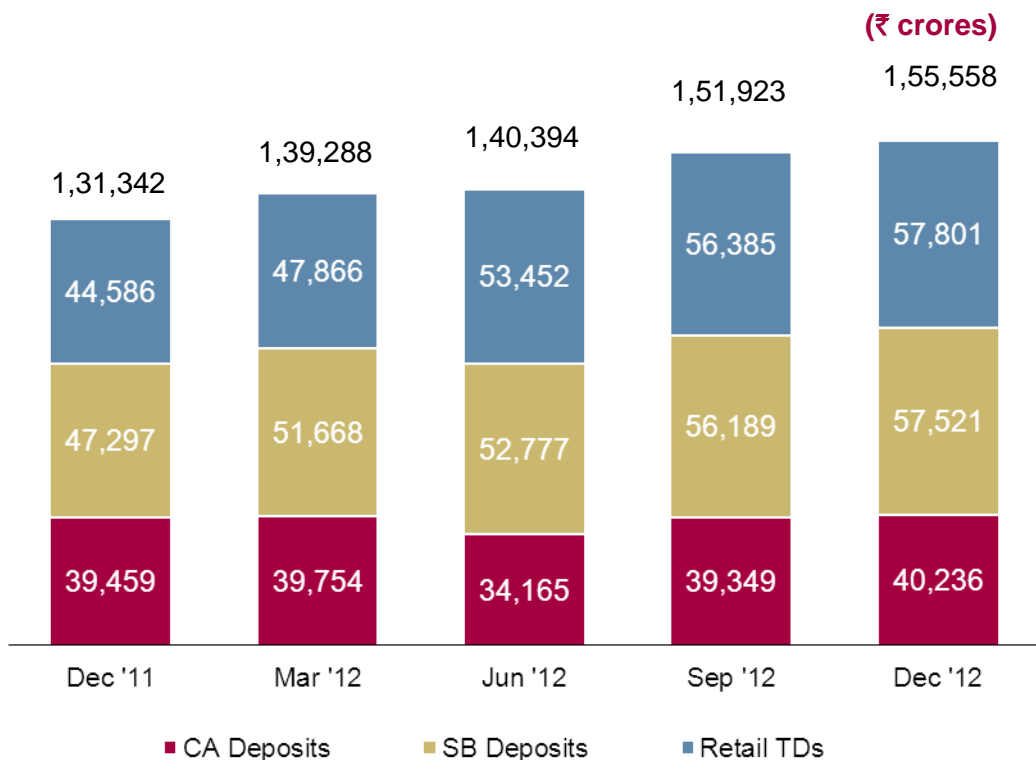
Quarterly Net Profits

₹ crores



Stable CASA Growth Underpins Low-Cost Deposit Franchise

CASA and Retail Term Deposits

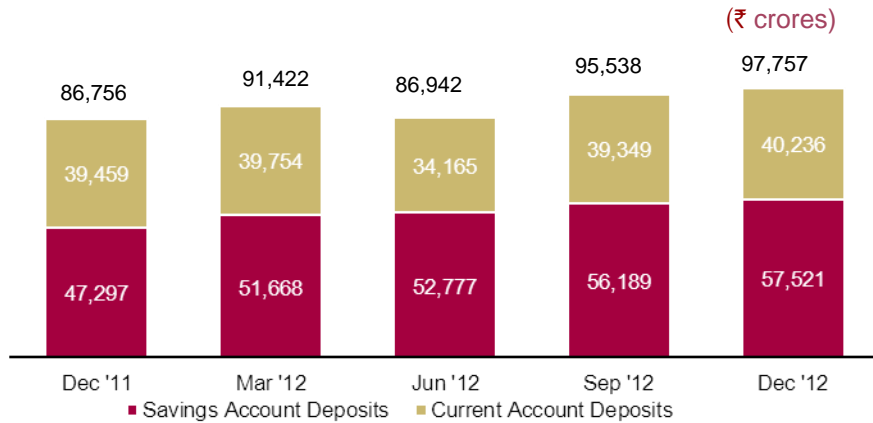


| As on 31 st December, 2012 | YOY Growth (%) |
|---------------------------------------|----------------|
| Savings Bank | 22 |
| Current Accounts | 2 |
| CASA | 13 |
| Retail Term Deposits | 30 |
| Wholesale Deposits | 15 |

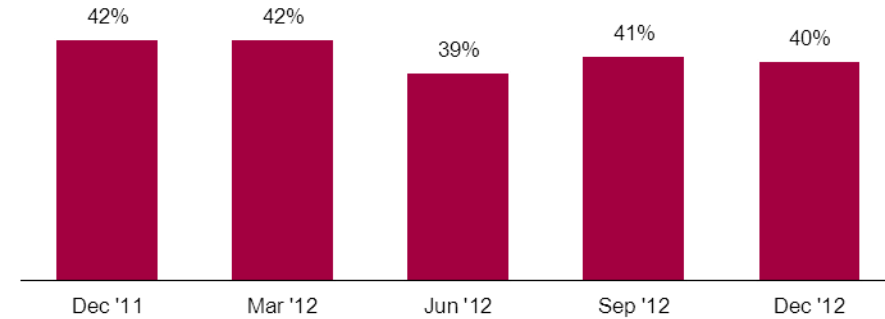
- **Share of Retail Term Deposits to total term deposits at 39%**
- **CASA + Retail Term Deposits constitute 64% of total deposits**

