

Independent Auditor's Review Report on the Unaudited Interim Condensed Standalone Financial Statements of Axis Bank Limited

To The Board of Directors

Axis Bank Limited,

1. We have reviewed the accompanying Unaudited Interim Condensed Standalone Financial Statements of Axis Bank Limited ('the Bank') comprising of the Condensed Balance Sheet as at June 30, 2019, the Condensed Profit & Loss Account and the Condensed Cash Flow Statement for the period April 1, 2019 to June 30, 2019 and selected explanatory notes thereon ("the Condensed Standalone Financial Statements").
2. This Condensed Standalone Financial Statements, which is the responsibility of the Bank's Management and approved by the Committee of whole time directors at its meeting held on September 19, 2019, has been prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting" as prescribed under Section 133 of Companies Act, 2013, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India as applicable from time to time and other accounting principles generally accepted in India (collectively referred to as "Generally Accepted Accounting Principles"). Our responsibility is to issue a report on the Condensed Standalone Financial Statements based on our review.
3. We conducted our review of the Condensed Standalone Financial Statements in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by ICAI. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Condensed Standalone Financial Statements have been prepared in accordance with the Generally Accepted Accounting Principles and are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Condensed Standalone



HARIBHAKTI & CO. LLP

Chartered Accountants


Financial Statements are not prepared, in all material respects, in accordance with the Generally Accepted Accounting Principles.

5. These Condensed Standalone Financial Statements has been prepared only for the purpose of inclusion in the Preliminary Placement Document and the Placement Document to be filed with the Securities and Exchange Board of India, Registrar of Companies and the Stock Exchanges with regards to the Proposed Qualified Institutional Placement of Equity Share of Face Value of Rs. 2 each of the Bank. We do not accept or assume responsibility for any other purpose except as expressly agreed by our prior consent in writing.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048



Purushottam Nyati

Partner

Membership No.: 118970

UDIN: 19118970AAAADQ7404



Mumbai

September 19, 2019

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Unaudited interim condensed standalone Balance Sheet as at 30 June 2019

(Rs. in crores)

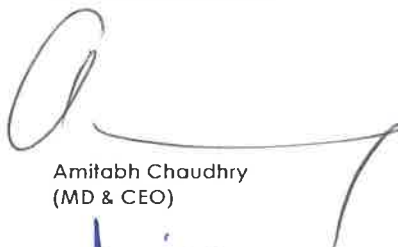
Particulars	As on 30.06.2019 (Unaudited)	As on 31.03.2019 (Audited)	As on 30.06.2018 (Unaudited)
<u>CAPITAL AND LIABILITIES</u>			
Capital	523.90	514.33	513.59
Reserves and Surplus	70,703.74	66,161.97	63,672.53
Deposits	540,677.68	548,471.34	447,079.32
Borrowings	130,121.44	152,775.78	152,227.10
Other Liabilities and Provisions	32,539.45	33,073.11	29,193.36
TOTAL	774,566.21	800,996.53	692,685.90
<u>ASSETS</u>			
Cash and Balances with Reserve Bank of India	28,428.04	35,099.03	27,637.84
Balances with Banks and Money at Call and Short Notice	9,848.85	32,105.60	12,148.71
Investments	175,791.53	174,969.28	1,54,613.64
Advances	497,276.01	494,797.97	4,41,074.45
Fixed Assets	4,053.22	4,036.64	3,968.51
Other Assets	59,168.56	59,988.01	53,242.75
TOTAL	774,566.21	800,996.53	692,685.90
Contingent Liability	742,961.32	755,765.27	841,651.91
Bills for Collection	47,070.82	51,928.86	52,434.02

For Haribhakti & Co. LLP


Chartered Accountant
Firm Registration No. 103523W/W100048


Rurushottam Nyati
Partner
Membership No. :118970

For Axis Bank Limited


Amitabh Chaudhry
(MD & CEO)


Rajesh Dahiya
(ED-Corporate Centre)


Pralay Mondal
(ED-Retail Banking)

Date: 19 September, 2019
Place: Mumbai


Jitram Sridharan
(Chief Financial Officer)



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Unaudited interim condensed standalone Profit and Loss account for the quarter ended 30 June 2019

