

AXIS BANK

**FY 2009-10
Third Quarter Results**

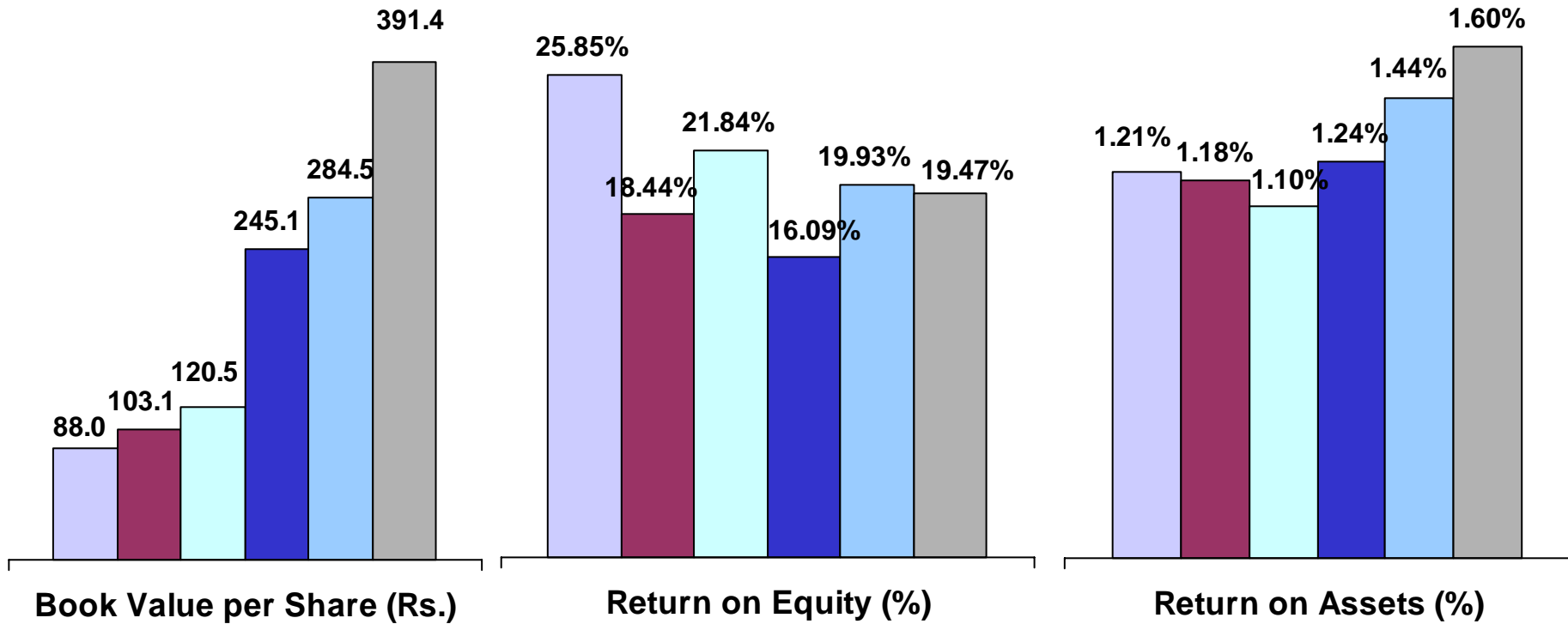
Investor Presentation

Performance Highlights

	<u>Q3FY10</u>	<u>9MFY10</u>
Net Profit	↑ 31% YOY	↑ 42% YOY
Net Interest Income	↑ 45% YOY	↑ 34% YOY
Fee Income	↑ 29% YOY	↑ 20% YOY
Operating Revenue	↑ 41% YOY	↑ 39% YOY
Operating Profit	↑ 51% YOY	↑ 49% YOY
Net Interest Margin	4.00%	3.63%
Cost of Funds	4.83%	5.43%

Shareholder Returns

FY05 FY06 FY07
FY08 FY09 9MFY10



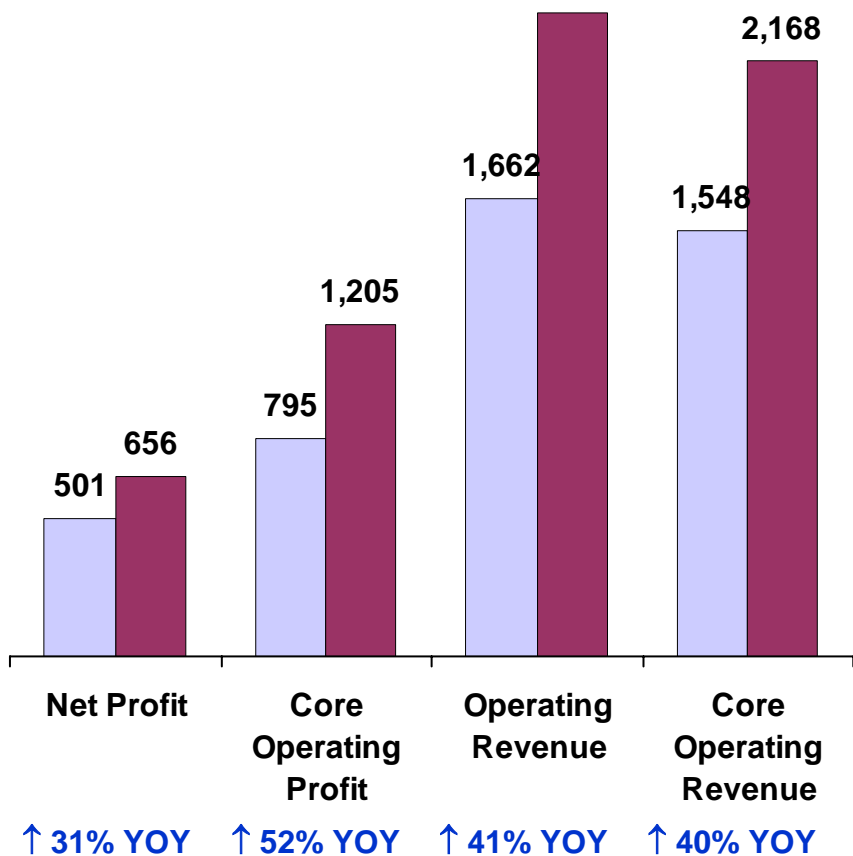
Interpretation of Q3FY10 Performance

- **Growth in the Bank's core businesses**
 - Total Net Advances grew 13% yoy to Rs. 84,770 crores
 - Total Investments grew 17% yoy to Rs. 49,274 crores
 - Total Assets registered a 9% yoy growth, rising to Rs. 1,50,456 crores
 - Fees grew by 29% yoy, rising to Rs. 800 crores
 - Share of demand deposits in total deposits stood at 46%
- **Retail Assets grew by 21% yoy to Rs. 18,900 crores; constituted 22% of total advances, as compared to 21% at the end of Q3FY09.**
- **Net NPAs at 0.46%, as compared to 0.39% at the end of Q3FY09.**
- **At the end of Dec'09, book value per share was Rs. 391.37, as compared to Rs. 279.86 at the end of Dec'08**
- **Capital Adequacy stood at 16.80% with Tier-I capital at 11.83%**

