

AXIS BANK

**FY 2011-12
First Half Results**

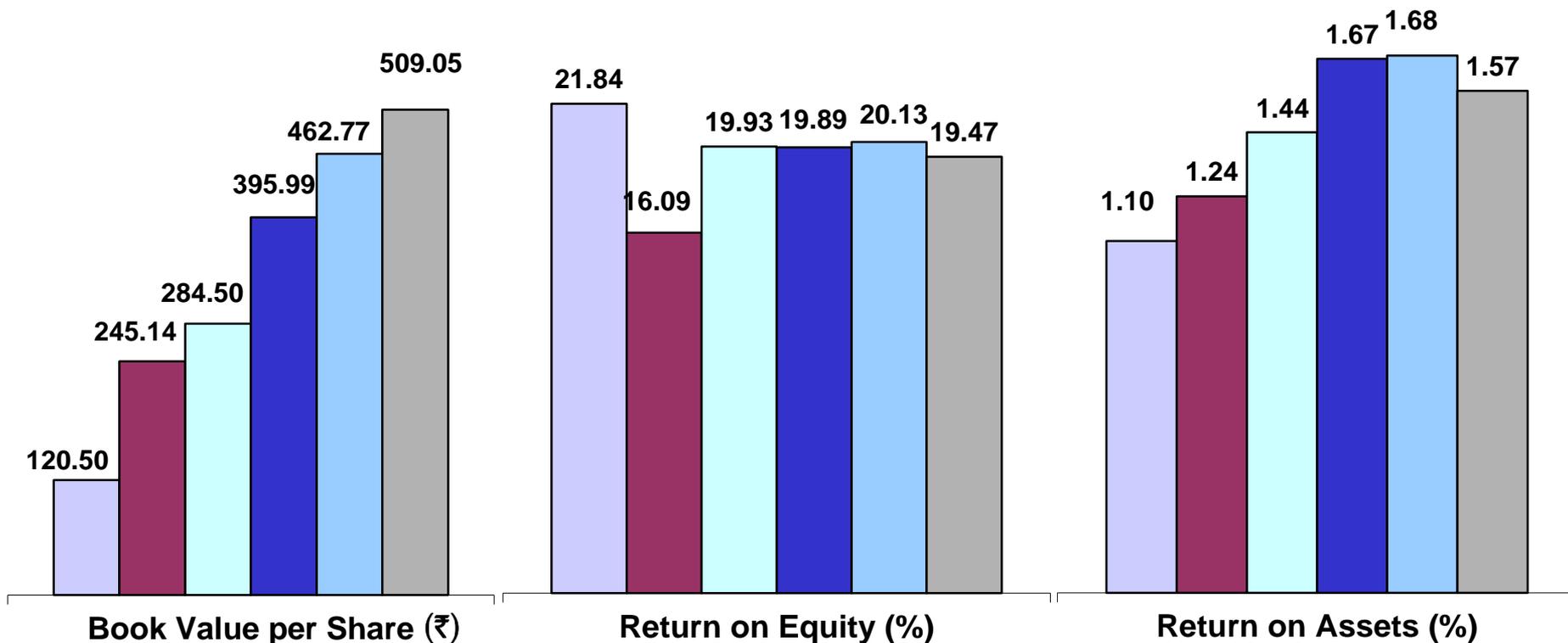
Investor Presentation

Performance Highlights

	<u>Q2FY12</u>	<u>H1FY12</u>
Net Profit	↑ 25% YOY	↑ 26% YOY
Net Interest Income	↑ 24% YOY	↑ 19% YOY
Fee Income	↑ 32% YOY	↑ 37% YOY
Operating Revenue	↑ 22% YOY	↑ 19% YOY
Operating Profit	↑ 19% YOY	↑ 14% YOY
Net Interest Margin	3.78%	3.53%
Cost of Funds	6.19%	6.16%

Shareholder Returns

FY07 FY08 FY09
FY10 FY11 H1FY12



Interpretation of Q2FY12 Performance

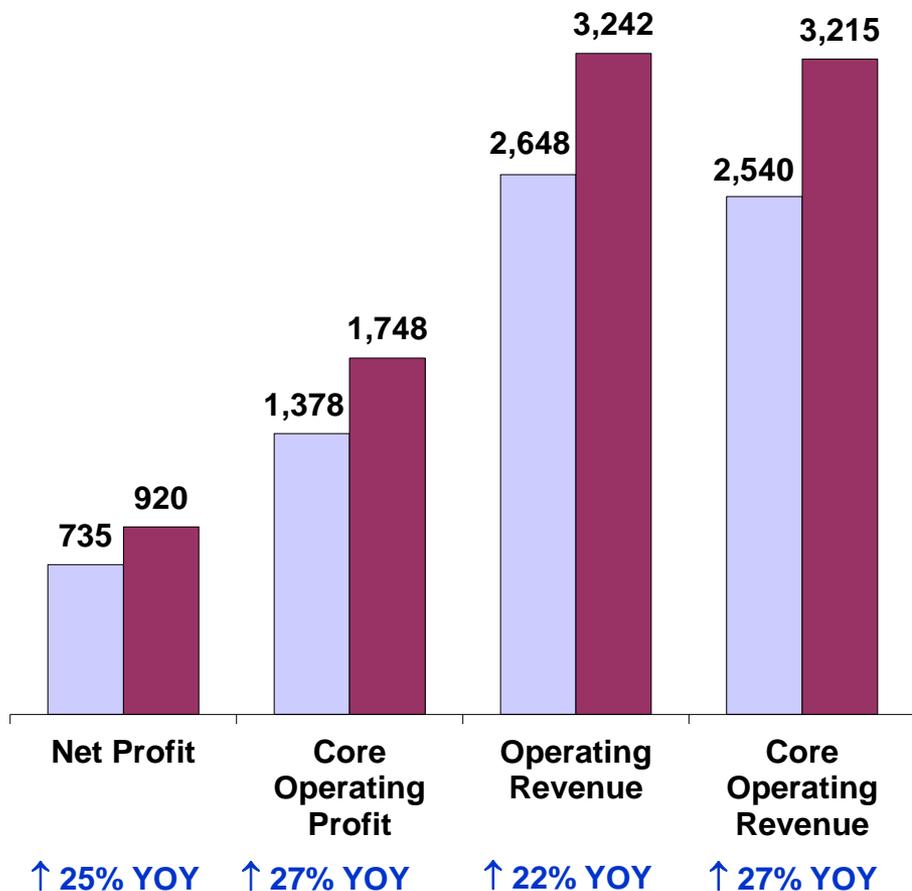
- **Growth in the Bank's core businesses**
 - Total Net Advances grew 27% YOY to ₹1,40,089 crores
 - Total Investments grew 37% YOY to ₹85,016 crores
 - Total Assets registered a 25% YOY growth, rising to ₹2,50,611 crores
 - Fees grew by 32% YOY, rising to ₹1,121 crores
 - Share of demand deposits in total deposits stood at 42%
- **Retail Advances grew by 40% YOY to ₹ 29,328 crores; constituted 21% of total advances, as compared to 19% at the end of Q2FY11.**
- **Net NPAs at 0.34% at the end of Q2FY12 was at similar levels in Q2FY11.**
- **At the end of Sep'11, book value per share was ₹509.05, as compared to ₹432.50 at the end of Sep'10**
- **Capital Adequacy stood at 11.35% with Tier-I capital at 8.48% (without reckoning H1FY12 profit, as stipulated by Reserve Bank of India). Including H1FY12 profits, capital adequacy ratio would be 12.20% & Tier-I capital would be 9.33%**

