



Q3 and 9M FY08

INVESTOR PRESENTATION

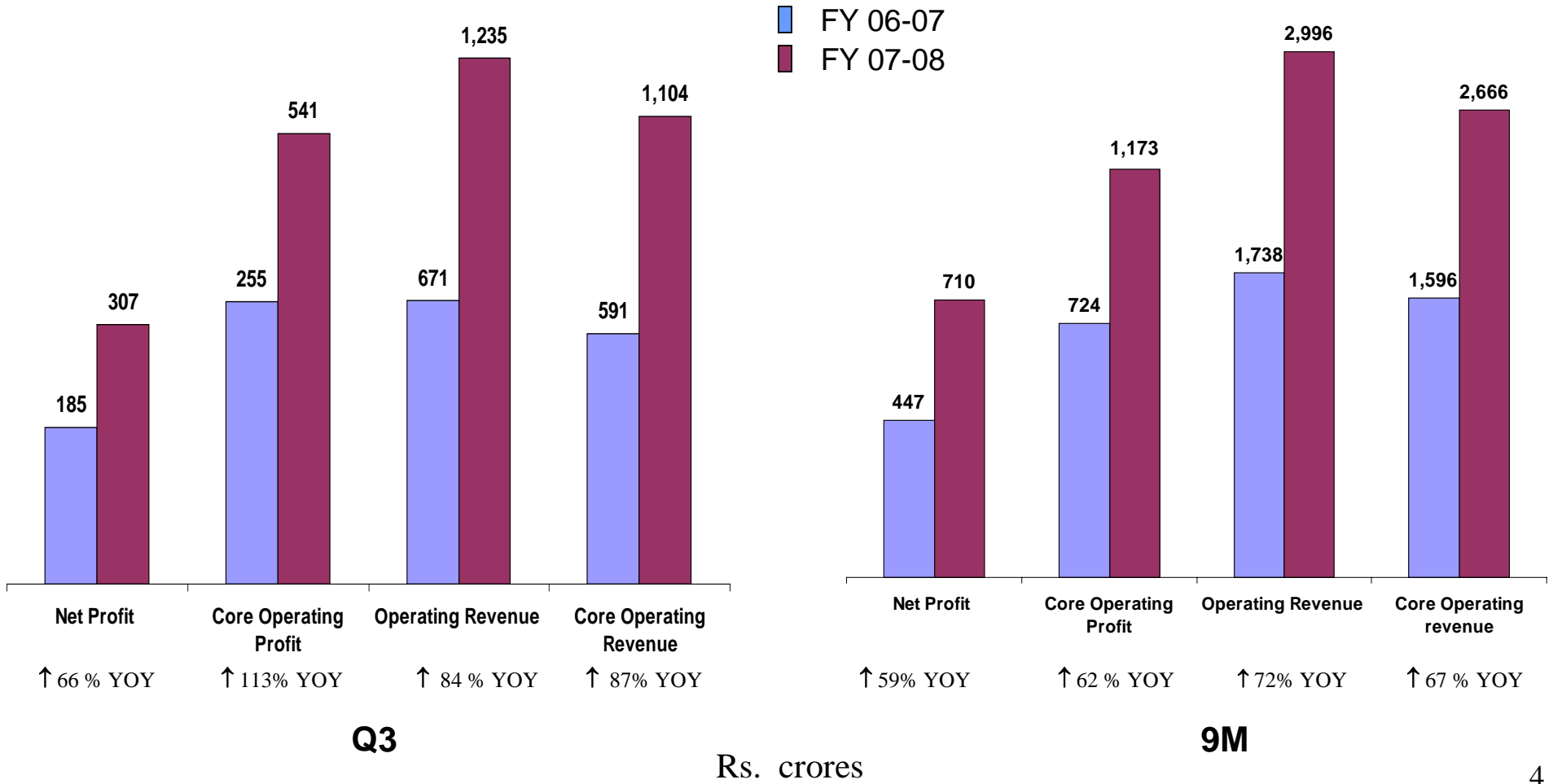
PERFORMANCE HIGHLIGHTS

		<u>Q3</u>		<u>9M</u>
• Net Profit	↑	66 % yoy	↑	59 % yoy
• Net Interest Income	↑	91 % yoy	↑	71 % yoy
• Fee Income	↑	81 % yoy	↑	71 % yoy
• Operating Revenue	↑	84 % yoy	↑	72 % yoy
• Operating Profit	↑	101 % yoy	↑	73 % yoy
• Net Interest Margin		3.91 %		3.28 %
• Cost of Funds		5.72 %		6.10 %

INTERPRETATION OF Q3 PERFORMANCE

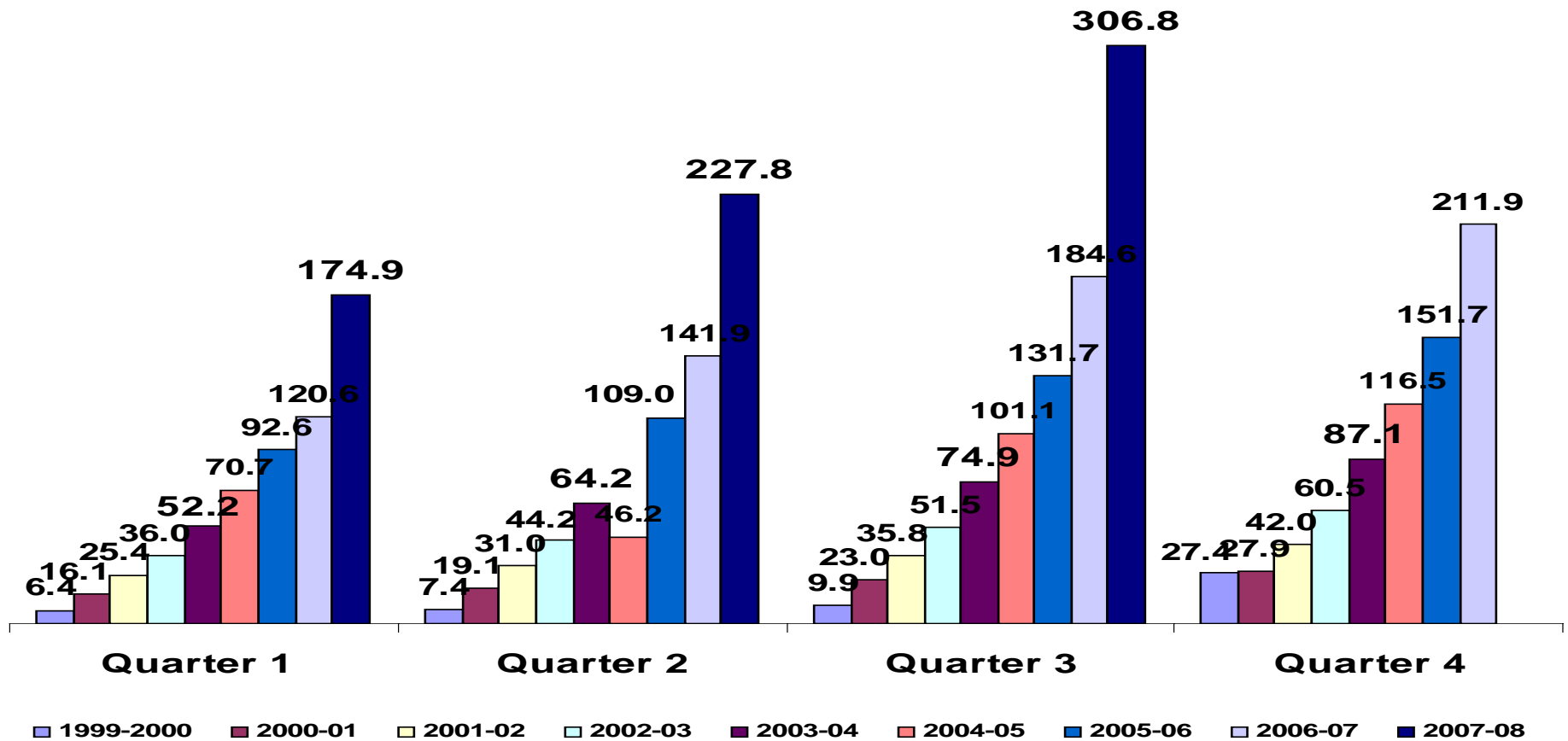
- Rapid Growth in the Bank's core businesses
 - Total Advances grow 50% yoy to Rs. 48,632 crores
 - Total Investments grow 18% yoy to Rs. 28,965 crores
 - Total Assets register a 39% yoy growth, rising to Rs. 90,581 crores
 - Fees grow by 81% yoy, rising to Rs. 348 crores
 - Share of demand deposits in total deposits at 45%
- Retail Assets grow by 31% yoy to Rs. 12,009 crores; constitute 25 % of total advances, as against 28 % a year ago
- Net NPAs at 0.42 %, compared to 0.68 % as at end December'06
- At end December'07, Book Value per share at Rs. 242.00, compared to Rs. 118.12 as at end December'06
- Capital Adequacy at 16.88 % as against 11.83 % a year ago
- Raised Rs. 4,534.36 crores of equity capital during the previous quarter, Q2

PROFITABILITY



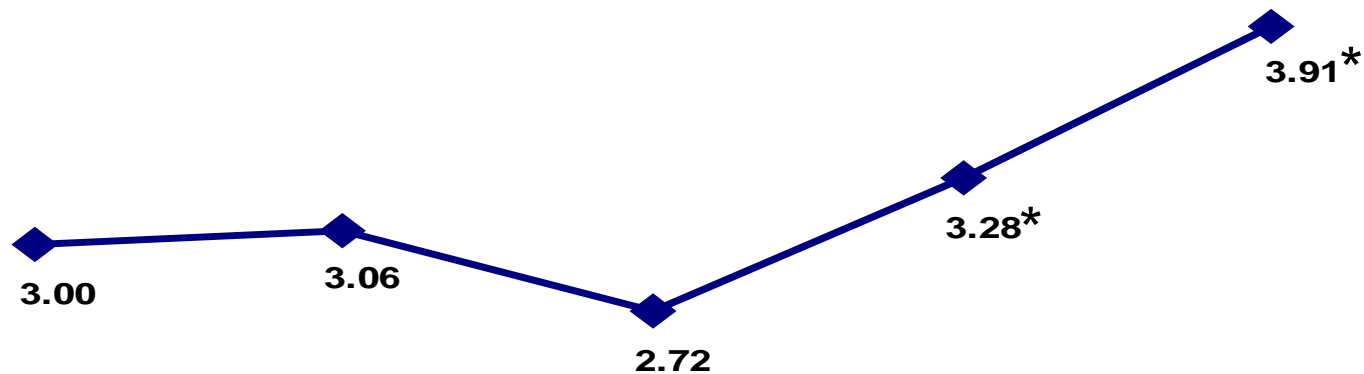
CONSISTENT NET PROFIT GROWTH

The Bank has grown by over 30% yoy in 30 out of the last 32 quarters



Rs. crore

NET INTEREST MARGINS



NIMs in the last 5 years (%)

FY 02-03:	2.09
FY 03-04:	3.12
FY 04-05:	2.90
FY 05-06:	2.85
FY 06-07:	2.92

Capital raising by the Bank and higher Demand Deposits growth enabled the Bank to retire high cost term deposits and thereby substantially increase the NIM in Q3 of FY08.

