

AXIS BANK

**FY 2010-11
First Half Results**

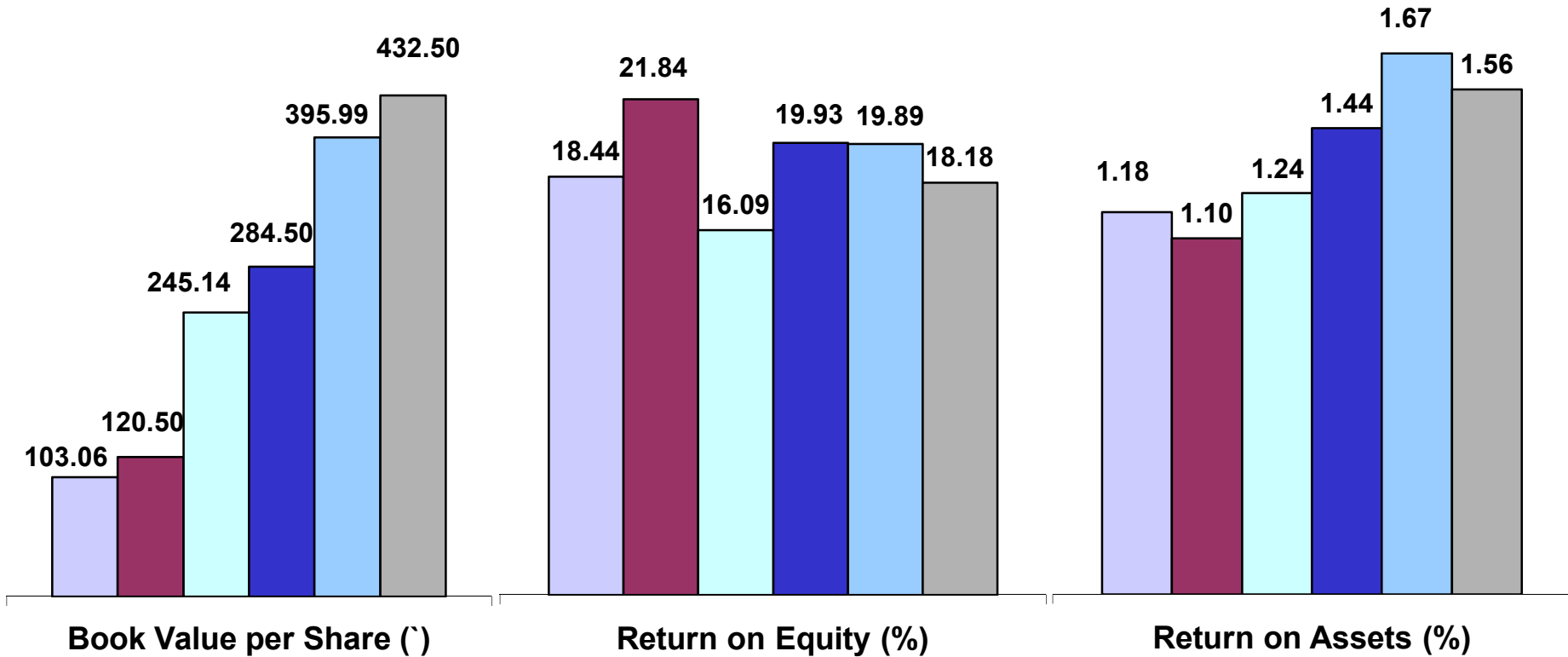
Investor Presentation

Performance Highlights

	<u>Q2FY11</u>	<u>H1FY11</u>
Net Profit	↑ 38 % YOY	↑ 35% YOY
Net Interest Income	↑ 40 % YOY	↑ 43 % YOY
Fee Income	↑ 18 % YOY	↑ 18 % YOY
Operating Revenue	↑ 20 % YOY	↑ 22 % YOY
Operating Profit	↑ 14% YOY	↑ 18 % YOY
Net Interest Margin	3.68%	3.69%
Cost of Funds	4.75%	4.69%

Shareholder Returns

FY06 FY07 FY08
FY09 FY10 H1FY11

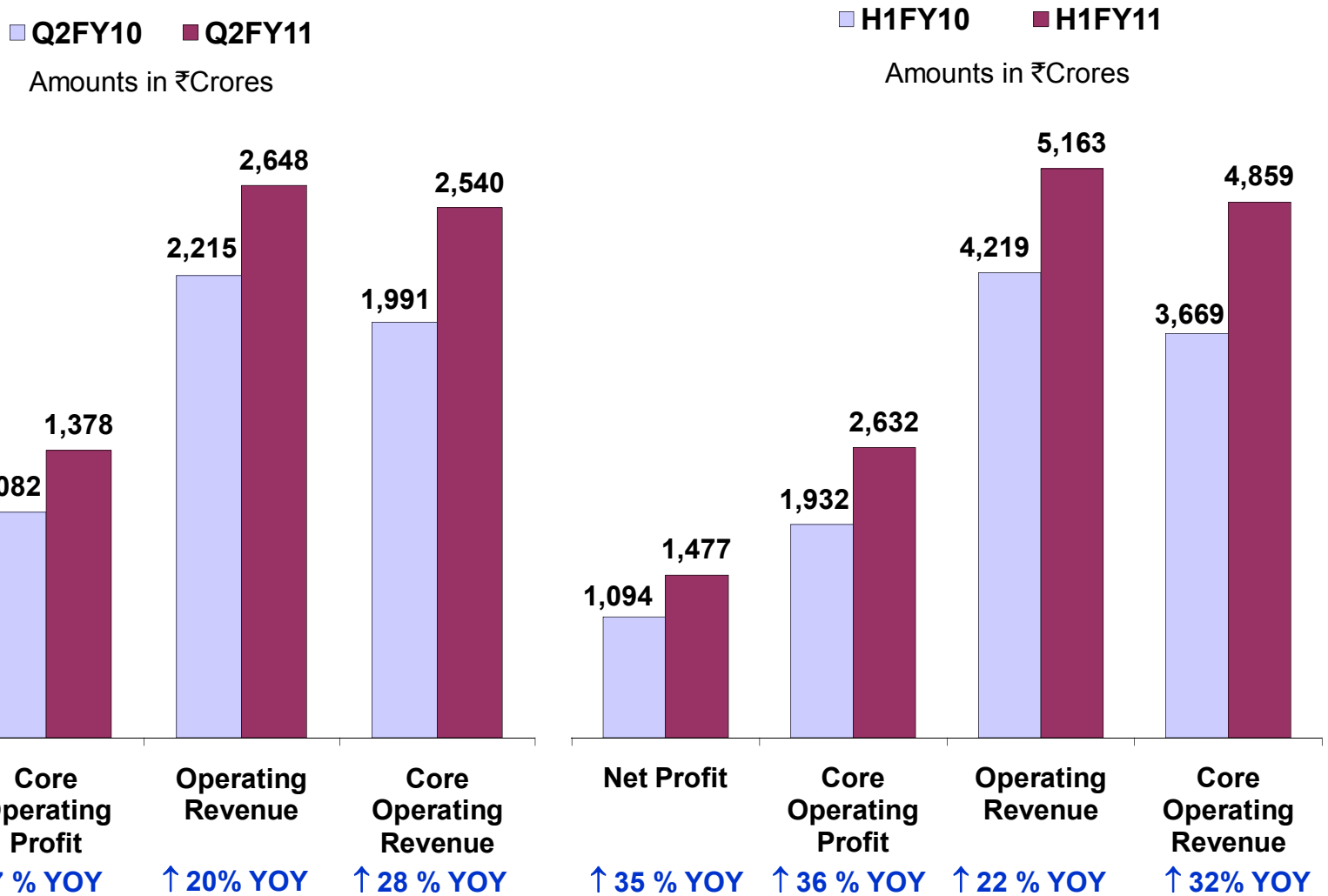


Interpretation of Q2FY11 Performance

- **Growth in the Bank's core businesses**
 - Total Net Advances grew 36% yoy to ₹1,10,593 crores
 - Total Investments grew 19% yoy to ₹61,942 crores
 - Total Assets registered a 32% yoy growth, rising to ₹1,99,833 crores
 - Fees grew by 18% yoy, rising to ₹849 crores
 - Share of demand deposits in total deposits stood at 39% on daily average basis
- **Retail Advances grew by 17% yoy to ₹21,001 crores; constituted 19% of total advances, as compared to 22% at the end of Q2FY10.**
- **Net NPAs at 0.34% as compared to 0.45% at the end of Q2FY10.**
- **At the end of Sep '10, book value per share was ₹432.50 , as compared to ₹375.35 at the end of Sep '09**
- **Capital Adequacy stood at 13.68% with Tier-I capital at 9.77% (without reckoning H1FY11 profit, as stipulated by Reserve Bank of India)**

