



AXIS/CO/CS/791/2016-17

19<sup>th</sup> January, 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.: OUTCOME OF 174<sup>TH</sup> BOARD MEETING OF AXIS BANK LIMITED HELD ON 18<sup>TH</sup> JANUARY, 2017 AND 19<sup>TH</sup> JANUARY, 2017**

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

This is to inform you that at the 174<sup>th</sup> meeting of the Board of Directors of the Bank held on 18<sup>th</sup> January, 2017 and which continued on 19<sup>th</sup> January, 2017 and concluded at 4.00 p.m., the Board of Directors of the Bank, reviewed and approved the Unaudited Financial Results of the Bank, for the quarter/nine months ended 31<sup>st</sup> December, 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 said period 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 Sunday, 1<sup>st</sup> January, 2017 will end on Saturday, 21<sup>st</sup> January, 2017, consequently, the trading window will commence from Sunday, 22<sup>nd</sup> January, 2017 and will remain in force up to Friday, 31<sup>st</sup> March, 2017 (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

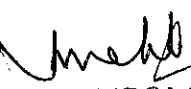
**Axis Bank Limited**

Regd. Office: 'Trishul', 3<sup>rd</sup> floor, Opp. Samarsheshwar Temple, Near 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 NINE MONTHS ENDED 31<sup>st</sup> DECEMBER, 2016**

(₹ in lacs)

PARTICULARS	FOR THE QUARTER ENDED 31.12.2016	FOR THE QUARTER ENDED 30.09.2016	FOR THE QUARTER ENDED 31.12.2015	FOR THE NINE MONTHS ENDED 31.12.2016	FOR THE NINE MONTHS ENDED 31.12.2015	FOR THE YEAR ENDED 31.03.2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Interest earned (a)+(b)+(c)+(d)	11,101.00	11,159.11	10,193.33	33,374.01	30,089.08	40,988.04
(a) Interest/discount on advances/bills	8,156.41	8,386.18	7,529.37	24,862.40	21,947.16	30,040.56
(b) Income on Investments	2,416.67	2,380.58	2,292.82	7,233.53	6,956.79	9,377.59
(c) Interest on balances with Reserve Bank of India and other inter-bank funds	204.22	76.75	68.76	338.56	231.41	295.25
(d) Others	323.70	315.60	302.38	939.52	953.72	1,274.64
2. Other Income (Refer note 4)	3,400.21	2,539.66	2,337.78	8,678.15	6,677.45	9,371.46
3. TOTAL INCOME (1+2)	14,501.21	13,698.77	12,531.11	42,052.16	36,766.53	50,359.50
4. Interest Expended	6,767.27	6,645.24	6,031.27	20,009.49	17,808.70	24,155.07
5. Operating expenses (i)+(ii)	3,093.71	2,953.35	2,514.78	8,832.89	7,252.75	10,100.82
(i) Employees cost	991.88	988.83	829.54	2,943.89	2,468.13	3,376.01
(ii) Other operating expenses	2,101.83	1,964.52	1,685.24	5,889.00	4,784.62	6,724.81
6. TOTAL EXPENDITURE (4+5) (Excluding Provisions and Contingencies)	9,860.98	9,598.59	8,546.05	28,842.38	25,061.45	34,255.89
7. OPERATING PROFIT (3-6) (Profit before Provisions and Contingencies)	4,640.23	4,100.18	3,985.06	13,209.78	11,705.08	16,103.61
8. Provisions (other than tax) and Contingencies (Net)	3,795.80	3,622.74	712.59	9,535.71	2,541.53	3,709.86
9. Exceptional Items	-	-	-	-	-	-
10. Profit/(Loss) from Ordinary Activities before Tax (7-8-9)	844.43	477.44	3,272.47	3,674.07	9,163.55	12,393.75
11. Tax expense	264.86	158.36	1,097.17	1,219.89	3,094.17	4,170.09
12. Net Profit/(Loss) from Ordinary Activities after Tax (10-11)	579.57	319.08	2,175.30	2,454.18	6,069.38	8,223.66
13. Extraordinary Items (net of tax expense)	-	-	-	-	-	-
14. Net Profit/(Loss) for the period (12-13)	579.57	319.08	2,175.30	2,454.18	6,069.38	8,223.66
15. Paid-up equity share capital (Face value ₹2/- per share)	478.28	477.95	475.78	478.28	475.78	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)	16.03%	14.78%	13.90%	16.03%	13.90%	15.29%
(iii) Earnings per Share (EPS) for the period/year (before and after extraordinary items)						
- Basic	2.42	1.34	9.15	10.28	25.54	34.59
- Diluted	2.41	1.33	9.09	10.23	25.37	34.40
(iv) NPA Ratios						
(a) Amount of Gross Non Performing Assets	20,466.82	16,378.65	5,724.05	20,466.82	5,724.05	6,087.51
(b) Amount of Net Non Performing Assets	8,294.78	7,761.15	2,514.09	8,294.78	2,514.09	2,522.14
(c) % of Gross NPAs	5.22	4.17	1.68	5.22	1.68	1.67
(d) % of Net NPAs	2.18	2.02	0.75	2.18	0.75	0.70
(v) Return on Assets (annualized)	0.39	0.23	1.79	0.58	1.74	1.72

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S.R. BATLIBOI & CO. LLP  
MUMBAI

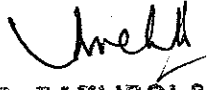
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Notes:

1. Statement of Assets and Liabilities of the Bank as on 31<sup>st</sup> December, 2016 is given below.

Particulars	(₹ in lacs)	
	As on 31.12.2016 (Unaudited)	As on 31.12.2015 (Unaudited)
<b>CAPITAL AND LIABILITIES</b>		
Capital	478,28	475,78
Reserves and Surplus	53,978,74	50,570,98
Deposits	3,70,790,07	3,38,342,83
Borrowings	1,32,370,74	96,558,25
Other Liabilities and Provisions	21,145,15	18,629,08
<b>TOTAL</b>	<b>5,78,762,98</b>	<b>5,04,576,92</b>
<b>ASSETS</b>		
Cash and Balances with Reserve Bank of India	44,200,15	17,450,60
Balances with Banks and Money at Call and Short Notice	7,526,35	15,595,30
Investments	1,36,484,91	1,20,312,31
Advances	3,47,174,69	3,15,367,23
Fixed Assets	3,609,48	2,616,06
Other Assets	39,767,40	33,235,42
<b>TOTAL</b>	<b>5,78,762,98</b>	<b>5,04,576,92</b>

2. In terms of RBI circular no. FMRD.DIRD.10/14.03.002/2015-16 dated 19<sup>th</sup> May, 2016, repo and reverse repo transactions with RBI under LAF/MSF are accounted for as borrowing and lending respectively as against the earlier practice of including the same under investments. Previous period figures have been regrouped and reclassified to conform to current period's classification. The aforesaid change has no impact on the profit of the Bank for the quarter ended 31<sup>st</sup> December, 2016 or the previous periods.
3. With effect from 30<sup>th</sup> September 2016, 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 in other assets and other liabilities. Previous period figures have been regrouped and reclassified to conform to current period's classification. The aforesaid change has no impact on the profit of the Bank for the quarter ended 31<sup>st</sup> December, 2016 or the previous periods.
4. '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.
5. During the quarter ended 31<sup>st</sup> December, 2016, the Bank allotted 1,625,180 equity shares pursuant to the exercise of options under its Employee Stock Option Scheme.
6. 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.
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 nine months ended 31<sup>st</sup> December, 2016 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.

<p><b>SIGNED FOR IDENTIFICATION</b></p> <p>BY </p> <p><b>S.R. BATLIBOI &amp; CO. LL</b></p> <p><b>MUMBAI</b></p>
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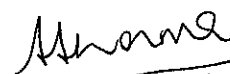
Axis Bank Limited  
Segmental Results

(₹ in laacs)

	FOR THE QUARTER ENDED 31.12.2016	FOR THE QUARTER ENDED 30.09.2016	FOR THE QUARTER ENDED 31.12.2015	FOR THE NINE MONTHS ENDED 31.12.2016	FOR THE NINE MONTHS ENDED 31.12.2015	FOR THE YEAR ENDED 31.03.2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1 Segment Revenue</b>						
A Treasury	17,322.04	15,749.07	14,744.95	49,179.62	43,329.65	60,190.66
B Corporate/Wholesale Banking	5,807.65	6,079.75	5,763.84	18,010.57	16,943.18	23,348.42
C Retail Banking	9,827.40	9,586.64	8,610.26	28,537.61	24,926.08	33,987.96
D Other Banking Business	197.26	236.39	201.94	591.84	570.85	894.73
<b>Total</b>	<b>33,154.35</b>	<b>31,651.85</b>	<b>29,320.99</b>	<b>96,319.64</b>	<b>85,769.76</b>	<b>1,18,421.77</b>
Less : Inter segment revenue	18,653.14	17,953.08	16,789.88	54,267.48	49,003.23	68,062.27
<b>Income from Operations</b>	<b>14,501.21</b>	<b>13,698.77</b>	<b>12,531.11</b>	<b>42,052.16</b>	<b>36,766.53</b>	<b>50,359.50</b>
<b>2 Segment Results After Provisions &amp; Before Tax</b>						
A Treasury	1,505.70	(39.67)	741.40	2,491.13	2,420.81	3,305.54
B Corporate/Wholesale Banking	(1,796.76)	(708.00)	1,609.73	(2,057.78)	4,253.75	5,559.66
C Retail Banking	972.27	1,016.82	748.61	2,738.26	1,995.24	2,742.56
D Other Banking Business	163.22	208.29	172.73	502.46	493.75	785.99
<b>Total Profit Before Tax</b>	<b>844.43</b>	<b>477.44</b>	<b>3,272.47</b>	<b>3,674.07</b>	<b>9,163.55</b>	<b>12,393.75</b>
<b>3 Segment Assets</b>						
A Treasury	2,16,289.84	1,96,479.86	1,78,536.70	2,16,289.84	1,78,536.70	1,89,256.25
B Corporate/Wholesale Banking	1,91,417.85	1,96,274.91	1,79,978.64	1,91,417.85	1,79,978.64	1,90,831.82
C Retail Banking	1,65,566.32	1,67,576.66	1,42,866.58	1,65,566.32	1,42,866.58	1,56,657.98
D Other Banking Business	699.60	690.88	703.71	699.60	703.71	731.53
E Unallocated	4,789.37	3,436.12	2,491.29	4,789.37	2,491.29	2,343.44
<b>Total</b>	<b>5,78,762.98</b>	<b>5,64,458.43</b>	<b>5,04,576.92</b>	<b>5,78,762.98</b>	<b>5,04,576.92</b>	<b>5,39,821.02</b>
<b>4 Segment Liabilities</b>						
A Treasury	2,09,896.37	1,92,545.08	1,75,931.42	2,09,896.37	1,75,931.42	1,83,655.51
B Corporate/Wholesale Banking	82,246.48	87,016.98	74,696.40	82,246.48	74,696.40	90,433.40
C Retail Banking	2,32,054.13	2,30,935.66	2,02,733.62	2,32,054.13	2,02,733.62	2,12,526.77
D Other Banking Business	30.30	28.83	64.28	30.30	64.28	22.69
E Unallocated	78.68	108.56	104.44	78.68	104.44	17.74
<b>Capital and Other Reserves</b>	<b>54,457.02</b>	<b>53,823.32</b>	<b>51,046.76</b>	<b>54,457.02</b>	<b>51,046.76</b>	<b>53,164.91</b>
<b>Total</b>	<b>5,78,762.98</b>	<b>5,64,45,843</b>	<b>5,04,576.92</b>	<b>5,78,762.98</b>	<b>5,04,576.92</b>	<b>5,39,821.02</b>

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

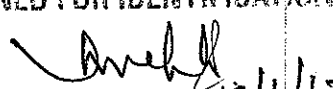
For and on behalf of the Board



SHIKHA SHARMA  
MD & CEO

Place: Mumbai  
Date: 19<sup>th</sup> January, 2017

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S.R. BATLIBOI & CO. L.  
MUMBAI

**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 nine months ended December 31, 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 Mehta**  
Partner  
Membership No.: 048749

Place: Mumbai  
Date: January 19, 2017

## PRESS RELEASE

### AXIS BANK ANNOUNCES FINANCIAL RESULTS FOR THE QUARTER AND NINE-MONTHS ENDED 31<sup>st</sup> DECEMBER 2016

#### Results at a Glance

- Slippages declined sequentially, Provision Coverage improves:
  - Gross slippages declined by 48% QOQ; Provision coverage increased by over 400 basis points QOQ to 64% as on 31<sup>st</sup> December 2016.
  - The Bank's Gross NPA and Net NPA rose to 5.22% and 2.18% respectively in Q3FY17.
  - Watch List loans reduced to 2.8% of customer assets in December 2016, from 3.5% in September 2016 and 6.2% at the beginning of the current financial year.
- Profit After Taxes de-grows, stable operating performance:
  - Net Profit for Q3FY17 & 9MFY17 stood at ₹580 crores and ₹2,454 crores respectively and reported a drop of 73% YOY and 60% YOY respectively
  - Operating Profit grew by 16% YOY while Net Interest Income grew by 4% YOY
  - Net Interest Margin for Q3FY17 stood at 3.43%.
  - Other Income (including fee and trading profits) grew 45% YOY.
- Advance growth moderates, Retail remains steady:
  - Net Advances grew 10% YOY, led by Retail, which grew 19% YOY.
- Retail business momentum healthy:
  - CASA grew 21% YOY and constituted 48% of Total Deposits as on 31<sup>st</sup> December 2016.
  - Savings Account balances grew 27% YOY and stood at ₹118,072 crores as on 31<sup>st</sup> December 2016.
  - Retail Advances accounted for 43% of Net Advances; Retail Fee Income constituted 45% of Total Fee Income. Fee from the cards business grew by 23% YOY.
- Digital channel usage received an impetus led by Government focus on digitalisation:
  - Cards and mobile banking spends in Q3FY17 grew 82% YOY and 69% YOY respectively.
- The Bank further strengthened its capital position during the quarter. Under Basel III, Total CAR & Tier I CAR (including the net profit for 9MFY17) stood at 16.59% and 12.99% respectively.

The Board of Directors of Axis Bank Limited approved the financial results for the quarter and nine-months ended 31<sup>st</sup> December 2016 at its meeting held in Mumbai on Thursday, 19<sup>th</sup> January 2017. The accounts have been subjected to a Limited Review by the Bank's Statutory Auditors.

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**Profit & Loss Account: Period ended 31<sup>st</sup> December 2016****• Operating Profit and Net Profit**

Operating Profit for Q3FY17 and 9MFY17 grew by 16% and 13% to ₹4,640 crores and ₹13,210 crores respectively. The Net Profit for Q3FY17 and 9MFY17 contracted by 73% and 60% YOY to ₹580 crores and ₹2,454 crores respectively.

**• Net Interest Income and Net Interest Margin**

The Bank's Net Interest Income (NII) grew by 4% YOY to ₹4,334 crores during Q3FY17 from ₹4,162 crores in Q3FY16. Net interest margin for Q3FY17 stood at 3.43%. NII for 9MFY17 also rose 9% YOY to ₹13,365 crores from ₹12,280 crores during 9MFY16.

**• Other Income**

Other income (comprising fee, trading profit and miscellaneous income) for Q3FY17 stood at ₹3,400 crores as against ₹2,338 crores during the same period last year. During 9MFY17, other income grew 30% YOY and stood at ₹8,678 crores. Trading profits for the quarter grew 352% YOY and stood at ₹1,525 crores. Fee income for Q3FY17 contracted by 4% YOY to ₹1,805 crores. Fees from Retail Banking grew by 8% YOY and constituted 45% of the Bank's total fee income, while the Transaction Banking fees grew by 8% YOY and constituted 29% of the total fee income of the Bank. During 9MFY17, fee income grew 4% YOY primarily driven by 14% YOY growth in Retail fee and 11% YOY growth in Transaction Banking.

**Balance Sheet: As on 31<sup>st</sup> December 2016**

The Bank's Balance Sheet grew 15% YOY and stood at ₹578,763 crores as on 31<sup>st</sup> December 2016. The Bank's Advances grew 10% YOY to ₹347,175 crores as on 31<sup>st</sup> December 2016. Retail Advances grew 19% YOY and stood at ₹149,538 crores and accounted for 43% of the Net Advances of the Bank. Corporate credit grew 4% YOY and stood at ₹154,429 crores; and accounted for 44% of Net Advances. SME Advances grew 5% YOY and stood at ₹43,208 crores.

The book value of the Bank's Investments portfolio as on 31<sup>st</sup> December 2016, was ₹1,36,485 crores, of which ₹1,02,912 crores were in government securities, while ₹24,699 crores were invested in corporate bonds and ₹8,874 crores in other securities such as equities, preference shares, mutual funds, etc.

CASA Deposits as on 31<sup>st</sup> December 2016 constituted 48% of total deposits. Savings Account balances grew 27% YOY for the period ended 31<sup>st</sup> December 2016. CASA, on a daily average basis, recorded a growth of 22%, in which both Savings Bank Deposits and Current Account Deposits recorded a growth of 22% YOY. The proportion of CASA on a daily average basis constituted 42% of total deposits.

CASA and Retail Term Deposits constituted 81% of Total Deposits as on 31<sup>st</sup> December 2016 compared to 79% as on 31<sup>st</sup> December 2015.

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

The shareholders' funds of the Bank grew 7% YOY and stood at ₹54,457 crores as on 31<sup>st</sup> December 2016. The Bank further strengthened its capital position during the quarter. Under Basel III, the Capital Adequacy Ratio (CAR) and Tier I CAR (including net profit for 9MFY17) as on 31<sup>st</sup> December 2016 was 16.59% and 12.99% respectively. During the quarter the Bank raised ₹3,500 crores by way of Additional Tier I capital.