Profitability

Sustained Growth: Robust Core Revenues

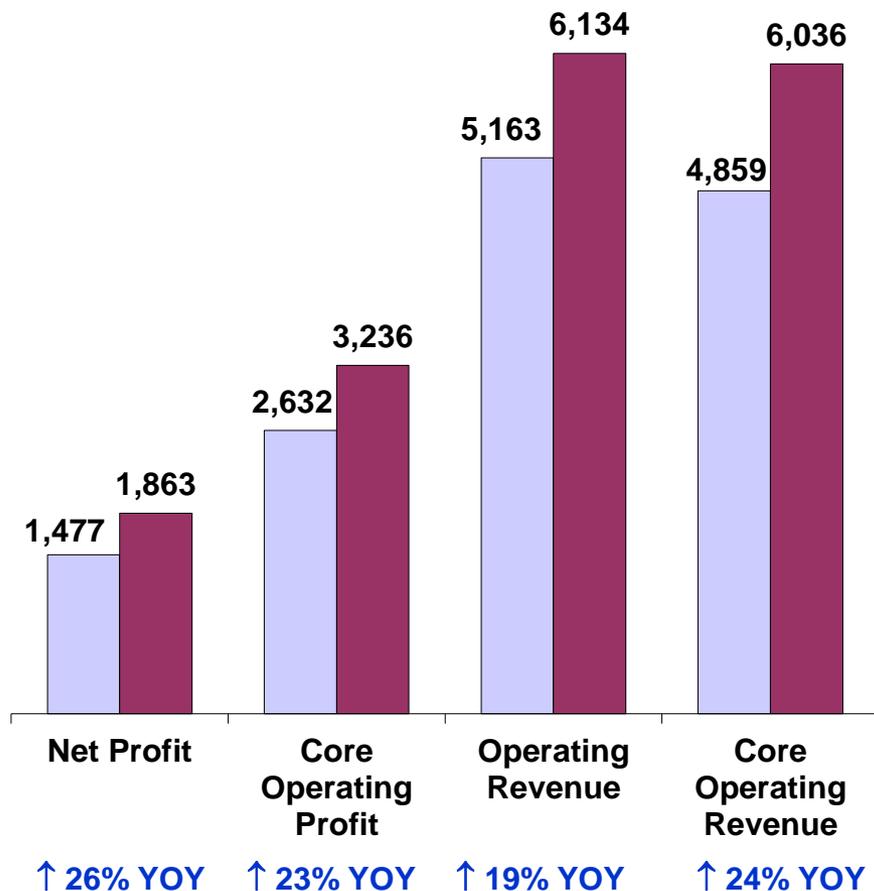
■ Q2FY11 ■ Q2FY12

Amounts in ₹Crores



■ H1FY11 ■ H1FY12

Amounts in ₹Crores

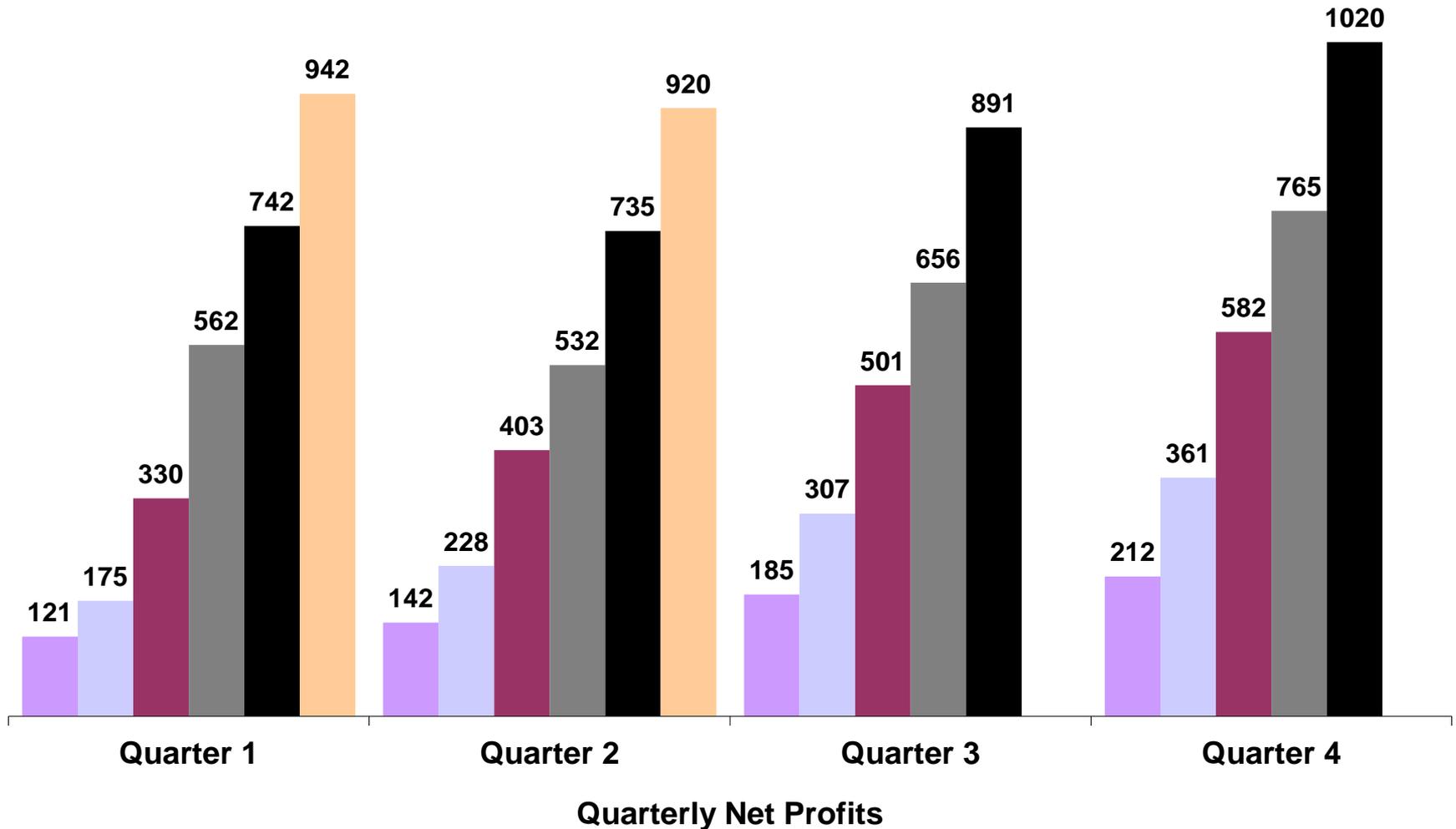


Note: Core Operating Revenue / Profit excludes trading gains / losses

Consistent Net Profit Growth

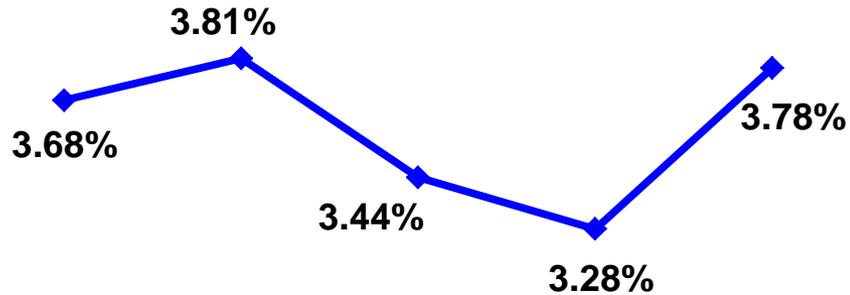
FY07 FY08 FY09 FY10 FY11 FY12

Amounts in ₹ Crores



Net Interest Margin and Cost of Funds

◆ Net Interest Margin



◆ Cost of Funds



Q2FY11 Q3FY11 Q4FY11 Q1FY12 Q2FY12

Q2FY11 Q3FY11 Q4FY11 Q1FY12 Q2FY12

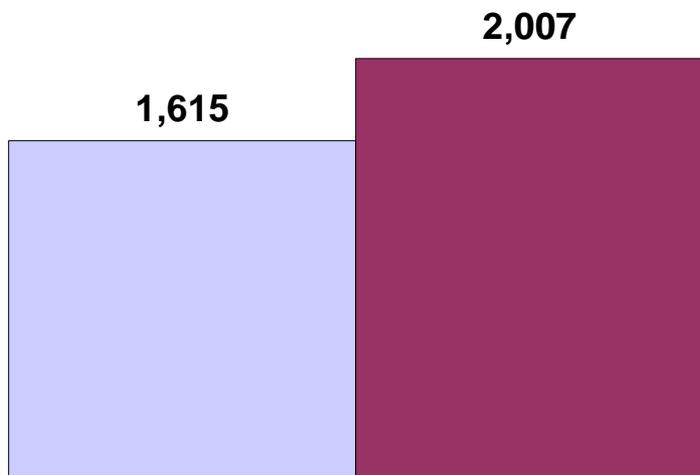
NIMs for the last 5 years

FY07	2.74%
FY08	3.47%
FY09	3.33%
FY10	3.75%
FY11	3.65%

Growing Net Interest Income

■ Q2FY11 ■ Q2FY12

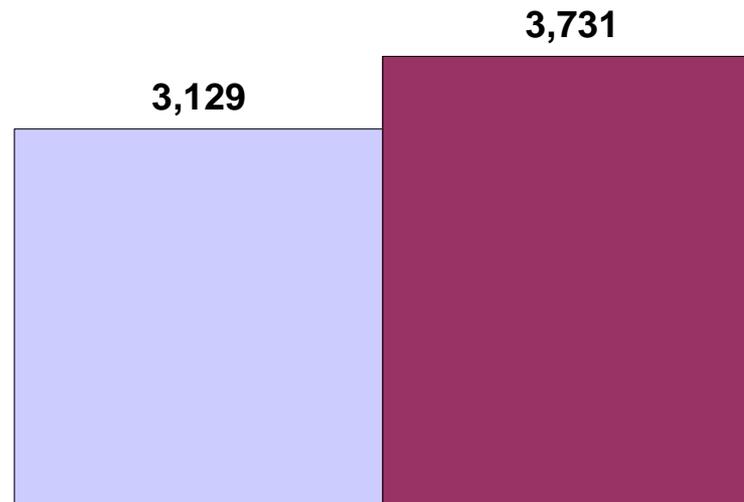
Amounts in ₹ Crores



↑ 24% YOY

■ H1FY11 ■ H1FY12

Amounts in ₹ Crores



↑ 19% YOY

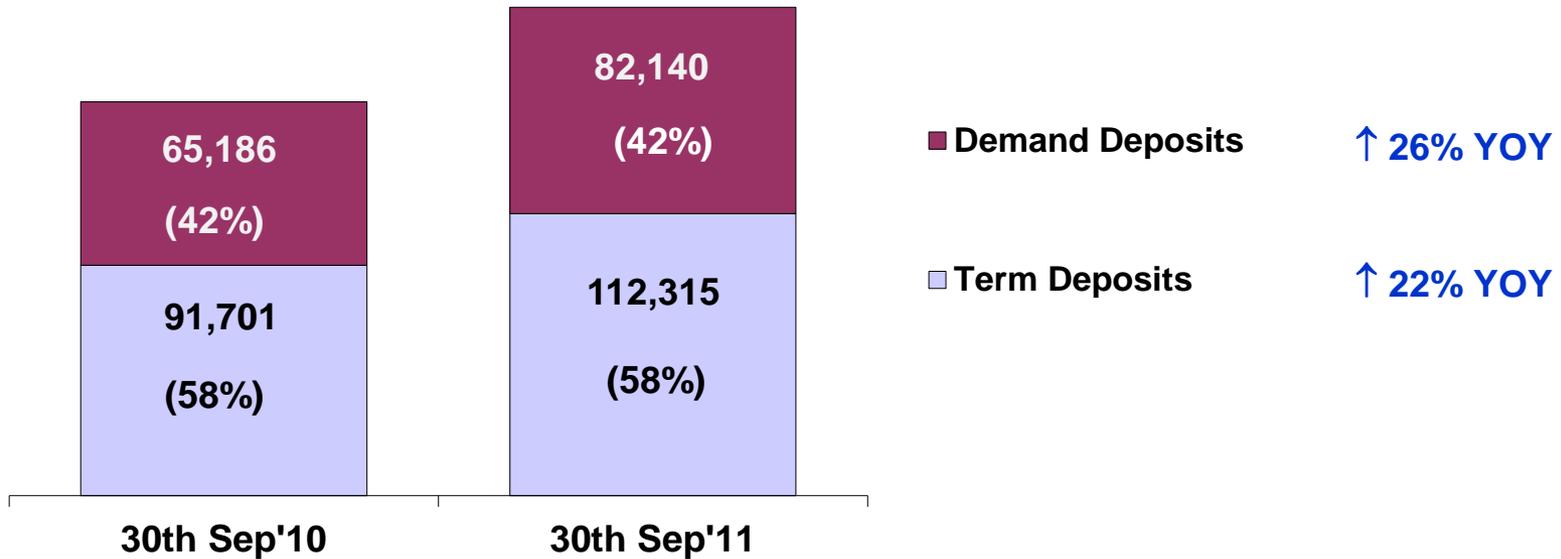
NII's for the last 5 years (₹ crore)

