

AXIS BANK

FY 2010-11
Annual Results

Investor Presentation



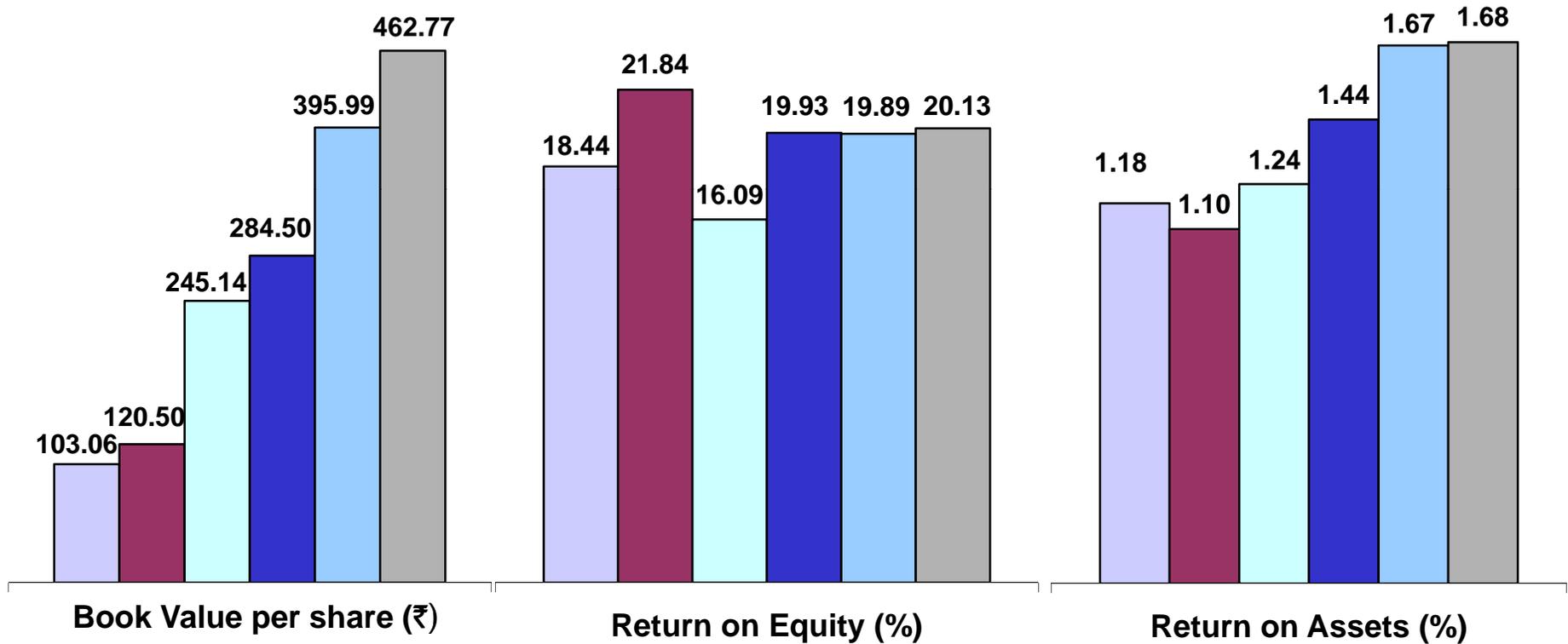
AXIS BANK

Performance Highlights

	<u>Q4 FY11</u>	<u>12M FY11</u>
Net Profit	↑ 33% YOY	↑ 35% YOY
Net Interest Income	↑ 17% YOY	↑ 31% YOY
Fee Income	↑ 58% YOY	↑ 30% YOY
Operating Revenue	↑ 32% YOY	↑ 25% YOY
Operating Profit	↑ 32% YOY	↑ 22% YOY
Net Interest Margin	3.44%	3.65%
Cost of Funds	5.56%	4.96%

Shareholder Returns

FY06 FY07 FY08
FY09 FY10 FY11

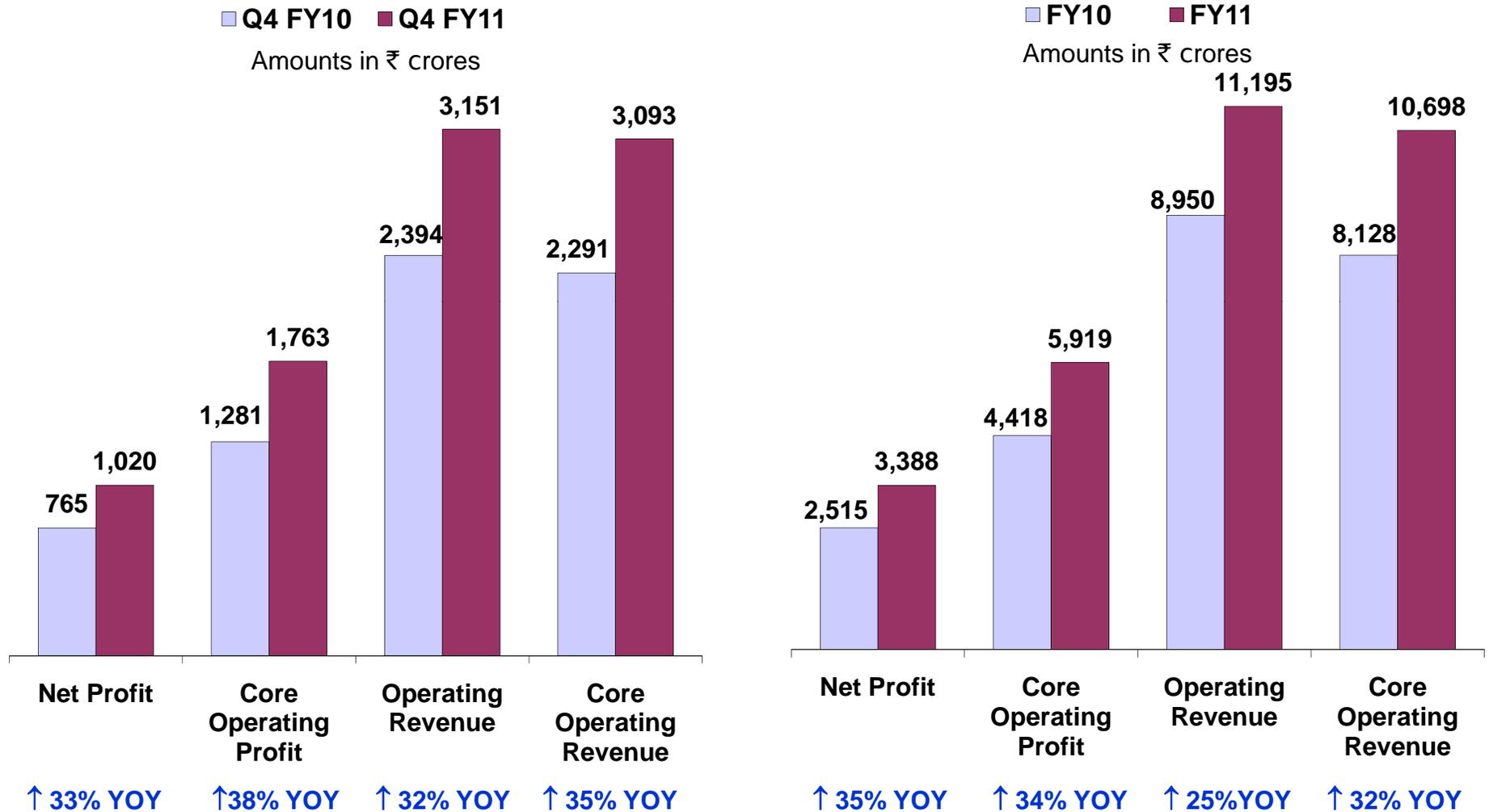


Interpretation of Q4 FY11 Performance

- **Growth in the Bank's core businesses**
 - Total Net Advances grew 36% YOY to ₹1,42,408 crores
 - Total Investments grew 29% YOY to ₹71,992 crores
 - Total Assets registered a 34% YOY growth, rising to ₹2,42,713 crores
 - Fees grew by 58% YOY, rising to ₹1,231 crores
 - Share of demand deposits in total deposits stood at 41%
- **Retail Assets grew by 33% YOY to ₹27,759 crores; constituted 19.5% of total advances, as compared to 20% at the end of Q4 FY10.**
- **Net NPAs at 0.26%, as compared to 0.36% at the end of Q4 FY10.**
- **At the end of Mar'11, Book Value per share was ₹462.77, as compared to ₹395.99 at the end of Mar'10**
- **Capital Adequacy stood at 12.65% with Tier-I capital at 9.41%**

