

Board's Report

Dear Members,

Your Board of Directors (the Board) are pleased to present the 28th Annual Report of Axis Bank Limited (the Bank) together with the audited financial statements for fiscal 2022.

Financial Performance and State of the Bank's Affairs

The financial highlights (Standalone) for the year under review, are presented below:

	(₹ In crores)		
Particulars	2021-22	2020-21	Growth
Balance sheet			
Deposits	821,721	697,986	18%
Savings Bank Deposits	242,449	204,473	19%
Current Account Deposits	127,306	113,276	12%
Term Deposits	451,966	380,237	19%
Advances	707,696	614,399	15%
Retail Advances	399,891	331,304	21%
Non-retail Advances	307,805	283,095	9%
Total Assets / Liabilities	1,175,178	986,798	19%
Profit & Loss account			
Net Interest Income	33,132	29,239	13%
Other Income	15,221	12,264	24%
Fee Income	13,001	10,686	22%
Trading Profit ¹	1,627	1,218	34%
Miscellaneous Income	593	360	65%
Operating Expenses	23,611	18,375	28%
Operating Profit	24,742	23,128	7%
Provision for Tax	4,357	2,217	96%
Other Provisions and Write offs	7,360	14,322	(49%)
Net Profit	13,025	6,589	98%
Balance in Profit and Loss account brought forward from previous year	29,985	26,190	
Amount Available For Appropriation	43,010	32,779	
Appropriations			
Transfer to Statutory Reserve	3,256	1,647	
Transfer to Capital Reserve	441	848	
Transfer to Investment Reserve	149	-	
Transfer to Special Reserve	609	-	
Dividend paid	-	-	
Transfer to Investment Fluctuation Reserve	455	326	
Surplus carried over to Balance Sheet	38,100	29,958	

¹ Excluding Merchant Exchange Profit

Key Performance Indicators

Key Performance Indicators	2021-22	2020-21
Interest Income as a % of working funds ¹	6.26	6.78
Non-interest Income as a % of working funds ¹	1.41	1.58
Net Interest Margin (%)	3.47	3.53
Return on Average Net Worth (%)	12.91	7.55
Operating Profit as a % of working funds ¹	2.30	2.74
Return on Average Assets (%)	1.21	0.70
Profit per employee ² (₹ in lacs)	15.54	8.66
Business (Deposits less inter-bank deposits + Advances) per employee ² (₹ in crores)	17.92	17.13
Net non-performing assets as a % of net customer assets ³	0.73	1.05

¹ Working funds represent average total assets

² Productivity ratios are based on average number of employees for the year

³ Customer assets include advances and credit substitutes

Previous year figures have been re-grouped wherever necessary.

Acquisition of Citibank's India Consumer Business

The Board at its meeting held on 30 March, 2022, approved the purchase of Citibank's India Consumer Business from Citibank N.A. (acting through its branch in India) (CBNA) and the NBFC Consumer Business from Citicorp Finance (India) Limited (CFIL), as going concerns, without values being assigned to individual assets and liabilities of either of the business, subject to fulfilment of specific conditions and obtaining requisite approvals.

The Bank has executed Business Transfer Agreements (BTAs) with CBNA and CFIL on 30 March, 2022. The transaction will be given effect to in the books of the Bank on closing which is subject to receipt of regulatory and other applicable approvals and completion of customary and contractual conditions in accordance with the provisions of the BTAs.

The purchase comprises of credit cards, unsecured and secured lending portfolios, wealth management, private banking and retail deposit businesses in India. The employees of CBNA and CFIL consumer business will also be joining the Bank's workforce. The purchase is well aligned with the Bank's GPS strategy framework towards premiumization and granularization of customer base. The purchase will help to strengthen the Bank's retail banking franchise and accelerate its growth ambitions across various consumer banking segments.

Dividend

In accordance with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), the Bank has formulated and adopted a Dividend Distribution Policy, which was reviewed by the Board and the same is available on the website of the Bank at <https://www.axisbank.com/docs/default-source/quarterly-reports/dividend-distribution-policy-of-the-bank.pdf>.

In view of the overall performance of the Bank and while retaining capital to support future growth, the Board at its meeting held on 28 April, 2022, recommended final dividend of ₹ 1/- per equity share of ₹ 2/- each, subject to the approval of members at the ensuing 28th Annual General Meeting (AGM).

In terms of revised Accounting Standard (AS) 4 'Contingencies and Events occurring after the Balance sheet date' as notified by the Ministry of Corporate Affairs through amendments to the Companies (Accounting Standards) Amendment Rules, 2016, dated 30 March, 2016, such proposed dividend has not been recognised as a liability as on 31 March, 2022. Further, shares issued on exercise of ESOPs after 31 March, 2022 till record date will also be eligible for proposed dividend of fiscal 2022.

In terms of the Income Tax Act, 1961, the dividend income is taxable in the hands of members. Therefore, the dividend will be paid to the members after deduction of applicable tax, if any.

Record Date

The record date for payment of dividend is mentioned in the notice of the ensuing 28th AGM of the Bank.

Capital Structure

Share Capital

During the year, the Bank issued and allotted 5,999,184 equity shares of ₹ 2/- each of the Bank, pursuant to exercise of stock options by the Whole-Time Directors / Employees of the Bank and of its Subsidiary Companies, under the Employee Stock Option Scheme.

Consequent to the above, the total issued and paid-up equity share capital of the Bank increased by ₹ 1.20 crores to ₹ 613.95 crores as on 31 March, 2022, as compared to ₹ 612.75 crores, as on 31 March, 2021. The equity shares issued under the Employee Stock Option Scheme ranks *pari passu* with the existing equity shares of the Bank.

Apart from the above, the Bank did not raise any additional equity share capital during the year.

Reclassification to “Public” category from “Promoter” category

During fiscal 2022, five promoters of the Bank viz. The United India Insurance Company Limited, National Insurance Company Limited, The New India Assurance Company Limited, General Insurance Corporation of India and The Oriental Insurance Company Limited had been reclassified from “Promoter” Category to “Public” Category in terms of Regulation 31A SEBI Listing Regulations.

Accordingly, as on date, the Bank has two promoters i.e. Administrator of the Specified Undertaking of the Unit Trust of India and Life Insurance Corporation of India.

Debt Instruments

During fiscal 2022, the Bank issued and allotted 26,000 Senior Unsecured Taxable Redeemable Non-Convertible Debentures (Series 6) of face value of ₹ 10 lac each, aggregating to ₹ 2,600 crore, on a private placement basis, to enhance long term resources for funding infrastructure projects and affordable housing. The Audit Committee of the Board (ACB) at its meeting held on 24 January, 2022, had reviewed and confirmed that the Bank had utilized the said funds for the above-mentioned purposes only.

The Bank also issued Sustainable Additional Tier 1 (AT1) notes amounting to US\$ 600 million. These are listed on ISM, the SGX-ST, India INX and NSE IFSC at GIFT City. This was first such issuance from any Scheduled Commercial Bank in India.

Capital Adequacy Ratio

The Bank's overall Capital Adequacy Ratio (CAR) under Basel III stood at 18.54% at the end of fiscal 2022, well above the benchmark requirement of 11.50% stipulated by the Reserve Bank of India (RBI). Of this, the Common Equity Tier I (CET I) CAR was 15.24% (against minimum regulatory requirement of 8.00%) and Tier I CAR was 16.34% (against minimum regulatory requirement of 9.50%). As on 31 March, 2022, the Bank's Tier II CAR under Basel III stood at 2.20%.

Ratings of various Debt Instruments

The details of all credit ratings obtained by the Bank along with revisions thereto, if any, during fiscal 2022, for all the debt instruments outstanding as on 31 March, 2022, are provided in the Report on Corporate Governance, forming part of this annual report.

Deposits

Being a banking company, the disclosures relating to deposits as required under Rule 8(5)(v) & (vi) of the Companies (Accounts) Rules, 2014, read with Sections 73 and 74 of the Companies Act, 2013 (the Act), are not applicable to the Bank.

Change in the Nature of Business

During fiscal 2022, there has been no change in the nature of business of the Bank.

Material Changes and Commitments affecting the Financial Position of the Bank

There were no material changes or commitments affecting the financial position of the Bank, between the end of the financial year of the Bank to which the financial statements relate and up to the date of this report.

Subsidiaries, Joint Ventures and Associates

As on 31 March, 2022, the Bank has nine unlisted subsidiary companies, one step down subsidiary and one associate company:

1. Axis Asset Management Company Limited undertakes the activities of managing the mutual fund business.
2. Axis Mutual Fund Trustee Limited acts as the trustee for the mutual fund business.
3. Axis Capital Limited provides services relating to investment banking, equity capital markets, institutional stock broking, mergers and acquisition advisory etc.
4. Axis Finance Limited is a Non-Banking Finance Company and carries on the activities of corporate and structural lending, loan against property etc.
5. Axis Securities Limited is in the business of retail broking services.
6. A.Treds Limited is engaged in the business of facilitating financing of trade receivables.
7. Axis Trustee Services Limited is engaged in trusteeship activities, acting as debenture trustee and as trustee to various securitisation trusts.
8. Freecharge Payment Technologies Private Limited is in the business of providing merchant acquiring services, payment aggregation services, payment support services, and business correspondent to a Bank / Financial Institution, distribution of Mutual Funds.
9. Axis Bank UK Limited is the banking subsidiary of the Bank in the United Kingdom and undertakes the activities of banking. The Bank has entered into a Share Purchase Agreement on 31 March, 2021 for sale of 100% stake in its subsidiary, Axis Bank UK Limited to OpenPayd Holdings Ltd. This transaction is subject to approval by the UK Financial Regulator, the Prudential Regulation Authority (PRA).
10. Axis Capital USA, LLC, is a wholly owned subsidiary of Axis Capital Limited incorporated in USA and provides financial services relating to equity capital market, institutional stock broking to institutional investors in USA.
11. Max Life Insurance Company Limited, an associate of the Bank, is in the business of life insurance and long-term saving and protection products. Axis Bank Limited (9.99%) along with its subsidiaries viz. Axis Capital Limited (2%) and Axis Securities Limited (1%) collectively hold 12.99% in Max Life Insurance Company Limited.

As on 31 March, 2022, the Bank did not have any joint venture company.

The financial position and performance of each of the Subsidiary Companies of the Bank is given in the Management Discussion & Analysis Report, which forms part of this annual report.

Consolidated Financial Statements

In accordance with the provisions of Section 129(3) of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014, as amended, the Bank has prepared consolidated financial statements, which forms part of this annual report. The statement in Form AOC-1 containing the salient features of the financial statements of the Subsidiary Companies and Associate Company of the Bank, also forms part of this annual report.

In accordance with the third proviso to Section 136(1) of the Act, the Annual Report of the Bank, containing standalone financial statements and the consolidated financial statements and all other documents required to be attached thereto are available on the website of the Bank <https://www.axisbank.com/shareholders-corner/shareholders-information/annual-reports>.

Further, in accordance with the fourth proviso to the said section, the audited financial statements of each of the said Subsidiary Companies of the Bank are available on the website of the Bank <https://www.axisbank.com/shareholders-corner/shareholders-information/annual-reports>. The said financial statements will be available for inspection by the members of the Bank and Trustees of Debenture holders at the Registered Office of the Bank during business hours on all working days except Saturdays, Sundays, Bank Holidays and National Holidays. Any member interested in obtaining a physical copy of the said financial statements can send an email to the Company Secretary of the Bank on shareholders@axisbank.com.

Particulars of Loans, Guarantees and Investments

Pursuant to Section 186(11) of the Act, the provisions of Section 186 of the Act, except sub-section (1), do not apply to a loan made, guarantee given or security provided by a banking company in the ordinary course of its business.

The particulars of investments made by the Bank are disclosed in Schedule 8 of the financial statements as per the applicable provisions of the Banking Regulation Act, 1949.

Corporate Governance

The Bank is committed to achieving and adhering to the highest standards of Corporate Governance and it constantly benchmarks itself with best practices, in this regard.

The Report on Corporate Governance for fiscal 2022 along with General Shareholder Information forms part of this annual report. M P Chitale & Co., Chartered Accountants (Firm Registration No. 101851W), Joint Statutory Auditor of the Bank have issued certificate confirming compliance with the mandatory requirements relating to Corporate Governance as stipulated under Chapter IV of the SEBI Listing Regulations, and the same is appearing before the Report on Corporate Governance.

The Corporate Governance framework of the Bank incorporates all the mandatory requirements as prescribed in the SEBI Listing Regulations. The Bank has also adopted the non-mandatory requirements as recommended in the SEBI Listing Regulations, as detailed in the Report on Corporate Governance.

Management's Discussion and Analysis Report

The Management's Discussion and Analysis Report as stipulated under Regulation 34(2)(e) of the SEBI Listing Regulations, forms part of this annual report.

Board of Directors

Appointment / Re-appointment of Directors

During the year, pursuant to the recommendation of the Nomination and Remuneration Committee of Directors (NRC), the Board appointed / re-appointed the following directors:

1. Amitabh Chaudhry was re-appointed as the Managing Director & CEO of the Bank on 28 April, 2021, for a further period of three years, with effect from 1 January, 2022 up to 31 December, 2024 (both days inclusive). The said re-appointment was approved by the members of the Bank at 27th AGM held on 30 July, 2021 and by RBI vide letter dated 14 October, 2021.
2. Prof. S. Mahendra Dev was appointed as an Independent Director of the Bank on 14 June, 2021, for a period of four years with effect from 14 June, 2021 up to 13 June, 2025 (both days inclusive). The said appointment was approved by the members of the Bank at 27th AGM held on 30 July, 2021. He is not liable to retire by rotation, in terms of Section 149(13) of the Act.

The Board formed an opinion that Prof. S. Mahendra Dev has the integrity, expertise and requisite experience, which is beneficial to the business interest of the Bank. Further, he is in compliance with passing of online proficiency self-assessment test, as prescribed under Rule 6(4) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

3. Ashish Kotecha was appointed as an Non-Executive (Nominee of entities affiliated to Bain Capital) Director of the Bank on 14 December, 2021, to hold office with effect from 19 December, 2021 up to 18 December, 2024 or till the time entities affiliated to Bain Capital are directly holding in the aggregate at least two percent (2%) of the equity share capital of the Bank on a fully diluted basis, whichever is earlier. The said appointment was approved by the members of the Bank vide postal ballot on 6 March, 2022. He is liable to retire by rotation, in terms of Section 152 of the Act.
4. (a) Rajiv Anand, Executive Director (Wholesale Banking) was re-designated as the Deputy Managing Director of the Bank and the said re-designation was approved by RBI from the date of its letter i.e. 27 December, 2021 up to 3 August, 2022 i.e. remainder of his tenure as the Executive Director (Wholesale Banking) of the Bank. The said re-designation was approved by the members of the Bank vide postal ballot on 6 March, 2022.
- (b) Rajiv Anand was re-appointed as the Deputy Managing Director of the Bank on 10 January, 2022, for a further period of three years, with effect from 4 August, 2022 up to 3 August, 2025 (both days inclusive). The said re-appointment was approved by the members of the Bank vide postal ballot on 6 March, 2022. The approval of RBI for the aforesaid re-appointment is awaited.
5. Rakesh Makhija was re-appointed as the Non-Executive (Part-time) Chairman of the Bank on 25 January, 2022, from 18 July, 2022 up to 26 October, 2023 (both days inclusive). The said re-appointment was approved by the members of the Bank vide postal ballot on 6 March, 2022. The approval of RBI for the aforesaid re-appointment is awaited.
6. Girish Paranjpe was re-appointed as an Independent Director of the Bank on 29 April, 2022, for a further period of four years, with effect from 2 November, 2022 up to 1 November, 2026 (both days inclusive). Based on performance evaluation and recommendation of the NRC, the Board recommends his re-appointment to the members of the Bank.
7. T. C. Suseel Kumar, Non-Executive (Nominee Director) of the Bank, whose office is liable to retire at the ensuing AGM, being eligible seeks re-appointment, in terms of the provisions of Section 152(6) of the Act. Based on performance evaluation and recommendation of the NRC, the Board recommend his re-appointment to the members of the Bank.

Resolutions in respect of re-appointments of Girish Paranjpe and T. C. Suseel Kumar have been included in the Notice convening the 28th AGM of the Bank.

Resignation / Retirement of Directors

1. Stephen Pagliuca ceased to be the Non-Executive Director (Nominee of entities affiliated to Bain Capital) of the Bank, with effect from the close of business hours on 18 December, 2021, upon expiry of his tenure pursuant to the Investment Agreement between the Bank and BC Asia Investments VII Limited, Integral Investments South Asia IV and BC Asia Investments III Limited (Investment Agreement). Consequently, the tenure of Ashish Kotecha as an Alternate Director to the Original Director, Stephen Pagliuca also expired with effect from said date.
2. The Board on 29 September, 2021, considering the aspirations of Rajesh Dahiya, Executive Director (Corporate Centre) of the Bank, accepted his decision seeking early retirement from the services of the Bank. Accordingly, Rajesh Dahiya ceased to be the Executive Director (Corporate Centre) and a Key Managerial Personnel of the Bank with effect from the close of business hours on 31 December, 2021.

Key Managerial Personnel

During fiscal 2022, following changes took place in the Key Managerial Personnel of the Bank:

1. Rajesh Dahiya ceased to be the Executive Director (Corporate Centre) of the Bank with effect from the close of business hours on 31 December, 2021 due to early retirement.
2. Girish Koliyote ceased to be the Company Secretary and Compliance Officer of the Bank, with effect from the close of business hours on 8 October, 2021 due to resignation.
3. Pursuant to the recommendations of the NRC, the Board appointed Sandeep Poddar, as the Company Secretary and Compliance Officer of the Bank, with effect from 10 January, 2022.

The Board places on record its sincere appreciation for the valuable contribution made by Rajesh Dahiya and Girish Koliyote during their tenure with the Bank.

Accordingly, Amitabh Chaudhry, Managing Director & CEO, Rajiv Anand, Deputy Managing Director, Puneet Sharma, Group Executive & Chief Financial Officer and Sandeep Poddar, Senior Vice President & Company Secretary are the Key Managerial Personnel of the Bank, in terms of Section 203(1) read with Section 2(51) of the Act and Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Selection and Appointment of Directors

The selection and appointment of Directors of the Bank is done in accordance with the applicable provisions of the Act, rules made thereunder, the Banking Regulation Act, 1949, the Guidelines issued by the RBI and the relevant provisions of the SEBI Listing Regulations. The Bank has formulated and adopted various policies with respect to selection and appointment of directors i.e. Succession Planning Policy for the Board and Key Officials of the Bank, Policy on Fit and Proper Criteria for Directors of the Bank, Board Diversity Policy and Policy on Training of Directors, the details of which are provided in Report on Corporate Governance, which forms part of this annual report.

Declaration of Independence

All the Independent Directors of the Bank have confirmed that they meet the criteria prescribed for independence under the provisions of Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations.

The Board has assessed the veracity of the confirmations submitted by the Independent Directors and thereafter took the same on record.

In the opinion of the Board, all the Independent Directors are independent of the Management.

Board Performance Evaluation

The Act and the SEBI Listing Regulations relating to Corporate Governance provides for evaluation of the performance of the Board, its Committees, Individual Directors and the Chairperson of a company.

The Bank has institutionalised the Board Performance Evaluation Process. The NRC is the nodal agency for conducting the said performance evaluation. The NRC annually reviews and approves the criteria and the mechanism for carrying out the exercise effectively.

The methodology used for the annual Board Performance Evaluation, the outcome, progress made over last year and the proposed action for implementation during fiscal 2023, are provided in the Report on Corporate Governance, which forms part of this annual report.

Directors' Responsibility Statement

In terms of Section 134(3)(c) of the Act the Directors hereby state that:

- a) the applicable accounting standards had been followed in the preparation of the annual accounts for the financial year ended 31 March, 2022.
- b) accounting policies have been selected and applied consistently, and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Bank as at 31 March, 2022 and of the profit of the Bank for the year ended on that date.
- c) proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Bank and for preventing and detecting fraud and other irregularities.
- d) the annual accounts have been prepared on a going concern basis.
- e) adequate internal financial controls for the Bank to follow have been laid down and these are operating effectively.
- f) proper and adequate systems have been devised to ensure compliance with the provisions of all applicable laws and these systems are operating effectively.

Meetings of the Board

The schedule in respect of the meetings of the Board / Committees, to be held during the next financial year is circulated in advance to all the Members of the Board.

During fiscal 2022, 12 meetings of the Board were held and the gap between the said meetings did not exceed the limit of 120 days, as prescribed under the relevant provisions of the Act, the relevant Rules made thereunder and the applicable SEBI Listing Regulations.

Audit Committee of the Board

The composition, role and functions of ACB, is provided in the Report on Corporate Governance, which forms part of this annual report.

The Board has accepted all the recommendations made by the ACB.

Related Party Transactions

During fiscal 2022, the Bank has not entered into any materially significant transactions with its related parties, which could lead to potential conflict of interest between the Bank and these parties, other than transactions entered into with them in the ordinary course of its business.

A statement giving details of all related party transactions, entered into pursuant to the omnibus approval so granted, is placed before the ACB of the Bank for their review on a quarterly basis. No transactions were entered into with related parties, which were not in the ordinary course of the business of the Bank or which were not on an arm's length basis. Accordingly, there are no transactions required to be reported in Form AOC-2. The Bank has a Standard Operating Procedure for the purpose of identifying and monitoring such transactions. In terms of the amended provisions of SEBI Listing Regulations relating to related party transactions, the Bank vide Postal ballot on 8 April, 2022 has obtained the approval of the members of the Bank for material related party transactions of the Bank for fiscal 2023. The Bank in accordance with the SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2022/47 dated 8 April 2022, will seek approval of the members at the ensuing 28th AGM for material related party transactions, which will be valid up to the date of the 29th AGM.

The Policy on Related Party Transactions has been reviewed by the ACB and the Board and the same is available on the website of the Bank at <https://www.axisbank.com/docs/default-source/quarterly-reports/6policy-on-related-party-transactions.pdf> in terms of the SEBI Listing Regulations.

Whistle Blower Policy and Vigil Mechanism

The Bank has formulated and adopted a Whistle Blower Policy and Vigil Mechanism, details of which have been provided in the Report on Corporate Governance, which forms part of this annual report.

Maintenance of Cost Records

Being a banking company, provisions of Section 148(1) of the Act, relating to maintenance of cost records is not applicable to the Bank.

Adequacy of Internal Financial Controls related to Financial Statements

The Bank has put in place adequate internal financial controls with reference to its financial statements. These controls ensure the accuracy and completeness of the accounting records and the preparation of reliable financial statements.

Plan and Status of IND AS Implementation

The RBI had issued a circular in February 2016 requiring Banks to implement Indian Accounting Standards (Ind AS) and prepare standalone and consolidated Ind AS financial statements with effect from 1 April, 2018. Banks were also required to report the comparative financial statements for fiscal 2018, to be published along with the financial statement for the year beginning 1 April, 2018. However, the RBI in its press release issued on 5 April, 2018 deferred the applicability of Ind AS by one year (i.e. 1 April, 2019) for Scheduled Commercial Banks. Further, RBI in a circular issued on 22 March, 2019 has deferred the implementation of Ind AS till further notice.

During fiscal 2017, the Bank had undertaken a preliminary diagnostic analysis of the GAAP differences between Indian GAAP vis-a-vis Ind AS. The Bank has also identified and evaluated data gaps, processes and system changes required to implement Ind AS. The Bank is in the process of implementing necessary changes in its IT systems wherever required and other processes in a phased manner. The Bank is also submitting Proforma Ind AS financial statements to RBI on a half-yearly basis.

In line with the RBI guidelines on Ind AS implementation, the Bank has constituted a Steering Committee comprising members from the concerned functional areas, headed by the Deputy Managing Director of the Bank. A progress report on the status of Ind AS implementation in the Bank is presented to the ACB and Board of Directors on a quarterly basis.

Remuneration Policy

The Bank has formulated and adopted a Remuneration Policy for its Non-Executive Chairman and Non-Executive Directors and a Remuneration Policy for its Managing Director & CEO, Whole-Time Directors, Material Risk Takers, Control Function Staff and other employees (the Policies), in terms of the relevant provisions of Section 178 of the Act, the relevant Rules made thereunder, the SEBI Listing Regulations and guidelines/circulars issued by the RBI.

The details of the said Policies have been provided in the Report on Corporate Governance, which forms part of this annual report. The said Policies are available on the website of the Bank at <https://www.axisbank.com/docs/default-source/quarterly-reports/comprehensive-remuneration-policy.pdf>, in terms of the SEBI Listing Regulations.

Employee Stock Option Scheme

The Bank has formulated and adopted Employee Stock Option Scheme (ESOS) for the eligible Employees, Managing Director & CEO and Executive Directors of the Bank and that of its Subsidiary Companies, in terms of the Regulations / Guidelines issued by the Securities and Exchange Board of India.

Pursuant to the authority given by the members at the AGM held on 30 July, 2021, the NRC approved certain amendments to the ESOS of the Bank in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 [SEBI (SBEB and SE) Regulations 2021]. None of these amendments were prejudicial to the interests of the employees.

The ESOS is in compliance with the SEBI (SBEB and SE) Regulations, 2021. A certificate from the Secretarial Auditor of the Bank that the ESOS has been implemented in accordance with SEBI (SBEB and SE) Regulations 2021 and in accordance with the resolutions passed by the members of the Bank, will be placed at the 28th AGM of the Bank.

Disclosures as mandated under the provisions of Regulation 14 of the SEBI (SBEB and SE) Regulations 2021, is available on the website of the Bank at <https://www.axisbank.com/shareholders-corner/corporate-governance/compliance-report>.

Particulars of Employees

The information required pursuant to Section 197 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, in respect of Directors / Employees of the Bank, is attached as **Annexure 1** to this Report.

In terms of Section 197(12) of the Act, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of limits set out in said Rules forms part of this annual report.

In accordance with the provisions of Section 136(1) of the Act, the annual report excluding the aforesaid information, is being sent to the members of the Bank and others entitled thereto. The said information is also available for inspection by the members at the Registered Office of the Bank during business hours of the Bank up to the date of the ensuing Annual General Meeting.

Any member interested in obtaining a copy thereof, may write to the Company Secretary of the Bank at its Registered Office or at shareholders@axisbank.com

Information under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Bank has formulated and adopted a Policy on Prevention of Sexual Harassment of Women at workplace. The Bank has complied with the provisions relating to the constitution of Internal Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The information relating to complaints received and redressed during fiscal 2022 is provided in the Report on Corporate Governance, which forms part of this annual report.

Statutory Auditors

The members at the 24th AGM of the Bank held on 20 June, 2018 appointed Haribhakti & Co. LLP, Chartered Accountants, (Membership Number 103523W / W100048) as the Statutory Auditors of the Bank to hold office as such from the conclusion of the 24th AGM until the conclusion of the 28th AGM of the Bank.

RBI vide its notification no. RBI/2021-22/25 Ref. No. DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated 27 April, 2021, has issued guidelines on appointment of Statutory Central Auditors (SCAs) / Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) (the "RBI Guidelines"). The RBI Guidelines states that the Statutory Audit of Banks should be conducted jointly by two eligible audit firms, who shall be appointed for a continuous period of three years, subject to them satisfying the eligibility norms as stipulated therein, each year.

Further, as per the clarification issued by the RBI, Haribhakti & Co. LLP who had completed three years until fiscal 2021, ceased to be the Statutory Auditors of the Bank on the conclusion of 27th AGM of the Bank.

Accordingly, based on the recommendation of the ACB and the Board, the members of the Bank approved the appointment of M P Chitale & Co., Chartered Accountants (Firm Registration No. 101851W) and CNK & Associates LLP, Chartered Accountants (Firm Registration No. 101961W/ W100036), as the Joint Statutory Auditors of the Bank, to hold office from the conclusion of the 27th AGM until the conclusion of the 30th AGM, on such terms and conditions, including remuneration, as may be approved by the ACB. The approval of the RBI is required to be sought for the appointment of Joint Statutory Auditors every year.

In accordance with the requirement of the aforesaid RBI Guidelines, the Bank has framed a policy on appointment of Statutory Auditors and has also identified internal set of evaluation criteria for assessing the goodness of fit in terms of experience and eligibility for the audit firms including auditor independence.

There are no qualifications, reservations, adverse remarks or disclaimer made by M P Chitale & Co., Chartered Accountants, and CNK & Associates LLP, Chartered Accountants, in the Statutory Auditors Report.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act and the relevant provisions of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Bank had appointed Bhandari & Associates, Company Secretaries, to act as the Secretarial Auditor of the Bank, for fiscal 2022.

The Secretarial Audit of the Bank was conducted in respect of the matters as prescribed in the said Rules and set out in the Secretarial Audit Report, for fiscal 2022, attached as **Annexure 2** to this Report. There are no qualifications, reservations, adverse remarks or disclaimer made by the Secretarial Auditor of the Bank, in its report.

In terms of SEBI circular no CIR/CFD/CMD1/27/2019 dated 8 February, 2019, relating to Annual Secretarial Compliance Report, the Bank had appointed Bhandari & Associates, Company Secretaries, for issuing the aforesaid report for fiscal 2022. The Bank will submit the Annual Secretarial Compliance Report to the Stock Exchanges within the prescribed time limit.

Certificate from a Company Secretary in Practice

In terms of Regulation 34(3) read with Schedule V of the SEBI Listing Regulations, the Bank has obtained a Certificate from Bhandari & Associates, Company Secretaries, confirming that none of the Directors on the Board of the Bank have been debarred or disqualified from being appointed or continuing as Directors of the companies either by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or any other Statutory / Regulatory Authorities. The said certificate is attached as **Annexure 3** to this Report.

Reporting of Frauds by Auditors

During fiscal 2022, pursuant to Section 143(12) of the Act, neither the Statutory Auditors nor the Secretarial Auditor of the Bank have reported any instances of frauds committed in the Bank by its officers or its employees.

Secretarial Standards

The Bank is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS-1) and the Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI). The Bank has also voluntarily adopted the recommendatory Secretarial Standard on Dividend (SS-3) and Secretarial Standard on Report of the Board of Directors (SS-4) issued by ICSI.

Risk Management

Pursuant to Regulation 21 of the SEBI Listing Regulations, the Bank has constituted a Risk Management Committee. The details of the said Committee and its terms of reference are set out in the Report on Corporate Governance, which forms part of this annual report.

The Bank has formulated and adopted a robust Risk Management Framework. Whilst the Board is responsible for framing, implementing and monitoring the Risk Management Framework, it has delegated its powers relating to monitoring and reviewing of risks associated with the business of the Bank to the said Committee. The details of the Risk Management Framework and issues related thereto have been disclosed in the Management's Discussion and Analysis Report, which forms part of this annual report.

Corporate Social Responsibility

The Bank has been undertaking Corporate Social Responsibility (CSR) activities since 2006 through Axis Bank Foundation (ABF), its CSR arm. With the introduction of Section 135 of the Act which made CSR mandatory, the Bank expanded its spectrum of activities to reach out to the communities it serves across the length and breadth of the country.

Pursuant to the provisions of Section 135 of the Act, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (CSR Rules), as amended, the Bank has constituted the CSR Committee of the Board.

The Bank formulated and adopted a CSR Policy which provides the focus areas (in accordance with Schedule VII of the Act) under which various developmental initiatives are undertaken.

The composition of the CSR Committee, CSR Policy and projects/programs approved by the Board are available on the website of the Bank at <https://www.axisbank.com/csr/social-responsibility>.

The Annual Report on CSR activities and details of amount spent or unspent by the Bank during fiscal 2022, in accordance with the CSR Rules, is attached as **Annexure 4** to this Report.

Business Responsibility Report

In terms of Regulation 34(2)(f) of the SEBI Listing Regulations, top 1000 listed entities based on their market capitalisation as on 31st March, every year, are required to submit their Business Responsibility Report (BRR), as a part of their annual report. The Bank's BRR describing the initiatives taken by the Bank from an Environmental, Social and Governance perspective is available on the website of the Bank at <https://www.axisbank.com/shareholders-corner/shareholders-information/business-responsibility-report>.

Significant and Material Order Passed by Regulators or Courts or Tribunals Impacting the Going Concern Status and Operations of the Bank

During fiscal 2022, no significant and / or material order was passed by any Regulator, Court or Tribunal against the Bank, which could impact its going concern status or future operations.

Conservation of Energy & Technology Absorption

The particulars as prescribed under Section 134(3)(m) of the Act, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is attached as **Annexure 5** to this Report.

Annual Return

The Annual Return in Form MGT-7, as mandated under the provisions of Section 92(3) read with Section 134(3) of the Act, has been uploaded on the website of the Bank and is available at <https://www.axisbank.com/shareholders-corner/shareholders-information/annual-return>.

Acknowledgements and Appreciations

The Board places on record its gratitude to the RBI, MCA, SEBI, other Statutory and Regulatory Authorities, Financial Institutions, Stock Exchanges, Registrar and Share Transfer Agent, Debenture Trustees, Depositories and Correspondent Banks for their continued support and guidance.

The Board also places on record its appreciation to its valued customers for their continued patronage and to the members of the Bank for their continued support.

The Board also expresses its heartfelt thanks and gratitude to each employee and their families for their continued commitment towards the Bank and its customers, who by demonstrating strong work ethics, professionalism, teamwork and initiatives helped the Bank continue to serve its depositors and customers and reinforce its customer centric image despite the challenging environment.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 29 April, 2022

Rakesh Makhija
Chairman

DISCLOSURE ON REMUNERATION

[Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

(i) The ratio of the remuneration of each Director of the Bank to the median remuneration of the employees of the Bank for the fiscal 2022 and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary or Manager, if any, in the fiscal 2022, is as under:

Name of the Directors	Designation	Ratio of remuneration to median remuneration of all employees ⁽²⁾	% increase in the remuneration in the fiscal 2022
Rakesh Makhija ⁽⁵⁾	Independent Director and Part-Time Chairman	10.04	N.A.
S. Vishvanathan ⁽⁵⁾	Independent Director	7.99	N.A.
Ketaki Bhagwati ⁽⁵⁾	Independent Director	8.20	N.A.
Girish Paranjpe ⁽⁵⁾	Independent Director	9.50	N.A.
T. C. Suseel Kumar ⁽⁵⁾	Nominee Director	6.69	N.A.
Meena Ganesh ⁽⁵⁾	Independent Director	7.41	N.A.
G. Padmanabhan ⁽⁵⁾	Independent Director	6.30	N.A.
Ashish Kotecha ⁽⁵⁾	Nominee Director	4.86	N.A.
Vasantha Govindan ⁽⁵⁾	Nominee Director	4.53	N.A.
Prof. S. Mahendra Dev ⁽⁵⁾	Independent Director	5.83	N.A.
Amitabh Chaudhry	Managing Director & CEO	99.6	NIL ⁽¹⁾
Rajiv Anand	Deputy Managing Director	53.9	NIL ⁽¹⁾
Rajesh Dahiya ⁽³⁾	Executive Director (Corporate Centre)	N.A.	N.A.
Stephen Pagliuca ⁽⁴⁾	Nominee Director	N.A.	N.A.
Puneet Sharma	Chief Financial Officer	-	12.0%
Sandeep Poddar ⁽⁷⁾	Company Secretary	-	N.A.

(1) The Remuneration for the Whole Time Directors has been calculated as per the RBI circular dated 4 November, 2019 which was effective 1 April, 2020.

(2) All confirmed employees (excluding front line sales force), as on 31 March, 2022 have been considered.

(3) Rajesh Dahiya ceased to be the Executive Director (Corporate Centre) of the Bank, with effect from the close of business hours on 31 December, 2021.

(4) Stephen Paglicua ceased to be the Non-Executive Director (Nominee of entities affiliated to Bain Capital) of the Bank, with effect from the close of business hours on 18 December, 2021.

(5) The remuneration for Independent Directors and Non-Executive Directors for fiscal 2022 comprises only of sitting fees and remuneration in accordance with RBI circular dated 26 April, 2021. In fiscal 2021, the Bank has paid only sitting fees to the Independent Directors and Non-Executive Directors of the Bank. Hence, the percentage increase in the remuneration is not comparable.

(6) There is no increase in fixed remuneration for MD&CEO and other Whole Time Directors.

(7) Sandeep Poddar has been appointed as the Company Secretary of the Bank with effect from 10 January, 2022.

(ii) The percentage increase in the median remuneration of the employees of the Bank during the fiscal 2022

The median remuneration of employees of the Bank increased by 6.2% in fiscal 2022, as compared to fiscal 2021.

(iii) The number of permanent employees on the rolls of the Bank as on 31 March, 2022

The Bank had 85,815 permanent employees on its rolls as on 31 March, 2022.

- (iv) **Average percentile increase already made in the salaries of employees of the Bank other than its managerial personnel (viz. Whole Time Directors of the Bank) during the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.**

Average remuneration increase for non-managerial personnel of the Bank during fiscal 2022 was 7.5%. The average remuneration increase for the managerial personnel of the Bank was NIL.

- (v) **Affirmation that the remuneration is as per the remuneration policy of the Bank.**

It is hereby affirmed that the remuneration paid during fiscal 2022, is in accordance with the Remuneration Policy of the Bank.

SECRETARIAL AUDIT REPORT

FOR THE YEAR ENDED 31 MARCH, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,

AXIS BANK LIMITED

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Axis Bank Limited (CIN: L65110GJ1993PLC020769)** (hereinafter called "the Bank"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Bank's books, papers, minute books, forms and returns filed and other records maintained by the Bank and also the information provided by the Bank, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Bank has, during the audit period covering the year ended on 31 March, 2022 complied with the statutory provisions listed hereunder and also that the Bank has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Bank for the financial year ended on 31 March, 2022 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment. The Bank does not have any Overseas Direct Investment and External Commercial Borrowings during the financial year.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021#;
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018#;
 - i. The Securities Exchange Board of India (Merchant Bankers) Regulation, 1992;
 - j. The Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994; and
 - k. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018

The Regulations or Guidelines, as the case may be were not applicable for the period under review.

The list of Acts, Laws and Regulations specifically applicable to the Bank are given below:

- vi. The Banking Regulation Act, 1949.

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["Listing Regulations"].

During the period under review, the Bank has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, to the extent applicable.

We further report that -

The Board of Directors of the Bank is duly constituted with proper balance of Executive Directors, Non-Executive and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors at least seven days in advance to schedule the Board Meetings other than those held at a shorter notice. Agenda and detailed notes on agenda were sent in advance for the meetings, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the period under review, decisions were carried through unanimously and no dissenting views were observed, while reviewing the minutes.

We further report that there are adequate systems and processes in the Bank commensurate with the size and operations of the Bank to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Bank has undertaken the following events / actions -

1. Members approval was obtained at the 27th Annual General Meeting held on 30 July, 2021 for borrowing/raising of funds denominated in Indian rupees or any other permitted foreign currency, by issue of debt securities on a private placement basis as deemed fit by the Board of Directors of the Bank as per the structure and within the limits permitted by the Reserve Bank of India (RBI), upto an amount of ₹ 35,000 crores in domestic and/or overseas markets within the overall borrowing limits of the Bank.
2. The Bank had received a request letter for re-classification to "Public" category from "Promoter" category from United India Insurance Company Limited, National Insurance Company Limited, The New India Assurance Company Limited, General Insurance Corporation of India dated 26 February, 2021, 4 March, 2021, 22 April, 2021 and 1 June, 2021 respectively. The same was considered by the Board of Directors in the respective subsequent Board meetings after the above-mentioned requests were received. Pursuant to Regulation 31A of the SEBI Listing Regulations, an approval of shareholders was obtained in the Annual General Meeting held on 30 July, 2021. The Bank had submitted the prescribed applications to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) on 5 August, 2021. BSE and NSE vide their respective letters dated 30 November, 2021 have granted their approval for the reclassification of aforementioned promoters to "Public" category from "Promoter" category.

