

## PRESS RELEASE

### AXIS BANK ANNOUNCES FINANCIAL RESULTS FOR THE QUARTER ENDED 30<sup>th</sup> JUNE 2015

#### Results at a Glance

- **Net Profit for Q1FY16 grows 19% YOY to ₹1,978 crores**
- **The Bank's Retail franchise continues to show robust growth**
  - **CASA, on a daily average basis, grew 13% YOY and constitutes 40% of Total Deposits**
  - **Retail Term Deposits grew 18% YOY and constitutes 62% of Term Deposits**
  - **CASA and Retail Term Deposits constitutes 79% of Total Deposits**
  - **Retail Advances growth continues to be strong at 26% YOY and accounts for 40% of Net Advances**
  - **Retail Fee Income grew 17% YOY and constitutes 39% of Total Fee Income**
- **Asset Quality is healthy with Net NPAs at 0.48%**
- **Bank is well capitalised with a healthy Capital Adequacy Ratio (CAR). Under Basel III, Total CAR & Tier I CAR (including the net profit for Q1FY16) stood at 15.05% & 12.15% respectively**

The Board of Directors of Axis Bank Limited approved the financial results for the quarter ended 30<sup>th</sup> June 2015 at its meeting held in Ahmedabad on Friday, 24<sup>th</sup> July 2015. The accounts have been subjected to a Limited Review by the Bank's Statutory Auditors.

#### **Profit & Loss Account: Period ended 30<sup>th</sup> June 2015**

The Bank reports a strong earnings growth in core revenues for the quarter ended 30<sup>th</sup> June 2015. The Bank's Core Operating Profit and Net Profit have shown healthy growth.

- **Core Operating Revenue and Net Profit**

The Bank's Core Operating Revenue for Q1FY16 grew by 20% YOY to ₹5,708 crores. Robust revenue performance combined with slower growth in operating expenses led to the Bank's Core Operating Profit registering a 31% YOY growth in Q1FY16 and stood at ₹3,446 crores. Net Profit for Q1FY16 grew by 19% YOY to ₹1,978 crores.

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

The Bank's Net Interest Income (NII) showed a healthy growth of 23% YOY to ₹4,056 crores during Q1FY16 from ₹3,310 crores during Q1FY15. Net interest margin during Q1FY16 was 3.81%.

- **Other Income**

Other income (comprising fee, trading profit and miscellaneous income) for Q1FY16 recorded a strong growth of 36% YOY and stood at ₹2,298 crores as against ₹1,691 crores during the same period last year. Fee income grew 13% YOY during the quarter to reach ₹1,551 crores. The key contributor to the fee income was Retail Banking, which grew by 17% in Q1FY16 and constitutes 39% of the Bank's total fee income. Treasury & DCM fee performance was robust during the quarter and constitutes 14% of the total fee income of the Bank. During the quarter, trading profit of the Bank was ₹646 crores, while miscellaneous income stood at ₹101 crores.

### **Balance Sheet: As on 30<sup>th</sup> June 2015**

The Bank's Balance Sheet grew 19% YOY and stood at ₹4,52,492 crores as on 30<sup>th</sup> June 2015. The Bank's Advances grew 23% YOY to ₹2,84,649 crores as on 30<sup>th</sup> June 2015. Retail Advances grew 26% YOY and stood at ₹1,15,204 crores as on 30<sup>th</sup> June 2015 and accounted for 40% of the Net Advances of the Bank. Corporate credit grew 27% YOY and stood at ₹1,29,566 crores and accounted for 46% of Net Advances. SME Advances (excluding non-retail agriculture segment) grew by 11% YOY and stood at ₹38,242 crores.

The book value of the Bank's investments portfolio as on 30<sup>th</sup> June 2015, was ₹1,07,863 crores, of which ₹77,941 crores were in government securities, while ₹22,993 crores were invested in corporate bonds and ₹6,929 crores in other securities such as equities, preference shares, mutual funds etc. 83% 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 30<sup>th</sup> June 2015 in each category was as follows:

Category	Percentage	Duration
HFT	8%	4.70 years
AFS	27%	4.05 years
HTM	65%	5.36 years

Savings Bank Deposits recorded a growth of 14% YOY to reach ₹84,776 crores as on 30<sup>th</sup> June 2015, while Current Account Deposits grew 15% YOY and stood at ₹46,838 crores. As on 30<sup>th</sup> June 2015, CASA Deposits constituted 43% of total deposits, while on a daily average basis CASA deposits constituted 40%

of total deposits. CASA and Retail Term Deposits constituted 79% of Total Deposits as on 30<sup>th</sup> June 2015 compared to 77% as on 30<sup>th</sup> June 2014.

