

PRESS RELEASE - 20TH APRIL, 2010

**AXIS BANK ANNOUNCES Q4FY10 NET PROFIT OF Rs. 764.87 CRORES, UP BY 31.55% YOY,
AND FY10 NET PROFIT OF Rs. 2,514.53 CRORES, UP BY 38.51% YOY**

Results at a Glance

- **Net Profit** during Q4FY10 rose to **Rs. 764.87 crores** from **Rs. 581.45 crores** in Q4FY09, registering a growth of **31.55%** yoy. **Net Profit** for FY10 stood at **Rs. 2,514.53 crores**, up by **38.51%** yoy from **Rs. 1,815.36 crores** for FY09.
- **Demand Deposits** on a **daily average basis** grew by **40.58%** yoy to **Rs. 51,011 crores** during Q4FY10 from **Rs. 36,287 crores** during Q4FY09, with **Savings Bank deposits** growing by **39.55%** yoy and **Current Account deposits** by **41.99%**.
- The yoy growth in **Net Interest Income** and **Fee Income** during Q4FY10 was **41.40%** and **17.34%** respectively. **Net Interest Margin** during Q4FY10 was **4.09%** compared to **4.00%** in Q3FY10.
- The Bank is well-capitalised with a **Capital Adequacy Ratio** of **15.80%** as at the end of FY10 compared to **13.69%** as at the end of FY09 and **16.80%** as at the end of 9MFY10. **Tier-I capital** was **11.18%** as at the end of FY10, as against **9.26%** as at the end of FY09 and **11.83%** as at the end of 9MFY10.

Financial Highlights

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

The Bank continued to extend its presence across the country and at the end of the financial year, had a network of 1,035 branches and extension counters, and 4,293 ATMs situated in 643 cities and towns. During the quarter, the Bank added 86 branches and 238 ATMs. The daily average balances of Savings Bank deposits during the quarter grew 40% yoy and those of Current Account deposits grew 42% yoy. Demand deposits constituted 42% of the aggregate daily average deposits during Q4FY10, higher than the level of 35% in Q4FY09 and at the same level as reported for Q3FY10. At the end of the year, current and savings deposits together accounted for 46.73% of the total deposits of the Bank. The Bank posted a NIM of 4.09% during Q4FY10, higher than the NIM of 3.37% during Q4FY09 and 4.00% during Q3FY10. The increase in NIM during Q4FY10 was on account of a higher share of demand deposits in total deposits, reduction in cost of term deposits and the impact of equity issued in September 2009.

The Bank's advances grew by 28% yoy, from Rs. 81,557 crores as on 31st March 2009 to Rs. 1,04,343 crores as on 31st March 2010 while investments rose to Rs. 55,975 crores from Rs. 46,330 crores over the same period, a growth of 21% yoy. The NII rose to Rs. 1,461 crores during Q4FY10 from Rs. 1,033 crores during Q4FY09, a growth of 41% yoy.

• Fee Income

Fee income registered a growth of 17% yoy, rising to Rs. 780 crores during Q4FY10 compared to Rs. 664 crores in Q4FY09, with contributions from all the major businesses in the Bank. Fee income from Large and Mid Corporate Credit grew 111% yoy, followed by that from Treasury (20% yoy), Retail Business (2% yoy) while fee income from SME and Agri lending businesses declined by 6% yoy, Business Banking by 8% yoy and Capital Markets by 34% yoy.

Compared to Rs. 2,447 crores in FY09, fee income in FY10 stood at Rs. 2,925 crores, up by 20% yoy.

During the quarter, the Bank changed its accounting policy to recognise fee income on bank guarantees on a pro-rata basis over the period of the guarantee. As a result of the aforesaid change, the fee income for the year is lower by Rs. 137 crores. Further, the loan syndication business, which was hitherto part of the Capital Markets SBU was transferred to Large & Mid Corporate Credit segment from 1st November, 2009.

• Trading Profits

The Bank generated Rs. 103 crores of trading profits during Q4FY10, as compared to Rs. 166 crores during Q4FY09, a decline of 38% yoy. The share of trading profits to operating revenue was 4.29% in Q4FY10, compared to 8.85% in Q4FY09.

