

PRESS RELEASE – 20th January, 2012

**AXIS BANK ANNOUNCES Q3FY12 NET PROFIT OF ₹1,102 CRORES, UP BY 23.66% YOY,
AND 9MFY12 NET PROFIT OF ₹2,965 CRORES, UP BY 25.19% YOY**

Results at a Glance

- **Net Profit** during Q3FY12 rose to **₹1,102 crores** from **₹891 crores** in Q3FY11, registering a growth of **24% YOY**. **Net Profit** for 9MFY12 stood at **₹2,965 crores**, up by **25%** from **₹2,368 crores** for 9MFY11.
- **Demand Deposits** grew by **32% YOY** to **₹86,756 crores** during Q3FY12 from **₹65,931 crores** during Q3FY11, with **Savings Bank deposits** growing by **21% YOY** and **Current Account deposits** by **47%**. **CASA ratio** as a result moved up to account for **42%** of aggregate deposits.
- The YOY growth in **Net Interest Income** and **Fee Income** during Q3FY12 was **23%** and **26%** respectively. **Net Interest Margin** during Q3FY12 was **3.75%** compared to **3.81%** in Q3FY11 and 3.78% in Q2FY11.
- The Bank is well-capitalised with a **Capital Adequacy Ratio** of **11.78%** (without reckoning 9MFY12 profit, as stipulated by Reserve Bank of India) as at the end of 9MFY12 compared to **12.46%** as at the end of 9MFY11 and **11.35%** at the end of Q2FY12. **Tier-I capital** was **8.25%** as at the end of 9MFY12, as against **8.86%** at the end of 9MFY11 and **8.48%** at the end of Q2FY12. Capital Adequacy including 9MFY12 profits would have been **13.11%** with Tier-I capital ratio of **9.58%**.

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 Q3FY12, had a network of 1,493 domestic branches and extension counters and 8,324 ATMs situated in 971 cities and towns. During the quarter, the Bank added 47 branches and 730 ATMs. The daily average balances of Savings Bank deposits during the quarter grew 19% YOY and those of Current Account deposits grew 4% YOY. Demand deposits constituted 37% of the aggregate daily average deposits during Q3FY12, as against 38% in the previous quarter. 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 3.75% during Q3FY12, compared to 3.81% during Q3FY11 and 3.78% during Q2FY12.

The Bank's advances grew 20% YOY from ₹1,23,533 crores as on 31st December 2010 to ₹1,48,739 crores as on 31st December 2011 while investments rose to ₹90,263 crores from ₹59,623 crores over the same period,

registering a growth of 51% YOY. The NII rose 23% YOY to ₹2,140 crores during Q3FY12 from ₹1,733 crores during Q3FY11.

- **Fee Income**

Fee income registered a growth of 26% YOY, rising to ₹1,223 crores during Q3FY12 compared to ₹968 crores in Q3FY11, with contributions from all the major businesses in the Bank. Fee income from Large and Mid Corporate Credit (including Infrastructure) grew 34% YOY, Retail banking fees grew 26% YOY, Treasury and Debt Capital Markets fees grew 25% YOY and Agriculture & SME Banking fees grew 13% YOY. Fees in Business Banking grew 15% YOY. Fee income from Equity Capital Markets (including Trusteeship Services) contracted 12% YOY. Compared to ₹2,559 crores during 9MFY11, fee income during 9MFY12 stood at ₹3,400 crores, up by 33% YOY.

- **Trading Profits**

The Bank generated ₹118 crores of trading profits during Q3FY12, as compared to ₹135 crores during Q3FY11, a decline of 13% YOY. The share of trading profits to operating revenue was 3% in Q3FY12, compared to 5% in Q3FY11.

- **NPAs and Restructured Assets**

Net NPAs, as a proportion of net customer assets were 0.39% as on 31st December 2011 against 0.34% as on 30th September 2011. Gross NPAs as a proportion of gross customer assets stood at 1.10% as on 31st December 2011, compared to 1.09% as on 31st December 2010 and 1.08% as on 30th September 2011. The Bank had provision coverage of 75.28% as on 31st December 2011 (as a proportion of Gross NPAs including prudential write-offs). The provision coverage (as a proportion of Gross NPAs) before accumulated write-offs was 87.68%.

During the quarter, the Bank added ₹535 crores to Gross NPAs. Recoveries and upgrades of ₹121 crores and write-offs of ₹243 crores during the quarter resulted in a closing position of ₹1,915 crores of Gross NPAs on 31st December 2011, as against ₹1,744 crores at the end of September 2011.

The Bank restructured loans aggregating ₹295 crores during Q3FY12. The cumulative value of assets restructured till 31st December 2011, rose to ₹2,701 crores (1.55% of gross customer assets). 69% of these loans were restructured upto Q3FY11 and were more than a year old.

