

AXIS BANK

FY 2012-13
First Half Results

Earnings Presentation

Safe Harbor

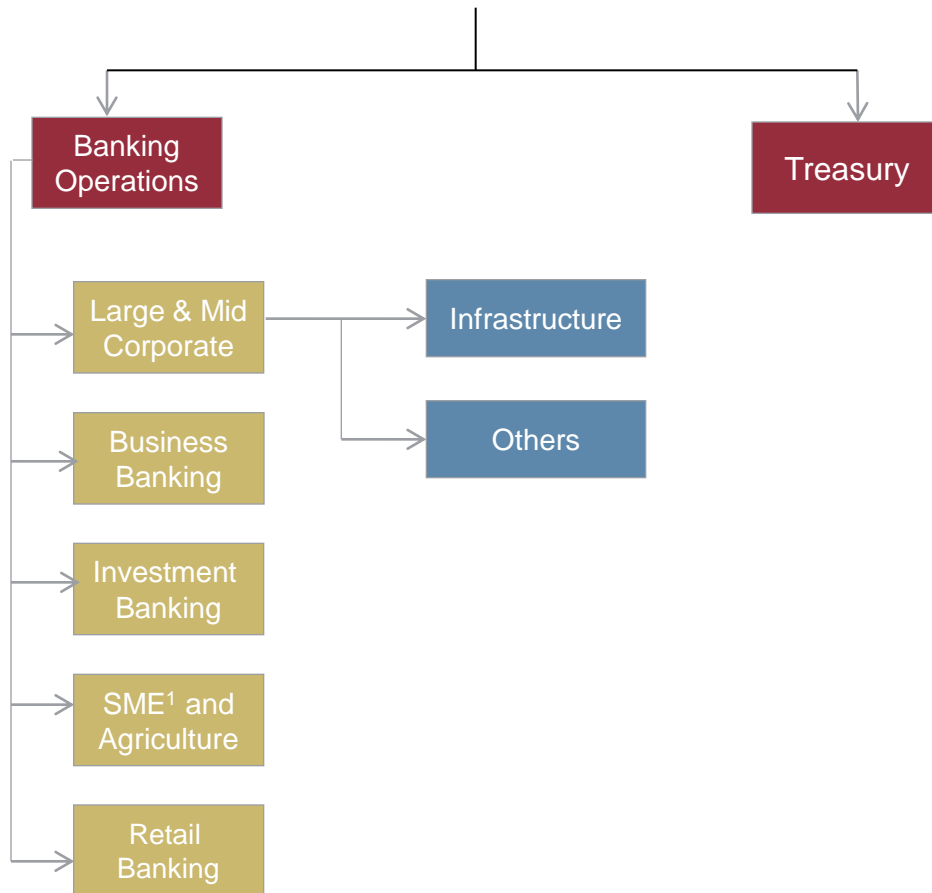
Except for the historical information contained herein, statements in this release which contain words or phrases such as “will”, “aim”, “will likely result”, “would”, “believe”, “may”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “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 As on October 12, 2012.

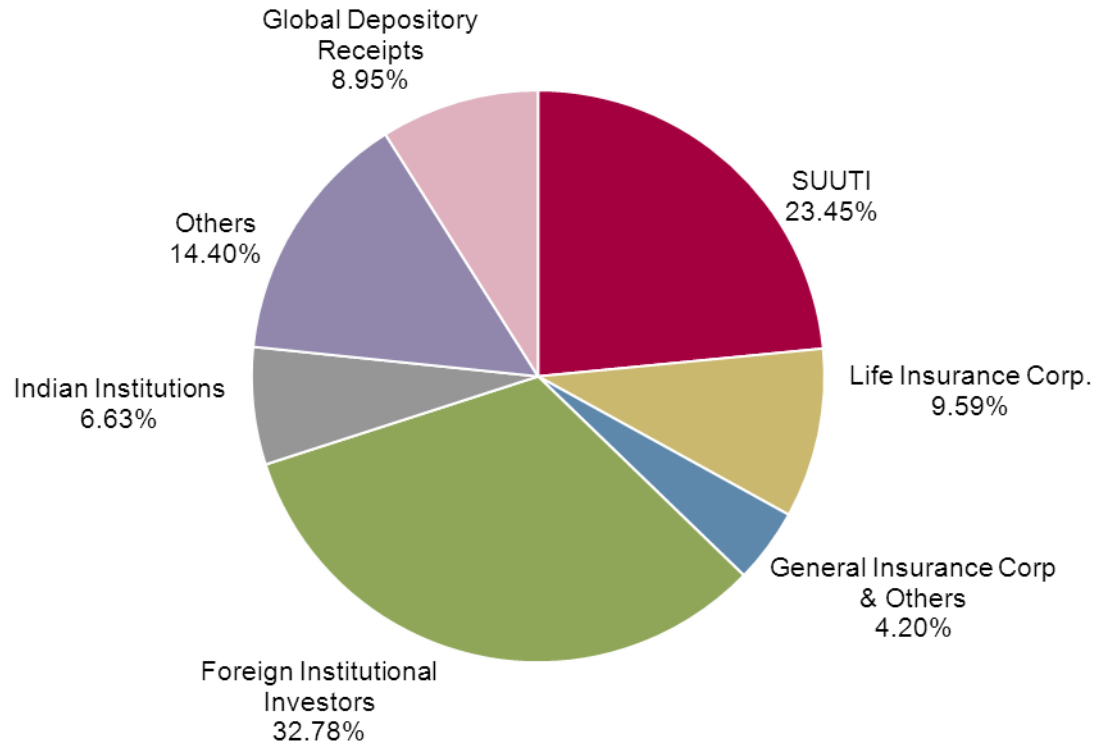
³ Includes profits for H1FY13

⁴ Includes extension counters

Snapshot (As on September 30, 2012)

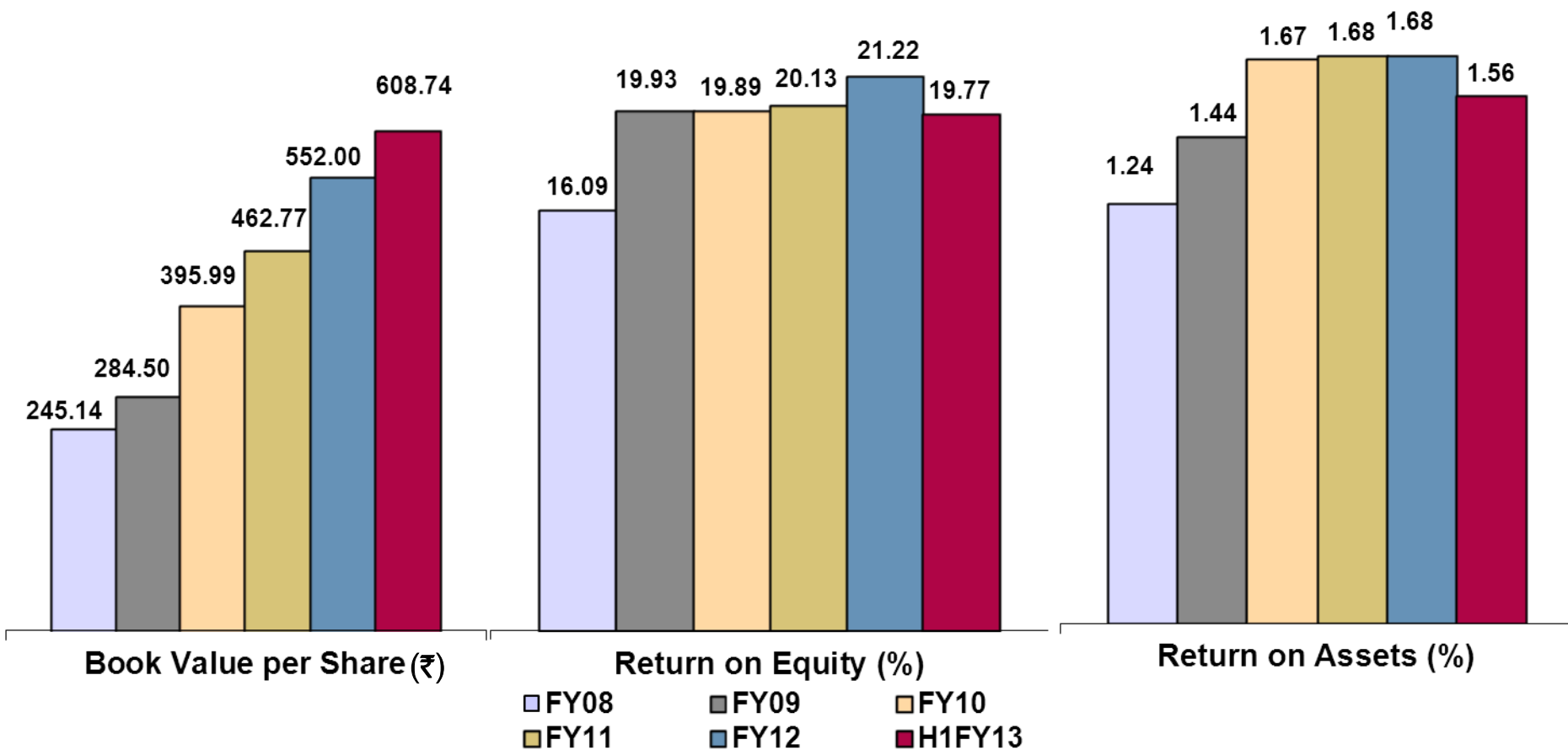
Total Assets	₹3,02,681 crores
Net Advances	₹1,72,132 crores
Total Deposits	₹2,35,619 crores
Net Profit (Q2FY13)	₹1,124 crores
Net Profit (H1FY13)	₹2,277 crores
Shareholders' Funds	₹25,234 crores
Market Capitalisation ²	₹46,415 crores
ROA (for H1FY13)	1.56%
ROE (for H1FY13)	19.77%
Net NPA Ratio	0.33%
Capital Adequacy Ratio ³	13.92%
Tier 1 CAR ³	9.92%
Saving Bank Accounts (No.)	122 lac
Branches ⁴	1,741
Foreign Offices	7
ATMs	10,297

