

## PRESS RELEASE

### AXIS BANK ANNOUNCES AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31<sup>st</sup> MARCH 2014

#### Results at a Glance

- **Axis Bank reports over a billion dollars in Net Profit for the first time.**
- **Net Profit for Q4FY14 grows 18% YOY to ₹1,842 crores, while Net Profit for FY14 grows 20% to ₹6,218 crores.**
- **The Bank's Retail franchise continues to show robust growth**
  - **Savings Bank Deposits grew 22% YOY and Retail Term Deposits by 37%**
  - **Domestic CASA and Retail Term Deposits constitute 78% of Total Domestic Deposits**
  - **Daily Average CASA for Q4FY14 constitute 39% of Total Deposits**
  - **Domestic Retail Advances grew 31% YOY and account for 36% of Net Domestic Advances**
- **Asset Quality is healthy with Net NPAs at 0.40%**
- **Bank is well capitalised with a healthy Capital Adequacy Ratio (CAR). Under Basel II, Total CAR & Tier I CAR stood at 16.97% & 12.75% respectively. Under Basel III, Total CAR & Tier I CAR were 16.07% & 12.62% respectively.**

The Board of Directors of Axis Bank Limited approved the audited financial results for the quarter and the year ended 31<sup>st</sup> March 2014 at its meeting held in Mumbai on Friday, 25<sup>th</sup> April 2014.

#### **Profit & Loss Account: Period ended 31<sup>st</sup> March 2014**

The Bank reports a strong earnings growth in core revenues for the quarter and the year ended 31<sup>st</sup> March 2014. With slower growth in operating expenses, the Bank's Core Operating Profit and Net Profit have shown healthy growth.

#### • **Operating Profit & Net Profit**

The Bank's Operating Profit for FY14 grew 23% to ₹11,456 crores from ₹9,303 crores for FY13. In Q4FY14, the Operating Profit has risen to ₹3,248 crores from ₹2,800 crores in Q4FY13. Consequently, the Net Profits for FY14 and Q4FY14 have registered a growth of 20% and 18% YOY respectively. Net Profit for FY14 rose to

₹6,218 crores from ₹5,179 crores in FY13, and for Q4FY14 the Net Profit has risen to ₹1,842 crores from ₹1,555 crores in Q4FY13.

- **Net Interest Income and Net Interest Margin**

The Bank's Net Interest Income (NII) rose 24% YOY to ₹11,952 crores during FY14 from ₹9,666 crores during FY13. NII for Q4FY14 rose 19% YOY to ₹3,166 crores from ₹2,665 crores in Q4FY13. The Bank recorded a Net Interest Margin of 3.89% in Q4FY14 against 3.70% in Q4FY13.

- **Other Income**

Other Income (comprising fee, trading profit and miscellaneous income) for FY 2014 grew 13% and stood at ₹7,405 crores against ₹6,551 crores during the same period last year. During the quarter, both other income and fee income grew 10% YOY and stood at ₹2,213 crores and ₹1,780 crores respectively. The key contributors to the fee income of the Bank, namely Retail Banking and Corporate Banking grew by 15% and 13% respectively. During the quarter, trading profit of the Bank was ₹217 crores, while miscellaneous income was ₹216 crores.

### **Balance Sheet: As on 31<sup>st</sup> March 2014**

The Bank's Balance Sheet grew 13% YOY and stood at ₹3,83,245 crores as on 31<sup>st</sup> March 2014. The Bank's Advances grew 17% YOY to ₹2,30,067 crores as on 31<sup>st</sup> March 2014. Domestic Retail advances grew 31% YOY to ₹70,745 crores as on 31<sup>st</sup> March 2014 and accounted for 36% of net domestic advances of the Bank compared to 32% last year. Agriculture advances recorded a healthy growth of 20% and stood at ₹17,836 crores, while SME advances grew by 19% and stood at ₹35,502 crores. As on 31<sup>st</sup> March 2014, the Bank's has achieved its overall priority sector lending commitments.