### **Asset Quality**

As on 31<sup>st</sup> December 2016, the Bank's Gross NPA and Net NPA levels were 5.22% and 2.18% respectively, as against 4.17% and 2.02% respectively as on 30<sup>th</sup> September 2016. As on 31<sup>st</sup> December 2016, the Bank's provision coverage, as a proportion of Gross NPAs including prudential write-offs, improved to 64% from 60% as on 30<sup>th</sup> September 2016.

As on 31<sup>st</sup> December 2016, the Bank's Gross NPA was ₹20,467 crores against ₹16,379 crores as on 30<sup>th</sup> September 2016. During the quarter, slippages were ₹4,212 crores down from ₹8,772 crores sequentially. Recoveries and upgrades were ₹350 crores while write-offs during the quarter were ₹122 crores.

As on 31<sup>st</sup> December 2016, fund based outstanding on the Bank's Watch List reduced 20% over the previous quarter and stood at ₹11,091 crores. The Watch List has reduced to 2.8% of customer assets in December 2016, from 3.5% in September 2016, from 5.4% in June 2016 and 6.2% as on 31<sup>st</sup> March 2016. On a cumulative basis for the nine-months ended 31<sup>st</sup> December 2016, 85% of corporate slippages originated from the Watch List. During the quarter reduction in the Watch List primarily represents slippages to NPAs amounting to ₹2,579 crores, which comprises 70% of the total corporate credit slippages.

The cumulative value of net restructured assets as on 31<sup>st</sup> December 2016 stood at ₹6,109 crores, constituting 1.61% of net customer assets, compared to ₹6,702 crores, constituting 1.75% of net customer assets as on 30<sup>th</sup> September 2016.

### **Network**

During Q3FY17, the Bank added 105 branches to its network across the country. As on 31<sup>st</sup> December 2016, the Bank had a network of 3,211 domestic branches and extension counters situated in 1,946 centres compared to 2,805 domestic branches and extension counters situated in 1,815 centres last



Year. As on 31<sup>st</sup> December 2016, the Bank had 13,726 ATMs and 1,240 cash recyclers spread across the country.

### **Digital channels**

The Bank's digital channel usage received a major fillip on the back of Governmental focus on digitalisation. During the quarter, the card usage grew a staggering 82% YOY in value terms. Mobile Banking channel also witnessed a sharp growth of 103% YOY and 69% YOY in transactions and value terms respectively.

### **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, investment banking and liability businesses. The total assets under overseas branches were USD 7.83 billion as on 31<sup>st</sup> December 2016.

₹ crores

Financial Performance	Q3FY17	Q3FY16	% Growth	9MFY17	9MFY16	% Growth
Net Profit	579.57	2,175.30	(73.36%)	2,454.18	6,069.38	(59.56%)
EPS Diluted (₹) annualised	9.58	36.15		13.58	33.76	
Net Interest Income	4,333.73	4,162.06	4.12%	13,364.52	12,280.38	8.83%
Other Income	3,400.21	2,337.78	45.45%	8,678.15	6,677.45	29.96%
- Fee Income	1,804.61	1,884.70	(4.25%)	5,459.15	5,248.15	4.02%
- Trading Income	1,525.44	337.81	351.57%	2,972.30	1,151.79	158.06%
- Miscellaneous Income	70.16	115.27	(39.13%)	246.70	277.51	(11.10%)
Operating Revenue	7,733.93	6,499.84	18.99%	22,042.67	18,957.83	16.27%
Core Operating Revenue*	6,208.50	6,086.07	2.01%	19,070.37	17,730.08	7.56%
Operating Expenses	3,093.71	2,514.78	23.02%	8,832.89	7,252.75	21.79%
Operating Profit	4,640.23	3,985.06	16.44%	13,209.78	11,705.08	12.86%
Core Operating Profit**	3,114.79	3,571.29	(12.78%)	10,237.48	10,477.33	(2.29%)

\* Core Operating Revenue = Operating Revenue - Trading Income

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

₹ crores

Abridged Balance Sheet	As on 31 <sup>st</sup> December'16	As on 31 <sup>st</sup> December'15
<b>CAPITAL AND LIABILITIES</b>		
Capital	478	476
Reserves & Surplus	53,979	50,571
Deposits	370,790	338,343
Borrowings	132,371	96,558
Other Liabilities and Provisions	21,145	18,629
<b>Total</b>	<b>578,763</b>	<b>504,577</b>
<b>ASSETS</b>		
Cash and Balances with Reserve Bank of India and Balances with Banks and Money at Call and Short Notice	51,727	33,046
Investments	136,485	120,312
Advances	347,175	315,367
Fixed Assets	3,609	2,616
Other Assets	39,767	33,236
<b>Total</b>	<b>578,763</b>	<b>504,577</b>

₹ crore

<b>Business Performance</b>	<b>As on 31<sup>st</sup> December'16</b>	<b>As on 31<sup>st</sup> December'15</b>	<b>% Growth</b>
Total Deposits	370,790	338,343	9.59%
Demand Deposits	176,451	146,322	20.59%
- Savings Bank Deposits	118,072	92,758	27.29%
- Current Account Deposits	58,379	53,564	8.99%
Demand Deposits as % of Total Deposits	47.59%	43.25%	
Term Deposits	194,339	192,021	1.21%
Retail Term Deposits	125,493	120,352	4.27%
Demand Deposits on a Cumulative Daily Average Basis (CDAB) for the nine months	147,104	120,202	22.38%
Demand Deposits as % Total Deposits (CDAB) for the nine months	42%	40%	
Net Advances (a) +(b) + (c)	347,175	315,367	10.09%
(a) Corporate Credit	154,429	148,385	4.07%
(b) SME	43,208	41,186	4.91%
(c) Retail Advances	149,538	125,796	18.87%
Investments	136,485	120,312	13.44%
Balance Sheet Size	578,763	504,577	14.70%
Net NPA as % of Net Customer Assets	2.18%	0.75%	
Gross NPA as % of Gross Customer Assets	5.22%	1.68%	
Equity Capital	478	476	
Shareholders' Funds	54,457	51,047	
Capital Adequacy Ratio (Basel III)	16.03%	13.90%	
- Tier I	12.43%	10.78%	
- Tier II	3.60%	3.12%	
Capital Adequacy Ratio (Basel III) (including Net Profit for 9M)	16.59%	15.47%	
- Tier I	12.99%	12.35%	
- Tier II	3.60%	3.12%	

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

*Q3 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

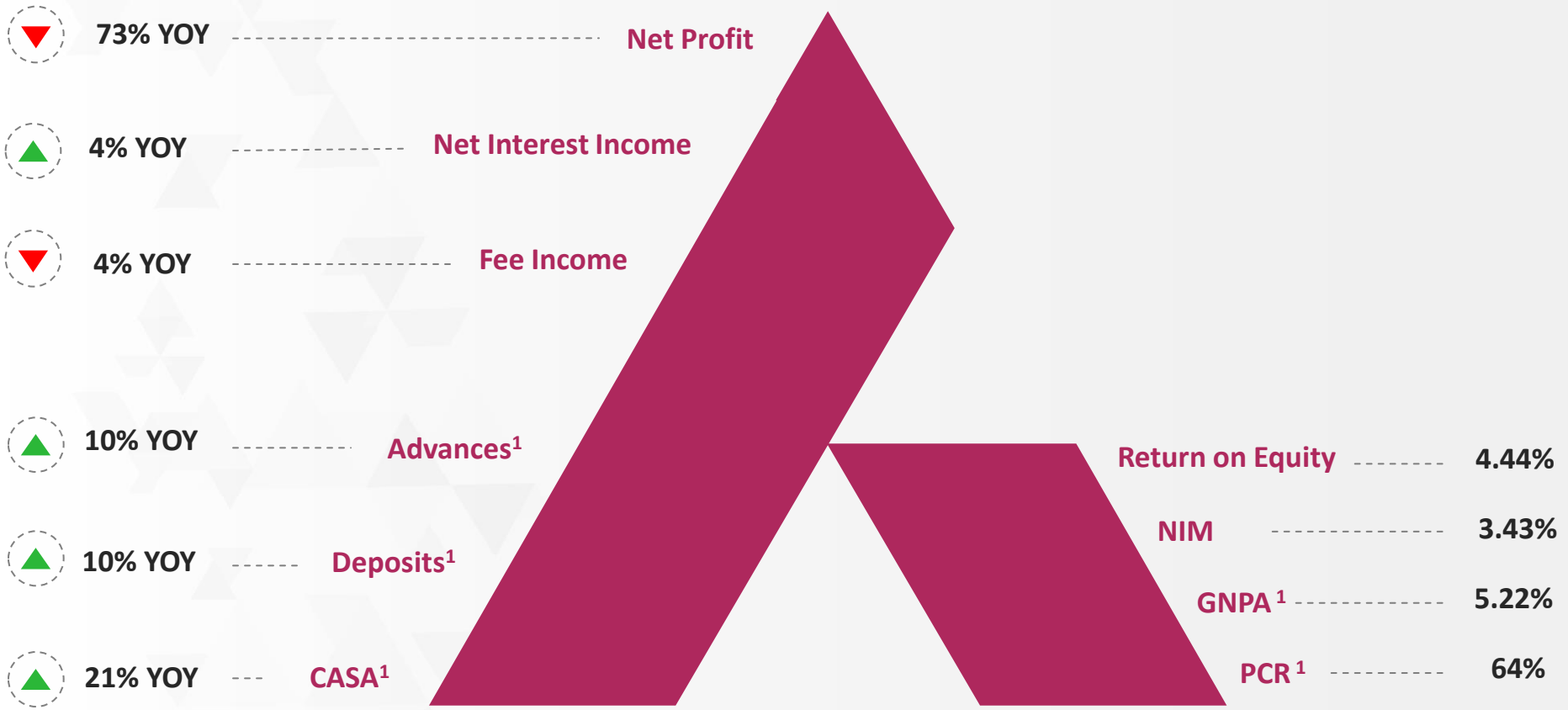
Earnings Quality

Retail Franchise

Asset Quality

Other important information

# Summary of Key Metrics for Q3FY17



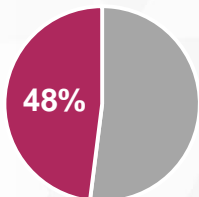
<sup>1</sup> as on 31<sup>st</sup> December, 2016



# Profit remains suppressed due to provision costs. However operating parameters continue to be resilient.

## Retail franchise registered healthy performance

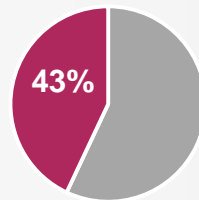
**Deposits** ↑ 10% YOY



CASA ↑ 21% YOY

SA Deposits ↑ 27% YOY

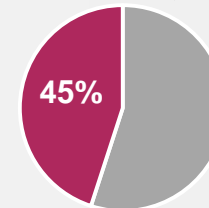
**Advances** ↑ 10% YOY



Retail Advances

↑ 19% YOY

**Fee Income** ↓ 4% YOY



Retail Fee Income

↑ 8% YOY

## Earnings Profile

19%  
YOY

**Operating Revenue**

₹7,734 crores

16%  
YOY

**Operating Profit**

₹4,640 crores

0.39%

**Return on Assets\*\***

4.44%

**Return on Equity\*\***

## Well capitalised

12.99%

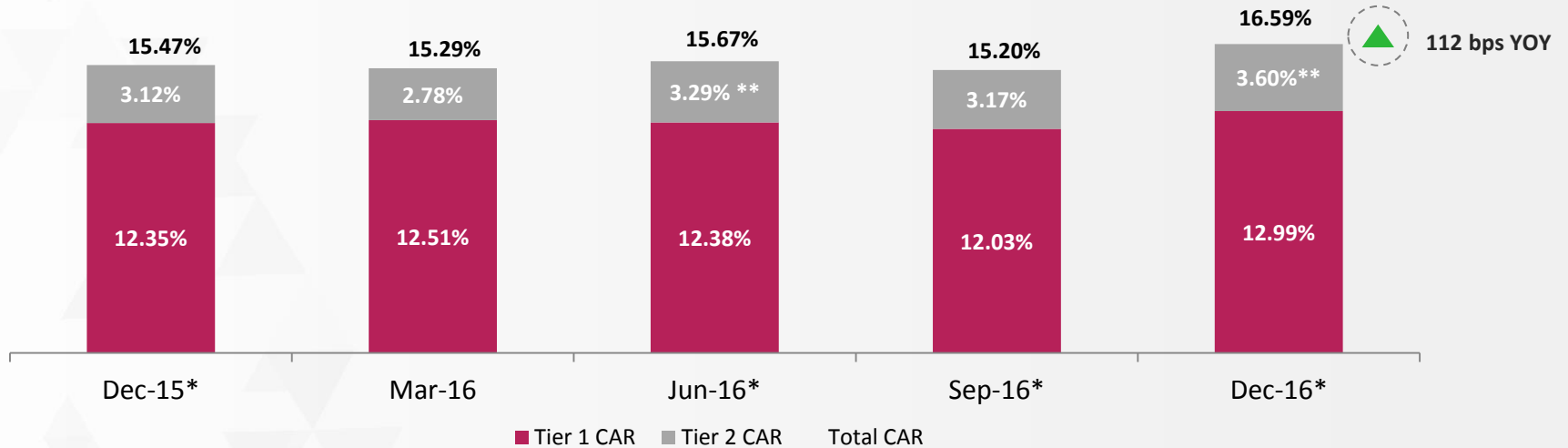
**Tier I CAR\***

16.59%

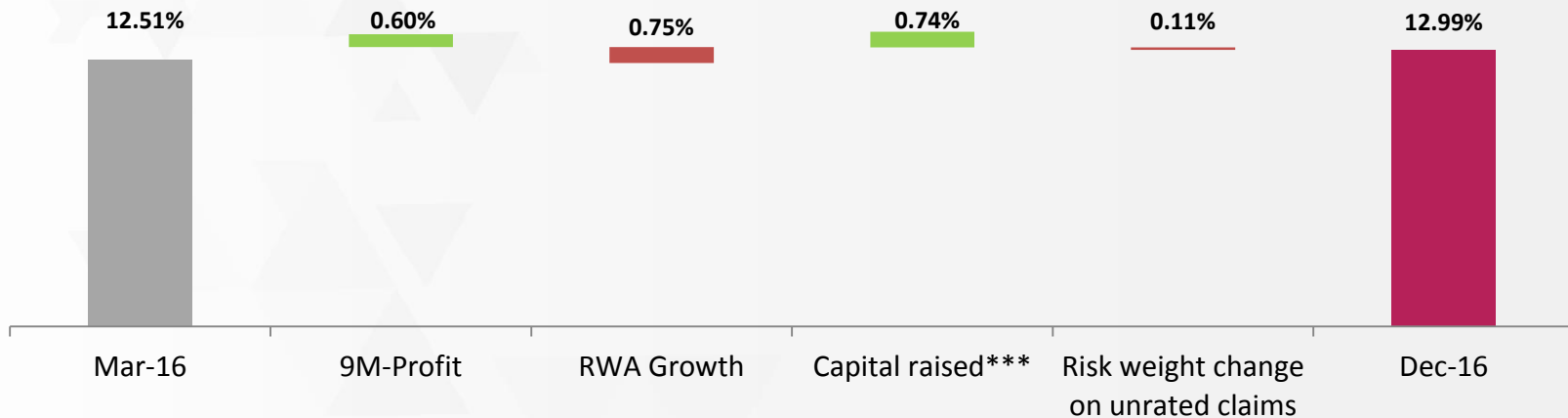
**Total CAR\***

# Capital adequacy has strengthened during the quarter

## Trend in Capital Adequacy Ratio



## YTD movement in Tier 1 Capital Adequacy Ratio



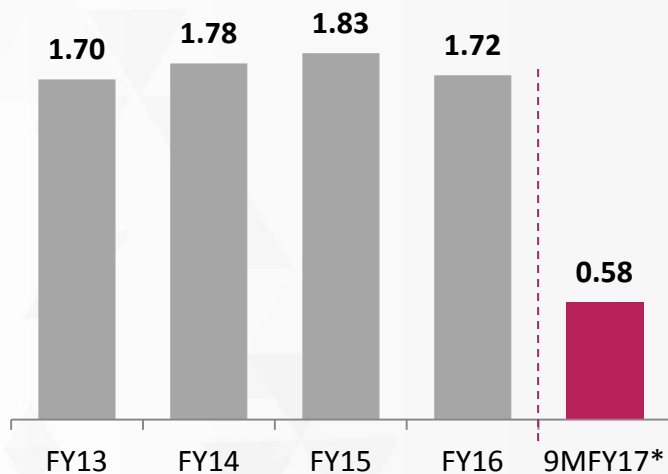
\* including unaudited Net Profit for the quarter / half year / nine-months

\*\* includes ₹2,430 crores and ₹1,800 crores mobilized through issuance of subordinated debt during Q1FY17 and Q3FY17, respectively

\*\*\* ₹3,500 crores mobilised through Additional Tier-1 bonds

# Shareholder return metrics have reduced for 9MFY17

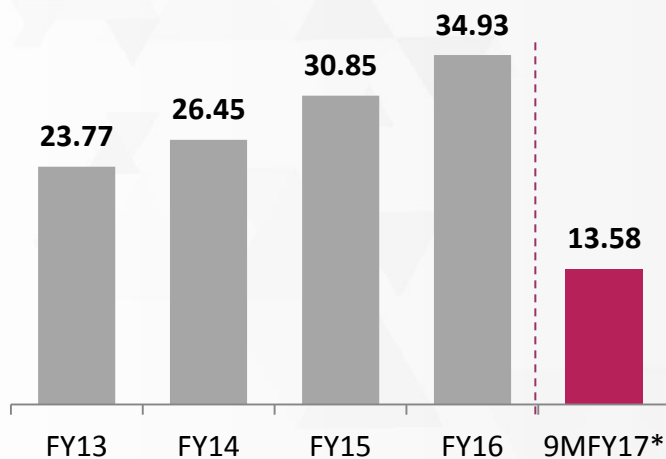
### Return on Assets (in %)



