

Retail Banking & Evaluation of Financial Performance of Axis Bank



ACKNOWLEDGEMENT

Summer training is one of the most vital and active part of the curriculum of management students. Its basic idea behind this is to strengthen the student's concept through practical training and make them acquainted with actual method and procedures.

Page | 2

I did the work as a management trainee at **AXIS Bank Limited** for a period of six weeks starting from 30th June, 2008.

I would like to extend my heartfelt gratitude to **Mr. Nishpap Shridhonkar** Branch Sales Manager, for her proper guidance throughout the project. Without her support and cooperation I would have failed in my endeavors and targets in the summer training.

I would also like to thank my Senior Placement Executive **Prof. P.N. Rath** who helped me a lot in my project.

EXECUTIVE SUMMARY

The financial year 2007-08 will be remembered as a year of transformation in the history of the Bank, when the **name of the Bank changed to Axis Bank from UTI Bank**. The conviction that it was worthwhile to invest in building a brand that would solely be our own, **helped to create a distinct identity**. The name Axis Bank connotes solidity and transcends geographical boundaries as we seek to become a multinational bank. The Bank was successful in establishing a new identity in the market in a short span of time.

Page | 3

The Bank once again met with considerable success over the past year and achieved all its key objectives. This encouraging performance not only underscored the **sustainability of the Bank's high tempo of growth**, but also helped to move closer to its objective of being **one of the more customer-focused banks in the country**. This is reflected in the robust growth in both business and revenue during 2007-08 and in various financial parameters.

During 2007-08, the Bank's business and earnings **continued to show high growth, indicative of a clear strategic focus**, the communication of corporate priorities to branches across the country, and finally the execution of these goals through intensive efforts. The Bank reported a **net profit of Rs. 1,071.03 crores** during the year ended 31st March 2008, up 62.52%, from Rs. 659.03 crores in the previous year. Diluted earnings per share (EPS) **were Rs. 31.31 per share, up 37.38% from Rs. 22.79 per share a year earlier**. Return on Equity (ROE) was 16.09% compared to 21.84% a year earlier. The decline in ROE was primarily on account of the raising of fresh equity capital during the financial year. Return on Average Assets was **1.24%, compared to 1.10% in the previous year**.

In 2007-08, the Bank achieved a **total income** of Rs. 8,800.80 crores, **up 60.84%** from 2006-07. During this period, **operating revenue** was Rs. 4,380.84 crores, **up 76.76%** from the previous year, while **operating profit** was **up by 76.12%** to reach Rs. 2,225.92 crores. The strong growth in income was largely driven by a strong **increase** in both **net interest income** by 76.07% to Rs. 2,585.35 crores, and fee and other income by 77.75% to Rs. 1,795.49 crores. **The strong income growth reflects the solid business growth across all banking segments and the successful execution of growth initiatives.** The strong growth in incomes was partly offset by an increase in operating expenses, including depreciation, by 77.42% to Rs. 2,154.92 crores. The increase in operating expenses primarily reflects the higher costs incurred as a result of increased business levels that include additional sales and service personnel and higher variable compensation. Additional expenses incurred to support the growth initiatives of the Bank (including network expansion as well as the re-branding exercise) also contributed to the increase in operating expenses.

Page | 4

As a conscious strategy of building an organic growth engine during the year, the Bank continued to **expand its distribution network**, in both **domestic and overseas geographies**, to enlarge its reach and accelerate its business momentum. The Bank has developed a branch network which is built on customer-convenience and service, helping it particularly in the acquisition of low-cost retail deposits, retail assets, lending to agriculture, SME and mid-corporates and facilitating the cross-selling of third-party products.

CONTENTS

<u>S.no.</u>	<u>Particulars</u>	<u>Page no.</u>
1.	Banking in India -----	7
	- Early History -----	8
	- Nationalized Bank In India -----	10
	- Private Banks -----	11
2.	Axis Bank -----	13
	- Company Description -----	14
	- Profile -----	16
	- Board of Directors -----	18
3.	Retail Banking -----	20
	- Introduction -----	20
	- Segmentation of the saving Bank-----	24
	- Wealth Management -----	46
	- Strategic Tie-ups -----	49
	- Internet Banking Channels -----	49
	- Mobile Banking -----	51
	- Cards -----	53
	- Bancassurance -----	62
	- Others -----	64
	- Retail at Glance -----	65
	- Retail Assets -----	67

4.	Loans -----	71
5.	Corporate Banking -----	76
	- Current Accounts -----	79
	- Types of Current Accounts -----	80
	- Interest Rates -----	84
6.	Financial Performance -----	85
	- Highlights -----	85
	- Overview -----	86
	- Capital Management -----	87
	- Balance Sheet -----	89
	- Profit & Loss Account -----	90
	- Cash Flow -----	91
7.	Data Analysis & Interpretation -----	92
8.	Findings -----	111
9.	Glossary Banking -----	113
10.	Bibliography -----	119

Banking In India:

Overview

BANKING IN INDIA

Banking in India originated in the first decade of 18th century. The first banks were The General Bank of India, which started in 1786, and Bank of Hindustan, both of which are now defunct. The oldest bank in existence in India is the State Bank of India, which originated in the "The Bank of Bengal" in Calcutta in June 1806. This was one of the three presidency banks, the other two being the Bank of Bombay and the Bank of Madras. The presidency banks were established under charters from the British East India Company. They merged in 1925 to form the Imperial Bank of India, which, upon India's independence, became the State Bank of India. For many years the Presidency banks acted as quasi-central banks, as did their successors. The Reserve Bank of India formally took on the responsibility of regulating the Indian banking sector from 1935. After India's independence in 1947, the Reserve Bank was nationalized and given broader powers.

Page | 8

Early history

The first fully Indian owned bank was the Allahabad Bank, established in 1865. However, at the end of late-18th century, there were hardly any banks in India in the modern sense of the term. The American Civil War stopped the supply of cotton to Lancashire from the Confederate States. Promoters opened banks to finance trading in Indian cotton. With large exposure to speculative ventures, most of the banks opened in India during that period failed. The depositors lost money and lost interest in keeping deposits with banks. Subsequently, banking in India remained the exclusive domain of Europeans for next several decades until the beginning of the 20th century.

Foreign banks too started to arrive, particularly in Calcutta, in the 1860s. The Comptoir d'Escompte de Paris opened a branch in Calcutta in 1860, and another in Bombay in 1862; branches in Madras and Pondicherry, then a French colony, followed. Calcutta was the most active trading port in India, mainly due to the trade of the British Empire, and so became a banking center.

Page | 9

The Bank of Bengal, which later became the State Bank of India.

Around the turn of the 20th Century, the Indian economy was passing through a relative period of stability. Around five decades had elapsed since the Indian Mutiny, and the social, industrial and other infrastructure had improved. Indians had established small banks, most of which served particular ethnic and religious communities.

The presidency banks dominated banking in India. There were also some exchange banks and a number of Indian joint stock banks. All these banks operated in different segments of the economy. The exchange banks, mostly owned by Europeans, concentrated on financing foreign trade. Indian joint stock banks were generally under capitalized and lacked the experience and maturity to compete with the presidency and exchange banks. This segmentation let Lord Curzon to observe, "In respect of banking it seems we are behind the times. We are like some old fashioned sailing ship, divided by solid wooden bulkheads into separate and cumbersome compartments."

By the 1900s, the market expanded with the establishment of banks such as Punjab National Bank, in 1895 in Lahore and Bank of India, in 1906, in Mumbai - both of which were founded under private ownership. Punjab National Bank is the first Swadeshi Bank founded by the leaders like Lala Lajpat Rai, Sardar Dyal Singh Majithia. The Swadeshi movement in particular inspired local businessmen and

political figures to found banks of and for the Indian community. A number of banks established then have survived to the present such as Bank of India, Corporation Bank, Indian Bank, Bank of Baroda, Canara Bank and Central Bank of India.

Page | 10

Nationalized Banks in India

Banking System in India is dominated by nationalized banks. The nationalization of banks in India took place in 1969 by Mrs. Indira Gandhi the then prime minister. The major objective behind nationalization was to spread banking infrastructure in rural areas and make available cheap finance to Indian farmers. Fourteen banks were nationalized in 1969.

Before 1969, State Bank of India (SBI) was the only public sector bank in India. SBI was nationalized in 1955 under the SBI Act of 1955.

The second phase of nationalization of Indian banks took place in the year 1980. Seven more banks were nationalized with deposits over 200 crores.

List of Public Sector Banks in India is as follows:

- Allahabad Bank
- Andhra Bank
- [Bank of Baroda](#)
- Bank of India
- Bank of Maharashtra
- Canara Bank
- Central Bank of India
- Corporation Bank

- Dena Bank
- Indian Bank
- Indian Overseas Bank
- Oriental Bank of Commerce
- Punjab and Sind Bank
- Punjab National Bank
- State Bank of Bikaner & Jaipur
- State Bank of Hyderabad
- State Bank of India (SBI)
- State Bank of Indore
- State Bank of Mysore
- State Bank of Patiala
- State Bank of Saurashtra
- State Bank of Travancore
- Syndicate Bank
- UCO Bank
- Union Bank of India
- United Bank of India
- Vijaya Bank

Private Banks in India

All the banks in India were earlier private banks. They were founded in the pre-independence era to cater to the banking needs of the people. But after nationalization of banks in 1969 public sector banks came to occupy dominant role in the banking structure. Private sector banking in India received a fillip in 1994 when Reserve Bank of India encouraged setting up of private banks as part of its policy of liberalization of the Indian Banking Industry. Housing Development Finance Corporation Limited (HDFC) was amongst the first to receive an 'in principle' approval from the Reserve Bank of India (RBI) to set up a bank in the private sector.

Private Banks have played a major role in the development of Indian banking

industry. They have made banking more efficient and customer friendly. In the process they have jolted public sector banks out of complacency and forced them to become more competitive.

Major Private Banks in India is:

- Bank of Rajasthan
- Bharat Overseas Bank
- Axis Bank
- Catholic Syrian Bank
- Centurion Bank of Punjab
- Dhanalakshmi Bank
- Federal Bank
- HDFC Bank
- ICICI Bank
- IDBI Bank
- IndusInd Bank
- ING Vysya Bank
- Jammu & Kashmir Bank
- Karnataka Bank
- Karur Vysya Bank
- Kotak Mahindra Bank
- SBI Commercial and International Bank
- South Indian Bank
- United Western Bank
- UTI Bank
- YES Bank

COMPANY DESCRIPTION

Page | 13

Axis Bank was the first new generation private sector bank to be established in India under the overall reform programme initiated by the Government of India in 1991, under which nine new banking licenses were granted.

The Bank was promoted by Unit Trust of India, the largest mutual fund in India, holding 87% of the equity. Life Insurance Corporation of India (LIC), General Insurance Corporation Ltd and its four subsidiaries who were the co-promoters held the balance 13%. The Bank started its operations in 1994.

Axis Bank's first capital raising post inception was in 1998 through a public offering of primary shares and in subsequent years through equity allotment to a few other investors like CDC. Citicorp Banking Corporation, Bahrain, Karur Vysya Bank and Chrys Capital leading to a dilution in UTI's shareholding in the Bank. Further dilution of Promoters' shareholding happened during Q4 ended of 2004, when the Bank raised US\$ 239.30 Million of Capital through a GDR issue.

The Bank today is capitalized to the extent of Rs. 358.56 crores with the public holding (other than promoters) at 57.60%.

The Bank's Registered Office is at Ahmedabad and its Central Office is located at Mumbai. Presently, the Bank has a very wide network of more than 701 branch offices and Extension Counters. The Bank has a network of over 2854 ATMs providing 24 hrs a day banking convenience to its customers. This is one of the largest ATM networks in the country.

The Bank has strengths in both retail and corporate banking and is committed to adopting the best industry practices internationally in order to achieve excellence.

The present shareholding pattern is as mentioned below:
(As on 30/06/2008)

Page | 14

Administrator of the Specified Undertaking of the UTI	27.72%
LIC	10.49%
GIIC and four PSU Insurance Companies	5.50%
Non-Promoters' Holding	42.32%
Others	13.97%

Profile

Axis Bank is one of the fastest growing banks in the country and has an extremely competitive and profitable banking franchise evidenced by:

Comprehensive portfolio of banking services including Corporate Credit, Retail Banking, Business Banking, Capital Markets, Treasury and International Banking.

The Position as on 31st March 2008 was as under: -

-Balance Sheet Size	– Rs 1,095,778,487 (<i>Rs. in Thousands</i>)
-Total Deposits	– Rs 876,262,206 (<i>Rs. in Thousands</i>)
-Net Advances	– Rs 596,611,446 (<i>Rs. in Thousands</i>)
-Investments	– Rs 337,051,008 (<i>Rs. in Thousands</i>)
-Network of Branches and Extention Counters	– 701
-Number of cities and towns covered by network	– 190
-Number of ATMs	– 2854
-Net NPA	– 0.42 %
-Capital Adequacy Ratio	– 13.73 %

Page | 15

Axis Bank has in place a sound technological platform

Sound technological platform with centralized database and operations enabling 24*7*365 ‘Anywhere Banking’, in order to render the best customer service to its 5.5 million customer base.

Our Mission and Values

Our Mission

- Customer Service and Product Innovation tuned to diverse needs of individual and corporate clientele.
- Continuous technology up gradation while maintaining human values.
- Progressive globalization and achieving international standards.
- Efficiency and effectiveness built on ethical practices.

Page | 16

Core Values

- Customer Satisfaction through
- Providing quality service effectively and efficiently
- "Smile, it enhances your face value" is a service quality stressed on
- Periodic Customer Service Audits
- Maximization of Stakeholder value
- Success through Teamwork, Integrity and People

BOARD OF DIRECTORS

P. J. Nayak	Chairman & Chief Executive Officer
Surendra Singh	Director
N. C. Singhal	Director
A. T. Pannir Selvam	Director
J. R. Varma	Director
R. H. Patil	Director
Rama Bijapurkar	Director
R. B. L. Vaish	Director
M. V. Subbiah	Director
Ramesh Ramanathan	Director
K. N. Prithviraj	Director
P. J. Oza	Company Secretary

Page | 17

THE CORE MANAGEMENT TEAM

R. Asok Kumar	Executive Director - Corporate Strategy
M. M. Agrawal	Executive Director - Corporate Banking
V. K. Ramani	Executive Director - Technology & Business Processes
S. K. Chakrabarti	President - Credit
Hemant Kaul	President - Retail Banking
Somnath Sengupta	President - Finance & Accounts
S. S. Bajaj	President & Chief Compliance Officer
Snehomoy Bhattacharya	President - Human Resources
P. Mukherjee	President - Treasury
Vinod George President	International Banking
M. V. Subramanian	CEO and Executive Trustee, Axis Bank Foundation
Rajagopal Srivatsa President -	Business Banking
S. K. Nandi President -	West Zone
R. K. Bammi President -	North Zone
S. K. Mitra President -	East Zone
C. P. Rangarajan President -	South Zone

M/s. S. R. Batliboi & Co. Auditors
Chartered Accountants

M/s. Karvy Computershare Private Limited Registrar and Share Transfer Agent

Page | 18

UNIT : AXIS BANK LIMITED
Plot No. 17 to 24, Vithalrao Nagar, Madhapur, Hyderabad - 500 081
Tel. No.: 040-23420815 to 23420824 Fax No. : 040-23420814

Registered Office : 'Trishul', 3rd Floor, Opp. Samartheshwar Temple, Law Garden,
Ellisbridge,
Ahmedabad - 380 006. Tel. No.: 079-2640 9322 Fax No: 079-2640 9321
Email : p.oza@axisbank.com/rajendra.swaminarayan@axisbank.com
Web site: www.axisbank.com

Central Office : Maker Towers 'F', 13th Floor, Cuffe Parade, Colaba, Mumbai - 005.
Tel. No.: 022-67074407 Fax No.: 022-2218 6944/2218 1429

Head of the Department:

Shri Hemant Kaul - President



RETAIL BANKING

The Bank continued with its thrust on customer segmentation in the retail liabilities business to spearhead growth during the financial year 2007-08. Savings Bank deposits grew to Rs. 19,982 crores on 31st March 2008 from Rs. 12,126 crores as on 31st March 2007 showing a year on year growth of 65%.