Profitability

Sustained Growth: Robust Core Revenues

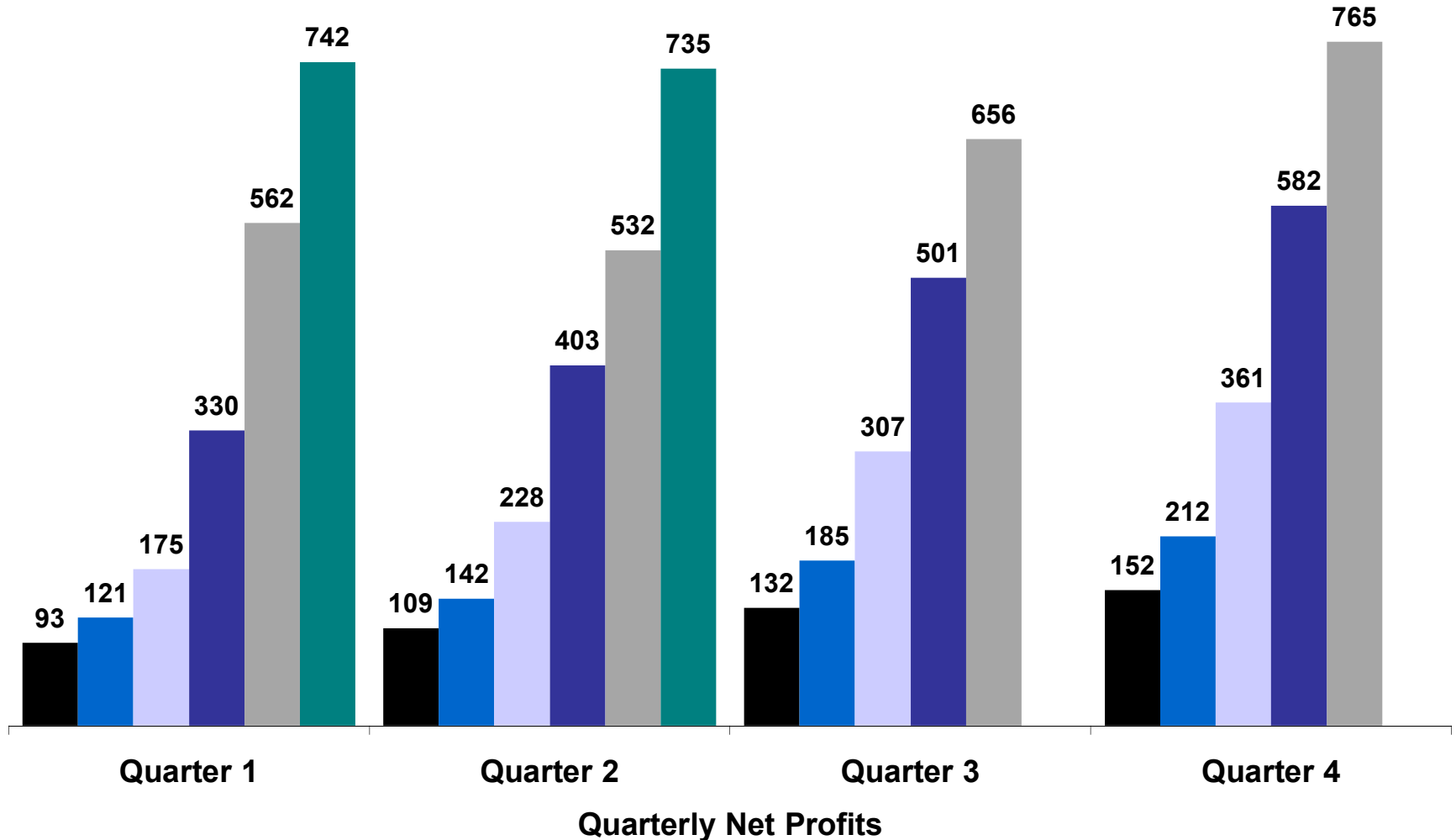


Note: Core Operating Revenue / Profit excludes trading gains / losses

Consistent Net Profit Growth

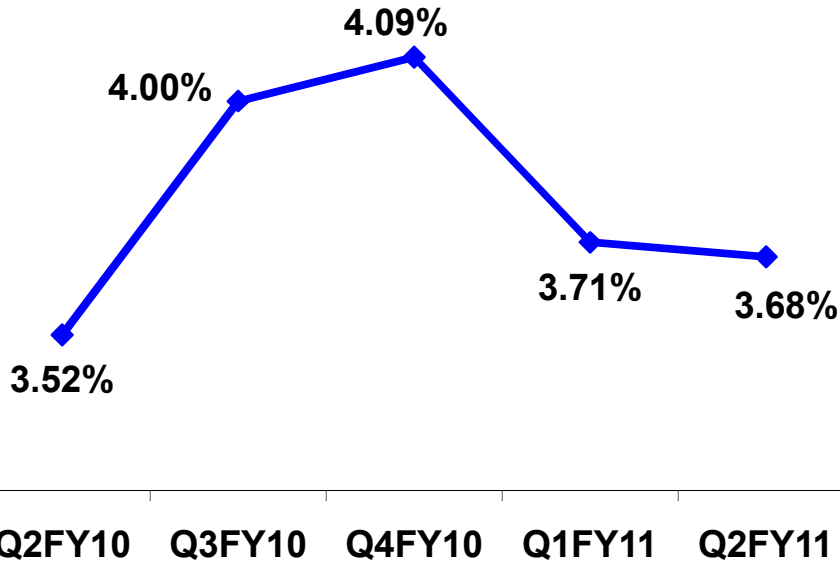
■ FY06 ■ FY07 ■ FY08 ■ FY09 ■ FY10 ■ FY11

