

PRESS RELEASE

AXIS BANK ANNOUNCES FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31st MARCH 2015

Results at a Glance

- Net Profit for Q4FY15 and FY15 grows 18% YOY to ₹2,181 crores and ₹7,358 crores respectively
- The Bank's Retail franchise continues to show robust growth in FY15
 - CASA, on a daily average basis, grew 15% YOY in which Savings Bank Deposits grew 17% and Current Account Deposits grew 11%
 - Daily Average CASA for FY15 constitutes 40% of Total Deposits
 - Retail Term Deposits grew 27% YOY & constitutes 60% of Term Deposits
 - CASA and Retail Term Deposits constitutes 78% of Total Deposits
 - Retail Advances grew 27% YOY and accounts for 40% of Net Advances
 - Retail Fee Income grew 30% YOY and constitutes 38% of Total Fee Income
- Asset Quality is healthy with Net NPAs at 0.44%
- Bank is well capitalised with a healthy Capital Adequacy Ratio (CAR). Under Basel III, Total CAR & Tier I CAR stood at 15.09% & 12.07% respectively

The Board of Directors of Axis Bank Limited approved the audited financial results for the quarter and year ended 31st March 2015 at its meeting held in Mumbai on Wednesday, 29th April 2015.

Profit & Loss Account: Period ended 31st March 2015

The Bank reports a strong earnings growth in core revenues for the quarter and the year ended 31st March 2015. The Bank's Core Operating Profit and Net Profit have shown healthy growth.

- **Operating Revenue and Net Profit**

The Bank's Operating Revenue for Q4FY15 grew by 21% YOY to ₹6,487 crores and for FY15 grew by 17% YOY to ₹22,589 crores. The Operating Profit for Q4FY15 grew by 24% YOY to ₹4,013 crores and for FY15 grew by 17% to ₹13,385 crores. The Net Profit for both Q4FY15 and FY15 grew 18% YOY to ₹2,181 crores and ₹7,358 crores respectively.

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

The Bank's Net Interest Income (NII) rose 20% YOY to ₹3,799 crores during Q4FY15 from ₹3,166 crores during Q4FY14. NII for FY15 rose 19% YOY to ₹14,224 crores from ₹11,952 crores in FY14. Net interest margin during Q4FY15 was 3.81%.

- **Other Income**

Other income (comprising fee, trading profit and miscellaneous income) for Q4FY15 grew 21% YOY and stood at ₹2,687 crores as against ₹2,213 crores during the same period last year. During FY15, other income grew 13% YOY and stood at ₹8,365 crores. Fee income grew 19% YOY during the quarter to reach ₹2,124 crores. During FY15, Fee income grew 13% YOY to reach ₹6,779 crores. The key contributor to the fee income of the Bank was Retail Banking, which grew by 29% in Q4FY15 and 30% in FY15, and constitutes 38% of the Bank's total fee income in FY15. During the quarter, trading profit of the Bank was ₹275 crores, while miscellaneous income stood at ₹288 crores. During FY15, trading profit of the Bank was ₹1,135 crores, while miscellaneous income stood at ₹451 crores.

Balance Sheet: As on 31st March 2015

The Bank's Balance Sheet grew 21% YOY and stood at ₹4,61,932 crores as on 31st March 2015. The Bank's Advances grew 22% YOY to ₹2,81,083 crores as on 31st March 2015. Retail Advances grew 27% YOY and stood at ₹1,11,932 crores as on 31st March 2015 and accounted for 40% of the net advances of the Bank. Corporate credit grew 23% YOY and stood at ₹1,26,184 crores and accounted for 45% of net advances. SME advances (excluding non-retail agriculture segment) grew by 15% YOY and stood at ₹40,651 crores. As on March 2015, the Bank has achieved its overall priority sector lending commitments.

The book value of the Bank's investments portfolio as on 31st March 2015, was ₹1,32,343 crores, of which ₹81,246 crores were in government securities, while ₹25,068 crores were invested in corporate bonds and ₹26,029 crores in other securities such as equities, preference shares, mutual funds etc. 79% of the government securities have been classified in the HTM category, while 95% 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 31st March 2015 in each category was as follows:

Category	Percentage	Duration
HFT	6%	4.81 years
AFS	33%	3.23 years
HTM	61%	5.19 years

Savings Bank Deposits recorded a healthy growth of 14% YOY to reach ₹88,292 crores as on 31st March 2015, while Current Account deposits grew 15% YOY and stood at ₹56,108 crores. On a daily average basis, Savings Bank deposits during FY15 grew 17% YOY, while Current Account deposits grew by 11% YOY. CASA deposits, on a daily average basis grew 15% YOY constituting 40% of total deposits, compared to 39% during last year. CASA and Retail Term Deposits constituted 78% of Total Deposits as on 31st March 2015 compared to 75% last year.

Capital Adequacy and Shareholders' Funds

The shareholders' funds of the Bank grew 17% YOY and stood at ₹44,677 crores as on 31st March 2015. The Bank is well capitalised and the Capital Adequacy Ratio (CAR) as on 31st March 2015 under Basel III was 15.09% and Tier-I CAR was 12.07%.

Foreign Investment Limit & Level 1 Depository Receipts

The Board of Directors of the Bank at their meeting held on 29th April, 2015 has approved the proposal to seek enabling approval of shareholders for increase in the cap of foreign investment in the Bank from 62% to 74% of its paid up equity capital of the Bank.

