



AXIS/CO/CS/582/2016-17

25<sup>th</sup> October, 2016

**The Assistant Vice President (Listing & Compliance)**

National Stock Exchange of India Limited  
Exchange Plaza, 5th Floor  
Plot No. C/1, "G" Block  
Bandra-Kurla Complex  
Bandra (E), Mumbai – 400 051

Attn.: Shri Avinash Kharkar

**The Deputy General Manager (Listing)**

BSE Limited  
1st Floor, New Trading Ring, Rotunda Building  
P. J. Towers, Dalal Street  
Fort, Mumbai – 400 001

Attn.: Shri Bhushan Mokashi

Dear Sir(s),

**SUB.: OUTCOME OF 172<sup>nd</sup> BOARD MEETING OF AXIS BANK LIMITED HELD ON 24<sup>TH</sup> OCTOBER, 2016 AND 25<sup>TH</sup> OCTOBER, 2016**

**REF: REGULATION 33 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 ("LISTING REGULATIONS")**

This is to inform you that at the 172<sup>nd</sup> meeting of the Board of Directors of the Bank held on 24<sup>th</sup> October, 2016 and which continued on 25<sup>th</sup> October, 2016 and concluded at 4.30 p.m., the Board of Directors of the Bank, reviewed and approved the Unaudited Financial Results of the Bank, for the quarter/half year ended 30<sup>th</sup> September, 2016, which was subject to Limited Review by the Statutory Auditors of the Bank.

In this connection, we enclose herewith the said Financial Results, the Limited Review Report, the Press Release and the Earnings Presentation for the quarter/half year ended 30<sup>th</sup> September, 2016, which please note are being uploaded on the website of the Bank, in terms of the Listing Regulations.


Also, please note that the blackout period which was in-force from Saturday, 1<sup>st</sup> October, 2016 will end on Thursday, 27<sup>th</sup> October, 2016, consequently, the trading window will commence from Friday, 28<sup>th</sup> October, 2016 and will remain in force up to Saturday, 31<sup>st</sup> December, 2016 (both days inclusive).

You are requested to take the above on record and bring this to the notice of all concerned.

Kindly acknowledge receipt.

Thanking You.

Yours sincerely,  
**For Axis Bank Limited**

  
**Girish V Koliyote**  
**Company Secretary**

Encl.: as above

**Axis Bank Limited**

Regd. Office: 'Trishul', 3<sup>rd</sup> floor, Opp. Samarsheshwar Temple, Law Garden, Ellisbridge, Ahmedabad - 380 006.  
Corporate Office: 'Axis House' C-2, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai - 400 025.  
CIN: L65110GJ1993PLC020769, Phone: 079-26409322, Fax: 079-26409321, Email: shareholders@axisbank.com

**UNAUDITED FINANCIAL RESULTS FOR THE HALF YEAR ENDED 30<sup>TH</sup> SEPTEMBER, 2016**

(₹ in lacs)

PARTICULARS	FOR THE QUARTER ENDED 30.09.2016	FOR THE QUARTER ENDED 30.06.2016	FOR THE QUARTER ENDED 30.09.2015	FOR THE HALF YEAR ENDED 30.09.2016	FOR THE HALF YEAR ENDED 30.09.2015	FOR THE YEAR ENDED 31.03.2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Interest earned (a)+(b)+(c)+(d)	11,159.11	11,113.90	9,959.61	22,273.01	19,895.75	40,988.04
(a) Interest/discount on advances/bills	8,386.18	8,319.81	7,344.01	16,705.99	14,417.79	30,040.56
(b) Income on investments	2,380.58	2,436.28	2,188.87	4,816.86	4,663.97	9,377.59
(c) Interest on balances with Reserve Bank of India and other inter-bank funds	76.75	57.59	91.59	134.34	162.65	295.25
(d) Others	315.60	300.22	335.14	615.82	651.34	1,274.64
2. Other Income (Refer note 3)	2,539.66	2,738.28	2,041.40	5,277.94	4,339.67	9,371.46
3. TOTAL INCOME (1+2)	13,698.77	13,852.18	12,001.01	27,550.95	24,235.42	50,359.50
4. Interest Expended	6,645.24	6,596.98	5,897.52	13,242.22	11,777.43	24,155.07
5. Operating expenses (i)+(ii)	2,953.35	2,785.83	2,475.54	5,739.18	4,737.97	10,100.82
(i) Employees cost	988.83	963.18	829.31	1,952.01	1,638.59	3,376.01
(ii) Other operating expenses	1,964.52	1,822.65	1,646.23	3,787.17	3,099.38	6,724.81
6. TOTAL EXPENDITURE (4+5) (Excluding Provisions and Contingencies)	9,598.59	9,382.81	8,373.06	18,981.40	16,515.40	34,255.89
7. OPERATING PROFIT (3-6) (Profit before Provisions and Contingencies)	4,100.18	4,469.37	3,627.95	8,569.55	7,720.02	16,103.61
8. Provisions (other than tax) and Contingencies (Net)	3,622.74	2,117.17	707.17	5,739.91	1,828.94	3,709.86
9. Exceptional Items	-	-	-	-	-	-
10. Profit/(Loss) from Ordinary Activities before Tax (7-8-9)	477.44	2,352.20	2,920.78	2,829.64	5,891.08	12,393.75
11. Tax expense	158.36	796.67	1,005.14	955.03	1,997.00	4,170.09
12. Net Profit/(Loss) from Ordinary Activities after Tax (10-11)	319.08	1,555.53	1,915.64	1,874.61	3,894.08	8,223.66
13. Extraordinary Items (net of tax expense)	-	-	-	-	-	-
14. Net Profit/(Loss) for the period (12-13)	319.08	1,555.53	1,915.64	1,874.61	3,894.08	8,223.66
15. Paid-up equity share capital (Face value ₹2/- per share)	477.95	477.46	475.59	477.95	475.59	476.57
16. Reserves excluding revaluation reserves						52,688.34
17. Analytical Ratios						
(i) Percentage of Shares held by Government of India	NIL	NIL	NIL	NIL	NIL	NIL
(ii) Capital Adequacy Ratio (Basel III)	14.78%	15.30%	14.37%	14.78%	14.37%	15.29%
(iii) Earnings per Share (EPS) for the period/year (before and after extraordinary items)						
- Basic	1.34	6.52	8.06	7.85	16.40	34.59
- Diluted	1.33	6.49	8.00	7.81	16.27	34.40
(iv) NPA Ratios						
(a) Amount of Gross Non Performing Assets	16,378.65	9,553.17	4,451.11	16,378.65	4,451.11	6,087.51
(b) Amount of Net Non Performing Assets	7,761.15	4,010.23	1,543.62	7,761.15	1,543.62	2,522.14
(c) % of Gross NPAs	4.17	2.54	1.38	4.17	1.38	1.67
(d) % of Net NPAs	2.02	1.08	0.48	2.02	0.48	0.70
(v) Return on Assets (annualized)	0.23	1.19	1.64	0.70	1.71	1.72

**SIGNED FOR IDENTIFICATION**  
BY *Umesh*  
**S.R. BATLIBOI & CO. LLP**  
MUMBAI

*up*

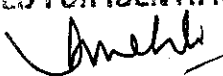
Notes:

1. Statement of Assets and Liabilities of the Bank as on 30<sup>th</sup> September, 2016 is given below.

(₹ in lacs)

Particulars	As on 30.09.2016	As on 30.09.2015
	(Unaudited)	(Unaudited)
<b>CAPITAL AND LIABILITIES</b>		
Capital	477,95	475,59
Reserves and Surplus	53,345,37	48,416,51
Deposits	380,187,16	324,101,08
Borrowings	100,414,68	84,352,07
Other Liabilities and Provisions	23,225,27	19,179,56
<b>TOTAL</b>	<b>557,650,43</b>	<b>476,524,81</b>
<b>ASSETS</b>		
Cash and Balances with Reserve Bank of India	19,081,14	16,798,38
Balances with Banks and Money at Call and Short Notice	18,125,33	13,034,09
Investments	124,589,93	113,681,02
Advances	353,169,94	298,065,59
Fixed Assets	3,592,70	2,588,05
Other Assets	39,091,39	32,357,68
<b>TOTAL</b>	<b>557,650,43</b>	<b>476,524,81</b>

2. The Bank has presented mark-to-market gain or loss on foreign exchange and derivative contracts on gross basis as against the erstwhile policy of presenting the same on net basis. Consequent to the change, the balance of other assets and other liabilities is higher by ₹5,900.59 crores and ₹3,800.25 crores as on 30<sup>th</sup> September, 2016 and 30<sup>th</sup> September, 2015 respectively. The aforesaid change in presentation has no impact on the profit of the bank for the period ended on 30<sup>th</sup> September, 2016 and 30<sup>th</sup> September, 2015.
3. 'Other income' includes gains from securities' transactions, commission earned from guarantees/letters of credit, fees earned from providing services to customers, selling of third party products, ATM sharing fees.
4. During the quarter ended 30<sup>th</sup> September, 2016, the Bank allotted 2,481,440 equity shares pursuant to the exercise of options under its Employee Stock Option Scheme.
5. In accordance with RBI circular DBR.No.BP.BC.1/21.06.201/2015-16 dated 1<sup>st</sup> July, 2015 on 'Basel III Capital Regulations' and RBI circular DBR.No.BP.BC.80/21.06.201/2014-15 dated 31<sup>st</sup> March, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standards Amendments', banks are required to make Pillar 3 disclosures including leverage ratio and liquidity coverage ratio under the Basel III framework. The Bank has made these disclosures which are available on its website at the following link: <http://www.axisbank.com/investor-corner/baselIII-disclosures.aspx>. The disclosures have not been subjected to audit or limited review by the statutory auditors of the Bank.
6. The above results have been approved by the Board of Directors of the Bank at its meeting held at Mumbai today.
7. These results for the half year ended 30<sup>th</sup> September, 2016 have been subjected to a "Limited Review" by the statutory auditors of the Bank.
8. Previous period figures have been regrouped and reclassified, where necessary, to make them comparable with current period figures.

**SIGNED FOR IDENTIFICATION**  
 BY   
**S.R. BATLIBOI & CO. LLP**  
**MUMBAI**

*mp*

Axis Bank Limited  
Segmental Results

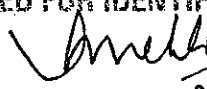
(₹ in lacs)

	FOR THE QUARTER ENDED 30.09.2016	FOR THE QUARTER ENDED 30.06.2016	FOR THE QUARTER ENDED 30.09.2015	FOR THE HALF YEAR ENDED 30.09.2016	FOR THE HALF YEAR ENDED 30.09.2015	FOR THE YEAR ENDED 31.03.2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1 Segment Revenue</b>						
A Treasury	15,749.07	16,108.51	15,686.51	31,857.58	28,584.70	60,190.66
B Corporate/Wholesale Banking	6,079.75	6,123.17	5,649.35	12,202.92	11,179.34	23,348.42
C Retail Banking	9,586.64	9,123.57	8,469.11	18,710.21	16,315.82	33,987.96
D Other Banking Business	236.39	158.19	208.23	394.58	368.91	894.73
<b>Total</b>	<b>31,651.85</b>	<b>31,513.44</b>	<b>30,013.20</b>	<b>63,165.29</b>	<b>56,448.77</b>	<b>1,18,421.77</b>
Less : Inter segment revenue	17,953.08	17,661.26	18,012.19	35,614.34	32,213.35	68,062.27
<b>Income from Operations</b>	<b>13,698.77</b>	<b>13,852.18</b>	<b>12,001.01</b>	<b>27,550.95</b>	<b>24,235.42</b>	<b>50,359.50</b>
<b>2 Segment Results After Provisions &amp; Before Tax</b>						
A Treasury	(39.67)	1,025.10	376.16	985.43	1,679.41	3,305.54
B Corporate/Wholesale Banking	(708.00)	446.98	1,632.92	(261.02)	2,644.02	5,559.66
C Retail Banking	1,016.82	749.17	727.56	1,765.99	1,246.63	2,742.56
D Other Banking Business	208.29	130.95	184.14	339.24	321.02	785.99
<b>Total Profit Before Tax</b>	<b>477.44</b>	<b>2,352.20</b>	<b>2,920.78</b>	<b>2,829.64</b>	<b>5,891.08</b>	<b>12,393.75</b>
<b>3 Segment Assets</b>						
A Treasury	1,89,671.86	1,81,922.94	1,68,461.18	1,89,671.86	1,68,461.18	1,79,902.25
B Corporate/Wholesale Banking	1,96,274.91	1,95,047.26	1,66,973.18	1,96,274.91	1,66,973.18	1,90,831.82
C Retail Banking	1,67,576.66	1,59,658.95	1,37,908.47	1,67,576.66	1,37,908.47	1,56,657.98
D Other Banking Business	690.88	727.04	817.91	690.88	817.91	731.53
E Unallocated	3,436.12	2,294.13	2,364.07	3,436.12	2,364.07	2,343.44
<b>Total</b>	<b>5,57,650.43</b>	<b>5,39,650.32</b>	<b>4,76,524.81</b>	<b>5,57,650.43</b>	<b>4,76,524.81</b>	<b>5,30,467.02</b>
<b>4 Segment Liabilities</b>						
A Treasury	1,85,737.08	1,87,613.36	1,57,789.62	1,85,737.08	1,57,789.62	1,74,301.51
B Corporate/Wholesale Banking	87,016.98	77,837.71	74,563.44	87,016.98	74,563.44	90,433.40
C Retail Banking	2,30,935.66	2,19,239.96	1,95,157.36	2,30,935.66	1,95,157.36	2,12,526.77
D Other Banking Business	28.83	23.46	31.27	28.83	31.27	22.69
E Unallocated	108.56	65.21	91.02	108.56	91.02	17.74
<b>Capital and Other Reserves</b>	<b>53,823.32</b>	<b>54,870.62</b>	<b>48,892.10</b>	<b>53,823.32</b>	<b>48,892.10</b>	<b>53,164.91</b>
<b>Total</b>	<b>5,57,650.43</b>	<b>5,39,650.32</b>	<b>4,76,524.81</b>	<b>5,57,650.43</b>	<b>4,76,524.81</b>	<b>5,30,467.02</b>

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

Place: Mumbai  
Date: 25<sup>th</sup> October, 2016

[www.axisbank.com](http://www.axisbank.com)

SIGNED FOR IDENTIFICATION  
BY   
25/10/16  
S.R. BATLIBOI & CO. LLP  
MUMBAI

For and on behalf of the Board

  
SHIKHA SHARMA  
MD & CEO



**Limited Review Report****Review Report to  
The Board of Directors  
Axis Bank Limited**

1. We have reviewed the accompanying statement of unaudited financial results of Axis Bank Limited (the "Bank") for the quarter and half year ended September 30, 2016 (the "Statement"), being submitted by the Bank pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The disclosures relating to "Pillar 3 under Basel III Capital Regulations", "Leverage Ratio" and "Liquidity Coverage Ratio" as have been disclosed on the Bank's website and in respect of which a link have been provided in aforesaid Statement have not been reviewed by us. This Statement is the responsibility of the Bank's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the Bank personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

For S.R. BATLIBOI & CO. LLP  
ICAI Firm registration number: 301003E/E300005  
Chartered Accountants



per Viren H Menta  
Partner

Membership No.: 048749

Place: Mumbai

Date: October 25, 2016

## PRESS RELEASE

### AXIS BANK ANNOUNCES FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30<sup>th</sup> SEPTEMBER 2016

#### Results at a Glance

- **Asset Quality metrics rise, driven by Watch List:**
  - The Bank's Gross NPA and Net NPA rose to 4.17% and 2.02% respectively in Q2 FY17.
  - Watch List loans as on September 30, 2016 reduced by 32% quarter on quarter and stood at ₹13,789 crores.
  - The Watch List has reduced to 3.5% of customer assets in September 2016, from 5.4% in June 2016 and 6.2% in March 2016.
- **Profit After Taxes de-grows, stable operating performance:**
  - Net Profit for Q2FY17 & H1FY17 stood at ₹319 crores and ₹1,875 crores respectively and reported a drop of 83% YOY and 52% YOY respectively.
  - Operating Profit grew by 13% YOY while Net Interest Income grew by 11% YOY.
  - Net Interest Margin for Q2 FY17 stood at 3.64%.
  - Other Income (including fee and trading profits) grew 24% YOY.
- **Growth continues to be strong:**
  - Net Advances grew 18% YOY, led by Retail, which grew 25% YOY.
- **Retail business continues to thrive:**
  - CASA grew 19% YOY and constituted 45% of Total Deposits as on 30<sup>th</sup> September 2016.
  - Savings Account balances grew 20% YOY and stood at ₹107,839 crores as on 30<sup>th</sup> September 2016.
  - Retail Advances accounted for 42% of Net Advances.
  - Retail Fee Income in Q2FY17 grew 17% YOY and constitutes 43% of Total Fee Income.
- **The Bank's Capital Adequacy Ratio (CAR) remains healthy. Under Basel III, Total CAR & Tier I CAR (including the net profit for H1FY17) stood at 15.20% and 12.03% respectively.**

The Board of Directors of Axis Bank Limited approved the financial results for the quarter and half-year ended 30<sup>th</sup> September 2016 at its meeting held in Mumbai on Tuesday, 25<sup>th</sup> October 2016. The accounts have been subjected to a Limited Review by the Bank's Statutory Auditors.

#### **Profit & Loss Account: Period ended 30<sup>th</sup> September 2016**

##### • **Operating Profit and Net Profit**

Operating Profit for Q2FY17 and H1FY17 grew by 13% and 11% to ₹4,100 crores and ₹8,570 crores respectively. The Net Profit for Q2FY17 and H1FY17 contracted by 83% and 52% YOY to ₹319 crores and ₹1,875 crores respectively.

