

PRESS RELEASE

AXIS BANK ANNOUNCES FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31st DECEMBER 2013

Results at a Glance

- Net Profit for Q3FY14 grows 19% YOY to ₹1,604 crores, while Net Profit for 9MFY14 grows 21% to ₹4,375 crores
- The Bank's Retail franchise continues to show healthy growth
 - Savings Bank Deposits grew 21% YOY and Retail Term Deposits by 38%
 - Domestic CASA and Retail Term Deposits constitute 78% of Total Domestic Deposits
 - Daily Average CASA for Q3FY14 constitute 38% of Total Deposits
 - Domestic Retail Advances grew 33% YOY and account for 30% of Net Advances
- Asset Quality is healthy with Net NPA at 0.42%
- Bank is well capitalised with a healthy Capital Adequacy Ratio (CAR). Under Basel II, Total CAR & Tier I CAR (excluding the net profit for 9MFY14 as stipulated by RBI) is xx.xx% & 1x.xx% respectively. Under Basel III, Total CAR & Tier I CAR (excluding the net profit for 9MFY14) is 15.47% & 11.45% respectively.

The Board of Directors of Axis Bank Limited approved the financial results for the quarter and nine months ended 31st December 2013 at its meeting held in Mumbai on Thursday, 16th January 2014. The accounts have been subjected to a limited review by the Bank's statutory auditors.

Profit & Loss Account: Period ended 31st December 2013

The Bank continues to report healthy earnings growth in core revenues for the quarter and nine months ended 31st December 2013. With slower growth in operating expenses, the Bank's Core Operating Profit and Net Profit have also shown healthy growth.

• **Operating Profit & Net Profit**

The Bank's Operating Profit for 9MFY14 was ₹8,208 crores up from ₹6,503 crores for 9MFY13. In Q3FY14, the Operating Profit has risen to ₹2,615 crores from ₹2,362 crores in Q3FY13. Consequently, the Net Profit for 9MFY14 and Q3FY14 have registered a growth of 21% and 19% YOY respectively. Net Profit for 9MFY14

rose to ₹4,375 crores from ₹3,624 crores in 9MFY13 and for Q3FY14 Net Profit has risen to ₹1,604 crores from ₹1,347 crores in Q3FY13.

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

The Bank's Net Interest Income (NII) rose 25% YOY to ₹8,786 crores during 9MFY14 from ₹7,002 crores during 9MFY13. NII for Q3FY14 rose 20% YOY to ₹2,984 crores from ₹2,495 crores in Q3FY13. The Bank recorded a Net Interest Margin of 3.71% in Q3FY14 against 3.57% in Q3FY13.

- **Other Income**

Other Income (comprising fee, trading profit and miscellaneous income) for 9MFY14 grew 14% and stood at ₹5,192 crores as against ₹4,544 crores during the same period last year. During the quarter, other income grew 2% YOY and stood at ₹1,644 crores while fee income grew 4% YOY and stood at ₹1,456 crores. During the quarter, trading profit of the Bank were ₹35 crores, while miscellaneous income was ₹154 crores.

Balance Sheet: As on 31st December 2013

The Bank's Balance Sheet grew 13% YOY and stood at ₹3,59,450 crores as on 31st December 2013. The Bank's Advances grew 18% YOY to ₹2,11,467 crores as on 31st December 2013. Domestic Retail advances grew 33% YOY to ₹64,126 crores as on 31st December 2013 and accounted for 30% of net advances of the Bank compared to 32% last year. SME segment too recorded a healthy growth of 25% YOY and stood at ₹31,594 crores.

The book value of the Bank's investments portfolio (excluding reverse repo) as on 31st December 2013, was ₹1,05,757 crores, of which ₹66,140 crores were government securities, while ₹26,103 crores were invested in corporate bonds and ₹13,514 crores in other securities such as equities, preference shares, mutual funds, priority sector shortfall deposits etc. 93% of the government securities have been classified in the HTM category, while 94% of the bonds and debentures portfolio have been classified in the AFS category. The distribution of the investment portfolio in the three categories as well as the modified duration as on 31st December 2013 in each category was as follows:

Category	Percentage	Duration*
HFT	3.03%	5.60 years
AFS	30.24%	3.39 years
HTM	66.73%	4.67 years

* Considering SLR securities and Domestic Bonds

Savings Bank Deposits recorded a healthy growth of 21% YOY to reach ₹69,627 crores as on 31st December 2013, while Current Account deposits grew 5% YOY and stood at ₹42,072 crores. On a daily average basis, CASA deposits during Q3FY14 grew 15% YOY constituting 38% of total deposits, compared to 36% during the same period last year. As on 31st December 2013, Domestic Retail Term Deposits grew 37% YOY to comprise 60% of the Domestic Term Deposits of the Bank. Domestic CASA and Retail Term Deposits constituted 78% of Total Domestic Deposits as on 31st December 2013 compared to 67% last year. Domestic Retail Deposits constituting Savings Bank Deposits and Retail Term Deposits, grew 29% YOY and stood at ₹1,50,534 crores as on 31st December 2013.

During the quarter, the Bank mobilised USD 1.57 billion under Foreign Currency Non-Resident (FCNR(B)) deposit scheme to avail of the concessional swap facility provided by RBI.

Capital Adequacy and Shareholders' Funds

The shareholders' funds of the Bank grew 39% YOY and stood at ₹37,649 crores as on 31st December 2013. The Bank is well capitalised and Capital Adequacy Ratio (CAR) as on 31st December 2013 under Basel II was 1x.xx% (excluding unaudited net profit for 9MFY14) and Tier-I CAR was 1x.xx% (excluding unaudited net profit for 9MFY14). If the net profit of ₹4,375 crores for 9MFY14 is included, the total CAR and Tier-I CAR as on 31st December 2013 would be 1x.xx% and 1x.xx% respectively.