Shareholding Pattern (As on September 30, 2012)



- Share Capital ₹415 crores
- Shareholders' Funds ₹ 25,234 crores
- Book Value Per Share ₹ 608.74
- Market Capitalisation ₹ 46,415 crores (as on October 12, 2012)

High Shareholder Returns



A strong franchise demonstrating consistent value creation over time

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Performance Highlights

	<u>Q2FY13</u>	<u>H1FY13</u>
Net Profit	↑ 22% YOY	↑ 22% YOY
Net Interest Income	↑ 16% YOY	↑ 21% YOY
Fee Income	↑ 20% YOY	↑ 15% YOY
Operating Revenue	↑ 21% YOY	↑ 21% YOY
Operating Profit	↑ 23% YOY	↑ 24% YOY
Net Interest Margin	3.46%	3.42%
Cost of Funds	6.54%	6.62%

Highlights of Q2FY13

Retail Franchise continues to show traction

- Savings Bank Deposits registered strong growth, rose 20% YOY to ₹ 56,189 crores
- Retail Term Deposits grew 39% YOY, constituted 40% of Total Term Deposits
- CASA and Retail Term Deposits constituted 64% of Total Deposits
- Retail Assets grew 51% YOY and accounted for 26% of Net Advances
- Fee Income rose 43% YOY, accounting for 31% of Total Fees

Stable Earnings Profile

- Operating Revenue grew by 21% YOY, stood at ₹3,920 crores
- Operating Profit rose to ₹2,178 crores, registered growth of 23% YOY
- Return on Assets was 1.5% and Return on Equity at 18.8%

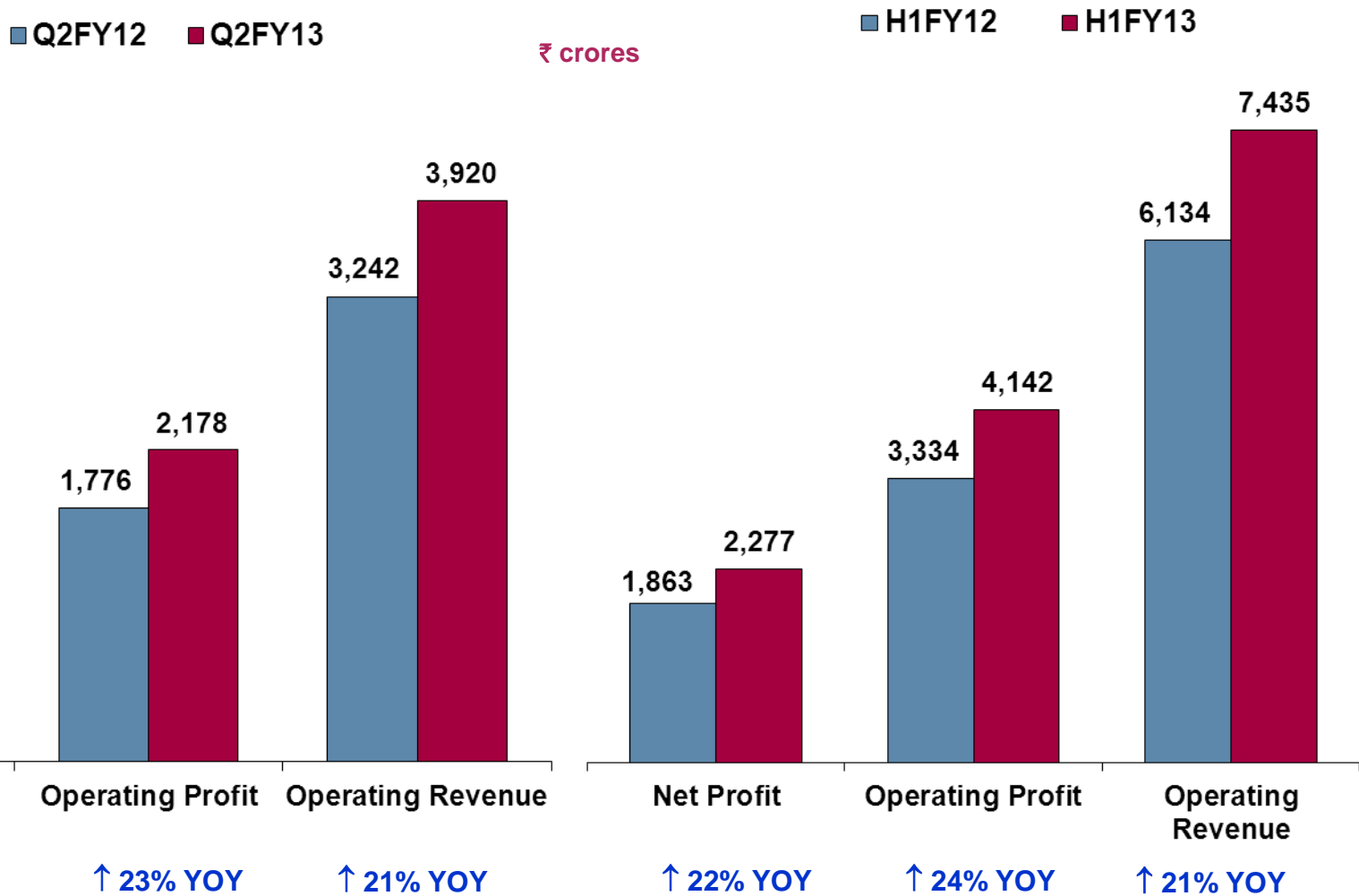
Focus on capital conservation , Tier I CAR of 9.92%*, Total CAR of 13.92%*