Strong CASA Franchise Supports Margin Stability

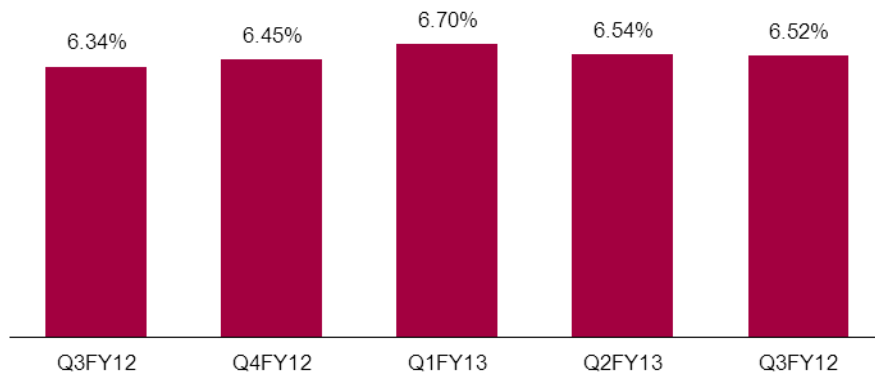
CASA Deposits



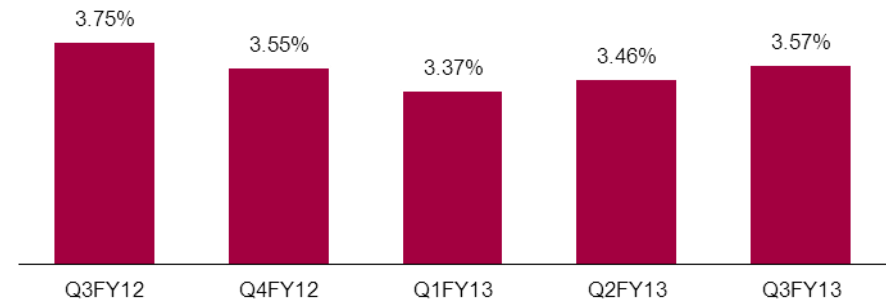
CASA Ratio



Cost of Funds

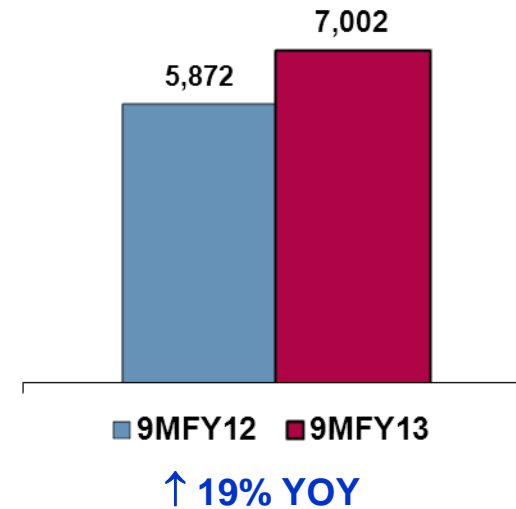
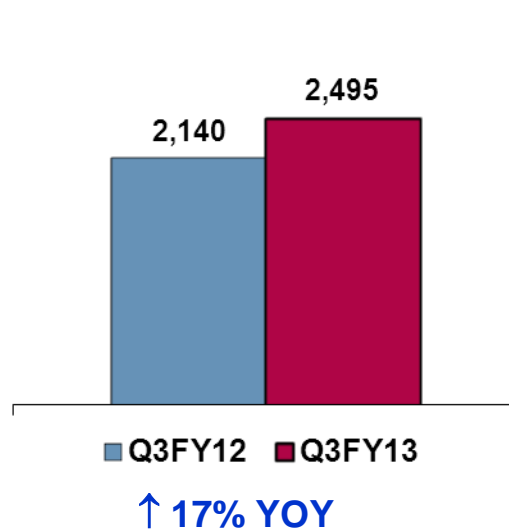


Net Interest Margin



Growing Net Interest Income

₹ crores

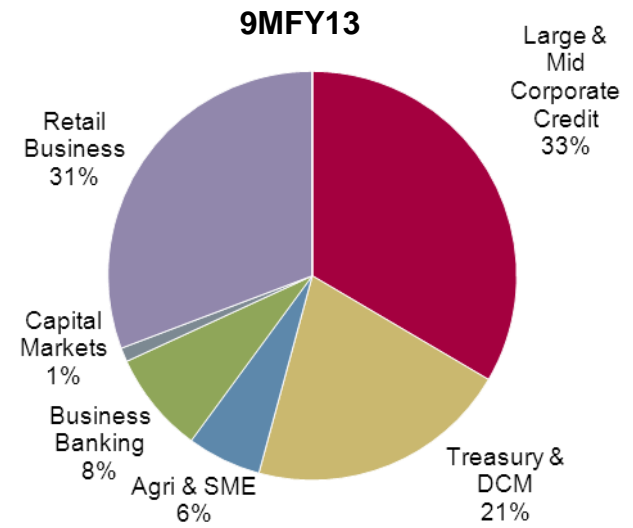
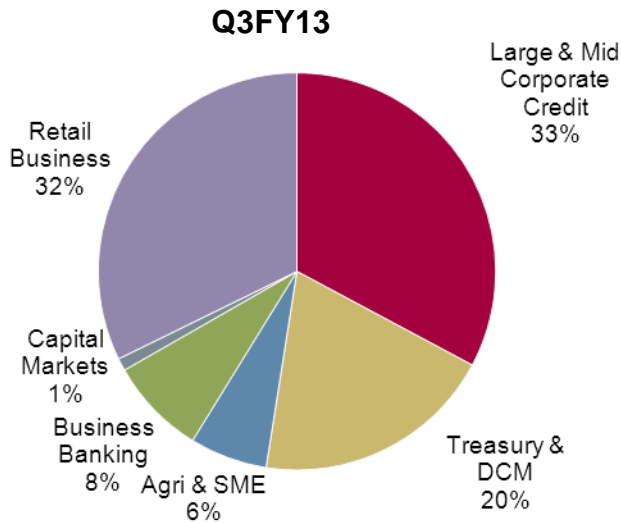
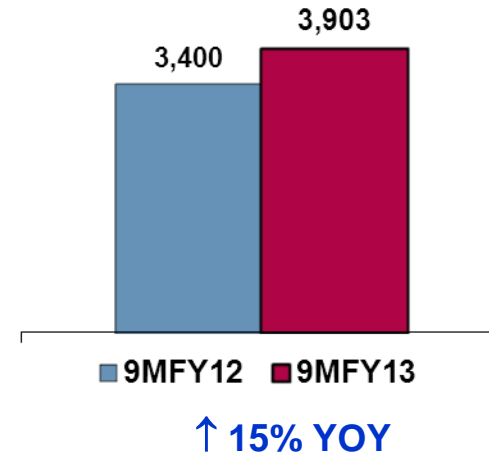
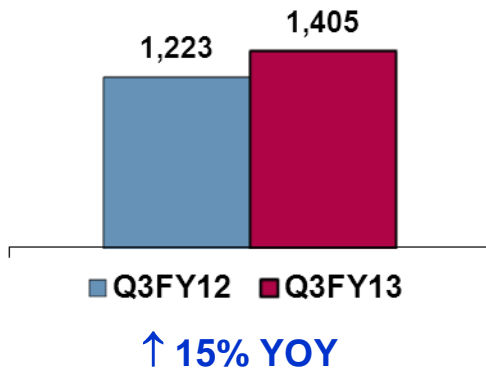


NIIs for the last 5 years (₹crores)

| | |
|-------------|------------|
| FY08 | 2,585 |
| FY09 | 3,686 |
| FY10 | 5,004 |
| FY11 | 6,563 |
| FY12 | 8,018 |
| CAGR | 33% |