Further the Bank had received a request from The Oriental Insurance Company Limited for reclassification from "promoter" to "Public" category on 7 September, 2021. The same was considered in the subsequent board meeting and pursuant to Regulation 31A(3)(a) (iii) of SEBI Listing Regulations the shareholders' approval for the same was not required. The Bank submitted the prescribed application to BSE and NSE on 12 October, 2021. BSE and NSE vide their respective letters dated 20 December, 2021 granted their approval for the reclassification of The Oriental Insurance Company Limited to "Public" category from "Promoter" category.
3. On 27 December, 2021, the Committee of Whole time Directors of the Bank, approved the allotment of 26,000 Senior Unsecured Taxable Redeemable Non-Convertible Debentures (SERIES- 6) of the face value of ₹ 10 lakh each ("Debentures"), for cash, at par aggregating to ₹ 2,600 Crore at coupon rate of 6.99% p.a. payable annually, on a private placement basis.
4. On 30 March, 2022, the Board of Directors of the Bank, approved the purchase of the Citibank's India Consumer Business from Citibank N.A. (acting through its branch in India) and the NBFC Consumer Business from Citicorp Finance (India) Limited as going concerns subject to fulfilment of specific conditions and obtaining requisite approvals.

5. During the financial year ended 31 March, 2022, the Bank redeemed total bonds / debentures aggregating to ₹ 6,925 crores.
6. The RBI vide their letter dated 28 July, 2021 had imposed a monetary penalty of ₹ 50,000,000 (Rupees Five Crores only) on the Bank for non-compliance with certain directions issued by RBI. The penalty had been imposed in exercise of powers vested in RBI under the provisions of section 47A(1)(c) read with section 46(4)(i) of the Banking Regulation Act, 1949, in respect of the non-compliances which occurred during the earlier periods.
7. The Securities and Exchange Board of India (SEBI) has issued a show cause notice dated 2 March, 2021 for non-adherence to the reporting requirements under Regulation 27 of SEBI (Merchant Bankers) Regulations, 1992 and a penalty of ₹ 500,000 (Rupees Five Lakh only) had been imposed.

For **Bhandari & Associates**
Company Secretaries
Firm Registration No: P1981MH043700

S. N. Bhandari
Partner
FCS No: 761; C P No.: 366
UDIN: F000761D000227361

Place: Mumbai
Date: 29 April, 2022

This report is to be read with our letter of even date which is annexed as Annexure 'A' and forms an integral part of this report.

'Annexure A'

To,
The Members,
AXIS BANK LIMITED
CIN: L65110GJ1993PLC020769

Our Secretarial Audit Report for the Year ended on 31 March, 2022 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Bank. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Bank.
4. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Bank nor of the efficacy or effectiveness with which the management has conducted the affairs of the Bank.

For **Bhandari & Associates**
Company Secretaries
Firm Registration No: P1981MH043700

S. N. Bhandari
Partner
FCS No: 761; C P No.: 366
UDIN: F000761D000227361

Place: Mumbai
Date: 29 April, 2022

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
Axis Bank Limited,
Trishul, 3rd Floor,
Opp. Samartheshwar Temple,
Law Garden Ellisbridge,
Ahmedabad – 380 006
Gujarat.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Axis Bank Limited having Corporate Identity Number (CIN) : L65110GJ1993PLC020769 and having Registered Office at Trishul, 3rd Floor, Opp. Samartheshwar Temple, Law Garden Ellisbridge, Ahmedabad – 380006, Gujarat (hereinafter referred to as 'the Bank'), produced before us by the Bank for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications [including Directors Identification Number (DIN) status at the portal www.mca.gov.in] as considered necessary and explanations furnished to us by the Bank & its officers, we hereby certify that none of the Directors on the Board of the Bank as stated below for the Financial Year ended on 31 March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in the Bank
1.	Rakesh Makhija	00117692	27.10.2015
2.	Amitabh Chaudhry	00531120	01.01.2019
3.	Meena Ganesh	00528252	01.08.2020
4.	Girish Paranjpe	02172725	02.11.2018
5.	S. Vishvanathan	02255828	11.02.2015
6.	Prof. S. Mahendra Dev	06519869	14.06.2021
7.	Rajiv Anand	02541753	12.05.2016
8.	Ketaki Bhagwati	07367868	19.01.2016
9.	T. C. Suseel Kumar	06453310	01.07.2020
10.	G. Padmanabhan	07130908	28.10.2020
11.	Ashish Kotecha	02384614	01.11.2020
12.	Vasantha Govindan	02230959	27.01.2021

Ensuring the eligibility of / for the appointment / continuity of every Director on the Board is the responsibility of the management of the Bank. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Bank nor of the efficiency or effectiveness with which the management has conducted the affairs of the Bank.

For **Bhandari & Associates**
Company Secretaries

S. N. Bhandari

Partner

FCS No: 761; C P No. : 366

Mumbai | April 29, 2022

ICSI UDIN: F000761D000227570

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

[As prescribed under Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021]

1. Brief Outline on CSR Policy of the Company:

The Corporate Social Responsibility (CSR) philosophy of Axis Bank Limited (the Bank) is to make meaningful and measurable contributions in the lives of socially, economically, financially and physically excluded, disadvantaged and challenged communities of the country through an integrated approach of development that focuses on creating opportunities for enhancing livelihood opportunities, improving quality of education and skills development, creating awareness amongst public at large on topics of financial literacy, health and hygiene and facilitating or providing access to formal banking channels for un-banked sections of the society (financial inclusion), promoting environmental sustainability, and supporting health and sanitation initiatives which may be implemented either directly by the Bank or through Axis Bank Foundation (ABF) or other implementation partners, as per the Annual Action Plan (AAP), approved by the Board of Directors (the Board) of the Bank.

2. Composition of the CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Rakesh Makhija	Chairman – Independent Director	4	4
2	Rajiv Anand	Member – Deputy Managing Director	4	4
3	Meena Ganesh ¹	Member – Independent Director	3	3
4	Rajesh Dahiya ²	Member – Executive Director (Corporate Centre)	3	3
5	T.C. Suseel Kumar ³	Member – Nominee Director	1	1

¹ Appointed as member with effect from 14 June, 2021.

² Ceased to be a member, with effect from close of business hours of 31 December, 2021.

³ Ceased to be a member with effect from 14 June, 2021

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company: <https://www.axisbank.com/csr/social-responsibility>
4. Provide the details of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):
There were no eligible programs for impact assessment in fiscal 2022.
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:
Not Applicable
6. Average net profit of the Company as per section 135(5): ₹ 6,903.12 crore
7. (a) Two percent of average net profit of the Company as per section 135(5): ₹ 138.06 crore
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years:
Not Applicable
- (c) Amount required to be set off for the financial year, if any: Not Applicable
- (d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 138.06 crore

8. (a) CSR amount spent or unspent for the financial year:

		Amount Unspent (in ₹)	
Total Amount Spent for the Financial Year (in ₹)	Total Amount transferred to Unspent CSR Account as per section 135(6)	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)	
	Amount	Date of transfer	Amount
113.37 crore	24.88 crore	22/04/2022 25/04/2022 26/04/2022	NA NA NA

(b) Details of CSR amount spent against ongoing projects for the financial year:

Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project	Project duration	Amount allocated for the project (in ₹ crore)	7	8	9	10	11
				State. District.			Amount spent in the current financial year (in ₹ crore)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ crore)	Name of the Fund	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency
1	Sustainable Livelihood	Livelihood enhancement, vocational skills training, conservation of natural resources and rural development - Schedule VII - (ii), (iv), (x)	Local area (137 Districts) and Others (5 Districts)	Pan India - Andhra Pradesh (5 Districts), Assam (2 Districts), Bihar (7 Districts), Chhattisgarh (10 Districts), Delhi (NCT) (3 Districts), Gujarat (12 Districts), Haryana (3 Districts), Himachal Pradesh (2 Districts), Jammu & Kashmir (8 Districts), Jharkhand (8 Districts), Karnataka (4 Districts), Kerala (6 Districts), Madhya Pradesh (16 Districts), Maharashtra (6 Districts), Odisha (5 Districts), Puducherry (UT) (1 District), Rajasthan (13 Districts), Tamil Nadu (9 Districts), Telangana (4 Districts), Uttar Pradesh (8 Districts), Uttarakhand (6 Districts), West Bengal (4 Districts)	April 2021 to March 2023	76.87	67.89	8.98	Axis Bank Foundation	No	Axis Bank Foundation
2	Education (i) Axis DISe- Manipur Axis DISe- Assam	Promoting Education & Skill Development - Schedule VII - (ii)	Yes	Pan India - Manipur (1 District), Assam (1 District), Maharashtra (1 District)	April 2021 to March 2023	4.66	1.17	3.49	No	No	Sunbird Trust Ayang Trust
	(ii) Ashoka University Plaksha University	Promoting Education & Skill Development - Schedule VII - (ii)	Yes	Haryana (1 District), Punjab (1 District)	July 2021 to June 2022	1.75	1.75	0	No	No	Ashoka University (International Foundation For Research And Education (IFRE)), Plaksha University (Reimagining Higher Education Foundation)
	(iii) Museum of Solutions (MuSo)	Promoting Education & Skill Development - Schedule VII - (ii)	Yes	Maharashtra (1 District)	February 2022 to January 2023	1.75	1.75	0	No	No	JSW Foundation

1	2	3	4	5	6	7	8	9	10	11
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project	Project duration	Amount allocated for the project (in ₹ crore)	Amount spent in the current financial year (in ₹ crore)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ crore)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency
				State. District.						Name CSR Registration number
3	Environmental Sustainability (I) Tree Plantation	Ensuring environmental sustainability - Schedule VII - (iv)	Yes	Pan India - Madhya Pradesh (1 District), Maharashtra (1 District), Rajasthan (2 Districts), West Bengal (1 District)	January 2022 to December 2024	11.95	0.29	11.66	No	Foundation for Ecological Security (FES), Nature Environment and Wildlife Society (NEWS), Seva Mandir, The Corbett Foundation (TCF)
	(ii) Miyawaki Plantation	Ensuring environmental sustainability - Schedule VII - (iv)	Yes	Maharashtra (2 Districts)	February 2022 to March 2024	1.50	0.75	0.75	No	Green Yatra (GY) Trust CSR00000236
	TOTAL					98.48	73.60	24.88		

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

1	2	3	4	5	6	7	8
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project	Amount spent for the project (in ₹ crore)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through implementing agency
				State. District.			Name CSR Registration number
1	Financial Literacy & Financial Inclusion	Education, Reducing inequalities faced by socially and economically backward groups, rural development - Schedule VII - (ii), (iii), (x)	Yes	Pan India - Assam (9 Districts), Bihar (38 Districts), Chhattisgarh (20 Districts), Goa (2 Districts), Gujarat (19 Districts), Haryana (1 District), Jharkhand (17 Districts), Karnataka (27 Districts), Kerala (14 Districts), Madhya Pradesh (34 Districts), Maharashtra (22 Districts), Meghalaya (1 District), Odisha (26 Districts), Puducherry (UT) (1 District), Rajasthan (26 Districts), Sikkim (1 District), Tamil Nadu (29 Districts), Tripura (5 Districts), Uttar Pradesh (29 Districts), Uttarakhand (3 Districts), West Bengal (22 Districts)	30.00	Yes	Not Applicable Not Applicable
2	Relief and Need based projects	Promotion of health care including preventive health care and sanitation and disaster management - Schedule VII - (i), (ii), (xii)	Yes	Pan India - Chhattisgarh (12 Districts), Gujarat (1 District), Himachal Pradesh (2 Districts), Haryana (1 District), Karnataka (1 District), Madhya Pradesh (1 District), Maharashtra (2 Districts), Nagaland (1 District), Odisha (1 District), Tamil Nadu (2 Districts), Telangana (1 District), West Bengal (5 Districts)	9.47	Yes*	Not Applicable Not Applicable
	TOTAL				39.47		

* Relief and Need based projects have also been implemented in conjunction with implementing agencies - Sri Sathya Sai Health & Education Trust (SSSHET) with CSR Registration No: CSR00001048 and Roti Foundation with CSR Registration No: CSR000006332.

(d) Amount spent in Administrative Overheads: ₹ 0.30 crore (less than 1%)

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 138.25 crore

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per section 135(5)	138.06 crore
(ii)	Total amount spent for the Financial Year	138.25 crore
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.19 crore
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Not Applicable
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.19 crore

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (in ₹ crore)	Amount spent in the reporting Financial Year (in ₹ crore)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹ crore)
				Name of the Fund	Amount (in ₹ crore)	Date of transfer	
1.	Fiscal 2021	0	90.93	NA	0	NA	0
2.	Fiscal 2020	0	100.96	NA	0	NA	0
3.	Fiscal 2019	0	137.59	NA	0	NA	0
	TOTAL	0	329.48	NA	0	NA	0

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed / Ongoing
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): Not Applicable

- Date of creation or acquisition of the capital asset(s)
- Amount of CSR spent for creation or acquisition of capital asset
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):

New project(s) / program(s) of on-going nature were identified and launched during the FY on account of which the entire mandated CSR spend amount could not be consumed within the FY under review. The unspent amount against the said project(s) / program(s) has since been transferred into the "Unspent CSR Account" to be utilized for these project(s) / program(s) within the next three financial years.

Rakesh Makhija
Chairman – CSR Committee

Amitabh Chaudhry
Managing Director & CEO

Place: Mumbai
Date: 29 April, 2022

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Conservation of Energy

The steps taken by the Bank or impact on conservation of energy:

- a) Under Green building initiatives, Indian Green Building Council (IGBC) conferred Platinum certification for Axis House, Mumbai under Green Existing Building Rating System for “Energy and Operational Efficiency”.
- b) Electrical vehicle charging facility available at large buildings i.e. Axis House, Mumbai, Andheri MIDC & Axis House Noida.
- c) Lithium based battery backup provided for all new UPS installations & existing replacement.
- d) Inverter based air conditioning machines with green refrigerant gas (R32/R410A) provided for all new installations and existing replacements.
- e) Replacement of conventional lights to LED lights provided in all Branch / Office.
- f) Centralized Energy Management System (CEMS) operational in 600 branches to monitor and control energy consumption.
- g) Conversion of food / wet waste at Axis House, Mumbai into manure through compost machine for use in landscaping / gardening.
- h) Daily re-cycling capacity of 110 KL of water through Sewage Treatment Plant at Axis House, Mumbai.
- i) Rain water harvesting capacity of ~2,000 KL of water yearly at Axis House, Mumbai.
- j) Savings of water consumption by use of Sensors / Bio-blocks in urinals at select large Offices.

The steps taken by the Bank for utilising alternate sources of energy:

- a) Solar power purchased under Power Purchase Agreement (PPA) model for Banks Business Continuity Centre (Data Centre), Bangalore.
- b) Solar Roof top / on Ground Installations across select 245 Branches / Offices, aggregating ~ 7.05 MW.
- c) Three large offices in Mumbai i.e. Axis House Mumbai, MIDC Andheri and The Ruby premises being operational on 100% renewal green energy.

Capital Investments on Energy Conservation Equipments:

- a) Replacement of conventional lights with LED lights at existing set up and new branches estimated at ~ ₹2.0 crore p.a.
- b) Yearly cost of ~ ₹3.22 crore towards Centralized Energy Management Services (CEMS) project.

Technology Absorption

- i) Efforts made towards technology absorption:

With the objective of making banking simple and hassle-free for customers, the Bank continues its technology driven business initiatives to deliver value through continuous technology adoption and innovation. During the year, multiple initiatives continued to strengthen Bank’s technology capabilities further.

- (a) Mobile Banking: Our Mobile Banking volumes continued to grow with our app, which offers 250+ DIY services, being among the highest rated Banking app on Apple Store (rating of 4.6) and Google Play Store (4.6). WhatsApp Banking emerged as a significant channel with over 2 million+ customers on-boarded.
- (b) Cloud Adoption: The Bank is a leader in Cloud adoption and has taken a complete cloud first approach. The Bank has been the first to create 3 landing zones (AWS, Azure and GCP) to support its multi-cloud strategy. The rapid pace of cloud adoption, driven by a dedicated Cloud COE, has helped the Bank to drive business innovation at a faster pace. Using automation and SOPs, the Bank reduced its infrastructure provisioning TAT by ~90% compared to comparable on-premises solutions. This helped the Bank deliver faster, better on digital initiatives (like Video KYC based CASA opening and WhatsApp banking). The Bank had 55+ critical applications on Cloud as on March 2022 and is targeting to take 70% of its applications on cloud in next two years.
- (c) API Strategy: The Bank is committed to its open ecosystem proposition to build dedicated partnerships with our focused API strategy. We adopted Next Gen integration by deploying more than 325 APIs across Retail and Corporate channels.

- (d) **Emerging Technologies:** The Bank solidified its capabilities in emerging technologies of AI, ML, Automation, and Data Analytics. We have so far created ~400+ RPA bots and 1,000+ automated processes. We continue our journey towards best in class efficiency for RPA Voice, and IOCR.
 - (e) **Infrastructure Resiliency:** While pushing to deliver new customer facing products, the Bank has also strengthened its infrastructure to maintain high performance and availability standards expected by customers and regulators. The Bank is re-architecting its technology infrastructure to be Cloud native, allowing the necessary agility, speed and flexibility for scale. We invested heavily in resilience through various initiatives like: software defined networking, infra standardization, zero data loss methodologies and governance.
 - (f) **Blockchain Enablement:** The Bank executed an industry first blockchain enabled domestic LC transaction on SLDE (Secured Logistics Document Exchange), a Government of India backed blockchain platform. This platform provides a seamless experience to all participants involved in trade transaction, giving them visibility of the transaction and documents, thus resulting in better management of working capital requirement.
 - (g) **Structured Derivatives:** The Bank concluded structured derivative transaction, as per Reserve Bank of India's fresh guidelines for over-the-top derivatives. The 'Barrier FX options' transactions were undertaken for the purpose of managing currency risks and allows Indian corporate houses in utilizing complex derivative products for hedging foreign exchange and rate differential risks.
 - (h) **Tech led Trade Financing:** The Bank became the first Indian private sector bank to arrange a Term SOFR (Secured Overnight Financing Rate) linked trade financing deal, joining a select group of Banks / FIs globally who have executed similar transactions. This transaction was executed for Hindalco Industries Limited, the world's largest aluminum company by revenues. This deal demonstrates the Bank's agility to adapt to the changing times and reflects the confidence of its clients in the Bank's capabilities.
 - (i) **Channel Partner Management System:** The Bank introduced Channel Partner portal that provides a platform to Bank's DSA to view real time sales details, pay-out portfolios, invoicing, and GST details along with product information.
 - (j) **SWIFT Partnership:** The Bank partnered with SWIFT to provide comprehensive, digitalized trade banking solutions. This will help digitize bank guarantees and reduce TAT from current 2 weeks in physical form to within a few minutes. We have also digitized application forms for payment through Asian Clearing Union and other legal forms, which are required under the FEMA (Foreign Exchange Management Act).
 - (k) **Cyber Security:** The Bank continued to pursue a holistic cyber security program with a comprehensive Cyber Security Policy and Standards based on industry best practices in compliance with regulatory guidelines. We remain committed to highest standards of data security and customer privacy with BitSight Rating of 780, 24*7 Dark web monitoring and Cyber security threat intelligence.
 - (l) **BIAN Membership:** The Bank joined Banking Industry Architecture Network (BIAN), an independent, not-for-profit ecosystem formed of leading banks, technology providers, consultants and academics across the globe to transform its Architecture for the customer of the future.
 - (m) **Technology powered Hybrid Workplace:** The Bank actively encouraged large scale hybrid workplace model enabled by technology. 3,000 employees are now working from anywhere under GIG-A-Anywhere and over 12,000 employees in our large offices are part of the hybrid model.
- ii) The technology benefits derived from the initiatives highlighted above included product improvement, cost reduction, product development or import substitution.

In addition to focusing on developing new age technology products, the Bank continues to strengthen its core systems and applications with planned upgrades. The infrastructure is also being upgraded to deliver improved resiliency. The Bank is also exploring open source products and platforms to provide reliability and flexibility without adding a significant cost of licensing and support.

iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year).

(a) The details of technology imported

1. No hardware procurements have been made in foreign currency.
2. Software licenses and upgrades have been procured over the past three financial years, detailed as under.

(b) The year of import:

The details for the fiscal 2019, fiscal 2020, fiscal 2021 and fiscal 2022 are provided below:

Year	Currency	Current fiscal 2022 payment
Fiscal 2019	USD	500,000
Fiscal 2020	USD	143,376
Fiscal 2021	USD	115,000
Fiscal 2022	USD	723,000
Grand Total		1,481,376

(c) Whether the technology been fully absorbed:

All licenses procured have been put to use.

(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof:

NA.

iv) The expenditure incurred on Research and Development: Nil

Foreign Exchange Earning and Outgo

The provisions relating to Section 134(3)(m) of the Companies Act, 2013 on particulars relating to Foreign Exchange Earning and Outgo are not applicable to a Banking Company, as such no disclosure is being made in this regard.

Management's Discussion and Analysis

Macro-economic Environment

Early optimism around fiscal 2022 was short lived, as the resurgent second wave of COVID-19 spread across India, that disrupted the economic recovery even though the impact was more severe on health unlike the first wave. At the same time, the global economies were also grappling with their own COVID waves, that led the respective countries to continue with fiscal and monetary support while the inflation notably was still seen as transitory. In India's case, these developments pushed the recovery back around two quarters, with a notable uptick in activity conditions beginning to get visible around the festive season of October. Though partly offset by the third wave led by Omicron infections in January, economic activity, strengthened further in the second half of fiscal with a number of high frequency indicators showing improvement including those in contact-intensive services.

At the same time, the second half of the fiscal also brought on increasing realisation amid global central banks of the more entrenched nature of inflation, with comments by major central banks beginning to indicate fairly rapid normalisation of monetary policy. Conditions were exacerbated towards the end of the fiscal by the war in Europe and tight containment measures in China given rapid spread of COVID-19: these counteracted the improved mobility conditions and better supply chain conditions, once again constricting availability of inputs. This drove prices for a number of inputs higher, with increasing anecdotes of transmission of these prices to consumers domestically. The higher inflation was also accompanied by major global rating agencies trimming growth assumptions for India with increasing likelihood that a large chunk of real output lost during the COVID years will be permanent.

Prospects for fiscal 2023

The year ahead is likely to see continued deterioration of growth impulses globally - already seen in some high frequency indicators - given contraction in real earnings, more limited availability of inputs, tighter monetary and fiscal conditions, as well as geopolitical uncertainty brought on by the Ukraine war. At the same time, significant policy uncertainty exists given the path of inflation, as well as around global political events in the year ahead including the US mid-term election. Policy developments out of China will need to tackle concerns around growth, COVID lockdowns and upcoming political events, with the currency also back in focus as a macro policy tool taking the place of interest rates.

The mix of above factors is likely to keep uncertainty heightened in the domestic context, impacting the good growth witnessed towards the second half of fiscal 2022. To an extent, a good monsoon and high agricultural prices will likely support rural demand, while recovery in contact intensive services will continue to support urban demand. In focus, however, is the path of interest rates, following the RBI Monetary Policy Committee's off cycle tightening announced in March. Indications are that more moves are to follow, with a reversal of COVID-era ultra-accommodation as the first step. This is true for both rates and liquidity and will likely lead to upward pressure on both deposit and lending rates of banks. Notwithstanding this, credit growth at banks is likely to be supported, with high inflation driving demand for working capital, and also driving good nominal earnings growth.

Bank credit growth is likely to be around 10.7% in the year ahead, though the high base of deposit growth in the past as well as tightening steps to be taken indicate more muted growth in deposits.

OVERVIEW OF FINANCIAL PERFORMANCE

Changes in presentation in financial statements

Effective 1 April, 2021, the Bank has carried out the following changes in presentation of certain items in the financial statements:

- o **Provision for depreciation on investments**

Based on RBI Master Direction on Financial Statements – Presentation and Disclosures issued on 30 August, 2021, provision for depreciation on investments hitherto classified as part of provisions and contingencies has been reclassified as part of other income.

- o **Recoveries from written off accounts**

Recoveries from written off accounts hitherto included as part of other income have been adjusted as a credit to provisions and contingencies.

o Presentation of structured collateralised foreign currency loans and deposits

The Bank was reporting structured collateralised foreign currency loans extended to customers and deposits received from the same customer on a gross basis as advances and deposits respectively. The Bank has changed the aforementioned practice to report such structured collateralised foreign loans and deposits on a net basis for better presentation.

For all the aforesaid changes, previous year figures have been regrouped and reclassified to conform to current classification. There is no impact of this change on the net profit/loss of the current or earlier periods and consequently ratios for prior year are not restated.

Operating performance

(₹ in crores)			
Particulars	2021-22	2020-21	% change
Net interest income	33,132	29,239	13%
Non-interest income	15,221	12,264	24%
Operative revenue	48,353	41,503	17%
Operating expenses	23,611	18,375	28%
Operating profit	24,742	23,128	7%
Provisions and contingencies	7,360	14,322	(49%)
Profit before tax	17,382	8,806	97%
Provision for tax	4,357	2,217	96%
Net profit	13,025	6,589	98%

Operating revenue increased by 17% Y-o-Y (year-on-year) from ₹41,503 crores in fiscal 2021 to ₹48,353 crores in fiscal 2022. Net interest income (NII) rose 13% from ₹29,239 crores in fiscal 2021 to ₹33,132 crores in fiscal 2022. Non-interest income consisting of fee, trading and other income increased by 24% from ₹12,264 crores in fiscal 2021 to ₹15,221 crores in fiscal 2022.

Operating expenses rose 28% from ₹18,375 crores in fiscal 2021 to ₹23,611 crores in fiscal 2022. The increase is primarily due to higher business volumes, investments in technology to support future business growth, higher collection expenses and statutory costs. Healthy growth in operating revenue offset by a higher growth in operating expenses in fiscal 2022 compared to previous year led to a growth in the Bank's operating profit by 7% to ₹24,742 crores from ₹23,128 crores reported last year. Provisions and contingencies decreased by 49% from ₹14,322 crores in fiscal 2021 to ₹7,360 crores in fiscal 2022.

Net profit for the year ended 31 March, 2022 increased 98% and stood at ₹13,025 crores, as compared to the net profit of ₹6,589 crores last year.

Net interest income

(₹ in crores)			
Particulars	2021-22	2020-21	% change
Interest on loans	49,617	47,620	4%
Interest on investments	14,619	12,558	16%
Other interest income	3,141	3,168	(1%)
Interest income	67,377	63,346	6%
Interest on deposits	26,684	26,544	1%
Other interest expense	7,561	7,563	-
Interest expense	34,245	34,107	0.4%
Net interest income	33,132	29,239	13%
Average interest earning assets ¹	954,896	816,183	17%
Average Current Account and Savings Account (CASA) ¹	311,178	257,082	21%
Net interest margin	3.47%	3.53%	
Yield on assets	7.06%	7.69%	
Yield on advances	8.03%	8.62%	
Yield on investments	6.00%	6.51%	
Cost of funds	3.86%	4.48%	
Cost of deposits	3.68%	4.27%	

¹ computed on daily average basis

Management's Discussion and Analysis

NII constituted 69% of the operating revenue and increased by 13% from ₹29,239 crores in fiscal 2021 to ₹33,132 crores in fiscal 2022. The increase was primarily due to an increase in average interest earning assets on a daily average basis by 17%.

During this period, the yield on interest earning assets decreased from 7.69% in fiscal 2021 to 7.06% in fiscal 2022. The yield on advances decreased by 59 bps from 8.62% in fiscal 2021 to 8.03% in fiscal 2022. The yield on investments also decreased by 51 bps during fiscal 2022.

Cost of funds decreased by 62 bps from 4.48% in fiscal 2021 to 3.86% in fiscal 2022. During the year, the Bank continued its focus on both CASA plus Retail Term Deposits (RTD) as part of its overall deposit growth strategy. As a result, the cost of deposits decreased to 3.68% from 4.27% last year. CASA and RTD deposits together, on a daily average basis, reported a healthy increase of 16% to ₹597,832 crores from ₹517,563 crores last year.

Non-interest income

Particulars	₹ in crores		
	2021-22	2020-21	% change
Fee income	13,001	10,686	22%
Trading profit	1,627	1,218	34%
---of which			
Provision for depreciation on investments	264	(1,329)	-
Miscellaneous income	593	360	65%
Non-interest income	15,221	12,264	24%

Non-interest income comprising fees, trading profit and miscellaneous income increased by 24% to ₹15,221 crores in fiscal 2022 from ₹12,264, crores last year and constituted 31% of the operating revenue of the Bank.

Total fee income from the Bank's retail operations accounted for 17% of total operating revenue of the Bank for fiscal 2022 as compared to 16% in fiscal 2021, and 64% and 62% of the Bank's total fee income for fiscals 2022 and 2021 respectively. The Bank's granular fee across third party distribution, grew 29% on a Y-o-Y basis. Retail card fees and Retail non-card fees and constituted 22% and 42%, respectively of the total fee income in fiscal 2022.

Fee income derived from the Wholesale banking group accounted for 10% of total operating revenue of the Bank for fiscal 2022 and fiscal 2021 and 36% of the Bank's total fee income for fiscal 2022 and 38% in fiscal 2021. Within Wholesale Banking fees, fees from Transaction Banking grew 25% Y-o-Y in fiscal 2022 and contributed 3% to operating revenue.

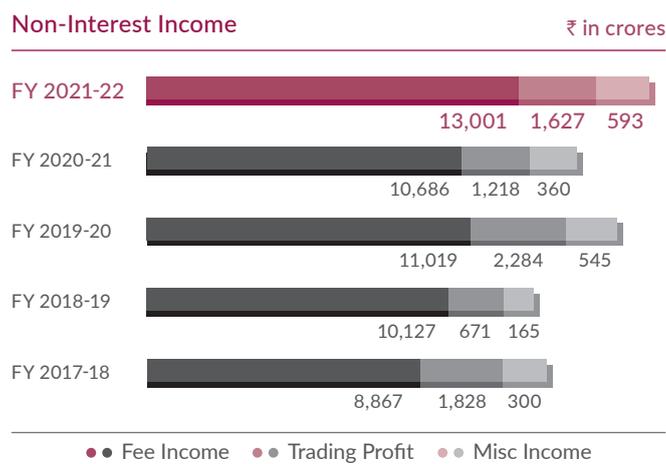
Growth in reported fee income was mainly on account increase in business volume in fiscal 2022 across segments. Fee income increased by 22% to ₹13,001 crores from ₹10,686 crores last year and continued to remain a significant part of the Bank's non-interest income. It constituted 85% of non-interest income and contributed 27% to the operating revenue.

During the year, proprietary trading profits without considering impact of provision for depreciation decreased by 47% to ₹1,362 crores from ₹2,547 crores last year mainly on account of lower profits on the SLR portfolio in fiscal 2022 in comparison with fiscal 2021. Profits on the SLR portfolio in fiscal 2022 amounted to ₹712 crores as compared to ₹1,577 crores in fiscal 2021.

The Bank's miscellaneous income in fiscal 2022 stood at ₹593 crores compared to ₹360 crores in fiscal 2021, comprising mainly of income from sale of Priority Sector Lending Certificates (PSLC) amounting to ₹350 crores in fiscal 2022 (₹218 crores in fiscal 2021). The Bank also booked dividend from subsidiaries amounting to ₹89 crores under miscellaneous income as compared to ₹58 crores in fiscal 2021.

Operating revenue

The operating revenue of the Bank increased by 17% to ₹48,353 crores from ₹41,503 crores last year. The core income streams (NII and fees) constituted 95% of the operating revenue, reflecting the stability of the Bank's earnings.



Operating expenses

Particulars	(₹ in crores)		
	2021-22	2020-21	% change
Staff cost	7,613	6,164	24%
Depreciation	1,008	948	6%
Other operating expenses	14,990	11,263	33%
Operating expenses	23,611	18,375	28%
Cost : Income Ratio	48.83%	41.69%	
Cost : Asset Ratio	2.17%	1.96%	

The operating expenses of the Bank increased during the year by 28% Y-o-Y from ₹18,375 crores in fiscal 2021 to ₹23,611 crores in fiscal 2022 as the Bank continued to invest in technology and human capital for supporting the existing and new businesses. The Operating Expenses to Assets ratio increased to 2.17% compared to 1.96% last year.

Staff cost increased by 24% from ₹6,164 crores in fiscal 2021 to ₹7,613 crores in fiscal 2022, primarily on account of annualization of fiscal 2021 hiring and 10% increase in employee strength from 78,307 as at end of fiscal 2021 to 85,815 as at the end of fiscal 2022.

In line with RBI's August 2021 clarification on Guidelines around Compensation of Whole Time Directors/Chief Executive Officers/Material Risk Takers and Control Function Staff advising banks that the share-linked instruments are required to be fair valued, the Bank changed its accounting policy from the intrinsic value method to the fair value method for all share-linked instruments granted after 31 March, 2021 and recognised the fair value of options as a compensation expense over the vesting period. As a result, staff cost for the fiscal 2022 is higher by ₹130 crores with a consequent reduction in the profit before tax by the same amount. Without considering the impact of such change, the increase in staff cost would have been 21%.

Other operating expenses (excluding depreciation) increased by 33% from ₹11,263 crores in fiscal 2021 to ₹14,990 crores in fiscal 2022. The increase is primarily due to higher business volumes, investments in technology to support future business growth, higher collection expenses and statutory costs.

36% of total cost increase was on account of investments in technology and future growth, 22% of the total cost increase was volume linked, 15% was collection linked and statutory expenses and balance 27% was business as usual expenses. The Bank added 164 branches and extension counters during fiscal 2022. The statutory cost increased by ₹425 crores majorly attributable to meet PSLC obligations and higher DICGC premium payment.

Operating profit

During the year, the operating profit of the Bank increased by 7% to ₹24,742 crores from ₹23,128 crores last year on account of healthy growth in operating revenues partially offset by an increase in operating expenses.

Provisions and contingencies

Particulars	(₹ in crores)		
	2021-22	2020-21	% change
Provision for non-performing assets	7,549	12,205	(38%)
Recoveries from written off accounts	(2,367)	(1,246)	90%
Provision for restructured assets/SDR/S4A	1	(14)	-
Provision for country risk	19	(12)	-
Provision for standard assets including unhedged foreign currency exposure	126	2,674	(95%)
---of which			
Provision for loans under moratorium	-	2,012	-
Provision for other contingencies	2,032	715	184%
---of which			
Additional Provision for delay in implementation of resolution plan	410	-	-
Provision for COVID-19 and MSME Restructuring	912	499	83%
Total Provision and contingencies	7,360	14,322	(49%)

Management's Discussion and Analysis

During fiscal 2022, the Bank created provisions (other than provisions for tax) of ₹7,360 crores compared to ₹14,322 crores last year net of recoveries from written off accounts. The Bank's recoveries from written off accounts in fiscal 2022 stood at ₹2,367 crores compared to ₹1,246 crores in fiscal 2021, Key items of the same are explained below -

Provisions for NPAs:

The Bank provided ₹7,549 crores towards non-performing assets compared to ₹12,205 crores last year. The decrease in provision for non-performing assets is primarily on account of lower net slippages at ₹5,760 crores in fiscal 2022 as compared to net slippages of ₹8,987 crores in fiscal 2021.

Provisions for standard assets:

The Bank provided ₹126 crores for standard assets including unhedged foreign currency exposure compared to ₹2,674 crores last year. Provision for standard assets for fiscal 2021 was higher since it included provision of ₹2,012 crores towards the 10% provision on loans under moratorium as per RBI guidelines on COVID-19 regulatory package. The Bank has not utilised any provision made on loans under moratorium towards slippages that have happened during fiscal 2022.

Provision for other contingencies:

Provisions for other contingencies for fiscal 2022 amounted to ₹2,032 crores as compared to ₹715 crores in fiscal 2021. This increase is mainly on account of following -

- During the year, the Bank made a provision of ₹912 crores for COVID and MSME Restructuring as against a provision of ₹499 crores made in fiscal 2021. The increase in provision is mainly towards accounts restructured in fiscal 2022 under RBI guidelines on Resolution Framework 2.0 for COVID-19 related stress.
- Further, during the year the Bank has made additional provision for delay in implementation of resolution plan of ₹410 crores including provision on non-funded outstanding as well on such accounts.
- The balance provision in fiscal 2022 comprises of provision on probable legal cases amounting to ₹215 crores as compared to ₹13 crores in fiscal 2021.

The Bank continues to hold provisions of ₹5,012 crores as at 31 March, 2022 against the potential impact of COVID-19.

As at the end of fiscal 2022, the cumulative non NPA provisions amounted to ₹12,428 crores as compared to ₹12,010 crores at the end of fiscal 2021. The standard assets coverage ratio (all non NPA provisions / standard assets) stands at 1.77%.

Provision for tax

Provision for tax for fiscal 2022 stood at ₹4,357 crores as compared to ₹2,217 crores for last year. Profit before tax for the fiscal 2022 stood at ₹17,382 crores as compared to ₹8,806 crores in fiscal 2021 which led to the increase in provision for tax for the fiscal 2022. The effective rate of tax during fiscal 2022 was 25.07%.

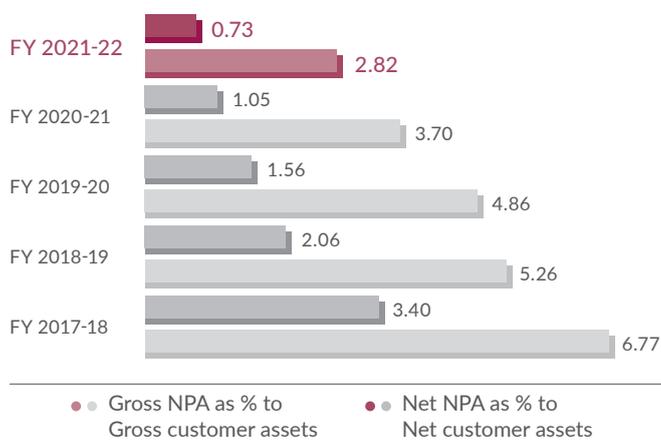
Net profit

Net profit for the year ended 31 March, 2022 increased and stood at ₹13,025 crores, as compared to the net profit of ₹6,589 crores last year, primarily on account of increase in operating profit by 7% Y-o-Y and 49% decline in provisions and contingencies.

Asset Quality Parameters

The asset quality metrics improved during the fiscal, with reduction in NPA ratios year on year.

Gross and Net NPA %



During the fiscal, the quantum of low rated pool of BB and below accounts (excluding investments and non-fund based exposure) decreased and stood at ₹5,778 crores as compared to ₹7,443 crores at the end of fiscal 2021. The aggregate outstanding in low rated pool of BB and below investments and non-fund based accounts was ₹826 crores and ₹2,780 crores respectively as at the end of March 2022.

