

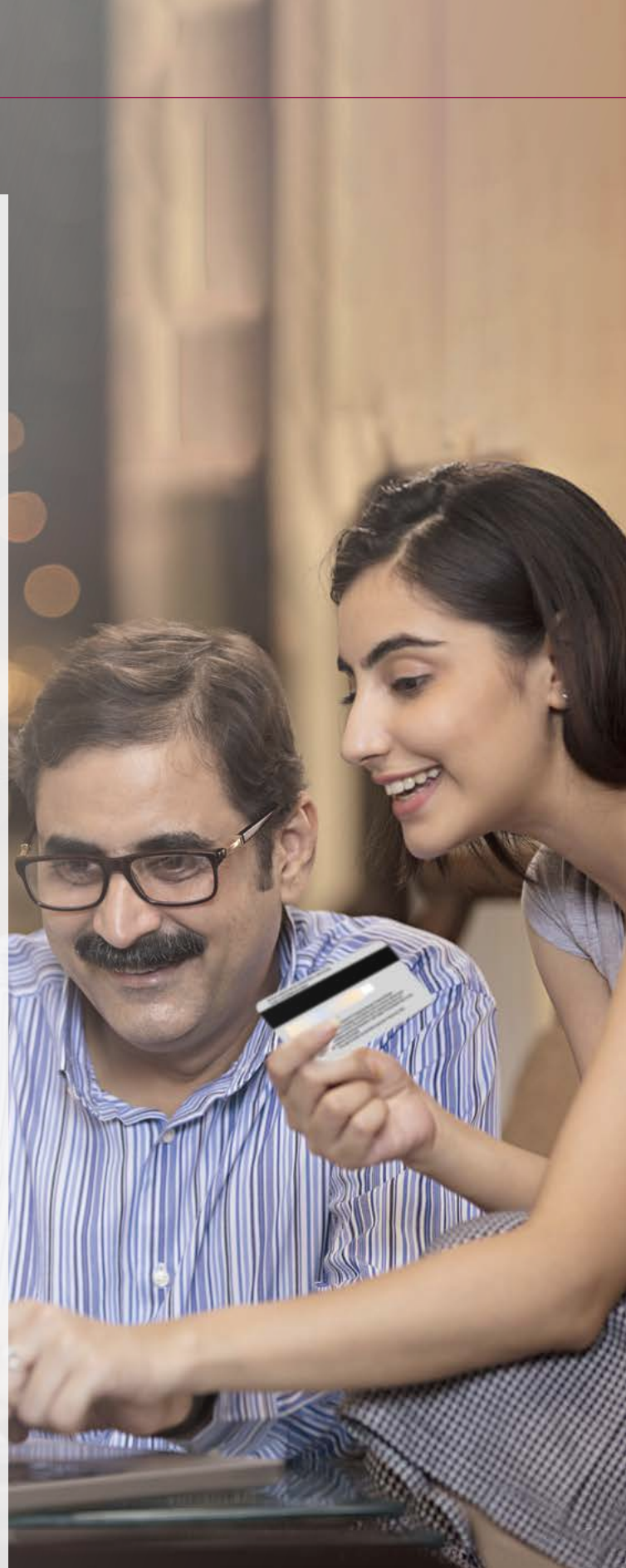
# Ushering in an Era of Tech-led Banking

*We have always focused on identifying opportunities to capitalise innovation for implementing industry leading systems. Enhancing user-experience, reach and efficacy is of utmost priority for us and we are leveraging next-gen technologies to realise our goals. We are committed to building operational architecture that accelerates delivery and caters to our ever-expanding, diverse customer base. We will continue to invest heavily in developing capabilities and introducing re-imagined customer journeys via improved digital adoption.*

## Capital linkage



## Stakeholder linkage



## DIGITAL BANKING

Digital leadership and technology driven transformation form the very foundation of our GPS strategy. We continue to invest in scaling our technological capabilities to enhance our digital platforms. Our OPEN approach drives each of our digital initiatives and stands for 'Zero' operations orientation using 'Proprietary' in-house capabilities, to deliver solutions that are 'Ecosystem' capable and 'Number'-led, i.e. metrics-driven.

