

OPERATING LANDSCAPE

Staying ahead in a dynamically evolving environment

The Bank operates in a dynamic business environment, competing with large private and public sector banks, nimble digital challengers, and non-banking financial institutions. We remain differentiated through scale, discipline, and purpose-led innovation in this fast-moving ecosystem.

With a diversified model, strong capital base, and deep digital integration, we continue to grow responsibly, strengthen profitability, and deepen customer engagement.

Positioned for Progress in a Dynamic Environment



Global Economic Backdrop

Fiscal 2025 unfolded against a backdrop of subdued global momentum. Advanced economies grappled with persistent inflation, high interest rates, and tight liquidity, prompting cautious capital deployment and slower credit expansion. The swift escalation of trade tensions and extremely high levels of policy uncertainty are expected to have a significant impact on global economic activity, posing new headwinds for global growth and inflation. Global growth is projected to drop to 3% in 2026, financial markets remain sensitive to geopolitical tensions, supply chain disruptions, and diverging monetary policies.



Indian Economy & Banking Sector

Unlike global trends, India remained a bright spot with estimated GDP growth of 6.5% in fiscal 2026. Sustained demand from rural areas, an anticipated revival in urban consumption, expected recovery of fixed capital formation supported by increased government capital expenditure, higher capacity utilisation, and healthy balance sheets of corporates and banks are expected to support growth. Domestic consumption, infrastructure-led investments, and financial formalisation continued to fuel banking sector growth, particularly in retail, secured lending, and MSMEs. Simultaneously, competition intensified, driven by a maturing fintech ecosystem, NBFC innovations, and digital-first challenger models. UPI volumes, AI-enabled credit, and embedded finance redefine how services are delivered and consumed.



Regulatory Landscape

Fiscal 2025 marked a significant regulatory pivot toward risk sensitivity, digital integrity, and sustainability. The RBI tightened norms on unsecured lending, enhanced supervision of digital journeys, and released draft frameworks on climate-related financial disclosures. Concurrently, SEBI mandated BRSR Core assurance, and the Digital Personal Data Protection (DPDP) Act was enacted to strengthen data privacy rights. Regulatory bodies are now setting the tone for integrated, forward-looking governance.









The Bank's Strategic Positioning

The Bank remains strongly positioned to navigate this evolving environment. With a well-diversified credit portfolio, robust liability engine, and 96%+ digital transaction penetration, the Bank is focused on delivering sustainable, risk-aware growth. Through the 'One Axis' ecosystem, the Bank integrates banking with insurance, investments, broking, and capital markets, serving customers across geographies and segments. Our calibrated approach to compliance, technology, and customer-centricity keeps opportunities open for us across every economic cycle.



What's Reshaping Indian Banking

Trend	What's Changing	Strategic Implication
 Formal Credit Expansion	MSMEs, secured retail loans, and housing finance drive credit growth amid policy support and demand revival.	We continue to expand our focus segments with calibrated growth in secured lending and deeper penetration in semi-urban and rural markets.
 Deposit Mobilisation Pressure	Tight liquidity and elevated rates have intensified competition for granular deposits.	We have improved the granularisation in our deposit book and the quality of LCR deposits through targeted acquisitions, product launches, salary credits, and CASA deepening across Bharat branches.
 Regulatory Tightening	RBI and SEBI introduced new frameworks on unsecured lending, ESG disclosures (BRSR Core), and data protection (DPDP Act).	We have proactively enhanced governance, upgraded risk models, and embedded compliance-by-design across digital and ESG processes.
 Digital-first Consumer Behaviour	UPI, mobile onboarding, and API ecosystems are now the default channels for financial engagement.	With 96%+ digital transactions and GenAI-powered tools like Adi, <i>neo</i> and 'Siddhi' we continue to lead in delivering intuitive, secure, and intelligent customer journeys.
 Climate and Sustainability Integration	Climate risk is becoming integral to credit assessment and disclosure mandates.	Through Sustainable bonds, lending to ESG positive sectors, and an in-house ESG Rating model for borrower-level risk review, we are future-proofing our portfolio with responsibility.
 Rise of AI and Embedded Finance	GenAI, credit scoring algorithms, and open architecture reshape product delivery and underwriting.	We are building an open, API-led, AI-enabled ecosystem—integrating our offerings into platforms, partners, and everyday financial flows.

Competitive Advantages as on/for the year ended March 31, 2025

Metric	Axis Bank	Our Competitive Positioning Commentary
Total Assets	₹16.10 lakh crores	3 rd largest private bank in India
Net Advances	8% y-o-y	Balanced growth with stable asset quality
Retail Loan	7% y-o-y	60% share of book
CASA Ratio	41%	Among the best-in-class across peer private sector banks
NIM	3.98%	Sustained margins driven by better mix
Net NPA	0.33%	Among the lowest across peer banks
Consolidated ROE	16.89%	Competitive profitability
Credit Cards CIF	~14% market share	4 th largest issuer
UPI Payer PSP Share	~33%	Strong position
POS Acquiring	2 nd rank	Market share in POS terminals – ~20%; Leader in Android SmartPOS



Above are standalone figures as on/for year ended March 31, 2025 unless otherwise mentioned

What Differentiates Us

The Bank's competitive strength lies in its ability to blend scale with service, technology with trust, and strategy with social consciousness. In a market that is crowded with financial choices, we stand apart for our openness to possibilities, partnerships, and progress.



Ecosystem Partnerships that Unlock New Frontiers

We co-create digital journeys with some of India's most trusted names, including Flipkart, Airtel, Indian Oil and CSCs, embedding the Bank into the daily lives of individuals, entrepreneurs, and communities. Our open architecture, API stack, and fintech collaborations keep us ahead in embedded banking.



Deeper Financial Inclusion through Bharat Outreach

Our calibrated RuSu strategy has expanded the Bank's footprint into India's hinterlands. With over 2,736 Bharat Banking branches, 28,000+ CSC entrepreneurs, and a strong network of Business Correspondents, we enable access to formal finance where it matters most.



Digital Intelligence that Empowers People

Our technology is designed to transact and transform. Platforms like 'Adi' (a GenAI chatbot for employees), 'neo' (a GenAI-powered corporate banking tool), and digital transaction adoption are helping us scale personalised, frictionless, and future-ready banking.



A Risk-Aware, Responsible Approach to Growth

We lead with integrity, backed by robust governance, Board-level risk oversight, and an enterprise-wide compliance culture. Understanding and implementing measures to mitigate macroeconomic, regulatory, and customer-level risks drives our business growth.



'One Axis', a Unified Financial Services Platform

With 100% or majority ownership in subsidiaries spanning NBFC lending, broking, investment banking, AMC, and insurance, our 'One Axis' model offers seamless, full-spectrum financial solutions from wealth to working capital and coverage credit.