Profitability

Sustained Growth: Robust Core Revenues

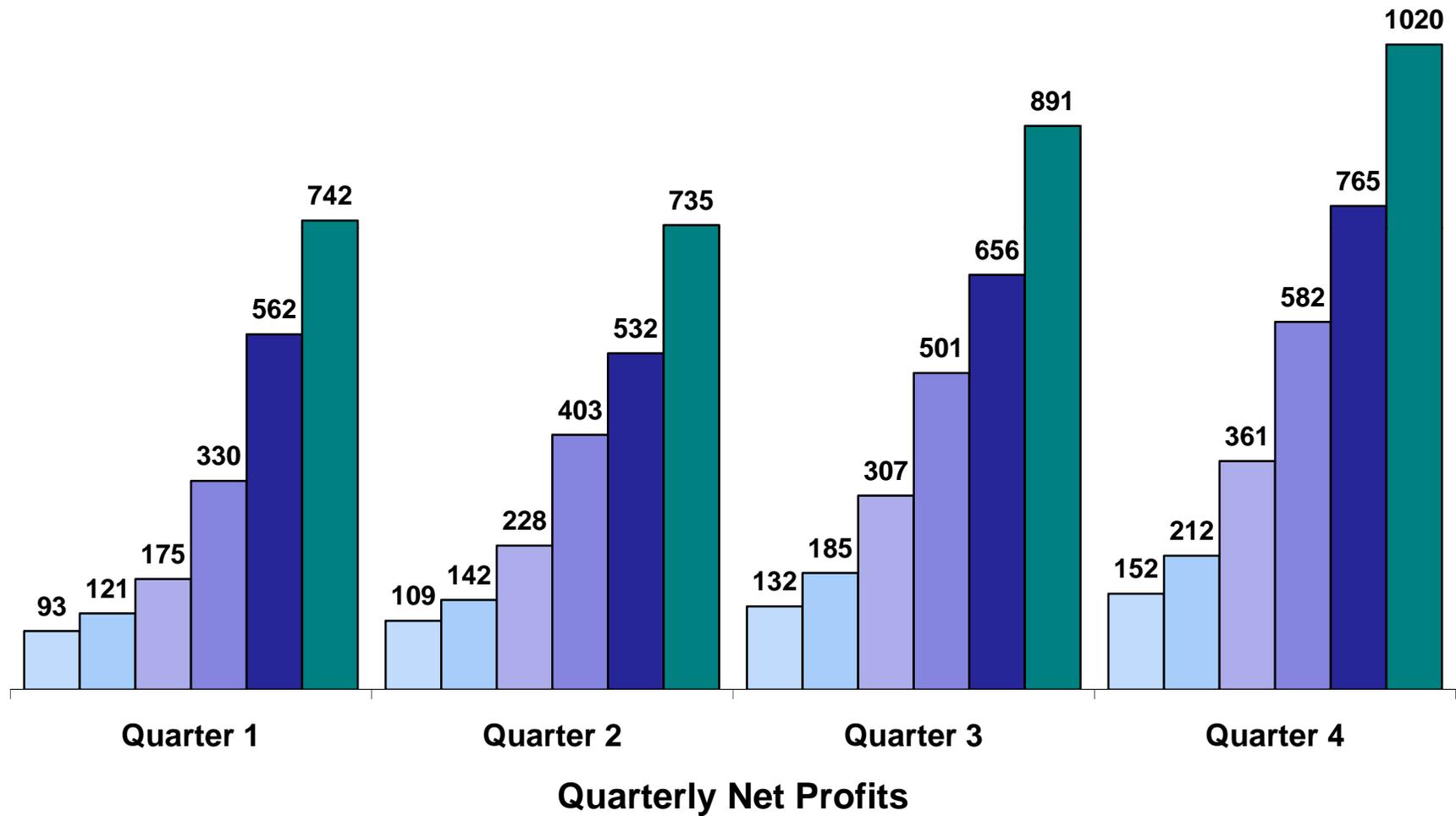


Note: Core Operating Revenue / Profit excludes trading gains / losses

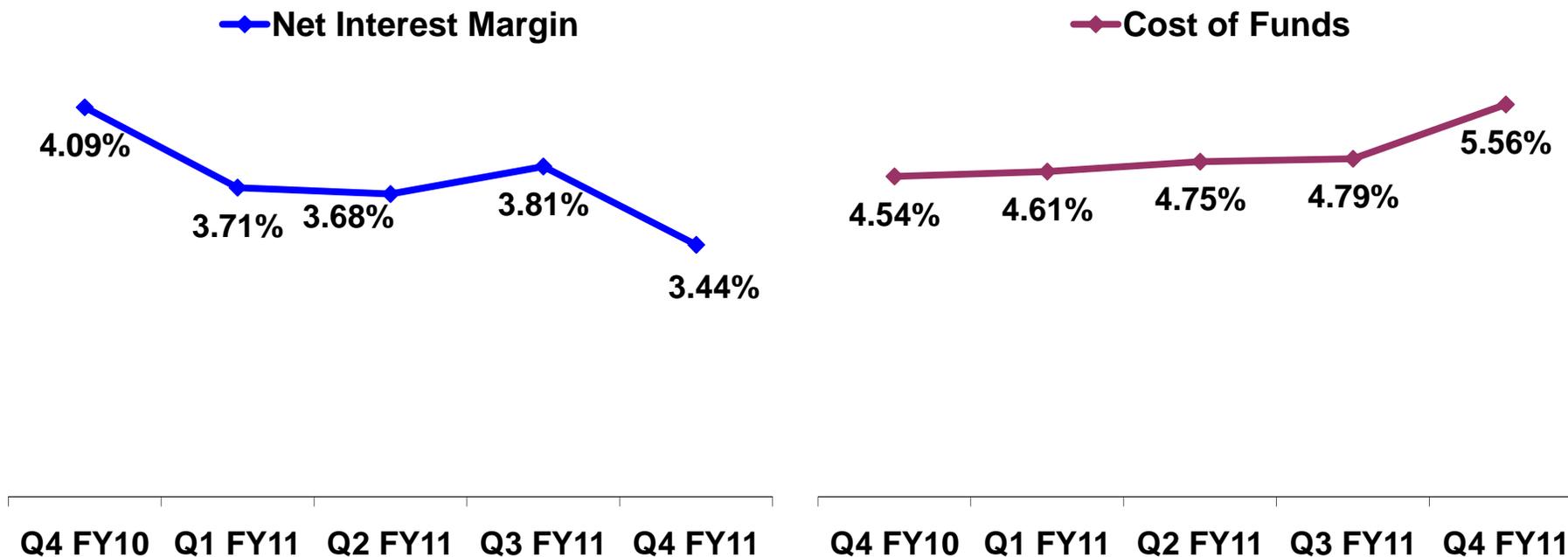
Consistent Net Profit Growth

□ FY06 □ FY07 □ FY08 □ FY09 □ FY10 □ FY11

Amounts in ₹ crores

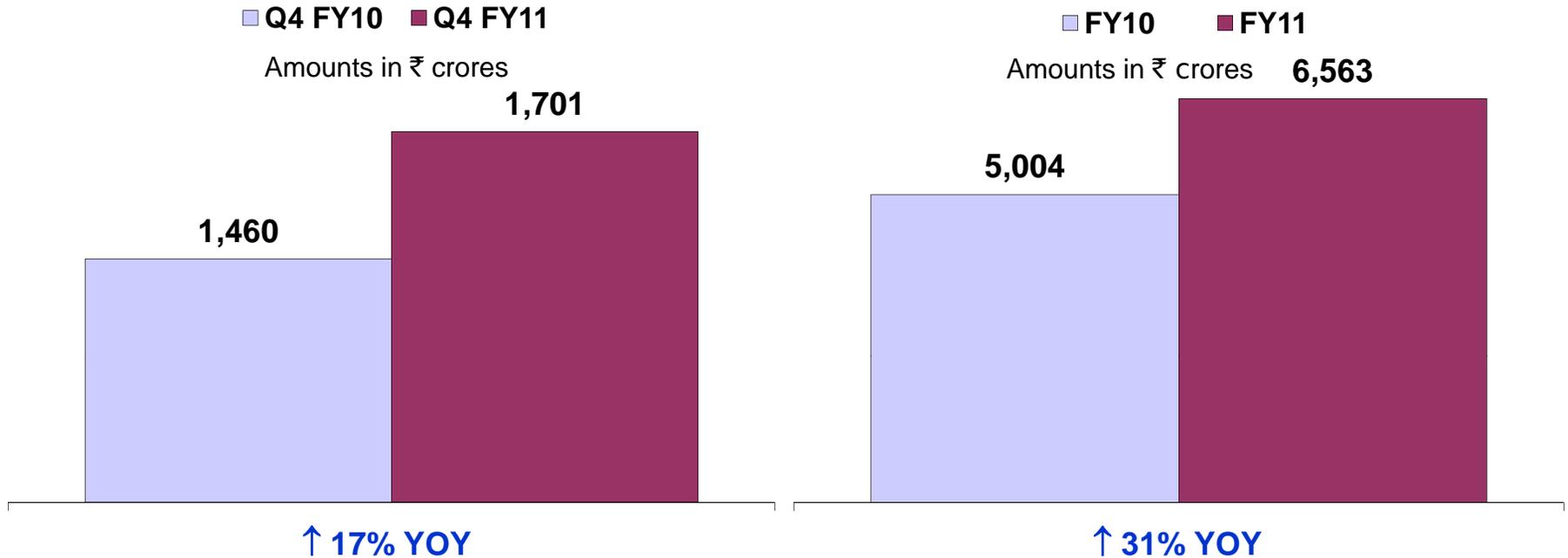


Net Interest Margin and Cost of Funds



NIM for the last 5 years	
FY07	2.74%
FY08	3.47%
FY09	3.33%
FY10	3.75%
FY11	3.65%

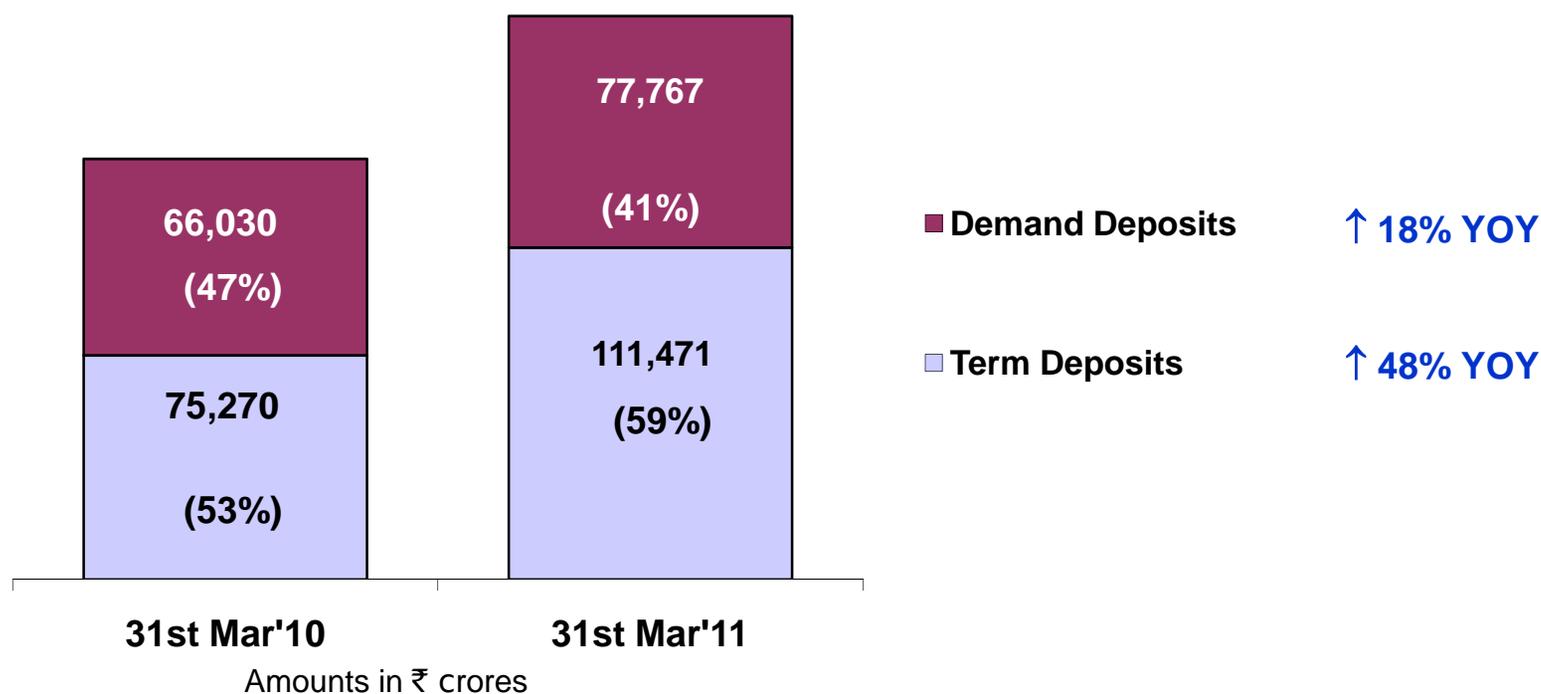
Growing Net Interest Income



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

Growing Demand Deposits

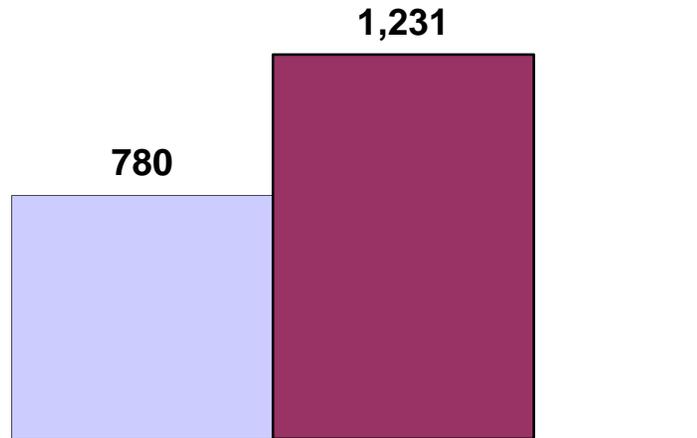
YOY Growth in Daily Average Demand and Term Deposits		
