

Ref no: BBL /29 -C/18-19

April 27, 2018

The National Stock Exchange of India Limited  
The Listing Department  
Exchange Plaza,  
Bandra Kurla Complex,  
Mumbai - 400051  
Fax No: 022-26598237/38/66418124/25 / 26

BSE Limited  
Dept of Corporate Services  
Phiroze Jeejeebhoy Towers,  
Dala Street, Fort,  
Mumbai - 400001  
Fax: 022-22722037/39/41

Dear Sirs,

**Sub: Investor Presentation**

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, kindly find attached Investor Presentation in relation to Annual Financial Result of the Bank for the Financial Year 2017-18.

Thanking you,

Yours faithfully,

for **Bandhan Bank Limited**



**Indranil Banerjee**

**Company Secretary & Compliance Officer**



Encl : As above

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# INVESTOR PRESENTATION – FY 2017-18

April 2018



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# **KEY HIGHLIGHTS & STRENGTHS**

# KEY HIGHLIGHTS

## Bandhan Bank - Overview

- Successfully got listed on Listed on Bombay Stock Exchange (BSE) & National Stock Exchange ( NSE)
- Loan portfolio (on book + off book) grew 37.4% Y-o-Y
- Deposits grew by 45.8% in FY 17-18
- Net NPA at 0.54%
- Building new capacity in Non micro segment which helped the share of non micro segment moving up to 14% of the total assets
- Initiated Third party distribution during Q4 FY-18 with Health & General Insurance and distribution of Mutual Funds.
- Added 2.6 million Customer during the year with total customer base reaching to 13.01 million (Micro Banking- 10.6 million and Non Micro– 2.4 million and )
- Income from PSLC at ₹1.51 Billion during FY 18
- RBI Dispensation for deferment of MTM losses of ₹212.7 Mn not availed

## Snapshot of operations (31<sup>st</sup> March 2018)

Total Deposits	₹ 338.7 bn
Total loans and advances	₹ 323.4 bn <sup>1</sup>
Net interest margin (NIM)	9.7%
CASA ratio (%)	34.3%
ROAA (%)	4.1%
ROAE (%)	26.0%



**34**  
States & UTs



**458**  
Cities



**936**  
Branches



**460**  
ATMs



**2,764**  
DSCs



**28,159**  
Employees



**13mm**  
Customers



**94%<sup>1</sup>**  
Priority sector loans

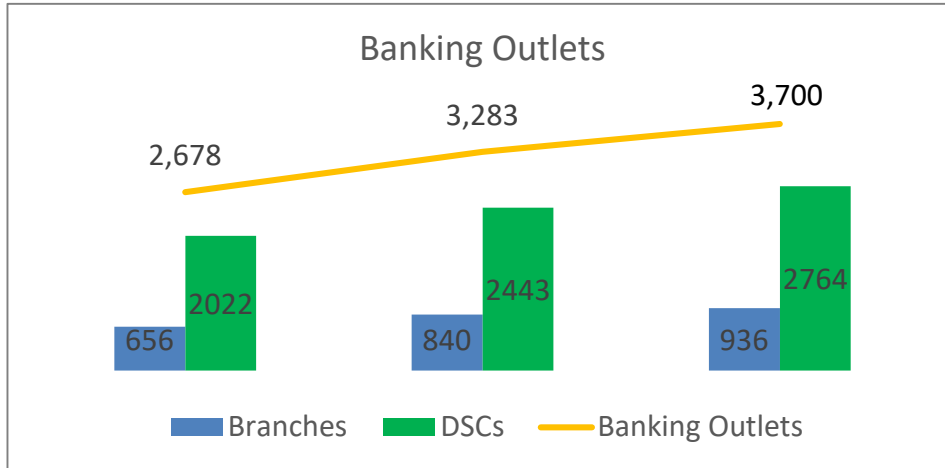


**86%**  
Micro loans

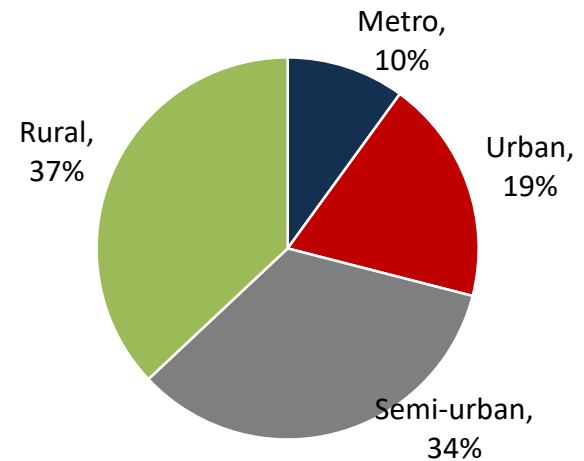
<sup>1</sup> Gross loan portfolio;

# **GEOGRAPHICAL DISTRIBUTION**

# GEOGRAPHICAL DISTRIBUTION



**Focus on serving the rural & underbanked population**



**Multi channel distribution network with a mix of branches and digital**

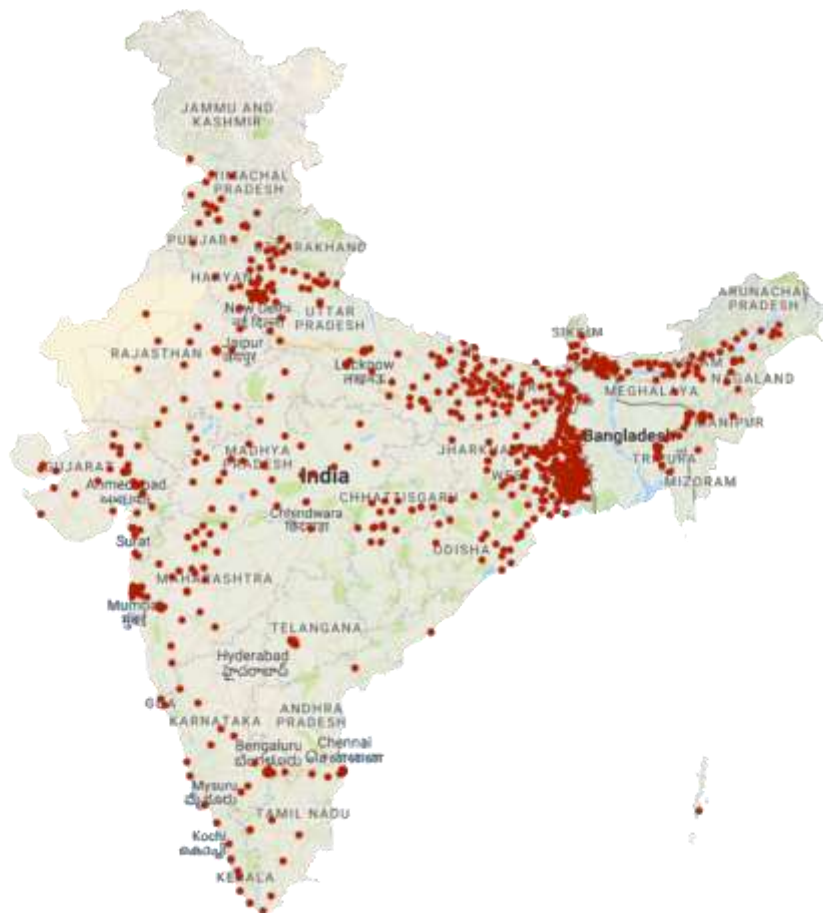


**Bandhan Bank has 3<sup>rd</sup> highest distribution network amongst Private Banks in India in terms of Banking Outlets\***

\* Source RBI MOF database as on 10.04.2018

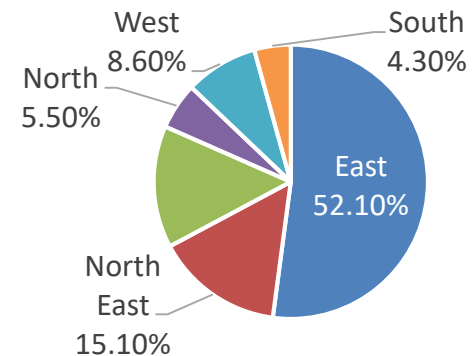
# GEOGRAPHICAL DISTRIBUTION

## Branch Mix- State Wise



## Significant presence in under-penetrated East and North East India

Banking Outlets as on 31<sup>st</sup> March 2018



**In East & North East Regions, Bandhan Bank has the highest distribution network amongst Private Banks and second highest distribution reach amongst all Banks in India, in terms of Banking Outlets \***