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

* Includes unaudited profits for H1FY13

Profitability

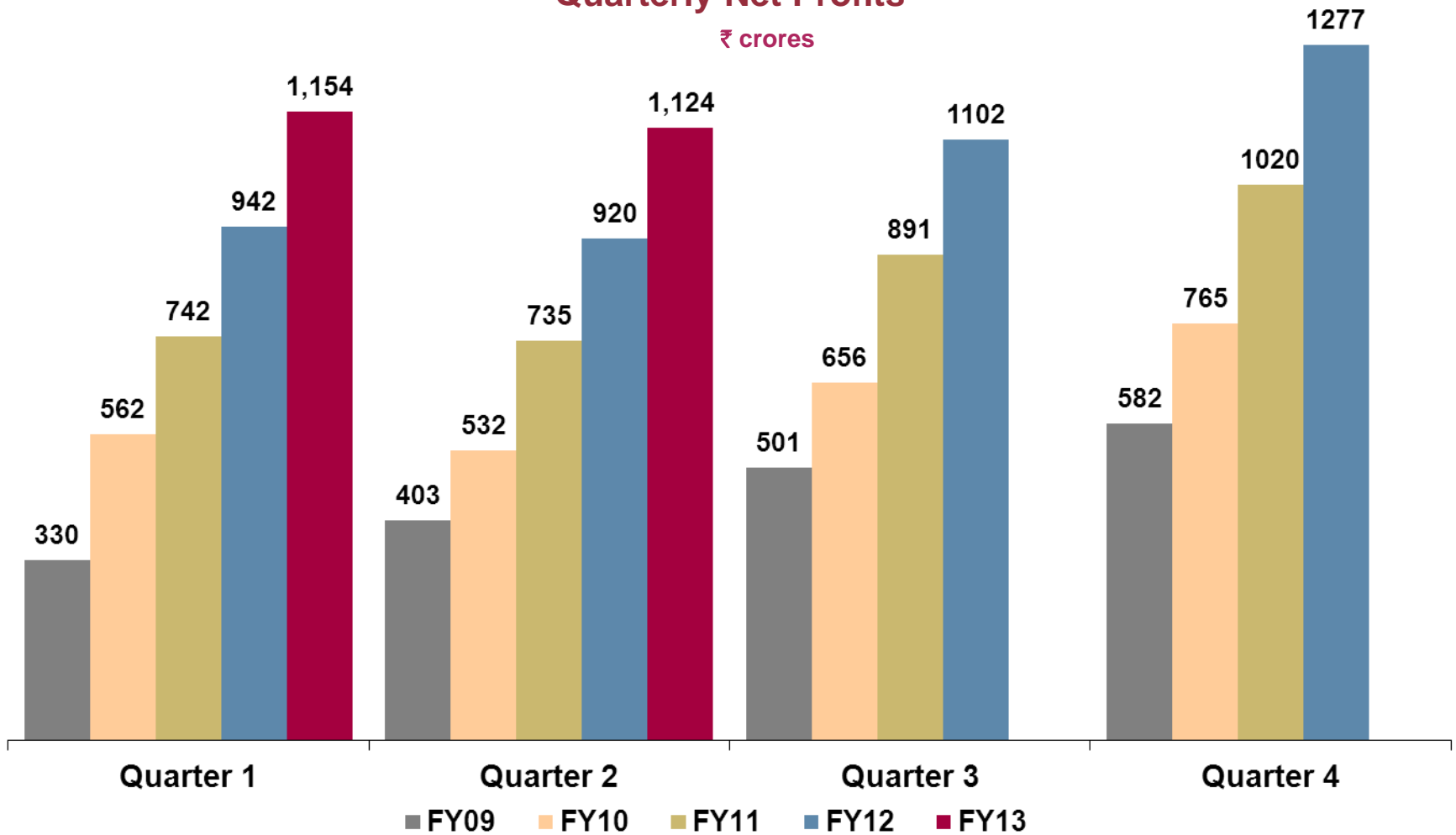
Sustained Growth: Robust Core Revenues



Consistent Net Profit Growth

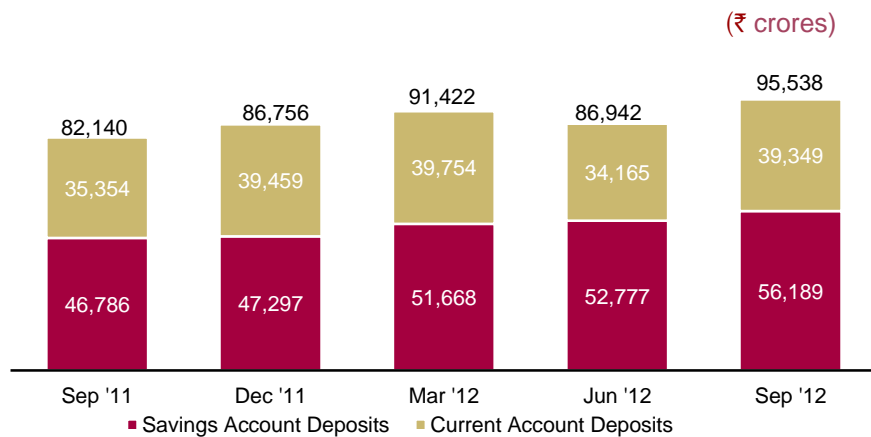
Quarterly Net Profits

₹ crores

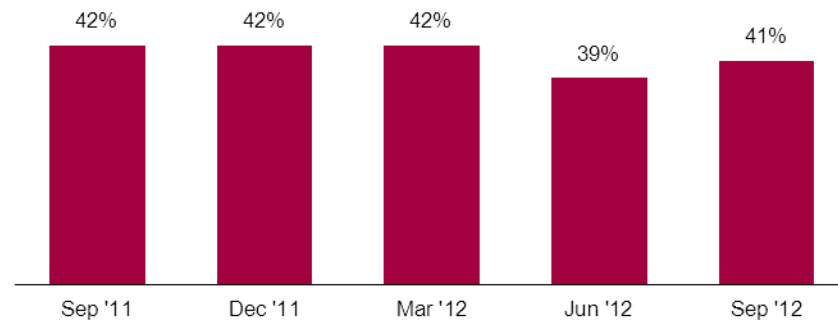


Strong CASA franchise supports margin stability

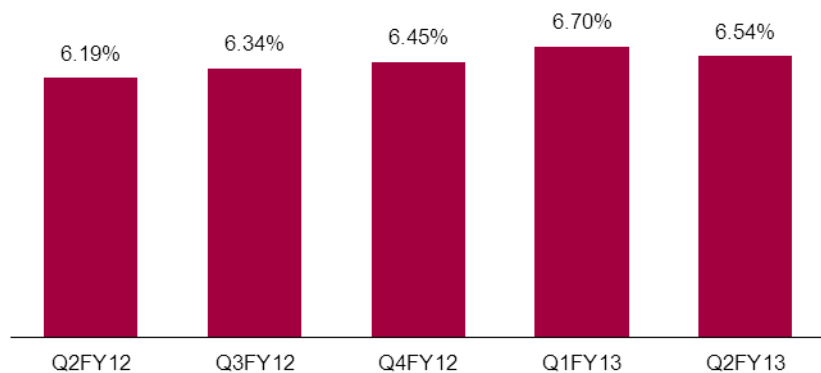
CASA Deposits



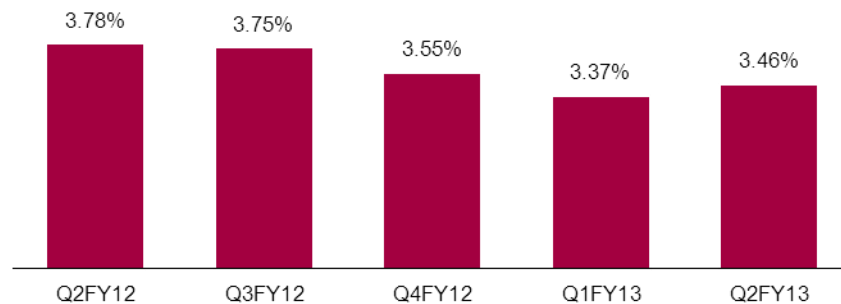
CASA Ratio



Cost of Funds

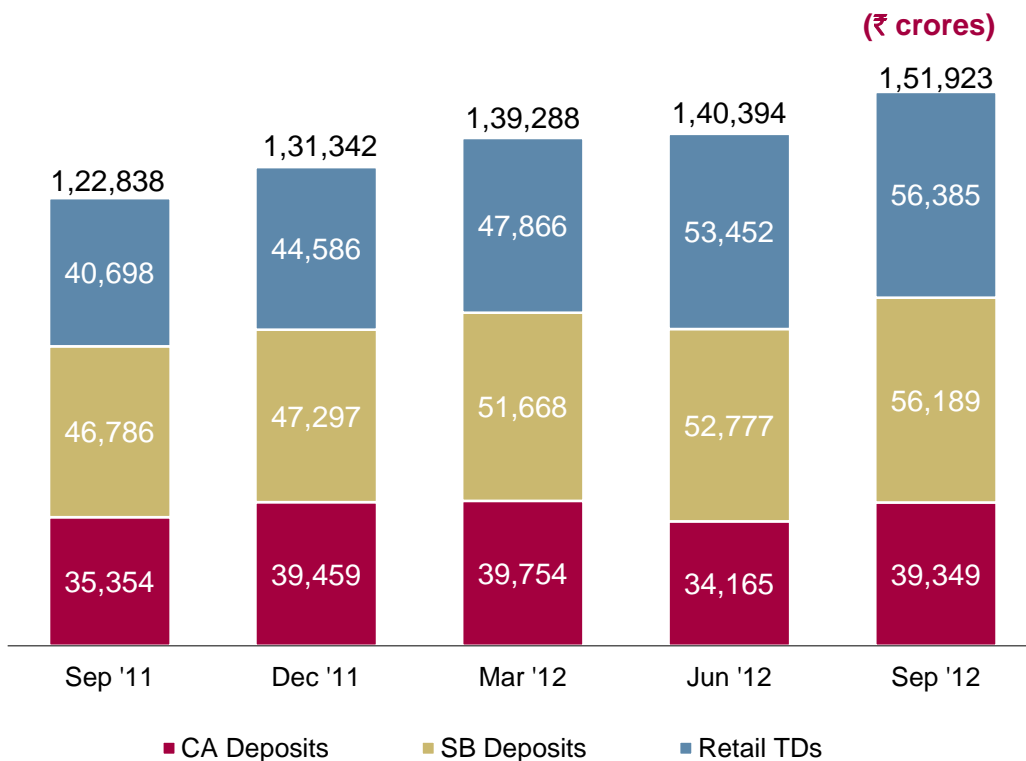


Net Interest Margin



Stable CASA growth underpins Low-Cost Deposit Franchise

CASA and Retail Term Deposits

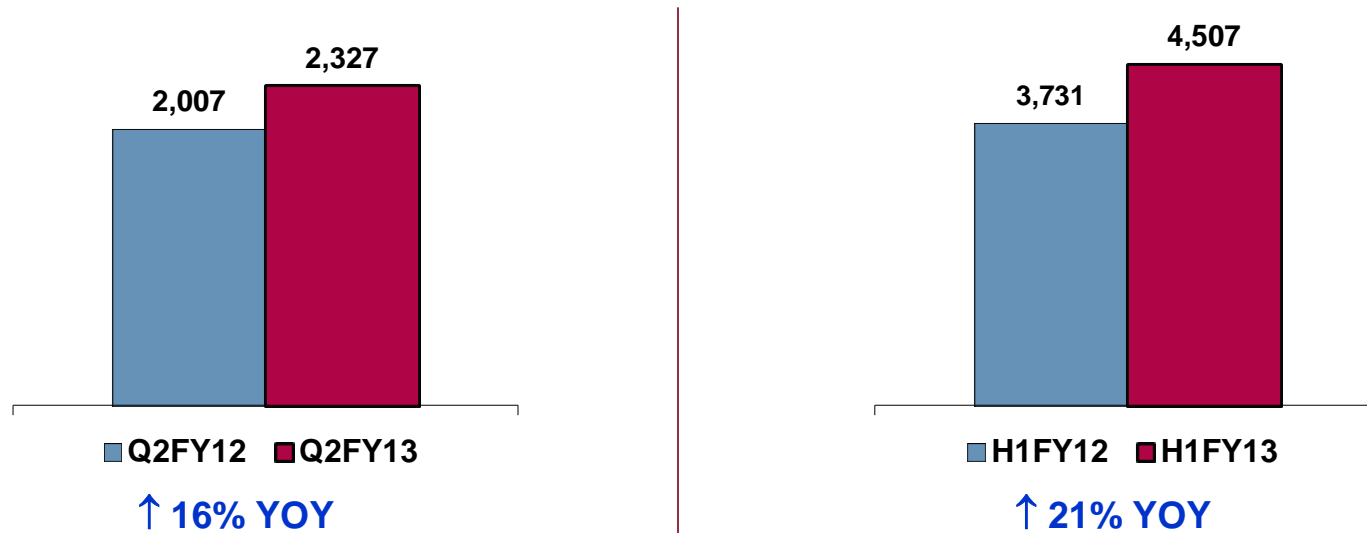


Deposits (H1FY13)	YOY Growth (%)
Savings Bank	20
Current Accounts	11
CASA	16
Retail Term Deposits	39
Wholesale Deposits	17

