AXIS BANK

AXIS/CO/CS/92/2018-19

26th April 2018

Shri Avinash Kharkar
The Assistant Vice President,
Listing & Compliance Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No. C/1, "G" Block
Bandra-Kurla Complex
Bandra (E), Mumbai – 400 051

NSE Symbol: AXISBANK

Shri Khushro Bulsara
The Deputy General Manager –
Listing Department
BSE Limited
1st Floor, New Trading Ring, Rotunda Building
P. J. Towers, Dalal Street
Fort, Mumbai – 400 001

BSE Scrip Code : 532215

Dear Sir(s),

**SUB: OUTCOME OF 184TH BOARD MEETING OF AXIS BANK LIMITED HELD ON 26TH APRIL 2018 AND 27TH APRIL 2018**

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

This is to inform you that at the 184th meeting of the Board of Directors of the Bank (the Board) held on 26th April 2018, the following items of business were transacted by the Board:-

**AUDITED FINANCIAL RESULTS**

1) Reviewed and approved the Audited Financial Results of the Bank, for the quarter/ financial year ended 31st March 2018 and the Audit Report issued by the Statutory Auditors of the Bank, in that regard, which were reviewed by the Audit Committee of the Board at its meeting held earlier during the day and recommended for the approval of the Board.

   In this connection, we also enclose herewith the said Financial Results, the Audit Report, the Press Release and the Earnings Presentation for the quarter/financial year ended 31st March 2018, which please note are being uploaded on the website of the Bank, in terms of the Listing Regulations.

   Please note that the said audited annual standalone financial results of the Bank, were reviewed and approved by the Board today at 5.40 p.m.

   As the annual financial results of Axis Bank UK Limited, subsidiary company of the Bank, are being finalized, the Consolidated Audited Annual Financial Results of Axis Bank Group for the year ended 31st March 2018, will be reviewed and approved by the Board of Directors of the Bank and disclosed to the Stock Exchanges, within the prescribed time limit, under the provisions of Reg. 33 of the Listing Regulations.

   The date of the meeting of the Board of Directors of the Bank to consider and approve the said Consolidated Audited Annual Results of Axis Bank Group will be conveyed to you in due course.

AXIS BANK

**DIVIDEND**

2) After making mandatory appropriations to Statutory Reserve, Investment Reserve and Capital Reserve, no profits are available for distribution as dividend for the financial year ended 31st March 2018. Accordingly, no dividend has been recommended by the Board of Directors for the year ended 31st March 2018.

Also, please note that in view of the above, the blackout period which has been in-force from Thursday, 22nd March 2018 will remain continue to remain in force until further notice.

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', 3rd floor, Opp. Samartheshwar 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

**AUDITED FINANCIAL RESULTS OF THE BANK FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2018**

(₹ in lacs)

| PARTICULARS | FOR THE QUARTER ENDED 31.03.2018 | FOR THE QUARTER ENDED 31.12.2017 | FOR THE QUARTER ENDED 31.03.2017 | FOR THE YEAR ENDED 31.03.2018 | FOR THE YEAR ENDED 31.03.2017 |
|---|---|---|---|---|---|
| | (Audited refer note 2) | (Unaudited) | (Audited) | (Audited) | (Audited) |
| 1. Interest earned (a)+(b)+(c)+(d) | 11,771.19 | 11,721.55 | 11,168.15 | 45,780.31 | 44,542.16 |
| (a) Interest/discount on advances/bills | 8,753.01 | 8,767.57 | 8,262.56 | 34,137.47 | 33,124.96 |
| (b) Income on Investments | 2,574.44 | 2,558.96 | 2,389.29 | 9,983.30 | 9,622.82 |
| (c) Interest on balances with Reserve Bank of India and other inter-bank funds | 107.87 | 80.89 | 165.28 | 387.83 | 503.84 |
| (d) Others | 335.87 | 314.13 | 351.02 | 1,271.71 | 1,290.54 |
| 2. Other Income (Refer note 4) | 2,788.66 | 2,593.08 | 3,013.16 | 10,967.09 | 11,691.31 |
| 3. TOTAL INCOME (1+2) | 14,559.85 | 14,314.63 | 14,181.31 | 56,747.40 | 56,233.47 |
| 4. Interest Expended | 7,040.74 | 6,990.03 | 6,439.55 | 27,162.58 | 26,449.04 |
| 5. Operating expenses (i)+(ii) | 3,846.91 | 3,470.80 | 3,367.02 | 13,990.34 | 12,199.91 |
| (i) Employees cost | 1,078.93 | 1,062.94 | 947.97 | 4,312.96 | 3,891.86 |
| (ii) Other operating expenses | 2,767.98 | 2,407.86 | 2,419.05 | 9,677.38 | 8,308.05 |
| 6. TOTAL EXPENDITURE (4+5) (Excluding Provisions and Contingencies) | 10,887.65 | 10,460.83 | 9,806.57 | 41,152.92 | 38,648.95 |
| 7. OPERATING PROFIT (3-6) (Profit before Provisions and Contingencies) | 3,672.20 | 3,853.80 | 4,374.74 | 15,594.48 | 17,584.52 |
| 8. Provisions (other than tax) and Contingencies (Net) | 7,179.53 | 2,811.04 | 2,581.25 | 15,472.91 | 12,116.96 |
| 9. Exceptional Items | - | - | - | - | - |
| 10. Profit/(Loss) from Ordinary Activities before Tax (7-8-9) | (3,507.33) | 1,042.76 | 1,793.49 | 121.57 | 5,467.56 |
| 11. Tax expense | (1,318.59) | 316.32 | 568.39 | (154.11) | 1,788.28 |
| 12. Net Profit/(Loss) from Ordinary Activities after Tax (10-11) | (2,188.74) | 726.44 | 1,225.10 | 275.68 | 3,679.28 |
| 13. Extraordinary Items (net of tax expense) | - | - | - | - | - |
| 14. Net Profit/(Loss) for the period (12-13) | (2,188.74) | 726.44 | 1,225.10 | 275.68 | 3,679.28 |
| 15. Paid-up equity share capital (Face value ₹2/- per share) | 513.31 | 512.82 | 479.01 | 513.31 | 479.01 |
| 16. Reserves excluding revaluation reserves | | | | 62,931.95 | 55,283.53 |
| 17. Analytical Ratios | | | | | |
| (i) Percentage of Shares held by Government of India | Nil | Nil | Nil | Nil | Nil |
| (ii) Capital Adequacy Ratio<br>- Basel III | 16.57% | 17.50% | 14.95% | 16.57% | 14.95% |
| (iii) Earnings per Share (EPS) for the period/year (before and after extraordinary items)<br>- Basic<br>- Diluted | <br>(8.53)<br>(8.51) | <br>3.00<br>2.99 | <br>5.12<br>5.10 | <br>1.13<br>1.12 | <br>15.40<br>15.34 |
| (iv) NPA Ratios | | | | | |
| (a) Amount of Gross Non Performing assets | 34,248.64 | 25,000.51 | 21,280.48 | 34,248.64 | 21,280.48 |
| (b) Amount of Net Non Performing assets | 16,591.71 | 11,769.49 | 8,626.55 | 16,591.71 | 8,626.55 |
| (c) % of Gross NPAs | 6.77 | 5.28 | 5.04 | 6.77 | 5.04 |
| (d) % of Net NPAs | 3.40 | 2.56 | 2.11 | 3.40 | 2.11 |
| (v) Return on Assets (annualized) | (1.31) | 0.44 | 0.84 | 0.04 | 0.65 |

S.R. BATLIBOI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

Notes:

1. Statement of Assets and Liabilities of the Bank as on 31st March, 2018 is given below.

(₹ in lacs)

| Particulars | As on 31.03.2018 (Audited) | As on 31.03.2017 (Audited) |
|---|---|---|
| **CAPITAL AND LIABILITIES** | | |
| Capital | 513.31 | 479.01 |
| Reserves and Surplus | 62,931.95 | 55,283.53 |
| Deposits | 4,53,622.72 | 4,14,378.79 |
| Borrowings | 1,48,016.15 | 1,05,030.87 |
| Other Liabilities and Provisions | 26,245.45 | 26,295.47 |
| **TOTAL** | **6,91,329.58** | **6,01,467.67** |
| **ASSETS** | | |
| Cash and Balances with Reserve Bank of India | 35,481.06 | 30,857.94 |
| Balances with Banks and Money at Call and Short Notice | 7,973.83 | 19,398.24 |
| Investments | 1,53,876.08 | 1,28,793.37 |
| Advances | 4,39,650.31 | 3,73,069.35 |
| Fixed Assets | 3,971.68 | 3,746.89 |
| Other Assets | 50,376.62 | 45,601.88 |
| **TOTAL** | **6,91,329.58** | **6,01,467.67** |

2. The figures of last quarter are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of third quarter of the current financial year which was subject to limited review.

3. After making mandatory appropriations to Statutory Reserve, Investment Reserve and Capital Reserve, no profits are available for distribution as dividend for the year ended 31st March 2018. Accordingly, no dividend has been recommended by the Board of Directors for the year ended 31st March 2018.

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 31st March, 2018, the Bank allotted 2,414,594 equity shares pursuant to the exercise of options under its Employee Stock Option Scheme.

6. During the current quarter, the Bank infused equity capital of ₹125 crores in Axis Finance Limited, a wholly owned subsidiary of the Bank.

7. 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.

8. The above results have been approved by the Board of Directors of the Bank at its meeting held at Mumbai today.

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 31.03.2018 (Audited refer note 2) | FOR THE QUARTER ENDED 31.12.2017 (Unaudited) | FOR THE QUARTER ENDED 31.03.2017 (Audited) | FOR THE YEAR ENDED 31.03.2018 (Audited) | FOR THE YEAR ENDED 31.03.2017 (Audited) |
|---|---|---|---|---|---|---|
| 1 | **Segment Revenue** | | | | | |
| A | Treasury | 16,565.64 | 16,316.83 | 15,828.79 | 64,300.60 | 65,008.41 |
| B | Corporate/Wholesale Banking | 5,894.19 | 5,746.78 | 6,074.03 | 22,821.87 | 24,084.60 |
| C | Retail Banking | 10,458.00 | 10,385.91 | 9,702.19 | 40,634.02 | 38,239.80 |
| D | Other Banking Business | 315.64 | 262.31 | 410.30 | 1,077.59 | 1,002.14 |
| | **Total** | **33,233.47** | **32,711.83** | **32,015.31** | **1,28,834.08** | **1,28,334.95** |
| | Less : Inter segment revenue | 18,673.62 | 18,397.20 | 17,834.00 | 72,086.68 | 72,101.48 |
| | **Income from Operations** | **14,559.85** | **14,314.63** | **14,181.31** | **56,747.40** | **56,233.47** |
| 2 | **Segment Results After Provisions & Before Tax** | | | | | |
| A | Treasury | 205.72 | 627.50 | 367.58 | 3,089.83 | 2,858.71 |
| B | Corporate/Wholesale Banking | (4,322.38) | (414.42) | 181.45 | (5,925.04) | (1,876.33) |
| C | Retail Banking | 332.61 | 591.60 | 862.60 | 2,000.97 | 3,600.86 |
| D | Other Banking Business | 276.72 | 238.08 | 381.86 | 955.81 | 884.32 |
| | **Total Profit Before Tax** | **(3,507.33)** | **1,042.76** | **1,793.49** | **121.57** | **5,467.56** |
| 3 | **Segment Assets** | | | | | |
| A | Treasury | 2,28,322.23 | 2,02,165.51 | 2,09,865.71 | 2,28,322.23 | 2,09,865.71 |
| B | Corporate/Wholesale Banking | 2,23,754.56 | 2,19,560.96 | 1,98,331.45 | 2,23,754.56 | 1,98,331.45 |
| C | Retail Banking | 2,29,710.81 | 2,14,446.17 | 1,86,937.38 | 2,29,710.81 | 1,86,937.38 |
| D | Other Banking Business | 690.55 | 821.56 | 746.92 | 690.55 | 746.92 |
| E | Unallocated | 8,851.43 | 6,943.64 | 5,586.21 | 8,851.43 | 5,586.21 |
| | **Total** | **6,91,329.58** | **6,43,937.84** | **6,01,467.67** | **6,91,329.58** | **6,01,467.67** |
| 4 | **Segment Liabilities** | | | | | |
| A | Treasury | 2,30,818.80 | 2,20,214.17 | 1,94,987.16 | 2,30,818.80 | 1,94,987.16 |
| B | Corporate/Wholesale Banking | 1,32,836.77 | 99,644.47 | 1,18,340.37 | 1,32,836.77 | 1,18,340.37 |
| C | Retail Banking | 2,63,380.50 | 2,57,592.89 | 2,32,331.99 | 2,63,380.50 | 2,32,331.99 |
| D | Other Banking Business | 25.08 | 91.22 | 42.00 | 25.08 | 42.00 |
| E | Unallocated | 823.17 | 847.44 | 3.61 | 823.17 | 3.61 |
| | **Capital and Other Reserves** | **63,445.26** | **65,547.65** | **55,762.54** | **63,445.26** | **55,762.54** |
| | **Total** | **6,91,329.58** | **6,43,937.84** | **6,01,467.67** | **6,91,329.58** | **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.

**For and on behalf of the Board**

S.R. BATLIBOI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

Place: Mumbai
Date: 26th April, 2018

www.axisbank.com

**SHIKHA SHARMA**
**MD & CEO**

S.R. BATLIBOI & CO. LLP
Chartered Accountants

14th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai-400 028, India
Tel : +91 22 6192 0000
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**Auditor's Report on Quarterly Financial Results and Year to Date Results of Axis Bank Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**To**
**Board of Directors of Axis Bank Limited**

1. We have audited the quarterly standalone financial results of Axis Bank Limited (the "Bank") for the quarter ended 31 March 2018 and the standalone financial results for the year ended 31 March 2018, attached herewith, 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" and "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 financial results have not been audited by us. The quarterly standalone financial results are the derived figures between the audited figures in respect of the year ended 31 March 2018 and the published year-to-date figures up to 31 December 2017, being the date of the end of the third quarter of the current financial year, which were subject to limited review. The standalone financial results for the quarter ended 31 March 2018 have been prepared on the basis of the standalone financial results for the nine-month period ended 31 December 2017, the audited annual standalone financial statements as at and for the year ended 31 March 2018, and the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are the responsibility of the Bank's management and have been approved by the Board of Directors of the Bank. Our responsibility is to express an opinion on these standalone financial results based on our review of the standalone financial results for the nine-month period ended 31 December 2017 which were prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, specified under the Section 133 of the Companies Act 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India; in so far as they apply to the Bank and guideline issued by the Reserve Bank of India our audit of the annual standalone financial statements as at and for the year ended 31 March 2018; and the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

3. In our opinion and to the best of our information and according to the explanations given to us these quarterly standalone financial results as well as the year to date results:

   i. are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
   ii. give a true and fair view of the net profit and other financial information for the quarter ended 31 March 2018 and for the year ended 31 March 2018.

4. Further, read with paragraph 1 above, we report that the figures for the quarter ended 31 March 2018 represent the derived figures between the audited figures in respect of the financial year ended 31 March 2018 and the published year-to-date figures up to 31 December 2017, being the date of the end of the third quarter of the current financial year, which were subjected to a limited review as stated in paragraph 1 above, as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

per Viren H. Mehta
Partner
Membership No.: 048749
Place of Signature: Mumbai
Date: 26 April 2018

AXIS BANK

AXIS/CO/CS/93/2018-19

26th April 2018

Shri Avinash Kharkar
The Assistant Vice President,
Listing & Compliance Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No. C/1, "G" Block
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Bandra (E), Mumbai – 400 051

NSE Symbol: AXISBANK

Shri Khushro Bulsara
The Deputy General Manager –
Listing Department
BSE Limited
1st Floor, New Trading Ring,
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P. J. Towers, Dalal Street
Fort, Mumbai – 400 001

BSE Scrip Code : 532215

**SUB: REGULATION 33 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 – DECLARATION IN RESPECT OF AUDIT REPORTS WITH UNMODIFIED OPINION FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018.**

Dear Sir(s),

This is in reference to SEBI Circular No. CIR/CFD/CMD/56/2016 dated 27th May 2016, we hereby confirm and declare that the Statutory Auditors of the Bank, M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, have issued an Unmodified Audit Report on Standalone Financial Statements of the Bank for the financial year ended 31st March 2018.

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**

**Jairam Sridharan**
**Chief Financial Officer**

**PRESS RELEASE**

**AXIS BANK ANNOUNCES FINANCIAL RESULTS**
**FOR THE QUARTER AND YEAR ENDED 31st MARCH 2018**

## Results at a Glance

- The Bank significantly accelerated NPA recognition in Q4.
  - Slippages for Q4FY18 stood at ₹16,536 crores (₹13,938 cr from corporate lending)
  - Accelerated NPA recognition in the BB & Below book, particularly Power sector.
  - New guidelines for Resolution of Stressed Assets drove recognition in restructured book.
  - The Bank's GNPA and NNPA stood at 6.77% and 3.40%
- NPA recognition phase of this cycle is nearly complete.
  - Most of the corporate slippages (90%) in Q4 came from disclosed BB & Below book.
  - BB & Below portfolio reduced 44% in Q4, to 1.8% of gross customer assets. This was 7.3% at peak.
  - Watch List declined 92% in Q4 and stood at Rs. 428 cr.
  - The Bank has retained Provision Coverage Ratio at a healthy 65%
- The Bank's Capital Adequacy Ratio (CAR) remains healthy to support future growth:
  - Under Basel III, Total CAR & Tier I CAR stood at 16.57% and 13.04%, respectively.
- Financial performance:
  - Net Profit for FY18 contracted by 93% and stood at ₹276 crores
  - Net Interest Income for FY18 grew 3% YOY and Net interest margin stood at 3.44%
  - Fee income for FY18 grew 12% YOY and stood at ₹8,867 crores
  - Net Loss for Q4FY18 stood at ₹2,189 crores
  - Net Interest Income for Q4FY18 was flat YoY and QoQ at ₹4,730 crores
  - Fee Income for Q4FY18 grew 9% QoQ and 1% YoY and stood at ₹2,448 crores
- Loan growth during the quarter stood at 18% YOY led by pickup across all segments:
  - Retail and SME loans constituted 60% of total loans
  - Retail, SME and Corporate loan book grew 23%, 19% and 12% YOY respectively
  - 77% of outstanding Corporate exposure is rated 'A' or better
- Strong Retail franchise continues to deliver:
  - CASA deposits on a cumulative daily average basis grew 18% YOY
  - CASA deposits on period end basis grew 14% YOY and constituted 54% of total deposits
  - Retail Fee for FY18 grew 22% YOY and comprised 48% of total fee income
- Among the top players in the digital space:
  - Ranked #2 by volumes and #3 by value in Mobile Banking spends as per RBI data
  - Bank's market share in UPI transactions at 17% for Q4FY18, among the highest in the industry
  - Mobile banking spends grew 71% YOY, Credit Card spends grew 54% YOY
- The Bank now has the capital, the appetite and the Balance Sheet strength to pursue growth in FY19.

The Board of Directors of Axis Bank Limited approved the audited financial results for the quarter and year ended 31st March 2018 at its meeting held in Mumbai on Thursday, 26th April 2018.

**Profit & Loss Account: Period ended 31st March 2018**

- **Core Operating Profit and Net Profit**

Core operating profit for Q4FY18 and FY18 declined by 12% YOY and 1% YOY respectively. Net loss for Q4FY18 stood at ₹2,189 crores; for FY18 Net profit stood at ₹276 crores down 93% YOY.

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

The Bank's Net Interest Income (NII) in Q4FY18 stood flat on YOY basis at ₹4,730 crores. Net interest margin for Q4FY18 stood at 3.33%. NII for FY18 rose 3% YOY to ₹18,618 crores from ₹18,093 crores during FY17. Net interest margin for FY18 stood at 3.44%.

- **Other Income**

Other income (comprising fee, trading profit and miscellaneous income) for Q4FY18 de-grew 7% YOY to ₹2,789 crores as against ₹3,013 crores during the same period last year. During FY18, other income de-grew 6% YOY and stood at ₹10,967 crores.

Fee income for Q4FY18 grew 1% YOY to ₹2,448 crores. The key driver of fee income growth was Retail Banking, which grew 6% YOY and constituted 48% of the Bank's total fee income. Cards' fees grew 15% YOY. Transaction Banking fees grew 23% YOY and constituted 27% of the total fee income of the Bank. Trading profits for the quarter stood at ₹215 crores.

During FY18, fee income grew 12% YOY primarily driven by 22% YOY growth in Retail fee and 18% YOY growth in Transaction banking.

**Balance Sheet: As on 31st March 2018**

The Bank's Balance Sheet grew 15% YOY and stood at ₹6,91,330 crores as on 31st March 2018. The Bank's Advances grew 18% YOY to ₹4,39,650 crores as on 31st March 2018. Retail loans grew 23% YOY to ₹2,06,465 crores and accounted for 47% of Net Advances. SME loans grew 19% YOY to ₹58,740 crores and accounted for 13% of the Net Advances. Corporate Credit grew 12% YOY to ₹1,74,446 crores and accounted for 40% of Net Advances. Corporate loan growth was led by 63% growth in working capital loans.

CASA, on a cumulative daily average basis, recorded a growth of 18% YOY, in which Savings Bank Deposits and Current Account Deposits grew by 16% YOY and 23% YOY, respectively. The proportion of CASA on a cumulative daily average basis constituted 46% of total deposits.

CASA Deposits on a period end basis grew 14% YOY and constituted 54% of total deposits as at the end of 31st March 2018. Savings Account Deposits and Current Account Deposits on period end basis grew 18% YOY and 10% YOY, respectively for the period ended 31st March 2018.

The share of CASA and Retail Term Deposits in the Total Deposits stood at 84% as on 31st March 2018. Total Deposits grew 9% YOY.

**Capital Adequacy and Shareholders' Funds**

The shareholders' funds of the Bank grew 14% YOY and stood at ₹63,445 crores as on 31st March 2018. Under Basel III, the Capital Adequacy Ratio (CAR) and Tier I CAR as on 31st March 2018 were 16.57% and 13.04% respectively. The Bank remains well capitalised to pursue growth opportunities.

**Dividend**

After making mandatory appropriations to Statutory Reserve, Investment Reserve and Capital Reserve, no profits are available for distribution as dividend for the year ended 31st March 2018. Accordingly, no dividend has been recommended by the Board of Directors for the year ended 31st March 2018.

**Asset Quality**

As on 31st March 2018, the Bank's Gross NPA and Net NPA levels rose to 6.77% and 3.40% from 5.28% and 2.56% as on 31st December 2017, respectively.

The Bank has recognised slippages of ₹16,536 crores during Q4FY18. This includes an accelerated recognition in the stressed loan book of the Bank, particularly in the power sector. It also includes a one-time impact driven by recent regulatory guidelines on Resolution of Stressed Assets.

Corporate lending slippages stood at ₹13,938 crores. 90% of this came from disclosed BB & below accounts. The BB and below rated book has declined by 44% in this quarter and stood at ₹8,994 crores. This is 1.8% of the Bank's Gross Customer Assets, and is down to 1/4th of the 7.3% peak reached in Jun-16.

As on 31st March 2018, the Bank's Gross NPA stood at ₹34,249 crores and Net NPA stood at ₹16,592 crores. Recoveries and upgrades were ₹3,401 crores while write-offs during the quarter were ₹3,887 crores. Net slippages (before write-offs) in Retail and SME stood at ₹491 crores and ₹67 crores respectively.

As on 31st March 2018, the Bank's provision coverage, as a proportion of Gross NPAs including prudential write-offs, stood at 65%.

The Bank's Watch List declined 92% over the previous quarter and stood at ₹428 crores.

**Network**

During Q4FY18, the Bank added 114 branches to its network across the country, taking the tally of new branches opened during FY18 to 400 branches. As on 31st March 2018, the Bank had a network of 3,703 domestic branches and extension counters situated in 2,163 centres compared to 3,304 domestic branches and extension counters situated in 1,946 centres as at end of same period last year. As on 31st March 2018, the Bank had 13,814 ATMs and 2,263 cash recyclers spread across the country.

During the quarter, the Bank started operations in Sharjah, its third representative office in the UAE after Dubai and Abu Dhabi, and tenth outside India. The new representative office will engage primarily in promoting the Bank's retail products and services to large non-resident Indians diaspora in the UAE.

**Digital channels**

Axis Bank continues to remain amongst the top three players in the mobile banking space - both in terms of transaction value and volumes, as per the latest RBI data for the month of November 2017. Mobile banking transaction volumes surged by 158% YOY while the mobile spends in Q4 reported a growth of 71% YOY primarily led by surge in UPI (Unified Payment Interface) transactions. Axis Bank is among the top three payment service provider (PSP) in the NPCI's UPI ecosystem and currently has 11.50 mn Virtual Payment Address (VPAs) created across apps. During the quarter, Axis Bank processed over 83 million UPI transactions – among the highest in the industry.

During the quarter, the credit card usage witnessed significant growth of 54% YOY in value terms. The share of digital transactions in the overall transaction mix for the Bank remained strong and stood at 66% as at end of March 2018.

**Awards & Recognition received during the quarter:**

During the quarter, the Bank won two awards, the IBA Banking Technology Awards 2018 for "Best Use of Analytics for Business Outcome" and "Best Use of Digital and Channels Technology". The Bank also bagged two awards at The Asset Triple A Digital Awards 2017 for Most Innovative Emerging Technologies project and Most Innovative Risk Management project and won three awards at the Customer Loyalty Awards 2018.