Amounts in ₹ Crores

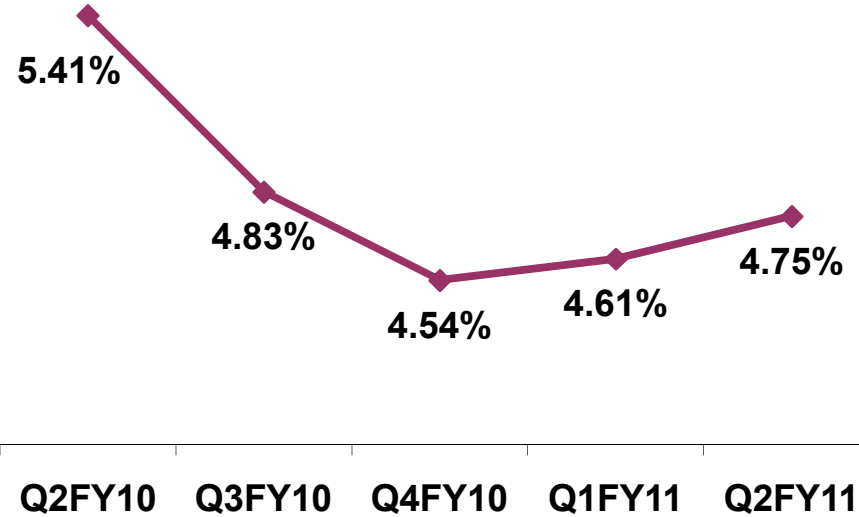


Net Interest Margin and Cost of Funds

◆ Net Interest Margin



◆ Cost of Funds



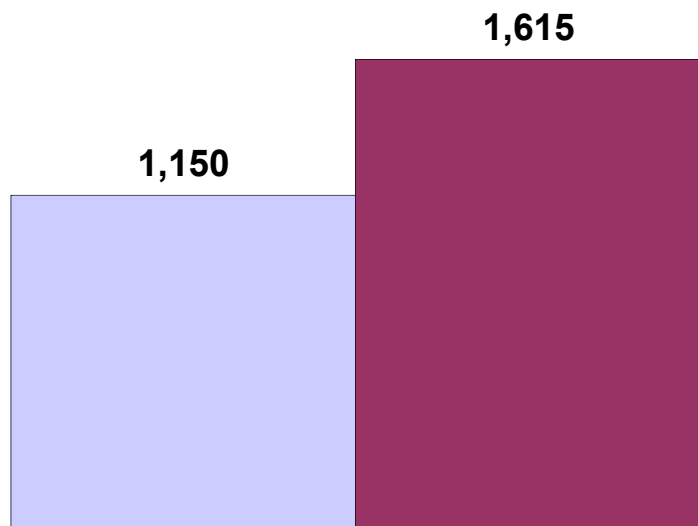
NIMs for the last 5 years

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

Growing Net Interest Income

■ Q2FY10 ■ Q2FY11

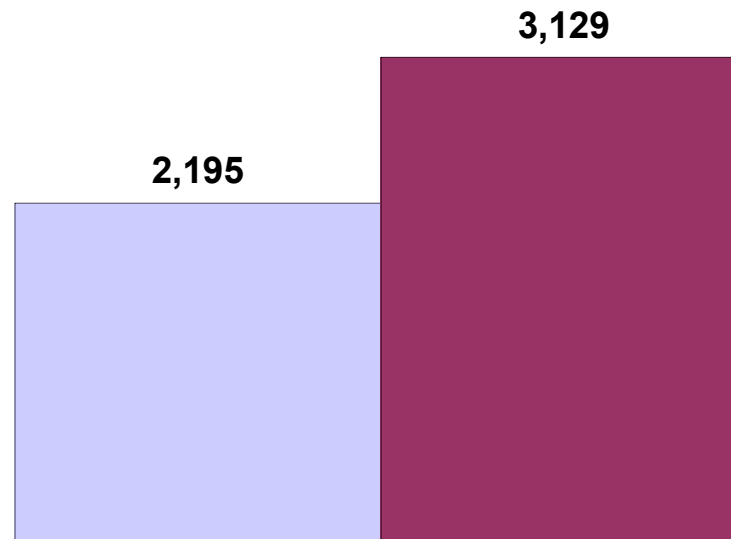
Amounts in ₹ Crores



↑ 40% YOY

■ H1FY10 ■ H1FY11

Amounts in ₹ Crores



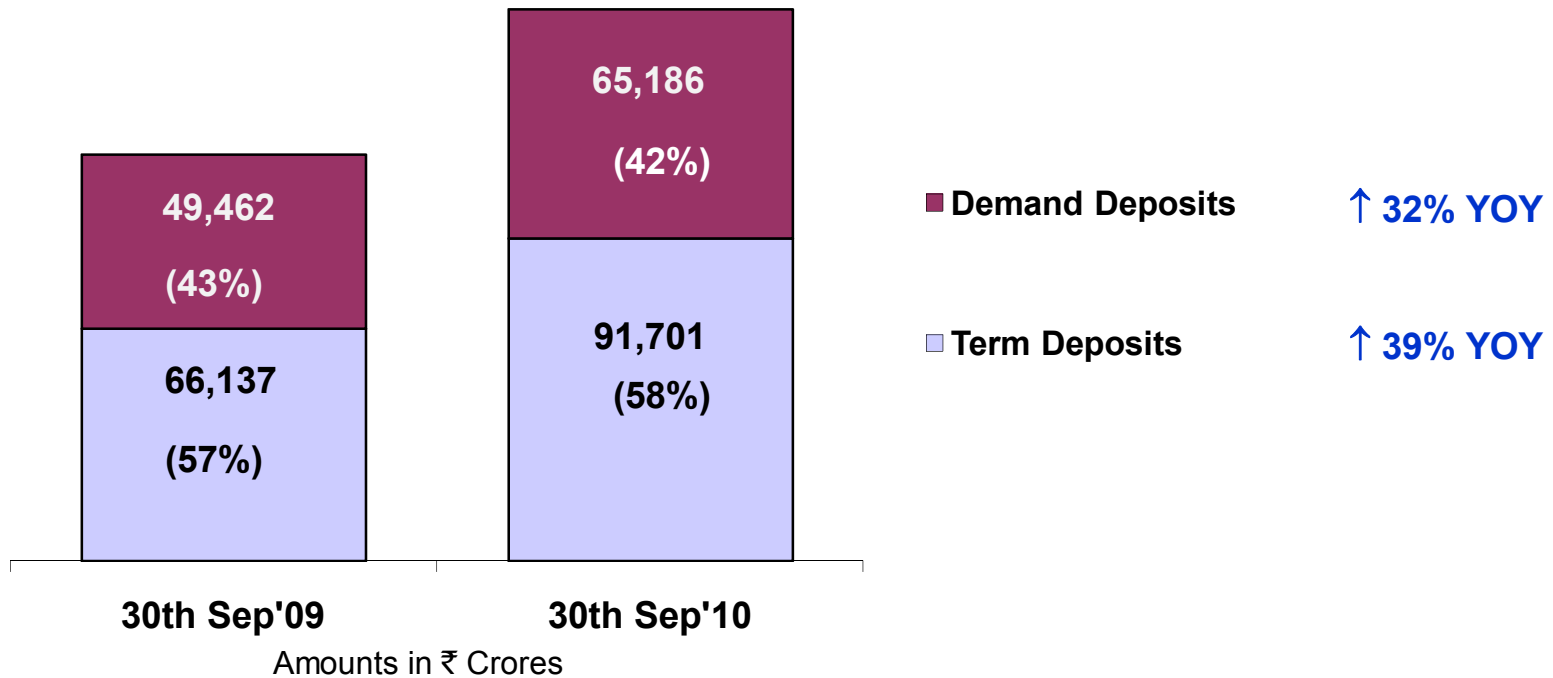
↑ 43% YOY

NIIs for the last 5 years

FY06	1,078
FY07	1,468
FY08	2,585
FY09	3,686
FY10	5,004

Growing Demand Deposits

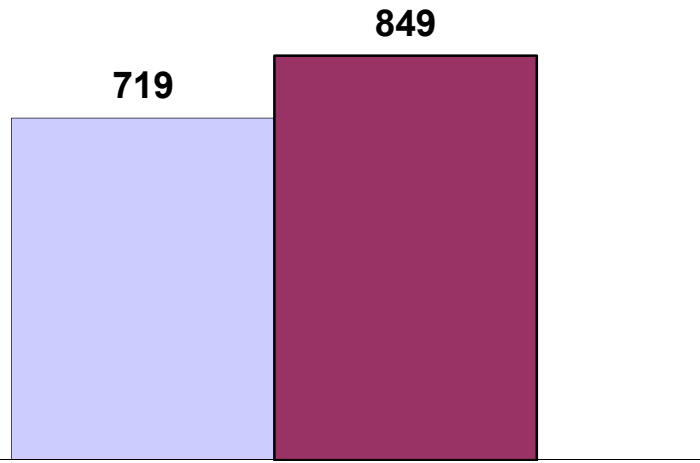
YOY Growth in Daily Average Demand and Term Deposits		
Deposit	Q2FY11	H1FY11
Savings	41%	40%
Current	28%	32%
Total Demand Deposits	36%	37%
Total Deposits	36%	33%



Fees

■ Q2FY10 ■ Q2FY11

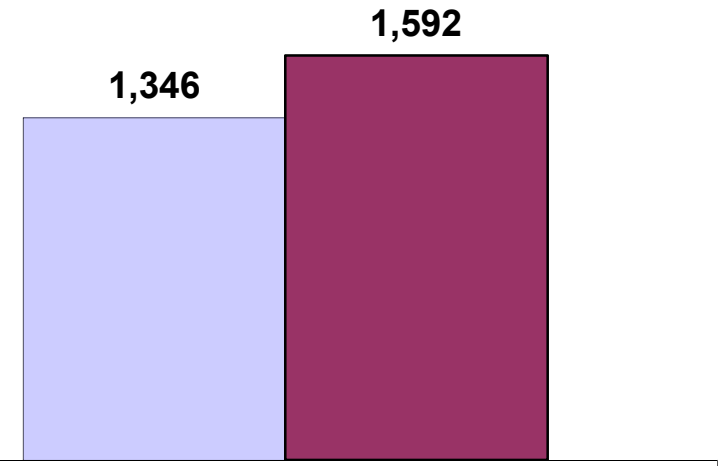
Amounts in ₹ Crores



↑ 18% YOY

■ H1FY10 ■ H1FY11

Amounts in ₹ Crores

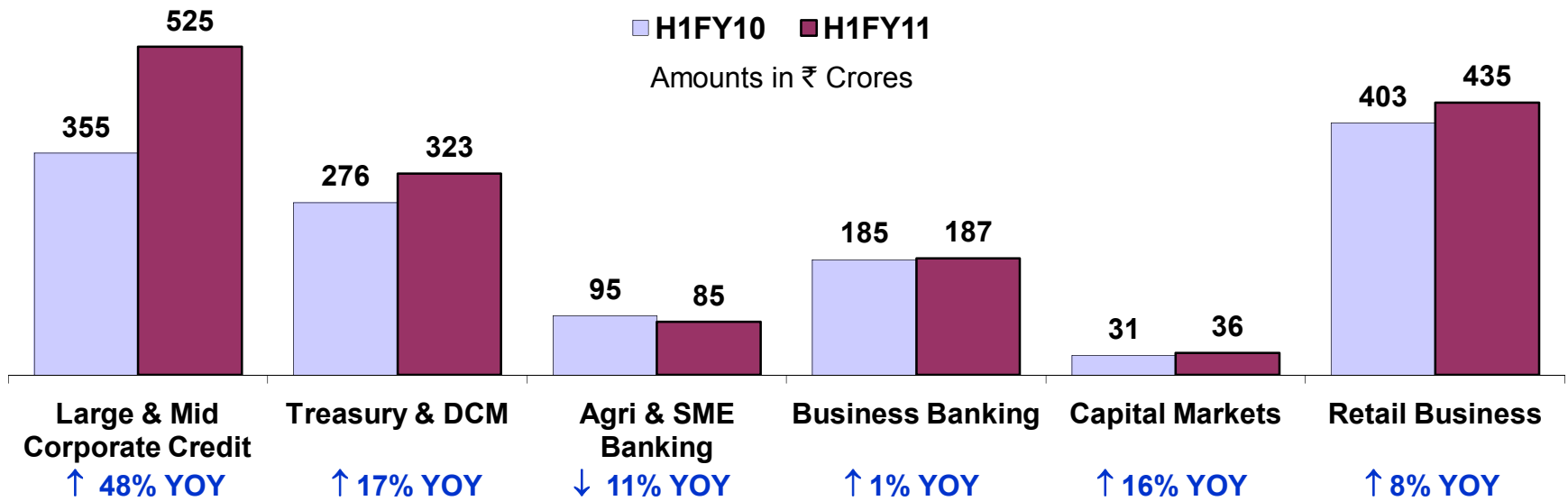
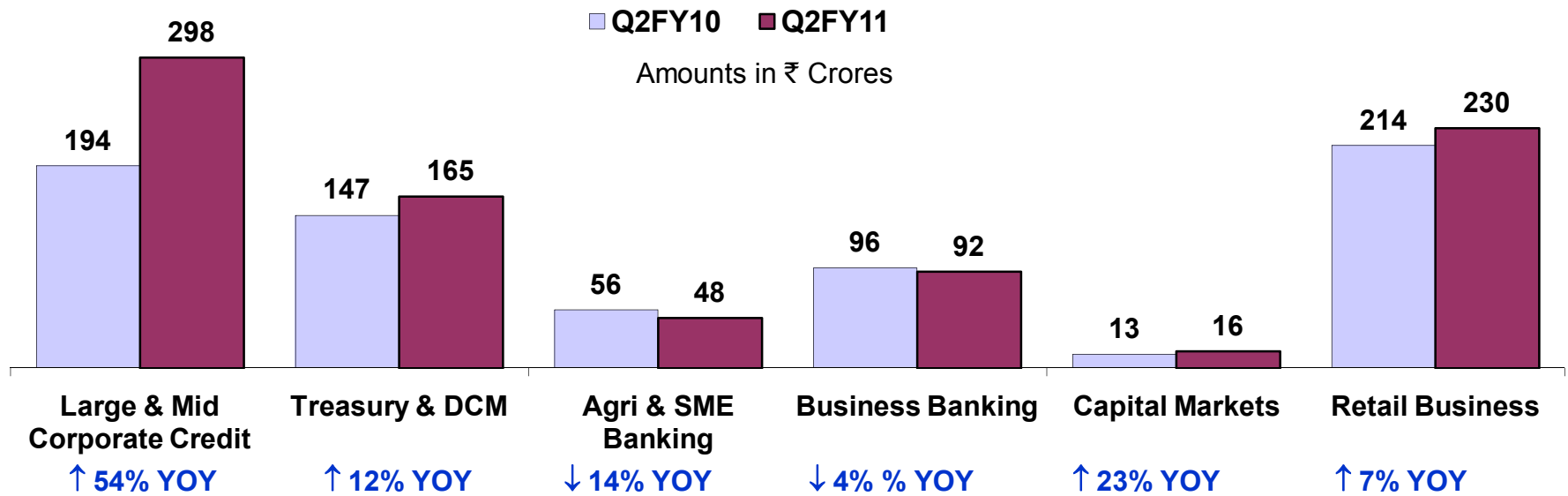


↑ 18% YOY

Fees for the last 5 years

FY06	558
FY07	890
FY08	1,495
FY09	2,447
FY10	2,925

Fee Income Composition

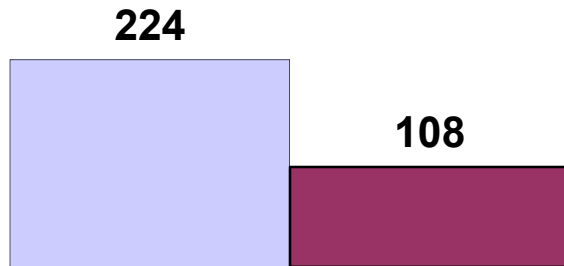


Note: Previous year's figures have been restated pursuant to a realignment of the organization structure