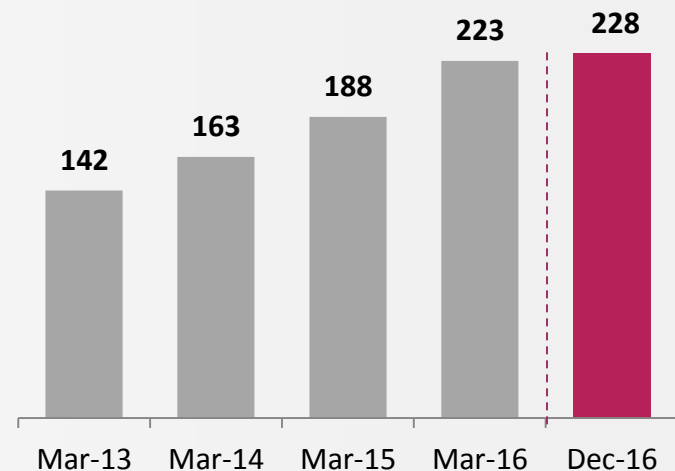
### Return on Equity (in %)



### Diluted EPS (₹)



### Book Value Per Share (₹)



\* annualised

Performance Highlights

Growth

Earnings Quality

Retail Franchise

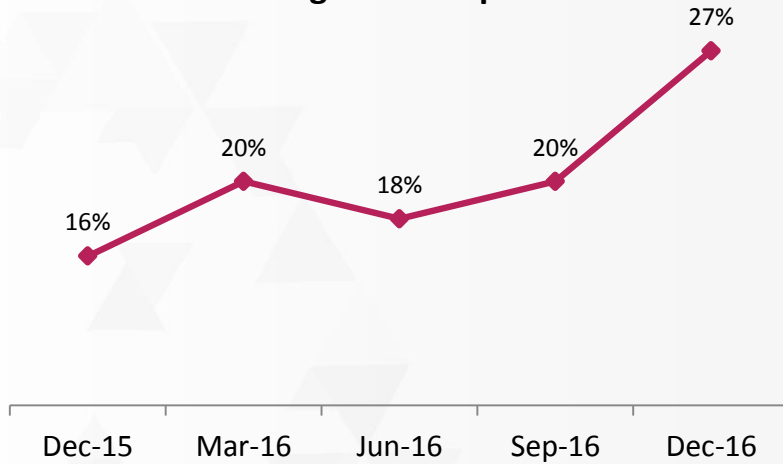
Asset Quality

Other important information

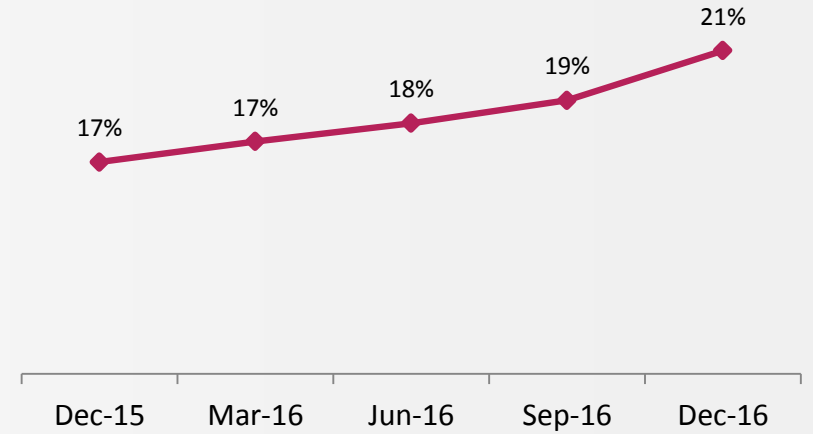
# Key balance sheet parameters report healthy growth

All figures in YOY growth

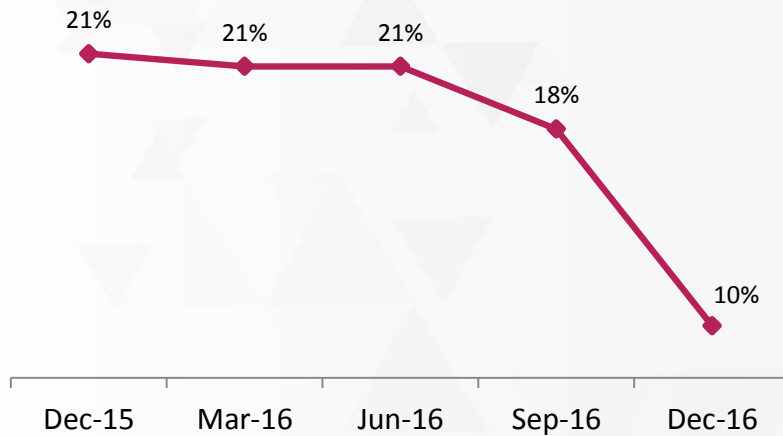
## Savings Bank Deposits



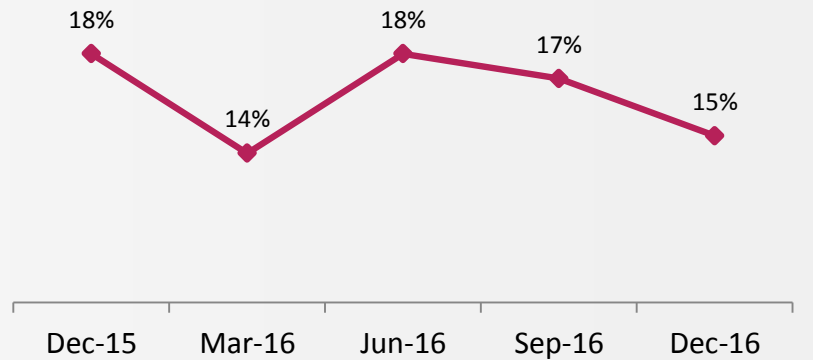
## CASA



## Advances



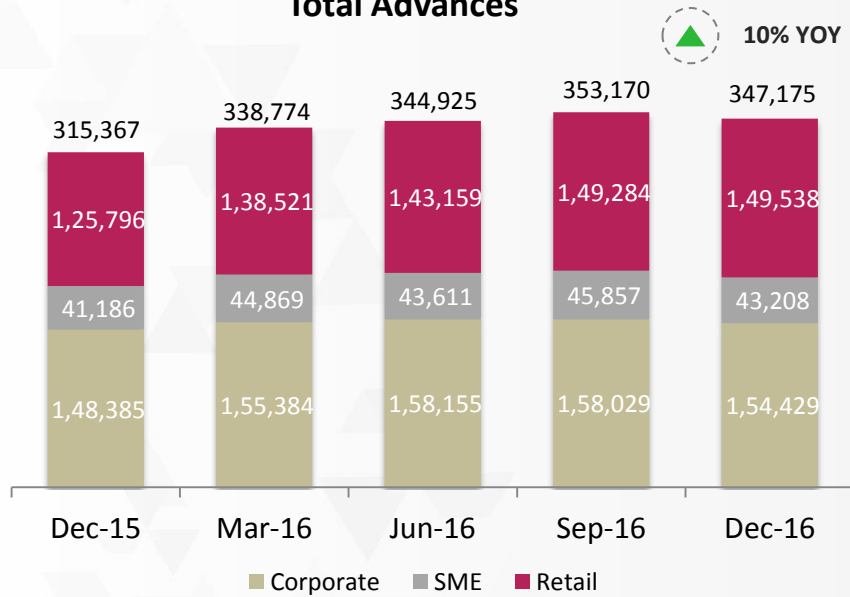
## Balance Sheet



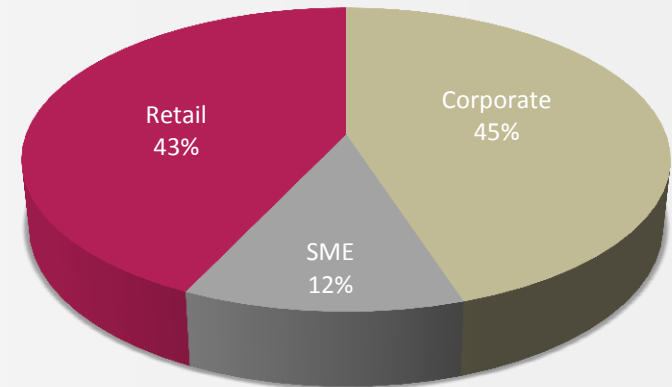
# Loan growth continues to be driven by retail

All figures in ₹ Crores

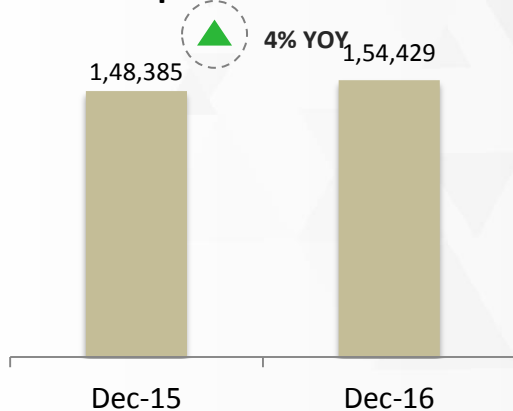
## Total Advances



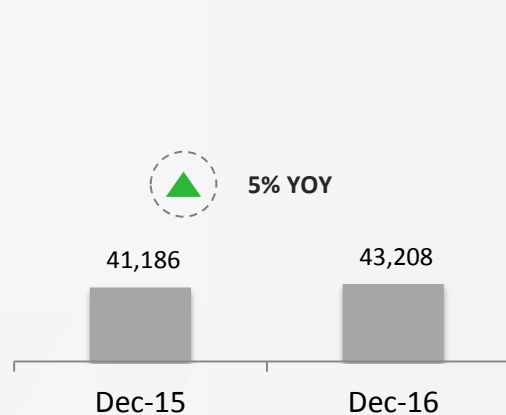
## Loan Mix (As on December 31, 2016)



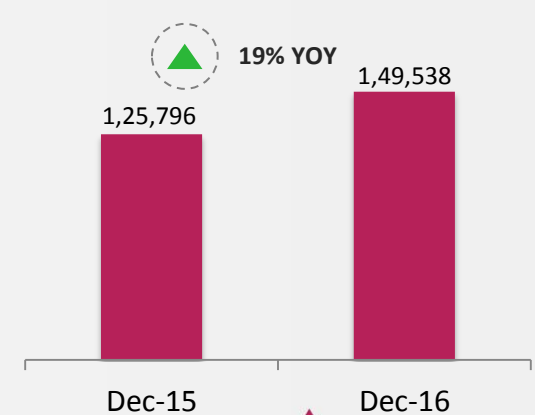
## Corporate Advances



## SME Advances



## Retail Advances

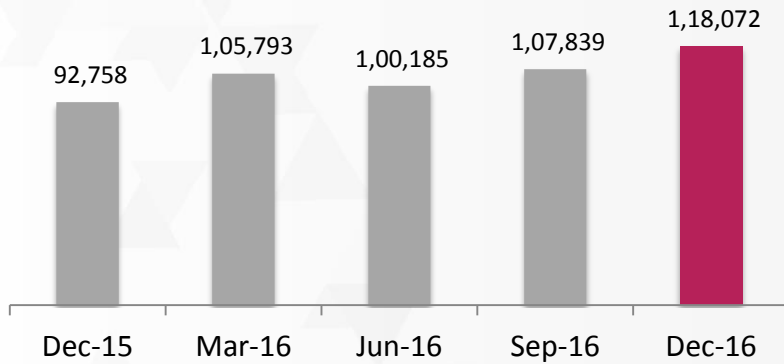


# Deposit franchise was aided by demonetisation during last quarter

All figures in ₹ Crores

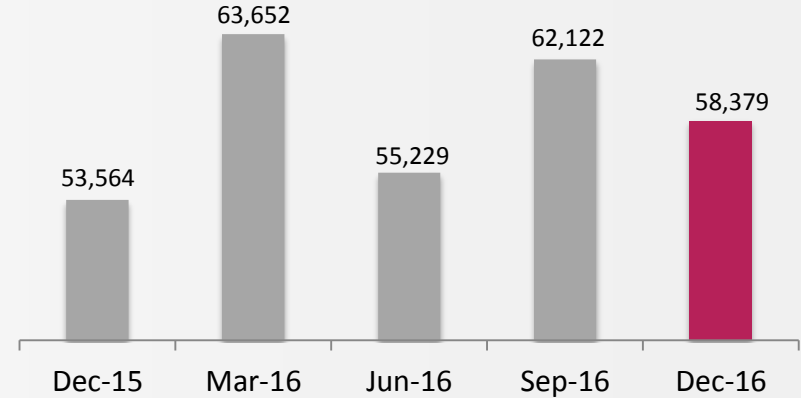
## Savings Bank Deposits

▲ 27% YOY



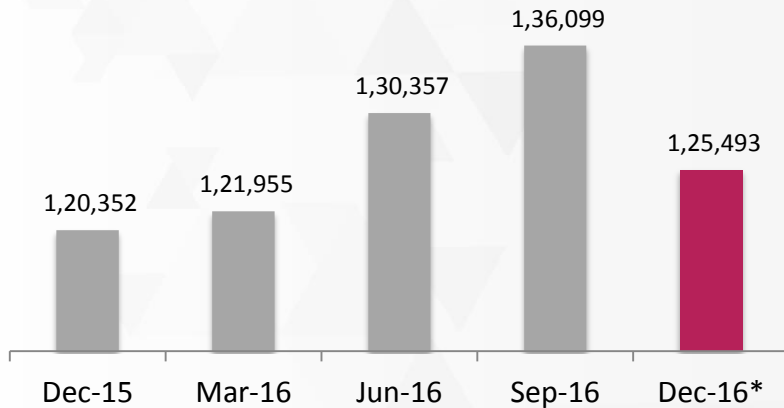
## Current Account Deposits

▲ 9% YOY

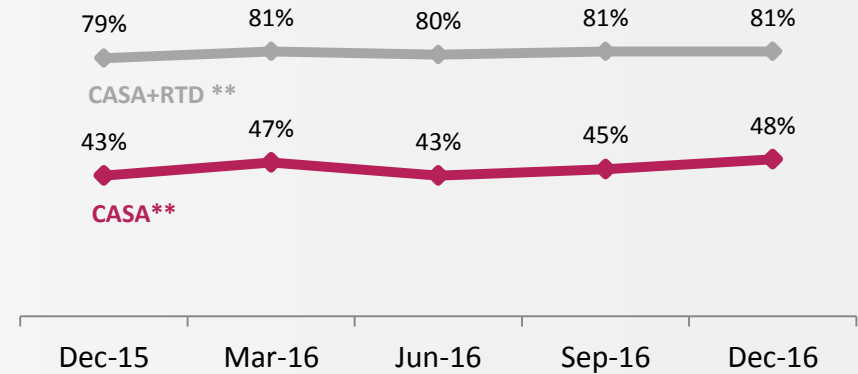


## Retail Term Deposits

▲ 4% YOY



## Trend in CASA and Retail Term Deposits



\* includes the impact of redemption of FCNR-B deposits

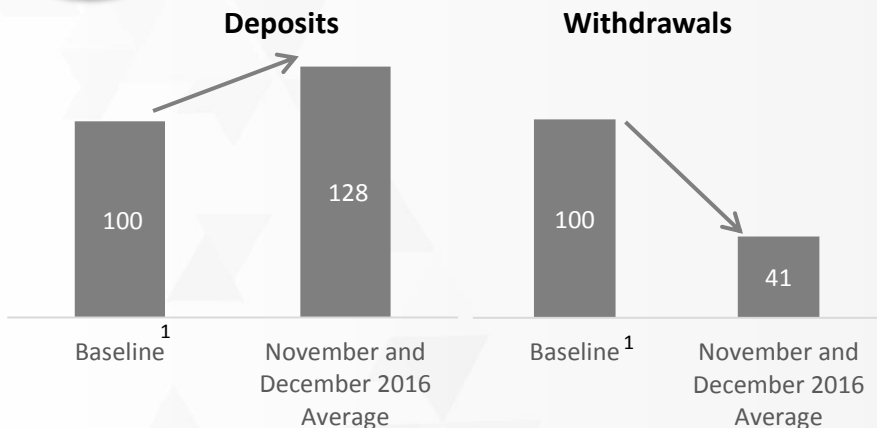
\*\* as % of total deposits



# Impact of Demonetisation in Q3 FY17

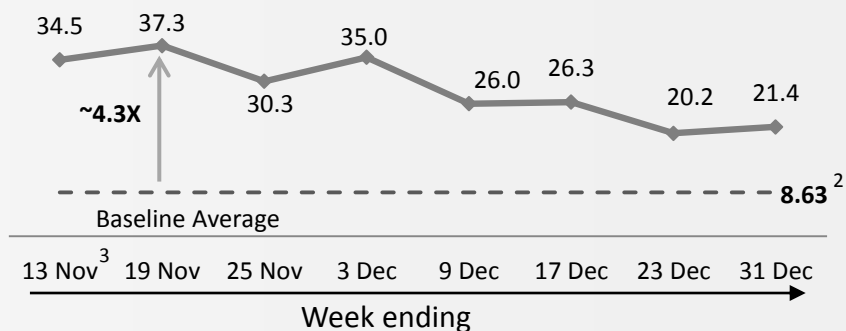
All figures in ₹ Crores

We saw significant increase in amount of cash transactions



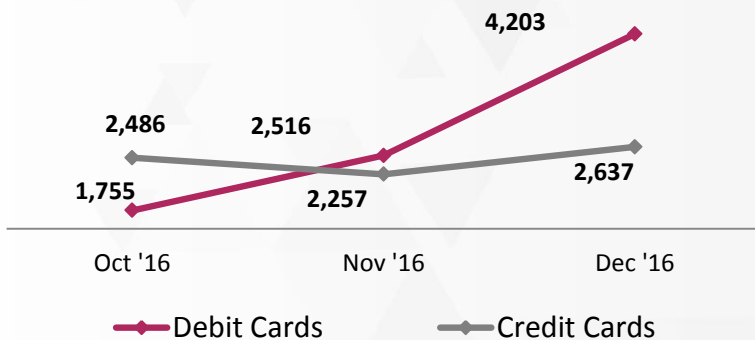
Transactions at branches increased

Weekly Branch Transactions (Lakhs)