₹ crore

| Financial Performance | Q4FY18 | Q4FY17 | % Growth | FY18 | FY17 | % Growth |
|---|---|---|---|---|---|---|
| Net Interest Income | 4,730 | 4,729 | - | 18,618 | 18,093 | 3% |
| | | | | | | |
| Other Income | 2,789 | 3,013 | (7%) | 10,967 | 11,691 | (6%) |
| - Fee Income | 2,448 | 2,423 | 1% | 8,867 | 7,882 | 12% |
| - Trading Income | 216 | 428 | (50%) | 1,617 | 3,400 | (52%) |
| - Miscellaneous Income | 125 | 162 | (23%) | 483 | 409 | 18% |
| | | | | | | |
| Operating Revenue | 7,519 | 7,742 | (3%) | 29,585 | 29,784 | (1%) |
| Core Operating Revenue* | 7,304 | 7,314 | (0.1%) | 27,968 | 26,384 | 6% |
| Operating Expenses | 3,847 | 3,367 | 14% | 13,990 | 12,200 | 15% |
| Operating Profit | 3,672 | 4,375 | (16%) | 15,594 | 17,585 | (11%) |
| Core Operating Profit* | 3,457 | 3,947 | (12%) | 13,978 | 14,184 | (1%) |
| | | | | | | |
| Net Profit/(Loss) | (2,189) | 1,225 | - | 276 | 3,679 | (93%) |
| EPS Diluted (₹) annualized | (34.52) | 20.70 | - | 1.12 | 15.34 | (93%) |
| Return on Average Assets (annualized) | (1.31) | 0.84 | | 0.04 | 0.65 | |
| Return on Equity (annualized) | (15.28) | 9.67 | | 0.53 | 7.22 | |

*Excluding trading profit for all the periods.

₹ crore

| Condensed Unconsolidated Balance Sheet | As on 31st March'18 | As on 31st March'17 |
|---|---|---|
| **CAPITAL AND LIABILITIES** | | |
| Capital | 513 | 479 |
| Reserves & Surplus | 62,932 | 55,284 |
| Deposits | 4,53,623 | 4,14,379 |
| Borrowings | 1,48,016 | 1,05,031 |
| Other Liabilities and Provisions | 26,246 | 26,295 |
| **Total** | **6,91,330** | **6,01,468** |
| **ASSETS** | | |
| Cash and Balances with Reserve Bank of India | 35,481 | 30,858 |
| Balances with Banks and Money at Call and Short Notice | 7,974 | 19,398 |
| Investments | 1,53,876 | 1,28,794 |
| Advances | 4,39,650 | 3,73,069 |
| Fixed Assets | 3,972 | 3,747 |
| Other Assets | 50,377 | 45,602 |
| **Total** | **6,91,330** | **6,01,468** |

₹ crore

| Business Performance | As on 31st March '18 | As on 31st March '17 | % Growth |
|---|---|---|---|
| Total Deposits (i)+(ii) | 453,623 | 414,379 | 9% |
| | | | |
| (i) Demand Deposits | 243,852 | 213,050 | 14% |
| - Savings Bank Deposits | 148,202 | 126,048 | 18% |
| - Current Account Deposits | 95,650 | 87,002 | 10% |
| Demand Deposits as % of Total Deposits | 54% | 51% | |
| | | | |
| (ii) Term Deposits | 209,771 | 201,329 | 4% |
| - Retail Term Deposits | 137,795 | 123,925 | 11% |
| - Non-Retail Term Deposits | 71,976 | 77,404 | (7%) |
| | | | |
| Demand Deposits on a Cumulative Daily Average Basis (CDAB) for the full year | 179,731 | 151,678 | 18% |
| Demand Deposits as % of Total Deposits (CDAB) for the full year | 46% | 43% | |
| | | | |
| Net Advances (a) +(b) + (c) | 4,39,650 | 373,069 | 18% |
| (a) Corporate Credit | 1,74,446 | 155,904 | 12% |
| (b) SME | 58,740 | 49,172 | 19% |
| (c) Retail Advances | 2,06,464 | 167,993 | 23% |
| | | | |
| Investments | 1,53,876 | 128,793 | 19% |
| | | | |
| Balance Sheet Size | 6,91,330 | 601,468 | 15% |
| | | | |
| Gross NPA as % of Gross Customer Assets | 6.77% | 5.04% | |
| Net NPA as % of Net Customer Assets | 3.40% | 2.11% | |
| | | | |
| Equity Capital | 513 | 479 | |
| Shareholders' Funds | 63,445 | 55,763 | |
| Capital Adequacy Ratio (Basel III) | 16.57% | 14.95% | |
| - Tier I | 13.04% | 11.87% | |
| - Tier II | 3.53% | 3.08% | |

*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.*

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Progress on...

# Investor Presentation

*Annual Results FY17-18*

NSE: **AXISBANK** BSE: **532215** LSE (GDR): **AXB**

# 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

- **Asset Quality recognition cycle nearing an end, Bank significantly accelerated NPA recognition in Q4**
  - Most of the corporate slippages (90%) in Q4 came from disclosed BB & Below book
  - New guidelines for Resolution of Stressed Assets drove recognition in restructured book
  - Accelerated recognition in the Bank's stressed Power sector loan book
  - Provision Coverage Ratio has been retained at high levels

- **Capital Adequacy Ratio (CAR) remains healthy to support future growth**
  - CET 1 ratio stood at 11.68%

- **Loan growth during the quarter was strong across all segments**
  - Retail, SME and Corporate loan book grew 23%, 19% and 12% YOY respectively
  - Retail and SME loans constituted 60% of total loans

- **Strong Retail franchise continues to deliver**
  - CASA grew 14% and constitutes 54% of the total deposits
  - Retail fees in FY18 grew 22% and constitutes almost 48% of the total fee income
  - Digital Payments continue to witness strong growth

- **P&L performance impacted by high slippages and resultant provisions**
  - Net interest income growth restricted by high slippages
  - Healthy PCR levels strengthen the balance sheet

# Key Metrics for Q4FY18 & FY18

*All figures in ₹ Crores unless stated*

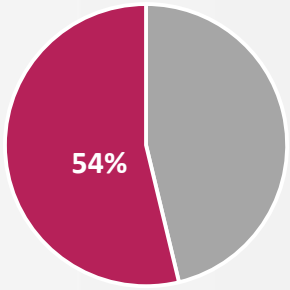
| Snapshot (As on March 31, 2018) (in ₹Crores) | |
|---|---|
| Total Assets | 691,330 |
| Net Advances | 439,650 |
| Total Deposits | 453,623 |
| Net Profit/(Loss) (Q4/FY18) | (2,189) / 276 |
| Shareholders' Funds | 63,445 |
| Diluted EPS* (in ₹) (Q4/FY18) | (34.52) / 1.12 |
| Book Value per share (in ₹) | 247 |
| ROA* (in %) (Q4/FY18) | (1.31) / 0.04 |
| ROE* (in %) (Q4/FY18) | (15.28) / 0.53 |
| Net NPA Ratio | 3.40% |
| Basel III Tier I CAR | 13.04% |
| Basel III Total CAR | 16.57% |
| Branches[1] | 3,703 |
| International Presence[2] | 10 |
| ATMs | 13,814 |

[1] Includes extension counters

[2] Includes overseas subsidiary in UK

* Annualized

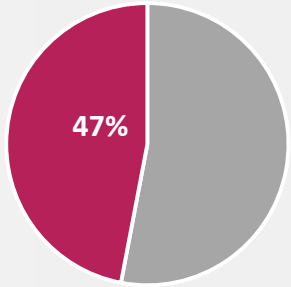
**Deposits** ↑ **9%** YOY




CASA ↑ **18%** YOY (CDAB*)
**14%** YOY (End balance)

SA ↑ **16%** YOY (CDAB*)
**18%** YOY (End balance)

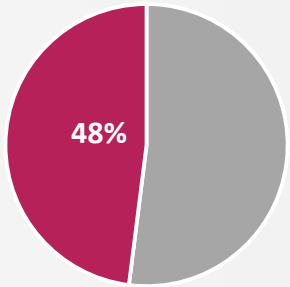
**Advances** ↑ **18%** YOY




Retail Advances

↑ 23% YOY

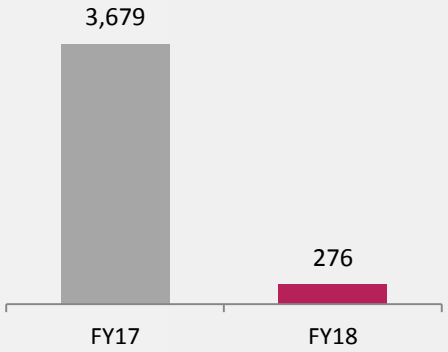
**Fee Income (FY18)**
**12%** YOY ↑




Retail Fee Income

↑ 22% YOY

**Net Profit**
**93%** YOY ↓




*CDAB – Cumulative Daily Average Balance

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Financial Highlights 5

Business Segment performance 19

Asset Quality 47

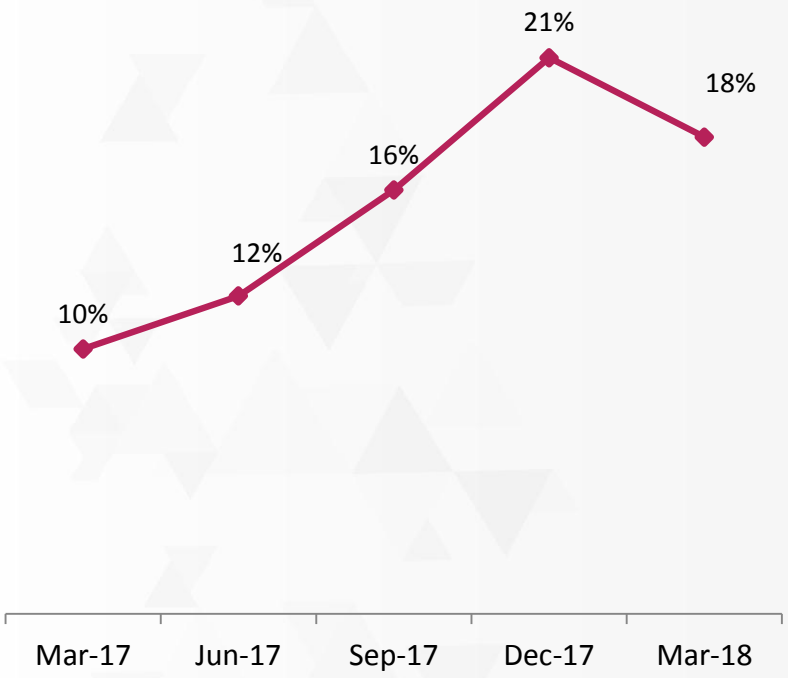
Shareholder Returns and Capital Position 56

Other important information 60

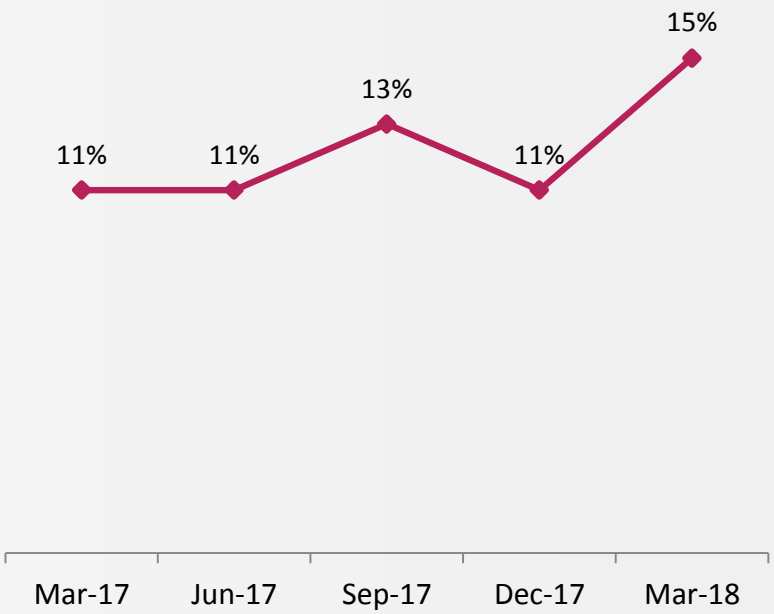
# Loan growth momentum remains strong

*All figures represent YOY growth*

## Advances




## Total Assets

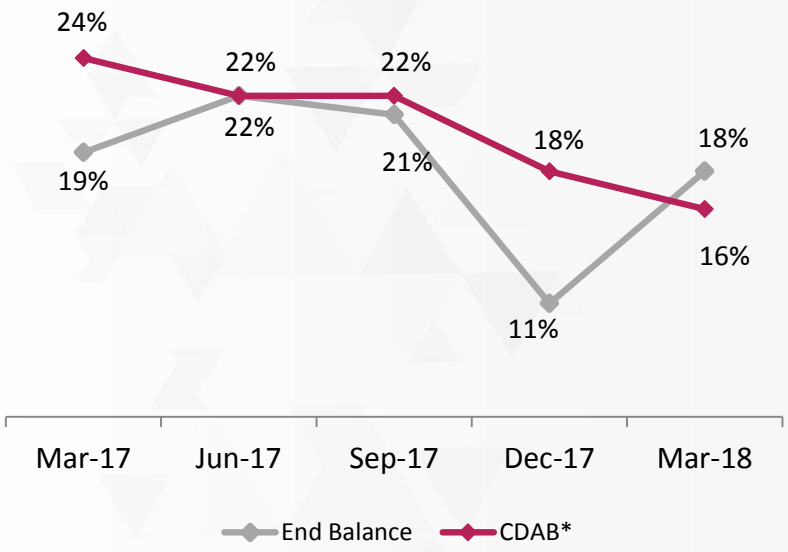



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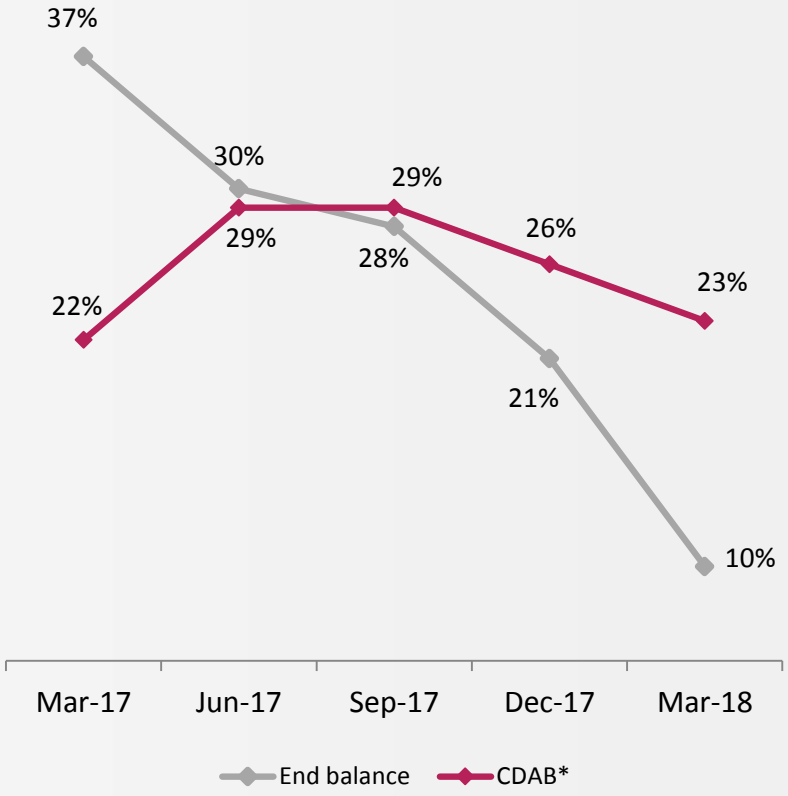
# Low Cost Deposit growth remains healthy

*All figures represent YOY growth*

## Savings Bank Deposits



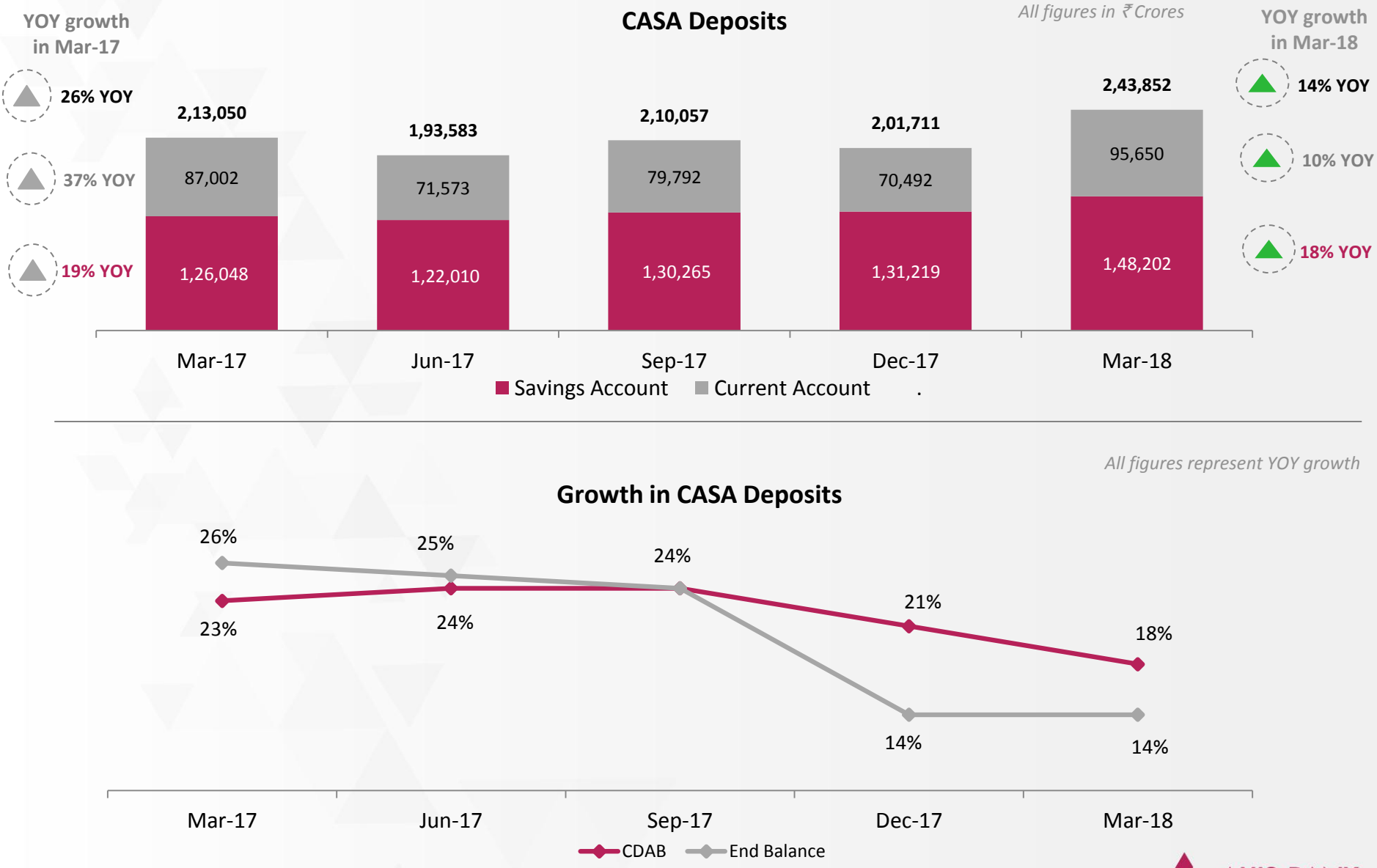

## Current Account Deposits




*CDAB – Cumulative Daily Average Balance

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# Base effect continues to influence Deposit growth





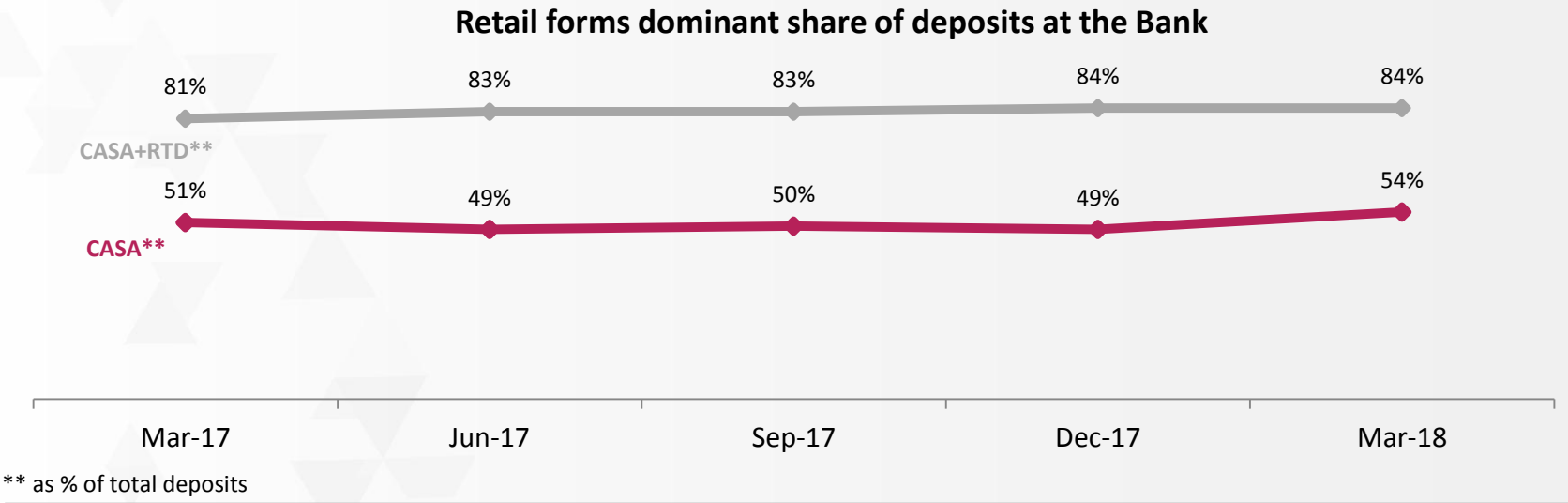


*CDAB – Cumulative Daily Average Balance

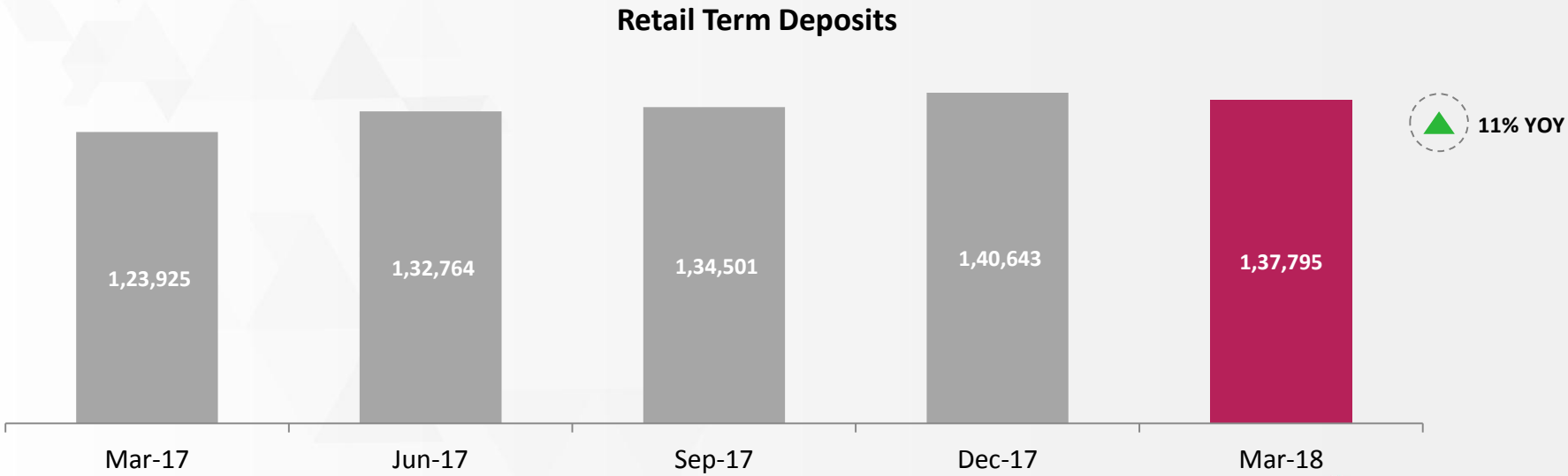
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# Granular Deposits comprising CASA and Retail Term deposits form 84%

*All figures in ₹ Crores*




** as % of total deposits

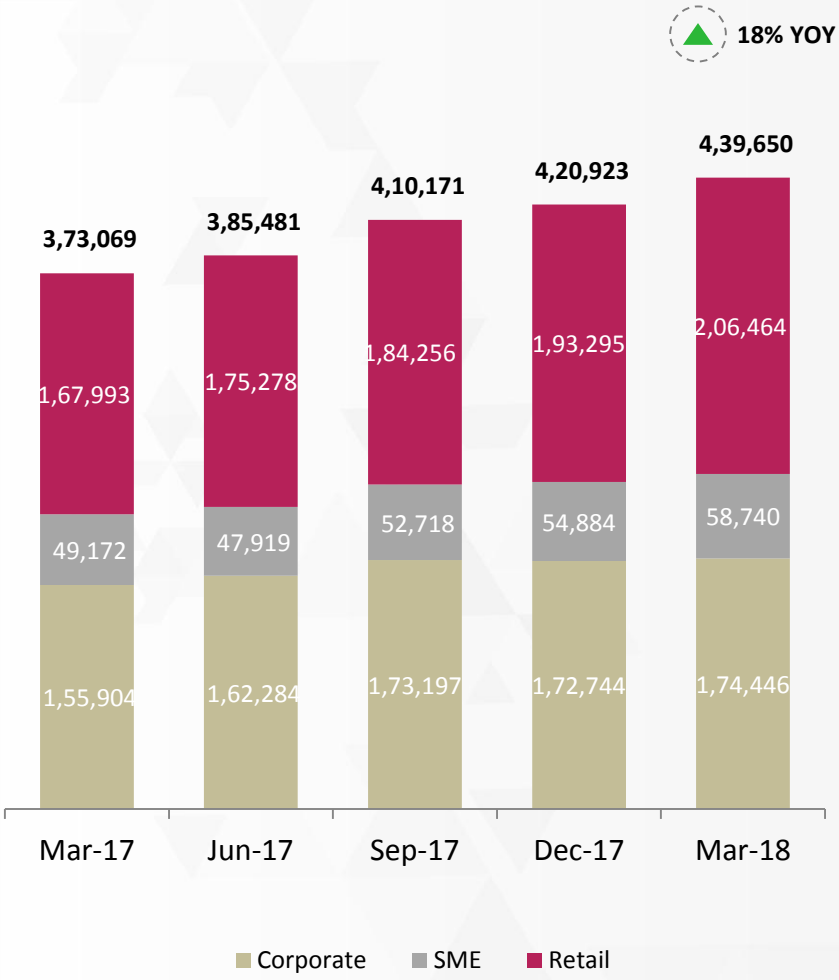



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# Retail and SME now form 60% of the Bank's Loans