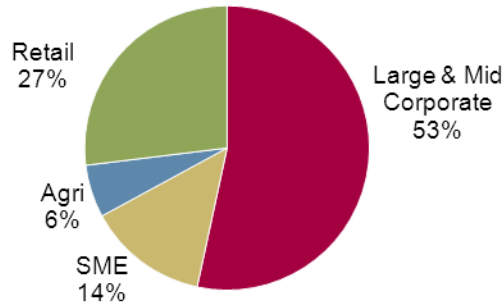
Diversified Fee Income Profile

₹ crores

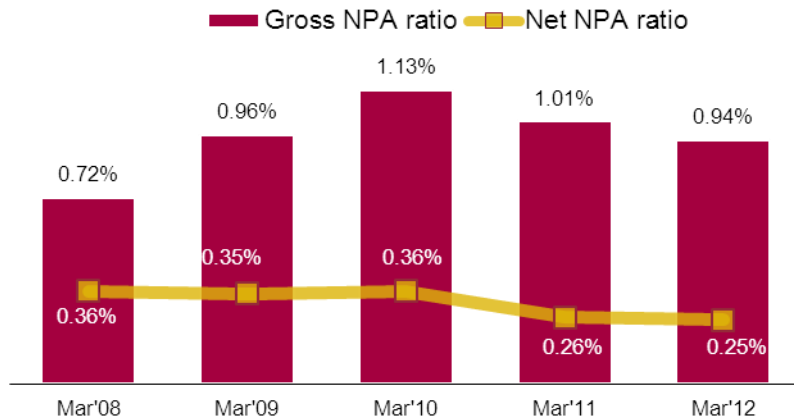


Stable Asset Quality

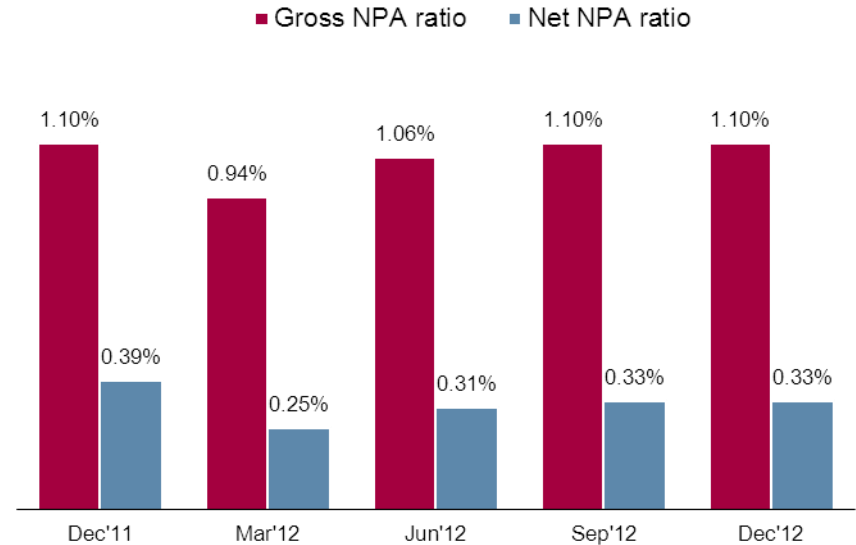
Loan Mix
(As on 31st December 2012)



Five Year NPA trend

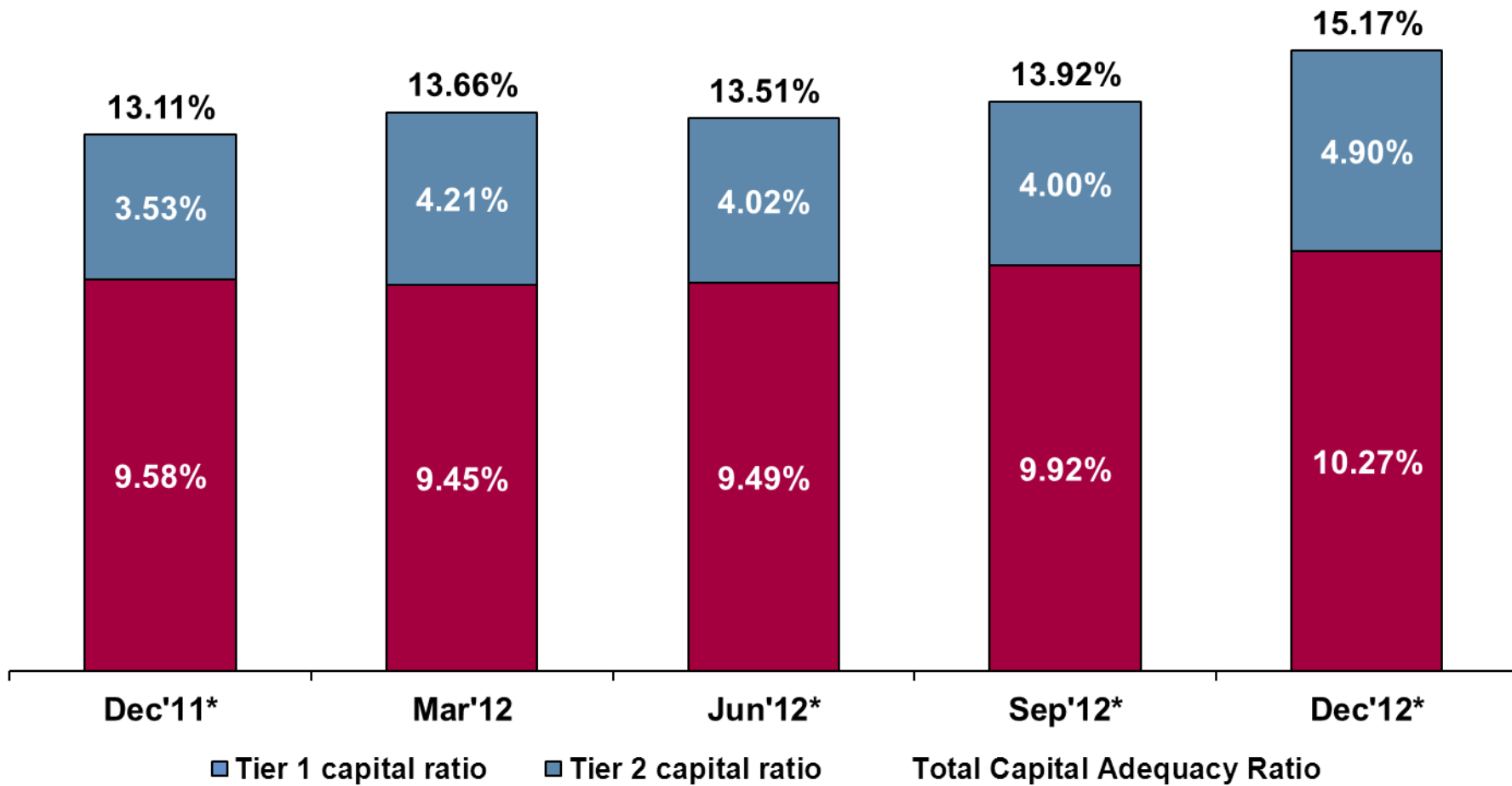


Asset Quality



- Provision coverage of 81% as on December 2012 including prudential write-offs (90% before accumulated write-offs)
- Cumulative restructured assets were ₹4,257 crores (2.06% of gross customer assets) as on December 2012.
- ₹368 crores of assets were restructured during the quarter

