



AXIS/CO/CS/530/2017-18

17th October 2017

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.: UNAUDITED FINANCIAL RESULTS OF THE BANK FOR THE QUARTER/HALF YEAR ENDED 30TH SEPTEMBER 2017

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

This is to inform you that at the 178th meeting of the Board of Directors of the Bank held today, the Board of Directors of the Bank has reviewed and approved the Unaudited Financial Results of the Bank, for the quarter/half year ended 30th September 2017, which was subject to a Limited Review by the Statutory Auditors of the Bank.

In this connection, we enclose herewith the said Financial Results, the Limited Review Report issued by the Statutory Auditors of the Bank, the Press Release and the Earnings Presentation for the quarter/half year ended 30th September 2017, 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 is in-force from Thursday, 21st September 2017 will end on Thursday, 19th October 2017 (both days inclusive), consequently, the trading window will commence from Friday, 20th October 2017 and will remain in force up to Thursday, 21st December 2017 (both days inclusive), in terms of the Share Dealing Code – June 2017, formulated and adopted by the Bank, under the SEBI (Prohibition of Insider Trading) Regulations, 2015.

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

Thanking You.

Yours sincerely,
For Axis Bank Limited

Girish V Koliyote
Company Secretary

Encl.: as above

Axis Bank Limited

Regd. Office: 'Trishul', 3rd floor, Opp. Samaratheshwar 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 QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2017

(₹ in lacs)

PARTICULARS	FOR THE QUARTER ENDED 30.09.2017	FOR THE QUARTER ENDED 30.06.2017	FOR THE QUARTER ENDED 30.09.2016	FOR THE HALF YEAR ENDED 30.09.2017	FOR THE HALF YEAR ENDED 30.09.2016	FOR THE YEAR ENDED 31.03.2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Interest earned (a)+(b)+(c)+(d)	11,235,08	11,052,49	11,159,11	22,287,57	22,273,01	44,542,16
(a) Interest/discount on advances/bills	8,406,31	8,210,58	8,386,18	16,616,89	16,705,99	33,124,96
(b) Income on Investments	2,432,03	2,417,87	2,380,58	4,849,90	4,816,86	9,622,82
(c) Interest on balances with Reserve Bank of India and other Inter bank funds	86,38	112,69	76,75	199,07	134,34	503,84
(d) Others	310,36	311,35	315,60	621,71	615,82	1,290,54
2. Other Income (Refer Note 2)	2,585,54	2,999,81	2,539,66	5,585,35	5,277,94	11,691,31
3. TOTAL INCOME (1+2)	13,820,62	14,052,30	13,698,77	27,872,92	27,550,95	56,233,47
4. Interest Expended	6,695,46	6,436,35	6,645,24	13,131,81	13,242,22	26,449,04
5. Operating Expenses (i)+(ii)	3,347,84	3,324,79	2,953,35	6,672,63	5,739,18	12,199,91
(i) Employees cost	1,082,84	1,088,25	988,83	2,171,09	1,952,01	3,891,86
(ii) Other Operating expenses	2,265,00	2,236,54	1,964,52	4,501,54	3,787,17	8,308,05
6. TOTAL EXPENDITURE (4+5) (Excluding Provisions and Contingencies)	10,043,30	9,761,14	9,598,59	19,804,44	18,981,40	38,648,95
7. OPERATING PROFIT (3-6) (Profit before Provisions and Contingencies)	3,777,32	4,291,16	4,100,18	8,068,48	8,569,55	17,584,52
8. Provisions (other than tax) and Contingencies (Net)	3,140,41	2,341,93	3,622,74	5,482,34	5,739,91	12,116,96
9. Exceptional Items	-	-	-	-	-	-
10. Profit/(Loss) from Ordinary Activities before Tax (7-8-9)	636,91	1,949,23	477,44	2,586,14	2,829,64	5,467,56
11. Tax Expense	204,53	643,63	158,36	848,16	955,03	1,788,28
12. Net Profit/(Loss) from Ordinary Activities after Tax (10-11)	432,38	1,305,60	319,08	1,737,98	1,874,61	3,679,28
13. Extraordinary Items (net of tax expense)	-	-	-	-	-	-
14. Net Profit/(Loss) for the period (12-13)	432,38	1,305,60	319,08	1,737,98	1,874,61	3,679,28
15. Paid-up equity share capital (Face value Rs. 2/- per share)	479,53	479,40	477,95	479,53	477,95	479,01
16. Reserves excluding revaluation reserves						55,283,53
17. Analytical Ratios						
(i) Percentage of Shares held by Government of India	NIL	NIL	NIL	NIL	NIL	NIL
(ii) Capital Adequacy Ratio (Basel III)	15.97%	16.36%	14.78%	15.97%	14.78%	14.95%
(iii) Earnings per Share (EPS) for the period/year (before and after extraordinary items)						
- Basic	1.80	5.45	1.34	7.25	7.85	15.40
- Diluted	1.80	5.43	1.33	7.23	7.81	15.34
(iv) NPA Ratios						
(a) Amount of Gross Non Performing Assets	27,402,32	22,030,87	16,378,65	27,402,32	16,378,65	21,280,48
(b) Amount of Net Non Performing Assets	14,052,34	9,765,98	7,761,15	14,052,34	7,761,15	8,626,55
(c) % of Gross NPA	5.90	5.03	4.17	5.90	4.17	5.04
(d) % of Net NPA	3.12	2.30	2.02	3.12	2.02	2.11
(v) Return on Assets	0.27	0.87	0.23	0.57	0.70	0.65



Notes:

1. Statement of Assets and Liabilities of the Bank as on 30th September, 2017 is given below.

PARTICULARS	(₹ in lacs)	
	As on 30.09.2017 (Unaudited)	As on 30.09.2016 (Unaudited)
CAPITAL AND LIABILITIES		
Capital	479,53	477,95
Reserves and Surplus	55,692,03	53,345,37
Deposits	4,16,430,56	3,80,187,16
Borrowings	1,35,405,69	1,07,414,68
Other Liabilities and Provisions	27,308,37	23,033,27
TOTAL	6,35,316,18	5,64,458,43
ASSETS		
Cash and Balances with Reserve Bank of India	26,154,12	23,881,14
Balances with Banks and Money at Call and Short Notice	6,057,26	18,125,33
Investments	1,44,175,61	1,27,007,15
Advances	4,10,170,76	3,53,169,94
Fixed Assets	3,891,49	3,592,70
Other Assets	44,866,94	38,682,17
TOTAL	6,35,316,18	5,64,458,43

2. '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.
3. During the quarter ended 30th September, 2017, the Bank allotted 6,51,210 equity shares pursuant to the exercise of options under its Employee Stock Option Scheme.
4. The Bank had entered into an agreement with Jasper Infotech Pvt. Ltd. to acquire 100% stake in its subsidiaries viz. Accelyst Solutions Pvt. Ltd. (ASPL) and Freecharge Payment Technologies Pvt. Ltd. (FPTL), which together constitute the digital payments business under the "Freecharge" brand. Pursuant to the receipt of RBI approval for the arrangement, the Bank has acquired 100% stake in ASPL and FPTL at an aggregate consideration of ₹398.80 crores in October 2017 and consequently the said companies have become wholly owned subsidiaries of the Bank.
5. In accordance with RBI circular DBR.No.BP.BC.1/21.06.201/2015-16 dated 1st July, 2015 on 'Basel III Capital Regulations' and RBI circular DBR.No.BP.BC.80/21.06.201/2014-15 dated 31st 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. Divergence in Asset Classification and Provisioning for NPAs –
- The Bank classifies advances into performing and non-performing advances (NPAs) as per the RBI guidelines. NPAs are identified and provided for based on RBI's Prudential Norms on Income Recognition, Asset Classification and Provisioning.
 - Based on application of RBI's prudential norms as stated above, the Bank classified and made the prescribed provisions against the NPAs as at the end of 31st March, 2017.
 - As part of the Risk Based Supervision (RBS) exercise for FY 2016-17, the RBI has pointed out certain modifications in the Bank's asset classification and provisioning as on 31st March 2017 as detailed in the table below:



MP

(₹ in crores)

Sr. No.	Particulars	31 March, 2017
1	Gross NPAs as on 31 March, 2017, as reported by the Bank	21,280.48
2	Gross NPAs as on 31 March, 2017, as assessed by RBI	26,913.28
3	Divergence in Gross NPAs (2-1)	5,632.80
4	Net NPAs as on 31 March, 2017, as reported by the Bank	8,626.55
5	Net NPAs as on 31 March, 2017, as assessed by RBI	12,943.65
6	Divergence in Net NPAs (5-4)	4,317.10
7	Provisions for NPAs as on 31 March, 2017, as reported by the Bank	12,205.72
8	Provisions for NPAs as on 31 March, 2017, as assessed by RBI	13,521.42
9	Divergence in provisioning (8-7)	1,315.70
10	Reported Net Profit after Tax (PAT) for the year ended 31 March, 2017	3,679.28
11	Adjusted (notional) Net Profit after Tax (PAT) for the year ended 31 March, 2017 after taking into account the divergence in provisioning	2,793.95

The Bank has duly recorded the impact of the above in the results for the quarter ended 30th September, 2017.

7. The above results have been approved by the Board of Directors of the Bank at its meeting held at Mumbai today.
8. These results for the quarter and half year ended 30th September, 2017 have been subjected to a "Limited Review" by the statutory auditors of the Bank.
9. Previous period figures have been regrouped and reclassified, where necessary, to make them comparable with current period figures.



**Axis Bank Limited
Segmental Results**

(₹ in lacs)

		FOR THE QUARTER ENDED 30.09.2017	FOR THE QUARTER ENDED 30.06.2017	FOR THE QUARTER ENDED 30.09.2016	FOR THE HALF YEAR ENDED 30.09.2017	FOR THE HALF YEAR ENDED 30.09.2016	FOR THE YEAR ENDED 31.03.2017
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Segment Revenue						
A	Treasury	15,542,99	15,875,14	15,749,07	31,418,13	31,857,58	65,008,41
B	Corporate/Wholesale Banking	5,585,99	5,594,91	6,079,75	11,180,90	12,202,92	24,084,60
C	Retail Banking	10,083,79	9,706,32	9,586,64	19,790,11	18,710,21	38,239,80
D	Other Banking Business	269,87	229,77	236,39	499,64	394,58	1,002,14
	Total	31,482,64	31,406,14	31,651,85	62,888,78	63,165,29	1,28,334,95
	Less: Inter segment revenue	17,662,02	17,353,84	17,953,08	35,015,86	35,614,34	72,101,48
	Income from Operations	13,820,62	14,052,30	13,698,77	27,872,92	27,550,95	56,233,47
2	Segment Results After Provisions & Before Tax						
A	Treasury	990,67	1,265,94	(39,67)	2,256,61	985,43	2,858,71
B	Corporate/Wholesale Banking	(1,338,35)	150,11	(708,00)	(1,188,24)	(261,02)	(1,876,33)
C	Retail Banking	743,12	333,64	1,016,82	1,076,76	1,765,99	3,600,86
D	Other Banking Business	241,47	199,54	208,29	441,01	339,24	884,32
	Total Profit Before Tax	636,91	1,949,23	477,44	2,586,14	2,829,64	5,467,56
3	Segment Assets						
A	Treasury	2,03,390,38	2,02,649,14	1,96,479,86	2,03,390,38	1,96,479,86	2,09,865,71
B	Corporate/Wholesale Banking	2,17,914,78	2,04,613,07	1,96,274,91	2,17,914,78	1,96,274,91	1,98,331,45
C	Retail Banking	2,06,710,67	1,93,165,15	1,67,576,66	2,06,710,67	1,67,576,66	1,86,937,38
D	Other Banking Business	787,92	677,89	690,88	787,92	690,88	746,92
E	Unallocated	6,512,43	5,613,01	3,436,12	6,512,43	3,436,12	5,586,21
	Total	6,35,316,18	6,06,718,26	5,64,458,43	6,35,316,18	5,64,458,43	6,01,467,67
4	Segment Liabilities						
A	Treasury	2,19,570,63	2,08,547,73	1,92,545,08	2,19,570,63	1,92,545,08	1,94,987,16
B	Corporate/Wholesale Banking	1,10,722,44	1,00,760,44	87,016,98	1,10,722,44	87,016,98	1,18,340,37
C	Retail Banking	2,48,564,34	2,40,241,27	2,30,935,66	2,48,564,34	2,30,935,66	2,32,331,99
D	Other Banking Business	60,25	40,88	28,83	60,25	28,83	42,00
E	Unallocated	226,96	15,32	108,56	226,96	108,56	3,61
	Capital and Other Reserves	56,171,56	57,112,62	53,823,32	56,171,56	53,823,32	55,762,54
	Total	6,35,316,18	6,06,718,26	5,64,458,43	6,35,316,18	5,64,458,43	6,01,467,67

Note:

1. Previous period figures have been regrouped and reclassified, where necessary, to make them comparable with current period figures.
2. Effective 1st April 2017, the Bank has introduced a methodology for allocation of costs with respect to shortfall in achievement of Priority Sector Lending to SBUs, based on the internal cost allocation methodology. Accordingly, segment results for the quarter are not comparable with the previous periods.

Place: Mumbai
Date: 17th October, 2017



For and on behalf of the Board

Shikha Sharma
SHIKHA SHARMA
MD & CEO

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

1. We have reviewed the accompanying statement of unaudited standalone financial results of Axis Bank Limited (the 'Bank') for the quarter and half year ended September 30, 2017 (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 standalone 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.

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



per **Viren H. Mehta**
Partner
Membership No.: 048749

Place: Mumbai
Date: October 17, 2017

PRESS RELEASE

AXIS BANK ANNOUNCES FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30th SEPTEMBER 2017

Results at a Glance

- **Strong Retail franchise continues to gain strength:**
 - CASA deposits grew 24% YOY and constituted 50% of total deposits.
 - Retail Term Deposits and CASA together contributed 83% of Total Deposits.
 - Retail loans grew 23% YOY and accounted for 45% of Net Advances.
 - Retail Fee grew 23% YOY and comprised 48% of Total Fee Income.
- **Digital channels continue to witness strong acceptance by customers:**
 - Ranked #2 in Mobile Banking Spends as per RBI data
 - Mobile banking spends grew 78% YOY, Card Spends grew 67% YOY
 - Share of digital transactions remains strong at 67%.
 - The Bank completed its acquisition of 100% stake in Freecharge
- **Loan growth led by pickup across all segments:**
 - Net Advances grew 16% YOY.
 - Retail and SME loan book grew 23% YOY and 15% YOY, respectively.
 - Corporate loan growth rebounded to 10% YOY led by working capital up 36% YOY.
- **Financial performance:**
 - Net Interest Income for Q2FY18 grew 1% YOY to ₹4,540 crore, NIM stood at 3.45%.
 - Fee income grew 12% YOY and stood at ₹2,170 crores.
 - Operating expenses grew at a slower rate of 13% YOY
 - Net profit for Q2FY18 grew 36% YOY to ₹432 crores and for H1FY18, stood at ₹1,738 crores.
- **Asset quality metrics impacted by accelerated recognition of accounts driven by divergence:**
 - The Bank's Gross NPA and Net NPA stood at 5.90% and 3.12%, respectively.
 - Gross slippages for Q2FY18 stood at ₹8,936 crores, of which corporate slippages stood at ₹8,110 crores. Net slippage (before write-offs) in retail and SME stood at ₹292 crores and ₹219 crores respectively.
- **The Bank's Capital Adequacy Ratio (CAR) remains healthy. Under Basel III, Total CAR & Tier I CAR (including net profit for H1FY18) stood at 16.32% and 12.36%, respectively.**

The Board of Directors of Axis Bank Limited approved the financial results for the quarter and half-year ended 30th September 2017 at its meeting held in Mumbai on Tuesday, 17th October 2017. The Accounts have been subjected to a Limited Review by the Bank's Statutory Auditors.

Profit & Loss Account: Period ended 30th September 2017

- **Net Profit**

Net profit for Q2FY18 grew 36% YOY to ₹432 crores, for H1FY18 Net profit stood at ₹1,738 crores.

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

The Bank's Net Interest Income (NII) grew 1% YOY to ₹4,540 crores during Q2FY18 from ₹4,514 crores in Q2FY17. Net interest margin for Q2FY18 stood at 3.45%. NII for H1FY18 too rose 1% YOY to ₹9,156 crores from ₹9,031 crores in H1FY17.

- **Other Income**

Other income (comprising fee, trading profit and miscellaneous income) for Q2FY18 grew 2% YOY to ₹2,586 crores as against ₹2,540 crores during the same period last year. During H1FY18, other income grew 6% YOY and stood at ₹5,585 crores. Fee income for Q2FY18 grew 12% YOY to ₹2,170 crores. The key driver of fee income growth was Retail Banking, which grew strongly 23% YOY and constituted 48% of the Bank's total fee income. Cards' Fees grew 36% YOY. Transaction Banking fees grew 13% YOY and constituted 26% of the total fee income of the Bank. Trading profits for the quarter stood at ₹377 crores. During H1FY18, fee income grew 14% YOY primarily driven by 28% YOY growth in Retail fee and 14% YOY growth in Transaction banking.

Balance Sheet: As on 30th September 2017

The Bank's Balance Sheet grew 13% YOY and stood at ₹6,35,316 crores as on 30th September 2017. The Bank's Advances grew 16% YOY to ₹4,10,171 crores as on 30th September 2017. Retail loans grew 23% YOY to ₹1,84,256 crores and accounted for 45% of the Net Advances of the Bank. SME loans grew at a much higher pace than in recent times with SME loan book growing 15% YOY to ₹52,718 crores. Corporate credit grew 10% YOY to ₹1,73,197 crores and accounted for 42% of Net Advances. Corporate loan growth was led by 36% growth in working capital loans.

CASA Deposits grew 24% YOY and constituted 50% of total deposits as at the end of 30th September 2017. Savings Account Deposits and Current Account Deposits grew 21% and 28% YOY, respectively for the period ended 30th September 2017. CASA, on a cumulative daily average basis, recorded a growth of 24% YOY, in which Savings Bank Deposits and Current Account Deposits recorded a growth of 21% YOY and 30% YOY, respectively. The proportion of CASA on a cumulative daily average basis constituted 46% of total deposits.

The share of CASA and Retail Term Deposits in the Total Deposits stood at 83% as on 30th September 2017.

Capital Adequacy and Shareholders' Funds

The shareholders' funds of the Bank grew 4% YOY and stood at ₹56,172 crores as on 30th September 2017. The Bank is well capitalised. Under Basel III, the Capital Adequacy Ratio (CAR) and Tier I CAR as on 30th September 2017 were 16.32% and 12.36% respectively.

Asset Quality

As on 30th September 2017, the Bank's Gross NPA and Net NPA levels stood at 5.90% and 3.12% respectively. As on 30th September 2017, the Bank's provision coverage, as a proportion of Gross NPAs including prudential write-offs, stood at 60%.

As on 30th September 2017, the Bank's Gross NPA stood at ₹27,402 crores and Net NPA stood at ₹14,052 crores as on 30th September 2017. Gross NPA additions for Q2FY18 stood at ₹8,936 crores, of which corporate slippages stood at ₹8,110 crores. The corporate slippages predominantly came from low rated accounts. Net slippage (before write-offs) in retail and SME stood at ₹292 crores and ₹219 crores respectively. Recoveries and upgrades were ₹1,048 crores while write-offs during the quarter were ₹2,517 crores.

The RBI has pointed out certain reclassifications in the Bank's asset classification and provisioning as on 31st March 2017, subsequent to the annual Risk Based Supervision (RBS) exercise conducted for fiscal 2017. The Bank has duly recorded the impact of such reclassifications in the results for the quarter ended 30th September 2017.

Some details are as follows:

- A total of 9 accounts were reclassified by RBI.
- As on 30th June 2017, these 9 accounts were classified as standard assets across most consortium banks, with only around 6% of their outstanding classified as NPA.
- As on 30th September 2017, fund-based outstanding on these 9 accounts was ₹4,867 crores, all of which now stands as NPA.
- Sectoral distribution of the 9 accounts is as follows:
 - One account in the steel sector contributes ₹1,128 crores
 - The Power sector has 3 accounts amounting to ₹1,685 crores
 - 4 accounts comprise a total of ₹911 crores
 - One account in the IT / ITES sector contributes ₹1,143 crores
- Axis is the lead banker in only 1 of the above 8 consortium accounts. Axis Bank is the sole banker in the IT/ ITES account. A significant part of this account is expected to get repaid soon, post a business sale transaction, for which a binding agreement is already in place.
- Total provisions of ₹1,618 crores was created on these accounts during the quarter.

As on 30th September, 2017, the Bank has total loan outstanding of ₹7,041 crores against the IBC accounts mentioned in the two lists referred by RBI. Incremental provisions of ₹505 crores on these select accounts have been made during the quarter taking the total provisioning against these select accounts to ₹3,886 crores with an improved provision coverage ratio at 55%.

The credit cost for the first half of this fiscal has been 256 bps that includes 73 bps on account of RBS impact and 14 bps on account of additional provisioning done for IBC accounts.

The divergence related credit cost is expected to consume around 40 basis points for the full year. Incorporating this, and after evaluation of the underlying credit trends of the rest of the book, the credit cost guidance for fiscal 2018 is updated to 220-260 basis points. PCR is expected to be maintained in the 60 to 65% range.

Network

During Q2FY18, the Bank added 100 branches to its network across the country. As on 30th September 2017, the Bank had a network of 3,485 domestic branches and extension counters situated in 2,033 centres compared to 3,106 domestic branches and extension counters situated in 1,920 centres last year. As on 30th September 2017, the Bank had 14,332 ATMs and 1,533 cash recyclers spread across the country.

Digital channels

Axis Bank's market position in the mobile banking space improved significantly as it jumped two places in the ranking table to 2nd position, as per the latest RBI data for the month of July 2017. Mobile banking spends in Q2 reported a growth of 78% on a YOY basis.

During the quarter, the card usage witnessed significant growth of 67% YOY in value terms. During the quarter, share of digital transactions remains similar to 67% as in Q1FY18 while ATM and Branch transactions stood at 28% and 5% from 23% and 10% in Q1FY18 respectively.

Freecharge acquisition

Pursuant to RBI approval, the Bank completed its acquisition of 100% stake in Freecharge on 6th Oct'17. Freecharge is one of India's leading digital payments companies. The acquisition of Freecharge would help Axis Bank to augment its digital capabilities significantly and will help the Bank leapfrog its digital journey by multiple years.

₹ crore

Financial Performance	Q2FY18	Q2FY17	% Growth	H1FY18	H1FY17	% Growth
Net Profit	432	319	36%	1,738	1,875	-7%
EPS Diluted (₹) annualized	7.14	5.28	35%	14.42	15.59	-8%
Net Interest Income	4,540	4,514	1%	9,156	9,031	1%
Other Income	2,586	2,540	2%	5,585	5,278	6%
- Fee Income	2,170	1,935	12%	4,173	3,655	14%
- Trading Income	377	536	-30%	1,201	1,447	-17%
- Miscellaneous Income	39	69	-45%	211	176	19%
Operating Revenue	7,125	7,054	1%	14,741	14,309	3%
Core Operating Revenue*	6,748	6,518	4%	13,540	12,862	5%
Operating Expenses	3,348	2,953	13%	6,673	5,739	16%
Operating Profit	3,777	4,100	-8%	8,068	8,570	-6%
Core Operating Profit*	3,400	3,565	-5%	6,867	7,123	-4%

*Excluding trading profit for all the periods.

₹ crore

Condensed Unconsolidated Balance Sheet	As on 30 th September '17	As on 30 th September '16
CAPITAL AND LIABILITIES		
Capital	480	478
Reserves & Surplus	55,692	53,345
Deposits	416,431	380,187
Borrowings	135,405	107,415
Other Liabilities and Provisions	27,308	23,033
Total	635,316	564,458
ASSETS		
Cash and Balances with Reserve Bank of India and Balances with Banks and Money at Call and Short Notice	32,211	42,006
Investments	144,176	127,007
Advances	410,171	353,170
Fixed Assets	3,891	3,593
Other Assets	44,867	38,682
Total	635,316	564,458

₹ crore

Business Performance	As on 30th September '17	As on 30th September '16	% Growth
Total Deposits	416,431	380,187	10%
Demand Deposits	210,057	169,961	24%
- Savings Bank Deposits	130,265	107,839	21%
- Current Account Deposits	79,792	62,122	28%
Demand Deposits as % of Total Deposits	50%	45%	
Term Deposits	206,374	210,226	-2%
Retail Term Deposits	134,501	136,099	-1%
Demand Deposits on a Cumulative Daily Average Basis (CDAB) for the half year	173,235	139,192	24%
Demand Deposits as % of Total Deposits (CDAB) for the full year	46%	41%	
Net Advances (a) +(b) + (c)	410,171	353,170	16%
(a) Corporate Credit	173,197	158,029	10%
(b) SME	52,718	45,857	15%
(c) Retail Advances	184,256	149,284	23%
Investments	144,176	127,007	14%
Balance Sheet Size	635,316	564,458	13%
Net NPA as % of Net Customer Assets	3.12%	2.02%	
Gross NPA as % of Gross Customer Assets	5.90%	4.17%	
Equity Capital	480	478	
Shareholders' Funds	56,172	53,823	
Capital Adequacy Ratio (Basel III)	15.97%	14.78%	
- Tier I	12.01%	11.61%	
- Tier II	3.96%	3.17%	
Capital Adequacy Ratio (Basel III) (Including Net Profit for H1)	16.32%	15.20%	
- Tier I	12.36%	12.03%	
- Tier II	3.96%	3.17%	

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

For press queries, please contact Mr. Anand Mugad at 91-22-24252021 or email: Anand.Mugad@axisbank.com

For investor queries, please contact Mr. Abhijit Majumder at 91-22-24254672 or email: 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.

Investor Presentation

Q2 FY18

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.

