Becoming the primary bank for every customer

Munish Sharda
Executive Director

Dear Shareholders,

Over the years, Axis Bank's Retail Banking franchise has been built with deliberate intent of expanding in scale while steadily improving the quality of the underlying platform, positioning Retail Banking as a long-term strategic priority within the Bank's GPS framework. What underpins this journey is a conscious balance: retaining traditional strengths in relationship-led banking and distribution reach, while materially upgrading digital execution, analytics-led decisioning and AI-led productivity.

Fiscal 2026 marked a phase of calibrated execution for our Retail Banking franchise. It was effectively a tale of two halves, where the first half of the year reflected a cautious stance with moderated growth, particularly in certain unsecured segments, alongside a reoriented approach to retail liabilities, while the second half saw a broad-based acceleration in disbursements, underpinned by the strengthening performance of our risk frameworks, and encouraging traction in deposits, driven by premiumisation and deeper customer engagement. Our distribution network continued to expand with the addition of ~400 branches during the year, taking our total footprint to 6,275 branches, with nearly half located across rural and semi-urban markets, thus reinforcing both reach and inclusivity.

Our renewed approach towards deposits, anchored around sharper segmentation, priority cohorts, and premiumisation has begun to deliver early outcomes, reflected in higher quality acquisition, deeper engagement, and improving balances. In parallel, our Retail lending franchise has demonstrated steady resilience, with retail advances constituting 55% of the loan book and registering a healthy 8% y-o-y growth. Disbursement momentum has picked up meaningfully in the later half of fiscal 2026, following a phase of calibrated moderation as we adopted a watchful stance in unsecured lending.

Beyond balance sheet growth, we continue to maintain a leadership position in our high-engagement businesses, including cards, payments, wealth management and merchant acquiring. In digital payments, our franchise remains among the leading players across UPI and credit cards, underlining our centrality in customers' everyday banking journeys.

At the core of this progress is our unwavering focus on customer experience. Our customer obsession program continues to translate intent into measurable outcomes by simplifying journeys, elevating service quality, and deepening customer loyalty, with Retail NPS improving by 59 points since inception in fiscal 2023, alongside retaining the 2nd rank in the Kantar Retail Bank Survey for the 3rd consecutive year.

Collectively, these advancements reflect a franchise that is not only scaling with discipline but also strengthening in depth, thus positioning us to deliver more consistent, relationship-led growth with greater resilience across cycles, while progressing towards becoming the primary banker for our customers through deeper engagement, higher wallet share and increased product penetration.

Extending reach, elevating experience, enabling growth

Our physical distribution network remains a fundamental pillar of franchise strength, enabling us to operate across 712 districts in 28 states and 7 union territories—reflecting a truly pan-India presence.

Our branch strategy is increasingly anchored around relationship-intensive customer segments. Our industry-first innovative formats continue to set precedence, exemplified by initiatives such as our digital locker-focused branch in New Delhi that integrates automation, enhanced security and superior service design.

Redefining the deposit strategy for scale and quality

The Bank's deposit franchise has been anchored in a deliberate shift towards making deposits a shared organisational priority, with every business and function aligned to drive liability growth and enhance balance sheet quality. This integrated approach has strengthened execution intensity across the franchise, ensuring that deposit mobilisation is not siloed, but embedded within customer acquisition, engagement and relationship deepening across segments.

In fiscal 2026, we had reoriented our approach towards New-to-Bank (NTB) and Existing-to-Bank (ETB) customers. The NTB strategy is increasingly premium-led, focused on acquiring higher-quality customer cohorts through sharper segmentation, targeted sourcing and improved conversion discipline.

The ETB strategy has been towards deepening engagement and enhancing customer lifetime value—leveraging data-driven insights, personalised journeys, and lifecycle-based interventions to strengthen primacy and expand wallet share.

Our deposit journey is best understood across three key dimensions—cost, growth and quality. Across each of these pillars, the emphasis remains consistent: building a granular, resilient and cost-efficient liability franchise that is anchored in strong customer relationships and capable of sustaining performance across cycles.

We have managed deposit costs with strong discipline across both rate-hike and rate-cut cycles over the last 2 years, supported by timely pricing actions—particularly on savings rates—and a calibrated mix strategy. Our continued focus on defending CASA ratio, currently at 40%, alongside sharper targeting of priority customer cohorts, has enabled us to navigate competitive pricing pressures effectively while sustaining cost efficiency and strengthening the liability franchise.

