



Q3 & 9M FY09

INVESTOR PRESENTATION

PERFORMANCE HIGHLIGHTS

	<u>Q3</u>	<u>9 months</u>
Net Profit	↑ 63 % yoy	↑ 74 % yoy
Net Interest Income	↑ 24 % yoy	↑ 51 % yoy
Fee Income	↑ 57 % yoy	↑ 74 % yoy
Operating Revenue	↑ 35 % yoy	↑ 57 % yoy
Operating Profit	↑ 35 % yoy	↑ 72 % yoy
Net Interest Margin	3.12 %	3.32 %
Cost of Funds	6.91 %	6.44 %

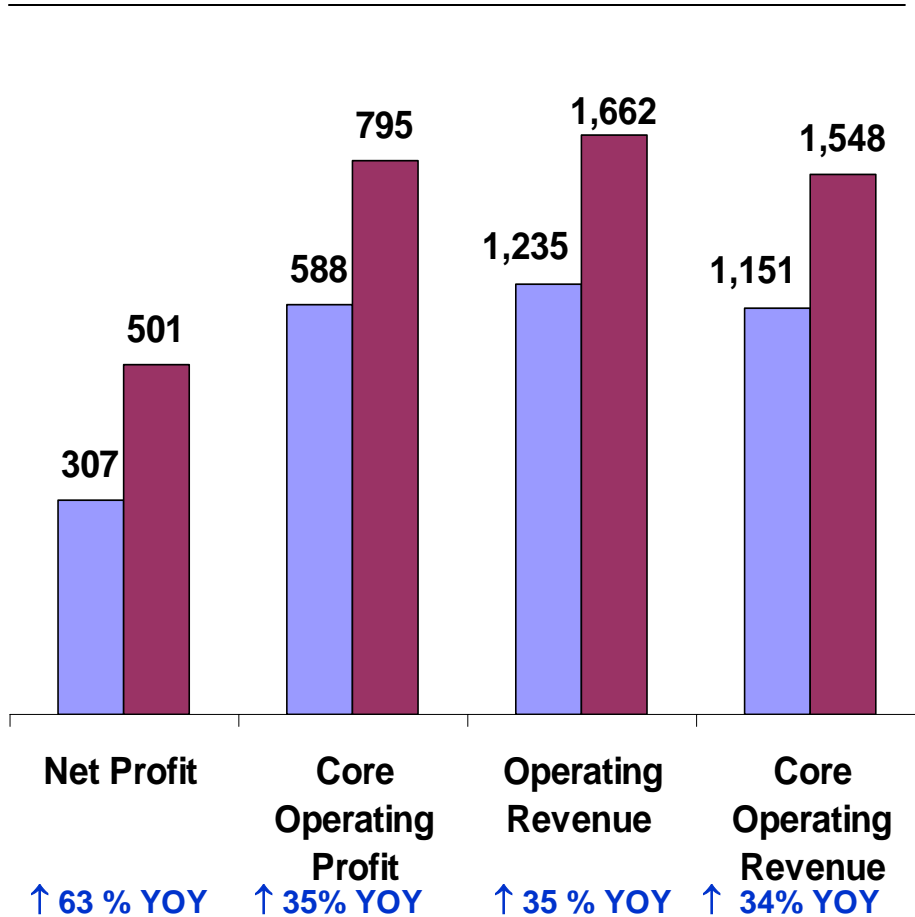
INTERPRETATION OF Q3 PERFORMANCE

- **Rapid Growth in the Bank's core businesses**
 - Total Net Advances grow 55% yoy to Rs. 75,328 crores
 - Total Investments grow 50% yoy to Rs. 43,677 crores
 - Total Assets register a 52% yoy growth, rising to Rs. 1,37,471 crores
 - Fees grow by 57% yoy, rising to Rs. 618.91 crores
 - Share of demand deposits in total deposits at 38%
- **Retail Assets grow by 30% yoy to Rs. 15,616 crores; constitute 21% of total advances, as compared to 25% as on end December'07**
- **Net NPAs at 0.39%, compared to 0.42% as at end December'07**
- **At end December '08, Book Value per share was Rs. 279.86, compared to Rs. 242.00 as at end December '07**
- **Capital Adequacy at 13.84% with Tier – I capital at 9.46%. The Bank raised Tier-II capital of Rs. 1,500 crores by way of subordinated debt in the quarter**

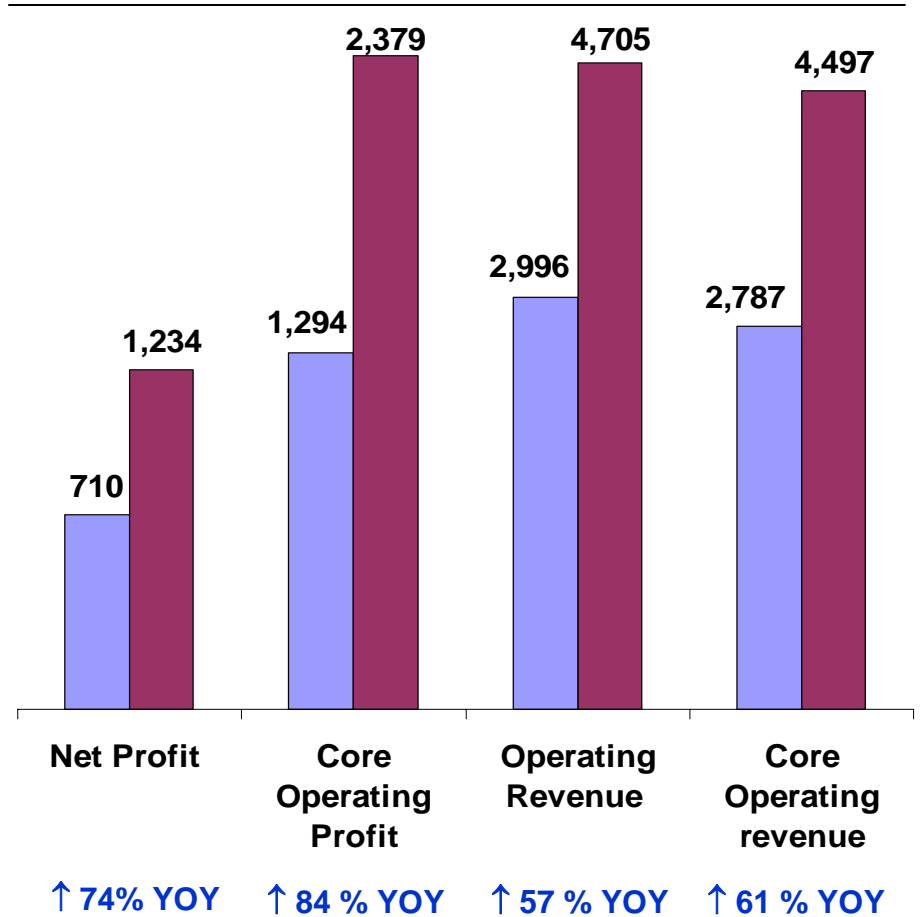
PROFITABILITY

Sustained Growth: Robust Core Revenues

Q3 (FY09 vs FY08)



9 months (FY09 vs FY08)



■ FY 08 ■ FY 09
 Rs. crores

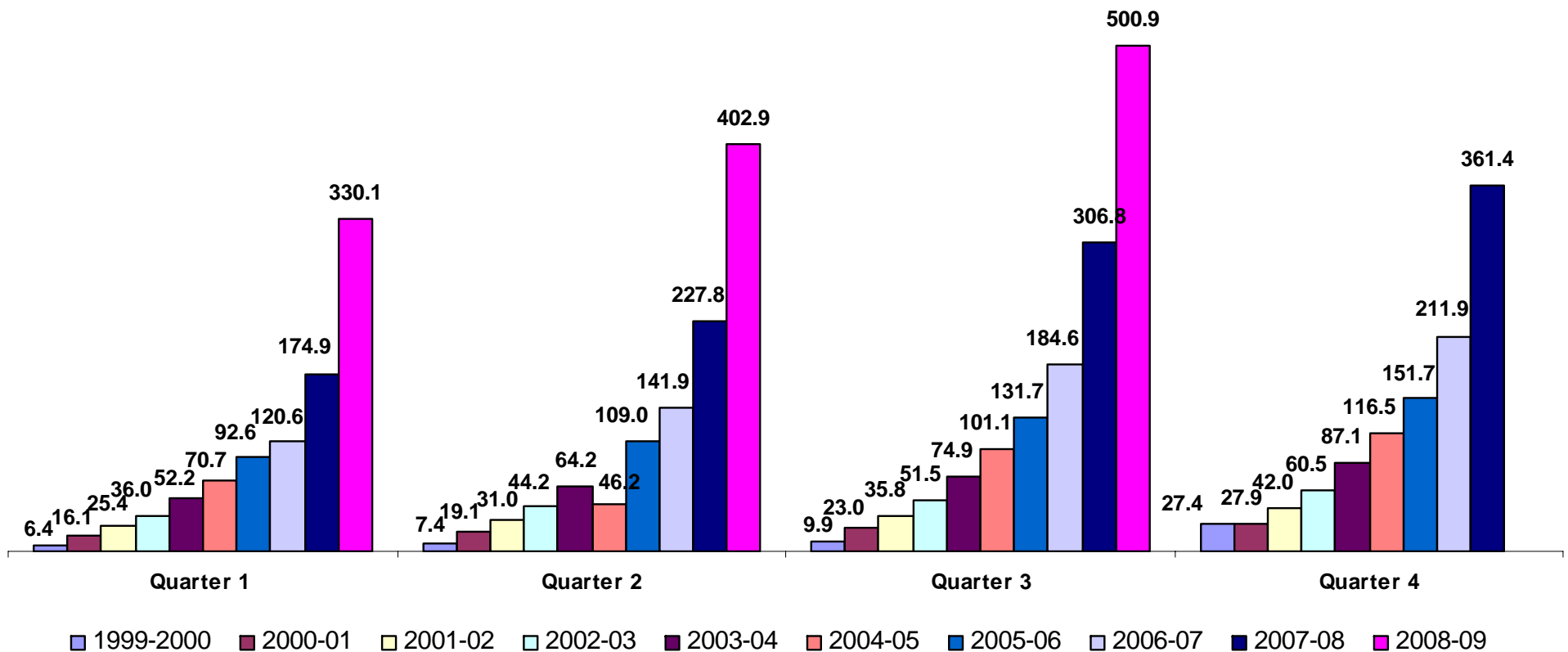
Note: Core Operating Revenue/ Profit excludes trading gains/losses

CONSISTENT NET PROFIT GROWTH

Over 30% yoy growth in Net Profit in 34 out of the last 36 quarters

Over 60% yoy growth in Net Profit in each of the last 6 quarters

Quarterly Net Profits (FY 1999-2000 to Q3 FY 2008-09)