FY07	1,468
FY08	2,585
FY09	3,686
FY10	5,004
FY11	6,563
CAGR	45%

Growing Demand Deposits

YOY Growth in Daily Average Demand Deposits and Total Deposits		
Deposit	Q2FY12	H1FY12
Savings	20%	21%
Current	19%	17%
Total Demand Deposits	20%	20%
Total Deposits	22%	26%

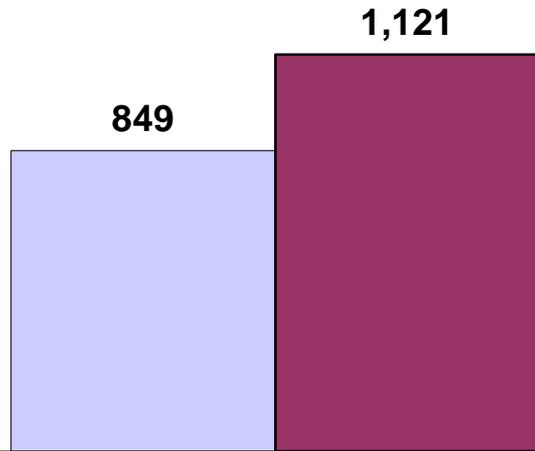
Amounts in ₹ Crores



Fees

Q2FY11 Q2FY12

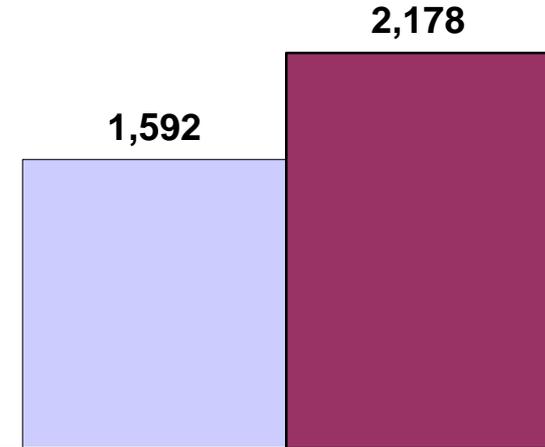
Amounts in ₹ Crores



↑ 32% YOY

H1FY11 H1FY12

Amounts in ₹ Crores

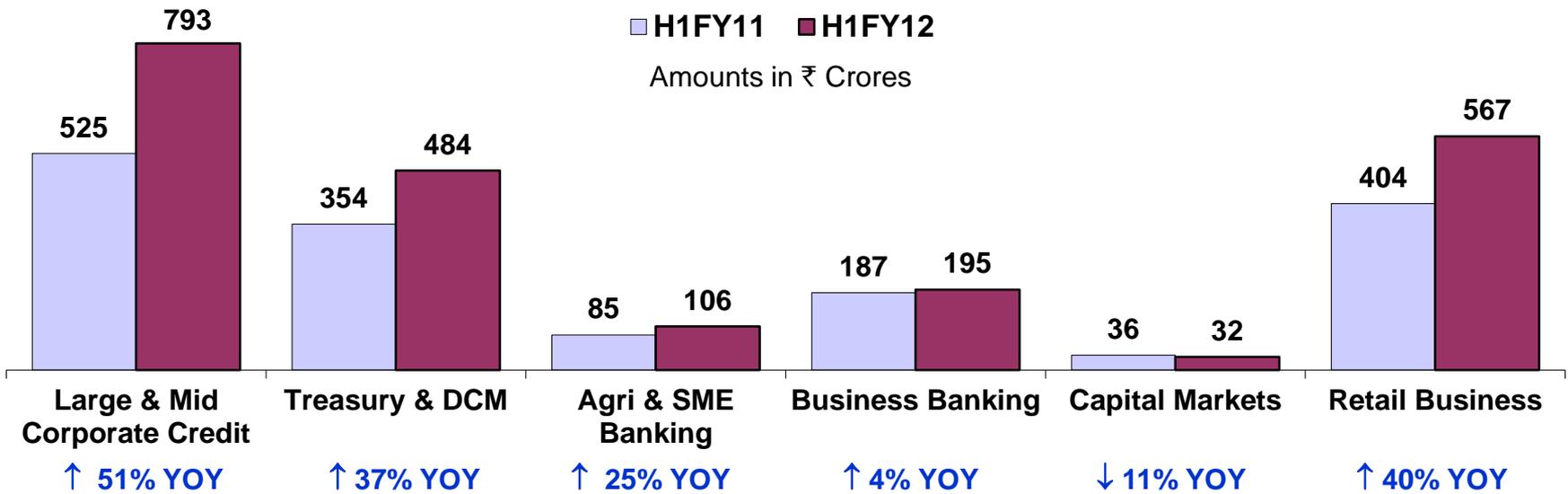
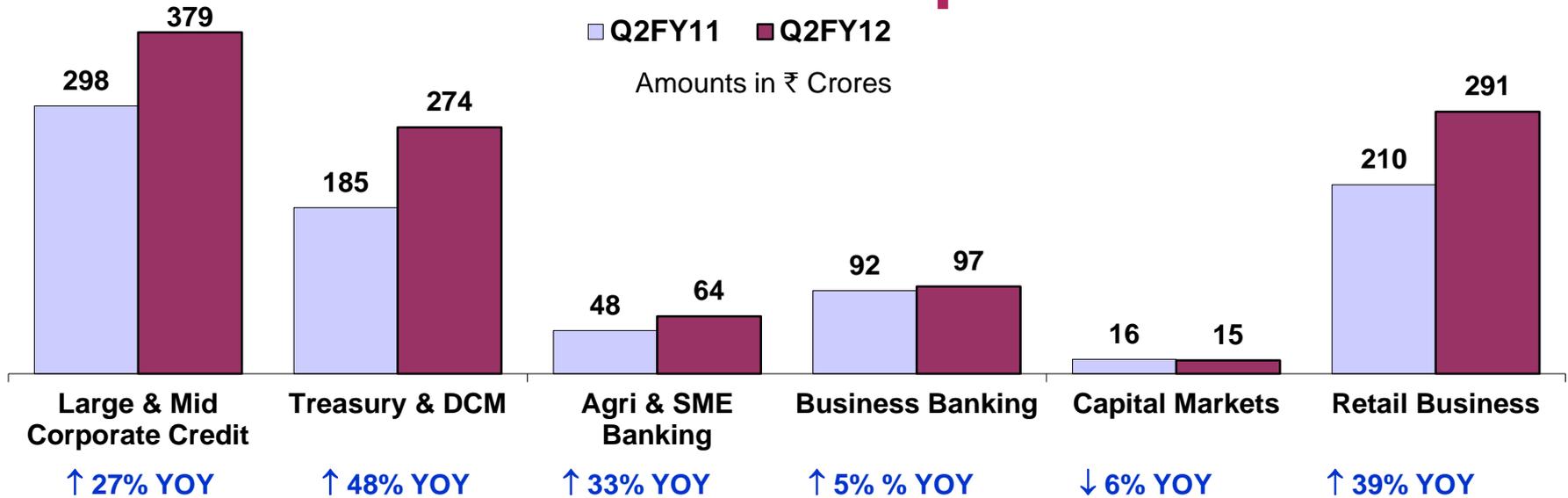


↑ 37% YOY

Fees for the last 5 years (₹ crore)

FY07	890
FY08	1,495
FY09	2,447
FY10	2,925
FY11	3,790
CAGR	44%

Fee Income Composition

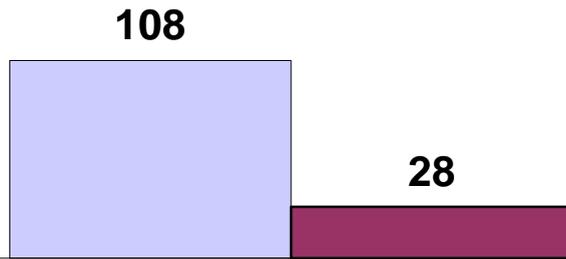


Note: Previous year's figures have been restated pursuant to a realignment of the organization structure