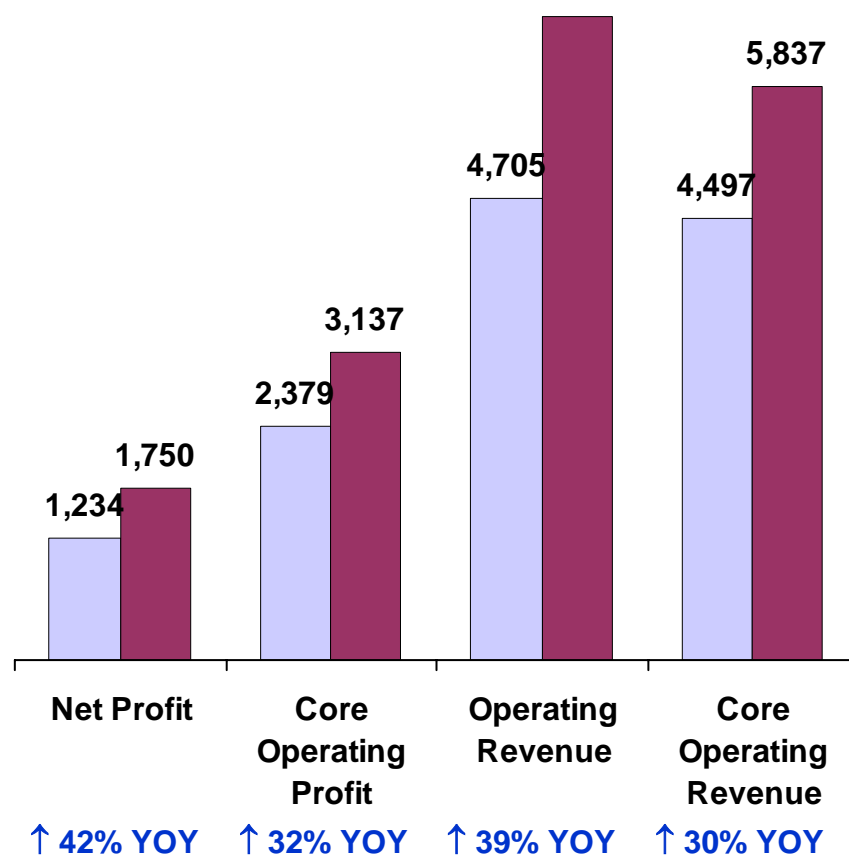
Profitability

Sustained Growth: Robust Core Revenues

■ Q3FY09 ■ Q3FY10
 Amounts in Rupees Crores
2,337

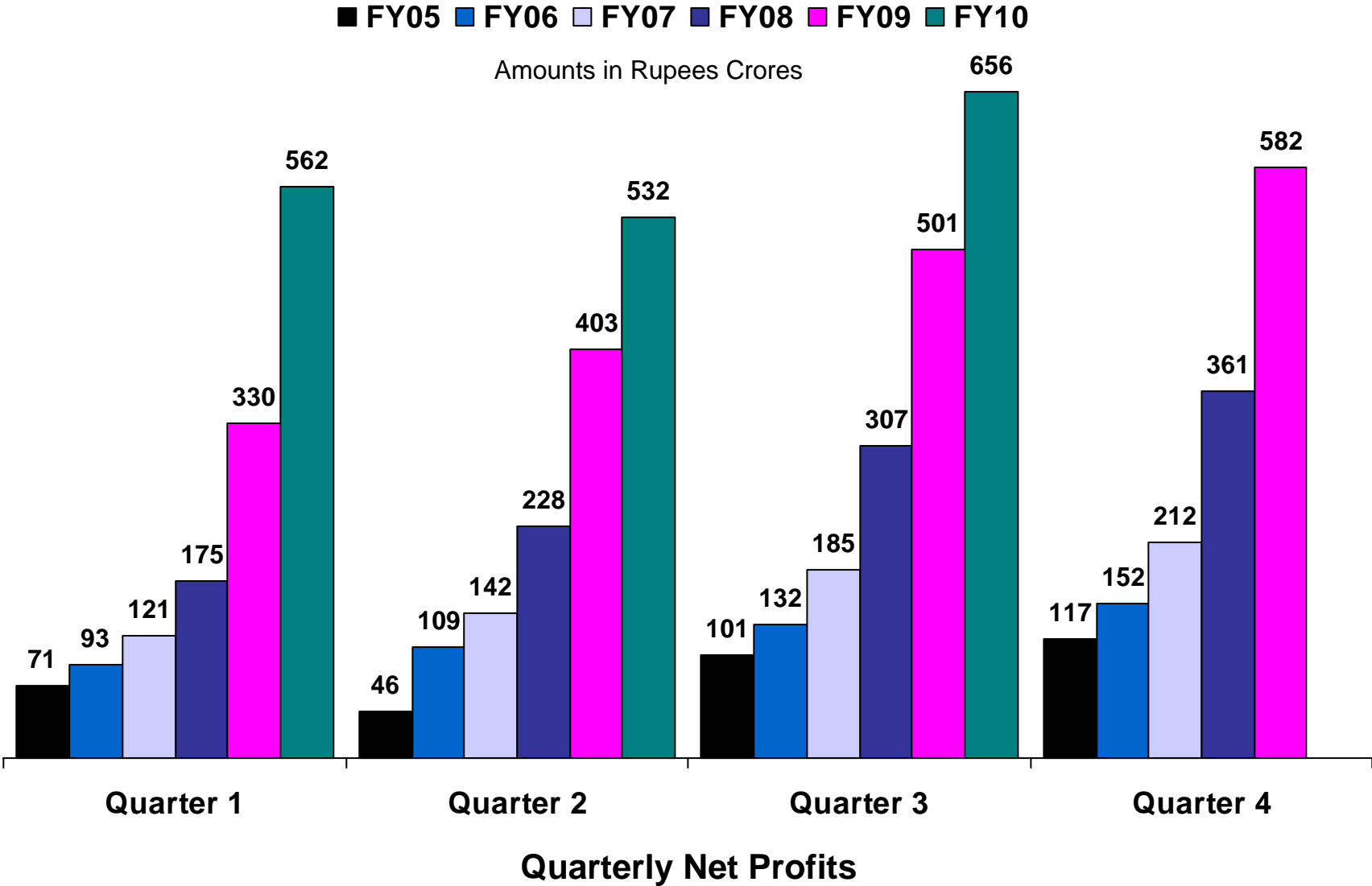


■ 9MFY09 ■ 9MFY10
 Amounts in Rupees Crores
6,557



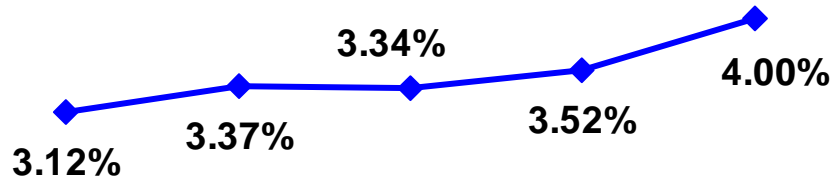
Note: Core Operating Revenue / Profit excludes trading gains / losses

Consistent Net Profit Growth

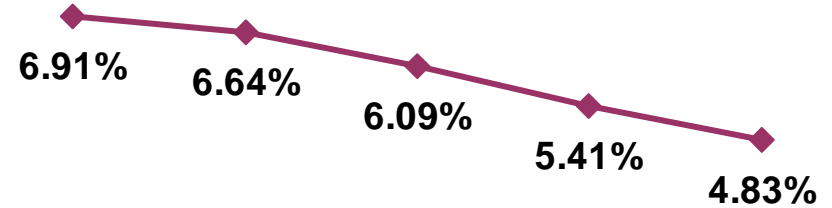


Net Interest Margin and Cost of Funds

◆ Net Interest Margin



◆ Cost of Funds



Q3FY09 Q4FY09 Q1FY10 Q2FY10 Q3FY10

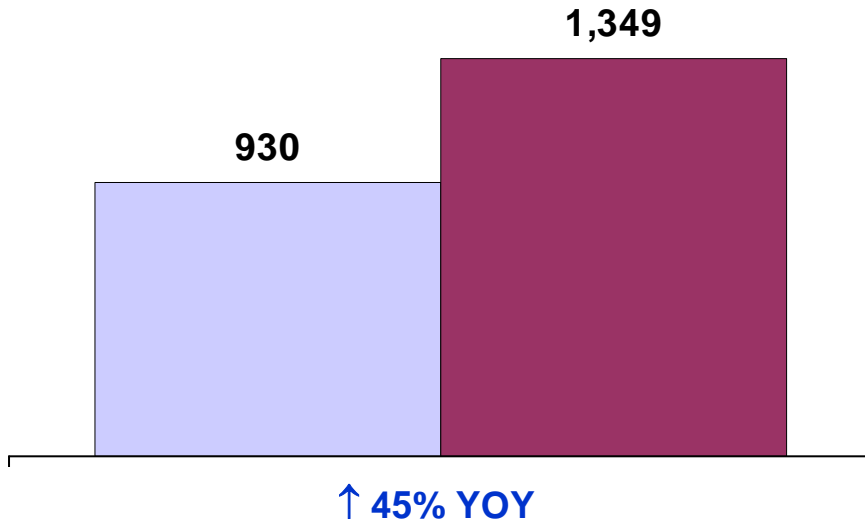
Q3FY09 Q4FY09 Q1FY10 Q2FY10 Q3FY10

NIMs for the last 5 years

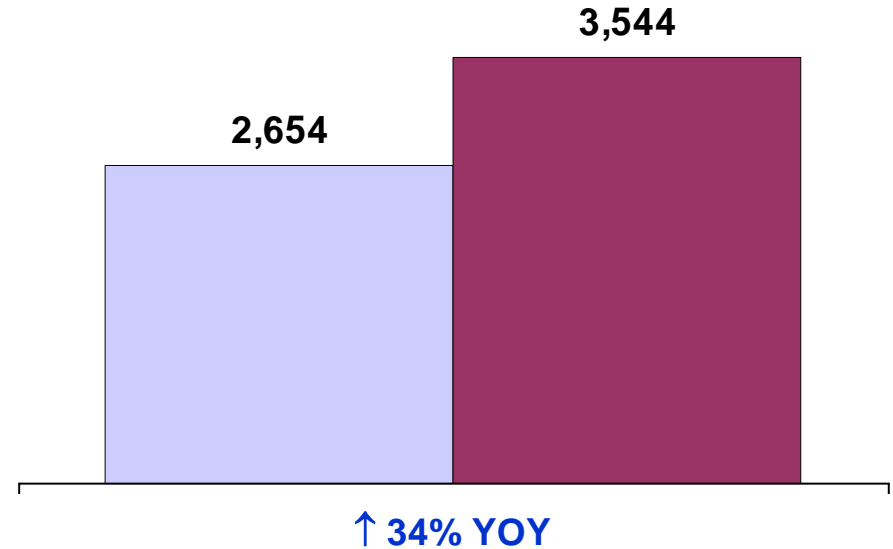
FY05	2.90%
FY06	2.85%
FY07	2.74%
FY08	3.47%
FY09	3.33%

