

PRESS RELEASE

AXIS BANK ANNOUNCES FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31st DECEMBER 2014

Results at a Glance

- **Net Profit for Q3FY15 and 9MFY15 grows 18% YOY to ₹1,900 crores and ₹5,177 crores respectively**
- **The Bank's Retail franchise continues to show robust growth**
 - **Savings Bank Deposits grew 15% YOY and Retail Term Deposits grew 24%**
 - **CASA and Retail Term Deposits constitutes 78% of Total Deposits**
 - **Daily Average CASA for 9MFY15 constitutes 40% of Total Deposits**
 - **Retail Advances grew 24% YOY and accounts 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 9MFY15) stood at 15.64% & 12.44% respectively.**

The Board of Directors of Axis Bank Limited approved the financial results for the quarter and nine months ended 31st December 2014 at its meeting held in Mumbai on Friday, 16th January 2015. The accounts have been subjected to a limited review by the Bank's statutory auditors.

Profit & Loss Account: Period ended 31st December 2014

- **Net Profit and Operating Revenue**

The Bank showed healthy earnings in terms of growth in revenues for the quarter and nine months ended 31st December 2014. The Bank's Operating Revenue for Q3FY15 grew by 22% YOY to ₹5,629 crores and for 9MFY15 grew by 15% YOY to ₹16,103 crores. With slower growth in operating expenses, the Bank's Operating Profit and Net Profit have also shown healthy growth. The Bank's Operating Profit for Q3FY15 grew by 27% YOY to ₹3,315 crores. The Net Profit for both Q3FY15 and 9MFY15 grew 18% YOY to ₹1,900 crores and ₹5,177 crores respectively.

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

The Bank's Net Interest Income (NII) rose 20% YOY to ₹3,590 crores during Q3FY15 from ₹2,984 crores during Q3FY14. NII for 9MFY15 rose 19% YOY to ₹10,425 crores from ₹8,786 crores in 9MFY14. Net interest margin remained stable and stood at 3.96% in 9MFY15.

- **Other Income**

Other income (comprising fee, trading profit and miscellaneous income) for Q3FY15 grew 24% YOY and stood at ₹2,039 crores as against ₹1,644 crores during the same period last year. During 9MFY15, other income grew 9% YOY and stood at ₹5,678 crores. Fee income grew 16% YOY during the quarter to reach ₹1,686 crores. The key contributor to the fee income of the Bank was Retail Banking, which grew by 41% YOY. During the quarter, trading profit of the Bank was ₹329 crores, while miscellaneous income stood at ₹24 crores.

Balance Sheet: As on 31st December 2014

The Bank's Balance Sheet grew 17% YOY and stood at ₹4,21,110 crores as on 31st December 2014. The Bank's Advances grew 23% YOY to ₹2,60,567 crores as on 31st December 2014. Retail Advances grew 24% YOY and stood at ₹99,219 crores as on 31st December 2014 and accounted for 38% of the net advances of the Bank. Corporate credit grew 25% YOY and stood at ₹121,543 crores and accounted for 47% of net advances. SME advances grew by 17% YOY and stood at ₹39,805 crores and accounted for 15% of the net advances.

The book value of the Bank's investments portfolio as on 31st December 2014, was ₹1,22,374 crores, of which ₹74,069 crores were in government securities, while ₹24,904 crores were invested in corporate bonds and ₹23,401 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 93% 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 31st December 2014 in each category was as follows:

Category	Percentage	Duration
HFT	6.70%	5.16 years
AFS	31.56%	3.34 years
HTM	61.74%	5.24 years

Savings Bank Deposits recorded a healthy growth of 15% YOY to reach ₹79,953 crores as on 31st December 2014, while Current Account deposits grew 8% YOY and stood at ₹45,633 crores. On a daily average basis, Savings Bank deposits during 9MFY15 grew 18% YOY, while Current Account deposits grew

by 11% YOY. CASA deposits, on a daily average basis grew 16% YOY constituting 40% of total deposits, compared to 39% during the same period last year. CASA and Retail Term Deposits constituted 78% of Total Deposits as on 31st December 2014 compared to 74% last year.

During the quarter, the Bank mobilised ₹5,705 crores from the issue of Long Term Infrastructure Rupee Bonds.

Capital Adequacy and Shareholders' Funds

The shareholders' funds of the Bank grew 16% YOY and stood at ₹43,816 crores as on 31st December 2014. The Bank is well capitalised and the Capital Adequacy Ratio (CAR) as on 31st December 2014 under Basel III was 15.64% (including the net profit for 9MFY15) and Tier-I CAR was 12.44% (including the net profit for 9MFY15).

Asset Quality

As on 31st December 2014, Gross NPAs and Net NPAs stood at 1.34% and 0.44% respectively. The Bank held provision coverage of 78% as on 31st December 2014, as a proportion of Gross NPAs, including prudential write-offs. The provision coverage before accumulated write-offs was 87%.