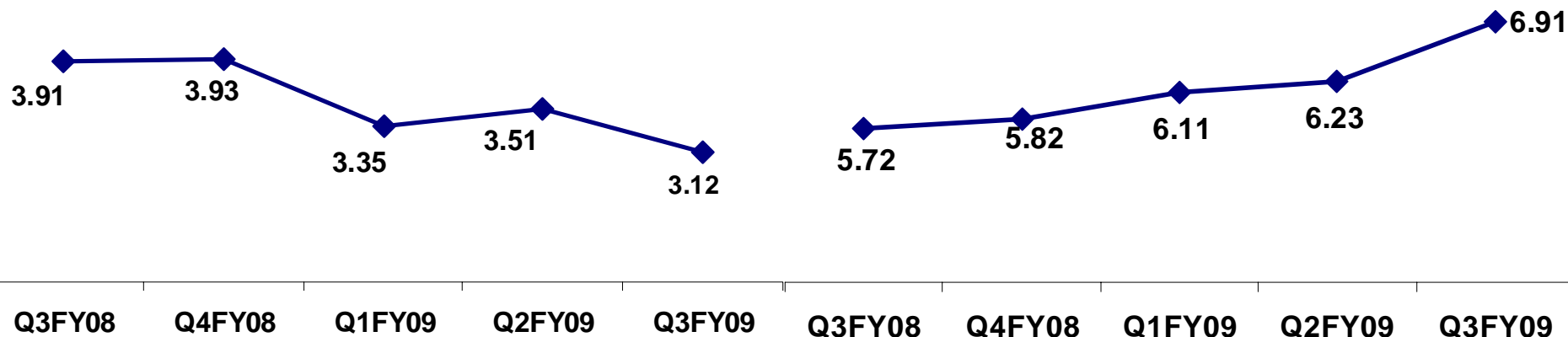


Rs. crores

NET INTEREST MARGINS & COST OF FUNDS

Net Interest Margins (%)
(Q3FY08 to Q3 FY09)

Cost Of Funds (%)
(Q3FY08 to Q3 FY09)



NIMs in the last 5 years (%):

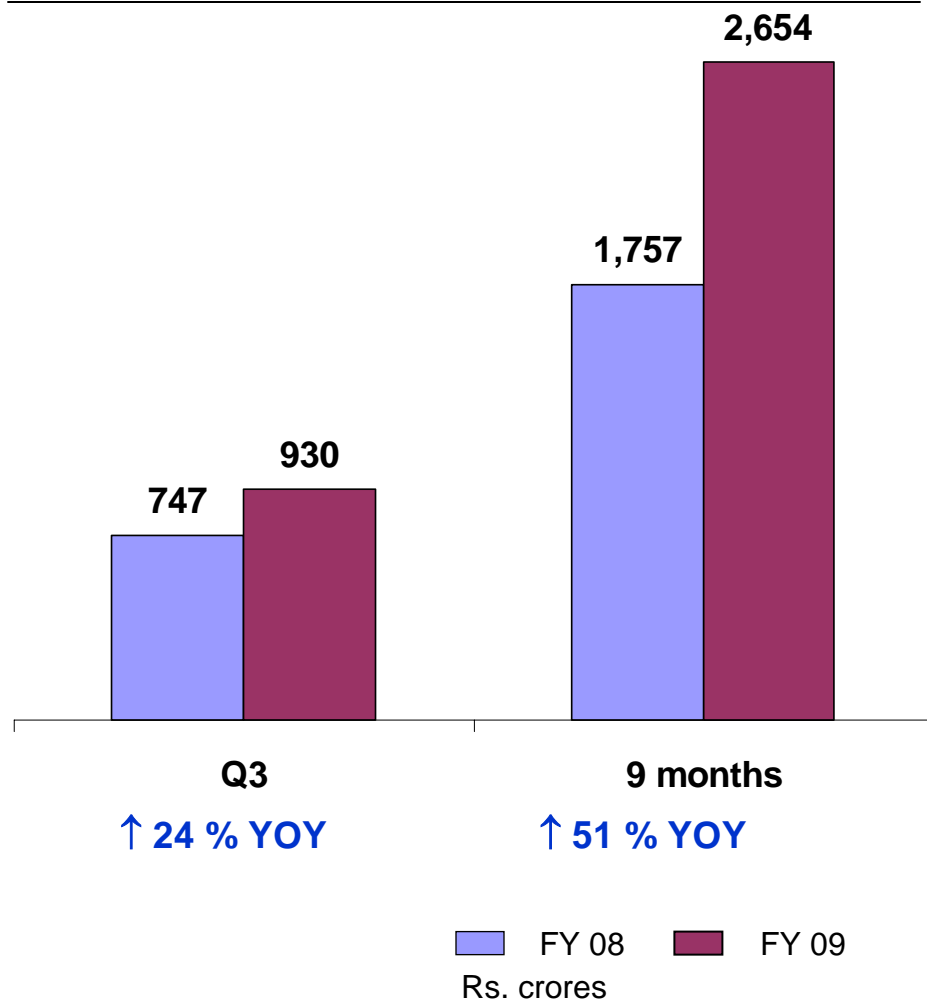
FY 04:	3.12
FY 05:	2.90
FY 06:	2.85
FY 07:	2.74
FY 08:	3.47

The NIM drop is due to:

- Higher cost of funds on account of slower growth in demand deposits and steep increase in term deposit rates

GROWING NET INTEREST INCOME

Net Interest Income (FY09 vs FY08)



NII in the last 5 years (Rs. crores)

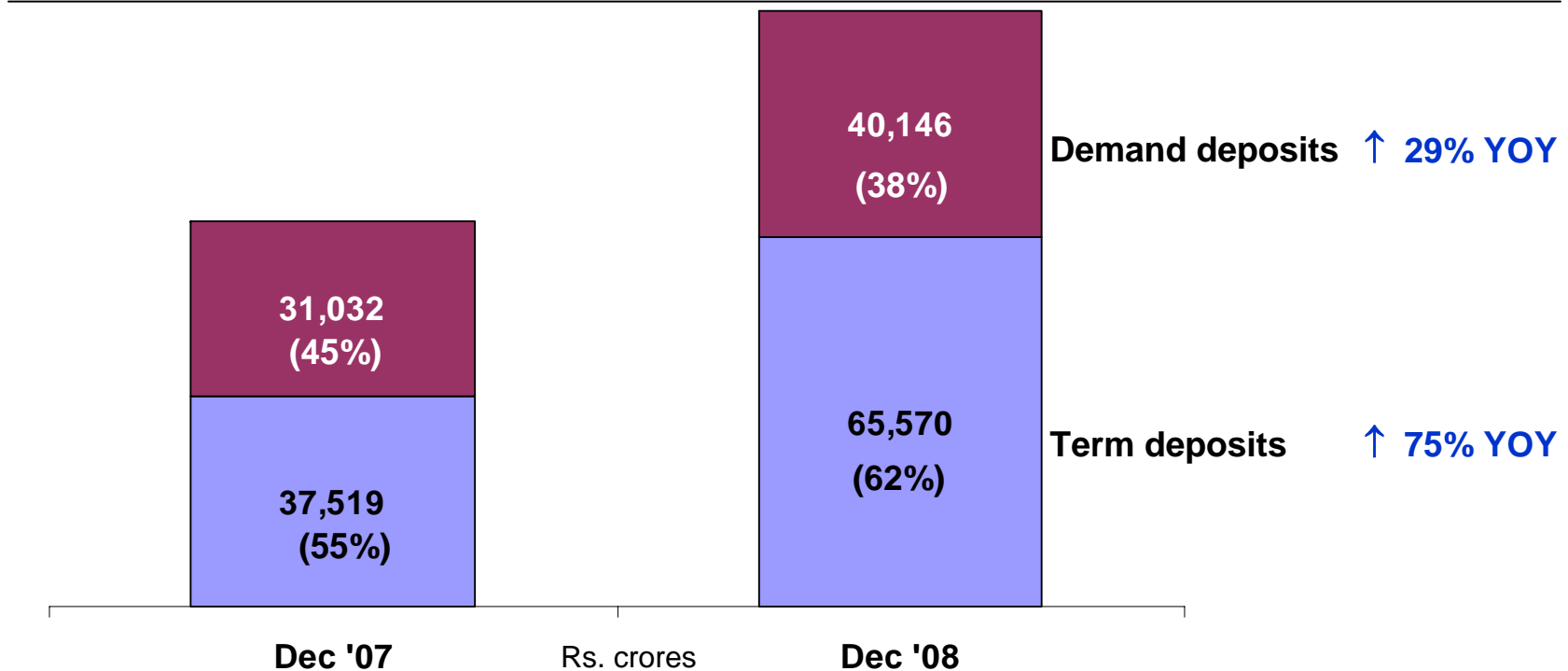
- FY 04 : 577
- FY 05 : 731
- FY 06 : 1,078
- FY 07 : 1,468
- FY 08 : 2,585

CAGR (5 years) : 52 %

GROWING DEMAND DEPOSITS

YoY growth in daily average demand and term deposits (%)		
Deposits	Q3 FY09	9 months FY09
Savings	38	47
Current	15	31
Total Demand	27	39
Term Deposits	84	60

Profile of Deposits (Dec '08 vs Dec '07)



FEES

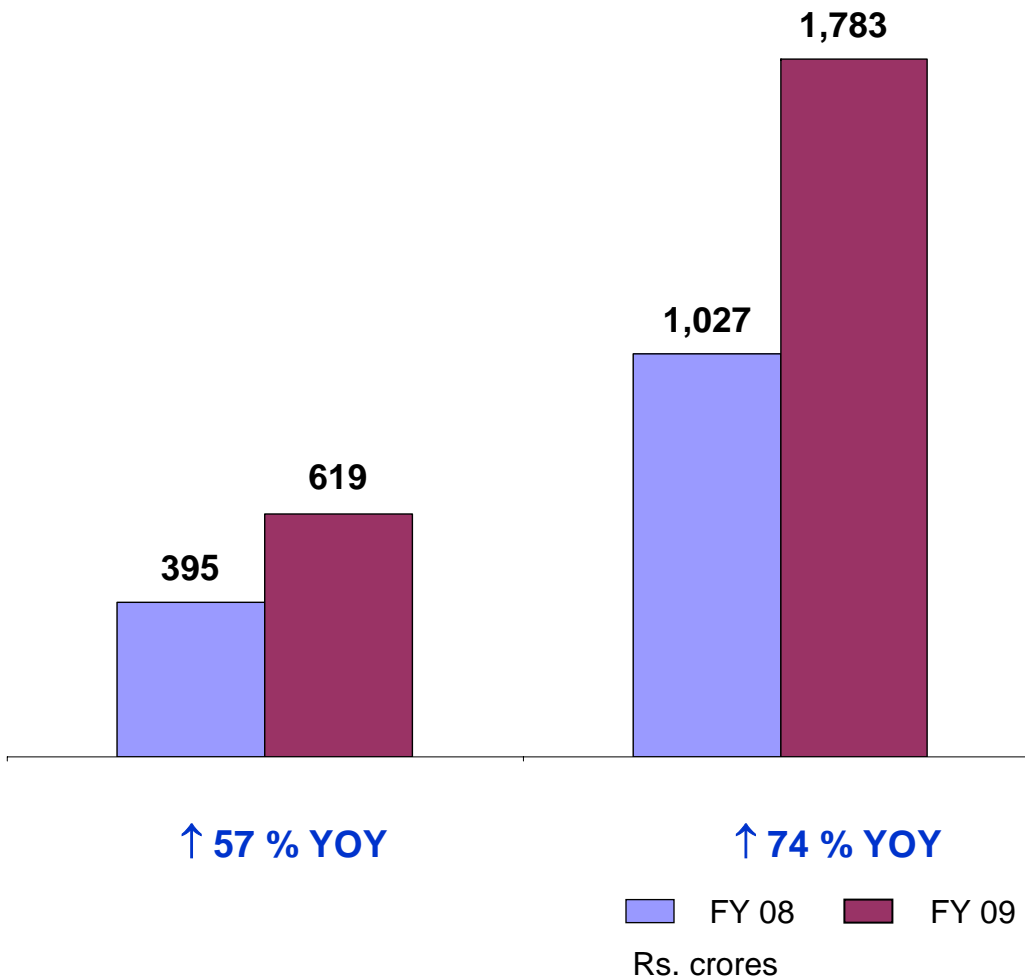
Q3 (FY09 vs FY08)

