

AXIS BANK

H1 FY08

INVESTOR PRESENTATION



PERFORMANCE HIGHLIGHTS

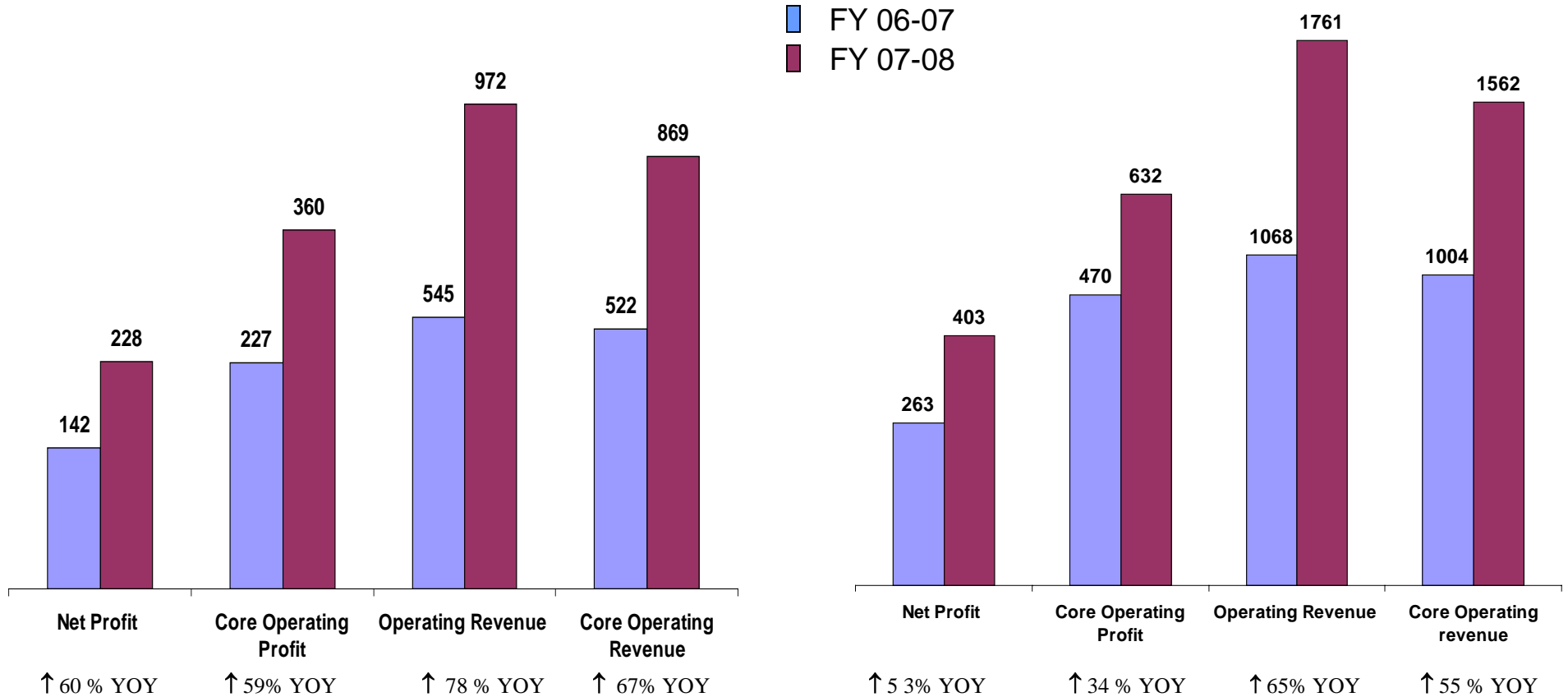
		<u>Q2</u>		<u>H1</u>
• Net Profit	↑	60 % yoy	↑	53 % yoy
• Net Interest Income	↑	73 % yoy	↑	58 % yoy
• Fee Income	↑	69 % yoy	↑	65 % yoy
• Operating Revenue	↑	78 % yoy	↑	65 % yoy
• Operating Profit	↑	85 % yoy	↑	56% yoy
• Net Interest Margin		3.28 %		2.94 %
• Cost of Funds		6.18 %		6.30 %

INTERPRETATION OF Q2 PERFORMANCE

- Rapid Growth in the Bank's core businesses
 - Total Advances grow 54% yoy to Rs. 44,701 crores
 - Total Investments grow 17% yoy to Rs. 27,346 crores
 - Total Assets register a 40% yoy growth, rising to Rs. 83,549 crores
 - Fees grow by 69% yoy, rising to Rs. 288.00 crores
 - Share of demand deposits in total deposits at 45%
- Retail Assets grow by 27% yoy to Rs. 10,848 crores; constitute 24 % of total advances, as against 29 % a year ago
- Net NPAs at 0.55 %, compared to 0.74 % as at end September'06
- At end September'06, Book Value per share at Rs. 233.45, compared to Rs. 111.38 as at end September'06
- Capital Adequacy at 17.59 % as against 11.52 % a year ago
- Raised Rs. 4,534.36 crores of equity capital during the quarter

PROFITABILITY

■ FY 06-07
■ FY 07-08



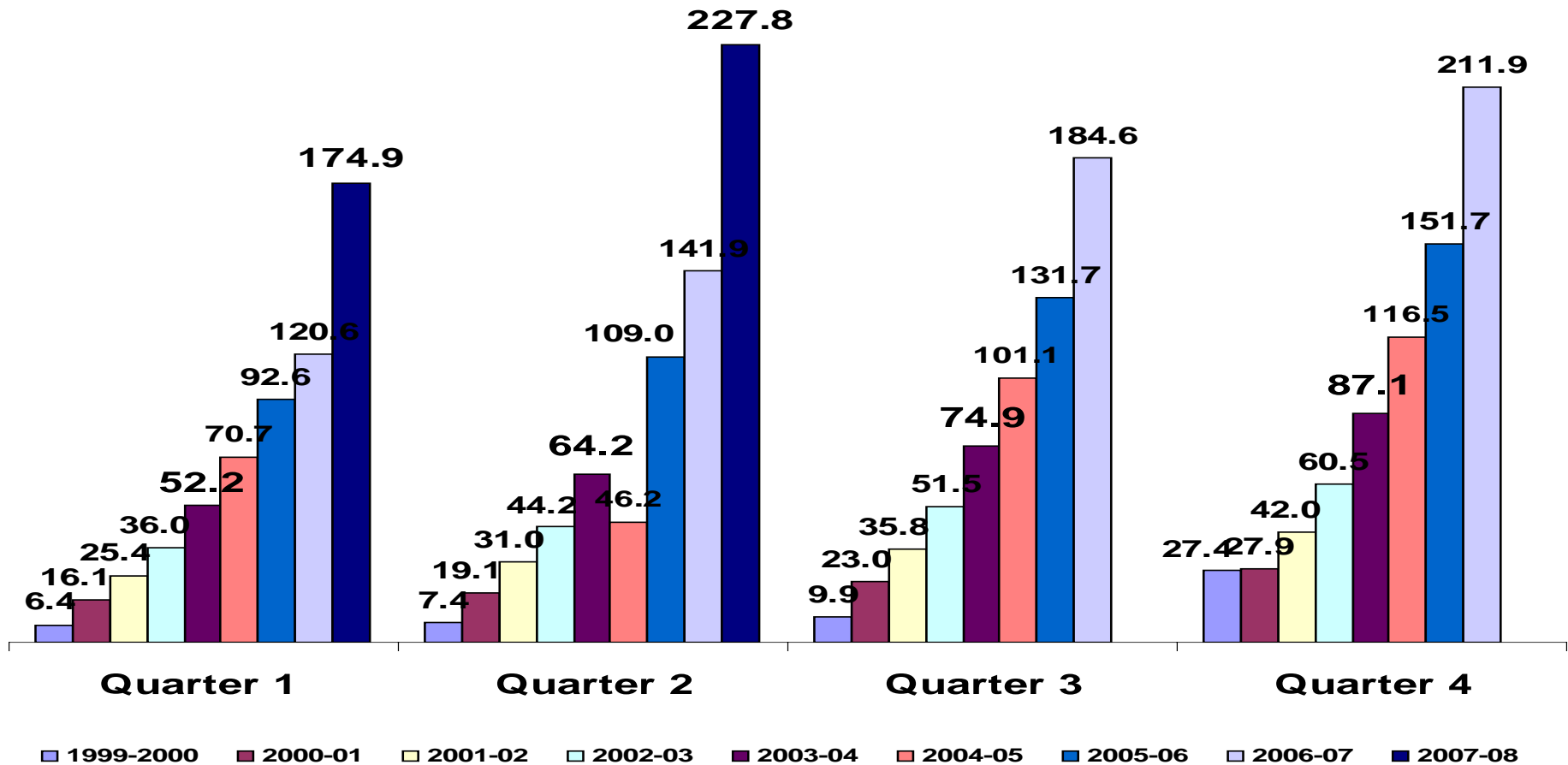
Q2

H1

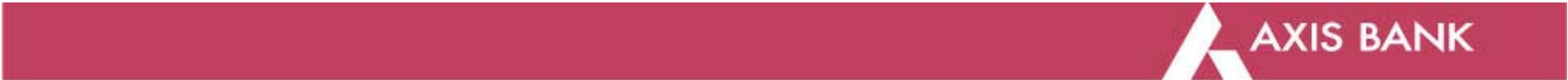
Rs. crores

CONSISTENT NET PROFIT GROWTH

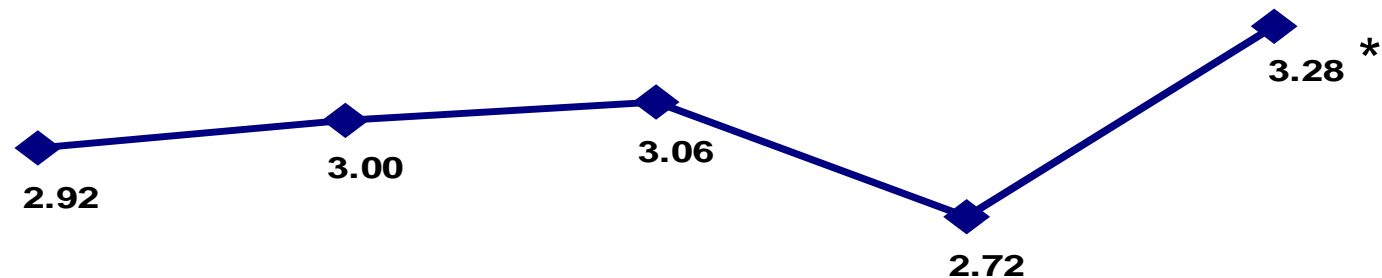
The Bank has grown by over 30% yoy in 29 out of the last 31 quarters



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 enabled it to retire high cost term deposits and thereby substantially increase the NIM in Q2 of FY08.

