

## PRESS RELEASE

### AXIS BANK ANNOUNCES FINANCIAL RESULTS FOR THE QUARTER AND HALF-YEAR ENDED 30<sup>th</sup> SEPTEMBER 2014

#### Results at a Glance

- Net Profit for Q2FY15 and H1FY15 grows 18% YOY to ₹1,611 crores and ₹3,277 crores respectively
- The Bank's Retail franchise continues to show robust growth
  - Savings Bank Deposits grew 20% YOY and Retail Term Deposits grew 43%
  - CASA and Retail Term Deposits constitutes 79% of Total Deposits
  - Daily Average CASA for Q2FY15 constitutes 40% of Total Deposits
  - Domestic Retail Advances grew 27% YOY and accounts for 38% of Net Advances
- 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 (including the net profit for H1FY15) stood at 15.90% & 12.57% respectively.

The Board of Directors of Axis Bank Limited approved the financial results for the quarter and half-year ended 30<sup>th</sup> September 2014 at its meeting held in Mumbai on Friday, 17<sup>th</sup> October 2014. The accounts have been subjected to a limited review by the Bank's statutory auditors.

#### **Profit & Loss Account: Period ended 30<sup>th</sup> September 2014**

- **Net Profit and Operating Revenue**

The Bank showed healthy earnings in terms of growth in core revenues for the quarter and half-year ended 30<sup>th</sup> September 2014. The Bank's Core Operating Revenue for Q2FY15 grew by 17% YOY to ₹5,171 crores and for H1FY15 grew by 15% YOY to ₹9,913 crores. The Net Profit for both Q2FY15 and H1FY15 grew 18% YOY to ₹1,611 crores and ₹3,277 crores respectively.

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

The Bank's Net Interest Income (NII) rose 20% YOY to ₹3,525 crores during Q2FY15 from ₹2,937 crores during Q2FY14. NII for H1FY15 rose 18% YOY to ₹6,835 crores from ₹5,802 crores in H1FY14. Net interest margin, excluding one offs, remained stable and stood at 3.93% in H1FY15.

• **Other Income**

Other income (comprising fee, trading profit and miscellaneous income) for Q2FY15 grew 10% YOY and stood at ₹1,948 crores as against ₹1,766 crores during the same period last year. During H1FY15, other income stood at ₹3,639 crores. During the quarter, fee income grew 11% YOY to reach ₹1,591 crores. The key contributor to the fee income of the Bank was Retail Banking, which grew by 24%. During the quarter, trading profit of the Bank was ₹271 crores, while miscellaneous income stood at ₹86 crores.

**Balance Sheet: As on 30<sup>th</sup> September 2014**

The Bank's Balance Sheet grew 12% YOY and stood at ₹3,94,972 crores as on 30<sup>th</sup> September 2014. The Bank's Advances grew 20% YOY to ₹2,42,198 crores as on 30<sup>th</sup> September 2014. Retail Advances stood at ₹94,321 crores as on 30<sup>th</sup> September 2014 against ₹71,035 crores as on 30<sup>th</sup> September 2013. Domestic Retail Advances (excluding Loans against FCNR deposits) grew by 27% YOY and stood at ₹90,277 crores and accounted for 38% of the net advances of the Bank. SME advances grew by 15% YOY and stood at ₹37,701 crores and accounted for 16% of the net advances.

The book value of the Bank's investments portfolio as on 30<sup>th</sup> September 2014, was ₹1,14,284 crores, of which ₹71,530 crores were government securities, while ₹23,564 crores were invested in corporate bonds and ₹19,190 crores in other securities such as equities, preference shares, mutual funds etc. 84% 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 30<sup>th</sup> September 2014 in each category was as follows:

Category	Percentage	Duration
HFT	6.88%	4.32 years
AFS	29.20%	3.46 years
HTM	63.92%	4.78 years

Savings Bank Deposits recorded a healthy growth of 20% YOY to reach ₹79,875 crores as on 30<sup>th</sup> September 2014, while Current Account deposits grew 8% YOY and stood at ₹46,492 crores. On a daily average basis, Savings Bank deposits in H1FY15 grew 19% YOY, while Current Account deposits grew by 10% YOY. CASA deposits, on a daily average basis, during H1FY15 grew 16% YOY constituting 40% of total deposits, compared to 39% during the same period last year. Retail Term Deposits grew 43% YOY to comprise 62% of the Term Deposits of the Bank. CASA and Retail Term Deposits constituted 79% of Total Deposits as on 30<sup>th</sup> September 2014 compared to 69% last year.

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## Capital Adequacy and Shareholders' Funds

The shareholders' funds of the Bank grew 15% YOY and stood at ₹41,764 crores as on 30<sup>th</sup> September 2014. The Bank is well capitalised and the Capital Adequacy Ratio (CAR) as on 30<sup>th</sup> September 2014 under Basel III was 14.84% (excluding the net profit for H1FY15) and Tier-I CAR was 11.51% (excluding the net profit for H1FY15). If the net profit of ₹3,277 crores for H1FY15 is included, the total CAR and Tier-I CAR as on 30<sup>th</sup> September 2014 under Basel III would be 15.90% and 12.57% respectively.

