

Deposits

Analyst Day Presentation

Dec 1, 2022 | Mumbai



Bandhan
Bank



₹ 993 B

Deposits

7M

Clients

1,190

Branches with 500 new coming up

41%

CASA ratio



Bandhan
Bank

AGENDA FOR THE MEET

Redefining solutions keeping Customers at the Core of Every Decision making

01

DEPOSIT GROWTH

Deposits in India are facing a shift coming off Covid and low interest regimes. HH savings have found newer avenues of allocations as Depositors look to diversify allocations including Capital Market

02

OUR JOURNEY

Coming on the back of consistent growth, we faced similar headwinds as the market.

03

PILLARS OF GROWTH

Staying ahead by focusing on our Distribution Strength, Acquisition ramp up , building compelling Customer Value Propositions riding on enhanced technology and digital platforms and executing our Beyond East strategy leveraging an expanded footprint

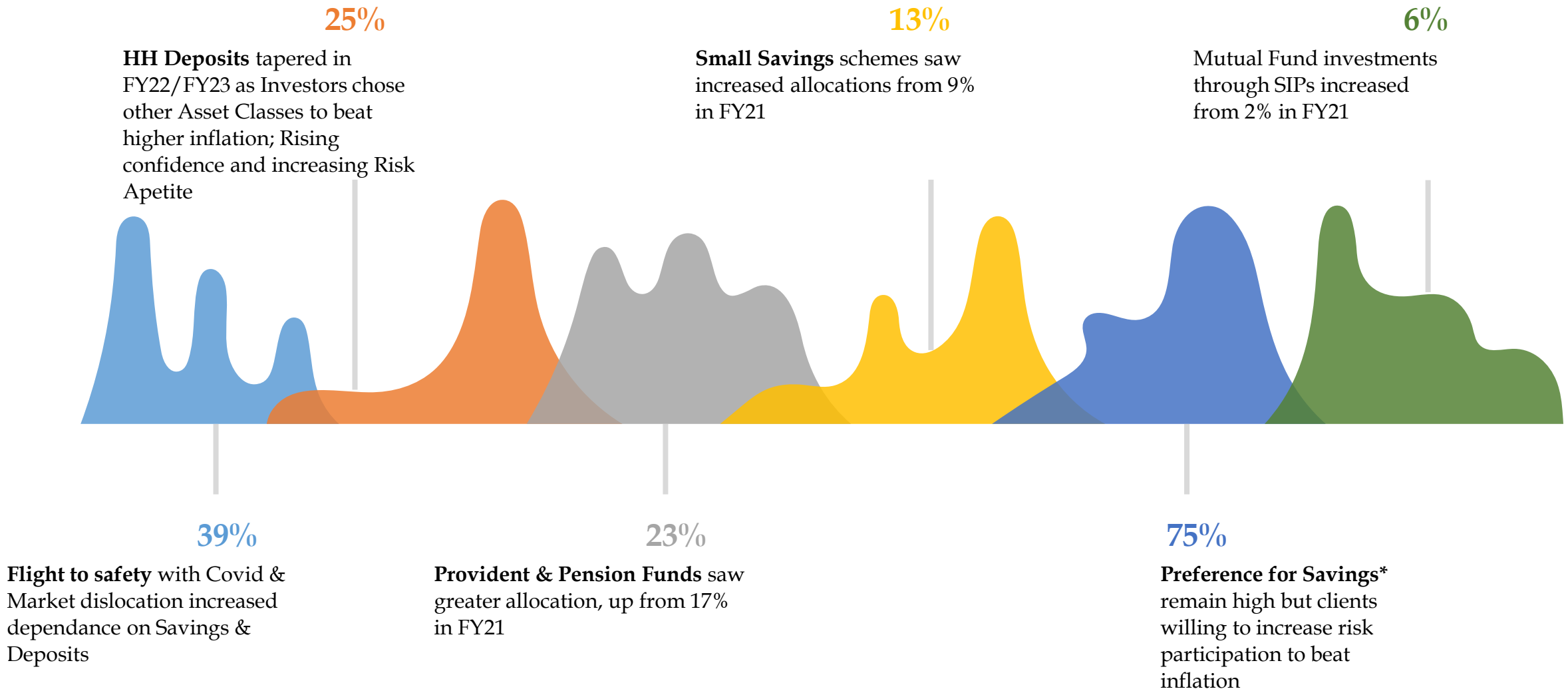
04

INITIATIVES

Re-defining the Engagement Model, Investments in Technology, Insight Driven Operative Model, New solutions make us well poised for a sustainable future growth

DEPOSIT MIX - EVOLVING TRENDS

Shifting preferences in HH Savings from Deposits to other Asset classes



*CMIE data

*BankBazaar Savings Quotient 2022

AGENDA FOR THE MEET

Redefining solutions keeping Customers at the Core of Every Decision making

01

DEPOSIT GROWTH

Deposits in India are facing a shift coming off Covid and low interest regimes. HH savings have found newer avenues of allocations as Depositors look to diversify allocations including Capital Market

02

OUR JOURNEY

Coming on the back of consistent growth, we faced similar headwinds as the market.

03

PILLARS OF GROWTH

Staying ahead by focusing on our Distribution Strength, Acquisition ramp up , building compelling Customer Value Propositions riding on enhanced technology and digital platforms and executing our Beyond East strategy leveraging an expanded footprint

