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Progress on...  **AXIS BANK**

Axis Bank Limited | Annual Report 2015-16

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Axis Bank is the third largest private sector bank in India offering a comprehensive suite of financial products. Headquartered in Mumbai, the Bank has 2,904 branches, 12,743 ATMs and nine international offices. The Bank employs over 50,000 people and had a market capitalisation of ₹105,833 crores (as on 31 March, 2016).

2015-16 HIGHLIGHTS

DEPOSITS (₹ crores)

357,968

TOTAL ADVANCES (₹ crores)

338,774

RETAIL ADVANCES (₹ crores)

138,521

REVENUE (₹ crores)

50,360

NET PROFIT (₹ crores)

8,224

EARNINGS PER SHARE (₹)

34.59

Standalone figures

Since inception, Axis Bank has focused on partnering customers and helping meet their needs and aspirations. As a provider of banking and financial services, we recognise that our role goes beyond the transaction. Indeed, it extends to being a companion in growth. This approach is institutionalised in our corporate credo of *Progress on...*



Progress is also about being contemporary. It is about strengthening our organisation and its processes with robust infrastructure, the most relevant technologies, the right talent and skills and above all, a customer-centric attitude. Axis Bank leverages contemporary financial technology that helps us deliver a superior customer experience and seamless transaction capabilities.

Our progressive approach to bringing next practices to financial services is complemented by our deep belief in relationships. For us, well-nurtured relationships are the core building blocks of progress, and there is a certain old-world charm in how we go about building them. Warmth, care and empathy are essential ingredients in our customer engagement, and being approachable and available at all times is a core element of our customer centricity.

It is this ability to be progressive and build relationships at the same time that differentiates Axis Bank. It is the reason we have grown to be India's third largest private sector bank, and delivered on stakeholder aspirations consistently.

This annual report reflects our continued commitment to strengthen

PROGRESSIVE RELATIONSHIPS.

AXIS BANK AT A GLANCE



Operating in India's dynamic banking sector, as one of the country's first new generation private sector banks, Axis Bank has come a long way ever since its inception in 1994.

Today, Axis Bank is India's third largest private sector bank. It offers the entire spectrum of financial services to customer segments, spanning large and mid-corporates, SME, and retail businesses.

The Bank's overseas operations are spread over nine international offices with branches in Singapore, Hong Kong, Dubai, Colombo and Shanghai; representative offices located in Dhaka, Dubai, Abu Dhabi, along with an overseas subsidiary in London, UK. The international offices focus on corporate lending, trade finance, syndication and liability businesses.

VISION

To be the preferred financial services provider excelling in customer service delivery through insight, empowered employees and smart use of technology.

CORE VALUES

The core values that reflect across the policies and decisions of the Bank comprise:

- Customer Centricity
- Ethics
- Transparency
- Teamwork
- Ownership

KEY FACTS

BALANCE SHEET SIZE (₹ crores)

525,468

SAVINGS BANK ACCOUNTS

172 lakhs

EMPLOYEES

50,135

MARKET CAPITALISATION (₹ crores)

105,833

PROPOSED DIVIDEND

250%

CAPITAL ADEQUACY RATIO

15.29%

TIER - I CAPITAL ADEQUACY RATIO

12.51%**OUR FOOTPRINT**

ATMs

12,743

CASH RECYCLERS

1,146BRANCHES[@]**2,904**

SME CENTRES

51

INTERNATIONAL OFFICES

9[@] Includes Extension Counters

BUSINESS SEGMENTS

Axis Bank has a diversified business mix divided into two broad segments – Corporate Banking and Retail Banking.

CORPORATE BANKING

Axis Bank provides comprehensive Corporate Banking solutions with presence across the value chain.

CREDIT

TRANSACTION BANKING

TREASURY

SYNDICATION

INVESTMENT BANKING
& TRUSTEE SERVICES



Credit

The Bank offers various loan and fee-based products and services to large and Mid-corporate customers and Small and Medium Enterprise (SME) businesses. These products and services include cash credit facilities, demand and short-term loans, project finance, export credit, factoring, channel financing, structured products, discounting of bills, documentary credits, guarantees, foreign exchange and derivative products. Liability products including current accounts, certificates of deposits and time deposits are also offered to large and mid-corporate segments.

Transaction Banking

The Transaction Banking group (TxB) was formed in April 2015 to provide effective service to customers, efficient customer management and multiple products within the Corporate Banking Group. TxB provides integrated products and services to customers in areas of current accounts, cash management services, capital market services, trade, foreign exchange and derivatives, cross-border trade and correspondent banking services and tax collections on behalf of the Government and various State Governments in India.