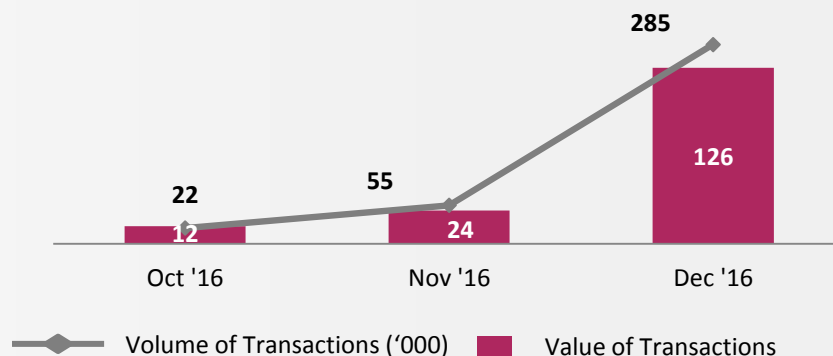


Electronic Payments increased significantly

Card Spends



UPI Transactions



1) Baseline indexed to 100 and calculated as average for the months of July, August and September 2016

2) Baseline calculated as weekly average for transactions in the period 1<sup>st</sup> October to 8<sup>th</sup> November 2016

3) For the period 10<sup>th</sup> November to 13<sup>th</sup> November 2016



Performance Highlights

Growth

Earnings Quality

Retail Franchise

Asset Quality

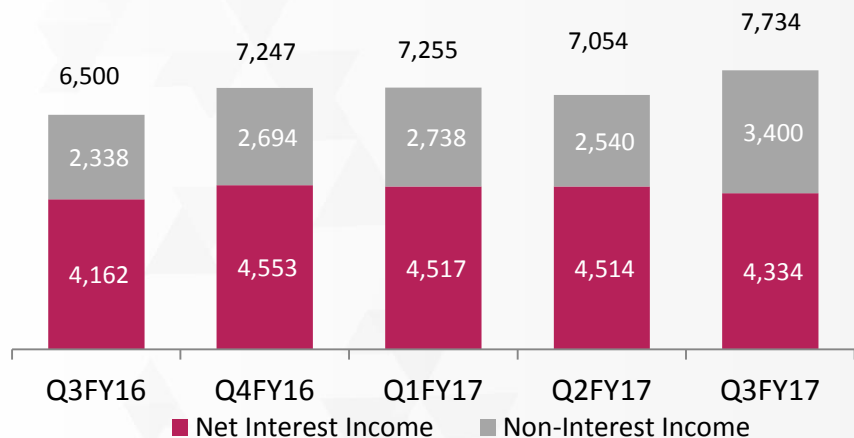
Other important information

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

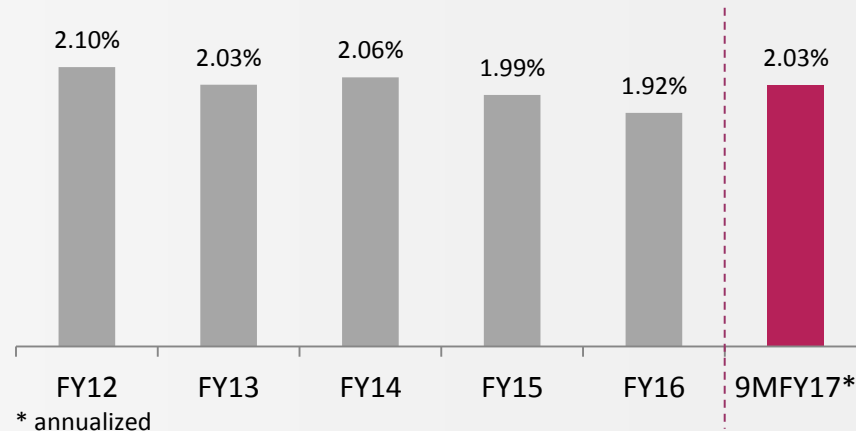
All figures in ₹ Crores

## Operating Revenue

▲ 19% YOY



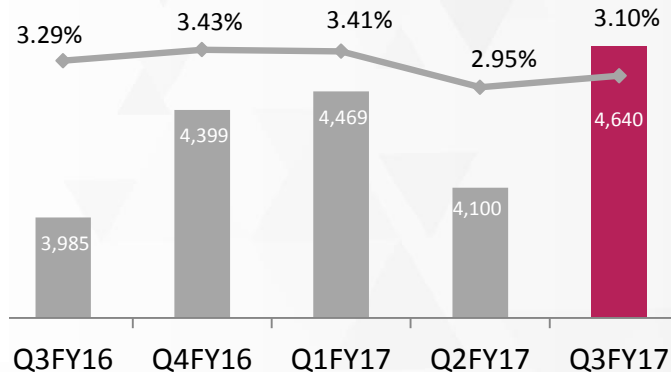
## Opex to Assets



\* annualized

## Operating Profit and Operating Profit Margin

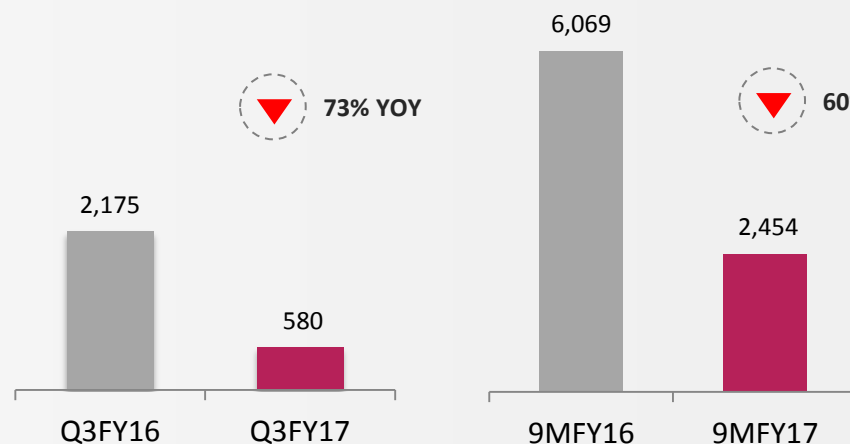
▲ 16% YOY



## Net Profit

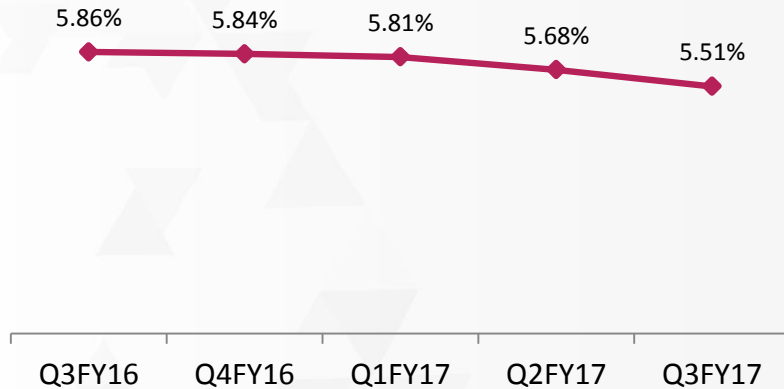
▼ 73% YOY

▼ 60% YOY

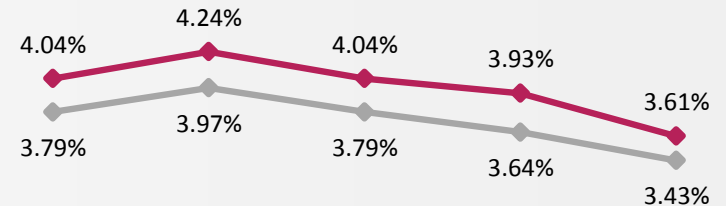


# NIM has moderated during the quarter

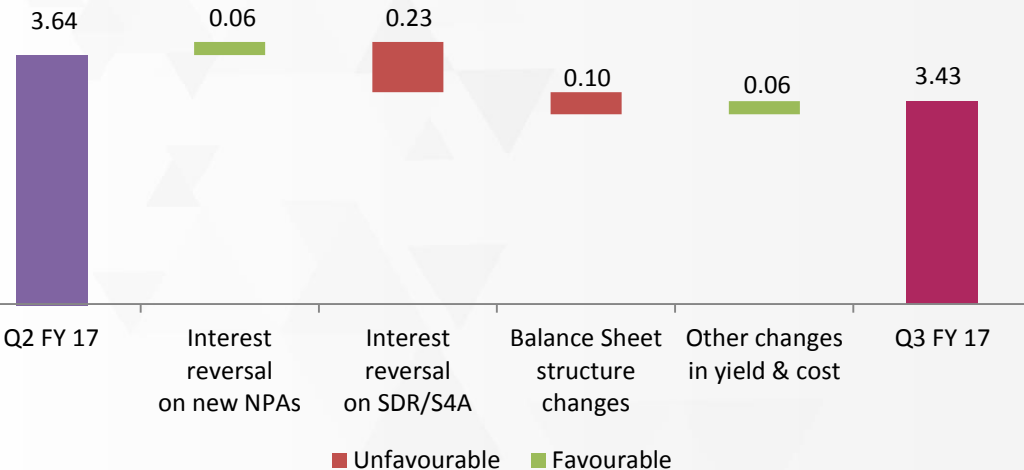
## Cost of Funds



## NIM - Global NIM - Domestic



**9MFY17 Global NIM is at 3.62%**



### Interest Reversal on SDR/S4A

- RBI issued guidelines in Nov 16 requiring reversal of interest on SDR/S4A loans
- Additional one time interest reversal of ₹317 crores during Q3FY17 related to above guidelines

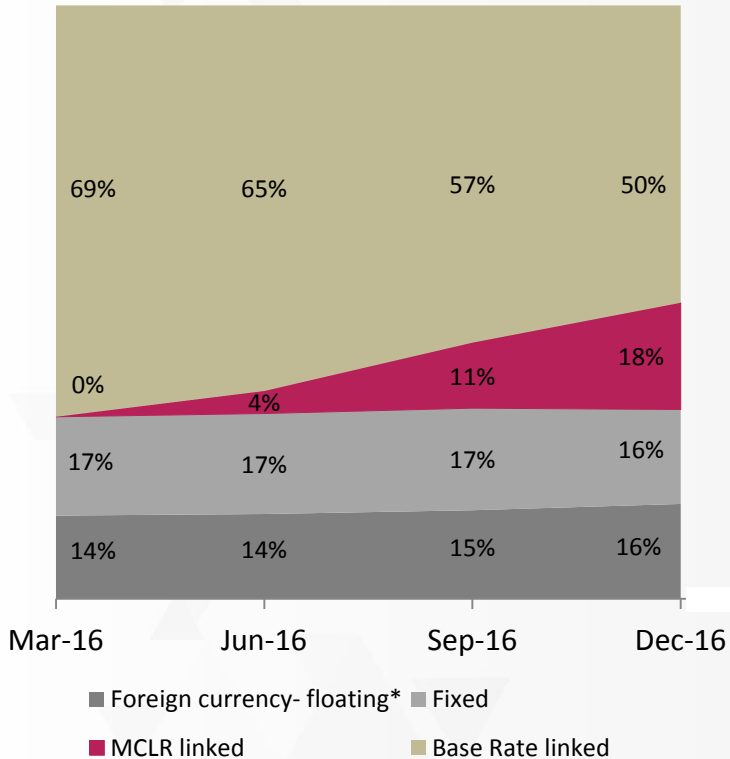
### Balance Sheet structure changes

- Higher deposits
- Higher cash in hand and reserve requirements
- Change in mix of assets and liabilities
- Resulting impact observed on NIM during Q3FY17

# MCLR based loans are growing, at the expense of Base Rate linked loans

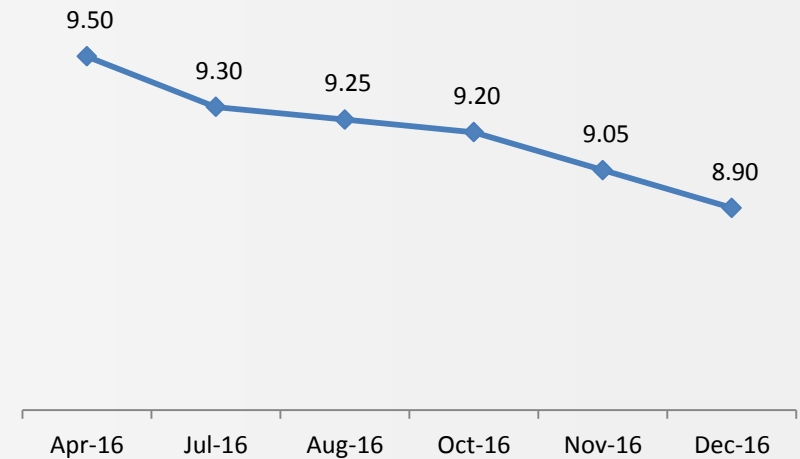


Advances mix by Rate type



\* Libor linked

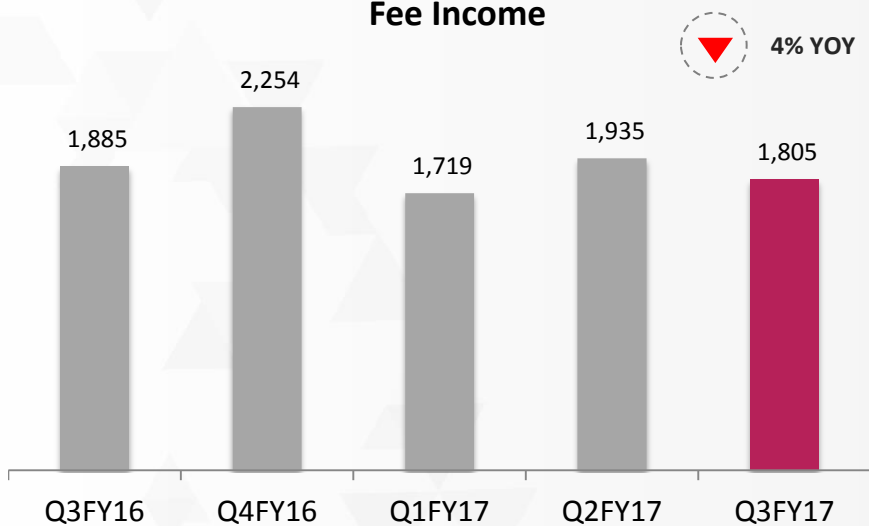
Trend in 1 year MCLR (%)



• All incremental variable rate sanctions are linked to MCLR

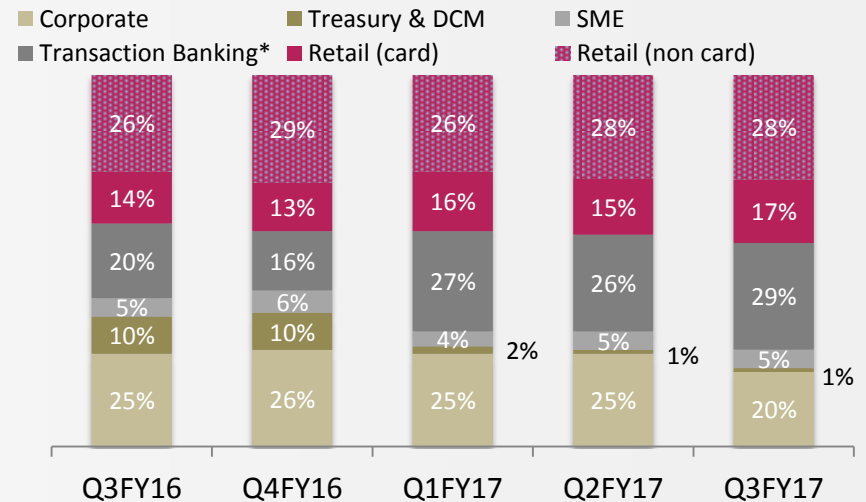
# Overall fees have contracted but granularity has improved