Particulars	(Rs. in crores)	
	For the quarter ended 30.06.2019 (Unaudited)	For the quarter ended 30.06.2018 (Unaudited)
<u>INCOME</u>		
Interest earned	15,254.95	12,777.02
Other income	3,868.76	2,924.99
A	19,123.71	15,702.01
<u>EXPENDITURE</u>		
Interest expended	9,411.30	7,610.22
Operating expenses	3,819.65	3,719.75
Provisions & contingencies	4,522.68	3,670.95
B	17,753.63	15,000.92
Net Profit after taxes (A-B)	1,370.08	701.09
Basic Earnings per share	5.29	2.73
Diluted Earnings per share	5.26	2.72


For Haribhakti & Co. LLP

Chartered Accountant
Firm Registration No. 103523W/W100048


Purushottam Nyati
Partner
Membership No. :118970

For Axis Bank Limited


Amitabh Chaudhry
(MD & CEO)


Rajesh Dahiya
(ED-Corporate Centre)


Pralay Mondal
(ED-Retail Banking)


Jairam Sridharan
(Chief Financial Officer)

Date: 19 September, 2019
Place: Mumbai



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Unaudited interim condensed standalone Cash Flow statement for the period ended 30 June 2019

Particulars	(Rs. in crores)	
	For the period ended 30.06.2019 (Unaudited)	For the period ended 30.06.2018 (Unaudited)
Cash flow from operating activities	(8,145.57)	(3,567.08)
Cash used in from investing activities	(774.01)	(4,351.99)
Cash generated from financing activities	(19,994.62)	4,250.15
Effect of exchange fluctuation on translation reserve	(13.55)	0.59
Net increase in cash and cash equivalents	(28,927.75)	(3,668.33)
Cash and cash equivalents - Opening Balance	67,204.64	43,454.89
Cash and cash equivalents - Closing Balance	38,276.89	39,786.56

For Haribhakti & Co. LLP

For Axis Bank Limited

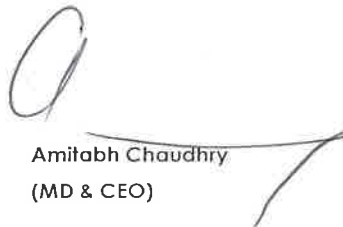
Chartered Accountant

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Purushottam Nyali

Partner

Membership No. :118970


Amitabh Chaudhry
(MD & CEO)


Rajesh Dahiya
(ED-Corporate Centre)


Pralay Mondal
(ED-Retail Banking)

Date: 19 September, 2019

Place: Mumbai


Jairam Sridharan
(Chief Financial Officer)



Axis Bank Limited

Selected explanatory notes to the Unaudited interim condensed standalone financial statements

1. **Basis of Preparation of Unaudited Interim Condensed Standalone Financial Statements**

The Unaudited Interim Condensed Standalone Financial Statements (Condensed Standalone Financial Statements) consisting of Unaudited Interim Condensed Standalone Balance Sheet as at June 30, 2019, Unaudited Interim Condensed Standalone Profit & Loss Account and Unaudited Interim Condensed Standalone Cash Flow statement for the period then ended have been prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting" as prescribed under Section 133 of Companies Act, 2013, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) as applicable from time to time ("RBI Guidelines") and other accounting principles generally accepted in India.

2. **Use of Estimates**

The preparation of Condensed Standalone Financial Statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of revenue and expenses. The estimates and assumptions used in the accompanying are based upon management's evaluation of the relevant facts and circumstances as on the date of the Condensed Standalone Financial Statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying Condensed Standalone Financial Statements. Any revision to accounting estimates is recognized prospectively in current and future periods.

3. **Accounting Policies**

Accounting Policies and practices followed in the preparation of Condensed Standalone Financial Statements for the period ended June 30, 2019 remain the same as those followed in the preparation of financial statements for the year ended March 31, 2019 except otherwise stated.

4. During the quarter ended 30th June, 2019, the Bank adopted a policy of maintaining provision on non-funded outstanding in corporate standard advances rated 'BB and Below', all SMA-2 advances as reported to CRILC, NPAs, and prudentially written off accounts. As a result, the provisions and contingencies for the quarter are higher by ₹459 crores with a consequent reduction to the profit before tax.