Q2FY07

Q3FY07

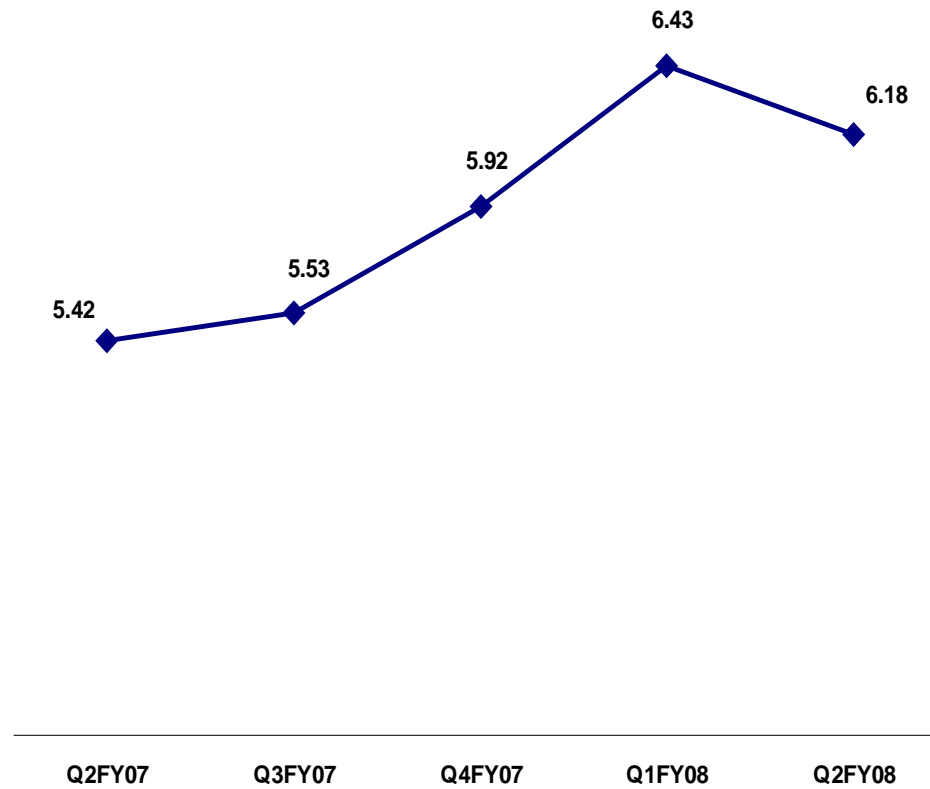
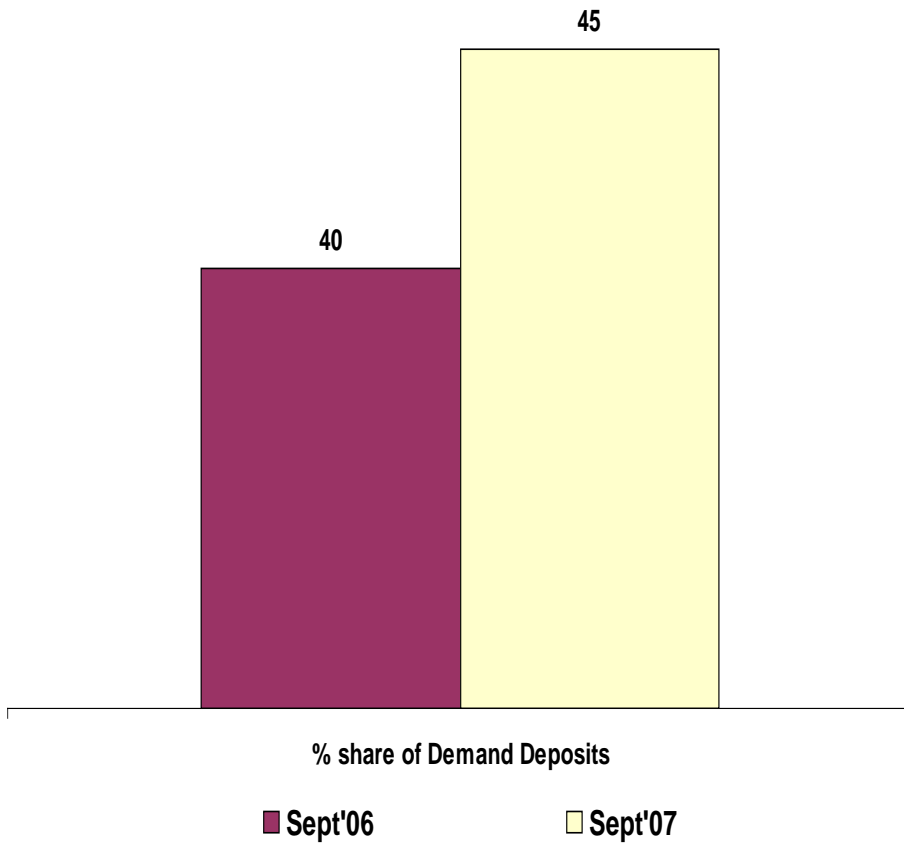
Q4FY07

Q1FY08

Q2FY08

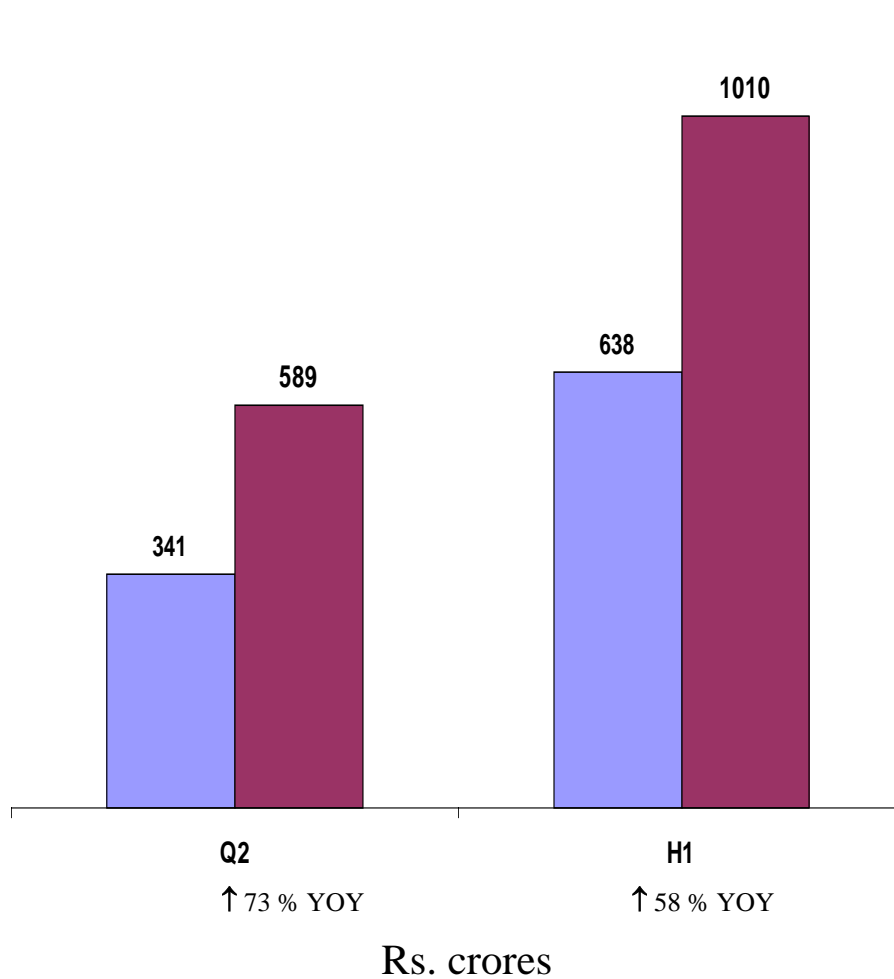
* NIM for Q2 FY08 computed after adjusting the amortisation premium for investments held under HTM against 'Interest Income on Investments'. No adjustments made for earlier quarters.

COST OF FUNDS



Cost of Funds computed on a Daily Average basis 7

GROWING NET INTEREST INCOME



NII in the last 5 years

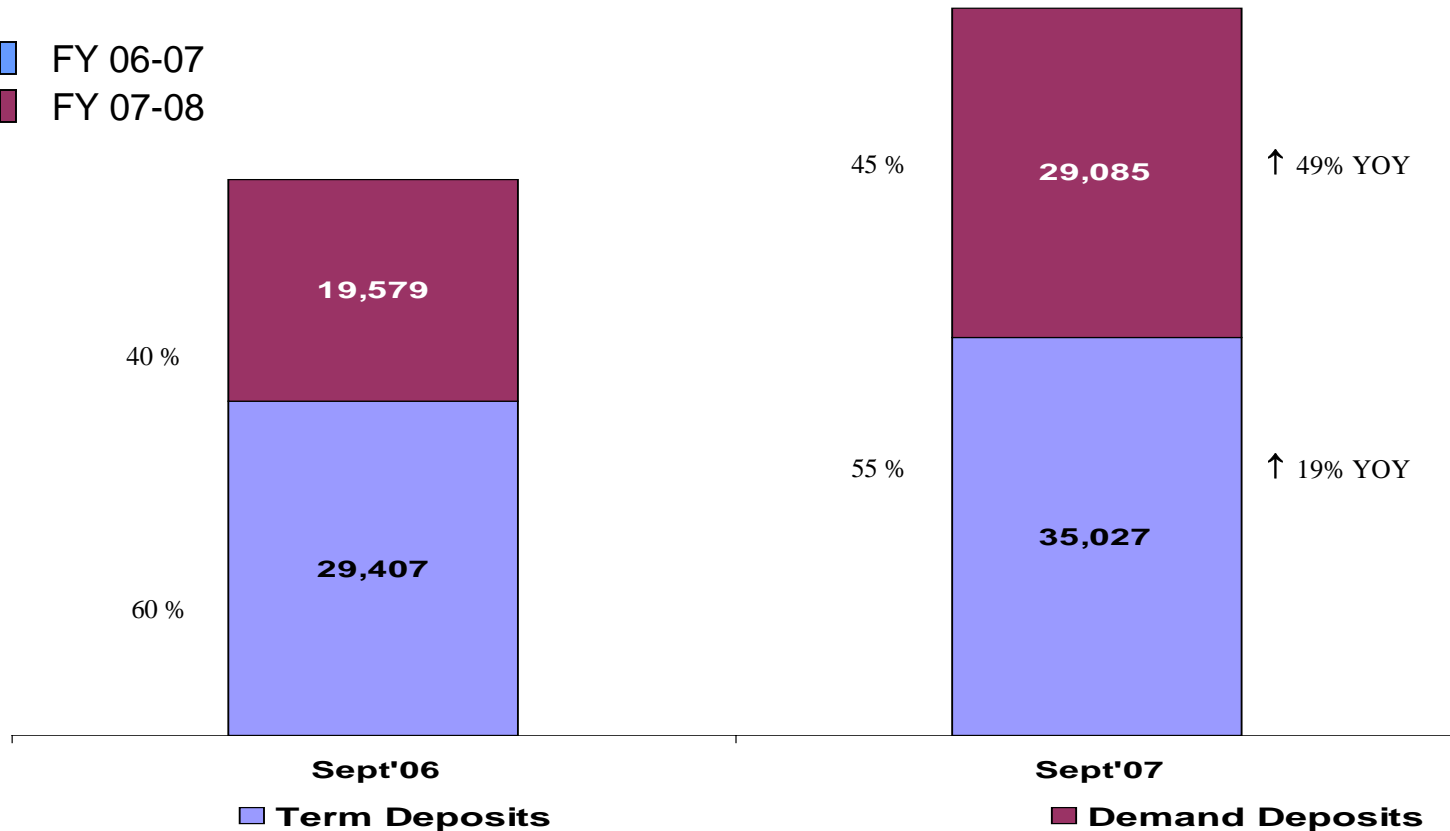
(Rs. crores)