### Key Performance Indicators

The efficacy of our digital initiatives prove that customers have embraced the opportunity to switch over to an end-to-end digital journey for banking transactions. Some of the key data points that serve as markers to demonstrate deeper digital integration are highlighted as below:

91%

Share of digital transactions in total financial transactions by individual customers in FY 2021-22

122%

Year-on-year growth in UPI transactions in Q4 FY22, with a market share of 15%

97%

Year-on-year growth in mobile banking transaction volumes in FY 2021-22, with a market share of 14%

70%

Savings Accounts opened through tab banking in FY 2021-22

68%

Retail term deposits (by volume) opened digitally in FY 2021-22

46%

Share of new mutual fund SIPs sourced (by volume) through digital channels in FY 2021-22

~5,76,000

New CASA accounts opened via digital channels in FY 2021-22

~55,500

New Salary accounts opened via digital channels in FY 2021-22

181.72 LAKHS

Unique Mobile Banking users as on March 31, 2022

21.16 CRORES

Unique Mobile Banking financial transactions in FY 2021-22

84.20 LAKHS

Unique Internet Banking users as on March 31, 2022

1.34 CRORES

Unique Internet Banking financial transactions in FY 2021-22

### BRING YOUR OWN DEVICE (BYOD)

Ever since the pandemic began, we have continued a large-scale Work-From-Home mandate for our employees, striving to provide all necessary enablers to support them in performing their duties effectively. One such initiative was to create a Bring-Your-Own-Device (BYOD) environment, providing pertinent frontline employees the convenience of using their personal devices for sales and servicing activities. To enable smooth operations, we rolled out compatible applications across products and businesses.

**99,550+** EMPLOYEES

Moved to the Bring-Your-Own-Device (BYOD) environment in FY 2021-22

### BUILDING NEXT-GENERATION-TECHNOLOGY ARCHITECTURE

We have made some significant investments in building digital and tech capabilities, nurturing talent. We have also made key transformational bets for the future, across our businesses. The strength of our IT team has increased by 75%, with spends up over 2x in last the last two years. We have also focused on modernising the core and scaling up our cloud portfolio to provide a better experience, resulting in multiple external recognitions. Please refer to page 13 of the Annual Report 2021-22 for more details.

### BUSINESS INTELLIGENCE UNIT

Our Business Intelligence Unit (BIU) has focused on creating distinctiveness in the areas of Cloud computing, Big-data platforms, Hyperpersonalisation and Alternate data, with the objective of creating differentiated customer experiences, in line with our focus on customer obsession and digitalisation. It has a team of 450+ members with expertise in distributed computing and algorithms catering to big data, new-age programming language and deep learning frameworks.

Details of BIU's work during the year are also provided in the 'Business Intelligence Unit' section of the Management's Discussion and Analysis, on pages 113-114 in the Annual Report 2021-22.

### COMPLIMENTING INDIA'S GOVERNMENT SECTOR

We have always played an important role as a leading banker to India's Government sector. Over the years, our primary objective has been to positively affect the Government and associated spaces, through the injunction of cutting-edge digital and financial solutions.

We are accredited with several Ministries and government bodies and are authorised for the collections of various taxes and schemes at the Central and State levels. Notably, Axis Bank is empanelled as the sole trustee banker for PFRDA for National Pension Scheme (NPS) collections and is one of the top five best performing banks in the Public Financial Management System (PFMS).

We are associated with 27 Smart Cities across India where we have implemented unique, tailor-made solutions to meet each of their specific requirements. Additionally, we also have strong working relationships with more than 50% of the Urban Local Bodies in the country.

#### One Mumbai Metro Card

During the year, Axis Bank, Mumbai Metro and Mastercard launched the 'One Mumbai Metro Card' to ensure contactless and cashless travel for Mumbaikars. It is a prepaid, open loop and contactless card that enables a seamless daily transit for commuters.



## Supporting Urban Transformations

We engage with Urban Local Bodies (ULB) and Smart Cities missions across India, providing a wide range of digital and financial solutions benefiting millions of urban citizens in India.

