



AXIS Bank Ltd.

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PRESS RELEASE

AXIS BANK ANNOUNCES Q1FY10 NET PROFIT OF Rs. 562.04 CRORES, UP 70.24% YOY

Results at a Glance

- **Net Profit** rose to **Rs. 562.04** crores during Q1FY10 from **Rs. 330.14** crores in Q1FY09, registering a growth of **70.24% yoy**.
- **Balance Sheet Size** increased **24.18% yoy** from **Rs. 1,13,660** crores at the end of Q1FY09 to **Rs. 1,41,142** crores at the end of Q1FY10.
- **Demand Deposits** rose **24.62% yoy** from **Rs. 35,449** crores at the end of Q1FY09 to **Rs. 44,176** crores at the end of Q1FY10. On a **daily average basis**, demand deposits grew by **24.75%** to **Rs 39,739** crores in Q1 FY10 from **Rs 31,854** crores in Q1 FY09.
- The Bank is well capitalised with a **Capital Adequacy Ratio** of **15.28%** at the end of Q1 FY10 compared to **13.25%** at the end of Q1FY09 and **13.69%** at the end of FY2009. The Tier - I capital was 9.39% at the end of the quarter against 9.93% at the end of June 2008 and 9.26% at the end of FY2009.

Axis Bank has announced its unaudited results for the first quarter of FY 2009-10, following the approval of its Board of Directors in a meeting held in Mumbai on 13th July 2009. The Net Profit of the Bank for the first quarter was Rs. 562.04 crores, growing by 70.24% over the Net Profit of Rs. 330.14 crores during the first quarter of the previous year. The Bank's balance sheet has grown by 24.18% yoy to Rs. 1,41,142 crores as at the end of June 2009 from Rs. 1,13,660 crores as at end June 2008. Demand deposits have grown 24.62% yoy and constituted 40% of the total deposits, with Savings Bank deposits growing 32% yoy and Current Account deposits growing 16% yoy. On a daily average basis, demand deposits grew by 24.75% yoy and constituted 37% of the total deposits during Q1 FY10, as against 35% in Q4 FY09 and

38% in Q1 FY09. The Bank's Capital Adequacy Ratio was 15.28% as at end June 2009 as compared to 13.25% as at end June 2008 and a Tier-I ratio of 9.39% as compared to 9.93% as at end June 2008. The diluted quarterly EPS at Rs. 15.50 was 71.65% higher than the EPS of Rs. 9.03 in the first quarter of the previous year.

FINANCIAL HIGHLIGHTS:

• Net Interest Income (NII) and Net Interest Margins (NIM)

The Bank continued to build a wide presence through its 861 Branches & Extension Counters and 3,723 ATMs across 534 cities and towns. During the quarter the Bank added 26 Branches & Extension Counters and 128 ATMs. The daily average balances of Savings Bank deposits during the quarter grew 33% yoy and those of Current Accounts grew 15% yoy. Demand deposits constituted 37% of the total daily average deposits during Q1 FY10 at nearly the same level (38%) as in Q1 FY09 and higher than the level of 35% in Q4FY20. As a result, the Bank posted a Net Interest Margin of 3.34%, marginally lower than the NIM of 3.37% in Q4FY09 and 3.35% for Q1FY09.

The Bank's advances grew by 28% from Rs. 61,160 crores as at end June 2008 to Rs. 78,105 crores as at end June 2009, while investments rose to Rs. 46,328 crores from Rs. 35,718 crores, a growth of 30% yoy. The Net Interest Income rose to Rs. 1,046 crores in Q1FY10 from Rs. 810 crores in Q1FY09, a growth of 29% yoy.

• Fee income

Fee Income registered a growth of 17% yoy, rising to Rs. 626.63 crores in Q1FY10 compared to Rs. 537.27 crores in Q1FY09, with contributions from all major businesses in the Bank. Fee income from Treasury grew at 55% yoy, followed by that from Retail Banking (21% yoy), Business Banking (19% yoy), Large & Mid Corporate Credit (15% yoy) and SME & Agri lending businesses (8% yoy).

• Trading Profits

The Bank generated Rs. 326.07 crores of Trading Profits in Q1FY10, as compared to Rs. 57.31 crores in Q1FY09, a growth of 468.96% yoy. The share of Trading Profits to the Operating Revenue increased from 3.99% in Q1FY09 to 16.27% in Q1FY10.

• NPAs and restructured loans

Net NPAs, as a proportion of Net Customer Assets, increased to 0.41% as at the end of June 2009 compared to 0.35% as at end March 2009 and was below the level of 0.47% as at end June 2008. Gross NPAs as a proportion of Gross Customer Assets were at 1.01% at end June 2009, compared to 0.96% as at end March 2009 and 0.92% as at end June 2008. The Bank had a provision coverage of 85.88% at the end of June 2009 (as a proportion of Gross NPAs together with accumulated write-offs). If the

accumulated write-offs are excluded, provisions held as a proportion of Gross NPAs would constitute 59.89% as at end June 2009.

The Bank has restructured loans aggregating Rs. 995.95 crores during the quarter, of which Rs. 182.86 crores were restructured under the CDR mechanism. Of the total loans restructured during the quarter, loans aggregating Rs. 101.71 crores were restructured for a second time in terms of the Reserve Bank of India dispensation. The cumulative value of assets restructured upto 30th June 2009 was Rs. 2,520.10 crores, constituting 2.77% of gross customer assets. The diminution in fair value against the restructured loans during the quarter was Rs. 34 crores and has been provided for.