- Share of Retail Term Deposits to total term deposits at 40%
- CASA + Retail Term Deposits constitute 64% of total deposits

Growing Net Interest Income

₹ crores

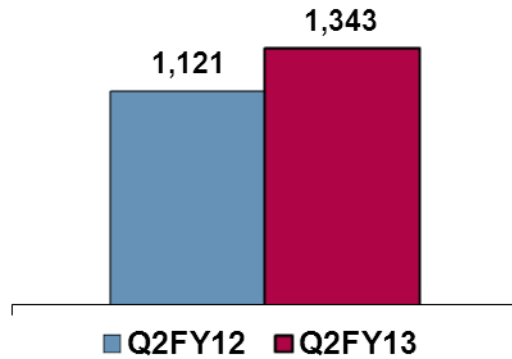


NII for the last 5 years (₹crores)

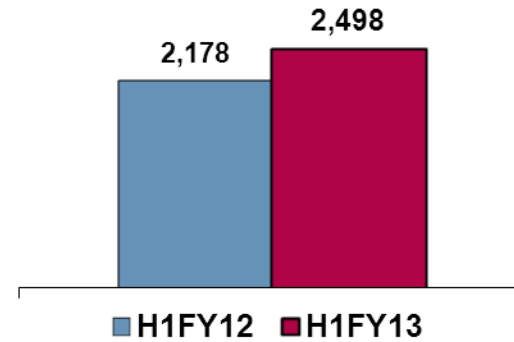
FY08	2,585
FY09	3,686
FY10	5,004
FY11	6,563
FY12	8,018
CAGR	33%

Diversified Fee Income Profile

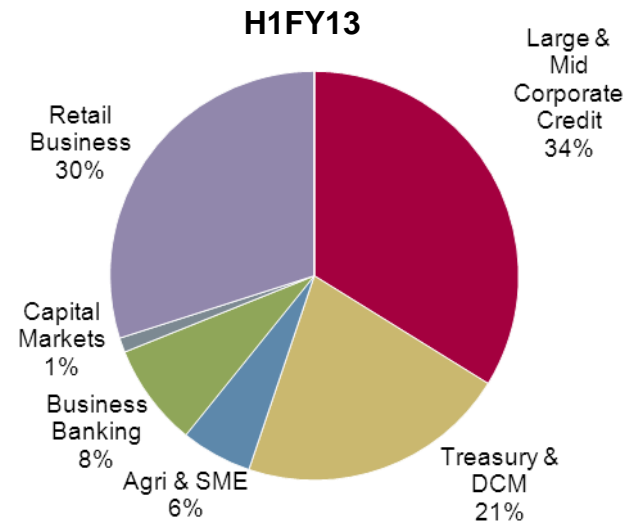
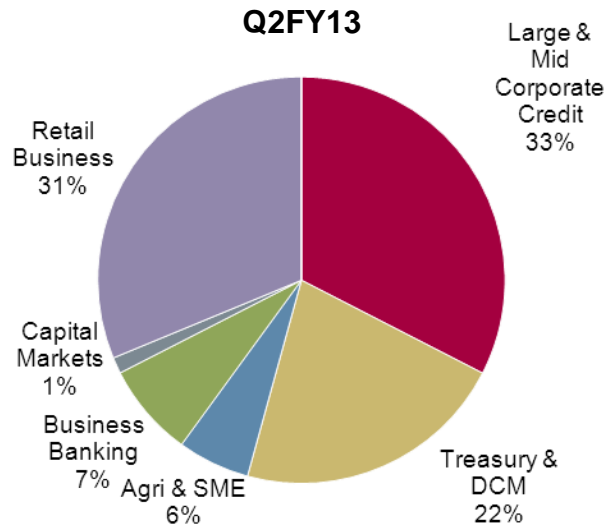
₹ crores



↑ 20% YOY

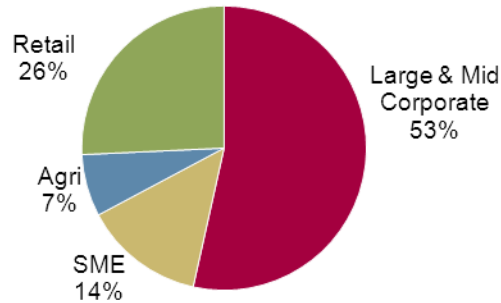


↑ 15% YOY

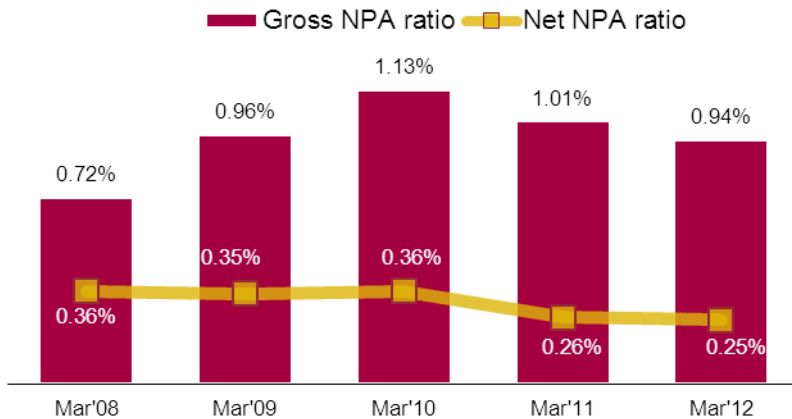


Stable Asset Quality

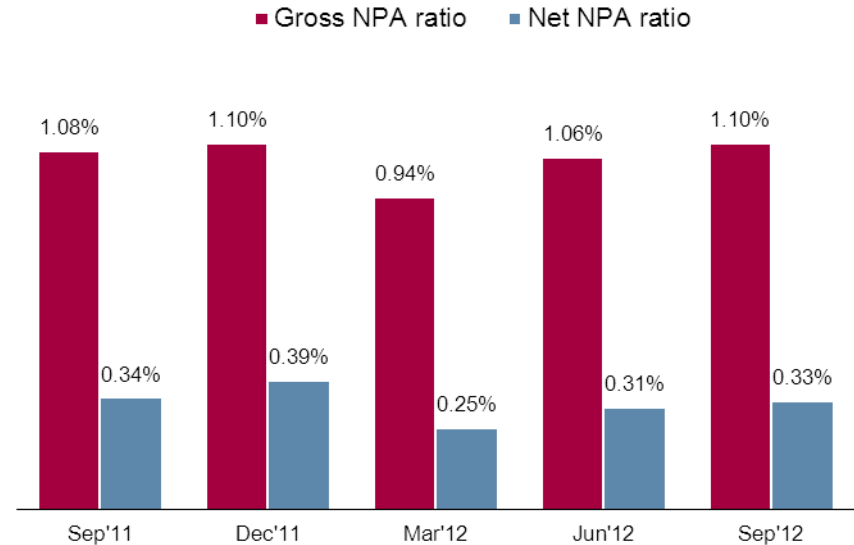
Segmental Loan Mix
(As on September 2012)



Five Year NPA trend



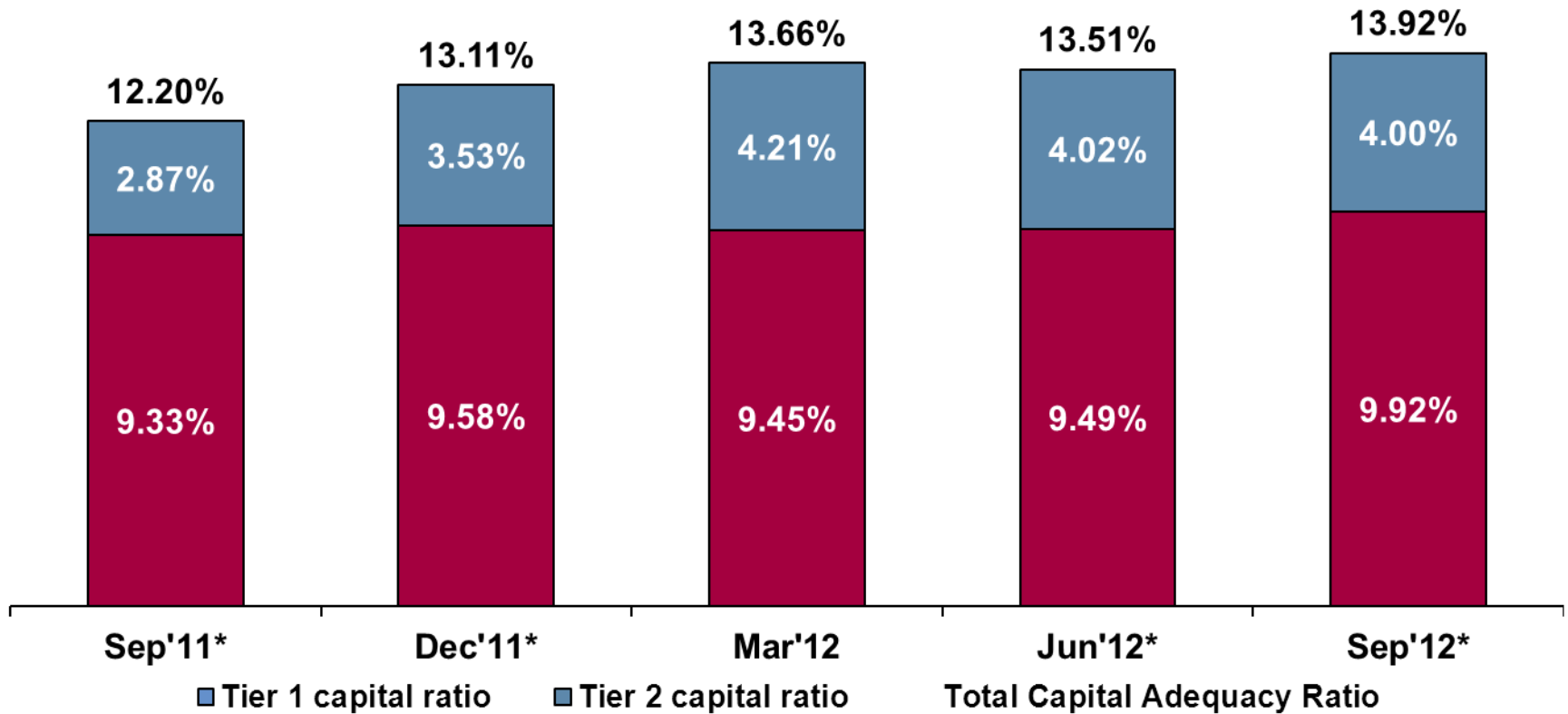
Asset Quality



- Provision coverage of 80% as on September 2012 including prudential write-offs (90% before accumulated write-offs)
- Cumulative restructured assets were ₹4,068 crores (2.04% of gross customer assets) as on September 2012.
- ₹323 crores of assets were restructured during the quarter