Page | 20

The Priority-Banking offering of the Bank has led the growth in the Savings Bank deposits. Other savings products, especially those for senior citizens, for women and for NRIs have contributed strongly to the overall growth of the savings bank deposits.

Savings Bank Product	Growth in Savings Bank Balances	Growth in number of Accounts
Priority Banking (High Networth)	100%	108%
Savings Accounts for Trusts	133%	39%
Savings Accounts for NRI	262%	80%
Senior Privilege (Affluent Senior Citizens)	29%	46%
Smart Privilege (Savings Accounts for Women)	73%	50%
Salary Power (Pay Roll Account)	38%	28%
Easy Access (Base Savings Bank Account)	49%	26%

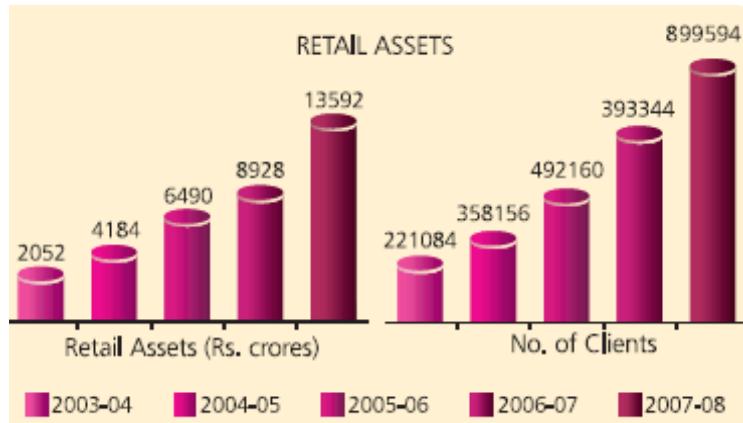


The Bank has implemented a Customer Relationship Management (CRM) solution which is being integrated with various other application systems of the Bank including Finacle, the core banking software solution, and software platforms for Demat, Mutual Funds, Mobile Banking, Tele banking, and Credit Cards, to provide a single and comprehensive view of the customer across product categories and channels. CRM capabilities will enable the Bank to improve its cross-sell penetration among its customer base.

The Bank has over time built an efficient in-house sales model, which has strongly contributed to the overall account acquisition of the Bank. The effectiveness of the Sales Channel has been a major factor in the growth of CASA (current account and savings account) deposits by the Bank.

The Retail Term Deposits of the Bank grew by 61% from Rs. 7,094 crores on 31st March 2007 to Rs. 11,449 crores on 31st March 2008.

Over the years, the alternative banking channels of the Bank, which comprise the ATM network, internet banking, mobile banking and phone banking, have grown robustly, providing higher levels of convenience and service quality to the Bank's customers. During the financial year 2007-08, the Bank has added 423 ATMs to reach 2,764 ATMs as of 31 March 2008. The Bank today has 4.25 ATMs for every Branch. The mobile banking channel has fast emerged as an extremely convenient option for the Bank's customers to keep themselves updated on the activity in their accounts. During 2007-08, 36% of new customers signed on for mobile banking services. With 1.59 million customers registered for mobile banking, the Bank has the highest mobile penetration levels among bank customers in India. Internet banking usage also rose sharply: the registered user base rose from 3.35 million on 31st March 2007 to 5.17 million on 31st March 2008, a growth of 54%. The Bank has a Phone Banking Center providing account information and assistance in 11 languages.



The Retail Assets portfolio of the Bank grew from Rs. 8,928 crores on 31 March 2007 to Rs. 13,592 crores on 31st March 2008, a growth of 52%. The segment constitutes 23% of the Bank's total loan portfolio on 31 March 2008 of which 79.83% is secured and 20.17% comprises unsecured loans. Retail loans are extended by the Bank through 70 Retail Asset Centres (RACs) in select cities of the country, as also through the Bank's branches in other cities and towns. The Bank's strategy of focusing on the prime customer segments and staying away from small ticket loans, and the deployment of robust credit and back-office processes, has contributed to the continued health of the retail asset portfolio.

The Cards business of the Bank comprises four key products - credit cards, debit cards, pre-paid cards and the merchant acquiring business. The Bank's credit card business, which was launched in August 2006, now has a portfolio of 4,52,005 credit cards. In March 2008, the Bank launched India's first EMV (Europay MasterCard Visa Standards) certified platinum chip card. The point-of-sale (POS) terminals installed by the Bank at merchant establishments are capable of accepting all debit/credit MasterCard/ Visa cards and American Express cards. The Bank has an installed st base of 74,458 POS terminals as on 31st March 2008 (the second-largest network in India), registering a growth of 86% over the installed base of 40,058 terminals on 31st March 2007. The transaction throughput at the POS terminals grew



from Rs. 2,975 crores in 2006-07 to Rs. 7,713 crores in 2007-08, a year-on-year growth of 159%. All POS terminals are compliant with the EMV security norms. The total debit card base of the Bank as on 31st March 2008 stood at 8.67 million, the third largest in the country. Having started initially with a vanilla debit card product, the Bank now offers as many as 10 variants, customised for specific customer segments. The Bank is a market leader in the Foreign Currency Travel Card Segment, and has generated a sales volume of USD 285.33 million in 2007-08 on such cards.

Page | 23

The Retail Banking business of the Bank is divided into following sub-units:

Retail Liabilities

Retail Assets

Cards

Wealth Management

Corporate Communications and Market Research

Alternate Channels

Page | 24

The focus of the Retail Banking Department is to :

1. Increase share of Retail Deposits
2. Increase share of Retail Assets
3. Increase Fee Based Income

In order to achieve the above mentioned, the following strategies are used:

1. Introduce New Products based on Customer Need and to address targeted segments.
2. A strong Sales Focus.
3. An extensive network and effective utilization of the banking channels.

RETAIL LIABILITIES – An overview of the products

The Bank has launched customized savings account products for various categories of customers – Senior Citizens, Students & Trusts/NGOs besides a very competitive offering in the Salary Accounts category.

SEGMENTATION OF THE SAVING BANK

A Product Manager is in-charge of one or more of these segments.



A savings account
that goes beyond
geographical boundaries

- Anywhere Banking
- At-par Cheques Facility

EasyAccess Savings Account

Page | 25

Banking made easy

The account is an endeavor by the Bank to understand the consumers' needs and redefine banking to suit your requirements for a truly comfortable banking experience. EasyAccess Savings Account gives you instant access to your money anywhere, anytime. Possessing a range of unmatched features, it has been devised to better suit the convenience of our eclectic client base.

- Interest paid on a quarterly basis @ 3.5 % per annum.
- International Debit Card.
- Tele-banking
- iConnect™ Internet Banking
- Multi-city 'At Par' cheque book for all Savings Account holders
- Free Anywhere Banking facility
- Auto sweep facility for excess balances into high interest earning term deposits
- Quarterly statement of account.
- Access to account information over iConnect, Tele-banking and ATMs

You can avail of all these services with a minimum quarterly average balance of Rs 5,000 in metro or urban centers, and Rs 2,500 in semi urban centers.



Fun doesn't have to
stop with age

- Dedicated relationship managers
- Cheque pickup and cash delivery
services

Senior Privilege

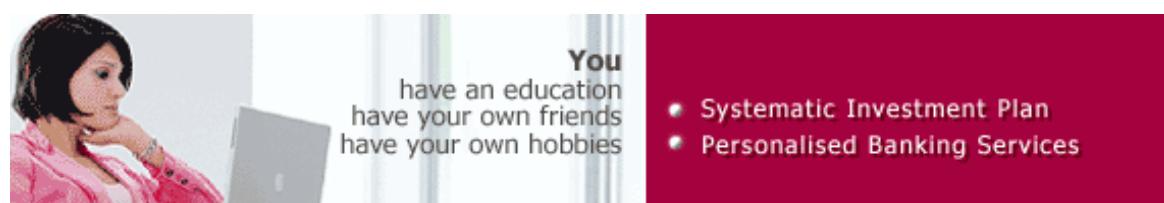
Because life begins at sixty

Eligibility: Savings Bank customers with 60 years of age or above as on the date of account opening.

- [Dedicated Relationship Managers](#)
- [Free At-Par Cheque book](#)
- [Free International VISA Debit Cards for primary and joint account holders](#)
- [Free Monthly Statement of Accounts and Free Passbook](#)
- [Free Issuance of Pay Orders or Demand Drafts drawn on Axis Bank branches](#)
- [Free Inward Remittances](#)
- [Free Outward Remittances once a year](#)
- [Faster credits to foreign cheques providing you prompt availability of funds remitted by your near and dear ones abroad](#)
- [Cheque pickup and Cash delivery services](#)
- [Anywhere Banking](#)
- [Telebanking](#)
- [Free Mobile Banking](#)
- [iConnect](#)
- [Customised Loan Offerings](#)
- [Complimentary Financial Planning](#)
- [Silver Health - Medical Insurance for Senior Citizens](#)

Page | 26

AQB Criteria: Rs. 10,000



Smart Privilege Account

(For the woman of today)

In today's busy world it's tough being a working woman. Right from shuttling between a job and family to taking care of her finances she has to be on her heels all the time. Keeping this ideal in mind, we at Axis Bank have designed a savings

account best suited for the woman of today. Now with the Smart Privilege Account you can manage your money, your life and enjoy a host of lifestyle privileges as well. What's interesting is that the Smart Privilege Account ensures that you have enough time for all those important things in life.

- Jewellery Insurance on Debit Card

Page | 27

- -Dedicated Relationship Manager:
-A Dedicated Relationship Manager will be your one point contact at the branch for all your banking transactions thus ensuring that you would neither have to move from one counter to the other nor stand in queues to await your turn.

-

- Zero Balance Minor Account

- -Round-the-Clock access through ATMs:

-There could be a time in your life when at 3 am you could require cash. With our round-the-clock access you can withdraw cash up to Rs. 40,000 per day, deposit cash/cheques, transfer funds, print a mini statement and pay insurance premiums (LIC), all this through one of the largest ATM networks in the country.

-

- Anywhere Banking:

-Imagine being in some other city and still have complete access to all your transaction needs. You are a customer of the bank rather than limited to being a customer of the branch. So even if you are travelling, you can access your account easily from any of the 600 Axis Bank offices spread over 350 cities across the country.

-

- At-par cheque facility:

-Your cheque will be treated as a local cheque within the vast Axis Bank network of 600 offices across 350 cities in India It frees you from the hassles of getting a

- Demand Draft issued.

-

- Monthly Account Statement

-

- Additional discounts on loans

- **-iConnectTM:**

The Complete online banking experience: It's the age of Wi-Fi. All your banking needs should be on your fingertips, with our i-connect you can check your account status, transfer funds, place online request for a new cheque book and many more features without even having to visit an Axis Bank branch.

-
- **-Financial Advisory Services:**

Page | 28

Our Financial Advisor will assist you with your financial planning and help you to earn maximum returns on your savings.

-
- **-Discount on Retail Purchases:**

-Just live the feeling of walking into a store and getting amazing discounts not available to others. As you are a valued customer for us, we shall Endeavour to provide you with discounts at various outlets, periodically. All you have to do is use your new Smart Privilege Debit Card and avail of discounts at these outlets. Details of such tie-ups will be sent to you on a regular basis.

Documentation required

To open a Smart privilege account with UTI Bank, you just need to provide:

1. Passport size colour photographs (latest)

2. Introduction related documents

Introduction by an existing UTI Bank customer, whose account is at least 6 months old with a suitable proof of address

OR

A letter from the manager of your existing bank, verifying identity and signature

OR

Copy of passport along with a self- signed cheque

OR

Please provide one from each GROUP

Group I

Voter ID Card* or Defence /Police/Govt. Dept. ID Card or Pan Card or Driving Licence or Photo Credit Card (* Along with self-signed cheque)

Page | 29

Group II

Latest copy of Electricity Bill / Telephone Bill / Bank A/c statement / Credit Card Statement / Insurance Premium Receipt / Letter from Employer certifying address / NSC giving current address / Existing House Lease Agreement

3. The duly filled account opening form along with the relevant documents can be submitted at the branch.

4. **AQB Criteria:** Maintenance of an Average Quarterly balance of Rs. 10,000/- at Metro/Urban Branches and Rs. 5000/- at Semi-Urban Branches.



Trust/NGO Savings Account

Thoughtful banking for people who spend their lives thinking of others

Need special banking for special causes?

Axis Bank's Trust Account is an effort to offer thoughtful banking for people who spend their lives thinking of others. It is a complete banking solution for Trusts, Associations, Societies, Government Bodies, Section 25 companies and NGOs, so that the organisations can devote all of their time to their noble motivations.

- A Savings Account for your Trust with a concessional Average Quarterly Balance
- A multi-city at-par cheque facility with no limit on clearing payments at centers across the country wherever we are present.
- Free Anywhere Banking across all our Branches and Extension Counters and over all our ATMs.
- Free Demand Drafts or Pay Orders as and when required by you to remit funds.
- Free collection of cheques at outstation locations.
- Monthly Statement of Account delivered at your doorstep.
- Facility for collecting donations in your account through our network of Branches and Extension Counters across the country, as well as through iConnect - our Internet Banking facility.
- Monthly statement of account
- Free Internet Banking facility
- Free Demat account
- Assistance for Foreign Contribution (Regulation) Act accounts for receiving donations from abroad.
- Free collection of cheques
- Doorstep banking services

Page | 30



Zero Balance Savings Account

Save at Zero

Saving Money is now easier

Presenting, Axis Bank's Zero Balance Savings Account. At Axis Bank it has been our constant endeavor to create products specifically catering to your needs. The account while offering you a whole range of services also addresses your latent need of having an account **without the hassle of maintaining an average**

quarterly balance.