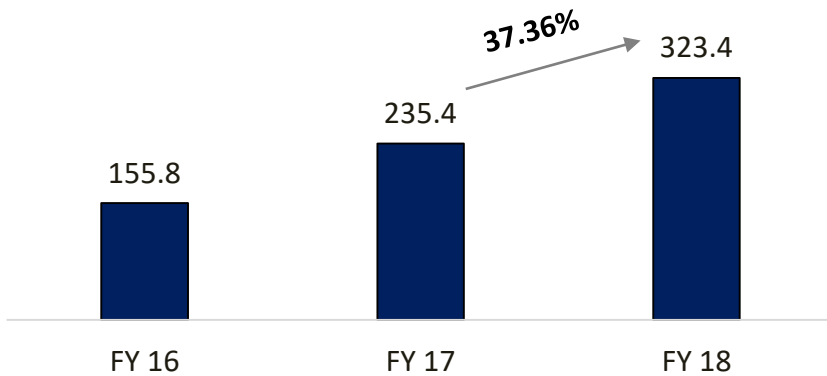
\* Source RBI MOF database as on 10.04.2018



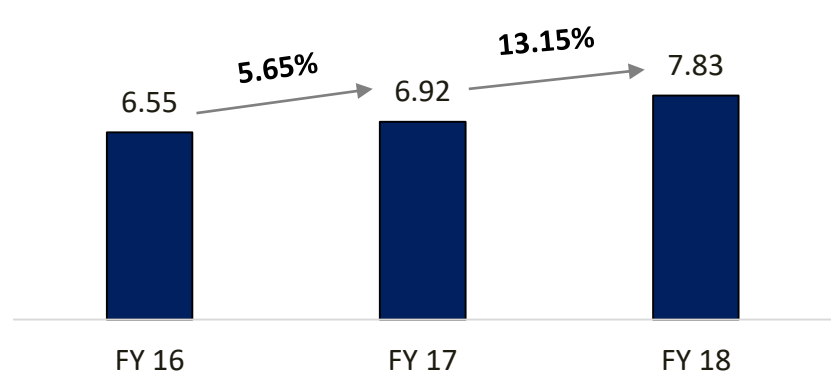
# **BUSINESS OVERVIEW**

# ASSET OVERVIEW

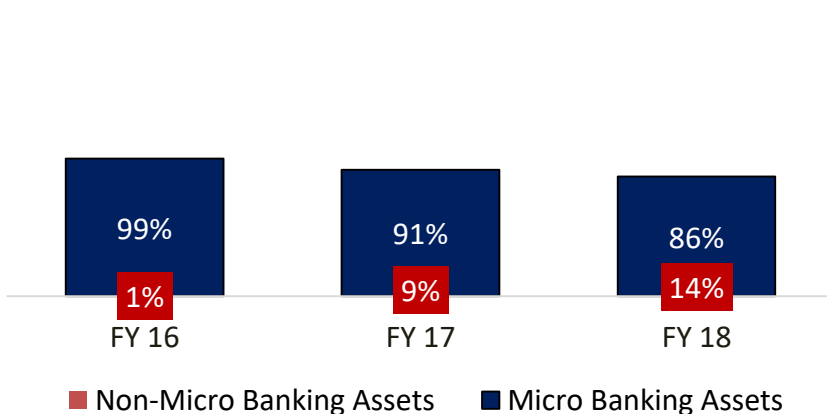
## Advances Growth (₹ in Billion)



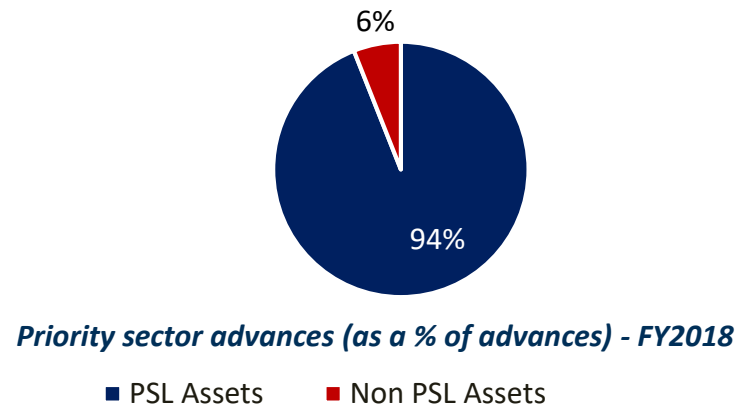
## Number of Active Borrowers (in Million)



