

**PRESS RELEASE**  
**AXIS BANK ANNOUNCES FINANCIAL RESULTS**  
**FOR THE QUARTER AND YEAR ENDED 31<sup>st</sup> MARCH 2019**

**Results at a Glance**

- **Profitability metrics have improved significantly:**
  - Net Profit for Q4FY19 stood at ₹1,505 crores
  - Operating profit for Q4FY19 grew strongly at 37% YOY and stood at ₹5,014 crores
  - Net Interest Income for Q4FY19 grew 21% YOY to ₹5,706 crores; NIM stood at 3.44%
  - Fee income for Q4FY19 grew strongly at 23% YOY, led by Retail Fees, which grew 37% YOY
  - Net Profit for FY19 stood at ₹4,677 crores as compared to ₹276 crores in FY18
  - Operating profit for FY19 grew 22% YOY
- **Asset quality metrics continue to improve:**
  - GNPA and NNPA fell for the 4<sup>th</sup> straight quarter. Stands at 5.26% and 2.06%, down from 5.75% and 2.36 % QOQ
  - Gross slippages for the quarter stood at ₹3,012 crores
  - Outstanding BB & Below corporate loans stand at 1.3% of customer assets, down 2% QOQ
- **Provision Coverage enhanced:**
  - Provision Coverage Ratio of the Bank has sequentially improved to 77% from 75%
  - Created higher provisions against select standard assets
- **Healthy loan growth:**
  - Domestic loan growth stood at 18% YOY
  - Retail loan book grew 19% YOY
  - Retail advances are now 50% of total advances of the Bank
- **Deposit franchise had a strong quarter:**
  - Total deposits on quarterly average basis grew 24% YOY
  - CASA and Retail Term Deposits together were up 21% YOY on quarterly average basis
  - Liquidity position improved further
    - Loan to Deposit ratio stood at 90%
- **Among the top players in the digital space:**
  - Mobile banking spends grew 89% YOY, Credit Card spends grew 26% YOY
  - Market share in UPI transactions stood at 11% for Q4FY19
  - The share of digital channels in personal loan disbursements increased to 46% from 30% last year
- **The Bank's Capital Adequacy Ratio (CAR) remains stable. Under Basel III, Total CAR & Tier I stood at 15.84% and 12.54% respectively.**

The Board of Directors of Axis Bank Limited approved the financial results for the quarter and year ended 31<sup>st</sup> March 2019 at its meeting held in Mumbai on Thursday, 25<sup>th</sup> April 2019.

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## **Profit & Loss Account: Period ended 31<sup>st</sup> March 2019**

### **Operating Profit and Net Profit**

The Bank's operating Profit for the quarter grew 37% YOY to ₹5,014 crore, and for FY19 grew 22% YOY to ₹19,005 crore. Net profit for Q4FY19 stood at ₹1,505 crores; for FY19 Net profit stood at ₹4,677 crores.

### **Net Interest Income and Net Interest Margin**

The Bank's Net Interest Income (NII) grew 21% YOY to ₹5,706 crores during Q4FY19 from ₹4,730 crores in Q4FY18. NII for FY19 grew 17% YOY to ₹21,708 crores from ₹18,618 crores in FY18. Net interest margin for Q4FY19 stood at 3.44%, NIM for FY19 stood at 3.43%.

### **Other Income**

Non-Interest Income (comprising of fee, trading profit and miscellaneous income) for Q4FY19 grew 26% YOY to ₹3,526 crores as against ₹2,789 crores during the same period last year. Fee income for Q4FY19 grew 23% YOY to ₹3,020 crores. The key driver of fee income growth was Retail Fee, which grew 37% YOY and constituted 61% of the Bank's total fee income. Card Fees grew strongly by 40% YOY. Transaction Banking fees grew 7% YOY and constituted 18% of the total fee income of the Bank.

The trading profits for the quarter grew by 64% to ₹354 crores as compared to ₹216 crores in Q4FY18. Miscellaneous Income, for the quarter stood at ₹152 crores compared to ₹125 crores in Q4FY18.

For FY19, Non-Interest Income grew 20% YOY and stood at ₹13,130 crores, of which fee income grew 14% YOY primarily driven by 26% YOY growth in Retail fee and 10% YOY growth in Transaction banking. For FY19, the recoveries in written-off accounts stood at ₹1,867 crores.

## **Balance Sheet: As on 31<sup>st</sup> March 2019**

The Bank's Balance Sheet grew 16% YOY and stood at ₹8,00,997 crores as on 31<sup>st</sup> March 2019. The Bank's Advances grew 13% YOY to ₹4,94,798 crores as on 31<sup>st</sup> March 2019. Domestic loans grew 18% while the overseas book de-grew by 29%. Retail loans grew 19% YOY to ₹2,45,812 crores and accounted for 50% of the Net Advances of the Bank. SME loans grew 12% YOY to ₹65,584 crores. Corporate loan book grew by 5%, with domestic corporate loan book up 17%. The Bank's loan to deposit ratio stood at 90% as against 92% at the end of Q3FY19.