9 months (FY09 vs FY08)

Fees in the last 5 years (Rs crores):

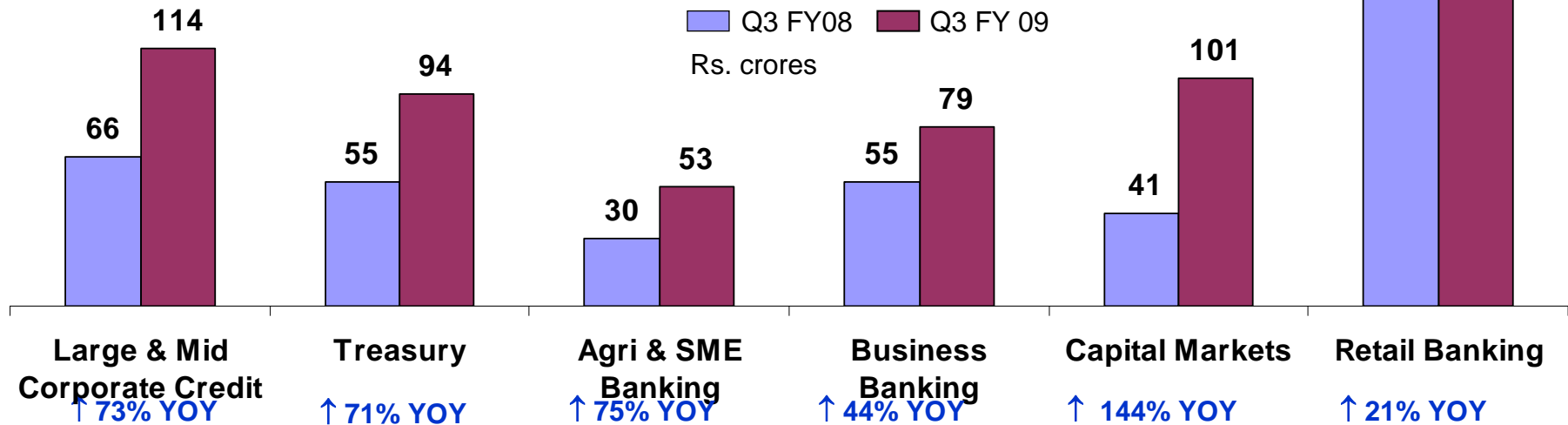
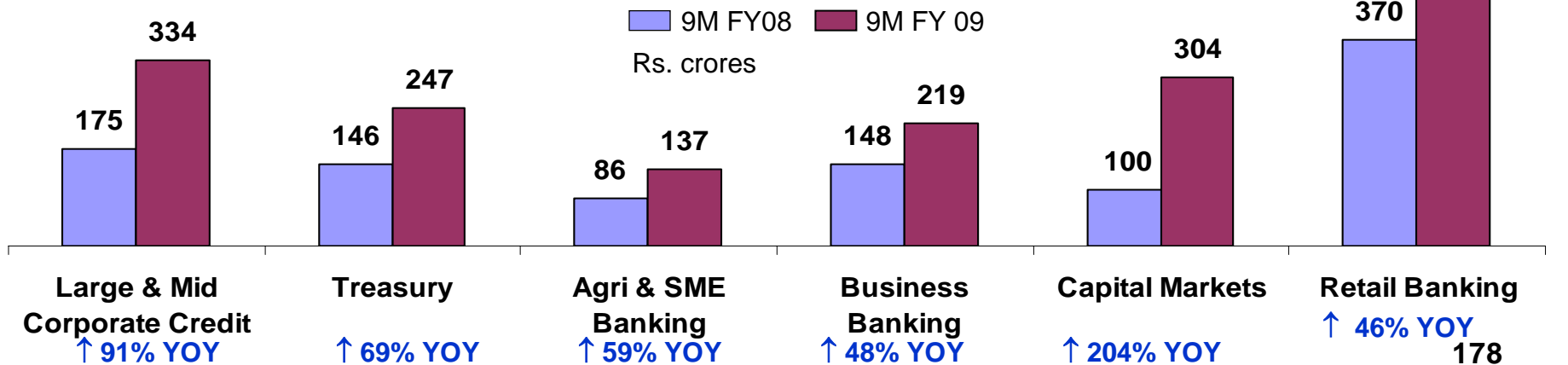
FY 04	:	203
FY 05	:	366
FY 06	:	558
FY 07	:	890
FY 08	:	1,495
CAGR (5 years)	:	58%

Note: Earnings from customer forex transactions have been shown as fees (instead of trading profit) from Q2 onwards in accordance with the practice commonly adopted by other banks



FEE INCOME COMPOSITION

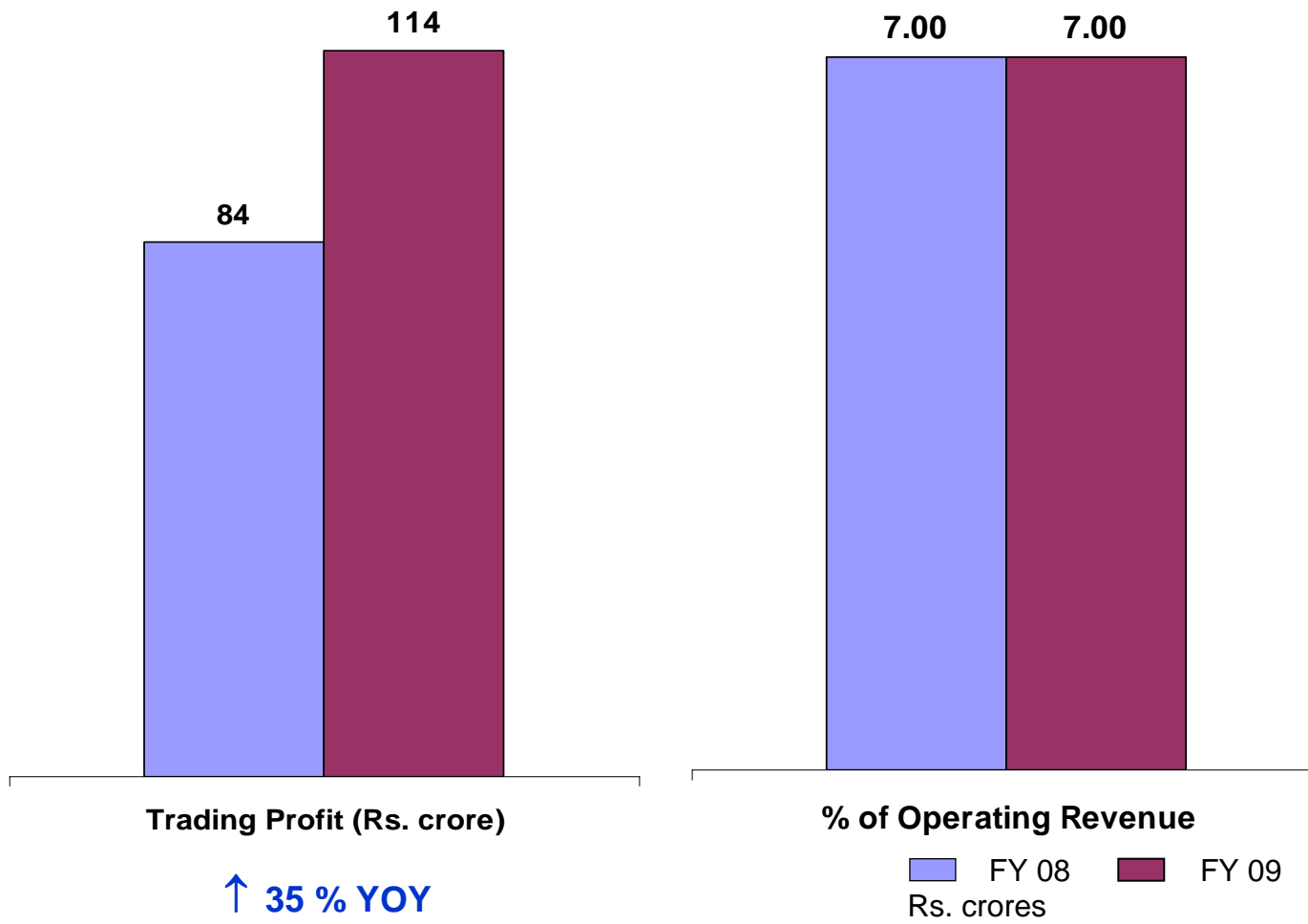
Fees have grown very strongly in the Capital Markets business



TRADING PROFITS

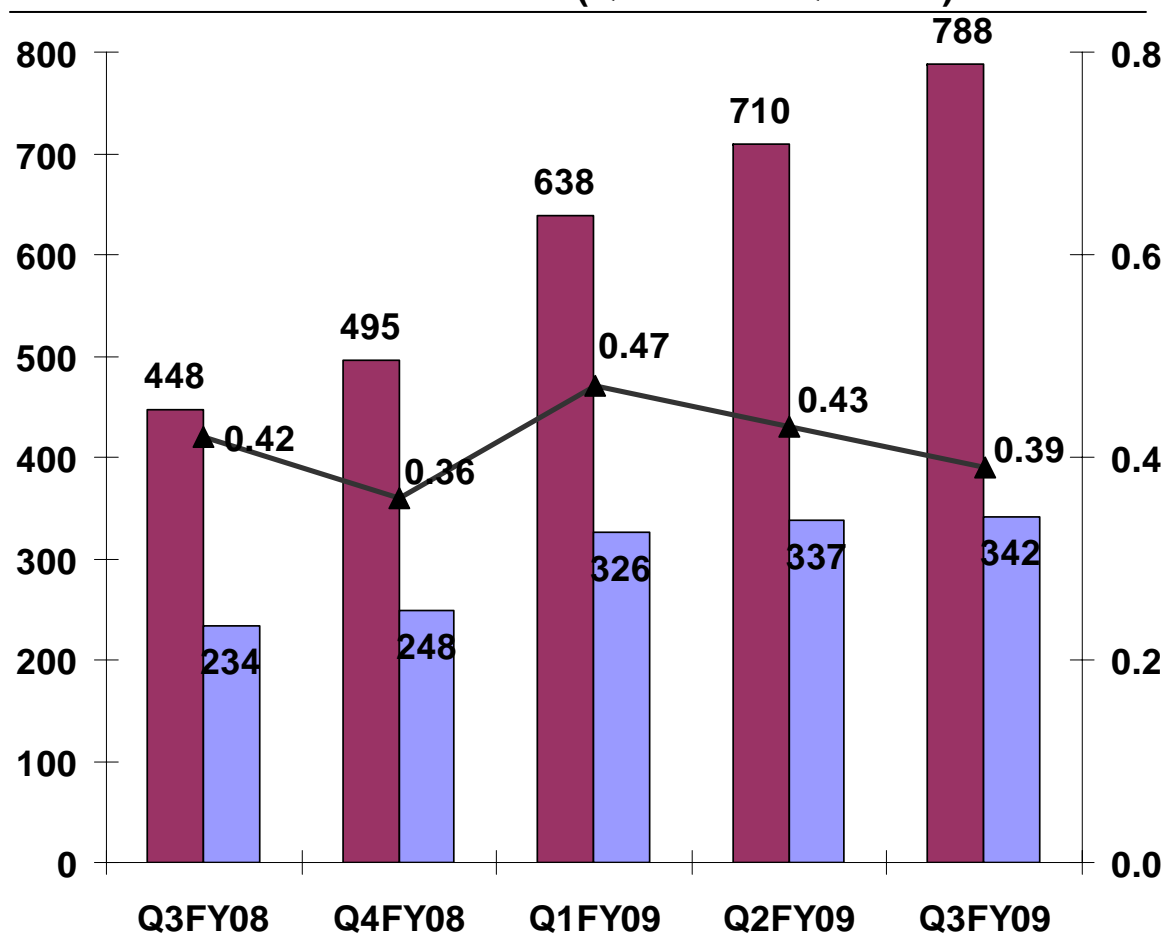
Constitute just 7% of Operating Revenue in Q3