Trading Profits

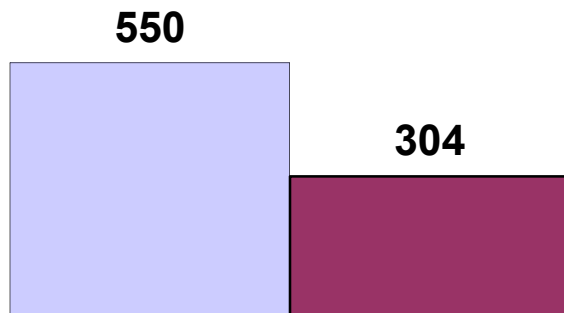
Trading Profit Volume

Amounts in ₹ Crores



Q2FY10 Q2FY11

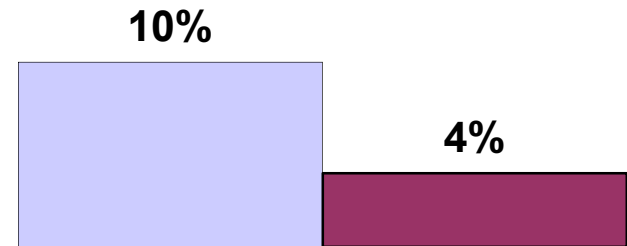
↓ 52% YOY



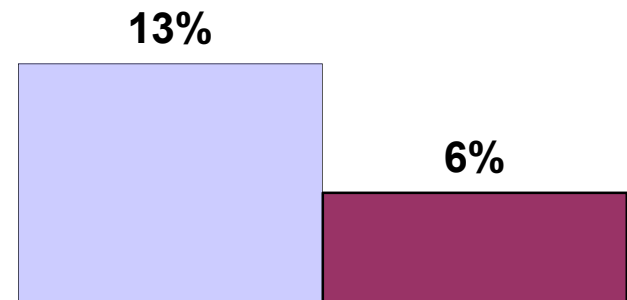
H1FY10 H1FY11

↓ 45% YOY

% of Operating Revenue



Q2FY10 Q2FY11

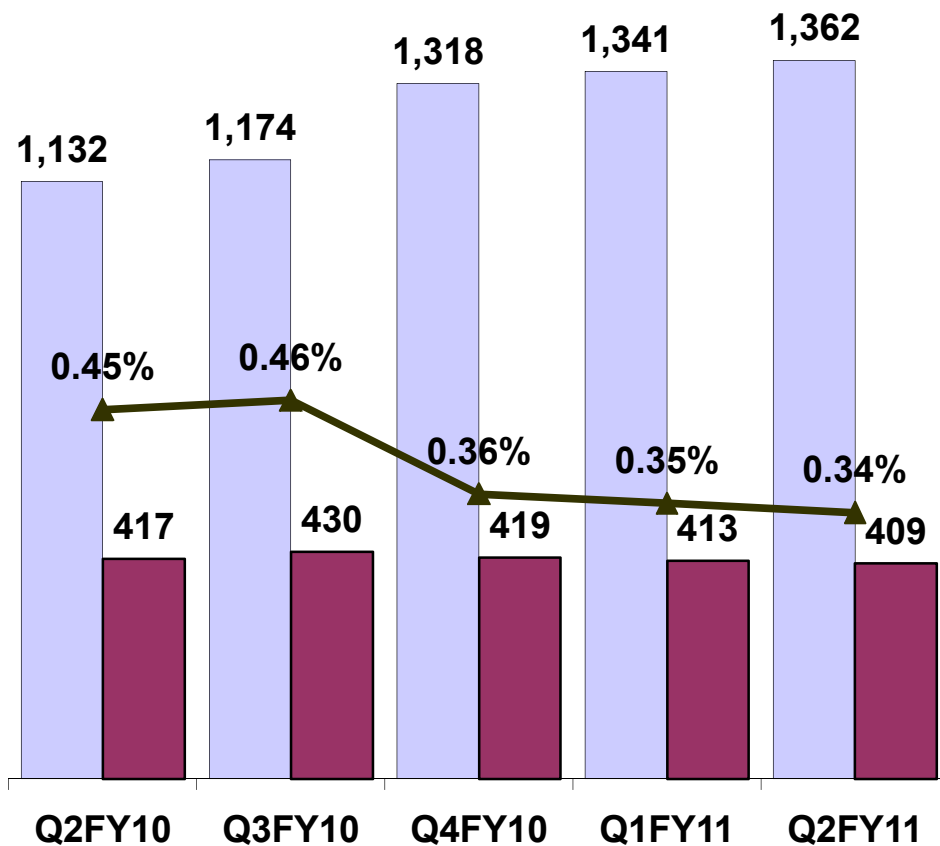


H1FY10 H1FY11

Stressed Assets and Net NPA (%)

■ Gross NPAs
 ■ Net NPAs
 ▲ Net NPA (%)

Amounts in ₹ Crores



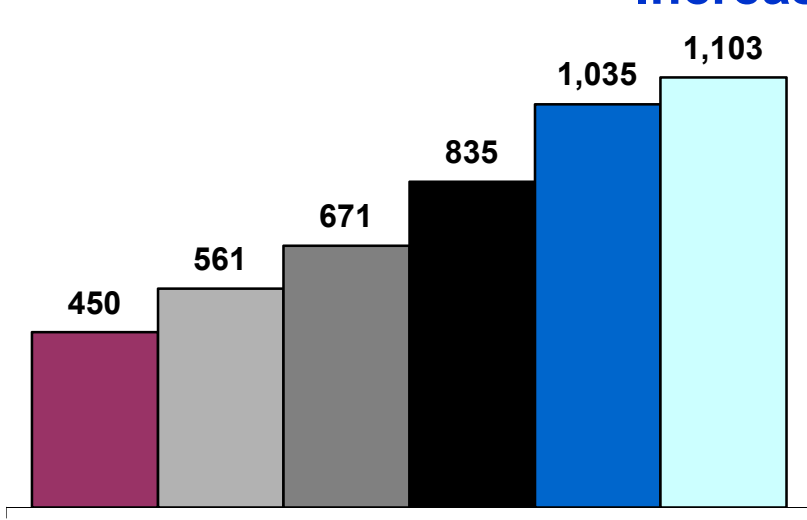
Net NPA as at year-end

FY06	0.75%
FY07	0.61%
FY08	0.36%
FY09	0.35%
FY10	0.36%

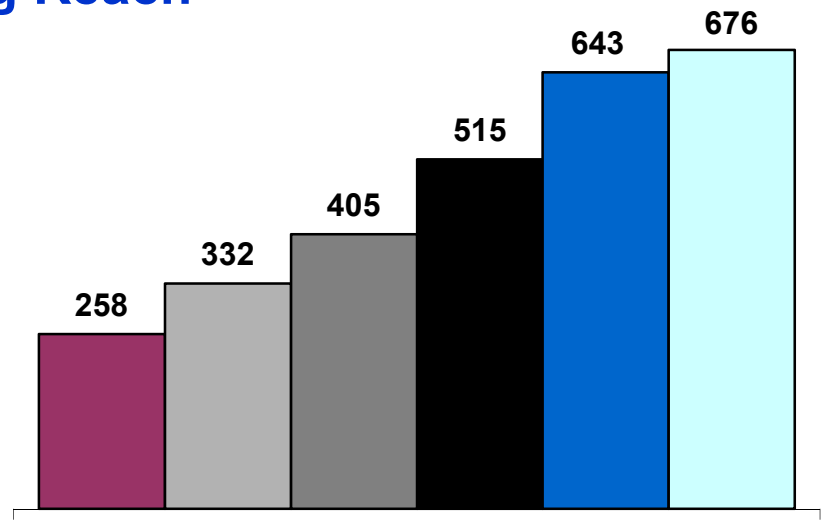
BUSINESS OVERVIEW

Network

Increasing Reach

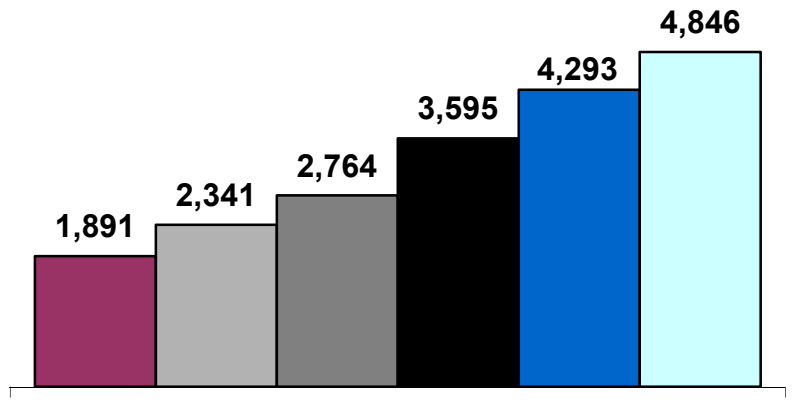


Branches + Extension Counters



Centres Covered

Branch Demographics (Domestic)		
	Branches	Extn. Counters
Metro	340	6
Urban	411	2
Semi-urban	274	-
Rural	70	-
Total	1,095	8