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

The shareholders' funds of the Bank grew 17% YOY and stood at ₹46,826 crores as on 30<sup>th</sup> June 2015. The Bank is well capitalised and including net profit for Q1FY16, under Basel III, the Capital Adequacy Ratio (CAR) as on 30<sup>th</sup> June 2015 was 15.05% and Tier-I CAR was 12.15%.

### **Asset Quality**

As on 30<sup>th</sup> June 2015, Gross NPAs and Net NPAs stood at 1.38% and 0.48%, respectively. The Bank held provision coverage of 78% as on 30<sup>th</sup> June 2015, as a proportion of Gross NPAs, including prudential write-offs. The provision coverage before accumulated write-offs was 86%.

As on 30<sup>th</sup> June 2015, the Bank's Gross NPA was ₹4,251 crores against ₹4,110 crores as on 31<sup>st</sup> March 2015. During the quarter, the Bank added ₹1,186 crores to Gross NPAs, Recoveries and upgrades were ₹120 crores and write-offs were ₹925 crores. The cumulative value of net restructured advances as on 30<sup>th</sup> June 2015 stood at ₹8,515 crores, constituting 2.80% of net customer assets.

### **Network**

The Bank's network at the end of 30<sup>th</sup> June 2015 spanned 2,589 domestic branches and extension counters, and 12,179 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 7.73 billion as on 30<sup>th</sup> June 2015.

*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	Q1FY16	Q1FY15	% Growth
Net Profit	1,978.44	1,666.76	18.70
EPS Diluted (₹)	8.27	7.06	17.14
Net Interest Income	4,056.23	3,310.49	22.53
Other Income	2,298.27	1,691.05	35.91
- Fee Income	1,550.76	1,377.90	12.55
- Trading Income	646.48	260.30	148.36
- Miscellaneous Income	101.03	52.85	91.16
Operating Revenue	6,354.50	5,001.54	27.05
Core Operating Revenue*	5,708.02	4,741.24	20.39
Operating Expenses	2,262.43	2,105.88	7.43
Operating Profit	4,092.07	2,895.66	41.32
Core Operating Profit**	3,445.59	2,635.36	30.74

\* Core Operating Revenue = Operating Revenue - Trading Income

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

₹ crore

Condensed Unconsolidated Balance Sheet	As on 30 <sup>th</sup> June '15	As on 30 <sup>th</sup> June '14
<b>CAPITAL AND LIABILITIES</b>		
Capital	475.06	471.37
Reserves & Surplus	46,350.50	39,577.86
Deposits	307,783.86	272,004.23
Borrowings	80,894.92	54,287.67
Other Liabilities and Provisions	16,987.55	13,019.91
<b>Total</b>	<b>452,491.89</b>	<b>379,361.04</b>
<b>ASSETS</b>		
Cash and Balances with Reserve Bank of India and Balances with Banks and Money at Call and Short Notice	31,651.69	28,798.74
Investments	107,863.11	96,902.43
Advances	284,649.14	230,535.16
Fixed Assets	2,500.92	2,405.13
Other Assets	25,827.03	20,719.58
<b>Total</b>	<b>452,491.89</b>	<b>379,361.04</b>

₹ crore

<b>Business Performance</b>	<b>As on 30<sup>th</sup> June '15</b>	<b>As on 30<sup>th</sup> June '14</b>	<b>% Growth</b>
Total Deposits	307,784	272,004	13.15
Demand Deposits	131,614	115,242	14.21
- Savings Bank Deposits	84,776	74,583	13.67
- Current Account Deposits	46,838	40,659	15.20
Demand Deposits as % of Total Deposits	43%	42%	
Term Deposits	176,170	156,762	12.38
Retail Term Deposits	110,054	93,406	17.82
Demand Deposits on a Cumulative Daily Average Basis (CDAB) for the quarter	117,070	103,736	12.85
Demand Deposits as % Total Deposits (CDAB) for the quarter	40%	40%	
Net Advances (a) +(b) + (c)	284,649	230,535	23.47
(a) Corporate Credit	129,566	101,841	27.22
(b) SME	39,879	37,471	6.43
(c) Retail Advances	115,204	91,223	26.29
Investments	107,863	96,902	11.31
Balance Sheet Size	452,492	379,361	19.28
Net NPA as % of Net Customer Assets	0.48%	0.44%	
Gross NPA as % of Gross Customer Assets	1.38%	1.34%	
Equity Capital	475	471	0.78
Shareholders' Funds	46,826	40,049	16.92
Capital Adequacy Ratio (Basel III)	14.50%	15.53%	
- Tier I	11.60%	12.08%	
- Tier II	2.90%	3.45%	
Capital Adequacy Ratio (Basel III) (including Net Profit for Q1)	15.05%	16.09%	
- Tier I	12.15%	12.64%	
- Tier II	2.90%	3.45%	

### **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.*