The Bank added ₹20,110 crores to Gross NPAs during the year. The Bank's ratio of Gross NPAs to gross customer assets decreased to 2.82%, at the end of March 2022 from 3.70% as at end of March 2021.

The Bank added ₹5,760 crores to Net NPAs after adjusting for recoveries and upgradations of ₹3,360 crores and ₹10,990 crores respectively and the Bank's Net NPA ratio (Net NPAs as percentage of net customer assets) decreased to 0.73% from 1.05%.

The Bank's provision coverage increased during the fiscal and stood at 75% excluding prudential write-offs. The Bank's accumulated prudential write off pool stood at ₹36,256 crores as at end of fiscal 2022.

The fund based outstanding of standard loans under COVID -19 resolution scheme at 31 March, 2022 stood at ₹4,029 crores or ~ 0.52% of gross customer assets. The linked non fund based outstanding for which there has been no change in original terms stood at ₹982 crores. Outstanding restructured loans under the MSME scheme stood at ₹807 crores. The Bank holds a provision of ₹1,411 crores on these restructured assets. In addition, the Bank also holds a provision of ₹77 crores on a portion of these restructured assets which overlaps with SMA-2/BB & below portfolio of the Bank, taking total provision as on 31 March, 2022 to ₹1,488 crores.

Key ratios

Particulars	(₹ in crores)	
	2021-22	2020-21
Basic earnings per share (₹)	42.48	22.15
Diluted earnings per share (₹)	42.35	22.09
Book value per share (₹)	374.71	331.63
Return on equity (%)	12.91%	7.55%
Return on assets (%)	1.21%	0.70%
Net interest margin (%)	3.47%	3.53%
Profit per employee (₹ lakh)	15.54	8.66
Loan to Deposit ratio (Domestic)	79.66%	82.06%
Loan to Deposit ratio (Global)	86.12%	88.18%

Basic Earnings Per Share (EPS) was ₹42.48 compared to ₹22.15 last year, while the Diluted Earnings Per Share was ₹42.35 compared to ₹22.09 last year. Return on Equity (RoE) and Return on Assets (RoA) improved during the year and stood to 12.91% and 1.21% respectively. Book Value per Share increased by 13% to ₹374.71 from ₹331.63 last year. Profit per Employee stood at ₹15.54 lakh as compared to ₹8.66 lakh last year.

Loan to Deposit ratio of the Bank as on 31 March, 2022 was at 86.12% with a domestic loan to deposit ratio of 79.66%.

Balance Sheet parameters

Assets

Particulars	(₹ in crores)		
	2021-22	2020-21	% change
Cash and bank balances	110,987	61,730	80%
Government securities	224,763	184,190	22%
Other securities	50,834	41,930	21%
Total investments	275,597	226,120	22%
Retail advances	399,891	331,304	21%
Corporate advances	230,738	222,164	4%
CBG advances	77,067	60,932	26%
Total advances	707,696	614,399	15%
Fixed assets	4,572	4,245	8%
Other assets¹	76,326	80,304	(5%)
Total assets	1,175,178	986,798	19%

¹ includes Priority Sector Lending deposits of ₹41,654 crores (previous year ₹46,886 crores)

Total assets increased by 19% to ₹1,175,178 crores as on 31 March, 2022 from ₹986,798 crores on 31 March, 2021, driven by 15% and 22% growth in advances and investments respectively.

Management's Discussion and Analysis

Advances

Total advances of the Bank as on 31 March, 2022 increased by 15% Y-o-Y to ₹707,696 crores from ₹614,399 crores as on 31 March 2021, largely driven by healthy growth in the retail segment. Retail advances comprised 57% of total advances and grew by 21% to ₹399,891 crores, corporate advances comprised 32% of total advances and grew by 4% to ₹230,738 crores and CBG advances constituted 11% of total advances and grew by 26% to ₹77,067 crores.

The retail lending growth was led by Small Banking Business (SBB), Mortgage Loans, Cards and Rural Lending. Home loans remain the largest retail segment and accounted for 36% of retail loans, rural lending 14%, loans against property (LAP) 11%, personal loans (PL) and credit cards(CC) were 15%, auto loans 11% and Small Banking Business (SBB) were 7%, while non-schematic loans comprising loan against deposits and other loans accounted for 6%.

Investments

The investment portfolio of the Bank grew by 22% Y-o-Y to ₹275,597 crores. Investments in Government and approved securities, increased by 22% to ₹224,763 crores. The growth in G-sec investments is mainly attributable to improving the level of liquid assets for LCR purposes and in line with the increase in ceiling of HTM securities announced by RBI in September 2020. Other investments, including corporate debt securities, increased by 21% to ₹50,834 crores, which include outstanding TLTRO investments of ₹18,043 crores as on 31 March, 2022. 77% of the government securities have been classified in the HTM category, while 57% of the bonds and debentures portfolio has been classified in the AFS category.

Other Assets

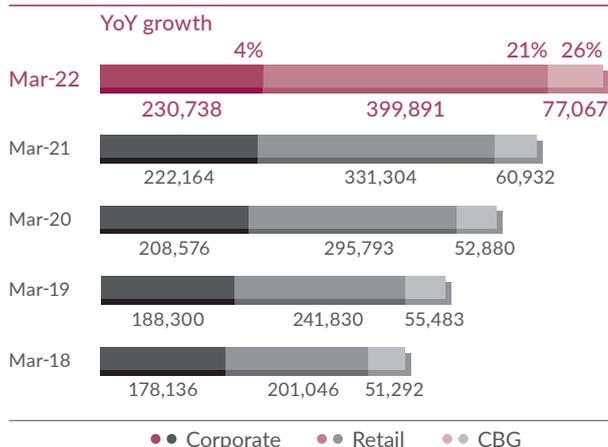
Other assets of the Bank as on 31 March, 2022 decreased to ₹76,326 crores from ₹80,304 crores as on 31 March 2021, primarily on account of decrease in Priority Sector Lending deposits to ₹41,654 crores as on 31 March, 2022 from ₹46,886 crores on 31 March 2021.

Liabilities and shareholder's funds

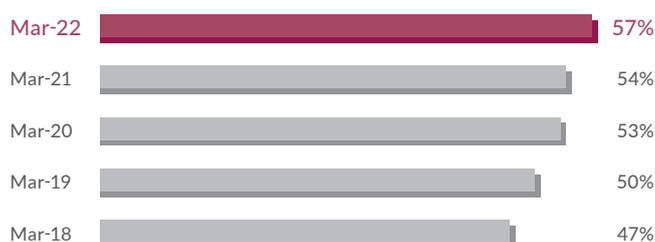
Particulars	₹ in crores		
	2021-22	2020-21	% change
Capital	614	613	-
Reserves and Surplus	114,411	100,990	13%
Total shareholder's funds	115,025	101,603	13%
Employee stock option outstanding (net)	149	-	-
Deposits	821,721	697,986	18%
- Current account deposits	127,306	113,276	12%
- Savings bank deposits	242,449	204,473	19%
- CASA	369,755	317,749	16%
- Retail term deposits	286,612	275,607	4%
- Non-retail term deposits	165,354	104,630	58%
- Total term deposits	451,966	380,237	19%
Borrowings	185,134	142,873	30%
- In India	130,747	102,865	27%
- Infra bonds	23,480	20,880	12%
- Outside India	54,387	40,008	36%
Other liabilities and provisions	53,149	44,336	20%
Total liabilities and shareholder's funds	1,175,178	986,798	19%

Advances

₹ in crores



Retail Advances as % to Total Advances

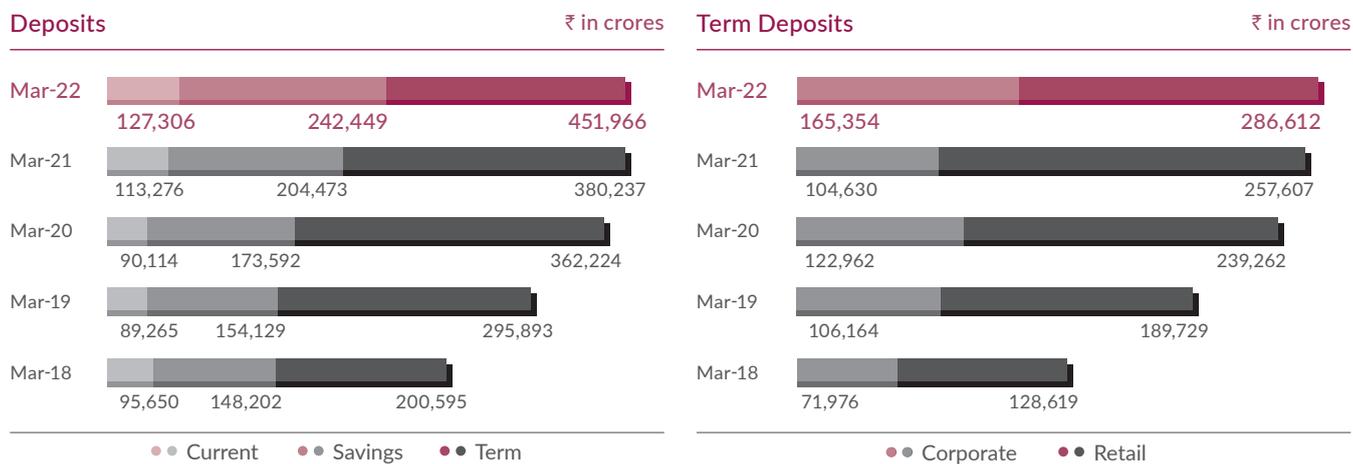


Shareholder's funds

Shareholder's funds of the Bank increased from ₹101,603 crores as on 31 March, 2021 to ₹115,025 crores as on 31 March, 2022. This is mainly on account of increase in profits earned during the year.

Deposits

The total deposits of the Bank increased by 18% to ₹821,721 crores against ₹697,986 crores last year. Savings Bank deposits reported a growth of 19% to ₹242,449 crores, while Current Account deposits reported increase of 12% to ₹127,306 crores. As on 31 March, 2022, low-cost CASA deposits increased to ₹369,755 crores, and constituted 45% of total deposits. Savings Bank deposits on a daily average basis, increased by 21% to ₹215,213 crores, while Current Account deposits reported a growth of 20% to ₹95,965 crores. The percentage share of CASA in total deposits, on a daily average basis, was at 43% compared to 41% last year.



As on 31 March, 2022, the retail term deposits grew 4% Y-o-Y and stood at ₹286,612 crores, constituting 63% of the total term deposits. The Bank continues to focus on expanding its granular deposit base (CASA + Retail Term Deposits) which now constitute 80% of total deposits as on 31 March, 2022.

Borrowings

The total borrowings of the Bank increased by 30% from ₹142,873 crores in fiscal 2021 to ₹185,134 crores in fiscal 2022. During the year Bank has raised foreign currency denominated Additional Tier I bonds amounting to US\$ 600 million (Approx. ₹4,548 crores). During the year, the Bank redeemed Rupee denominated Additional tier I bonds amounting to ₹3,500 crores. Further, during the year the Bank also raised ₹2,600 crores through issuance of Infra bonds with a maturity of 7 years.

Contingent Liability

Particulars	₹ in crores		
	2021-22	2020-21	% change
Claims against the Bank not acknowledged as debts	952	2,054	(54%)
Liability for partly paid investments	319	165	93%
Liability on account of outstanding forward exchange and derivative contracts:	1,108,371	882,040	26%
- Forward Contracts	517,803	510,118	2%
- Interest Rate Swaps, Currency Swaps, Forward Rate Agreement & Interest Rate Futures	542,609	335,418	62%
- Foreign Currency Options	47,959	36,504	31%
Guarantees given on behalf of constituents	79,728	80,831	(1%)
- In India	72,436	72,965	(1%)
- Outside India	7,292	7,866	(7%)
Acceptances, endorsements and other obligations	56,942	37,806	51%
Other items for which the Bank is contingently liable	45,793	49,763	(8%)
Total	1,292,105	1,052,659	23%

Management's Discussion and Analysis

Capital Management

The Bank continues its endeavour for greater capital efficiency and shoring up its capital adequacy to enhance shareholder value. During the year ended 31 March, 2022, the Bank raised Additional Tier I bonds denominated in foreign currency amounting to US\$ 600 million (Approx. ₹ 4,548 crores).

Movement of CRAR during fiscal 2022	%
CRAR as on 31 March 2021	19.12
Increase on account of exercise of ESOPs	0.04
Increase due to profit in fiscal 2022	1.76
Decrease on account of consumption	(2.38)
CRAR as on 31 March 2022	18.54

The Bank has also been focusing on increasing the proportion of lower Risk Weighted Assets (RWA). The Bank's Risk Weighted Assets (RWA) to Asset ratio improved from 64% as at the end of fiscal 2021 to 61% at the end of fiscal 2022.

The Bank's capital position continues to be strong and is sufficiently robust for it to pursue growth opportunities with adequate liquidity buffers.

The Bank's overall capital adequacy ratio (CAR) under Basel III stood at 18.54% at the end of the year, well above the benchmark requirement of 11.50% stipulated by Reserve Bank of India (RBI). Of this, the Common Equity Tier I (CET I) CAR was 15.24% (against minimum regulatory requirement of 8.00%) and Tier I CAR was 16.34% (against minimum regulatory requirement of 9.50%). As on 31 March, 2022, the Bank's Tier II CAR under Basel III stood at 2.20%.

The following table sets forth the capital, risk-weighted assets and capital adequacy ratios computed as on 31 March, 2022 and 31 March, 2021 in accordance with the applicable RBI guidelines under Basel III.

Particulars	₹ in crores	
	2021-22	2020-21
Tier I capital	117,875	104,748
Tier II capital	15,858	16,829
Out of which		
- Tier II capital instruments	9,624	11,440
- Other eligible for Tier II capital	6,234	5,389
Total capital qualifying for computation of capital adequacy ratio	133,733	121,577
Total risk-weighted assets and contingencies	721,356	635,863
Total capital adequacy ratio	18.54%	19.12%
Out of above		
- Common equity tier I capital ratio	15.24%	15.40%
- Tier I capital ratio	16.34%	16.47%
- Tier II capital ratio	2.20%	2.65%

BUSINESS OVERVIEW

During the year, we have recommitted ourselves to ensuring that we will continue to be guided by the three vectors of Growth, Profitability and Sustainability. The Bank's aspiration on the key vectors of GPS are:

- **Growth:** Continue to grow deposits, payments, advances and our subsidiaries to reach leadership positions across our businesses
- **Profitability:** Optimize business mix, improve operating efficiency, sweat existing infrastructure and reduce credit cost below long-term average.
- **Sustainability:** Work towards driving execution excellence, continue to strengthen risk management, build a compliance culture and strengthen the core (Technology, Operations and Process Excellence)

As part of the GPS initiatives, under the “One Axis” vision, the Bank is also focused on delivering solutions across the customer value chain by leveraging shared solutions and services across departments and subsidiaries.

Fiscal 2022 has been an eventful year. Though marred by fresh waves of the COVID pandemic, our business model and new ways of working were able to withstand the challenges that resulted. We continue to capitalize on emerging opportunities guided by our GPS strategy. We are driving organization wide transformation projects to accelerate our GPS journey. These projects will help us in achieving higher liability relationships, growth in total relationship value, increasing cards market share, delivering tech products faster and improving productivity. We have embedded conservatism and sustainability while driving profitable growth. Two bank level distinctiveness initiatives: Sparsh (customer obsession) and Bharat Banking (tapping the high growth potential in RUSU opportunities) have been set in motion in fiscal 2022, in addition to the significant transformation projects underway across departments. We expect to reap the benefits of our efforts to build distinctiveness in the coming years.

The Bank remains committed to its GPS strategy of working towards Growth, Profitability and Sustainability over the medium-term through various key initiatives across the Bank and each of the business segments.

Retail Banking

The Bank has over the last decade built a strong Retail Banking franchise that continues to be a key driver of the Bank's overall growth strategy. The Bank's focused customer-centric approach, strong and differentiated product offerings, along with its wide distribution network remain the core pillars through which it continues to serve the financial needs and aspirations of its customers.

The Retail business segment provides a complete bouquet of products across deposits, transaction services, wealth management and lending products for retail customers, small businesses, NRIs and retail institutions, backed by innovative, digital-first solutions.

Retail liability products include savings and current accounts and term deposits with features and benefits to meet the banking needs of different customer segments. Retail lending products include home loans, loans against property, automobile loans, two-wheeler loans, commercial vehicle loans, personal loans, gold loans, education loans, credit cards, small business banking loans and agriculture loans among others.

The Bank's Retail Banking business unit also offers other products and services such as debit and credit cards, forex cards, bill payment services and wealth management services. The Bank also distributes third party products such as mutual funds, life and non-life insurance policies, Government bonds, etc.

The Bank's strategy in Retail has been to gain a larger share of the wallet of existing customers, acquire quality new customers, and deliver a best-in-class experience, thus building customer loyalty. In line with its customer centric approach, the Bank continued its strong focus on holistic customer lifecycle management led by its strong data analytics to engage in meaningful conversations and provide the right product proposition. The Bank also continues to focus on digitization of sales, service and branch operations in order to offer hyper-personalized experience and simplified digital journeys.

The Bank believes that it is well-positioned to capitalize on growth opportunities in the Indian retail financial services market, led by its strong liability franchise, well diversified products portfolio and robust analytics and technological capabilities. During the fiscal year 2022, the Retail segment contributed 64%, 57% and 64% of the Bank's deposits, advances and fee income respectively.

Retail Deposits

The Bank remains focused on garnering stable and granular retail deposits in order to drive its balance sheet growth. During the year, the Bank reported steady growth in its Current and Savings Accounts that together grew by 16% Y-o-Y. Within this, the SA deposits grew by 19% Y-o-Y and the CA deposits grew by 12%, while the Retail term deposits grew by 4%. The Bank added 8.6 million new liability relationships during the year with 4.3 million of them being SA accounts, both of these being highest ever for any year.

During the year, a centralized market scoping system in CRM has been implemented which serves as a repository for all prospects and opportunities, equipping branches with relevant details to provide personalized solutions to customers spanning across financial products. An on-boarding framework was also launched to ensure right customer fitment and early engagement to carry out account due diligence in an effective manner.

Premiumization of deposits franchise continues to be an important imperative for the Bank. The Bank has over the last three years taken significant steps towards building a quality liability franchise with emphasis on greater customer engagement. The Bank remains focused on segments like Burgundy Private, Burgundy, Priority and NRI with the key objectives of growing the liability book and becoming primary bankers to the customer by increasing product cross-sell and acquiring more family accounts. The share of premium accounts in the overall Retail SA base book increased by 90 bps YoY to 43.9% as on 31 March, 2022.

The Bank continued to work towards leveraging its corporate lending relationships with top corporates to gain higher share in salary segment. Digital Onboarding through Video KYC was launched in June 2021 for Corporate Salary which enabled

Salaried Employees to open the Salary Account as per their convenience and provided seamless end-to-end experience. The Bank added 1.5 million new accounts in fiscal 2022, highest number of salary accounts for any year with all time high balance contribution from them, reflecting growth in both quality and quantity.

During the year, the Bank further deepened its relationship across the government businesses with various teams working together as One Axis, that resulted in government SA deposits growing 40% Y-o-Y on cumulative daily average balance basis. The Bank reinforced its commitment to support and safeguard the financial interests of government officials by signing an MOU with the Indian Army, Indian Navy, Kolkata Police and Maharashtra Forest Department among others. The Bank continues to offer them best-in-class benefits and features that include preferential offers on retail mortgage loans, auto loans and personal loans; and special salary accounts 'Republic' and 'Power Salute' with insurance, personal accidental / disability cover and additional children education grant.

Digitization remains a key focus area for the Bank. As an agile response to the customer needs arising post the onset of the pandemic, the Bank introduced a new Liberty and Prestige Savings Video KYC account that provides instant gratification through immediate A/c activation, complimentary virtual debit card and cashbacks on spends. Over 5.5 lakhs SA accounts were opened via VCIP during the year. In addition, the Bank also launched an Industry-first full KYC Digital based Fixed Deposit which allows account opening without a savings account within 7 minutes. During the year, the Bank also undertook several transformational projects to further strengthen the customer - RM engagement model backed on strong analytical models and insights driven through data engineered customer behaviors.

In order to serve the deposit customers better and deepen relationships with them, the Bank has organically built a well-diversified branch network over the years. The Bank continues to look at the segments and demographic areas that are relevant to the Retail Banking strategy, before setting up a branch. As on 31 March, 2022, the Bank had a network of 4,758 branches and extension counters as compared to 4,594 branches and extension counters as at the end of 31 March, 2021. The Bank's geographical reach in India now extends to 35 states and union territories, covering around 2,596 centres and 669 districts. The Bank also has extensive network of 10,990 ATMs and 5,972 Recyclers, which not only handled the cash deposits and withdrawals, but also served as self-service and fulfilment centres.

The Bank has also been investing in developing alternate channels like Axis Virtual Centres and Digital to reach out to increased customer base and strengthen the relationships further. Axis Virtual Centre (AVC) AVC uses omni channel to reach out to its customer base, leveraging technology and a solution centric approach to customer conversations. Currently it operates from 6 locations with a strong team of over 5,000 members that include 1,500 staff comprising RMs as on 31 March 2022. These AVCs offer a plethora of services like account opening through video KYC, relationship management across programs such as Burgundy, Priority, Prestige and Prime, payments assistance, retail loans, cards portfolio products and Investment products to both domestic and overseas customers.

Retail Lending

During the year, the Bank focused its approach on growth across all product categories, geographies and customer segments. Even though the COVID related slowdown in the economy impacted the growth in loans and disbursements during the first quarter of the year, the Retail Bank delivered strong growth in disbursements of 49% Y-o-Y that helped it to grow the advances by 21% Y-o-Y. The second half of fiscal year 2022 contributed over 60% to overall business indicating strong momentum build for fiscal 2023.

After a cautious approach taken last year, the Banks strategy continued to revolve around achieving higher growth in secured retail lending through its physical and digital distribution network. The Banks Retail business delivered higher disbursements growth in secured loans like Home Loans, LAP, Auto Loans and Small Business Banking (SBB) and the share of secured loan disbursements in overall disbursement mix stood at 81% in fiscal 2022.

The growth in retail advances was led by product segments like Rural agriculture loans (29% Y-o-Y) and SBB (up 60% Y-o-Y). The Bank witnessed strong momentum in unsecured loan products and card acquisitions in second half of the year. The growth in advances across unsecured personal loans and credit cards stood at 15% Y-o-Y and 19% Y-o-Y, respectively.

The Bank continues to invest in transformation projects that form the cornerstone of its growth strategy. The Bank continued its focus on process revamp in order to improve the productivity, employee performance and customer service. The Bank further expanded the scope of Project 'Unnati' and the pilot project helped to make processes more efficient resulting in improved productivity and TAT in Home Loans. The project will be extended to Auto Loans and Personal Loans in fiscal 2023 and will enhance the lead quality, productivity, channel engagement and turnaround time. Product trainings were initiated for sales managers and regional officers across Retail Assets vertical with assessment at the end of the training program to further enhance their product knowledge and productivity. The Bank launched project Sankalp for the SBB business to transform loan journeys through workflow and document management. The pilot launch shows promising results positively impacting the customer TAT resulting in an enhanced customer experience. DIY portal is also being developed for partners, channels and customers. Sankalp will be nationally rolled out in first half of next year. This will help achieve scale, productivity and channel engagement.

Increased penetration into the internal customer base remains a critical component of the Bank's Retail strategy given the benefits of the customer stickiness, better portfolio performance and lower acquisition cost. During the year, the Bank sourced 65% of its retail assets from its ETB customers and 51% sourcing was done from branches.

The Bank continues to focus on improving its distribution strength, while leveraging on cross-selling opportunities to its internal and known to Bank (KTB) customer base. The Bank's strategic partnerships with several prestigious automobile brands helped it to reach out to newer and wider set of customers during the year. The Bank has also been leveraging various digital platforms with a view to enhance automation in lending and improving process efficiencies while reducing costs and environmental footprint. The Bank launched a solution to enable instance sanction of Home Loans for specific approved projects. Digital Lending platform for instant disbursement of Personal and Business Loans has been extended to Auto Loan top-up. The Bank sourced 46% of the Personal Loans through paperless digital platforms and 35% of Business Loans were digitally originated.

The Bank believes that its focus on transformation projects, investments in technology and conservative risk management practices will help in strong growth of retail assets with a good quality book. The Bank continues to invest in building risk management and analytical capabilities to mitigate risks. Risk based pricing approach has helped the Bank to improve the profitability of products while minimizing the losses. The Bank's prudent credit evaluation policies and processes have enabled it to maintain a well-balanced portfolio and developed calibrated approach to managing NPAs. The Bank has also fine-tuned its credit appraisal scorecards and effectively used partner data to offer loan to larger base of customers and strengthening the customer credit assessment. The incremental gross non-performing retail advances as a percentage of gross retail advances reduced by 37 bps over the previous year.

Bharat Banking

The increasing income diversification, evolution of the tech stack, various government schemes to improve livelihoods, and integrating the country via roads and the internet have provided strong tailwinds to the Rural and Semi-urban (RUSU) or 'Bharat' markets.

To better capitalize on the growth runway and "open the world of possibilities" for the Bharat customer, the Bank has set up a separate 'Bharat Banking' vertical.

The objective is to accelerate the growth journey by expanding distribution reach via branches, partnerships, and digital presence, creating tailored products and processes, and using the One Axis strategy to harness synergies in all parts of the Bank to deliver to the Bharat customer. The Bank also continues to focus on growing the book profitably by enhancing productivity, improving operational efficiency to reduce cost, and containing risk by leveraging technology such as AI and ML & rigorous portfolio monitoring.

Enhancing Distribution: The 'asset led strategy' to acquire new customers continued to witness strong traction with the initiative expanded during the year to 2,065 branches from 1,577 branches last year. The Bank scaled up its partnership with Common Services Centers (CSC) to 40,000+ outlets this year that act as an extended low-cost distribution arm for customer acquisition and servicing and have aided the Bank to penetrate deeper into the RUSU markets. The performance has been encouraging, and the Bank intends to further expand the CSC network, replicating its strategy across similar partners.

Digitization and 'customization' of products and branches: The focus is towards building best in class digital capabilities to drive operational efficiency, offer customer delight, and improve productivity in the vertical. The Bank is re-designing the end-to-end customer journey for high potential product lines and creating platforms to become a partner of choice for the ecosystem.

The Bank is also working towards a Bharat centric product suite in both assets and liabilities that addresses the needs of the Bharat customers and is working with various parts of the Bank to strengthen the processes around risk and underwriting.

The Bank is re-imagining the branches in SURU markets and will bring more localized nuances into the design, moving away from a transaction to an experience led model. The Bank aims to further strengthen the brand in RUSU markets via micro-marketing initiatives, involving local communities such as colleges, and local melas.

Promoting Access and Financial Inclusion: The Bank has a comprehensive multichannel approach to reach the low income rural, semi urban, and urban population for government schemes and other banking products. The Bank strives to improve the usage of financial services through cost efficient digital means by offering customized products suited to the segment, including MSME loans, agriculture loans, vehicle loans, gold loans, MSME loans, bank accounts and a comprehensive suite of payment solutions. This is backed by a robust digital infrastructure to support customer solutions in a scalable and sustainable manner. The financial inclusion strategy has specific focus on women borrowers by expanding our microfinance reach, through offering mid-term loans for business expansion, individual loans to graduated Joint Liability Group (JLG) women borrowers, and payment solutions through strategic partnerships with leading industry participants to digitize the product offering.

Management's Discussion and Analysis

The Bharat Banking initiative has made strong progress during the year with disbursements up over 50% Y-o-Y, including all core products as well as the retails assets sourced from the 'Bharat banking' regions. Bharat Banking book contributes meaningfully to the PSL targets as well. The Bank's deposit book from the 'Bharat Banking' regions increased during the year and contributed meaningfully to the Bank's total deposit book.

Retail Payments

With the onset of COVID-19, the payments industry witnessed a significant shift in the customer spending pattern, with tremendous increase from cash to non-cash transactions. The convenience and security that digital payments solutions bring have led customers to become increasingly comfortable in transacting online and using various digital payment options. With the government too promoting digital payments aggressively, the industry has seen massive developments and there remains a large opportunity for further growth.

The Payments business continues to be at the core of Bank's Retail Banking strategy as it signifies the face of the franchise, increasing customer engagement and driving profitability. The Bank continues its focuses on building iconic payment products to deepen customer engagement and cater to the digital payment users.

During the year, the Bank saw positive traction in credit cards market share with strong growth in acquisitions, cards in force as well as spends. The Bank sourced 2.67 million cards in fiscal year 2022, highest ever for any year and now has 9 million cards with market share of 12%. The credit cards business also touched the highest ever yearly spends of ₹67,664 crores, yet another milestone for the business.

The Bank continued to build scale with marquee partnerships like Flipkart, Google, Airtel etc. During the year, 28% of credit cards were acquired through KTB partnerships across Flipkart, Google Pay, Freecharge and others, up from 21% in fiscal 2021 and 6% in fiscal 2020. This has not only contributed to a better portfolio with controlled risk but has also led to higher usage and spend metrics.

The Bank's marquee card proposition 'Flipkart Axis Bank Credit Card', a cobranded credit card in partnership with ecommerce giant Flipkart crossed yet another significant milestone of 2.22 million cards in force (CIF), adding over a million cards in 13 months. With a focus on facilitating fully digital card issuances, the Bank also launched the end to end digital issuance journey on Flipkart Axis Bank card in November 2021. 34% cards booked on Flipkart post launch have been via the end-to-end digitization mode. During the year, the Bank also entered into a strategic partnership with Airtel that will help it to offer credit cards and various digital financial offerings to Airtel's 340 million customers.

In addition to building on partnerships and growing the portfolio, the Bank focused extensively on enriching the customer experience by improving processes and eliminating bottle necks in terms of infrastructure. The Bank seamlessly migrated to Prime 4 platform with minimal impact at a time when COVID was at peak. The Bank now has the latest technology platform with higher processing capacity, additional APIs and a PA DSS (Payment Application Data Security Standard) compliant system.

Over the years, the volume and value of transactions made through cards have increased manifold. To improve user convenience and increase the security of card transactions, the Bank went live with card-on-file tokenization feature. This ensures an additional level of security for card-not-present type of transactions in case of data breach at merchant's end. Further adhering to regulatory guidelines for card security, the Bank introduced new validations before customer can initiate changes on their card usage profile. Only after confirmation of physical or virtual receipt of card, the customer may enable usage across online, contactless and international transactions.

During the year, the Bank also introduced virtual Debit Cards for their Salary segment to start transacting immediately after opening the account and earn spend linked benefits. Focusing on increasing penetration of contactless payments, all the EMV bins across networks were converted into contactless Debit cards, making payments truly on-the-go.

The Bank in its Merchant Acquiring business delivered strong performance and became the second largest acquirer in the country with an installed base of 1,010,244 terminals serving all categories of merchants from the urban and rural areas. The Bank's active terminal base increased by 66% Y-o-Y during the year that led to 413 bps increase in POS market share to 16.3% as of 31 March 2022.

The Bank also continues to invest heavily in creating state-of-the-art merchant user experiences. During the year, the Bank launched first of its kind "Android Lite PoS" - a smarter, sleeker, printer-less terminal loaded with value added services such as Khata, Card-less EMI & integrated BQR. In a quest to expand beyond traditional payments and be central to the merchant ecosystem, the Bank has forayed into Integrated Solutions for Kirana stores with digitization programs where a Kirana retailer can now order inventory, manage stocks, accept payments and even facilitate home delivery requests through the Axis Android terminal. The Bank has 32 such acquiring partnerships that it is using as a lever to grow in the acquiring space.

In its bid to improve merchant experience, the Bank has also launched a digital onboarding process that helps optimize data capture and facilitates real time validation of information resulting in less manual errors, seamless interface and faster

installation. The early signs are encouraging as there is an adoption of ~60% on ground. The Bank continues to focus on improving the total relationship value of the merchant, in order to create a profitable merchant franchise. The Bank has rolled out several products such as insurance, credit cards, business loans, savings account, current account etc. that can be offered to the merchant if he has an acquiring relationship with the Bank.

In the UPI payments space, the Bank continues its efforts towards distinctiveness in becoming one of the leading payment franchises in the country by driving continued growth and focus on seamless customer experience. The Bank maintained its strong positioning in UPI with a market share of 15% as Payer PSP by volumes and 21% in the P2M acquiring throughput. The Bank now has partnerships with all the major third-party UPI apps in the ecosystem (including Google Pay Amazon Pay, PhonePe & Whatsapp) with more than 31 crore customer VPAs registered as on 31 March, 2022.

In addition to building on partnerships and growing the UPI franchise, the Bank focused extensively on improving the customer and merchant experience by improving processes and eliminating bottle necks in terms of back-end operations. During the year, the Bank proactively upgraded its IT capabilities by setting up a dedicated system that helped it to achieve the low technical decline rates in the industry.

Wealth Management

The Bank's wealth management business 'Burgundy' continues to be among the top wealth management franchises in the country with consolidated assets under management of over 2.61 trillion as on 31 March, 2022, translating into growth of 27% CAGR growth in the last 5 years.

The Wealth Management journey for the Bank that began in 2014 with the launch of 'Burgundy' to serve the financial needs of the fast-growing Indian affluent segment, has gained further strength since 2020 led by **Burgundy Private**, the Bank's proposition for Ultra HNI customers.

Since inception, both the propositions have leveraged the strength of One-Axis to fulfil the specialized financial needs of all its customers. The Bank has an extensive branch network, an experienced team of 114 Burgundy Private Partners, Burgundy Relationship Managers and Wealth Specialists along with product experts and a comprehensive range of be-spoke banking, lending and wealth management solutions. These, along with strong focus on service delivery through simple and hassle-free processes, has helped the Bank to win and maintain a strong relationship with over 3,450 ultra HNI and HNI customers. The number of Burgundy customers has grown at an annual rate of over 74% since launch.

Burgundy Proposition

Burgundy seeks to provide its customers with the intellect of an investment house along with the solidity of a leading bank. The customers have the choice of selecting from a range of customisable wealth management, personal banking, business and lending solutions for their varied needs – each tailored to help them grow and preserve their wealth.

To meet the varied wealth management and protection needs, Burgundy provides an open architecture platform to its customers with products and solutions, carefully selected from amongst the best providers in the market. In addition to leveraging the capabilities of the Bank and its subsidiaries, Burgundy has also built strong external partnerships to provide value-added services across all asset-classes including equity investments, fixed income, alternate assets, gold, forex, insurance and legacy planning to its esteemed clientele.

Multi-Channel Platform & Digital Transformation:

The Bank's core wealth management system at the backend along with a multi-channel front-end platform ensures that it is able to provide investors with updated and regular information about their portfolios as a 24x7 experience.

Digital transformation is now the new normal in wealth management. Driven by analytics and enabling the frontline teams with various tools on their hand-held devices, The Bank has already embarked on this journey for proactive RM led client engagement. Additionally, the entire customer journey for investments in Mutual Funds using digital channels, from registration to fund selection, execution and monitoring has been revamped. Additional changes are being incorporated to drive personalisation and a high-touch client experience.

Burgundy Private proposition:

The Burgundy Private team extensively leverages the One Axis initiative by working with:

- The Bank's subsidiaries to reach out to promoters of listed companies
- The Wholesale Banking team, in particular our Mid Corporate (MC) business and the Mid-Enterprise Group (MEG) within Commercial Banking group to identify, engage with and onboard key private client relationships.
- The Bank's New Enterprise Group (NEG) business to provide wealth-management solutions to the promoters and enterprises from the country's large start-up ecosystem.

Management's Discussion and Analysis

The Bank also leverages its One Axis capabilities to cater to Burgundy Private customers be-spoke requirements. These includes Estate Planning, Family Office Solutions, Real Estate Advisory, Tax & Regulatory Advisory, Structured Credit solutions and Offshore Investments.

During the year, the Burgundy Private team also collaborated with Hurun India to launch the inaugural edition of “Burgundy Private Hurun India 500 Most Valuable Companies” list in December. This list celebrates the leadership of India's top companies, including those from the new economy. The Bank remains confident of leveraging this partnership in its efforts to engage with the leadership team at India Inc.

Retail Forex and Remittance business

The Bank offers a range of forex and remittances products to its retail customers, which include forex cards, inward and outward wire transfers, remittance facilities through online portal as well as through collaboration with correspondent banks and exchange houses.

The Bank continues to be one of the largest players in prepaid forex card market with its flagship offering of Multi-currency card that allows users to load 16 currency options in one card. The Bank has launched the ability for its account holders to obtain a Forex Card through a completely digital process through their Internet or Mobile Banking account. This digital issuance has seen tremendous customer acceptance whereby the contribution of digital issuances to retail forex card issuances has risen to 63% within 10 months of launch.

In line with the its theme of providing 'a World of Possibilities', the Bank focused on offering customers digital alternatives to undertake retail forex transactions during the fiscal year 2022. The year also saw the launch of digital initiatives in remittances with the Bank becoming the first large bank among the peers to enable outward remittances through its Mobile Banking app. The truly convenient and intuitive journey on the Axis Mobile app helped digital outward remittances more than double during the course of the year with Mobile Banking surpassing the number of remittances done through Internet Banking during the same period. The Bank has relaunched RemitMoney, the Bank's online inward remittance service, in US fulfilling a critical need for NRIs. While enabling a completely digital journey for issuance of Forex cards to account holders of other Banks, the platform is being developed into a single stop solution for all forex card servicing needs of the customers coupled with attractive international offers to make the promise of 'Think Travel, Think Axis' alive for customers.

The Bank also continues to source NRI accounts digitally from non-face-to-face channels. The Bank has registered strong year-on-year growth in number of accounts opened via digital channels, with an average funding of ~₹1.5 lakhs in these accounts. This year the non-face-to-face acquisition mode was made live for “Burgundy Private” segment also.

During the year, the Bank also launched “Portfolio investment Scheme (PIS) services” on Axis Mobile app which has been an industry first feature. NRI customers can now login to their Axis Bank mobile application and can access to various services such as PIS permission letter, stock holding statement, capital gain statement and view the live balances of the stocks in one click.

Third Party Distribution

The Bank is one of the leading distributors of third party products including mutual fund schemes, life insurance, health insurance and other general insurance policies. The Bank offers comprehensive investment and protection solutions, to cater to the diverse needs of each customer segment, adopting tech-enabled delivery mechanisms across all customer touch points. During the year, Third Party Distribution business contributed 22% to Bank's retail fee income on back of its strong partnerships, contextual product launches, wide distribution strength and digital initiatives.

With a total Mutual fund AUM of ₹55,546 crores, the Bank continues to be the fourth largest distributor in the industry and had 10.78 lakhs mutual fund customers as on 31 March 2022. The Bank through its dedicated in-house research desk, identifies the best mutual fund schemes based on qualitative and quantitative parameters. Currently, the Bank distributes Mutual Funds schemes of 21 major Asset Management Companies, through its diversified branch network and digital channels based on the customers' lifecycle and investment requirements. The Bank also offers various Alternate Investment Products to its customers from select product providers, as approved by SEBI.

The Bank offers online trading services to its customers in collaboration with Axis Securities Ltd under the brand name Axis Direct. Through its branches, the Bank has sourced more than 3.2 million total customers for Axis Direct with 4.91 lakhs customers being added in fiscal 2022.