ATMs

■ Mar'06 ■ Mar'07 ■ Mar'08 ■ Mar'09 ■ Mar'10 □ Sep'10

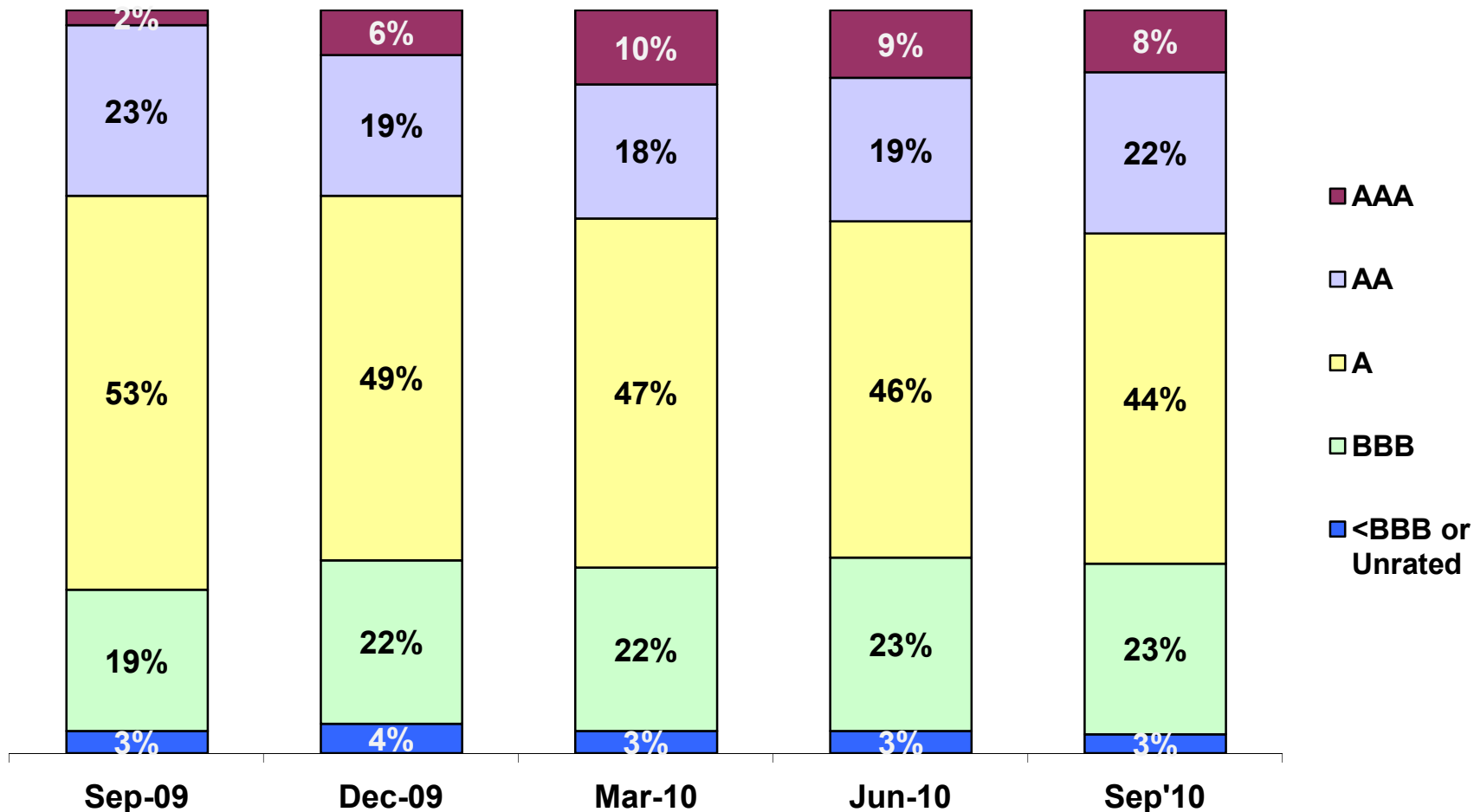
Large and Mid Corporate Banking

- **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**
- **Rigorous and regular risk assessment of individual accounts**
 - **Rating Tools and Monitoring Tools**
- **Offer broad suite of products with continued focus on customised offerings**

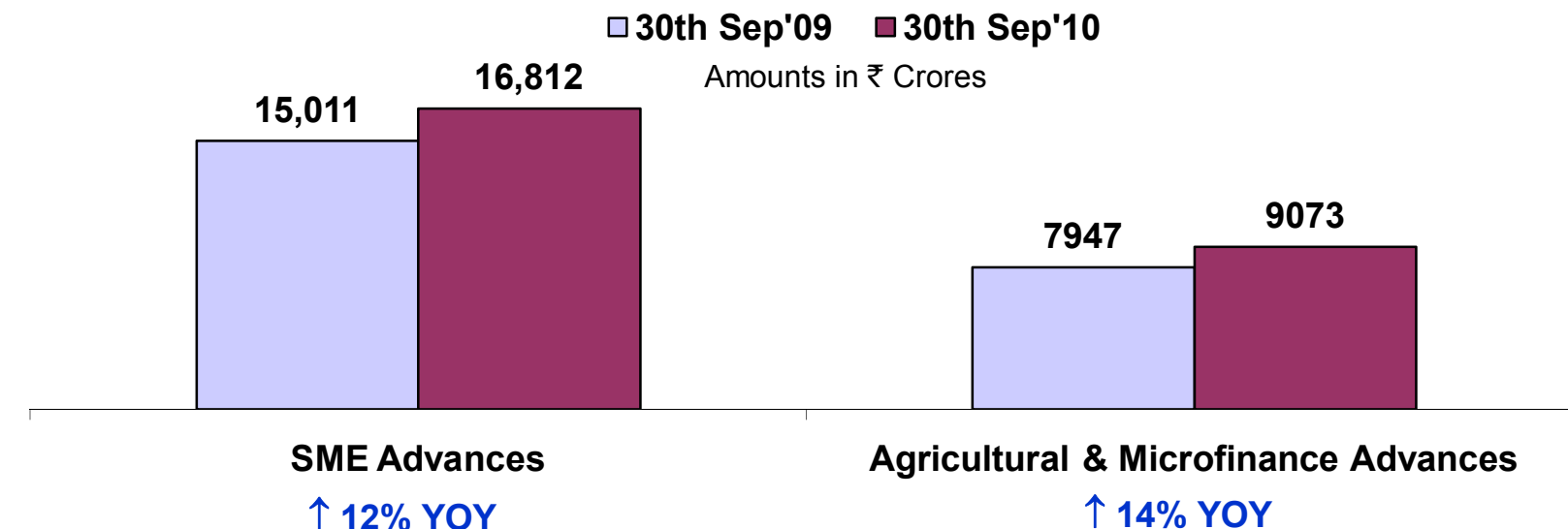
Distribution of Ratings

(Large and Mid Corporate)

74% of corporate advances have rating of at least 'A' as at Sep'10



SME and Agri Business



SME Centres	25	26
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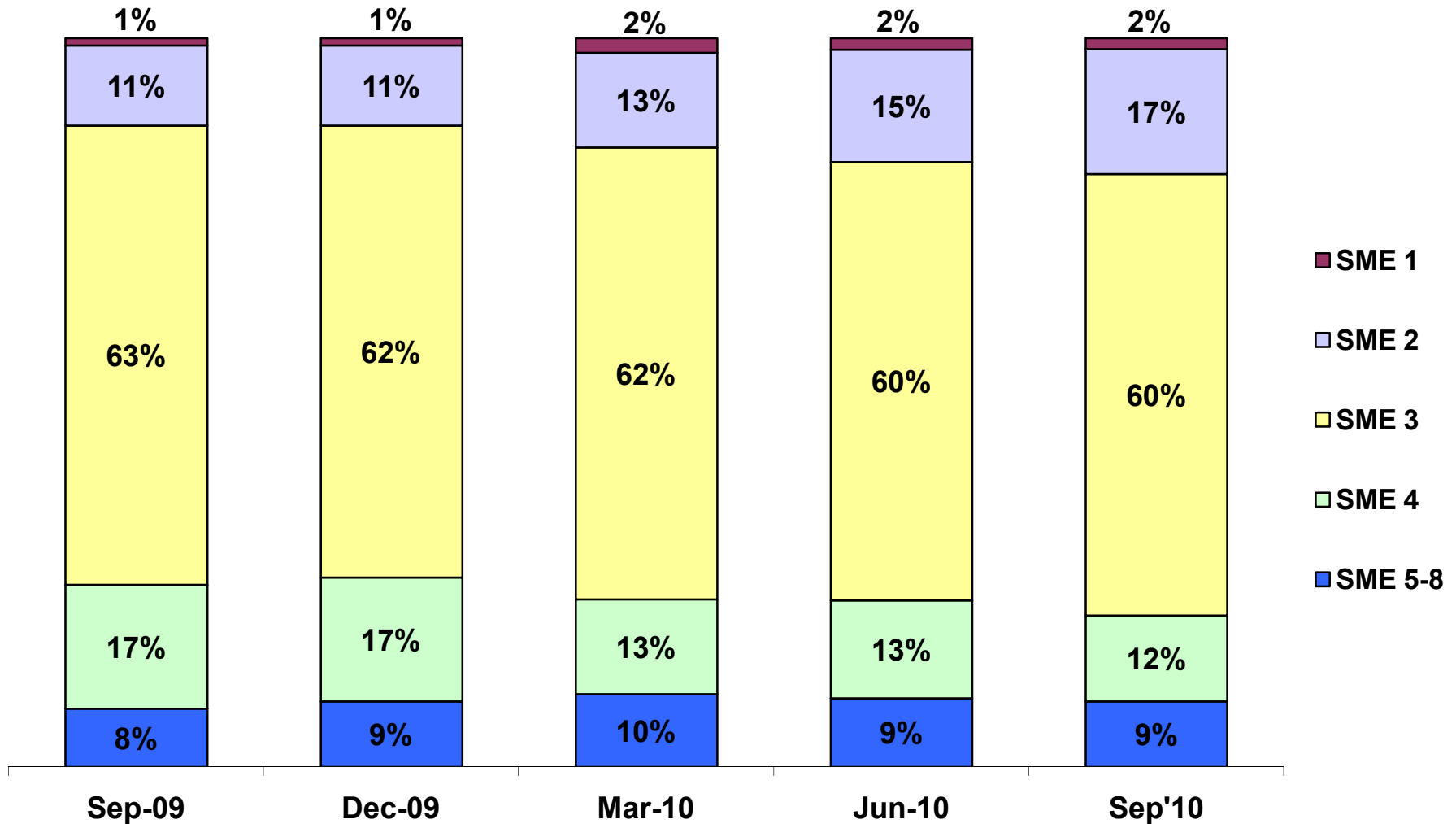
Agri Clusters	56	66
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- **Specialised SME Centres** for SME appraisals, sanctions and post-sanction monitoring
- **Product categories**
 - Schematic loans
 - Non-schematic loans
 - Channel finance

- **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

79% of SME advances have rating of at least 'SME3' as at Sep'10



Sector Composition

Across Large Corporate, Mid Corporate, SME and Corporate Agri

Rank	Sectors	Outstanding as on 30th Sep'10 (%)		
		Total	Fund-based	Non-fund based
1.	Financial companies*	12.68	12.61	12.81
2.	Infrastructure construction**	11.97	9.35	16.62
3.	Power generation & distribution	8.61	5.21	14.62
4.	Telecommunication services	7.08	9.71	2.41
5.	Metal & metal products	6.78	6.60	7.10
6.	Engg & electronics	5.12	2.70	9.40
7.	Trade	4.45	4.44	4.47
8.	Shipping & logistics	3.71	3.81	3.53
9.	Real estate	3.54	5.37	0.28
10.	Chemical & chemical products	3.33	2.85	4.17

