

Value creation by the Bank



Axis Bank creates long-term value by aligning its strategy with stakeholder needs and the priorities of a dynamic, developing India. Our business model transforms financial and non-financial resources into impactful financial products, services, and digital experiences that advance inclusion, innovation, and sustainability. By staying agile, responsible, and future-ready, we continue to generate meaningful outcomes for our customers, communities, employees, and shareholders. This approach not only enhances performance and trust but also reinforces our role in supporting India's economic and social transformation.



VALUE CREATION MODEL

Blueprint for sustainable value creation

The Bank's business model reflects our steadfast commitment to creating long-term, value for all stakeholders. We channel diverse forms of capital into sustainable growth outcomes, aligning purpose with performance. At the heart of this model lies our brand promise, **'Har raah dil se open'**, symbolising our openness to people, partnerships, progress and the planet. Guided by our Vision, Mission and Values. We endeavour to understand stakeholder needs and societal expectations and drive strategic action.

Capitals

As defined by the <IR> Framework, capitals are the key resources and relationships an organisation draws upon to create, deliver, and sustain value over time. These include financial resources, physical and technological assets, human skills and capabilities, institutional knowledge, stakeholder relationships, and natural ecosystems. Together, these form the foundation of an organisation's ability to operate, innovate, and grow responsibly.

The Framework outlines six capitals—Financial, Manufactured, Intellectual, Human, Social and Relationship, and Natural—to encourage integrated thinking across all dimensions of value. Evaluating Axis Bank through this framework enables a holistic understanding of how we deploy resources, manage trade-offs, and generate long-term outcomes for our stakeholders, aligning with our purpose, vision, and mission.

Inputs

Inputs represent the foundation of the value creation process for the year. Input capitals comprise

of financial capital shown in the standalone and consolidated financial statements of the Bank and 'off-balance sheet' or 'hidden' capital, such as the institutional knowledge of the Bank, the reputation it has built over the years, and the strength of its relationships with stakeholders. The Bank harnesses and transforms these inputs through its strategy, business model, and operations to generate outputs (e.g., loans, digital transactions, products) and outcomes (e.g., stakeholder value, financial performance, societal impact). The efficiency, quality, and sustainability with which an organisation utilises its inputs significantly influence long-term performance, capital appreciation or depletion, stakeholder trust, and risk resilience.

Value Driver Activities

A clearly defined strategic intent drives Axis Bank's value creation process. Our Vision, Mission, and Values, focused on customer centricity, ethics, ownership, transparency, and teamwork aid this process. Grounded in our purpose, we utilise diverse inputs across six capitals to fuel our business operations. These operations constitute the core of Axis Bank. Our understanding of the external environment, identifying key issues, and proactive stakeholder engagement help us stay agile and responsive amid dynamic conditions.

With a strong strategy and resource allocation underpinned by integrated risk management, we transform these inputs into outputs that yield sustainable results. These results enhance the value of our capitals over time, as demonstrated by our

performance in financial strength, digital leadership, social impact, and environmental responsibility. We aim to deliver future-ready solutions, deepen inclusion, and embed sustainability throughout our business. This approach embodies our commitment to being open to all stakeholders, opportunities, and possibilities for long-term, sustainable value creation.

Output

Outputs are the direct and tangible results of the Bank's business operations, including products delivered, services provided, customer interactions, and digital engagements. They signify what we generate by effectively utilising inputs and executing on our strategic priorities. These outputs stem from our core value driver activities and are influenced by our Mission, Vision, Values, stakeholder expectations, and decisions informed by risk considerations.

Nevertheless, outputs by themselves do not indicate long-term success. They pave the way for broader outcomes and lasting impacts on our stakeholders and the six capitals. For instance, a loan (output) fosters financial inclusion (outcome); a digital onboarding process boosts customer satisfaction; and the issuance of a green bond can support emissions reduction by industry. Thus, through our value driver activities, outputs serve as pathways that convert strategy into action and action into impact, bridging the gap between what we do and why it is significant, aligning with our purpose of creating lasting, sustainable value for everyone.



