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PRESS RELEASE

AXIS BANK ANNOUNCES Q2 NET PROFIT AT Rs. 227.82 CRORES; UP BY 60.46% YOY
FIRST HALF NET PROFIT AT Rs. 402.80 CRORES ; UP BY 53.43% YOY

Axis Bank has announced its unaudited results for H1 and Q2 2007-08, following the approval of its Board of Directors in a meeting held in Singapore on 15th October 2007. The Net Profit of the Bank for the first half year was Rs. 402.80 crores, as compared to the Net Profit of Rs. 262.53 crores during H1 of last year, a growth of 53.43% yoy. The Net Profit for the second quarter was Rs. 227.82 crores, as compared to the Net Profit of Rs. 141.98 crores during Q2 of last year, a growth of 60.46% yoy.

RESULTS AT A GLANCE:

Q2 FY 2007-08		H1 FY 2007-08	
Net Profit	:Rs.227.82 crores ↑ 60.46% YOY	Rs. 402.80 crores ↑ 53.43% YOY	
Net Interest Income	:Rs. 588.67 crores ↑ 72.88% YOY	Rs. 1009.58 crores ↑ 58.16% YOY	
Fee Income	: Rs. 288.00 crores ↑ 69.03% YOY	Rs. 556.97 crores ↑ 64.83% YOY	
Net Interest Margin	: 3.28%* ↑ from 2.92%	2.94%* ↑ from 2.80%	
Cost of Funds	: 6.18% ↑ from 5.42%	6.30% ↑ from 5.43%	
Demand Deposits	:Rs. 29,085 crores ↑ 48.56% YOY		
Capital Adequacy Ratio:	17.59% ↑ from 11.52%		

*Adjusted for amortisation

RESULTS FOR Q2 FY 07-08:

The Net Interest Income for Q2 was Rs. 588.67 crores, as compared to Rs. 340.51 crores during Q2 of the preceding year, a growth of 73% yoy. The Net Interest Margin in Q2 was 3.28% as compared to 2.72% in Q1 this year and 2.92% in Q2 of the preceding year. Fee Income for Q2 was at Rs. 288.00 crores, up by 69% over the Fee Income for Q2 of the preceding year. The Trading Profit for Q2 was Rs. 102.49 crores as compared to Rs. 23.33 crores during Q2 of the preceding year, a growth of 339% yoy. The Operating Profit

for Q2 grew strongly by 85%yoy from Rs. 249.83 crores to Rs. 462.86 crores. Demand deposits have grown 49% yoy, and constitute 45% of the total deposits, with Savings Bank deposits having grown 48% yoy and Current Account deposits having grown 49% yoy. Net Advances have grown by 54% yoy, with Retail Advances growing by 27% yoy. The Bank's balance sheet size has grown by 40% yoy to Rs. 83,548.88 crores as on end September'07 as compared to Rs. 59,765.99 crores as on end September'06. The Net NPAs have improved to 0.55% from 0.59% at the end of the previous quarter and decreased significantly from 0.74% as at the end of Q2 of the preceding year. The Capital Adequacy Ratio of the Bank as at end September'07 was 17.59% as compared to 11.50% as at end June'07 and 11.52% as at end September'06.

Financial Indicators

Rs. in crores

Financial Performance	Q2 FY 07-08	Q2 FY 06-07	% Growth	H1 FY 07-08	H1 FY 06-07	% Growth
Net Profit	227.82	141.98	60%	402.80	262.53	53%
EPS (Diluted)	Rs. 7.14	Rs. 4.97	44%	Rs. 12.62	Rs. 9.19	37%
Income & Expenses						
Net Interest Income	588.67	340.51	73%	1009.58	638.33	58%
Other Income	382.88	204.77	87%	751.12	429.27	75%
Fee Income	288.00	170.38	69%	556.97	337.91	65%
Trading Income	102.49	23.33	339%	199.20	63.28	215%
Miscellaneous Income	(7.61)	11.06		(5.05)	28.08	
Operating Revenue	971.55	545.28	78%	1760.70	1,067.60	65%
Core Operating Revenue*	869.06	521.95	67%	1,561.50	1,004.32	55%
Operating Expenses (excl. depreciation)	474.03	268.31	77%	863.21	482.21	79%
Operating Profit	462.86	249.83	85%	830.80	532.99	56%
Core Operating Profit@	360.37	226.50	59%	631.60	469.71	34%