Q3FY07

Q4FY07

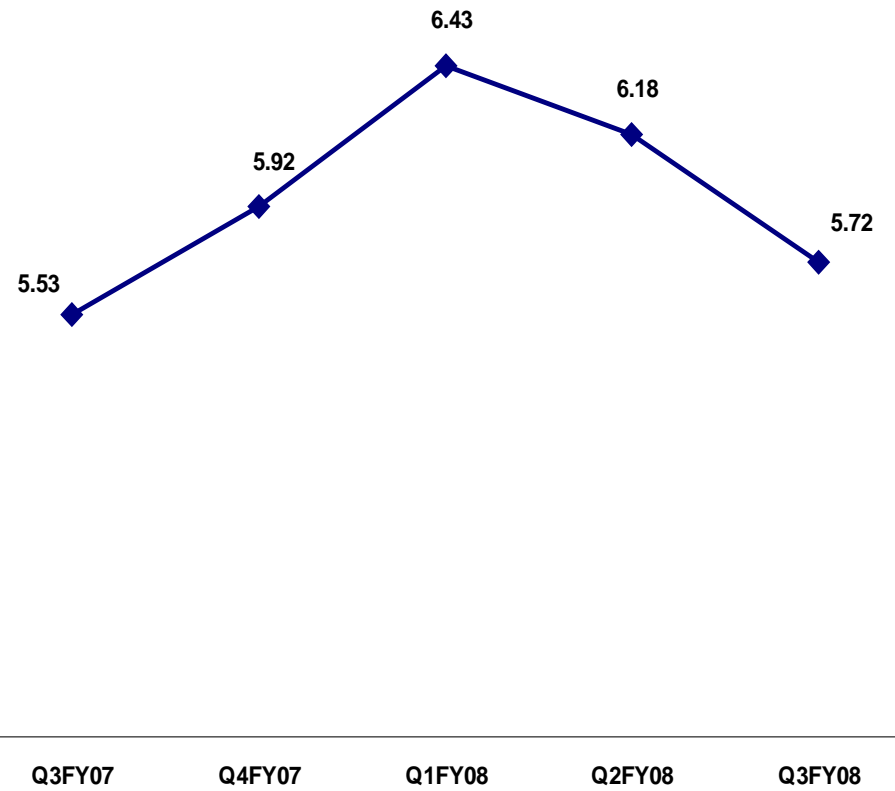
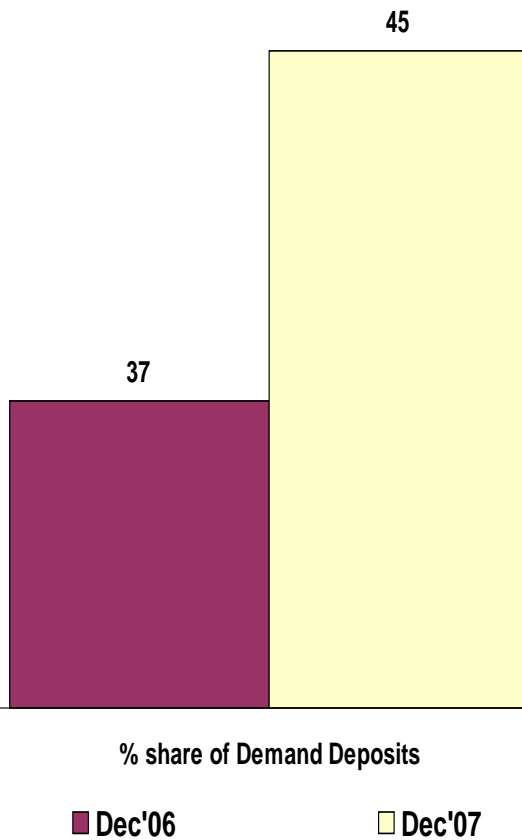
Q1FY08

Q2FY08

Q3FY08

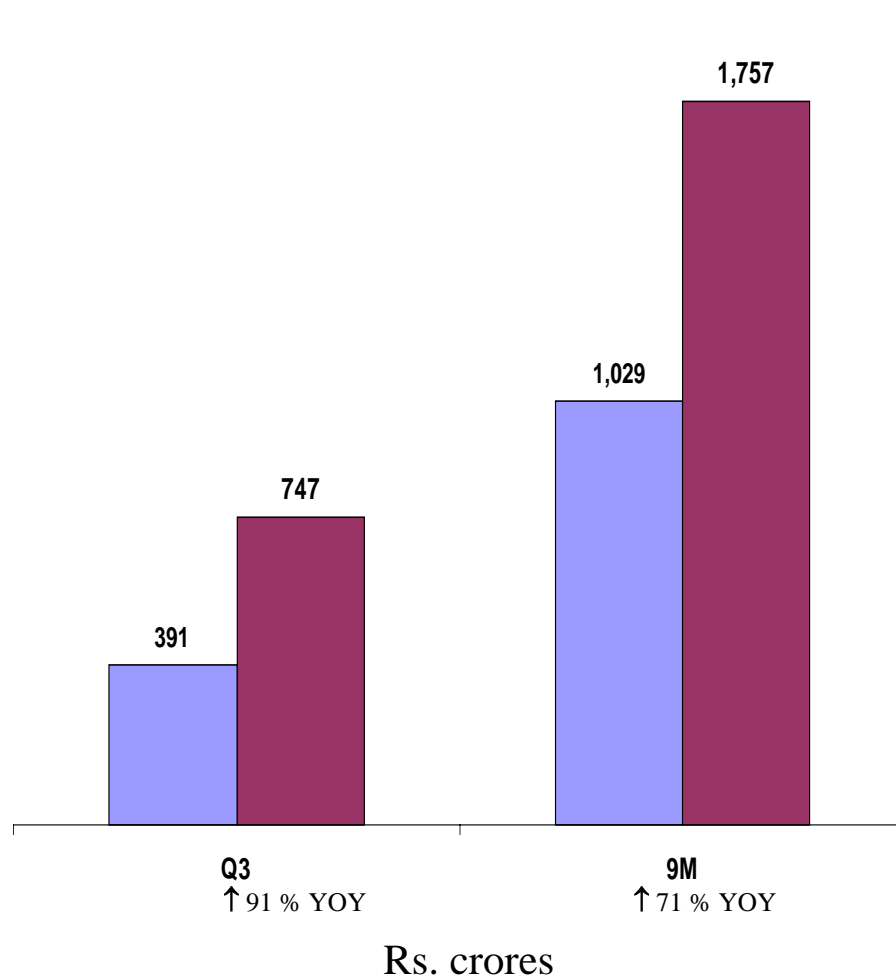
* NIM for Q2 and Q3 FY08 computed after adjusting the amortisation premium for investments held under HTM against 'Interest Income on Investments'. No adjustments made for earlier quarters.

COST OF FUNDS



Cost of Funds computed on a Daily Average basis (%) 7

GROWING NET INTEREST INCOME



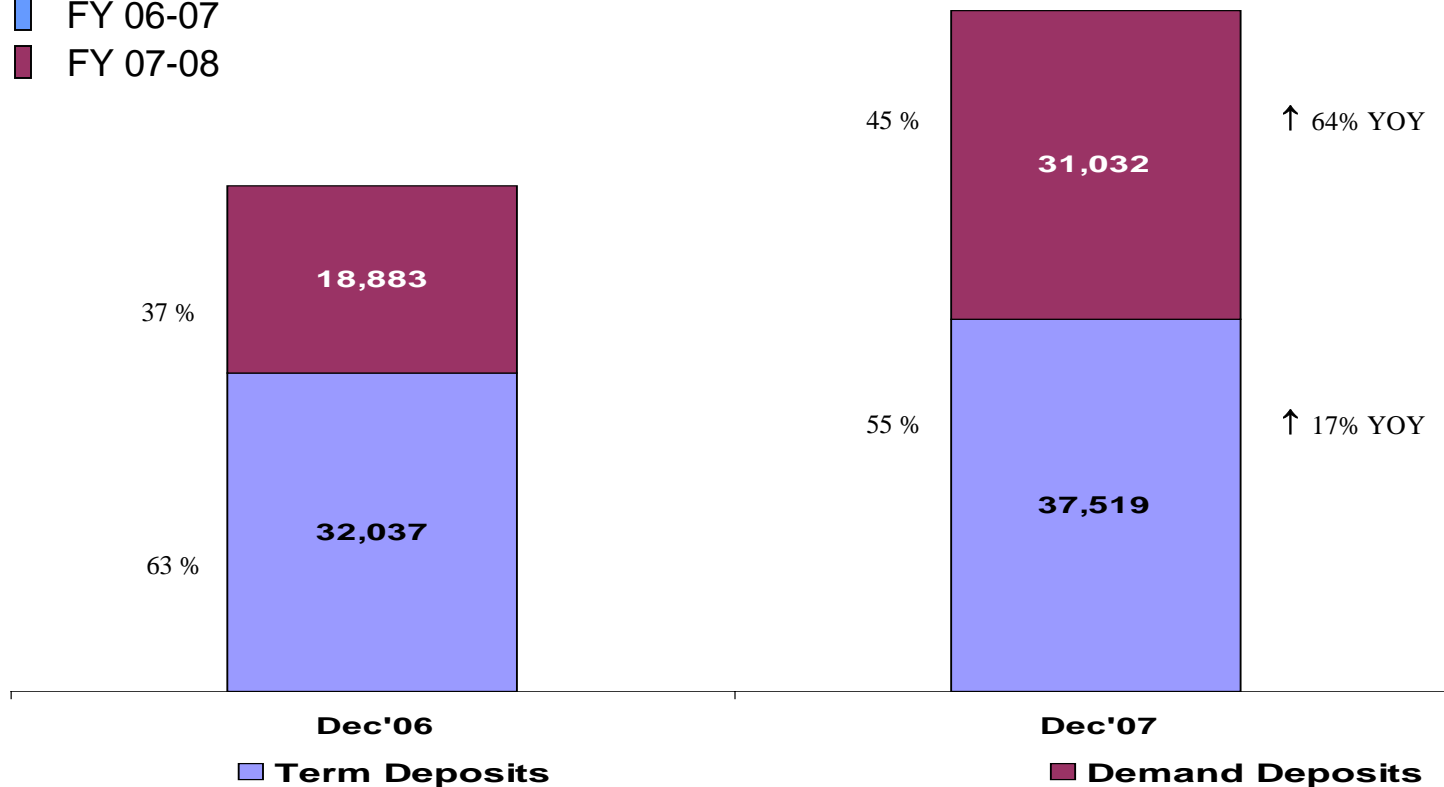
■ FY 06-07
■ FY 07-08

NII in the last 5 years	
(Rs. crores)	
FY 02-03:	322
FY 03-04:	577
FY 04-05:	731
FY 05-06:	1,078
FY 06-07:	1,567
CAGR :	51 %
5 years	