Major Highlights

- **Strong Retail franchise continues to gain strength**
 - CASA growth was strong at 24%
 - Retail Loans and Retail fees both grew 23%
 - Ranked #2 in mobile banking spends as per latest RBI data
- **Loan growth momentum is back**
 - Strong loan growth led by pickup across all segments
 - Growth in Corporate loans driven by Working Capital loans
 - SME loans too have grown at a much higher pace than in recent times
- **Accelerated NPL recognition has led to sizeable reduction in stressed assets pool**
 - High slippages in the quarter driven by divergence assessment
 - Slippages largely from the low rated pool of stressed accounts
 - Sizeable reductions in low rated pool reiterates the confidence in moving to normalized level of credit costs by H2FY19
- **Capital position remains healthy**
 - In spite of the higher provisions in the quarter, the capital position of the Bank remains strong
- **Subsidiaries continue to deliver healthy performance**

Key Metrics for Q2FY18 & H1FY18

Snapshot (As on September 30, 2017) (in ₹Crores)

Total Assets	635,316
Net Advances	410,171
Total Deposits	416,431
Net Profit (Q2/H1)	432 / 1,738
Shareholders' Funds	56,172
DilutedEPS* (in ₹) (Q2/H1)	7.14 / 14.42
Book Value per share (in ₹)	234
ROA* (in %) (Q2/H1)	0.27 / 0.57
ROE* (in %) (Q2/H1)	3.34 / 6.82
Net NPA Ratio	3.12%
Basel III Tier I CAR ¹	12.36%
Basel III Total CAR ¹	16.32%
Branches ²	3,485
International Presence ³	9
ATMs	14,332

¹ Including unaudited Net Profit for H1 FY18

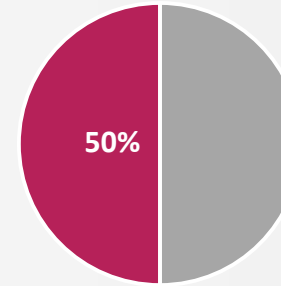
² Includes extension counters

³ Includes overseas subsidiary in UK

* Annualized

All figures in ₹Crores unless stated

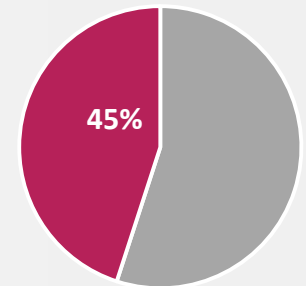
Deposits ↑ 10% YOY



■ CASA ↑ 24% YOY

SA Deposits ↑ 21% YOY

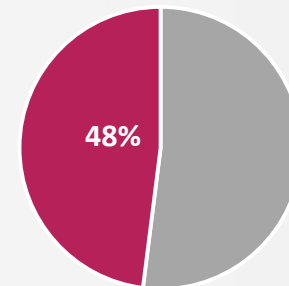
Advances ↑ 16% YOY



■ Retail Advances

↑ 23% YOY

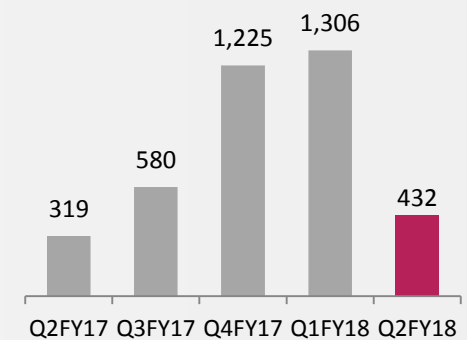
Fee Income ↑ 12% YOY



■ Retail Fee Income

↑ 23% YOY

Net Profit ↑ 36% YOY



Financial Highlights

5

Business Segment performance

19

Asset Quality

49

Shareholder Returns and Capital Position

60

Subsidiaries' Performance

63

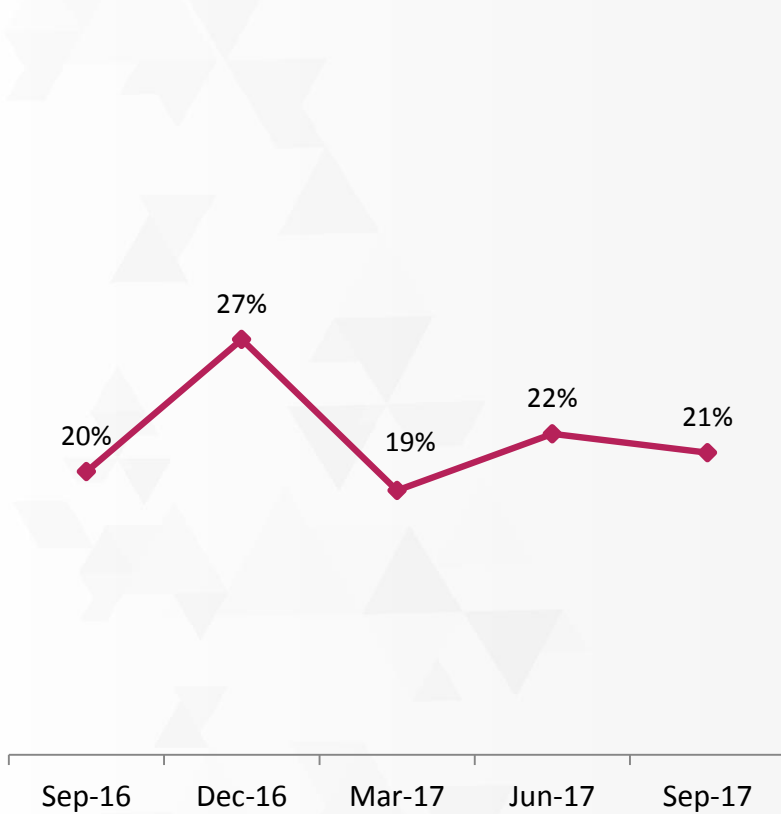
Other important information

68

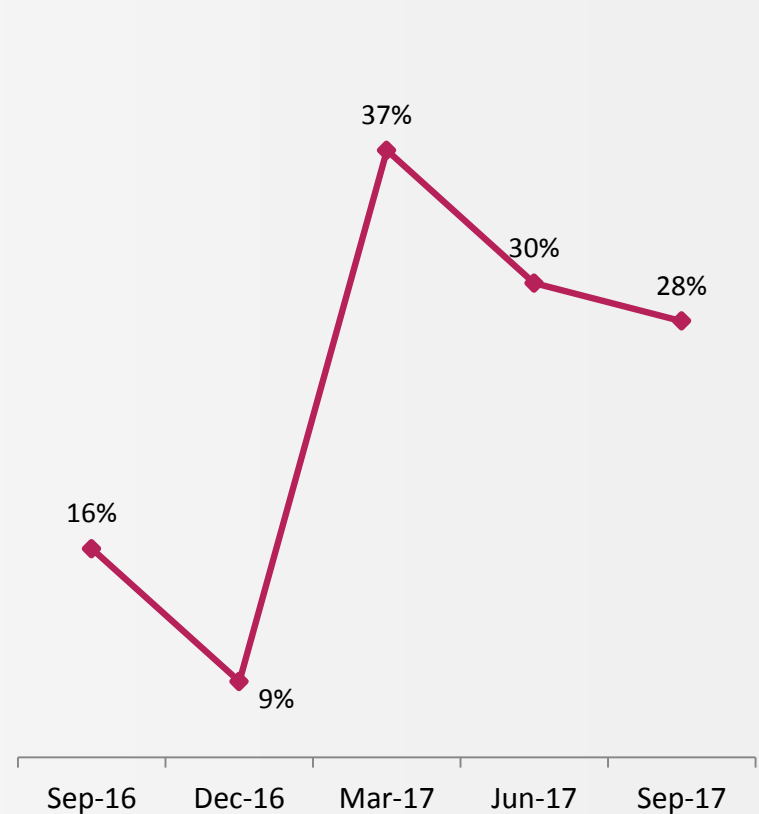
Low Cost Deposits continue to report healthy growth

All figures represent YOY growth

Savings Bank Deposits



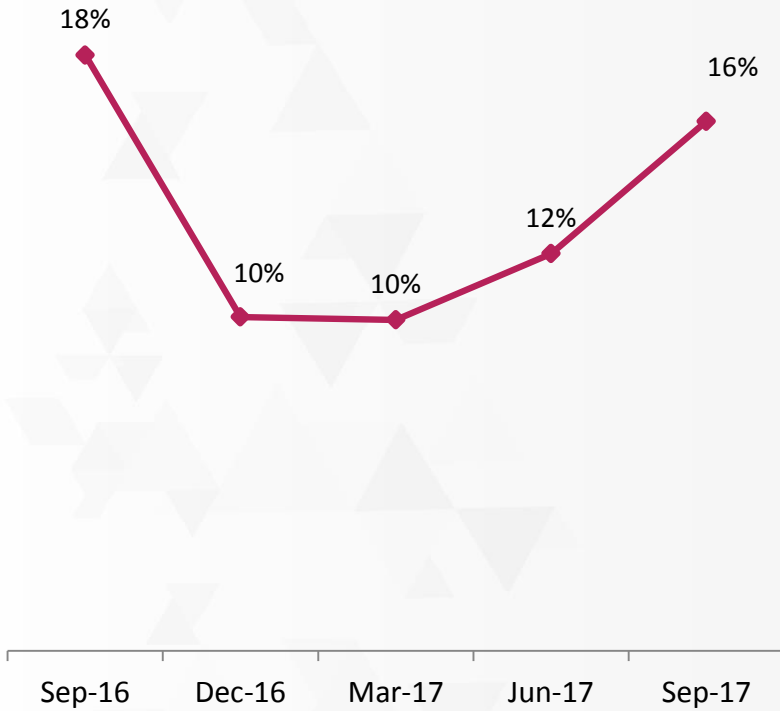
Current Account Deposits



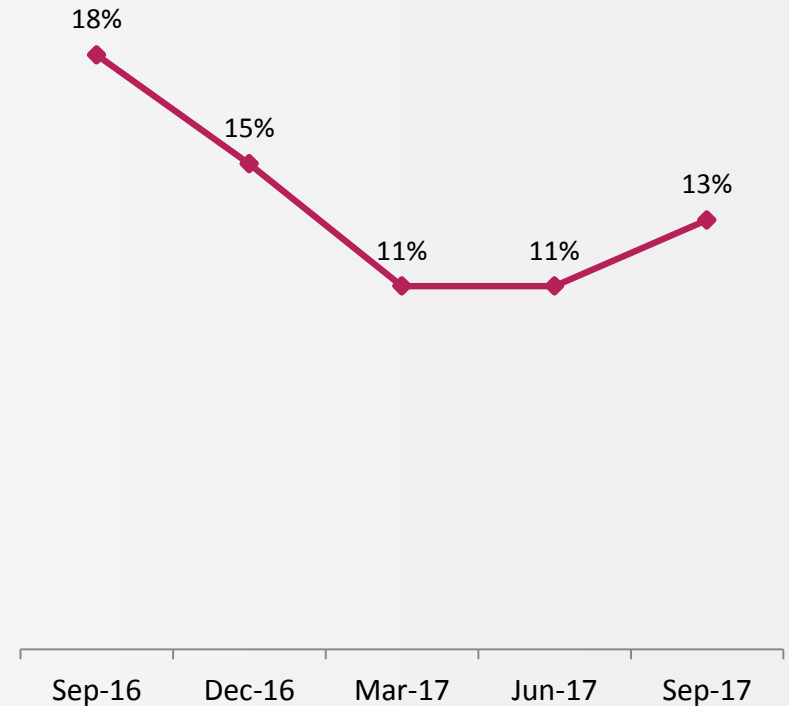
We are witnessing a strong bounce-back in loan growth

All figures represent YOY growth

Advances



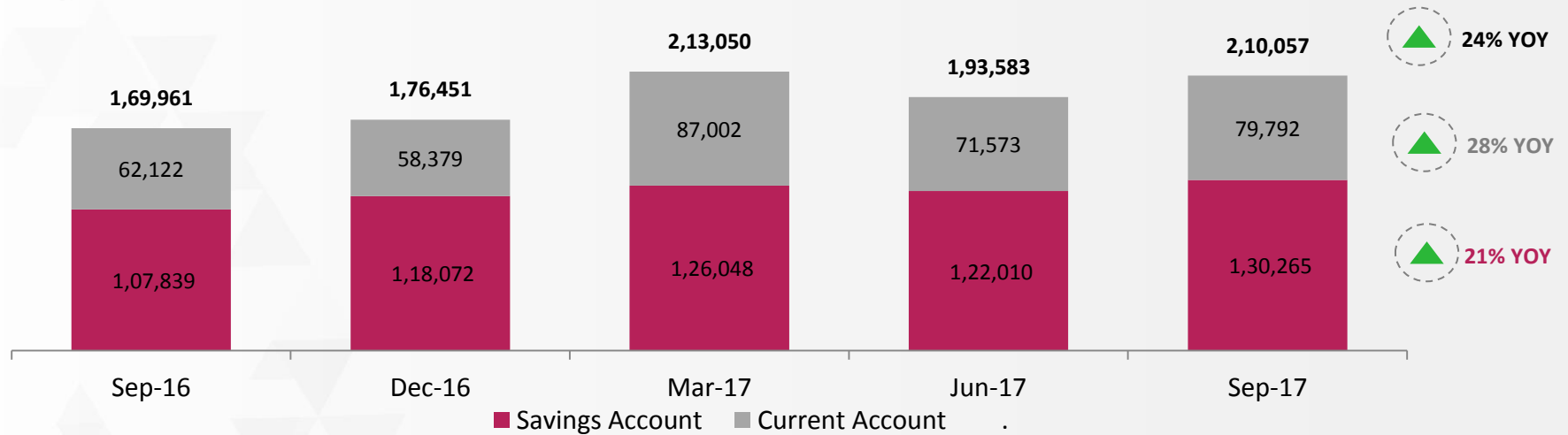
Total Assets



Deposit franchise delivers yet another strong quarter

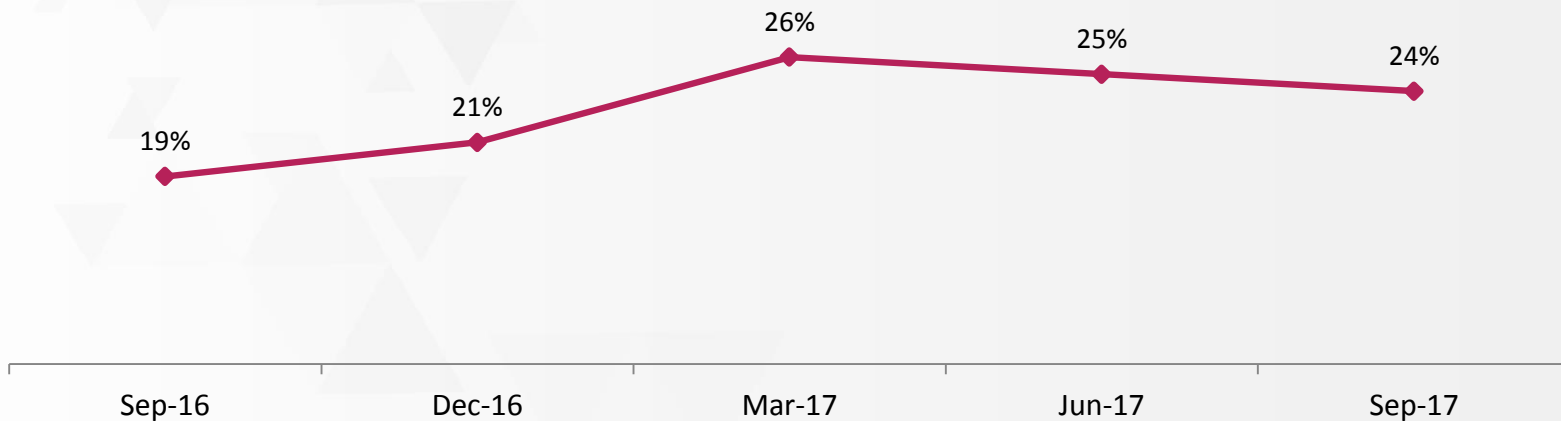
CASA Deposits

All figures in ₹ Crores



Growth in CASA Deposits

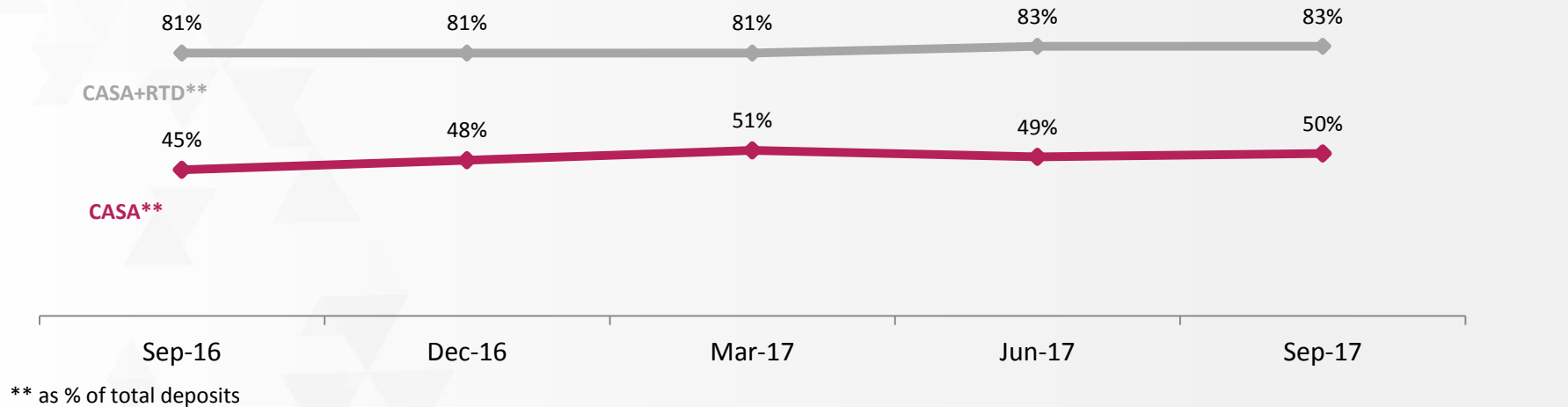
All figures represent YOY growth



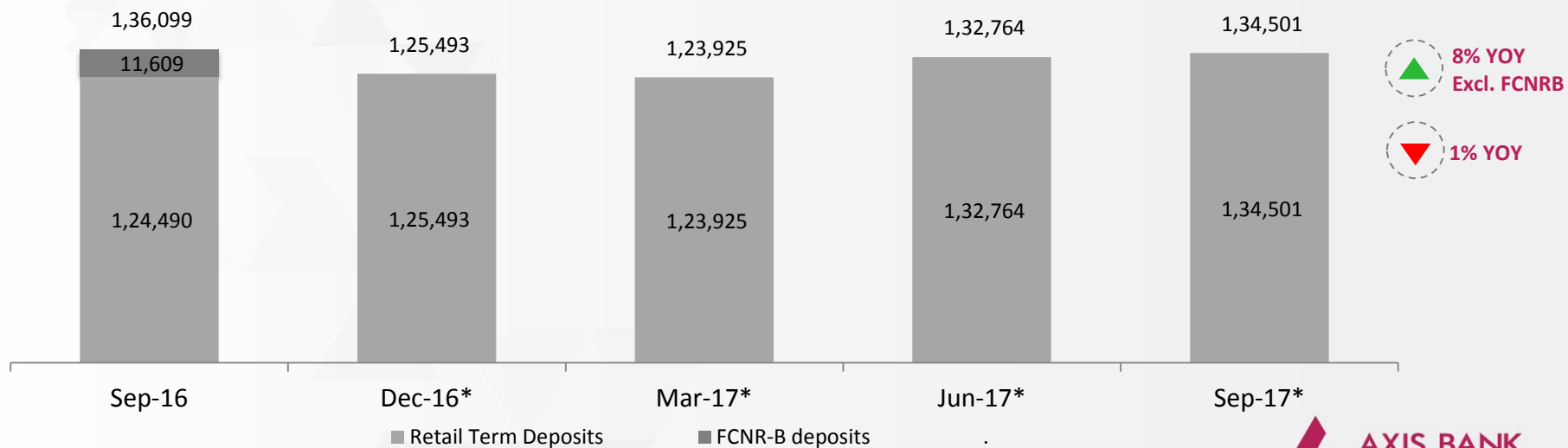
Granular Deposits comprising CASA and Retail Term deposits form 83%

All figures in ₹ Crores

Retail forms dominant share of deposits at the Bank



Retail Term Deposits

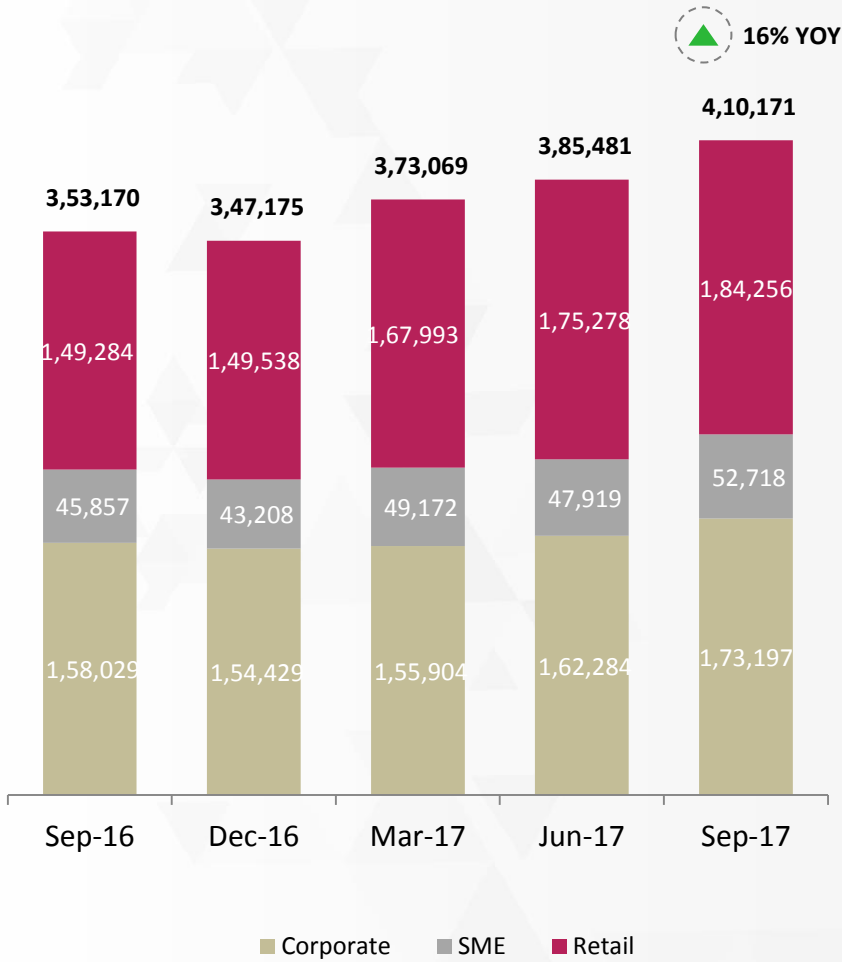


*includes the impact of redemption of FCNR-B deposits

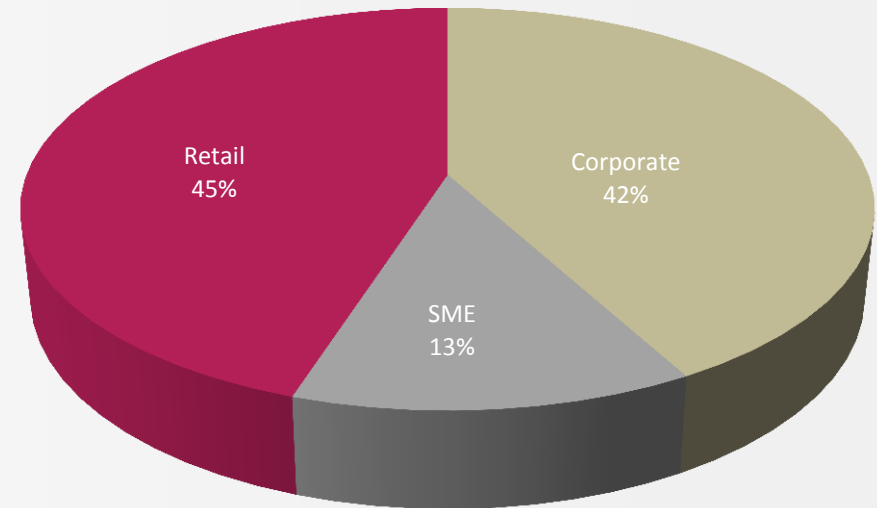
Loan portfolio of the Bank is now dominantly Retail and SME

All figures in ₹ Crores

Total Advances



Loan Mix (As on September 30, 2017)

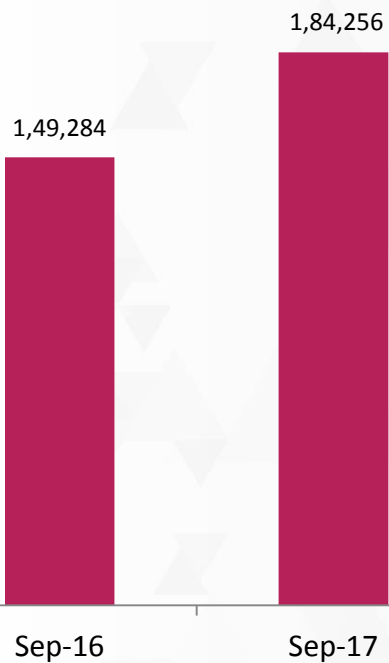


Incremental Loan growth is also being led by Retail and SME

All figures in ₹ Crores

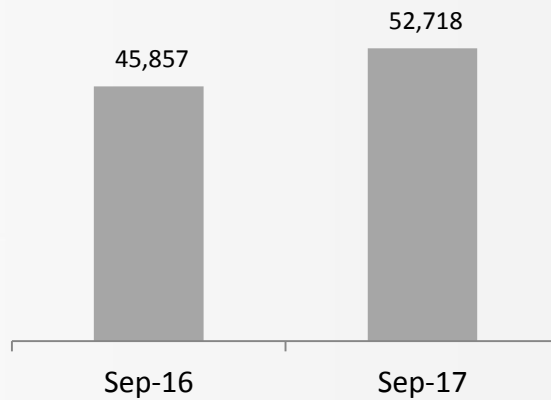
Retail Advances

▲ 23% YOY



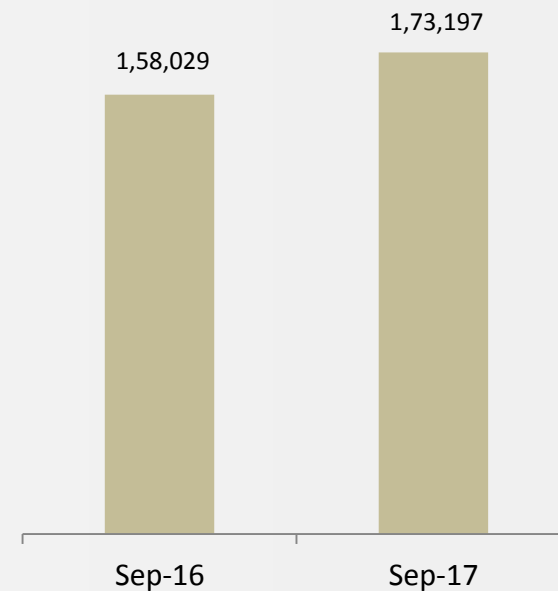
SME Advances

▲ 15% YOY



Corporate Advances

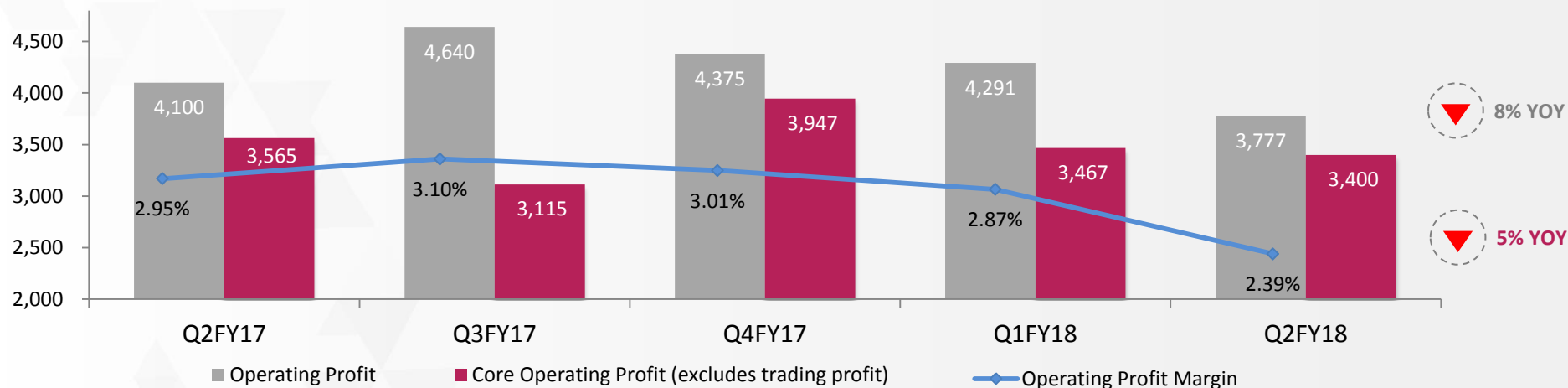
▲ 10% YOY



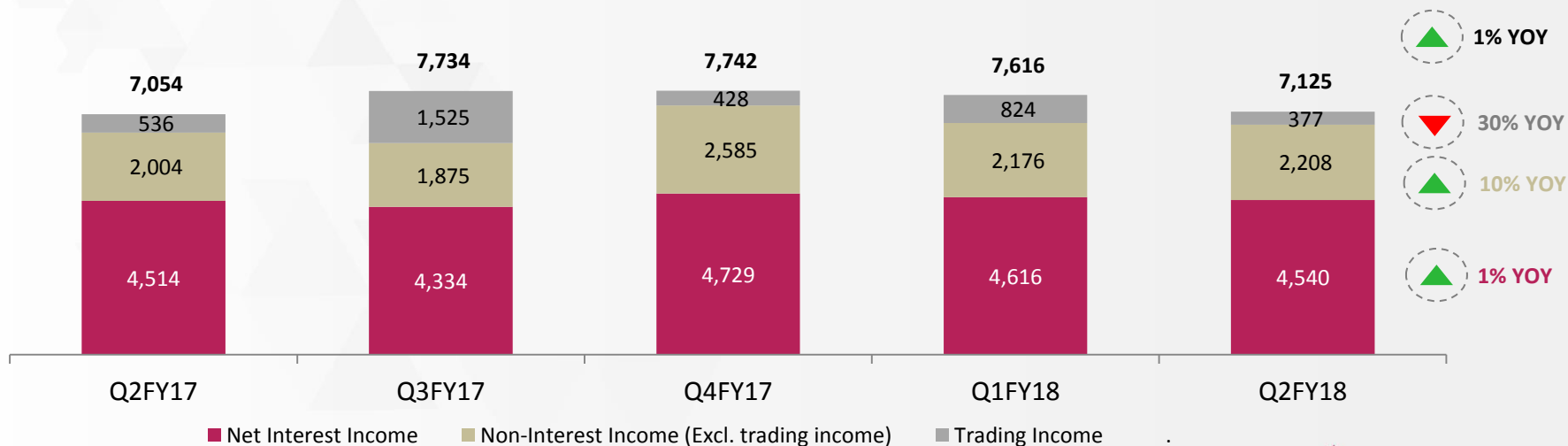
Core Operating Profit engine continues to be steady

