

**PRESS RELEASE****AXIS BANK ANNOUNCES FINANCIAL RESULTS  
FOR THE QUARTER AND YEAR ENDED 31<sup>st</sup> MARCH 2017****Results at a Glance**

- **Quarterly Earnings register strong sequential growth:**
  - Net Profit for Q4FY17 grew 111% QOQ and stood at ₹1,225 crores. On a YOY basis, the Net Profit for Q4FY17 and FY17 contracted by 43% and 55%, respectively.
  - Net Interest Income for Q4FY17 and FY17 grew by 4% YOY and 7% YOY, respectively.
  - Net Interest Margin for Q4FY17 and FY17 stood at 3.83% and 3.67%, respectively.
  - Other Income (including fee and trading profits) grew by 12% YOY and 25% YOY in Q4FY17 and FY17, respectively.
- **Advance growth led by Retail:**
  - Net Advances grew 10% YOY, led by Retail, which grew 21% YOY and 12% QOQ. SME Advances grew by 10% YOY and 14% QOQ.
- **Retail business momentum remains healthy:**
  - CASA grew 26% YOY and 21% QOQ. CASA deposits constituted 51% of Total Deposits.
  - Retail Advances accounted for 45% of Net Advances; Retail Fee Income constituted 46% of Total Fee Income. Fee from the cards business grew by 30% YOY.
- **GNPA (%) and NNPA (%) levels have declined sequentially, Provision Coverage improved to 65%**
  - The Bank's Gross NPA and Net NPA stood at 5.04% and 2.11%, respectively in Q4FY17 down from 5.22% and 2.18% in Q3FY17.
  - Provision Coverage Ratio (PCR) improved to 65% from 64% QOQ
  - Gross slippages for the quarter stood at ₹4,811 crores, lower than peak levels in Q2FY17.
  - Net slippage for the quarter stood at ₹2,008 crores down from ₹4,210 crores in Q3FY17.
- **Digital channels continue to witness strong acceptance by customers:**
  - Cards and mobile banking spends in Q4FY17 grew 83% YOY and 80% YOY respectively. Share of digital transactions further improved to 66% from 58% in Q3FY17.
- **The Bank's Capital Adequacy Ratio (CAR) remains healthy. Under Basel III, Total CAR & Tier I CAR stood at 14.95% and 11.87% respectively.**

The Board of Directors of Axis Bank Limited approved the audited financial results for the quarter and year ended 31<sup>st</sup> March 2017 at its meeting held in Mumbai on Wednesday, 26<sup>th</sup> April 2017.

**Profit & Loss Account: Year ended 31<sup>st</sup> March 2017****• Core Operating Profit and Net Profit**

Core operating profit for the quarter grew by 27% QOQ and PAT was up 111% QOQ. On a YOY basis, the Net Profit for Q4FY17 and FY17 contracted by 43% and 55%, to ₹1,225 crores and ₹3,679 crores respectively.

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

The Bank's Net Interest Income (NII) grew 4% YOY to ₹4,729 crores during Q4FY17 from ₹4,553 crores in Q4FY16. Net interest margin for Q4FY17 stood at 3.83%. NII for FY17 too rose 7% YOY to ₹18,093 crores from ₹16,833 crores in FY16.

- **Other Income**

Other income (comprising fee, trading profit and miscellaneous income) for Q4FY17 grew by 12% YOY to ₹3,013 crores as against ₹2,694 crores during the same period last year. Trading profits for the quarter grew 350% YOY and stood at ₹428 crores. Fee income for Q4FY17 grew by 8% YOY to ₹2,423 crores. Fees from Retail Banking grew by 17% YOY and constituted 46% of the Bank's total fee income, while the Transaction Banking fees grew by 11% YOY and constituted 22% of the total fee income of the Bank. During FY17, other income grew 25% YOY and stood at ₹11,691 crores. For FY17, fee income grew 5% YOY primarily driven by 15% YOY growth in Retail fee and 11% YOY growth in Transaction Banking.

### **Balance Sheet: As on 31<sup>st</sup> March 2017**

The Bank's Balance Sheet grew 11% YOY and stood at ₹6,01,468 crores as on 31<sup>st</sup> March 2017. The Bank's Advances grew 10% YOY to ₹3,73,069 crores as on 31<sup>st</sup> March 2017. Retail Advances grew 21% YOY and 12% QOQ to ₹1,67,993 crores and accounted for 45% of the Net Advances of the Bank. Corporate credit grew marginally to ₹1,55,904 crores; and accounted for 42% of Net Advances. SME Advances grew 10% YOY and 14% QOQ to ₹49,172 crores.

