

## Axis Bank Limited

### Disclosure pursuant to Reg. 14 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021

#### Disclosure under Guidance Note on Accounting for Employee Share Based Payments

##### Employee Stock Options/Units Scheme

Over the period till 31 March 2025, pursuant to the approval of the shareholders, the Bank has framed Employee Stock Option Schemes for options aggregating 315,087,000 that vest in a graded manner over 3 to 4 years, subject to vesting conditions. The options can be exercised within five years from the date of the vesting. Further, pursuant to the approval of the shareholders in January 2023, the Bank also framed an Employee Stock Units (ESUs) Scheme aggregating to 50,000,000 units, that vest in a graded manner over 3 years, subject to vesting conditions. The ESUs can be exercised within five years from the date of the vesting. Within the respective overall ceilings of options/units, the Bank is authorised to issue options/units to eligible employees and Whole Time Directors (including those of subsidiary companies and Associate entity).

324,312,311 options and 2,704,077 ESUs have been granted under the Schemes till the previous year ended 31 March, 2024. During the year ended 31 March, 2025, pursuant to the approval of the Nomination and Remuneration Committee, the Bank granted options/units (each option representing entitlement to one equity share of the Bank) to eligible employees/directors of the Bank/subsidiary companies as set out below:

Date of grant	Options / ESUs	No. of options granted	Grant price (₹ per option/ units)
25 April, 2024	Options	7,019,246	1,063.25
25 April, 2024	ESUs	2,408,870	2.00
11 July, 2024	Options	86,261	1,291.65

Stock option activity under the Scheme for the year ended 31 March, 2025 is set out below:

	Options outstanding	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	52,199,448	469.90 to 929.80	712.34	4.27
Granted during the year	7,105,507	1,063.25 to 1,291.65	1,066.02	-
Forfeited during the year	(2,455,328)	469.90 to 1,063.25	820.58	-
Expired during the year	(102,753)	469.90 to 757.10	654.80	-
Exercised during the year	(10,393,527)	469.90 to 848.80	659.82	-
<b>Outstanding at the end of the year</b>	<b>46,353,347</b>	<b>488.35 to 1,291.65</b>	<b>772.73</b>	<b>4.01</b>
Exercisable at the end of the year	34,860,694	488.35 to 1,063.25	707.90	3.32

The weighted average share price in respect of options exercised during the year was ₹1,143.23.

Stock units activity under the Scheme for the year ended 31 March, 2025 is set out below:

	Units outstanding	Exercise price (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	2,534,240	2.00	2.00	6.09
Granted during the year	2,408,870	2.00	2.00	-
Forfeited during the year	(270,729)	2.00	2.00	-
Expired during the year	-	-	-	-
Exercised during the year	(405,164)	2.00	2.00	-
<b>Outstanding at the end of the year</b>	<b>4,267,217</b>	<b>2.00</b>	<b>2.00</b>	<b>5.75</b>
Exercisable at the end of the year	1,057,224	2.00	2.00	4.63

The weighted average share price in respect of units exercised during the year was ₹1,146.05.

Stock option activity under the Scheme for the year ended 31 March, 2024 is set out below:

	Options outstanding	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	51,107,688	433.10 to 804.80	653.48	4.37
Granted during the year	12,705,878	848.80 to 929.80	848.84	-
Forfeited during the year	(1,829,116)	469.90 to 848.80	756.94	-
Expired during the year	(82,360)	469.90 to 535.00	505.43	-
Exercised during the year	(9,702,642)	433.10 to 848.80	574.29	-
<b>Outstanding at the end of the year</b>	<b>52,199,448</b>	<b>469.90 to 929.80</b>	<b>712.34</b>	<b>4.27</b>
Exercisable at the end of the year	37,480,122	469.90 to 929.80	678.79	3.46

The weighted average share price in respect of options exercised during the year was ₹1,003.21.

Stock units activity under the Scheme for the year ended 31 March, 2024 is set out below:

	Units Outstanding	Exercise price (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	2,704,077	2.00	2.00	-
Forfeited during the year	(154,116)	2.00	2.00	-
Expired during the year	-	-	-	-
Exercised during the year	(15,721)	2.00	2.00	-
<b>Outstanding at the end of the year</b>	<b>2,534,240</b>	<b>2.00</b>	<b>2.00</b>	<b>6.09</b>
Exercisable at the end of the year	749,823	2.00	2.00	4.98

The weighted average share price in respect of units exercised during the year was ₹1,044.23.