04

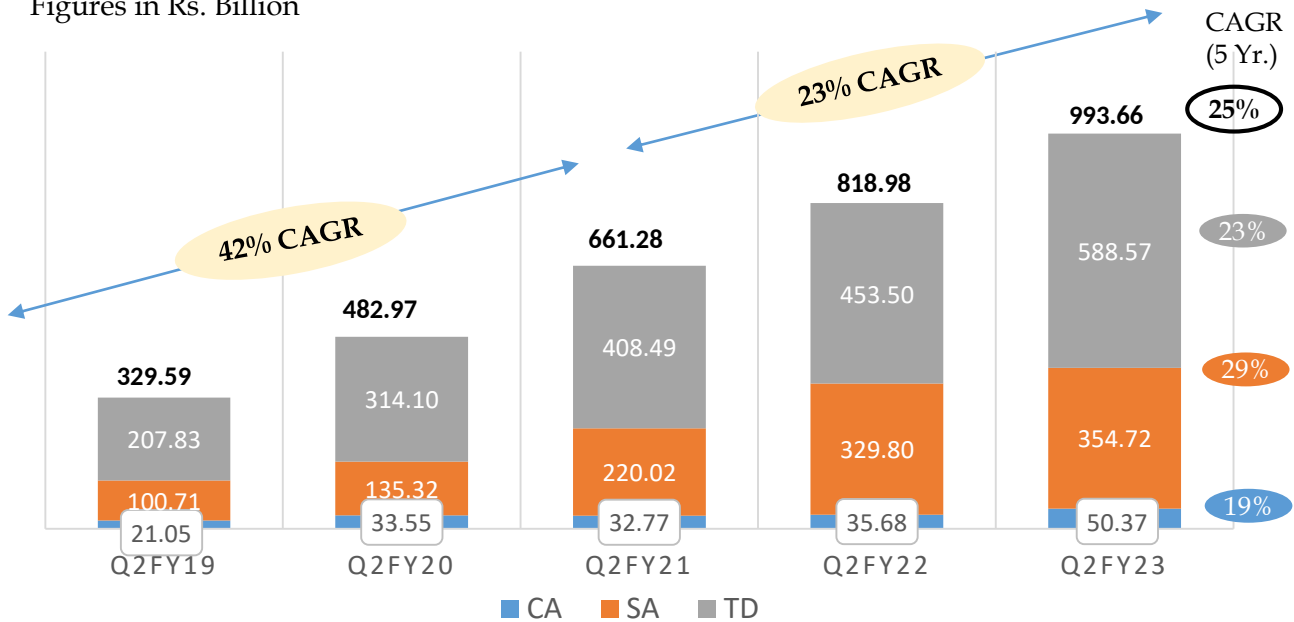
INITIATIVES

Re-defining the Engagement Model, Investments in Technology, Insight Driven Operative Model, New solutions make us well poised for a sustainable future growth

JOURNEY SO FAR

We are restacking our approach to meet the shifting customer preferences

Figures in Rs. Billion



HEADLINE GROWTH POSITIVE

Steady headline growth better than Industry but composition changed basis shifting preferences. CASA ratio growth (41% to 44%), Retail Deposits growth (74% to over 80%) restack underway

SAVINGS / INDIVIDUAL

Saving Growth better than Industry but we see deceleration in the book. Strategy on Savings being implemented in expanded geography

DEPOSITS

Term Deposits headline growth remain consistent, but composition changed as Bulk outpaced Retail. Initiatives underway to get the composition back to our preferred levels

CURRENT / BUSINESS

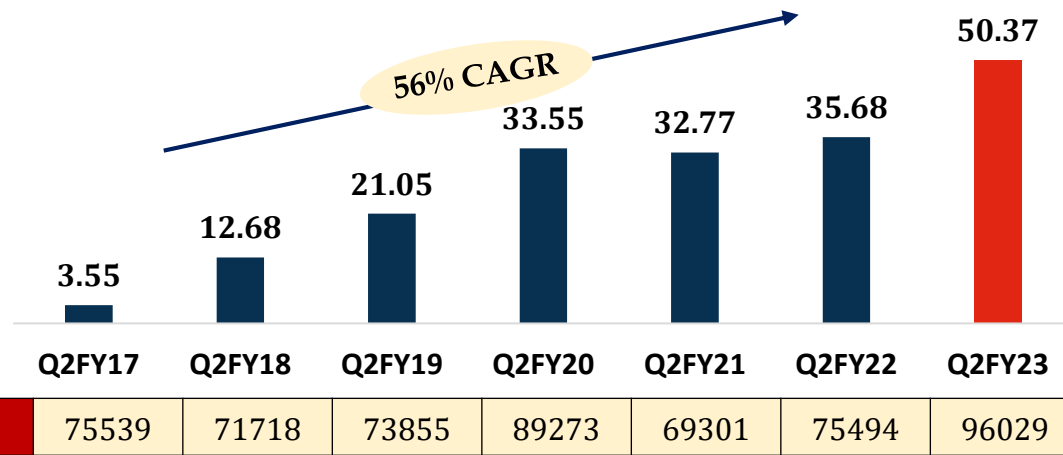
Business account saw consistent growth, but value proposition is being redefined to gain acceleration