All figures in ₹ Crores

Operating Profit and Core Operating Profit

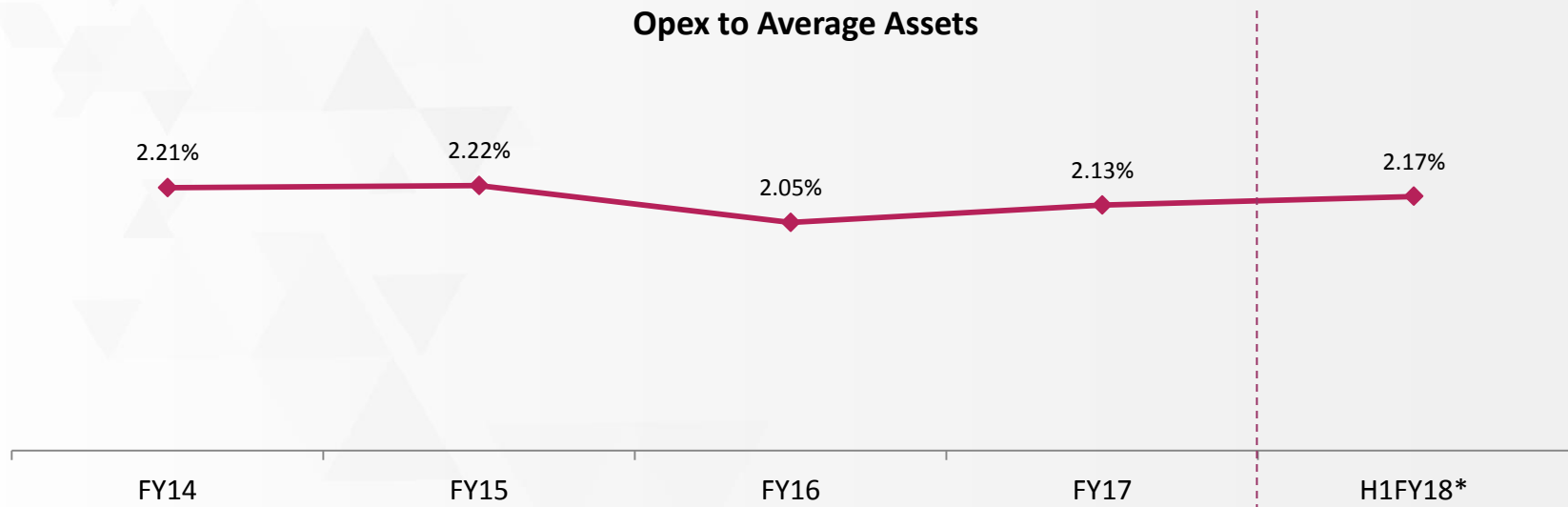
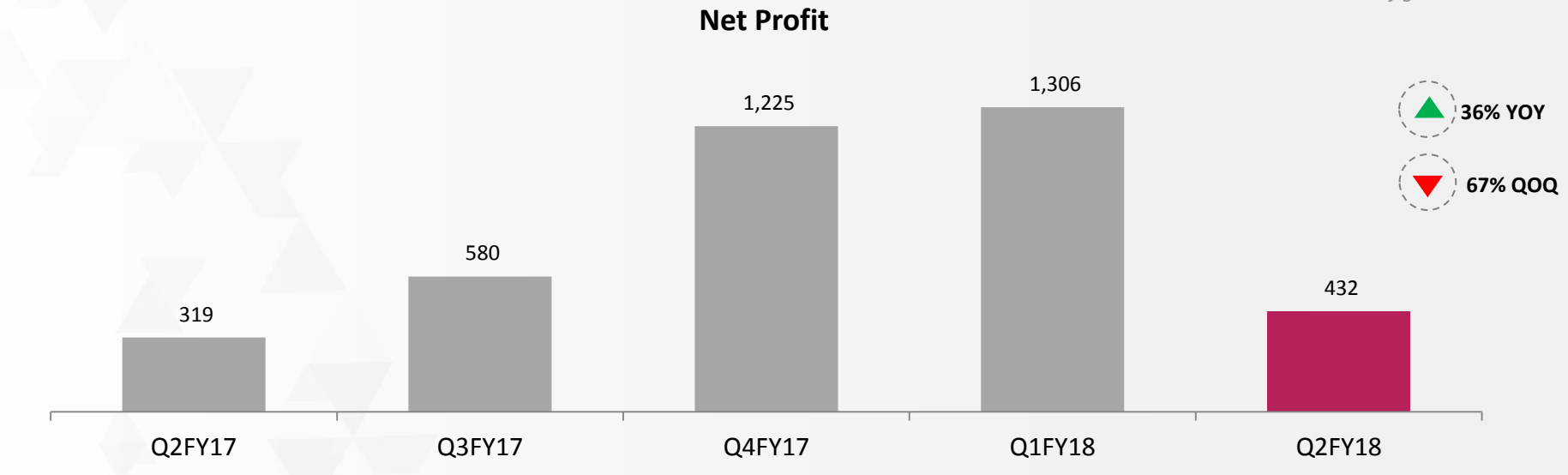


Operating Revenue



Earnings improvement trajectory impacted by one time provisioning requirement

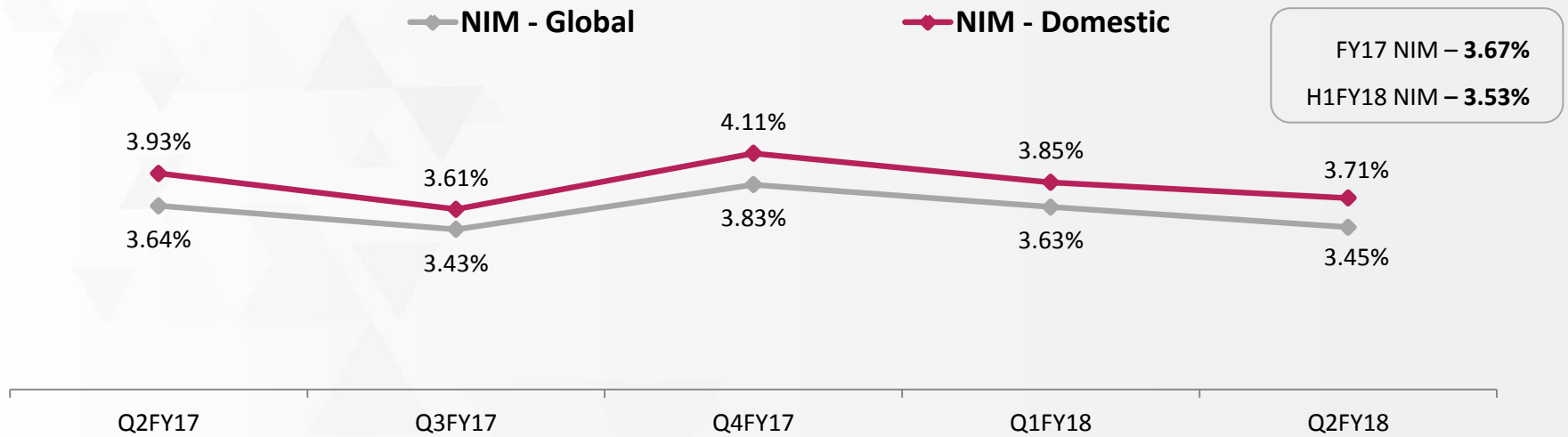
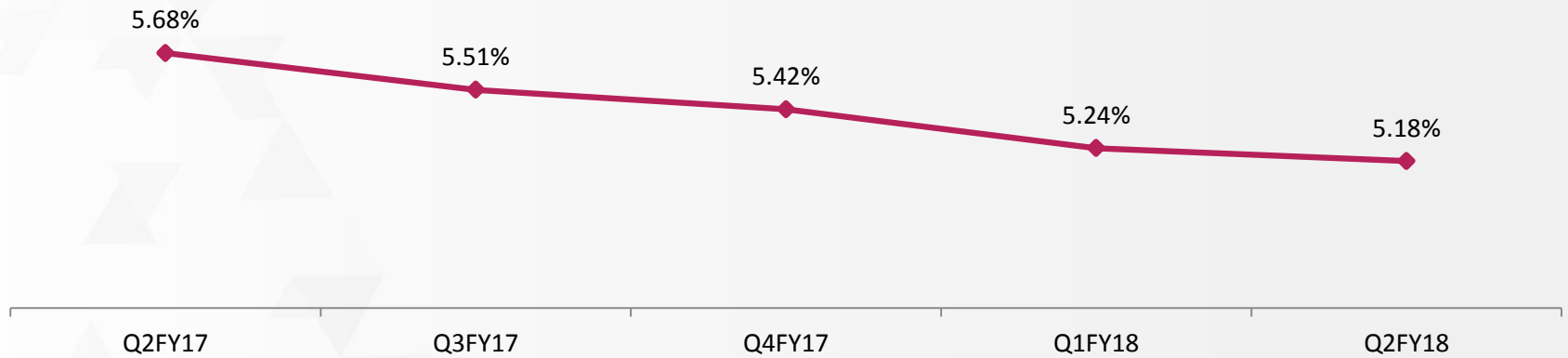
All figures in ₹ Crores



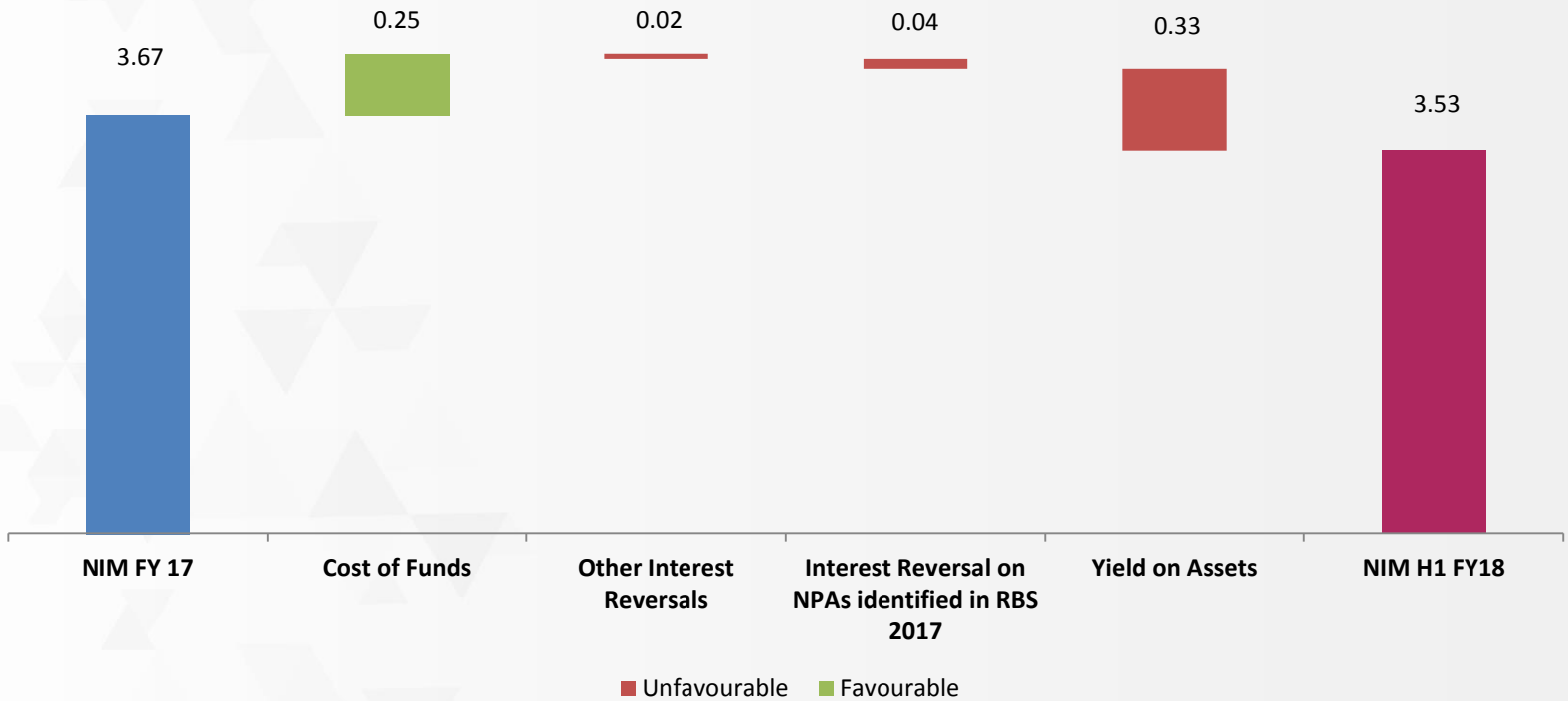
* annualized

NIM has seen moderation during the quarter

Cost of Funds



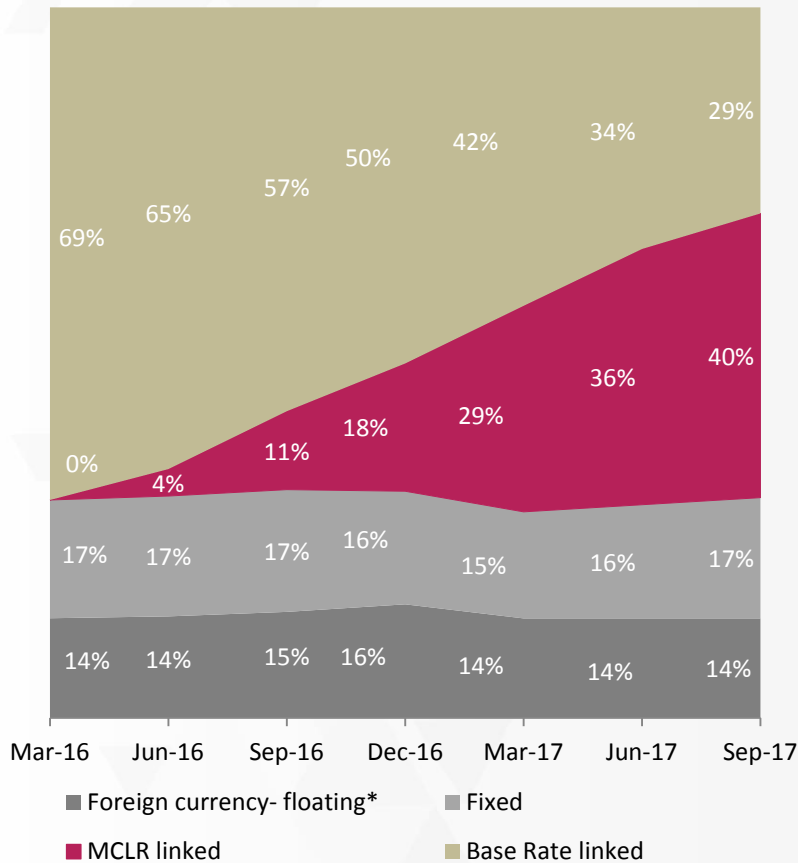
Movement in NIM



The compression in NIM remains in line with our expectations. We reiterate our guidance of moderation in NIM by around 20 bps YOY for FY18.

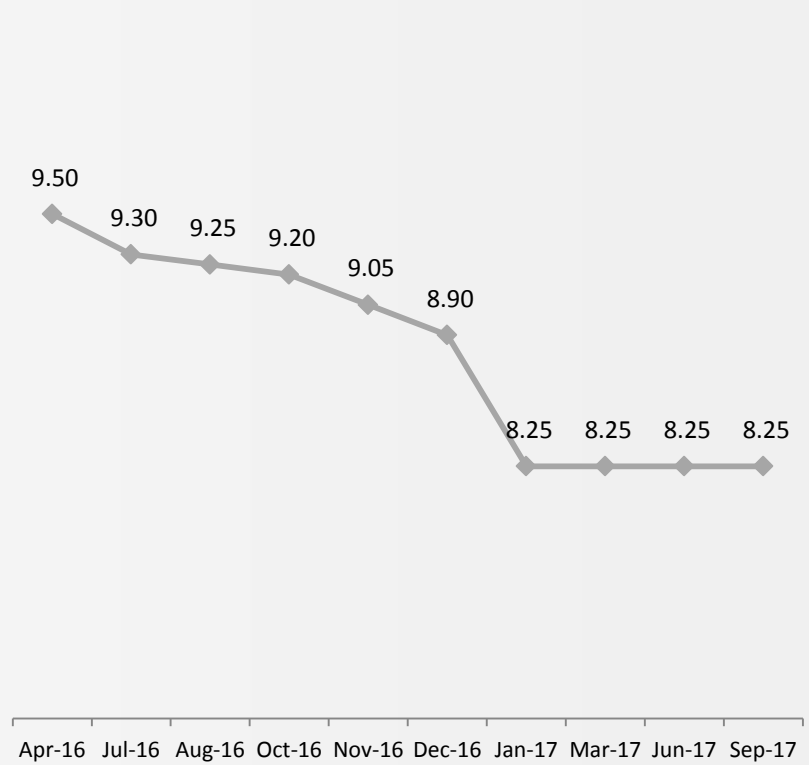
Base Rate linked loans continue to migrate to MCLR

Advances mix by Rate type



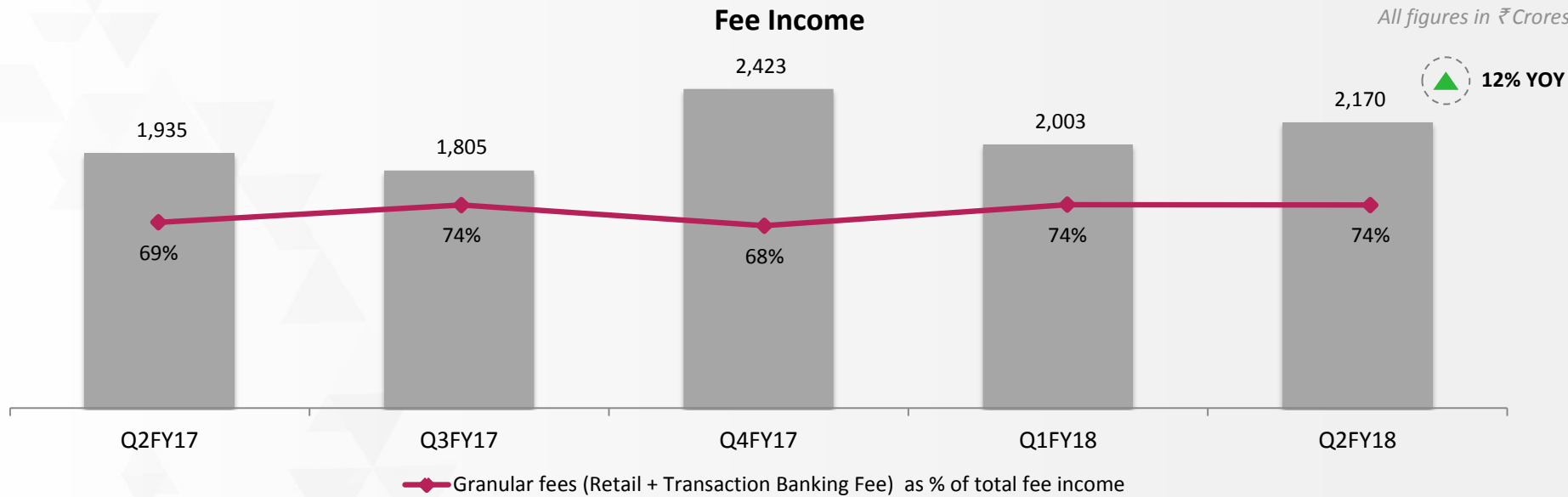
* Libor linked

Trend in 1 year MCLR (%)

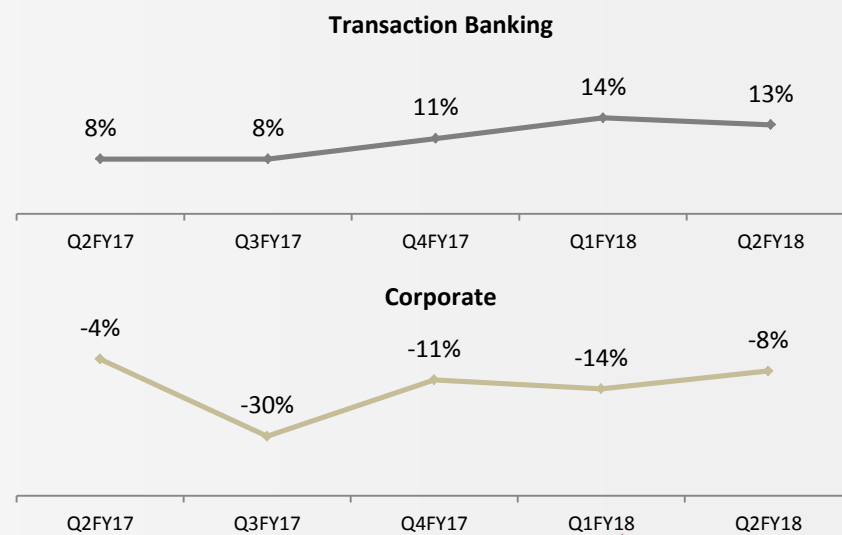
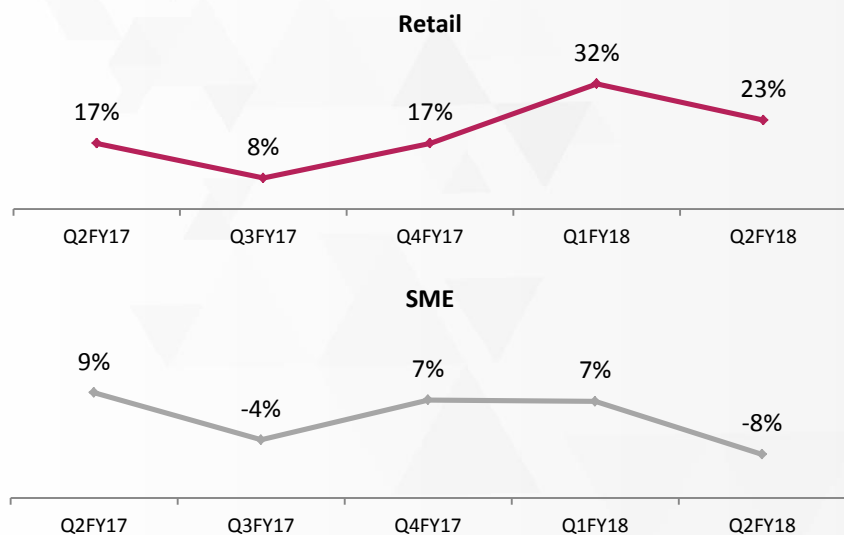


Healthy growth in Fee Income led by Retail and Transaction Banking

All figures in ₹ Crores

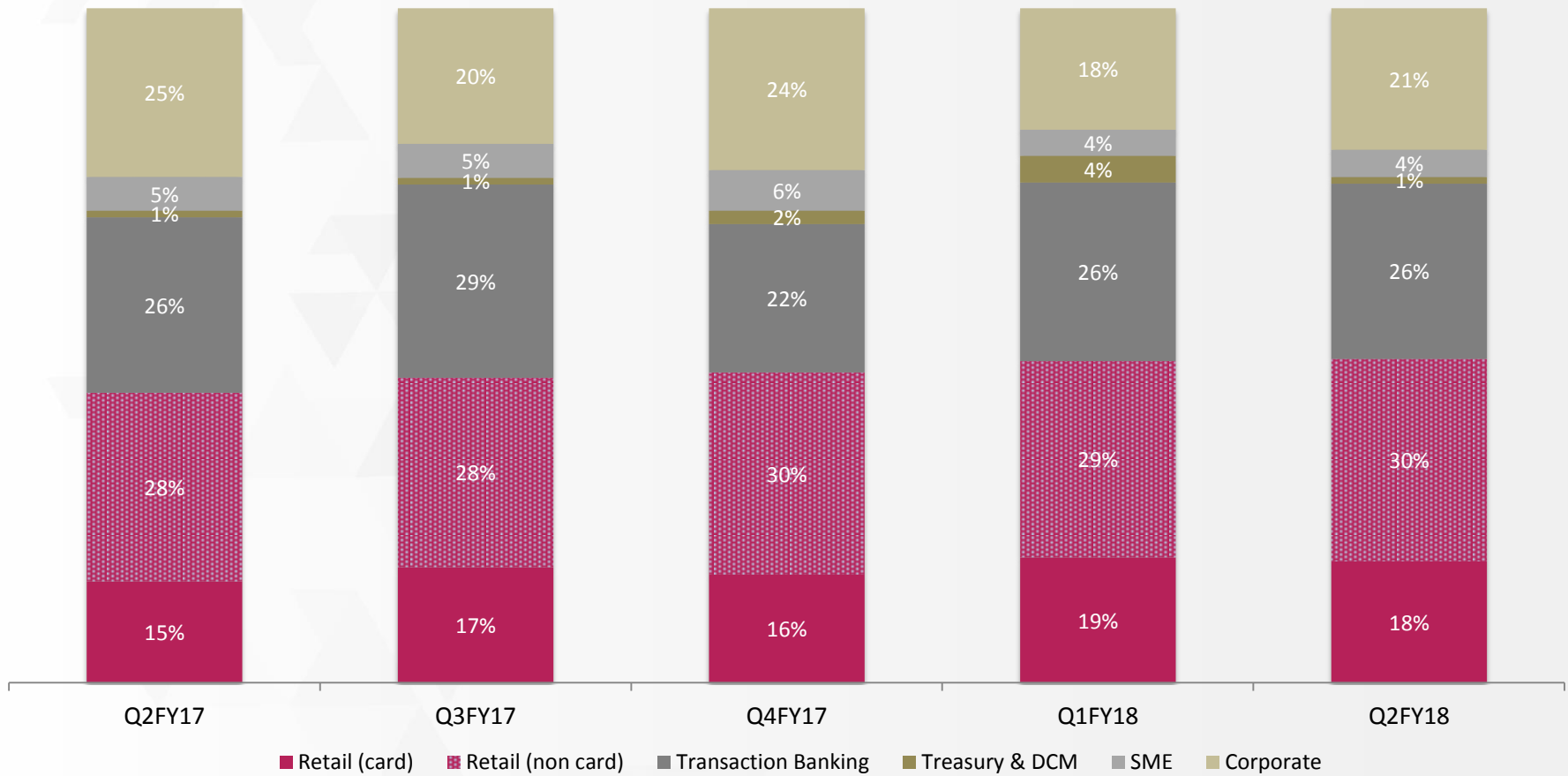


Fee Growth (YOY)



