DIVIDEND DECLARATION POLICY

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Version Control

Version	Policy Owner Department	Details of Board Sub-committee / HOD approval		Details of Board / Committee approval	
		Sub-committee/HOD	**Date of approval**	**Board/Committee**	**Date of approval**
1.0	Finance & Accounts	Audit Committee	20.3.24	Board of Directors	24.4.24
2.0	Finance & Accounts	Audit Committee	17.3.25	Board of Directors	24.4.25
3.0	Finance & Accounts	Audit Committee	18.3.26	Board of Directors	25.4.26
4.0	Finance & Accounts	Audit Committee	16.10.26	Board of Directors	17.10.26

1. Preamble/ Introduction

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

2. Important definitions

Term	Definition
Dividend Payout Ratio	'Dividend Payout Ratio' means the ratio between the amount of the dividend payable on equity shares (including interim dividend) in a year and the net profit during the year as per the audited financial statements for the financial year for which the dividend is proposed.
Extra-ordinary profits / income	'Extra-ordinary profits / income' shall have the same meaning as defined under applicable Accounting Standards.
Adjusted Profit After Tax (PAT)	'Adjusted Profit After Tax (PAT)' means PAT of the financial year for which the dividend is proposed to be paid minus 50 per cent of Net NPA as on March 31 of the financial year for which the dividend is to be paid.
Dividend	'Dividend' means dividend payable on equity shares and includes interim dividend but excludes dividend on Perpetual Non-Cumulative Preference Shares (PNCPS).

3. 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.

4. References to Regulations

RBI circular no. RBI/2025-26/387 DOR.ACC.REC.No.427/21.02.067/2025-26 dated 10th March 2026 on 'Reserve Bank of India (Commercial Banks – Prudential Norms on Declaration of Dividends and Remittance of Profit) Directions, 2026' 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 and provisions of the Companies Act, 2013 as may be applicable.

5. Applicability

The policy document is applicable to Finance & Accounts and Company Secretary departments of the Bank. The policy is effective from Financial Year 2026-27.

6. Communication of the Policy

This policy will be available on Bank's website (https://www.axis.bank.in/docs/default-source/quarterly-reports/dividend-declaration-policy-of-the-bank.pdf)

7. Details of the Policy

A. BOARD OVERSIGHT

The Board of Directors will consider the following while evaluating the proposal for declaration of dividend:

- The divergence in asset classification and provisioning for Non-Performing Assets (NPAs), including its trend, as observed if any, under supervisory findings of the Reserve Bank
- Statutory Auditors' Report to the financial statements, including modified opinion or Emphasis of Matter, for the financial year for which the dividend is proposed
- Current and projected capital position vis-à-vis applicable regulatory capital requirement; and
- Long term growth plans
- Shareholder expectations
- Profits earned during the financial year
- Past dividend trends
- Expected capital requirements for planned growth
- Cost of raising funds from alternative sources
- Reinvestment opportunities
- Additional regulatory requirements of capital in near future (if applicable)

B. ELIGIBILITY CRITERIA FOR DECLARATION OF DIVIDEND

The Board will consider the following regulatory criteria for declaring dividend:

- Whether the Bank is in compliance to the regulatory capital requirement as at the end of the previous financial year and continues to be in compliance as at the end of the financial year during which the dividend is proposed to be paid.
- The regulatory capital of the Bank shall not fall below the applicable regulatory capital requirement even after the payment of dividend.
- Bank shall have a positive adjusted Profit After Tax (PAT) for the period for which the dividend is proposed.
- There are no explicit restrictions for declaration of dividends from the Reserve Bank or any other authority.

C. ADDITIONAL CONDITIONS/EXCLUSIONS

- No dividend to be declared out of net unrealised gains on Level 3 instruments (including derivatives), in terms of Reserve Bank of India (Commercial Banks - Classification, Valuation and Operation of Investment Portfolio) Directions, 2025
- Exclusion of exceptional / extraordinary profits/income when computing eligible profit
- Where the Statutory Auditors' report contains a modified opinion indicating that the Profit After Tax (PAT) has been overstated, such overstated amount shall be excluded from the profit considered for declaration or payment of dividend.
- Exclusion of reversal of excess provision as well as unrealised profits generated from the transfer of loans and Security Receipts guaranteed by the Government of India, as per the Reserve Bank of India (Commercial Banks – Transfer and Distribution of Credit Risk) Directions, 2025.

D. QUANTUM OF DIVIDEND PAYABLE

Dividend shall be declared and paid up to the limits prescribed under the table below. However, the aggregate amount of dividend for a period shall not exceed 75% of the PAT.

Table 1		
Bucket	**CET 1 ratio as at the end of previous FY**	**Dividend allowed as a % of adjusted PAT for the period**
B1	Up to (8 + z)%	0
B2	Above (8 + z)% and up to (10 + z)%	20
B3	Above (10 + z)% and up to (12 + z)%	30
B4	Above (12 + z)% and up to (14 + z)%	40
B5	Above (14 + z)% and up to (16 + z)%	50
B6	Above (16 + z)% and up to (17 + z)%	60
B7	Above (17 + z)% and up to (18 + z)%	70
B8	Above (18 + z)% and up to (19 + z)%	80
B9	Above (19 + z)% and up to (20 + z)%	90
B10	Above (20 + z)%	100

Note: 'z' in Table 1 refers to the respective applicable D-SIB buffer. 'z' shall be zero for a bank not classified as D-SIB

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 as stated in para 7A to 7D above 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.

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

- Achievement of specific milestones in the Bank's progress.
- Any other extraordinary circumstances.

The above recommendation will be within the limits prescribed by RBI.

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

8. Governance Structure - Roles and Responsibilities of Board of Directors/ Senior Management

i. Audit Committee: The roles and responsibilities of the Audit Committee is to review the policy document, provide guidance to the Management, if any, and recommend the same for approval to the Board of Directors

ii. Board of Directors: The role and responsibilities of the Board of Directors is to review and approve the policy document as recommended by the Audit Committee of the Board and to deliberate and recommend on the proposal for declaration of dividend.

9. Delegation of Powers

NA

10. Reporting / Monitoring requirements

Internal Reporting Requirement - NA

Regulatory Reporting Requirement – The Bank will report the details of dividend declared during the financial year within a fortnight after declaration of dividend to the Department of Supervision, Reserve Bank of India in the below format:

Details of dividend declared during the financial year _____ :

Name of the Bank : Axis Bank Limited

Accounting period	Net profit for the accounting period (in ₹ crore)	Net profit for determining the Dividend Payout Ratio# (in ₹ crore)	Rate of Dividend (in %)	Amount of dividend (in ₹ crore)	Dividend payout Ratio (in %)
1	2		3	4	5

 # excluding any exceptional and / or extra-ordinary profits / income, or if audit report by the statutory auditor contains modified opinion that indicates an overstatement of net profit (including 'emphasis of matter'), net unrealised gains on fair valuation of Level 3 financial instruments (including derivatives), reversal of excess provision and unrealized profits arising on account of transfer of loans and Security Receipts guaranteed by the Government of India as provided in RBI guidelines.

Monitoring requirement - NA

11. Disclosure Requirement

The policy is required to be hosted on the Bank's website

12. 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 reviewed and approved by the Board in its meeting held on 17th October 2026.

13. Annexures - Nil