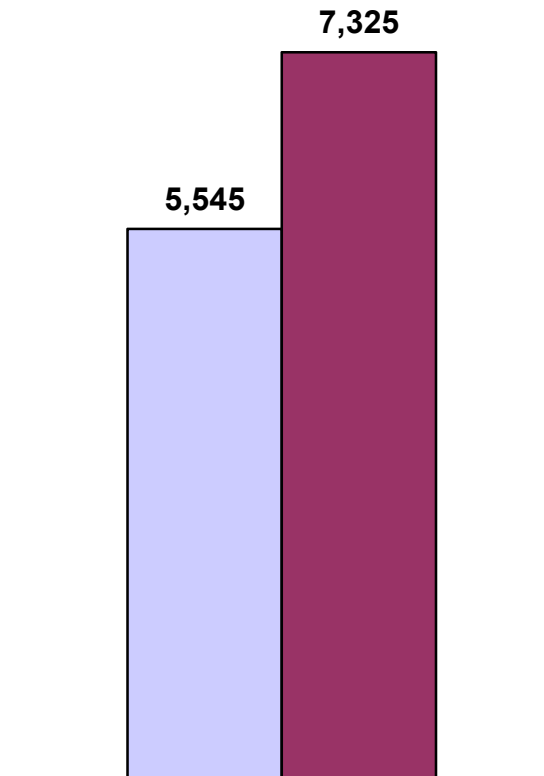
*Housing Finance Companies and other NBFCs

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

Business Banking

Cash Management Services

□ 30th Sep'09 ■ 30th Sep'10



CMS Clients

↑ 32% YOY

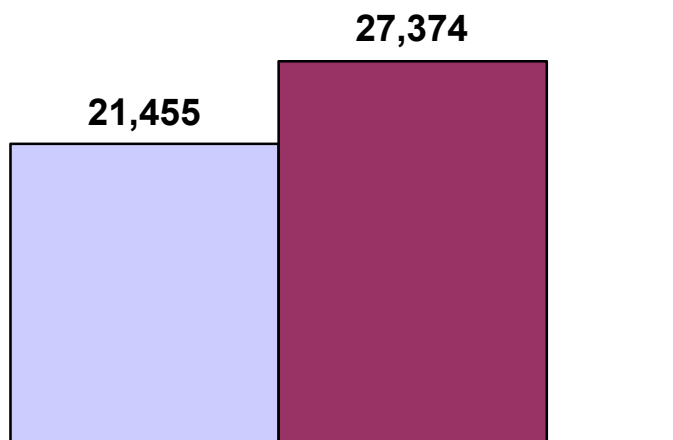
- Collection of Central Government taxes on behalf of CBDT and CBEC, including through e-payments
- Collection of State Government taxes on behalf of 8 State Governments and UT
- Collections and payments for Central Government ministries - Railways, Ministry of Finance, Urban Development and Housing & Urban Poverty Alleviation
- Collections under e-governance initiatives of 6 State Governments and UT

Business Banking

Current Accounts Growth

□ 30th Sep'09 ■ 30th Sep'10

Amounts in ₹ Crores



Current Account Deposits

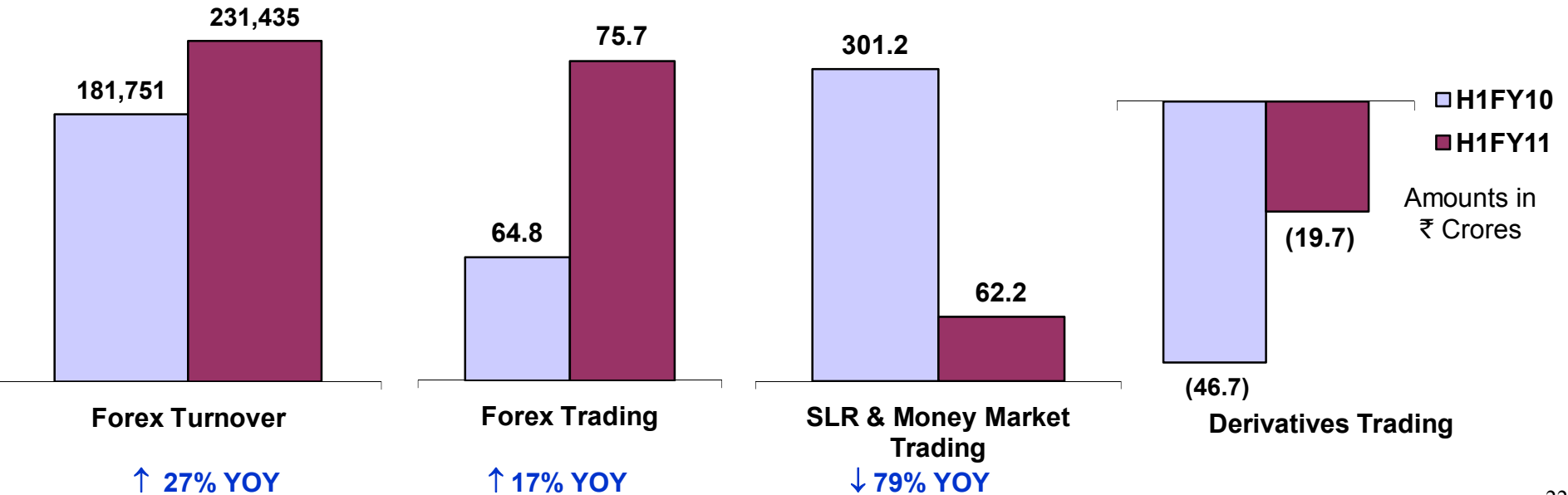
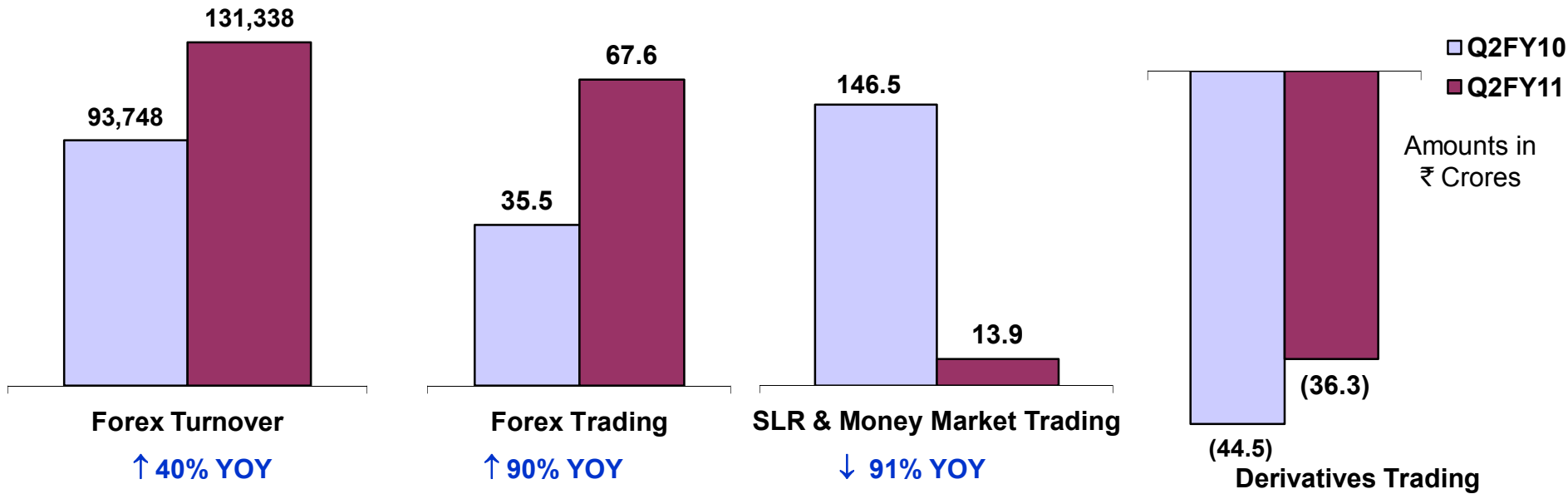
↑ 28% YOY

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

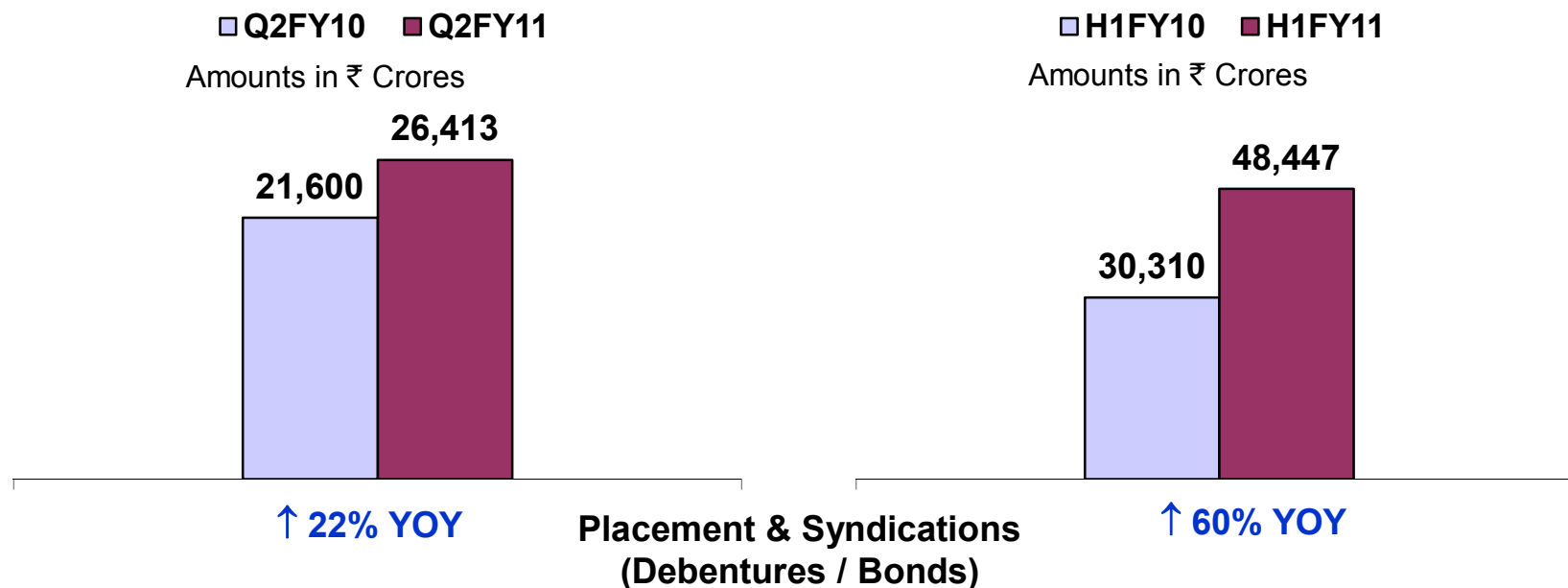
Mar'06	7,970
Mar'07	11,304
Mar'08	20,045
Mar'09	24,822
Mar'10	32,168