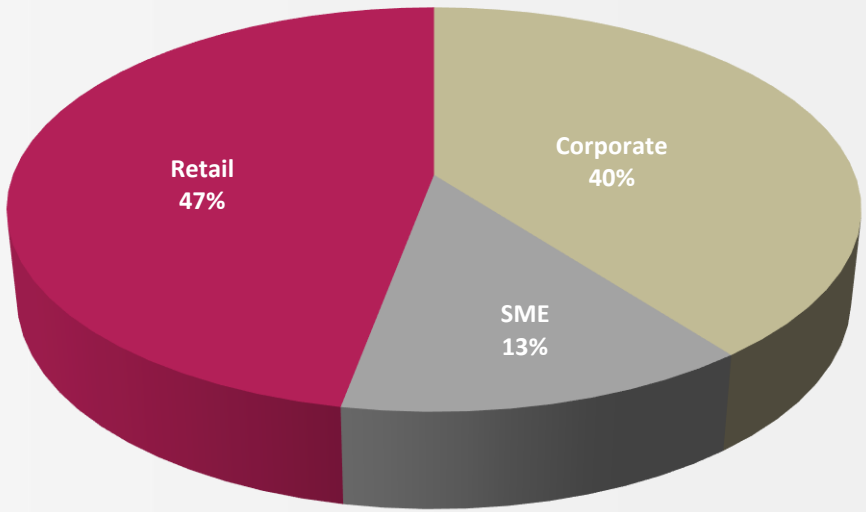
*All figures in ₹ Crores*

## Total Advances




## Loan Mix

(As on March 31, 2018)

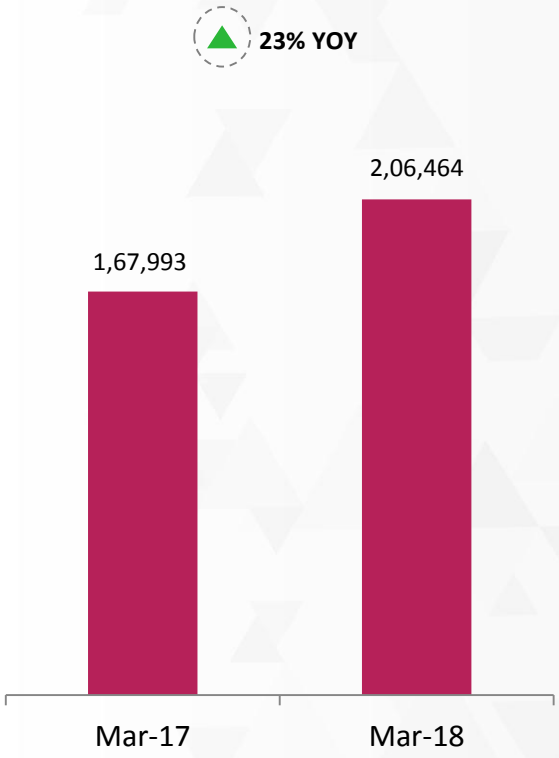



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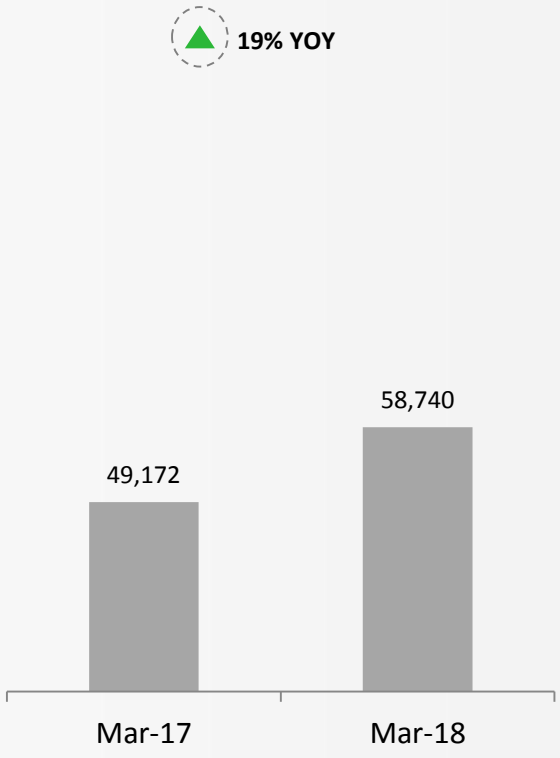
# Loan growth trend is now more balanced across all segments

*All figures in ₹ Crores*

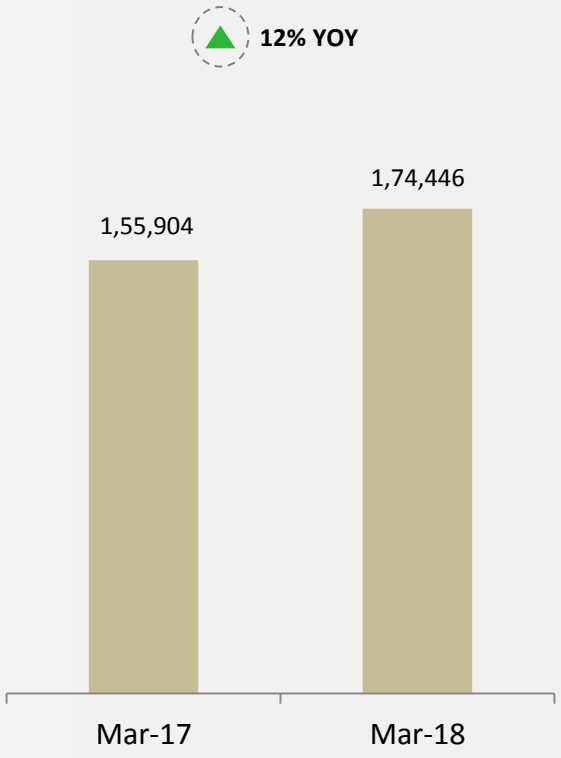
## Retail Advances




## SME Advances




## Corporate Advances

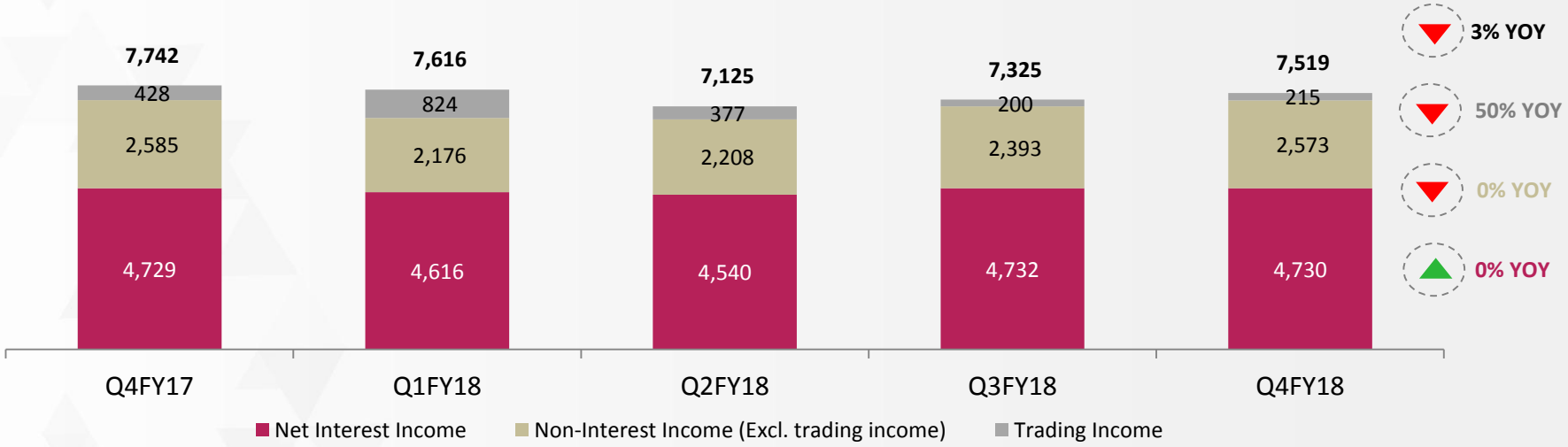



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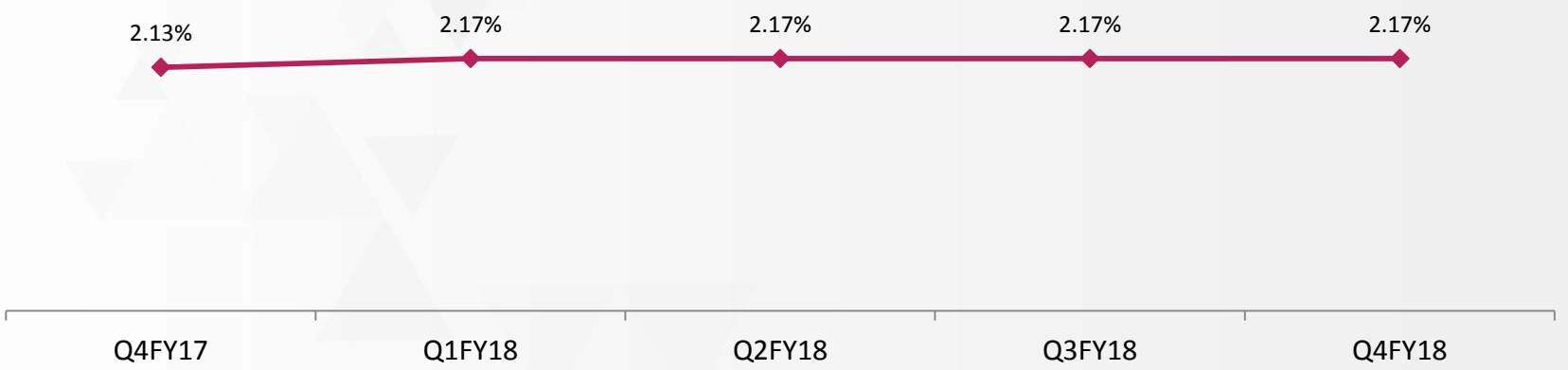
# Trading income has contracted y-o-y; Opex ratio has been steady

*All figures in ₹ Crores*

## Operating Revenue




## Opex to Average Assets*



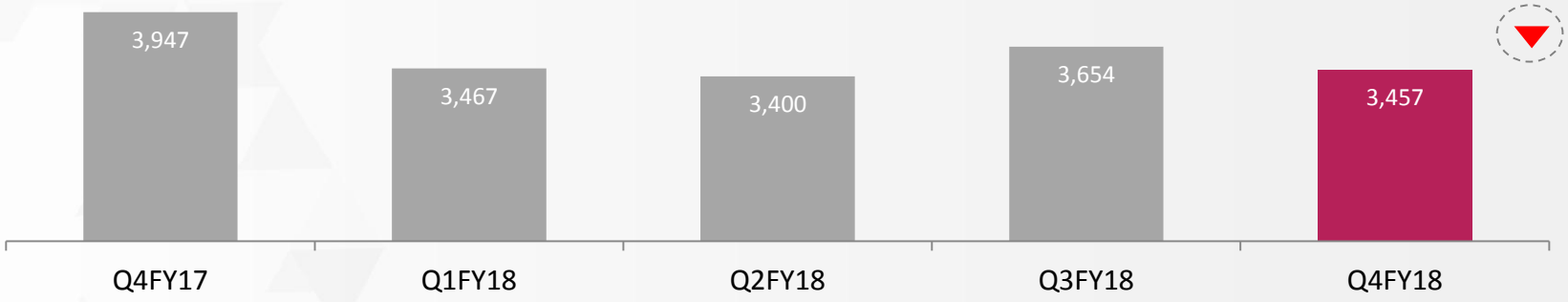

* annualized

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# Core Operating Profit impacted by lower NII growth

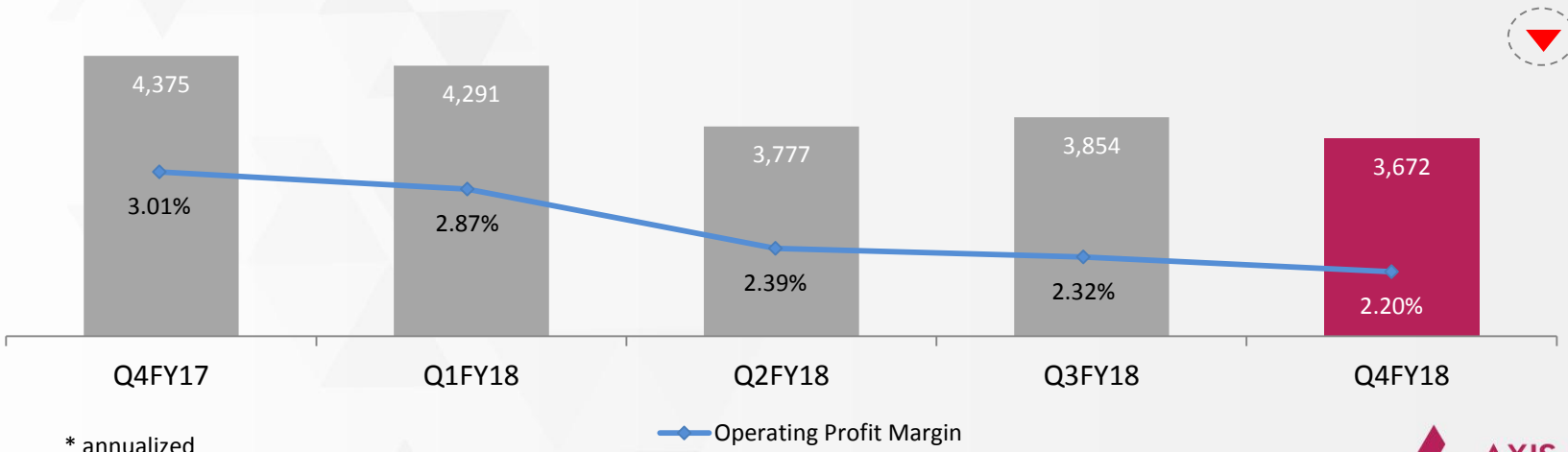
*All figures in ₹ Crores*

## Core Operating Profit ^




^ computed as operating profit less trading profit

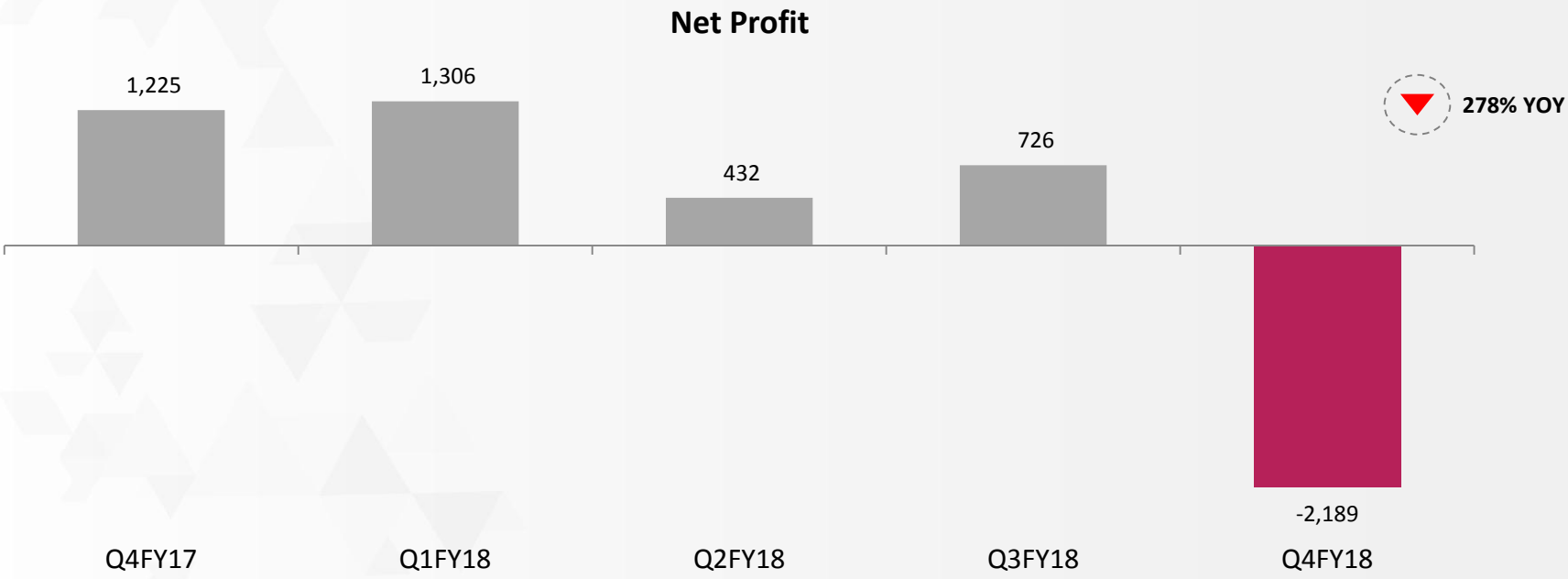
## Operating Profit and Operating Profit Margin*



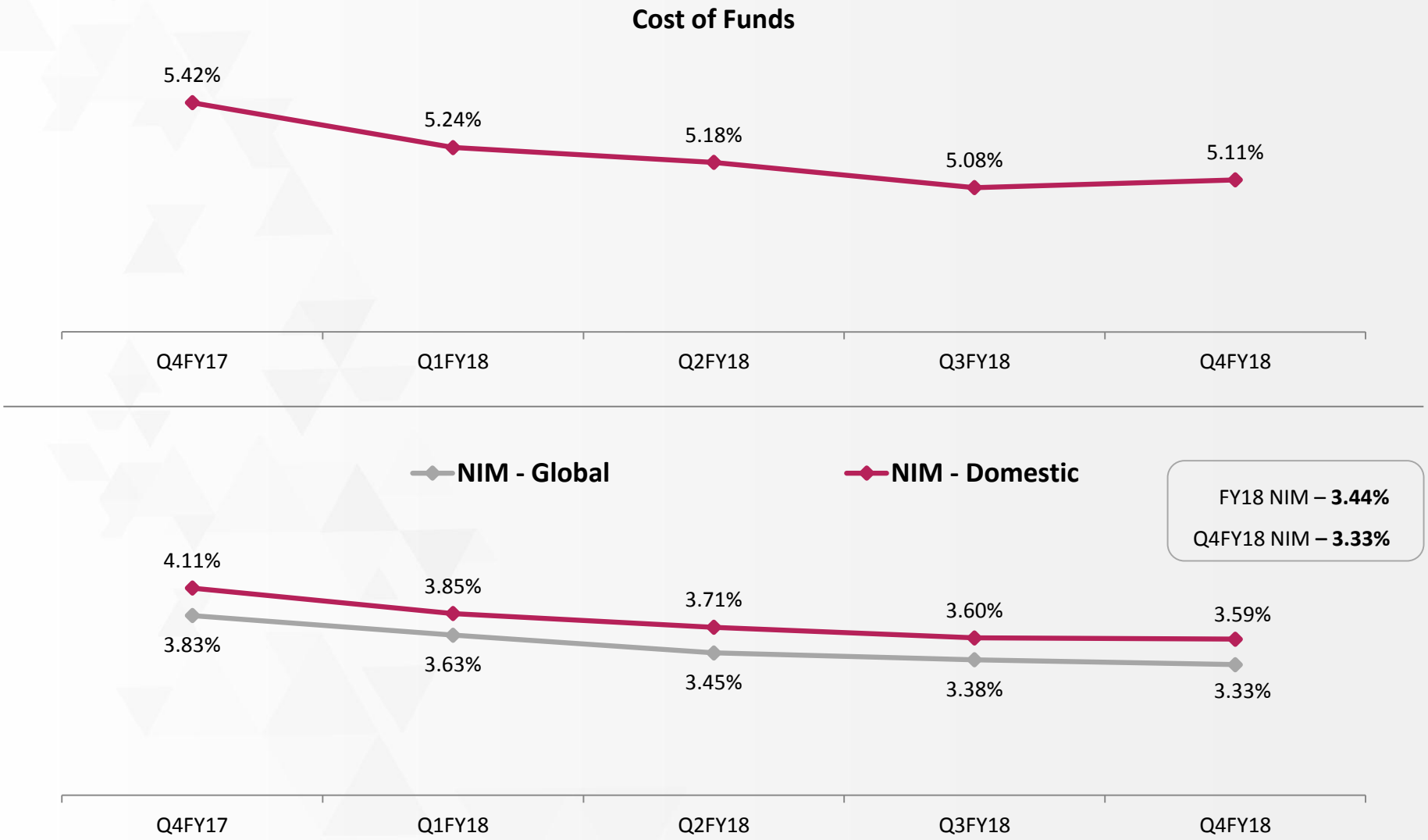

* annualized

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# Earnings impacted by one time provisioning requirement

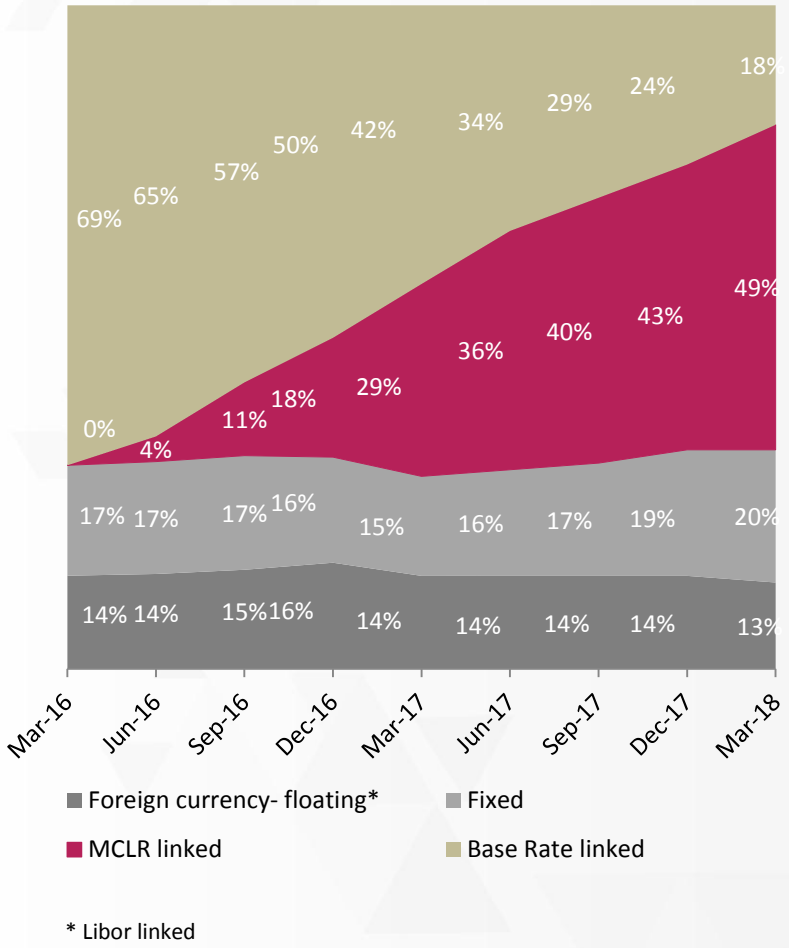


# Domestic NIM has been stable q-o-q



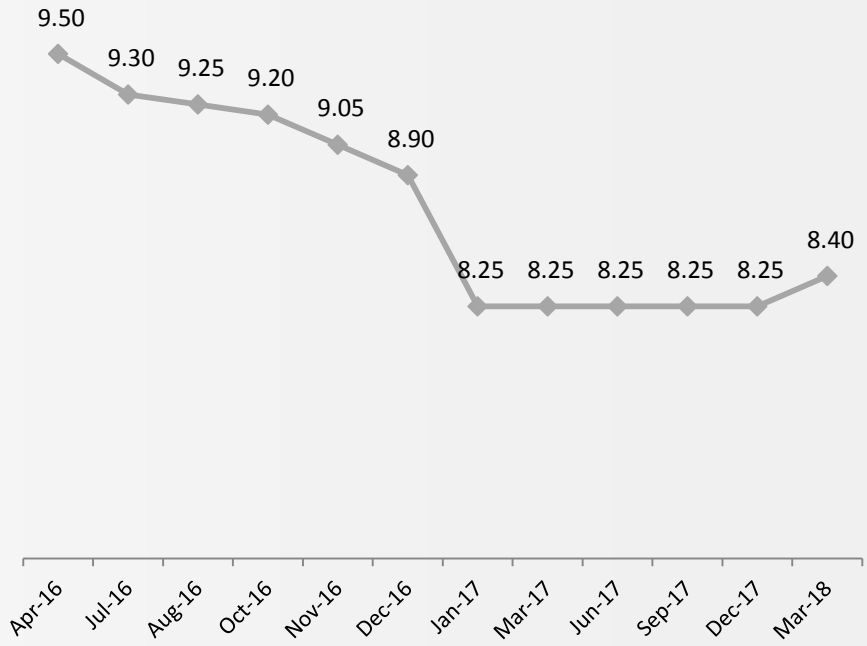
# About half of our advances have now migrated to MCLR. MCLR rate moved up by 15 bps in Q4