The Bank is one of the fastest growing Bancassurance player in the industry with 27% Y-o-Y growth in life insurance premium and 13% growth in Non-Life premium.

The Bank in its life insurance distribution business has a tie up with Life Insurance Corporation of India, Max Life Insurance Company Limited and Bajaj Allianz Life Insurance. The Bank' strategy of adopting an open architecture helped the Bank to increase penetration and grow faster than the industry led by strong product offerings.

In Non-Life Insurance, the Bank continues to grow by increasing customer penetration and by bringing in contextual products powered by TATA AIG General Insurance Company Limited, Aditya Birla Health Insurance Limited and ICICI Lombard General Insurance Company Limited. The Bank has invested in building new channels of distribution with introduction of general and health insurance products for corporate banking customers and merchants. During the year, the Bank also entered into partnership with Niva Bupa Health Insurance to provide best-in-class offerings and has secured 50,000+ lives with Niva Bupa so far.

These journeys are now also available through Bank's Mobile and Internet banking platforms. The Bank recently revamped Mutual Fund Investment journeys on its mobile banking app and internet banking to ensure seamless access anytime, anywhere. The Bank also introduced an innovative user-friendly digital interface - Axis Marketplace - to facilitate distribution of insurance solutions. Axis Marketplace offers third-party products integrated directly with Insurance partner systems thereby providing seamless journeys and instant issuance facilities. The Bank has witnessed increased traction of this platform since launch with more than ₹300 crores of insurance premium being sourced from the platform in fiscal 2022.

The Bank continues to also focus on reimagining end to end journeys and build a digital ecosystem for Investment Products. The Bank recently revamped Mutual Fund Investment journeys on its mobile banking app and internet banking to ensure seamless access anytime, anywhere.

Priority Sector Lending

The Bank continues to pursue a focused strategy on achieving the Priority Sector Lending (PSL) targets and sub targets prescribed by the regulator. The Bank also continues to undertake activities that promotes financial literacy and awareness of the banking services with an aim to cover the under banked borrowers under this PSL drive.

The Bank as part of its Deep Geo strategy has been working towards increasing its presence in specific rural and semi urban geographies across India, that offer high potential for growth in rural advances and MSME lending. During the year, the Bank continued to focus on augmenting the small ticket size loans, crop loans to small and marginal farmers and microfinance business targeted at women borrowers from low income households. The Bank also enhanced its digital lending channels to facilitate quicker turnaround time for sanction and disbursement of loans to MSME borrowers.

The Bank's PSL achievement during fiscal 2022 was 44.86% as compared to the stipulated target of 40% of Adjusted Net Bank Credit. The Bank through organic book and purchase of PSL certificates (PSLC) achieved the PSL targets at the headline level as well as at each subsegment level in fiscal 2022. During the fiscal 2022, the Bank purchased PSLCs of an aggregate amount of ₹ 53,550 crores at a cost of ₹ 1,247 crores and sold PSLCs of an aggregate amount of ₹ 54,400 crores and earned income of ₹ 350 crores. The Bank also achieved all sub sector PSL targets in fiscal 2022.

Digital Banking

Digital focus has been one of the key pillars of the Bank's GPS strategy that has led the Bank to be at the forefront of providing cutting edge digital solutions to its customers.

The Bank has built strong in-house capabilities over the last 3 years with over 1,500+ people fully dedicated to digital transformation of the Bank. The Bank also has 350+ member team in-house engineering team comprising product managers, developers, designers, digital marketing specialists etc with over 76% of them from non-banking backgrounds such as consumer internet, fintech etc.

The Bank continues to focus on developing full stack digital foundation using advanced analytics and intelligent automation across business operations. The Bank has set up Agile operating model with Dev-ops infrastructure and the new customer proposition development is cloud native.

The Bank's approach to reimagining customer journeys is OPEN.

O

Zero-based redesign, putting customers at the center and rebuilding the entire journey with a '0' operations orientation.

P

building Proprietary in-house capabilities that would lead to distinctiveness and differentiation

E

Ecosystems capable; building solutions keeping both Axis Bank and partners in mind

N

Focus on Numbers

During the year, the Bank made significant progress on its Digital Banking strategy with focus on transforming the core, re-imagining end to end customer journeys and being partner of choice for the ecosystems. The Bank introduced a number of digital products including Buy Now Pay Later, Merchant Cash Advance, Small business digital lending, Credit cards, digital journeys for investment products such as Digital gold, Sovereign gold bonds, etc. The Bank has also undertaken a large-scale

transformation of the Corporate banking business to deliver a best-in-class customer experience for our Corporate customers. The Bank also invested in developing an open-source design platform – “Sub-zero” to bolster its digital capabilities further.

Several of the products that the Bank launched in the previous years gathered traction in fiscal 2022. Across digital products such as savings accounts, current accounts, retail lending, forex cards, credit cards engagement, mutual funds, etc. volumes grew 100%+ year on year. WhatsApp banking launched last year has already scaled to over 4 million customer base. Grabdeals, the Bank's everyday offers platform witnessed over more than 10x growth in GMV during the year. The Bank expects the newly launched propositions to deliver significant impact going forward.

One of the key focus areas of the Bank's Digital strategy has been to increase efficiencies and deliver better cost income profile for the Bank by transforming the processes and operations. Over 90% of retail banking service requests have been digitized as part of creating the “Branch of the future”. This has resulted in significant improvement in first time right rates and straight through processing rates. The introduction of digital products has led to significant reduction in turnaround times, reducing the documentation and enhancing customer satisfaction.

The Bank's mobile app continues to remain among the best rated app in the financial services space in the country with a rating of 4.6 across both the app stores. There are more than 250 DIY services available on the Bank's digital channel that help people to move away from branches to digital channel. The Bank has further undertaken an effort to modernise the mobile app and bring in next gen capabilities such as hyper personalisation and improved customer journeys.

The Bank has all its staff on Bring Your Own Devices (BYOD) program and has enabled them access to critical systems such as CRM on mobile devices that helped them to remain active during the second and third waves of COVID pandemic and contributed to productivity.

The Bank has now established marquee partnerships at scale with Amazon, Flipkart, Google Pay and other fintech firms and has made significant progress in building API infrastructure. The Bank also became one of the first institutions to go live on the Account Aggregator framework, a progressive initiative introduced by the RBI to allow customers to share their data with other institutions based on their consent.

The Bank's initiatives on the digital front have been widely recognized, providing an overarching view of the efforts and performance. The bank was awarded in various categories – Best Digital Lending Private Sector Award at the Assocham National E-Summit Awards. Similarly, the Bank was awarded the “Best Digital Bank” by publications like Asiamoney and Financial Express for the 2nd and 3rd consecutive year respectively. The bank also received IBA's Best Banking Technology Award and the Mint-TechCircle Business Transformation Award for Revenue Generation- Customer Experience. At an Asia level, the Bank received the award for the best infrastructure transformation modernisation by IDC.

Wholesale Banking

The Bank today is amongst the best and most comprehensive Wholesale Banking franchises in the country catering to all the Banking needs of a corporate across lending products, investment banking, capital markets, and transaction banking with linkages to the Retail Bank.

During the fiscal year 2022, the Bank continued with its approach to deepen client relationships and provide holistic banking solutions by capturing the entire corporate value-chain leveraging ‘One Axis’ capabilities across the Bank's various business segments and its subsidiaries.

The Bank's Wholesale Coverage Group provides entire bouquet of products and services including cash credit facilities, demand and short-term loans, project finance, export credit, trade, forex and derivative solutions, payments and cash management systems, tax payments, salary accounts and trust services, commercial and credit cards etc. with the support of a well-defined Wholesale Banking Products team. The Bank's offerings are specially designed to meet all financing requirements to our coverage clients which now encompasses a diverse customer group.

The Bank's Wholesale Coverage serves diverse customer segments ranging from governments and MNCs to financial institutions and SMEs through its sharpened coverage structure, as follows:

- **Large Corporates:** Covering all corporate clients with turnover greater than ₹1000 crores;
- **Mid-Corporates:** Covering all corporate clients with turnover between ₹250 crores and ₹1000 crores;
- **Focused Segmental Coverage:** Covering Strategic Clients, Government-owned entities, Multi-national companies, and Financial institutions group companies.
- **Commercial Banking Coverage Group (CBG):** Caters to businesses with turnover between ₹10 crores to ₹250 crores.

During the fiscal 2022, the Bank's corporate loan book grew by 4% over fiscal 2021. Segments such as the Mid Corporate and CBG which are the amongst the focus areas for the Bank delivered higher growth of 45% and 26% respectively.

The Bank continues to focus on delivering higher relationship RaRoC with focus on granularity and broad-basing the client base. During the year, the Bank's strategy of sectoral approach to portfolio diversification and credit continued, where the focus was on identifying sector specific opportunities and risks; and grow accordingly.

Approximately 92% of new sanctions in the corporate book were to companies rated 'A-' or better. Presently, 88% of outstanding standard corporate book is to companies rated 'A-' and above.

During the year that was impacted by COVID pandemic, the Bank's proactive measures enabled it to counter the near-term risks, while also supporting its customers, employees and partners in meeting their myriad challenges. During the year, the Bank was adjudged #1 on the Quality Index for both Large Corporate and Middle Market banking in the Greenwich Banking Survey 2021. The Bank was recognized as # 1 for distinctive in "Addressing COVID-19 Needs for clients" both for large Corporate Banking and Indian Middle Market Banking. The Bank was also recognized for ease of doing business, knowledge of Transaction Banking needs, coordination of product specialists and timely follow-up.

As part of its Open Customer centric approach, the Wholesale Bank has been at the forefront of bringing new digital products and services that help transform customer experiences. During the year, the Bank launched a Developer portal to develop an end to end digital onboarding journey for corporate clients. Over 529 clients have engaged on the portal since its launch.

The Bank has also made significant progress in reducing the turn-around times for operational activities by digitising key processes. This has helped employees to spend more time on understanding their clients' needs and designing and delivering the right solutions for them.

Additionally, in order to maximise the value of this time for its colleagues, the Bank is completely digitising their way of working through an industry first, analytics driven, mobility app. This platform will provide a customer 360 view, action-oriented analysis of the entire portfolio, contextual nudges continuously optimised through machine learning and the ability to do all internal tasks through a single window.

During the year, the Bank successfully executed the industry-first blockchain enabled Domestic Trade Transaction between large steel manufacturing firms on Secured Logistics Document Exchange (SLDE), a Government of India (GOI) backed platform. The platform provides swift and seamless experience to all participants involved in the trade transaction, giving them visibility of the transaction and documents, thus resulting in better management of working capital requirement.

The Bank also became the first Indian private sector bank to arrange a term Secured Overnight Financing Rate (SOFR) linked trade financing deal. The Bank was also amongst the first set of Banks to conclude structured derivative transactions with the country's large corporate houses after the RBI's fresh guidelines on these structured derivatives came into effect from January 2022.

The Bank has been a pioneer in Government business amongst private sector banks and has a compelling products and solutions offering for the Government segment. The Government business segment of the Bank witnessed a robust growth in fiscal 2022. The aggregated level current account and saving account balances registered a 16% Y-o-Y growth.

The Bank showed agility towards various socio-economic and public expenditure initiatives by Gol sourcing a record number of 570 new mandates in fiscal year 2022, up 36% Y-o-Y. Majority of these mandates were won by deploying tailor-made solutions complementing initiatives like Single Nodal Agency (SNA), Public Financial Management System (PFMS), Government e-Marketplace (GeM) etc.

The Bank continued to maintain its leadership in Debt Capital markets and was ranked as the number one arranger for rupee denominated bonds as per Bloomberg for 15th consecutive year.

During the year, the Bank was also awarded "Asian Bank of The Year" by IFR Asia, for the breadth of coverage and depth of expertise in the investment banking space. The award acknowledges the bank's outstanding performance in equity and debt issuance and the Bank's "One Axis" philosophy which is also a key area of distinctiveness.

As part of its thought leadership initiatives, the Bank has been organizing – Treasury Markets Talks – a talk series hosted by its Wholesale Banking team on diverse topics such as monetary and fiscal policy, geopolitical developments, international trade and economy and financial markets. The series has been received very well by all stakeholders, with participation from leaders in the Corporate and Financial sector.

As one of India's largest lenders in key growth sectors, the Bank remains committed towards ensuring adherence to highest standards of environmental and social sustainability by being providers of responsible and sustainable finance. In September 2021, the Bank announced a series of commitments aligned to achieving Sustainable Development Goals. The Bank has set a target of incremental lending of ₹30,000 crore over the next 4 years, under the Wholesale Banking segment towards pertinent sectors included in its Sustainable Financing Framework.

The Bank also made a commitment to strengthen India's healthcare infrastructure by signing a memorandum of understanding (MoU) with IPE Global Ltd. Under this partnership, the Bank will provide affordable finance of up to USD 150 million through

SAMRIDH (an initiative supported by the United States Agency for International Development), to support health enterprises and innovators who would otherwise not have access to affordable debt financing.

Commercial Banking

The Commercial Banking Group (CBG) addresses the banking needs of Small and Medium enterprises businesses and is one of the fast growing and profitable business segments for the Bank with high PSL compliance and cross sell opportunities.

The Bank's Commercial Banking business emphasizes on building and deepening banking relationships with the small and medium businesses across the country. The Bank caters to serve the unique and evolving financial needs of this crucial sector of the economy with wide range of customised product offerings including working capital finance, term loans, trade products as well as other banking services like cash management, foreign exchange, salary accounts, trust services etc.

The Bank has a strong network across the country offering best in class service through 146 dedicated CBG centres and the business being delivered through more than 4,600 branches. The CBG book remains well diversified across the geographical regions and across all major industrial sectors.

The Bank's CBG loan book delivered strong growth of 26% in fiscal 2022 on back of its strong relationship network and continued focus on improving its processes using digital platforms. The Bank's CBG advances stood at ₹77,067 crores as at 31 March, 2022 and constituted 11% of the Bank's total advances.

The Bank through its "Project Sankalp" has made significant progress in its journey towards digital transformation by bringing in efficiency in processes and developing sales enablement tools to improve customer experience and deliver growth. The Bank is also working on its focussed customer obsession program towards creating customer delight experiences and designing smart digital journeys for the day to day transactions of its CBG customers.

The Bank also adopted the strategy of enabling digital support to relationship teams from pre sanction onboarding to relationship deepening through the various initiatives under Project Sankalp.

The CBG coverage focus on deposits resulted in 12% Y-o-Y growth in Bank's overall current account deposits. The fees from CBG segment also witnessed a growth of 9% YOY thus strengthening the overall profitability.

The asset quality in the CBG segment has remained stable with strong focus on sourcing high rated customers. Continuous monitoring of exposure and usage of various Early Warning Systems to take corrective action wherever necessary, remain an integral part of Bank's overall portfolio management and risk mitigation.

The CBG business will continue its focus on offering customised banking solutions to the small and medium enterprises through digital enablers as well as best in class customer service.

Wholesale Banking Products

The Bank has strengthened its position as a transaction bank led by its focus on providing holistic product offerings to its clients across corporate, commercial banking, financial institutions, and government segment. The Bank with its re-aligned product team structure and revamped service architecture, continued to drive the digital penetration across its product offerings, as it remains focused on driving revenue growth and profitability while delivering best in class customer service.

The Bank continues to focus on increasing the share of transaction banking or flow-based businesses that include current accounts, collection & payments solutions, and trade finance services. The key financial deliverables of the business are current account float balances and fee income.

One of the key growth imperatives for the Bank on the wholesale banking side has been the focus on digital. The Bank has embarked upon an end-to-end digital transformation encompassing reimagined customer journeys and building new platforms powered by a cutting-edge technology stack. The umbrella of initiatives has been designed keeping in mind the evolving customer preferences and benchmarked against the global best-in-class and not merely restricted to current state of financial services. The delivery will be focused on the entire spectrum of wholesale digital offerings across entity sizes (small businesses to large corporates), user personas (data entry users to authorizers to CXOs) and digital maturity levels. The Bank will offer the choice ranging from Corporate Internet Banking and mobile app, Host to Host integration using SFTP, APIs as well as partnerships with multiple platforms. The Bank has one of the best-in-class corporate developer portal that enables a completely digital journey for the corporates.

While the Bank remains focused on building a digital first platform grounds up, it is also exploring various partnership opportunities with fintechs to augment existing customer offerings, co-create platforms and strengthen the Axis franchise.

Current Account and Overdrafts

The Bank's focus on deepening relationships and engaging with corporates on multitude of payments and collections solutions helped the current account balances to grow 12% during the year. The Bank had launched Full Power Digital Current Account

for the Individual customers in fiscal year 2021. Customers are being on-boarded through Paperless journey for Corporate Internet Banking (CIB) for domestic payments, Trade and Forex transactions (Incl. Forward contract confirmations). During the year, the Bank along with Freecharge launched a new completely digital product 'Merchant Cash Advance' on Freecharge Business app. The product offers an integrated Digital journey experience for availing digital zero balance current account with unsecured term loan facility of up to ₹5 lakhs.

Cash Management Solutions

The Bank provides comprehensive cash management solutions across all segments. During the year, the Bank introduced an API Banking Corporate Developer Portal that will provide customers access to the Bank's API suite, uses cases and the sandbox for testing. The Bank has implemented a new payment hub for handling NEFT volumes of API Banking customers which has been steadily increasing. This new payment hub makes the Bank future ready for handling the transacting requirements of nodal customers. The Bank has become one of the leading players in the e-commerce space led by its existing nodal relationships and the initiatives undertaken to build new API infrastructure.

During the year, the Bank received authorisation from Central Board of Indirect Taxes and Customs (CBIC) for collection of Customs Duty after removal of embargo for Private banks. The Bank went live in January 2022 and has collected approximately ₹3,400 crores during the fourth quarter. The Bank has also gone live with Railway e-Freight Collection and received authorisation for State Tax Collection from Govt. of Rajasthan and Govt. of Himachal Pradesh.

During the year, the Bank introduced several new features on the Easy pay platform, like enablement of multiple payment options, corporate front end user Interface and integration with Fintech partners to facilitate customers with better and improved services. The Bank has now direct integration with NPCI for eNACH processing, where dependency on service provider / aggregator has been eliminated towards mandate registration and transaction processing. The Bank has also tied up with the Business Correspondents (BC) channel thereby providing the feature of 18,000 additional service points towards cash collections.

Bharat Bill Payments System (BBPS) The Bank has been steadily increasing its market share in the BBPS ecosystem and its leadership position was recently recognised by Ministry of Electronics and Information Technology (MeitY). The Bank was awarded the DigiDhan Award for 2021 for on boarding the highest number of billers on BBPS.

Beyond Banking Solutions The Bank has designed various Smart City Solutions which empower citizens to make cashless payments, apply for services, raise grievances, etc. As a part of Digital India drive, Bank on-boarded multiple smart solution projects during the year to digitise the existing processes of various Government departments like health, horticulture, fisheries, mines, urban local bodies etc. These have helped the Bank to create competitive advantage in industry.

Trade and Risk management Services

The Bank offers a complete suite of trade finance products and solutions, for domestic trade as well as international trade finance, supply chain. These solutions are offered through dedicated specialised teams spread across the country as well as through its designated corporate banking branches and forex "B" category branches. Additionally the Bank has also specialised resources, that provide middle office services to clients for trade finance, with processing of transactions by separate team.

These propositions are designed to help provide solution across working capital management, risk management and efficiency for the clients. The team also structures bespoke solution to meet client specific requirements. The Bank continues to provide solution for clients through onshore as well as offshore banking units & leads the adoption of international best practices.

The Bank continues to broaden its business and focuses on delivering innovative solutions. Some key industry-first trade linked transaction executed in fiscal 2022:

- Secured Logistics Document Exchange - Industry-first blockchain enabled Trade Transaction
- SOFR linked Transaction - India's first Term SOFR linked Trade Financing through GIFT City

The Bank continues to enhance its digital capabilities to offer value added services to corporate clients through its integrated digital platform. The Bank has undertaken a comprehensive project to revamp its digital capabilities, focusing on enhanced UI/UX for the customers as well as provide latest integration channels for communication such as SFTP and API.

Additionally, the Bank is working along with various third-party solution providers such as SWIFT to provide bank agnostic channel for clients. The Bank is also actively engaged with other players in the ecosystem, to promote digital infrastructure in the country.

The Bank is also one of the few private sector banks that act as advisory bank in Government e-Marketplace (GeM). This tie-up will enable the Bank to offer automated solutions for advising electronic performance guarantees (e-PBG) to Government departments / organizations / PSUs with value added features like integrated responses and faster turnaround time.

Supply Chain Finance

Supply Chain Finance (SCF) business works closely with corporates across various industry sectors.

Supply Chain Finance asset book has a balanced product mix consisting of products like dealer finance, vendor finance, factoring and payable finance. The SCF business has been pivoted to focus on payable's side and with launch of reverse factoring, the Bank has been able to deepen relationships and provide a technology driver solution. The SCF business has weathered the COVID-19 storm and overall health of the portfolio has been well maintained through close monitoring and deploying timely corrective measures.

As part of the overall Industry focussed strategy, the SCF team is partnering to create bespoke, industry specific SCF solutions for dairy and FMCG sector. These are targeted to address unique sector specific challenges and deliver superior value from working capital management perspective.

Correspondent Banking & Payments

Correspondent Banking maintains Nostro and Vostro relationships of banks across various geographies. The Bank enters into correspondent banking relationship to grow cross border business and offers more options to customers for inward & outward payments. The Bank offers products and services to customers such as retail / non-retail remittances, cheque clearing, trade finance, treasury payments etc. Currently, the Bank has relationships with over 1,000 banks worldwide in more than 100 countries, thereby providing its customers a widespread global reach.

Treasury & Markets

The Bank's Treasury & Markets function comprises of Asset Liability Management (ALM), Forex Trading group (including Currency Derivatives & Bullion), Interest Rate Trading (IRT) (including Rupee Derivatives) & Primary Dealership, Non SLR Trading (including Equity), Debt Capital Markets - DCM (Domestic DCM & International DCM), Treasury Sales and Loan Syndication business.

Treasury Sales works closely with coverage team to provide customised risk management and hedging solutions to our diverse clients. The solutions provided are across a range of products including FX, Derivatives, Fixed Income and Commodities, and the breadth of customers we serve allows us to make competitive prices across these wide-ranging products. The Bank's key strengths in complex and structured risk management solutions, hedging advisory and execution skills makes it rank among the leading Treasury solutions provider in the country.

The Bank's ALM group manages the regulatory requirements of Cash Reserve Ratio (CRR), Statutory Liquidity Ratio (SLR) and Liquidity Coverage Ratio (LCR). The group also manages the liquidity, interest rate and currency risks in the Bank's portfolio, under the guidance of the Asset Liability Committee (ALCO) of the Bank.

The Bank's Forex Trading Group is a major participant in the foreign exchange and derivatives market and undertakes proprietary trading and market making in forex and derivatives products.

The IRT Trading desk plays an important role of market making and trading in G-Sec, OIS & other interest rate products. The Bank is primary dealer of Government securities. PD desk ensures mandated bidding commitments, success ratio & turnover ratio for T-bill auctions/G Sec are achieved for the year. The Corporate Bond & Equity Trading desk undertakes primary and secondary market investments in corporate bonds, commercial papers, certificate of deposits, and equity instruments. The Bank's Corporate Bond (net) Book as on 31 March, 2022 stood at ₹45,144 crores.

The Bank's Loan Syndication desk is responsible for arranging loan facilities for corporate clients on underwriting / arranger/ best-efforts basis while also undertaking secondary sale and purchase of loans. The group, being active in both domestic and international loan markets, plays an integral role in balancing the risks and returns on the Bank's corporate loan book. The Bank continues to remain a dominant player in the Debt Capital Market (DCM) segment. For fiscal year 2022, the Bank arranged bonds and debentures of close to ₹76,900 crore. The Bank maintained its leadership position in rupee denominated bonds, as per Bloomberg for the 15th consecutive calendar year. The Bank also has a growing International Debt Capital Markets franchise with mandates from strong corporate issuers for their international bond issuances. The group has demonstrated a track record of arranging several ESG compliant issuances.

Customer Experience and Transformation (CXT)

The Bank aspires to be India's most customer obsessed bank and has 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, optimizing all journeys where customers interact with the Bank, enabling colleagues who are engaging with customers and transforming the core operations that support all experiences.

- **Listening to customers:** The Bank's Voice of Customer (VoC) program is systematically designed around "Listen", "Learn" and "Act".

The Bank is building an omni-channel, real-time customer feedback capability to augment its existing VoC program (which already covers all segments and products) to ensure that it is listening to customers through the channels that they prefer immediately after their interaction with the Bank. Net Promoter Score (NPS) will be the guiding metric to assess the impact of the program.

The Bank is also enhancing its ability to extract insights by analysing all forms of written and verbal customer feedback, through artificial intelligence and machine learning.

- **Optimising all customer interactions:** The Bank is aiming to delight customers by re-crafting all key onboarding and servicing journeys at every touchpoint. To this end, more than 30 key customer journeys across the Bank have been prioritised and agile teams are leveraging customer feedback, disruptive technology, and deep insights to reimagine the same.
- **Enabling employees who engage with customers:** Delivering great customer experience requires highly empowered and motivated employees, who have the time and the capability to engage in deep, meaningful conversations with customers.

The Bank has freed up employees' time by removing operational activities and digitising key processes. For example, Wholesale Banking Relationship Managers now have 50% more time to spend on understanding their clients' needs and designing and delivering the right solutions to them; colleagues in branches can now spend 50% more time engaging with their customers.

In order to maximise the value of time for its employees and customers, the Bank is completely digitising their way of working through an, analytics driven, mobility app. This platform will provide a customer 360 view, action oriented analysis of the entire portfolio, contextual nudges continuously optimised through machine learning and the ability to do all internal tasks through a single window to all relevant Bank applications.

- **Transforming core operations that support all experiences:** The operations backbone is critical to enabling exceptional experiences and the Bank continued its journey to transform core operations this year through a digital-first approach. Leveraging intelligent automation (Robotic Process Automation, Intelligent Optical Character Recognition), analytics (e.g. route optimisation for cash handling) and digitisation in addition to core simplification and process re-engineering, processes continue to become more efficient, effective and scalable while lowering unit costs. For example, straight through processing of credit card service requests has increased to 85%.

Data is a strategic asset for the Bank and is critical to providing delightful customer experiences. Significant investments are underway to capture high-quality data from all sourcing systems, create a single source of truth and maintain the sanctity of this data. Leveraging this infrastructure, customers will receive highly personalised experiences, frictionless journeys and anticipatory, pro-active outreach to address their needs even before they realise it.

Project "SPARSH"

The Bank has embarked upon a distinctiveness program called "Sparsh" to drive customer obsession in the Bank. Sparsh is a passion that drives the Bank's aspiration to become the most customer obsessed bank in India. This journey is aimed to build customer experience as a true differentiator for the Bank and ultimately drive promotor scores.

The core credo of Sparsh is "Delight our customers and fulfill their dreams, through smart banking everyday."

As part of the broader agenda of Sparsh, the Bank has been working to empower and train its 85k+ strong staff to become delight advocates. The Bank is also building institutional capabilities to capture the voice of the customer and strengthening its ability to measure and act on customer feedback. In order to ensure that customer obsession is embedded in the culture, the Bank has made several ground level interventions over the course of the past year. These include initiation of deep work in select channels, 'Inspire'sessions with customer service leaders from the best global customer-centric organisations, workshops to cascade the message of Sparsh to the top 250 leaders, and thereon to the 4,500+ branches. The Bank has also been working to engage its frontline staff in the ideation process, helping cement their sense of ownership, and have given public recognition for employees who live the 'Sparsh' behaviours.

Business Intelligence Unit

The Banks' Business Intelligence Unit (BIU) team has the mandate to create data assets and monetize them via various business decisions and strategies. The team has numerous success stories in the areas of risk management, marketing, product innovation and operational optimization. The Bank has an in-house Data Science and Artificial Intelligence (AI) team providing cutting edge solutions to various functions of the Bank. The team has successfully deployed and driven adoption of predictive solutions across all businesses.

There are over 450 members in the team who are young and techno-functional with an expertise in distributed computing and algorithms catering to big data, new age programming language like Python, Hive and deep learning frameworks like TensorFlow, Keras etc.

The Bank has invested in new age data science and engineering platforms – Big Data Lake, Micro Services-based architecture, and Analytical Work Bench to deliver value in traditional/non-traditional use cases. There has been upward trend in the adoption rate of these platforms. The Bank's focus on Artificial Intelligence (AI) & Machine Learning (ML) along with traditional analytics has helped internal stakeholders to make data driven business decisions.

During the year, the BIU team focussed on creating distinctiveness in the areas of Cloud computing, Big-data platforms, Hyper-personalization & Alternate data with the objective of creating differentiated customer experiences in line with the Bank's focus on customer obsession & going digital. Machine Learning algorithms and Cloud capabilities have been used to provide Hyper-personalized 100+ nudges across customer digital journeys, cross-sell & regulatory compliance. Along with Omni-channel strategy, the same ML platform has also been supporting Relationship Managers with personalized nudges to serve customer needs better. BIU also continued to work on straight through credit journeys for customers towards improving turn-around times.

The Bank also focussed on creating new age digital solutions by leveraging on partnerships with E-commerce and FinTech companies. It has improved customer underwriting by using various alternate data sources such as Satellite-image derived farmland data, payments score etc. The customer base qualified for data based lending has increased from 24% (in fiscal 2017) to 56% (fiscal 2022), The Bank's proprietary machine learning scorecards enabled 82% of the entire disbursements in Retail Loans (Including Rural). Further, the Bank's database programs contributed to 75% of Credit Card sourcing and 59% of Personal Loan sourcing in fiscal year 2022.

The Bank continued its focus on using scientific & data driven tools for hiring. BIU has conducted Datathons /Hackathons to provide new-age learning platforms. BIU has setup a strong data quality & data governance framework with six-sigma scorecards being deployed across its data infrastructure.

The Bank's income estimation model (AI based backbone) was recognised for superior Data Intelligence and was awarded at the IDC Industry Innovation Awards 2021.

Information Technology and Cyber Security

The Bank's Information Technology (IT) strategy remains guided by our aspiration of becoming India's most valuable bank while focusing on customer obsession & delight through integrated technology capabilities. The Bank continues to focus on the six key imperatives that include end-to-end customer journey digitization, accelerating delivery, modernizing the core to deliver profitable growth, fix the basics to build a sustainable franchise, talent and culture, and Risk and governance.

In the last two years, the Bank's IT team strength has increased by 75% while the IT spends have gone up by 2x. The Bank's strong Tech and digital team of 1,500+ members have been working towards execution of key 30+ transformation initiatives towards transforming the core and developing future ready capabilities while building greater resiliency in its technology stack. During the year, the Bank took various technology enabled business initiatives to facilitate the Bank's journey towards driving sustainable growth and improving customer experience with the help of digital banking, leveraging the Bank's payments business capability, sustained focus on analytics, and providing self-assisted capability to customers.

The Bank's IT department manages all banking applications through a talented central IT team having strong domain capabilities in banking, treasury, channels, payments and collections, along with technical capabilities. The IT operations are managed through a cross-functional team involving functional and technical experts; with 99% of staff trained in Agile and 94% in DevSecOps, while 100% of IT staff is Yellow belt certified.

During the year, the Bank's IT team made significant progress on its enterprise-wide transformation journey with focus on areas of engineering excellence (Agile & DevSecOps), enterprise, channels and data architecture, automation, applications rationalization, integration, and infrastructure resilience. The transformation journey focuses on four fundamental benefits of faster and more efficient delivery of tech projects, improved quality and resilience, delivery of critical business and operational capabilities, and improved the Bank's perception in the market.

The Bank is a leader in Cloud adoption and has taken a complete cloud first approach. The Bank has been the first to create 3 landing zones (AWS, Azure and GCP) to support its multi-cloud strategy. The rapid pace of cloud adoption, driven by a dedicated Cloud COE, has helped the Bank to drive business innovation at a faster pace. Using automation and SOPs, the Bank reduced its infrastructure provisioning TAT by ~90% compared to comparable on-premises solutions. This helped the Bank deliver faster, better on digital initiatives (like Video KYC based CASA opening and WhatsApp banking). The Bank had 55+ critical applications on Cloud as of March 2022 and is targeting to take 70% of its applications on cloud in next two years.

The Bank remains committed to its open ecosystem proposition to build dedicated partnerships with its focused API strategy. The Bank has adopted 'Next Gen integration' by already deploying more than 325 APIs across Retail and Corporate channels on its Developer portal. The Bank continues to roll out new APIs to enable digital customer journeys and partner on-boarding leading to reduced time to market.

Additionally, the Bank continues to build capabilities in emerging technologies of AI, ML, Automation, and Data Analytics. The Bank has 2,200+ RPA bots in action and 1,000+ automated processes, and is targeting best in class efficiency for RPA, Voice, and IOCR. During the year, the Bank continued to introduce, and scale new products driven by its zero-based redesign philosophy. The redesigned customer centric journeys enable minimum to no data entry with automated underwriting.

During the year, the Bank executed an industry first blockchain enabled domestic LC transaction on SLDE (Secured Logistics Document Exchange), a Government of India backed blockchain platform. This platform provides a seamless experience to all participants involved in trade transaction, giving them visibility of the transaction and documents, thus resulting in better management of working capital requirement.

The Bank also concluded structured derivative transaction, as per Reserve Bank of India's fresh guidelines for over-the-top derivatives. The 'Barrier FX options' transactions were undertaken for the purpose of managing currency risks and allows Indian corporate houses in utilizing complex derivative products for hedging foreign exchange and rate differential risks.

The Bank partnered with SWIFT to provide comprehensive, digitalized trade banking solutions. This will help digitize bank guarantees and reduce TAT from current 2 weeks in physical form to within a few minutes. The Bank also offers digitized application forms for payment through Asian Clearing Union and other legal forms, which are required under the FEMA (Foreign Exchange Management Act) Act.

The Bank remains committed to the highest standards of data security and privacy and continues to invest to enhance its capabilities. The Bank follows a holistic cyber security program with a comprehensive Cyber Security Policy and Standards based on industry best practices in compliance with regulatory guidelines. The Bank has deployed its cyber security structure and framework based on National Institute of Standards and Technology (NIST) Standard. The Bank's cyber security framework is built and operated around five fundamental areas including Identify, Protect, Detect, Respond and Recover. The Bank is compliant to ISO27001 and PCIDSS standards. The Bank has a 24x7 Security Operations Centre and Cyber Security Operations System. 100% of the digital products of the Bank are under Dark Net monitoring. The Bank had a Bitsight Rating of 780 out of 900, indicating better security performance. The Bank is also moving to a zero trust architecture internally, adding security technology and process controls and most importantly training all its 85,500+ employees on cyber security.

The Bank has deployed Cyber Security controls to protect its information assets from unauthorized access, hacking attempts, data loss and has implemented various detection and monitoring technologies, to proactively detect and respond to any cyber threats. Some of the controls are as follows:

- ✓ Multifactor authentication has been enabled for users connecting through Remote access.
- ✓ Secure and isolated environment for Remote access to critical systems were configured, to prevent sensitive data leak or unauthorized access.
- ✓ Advanced End-Point controls and Data Leakage Prevention (DLP) control to detect and prevent endpoints being target of cyber-attacks.
- ✓ Spam and Phishing emails protection have been enabled to protect against email-based cyber-attacks that were rampant during the pandemic.
- ✓ 24x7 security monitoring along with usage of Cyber Security Threat Intelligence to detect malicious underground activities against the Bank.
- ✓ In addition, the above controls; Bank has also enabled Enhanced monitoring for Remote users to detect and prevent; any Unauthorized and unusual remote access, User access to Bank systems from unusual geographies, Concurrent user access from difference locations, etc. and Data Leakage monitoring for Web channel, Email channel and End Points

Information & Cyber Security governance framework is in place at executive level at the Board through its Risk Management Committee, Information Technology Strategy Committee and Information System Security Committee which oversees the Bank's Information and Cyber Security initiatives so that those controls commensurate with the risks and threats applicable to the Bank and its information assets.

Risk Management

The Bank continues to focus on strengthening the risk management capabilities by leveraging on advanced analytics and frameworks.

The risk management objective of the Bank is to balance the trade-off between risk and return and ensure that the Bank operates within the Board approved Risk Appetite Statement. An independent risk management function ensures that the risk is managed through a risk management architecture as well as through policies and processes approved by the Board of Directors encompassing independent identification, measurement and management of risks across the various businesses of the Bank.

Management's Discussion and Analysis

The Bank's risk management function strives to proactively anticipate vulnerabilities at the transaction as well as at the portfolio level, through quantitative or qualitative examination of the embedded risks. The Bank continues to focus on refining and improving its risk measurement systems including automation of processes, not only to ensure compliance with regulatory requirements, but also to ensure better risk-adjusted return and optimal capital utilisation. The Board reviews the risk profile of the Bank at periodic intervals and ensures that risk levels are within the defined risk appetite.

Risk Governance

The Board is the Apex Governance body on all matters of risk management. The Board of Directors exercises its oversight over risk management both directly and through its Committees, namely

- ✓ The Committees of the Board that pertain to Risk management i.e., The Risk Management Committee, the Audit Committee of the Board, the Special Committee on Large Value Frauds and the IT Strategy Committee.
- ✓ The Executive Risk committees which are constituted look at specific areas of risk and are mandated by the Risk Management Committee of the Bank i.e. Credit Risk Management Committee (CRMC), Asset Liability Management Committee (ALCO), Operational Risk Management Committee (ORMC), Information Systems Security Committee (ISSC), Central Outsourcing Committee (COC), BCP & Crisis Management Committee (BCPMC), Apex Committee and Subsidiary Management Committee (SMC).

Risk Architecture

The overall risk appetite and philosophy of the Bank is defined by its Board of Directors. The Risk Appetite framework provides guidance to the management on the desired level of risk for various types of risks in the long term and helps steer critical portfolio decisions.

Further, the Internal Capital Adequacy Assessment Process (ICAAP) of the Bank assesses all the significant risks associated with various businesses.

The independent risk management structure within the Bank is responsible for managing the credit risk, market risk, liquidity risk, operational risk, other Pillar II risks like reputational risk and strategic risk and exercising oversight on risks associated with subsidiaries. The risk management processes are guided by well-defined policies appropriate for the various risk categories supplemented by periodic validations of the methods used and monitoring through the sub-committees of the Board.

Credit Risk

Credit risk is the risk of financial loss if a customer, borrower, issuer of securities that the Bank holds, or any other counterparty fails to meet its contractual obligations. Credit risk arises from all transactions that give rise to actual, contingent, or potential claims against any counterparty, customer, borrower or obligor. The goal of credit risk management is to maintain asset quality and concentrations at individual exposures as well as at the portfolio level.

Internal rating forms the core of the risk management process for wholesale lending businesses with internal ratings determining the acceptability of risk, maximum exposure ceiling, sanctioning authority, pricing decisions and review frequency. For the retail portfolio including small businesses and small agriculture borrowers, the Bank uses different product-specific scorecards. Credit models used for risk estimation are assessed for their discriminatory power, calibration accuracy and stability independently by a validation team.

Both credit and market risk expertise are combined to manage risks arising out of traded credit products such as bonds and market related off-balance sheet transactions.