Trading Profits

Trading Profits

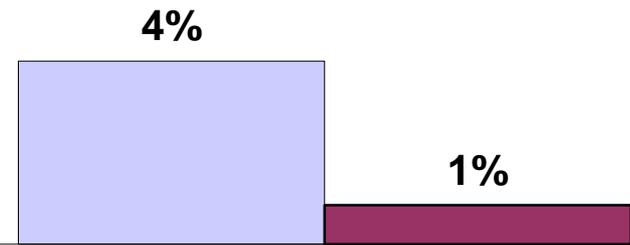
Amounts in ₹ Crores



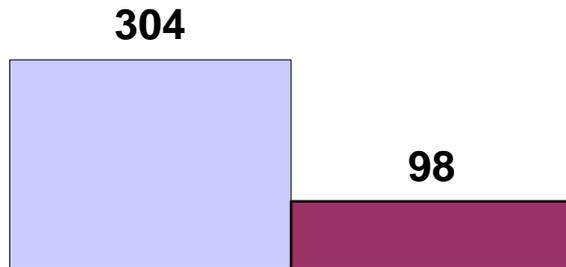
Q2FY11 Q2FY12

↓ 75% YOY

% of Operating Revenue

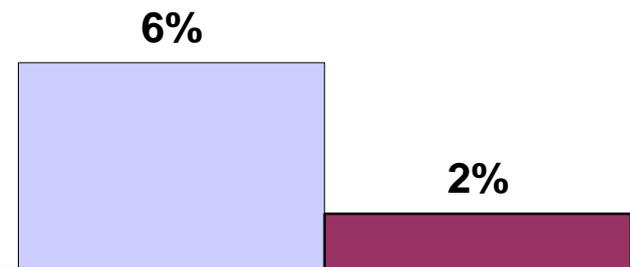


Q2FY11 Q2FY12



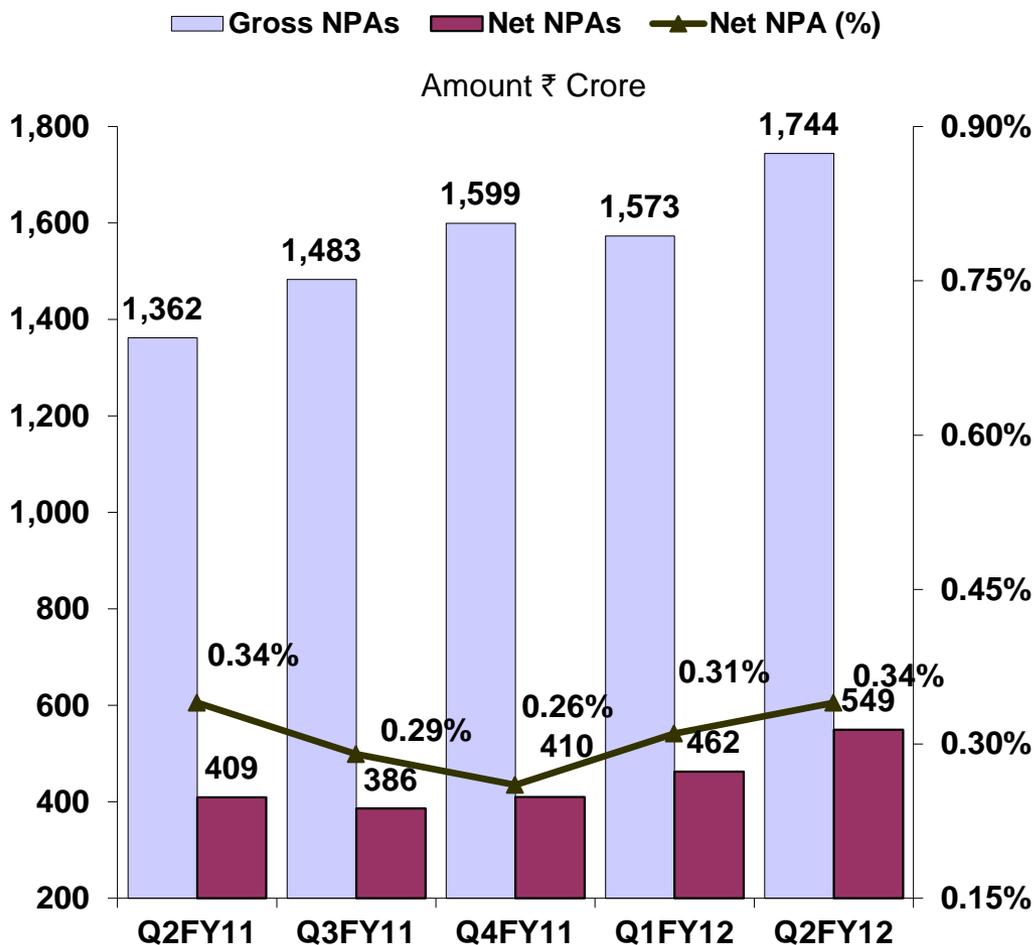
H1FY11 H1FY12

↓ 68% YOY



H1FY11 H1FY12

Stressed Assets and Net NPA (%)



Net NPA as at year-end

FY07	0.61%
FY08	0.36%
FY09	0.35%
FY10	0.36%
FY11	0.26%

Cumulative Restructured Assets: ₹2,410 crore (1.49% of gross customer assets) as on 30th September 2011

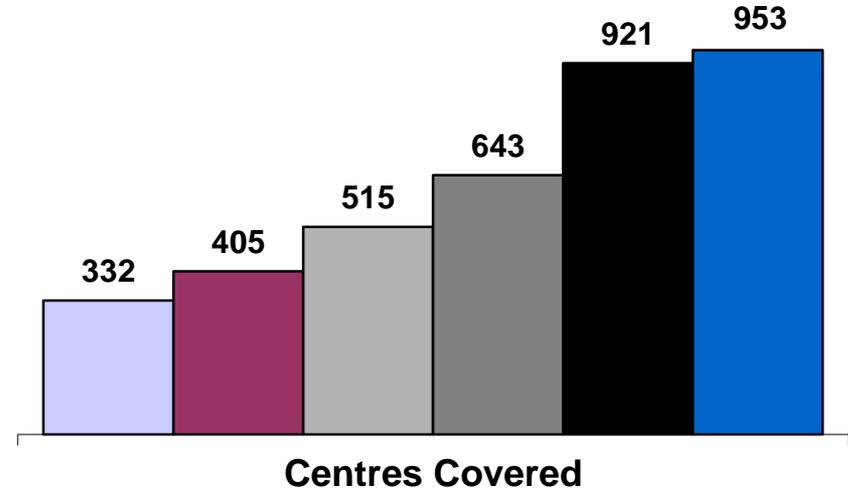
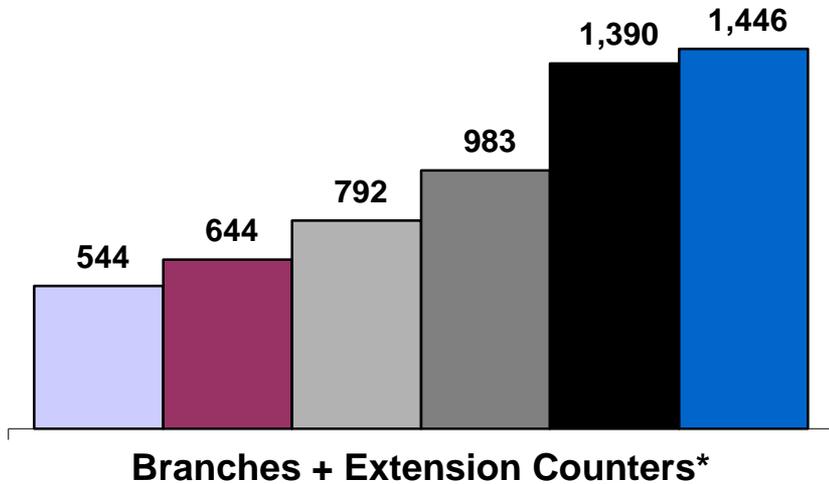
- Of which, ₹1,744 crore restructured upto to Q2FY11

Additions to Restructured Assets during Q2FY12: ₹312 crore

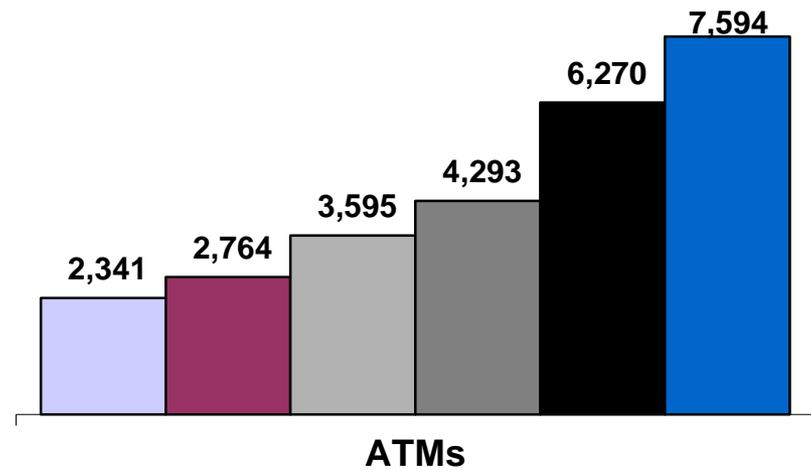
BUSINESS OVERVIEW

Network

Increasing Reach



Branch Demographics (Domestic)		
	Branches	Extn. Counters
Metro	390	6
Urban	457	2
Semi-urban	470	-
Rural	121	-
Total	1438	8



■ March 2007
 ■ March 2008
 ■ March 2009
 ■ March 2010
 ■ March 2011
 ■ September 2011