Current Accounts

Targeting the most profitable segment with business ecosystem

**All figures in Billion

Trends in Growth of CA Deposits

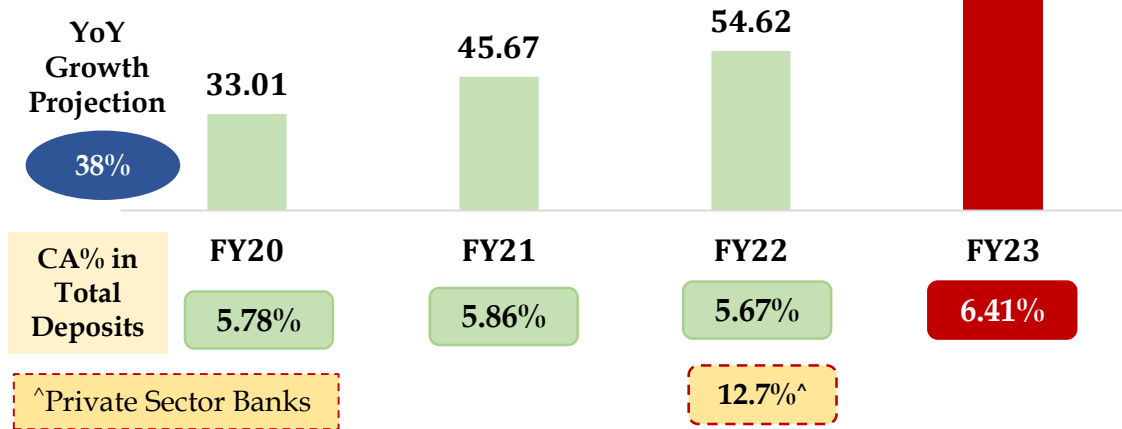


ATS	75539	71718	73855	89273	69301	75494	96029
-----	-------	-------	-------	-------	-------	-------	-------

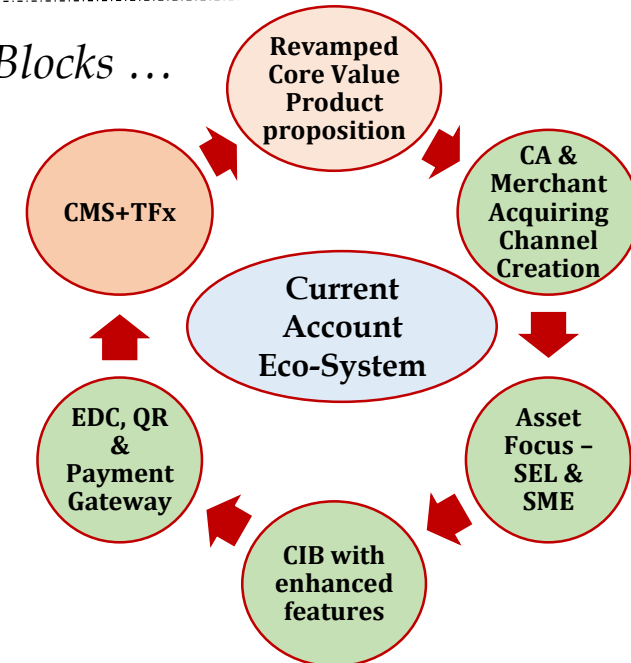
- ❑ Improvement in acquisition quality
- ❑ Digitization, improved product mix & cross selling (hooks) is way forward to the next level

Variable	Industry	Bandhan Bank
Individual /Proprietor	75-80%	93%
Pvt Ltd/LLP/Pub Ltd/partnership	20%	7%
Premium Accounts (>= 1 Lac)	15-20%	6%
NTB ATS (in Rs.)	1.25-1.5 Lacs	1.07 Lacs
Internet Banking Active	65-70%	30%

CA Book Movement & Projection for FY23



Building Blocks ...

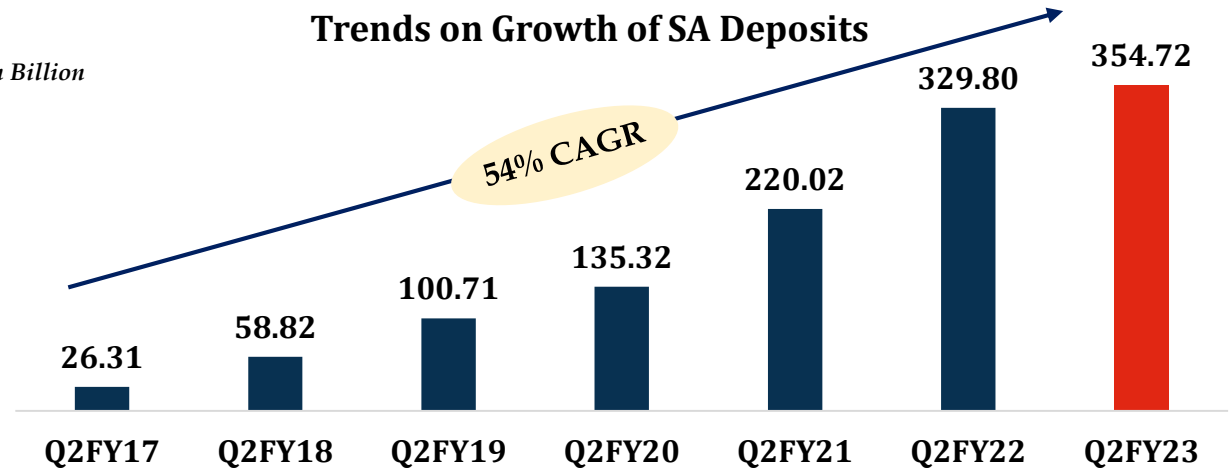


Savings Journey

Adding Value for Customers

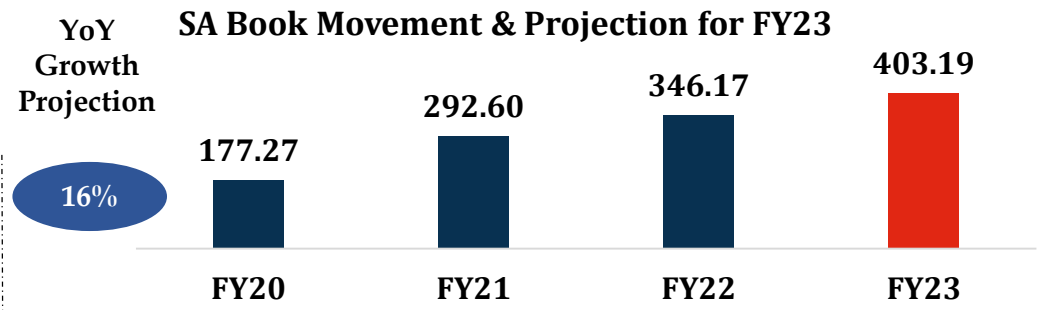
**All figures in Billion

Trends on Growth of SA Deposits

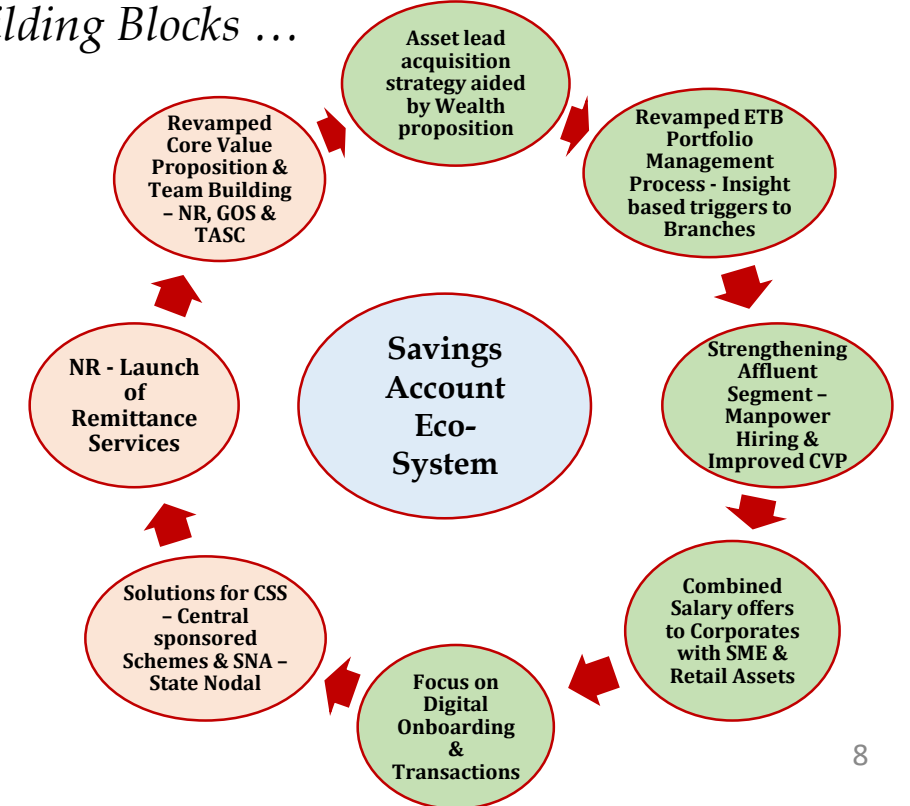


YoY Growth %	Q2FY17	Q2FY18	Q2FY19	Q2FY20	Q2FY21	Q2FY22	Q2FY23
ATS	3117	5737	7675	8486	11906	15445	15147
ATS excluding EEB	19894	28975	34282	34130	49464	64024	59362