With the impact of pandemic continuing in fiscal year 2022, the Risk department continued to carry out stress testing exercise on its overall portfolio to assess incremental stress using over 1,000 variables, internal as well as external data points, and over 125 combinations.

Market Risk

Market risk is the risk of losses in 'on and off-balance sheet' positions arising from the movements in market price as well as the volatilities of those changes, which may impact the Bank's earnings and capital. The risk may pertain to interest rate related instruments (interest rate risk), equities (equity price risk) and foreign exchange rate risk (currency risk). Market risk for the Bank emanates from its trading and investment activities, which are undertaken both for the customers and on a proprietary basis. The Bank adopts a comprehensive approach to market risk management for its banking book as well as its trading book for both its domestic and overseas operations. The market risk management framework of the Bank covers inputs regarding the extent of market risk exposures, the performance of portfolios vis-à-vis the market risk limits and comparable benchmarks which provide guidance to the business in optimizing the risk-adjusted rate of return of the Bank's trading and investment portfolio.

Market risk management is guided by clearly laid down policies, guidelines, processes and systems for the identification, measurement, monitoring and reporting of exposures against various risk limits set in accordance with the risk appetite of

the Bank. Treasury Mid-Office independently monitors the Bank's investment and trading portfolio in terms of risk limits stipulated in the Market Risk Management Policy and board approved Market Risk Appetite and reports deviations, if any, to the appropriate authorities as laid down in the policy and in the Risk Appetite Statement. The Bank utilises both statistical as well as non-statistical measures for the market risk management of its trading and investment portfolios. The statistical measures include Value at Risk (VaR), stress tests, back tests and scenario analysis while position limits, marked-to-market (MTM), stop-loss limits, trigger limits, gaps and sensitivities (duration, PVBP, option greeks) are used as non-statistical measures of market risk management.

The Bank follows a historical simulation approach to calculate Value at Risk (VaR) with a 99% confidence level for a one-day holding period in a time horizon of 250 days. VaR models for different portfolios are back tested on an ongoing basis and the results are used to maintain and improve the efficacy of the model. VaR measurements are supplemented with a series of stress tests and sensitivity analyses as per a well laid out stress testing framework.

Liquidity Risk

Liquidity is a bank's capacity to fund increase in assets and meet both expected and unexpected cash and collateral obligations at a reasonable cost and without incurring unacceptable losses. Liquidity risk is the inability of a bank to meet such obligations as they become due, without adversely affecting the bank's financial condition.

The Asset Liability Management (ALM) Policy of the Bank stipulates a broad framework for liquidity risk management to ensure that the Bank is in a position to meet its liquidity obligations as well as to withstand a period of liquidity stress from bank-level factors, market-wide factors or a combination of both. The ALM policy captures the liquidity risk appetite of the Bank and related governance structures as defined in the Risk Appetite Statement. The ALM policy is supplemented by other liquidity policies relating to intraday liquidity, stress testing, contingency funding plan and liquidity policies for each of the overseas branches.

The liquidity profile of the Bank is monitored for both domestic as well as overseas operations on a static as well as on a dynamic basis by using the gap analysis technique supplemented by monitoring of key liquidity ratios and conduct of liquidity stress tests periodically. Periodical liquidity positions and liquidity stress results are reviewed by the Bank's ALCO and the Risk Management Committee of the Board.

The Bank has integrated into its asset liability management framework the liquidity risk management guidelines issued by RBI pursuant to the Basel III framework on liquidity standards. These include the intraday liquidity management and the Liquidity Coverage Ratio (LCR). The Bank maintains LCR /NSFR in accordance with the RBI guidelines and the defined risk appetite of the Bank.

Operational Risk

Operational risks may emanate from inadequate and/or missing controls in internal processes, people and systems or from external events or a combination of all the four. The Bank has in place an Operational Risk Management (ORM) Policy to manage the operational risk in an effective, efficient and proactive manner. The policy aims at assessing and measuring the magnitude of risks, monitoring and mitigating them through a well-defined framework and governance structure.

The RMC at the Apex level is the policy making body and is supported by the Operational Risk Management Committee (ORMC), responsible for the implementation of the Operational Risk framework of the Bank and the management of operational risks across Bank.

All new products and processes, as well as changes in existing products and processes are subjected to risk evaluation by the Operational Risk team. The overall responsibility of new products is vested with the Risk Department through the Bank's Product Management Committee and Change Management Committee. Outsourcing arrangements are examined and approved by the Bank's Outsourcing Committee after due recommendations from the Operational Risk team. The Information System Security Committee of the Bank provides directions for mitigating operational risk in the information systems. The Bank has set up a comprehensive Operational Risk Measurement System for documenting, assessing, and periodic monitoring of various risks and controls linked to various processes across all business lines. Over the year, the Bank has focused on strengthening the operational and information security risk frameworks by implementing several initiatives.

Business Continuity Plan

The Business Continuity Planning Management Committee (BCPMC) exercises oversight on the implementation of the approved Business Continuity Plan (BCP) framework which has been put in place to ensure continuity of service to its large customer base. The effectiveness of the approved Business Continuity Plan (BCP) framework is tested for all identified critical internal activities to ensure readiness to meet various contingency scenarios. The learning from the BCP exercises are used as inputs to further refine the framework. With effective Business Continuity Plan in place, the Bank has effectively managed to run its operations by adapting to various continuity / mitigation plans.

Information and Cyber Security Risks

The Bank pursues a holistic Information and cyber security program with a comprehensive Information Security policy, Cyber Security policy and standards based on industry best practices with compliance to regulatory guidelines. These policies are aligned with the regulatory directives on Information and Cyber security and with global best practices like NIST, ISO27001:2013, PCI DSS etc.

The governance framework is in place at executive level with Information System Security Committee constituting key business functions meeting at least once in a quarter to assess the threat landscape and validate the controls enforced in the Bank commensurate with the cyber risks.

The Bank has invested in strong technical and administrative controls to proactively prevent, detect and contain and respond any suspicious activity. Bank is compliant to ISO27001 standard and PCI DSS standard. The Bank conducts various assessment to identify and remediate risks before any application and/or IT infrastructure component is deployed. These assessments include Application security, vulnerability assessment, penetration testing, security architecture review data security assessment etc. Bank also has adopted defense in depth methodology to protect its crown jewels from intrusion by malicious actors. The Bank has 24 x 7 Security Operation Center (SOC) to keep vigil on its digital assets and coordinates with RBI, CERT-IN, NCIIPC, NPCI etc. for implementation of their recommendation to strengthen its defense against cyber-attacks.

Risk framework in managing COVID pandemic

The impact of COVID-19 continued in fiscal year 2022, with disruption in every sphere including financial sector. The Bank continued to function based with in control framework introduced in fiscal year 2021 to handle the pandemic which included strengthening the process, controls with continued focus on customer centricity.

The Bank had set up Centralised Emergency Response Framework in fiscal year 2021, focusing across multiple facets – protecting life, ensuring business continuity, protecting operations, maintaining liquidity and protecting capital. The Centralised Emergency Response Team was empowered to make decisions, communicate responses and action plans across the Axis Group. This team continued to monitor health and continuity during the resurgent second and third waves. Further, the Bank embarked on a set of medium- and near-term projects to recalibrate the risk response - these include operational risk, cyber security stack, stress testing, credit risk model reviews, identifying sectors for de-risking, reviewing the unsecured lending portfolio etc.

The Bank continued with its hybrid working model through most of the fiscal, but had initiated complete 'Work from home' mandate well before the surge in second and third COVID waves. The Bank continued to issue regular health advisory, monitoring of staff health, maintaining social distancing, sanitisation and undertook other safety measures. The Bank's strong IT infrastructure that was scaled up in fiscal year 2021, continued to support Continuity of Operations and ensured uptime in branches and ATMs.

The Bank introduced additional control measures to mitigate likely risks associated with market volatility during COVID period through additional monitoring of portfolios/positions in relation to trigger limits. Enhanced controls were introduced to ensure treasury dealings in off-site mode in work-from-home scenario.

The Bank also introduced necessary process changes introduced without diluting controls for COVID specific operations. Enhanced controls around dealer conduct and market volatility ensured seamless Treasury operations through the Pandemic period. Information security related controls were enhanced with respect to remote working to continue monitoring of the perimeter to prevent threats.

In terms of liquidity risk, the Bank has been monitoring the liquidity position and liability mix closely; and comfortable liquidity positions have been maintained. On the credit risk side, the Bank has put in place appropriate risk mitigation measures to ensure origination in a risk – sensitive manner backed by close monitoring and proactive collection. The Bank has also put in place policies to implement the various directives of the RBI with respect to policy response to COVID.

Subsidiary Governance

RBI has identified Axis Group as a Financial Conglomerate (FC) under the Inter Regulatory Forum (IRF) mechanism which necessitates continuous oversight on subsidiaries. The oversight on Bank's Subsidiaries is an essential element for the implementation of well aligned corporate governance principles across group entities. It assists in integration of our theme "One Axis" by sharing uniform practices across the Group and build up synergy in common practices. Towards this objective, the Bank has implemented an integrated Subsidiaries Governance Framework. The Subsidiaries Management Committee in the Bank oversees the alignment of governance practices at Group level under the guidance of the Board and Board level committees. The Governance Framework encompasses group level alignment of key functions such as Risk, Compliance,

Audit, Human Resources, Finance, Information Technology, Cyber Security, Legal, Corporate Communication, Marketing and Secretarial Practices. The framework is supplemented by a set of Governance policies and a monitoring mechanism under the Board approved framework.

Compliance

The landscape around compliance in India has been changing quite significantly over the past couple of years. The regulatory expectations and level of tolerance have seen a significant change towards the global-best practices. The other important aspect of change has been the flurry of introduction of new channels, products, services, ways and options of doing things along with emergence of a whole new set of players powered by fintechs.

The Bank's compliance function has been actively working with all the stakeholders towards meeting the higher level of expectations from the regulator and also meeting ever increasing & complex needs of businesses from compliance to ride the wave of changes and competition. The compliance function in the Bank reports to the Audit Committee of the Board and active involvement of the Committee makes a significant positive impact in the working of compliance function and also in the matters of ensuring compliance across the Bank. Number of projects has been initiated in the area of automation of workflows and use of analytics and machine learning in the functioning of anti-money laundering unit as well as in guiding various teams within the Bank to ensure better compliance. The other area of focus for the compliance function currently is to enlarge the scope & coverage of compliance testing programs to identify any gaps in systems & processes or weakness in remediation of any regulatory observation, so that necessary additional remediation, if required, are put in place well in time, thereby mitigating avoidable risks. One more area of focus for the compliance function is to strengthen the framework of root-cause-analysis (RCA) to avoid repeat failures and help the Bank in maintaining a robust & sustainable set up of internal controls thereby minimizing and eliminating as far as possible, any regulatory concern. In many of these areas, compliance function actively collaborates with the other two assurance functions within the Bank, Risk and Internal Audit, to present a comprehensive view and working approach on various important matters. One of the primary objectives of the compliance function continues to be to provide timely and constructive advice to all the functions across the Bank, and the group entities, to arrive at the most optimal solution to meet the customer & other stakeholders' aspirations and at the same time ensuring compliance to regulations.

Internal Audit

The Bank's Internal Audit function provides an independent view to its Board of Directors and Senior Management on the quality and efficacy of the internal controls, risk management systems, governance systems and processes in place on an on-going basis. This is provided to primarily ensure that the business and support functions are following compliance with both internal and regulatory guidelines.

In line with the RBI's guidelines on Risk Based Internal Audit (RBIA), the Bank has adopted a robust internal audit policy. The Risk Based Internal Audit has been designed after factoring regulatory guidelines and also international best practices. The policy has a well-defined architecture for conducting Risk Based Internal Audit across all audit entities. The audit policy articulates the audit strategy in terms of a concerted focus on strategic and emerging business risks. These inputs form a key step in the identification of the audit universe for the audit planning exercise. The audit frequencies are in sync with the risk profile of each unit to be audited. This is in alignment with guidelines relating to Risk Based Internal Audit (RBIA). The scope of RBIA includes examining the adequacy and effectiveness of internal control systems, external compliances and also evaluating the risk residing at the audit entities. Further to augment the internal audit function, concurrent audit, off-site audit, and thematic audit reviews have been integrated into the internal audit process in order to make the function more robust.

Keeping pace with digitalisation in the Bank, the Internal Audit function has also undertaken several technological initiatives using robotics process automation, artificial intelligence and machine learning for providing enhanced efficiency and effectiveness through technology driven audits. The Internal Audit function has an effective mix of resources with technology and functional skill sets for effectively conducting technology driven audits. The Audit function is continuously enhancing the skill sets of the audit resources towards technology driven audits, for making the Internal Audit Function agile and responsive towards the emerging and strategic risks.

The Internal Audit function of the Bank operates independently under the supervision of the Audit Committee of the Board, that reviews the efficacy of the internal audit function, effectiveness of the internal controls laid down by the Bank and compliance with internal and regulatory guidelines.

Corporate Social Responsibility (CSR) & Sustainability

CSR

The Bank's 'OPEN' philosophy continues to shape its strategy and actions towards creating long term impact in the community. Through its CSR interventions, which are guided by the CSR Policy and overseen by the Board and its CSR Committee, the Bank has been contributing towards the socio-economic welfare of underprivileged and under-represented communities across the country primarily under the broad themes of sustainable livelihoods, education, financial literacy and financial

inclusion, environmental sustainability, as well as relief- and need-based interventions. The Bank's CSR efforts consciously strive to touch the most marginalized communities such as those in the Aspirational Districts identified by the Government of India or country's remote regions. The Bank continues to ensure that its CSR Policy, governance and oversight, and project implementation are in accordance with the Section 135 of the Companies Act 2013 and all rules made thereunder.

The COVID-19 pandemic continued to impact lives and livelihoods of millions of Indians during the Fiscal. For the second consecutive year, the Bank's CSR focused on ameliorating the hardships of communities most affected due to COVID and it continued to extend its support to front-line warriors including police departments, Urban Local Bodies, government departments, hospitals among others to combat the second wave of the pandemic. This year, the Bank also supported vaccination drives for the economically weaker sections in urban areas in partnership with pertinent government and healthcare entities. The Bank also supported 120 paediatric cardiac surgeries for children from economically weak backgrounds diagnosed with Congenital Heart Diseases (CHD), across three states.

In the rural areas, the Axis Bank Foundation (ABF) actively supported the population that was most impacted by the pandemic, facilitating diverse interventions including vaccine awareness, access to medical facilities, providing grocery and medical support, and creating and supporting quarantine centres. With the onset of the Kharif season, ABF also supported farmers to maintain access to inputs they required for cultivation. Due to the pandemic, many migrant workers returned to their villages, which, aided with good monsoons, allowed for more land to be brought under cultivation thus enhancing farmers' incomes. With the easing of lockdowns in most urban centres, while the skilled labour returned to work in the cities, unskilled labour stayed behind in many pockets that needed to be provided with suitable skilling to enhance their livelihood opportunities. Driven by the pandemic, the wider adaption of the 'work from anywhere' culture within India's corporate sector also opened new employment opportunities for Persons with Disabilities (PwDs), a key focus of ABF's skilling interventions, which launched a pilot supporting gig opportunities for PwDs.

The Foundation made strong strides towards achieving the 'Mission 2 Million' commitment by 2025 under its Sustainable Livelihoods program, achieving a significant milestone when it crossed the halfway mark of supporting 1 million households under the Commitment, in February 2022. ABF reached 1.03 million households/participants in 205 districts across 26 States and Union Territories of the country cumulatively as on 31 March, 2022. In this fiscal alone, it reached 0.11 million participants in 17 states.

During the year, the Bank significantly expanded its CSR focus on education, supporting and expanding its interventions under this theme in various parts of the country.

The Bank's flagship program in education, Axis DilSe, that aims to provide children from remote regions in India with opportunities to better learning, completed its second year of partnership with the Sunbird Trust to support the Lyzon Friendship School in rural Manipur. Under the program, the infrastructural expansion of the school and its hostel, and pedagogical and training support to its teachers and pupils enabled it to expand its student strength to over 300 students, all of whom hail from tribal and rural communities. During the year, the Bank expanded the Axis DilSe program to Majuli in Assam, which is also India's only island district, wherein it is partnering with the Ayang Trust to support the expansion of the Hummingbird School, which has over 70 children from the predominantly tribal inhabitants on the island.

The Bank supports scholarships to enable women from economically weak backgrounds to access high quality higher education. The Axis Bank Scholarship program at Ashoka University, Haryana continued this year, where it provided scholarships to 10 female undergraduate students pursuing STEM-related disciplines at the University during the year, in addition to the continuing scholarships to the 10 female students from the previous year. During the year, the Bank initiated the Axis Bank Scholarship Program at Plaksha University, Punjab, providing scholarships to 16 students during the year from economically weaker backgrounds and from Tier 2/3 towns pursuing undergraduate degree programs at the university.

The Bank also continued to partner with the JSW Foundation to support the 'Museum of Solutions (MuSo)' in Mumbai. The Museum, scheduled to open its doors in fiscal 2023, aims to provide experiential learning beyond classrooms to children from all backgrounds and age groups.

The Bank's Financial Literacy and Financial Inclusion Program supports greater financial integration and opportunities for economically weaker sections in rural and urban India. The program is focused primarily on women, towards creating greater awareness on personal financial management, the importance of savings and insurance, and introduction to pertinent government schemes and banking channels. In the previous fiscal, the program had introduced a new module, 'Sachetana' to spread awareness among the participants on COVID-19-related safety and precautions. The Program reached 1.37 million participants in 21 States in fiscal 2022.

During the year, the Bank launched new programs under the theme of Environmental Sustainability in various parts of the

country. Under its broader ESG agenda, the Bank has taken a commitment of planting 2 million trees by 2027 in five states and has teamed up with experienced implementation partners. Additionally, the Bank is supporting a Miyawaki plantation of 25,000 trees at a pilot in the Mumbai region.

Additional details on the Bank's CSR governance, interventions and impact for the reporting year can be accessed in the Annual Report on CSR Activities which forms part of this Annual Report. Additional information is also available on the Bank's corporate website at <https://www.axisbank.com/csr> and on the Foundation's website at <http://www.axisbankfoundation.org/>.

Sustainability

Fiscal 2022 has been a noteworthy year for the Bank wherein it firmly placed Environmental, Social and Governance (ESG) principles into its long-term strategy, governance and actions aimed at delivering long-term value to all its stakeholders, mitigating emerging risks & leveraging opportunities.

Since fiscal 2021, the Bank's CSR Committee of the Board had been overseeing its ESG strategy and related performance. At the management level, the Bank had established the ESG Steering Committee comprising senior officials from the Bank, that continued to support the Board and champion ESG imperatives across the organization.

During the year, the Bank became the first in the Indian banking sector to constitute a standalone ESG Committee of the Board towards enabling a strategic vision and direction for ESG, enabling pan-Bank ESG integration and affording a 360-degree monitoring and review. The Committee has met thrice during the reporting year.

The Bank has adopted its purpose statement, 'Banking that leads to a more inclusive and equitable economy, thriving community and a healthier planet', and shall endeavour to align its decision-making and activities to its purpose.

Aligned to its purpose and with the approval of the ESG Committee, the Bank announced a series of ESG-aligned commitments in the public domain that are aimed at achieving the Sustainable Development Goals and supporting India's climate commitments under the Paris Agreement. The commitments, announced in September 2021, include – incremental positive impact financing commitments for retail and corporate businesses, scaling down exposure to carbon intensive sectors, proactive ESG risk mitigation, and commitments under diversity, equity and inclusion, environmental sustainability, and operational excellence. Progress against these commitments is being reported to the ESG Committee of the Board at its quarterly meetings.

During the year, the Bank has taken several steps and is establishing the necessary systems to promote Diversity, Equity & Inclusion (DEI) at the workplace. The Bank released its Diversity, Equity and Inclusion Policy and has formed a Diversity, Equity, Inclusion Council to drive forward the DEI agenda. The Bank has publicly committed to a target of reaching 30% female representation in its workforce by fiscal 2027. Notably, the Bank announced 'ComeAsYouAre', a Charter of policies and practices for employees and customers from the LGBTQIA+ community. Significantly, the Bank received the 'Great Place to Work' certification as a result of several strategic transformations undertaken during the year.

The Bank continues to be recognized for its ESG performance. In 2021, the Bank was on the prestigious FTSE4Good Index for the fourth consecutive year. Notably, it improved its performance at the Dow Jones Sustainability Indices, moving to the 78th percentile among banks globally and scored B- on the CDP. The Bank's ESG rating by MSCI ESG Research continued to be A. The Bank was recognized as an ESG leader at the 1st ESG India Leadership Awards, emerging as the sole national winner in two categories - Leadership in Social Impact and in Transparency.

In a significant achievement, the Bank raised India's first Sustainable AT1 Notes for US\$ 600 million through its GIFT City IBU. The order book for the issuance was oversubscribed 3.8 times ahead of its final pricing guidance announcement, and 47% of the final allocation was to ESG-focused investors. Prior to the issuance, the Bank released its Sustainable Financing Framework that articulates the Bank's strategy and processes for raising investments for financing sectors with positive social and/or environmental impact. The Framework has received a Second Party Opinion from Sustainalytics and clearly articulates the eligible 'green' and social' project categories. Under the framework, the Bank has also constituted an ESG Working Group that shall oversee the implementation of the Framework and guide the Bank's future sustainable issuances. The AT1 Notes issuance won the 'Best Sustainability-linked Bond – Financial Institution' at The Asset Country Awards 2021.

As a part of its ESG commitments, the Bank has also committed to expanding the coverage the Sustainable Lending Policy and Procedures (SLPP) that integrates environmental and social risk assessment into the Bank's corporate credit appraisal. The Policy has been renamed as the ESG Policy for Lending and updated with expanded coverage.

As an important milestone in its ESG journey, the Bank announced its partnership and intent to execute an umbrella guarantee framework with GuarantCo, guarantee arm of the Private Infrastructure Development Group which is jointly owned by the G7. The framework of USD 200 million with a programme size of USD 300 million will support accelerating the E-Mobility eco-system in India. The announcement was made during COP26 in Glasgow, as part of the UK Clean and Green Initiative.

Management's Discussion and Analysis

The Bank also announced committing USD 150 million to strengthening India's healthcare sector by signing an MoU with IPE Global Limited for the 'Samridh' healthcare blended finance facility. Notably, the Bank also signed a partial guarantee facility agreement with ADB with an initial outlay of USD 150 million towards supporting supply chain financing in impact sectors, including priority sectors.

The Bank has taken several initiatives and made commitments towards enhancing operational efficiencies and reducing the carbon emissions from its operations. The Bank's head office in Mumbai has achieved the prestigious Platinum rating in IGBC's Green Existing Buildings rating system. The Bank's three large offices, two in Mumbai and one on Bengaluru, are now running entirely on renewable power, and the Bank has initiatives underway that cover all major operational aspects at its offices and branches.

Human Resources

Employees remain the most critical driver in Bank's journey towards achieving its long term objectives. The Bank values and understands that it is the employees, those in the frontline and those supporting them that drive its promise of being 'Dil Se Open'. The Bank strives to keep the same promise towards its employees through the policies and processes at the organization.

Through the year, the Bank has continuously focused on building capabilities and capacity execution through a focused people strategy.

Prioritising employee well-being

As an organization that puts its employees first, the Bank initiated multiple efforts to ensure employees' health & wellbeing is taken care of during the unprecedented times. Employees could avail services like – booking a test, ambulance or hospitalization services, or consulting a doctor for any illness through the app. Multiple webinars with medical professionals were conducted through the year to educate employees on the onset of COVID, and even for other chronic illnesses.

The Bank put in place best in class telemedicine offerings including a proactive monitoring service where doctors reported back to the teams on employee health status. Employees were also offered pro-bono mental health helpline, vaccination camps, and reimbursement as it became available.

In the new ways of "virtual working", the Bank started various initiatives to ensure employees are able to maintain a healthy work-life balance. This included programs across the organization like – a silent hour in the afternoon, a 7up program indicating an end to the day, and WeekendYourWay – a campaign to stop work on the weekend.

An organization with a deeply rooted culture –

The Bank's culture is grounded in the five core values – Customer Centricity, Ethics, Teamwork, Transparency, and Ownership. 956 Axis Values Realizers are the ambassadors of Values, driving conversations and engagement through regular themed sessions.

The Bank also conducts an annual engagement survey "Values Voices", measuring the organization sentiment on the anchors of the framework and the same is presented to the Board and leadership as the "Values Scorecard".

Committed to a culture of continuous listening and feedback from employees, the Bank strives to benchmark itself against others in the industry by participating in best in class external surveys, with a mission to know & engage its people better. Last year, the Bank participated in multiple surveys where employees responded to various indices that make up their overall experience at Axis Bank like – brand, culture, supervisor, rewards, collaboration, senior leadership etc. The results provided insights on existing practises and suggestions on what more can be implemented to improve overall employee engagement. During the year, the Bank was recognised as a Great Place to Work® certified organization, with the Bank's CEO being recognized as one of India's Best Leaders in Times of Crisis 2021. The Bank is also listed as one of the Top 30 Employers in BFSI by Great Place to Work®. Additionally, the Bank won – Best Talent & Workforce Award in the Business Today – KPMG Best Banks annual survey.

Aligned to the values framework, the Bank's Axis Champions Award is an annual rewards & recognition event where employees share their stories on how they went beyond the call of duty to uphold the Axis values, and are recognized as part of a gala event.

Building a pipeline of talent

The Bank continues to hire from multiple sources to ensure a diverse mix of talent, both in terms of experienced professionals and fresh graduates.

The Bank's robust campus hiring programs provide a steady pipeline of talent for the organization. Axis AHEAD is our Tier 1 flagship management trainee program that provides cross-functional experience under the mentorship of senior leaders for one year, prior to placement in junior management roles. ABL is the Bank's program of hiring management graduates from Tier 2 B-schools. This year, the Bank launched a new program called – 'Aspire', which targets a new bucket of Tier 1.5 B-Schools. These institutes broadly cover the spectrum of newer IIMs and Department of Management Studies of established IITs. The hires from this program are deployed in key departments across the Bank, to build a predictable and saleable pipeline of bright talent.

Another cohort is Tier 1 & 2 Engineering institutes, which caters to talent with specialised technical skills. Other cadre programs that add to the Bank's pool of young talent include hiring from top design, law, and CA campuses. All campus hires undergo separate induction and engagement activities, in addition to the Bank's standard induction session. Various leadership sessions are organized through the year, to ensure an overall enriching experience for all campus hires.

Keeping in line with the One Axis philosophy, the central campus team also caters to all campus requirements of our subsidiaries.

Building capacity with our young leaders

Last year, the Bank developed two distinctive talent management programs to identify employees with consistent high performance. The 'Ahead' Internal program offers hi-potential internal talent in the junior management cadre development and gives them an exposure which is at par with Tier-1 B-school hires in the AHEAD program. As part of the program, selected participants go through a structured induction program along with Tier-1 campus hires and multiple leader interactions. They are then given the option to choose a stint/role within or outside of their current department basis interest, aspiration and capability.

Another successful program with an aim to nurturing top talent was the launch of Astros - high-potential development program for mid-level leaders. A group of mid-level employees who had consistent performance ratings for the past two performance cycles, were invited to apply for the program. There were a total of 1,130 applicants out of which 120 employees were selected as the final cohort of the year through a rigorous process including online cognitive assessment, case-study based behavioral assessment and an internal leadership jury interview.

Both the programs were made available to Axis subsidiaries as well.

To ensure all employees are able to bring their best to work and live up to their full potential, the Bank has made significant investment in a 3 year Learning and Development Strategy, moving from episodic learning interventions to integrated journeys with milestones on employee learning and development. The Bank has multiple learning and development programs to ensure that its employees reach their highest potential & serve to the best of their abilities. For fiscal year 2022, average person-hours of training was 51.49 for males, 63.57 for females, and 54.61 person-hours for all employees overall. Out of all training given to employees, 62% of trainings were conducted online in the form of e-learning modules and remaining 38% were classroom-based training.

The Bank's internal job platform – Catalyst also provides mobility for employees seeking different and more challenging roles internally. In addition, the Bank monitors internal hiring rates with targets for senior roles to drive growth from within the organization.

Nurturing our leaders by creating a leadership ecosystem

The Bank has its talent management process for leaders at the grade of Vice President and above that focuses on converting potential to performance by ensuring people are in flow. Learning journeys have been customized for senior leaders based on their identified areas of development.

As a part of the larger learning & development agenda, the Bank has introduced a series of structured bi-monthly mentoring conversations with an aim to generate new ways of thinking. It is designed as a mutual beneficial development conversation for both mentor and mentee. The program has helped the mentees with a deeper understanding of strategy and organization direction, while the learning from personal experiences of the mentors has led to greater autonomy. To benefit the Mentors, there are mentoring circles, which facilitates peer-to-peer learning and creates a platform wherein mentors share their experiences, challenges, narratives and possible solutions with each other and reassess their respective mentoring relationship for future sessions.

Diversity, Equity, and Inclusion

The DE&I commitment was formalised during the year with the launch of the Diversity, Equity and Inclusion Policy and creation of a dedicated team. The Bank remains committed to having 30% women in the workforce by fiscal 2027, and has put in place a series of initiatives to make the D,E,&I efforts in Axis visible, relevant, and conducive to exist for every member of the Axis Bank team.

During the year, the Bank also launched #ComeAsYouAre – a charter of policies and practices within the LGBTQIA+ community. The policies carved out new and progressive initiatives for employees from the community, some of it in areas of- medical insurance, restroom accessibility, dress code policy, and attaining leave.

While recruiting new hires, the Bank made a conscious effort to write job descriptions in a way such that there are no unconscious biases built into them. Every role that is advertised has a mention of the prompt #ComeAsYouAre. Women, LGBTQIA+ and Persons with Disabilities (PwD) candidates of all ages are encouraged to apply. During the year, the Bank also undertook a new campaign- #HouseWorkIsWork towards providing career possibilities at Axis Bank and subsidiaries for those women who want to return to the workforce irrespective of the career breaks and their past experience. Additionally, the Bank has special programs like #SheWins, Women in Sales program, and Diversity In Technology, where the focus was on hiring women in these roles. This focused approach has led to a 24.7% hire rate for women up from 19% in the previous year.

The Bank continues to lay emphasis on Empowerment of young women leaders. WE Lead is the Bank's campus program for nurturing women leaders at middle management level. The Bank has partnered with 8 premier business schools for hiring women leaders across roles requiring new age skills like technology, digital, analytics, payments and product management. In fiscal 2022, the program recruited 42% of the total Tier 1 campus hires.

The Bank's signature DE&I awareness training program "Pause for Bias" helps employees rise beyond their inherent unconscious biases. The pause for bias training is a part of the induction program, and so far, the team has conducted 187 'Pause for Bias' sessions and have covered 36,941 employees across the Bank.

The Bank ensures conscious efforts towards PwD and other underrepresented communities as well. It engages larger audiences and potential candidates through its LinkedIn Live series, on #ComeAsYouAre, by highlighting diverse experiences at Axis Bank.

Reshaping work and the workplace

Core to the strategy of the HR function is the aspiration of "Silent HR", where the Bank has created a single front end for all employee services on an app. This tech transformation journey aims to resolve and reduce employee queries, by having the organization available to them in the palm of their hand.

After successfully launching the strategic project on 'Future of Work' last year, presently 12,000 employees are part of the 'hybrid working' roster where they are required to visit office 2 to 3 times a week. 3,607 employees are part of the GIG-A-Anywhere program where employees can work from anywhere. Manager and employee feedback in this format of work has been tremendously positive.

Subsidiary Performance

The Bank's subsidiaries remain central to the principle of "One Axis" and have an important role to play in the Bank's strategy formulated around the three vectors - Growth, Profitability and Sustainability. In a short span of time, the Bank has established subsidiaries covering a significant gamut of the financial services space, with some of them being leaders in their segments. Axis Capital continues to maintain its leadership position in the ECM segment. Axis Mutual Fund maintained its position as the fastest growing AMC amongst the Top 10 players and is now the seventh largest player with over 6.8% share in the industry AUM, Axis Finance has grown its AUM at a 31% CAGR in last 5 years while delivering healthy returns.

The Bank continues to focus on further scaling up the subsidiaries so that they attain meaningful size and market share in their respective businesses. During fiscal 2022, the Bank's domestic subsidiaries delivered strong performance with PAT of ₹1,195 crores up 44% Y-o-Y.

Axis Capital, the Bank's investment banking and institutional equities franchise has been the leader in equity and equity linked deals over the last decade and had another great year with highest number of transactions (44 transactions across IPO, QIPs, OFS and Rights Issue). Axis Capital's earning increased by 20% Y-o-Y and contributed 18% to the total earnings of the subsidiaries.

Axis AMC and Axis Securities continued to contribute towards the Bank's Retail Franchise building strategy and strengthen the bond with its customers.

Axis AMC, that had 12.8 million client folios as at end of 31 March, 2022 reported strong growth in net profits by 47%. The company manages 62 mutual fund schemes with a closing AUM of ₹253,772 crores as compared to closing AUM of ₹1,90,841 crores as on 31 March, 2021. Axis AMC's earnings grew by 47% Y-o-Y to ₹357 crores and contributed 31% to the total earnings of the subsidiaries.

Axis Securities, a brokerage arm become the third largest player based on customer base. The retail brokerage firm reported 15% Y-o-Y growth in cumulative client base to 4.17 million. Axis Securities' earnings grew 40% Y-o-Y as compared to previous period, and contributed 20% to total subsidiaries' earnings. The subsidiary achieved a trading volume of ₹6,282,797 crores thereby registering a growth of 74% in fiscal 2022.

Axis Finance Limited, the Bank's NBFC has been diversifying its loan book mix and has made significant investments to grow its retail team with the objective of becoming a consumer focused lending company. Axis Finance's earning increased by 72% Y-o-Y and contributed 32% to total subsidiaries' earnings. Axis Finance remains well capitalized with Capital Adequacy Ratio of 20%. Its asset quality metrics remain stable with net NPA declining 151 bps Y-o-Y to 0.46% as of 31 March, 2022.

Freecharge, one of the India's leading digital payment companies has a current user base of 100.4 million, GMV of ₹7,863 crores and 78.6 million transactions. It continued to make progress in its payments led financials services journey during the year. The Bank leveraged the platform to introduce financial services products including digital SA, digital CA, digital fixed deposits, MFs, credit cards and two wheeler loans focused towards millennials and small and medium businesses.

A.TReDs Limited, the Bank's subsidiary that was set up in partnership with M-Junction, was one of the three entities allowed by RBI to set up the Trade Receivables Discounting System (TReDS), an electronic platform for facilitating cash flows for MSMEs. The Bank's digital invoice discounting platform 'Invoicemart' has set a new benchmark by facilitating financing of

MSME invoices of more than ₹27,000 crores . It currently has over 14,400 participants on the platform and has e-discounted nearly 10 lakh invoices since start of its operation from July 2017.

SAFE HARBOR

Except for the historical information contained herein, statements in this Annual Report 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.

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of **Axis Bank Limited**

1. We, as one of the Joint Statutory Auditors of Axis Bank Limited (hereinafter referred to as "the Bank"), for which the audit report dated 28 April, 2022 has been issued, are issuing this certificate as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations").
2. We have examined the compliance of conditions of Corporate Governance by the Bank for the year ended 31 March, 2022, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V to the SEBI Listing Regulations.

Management's Responsibility

3. The compliance of conditions of the Corporate Governance is the responsibility of the Management. This responsibility also includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Bank for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Bank.
5. We have examined the books of account and other relevant records and documents maintained by the Bank for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Bank.
6. We have carried out an examination of the relevant records of the Bank in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India ("the ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Bank, has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI Listing Regulations for the year ended 31 March, 2022.
9. We further state that such compliance is neither an assurance as to the future viability of the Bank nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Bank.

Restriction on Use

10. This certificate is addressed to and provided to the members of the Bank solely for the purpose of enabling it to comply with its obligations under the SEBI Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate.

For M P Chitale & Co

Chartered Accountants,
Firm Reg. No. 101851W

Ashutosh Pednekar

Partner
Membership No. 041037
UDIN: 22041037AIDIHK7032
Place: Mumbai
Date: 29 April, 2022

Corporate Governance

(Part of the Board's Report for the year ended 31 March, 2022)

I. Philosophy on Code of Governance

The Bank's policy on Corporate Governance is to:

- enhance the long-term interest of its shareholders, provide good management, adopt prudent risk management techniques and comply with the required standards of capital adequacy, thereby safeguarding the interest of its stakeholders such as shareholders, depositors, creditors, customers, suppliers and employees.
- institutionalize accountability, transparency and equality of treatment for all its stakeholders, as central tenets of good corporate governance and to articulate this approach in its day-to-day functioning and in dealing with all its stakeholders.

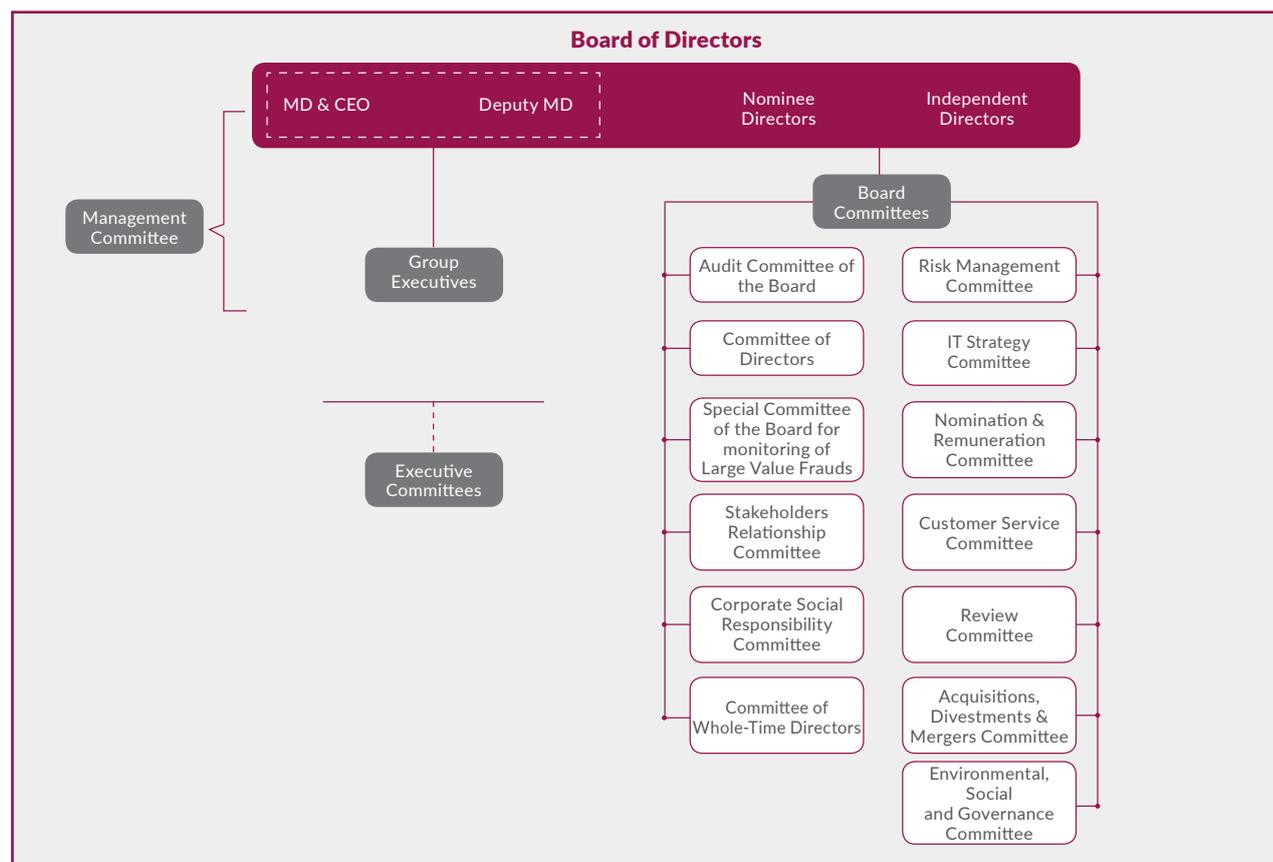
II. Governance Structure of the Bank

The Bank has a governance structure in place to enhance shareholders' value and protect their interest with a focus on improving the corporate performance, through transparency, meritocracy and accountability.