- **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



Debt Capital Markets

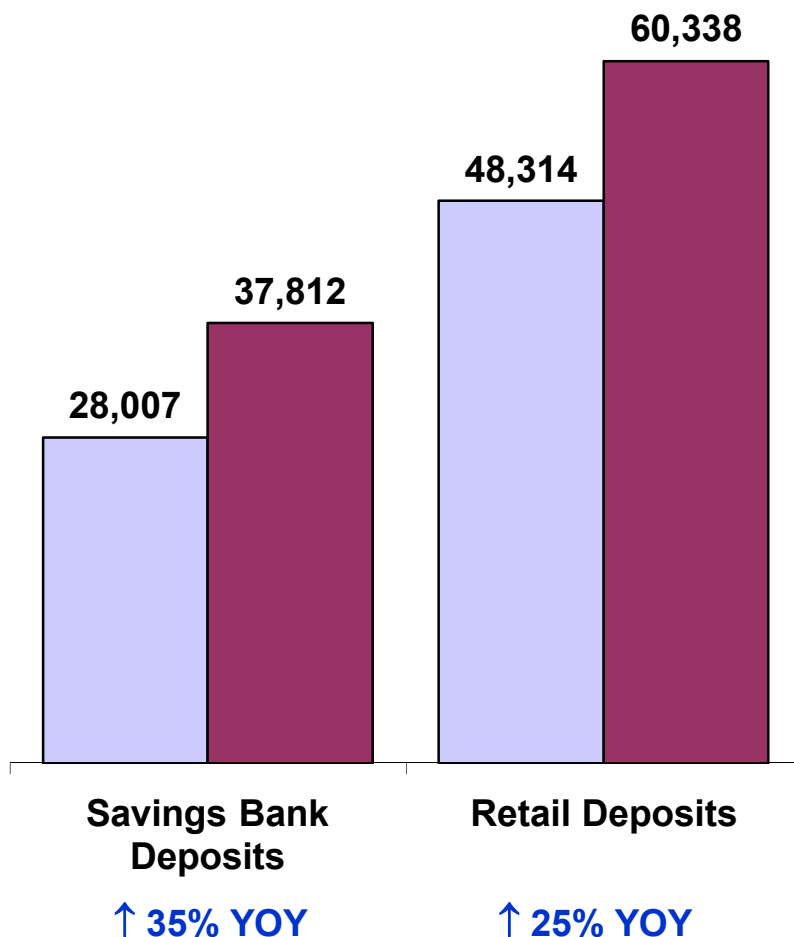


- A dominant player in placement and syndication of debt issues
- Ranked No. 1 Debt Arranger by Prime Database for quarter ending June 2010
- Ranked No.1 Debt Arranger by Bloomberg Underwriter league table for the period Jan '10-Sep '10
- Recent Awards:
 - Asia Money 2010: Best Domestic Debt House in India
 - Euromoney 2010: Best Debt House in India
 - Finance Asia 2010: Best Bond House in India

Savings Bank Growth

□ 30th Sep'09 ■ 30th Sep'10

Amounts in ₹ Crores



Savings Bank deposits for the last 5 years (as on 31st March)

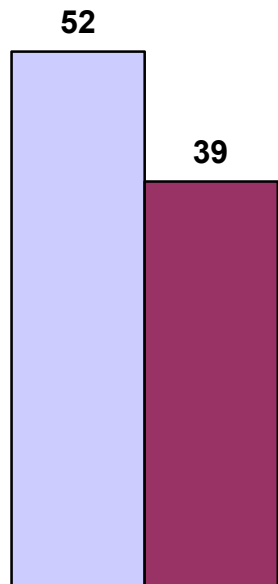
Mar'06	8,065
Mar'07	12,126
Mar'08	19,982
Mar'09	25,822
Mar'10	33,862