Our deposit franchise delivered industry-leading growth, with period-end deposits expanding 14% y-o-y while maintaining a healthy 13% y-o-y growth on a quarterly average basis, alongside 11% growth in CASA balances—reflecting both strong momentum in mobilisation and consistency in underlying balance build-up. The average balances for the NTB customers grew 53% y-o-y, alongside a 24% increase in products per customer, reflecting the effectiveness of our premium-led sourcing and tighter conversion discipline.

Unlocking higher value through affluence and wealth expansion

Premiumisation continues to be a defining lever in strengthening our Retail franchise, with the Burgundy platform scaling into a comprehensive, high-engagement ecosystem for affluent and ultra-high-net-worth clients. Anchored in the 'One Axis' ecosystem—spanning banking, wealth management, asset management, investment banking, and capital markets—we provide one of the most comprehensive offerings in India, enabling clients to access curated solutions across mutual funds, PMS, AIFs, fixed income, and alternate investments through an open architecture framework. As of March 2026, we managed ₹6.78 trillion in wealth assets under the Burgundy franchise, reflecting both the depth of customer trust and the strength of our integrated proposition.

Within this, the Burgundy Private, our flagship private banking offering, has scaled meaningfully, now managing over ₹2.4 trillion in assets across 16,450+ families in 52 cities, including relationships with 40 of the Forbes 100 richest Indians. The franchise continues to gain global recognition, securing 'India's Best for Next-Gen' at the Euromoney Private Banking Awards 2026 for the third consecutive year, alongside the 'Best Private Bank for HNWIs' award at The Asset Triple A Awards 2025, among several others.

Retail Lending — growth anchored in underwriting discipline and RAROC

Our approach to Retail Lending in fiscal 2026 remained calibrated and firmly anchored in our RAROC-driven framework, with a clear emphasis on the quality of cohorts we originate rather than the pace of headline growth, ensuring that the franchise remained well-positioned from a risk standpoint, even as we prepared the ground for the next phase of growth.

Encouragingly, momentum in the retail lending book began to re-emerge in the latter part of the year. Retail advances grew by 8% y-o-y, supported by a strong pick-up in disbursements over the last two quarters as asset quality trends stabilised and consumer demand remained resilient. This recovery has been aided by a supportive interest rate environment and favourable fiscal measures, reinforcing consumption demand across segments. Importantly, key portfolio indicators—including bounce rates, early delinquencies, and collection and resolution metrics—have continued to show sustained improvement, providing confidence in the underlying health of the portfolio.

Growth across the segments was driven by disciplined channel management and strengthened underwriting guardrails. Disbursement momentum during the quarter ending March 31, 2026 was broad-based, with home loans growing 28% y–o–y, vehicle loans 25%, retail-agri 34%, and personal loans 22%, alongside sustained traction in high-growth segments such as Small Business Banking and LAP, where the book expanded by 17% and 16% y–o–y, respectively. We also witnessed strong momentum in gold loans, supported by the ongoing expansion of branch-level capabilities to scale this offering. Importantly, this acceleration has been achieved without any dilution in risk filters, with new vintages tracking well within guardrails and demonstrating improving early performance trends.

Our secured portfolio continues to anchor the stability of the franchise, accounting for 73% of the total retail loan book. Home loans and auto loans remain largely focused on income-stable, credit-tested customers, supported by conservative underwriting parameters, strong bureau checks, and a bias towards formal income segments. Additionally, the share of ETB customers at 66% in home loans and 47% in auto loans, highlights a significant opportunity to deepen relationships and expand wallet share within the existing customer base.

The unsecured business has demonstrated a steady and calibrated recovery, where the growth remains anchored in higher-quality segments, with ETB contribution at 79% in personal loans and 54% in credit cards, and a strong salaried profile constituting 100% for personal loans and 74% for credit cards.

This progress has been further reinforced by a series of marquee partnerships across mobility, travel, and digital platforms—partnering with Tesla as a preferred financer in the premium EV segment, with IndiGo to enhance travel-led engagement through co-branded offerings, and with Google Pay to introduce India’s first UPI-powered Flex credit card—collectively strengthening our innovation agenda and expanding our customer reach through differentiated, technology-led propositions.