## Fee Income

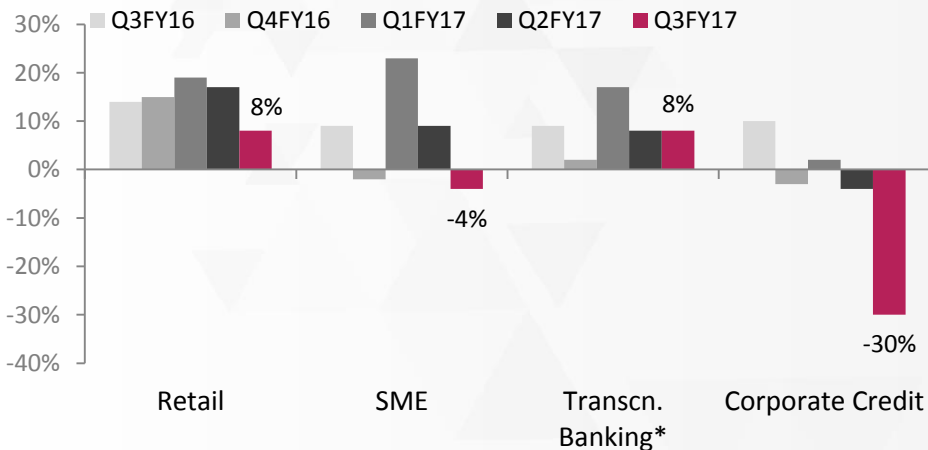


## Fee Composition

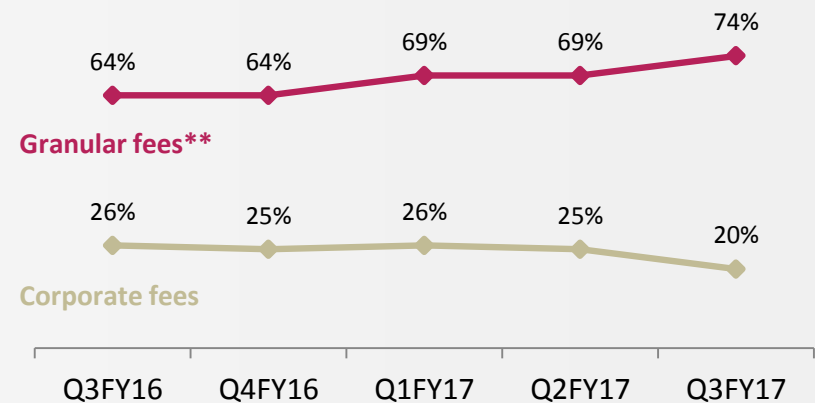
All figures in ₹ Crores



## Fee Growth (YOY)



## Trend in Granular and Corporate Fees



\*some fees have been reclassified as Transaction Banking fees from Treasury & DCM segment starting Q1FY17

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

Performance Highlights

Growth

Earnings Quality

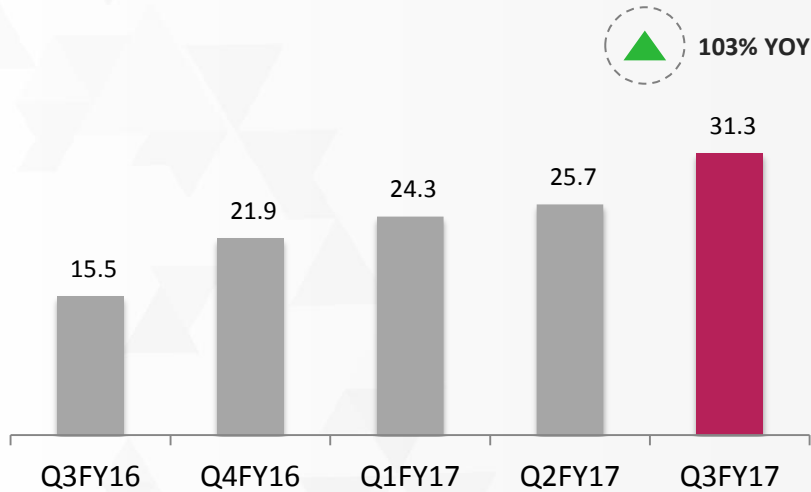
Retail Franchise

Asset Quality

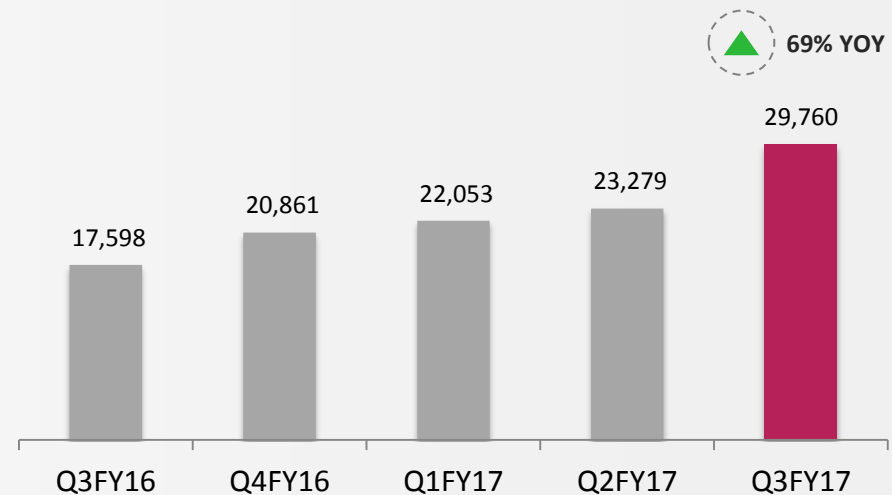
Other important information

# Retail Bank transaction mix change reflects the demonetisation drive

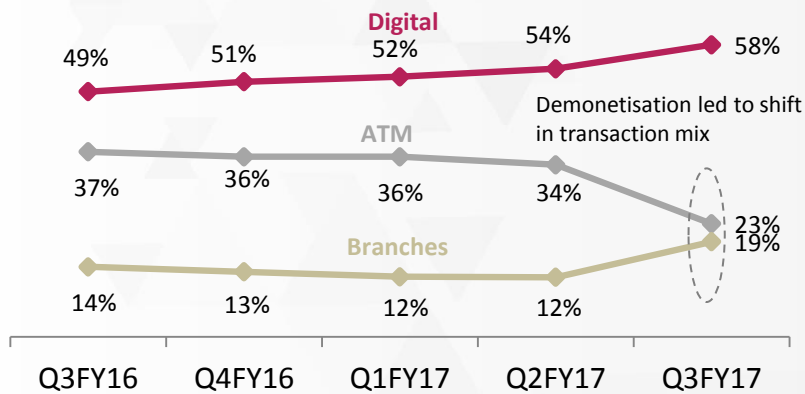
## Mobile Banking Transaction Volumes (Mn)



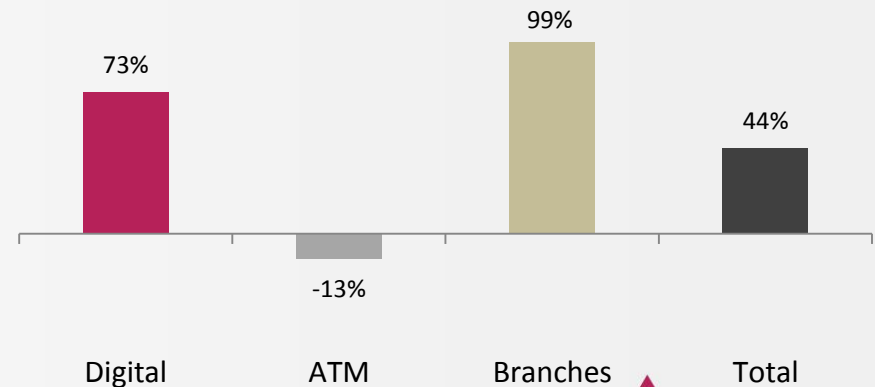
## Mobile Banking Spends (₹Cr)



## Transaction Mix\*



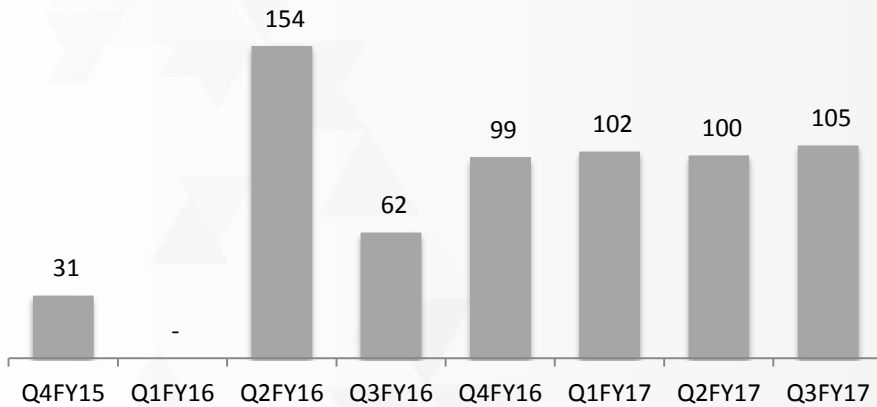
## Transaction Volume Growth YOY



\* Based on all financial transactions by individual customers

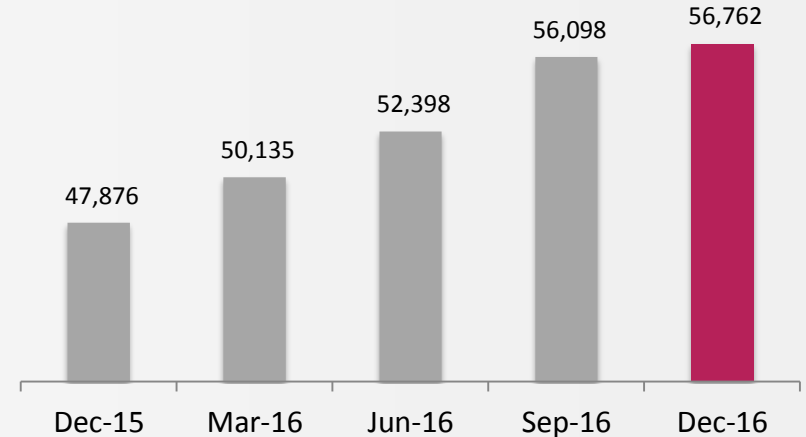
# Network has been expanding at a steady pace

## New Branches Opened

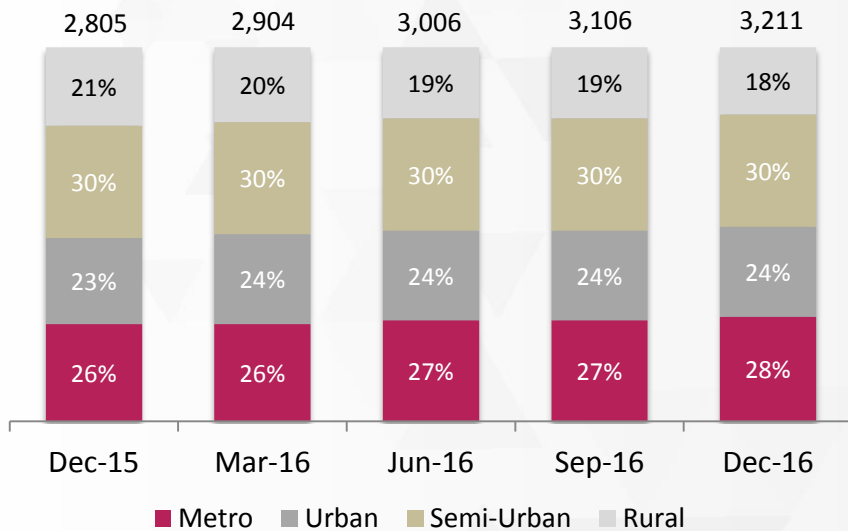


## Employee Strength

19% YOY



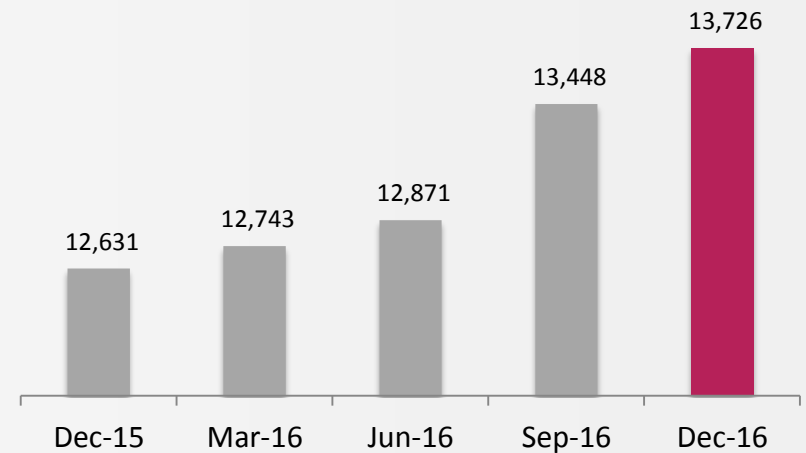
## Branch Mix\*



■ Metro ■ Urban ■ Semi-Urban ■ Rural

\* Includes extension counters

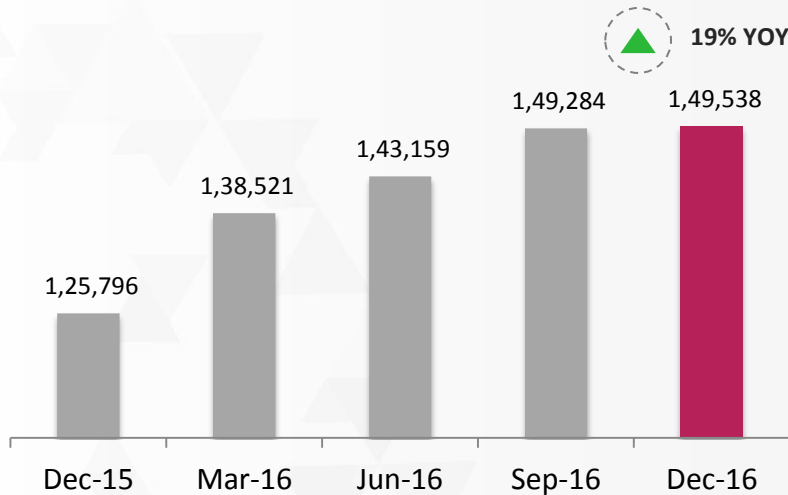
## ATMs





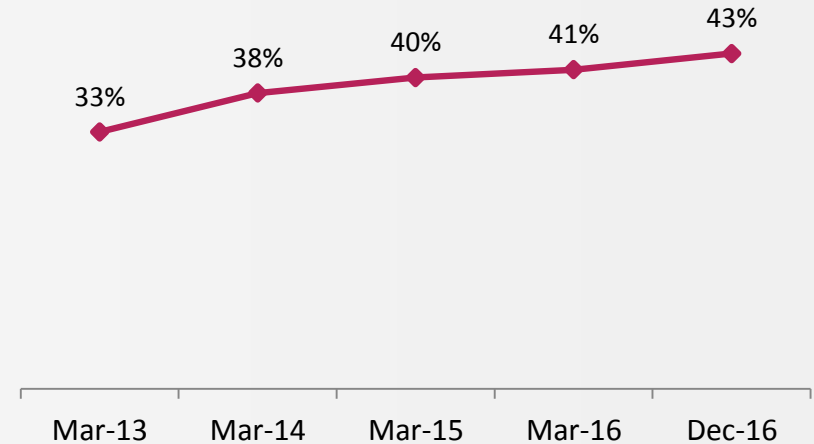
# Retail Lending growth remains steady

**Retail Advances**

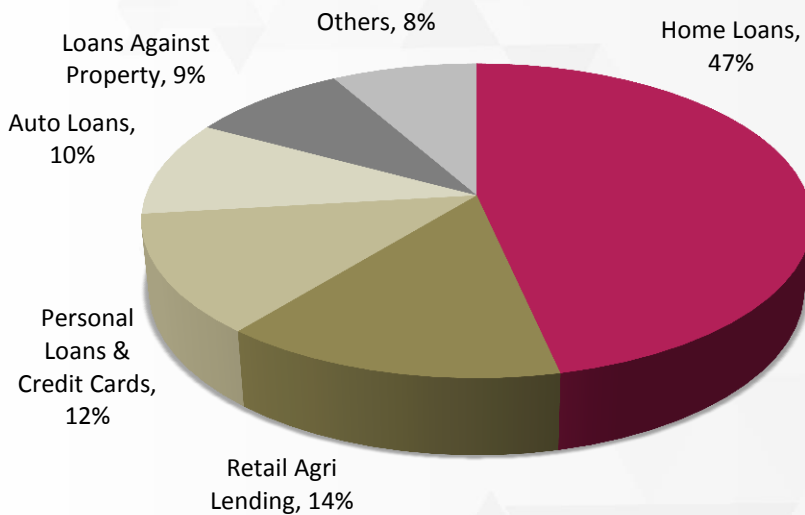


**Retail as % of Advances**

All figures in ₹ Crores



**Retail Advances Mix**

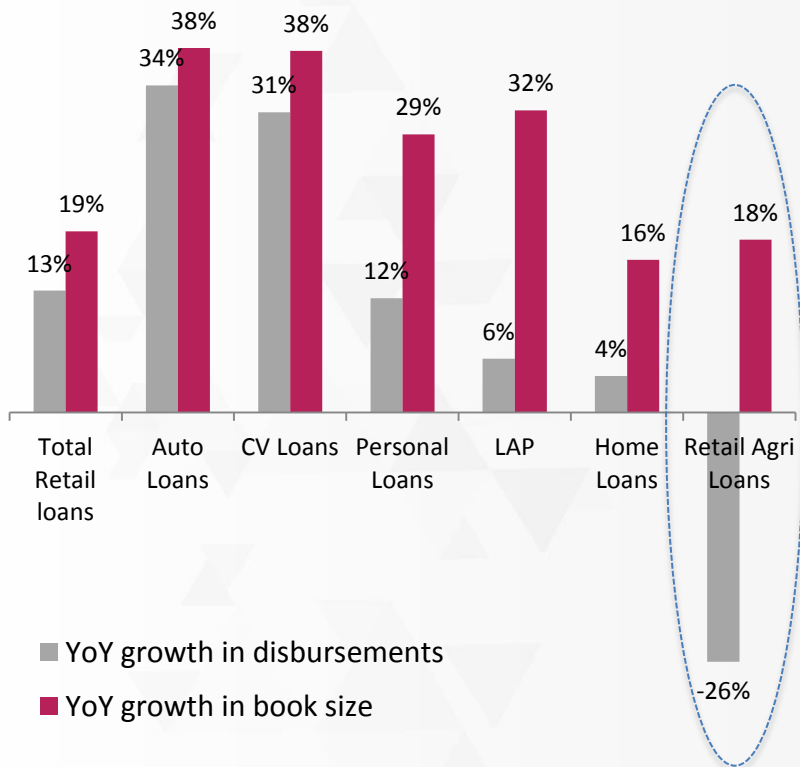


- Sourcing strategy focused on internal customer base of the Bank
- 71% of sourcing in Q3 was from existing customers
- 97% of Credit Card and 81% of Personal Loan originations in the quarter were from existing customers
- 49% of overall sourcing was through Bank branches

