



AXIS/CO/CS/85/2016-17

26th April, 2016

The Assistant Vice President (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

Attn.: Shri Avinash Kharkar

The Deputy General Manager (Listing)

BSE Limited
1st Floor, New Trading Ring, Rotunda Building
P. J. Towers, Dalal Street
Fort, Mumbai – 400 001

Attn.: Shri Bhushan Mokashi

Dear Sir(s),

SUB.: DISCLOSURE UNDER REGULATION 30 READ WITH PARA A OF SCHEDULE III AND REGULATION 46 (2) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.


Please find enclosed herewith the Presentation on Corporate Lending Watch List (Sources of potential stress) – April 2016.

The same is being uploaded on the website of the Bank www.axisbank.com.

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

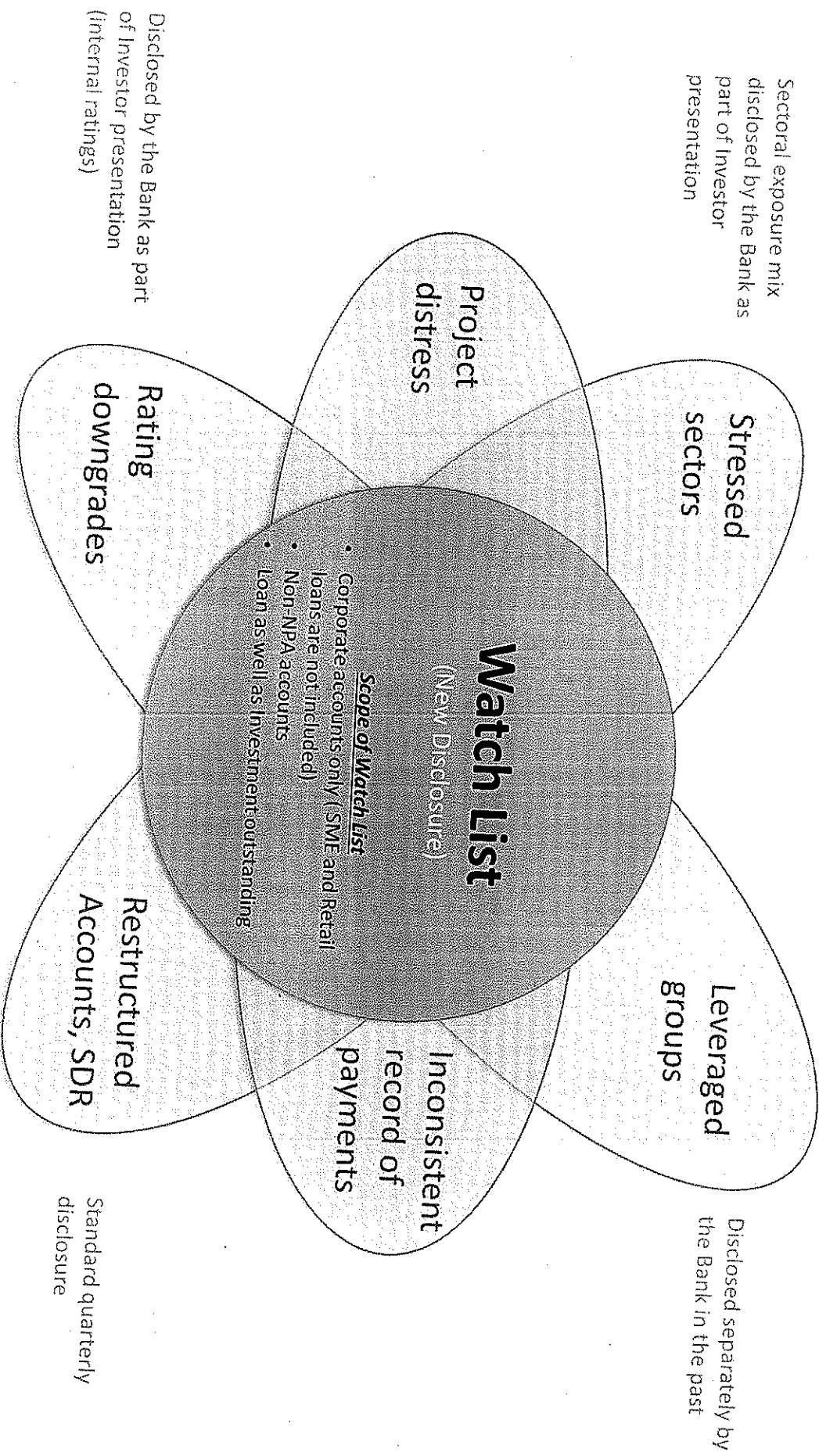


Corporate Lending Watch List

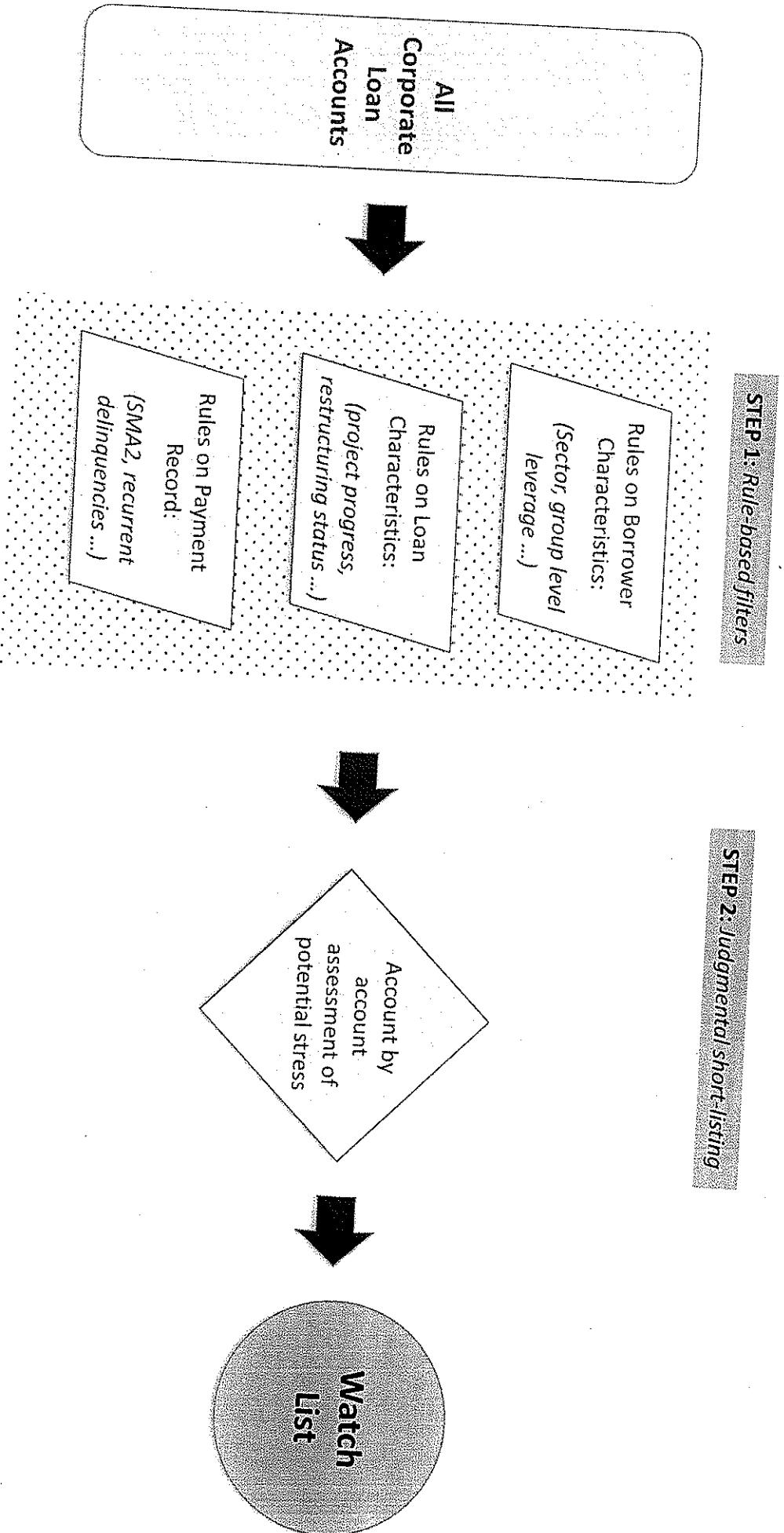
Sources of potential stress

April 2016

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

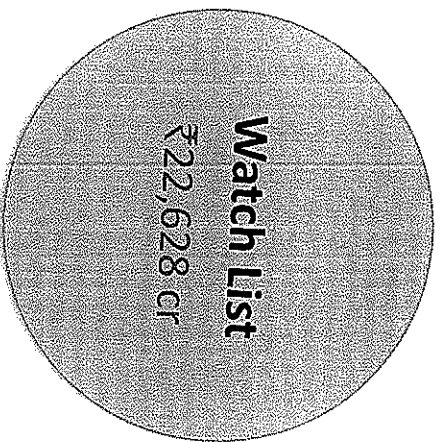


The Watch List was created out of a two-step process

