

PRESS RELEASE**AXIS BANK ANNOUNCES FINANCIAL RESULTS
FOR THE QUARTER ENDED 30th JUNE 2016****Results at a Glance**

- Net Profit for Q1FY17 stood at ` 1,556 crores and reported a drop of 21% YOY
- Watch List loans as on June 30, 2016 reduced 10% quarter on quarter and stood at ` 20,295 crores
- Driven by slippages from the Watch List, the Bank's Gross NPA and Net NPA levels rose to 2.54% and 1.08% respectively in Q1FY17. Provision coverage stood at 69%
- Net Interest Income and Operating Profit for Q1FY17 grew at 11% YOY and 9% YOY respectively. Net Interest Margin for Q1FY17 stood at 3.79%
- Net Advances grew 21% YOY, led by Retail, which grew 24% YOY and followed by Corporate Credit which grew 21% YOY
- CASA grew 18% YOY and constituted 43% of Total Deposits as on 30th June 2016
- Savings Account balances grew 18% YOY and stood at ` 1,00,185 crores as on 30th June 2016
- Retail Advances growth remains strong at 24% YOY and accounted for 41% of Net Advances
- Retail Fee Income in Q1FY17 grew 19% YOY and constitutes 42% of Total Fee Income
- Tier 1 Capital Adequacy of the Bank went up by 23 bps YOY, despite strong growth and challenging risk environment. Under Basel III, Total CAR & Tier I CAR (including net profit for Q1FY17) stood at 15.67% and 12.38% respectively

The Board of Directors of Axis Bank Limited approved the financial results for the quarter ended 30th June 2016 at its meeting held in Ahmedabad on Friday, 22nd July 2016. The accounts have been subjected to a Limited Review by the Bank's Statutory Auditors.

Profit & Loss Account: Period ended 30th June 2016**• Operating Profit and Net Profit**

Operating Profit for Q1FY17 grew 9% to ` 4,469 crores while Net Profit for Q1FY17 contracted 21% YOY and stood at ` 1,556 crores.

• Net Interest Income and Net Interest Margin

The Bank's Net Interest Income (NII) grew 11% YOY to ` 4,517 crores during Q1FY17 from ` 4,056 crores in Q1FY16. Net interest margin for Q1FY17 was at 3.79%.

- **Other Income**

Other income (comprising fee, trading profit and miscellaneous income) for Q1FY17 stood at `2,738 crores as against `2,298 crores during the same period last year. Fee income for Q1FY17 grew 11% YOY to reach `1,719 crores. The key driver of fee income growth was Retail Banking, which grew by 19% YOY and constituted 42% of the Bank's total fee income. Transaction Banking fee performance too was healthy and grew 17% YOY to constitute 27% of the total fee income of the Bank. Trading profits for the quarter grew 41% YOY and stood at `911 crores.

Balance Sheet: As on 30th June 2016

The Bank's Balance Sheet grew 18% YOY and stood at `5,34,574 crores as on 30th June 2016. The Bank's Advances grew 21% YOY to `3,44,925 crores as on 30th June 2016. Retail Advances grew 24% YOY and stood at `1,43,159 crores and accounted for 41% of the Net Advances of the Bank. Corporate credit grew 21% YOY and stood at `1,58,155 crores; and accounted for 46% of Net Advances. SME Advances grew 13% YOY and stood at `43,611 crores.

The book value of the Bank's investments portfolio as on 30th June 2016, was `1,23,276 crores, of which `94,702 crores were in government securities, while `20,049 crores were invested in corporate bonds and `8,525 crores in other securities such as equities, preference shares, mutual funds, etc.

CASA Deposits as on 30th June 2016 constituted 43% of total deposits. Savings Account balances grew at a strong 18% YOY, up from the 14% YOY growth reported for the period ended 30th June 2015. CASA, on a daily average basis, recorded a growth of 17%, in which Savings Bank Deposits recorded a growth of 17% YOY, while Current Account deposits grew by 16%. The proportion of CASA on a daily average basis remained at the same level as the previous quarter and constituted 40% of total deposits.

CASA and Retail Term Deposits constituted 80% of Total Deposits as on 30th June 2016 compared to 79% as on 30th June 2015.

Capital Adequacy and Shareholders' Funds

The shareholders' funds of the Bank grew 17% YOY and stood at `54,871 crores as on 30th June 2016. The Bank is well capitalised. Under Basel III, the Capital Adequacy Ratio (CAR) and Tier I CAR (including net profit for Q1FY17) as on 30th June 2016 was 15.67% and 12.38% respectively.

Asset Quality

As on 30th June 2016, the Bank's Gross NPA and Net NPA levels were 2.54% and 1.08% respectively, as against 1.67% and 0.70% respectively as on 31st March 2016. As on 30th June 2016, the Bank's provision coverage, as a proportion of Gross NPAs including prudential write-offs, was 69%.