The Board also approved Sponsored Level 1 Depository Receipt (DR) Issuance programme of upto 142 million DRs, with conversion of 5 equity shares to 1 DR, pursuant to the Depository Receipts Scheme, 2014 for facilitating issue of Depository Receipts outside India against underlying existing equity shares through a Foreign Depository through sponsored route.

Dividend

The Board of Directors have recommended an enhanced dividend of ₹4.60 per equity share of face value of ₹2 per equity share for the year ended 31st March 2015, against ₹4.00 per equity share of face value of ₹2 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 31st March 2015, Gross NPAs and Net NPAs stood at 1.34% and 0.44% respectively. The Bank held provision coverage of 78% as on 31st March 2015, as a proportion of Gross NPAs, including prudential write-offs. The provision coverage before accumulated write-offs was 87%.

As on 31st March 2015, the Bank's Gross NPA was ₹4,110 crores as against ₹3,902 crores as on 31st December 2014. During the quarter, the Bank added ₹610 crores to Gross NPAs. Recoveries and upgrades were ₹188 crores and write-offs were ₹214 crores.

The cumulative value of net restructured advances as on 31st March 2015 stood at ₹8,166 crores, constituting 2.71% of net customer assets.

Network

During FY15, the Bank added 187 branches to its network across the country and at the end of 31st March 2015, it had a network of 2,589 domestic branches and extension counters, and 12,355 ATMs situated in 1,714 centres.

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, and investment banking and liability businesses.

The total assets under overseas branches were USD 7.86 billion as on 31st March 2015.

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

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₹ crore

Financial Performance	Q4FY15	Q4FY14	%Growth	FY15	FY14	%Growth
Net Profit	2,180.59	1,842.32	18.36	7,357.82	6,217.67	18.34
EPS Diluted (₹) annualised	37.03	31.77	16.56	30.85	26.45	16.64
Net Interest Income	3,799.24	3,165.75	20.01	14,224.14	11,951.64	19.01
Other Income	2,687.31	2,213.40	21.41	8,365.04	7,405.22	12.96
- Fee Income	2,124.02	1,780.48	19.29	6,778.98	5,985.44	13.26
- Trading Income	274.86	216.57	26.92	1,134.94	695.99	63.07
- Miscellaneous Income	288.43	216.35	33.32	451.12	723.79	(37.67)
Operating Revenue	6,486.55	5,379.15	20.59	22,589.18	19,356.86	16.70
Core Operating Revenue*	6,055.98	5,019.37	20.65	21,268.08	18,111.61	17.43
Operating Expenses	2,473.67	2,131.44	16.06	9,203.74	7,900.77	16.49
Operating Profit	4,012.88	3,247.71	23.56	13,385.44	11,456.09	16.84
Core Operating Profit**	3,582.31	2,887.93	24.04	12,064.34	10,210.84	18.15

* Core Operating Revenue = Operating Revenue - Trading Income - Gain on Repatriation of profit of overseas branches

** Core Operating Profit = Operating Profit - Trading Income - Gain on Repatriation of profit of overseas branches

₹ crore

Condensed Unconsolidated Balance Sheet	As on 31st March '15	As on 31st March '14
CAPITAL AND LIABILITIES		
Capital	474.10	469.84
Reserves & Surplus	44,202.41	37,750.65
Deposits	322,441.94	280,944.56
Borrowings	79,758.27	50,290.94
Other Liabilities and Provisions	15,055.67	13,788.90
Total	461,932.39	383,244.89
ASSETS		
Cash and Balances with Reserve Bank of India and Balances with Banks and Money at Call and Short Notice	36,099.03	28,238.70
Investments	132,342.83	113,548.43
Advances	281,083.03	230,066.76
Fixed Assets	2,514.31	2,410.21
Other Assets	9,893.19	8,980.79
Total	461,932.39	383,244.89

₹ crore

Business Performance	As on 31 st March '15	As on 31 st March '14	% Growth
Total Deposits	322,442	280,945	14.77
Demand Deposits	144,400	126,462	14.18
- Savings Bank Deposits	88,292	77,776	13.52
- Current Account Deposits	56,108	48,686	15.24
Demand Deposits as % of Total Deposits	45%	45%	
Term Deposits	178,042	154,482	15.25
Retail Term Deposits	106,581	84,233	26.53
Demand Deposits on a Cumulative Daily Average Basis (CDAB) for the year	107,328	93,506	14.78
Demand Deposits as % Total Deposits (CDAB) for the year	40%	39%	
Net Advances	281,083	230,067	22.17
- Corporate Credit	126,184	102,238	23.42
- SME (including non-retail agriculture segment)	42,967	39,800	7.96
- SME (excluding non-retail agriculture segment)	40,651	35,502	14.50
- Retail Advances [^]	111,932	88,028	27.15
Investments	132,343	113,548	16.55
Balance Sheet Size	461,932	383,245	20.53
Net NPA as % of Net Customer Assets	0.44%	0.40%	
Gross NPA as % of Gross Customer Assets	1.34%	1.22%	
Equity Capital	474	470	0.91
Shareholders' Funds ¹	44,677	38,220	16.89
Capital Adequacy Ratio (Basel III)	15.09%	16.07%	
- Tier I	12.07%	12.62%	
- Tier II	3.02%	3.45%	

Note:

[^] Retail advances includes retail agriculture advances amounting to ₹17,960 crores & ₹13,537 crores as on 31st March 2015 & 31st March 2014 respectively

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.