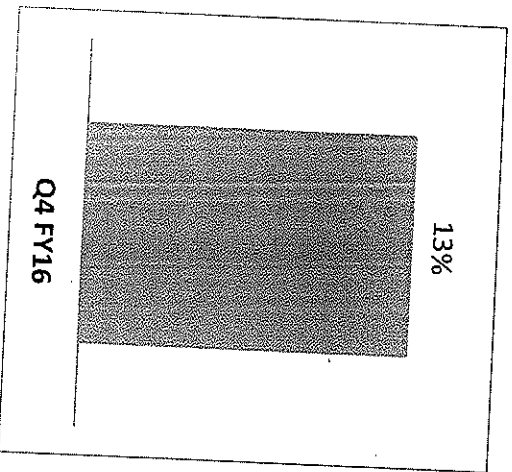


The process of creating the List was driven by the Bank's Risk Management team, led by CRO

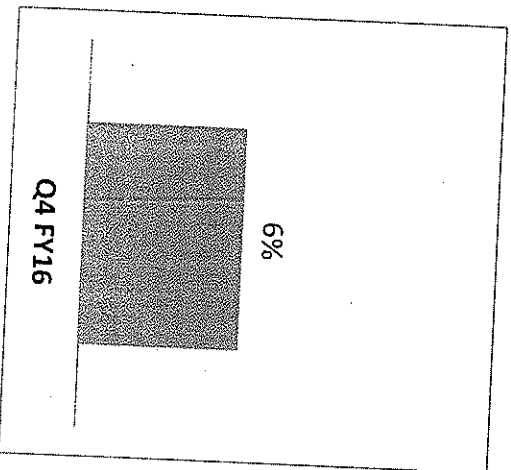
The Bank's outstanding on Watch List accounts at the end of Q4 FY16 was around ₹22,600 crores



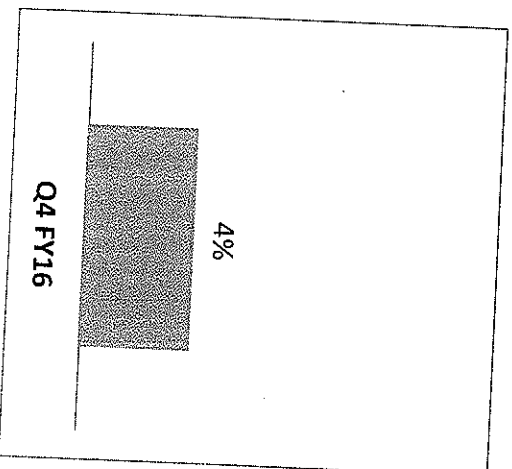
As % of Corporate Assets¹



As % of Total Customer Assets²



As % of Total Assets



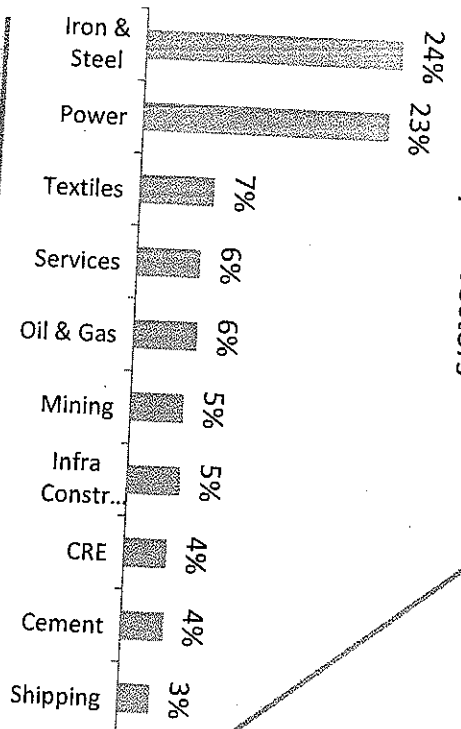
AXIS BANK ¹ Corporate Advances + Credit Substitutes