Q3 (FY09 vs FY08)



STRESSED ASSETS AND NET NPA (%)

Gross and Net NPAs (Q3 FY08 to Q3 FY09)



Net NPAs % at year-end
(last 5 years):

FY 04:	1.03
FY 05:	1.07
FY 06:	0.75
FY 07:	0.61
FY 08:	0.36

■ Gross NPAs (Rs cr)

▲ Net NPAs (%)

■ Net NPAs (Rs cr)

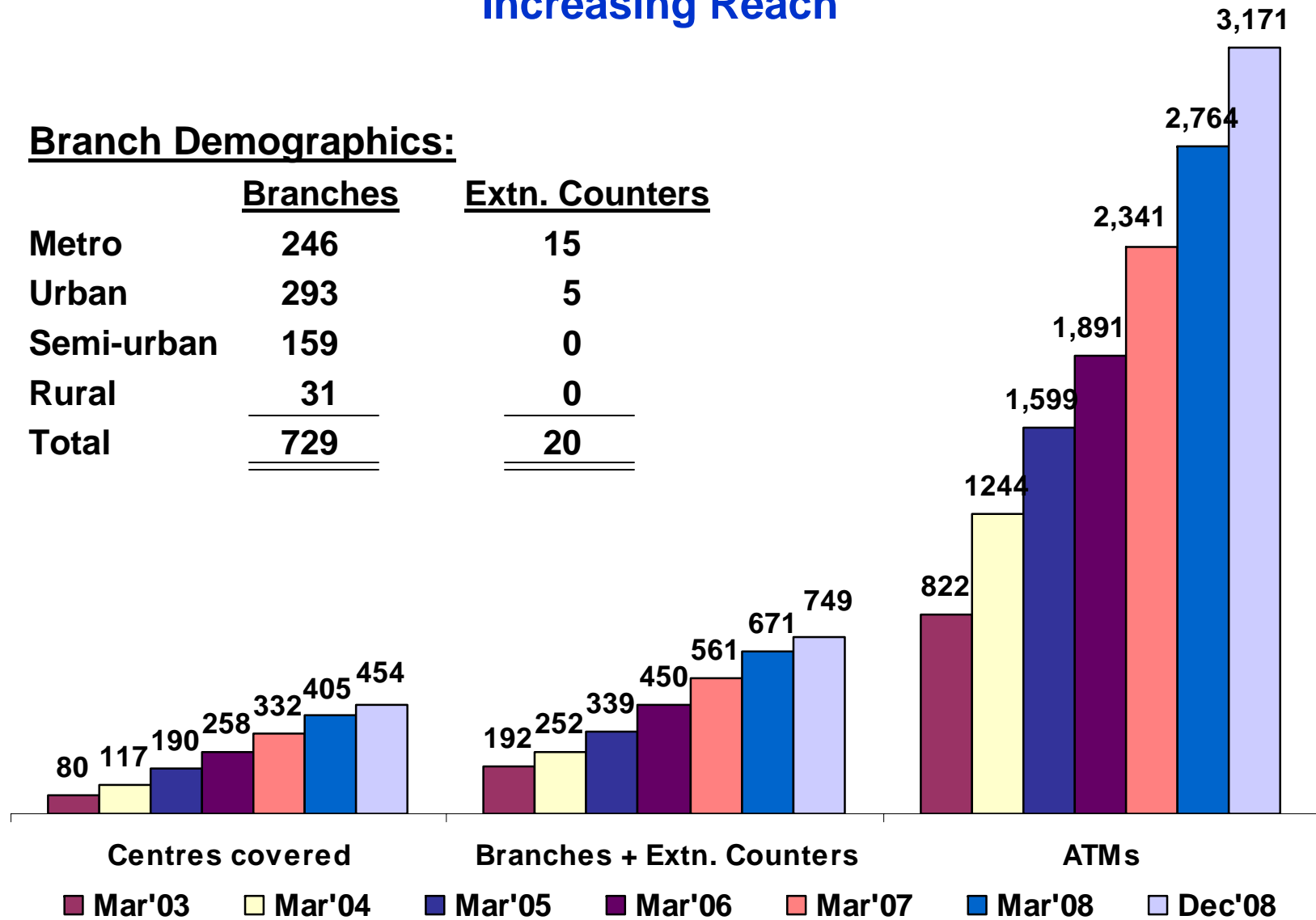
BUSINESS OVERVIEW

NETWORK

Increasing Reach

Branch Demographics:

	<u>Branches</u>	<u>Extn. Counters</u>
Metro	246	15
Urban	293	5
Semi-urban	159	0
Rural	31	0
Total	729	20

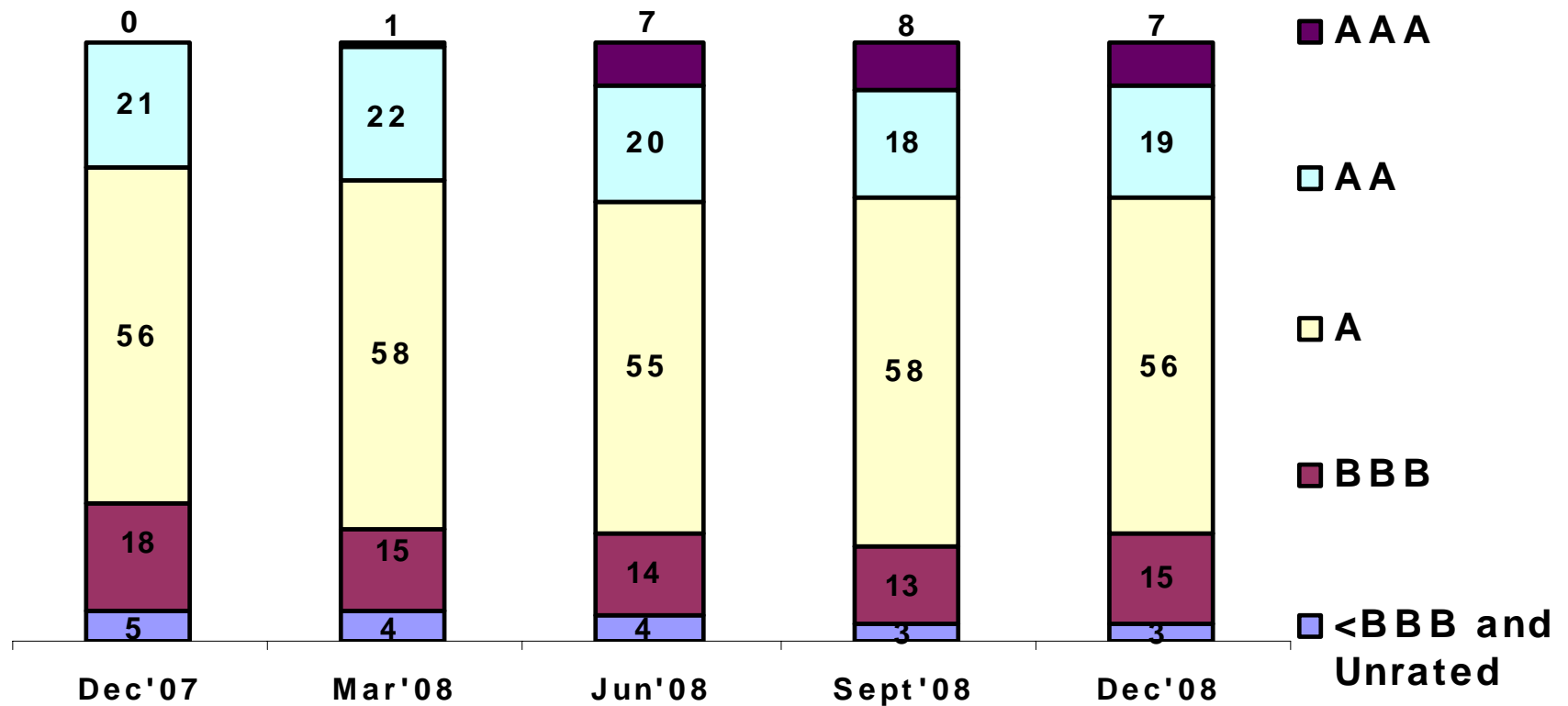


LARGE & MID-CORPORATE BANKING

- **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
 - 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**

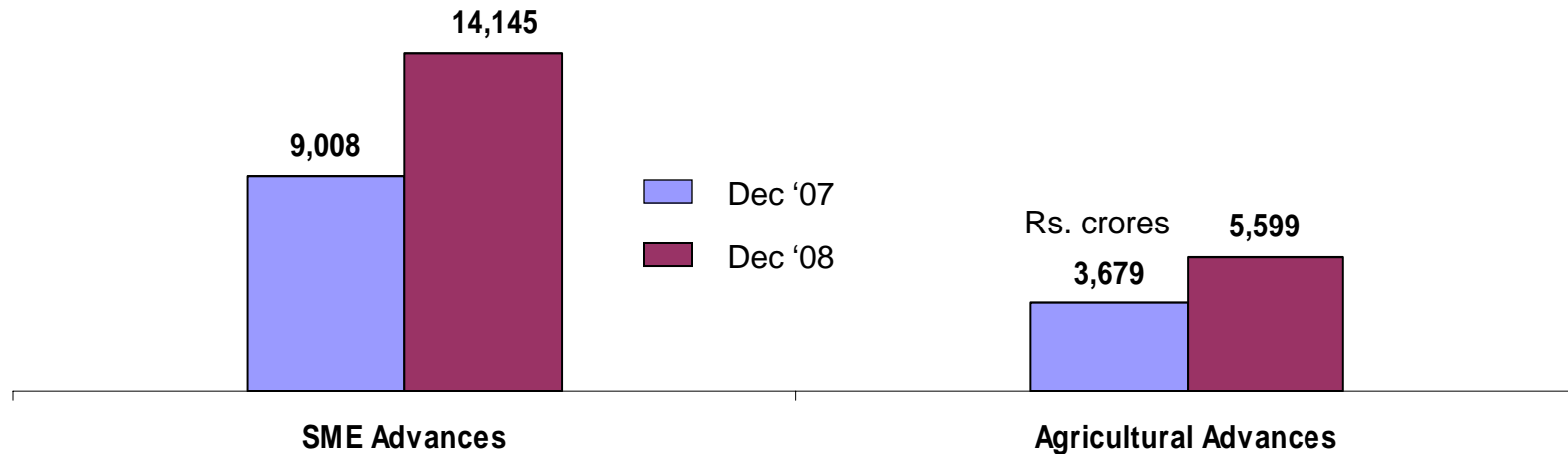
DISTRIBUTION OF RATINGS: LARGE & MID CORPORATE

82% of corporate advances have rating of at least 'A' as at Dec'08
as against 77% as at Dec'07