Efficient Use Of Capital



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

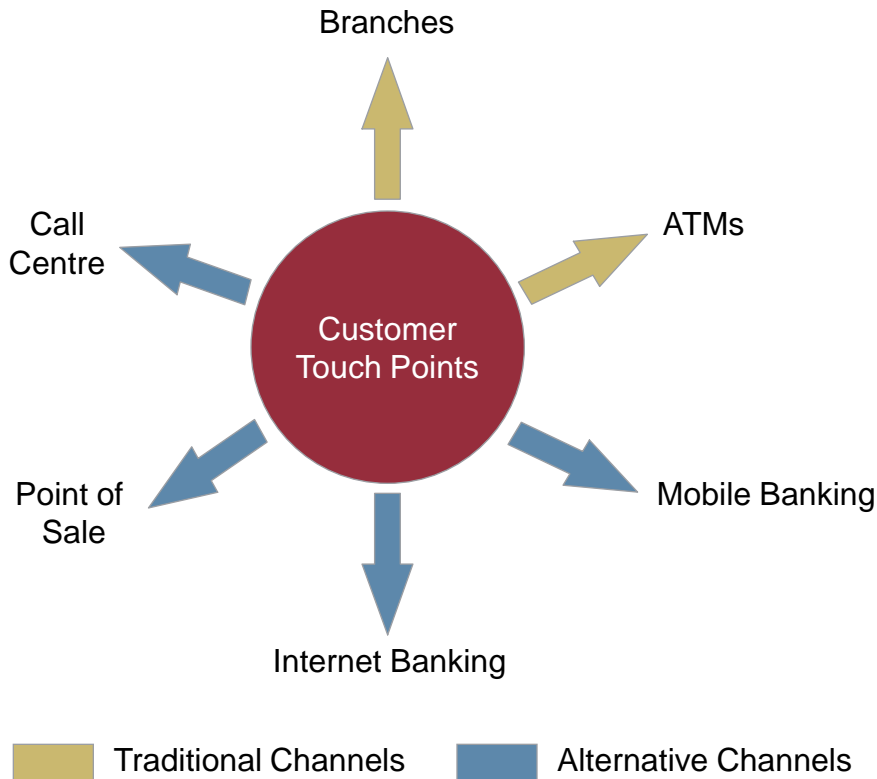
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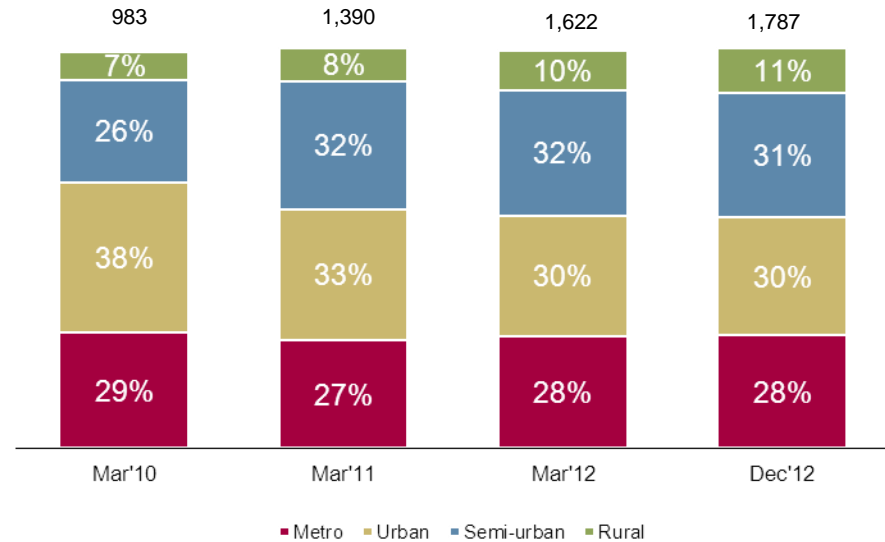
Well distributed, countrywide network of Branches and ATMs

- Multiple channels drive business growth
- Extensive use of technology to provide services



- Expanding footprint across centres
- One of the largest ATM networks in the country

Domestic Branch network¹

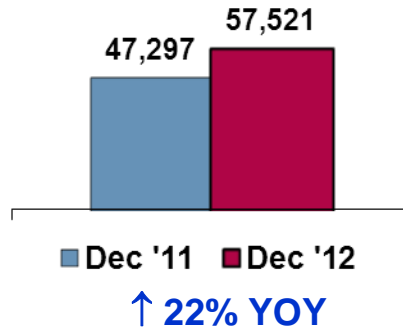


| | Mar'10 | Mar'11 | Mar'12 | Dec'12 |
|-----------------|--------|--------|--------|--------|
| ATMs | 4,293 | 6,270 | 9,924 | 10,363 |
| Centers Covered | 643 | 921 | 1,050 | 1,139 |
| Employees | 21,640 | 26,435 | 31,738 | 36,378 |

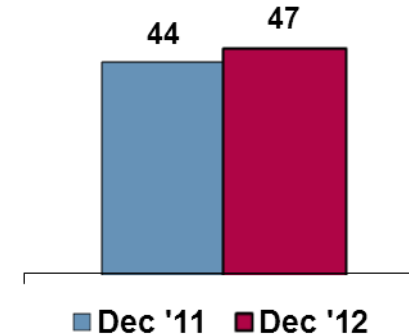
¹ Including extension counters

Retail Liabilities

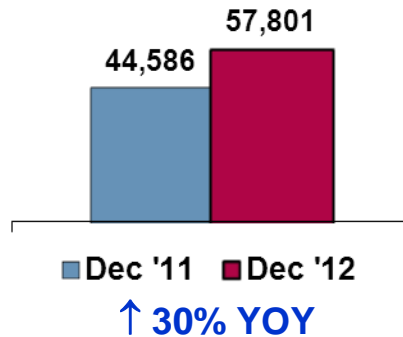
Savings Bank Deposits (₹ crores)



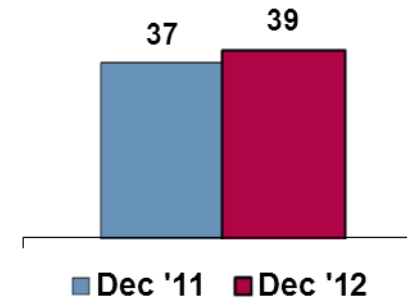
Retail Deposits* (% of Total Deposits)



Retail Term Deposits (RTD) (₹ crores)



Share of RTD as % of Term Deposits



Retail Deposits* constitutes 47% of Total Deposits

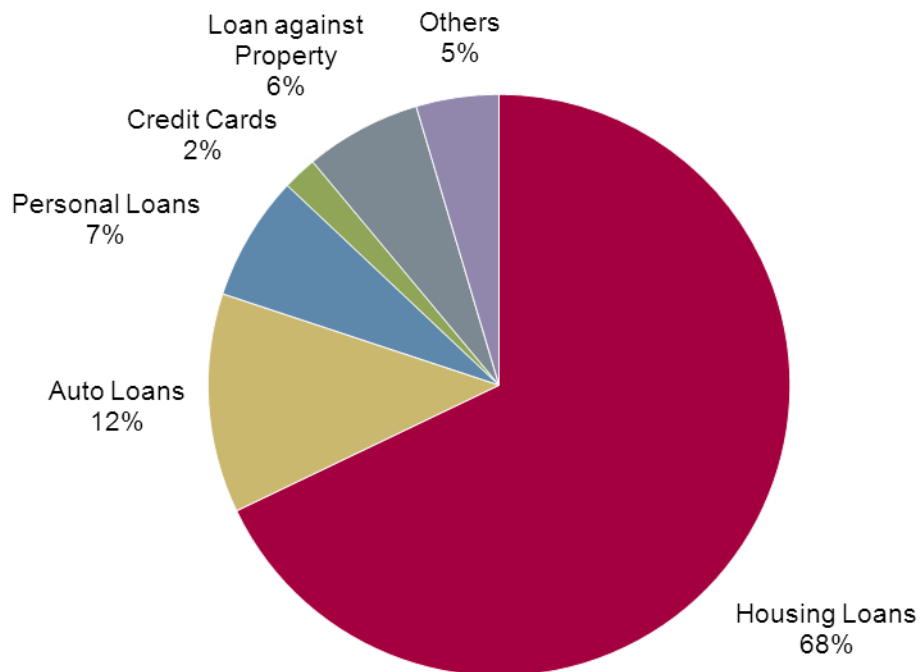
* Retail Deposits include Savings Bank and Retail Term Deposits