Features

- No Average Quarterly Balance requirement
- Free International Debit Card with an Accidental Insurance cover up to Rs 2 lakhs* (charges for the primary holder are waived)
- Free mobile banking facility
- Access through more than 675 branches and more than 2800 ATMs
- At-Par cheque facility with the clearing limit of Rs 50,000
- 24x7 Telebanking & Internet banking
- Free quarterly statements

Page | 31

*** Conditions Apply**

1. Initial funding of Rs. 5,500.
2. Account maintenance fee of Rs. 500 per annum

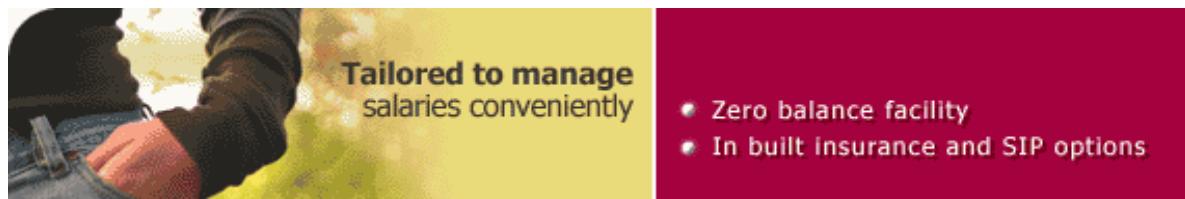
Zero Balance Savings Account: Documentation

- An Account Opening Form duly filled
- One latest passport size photograph
- Initial cheque of Rs 5,500
- Photo identity proof like PAN card, Passport, Driving License or Voters card
- Proof of residence like recent utility bill or bank account/credit card statement, and-

Any two of the following documents:

- Latest Post paid mobile bill with a minimum bill payment of Rs. 1,000
- Minimum Net Salary Rs. 20,000 or other bank account statement with minimum day end balance of Rs 25,000
- Frequent Flyer Card or Customer Loyalty Card (any of the renowned retail chain)
- Proof of owning a Gold/Platinum Credit Card

- Proof of owning a house or a four-wheeler



Salary Power

The complete financial solution

Seeking a convenient way to pay your employees?

Salary Savings Account from Axis Bank will do the job for you. We know how important employee satisfaction is for an organisation to grow to its full potential. Which is why we have tailored our Salary Savings Account not only to be a convenient way for you to manage salaries (across various centres, through our centralised database), but also provide your employees with a range of value added benefits.

Salary Savings Account comes with a host of facilities that give your employees access to the complete gamut of banking services (including overdrafts, loans and zero-balance requirements) on a preferential basis. Making it the perfect incentive for your employees.

Salary Power: Features

1	Balance Requirement	No minimum balance
2	Anywhere Banking	Available across the country
3	Cheque books	Multi-city at-par Cheque Book
4	International Debit cum ATM Card	<ul style="list-style-type: none"> Personal Accident Insurance cover of upto Rs 2 lacs per cardholder [To keep your personal accident insurance cover activated, you should have made a purchase transaction in 365 days prior to the day of the incident & should have maintained an average quarterly balance of Rs 5,000 (urban & metropolitan branches) or Rs 2,500 (rural & semi-urban branches) as the case may be in the two quarters before the date of the incident.]* Cash withdrawal of upto Rs 25,000 daily Purchase protection and Zero Card Liability Accepted at more than 1 million ATMs and more than 26 million Point of Sale terminals worldwide
5	Computerised Statements	<ul style="list-style-type: none"> Free on a quarterly basis Free monthly statements on email (Customer has to register for Internet Banking)
6	Joint Account Facility	Available

7	Flexi (2-in-1) Encash Deposits*	Available subject to terms and conditions
8	Demand Drafts	Free Demand Drafts drawn on Axis Bank Branches
9	Overdraft Facility	Upto 50% of net salary at Personal Loan rates*
10	Outstation Cheques	<ul style="list-style-type: none"> • Free collection, only out-of-pocket expenses to be recovered
11	Demat Account	Available
12	Financial Advisory Services	Available
13	Power Loans*	<ul style="list-style-type: none"> • Power Homes - Housing Loans • Personal Power - Personal Loans • Study Power - Educational Loans • Consumer Power - Consumer Loans • Power Drive - Vehicle Loans
14	Optional Gold Debit Card	Access to any Bank ATM
15	Credit Cards	Available
16	Online Trading	Available
17	Built-In Insurance (Medical and Burglary) scheme	Unique facility of availing Insurance option in built in the account available
18	Built-in SIP scheme	Unique facility of availing SIP option in built in the account available
19	Internet Banking	Available as iConnect with enhanced features like free bill payments (eg, electricity bills) and electronic payment of premiums (LIC -

		Insurance Premium) at select centres. Online shopping and E-Brokering
2 1	Telebanking	Free (available for 24 hours at select centers)
2 2	Mobile Banking	Available
2 3	Nomination Facility	Available
2 4	Funds Transfer	Transfer funds from your Salary Power account to any bank account in India free of charge.
2 5	Meal Card	The best substitute for the traditional Sodexo/Accor Meal coupons/vouchers.
2 6	Gift Card	Prepaid, Rupee Denominated, Non Reloadable card - Ideal for Gifting.

Note: Salary Power is a special account offered to customers with regular direct salary credits coming into this account. In case, the monthly salary is not credited into the account for more than 3 consecutive months, the special features offered under Salary Power account shall stand withdrawn and the account shall be treated as Normal Savings Account under our standard charge structure and all charges shall be levied and applied as applicable to normal savings accounts.

** Conditions Apply*



Power Salute

Salute to the defence forces

Are you looking for an account that fits with your life in the Defence Forces?

Defence Salary Account from Axis Bank is a product designed keeping in mind how

tough a life in the Defence Forces is. Not only does it come to you absolutely free, no minimum balance is required either. You can also access the entire Axis Bank network, including more than 2300 ATMs and 550 branch offices (and growing) no matter where you are posted.

With the complete gamut of banking services (including overdrafts, loans and zero-balance requirements) you can now rest assured about your family and all their financial needs. It's our way of showing our appreciation to your work.

Page | 36

Banking Privileges:

At-par Cheque Facility

Your job involves constant transfers across the country. With the at-par cheque facility it will no longer be necessary to set up new bank accounts with each transfer.

Additional Debit Card

Along with a free International Debit Card, you also get a free card for the joint account holder. This means that your child or spouse also enjoy the same benefits of banking with Axis Bank.

Financial Advisory Services

Our solutions answer to the twin goals of meeting your requirements and to diversify and spread the risk of your investment portfolio, so you can look forward to a comfortable and worry-free life. We first understand your exact investment needs and then design the perfect investment plan for you.

Your investment plan could include investments in:

- Mutual Funds - Debt and Equity
- Bonds
- Axis Bank Fixed Deposits

Power Salute: Product Features

SAME AS SALARY POWER (SBSAL)

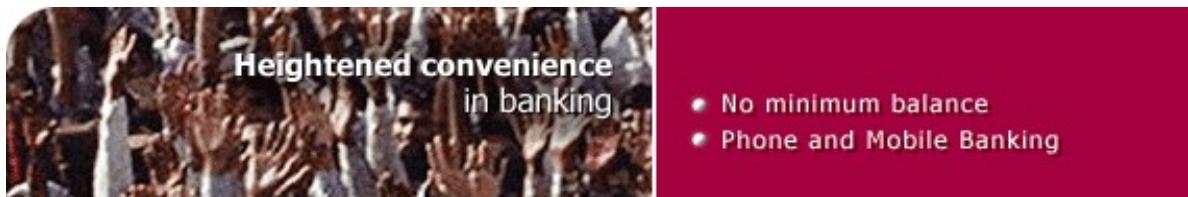
Power Salute : Eligibility

Personnel from the following forces are eligible for this account. Retired personnel can also avail of the mentioned benefits as long as the account has been opened

when in active service.

- Personnel of Army, Navy, Air Force and the Coast Guard
- Paramilitary Services (BSF, CRPF, NSG, NCC, Territorial Army)
- Retired and Short Service Commission officers would also be eligible - provided the accounts are opened while they are in active service.
- Civilians posted at Defence establishments like training schools, canteens, etc. on a permanent basis

Page | 37



Heightened convenience
in banking

- No minimum balance
- Phone and Mobile Banking

Azaadi - No Frills Account

Basic banking with zero balance

Do you seek freedom from the necessity of a minimum balance?

Presenting, Axis Bank's Azaadi Account. A savings account that doesn't require a minimum balance. Experience a host of unparalleled features and heightened convenience with Azaadi Account.

You qualify for Azaadi if

- The sum total of all credits to your account does not exceed Rs 1 lac during the Financial year,
- You do not intend to maintain an account balance higher than Rs 50,000 at any given instant, and
- You are unable to furnish full documentation as required ordinarily for fulfilling of account opening norms

Page | 38

Product Features

- Zero Balance Savings Account: No need to maintain a fixed, mandatory amount in your account.
- Instant Welcome Kit: Handed over to you at the time of account opening, the kit will consist of your account number, debit card, debit card PIN, internet banking PIN and phone banking PIN numbers.
- International Debit Card: Which gives you access to over 1,800 ATMs across the country, enabling you to make deposits or withdraw cash at any time of the day or night.
- Phone Banking and Internet Banking: You can conveniently check your balance, transaction details etc. anytime from anywhere over telephone or using the Internet, for no extra charge.

* Conditions Apply

Special Scheme for Savings Bank Account:

Savings account for students:

Eligibility: Age of the student should be between 12 years and 25 years. For medical students the upper age limit could be 30 years. The student must possess valid identification of an institution.

Features:

- Minimum average quarterly balance (AQB) of Rs. 500.
- Free International Debit Card.
- Quarterly statement of account.
- Tele-banking
- iConnect™ Internet Banking

Page | 39

Savings account for Demat customers:

Eligibility: Demat account customers of the Bank.

Features:

- Minimum average quarterly balance (AQB) of Rs. 1000.
- Free International Debit Card.
- Quarterly statement of account.
- Tele-banking
- iConnect™ Internet Banking



Priority Banking – Resident

In a segmentation study undertaken in 2002, it was found that 2.72 % of our retail customers contribute to nearly 49.05% of our total retail deposits.

The clients that bring a larger share of business to the Bank expect a differentiated standard of service. This also makes business sense, as more often than not, most of the business in a particular branch flows from a handful of clients. Hence,

Priority Banking, was launched in order to cater to the needs of the high net worth customers within the bank.

The product has at its core, the idea of providing a certain bit of differentiation in service and treatment to a segment of its customers with a view towards customer retention, acquisition and cross-selling.

Page | 40

The nucleus of these services has essentially four important components – personalized service, Investment advisory services, preferential pricing of banking products/ services and lifestyle privileges

Most of Banks, private as well as foreign, offer a specialized banking service to their elite customers. The definition of the value of relationship and services offered differs across banks. In general, MNC banks define the HNI segment taking into account the customers' liability as well as, asset relationship with the bank (Between 20-30 lakhs and above) whereas the Indian private banks only take in the savings bank balances and term deposits (Between 5-10 lakhs and above).

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Banking Privileges

- **Priority Banking Lounge:**

As a Priority banking customer you will have access to an exclusive 'Priority Banking Lounge' at branches. This will allow you to conduct your financial transactions in utmost comfort and confidentiality through an exclusive Relationship Manager.

- **Dedicated Relationship Manager:**

You will enjoy access to a dedicated Relationship Manager who will be your one point contact at branch for all your banking transactions thus ensuring that you would neither have to move from one counter to the other nor stand in queues to await your turn.

- **Home Banking:**

Experience the convenience of our home banking facilities. Avail of free cash and cheque pick-up and delivery at your office or residence.

- **Exclusive Priority Banking International Debit card:**

This card allows you free access to all VISA ATMs in India. The card also comes with higher ATM withdrawal limits, higher POS transaction limits at merchant establishments, enhanced insurance cover and a host of special discounts and offers.

- You also get Preferential Interest Rates and lowered Processing Fees on select Retail Loans.

- **Other Banking Privileges:**

Enjoy a host of banking privileges like free at-par cheques, demand drafts and pay orders, free passbook updates and monthly statements.

- You would also be entitled to two free minor accounts, one free outward remittance per quarter and free Mobile banking.
- As a Priority Banking customer, there would be no issuance charges on Axis Bank's Travel Currency Card.

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- **Investment Privileges**

- Avail of assistance in financial planning. Investment advice, market information reports, and invitations to investor meets are offered complimentary to you.

- **Lifestyle Privileges**

- However, it's not all about just financial services. We aim to provide a different Lifestyle experience through Lifestyle privileges like exclusive invitations to movie screenings, plays, music concerts and other special events sponsored by Axis Bank, especially for our Priority Banking Customers.

- **Complimentary Gold Credit Card**

- **Complimentary Gold Standard Credit Card and Gold Standard Secured**

Credit Card to the Priority Banking customers.

- **50% off on the Issuance Fee of Gold Plus Credit Card and Gold Plus Secured Credit Card to the Priority Banking Customers.** The Priority banking Customer shall be charged Rs. 500 as annual maintenance charge.

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Page | 42

Eligibility Criteria

- You can sign up for Priority Banking service by agreeing to any one of the following criteria
- Average quarterly balance (AQB) of Rs. 1 Lakh in your savings account (this requirement is Rs. 75,000 if in case you have a salary account with Axis Bank)
- Average quarterly balance of Rs. 5 Lakhs in combination of your savings and term deposits (Minimum AQB of Rs. 25,000 in the savings account)
- Minimum average quarterly relationship of Rs. 10 Lakhs across members of the same family.
- Minimum average quarterly relationship of Rs. 5 Lakhs in Encash 24 (Flexi Deposits) account.

Conditions Apply

- All loans and credit facilities are at the sole discretion of the Bank.
- Other/Correspondent Bank commission and fees will be charged wherever applicable.
- Axis Bank does not guarantee returns on any of the investments.
- Standard terms & conditions and RBI rules apply.
- Priority Banking is offered in select Branches/Cities only.





Basic Savings Account for the Global Indian

- Low AQB requirement of Rs 5000/-
- For overseas / foreign earnings
- Fully repatriable & tax free

Non-Resident (External) NRE Savings Account

Any person resident outside India may open NRE account. This account permits a NRI to hold and maintain foreign currency earnings in Indian rupees. The principal and interest earned on these balances are freely repatriable.

Whether you are a student, a professional, a salaried employee or an entrepreneur, this account will meet all your banking needs

Nomination Facility

Nomination can be in favour of resident or non-resident

Repatriation of funds by nominee

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Remittance abroad by Non-Resident Nominee:

Banks may allow remittance of funds abroad, or funds may be credited to NRE or FCNR deposits.

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Remittances abroad by Resident Nominee:

Funds are to be credited to the ordinary SB account. If the nominee wants to remit funds outside India for meeting the liabilities of the deceased, should obtain permission from RBI.

Features

- Low minimum balance requirement of Rs 5,000
- 'Multicity' cheque book which will permit you to make payment via cheque across multiple locations

- Mandate or Power of Attorney facility available so that in your absence from the country you can authorize your relative or friend to operate conduct banking transactions on your behalf
- Free iConnect: 24 X 7 account access through secure Internet banking facility from anywhere and anytime
- Online shopping mall and utility bill payment facility by using our internet based iConnect banking login
- Free personal accident cover of Indian Rupees 2,00,000 on our Debit Card (The insurance cover will come in force only after you make your first successful payment transaction at any merchant establishment.)*
- Tax Advisory Services from our empanelled consultants
- Assistance to obtain Income Tax PAN Cards to make you compliant with the tax regulations of your native land

**Conditions Apply*

Documentation

In order to open an account customer will have to submit the following documents.