* Core Operating Revenue = Operating Revenue less Trading Income

@ Core Operating Profit = Operating Profit less Trading Income

Rs. in crores

	As on 30 th Sept '07	As on 30 th Sept '06	Growth
Deposits	64,112	48,986	31%
Demand Deposits	29,085	19,579	49%
Savings Bank	14,395	9,725	48%
Current Account	14,690	9,854	49%
Term Deposits	35,027	29,407	19%
Net Advances	44,701	29,121	54%
Large & Mid Corporate Advances	22,687	13,643	66%
SME Advances	7,801	5,133	52%
Agricultural Advances	3,365	1,832	84%
Retail Advances	10,848	8,513	27%
Investments	27,346	23,336	17%
Balance Sheet Size	83,549	59,766	40%
Net NPAs (as % of net customer assets)	0.55%	0.74%	
Gross NPAs (as % of gross customer Assets)	0.95%	1.22%	
Capital	As on 30th September'07	As on 30th September'06	
Paid up Equity Capital	356.51	280.51	
Net Worth	8,107.87	3,018.29	169%
Capital Adequacy Ratio	17.59%	11.52%	
Tier - I	13.02%	6.71%	
Tier - II	4.57%	4.81%	

Q2 Performance Highlights

• Rising Net Interest Income (NII)

The Bank registered a buoyant 73% yoy growth in Q2 in its Net Interest Income of Rs. 588.67 crores as against Rs. 340.51 crores in Q2 of the preceding year. A strong growth in the levels of advances and investments, together with a higher share of demand deposits, contributed to the rise in Net Interest Income. The advances of the Bank grew to Rs. 44,701 crores as at end September '07 from Rs. 29,121 crores as at end September '06, a growth of 54% yoy.

• Increasing Margins and Lower Cost of Funds

The Net Interest Margin (NIM) for Q2 increased significantly to 3.28%, from 2.72% in the previous quarter and from 2.92% in Q2 of the previous year. The NIM of 3.28% for Q2 is after adjusting the

amortisation of premium for investments held in Held to Maturity (HTM) category against 'Interest income on Investments' as now stipulated by RBI. The Bank believes it continues to have a very credible and encouraging pipeline of corporate advances, and as these translate into loan assets, the NIM should further rise.

The daily average cost of funds decreased by 25 basis points to 6.18% in Q2 as compared to 6.43% in the previous quarter Q1 and increased 76 basis points from 5.42% in Q2 of the preceding year.

The share of low cost deposits - Savings Bank and Current Account - rose to 45% of total deposits as at end September '07 as compared to 40% as at end September '06 and 38% as at end June '07. Savings Bank deposits registered a growth of 48% yoy, from Rs. 9,725 crores as at end September '06 to Rs. 14,395 crores as at end September '07. Current Account deposits grew 49% yoy, from Rs. 9,854 crores as at end September '06 to Rs. 14,690 crores as at end September '07.

- **Trading Profit**

The Bank has reported a Trading Profit of Rs. 102.49 crores in Q2 of the current financial year as compared to Rs. 23.33 crores in Q2 of last year, a growth of 339%yoy. The share of Trading Profits to Operating Revenue increased to 11% in Q2 as compared to 4% in the Q2 of the preceding year.

- **Prudent NPA Management**

The Net NPAs as a proportion of Net Customer Assets were at 0.55% as at end September '07, significantly down from 0.74% at the end of September '06, and also down from 0.59% as at end June '07. The Gross NPAs as a proportion of Gross Customer Assets were at 0.95% as at end September '07, significantly down from 1.22% at the end of September '06, and 1.01% as at end June '07. The provisions held together with accumulated write-offs as a proportion of Gross NPAs and accumulated write-offs amount to 77.55% at end September '07. If the accumulated write-offs are excluded, then the provisions held as a proportion of Gross NPA amount to 42.38% as at end September '07.

- **Fee Income**

Fee Income registered a robust growth of 69% yoy, rising to Rs. 288.00 crores in Q2 as compared to Rs. 170.38 crores in Q2 of the preceding year. For the first half year H1 2007-08, Fee Income grew to Rs. 556.97 crores as compared to Rs. 337.91 crores in H1 of the preceding year, a growth of 65% yoy.

Cash Management Services

Under Cash Management Services (CMS), the Bank handled a cash remittance throughput of Rs. 1,63,524 crores in Q2 as compared to a throughput of Rs 1,40,105 crores in Q1, and significantly higher than the remittance throughput of Rs. 92,458 crores in Q2 of the preceding year which represents a growth of 77% yoy. The number of CMS clients has grown to 2592.

