# Disciplined growth, underpinned by risk rigour, capital prudence, and integrated assurance, defines our operating philosophy

**N. S. Vishwanathan**
Independent Director and
Part–time Chairman

***Dear Shareholders,***

As I present Axis Bank's Integrated Annual Report for fiscal 2026, I do so with a deep sense of pride in the progress we have made and confidence in the path ahead. I would like to extend a warm welcome to Mr. Neeraj Gambhir on his appointment as Whole-time Director, and to Ms. Malavika R. Harita on joining the Board as an Independent Director during the year. Fiscal 2026 marked a period of strong growth for us complemented by prudent transformation, as we continued to build a resilient and future-ready institution. Our progress has been firmly anchored in enhanced governance standards, strengthened compliance frameworks, and a more effective assurance ecosystem, embedding sustainability, discipline and trust at the core of our growth.

In fiscal 2026, the global economy was characterised by geopolitical uncertainty, shifting trade flows, evolving monetary cycles, attenuated by the middle east conflict. IMF projections for global growth in fiscal 2027 moderated to 3.1%, with downside risks from prolonged geopolitical tensions. Tight financial conditions and AI-led sentiments are driving capital flows, increasing vulnerabilities across emerging markets and global resource stability.

Despite episodes of volatility from tariff uncertainties and geopolitical tensions, India sustained its position as the fastest-growing major economy, underpinned by strong consumption and sound macro fundamentals driven by proactive monetary and fiscal measures. Easing inflation enabled policy support, while healthy balance sheets, continued public capex, and sustained consumer demand, reinforce a positive, though watchful, outlook.

The Indian banking sector continues to demonstrate strong, broad-based momentum, with credit growth of scheduled commercial banks accelerating to 14% in fiscal 2026 vs 11% in fiscal 2025 and healthy non-food credit expansion driven by sustained deployment across segments. Credit growth remained well-distributed across rural, semi-urban, urban and metropolitan markets. Deposit growth for the industry improved to 11%, though accompanied by a structural shift in mix, with the share of CASA deposits moderating to 39.0% in March 2026 from 45.2% in March 2022. Asset quality has remained robust, with controlled NPAs and strengthened capital buffers. Together, these trends reflect a well-capitalised and resilient banking system, effectively supporting economic expansion while balancing growth with prudence.

Our loan growth remained strong at 19% y–o–y, underpinned by disciplined, RAROC-led expansion in the corporate book, which grew 38%. Granular segments have also sustained robust momentum, with SME, Mid-Corporate and Small Business Banking growing 24%, 33% and 17% on y–o–y basis, respectively. Retail disbursements strengthened in the latter half of fiscal 2026, led by personal loans, mortgages and retail-agriculture segments.

With a CET-1 ratio of 14.38% and CAR of 16.42%, we remain well-capitalised to support future growth. During the quarter ended March 31, 2026, we further strengthened our balance sheet through a prudent, precautionary one-time provision of ₹2,001 crores, reflecting our conservative risk philosophy amid heightened geopolitical uncertainties. This action was not driven by any asset quality stress but reflects our prudent risk management practices, reinforcing balance sheet resilience while upholding disciplined and forward-looking risk governance. Our disciplined approach to growth, underpinned by proactive risk management, prudent capital allocation and a strengthened compliance culture, continues to define our operating philosophy.

As a Bank, we have made a deliberate and sustained effort over the years to embed a deeply ingrained, enterprise-wide culture of compliance—one that is owned at every level. In an environment shaped by rapid digitisation, evolving regulatory expectations, and growing AI adoption, compliance is no longer static; it is dynamic, forward-looking, and central to how we operate. With each passing year, we are raising our own benchmarks—setting higher standards, tightening controls, and driving greater accountability across the organisation.

In fiscal 2026, we further strengthened this foundation through an integrated assurance framework, reinforcing risk discipline, audit rigor, and compliance accountability across the Bank and the Group. This was complemented by investments in talent, sharper underwriting standards, and enhanced analytics capabilities, supported by a robust operating platform. A structured engagement model with assurance functions, alongside a strong culture of self-identification of process errors has strengthened first-line ownership, thus enabling timely and decisive remediation. Extending this philosophy across the Group, we have also strengthened our subsidiary governance framework by ensuring greater alignment with Group philosophy, oversight, and consistent execution standards, thereby institutionalising a unified, high-bar approach to governance across all Group entities.

Technology is a central pillar of our compliance architecture. Our technology and AI transformation is governed by clearly defined guardrails, with embedded control frameworks, real-time compliance monitoring, and stringent responsible-use policies—ensuring that innovation is pursued with unwavering discipline, transparency, and accountability.

Our progress in embedding a robust compliance culture and governance discipline is distinctly reflected in external recognition, notably our continued recognition in the top-tier "Leadership" category in the IiAS Corporate Governance Scorecard, reaffirming the strength, consistency, and effectiveness of our governance practices. As expectations continue to rise, we are not merely adapting, but we are setting the benchmark, with governance firmly established as a strategic differentiator for the Bank.

**Sparsh**, our customer obsession program, remains a core pillar of distinctiveness under our GPS strategy. It reflects our unwavering commitment to delivering superior, consistent customer experiences at scale. Embedded across our 6,000+ branches, all customer touchpoints, and embraced by 1 lakh+ colleagues. Sparsh continues to drive a cultural shift towards deeper engagement, responsiveness, and service excellence enabled by our strong digital and technology capabilities.

Building on our strong governance foundation, our ESG framework reinforces our commitment to sustainable and inclusive growth aligned to our purpose. Our focus on green mobility, retail ESG products, and climate risk integration continues to scale. On the social front, we have surpassed our diversity goals, by achieving the target of 30%+ women representation ahead of our stated timeline, alongside inclusive initiatives to support LGBTQIA+. Anchored in strong governance, our ESG approach remains focused on delivering measurable and future-ready outcomes.

Guided by our purpose and the ethos of ***dil se open***, our CSR initiatives continue to focus on creating inclusive and sustainable impact across communities. During fiscal 2026, our programs spanned livelihoods, education, financial inclusion, and climate resilience, reaching underserved geographies and vulnerable populations. Axis Bank Foundation's sustainable livelihoods program supported 2.8 million households across 306 districts in 32 states/UTs, each reflecting a journey from subsistence to enterprise and growing resilience. We also supported ~13.7 lakhs students, enabled financial literacy for ~2.6 lakh individuals, predominantly women and advanced livelihood opportunities on a large scale.

With each milestone, we continue to build a franchise that is resilient, inclusive and sustainable in the long-term. As we look ahead, we remain steadfast in strengthening governance, advancing a culture of safe and responsible banking and leveraging technology to deliver scalable, customer-centric outcomes.

Even as we navigate an increasingly complex and evolving geopolitical landscape with measured prudence, our commitment towards delivering enduring value for all our stakeholders remains unwavering.

Warm regards,

**N. S. Vishwanathan**

Independent Director and Part-time Chairman