The improving disbursement trajectory and stabilising portfolio indicators provide confidence that the retail franchise is well-positioned for a gradual rebalancing within the overall loan mix.

As this momentum sustains, we expect retail lending to play an increasingly important role in driving margins, while maintaining our core philosophy of growth with discipline and risk-adjusted returns.

Unlocking growth from India’s rural and semi-urban ecosystems

India’s rural and semi-urban markets continue to be a critical pillar of the Bank’s long-term growth strategy, offering a compelling opportunity to deepen financial inclusion while building a granular, resilient franchise. Bharat Banking remains central to this vision, with a distribution network now spans 2,924 branches, supported by a formidable ~21,000 CSC Village Level Entrepreneurs network and a healthy expansion across key segments such as gold loans, tractor finance, microfinance, and agri-linked lending. In fiscal 2026, the Bharat Banking book grew 4% y–o–y, supported by strong disbursement momentum of 23% y–o–y, reflecting improved credit demand and sharper market penetration. On the liabilities side, deposits rose 13% y–o–y underscoring the strength of our local engagement. This growth is enabled through a differentiated 'farm-to-folk' ecosystem approach, allowing us to participate across the full rural value chain strengthening customer engagement and wallet share, while also making a meaningful contribution towards the Bank’s PSL objectives.

Leading India’s digital payments transformation

Digital payments have emerged as a core pillar of our Retail strategy—driving customer engagement, enhancing transaction intensity, and strengthening the broader franchise.

In fiscal 2026, we strengthened our position as one of the leading players in UPI, with an industry-leading ~36% market share as Payer PSP across both value and volume, supported by best-in-class transaction reliability with negligible technical declines.

We also continue to be among the largest players in merchant acquiring, with a terminal market share of ~22.4%, reinforcing our reach across merchant ecosystems.

Our credit card franchise further complements this strength, with ~16 million cards in force and a ~14% market share, delivering 7% growth in spends and sustained sourcing momentum.

Digital adoption across our customer base continues to deepen meaningfully, with 98% of individual financial transactions now conducted digitally.

In addition, our Retail franchise continues to drive meaningful value through a strong and granular fee engine, with Retail fee contributing ~72% and granular fee streams accounting for ~92% of total fee. Fees from third party products and retail cards & payments accounted for 68% of the retail fee, reflecting the depth of customer engagement and diversification of revenue sources.

Building a future-ready retail franchise through technology and innovation

We continue to strengthen our execution backbone through sustained investments in technology, innovation, and governance-led processes, with digital banking emerging as a key enabler of this transformation. Our mobile banking application, ***Open***, remains among the highest rated in the industry, with a 4.8 rating across major app stores, ~16 million monthly active users, and ~18 million non-Axis customers on Axis Mobile and Axis Pay—reflecting strong adoption and trust. Today, ~66% of customers are fully mobile-led, ~98% of transactions are digital, and ~74% of branch service requests are fulfilled digitally, underscoring the scale and efficiency of our operating model.

Our proprietary platform, Siddhi, anchors frontline productivity through a unified customer view and structured engagement cadence, improving contactability to ~80% and driving sharper execution.

Complementing this, the scaled deployment of Salesforce (SFDC) across key asset classes, including tractors and mortgages, is delivering tangible improvements in underwriting discipline and turnaround times, with most of the journeys now supporting digital onboarding with eKYC, eNACH, eSign and eStamp.

The Bank's Customer Obsession initiative, 'Sparsh', continues to institutionalise a 'listen–act–improve' operating cadence across journeys, products, and channels, supported through our AI-led platforms such as Adi and Kaleidoscope, where the interaction volumes increased 3.5x and 5.2x y–o–y, respectively, thus enhancing decision support and enabling proactive customer engagement at scale.

Despite rapid digital adoption, we continue to strengthen cyber security and governance through industry-first initiatives—including Aadhaar Face Authentication for secure, self-service mobile updates, the 'Safety Centre' enabling real-time customer-controlled security, and the 'Lock FD' feature to safeguard deposits—reinforcing trust and resilience across our digital banking ecosystem.