NRI or PIO Account

- For NRI (Non Resident Indian)
 - Photocopy of your current passport where your identity details, passport details, date and place of birth and signature appear
 - Photocopy of valid work permit or employment visa
- For PIO (Person of Indian Origin)
 - Photocopy of your current passport where your identity details, passport details, date and place of birth and signature appear
 - Photocopy of PIO Card or self-declaration for PIO

All the above photocopies should be attested in case you are downloading the account opening form and sending it to India. Attestation can be done by your banker abroad or the Indian Embassy or notary or equivalent authority as per the applicable law.

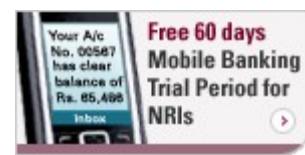
The address proof must match with the communication address selected by you on

this Relationship Form.

Page | 45

- Any One Of The Following Address Proofs
 - Utility Bill
 - Driving License
 - Residence Permit (Govt. Issued Identity Card)
 - Credit Card Bills
 - Rent Receipt
 - Overseas or Indian Bank Statement
- NRI Salary Account
 - Copy of passport where your identity details, passport details, date and place of birth and signature appear
 - Photocopy of valid work permit or employment visa
 - Employment Letter
 - Letter from the employer confirming direct credit of salary to the account
- Mariners International Account
 - Copy of Passport along with copy of valid Visa
 - CDC (Continuous Discharge Certificate)
 - Copy of duly accepted work contract
 - Declaration Letter

Who cannot open an NRI Account?



The following cannot open a NRI account

- Residents who travel overseas for health and medical check up, or
- For any tour abroad for their short visit whether on excursion or business promotion, or
- Residing in Bangladesh or Pakistan without prior approval of RBI, or
- Residing in Nepal and Bhutan, or
- Seafarers employed by Indian shipping companies

Page | 46

Wealth Management

The Focus of the Wealth Management group is to increase fee income earned by the bank through cross sales of third Party Products. The Wealth Management Unit is further divided into two distinct parts the Financial Advisory Services and the Wealth Advisory Services. A dedicated research cell supports both these sub units.

Financial Advisory Services

These Services are pegged at the “mass affluent” customers at the retail end of the market. The bank offers Mutual Funds, Bonds and General Insurance Advise under these Services.

The bank is an AMFI registered Distributor and has tie-ups with all major Mutual Fund Houses for distribution of their products. The Bank has tied up with Bajaj Allianz for distribution of its **non life insurance** products as a part of the Banc assurance model

A separate sales channel of Investment Advisors and the Banc assurance Advisors drives the sales at the branch level. These advisors are specialists in their respective fields and are AMFI or IRDA certified. The services of the Financial Advisory group are mainly targeted at Priority Banking customers and also at Corporates and Trusts. Online trading is also being launched shortly to facilitate equity investments for the retail customers.

Wealth Advisory Services - MOHUR

This service focuses on the “Seriously Rich” segment and caters to all the banking and investment needs of a customer. Along with Mutual fund and Bond investments, Mohur also offers investments in equity through Non – Discretionary Portfolio Management services. Mohur aims at providing a one-point contact for all banking and investment services of its customers.

Page | 47

The sales are driven through a channel of Wealth Managers and Service Managers working together to deliver a seamless service to the client. Based on the research recommendations of the research team the wealth managers manage 16 the portfolios of their clients. The day-to-day transactions are taken care of by the service manager.

Besides investments the Wealth Manager is also responsible for cross selling other products of the bank i.e. loans, cards etc.

Alternate Channels:

The alternate channels of the bank are the following:

- ATM Channel
- Internet Banking Channel
- Tele-banking Channel
- Mobile Banking Channel
- Call-Center

ATM Channel: The bank has 1861 ATMs as on 31.03.2006. This includes all our onsite and off-site ATMs. All our ATMs are connected to our Base24 ATM switch, which in turn interacts with our centralized core banking software for transaction processing.

The Bank through its ATMs offers the following services:

Banking Services

- Cash Withdrawal, with real time debit to customer's account

- Cash & Cheque Deposit
- Balance Inquiry
- PIN Change
- Mini Statement

Page | 48

Other Services

- Mobile Airtime Refill for Hutch, Airtel Idea, BPL, Cellular, RIM, Tata Tele
- Facility for Non UTI bank VISA card holders to refill their Prepaid phones.
- Life Insurance Corporation Premium Payment
- Bill Payment e.g.: BSNL, MTNL
- Funds Transfer (within own accounts)
- Online Donations to Trusts & NGOs.
- Purchase and redemption of UTI Mutual Fund Schemes through the ATM.

Shared Resource

We have been pioneers in developing shared networks in the country. Apart from acquiring ATM Transactions through VISA/MasterCard; we have ATM Sharing Arrangements (Bilateral and Multilateral) with the following partners:

Bilateral ATM sharing arrangement

1. State Bank of India
2. ABN Amro Bank

3. Bank of Rajasthan
4. Karur Vysya Bank
5. Andhra Bank

Multilateral

1. Cashnet (A shared network run by Euronet India Pvt. Ltd.)
2. BANCS (Formerly known as Swadhan. Now run by E Funds Ltd.)

Page | 49

Strategic Tie-ups

We have also tied up with Western Railways (Mumbai), Central Railways (Mumbai), Pantaloons, HPCL, and BPCL for setting up ATMs at their locations.

Almost all costs related to setting up and maintenance of an ATM network are fixed. Thus, the challenge for the Bank has been to migrate customers to this channel and develop new streams of revenues from this channel, in order to make the channel viable. The Bank has achieved tremendous success in this regard. We have been able to migrate about 90% of all cash disbursement transactions to our ATMs.

To generate direct revenue from the ATM Channel, the bank has adopted 2 strategies:

- ATM Sharing with other banks
- New functionalities such as mobile airtime refill, bill payment & mutual fund sales through which our bank earns a commission

The bank has also set up ATM galleries at 3 locations. Each of the Gallery has 2 ATMs for the convenience of the customers, information kiosk, a card operated touch-screen internet kiosk, through which the customers can access their IConnect accounts with bank and perform their banking transactions such as funds transfer, bill payment, balance inquiry, etc. A bill payment kiosk has also been set up at this gallery.

The ATM Channel for the bank has been a major customer acquisition tool. Increasingly the channel is being seen as a customer-servicing tool and all the new value-added services are part of that initiative.

Internet Banking Channel

Page | 50

Since April 2000, the Internet Banking channel has grown fast to complement the branch and ATM network. As of March 2006, there are around 20 lac users of Internet Banking, which amounts to more than 50% of our retail banking savings account customers.

Apart from routine functional like balance and transactions lookup, we also provide a number of value-added services on the Internet banking platform. A brief description of each product is given below:

Funds Transfers

Currently, we offer three types of funds transfers:

To the customers own Axis Bank account (linked to same customer id).

To any Axis bank account

Power Transfer: To any account in any other bank in India. This service is available for transfers to any branch of any bank provided the branch is in the 15 RBI centers in the country.

All the above services are free to our savings bank customers. Power Transfer, however, is charged at Rs.17 per transaction for customers other than savings account customers.

Bill Payment

The bill payment services on the Internet can be classified into three categories:

Presentment or EBPP (Electronic Bill Presentment and Payment). Under this type of bill payment, the customer needs to register for each bill. Once registered, the biller will send an electronic version of the bill for acceptance and payment.

Direct Payment: Under this type of bill payment, no bill presentment happens. The

customer is free to select the biller and pay accordingly to his convenience.

Payee: This a variation of direct payment method with the customer creating his own biller. For example, payment of rent to landlord. The landlord's account details would typically be entered and payment made on a recurring basis.

Shopping

Page | 51

A customer with Internet banking access can buy from merchants registered with us and pay through the direct debit facility on our website.

Other Services

Apart from the above, the customer can give requests for stop payments and cheque books.

Mobile Banking Channel

Mobile banking was launched by the Bank in October 2004. Within the last one and a half year, the customer base has grown to over five lac subscribers as of April 2006. We offer the following two type services in mobile banking:

Automatic Alerts

A subscriber is alerted through SMS on the activities in his account with automatic alerts for every debit or credit in his account of more than Rs. 5,000.

Also, if the customer is registered for bill payments, he receives an alert as soon as a bill is presented by the biller for payment.

Benefits

- Safety:** Be alerted on any transaction above Rs.5,000 in your account so that action can be initiated promptly in case of any misuse of the account.

- Convenience:** Know the status of the account from wherever you are.

Service Availability

Currently the service is available for the following customers:

SBEZY: Easy Savings Account

SBSAL: Salary Power Account
SBDMT: Demat Account
SBSMT: Smart Privilege Account
SBSTU: Students Account
SBWDN: Withdrawal Account
SBSPA: Senior Privilege Account
SBPBG: Priority Account (Including flagged off priority customers)

Page | 52

Charges

The service is chargeable at Rs.100 plus taxes (total Rs.112.24) for all customers other than Senior Privilege accountholders, Priority accountholders and staff.

Registration Process

The customer can register from the following channels:

- Account Opening Form
- Branch (through a written request or form)
- iConnect
- ATM

Update Mobile Number

The customer can update his mobile number through the following channels:

- Branch (through a written request or form)
- iConnect
- ATM

De-register

The customer can de-register through the following channels:

- Branch (through a written request or form)
- iConnect

- SMS (by sending SUSPSMS to the mobile banking number)

Credit Cards



Page | 54

Debit Cards



AXIS BANK

Cards Division :

The Cards Division in Retail Banking Department is responsible for both the Cards issuance Business as well as Merchant Acquiring Services. 20

On the Issuance side, the Bank has two very strong products viz the International Debit cum ATM Card & the International Travel Currency Card. In FY '05-06, new initiatives from the Cards Division have been the Visa Gold Debit Card, Rewards Card and the Travel Currency Card in several new currencies.

DEBIT CARD:

A Debit Card provides on-line direct electronic payment from a Bank Account for payments at Merchant Establishments (shops, restaurants, petrol pumps etc.), and access to ATMs for cash withdrawals and inquiries. It can be used both as an ATM Card and as a method of payment (instead of cash / cheques) when purchasing goods and services.

The difference between a Debit Card and a Credit Card is the difference between "debit" and "credit." Debit means "subtract." When you use a debit card, you are subtracting your money from your own bank account. Debit cards allow the customer to spend only what is in the customer's bank account. It is a quick transaction between the merchant and the customer's personal bank account.

Credit is money made available to the customer by a bank or other financial institution, like a loan. The amount the issuer allows the customer to use is determined by the customer's credit history, income, debts, and ability to pay. The customer may use the credit with the understanding that he will repay the amount, plus interest if the customer does not pay in full each month. The customer will receive a monthly statement detailing the charges and payment requirements.

THE AXIS BANK DEBIT CARD

The Axis Bank International Debit Card is a VISA Electron/Visa Flag/ MasterCard Unembossed card and is accepted globally at all VISA / MasterCard ATMs and Merchant Establishments accepting Visa/MasterCard cards. The Bank has issued more than 44,00,000 Debit Cards. The Bank issues between 100000-120000 debit cards to its customers consistently every month.

Page | 56

Features:

Insurance: The UTI Bank International Debit Card comes with the following insurance features.

Lost Card Liability:

AXIS Bank Debit Cardholder is insured for risk of loss due to fraudulent use of a lost/ stolen / missing Debit Card. All he needs to do is communicate the loss of your Card by calling our 24-Hour Customer Service Number or Branch (during working hours).

Purchase Protection: All consumer durable goods purchased using the Debit Card are insured against fire, natural calamity, burglary and house – breaking upto 90 days from the date of purchase.

There is a combined limit of Rs. 50,000/- per card for Zero Lost Card Liability and Purchase Protection. This limit is Rs. 175,000/- for Gold Debit Card.

Personal Accident Cover: In the unfortunate event of loss of life in a accidental mishap, the customer's beneficiaries will receive the benefit of accident insurance of up to Rs. 2 Lakhs (Rs. 5 Lakhs in case of Gold Debit Card). The Personal Accident Cover comes into force as soon as the Debit Card is used for a payment transaction at any Merchant Outlet. The personal accident insurance covers the debit cardholder and compensates the nominee in the event of accident leading to death. Sum Insured Rs. 200,000/ Rs. 500,000 per cardholder (a cap of same amount in the event of multiple cards / multiple accounts per person). The claim settlement procedure and all the forms/ documentation required at the time of claim submission are available with all our branches. The customer may also contact 022-55987700 the Debit Card help line directly. 22

24-Hour Customer Service: 91-22-55987700 for around the clock assistance for AXIS Bank Debit cardholders.

The Charges relating to the Debit Card are as under.

PARTICULARS	CHARGES
Issuance Charges	Rs. 95/- per Card
Annual Fee	Rs. 100/- per Card
Card Replacement Charges	Rs. 95/- per Card
Duplicate PIN	Rs. 50/- per Card
<i>Transactional Charges</i>	
A) UTI Bank ATMs	No Charges
B) VISA/ MasterCard ATMs	Rs. 50/-
	Rs. 15/-
	Rs. 125/-
	Rs. 25/-
<i>ABROAD</i>	
Cash Withdrawal	
Balance Inquiry	

1. The charges are waived for branches at semi urban and rural centres.
2. The charges for Current Accounts will be the same as that for SB – NOR
3. The charges for SB – DMT, SB-SPL and SB – STU will be the same as that for SB-NOR.
4. There will be no charges for Debit Cards issued to SB – SPA, SB-PB, SB – TRS and SB – STF
5. There will be no charges for cards issued to NRE & NRO Accounts.
6. The charges are waived for primary card to SB – SAL.

REVENUE DRIVERS

In the absence of any annual fee, the revenue driver for the Bank is the commission earned @ 1.1% of the transaction amount, when a customer uses his Debit Card at a merchant outlet. Thus the challenge is twofold:

Activation of Dormant Cards

Migration of transactions at ATMs (non-revenue earning) to Point of Sale (1.1%)

Page | 58

In the financial year 2005-06 the Bank earned approximately Rs. 11.27 crore from its Debit Card program. Usage of the Card varies according to age and location. People in the metros, large towns use the Debit Card because of more awareness and concentration of ATMs and POS terminals. The highest usage comes from Tier I cities like Mumbai, Delhi, Kolkata, Chennai, Hyderabad and Bangalore where most merchant outlets have EDCs (Electronic Data Capture Terminals). Similarly age of the customer also has a bearing on the usage pattern. Studies show that the Debit Card is used maximum by people in the age group of 25-45.

New Initiatives

a) Remittance Card

The AXIS Bank Remittance Card. Launched in association with Remit2India.com, is a unique product that has changed the way money is sent across borders. Remitters from 23 different countries including the USA, UK, Gulf Countries can send money to India through the Remittance Card.

The product is available as a delivery mode (other delivery modes being Demand Drafts/Direct credits to Bank accounts) for remittances made through the Web Portal www.Remit2India.com. Based on the remitter's request, we prepare a personalised Remittance Card for the beneficiary, which is preloaded with the funds remitted to him in INR. The card is sent in a Welcome Kit to the beneficiary, who has to take it to the nearest AXIS Bank branch to complete some basic formalities in order to activate his/her card. Once the card is activated, it works just like a normal ATM-cum-Debit Card, usable at all VISA ATMs for withdrawing funds and at all VISA enabled POS outlets to pay for purchases.