Placement / Syndication and Project Advisory

The Bank continued to maintain its leadership position in the placement and syndication of corporate bonds. The Bank was the arranger for syndication of debt aggregating Rs 9,618 crores during Q2 of

FY 2007-08 as compared to Rs. 10,482 crores during Q1. The Bank continues to strengthen its focus on project advisory services.

▪ **Growing Retail Business**

The Bank's retail business continued to show strong growth. The number of Savings Bank accounts grew from 40.15 lakhs as at end September '06 to 54.24 lakhs as at end September '07, thereby creating a buoyancy in Savings Bank deposit balances.

The Bank has an installed base of over 54,000 Electronic Data Capture (EDC) machines as at end September'07. The Bank's International Debit Card issuance has risen to 64 lakh debit cards as at end September'07 as compared to 51 lakh cards as at end September'06. The Bank had issued over 300,000 Credit Cards till end September'07.

Retail advances registered a significant jump, moving from Rs. 8,513 crores as at end September '06 to Rs. 10,848 crores as at end September '07, a growth of 27%. Retail Advances now account for 24% of the total Advances of the Bank as at end September '07. The Bank has set up 70 Retail Asset Centres (RACs) for focussed retail lending.

▪ **Network Expansion:** The Bank's ATM network of 2,500 ATMs is the third largest in the country. The Bank has a wide presence through its 594 Branches & Extension Counters across 352 cities and towns across India. The Bank has over the last 12 months added 125 Branches and Extension Counters and 479 ATMs across 84 new towns and cities.

▪ **Launch of International Business**

The Bank has four international offices – branches each at Singapore, Hong Kong and Dubai (at the DIFC) and a Representative Office in Shanghai - with an increasing focus on corporate lending, syndication, risk management and wealth management for overseas Indians. The total assets under overseas operations was US\$ 1.24 billion as at end September'07.

▪ **Capital & Net Worth:**

The Net Worth of the Bank stood at Rs. 8,108 crores as at end September '07 as compared to Rs. 3,018 crores a year earlier, a growth of 169%. During the quarter the Bank successfully raised US\$ 218.06 million by way of a GDR offering, Rs. 1,752 crores through a QIP and Rs. 1,903 crores through a preferential allotment to promoters. As a consequence, the Capital Adequacy Ratio for the Bank increased to 17.59%, as at end September '07 as compared to 11.50% at the end of the previous quarter, and 11.52% as at end September '06. The Tier - I capital amounted to 13.02%.

A presentation for investors is being separately placed on the Bank's website: www.axisbank.com.

Date: 15th October, 2007

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Axis Bank

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UNAUDITED FINANCIAL RESULTS FOR THE HALF YEAR ENDED 30TH SEPTEMBER, 2007

(Rs. in crores)