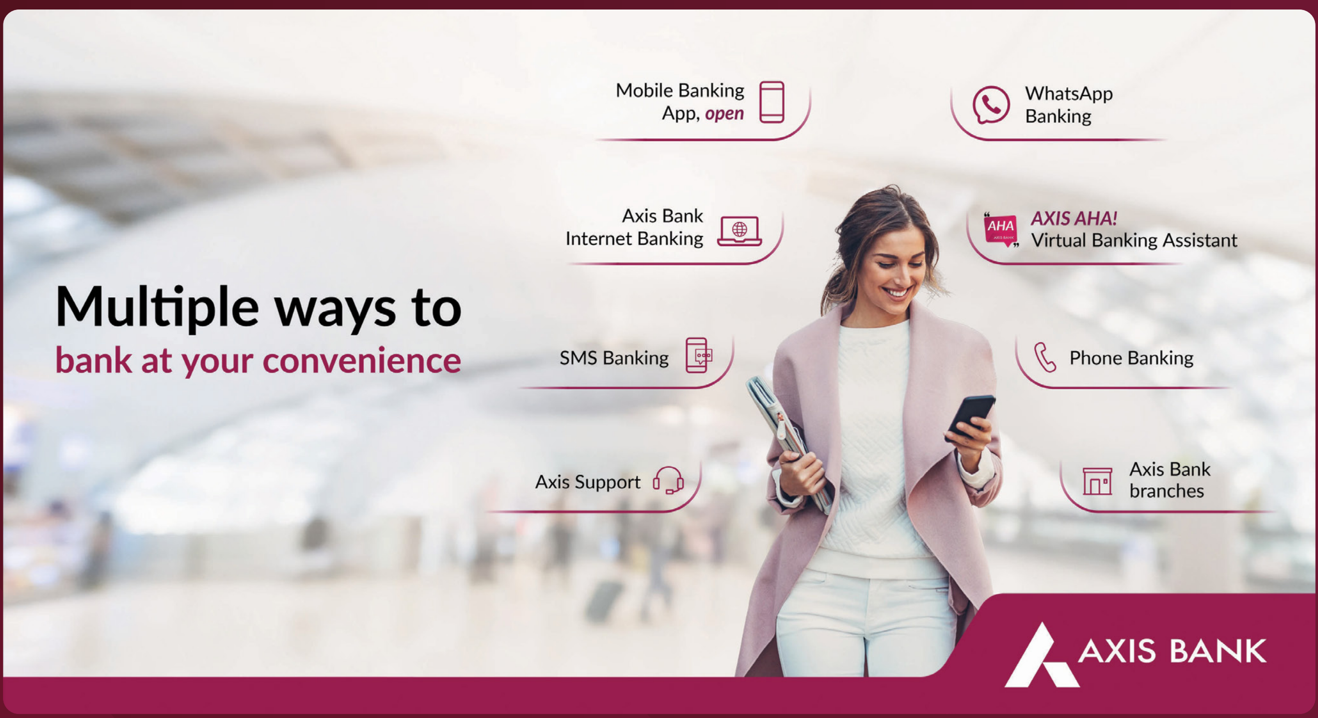
India's long-term consumption and financialisation trajectory remains compelling, and the next phase of our Retail Banking journey will be defined by sharper execution, deeper customer primacy, and technology- and AI-led transformation. We will continue to enhance productivity and operational efficiency through intelligent automation, while elevating service quality through data-driven, personalised engagement. As we scale with discipline—balancing growth with resilience and strong governance—we remain focused on building a future-ready retail bank that delivers superior customer outcomes and sustainable, risk-adjusted returns across cycles.

Warm regards,

Munish Sharda
Executive Director

Growth powered by innovation and customer centricity

Guided by our customer-first philosophy and by leveraging digital innovation, our Retail Banking segment continued to strengthen its franchise across India in fiscal 2026. Through a robust branch network, seamless digital journeys and tailored financial solutions, we achieved sustainable growth across deposits, lending and payments while advancing financial inclusion.



Material issues linkage

M1 M2 M6 M7 M9

Capital Linkage

UN SDGs Linkage

1 NO POVERTY · 8 DECENT WORK AND ECONOMIC GROWTH · 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE · 10 REDUCED INEQUALITIES · 11 SUSTAINABLE CITIES AND COMMUNITIES

Retail Banking remains a core growth engine for the Bank, supported by a strong deposit franchise, disciplined lending expansion, and a rapidly scaling digital payments ecosystem. During fiscal 2026, we deepened customer engagement across urban, semi-urban and rural India by closely integrating our robust distribution network with digital-first journeys. Continued investments in payments, digital banking and wealth solutions helped strengthen long-term customer relationships and accelerate the expansion of the retail franchise.