Outcome

Outcomes represent the long-term impacts of the Bank's outputs, illustrating how our products, services, and actions influence the creation, preservation or erosion of the six capitals over time. Outputs indicate the immediate results of our business operations. At the same time,

outcomes reflect the deeper value generated for stakeholders: financial inclusion, customer trust, employee development, community wellbeing, environmental sustainability, and systemic resilience.

Our value driver activities allow us to create and sustain value for the Bank and society.

For instance, when a loan is provided (an output), it transforms into an outcome if it aids a small growth of business or helps an individual attain financial security. This outcome promotes long-term value creation across customers, communities, investors, employees, and the environment.

Mapping SDGs with capitals

We have mapped the Sustainable Development Goals (SDGs) to our six-capital model to align our value creation process with global priorities and ensure that our business contributes meaningfully to inclusive, equitable, and sustainable development. This integration helps us demonstrate how using and enhancing the six capitals supports broader societal outcomes.

Value Creation in Action

Our value creation model comes to life through everyday stories where strategy and purpose intersect. By applying integrated thinking across the six capitals, we transform inputs into meaningful outcomes, yielding financial profits along with societal and environmental benefits. The following case study illustrates how one such intervention generates lasting value.

Case study

A 32-year-old small business owner based in Nashik, looking to switch to an electric vehicle (EV) to reduce fuel expenses and expand delivery services.

Input (Capitals Utilised): We deploy resources across 6 capitals for disbursement of EV loans

- » Financial Capital: Lending corpus allocated to EV segment
- » Human Capital: Trained frontline staff
- » Intellectual Capital: Data analytics for customer targeting
- » Manufactured Capital: Branch Banking outlet & digital onboarding platform
- » Social and Relationship Capital: Partnership with EV dealership, local financial literacy workshop
- » Natural Capital: commitment to lending to sectors that can avoid carbon emissions

Value Driver Activities: Strategic actions convert potential into progress



































- » Risk-adjusted pricing for EV loans
- » Climate-aligned product innovation
- » Customer obsession initiative 'Sparsh' enables personalised guidance
- » ESG-linked lending goals
- » Stakeholder engagement with Customer, OEMs and regulators

Output: Timely, digital-first delivery creates immediate value

- » Disbursement of EV loan
- » Paperless journey
- » Bank achieves EV lending milestone

Outcome: A single loan transforms lives, climate, and capital

- » Bank earns through optimal pricing on loans
- » Adds e-commerce delivery to the business, resulting in income growth
- » Community sees rise in EV adoption
- » Bank advances climate target through EV penetration
- » Contributes to SDG 7 (Affordable Clean Energy), 13 (Climate Action), 8 (Decent Work)