Growing Net Interest Income

■ Q3FY09 ■ Q3FY10
Amounts in Rupees Crores



■ 9MFY09 ■ 9MFY10
Amounts in Rupees Crores

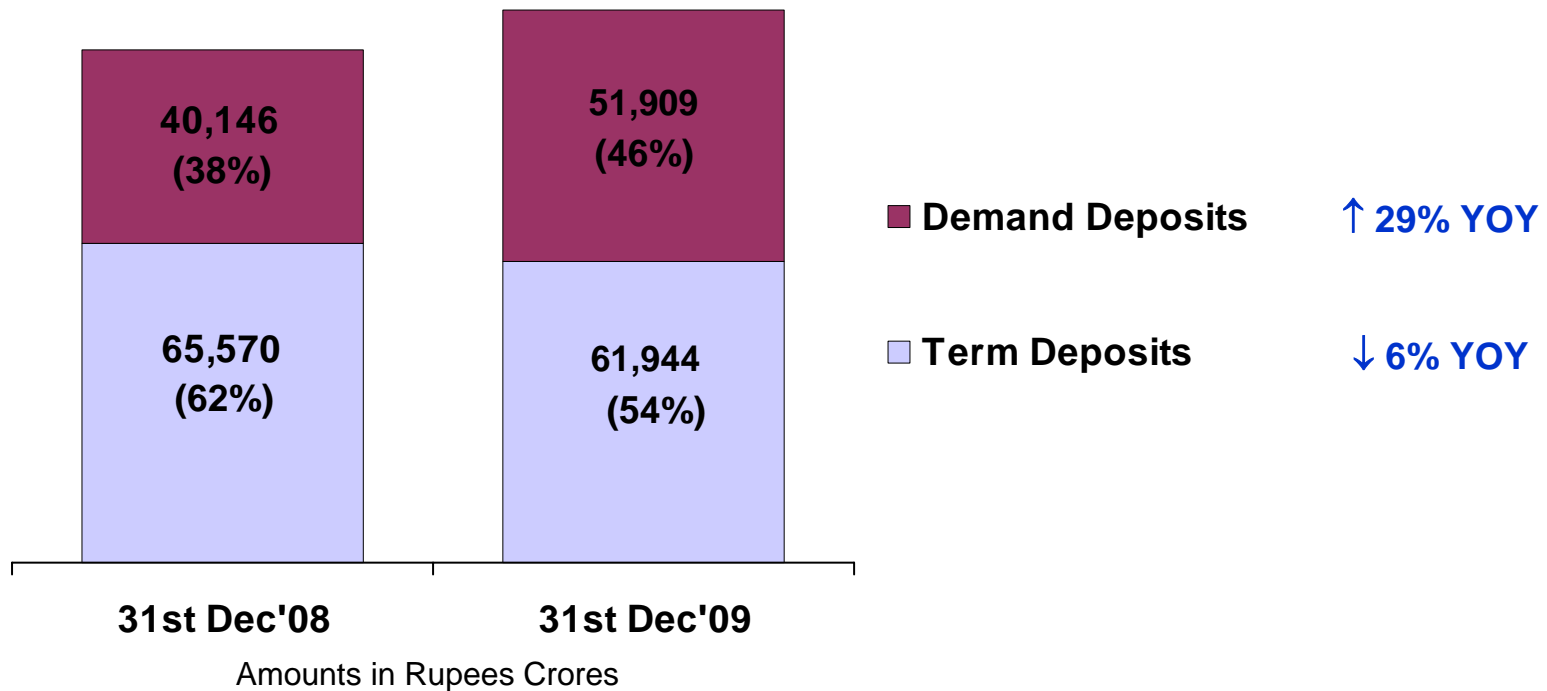


NIIs for the last 5 years

FY05	731
FY06	1,078
FY07	1,468
FY08	2,585
FY09	3,686
CAGR (5 years)	45%

Growing Demand Deposits

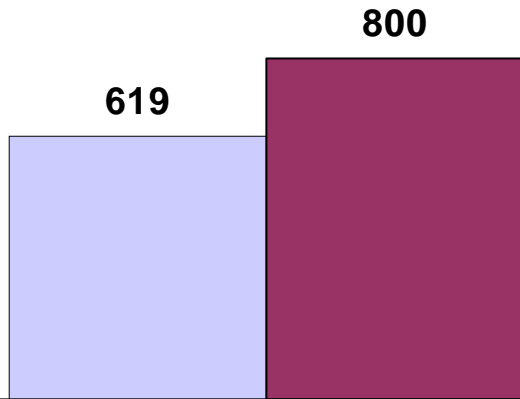
YOY Growth in Daily Average Demand and Term Deposits		
Deposit	Q3FY10	9MFY10
Savings	39%	35%
Current	22%	19%
Total Demand Deposits	31%	28%
Total Deposits	9%	18%