Capital Strength

Comfortable Capital Adequacy Ratio



* Includes unaudited profits for the quarter / half year

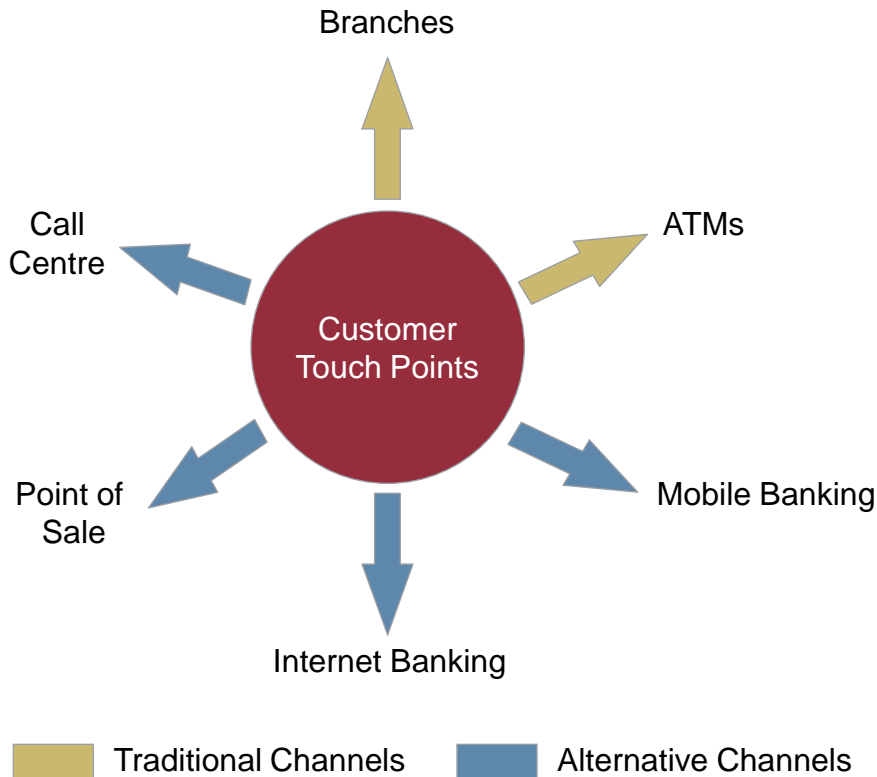
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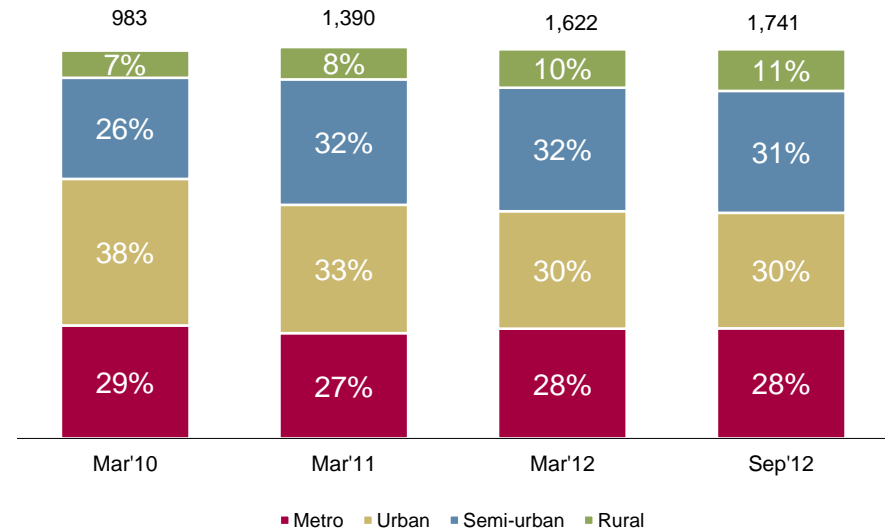
Well distributed, countrywide network of Branches and ATMs

- 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



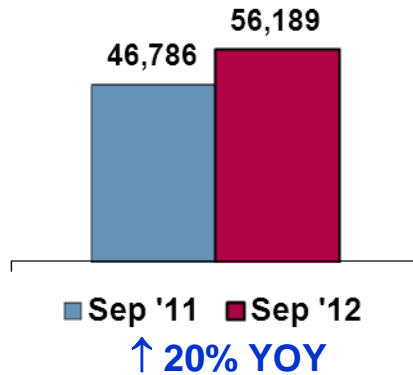
	Mar'10	Mar'11	Mar'12	Sep'12
ATMs	4,293	6,270	9,924	10,297
Centers Covered	643	921	1,050	1,113

¹ Including extension counters

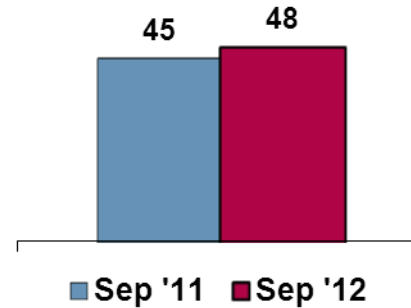
Retail Liabilities

Savings Bank Deposits

(₹ crores)

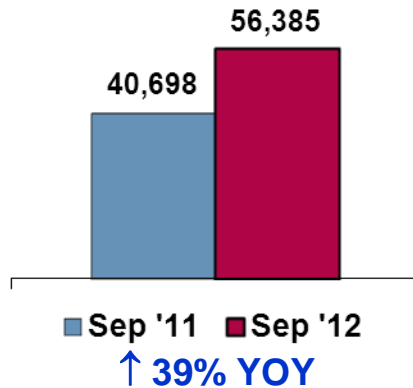


Retail Deposits* (% of Total Deposits)

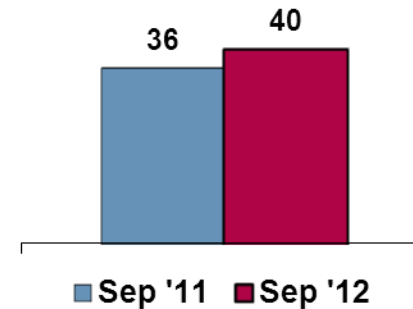


Retail Term Deposits (RTD)

(₹ crores)



Share of RTD as % of Term Deposits



Retail Deposits * constitutes 48% of Total Deposits

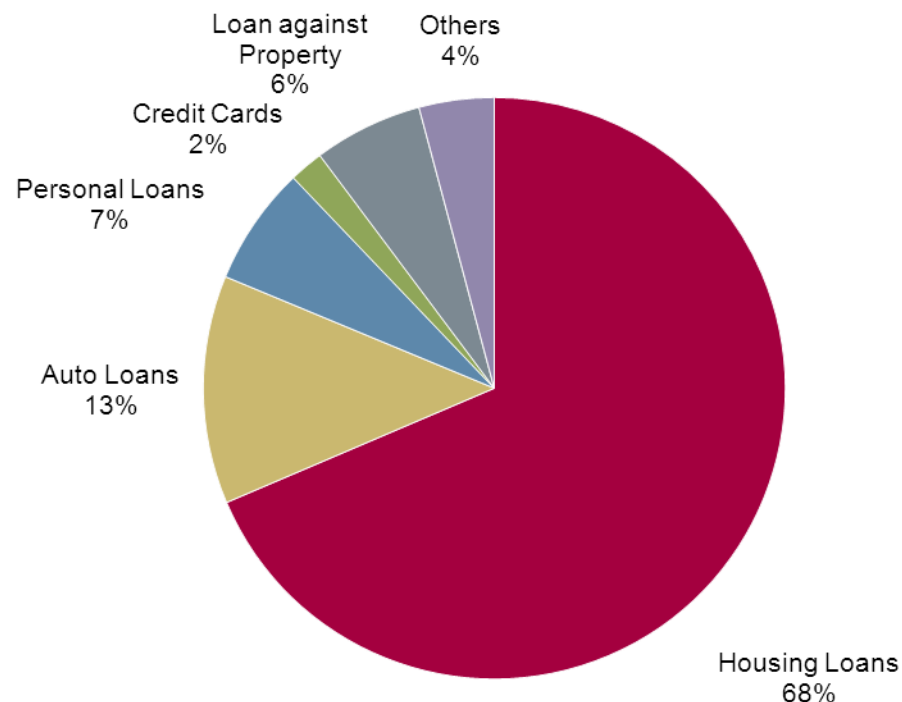
* Retail Deposits include Savings Bank and Retail Term Deposits