## Advances mix by Rate type




* Libor linked

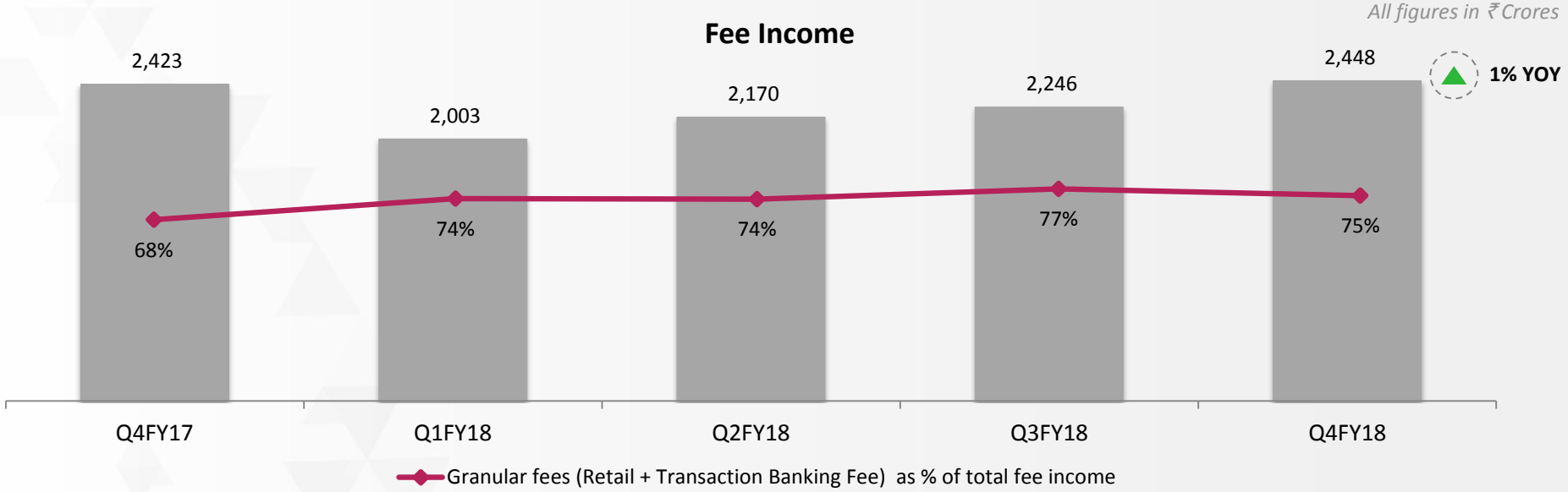
## Trend in 1 year MCLR (%)



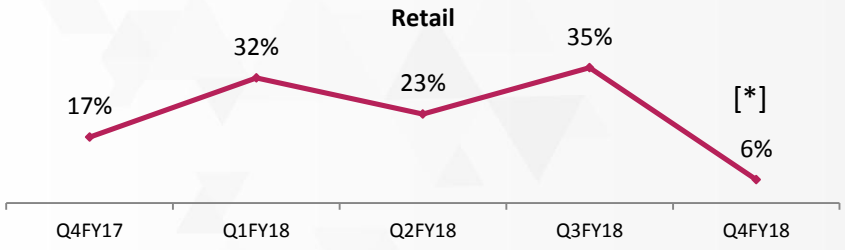

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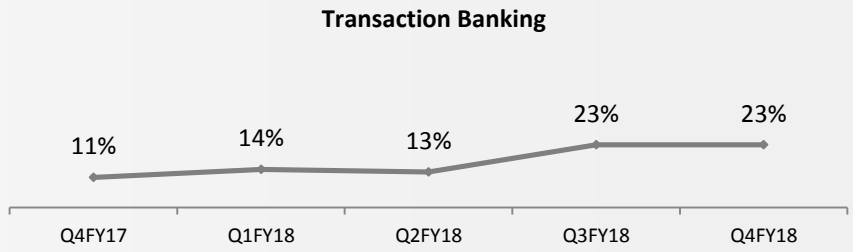
# Overall fee income was flat on a y-o-y basis and up 9% q-o-q

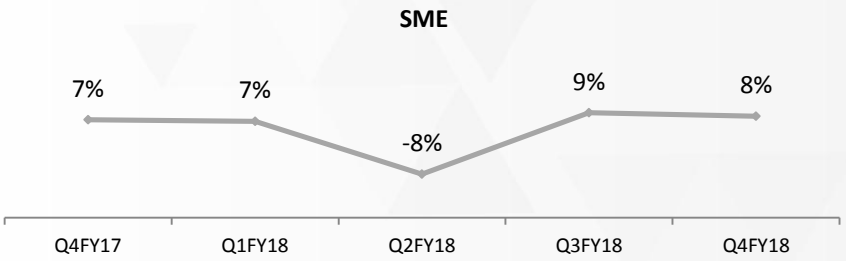
*All figures in ₹ Crores*

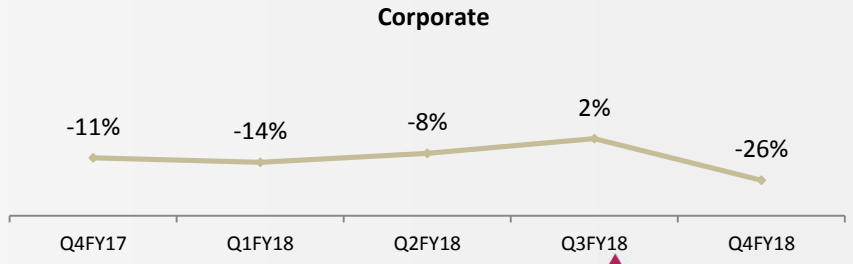



## Fee Growth (YOY)



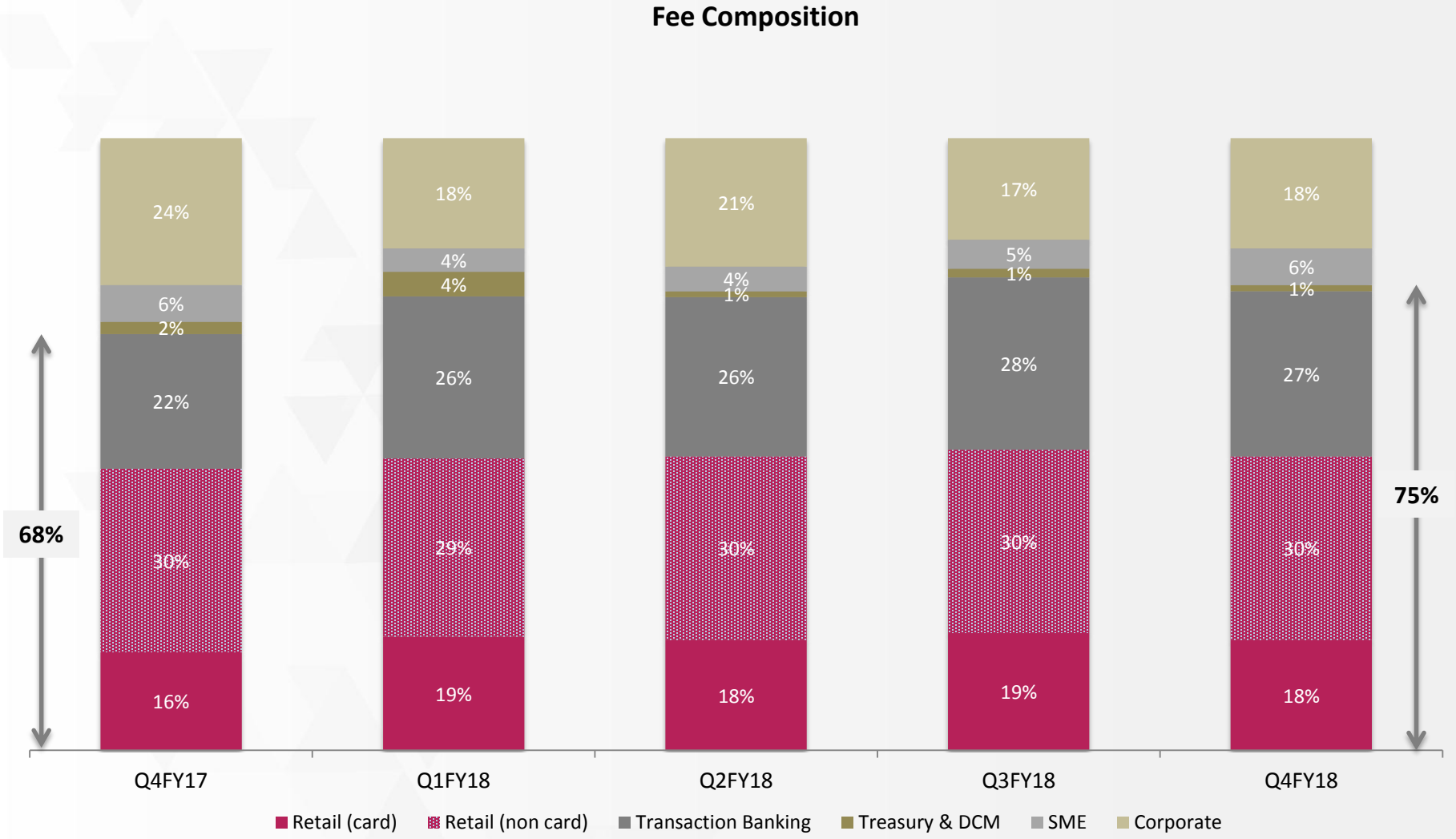




[*] Two drivers of fall in Retail fee growth in Q4: (a) Change in SEBI regulation on MF payout; (b) High q-o-q growth in previous Q4

AXIS BANK

# Retail and Transaction Banking now form 75% of the Bank's Fees



AXIS BANK

Financial Highlights

Business Segment performance

Asset Quality

Shareholder Returns and Capital Position

Other important information

# The Bank's strengths revolve around four key themes

Best in class ***Retail Banking*** franchise

Partner of choice in ***Corporate Banking***

AXIS BANK

Offering full-service solutions to ***SME*** businesses

State of the art products aided by cutting edge technology to meet ***Payments*** solutions

## …with subsidiaries complementing the strategy

### AXIS MUTUAL FUND

- Fastest growing AMC since launch in '09
- More than **2.7mn** client folios
- Has market share of **~ 3.35%**

### AXIS FINANCE

- Fast growing NBFC
- Offers complimentary product offerings to Bank customers
- Product offerings include Structured Financing, Special Situations Funding

### AXIS DIRECT

- Fastest growing equity broker in India
- Among top 3 brokers in India with cumulative client base of **1.84 mn**

### AXIS CAPITAL

- Leading player in Investment banking
- Ranked no. 1 ECM Banker, executed equity deals worth over **₹1000 bn** since **April '15**

# Business Performance – Retail

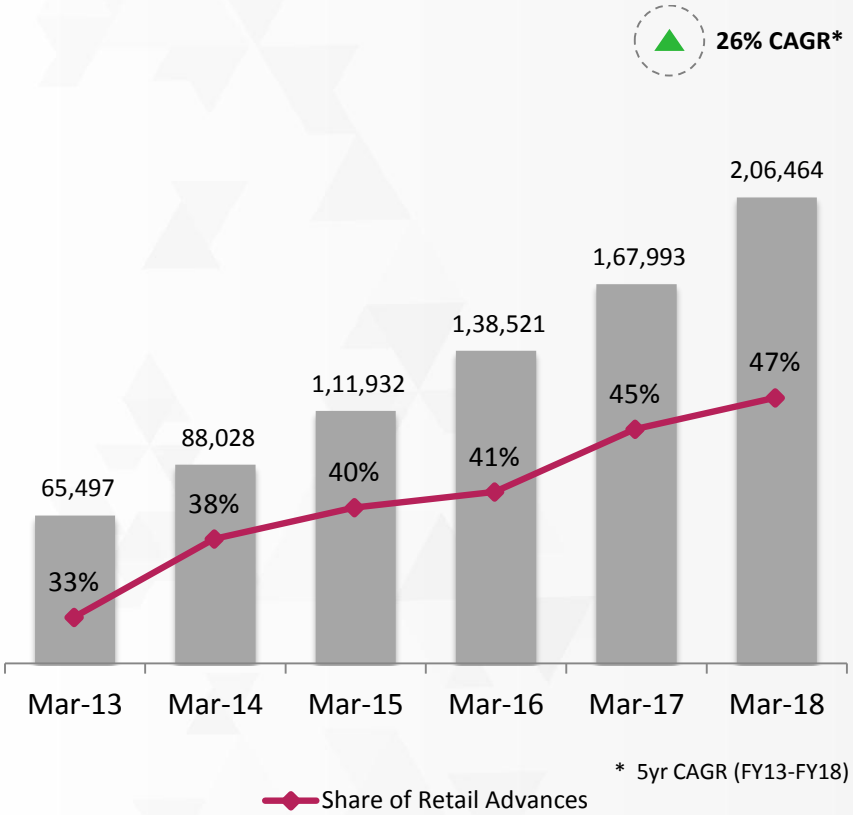
**Summary**

- Retail Lending has shown strong growth with significant diversification in loan mix over time
- Our identified “new growth engines” continue to drive loan growth
- Analytics and internal customer sourcing are core to our strategy to drive Retail Assets growth
- Granular Retail Fees remain 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

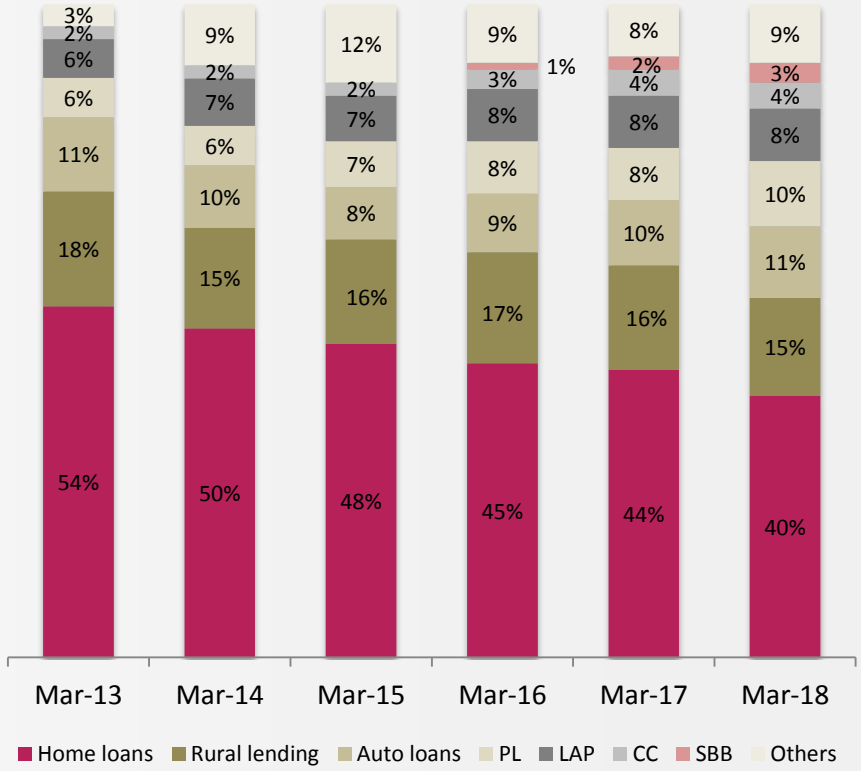
# Retail Loans form the largest part of the Bank book and are well diversified

*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

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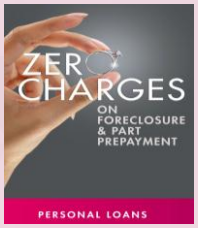
# Our identified “new engines” continue to see disproportionate growth

**Sourcing Strategy**

- **71%** of sourcing in Q4 was from existing customers
- **51%** of overall sourcing was through Bank branches

## Personal & Auto Loans

Continuous traction driven through acquisition from digital channels and branches.









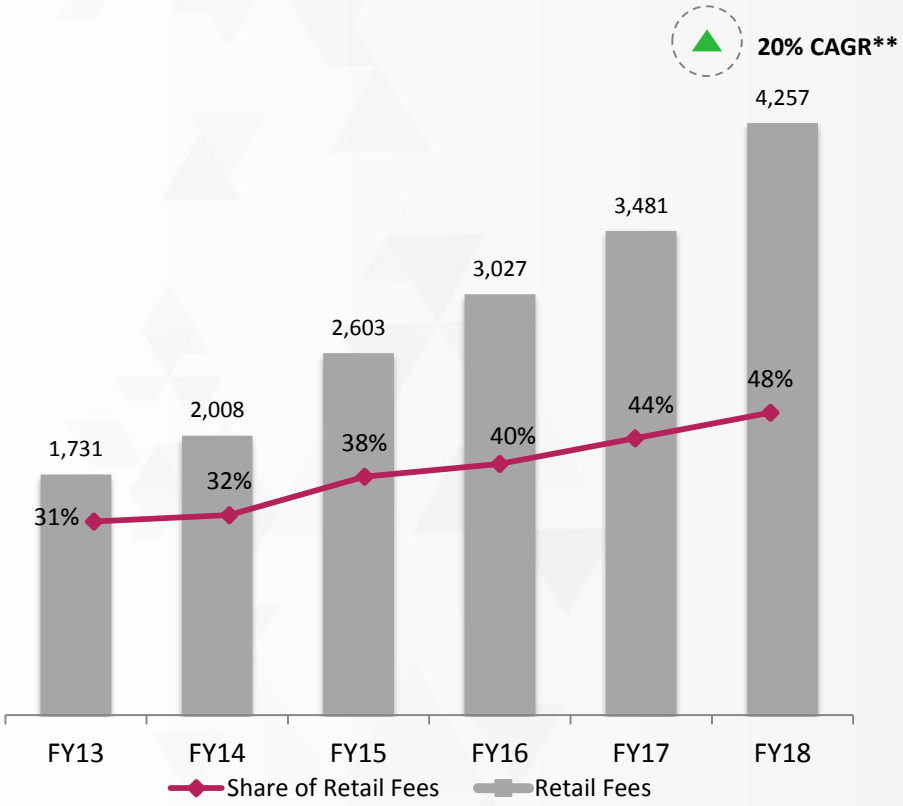

EL – Education Loan, PL – Personal Loan, SBB – Small Business Banking, LAP – Loan Against Property

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# Granular Retail Fees have been a major revenue driver

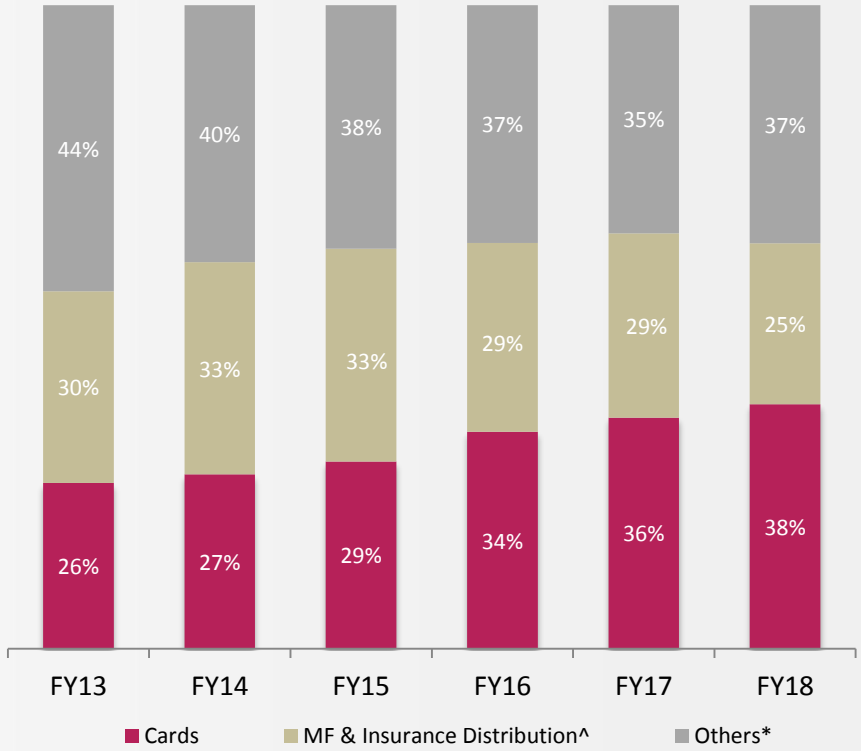
## Retail Fees has shown strong growth

(in ₹ Crores)




** 5yr CAGR (FY13-FY18)

## Card Fees has steadily grown over time in Retail Fee Mix

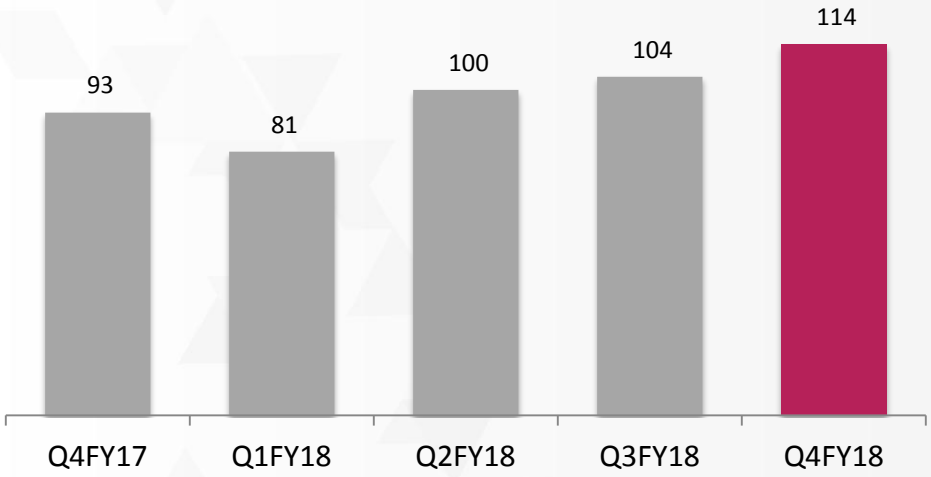



^ Includes distribution fees of others like bonds, gold coins, etc
* Includes other retail assets and liability products

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# Network expansion continues at a steady pace…

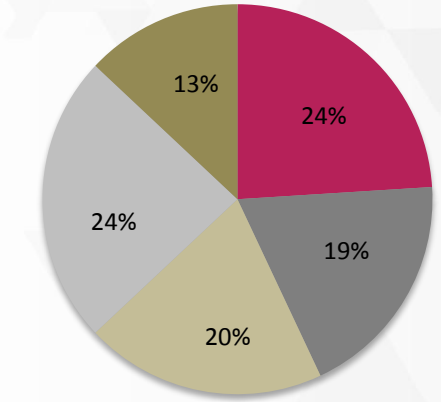
**New Branches Opened***




**Why are we continuing to invest in Branches?**

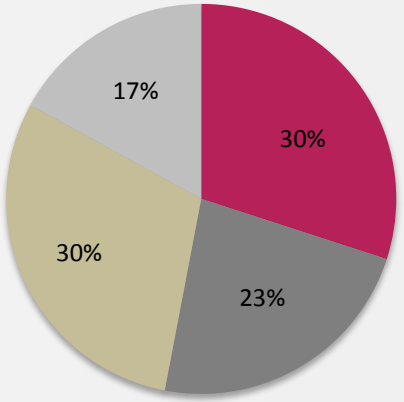
- India continues to be a growth economy
- New customer acquisition is a larger growth driver than deepening of existing customer wallet share
- Physical distribution continues to be central to new customer acquisition (even as transactions and cross-sell have shifted to Digital channels).

