

PRESS RELEASE – 22nd April, 2011

**AXIS BANK ANNOUNCES Q4 FY11 NET PROFIT OF ₹1,020 CRORES, UP BY 33% YOY,
AND FY11 NET PROFIT OF ₹3,388 CRORES, UP BY 35% YOY**

Results at a Glance

- **Net Profit** during Q4 FY11 rose to **₹1,020 crores** from **₹765 crores** in Q4 FY10, registering a growth of **33% YOY**. **Net Profit** for FY11 stood at **₹3,388 crores**, up by **35% YOY** from **₹2,515 crores** for FY10.
- **Demand Deposits** on a **daily average basis** grew by **33% YOY** to **₹59,551 crores** for FY11 from **₹44,839 crores** during FY10, with **Savings Bank deposits** growing by **36% YOY**.
- The year on year growth in **Net Interest Income** and **Fee Income** during FY11 was **31%** and **30%** respectively. **Net Interest Margin** during FY11 was **3.65%** compared to **3.75%** in FY10.
- **Gross and Net NPAs** witnessed a year on year reduction by **12bps** and **10bps** respectively to **reach 1.01% & 0.26%** for the year ended March 31, 2011.
- The Bank is well-capitalised with a **Capital Adequacy Ratio** of **12.65%** as at the end of FY11 compared to **15.80%** as at the end of FY10. **Tier-I capital** was **9.41%** as at the end of FY11, as against **11.18%** as at the end of FY10.

Financial Highlights

• **Net Interest Income (NII) and Net Interest Margin (NIM)**

The Bank continued to build an India-wide presence through its 1,390 branches and extension counters (excluding service branches and central processing centres), and 6,270 ATMs across 921 cities and towns. During FY11, the Bank added 407 branches and 1,977 ATMs. In FY11 the daily average balances of Savings Bank deposits grew 36% YOY and those of Current Account deposits grew 28% YOY. Demand deposits on a daily average basis constituted 39.40% of total deposits during FY11 compared to 40.39% observed during FY10. The Bank posted a NIM of 3.65% during FY11 compared to 3.75% during FY10. During Q4 FY11, the Bank posted a NIM of 3.44% during Q4 FY11 compared to 3.81% during Q3 FY11. Demand deposits on a daily average basis constituted 37.48% of total deposits during Q4 FY11 compared to 41.29% in Q3 FY11.



The Bank's advances grew 36.48% YoY, from ₹1,04,341 crores as on 31st March 2010 to ₹1,42,408 crores as on 31st March 2011, while investments rose to ₹71,992 crores from ₹55,975 crores, over the same period, a growth of 29% YOY. The Nil rose to ₹6,563 crores during FY11 from ₹5,004 crores during FY10, a growth of 31% YOY. During Q4 FY11, the Nil was ₹1,701 crores registering a growth of 17% over Q4 FY'10.

- **Fee Income**

Fee income registered a growth of 58% YOY, rising to ₹1,231 crores during Q4 FY11 compared to ₹780 crores in Q4 FY10, with contributions from all major businesses in the Bank. Q4 FY11 fee income from Large and Mid Corporate Credit grew 68% YOY, followed by Treasury which rose 79% YOY and Retail Business which grew 45% YOY. On a full year basis, fee income for FY11 stood at ₹3,790 crores, up by 30% over ₹2,925 crores reported for the year ended 31st March 2010.

In Q4 last year, the Bank had changed its accounting policy to recognise fee earned on bank guarantees on a pro-rata basis over the period of the guarantee as against the earlier policy of recognising the same upfront. Adjusting for the change in accounting policy, fee income for Q4 this year would have reflected a growth of 39% on a YOY basis.

- **Trading Profits**

The Bank generated ₹58 crores of trading profits during Q4 FY11, as compared to ₹103 crores during Q4 FY10. The share of trading profits to operating revenue was 2% in Q4 FY11, as compared to 4% in Q4 FY10.

- **NPAs and Restructured Loans**

Net NPAs, as a proportion of net customer assets, decreased to 0.26% as on 31st March 2011 compared to 0.36% as on 31st March 2010 and 0.29% as on 30th December 2010. Gross NPAs as a proportion of gross customer assets stood at 1.01% as on 31st March 2011, compared to 1.13% as on 31st March 2009 and 1.09% as on 31st December 2010. The Bank had a provision coverage of 80.90% as on 31st March 2011 (as a proportion of Gross NPAs together with prudential write-offs). The provision coverage (as a proportion of Gross NPAs) before accumulated write-offs was 91.09%.

During the quarter, the Bank added ₹248 crores to Gross NPAs. Recoveries and upgradations of ₹122 crores and write-offs of ₹10 crores during the quarter resulted in a closing position of ₹1,599 crores of Gross NPAs on 31st March 2011, higher than the position at the end of March 2010 by ₹281 crores.

