

PRESS RELEASE

AXIS BANK ANNOUNCES FINANCIAL RESULTS FOR THE QUARTER ENDED 30th JUNE 2014

Results at a Glance

- **Net Profit for Q1FY15 grows 18% YOY to ₹1,667 crores**
- **The Bank's Retail franchise continues to show robust growth**
 - **Savings Bank Deposits grew 18% YOY and Retail Term Deposits grew 44%**
 - **Domestic CASA and Retail Term Deposits constitute 78% of Total Domestic Deposits**
 - **Daily Average CASA for Q1FY15 constitute 40% of Total Deposits**
 - **Core Retail Advances grew 28% YOY and account 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 Q1FY15) stood at 16.09% & 12.64% respectively.**

The Board of Directors of Axis Bank Limited approved the financial results for the quarter ended 30th June 2014 at its meeting held in Mumbai on Tuesday, 22nd July 2014. The accounts have been subjected to a limited review by the Bank's statutory auditors.

Profit & Loss Account: Quarter ended 30th June 2014

• **Net Profit and Core Operating Revenue**

The Net Profit for Q1FY15 has registered a healthy growth of 18% YOY to ₹1,667 crores from ₹1,409 crores in Q1FY14. The Bank's Core Operating Revenue grew 13% YOY to ₹4,741 crores during Q1FY15 from ₹4,207 crores during Q1FY14.

• **Net Interest Income and Net Interest Margin**

The Bank's Net Interest Income (NII) rose 16% YOY to ₹3,310 crores during Q1FY15 from ₹2,865 crores during Q1FY14. The Bank recorded a Net Interest Margin of 3.88% in Q1FY15 against 3.86% in Q1FY14.

• **Other Income**

Other Income (comprising fee, trading profit and miscellaneous income) for Q1FY15 stood at ₹1,691 crores against ₹1,781 crores during the same period last year. During the quarter, Fee income grew 5% YOY to reach ₹1,378 crores. The key contributor to the fee income of the Bank was Retail Banking which grew by 22%. During the quarter, trading profit of the Bank was ₹260 crores, while miscellaneous income stood at ₹53 crores.

Balance Sheet: As on 30th June 2014

The Bank's Balance Sheet grew 14% YOY and stood at ₹3,79,361 crores as on 30th June 2014. The Bank's Advances grew 16% YOY to ₹2,30,535 crores as on 30th June 2014.

During the quarter, the Bank has re-organised the agriculture lending business. As a result, the retail portion of agriculture advances has been merged with the existing retail advances, while non-retail agriculture advances have been merged into the SME business. After this change, the outstanding Retail Advances, including retail agriculture, stood at ₹91,223 crores as on 30th June 2014 against ₹67,624 crores as on 30th June 2013. The Core Retail Advances (excluding Loans against FCNR deposits) grew by 28% YOY and stood at ₹86,477 crores and accounted for 38% of the net advances of the Bank. SME advances (including non-retail agriculture) grew by 22% and stood at ₹37,471 crores and accounted for 16% of the net advances.

The book value of the Bank's investments portfolio as on 30th June 2014, was ₹1,07,893 crores, of which ₹65,437 crores were government securities, while ₹22,998 crores were invested in corporate bonds and ₹19,458 crores in other securities such as equities, preference shares, mutual funds etc. 86% of the government securities have been classified in the HTM category, while 98% 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 June 2014 in each category was as follows:

Category	Percentage	Duration
HFT	3.41%	6.04 years
AFS	32.48%	3.41 years
HTM	64.11%	4.68 years

Savings Bank Deposits recorded a healthy growth of 18% YOY to reach ₹74,583 crores as on 30th June 2014, while Current Account deposits grew 8% YOY and stood at ₹40,659 crores. On a daily average basis, Savings Bank deposits in Q1FY15 grew 20% YOY, while Current Account deposits grew by 10%.

CASA deposits, on a daily average basis, during Q1FY15 grew 16% YOY constituting 40% of total deposits, compared to 39% during the same period last year. Domestic Retail Term Deposits grew 43% YOY to comprise 61% of the Domestic Term Deposits of the Bank. Domestic CASA and Retail Term Deposits constituted 78% of Total Domestic Deposits as on 30th June 2014 compared to 74% last year. Domestic Retail Deposits, constituting Savings Bank Deposits and Retail Term Deposits, grew 31% YOY and stood at ₹1,66,783 crores as on 30th June 2014.

Capital Adequacy and Shareholders' Funds

The shareholders' funds of the Bank grew 15% YOY and stood at ₹40,049 crores as on 30th June 2014. The Bank is well capitalised and the Capital Adequacy Ratio (CAR) as on 30th June 2014 under Basel III was 15.53% (excluding the net profit for Q1FY15) and Tier-I CAR was 12.08% (excluding the net profit for Q1FY15). If the net profit of ₹1,667 crores for Q1FY15 is included, the total CAR and Tier-I CAR as on 30th June 2014 under Basel III would be 16.09% and 12.64% respectively.