The segment-wise break-up of the restructured loans for loans restructured in the quarter is as follows:

Large/Mid-Corporate	71%
SME	19%
Capital Market	4%
Agriculture	6%

The sector-wise breakup of loans restructured during the quarter is as follows:

Oil & Gas	48%
Textiles	17%
Real Estate	6%
Steel	5%
Others	24%

• Investment Portfolio

The book value of the Bank's investment portfolio as at end June 2009 was Rs. 46,328 crores, of which Rs. 26,859 crores was in government securities while Rs. 19,469 crores was in other investments including corporate bonds, equities, preference shares, mutual funds etc. 91% of the government securities have been classified in the HTM category while 99% of the corporate bond 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 in each category was as follows.

Category	Percentage	Duration
HFT	0.64%	5.7 years
AFS	41.86%	3.5 years
HTM	57.50%	5.6 years

BUSINESS OVERVIEW:

- **Cash Management Services**

Under Cash Management Services, the Bank handled a cash remittance throughput of Rs. 2,55,759 crores in Q1FY10 as compared to a throughput of Rs. 3,60,318 crores in Q4FY09 and higher than the throughput of Rs 2,40,102 crores during Q1FY09. The number of CMS clients has grown to 5,089 as at end June 2009.

- **Placement / Syndication and Project Advisory**

The Bank maintained its No.1 rank as Debt Arranger as assessed by Prime Database for the year ended March 2009. Further, in the Bloomberg league table for 'India Domestic Bonds', the Bank has been ranked No.1 for the quarter ended June 2009. The Bank was the arranger of debt aggregating Rs 14,630 crores during Q1FY10 as compared to Rs. 27,206 crores during Q4FY09 and substantially higher than Rs. 7,649 crores in Q1FY09, a growth of 91% yoy. The Bank continues to strengthen its focus on project advisory services.

- **Retail Business**

The number of Savings Bank accounts grew from 65.23 lakhs as at end June 2008 to 75.41 lakhs as at end June 2009.

- **Retail Asset Products:** Retail advances grew from Rs. 14,638 crores as at end June 2008 to Rs. 16,780 crores as at end June 2009, a growth of 15% yoy. Retail Advances accounted for 21% of the total Advances of the Bank as at the end of June 2009. The Bank has set up 64 Retail Asset Centres (RACs) for focussed retail lending.
- **Card products:** The Bank's International Debit Card issuance has risen to 124 lakh debit cards as at end June 2009 as compared to 95 lakh cards as at end June 2008. The Bank had over 5,43,000 Credit Cards in force as at end June 2009. The Bank has an installed base of over 1,23,000 Electronic Data Capture (EDC) machines as at end June 2009.
- **Wealth Advisory Services and Third Party Products:** The Bank offers Wealth Advisory Services and Mohur - Gold Coins and bars - through its select branches, and Personal Investment Products including Mutual Funds, Life Insurance products in association with Metlife India, General Insurance products in association with Bajaj Allianz Insurance and Online trading accounts in association with Geojit Securities.

- **International Business**

The Bank has five international offices – branches at Singapore, Hong Kong and Dubai (at the DIFC) and Representative Offices in Shanghai and Dubai - with focus on corporate lending, trade finance, syndication, investment banking, risk management and liability businesses. The total assets under

overseas operations amounted to US\$ 2.18 billion as at end June 2009 as compared to US\$ 1.80 billion as at end June 2008, a growth of 21% yoy.

- **Capital & Net Worth:**

The Net Worth of the Bank was Rs. 10,282 crores as at end June 2009 as compared to Rs. 8,742 crores as at end June 2008, a growth of 18% yoy. The Capital Adequacy Ratio for the Bank was 15.28%, as at end June 2009, as compared to 13.25% as at end June 2008. The Tier - I capital amounted to 9.39% as at end June 2009 as against 9.93% as at end June 2008.

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

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Financial Performance	Q1FY10	Q1FY09	% Growth
Net Profit	562.04	330.14	70%
EPS Diluted (Rs.)	15.50	9.03	72%
Net Interest Income	1,045.63	810.46	29%
Other Income	958.57	624.80	53%
- Fee Income	626.63	537.27	17%
- Trading Income	326.07	57.31	469%
- Miscellaneous Income	5.87	30.22	(81%)
Operating Revenue	2,004.20	1,435.26	40%
Core Operating Revenue*	1,678.13	1,377.95	22%
Operating Expenses (incl. depreciation)	827.84	632.94	31%
Operating Profit	1,176.36	802.32	47%
Core Operating Profit**	850.29	745.01	14%

* Core Operating Revenue = Operating Revenue – Trading Income

** Core Operating Profit = Operating Profit – Trading Income

Business Performance	As at 30.06.09	As at 30.06.08	% Growth
Total Deposits	1,10,256	88,973	24%
Demand Deposits	44,176	35,449	25%
- Savings Bank Deposits	25,199	19,026	32%
- Current Account Deposits	18,977	16,423	16%
Demand Deposits as % of Total Deposits	40.07%	39.84%	
Term Deposits	66,080	53,524	23%
Demand Deposits on a Cumulative Daily Average Basis	39,739	31,854	25%
Demand Deposits as % Total Deposits (CDAB basis)	37.30%	37.54%	
Net Advances	78,105	61,160	28%
- Large and Mid Corporate	38,875	29,455	32%
- SME	14,907	11,430	30%
- Agri	7,543	5,637	34%
- Retail Advances*	16,780	14,638	15%
Investments	46,328	35,718	30%
Balance Sheet Size	1,41,142	1,13,660	24%
Net NPA as % of Net Customer Assets	0.41%	0.47%	
Gross NPA as % of Gross Customer Assets	1.01%	0.92%	
Equity Capital	359.76	358.56	
Net Worth	10,282	8,742	18%
Capital Adequacy Ratio	15.28%	13.25%	
- Tier I	9.39%	9.93%	
- Tier II	5.89%	3.32%	

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