The segment-wise break-up of restructured assets as on 31st December 2011 is as follows:

Large and Mid-Corporate Credit	75%
SME	9%
Agri. including Micro finance	11%
Capital Markets	5%

The sector-wise breakup of restructured assets as on 31st December 2011 was as follows:

Shipping	17%
Petroleum	17%
Textiles	16%
Micro finance	8%
Iron & Steel	5%
Others	37%

• Investment Portfolio

The book value of the Bank's investment portfolio as on 31st December 2011 was ₹90,263 crores, of which, ₹55,919 crores related to government securities while ₹34,344 crores were invested in other securities such as corporate bonds, equities, preference shares, mutual funds etc. 82% of the government securities have been classified in the HTM category while 96% 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 December 2011 in each category was as follows:

Category	Percentage	Duration*
HFT	6.19%	4 years
AFS	37.38%	2.9 years
HTM	56.43%	5.2 years

* Excluding mutual funds and equity investment

Business Overview

• Placement / Syndication

The Bank arranged debt aggregating ₹30,297 crores during Q3FY12 rising 45% over Q3FY11. The Bank was assessed as the No.1 Debt Arranger for Calendar Year 2011 by Bloomberg. The bank was assessed No.2 debt arranger for the half year ended September 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 91.96 lacs as on 31st December 2010 to 113.97 lacs as on 31st December 2011. Retail advances grew from ₹25,191 crores as on 31st December 2010 to ₹33,264 crores

as on 31st December 2011, a growth of 32% YOY. Retail Advances accounted for 22% of the total advances of the Bank as on 31st December 2011. The Bank's International Debit Card issuance has risen to 114 lac debit cards as on 31st December 2011, as compared to 96 lac debit cards in force as on 31st December 2010. The Bank had over 7.23 lac credit cards in force as on 31st December 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 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 5.42 billion as on 31st December 2011, as compared to USD 4.99 billion as on 31st December 2010, a growth of 9%.

• **Capital and Shareholders' Funds**

The Shareholders' Funds of the Bank were ₹22,134 crores as on 31st December 2011 growing 19% YOY from ₹18,622 crores as on 31st December 2010. The Capital Adequacy Ratio (CAR) for the Bank was 11.78%, as on 31st December 2011, compared to 12.46% as on 31st December 2010. The Tier-I capital adequacy ratio was 8.25% as on 31st December 2011, compared to 8.86% as on 31st December 2010. The profit of 9M for both financial years has not been reckoned for computation of Tier-I capital, as stipulated by Reserve Bank of India. If the net profit of ₹2,965 crores for 9MFY12 is included, the total CAR and Tier-I CAR as on 31st December 2011 would have been 13.11% and 9.58% respectively.

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

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₹ crore

Financial Performance	Q3FY12	Q3FY11	%Growth	9MFY12	9MFY11	%Growth
Net Profit	1,102.27	891.36	23.66	2,964.94	2,368.38	25.19
EPS Diluted (₹)	26.53	21.44	23.74	71.42	57.04	25.21
Net Interest Income	2,140.30	1,733.12	23.49	5,871.66	4,861.99	20.77
Other Income	1,429.81	1,147.71	24.58	3,832.60	3,181.73	20.46
- Fee Income	1,222.56	967.65	26.34	3,400.18	2,559.23	32.86
- Trading Income	117.66	134.72	(12.66)	215.54	438.86	(50.89)
- Miscellaneous Income	89.59	45.34	97.60	216.88	183.64	18.10
Operating Revenue	3,570.11	2,880.83	23.93	9,704.26	8,043.72	20.64
Core Operating Revenue*	3,452.45	2,746.11	25.72	9,488.72	7,604.86	24.77
Operating Expenses (incl. depreciation)	1,510.91	1,222.35	23.61	4,310.94	3,448.84	25.00
Operating Profit	2,059.20	1,658.48	24.16	5,393.32	4,594.88	17.38
Core Operating Profit**	1,941.54	1,523.76	27.42	5,177.78	4,156.02	24.59

* Core Operating Revenue = Operating Revenue - Trading Income

** Core Operating Profit = Operating Profit - Trading Income

₹ crore

Condensed Unconsolidated Balance Sheet	As on 31st December '11	As on 31st December '10
CAPITAL AND LIABILITIES		
Capital	412.57	409.90
Reserves & Surplus	21,721.89	18,212.53
Deposits	208,693.03	155,810.56
Borrowings	30,766.58	25,595.31
Other Liabilities and Provisions	7,716.01	6,677.54
Total	269,310.08	206,705.84
ASSETS		
Cash and Balances with Reserve Bank of India and Balances with Banks and Money at Call and Short Notice	19,577.59	16,770.68
Investments	90,263.28	59,622.54
Advances	148,739.16	123,532.69
Fixed Assets	2,254.60	2,004.05
Other Assets	8,475.45	4,775.88
Total	269,310.08	206,705.84

₹ crore

Business Performance	As on 31 st December '11	As on 31 st December '10	% Growth
Total Deposits	208,693	155,811	33.94
Demand Deposits	86,756	65,931	31.59
- Savings Bank Deposits	47,297	39,132	20.86
- Current Account Deposits	39,459	26,799	47.24
Demand Deposits as % of Total Deposits	41.57%	42.31%	
Term Deposits	121,937	89,880	35.67
Demand Deposits on a Cumulative Daily Average Basis for the quarter	71,204	62,899	13.20
Demand Deposits as % Total Deposits (CDAB basis) for the quarter	37.42%	41.29%	
Net Advances	148,739	123,533	20.40
- Large & Mid-Corporate	84,083	70,518	19.24
- SME	20,692	17,053	21.34
- Agriculture/Micro Finance	10,700	10,772	-0.67
- Retail Advances*	33,264	25,190	32.05
Investments	90,263	59,623	51.39
Balance Sheet Size	269,310	206,706	30.29
Net NPA as % of Net Customer Assets	0.39%	0.29%	
Gross NPA as % of Gross Customer Assets	1.10%	1.09%	
Equity Capital	413	410	0.73
Shareholders' Funds	22,134	18,622	18.86
Capital Adequacy Ratio ^{&}	11.78%	12.46%	
- Tier I ^{&}	8.25%	8.86%	
- Tier II	3.53%	3.60%	

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

& Total CAR and Tier-I CAR would be 13.11% & 9.58% on inclusion of 9MFY'12 net profits of ₹2,965 crore.

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.