

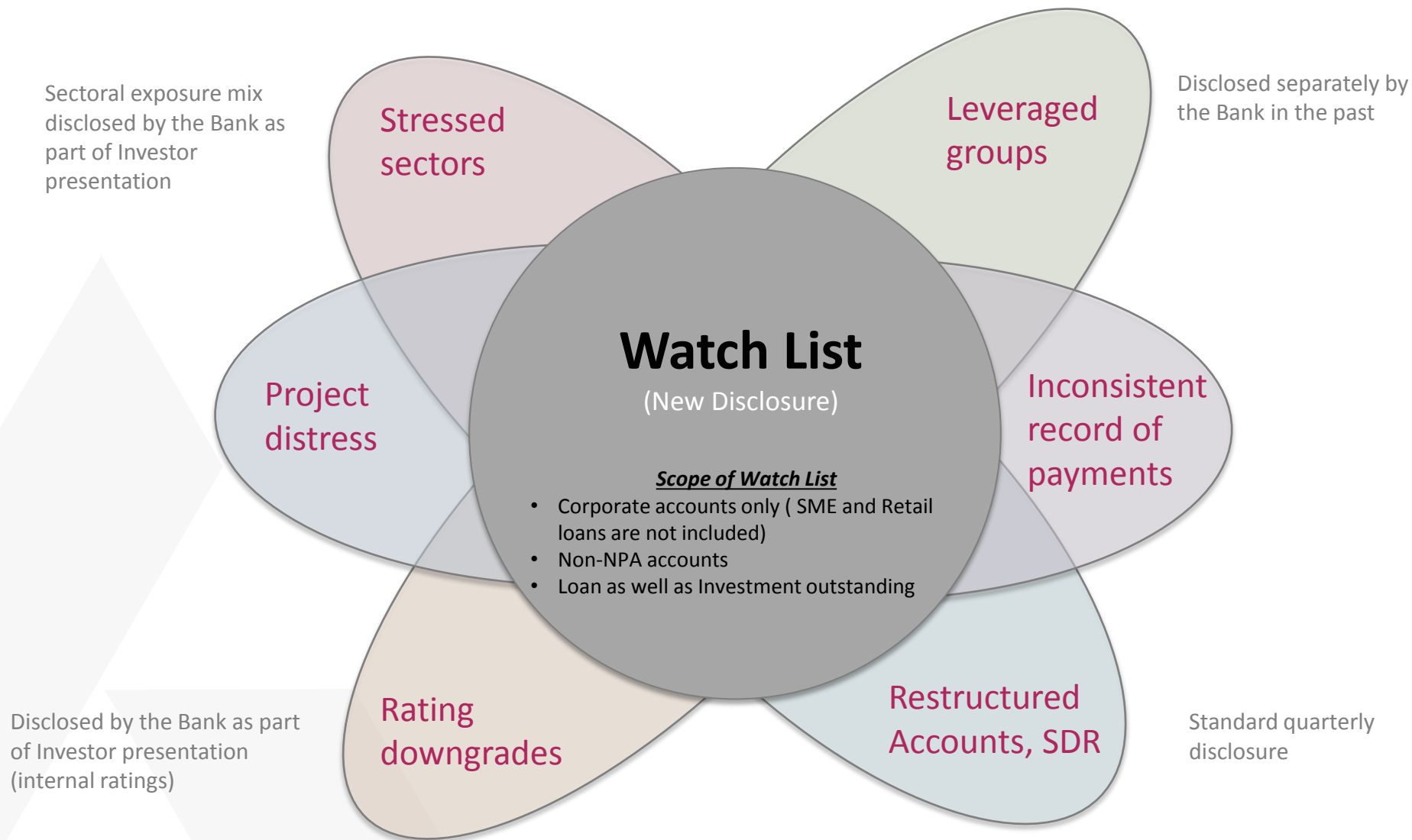


# Corporate Lending Watch List

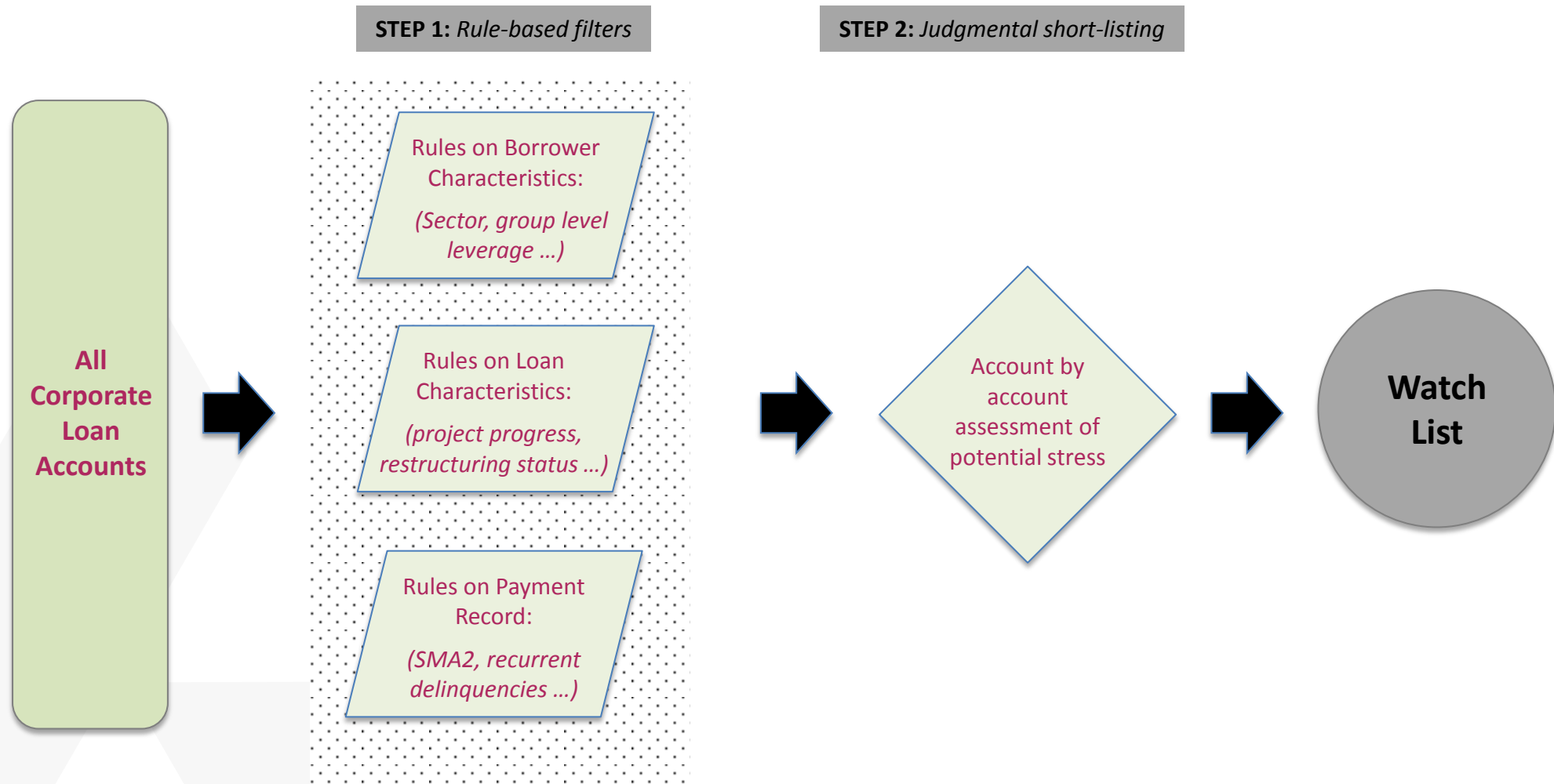
*Sources of potential stress*

April 2016

# The Bank has created a Watch List we believe could be the key source of future stress in corporate lending book



# The Watch List was created out of a two-step process

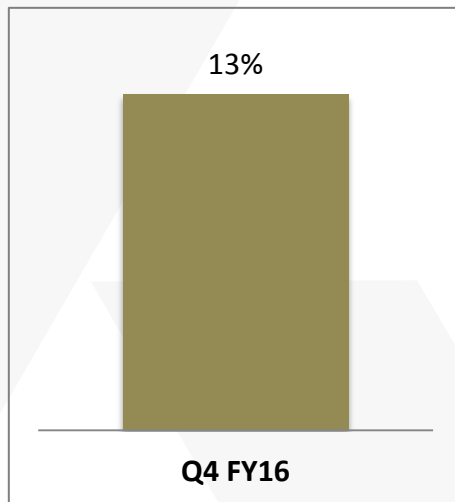


The process of creating the List was driven by the Bank's Risk Management team, led by CRO