Deposit	Q4 FY11	FY11
Savings	30%	36%
Current	13%	28%
Total Demand Deposits	23%	33%
Total Deposits	40%	36%



Fees

■ Q4 FY10 ■ Q4 FY11

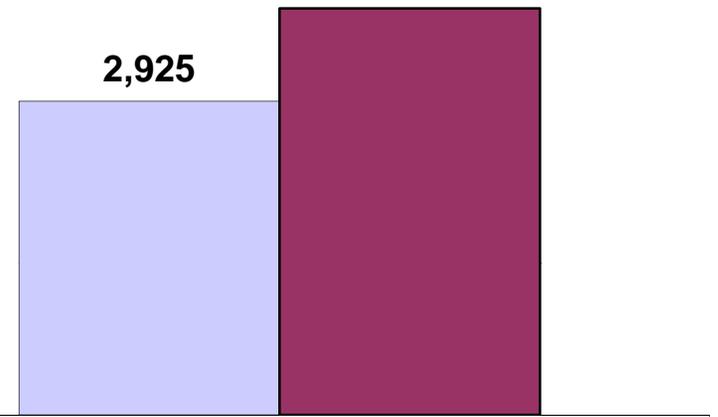
Amounts in ₹ crores



↑58 % YOY*

■ FY10 ■ FY11

Amounts in ₹ crores



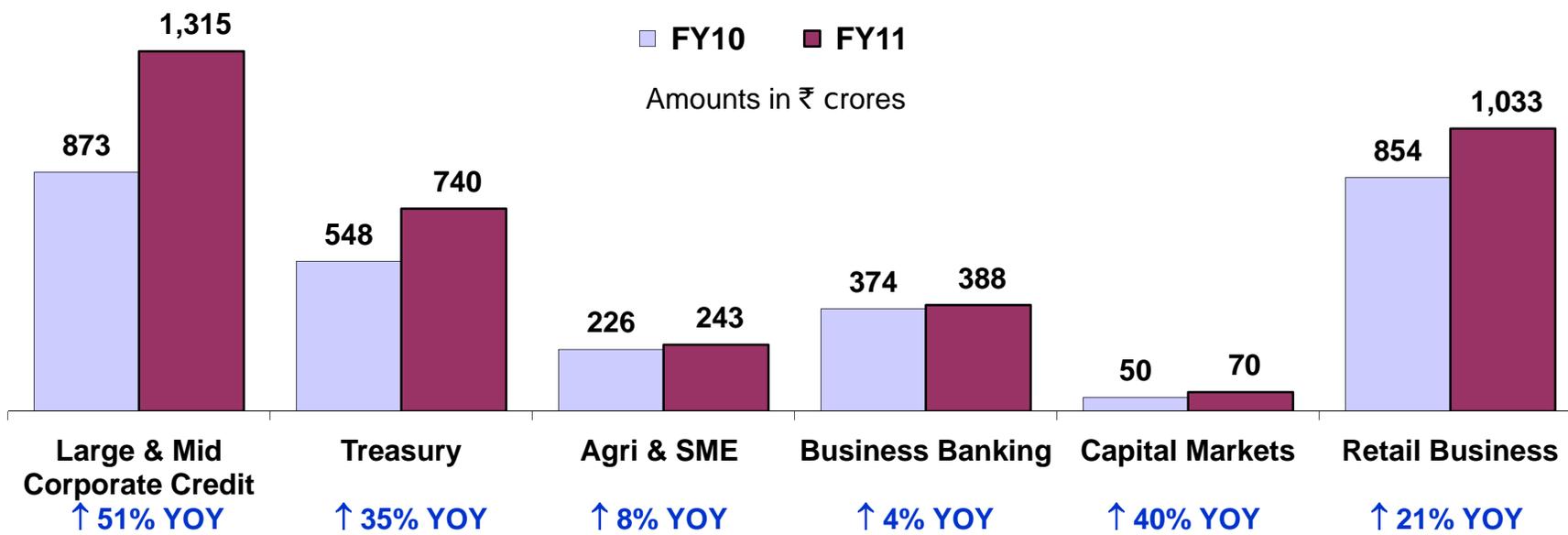
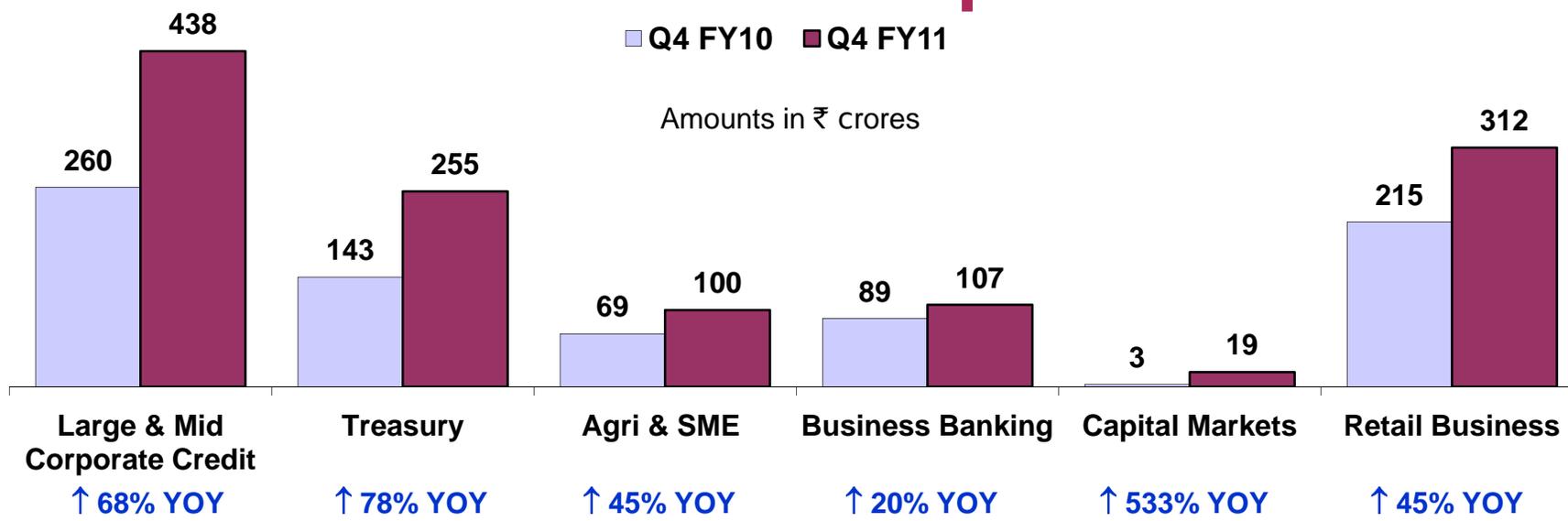
↑ 30% YOY

Fees for the last 5 years (₹ crores)

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

Note: Fee income adjusted for change in accounting policy for BG commissions for Q4FY11 grew 39% YOY

Fee Income Composition

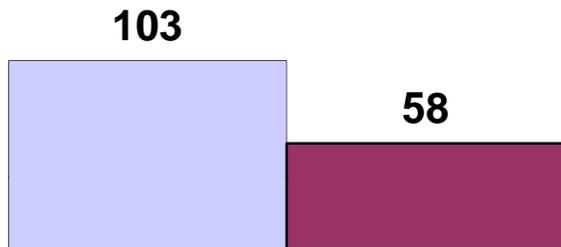


Note: Previous year's figures have been restated pursuant to a realignment of the organization structure