Fees

Q3FY09 Q3FY10

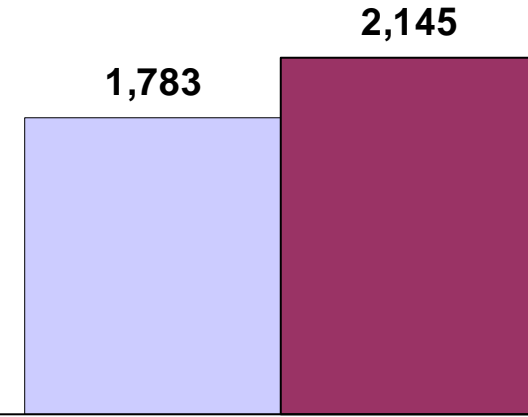
Amounts in Rupees Crores



↑ 29% YOY

9MFY09 9MFY10

Amounts in Rupees Crores



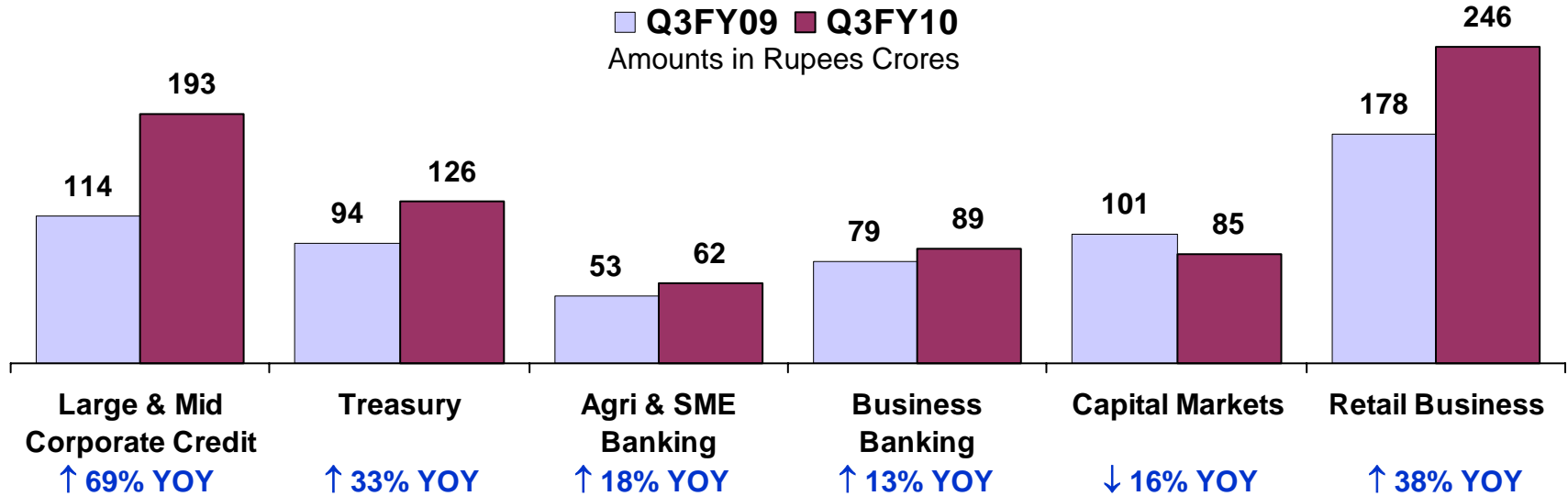
↑ 20% YOY

Fees for the last 5 years

FY05	366
FY06	558
FY07	890
FY08	1,495
FY09	2,447
CAGR (5 years)	65%

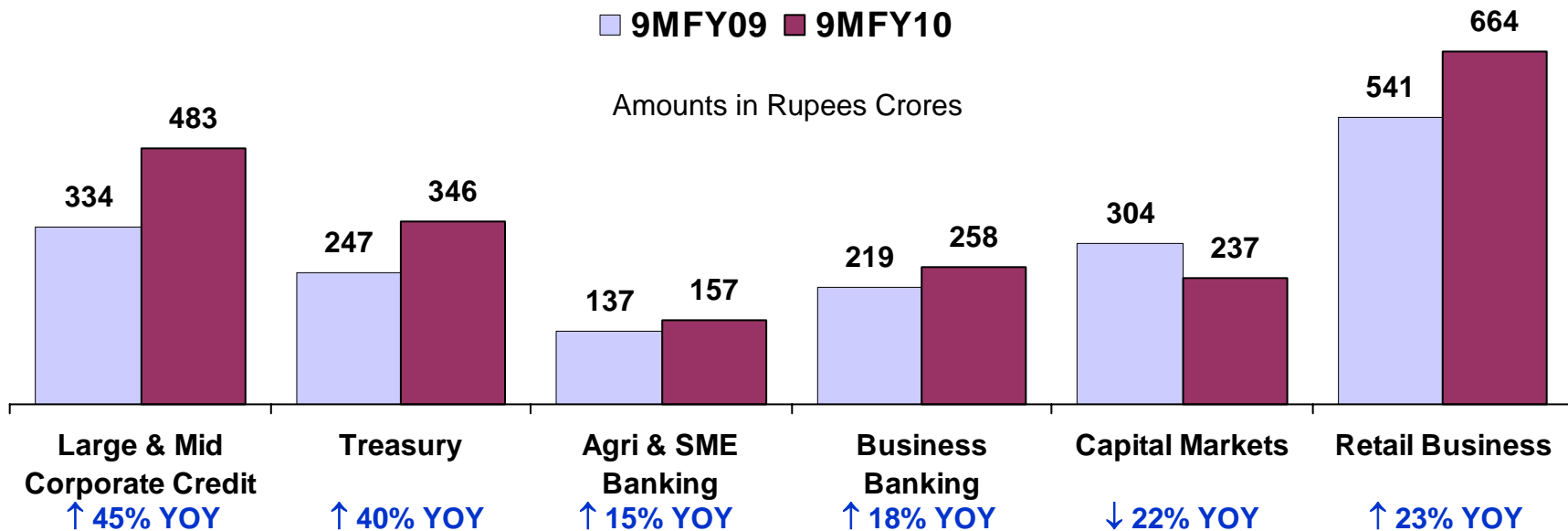
Fee Income Composition

Q3FY09 Q3FY10
Amounts in Rupees Crores



9MFY09 9MFY10

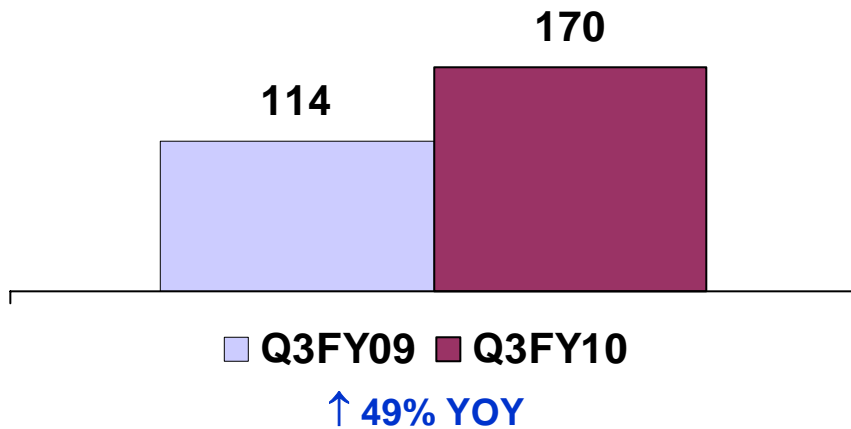
Amounts in Rupees Crores



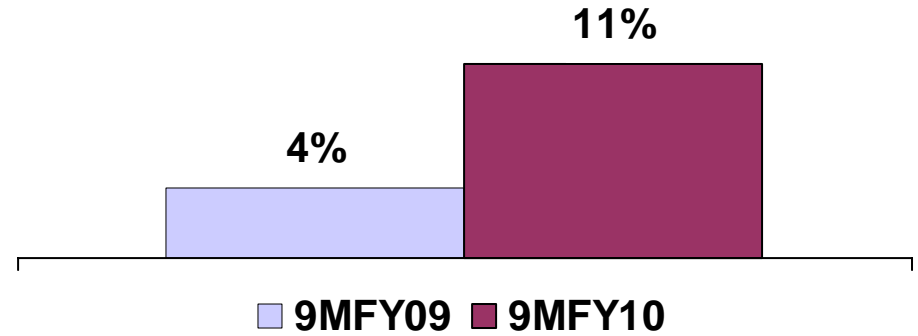
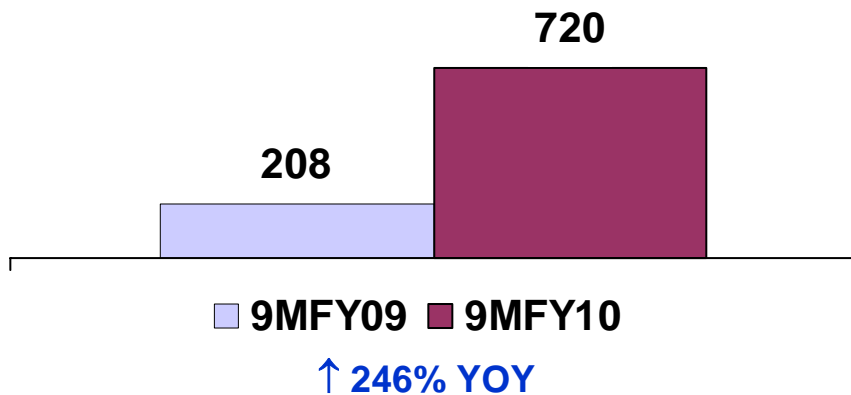
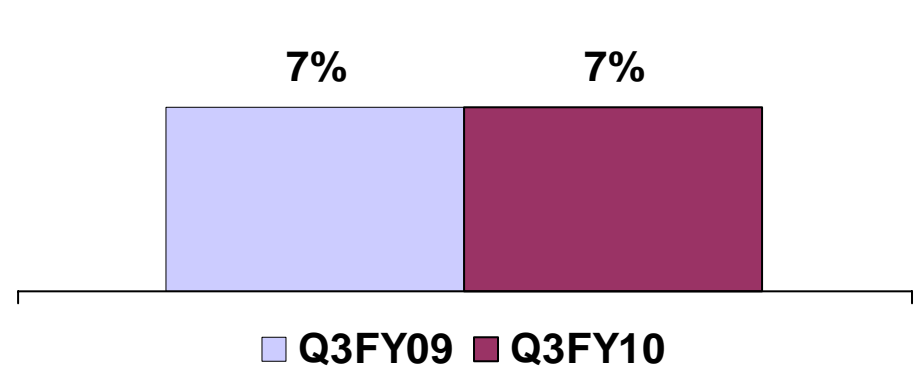
Trading Profits

Trading Profit Volume

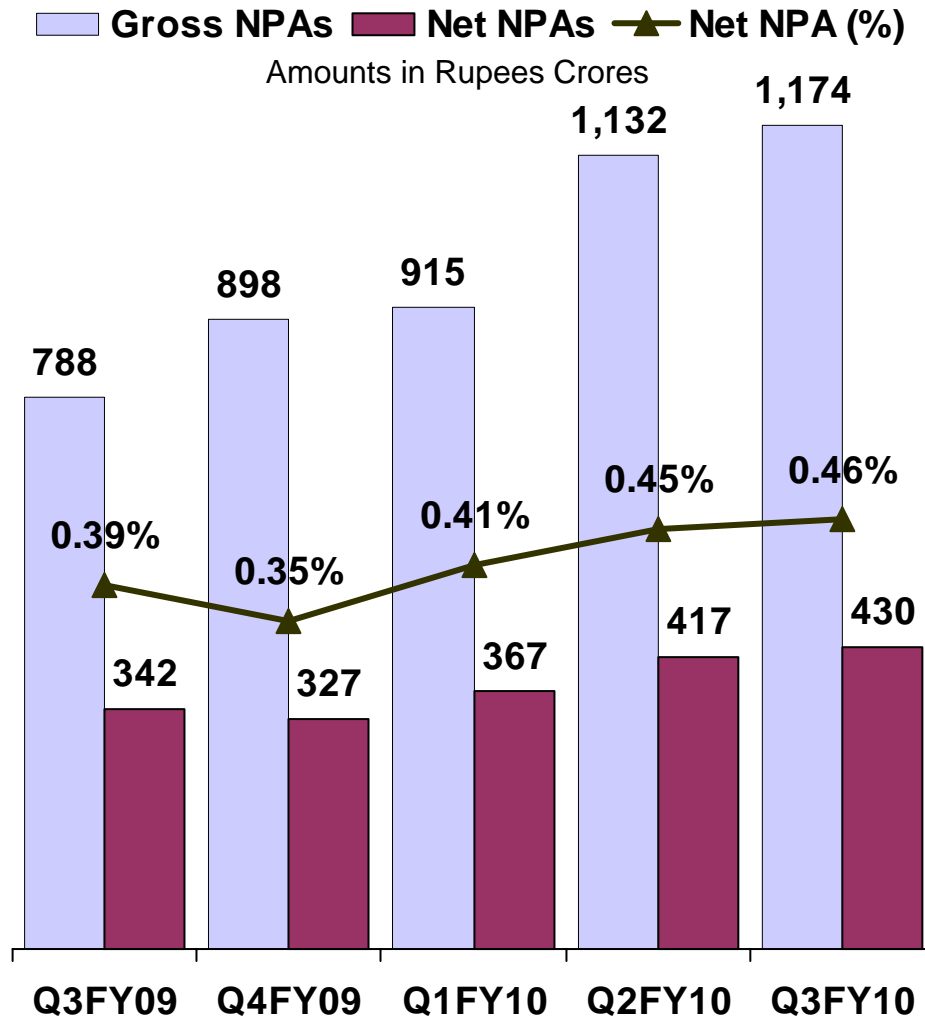
Amounts in Rupees Crores



% of Operating Revenue



Stressed Assets and Net NPA (%)

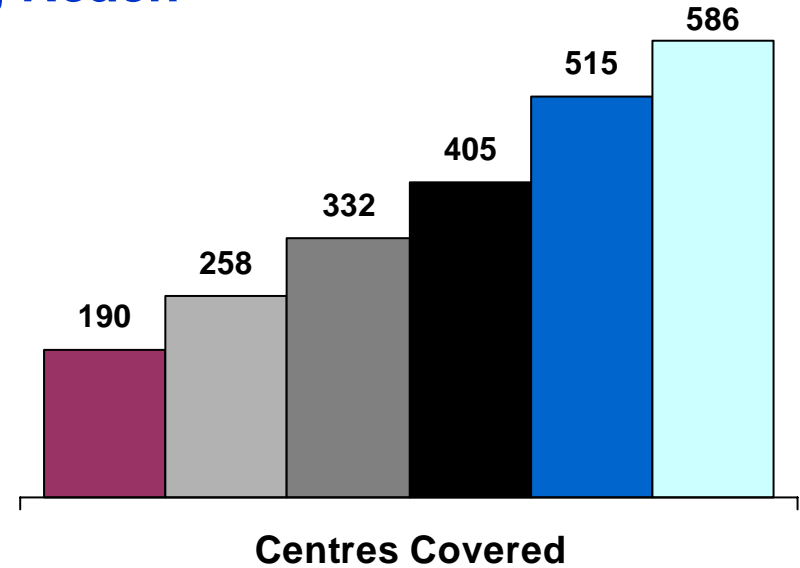
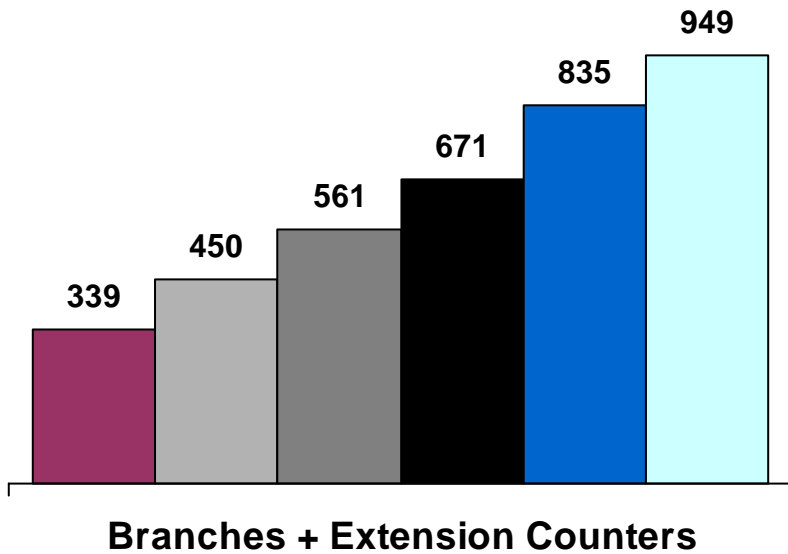


Net NPA as at year-end	
FY05	1.07%
FY06	0.75%
FY07	0.61%
FY08	0.36%
FY09	0.35%

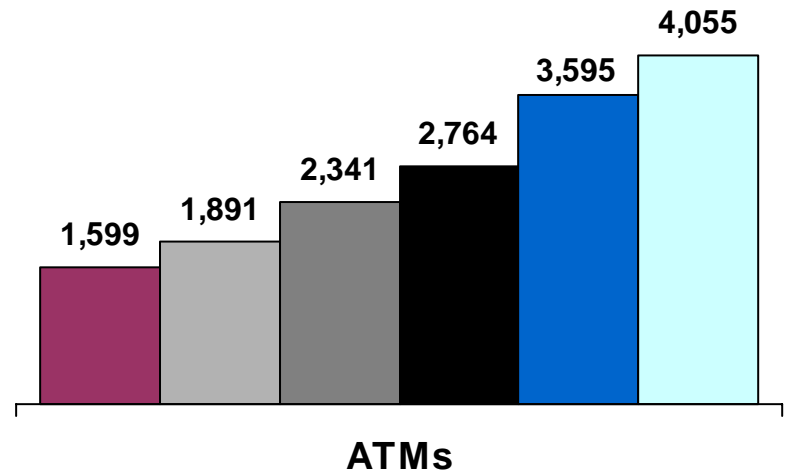
BUSINESS OVERVIEW

Network

Increasing Reach



Branch Demographics (Domestic)		
	<u>Branches</u>	<u>Extn. Counters</u>
Metro	301	6
Urban	367	2
Semi-urban	216	-
Rural	57	-
Total	941	8