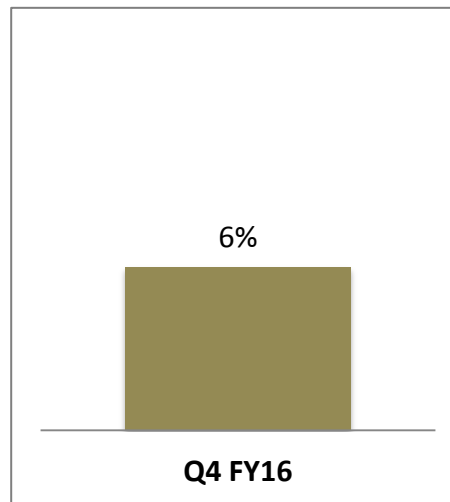
# The Bank's outstanding on Watch List accounts at the end of Q4 FY16 was around ₹22,600 crores



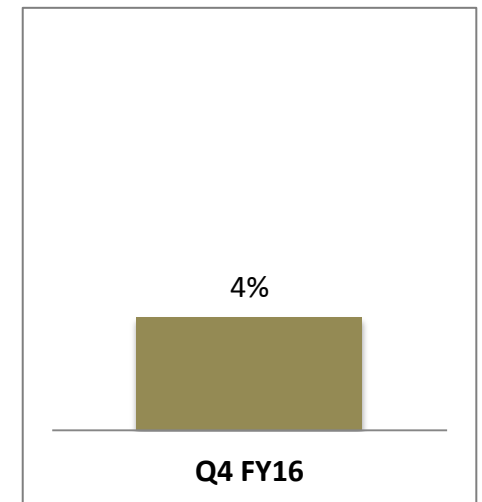
As % of Corporate Assets<sup>1</sup>



As % of Total Customer Assets<sup>2</sup>



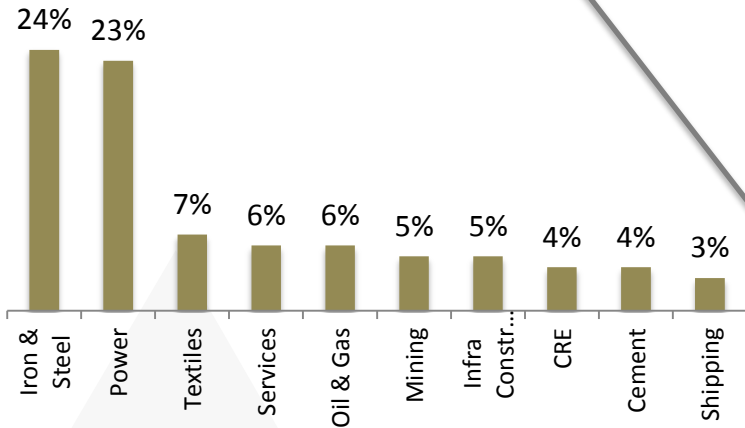
As % of Total Assets



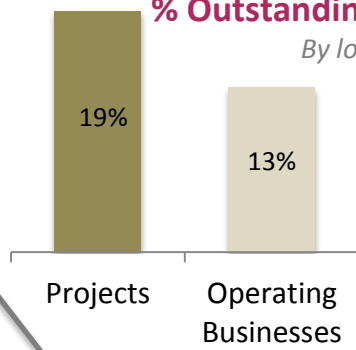
# Some color on composition of the Watch List