Trading Profits

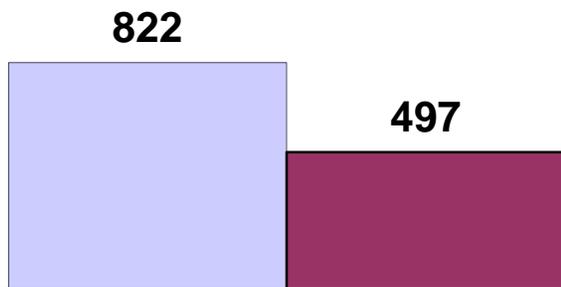
Trading Profit Volume

Amounts in ₹ crores



■ Q4 FY10 ■ Q4 FY11

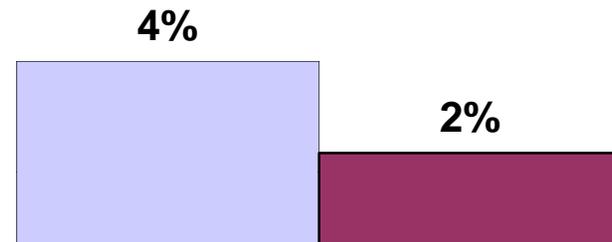
↓ 44% YOY



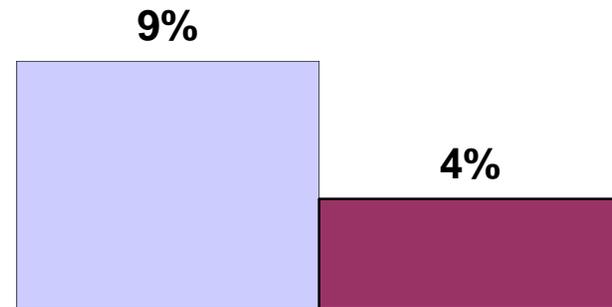
■ FY10 ■ FY11

↓ 40% YOY

% of Operating Revenue

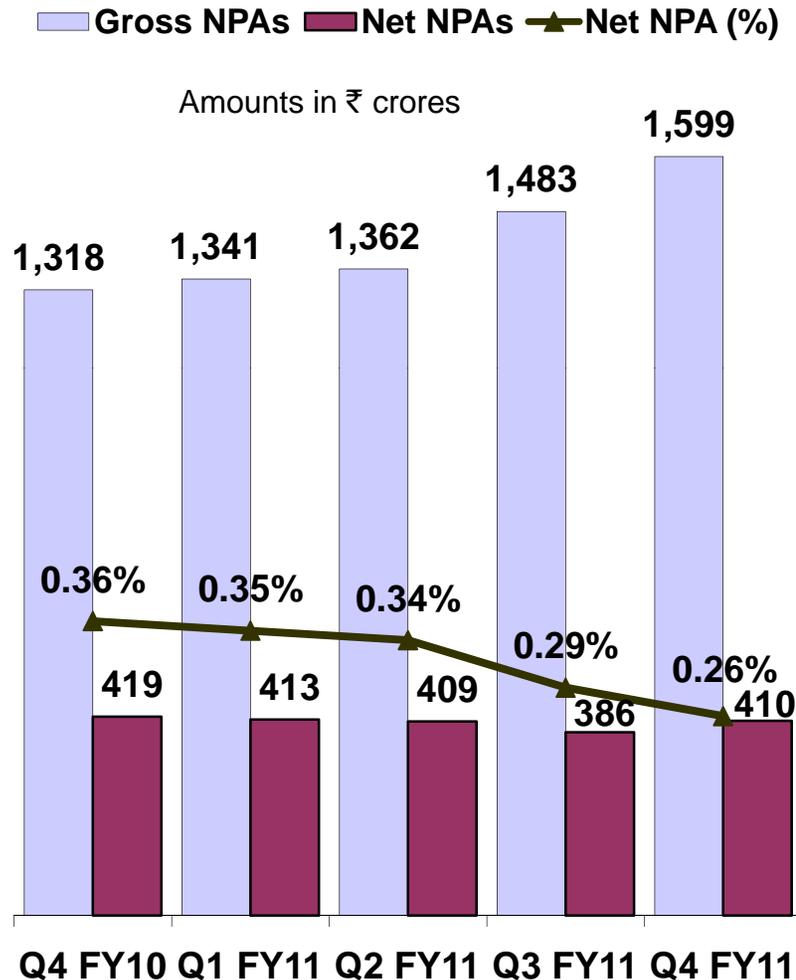


■ Q4 FY10 ■ Q4 FY11



■ FY10 ■ FY11

Stressed Assets and Net NPA (%)



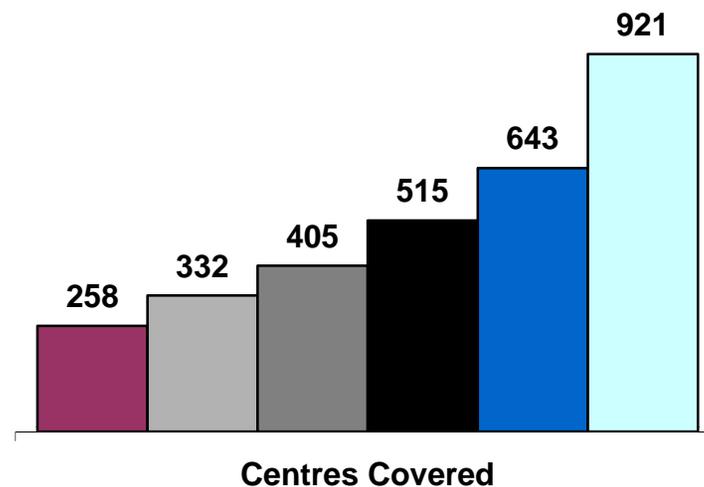
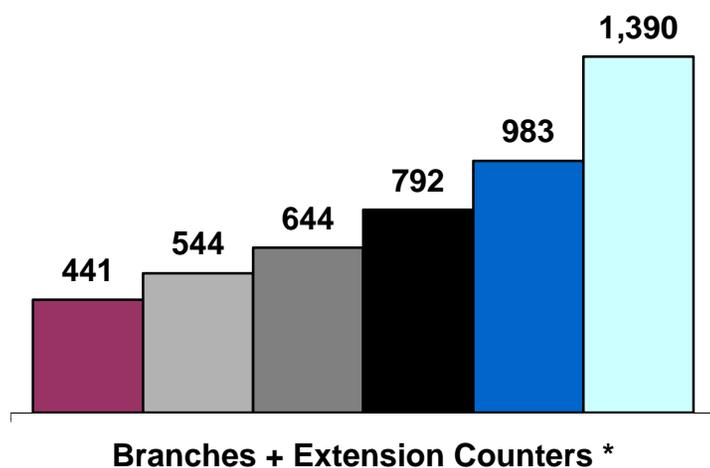
Net NPA as at year-end	
FY07	0.61%
FY08	0.36%
FY09	0.35%
FY10	0.36%
FY11	0.26%

- Cash recoveries & upgrades rise 43% YOY to ₹499 crores for FY11
- Cumulative Restructured Assets – ₹1,930 crores (1.22% of gross customer assets) as on 31st March 2011
 - Of which ₹1629 crores restructured prior to FY11 continued to be classified as standard assets
- Restructured in Q4FY11 – ₹108 crores

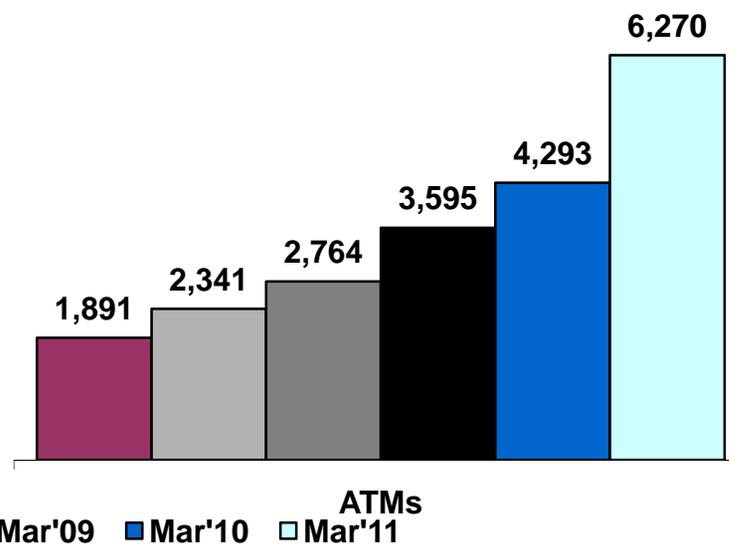
BUSINESS OVERVIEW

Network

Increasing Reach



Branch Demographics (Domestic)		
	<u>Branches</u>	<u>Extn. Counters</u>
<i>Metro</i>	370	6
<i>Urban</i>	448	2
<i>Semi-urban</i>	448	-
<i>Rural</i>	116	-
Total	1,382	8



