

PRESS RELEASE

AXIS BANK ANNOUNCES FINANCIAL RESULTS FOR THE QUARTER AND HALF-YEAR ENDED 30th SEPTEMBER 2015

Results at a Glance

- Net Profit for Q2FY16 and H1FY16 grew 19% YOY to ₹1,916 crores and ₹3,894 crores respectively
- The Bank's Retail franchise continued to perform well
 - CASA, on a daily average basis for Q2FY16, grew 14% YOY and constitutes 40% of Total Deposits
 - Retail Term Deposits grew 18% YOY and constitutes 64% of Term Deposits
 - CASA and Retail Term Deposits constitutes 80% of Total Deposits
 - Retail Advances growth continues to be strong at 27% YOY and accounts for 40% of Net Advances
 - Retail Fee Income in Q2FY16 grew 19% YOY and constitutes 40% of Total Fee Income
- Asset Quality is healthy with Net NPAs at 0.48%
- The Bank is well capitalised with a healthy Capital Adequacy Ratio (CAR). Under Basel III, Total CAR & Tier I CAR (including the net profit for H1FY16) stood at 15.42% and 12.21% respectively

The Board of Directors of Axis Bank Limited approved the financial results for the quarter and half-year ended 30th September 2015 at its meeting held in Mumbai on Tuesday, 27th October 2015. The results have been subjected to a Limited Review by the Bank's Statutory Auditors.

Profit & Loss Account: Period ended 30th September 2015

- **Core Operating Revenue and Net Profit**

The Bank showed healthy financial performance in terms of growth in core revenues for the quarter and half-year ended 30th September 2015. The Bank's Core Operating Revenue for Q2FY16 and H1FY16 grew by 15% YOY and 17% YOY to ₹5,936 crores & ₹11,644 crores respectively. The Bank's Core Operating Profit for Q2FY16 grew by 21% YOY to ₹3,460 crores, and for H1FY16 grew by 26% YOY to ₹6,906 crores. The Net Profit for both Q2FY16 and H1FY16 grew by 19% YOY to ₹1,916 crores and ₹3,894 crores respectively.

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

The Bank's Net Interest Income (NII) grew by 15% YOY to ₹4,062 crores during Q2FY16 from ₹3,525 crores in Q2FY15. Net interest margin for Q2FY16 remained healthy and stood at 3.85%. NII for H1FY16 also rose 19% YOY to ₹8,118 crores from ₹6,835 crores during H1FY15.

- **Other Income**

Other income (comprising fee, trading profit and miscellaneous income) for Q2FY16 grew 5% YOY and stood at ₹2,041 crores as against ₹1,948 crores during the same period last year. During H1FY16, other income grew 19% YOY and stood at ₹4,340 crores. During the quarter, fee income grew 14% YOY to reach ₹1,813 crores. The key driver to the growth in fee income was Retail Banking, which grew by 19% YOY and constituted 40% of the Bank's total fee income. Transaction Banking fees grew 14% YOY and constituted 19% of the total fee income. Treasury & DCM fee performance was robust and grew 47% YOY to constitute 10% of the total fee income of the Bank. During H1FY16, fee income grew 13% YOY primarily driven by 18% YOY growth in retail fee and 50% YOY growth in Treasury & DCM.

Balance Sheet: As on 30th September 2015

The Bank's Balance Sheet grew 20% YOY and stood at ₹4,72,725 crores as on 30th September 2015. The Bank's Advances grew 23% YOY to ₹2,98,066 crores as on 30th September 2015. Retail Advances grew 27% YOY and stood at ₹1,19,448 crores and accounted for 40% of the Net Advances of the Bank. If we were to include SME loans that qualify as regulatory retail, the share of retail loans to total loans would be 45%. Corporate credit grew 25% YOY and stood at ₹1,38,549 crores; and accounted for 47% of Net Advances. SME Advances (excluding non-retail agriculture segment) grew by 11% YOY and stood at ₹39,702 crores.