The Bank restructured loans aggregating ₹108 crores during Q4 FY11. The cumulative value of loans restructured was ₹1,930 crores as on 31st March 2011 constituting 1.22% of gross customer assets. 84% of these loans amounting to ₹1,629 crores were restructured prior to FY11 and were more than a year old.



The segment-wise break-up of the restructured loans outstanding as on 31st March 2011 is as follows:

Large, Mid-Corporate and Infra	75%
SME	15%
Agri	7%
Capital Markets	3%

The sector-wise breakup of restructured loans outstanding as on 31st March 2011 is as follows:

Textiles	23%
Shipping	23%
Iron & Steel	7%
Sugar	7%
Others	40%

- **Investment Portfolio**

The value of the Bank's investment portfolio as on 31st March 2011 was ₹71,992 crores, of which, ₹44,155 crores was in government securities, while ₹27,837 crores was in other investments, including corporate bonds, equities, preference shares, mutual funds etc. 89% of the government securities have been classified in the HTM category while over 99% of the Bonds & Debentures portfolio has been classified in the HFT and AFS categories. The distribution of the investment portfolio in the three categories as well as the modified duration as on 31st March 2011 in each category was as follows.

Category	Percentage	Duration (years)*
HFT	4.81	2.35
AFS	34.71	3.07
HTM	60.48	5.32

* Excluding mutual funds and equity investment

Business Overview

- **Placement / Syndication and Project Advisory**

The Bank arranged debt aggregating ₹83,025 crores during FY11. The Bank was assessed by Prime Database as the No.1 Debt Arranger for the period April 2010 to March 2011 and also by Bloomberg Underwriter league table for the calendar year 2010. The Bank was awarded the "Best Domestic Bank in India" and "Best Domestic Bond House in India" at the Asset Triple A Country Awards 2010. It was also awarded the "Best Domestic Debt House in India" 2010 by Asia Money and "Best Bond House in India" 2010 by Finance Asia.



- **Retail Business**

The number of Savings Bank accounts grew from 81.22 lacs as on 31st March 2010 to 93.94 lacs as on 31st March 2011. Retail advances grew from ₹20,821 crores as on 31st March 2010 to ₹27,759 crores as on 31st March 2011, a growth of 33% YOY. Retail advances accounted for 19.49% of the total advances of the Bank as on 31st March 2011. The Bank's International Debit Card base has risen to 10 million debit cards as on 31st March 2011, compared to 8.6 million debit cards as on 31st March 2010. The Bank had over 6.3 lac credit cards in force and an installed base of over 1.8 lac Electronic Data Capture (EDC) machines as on 31st March 2011. The Bank offers personal investment products including life insurance products, general insurance products, online trading accounts and mutual funds of leading manufacturers as also wealth advisory services and Mohur - gold coins and bars - through select branches.

- **International Business**

The Bank has six international offices - branches at Singapore, Hong Kong and Dubai (at the DIFC) and representative offices at Shanghai, Dubai and Abu Dhabi- with focus on corporate lending, trade finance, syndication, investment banking, risk management and liability businesses. The total assets under overseas operations amounted to USD 4.99 billion as on 31st March 2011 which represents a growth of 61% over the previous year.

Axis UK Limited was incorporated as a subsidiary on 7th March 2011.

- **Capital and Shareholders' Funds**

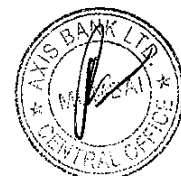
The Shareholders' Fund of the Bank was ₹18,999 crores as on 31st March 2011, as compared to ₹16,044 crores as on 31st March 2010, a growth of 18% YOY. The Capital Adequacy Ratio for the Bank was 12.65%, as on 31st March 2011, as compared to 15.80% as on 31st March 2010. The Tier-I capital was 9.41% as on 31st March 2011, as compared to 11.18% as on 31st March 2010.

- **Dividend**

The Board of Directors have proposed a dividend of ₹14 per share.

- **Update on Proposed Acquisition of Enam's Demerged Businesses**

The Board of Directors of the Bank and its wholly-owned subsidiary, Axis Securities & Sales Limited (ASSL), in their meetings held on the 17th November 2010, had approved a proposal to acquire certain demerged businesses of Enam Securities Private Limited. The proposed acquisition is subject to requisite approvals. In a letter dated 18th April, 2011, the Reserve Bank of India (RBI) has conveyed an in-principle approval. The RBI has also required the fulfillment of certain conditions, including a revised



scheme of accounting and the eventual structure for the business proposed to be acquired. Other terms of RBI's in-principle approval include the stipulation that no shareholder of Enam Securities Private Limited acquiring shares of Axis Bank under the Scheme of Arrangement would be eligible for being a Director on the Board of the Bank. The Board had decided at its meeting on 17th January, 2011 to explore ways of working with Mr. Vallabh Bhanshali to access his expertise as opposed to a Board position. The Bank is in the process of examining the implications of the conditions laid down by RBI and is reviewing the Scheme of Arrangement in order to proceed with the completion of the transaction.