■ Mar'06 ■ Mar'07 ■ Mar'08 ■ Mar'09 ■ Mar'10 ■ Mar'11

* Excludes service branches and central processing centres

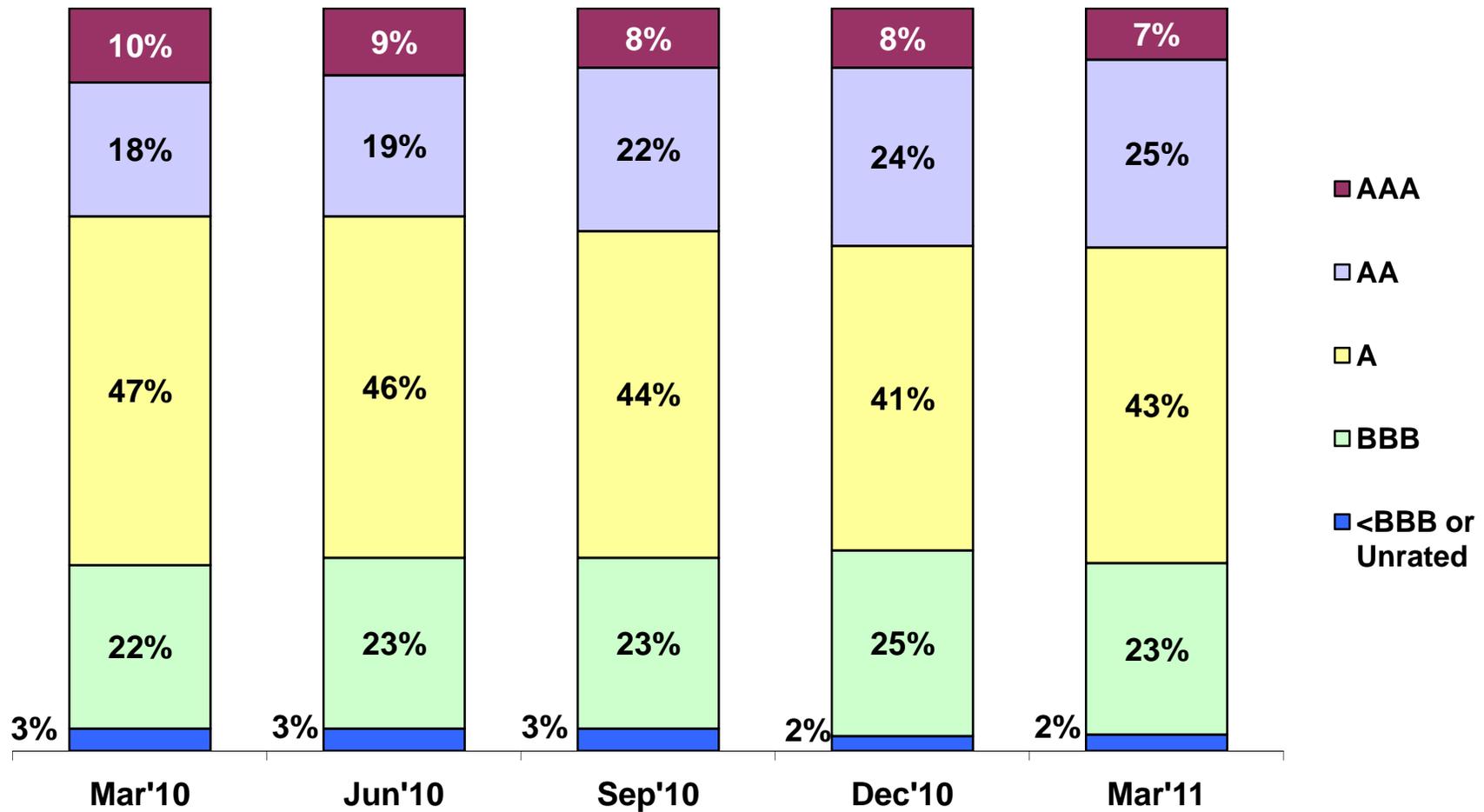
Large and Mid Corporate Banking

- **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**
 - **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**

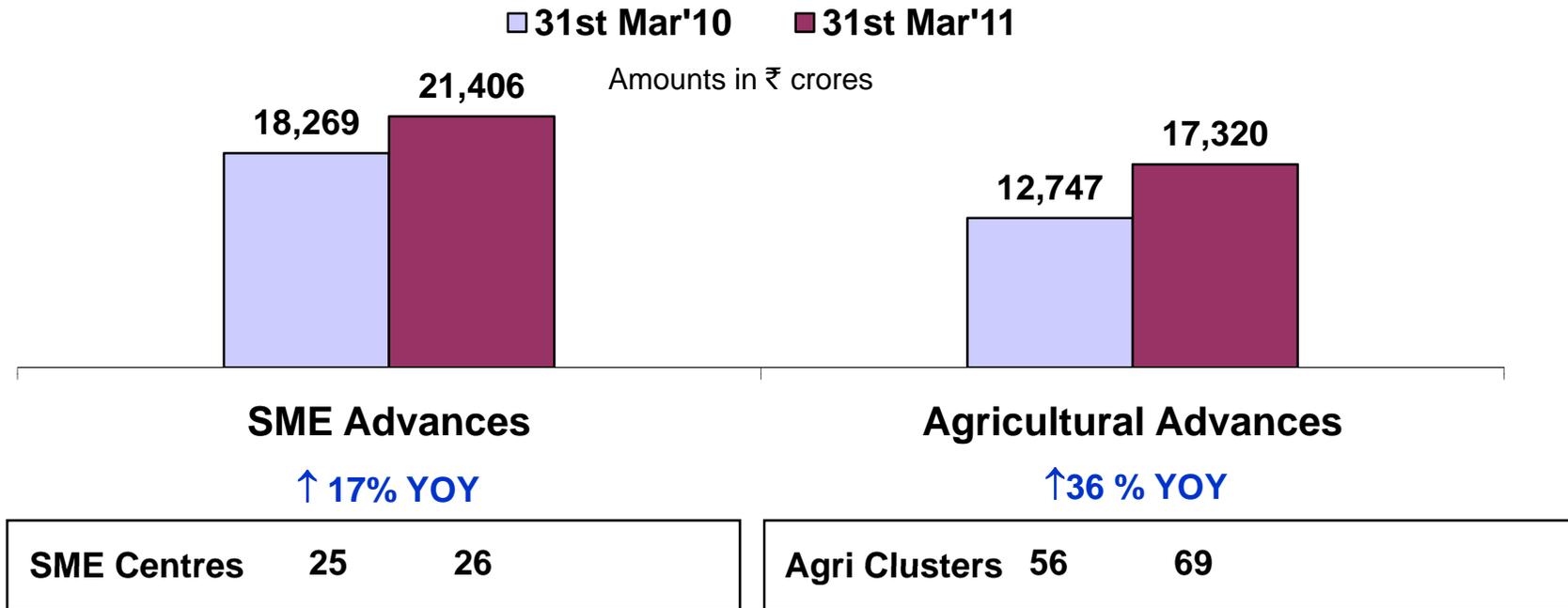
Distribution of Ratings

(Large and Mid Corporate)

75% of corporate advances have rating of at least 'A' as at Mar'11



SME and Agri Business

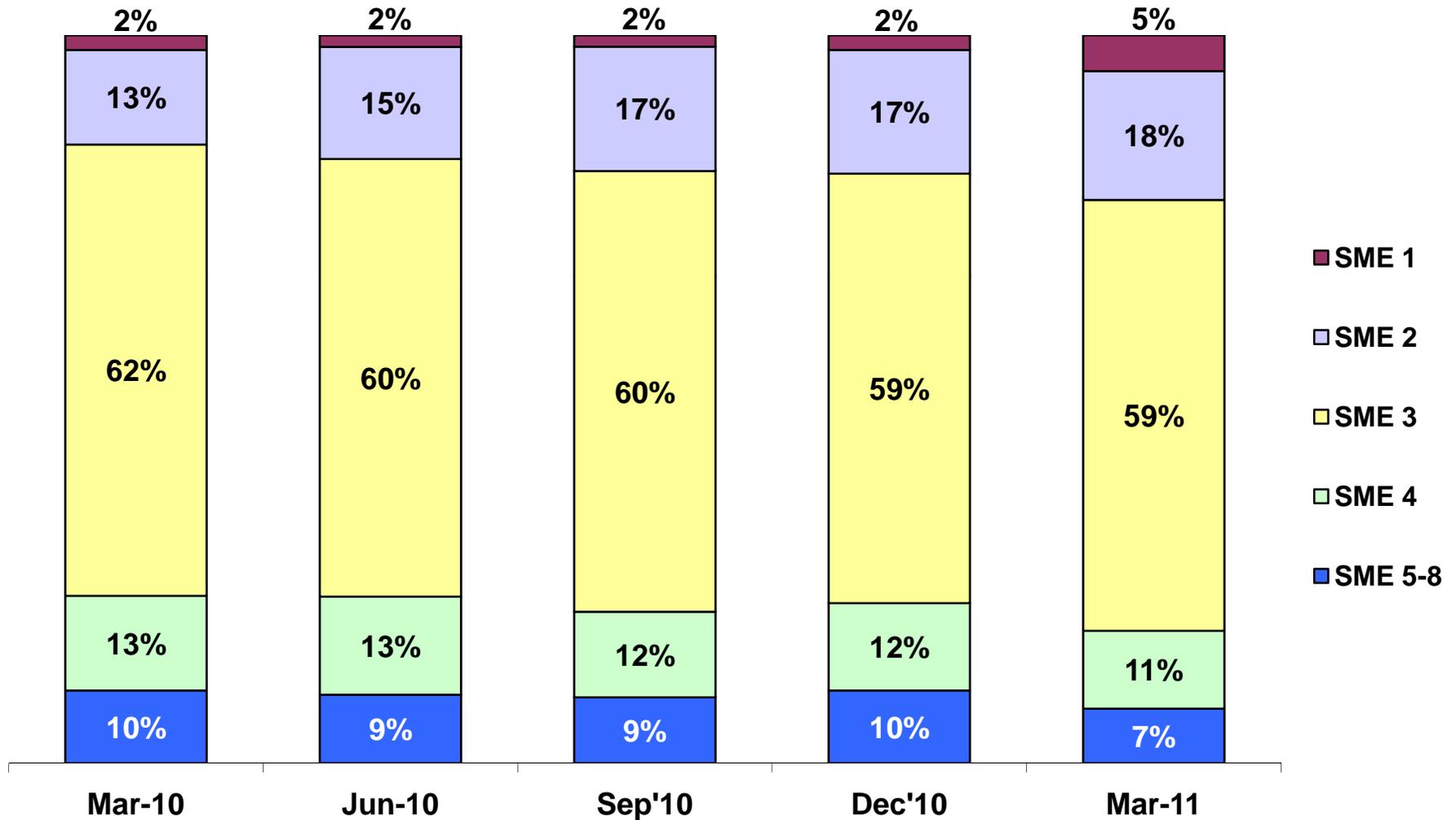


- Specialised SME Centres for SME appraisals, sanctions and post-sanction monitoring
- Product categories
 - Schematic loans
 - Non-schematic loans