Fee base remains well diversified

Fee Composition



Financial Highlights

Business Segment performance

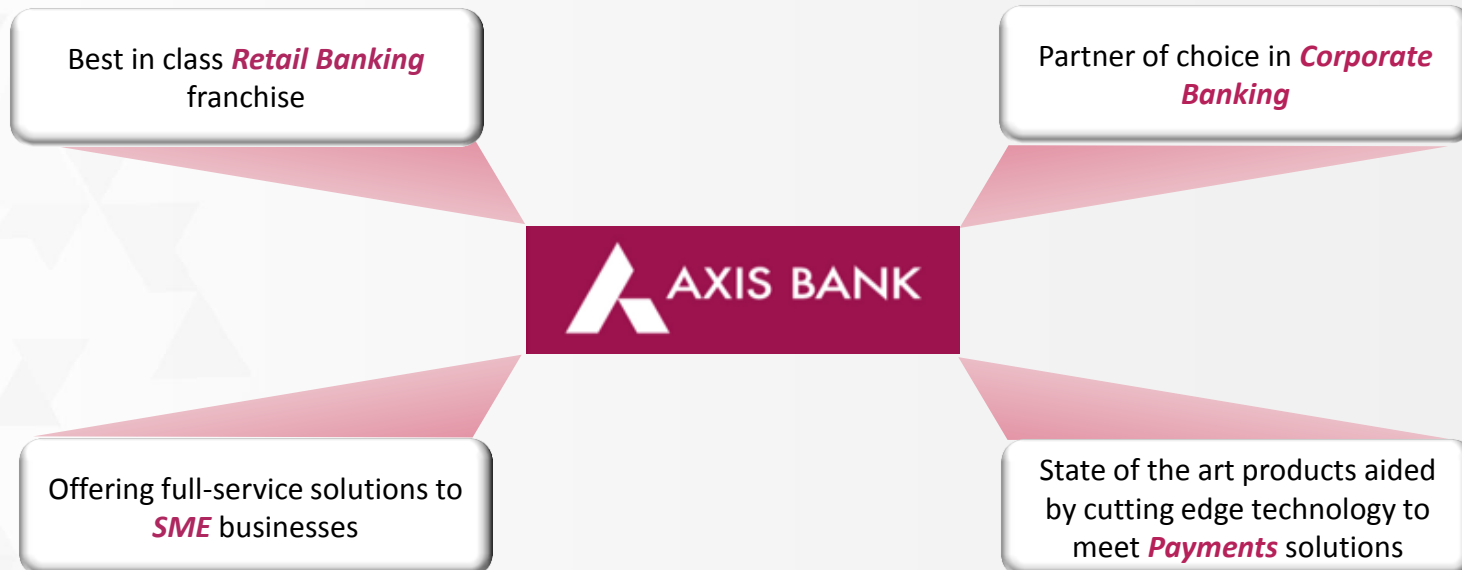
Asset Quality

Shareholder Returns and Capital Position

Subsidiaries' Performance

Other important information

The Bank's strengths revolve around four key themes



...with subsidiaries complementing the strategy



Parent Shareholding

75%

100%

100%

100%



Business Performance – Retail

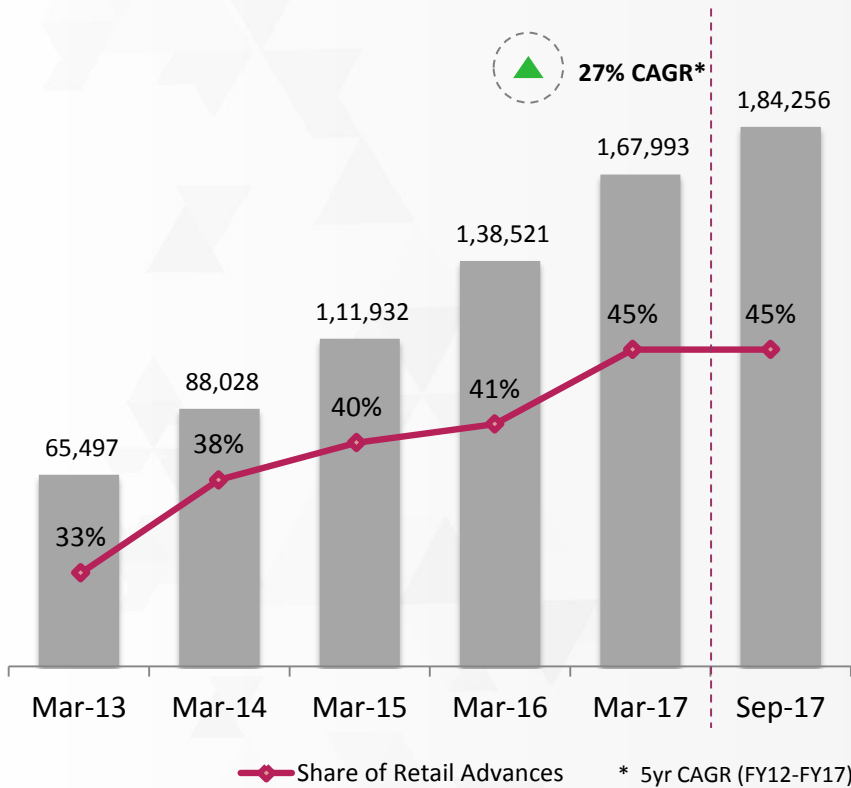
- Retail Lending has shown strong growth with significant diversification in loan mix over time
- Our identified “new growth engines” continue to see disproportionate growth
- Focus on analytics and internal customer sourcing strategy to drive Retail Assets growth
- Granular Retail Fees remains a major revenue driver
- Continue to pursue steady branch expansion strategy with focus on cost optimization
- Axis Bank ranks amongst the most valuable brands in India



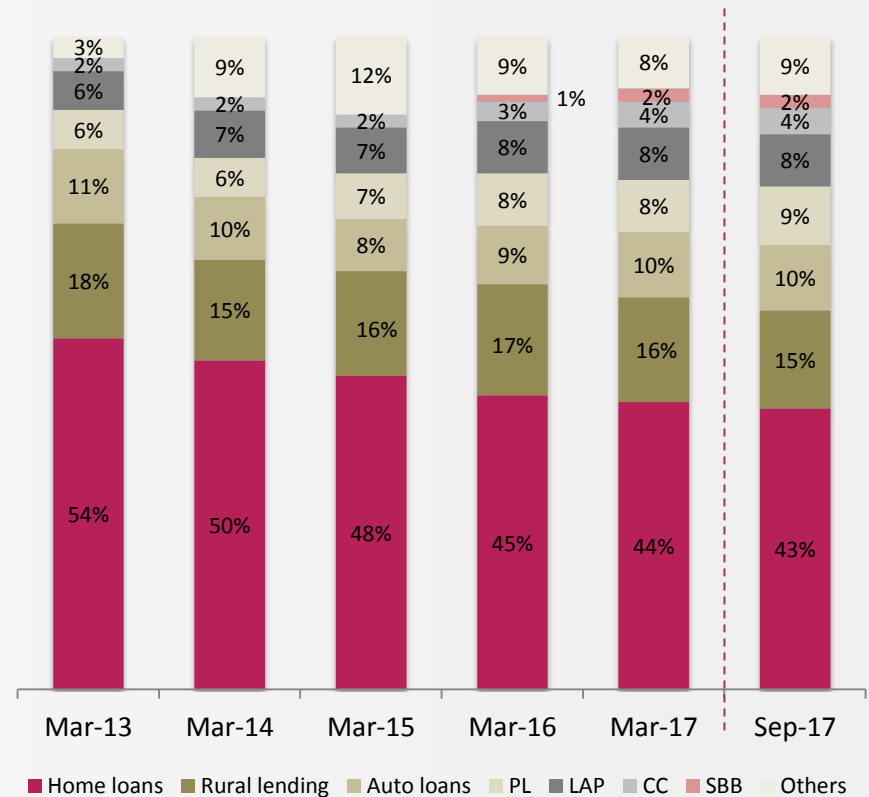
Retail Loans have now become well diversified...

All figures in ₹ Crores

Retail Advances have shown strong growth...



...with significant dispersion in mix over time



- ▲ Superior growth in Retail loan product distribution achieved by deepening business relationships within existing branches, coupled with expansion in new geographies, where the Bank already had seasoned branches.
- ▲ This strategy was augmented by deep data analytics capabilities, used to identify, market to, and underwrite to the most appropriate pockets of our customer base.

PL – Personal Loan, SBB – Small Business Banking, LAP – Loan against Property, CC – Credit Cards



Our identified “new engines” continue to see disproportionate growth

Sourcing Strategy

- 73% of sourcing in Q2 was from existing customers
- 50% of overall sourcing was through Bank branches

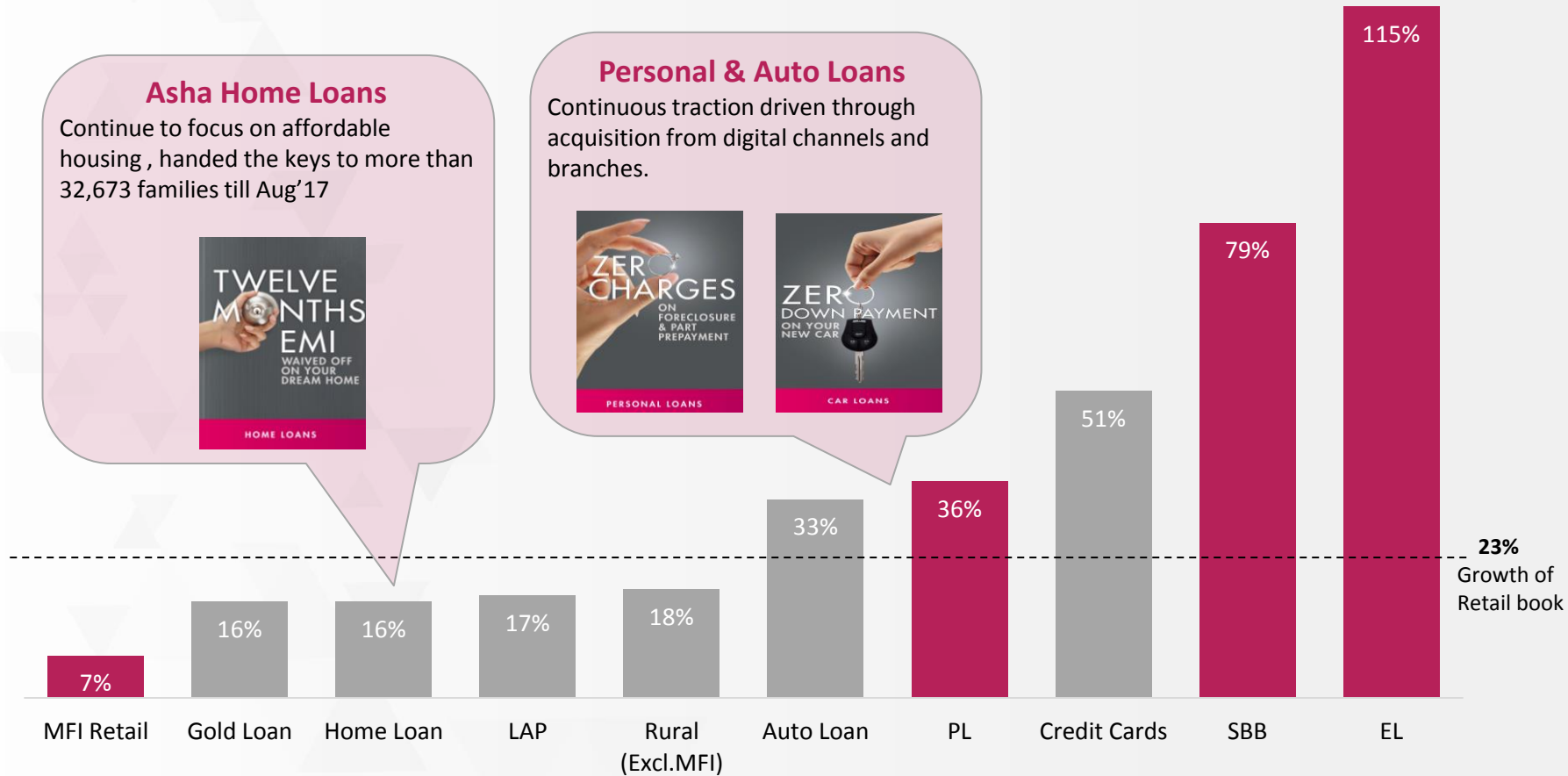
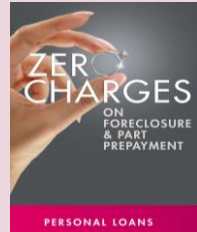
Asha Home Loans

Continue to focus on affordable housing, handed the keys to more than 32,673 families till Aug'17



Personal & Auto Loans

Continuous traction driven through acquisition from digital channels and branches.



MFI- Microfinance Institution, EL – Education Loan, PL – Personal Loan, SBB – Small Business Banking, LAP – Loan Against Property

■ New engines of growth

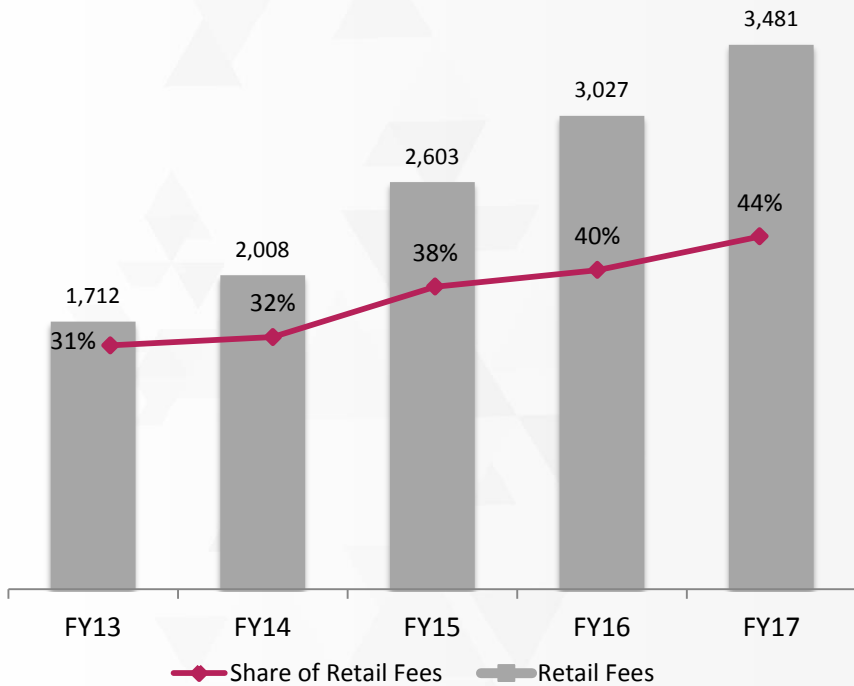


Granular Retail Fees have been a major revenue driver

Retail Fees has shown strong growth

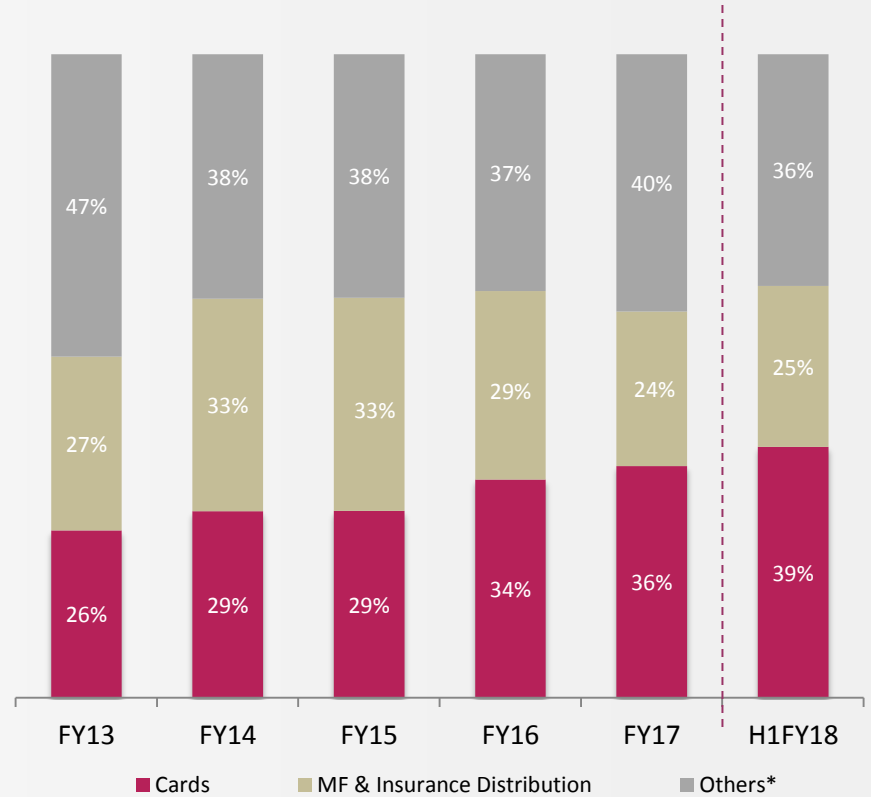
(in ₹ Crores)

▲ 19% CAGR**



** 4yr CAGR (FY13-FY17)

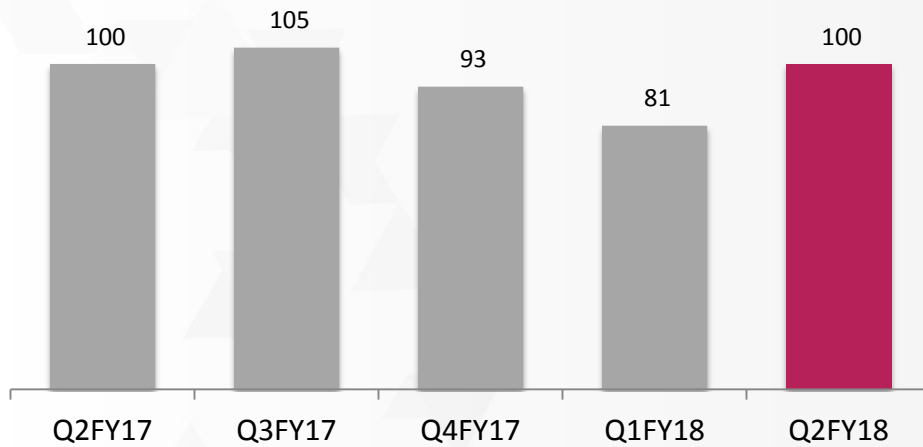
Card Fees has steadily grown over time in Retail Fee Mix



* Includes other retail assets and liability products

Network expansion continues at a steady pace...

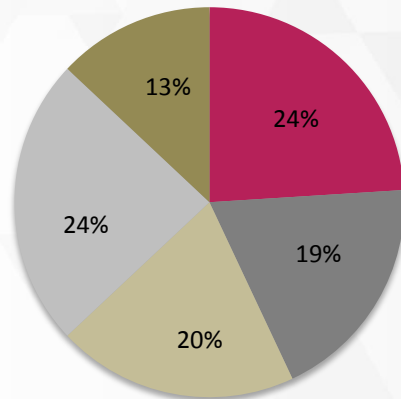
New Branches Opened*



Why are we continuing investment in Branches?

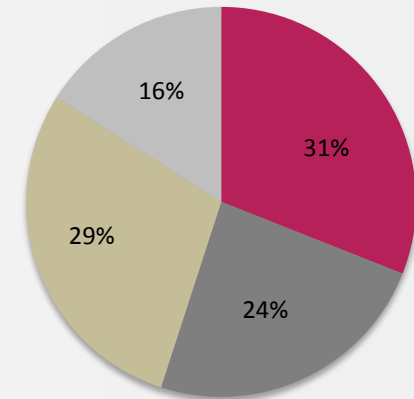
- India continues to be a growth economy
- Deposit growth continues to be led by new to bank customers rather than by deepening share
- Physical distribution continues to be central to new customer acquisition. Transactions and cross-sell continue shifting towards Digital channels.

Very well distributed branch presence across regions and categories



■ North ■ East ■ West ■ South ■ Central
Geographical distribution based on RBI classification

- Our network has been completely organic, built over last 23 years
- Total no of branches* as on 30th September 2017 stood at **3,485**

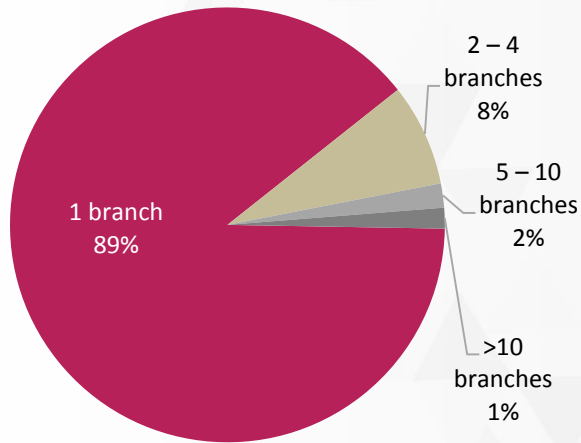


■ Metro ■ Urban ■ Semi-Urban ■ Rural

* Includes extension counters

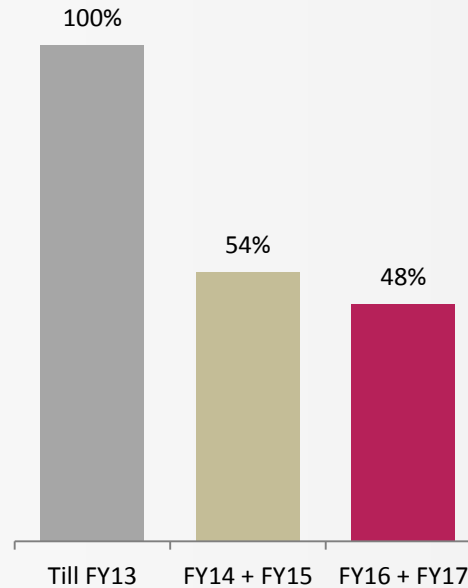
...with focus on cost optimization and productivity

Branches per location



There exists immense potential to improve branch density

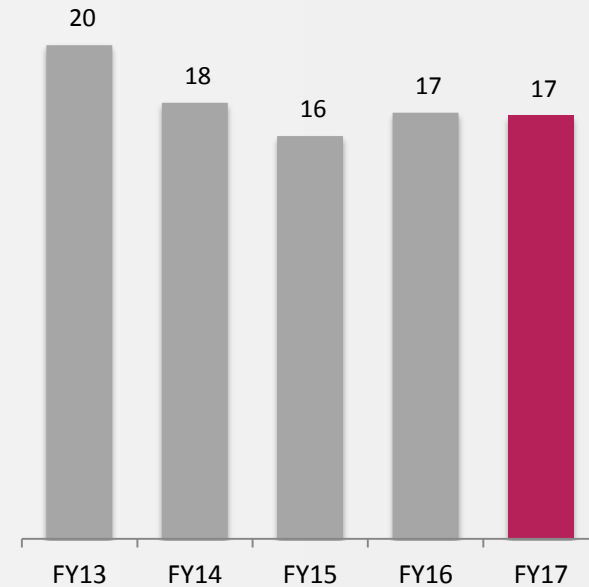
Branch Area trend



Newer branches are smaller in area*

*Branch area indexed to area till FY13, excludes unbanked branches

Employees per branch*



Number of Employees as at end of September 2017 stood at 60,119

* Includes extension counters

We have created a differentiated identity and are amongst the most valuable Brands in India

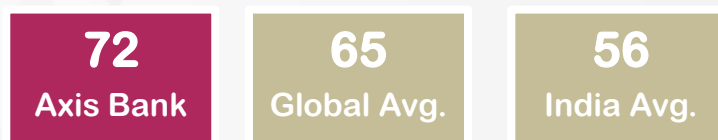
Amongst Top10 most valuable brands in India



CII Awards 2016

- Customer Obsession
- Leveraging digital transformation to deliver superior customer experience

Ranked #2 on Functionality in Forrester's Mobile Banking Benchmark, 2017 (India Banks)



FORRESTER®

Global Ranking 20 in 2017 vs. 37 in 2016

Business Performance - Payments

- Bank has a higher market share in digital and new technology products space
- Our Card issuance business continues to grow and deepen the franchise
- Our Mobile Banking spends continue to report high growth
- Adoption of digital channels and payments continues to remain strong
- Innovation driven unique payment solutions creating host of opportunities for the Bank
- Freecharge acquisition will help us leapfrog our digital journey by multiple years

We have strong market position across Digital Payment Solutions

Axis Bank Market Standing Across Products

Product	Credit Cards ¹	Debit Cards ²	Mobile Banking ³	Point of Sale Terminals	Forex Cards	Savings Accounts
Market share	11%	7%	17%	16%	44%	4%
Ranking	4 th	4 th	2 nd	2 nd	1 st	8 th

Source: RBI, Internal Data

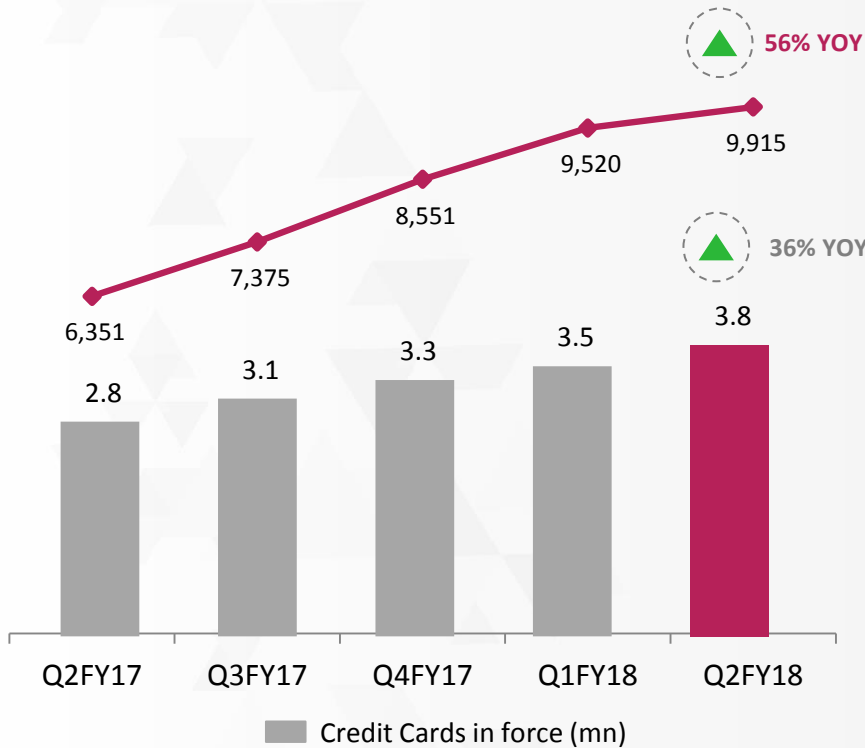
1- based on cards issued; 2 – based on card spends at point of sale terminals ; 3 – based on value (RBI July 2017 data)

Savings Accounts data is based on RBI figures as on 31 March 2017

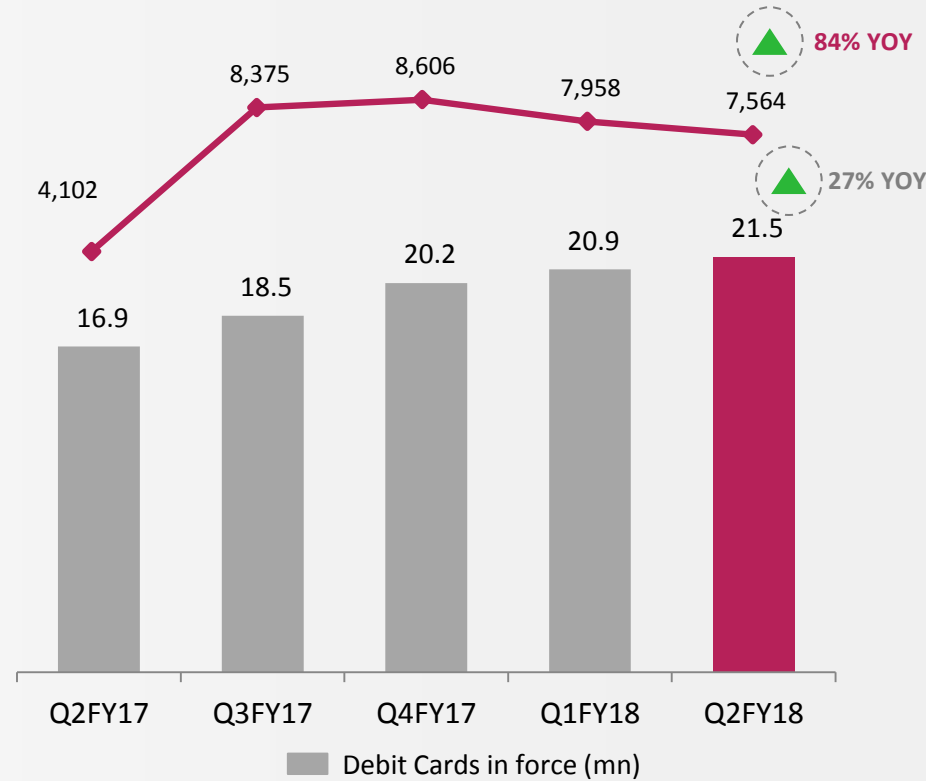
Card Spends continue to show strong growth

All figures in ₹ Crores

Trends in Spends for Credit Cards in force



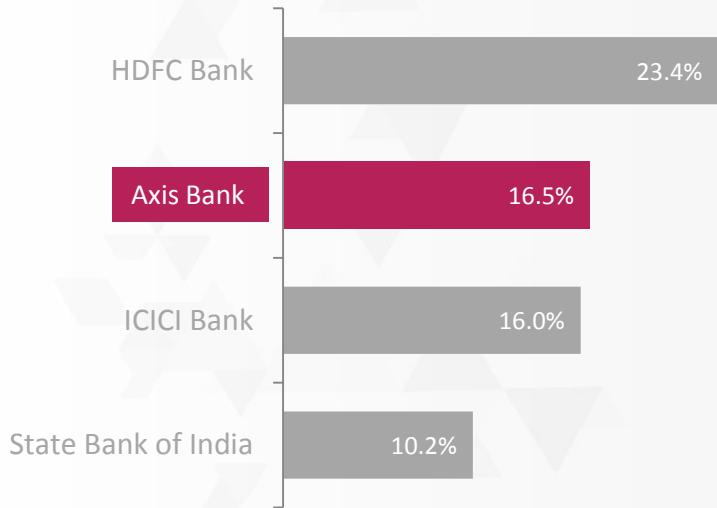
Trends in Spends for Debit Cards in force