- ❑ Acquisition channels continue to on board quality customers
- ❑ Digital on boarding slated to ramp up numbers significantly and bring down costs
- ❑ Existing customer base engagement through revamped value propositions to build balances



Building Blocks ...

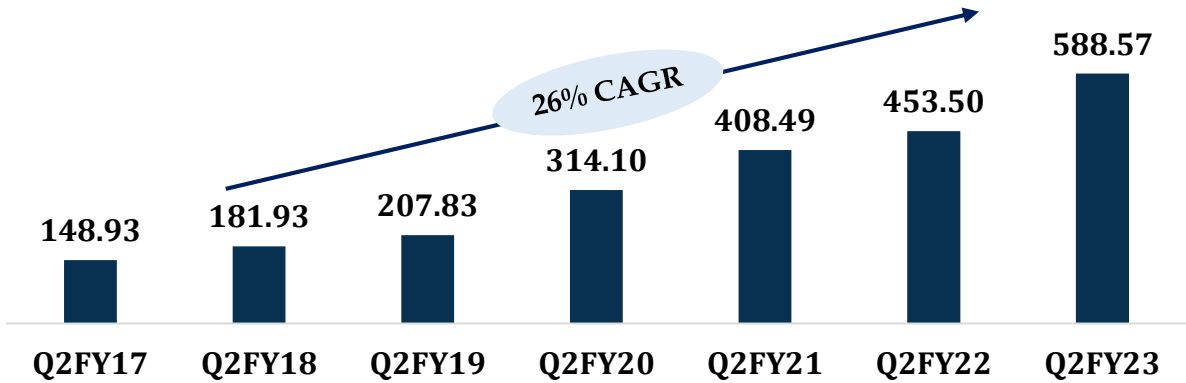


Term Deposits

Key Component for Growth

**All figures in Billions

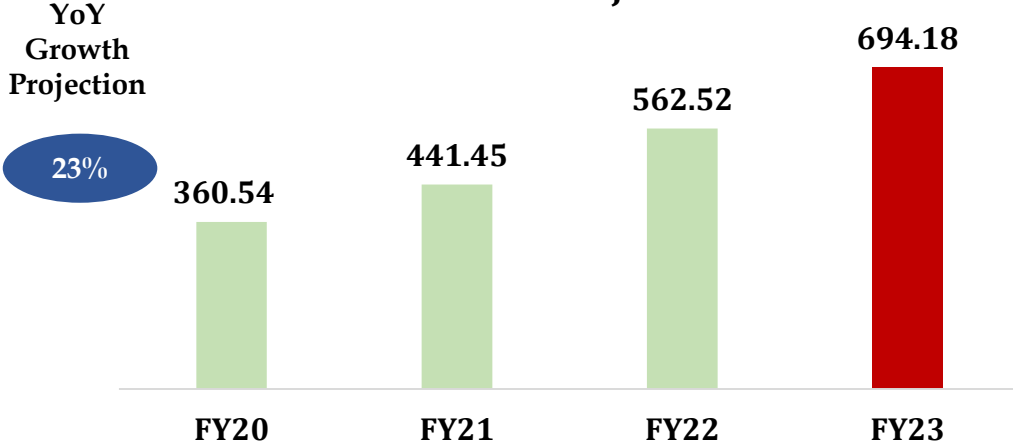
Trends in Growth of Term Deposits



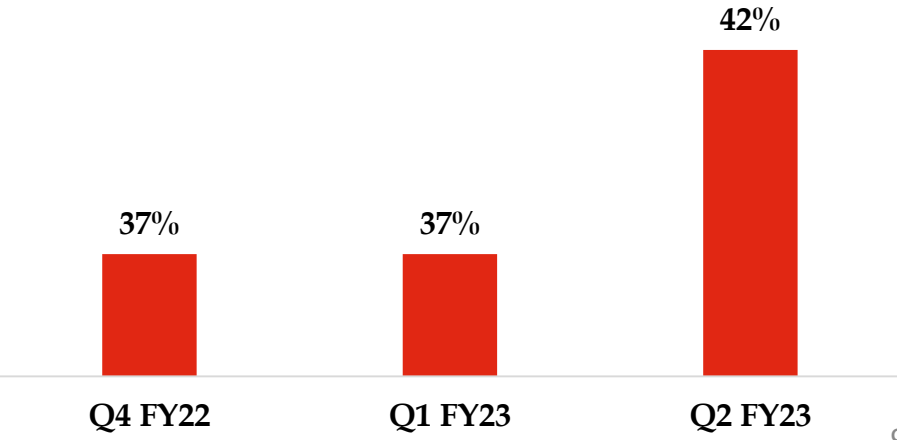
YoY Growth %	22%	14%	51%	30%	11%	30%
ATS	2,88,320	2,62,967	2,80,184	3,51,443	3,91,296	4,37,883

- Term Deposits continue to be the key component for deposit growth and the principal acquisition hook
- Continued focus on individual customer segment to build a stable franchise.
- Share of Retail TD in the Total TD book has increased to 42% in Q2FY23 from 37% in Q4FY22 making the RTD book more stable
- Term deposits in conjunction with proposed wealth proposition will be a key driver to value build up

TD Book Movement & Projection for FY23



Retail Share in Term Deposit Book



AGENDA FOR THE MEET

Redefining solutions keeping Customers at the Core of Every Decision making

01

DEPOSIT GROWTH

Deposits in India are facing a shift coming off Covid and low interest regimes. HH savings have found newer avenues of allocations as Depositors look to diversify allocations including Capital Market

02

OUR JOURNEY

Coming on the back of consistent growth, we faced similar headwinds as the market.