Retail Banking continues to evolve beyond transactional banking into a more integrated, relationship-led franchise built around customer relevance, convenience and everyday engagement. As customer behaviours become increasingly digital and experience-driven, the Bank is strengthening how customers interact, transact, borrow, invest and manage money across life stages.

The franchise continues to benefit from the convergence of distribution, data, technology and product ecosystems. This is enabling more contextual engagement, deeper customer relationships, and greater operating agility across a highly diversified retail portfolio.

In fiscal 2026, the Retail Banking franchise further strengthened its focus on improving customer journeys, deepening ecosystem participation, and building a more scalable and digitally integrated retail banking platform.

Retail Banking at a glance

Fiscal 2026 highlights

▲ **16%**
Term deposit y-o-y growth

▲ **8%**
Retail loan book y-o-y growth

40%
CASA ratio

₹6,735 billion
Retail advances (55% of total advances)

▲ **13%**
Burgundy Private AUM y-o-y growth

4th
Largest issuer of credit cards

72%
Share in total fee

₹44,869 crores
Credit card book
▲ 4% y-o-y

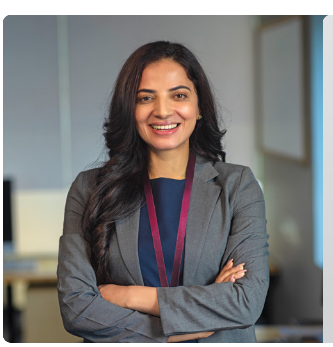
Our Retail growth model

Disciplined retail lending

Expanding retail lending with strong risk discipline and diversified product offerings

Digital-led customer engagement

Enhancing payments ecosystems, digital servicing, and seamless banking journeys



Granular deposit franchise

Strengthening salary relationships and premium segments while scaling digital onboarding to expand stable retail deposits

Premiumisation & wealth growth

Deepening affluent and private banking relationships through specialised advisory and curated investment solutions

Retail lending

Retail lending serves as a powerful catalyst for growth, inclusion and opportunity across all customer segments. Each loan empowers individual aspirations, whether for homeownership, education, business expansion or access to essential credit. Throughout fiscal 2026, our focus remained on building a high-quality, digitally enabled, diversified franchise through disciplined sourcing, improved portfolio quality, and an expanded market presence across mortgages, consumer loans and vehicle finance.

Strategic drivers of retail lending

1

Advancing towards fully digital, AI-enabled lending journeys

The Bank is accelerating its transition towards seamless, end-to-end, AI-enabled digital journeys across retail lending, with fully digital Personal Loans, AI-led Home Loans to reduce turnaround time, and a simplified 7-click Insta Car Loan process enhancing speed and convenience.

2

Driving sharper sales execution through Siddhi

The Bank is strengthening sales and branch execution through Siddhi, a digitally-enabled, analytics-driven mobile app, supported by a segmented engagement program to enhance Personal Loan conversions and a unified planning framework to drive discipline, productivity and consistency.

3

Strengthening ETB sourcing and improving channel stickiness

The Bank is refining its ETB sourcing models to deepen engagement, enhance retention, and improve conversions through tailored offerings and targeted campaigns, while leveraging its Bharat Banking network to increase proprietary sourcing and drive asset penetration.

4

Enhancing product propositions in high-yield segments

Product propositions are being revamped to enhance competitiveness in high-yield, high-growth segments, supported by policy refinements in ‘Loan Against Property’ and ‘Used Vehicles’, and a comprehensive restructuring of the affordable housing offering to strengthen market positioning and drive incremental growth.

5

Unlocking liabilities through asset-led customer journeys

Retail deposit mobilisation is being strengthened by integrating savings account origination into the loan journey and leveraging key touchpoints such as mortgage and vehicle financing to enable effective cross-selling and deepen customer relationships.