**Very well distributed branch presence across regions and categories**




Geographical distribution based on RBI classification

- Our network has been completely organic, built over last 24 years
- Total no of branches* as on 31st March 2018 stood at **3,703**

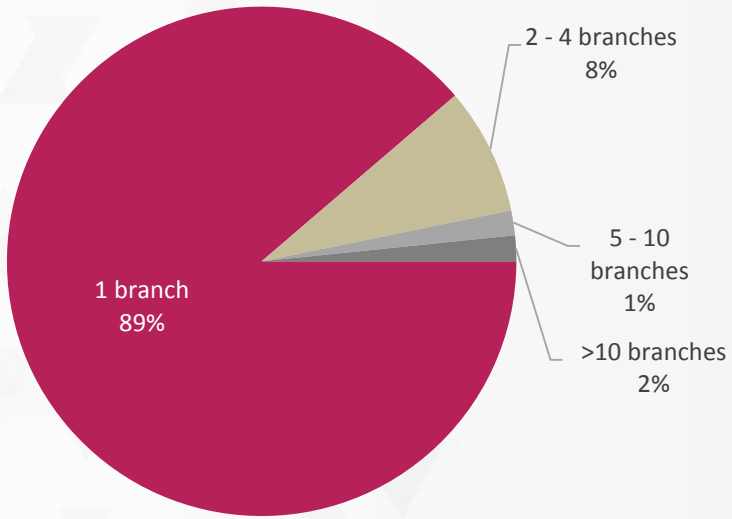



* Includes extension counters

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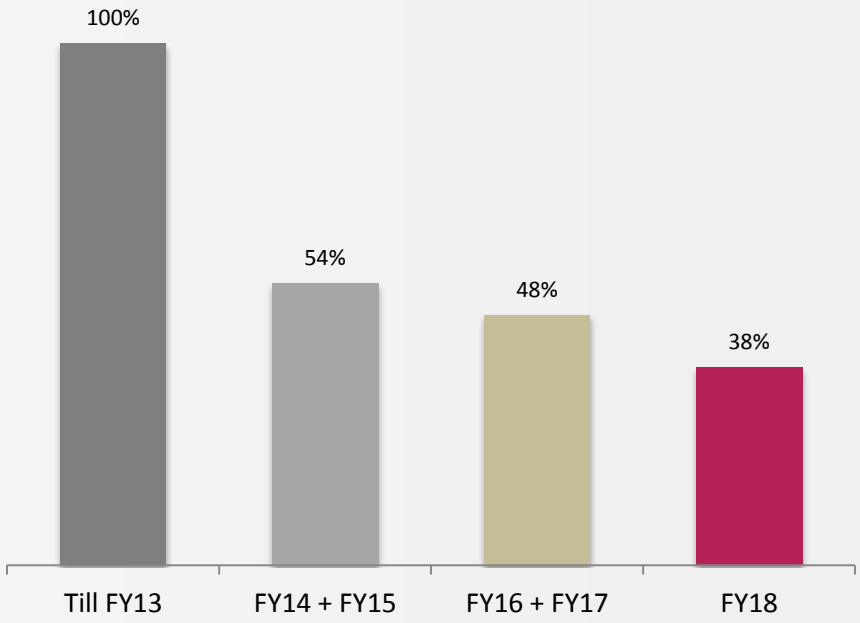
# …with focus on cost optimization and productivity

## 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

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# 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)**

| 72 | 65 | 56 |
|---|---|---|
| Axis Bank | Global Avg. | India Avg. |

FORRESTER®

**Global Ranking 20 in 2017 vs. 37 in 2016**

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# Business Performance – Digital Payments

**Summary**

- Digital Payments are a key strategic thrust for the Bank
- We have a strong position across most digital payment products
- We are among the top 4 in Cards business, that continues to grow strongly
- We rank amongst the top 3 players in Mobile Banking spends and volumes
- Our customers continue to move their transactions to digital channels
- The Bank has emerged as a leading partnership-driven innovator on payments used cases
- Post acquisition activities at Freecharge remain on track

# We have strong market position across most Digital Payment products

## Axis Bank Market Standing Across Products

| Product | Debit Cards[1] | Credit Cards[2] | Mobile Banking[3] | Point of Sale Terminals ^ | UPI[4] | Forex Cards |
|---|---|---|---|---|---|---|
| |  |  |  |  |  |  |
| Market share | 7% | 12% | 16% | 16% | 17% | 47% |
| Ranking | 4th | 4th | 3rd | 2nd | | 1st |

Source: RBI, Internal Data

1 – based on card spends at point of sale terminals ; 2 – based on cards issued (RBI Feb. 2018 data) ^ Feb 2018 data

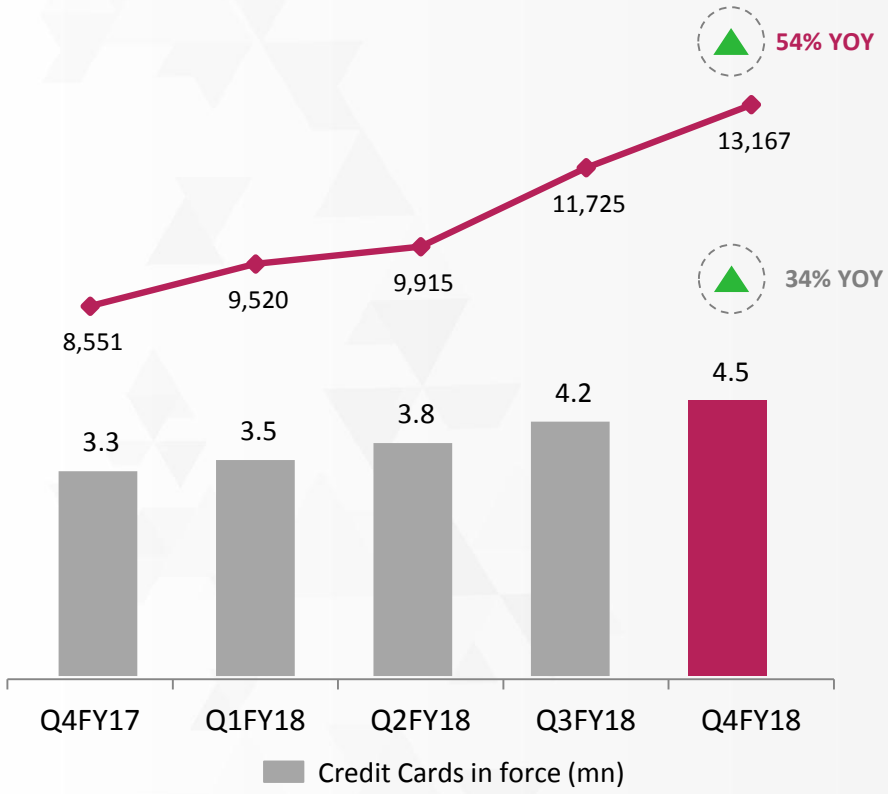
3 – based on value (RBI Nov. 2017 data), 4 – ranking data (Q4FY18) on UPI not available from authenticated sources

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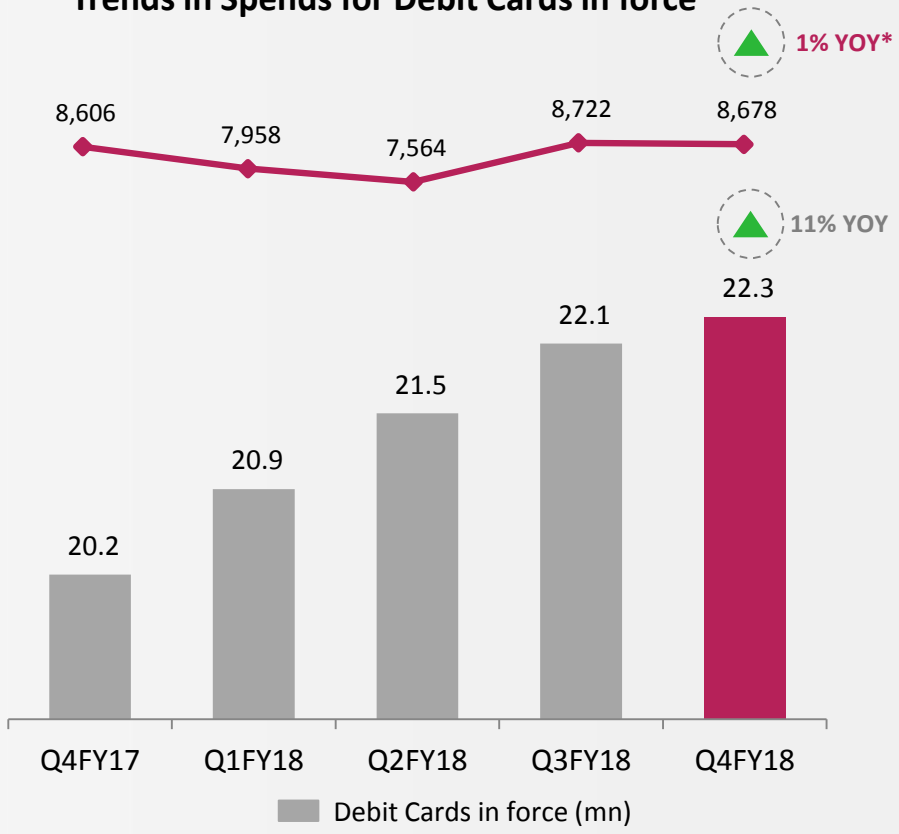
# Card Spends continue to show strong growth

*All figures in ₹ Crores*

## Trends in Spends for Credit Cards in force




## Trends in Spends for Debit Cards in force



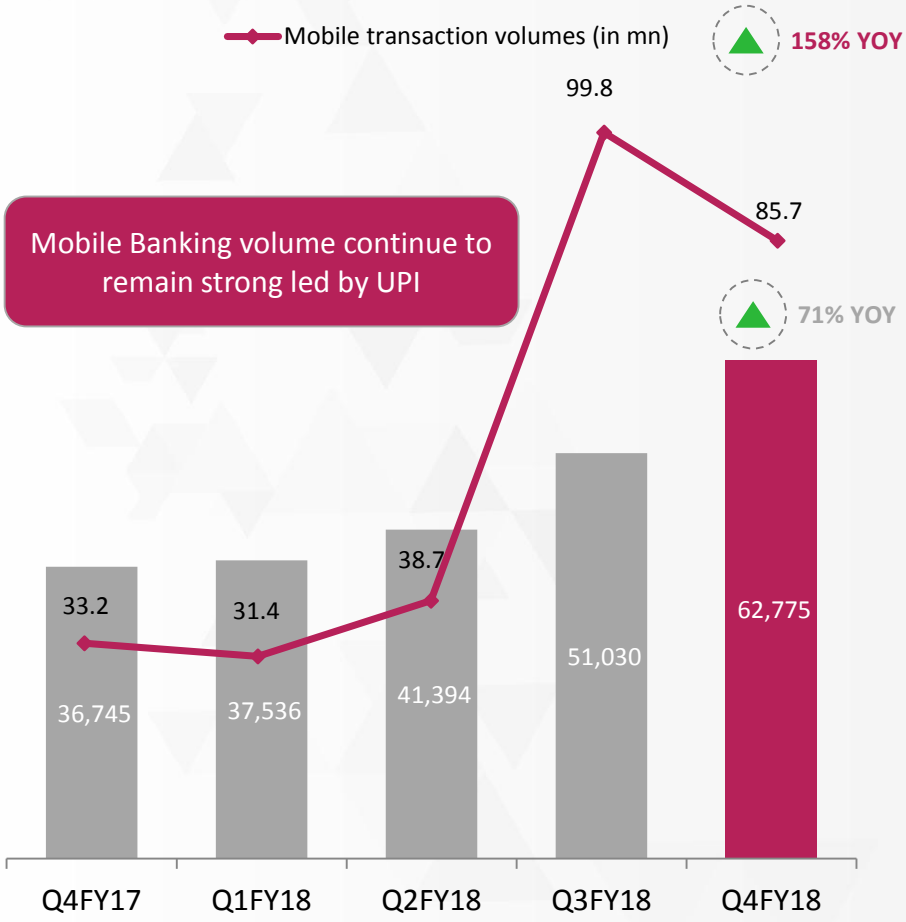

* Debit Card spends saw demonetization-led growth of 149% YOY in Q4FY17

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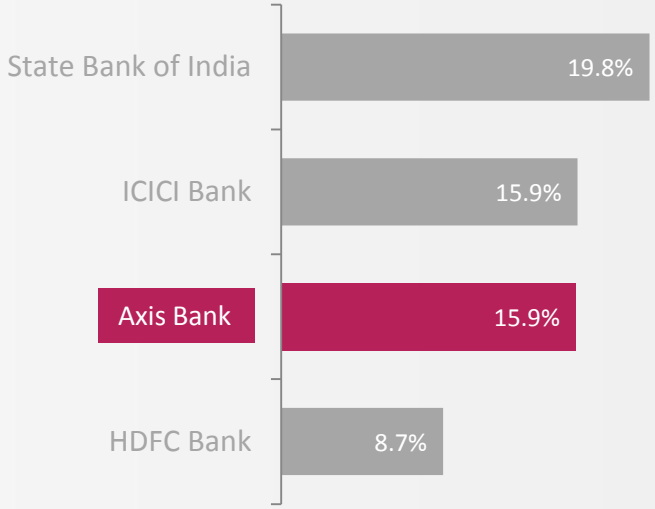
# We are amongst the top players in Mobile banking spends and volumes

*(in ₹ Crores)*

## Axis Bank Mobile Banking Spends and Volumes



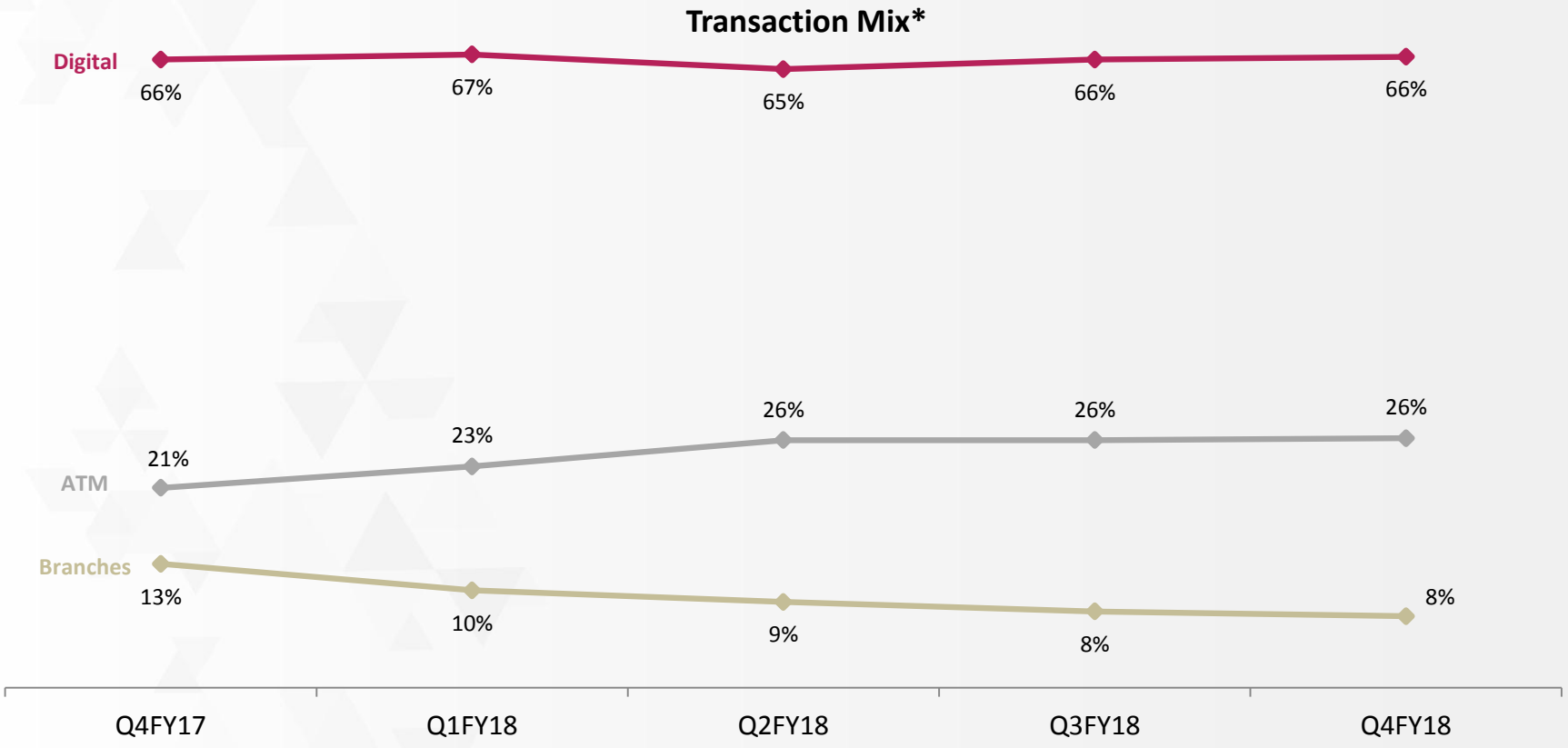

## Mobile Transactions Market Share by Value




Source: RBI data, November 2017

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# Adoption of digital channels remains robust




* Based on all financial transactions by individual customers

# Our customers continue to move their transactions to digital channels

*(Volumes in Million)*

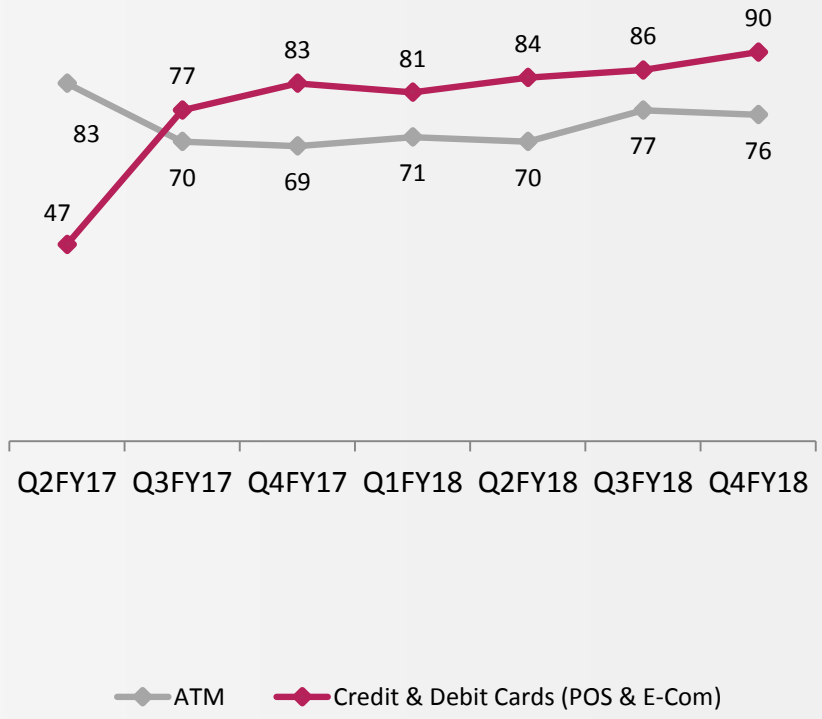
**During the quarter…..**

**58%** of Bank's active customers are Digitally active

**42%** of Mobile Banking customers bank only on Mobile App

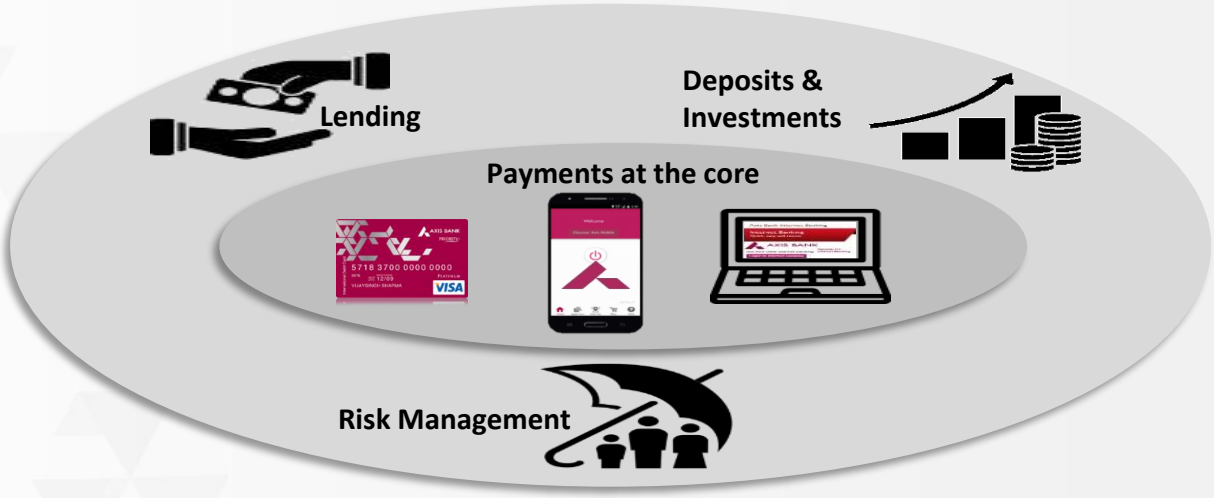
Mobile Banking logins stand at **6.5 times** of Internet Banking logins

**Digital transactions continue to outpace ATM transactions**

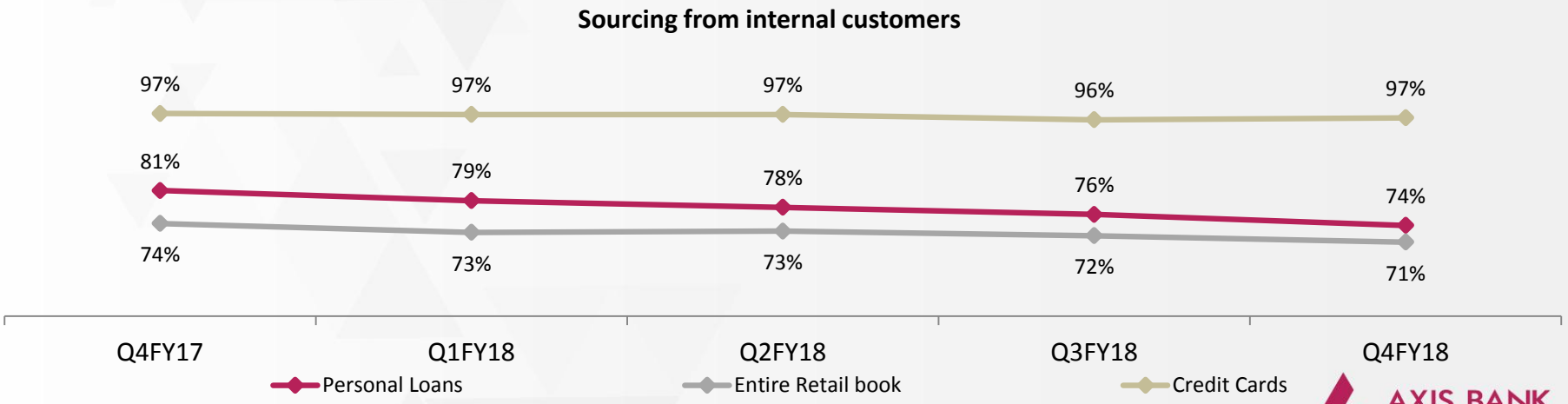


# Investments in analytics have helped build and sustain this strong position

**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**




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

## Unified Payments Interface (UPI)…

**India's innovation to the Payments world**

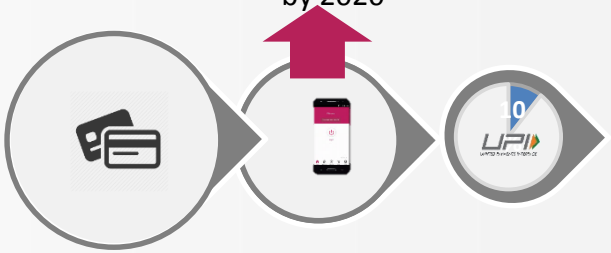
**Is for**

**Any Banked Customer** + **With a Smartphone**

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

## …Is a huge opportunity

**650 Mn** by 2020

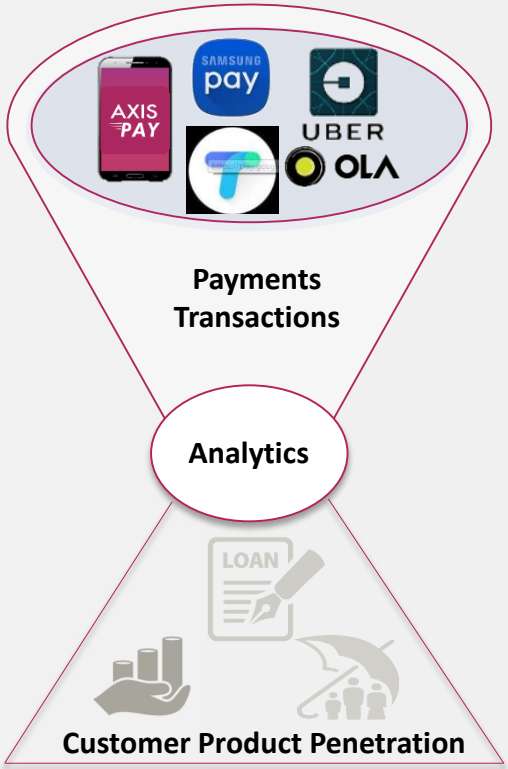


**~870 Mn** Debit Cards User Base

**~300 Mn** Smartphone User Base

**~150 Mn** Potential UPI User Base[1]

## For Axis Bank




**Axis Bank's Progress So Far**

1. **Over 13.95 mn registered base***
2. **Over 190 mn transactions#**
3. **Over 16,150 merchants on boarded**

[1] *Assumption 50% of Smartphone base.*

* A customer registering once in Axis Pay and once in Google Tez is counted as one user and not 2.

#Debit transactions for Axis Pay, Axis MB UPI, Samsung Pay, Google Tez, Merchant transactions and fulfilment transactions from Tez have been considered.