Retail Assets

Key Highlights

- Retail assets constitute 26% of the Bank's total advances in Sep'12 against 21% in Sep'11
 - Secured loans make up 87% of retail loans
 - Home Loans account for 68% of retail loans
- 111 Asset Sales Centres (ASCs) with standardized appraisal and oversight mechanisms
- Retail assets originated from 982 branches spread across 95 cities

Composition of Retail Advances



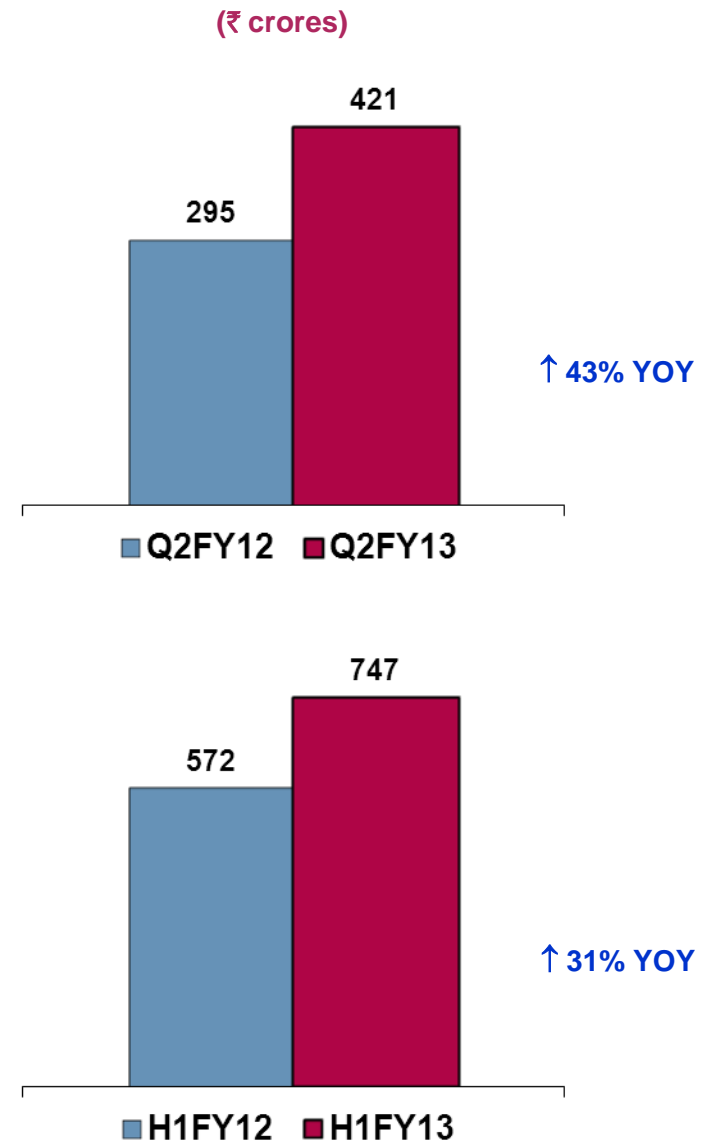
Portfolio Size: ₹44,286 crores

↑ 51% YOY

Retail Fees

Key Highlights

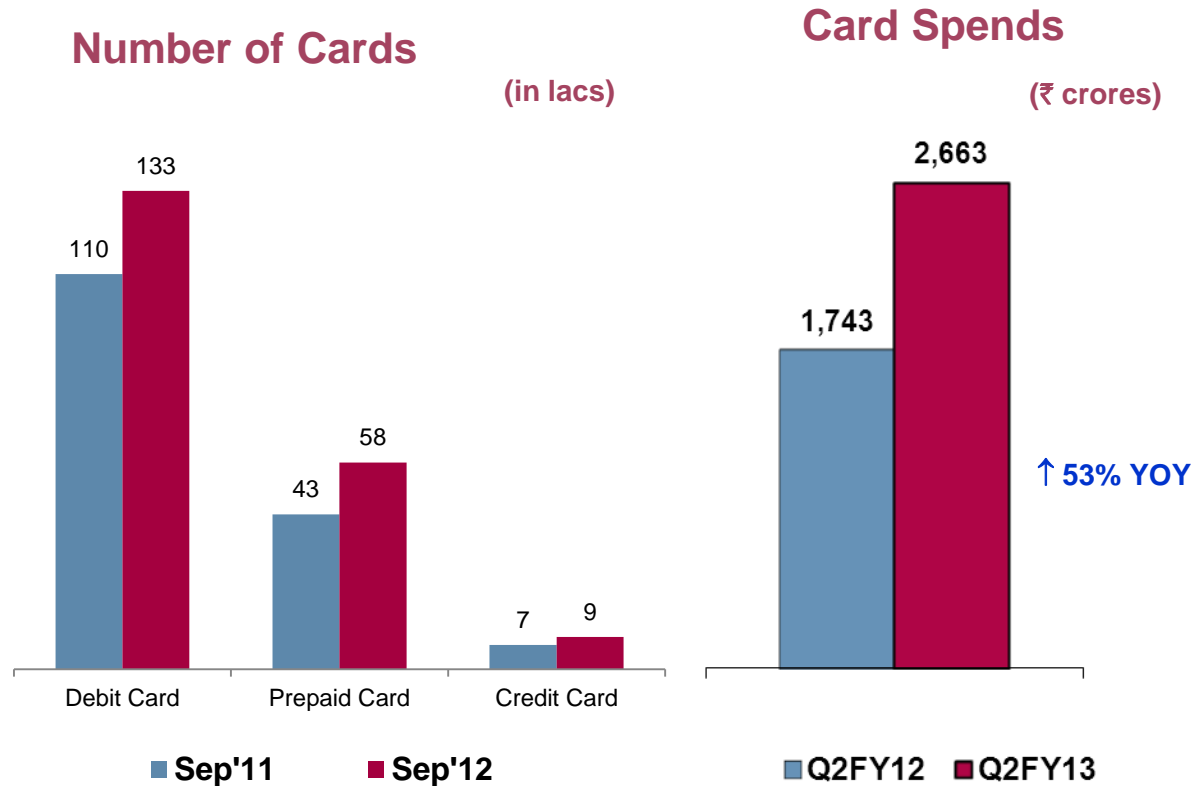
- Focus on cross-selling to existing customers key driver for growth
- Third-party products sold include mutual funds, insurance, on-line broking, portfolio management services (non-discretionary) and gold coins.
- Healthy retail asset growth providing momentum to asset linked fees



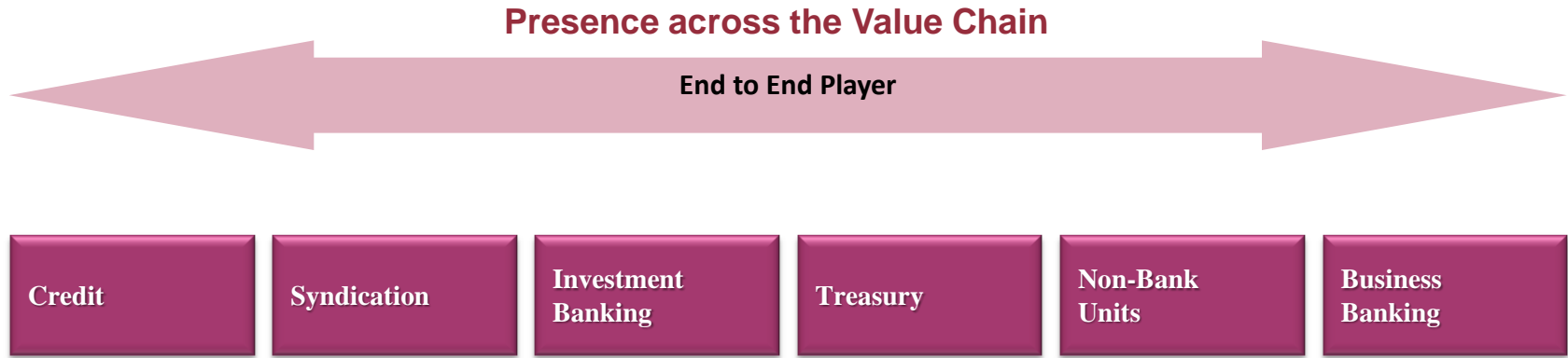
Retail Payments Business

Key Highlights

- One of the largest issuers of debit cards
- Over 9 lac credit cards in circulation
- Credit card acquisition focused on large retail depositor base
- Travel Currency Cards in 12 currencies – USD, Euro, GBP, AUD, CAD, SGD, SEK, CHF, JPY, AED, SAR and INR (for foreign nationals and NRIs)



Corporate Banking Franchise



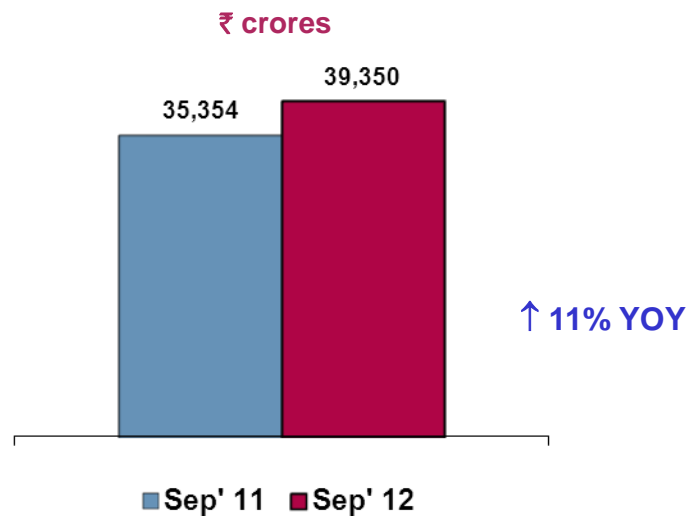
- Strong franchise spread across liability and asset businesses
- Adopted value generating Originate and Distribute Model
- Dominant player in placement and syndication of debt / loans
- Focus on building out a high quality portfolio of credit assets
- Rigorous and regular risk assessment of accounts