FY 02-03:	322
FY 03-04:	577
FY 04-05:	731
FY 05-06:	1,078
FY 06-07:	1,567
CAGR : 5 years	51 %

GROWING DEMAND DEPOSITS

YoY growth in daily average demand deposits (%)		
Deposits	Q2 FY08	H1 FY08
Savings	51	51
Current	67	63
TOTAL	58	56

■ FY 06-07
■ FY 07-08

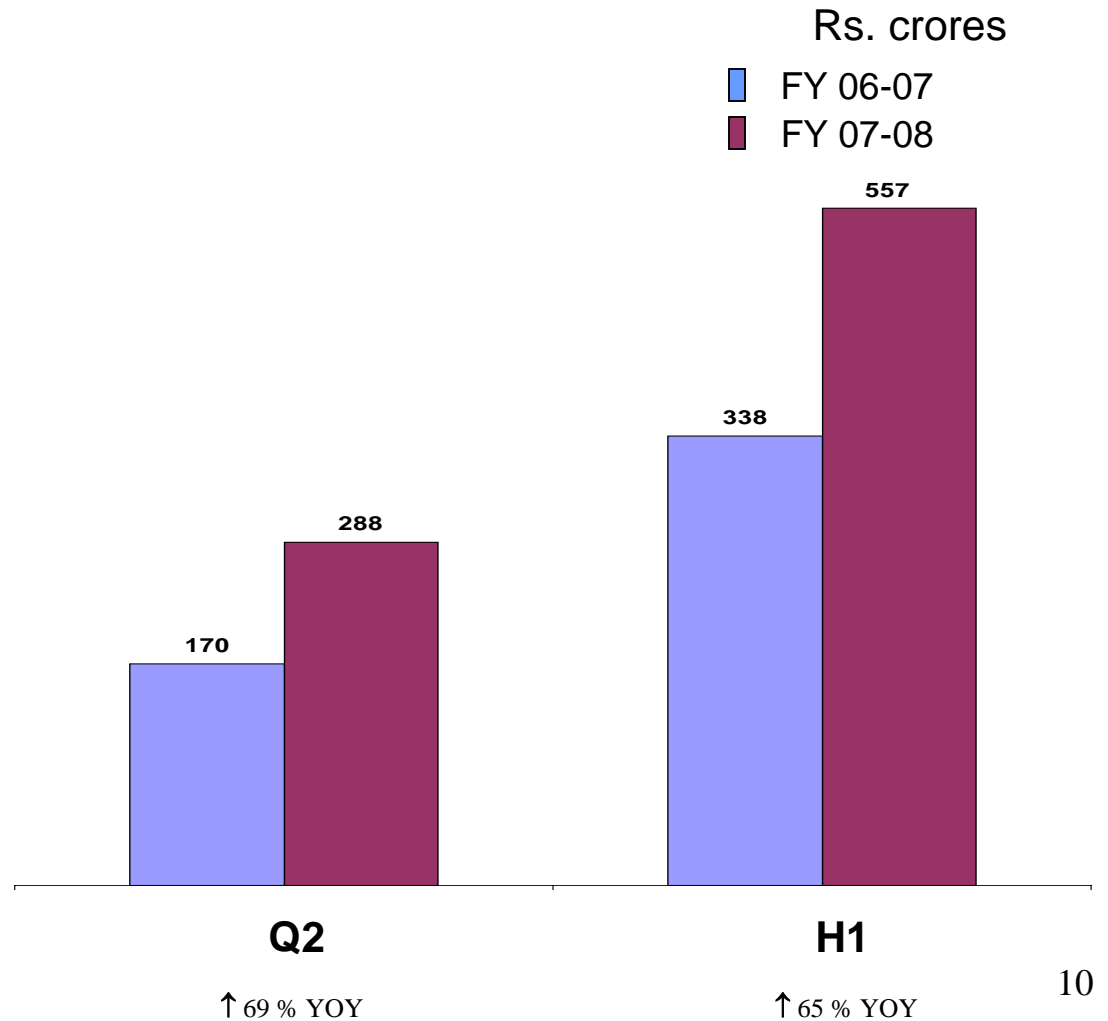


Rs. crores

FEE INCOME

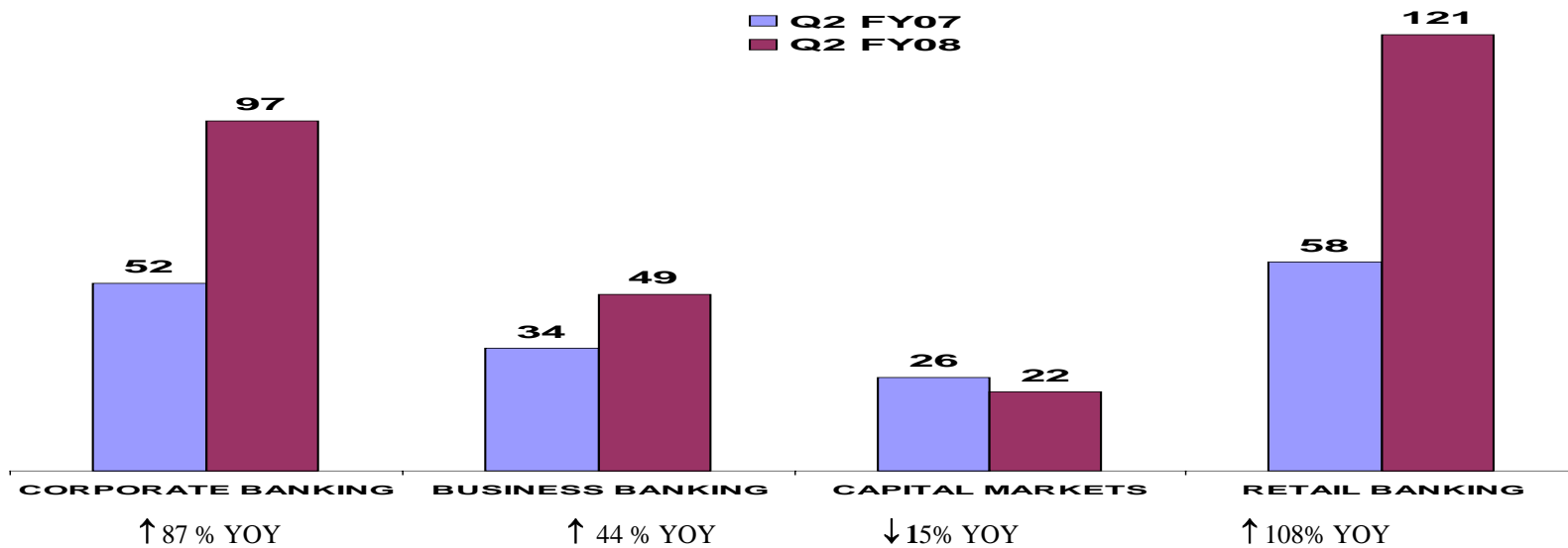
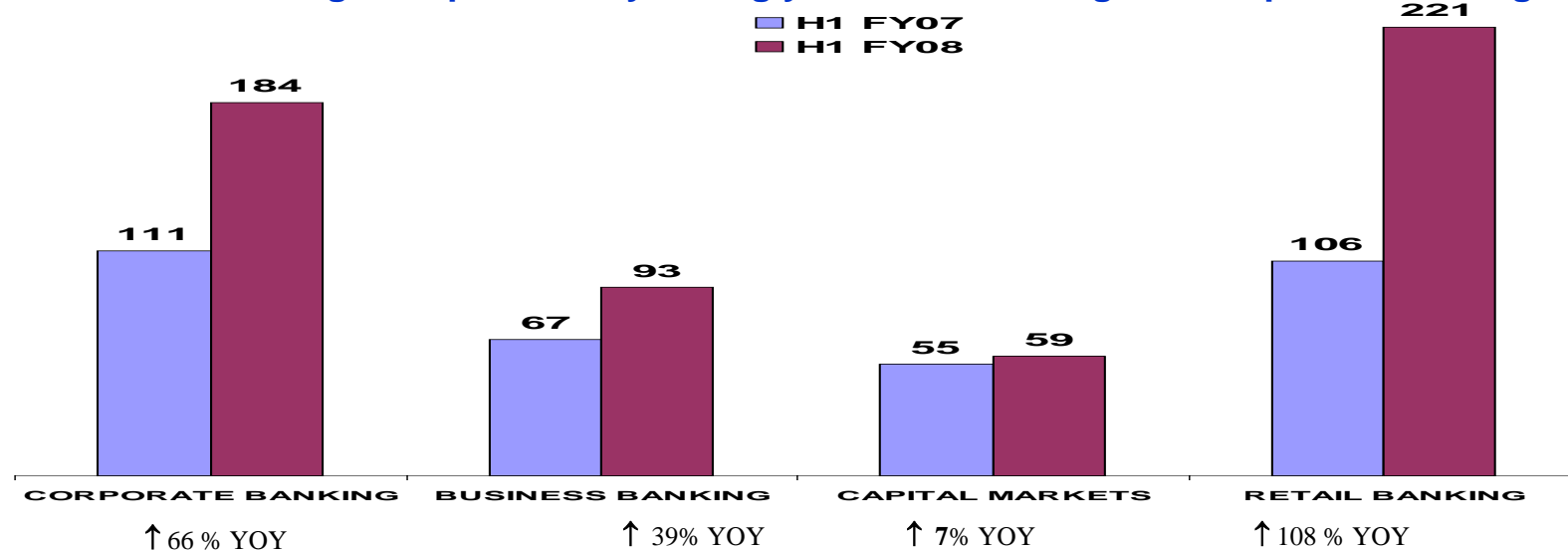
Fees in the last 5 years (Rs. crores)