■ Mar'05

■ Mar'06

■ Mar'07

■ Mar'08

■ Mar'09

■ Dec'09

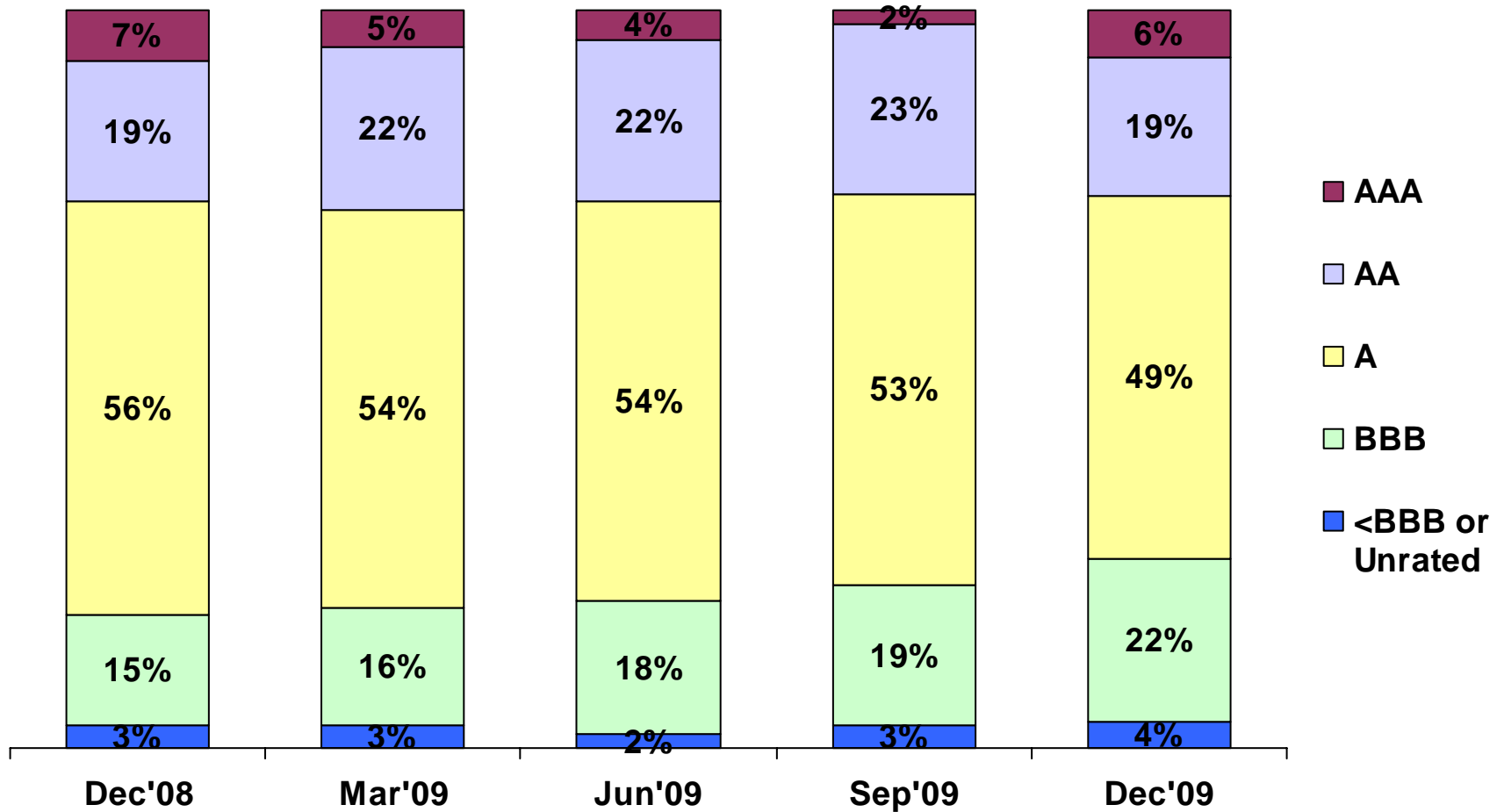
Large and Mid Corporate Banking

- **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**
 - **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**

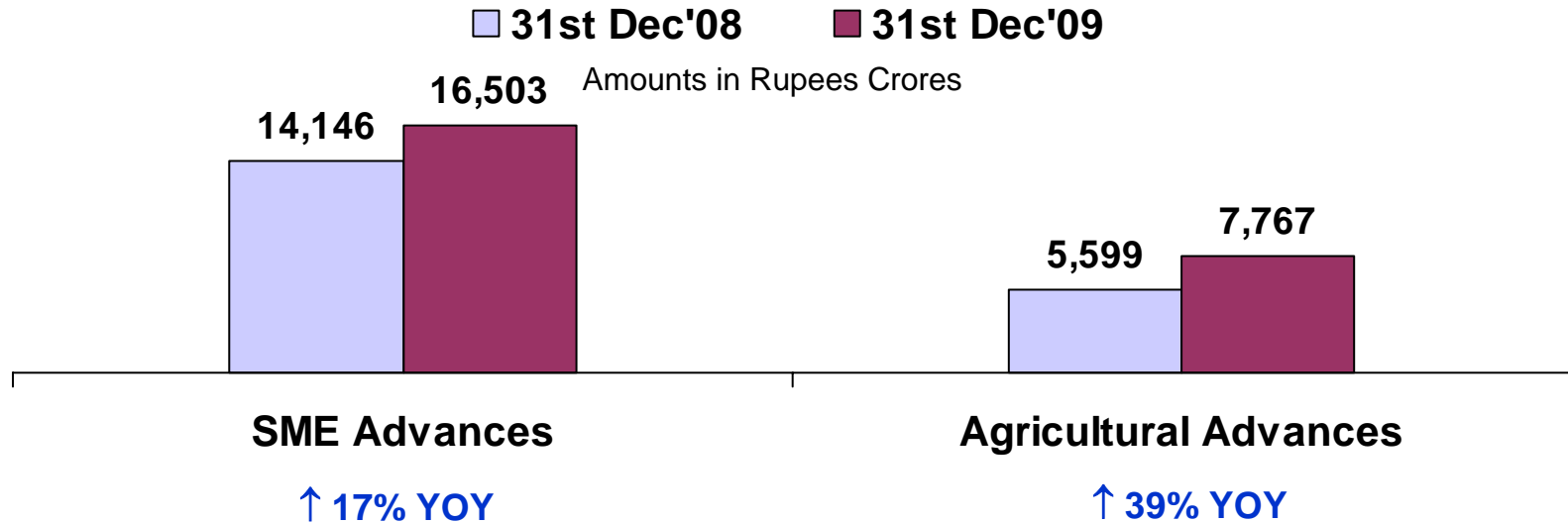
Distribution of Ratings

(Large and Mid Corporate)

74% of corporate advances have rating of at least 'A' as at Dec'09



SME and Agri Business



SME Centres	24	25
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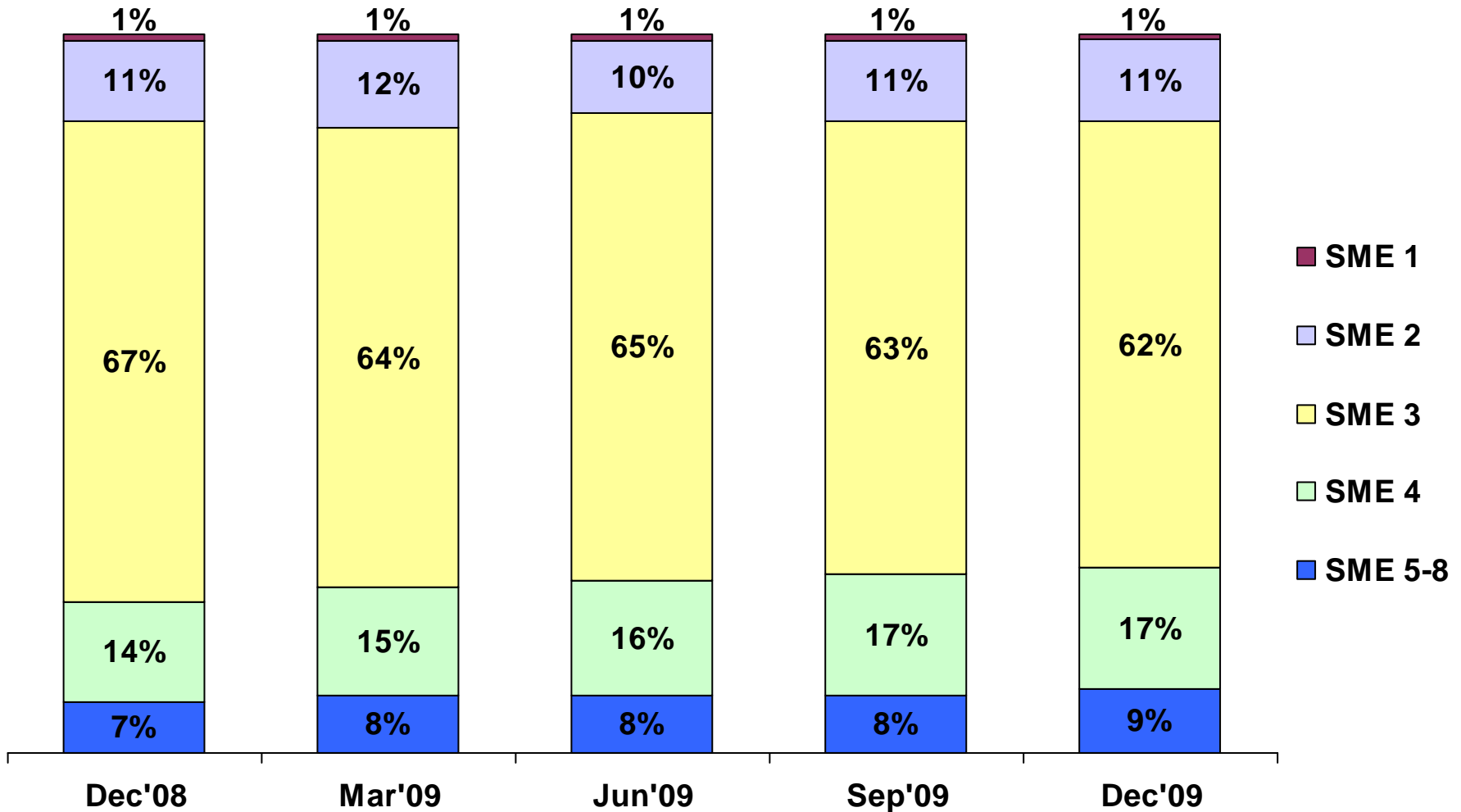
Agri Clusters	46	56
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- **Specialised SME Centres** for SME appraisals, sanctions and post-sanction monitoring
- **Product categories**
 - Schematic loans
 - Non-schematic loans

- **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

74% of SME advances have rating of at least 'SME3' as at Dec'09



Top Sector Exposures

Across Large Corporate, Mid Corporate, SME and Corporate Agri

Rank	Sectors	Exposure as on 31st Dec'09		
		Total	Fund-based	Non-fund based
1.	Infrastructure*	11.97%	8.32%	18.13%
2.	Financial Companies**	10.51%	10.05%	11.28%
3.	Metal & Metal Products	6.94%	5.70%	9.04%
4.	Power Generation & Distribution	6.80%	5.34%	9.25%
5.	Trade	5.25%	5.81%	4.30%
6.	Food Processing	4.36%	5.29%	2.81%
7.	Petrochemical & Petroleum Products	4.11%	4.02%	4.26%
8.	Shipping & Logistics	3.99%	3.70%	4.47%
9.	Textiles	3.98%	5.39%	1.61%
10.	Engineering & Electronics	3.87%	3.24%	4.93%