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

Financial Performance	Q4 FY11	Q4 FY10	%Growth	FY11	FY10	%Growth
Net Profit	1,020.11	764.87	33.37	3,389.49	2,514.53	34.76
EPS Diluted (₹)	24.54	18.57		81.61	64.31	
Net Interest Income	1,701.00	1,460.07	16.50	6,562.99	5,004.49	31.14
Other Income	1,450.40	933.54	55.37	4,632.13	3,945.78	17.39
- Fee Income	1,231.14	779.61	57.92	3,790.37	2,924.96	29.59
- Trading Income	58.11	102.72	(43.43)	496.97	822.38	(39.57)
- Miscellaneous Income	161.15	51.21	214.68	344.79	198.44	73.75
Operating Revenue	3,151.40	2,393.61	31.66	11,195.12	8,950.27	25.08
Core Operating Revenue*	3,093.29	2,290.89	35.03	10,698.15	8,127.89	31.62
Operating Expenses (incl. depreciation)	1,330.59	1,009.80	31.77	4,779.43	3,709.72	28.84
Operating Profit	1,820.81	1,383.81	31.58	6,415.69	5,240.55	22.42
Core Operating Profit**	1,762.70	1,281.09	37.59	5,918.72	4,418.17	33.96

* Core Operating Revenue = Operating Revenue - Trading Income

** Core Operating Profit = Operating Profit - Trading Income

₹crores

Condensed Unconsolidated Balance Sheet	As on 31 st Mar'11	As on 31 st Mar'10
CAPITAL AND LIABILITIES		
Capital	410.55	405.17
Reserves & Surplus	19,256.16	15,639.28
Employees' Stock Options Outstanding (net)	0.00	0.17
Deposits	189,237.80	141,300.22
Borrowings	26,267.88	17,169.55
Other Liabilities and Provisions	7,540.98	6,133.46
Total	242,713.37	180,647.85
ASSETS		
Cash and Balances with Reserve Bank of India and Balances with Banks and Money at call and short notice	21,408.65	15,203.91
Investments	71,991.62	55,974.82
Advances	142,407.83	104,340.95
Fixed Assets	2,273.15	1,222.41
Other Assets	4,632.12	3,905.76
Total	242,713.37	180,647.85



₹crores

Business Performance	As on 31st Mar'11	As on 31st Mar'10	% Growth
Total Deposits	189,238	141,300	33.93%
Demand Deposits	77,767	66,030	17.78%
- Savings Bank Deposits	40,850	33,862	20.64%
- Current Account Deposits	36,917	32,168	14.76%
Demand Deposits as % of Total Deposits	41%	47%	
Term Deposits	111,471	75,270	48.09%
Demand Deposits on a Cumulative Daily Average Basis – Q4 FY11	62,606	51,011	22.73%
Demand Deposits as % Total Deposits (Cumulative Daily Average basis) – Q4 FY11	37%	43%	
Net Advances	142,407	104,341	36.48%
- Large Mid Corporate and Infra	75,922	52,504	44.60%
- SME	21,406	18,269	17.17%
- Agri & Microfinance	17,320	12,747	35.87%
- Retail Advances*	27,759	20,821	33.32%
Investments	71,992	55,975	28.61%
Balance Sheet Size	242,713	180,648	34.36%
Net NPA as % of Net Customer Assets	0.26	0.36	
Gross NPA as % of Gross Customer Assets	1.01	1.13	
Equity Capital	410.60	405.17	1.34%
Shareholders' Funds	18,999	16,044	18.41%
Capital Adequacy Ratio (%)	12.65	15.80	
- Tier I	9.41	11.18	
- Tier II	3.24	4.62	

* Retail Advances are defined as loans to individuals other than Agricultural Credit.



Safe Harbor

Except for the historical information contained herein, statements in this release which contain words or phrases such as "will", "aim", "will likely result", "would", "believe", "may", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "strategy", "philosophy", "project", "should", "will pursue" and similar expressions or variations of such expressions may constitute "forward-looking statements". These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, future levels of non-performing loans, our growth and expansion, the adequacy of our allowance for credit losses, our provisioning policies, technological changes, investment income, cash flow projections, our exposure to market risks as well as other risks. Axis Bank Limited undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