Subsequent remittances are directly loaded onto the card and provide the beneficiary

with almost instant access to the funds remitted to him.

Thus, the product is primarily aimed at providing a hassle-free and convenient solution to beneficiaries who receive remittances on a regular basis.

Other features provided to Remittance Card customers are as follows:

- Multi-city At Par chequebook (on request)
- No minimum average balance requirement
- Encash facility
- Quarterly interest payment
- Daily Cash Withdrawal Limit of Rs. 40,000/-
- Daily Cash Withdrawal Limit of Rs. 40,000/-
- Free Insurance cover comprising of:
 - Purchase protection
 - Zero lost card liability
 - Internet and Telebanking facility

Page | 59

b) VISA Money Transfer Service

The VISA Money Transfer Service has now made it possible to send money from an AXIS Bank account to any of the 28 million VISA Cards issued in India.

Eligibility

Sender of Funds: To avail of the VISA Money Transfer Service, the sender of funds needs to be a holder of either of the following:

- A bank account with AXIS Bank



- Any VISA Card issued by AXIS Bank

Beneficiary of Funds: The beneficiary of the funds **should** have a VISA Card (debit or credit, issued in India). In case the beneficiary VISA Card is linked to more than one bank account, funds will be transferred to the primary account linked of the card.

Page | 60

Availability

The service has been enabled through all our ATMs and i-Connect™.

Usage

The VISA money Transfer service can be used for the following purposes:

- To send money to any of the 23 million VISA Cards anywhere in India.
- To pay VISA credit card bills by giving the card number and making a direct payment.

AXIS Bank accountholders who hold VISA Electron/VISA FLAG Cards can also receive money from any other Bank account, subject to that Bank enabling VISA Money Transfer for its accountholders.

We intend to introduce several additional usage options at a later date like payment of utility Bills, School and College Fees, etc. through VISA Money Transfer.

Time Taken for Funds Transfer

Although the sender's account would be debited instantaneously or on the scheduled date with the transferred amount, the funds will reach the beneficiary's VISA Card within one or two working day, depending on the time of transaction.

Future initiatives

In FY '08-09, the Bank plans to launch the Prepaid Corporate Card, which will be branded as a “Rewards Card”. The product is being aimed primarily at corporates for disbursing commission payments/reimbursements to their agents/distributors/employees. The Bank is in advanced stages of discussions with several corporate across the country. The Prepaid Card venture is expected to bring significant revenue income (primarily through fee income) for the Bank.

Page | 61

Merchant Acquiring Service :

AXIS Bank has launched its Acquiring business from December 15, 2003. There has been an enthusiastic response from many parts of the country. In a short span, the Bank has garnered a base of 22,000 Merchant Establishments (MEs) and adding around 1,500 MEs per month, the highest in the industry in terms of nos. added per month, which is in tune with the ambition of becoming the 3rd largest player by FY '09

Market Scenario:

Business is concentrated in top 8 centres

New Delhi - 35%

Mumbai - 30%

Rest* - 35%

*(Chennai, Hyderabad, Bangalore, Kolkata, Pune, Ahmedabad and others)

Top 4 Players:

Rank	Banks	ME Base (with POS)
1	ICICI Bank	1,25,000
2	HDFC	65,000

	Bank	
3	CITI Bank	27,000
4	AXIS Bank	22,000

Our Offering:

Page | 62

Salient Features of Cards Acceptance Services (Acquiring) offered by AXIS Bank is:

-Enhanced Protection against Frauds

To ensure a high level of protection from frauds, we have built in sophisticated security features additionally in the EDCs.

-Current Account customized to your Requirements

AXIS Bank offers 6 types of Current Account, which you can choose from, based on your specific requirements.

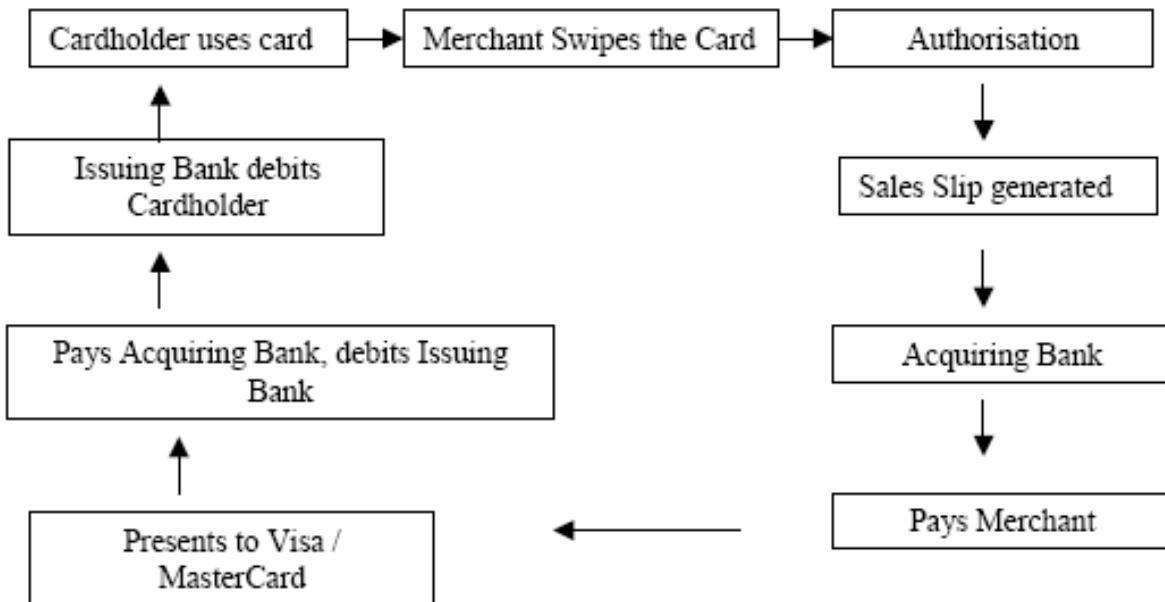
-Customer Care of Highest Standard:

A robust, round-the-clock authorization and merchant support services function ensures fast response times and reliable support in case of network outages and EDC malfunctioning. This minimizes downtime, thus enhancing productivity and profitability.

-Loan against card receivable (Card Power):

The Bank offers schematic loan to securities the card receivables in the form of cash credit and short-term loans.

Transaction Flow:



BANCASSURANCE

Bancassurance implies sales of insurance products through the Banking channel, wherein a Bank enters into a tie up with an insurance company. The Bank would be paid a commission by the insurance company for each insurance policy sold. This initiative would help the Bank to boost its fee income through commission earned. In turn the insurance company can effectively tap the Bank's customer base and utilize the bank's resources and infrastructure to maximize its sales. As per IRDA norms, a Bank is permitted to only tie up with 1 insurance company (1 general insurance company and 1 life insurance company) of each line of business.

In early 2005, AXIS Bank entered into a Bancassurance tie up with a leading private sector insurance player, Bajaj Allianz General Insurance Company Ltd, for sales of **non-life insurance** products through all its branches. The formal launch and announcement of the tie up took place during May 2007. AXIS Bank is yet to enter into a bancassurance tie up for life insurance sales.

As a result of this tie up, a wide range of insurance products have now been made available through AXIS Bank branches. Insurance is being sold to all segments, viz. retail customers, SME segment and corporate customers as well. This partnership is expected to become one of the major bancassurance tie-ups in the Indian market.

The important non-life products include Health Insurance, Personal Accident insurance, Householders Policy, Motor insurance, Shopkeepers Policy, Office Package policy, Overseas Travel Insurance, Fire Insurance, etc. These are the standardized insurance products of Bajaj Allianz.

Apart from selling standard Bajaj Allianz policies, AXIS Bank has also launched 4 special co-branded general insurance products in association with Bajaj Allianz. These products would be exclusively sold to AXIS Bank's large retail customer base and shall be available only through AXIS Bank. These policies offer the customers greater benefits, more competitive pricing and ease of purchase as compared to the regular insurance policies.

These co-branded are as follows:

Family Health:

We offer the customer, the advantage of insuring not just himself but his entire family with one policy. Our family Health insurance programme provides a comprehensive health insurance that covers customer, his spouse and 3 dependent children up to the age of 18 years. Hence the customer does not have to pay multiple premiums to insure all the members, in his family. 30

Hospital Reimbursement: Reimbursement of your hospital expenses in case of sudden illness, accidents or emergency surgeries and

Hospital Cash Payout: Additional cash benefit for each and every completed day of hospitalisation.

Safe Home:

We realize the customers need to make their homes as secure in reality, as it is in their

mind, this is why we have launched '**SAFE HOME**', which provides protection for your property and valuables at the customers home with minimal paperwork against losses due to fire, allied perils, burglary and larceny.

Safe Guard:

Low cost personal accident policy, which insures the customer, against risk of accidental death, accidental permanent total disability and accidental permanent partial disability.

Page | 65

Smart Advantage:

Smart Advantage is a women specific Critical Illness insurance plan that has been designed for keeping in mind the critical illnesses and other attendant risks that are especially faced by women.

A guaranteed cash sum will be paid in case the insured (i.e customer) is diagnosed with a life-threatening illness. The benefit amount under this policy helps to take care of heavy medical costs for treatment of critical illness. Hence provides protection from the economic impact of critical illness.

Other Insurance Retail Products offered by AXIS Bank:

- Burglary
- Critical Illness
- Fire and allied perils
- Householder
- Personal Guard (Personal Accident Policy)
- Shopkeepers
- Travel Companion (International Travel Insurance) 31
- Silver Health (Health insurance for higher aged customers)
- Motor Vehicle Policy

- Health Guard (Individual health insurance product)
- Hospital Cash

Corporate Products

We also cater to our Corporate & SME segment by offering the following types of policies:

Page | 66

- Fire and allied perils
- Money Insurance
- Fidelity Insurance
- Employee Benefit Policies like Group Health & Group Personal Accident Policies
- Workmen Compensation
- Marine Insurance
- Specialty products like D&O, E&O and BBB etc.
- Office Insurance

Since Agriculture still contributes a major chunk to the Indian economy, we have devised products for the same.

Retail Banking At a Glance

RETAIL BANKING

The Bank continued with its thrust on customer segmentation in the retail liabilities business to spearhead growth during the financial year 2007-08. Savings Bank deposits grew to Rs. 19,982 crores on 31st March 2008 from Rs. 12,126 crores as on 31st March 2007 showing a year on year growth of 65%.

The Priority-Banking offering of the Bank has led the growth in the Savings Bank deposits. Other savings products, especially those for senior citizens, for women and for NRIs have contributed strongly to the overall growth of the savings bank deposits.

Page | 67

Savings Bank Product	Growth In Savings Bank Balances	Growth In number of Accounts
Priority Banking (High Networth)	100%	108%
Savings Accounts for Trusts	133%	39%
Savings Accounts for NRI	80%	262%
Senior Privilege (Affluent Senior Citizens)	29%	46%
Smart Privilege (Savings Accounts for Women)	50%	73%
Salary Power (Pay Roll Account)	38%	28%
Easy Access (Base Savings Bank Account)	49%	26%

Corporate Communication & Market Research:

Mainline advertising campaign: Primarily to carry on with our corporate brand – building initiative through our corporate advertising. We have worked out a conceptual ‘positioning’ option for UTI Bank, broadly on the platform of “Solutions that maximize the power of money for the consumer” – with the baseline ‘Solutions for a lifetime’. The idea is to zero in upon that big positioning platform – based on the role of UTI bank in the consumer’s life - and all consumer – directed creatives including corporate brand advertising, product advertising as well as those for branch openings and anything else will have to necessarily coincide with the big idea to reinforce the synergy.

General advertising: Ongoing activity - encompassing branch opening announcements, statutory advertisements, recruitment advertising and development of corporate promotional materials.

NRI campaign: A specialized NRI – specific advertising campaign is carried out every year, highlighting the positives of our bank’s NRE account, in the branches in Kerala, The campaign is usually planned to run in the middle of July that coincides with the period when the NRIs from the Gulf return to India for their annual vacation.

Public Relations: ongoing activity with a view to increasing visibility, reinforcing market awareness and enhancing perceptions of UTI Bank amongst our target audience – industry, investors and customers.

Service Monitoring: A holistic service evaluation approach across 110 of our branches across the country –Mystery customer findings for identifying tactical gaps and customer satisfaction audit for identification of strategic issues pertaining to service for the Bank as a whole.

Internal Communication: with a view to bolster employee attachment and engagement. Primarily in the form of conceiving, editing and publishing the in –house magazine ‘Buzzword’.

RETAIL ASSETS

Retail Credit is emerging as one of the focus areas of most of the banks in the country. The retail credit business here is still very small compared to some of the developed countries of the world. The business is also in a nascent stage if compared to the corporate loans in the country and comprises of around 20 % of the total commercial bank loans.

The retail credit business is quite well established in tier I cities of the country. However, it is still in the evolving stage in tier II cities and in the nascent stage in tier III cities. Consequently, the consumers of tier I cities are the most aware lot, with the consumers in the tier III cities having a substantially lower awareness. In spite of this, the level of awareness and the demand from consumers has increased rapidly in the last couple of years due to the emergence of new aggressive players in the market.

Challenges for AXIS Bank

AXIS Bank has been a late entrant in the business of retail credit. The Bank has to overcome intense competition by established players to be a significant player in this business in spite of a large portion of the market remaining untapped.

The interest rates during the past few years had fallen drastically. In the recent months the interest rates have again started moving northwards and so it is a major challenge to maintain profitability while simultaneously building up cost effective processes and large volumes in a relatively short period of time. To build business volumes, the Bank is developing low cost distribution channels and also enhancing the use of alternate channels (Mobile, ATM, Internet etc). The Bank is also expanding this business quickly to tier II and III cities and leveraging the strength and reach of its existing Branches for this purpose.

Page | 70

The Bank is concentrating on an overall growth in the portfolio with a mix of secured and unsecured loans. To build up the Retail Asset portfolio, the Bank has identified the following action points:

- Rule based risk assessment, monitoring, effective recovery and collections
- PDC Handling and Servicing
- IT Capabilities
- Focus on building dealer alliances /DSA networks
- Growth through Alliances and distributed finance.

The Retail Asset products of the Bank are :

- Personal Power
- Power Drive
- Power Home
- Study Power
- Consumer Power
- Loan against Shares

AXIS Bank – Retail Assets : The Year 2007-08

In the year ended March 31 2008, our retail credit portfolio registered a substantial year-to-year growth of 55%. As on 31.3.2008, the portfolio aggregated Rs. 8525.50 crores, up from Rs. 6208.64 crores as on 31.3.2007. At present it forms 29 % of the total advances of the Bank, up from 27% as on 31.3.2007.

AXIS BANK – RETAIL ASSETS : THE YEAR AHEAD (2007-08):-

Page | 71

The Bank plans to ambitiously grow its retail assets portfolio from Rs. 8525 crores (as on March 31, 2008) to new heights this year.