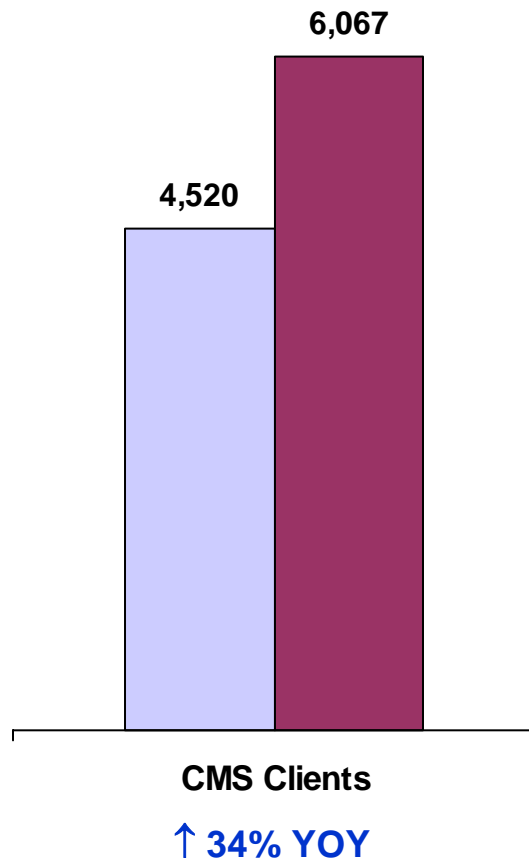
* Financing of projects (roads, ports, airports etc,)

** Housing Finance Companies and other NBFCs

Business Banking

Cash Management Services and Government Business

□ 31st Dec'08 ■ 31st Dec'09

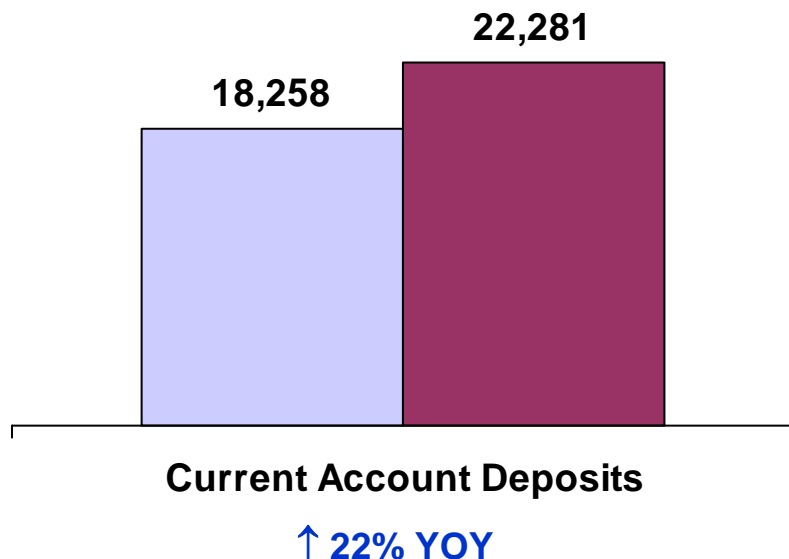


- Collection of Central Government taxes on behalf of CBDT and CBEC
- Collection of State Government taxes on behalf of 8 State Governments and Union Territories
- Collections and payments for Central Government ministries - Railways, Urban Development and Housing and Urban Poverty Alleviation
- Collections under e-governance initiatives of 4 State Governments and Chandigarh
- Disbursement of Central Government pension to civil and defence pensioners.
- ~8.8 lakh accounts opened under Electronic Benefit Transfer (EBT) project mandates in 8 districts across 4 states for payments of NREGS wages and social security under an IT-enabled financial inclusion model.

Business Banking

Current Accounts Growth

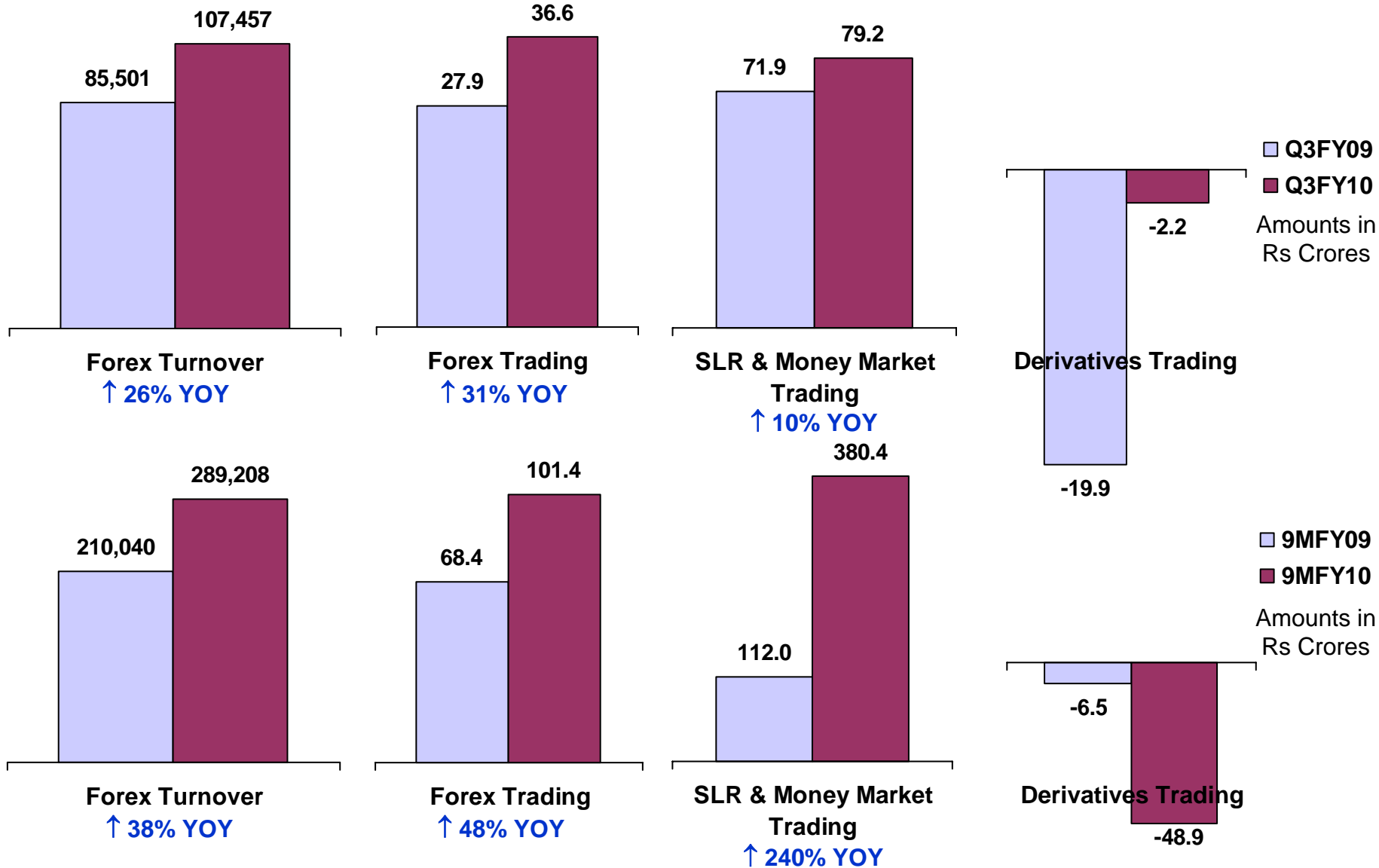
■ 31st Dec'08
 ■ 31st Dec'09
 Amounts in Rupees Crores



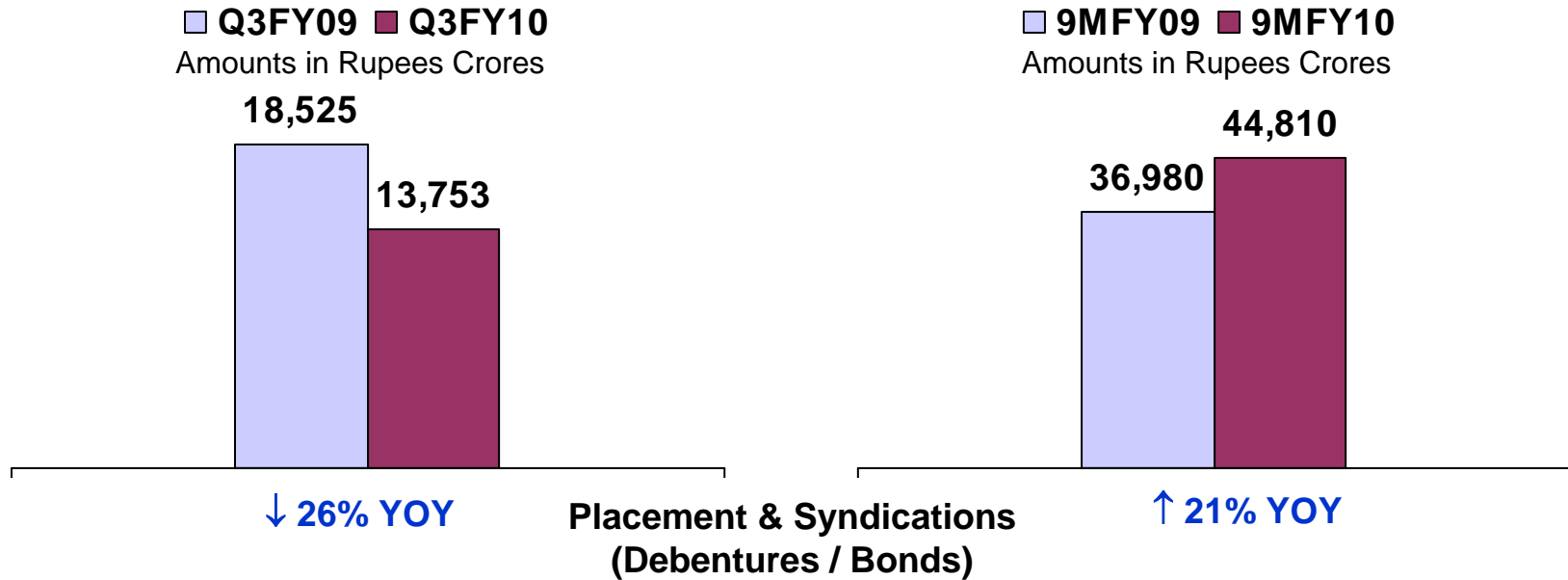
Current Account deposits for the last 5 years (as on 31st March)	
Mar'05	7,155
Mar'06	7,970
Mar'07	11,304
Mar'08	20,045
Mar'09	24,822
CAGR (5 years)	36%