03

PILLARS OF GROWTH

Staying ahead by focusing on our Distribution Strength, Acquisition ramp up , building compelling Customer Value Propositions riding on enhanced technology and digital platforms and executing our Beyond East strategy leveraging an expanded footprint

04

SUSTAINABLE GROWTH

Re-defining the Engagement Model, Investments in Technology, Insight Driven Operative Model, New solutions make us well poised for a sustainable future growth

PILLARS OF GROWTH

We broke down our future growth strategy into 4 distinct pillars

Expanded footprint : Leverage the existing and the expanded footprint to build deposits



1

 DISTRIBUTION



2

 ACQUISITION

Ramp Up Acquisition - Increase productivity of Sales Teams
 Specialized Teams - Teams for Business Accounts, Affluent and Government to shore up quality of acquisition

Phygital - building a Digital overlay on expanded Physical network, Simplifying Processes, Paperless, Enhanced Controls, Building greater trust to address digitally mature personas

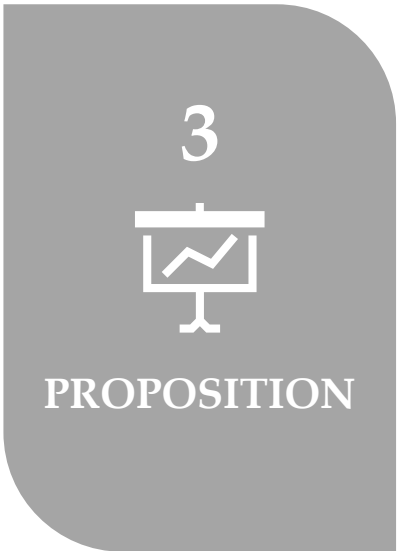
Building out the stack - CBS, Satellite systems, Middleware using API/SDK gateways


Insight Driven Operating Models (IDOM) - leading through Data/ Analytics



4

 PLATFORMS



3

 PROPOSITION

Customer Needs at the center of our value proposition - moving from Features to Benefits

CVP to be driven by Persona needs and drive relationship-based models

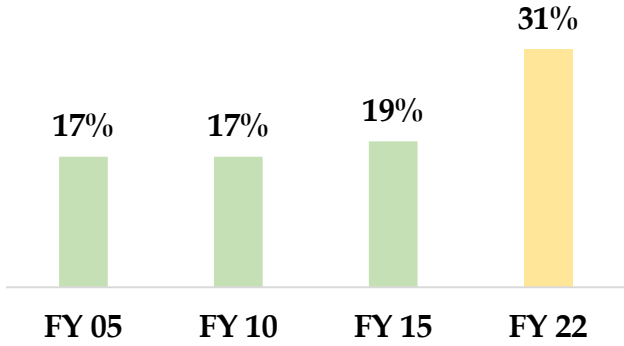
Ecosystem Partnerships - expand Value Added Benefits through Partner Ecosystems

EXPANDED FOOTPRINT - SCALE NATIONALLY

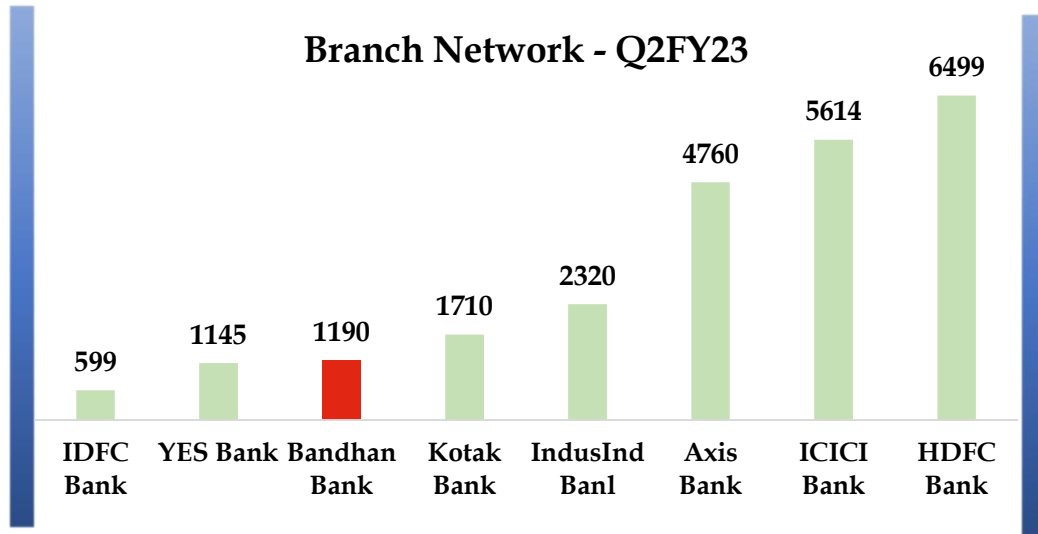
We aim to build a National Brand presence and serve larger customer segments with more than 500 new branches

Private Banks have moved up to 31% share in FY22; taking away market share from public sector banks supported by strong Branch network

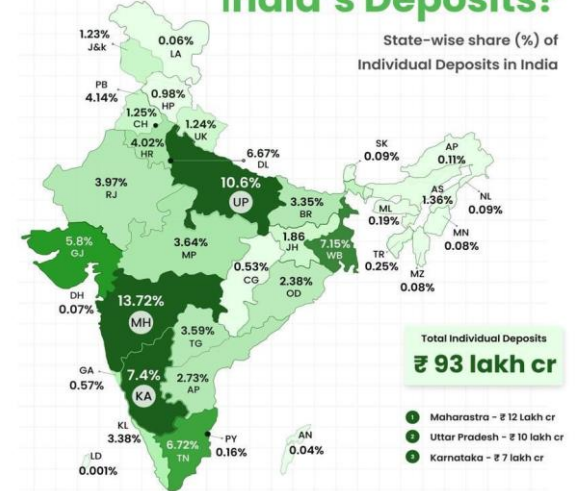
Deposit Market Share for PVT. Banks



Branch Network - Q2FY23



Where are India's Deposits?