### Key Government Engagements in FY 2021-22

|   |                                 |  |                             |
|---|---------------------------------|--|-----------------------------|
| Shimla Municipal Corporation                                    | Gujarat Municipal Finance Board | Directorate of Municipal Administration, Government of Karnataka | Patna Municipal Corporation |
| Commissioner and Director of Telangana Municipal Administration | Bhopal Municipal Corporation    | Commissioner Municipal Corporation Chandigarh                    | Greater Chennai Corporation |
| Aligarh Nagar Nigam   | Nagar Nigam Lucknow             | Satara Municipal Corporation                                     |                             |

### Railways E-freight

We have entered into an arrangement with the Indian Railways, world's largest national railways system, for provisioning electronic freight collection across 18 zones, becoming the first private sector bank authorised to collect e-freight, along with ancillary charges. Through this partnership, we aim to build an end-to-end paperless transportation and payment process, by enabling real time booking and digital fund flow between end-users and beneficiaries.

### Facilitating E-collection of Customs Duty and Other Taxes

We signed an MoU with the Central Board of Indirect Taxes and Customs (CBIC) that has authorised us to collect customs duty and other indirect taxes via CBIC's national portal, the Indian Custom's Electronic Gateway (ICEGATE). Through this we are providing e-filing services to Traders, Cargo Carriers and other Trading Partners, digitally.

### Odisha e-GRAS PG Integration for Digital Collections

We are the first private sector bank in Odisha to go live with Treasury Online integration, providing customised web-services, as per the requirements of the Odisha treasury Department. Taxpayers in the State can now make payments through the Axis Bank payment gateway using multiple digital banking options.

### 'E Grihanaksha': Online Single-window Building Plan Approval System (West Bengal State Tax Collection)

The Department of Urban Development and Municipal Affairs, Government of West Bengal, under the initiative of the project EoDB (Ease of Doing Business), has undertaken massive re-engineering of statutory procedures. SOPs relating to different urban services have been simplified, facilitating the compliance of entrepreneurs and industries setting up businesses to statutory municipal regulations and procedures. Under the EoDB initiative, Government of West Bengal has authorised us to collect fees for the issuance of online construction permits by the ULBs.



### State Tax Collection – Direct Integration in West Bengal

We have been authorised to collect state taxes by the West Bengal State Tax Collection Department. There has been direct integration between Axis Bank and GRIPS (Government Receipt Portal System) for the digital collection of taxes from the citizens of the state.

### Deploying Digital Fee Collection in Higher Education

We have been working with several educational institutes across India to enhance innovation, presenting smart solutions for their fees and overall financial management.

In FY 2021-22, our key mandates included Education ERP implementation at ANGRAU, Andhra Pradesh, to identify and bifurcate any fees collection according to pre-set regulations; Rashtriya Military schools; Kurukshetra University, Haryana; National Forensic Science University, Delhi and IIM Shillong.

### MOBILISING DIGITAL SOLUTIONS ACROSS AGRI SPACE

Agriculture is the backbone of the rural economy in India, and we strive to support these activities through our expertise in digital banking.

We engage with Uttar Pradesh Cooperative Union to carry out all procurement related payments to farmers for the wheat and paddy purchases. Through this partnership, we have successfully completed the disbursement of funds into each farmer's account within 72 hours of the procurement, as per the Minimum Support Price guidelines set by the Government.

Our partnership with the Directorate of Fisheries PMMSY, Kerala, was a key milestone for us. In FY 21-22, we opened 1 SNA account and 16 Child Accounts for the department, successfully completing beneficiary payments for 1.5 lakhs fishermen in a single month.

Telangana State Sheep and Goat Development Cooperative Federation (TSSGDCF) implemented the scheme of livestock development. The aim is to strengthen the rural economy by empowering the Golla and Kurma communities in their traditional occupation of sheep and goat rearing. We are the sole banker for this mandate across all 33 districts, for both collections and payments through digital modes.

We onboarded Andhra Pradesh State Cooperative Marketing Federation, more popularly known as 'AP MARKFED', facilitating the merchant with a 'Payment Gateway' solution. The main object is to help the farmers

secure a better price for their products, by taking care of their market needs and providing agricultural inputs.

### Government e-Marketplace (GeM) Account for Northern Coalfields Limited (NCL)

Northern Coalfields Limited (NCL), Singrauli, which is wholly - owned by Coal India Limited, is a major contributor towards fulfilling the energy requirements of the nation. We are one of the principal partners in the GeM (Government e-Marketplace) and have opened a GeM pool Account for NCL, creating a digital presence for them in the public procurement space.