Debit Cards spends saw demonetization-led boost in Q3FY17

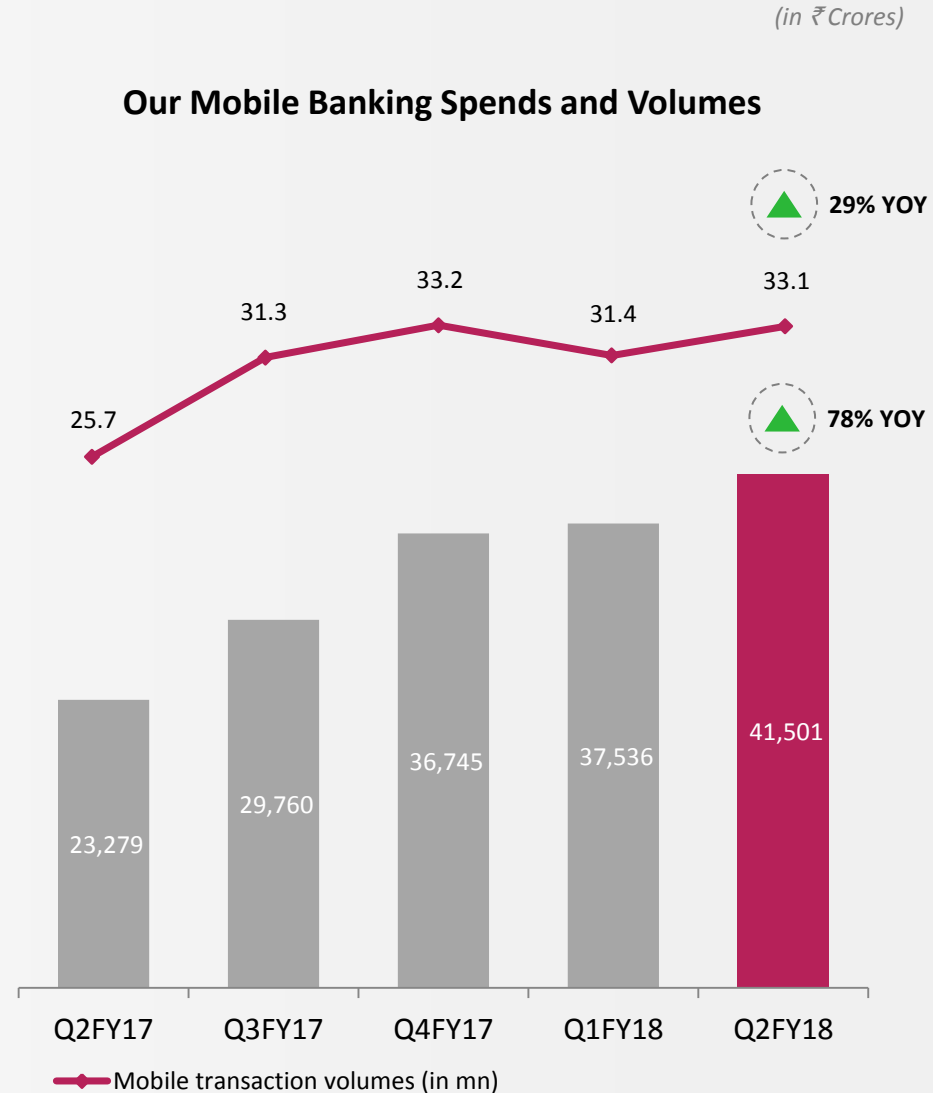
We are ranked #2 in mobile spends market share

Market Share in Mobile Banking (by Value)

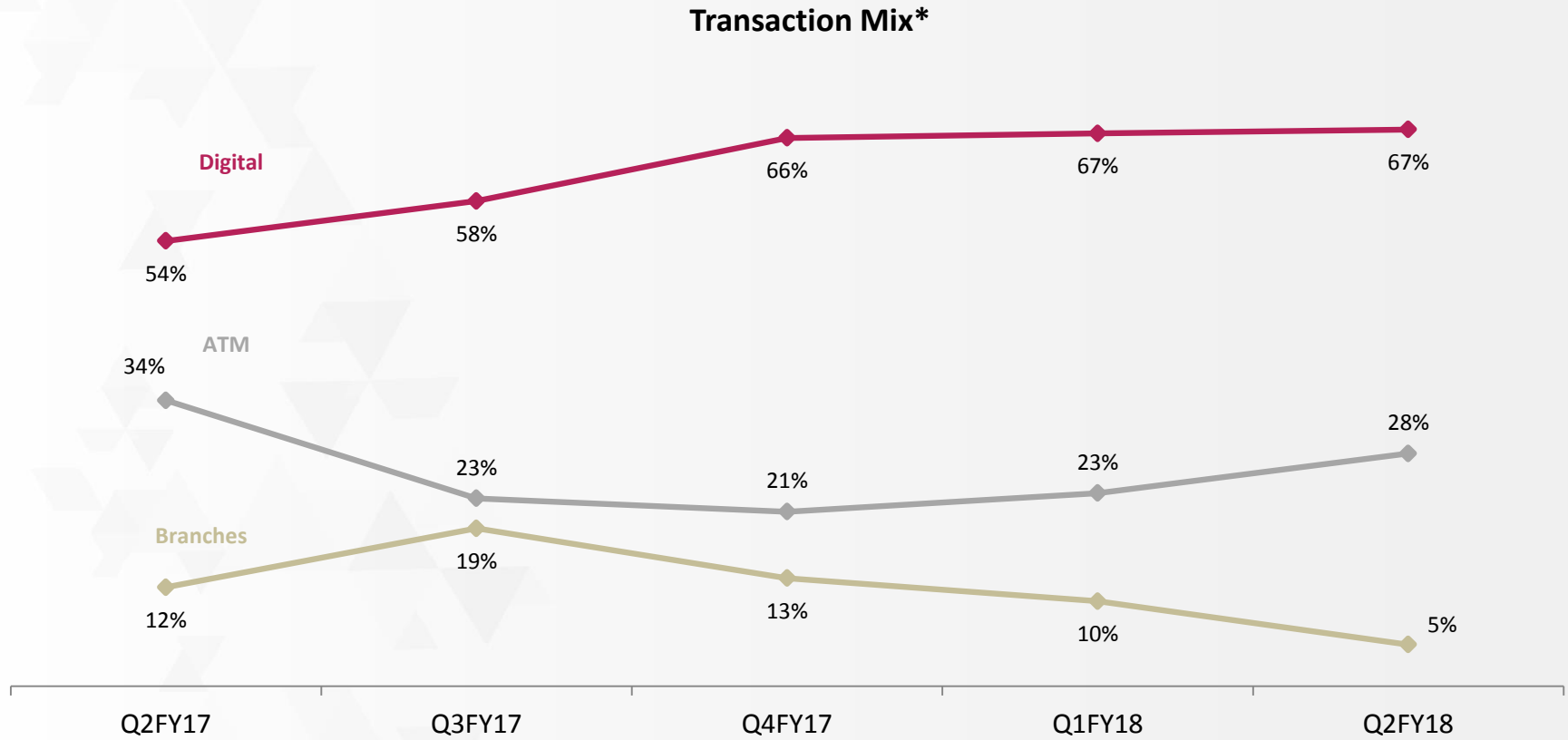


Source: RBI data for July 2017

Our Mobile Banking Spends and Volumes



Adoption of digital channels remains robust



* Based on all financial transactions by individual customers

Digital penetration has been strong

(Volumes in Million)



60% of Bank active customers are Digitally active

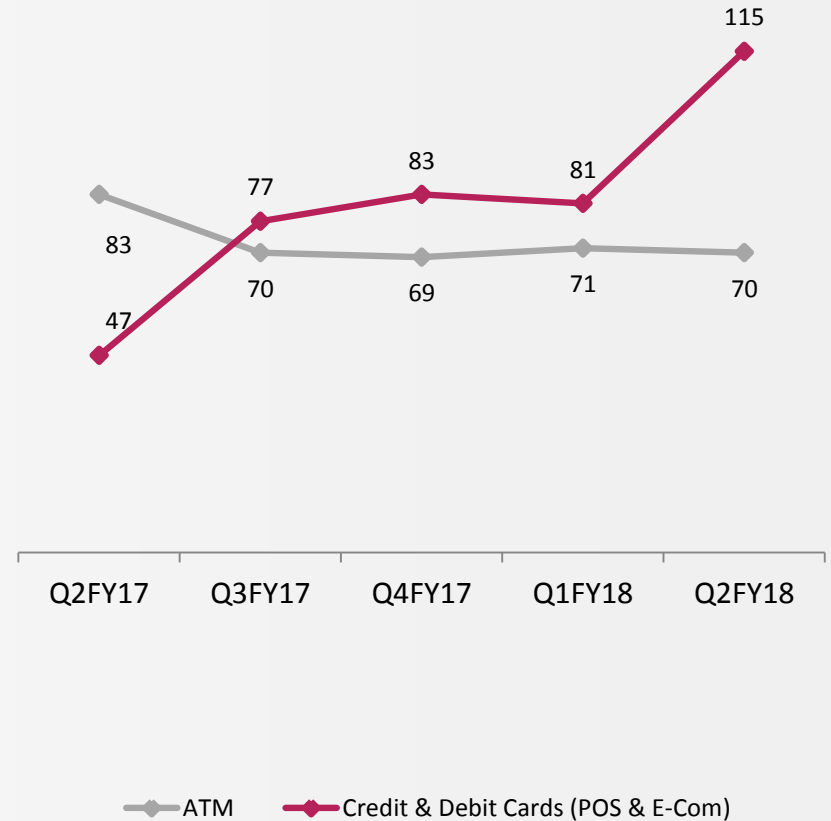


40% of Mobile Banking customers bank only on Mobile App



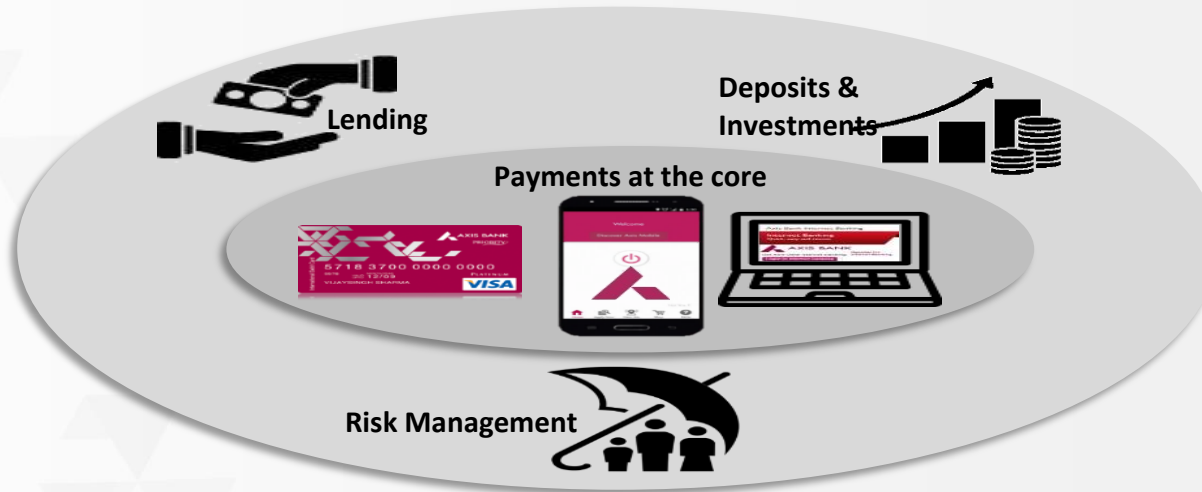
Mobile Banking logins stand at **4.3 times** of Internet Banking logins

Digital transactions continue to outpace ATM transactions



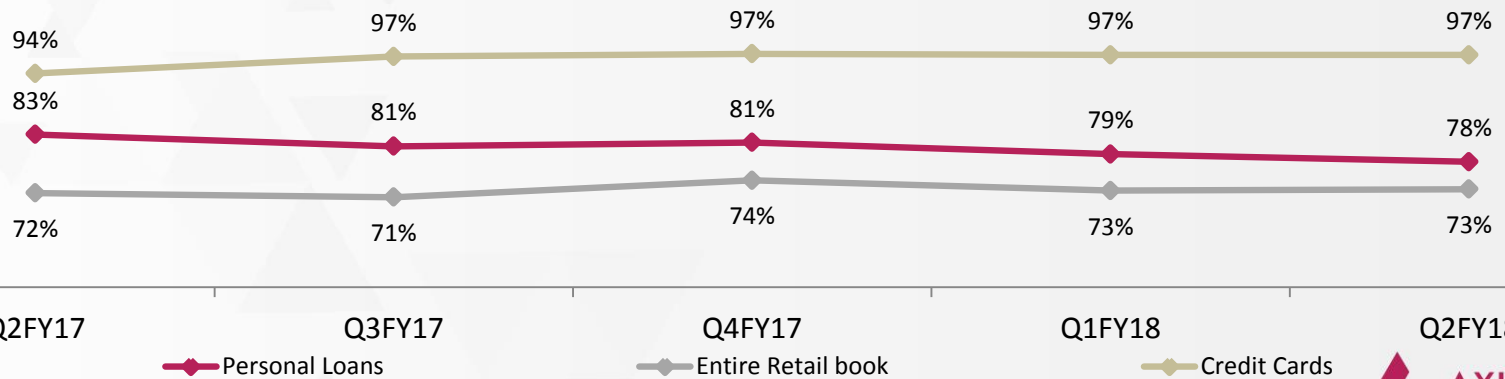
Investments in analytics have helped build and sustain this strong position

Analytics on Payment data has enabled cross-selling of financial and investment products



Cross-sell metrics remain healthy aided by big data led analytics of the known retail customer base

Sourcing from internal customers



We are leveraging UPI to attract non-Axis Bank customers and broadbase payments

Unified Payments Interface (UPI)...

India's innovation to the Payments world

Is for

Any Banked Customer

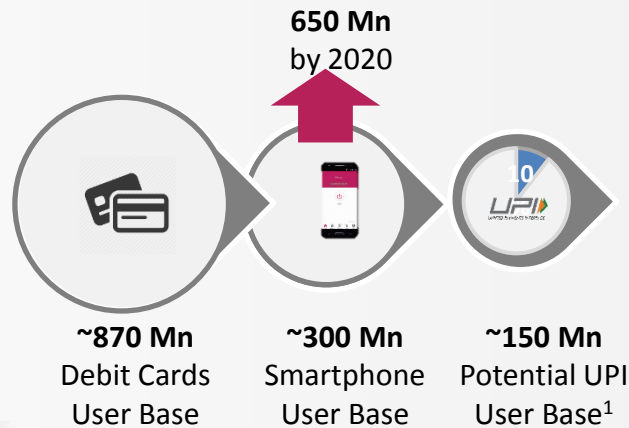


With a Smartphone

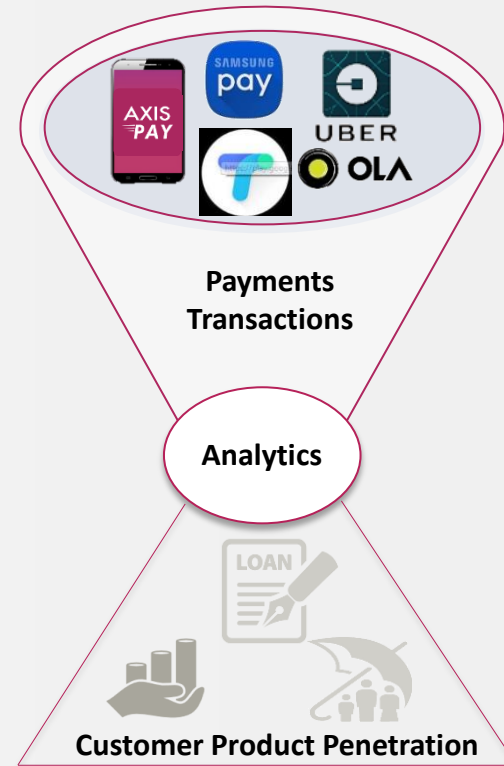


With a Unique Identifier:
As simple as an email address (Example: ajay@axisbank)

...Is a huge opportunity



For Axis Bank



Axis Bank's Progress So Far

1

Over 4.4 Million registered base

2

Over 3 Million transactions

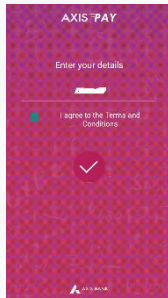
3

Over 600 merchants on boarded

¹) Assumption 50% of Smartphone base

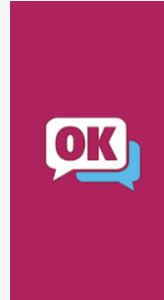
The Bank has introduced some unique payment solutions

Axis PayUPI



- Partnered with Google, Uber, Ola, Samsung
- 2.1 mn VPAs across apps
- 1.1 mn UPI transactions across apps till date

Axis OK



- No internet connectivity required
- Available in 6 languages
- Get balance and recharge

Samsung Pay



- Enabled for Credit & Debit Card across Visa & Master Card
- 93,000+ registered cards in 7 months
- Users added close to 0.4 million bank accounts using @pingpay VPA

KMRL Axis Bank 'Kochi1' Card



- Automated Fare Collection system
- 1st time "open loop" smart cards used in metro

Axis Bank BMTC Smart Card



- India's first prepaid transit card with shopping at over 1.3 million merchant outlets
- Over 123,000 cards issued till date

FASTag

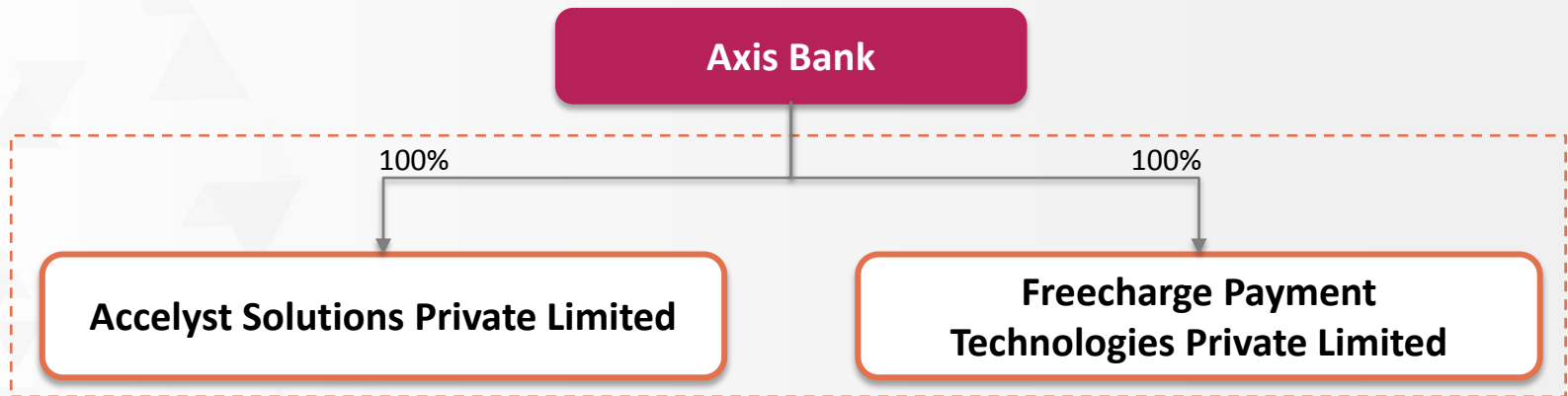


- Electronic toll collection program
- Implementing in over 350 toll plazas



Freecharge joins the Axis family

- Pursuant to RBI approval, the Bank completed acquisition of 100% stake in Freecharge on 6th Oct'17



- Mr. Sangram Singh (Head - Cards and Payments, Axis Bank) has been appointed the CEO of Freecharge
- The two entities would be merged into a single subsidiary of the Bank

Freecharge helps us augment our digital capabilities and execution capacity



More than 2x Customer Base



Popular Digital-only Brand



High Frequency Use-cases



World Class Team with a start-up mind-set



Digital Distribution



100% API based Technology Stack

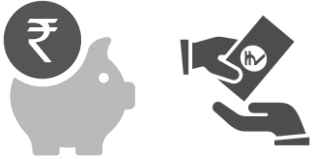
Through Freecharge, we intend to....



Leverage Payments as a Hook (UPI, QR etc)



Target digitally-native, mobile-first SA customers



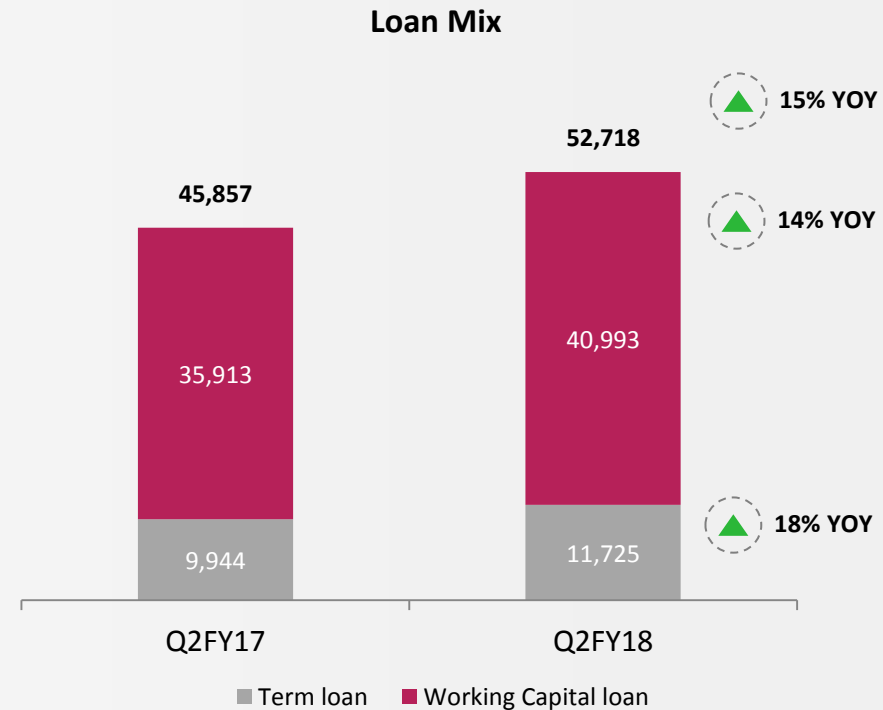
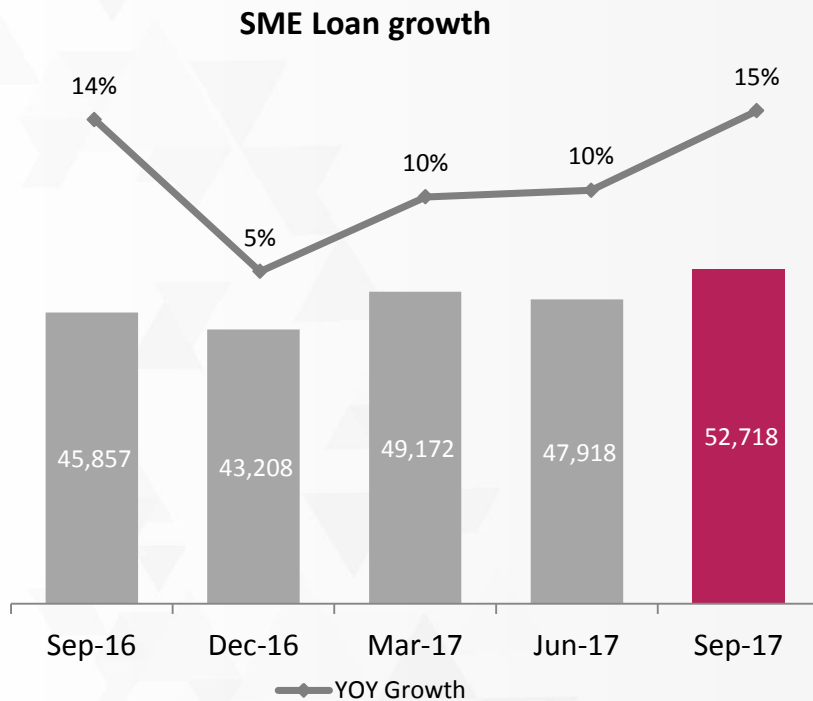
Source and service loans (PL, Cards, Consumer Loans) digitally

Business Performance - SME

- SME loan growth has seen strong rebound
- Focus remains on building a quality SME Book

SME segment has seen strong rebound in growth

All figures in ₹ Crores

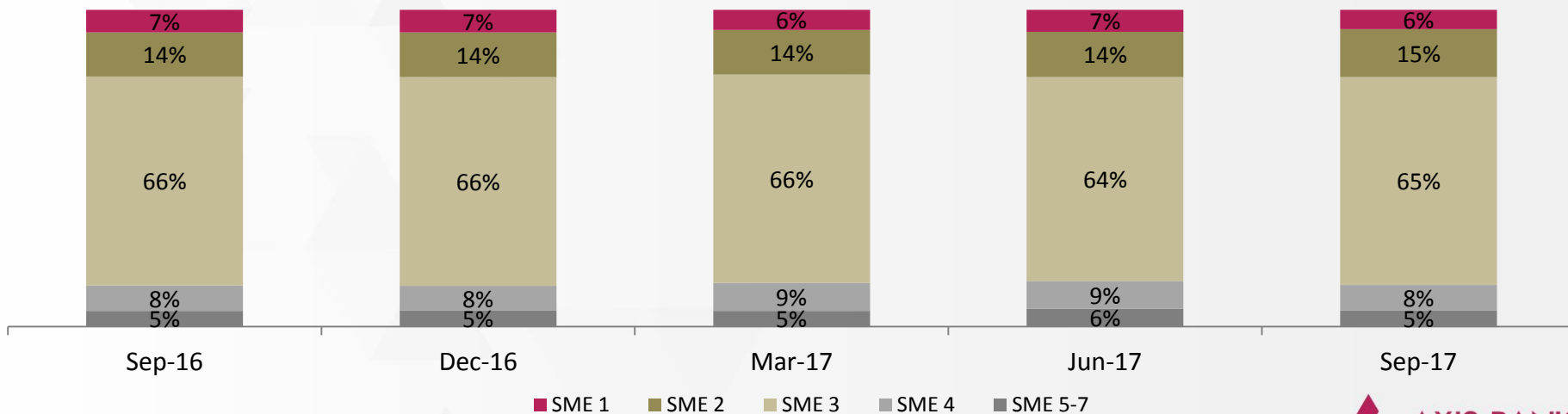


- Our SME business is divided into 3 business verticals: Medium Enterprises Group (MEG), Small Enterprises Group (SEG) and Supply Chain Finance (SCF)
- The Bank extends Working Capital, Term Loan, Trade Finance, Bill / Invoice Discounting and Project Finance facilities to SMEs.

Focus has been to drive growth while we ensure quality of the book

- Our SME segment continues to focus towards lending to the Priority sector.
- The Bank's SME Awards event "SME 100" acknowledges the best performers in the SME segment. It is aligned with the Government's Make in India, Skill India and Digital India initiatives.
- GST will benefit the SME sector as it will improve transparency significantly which will further help in better risk evaluation and loan pricing.
- We have launched our digital invoice discounting platform for MSMEs called Invoicemart.

87% of SME exposure* have rating of at least 'SME3'



* Only includes standard exposure

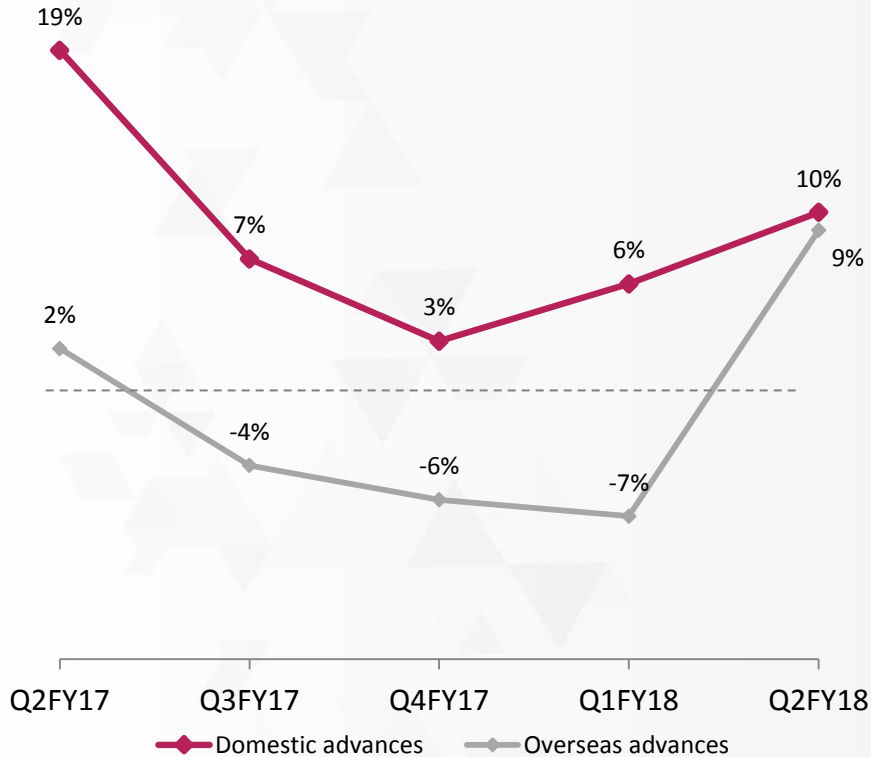
Business Performance - Corporate

- Rebound in Corporate loan growth driven by domestic working capital loans
- Continued increase in share of transaction banking revenues
- Significant reduction in concentration risk with incremental sanctions to better rated corporates

Corporate loan growth driven by Working Capital loans...