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)

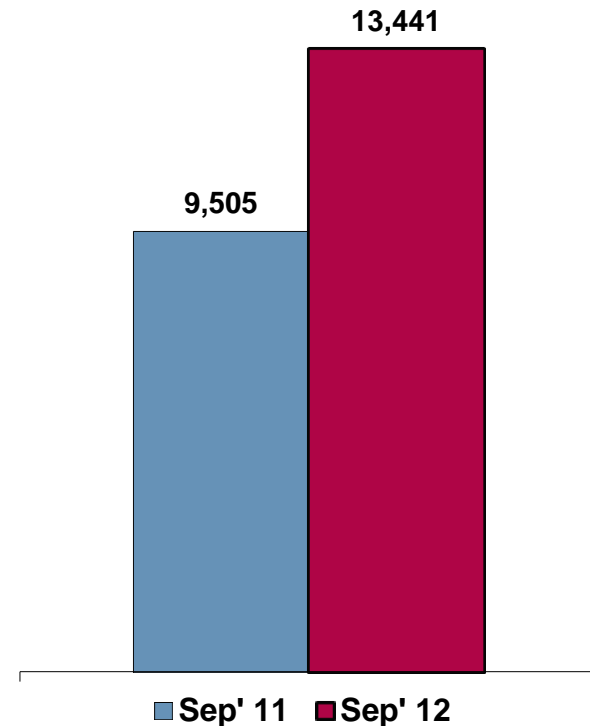
FY08	20,045
FY09	24,822
FY10	32,168
FY11	36,917
FY12	39,754
5 Year CAGR	29%

Business Banking

Cash Management Services & Government Business

Key Highlights

- Collection of Central Government taxes on behalf of CBDT and CBEC, including through e-payments
- Collection of local taxes on behalf of 10 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

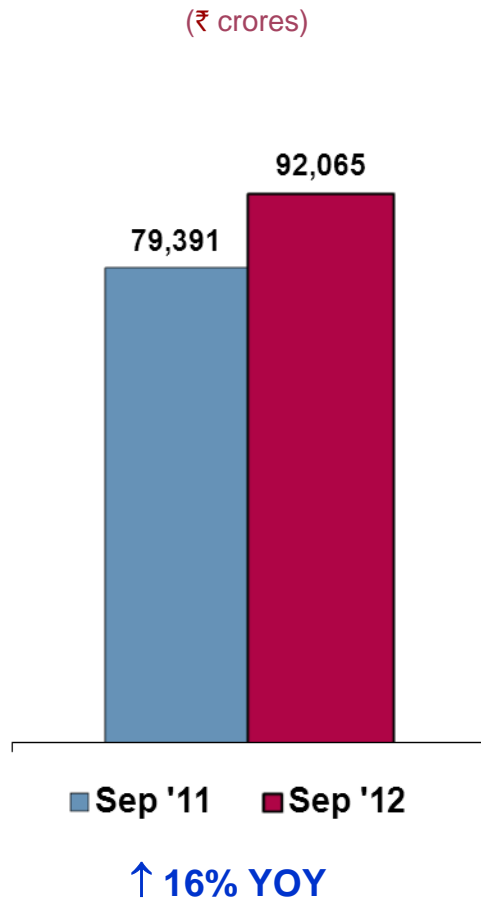


CMS Accounts

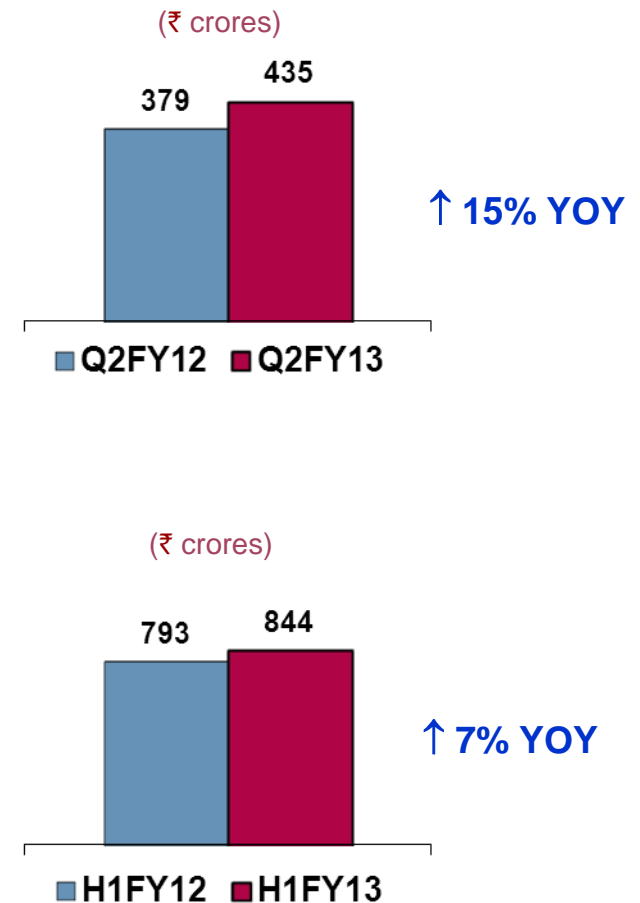
↑ 41% YOY

Large and Mid-Corporate Banking

Advances



Fees

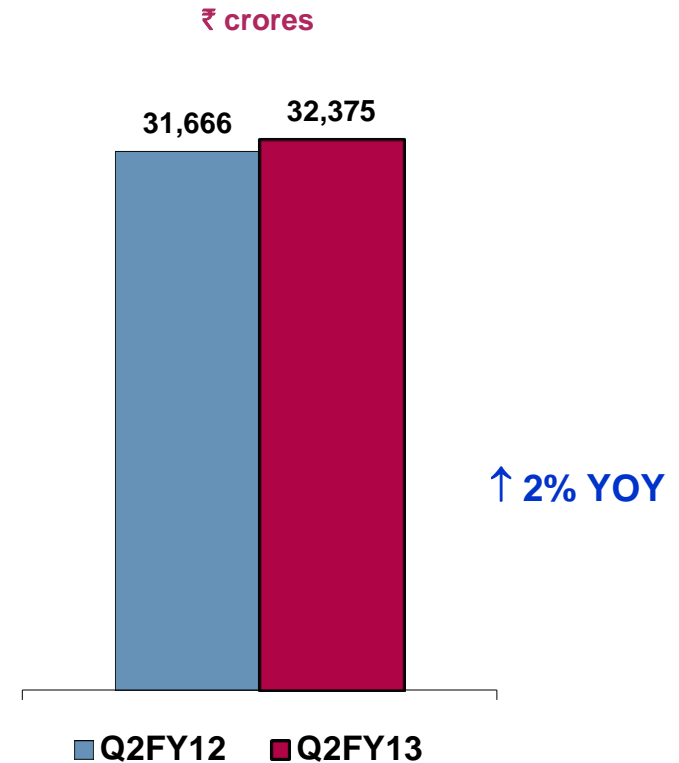


Debt Capital Markets

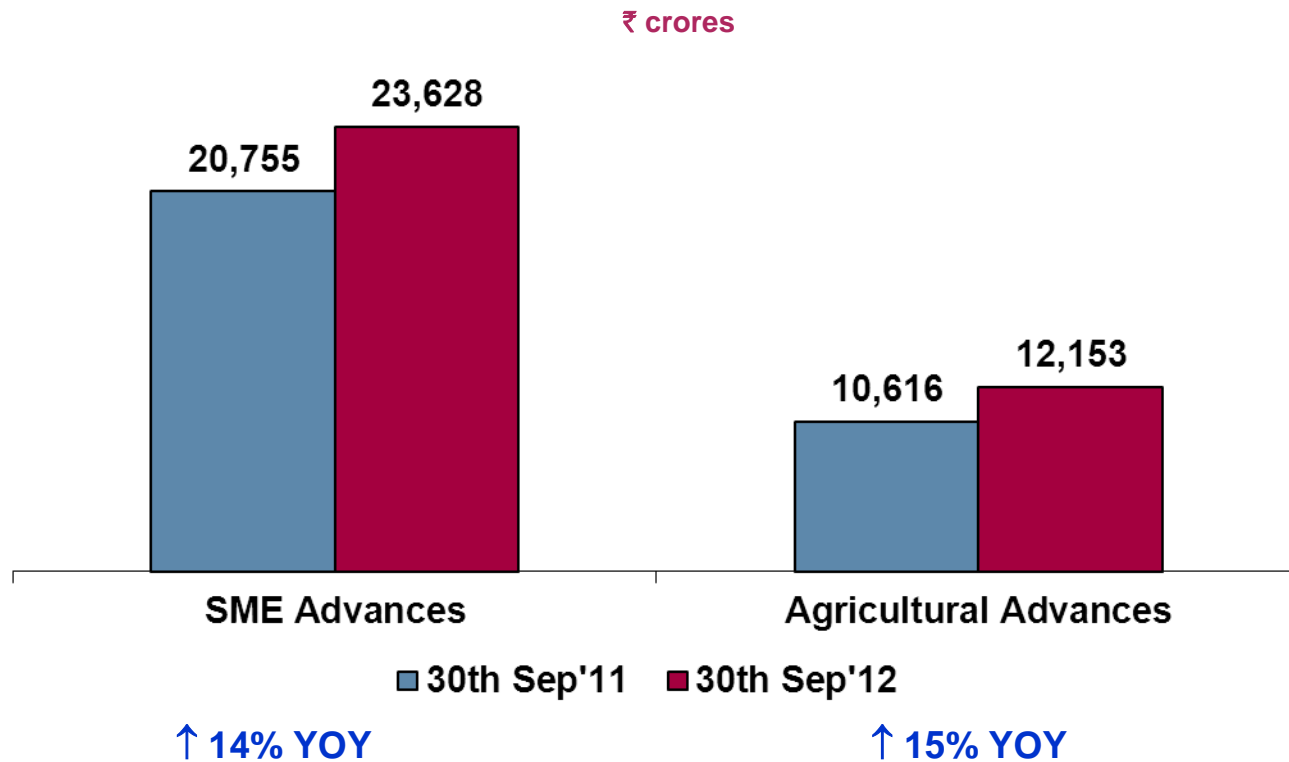
Key Highlights

- Dominant player in placement and syndication of debt issuances
- Ranked No. 1 debt arranger by Bloomberg for nine month period ended September 2012.
- Ranked No. 1 debt arranger by Prime Database for year ended March 2012