• NPAs and Restructured Loans

Net NPAs, as a proportion of net customer assets, was 0.36% as on 31st March 2010 compared to 0.35% as on 31st March 2009 and 0.46% as on 31st December 2009. Gross NPAs as a proportion of gross customer assets stood at 1.13% as on 31st March 2010, compared to 0.96% as on 31st March 2009 and 1.23% as on 31st December 2009. The Bank had a provision coverage of 72.38% as on 31st March 2010 as a proportion of Gross NPAs) including prudential write-offs. The provision coverage (as a proportion of Gross NPAs) before accumulated write-offs was 88.61%.

During the quarter, the Bank added Rs. 247.22 crores to Gross NPAs. Recoveries and upgradations of Rs. 97.25 crores and write-offs of Rs. 5.47 crores during the quarter resulted in a closing position of Rs. 1,318.00 crores of Gross NPAs on 31st March 2010, higher than the position at the end of December 2009 by Rs. 144.50 crores.

The Bank restructured loans aggregating Rs. 160.34 crores during Q4FY10. The cumulative value of assets restructured till 31st March 2010, however, declined to Rs. 2,286.10 crores (1.96% of gross customer assets) due to the payment of restructured assets of Rs. 155.20 crores, and the slippage of Rs. 28.28 crores to NPA. The diminution in fair value against the restructured loans during the quarter was Rs. 3.75 crores and has been provided for.

The segment-wise break-up of restructured loans as on 31st March 2010 is as follows.

Large and Mid-Corporate Credit	69.30%
SME	21.08%
Agri	6.14%
Capital Markets	3.48%

The sector-wise breakup of restructured loans as on 31st March 2010 as follows:

Textiles	23.17%
Shipping	19.64%
Sugar	8.23%
Real Estate	7.59%
Others	41.37%

• Investment Portfolio

The book value of the Bank's investment portfolio as on 31st March 2010 was Rs. 55,975 crores, of which, Rs. 34,196 crores was in government securities while Rs. 21,779 crores was in other investments, including corporate bonds, equities, preference shares, mutual funds etc. 81% of the government securities have been classified in the HTM category while 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 2010 in each category was as follows.

Category	Percentage	Duration*
HFT	7.69 %	1.19 years
AFS	36.87 %	2.33 years
HTM	55.44 %	5.22 years

* Excluding mutual funds and equity investment

Business Overview

• Placement / Syndication

The Bank maintained its position as No.1 Debt Arranger as assessed by Prime Database for the nine months ended December 2009. Further, in the Bloomberg league table for 'India Domestic Bonds', the Bank was ranked No.1 for the calendar year 2009 and quarter ended March 2010. The Bank arranged debt aggregating Rs. 24,642 crores during Q4FY10, higher than Rs. 13,753 crores arranged during Q3FY10 and Rs. 19,457 crores arranged during Q4FY09.

- **Retail Business**

The number of Savings Bank accounts grew from 76.18 lacs as on 31st March 2009 to 81.22 lacs as on 31st March 2010. Retail advances grew from Rs. 16,052 crores as on 31st March 2009 to Rs. 20,823 crores as on 31st March 2010, a growth of 30% yoy. Retail advances accounted for 20% of the total advances of the Bank as on 31st March 2010. The Bank's International Debit Card issuance has risen to 147 lac debit cards as on 31st March 2010, as compared to 118 lac debit cards as on 31st March 2009. The Bank had over 5,50,000 credit cards in force and an installed base of over 1,60,000 Electronic Data Capture (EDC) machines as on 31st March 2010. 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 five international offices - branches at Singapore, Hong Kong and Dubai (at the DIFC) and representative offices at Shanghai and Dubai, which focus on corporate lending, trade finance, syndication, investment banking, risk management and liability businesses. The total assets under overseas operations were USD 3.10 billion as on 31st March 2010.