The book value of the Bank's investments portfolio as on 30th September 2015, was ₹1,13,681 crores, of which ₹82,392 crores were in government securities, while ₹23,494 crores were invested in corporate bonds and ₹7,795 crores in other securities such as equities, preference shares, mutual funds, etc. 82% of the government securities have been classified in the HTM category, while 92% 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 30th September 2015 in each category was as follows:

Category	Proportion	Duration
HFT	8%	5.19 years
AFS	32%	3.82 years
HTM	60%	5.87 years

CASA, on a daily average basis, recorded a growth of 14%, in which Savings Bank Deposits also recorded a growth of 14% YOY, while Current Account deposits grew by 13%. The proportion of CASA on a daily average basis remained at the same level as the previous quarter and constituted 40% of total deposits. On end-day basis, CASA Deposits as on 30th September 2015 constituted 44% of total deposits. CASA and

Retail Term Deposits constituted 80% of Total Deposits as on 30th September 2015 compared to 79% as on 30th September 2014 and the previous quarter ended 30th June 2015.

Capital Adequacy and Shareholders' Funds

The shareholders' funds of the Bank grew 17% YOY and stood at ₹48,892 crores as on 30th September 2015. The Bank is well capitalised. Under Basel III, the Capital Adequacy Ratio (CAR) and Tier I CAR as on 30th September 2015 (including the net profit for H1FY16) was 15.42% and 12.21% respectively.

Asset Quality

As on 30th September 2015, Gross NPAs and Net NPAs stood at 1.38% and 0.48%, respectively, and remained unchanged over the previous quarter. The Bank held provision coverage of 78% as on 30th September 2015, as a proportion of Gross NPAs, including prudential write-offs. The provision coverage before accumulated write-offs was 87%.

As on 30th September 2015, the Bank's Gross NPA was ₹4,451 crores against ₹4,251 crores as on 30th June 2015. During the quarter, the Bank added ₹583 crores to Gross NPAs, excluding assets sold to ARCs, and Recoveries and upgrades were ₹180 crores. The cumulative value of net restructured advances as on 30th September 2015 stood at ₹8,426 crores, constituting 2.65% of net customer assets, compared to ₹8,515 crores, constituting 2.80% of net customer assets as on 30th June 2015.

Network

During Q2FY16, the Bank added 154 branches to its network across the country and at the end of 30th September 2015, it had a network of 2,743 domestic branches and extension counters situated in 1,796 centres compared to 2,505 domestic branches and extension counters situated in 1,686 centres last year. As on 30th September 2015, the Bank had 12,352 ATMs spread across the country.

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 7.51 billion as on 30th September 2015.

Appointment of Additional Independent Director

Mr. Rakesh Makhija has joined the Board of Directors as an Additional Independent Director with effect from 27th October 2015. Mr. Makhija is a chemical engineer from the Indian Institute of Technology, New Delhi. His career spans over four decades in the Industrial and technology sectors both in India & overseas. He was the Managing Director of SKF India Ltd. from 2002 till 2009.

Currently, Mr. Makhija is the Chairman of SKF India Ltd. and is also on the Board of Tata Technologies Ltd, TML Drivelines Ltd. and Elecon Engineering Ltd.

Re-designation of Mr. V Srinivasan as 'Deputy Managing Director' of the Bank

The Board of Directors of the Bank have approved the re-designation of Mr. V Srinivasan, Whole Time Director of the Bank as the 'Deputy Managing Director' of the Bank. Mr. Srinivasan joined the Bank as the Executive Director - Corporate Banking in 2009 and was elevated as a Director on the Board of Axis Bank in October 2012. He has been instrumental in building the Corporate Banking, Investment Banking, Transaction Banking and Treasury franchises of the Bank.