The book value of the Bank's Investments portfolio as on 31<sup>st</sup> March 2017, was ₹1,28,793 crores, of which ₹93,008 crores were in government securities, while ₹26,667 crores were invested in corporate bonds and ₹9,118 crores in other securities such as equities, preference shares, mutual funds, etc.

CASA Deposits grew 26% YOY and 21% QOQ, and constituted 51% of total deposits as at end of 31<sup>st</sup> March 2017. Savings Account balances grew 19% YOY and 7% QOQ while the Current Account Deposits grew 37% YOY and 49% QOQ for the period ended 31<sup>st</sup> March 2017. CASA, on a cumulative daily average basis, recorded a growth of 23% YOY, in which both Savings Bank Deposits and Current Account Deposits recorded a growth of 24% YOY and 22% YOY, respectively. The proportion of CASA on a cumulative daily average basis constituted 43% of total deposits.

The contribution of CASA and Retail Term Deposits to Total Deposits continued to remain stable at 81%, as of 31<sup>st</sup> March 2017.

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

The shareholders' funds of the Bank grew 5% YOY and stood at ₹55,763 crores as on 31<sup>st</sup> March 2017. The Bank is well capitalised. Under Basel III, the Capital Adequacy Ratio (CAR) and Tier I CAR as on 31<sup>st</sup> March 2017 was 14.95% and 11.87% respectively.

### **Dividend**

The Board of Directors have recommended dividend of ₹5 per equity share of face value of ₹2 per equity share for the year ended 31<sup>st</sup> March 2017, same as ₹5 per equity share of face value of ₹2 per equity share for the previous year. This would be subject to approval by the shareholders at the next annual general meeting.

### **Asset Quality**

As on 31<sup>st</sup> March 2017, the Bank's Gross NPA and Net NPA levels were 5.04% and 2.11% respectively, as against 5.22% and 2.18% respectively as on 31<sup>st</sup> December 2016. As on 31<sup>st</sup> March 2017, the Bank's provision coverage, as a proportion of Gross NPAs including prudential write-offs, improved to 65%, from 64% as on 31<sup>st</sup> December 2016.

As on 31<sup>st</sup> March 2017, the Bank's Gross NPA was ₹21,280 crores against ₹20,467 crores as on 31<sup>st</sup> December 2016. During the quarter, additions to Gross NPA were ₹4,811 crores, recoveries and upgrades were ₹2,804 crores while write-offs during the quarter were ₹1,194 crores. The Bank's Net NPA was ₹8,627 crores against ₹8,295 crores as on 31<sup>st</sup> December 2016.

Pursuant to the recent RBI circular on 'Divergence in the asset classification and provisioning' dated 18<sup>th</sup> April, 2017, the Bank has incorporated the disclosures prescribed in the aforesaid circular in the Notes to the Audited Financial Statements for the year ended 31<sup>st</sup> March 2017.

During the quarter, the Bank sold assets with a gross outstanding of ₹2,354 crores and a net book value of ₹1,828 crores to ARCs against net sale consideration of ₹1,686 crores comprising ₹266 crores in cash and ₹1,420 crores in Security Receipts value.

As on 31<sup>st</sup> March 2017, fund based outstanding on the Bank's Watch List reduced 15% over the previous quarter and stood at ₹9,436 crores. The Watch List has reduced to 2.2% of customer assets in March 2017, from 2.8% of customer assets in December 2016 and 6.2% as on 31<sup>st</sup> March 2016. On a cumulative basis for the year ended 31<sup>st</sup> March 2017, 84% of corporate slippages originated from the Watch List. During the quarter, reduction in the Watch List primarily represents slippages to NPAs amounting to ₹3,566 crores, which comprises 83% of the total corporate credit slippages.

The cumulative value of net restructured assets as on 31<sup>st</sup> March 2017 stood at ₹5,411 crores, constituting 1.32% of net customer assets, compared to ₹6,109 crores, constituting 1.61% of net customer assets as on 31<sup>st</sup> December 2016.

### **Network**

During Q4FY17, the Bank added 93 branches to its network across the country, pushing up the tally to 400 new branches opened during FY17 compared to 315 branches in FY16. As on 31<sup>st</sup> March 2017, the Bank had a network of 3,304 domestic branches and extension counters situated in 1,946 centres compared to 2,904 domestic branches and extension counters situated in 1,855 centres last year. As on 31<sup>st</sup> March 2017, the Bank had 14,163 ATMs and 1,349 cash recyclers spread across the country.

