

STRATEGY IN ACTION

Strengthening our House of GPS

Rooted in our core philosophy of Growth, Profitability and Sustainability, the House of GPS has evolved into a powerful engine that drives us forward. In fiscal 2025, we continued to enrich this strategic framework, enabling us to deliver with distinctiveness while strengthening our digital leadership and execution excellence.



In 2019, we launched our 'Growth Profitability and Sustainability' strategy, also known as the 'House of GPS', to provide a unifying framework to our versatile team, who serve as a cornerstone of our strength and adaptability.

The overall strategy of the Bank and that of its specific businesses and functions are aligned with our core philosophy – Growth, Profitability, and Sustainability.

As part of our annual review of the House of GPS in 2021, we added two elements of distinctiveness – 'Sparsh' (Deliver world-class customer experience) and 'Bharat' (Build India's most profitable Bharat banking franchise), with an overarching focus on 'Digital' (Leadership in digital and technology).

Then, in 2023 we bolstered our Sustainability pillar by including

four key themes for the Bank – 'Deposit Mobilisation', 'People Proposition', 'Operational Risk & Compliance Culture', and 'Execution Excellence'.

In 2024, we added 'Leveraging Emerging Technologies', which includes Generative AI and Intelligent Automation, as one of the key enablers for the Bank.

To build on the 'Execution Excellence' theme as part of the Sustainability pillar, the Bank has set up a dedicated project management team that has started deploying appropriate execution frameworks to improve the pace and efficiency of project execution.

The House of GPS, as it stands today, continues to reflect our aspirations and remains relevant. We have a responsibility to propel our business towards success by prioritising the GPS strategy and the key themes, as well as focusing on our values.

We have strengthened our '**House of GPS**' with distinctiveness and identified focus themes to taking charge

GPS strategy

Sustained, Consistent Financial Outperformance

- » Deliver world class customer experience led by project 'Sparsh'
- » Build India's most profitable Bharat Banking franchise
- » Leadership in Digital with best-in-class capabilities

Identified areas of distinctiveness with focus on **Customer Obsession 'SPARSH'** and serving the high growth potential RuSu markets as part of **Bharat Banking**

Leadership in Digital and Technology to drive productivity, scale and profitability



Growth

- » Deposit Mobilisation to drive loan growth
- » Driving higher growth in high RAROC focus segments
- » Creating multiplicative forces to build competitive advantage



Profitability

Structural improvement in quality of earnings with consistent delivery positions us well for the future



Sustainability

- » Strengthened Governance and Culture across operational risk, audit and compliance
- » Strong balance sheet with best-in-class asset quality metrics and self-sustaining capital structure to fund growth
- » Our cutting-edge data analytics capabilities and leadership in technology continue to accelerate our distinctiveness journey
- » Enhancing People Proposition and Executional Excellence

Bolstered the Sustainability elements with focus on **Executional Excellence, People Proposition, and Operational Risk and Compliance**

Our Core Values



Customer Centricity



Ethics



Ownership



Transparency



Teamwork



Growth

- » Led by our focus on building granularity across businesses and strong focus on execution, we have delivered strong growth across our focused segments
- » We saw a 10% y-o-y increase in overall deposits and 14% y-o-y increase in term deposits; this growth was complemented by an adequate liquidity buffer, with an average LCR of 119% for the quarter ended on March 31, 2025
- » Amongst our focus segments, SBB (Small Business Banking) + SME

(Small and Medium Enterprises) + MC (Mid Corporate) have collectively scaled up significantly, delivering a CAGR of 26% (from fiscal 2021 to fiscal 2025) despite the tightening of our risk standards; focus segments (SBB+SME+MC) of the Bank has seen improvement in contribution mix from 15.3% to 22.7% of overall book over the last four years

- » We are now the 4th largest credit card player, issued 3.47 million credit cards in fiscal 2025 and attained CIF (Cards in force) market share of 13.7%