## Asset Quality

As on 30<sup>th</sup> September 2014, Gross NPAs and Net NPAs stood at 1.34% and 0.44% respectively. The Bank held provision coverage of 78% as on 30<sup>th</sup> September 2014, as a proportion of Gross NPAs, including prudential write-offs. The provision coverage before accumulated write-offs was 87%.

As on 30<sup>th</sup> September 2014, the Bank's Gross NPA was ₹3,613 crores as against ₹3,463 crores as on 30<sup>th</sup> June 2014. During the quarter, the Bank added ₹911 crores to Gross NPAs. Recoveries and upgrades were ₹164 crores and write-offs were ₹597 crores.

The cumulative value of net restructured advances as on 30<sup>th</sup> September 2014 stood at ₹6,690 crores, constituting 2.52% of net customer assets.

## Network

During Q2FY15, the Bank added 84 branches to its network across the country and at the end of 30<sup>th</sup> September 2014, it had a network of 2,505 domestic branches and extension counters and 13,146 ATMs situated in 1,686 centres, compared to 2,225 domestic branches and extension counters and 11,796 ATMs situated in 1,502 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, and investment banking and liability businesses.

The total assets under overseas branches were USD 7.35 billion as on 30<sup>th</sup> September 2014.

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	Q2FY15	Q2FY14	%Growth	H1FY15	H1FY14	%Growth
Net Profit	1,610.71	1,362.31	18.23	3,277.47	2,771.24	18.27
EPS Diluted (₹) annualised	26.90	22.98	17.06	27.56	23.51	17.23
Net Interest Income	3,524.85	2,936.67	20.03	6,835.34	5,801.88	17.81
Other Income	1,947.61	1,766.09	10.28	3,638.66	3,547.40	2.57
- Fee Income	1,590.64	1,431.79	11.09	2,968.54	2,749.21	7.98
- Trading Income	270.75	4.91	5414.26	531.05	444.76	19.40
- Miscellaneous Income	86.22	329.39	(73.82)	139.07	353.43	(60.65)
Operating Revenue	5,472.46	4,702.76	16.37	10,474.00	9,349.28	12.03
Core Operating Revenue*	5,171.26	4,416.23	17.10	9,912.50	8,622.90	14.96
Operating Expenses (incl. depreciation)	2,310.16	1,952.96	18.29	4,416.04	3,755.93	17.58
Operating Profit	3,162.30	2,749.80	15.00	6,057.96	5,593.35	8.31
Core Operating Profit**	2,861.10	2,463.27	16.15	5,496.46	4,866.97	12.93

\* 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 30th September '14	As on 30th September '13
<b>CAPITAL AND LIABILITIES</b>		
Capital	471.93	469.19
Reserves & Surplus	41,292.04	35,755.02
Deposits	283,727.57	255,365.10
Borrowings	55,715.96	47,944.65
Other Liabilities and Provisions	13,764.07	11,828.98
<b>Total</b>	<b>394,971.57</b>	<b>351,362.94</b>
<b>ASSETS</b>		
Cash and Balances with Reserve Bank of India and Balances with Banks and Money at Call and Short Notice	25,529.20	20,450.75
Investments	114,283.75	118,410.83
Advances	242,198.06	201,303.16
Fixed Assets	2,398.80	2,321.64
Other Assets	10,561.76	8,876.56
<b>Total</b>	<b>394,971.57</b>	<b>351,362.94</b>

₹ crore

Business Performance	As on 30 <sup>th</sup> September '14	As on 30 <sup>th</sup> September '13	% Growth
Total Deposits	283,728	255,365	11.11
Demand Deposits	126,367	109,459	15.45
- Savings Bank Deposits	79,875	66,494	20.12
- Current Account Deposits	46,492	42,966	8.21
Demand Deposits as % of Total Deposits	45%	43%	
Term Deposits	157,361	145,906	7.85
Retail Term Deposits	97,307	67,891	43.33
Demand Deposits on a Cumulative Daily Average Basis (CDAB) for the half year	104,434	90,156	15.84
Demand Deposits as % Total Deposits (CDAB) for the half year	40%	39%	
Net Advances	242,198	201,303	20.32
- Corporate Credit	110,176	97,377	13.14
- SME <sup>&amp;&amp;</sup>	37,701	32,891	14.62
- Retail Advances <sup>^</sup>	94,321	71,035	32.78
Investments	114,284	118,411	(3.49)
Balance Sheet Size	394,972	351,363	12.41
Net NPA as % of Net Customer Assets	0.44%	0.37%	
Gross NPA as % of Gross Customer Assets	1.34%	1.19%	
Equity Capital	472	469	0.58
Shareholders' Funds	41,764	36,224	15.29
Capital Adequacy Ratio (Basel III)	14.84%	15.85%	
- Tier I	11.51%	11.68%	
- Tier II	3.33%	4.17%	
Capital Adequacy Ratio (Basel III) (including Net Profit for H1)	15.90%	16.89%	
- Tier I	12.57%	12.72%	
- Tier II	3.33%	4.17%	

Note:

&& SME advances includes corporate agriculture advances amounting to ₹1,930 crores & ₹2,476 crores for the period ended 30<sup>th</sup> September 2014 & 30<sup>th</sup> September 2013 respectively.

<sup>^</sup> Retail advances includes retail agriculture advances amounting to ₹13,808 crores & ₹10,166 crores for the period ended 30<sup>th</sup> September 2014 & 30<sup>th</sup> September 2013 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.*