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

The Bank's Net Interest Income (NII) grew by 11% YOY to ₹4,514 crores during Q2FY17 from ₹4,062 crores in Q2FY16. Net interest margin for Q2FY17 stood at 3.64%. NII for H1FY17 also rose 11% YOY to ₹9,031 crores from ₹8,118 crores during H1FY16.

- **Other Income**

Other income (comprising fee, trading profit and miscellaneous income) for Q2FY17 stood at ₹2,540 crores as against ₹2,041 crores during the same period last year. During H1FY17, other income grew 22% YOY and stood at ₹5,278 crores. Fee income for Q2FY17 grew 7% YOY to reach ₹1,935 crores. The key driver of fee income growth was Retail Banking, which grew by 17% YOY and constituted 43% of the Bank's total fee income. Transaction Banking fee performance too was healthy and grew 8% YOY to constitute 26% of the total fee income of the Bank. Trading profits for the quarter grew 220% YOY and stood at ₹536 crores. During H1FY17, fee income grew 9% YOY primarily driven by 18% YOY growth in Retail fee and 12% YOY growth in Transaction Banking.

### **Balance Sheet: As on 30<sup>th</sup> September 2016**

The Bank's Balance Sheet grew 17% YOY and stood at ₹557,650 crores as on 30<sup>th</sup> September 2016. The Bank's Advances grew 18% YOY to ₹353,170 crores as on 30<sup>th</sup> September 2016. Retail Advances grew 25% YOY and stood at ₹149,284 crores and accounted for 42% of the Net Advances of the Bank. Corporate credit grew 14% YOY and stood at ₹158,029 crores; and accounted for 45% of Net Advances. SME Advances grew 14% YOY and stood at ₹45,857 crores.

The book value of the Bank's investments portfolio as on 30<sup>th</sup> September 2016, was ₹124,590 crores, of which ₹92,196 crores were in government securities, while ₹23,852 crores were invested in corporate bonds and ₹8,542 crores in other securities such as equities, preference shares, mutual funds, etc.

CASA Deposits as on 30<sup>th</sup> September 2016 constituted 45% of total deposits. Savings Account balances grew at a strong 20% YOY, up from the 12% YOY growth reported for the period ended 30<sup>th</sup> September 2015. CASA, on a daily average basis, recorded a growth of 18%, in which both Savings Bank Deposits and Current Account Deposits recorded a growth of 18% YOY. The proportion of CASA on a daily average basis remained at the same level as the previous quarter and constituted 41% of total deposits.

CASA and Retail Term Deposits constituted 81% of Total Deposits as on 30<sup>th</sup> September 2016 compared to 80% as on 30<sup>th</sup> September 2015.

---

### **Capital Adequacy and Shareholders' Funds**

The shareholders' funds of the Bank grew 10% YOY and stood at ₹53,823 crores as on 30<sup>th</sup> September 2016. The Bank is well capitalised. Under Basel III, the Capital Adequacy Ratio (CAR) and Tier I CAR (including net profit for H1FY17) as on 30<sup>th</sup> September 2016 was 15.20% and 12.03% respectively.

### **Asset Quality**

As on 30<sup>th</sup> September 2016, the Bank's Gross NPA and Net NPA levels were 4.17% and 2.02% respectively, as against 2.54% and 1.08% respectively as on 30<sup>th</sup> June 2016.

As on 30<sup>th</sup> September 2016, the Bank's Gross NPA was ₹16,379 crores against ₹9,553 crores as on 30<sup>th</sup> June 2016. During the quarter, the Bank added ₹8,772 crores to Gross NPAs, and Recoveries and upgrades were ₹1,073 crores and write-offs during the quarter were ₹873 crores.

As on 30<sup>th</sup> September 2016, loans outstanding on the Bank's Watch List reduced 32% over the previous quarter and stood at ₹13,789 crores. The reduction in the Watch List primarily represents slippages to NPAs amounting to ₹7,288 crores, which comprises 89% of the total corporate credit slippages. The Watch List has reduced to 3.5% of customer assets in September 2016, from 5.4% in June 2016 and 6.2% in March 2016.

The cumulative value of net restructured assets as on 30<sup>th</sup> September 2016 stood at ₹6,702 crores, constituting 1.74% of net customer assets, compared to ₹7,363 crores, constituting 1.99% of net customer assets as on 30<sup>th</sup> June 2016.

During the quarter, the Bank sold assets with a gross outstanding of ₹2,316 crores and a net book value of ₹1,128 crores to ARCs against net sale consideration of ₹822 crores comprising ₹159 crores in cash and ₹663 crores in Security Receipts value.

### **Network**

During Q2FY17, the Bank added 100 branches to its network across the country. As on 30<sup>th</sup> September 2016, the Bank had a network of 3,106 domestic branches and extension counters situated in 1,920 centres compared to 2,743 domestic branches and extension counters situated in 1,796 centres last Year. As on 30<sup>th</sup> September 2016, the Bank had 13,448 ATMs and 1,210 cash recyclers spread across the country.

### **International Business**

The Bank has nine international offices with branches at Singapore, Hong Kong, Dubai (at the DIFC), Colombo and Shanghai; representative offices at Dubai, Abu Dhabi, Dhaka 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 8.67 billion as on 30<sup>th</sup> September 2016.

₹ crores

Financial Performance	Q2FY17	Q2FY16	% Growth	H1FY17	H1FY16	% Growth
Net Profit	319.08	1,915.64	(83.34%)	1,874.61	3,894.08	(51.86%)
EPS Diluted (₹) annualised	5.28	31.83		15.59	32.54	
Net Interest Income	4,513.87	4,062.09	11.12%	9,030.79	8,118.32	11.24%
Other Income	2,539.66	2,041.40	24.41%	5,277.94	4,339.67	21.62%
- Fee Income	1,935.29	1,812.69	6.76%	3,654.54	3,363.45	8.65%
- Trading Income	535.68	167.50	219.81%	1,446.86	813.98	77.75%
- Miscellaneous Income	68.69	61.21	12.22%	176.54	162.24	8.81%
Operating Revenue	7,053.53	6,103.49	15.57%	14,308.73	12,457.99	14.86%
Core Operating Revenue*	6,517.85	5,935.99	9.80%	12,861.87	11,644.01	10.46%
Operating Expenses	2,953.35	2,475.54	19.30%	5,739.18	4,737.97	21.13%
Operating Profit	4,100.18	3,627.95	13.02%	8,569.55	7,720.02	11.00%
Core Operating Profit**	3,564.50	3,460.45	3.01%	7,122.69	6,906.04	3.14%

\* Core Operating Revenue = Operating Revenue - Trading Income

\*\* Core Operating Profit = Operating Profit - Trading Income

₹ crores

Condensed Unconsolidated Balance Sheet	As on 30 <sup>th</sup> September '16	As on 30 <sup>th</sup> September '15
<b>CAPITAL AND LIABILITIES</b>		
Capital	478	476
Reserves & Surplus	53,345	48,416
Deposits	380,187	324,101
Borrowings	100,415	84,352
Other Liabilities and Provisions	23,225	19,180
<b>Total</b>	<b>557,650</b>	<b>476,525</b>
<b>ASSETS</b>		
Cash and Balances with Reserve Bank of India and Balances with Banks and Money at Call and Short Notice	37,206	29,832
Investments	124,590	113,681
Advances	353,170	298,066
Fixed Assets	3,593	2,588
Other Assets	39,091	32,358
<b>Total</b>	<b>557,650</b>	<b>476,525</b>

₹ crore

<b>Business Performance</b>	<b>As on 30<sup>th</sup> September '16</b>	<b>As on 30<sup>th</sup> September '15</b>	<b>% Growth</b>
Total Deposits	380,187	324,101	17.31%
Demand Deposits	169,961	143,408	18.52%
- Savings Bank Deposits	107,839	89,717	20.20%
- Current Account Deposits	62,122	53,691	15.70%
Demand Deposits as % of Total Deposits	44.70%	44.25%	
Term Deposits	210,226	180,693	16.34%
Retail Term Deposits	136,099	115,194	18.15%
Demand Deposits on a Cumulative Daily Average Basis (CDAB) for the half year	139,531	118,207	18.04%
Demand Deposits as % Total Deposits (CDAB) for the half year	40.57%	39.61%	
Net Advances (a) +(b) + (c)	353,170	298,066	18.49%
(a) Corporate Credit	158,029	138,549	14.06%
(b) SME	45,857	40,068	14.45%
(c) Retail Advances	149,284	119,448	24.98%
Investments	124,590	113,681	9.60%
Balance Sheet Size	557,650	476,525	17.02%
Net NPA as % of Net Customer Assets	2.02%	0.48%	
Gross NPA as % of Gross Customer Assets	4.17%	1.38%	
Equity Capital	478	476	
Shareholders' Funds	53,823	48,892	
Capital Adequacy Ratio (Basel III)	14.78%	14.37%	
- Tier I	11.61%	11.16%	
- Tier II	3.17%	3.21%	
Capital Adequacy Ratio (Basel III) (including Net Profit for H1)	15.20%	15.42%	
- Tier I	12.03%	12.21%	
- Tier II	3.17%	3.21%	

A presentation for investors is being separately placed on the Bank's website: [www.axisbank.com](http://www.axisbank.com).

For press queries, please contact Mrs. Parminder Panesar at 91-22-24252015 or email: [Parminder.Panesar@axisbank.com](mailto:Parminder.Panesar@axisbank.com)

For investor queries, please contact Mr. Abhijit Majumder at 91-22-24254672 or email: [Abhijit.Majumder@axisbank.com](mailto:Abhijit.Majumder@axisbank.com)

### **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.*

# Quarterly Earnings Presentation

*Q2 FY17*

# 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.

## Performance Highlights

Growth

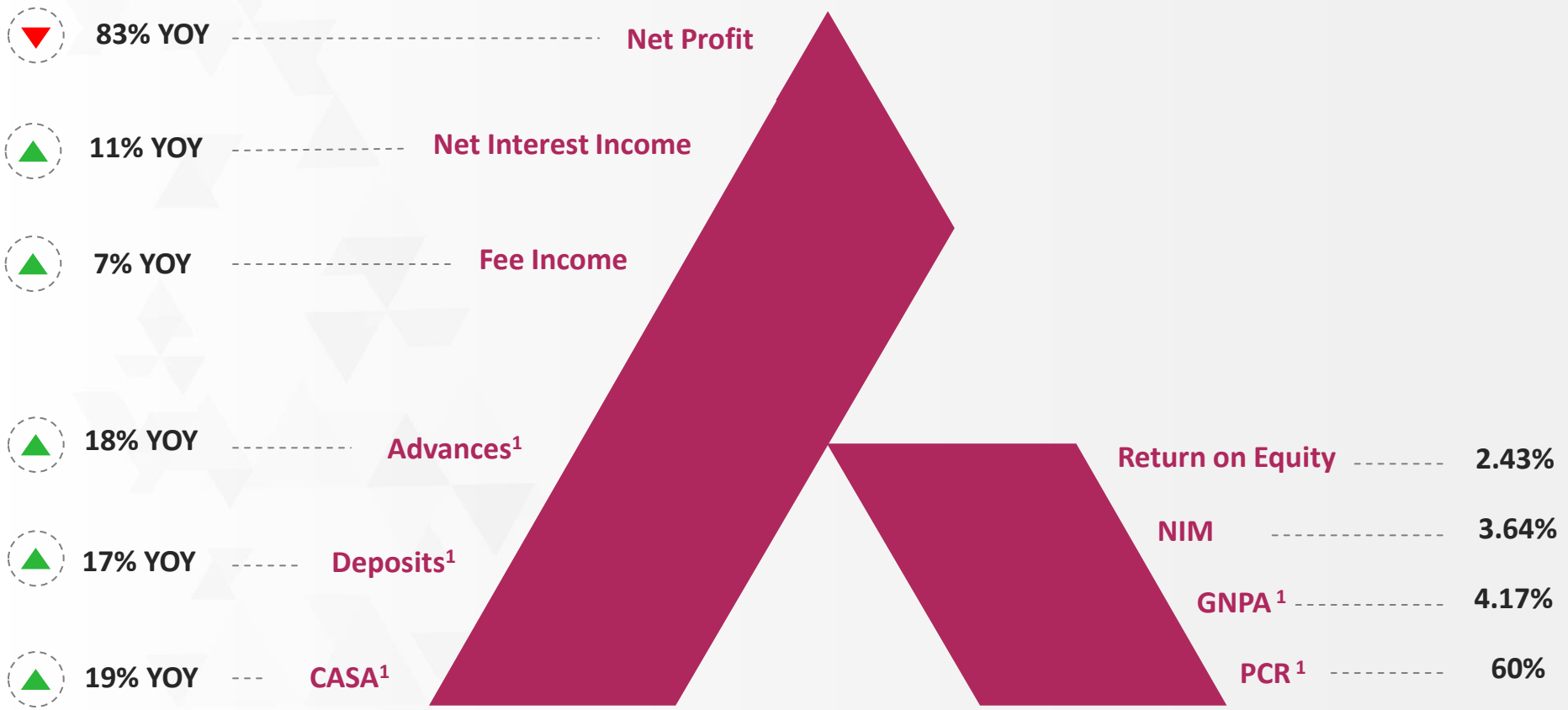
Earnings Quality

Retail Franchise

Asset Quality

Other important information

# Summary of Key Metrics for Q2FY17



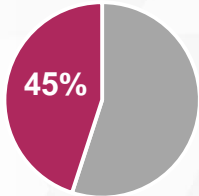
<sup>1</sup> as on 30<sup>th</sup> September, 2016