Retail Assets

Key Highlights

- Retail assets constitute 27% of the Bank's total advances in Dec'12 against 22% in Dec'11
 - Secured loans make up 87% of retail loans
 - Home Loans account for 68% of retail loans
- 117 Asset Sales Centres (ASCs) with standardized appraisal and oversight mechanisms
- Retail assets originated from 1,102 branches in 95 cities

Composition of Retail Advances



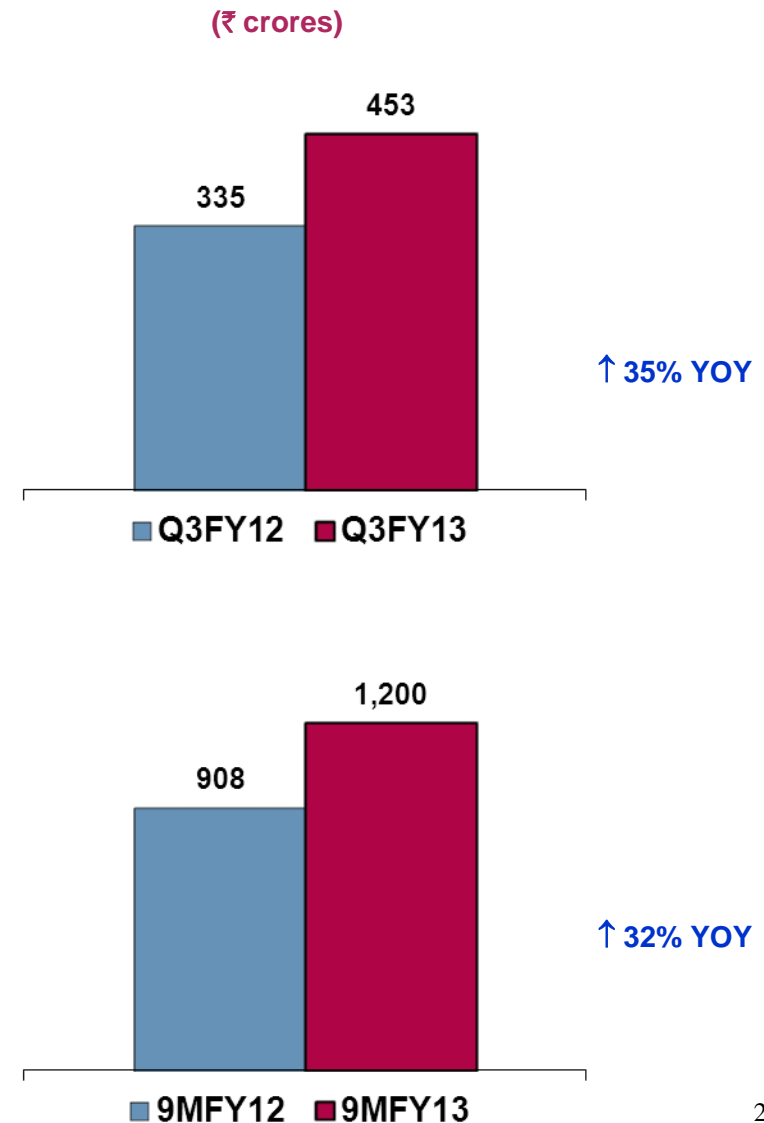
Portfolio Size: ₹48,068 crores

↑ 45% YOY

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

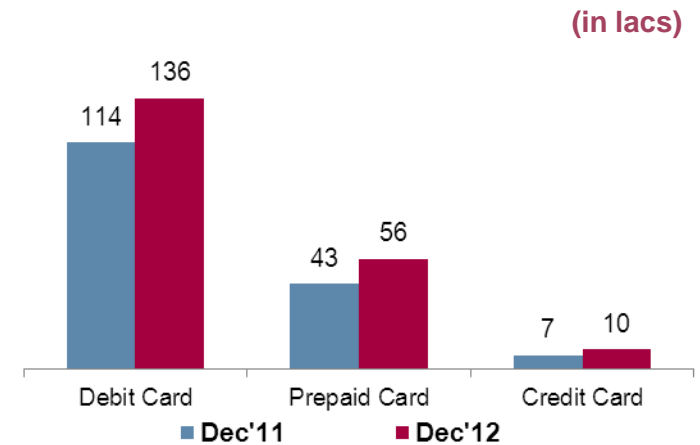


Retail Payments Business

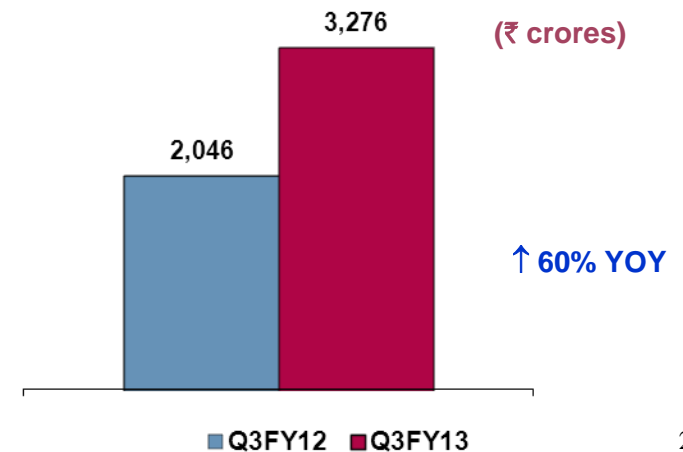
Key Highlights

- One of the largest issuers of debit cards
- Over 10 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 and INR (for foreign nationals and NRIs)