GROWING DEMAND DEPOSITS

YoY growth in daily average demand deposits (%)		
Deposits	Q3 FY08	9M FY08
Savings	52	51
Current	70	66
TOTAL	60	58

■ FY 06-07
■ FY 07-08

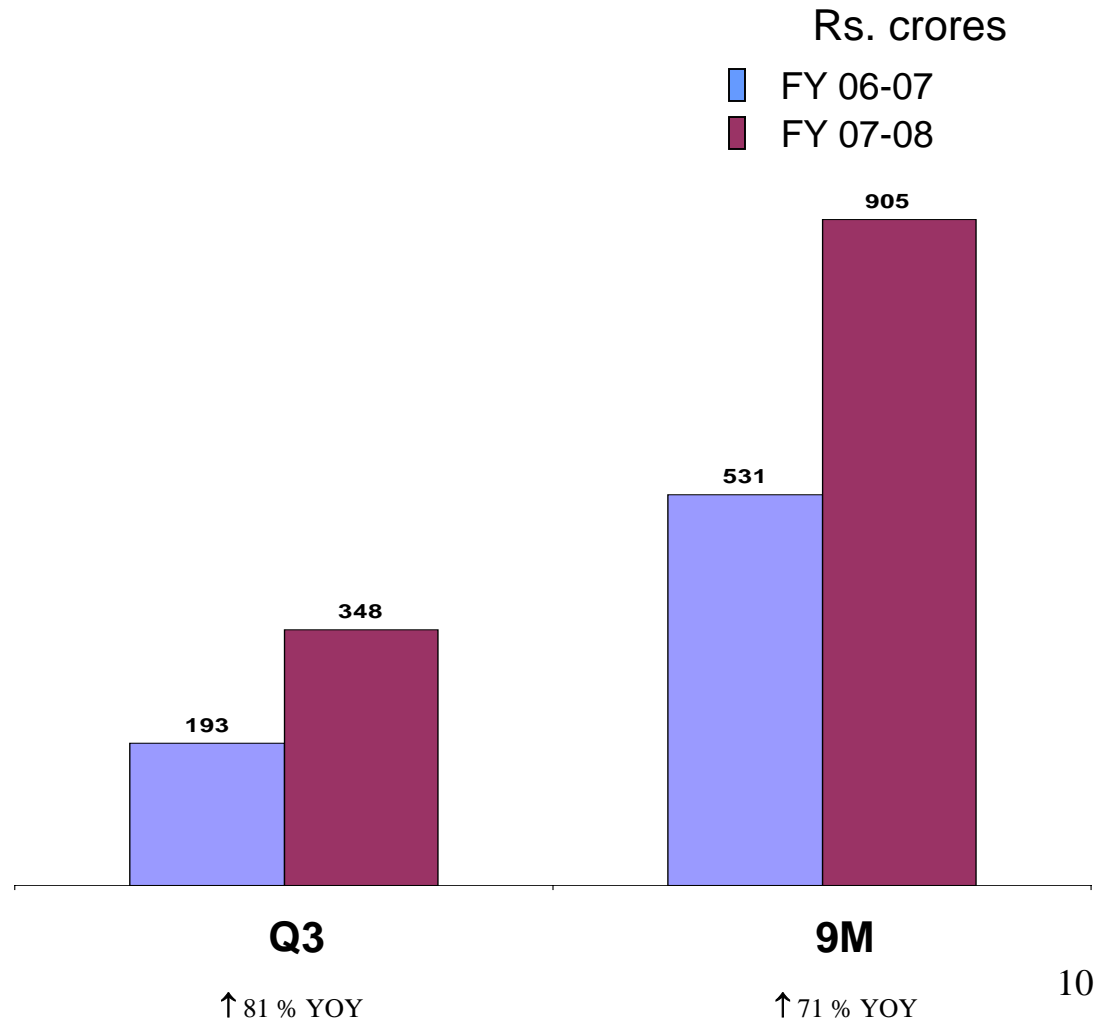


Rs. crores

FEE INCOME

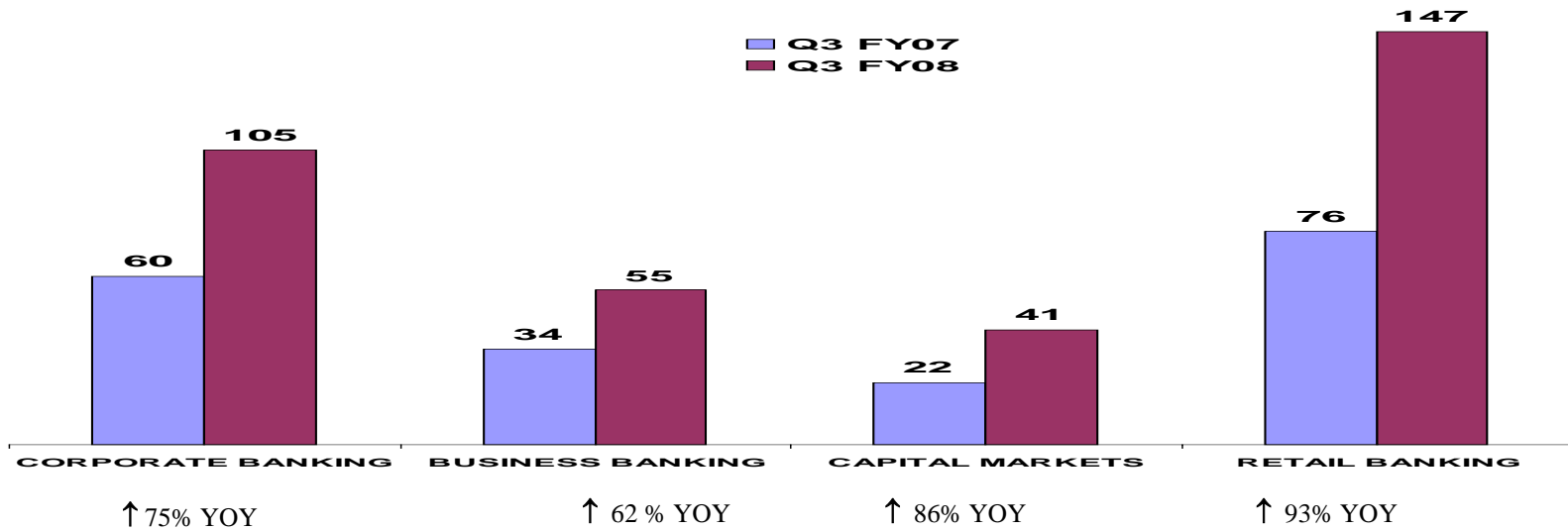
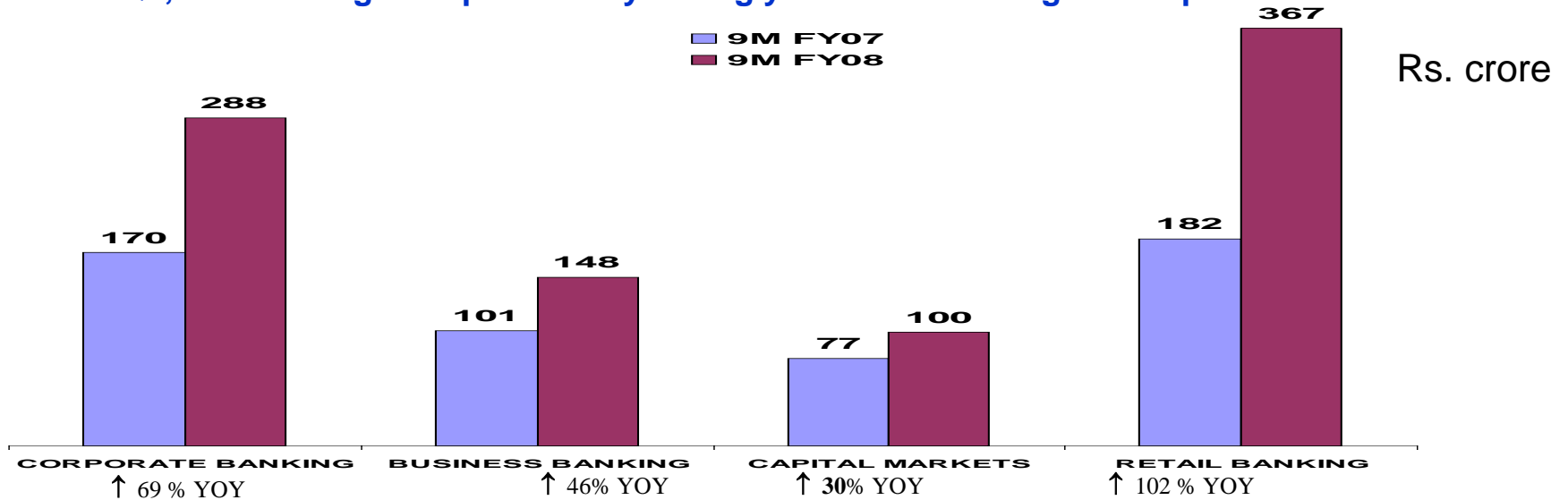
Fees in the last 5 years (Rs. crores)

FY 02-03:	144
FY 03-04:	182
FY 04-05:	331
FY 05-06:	489
FY 06-07:	779
CAGR : 5 years	51%