# Profit under stress due to asset quality. However operating parameters continue to perform well..

## Retail Franchise registered strong performance

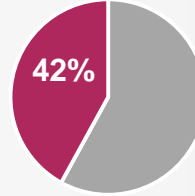
**Deposits** ↑ 17% YOY



CASA ↑ 19% YOY

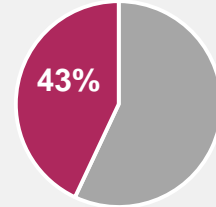
SA Deposits ↑ 20% YOY

**Advances** ↑ 18% YOY



Retail Advances ↑ 25% YOY

**Fee Income** ↑ 7% YOY



Retail Fee Income ↑ 17% YOY

## Earnings Profile

16%  
YOY



**Operating Revenue**

₹7,054 crores

13%  
YOY



**Operating Profit**

₹4,100 crores

0.23%



**Return on Assets\*\***

2.43%



**Return on Equity\*\***

## Well capitalised

12.03%

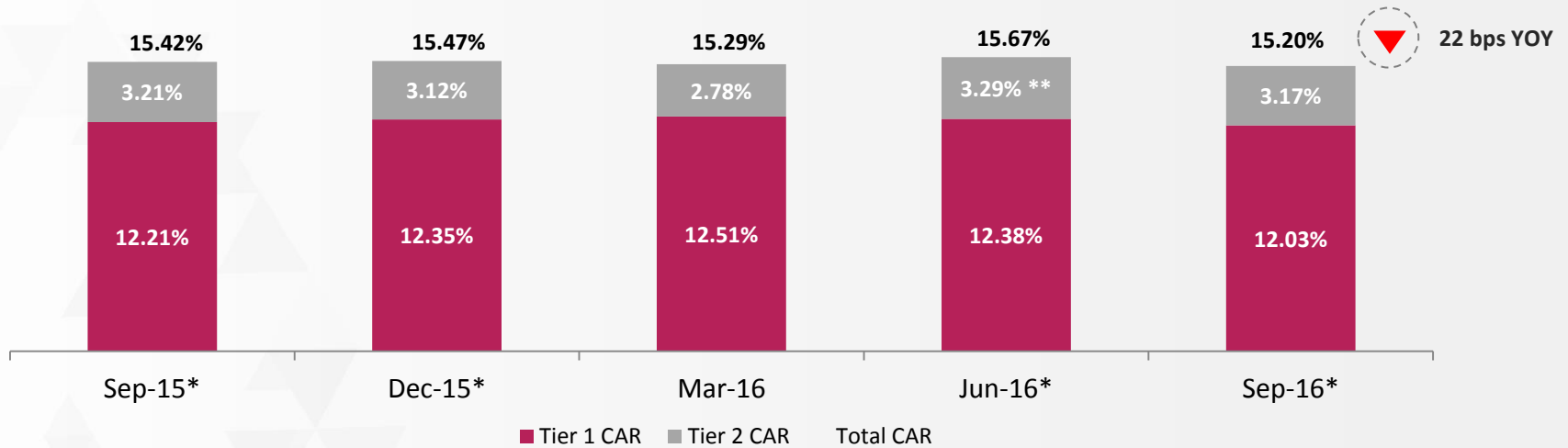
**Tier I CAR\***

15.20%

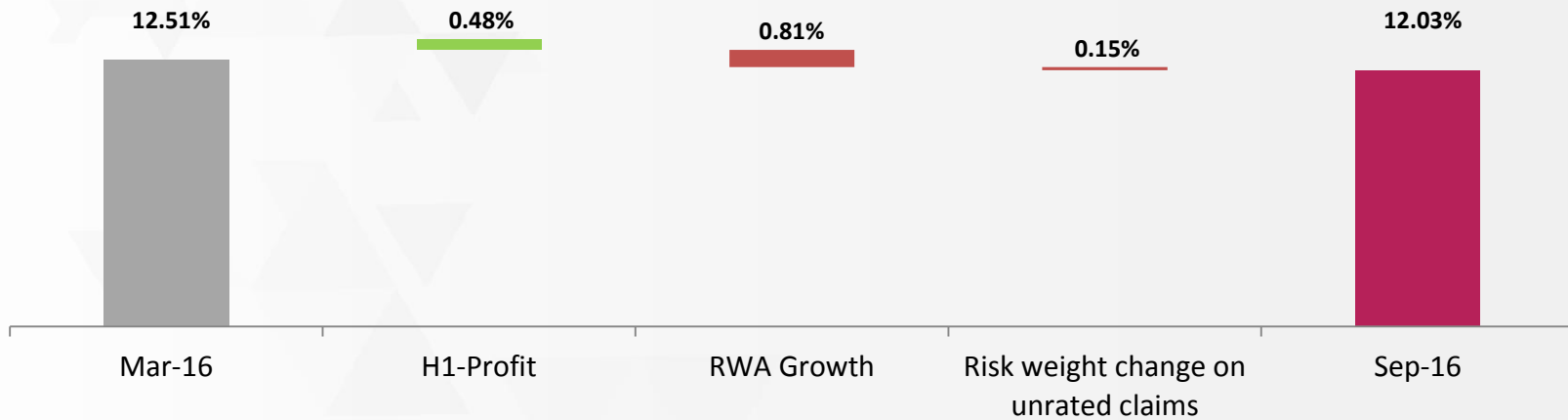
**Total CAR\***

# Capital adequacy remains strong

## Trend in Capital Adequacy Ratio



## YTD movement in Tier 1 Capital Adequacy Ratio

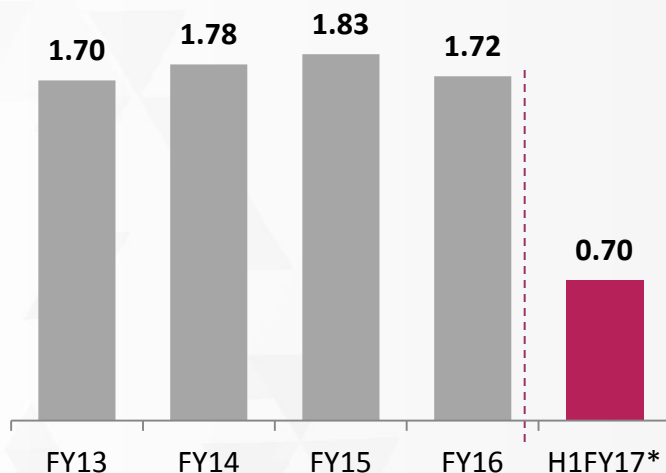


\* including unaudited Net Profit for the quarter / half year / nine-months

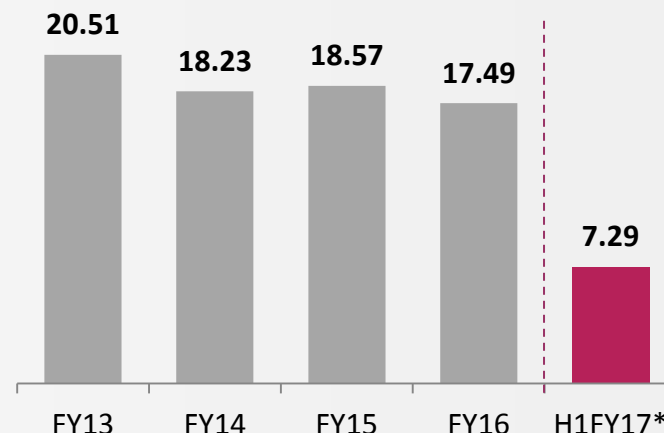
\*\* includes ₹2,430 crores mobilized through issuance of subordinated debt during Q1FY17

# Shareholder return metrics have reduced in H1FY17

### Return on Assets (in %)



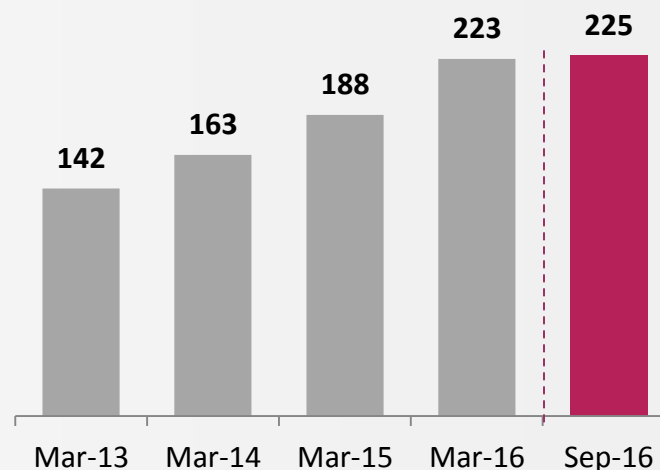
### Return on Equity (in %)



### Diluted EPS (₹)



### Book Value Per Share (₹)



\* annualised

Performance Highlights

Growth

Earnings Quality

Retail Franchise

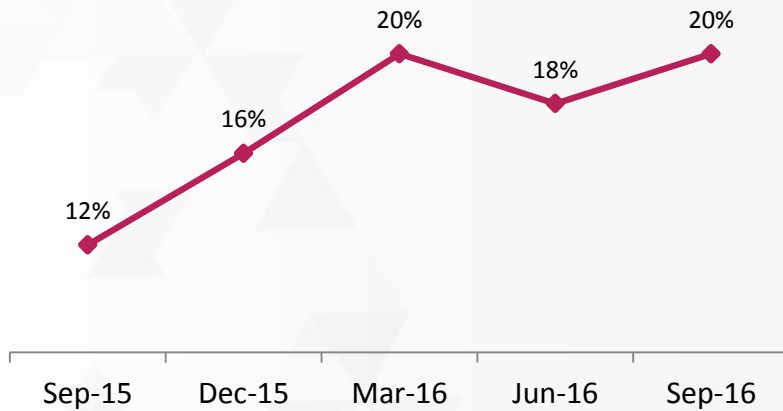
Asset Quality

Other important information

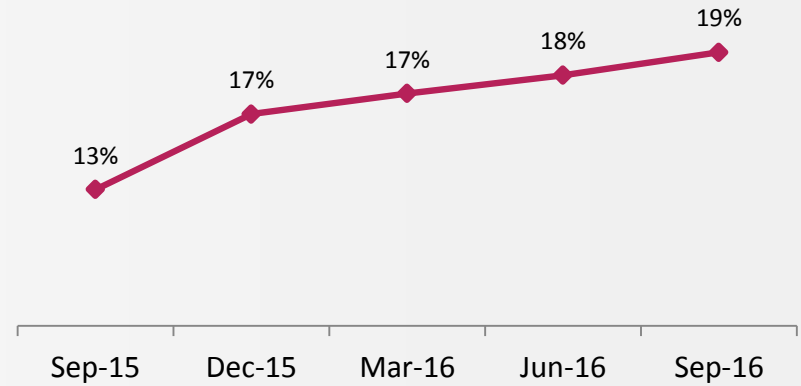
# We have delivered strong growth on key balance sheet parameters

All figures in YOY growth

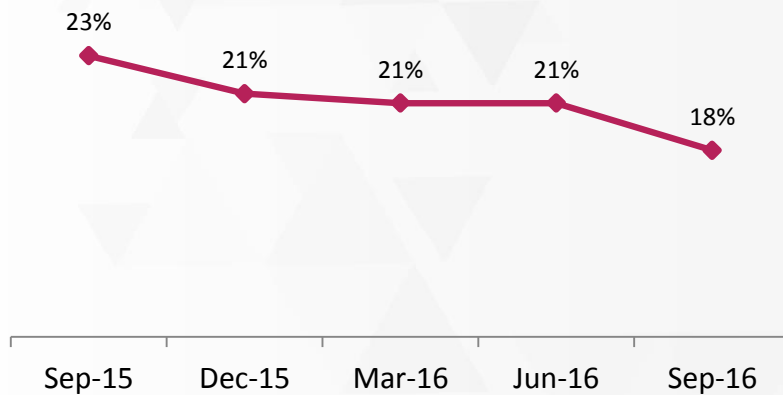
## Savings Bank Deposits



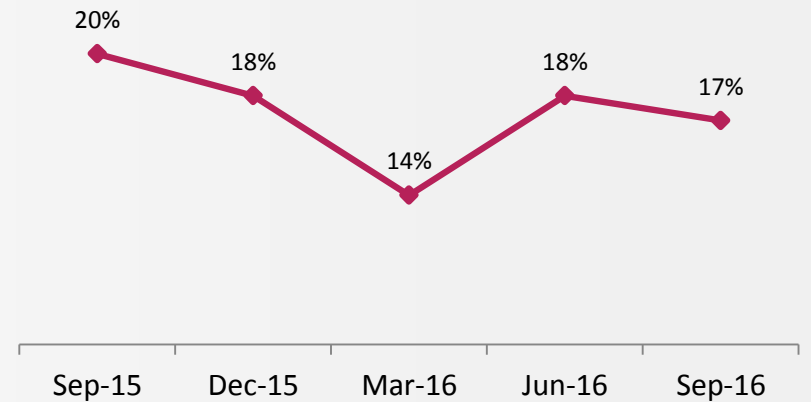
## CASA



## Advances



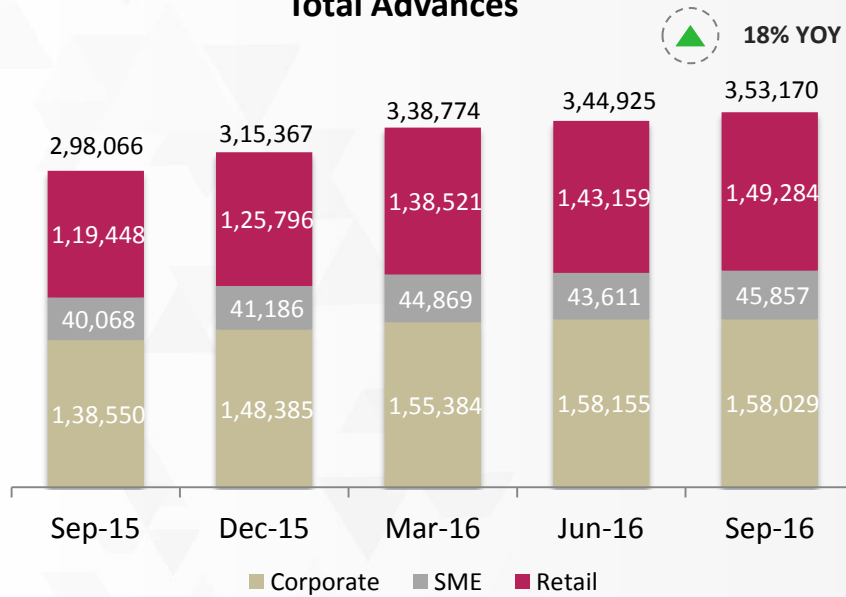
## Balance Sheet



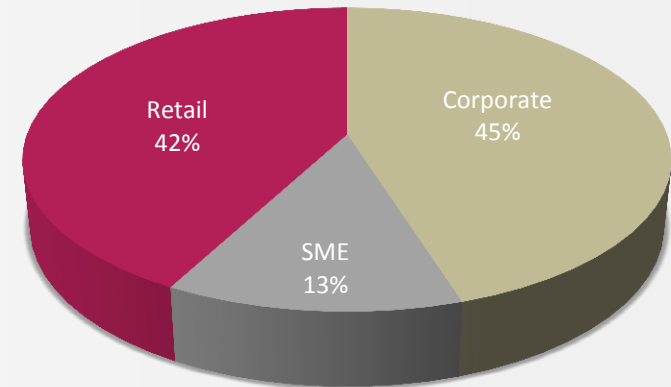
# Diversified loan mix with growth driven by retail

All figures in ₹ Crores

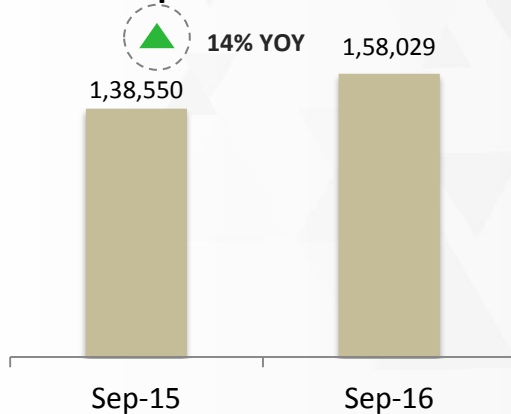
## Total Advances



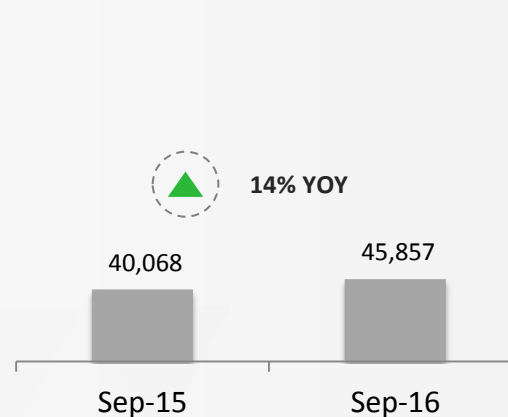
## Loan Mix (As on September 30, 2016)



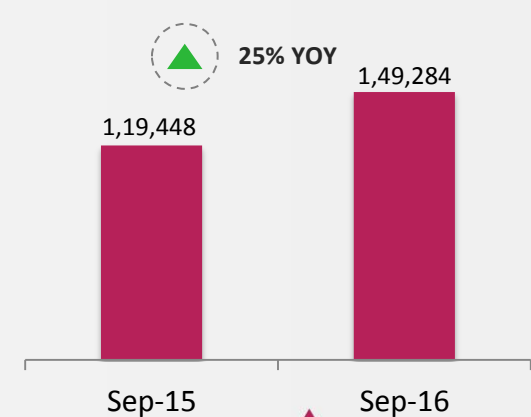
## Corporate Advances



## SME Advances



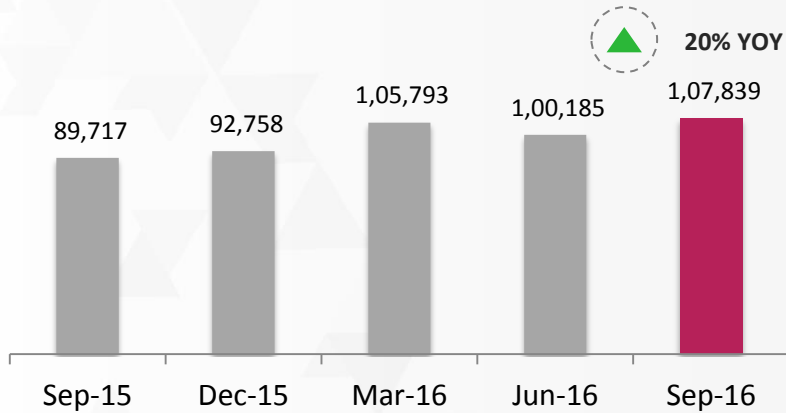
## Retail Advances



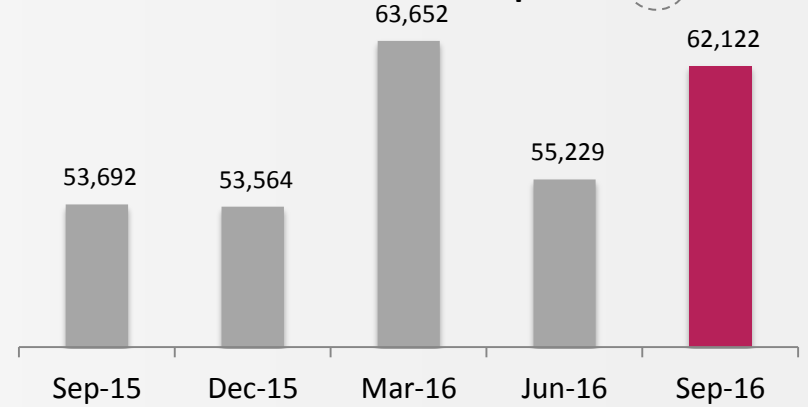
# Deposit franchise continues to be robust