Treasury

The Treasury manages the funding position of the Bank and also manages and maintains its regulatory reserve requirements. It invests in sovereign and corporate debt instruments and engages in proprietary trading in equity and fixed income securities, foreign exchange, currency futures and options. It also invests in commercial paper, mutual funds and floating rate instruments as part of the management of short-term surplus liquidity. In addition, it also offers a wide range of treasury products and services to corporate customers.

Syndication

The Bank also provides services of placement and syndication in the form of local currency bonds, rupee and foreign term loans and external commercial borrowings.

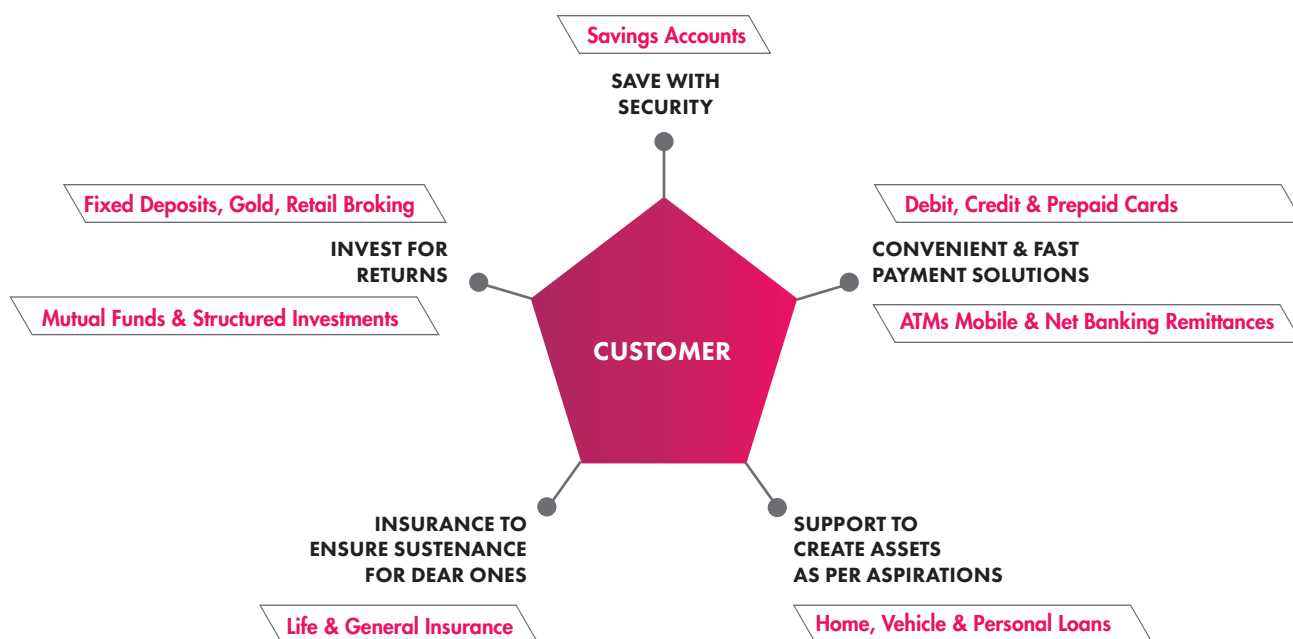
Investment Banking and Trustee Services

The Bank provides investment banking and trusteeship services through its wholly-owned subsidiaries. Axis Capital Limited provides investment banking services relating to equity capital markets, institutional stock broking besides M&A advisory. Axis Trustee Services Limited is engaged in trusteeship activities, acting as debenture trustee and as trustee to various securitisation trusts.



RETAIL BANKING

Axis Bank offers products and services in the retail segment capturing end-to-end customer requirements.



The Retail Banking segment encompasses a wide array of products and services across deposits, loans, investments and payment solutions, which are delivered through multiple channels to the Bank's customers. We cater to the end-to-end retail customer requirements through retail liabilities, retail lending and investment products.

Retail Liabilities

Retail liability products include savings accounts, time deposits and customised products for certain target groups, such as high net-worth individuals, senior citizens, working mothers, armed forces personnel, students and salaried employees.

Retail Lending

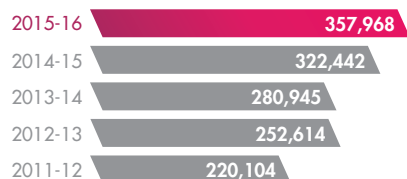
Retail asset products include home loans, personal loans, auto loans, consumer loans, loans against gold and education loans as well as secured loans of various types. The Bank also offers payment products and services such as debit cards, credit cards, travel currency cards and point-of-sale terminals.