6

Re-engineering processes to improve oversight and customer experience

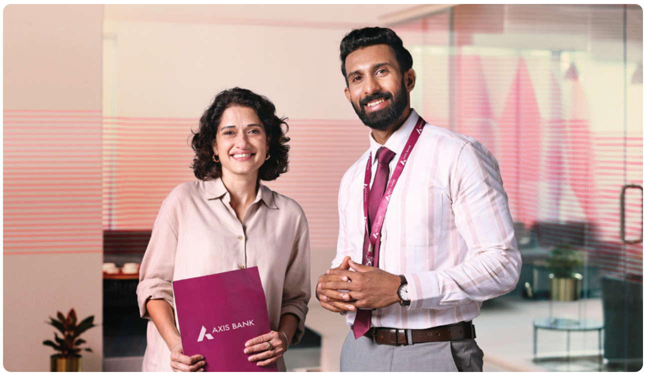
Internal processes have been revamped to strengthen fraud controls, enhance assurance and reduce customer friction through Straight Through Processing (STP) journeys, green-channel decisioning and automated onboarding checks, improving the safety and reliability of unsecured lending.

Key retail lending products

- Home loans
- Loan against property
- Affordable housing loans
- Lease rental discounting
- Personal loans
- Education loans
- Loan against securities
- Overdraft against fixed deposits
- Overdraft against salary
- Car loans
- Two-wheeler loans
- Commercial equipment loans
- Commercial vehicle loans
- Supply chain finance

Retail deposits

Retail deposits sustained their strong momentum during fiscal 2026, driven by robust customer acquisition, seamless digital journeys, and deeper engagement with premium and salaried customer segments. This was reflected in a higher share of wallet and deepening customer engagement. Together with strengthening the salary account franchise, digital innovations such as Fixed Deposit (FD) booking via WhatsApp and the 'Lock FD' feature enhanced customer convenience and security, reinforcing trust in the Bank's digital deposit platforms.



₹3,441 billion
MEB Savings deposits

▲11%
Savings deposit y-o-y growth

▲~14%
Salary upload* y-o-y growth

▲~26%
Premium salary acquisition (no. of accounts) y-o-y growth

*Cumulative salary credits in corporate salary customer accounts

Digital-led payments

Cards and Payments form a key pillar of the Bank's retail engagement strategy, underpinning everyday payments, merchant transactions, and customer loyalty. The Bank offers a diversified portfolio of proprietary and co-branded credit cards supported by digital issuance, real-time controls and self-service capabilities.

The franchise is anchored in three core strengths: a varied card portfolio tailored to diverse customer segments, a scaled merchant-acquiring platform with integrated banking solutions, and a strong presence within the UPI ecosystem. These capabilities enable the Bank to participate in various payment use cases, driving sustained engagement and increasing customer lifetime value.

Credit cards

The Bank offers a broad suite of proprietary and co-branded credit cards tailored to a wide range of customer segments. The portfolio is designed to address diverse customer needs – from daily payments and credit access to bespoke rewards and lifestyle propositions. The launch of IndiGo, SuperMoney, and Google Pay Flex co-branded credit cards reflects our focus on strengthening partnerships and expanding customer reach. By leveraging strong partner ecosystems, we are driving customer acquisition and delivering segment-specific propositions aligned to diverse customer needs, thereby enhancing overall engagement. Beyond transactions, we also offer a sophisticated digital experience, enabling real-time controls, effortless account management, and self-service, allowing customers to manage their card relationships seamlessly. Portfolio coverage across global payment networks and key merchant partnerships ensures universal acceptance, while continuous product refresh and offerings help us remain at the forefront of a dynamic payment environment.

16 million+
Total credit cards in force

~14%
Market share of cards in force

₹2,432 billion
Annual card spends

Merchant acquiring

Merchant acquiring remains a vital part of the Bank's payments ecosystem, enabling merchants across various segments to accept digital payments seamlessly. During the year, the Bank introduced the 'All-in-One Soundbox', a versatile solution that supports both UPI and card payments and provides multilingual audio alerts. Beyond simple payment processing, we offer integrated banking services, including deposits, lending, and third-party products, helping merchants consolidate their financial relationships with the Bank. We have also improved our payment gateway by adding payout features and building a robust omnichannel payment platform for merchants.