Source: BCG – Google Digital Payments 2020 Report July 2016

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# The Bank has emerged as a leading partnership-driven innovator on payments used cases

## Axis Pay UPI

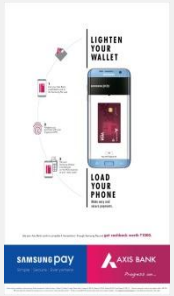



- Partnered with Amazon, BPCL, IOCL
- 11.50 mn VPAs* across apps
- 190.38 mn UPI transactions^ across apps till date

## 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
- 161,800+ registered cards in 13 months
- Users added close to 0.87 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 15 million merchant outlets
- Over 130,200+ cards issued till date

## Ripple-powered Instant Payment Services

AXIS BANK
ripple

- Uses Ripple's enterprise blockchain technology
- Makes international remittances faster and transparent for customers

*VPAs created using Axis Pay, Axis MB UPI, Axis UPI SDKs, Samsung Pay and Google Tez

^ Debit transactions for Axis Pay, Axis MB UPI, Samsung Pay, Google Tez, Merchant transactions anf fulfillment transactions from Tez have been considered

KMRL - Kochi Metro Rail Corporation , BMTC - Bangalore Metropolitan Transport Corporation

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# The acquisition of Freecharge can potentially leapfrog our digital journey by multiple years

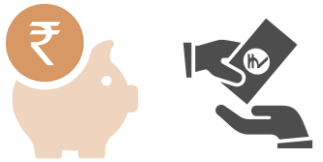
## Through freecharge we intend to…



*Leverage Payments as a Hook (UPI, QR etc)*



*Target digitally-native, mobile-first SA customers*



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

## Post acquisition activities remain on track

*Focused campaigns have helped to improve all top line metrics since acquisition**

| | | | |
|---|---|---|---|
| o Total Payments Volumes | 36% ↑ | o Spends per user | 12% ↑ |
| o Monthly Active Users | 44% ↑ | o Platform engagement ^ | 68% ↑ |
| o Transaction volumes | 24% ↑ | o App installation | 45% ↑ |

* The growth numbers are for period Oct'17 to Mar'18

^ Defined as percentage increase in unique visitors

AXIS BANK

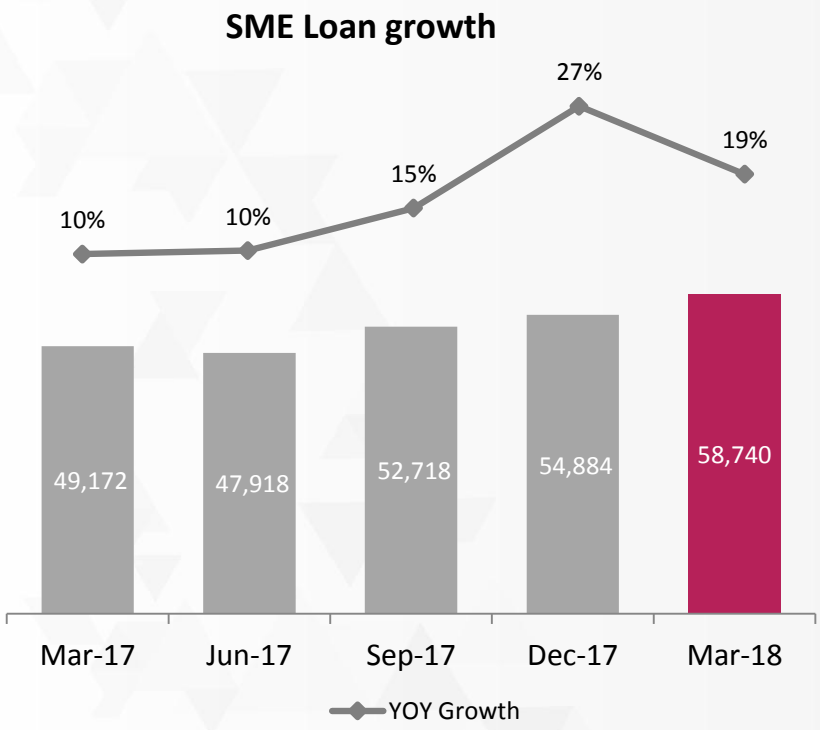
# Business Performance - SME

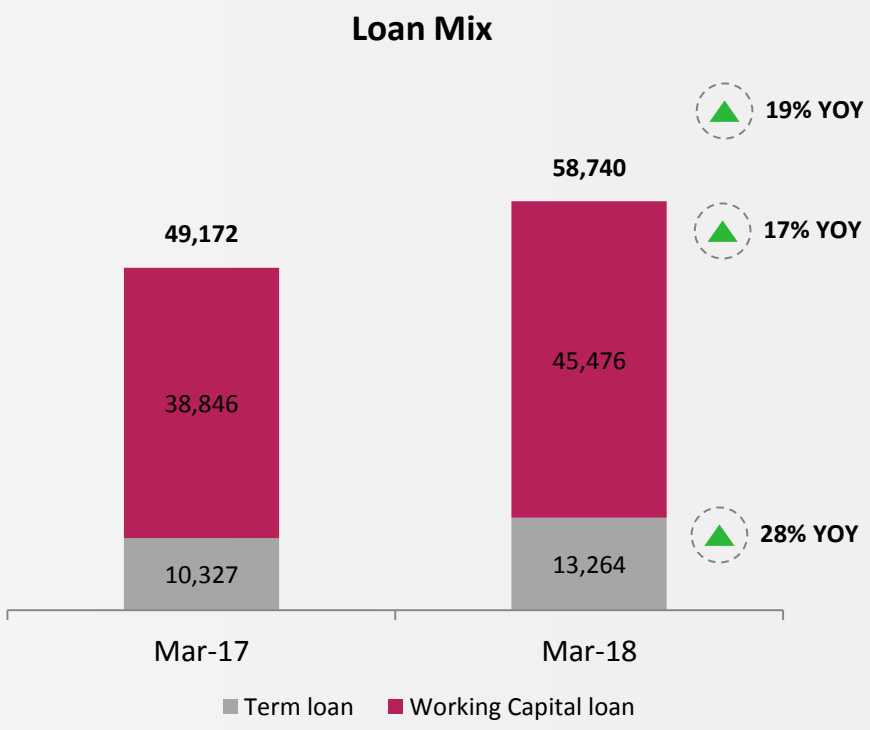
**Summary**

- SME loan growth continues to improve further
- Focus remains on building a high rated SME Book

# SME loan growth continues to improve, partly aided by a low base

*All figures in ₹ Crores*



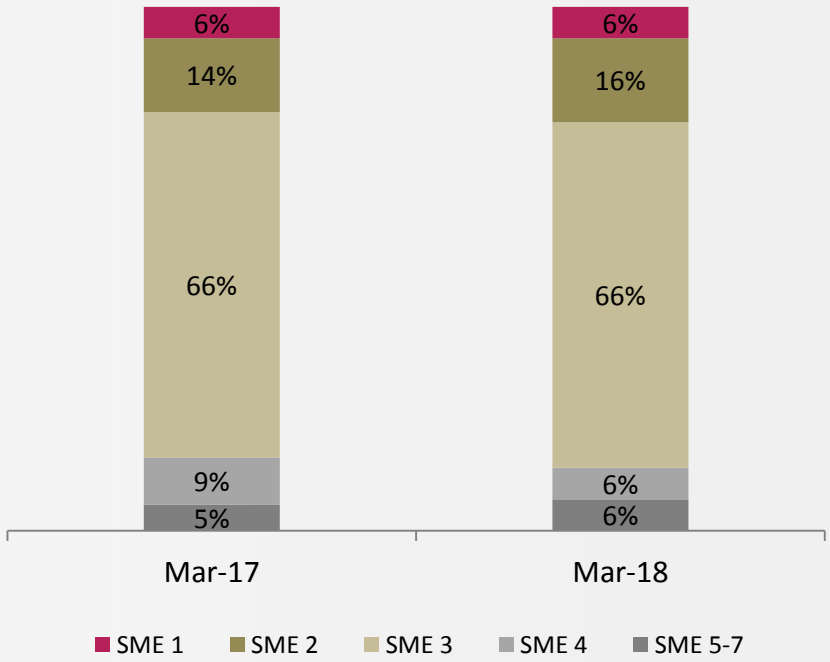

- Our SME business is divided into 3 business verticals: Medium Enterprises Group (MEG), Small Enterprises Group (SEG) and Supply Chain Finance (SCF)
- The Bank extends Working Capital, Term Loan, Trade Finance, Bill / Invoice Discounting and Project Finance facilities to SMEs.

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# Focus remains on building a high rated SME 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.
- The Bank's 4th edition of SME Knowledge Series 'Evolve' brought forward owners of successful family businesses to share managerial insights that can help SMEs

**88% of SME exposure* is rated at least 'SME3'**




* Only includes standard exposure

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# Business Performance - Corporate

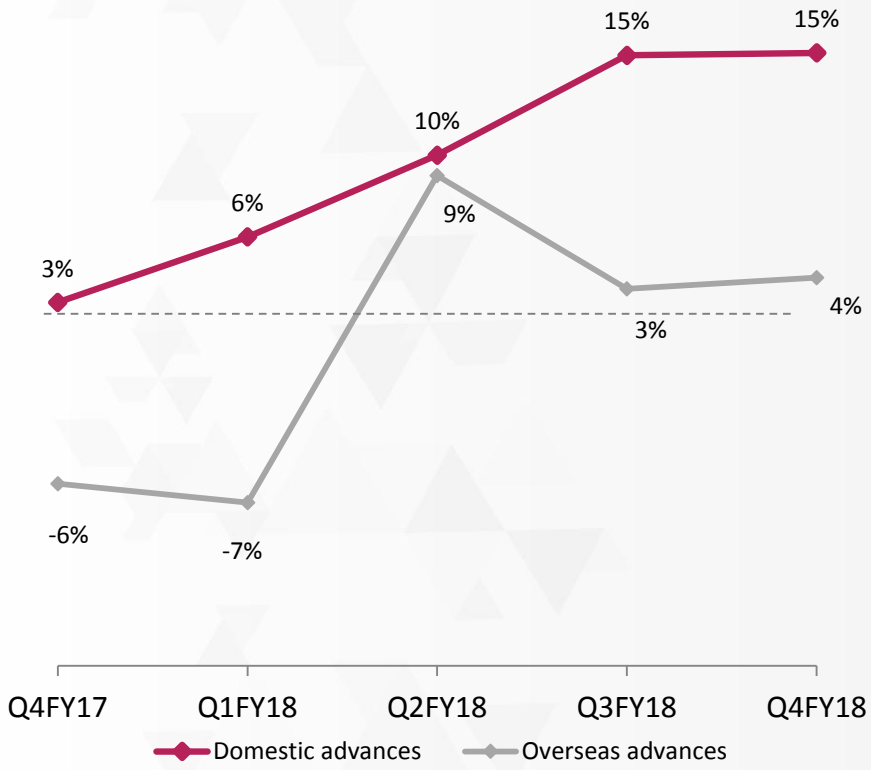
**Summary**

- 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
- Leadership in DCM places us well to benefit from vibrant corporate bond markets

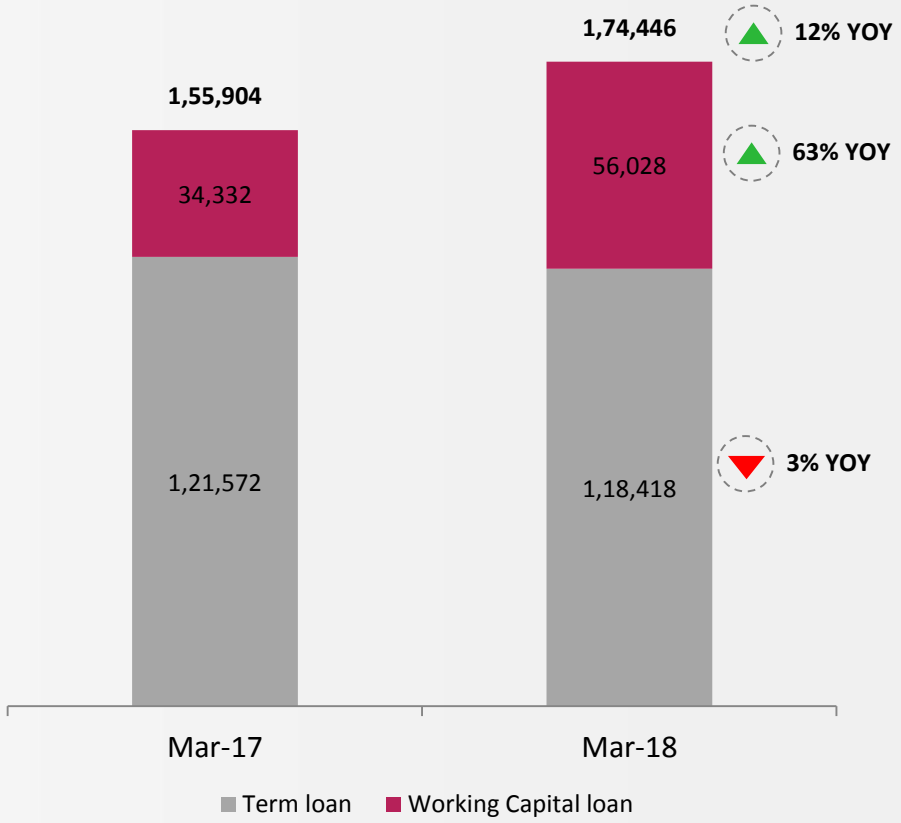
# Corporate loan growth driven by Working Capital loans…

*All figures in ₹ Crores*

## Trend in domestic and overseas corporate loan growth (YOY)




## Working Capital loan growth has been strong

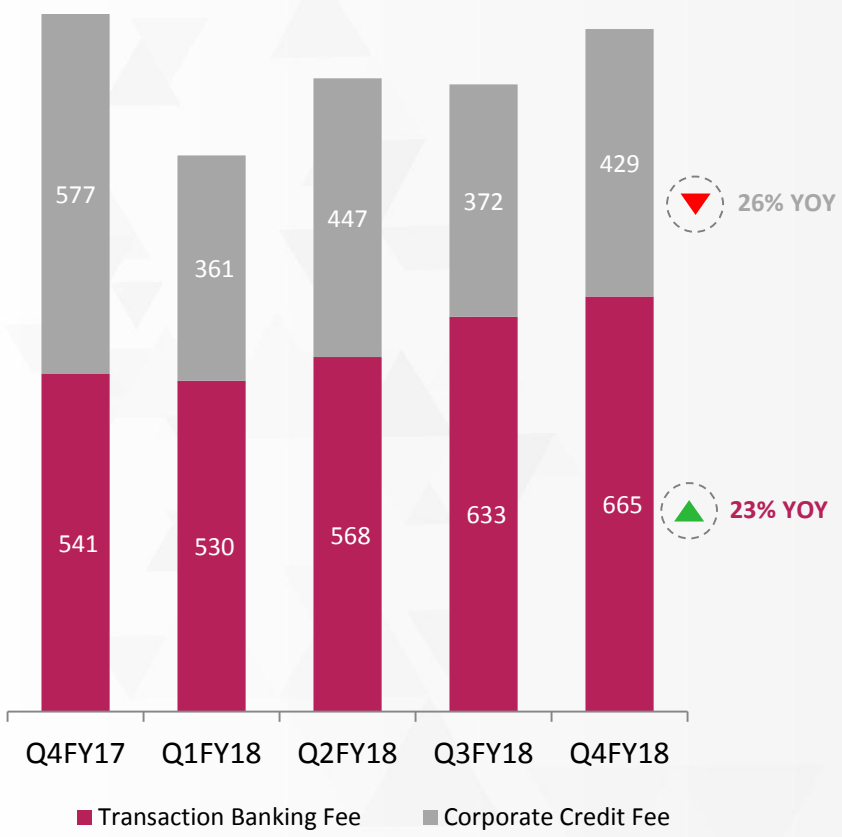



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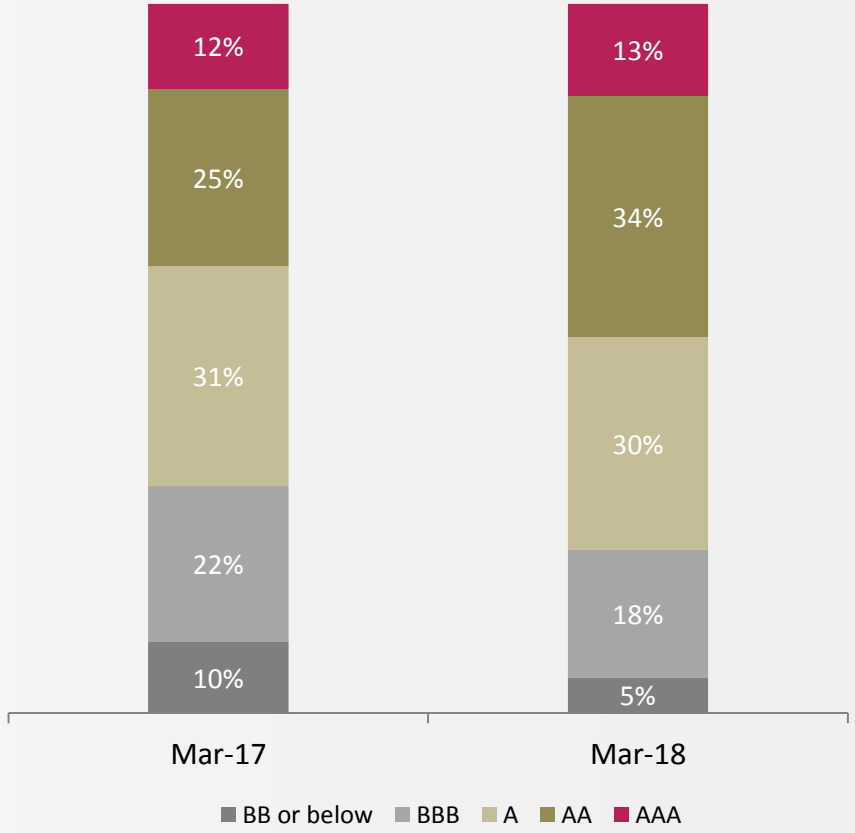
# …resulting in higher transaction based business to better rated corporates

*All figures in ₹ Crores*

## Steady growth in Transaction Banking fees




## 77% of corporate exposure* is rated 'A' or better



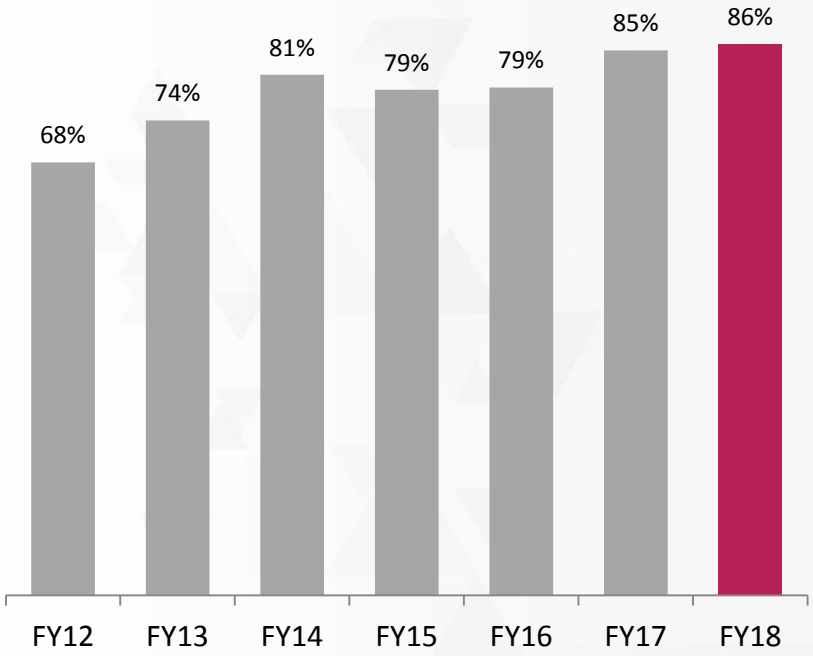

* Only includes standard exposure

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# Significant reduction in concentration risk with incremental sanctions to better rated corporates

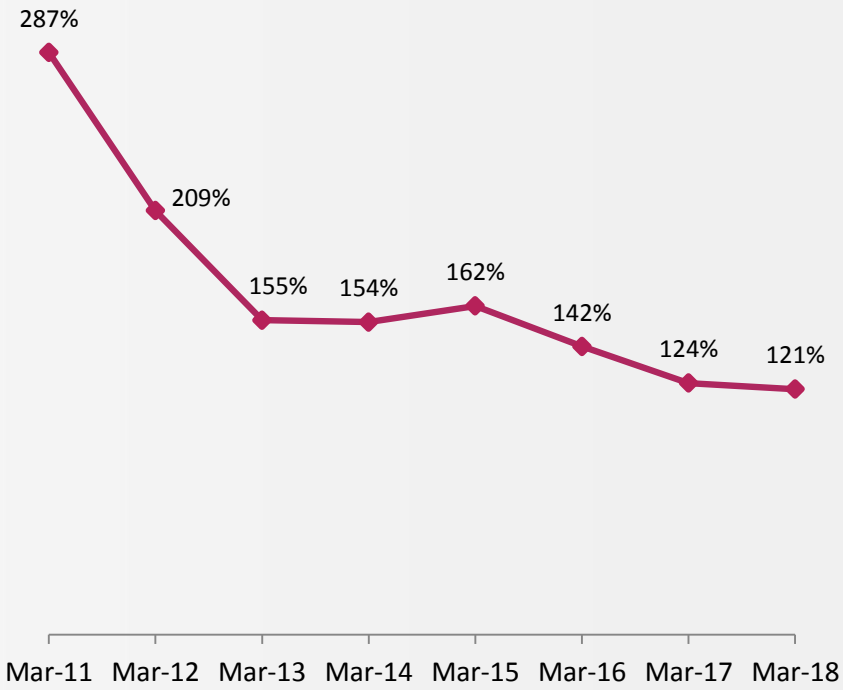
**Incremental sanctions have been to better rated corporates**

Percentage of sanctions rated A- & above




**Concentration Risk is reducing**

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



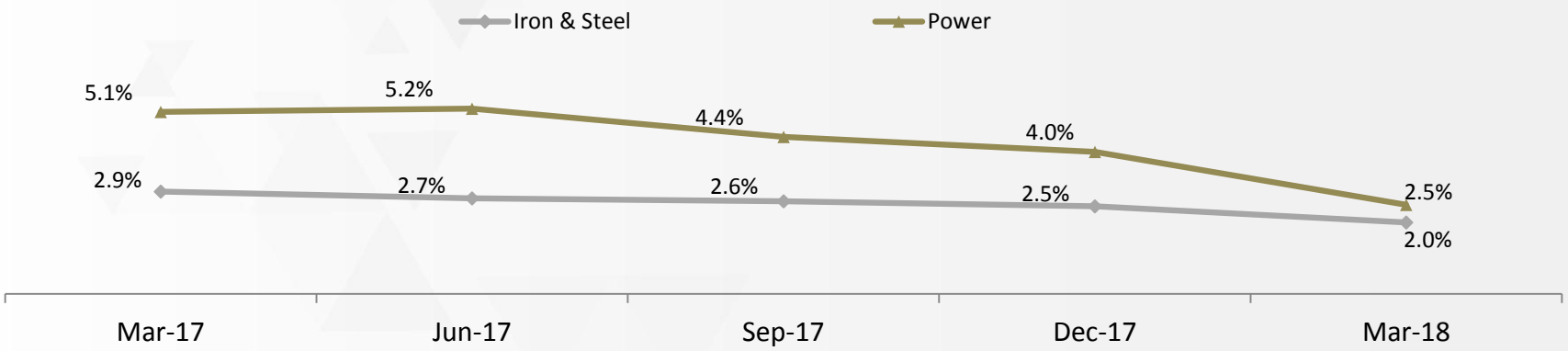

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# Concentration to stressed sectors has declined

*All figures in ₹ Crores*

| Rank | Outstanding[1] as on Mar. 2018 Sectors | Fund-based Exposure | | Non-fund based Exposure | | Total Exposure | |
|---|---|---|---|---|---|---|---|
| | | Value | (in % terms) | Value | (in % terms) | Value | (in % terms) |
| 1. | Financial Companies[2] | 40,428 | 9.62% | 17,087 | 15.77% | 57,515 | 10.22% |
| 2. | Engineering & Electronics | 11,244 | 2.68% | 23,922 | 22.08% | 35,166 | 6.25% |
| 3. | Infrastructure Construction[3] | 12,214 | 2.91% | 11,510 | 10.63% | 23,724 | 4.21% |
| 4. | Petroleum & Petroleum Products | 5,207 | 1.24% | 13,412 | 12.38% | 18,619 | 3.31% |
| 5. | Trade | 13,647 | 3.25% | 3,425 | 3.16% | 17,072 | 3.03% |
| 6. | Real Estate | 14,180 | 3.37% | 983 | 0.91% | 15,163 | 2.69% |
| 7. | Power Generation & Distribution | 9,776 | 2.33% | 4,405 | 4.07% | 14,181 | 2.52% |
| 8. | Telecommunication Services | 5,437 | 1.29% | 8,732 | 8.06% | 14,169 | 2.52% |
| 9. | Food Processing | 11,651 | 2.77% | 1,560 | 1.44% | 13,211 | 2.35% |
| 10. | Other Metal & Metal Products | 10,639 | 2.53% | 2,081 | 1.92% | 12,720 | 2.26% |

## Concentration[1] 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.)

AXIS BANK

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

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 calendar year ended 2017 and for quarter ended March 2018.