The Board of Directors (the Board) of the Bank oversees the standards of corporate governance at the Bank. The Directors are appointed by the shareholders and they represent the interest of shareholders of the Bank. The Managing Director & CEO (MD & CEO) reports to the Board of the Bank. He oversees business operations, drives strategic growth and is responsible for overall performance of the business of the Bank. The Deputy Managing Director (Deputy MD) reports to the MD & CEO of the Bank.

The Board has constituted various Board Committees for a more focused review of specific matters. The Bank has also constituted various Executive Committees to *inter alia* deal with routine, operational and administrative matters, and review various matters before its submission to the Board / Committees.

Diagrammatic representation of the Governance Structure of the Bank:

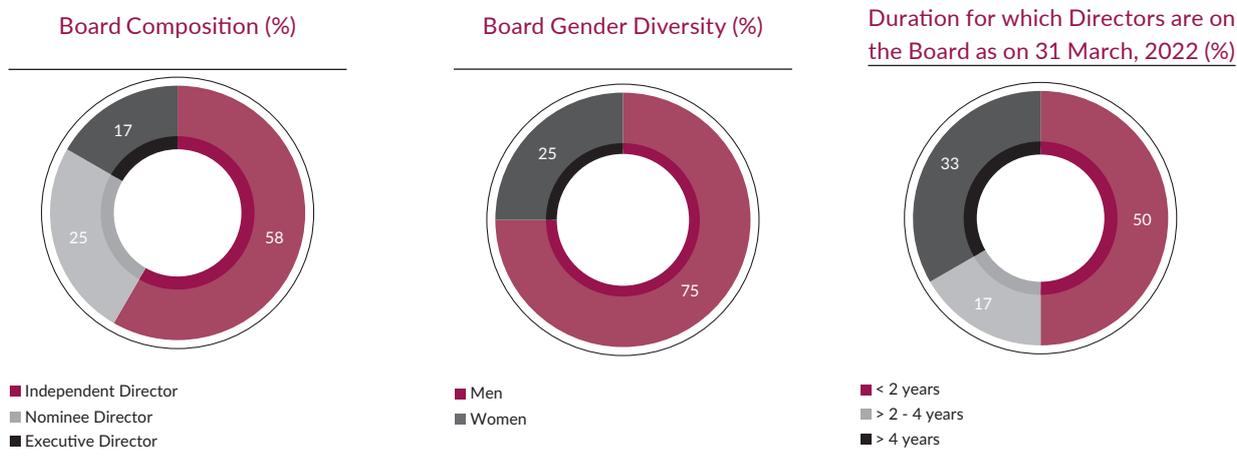


III. Board of Directors

Size and Composition of the Board

The composition of the Board is governed by the relevant provisions of the Companies Act, 2013 (the Act) and relevant rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), the Banking Regulation Act, 1949, the guidelines issued by the Reserve Bank of India (RBI), as amended, from time to time and the Articles of Association of the Bank (“the extant laws”).

The Board has an optimum combination of Executive and Non-Executive Directors with Independent Directors constituting more than one-half of its total strength. The Board has twelve Directors, comprising of MD & CEO, Deputy MD, seven Independent Directors and three Nominee Directors comprising nominees of the Administrator of the Specified Undertaking of the Unit Trust of India (SUUTI) and Life Insurance Corporation of India (LIC), Promoters of the Bank and BC Asia Investments VII Limited, Integral Investments South Asia IV and BC Asia Investments III Limited (being entities affiliated to BAIN Capital, a Global Private Equity firm). The Board is led by an Independent Director and Part-Time Chairman. The Board has three Women Directors, two of them are Independent Directors and one is Nominee of SUUTI.



None of the Directors are related to each other. All the Independent Directors of the Bank have confirmed that they meet the criteria prescribed for independence under the provisions of Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. In the opinion of the Board, all the Independent Directors fulfill the conditions specified under the said norms and are independent of the Management.

Databank of Independent Directors

In terms of the Companies (Creation and Maintenance of Databank of Independent Directors) Rules, 2019 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors of the Bank are enrolled in the online databank of Independent Directors maintained by the Government.

Board Diversity

The Bank recognizes and embraces the importance of a diverse Board and is endowed with appropriate balance of skills, expertise, experience and perspectives thereby ensuring effective board governance. The Board has reviewed and adopted the Policy on Board Diversity, which sets out its approach to ensure diversity, and to enhance its effectiveness while discharging its fiduciary obligations towards the stakeholders of the Bank. The Policy on Board Diversity is available on the website of the Bank <https://www.axisbank.com/docs/default-source/corporate-governance/policy-on-board-diversity.pdf>

In terms of Schedule V of the SEBI Listing Regulations, the details of core skills / expertise / competencies, identified by the Board as required in the context of the Bank's businesses and sector(s) for it to function effectively are as follows:

• Accountancy	• Finance
• Agriculture and Rural Economy	• Small-Scale Industry
• Banking	• Law
• Co-operation	• Payment & Settlement Systems
• Information Technology	• Risk Management
• Human Resources	• Business Management
• Economics	

The details of core skills / expertise / competencies available with the Board are as follows:

Sr. No.	Name of the Director	Skills / Expertise / Competencies
1.	Rakesh Makhija	Industry & Technology Business Management Human Resources Finance
2.	Amitabh Chaudhry	Finance Banking Insurance Business Management Information Technology Human Resources Risk Management Customer Service
3.	S. Vishvanathan	Banking Small Scale Industry Agriculture and Rural Economy Risk Management Treasury Capital Markets
4.	Ketaki Bhagwati	Finance Risk Management Business Management
5.	Ashish Kotecha	Finance Private Equity Risk Management Business Management Capital Markets
6.	Girish Paranjpe	Accountancy Finance Business Management Information Technology Human Resources
7.	T. C. Suseel Kumar	Marketing / Product Development Investment Management Corporate Planning / New Projects Audit Subsidiaries Human Resources Customer Service
8.	Meena Ganesh	Technology Consulting Business Management Entrepreneurship (BPO, Education and Health Care Services) Human Resources Finance
9.	G. Padmanabhan	Bank Regulation Supervision of Foreign Exchange / Securities markets in India Information Technology Payment System Customer Service Risk Management
10.	Vasantha Govindan	Investment Management Risk Management General Management
11.	Prof. S. Mahendra Dev	Agriculture and Rural Economy Economics and Co-operation Finance
12.	Rajiv Anand	Finance Business Management Capital Markets Accountancy Banking

Brief profile of the Directors of the Bank is available on the website of the Bank at <https://www.axisbank.com/about-us>

Selection and Appointment of Directors

The selection and appointment of Directors of the Bank is done in accordance with the extant laws. The Bank has formulated and adopted various policies with respect to selection and appointment of Directors i.e. Succession Planning Policy for Board of Directors and Key Officials of the Bank, Policy on Fit and Proper Criteria for Board Directors of the Bank, Board Diversity Policy and Policy on Training for Board Directors of the Bank, the details of which are provided in this report.

Succession Planning Policy for Board of Directors and Key Officials of the Bank

The Bank has formulated and adopted a Succession Planning Policy for Board of Directors and Key Officials of the Bank (the Policy), which has been reviewed by the Nomination and Remuneration Committee (NRC) and the Board of the Bank.

The objective of the Policy is to *inter alia* assess, identify and nominate suitable candidates to fill vacancies that may arise for positions of the Non-Executive Chairman, Independent Directors, MD & CEO, Whole-Time Directors (including Deputy MD), Group Executives, Key Managerial Personnel and other Key Officials of the Bank / Subsidiary Companies, from time to time. The Policy also seeks to plan for succession of the said roles and to fill any vacancies that may arise out of impending move or retirement or resignation or sudden exit or for any reason whatsoever in such roles.

The Policy also provides for the course of action to be initiated in case of delay or non-receipt of regulatory / statutory approvals, relating to appointment / re-appointment of MD & CEO or Whole-Time Director (including Deputy MD) or in case of a sudden vacancy in the position of MD & CEO or Whole-Time Director (including Deputy MD), caused due to death or permanent incapacitation or for any other reason whatsoever.

The NRC considers the profile, skill set, experience, expertise, functional capabilities, disqualifications and other relevant information and adherence to the fit and proper norms, before making appropriate recommendations to the Board with regard to their appointment / re-appointment, which is designed to provide the Board with members who have diverse knowledge, practical experience and requisite set of skills to serve the business interests of the Bank and enhance the overall effectiveness of the Board.

Wherever necessary, the NRC engages the services of an External Consultant / Expert, to identify and assess the suitability of candidates for the post of Director of the Bank.

Policy on Fit and Proper Criteria for Board of Directors of the Bank

The Bank has formulated and adopted a Policy on Fit and Proper Criteria for Board Directors of the Bank (the Policy) to enable the NRC to assess and confirm to the Board that the person who is considered for being appointed / re-appointed as a Director of the Bank, is compliant with the Fit and Proper norms, as prescribed under IRDAI and extant laws and as such is suitable of being appointed / re-appointed as a Director of the Bank and make appropriate recommendations to the Board.

In terms of the said Policy, the NRC assesses the 'Fit and Proper' status of the Director, before considering his / her candidature for appointment / re-appointment as a Director of the Bank and annually i.e. as at 31st March every year.

The Directors of the Bank, individually sign a deed of covenant which binds them to discharge their responsibilities to the best of their abilities, in order to be eligible for being appointed / re-appointed as a Director of the Bank.

Policy on Training for Board of Directors of the Bank

The Bank has formulated and adopted a Policy on Training for Board of Directors of the Bank (the Policy), which aims at providing timely and wholesome orientation and training to its Directors to ensure that they are well versed with the business, regulatory and operational aspects of Banking.

The said Policy provides guidelines with respect to:

A. Induction Programme for new Directors

The Bank conducts induction program for new directors through one to one meetings with the MD & CEO, Deputy MD and other members of the Senior Management on matters relating to Business, Finance, Business Strategy, Risk Management, Compliance & Regulatory Framework, Internal Audit, Human Resources and Information Technology / Cyber Security.

On appointment, the Independent Directors are issued a letter of appointment setting out the terms and conditions relating to their appointment and their duties and responsibilities under applicable laws. The said letter is also uploaded on the website of the Bank at <https://www.axisbank.com/shareholders-corner/corporate-governance>.

B. Familiarisation Programme for Independent Directors

The Bank conducts familiarisation programs for its Independent Directors covering the matters as specified under Regulation 25(7) of the SEBI Listing Regulations. The details of the same have been uploaded on the website of the Bank at <https://www.axisbank.com/shareholders-corner/corporate-governance/compliance-report>.

C. Continuous Education and Learning Program (CELP)

CELP includes training programs / sessions, conducted by reputed consulting firms / experts, with in-depth expertise in various areas taking into account the business requirement of the Bank, the existing skill sets of the Directors and recommendations made by them.

During fiscal 2022, the Bank arranged training programs on ESG, legal liabilities & safeguards for Board members, cryptocurrencies, blockchain and cyber security.



Duties and Responsibilities of the Board

The role of the Board is to provide effective guidance and oversight to the Management of the Bank so that it delivers enduring sustainable value, is fully compliant with extant laws and functions in an ethical and efficient manner.

The responsibilities of the Board *inter alia* includes overseeing the functioning of the Bank, reviewing compliance of all laws applicable to the Bank and efficacy of internal control systems / processes and framing, implementing and monitoring the risk management plan of the Bank.

The Board is also responsible for approving the strategic decisions, plans and priorities for the Bank, monitoring corporate performance against business plans, reviewing and approving the Bank's financial and operating performance on a periodic basis, overseeing the Bank's corporate governance framework and supervising the succession planning process for its Directors and Senior Management.

The Board spends considerable time perusing the information provided to them which facilitates informed decision making and effective participation at its meetings, leading to higher board effectiveness. Apart from quarterly review of the performance of the Bank, the Board meets once a year specifically to review the long-term strategy of the Bank. The Board oversees the actions and results of the Management to ensure that the long-term objectives of enhancing shareholders value are met. The Board also has the discretion to engage the services of external experts / advisors, as deemed appropriate.

The duties and responsibilities of the Board have been set out in the Charter formulated and adopted by the Bank, in terms of the extant laws. During fiscal 2022, the Board also reviewed and approved amendments to its Charter, in line with the extant laws.

Role of Independent Directors

Rakesh Makhija, S. Vishvanathan, Ketaki Bhagwati, Girish Paranjpe, Meena Ganesh, G. Padmanabhan and Prof. S. Mahendra Dev are the Independent Directors of the Bank. The role of an Independent Director is to help in bringing an independent judgment on the Board's deliberations, especially on the issues pertaining to strategy, performance, risk management, human resources, governance, key appointments and standards of conduct.

Independent Directors bring an unbiased view in evaluating performance of the Board and Management and review Management's performance in meeting their goals and objectives. Independent Directors safeguard the interests of all the stakeholders, particularly the minority shareholders.

Rakesh Makhija, Independent Director and Part-Time Chairman of the Bank takes a lead role in managing the Board and facilitating effective communication among Directors. He presides over meetings of the Board and of the shareholders of the Bank.

Role of MD & CEO

Amitabh Chaudhry is the MD & CEO of the Bank. He reports to the Board of the Bank and is vested with powers of managing the affairs of the Bank, within the overall superintendence, control, guidance and direction of the Board.

As the MD & CEO of the Bank, he has the authority to perform all such acts, deeds, matters and things, which he may consider necessary or appropriate to perform, in the business interest of the Bank.

Amitabh Chaudhry is also a Key Managerial Personnel of the Bank, in terms of the provisions of Section 203(1) read with Section 2(51) of the Companies Act, 2013 and Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Role of Deputy MD

Rajiv Anand is the Deputy MD of the Bank and reports to the MD & CEO of the Bank. He is *inter alia* responsible for Wholesale Banking, Treasury and Digital Banking, along with support functions like Marketing and Corporate Communications.

Rajiv Anand is also a Key Managerial Personnel of the Bank, in terms of the provisions of Section 203(1) of the Companies Act, 2013 read with Section 2(51) of the Companies Act, 2013 and Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

IV. Meetings of the Board / Committees

Schedule of the meetings

The schedule of the meetings of the Board / Committees and the Annual General Meeting of the Bank to be held during the next financial year, is finalised and circulated in advance to the Board.

Framework for conduct of meetings of the Board / Committees

The Bank has formulated and adopted a Framework for conduct of meetings of the Board / Committees of the Bank.

The said Framework provides guidance on matters relating to administration of meetings by ensuring standardization in the formats used for preparation of agenda index, agenda notes, minutes and circular resolutions and adopting best practices from a compliance and governance perspective.

Agenda for the meetings

The RBI vide its Circular No. DBR No.BC.93/29.67.001/2014-15 dated 14 May, 2015 has prescribed 'Seven Critical Themes' to be reviewed by the Board namely business strategy, risk, financial reports and their integrity, compliance, customer protection, financial inclusion and human resources. The agenda for Board meetings includes matters forming part of the said critical themes, as stipulated by the RBI along with matters required under the provisions of the extant laws.

The agenda for the meetings of the Board / Committees is prepared and finalised in consultation with the Chairperson of the Board / Committees. The agenda notes and presentations for the meetings of the Board / Committees are sent to the members of the Board / Committees in advance to enable them to read and comprehend the matters to be dealt with and seek further information / clarification, as may be required.

The said agenda notes / presentations are circulated through a secured web-based portal to facilitate its easy access on iPad / Laptop / Desktop. The agenda notes / presentations are presented in a manner, so as to facilitate informed decision making.

Members of the Board / Committees are free to recommend inclusion of any matter as part of the agenda for the said meetings.

Post-Meeting Follow-Up Mechanism

Important decisions taken and suggestions given by the Board and its Committees are communicated to the concerned departments for their information and necessary action. The actionables arising out of the meetings of the Board / Committees are thereafter dealt with in accordance with the Bank's "Framework for Monitoring and Implementation of Directions of the Board / Committees".

Framework for Monitoring and Implementation of the Directions of the Board / Committees

The Bank has formulated and adopted a "Framework for Monitoring and Implementation of Directions of the Board / Committees". The efficacy of the said Framework is reviewed annually by the Board.

In terms of this Framework, actionables emanating from the deliberations at the meetings are recorded in the minutes along with the timelines for completion of the same. Further, actionables emanating from the agenda notes are incorporated in the agenda notes placed at the respective meetings. These actionables along with their status of implementation forms part of the Action Taken Report, which is periodically monitored and reviewed until its closure, at the meetings of the Board / Committees. The consolidated status of all actionables relating to the Board / Committees, is also reviewed by the Board, on a quarterly basis.

Minutes of the meetings

The draft minutes are sent within 15 days from the date of the conclusion of the meetings to the members of the Board / Committee, for their comments. The minutes after incorporating the comments, if any, received from the members of the Board / Committees are placed at the next meeting for noting and signing by the Chairperson of the respective meeting.

In case of business exigencies or urgency of matters, resolutions are also passed by the Board / Committees through circulation. Conference calls are arranged to enable the Directors to discuss the proposal(s) to be approved by circulation and seek necessary clarification, if any. The resolution passed by circulation is noted at the next meeting of the Board / Committee.

Conduct of meetings

Owing to the restrictions imposed due to onset of threat posed by COVID 19 pandemic, majority of the meetings of the Board / Committees during fiscal 2022, were convened through audio video conference facility (AVCF), in accordance with the provisions of Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time.

During fiscal 2022, 12 meetings of the Board were held on 27 April, 2021, 28 May, 2021, 14 June, 2021, 26 July, 2021, 15 September, 2021, 29 September, 2021, 26 October, 2021, 10 January, 2022, 24 January, 2022, 24 February, 2022, 8 March, 2022 and 30 March, 2022. The quarterly Board meetings for considering financial results were held over a period of two days.

The gap between two Board meetings did not exceed the prescribed limit of 120 days. The requisite quorum was present throughout the meetings of the Board held during fiscal 2022.

During fiscal 2022, the Annual Board Strategy Meeting was held from 8 March, 2022 to 10 March, 2022, where a detailed review of the Bank's business segments and strategy was conducted by the Board.

The Board has accepted and implemented all the recommendations, including mandatory recommendations, made by the Committees.

The name, category, DIN, age, details of the Board meetings attended during fiscal 2022, attendance at the 27th Annual General Meeting of the Bank (AGM), tenure of appointment, details of directorships, number of membership / chairmanship in Board Committees, are given below:

Sr. No.	Name, Category, DIN and Age of the Director	Board Meetings attended during fiscal 2022,	Attendance at last AGM (30 July, 2021)	Date of First Appointment	End date of Current Term	Names of the other listed entity in India where a person is a Director and category of Directorship ⁶	Number of Directorship in other unlisted companies		Number of Memberships (Chairmanship) in Board Committees ⁸
							Indian Public Limited Companies	Other Companies ⁷	
1.	Rakesh Makhija Independent Part-Time Chairman DIN: 00117692 Age: 70	12/12	Yes	27.10.2015	26.10.2023 [^]	Castrol India Limited Independent	1	0	2(1)
2.	Amitabh Chaudhry MD & CEO DIN: 00531120 Age: 57	12/12	Yes	01.01.2019	31.12.2024	-	3	0	0
3.	Rajiv Anand ¹ Deputy MD DIN: 02541753 Age: 56	12/12	Yes	04.08.2016	03.08.2022 ^{^^}	-	4	1	3(0)
4.	S. Vishvanathan Independent DIN: 02255828 Age: 68	12/12	Yes	11.02.2015	10.02.2023	Orient Paper & Industries Limited Independent	1	0	4(2)
5.	Ketaki Bhagwati Independent DIN: 07367868 Age: 58	12/12	Yes	19.01.2016	18.01.2024	Bayer CropScience Limited Independent	1	0	1(0)
6.	Girish Paranjpe Independent DIN: 02172725 Age: 64	12/12	Yes	02.11.2018	1.11.2022 ^{^^^}	CRISIL Limited Independent	2	3	4(3)
7.	T. C. Suseel Kumar Nominee - LIC (Equity Investor) - Promoter DIN: 06453310 Age: 61	12/12	Yes	01.07.2020	30.06.2026	1. BSE Limited Non-Executive 2. Lakshmi Machine Works Limited Non-Executive 3. PCBL Limited (formerly known as Phillips Carbon Black Limited) Independent	0	0	4(1)
8.	Meena Ganesh Independent DIN: 00528252 Age: 58	12/12	Yes	01.08.2020	31.07.2024	1. Pfizer Limited Independent 2. Procter & Gamble Hygiene and Health Care Limited Independent	0	12	1(0)
9.	G. Padmanabhan [@] Independent DIN: 07130908 Age: 67	11/12	Yes	28.10.2020	27.10.2024	Haldyn Glass Limited Independent	0	1	1(0)
10.	Ashish Kotecha ² Nominee - Entities affiliated to BAIN Capital (Equity Investor) DIN: 02384614 Age: 46	5/5	Yes	01.11.2020	18.12.2024	-	-	5	-

Sr. No.	Name, Category, DIN and Age of the Director	Board Meetings attended during fiscal 2022,	Attendance at last AGM (30 July, 2021)	Date of First Appointment	End date of Current Term	Names of the other listed entity in India where a person is a Director and category of Directorship ⁶	Number of Directorship in other unlisted companies		Number of Memberships (Chairmanship) in Board Committees ⁸
							Indian Public Limited Companies	Other Companies ⁷	
11.	Vasantha Govindan [®] Nominee – SUUTI (Equity Investor) - Promoter DIN: 02230959 Age: 44	11/12	Yes	27.01.2021	26.01.2029	-	3	0	1(0)
12	Prof. S. Mahendra Dev ³ Independent DIN: 06519869 Age: 64	10/10	Yes	14.06.2021	13.06.2025	-	0	0	1(0)
13.	Stephen Pagliuca ⁴ Nominee–Entities affiliated to BAIN Capital [Equity Investor] DIN: 07995547 Age:67	7/7 [#]	No	19.12.2017	Ceased to be Director w.e.f. the close of business hours on 18.12.2021	-	-	-	-
14	Rajesh Dahiya ⁵ Executive Director (Corporate Centre) DIN: 07508488 Age: 54	7/7	Yes	04.08.2016	Ceased to be Director w.e.f. close of business hours on 31.12.2021	-	-	-	-

[®] On request, leave of absence was granted to the concerned Directors who had expressed their inability to attend the respective meetings.

[^] Subject to approval of RBI, the shareholders of the Bank vide postal ballot dated 6 March, 2022 have approved the re-appointment of Rakesh Makhija as Part-Time Chairman of the Bank from 18 July, 2022 up to 26 October, 2023 (both days inclusive).

^{^^} Subject to approval of RBI, the shareholders of the Bank vide postal ballot dated 6 March, 2022 have approved the re-appointment of Rajiv Anand as Deputy MD of the Bank from 4 August, 2022 up to 3 August, 2025 (both days inclusive).

^{^^^} Subject to approval of shareholders of the Bank, the Board at its meeting held on 29 April, 2022 have approved the re-appointment of Girish Paranjpe as an Independent Director of the Bank from 2 November, 2022 up to 1 November, 2026 (both days inclusive).

[#] These meetings were attended by Ashish Kotecha, Alternate Director to Stephen Pagliuca.

¹ Re-designated as Deputy MD of the Bank, with effect from 27 December, 2021.

² Ceased to be an Alternate Director to Stephen Pagliuca, Non-Executive (Nominee Director – entities affiliated to BAIN Capital) of the Bank, with effect from the close of business hours on 18 December, 2021. Thereafter, he was appointed as a Non-Executive (Nominee Director – entities affiliated to BAIN Capital) of the Bank, with effect from 19 December, 2021.

³ Appointed as an Independent Director of the Bank, for a period of four years, with effect from 14 June, 2021.

⁴ Ceased to be Nominee Director of the Bank, with effect from the close of business hours on 18 December, 2021.

⁵ Ceased to be Executive Director (Corporate Centre) of the Bank, with effect from the close of business hours on 31 December, 2021.

⁶ None of the Independent Directors of the Bank serve as an Independent Director in more than seven listed companies or as a Whole-Time Director in any listed company.

⁷ Includes foreign companies, private companies and Section 8 companies.

⁸ Includes only Memberships of the Audit Committee and Stakeholders Relationship Committee in public limited companies. Figures in brackets represent number of Chairpersonships of the said Committees, as per the disclosure received from the concerned Director of the Bank.

All Directors of the Bank have submitted forms / declarations / undertakings / consent as required under the extant laws. Pursuant to review of the said forms / declarations / undertakings / consent as submitted by the Directors of the Bank, the NRC and the Board of the Bank confirmed that all the Directors are in compliance with the applicable norms and are fit and proper to continue as Directors of the Bank.

Board Committees

The Board also functions through various Committees, constituted to deal with specific matters as mandated under the extant laws. The charter of the Board Committees is subject to an annual review by the Board, pursuant to changes in the extant laws or to meet the business requirements of the Bank.

During fiscal 2022, in terms of the Board Diversity Policy and the Succession Planning Policy for Board of Directors and Key Officials of the Bank, the Chairman of Board and Chairperson of the NRC, reviewed and approved requisite changes to the composition of certain Board Committees.

The Board has constituted 13 Committees, details of which are as follows:

Sr. No.	Committees
1.	Committee of Directors (COD)
2.	Audit Committee of the Board (ACB)
3.	Risk Management Committee (RMC)
4.	Stakeholders Relationship Committee (SRC)
5.	Nomination and Remuneration Committee (NRC)
6.	Corporate Social Responsibility Committee (CSR)
7.	Special Committee of the Board for Monitoring of Large Value Frauds (SCMLVF)
8.	Customer Service Committee (CSC)
9.	IT Strategy Committee (ITS)*
10.	Review Committee (RC)
11.	Acquisitions, Divestments and Mergers Committee (ADAM)
12.	Committee of Whole-Time Directors (COWTD)
13.	Environmental, Social and Governance Committee (ESG)

* Renamed as IT and Digital Strategy Committee w.e.f. 27 May, 2022

The details of common members in Board Committees, as required under the applicable RBI Guidelines are as under:

- Girish Paranjpe, Independent Director is a common member between the RMC and the NRC.
- Prof. S. Mahendra Dev, Independent Director and T. C. Suseel Kumar, Nominee Director are common members between the ACB and the SCMLVF.

Brief description of charter of the Board Committees, their composition and attendance of members at the meetings held during fiscal 2022, are detailed as under:

1. Committee of Directors

Composition and Attendance	The Committee of Directors of the Board of the Bank (COD) comprises of three members, out of which two are Independent Directors.		
	Name of the Members	Designation	Attendance
	S. Vishvanathan, Chairman	Independent Director	12/12
	Amitabh Chaudhry [®]	MD & CEO	11/12
	Ketaki Bhagwati	Independent Director	12/12
	G. Padmanabhan ¹	Independent Director	2/2
	Rajiv Anand ¹	Deputy MD	2/2
	[®] On request, leave of absence was granted to the concerned Director who had expressed his inability to attend the respective meeting. ¹ Ceased to be members with effect from 14 June, 2021.		
Brief Terms of Reference / Roles and Responsibilities	(i) To review loans sanctioned by Senior Management Committee (SMC), provide approvals for loans as per the limits stipulated in the Corporate Credit Policy of the Bank, as amended, from time to time, and to discuss strategic issues in relation to credit policy and deliberate on the quality of the credit portfolio of the Bank. (ii) To monitor the exposures (both credit and investments) of the Bank and to consider and approve one time compromise settlement proposals, in respect of loan accounts which have been written off. (iii) To approve treasury related investments and disinvestments as mentioned in the Domestic Investment Policy, Overseas Investment Policy and Market Risk Management Policy of the Bank, as amended, from time to time. (iv) To review, note and approve proposals relating to the Bank's business / operations covering all its departments and business segments.		
Meetings	During fiscal 2022, 12 meetings of the COD were held on 21 April, 2021, 27 May, 2021, 24 June, 2021, 20 July, 2021, 26 August, 2021, 21 September, 2021, 20 October, 2021, 23 November, 2021, 23 December, 2021, 22 January, 2022, 28 February, 2022 and 21 March, 2022.		

2. Audit Committee of Board

Composition and Attendance

The Audit Committee of the Board of the Bank (ACB) comprises of three members, out of which two are Independent Directors and one is Nominee Director. The members of the ACB are financially literate and have requisite accounting and financial management expertise.

Name of the Members	Designation	Attendance
Girish Paranjpe, Chairman	Independent Director	15/15
T. C. Suseel Kumar ¹	Nominee Director	12/12
Prof. S. Mahendra Dev ¹	Independent Director	12/12
S. Vishvanathan ²	Independent Director	3/3
Rakesh Makhija ²	Independent Director	3/3

¹ Appointed as members with effect from 14 June, 2021

² Ceased to be members with effect from 14 June, 2021

The Company Secretary of the Bank acts as the Secretary of this Committee.

Brief Terms of Reference / Roles and Responsibilities

- (i) To provide direction and to oversee the operation of the audit function.
- (ii) To review the internal audit system with special emphasis on its quality and effectiveness.
- (iii) To review the Risk Assessment Report, Risk Mitigation Plan, Scrutiny Reports issued by RBI and any other domestic / overseas regulators and forensic audit reports by external agencies, if any and the status of compliance with the same.
- (iv) To review the concurrent audit system of the Bank (including the appointment of concurrent auditors).
- (v) To recommend to the Board, the appointment, re-appointment, remuneration and terms of appointment of the statutory auditors of the Bank.
- (vi) To approve payments to statutory auditors for any other services rendered by them.
- (vii) To oversee the Bank's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- (viii) To review, with the management, the quarterly financial results of the Bank (standalone and on a consolidated basis, in terms of the relevant provisions of the SEBI Listing Regulations) before it is recommended for the approval of the Board.
- (ix) Oversee the implementation of Compliance Policy on a yearly basis and review the compliance function on half-yearly and annual basis ensuring that all compliance issues are resolved effectively.
- (x) To review functioning of the Whistle Blower and Vigilance mechanism.
- (xi) All related party transactions and subsequent material modifications shall require prior approval of the Audit Committee in accordance with the SEBI Listing Regulations.
- (xii) To review the performance of Information Systems Audit and the critical issues highlighted during the Information Systems Audit and provide appropriate guidance to the Bank's Management.
- (xiii) To review the status of compliance with the provisions of the Share Dealing Code, on an annual basis and to verify that the systems for internal control are adequate and are operating effectively.

The Chief Compliance Officer (CCO) and Chief Audit Executive (CAE) of the Bank directly report to the ACB.

The ACB discusses with the Joint Statutory Auditors, the key highlights of the quarterly and annual financial results of the Bank, internal financial controls, branch audits, control findings, before recommending the same to the Board, for their approval. The representatives of the Joint Statutory Auditors have attended the meetings of the ACB held during fiscal 2022, for review of the quarterly / annual financial results of the Bank. The ACB also discusses with the Joint Statutory Auditors the matters connected with the said financial results, without the presence of any executives of the Bank.

Meetings

During fiscal 2022, 15 meetings of the ACB were held on 27 April, 2021, 14 May, 2021, 14 June, 2021, 22 June, 2021, 26 July, 2021, 23 August, 2021, 28 September, 2021, 26 October, 2021, 24 November, 2021, 21 December, 2021, 21 January, 2022, 24 January, 2022, 21 February, 2022, 24 February, 2022 and 23 March, 2022. The meetings of ACB for considering internal audit and compliance matters were held over a period of two days.

3. Risk Management Committee

Composition and Attendance	The Risk Management Committee of the Board of the Bank (RMC) comprises of four members, out of which three are Independent Directors.		
	Name of the Members	Designation	Attendance
	Ketaki Bhagwati, Chairperson	Independent Director	5/5
	Amitabh Chaudhry	MD & CEO	5/5
	Girish Paranjpe	Independent Director	5/5
	G. Padmanabhan	Independent Director	5/5
Brief Terms of Reference / Roles and Responsibilities	<p>(i) Framing and governing of the risk strategy, and approving and reviewing the risk appetite of the Bank.</p> <p>(ii) Ensuring that sound policies, procedures and practices are in place to manage its risks.</p> <p>(iii) Establishing a framework to set and monitor limits across risk categories such as credit risk, market risk, operational risk etc. in order to ensure that the risk profile is adequately diversified.</p> <p>(iv) To review the Risk Management Plan with respect to cyber security and monitor the implementation of the measures recommended by the IT Strategy Committee of the Bank, to mitigate any risk arising therefrom.</p> <p>The Chief Risk Officer of the Bank (CRO) reports to the MD & CEO of the Bank.</p> <p>The CRO is independent of the business lines and is actively involved in key decision making processes that impact the risk profile of the Bank. The CRO also meets the RMC without the presence of executives of the Bank. The Bank has formulated and adopted a Policy defining the roles and responsibilities of the CRO, in line with the guidelines issued by the RBI.</p>		
Meetings	During fiscal 2022, five meetings of the RMC were held on 26 April, 2021, 10 June, 2021, 22 July, 2021, 22 October, 2021 and 20 January, 2022.		

4. Stakeholders Relationship Committee

Composition and Attendance	The Stakeholders Relationship Committee of the Board of the Bank (SRC) comprises of three members, out of which one is an Independent Director.		
	Name of the Members	Designation	Attendance
	S. Vishvanathan, Chairman	Independent Director	2/2
	Vasantha Govindan	Nominee Director	2/2
	Rajiv Anand ¹	Deputy MD	-
	Rajesh Dahiya ²	Executive Director (Corporate Centre)	2/2
	<p>¹ Appointed as a member, with effect from 10 January, 2022.</p> <p>² Ceased to be a member, with effect from close of business hours on 31 December, 2021.</p> <p>Sandeep Poddar, Company Secretary of the Bank was appointed as the Compliance Officer in terms of Regulation 6 of the SEBI Listing Regulations. He also acts as the Secretary of this Committee.</p>		
Brief Terms of Reference / Roles and Responsibilities	<p>(i) Consider and resolve the grievances of the security holders of the Bank.</p> <p>(ii) Review of complaints received from the investors in respect of general meetings, transfer / transmission of shares and debentures of the Bank, non-receipt of annual report of the Bank, non-receipt of declared dividends and interest on debentures, delay in receipt of new / duplicate certificates, general meetings, etc. and the status of its redressal.</p> <p>(iii) Review the measures taken for effective exercise of voting rights by shareholders.</p> <p>(iv) Review adherence to the service standards adopted by the Bank in respect of various services being rendered by the Registrar & Share Transfer Agent.</p> <p>(v) Review of the various measures and initiatives taken by the Bank for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Bank.</p>		
Meetings	During fiscal 2022, two meetings of SRC were held on 20 April, 2021 and 20 October, 2021.		

5. Nomination and Remuneration Committee

Composition and Attendance	The Nomination and Remuneration Committee of the Board of the Bank (NRC) comprises of three members. All the members of the NRC are Independent Directors.		
	Name of the Members	Designation	Attendance
	Meena Ganesh, Chairperson	Independent Director	10/10
	Rakesh Makhija	Independent Director	10/10
	Girish Paranjpe	Independent Director	10/10
Brief Terms of Reference / Roles and Responsibilities	<p>(i) To evaluate efficacy of the Talent Management and Succession Planning process adopted by the Bank and suggest suitable course of action, if any, relating to vacancies that would be required to be filled at Board, Senior Management and Key Managerial Personnel, Functional Head level, Critical Role Holders on account of retirement / resignation / expiry of term of the Chairman, Directors, Senior Management, Key Managerial Personnel, Functional Heads and the Critical Role Holders.</p> <p>(ii) To set the goals, objectives and performance benchmarks for the Bank, Whole-Time Directors & Senior Management.</p> <p>(iii) To review and recommend for the approval of the Board, the overall remuneration framework and associated policies of the Bank.</p> <p>(iv) To review the structure, size, composition and diversity of the Board and make necessary recommendations to the Board with regard to any changes in its composition as deemed necessary in accordance with the extant norms and formulate and review the Policy on Board Diversity.</p> <p>(v) To carry out evaluation of performance of individual and Independent Directors, the Board as a whole and the Committees thereof and on the basis of outcome of such performance evaluation, decide whether to re-appoint the Director.</p> <p>(vi) To consider and approve the grant of stock options to eligible employees of the Bank and Subsidiary Companies of the Bank, in terms of the Employees Stock Option Scheme of the Bank.</p> <p>(vii) To review adequacy and appropriateness of HR strategy of the Bank in the broader areas of code of conduct, culture and ethics, conflict of interest, succession planning, talent management, performance management, and remuneration and HR risk management.</p>		
Meetings	During fiscal 2022, ten meetings of NRC were held on 23 April, 2021, 28 April, 2021, 20 May, 2021, 13 June, 2021, 23 July, 2021, 29 September, 2021, 21 October, 2021, 9 December, 2021, 21 January, 2022 and 22 March, 2022.		

6. Special Committee of the Board for Monitoring of Large Value Frauds

Composition and Attendance	The Special Committee of the Board for Monitoring of Large Value Frauds of the Bank (SCMLVF) comprises of five members, out of which three are Independent Directors.		
	Name of the Members	Designation	Attendance
	S. Vishvanathan, Chairman	Independent Director	4/4
	Rakesh Makhija	Independent Director	4/4
	Amitabh Chaudhry	MD & CEO	4/4
	T. C. Suseel Kumar	Nominee Director	4/4
	Prof. S Mahendra Dev ¹	Independent Director	3/3
	Rajesh Dahiya ²	Executive Director (Corporate Centre)	1/1
	¹ Appointed as a member, with effect from 14 June, 2021.		
	² Ceased to be a member, with effect from 14 June, 2021.		