26 lakhs+
Merchant terminals

22%
Terminal market share

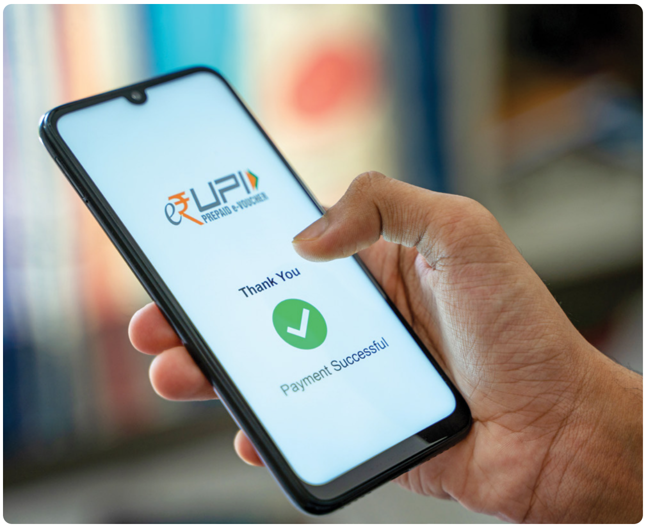
₹4,466 billion
Merchant throughput

UPI and digital payments

The Bank has established a strong presence across the UPI ecosystem through partnerships with leading third-party application providers. UPI transactions continue to play a key role in expanding the Bank's digital engagement, enabling the Bank to integrate seamlessly into customers' everyday financial lives through high-frequency payment use cases. During the year, the Bank rolled out biometric authentication to enable seamless authorisation of low-value UPI transactions, introduced UPI Reserve Pay to support single fund-block multiple debit constructs for merchants, and launched Banking Connect - an interoperable net banking platform.

36.2%
UPI market share (Payer PSP)

21.1%
UPI acquiring market share



Digital Currency (CBDC)

During the year, we continued to strengthen our leadership in the RBI's Central Bank Digital Currency ecosystem by driving customer adoption and pioneering innovative use cases. We launched an improved CBDC mobile app with a refined interface and streamlined payment journeys to improve the user experience and simplify payments.

The Bank was nominated for four launches at the Global Fintech Festival in Mumbai, led by senior RBI and Bank officials. Additionally, we were invited by the RBI to showcase CBDC use cases at the Singapore Fintech Festival, making Axis Bank the only private bank among the four selected from a pool of 19 banks, highlighting our expertise in digital currency innovation.

We were also the first to enable user-level programmable CBDC issuance for customers of other banks, expanding interoperability within the Digital Rupee ecosystem.

7 lakhs+
CBDC users

~21,500
Average daily transactions

~1.46 crores
Total transactions processed

Elevating customer experience through digital journeys

Digital channels have become the primary interface for customers across cards and payments, making journeys faster, simpler and more convenient. Intuitive interfaces, self-service capabilities and assisted digital models are helping reduce manual intervention while delivering a seamless and consistent experience.

Wealth management and global banking

Forex and cross-border remittances

The Bank improved its cross-border remittance services by leveraging digital innovations and superior operational efficiency. Customers can now upload documents for inward remittances online, enabling faster processing and eliminating the need to visit branches. Furthermore, we solidified our position as a digital pioneer by becoming one of the first to adopt the CCIL FXRetail platform integration with Bharat Connect. This milestone enables customers to purchase US dollars digitally through leading applications.

~47,000 crores
Forex transaction volume

3 lakhs+
Active customers

Wealth management

The Bank provides curated investment solutions across diverse asset classes, catering to the unique needs of HNIs, UHNIs, NRIs, and the emerging affluent. Our digital ecosystem, anchored by the ***open*** by Axis Bank app and the NextGen portal, enables a seamless investing experience and deepens client interaction. Dedicated wealth managers and investment counsellors offer specialised insights, crafting portfolios aligned with clients' aspirations and risk appetite. Our affluent banking franchise continues to scale through a network of relationship managers and wealth specialists across more than 350 branches across a wide geography, including Tier II and Tier III markets, bringing sophisticated advisory services to India's emerging economic hubs.

₹6.78 trillion
Wealth AUM

29%
Wealth AUM CAGR since March 2020

3.8
Products per client

Awards

- **'India's Best for Next-Gen'** at the Euromoney Global Private Banking Awards 2025
- **'Best Private Bank for HNWIs'** Award at the Asset Triple A Awards 2025

Outlook

Retail Banking priorities for fiscal 2027

The Bank will continue to strengthen its Retail Banking franchise in the following ways:

- Expansion of granular retail deposits
- Disciplined retail lending growth
- Deeper digital payments engagement
- Innovation in digital currency and payments ecosystems
- Expansion of affluent and wealth management capabilities

Through these measures, the Bank will continue to future-proof its retail franchise and ensure a superior, integrated experience for its customers.