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

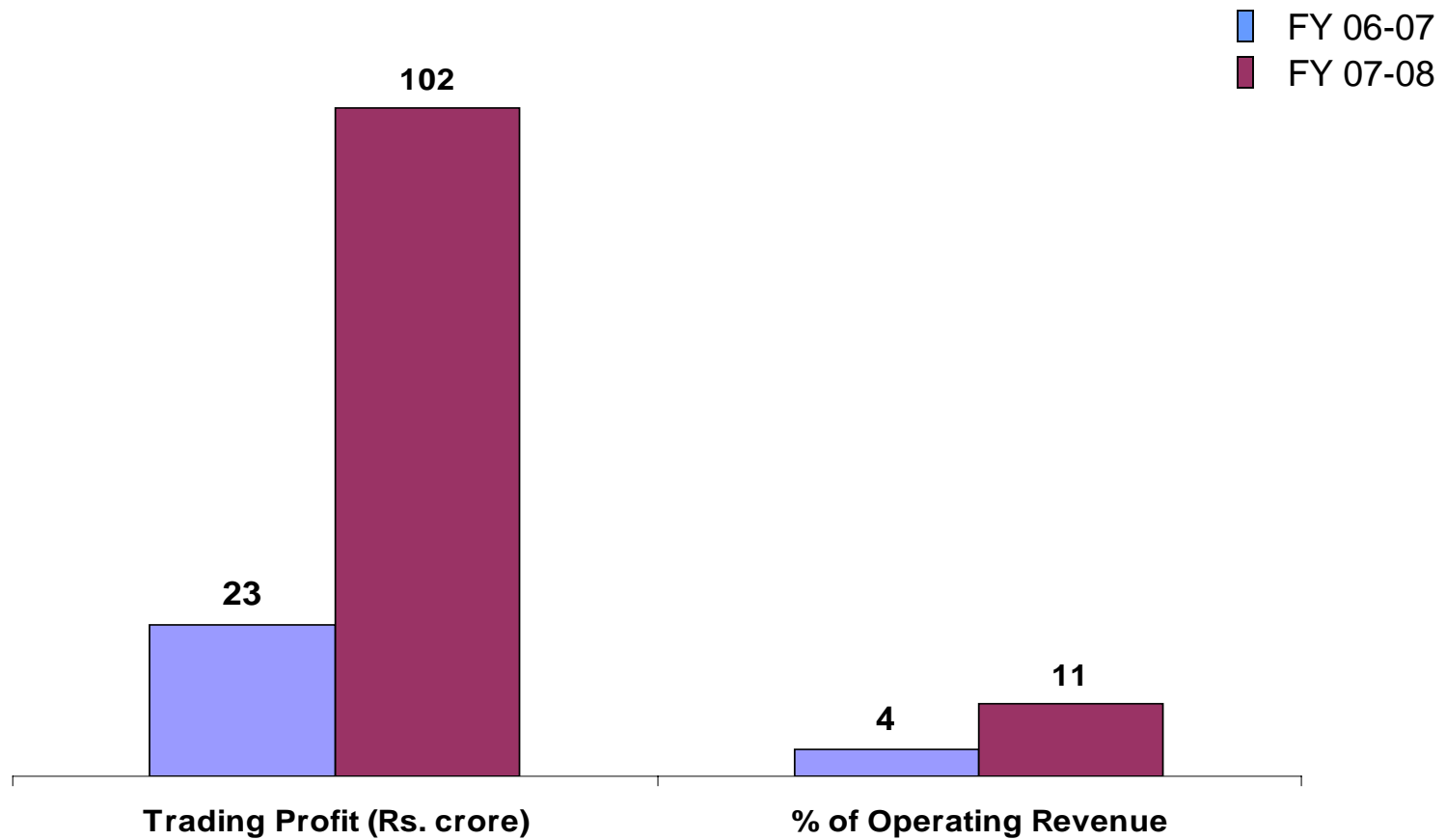


FEE INCOME COMPOSITION

Fees have grown particularly strongly in Retail Banking and Corporate Banking



TRADING PROFITS



↑ 339 % YOY

Q2

12

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**

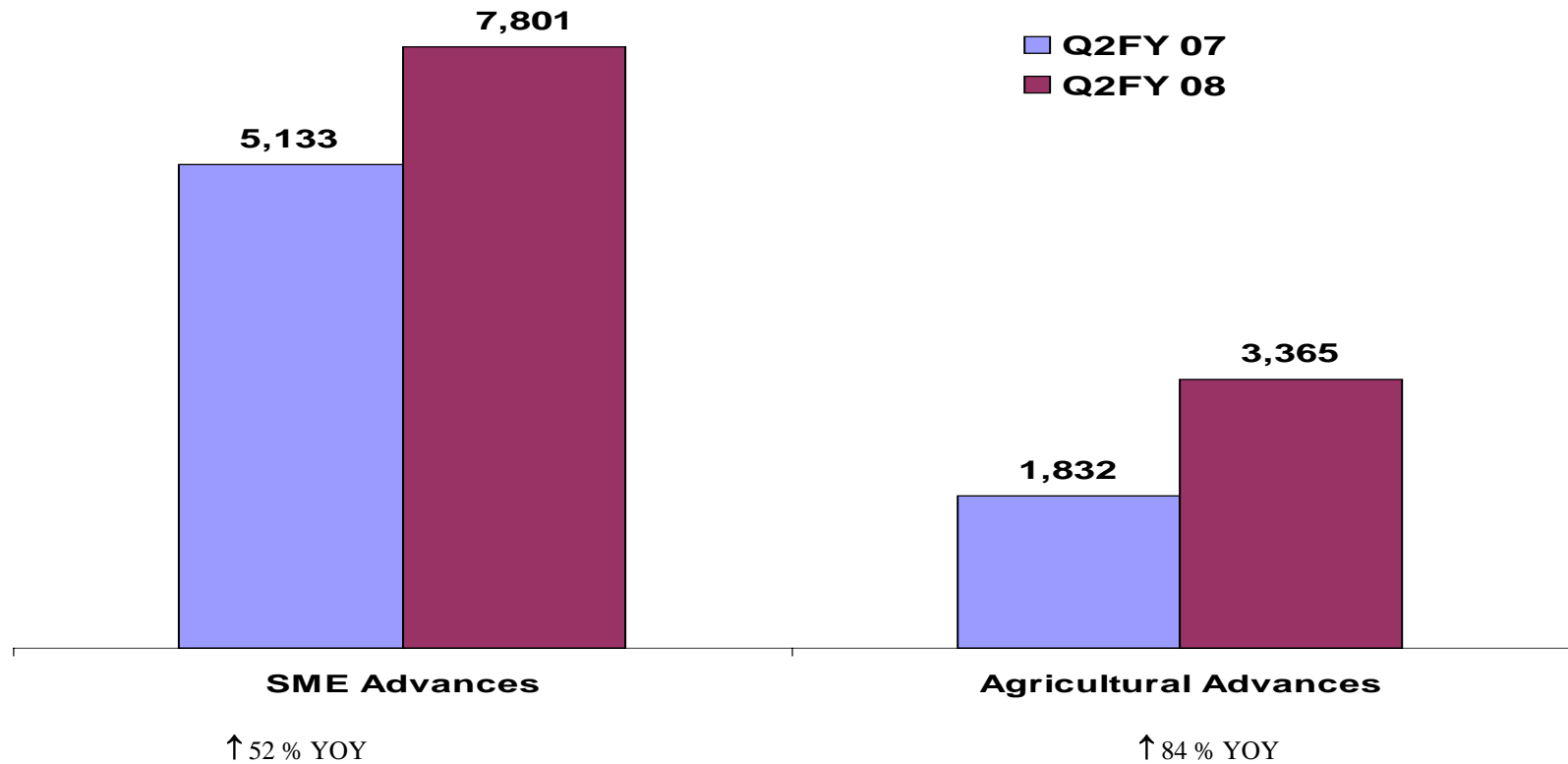
TOP SECTOR EXPOSURES

Rank	Sectors	% of Total Corporate Credit
1	Financial Companies*	11.03
2	Agriculture	10.55
3	Infrastructure	9.39
4	Real Estate Developers	8.61
5	Textiles	7.65
6	Chemicals	4.69
7	Gems & Jew ellery	4.23
8	Retail & FMCG	3.02
9	Oil & Gas	2.69
10	Automobiles	2.54

As on 30.9.2007

* Housing Finance Companies and other NBFCs.