*Excludes service branches and credit processing centres

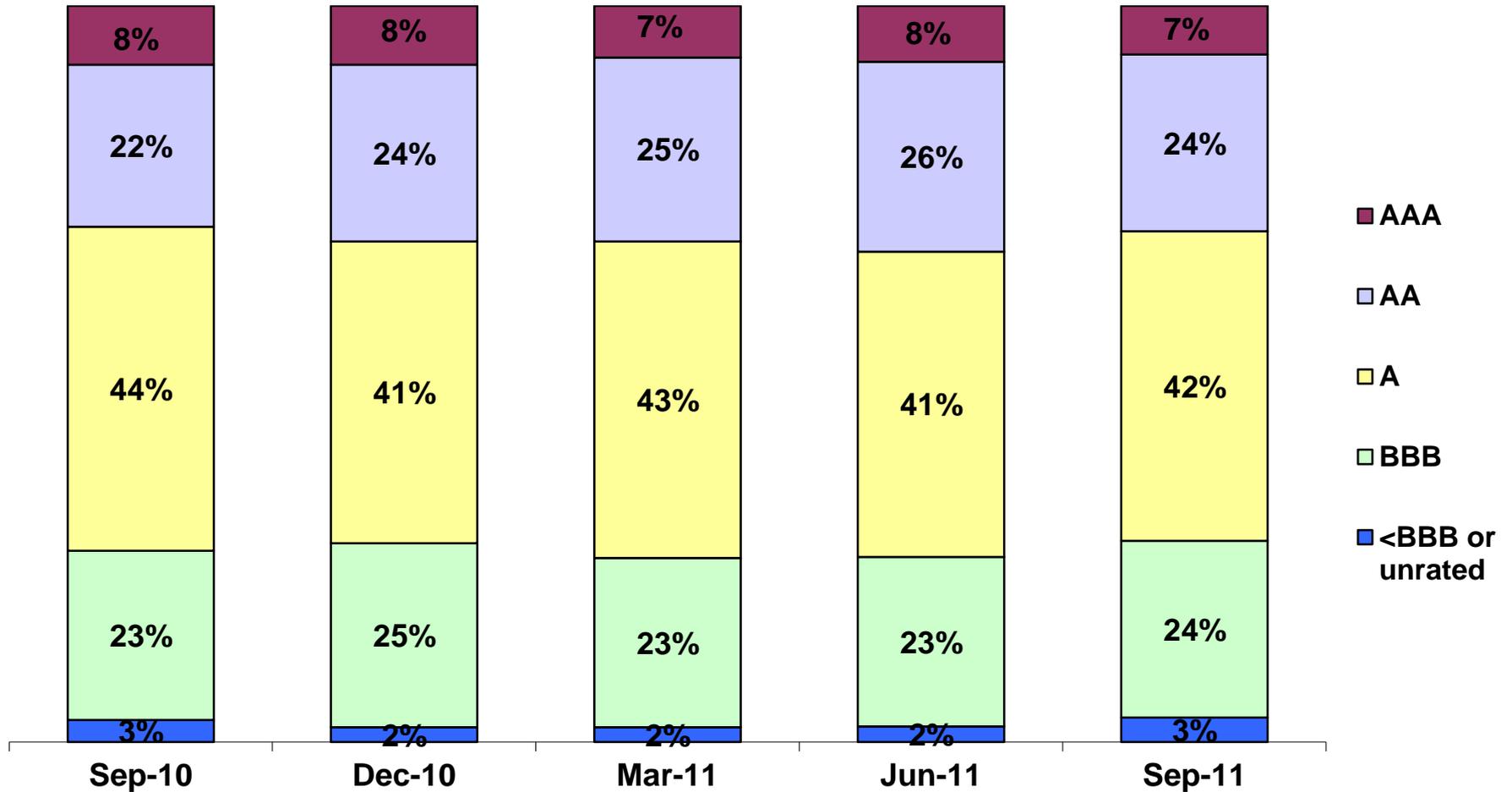
Large and Mid Corporate Banking

- **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**

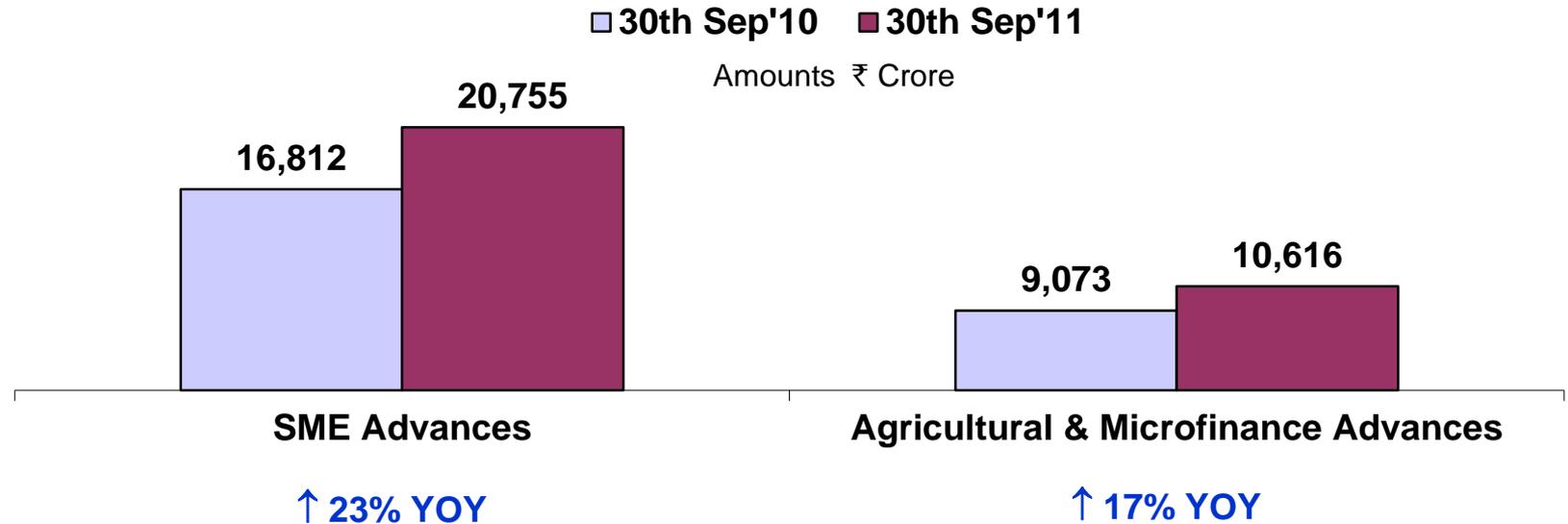
Distribution of Ratings

(Large and Mid Corporate)

73% of corporate advances have rating of at least 'A' as at Sep 2011



SME and Agri Business



SME Centres	26	32
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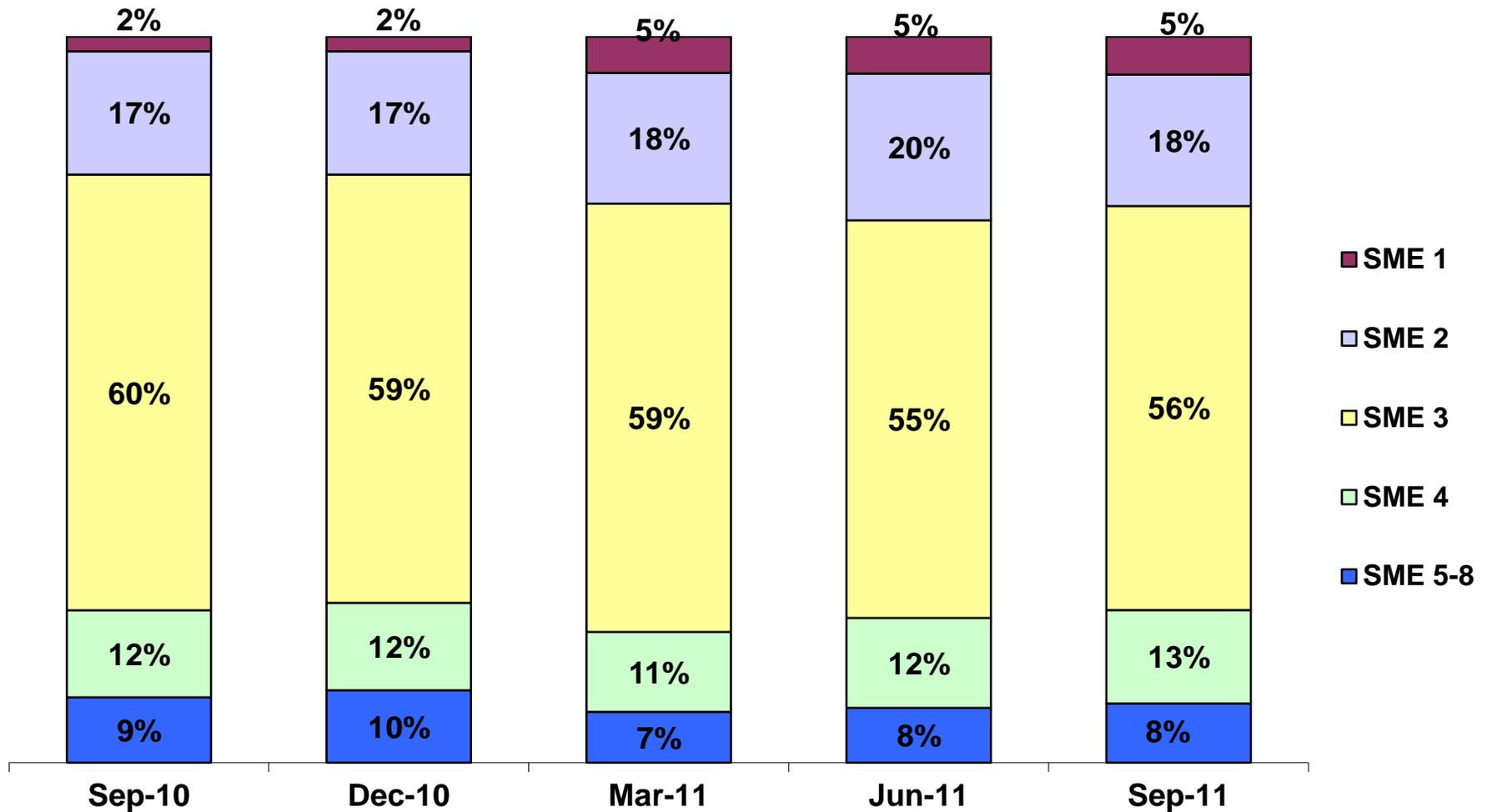
Agri Clusters	66	85
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- **Specialised SME Centres** for SME appraisals, sanctions and post-sanction monitoring
- **Product categories**
 - Schematic loans
 - Non-schematic loans
 - Channel finance

- **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 2011



Industry-wise Distribution (Top 10)

Rank	Sectors	Outstanding as on 30 September 2011 (%)&		
		Total	Fund-based	Non-fund based
1.	Financial Companies**	10.58	10.66	10.44
2.	Power Generation & Distribution	9.23	5.05	16.62
3.	Infrastructure*	9.23	7.08	13.02
4.	Engineering & Electronics	6.53	3.34	12.15
5.	Metal & Metal Products	6.24	5.76	7.10
6.	Trade	4.41	3.80	5.47
7.	Food Processing	3.50	4.16	2.34
8.	Petrochemical & Petroleum Products	2.99	1.53	5.57
9.	Chemical & Chemical Products	2.67	1.86	4.12
10.	Real Estate	2.46	3.66	0.34

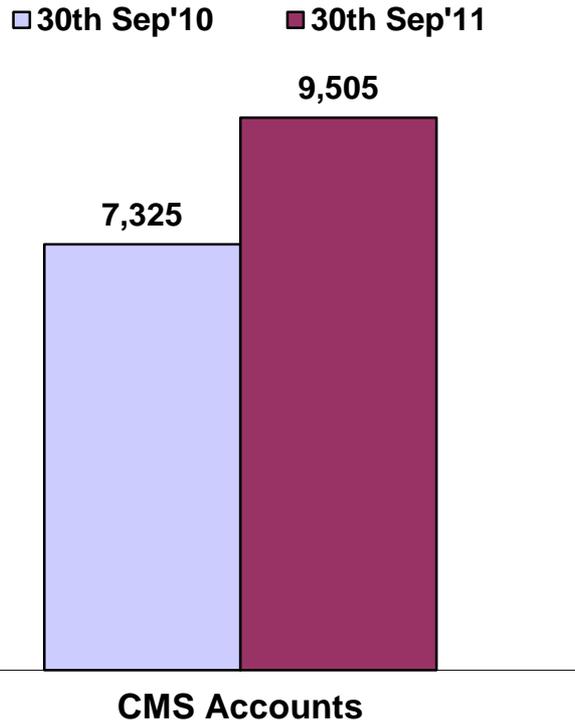
& Percentages stated above are on the total fund and non-fund based outstanding across all loan segments

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

** Includes Housing Finance Companies and other NBFCs

Business Banking

Cash Management Services & Government Business



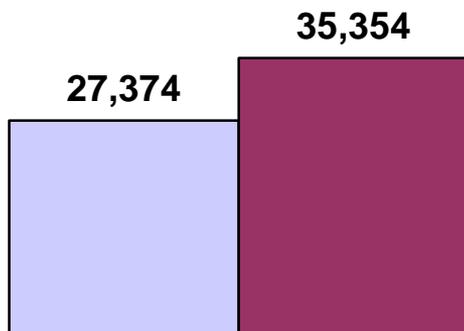
↑ 30% YOY

- 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 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 7 State Governments and UT