- 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

82% of SME advances have rating of at least 'SME3' as at Mar'11



Industry-wise Distribution

Across Large Corporate, Mid Corporate, SME & Corporate Agri

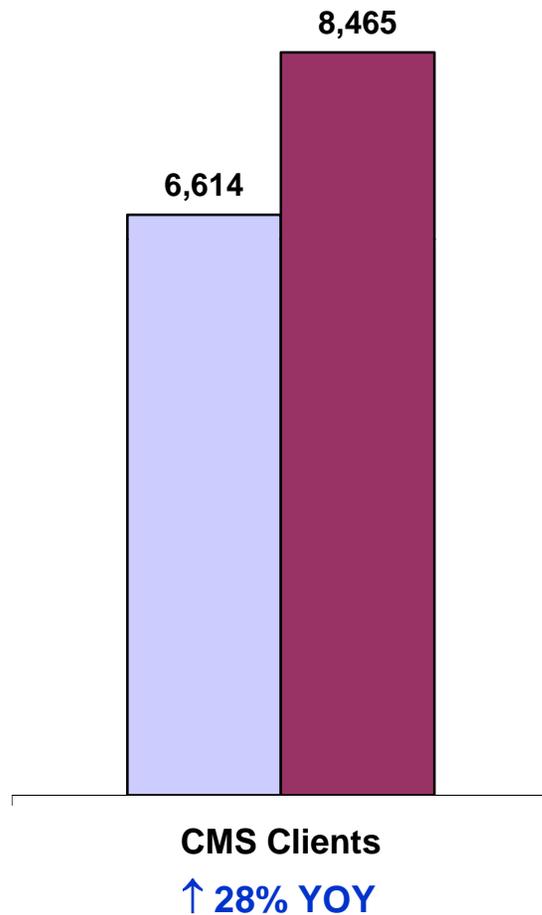
Rank	Sectors	Outstanding as on 31st Mar'11 (%)		
		Total	Fund-based	Non-fund based
1.	Financial Companies*	13.31%	14.28%	11.48%
2.	Infrastructure Construction	10.45%	8.16%	14.75%
3.	Power Generation & Distribution	9.68%	5.65%	17.26%
4.	Metal & Metal Products	8.50%	7.35%	10.66%
5.	Engineering & Electronics	6.75%	3.71%	12.48%
6.	Trade	4.84%	4.48%	5.52%
7.	Telecommunication Services	4.20%	4.98%	2.72%
8.	Food Processing	3.63%	4.44%	2.12%
9.	Shipping & Logistics	3.19%	2.94%	3.67%
10.	Chemical and Chemical Products	3.12%	3.31%	2.77%

* Includes HFCs & other NBFCs

Business Banking

Cash Management Services

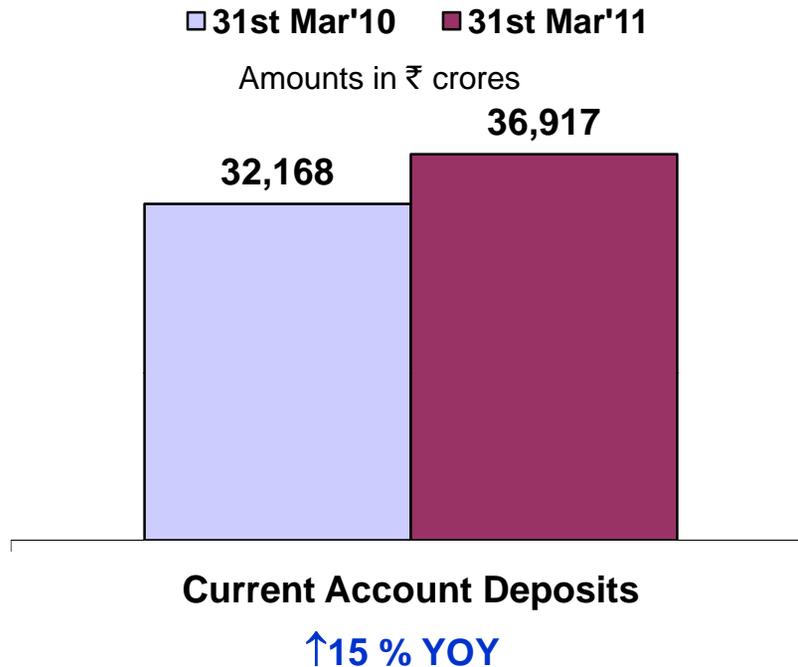
□ 31st Mar'10 ■ 31st Mar'11



- 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 7 State Governments and UT

Business Banking

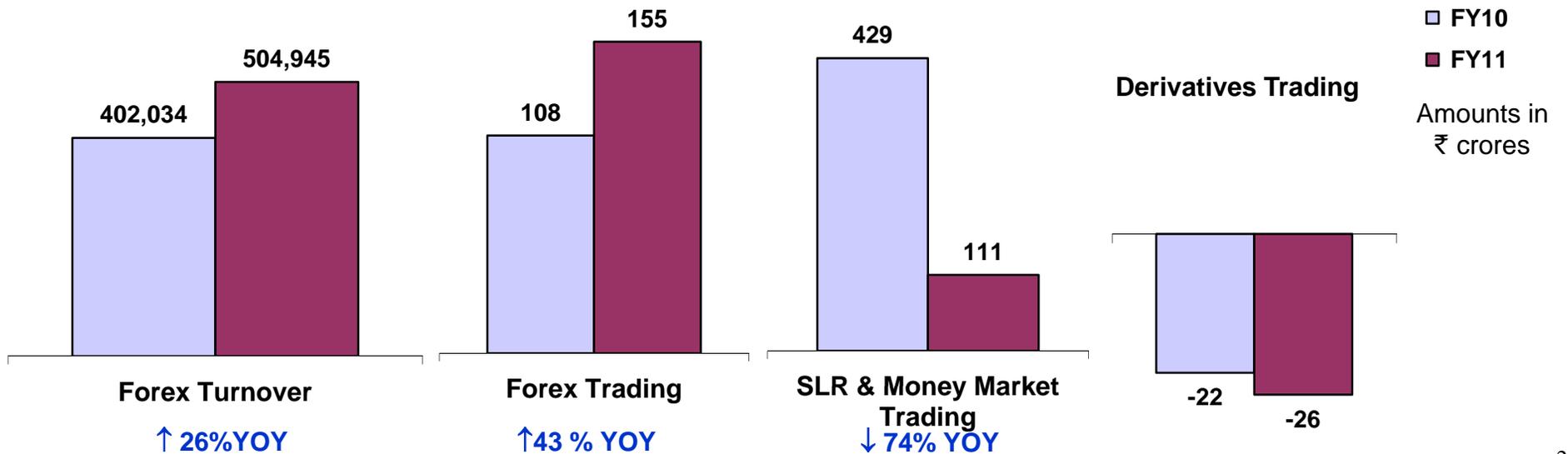
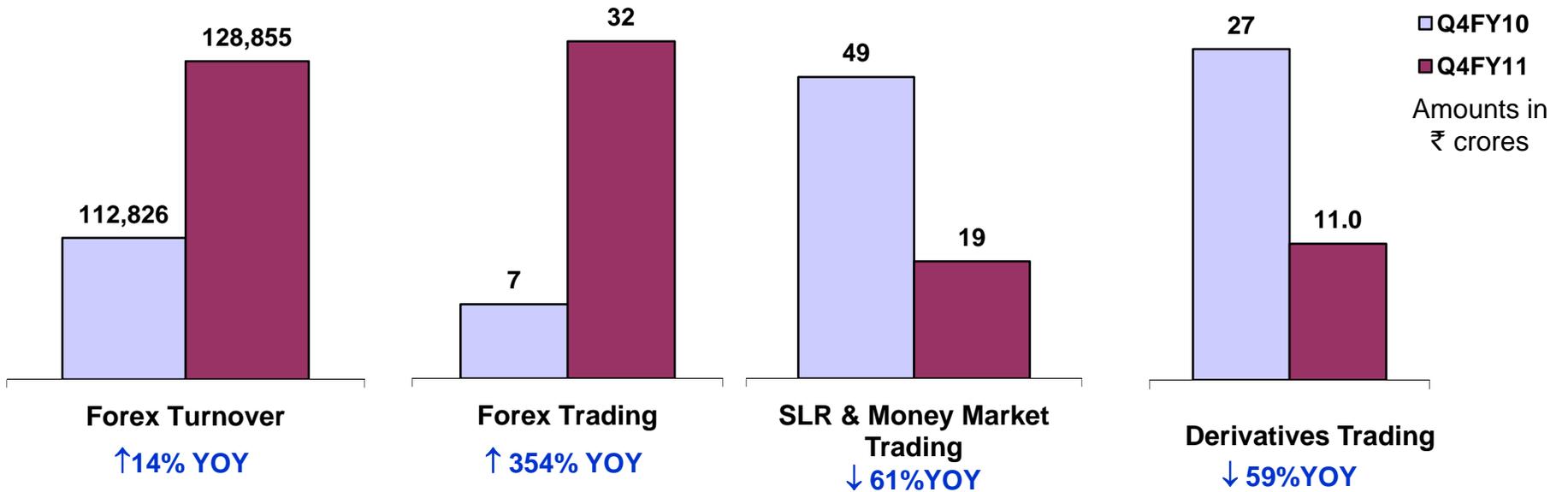
Current Accounts Growth



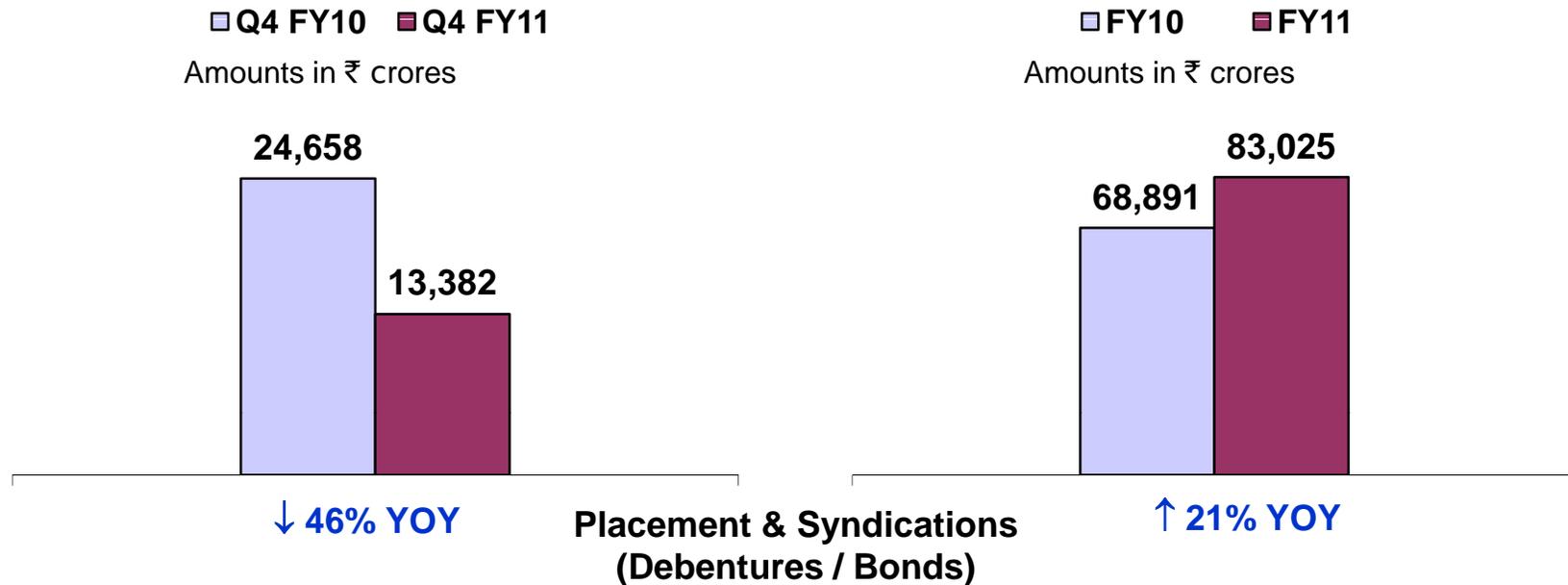
Current Account deposits for the last 5 years (as on 31st March)	
Mar'07	11,304
Mar'08	20,045
Mar'09	24,822
Mar'10	32,168
Mar'11	36,917
CAGR	34%

