

Axis bank future plans

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Axis Bank plans VRS to cut flab at top Anita Bhoir, ET Bureau Dec 12, 2012, 06. 00AM IST * (The bank plans to roll out...) MUMBAI: Three years after Shikha Sharma took the corner room at Axis Bank, the country's third-largest private sector lender is making another attempt to cut flab. The bank plans to roll out an early retirement scheme for senior employees aged 40 or more, who have been with the lender for 10 years or longer.

This is the bank's second attempt to trim its 31, 000-strong workforce since 2009.

The first attempt had received a lukewarm response, and this time the private sector lender has tailored the scheme to target people who may be good performers but don't have the ability to make it big. " This time, the scheme seems to be more targeted and we hope executives will prefer to accept it rather than be fired at a later date on the pretext of non-performance," said an Axis Bank official, who requested anonymity. " The management wants to reduce the number of vice-presidents and senior vice-presidents. It wants a leaner and younger organisation," the official added.

Axis Bank is not the first private institution to offer an early retirement scheme.

In its earlier avatar as a financial institution, ICICI had introduced its first VRS in 1996-97. The second scheme came in late-1999. Later, in 2003, the KV Kamath-led ICICI Bank announced an early retirement offer targeted at erstwhile employees of ICICI and Bank of Madura. Shikha Sharma, who headed ICICI Prudential before taking up the reins at Axis Bank, seems to be

following the ICICI management style in her new job. Axis has 31, 738 employees. Its staff cost was 577.

90 crore at the end of September 2012, compared with 498. 2 crore in the year-ago period. " The bank may face immediate financial burden as it would have to make lump sum payments to employees. However, over a period it would led to cost savings," said Kajal Gandhi, an analyst with ICICI Securities. http://articles.economictimes.indiatimes.com/2012-12-12/news/35773778_1_shikha-sharma-axis-bank-private-sector-lender

Axis Bank plans Rs 6000 crores share sale to meet Basel III norms ET Bureau Dec 18, 2012, 08. 06AM IST MUMBAI: Axis Bank, the country's third-largest private bank, is looking to sell as many as 4. 8 crore new shares to boost its capital before the Basel-III norms kick in, which at current prices may help it fetch more than Rs 6, 000 crore. The lender, headed by Shikha Sharma, will be the second private sector bank to raise funds this year after IndusInd Bank.

City Union Bank's rights share sale is underway while YES Bank and Development Credit Bank are also in the process of raising equity. ICICI Bank and HDFC Bank may also reach out to investors in the coming months for funds as the market for equity issuances opens up and the need to raise funds increases to meet capital norms. The capital raising is largely to fund growth and also to meet Basel-III norms," said Kajal Gandhi, analyst ICICI Securities. " Other private sector banks like YES Bank and IndusInd Bank have also raised funds recently. " The equity issuance by Axis will lead to a 10. 75 per cent dilution.

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Axis said its board has approved the fund-raising plan, which will either be a domestic sale to institutions or a GDR issue. It also retains the right to sell to existing holders. Indian lenders are raising capital as loan growth is seen picking up next year after more than a year of sluggish demand.

With the government proceeding with some reforms, investment demand may accelerate and banks will need to keep a higher capital buffer. RBI's plan to implement the Basel-III norms to prevent a repeat of the 2008 financial crisis mandates banks to keep higher capital.

It will be implemented in phases over six years. Axis Bank's tier-I capital, or equity capital, is at 8.99 per cent, compared with 7 per cent prescribed by Basel-III norms. [http://articles.economictimes.](http://articles.economictimes.indiatimes.com/2012-12-18/news/35890925_1_basel-iii-shikha-sharma-axis-bank)

[indiatimes.com/2012-12-18/news/35890925_1_basel-iii-shikha-sharma-axis-bank](http://articles.economictimes.indiatimes.com/2012-12-18/news/35890925_1_basel-iii-shikha-sharma-axis-bank) Axis Bank plans to step up lending to MFIs

KOLKATA Aug 13, 2012 Axis Bank - which had gone slow on lending to the microfinance institutions (MFI) post the recent crisis in the industry - now plans to scale up its exposure to the sector. The bank also looks at direct lending to self-help groups. " We had gone slow on lending to the MFI sector due to the recent crisis. However, with the regulations in place we plan to step up our lending to the sector," said Ms Shikha Sharma, Managing Director and Chief Executive Officer, Axis Bank. The bank's exposure to MFIs was earlier in excess of Rs 800 crore.

She was talking to newsmen on the sidelines of the launch of a financial inclusion programme organised by Axis Bank Foundation and microfinance institution Bandhan here on Saturday. MFIs have been recently criticised on <https://assignbuster.com/axis-bank-future-plans/>

issues of multiple lending, evergreening of loans, lack of due diligence and coercive recovery practices. Axis Bank, Ms Sharma said, aims to achieve a credit growth in excess of 18 per cent during the current year. “ The RBI has projected a growth rate of 18 per cent, we are hopeful of doing better than this,” she said.

Asked about concerns regarding asset quality, she added, “ There are no signs of rising defaults in the system at present. ” [http://www.](http://www.thehindubusinessline.com/industry-and-economy/banking/article2354147)

[thehindubusinessline.com/industry-and-economy/banking/article2354147.](http://www.thehindubusinessline.com/industry-and-economy/banking/article2354147)

Axis Bank launches new campaign ‘ Zindagi ke highway pe koi akele nahin badhta’ Udaipur, January 23, 2013: Axis Bank, India’s third largest private sector Bank, today announced the launch of its new campaign ‘ Zindagi ke highway pe koi akele nahin badhta’ that aims to drive home the message that progress and subsequent success is mutual.