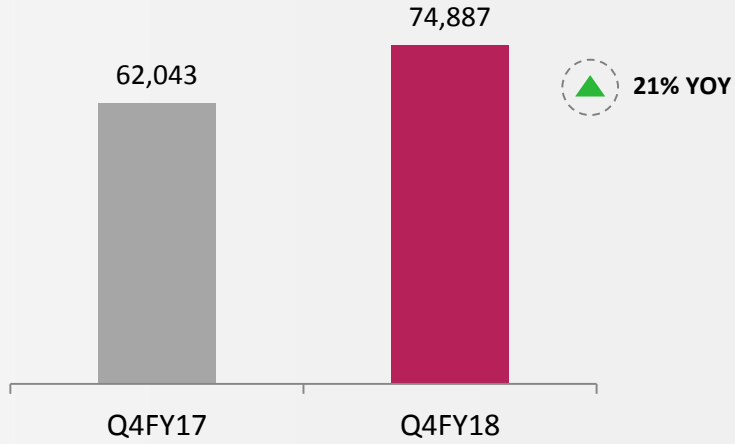
**Ranked No. 1 arranger** for rupee denominated bonds as per Bloomberg for 11 consecutive years now

**Ranked No. 1 mobilizer** as per PRIME Database for nine months ended December 2017.

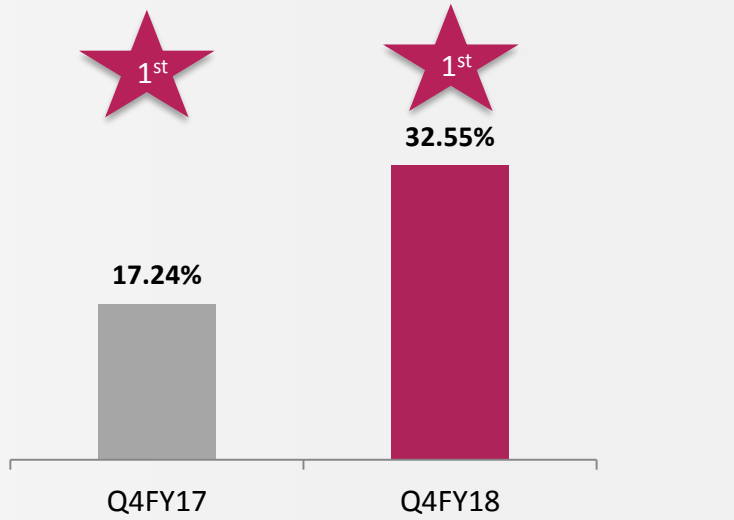
Bank has been honoured with **"Best Bond Adviser – Domestic, India"** at The Asset Triple A Country Awards 2017

*All figures in ₹ Crores*

## Placement & Syndication of Debt Issues




## Market share and Rank*




*As per Bloomberg League Table for India Bonds

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Financial Highlights

Business Segment performance

Asset Quality

Shareholder Returns and Capital Position

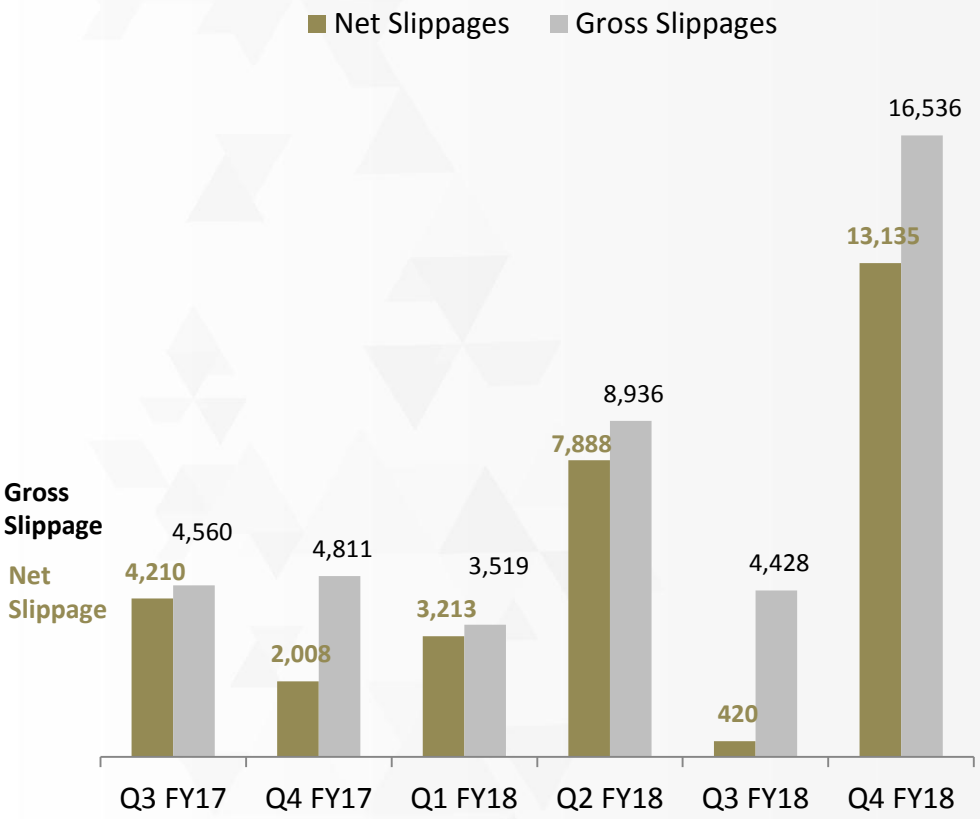
Other important information

# Summary of Asset Quality position – Mar 2018

- We significantly **accelerated NPA recognition** in the corporate lending book in Q4
- Most of the slippages (90%) came **from the disclosed BB & Below pool**
- The vulnerable (BB & Below) pool reduced by 44% during the quarter, to Rs. 8,994 crores: **1.8% of gross customer assets**
- BB & Below % is now **1/4$^{th}$** of what it was at its peak
- We have continued to maintain **high levels of provision coverage**
- With a much smaller pool of potential stress and high provision coverage to start FY19, we continue to expect credit cost normalization in H2 FY19

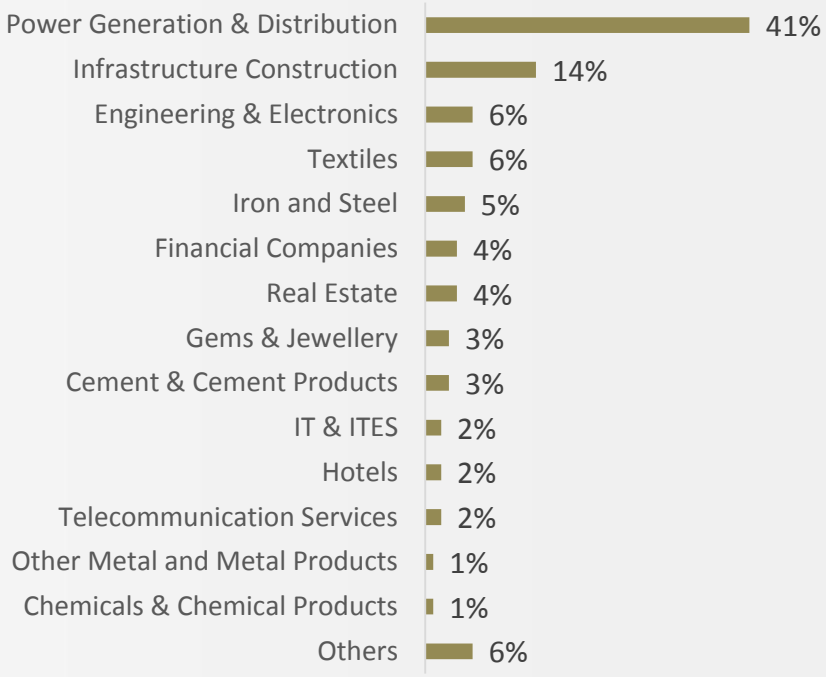
# Slippages accelerated significantly in Q4. A large part of the stress in Power sector was recognized as NPA.

**Slippages were significantly accelerated in the quarter …**



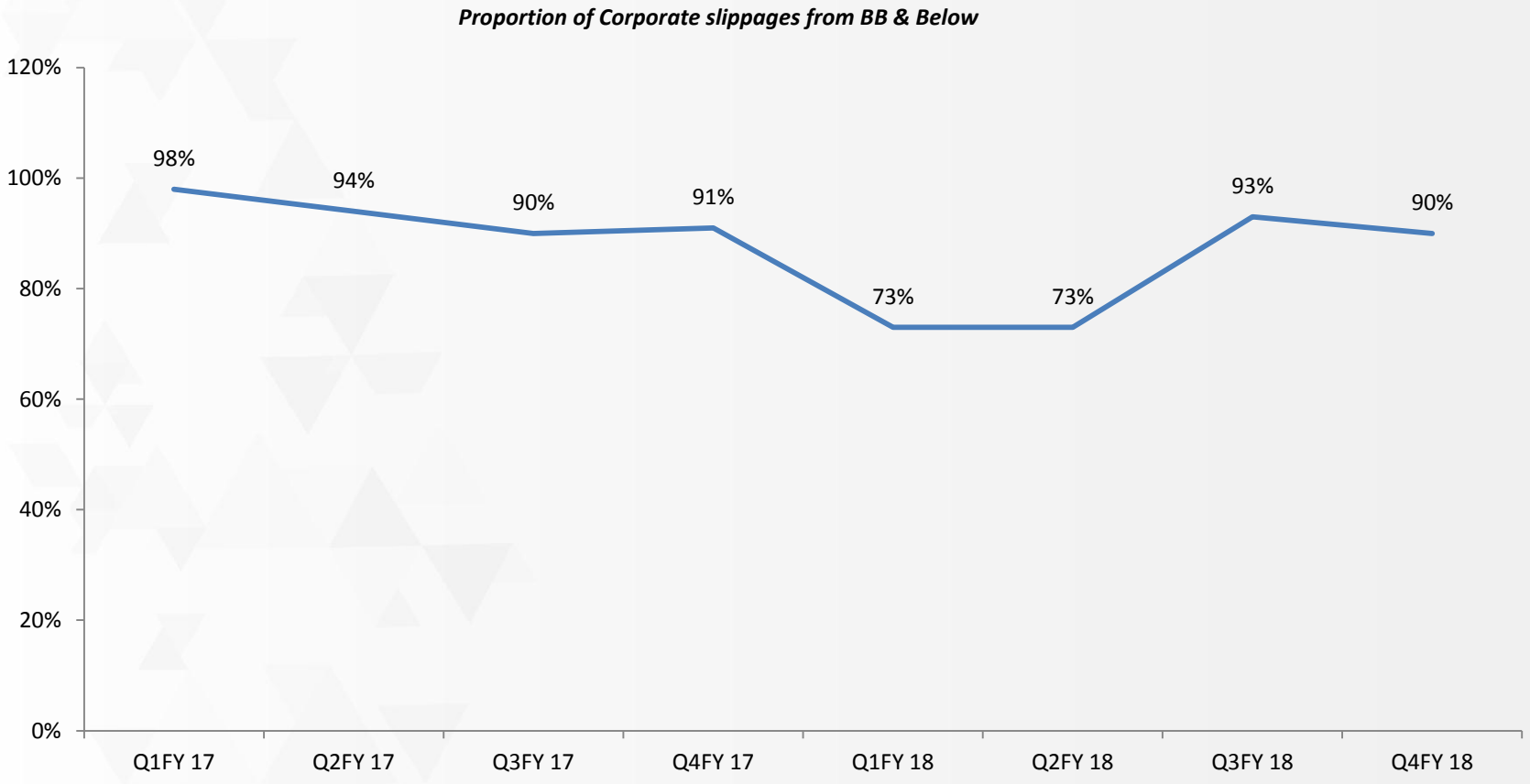

**… with most of the slippage coming from the Power sector**

***Corporate slippage in Q4, by sector***




*Total FB Outstanding (non NPA) in Power sector remaining is Rs.9,776 crores. Of this, 29% is rated BB & Below and 35% is rated BBB.

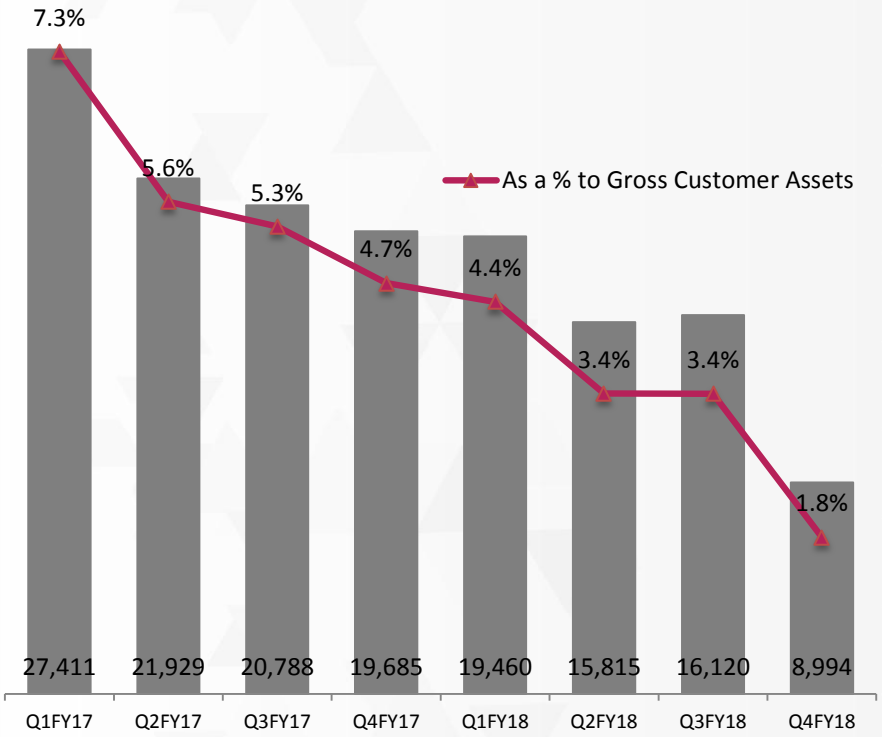
# New NPA formation in corporate lending continued to be from the disclosed BB & Below pool, due to which …



# … The pool of vulnerable assets has reduced significantly

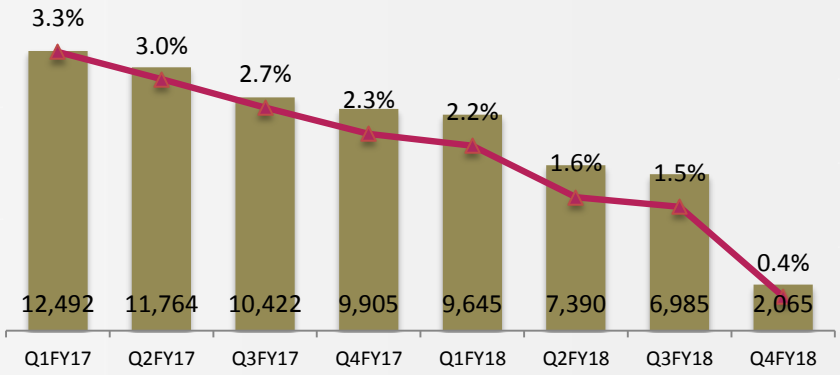
*All figures in ₹ Crores*

## Low Rated Corporate portfolio (BB and Below)




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

## Outstanding under restructuring dispensations*




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

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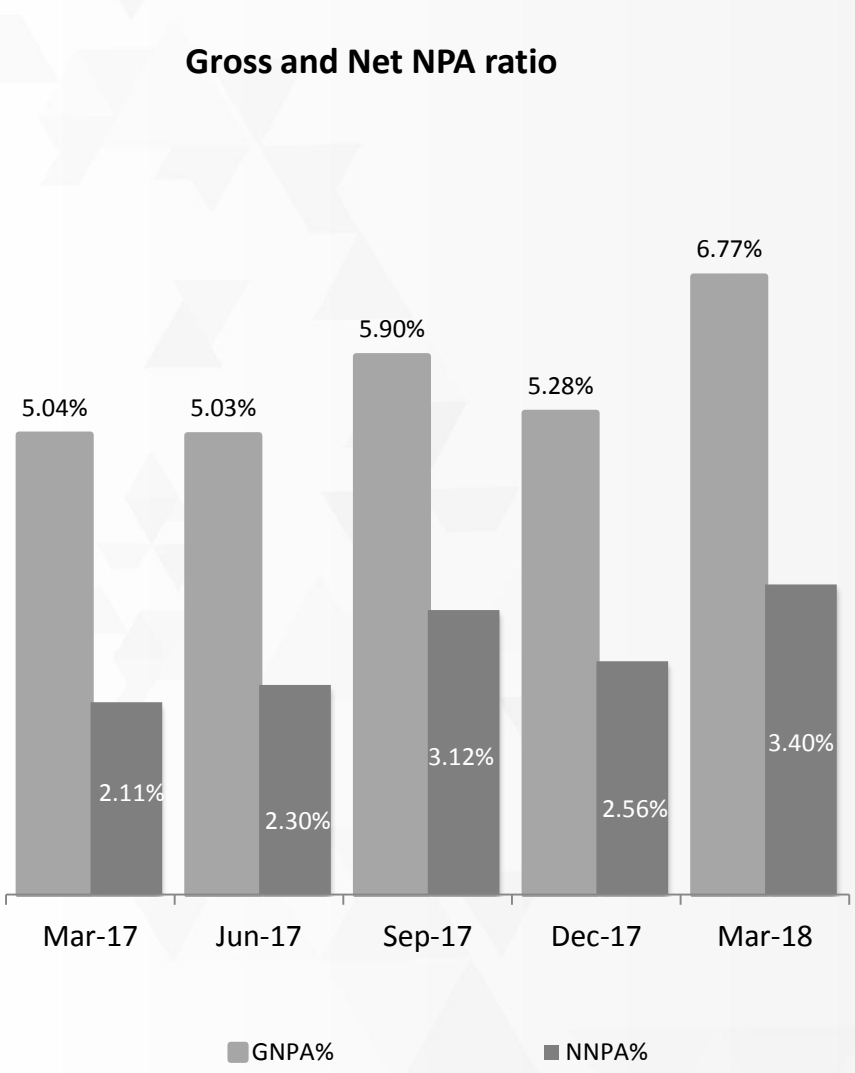
# Vulnerable pool in the non-NPA portfolio has reduced to 1/5th of its peak level

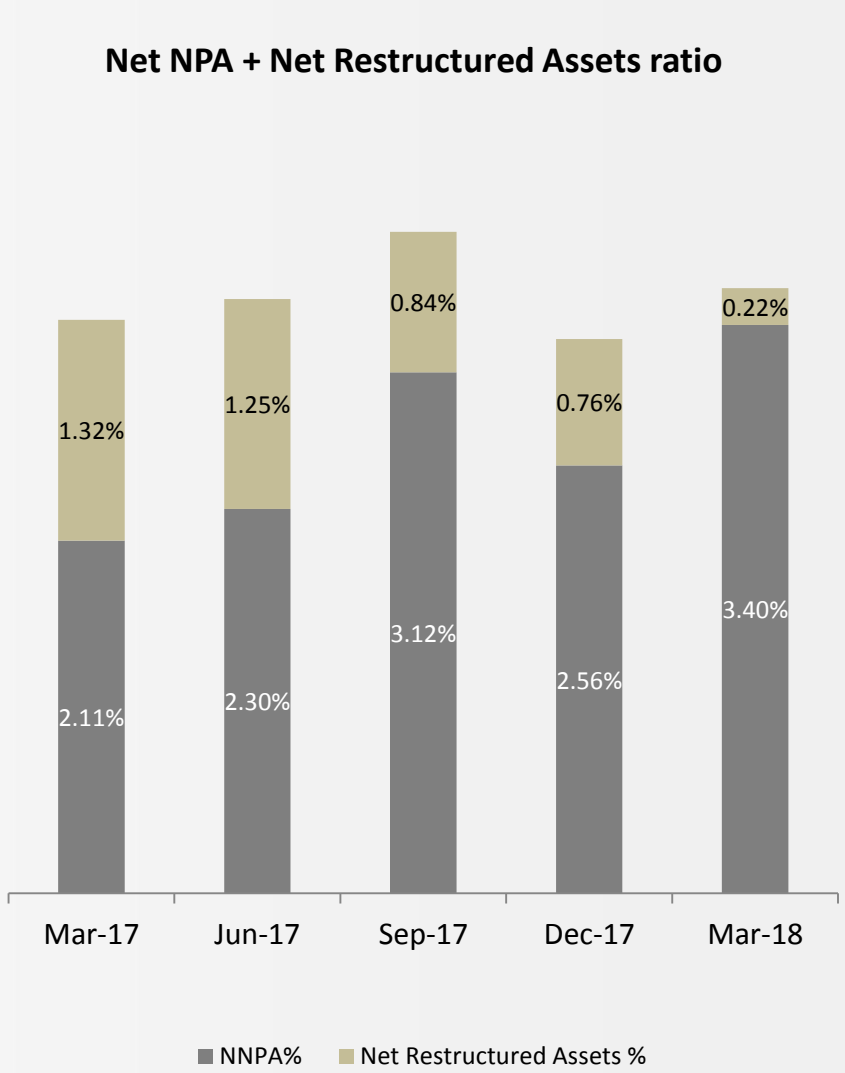
*All figures in ₹ Crores*

| | Q4FY16 | Q1FY17 | Q2FY17 | Q3FY17 | Q4FY17 | Q1FY18 | Q2FY18 | Q3FY18 | Q4FY18 |
|---|---|---|---|---|---|---|---|---|---|
| *Net Customer Assets (NCA)* | 3,59,741 | 3,70,526 | 3,83,987 | 3,79,853 | 4,09,708 | 4,25,355 | 4,50,854 | 4,60,164 | 4,87,979 |
| | | | | | | | | | |
| **Stress already recognized as NPA** | | | | | | | | | |
| Gross NPA | 6,088 | 9,553 | 16,379 | 20,467 | 21,280 | 22,031 | 27,402 | 25,001 | 34,249 |
| Provisions held (incl FITL) | 3,565 | 5,543 | 8,618 | 12,172 | 12,654 | 12,265 | 13,350 | 13,231 | 17,657 |
| **Net NPA** | **2,522** | **4,010** | **7,761** | **8,295** | **8,627** | **9,766** | **14,052** | **11,769** | **16,592** |
| ***Net NPA %*** | ***0.7%*** | ***1.1%*** | ***2.0%*** | ***2.2%*** | ***2.1%*** | ***2.3%*** | ***3.1%*** | ***2.6%*** | ***3.4%*** |
| | | | | | | | | | |
| **Vulnerable pool in non-NPA book** | | | | | | | | | |
| *BB & Below Advances* | *19,412* | *27,411* | *21,930* | *20,788* | *19,685* | *19,460* | *15,815* | *16,120* | *8,994* |
| *Watch List* | *22,628* | *20,295* | *13,789* | *11,091* | *9,436* | *7,941* | *6,052* | *5,309* | *428* |
| *Corporate Restructured Advances* | *8,479* | *7,665* | *6,883* | *6,242* | *5,489* | *5,432* | *3,860* | *3,525* | *1,081* |
| *SDR / S4A / 5-25 Advances* | *4,189* | *5,263* | *5,158* | *4,351* | *4,609* | *4,972* | *5,277* | *5,288* | *1,089* |
| **Total (adjusted for overlaps)** | **30,392** | **33,468** | **26,858** | **23,545** | **20,761** | **18,991** | **17,442** | **15,926** | **9,106** |
| Provisions held | 525 | 568 | 679 | 614 | 835 | 747 | 884 | 825 | 245 |
| **Net Outstanding** | **29,866** | **32,901** | **26,180** | **22,931** | **19,926** | **18,244** | **16,558** | **15,100** | **8,861** |
| ***Non-NPA Stress (% of Customer Assets)*** | ***8.3%*** | ***8.9%*** | ***6.8%*** | ***6.0%*** | ***4.9%*** | ***4.3%*** | ***3.7%*** | ***3.3%*** | ***1.8%*** |

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# Net NPA + Net Restructured assets ratio remains stable

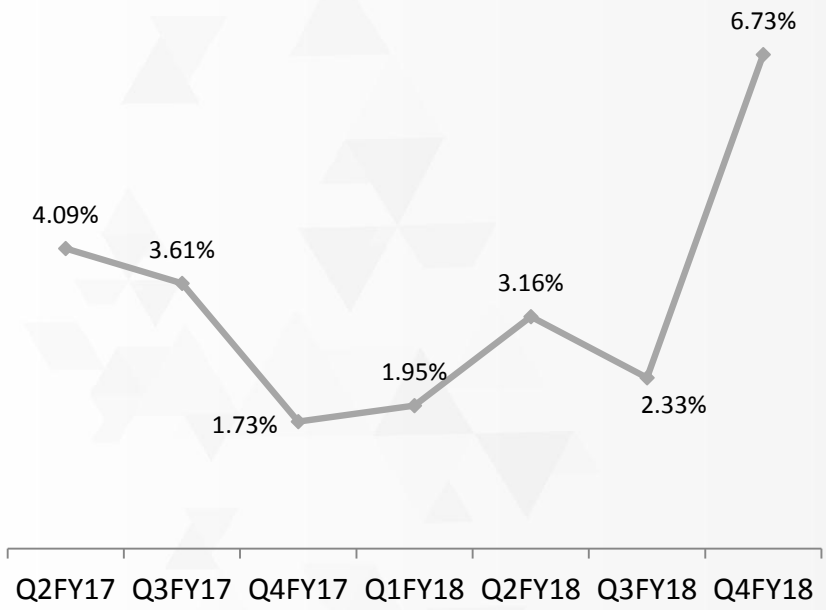


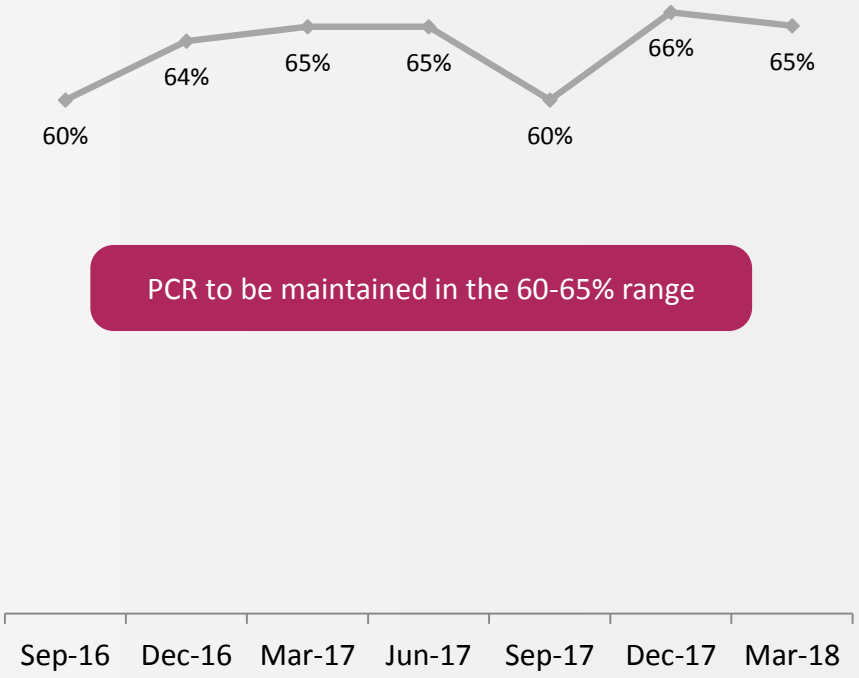

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# We have retained high Provision Coverage during the quarter