In order to achieve this, a two pronged approach strategy is contemplated:

- Business through ‘Retail Asset Centres’ (at major centres) and ‘Satellite Retail Asset Centres’ (at other centres)**
- Business through Alliances / Securitisation**

Business through ‘Retail Asset Centres’ (at major centres) and ‘Satellite Retail Asset Centres’ (at other centres)

Business through ‘Retail Asset Centres’ (RACs): The strategy is being implemented city-wise. RACs have already been set-up at 15 major centers. The 28 SRACs have added a new dimension to the Retail Assets distribution by providing newer business opportunities at Tier II centers. RACs/SRACs are separate cells, directly reporting to corporate office, responsible for all business in the centre. The RAC/SRAC conducts business, with the help of dedicated teams of DSAs, Field Verification (FI) agencies, Document Verification agencies, Valuation agencies, lawyer panels and recovery/collection agencies.

Business through Alliances and Securitisation

As a part of building the retail asset portfolio we have tied up with NBFCs, which are sourcing and administering business for AXIS Bank. These tie-ups contributed to substantial percentage of the total growth achieved during the last financial year. Among the potential targets were foreign banks desirous of moving out of the country/business and NBFCs in retail lending operations.

Infrastructure Creation:

The growth envisaged in retail assets has been achieved by putting in place:

Centralised cells for PDC management, recovery and collections, document storage and MIS. It was deemed necessary to set up this infrastructure before embarking on a countrywide marketing programme. The Bank has this infrastructure in place since June 2003.

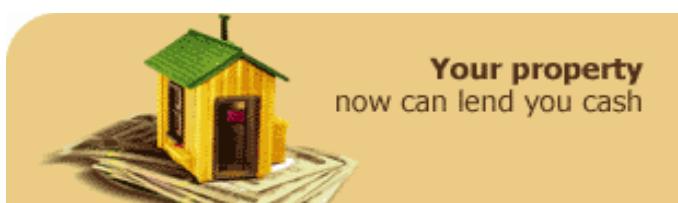
Page | 72

Software: The unique needs of the retail asset business require dedicated software applications. We had evaluated a few software solutions available in the market and the Bank selected the software (FELOS) by Infosys. The software has been implemented and integrated with the Bank's core banking application. A continuous improvement in the software is being achieved.

Organisational Structure: The Retail Assets team at the Central Office is reoriented at a product driven and customer centric approach to provide better control, design and management of retail assets.

Direct Sales Agent (DSA) Channel: A new channel i.e. DSAs, has been appointed at the RACs to increase the 'feet-on-street' for effective marketing of the retail assets. All the DSAs are being trained and an operational manual has been designed for them to help source business effectively and garner the desired clients (only) for the Bank. Their performance is also being monitored regularly.

Loans



Your property
now can lend you cash

- Available against residential as well as commercial properties
- Doorstep service



Home Loans
Your dream home no
longer a distant dream

- Attractive interest rate
- No prepayment penalty

PERSONAL POWER

Page | 74

Purpose: To meet personal expenses.

Loan Amount

Minimum Loan amount Rs.25, 000/-

Maximum Loan amount Rs.105, 00,000/- for salaried and Rs.15, 00,000/- for salaried professional individuals

Maximum Loan amount Rs.103, 00,000/- for self-employed individuals

Maximum Loan amount Rs.720, 500,000/- for Doctors

POWER HOMES

Purpose: - Purchase of a plot of land and Construction of a house thereon

- Construction of a house on plot of land already owned
- Purchase of a new house / flat
- Purchase of old house / flat which is not more than 15 years old (Home Acquisition Plan)
- Extend /Renovate/Repair of a house or flat already owned by self Improvement/ Extension
- Take-over of existing Housing Loan
- Take-over of existing Housing Loan with additional Finance (Top-Up)

- Pre-allotment Booking finance

Limit: Minimum – Rs.1 lakh & Maximum - Rs.50 lacs

Margin 15% in the case of normal product.

25% in case of Improvement/ renovation loans

ASSET POWER (LAP)

Page | 75

Purpose:

- Loan against property - Residential premises
- Loan against property - Commercial premises
- Loan for Purchase of Commercial Property
- Take-over of existing Loan
- Take-over of existing Loan with additional refinance (Top-Up)

Limit: Minimum – Rs.1 lakh & Maximum - Rs.150 lacs

Margin 50% in case of loans against property. (On valuation)

CONSUMER POWER

Purpose: Purchase of new consumer durable item

Loan Amount: Minimum Loan amount Rs.25, 000, Maximum Loan amount Rs.2, 00,000

POWER DRIVE

Purpose: Purchase of a new car

Loan Amount: Cost of Vehicle plus registration & insurance (less stipulated margin)

OR 20 times of net monthly salary in case of salaried persons / equivalent of net annual income as per latest IT Assessment Order in case of others, *whichever is less.*



An easy way
to finance your
higher education

- Loan up to Rs.7.5 lacs for studies in India
- Loan up to Rs.15 lacs for studies abroad

STUDY POWER

Page | 76

Purpose: To provide financial support to deserving/meritorious students for pursuing higher professional/technical education in India and abroad. To be provided to meritorious students who have obtained admission to career-oriented courses, e.g. medicine, engineering, management, either at the graduate or post-graduate level. This would cover studies proposed in domestic or overseas institutions.

Quantum of Loan: The quantum of finance under the scheme is capped at Rs.7.5 lakhs for studies in India and Rs.15 lacs for studies abroad, which would cover tuition fees, hostel charges (if any), cost of books, etc. The minimum amount of loan would be Rs.50,000/-.

Expenses Considered for the Loan:

- Fees payable to college/university/hostel
- Examination/Library/Laboratory fees
- Purchase of Books/Equipment/Instruments
- Caution/refundable deposits supported by the Institution's bills/receipts
- Travel expenses/passage money for studies abroad
- Purchase of computers (when essential for the completion of the course)

Any other expenses required to complete the course, like study tours/project work/thesis, etc.



**Set your dreams
in motion**

- Very competitive interest rates
- Get loans for 85% of the cost of the vehicle

LOAN AGAINST SHARES

Purpose: For personal use

Page | 77

Quantum of Loan: Maximum loan amount is Rs.20, 00,000/- against pledging of approved scrip's. We are offering this facility to individuals only.

TWO WHEELER LOAN

Purpose: To purchase a two wheeler

Quantum of Loan: Minimum Rs.20, 000/- & Maximum Rs.70, 000/-. We finance 80-85% of the on road price (Cost of Vehicle + registration + insurance) of the vehicle.

Corporate Banking

Page | 78

Head of the Department:

Shri Rajagopal Srivatsa – Senior Vice President



Corporate Banking

Understanding the mission,
strategy and culture of your
business is our objective. Tailoring
financial solutions is our specialty!

CORPORATE BANKING

The Business Banking Department (erstwhile Institutional Business Department) was set up in the year 2000, with the objective of having a special cell to serve the institutional and corporate clientele of the Bank. Business Banking initiatives revolve around transaction banking services to garner Business Current Accounts, Cash Management Service mandates, Government Business - Collection & Payment Services. As a natural corollary, scope of the business was extended this year to Business loans for Small Businesses so that all product and services to small business enterprises are comprehensively made available.

The Department presently focuses on the four broad areas through the respective Business Groups, as under:

- Business Current Accounts
- Business Assets
- Cash Management Services
- Government Business

The Department apart from the Business Groups at Central Office drives the above businesses through Zonal BB and Regional BB Officials at State Capitals & other important centers across various Client Segments through Corporate Banking Relationship Managers and Branches. The Business loans for Small Businesses are however driven through the dedicated asset centers of the Bank.

The products offered by the Corporate Banking business group of the Bank include fund and non-fund based facilities, fee and commission based products and services, deposits and foreign exchange related products, covering the domestic and international transaction requirements of large and mid-sized customers. The Corporate Banking group of the Bank was restructured with a view to increasing the share of core fee income to augment the overall Return on Equity (ROE) from corporate clients. The entire gamut of Corporate Banking activities, comprising Credit, Treasury, Business Banking and Capital Markets, now work in tandem with joint product offerings made to corporate customers. Relationship Management and

Credit functions have been merged and the Corporate Credit group has been split into two separate segments Large Corporate and Mid-Corporate. The fulcrum of the revised set-up is the Relationship Manager, who serves as a single point contact for all the banking needs of each corporate.

Besides widening the customer base of the Bank and adopting a careful assessment of acceptable risk-return tradeoffs, the focus of the Corporate Banking group is to deepen existing client relationships by actively cross-selling the entire range of products and services, based on detailed client-wise account-plans, and thereby increase the Bank's share of the aggregate business level of the customer.

Page | 80

CORPORATE CREDIT

The Corporate Credit portfolio of the Bank comprising advances to large and mid-corporates grew by 68.33% to Rs. 29,026 crores from Rs. 17,244 crores a year ago. This includes advances at overseas branches amounting to Rs. 5,381 crores (equivalent to USD 134 million) comprising in main the portfolio of Indian corporates and their subsidiaries, as also trade finance. Credit exposures are taken based on risk analyses and mitigation measures, with proposals being subjected to critical scrutiny by the Bank's Risk Department. Efforts are made to constantly upgrade the skills required for faster turnaround of credit proposals and structuring of financial products. In addition to working capital loans, the Bank also takes long-term exposures to infrastructure and manufacturing projects set up by reputed industry groups. Relationship groups in the Bank are organised with an industry-sector focus for better evaluation of specified risks. The credit policy of the Bank has also put in place ceilings on exposures to various industries with a view to containing concentration risk and facilitating portfolio diversification.



Current Account

- Multicity Chequebook
- Instant Fund Transfer

AXIS Bank's Current Accounts

Page | 81

The basic product for mobilizing such deposits is a Current Account. The Bank offers a range of current account products to meet the needs of the various customer segments such as Small Enterprises, Trade, Exporters, Corporates and institutions. The various Current Accounts offered by the Bank are:

- Normal Current Account
- Business Advantage
- Business Classic
- Business Privilege
- Business Global
- Channel One (Priority Customers)

These products offer flexibility to customers to choose from the above options with varying minimum average quarterly balance commitments and charges structure. In addition to conventional banking facilities, these accounts offer Multi-City At Par payable cheque- book facility and Anywhere Banking facility across branches. Customers can access their account Online through Corporate iConnect, our Internet banking platform as also through Tele-Banking facility and can receive account balance information on mobile telephones and electronic mail. Customers are subject to transaction charges including charges for non- maintenance of the committed balances.

Axis Bank brings different kinds of current accounts for different types of businesses. Select the one that best suits your business requirements.

Axis Bank's Current Accounts come equipped with the following features to give maximum value for your money.

Types of Current Accounts:-

- [Normal Current Account](#)
- [Business Advantage Account](#)
- [Business Classic Account](#)
- [Business Privilege Account](#)
- [Channel One](#)
- [Current Account for Govt Organisations](#)
- [Current Account for Banks](#)
- [Current Account for Builders & Real Estate](#)
- [Capital Market Current Account](#)
- [Krishi Current Account](#)
- [Business Global Current Account](#)
- [Club 50 Current Account](#)
- [Shipping and Maritime Current Account](#)

- [Inland Road Transport Current Account](#)
- [Travel, Tourism and Hospitality Current Account](#)



Features:

- **Anywhere Banking**

Our Current Account allows you to bank from all our branches and extension counters. You can deposit cash, withdraw cash, deposit cheques, and issue 'at-par' cheques at any of our branches. So bank at your own convenience!

- **Instant Fund Transfer**

You can transfer funds instantly between any of our branches. Funds transfers can be effected online, right from your desktop, through our internet banking services.

- **Internet Banking**

Axis Bank presents Corporate iConnect - a unique NetBanking platform for its current account customers. Available with multiple user IDs, depending on your needs. Access your account at any time from anywhere. You can transfer funds to your own accounts or to third party accounts within Axis Bank & Inter Bank covering over 25,000 branches of various banks. Corporate iConnect also permits transaction initiation by one user and approval by another. You can also execute bulk payments like salary and commission across Axis Bank network, right from your desktop.

- **At-Par (Multicity) Chequebook**

Enjoy the benefits of multicity chequebook with Axis Bank's current accounts. You can issue cheques payable at par at all our branches across the country. Your cheques will be treated as local cheques at more than 375 locations as on January 31, 2008.

Page | 84

- **ATM or Debit Card**

With every Current Account (for proprietary and partnership concerns), you can avail upto 2 ATM cum Debit cards, which allow you round the clock access to your account from any of all our ATMs all over the country. You can withdraw upto Rs 40,000 a day.

- **Free Monthly Account Statement**

By courier and daily on email.

- **Mobile Banking**

[Mobile Banking](#) will enable you to bank with us through your mobile phone irrespective of where you are.

- **Phone Banking**

[Phone banking](#) or Tele-banking service can help you access your account from your telephone anytime you want.

Documentation

Mentioned below is the list of documents to be submitted with the completed duly signed Account Opening Form:

Basic Common Documentation

- Proof of Identity: PAN Card, Voter Id Card, Passport, Driving License
- Proof of Address: Latest Telephone Bill or Electricity Bill

Public or Private Limited Companies

- Certificate of Incorporation and Commencement of Business
- Memorandum and Articles of Association
- Board resolution authorising the opening and operation of the account
- PAN or GIR No. or completed Form 60
- List of Directors with residential addresses

Page | 85

Partnership Firms

- Partnership Deed and Registration Certificate
- Shop and Establishment Certificate
- Letter from partners approving the persons concerned to open and operate the account

Proprietorship Concerns

- Certificate from State Govt or Statutory Body or Trade License or Sales Tax Certificate or Shop and Establishment Certificate
- Letter of proprietorship, duly signed by the proprietor in his or her individual capacity (with a rubber stamp) Hindu Undivided Family
- Letter of HUF duly signed by Karta and all Co-Parceners
- PAN or GIR No. or completed Form 60
- Names of Karta and Co-parceners with residential addresses
- Latest passport-size photographs of all the authorized signatories

Trusts

- Copy of the trust deed
- Copy of the registration certificate
- Copy of the resolution by the trustees authorising the members concerned to open and operate the account
- List of Trustees with residential addresses
- Photographs of the members operating the account Associations or Clubs
- Bye-laws of the association or club
- Certificate of Registration
- Copy of the resolution by the Board authorising the members concerned to

- open and operate the account
- Photographs of the members operating the account



Interest Rates

Saving Account Deposit Interest Rate - 3.5%

Rates Effective from: Thursday, August 21, 2008

PERIOD	INTEREST RATES ON DOMESTIC DEPOSITS (%)			
	DEPOSITS	Interest Rate on Deposits Below Rs 15 lakhs	Interest Rates for Senior citizen	Int Rate 15-50 Lakhs
7 days to 14 days	-	-	-	1
30 days to 45 days	4	4	4	4
15 days to 29 days	3	3	3	3
46 days to 60 days	5	5	5	5
61 days to less than 3 months	5.5	5.5	5.5	5.5
3 months to less than 4 months	6	6	6	6
4 months to less than 6 months	6	6	6	6
6 months to less than 9 months	7.75	8.5	7.75	7.75
9 months to less than 1 year	9	9.75	9	9
1 year to less than 2	10	10.75	10	10

years			
2 years to less than 3 years	9	9.75	9
3 Years to less than 5 years	8.5	9.25	8.5
5 Years upto 10 years	8.5	9.25	8.5

FINANCIAL PERFORMANCE

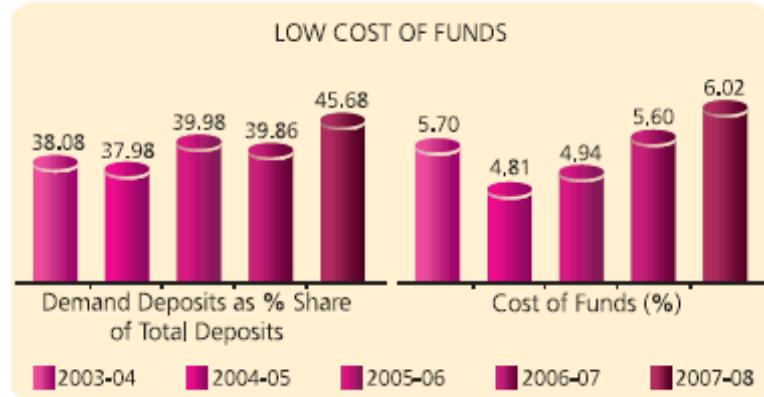
HIGHLIGHTS

- Profit after tax up 62.52% to Rs. **1,071.03** crores.
- Net Interest Income up 76.07% to Rs. **2,585.35** crores.
- Fee & Other Income up 65.91% to Rs. **1,367.75** crores.
- Deposits up 49.06% to Rs. **87,626.22** crores.
- Demand Deposits up 70.84% to Rs. **40,026.99** Crores.
- Advances up 61.79% to Rs. **59,661.14** crores .
- Retail Assets up 52.24% to Rs. **13,591.68** crores.
- Network of branches and extension counters increased from 561 to **671**.
- Total number of ATMs went up from 2341 to **2764**.
- Net NPA ratio as a percentage of net customer assets down to **0.36%** from **0.61%**.