Brief Terms of Reference / Roles and Responsibilities	<p>(i) The major functions of the SCMLVF is to monitor and review effective investigation of frauds of ₹ 10 million and above (Rupees one crore and above), so as to:-</p> <p>(a) To review the instances of large value frauds of Rs. 10 million and above (Rupees one crore and above), details of which shall be circulated to the Committee immediately on detection.</p> <p>(b) Identify the systemic lacunae, if any that facilitated perpetration of the fraud and put in place measures to plug the same.</p> <p>(c) Identify the reasons for delay, in detection, if any, and reporting to top management of the Bank and RBI.</p> <p>(d) Monitor progress of CBI / Police investigation and recovery position.</p> <p>(e) Ensure that staff accountability is examined at all levels in all the cases of frauds and staff side action, if required, is completed quickly without loss of time.</p> <p>(f) Review the efficacy of the remedial action taken to prevent recurrence of frauds, such as, strengthening of internal controls.</p> <p>(g) Put in place other measures as may be considered relevant to strengthen preventive measures against frauds.</p> <p>(ii) To review the reporting of all identified accounts to Central Fraud Monitoring Cell (CFMC), RBI as per existing cut-offs and to review reporting of all accounts beyond ₹ 30 million (Rupees three crores and above) classified as RFA or 'Frauds' on the Central Repository of Information on Large Credits (CRILC) data platform with the dates on which the accounts were classified as such as per the existing cut-offs along with the synopsis of the remedial action taken in respect thereof and their current status.</p>
Meetings	During fiscal 2022, four meetings of SCMLVF were held on 9 June, 2021, 17 September, 2021, 8 December, 2021 and 17 March, 2022.

7. Customer Service Committee

Composition and Attendance	The Customer Service Committee of the Board of the Bank (CSC) comprises of four members, out of which one is an Independent Director.		
	Name of the Members	Designation	Attendance
	G Padmanabhan, Chairman ¹	Independent Director	3/3
	Amitabh Chaudhry ²	MD & CEO	5/5
	T. C. Suseel Kumar	Nominee Director	5/5
	Vasantha Govindan	Nominee Director	5/5
	¹ Appointed as a member and Chairman, with effect from 14 June, 2021		
	² Ceased to be Chairman, with effect from 14 June, 2021		
Brief Terms of Reference / Roles and Responsibilities	<p>(i) Oversee the functioning of various customer sub committees at the Bank.</p> <p>(ii) Review complaints and quality of service provided by the Bank & it's Subsidiary Companies to ensure a robust grievance redressal mechanism.</p> <p>(iii) Approve policy documents and review effective implementation of RBI directives.</p> <p>(iv) Review progress on other regulatory matters.</p> <p>(v) Review the initiatives taken by the Bank to enhance customer experience.</p>		
Meetings	During fiscal 2022, five meetings of the CSC were held on 29 April, 2021, 10 June, 2021, 16 September, 2021, 16 December, 2021 and 17 March, 2022.		

8. IT Strategy Committee (Renamed as IT and Digital Strategy Committee w.e.f. 27 May, 2022)

Composition and Attendance As on 31 March, 2022, the IT Strategy Committee of the Board of the Bank (ITS) comprised of six members, out of which four were Independent Directors.

Name of the Members	Designation	Attendance
Ashish Kotecha, Chairman ¹	Nominee Director	3/3
Girish Paranjpe ²	Independent Director	4/4
Amitabh Chaudhry	MD & CEO	4/4
Meena Ganesh [®]	Independent Director	3/4
G. Padmanabhan	Independent Director	4/4
S. Vishvanathan ³	Independent Director	3/3

[®] On request, leave of absence was granted to the concerned Director who had expressed her inability to attend the respective meeting.

¹ Appointed as a member and Chairman with effect from 14 June, 2021

² Ceased to be Chairman with effect from 14 June, 2021

³ Appointed as a member with effect from 14 June, 2021

Brief Terms of Reference / Roles and Responsibilities

- (i) Approving IT Strategy and policies and ensuring that IT strategy is aligned with business strategy.
- (ii) Review of IT & Cyber Security Incidents.
- (iii) Ensure that IT architecture, investment, organizational structure, resources and performance measurement parameters are geared to deliver business value and contribute to the Bank's growth.
- (iv) Assessing and reviewing the strategy for addressing IT and cyber security risks.
- (v) Exercise oversight to ensure effective functioning of the IT Operations of the Bank.
- (vi) Review the Business Continuity Plan (BCP) / Disaster Recovery (DR) Plan of the Bank and exercise oversight over the efficacy of the BCP/DR process adopted by the Bank and recommend measures for its improvement.
- (vii) Review the progress made by the Bank on the Digital Banking front.

Meetings

During fiscal 2022, four meetings of ITS were held on 11 June, 2021, 14 September, 2021, 14 December, 2021 and 19 March, 2022.

Note: Meena Ganesh has been appointed as the Chairperson of the Committee in place of Ashish Kotecha w.e.f. 27 May, 2022.

9. Corporate Social Responsibility Committee

Composition and Attendance The Corporate Social Responsibility Committee of the Board of the Bank (CSR) comprises of three members, out of which two are Independent Directors.

Name of the Members	Designation	Attendance
Rakesh Makhija, Chairman	Independent Director	4/4
Rajiv Anand	Deputy MD	4/4
Meena Ganesh ¹	Independent Director	3/3
Rajesh Dahiya ²	Executive Director (Corporate Centre)	3/3
T. C. Suseel Kumar ³	Nominee Director	1/1

¹ Appointed as member with effect from 14 June, 2021.

² Ceased to be a member, with effect from close of business hours on 31 December, 2021.

³ Ceased to be a member with effect from 14 June, 2021

Brief Terms of Reference / Roles and Responsibilities	<p>(i) Formulate and recommend to the Board, the CSR Strategy, key themes, thematic allocation of funds, focus areas and review mechanism including the CSR Policy of the Bank.</p> <p>(ii) Review and approve, the CSR projects / programs to be undertaken by the Bank either directly or through Axis Bank Foundation (ABF) or through implementation partners as deemed suitable, during the financial year and specify modalities for its execution and implementation schedules for the same, in terms of the CSR Policy of the Bank.</p> <p>(iii) Review and approve the funds to be allocated for the CSR projects / programmes to be undertaken by the Bank and ABF during the financial year, in terms of the CSR Policy and Annual Action Plan (AAP) of the Bank, subject to compliance with Section 135(5) of the Companies Act, 2013.</p> <p>(iv) Review implementation of the CSR Policy and AAP, such that the CSR Project(s) / Program(s) that are being proposed to be undertaken are aligned to the Bank's social, environmental and economic activities to the extent possible.</p>
Meetings	During fiscal 2022, four meetings of CSR were held on 9 June, 2021, 8 September, 2021, 8 December, 2021 and 16 March, 2022.

10. Review Committee

Composition and Attendance	The Review Committee of the Board of the Bank (RC) comprises of three members, out of which two are Independent Directors.		
	Name of the Members	Designation	Attendance
	Amitabh Chaudhry, Chairman [®]	MD & CEO	1/2
	S. Vishvanathan	Independent Director	2/2
	Ketaki Bhagwati	Independent Director	2/2
	[®] On request, leave of absence was granted to the concerned Director who had expressed his inability to attend the respective meeting.		
Brief Terms of Reference / Roles and Responsibilities	<p>(i) To review and confirm the Order(s) passed by the Internal Committee identifying a borrower as a Wilful Defaulter, in terms of Para 3(c) of RBI Master Circular No. RBI/2015-16/100 DBR.No.CID. BC.22/20.16.003/2015-16 dated 1 July, 2015.</p> <p>(ii) To review and confirm the Order(s) passed by the Internal Committee identifying a borrower as a non-cooperative borrower, in terms of Para 2(d) of RBI Circular No. RBI/2014-15/362 DBR.No.CID. BC.54/20.16.064/2014-15 dated 22 December, 2014.</p> <p>(iii) To review the information relating to the non-cooperative borrowers to be submitted to Central Repository of Information on Large Credits (CRILC).</p> <p>(iv) To put in place a system for proper and timely classification of borrowers as wilful defaulters or / as non-cooperative borrowers and review the efficacy of the said system at-least on an annual basis.</p>		
Meetings	During fiscal 2022, two meetings of RC were held on 21 September, 2021 and 21 March, 2022.		

11. Acquisitions, Divestments & Mergers Committee

Composition and Attendance	The Acquisitions, Divestments and Mergers Committee of the Board of the Bank (ADAM) comprises of five members, out of which three are Independent Directors.		
	Name of the Members	Designation	Attendance
	Rakesh Makhija, Chairman ¹	Independent Director	6/6
	Ketaki Bhagwati ²	Independent Director	6/6
	Amitabh Chaudhry	MD & CEO	6/6
	Meena Ganesh	Independent Director	6/6
	Ashish Kotecha ³	Nominee Director	5/5
	¹ Appointed as Chairman, with effect from 14 June, 2021.		
	² Ceased to be Chairperson, with effect from 14 June, 2021.		
	³ Appointed as a Member, with effect from 14 June, 2021.		

Brief Terms of Reference / Roles and Responsibilities	<p>(i) The objective of the Committee is to consider any proposals relating to mergers, acquisitions and strategic investments and divestments and recommend / approve them in terms of the Charter.</p> <p>(ii) Acquisition of business: Business takeover / acquisition as distinct from normal purchase of loans / investment portfolio, purchase of asset etc. (If the purchase of a portfolio is accompanied by other integral elements of the business such as manpower, technology or a distribution franchise, a reference should be made to the Committee).</p> <p>(iii) Strategic investments: Acquisition of greater than 25% stake in a company or acquisition of stake in a company where the proportion is 25% or lower but where the Bank intends to have management participation. Equity / Equity linked investment in a Company / Subsidiary Company if the overall amount is in excess of Rs. 500 crores. Business takeover / acquisition (as distinct from the normal purchase of loans / investment portfolios, purchase of assets etc.)</p> <p>(iv) Strategic divestments: Sale of an existing business of the Bank (as distinct from the sale of assets in the normal course of business such as sale of loans / investment portfolios, sale to assets ARCs and fixed assets) or sale of greater than 25% stake in a Company / Subsidiary Company of the Bank and Equity / Equity linked Divestment in a Company / Subsidiary Company if the overall amount is in excess of Rs. 500 crores.</p> <p>The approval of the Board will be sought for investment / divestment above the prescribed threshold / criteria.</p>
Meetings	During fiscal 2022, six meetings of ADAM were held on 23 April, 2021, 8 July, 2021, 18 October, 2021, 20 October, 2021, 27 January, 2022 and 30 March, 2022.

12. Committee of Whole-Time Directors

Composition and Attendance	The Committee of Whole-Time Directors of the Board of the Bank (COWTD) comprises of two members.	
	Name of the Members	Designation
	Amitabh Chaudhry, Chairman [®]	MD & CEO
	Rajiv Anand	Deputy MD
	Rajesh Dahiya ¹	Executive Director (Corporate Centre)
	<p>[®] On request, leave of absence was granted to the concerned Director who had expressed his inability to attend the respective meeting.</p> <p>¹ Ceased to be a member, with effect from the close of business hours on 31 December, 2021.</p>	
Brief Terms of Reference / Roles and Responsibilities	<p>(i) Issuance of General / Special Power of Attorney to various officials of the Bank and the Subsidiary Companies of the Bank to do such acts, deeds, matters and things as may be considered necessary or appropriate for and on behalf of the Bank.</p> <p>(ii) Approve the allotment of equity shares pursuant to exercise of stock option by eligible employees / directors of the Bank and that of its Subsidiary Companies, in terms of the relevant Employee Stock Option Scheme(s) of the Bank.</p> <p>(iii) Approve the allotment of Debt Securities issued by the Bank, including, but not limited to long term bonds, green bonds, non-convertible debentures, perpetual debt instruments, Tier II Capital Bonds or such other Debt Securities / Securities as may be issued by the Bank.</p> <p>(iv) To discuss matters inter alia relating to the operations, strategies, business opportunities relating to the Bank and / or that of its Subsidiary Companies.</p> <p>(v) To approve strategic and other investments and divestments up to ₹ 500 crores.</p> <p>(vi) To review and approve any proposals on investment and divestments in the share capital of the existing group entities up to ₹ 500 crores.</p> <p>(vii) Any other matter as may be authorised by the Board of Directors / Board Committees or required to be done pursuant to any laws, rules, regulations or any internal policies of the Bank.</p>	
Meetings	During fiscal 2022, 16 meetings of COWTD were held on 19 April, 2021, 18 May, 2021, 18 June, 2021, 19 July, 2021, 23 August, 2021, 20 September, 2021, 23 September, 2021, 20 October, 2021, 27 October, 2021, 23 November, 2021, 1 December, 2021, 14 December, 2021, 13 January, 2022, 18 February, 2022, 5 March, 2022 and 17 March, 2022.	

13. Environmental, Social and Governance (ESG) Committee (Constituted on 8 August, 2021)

Composition and Attendance The Environmental, Social and Governance Committee of the Board of the Bank (ESG) comprises of four members, out of which two are Independent Directors.

Name of the Members	Designation	Attendance
Prof. S Mahendra Dev, Chairman	Independent Director	3/3
Amitabh Chaudhry	MD & CEO	3/3
Ketaki Bhagwati	Independent Director	3/3
Ashish Kotecha [®]	Nominee Director	2/3

[®] On request, leave of absence was granted to the concerned Director who had expressed his inability to attend the respective meeting.

Brief Terms of Reference / Roles and Responsibilities

- (i) To guide and assist in setting the Bank's general strategy with respect to ESG matters.
- (ii) To consider and bring to the attention of the Board and / or Management, current, and emerging ESG topics that may be material to the Bank or its stakeholders.
- (iii) To take note and advise the Board or Management, as appropriate, on any significant stakeholder concerns relating to ESG Matters.
- (iv) To review the Bank's ESG-aligned strategy, policies, practices, and disclosures for consistency with respect to applicable regulations.
- (v) To advise and assist the Management in the adoption of ESG performance metrics, targets, and other such commitments, and monitor the Bank's progress.

Meetings During fiscal 2022, three meetings of the ESG were held on 20 August, 2021, 20 December, 2021 and 14 March, 2022.

Management Committee

The Management Committee (MANCOM) has been constituted as part of the governance and administrative structure of the Bank. The MANCOM comprises of the MD & CEO, Deputy MD, Group Executives, and other senior leaders, as appointed from time to time.

The MANCOM meets regularly to review matters, *inter alia*, relating to Business Strategy & Business Performance, Financial Reports & Integrity, Risk, Compliance, Customer Experience & Marketing, Financial Inclusion, Human Capital and any other matters considered important by the Committee including those specified under various policies of the Bank.

Separate Meeting of Independent Directors

During fiscal 2022, the Independent Directors of the Bank met twice on 27 April, 2021 and 26 October, 2021, without the presence of Executive Directors and other members of Management. During these meetings, the Independent Directors reviewed the operations of the Bank, Board Performance Evaluation as per the criteria recommended by the NRC and other governance related matters.

Thereafter, the Independent Directors at its meeting held on 28 April, 2022, evaluated the performance of the Non-Independent Directors, the Board as a whole, the Chairperson of the Bank after taking into account the views of the Executive and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Management and the Board, in accordance with Para VII to Schedule IV of the Companies Act, 2013.

Board Performance Evaluation

The Bank believes that the annual performance evaluation at the Board plays a vital role in enhancing the Board's effectiveness. The performance evaluation of Board, its Committees, Chairperson and Individual Directors was done in compliance with the provisions of the Companies Act, 2013 and the SEBI Listing Regulations.

As has been the practice, the NRC as the nodal agency finalised the parameters, methodology and mechanism for conducting the Board Performance Evaluation for fiscal 2022. Online questionnaires were deployed for evaluation of the following:

1. Board evaluation covering Governance, Strategic Planning, Audit and Compliance, identification and management of Risks, Human Resources, Board's relationship with Executives, Customer Grievance / Protection, Financial Inclusion, Board Functioning and Induction and Professional Development.
2. Evaluation of every Committee's composition, terms of reference, fulfillment of assigned functions, regularity of meetings and attendance, appropriateness of agenda & timely circulation of same, value addition to the Board decisions, effective steering by the Chairman of Committee and timely reporting to Board.

3. Flow of Information including regularity & agenda of meetings and timeliness & adequacy of preparatory information.
4. Chairperson evaluation covering open-mindedness, decisiveness, professionalism, courtesy extended to other members and ability to steer the meetings and discussions, impartiality, encouraging dissent, facilitating consensus building, knowledge of the industry complexity, and surfacing issues of strategic importance.
5. Individual Director's evaluation covering knowledge and expertise, active participation and contribution during meetings, regularity and punctuality in attending meetings, preparation for meetings and keeping oneself abreast of matters, collaborative relationship with other Directors, openness to others' input and acceptance of constructive feedback, uninhibited participation in meetings and willingness to bring forth their insights and Integrity.

To enhance objectivity, an external agency was engaged for performance evaluation to ensure smooth execution and provide an eco-system for candid participation of every Board member.

The outcome of the said performance evaluation was reviewed by the NRC at its meeting held on 25 April, 2022 and Independent Directors on 28 April, 2022. The Board also reviewed the performance evaluation report, outcome and action areas at its meeting held on 29 April, 2022. The highlights of this year's Board performance evaluation included Board's involvement in the Bank's Strategy and oversight on risk and regulatory matters,

The disclosure in terms of SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2018/79 dated 10 May, 2018, on Board evaluation, is detailed as under:

1. Observations of Board evaluation carried out for the year: Seven observations emanated from the Board performance evaluation for fiscal 2022, detailed as under:
 - (i) Balancing of Board and Committee agenda for effective utilization of time to focus on key issues.
 - (ii) Planning for on-boarding of successors of Board members.
 - (iii) Reviewing skill set and adequacy of size of Board
 - (iv) Interaction with Directors of Subsidiary Companies
 - (v) More oversight on actionables relating to attrition and customer complaints
 - (vi) Improvising preparatory information for Board / Committee meetings
 - (vii) Focus on new key themes by IT Strategy Committee.
2. Previous year's observations and actions taken: Five observations had emanated from the Board performance evaluation for fiscal 2021. These mainly related to training for Board members, Chairman's dialogue with individual Board members, frequency of Independent Directors meeting, themes for each Committee, action taken report and reporting of proceedings of Committees to the Board. The Bank has complied with the said observations, which was also reviewed by the NRC and the Board.
3. Proposed actions based on current year observations: The Bank has accepted all the observations made by the Board emanating from the Board performance evaluation for fiscal 2022. The status of compliance with the said observations will be reviewed by the Board.

Remuneration Policy

The Bank's remuneration practices are underpinned by principles of meritocracy and fairness. The remuneration system strives to maintain the ability to attract, retain, reward and motivate talent in order to enable the Bank to attain its strategic objectives within the increasingly competitive context in which it operates. The Bank's pay-for-performance approach strives to ensure that both internal and external equity are in line with the emerging market trends.

The Bank has formulated and adopted a Remuneration Policy for Non-Executive Chairman and Non-Executive Directors of the Bank which provides guidelines for payment of remuneration to the Non-Executive Chairman and Non-Executive Directors of the Bank. During fiscal 2022, the said policy was amended in line with RBI circular on Corporate Governance in Banks - Appointment of Directors and Constitution of Committees of the Board dated 26 April, 2021.

The Bank has also formulated a Remuneration Policy for MD & CEO, Whole-Time Directors, Material Risk Takers, Control Function Staff and other employees of the Bank, in terms of the provisions of the Companies Act, 2013, SEBI Listing Regulations and Guidelines on Compensation of Whole-Time Directors / Chief Executive Officers / Material Risk Takers and Control Function staff, issued by the RBI on 4 November, 2019. This Remuneration Policy *inter alia* contains guidelines relating

to compensation structure consisting of fixed pay, variable pay, employee stock options, compensation revision cycle and framework regarding malus / clawback. During fiscal 2022, the aspects relating to malus / clawback as contained in the said policy were amended.

The above policies are available on the website of the Bank at <https://www.axisbank.com/docs/default-source/quarterly-reports/comprehensive-remuneration-policy.pdf>.

The remuneration paid to all the employees / MD & CEO / Executive Directors of the Bank, for fiscal 2022, was in accordance with the aforesaid Remuneration Policy of the Bank.

Remuneration of Directors

A. Executive / Whole-Time Directors

- (i) The details of remuneration paid to MD & CEO, Deputy MD and Executive Director (Corporate Centre) during fiscal 2022, are as under:

Particulars	(in ₹)		
	Amitabh Chaudhry [1.4.2021 to 31.3.2022]	Rajiv Anand [1.4.2021 to 31.3.2022]	Rajesh Dahiya [1.4.2021 to 31.12.2021]*
Salary (Basic)	38,754,000	18,593,952	12,404,889
Leave Fare Concession facility	999,996	549,996	412,497
House Rent Allowance	10,764,996	6,136,008	4,093,614
Variable pay (for 2020-21)	8,900,000	5,896,038	5,205,177
Superannuation Allowance / Fund	3,875,400	1,859,400	1,240,488
Perquisites (excluding stock options)	8,351,847	2,385,623	1,490,155
Provident Fund (Bank Contribution)	12% of Basic Pay	12% of Basic Pay	12% of Basic Pay
Gratuity	One month's salary for each completed year of service	One month's salary for each completed year of service	One month's salary for each completed year of service
Leave Encashment	-	-	-

* Rajesh Dahiya held the position of Executive Director (Corporate Centre) of the Bank till the close of business hours on 31 December, 2021.

Perquisites (evaluated as per Income Tax Rules, 1962, wherever applicable, or otherwise at actual cost to the Bank) such as Bank's furnished accommodation, electricity, water and furnishings, club fees, personal accident insurance, loans, use of car and telephone at residence, medical reimbursement, travelling and halting allowances, newspapers and periodicals and others were provided in accordance with the Rules of the Bank.

- (ii) During the period under review, Amitabh Chaudhry, Rajiv Anand and Rajesh Dahiya were granted 412,938; 273,571 and 241,516 stock options respectively for fiscal 2021, on the basis of approval received from the RBI.

The stock options were granted @ ₹ 726.25 per share which was the closing market price prevailing on the day prior to the date of grant on the National Stock Exchange of India Limited.

The vesting schedule for the said stock options is 30% options after expiry of one year, 30% options after expiry of two years and balance 40% options after expiry of three years from the date of grant. The vested options are exercisable within a maximum period of five years from the date of respective vesting.

- (iii) The Whole-Time Directors of the Bank are not entitled to receive any sitting fees from the Bank or from its Subsidiary Companies, for attending meetings of the Board and its Committees. Further, they do not receive any remuneration from any of the Subsidiary Companies of the Bank.
- (iv) The Bank as a policy, does not pay any severance fees to its Whole-Time Directors. The tenure of the office of Whole-Time Directors is for a period of three years from the date of their respective appointment / re-appointment, as approved by the RBI and the same can be terminated by either party by giving three months' notice in writing. The termination of services shall be in compliance with the provisions of Section 35B of the Banking Regulation Act, 1949.

B. Independent / Nominee Directors

- (i) All the Independent Directors and Nominee Directors of the Bank were paid sitting fees of ₹ 100,000 for every meeting of the Board, NRC, ACB, COD, RMC and ITS Committee attended by them.
- In respect of meetings of other Committees of the Board, they were paid sitting fees of ₹ 50,000 until 13 June, 2021, which was increased to ₹ 75,000 for meetings held on or after 14 June, 2021.
- (ii) During fiscal 2022, the Independent Directors and Nominee Directors [except the Independent Part-Time Chairman] of the Bank were paid profit related commission after adoption of the annual accounts of the Bank by the members at the 27th AGM of the Bank held on 30 July, 2021. The details of the profit related commission for fiscal 2021 paid during fiscal 2022 is given below in point (vi).
- (iii) In accordance with RBI circular dated 26 April, 2021 on Corporate Governance in Banks - Appointment of Directors and Constitution of Committees of the Board, the Bank paid fixed remuneration to its Non-Executive Directors [except the Independent Part-Time Chairman] which did not exceed ₹ 20 lacs per annum per Director.
- (iv) All the Directors are entitled to reimbursement of expenses incurred during the performance of their duty as a Director of the Bank.
- (v) The Bank does not grant stock options to its Independent Directors and Nominee Directors.
- (vi) The details of the remuneration paid to Independent Directors and Nominee Directors during fiscal 2022, are as under:

					(in ₹)
Sr. No.	Name of the Directors	Designation	Sitting Fees	Remuneration (For fiscal 2022)	Profit related Commission (For fiscal 2021)**
1.	Rakesh Makhija*	Independent Director and Part-Time Chairman	3,675,000	3,300,000	-
2.	S. Vishvanathan	Independent Director	3,750,000	1,800,000	1,000,000
3.	Ketaki Bhagwati	Independent Director	3,900,000	1,800,000	1,000,000
4.	Girish Paranjpe	Independent Director	4,800,000	1,800,000	1,000,000
5.	T. C. Suseel Kumar***	Nominee Director	3,050,000	1,600,000	750,685
6.	Meena Ganesh	Independent Director	3,350,000	1,800,000	665,754
7.	G. Padmanabhan	Independent Director	2,625,000	1,750,000	424,658
8.	Ashish Kotecha	Nominee Director	2,025,000	1,350,000	413,699
9.	Vasantha Govindan****	Nominee Director	1,550,000	1,600,000	175,343
10.	Prof. S Mahendra Dev	Independent Director	2,750,000	1,300,000	-
11.	Stephen Pagliuca [Ⓢ]	Nominee Director	-	-	586,301
12.	Rohit Bhagat [#]	Independent Director	-	-	794,521
13.	B. Babu Rao [^]	Nominee Director	-	-	813,699
Total			31,475,000	18,100,000	7,624,660

* In addition to sitting fees and remuneration, the Independent Part-Time Chairman is entitled to free use of Bank's car for official and private purposes, and travelling and official expenses for Board functions as a Chairperson. The remuneration paid to Independent Part-Time Chairman has been approved by the members of the Bank and the RBI.

** The profit linked commission for fiscal 2021 was paid in fiscal 2022, in accordance with Guidelines on Compensation of Non-Executive Directors of Private Sector Banks dated 1 June, 2015.

*** The sitting fees were credited to the bank account of T. C. Suseel Kumar, whereas fixed remuneration and profit linked commission were credited to the designated bank account of LIC.

****The sitting fees, fixed remuneration and profit linked commission were credited to the designated bank account of SUUTI.

[Ⓢ] Ceased to be a Nominee Director with effect from 18 December, 2021

[#] Ceased to be an Independent Director with effect from 15 January, 2021.

[^] Ceased to be a Nominee Director with effect from 22 January, 2021.

- (vii) Apart from T. C. Suseel Kumar who holds 50 equity shares of ₹ 2/- each of the Bank and relative of Meena Ganesh who holds 2,593 equity shares of ₹ 2/- each of the Bank, none of the Non-Executive Directors of the Bank or their immediate relatives held any equity share or convertible instrument of the Bank, as on 31 March, 2022.

Fees paid to Statutory Auditors

The details of fees for all services availed by the Bank and its Subsidiary Companies, on a consolidated basis, from the Statutory Auditor Haribhakti & Co. LLP (Auditors upto 30 July, 2021) and the Joint Statutory Auditors M P Chitale & Co. and CNK & Associates LLP (from 30 July, 2021 onwards) and all entities in the network firm / network entity of which Haribhakti & Co. LLP, M P Chitale & Co. and CNK & Associates LLP are part thereof, during fiscal 2022, is as under:

		(in ₹)
Sr. No.	Particulars	Amount ¹
1.	Audit Fees	32,000,000
2.	Fees for certification and other attest services ²	26,275,000
3.	Non Audit Fees	-
	Total	58,275,000

¹ The above fees excludes taxes, clerkage fees and out of pocket expenses.

² The services of the Statutory Auditors have been obtained during the year for update of Bank's MTN program and other normal course of business for compliance with statutes and the guidelines of various regulators like SEBI, RBI, etc., which specifically require the Statutory Auditor to undertake these activities and are not in the nature of management assurance.

The said fees have been reviewed and approved by the ACB of the Bank and that of the concerned Subsidiary Companies of the Bank.

Details of utilisation of funds raised through preferential allotment or qualified institutional placement

During fiscal 2022, the Bank has not raised any funds through preferential allotment or qualified institutional placement.

Disclosure in terms of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Bank has formulated and adopted a Policy on Prevention of Sexual Harassment at Workplace and takes all necessary measures to ensure a harassment-free workplace and has instituted an Internal Complaints Committee (ICC) for redressal of complaints and to prevent sexual harassment. The Bank believes that all employees, including other individuals who are dealing with the Bank have the right to be treated with dignity.

The following is the summary of sexual harassment complaints received and disposed of by the Bank, during fiscal 2022:

- i. Number of complaints pending at the start of the financial year: 4
- ii. Number of complaints of sexual harassment filed during the financial year: 45
- iii. Number of complaints disposed off during the financial year: 44
- iv. Number of complaints pending as on the end of the financial year: 5

Number of workshops / awareness programs conducted against sexual harassment: 46

Nature of action taken by the Employer or District Officer – As per the Bank's Staff Rules.

The ICC is empowered to take appropriate disciplinary action against the employee(s) who is found to have violated the norms prescribed under the said Policy.

Employee accidental deaths

During fiscal 2022, there were no instances of employee accidental death at workplace.

Whistleblower Policy & Vigil Mechanism

The Bank has formulated and adopted a Whistleblower Policy to inquire / investigate / commend necessary action against an erring incumbent based on information received / complaint lodged with the Bank regarding any wrongdoing by a Bank official.

The central tenet in the philosophy on corporate governance is the commitment to ethics, integrity, accountability and transparency. To ensure that the highest standards are maintained in these aspects on an ongoing basis and to provide safeguards to various stakeholders (including shareholders, depositors and employees), the Bank has formulated this Policy that provides all stakeholders with the opportunity to address serious concerns arising from irregularities, malpractices and other misdemeanors committed by the Bank's personnel by approaching a Whistleblower Committee set up for the purpose without fear of retribution or vengeful action from the persons against whom the complaint was submitted. If the offences are committed by Senior Management, the Policy enables the Bank's staff to report the concerns to the ACB. It complies with the relevant provisions of Section 177(9) of the Companies Act, 2013, Rules made thereunder and Regulation 4(2)(d) and Regulation 22 of the SEBI Listing Regulations.

To ensure smooth flow and management of complaints under the Whistleblower Policy, a web-based application - 'Corporate Whistle-blower'- has been set up, providing an option for anonymous reporting, thereby enabling lodging of complaints online over a secure platform without fear of revelation of identity. This creates a business culture of honesty, integrity, and compliance and encourages speaking up to initiate preventive action.

The Bank has not denied access to any of its personnel to the Chairman of the ACB and that the Policy contains adequate provisions for protecting Whistleblowers from unfair termination and other unfair prejudicial and employment practices.

The ACB reviews a synopsis of the complaints received and the resolution thereof every quarter under the said Policy.

The details of the Whistleblower Policy and Vigil Mechanism are available on the Bank's website at <https://axisbank.whistleblownetwork.net/>.

Subsidiary Companies

As on 31 March, 2022, the Bank does not have any unlisted Indian Subsidiary Companies, which could be deemed to be a material subsidiary, in terms of Regulation 16(1)(c) of the SEBI Listing Regulations. All matters relating to subsidiary governance is overseen by the Board and Board Committees and operationalized under the aegis of Subsidiary Management Committee (SMC) of the Bank. SMC is constituted in accordance with SEBI requirement on having a Group Governance Structure at the parent Bank level. The Committee meets as and when required and at least once every quarter.

The minutes of the meetings of the Board of all its unlisted Subsidiary Companies of the Bank are tabled at the meetings of the Board of the Bank. The minutes of the meetings of the Audit Committee of the Board (ACB) of unlisted Subsidiary Companies of the Bank are tabled at the meetings of the ACB of the Bank. A snapshot of the customer complaints which are received by Subsidiary Companies of the Bank along with the remedial measures are placed before Customer Service Committee of the Board of the Bank.

The ACB reviews the financial statements of the Subsidiary Companies of the Bank. It also reviews the investments made by such subsidiaries, the statement of all significant transactions and arrangements entered into by Subsidiary Companies and the compliances of each materially significant subsidiary on a periodic basis.

The RBI has identified Axis Group as a Financial Conglomerate (FC) under Inter Regulatory Forum (IRF) mechanism which necessitates continuous oversight on Subsidiary Companies. The oversight on Bank's Subsidiaries is an essential element for the implementation of well aligned corporate governance principles across group entities. It assists in integration of "One Axis" theme of the Bank, by sharing uniform practices across the Group and building up synergy in common practices thereby creating value and investor confidence.

The Bank has put in place a comprehensive subsidiary engagement framework encompassing functional alignment areas viz. risk, compliance, audit, finance, human resources, information technology and legal as well as more integrative domains viz. cyber security, brand usage and marketing, corporate communication with the end objective of delivering 'One Axis' across the Group.

Performance of each Subsidiary Company is reviewed by the MD & CEO of the Bank. Further, detailed presentation by Subsidiary Companies is presented to the Board, on a periodic basis. At least one member of the Management Committee is nominated on the board of the Subsidiary Companies of the Bank. The said members are responsible for reviewing the matters relating to strategy, business plan and performance of the concerned Subsidiary Companies.

Policy for determining 'Material' Subsidiaries

As required under Regulation 16(1)(c) of the SEBI Listing Regulations, the Bank has formulated and adopted a Policy for determining 'Material' Subsidiaries. During fiscal 2022, the Policy for determining 'Material' Subsidiaries has been reviewed by the RMC and the Board and the same has been hosted on the website of the Bank at <https://www.axisbank.com/docs/default-source/quarterly-reports/07policy-for-determining-material-subsiary.pdf>.

Directors and Officers Insurance

The Bank has a Directors and Officers Insurance policy in place which protects Directors and Officers of the Bank for any actual or alleged breach of fiduciary duty. Amongst other things, the policy offers protection for costs related to investigation & extradition, deprivation of asset expenses, outside entity directorship liability, entity coverage for securities related issues and special excess protection for non-executive directors.

Insider Trading

The Bank has a Share Dealing Code and the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI) of the Bank, in line with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (Insider Trading Regulations), as amended from time to time.

The Share Dealing Code of the Bank comprises of Chapter A which is applicable to 'Designated Persons' and their Immediate Relatives for trading in securities of the Bank and Chapter B which is applicable to 'Persons Designated for Restricted List' and their Immediate Relatives for trading in securities of Listed Client Companies (LCC).

The Bank in the ordinary course of its business, is likely to be entrusted with UPSI by LCC and is thus, expected to discharge its fiduciary obligations by maintaining confidentiality of such UPSI, in the interest of such LCC and in compliance with the Insider Trading Regulations. The Compliance Officer has taken necessary steps to restrict the Persons Designated under Restricted List from trading in securities of such LCC.

The Bank has adequate and effective systems, internal controls and processes, to ensure compliance with the provisions of the Share Dealing Code, the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI) and the Insider Trading Regulations. The Bank conducts awareness programs and circulates Dos and Dont's, for the Designated Persons, from time to time.

The Bank has also formulated and adopted the Policy for Determination of Materiality of Events / Information of the Bank, in terms of Regulation 30 of the SEBI Listing Regulations. During fiscal 2022, the said Policy was subjected to an annual review and amendments as mandated under applicable regulations, were reviewed and approved by the Board. The Policy for Determination of Materiality of Events / Information and the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI) of the Bank have been uploaded on the website viz. <https://www.axisbank.com/shareholders-corner/corporate-governance>, in compliance with the said Regulations.

Compliance Certificate

Pursuant to Regulation 17(3) of SEBI Listing Regulations, a quarterly confirmation on laws applicable to the Bank is obtained from the relevant Heads of Departments within the Bank by the Compliance Department of the Bank. In this regard, a report duly signed by the Chief Compliance Officer of the Bank confirming compliances with all applicable laws, is placed before the ACB, on a quarterly basis.

CEO & CFO Certification

Certificate issued by Amitabh Chaudhry, MD & CEO and Puneet Sharma, President & CFO of the Bank, for the financial year ended 31 March, 2022, was placed before the Board at its meeting held on 28 April, 2022, in terms of Regulation 17(8) of the SEBI Listing Regulations. CEO & CFO Certificate is attached as **Annexure 1** to this Report.

Directors E-KYC

The Ministry of Corporate Affairs (MCA) has vide amendment to the Companies (Appointment and Qualification of Directors) Rules, 2014, mandated registration of KYC of all the Directors through e-form DIR-3 KYC. All Directors of the Bank have complied with the aforesaid requirement.

Other Disclosures

Related Party Transactions

There were no related party transactions which were of a materially significant nature undertaken by the Bank with its Promoters, Directors or Management, their subsidiaries or relatives that may have a potential conflict with the interests of the Bank.

Transactions of Senior Management

The members of the Senior Management of the Bank have affirmed that they have not entered into any material, financial or commercial transaction wherein they have personal interest and which may potentially conflict with the interest of the Bank at large.

Instances of non-compliance

There are no instances of non-compliance by the Bank or penalties and strictures imposed by the Stock Exchange(s) or SEBI or other statutory authorities on any matter related to capital markets during the last three years, except the following:

- (i) SEBI vide its letter dated 28 April, 2020 issued an administrative warning for not intimating SEBI on appointment of Compliance Officer (Merchant Banking) and that the Compliance Officer did not have the required NISM certification, as observed during the inspection of the Bank as 'Merchant Banker'. The Bank has appointed new Compliance Officer (Merchant Banking) who has the required NISM certification. The same has been informed to SEBI.
- (ii) SEBI vide its letter dated 28 December, 2020, observed delay in making disclosures by the Bank under the SEBI (Prohibition of Insider Trading) Regulations, 2015 and in this regard has informed the Bank that the matter has been viewed seriously and has warned the Bank to be careful in future to avoid recurrence of such instances and to be more cautious in filing disclosures, failing which action may be initiated in accordance with the provisions of the SEBI Act, 1992 and Rules and Regulations framed thereunder.
- (iii) SEBI issued a Summary Settlement Notice dated 28 December, 2020 in relation to an alleged default under Regulation 7(2)(b) of the SEBI (Prohibition of Insider Trading), Regulations, 2015. The Bank without admitting or denying the findings of facts and conclusions of law submitted a settlement application on 29 January, 2021 to SEBI, in accordance with the provisions of the SEBI (Settlement Proceedings) Regulations, 2018 and paid the settlement amount of ₹ 41.43 lacs.

Thereafter, SEBI passed a Settlement Order dated 15 February, 2021 (the Settlement Order), consequent to which the proceedings to be initiated for the alleged default was disposed-off and the matter stands settled.

- (iv) SEBI carried out inspection of the DDP activities of the Bank for fiscal 2019 and issued Administrative Warning and Deficiency Letter for contravention with Regulation 31(2)(a), 32(1) of SEBI (FPI) Regulations 2019 and for contravention with para 2.3 of SEBI Circular CIR/IMD/FIC/09/2014 dated 28 April, 2014. The Bank has submitted its response on 25 February, 2021.
- (v) The Bank received a Show Cause Notice from SEBI vide e-mail dated 3 March, 2021, issued under Rule 4 of the SEBI (Procedure for Holding inquiry and imposing penalties) Rules, 1995. As per the Regulation 27 of SEBI (Merchant Bankers) Regulations, 1992, the Merchant Banker is required to submit to SEBI complete particulars of any transaction for acquisition of securities of any body corporate whose issue is being managed by that merchant banker within 15 days from the date of entering into such transaction. During the review of Debt Capital Market business of the Bank in December, 2019, it was observed that the Bank had inadvertently failed to report transactions as required under Regulation 27 of SEBI (Merchant Bankers) Regulations, 1992. The Bank had submitted response to SCN vide e-mail dated 16 March, 2021. Further, the Bank was granted time till 4 May, 2021 to make additional submissions in the matter at the hearing conducted on 26 April, 2021, through video conference with respect to the Adjudication Proceedings in the above matter.