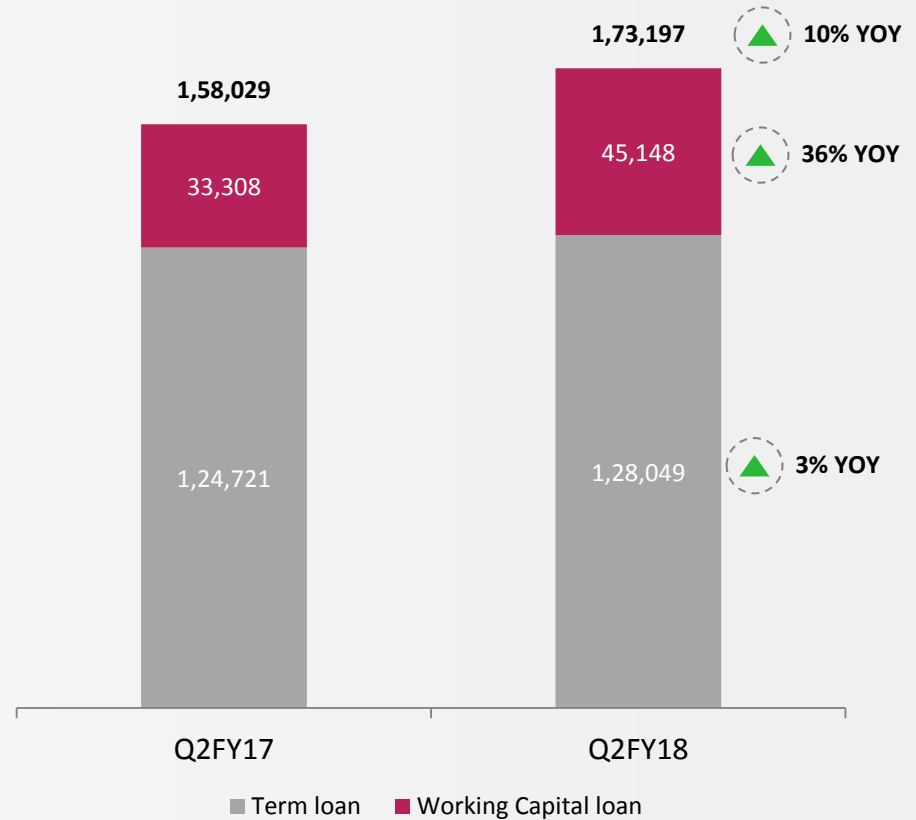
All figures in ₹ Crores

Trend in domestic and overseas corporate loan growth



Overseas loan growth in Q2 has been driven by higher disbursements to marquee domestic financial institutions

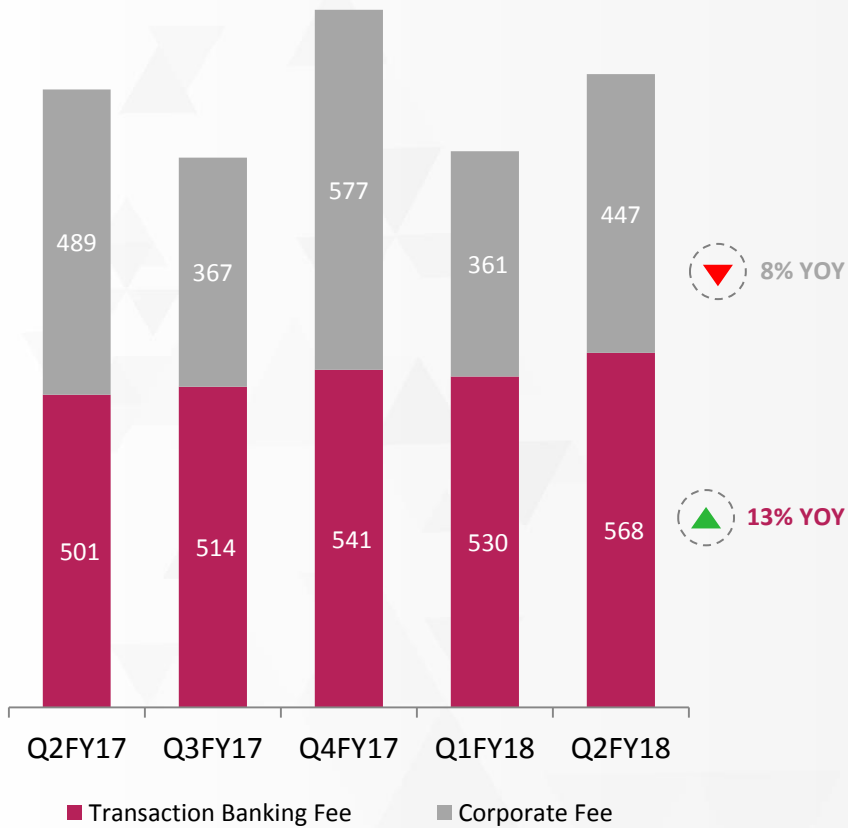
Working Capital loan growth has been strong



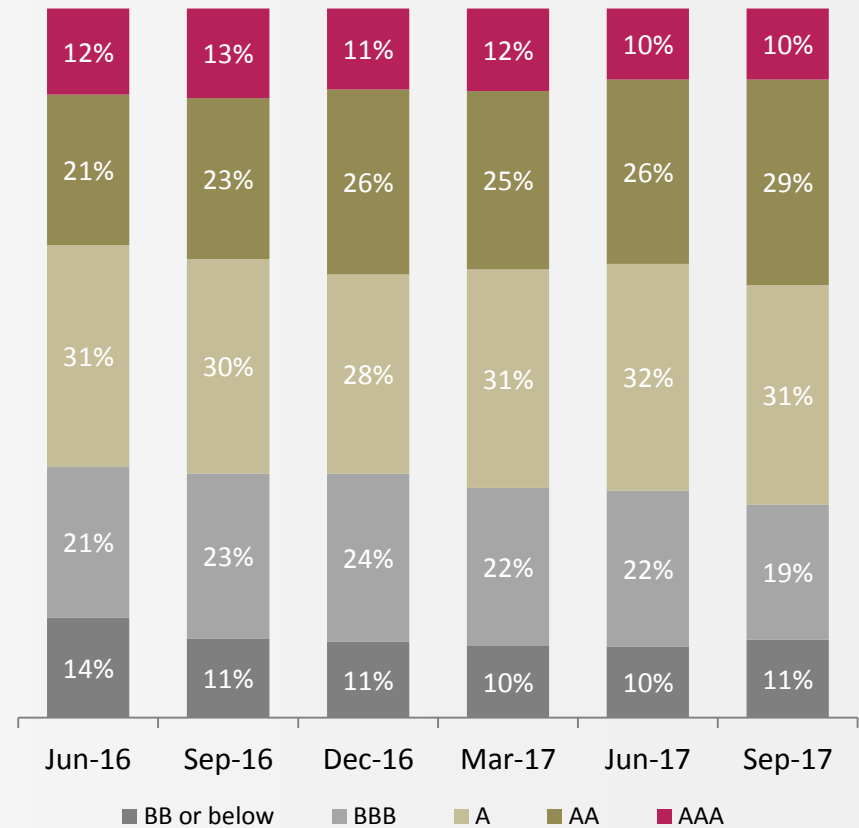
...resulting in higher transaction based business to better rated corporates

All figures in ₹ Crores

Steady growth in Transaction Banking fees



70% of corporate exposure* have rating of at least 'A'



* Only includes standard exposure

Corporate loan book is now of much better quality with reduced concentration risk

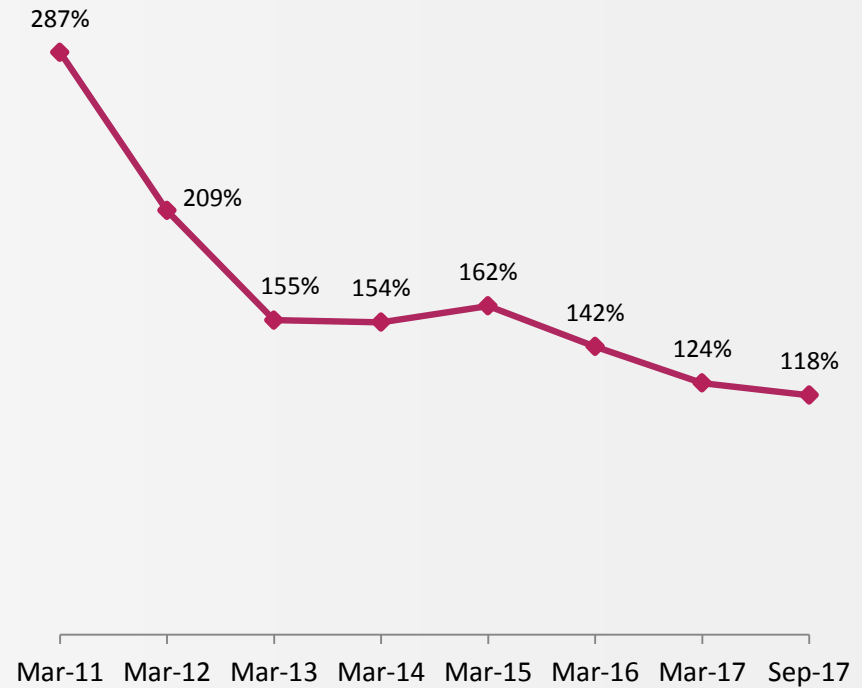
Incremental sanctions have been to better rated corporates

Percentage of sanctions rated A- & above



Concentration Risk is reducing

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

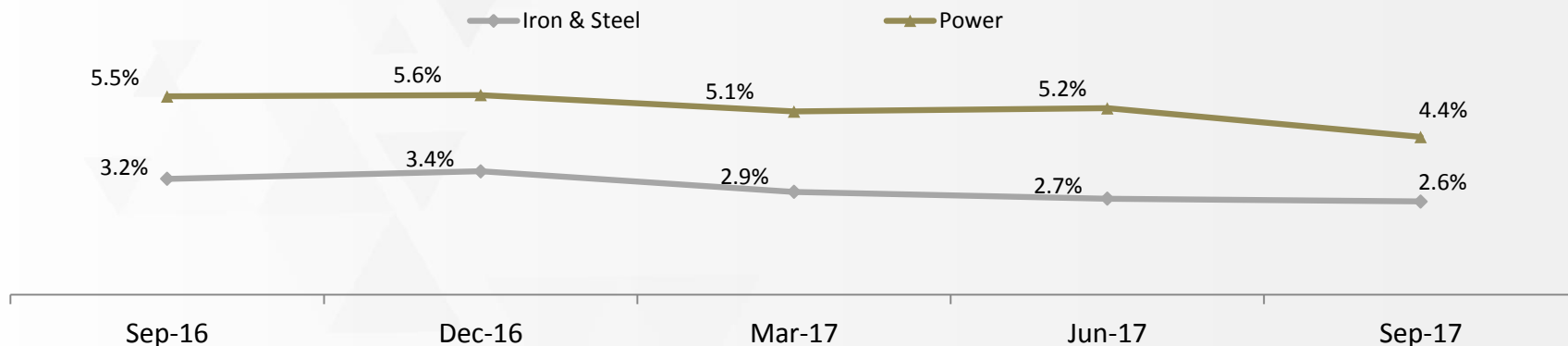


Concentration to stressed sectors has remained stable

All figures in ₹ Crores

Rank	Outstanding ¹ as on Sep. 2017 Sectors	Fund-based Exposure		Non-fund based Exposure		Total Exposure	
		Value	(in % terms)	Value	(in % terms)	Value	(in % terms)
1.	Financial Companies ²	34,849	8.79%	17,605	14.55%	52,455	10.13%
2.	Engineering & Electronics	10,318	2.60%	23,106	19.09%	33,424	6.46%
3.	Infrastructure Construction ³	15,591	3.93%	13,929	11.51%	29,520	5.70%
4.	Power Generation & Distribution	17,742	4.47%	5,006	4.14%	22,748	4.39%
5.	Other Metal and Metal Products	12,862	3.24%	3,298	2.73%	16,160	3.12%
6.	Trade	12,199	3.08%	3,677	3.04%	15,876	3.07%
7.	Iron and Steel	9,188	2.32%	4,324	3.57%	13,512	2.61%
8.	Real Estate	11,792	2.97%	1,099	0.91%	12,891	2.49%
9.	Petroleum & Petroleum Products	2,074	0.52%	10,423	8.61%	12,497	2.41%
10.	Chemicals & Chemical Products	7,150	1.80%	4,792	3.96%	11,942	2.31%

Concentration¹ to stressed sectors



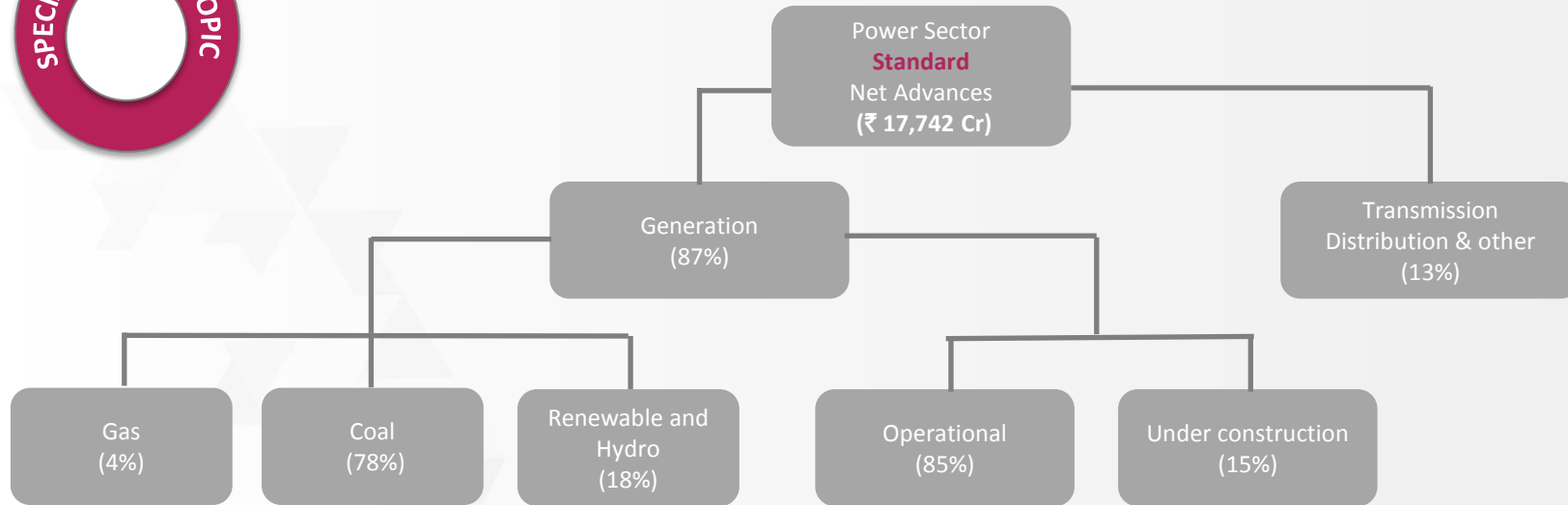
¹ Figures stated represent only standard fund and non-fund based outstanding across all loan segments

² Includes Housing Finance Companies and other NBFCs

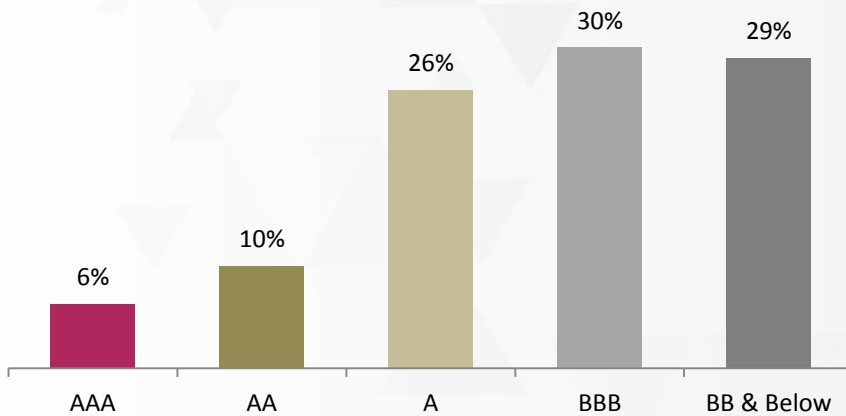
³ Financing of projects (roads, ports, airports, etc.)



Snapshot of Power Sector



Rating Distribution*





- As on 30th September, 2017, the power portfolio NPA stood at ₹3,300 Cr
- The provisions held against these NPA stood at 45%


*Only for Standard Advances

We remain well placed to benefit from a vibrant Corporate Bond market


All figures in ₹ Crores

 Acted as arranger for some of the major PSUs and Corporates during the quarter.

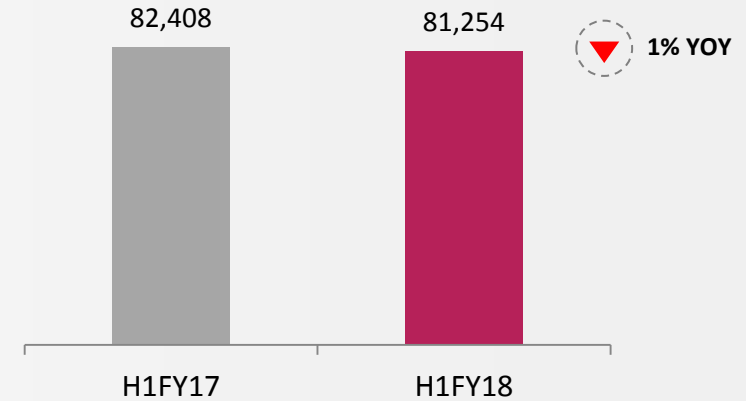
 **Ranked No. 1 arranger** for rupee denominated bonds as per Bloomberg for first nine months of 2017 and for quarter ended September 30, 2017

 **Ranked No. 1 arranger** for rupee denominated bonds as per Bloomberg for 10 consecutive years

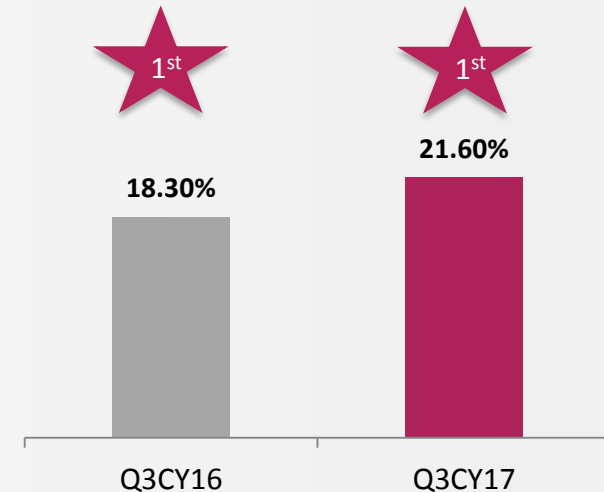
 **Ranked No. 1 mobilizer** as per PRIME Database for quarter ended June 2017

 Bank has been awarded **“Investors' Choice for Primary issues in Corporate Bonds, India”** by Asset Benchmark Research

Placement & Syndication of Debt Issues



Market share and Rank*



*As per Bloomberg League Table for India Bonds

Financial Highlights

Business Segment performance

Asset Quality

Shareholder Returns and Capital Position

Subsidiaries' Performance

Other important information

Asset Quality

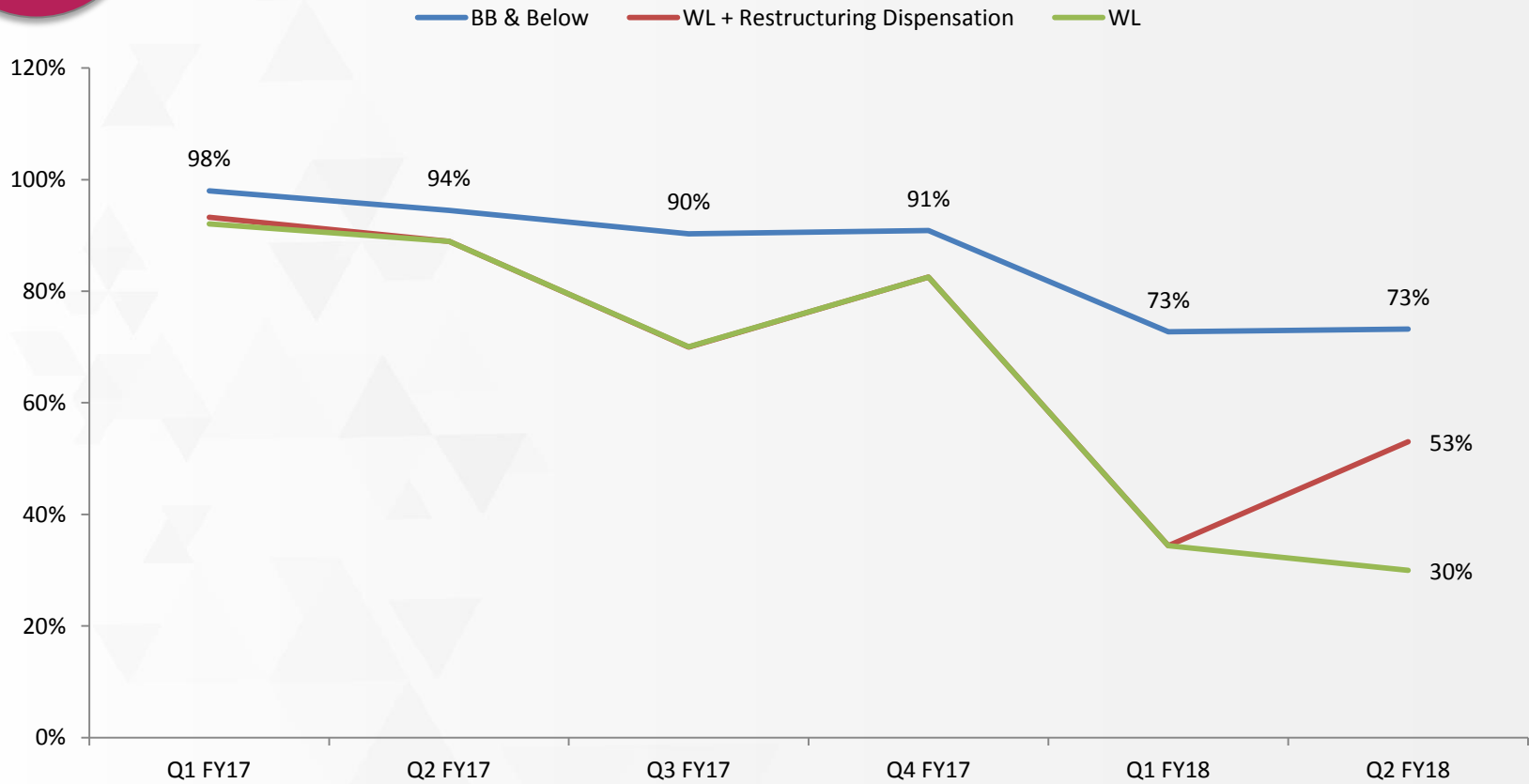
- High slippages in the quarter driven by divergence assessment
- Slippages largely from the low rated pool of stressed accounts
- Sizeable reductions in stressed pool improves our confidence in the trajectory of the Bank's credit costs

Contribution of Watch List to slippages has decreased in recent quarters. However, slippages are predominantly from the 'BB and Below' pool



Contribution of various stress pools to Corporate Slippages

86% of corporate slippages since Q1 FY17 have come from 'BB and Below' pool



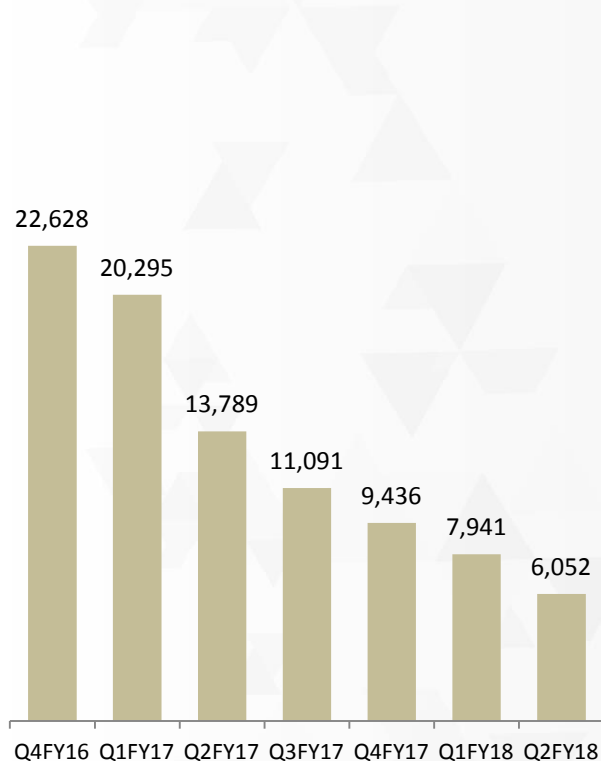


Size of stressed asset pool has been reducing steadily

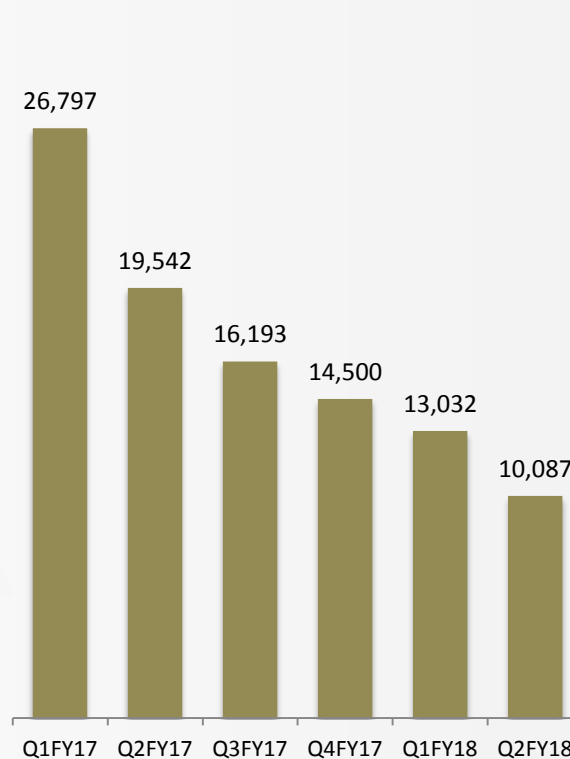
BB and Below pool has reduced significantly in the last 6 quarters

All figures in ₹ Crores

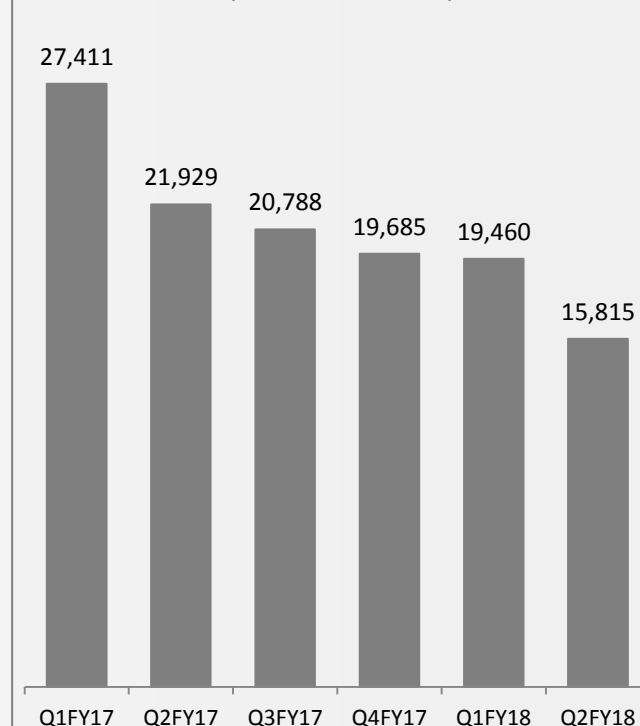
Watch List (WL) outstanding



WL + Restructuring* dispensations



Low Rated Corporate portfolio (BB and Below)



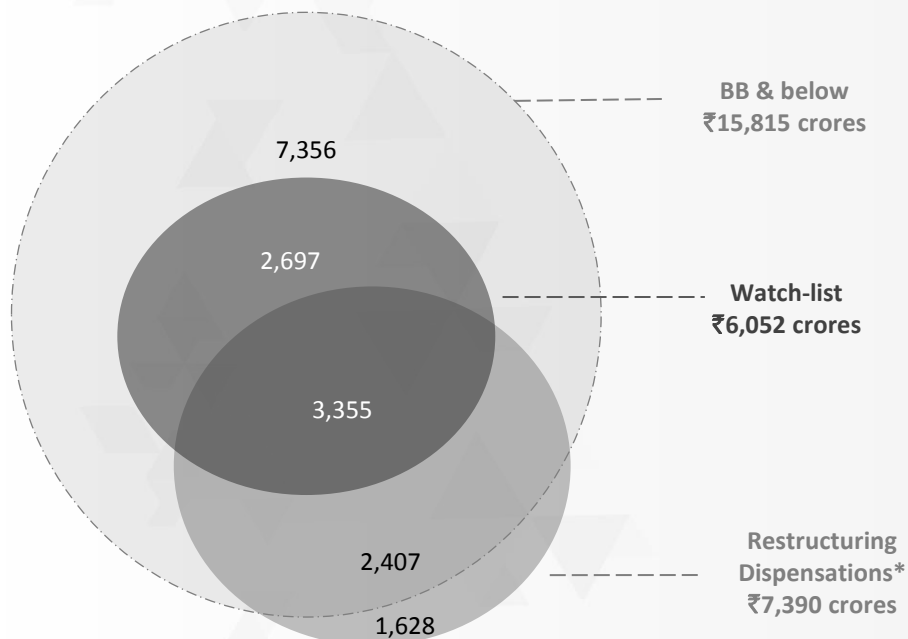
Size of 'BB and Below' portfolio reflects cumulative impact of Upgrades / Downgrades and Slippages from the pool.