Capital Adequacy Ratio (CAR) as on 31st December 2013 under Basel III was 15.47% (excluding net profit for 9MFY14) and Tier-I CAR was 11.45% (excluding the net profit for 9MFY14).

Asset Quality

As on 31st December 2013, Gross NPAs and Net NPAs stood at 1.25% and 0.42%, as against 1.19% and 0.37% respectively as on 30th September 2013. The Bank held a provision coverage of 78% as on 31st December 2013, as a proportion of Gross NPAs including prudential write-offs. The provision coverage before accumulated write-offs was 88%.

As on 31st December 2013, the Bank's Gross NPA was ₹3,008 crores as against ₹2,734 crores as on 30th September 2013. During the quarter, the Bank added ₹589 crores to Gross NPAs. Recoveries and upgrades were ₹122 crores and write-offs were ₹193 crores.

The cumulative value of net restructured advances as on 31st December 2013 stood at ₹4,900 crores, constituting 2.06% of net customer assets.

Network

During Q3FY14, the Bank added 96 branches and 532 ATMs to its network across the country and at the end of 31st December 2013, had a network of 2,321 domestic branches and extension counters and 12,328 ATMs situated in 1,580 centres, compared to 1,787 domestic branches and extension counters and 10,363 ATMs situated in 1,139 centres.

International Business

On 8th January 2014, the Bank opened its branch in Shanghai, China to become the first Indian private sector bank to set up a branch in China. With this branch, as on date, 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 7.48 billion as on 31st December 2013.

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

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₹ crore

Financial Performance	Q3FY14	Q3FY13	%Growth	9MFY14	9MFY13	%Growth
Net Profit	1,604.11	1,347.22	19.07	4,375.35	3,624.28	20.72
EPS Diluted (₹)	34.13	31.42	8.63	93.13	84.57	10.12
Net Interest Income	2,984.01	2,494.81	19.61	8,785.89	7,001.60	25.48
Other Income	1,644.42	1,615.37	1.80	5,191.82	4,543.94	14.26
- Fee Income	1,455.75	1,405.27	3.59	4,204.96	3,902.78	7.74
- Trading Income	34.66	159.22	(78.23)	479.42	516.84	(7.24)
- Miscellaneous Income	154.01	50.88	202.69	507.44	124.32	308.17
Operating Revenue	4,628.43	4,110.18	12.61	13,977.71	11,545.54	21.07
Core Operating Revenue*	4,593.77	3,950.96	16.27	13,498.29	11,028.70	22.39
Operating Expenses (incl. depreciation)	2,013.40	1,748.67	15.14	5,769.33	5,042.11	14.42
Operating Profit	2,615.03	2,361.51	10.74	8,208.38	6,503.43	26.22
Core Operating Profit**	2,580.37	2,202.29	17.17	7,728.96	5,986.59	29.10

* Core Operating Revenue = Operating Revenue - Trading Income

** Core Operating Profit = Operating Profit - Trading Income

₹ crore

Condensed Unconsolidated Balance Sheet	As on 31 st December '13	As on 31 st December '12
CAPITAL AND LIABILITIES		
Capital	469.25	427.16
Reserves & Surplus	37,179.46	26,599.56
Deposits	262,397.61	244,501.41
Borrowings	48,398.88	38,767.58
Other Liabilities and Provisions	11,004.65	8,646.11
Total	359,449.85	318,941.82
ASSETS		
Cash and Balances with Reserve Bank of India and Balances with Banks and Money at Call and Short Notice	23,746.49	29,164.73
Investments	112,204.85	100,912.38
Advances	211,467.34	179,504.19
Fixed Assets	2,354.37	2,265.91
Other Assets	9,676.80	7,094.61
Total	359,449.85	318,941.82

₹ crore

Business Performance	As on 31 st December '13	As on 31 st December '12	% Growth
Total Deposits	262,398	244,501	7.32
Demand Deposits	111,699	97,757	14.26
- Savings Bank Deposits	69,627	57,521	21.05
- Current Account Deposits	42,072	40,236	4.56
Demand Deposits as % of Total Deposits	43%	40%	
Term Deposits	150,699	146,745	2.69
Demand Deposits on a Cumulative Daily Average Basis for the quarter	93,937	81,642	15.06
Demand Deposits as % Total Deposits (CDAB basis) for the quarter	38%	36%	
Net Advances	211,467	179,504	17.81
- Large & Mid-Corporate	97,407	94,580	2.99
- SME	31,594	25,295	24.90
- Agriculture	13,310	11,561	15.13
- Retail Advances ^{&}	69,156	48,068	43.87
Investments	112,205	100,912	11.19
Balance Sheet Size	359,450	318,942	12.70
Net NPA as % of Net Customer Assets	0.42%	0.33%	
Gross NPA as % of Gross Customer Assets	1.25%	1.10%	
Equity Capital	469	427	9.85
Shareholders' Funds	37,649	27,027	39.30
Capital Adequacy Ratio (Basel II) *	0.00%	13.73%	
- Tier I		8.83%	
- Tier II		4.90%	
Capital Adequacy Ratio (Basel III)	0.00%	N.A.	
- Tier I		N.A.	
- Tier II		N.A.	

[&]Includes loans provided towards FCNR (B) deposits; Excluding such loans, Domestic Retail Advances outstanding as on 31st December 2013 stood at ₹64,158 crores.

* Basel II capital adequacy ratios exclude profits for 9 months. Including unaudited profits for 9MFY14, Total CAR & Tier I CAR would have been 1x.xx% & 1x.xx% 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.