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

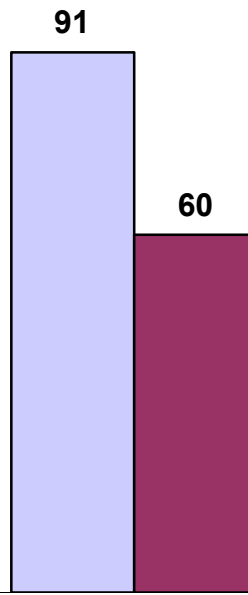
□ Q2FY10 ■ Q2FY11
Amounts in ₹ Crores



↓ 25% YOY

Fee Income

□ H1FY10 ■ H1FY11
Amounts in ₹ Crores



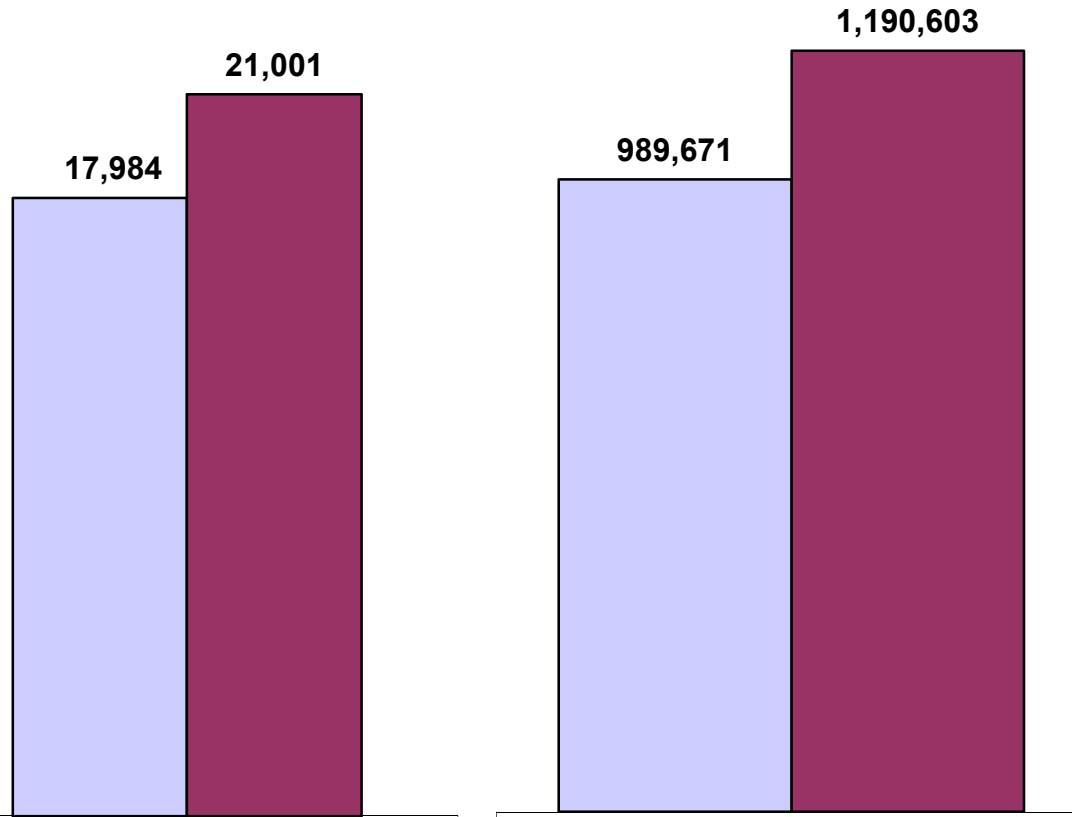
↓ 34% YOY

- 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

Retail Assets

□ 30th Sep'09 ■ 30th Sep'10 □ 30th Sep'09 ■ 30th Sep'10

Amounts in ₹ Crores



Portfolio Size

↑ 17% YOY

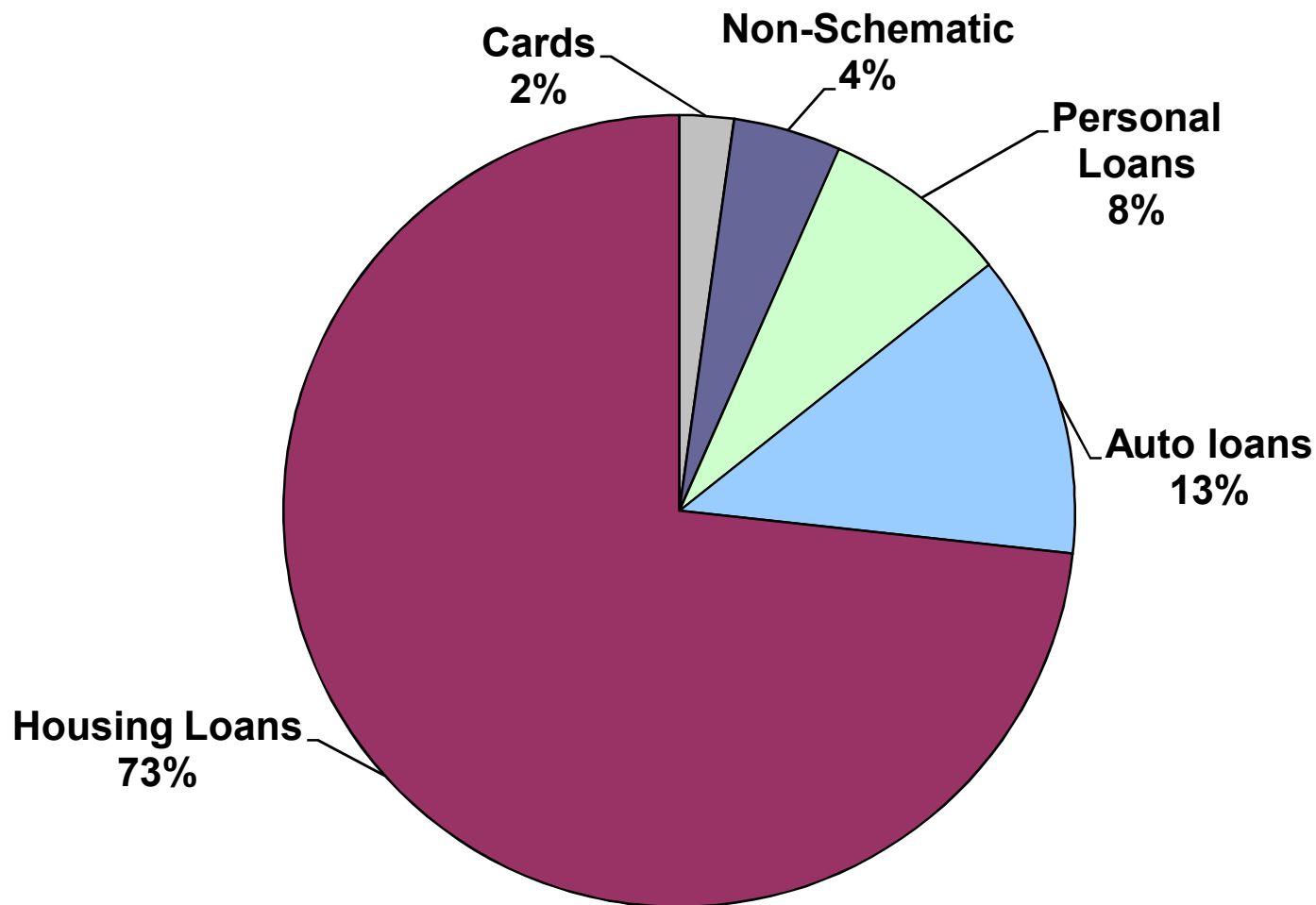
No of Accounts

↑ 20% YOY

- Retail Assets constitute 19% of the bank's total advances, as compared to 22% as at 30th Sep'09.
- Growth driven through 58 Retail Asset Centres (RACs)

Composition of Retail Assets

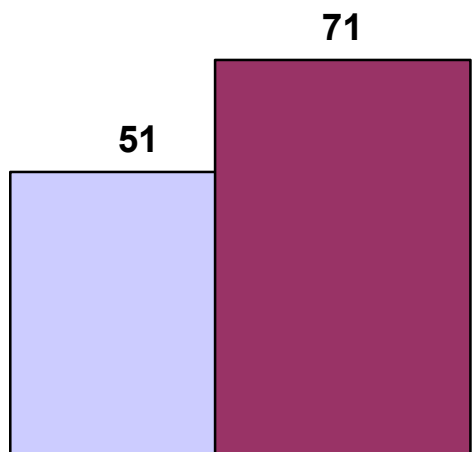
Product-wise composition of Retail Assets portfolio (30th Sep'10)



Cards, Retail Forex & Remittances Business

□ Q2FY10 ■ Q2FY11

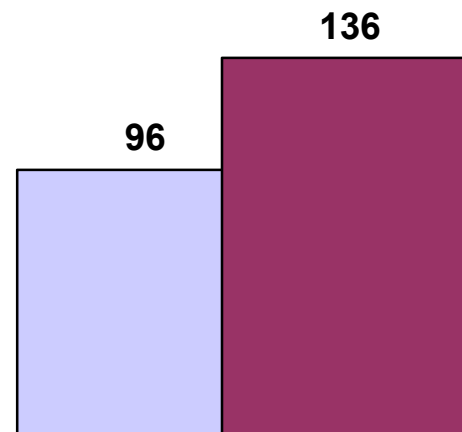
Amounts in ₹ Crores



↑39% YOY

Fee Income

□ H1FY10 ■ H1FY11

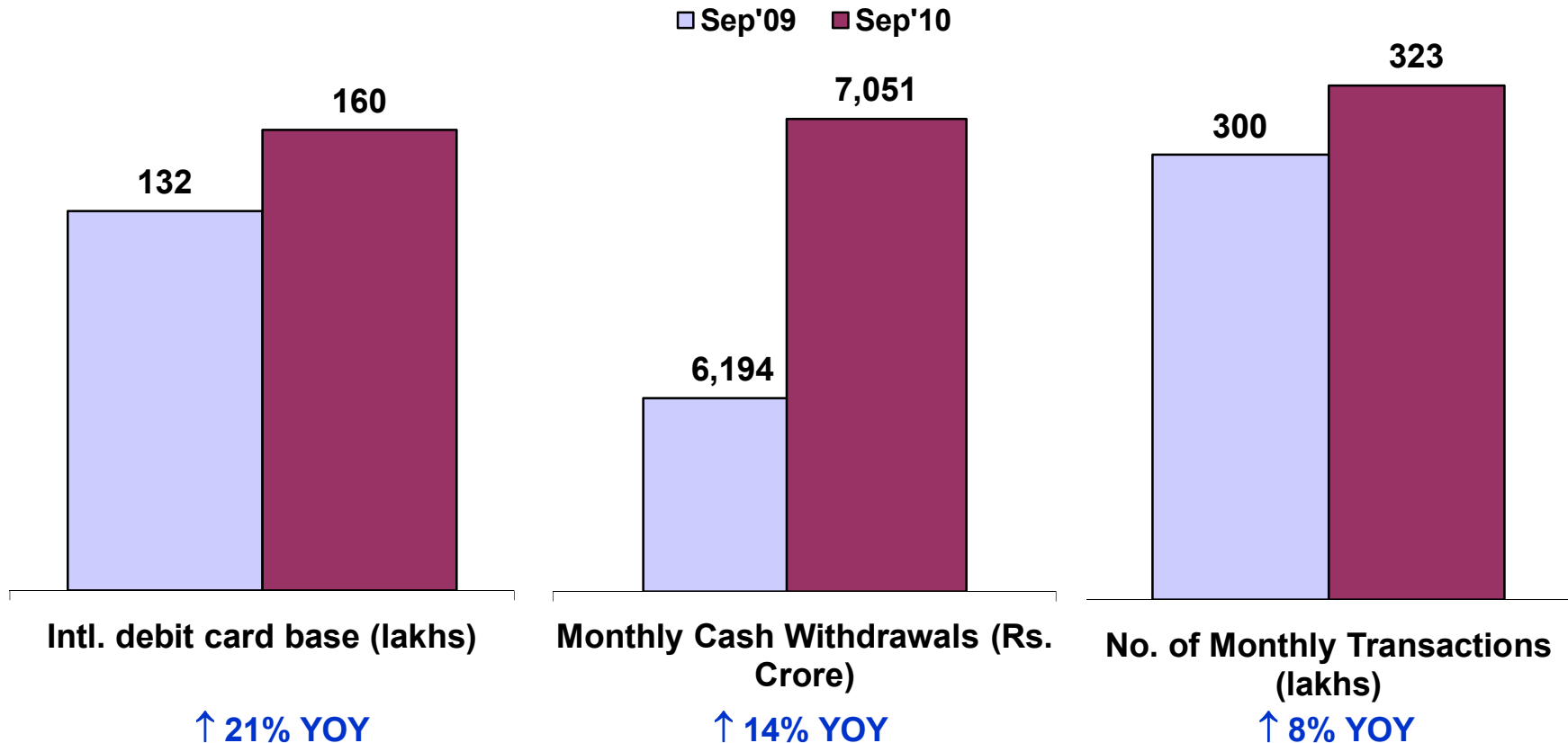


↑42% YOY

- **Issuance**
 - Over 5,80,600 Credit Cards in force till 30th Sep'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 1,69,000 EDCs

Note: Previous year's figures exclude fee income from retail forex & remittances

ATM Channel Migration



- 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

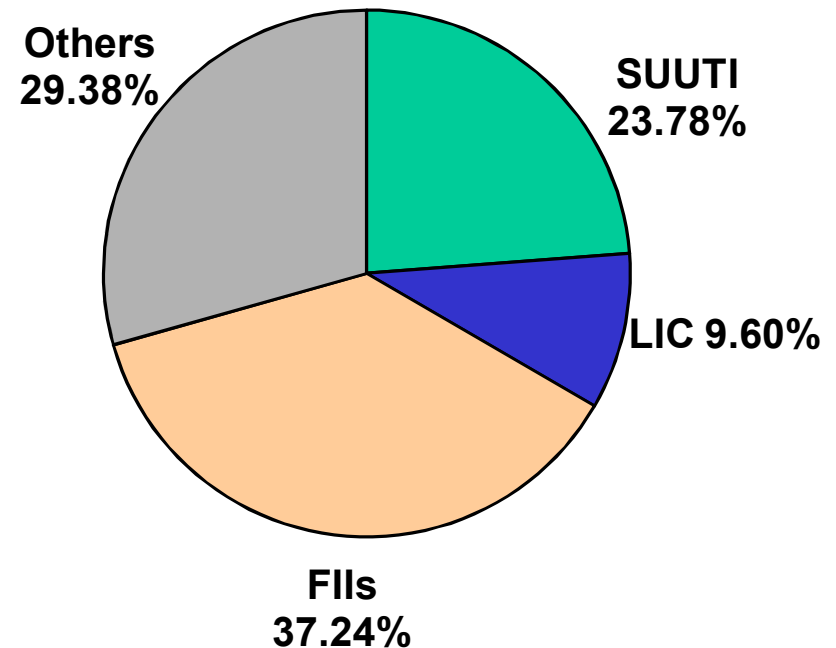
- **Branches at Singapore, Hong Kong and DIFC, Dubai**
- **Representative offices at Shanghai and Dubai**
- **Total assets overseas amounted to US\$ 3.79 billion as compared to US\$ 2.28 billion as at end Sep'09, a growth of 66% yoy**
- **Corporate Banking, Trade Finance products, Debt Syndication and Liability businesses**

Shareholding

Shareholding pattern (Sep'10)

- Share Capital - ₹ 408.84 crores
- Shareholders' Funds - ₹ 17,682 crores
- Book Value per share - ₹ 432.50
- Market Price as on 11/10/10 - ₹ 1550.85
- Market Cap as on 11/10/10 - ₹ 63,405 crores

(US \$ 14.31 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