Source: Database on Indian Economy, RBI

Branch Expansion in States with Large Deposit share:

	Maharashtra	Uttar Pradesh	Karnataka	Tamil Nadu	Gujarat
Current	57	79	25	18	37
Proposed	88	127	46	41	66

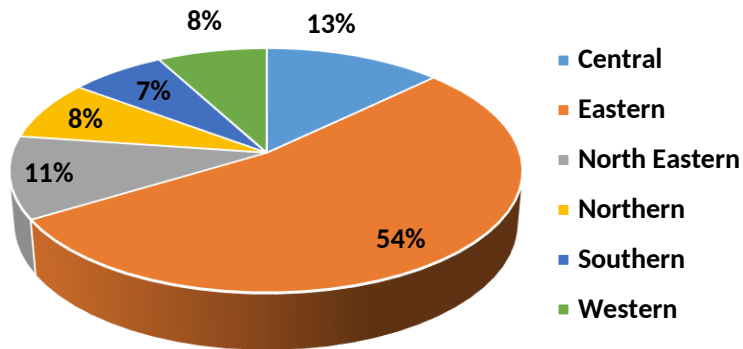
152 New Branches - 30% of proposed Branch expansion in 5 large Deposit States

EXPANDED FOOTPRINT - SCALE NATIONALLY

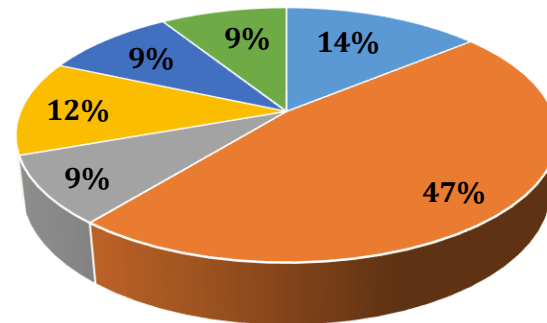
We aim to build a National Brand presence and serve larger customer segments with more than 500 new branches

Reduce Concentration in East & North-East, Gain National Scale

Existing Distribution Of 1,190 Branches

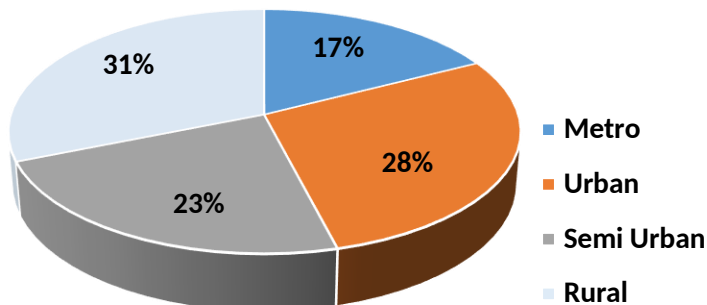


Proposed Distribution Of 1,741 Branches

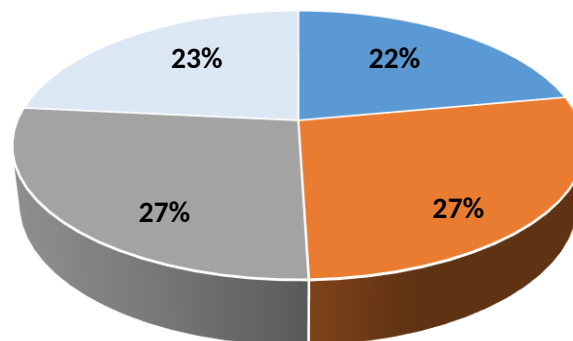


Increase focus on Metro, Urban & Semi-Urban locations

Existing Distribution Of Market Presence



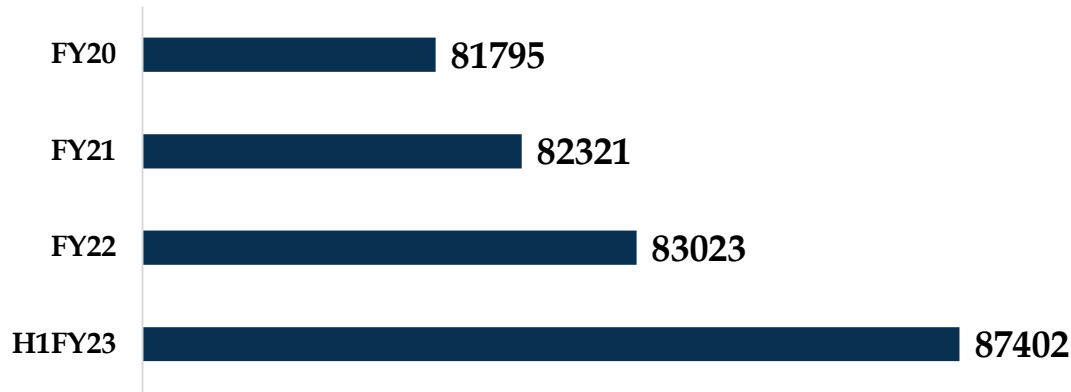
Proposed Distribution Of Market presence



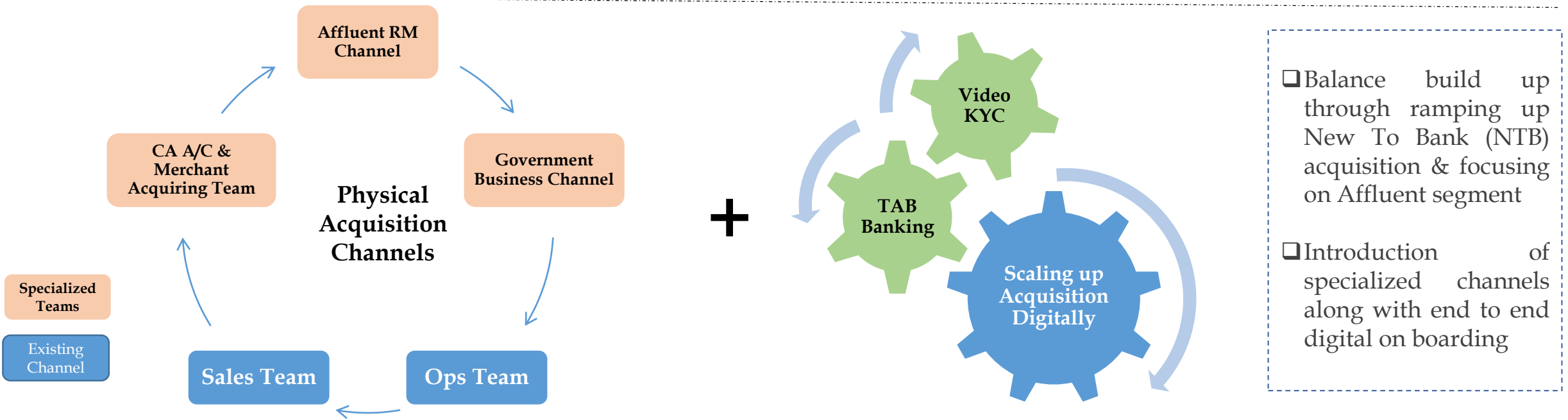
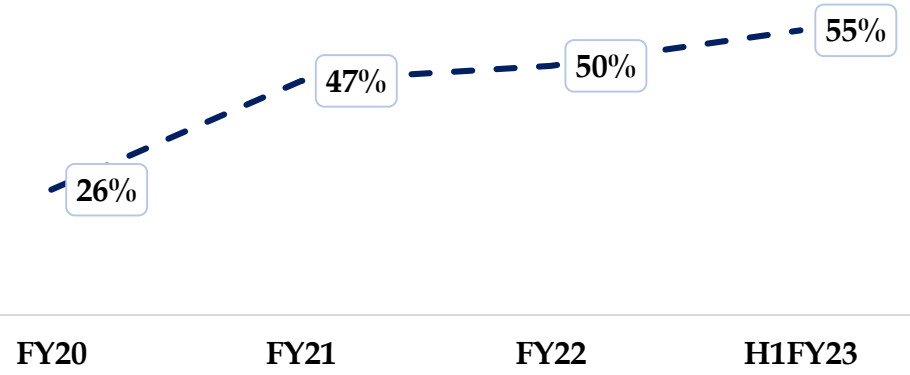
CUSTOMER ACQUISITION