### *Fair Value Methodology*

In line with RBI clarification on Guidelines on Compensation of Whole Time Directors/Chief Executive Officers/Material Risk Takers and Control Function Staff issued on 30 August, 2021, the Bank follows the fair value method for all share-linked instruments granted after 31 March, 2021 and consequently recognizes the fair value of options computed using the Black-Scholes model, without reducing estimated forfeitures, as a compensation expense over the vesting period. During the year, the Bank has recognised compensation cost of ₹365.79 crores (previous year ₹400.70 crores) for options/units granted to employees of the Bank and recovered ₹58.18 crores (previous year ₹53.63 crores) from group entities in respect of options/units granted to the employees and deputed staff at group entities.

The fair value of the options/units is estimated on the date of the grant using the Black-Scholes options pricing model, with the following assumptions:

	31 March, 2025		31 March, 2024	
	ESOP	ESU	ESOP	ESU
Dividend yield	0.09%	0.09%	0.26%	0.26%
Expected life	2.95-5.95 years	1-3 years	2.95-5.95 years	1-3 years
Risk free interest rate	6.85% to 7.09%	6.95% to 7.06%	6.79% to 7.17%	6.94% to 7.12%
Volatility	24.00% to 29.15%	19.89% to 24.01%	29.90% to 38.27%	25.28% to 31.99%

Volatility is the measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black-Scholes options pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time. For calculating volatility, the daily volatility of the stock prices on the National Stock Exchange, over a period prior to the date of grant, corresponding with the expected life of the options has been considered.

The weighted average fair value of options granted during the year ended 31 March, 2025 is ₹358.68 (previous year ₹297.95).

The weighted average fair value of units granted during the year ended 31 March, 2025 is ₹1,059.51 (previous year ₹842.45).

### **Diluted EPS**

Diluted Earnings Per Share pursuant to issue of shares on exercise of options/units calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share' for FY 2024-25 is ₹ 84.77 per share.

### **Scheme Specific Disclosures**

#### **i) General Disclosures:**

Description of each ESOS and ESU that existed at any time during the year, including the general terms and conditions of each ESOS/ESU –

<b>Sr. No.</b>	<b>Particulars</b>	<b>Disclosure</b>
a.	Date of shareholder's approval	ESOS: 24 February, 2001; 18 June, 2004; 2 June 2006; 6 June 2008; 8 June 2010; 19 July 2013; 17 January 2019 and 30 July 2021  ESU : 16 January 2023
b.	Total number of options/units approved under ESOS/ESU	315,087,000 stock options representing 315,087,000 equity shares of ₹2/- each  50,000,000 stock units representing 50,000,000 equity shares of ₹2/- each
c.	Vesting requirements	The ESOPs/ESUs have a graded vesting schedule and vest over a period of 3 to 4 years. The vesting is subject to vesting conditions.
d.	Exercise price or pricing formula	For options granted on and after 10 June 2005, the grant price considered is the latest available closing price of the equity shares prevailing on the Stock Exchange which recorded higher trading volume, on the day prior to the date of approval of grant by the NRC/Board of Directors of the Bank, as the case may be.  The exercise price for stock units is as determined by the Nomination & Remuneration Committee (NRC) of the Board and specified at the time of grant which shall not be less than the face value of the equity shares of the Bank (subject to any fair and reasonable adjustments thereto that may be made by the NRC on account of corporate actions of the Bank in order to comply with the SEBI (SBEB & SE) Regulations).
e.	Maximum term of options/units granted	Eight/Nine years from the date of grant (Three/four years of vesting and Five years of exercise period from the date of respective vesting)
f.	Source of shares (primary, secondary or combination)	Primary
g.	Variation in terms of options/Units	No

ii) Method used for accounting of ESOS/ESUs (Intrinsic or fair value): Fair Value method for options/units granted after 31 March 2021 and Intrinsic Value method for earlier grants.

iii) Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the Bank is as below: Not Applicable, since the Bank uses fair value method for recognition of ESOP compensation cost.

iv) ESOP/ESU movement during 2024-25:

