

PRESS RELEASE – 27th April 2012

**AXIS BANK ANNOUNCES Q4FY12 NET PROFIT OF ₹1,277 CRORES, UP BY 25% YOY,
AND FY12 NET PROFIT OF ₹4,242 CRORES, UP BY 25% YOY**

Results at a Glance

- **Net Profit** during Q4FY12 rose to **₹1,277 crores** from **₹1,020 crores** in Q4FY11, registering a growth of **25% YOY**. **Net Profit** for FY12 stood at **₹4,242 crores**, up by **25%** from **₹3,388 crores** for FY11.
- **Demand Deposits** grew **18% YOY** from **₹77,767 crores** as on March 31, 2011 to **₹91,422 crores** as on March 31, 2012. **Savings Bank deposits** in the same period grew by **26% YOY** and **Current Account deposits** by **8%**. **CASA ratio** as a result moved up to account for **42%** of aggregate deposits.
- **Net Interest Income** and **Fee Income** for FY12 clocked a growth of **22%** & **25%** respectively. **Net Interest Margin** for FY12 was **3.59%** compared to **3.65%** in FY11. **Operating profit** for FY12 grew **16%** YOY.
- Asset quality was healthy with **Net NPAs** for FY12 at **0.25%** & **provision coverage at 81%**.
- The Bank is well-capitalised with a **Capital Adequacy Ratio** of **13.66%** as at the end of FY12 compared to **12.65%** as at the end of FY11. **Tier-I capital** was **9.45%** as at the end of FY12, as against **9.41%** at the end of FY11.

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 Q4FY12, had a network of 1,622 domestic branches and extension counters and 9,924 ATMs situated in 1,050 cities and towns. During the quarter, the Bank added 129 branches and 1,600 ATMs. The daily average balances of Savings Bank deposits during the quarter grew 20% YOY and those of Current Account deposits grew 29% YOY. Demand deposits constituted 38% of the aggregate daily average deposits during Q4FY12, as against 37% in Q4FY11. At the end of the quarter, Current Account and Savings Bank deposits together accounted for 42% of the total deposits of the Bank. The Bank posted a NIM of 3.55% during Q4FY12, compared to 3.44% during Q4FY11 and 3.75% during Q3FY12.

The Bank's advances grew 19% YOY from ₹1,42,408 crores as on 31st March 2011 to ₹1,69,760 crores as on 31st March 2012 while investments rose to ₹93,192 crores from ₹71,992 crores over the same period,

registering a growth of 29% YOY. The NII rose 26% YOY to ₹2,146 crores during Q4FY12 from ₹1,701 crores during Q4FY11.

• Fee Income

Fee income during FY12 stood at ₹4,727 crores up 25% YOY driven by strong 30% YOY growth in fees for the Large and mid-corporate credit segment as well as the retail business.

In Q4FY12, fee income registered a growth of 8% YOY, rising to ₹1,327 crores with Retail Banking and Business Banking fees being the key drivers. Fee income from Retail Banking grew 21% YOY, Business Banking fees grew 20% YOY followed by fee income from Agriculture & SME Banking which grew 18% YOY. Large and Mid-Corporate Credit (including Infrastructure) fees grew 1% YOY, while from Treasury and Debt Capital Markets the fee income declined 3% YOY. Fee income from Equity Capital Markets (including Trusteeship Services) also contracted 35% YOY.

• Trading Profits

The Bank generated ₹146 crores of trading profits during Q4FY12, as compared to ₹58 crores during Q4FY11, a growth of 151% YOY. The share of trading profits to operating revenue was 4% in Q4FY12, compared to 2% in Q4FY11.

• NPAs and Restructured Assets

Net NPAs, as a proportion of net customer assets were 0.25% as on 31st March 2012 against 0.26% as on 31st March 2011. Gross NPAs as a proportion of gross customer assets stood at 0.94% as on 31st March 2012, compared to 1.01% as on 31st March 2011. The Bank had a provision coverage of 80.91% as on 31st March 2012 (as a proportion of Gross NPAs including prudential write-offs). The provision coverage (as a proportion of Gross NPAs) before accumulated write-offs was 91.23%.