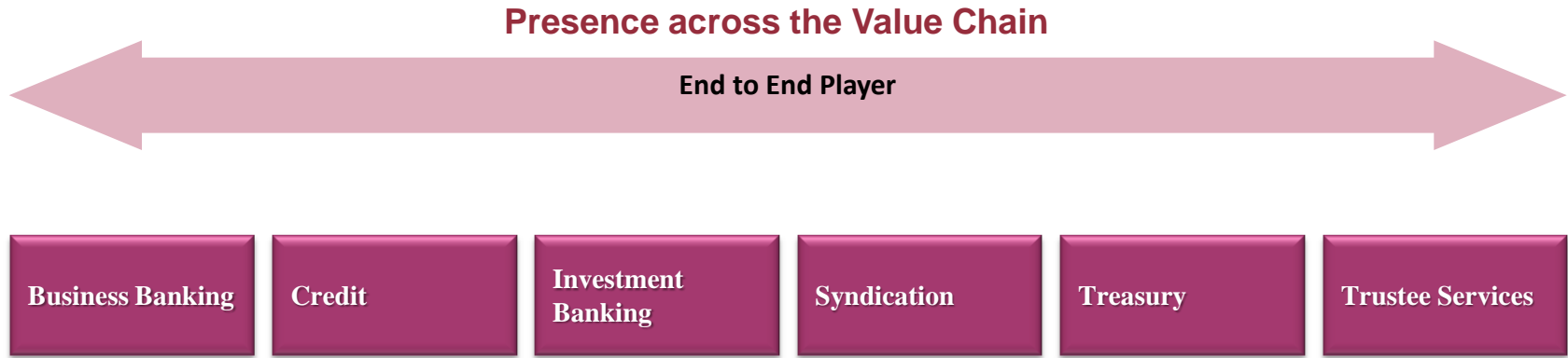
Number of Cards



Card Spends



Corporate Banking Franchise



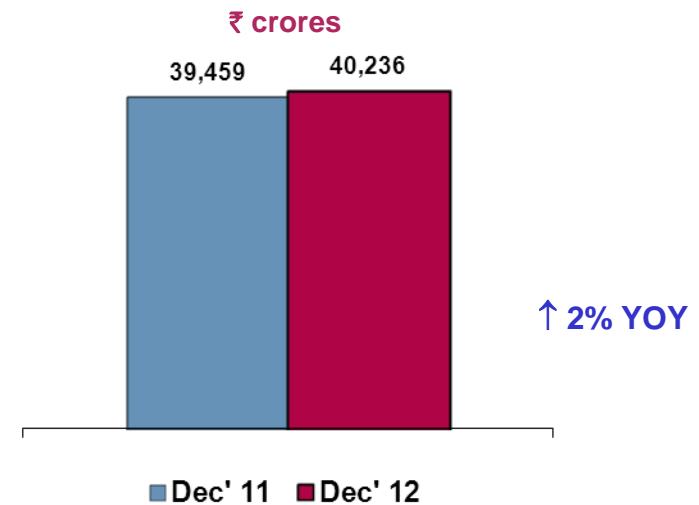
- Strong franchise spread across liability and asset businesses
- Adopted value generating Originate and Distribute Model
- Dominant player in placement and syndication of debt / loans
- Focus on building out a high quality portfolio of credit assets
- Rigorous and regular risk assessment of accounts

Business Banking

Current Accounts

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 A/c Deposits (₹ crore)

| | |
|--------------------|------------|
| FY08 | 20,045 |
| FY09 | 24,822 |
| FY10 | 32,168 |
| FY11 | 36,917 |
| FY12 | 39,754 |
| 5 Year CAGR | 29% |