### **Digital channels**

During the quarter, the card usage witnessed significant growth of 83% YOY in value terms. Mobile Banking channel also witnessed a sharp growth of 54% YOY and 76% YOY in number of transactions and value terms, respectively. During the quarter share of digital transactions further improved to 66% from 58% in Q3FY17 while ATM and Branch transactions moderated to 21% and 13% from 23% and 19% in Q3FY17 respectively.

### **International Business**

The Bank has nine international offices with branches at Singapore, Hong Kong, Dubai (at the DIFC), Colombo and Shanghai; representative offices in Dubai, Abu Dhabi, Dhaka and an overseas subsidiary in 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 8.37 billion as on 31<sup>st</sup> March 2017.

₹ crore

Financial Performance	Q4FY17	Q4FY16	% Growth	FY17	FY16	% Growth
Net Profit	1,225.10	2,154.28	(43.13%)	3,679.28	8,223.66	(55.26%)
EPS Diluted (₹) annualised	20.70	36.22	(42.85%)	15.34	34.40	(55.41%)
Net Interest Income	4,728.60	4,552.59	3.87%	18,093.12	16,832.97	7.49%
Other Income	3,013.16	2,694.01	11.85%	11,691.31	9,371.46	24.75%
- Fee Income	2,422.86	2,253.82	7.50%	7,882.01	7,501.97	5.07%
- Trading Income	428.04	95.12	350.00%	3,400.34	1,246.91	172.70%
- Miscellaneous Income	162.26	345.07	(52.98%)	408.96	622.58	(34.31%)
Operating Revenue	7,741.76	7,246.60	6.83%	29,784.43	26,204.43	13.66%
Core Operating Revenue*	7,313.72	6,982.56	4.74%	26,384.09	24,712.64	6.76%
Operating Expenses	3,367.02	2,848.07	18.22%	12,199.91	10,100.82	20.78%
Operating Profit	4,374.74	4,398.53	(0.54%)	17,584.52	16,103.61	9.20%
Core Operating Profit*	3,946.70	4,134.49	(4.54%)	14,184.18	14,611.82	(2.93%)

\*Excluding trading profit for all the periods & gain on repatriation - Nil in Q4 and 12M FY16-17 (previous year Q4-₹168.92 crores and 12M-₹244.88 crores)

₹ crore

Condensed Unconsolidated Balance Sheet	As on 31 <sup>st</sup> March '17	As on 31 <sup>st</sup> March '16
<b>CAPITAL AND LIABILITIES</b>		
Capital	479.01	476.57
Reserves & Surplus	55,283.53	52,688.34
Deposits	414,378.79	357,967.56
Borrowings	1,05,030.87	1,08,580.38
Other Liabilities and Provisions	26,295.47	20,108.17
<b>Total</b>	<b>6,01,467.67</b>	<b>5,39,821.02</b>
<b>ASSETS</b>		
Cash and Balances with Reserve Bank of India and Balances with Banks and Money at Call and Short Notice	50,256.18	33,325.44
Investments	1,28,793.37	1,31,524.06
Advances	3,73,069.35	338,773.72
Fixed Assets	3,746.89	3,523.17
Other Assets	45,601.88	32,674.63
<b>Total</b>	<b>6,01,467.67</b>	<b>5,39,821.02</b>

₹ crore

<b>Business Performance</b>	<b>As on 31<sup>st</sup> March '17</b>	<b>As on 31<sup>st</sup> March '16</b>	<b>% Growth</b>
Total Deposits	414,379	357,968	15.76%
Demand Deposits	213,050	169,445	25.73%
- Savings Bank Deposits	126,048	105,793	19.15%
- Current Account Deposits	87,002	63,652	36.68%
Demand Deposits as % of Total Deposits	51%	47%	
Term Deposits	201,329	188,523	6.79%
Retail Term Deposits	123,925	121,955	1.62%
Demand Deposits on a Cumulative Daily Average Basis (CDAB) for the full year	151,678	122,989	23.33%
Demand Deposits as % of Total Deposits (CDAB) for the full year	43%	40%	
Net Advances (a) +(b) + (c)	373,069	338,774	10.12%
(a) Corporate Credit	155,904	155,384	0.33%
(b) SME	49,172	44,869	9.59%
(c) Retail Advances	167,993	138,521	21.28%
Investments	128,793	131,524	(2.08%)
Balance Sheet Size	601,468	539,821	11.42%
Net NPA as % of Net Customer Assets	2.11%	0.70%	
Gross NPA as % of Gross Customer Assets	5.04%	1.67%	
Equity Capital	479	477	
Shareholders' Funds	55,763	53,165	
Capital Adequacy Ratio (Basel III)	14.95%	15.29%	
- Tier I	11.87%	12.51%	
- Tier II	3.08%	2.78%	

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

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### **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.*