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

For further information, please contact Mr. Suresh Warriar at 91-22-24255601 or email: suresh.warrier@axisbank.com

₹ crore

Financial Performance	Q2FY16	Q2FY15	% Growth	H1FY16	H1FY15	% Growth
Net Profit	1,915.64	1,610.71	18.93	3,894.08	3,277.47	18.81
EPS Diluted (₹) annualised	31.83	26.90	18.33	32.54	27.56	18.07
Net Interest Income	4,062.09	3,524.85	15.24	8,118.32	6,835.34	18.77
Other Income	2,041.40	1,947.61	4.82	4,339.67	3,638.66	19.27
- Fee Income	1,812.69	1,590.64	13.96	3,363.45	2,968.54	13.30
- Trading Income	167.50	270.75	(38.13)	813.98	531.05	53.28
- Miscellaneous Income	61.21	86.22	(29.01)	162.24	139.07	16.66
Operating Revenue	6,103.49	5,472.46	11.53	12,457.99	10,474.00	18.94
Core Operating Revenue*	5,935.99	5,171.26	14.79	11,644.01	9,912.50	17.47
Operating Expenses	2,475.54	2,310.16	7.16	4,737.97	4,416.04	7.29
Operating Profit	3,627.95	3,162.30	14.73	7,720.02	6,057.96	27.44
Core Operating Profit**	3,460.45	2,861.10	20.95	6,906.04	5,496.46	25.65

* Core Operating Revenue = Operating Revenue - Trading Income

** Core Operating Profit = Operating Profit - Trading Income

₹ crore

Condensed Unconsolidated Balance Sheet	As on 30 th September '15	As on 30 th September '14
CAPITAL AND LIABILITIES		
Capital	475.59	471.93
Reserves & Surplus	48,416.51	41,292.04
Deposits	324,101.08	283,727.57
Borrowings	84,352.07	55,715.96
Other Liabilities and Provisions	15,379.31	13,764.07
Total	472,724.56	394,971.57
ASSETS		
Cash and Balances with Reserve Bank of India and Balances with Banks and Money at Call and Short Notice	29,832.47	25,529.20
Investments	113,681.02	103,068.99
Advances	298,065.59	242,198.06
Fixed Assets	2,588.05	2,398.80
Other Assets	28,557.43	21,776.52
Total	472,724.56	394,971.57

₹ crore

Business Performance	As on 30 th September '15	As on 30 th September '14	% Growth
Total Deposits	324,101	283,728	14.23
Demand Deposits	143,408	126,367	13.49
- Savings Bank Deposits	89,717	79,875	12.32
- Current Account Deposits	53,691	46,492	15.49
Demand Deposits as % of Total Deposits	44%	45%	
Term Deposits	180,693	157,361	14.83
Retail Term Deposits	115,194	97,307	18.38
Demand Deposits on a Cumulative Daily Average Basis (CDAB) for the half year	118,207	104,434	13.19
Demand Deposits as % Total Deposits (CDAB) for the half year	40%	40%	
Net Advances (a) +(b) + (c)	298,066	242,198	23.07
(a) Corporate Credit	138,549	111,186	24.61
(b) SME	40,068	36,691	9.20
(c) Retail Advances	119,448	94,321	26.64
Investments	113,681	103,069	10.30
Balance Sheet Size	472,725	394,972	19.69
Net NPA as % of Net Customer Assets	0.48%	0.44%	
Gross NPA as % of Gross Customer Assets	1.38%	1.34%	
Equity Capital	476	472	0.78
Shareholders' Funds	48,892	41,764	17.07
Capital Adequacy Ratio (Basel III)	14.37%	14.84%	
- Tier I	11.16%	11.51%	
- Tier II	3.21%	3.33%	
Capital Adequacy Ratio (Basel III) (including Net Profit for H1)	15.42%	15.90%	
- Tier I	12.21%	12.57%	
- Tier II	3.21%	3.33%	

In accordance with RBI circular DBR.BP.BC.No.31/21.04.018/2015-16 dated 16th July, 2015, the Bank has classified deposits placed with NABARD/SIDBI/NHB for meeting shortfall in Priority Sector Lending under 'Other Assets', which were hitherto included under 'Investments'. Figures for the previous periods have also been regrouped to conform to current period's classification.

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.