SME & AGRI BUSINESS

SME and Agricultural advances (Dec '07 vs Dec '08)



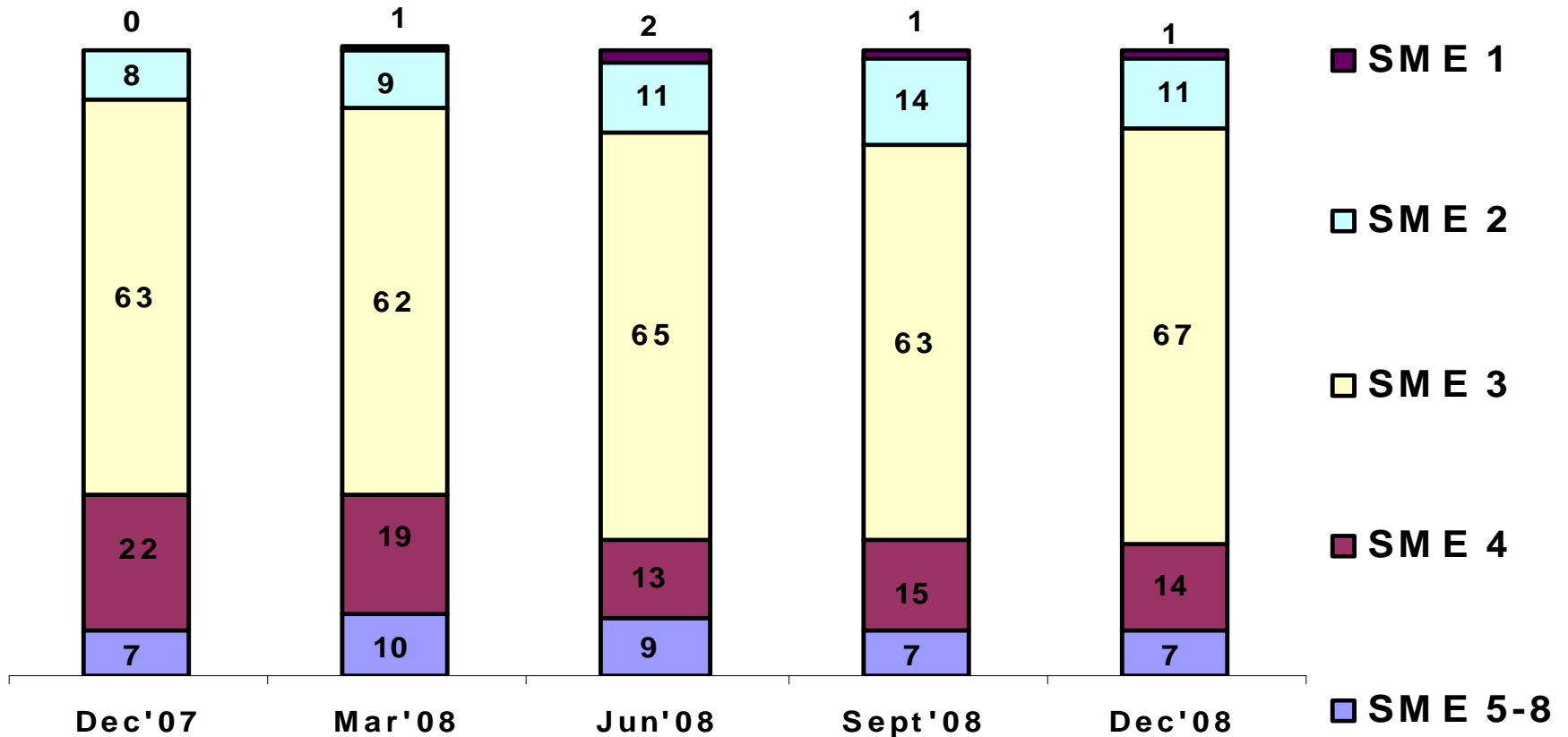
↑ 57 % YOY

↑ 52 % YOY

- **Specialised SME Centres for SME appraisals, sanctions and post-sanction monitoring**
 - 24 Centres at Dec'08, as against 20 Centres at Dec'07
- **Specialised Clusters for Agricultural lending, coordinating appraisals, sanctions and post-sanction monitoring**
 - 46 Agri-Clusters at Dec'08, as against 34 clusters at Dec'07

DISTRIBUTION OF RATINGS: SME

79% of SME advances have rating of at least 'SME3' as at Dec'08 as against 71% as at end Dec'07



TOP SECTOR EXPOSURES

- Across Large & Mid Corporates, SME and Corporate Agri businesses

Rank	Sectors	% Exposure (as on 31 Dec 2008) of		
		Total	Fund Based	Non-Fund Based
1	Infrastructure	11.04	8.29	17.50
2	Financial Companies*	8.93	10.60	5.04
3	Metals & Metal Products	8.11	7.56	9.40
4	Gems & Jew ellery	6.37	3.01	14.23
5	Shipping & Logistics	6.11	6.48	5.25
6	Real Estate#	5.98	8.20	0.79
7	Trade	5.65	5.32	6.44
8	Textiles	4.59	5.97	1.37
9	Chemicals	4.16	3.44	5.82
10	Telecommunications	3.61	3.23	4.51

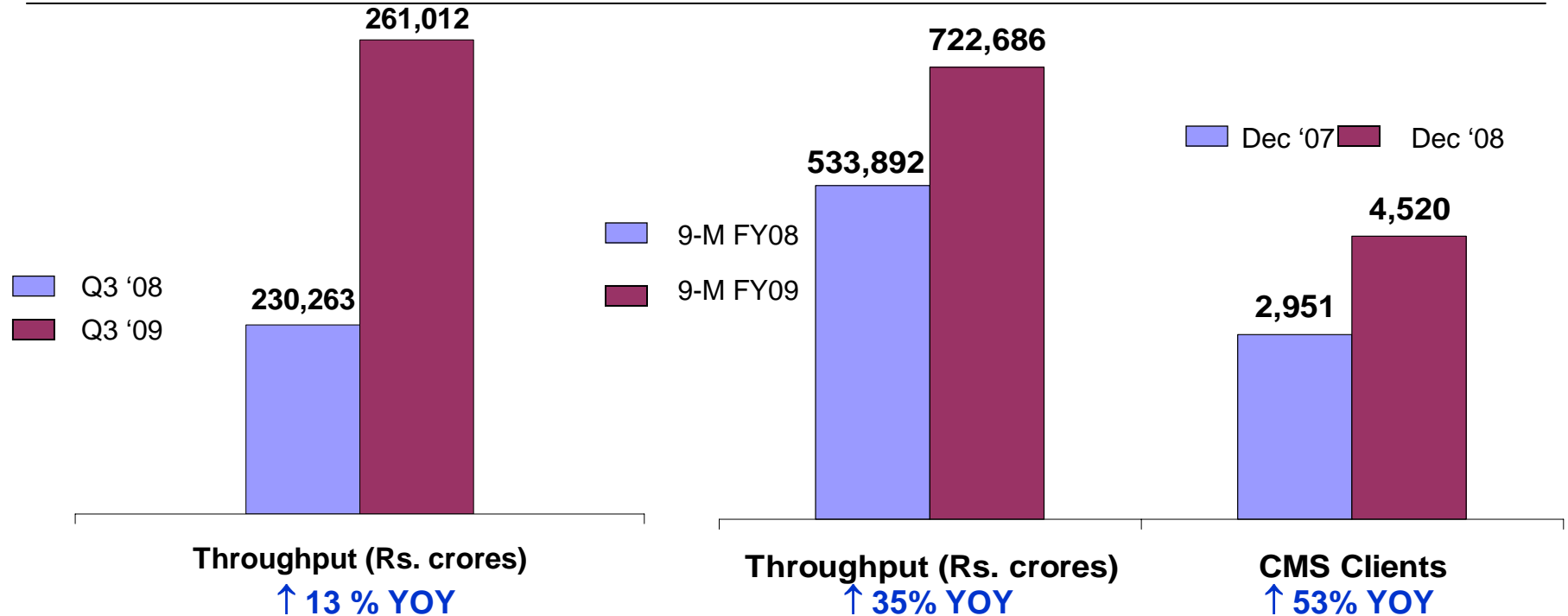
* Housing Finance Companies and other NBFCs.

The break-up of Real Estate exposure is : Property Developers 20%, Hotels 15%, IT Parks 15% and Others 50%

BUSINESS BANKING

Cash Management Services

Throughput and number of clients (FY09 vs FY08)

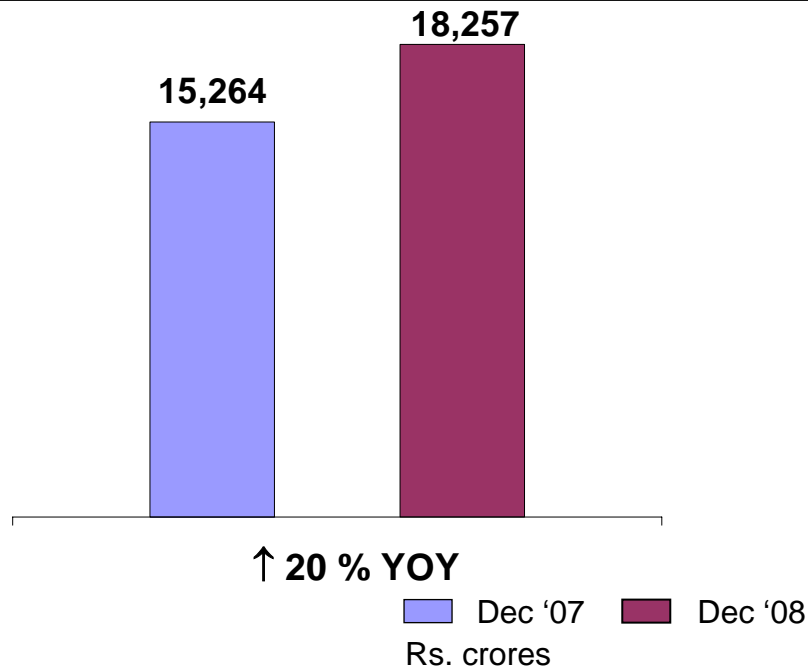


- Collection of Central Government Taxes on behalf of CBDT and CBEC, including through e-Payments
- Collection of State Taxes on behalf of seven State Governments and UTs
- Collections & Payments for Central Government Ministries - Railways, Urban Development and Housing & Urban Poverty Alleviation
- Collections under e-Governance initiatives of 4 State Governments and Chandigarh