Business Banking

Current Accounts Growth

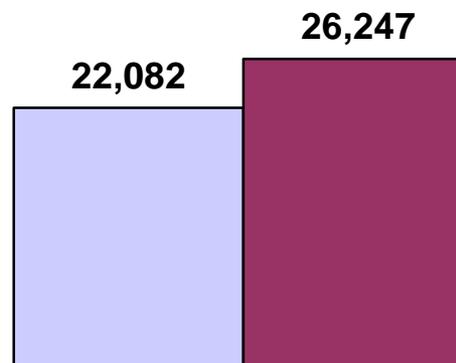
□ 30-Sep-10 ■ 30-Sep-11
Amount ₹ Crore



Period End Balance

↑ 29% YOY

□ 30-Sep-10 ■ 30-Sep-11
Amount ₹ Crore



Daily Average Balance (Q2)

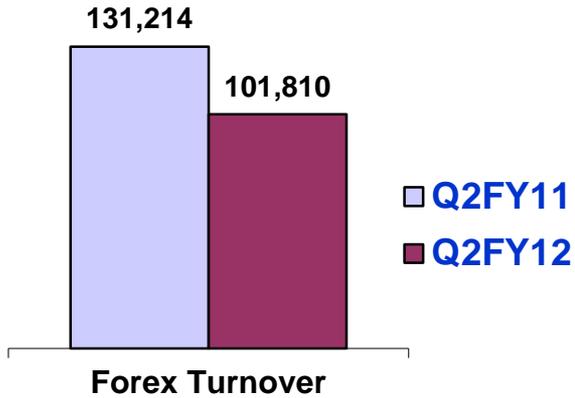
↑ 19% YOY

- 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
- Over 1.9 lac EDC machines

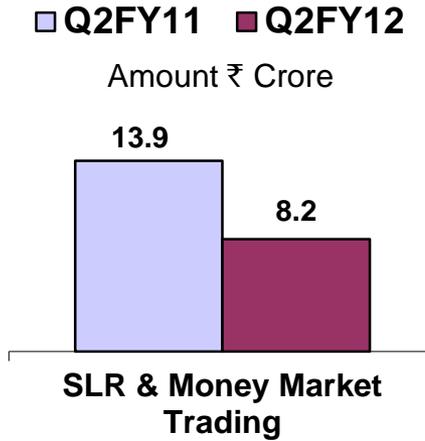
**Current Account deposits (₹ Crore)
for the last 5 years (as on 31st March)**

Mar'07	11,304
Mar'08	20,045
Mar'09	24,822
Mar'10	32,168
Mar'11	36,917
CAGR	34%

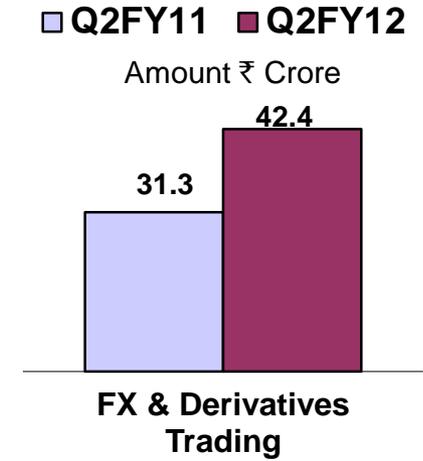
Treasury



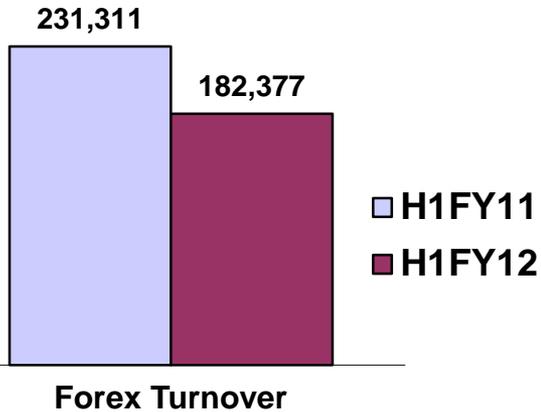
↓ 22% YOY



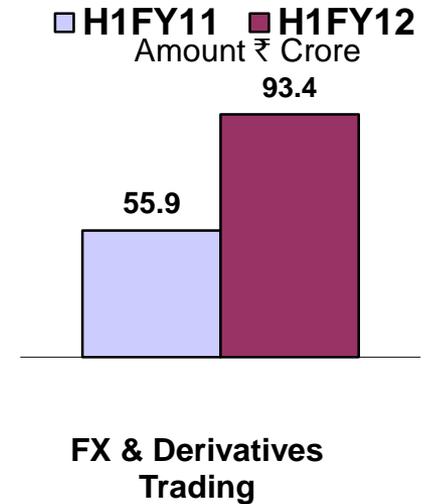
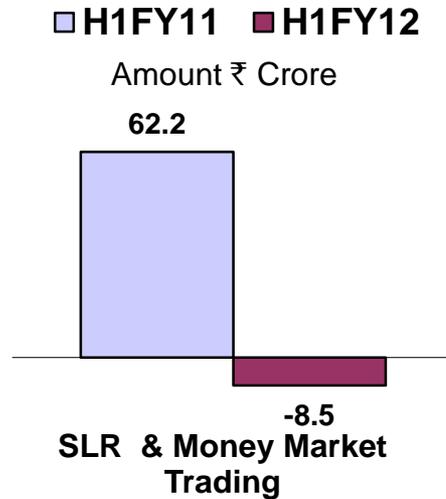
↓ 41% YOY



↑ 35% YOY

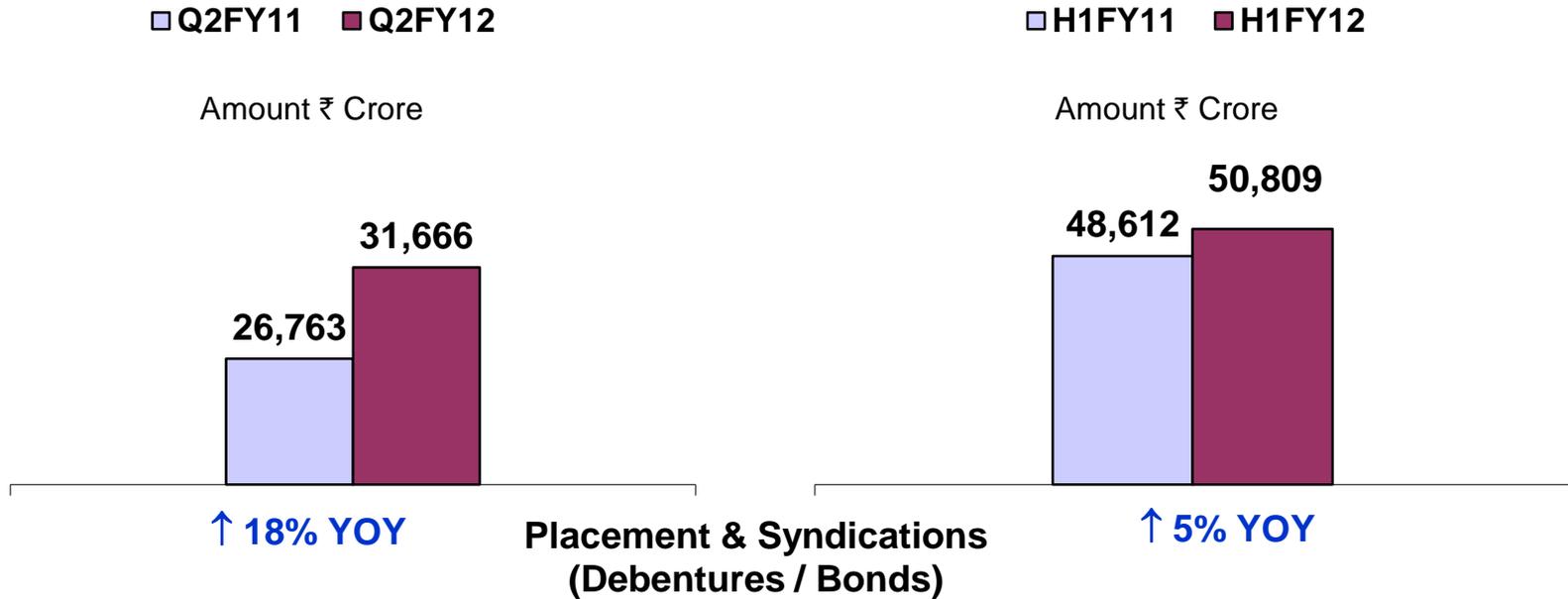


↓ 21% YOY



↑ 67% YOY

Debt Capital Markets

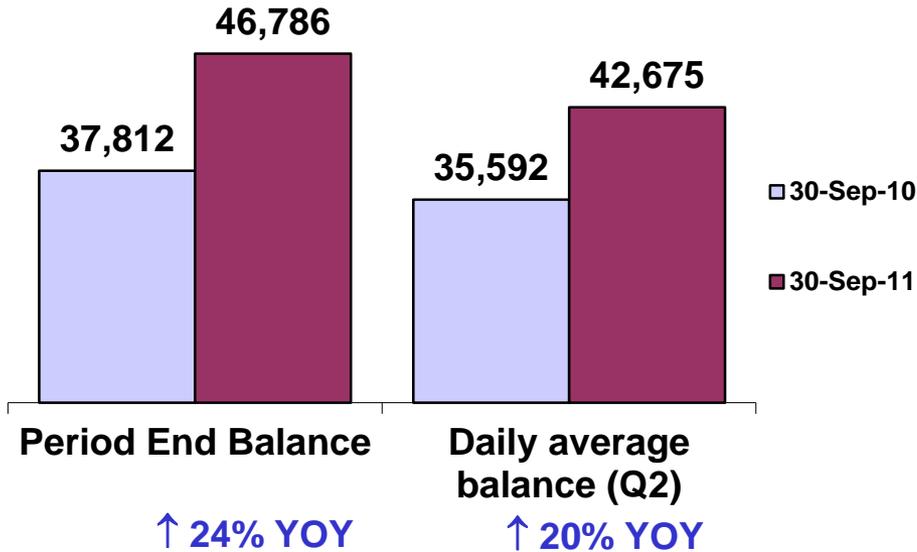


- A dominant player in placement and syndication of debt issues
- Ranked No. 1 Debt Arranger by Prime Database for the year ended March 2011
- Ranked No.1 Debt Arranger by Bloomberg for quarter ended June 2011
- Recent Awards:
 - Asia Money: Best Domestic Debt House – India; 2011
 - Euromoney: Best Debt House - India; 2011
 - Finance Asia: Best Bond House – India; 2011