PARTICULARS	FOR THE QUARTER ENDED 30.09.2007 (Unaudited)	FOR THE QUARTER ENDED 30.09.2006 (Unaudited)	FOR THE HALF YEAR ENDED 30.09.2007 (Unaudited)	FOR THE HALF YEAR ENDED 30.09.2006 (Unaudited)	FOR THE YEAR ENDED 31.03.2007 (Audited)
1. Interest earned (a)+(b)+(c)+(d)	1,676.49	1,025.43	3,187.54	1,955.33	4,461.65
(a) Interest/discount on advances/bills	1,133.43	611.00	2,145.84	1,161.34	2,702.85
(b) Income on Investments	508.64	391.83	974.64	743.35	1,632.72
(c) Interest on balances with Reserve Bank of India and other inter-bank funds	23.35	12.64	42.71	29.08	77.30
(d) Others	11.07	9.96	24.35	21.56	48.78
2. Other Income	382.88	204.77	751.12	429.27	1,010.11
3. TOTAL INCOME (1+2)	2,059.37	1,230.20	3,938.66	2,384.60	5,471.76
4. Interest Expended	1,087.82	684.92	2,177.96	1,317.00	2,993.32
5. Operating expenses (i)+(ii)	508.69	295.45	929.90	534.61	1,214.59
(i) Employees cost	164.42	98.07	312.32	177.76	381.35
(ii) Other operating expenses	344.27	197.38	617.58	356.85	833.24
6. TOTAL EXPENDITURE (4)+(5) (Excluding Provisions and Contingencies)	1,596.51	980.37	3,107.86	1,851.61	4,207.91
7. OPERATING PROFIT (3-6) (Profit before Provisions and Contingencies)	462.86	249.83	830.80	532.99	1,263.85
8. Provisions (other than tax) and Contingencies (Net)	114.46	34.10	215.37	134.89	267.61
9. Exceptional Items	-	-	-	-	-
10. Profit/(Loss) from Ordinary Activities before Tax (7-8-9)	348.40	215.73	615.43	398.10	996.24
11. Tax expense	120.58	73.75	212.63	135.57	337.21
12. Net Profit/(Loss) from Ordinary Activities after Tax (10-11)	227.82	141.98	402.80	262.53	659.03
13. Extraordinary Items (net of tax expense)	-	-	-	-	-
14. Net Profit/(Loss) for the period (12-13)	227.82	141.98	402.80	262.53	659.03
15. Paid-up equity share capital (face value Rs. 10/- per share)	356.51	280.51	356.51	280.51	281.63
16. Reserves excluding revaluation reserves (as per balance sheet of previous accounting year)					3,111.60
17. Analytical Ratios					
(i) Percentage of Shares held by Government of India	NIL	NIL	NIL	NIL	NIL
(ii) Capital Adequacy Ratio	17.59%	11.52%	17.59%	11.52%	11.57%
(iii) Earnings per Share (EPS) for the period / year (before and after extraordinary items)					
- Basic	7.37	5.07	13.04	9.38	23.50
- Diluted	7.14	4.97	12.62	9.19	22.79
(iv) NPA Ratios					
(a) Amount of Gross Non-performing assets	487.16	438.92	487.16	438.92	418.67
(b) Amount of Net Non-performing assets	280.68	263.85	280.68	263.85	266.33
(c) % of Gross NPAs	0.95	1.22	0.95	1.22	0.95
(d) % of Net NPAs	0.55	0.74	0.55	0.74	0.61
(e) Return on Assets (annualized)	1.10	0.99	1.02	0.96	1.10
18. Public Shareholding					
- Number of shares	180,638,188	145,701,000	180,638,188	145,701,000	148,241,566
- Percentage of shareholding	50.67%	51.94%	50.67%	51.94%	52.64%

Notes :

1. The results above have been taken on record by the Board of Directors of the Bank at its meeting held at Singapore today.
2. 'Other income' includes gains from securities' transactions, commission earned from guarantees/letters of credit, fees earned from providing services to customers, selling of third party products and ATM sharing fees.
3. Pursuant to the approval received from the Registrar of Companies, Gujarat, the Bank has changed its name from 'UTI Bank Ltd.' to 'Axis Bank Ltd.' with effect from 30th July, 2007.
4. During the quarter, the Bank raised additional capital in the form of 1,41,32,466 Global Depository Receipts (GDRs) (each GDR representing 1 underlying equity share of Rs.10/- each), at a price of US\$ 15.43 per GDR. The Bank also undertook a qualified Institutional Placement (QIP) of 2,82,64,934 shares and a preferential allotment of 3,06,95,129 shares at a price of Rs. 620/- per share. As a consequence, the paid-up share capital of the Bank has increased by Rs. 73.09 crores and the reserves of the Bank have increased by Rs. 4,414.17 crores after charging of issue related expenses.
5. In terms of RBI guidelines the Bank has reclassified the amount of amortization of premia (for investments held in the Held to Maturity category) under 'Interest income on Investments'. This was hitherto classified under 'Other Income'.
6. Disclosure about investor complaints:

Complaints at the beginning of the quarter	Received during the quarter	Disposed off during the quarter	Unresolved as on 30.09.2007
-	161	161	-

7. These results for the half-year ended 30th September 2007, have been subjected to a "Limited Review" by the Statutory Auditors of the Bank.
8. Previous period figures have been regrouped and reclassified, where necessary, to make them comparable with current quarter figures.

Place : Singapore
Date : 15.10.2007

www.axisbank.com

P.J. NAYAK
CHAIRMAN & CEO

Segmental Results

Notes:

1. Effective 1st April 2007, the Bank has adopted RBI's revised guidelines issued in April 2007 on segment reporting in terms of which the reportable segments have been changed to Treasury, Corporate / Wholesale Banking, Retail Banking and Other Banking Business.

2. Segmental disclosures relating to the corresponding previous-year period and for the year ended 31st March, 2007, have been disclosed based on reportable segments then in force and are hence not comparable with the figures for the current quarter.