BUSINESS BANKING

Current Accounts Growth

Current account deposits (Dec '08 vs Dec '07)



Current Account deposits in the last 5 years (Rs crores)

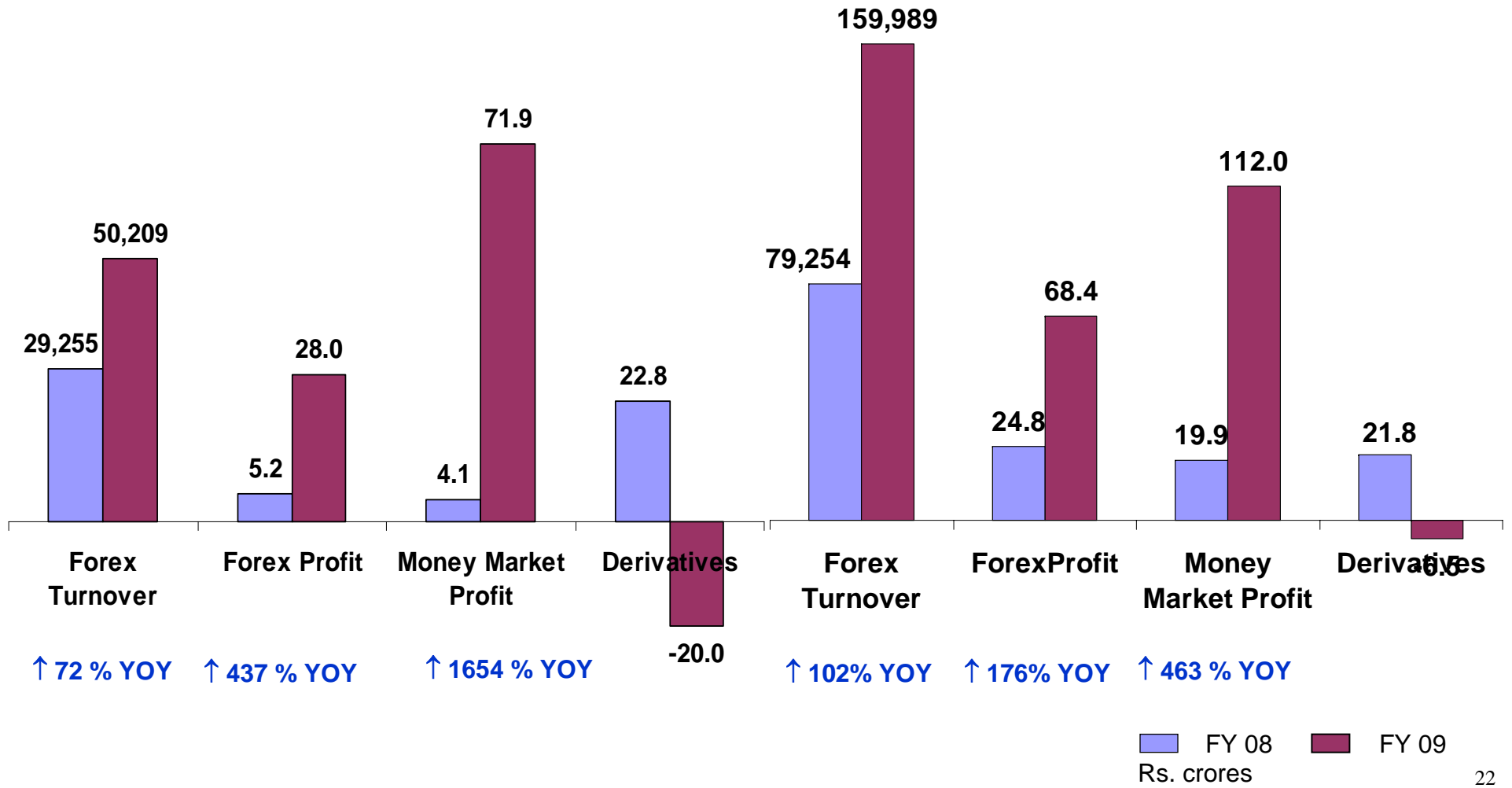
Mar'04	:	5,394
Mar'05	:	7,155
Mar'06	:	7,970
Mar'07	:	11,304
Mar'08	:	20,045
CAGR (5 years)	:	52%

- 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 & Government

TREASURY

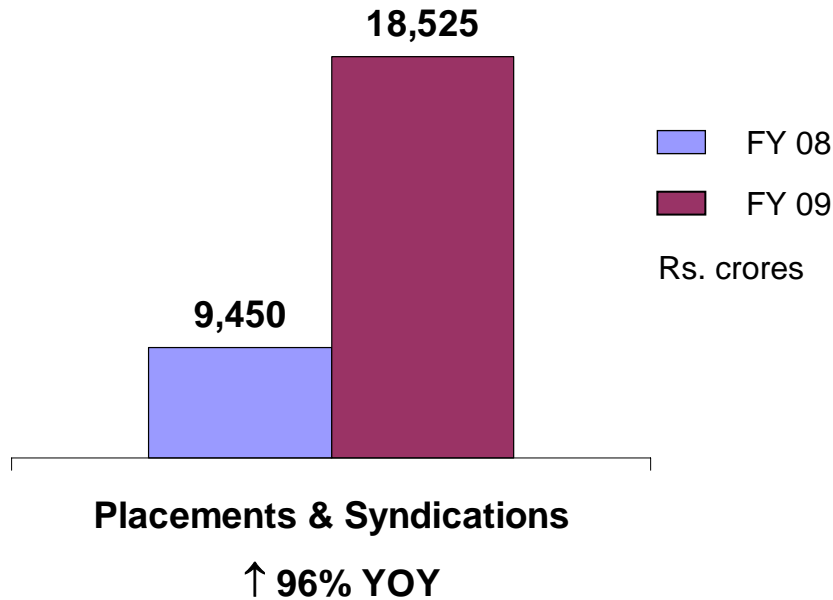
Q3 (FY09 vs FY08)

9 months (FY09 vs FY08)

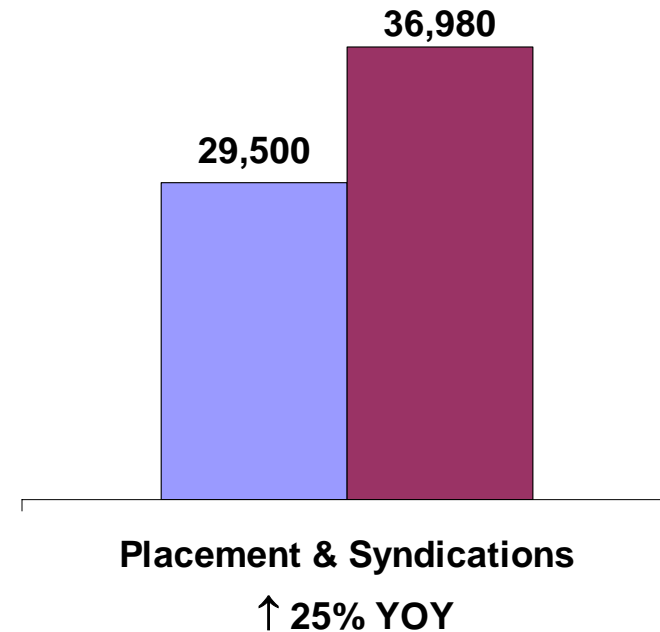


CAPITAL MARKETS

Q3 (FY09 vs FY08)



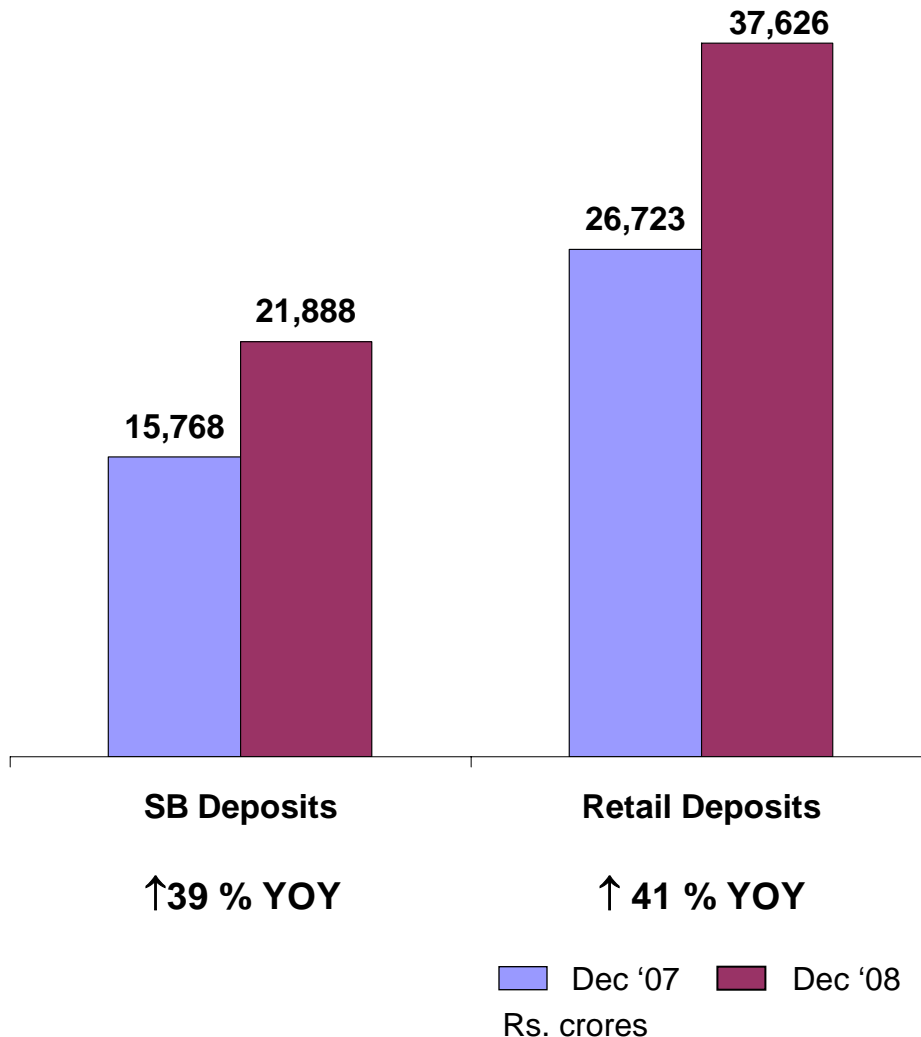
9 months (FY09 vs FY08)



- A dominant player in Placement and Syndication of debt issues
- Ranked No.1 in the Bloomberg league table for 'India Domestic Bonds' for the calendar year 2008
- Project Advisory Services mandates increase
- Recent Awards –
 - Euromoney 2008: Best Debt House in India;
 - Finance Asia 2008: Best Bond House in India;
 - Asia Money 2008: Best Domestic Debt House in India