Placement & Syndication of Debt Issues

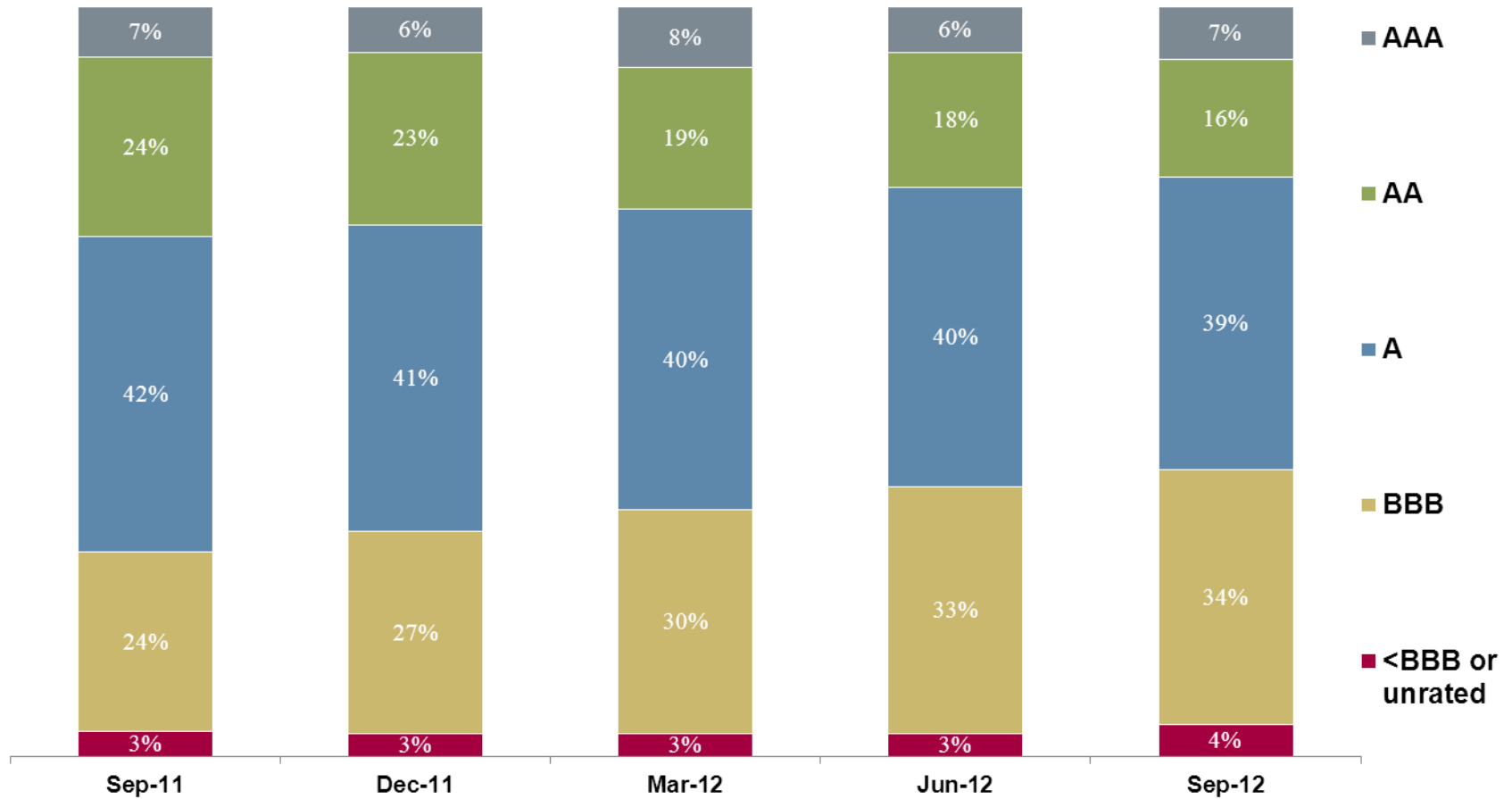


SME and Agriculture Business



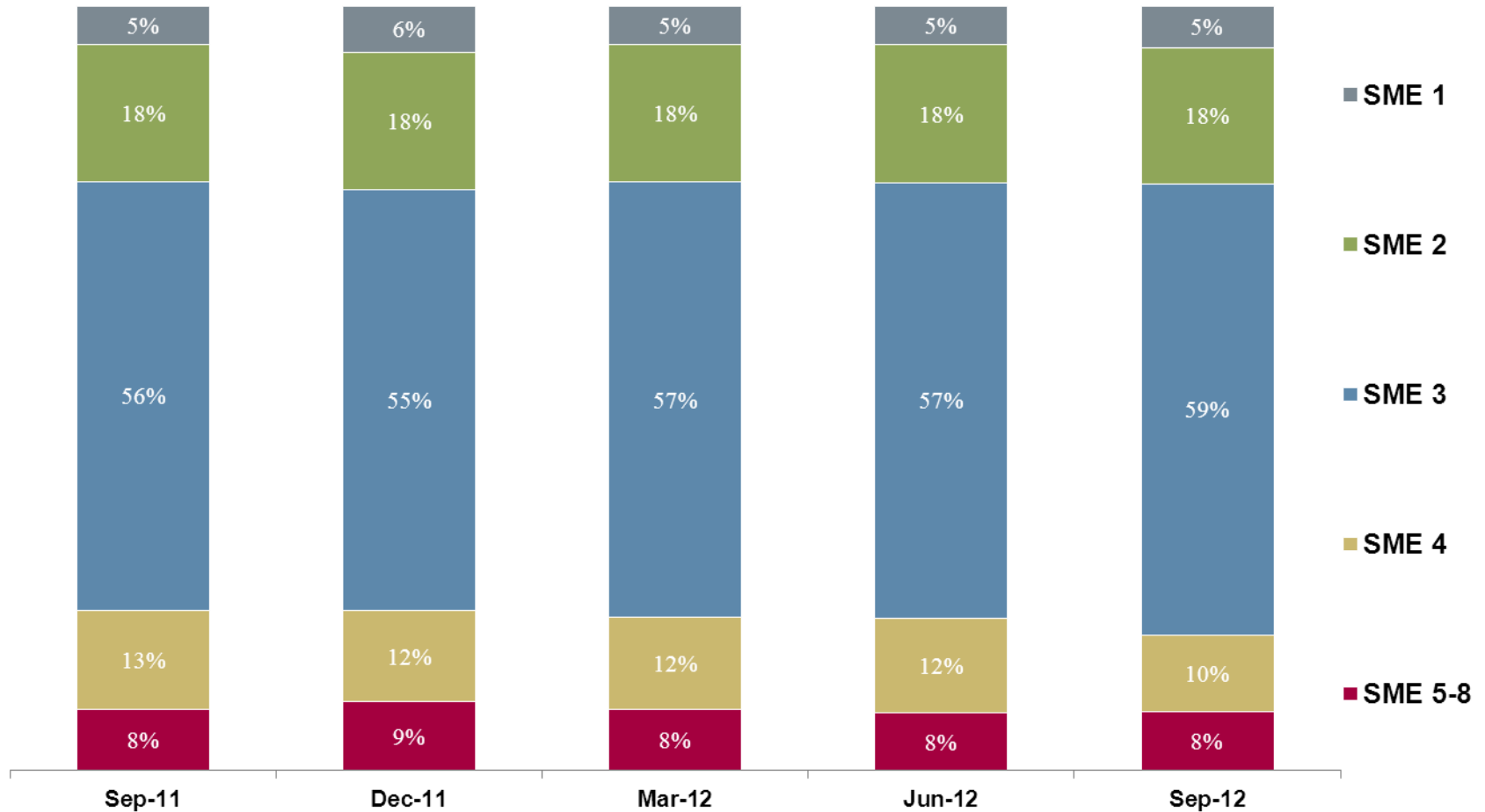
Rating Distribution: LC & MC

62% of corporate advances have rating of at least 'A' in September 2012



Rating Distribution: SME

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



Industry-wise Distribution (Top 10)

Rank	Sectors	Outstanding as on September 30, 2012 (%) ¹		
		Fund-based	Non-fund based	Total
1.	Power Generation & Distribution	4.88	20.35	10.06
2.	Infrastructure ²	8.75	12.22	9.91
3.	Financial Companies ³	6.92	8.84	7.57
4.	Metal & Metal Products	5.11	8.49	6.24
5.	Engineering & Electronics	3.49	10.53	5.85
6.	Food Processing	4.26	1.94	3.49
7.	Trade	2.84	4.05	3.24
8.	Chemical & Chemical Products	1.59	4.07	2.42
9.	Shipping Transportation & Logistics	2.40	2.39	2.40
10.	Real Estate	2.98	0.54	2.16

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 6.06 billion

Thank You