A KEY FOCUS AREA

Avg. CASA Acquisition/Month



Affluent share in CASA NTB Value



- ❑ Balance build up through ramping up New To Bank (NTB) acquisition & focusing on Affluent segment
- ❑ Introduction of specialized channels along with end to end digital on boarding

REIMAGINING THE ENGAGEMENT MODEL

We are building out our technology stack and leading through an Insight Driven Operating Model

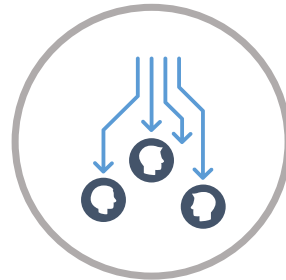


Digital marketing

- Paid
- Owned
- Earned



- Content & creative
- Creative clickstream tracking
- Performance marketing

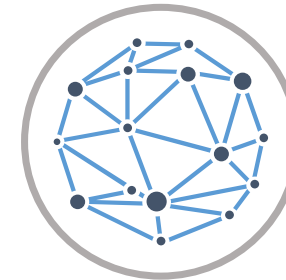


Offline channels

- Branches
- Tele-calling



- Assets
- Staff training
- MIS dashboards



Alliances

- Aggregators
- Partnerships
- FinTechs



- APIs
- Micro-services based architecture

Key enablers

Wealth Proposition

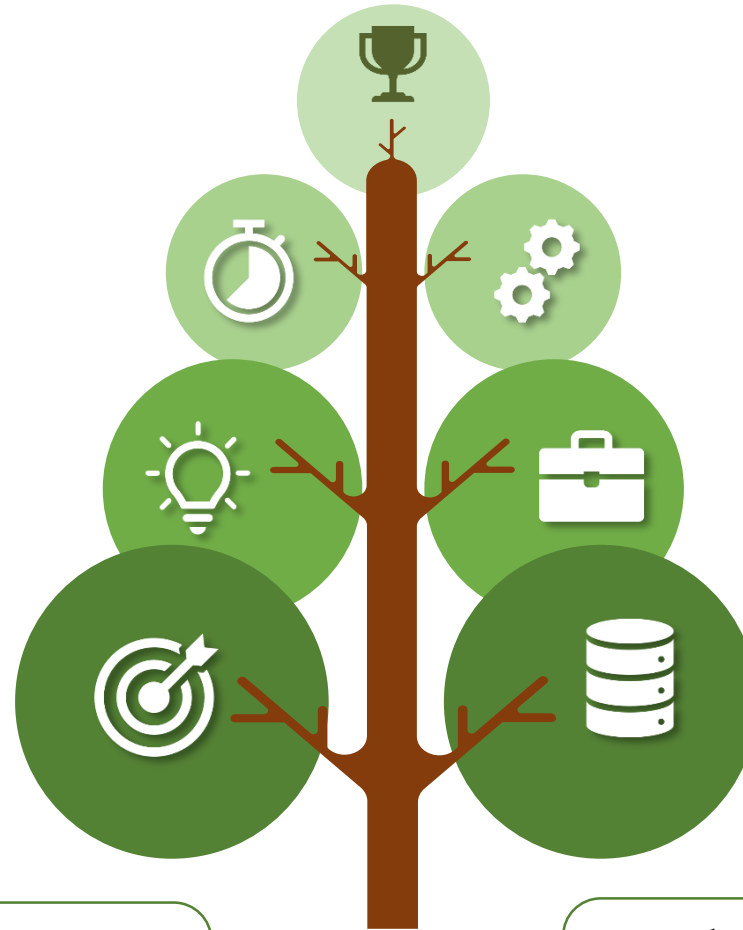
Scripting the Wealth Story Together, Today & Tomorrow

Strategic Pillars

- Branch Distribution Footprints
- Digital Banking Retail Assets
- Emerging Entrepreneurs Business
- Phone Banking Technology
- Semi Urban & Rural Clusters

Key Enablers

- Customer Excellence & Service Experience
- Compliance & Risk Management
- Product & Sales Governance
- Data & Research
- People - Skills, Competencies, Learning & Development