SME & AGRI BUSINESS

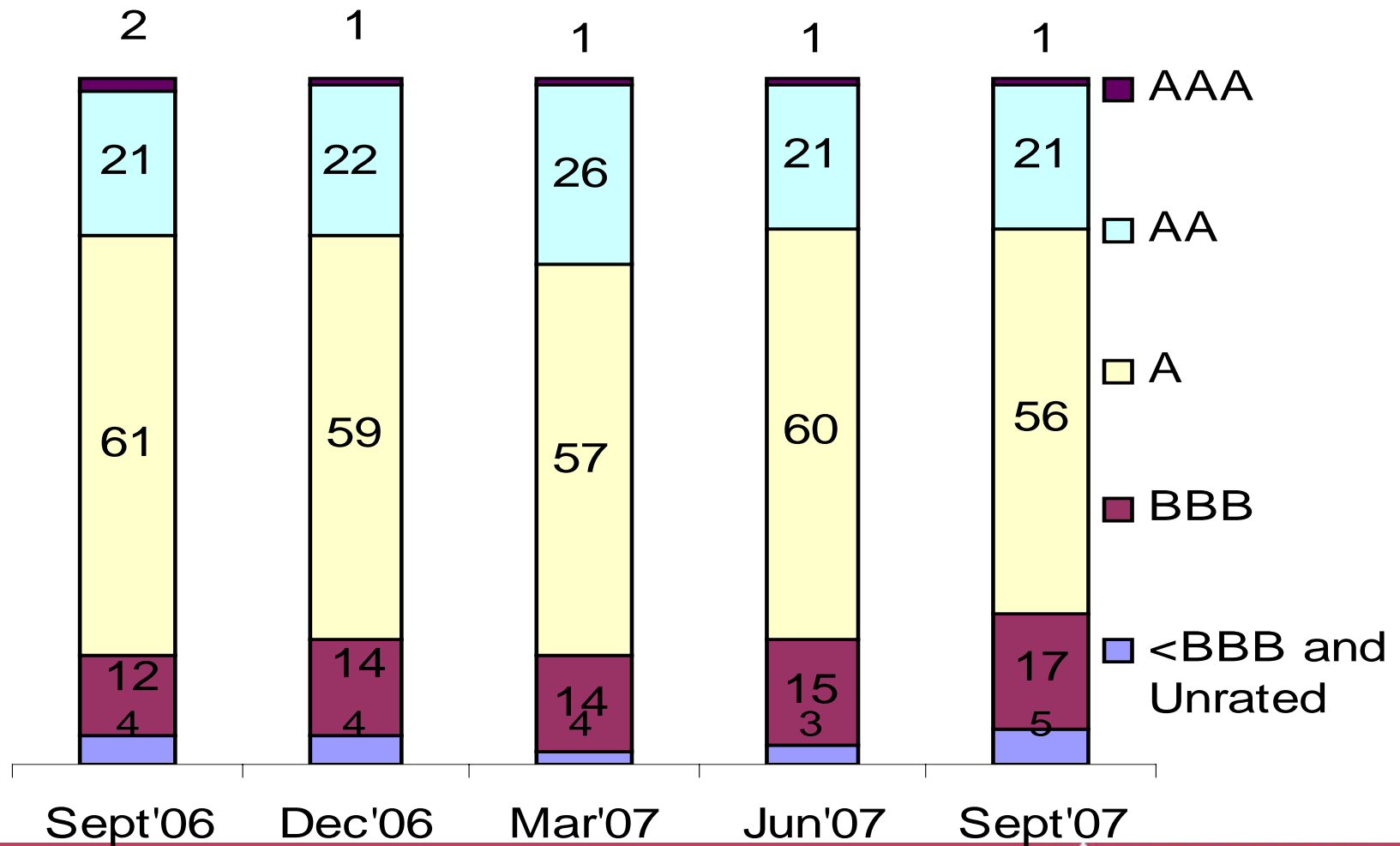


Rs. crores

- **Specialised Advances Cells for SME lending**
 - 20 Cells at June'07, as against 15 cells at Sept'06
- **Specialised Clusters for Agricultural lending**
 - 33 Agri-Clusters at Sept'07, as against 14 clusters at Sept'06