## Composition of Advances (in %)

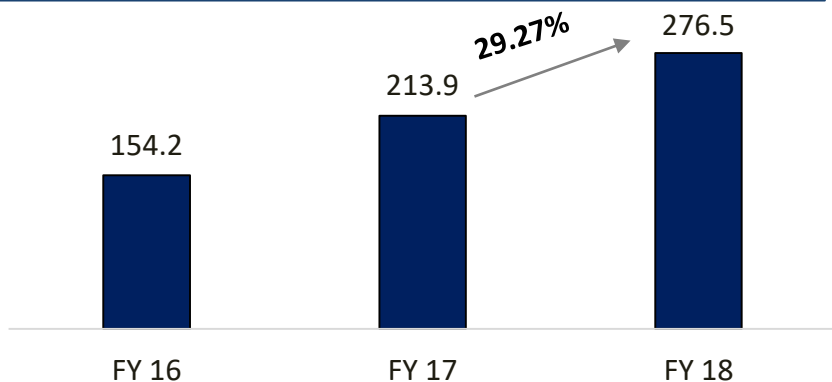


## Higher PSL Portfolio

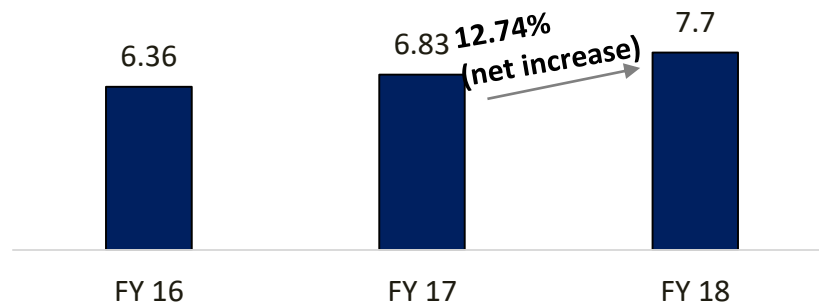


# MICRO BANKING ASSETS

### Micro Banking Asset Growth (₹ in Billion)

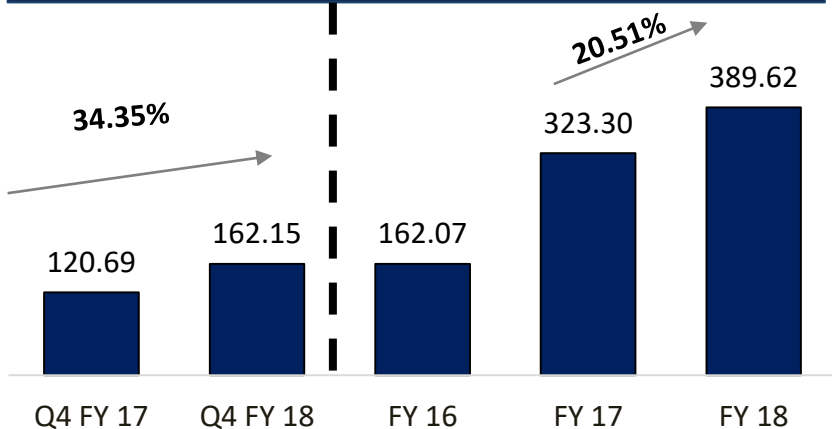


### Number of Active Micro Borrowers (in Mn)

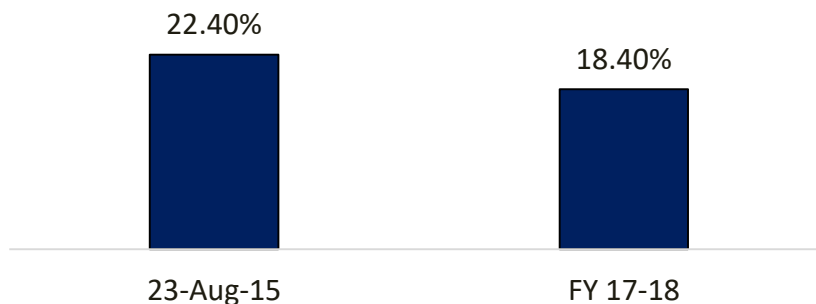


Gross increase in new borrowers for FY18 at 20.2%

### Micro Loan Disbursements (₹ in Billion)



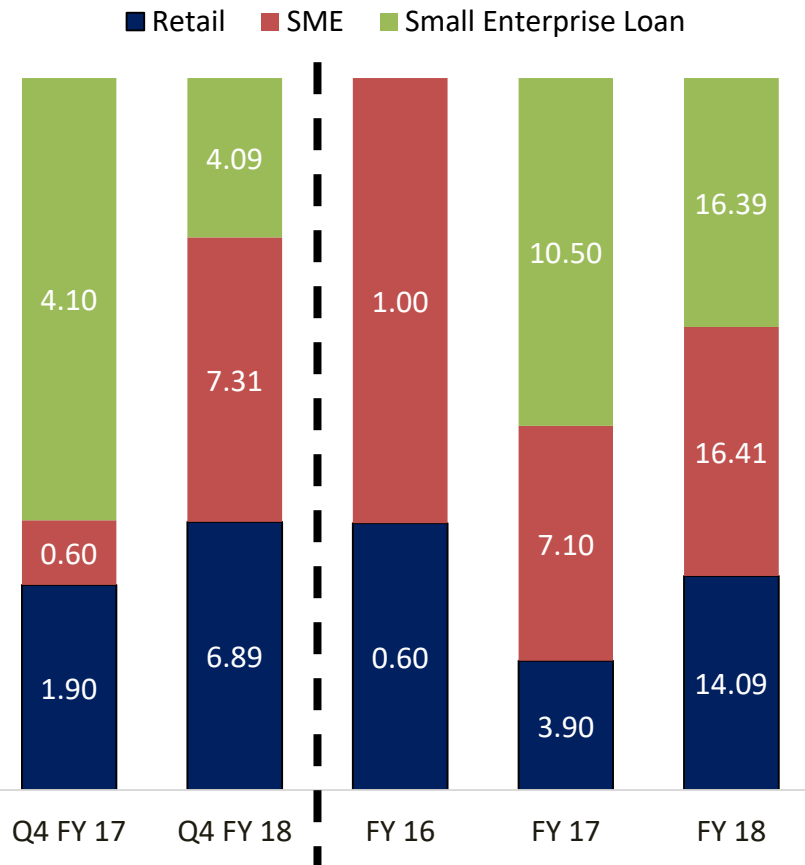
### Lending Rates -Micro Banking



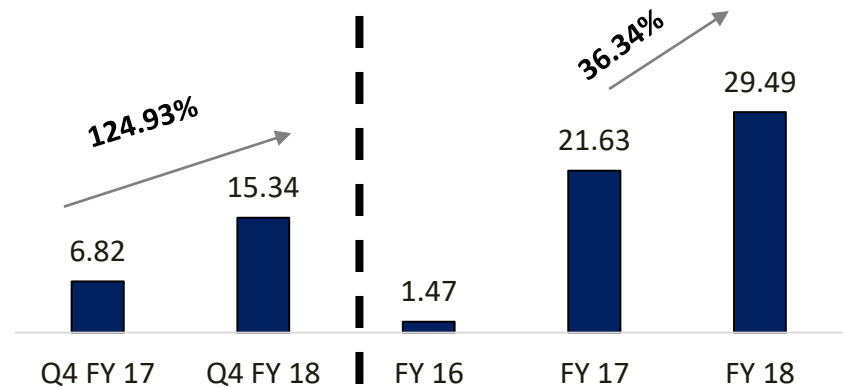
Lowest lending rate in Micro Finance Sector

# NON-MICRO BANKING ASSETS

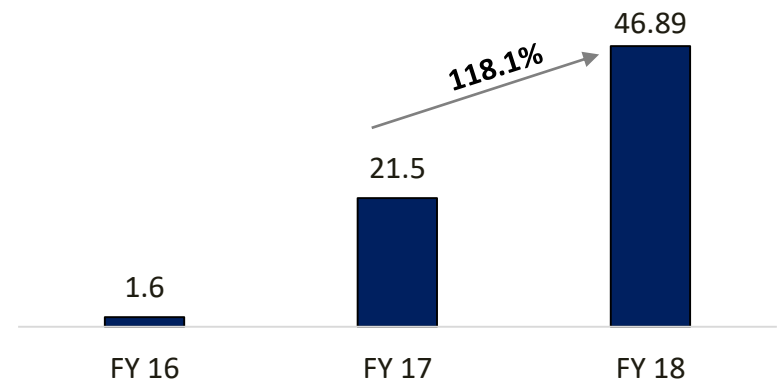
## Product wise Disbursements – Non Micro Advances (₹ in Billion)