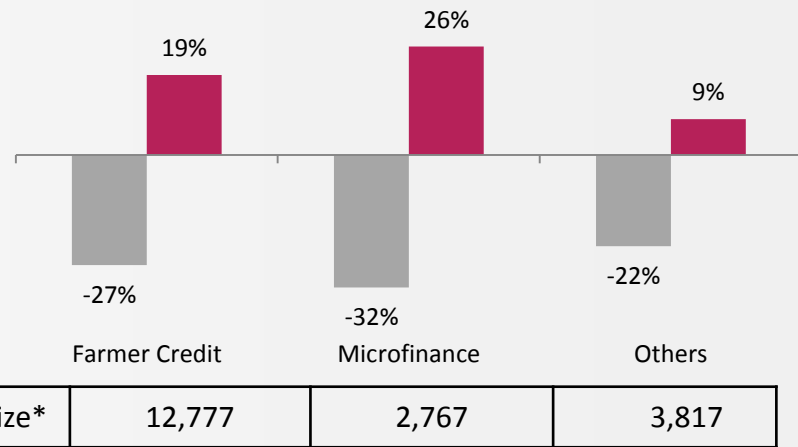


# However, demonetisation has had varying impact on different retail loan segments

**Property and agriculture related disbursements have been impacted**



**Rural Agri related disbursements have taken a hit**

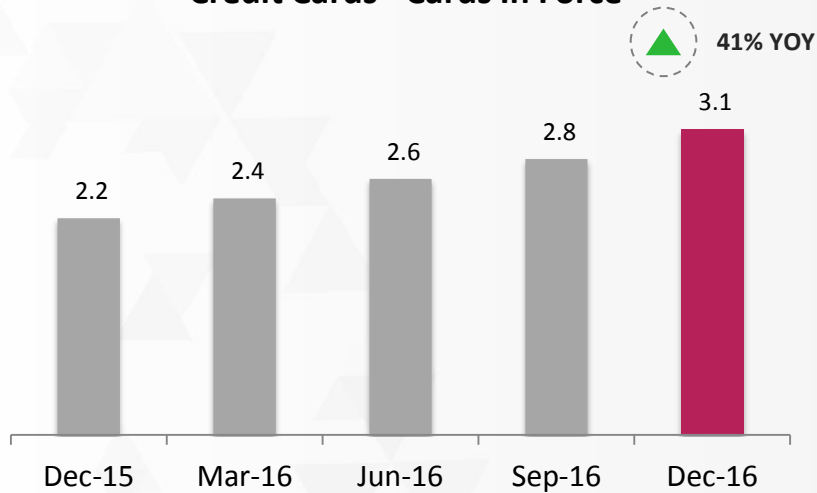


\*As of December 2016 in ₹ Crores

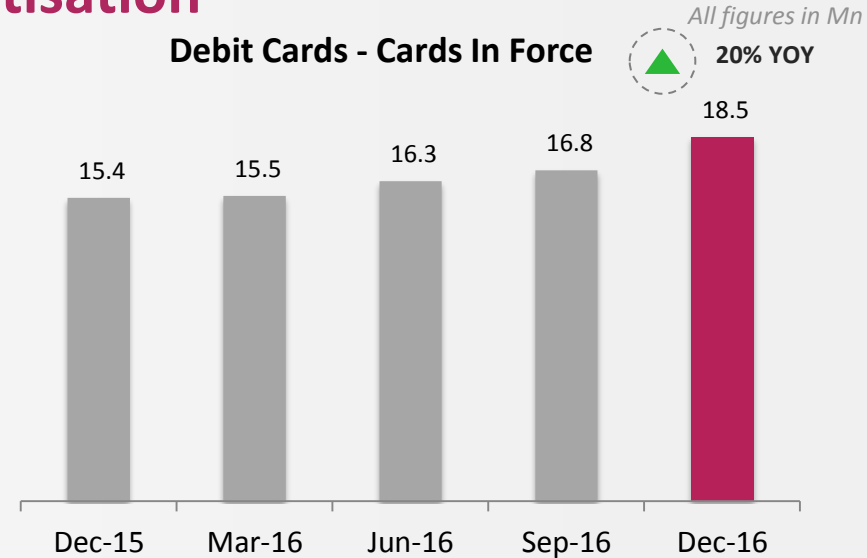
CV - Commercial Vehicles  
LAP - Loan against Property

# Transactions and payments businesses got significant boost post demonetisation

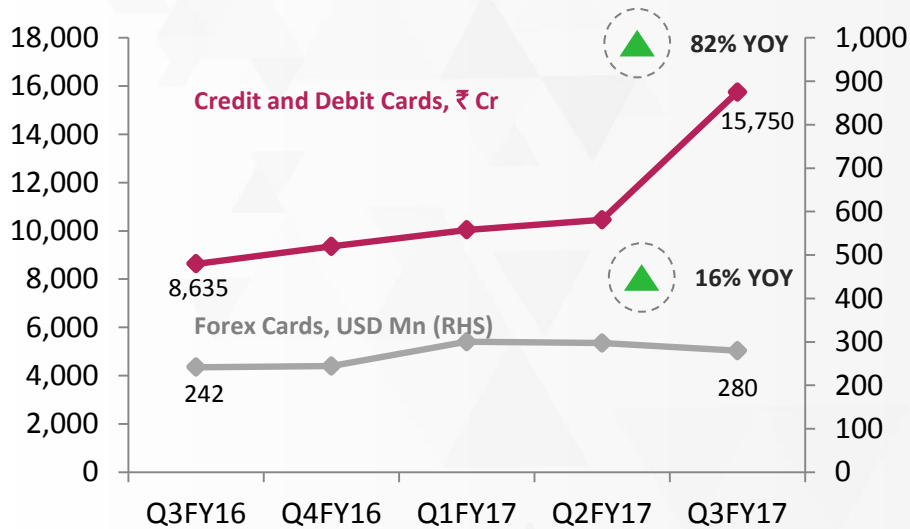
### Credit Cards - Cards In Force



### Debit Cards - Cards In Force



### Cards Spends



### Strong positioning in the payments space

Product	Market share*	Ranking*
 Credit Cards <sup>1</sup>	10.6%	4 <sup>th</sup>
 Debit Cards <sup>2</sup>	5.8%	4 <sup>th</sup>
 Forex Cards	45%	1 <sup>st</sup>
 Merchant Acquisition	18.3%	3 <sup>rd</sup>

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

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

Performance Highlights

Growth

Earnings Quality

Retail Franchise

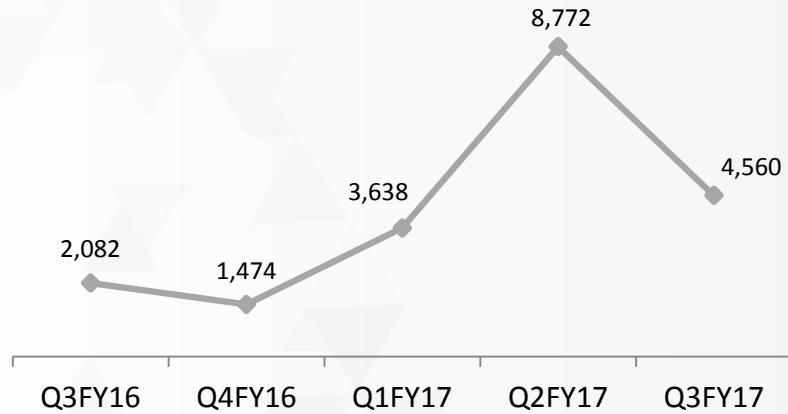
Asset Quality

Other important information

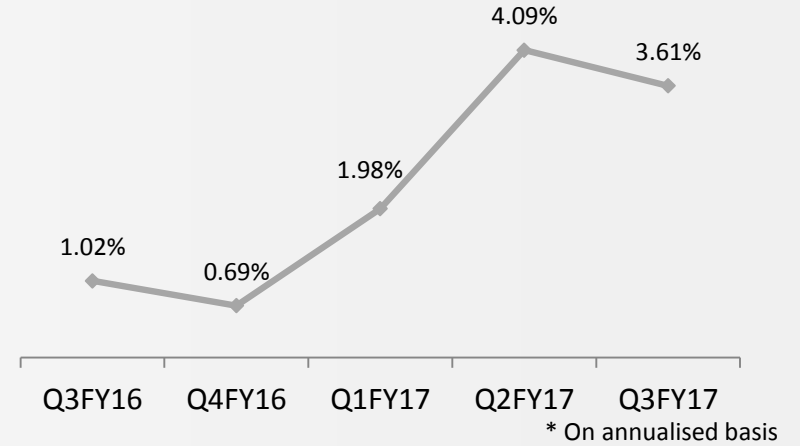
# Slippages and credit costs have reduced from Q2 peaks. PCR has improved during the quarter.

All figures in ₹ Crores

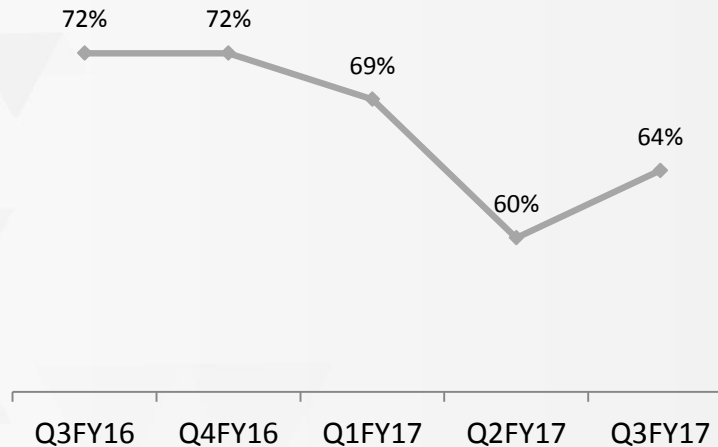
### Movement in Gross Slippages



### Movement in Credit Cost\* in the quarter

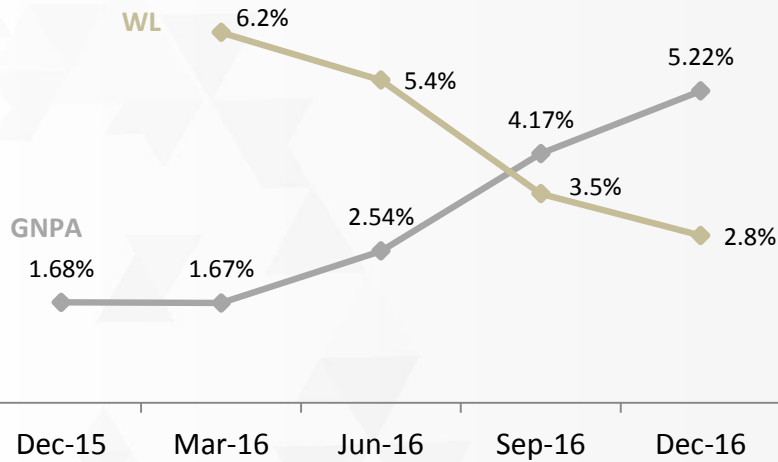


### Trend in Provision Coverage Ratio



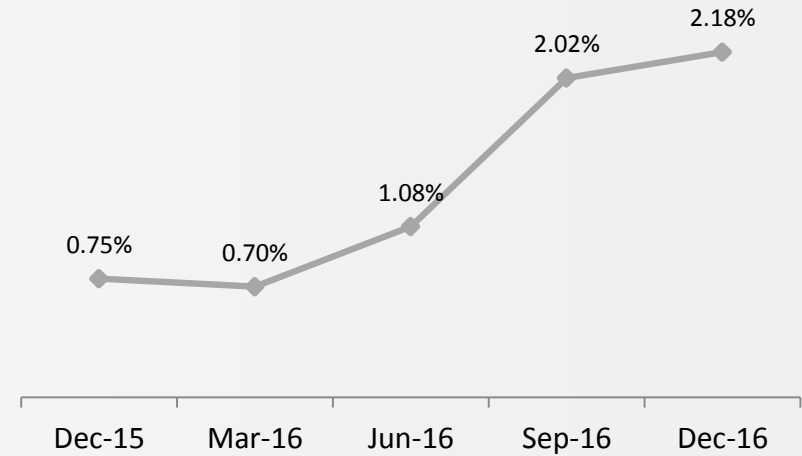
# Gross and Net NPAs have increased in Q3FY17

## Gross NPA and Watch List (WL)



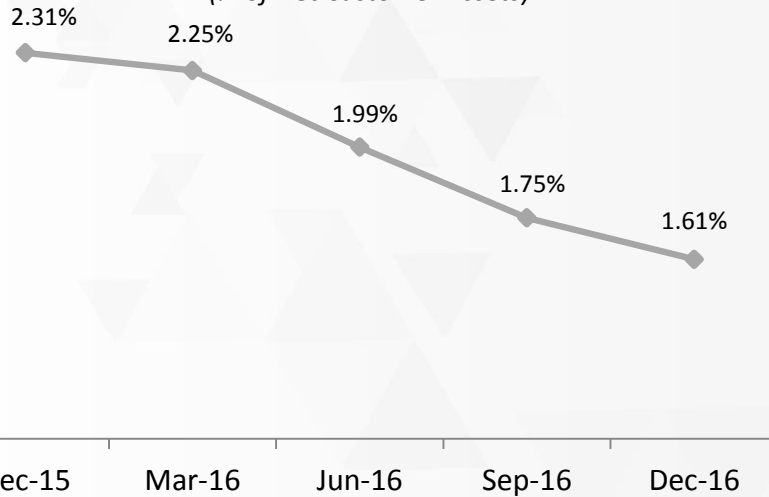
## Net NPA

All figures in ₹ Crores

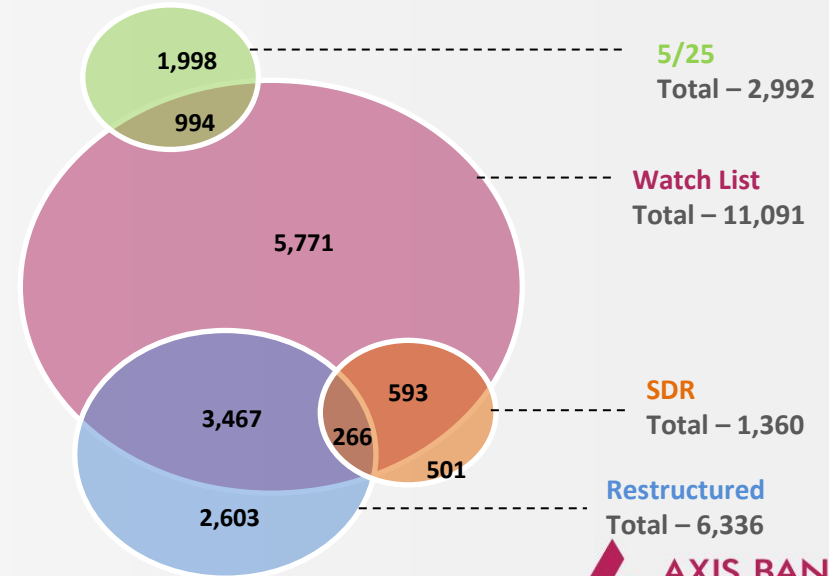


## Net Restructured Assets

(% of Net Customer Assets)



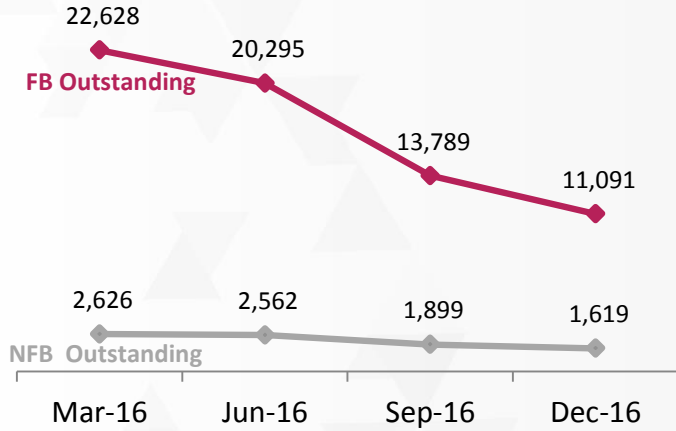
## Non-Retail advances under various dispensations



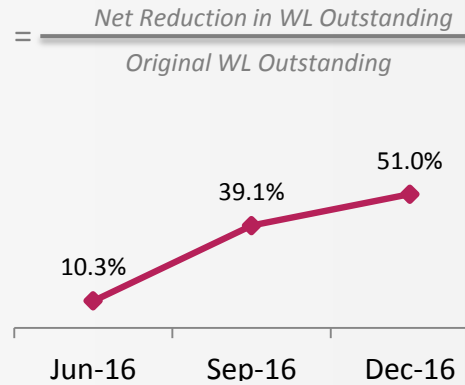
# Most of the slippages in Corporate Lending were from the Watch List