The book value of the Bank's investments portfolio as on 31<sup>st</sup> March 2014, was ₹1,13,548 crores, of which ₹69,600 crores were government securities, while ₹23,869 crores were invested in corporate bonds and ₹20,079 crores in other securities such as equities, preference shares, mutual funds etc. 88% of the government securities have been classified in the HTM category, while 97% of the bonds and debentures portfolio have been classified in the AFS category. The distribution of the investment portfolio comprising SLR Securities and Domestic Bonds in the three categories as well as the modified duration as on 31<sup>st</sup> March 2014 in each category was as follows:

Category	Percentage	Duration
HFT	3.50 %	4.99 years
AFS	30.69 %	3.40 years
HTM	65.81 %	4.61 years

Savings Bank Deposits recorded a healthy growth of 22% YOY to reach ₹77,776 crores as on 31<sup>st</sup> March 2014, while Current Account deposits stood at ₹48,686 crores. On a daily average basis, CASA deposits during Q4FY14 grew 16% YOY constituting 39% of total deposits, compared to 37% during the same period last year. As on 31<sup>st</sup> March 2014, Domestic Retail Term Deposits grew 36% YOY to comprise 59% of the Domestic Term Deposits of the Bank. Domestic CASA and Retail Term Deposits constituted 78% of Total Domestic Deposits as on 31<sup>st</sup> March 2014 compared to 72% last year. Domestic Retail Deposits constituting Savings Bank Deposits and Retail Term Deposits, grew 29% YOY and stood at ₹1,60,756 crores as on 31<sup>st</sup> March 2014.

#### **Capital Adequacy and Shareholders' Funds**

The shareholders' funds of the Bank grew 15% YOY and stood at ₹38,220 crores as on 31<sup>st</sup> March 2014. The Bank is well capitalised and the Capital Adequacy Ratio (CAR) as on 31<sup>st</sup> March 2014 under Basel II was 16.97% and Tier-I CAR was 12.75%.

The Capital Adequacy Ratio (CAR) of the Bank as on 31<sup>st</sup> March 2014 under Basel III was 16.07% and Tier-I CAR was 12.62%.

#### **Dividend**

The Board of Directors recommended an enhanced dividend of ₹20 per equity share for the year ended 31<sup>st</sup> March 2014, against ₹18.00 per equity share for the previous year. This would be subject to approval by the shareholders at the next annual general meeting.

#### **Asset Quality**

As on 31<sup>st</sup> March 2014, Gross NPAs and Net NPAs stood at 1.22% and 0.40%, as against 1.25% and 0.42% respectively as on 31<sup>st</sup> December 2013. The Bank held a provision coverage of 78% as on 31<sup>st</sup> March 2014, as a proportion of Gross NPAs, including prudential write-offs. The provision coverage before accumulated write-offs was 88%.

As on 31<sup>st</sup> March 2014, the Bank's Gross NPA was ₹3,146 crores as against ₹3,008 crores as on 31<sup>st</sup> December 2013. During the quarter, the Bank added ₹301 crores to Gross NPAs. Recoveries and upgrades were ₹149 crores and write-offs were ₹14 crores.

The cumulative value of net restructured advances as on 31<sup>st</sup> March 2014 stood at ₹6,079 crores, constituting 2.39% of net customer assets.

## **Network**

During Q4FY14, the Bank added 81 branches and 594 ATMs to its network across the country and at the end of 31<sup>st</sup> March 2014, had a network of 2,402 domestic branches and extension counters and 12,922 ATMs situated in 1,636 centres, compared to 1,947 domestic branches and extension counters and 11,245 ATMs situated in 1,263 centres last year.

## **International Business**

The Bank has eight international offices with branches at Singapore, Hong Kong, Dubai (at the DIFC), Colombo and Shanghai, representative offices at Dubai and Abu Dhabi and an overseas subsidiary at London, UK. The international offices focus on corporate lending, trade finance, syndication, investment banking and liability businesses.

The total assets under overseas operations were USD 7.2 billion as on 31<sup>st</sup> March 2014.

## **Sub-Division of the Bank's Equity Shares**

The Board of Directors has considered and approved the sub-division of one equity share of the Bank having a face value of ₹10 each into five equity shares of face value of ₹2 each. The sub-division of shares is subject to approval of the shareholders and any other statutory and regulatory approvals, as applicable.