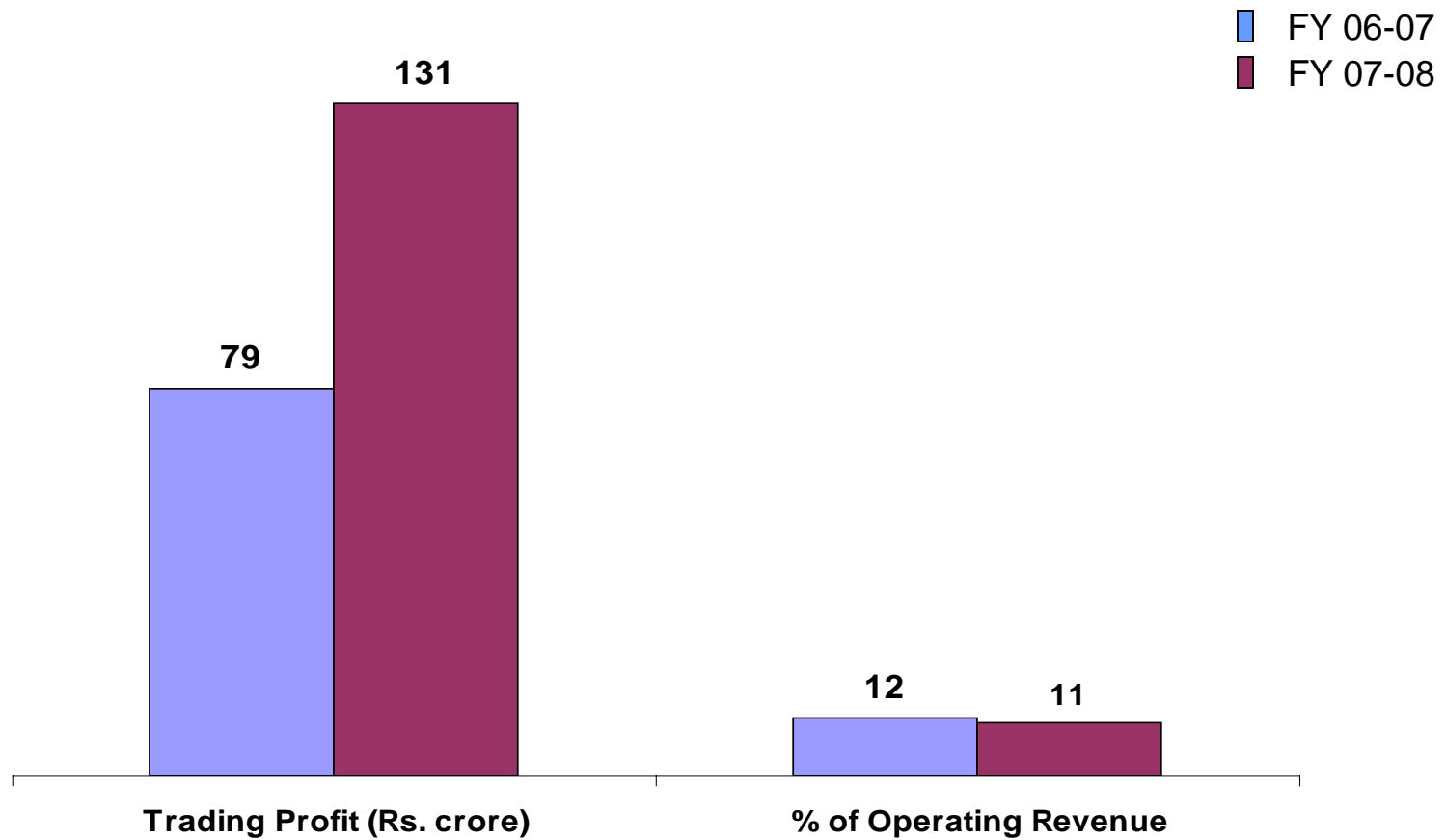


FEE INCOME COMPOSITION

In Q3, Fees have grown particularly strongly in Retail Banking and Capital Markets



TRADING PROFITS



↑ 65 % YOY

Q3

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BUSINESS OVERVIEW

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**
 - **Channel Financing**
 - **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**

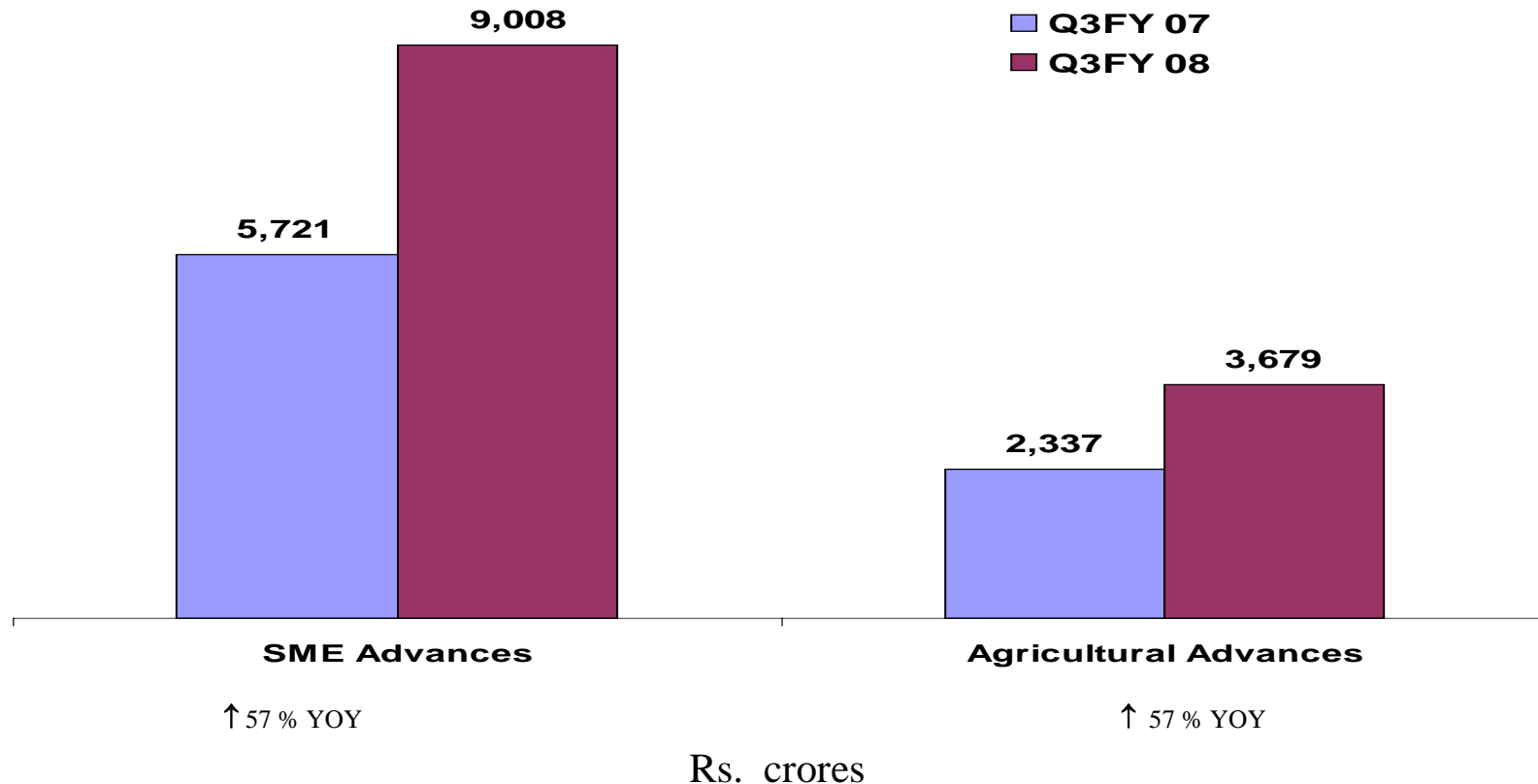
TOP SECTOR EXPOSURES

Rank	Sectors	% of Total Corporate Credit
1	Financial Companies*	9.92
2	Infrastructure	9.30
3	Textiles	9.07
4	Real Estate	8.57
5	Trade	7.32
6	Food Processing	4.59
7	Metal & Metal Products	4.14
8	Chemicals	3.51
9	Automobiles and Ancillaries	3.26
10	Entertainment and Media	3.11

As on 31.12.2007

* Housing Finance Companies and other NBFCs.

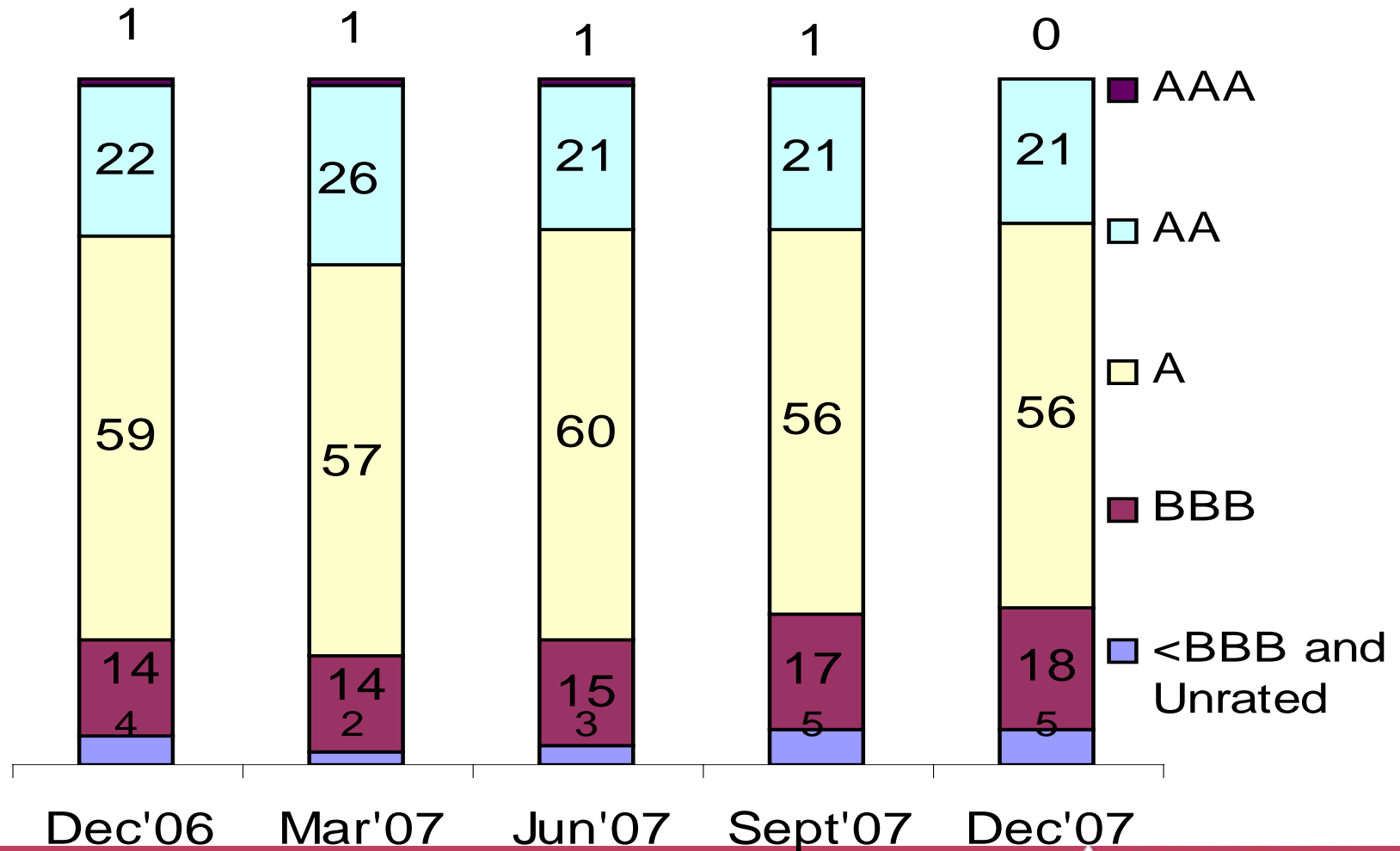
SME & AGRI BUSINESS



- **Specialised Advances Cells for SME lending**
 - 20 Cells at Dec'07, as against 11 cells at Dec'06
- **Specialised Clusters for Agricultural lending**
 - 34 Agri-Clusters at Dec'07, as against 16 clusters at Dec'06

