

## PRESS RELEASE

### AXIS BANK ANNOUNCES FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2012

#### Results at a Glance

- **Net Profit for Q2FY13 and H1FY13 grows 22% YOY to ₹1,124 crores and ₹2,277 crores, respectively**
- **Balance Sheet size crosses ₹300,000 crore to touch a level of ₹302,681 crore as on 30<sup>th</sup> September 2012**
- **Retail franchise continues to show traction**
  - **Savings Bank Deposits grow 20% YoY and Retail Term Deposits by 39%**
  - **Retail Assets increase by 51%, account for 26% of net advances**
  - **Fee income of Retail Business grows 43%**
- **CASA Deposit Ratio stood at 41% of total deposits**
- **Healthy Asset quality with Net NPA at 0.33%.**
- **Capital Adequacy Ratio (including net profit for H1FY13) comfortable at 13.92%, and Tier-I Capital at 9.92%**

The Board of Directors of Axis Bank Limited approved the financial results for the quarter and half year ended 30<sup>th</sup> September 2012 at its meeting held in London on Monday, 15<sup>th</sup> October 2012. 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, 2012**

The Bank continues to show strong performance in terms of growth of Net Interest Income, Fee Income and Operating Revenue. With slower growth of operating expenses, the Bank's Operating Profit and Net Profit have also shown healthy growth.

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

The Bank's Operating Profit for H1FY13 and Q2 FY13 grew by 24% YOY and 23% YOY respectively. The Bank's Operating Profit for H1FY13 was ₹4,142 crores up from ₹3,334 crores for H1FY12. In Q2FY13, the

Operating Profit has risen to ₹2,178 crores from ₹1,776 crores in Q2FY12. Consequently, Net Profit for H1FY13 and Q2FY13 has registered a growth of 22% YOY. Net Profit for H1FY13 rose to ₹2,277 crores from ₹1,863 crores, and for Q2FY13 Net Profit has risen to ₹1,124 crores from ₹920 crores in Q2FY12.

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

The Bank's Net Interest Income (NII) rose by 21% YOY to ₹4,507 crores during H1FY13 from ₹3,731 crores during H1FY12. NII for Q2FY13 was ₹2,327 crores against ₹2,007 in Q2FY12. The Bank recorded a Net Interest Margin of 3.46% in Q2FY13, compared to 3.37% during Q1FY13.

- **Other Income**

Other income for H1FY13 grew 22% and stood at ₹2,929 crores as compared to ₹2,403 crores during the same period last year. During the quarter, other income has grown 29% YOY to ₹1,593 crores, driven by growth in fee income which stood at ₹1,343 crores thereby registering a growth of 20% YOY. The main business segments driving fee growth during the quarter were Retail Banking, which grew 43% YOY and Large and Mid-Corporate Banking which grew 15% YOY. SME and Agricultural Banking fees grew 17% YOY in the quarter. Trading Profits of the Bank were ₹207 crores during Q2FY13.

### **Balance Sheet: As on 30<sup>th</sup> September 2012**

The Bank's Balance Sheet has grown by 21% to ₹302,681 as on 30<sup>th</sup> September 2012. The Bank's advances grew 23% YOY to ₹1,72,132 crores as on 30<sup>th</sup> September 2012. Retail advances grew 51% YOY and stood at ₹44,286 crores as on 30<sup>th</sup> September 2012. Retail Advances accounted for 26% of net advances of the Bank as on 30<sup>th</sup> September 2012 compared to 21% last year. Investments grew 17% YOY to reach a level of ₹99,691 crores as on 30<sup>th</sup> September 2012 from ₹85,016 crores last year. Of the Investment book, share of government securities was 63%. Investments in other securities such as corporate bonds, equities, preference shares, mutual funds etc. accounted for the balance.

Savings Bank Deposits recorded a healthy growth of 20% YOY to touch ₹56,189 crores as on 30<sup>th</sup> September 2012, while Current Accounts deposits grew by 11% to ₹39,350 crores. Consequently, CASA deposits grew 16% YOY to ₹95,538 crores. CASA ratio as on 30<sup>th</sup> September 2012 stood at 41% of total deposits compared to 39% in the previous quarter ended 30<sup>th</sup> June 2012. During the same period, Retail Term Deposits grew 39% YOY and now comprise 40% of total Term Deposits. CASA plus Retail Term Deposits constituted 64% of Total Deposits as on 30<sup>th</sup> September 2012. Retail Deposits constituting Savings Bank Deposits and Retail Term Deposits, grew 29% YOY and stood at ₹1,12,574 crores as on 30<sup>th</sup> September 2012.

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

The shareholders' funds of the Bank grew 20% YOY and were ₹25,234 crores as on 30<sup>th</sup> September 2012. Capital Adequacy Ratio (CAR) for the Bank was 12.99% (excluding net profit for H1FY13) as on 30<sup>th</sup> September 2012, compared to 11.35% (excluding net profit for H1FY12) as on 30<sup>th</sup> September 2011. The Tier-I capital adequacy ratio was 8.99% (excluding net profit for H1FY13) as on 30<sup>th</sup> September 2012, compared to 8.48% (excluding net profit for H1FY12) as on 30<sup>th</sup> September 2011. The profit of H1 has not been reckoned for computation of Tier-I capital, as stipulated by Reserve Bank of India. If the net profit of ₹2,277.06 crores for H1FY13 is included, the total CAR and Tier-I CAR as on 30<sup>th</sup> September 2012 would have been 13.92% and 9.92%, respectively.