SAVINGS BANK GROWTH

Retail and SB Deposits (Dec '08 vs Dec '07)



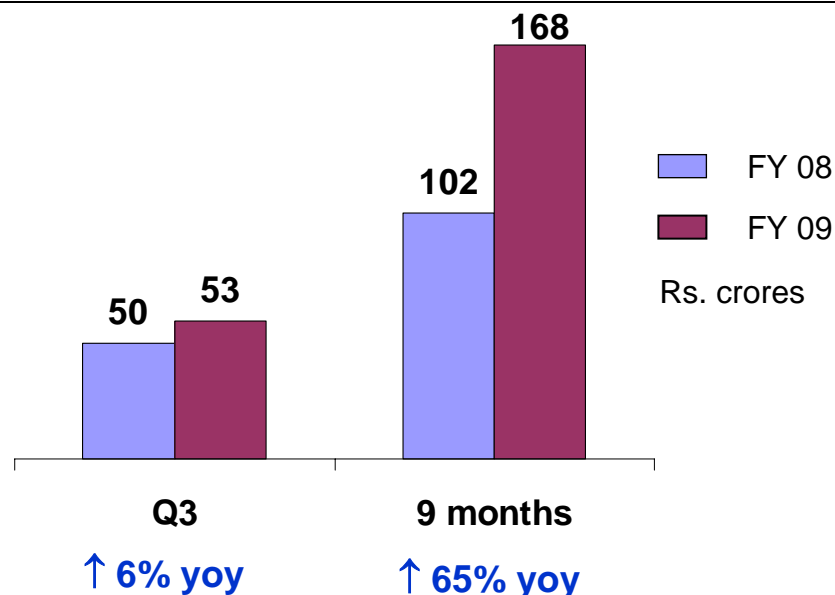
Savings Bank growth led by:

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

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) and Gold Coins
- Systematic segmenting of customers

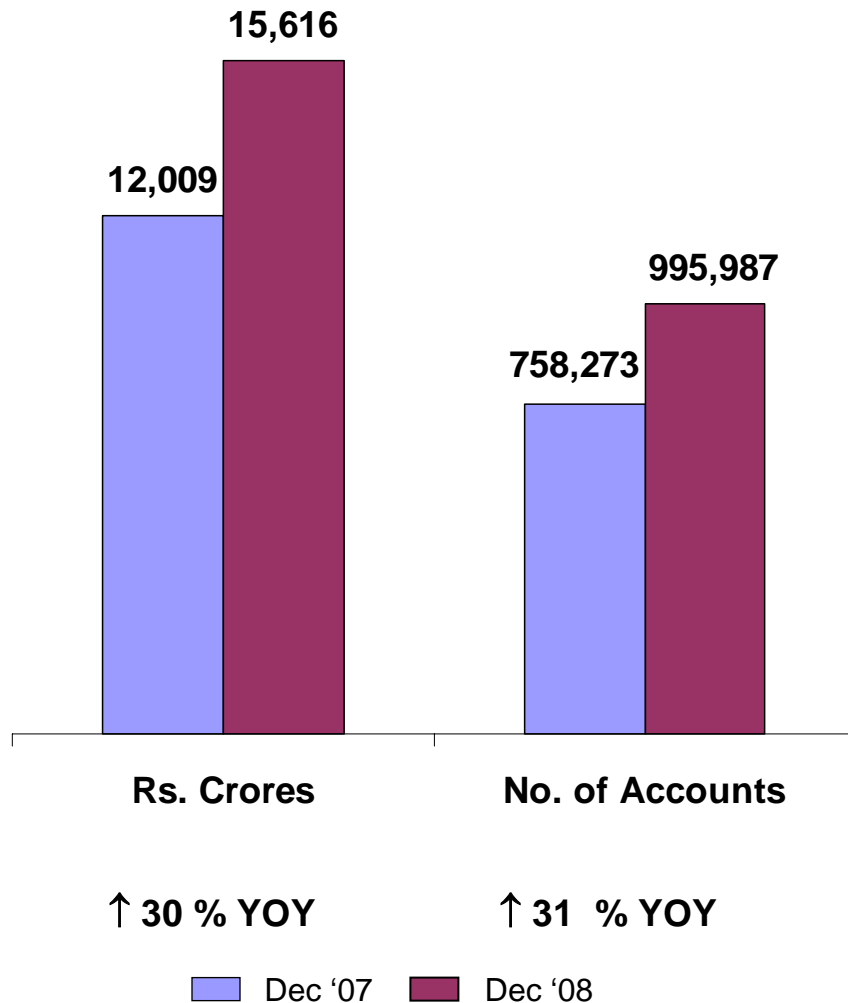
Personal Investment Products - Fees



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 on to existing standardised portfolios	Customised Portfolios

RETAIL ASSETS

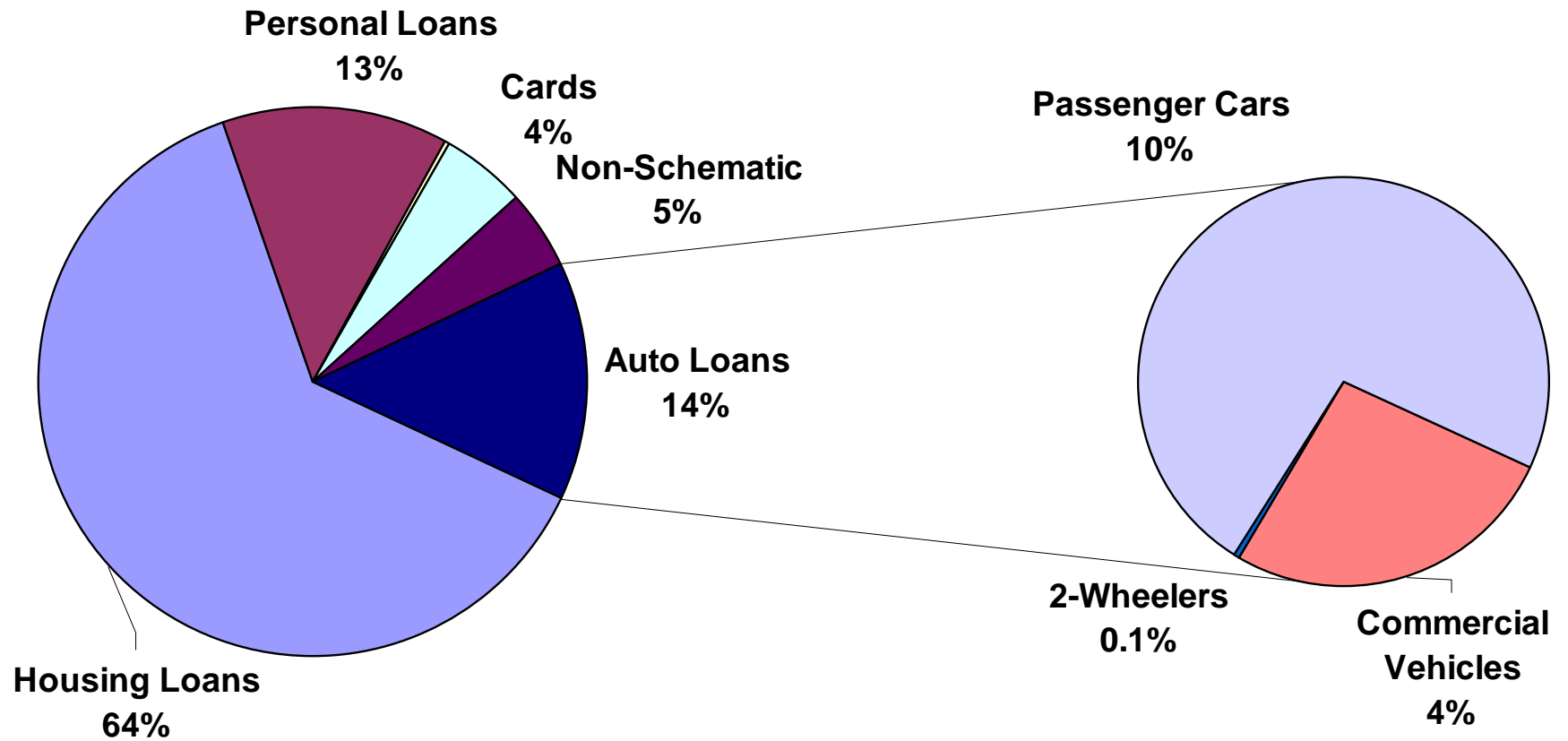
Retail Assets portfolio (Dec'08 vs Dec '07)



- Retail Assets grew by 30% yoy
- Retail Assets constitute 21% of the Bank's total advances, as compared to 25% as at end December' 07
- Growth driven through Retail Asset Centres (RACs)

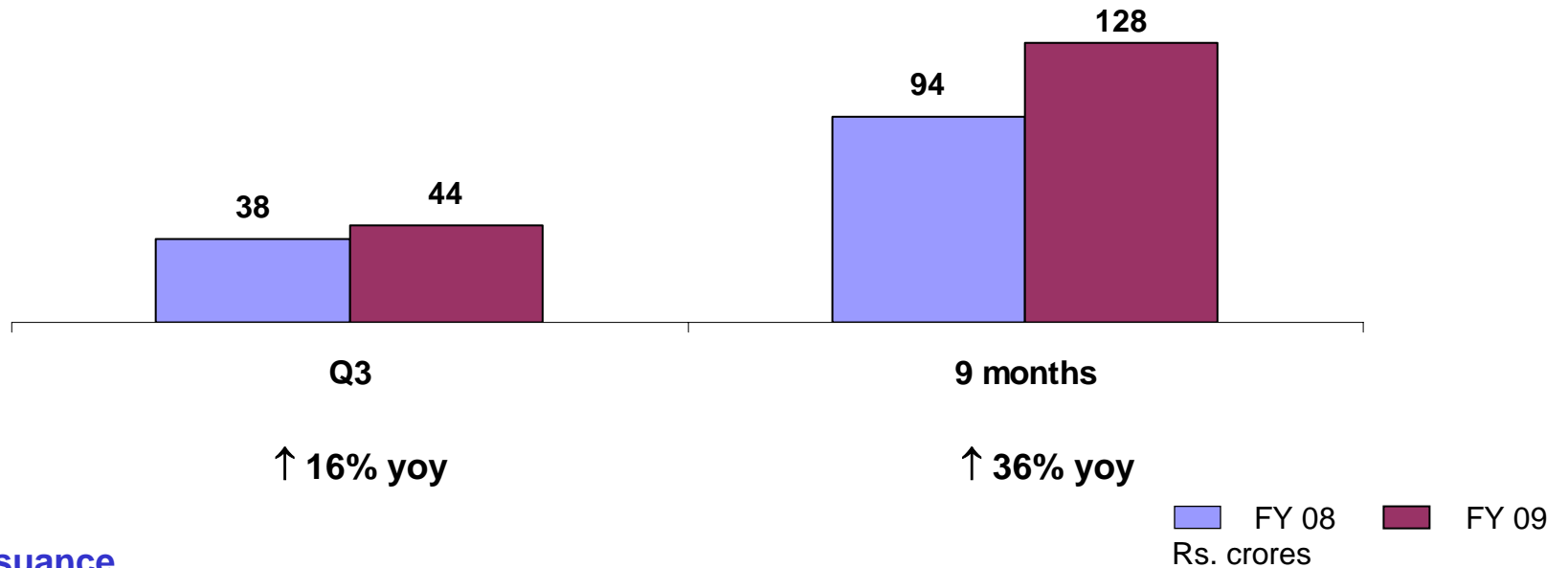
COMPOSITION OF RETAIL ASSETS

Product-wise composition of Retail Assets portfolio (Dec '08)