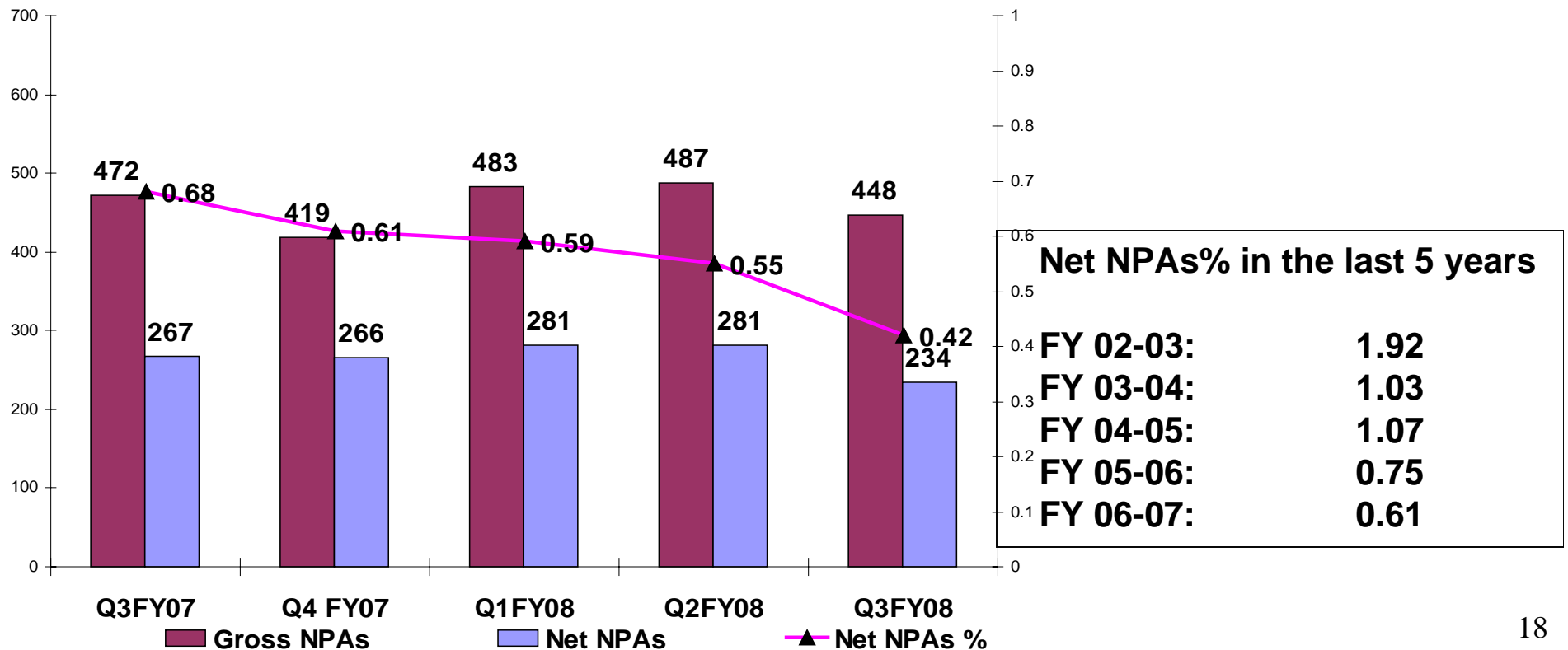
CONSISTENCY IN ASSET QUALITY

77% of corporate advances have rating of at least 'A' as at Dec'07



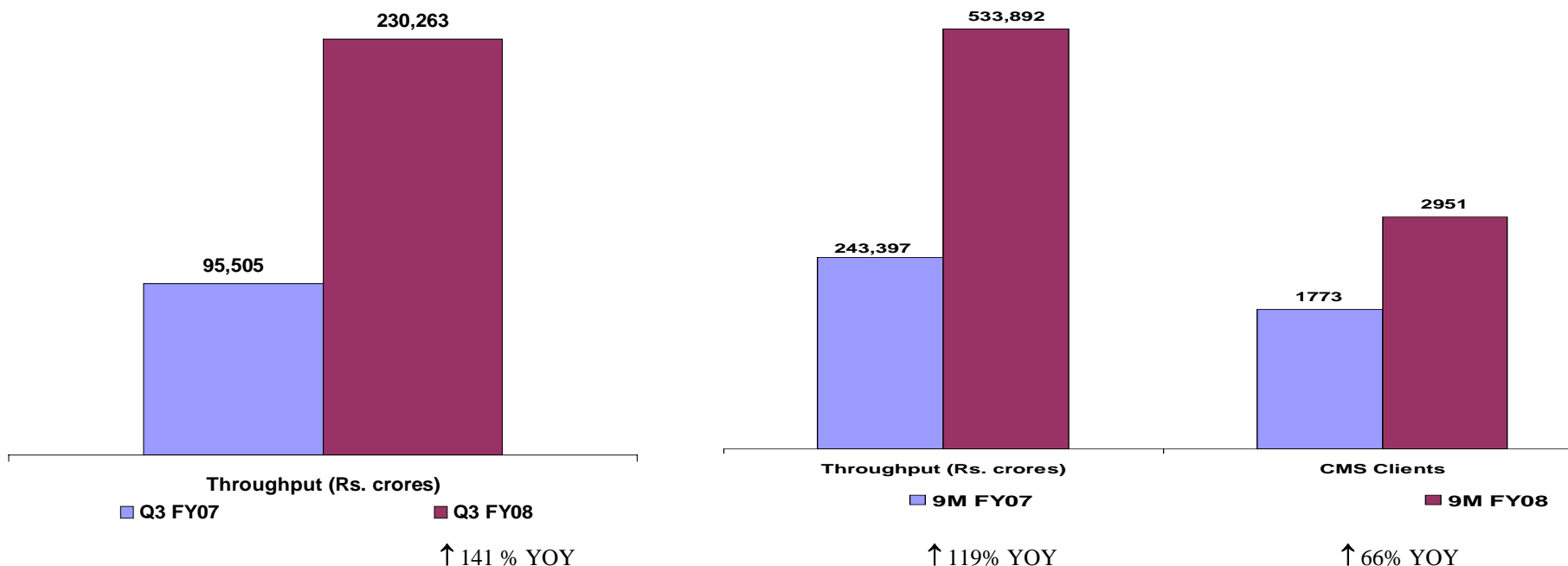
STRESSED ASSETS

NET NPA %



BUSINESS BANKING

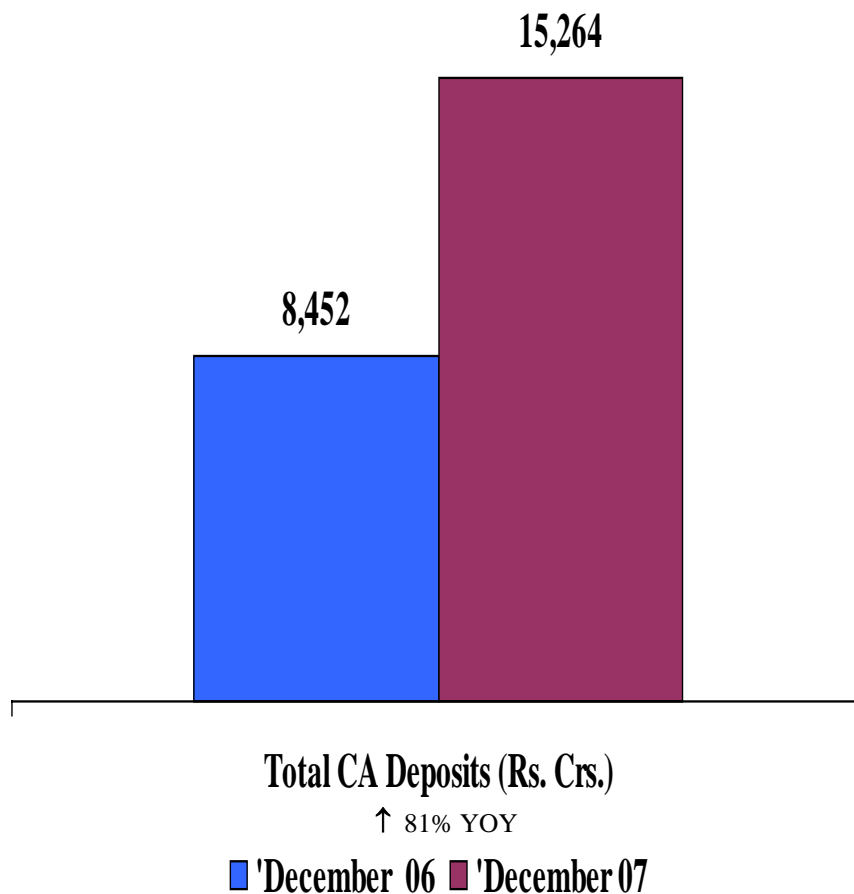
CASH MANAGEMENT SERVICES



- The Bank collects Central Government Taxes on behalf of CBDT and CBEC, incl through e-Payments.
- The Bank collects State Taxes on behalf of seven State Governments and UTs
- Collections & Payments for Central Government Ministries - Railways, Urban Development and Housing & Urban Poverty Alleviation.
- Collections under e-Governance initiatives of 4 State Governments and Chandigarh¹⁹