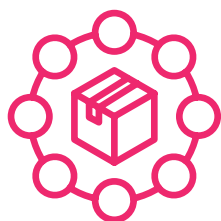
- » The Bank's wealth management business is among the largest in India with AUM of ₹5.92 trillion as at end of March 31, 2025 that grew 10% y-o-y
- » With a rating of 4.7 on Google Play Store and 4.8 on iOS App Store, '**open**' by Axis Bank ranks among the world's highest rated mobile banking app, doubling up as our largest branch
- » Created multiplicative forces through the unification under 'One Axis', partnerships and new age tech platforms to win across businesses

22.7%

Contribution of focus segments to the overall book

14%

Increase in term deposits y-o-y in fiscal 2025



Profitability

- » We delivered a healthy operating performance, with Net interest income growing by 9% y-o-y and Operating profit growing by 13% y-o-y
- » Our cost-to-assets ratio remained stable at 2.46% fiscal 2025 as we continued to focus on building cost-consciousness across the Bank

- » We continued to build granularity in our fee income with granular fee (Retail, Transaction banking, Trade, Forex and Financial institutional payments-related fee) constituting 89% of overall fees, with overall fee income growing by 11% y-o-y
- » Total PAT of operating subsidiaries grew by 11% y-o-y and return on investments in domestic subsidiaries stood at 46%



8.93%

Growth in Net Interest Income (NII) in fiscal 2025

2.46%

Costs-to-assets ratio in fiscal 2025



Sustainability

- » We have bolstered our risk frameworks and institutionalised culture changes, which gives us confidence that the franchise will remain resilient through cycles
- » We added a layer between our 1st line of defence (CAROs) and assurance functions – OH&C (Operational Health & Compliance) team and Financial Crime Intelligence Unit
- » Best-in-class digital and analytics capabilities, coupled with our strategy to leverage new emerging technologies such as GenAI, puts us on a path to become India's

best tech bank; we became the 1st Indian Bank to be ISO certified for AWS and Azure Cloud security, and roll-out of MS GenAI Co-pilot

- » 100% Agile adoption for all relevant systems, thereby driving business value through agile transformation
- » Inherent strengths in Bharat Banking give us the right to win in RuSu (Rural and Semi-urban markets) – 2,736 Bharat Banking branches (as on March 31, 2025), 7% y-o-y growth in rural advances in fiscal 2025
- » Our tools to set us apart in the next decade:

Sparsh

Our customer obsession program has yielded results; our Retail Net Promoter Score (NPS) of 159 (as on March 31, 2025) has moved up by 59 points since the baseline score in Q1FY23

Siddhi

Our super app, which empowers Axis colleagues to engage seamlessly with customers, has 90,000+ active users and 30+ product journeys

- » We have a distinctive people proposition, 'Thrive', which helps us retain high quality talent to 'run'/'change' the Bank

Our five core values viz. Customer Centricity, Ethics, Ownership, Transparency and Teamwork continue to underpin all activities of the Bank.

7%

Growth in Bharat Banking Advances in fiscal 2025

90,000+

Active users of 'Siddhi' app, which has 30+ product journeys

Our ESG Progress and Aspirations

Governance

1st Indian Bank

To constitute an ESG Committee of the Board

61.54%

Independent Directors on the Board

98%+

Of eligible employees trained in AML & related laws

Social

2.8 Million

Women participants in microfinance rural lending

387,467

Households positively impacted in fiscal 2025 under the Bank's flagship Sustainable Livelihoods program

27.7%

Workforce diversity

Green Operations

~18,732 tCO₂e

GHG emissions avoided annually by various operational eco-efficiency initiatives

34.48 Metric Tons

Of Battery waste recycled (through authorised vendors)

2 MW

Captive solar power plant, reducing our carbon emissions

Sustainable Financing

~₹22,160 crores

Green lending portfolio

~51,000 crores

Total value of proposals reviewed under the ESG policy for lending in fiscal 2025

₹500 million

raised by partnering with IFC to scale up green and blue financing in India – IFC's first-ever blue investment in India and the India's first blue loan issued by a financial institution

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