## Total Disbursement - Non Micro Banking Asset (₹ in Billion)

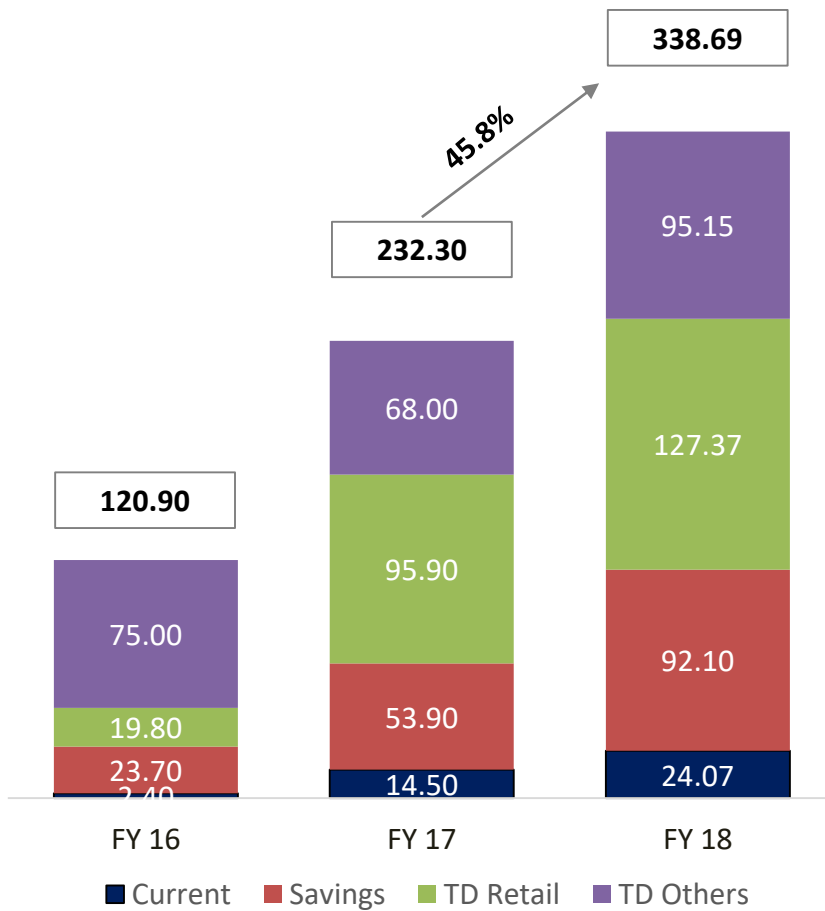


## Non Micro Banking Portfolio growth (₹ in Billion)

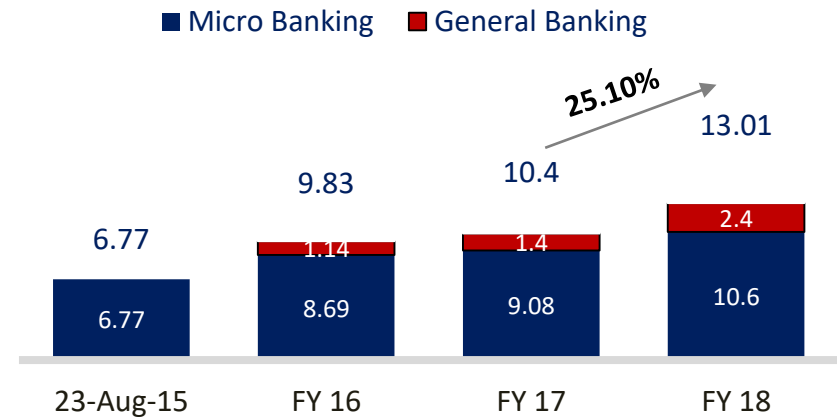


# LIABILITIES PROFILE

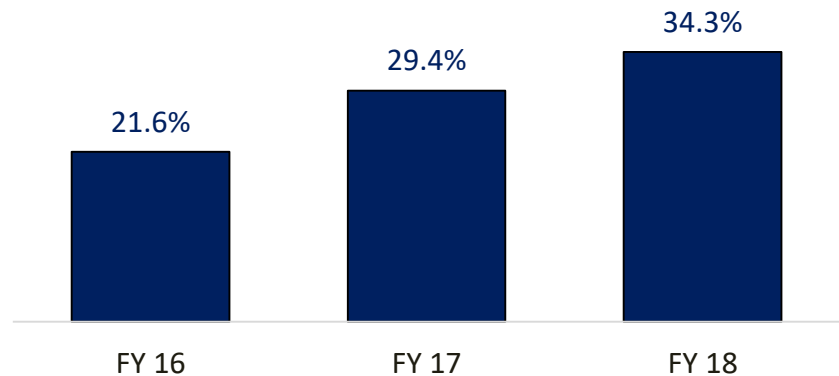
## Deposits Growth (₹ in Billion)



## Number of Customers (in Million)



## CASA (%)



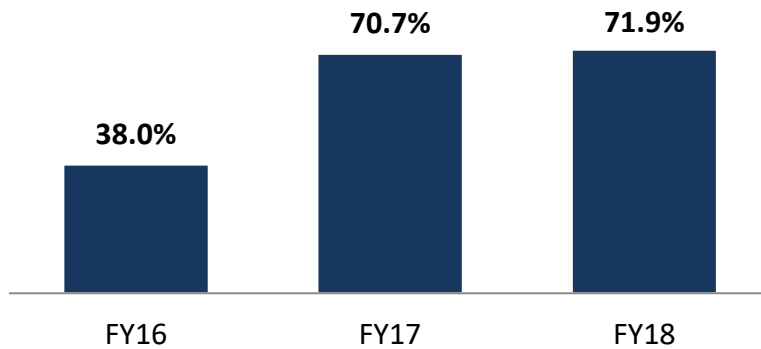
# CREDIT RATING

Rating of Bank's Financial Securities			
Instrument	Rating	Rating Agency	Amount (₹ in Billion)
Unsecured Subordinated Non - Convertible Debenture*	CARE AA; Stable (Double A Minus; Outlook: Stable)	CARE Ratings	1.60
	[ICRA]AA-(Double A Minus; Outlook: Positive)	ICRA	
Term Loans From Bank*	[ICRA]AA-(Double A Minus; Outlook: Positive)	ICRA	0.80
Certificate of Deposit	[ICRA] A1+	ICRA	15.00

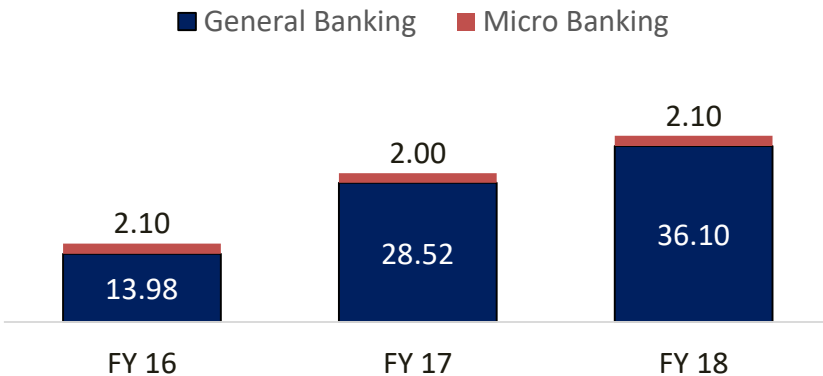
\*In the month of April 2018 , ICRA has upgraded its long term rating to [ICRA]AA Stable (pronounced ICRA double A) to the Rs. 160 crore subordinated Tier-II non-convertible debenture programme and its Rs. 80 crore term loans.

# LABILITIES PROFILE

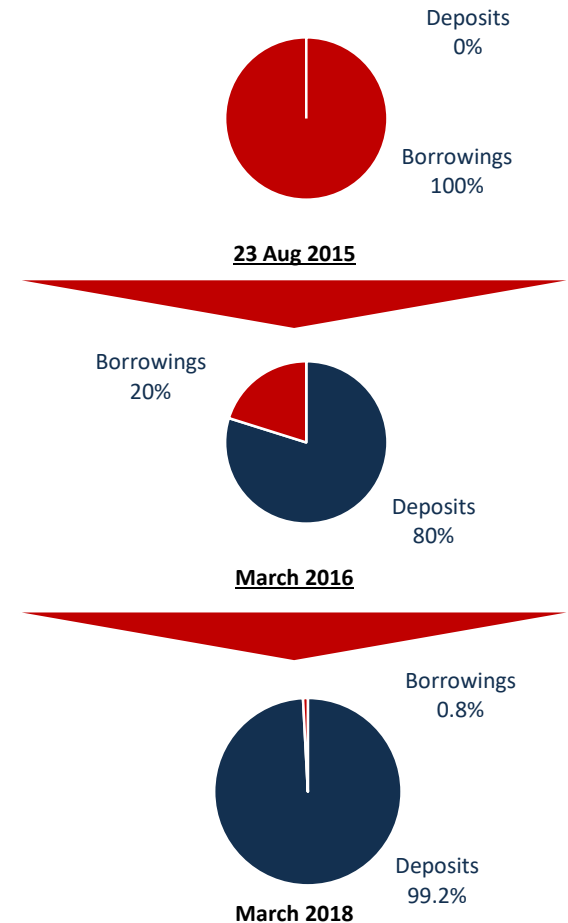
## Retail to total Deposits (%)