Other important breakthroughs include the integration of SBMS for the finance department, along with providing payment gateway and digital solutions for the Government of West Bengal, the World Skill Centre, Chhattisgarh State Power Distribution Company Limited, Electricity Department of Goa, Cochin Smart City Mission, Gujarat State Road Transport Corporation and RCF Kapurthala.

### FDMS - Fund Disbursement and Management System

In FY 2021-22, the Indian Government issued an official memorandum prescribing the procedure for the release of funds under Centrally Sponsored Schemes (CSS). It also specifies the procedures for monitoring the utilisation of funds through the Public Finance Management System (PFMS) to bring more efficiency into Public Expenditure Management. We are developing FDMS, a web portal solution that caters to the requirements of all institutions covered under the guidelines. We have also delivered specific solutions to entities such as the National Health Mission Nagaland, SBM Punjab and PMAY Gujarat.

### Supporting Government Agencies during COVID-19

We firmly stood by the nation in the collective battle against the COVID-19 pandemic. We initiated multi-pronged responses that included supporting our customers, employees, business partners, government agencies and the community at large.

Our Government Coverage Group, owing to its nationwide footprint, extended support on our behalf to various government agencies/departments, such as the Kochi Corporation, State Health Department Uttarakhand, and Ghaziabad Nagar Nigam and East Delhi Municipal Corporation.

### SCALING THE SAKSHAM PLATFORM

Saksham is our self-developed, robust and simplified application, that is used at our branches for processing

financial transactions and all other customer-related services and requests. The unified platform provides a 360 degree view of customer relationships to users on a single screen.

Solutions designed with AI and OCR-based technologies are integrated into Saksham to further reduce the time lag. Additionally, services from UIDAI for biometric-based customer authentication and bio eKYC are incorporated to make requests paperless and automated. Through Saksham, we are the first bank to introduce locker operations via biometric authentication, creating a truly digital and instant customer experience. We are also the first in the industry to launch a teller automated solution called iBAS (intelligent Branch Automation Solution), where transactions are created and processed using OCR-based images. This has been implemented in 250 branches, as on March 2022.

Through its varied applications, Saksham has helped us achieve an estimated paper savings amounting to ~14 lakhs pages annually.

## AUTOMATING BRANCH SERVICES

We continue to expand our automated branch services, enabling our customers to avail the most commonly required services, such as passbook printing and cheque deposits, digitally and immediately. As on March 31, 2022,

there were 569 Passbook Printing Kiosks and 287 Cheque Deposit Kiosks in service, with both servicing 38.68 lakhs and 41.62 lakhs transactions, respectively, higher than the previous year's transactions of 37.86 lakhs and 41.48 lakhs respectively.

## BRANCH OF THE FUTURE INITIATIVE

Through our Branch of the Future (BOF) initiative, we provide our customers with the experience of visiting a branch virtually. Access to the internet allows our customers to remotely opt for each and every service offered by us. By virtually accessing our services, they do not need to interact with a branch representative, freeing up saved time for other activities. Currently, a total of 21 services are live under the BOF concept, thus covering ~80% of the transactions at branches under the digital umbrella. About 3,500 man-days per month have been saved across our clearing centres and branches through BOF.

The initiative has also helped reduce the use of paper while processing requests. As per our estimates, the Branch of the Future initiative helps one branch save ~1.1 million sheets of paper per month. Additionally, it is also saving thousands of litres of fuel by cutting down the need for travelling to a branch, thereby also reducing the use of resources at the branches.
















## STRENGTHENING CUSTOMER OBSESSION

We aspire to be India's most customer-obsessed bank, and have embarked on a journey to deliver world-class customer experience through interventions across 4 inter-linked layers – listening to and acting on what the customers are telling, optimising all journeys where customers interact with us, enabling colleagues who are engaging with customers and transforming the core operations that support all experiences.

## GAUGING CUSTOMER SATISFACTION

We have a measurement framework to gauge customer satisfaction across key journeys, touchpoints and business lines. The score is referred to as the Customer Experience Index (CX index).

