

AXIS/CO/CS/255/2021-22

30 August, 2021

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

NSE Symbol: AXISBANK

The Senior General Manager –  
Listing Department  
BSE Limited  
1<sup>st</sup> Floor, New Trading Ring,  
Rotunda Building  
P. J. Towers, Dalal Street  
Fort, Mumbai – 400 001

BSE Scrip Code : 532215

Dear Sir(s),

**SUB.: MOODY'S INVESTORS SERVICE RATING ACTION.**

**REF.: REGULATION 30 AND 46 (2) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 ("LISTING REGULATIONS").**

This is to inform you that credit rating agency Moody's Investors Service has assigned B1 (hyb) rating to Axis Bank Limited ("Bank"), GIFT City Branch's proposed USD-denominated, undated, non-cumulative and subordinated Additional Tier 1 (AT1) capital securities being issued out of its Global Medium Term Note (GMTN) programme. Moody's Investors Service has also assigned (P)B1 Pref. Stock Non-cumulative program rating to the AT1 capital securities component of its GMTN programme.

The rating rationale letter of Moody's Investors Service received by the Bank today, containing the reasons for rating is attached herewith.

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

Thanking You.

Yours sincerely,

**For Axis Bank Limited**

**Girish V. Koliyote**  
**Company Secretary**  
Encl.: as above

**Rating Action: Moody's assigns B1(hyb) Axis Bank's proposed AT1 capital securities**

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30 Aug 2021

Singapore, August 30, 2021 -- Moody's has assigned B1(hyb) rating to Axis Bank Limited, GIFT City Branch's proposed USD-denominated, undated, non-cumulative and subordinated Additional Tier 1 (AT1) capital securities being issued out of its global medium term note (GMTN) programme. Moody's has also assigned (P)B1 Pref. Stock Non-cumulative program rating to the AT1 capital securities component of its GMTN programme.

The full list of affected ratings is provided at the end of the press release.

**RATINGS RATIONALE**

The B1(hyb) rating and (P)B1 program rating is three notches below Axis Bank Ltd's ba1 Baseline Credit Assessment (BCA) and Adjusted BCA, reflecting the probability of impairment associated with non-cumulative coupon suspension, as well as the likelihood of high loss severity when the bank reaches the point of non-viability.

The principal and any accrued but unpaid distribution on these capital securities would also be written down, partially or in full, if the RBI determines that without such a write-down, the bank would become non-viable, or a public sector capital injection is needed without which the bank would become nonviable. In addition, the AT1 securities will be written down in full if the RBI decides to reconstitute or amalgamate the bank with another bank, pursuant to Section 45 of the Banking Regulation Act, 1949. In both these scenarios, the write-down will be permanent.

The principal and any accrued but unpaid distributions on these capital securities would also be written down, partially or in full, if Axis Bank's common equity tier 1 (CET1) ratio is at or below 5.5% any time prior to 1 October 2021, and 6.125% from and including 1 October, 2021. In such a scenario, the write-down may be temporary, and the amount could be reinstated subject to the Reserve Bank of India's (RBI) conditions.

Furthermore, Axis Bank, as a going concern, may choose not to pay interest on these securities on a non-cumulative basis. However, a common share dividend stopper applies if an interest payment is missed.

**FACTORS THAT COULD LEAD TO AN UPGRADE OR DOWNGRADE OF THE RATINGS**

An upgrade or a downgrade of the bank's baseline credit assessment (BCA) will lead to a corresponding change in the ratings of the AT1 securities.

Axis Bank's BCA could be upgraded if there is an improvement in asset quality, as reflected in the bank being able to maintain credit costs below its long-run average.

Axis' BCA could be downgraded if there is a significant weakening in its asset quality, with negative implications on capital and profitability, or if funding weakens as reflected by a deterioration in retail deposits.

The principal methodology used in these ratings was Banks Methodology published in July 2021 and available at [https://www.moody's.com/researchdocumentcontentpage.aspx?docid=PBC\\_1269625](https://www.moody's.com/researchdocumentcontentpage.aspx?docid=PBC_1269625). Alternatively, please see the Rating Methodologies page on [www.moody's.com](http://www.moody's.com) for a copy of this methodology.

Axis Bank Limited, headquartered in Mumbai, reported total assets of INR 10.0 trillion at 30 March 2021.

**Assignments:**

..Issuer: Axis Bank Limited, DIFC Branch

....Long-term Pref. Stock Non-cumulative Medium-Term Note Program (Foreign and Local Currency), Assigned (P)B1

..Issuer: Axis Bank Limited, GIFT City Branch

....Long-term Pref. Stock Non-cumulative Medium-Term Note Program (Foreign and Local Currency), Assigned (P)B1

....Long-term Pref. Stock Non-cumulative (Foreign Currency), Assigned B1(hyb)

..Issuer: Axis Bank Limited, Hong Kong Branch

....Long-term Pref. Stock Non-cumulative Medium-Term Note Program (Foreign and Local Currency), Assigned (P)B1

..Issuer: Axis Bank Ltd, Singapore Branch

....Long-term Pref. Stock Non-cumulative Medium-Term Note Program (Foreign and Local Currency), Assigned (P)B1

## REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found at: [https://www.moody.com/researchdocumentcontentpage.aspx?docid=PBC\\_79004](https://www.moody.com/researchdocumentcontentpage.aspx?docid=PBC_79004).

For ratings issued on a program, series, category/class of debt or security this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series, category/class of debt, security or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the credit rating action on the support provider and in relation to each particular credit rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on [www.moody.com](http://www.moody.com).

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The ratings have been disclosed to the rated entity or its designated agent(s) and issued with no amendment resulting from that disclosure.

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Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

Moody's general principles for assessing environmental, social and governance (ESG) risks in our credit analysis can be found at [http://www.moody.com/researchdocumentcontentpage.aspx?docid=PBC\\_1288435](http://www.moody.com/researchdocumentcontentpage.aspx?docid=PBC_1288435).

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Please see [www.moody's.com](http://www.moody's.com) for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

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INVESTORS SERVICE

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