

AXIS/CO/CS/238/2019-20

04th June, 2019

The Chief Manager (Listing & Compliance)
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No. C/1, "G" Block
Bandra-Kurla Complex,
Bandra (E), Mumbai- 400 051

The Deputy General Manager (Listing)
BSE Limited
1st Floor, New Trading Ring, Rotunda
Building
P. J. Towers, Dalal Street
Fort, Mumbai - 400 001

NSE Code: AXISBANK

BSE Code: 532215

Dear Sir(s),

SUB: REVISION OF CREDIT RATING ASSIGNED BY FITCH RATINGS
REF: REGULATION 30 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS)
REGULATIONS, 2015.

This is to inform you that Fitch Ratings has revised the Long term Issuer Default Rating (IDR) from 'BBB-' (Outlook: Negative) to 'BB+' (Outlook: Stable) and Short Term IDR from 'F3' to 'B' of the Bank on 03rd June, 2019.

You are requested to take note of above and arrange to bring it to the notice of all concerned.

Thanking You,

Yours faithfully,
For Axis Bank Limited,


Girish Koliyote
Company Secretary



FitchRatings

Fitch Downgrades Axis Bank's IDR to 'BB+'; Outlook Stable

Fitch Ratings - Mumbai - 03 June 2019: Fitch Ratings has downgraded the Long-Term Issuer Default Rating (IDR) and Viability Rating of Axis Bank Ltd. to 'BB+' and 'bb+', respectively, from 'BBB-' and 'bbb-'. The Outlook is Stable. Fitch has also affirmed Axis's Support Rating and Support Rating Floor at '3' and 'BB+', respectively. A full list of rating actions is at the end of this commentary.

Fitch took the rating action after lowering its midpoint for India's operating environment to 'bb+' from 'bbb-' following a review of the banking sector's performance, particularly in the last three years, the regulatory framework for the sector, and the outlook in the near term. We also compared the operating environment in India (BBB-/Stable), using key metrics such as GDP per capita and the ease-of-doing-business ranking, with those of other sovereigns in Asia rated in the 'BBB' category. We expect the performance of India's banking sector to be below average over the next one to two years despite our expectations of high economic growth and improving business prospects. Banks in India - which remain the biggest credit intermediaries in the country - are positioned to take advantage of this opportunity, provided their damaged balance sheets recover sustainably with the infusion of fresh equity that encourage them to support credit growth in a meaningful way.

Fitch believes that the performance of Indian banks has largely bottomed out, but the sector is still struggling with poor asset quality and weak core capitalisation. Fitch estimates that Indian banks' impaired loan ratio fell to 10.8% at end-December 2018 from 11.5% at the end of the financial year to March 2018 (FYE18), which continues to be high by global standards. Capital buffers are still assessed by Fitch as moderate, including for private-sector banks, especially in light of their high impaired loan ratios, high risk appetite and the challenging but competitive operating environment.

RATING ACTIONS

ENTITY/DEBT	RATING	PRIOR
Axis Bank Ltd.	Support 3 Affirmed	3
	Viability bb+ Downgrade	bbb-
	Support Floor BB+ Affirmed	BB+
	STIDR B Downgrade	F3
	LTIDR BB+ ● Downgrade	BBB-●
senior unsecured	LT BB+ Downgrade	BBB-