All figures in ₹ Crores

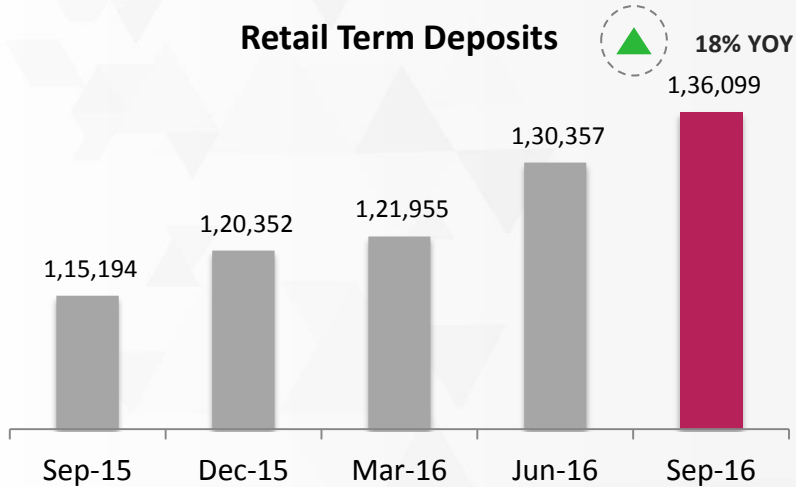
## Savings Bank Deposits



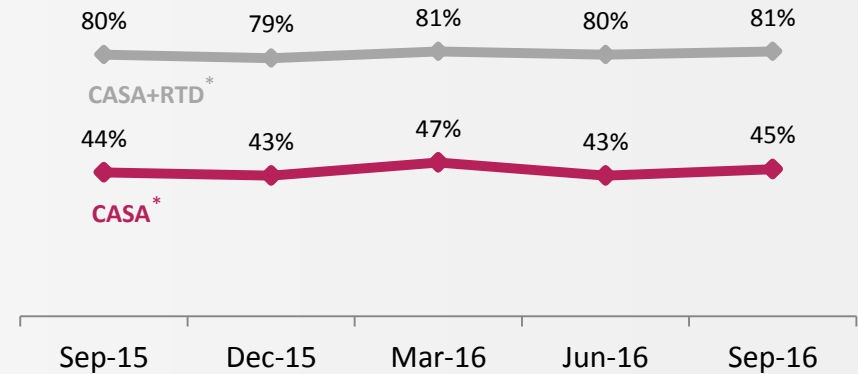
## Current Account Deposits



## Retail Term Deposits



## Trend in CASA and Retail Term Deposits

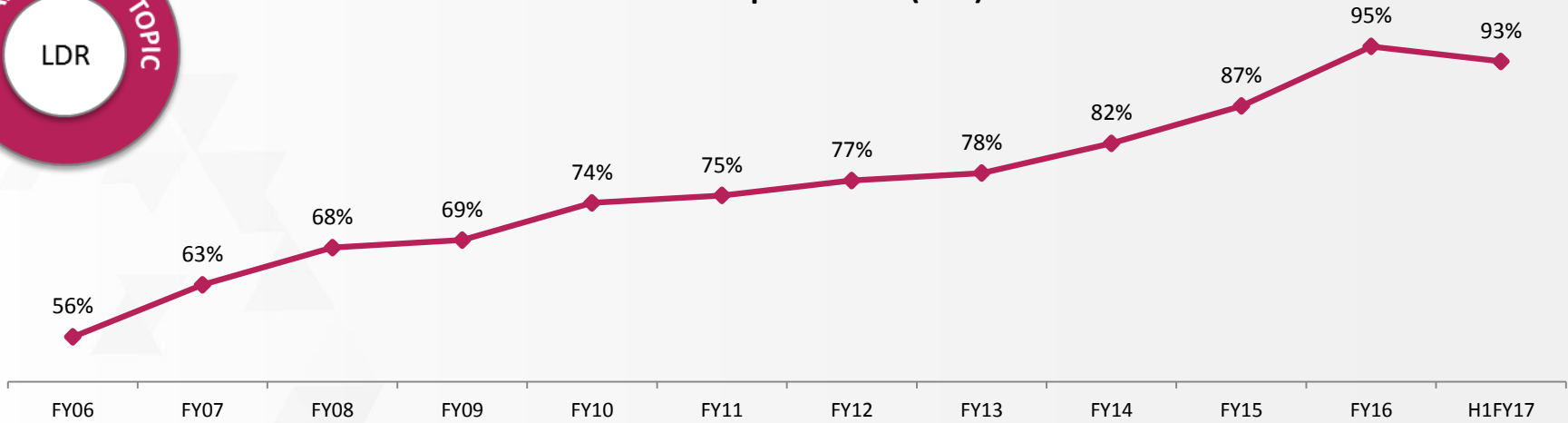


\*as % of total deposits

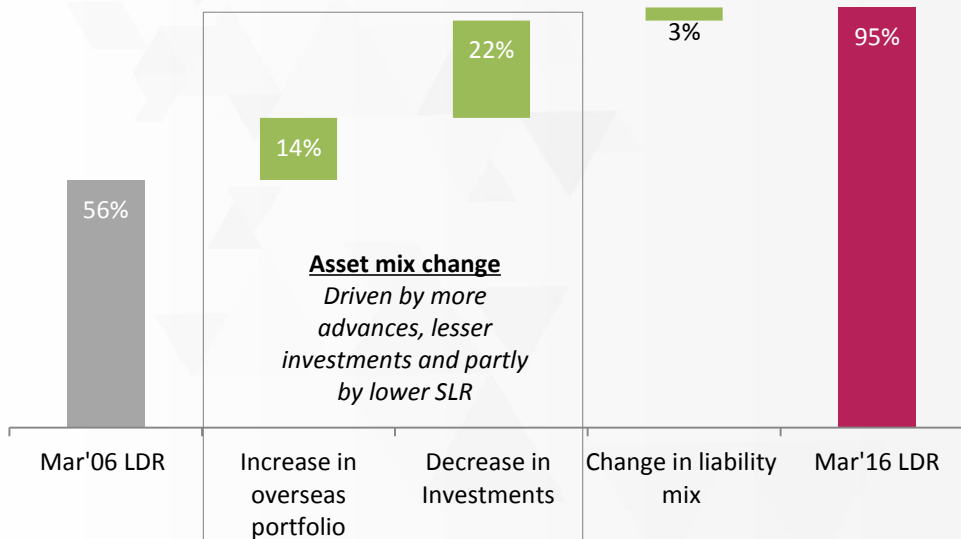
# Long term trend in Loan to Deposit Ratio (1/2)



Loan to Deposit Ratio (LDR)



Drivers of movement in Loan to Deposit Ratio



- Overseas operations of the Bank commenced in 2006
- Overseas business is largely funded by borrowings
- Overseas portfolio peaked at 13% of total assets in December 2013



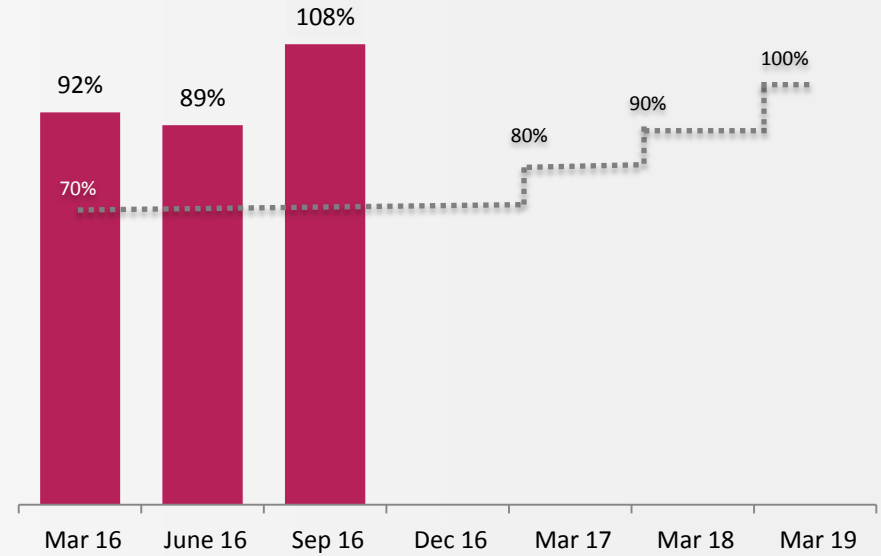
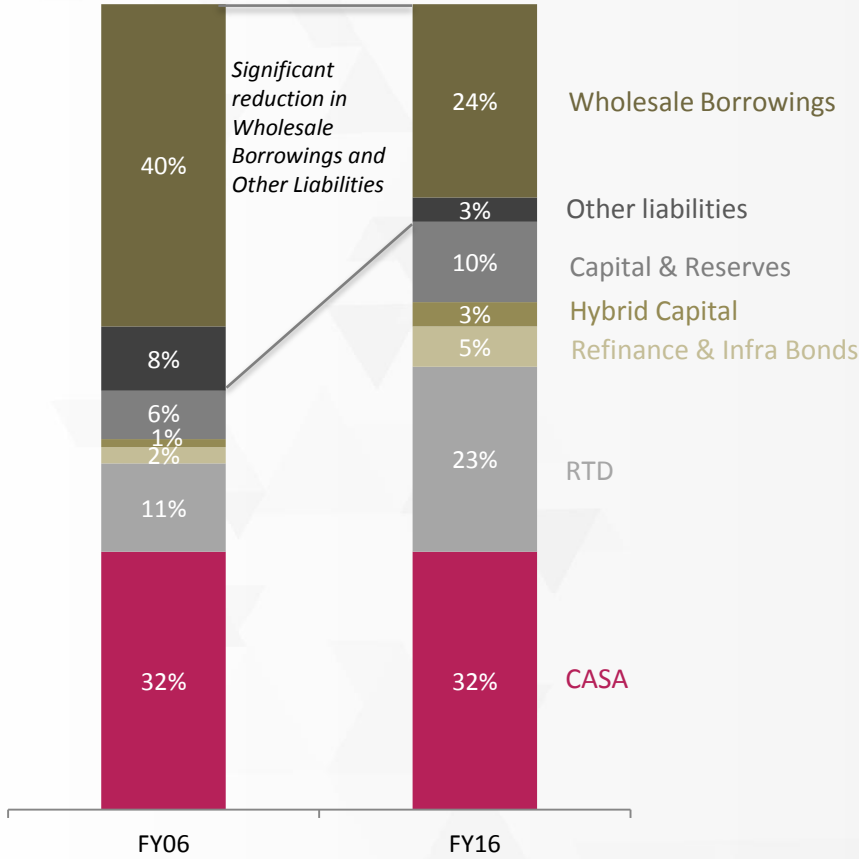
# Trend in long term Liability Mix and Liquidity Coverage Ratio (2/2)

## Liability Mix

Share of Retail Term deposits (RTD) has increased, while wholesale borrowings has decreased



Liquidity Coverage Ratio (LCR) remains well above regulatory requirements



\*Wholesale borrowings comprises of NRTD, Short Term Borrowings & Overseas Borrowings