**Watch List**  
₹22,628 cr

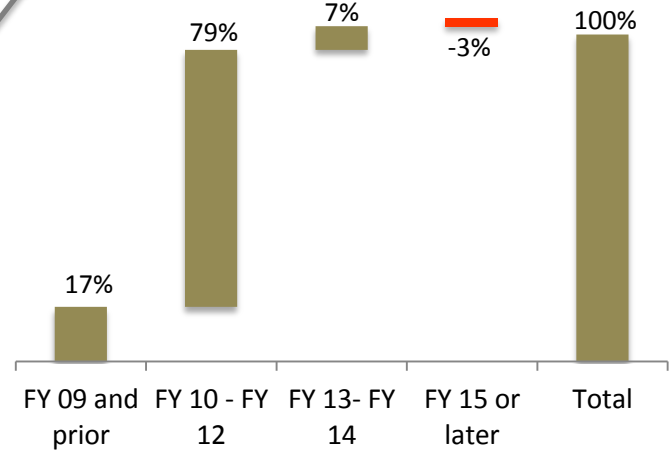
**Sectoral composition of Watch List**  
Top 10 Sectors



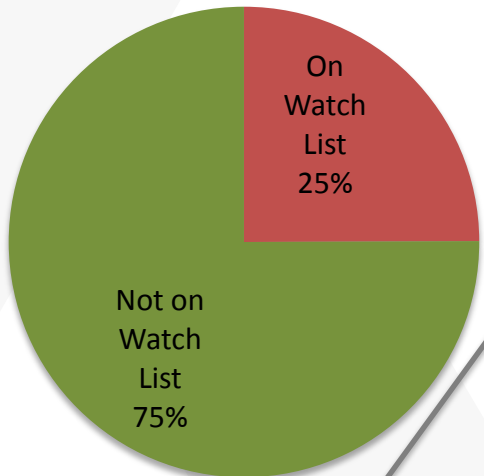
**% Outstanding on Watch List**  
By loan type



**When did Watch List outstanding originate?**

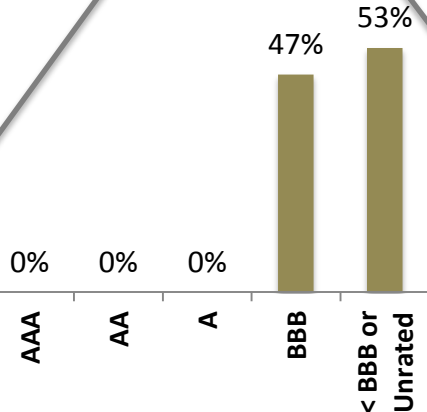
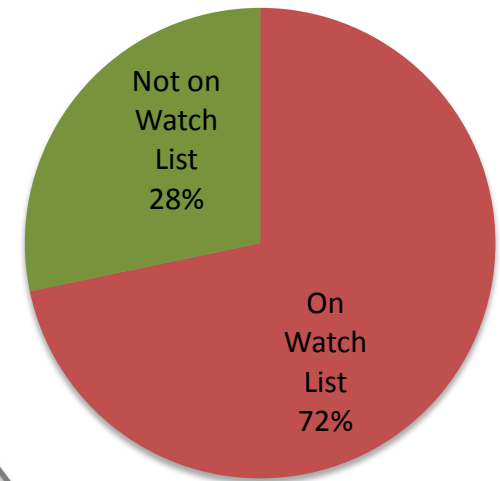


**Outstanding with "Leveraged Groups"**



**Restructured and SDR Outstanding**

% of Restructured and SDR book that is on the Watch List



**Internal Rating Mix (by value)**

Fund Based Outstanding as on Mar 31, 2016

# Expected Losses and Provisioning

- We expect ~60 % of the Watch List accounts to flow into NPA over the next 8 quarters
- While timing of slippage is difficult to predict precisely, we expect that there would be a slight bias towards H1 FY17.
- We expect to retain Provision Coverage Ratio above 70% by year-end FY17. There would, however, be variations quarter to quarter.
- The Watch List would be a closed list of accounts. No addition would be made to the list quarterly.
- On a quarterly basis, the Bank would disclose:
  - Residual size of the Watch List
  - Slippages from Watch List accounts into NPA
  - Slippages from other accounts