CARDS BUSINESS

Cards fee income (FY09 vs FY08)



- **Issuance**

- Over 529,000 Credit Cards in force till end Dec '08
- 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

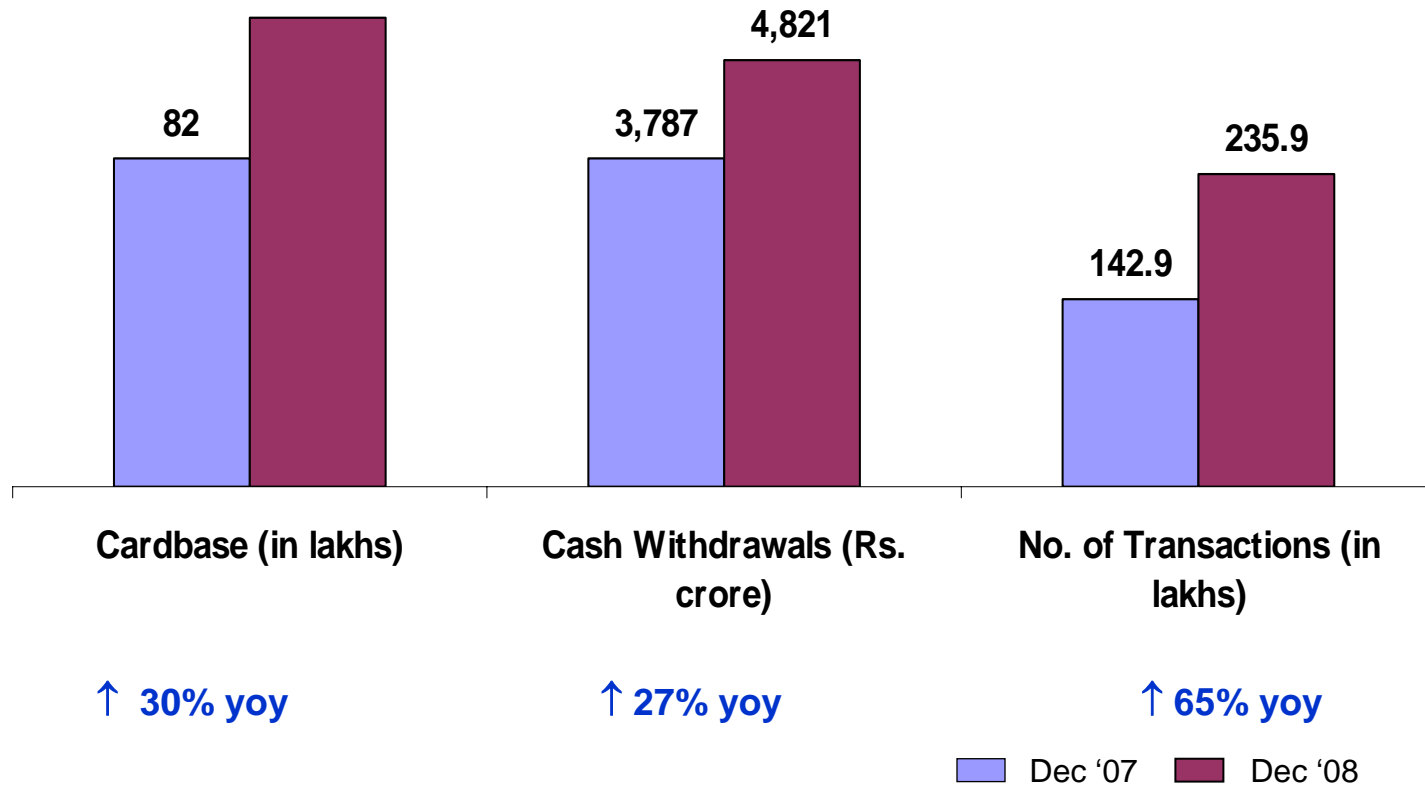
- **Acquiring**

- Installed base of over 100,000 EDCs and growing

- **Cards business a significant contributor to Retail Fees**

ATM CHANNEL MIGRATION

Over 95% of SB account cash withdrawals occur on ATMs.

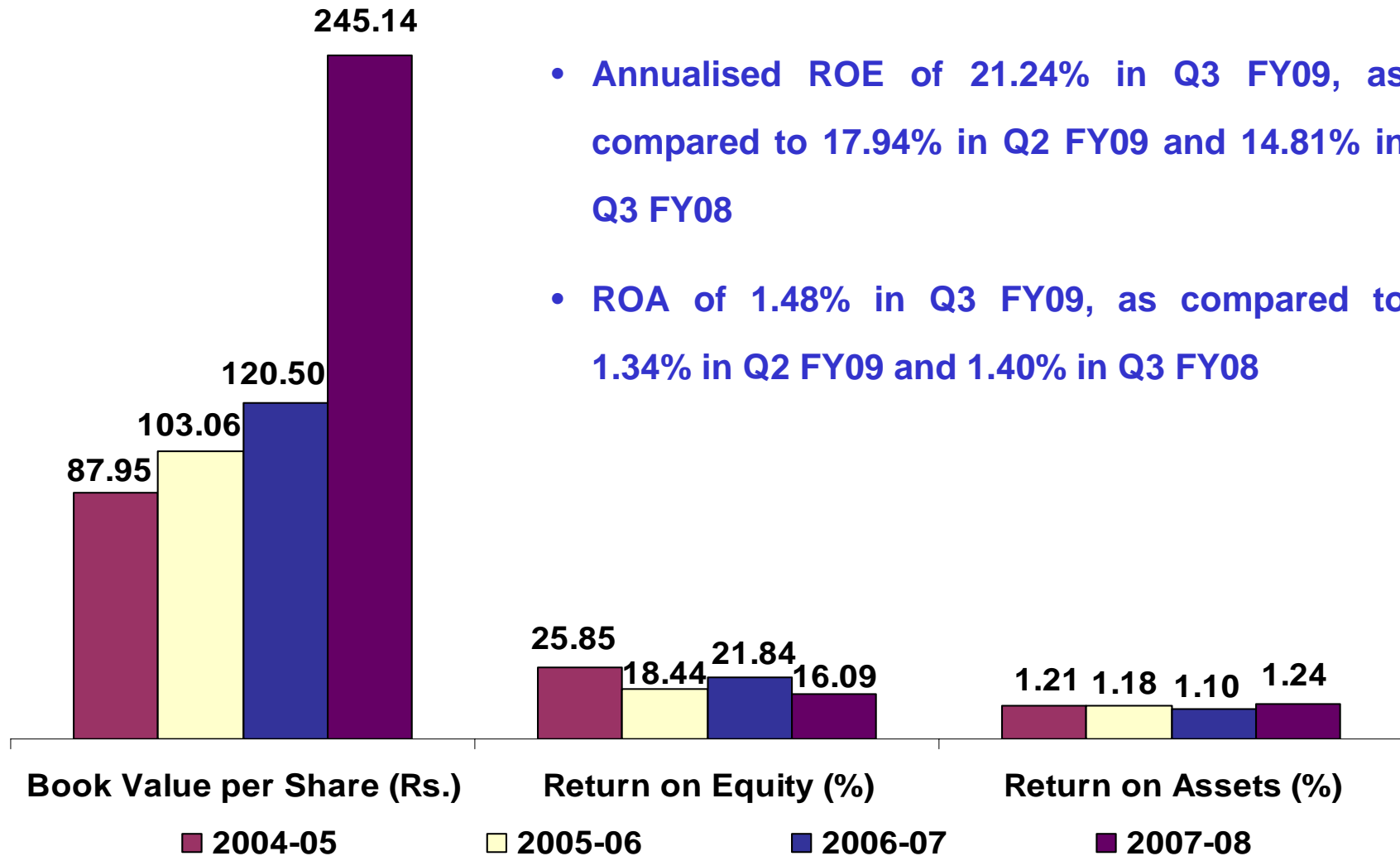


- Pioneer in ATM sharing arrangements
- Value added services such as Bill Payments, MF Investments, Mobile Top-ups and VISA Money Transfer services

INTERNATIONAL PRESENCE

- **Branches at Singapore, Hong Kong and DIFC, Dubai**
- **Representative offices at Shanghai and Dubai**
- **Total assets overseas amounted to US\$ 2.09 billion as compared to US\$ 1.57 billion as at end December'07, a growth of 33% yoy**
- **Corporate Banking, Trade Finance products, Debt Syndication and Liability businesses**

SHAREHOLDER RETURNS

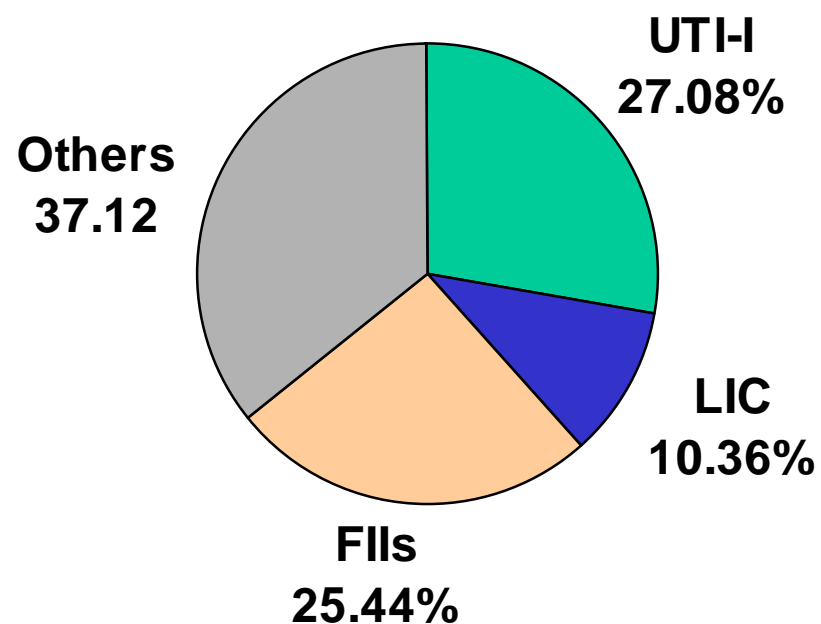


- Annualised ROE of 21.24% in Q3 FY09, as compared to 17.94% in Q2 FY09 and 14.81% in Q3 FY08
- ROA of 1.48% in Q3 FY09, as compared to 1.34% in Q2 FY09 and 1.40% in Q3 FY08

SHAREHOLDING

- Share Capital - Rs. 358.98 crores
- Net Worth - Rs. 9,587.99 crores
- Book Value per share - Rs. 279.86
- Market Price as on 7/01/09 - Rs. 522.10
- Market Cap as on 7/01/09 - Rs. 18,743 crores (US \$ 3.86 billion)

Shareholding pattern (Dec '08)



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

