

Leveraging Distinctiveness



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Rajiv Anand
Deputy Managing Director

DEAR STAKEHOLDERS,

I am pleased to share with you Axis Bank's eighth Sustainability Report, 'Putting Purpose First', for fiscal 2022.

Last year was all about slow but hopeful steps towards normalcy. Axis Bank continued to live by its 'Dil se Open' philosophy, keeping our customers at the center of everything we do.

Fiscal 2022 witnessed a strong rebound from the Indian corporate sector after the second wave of the pandemic hit in the first half of the calendar year 2021. Corporates delivered strong financial performance and its free cash flow generation helped them deleverage balance sheets. Buoyant equity markets were a reflection of this. On the consumer side we continued to see a strong rebound in spending for both goods and services.

For Axis Bank, the pandemic, in many ways, accelerated the reimagining of the Bank's organisational systems and processes that we had initiated under the GPS (Growth Profitability and Sustainability) strategy.

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culture of resilience, ambition and determination as we endeavor to deliver excellence and cater to a myriad of stakeholders. Our digital-first approach and focus on reimagining customer journeys remain the foundational planks in our aspiration of building the bank of the future.

On the wholesale banking side, our focused segments such as mid-corporate, MNC and CBG (SME Banking) grew by 45%, 49% and 26%, respectively, as compared to previous year, riding on the back of strengthened leadership, processes, risk management and improved customer engagement.

We also continue to be among leading private sector banks dealing with the Government businesses in the country. Our approach in this sector has evolved over time, from being deposit-centric entity to offering more solution-centric services. For examples, we introduced a new and improved FDMS (Fund Disbursal Management System) solution to execute bulk transactions with minimal intervention, and integrated Bharat Bill Pay System (BBPS) for various Municipal Corporations and government agencies as an online collection method.

Such structural initiatives in the Government's financial management machinery translate into improved delivery of services and fulfilment of obligations to citizens, and we are proud to have been able to contribute to this movement. To share a notable highlight from our work in this space, we remain one of the leading banks in the Bharat Bill Payment ecosystem and are contributing among the highest number of new biller additions to the platform.

Our efforts in the transaction banking space have made us the bank of choice for the corporate sector, and the strong focus on people and technology over the last three years is yielding strong results across the board. The new digital service architecture also contributes to more resource-efficient banking. During the year, we became the first Indian bank to execute an entirely paperless Import transaction with host-to-host connectivity. Project 'Neo', aimed at building a world class digital corporate bank, also made substantial progress during the year.

We took significant strides this year in integrating ESG principles and practices from the Board to the process levels. We are the first Indian bank to have a standalone ESG Committee at the Board level that is now guiding a unified ESG agenda across the Bank.

We are cognizant that the Sustainable Development Goals and the Paris Agreement are driving a global transition towards an inclusive and low-carbon economy. Under the Committee's guidance, we have committed ourselves to ambitious targets across business and non-business verticals. We are currently working towards strengthening ESG risk management at the enterprise level and have expanded the scope and coverage of the ESG Policy for Lending. The Bank has committed to achieving an incremental lending of ₹30,000 crores by 2026 in sectors with positive green and social outcomes. In addition, we have also committed to scaling down exposure to carbon intensive sectors over time.

This year was a landmark one for the Bank on many fronts. As we continue to build distinctiveness and deliver 'One Axis' to all our stakeholders, I am confident that we are well on our way towards building a future-ready bank. I am grateful to all our stakeholders for placing their confidence in us and standing by us in our transformational journey.

Warm Regards,

Rajiv Anand
Deputy Managing Director