5. The capital adequacy ratio of the Bank as at 30 June 2019, calculated as per the RBI guidelines (under Basel III) is set out below:

Capital Adequacy Ratios	30.06.2019**	31.03.2019	30.06.2018**
Capital Adequacy Ratio	15.82%	15.84%	16.57%
CET1	11.44%	11.27%	11.72%
Tier I CRAR	12.66%	12.54%	13.08%
Tier II CRAR	3.16%	3.30%	3.49%

**Capital adequacy ratio (excluding profits for the three month period) computed in accordance with Basel III guidelines issued by RBI.



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6. Segmental reporting

		(Rs. in crores)	
Particulars		For the quarter ended 30.06.2019	For the quarter ended 30.06.2018
		(Unaudited)	(Unaudited)
1	<u>Segment Revenue</u>		
A	Treasury	6,684.54	5,444.91
B	Corporate/Wholesale Banking	7,079.98	6,747.12
C	Retail Banking	14,270.52	11,074.96
D	Other Banking Business	219.05	205.06
	Total	28,254.09	23,472.05
	Less: Inter Segment Revenue	9,130.38	7,770.04
	Income from Operations	19,123.71	15,702.01
2	<u>Segment Results After Provisions & Before Tax</u>		
A	Treasury	1,414.90	327.96
B	Corporate/Wholesale Banking	(653.84)	26.47
C	Retail Banking	1,159.82	562.79
D	Other Banking Business	157.30	117.12
	Total Profit Before Tax	2,078.18	1,034.34

		(Rs. in crores)		
Particulars		As on 30.06.2019	As on 31.03.2019	As on 30.06.2018
		(Unaudited)	(Audited)	(Unaudited)
1	<u>Segment Assets</u>			
A	Treasury	255,378.10	283,985.76	229,559.67
B	Corporate/Wholesale Banking	229,546.33	238,692.89	221,390.52
C	Retail Banking	279,926.70	268,642.17	232,453.97
D	Other Banking Business	246.89	337.05	488.57
E	Unallocated	9,468.19	9,338.66	8,793.17
	Total	774,566.21	800,996.53	692,685.90
2	<u>Segment Liabilities</u>			
A	Treasury	251,337.23	274,441.80	252,585.00
B	Corporate/Wholesale Banking	107,950.45	129,036.24	101,160.21
C	Retail Banking	343,873.14	329,975.66	273,992.50



	Particulars	As on 30.06.2019	As on 31.03.2019	As on 30.06.2018
		(Unaudited)	(Audited)	(Unaudited)
D	Other Banking Business	41.37	53.89	52.01
E	Unallocated	136.38	812.64	710.06
	Total	703,338.57	734,320.23	628,499.78
	Capital and Other Reserves	71,227.64	66,676.30	64,186.12
	Total	774,566.21	800,996.53	692,685.90

Note: Effective 1st April 2019, the Bank has reported inter segment revenue and inter segment expense in the Central Funding Unit (which forms part of Treasury segment) on a net basis as against earlier practice of reporting revenue and expenses on a gross basis. Accordingly, segmental revenue numbers for the previous periods have been restated to make them comparable with current period numbers. There is no impact of this change on the segmental profit before tax.

7. Ratios

	As at 30.06.2019	As at 30.06.2018
(a) Amount of Gross Non-Performing Assets	29,404.90	32,662.40
(b) Amount of Net Non-Performing Assets	11,037.48	14,901.56
(c) % of Gross NPAs	5.25%	6.52%
(d) % of Net NPAs	2.04%	3.09%
(e) Return on Assets (Annualised)	0.69%	0.40%

8. During the quarter ended 30th June, 2019, the Bank allotted 2,517,255 equity shares pursuant to the exercise of options under its Employee Stock Option Scheme.
9. During the quarter ended 30th June, 2019, the Bank allotted 45,357,385 equity shares pursuant to exercise of convertible share warrants by the warrant holders. As a consequence, the paid-up share capital of the Bank has increased by ₹9.07 crores and the reserves of the Bank have increased by ₹2,553.62 crores.
10. The above unaudited interim condensed standalone financial statements have been approved by the Committee of Whole time Directors in its meeting held on 19th September, 2019.

Previous period figures have been regrouped and reclassified, where necessary, to make them comparable with current period figures.