Performance Highlights

Growth

Earnings Quality

Retail Franchise

Asset Quality

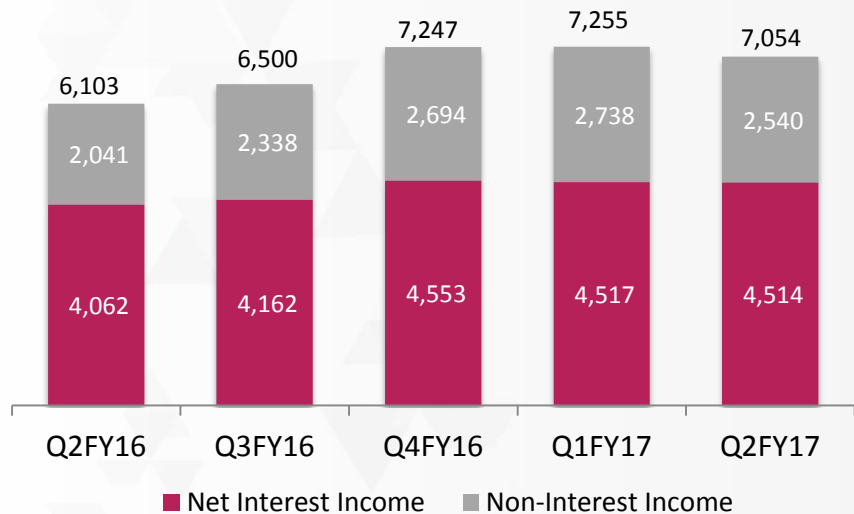
Other important information

# Operating Profit delivery has been steady even as Net Profit has dipped due to credit provisions

All figures in ₹ Crores

## Operating Revenue

▲ 16% YOY

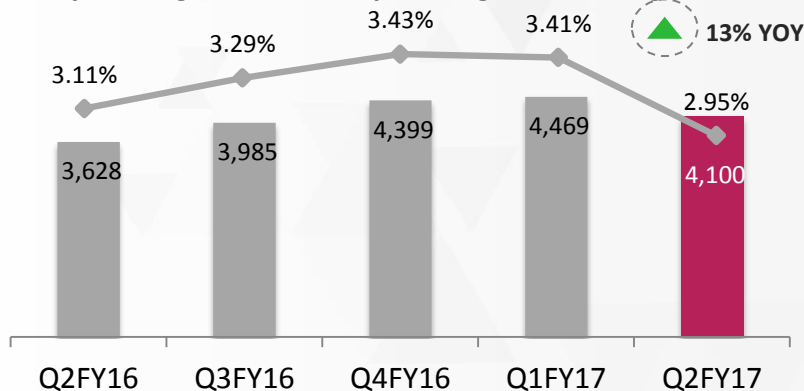


## Opex to Assets



## Operating Profit and Operating Profit Margin

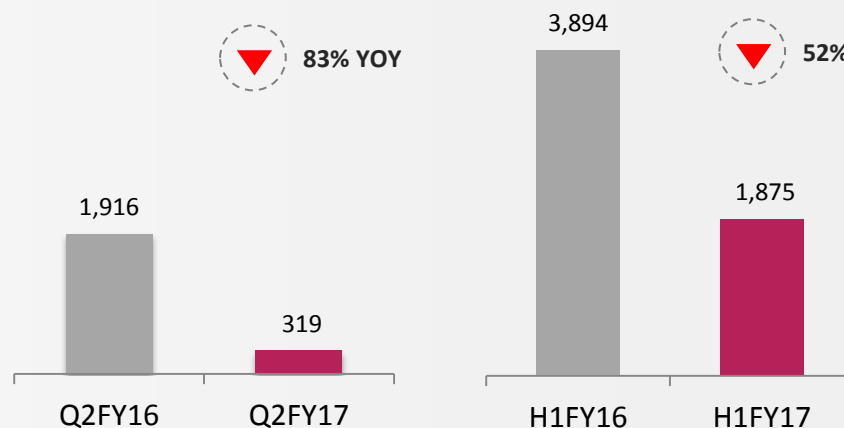
▲ 13% YOY



## Net Profit

▼ 83% YOY

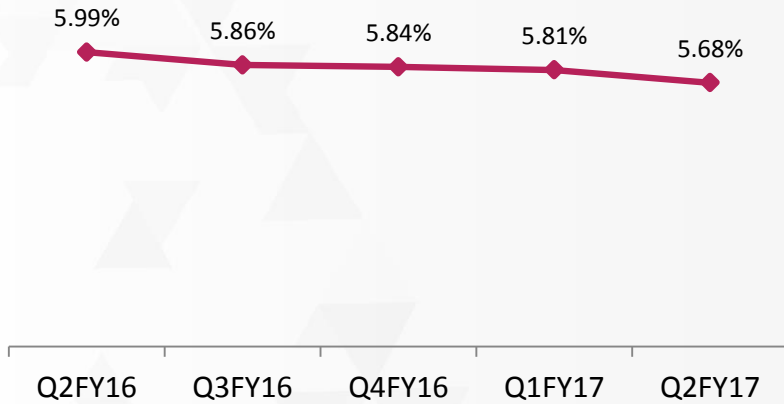
▼ 52% YOY



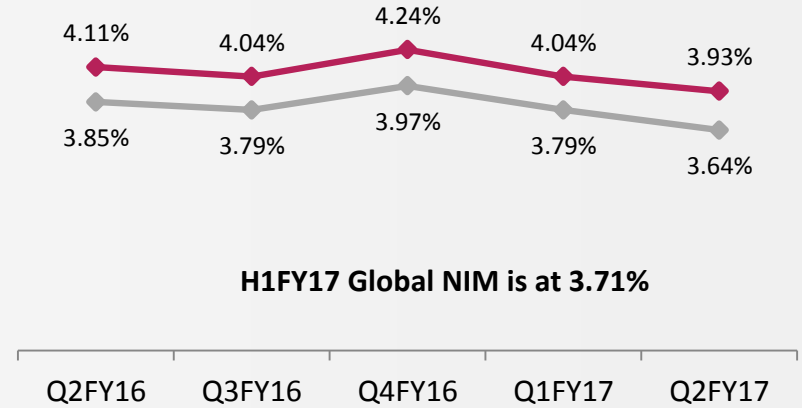
# NIM has moderated during the quarter

All figures in ₹ Crores

## Cost of Funds

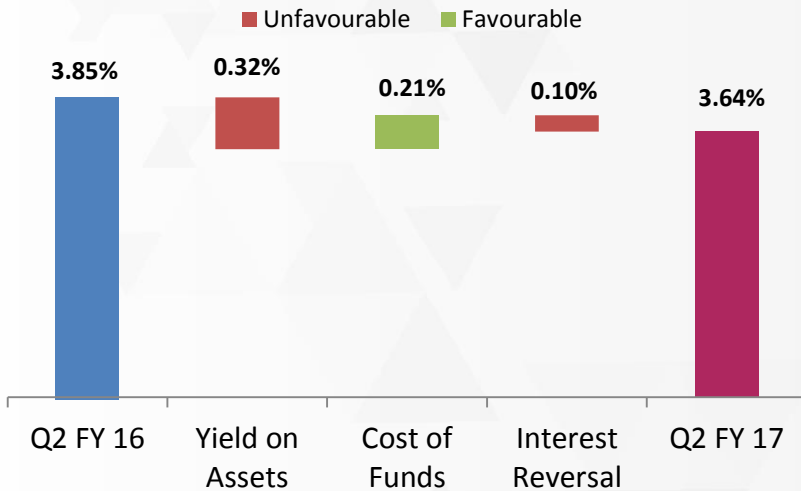


## NIM - Global NIM - Domestic

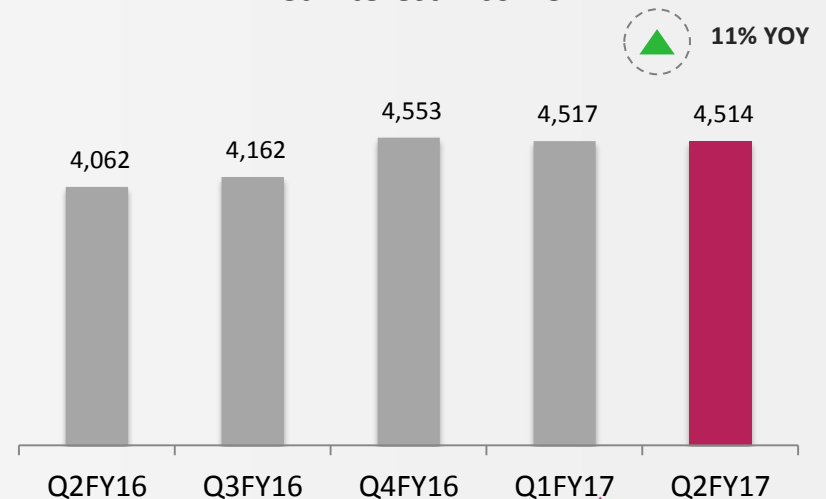


H1FY17 Global NIM is at 3.71%

## Movement in NIM



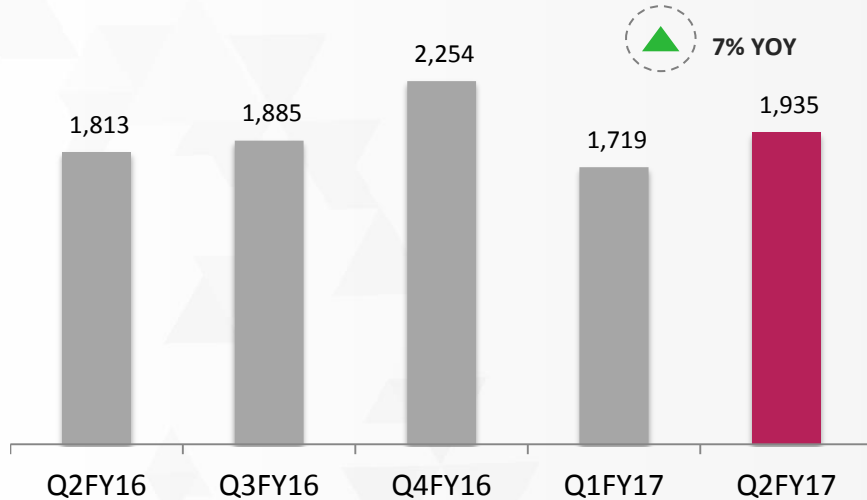
## Net Interest Income



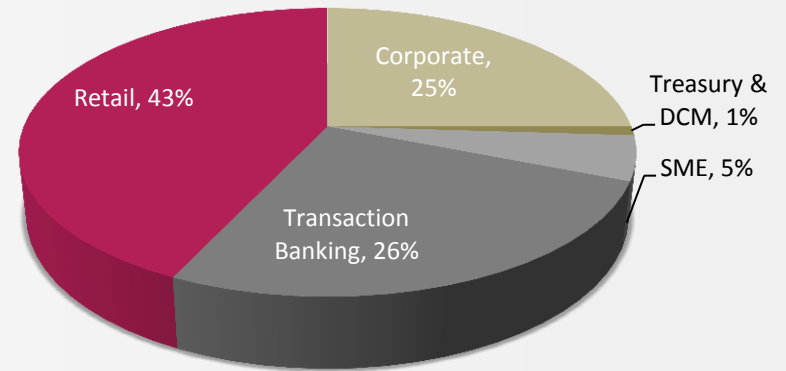
# Fee growth has moderated but Granular fees continue to grow

All figures in ₹ Crores

## Fee Income



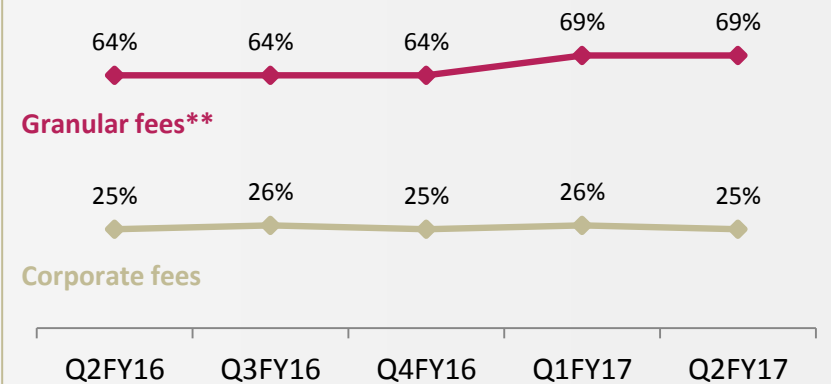
## Fee Composition



## Fee Growth (YOY)



## Trend in Granular and Corporate Fees



\*\*Retail + Transaction Banking Fee as % of total fee income

Performance Highlights

Growth

Earnings Quality

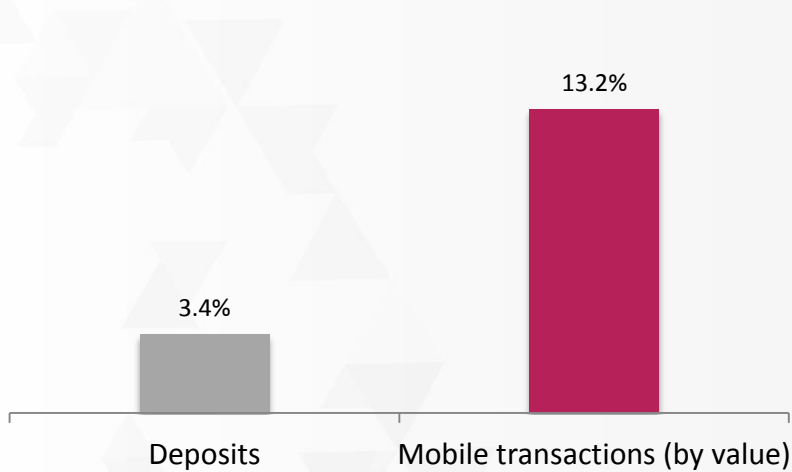
Retail Franchise

Asset Quality

Other important information

# Retail Bank has market leading digital capabilities

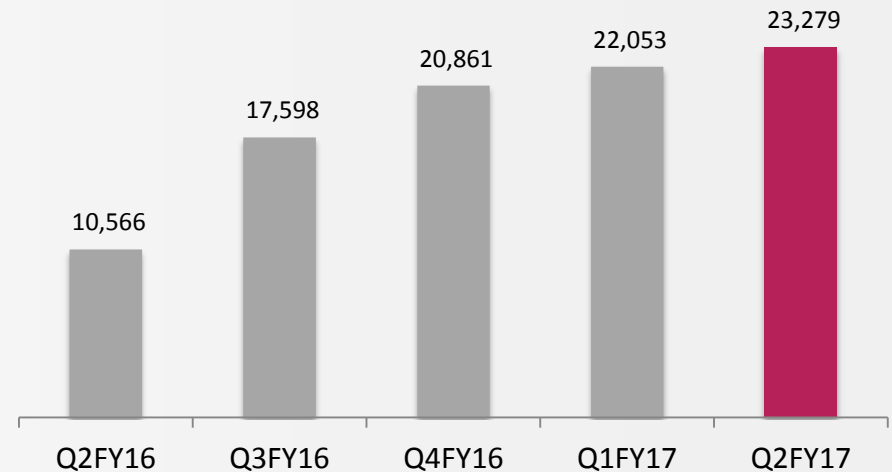
### Market Share\*



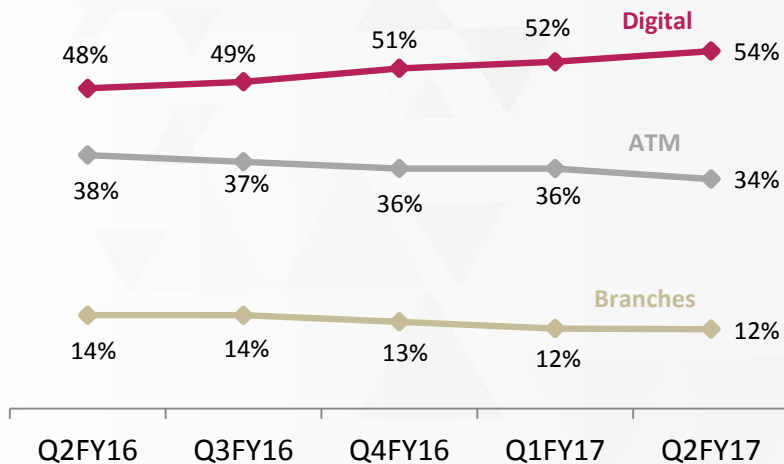
\* Source : RBI as on March 2016

### Mobile Banking Spends (₹Cr)

▲ 120% YOY

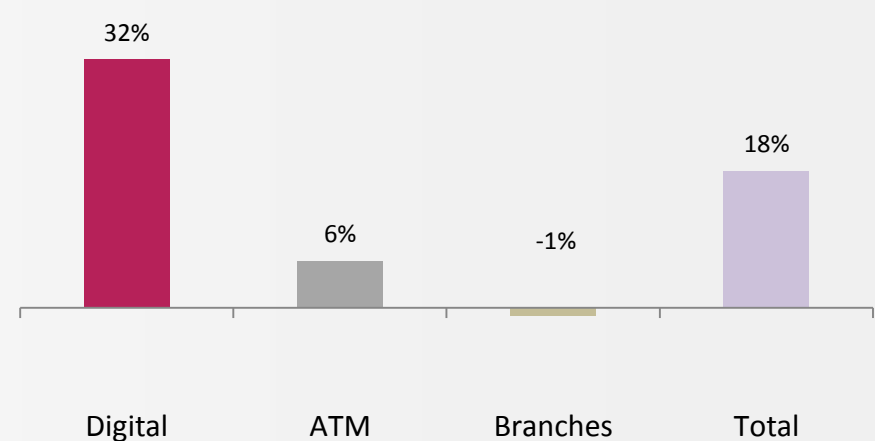


### Transaction Mix\*



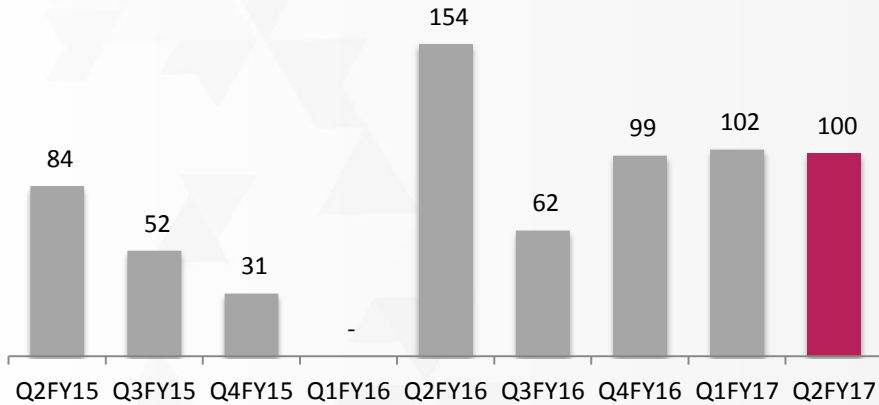
\* Based on all financial transactions by individual customers

### Transaction Volume Growth YOY

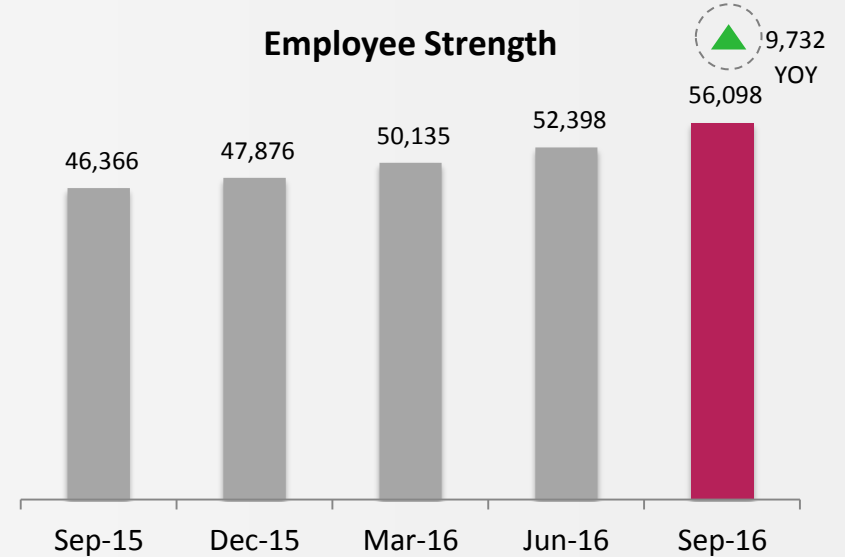


# We have also been opening new branches with renewed pace

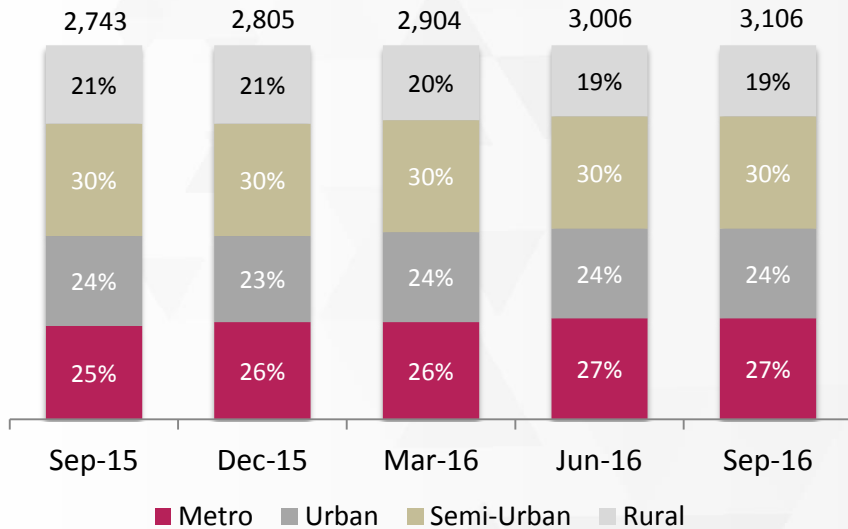
## New Branches Opened



## Employee Strength



## Branch Mix\*



## ATMs

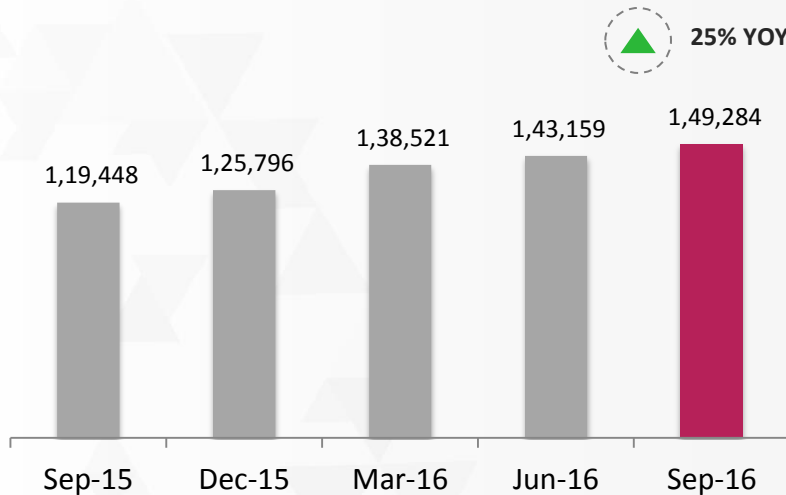


\* Includes extension counters



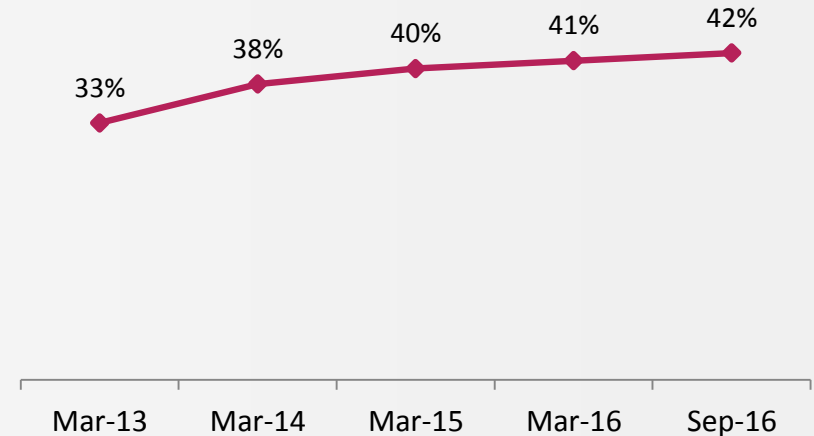
# Retail Lending continues to grow steadily