## Average SA Balance (₹ in 000')



## Moving towards a more stable and cheaper source of funding

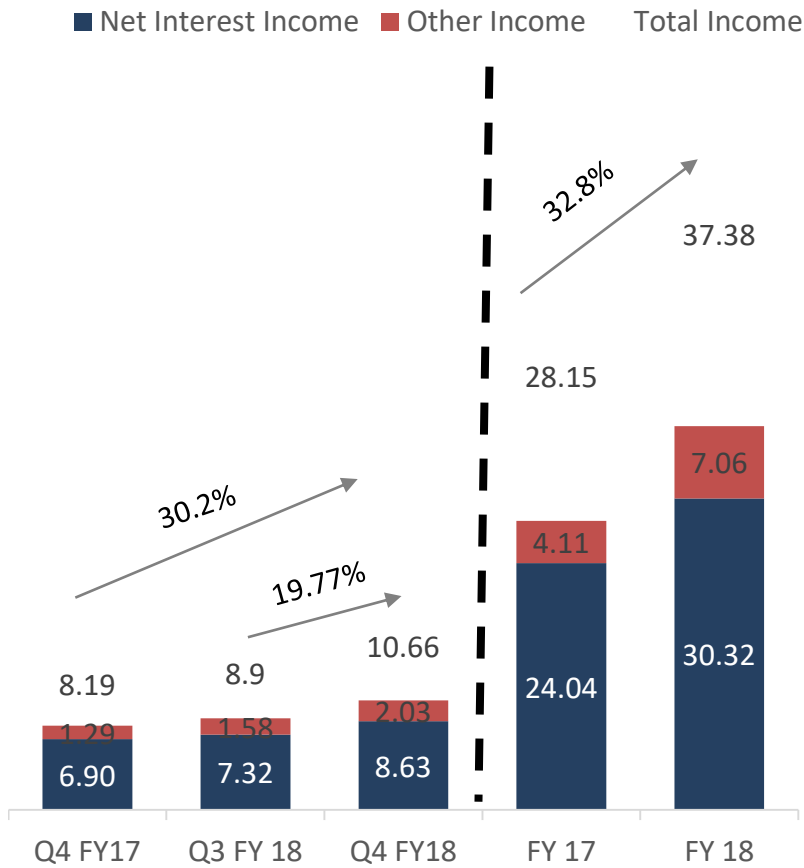


# FINANCIAL OVERVIEW

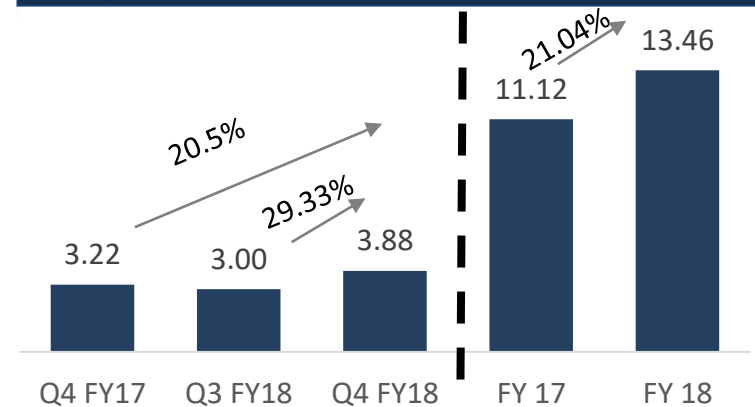


# FINANCIAL PERFORMANCE

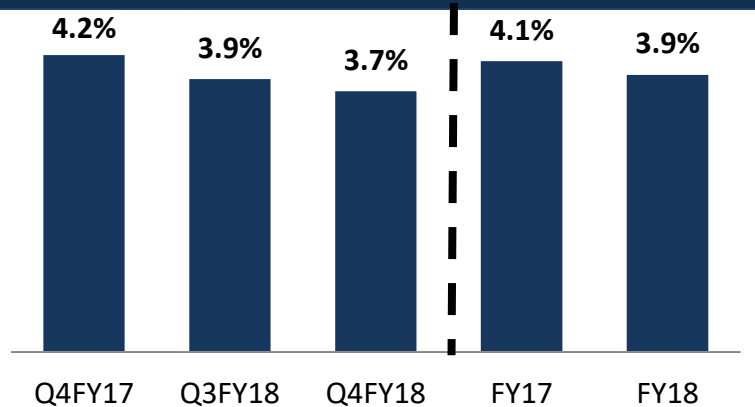
## Total income (₹ in Million)