- Wide range of products
- Customised offerings for various business segments
- Broad-based sales strategy
- Focused approach for Corporates, Institutions and Government

Treasury



Capital Markets

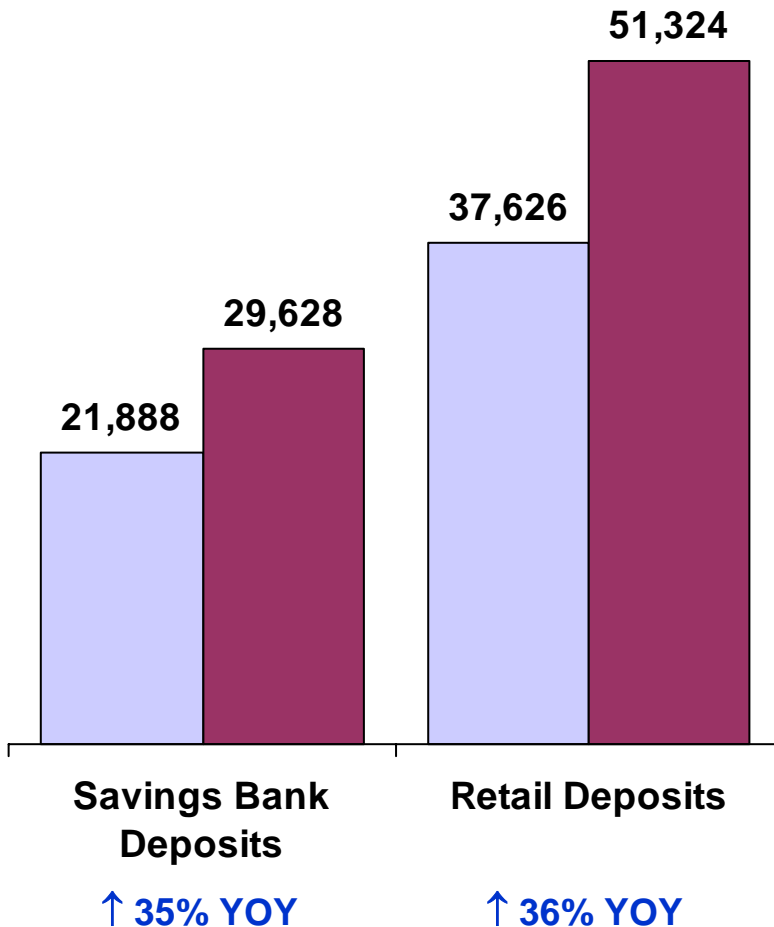


- A dominant player in placement and syndication of debt issues
- Ranked No. 1 in Bloomberg league table for 'India Domestic Bonds' for calendar years 2008 and 2009
- Ranked No. 1 Debt Arranger by Prime Database for the half-year ended Sep'09
- Recent Awards:
 - Asia Money 2009: Best Domestic Debt House in India
 - Euromoney 2008: Best Debt House in India
 - Finance Asia 2008: Best Bond House in India
 - IFR Asia: India Bond House 2008

Savings Bank Growth

■ 31st Dec'08 ■ 31st Dec'09

Amounts in Rupees Crores



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

Mar'05 4,891

Mar'06 8,065

Mar'07 12,126

Mar'08 19,982

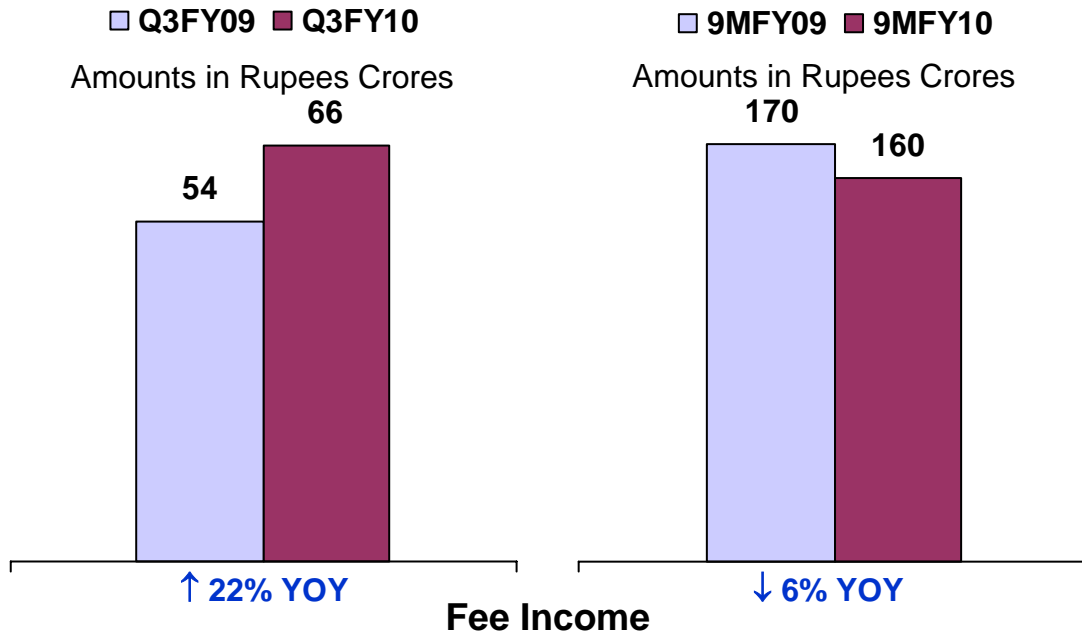
Mar'09 25,822

CAGR (5 years) 58%

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



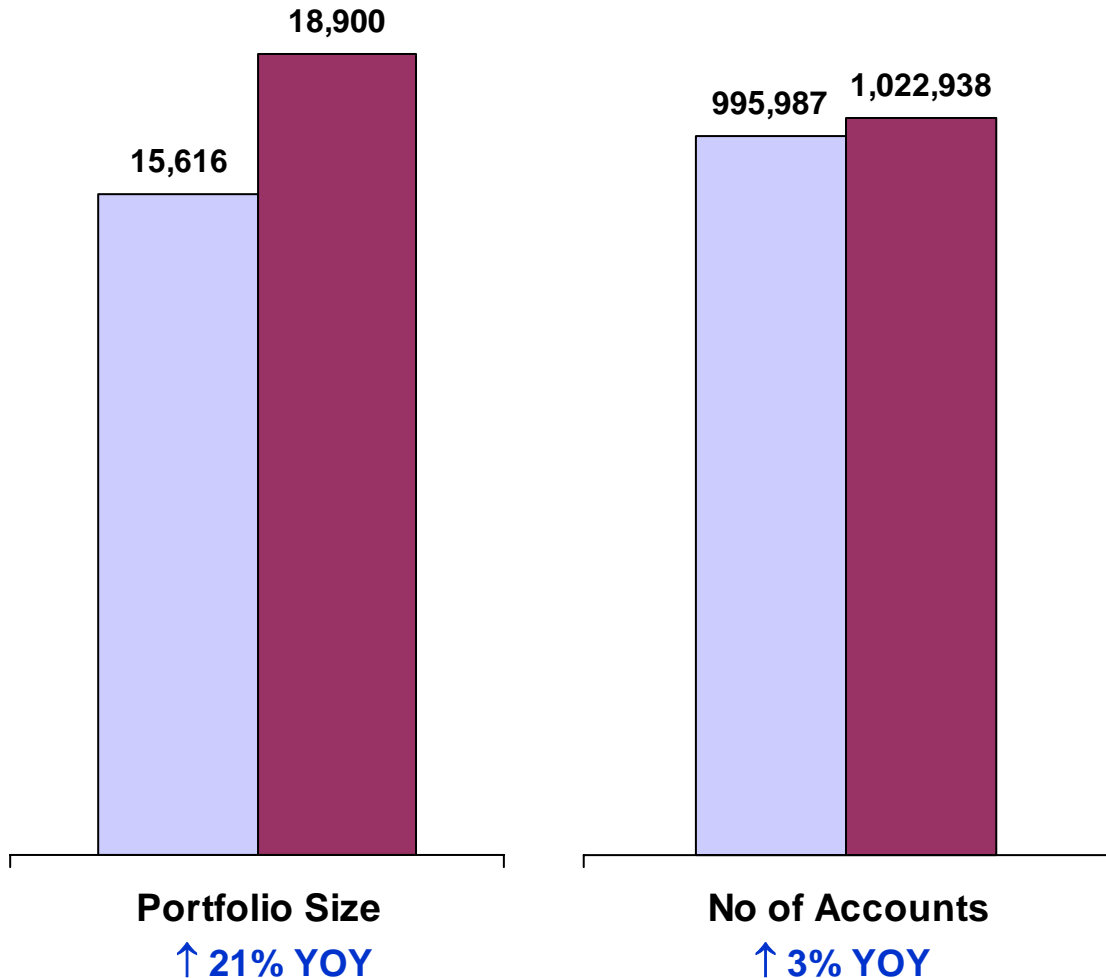
- **Focus on cross-selling to existing customers to generate fee income**
- **Third-party products sold include mutual funds, insurance, on-line broking, portfolio management services (non-discretionary), gold coins and depository services**
- **Systematic segmenting of customers**

Description	Mass market	Mass Affluent	Affluent
Profile	Largest customer segment within the bank	Small, but growing base of customers	Niche customer base
Focus	Transactions-driven cross-sales of products	Transactions-driven but with initial relationships being built	Total focus on relationships which results in cross-selling
Products	Bundled insurance with home loans and credit cards	Customer needs mapped to existing standardised portfolios	Customised Portfolios