**Retail Advances**

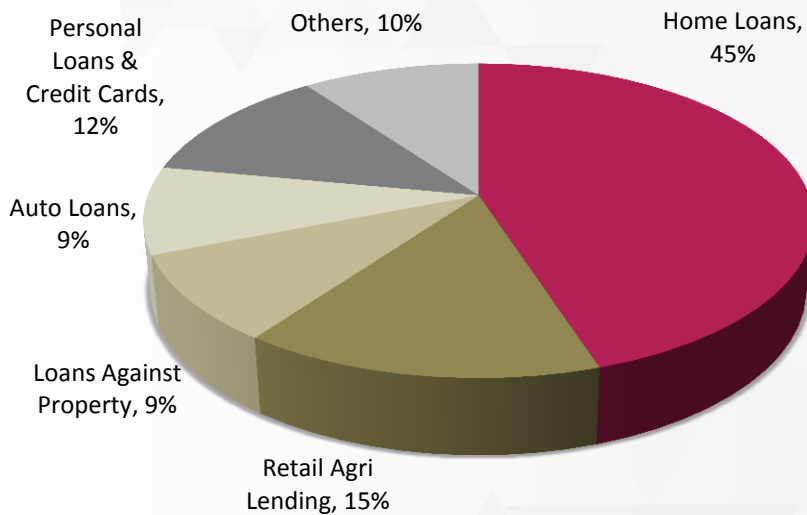


**Retail as % of Advances**

All figures in ₹ Crores



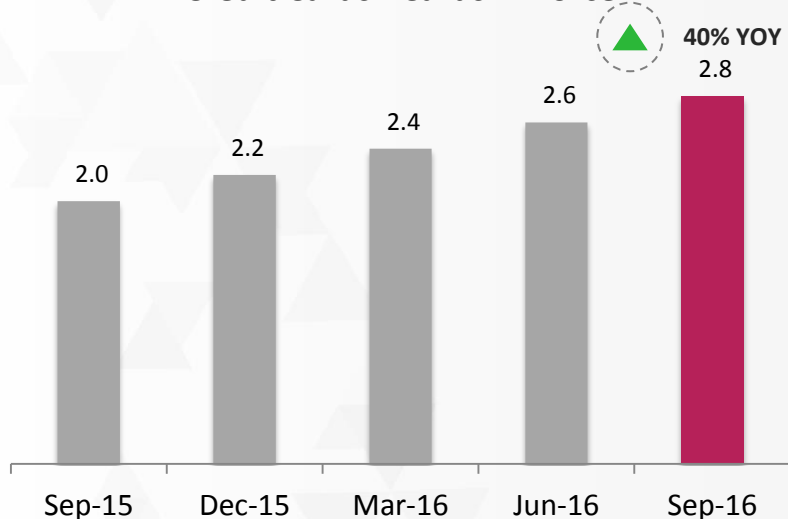
**Retail Advances Mix**



- Sourcing strategy focused on internal customer base of the Bank
- 72% of sourcing in Q2 was from existing customers
- 94% of Credit Card and 83% of Personal Loan originations in the quarter were from existing customers
- 49% of overall sourcing was through Bank branches
- FCNR deposit linked retail assets at ₹6,724 crores included in others

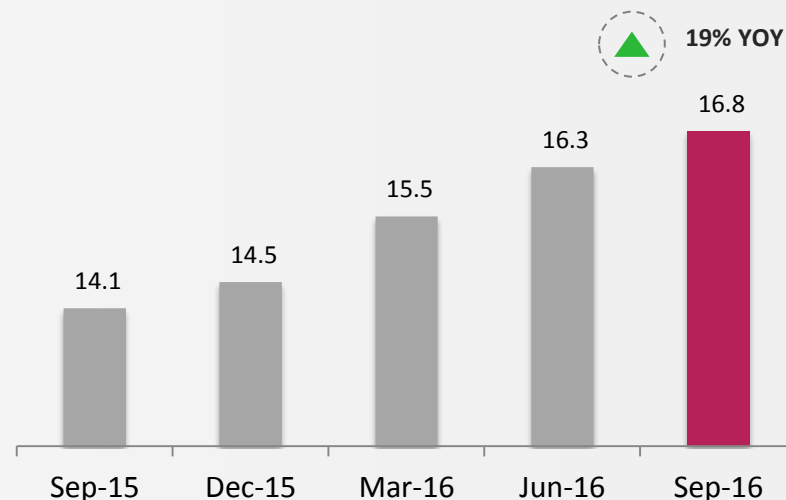
# Payments businesses continue to drive deep customer engagement

## Credit Cards - Cards In Force

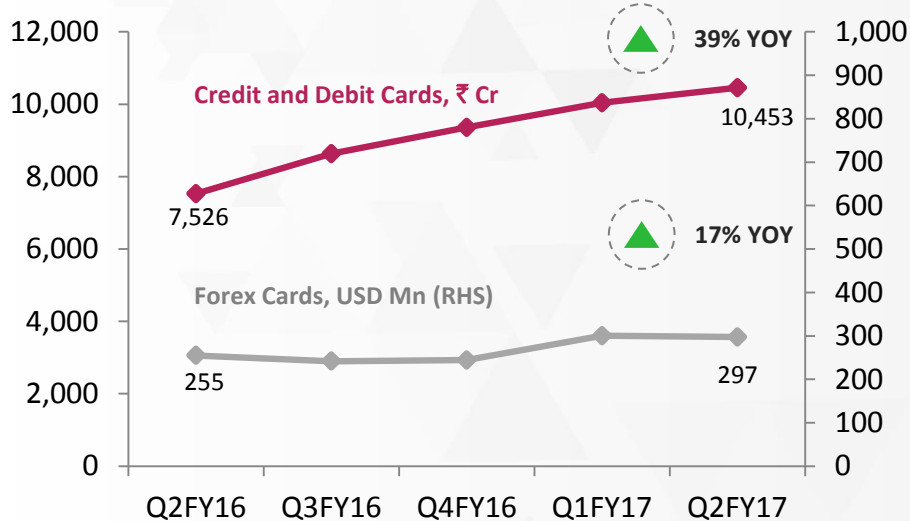


## Debit Cards - Cards In Force

All figures in mn



## Cards Spends



## Strong positioning in the payments space

Product	Market share*	Ranking*
 Credit Cards <sup>1</sup>	10.3%	4 <sup>th</sup>
 Debit Cards <sup>2</sup>	5.8%	4 <sup>th</sup>
 Forex Cards	45%	1 <sup>st</sup>
 Merchant Acquisition	18.7%	3 <sup>rd</sup>

\*Based on RBI data as on July 2016 except for Forex Cards

1 – based on cards issued; 2 – based on card spends

Performance Highlights

Growth

Earnings Quality

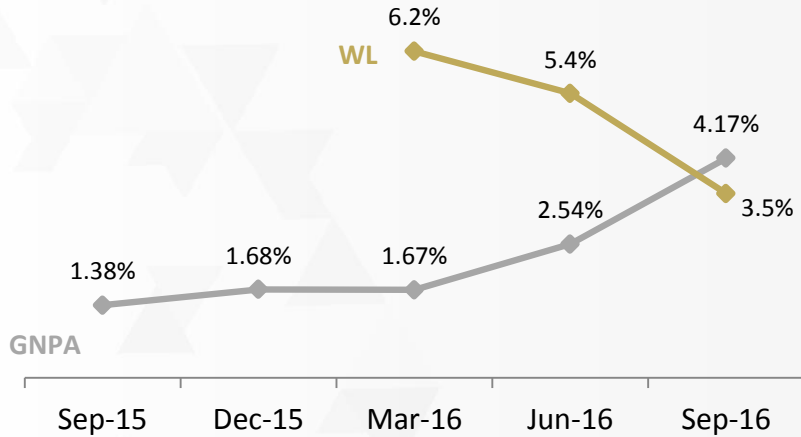
Retail Franchise

Asset Quality

Other important information

# Gross and Net NPAs have increased in Q2FY17

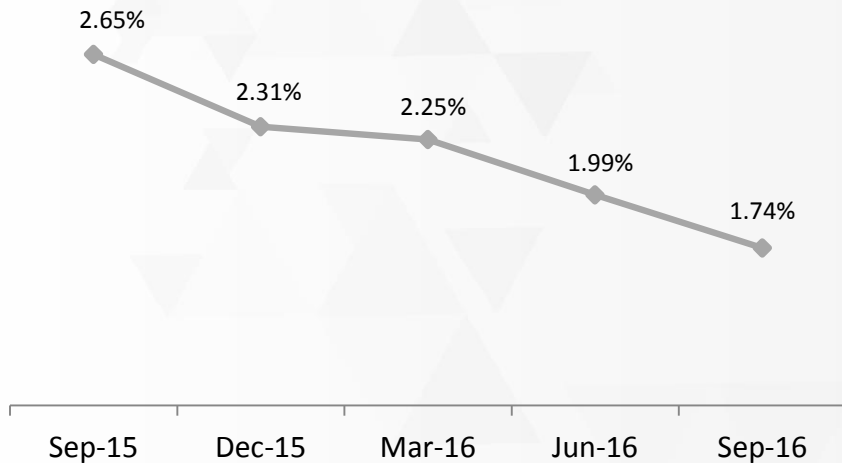
## Gross NPA and Watch List (WL)



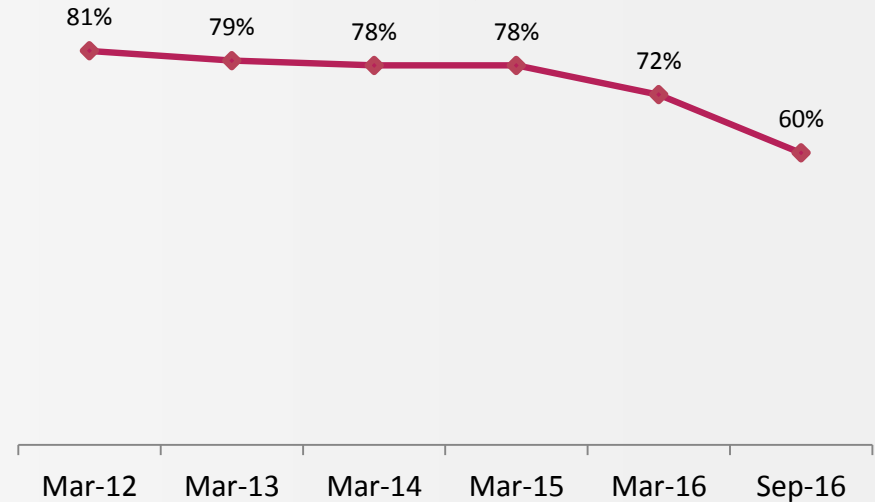
## Net NPA



## Net Restructured Assets (% of Net Customer Assets)



## Provision coverage ratio



# Movement in NPA's

All figures in ₹ Crores

		Q2FY16	Q3FY16	Q4FY16	Q1FY17	Q2FY17
<b>Gross NPAs - Opening balance</b>	<b>A</b>	<b>4,251</b>	<b>4,451</b>	<b>5,724</b>	<b>6,088</b>	<b>9,553</b>
Fresh slippages	B	2,603	2,082	1,474	3,638	8,772
Upgradations & Recoveries	C	(988)	(156)	(780)	(140)	(1,073)
Write offs	D	(1,415)	(653)	(330)	(33)	(873)
<b>Gross NPAs - closing balance</b>	<b>E = A+B-C-D</b>	<b>4,451</b>	<b>5,724</b>	<b>6,088</b>	<b>9,553</b>	<b>16,379</b>
Provisions incl. interest capitalisation	F	2,907	3,210	3,566	5,543	8,618
<b>Net NPA</b>	<b>G = E-F</b>	<b>1,544</b>	<b>2,514</b>	<b>2,522</b>	<b>4,010</b>	<b>7,761</b>
Accumulated Prudential write offs		3,151	3,717	3,627	3,547	2,901
Provision Coverage Ratio*		78%	72%	72%	69%	60%

## Details of Provisions & Contingencies charged to Profit & Loss Account

	Q2FY16	Q3FY16	Q4FY16	Q1FY17	Q2FY17
For Loan losses	619	626	906	1,823	3,648
For Standard assets**	15	71	258	238	(22)
For SDR accounts	-	-	22	71	9
For Investment depreciation	72	(15)	-	(18)	(37)
Other provisions	1	31	(17)	3	25
<b>Total Provisions &amp; Contingencies (other than tax)</b>	<b>707</b>	<b>713</b>	<b>1,169</b>	<b>2,117</b>	<b>3,623</b>

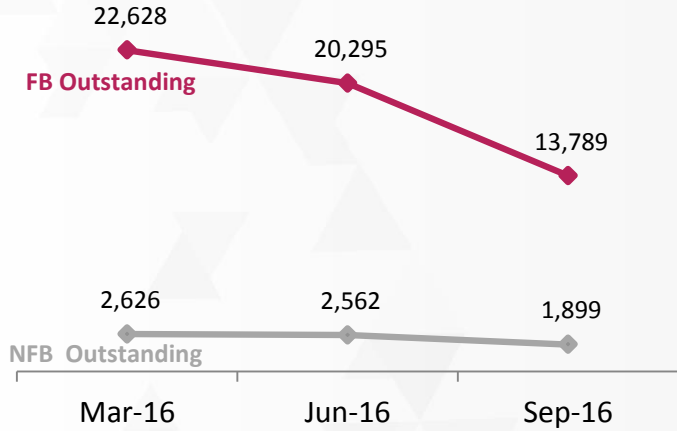
\* including prudential write-offs

\*\* including unhedged foreign currency exposures

# Most of the slippages in Corporate Lending were from the Watch List

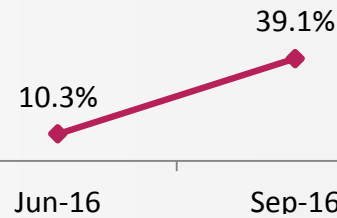
All figures in ₹ Crores

### Watch List Outstanding

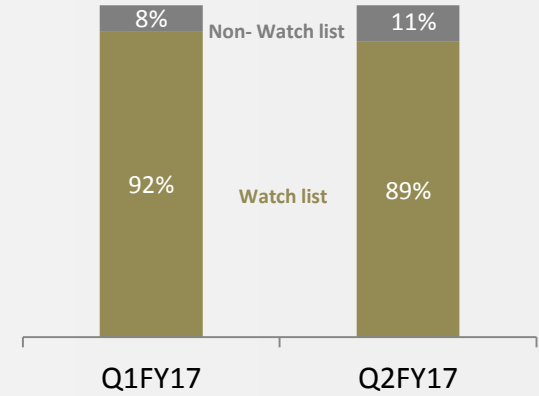


### Cumulative Dissolution Rate

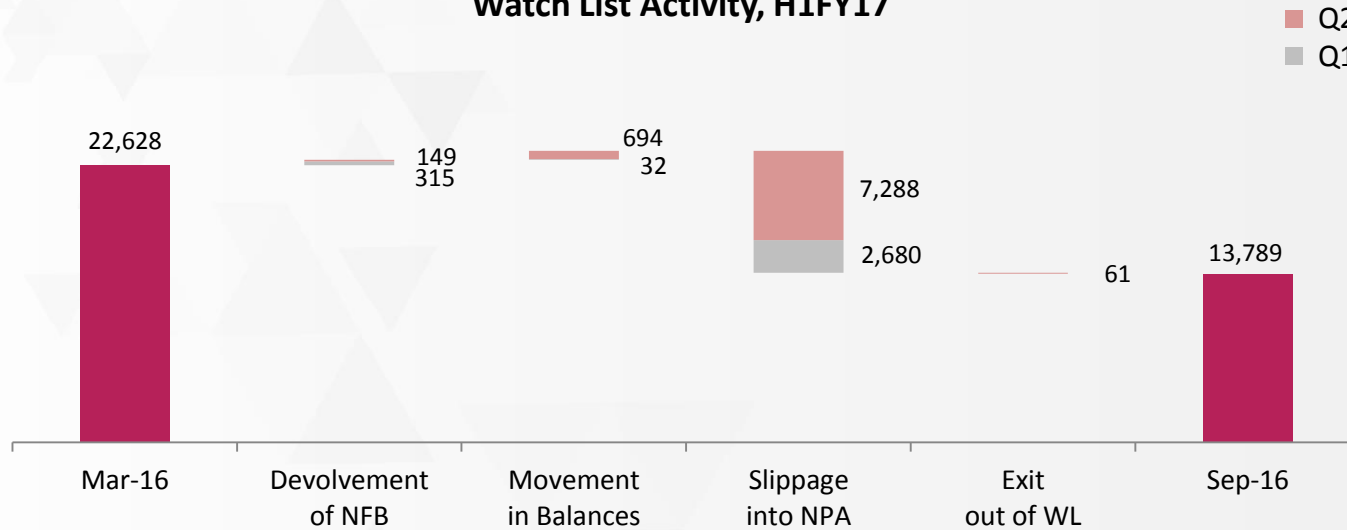
$$= \frac{\text{Net Reduction in WL Outstanding}}{\text{Original WL Outstanding}}$$



### Slippages in Corporate Lending



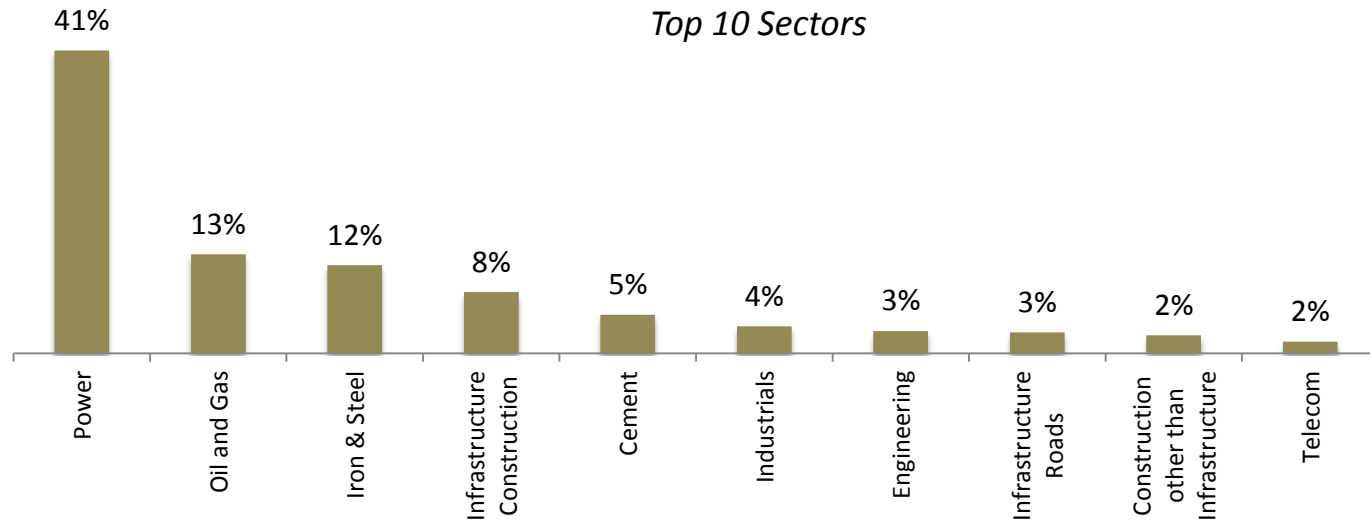
### Watch List Activity, H1FY17



# With significant slippage from Iron & Steel and Textile Sector, the remaining Watch List portfolio is now dominated by Power