All figures in ₹ Crores

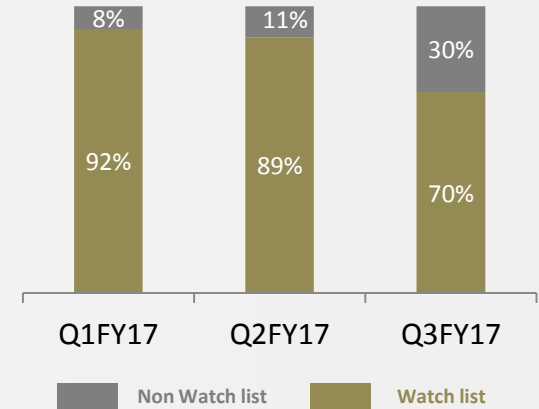
### Watch List Outstanding



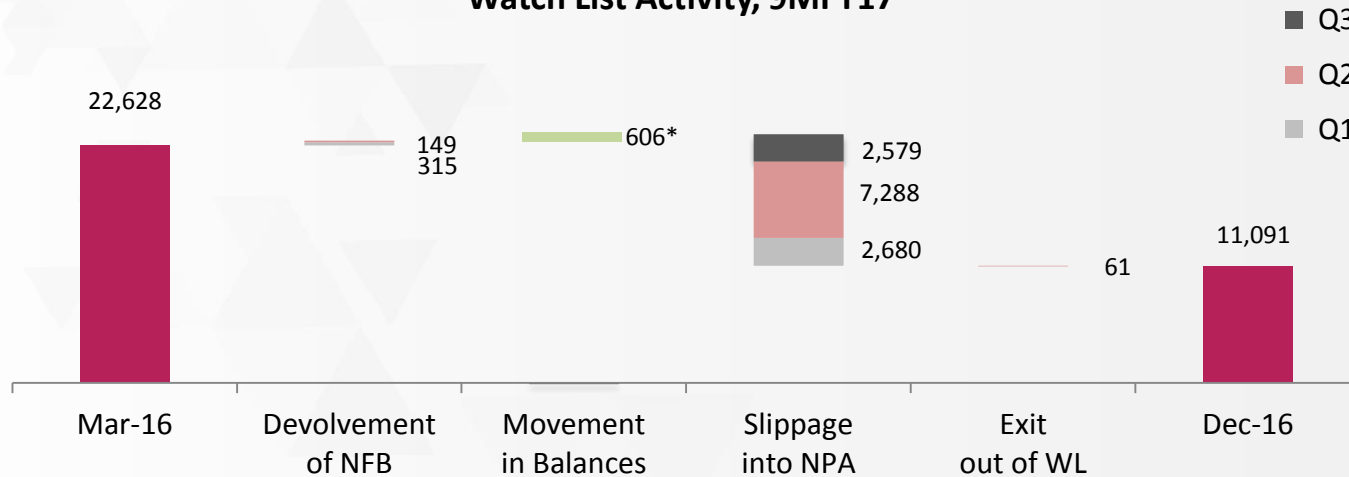
### Cumulative Dissolution Rate



### Slippages in Corporate Lending



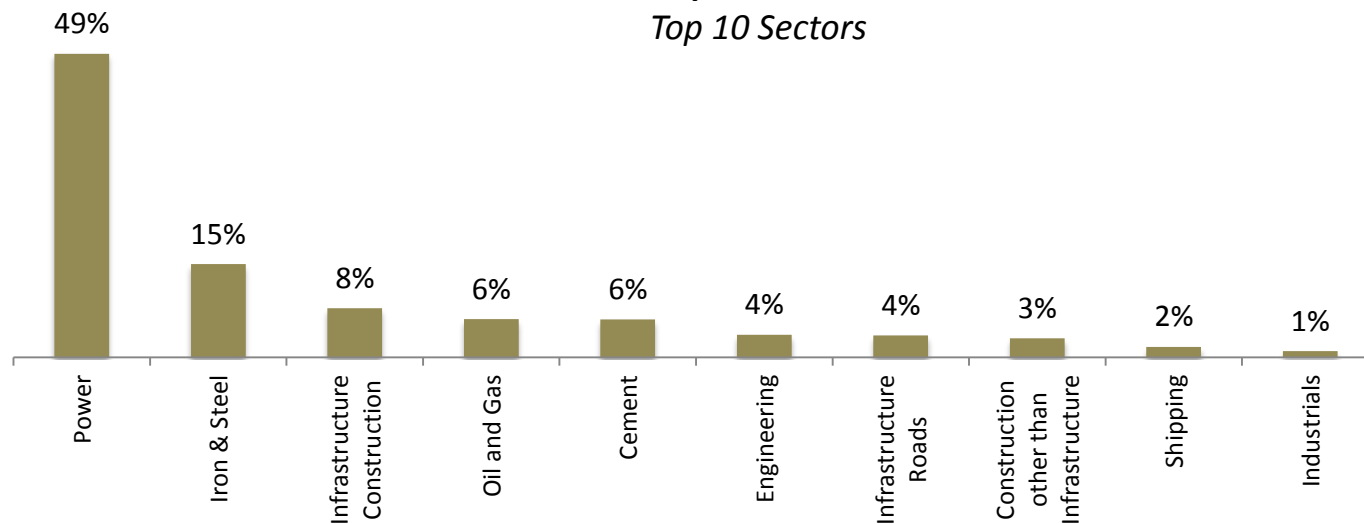
### Watch List Activity, 9MFY17



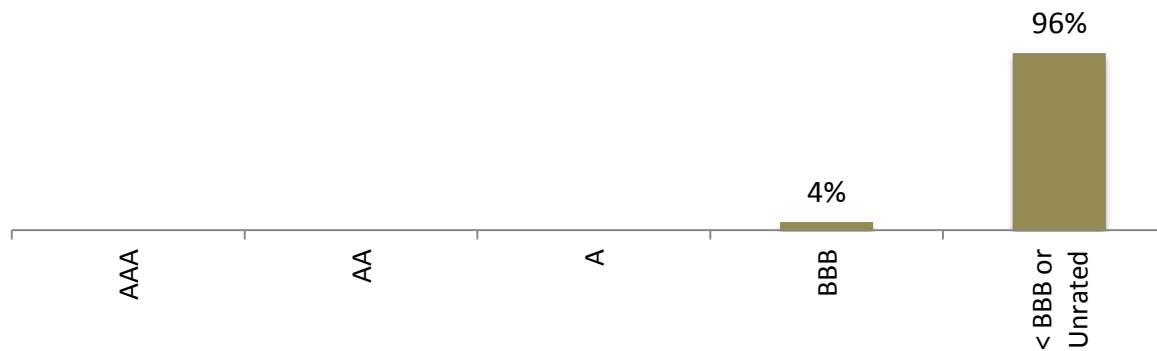
\* represents cumulative movement in balances during 9M FY17

# Remaining Watch List portfolio is now dominated by Power

**Sectoral composition of Watch List**  
*Top 10 Sectors*



**Internal Rating Mix**  
*(by value)*

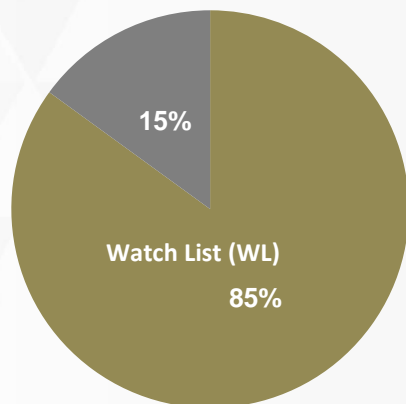




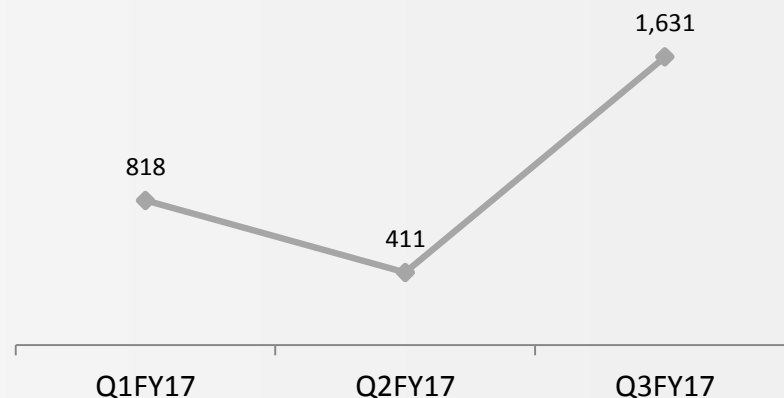
# Trend in non Watch List slippages

All figures in ₹ Crores

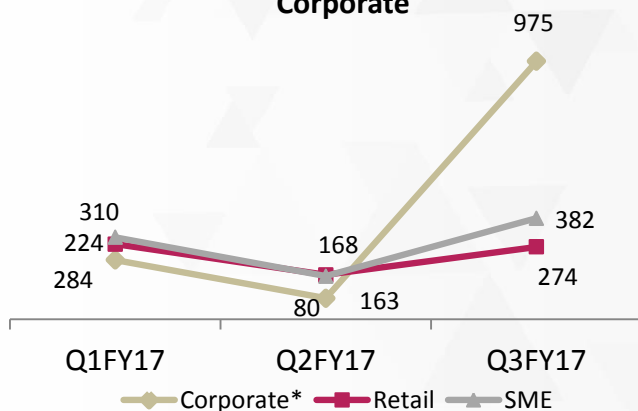
85% of Corporate Slippages in 9MFY17 have come from WL



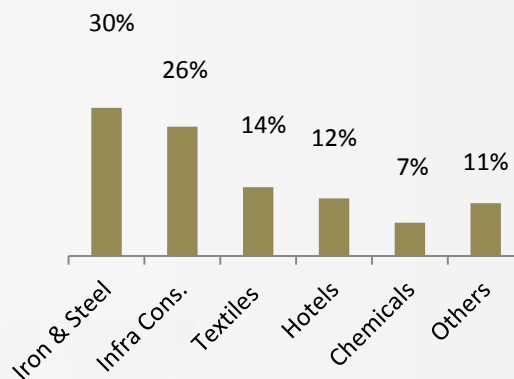
Net Slippages outside WL have increased#



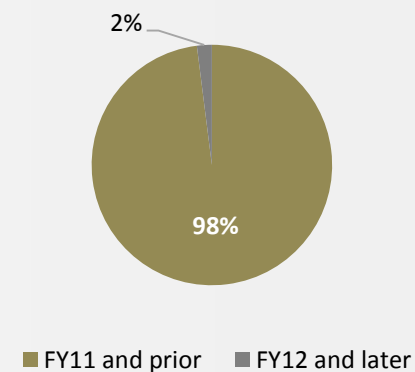
Most of the increase in net non WL slippages has come largely from Corporate



Corporate Slippages (non WL) have been led by Iron & Steel and Infra in Q3FY17



98% of non WL corporate slippages in Q3FY17 have originated in FY 11 and prior

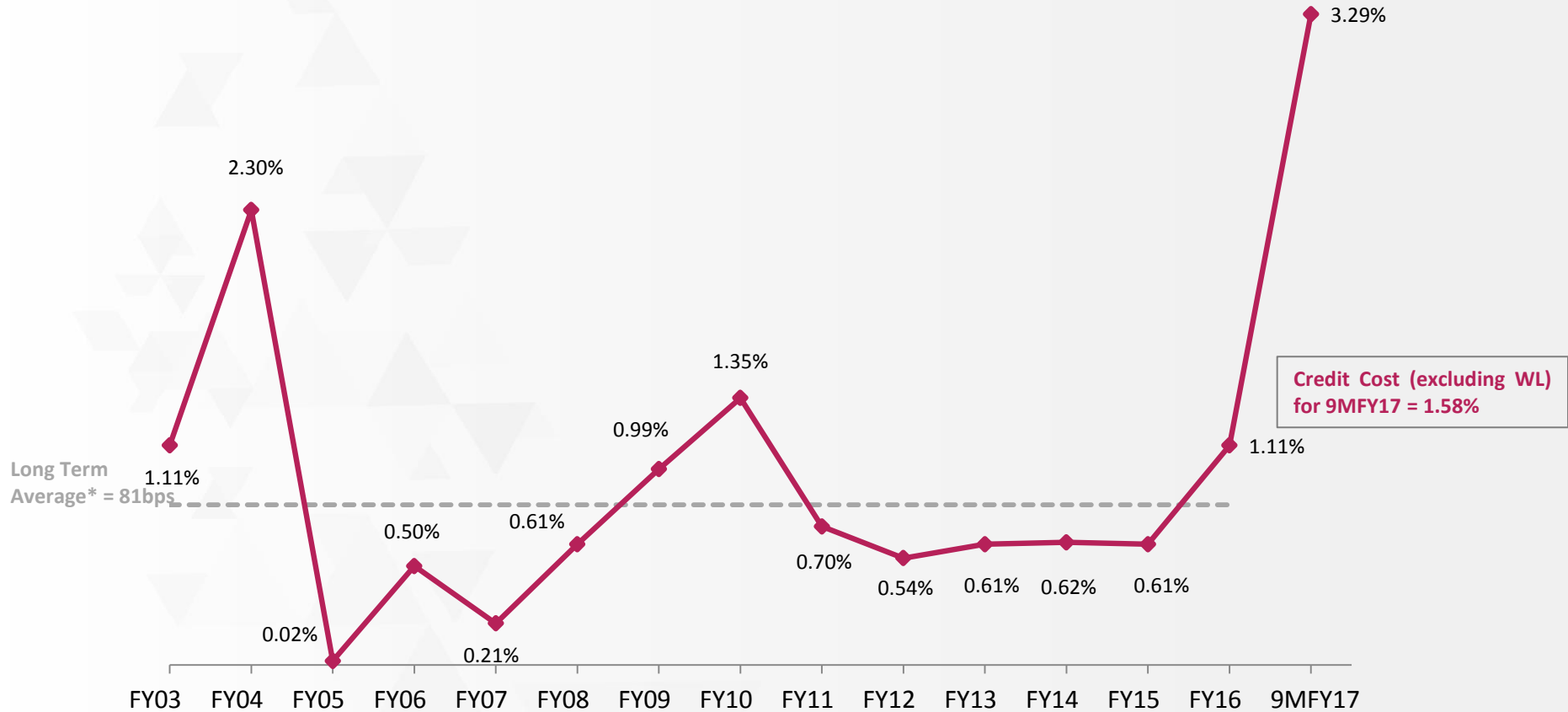


\*non Watch List accounts  
# before write-offs



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

### Trend in Credit Cost : FY03 to 9MFY17



\* For the period from FY03 to FY16

## Movement in NPA's

All figures in ₹ Crores

		Q3FY16	Q4FY16	Q1FY17	Q2FY17	Q3FY17
<b>Gross NPAs - Opening balance</b>	<b>A</b>	4,451	5,724	6,088	9,553	16,379
Fresh slippages	B	2,082	1,474	3,638	8,772	4,560
Upgradations & Recoveries	C	(156)	(780)	(140)	(1,073)	(350)
Write offs	D	(653)	(330)	(33)	(873)	(122)
<b>Gross NPAs - closing balance</b>	<b>E = A+B-C-D</b>	5,724	6,088	9,553	16,379	20,467
Provisions incl. interest capitalisation	F	3,210	3,566	5,543	8,618	12,172
<b>Net NPA</b>	<b>G = E-F</b>	2,514	2,522	4,010	7,761	8,295
Accumulated Prudential write offs		3,717	3,627	3,547	2,901	2,818
Provision Coverage Ratio*		72%	72%	69%	60%	64%

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

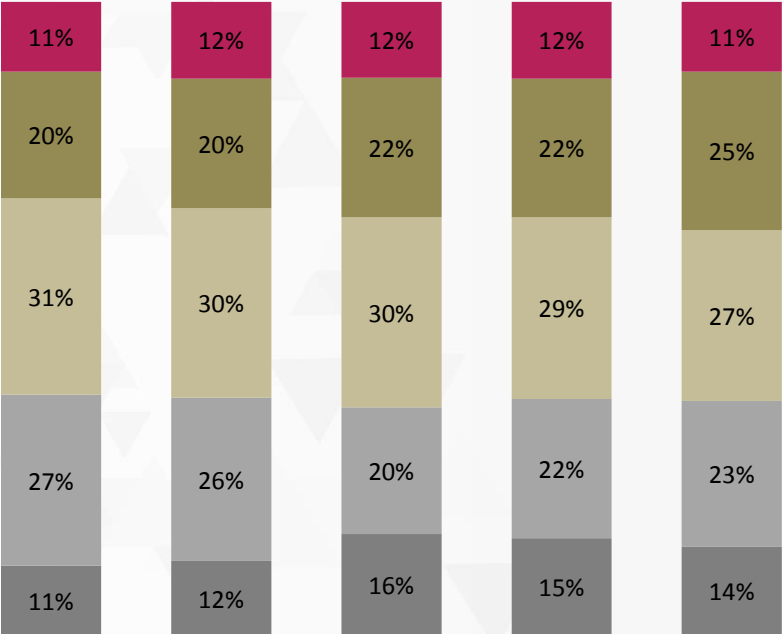
	Q3FY16	Q4FY16	Q1FY17	Q2FY17	Q3FY17
For Loan losses	626	906	1,823	3,648	3,576
For Standard assets**	71	258	238	(22)	(81)
For SDR accounts	-	22	71	9	17
For Investment depreciation	(15)	-	(18)	(37)	32
Other provisions	31	(17)	3	25	252
<b>Total Provisions &amp; Contingencies (other than tax)</b>	713	1,169	2,117	3,623	3,796