Basis the response to the SCN and submissions made by the Bank during personal hearing, the adjudicating officer observed that the Bank had failed to comply with the SEBI regulation for three years (August 2016 to August 2019). However, he also noted that –

- The Bank observed the irregularities and informed SEBI
- No investor complaints were received due to this irregularity
- The Bank has taken necessary corrective steps to avoid recurrence of such lapses.

Considering these facts, the Adjudicating officer has imposed a penalty of ₹ 5 lacs on the Bank.

- (vi) SEBI carried out inspection of the Custodian activities of the Bank for fiscal 2019 and issued Administrative Warning and Deficiency Letter for contravention with clauses 1, 2, 3 and 10 of the Code of Conduct prescribed at Regulation 12 of the SEBI (Custodian) Regulations, 1996. The Bank has submitted its response on 6 April, 2021.

The Secretarial Auditor has certified that none of the Directors of the Bank have been debarred or disqualified from being appointed or continuing as a Director of the Bank by SEBI / Ministry of Corporate Affairs or any other Statutory / Regulatory Authority. The said certificate is annexed to the Board's Report.

Compliance with Governance norms

The Bank has complied with all the mandatory requirements, as prescribed under the SEBI Listing Regulations relating to Corporate Governance.

The Bank has also adopted the non-mandatory requirements relating to:

- (1) Maintenance of Chairperson's Office at the Bank's expense and reimbursement of expenses incurred by the Non-Executive Chairperson in performance of his duties,
- (2) Separate post of Chairperson, and MD & CEO
- (3) Regime of financial statements with unmodified audit opinion
- (4) Chief Audit Executive directly reporting to the ACB.

The Bank has obtained a certificate from Joint Statutory Auditor, M P Chitale & Co., Chartered Accountants (Registration No.101851W), confirming that the Bank has complied with all the mandatory requirements as stipulated under the SEBI Listing Regulations relating to Corporate Governance. The said certificate is enclosed at the end of Chapter on General Shareholder Information.

Codes of Conduct

The Board has formulated and adopted the Code of Conduct and Conflict of Interest Norms for the Board of Directors, and the Code of Conduct and Ethics of the Bank (the Code of Ethics), in terms of Regulation 17(5) of the SEBI Listing Regulations.

The Code of Conduct and Conflict of Interest Norms for the Board of Directors provides for Do's and Don'ts to be followed by the Directors of the Bank and also contains norms with respect to conflict of interest, skill development, health, confidentiality, insider trading and sexual harassment etc. During fiscal 2022, the amendments to the said Code were reviewed and approved by the Board.

The Code of Ethics is a statement of the Bank's commitment to integrity and the highest standards of ethical practices. It defines the standards of conduct that is expected of all employees in order that the right decisions are taken in performing their roles and responsibilities across various functions in the Bank.

The Code of Ethics is intended to be the charter for day-to-day work, to enable employees to make the right decisions and, therefore, serves to: (1) underline the fundamental commitment to compliance with regulatory guidelines and laws of the land, (2) set forth basic parameters of ethical and acceptable social behavior, and (3) establish a system for detection and reporting of known or suspected ethical or violations of regulations.

The said Codes are available on the website of the Bank viz. <https://www.axisbank.com/shareholders-corner/corporate-governance>, in compliance with the SEBI Listing Regulations.

The certificate issued by the MD & CEO of the Bank confirming that all the Directors and Members of the Senior Management of the Bank have affirmed compliance with the said Codes as applicable to them, is attached as **Annexure 2** to this Report.

CEO / CFO CERTIFICATION AS PER REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATION, 2015

The Board of Directors
Axis Bank Limited.

In terms of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in listed companies, we certify that:

- a) We have reviewed the financial statements and the cash flow statement for the year ended 31 March, 2022 and that to the best of our knowledge and belief:
 - i. These results do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. These results together present a true and fair view of the Bank's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Bank during the year that are fraudulent, illegal or violative of the Bank's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Bank pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee:
 - i. Significant changes in internal control over financial reporting during the year;
 - ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the audited financial statements; and
 - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Bank's internal control system over financial reporting.

Amitabh Chaudhry
Managing Director & CEO

Puneet Sharma
President & CFO

Date: 28 April, 2022

Annexure 2

COMPLIANCE WITH CODE OF CONDUCT AND CONFLICT OF INTEREST NORMS IN RESPECT OF BOARD OF DIRECTORS, AND THE CODE OF CONDUCT AND ETHICS OF THE BANK, FOR FISCAL 2022

I confirm that for the year under review, all the Directors and members of the Senior Management of the Bank, have affirmed compliance with the said Codes, as applicable to them.

Amitabh Chaudhry
Managing Director & CEO

Place: Mumbai
Date: 29 April, 2022

GENERAL SHAREHOLDER INFORMATION

[Pursuant to Regulation 34(3) and Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations)]

Contact Information

Registered Office	Corporate Office	Registrar & Share Transfer Agent
Axis Bank Limited [CIN: L65110GJ1993PLC020769] 'Trishul', 3 rd Floor, Opp. Samartheshwar Temple, Law Garden, Ellisbridge, Ahmedabad - 380 006 Gujarat Tel. No.: +91 79 6630 6161 Fax No.: +91 79 2640 9321 Email: shareholders@axisbank.com Website: www.axisbank.com	Axis Bank Limited 'Axis House', C-2, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai - 400 025 Maharashtra Tel. No.: +91 22 2425 2525 Fax No.: +91 22 2425 1800 Email: shareholders@axisbank.com Website: www.axisbank.com	KFin Technologies Limited (KFIN) Unit: Axis Bank Limited Selenium Tower - B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032 Telangana Tel. No.: +91 40 6716 2222 Toll Free No.: 1800 3094 001 Email: einward.ris@kfintech.com Website: www.kfintech.com
Debenture Trustees		Depository for Global Depository Receipts (GDR)
IDBI Trusteeship Services Limited Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400 001 Tel. No.: +91 22 4080 7000 Email: itsl@idbitrustee.com Website: www.idbitrustee.com	SBI Cap Trustee Company Limited Mistry Bhavan, 4 th Floor, 122 Dinshaw Vachha Road, Churchgate, Mumbai - 400 020 Tel. No.: +91 22 4302 5555 Email: helpdesk@sbicaptrustee.com Website: www.sbicaptrustee.com	The Bank of New York Mellon 240 Greenwich Street, 8W New York - 10286 Tel. No.: 1 888 269 2377 (within the US) +1 201 680 6825 (outside the US) Fax No.: 001 212 571 3050 Email: shrelations@bnymellon.com Website: www.adrbnymellon.com

28th Annual General Meeting (AGM)

Day / Date / Time	The day / date / time of the AGM and matters related thereto will be decided by the Board of Directors of the Bank (the Board) in due course and the details thereof will be communicated to the relevant stakeholders.
Mode	
E - voting dates	
Participation through video-conferencing	

Financial Year

The Bank follows the financial year starting from 1 April to 31 March, every year.

Meeting Calendar

The schedule of the meetings of the Board to be held to *inter alia* review and approve the unaudited / audited financial results of the Bank, in respect of fiscal 2023, in terms of Regulation 33(3) of the SEBI Listing Regulations, is detailed as under:

Purpose	Tentative Date
Unaudited Financial Results (Standalone and Consolidated) of the Bank, for the quarter ending 30 June, 2022	Last week of July 2022
Unaudited Financial Results (Standalone and Consolidated) of the Bank, for the quarter / half year ending 30 September, 2022	Last week of October 2022
Unaudited Financial Results (Standalone and Consolidated) of the Bank, for the quarter / nine months ending 31 December, 2022	Last week of January 2023
Audited Annual Financial Results (Standalone and Consolidated) of the Bank, for the financial year ending 31 March, 2023	Last week of April 2023

Dividend

The Board has recommended dividend of ₹ 1/- per equity share of ₹ 2/- each of the Bank, for fiscal 2022, subject to approval of the members at the 28th AGM of the Bank. The dividend, if approved by the members, will be paid on or after five days from the date of the AGM.

Investor FAQs including dividend related matters are available on the website of the Bank at <https://www.axisbank.com/shareholders-corner/financial-results-and-other-information/public-notices/investor-faqs>.

Record Date

The record date for payment of dividend is mentioned in the notice of the ensuing 28th AGM of the Bank.

Payment of Dividend through electronic mode

In terms of Regulation 12 and Schedule I of SEBI Listing Regulations, every listed entity is required to mandatorily make all payments to members, including dividend, by using any Reserve Bank of India (RBI) approved electronic mode of payments viz., Direct Credit, Real Time Gross Settlement (RTGS), National Electronic Fund Transfer (NEFT), Electronic Clearing Service (ECS), National Automated Clearing House (NACH) etc. The Bank would use the bank account details of the members available with the Depository Participant(s) to facilitate payment through electronic mode.

All members of the Bank holding equity shares in electronic form are requested to provide details of their bank account number, including 9 digit MICR Code and 11 digit IFSC Code, e-mail id and mobile no(s) to their Depository Participant(s).

All members of the Bank holding equity shares in physical form are requested to provide details of their bank account number, indicating 9 digit MICR Code and 11 digit IFSC Code, e-mail id and mobile no(s) to KFIN at Selenium Tower - B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032, Telangana, by quoting their folio number and attaching a photocopy of cheque leaf of the said bank account and a self-attested copy of their PAN card.

In case the dividend paid through electronic mode is rejected by the corresponding bank, for any reason whatsoever, the Bank will issue a dividend demand draft and print the bank account details available with KFIN on the said demand draft to avoid fraudulent encashment.

Unclaimed Dividend

Pursuant to the provisions of Section 125 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Bank is required to transfer the amount of dividend lying unclaimed for a period of seven consecutive financial years from the date of its transfer to the unpaid dividend account, to Investor Education Protection Fund (IEPF). Accordingly, unclaimed dividend amounting to ₹ 7,166,020 in respect of fiscal 2014 was transferred by the Bank to the IEPF, on 18 August, 2021.

The details of the unclaimed dividend as on 31 March, 2022 and the last date for claiming the same, prior to its transfer to the IEPF, are as under:

Financial year	Unclaimed dividend as on 31 March, 2022 (In ₹)	% to total dividend declared	Date of Declaration of dividend	Last date for claiming dividend prior to its transfer to the IEPF Authority
2014-15	9,017,858.40	0.08	24-07-2015	29-08-2022
2015-16	11,463,270.00	0.10	22-07-2016	28-08-2023
2016-17	13,003,170.00	0.11	26-07-2017	31-08-2024
2017-18		No Dividend Declared		
2018-19	1,966,982.00	0.08	20-07-2019	25-08-2026
2019-20		No Dividend Declared		
2020-21		No Dividend Declared		
Total	35,451,280.40	-	-	-

Members of the Bank are requested to verify details of their unclaimed dividends in respect of fiscal 2015, fiscal 2016, fiscal 2017, fiscal 2019 and lodge their claim with KFIN, prior to the date of its transfer by the Bank, to the IEPF. Members may write to KFIN at einward.ris@kfintech.com, for any assistance, in this regard.

Transfer of Underlying Equity Shares to the IEPF

Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013 and the relevant provisions of the IEPF Authority Rules, the equity shares of the Bank, on which the dividend has not been claimed for seven consecutive years, are liable to be transferred by the Bank to the IEPF.

Accordingly, the Bank has till 31 March, 2022, transferred 918,136 underlying equity shares, to the IEPF.

The Bank does not have any equity shares in the unclaimed suspense account, as on 31 March, 2022.

Guidelines to claim Unclaimed Dividends / Shares

The detailed guidelines for claiming Unclaimed Dividends / Shares which have been transferred to the designated account of the IEPF Authority, in accordance with the said Rules, is available on the website of the Bank at <https://www.axisbank.com/shareholders-corner/financial-results-and-other-information/public-notices/investor-faqs>.

Equity Shares

The equity shares of the Bank are listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The International Securities Identification Number (ISIN) in respect of the equity shares of the Bank is INE238A01034. The annual listing fees for fiscal 2022 have been paid by the Bank to the Stock Exchanges.

The National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) are the depositories for the equity shares of the Bank. The annual custodian fees for fiscal 2022 have been paid by the Bank to the depositories.

The equity shares of the Bank have not been suspended from trading on the said Stock Exchanges or by any Regulatory / Statutory Authority.

Details of Stock Exchange	Stock Exchange Codes	Reuters Codes	Bloomberg Codes
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Website: www.bseindia.com	532215	BSE - AXISBANK.BO	BSE - AXSB IN
The National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051 Website: www.nseindia.com	AXISBANK	NSE - AXBK.NS	NSE - AXSB IS

Dematerialisation of Shares and Liquidity

The equity shares of the Bank are required to be compulsorily traded on the floor of the stock exchanges in electronic form by all investors. The Bank has entered into agreements with NSDL and CDSL, so as to provide the members an opportunity to hold and trade in equity shares of the Bank in electronic form.

As on 31 March, 2022, 99.87% of the total issued and paid up equity share capital of the Bank was held in electronic form and 0.13% of the total issued and paid up equity share capital of the Bank was held in physical form.

The number of equity shares of the Bank held in physical form which were transferred / processed, during the last three financial years, are detailed as under:

Particulars	2021-22	2020-21	2019-20
Number of transfer deeds	0	0	30
Number of equity shares transferred	0	0	30,000

As required under Regulation 40(9) of the SEBI Listing Regulations, Ahalada Rao. V & Associates, Practicing Company Secretaries, (C. P. No. 13407), Hyderabad examines the records relating to share transfer deeds, memorandum of transfers, registers, files and other related documents on yearly basis and issues a certificate confirming compliance with the provisions of the said Regulations.

Distribution of Shareholding

The distribution of shareholding of the Bank as on 31 March, 2022, is detailed as under:

No. of shares held	Electronic Form		Physical Form		Total		
	No. of Shareholders	No. of Shares	No. of Shareholders	No. of Shares	No. of Shareholders	No. of Shares	% to capital
1-5,000	831,132	97,795,555	4,422	3,772,188	835,554	101,567,743	3.31
5,001-10,000	2,107	15,004,611	8	57,300	2,115	15,061,911	0.49
10,001-20,000	1,043	14,700,459	3	40,500	1,046	14,740,959	0.48
20,001-30,000	373	9,110,886	1	25,000	374	9,135,886	0.30
30,001-40,000	224	7,799,184	0	0	224	7,799,184	0.25
40,001-50,000	155	6,951,894	0	0	155	6,951,894	0.23
50,001-100,000	350	24,674,711	0	0	350	24,674,711	0.80
100,001 and above	1,352	2,889,815,548	0	0	1,352	2,889,815,548	94.14
Total	836,736	3,065,852,848	4,434	3,894,988	841,170	3,069,747,836	100.00

Shareholding pattern

Category wise shareholding pattern of the Bank as on 31 March, 2022, is detailed as under:

Sr. No.	Category / Shareholder	As on 31 March, 2022	
		No. of Shares	% to capital
A	Promoters		
1.	Administrator of the Specified Undertaking of the Unit Trust of India	46,534,903	1.52
2.	Life Insurance Corporation of India	244,870,645	7.98
	Total Promoter Shareholding (A)	291,405,548	9.50
B	Domestic shareholders		
3.	Indian FIs / Banks / AIF / NBFC / QIB	176,417,864	5.75
4.	Indian MFs	682,332,092	22.23
5.	Indian Bodies Corporate	41,291,837	1.35
6.	Indian Residents	201,449,316	6.54
7.	Insurance Companies	57,669,941	1.88
	Total Domestic Shareholding (B)	1,159,161,050	37.75
C	Foreign Shareholders		
8.	FII's/FPI/QFI	1,410,140,718	45.94
9.	FDI (GDR)	65,104,915	2.12
10.	Foreign Bodies	134,554,555	4.38
11.	Foreign Nationals	902	0.00
12.	NRIs	9,380,148	0.31
	Total Foreign Shareholding (C)	1,619,181,238	52.75
	Total A+B+C	3,069,747,836	100.00

Shareholders holding more than 1% equity share capital of the Bank as on 31 March, 2022, are as under:

Sr. No.	Name of the Shareholder	No. of Shares held	% to capital
1.	Life Insurance Corporation of India	244,870,645	7.98
2.	SBI Arbitrage Opportunities Fund	120,241,675	3.92
3.	ICICI Prudential Large & Mid Cap Fund	114,622,050	3.73
4.	Dodge and Cox International Stock Fund	91,967,250	3.00
5.	The Bank of New York Mellon, DR	65,104,915	2.12
6.	Nippon Life India Trustee Limited-A/C Nippon India IND	61,036,407	1.99
7.	Government of Singapore	57,482,023	1.87
8.	NPS Trust - A/C SBI Pension Fund Scheme - State Government	56,125,239	1.83
9.	BC Asia Investments VII Limited - FDI	55,600,000	1.81
10.	HDFC Trustee Company Ltd. A/C HDFC Index Fund - NIFT	54,820,082	1.79
11.	Kotak Equity Hybrid Fund	53,979,074	1.76
12.	Government Pension Fund Global	50,905,088	1.66
13.	Mirae Asset Large Cap Fund	50,844,222	1.66
14.	Administrator of The Specified Undertaking of the Unit Trust of India (SUUTI)	46,534,903	1.52
15.	BC Asia Investments III Limited - FDI	40,000,000	1.30
16.	UTI Bank Exchange Traded Fund	39,822,538	1.30
17.	Aditya Birla Sun Life Trustee Private Limited A/C	38,625,770	1.26
18.	ICICI Prudential Life Insurance Company Limited	32,684,376	1.06
19.	Integral Investments South Asia IV - FDI	31,900,000	1.04
20.	Vanguard Emerging Markets Stock Index Fund, A SERI	31,475,434	1.03

Convertible Warrants

As on 31 March, 2022, the Bank has no outstanding warrants pending for conversion.

Global Depository Receipts (GDR) / American Depository Receipts (ADR)

The Bank has in the course of international offerings to overseas investors, issued GDRs underlying to ordinary equity shares of the Bank in March 2005, April 2005, July 2007 and September 2009.

The said GDRs are listed and traded on London Stock Exchange (LSE). Each GDR is represented by five equity shares. The number of equity shares representing outstanding GDRs, as on 31 March, 2022 were 65,104,915.

Details of Stock Exchange	Stock Exchange Code	ISIN
London Stock Exchange 10 Paternoster Square, London EC4M 7LS, UK Website: www.londonstockexchange.com	AXB	US05462W1099

The Bank has not issued any GDRs / ADRs during fiscal 2022.

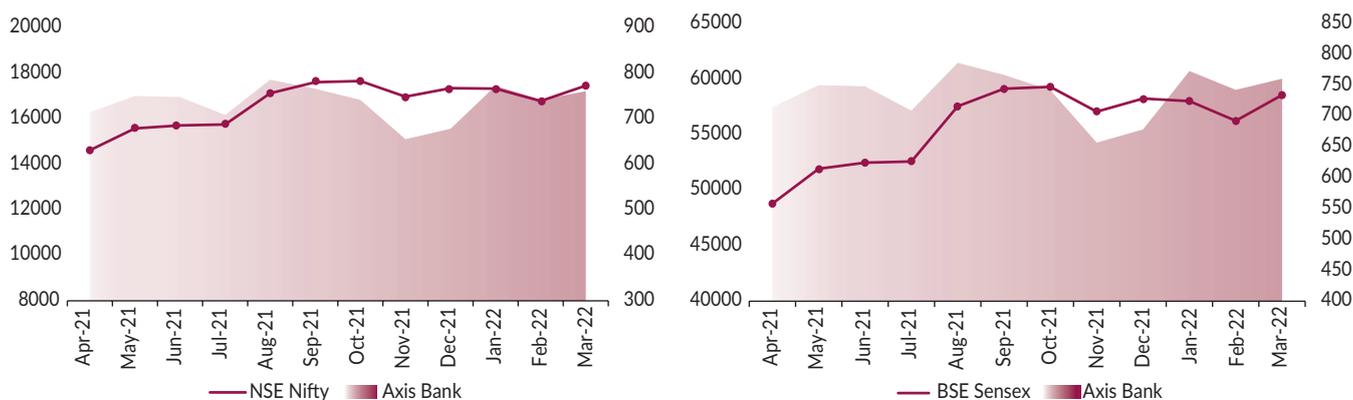
Market Price Data

Equity Shares and GDRs

The high and low closing prices of the Bank's equity shares and GDRs as traded during fiscal 2022, are detailed as under:

Month	NSE			BSE			LSE (GDRs)		
	High (₹)	Low (₹)	No. of Shares Traded	High (₹)	Low (₹)	No. of Shares traded	High (USD)	Low (USD)	No. of GDRs traded
April 2021	729.85	626.65	371,545,458	729.85	626.40	13,387,488	49.15	41.75	233,403
May 2021	759.70	681.40	266,650,928	759.75	681.50	8,349,979	51.70	45.75	207,602
June 2021	769.60	720.50	163,966,439	769.60	720.15	8,838,855	51.70	48.20	179,333
July 2021	778.25	707.15	137,568,450	778.10	707.15	6,157,004	51.90	47.30	151,743
August 2021	789.50	712.00	141,069,423	789.50	712.55	14,845,794	55.40	47.90	145,151
September 2021	820.70	764.85	173,070,518	820.50	765.00	12,987,269	55.60	51.00	180,955
October 2021	866.90	714.00	227,906,435	866.60	714.40	10,186,325	59.00	49.60	182,861
November 2021	762.65	648.00	242,182,772	762.75	645.00	16,543,221	52.90	42.80	196,361
December 2021	721.95	655.95	193,558,092	721.85	656.15	6,960,842	47.85	44.00	154,190
January 2022	784.70	679.00	274,211,281	784.80	679.00	7,591,073	53.20	46.35	171,426
February 2022	815.95	725.30	197,682,587	815.90	725.15	5,376,623	54.80	47.20	154,194
March 2022	765.85	637.00	268,955,832	765.80	637.00	8,111,789	50.30	41.50	218,481

GRAPH IN COMPARISON TO NIFTY & SENSEX



Debt Securities

The debt instruments issued and allotted by the Bank in the form of Additional Tier I Bond, Tier II Debt Capital Instrument and Infrastructure Bonds, on a private placement basis are listed on NSE and BSE. The Bonds issued by the Bank under the MTN programme are listed on London Stock Exchange (ISM), Singapore Stock Exchange (SGX-ST), India INX and NSE IFSC at GIFT City.

Details of Stock Exchange	Stock Exchange Code
London Stock Exchange 10 Paternoster Square, London EC4M 7LS, UK Website: www.londonstockexchange.com	AXB
Singapore Stock Exchange Singapore Exchange Securities Trading Limited (Attention: SGXNet Services, Operations) 2 Shenton Way, #02-02 SGX Centre 1, Singapore - 068804 Website: www.sgx.com	-

Details of Stock Exchange	Stock Exchange Code
India INX 1 st Floor, Unit No. 102, The Signature, Building No. 13B, Road 1C, Zone 1, GIFT SEZ, GIFT City, Gandhinagar, Gujarat - 382355 Website: www.indiainx.com	-
NSE IFSC Limited Unit No. 1201, Brigade International Financial Centre, 12 th Floor, Building No. 14-A, Block No. 14, Zone 1, GIFT SEZ, Gandhinagar, Gujarat - 382355 Website: www.nseifsc.com	-

Credits Ratings

The details of the credit ratings obtained by the Bank, in respect of all debt instruments issued by it and outstanding as on 31 March, 2022 along with outlook, are as under:

Sr. No.	Type of Security	ICRA		CARE Ratings		CRISIL		India Ratings	
		Credit Rating	Outlook						
1.	Certificate of Deposits	ICRA A1+	-	-	-	CRISIL A1+	-	-	-
2.	Tier II Bonds	ICRA AAA	Stable	CARE AAA	Stable	-	-	IND AAA	Stable
3.	Infrastructure bond	ICRA AAA	Stable	CARE AAA	Stable	CRISIL AAA	Stable	-	-
4.	Tier II (Under Basel III)	ICRA AAA	Stable	CARE AAA	Stable	CRISIL AAA	Stable	IND AAA	Stable
5.	Tier I (Under Basel III)	ICRA AA+	Stable	-	-	CRISIL AA+	Stable	IND AA+	Stable
6.	Fixed Deposit	ICRA MAAA	Stable	-	-	-	-	-	-

MTN (Senior unsecured) securities have been rated BB+ with negative outlook by Fitch, Baa3 with stable outlook by Moody's and BB+ with positive outlook by S&P. During the year, S&P Ratings has revised the outlook to positive from stable and Moody's Rating has revised the outlook to stable from negative.

Green Bonds

The Bank had issued its inaugural Green Bonds of US\$ 500 million (ISIN XS1410341389) in June 2016. These Bonds are the first certified Green Bonds by an Asian bank – Axis Bank's Green Bonds was certified under Climate Bonds Initiative standards version 2.1. It was also the first Green Bond issued by an Indian company to be listed on London Stock Exchange.

The Bonds were issued under the 'Green Bond Framework' established by the Bank. The framework defined the use of proceeds, criteria for selection and evaluation of projects, monitoring utilisation of proceeds and reporting guidelines. The framework was reviewed by KPMG, and it provided an 'Independent Assurance Report' as required under the Climate Bonds Standards.

The proceeds of issue of Green Bonds, were allocated to renewable energy projects, low carbon transport projects and energy efficient buildings. In order to monitor the proceeds, a Green Bond Committee was constituted by the Bank. Utilisation of said proceeds were tracked on a monthly basis and shortfall, if any, was parked in government securities and other money market instruments, as per extant norms.

Investor Services

KFIN has been entrusted with the task of administering all aspects relating to investor services for and on behalf of the Bank. KFIN has appropriate systems to ensure that requisite service is provided to the investors of the Bank in accordance with applicable corporate and securities laws and within the adopted service standards.

Investors are requested to write to the Registered Office of the Bank or to KFIN for availing any services or may address their correspondence / complaints to shareholders@axisbank.com or einward.ris@kfintech.com.

Members can contact with KFIN for redressal of queries, by visiting <https://kprism.kfintech.com/> for query registration through free identity registration process. Members can submit their queries on the above website, which would generate a registration number. For accessing the status / response to the query submitted, the grievance registration number can be used at the option 'Click here to track your grievance' after 24 hours.

Investor Correspondence / Complaints

The details of the investor complaints received and redressed by the Bank, during the last three fiscals, are as under:

Received from Statutory/Regulatory Authorities	No. of complaints received			No. of complaints unresolved as on 31 March, 2022
	2021-22	2020-21	2019-20	
SEBI SCORES	15	9	17	-
Stock Exchanges	6	12	7	-
NSDL / CDSL	-	-	-	-
Ministry of Corporate Affairs (MCA)	-	-	-	-
Reserve Bank of India (RBI)	-	-	1	-
Total no. of complaints received	21	21	25	-
Total no. of complaints redressed	21	21	25	-

There were no investor complaints pending as on 1 April, 2021. During fiscal 2022, the Bank received 21 complaints from the members. The Bank had attended to all the complaints, and no complaints were pending or remained unsolved to the satisfaction of the members as on 31 March, 2022.

The details of the investor correspondence received and redressed by the Bank, during fiscal 2022, are as under:

Sr. No.	Nature of Complaint	Opening Balance as on 1 April, 2021	Received	Replied	Pending as on 31 March, 2022
1.	Non-receipt and Revalidation of Dividend Warrant	-	493	493	-
2.	Change in Address	-	187	187	-
3.	Incorporation of ECS Details	-	153	153	-
4.	Change / Correction in Name	-	99	99	-
5.	Change in Bank Mandate	-	97	97	-
6.	Registration of Nominee	-	60	60	-
7.	Others	-	192	192	-
	Total	-	1,281	1,281	-

During fiscal 2022, the Bank received 1,281 investor correspondence(s) from its investors, capital market intermediaries and Statutory / Regulatory Authorities, *inter alia*, in respect of the services relating to the securities issued by the Bank by post, web-based query redressal system of KFIN and through emails.

The statement highlighting the status of the investor correspondence(s) / complaint(s) received and redressed by the Bank during fiscal 2022 were tabled at the meetings of the Stakeholders Relationship Committee / Board of the Bank, for their review and noting.

Issue and Transfer of Shares

The equity shares of the Bank are compulsory transferable through the depository system (dematerialized or demat form).

In terms of the SEBI Listing Regulations, effective from 1 April, 2019, securities of listed companies can only be transferred in demat form except for transmission or transposition of shares or where the transfer deed(s) was lodged prior to 1 April, 2019 and returned due to deficiency in the document.

Further, SEBI Circular dated 25 January, 2022, requires listed companies to issue securities in demat form only while processing service requests viz. issue of duplicate securities certificate, claim from unclaimed suspense account, renewal / exchange of securities certificate, endorsement, sub-division / splitting of securities certificate, consolidation of certificates / folios and transmission and transposition. Accordingly, the members are requested to request for such services by submitting a duly filled and signed Form ISR - 4, the format of which is available on the Bank's website at <https://www.axisbank.com/shareholders-corner/financial-results-and-other-information/public-notices/investor-faqs>. The Bank has sent individual letters to the respective members holding shares of the Bank in physical form for furnishing their PAN, KYC details and nomination pursuant to SEBI Circular dated 3 November, 2021.

In view of the above, members holding equity shares of the Bank in physical form are requested to kindly get their equity shares converted into demat form.

Shareholder Handbook / Shareholder Services

Members are requested to refer to the Shareholder Handbook on the Bank's website: <https://www.axisbank.com/shareholders-corner/financial-results-and-other-information/public-notices/investor-faqs>, for rights of shareholders, procedures related to transfer / dematerialization / transmission of shares, nomination in respect of shareholding, change of address, unclaimed / unpaid dividend, shares underlying unpaid / unclaimed dividend, refund from IEPF, registration of e-mail ID and registration of PAN / Bank details.

Nomination Facility

Section 72 of the Companies Act, 2013, provides that every holder of securities of a company may, at any time nominate, in the prescribed manner, any person to whom the securities shall vest in the event of death. Where the securities of a company are held by more than one person jointly, the joint holders may together nominate any person to whom all the rights in the securities shall vest in the event of death of all the joint holders.

In view of the above, members are encouraged to avail the Nomination Facility. The relevant Nomination Form can be downloaded from the website of the Bank or the members may write to the Bank at its Registered Office or to KFIN for the same. In case of equity shares are held in electronic form, members are requested to contact their Depository Participants for availing nomination facility.

Please note that the nomination shall be automatically rescinded on transfer / transmission / dematerialization of the securities.

Green Initiatives

In terms of Rule 18 of the Companies (Management and Administration) Rules, 2014, a company may send copy of notice through electronic mode including e-mail to those members who have registered their e-mail address either with their Depository Participants (DP) or with the Company.

Further, as per Regulation 36 of the SEBI Listing Regulations, the listed entity is required to send soft copies of its annual report to all those members who have registered their email address(es) for this purpose.

Members, whose email address has changed and they have not updated the new e-mail address, the Bank would send the said documents to their existing e-mail address and the said documents shall be deemed to have been delivered, in compliance with the provisions of the Companies Act, 2013, and the SEBI Listing Regulations. Therefore, members are requested to register their email address or any change thereof with their DP (shares held in electronic form) or with KFIN (shares held on physical form) at the earliest.

Further, in terms of SEBI Circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13 May, 2022, annual report containing the Notice convening the 28th AGM, the standalone and consolidated financial statements for the fiscal 2022 along with the Boards' Report, Auditors' Report and other documents required to be attached thereto, are being sent only through electronic mode to those members who have registered their e-mail addresses with the Bank / their respective DP or with KFIN. Accordingly, no physical copy of the notice of the 28th AGM and the annual report for the fiscal 2022 is being sent to members who have not registered their e-mail addresses with the Bank / DP or KFIN.

However, in case any member wishes to receive a physical copy of the annual report, are requested to write to einward.ris@kfintech.com or shareholders@axisbank.com quoting his DP ID and Client ID or his Folio number, as the case may be, to enable the Bank to provide physical copy of the said documents, free of cost. Please note that the said documents are also being uploaded on the Bank's website viz. www.axisbank.com.

Means of Communication

After the unaudited / audited financial results of the Bank are reviewed and approved by the Board, the same are disclosed to the Stock Exchanges, in accordance with Regulation 30 of the SEBI Listing Regulations read with sub-para 4 of Para A of Part A of Schedule III of the SEBI Listing Regulations.

Financial results of the Bank, press releases and the presentations made by the Management to the Institutional Investors / Analysts / Media are uploaded on the Bank's website, <https://www.axisbank.com/shareholders-corner/financial-results-and-other-information/quarterly-results>, in accordance with the SEBI Listing Regulations.

The said financial results of the Bank are also published in Business Standard, Mint (all editions) and Gujarat Samachar or Divya Bhaskar (Ahmedabad edition), the day after the said financial results are disclosed to the Stock Exchanges, in accordance with the SEBI Listing Regulations.

The said financial results and other information filed by the Bank, are also available on the websites of the Exchanges, i.e., BSE at www.bseindia.com and the NSE at www.nseindia.com. Various compliances as required / prescribed under the SEBI Listing Regulations are filed by the Bank through the online systems of NSE and BSE. Similar filings are also made to the London Stock Exchange and Singapore Stock Exchange.

Annual General Meetings (AGMs)

The details of the previous three AGMs, are as under:

AGM	Day and Date	Time	Location
25 th	Saturday, 20 July, 2019	10.00 a.m.	H. T. Parekh Auditorium, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad - 380 015
26 th	Friday, 31 July, 2020	10.00 a.m.	Held through Video Conferencing Facility.
27 th	Friday, 30 July, 2021	10.00 a.m.	Held through Video Conferencing Facility.

Special resolutions passed at previous three Annual General Meetings (AGMs)

The details of the special resolution(s) passed at the previous three AGMs, are as under:

AGM	Date of AGM	Special Resolution(s)
25 th	20 July, 2019	Resolution No. 12 - Borrowing / Raising funds in Indian Currency / Foreign Currency by issue of Debt Securities on a private placement basis, for an amount of up to ₹ 35,000 crores, during a period of one year from the date of passing of this Special Resolution.
26 th	31 July, 2020	<p>Resolution No. 3 - Re-appointment of Rakesh Makhija (DIN 00117692) as an Independent Director of the Bank, for his second term of three years, with effect from 27 October, 2020 up to 26 October, 2023 (both days inclusive).</p> <p>Resolution No. 5 - Borrowing / raising of funds denominated in Indian rupees or any other permitted foreign currency, by issue of debt securities, on a private placement basis, for an amount of up to ₹ 35,000 crores, during a period of one year from the date of passing of this Special Resolution.</p> <p>Resolution No. 6 - Raising of funds through issue of equity shares / depository receipts and / or any other instruments or securities representing either equity shares and / or convertible securities linked to equity shares for an aggregate amount not exceeding ₹ 15,000 crores (Rupees Fifteen Thousand crores).</p>
27 th	30 July, 2021	<p>Resolution No. 13 - Borrowing / raising of funds denominated in Indian rupees or any other permitted foreign currency, by issue of debt securities, on a private placement basis, for an amount of up to ₹ 35,000 crores, during a period of one year from the date of passing of this Special Resolution.</p> <p>Resolution No. 14 - To create, issue, offer and allot additional equity stock options convertible into Equity Shares of the aggregate nominal face value not exceeding ₹ 100,000,000 (50,000,000 equity shares of ₹ 2/- each of the Bank fully paid up) to the permanent Employees and Whole-Time Directors of the Bank (including to the permanent Employees and Whole-Time Directors of the present and future Subsidiary Companies of the Bank as mentioned in resolution no. 15 below), under the Employee Stock Option Scheme(s) of the Bank.</p> <p>Resolution No. 15 - To create, issue, offer and allot additional equity stock options convertible into Equity Shares of the aggregate nominal face value not exceeding ₹ 100,000,000 (50,000,000 equity shares of ₹ 2/- each of the Bank fully paid up) to the permanent Employees and Whole-Time Directors of the present and future Subsidiary Companies of the Bank (including to permanent Employees and Whole-Time Directors of the Bank as mentioned in resolution no. 14 above), under the Employee Stock Option Scheme(s) of the Bank.</p>

Procedure for Postal Ballot

The Postal Ballot process is conducted in accordance with the provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management & Administration) Rules, 2014, as amended.

Due to the outbreak of COVID-19 Pandemic, MCA vide General Circular dated 8 December, 2021, has permitted companies to conduct the Postal Ballot by sending the Notice in electronic form only. Accordingly, physical copy of the Notice along with Postal Ballot Form and pre-paid business reply envelope were not being sent to the members for Postal Ballot. The Bank publishes a notice in the newspaper informing the details of completion of dispatch of the Postal Ballot Notice and other details.

The Bank engages the services of KFIN for providing e-voting facility to its members. Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the said cut-off date. The communication of the assent or dissent of the members takes place through the process of remote e-voting only in accordance with the SEBI Circular on e-voting facility provided by Listed Entities, dated 9 December, 2020.

The Board appoints a Scrutinizer for conducting the Postal Ballot process, in a fair and transparent manner. The Scrutinizer is required to submit his report to the Chairman after verification of the records and thereafter the consolidated results of the voting can be declared by the Chairman or by any one of the Directors of the Bank, duly authorized by the Board of Directors, in this regard.

Subsequently, the said results along with the report of the Scrutinizer is disclosed to the Stock Exchanges within two working days of closure of remote e-voting, in terms of Regulation 44(3) of the SEBI Listing Regulations, uploaded on the website of the Bank and displayed on the notice board at the Registered and Corporate Offices of the Bank.

The resolution, if passed by requisite majority, shall be deemed to have been passed on the last date specified by the Bank for remote e-voting.

During fiscal 2022, the Bank had issued two postal ballot notices dated 25 January, 2022 and 8 March, 2022, the details of which are available on the website of the Bank <https://www.axisbank.com/shareholders-corner/shareholders-information/postal-ballot>. There were no special resolutions passed through postal ballot during fiscal 2022.

Further, no special resolution is proposed to be passed through postal ballot.

Additional Information on Directors seeking appointment / re-appointment at the ensuing AGM

The details of Directors seeking appointment / re-appointment at the ensuing AGM, in terms of Regulation 36(3) of the SEBI Listing Regulations, is provided in the notice of the ensuing 28th AGM of the Bank.

Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The details with respect to commodity price risk in terms of Securities and Exchange Board of India (SEBI) circular No. SEBI/HO/CFD/CMD1/CIR/P/2018/000000141 dated 15 November, 2018, is as follows:

1. Risk management policy with respect to commodities including through hedging: As the Bank is not exposed to XAU (Gold) and XAG (Silver) price risk, the Bank does not have a Risk Management Policy for commodity price risk.
2. Exposure of the Bank to commodity and commodity risks faced by the Bank during the financial year is given below:
 - a) Total exposure of the Bank to commodities in INR : NIL as on 31 March, 2022.
 - b) Exposure of the Bank to various commodities: Not Applicable.
 - c) Commodity risks faced by the Bank during the year and how it has been managed: The Bank did not run any trading positions in XAU (Gold) or XAG (Silver) and does not have exposure to any other commodity.

Plant Locations

As the Bank is a banking company registered under the Banking Regulation Act, 1949, the provisions relating to disclosure on plant location is not applicable to the Bank. The Bank operates through a network of branches spread across the length and breadth of the country. As on 31 March, 2022, the Bank had a network of 4,758 domestic branches and extension counters.

The list of branches is available on the website of the Bank at <https://branch.axisbank.com>.