During the quarter, the Bank added ₹514 crores to Gross NPAs. Recoveries and upgrades of ₹593 crores and write-offs of ₹30 crores during the quarter resulted in a closing position of ₹1,806 crores of Gross NPAs on 31st March 2012, as against ₹1,915 crores at the end of December 2011.

The Bank restructured loans aggregating ₹588 crores during Q4FY12. The cumulative value of assets restructured till 31st March 2012, rose to ₹3,060 crores (1.58% of gross customer assets). Of the outstanding pool, loans amounting to ₹1,121 crores have displayed a satisfactory repayment track-record of two years. Adjusting for these loans, restructured assets would constitute 1% of gross customer assets.

The segment-wise break-up of restructured assets as on 31st March 2012 is as follows:

Large and Mid-Corporate Credit	79%
SME	8%
Agri. including Micro finance	8%
Capital Markets	5%

The sector-wise breakup of restructured assets as on 31st March 2012 was as follows:

Textiles	16%
Edible Oils	14%
Petroleum	14%
Shipping	13%
Micro finance	8%
Others	35%

• Investment Portfolio

The book value of the Bank's investment portfolio as on 31st March 2012 was ₹93,192 crores, of which, ₹58,533 crores related to government securities while ₹34,659 crores were invested in other securities such as corporate bonds, equities, preference shares, mutual funds etc. 73% of the government securities have been classified in the HTM category while 99% of the Bonds & Debentures portfolio have been classified in the AFS category. The distribution of the investment portfolio in the three categories as well as the modified duration as on 31st March 2012 in each category was as follows:

Category	Percentage	Duration*
HFT	8.91%	4.08 years
AFS	39.30%	2.95 years
HTM	51.78%	5.03 years

* Excluding mutual funds and equity investment

Business Overview

• Placement / Syndication

The Bank arranged debt aggregating ₹31,832 crores during Q4FY12 rising 138% over Q4FY11. The Bank was assessed as the No.1 Debt Arranger for Calendar Year 2011 by Bloomberg. The bank was assessed No.1 debt arranger for the nine month period ended December 2011 by Prime Database. The Bank also won awards for the "Best Domestic Bank – India 2011" & "Best Domestic Bond House – India; 2011" from 'The Asset Triple A Country Awards 2011' instituted by the Asset Magazine.

The Bank was also adjudged "Bank of the year – India 2011" by the Banker magazine and also won the award for the "Best Bank in the Private Sector" by NDTV- Profit.

• Retail Business

The number of Savings Bank accounts grew from 93.94 lacs as on 31st March 2011 to 119.35 lacs as on 31st March 2012. Retail advances grew from ₹27,759 crores as on 31st March 2011 to ₹37,570 crores as on 31st

March 2012, a growth of 35% YOY. Retail Advances accounted for 22% of the total advances of the Bank as on 31st March 2012. The Bank's International Debit Card issuance has risen to 125 lac debit cards as on 31st March 2012, as compared to 100 lac debit cards in force as on 31st March 2011. The Bank had over 7.79 lac credit cards in force as on 31st March 2012. 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 seven international offices - branches at Singapore, Hong Kong, Dubai (at the DIFC) and Colombo and representative offices at Shanghai, Dubai and Abu Dhabi which focus on corporate lending, trade finance, syndication, investment banking, risk management and liability businesses. The total assets under overseas operations were USD 6.35 billion as on 31st March 2012, as compared to USD 5.30 billion as on 31st March 2011, a growth of 20%.

- **Capital and Shareholders' Funds**

The shareholders' funds of the Bank were ₹22,809 crores as on 31st March 2012 growing 20% YOY from ₹18,999 crores as on 31st March 2011. The Capital Adequacy Ratio (CAR) for the Bank was 13.66%, as on 31st March 2012, compared to 12.65% as on 31st March 2011. The Tier-I capital adequacy ratio was 9.45% as on 31st March 2012, compared to 9.41% as on 31st March 2011.

- **Dividend**

The Board of Directors have proposed a dividend of ₹16 per share.

- **Appointment of Whole Time Directors**

At the meeting of the Board of Directors of the Bank held today, the Board decided to appoint Shri V. Srinivasan & Shri Somnath Sengupta, Executive Directors of the Bank as Whole Time Directors of the Bank with effect from the date as may be approved by RBI. The above appointments will also be subject to the approval of the shareholders of the Bank.