* Includes Restructured Accounts, SDR, S4A and 5:25, etc

84% of the Watch List + Restructuring Dispersations portfolio is also low rated

All figures in ₹ Crores

Overlap of various dispensations with 'BB & Below' book



- We have consolidated all the stressed but standard non Retail Advances under various restructuring dispensations (refer slide # 35 of our Q1 investor presentation) in the adjacent chart as “Restructuring Dispersations”
- As highlighted in earlier slide #51, on an average 86% of corporate slippages since Q1 FY17 have come from ‘BB and Below’ book
- Watchlist and restructuring dispensations portfolio have an overlap of 84% with the low rated Corporate portfolio

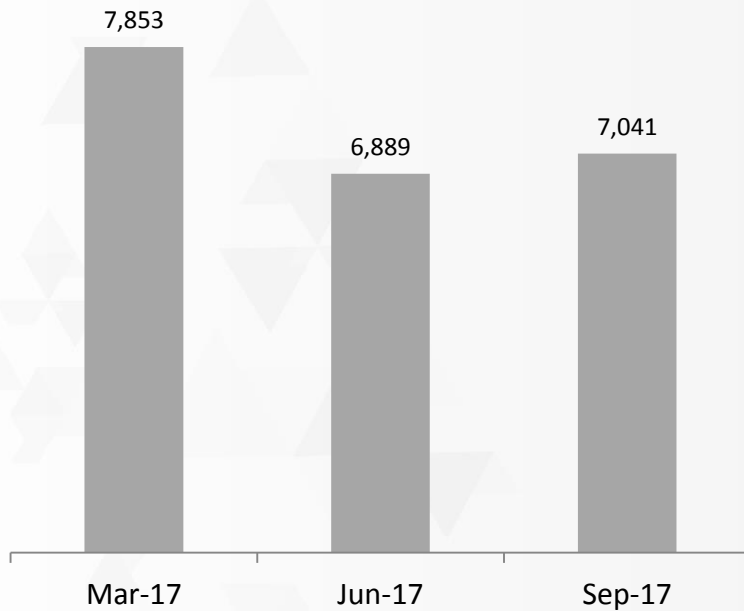
Not to Scale

* Includes Restructured Accounts, SDR, S4A and 5:25

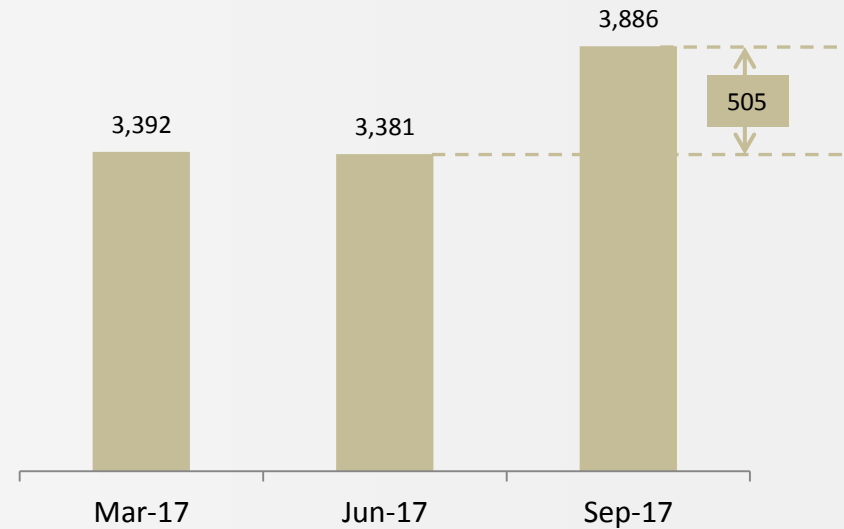
We have made an additional ₹505 crores of provisions in Q2 towards RBI referred IBC accounts

All figures in ₹ Crores

Fund Based outstanding for IBC accounts*



Provisioning towards IBC accounts*



*IBC accounts referred in list 1 and list 2 by RBI

Annual Risk Based Supervision Assessment

All figures in ₹ Crores

- The RBI has pointed out certain reclassifications in the Bank's asset classification and provisioning as on 31st March 2017, subsequent to the annual Risk Based Supervision (RBS) exercise conducted for fiscal 2017.
- The Bank has duly recorded the impact of such reclassifications in the results for the quarter ended 30th September 2017.

Some details are as follows:

- A total of 9 accounts were reclassified by RBI.
- As on 30th June 2017, these 9 accounts were classified as standard assets across most consortium banks, with only 6% of their outstanding classified as NPA.
- As on 30th September 2017, fund-based outstanding on these 9 accounts was ₹4,867 crores, all of which now stands as NPA. Sectoral distribution of the 9 accounts is as follows:

Sector	No of accounts	Fund-based outstanding as on 30.9.2017
Steel	1	1,128
Power	3	1,685
IT/ITES	1	1,143
Others	4	911

- Total provisions of ₹1,618 crores was created on these accounts during the quarter.
- ~ ₹2,400 crores is from accounts that are either a part of the Bank's watchlist or are restructured as on 30th March 2017, ~ ₹200 crores have turned into NPA in Q1FY18. 7 of the 9 accounts were rated BB or lower as on 30th June 2017

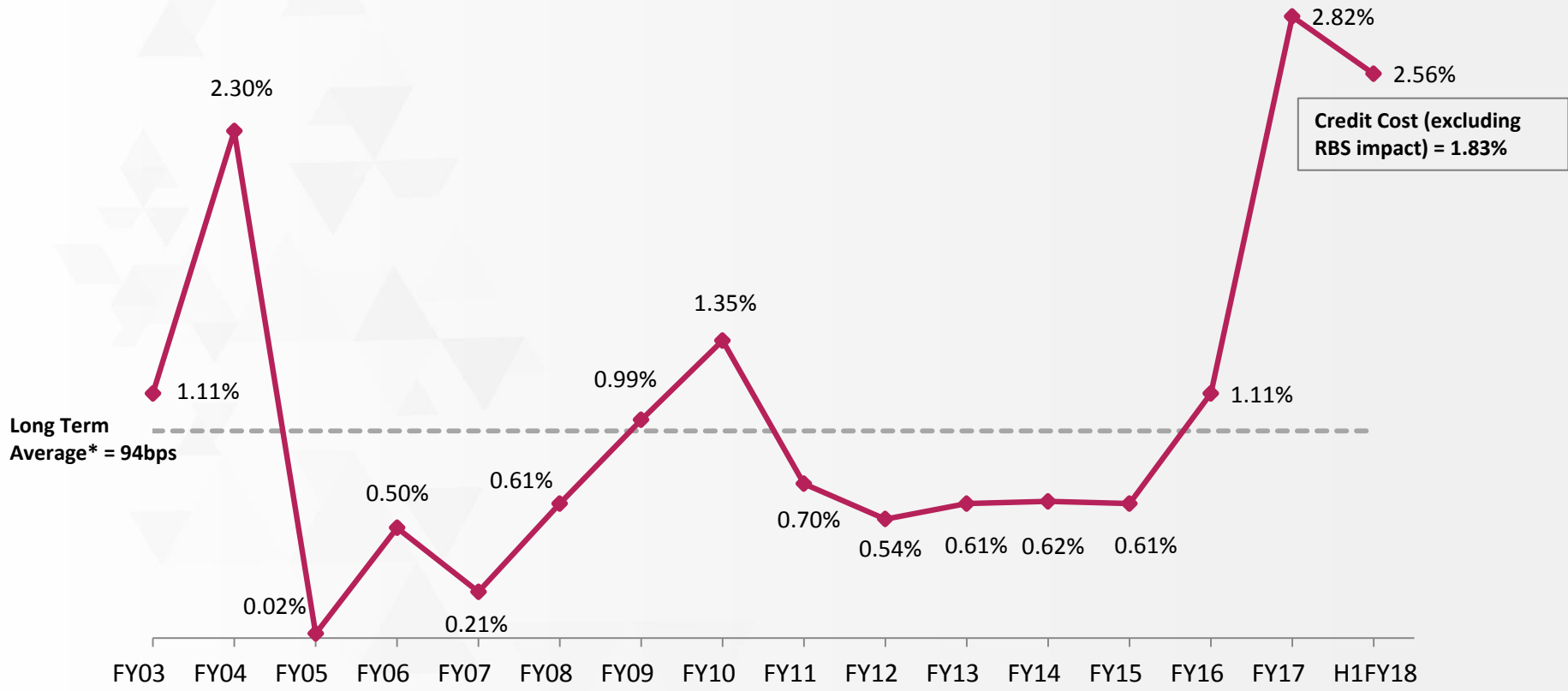
We estimate the divergence related accounts to consume around 40 basis points of credit costs for the full year. Consequently we are updating our credit cost guidance to 220 – 260 basis points.



Credit Cost has come down from the peak of FY17

Trend in Credit Cost : FY03 to H1FY18

The accelerated recognition in the quarter and resultant reduction in the size of our stressed asset pool improves our confidence in the trajectory of the Bank's credit costs. We expect normalization by the second half of FY19



* For the period from FY03 to FY17

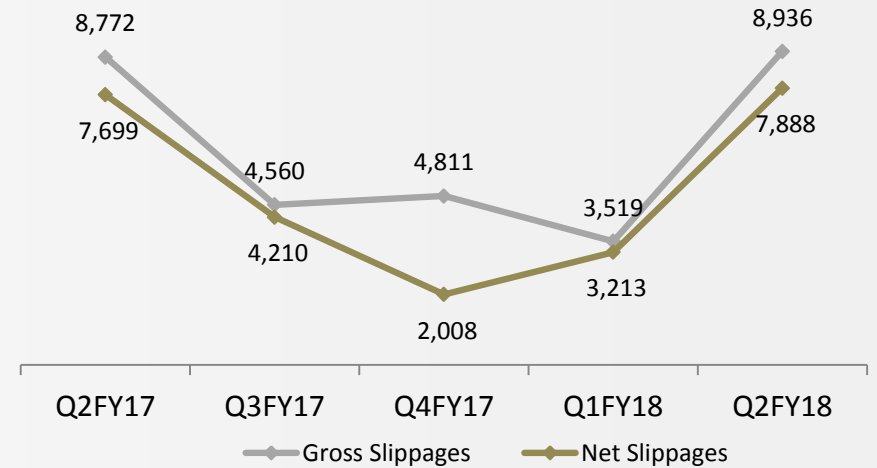
Key Asset Quality metrics impacted by divergence related slippages

All figures in ₹ Crores

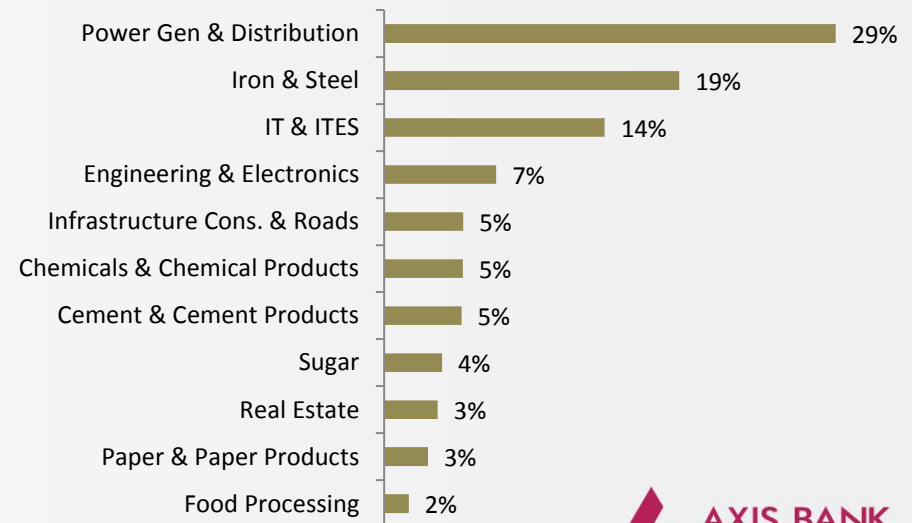
Gross and Net NPA ratio



Trend in Slippages

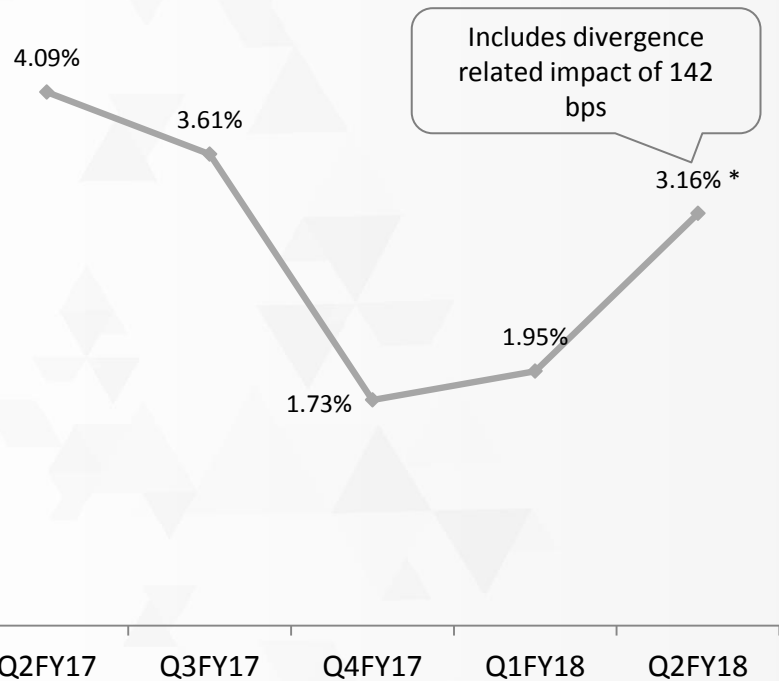


Sectoral distribution of Q2 slippages

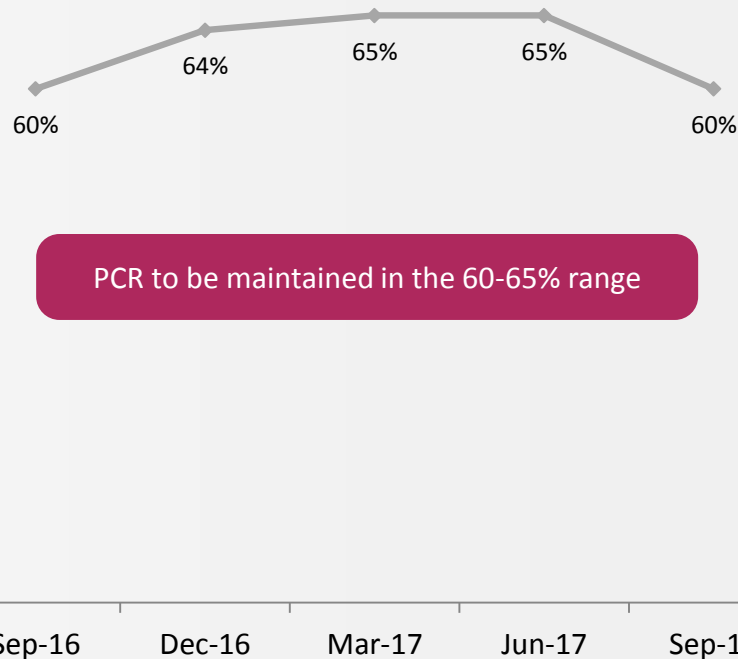


Driven by RBS*, credit cost for the quarter moved up significantly

Credit Cost (Annualised)



Provision Coverage Ratio

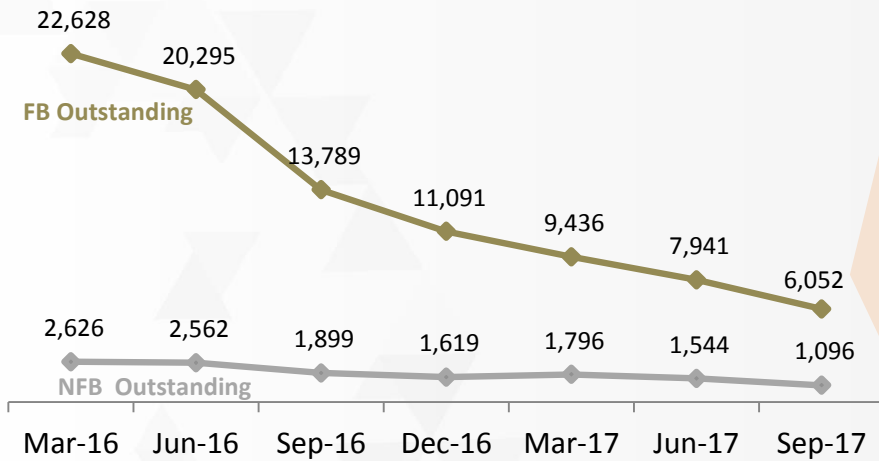


* Risk Based Supervision

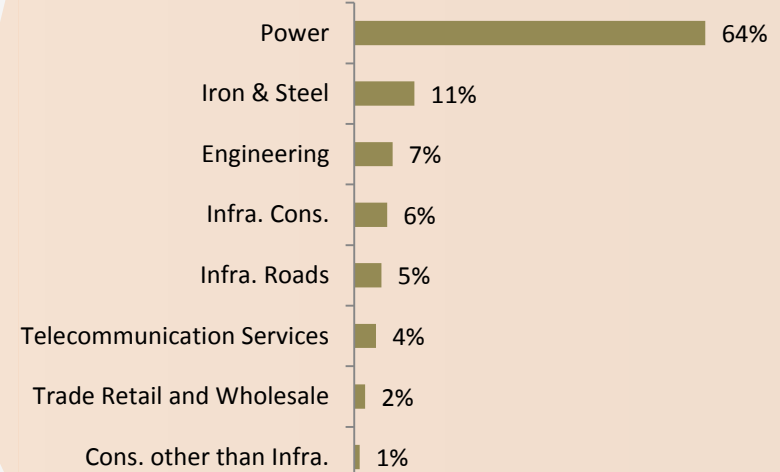
Watch List Outstanding has seen considerable reduction

All figures in ₹ Crores

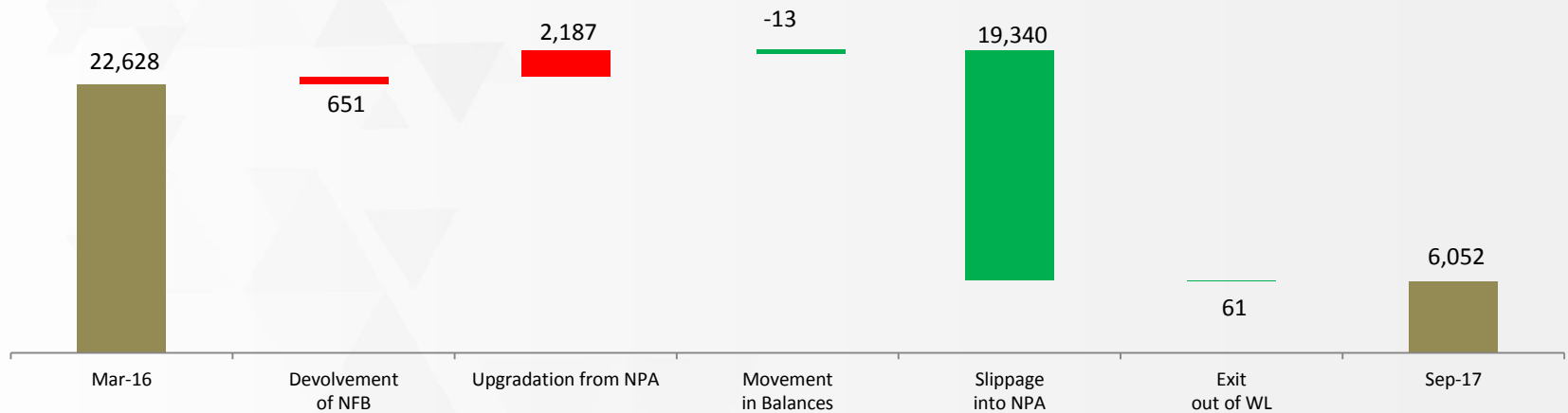
Watch List Outstanding



Sectoral composition of Watch List



Watch List Activity



Financial Highlights

Business Segment performance

Asset Quality

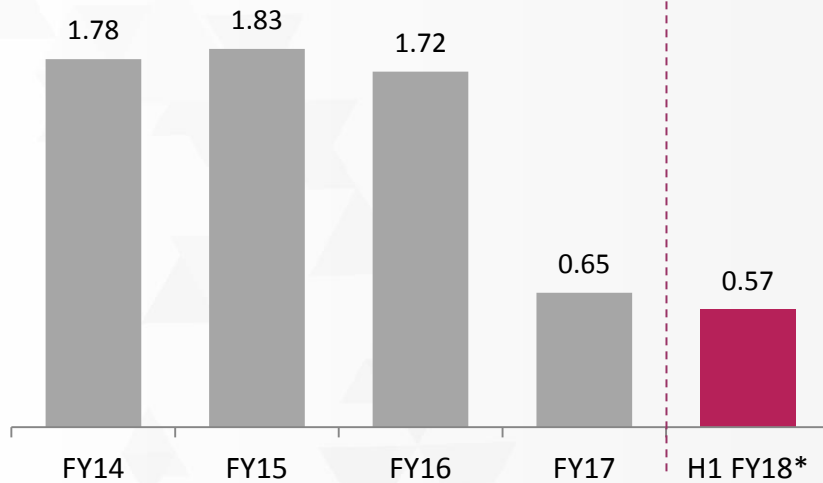
Shareholder Returns and Capital Position

Subsidiaries' Performance

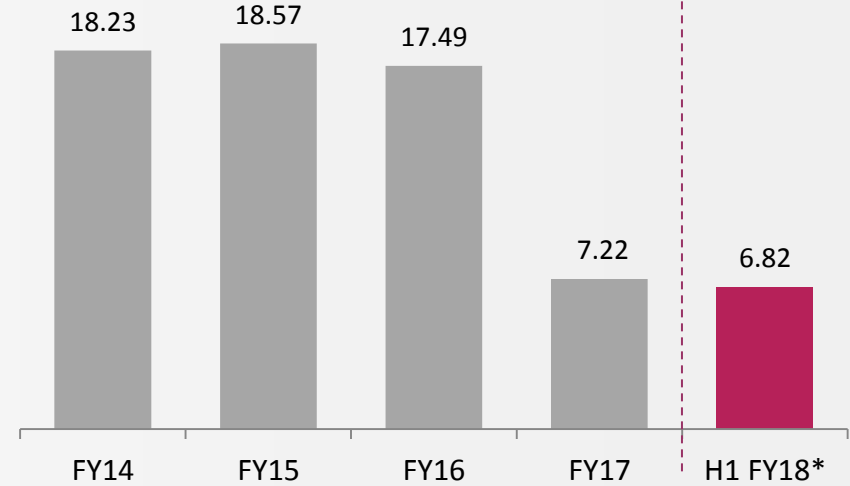
Other important information

Shareholder return metrics have seen moderation

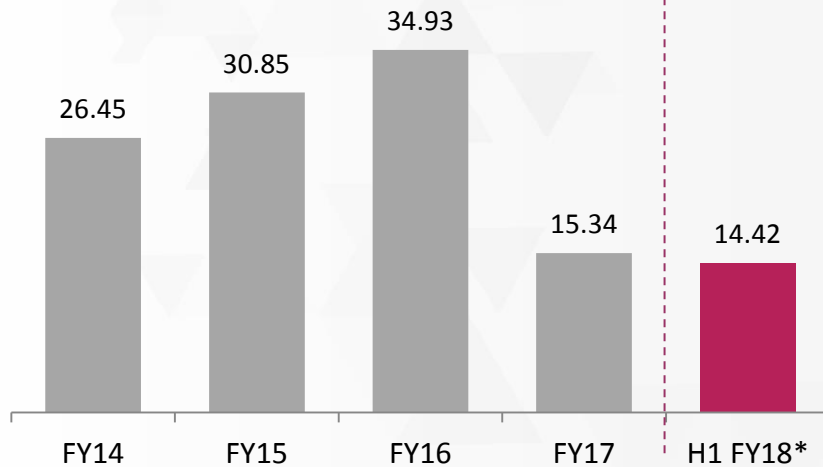
Return on Assets (in %)



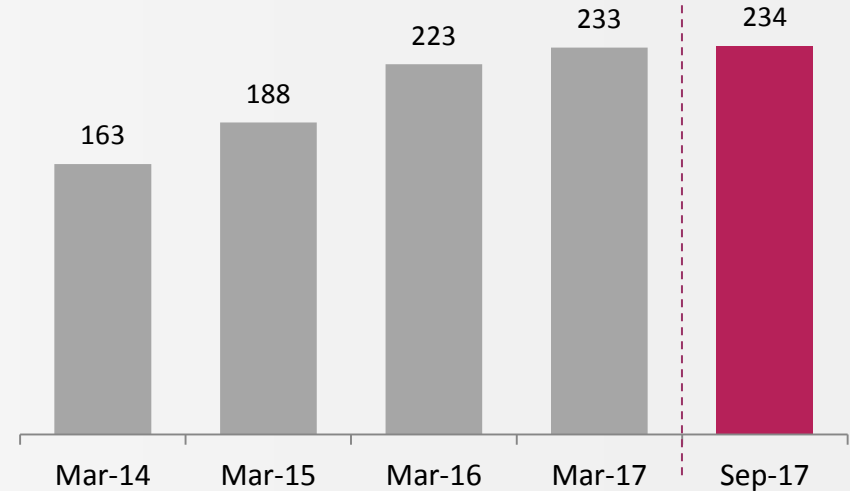
Return on Equity (in %)



Diluted EPS (₹)



