

# **DIVIDEND DISTRIBUTION POLICY**

**(Date: 24<sup>th</sup> April 2025)**

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## **1. Preamble/ Introduction**

The policy is framed in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") as amended from time to time.

## **2. Objective**

The objective of the Policy is to appropriately reward shareholders through dividends while retaining the capital required for supporting future growth. The retained earnings of the Bank are expected to be used across general corporate purposes, including organic and inorganic growth.

Since the Bank has only one class of equity shareholders, the dividend declared will be distributed equally among all the Shareholders, based on their shareholding on the record date.

## **3. References to Regulations**

RBI circular no. 2004-05/451 DBOD.NO.BP.BC. 88 / 21.02.067 / 2004-05 dated 4<sup>th</sup> May 2005 on 'Declaration of dividends by banks' grants permission to banks to declare dividend upon complying certain conditions laid down in the circular. The Bank while proposing/paying equity share dividend will ensure compliance with the RBI guidelines relating to declaration of dividend, capital conservation requirements under guidelines on Basel III norms issued by RBI, provisions of the Banking Regulation Act, 1949, the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, provisions of the Companies Act, 2013 and guidelines issued by IRDAI on repatriation of dividends by insurance intermediaries, as may be applicable

## **4. Applicability**

The policy document is applicable to Finance & Accounts departments of the Bank.

## **5. Communication of the Policy**

This policy will be available on Bank's website (<https://www.axisbank.com/docs/default-source/quarterly-reports/dividend-distribution-policy-of-the-bank.pdf>)

## **6. Details of the Policy**

### **A. PRINCIPLES FOR DIVIDEND DECLARATION**

The Board will consider the following factors while making any recommendation for dividend:

- Shareholder expectations
- Profits earned during the financial year.
- Past dividend trends.
- Optimal Capital Adequacy Ratio (CAR) subject to regulatory minimum of total and Tier I CAR.
- Expected capital requirements for planned growth

- Additional regulatory requirements of capital in near future (if applicable)
- Cost of raising funds from alternative sources
- Reinvestment opportunities
- Any applicable criteria from our legal or regulatory frameworks.

## **B. DEVIATION FROM THE POLICY**

The Board may recommend special dividend or reduce the rate of dividend under circumstances including but not limited to the following:

- The Bank has reported net loss for the year.
- The credit coverage or capital adequacy metrics of the Bank are sub-optimal.
- The Bank is prohibited from declaring dividend by provisions of the Banking Regulation Act 1949, or by any regulatory guidelines issued by RBI.
- Achievement of specific milestones in the Bank's progress.
- Any other extraordinary circumstances.

## **C. DIVIDEND INFORMATION**

Information on dividend paid in last five years including dividend yield and payout ratio will be made available on the website of the Bank.

Considering the interest of the individual shareholders who prefer dividend cash flows as well as plough-back of capital for the purpose of business, it is appropriate to have a minimum target payout of Dividend.

Subject to compliance with extant RBI guidelines and other applicable regulations, track record of the Bank's performance and the rationale outlined above, the Bank considers a minimum dividend payout of 25% of the face value of the equity share out of the net profit earned during the year.

## **7. Review of the Policy**

The Audit Committee will review the policy and recommend the same to the Board annually or earlier as and when it deems necessary. In case there are any regulatory changes requiring modifications to the policy, the policy shall be reviewed and amended at the next possible opportunity. However, the amended regulatory requirements will supersede the policy till such time the policy is suitably amended.

This policy has been approved by the Board of Directors in its meeting held on 24<sup>th</sup> April 2025.