- **Enam Update**

The Board of Axis Bank Limited ("Axis") have today approved the reassessment of valuation of financial services business proposed to be acquired from Enam Securities Private Limited ("ESPL") considering the prevailing market conditions and having regard to underlying commercial factors. Pursuant to the Revised Scheme and in consideration for the proposed demerger, Enam Shareholders would receive Axis Bank shares in the ratio of 5 shares for every 1 share held in Enam, translating into approximately 2.93% shareholding in Axis Bank. The proposed transaction is subject to requisite regulatory approvals including

High Courts of Gujarat and Maharashtra and from the shareholders and creditors of the respective companies.

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

For information, please contact Mr. Somnath Sengupta, Executive Director & Chief Financial Officer, somnath.sengupta@axisbank.com

₹ crore

Financial Performance	Q4FY12	Q4FY11	%Growth	FY12	FY11	%Growth
Net Profit	1,277.27	1,020.11	25.21	4,242.21	3,388.49	25.19
EPS Diluted (₹)	30.75	24.54	25.31	102.20	81.61	25.23
Net Interest Income	2,146.09	1,701.00	26.17	8,017.75	6,562.99	22.17
Other Income	1,587.62	1,450.40	9.46	5,420.22	4,632.13	17.01
- Fee Income	1,326.76	1,231.14	7.77	4,726.94	3,790.37	24.71
- Trading Income	146.02	58.11	151.28	361.56	496.97	(27.25)
- Miscellaneous Income	114.84	161.15	(28.74)	331.72	344.79	(3.79)
Operating Revenue	3,733.71	3,151.40	18.48	13,437.97	11,195.12	20.03
Core Operating Revenue*	3,587.69	3,093.29	15.98	13,076.41	10,698.15	22.23
Operating Expenses (incl. depreciation)	1,696.16	1,330.59	27.47	6,007.10	4,779.43	25.69
Operating Profit	2,037.55	1,820.81	11.90	7,430.87	6,415.69	15.82
Core Operating Profit**	1,891.53	1,762.70	7.31	7,069.31	5,918.72	19.44

* Core Operating Revenue = Operating Revenue - Trading Income

** Core Operating Profit = Operating Profit - Trading Income

₹ crore

Condensed Unconsolidated Balance Sheet	As on 31st March '12	As on 31st March '11
CAPITAL AND LIABILITIES		
Capital	413.20	410.55
Reserves & Surplus	23,163.54	18,588.28
Deposits	220,104.30	189,237.80
Borrowings	34,071.67	26,267.88
Other Liabilities and Provisions	7,875.08	8,208.86
Total	285,627.79	242,713.37
ASSETS		
Cash and Balances with Reserve Bank of India and Balances with Banks and Money at Call and Short Notice	13,933.91	21,408.65
Investments	93,192.09	71,991.62
Advances	169,759.54	142,407.83
Fixed Assets	2,259.32	2,273.15
Other Assets	6,482.93	4,632.12
Total	285,627.79	242,713.37

₹ crore

Business Performance	As on 31 st March '12	As on 31 st March '11	% Growth
Total Deposits	220,104	189,238	16.31
Demand Deposits	91,422	77,767	17.56
- Savings Bank Deposits	51,668	40,850	26.48
- Current Account Deposits	39,754	36,917	7.68
Demand Deposits as % of Total Deposits	42%	41%	
Term Deposits	128,682	111,471	15.44
Demand Deposits on a Cumulative Daily Average Basis for the quarter	77,359	62,606	23.57
Demand Deposits as % Total Deposits (CDAB basis) for the quarter	38%	37%	
Net Advances	169,760	142,408	19.21
- Large & Mid-Corporate	91,054	75,922	19.93
- SME	23,796	21,407	11.16
- Agriculture	17,340	17,320	0.12
- Retail Advances*	37,570	27,759	35.34
Investments	93,192	71,992	29.45
Balance Sheet Size	285,628	242,713	17.68
Net NPA as % of Net Customer Assets	0.25	0.26	
Gross NPA as % of Gross Customer Assets	0.94	1.01	
Equity Capital	413	411	0.65
Shareholders' Funds	22,809	18,999	20.05
Capital Adequacy Ratio	13.66	12.65	
- Tier I	9.45	9.41	
- Tier II	4.21	3.24	

* 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.