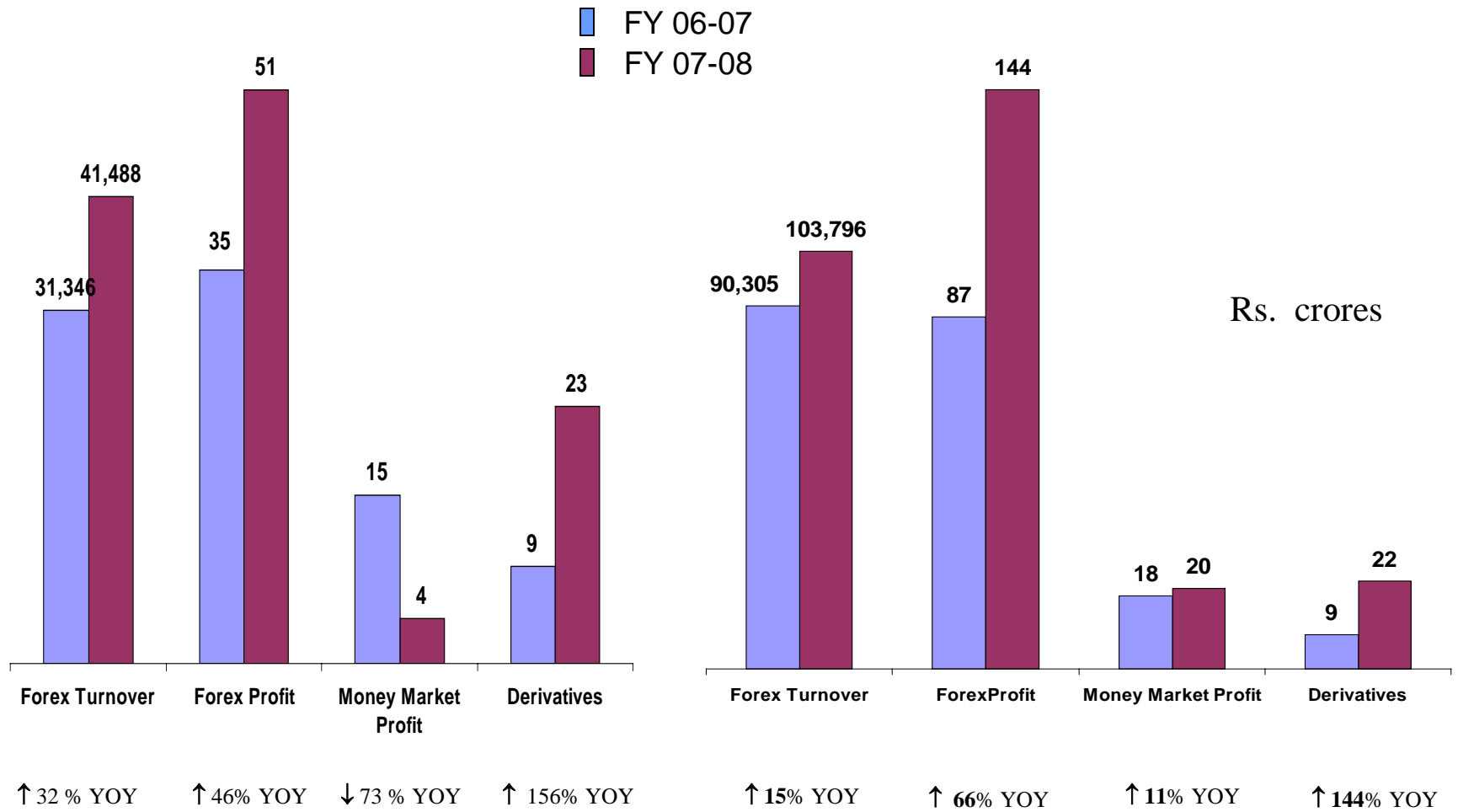
BUSINESS BANKING

CURRENT ACCOUNTS GROWTH



- Wide Range of Products
- Customised offerings for various business segments
- Growth aided by “Channel One” – a high-end premium product
- Broad-based sales strategy
- Focused approach for Corporates, Institutions & Government

TREASURY



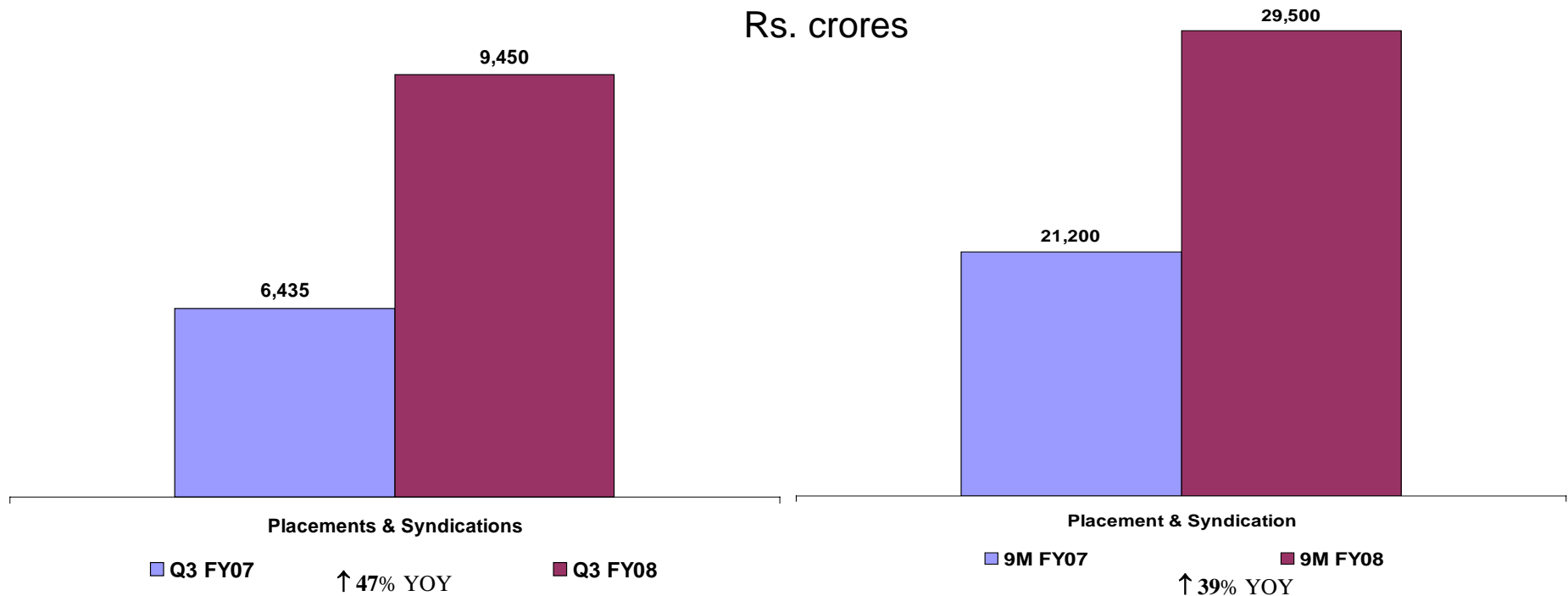
Q3

9M

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CAPITAL MARKETS

Rs. crores



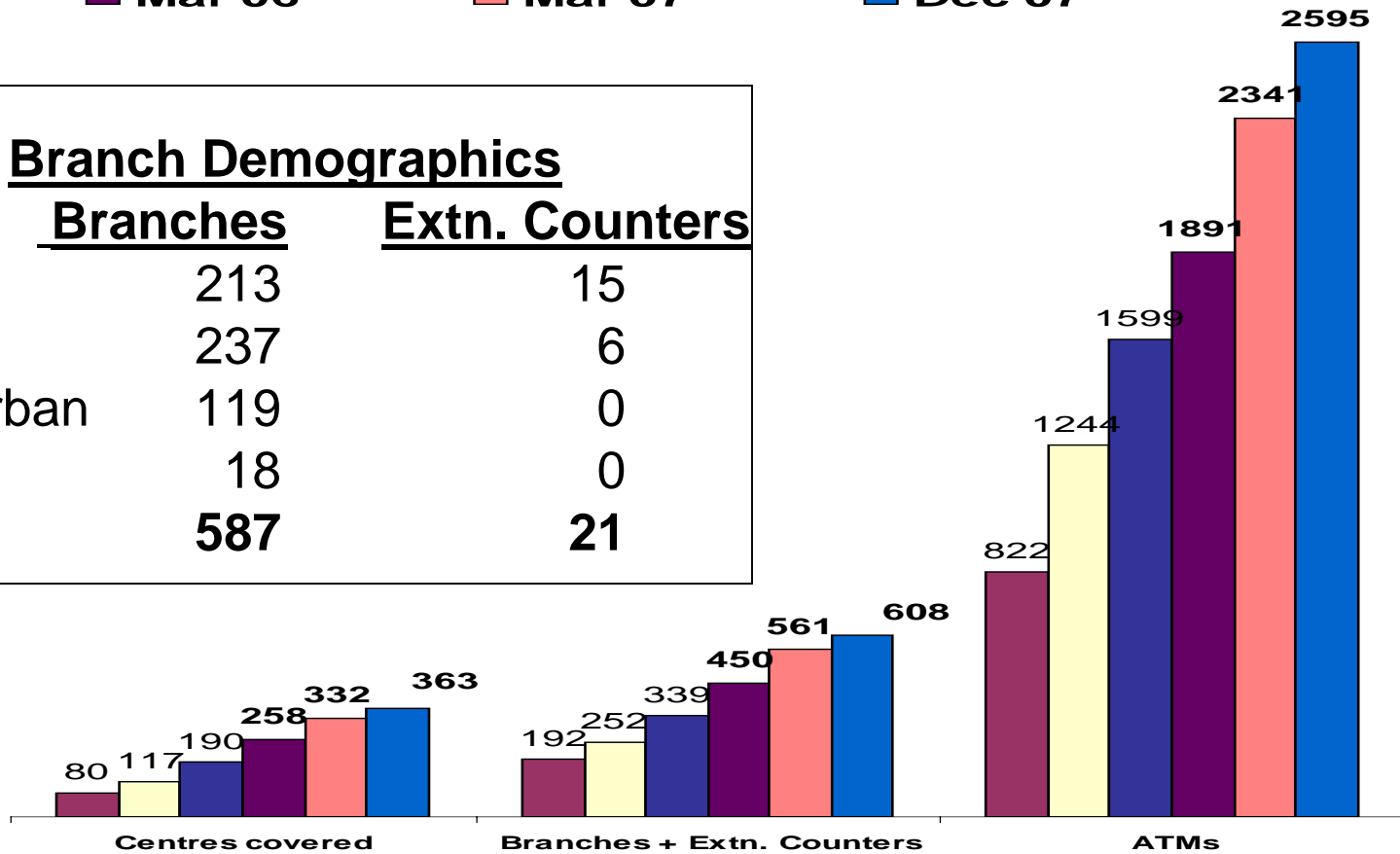
- A dominant player in Placement and Syndication of debt issues
- Ranked No.1 as debt Arranger by Prime Database for first 9 months of FY08
- Ranked No.2 in the Bloomberg Underwriters League Table for Indian Domestic Bonds for the calendar year 2007
- Project Advisory Services mandates increase