\* including prudential write-offs

\*\* including unhedged foreign currency exposures

# Rating profile remains stable

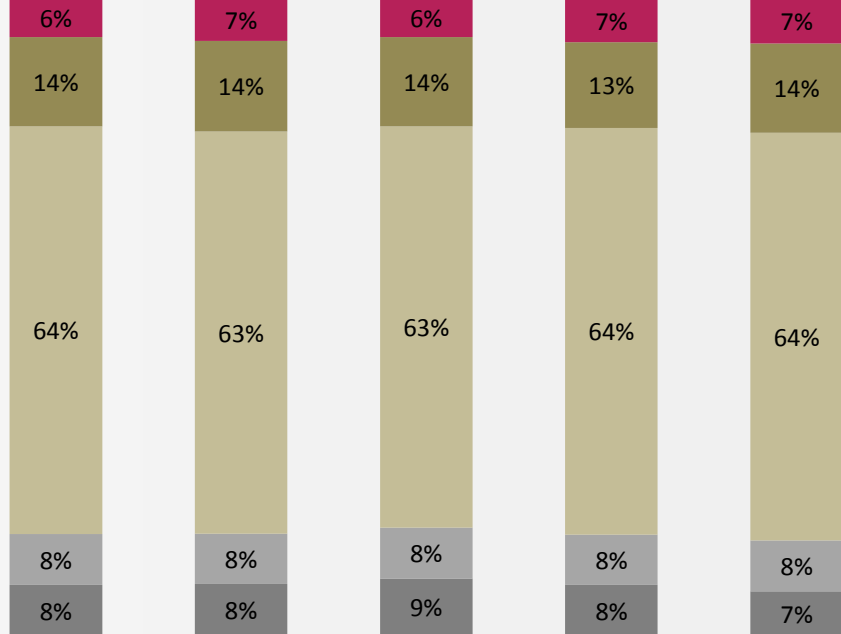
### Corporate Lending



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

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

### SME Lending

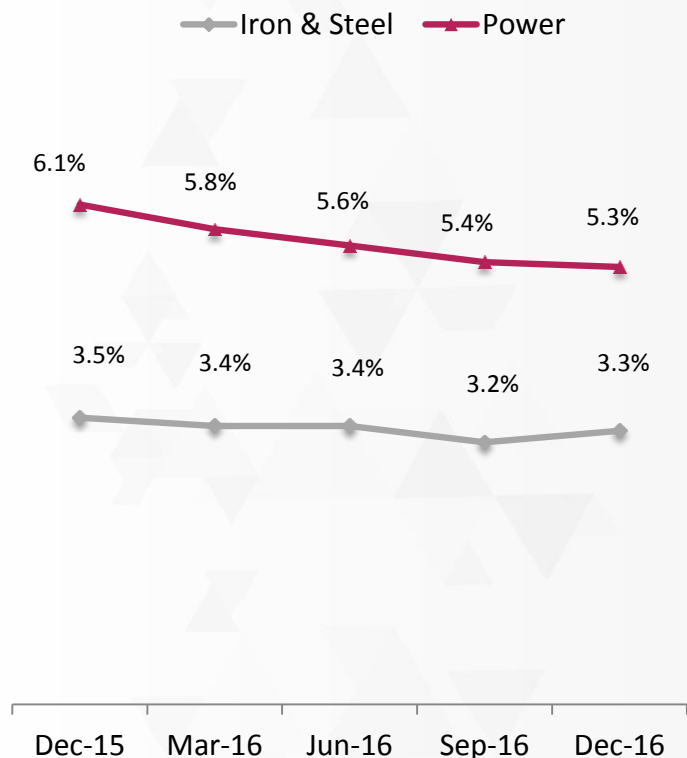


■ SME 1 ■ SME 2 ■ SME 3 ■ SME 4 ■ SME 5-7

85% of SME advances have rating of at least 'SME3' in December 2016

# Top 10 Industry concentration remains stable

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



Rank	Sectors	Outstanding as on 31 <sup>st</sup> December, 2016 (%) <sup>1</sup>		
		Fund-based	Non-fund based	Total
1.	Financial Companies <sup>2</sup>	5.43	13.96	7.40
2.	Infrastructure <sup>3</sup>	5.55	11.85	7.01
3.	Engineering & Electronics	3.03	18.31	6.57
4.	Power Generation & Distribution	5.73	4.06	5.34
5.	Other Metal and Metal Products	3.85	2.91	3.63
6.	Iron & Steel	3.45	3.01	3.34
7.	Trade	2.97	3.73	3.14
8.	Real Estate	3.42	1.51	2.97
9.	Petroleum & Petroleum Products	0.77	8.93	2.66
10.	Telecommunication	1.32	6.69	2.56

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

<sup>2</sup> Includes Housing Finance Companies and other NBFCs

<sup>3</sup> Financing of projects (roads, ports, airports, etc.)

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>	102,912
Corporate Bonds <sup>2</sup>	24,699
Others	8,874
<b>Total Investments</b>	<b>136,485</b>

\* as on 31<sup>st</sup> December 2016

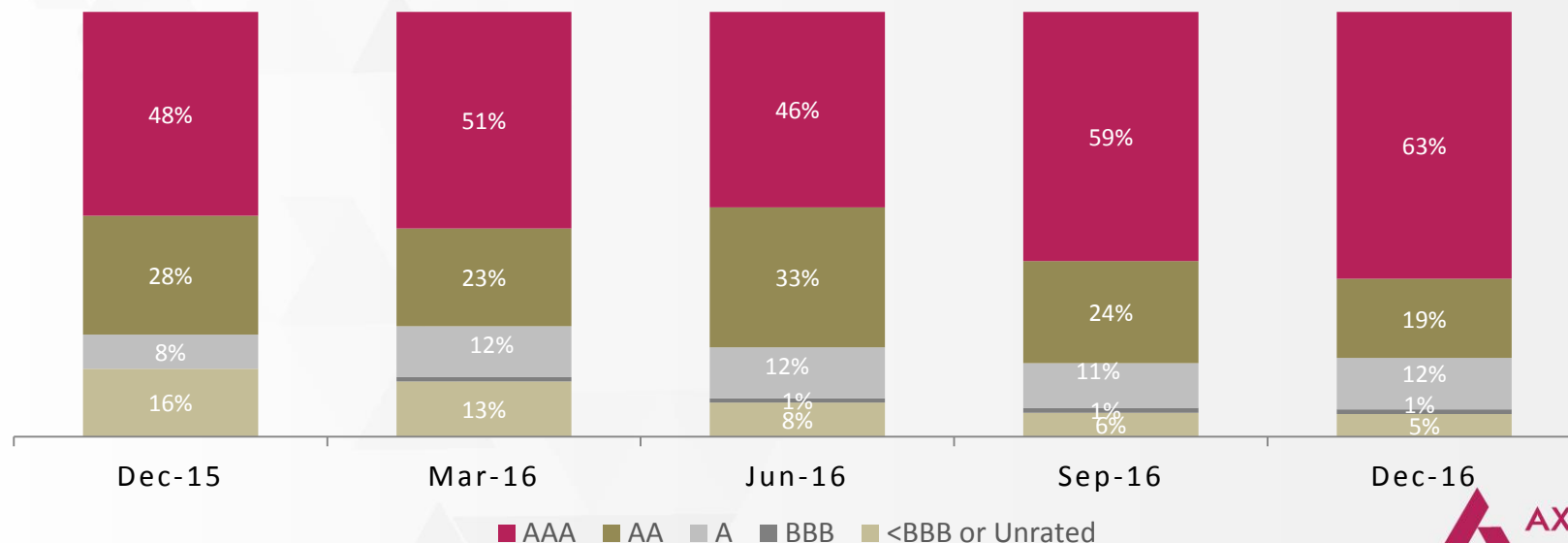
<sup>1</sup> 78% classified under HTM category

<sup>2</sup> 95% classified under AFS category

Category	Proportion	Modified Duration*
Held Till Maturity (HTM)	60%	6.51 Years
Available For Sale (AFS)	36%	2.96 Years
Held For Trading (HFT)	4%	0.79 Years

\* For SLR & Corporate Bonds as on 31<sup>st</sup> December 2016

## 94% of Corporate bonds have rating of at least 'A' in December 2016



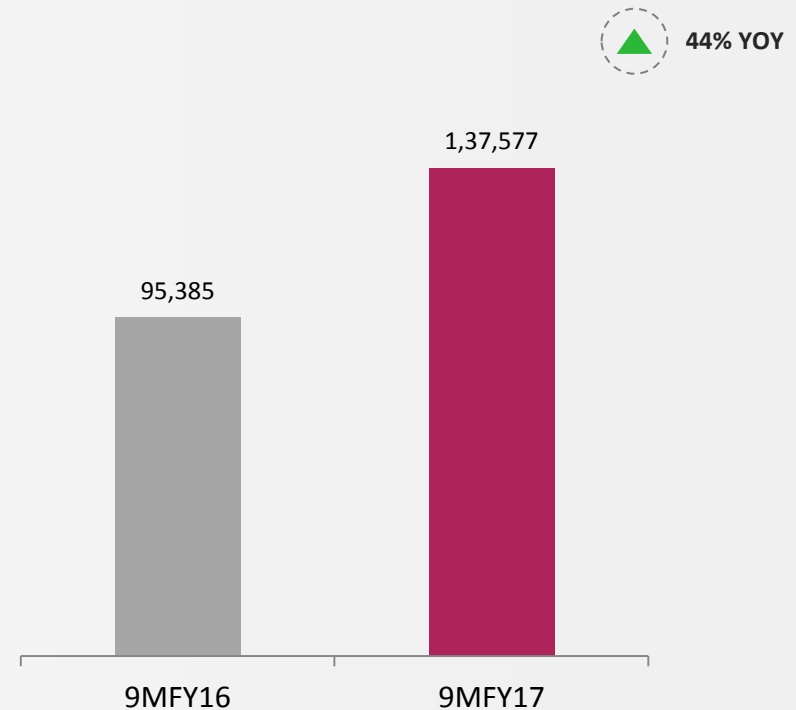
# Bank continues to lead the league tables in Debt Capital Markets

All figures in ₹ Crores

## Key Highlights

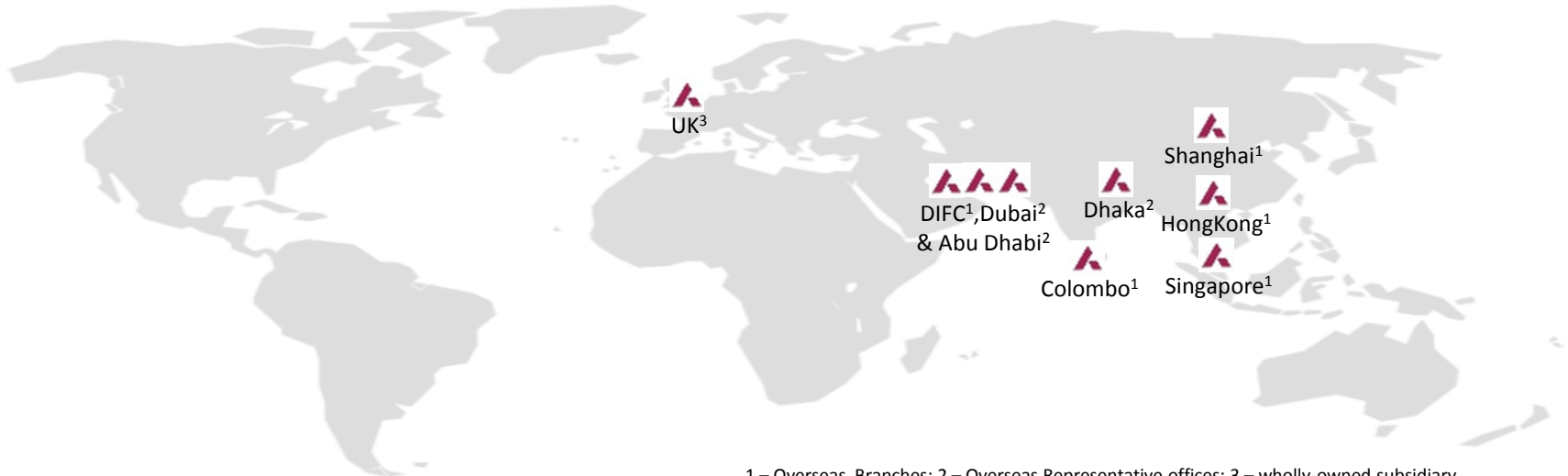
- Acted as arranger for some of the major PSUs and Corporates during the quarter.
- Received the award for India Bond House - 2016 by IFR Asia
- Ranked No. 1 arranger for rupee denominated bonds as per Bloomberg for calendar year 2016 for 10<sup>th</sup> consecutive year
- Ranked No. 1 mobilizer as per PRIME Database for quarter ended September 2016

## Placement & Syndication of Debt Issues

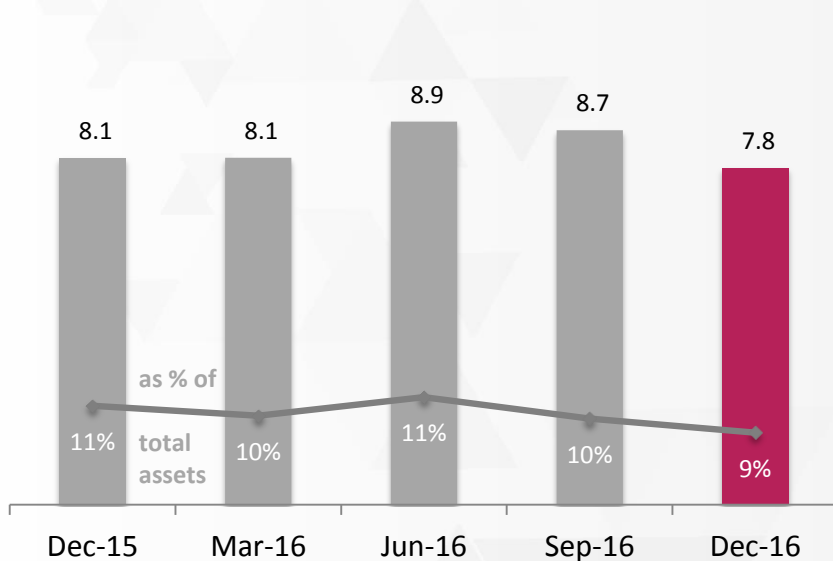




# We have a small, strategic international network



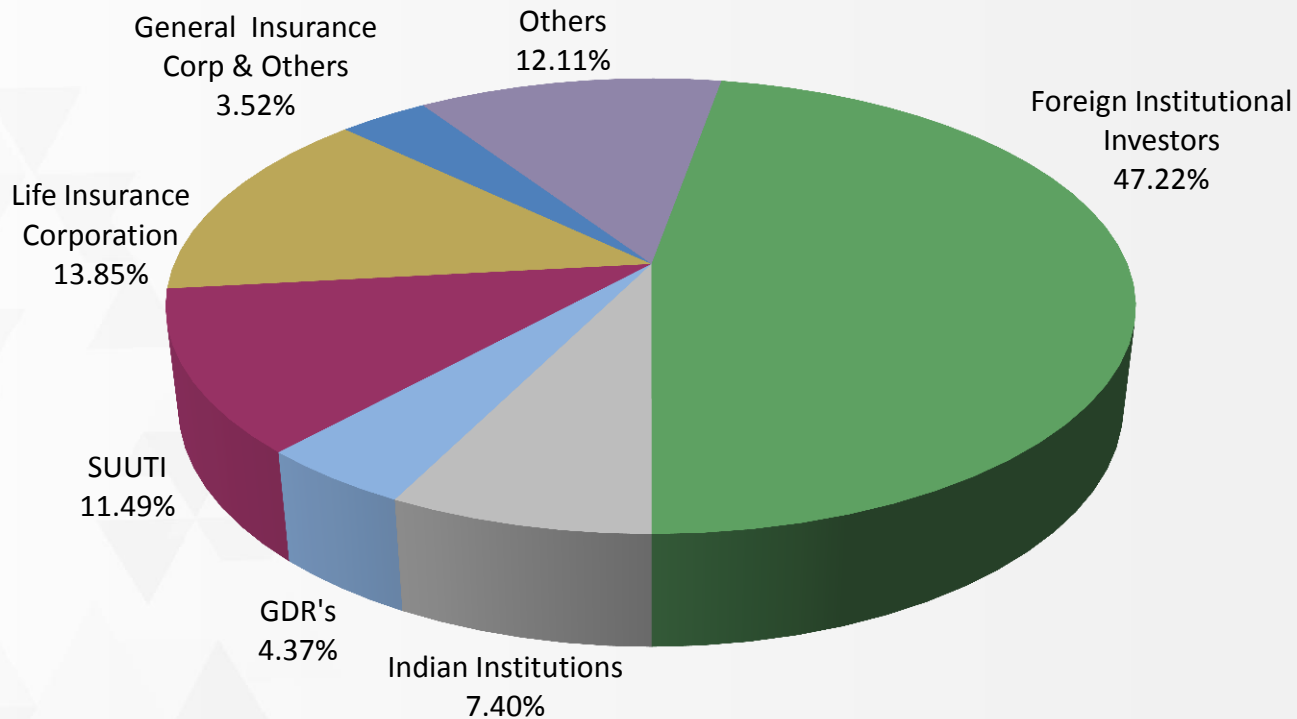
## Trend in overseas total assets (USD bn)



## 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 31<sup>st</sup> December, 2016)



- Share Capital ₹478 crores
- Shareholders' Funds ₹53,979 crores
- Book Value Per Share ₹228
- Diluted EPS – 9M\* ₹13.58
- Market Capitalisation ₹116,827 crores (as on 18<sup>th</sup> January, 2017)

& 1 GDR = 5 shares

\* annualised

As on December 31, 2016, against GDR issuance of 62.7 mn, outstanding GDRs stood at 20.9 mn

# The Bank continues to earn accolades from the external community

**CII-ITC**  
SUSTAINABILITY  
AWARDS  
— 2016 —

**Excellence in Corporate  
Social Responsibility**

**The Banker**  
GLOBAL FINANCIAL INTELLIGENCE SINCE 1926

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

**EUROMONEY**  
FX SURVEY  
2016

**Best Bank in India for  
Quantitative Research**

**INDIA'S BEST BANKS**  
A BT-KPMG STUDY

**Best Digital Bank 2016  
Business Today-KPMG Study**

**ASiAMONEY**

**Best Domestic Bank in  
India 2016**

**Thank You**