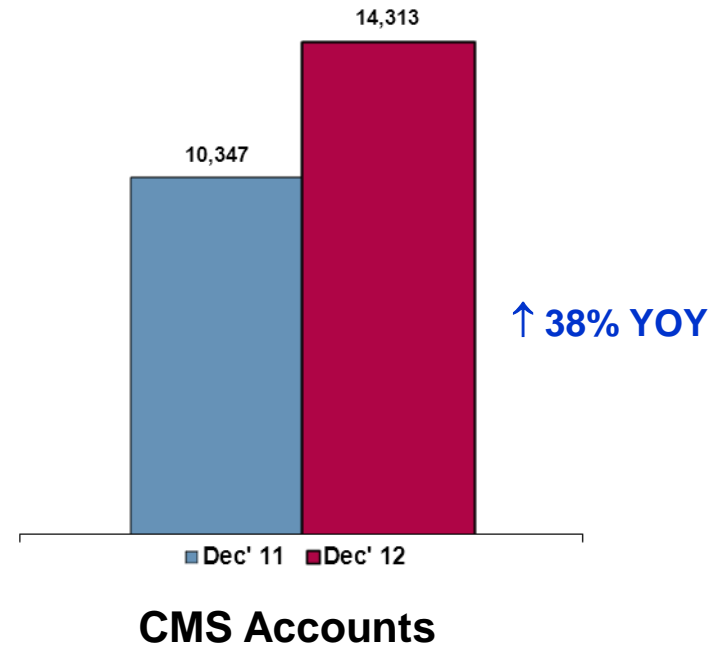
Business Banking

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

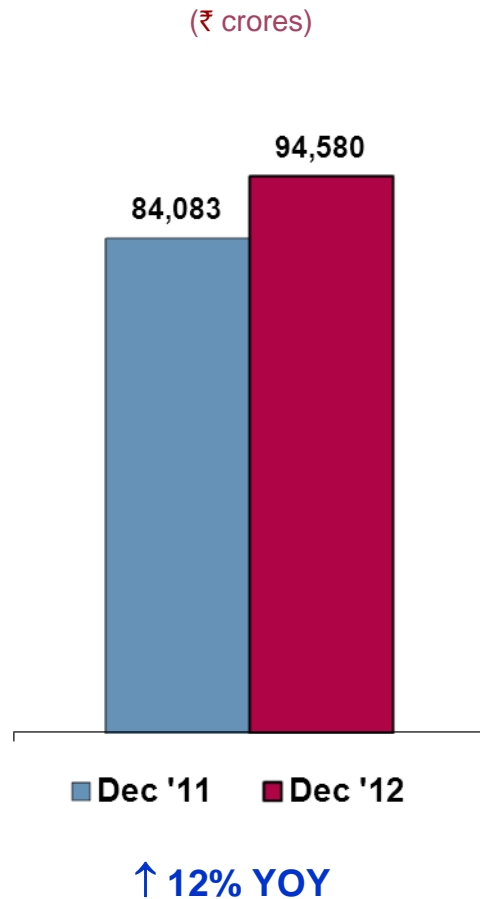
Cash Management Business

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

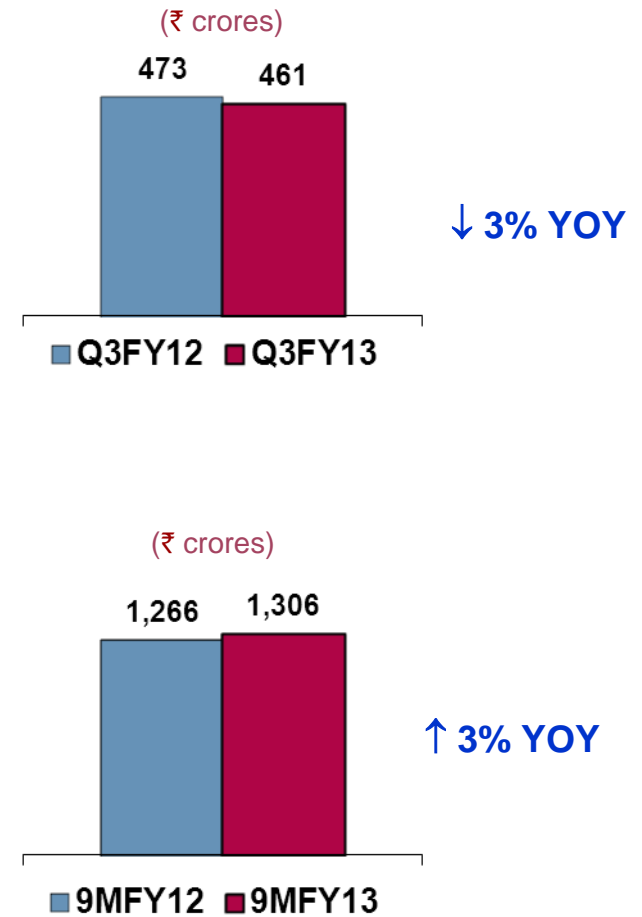


Large and Mid-Corporate Banking

Advances



Fees

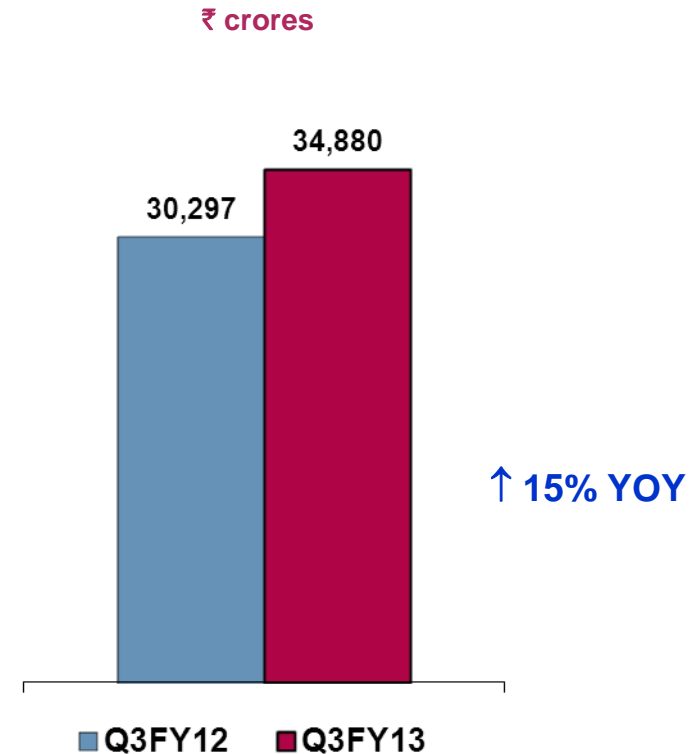


Debt Capital Markets

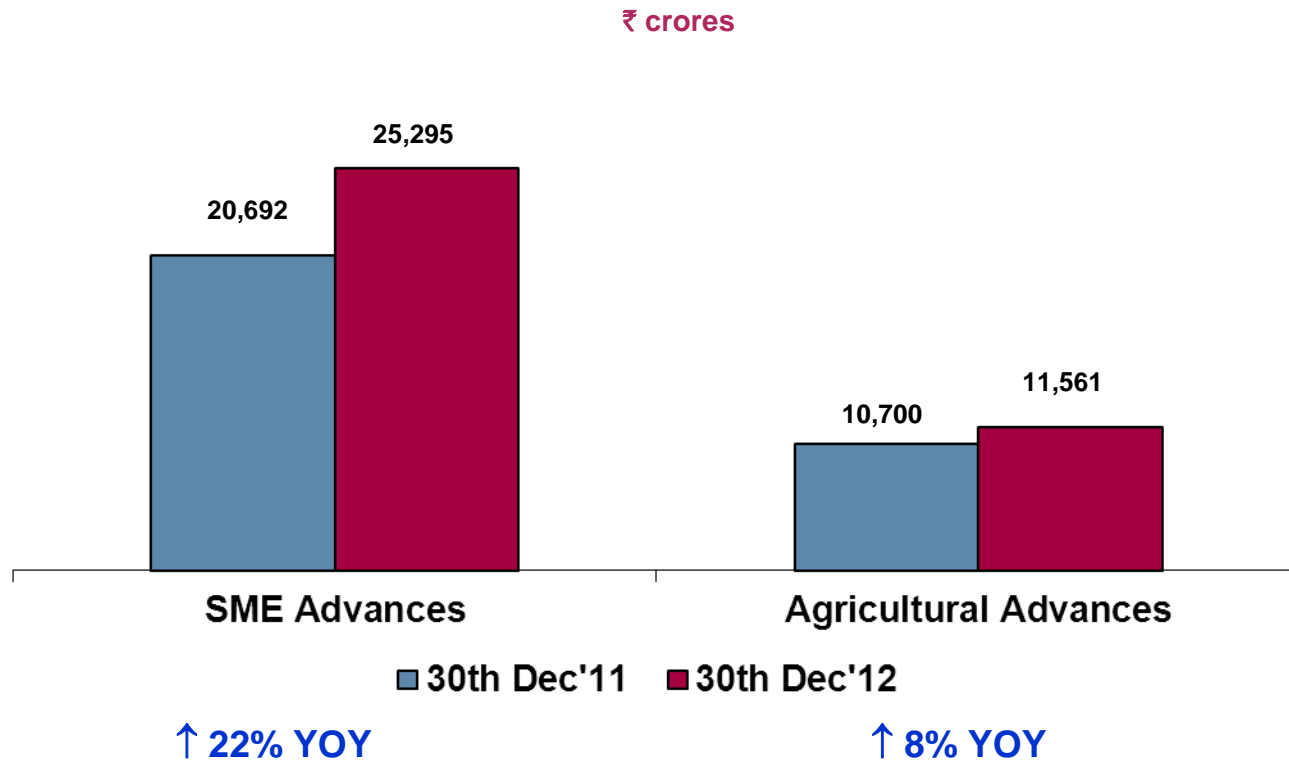
Key Highlights

- Dominant player in placement and syndication of debt issuances
- Ranked Best Domestic Debt House – India 2012 by Asset Triple A Country Awards
- Ranked Best India Bond House – 2012 by IFR Asia
- Ranked No. 1 debt arranger by Bloomberg for nine month period ended September 2012.