The campaign designed by Lowe Lintas features Axis Bank’s Brand Philosophy ‘ While we keep progressing in our lives, there always is someone else progressing along with us, so let’s Progress Together’. The campaign highlights Axis Bank’s credentials as a customer centric bank and a partner in progress who walks with its customers on the highway of life – hence the tag line Zindagi ke highway pe koi akele nahin badhta. Speaking on the launch of the campaign, Mr.

R. K Bammi, Executive Director – Retail Banking, Axis Bank said, “ The new film takes our brand positioning of Badhti ka naam zindagi... or Progress On... ahead.

We understand that Progress always has a ripple effect. When one person progresses, others around him progress too. This insight is captured in our new TVC that clearly demonstrates the circle of progress and how you touch lives of others even when you do not know them. ” Explaining this new phase in Axis Bank’s communication journey, Arun Iyer, National Creative Director, Lowe Lintas says that, “ Last year we crafted ‘ Badhti ka naam zindagi’ to define the fundamental philosophy for Axis Bank.

The task this year was to continue building this sentiment on a larger canvass.

What better than changing the frame of reference from what it means for one individual, to what it means in the context of the entire community we live in? The fact is that when you progress, others benefit too. And hence no one really progresses alone. When you move up, others do too. We hope the execution will make our audience have this joyful realization about how we are connected with each other.

” Taking its philosophy of progress together Axis Bank plans to enable its customers to acknowledge contributions of others in their progress through an application called ProgressTogether.

The application would be hosted on a microsite which can be reached on the URL [www. progresstogether. in](http://www.progresstogether.in) and will also be mirrored on Facebook.

com on the Axis Bank page. Customers can use the application from their PCs and from their tablets. [http://thetimesofudaipur. com/? p= 1308](http://thetimesofudaipur.com/?p=1308) Axis Bank eyes 30 per cent retail assets by FY15 Press Trust of India | Updated On: October 17, 2012 12: 46 (IST Private lender Axis Bank plans to increase <https://assignbuster.com/axis-bank-future-plans/>

the share of its retail lending from the present 26 per cent of the total loan book to 30 per cent by 2015, a top official said on Tuesday.

As of the September quarter, the third largest private lender saw its retail loan book jump by 5 percentage points from the year-ago period, Axis Bank Executive Director Somnath Sengupta told reporters in a post-earnings conference call. On a year-on-year basis, the retail banking grew 43 per cent as of the second quarter, while large and mid-corporate banking grew just 15 per cent, he said.

“ The focus on retail assets will continue to grow, and our target is to take it further to 30 per cent by the end of FY15.

It is a part of strategic intent to grow the retail book. We are expanding through home, auto and personal loans. We are also selling credit cards to our existing customers. ” On Monday, the bank reported better-than-expected Q2 numbers logging in 22.

08 per cent rise in net profit to Rs. 1, 123 crore. Terming the quarterly numbers as satisfactory despite a challenging environment, Sengupta said retail advances and lower expenses helped the bank post good numbers.

Total income rose 27 per cent to Rs. 8, 280.

29 crore in the July-September quarter. NII rose to Rs. 2, 327 crore from Rs. 2, 007 crore, while other income grew 29 per cent to Rs. 1, 593 crore, driven by growth in fee income which stood at Rs. 1, 343 crore, a growth of 20 per cent.

The bank saw its trading income rise to Rs. 207 crore during the quarter, he said. The bank improved its net interest margin to 3.46 per cent in the reporting period from 3.37 per cent at the end of the first quarter.

Sengupta further said the bank could maintain asset quality as its gross NPAs and net NPAs stood barely unchanged at 1.10 per cent and 0.33 per cent, respectively as against 1.08 per cent and 0.34 per cent as of September 2011. The bank held a provision coverage of 80 per cent as a proportion of gross NPAs, including prudential write-offs.

The bank had made an additional provision of Rs. 115 crore in the quarter, he said, adding it has provided for the exposure to the troubled Hyderabad-based Deccan Chronicle Group, which has become a bad asset now.

However, Sengupta did not reveal whether the bank has made full provisions for the Deccan loans and also the exact amount of the exposure. However, it has been learnt Axis Bank has exposure of over Rs. 400 crore to the diversified company.

Asked about the bank's exposure to the state-run power distribution companies (discoms) whose Rs. 1.9 trillion of debt was recast last month, he said it was "limited" but refused to quantify it. Similar was his response when asked about the textile sector, whose Rs. 16,000 crore of debt is being recast with government intervention now.

Sengupta also refused to disclose the status of other two default accounts—SevenHills Hospital (exposure at around Rs. 463 crore) and Icomm Tele (around Rs. 220 crore). About fresh slippages during Q2, he said the quarter

saw a gross slippage of Rs. 628 crore primarily due to a large corporate account.

During the quarter, the bank saw Rs. 99 crore incremental slippages net of restructuring and upgrades. <http://profit.ndtv.com/news/corporates/article-axis-bank-eyes-30-per-cent-retail-assets-by-fy15-312162>