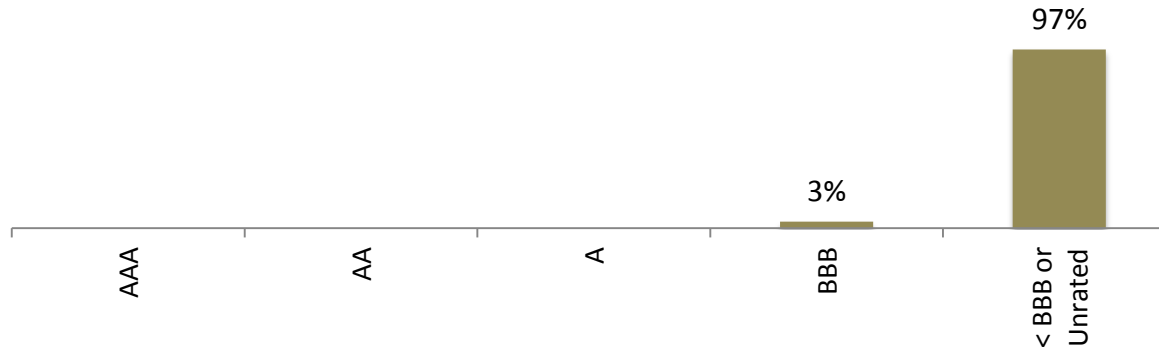
## Sectoral composition of Watch List

*Top 10 Sectors*



## Internal Rating Mix

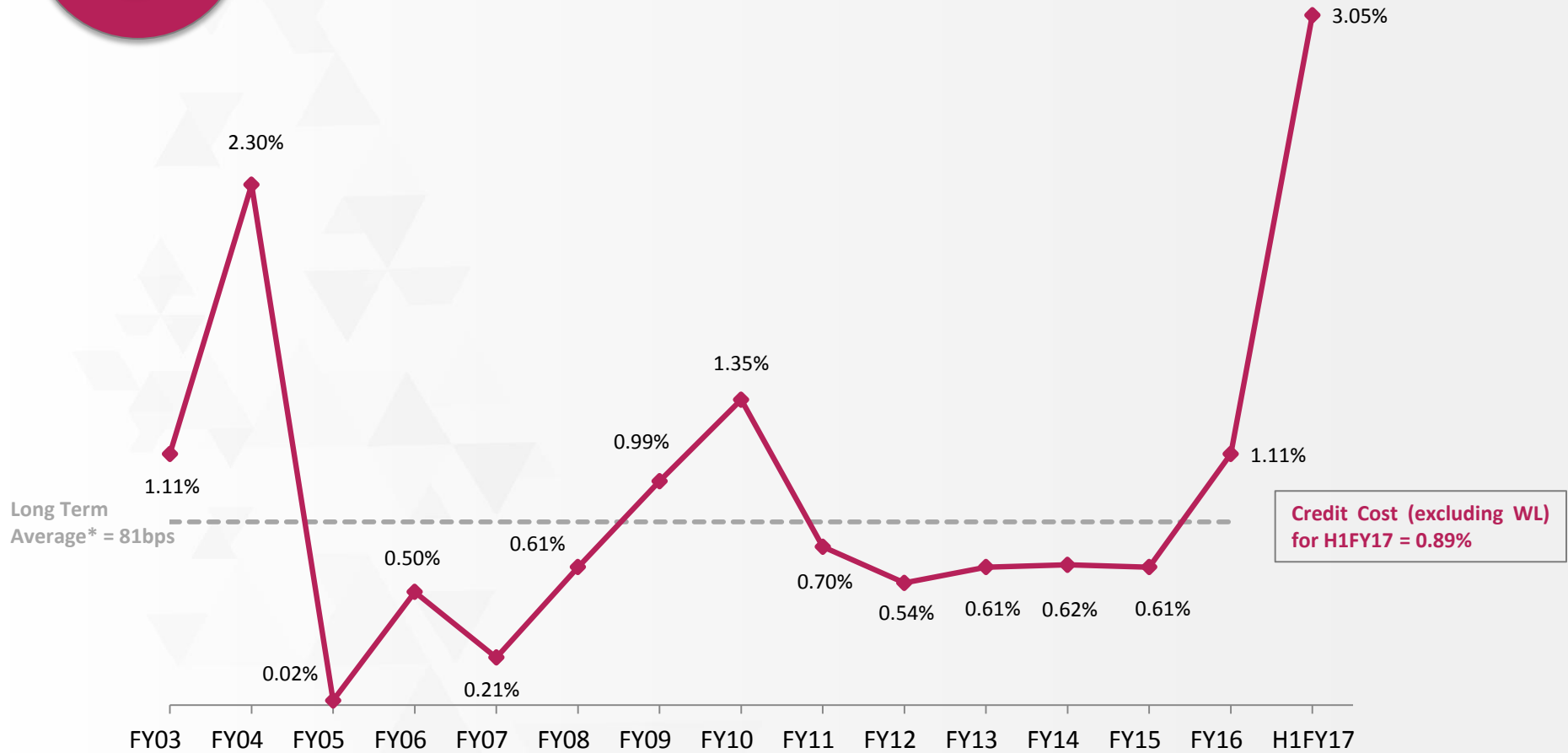
*(by value)*



# The Long term average credit cost at the bank has been 81 bps



### Trend in credit cost : FY03 to H1FY17



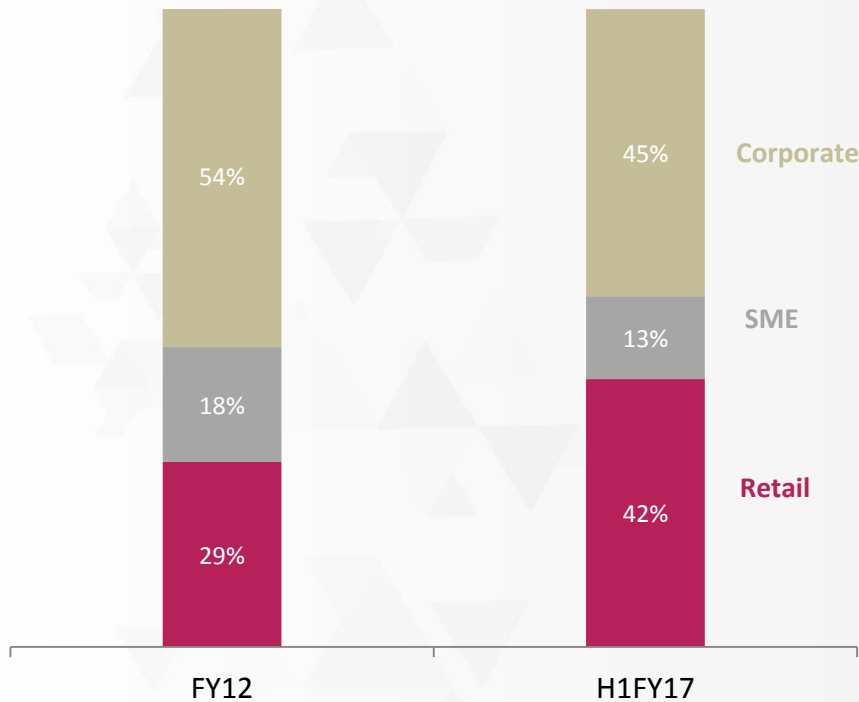
\* For the period from FY03 to FY16



# The business mix and quality has changed materially after 2012

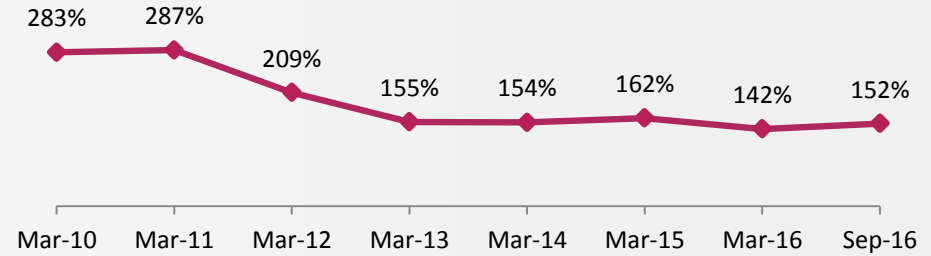


## The portfolio is now more Retail



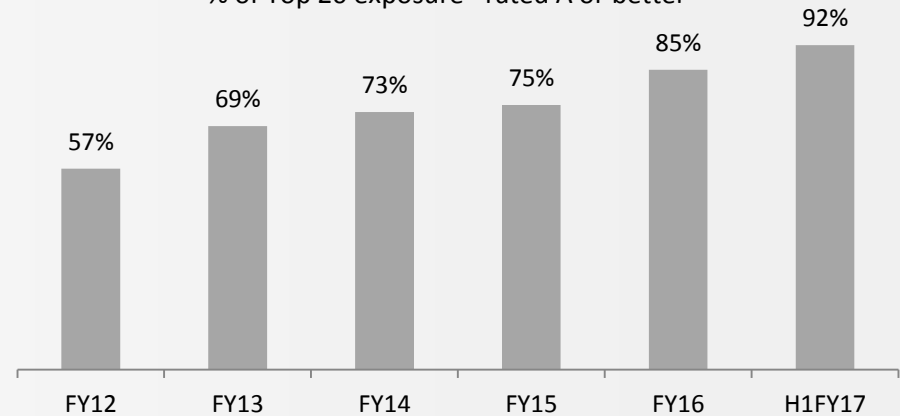
## Concentration Risk is reducing ...

Exposure\* to Top 20 single borrowers as a % of Tier I Capital



## ...and it is to better quality borrowers

% of Top 20 exposure\* rated A or better



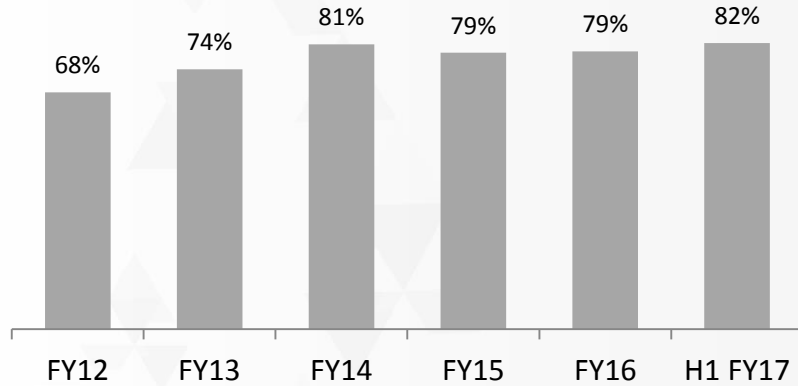
\* Includes fund based and non fund based

# Corporate loan sanctions post 2012 have been of much better quality



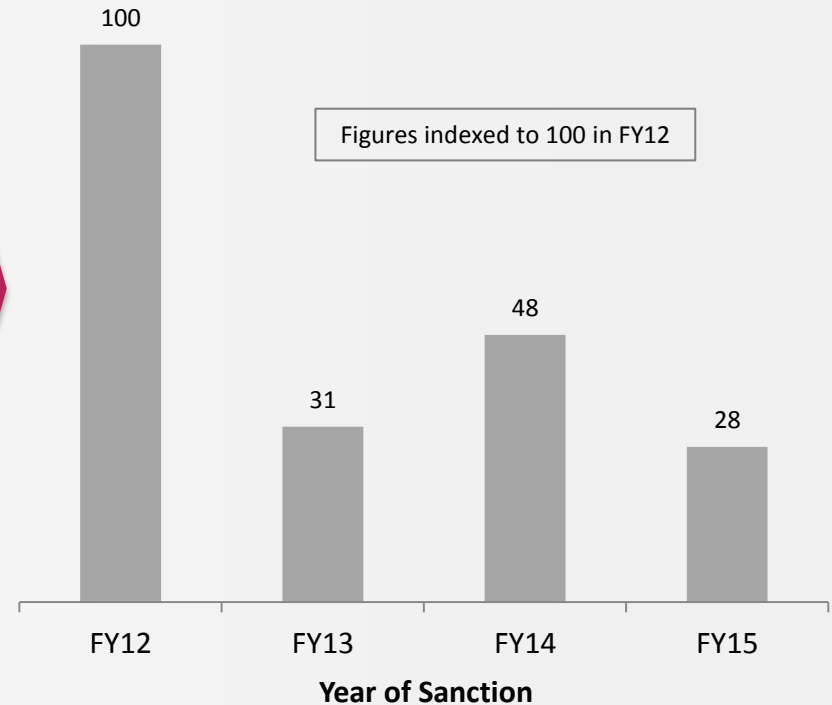
Recent sanctions have been biased towards better rated corporates ...

Percentage of sanctions rated A- & above

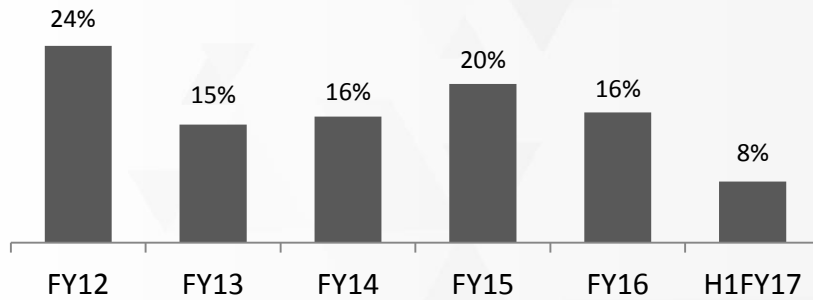


... Resulting in much better credit quality for post-2012 sanctions

30+ days delinquency in first 2 years



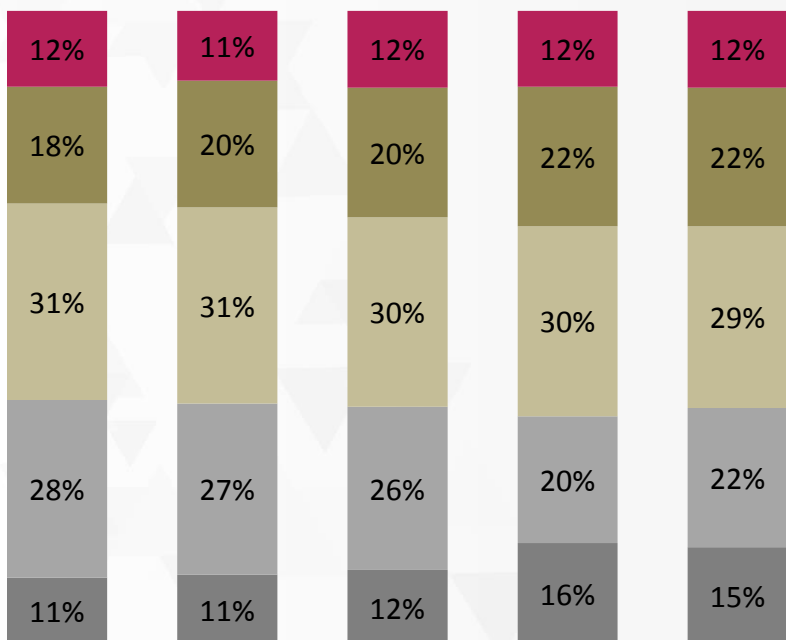
... and away from challenged sectors\*



\* sanctions to power, iron and steel, and other infrastructure construction (excluding airports, roads and ports) as a percentage of total sanctions for the year