As on 31st December 2014, the Bank's Gross NPA was ₹3,902 crores as against ₹3,613 crores as on 30th September 2014. During the quarter, the Bank added ₹708 crores to Gross NPAs. Recoveries and upgrades were ₹225 crores and write-offs were ₹194 crores.

The cumulative value of net restructured advances as on 31st December 2014 stood at ₹6,808 crores, constituting 2.37% of net customer assets.

Network

During Q3FY15, the Bank added 53 branches to its network across the country and at the end of 31st December 2014, it had a network of 2,558 domestic branches and extension counters and 12,874 ATMs situated in 1,708 centres, compared to 2,321 domestic branches and extension counters and 12,328 ATMs situated in 1,580 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, and investment banking and liability businesses.

The total assets under overseas branches were USD 7.76 billion as on 31st December 2014.

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

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₹ crore

Financial Performance	Q3FY15	Q3FY14	%Growth	9MFY15	9MFY14	%Growth
Net Profit	1,899.76	1,604.11	18.43	5,177.23	4,375.35	18.33
EPS Diluted (₹) annualised	31.66	27.08	16.91	28.89	24.72	16.87
Net Interest Income	3,589.56	2,984.01	20.29	10,424.90	8,785.89	18.66
Other Income	2,039.07	1,644.42	24.00	5,677.73	5,191.82	9.36
- Fee Income	1,686.42	1,455.75	15.85	4,654.96	4,204.96	10.70
- Trading Income	329.03	34.66	849.31	860.08	479.42	79.40
- Miscellaneous Income	23.62	154.01	(84.66)	162.69	507.44	(67.94)
Operating Revenue	5,628.63	4,628.43	21.61	16,102.63	13,977.71	15.20
Core Operating Revenue*	5,299.60	4,469.35	18.58	15,212.10	13,092.25	16.19
Operating Expenses	2,314.03	2,013.40	14.93	6,730.07	5,769.33	16.65
Operating Profit	3,314.60	2,615.03	26.75	9,372.56	8,208.38	14.18
Core Operating Profit**	2,985.57	2,455.95	21.56	8,482.03	7,322.92	15.83

* Core Operating Revenue = Operating Revenue - Trading Income - Gain on Repatriation of profit of overseas branches

** Core Operating Profit = Operating Profit - Trading Income - Gain on Repatriation of profit of overseas branches

₹ crore

Condensed Unconsolidated Balance Sheet	As on 31st December '14	As on 31st December '13
CAPITAL AND LIABILITIES		
Capital	472.65	469.25
Reserves & Surplus	43,343.51	37,179.46
Deposits	291,198.65	262,397.61
Borrowings	72,987.51	48,398.88
Other Liabilities and Provisions	13,107.28	11,004.65
Total	421,109.60	359,449.85
ASSETS		
Cash and Balances with Reserve Bank of India and Balances with Banks and Money at Call and Short Notice	25,903.33	23,746.49
Investments	122,373.80	112,204.85
Advances	260,567.33	211,467.34
Fixed Assets	2,472.08	2,354.37
Other Assets	9,793.06	9,676.80
Total	421,109.60	359,449.85

₹ crore

Business Performance	As on 31 st December '14	As on 31 st December '13	% Growth
Total Deposits	291,199	262,398	10.98
Demand Deposits	125,586	111,699	12.43
- Savings Bank Deposits	79,953	69,627	14.83
- Current Account Deposits	45,633	42,072	8.46
Demand Deposits as % of Total Deposits	43%	43%	
Term Deposits	165,613	150,699	9.90
Retail Term Deposits	101,906	82,172	24.02
Demand Deposits on a Cumulative Daily Average Basis (CDAB) for the nine months	105,651	91,421	15.57
Demand Deposits as % Total Deposits (CDAB) for the nine months	40%	39%	
Net Advances	260,567	211,467	23.22
- Corporate Credit	121,543	97,407	24.78
- SME ^{&&}	39,805	34,129	16.63
- Retail Advances [^]	99,219	79,931	24.13
Investments	122,374	112,205	9.06
Balance Sheet Size	421,110	359,450	17.15
Net NPA as % of Net Customer Assets	0.44%	0.42%	
Gross NPA as % of Gross Customer Assets	1.34%	1.25%	
Equity Capital	473	469	0.72
Shareholders' Funds	43,816	37,649	16.38
Capital Adequacy Ratio (Basel III)	14.06%	15.50%	
- Tier I	10.86%	11.49%	
- Tier II	3.20%	4.01%	
Capital Adequacy Ratio (Basel III) (including Net Profit for 9M)	15.64%	17.12%	
- Tier I	12.44%	13.11%	
- Tier II	3.20%	4.01%	

Note:

&& SME advances includes corporate agriculture advances amounting to ₹2,392 crores & ₹2,535 crores for the period ended 31st December 2014 & 31st December 2013 respectively.

[^] Retail advances includes retail agriculture advances amounting to ₹14,755 crores & ₹10,775 crores for the period ended 31st December 2014 & 31st December 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.