- 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



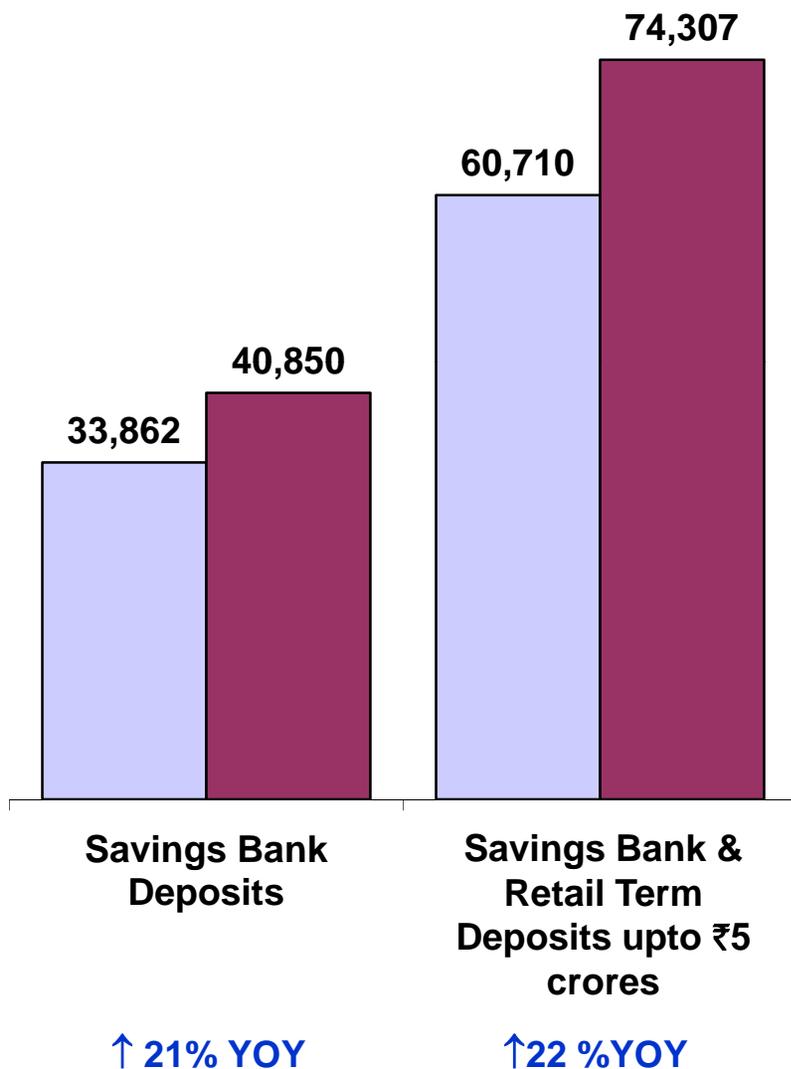
Capital Markets



- A dominant player in placement and syndication of debt issues
- Ranked No. 1 Debt Arranger by Prime Database for the period April'10 to December'10
- Ranked No.1 Debt Arranger by Bloomberg Underwriter league table for the calendar year 2010
- Recent Awards:
 - The Asset Triple A Country Awards 2010: Best domestic bank in India and Best domestic bond house in India
 - Asiamoney 2010: Best Domestic Debt House in India
 - Euromoney 2010: Best Debt House in India
 - Finance Asia 2010: Best Bond House in India

Savings Bank & Retail Term Deposit Growth

□ 31st Mar'10 ■ 31st Mar'11



Savings Bank deposits 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%

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

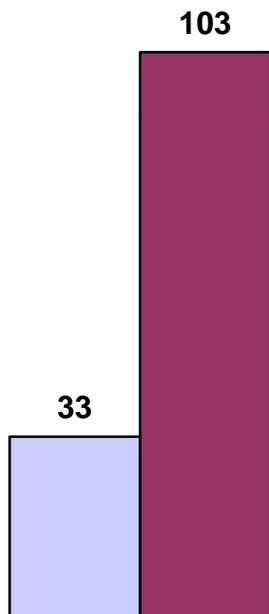
Term deposits portfolio as on 31st March 2011

- TD (Upto ₹1 crore) : ₹ 26,724 crores
- TD (>1crore & < 5 crore): ₹ 6,733 crores
- Others : ₹ 78,013 crores