RETAIL BANKING

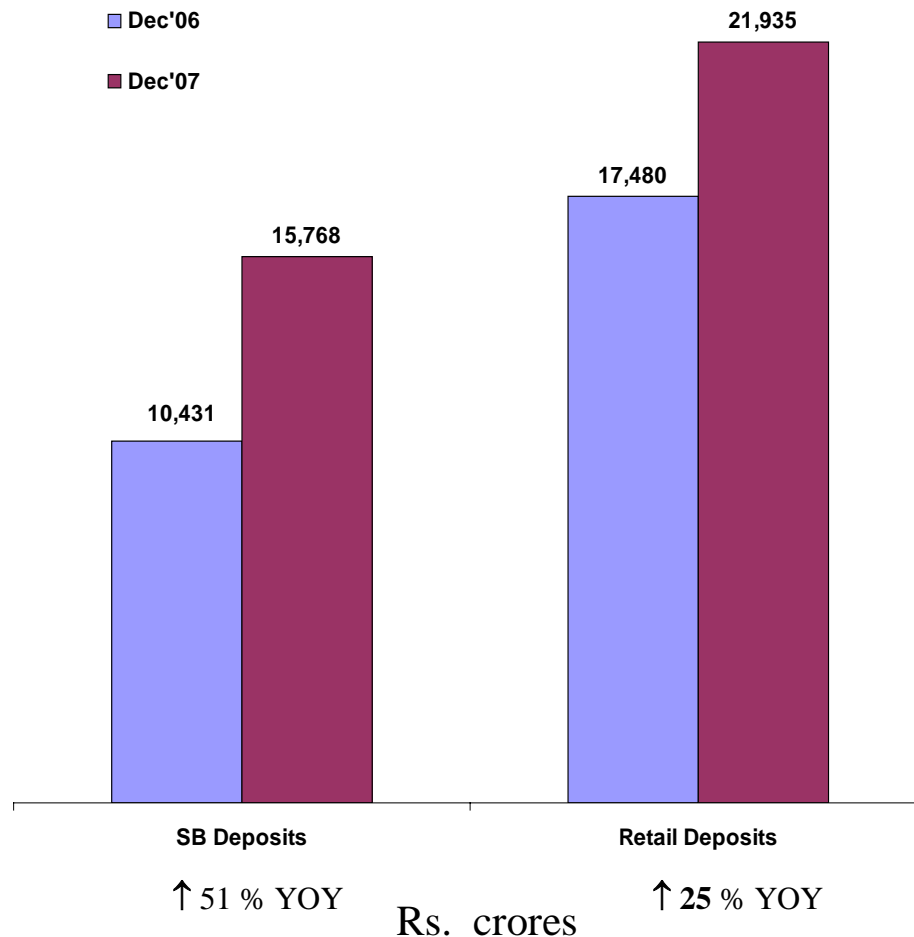
INCREASING REACH



<u>Branch Demographics</u>		
	<u>Branches</u>	<u>Extn. Counters</u>
Metro	213	15
Urban	237	6
Semi-urban	119	0
Rural	18	0
TOTAL	587	21



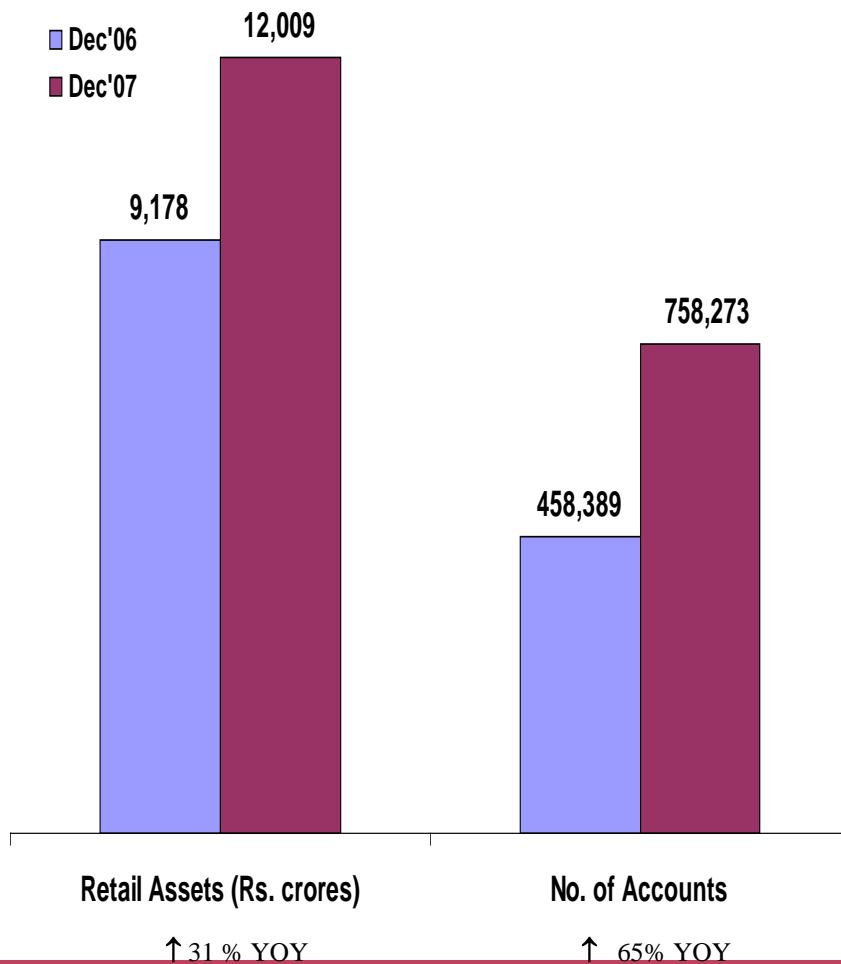
SAVINGS BANK GROWTH



Savings Bank growth led by:

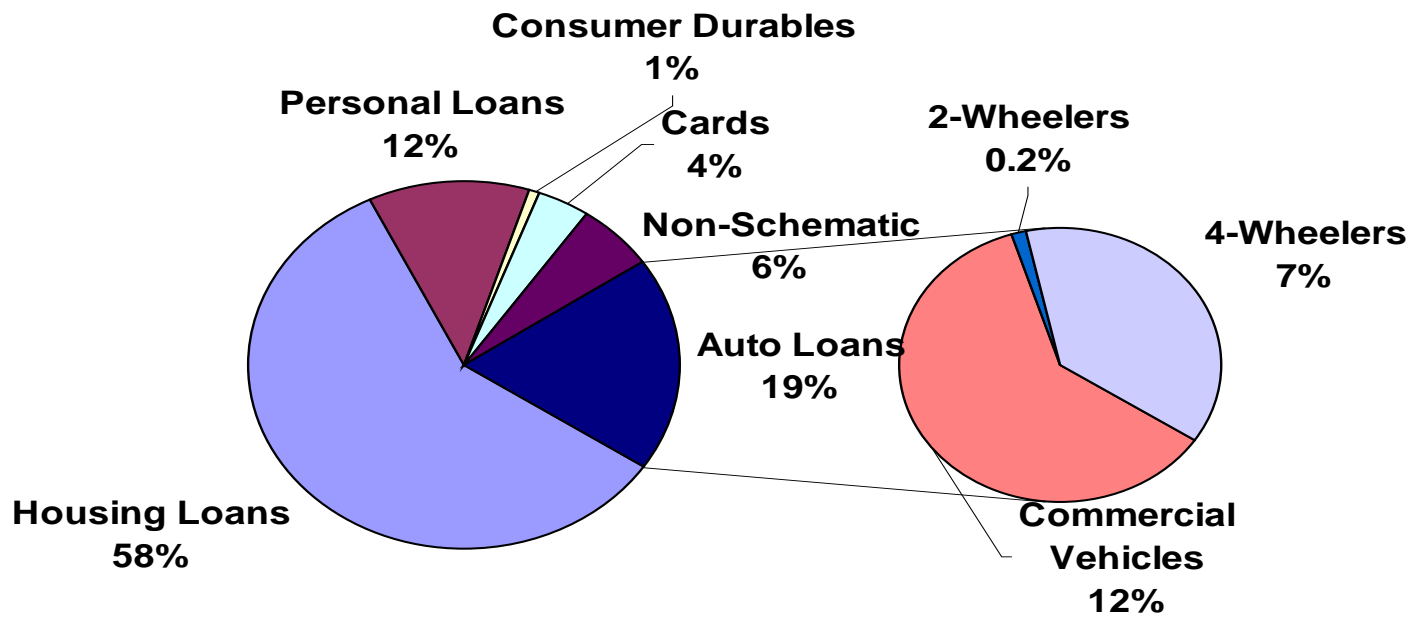
- Wide Network - Branch and ATM Channel reach
- Bank's own sales channel
- Focused strategy for niche customer segments
- Corporate and Government payroll accounts
- Liability Service Centres