- **Capital and Shareholders' Funds**

The Shareholders' Funds of the Bank were Rs. 16,045 crores as on 31st March 2010, compared to Rs. 10,214 crores on the 31st March 2009, a growth of 57% yoy. The Capital Adequacy Ratio for the Bank was 15.80%, as on 31st March 2010, compared to 13.69% as on 31st March 2009. The Tier-I capital adequacy ratio was 11.18% as on 31st March 2010, compared to 9.26% as on 31st March 2009.

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

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Rs in crores

Financial Performance	Q4FY10	Q4FY09	%Growth	FY10	FY09	%Growth
Net Profit	764.87	581.45	31.55%	2,514.53	1,815.36	38.51%
EPS Diluted (Rs.)	18.57	16.10	15.34%	64.31	50.27	27.93%
Net Interest Income	1,460.07	1,032.60	41.40%	5,004.49	3,686.21	35.76%
Other Income	933.54	845.51	10.41%	3,945.78	2,896.88	36.21%
- Fee Income	779.61	664.40	17.34%	2,924.96	2,447.35	19.52%
- Trading Income	102.72	166.16	(38.18%)	822.38	373.86	119.97%
- Miscellaneous Income	51.21	14.95	242.54%	198.44	75.67	162.24%
Operating Revenue	2,393.61	1,878.11	27.45%	8,950.27	6,583.09	35.96%
Core Operating Revenue*	2,290.89	1,711.95	33.82%	8,127.89	6,209.23	30.90%
Operating Expenses (incl. depreciation)	1,009.80	739.61	36.53%	3,709.72	2,858.21	29.79%
Operating Profit	1,383.81	1,138.50	21.55%	5,240.55	3,724.88	40.69%
Core Operating Profit**	1,281.09	972.34	31.75%	4,418.17	3,351.02	31.85%

* Core Operating Revenue = Operating Revenue - Trading Income

** Core Operating Profit = Operating Profit - Trading Income

Rs in crores

Condensed Unconsolidated Balance Sheet	As on 31 st Mar'10	As on 31 st Mar'09
CAPITAL AND LIABILITIES		
Capital	405.17	359.01
Reserves & Surplus	15,639.28	9,854.58
Employees' Stock Options Outstanding (Net)	0.17	1.21
Deposits	1,41,300.22	1,17,374.11
Borrowings	17,169.55	15,519.87
Other Liabilities and Provisions	6,133.46	4,613.27
Total	1,80,647.85	1,47,722.05
ASSETS		
Cash and Balances with Reserve Bank of India and Balances with Banks and Money at call and short notice	15,206.44	15,016.90
Investments	55,974.82	46,330.35
Advances	1,04,343.12	81,556.77
Fixed Assets	1,222.41	1,072.89
Other Assets	3,901.06	3,745.14
Total	1,80,647.85	1,47,722.05

Rs in crores

Business Performance	As on 31 st Mar'10	As on 31 st Mar'09	% Growth
Total Deposits	1,41,300	1,17,374	20.38%
Demand Deposits	66,030	50,644	30.38%
- Savings Bank Deposits	33,862	25,822	31.14%
- Current Account Deposits	32,168	24,822	29.59%
Demand Deposits as % of Total Deposits	47%	43%	
Term Deposits	75,270	66,730	12.80%
Demand Deposits on a Cumulative Daily Average Basis – Q4FY10	51,011	36,287	40.58%
Demand Deposits as % Total Deposits (CDAB basis) – Q4FY10	43%	35%	
Net Advances	1,04,343	81,557	27.94%
- Large and Mid Corporate	52,503	41,211	27.40%
- SME	19,483	16,077	21.19%
- Agri	11,534	8,217	40.37%
- Retail Advances*	20,823	16,052	29.72%
Investments	55,975	46,330	20.82%
Balance Sheet Size	1,80,648	1,47,722	22.29%
Net NPA as % of Net Customer Assets	0.36%	0.35%	
Gross NPA as % of Gross Customer Assets	1.13%	0.96%	
Equity Capital	405.17	359.01	
Shareholders' Funds	16,045	10,214	57.09%
Capital Adequacy Ratio	15.80%	13.69%	
- Tier I	11.18%	9.26%	
- Tier II	4.62%	4.43%	

* 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.