Retail Assets

□ 31st Dec'08 ■ 31st Dec'09

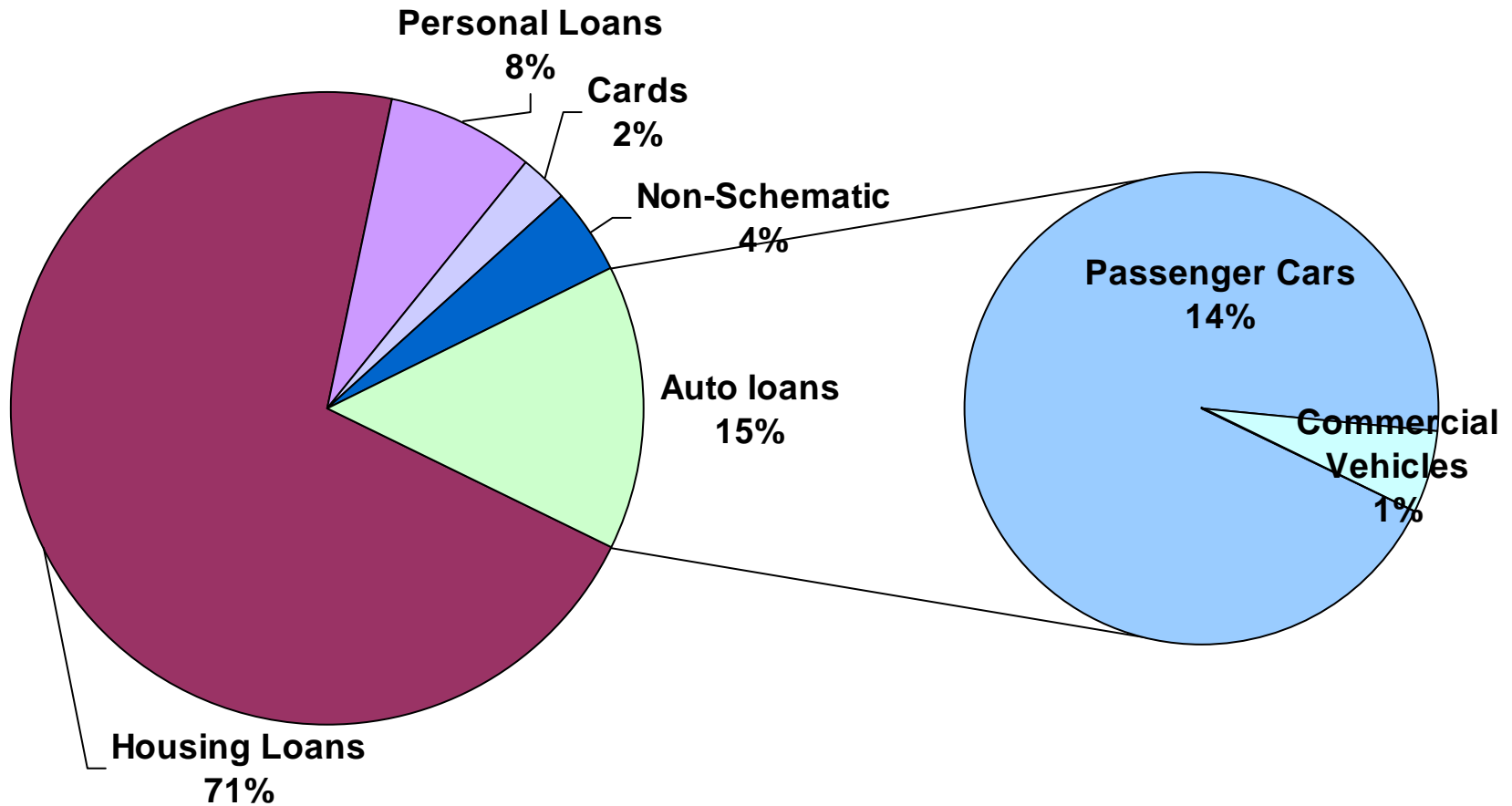
Amounts in Rupees Crores



- Retail Assets constitute 22% of the bank's total advances, as compared to 21% as at 31st Dec'08.
- Growth driven through 58 Retail Asset Centres (RACs)

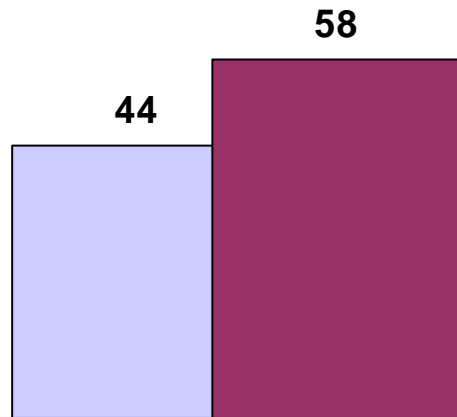
Composition of Retail Assets

Product-wise composition of Retail Assets portfolio (31st Dec'09)



Cards Business

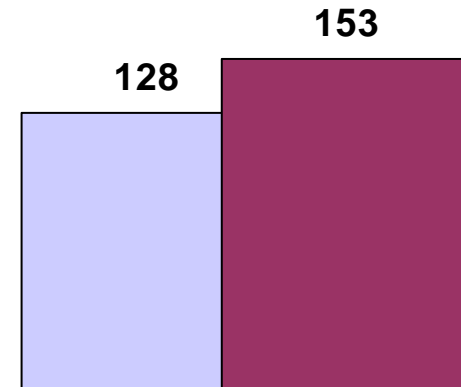
□ Q3FY09 ■ Q3FY10
Amounts in Rupees Crores



↑ 32% YOY

Fee Income

□ 9MFY09 ■ 9MFY10

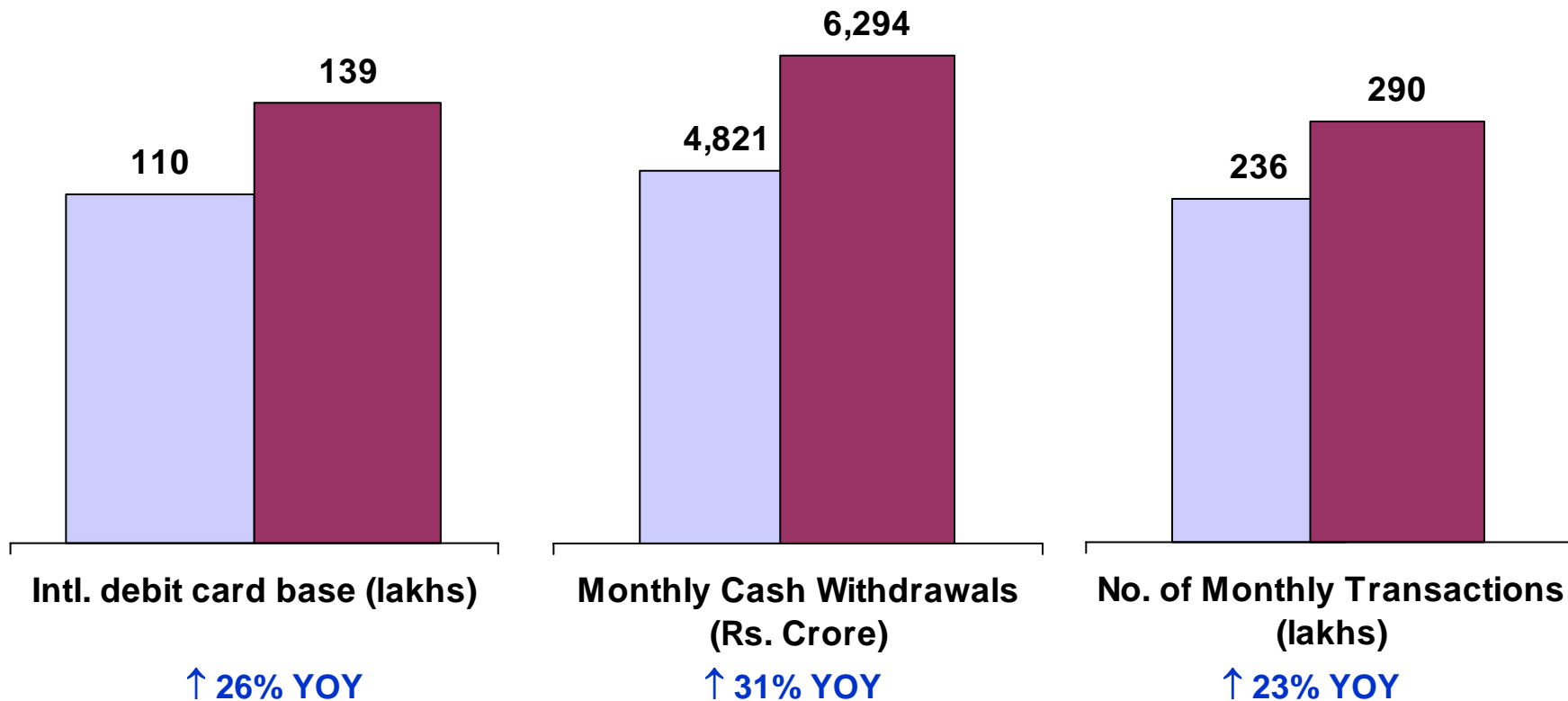


↑ 20% YOY

- **Issuance**
 - Over 5,70,000 Credit Cards in force till 31st Dec'09
 - 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 1,44,000 EDCs
- **Cards business a significant contributor to Retail Fees**

ATM Channel

□ Dec'08 ■ Dec'09



- 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

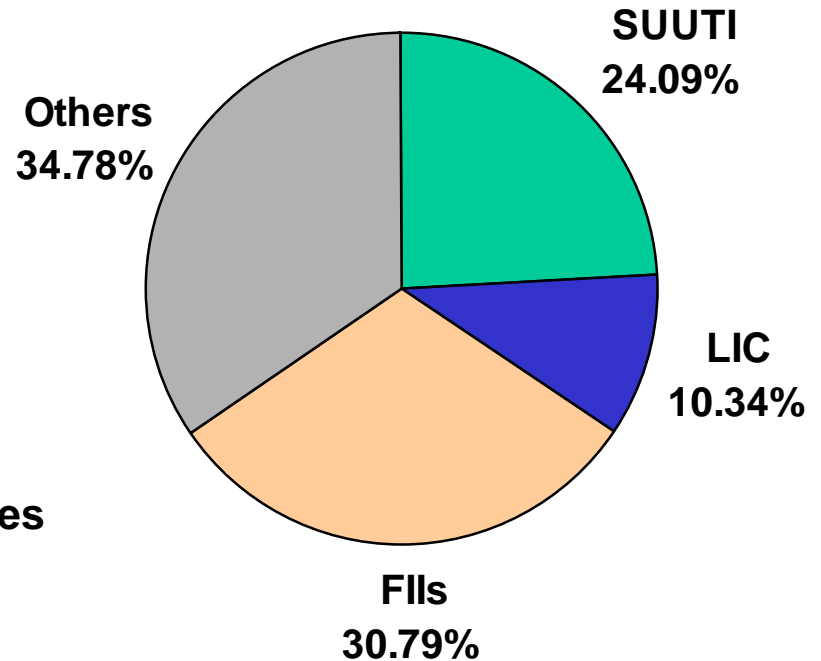
- **Branches at Singapore, Hong Kong and DIFC, Dubai**
- **Representative offices at Shanghai and Dubai**
- **Total assets overseas amounted to US\$ 2.45 billion**
- **Corporate Banking, Trade Finance products, Debt Syndication and Liability businesses**

Shareholding

Shareholding pattern (Dec'09)

- Share Capital - Rs. 403.63 crores
- Shareholders' Funds - Rs. 15,797 crores
- Book Value per share - Rs. 391.37
- Market Price as on 14/01/10 - Rs. 1,066.10
- Market Cap as on 14/01/10 - Rs. 43,031 crores

(US \$9.47 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