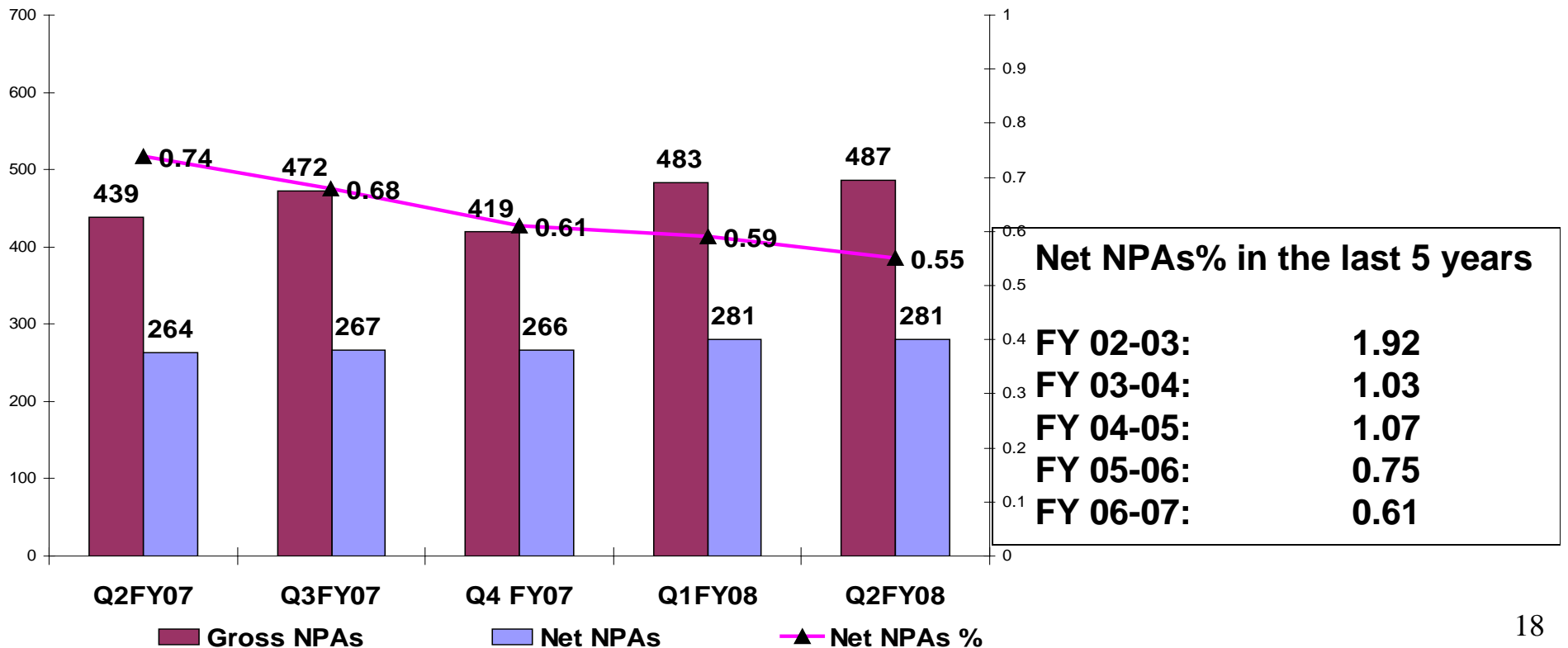
CONSISTENCY IN ASSET QUALITY

78% of corporate advances have rating of at least 'A' as at Sept'07



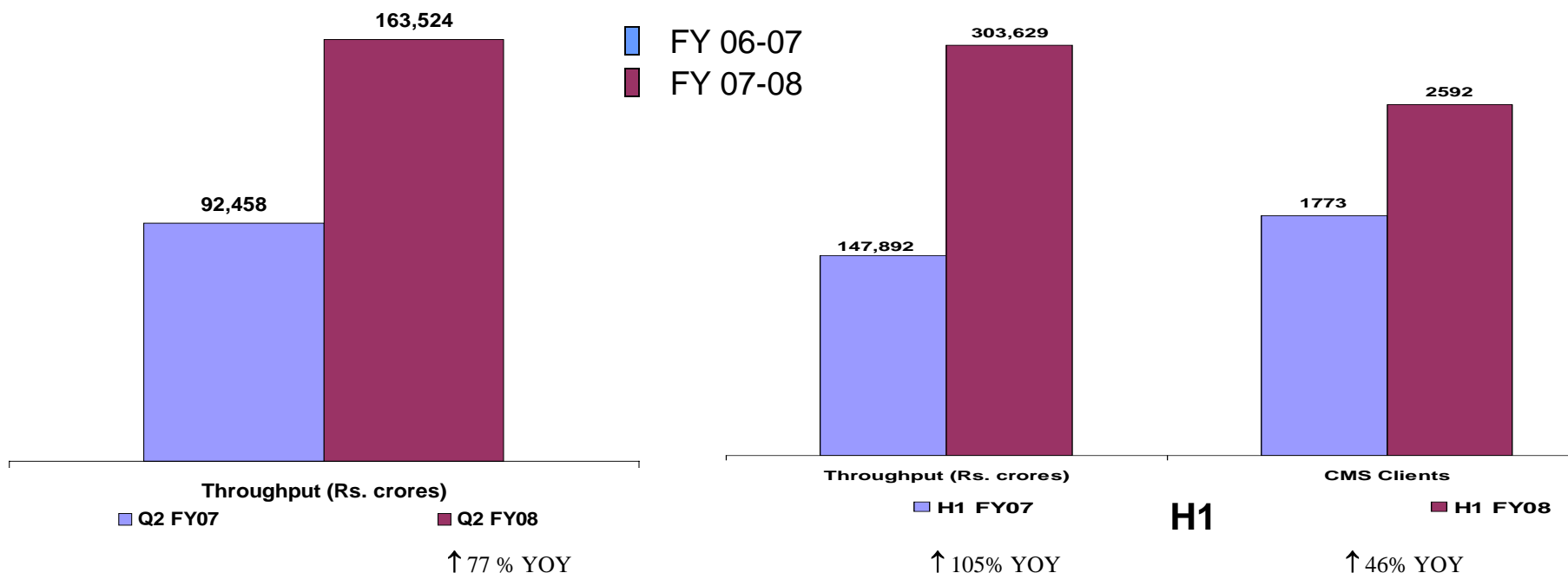
STRESSED ASSETS

NET NPA %



BUSINESS BANKING

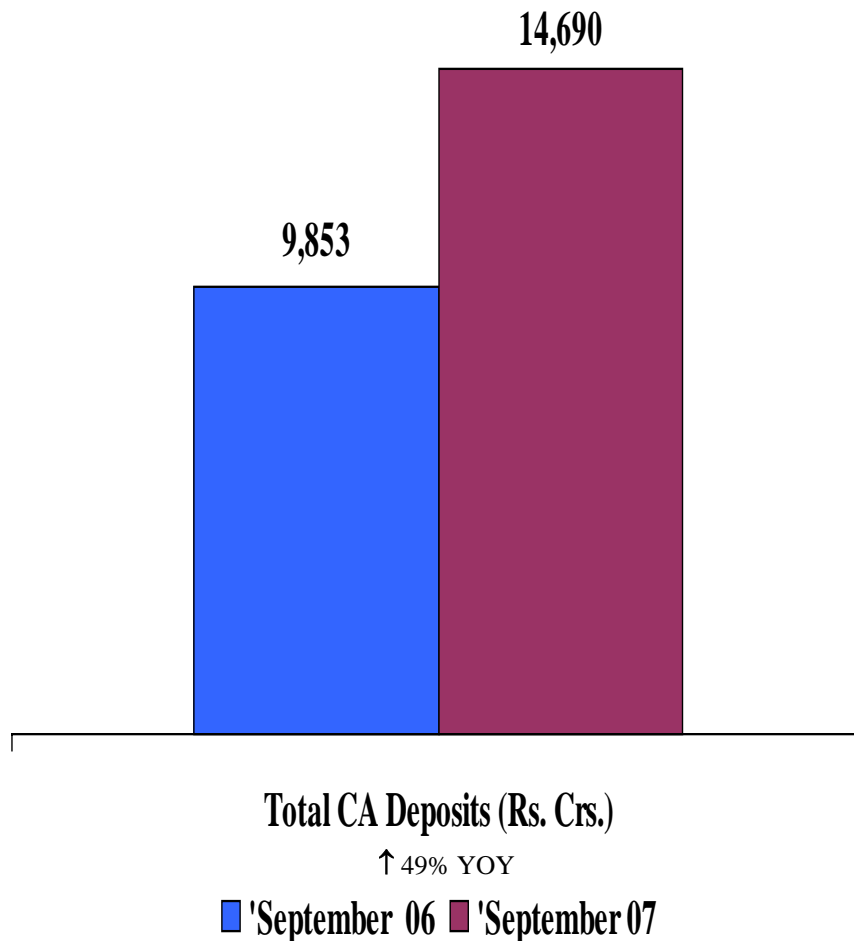
CASH MANAGEMENT SERVICES



- 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 5 State Governments

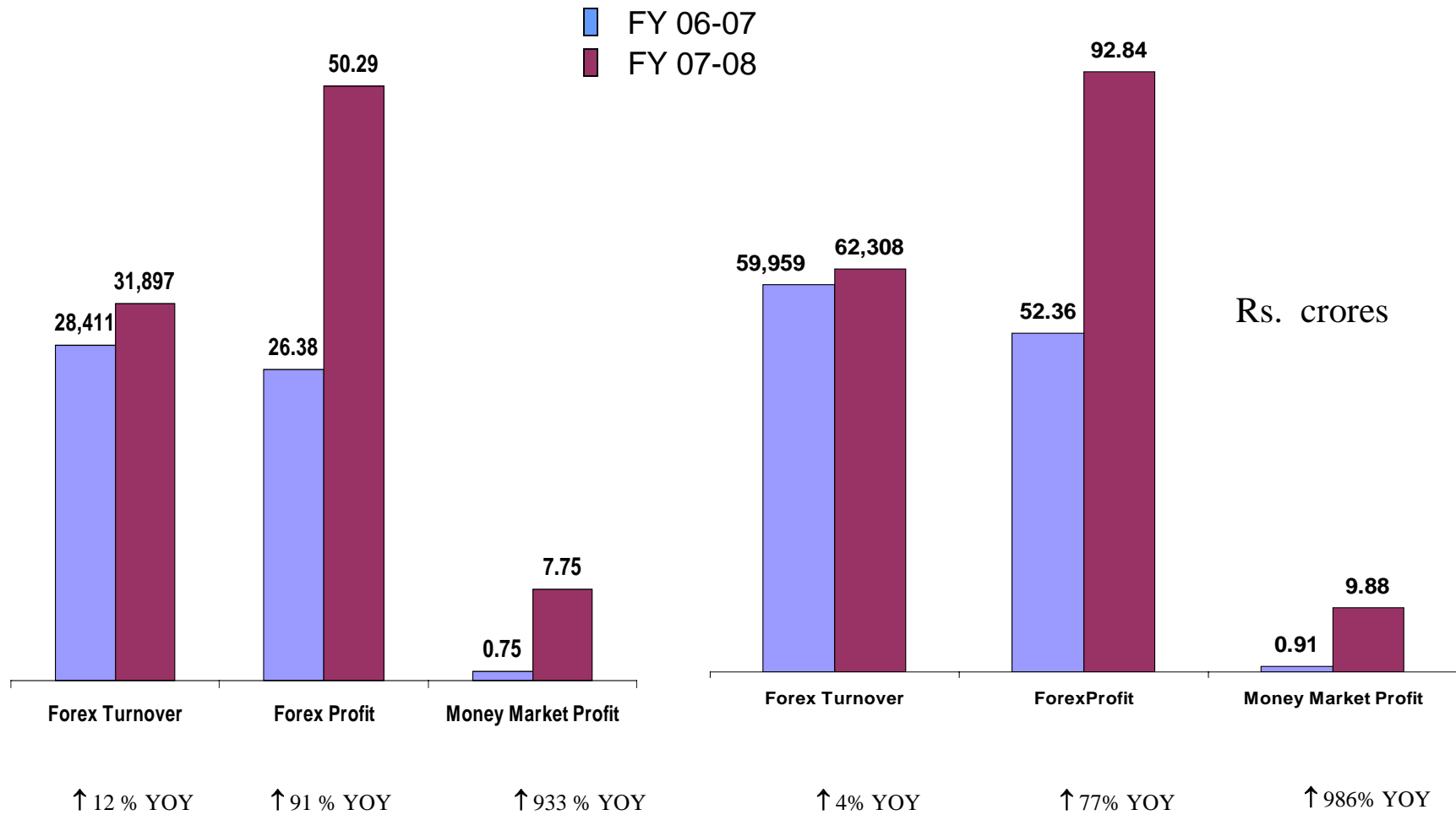
BUSINESS BANKING

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

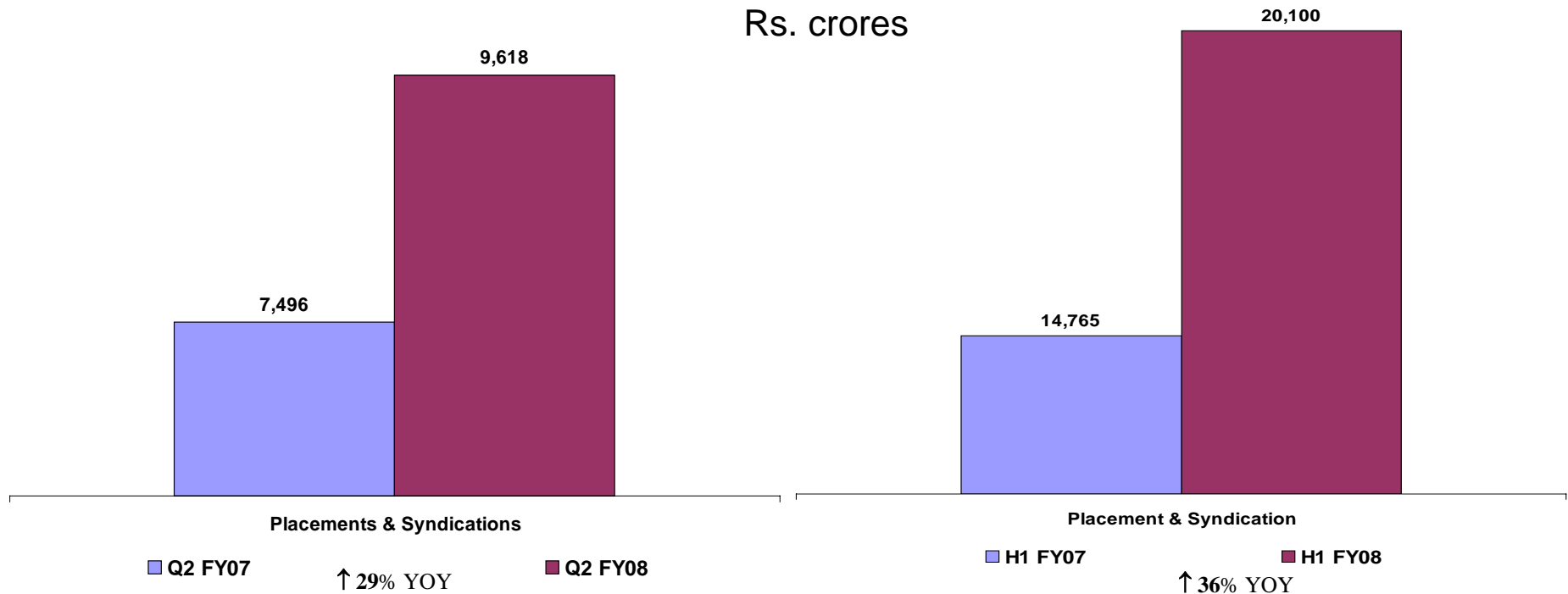


Q2

H1

CAPITAL MARKETS

Rs. crores



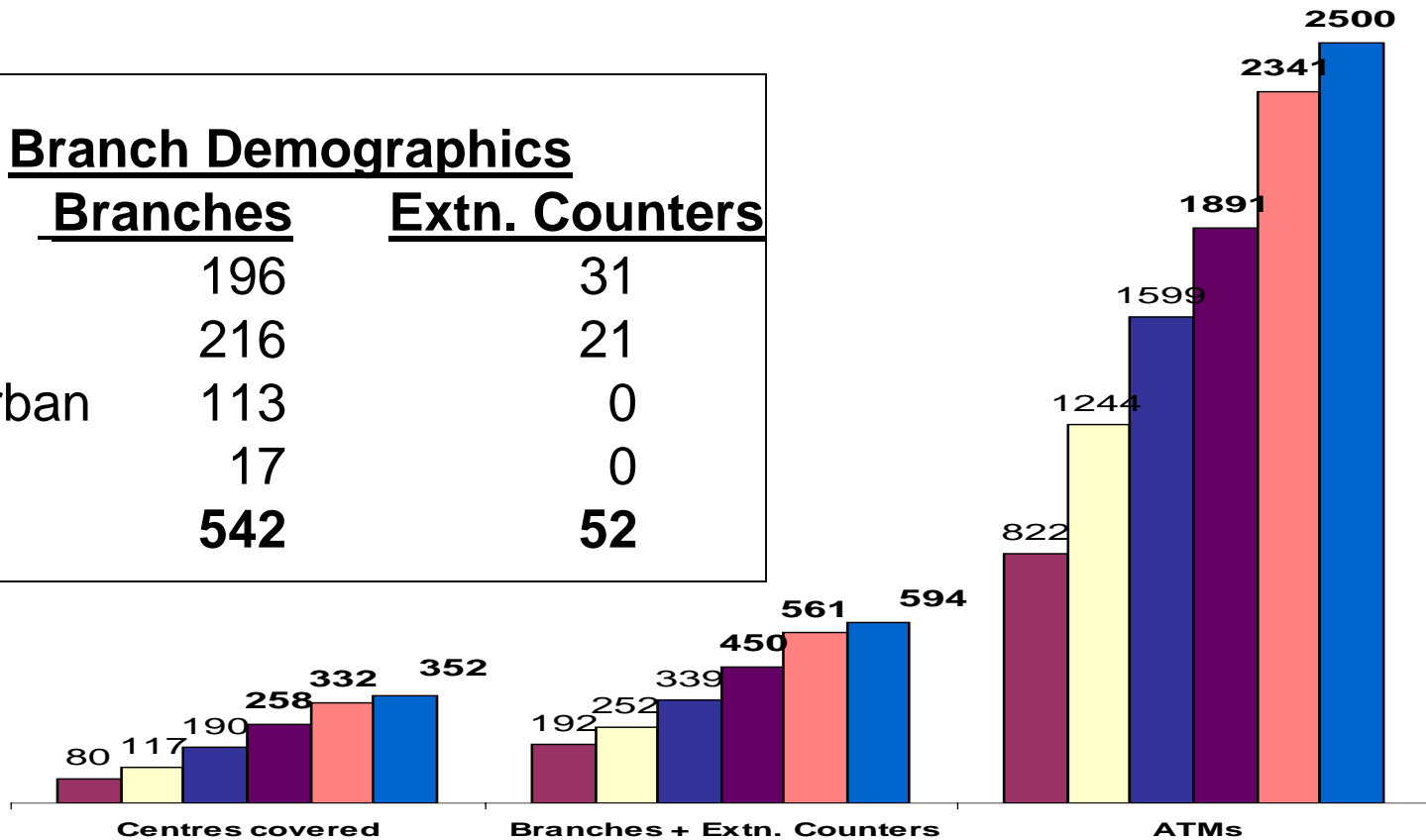
- A dominant player in Placement and Syndication of debt issues
- Ranked 4th by Bloomberg in the Underwriters League Table for the Indian Domestic Bonds for the first six months of calendar year 2007
- Project Advisory Services mandates increase