## PAT (₹ in Million)

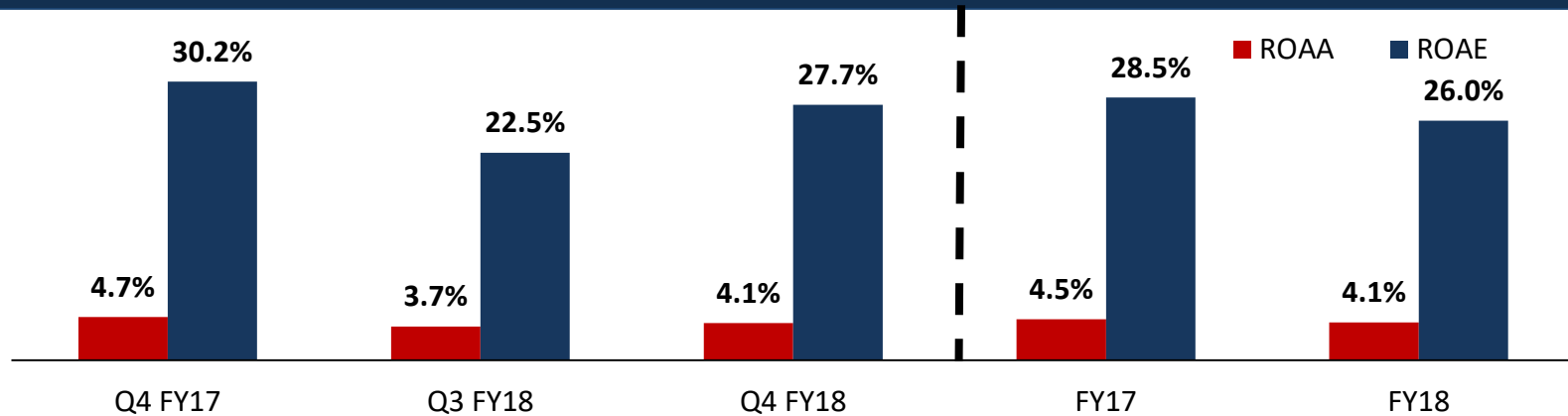


## Operating expenses to Average Assets (%)

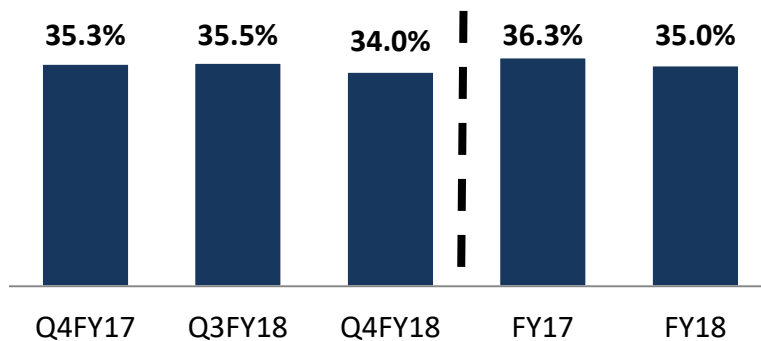


# FINANCIAL PERFORMANCE

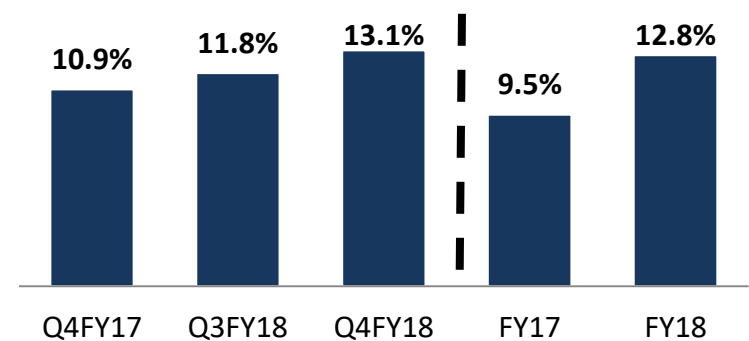
## ROAA & ROAE



## Cost to Income Ratio

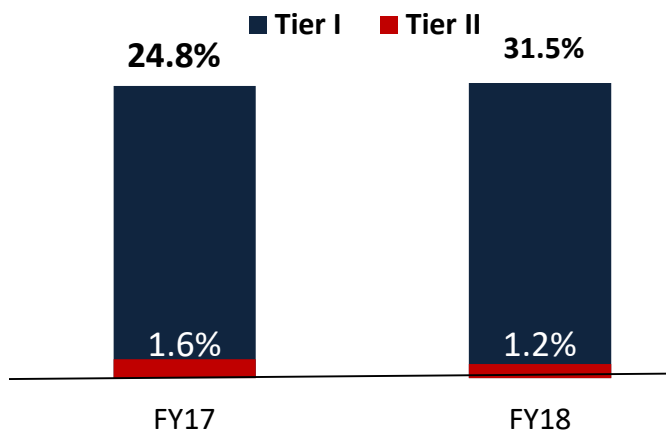


## Fee Income to Total Income Ratio

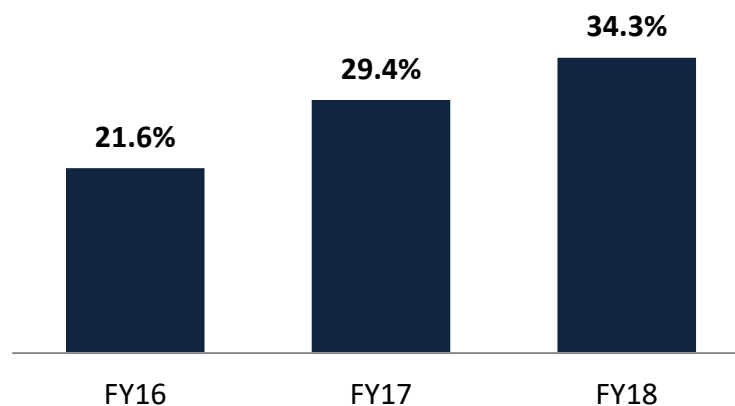


# FINANCIAL PERFORMANCE

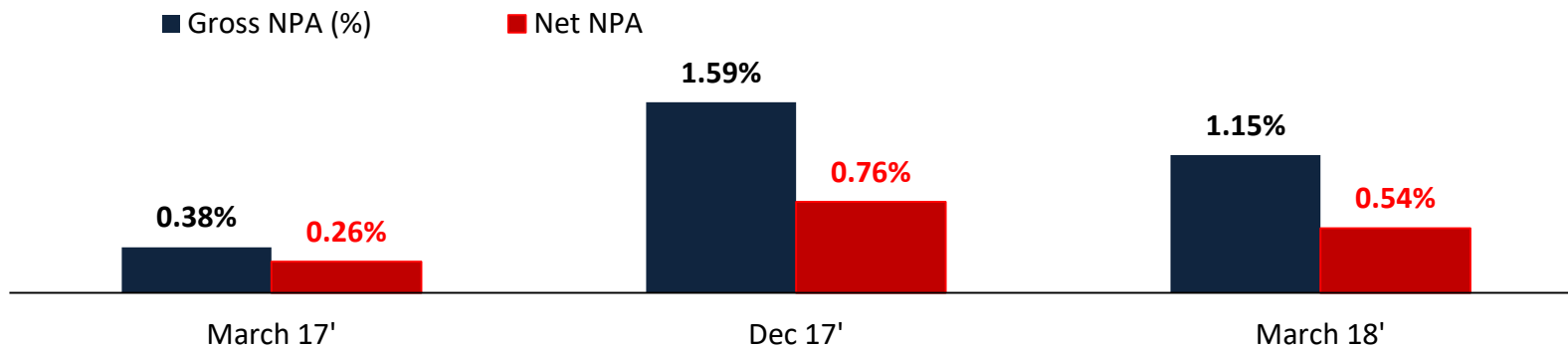
## Capital Adequacy Ratio



## CASA



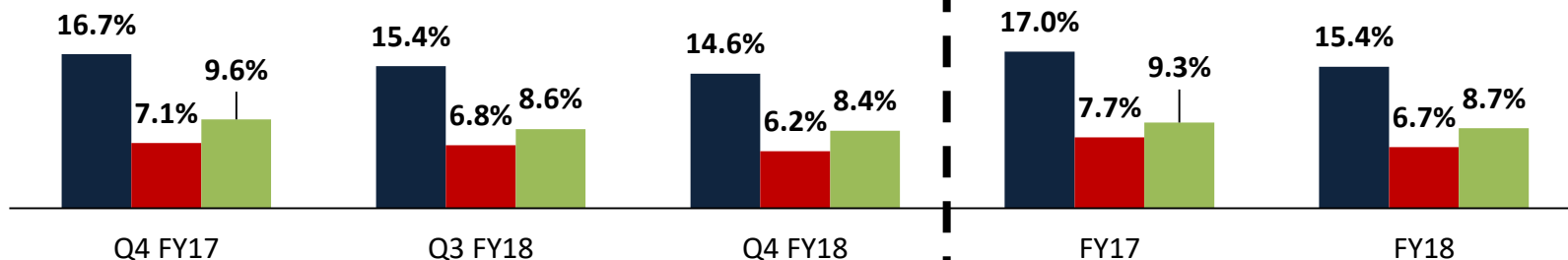
## Gross NPA, Net NPA and Provisioning Coverage Ratio