The framework captures feedback across the following aspects:

|   |   |  |   |
|---|---|--|---|
|  <p>Onboarding process</p>   |  <p>Time taken by the Bank to connect after placing the request</p>  |  <p>Application &amp; documentation process</p>                                     |  <p>Awareness about key charges, features &amp; benefits</p> |
|  <p>Experience with the time taken to open the account/get the card/loan</p>         |  <p>Loan sanction &amp; disbursement (applicable for asset products)</p>   |  <p>Time taken by the Bank to provide sanction</p>                                |  <p>Verification &amp; documentation process</p>           |
|  <p>Communication from the Bank on the loan status</p>                               |  <p>Experience on the first transaction - Getting the card activated/ PIN setting experience</p>   |  <p>Transaction experience at ATM, Branch, loan centre &amp; digital channels</p> |  <p>Ongoing usage experience</p>                           |
|  <p>Service interaction experience at physical, digital, branch &amp; RM channel</p> | <p>We collect feedback from our customers via online surveys and telephonic interviews (for select segments). Surveys are sent over SMS and e-mail, covering Retail Banking customers (retail liabilities, lending, cards &amp; payments) during on-boarding (Application / Sanction / Disbursement), Activation, Usage/Transaction Experience and Servicing.</p> |  |   |

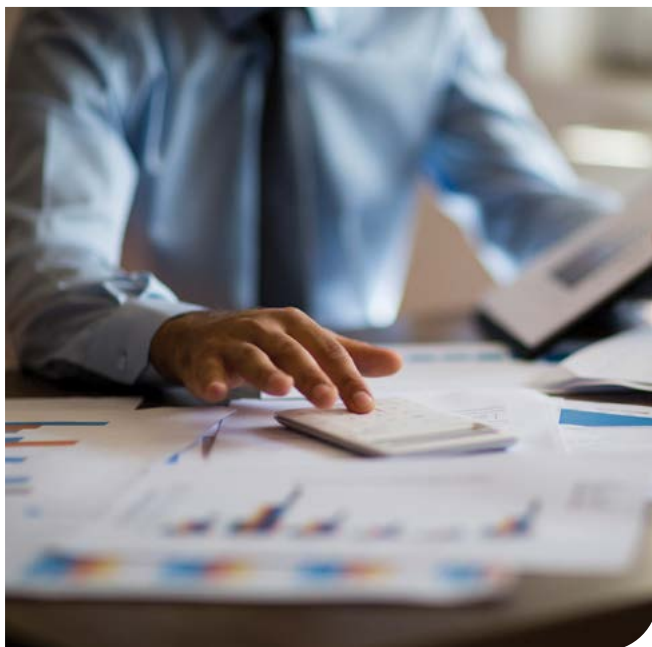
More than 85 lakhs responses were received throughout the year for adjacent business lines under Retail Banking. The overall CX Index for FY 2021-22 stood at 73, achieving our customer satisfaction target for the year.

**For the Wholesale Bank vertical, the CX annual programme for FY 2021-22 have been covered in the following segments.**

|                                   |  |                                |                                  |
|-----------------------------------|--|--------------------------------|----------------------------------|
| Strategic Client Group (SCG)      | Large Corporates (LC)                    | Multinational Corporates (MNC) | Mid Corporates (MC)              |
| Financial Institution Group (FIG) | Financial Institution Group (FIG) – PSU* | Commercial Banking Group (CBG) | GCG (Government Coverage Group)* |

3,100+ corporate customers Across the mentioned segments participated in the survey; overall CX Index\* for Wholesale Bank improved from 68 in FY 2020-21 to 70 in FY 2021-22.

\*FIG-PSU and GCG segments were added in FY 2021-22 and hence not considered in like-to-like comparison of WB CX Index.



## LISTENING TO CUSTOMERS

Our Voice of Customer (VoC) programme has been systematically designed around the concepts of 'Listen', 'Learn' and 'Act'. We are building an omni-channel, real-time customer feedback capability to augment our existing VoC programme (which already covers all segments and products). This helps ensure that we are listening to our customers through their preferred channels, immediately after their interaction with us. The Net Promoter Score (NPS) will be the guiding metric to assess the impact of our programme.

We are also enhancing our ability to extract insights by analysing all forms of written and verbal customer feedback, through artificial intelligence and machine learning. Drawing on these insights, actions will be triggered to allow near real-time responses by relevant colleagues to customers providing feedback. The process will be tracked and reported through a live platform at all levels of disaggregation, down to every individual.