² Advances + Credit Substitutes

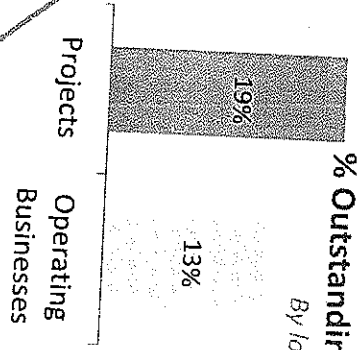
All numbers mentioned are Fund Based Outstanding as on Mar 31, 2016

Some color on composition of the Watch List

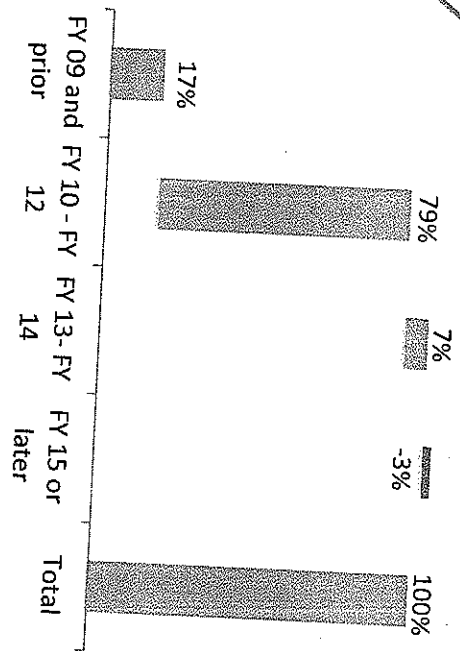
Sectoral composition of Watch List
Top 10 Sectors



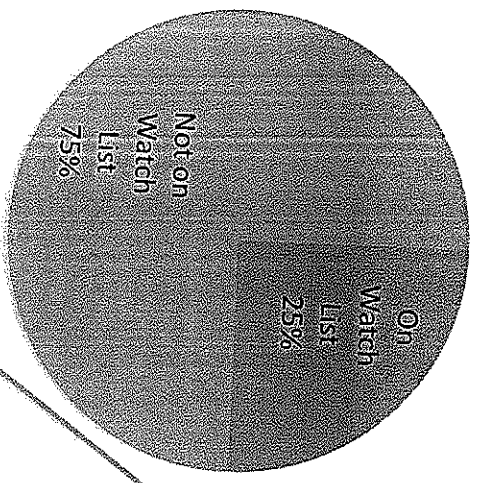
% Outstanding on Watch List
By loan type



When did Watch List outstanding originate?

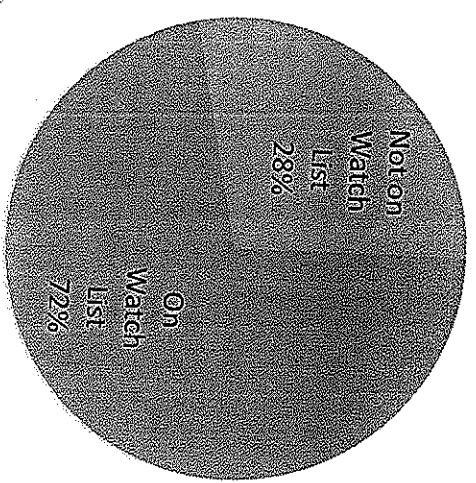


Outstanding with "Leveraged Groups"

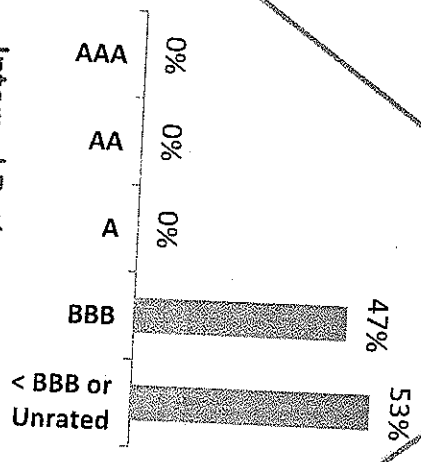


Watch List
₹22,628 Cr

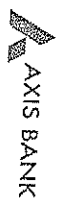
Restructured and SDR Outstanding
% of Restructured and SDR book that is on the Watch List



Internal Rating Mix (by value)



Fund Based Outstanding as on Mar 31, 2015



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