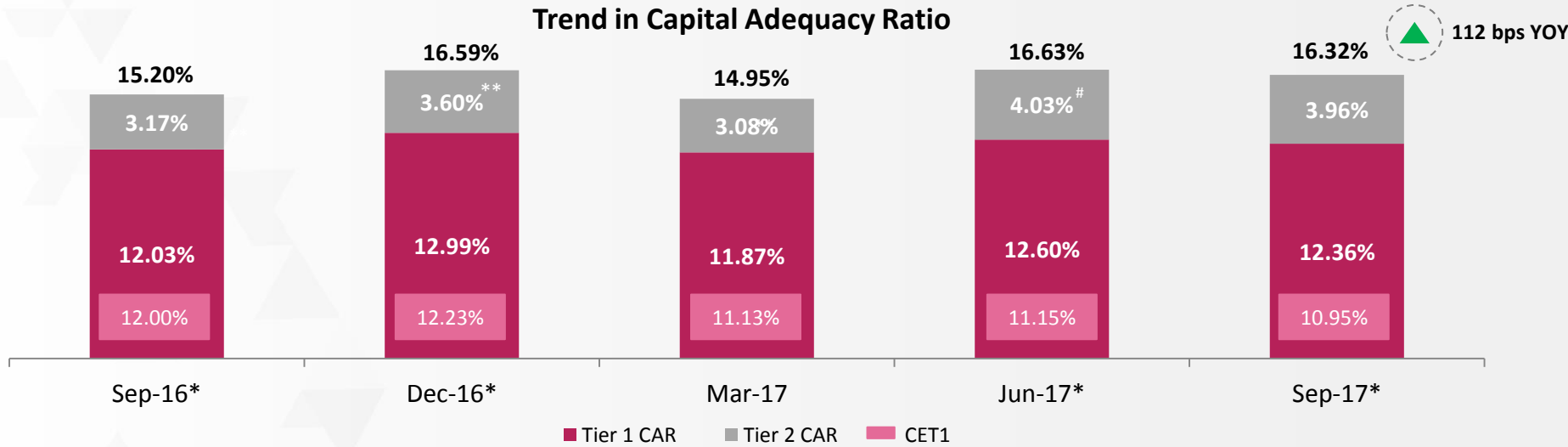
Book Value Per Share (₹)



* annualized

Capital adequacy remains healthy

Trend in Capital Adequacy Ratio



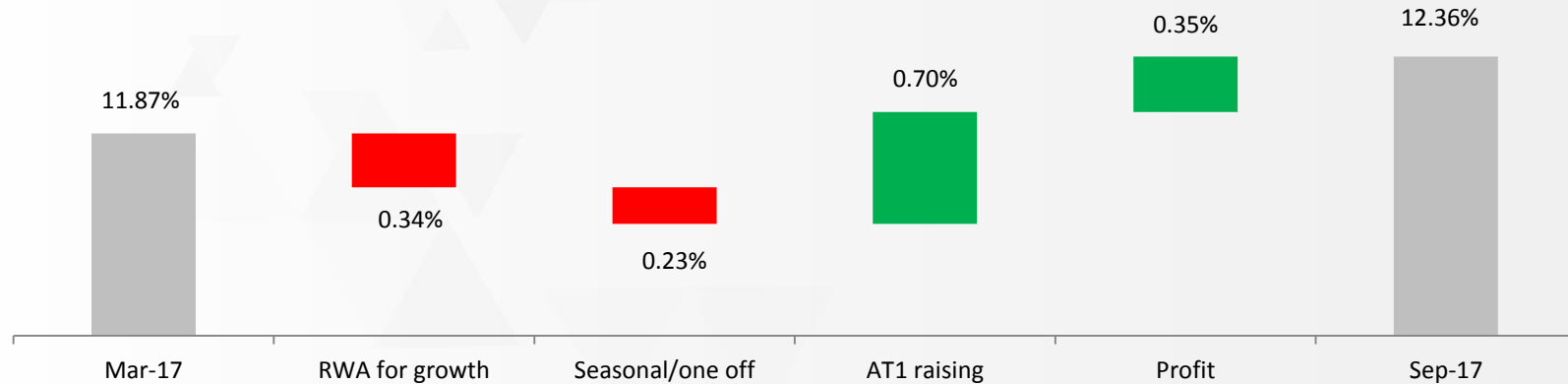
* including unaudited Net Profit for the quarter / half year / nine-months

** includes ₹1,800 crores mobilized through issuance of subordinated debt during Q3FY17

includes the impact of ₹3,500 crores and ₹5,000 crores mobilized through issuance of AT1 bonds and subordinated debt, respectively

Movement in Tier 1 Capital Adequacy Ratio

■ Unfavourable ■ Favourable



Financial Highlights

Business Segment performance

Asset Quality

Shareholder Returns and Capital Position

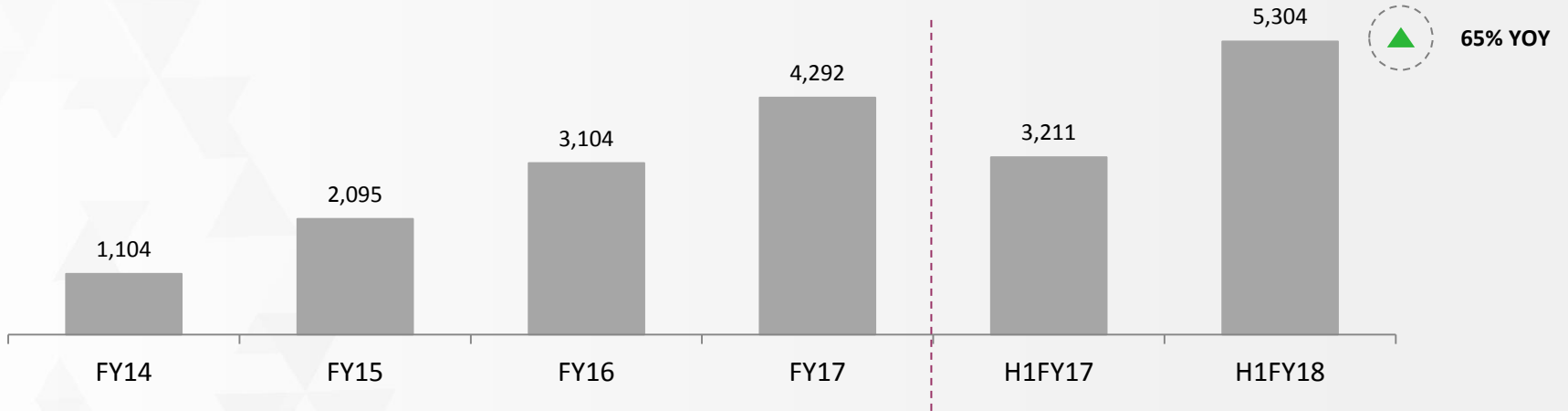
Subsidiaries' Performance

Other important information

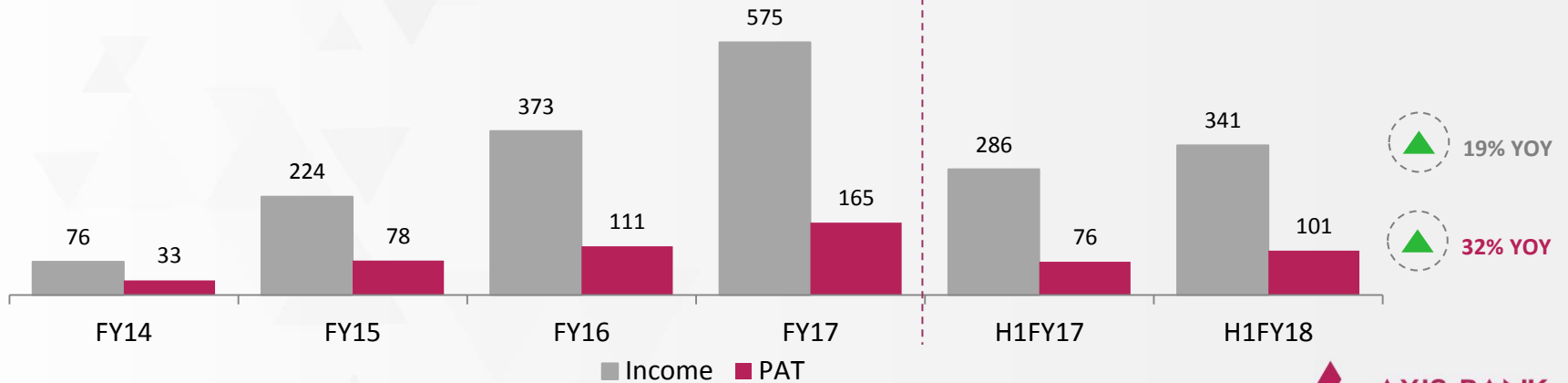
Axis Finance : *Has started contributing meaningfully*

All figures in ₹ Crores

Strong growth in Loan Book



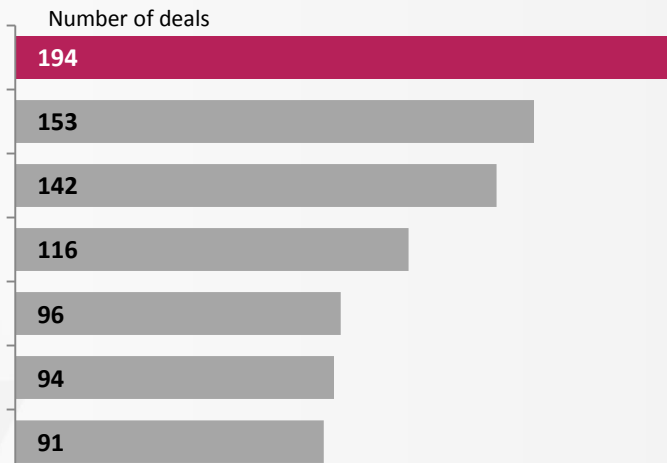
Growth in Income and PAT has been steady



Axis Capital : Continues to maintain its leadership position

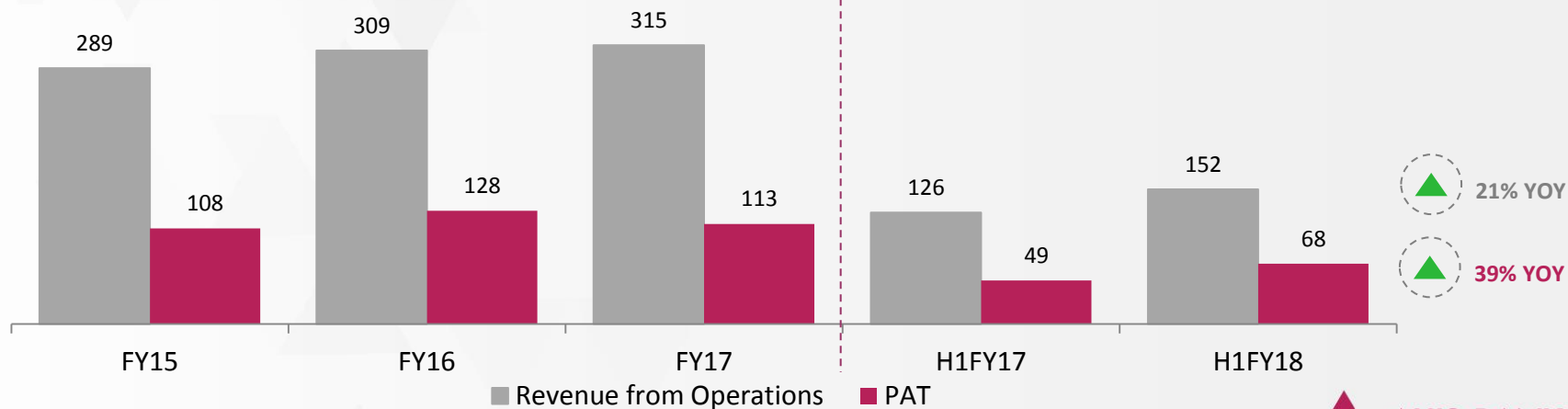
All figures in ₹ Crores

Equity League tables topper over the last decade*



*April 2006 to March 2017

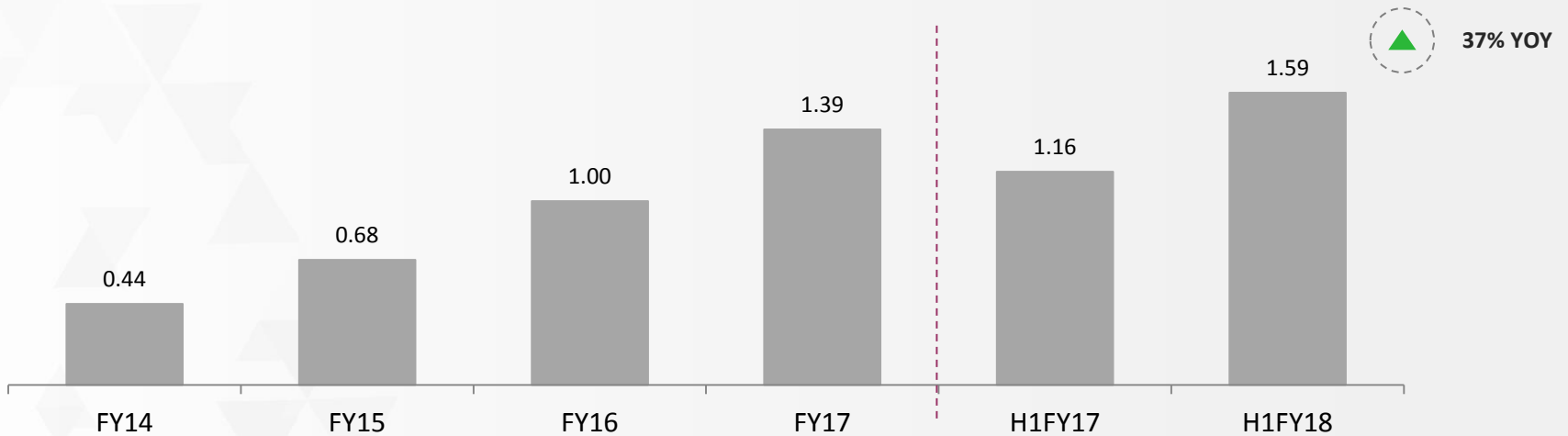
Trend in Income and PAT



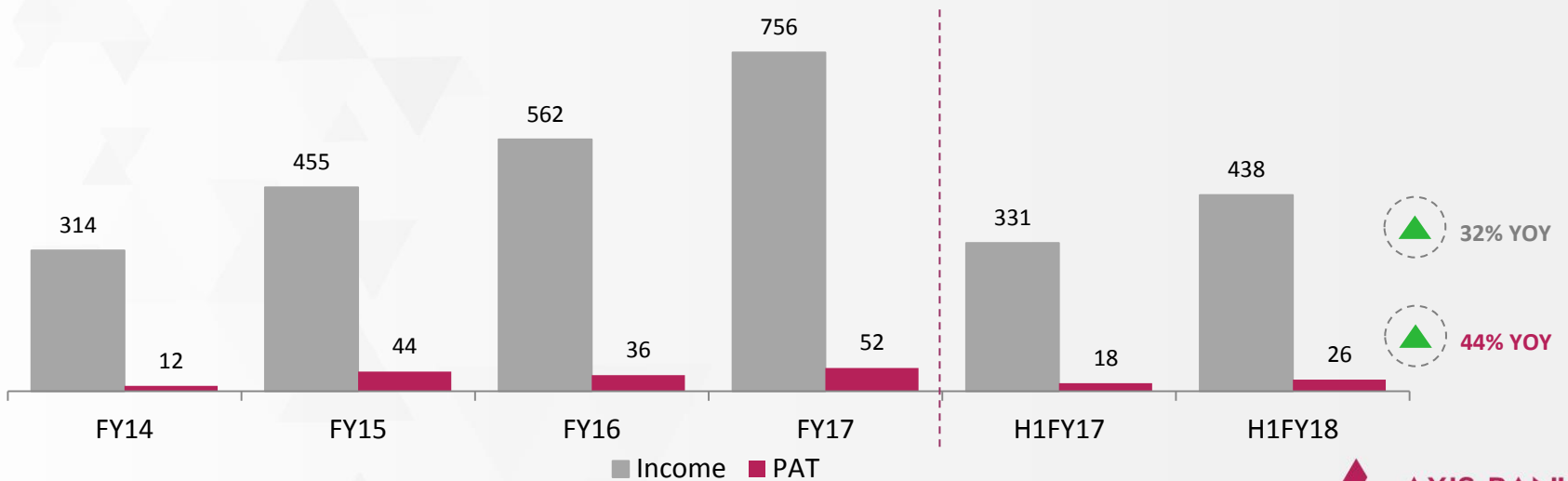
Axis Securities : Significant growth in customer additions

All figures in ₹ Crores

Trend in customer base (in mn)



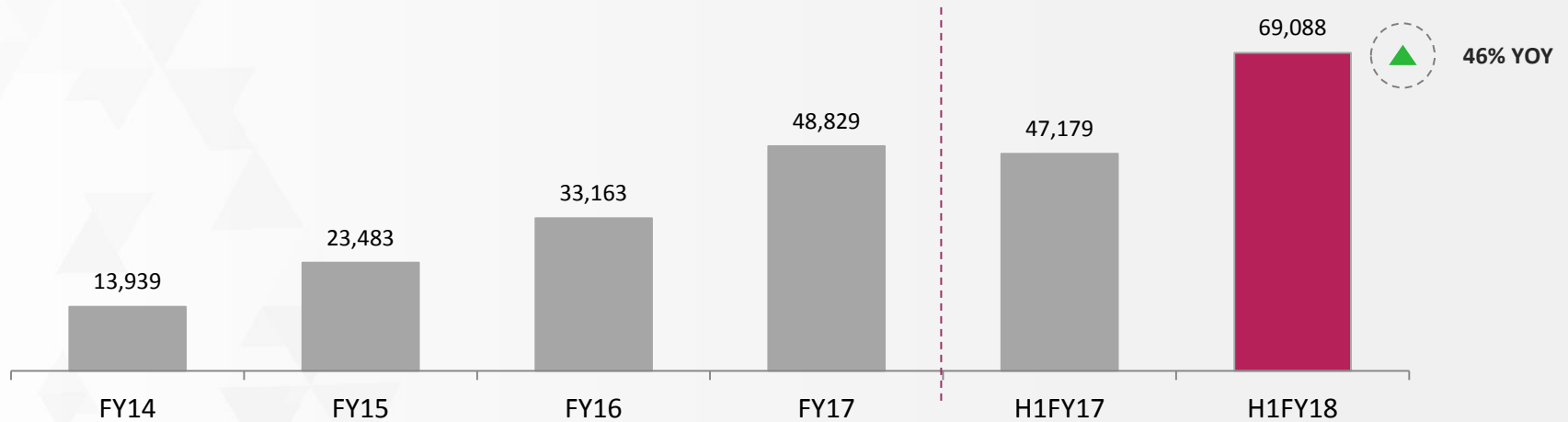
Trend in Income and PAT



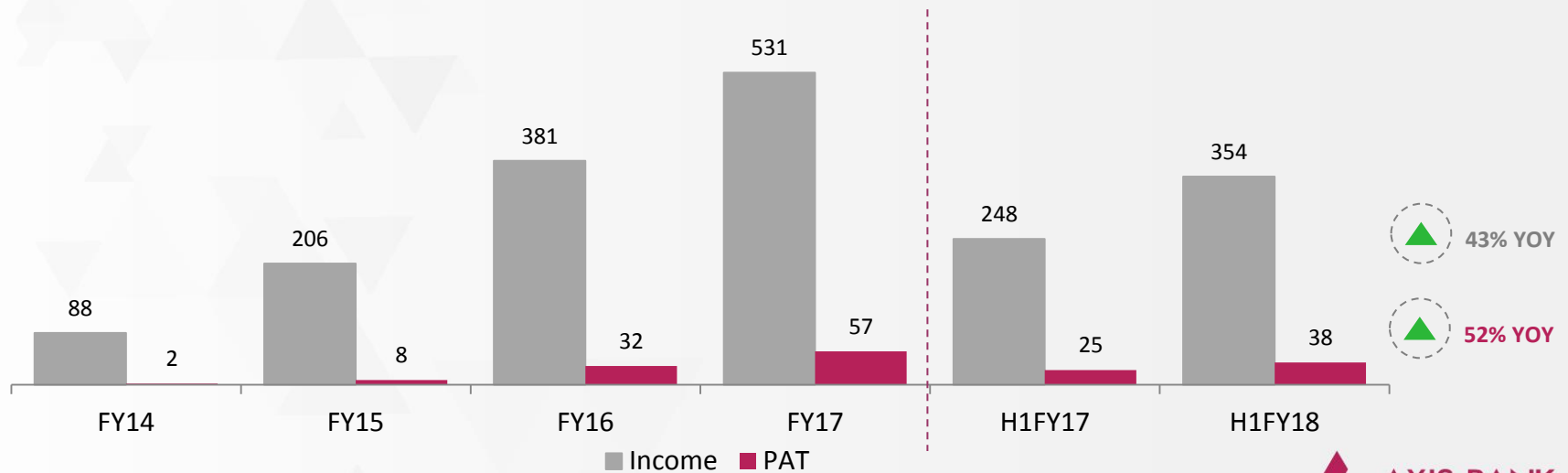
Axis AMC : Consistently gaining market share

All figures in ₹ Crores

Average AUM has shown strong growth



Strong Growth in Income and PAT



Financial Highlights

Business Segment performance

Asset Quality

Shareholder Returns and Capital Position

Subsidiaries' Performance

Other important information

Treasury Portfolio and Non-SLR Corporate Bonds

Investment Bifurcation	Book Value* (₹ Crores)
Government Securities ¹	103,364
Corporate Bonds ²	28,333
Others	12,478
Total Investments	144,176

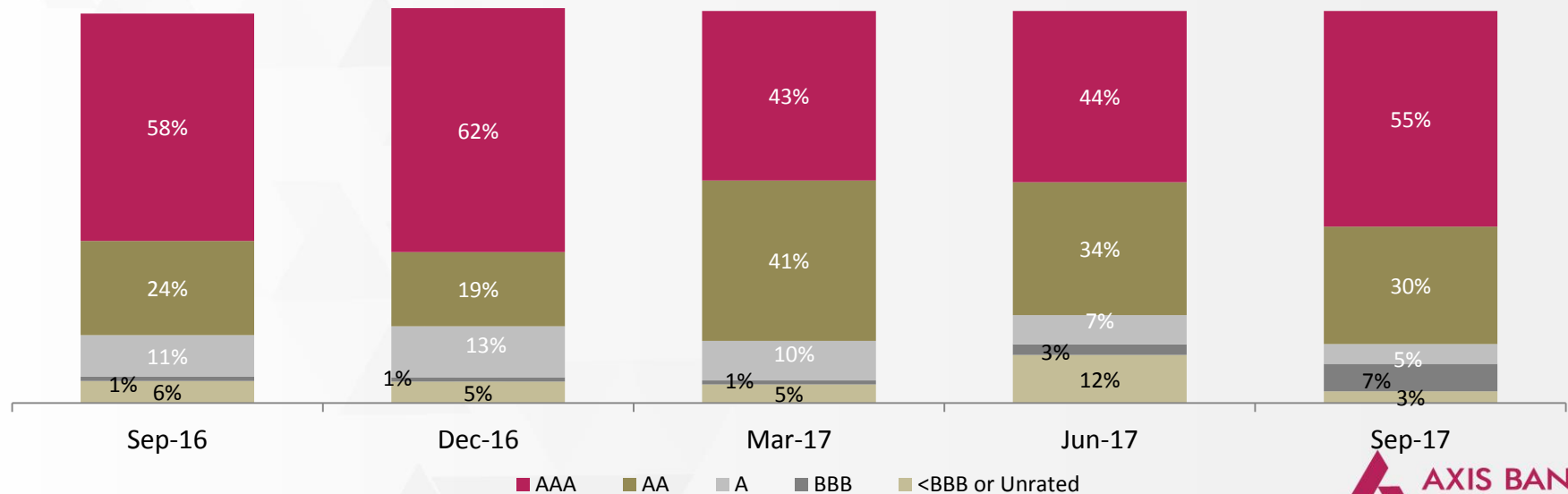
Category	Proportion
Held Till Maturity (HTM)	60%
Available For Sale (AFS)	34%
Held For Trading (HFT)	6%

* as on Sep 30, 2017

¹ 83% classified under HTM category

² 85% classified under AFS category

90% of Corporate bonds* have rating of at least 'A'



*Only includes standard investments

Movement in NPA's

All figures in ₹ Crores

		Q2FY17	Q3FY17	Q4FY17	Q1FY18	Q2FY18
Gross NPAs - Opening balance	A	9,553	16,379	20,467	21,280	22,031
Fresh slippages	B	8,772	4,560	4,811	3,519	8,936
Upgradations & Recoveries	C	1,073	350	2,804	306	1,048
Write offs	D	873	122	1,194	2,462	2,517
Gross NPAs - closing balance	E = A+B-C-D	16,379	20,467	21,280	22,031	27,402
Provisions incl. interest capitalisation	F	8,618	12,172	12,654	12,265	13,350
Net NPA	G = E-F	7,761	8,295	8,627	9,766	14,052
Accumulated Prudential write offs		2,901	2,818	3,221	5,487	7,687
Provision Coverage Ratio*		60%	64%	65%	65%	60%

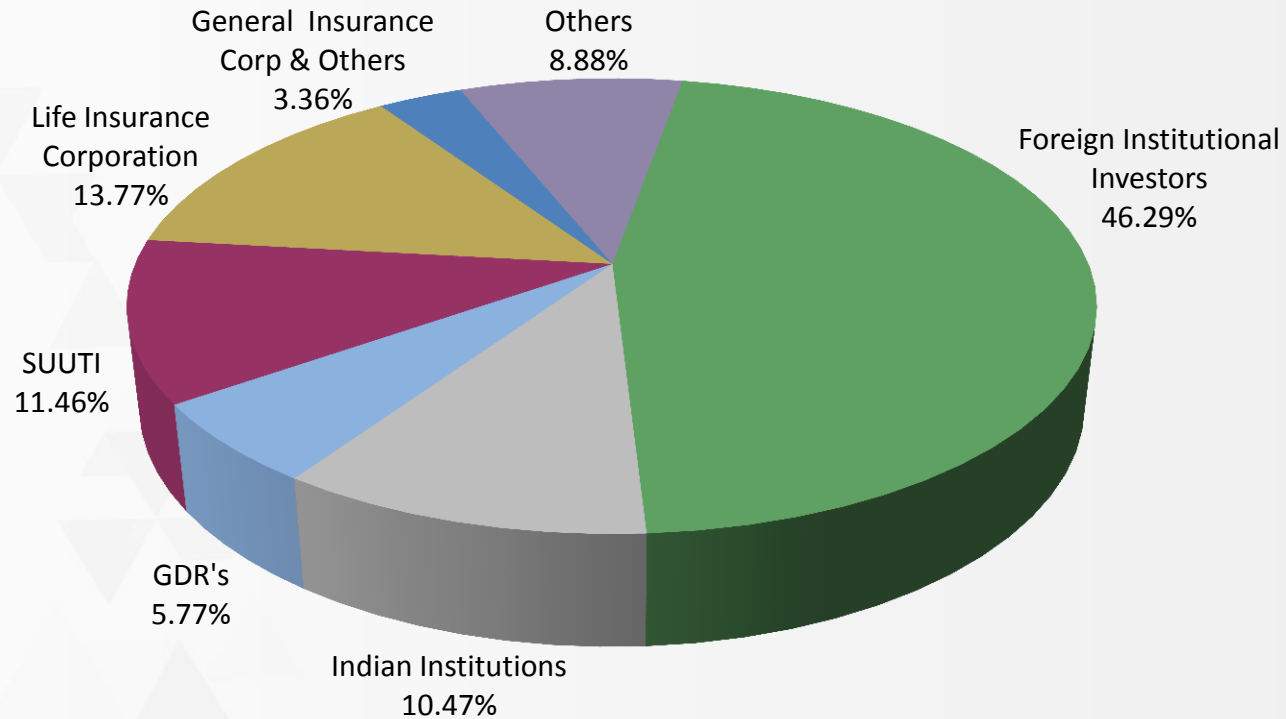
Details of Provisions & Contingencies charged to Profit & Loss Account

	Q2FY17	Q3FY17	Q4FY17	Q1FY18	Q2FY18
For Loan losses	3,648	3,576	1,834	2,091	3,335
For Standard assets**	(22)	(81)	199	(6)	18
For SDR and S4A accounts	9	17	249	92	39
For Investment depreciation	(37)	32	262	40	(137)
Other provisions	25	252	37	125	(115)
Total Provisions & Contingencies (other than tax)	3,623	3,796	2,581	2,342	3,140

* including prudential write-offs

** including unhedged foreign currency exposures

Shareholding Pattern (as on September 30, 2017)



- Share Capital ₹480 crores
- Shareholders' Funds ₹56,172 crores
- Book Value Per Share ₹234
- Diluted EPS (H1FY18) ₹14.42
- Market Capitalization ₹124,766 crores (as on October 16, 2017)

& 1 GDR = 5 shares

As on September 30, 2017, against GDR issuance of 62.70 mn, outstanding GDRs stood at 27.68 mn

Major awards won by the Bank and its subsidiaries



**Banking Technology
Excellence Award 2017 for
Digital Banking**



**Best Investment Bank in
India**



**Bank of the Year in India
– The Banker Awards 2016**



**Excellence in Corporate
Social Responsibility**

**CERTIFICATE
OF MEMBERSHIP**

This is to certify that

Axis Bank

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FTSE4Good

June 2017



**CX Innovator Best Omnichannel
Customer Success Story**

Thank You