Particulars	ESOP	ESU
Number of options/units outstanding at the beginning of the year	52,199,448	2,534,240
Number of options/units granted during the year	7,105,507	2,408,870
Number of options/units forfeited during the year	(2,455,328)	(270,729)
Number of options/units expired during the year	(102,753)	-
Number of options/units exercised during the year	(10,393,527)	(405,164)
Number of options/units outstanding at the end of the year	46,353,347	4,267,217
Number of options/units vested during the year	8,203,749	694,500
Number of shares arising as a result of exercise of options/units	10,393,527	405,164
Money realized by exercise of options/units during the year (₹ crores)	685.79	0.08
Number of options/units exercisable at the end of the year	34,860,694	1,057,224
Loan repaid by the Trust during the year from exercise price	N.A.	N.A.

v) Weighted-average exercise prices and weighted-average fair values of options/units for options whose exercise price either equals or exceeds or is less than the market price of the stock:

Sr. No.	Particulars	Disclosure
a.	<p>Weighted average exercise price of the options/units whose:</p> <ul style="list-style-type: none"> <li>exercise price equals market price</li> <li>exercise price exceeds market price</li> <li>exercise price is less than market price</li> </ul>	<p>Weighted average exercise price of the options/units whose:</p> <p>Exercise price equals market price: ₹1,066.02 (ESOP)</p> <p>Nil</p> <p>Exercise price is less than market price: ₹2.00 (ESU)</p>
b.	<p>Weighted average fair value of the options/units whose:</p> <ul style="list-style-type: none"> <li>exercise price equals market price</li> <li>exercise price exceeds market price</li> <li>exercise price is less than market price</li> </ul>	<p>Weighted average fair value of the options/units whose:</p> <p>Exercise price equals market price: ₹358.68 (ESOP)</p> <p>Nil</p> <p>Exercise price is less than market price: ₹1,059.51 (ESU)</p>

vi) Employee wise details of options granted during fiscal 2025:

Sr. No	Particulars	Name of employee	Designation of employee	No. of options/units granted during the year	Exercise Price
1	Details of grants to senior managerial personnel	Amitabh Chaudhry	Managing Director & CEO	2,59,429	1,063.25
		Rajiv Anand	Deputy Managing Director	1,83,381	1,063.25
		Puneet Sharma	Chief Financial Officer	1,38,191	1,063.25
		Vijay Mulbagal	Group Executive	76,126	1,063.25
		Subrat Mohanty	Executive Director	1,50,262	1,063.25
		Neeraj Gambhir	Group Executive	1,29,144	1,063.25
		Munish Sharda	Executive Director	1,60,950	1,063.25
		Prashant Joshi	Group Executive	52,080	1,063.25
		Arjun Chowdhry	Group Executive	1,28,269	1,063.25
		Rajkamal Vempati	President	84,224	1,063.25
		Bimal Bhattacharyya	President	45,481	1,063.25
		Amit Talgeri	President	67,379	1,063.25
		Anuranjan Kumar	President	36,498	1,063.25
		Sandeep Poddar	Company Secretary	1,965	1,063.25
				660	2.00
2	Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year	Nil			
3	Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Bank at the time of grant	Nil			

vii) A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

The fair value of the options/units is estimated on the date of the grant using the Black-Scholes options pricing model, with the following assumptions:

	<b>31 March, 2025</b>		<b>31 March, 2024</b>	
	<b>ESOP</b>	<b>ESU</b>	<b>ESOP</b>	<b>ESU</b>
Dividend yield	<b>0.09%</b>	<b>0.09%</b>	0.26%	0.26%
Expected life	<b>2.95-5.95 years</b>	<b>1-3 years</b>	2.95-5.95 years	1-3 years
Risk free interest rate	<b>6.85% to 7.09%</b>	<b>6.95% to 7.06%</b>	6.79% to 7.17%	6.94% to 7.12%
Volatility	<b>24.00% to 29.15%</b>	<b>19.89% to 24.01%</b>	29.90% to 38.27%	25.28% to 31.99%

Volatility is the measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black-Scholes options pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time. For calculating volatility, the daily volatility of the stock prices on the National Stock Exchange, over a period prior to the date of grant, corresponding with the expected life of the options has been considered.