- Earning per share (Basic) increased from Rs. 23.50 to Rs **32.15**.
- Proposed Dividend up from 45% to **60%**.
- Capital Adequacy Ratio stood at **13.73%** as against the minimum regulatory norm of 9%.

OVERVIEW OF FINANCIAL AND BUSINESS PERFORMANCE

The Bank once again met with good success over the past year and achieved all of its key objectives. During 2007-08, the Bank has witnessed strong growth in business volumes as well as profits arising from core banking revenues. The high growth in the Bank's businesses and earnings must be seen in the backdrop of several negative factors such as a hardening of interest rates and the crisis in the financial sector in the US (spreading also to parts of Europe) leading to volatility in the capital and money markets, and the first signs of a slowdown in Indian economy in the last quarter. For the Bank's growth to continue, the Bank would need to become increasingly competitive in its product offerings. The diversification of businesses across multiple products, markets and geographies is itself a risk mitigant, and enabled the Bank to deliver strong financial results during 2007-08.



The Bank's ability to serve the needs of its customers continues to improve. The future growth of the Bank will continue to leverage the robust centralised technology that provides economies of scale, improves time-to-market of new products, and fosters innovation. Thereby, the creation of customer value will remain congruent to generating profitability for the Bank.

CAPITAL MANAGEMENT

The Bank believes in the continual enhancement of shareholder value and its capital management framework helps to optimize the use of capital by ensuring the most favorable allocation of capital through an appropriate mix of products and services. The Bank focused on developing an asset structure which was sensitive to the importance of enlarging the proportion of low risk weighted assets in order that capital is more efficiently deployed.

During the year, the Bank continued to attract investor interest from domestic and foreign institutional investors, with a perceptible increase in trading volume and price. To augment capital for maintaining the momentum of business growth, the Bank raised equity capital of Rs. 4,534 crores in 2007-08 through simultaneous offerings of follow-on Global Depository Receipts (GDRs), a Qualified Institutional Placement (QIP) and a preferential allotment of equity shares to the promoters of the Bank. In addition, the Bank has also raised US

Dollars 60 million (equivalent to Rs. 243.12 crores) as Upper Tier II Capital from Singapore under its MTN Programme.

As of 31st March 2008, the Bank had implemented the Revised Framework of the International Convergence of Capital Measurement and Capital Standards (or Basel II). In terms of RBI guidelines for implementation of Basel II, capital charge

for credit and market risk for the financial year ending 31st March 2008 will be required to be maintained at the higher of the levels implied by Basel I and Basel II. In terms of regulatory guidelines on Basel II, the Bank has computed capital charge for operational risk under the Basic Indicator Approach and the capital charge for credit risk estimated under the Standardised Approach. The Bank's

Capital Adequacy Ratio was 13.73%, as on 31st March 2008, against the minimum regulatory requirement of 9%. The following table sets forth the risk-based capital,

risk-weighted assets and capital adequacy ratios computed as on 31st March 2008 in accordance with the applicable RBI guidelines under Basel I and Basel II.

(In Rs. Crore)

AS ON 31 MARCH	2008		2007
	Basel II	Basel I	Basel I
Tier I Capital - Shareholders' Funds	8,826.99	8,822.52	3,636.21
Tier II Capital	3,063.90	3,082.75	2,918.29
Out of which			
• Bonds qualifying as Tier II capital	1,572.90	1,572.90	1,748.52
• Upper Tier II capital	1,148.38	1,148.38	959.55
• Other eligible for Tier II capital	342.62	361.47	210.22
Total Capital qualifying for computation of Capital Adequacy Ratio	11,890.89	11,905.27	6,554.50

Page | 91

(Rs. in crores)

AS ON 31 MARCH	2008		2007
	Basel II	Basel I	Basel I
Total Risk-Weighted Assets and Contingencies	84,990.65	86,719.66	56,643.37
Total Capital Adequacy Ratio (CAR)	13.99%	13.73%	11.57%
Out of above			
- Tier I Capital	10.39%	10.17%	6.42%
- Tier II Capital	3.60%	3.56%	5.15%

Balance Sheet

AXIS BANK LIMITED (FORMERLY UTI BANK LIMITED) - BALANCE SHEET

BALANCE SHEET AS ON 31 MARCH 2008

	As on 31-03-2008	As on 31-03-2007
Schedule No.	(Rs. in Thousands)	(Rs. in Thousands)
CAPITAL AND LIABILITIES		
Capital	1	3,577,097
Reserves & Surplus	2	84,107,939
Employees' Stock Options Outstanding (Net)	17(4.16)	21,868
Deposits	3	876,262,206
Borrowings	4	56,240,405
Other liabilities and provisions	5	75,568,972
TOTAL	1,095,778,487	732,572,155
ASSETS		
Cash and Balances with Reserve Bank of India	6	73,056,569
Balances with banks and money at call and short notice	7	51,985,835
Investments	8	337,051,008
Advances	9	596,611,446
Fixed Assets	10	9,228,501
Other Assets	11	27,845,128
TOTAL	1,095,778,487	732,572,155
Contingent liabilities	12	2,588,955,997
Bills for collection		83,233,927
Significant Accounting Policies and Notes to Accounts	17	
Schedules referred to above form an integral part of the Balance Sheet		

As per our report of even date

For Axis Bank Ltd.

For S. R. Batliboi & Co.

Chartered Accountants

Profit & Loss Account

AXIS BANK LIMITED (FORMERLY UTI BANK LIMITED) - PROFIT & LOSS ACCOUNT

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2008

		Year ended 31-03-2008	Year ended 31-03-2007
	Schedule No.	<i>(Rs. in Thousands) (Rs. in Thousands)</i>	
I INCOME			
Interest earned	13	70,053,151	44,616,552
Other income	14	17,954,888	10,101,113
TOTAL		88,008,039	54,717,665
II EXPENDITURE			
Interest expended	15	44,199,617	29,933,172
Operating expenses	16	21,549,269	12,145,984
Provisions and contingencies	17(5.2.1)	11,548,863	6,048,226
TOTAL		77,297,749	48,127,382
III NET PROFIT FOR THE YEAR (I - II)		10,710,290	6,590,283
Balance in Profit & Loss account brought forward from previous year		10,290,740	7,310,390
Utilisation for Employee Benefits Provision under Accounting Standard (AS)-15 (Revised)		-	(318,028)
IV AMOUNT AVAILABLE FOR APPROPRIATION		21,001,030	13,582,645
V APPROPRIATIONS :			
Transfer to Statutory Reserve		2,677,572	1,647,571
Transfer to Capital Reserve	17(5.3.1)	268,389	156,415
Proposed Dividend (includes tax on dividend)	17(5.3.4)	2,516,380	1,487,919
Balance in Profit & Loss account carried forward		15,538,689	10,290,740
TOTAL		21,001,030	13,582,645
VI EARNINGS PER EQUITY SHARE		17(5.3.2)	
(Face value Rs.10/- per share) (Rupees)			
Basic		32.15	23.50
Diluted		31.31	22.79
Significant Accounting Policies and Notes to Accounts	17		
Schedules referred to above form an integral part of the Profit and Loss Account			

As per our report of even date

For Axis Bank Ltd.

For S. R. Batliboi & Co.

Chartered Accountants

Cash Flow Statement

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2008

	Year ended 31-03-2008 (Rs. in Thousands)	Year ended 31-03-2007 (Rs. in Thousands)
Cash flow from financing activities		
Proceeds from issue of Subordinated debt (net of repayment)	(2,455,000)	3,393,000
Proceeds from issue of Perpetual debt and Upper Tier II instruments	1,734,198	13,735,120
Proceeds from issue of Share Capital	760,789	29,401
Proceeds from Share Premium (net of share issue expenses)	44,706,032	330,025
Payment of Dividend	(1,488,087)	(1,117,416)
Net cash generated from financing activities	43,257,932	16,370,130
Effect of exchange fluctuation on translation reserve	22,136	(5,015)
Net increase in cash and cash equivalents	55,859,353	32,764,629
Cash and cash equivalents as at 1 April 2007	69,183,051	36,418,422
Cash and cash equivalents as at 31 March 2008	125,042,404	69,183,051

Note :

1. Cash and cash equivalents comprise of cash on hand & in ATM, balances with Reserve Bank of India, balances with banks and money at call & short notice (refer schedule 6 and 7 of the Balance Sheet).

As per our report of even date

For Axis Bank Ltd.

For S. R. Batliboi & Co.
Chartered Accountants

Data Analysis

&

Interpretati

on

DATA ANALYSIS & INTERPRETATION

A) WORKING CAPITAL

	2008	2007	2006	2005	2004
Current assets, loans & advances	2,784.51	1,892.07	1,679.98	2,071.38	896.10
Less : current liabilities & provisions	7,556.90	5,873.80	4,051.03	1,828.68	1,530.46
Total net working capital	(4,772.38)	(3,981.73)	(2,371.05)	242.70	(634.36)

Interpretation:

Here we can see that the current liabilities of the bank is very high but on the other hand bank don't have enough assets so the result is Working Capital of the Bank is decreasing year by year which is not a good sign for the bank. Its shows the bank don't have a enough money to pay their day to day expenses.

B) Working capital turnover ratio

Year	Ratio Calculated
2003-04	(2.51)
2004-05	7.92
2005-06	(12.1)

2006-07	(1.14)
2007-08	(1.46)

Interpretation:

The working capital turnover ratio is used to analyze the relationship between the money used to fund operations and the sales generated from these operations. In a general sense, the higher the working capital turnover, the better because it means that the company is generating a lot of sales compared to the money it uses to fund the sales. In the case of AXIS BANK working capital turnover ratio is negative in most of the year only in the year 2004-05 is a positive as well as high. So its shows the bank has used a more funds in compare to generate sales which is not show a good sign for bank.

Page | 97

2) PROFITABILITY RATIOS

A) OPERATING MARGIN

Year	Margin Calculated
2003-04	23.31
2004-05	26.77
2005-06	26.45
2006-07	21.84
2007-08	23.25

Interpretation:

In the year 2007-08 Operating Margin was 23.25, in the year 2006-07 it was 21.84. This shows that Operating profit margin is increasing which is good for the bank.

B) GROSS PROFIT MARGIN

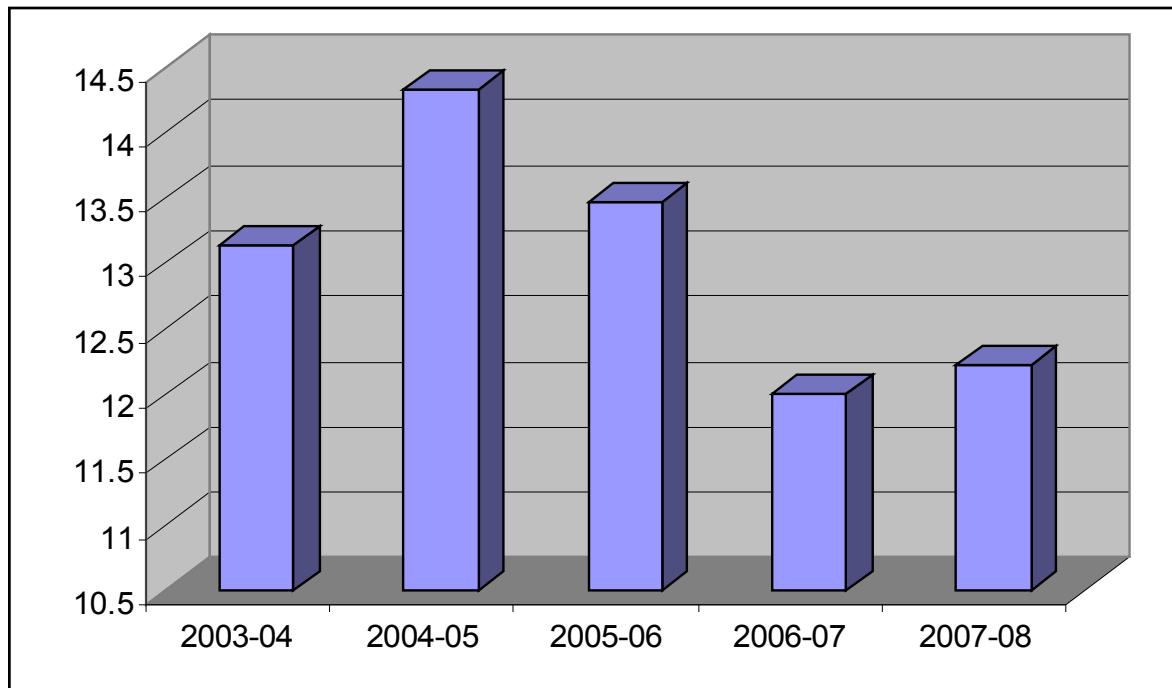
Year	Calculated GPM
2003-04	23.31
2004-05	23.23
2005-06	23.88
2006-07	19.79
2007-08	21.44

Interpretation:

Here we can see that the there is no much up and downs in Gross profit margin of AXIS BANK but In the year 2007-08 Gross Profit Margin has increased from 19.79 to 21.44, it's a 8.43 % growth in gross profit margin of bank that shows the performance of bank is increasing which is a good sign for bank.

C) NET PROFIT MARGIN

Year	Calculated NPM
2003-04	13.14
2004-05	14.33
2005-06	13.47
2006-07	12.01
2007-08	12.22



Interpretation:

Net profit margin of AXIS BANK is not up to mark. Although it has increased from 13.14 in the year 2003-04 to 14.33 in year 2004-05 but after the year 2004-05 to 2007-08 it is continuously decreasing which is a major issue of concern for bank.