RETAIL BANKING

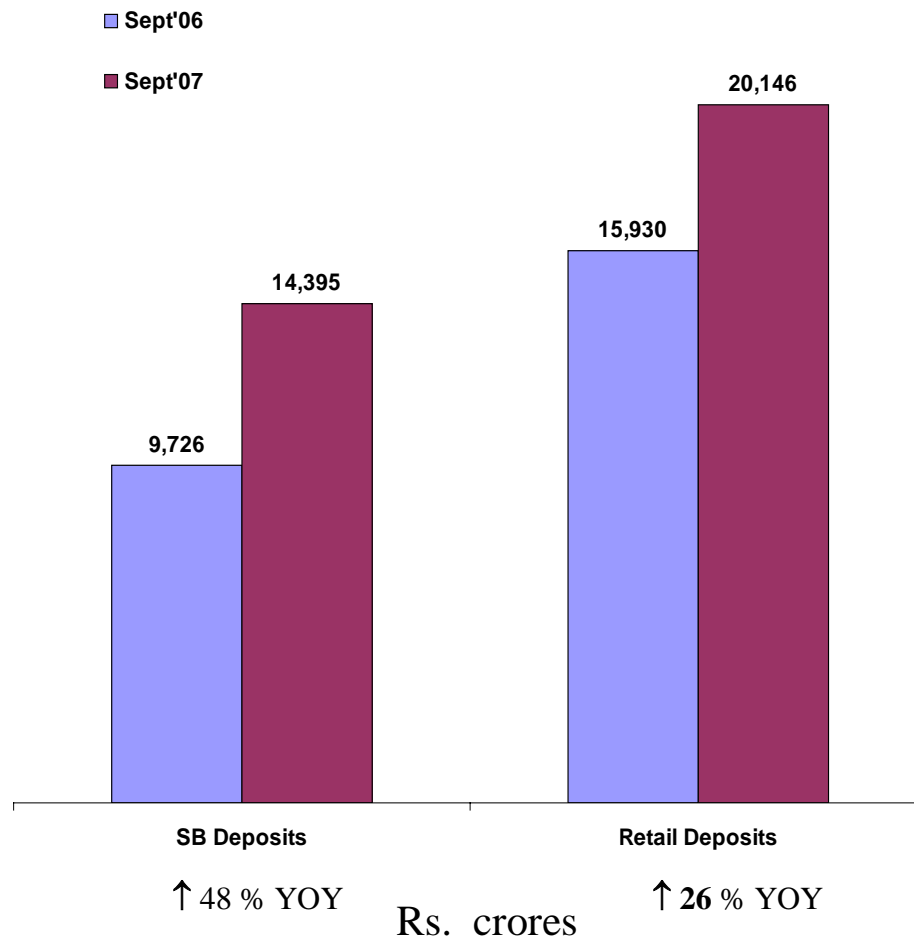
INCREASING REACH



<u>Branch Demographics</u>		
	<u>Branches</u>	<u>Extn. Counters</u>
Metro	196	31
Urban	216	21
Semi-urban	113	0
Rural	17	0
TOTAL	542	52



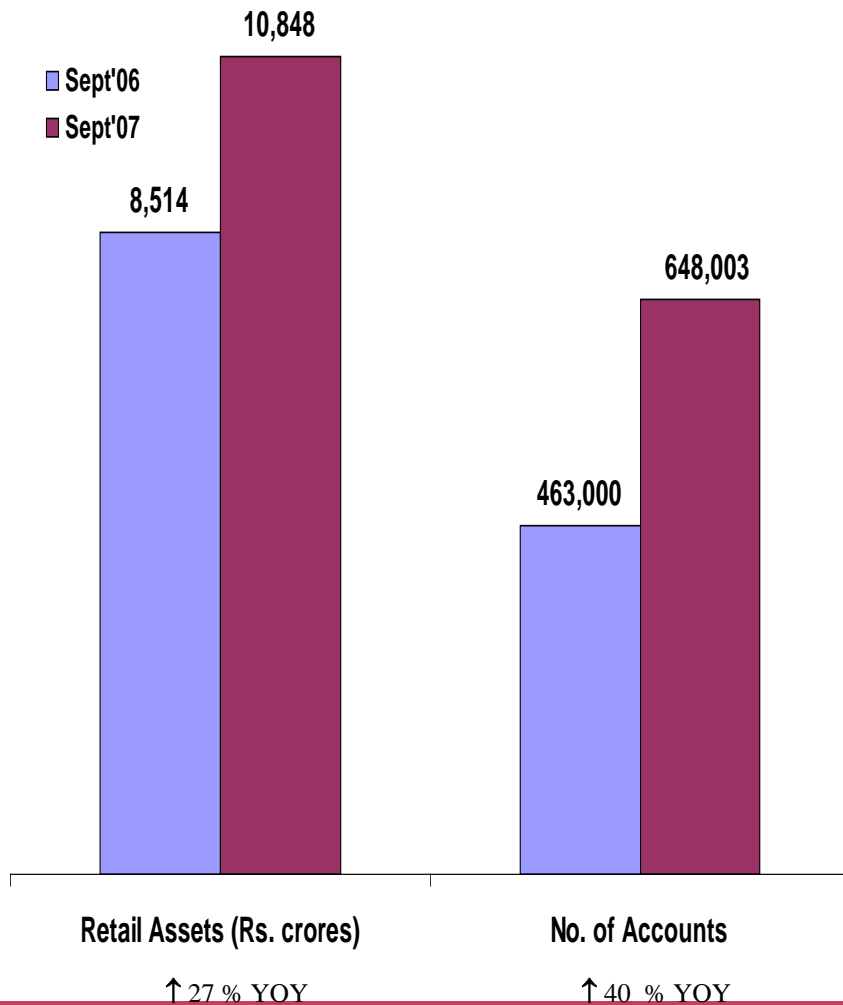
SAVINGS BANK GROWTH



Savings Bank growth led by:

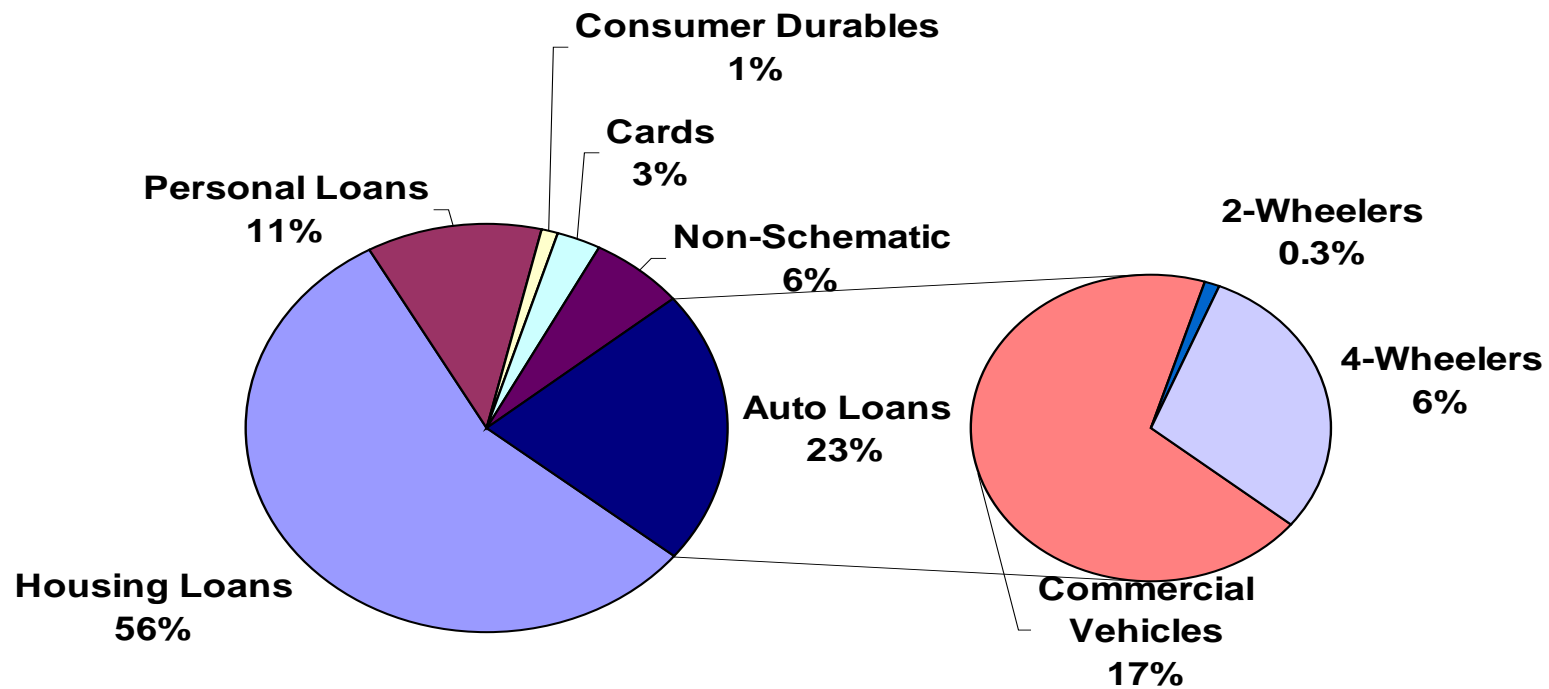
- Wide Network - Branch and ATM Channel reach
- Bank's own sales channel
- Focused strategy for niche customer segments
- Corporate and Government payroll accounts
- Liability Service Centres