## **Asset Quality**

As on 30<sup>th</sup> September 2012, Gross NPAs and Net NPAs stood at 1.10% and 0.33%, respectively as against 1.08% and 0.34%, as on 30<sup>th</sup> September 2011. The Bank held a provision coverage of 80% as on 30<sup>th</sup> September 2012 (as a proportion of Gross NPAs including prudential write-offs). The provision coverage (as a proportion of Gross NPAs before accumulated write-offs) was 90%. The Bank restructured assets aggregating ₹323 crores during Q2FY13. The cumulative value of assets restructured till 30<sup>th</sup> September 2012, stood at ₹4,068 crores constituting 2.04% of gross customer assets.

## **Network**

The Bank continued to extend its presence across the country and at the end of Q2FY13, had a network of 1,741 domestic branches and extension counters and 10,297 ATMs situated in 1,113 cities and towns, compared to 1,446 domestic branches and extension counters, and 7,594 ATMs situated in 953 cities and towns last year.

## **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 6.06 billion as on 30<sup>th</sup> September 2012, a growth of 17%.

## **Appointment of Directors**

Shri Somnath Sengupta and Shri V. Srinivasan have been inducted on the Board of the Bank as executive directors with effect from today.

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

*For further information, please contact Mr. Julius Samson at 91-22-24254604 or email: [julius.samson@axisbank.com](mailto:julius.samson@axisbank.com)*

₹ crore

Financial Performance	Q2FY13	Q2FY12	%Growth	H1FY13	H1FY12	%Growth
Net Profit	1,123.54	920.32	22.08	2,277.06	1,862.67	22.25
EPS Diluted (₹) (Annualised)	107.10	88.04	21.65	109.17	89.62	21.81
Net Interest Income	2,326.93	2,007.26	15.93	4,506.79	3,731.36	20.78
Other Income	1,593.06	1,234.92	29.00	2,928.57	2,402.79	21.88
- Fee Income	1,343.16	1,120.67	19.85	2,497.51	2,177.62	14.69
- Trading Income	207.39	27.65	650.05	357.62	97.88	265.37
- Miscellaneous Income	42.51	86.60	(50.91)	73.44	127.29	(42.30)
Operating Revenue	3,919.99	3,242.18	20.91	7,435.36	6,134.15	21.21
Core Operating Revenue*	3,712.60	3,214.53	15.49	7,077.74	6,036.27	17.25
Operating Expenses (incl. depreciation)	1,741.73	1,466.54	18.76	3,293.44	2,800.03	17.62
Operating Profit	2,178.26	1,775.64	22.67	4,141.92	3,334.12	24.23
Core Operating Profit**	1,970.87	1,747.99	12.75	3,784.30	3,236.24	16.94

\*Core Operating Revenue = Operating Revenue - Trading Income

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

₹ crore

Condensed Unconsolidated Balance Sheet	As on 30th September '12	As on 30th September '11
<b>CAPITAL AND LIABILITIES</b>		
Capital	414.53	412.33
Reserves & Surplus	24,819.42	20,577.14
Deposits	235,619.09	194,455.04
Borrowings	32,832.04	26,770.96
Other Liabilities and Provisions	8,995.66	8,395.76
<b>Total</b>	<b>302,680.74</b>	<b>250,611.23</b>
<b>ASSETS</b>		
Cash and Balances with Reserve Bank of India and Balances with Banks and Money at Call and Short Notice	19,960.52	17,552.11
Investments	99,690.94	85,015.60
Advances	172,131.57	140,089.29
Fixed Assets	2,274.99	2,253.66
Other Assets	8,622.72	5,700.57
<b>Total</b>	<b>302,680.74</b>	<b>250,611.23</b>

₹ crore

Business Performance	As on 30 <sup>th</sup> September '12	As on 30 <sup>th</sup> September '11	% Growth
Total Deposits	235,619	194,455	21.17
Demand Deposits	95,538	82,140	16.31
- Savings Bank Deposits	56,189	46,786	20.10
- Current Account Deposits	39,349	35,354	11.30
Demand Deposits as % of Total Deposits	40.55%	42.24%	
Term Deposits	140,081	112,315	24.72
Demand Deposits on a Cumulative Daily Average Basis for the quarter	79,623	68,921	15.53
Demand Deposits as % Total Deposits (CDAB basis) for the quarter	36.15%	38.28%	
Net Advances	172,132	140,089	22.87
- Large & Mid-Corporate	92,065	79,390	15.97
- SME	23,628	20,755	13.84
- Agriculture	12,153	10,616	14.47
- Retail Advances*	44,286	29,328	51.00
Investments	99,691	85,016	17.26
Balance Sheet Size	302,681	250,611	20.78
Net NPA as % of Net Customer Assets	0.33%	0.34%	
Gross NPA as % of Gross Customer Assets	1.10%	1.08%	
Equity Capital	415	412	0.53
Shareholders' Funds	25,234	20,989	20.22
Capital Adequacy Ratio <sup>&amp;</sup>	12.99%	11.35%	
- Tier I <sup>&amp;</sup>	8.99%	8.48%	
- Tier II	4.00%	2.87%	

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

& Total CAR and Tier-I CAR would be 13.92% & 9.92% respectively on inclusion of H1FY13 net profit of ₹2,277 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.*