3) MANAGEMENT EFFECTIVENESS

A) RETURN ON ASSETS

Year	Calculated Ratio
2003-04	1.42%
2004-05	1.21%
2005-06	1.18%
2006-07	1.10%
2007-08	1.24%

Interpretation:

Return on assets (ROA) is an indicator of how profitable a company is relative to its total assets. ROA gives an idea as to how efficient management is at using its assets to generate earnings. In the case of AXIS BANK ROA is decreasing from the year 2003-04 to 2006-07 but after the year 2006-07 it has increased so we can say that previously the bank was not utilize their assets efficiently but now the bank is doing which may be a good sign for bank in future.

B) RETURN ON INCOME

Year	Calculated Return
2003-04	37%
2004-05	20%
2005-06	25%
2006-07	29%
2007-08	18%

Interpretation:

ROI tells that how much a firm has take back of their investment. More ROI means the company is performing well. In the case of AXIS BANK in year 2003-04 ROI was highest which shows that bank was performing good in year 2003-04 but in the financial year 2007-08 ROI is lowest which refers that in year 2007-08 company didn't earn as return as they had invested.

C) RETURN ON CAPITAL EMPLOYED

Year	Calculated Ratio
2003-04	1.60%

2004-05	1.40%
2005-06	1.60%
2006-07	1.40%
2007-08	1.80%

Interpretation:

It simply shows that there is volatility on return on capital employed. But if we see from last year 2006-07 the return is 1.40% & now at present 2007-08 it has registered a robust growth rate of 33%. In short company is performing well.

C) RETURN ON AVERAGE NETWORTH

Year	Calculated Ratio
2003-04	27.1
2004-05	25.8
2005-06	18.4
2006-07	21.8
2007-08	16.1

Interpretation:

Here we can see that a fluctuation in Return on average net worth of AXIS BANK. It has decreased in 2007-08 16.1 from 2006-07 21.8.

D) EARNING PER SHARE (RS)

Year	EPS
2003-04	11.72
2004-05	11.83
2005-06	17.41
2006-07	23.40
2007-08	29.94

Page | 102

Interpretation:

Earning per share is increasing year by year which is a good sign for an investors of axis bank it shows that an investor can invest in AXIS Bank to get good profits.

4) LEVERAGE RATIOS

A) DEBT EQUITY RATIO

Year	Ratio
2003-04	18.44
2004-05	13.17
2005-06	13.97
2006-07	17.32
2007-08	9.99

Interpretation:

The debt equity ratio is calculated to measure the extent to which debt financing has been used in business. It indicates what proportion of equity and debt the company is using to finance its assets. As a general rule there should be a mix of owner find and outside find. The AXIS BANK is having high debt equity ratio in the year 2003-04 and 2006-07 its means the bank was very aggressive in financing its growth with debt.

B) FIXED ASSET TURNOVER RATIO

Page | 103

Year	Ratio
2003-04	3.56
2004-05	3.01
2005-06	4.00
2006-07	4.97
2007-08	6.32

Interpretation:

Fixed assets are used in the business for producing goods to be sold. The effective utilization of fixed assets will result in increased production and reduced cost. Fixed Assets Turnover ratio is increasing which shows that fixed assets are efficiently utilized. In the case of AXIS BANK the fixed asset turnover ratio is continuously increasing from the year 2005-06 to 2007-08 and in the year 2007-08 it was very high its reflects that bank was utilizing their assets in a efficient manner.

5) LIQUIDITY RATIO

A) CURRENT RATIO

Year	Calculated Ratio
2003-04	0.58
2004-05	1.13
2005-06	0.41
2006-07	0.32

2007-08	0.36
---------	------

Interpretation: Current ratio indicates the short term financial soundness of the company. It judges whether current assets are sufficient to meet the current liabilities. The company must be able to meet its current obligations out of the current assets.

The standard current ratio is 2:1 it means the company should have such total current assets which are twice of their current liabilities but in the case of AXIS BANK the current ratio is not match up with standard ratio and is not increasing continuously year by year it shows the bank doesn't have enough assets to pay their liabilities.

Page | 104

B) QUICK RATIO

Year	Calculated Ratio
2003-04	9.17
2004-05	11.55
2005-06	6.52
2006-07	7.39
2007-08	9.23

Interpretation:

An indicator of a company's short-term liquidity. The quick ratio measures a company's ability to meet its short-term obligations with its most liquid assets. It is called liquid because it can be easily converted in to cash. The higher the quick ratio, the better the position of the company. It is said that standard ratio of liquidity must be 1:1 so we can say that in the case of AXIS BANK the ratio is more than standard ratio in every year. So its shows the bank is able to meet their short term obligation which is a good sign for bank.

6) TREND ANALYSIS

Year	Sales	Total income	Net profit before tax
------	-------	--------------	-----------------------

2003-04	1598.54	2,119.67	271.38
2004-05	1924.16	2,327.67	323.78
2005-06	2888.79	3,602.50	485.08
2006-07	4560.40	5,546.89	659.03
2007-08	7005.31	8,755.91	1,071.03

Interpretation:

If we analyze the trend of sales of bank so it's increasing year by year and in the year 2007-08 it was 7005.31 and in the same years total Income and Net profit before tax also increases respectively so after seeing the trend of the sales, total income and net profit before tax of bank for last five years we can predict that in the future also these will increase and the overall performance of bank will be great.

7) Total Deposits

Year	Saving bank deposits	Current bank deposits
2003-04	2,584.51	5,393.73
2004-05	4,890.86	7,154.83
2005-06	8065.44	7,970.08
2006-07	12,125.88	11,304.31
2007-08	19,982.41	20,044.58

Interpretation:

Both Saving Bank deposits and current bank deposits is increasing year by year which is a good sign for the bank and it's shows the image of bank is becoming more good in the eyes of customers and public and the customers have satisfied

with the services of bank so the result they are keeping more faith on bank and that's why they are depositing more money in the bank.

8) TOTAL ADVANCES

Year	Retail assets	Non retail advances
2003-04	2,051.79	7,311.15
2004-05	4,183..68	11,419.24
2005-06	6,489.93	15,824.30
2006-07	8,927.54	27,948.94
2007-08	13,591.68	46,069.46

Page | 106

Interpretation:

This is a positive trend in Retail assets and Non Retail advances.

9) NET INTEREST INCOME

Year	Net interest Income
2003-04	577
2004-05	731
2005-06	1078
2006-07	1468
2007-08	2585

Interpretation:

Net Interest Income of the bank is increasing in every year and in the year 2007-08 is 2585; it has growth of 76.08 % from the year 2006-07 its shows that bank deposits are increasing or bank is earning more income from the interest of that deposit.

Page | 107

Findings

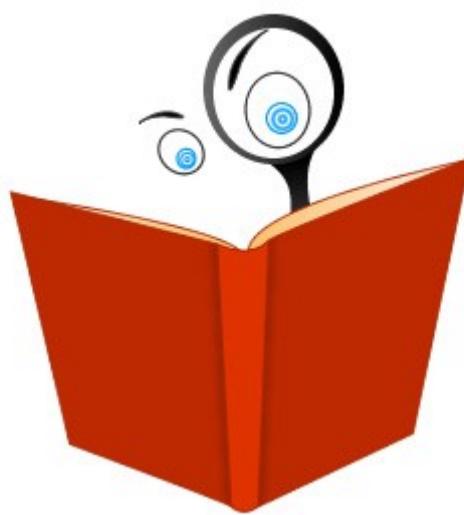


FINDINGS

- Working Capital of the Bank is decreasing year by year which is not a good sign for the bank.
- In the year 2007-08 Operating Margin was 23.25, in the year 2006-07 it was 21.84. This shows that Operating profit margin is increasing which is good for the bank.
- In the year 2007-08 Gross Profit Margin was 21.44, in the year 2006-07 it was 19.79. This shows that Gross profit margin is increasing which is good for the bank.
- Net profit margin is increasing year by year.
- Debt / Equity is decreasing.
- Fixed Assets Turnover ratio is increasing which shows that fixed assets are efficiently utilized.
- Current Ratio is increasing which is showing a sound financial position of the company.
- Quick Ratio of the bank is increasing it shows that position of the bank is improving.
- Sales of the Bank is increasing year by year in the year 2007-08 it was 70005.31 in the same year Total Income and Net profit Before tax also increases respectively.
- Both Saving Bank deposits and current bank deposits is increasing year by year which is a good sign for the bank.
- This is a positive trend in Retail assets and Non Retail advances.
- Earning per share is increasing which shows that a investor can invest in AXIS Bank to get good profits.

Glossary

Banking



ALM

The System of scientific management of Assets and Liabilities of a company or an entity is known as Asset Liability Management.

Page | 111

Through this system, the In flows and the out flows of the funds are managed to effectively handle the mismatches. ALM is concerned with risk management and provides a comprehensive and dynamic framework for measuring, monitoring and managing liquidity interest rate, foreign exchange and equity and commodity price risks of a bank that needs to be closely integrated with the banks' business strategy. ALM involves assessment of various types of risks and altering asset-liability portfolio in a dynamic way in order to manage risks.

ATM

Automated Teller Machine is a device (initially) used for dispensation of cash to banks' customer. The present version of ATMs perform several other functions. Mr. Luther George Simjian invented the ATM.

The modern version of the successful ATM was invented by Mr. Don Wetzel.

BANK RATE

Bank Rate is the rate at which RBI allows finance to commercial banks. Normally, different types of refinance facilities by RBI to banks are linked to a Bank Rate.

Bank Rate is a tool which RBI uses for short-term purposes. Any revision in Bank Rate by RBI is a signal to banks to revise deposit rates as well as Prime Lending Rate.

For greater effectiveness, this tool is used together with other measures like Cash Reserve Ratio and Repo Rate. At present, the bank rate is 6 % p.a

BANCASSURANCE

The phenomenon whereby a financial institution combines the selling of banking products and insurance products through the same distribution channel. Popular in the early 1990s bancassurance rested on the premise that it is easy to cross-sell banking and insurance services because customers feel confident buying insurance from the same institution where they keep their savings.

BANK GUARANTEE

This is a Non-Fund Based facility which can be defined as a financial commitment by the bank to the beneficiary on account of bank's client.

Bank guarantees are contingent liabilities in nature and are of two types viz., financial guarantee and performance guarantee.

BILLS DISCOUNTED

Page | 112

Finance against Bill of exchange payable after the specified period (Time/Usance bill).

BILLS PURCHASED

Finance against bill of exchange payable on demand.

CAMELS RATING

This is a system of evaluating the performance of a bank based on six parameters viz., Capital Adequacy; Asset Quality; Management, Earnings; Liquidity and Systems and Control. Each rating factor will be scored on a scale of 1 to 5. based on the individual scores for the six areas, an overall rating for the bank on a five score scale of A to E will be given.

CASH CREDIT

Cash Credit is a Fund Based, Working Capital Credit facility allowed against Stocks/inventory

The Cash Credit account will have a Sanctioned Limit and operated by the account holder through a running account. The drawings are permitted upto the Sanctioned Limit subject to the Drawing Power which is determined by the Value of Stock.

CAPITAL ADEQUACY

Under the Prudential Accounting Norms introduced in the Indian Banking industry from the year 1992-93, banks are required to maintain adequate capital in proportionate to the (Risk Weighted) Assets of their Balance Sheet. This proportion of capital to Risk Weighted Assets is known as Capital Adequacy Ratio.

CENTRAL BANK

The bank in any country, which is authorized by the government to:

- control the amount of credit in the country;
- carry out the business of the government and maintain its accounts;
- control note issue;
- and manage the country's foreign exchange reserves and
- control the financial sector.

The Reserve Bank of India is the Central Bank for India.

COMMERCIAL PAPER

It is a money market instrument raised by companies in the form of Usance Promissory Note to meet their short term funds requirements.

CREDIT CARD

A plastic card issued by a bank that allows the client to make purchases now and pay for them later. The bank will send a periodical statement of the card utilization and payment details. The banks charge interest on the amount remain outstanding.

CRR

Among the tools available to the Central Bank of a country to influence and control the monetary aggregates of the country, the most powerful is that relating to cash reserve requirements imposed on banks. Under section 42 (1) of RBI act, 1934, every scheduled commercial bank is required to maintain with the RBI every fortnight a minimum average daily cash reserve equivalent to the stipulated percentage of its Net Demand and Time Liabilities (NDTL) outstanding as on the Friday of the previous week. The RBI is empowered to vary the CRR. RBI is using the CRR either to impound the excess liquidity or to release funds needed for the economy from time to time.

DEPOSITORY PARTICIPANTS (D.P.)

A Depository interfaces with investors through agents known as Depository participants. Institutions which are eligible to function as D.P. are Scheduled Commercial Bank, Bank approved by RBI, Public Financial Institutions, State Financial Corporation, Clearing Corporations, NBFC, SEBI registered brokers and SEBI registered custodians.

The institution must have a minimum net worth of rupees one crore. The concerned depository has the right to choose D.P. subject to approval of SEBI. A D.P. opens accounts of the investors.

Page | 114

DEBIT CARD

A banking card enhanced with ATM (automated teller machine) and POS (point-of-sale) features that can be used to purchase goods and services electronically. The card replaces cash or cheques. Transactions are deducted from the cardholder's bank account either immediately (or within one to three days). Depending upon the type of card, a debit card may require the user to sign his or her name or enter a PIN (personal identification number) into special equipment.

INTER BANK ELECTRONIC FUND TRANSFER SYSTEM (EFT SYSTEM)

To promote and develop an electronic funds transfer mechanism whereby banks would be able to provide remittance to their customers from any of their branches, at "designated centres" to any other branch of the same or other banks at the same or any other "designated centre".

LETTER OF CREDIT

A document issued by one bank to another authorizing the latter of honouring cheques or bills etc issued/drawn by the beneficiary mentioned in the document to the tune of the amount and confirming with the conditions as stipulated therein. A Letter of Credit may be a foreign or inland.

OVERDRAFT

Overdraft is a Fund Based, Credit facility allowed against receivables and other paper security.

The Overdraft account will have a Sanctioned Limit and operated by the account holder through a running account. The drawings are permitted upto the Sanctioned Limit subject to the Drawing Power which is determined by the Value of Security.

REAL TIME GROSS SETTELMENT (RTGS)

Concept designed to achieve sound risk management in the settlement of interbank payments.

Transactions are settled across accounts held at the Central Bank on a continuous gross basis where settlement is immediate, final and irrevocable.

Page | 115

SAFE DEPOSIT VAULT/LOCKER

This is an ancillary service in which a small portion of our bank's premises (restricted to the capacity of a metallic box) is leased to the client against rent.

The clients are free to keep their belongings in the space leased out to them (ie. Lockers).

SCHEDULED BANK

A bank included in the Second Schedule to the Reserve Bank of India Act, 1934. RBI is empowered to include the name of a bank in the second schedule of the Act subject to the condition that the bank satisfies the conditions laid down in Section 42 (6) of the said Act.

SLR

Under section 24 (b) of the Banking Regulation Act, 1949, every bank is required to maintain at the close of business every day, a minimum proportion of their Net Demand and Time Liabilities as liquid assets in the form of cash, gold and unencumbered approved securities. The ratio of liquid assets to demand and time liabilities is known as Statutory Liquidity Ratio (SLR). Present SLR is 25%. The RBI is empowered to increase the SLR upto 40%..

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Page | 116



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