RETAIL ASSETS



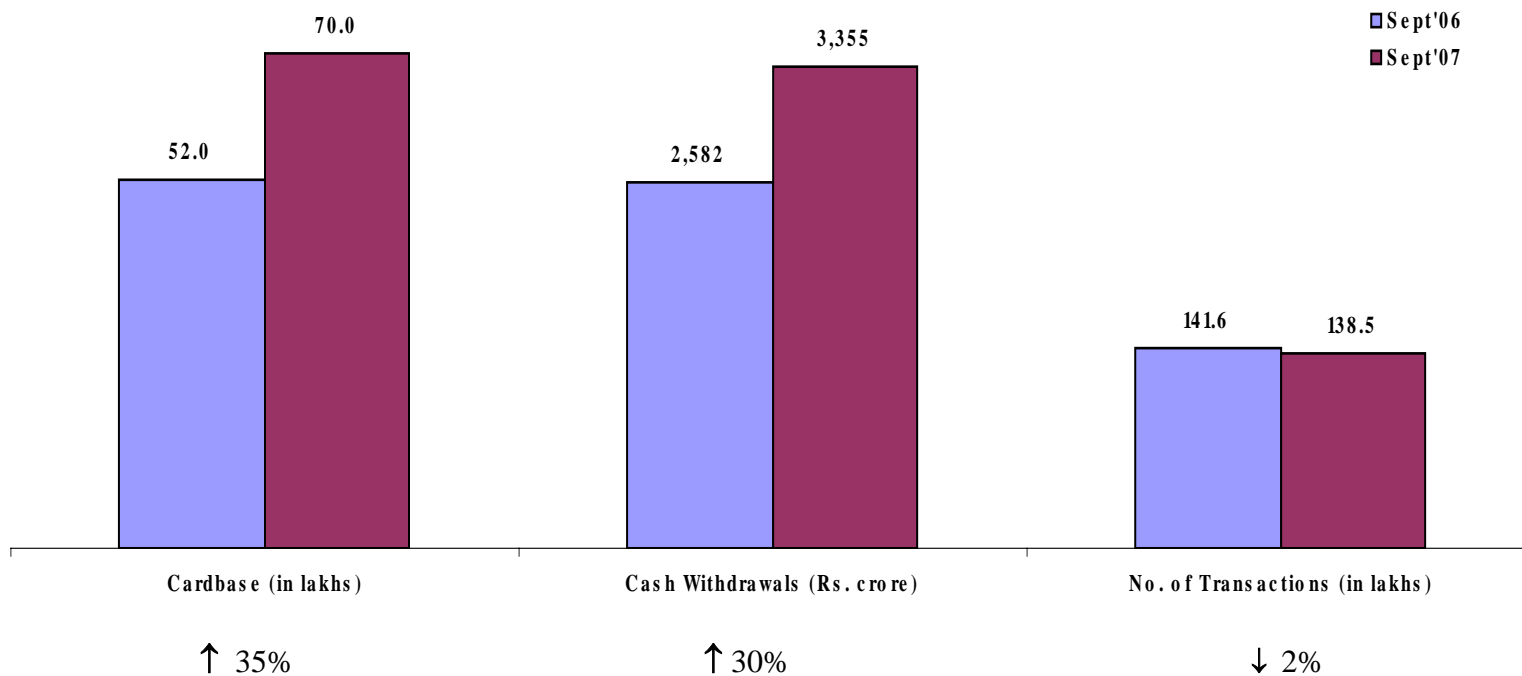
- Retail Assets grow 27% yoy
- Retail Assets constitute 24% of the Bank's total advances, as against 29% in end Sept'06
- Growth driven through Retail Asset Centres(RACs)
- 70 RACs established so far

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 300,000 Cards issued till date
- **ISSUANCE**
 - 3rd largest debit card base in the country
 - 1st Indian Bank to launch Travel Currency Cards in multiple currencies -US\$, Euro, GBP, AUD and CAD
 - 1st Indian Bank to launch Remittance Card and Meal Card
- **ACQUIRING**
 - Installed base of over 54,000 EDCs and growing
- Cards business a significant contributor to Retail Fees

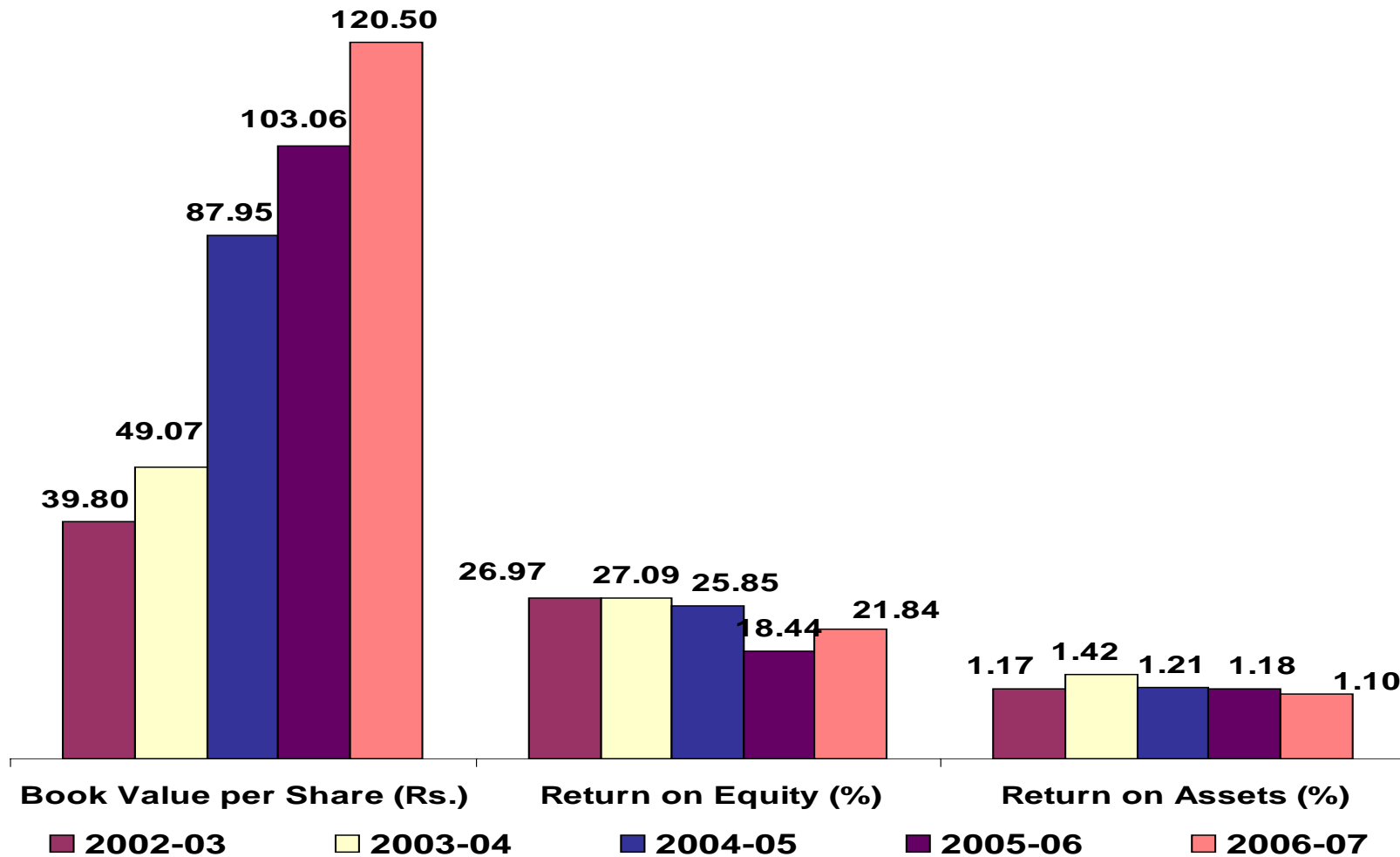
INTERNATIONAL PRESENCE

- Hong Kong Branch opened in March 2007. Branch opened at DIFC, Dubai in April 2007
- Singapore Branch and Shanghai Representative Office already functioning
- Total assets under overseas operations were at US\$ 1.24 billion
- Corporate Banking, Trade Finance products, Syndication, Investment Banking and Liability businesses.

INVESTMENT HIGHLIGHTS

- 13.64% Return on Equity (ROE) during Q2 FY08 as compared to 19.02 % in Q2 FY07. Equity raising in Q2 FY08 lowered the ROE
- 1.10% Return on Assets (ROA) during Q2 FY08 as compared to 0.99% in Q2 FY07
- An annualized return of over 49% (without including dividends), since the Bank's IPO in September 1998
- Market out-performer over the last one year (Sept'06 - Sept'07)

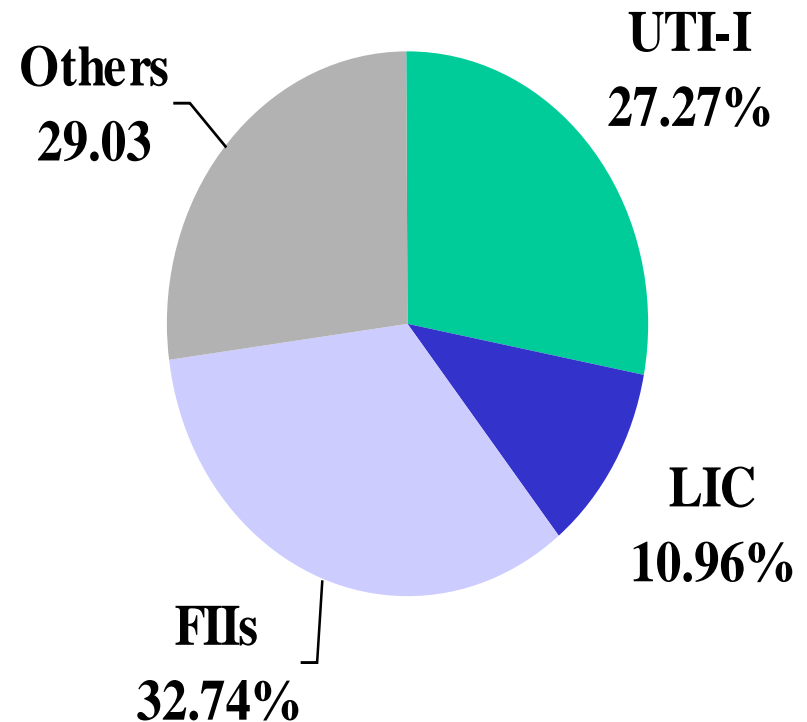
SHAREHOLDER RETURNS



↑ 17% YOY

SHAREHOLDING

- Share Capital - Rs. 356.51 crores
- Net Worth - Rs. 8,107.87 crores
- Book Value per share - Rs. 233.45
- Market Price as on 12/10/07 - Rs. 744.05
- Market Cap as on 12/10/07 - Rs. 26,526 crores (US \$ 6.75 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