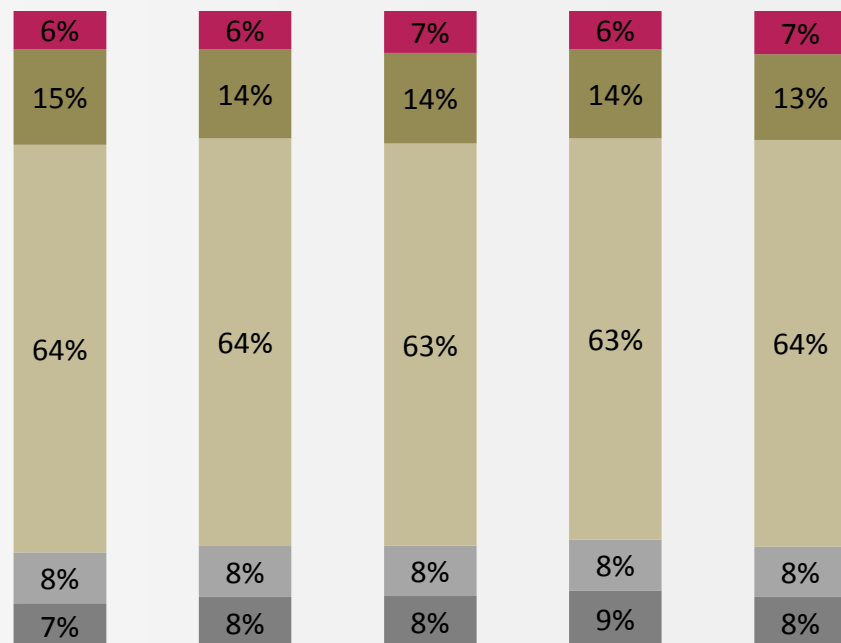
# Rating profile remains stable

## Corporate Lending



■ AAA ■ AA ■ A ■ BBB ■ <BBB or unrated

## SME Lending



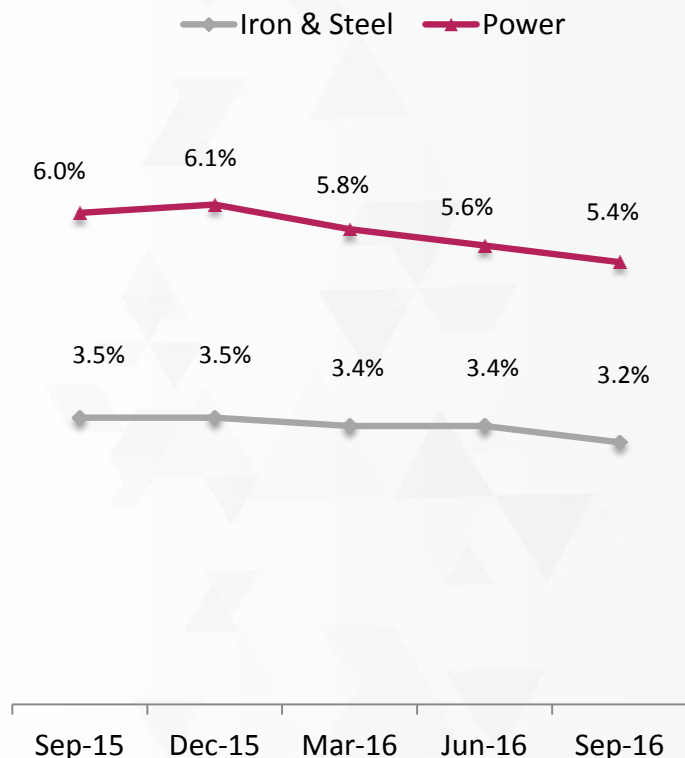
■ SME 1 ■ SME 2 ■ SME 3 ■ SME 4 ■ SME 5-7

63% of corporate advances have rating of at least 'A' in September 2016

84% of SME advances have rating of at least 'SME3' in September 2016

# Top 10 Industry concentration has undergone minor change

**Industry Concentration**  
(% of total outstanding)



Rank	Sectors	Outstanding as on 30 <sup>th</sup> September, 2016 (%) <sup>1</sup>		
		Fund-based	Non-fund based	Total
1.	Infrastructure <sup>2</sup>	6.91	10.52	7.74
2.	Financial Companies <sup>3</sup>	5.09	13.20	6.94
3.	Engineering & Electronics	3.08	18.34	6.56
4.	Power Generation & Distribution	5.79	3.93	5.36
5.	Other Metal and Metal Products	3.86	2.82	3.63
6.	Iron & Steel	3.34	2.61	3.17
7.	Trade	3.17	3.14	3.17
8.	Real Estate	3.02	1.44	2.66
9.	Telecommunication <sup>4</sup>	0.69	9.32	2.66
10.	Petroleum & Petroleum Products	0.78	8.82	2.61

<sup>1</sup> Percentages stated above are on the total fund and non-fund based outstanding across all loan segments

<sup>2</sup> Financing of projects (roads, ports, airports, etc.)

<sup>3</sup> Includes Housing Finance Companies and other NBFCs

<sup>4</sup> Telecommunication included in Top 10 and Food Processing has exited

Performance Highlights

Growth

Earnings Quality

Retail Franchise

Asset Quality

Other important information

# Treasury Portfolio and Non-SLR Corporate Bonds

Investment Bifurcation	Book Value* (₹ Crore)
Government Securities <sup>1</sup>	92,196
Corporate Bonds <sup>2</sup>	23,852
Others	8,542
<b>Total Investments</b>	<b>124,590</b>

\* as on 30<sup>th</sup> September 2016

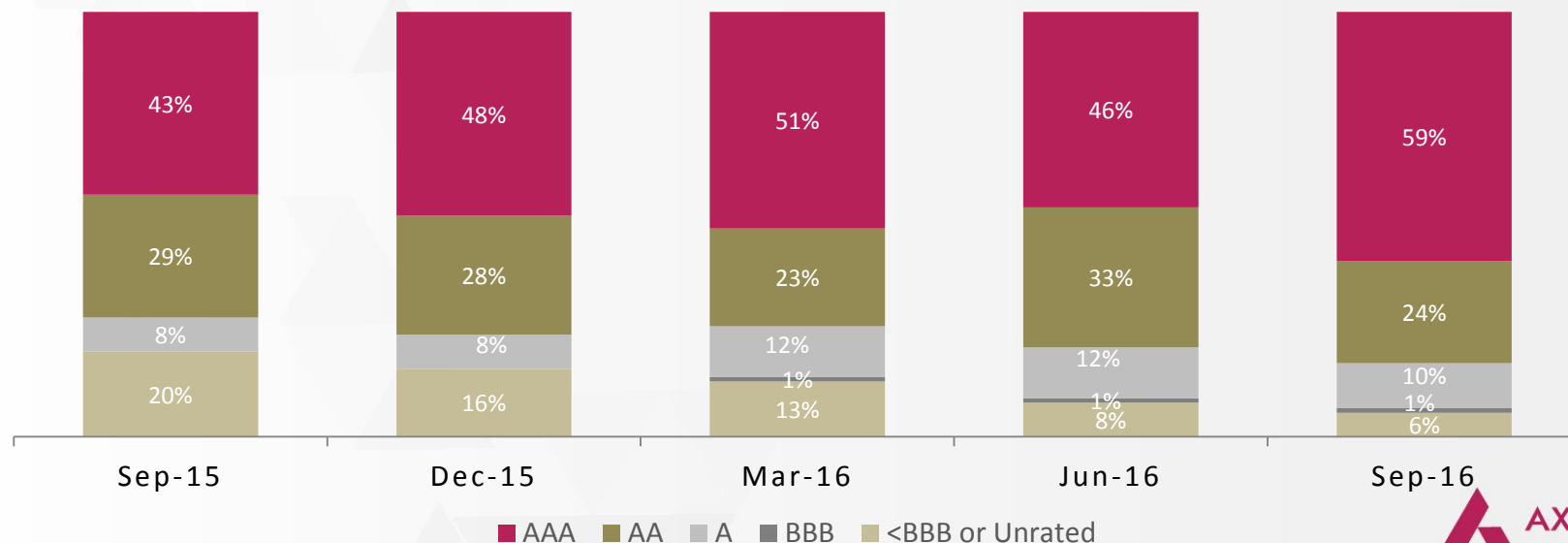
<sup>1</sup> 75% classified under HTM category

<sup>2</sup> 89% classified under AFS category

Category	Proportion	Modified Duration*
Held Till Maturity (HTM)	57%	6.67 Years
Available For Sale (AFS)	33%	3.24 Years
Held For Trading (HFT)	11%	2.47 years

\* For SLR & Corporate Bonds as on 30<sup>th</sup> September 2016

## 93% of Corporate bonds have rating of at least 'A' in September 2016



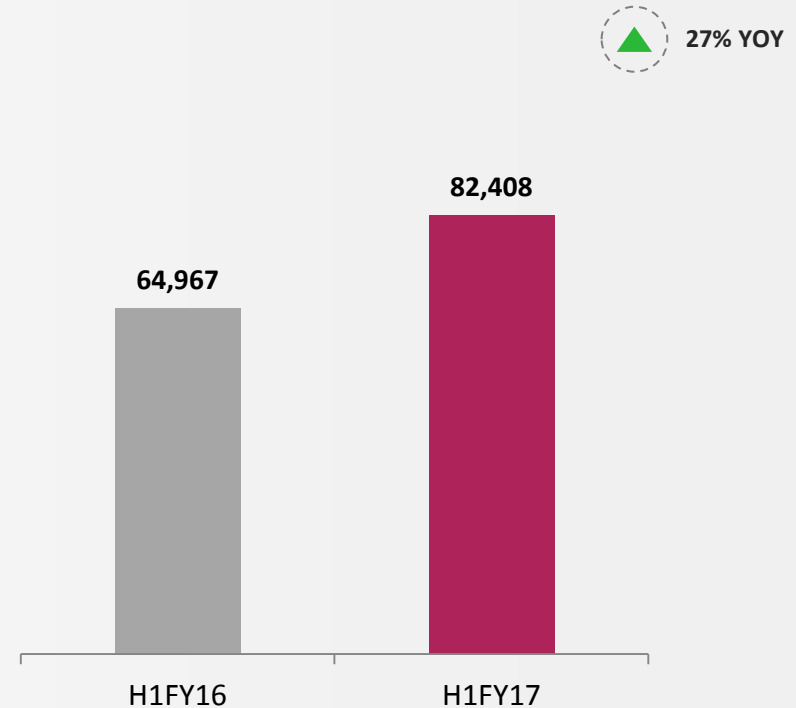
# Bank continues to lead the league tables in Debt Capital Markets

All figures in ₹ Crores

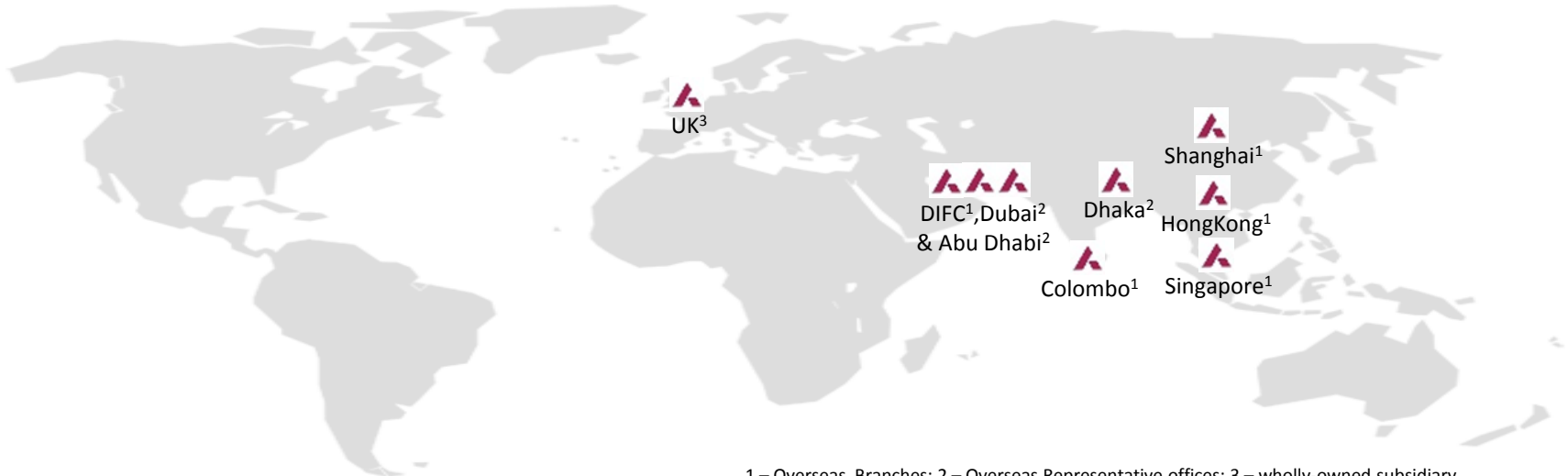
## Key Highlights

- Dominant player in placement and syndication of debt issuances
- Best Domestic Bond House in India- 2016 by Finance Asia (20<sup>th</sup> Anniversary - Platinum award)
- Best DCM House in India - 2016 by Finance Asia
- Top Bank in Corporate Bonds, India, Rank 1 & Investors Choice for primary issues in Corporate Bonds, India-2016 by Asset Benchmark Research

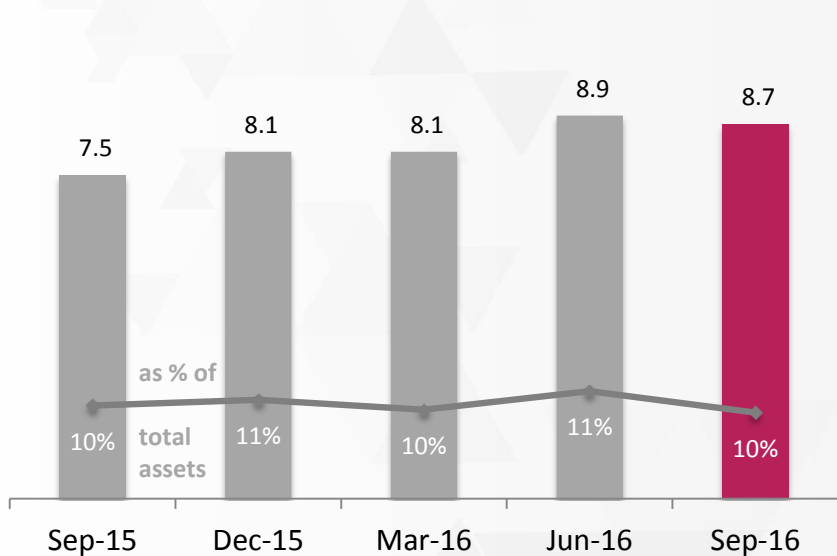
## Placement & Syndication of Debt Issues



# We have a small, strategic international network



## Trend in overseas total assets (USD bn)

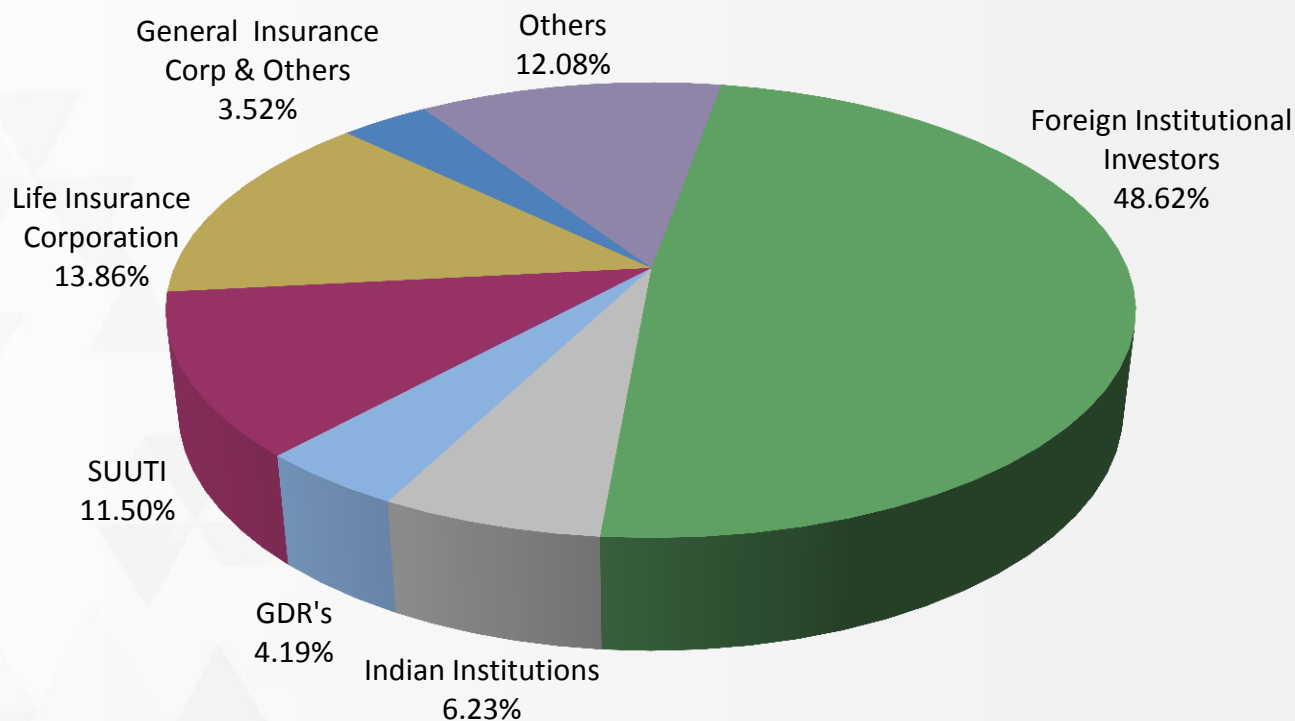


## Value Proposition

- Wholesale Banking solutions comprises of cross border financing, trade finance, forex hedging products
- Merchant Banking, Debt Capital Market solutions to corporate and institutional clientele
- Retail solutions comprises of remittance products, other banking and investment solutions



# Shareholding Pattern (as on 30<sup>th</sup> September, 2016)



- Share Capital ₹478 crores
- Shareholders' Funds ₹53,823 crores
- Book Value Per Share ₹225
- Diluted EPS - H1 ₹15.59
- Market Capitalisation ₹124,676 crores (as on 24<sup>th</sup> October, 2016)

& 1 GDR = 5 shares

As on September 30, 2016, against GDR issuance of 62.70 mn, outstanding GDRs stood at 20 mn

# The Bank continues to earn accolades from the external community



**The Banker**  
GLOBAL FINANCIAL INTELLIGENCE SINCE 1926

Ranked amongst the Top 75  
safest banks in the world



Business India  
**BEST  
BANK**  
2016

Best Bank Award 2016



**DRBT**

Best among Large Banks for  
Digital Banking, Analytics  
& Big Data



**THE ASIAN BANKER**  
STRATEGIC BUSINESS INTELLIGENCE FOR ASIA'S FINANCIAL SERVICES COMMUNITY

Best Corporate Payment  
Project – Technology  
Implementation Award 2015  
Best Bank Award 2016



**ASIAMONEY**

Ranked Best Domestic Bank  
in India 2016

**Thank You**