Retail Deposits

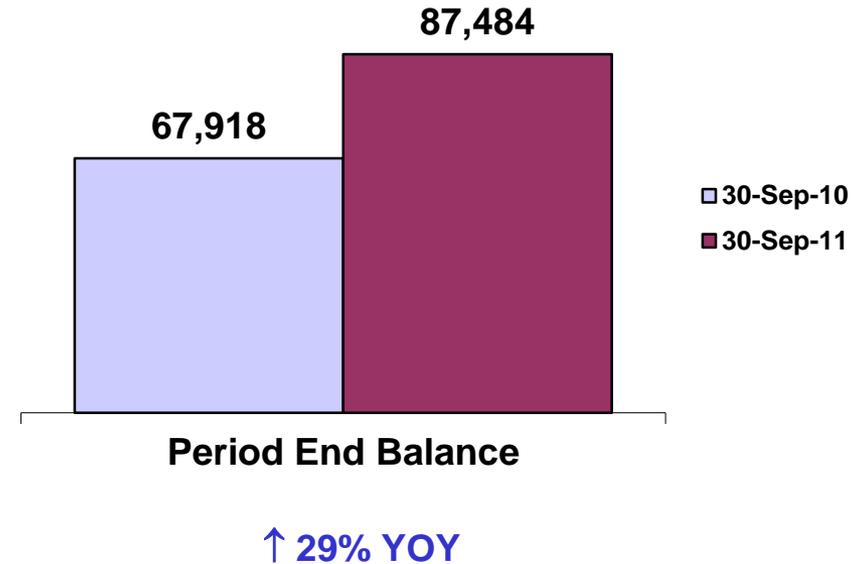
Savings Deposits

Amount ₹ Crore



Savings & Retail Term Deposits

Amount ₹ Crore



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

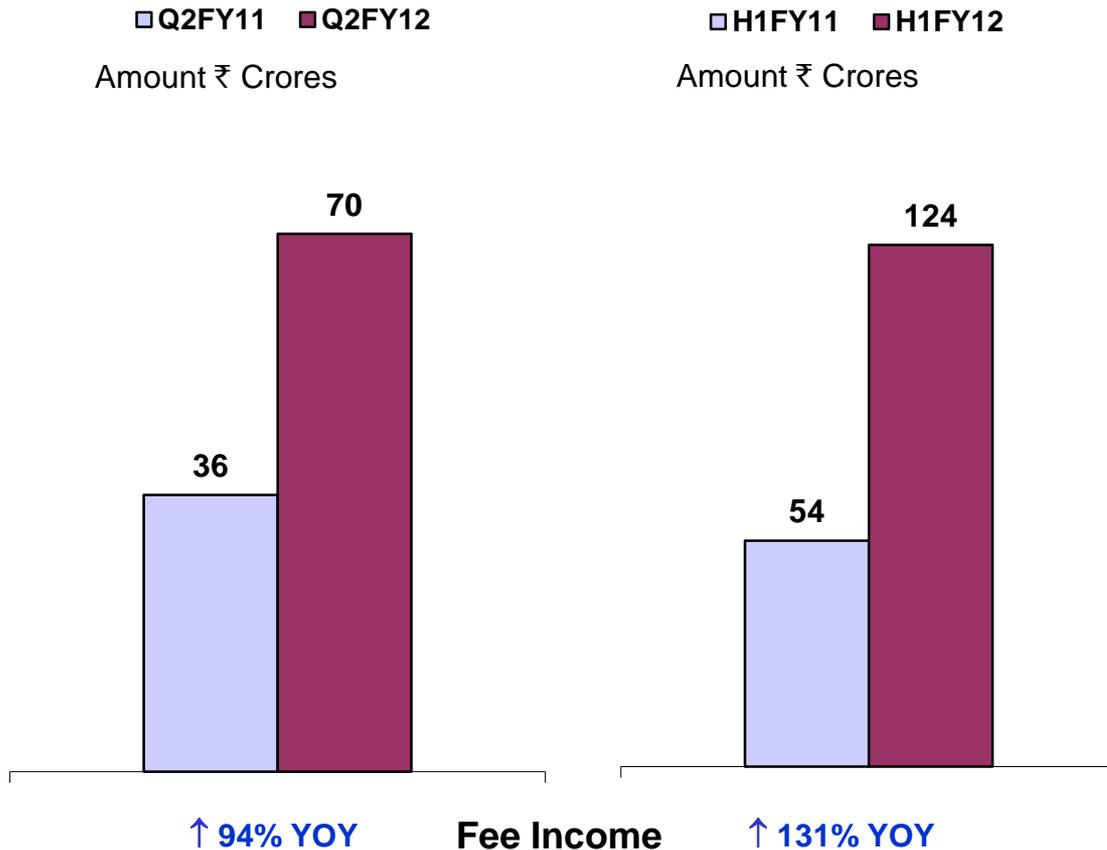
Mar'07	12,126
Mar'08	19,982
Mar'09	25,822
Mar'10	33,862
Mar'11	40,850

CAGR 35%

Term deposit portfolio as on 30th September 2011

- TD (upto ₹5 crore) : ₹40,698
- Others : ₹71,617

Third Party Products Business



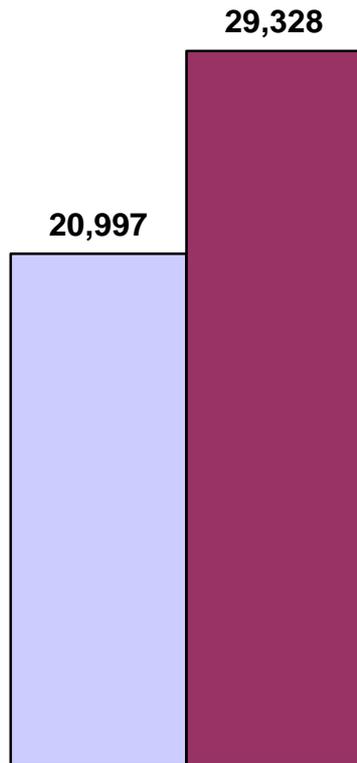
- Focus on cross-selling to existing customers to generate fee income
- Third-party products sold include mutual funds, insurance, on-line broking, portfolio management services (non-discretionary) and gold coins.
- Systematic segmenting of customers