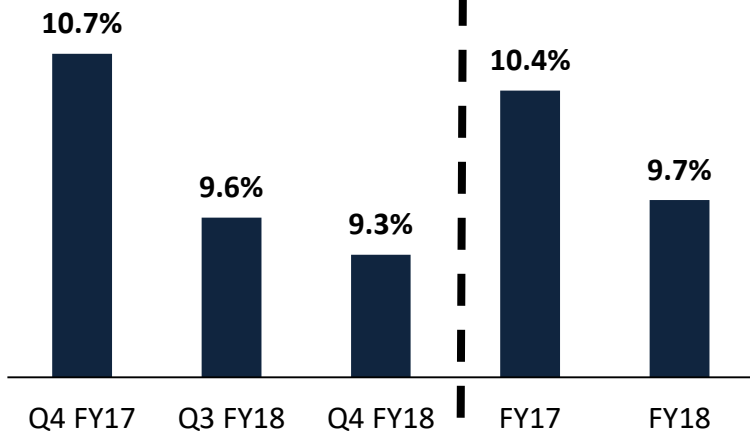
# FINANCIAL PERFORMANCE

## Spread %

■ Yield ■ Cost of funds (Excl Cap.) ■ Spread

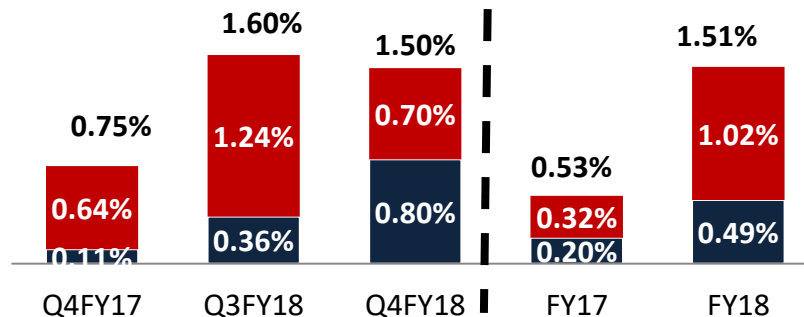


## NIM



## Credit Cost

■ Credit Cost - NPA ■ Credit Cost - Standard



# PROFIT & LOSS STATEMENT (IN ₹ MILLION)

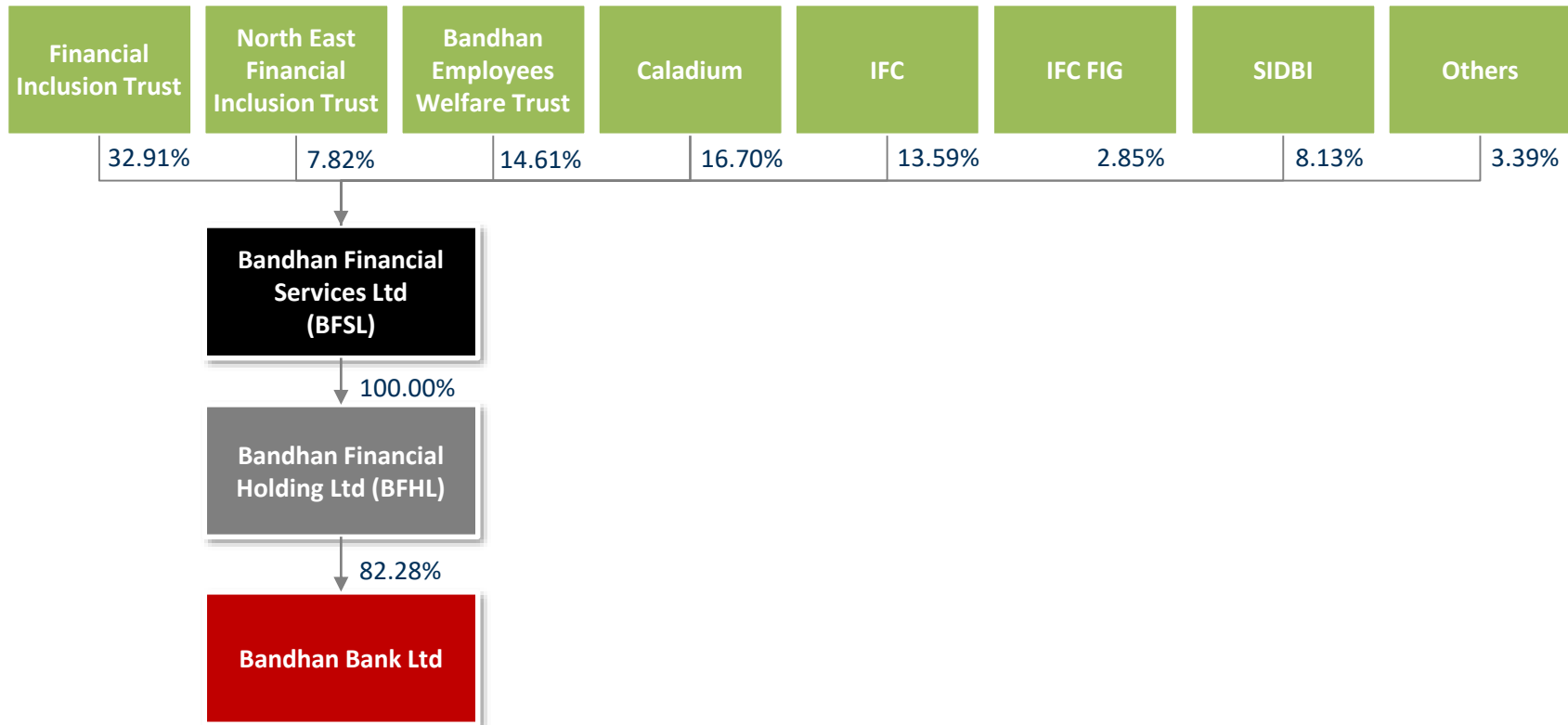
Particulars	Q4 FY 17	Q4 FY 18	YoY%	Q3 FY 18	QOQ%	FY 17	FY 18	YoY%
Interest Income	10,783	13,506	25.25%	11,780	14.69%	39,087	48,023	22.86%
Interest expenses	3,886	4,872	25.37%	4,460	9.19%	15,052	17,701	17.60%
<b>Net Int. Income (NII)</b>	<b>6,897</b>	<b>8,634</b>	<b>25.18%</b>	<b>7,320</b>	<b>18.03%</b>	<b>24,035</b>	<b>30,322</b>	<b>26.16%</b>
Non Interest Income	1,294	2,034	57.19%	1,580	28.48%	4,114	7,062	71.66%
<b>Total Income</b>	<b>8,191</b>	<b>10,668</b>	<b>30.24%</b>	<b>8,900</b>	<b>19.87%</b>	<b>28,149</b>	<b>37,384</b>	<b>32.81%</b>
Operating Expenses	2,891	3,630	25.56%	3,160	14.87%	10,220	13,083	28.01%
<b>Operating Profit</b>	<b>5,300</b>	<b>7,038</b>	<b>32.79%</b>	<b>5,745</b>	<b>22.51%</b>	<b>17,929</b>	<b>24,301</b>	<b>35.54%</b>
Provision (Std. + NPA+Writeoffs)	364	1,091	199.73%	1,225	-11.38%	884	3,742	323.30%
<b>Profit before tax</b>	<b>4,936</b>	<b>5,947</b>	<b>20.48%</b>	<b>4,519</b>	<b>36.2%</b>	<b>17,045</b>	<b>20,559</b>	<b>20.62%</b>
Tax	1,712	2,069	20.85%	1,519	29.27%	5,925	7,103	19.88%
<b>Profit after tax</b>	<b>3,224</b>	<b>3,878</b>	<b>20.29%</b>	<b>3,000</b>	<b>29.33%</b>	<b>11,120</b>	<b>13,456</b>	<b>21.01%</b>

# BALANCE SHEET (IN ₹MILLION)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 March 2017
<b>Capital &amp; Liabilities</b>		
Capital	11,928	10,951
Reserves & Surplus	81,891	33,513
<b>Shareholder Funds</b>	93,819	44,465
Deposits	338,690	232,287
Borrowings	2,850	10,289
Other liabilities and provisions	7,741	15,320
<b>Total</b>	<b>443,101</b>	<b>346,825</b>
<b>Assets</b>		
Cash and balances with Reserve Bank of India	28,371	60,121
Balance with Banks and Money at call and short notice	26,735	13,529
Investments	83,719	55,165
Advances	297,130	168,391
Fixed Assets	2,381	2,518
Other Assets	4,764	2,637
<b>Total</b>	<b>443,101</b>	<b>346,825</b>

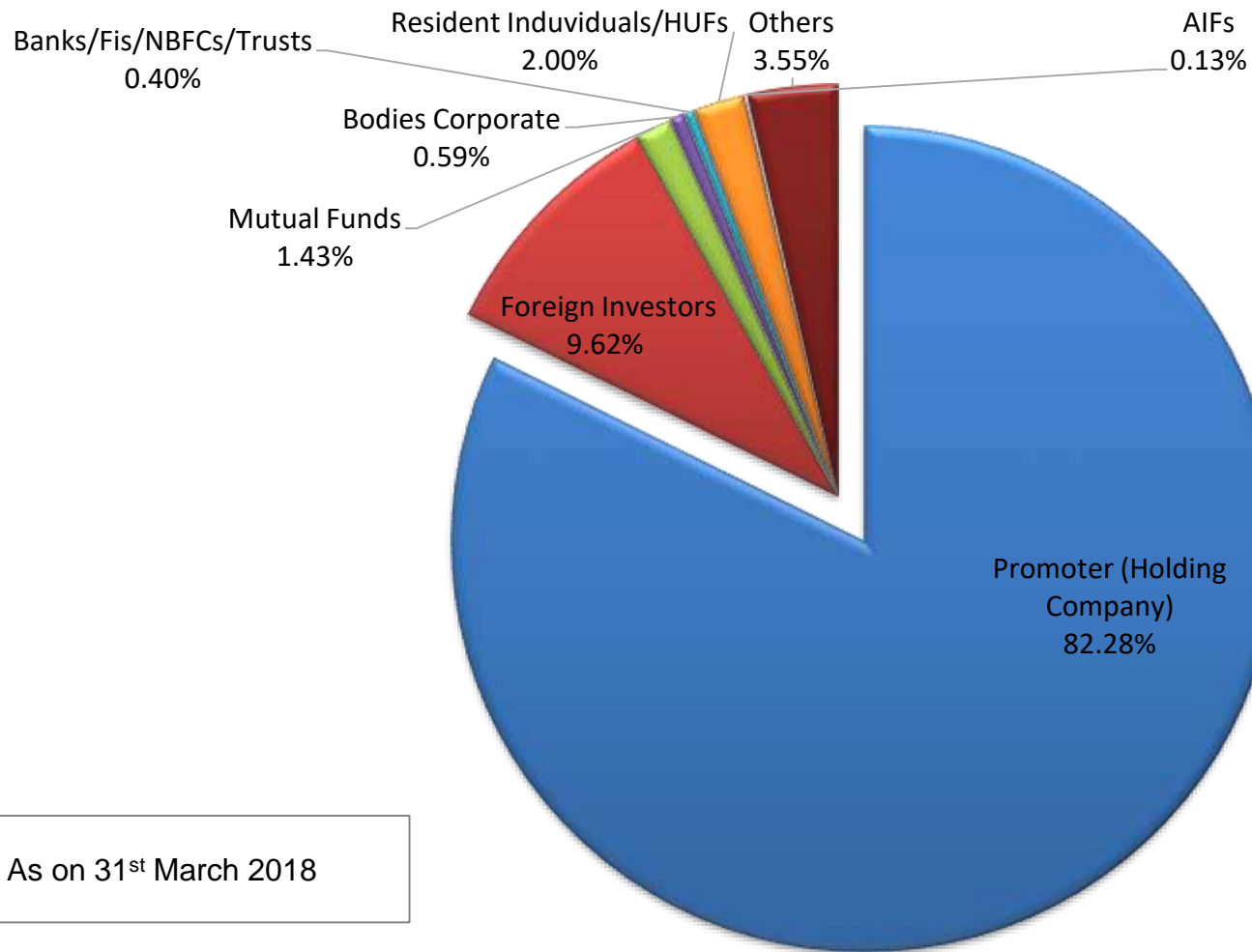
# SHAREHOLDING & MANAGEMENT

# BANDHAN GROUP STRUCTURE & SHAREHOLDING





# SHAREHOLDING PATTERN – BANDHAN BANK



As on 31<sup>st</sup> March 2018

# EXPERIENCED AND PROFESSIONAL TEAM...

Management Team



**Chandra Shekhar Ghosh**  
**MD & CEO**

- Founder of BFSL, has ~25 years of experience in the field of microfinance and development
- Awarded 'Entrepreneur of the Year' by Forbes and ET in 2014