The book value of the Bank's Investments portfolio as on 31<sup>st</sup> March 2019, was ₹1,74,969 crores, of which ₹1,20,239 crores were in government securities, while ₹40,169 crores were invested in corporate bonds and ₹14,561 crores in other securities such as equities, preference shares, mutual funds, etc.

The total deposits on quarterly average basis (QAB) grew by 24%. CASA and Retail Term Deposits on a QAB basis put together recorded a growth of 21% YOY. On a period end basis, the total deposits grew 21% YOY. The share of CASA and Retail Term Deposits in the Total Deposits stood at 81% as on 31<sup>st</sup> March 2019.

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

The shareholders' funds of the Bank stood at ₹66,676 crores as on 31<sup>st</sup> March 2019. The Bank is well capitalised. Under Basel III, the Capital Adequacy Ratio (CAR) and Tier I CAR as on 31<sup>st</sup> March 2019 was 15.84% and 12.54% respectively.

### **Dividend**

The Board of Directors has recommended dividend of ₹1 per equity share of face value of ₹2 per equity share for the year ended 31<sup>st</sup> March 2019. This would be subject to approval by the shareholders at the next annual general meeting.

### **Asset Quality**

As on 31<sup>st</sup> March 2019, the Bank's Gross NPA and Net NPA levels were 5.26% and 2.06% respectively, as against 5.75% and 2.36% respectively as on 31<sup>st</sup> December 2018.

The Bank has recognised slippages of ₹3,012 crores during Q4FY19, compared to ₹3,746 crores in Q3FY19 and ₹16,536 crores in Q4FY18. Corporate lending slippages stood at ₹1,369 crores. 72% of this came from disclosed BB & below accounts. The Bank's BB and below rated book stood at ₹7,467 crores. This is 1.3% of the Bank's Gross Customer Assets, significantly down from 7.3% at peak.

As on 31<sup>st</sup> March 2019, the Bank's Gross NPA stood at ₹29,789 crores and Net NPA stood at ₹11,276 crores. Recoveries and upgrades from NPAs during the quarter were ₹2,376 crores while write-offs were ₹1,701 crores. Net slippages (before write-offs) in Retail and SME stood at ₹215 crores and ₹189 crores respectively.

As on 31<sup>st</sup> March 2019, the Bank's provision coverage, as a proportion of Gross NPAs including prudential write-offs, stood at 77% up from 75% in Q3FY19.

During the quarter, the Bank made multiple changes to increase conservatism in provisioning. (a) Provision coverage on Non-Performing Assets increased further from 75% to 77%. (b) The Bank made higher levels of standard asset provisioning against certain self-identified 'stressed sectors'. (c) The Bank adopted a formula driven process for making additional standard asset provisions towards select assets. (d) The Bank made provisions against the pool of security receipts and its holding of non-banking assets. Overall, through these

measures, the Bank has made additional provisions of ~ ₹1,300 crores over and above the normal NPA provisioning during the quarter (sum of 'b' through 'd' above). These provisions are not included in the standard PCR calculations.

### **Network**

During Q4FY19, the Bank added 86 branches to its network across the country, taking the tally of new branches opened during FY19 to 347 branches (including extension counters). As on 31<sup>st</sup> March 2019, the Bank had a network of 4,050 domestic branches and extension counters situated in 2,366 centres compared to 3,703 domestic branches and extension counters situated in 2,163 centres last year. As on 31<sup>st</sup> March 2019, the Bank had 11,801 ATMs and 4,917 cash recyclers spread across the country.

### **Digital**

Axis Bank continues to remain amongst the top three players in mobile banking space - both in terms of transaction value and volumes, as per the latest RBI data for the month of February 2019. Mobile banking transaction volumes surged by 183% YOY while the mobile spends in Q4 reported a growth of 89% YOY primarily led by surge in UPI (Unified Payment Interface) transactions. Axis Bank currently has a 45 million registered UPI customer base. During the quarter, Axis Bank processed over 246 million UPI transactions with total transaction value in Q4 growing over 4 times YOY to ₹30,331 crores. During the quarter, credit card usage witnessed growth of 26% YOY in value terms. The share of digital transactions in the overall transaction mix for the Bank remained strong at 77% as at end of March 2019. The contribution of Digital channels towards the business growth continues to rise steadily; 46% of personal loan disbursements in Q4 were through digital channels as compared to 30% a year back.

### **Wealth Management Business – Burgundy**

The Bank's wealth management business has seen strong growth and is among the largest in India with assets under management of ₹132,702 crores as at end of March 2019.