## Credit Cost (Annualised)




## Provision Coverage Ratio

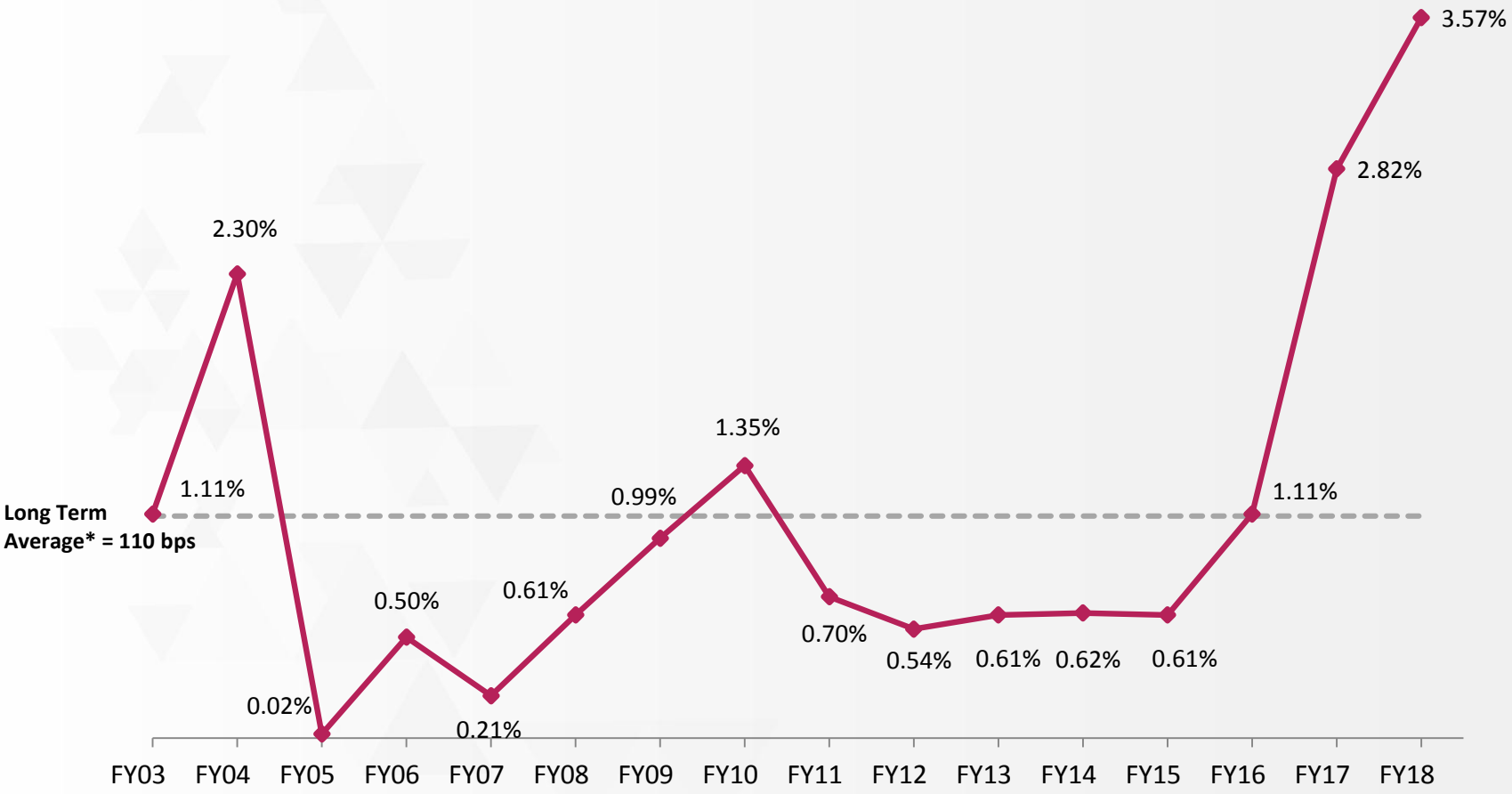



PCR to be maintained in the 60-65% range

# Our long term average credit cost has been ~110 bps

**Trend in Credit Cost : FY03 to FY18**

We continue to expect normalization in credit costs by the second half of FY19




* For the period from FY03 to FY18

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Financial Highlights

Business Segment performance

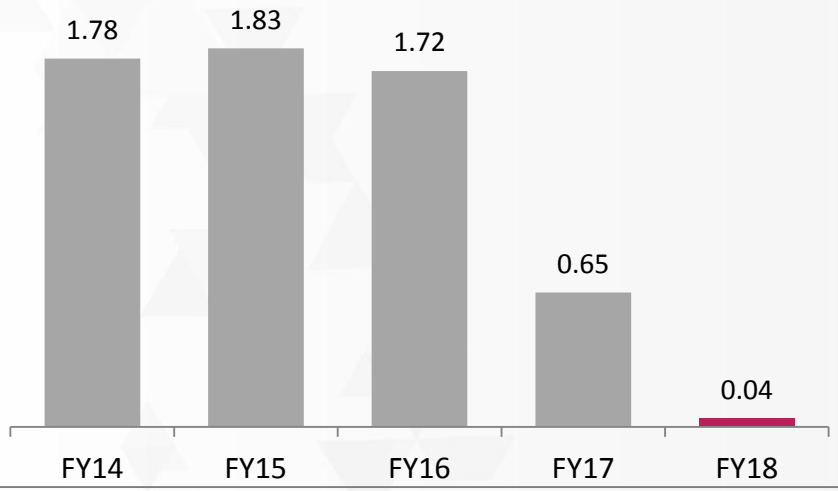
Asset Quality

Shareholder Returns and Capital Position

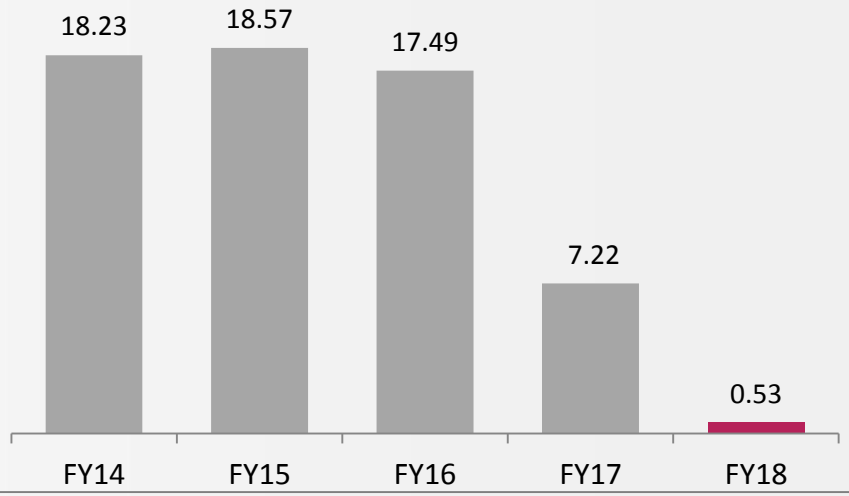
Other important information

# Shareholder return metrics have seen moderation

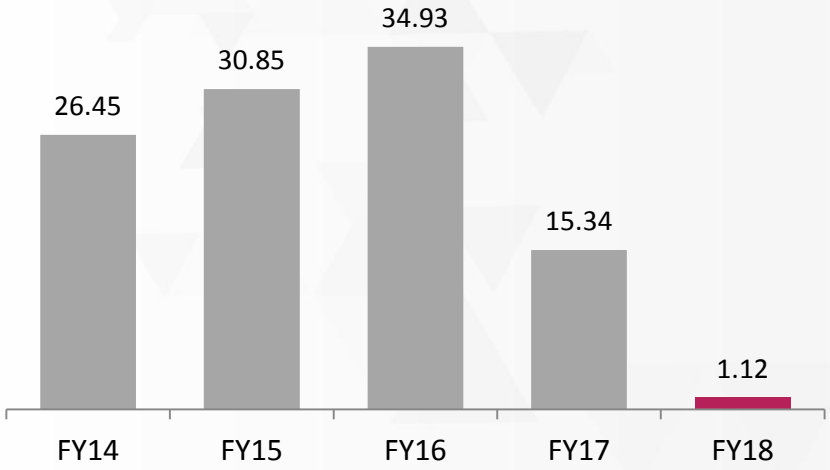
**Return on Assets** (in %)



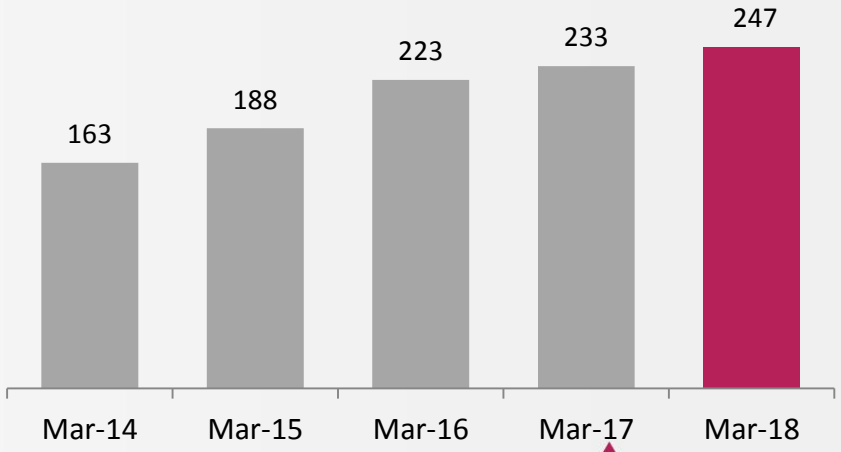

**Return on Equity** (in %)




**Diluted EPS** (₹)



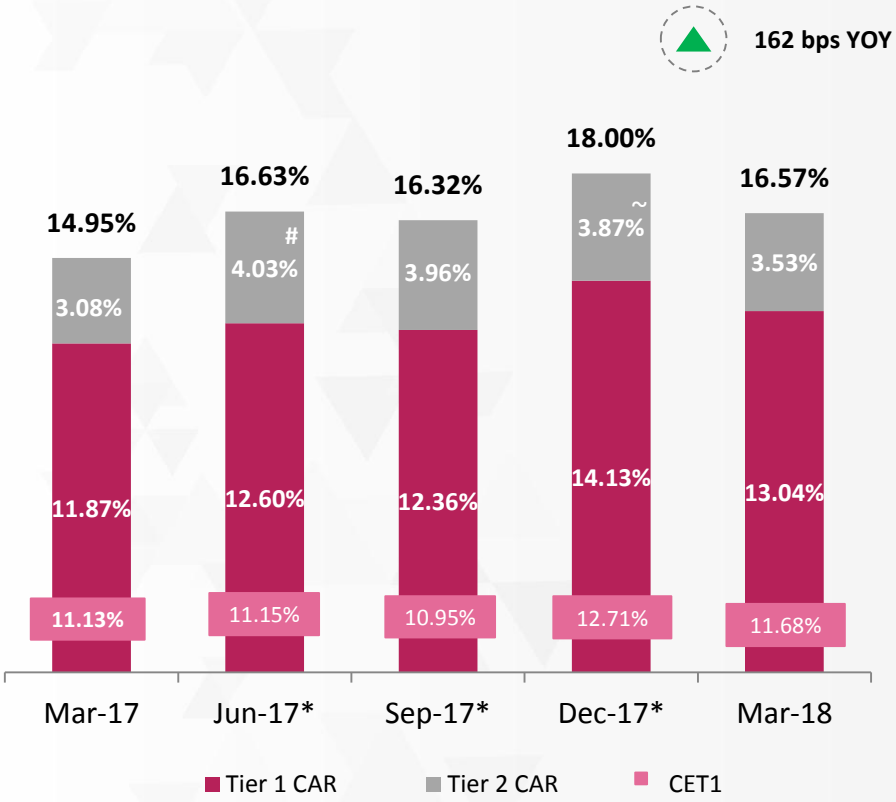

**Book Value Per Share** (₹)



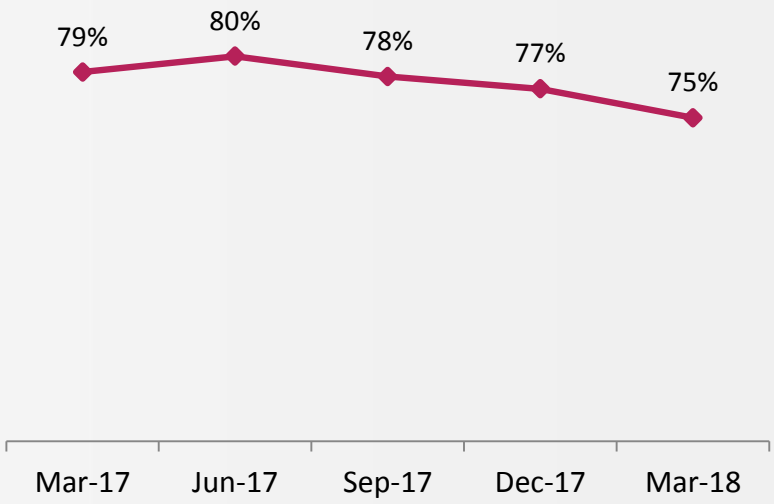

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# Capital Ratios remain healthy to pursue growth opportunities

## Trend in Capital Adequacy Ratio



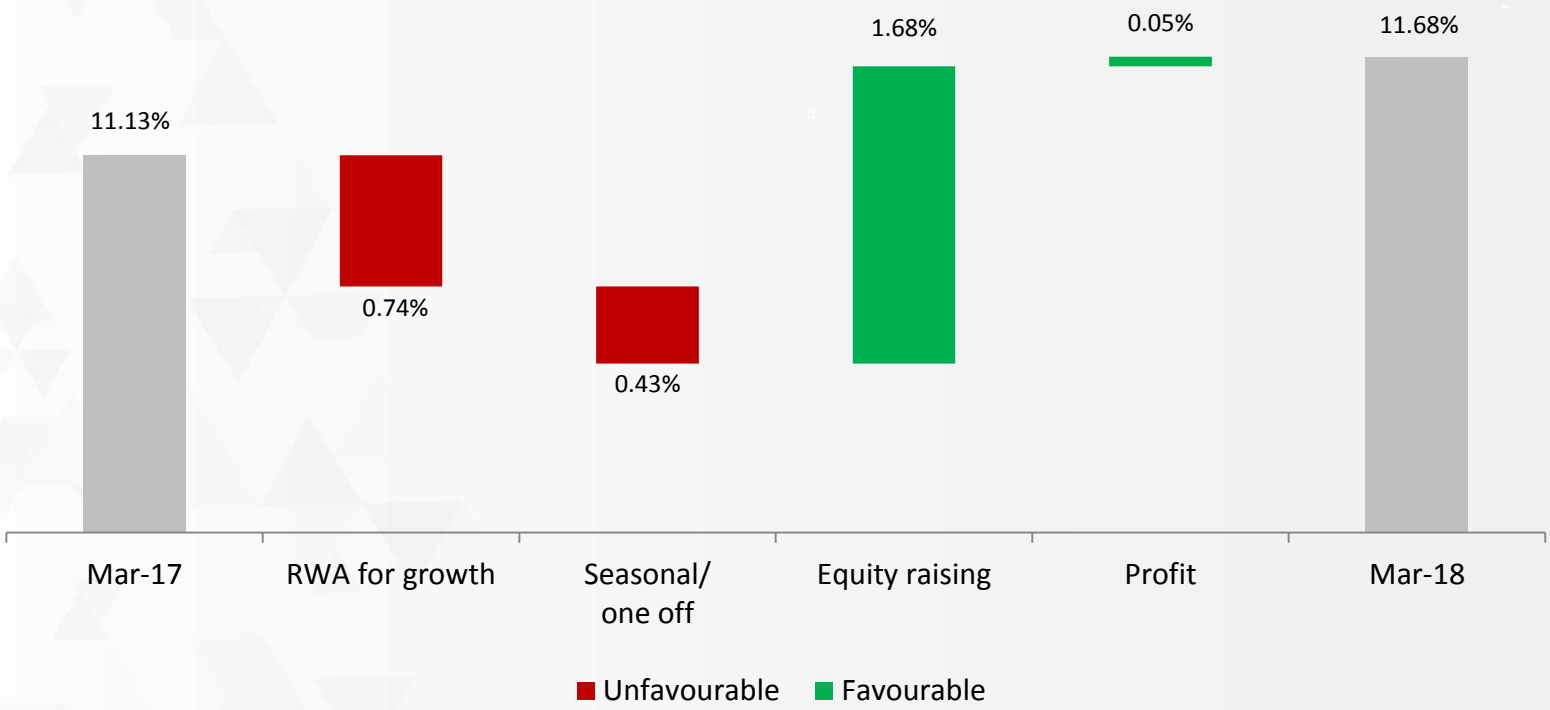

## RWA to Total Assets




~ Includes capital raise of ₹8,680 crores through preferential allotment in Q3FY18
* including unaudited Net Profit for the quarter / half year / nine-months
# includes the impact of ₹3,500 crores and ₹5,000 crores mobilized through issuance of AT1 bonds and subordinated debt, respectively

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# Movement in Tier 1 Capital Adequacy Ratio



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Financial Highlights

Business Segment performance

Asset Quality

Shareholder Returns and Capital Position

Other important information

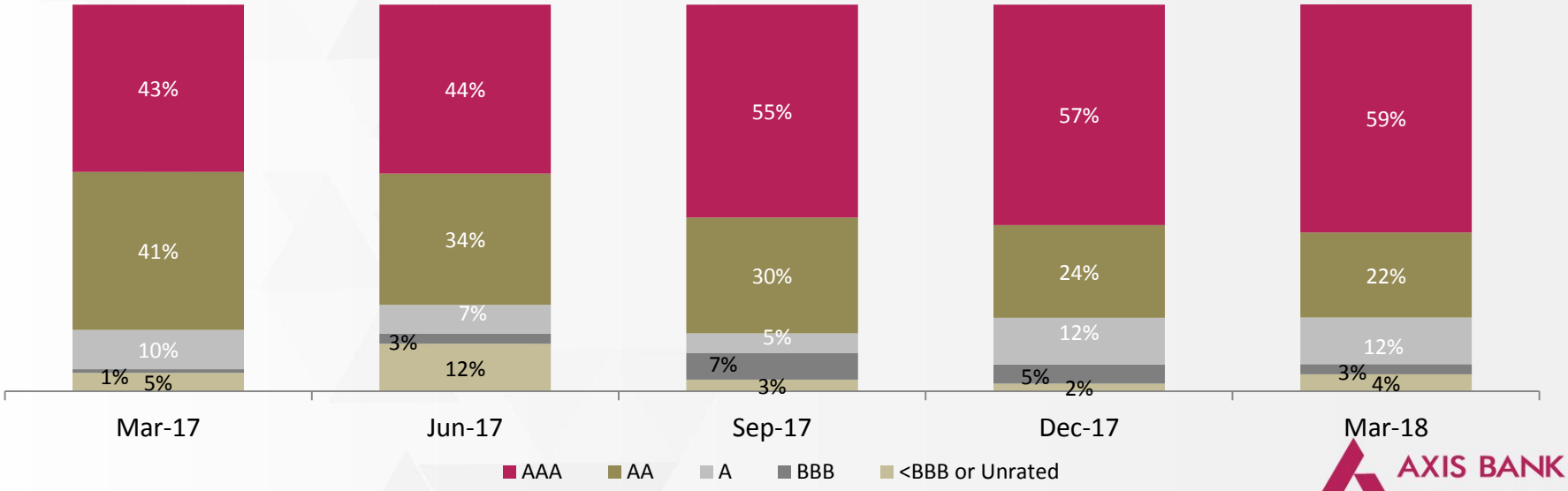
# Treasury Portfolio and Non-SLR Corporate Bonds

| Investment Bifurcation | Book Value* (₹ Crores) |
|---|---|
| Government Securities[1] | 104,053 |
| Corporate Bonds[2] | 30,863 |
| Others | 18,960 |
| **Total Investments** | **153,876** |

| Category | Proportion |
|---|---|
| Held Till Maturity (HTM) | 59% |
| Available For Sale (AFS) | 30% |
| Held For Trading (HFT) | 11% |

* as on Mar 31, 2018
[1] 85% classified under HTM category
[2] 79% classified under AFS category

**93% of Corporate bonds* have rating of at least 'A'**




*Only includes standard investments

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# Movement in NPA's

*All figures in ₹ Crores*

| | | Q4FY17 | Q1FY18 | Q2FY18 | Q3FY18 | Q4FY18 |
|---|---|---|---|---|---|---|
| **Gross NPAs - Opening balance** | **A** | 20,467 | 21,280 | 22,031 | 27,402 | 25,001 |
| Fresh slippages | B | 4,811 | 3,519 | 8,936 | 4,428 | 16,536 |
| Upgradations & Recoveries | C | 2,804 | 306 | 1,048 | 4,008 | 3,401 |
| Write offs | D | 1,194 | 2,462 | 2,517 | 2,821 | 3,887 |
| **Gross NPAs - closing balance** | **E = A+B-C-D** | 21,280 | 22,031 | 27,402 | 25,001 | 34,249 |
| Provisions incl. interest capitalisation | F | 12,654 | 12,265 | 13,350 | 13,232 | 17,657 |
| **Net NPA** | **G = E-F** | 8,627 | 9,766 | 14,052 | 11,769 | 16,592 |
| Accumulated Prudential write offs | | 3,221 | 5,487 | 7,687 | 9,587 | 13,224 |
| Provision Coverage Ratio* | | 65% | 65% | 60% | 66% | 65% |

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

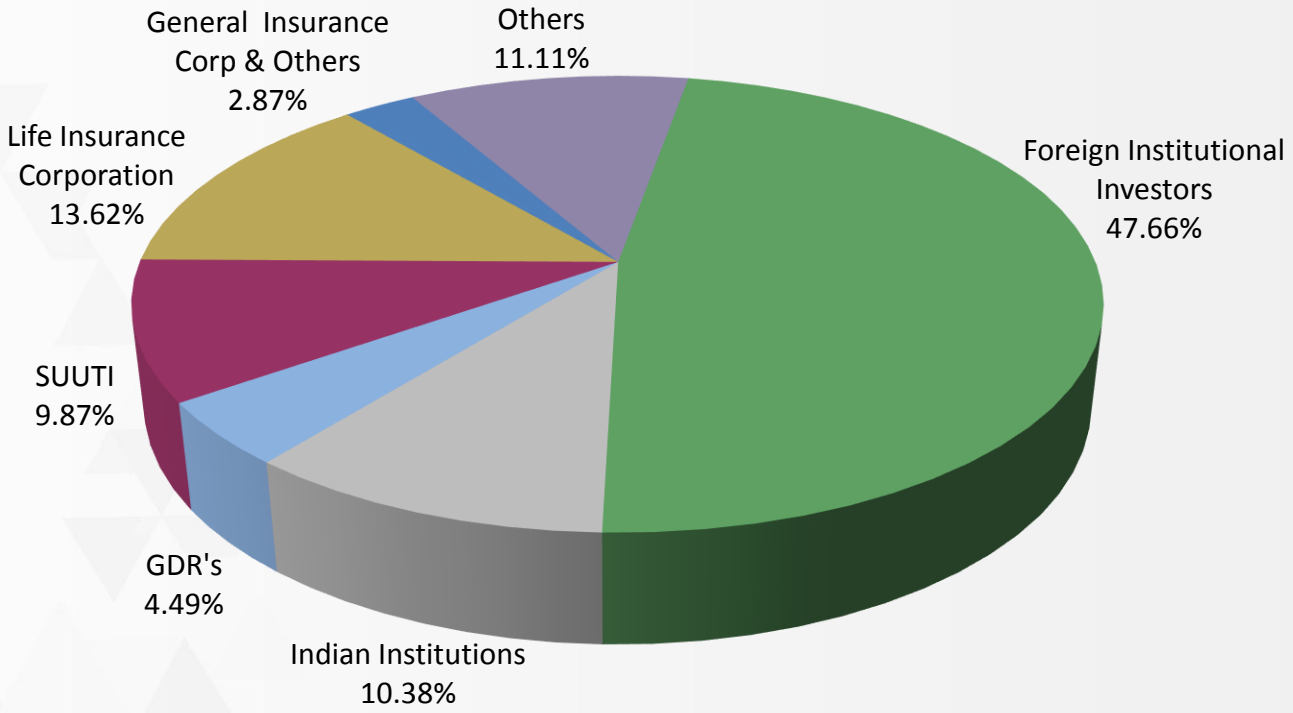
| | Q4FY17 | Q1FY18 | Q2FY18 | Q3FY18 | Q4FY18 |
|---|---|---|---|---|---|
| For Loan losses | 1,834 | 2,091 | 3,335 | 2,754 | 8,128 |
| For Standard assets** | 199 | (6) | 18 | 60 | (217) |
| For SDR and S4A accounts | 249 | 92 | 39 | (11) | (396) |
| For Investment depreciation | 262 | 40 | (137) | (9) | (105) |
| Other provisions | 37 | 125 | (115) | 17 | (230) |
| **Total Provisions & Contingencies (other than tax)** | 2,581 | 2,342 | 3,140 | 2,811 | 7,180 |

* including prudential write-offs

** including unhedged foreign currency exposures

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# Shareholding Pattern (as on March 31, 2018)




- Share Capital ₹513 crores
- Shareholders' Funds ₹63,445 crores
- Book Value Per Share ₹247
- Diluted EPS (FY18) ₹1.12
- Market Capitalization ₹ 127,967 crores (as on April 25, 2018)

[&] 1 GDR = 5 shares

As on March 31, 2018, against GDR issuance of 62.70 mn, outstanding GDRs stood at 23.06 mn

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# Major awards won by the Bank and its subsidiaries

Indian Banks' Association
banking technology
Conference, Expo & Awards 2018

- Best use of Analytics for Business Outcome
- Best use of Digital and Channels Technology




Most Innovative Emerging Technologies Project, India - Ripple Blockchain project

NASSCOM®
Customer Service Excellence Award 2017

Customer Service Excellence Award for Transformation

I.C.O.N.I.C
INSIGHTS AWARDS 2017

For Excellence in Operations

CII-ITC
SUSTAINABILITY
AWARDS
2016

Excellence in Corporate Social Responsibility

GLOBAL
LEADERSHIP
AWARD 2017

Dale Carnegie Global Leadership Award for 2017

# Thank You