Placement & Syndication of Debt Issues

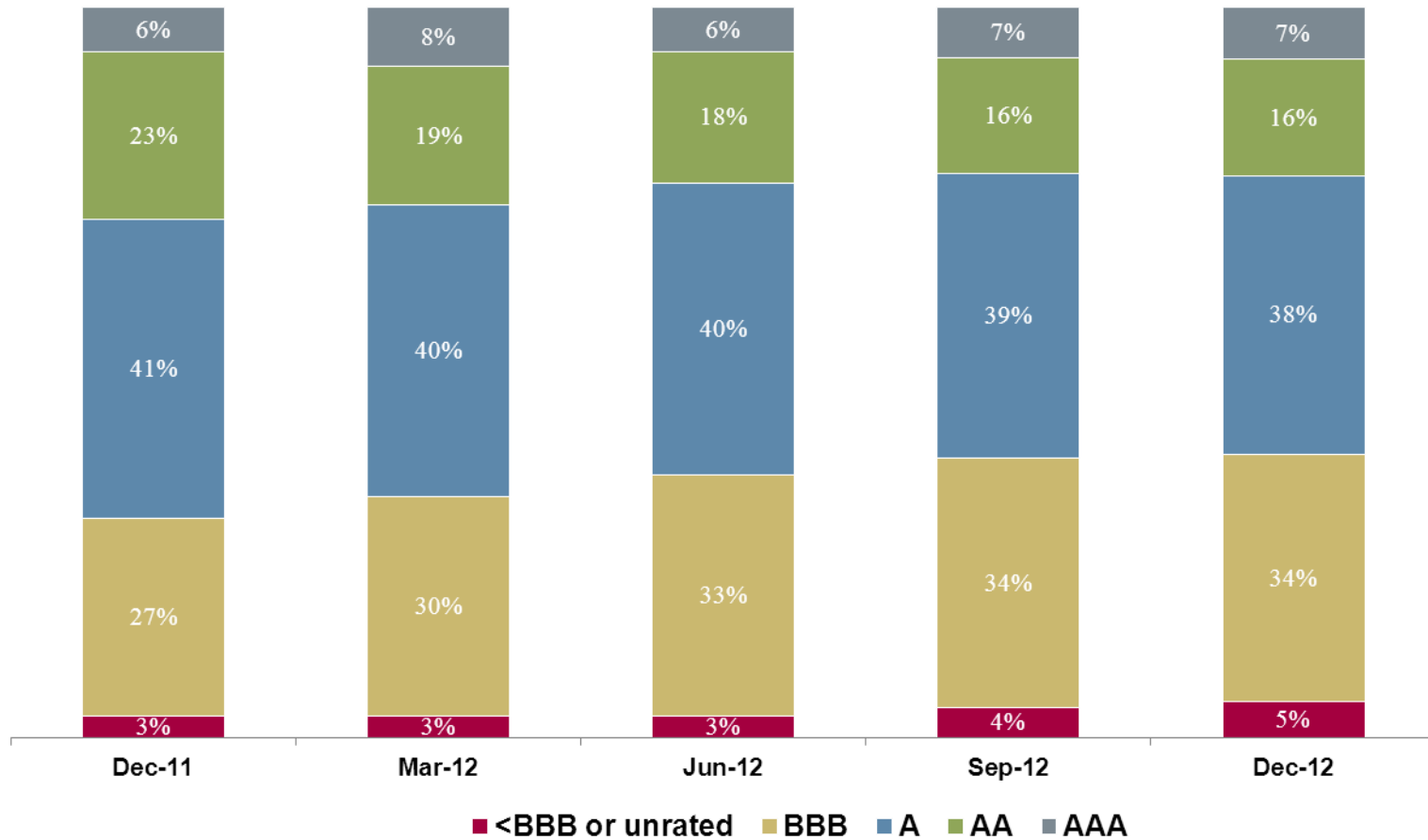


SME and Agriculture Business



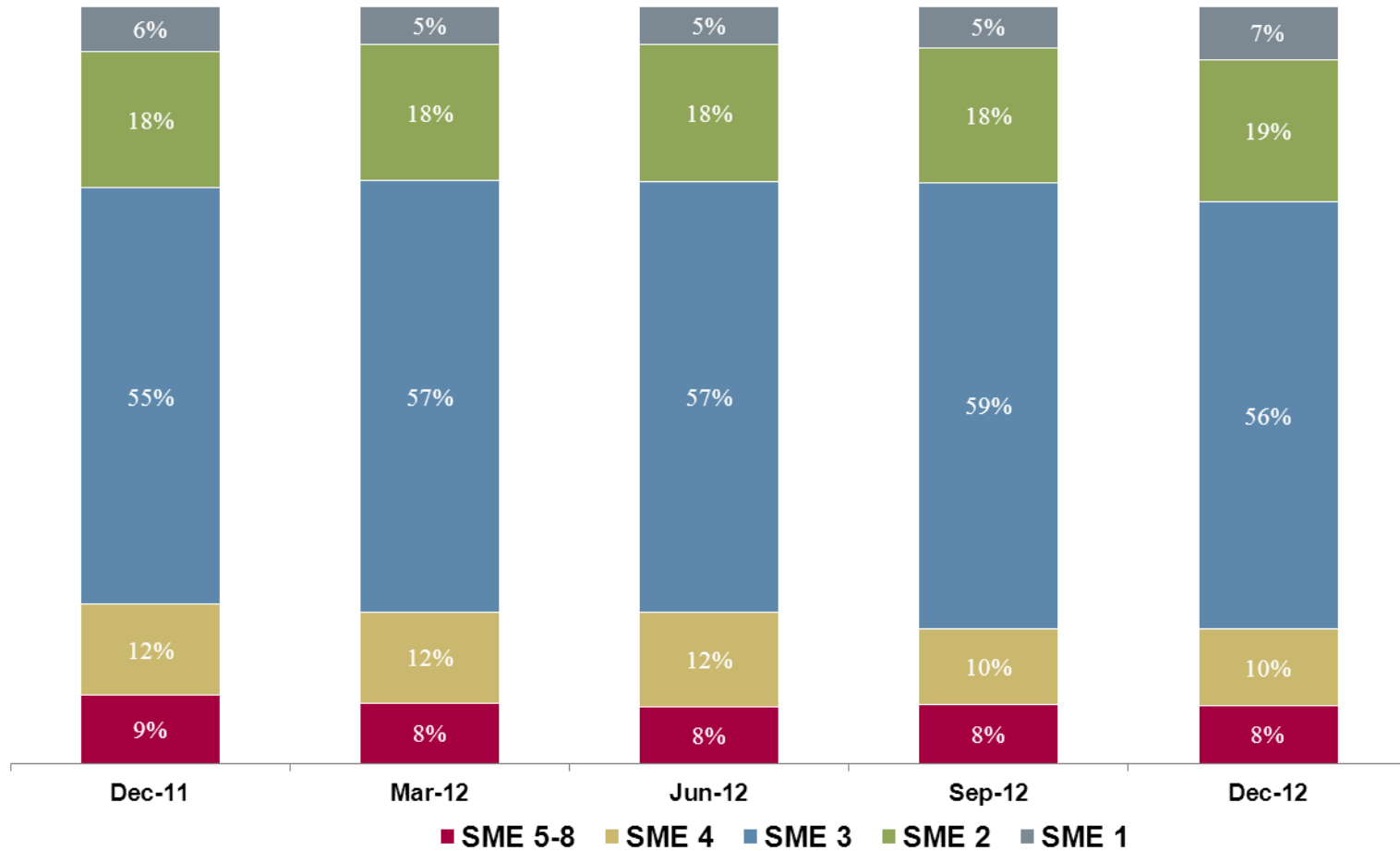
Rating Distribution: LC & MC

61% of corporate advances have rating of at least 'A' in December 2012



Rating Distribution: SME

82% of SME advances have rating of at least 'SME3' in December 2012



Industry-wise Distribution (Top 10)

| Rank | Sectors | Outstanding as on December 31, 2012 (%) ¹ | | |
|------|-------------------------------------|--|----------------|-------|
| | | Fund-based | Non-fund based | Total |
| 1. | Power Generation & Distribution | 5.11 | 19.01 | 9.83 |
| 2. | Infrastructure ² | 8.17 | 11.35 | 9.25 |
| 3. | Financial Companies ³ | 6.92 | 8.48 | 7.45 |
| 4. | Engineering & Electronics | 3.54 | 10.86 | 6.03 |
| 5. | Metal & Metal Products | 5.07 | 7.74 | 5.98 |
| 6. | Food Processing | 4.61 | 1.89 | 3.68 |
| 7. | Trade | 2.91 | 4.12 | 3.32 |
| 8. | Chemical & Chemical Products | 1.70 | 3.55 | 2.33 |
| 9. | Shipping Transportation & Logistics | 2.25 | 2.47 | 2.33 |
| 10. | Real Estate | 3.00 | 0.77 | 2.25 |

¹ Percentages stated above are on the total fund and non-fund based outstanding across all loan segments

² Financing of projects (roads, ports, airports etc)

³ Includes Housing Finance Companies and other NBFCs

International Presence

Branches at Singapore, Hong Kong, DIFC – Dubai & Colombo

Representative offices at Shanghai, Dubai & Abu Dhabi

Axis U.K. Limited incorporated as a subsidiary

Business offerings include Corporate Loans, Trade Finance Products, Debt Syndication and Liability Business

Total Assets overseas stood at USD 6.41 billion

Thank You