*A presentation for investors is being separately placed on the Bank's website: [www.axisbank.com](http://www.axisbank.com).*

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₹ crore

Financial Performance	Q4FY14	Q4FY13	%Growth	FY14	FY13	%Growth
Net Profit	1,842.32	1,555.15	18.47	6,217.67	5,179.43	20.05
EPS Diluted (₹)	39.16	34.19	14.54	132.23	118.85	11.26
Net Interest Income	3,165.75	2,664.66	18.81	11,951.64	9,666.26	23.64
Other Income	2,213.40	2,007.17	10.27	7,405.22	6,551.11	13.04
- Fee Income	1,780.48	1,618.15	10.03	5,985.44	5,520.93	8.41
- Trading Income	216.57	237.76	(8.91)	695.99	754.60	(7.77)
- Miscellaneous Income	216.35	151.26	43.03	723.79	275.58	162.64
Operating Revenue	5,379.15	4,671.83	15.14	19,356.86	16,217.37	19.36
Core Operating Revenue*	5,162.58	4,434.07	16.43	18,660.87	15,462.77	20.68
Operating Expenses (incl. depreciation)	2,131.44	1,872.13	13.85	7,900.77	6,914.24	14.27
Operating Profit	3,247.71	2,799.70	16.00	11,456.09	9,303.13	23.14
Core Operating Profit**	3,031.14	2,561.94	18.31	10,760.10	8,548.53	25.87

\* Core Operating Revenue = Operating Revenue - Trading Income

\*\* Core Operating Profit = Operating Profit - Trading Income

₹ crore

Condensed Unconsolidated Balance Sheet	As on 31 <sup>st</sup> March '14	As on 31 <sup>st</sup> March '13
<b>CAPITAL AND LIABILITIES</b>		
Capital	469.84	467.95
Reserves & Surplus	37,750.65	32,639.91
Deposits	280,944.56	252,613.59
Borrowings	50,290.94	43,951.10
Other Liabilities and Provisions	13,788.90	10,888.11
<b>Total</b>	<b>383,244.89</b>	<b>340,560.66</b>
<b>ASSETS</b>		
Cash and Balances with Reserve Bank of India and Balances with Banks and Money at Call and Short Notice	28,238.70	20,434.96
Investments	113,548.43	113,737.54
Advances	230,066.76	196,965.96
Fixed Assets	2,410.21	2,355.64
Other Assets	8,980.79	7,066.56
<b>Total</b>	<b>383,244.89</b>	<b>340,560.66</b>

₹ crore

Business Performance	As on 31 <sup>st</sup> March '14	As on 31 <sup>st</sup> March '13	% Growth
Total Deposits	280,945	252,614	11.22
Demand Deposits	126,462	112,100	12.81
- Savings Bank Deposits	77,776	63,778	21.95
- Current Account Deposits	48,686	48,322	0.75
Demand Deposits as % of Total Deposits	45%	44%	
Term Deposits	154,482	140,514	9.94
Retail Term Deposits	84,233	61,355	37.29
Demand Deposits on a Cumulative Daily Average Basis for the quarter	99,877	86,139	15.95
Demand Deposits as % Total Deposits (CDAB basis) for the quarter	39%	37%	
Net Advances	230,067	196,966	16.81
- Large & Mid-Corporate	102,238	98,239	4.07
- SME	35,502	29,922	18.65
- Agriculture	17,836	14,845	20.14
- Retail Advances	74,491	53,960	38.05
Investments	113,548	113,738	(0.17)
Balance Sheet Size	383,245	340,561	12.53
Net NPA as % of Net Customer Assets	0.40%	0.32%	
Gross NPA as % of Gross Customer Assets	1.22%	1.06%	
Equity Capital	470	468	0.40
Shareholders' Funds	38,220	33,108	15.44
Capital Adequacy Ratio (Basel II)	16.97%	17.00%	
- Tier I	12.75%	12.23%	
- Tier II	4.22%	4.77%	
Capital Adequacy Ratio (Basel III)	16.07%	N.A.	
- Tier I	12.62%	N.A.	
- Tier II	3.45%	N.A.	

### **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.*