### **New product launches, Awards & Recognition received**

During the quarter, Kochi1 card, a joint effort by Kochi Metro Rail Corporation (KMRL) and Axis Bank, became the country's first inter-modal transit card. It went live for Kochi residents commuting by buses and going forward, it will integrate payments for all modes of public transport on a single card. During the quarter, the Bank won the award for best use of Data and Analytics for business outcome among large banks at the 14<sup>th</sup> Indian Banking Association Technology awards.

₹ crore

Financial Performance	Q4FY19	Q4FY18	% Growth	FY19	FY18	% Growth
Net Interest Income	5,706	4,730	21%	21,708	18,618	17%
Other Income	3,526	2,789	26%	13,130	10,967	20%
- Fee Income	3,020	2,448	23%	10,127	8,867	14%
- Trading Income	354	216	64%	971	1,617	(40%)
- Miscellaneous Income	152	125	22%	2,032	483	320%
Operating Revenue	9,232	7,519	23%	34,849	29,585	18%
Core Operating Revenue*	8,878	7,304	22%	33,867	27,968	21%
Operating Expenses	4,218	3,847	10%	15,833	13,990	13%
Operating Profit	5,014	3,672	37%	19,005	15,594	22%
Core Operating Profit*	4,661	3,457	35%	18,034	13,978	29%
Net Profit	1,505	(2,189)		4,677	276	
EPS Diluted (₹) annualized	23.61	(34.52)		18.09	1.12	
Return on Average Assets	0.78%	(1.31%)		0.63%	0.04%	
Return on Equity (annualized)	10.30%	(15.28%)		8.09%	0.53%	

\*Excluding trading profit for all the periods.

₹ crore

Balance Sheet	As on 31 <sup>st</sup> March'19	As on 31 <sup>st</sup> March'18
<b>CAPITAL AND LIABILITIES</b>		
Capital	514	513
Reserves & Surplus	66,162	62,932
Deposits	5,48,472	4,53,623
Borrowings	1,52,776	1,48,016
Other Liabilities and Provisions	33,073	26,246
<b>Total</b>	<b>8,00,997</b>	<b>6,91,330</b>
<b>ASSETS</b>		
Cash and Balances with RBI and Balances with Banks and Money at Call and Short Notice	67,205	43,455
Investments	1,74,969	1,53,876
Advances	4,94,798	4,39,650
Fixed Assets	4,037	3,972
Other Assets	59,988	50,377
<b>Total</b>	<b>8,00,997</b>	<b>6,91,330</b>

₹ crore

<b>Business Performance</b>	<b>As on 31<sup>st</sup> March '19</b>	<b>As on 31<sup>st</sup> March '18</b>	<b>% Growth</b>
Total Deposits (i)+(ii)	5,48,471	4,53,623	21%
(i) Demand Deposits	2,43,394	2,43,852	0%
- Savings Bank Deposits	1,54,129	1,48,202	4%
- Current Account Deposits	89,265	95,650	-7%
Demand Deposits as % of Total Deposits	44%	54%	
(ii) Term Deposits	3,05,077	2,09,771	45%
- Retail Term Deposits	1,98,914	1,37,795	44%
- Non Retail Term Deposits	1,06,163	71,976	47%
Demand Deposits on a Quarterly Daily Average Basis (QAB)	2,09,676	1,86,851	12%
Demand Deposits as % of Total Deposits (QAB)	41%	46%	
Net Advances (a) +(b) + (c)	4,94,798	4,39,650	13%
(a) Corporate Credit	1,83,402	1,74,446	5%
(b) SME (incl. regulatory retail)	65,584	58,740	12%
(c) Retail Advances	2,45,812	2,06,464	19%
Investments	1,74,969	1,53,876	14%
Balance Sheet Size	8,00,997	6,91,330	16%
Gross NPA as % of Gross Customer Assets	5.26%	6.77%	
Net NPA as % of Net Customer Assets	2.06%	3.40%	
Equity Capital	514	513	
Shareholders' Funds	66,676	63,445	
Capital Adequacy Ratio (Basel III)	15.84%	16.57%	
- Tier I	12.54%	13.04%	
- Tier II	3.30%	3.53%	

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

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### **Safe Harbor**

*Except for the historical information contained herein, statements in this release which contain words or phrases such as "will", "aim", "will likely result", "would", "believe", "may", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "strategy", "philosophy", "project", "should", "will pursue" and similar expressions or variations of such expressions may constitute "forward-looking statements". These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, future levels of non-performing loans, our growth and expansion, the adequacy of our allowance for credit losses, our provisioning policies, technological changes, investment income, cash flow projections, our exposure to market risks as well as other risks. Axis Bank Limited undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date thereof.*