Investment Products

The Bank distributes investment products such as mutual funds and bancassurance products (Life and General Insurance) through its branches. The Bank offers online trading services to its customers in collaboration with Axis Securities Limited (a 100% subsidiary of the Bank) under the name Axis Direct - an enhanced and simplified online trading platform.

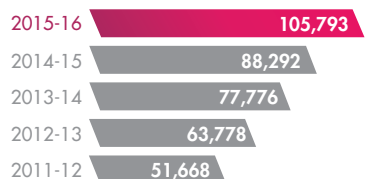
5 YEAR PERFORMANCE

TOTAL DEPOSITS (₹ crores)



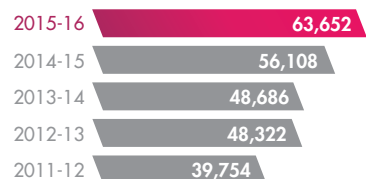
5 Year CAGR **14%**

SAVINGS BANK DEPOSITS (₹ crores)



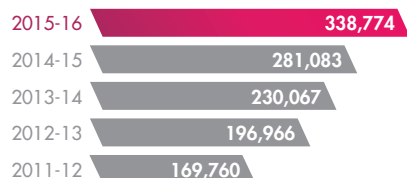
5 Year CAGR **21%**

CURRENT ACCOUNT DEPOSITS (₹ crores)



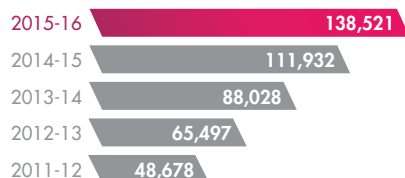
5 Year CAGR **12%**

TOTAL ADVANCES (₹ crores)



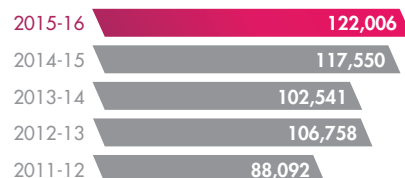
5 Year CAGR **19%**

RETAIL ADVANCES (₹ crores)



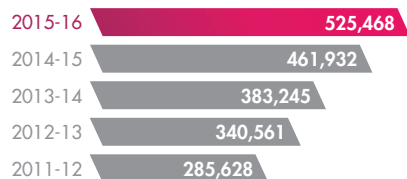
5 Year CAGR **31%**

TOTAL INVESTMENTS (₹ crores)



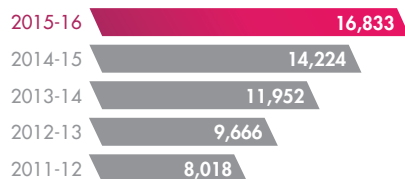
5 Year CAGR **12%**

TOTAL ASSETS/LIABILITIES (₹ crores)



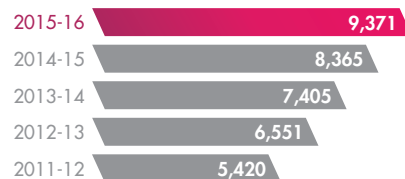
5 Year CAGR **17%**

NET INTEREST INCOME (₹ crores)

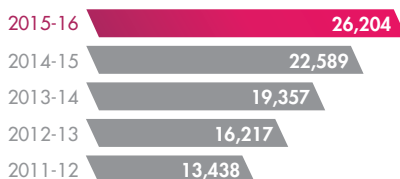
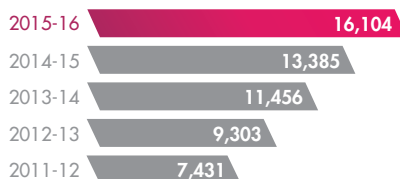
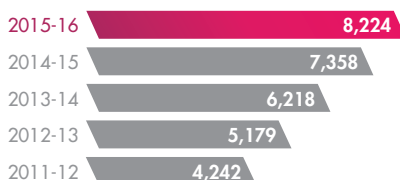
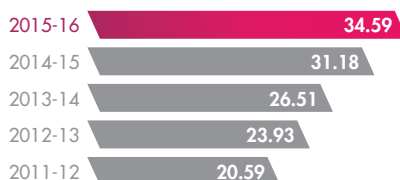
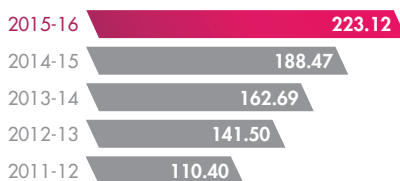
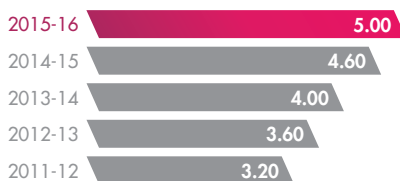