Retail Assets

□ 30th Sep'10 ■ 30th Sep'11

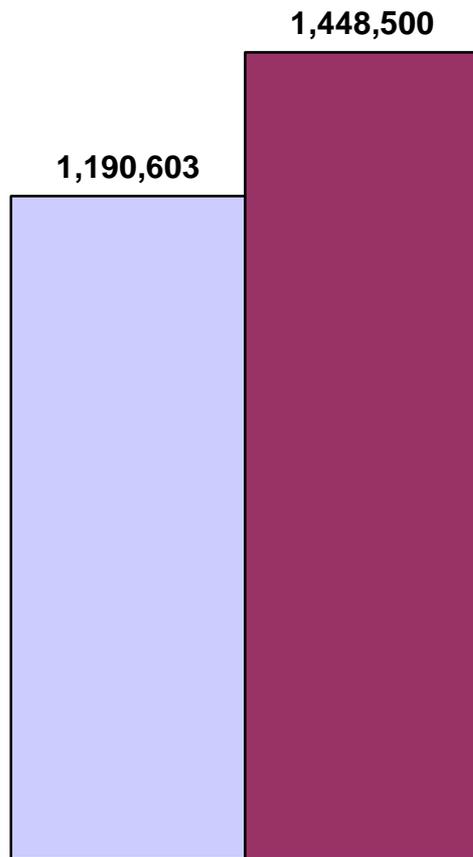
□ 30th Sep'10 ■ 30th Sep'11

Amount ₹ Crores



Portfolio Size

↑ 40% YOY



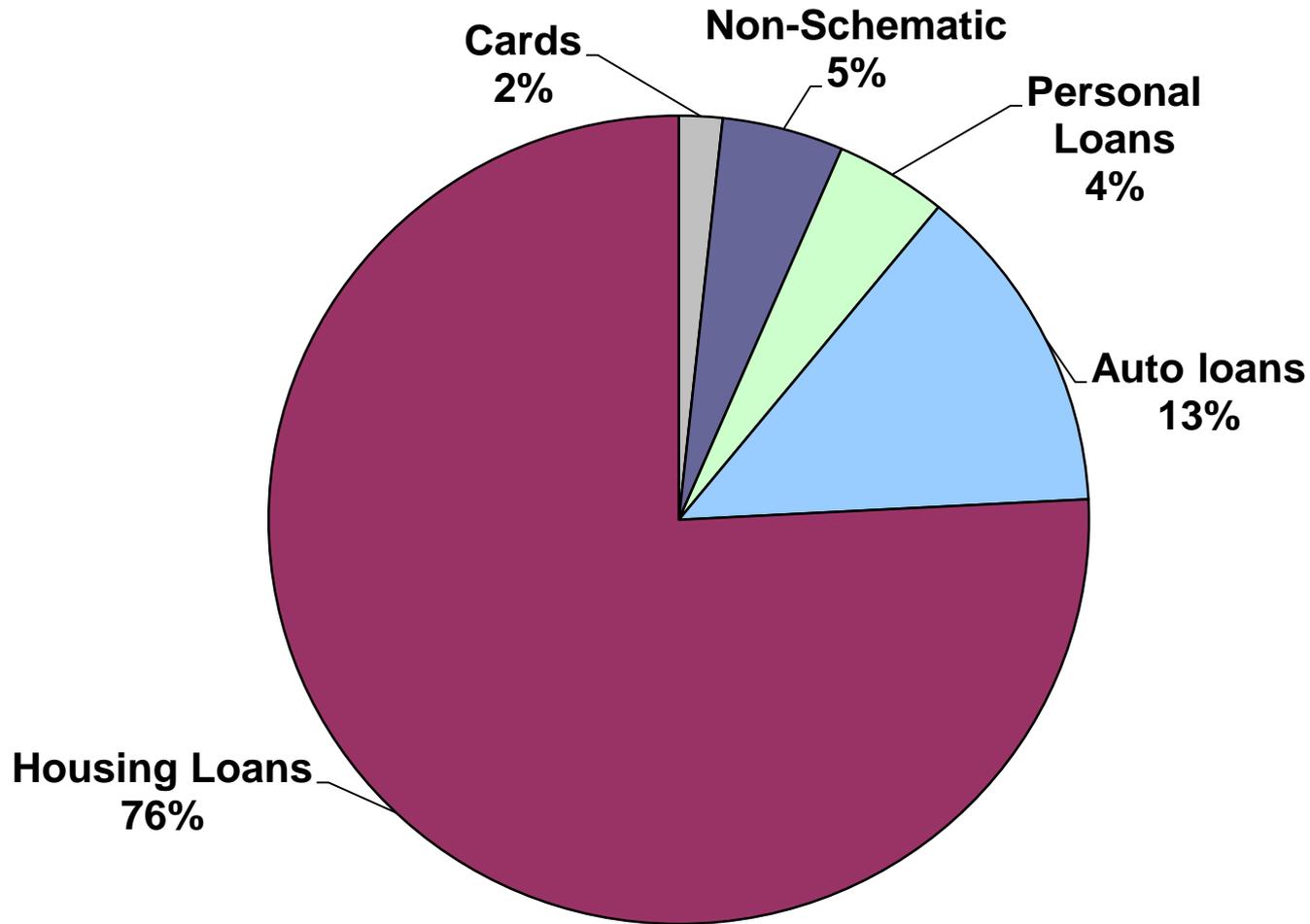
No of Accounts

↑ 22% YOY

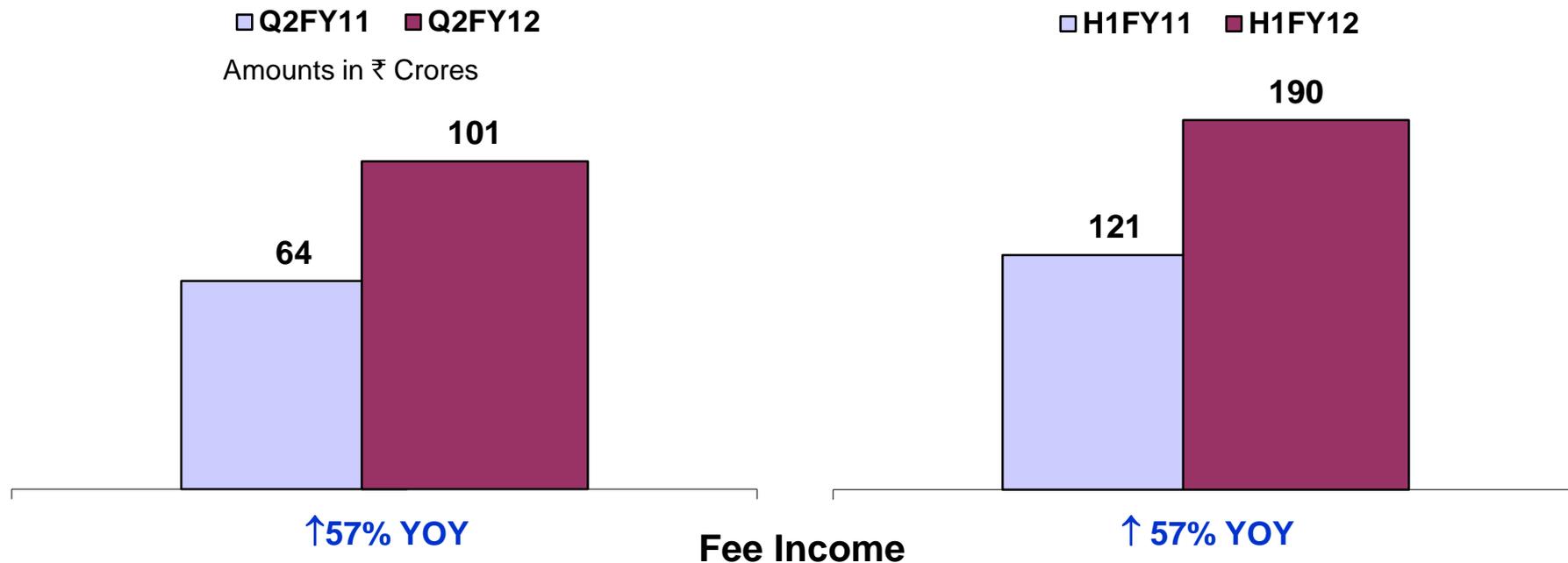
- Retail Assets constitute 21% of the bank's total advances, as compared to 19% as on 30th September 2010
- Growth driven through 78 Asset Sales Centres (ASCs)

Composition of Retail Assets

Product-wise composition of Retail Assets portfolio (30th Sep'11)



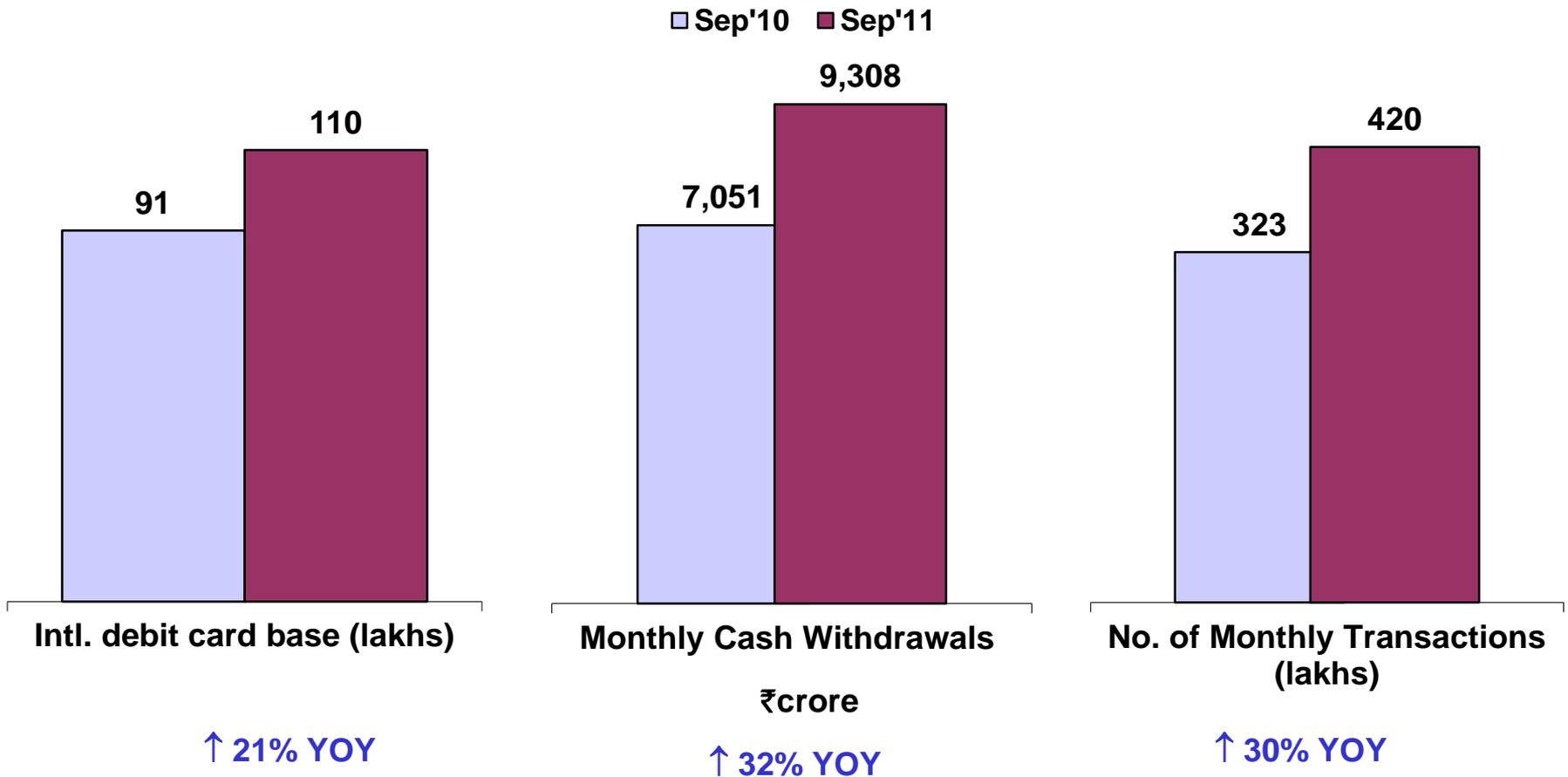
Cards, Retail Forex & Remittances Business



- **Issuance**

- Over 6.82 lac Credit Cards in force till end September '11
- Travel Currency Cards in 11 currencies -USD, Euro, GBP, AUD, CAD, SGD, SEK, CHF, JPY, AED, SAR
- 1st Indian Bank to launch Remittance Card and Meal Card

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

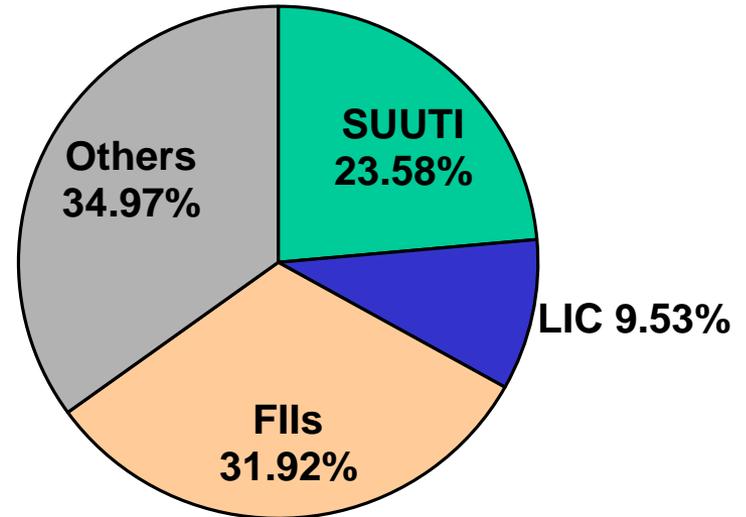
- **Branches at Singapore, Hong Kong, DIFC - Dubai and Colombo***
- **Representative offices at Shanghai, Dubai and Abu Dhabi**
- **Axis U.K. Ltd. incorporated as a subsidiary**
- **Total assets overseas amounted to US\$ 5.24 billion as compared to US\$ 3.79 billion as at end September '10, a growth of 38%YOY**
- **Corporate Banking, Trade Finance products, Debt Syndication and Liability businesses**

* Opened on 21st October, 2011

Shareholding

Shareholding pattern (Sep '11)

- Share Capital - ₹412.33 crore
- Net Worth - ₹20,074.25 crore
- Book Value per share - ₹509.05
- Market Price as on 21/10/11 - ₹1,132.75
- Market Cap as on 21/10/11 - ₹46,076 crore (US \$ 9.50 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