**Sunil Samdani**  
**Chief Financial Officer**

- 15+ years of experience in financial industry
- Previously served as Head of Business Analytics and Strategy at Development Credit Bank and as CFO at Karvy



**Biswajit Das**  
**Chief Risk Officer**

- 26 years of experience in banking industry
- Previously served as Head-RBS and regulatory reporting at ICICI Bank



**Arvind Kanagasabai**  
**Head, Treasury**

- 28+ years of experience at a PSU Bank
- Previously served as CFO at SBI DFHHL, Mumbai



**Sourav Kar**  
**Chief Compliance Officer**

- 25+ years of experience in banking industry
- Previously served as Regional Business Manager - Liability Sales at ING Vysya Bank



**Indranil Banerjee**  
**Company Secretary**

- 15+ years experience in financial industry
- Previously served as Company Secretary at Energy Development Company



**Nicky Sharma**  
**Chief Strategy Officer**

- 10+ years of experience in the field of technology & Finance
- Previously served as Associate Director at PWC, Gurgaon



**Rahul Johri**  
**Head, Retail Banking**

- 23+ years of experience across multinational banks
- Previously worked as Head of Consumer Banking and member of India Management committee at DBS Bank India



**Mahendra Mohan Gupta**  
**Head, Legal**

- 32+ years experience in the legal, finance and banking industry
- Previously worked as DGM- Legal at ICICI Bank



**Santanu Banerjee**  
**Head, HR**

- 25+ years of experience in the field of banking and finance
- Previously worked as Head of HR Business Relationship at Axis bank



**Vijaykumar Ramakrishna**  
**Chief Information Officer**

- 20+ years of experience in the field of technology
- Previously worked as Group Manager of Intuit India and as Chief Technology Officer of Yes Bank



**Subhro Kumar Gupta**  
**Chief Audit Executive**

- 33+ years experience in Banking Industry.
- Previously served as Head Audit at ICICI Bank



**Nand Kumar Singh**  
**Head, Banking Operations and Customer Services**

- 25+ years experience in banking industry
- Previously served as Retail Banking Head, Patna Circle, at Axis Bank



**Deepankar Bose**  
**Head, Corporate Centre**

- 35+ years experience in banking industry
- Previously served as Chief General Manager and Head Of Wealth Management business, at SBI

# ... BACKED BY A STRONG INDEPENDENT BOARD

## Board of Directors

 <p><b>Chandra Shekhar Ghosh</b> <b>MD &amp; CEO</b></p> <ul style="list-style-type: none"> <li>➤ Has significant experience in the field of microfinance</li> <li>➤ Awarded 'Outstanding Leadership Award' by Dhaka University</li> </ul>	 <p><b>Harun Rashid Khan</b> <b>Director</b></p> <ul style="list-style-type: none"> <li>➤ Retired as Deputy Governor of Reserve Bank of India</li> <li>➤ Instrumental in formulation of Payments system Vision 2018 of RBI</li> </ul>
 <p><b>B. Sambamurthy</b> <b>Director</b></p> <ul style="list-style-type: none"> <li>➤ Served as Chairman &amp; MD of Corporation Bank previously</li> <li>➤ Also served as a director for the Institute for Development and Research in Banking Technology</li> </ul>	 <p><b>Krishnamurthy Subramanian</b> <b>Director</b></p> <ul style="list-style-type: none"> <li>➤ Significant experience in the field of finance services</li> </ul>
 <p><b>Bhaskar Sen</b> <b>Director</b></p> <ul style="list-style-type: none"> <li>➤ Board member of West Bengal Financial Corp., Calcutta Stock exchange</li> <li>➤ Previously, worked as Chairman &amp; MD of Union Bank of India</li> </ul>	 <p><b>Chintaman Dixit</b> <b>Director</b></p> <ul style="list-style-type: none"> <li>➤ Significant experience in finance and accountancy sector</li> <li>➤ Previously, he has worked at Life Insurance Corporation and Indian Bank</li> </ul>
 <p><b>Sisir Kumar Chakrabarti</b> <b>Director</b></p> <ul style="list-style-type: none"> <li>➤ Previously, worked at Axis Bank</li> <li>➤ Also worked with State Bank of Bikaner and Jaipur prior to joining Axis Bank</li> </ul>	 <p><b>Snehomoy Bhattacharya</b> <b>Director</b></p> <ul style="list-style-type: none"> <li>➤ Significant experience in public and private banking sector</li> <li>➤ Previously worked at Axis Private Equity</li> </ul>
 <p><b>Ranodeb Roy</b> <b>Non-executive Director</b></p> <ul style="list-style-type: none"> <li>➤ Founder of RV Capital Management Private Limited, Singapore, he was earlier heading Fixed Income Asia Pacific in Morgan Stanley Asia Singapore</li> </ul>	 <p><b>T. S. Raji Gain</b> <b>Director</b></p> <ul style="list-style-type: none"> <li>➤ Significant experience in the field of agricultural and rural development</li> <li>➤ Previously, she has worked with NABARD</li> </ul>
 <p><b>G.E. Baker</b> <b>Nominee Director</b></p> <ul style="list-style-type: none"> <li>➤ Significant experience in the private equity sector</li> <li>➤ Worked on IFC's investments in manufacturing and financial sector investments</li> </ul>	 <p><b>Dr. Holger Dirk Michaelis</b> <b>Nominee Director</b></p> <ul style="list-style-type: none"> <li>➤ Significant experience in private equity and as strategic advisor to financial services companies</li> <li>➤ Currently, he is working at GIC</li> </ul>

# AWARDS AND ACCOLADES



Mr. Ghosh received the Lifetime Achievement Samman by Friends of Kolkata in December 2017



'Best Private Sector Bank' in the category – Best Private Sector Bank – by Dun & Bradstreet Banking Awards in August 2017



Bandhan Bank bagged 'The Hindu Business Line Changemaker Award' in March 2018



Mr. Ghosh received the prestigious C. Rangarajan Award for Excellence in Banking by Skoch group in June 2017



Mr. Ghosh was conferred with the 'Sera Bangalee' honor by North American Bengali Conference (NABC) on July 2017

# STRATEGY FOR FUTURE GROWTH

# STRATEGY FOR FUTURE GROWTH

## **Maintain focus on micro lending while expanding further into other retail and SME lending**

- Open branches and DSCs to grow customer base for micro loans as well as the rural affluent and mass affluent population to grow retail and SME lending

## **Boost share of non-interest income**

- Leverage strong PSL-compliant portfolio by increasingly selling PSL certificates to non-PSL compliant banks
- Distribution of third-party insurance products and third-party mutual funds

## **Continue to strengthen our liability franchise**

- Seek retail deposits, as opposed to wholesale deposits or other forms of funding
- Develop products and services for rural and urban mass retail customers and actively promote accounts and deposits by offering attractive interest rates

## **Enhance our digital platform to improve customer acquisition and retention and reduce costs**

- We are continuously investing to enhance digital and technology platform to drive customer satisfaction, customer retention and reduce costs
- Established internet banking facilities, a mobile banking app, online and mobile payment modes for cashless payments, e-commerce payments

## **Enhance retail banking systems and procedures to improve efficiency**

- Improve efficiency of branches
- Increasing multi-tasking by branch employees
- Monitor interaction between DSCs and linked branches to optimise the linkages
- Enhance retail banking systems and procedures in order to improve retail banking efficiency

**THANK YOU**