5 Year CAGR **21%**

OTHER INCOME (₹ crores)

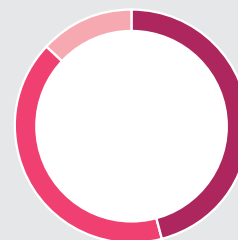


5 Year CAGR **15%**

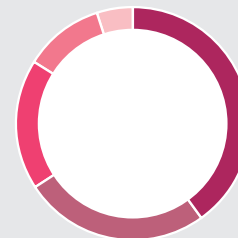
OPERATING REVENUE (₹ crores)5 Year CAGR **19%****OPERATING PROFIT** (₹ crores)5 Year CAGR **20%****NET PROFIT** (₹ crores)5 Year CAGR **19%****EARNINGS PER SHARE (BASIC)** (in ₹)***BOOK VALUE PER SHARE** (in ₹)***DIVIDEND PER SHARE** (in ₹)*

* Previous year figures have been adjusted to reflect the effect of sub-division of one equity share of the Bank having nominal value of ₹10 each into 5 equity shares of nominal value of ₹2 each.

Note: Previous year figures have been re-grouped wherever necessary.
All above figures are of standalone.

Business Mix**LOAN & ADVANCES MIX (%)**

- 46 Corporate
- 41 Retail
- 13 SME

DIVERSIFIED FEE INCOME PROFILE (%)

- 40 Retail Business
- 26 Corporate Credit
- 18 Transaction Banking
- 11 Treasury & DCM
- 5 SME

KEY RATIOS (%)

	2011-12	2012-13	2013-14	2014-15	2015-16
Return on Equity	21.22	20.51	18.23	18.57	17.49
Return on Assets	1.68	1.70	1.78	1.83	1.72
Capital Adequacy Ratio	13.66	17.00	16.07	15.09	15.29
Tier - I Capital Adequacy Ratio	9.45	12.23	12.62	12.07	12.51
Dividend Payout Ratio	18.15	19.06	17.71	17.79	17.11

- Return on Equity
- Return on Assets
- Capital Adequacy Ratio
- Tier - I Capital Adequacy Ratio
- Dividend Payout Ratio

2015-16 OPERATING HIGHLIGHTS

Retail Liabilities

- Savings bank deposits crossed ₹1 lakh crores, growing at a five-year CAGR of 21%.

Technology & Digital Banking

- Ping Pay, India's first multi-social application launched to enable peer-to-peer transfer of money/recharges through social media platforms like Whatsapp, Facebook and Twitter.
- Launched LIME - India's first mobile app integrating wallet, shopping, payments and banking.



Retail Payments

- The Bank is one of India's largest debit card issuers, with a base of over 155 lakhs. On 31 March, 2016, the Bank had over 24 lakhs credit cards in force.
- The Bank is also one of the largest acquirers of point-of-sale terminals in the country with an installed base of around three lakh terminals.
- The aggregate load value on travel currency cards crossed US\$6.5 billion during 2015-16.

Network

- Axis Bank was the first private sector bank to introduce recyclers and first bank in India to have 1,000+ recyclers, which can accept and dispense cash. As on 31 March, 2016, the Bank had deployed 1,146 recyclers.

Service Quality

- Overall complaint ratio for the Bank reduced from 1.83 (per thousand accounts) in 2014-15 to 1.75 in 2015-16.

Corporate Banking

- The Bank's corporate advances portfolio grew by 22% during 2015-16 and stood at ₹155,384 crores, comprising 46% of total advances.
- The Bank has maintained its leadership position in the loan syndication market and syndicated an aggregate amount of ₹22,613 crores (previous year ₹15,930 crores) by way of rupee loans and US\$1.93 billion (previous year US\$1.55 billion) of foreign currency loan during 2015-16.
- The Bank continues to remain a dominant player in the Debt Capital Market (DCM) Segment. During the year, it arranged ₹124,136 crores of bonds and debentures for various PSUs and corporates.
- To make available trade and forex products to all segments of customers, the number of branches handling forex business was increased from 214 to 475 during the year.