Third Party Products Business

□ Q4 FY10 ■ Q4 FY11

Amounts in ₹ crores

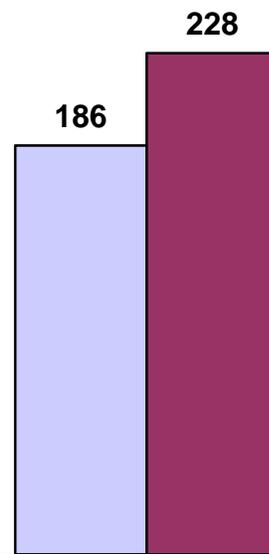


↑ 212% YOY

Fee Income

□ FY10 ■ FY11

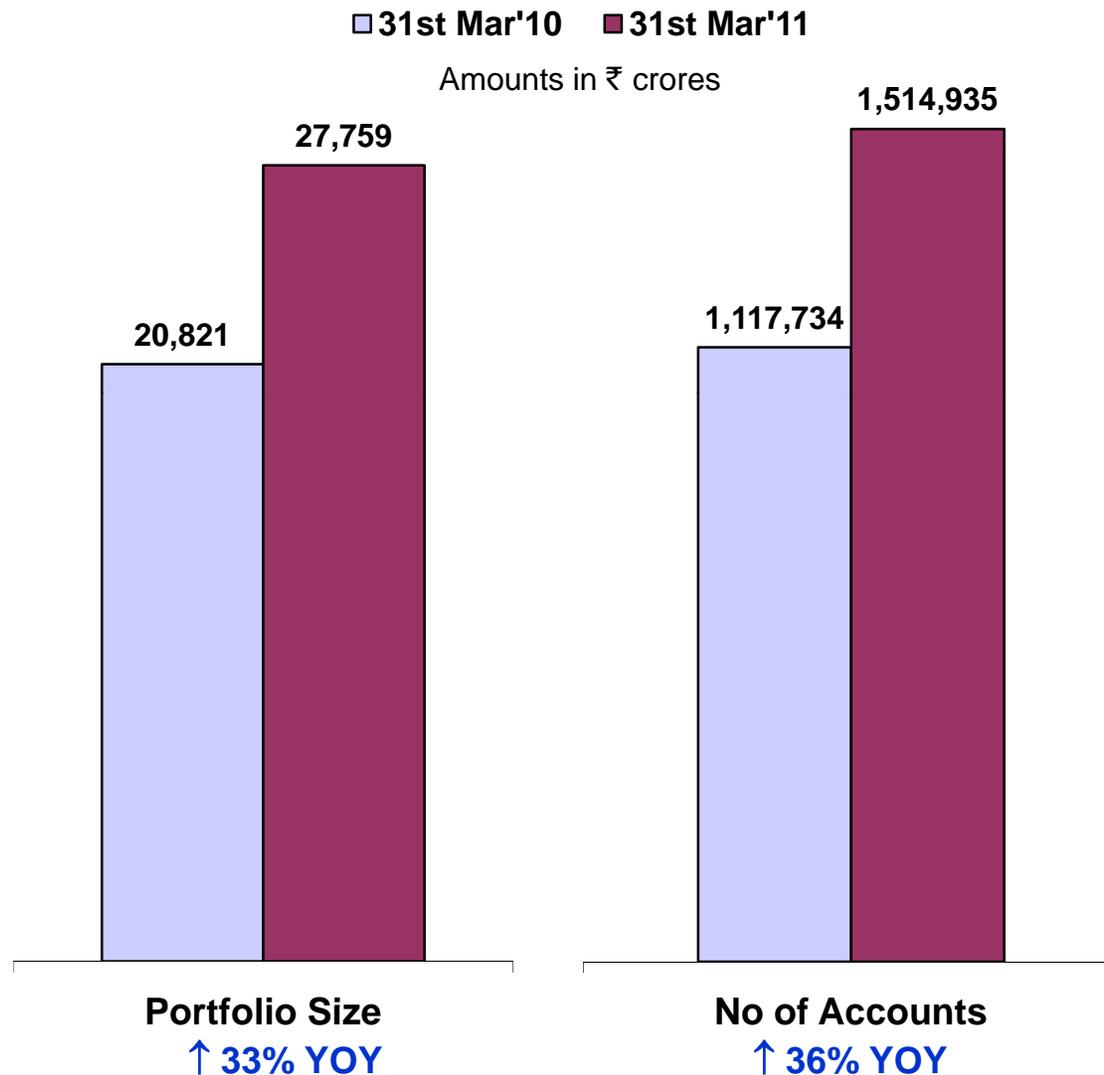
Amounts in ₹ crores



↑ 23 % 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

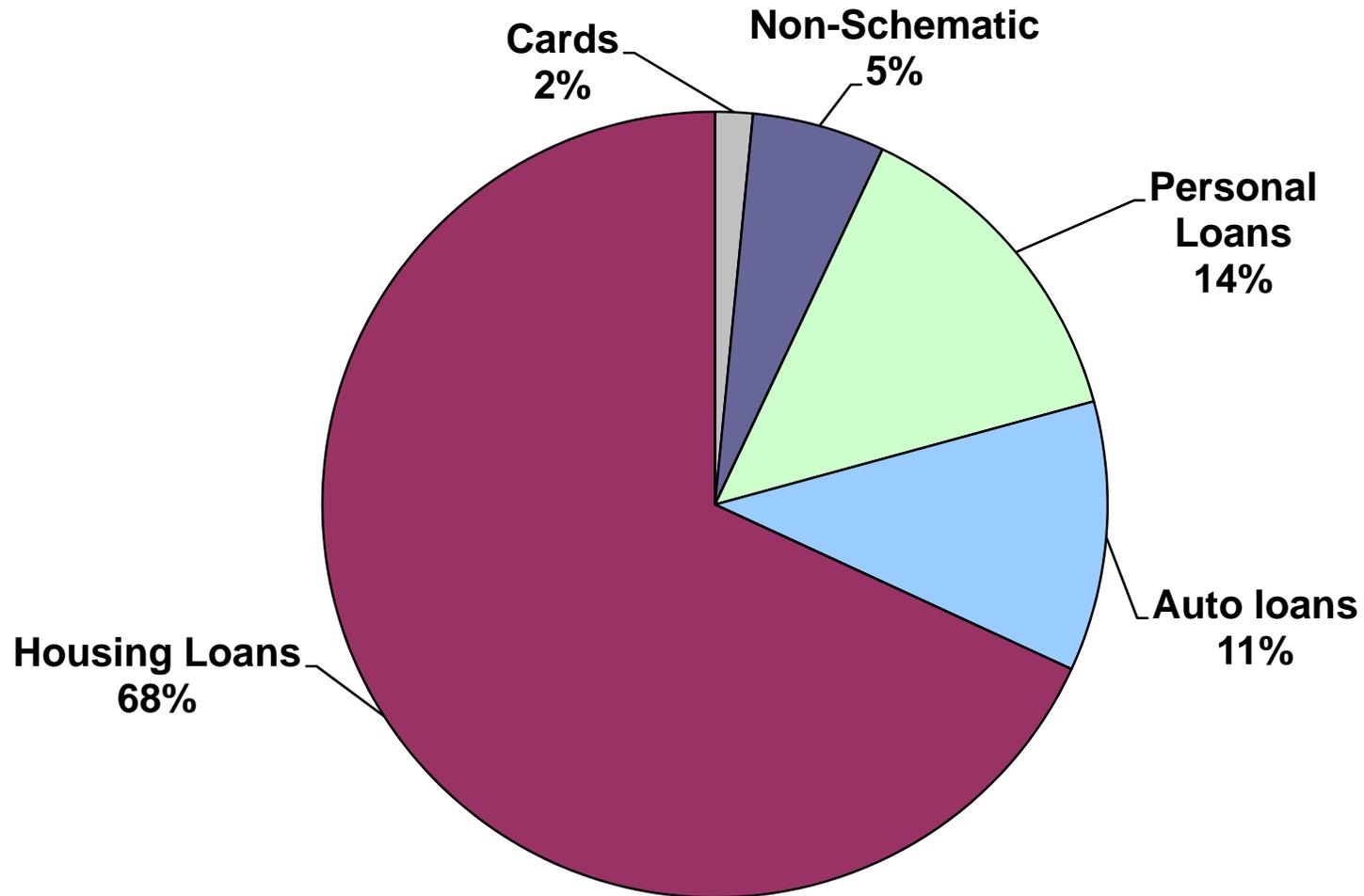
Retail Assets



- Retail Assets constitute 19.49% of the bank's total advances, as compared to 19.95% as at 31st Mar'10.
- Growth driven through 58 Retail Asset Centres (RACs)

Composition of Retail Assets

Product-wise composition of Retail Assets portfolio (31st Mar'11)



Cards, Retail Forex & Remittances Business



- **Issuance**

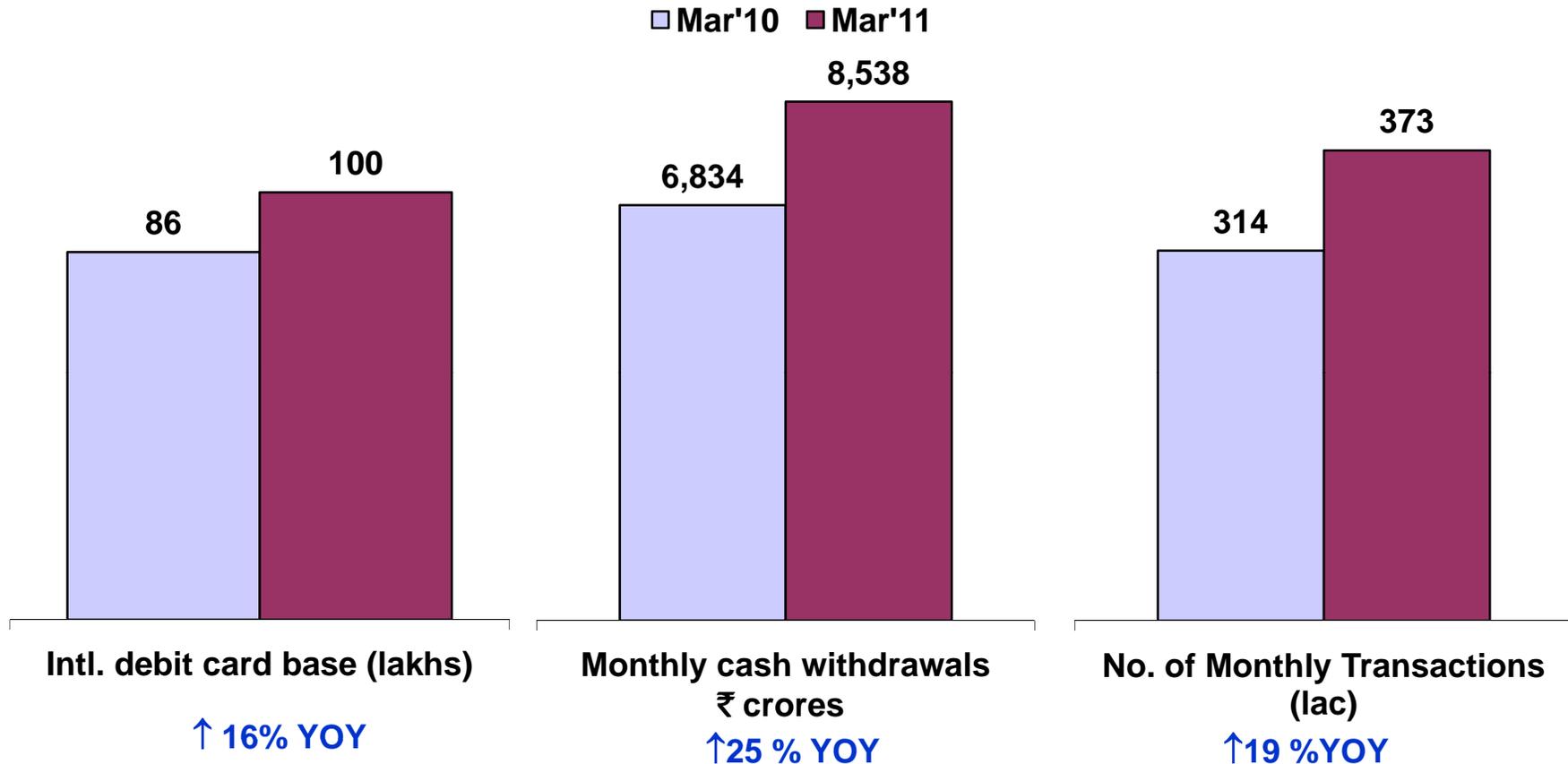
- Over 6 lac Credit Cards in force till 31st Mar'11
- Travel Currency Cards in 11 currencies -US\$, Euro, GBP, AUD, CAD, SGD, SEK, CHF, JPY, AED, SAR
- 1st Indian Bank to launch Remittance Card and Meal Card

- **Acquiring**

- Installed base of over 1.86 lac EDCs

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

ATM Channel



- 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

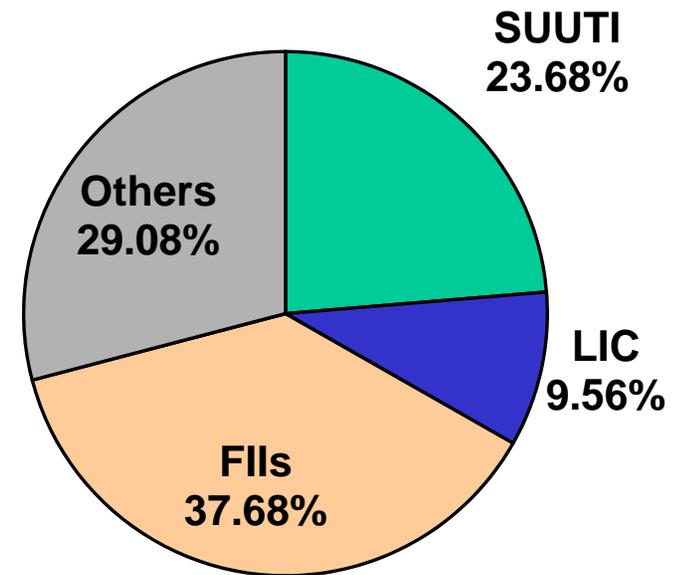
- **Branches at Singapore, Hong Kong and DIFC, Dubai**
- **Representative offices at Shanghai, Dubai and Abu Dhabi**
- **Axis UK Ltd. incorporated as a subsidiary on 7th March 2011**
- **Total assets overseas amounted to US\$ 4.99 billion as compared to USD 3.10 billion as at end Mar'10, a growth of 61% YOY**
- **Corporate Banking, Trade Finance products, Debt Syndication and Liability businesses**

Shareholding

Shareholding pattern (Mar'11)

- Share Capital - ₹410.55 crores
- Shareholders' Funds - ₹18,999 crores
- Book Value per share - ₹ 462.77
- Market Price as on 21st April, 2011- ₹1,448
- Market Cap as on 21st April, 2011 - ₹59,429 crores

(US\$ 13.42 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