Material Issues	Our Capitals	Input	Value Driver Activities	Outcomes	Risk	UN SDGs
M1 M3 M4 M15	 Financial Capital	<ul style="list-style-type: none">» Shareholders funds – ₹1,786.17 billion» Total deposits – ₹11,729.52 billion» Total borrowings – ₹1,841.47 billion	<div><div><div><div><div>Our Mission</div><p>Our Mission is to be the preferred financial solutions provider across the country, delivering customer delight by:</p><ul style="list-style-type: none">» Providing innovative and intuitive banking solutions» A combination of organisational agility, digital capabilities and physical reach» Adopting sustainable banking practices, particularly around ESG & climate change</div><div><div>Our Purpose</div><p>Banking that leads to a more inclusive and equitable economy, a thriving community, and a healthier planet</p></div></div><div><div><div>DRIVEN BY</div><div>Deposits</div><div>Lending</div><div>Customer Service</div><div>Operations</div><div>Underwriting, Risk Management & Collections</div><div>Investment Management</div></div><div><div>Our Vision</div><p>To be the preferred financial services provider excelling in customer service delivery through insight, empowered employees, & smart use of technology</p></div><div><div>Our Values</div><ul style="list-style-type: none">» Customer Centricity» Ethics» Transparency» Teamwork» Ownership</div></div><div><div>Stakeholder Engagement</div><div>Material Issues</div><div>External Environment</div><div>Risk Management</div></div><div><div>Performance</div><div>Outlook</div></div><div><div>Output (Services Offered by Business Segments)</div><div><div><div>Retail Banking</div><p>Loans, savings and retail term deposits, credit, debit and forex cards, bill payment services, wealth management and third-party product distribution</p><div>Read more pg. 96</div></div><div><div><div>Wholesale Banking</div><p>Loans, current and corporate term deposits, payments, trade finance products, letter of credit, bank guarantees, cash management services and commercial cards</p><div>Read more pg. 104</div></div><div><div><div>Treasury</div><p>Foreign Exchange (Forex), Derivatives, Debt Capital Markets (DCM), Loan Syndication, Investment & Liquidity Management, Asset Liability Management (ALM)</p><div>Read more pg. 107</div></div></div></div></div></div></div></div>	<ul style="list-style-type: none">» Total Assets size – ₹16,099.30 billion» Operating profit – ₹421.05 billion» CRAR – 17.07%» Net NPA – 0.33%» Consolidated RoA – 1.77%» Consolidated RoE – 16.89%	<ul style="list-style-type: none">» Credit» Liquidity» Market» Information & Cyber Security» Operational» Climate	 
M6 M7 M9	 Manufactured Capital	<ul style="list-style-type: none">» New branches and banking outlets opened in fiscal 2025 – 500» Lending in RuSu markets (Bharat Banking branches – 2,736) to complement PSL strategy» ATMs and cash deposit/withdrawal machines – 13,941» International branches and representative offices – 11» Axis Virtual Centres – 8		<ul style="list-style-type: none">» ~56 million Individual customers» 7% y-o-y growth in Rural Advances» Domestic reach – 692 districts across 28 states and 7 union territories» Average monthly customers connected through AVCs – 9.2 million	<ul style="list-style-type: none">» Operational» Climate» Cyber Security	    
M5 M7	 Intellectual Capital	<ul style="list-style-type: none">» ESG issuances under the Sustainable Financing Framework» 23% y-o-y increase in investment in technology» Best-in-class UPI stack» Dedicated digital team		<ul style="list-style-type: none">» Future-proofing our portfolio with responsibility with in-house ESG Rating model for borrower-level risk review» Top rated mobile banking with 15 million MAU (monthly active users)» UPI transaction value increased by 54% y-o-y» 91% service requests done digitally	<ul style="list-style-type: none">» Operational» Information & Cyber Security	 
M11 M13	 Human Capital	<ul style="list-style-type: none">» Total employee count – 1,04,453» Staff cost – ₹121.93 billion» Target 30% female representation in workforce by fiscal 2027» Learning and training initiatives» Axis GIGA 2.0 – Working from anywhere		<ul style="list-style-type: none">» Certified again as Great Place to Work® (GPTW)» Profit per employee – ₹0.25 crores» 6 million+ total learning hours of employees» Total GIGA employees – 2,544	<ul style="list-style-type: none">» Operational	   
M1 M2 M9 M10	 Social & Relationship Capital	<ul style="list-style-type: none">» 'Siddhi' App empowering employees to engage with customers» Funding to on CSR programs – ₹4.27 billion» Nation building partnerships» Customer obsession program – Sparsh		<ul style="list-style-type: none">» Total number of customers ~59 million» CSR participants – ~10 lakh lives positively impacted in this fiscal» 27 Smart Cities where Bank delivered services to assist civic administration» Retail NPS Score – 159 on baseline of 100	<ul style="list-style-type: none">» Credit» Information & Cyber Security» Climate	       
M8 M12	 Natural Capital	<ul style="list-style-type: none">» Total energy consumption – 825.5 TJ» Renewable energy as part of total energy consumption – 72.48 TJ» ESG policy for Lending» Scaling the green portfolio» Commitment to reducing emissions in operations		<ul style="list-style-type: none">» Energy intensity per rupee adjusted for PPP – 0.0000118 (GJ/₹)» Energy used from renewable sources – 8.78%» Lent to sectors with positive E and S outcomes – ₹48,412 crores» IFC partnered to provide a \$500 million loan for financing green projects» ~₹22,160 crores Green lending portfolio	<ul style="list-style-type: none">» Climate	   

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