Asset Quality

As on 30th June 2014, Gross NPAs and Net NPAs stood at 1.34% and 0.44% respectively. The Bank held a provision coverage of 77% as on 30th June 2014, as a proportion of Gross NPAs, including prudential write-offs. The provision coverage before accumulated write-offs was 87%.

As on 30th June 2014, the Bank's Gross NPA was ₹3,463 crores as against ₹3,146 crores as on 31st March 2014. During the quarter, the Bank added ₹626 crores to Gross NPAs. Recoveries and upgrades were ₹97 crores and write-offs were ₹212 crores.

The cumulative value of net restructured advances as on 30th June 2014 stood at ₹6,289 crores, constituting 2.47% of net customer assets.

Network

During Q1FY15, the Bank added 19 branches to its network across the country and at the end of 30th June 2014, it had a network of 2,421 domestic branches and extension counters and 12,930 ATMs situated in 1,647 centres, compared to 2,021 domestic branches and extension counters and 11,488 ATMs situated in 1,300 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, investment banking and liability businesses.

The total assets under overseas operations were USD 7 billion as on 30th June 2014.

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	Q1FY15	Q1FY14	%Growth
Net Profit	1,666.76	1,408.93	18.30
EPS Diluted (₹)	35.30	29.94	17.90
Net Interest Income	3,310.49	2,865.21	15.54
Other Income	1,691.05	1,781.31	(5.07)
- Fee Income	1,377.90	1,317.42	4.59
- Trading Income	260.30	439.85	(40.82)
- Miscellaneous Income	52.85	24.04	119.84
Operating Revenue	5,001.54	4,646.52	7.64
Core Operating Revenue*	4,741.24	4,206.67	12.71
Operating Expenses (incl. depreciation)	2,105.88	1,802.97	16.80
Operating Profit	2,895.66	2,843.55	1.83
Core Operating Profit**	2,635.36	2,403.70	9.64

* Core Operating Revenue = Operating Revenue - Trading Income

** Core Operating Profit = Operating Profit - Trading Income

₹ crore

Condensed Unconsolidated Balance Sheet	As on 30th June '14	As on 30th June '13
CAPITAL AND LIABILITIES		
Capital	471.37	468.85
Reserves & Surplus	39,577.86	34,478.80
Deposits	272,004.23	238,440.64
Borrowings	54,287.67	49,813.62
Other Liabilities and Provisions	13,019.91	10,859.44
Total	379,361.04	334,061.35
ASSETS		
Cash and Balances with Reserve Bank of India and Balances with Banks and Money at Call and Short Notice	28,798.74	21,140.96
Investments	107,892.71	103,289.62
Advances	230,535.16	198,151.29
Fixed Assets	2,405.13	2,276.41
Other Assets	9,729.30	9,203.07
Total	379,361.04	334,061.35

₹ crore

Business Performance	As on 30 th June '14	As on 30 th June '13	% Growth
Total Deposits	272,004	238,441	14.08
Demand Deposits	115,242	101,096	13.99
- Savings Bank Deposits	74,583	63,298	17.83
- Current Account Deposits	40,659	37,798	7.57
Demand Deposits as % of Total Deposits	42%	42%	
Term Deposits	156,762	137,345	14.14
Retail Term Deposits	93,406	65,011	43.68
Demand Deposits on a Cumulative Daily Average Basis for the quarter	103,736	89,176	16.33
Demand Deposits as % Total Deposits (CDAB basis) for the quarter	40%	39%	
Net Advances	230,535	198,151	16.34
- Corporate Credit	101,841	99,818	2.03
- SME ^{&&}	37,471	30,709	22.02
- Retail Advances [^]	91,223	67,624	34.90
Investments	107,893	103,290	4.46
Balance Sheet Size	379,361	334,061	13.56
Net NPA as % of Net Customer Assets	0.44%	0.35%	
Gross NPA as % of Gross Customer Assets	1.34%	1.10%	
Equity Capital	471	469	0.54
Shareholders' Funds	40,049	34,948	14.60
Capital Adequacy Ratio (Basel III)	15.53%	15.87%	
- Tier I	12.08%	11.72%	
- Tier II	3.45%	4.15%	
Capital Adequacy Ratio (Basel III) (including Net Profit for Q1)	16.09%	16.40%	
- Tier I	12.64%	12.25%	
- Tier II	3.45%	4.15%	

Note:

^{&&} SME advances includes corporate agriculture advances amounting to ₹2,895 crores & ₹2,688 crores for the period ended 30th June 2014 & 30th June 2013 respectively.

[^] Retail advances includes retail agriculture advances amounting to ₹13,302 crores & ₹10,918 crores for the period ended 30th June 2014 & 30th June 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.