As on 30th June 2016, the Bank's Gross NPA was `9,553 crores against `6,088 crores as on 31st March 2016. During the quarter, the Bank added `3,638 crores to Gross NPAs, Recoveries and upgrades were `140 crores and write-offs during the quarter were `32 crores.

As on 30th June 2016, loans outstanding on the Bank's Watch List reduced 10% over the previous quarter and stood at `20,295 crores. The reduction in the Watch List primarily represents slippages to NPAs amounting to `2,680 crores, which comprises 92% of the total corporate credit slippages.

The cumulative value of net restructured assets as on 30th June 2016 stood at `7,363 crores, constituting 1.99% of net customer assets, compared to `8,072 crores, constituting 2.25% of net customer assets as on 31st March 2016.

Network

During Q1FY17, the Bank added 102 branches to its network across the country. As on 30th June 2016, the Bank had a network of 3,006 domestic branches and extension counters situated in 1,882 centres compared to 2,904 domestic branches and extension counters situated in 1,855 centres last Quarter. As on 30th June 2016, the Bank had 12,871 ATMs and 1,153 cash recyclers spread across the country.

International Business

The Bank has nine international offices with branches at Singapore, Hong Kong, Dubai (at the DIFC), Colombo and Shanghai; representative offices at Dubai, Abu Dhabi, Dhaka and an overseas subsidiary at London, UK. The international offices focus on corporate lending, trade finance, syndication and investment banking and liability businesses.

The total assets under overseas branches were USD 8.90 billion as on 30th June 2016.

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

For further information, please contact Mr. Abhijit Majumder at 91-22-24254672 or email: abhijit.majumder@axisbank.com

` crore

Financial Performance	Q1FY17	Q1FY16	% Growth
Net Profit	1,555.53	1,978.44	(21.38)
EPS Diluted (₹) annualised	26.05	33.25	(21.65)
Net Interest Income	4,516.92	4,056.23	11.36
Other Income	2,738.28	2,298.27	19.15
- Fee Income	1,719.25	1,550.76	10.86
- Trading Income	911.18	646.48	40.94
- Miscellaneous Income	107.85	101.03	6.75
Operating Revenue	7,255.20	6,354.50	14.17
Core Operating Revenue*	6,344.02	5,708.02	11.14
Operating Expenses	2,785.83	2,262.43	23.13
Operating Profit	4,469.37	4,092.07	9.22
Core Operating Profit**	3,558.19	3,445.59	3.27

* Core Operating Revenue = Operating Revenue - Trading Income

** Core Operating Profit = Operating Profit - Trading Income

` crore

Condensed Unconsolidated Balance Sheet	As on 30th June '16	As on 30th June '15
CAPITAL AND LIABILITIES		
Capital	477.46	475.06
Reserves & Surplus	54,393.16	46,350.50
Deposits	3,57,857.96	3,07,783.86
Borrowings	1,06,164.44	80,894.92
Other Liabilities and Provisions	15,681.39	16,987.55
Total	5,34,574.41	4,52,491.89
ASSETS		
Cash and Balances with Reserve Bank of India and Balances with Banks and Money at Call and Short Notice	30,815.14	31,651.69
Investments	1,23,276.21	1,07,863.11
Advances	3,44,925.20	2,84,649.14
Fixed Assets	3,562.48	2,500.92
Other Assets	31,995.38	25,827.03
Total	5,34,574.41	4,52,491.89

` crore

Business Performance	As on 30th June '16	As on 30th June '15	% Growth
Total Deposits	357,858	307,784	16.27
Demand Deposits	155,414	131,614	18.08
- Savings Bank Deposits	100,185	84,776	18.18
- Current Account Deposits	55,229	46,838	17.92
Demand Deposits as % of Total Deposits	43%	43%	
Term Deposits	202,444	176,170	14.91
Retail Term Deposits	130,357	110,054	18.45
Demand Deposits on a Cumulative Daily Average Basis (CDAB) for the quarter	137,046	117,070	17.06
Demand Deposits as % Total Deposits (CDAB) for the quarter	40%	40%	
Net Advances (a) + (b) + (c)	344,925	284,649	21.18
(a) Corporate Credit	158,155	130,682	21.02
(b) SME	43,611	38,763	12.51
(c) Retail Advances	143,159	115,204	24.27
Investments	123,276	107,863	14.29
Balance Sheet Size	534,574	452,492	18.14
Net NPA as % of Net Customer Assets	1.08%	0.48%	
Gross NPA as % of Gross Customer Assets	2.54%	1.38%	
Equity Capital	477	475	0.51
Shareholders' Funds	54,871	46,826	17.18
Capital Adequacy Ratio (Basel III)	15.30%	14.50%	
- Tier I	12.01%	11.60%	
- Tier II	3.29%	2.90%	
Capital Adequacy Ratio (Basel III) (including Net Profit for Q1)	15.67%	15.05%	
- Tier I	12.38%	12.15%	
- Tier II	3.29%	2.90%	

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.