RETAIL ASSETS



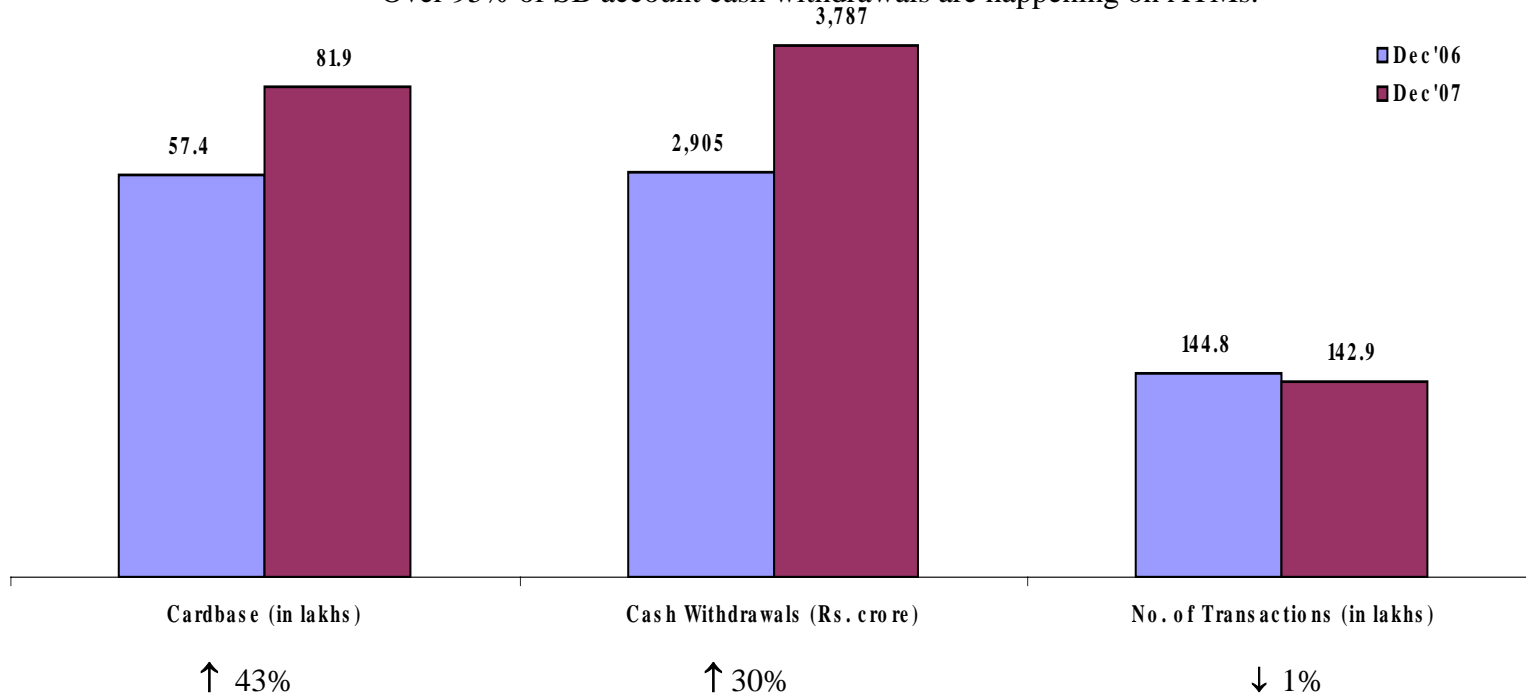
- Retail Assets grow 31% yoy
- Retail Assets constitute 25% of the Bank's total advances, as against 28% at end Dec'06
- Growth driven through Retail Asset Centres(RACs)
- 70 RACs established so far

COMPOSITION OF RETAIL ASSETS



ATM CHANNEL MIGRATION

Over 95% of SB account cash withdrawals are happening on ATMs.



- Pioneer in ATM sharing arrangements
- Bilateral agreements with 5 Banks
- Largest network provider for Euronet & Bancs consortia
- Value added services such as Bill Payments, MF Investments, Mobile Top-ups and VISA Money Transfer services

THIRD PARTY PRODUCTS BUSINESS

- Focus on cross-sell to Bank's 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

	Mass Market	Mass Affluent	Affluent
Description	Largest customer segment within the Bank	Small, but growing base of customers	1-2% of Mass affluent customers
Focus	Process-driven cross sale products	Focus on process but with building relationship	Total focus on relationship, cross-sale is by-product
Products	Bundled insurance with Home loans, Life/ General insurance with Credit cards	Co-branded General Insurance products, Mutual fund units	Non-discretionary Portfolio Management service, Higher-end credit cards

CARDS BUSINESS

- Significant Player

- **Credit Cards launched in August 2006**
 - Over 373,000 Cards issued till date
- **ISSUANCE**
 - 3rd largest debit card base in the country
 - 1st Indian Bank to launch Travel Currency Cards in 8 currencies - US\$, Euro, GBP, AUD, CAD, SGD, SEK, CHF
 - 1st Indian Bank to launch Remittance Card and Meal Card
- **ACQUIRING**
 - Installed base of over 64,000 EDCs and growing
- Cards business a significant contributor to Retail Fees

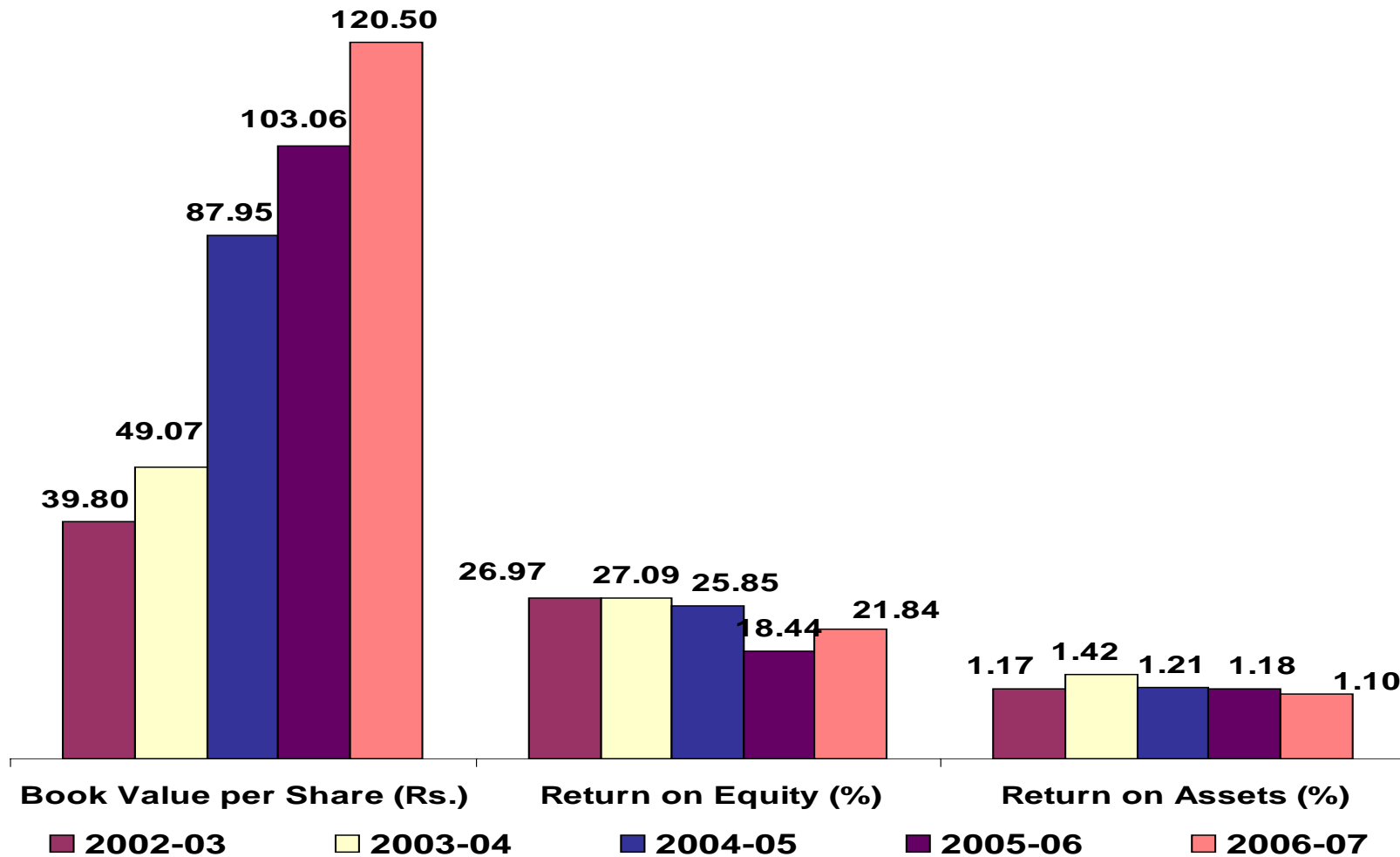
INTERNATIONAL PRESENCE

- Branches at Singapore, Hong Kong and DIFC, Dubai
- Representative office at Shanghai
- Total assets under overseas operations amounted to US\$ 1.57 billion
- Corporate Banking, Trade Finance products, Syndication, Investment Banking, Risk Management and Liability businesses

INVESTMENT HIGHLIGHTS

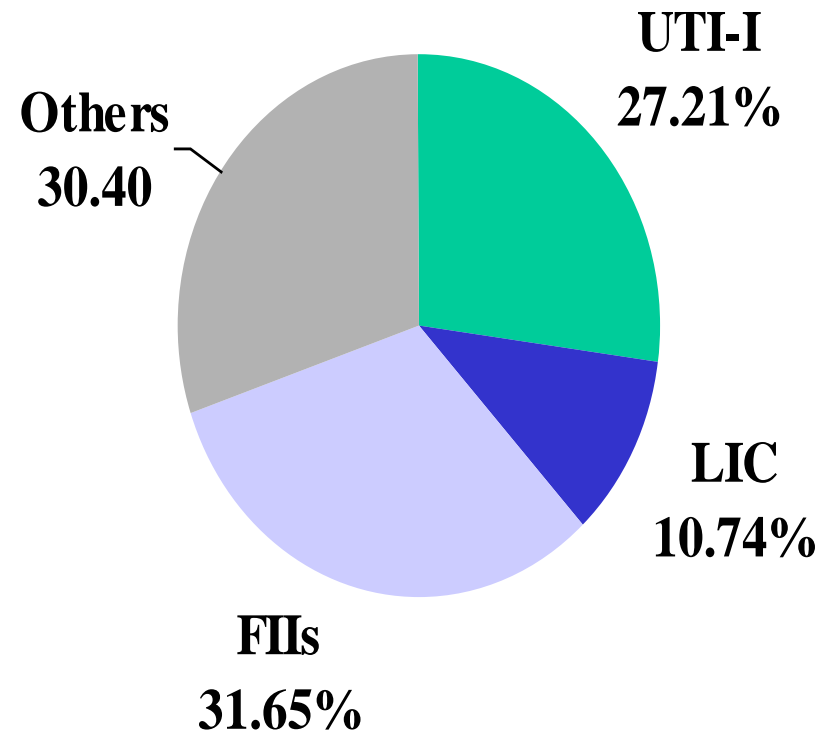
- 14.81% Return on Equity (ROE) during Q3 FY08 as compared to 23.57 % in Q3 FY07. Equity raising in Q2 FY08 lowered the ROE
- 1.40% Return on Assets (ROA) during Q3 FY08 as compared to 1.17% in Q3 FY07
- An annualized return of over 53% (without including dividends), since the Bank's IPO in September 1998
- Market out-performer over the last one year (Dec'06 - Dec'07)

SHAREHOLDER RETURNS



SHAREHOLDING

- Share Capital - Rs. 357.37 crores
- Net Worth - Rs. 8,374.50 crores
- Book Value per share - Rs. 242.00
- Market Price as on 8/1/08 - Rs. 1065.75
- Market Cap as on 8/1/08 - Rs. 38,087 crores (US \$ 9.70 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