Building up of Relationship Management Channel to service Affluent segment

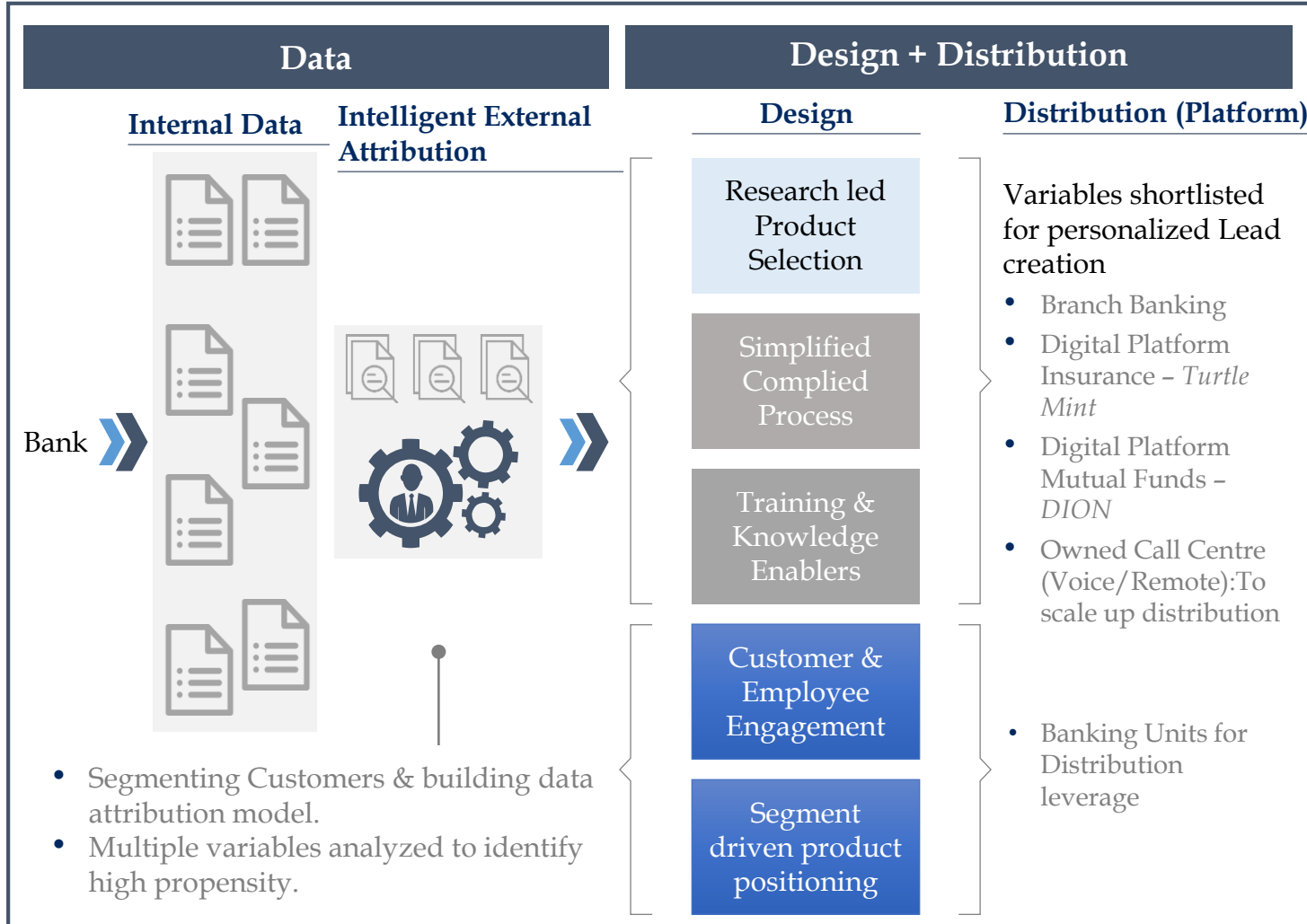
Introduction of Family Banking Program which will assist in deepening of TRV with Bank

Introduction of Wealth Management proposition to enhance customer stickiness

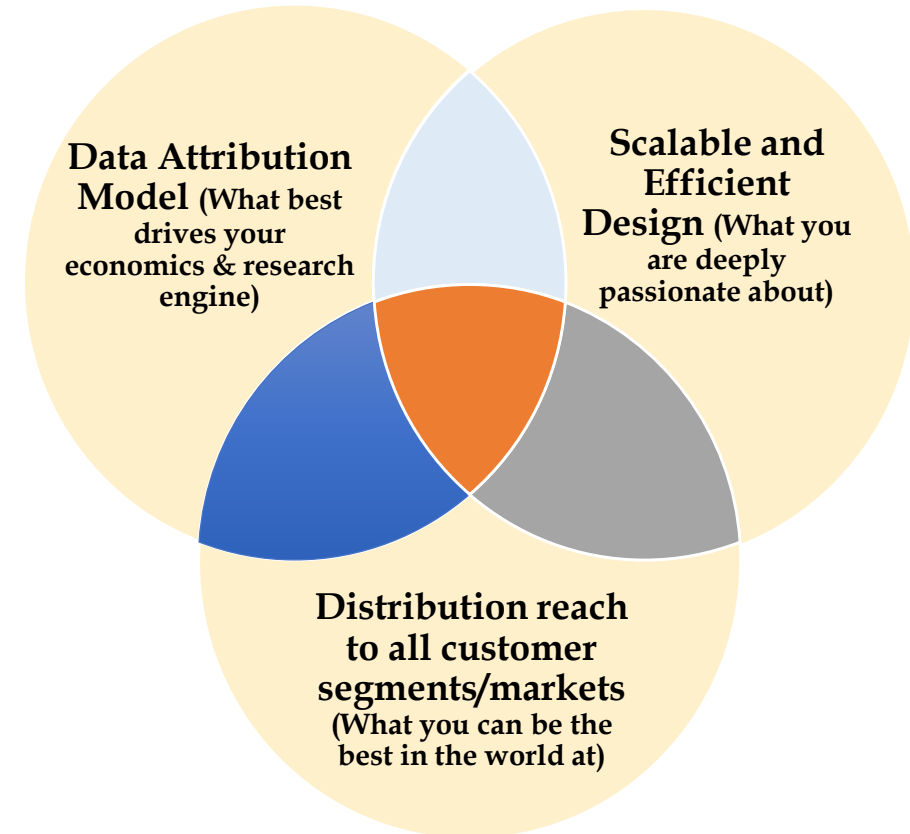
Introduction of customer rewards program through cards to build loyalty

PLATFORMS & DATA - INSIGHTS DRIVEN MODEL

We are building out our technology stack and leading through an Insight Driven Operating Model



From Good to Great !!! The Hedgehog Concept



AGENDA FOR THE MEET

Redefining solutions keeping Customers at the Core of Every Decision making

01

DEPOSIT GROWTH

Deposits in India are facing a shift coming off Covid and low interest regimes. HH savings have found newer avenues of allocations as Depositors look to diversify allocations including Capital Market

02

OUR JOURNEY

Coming on the back of consistent growth, we faced similar headwinds as the market.

03

PILLARS OF GROWTH

Staying ahead by focusing on our Distribution Strength, Acquisition ramp up , building compelling Customer Value Propositions riding on enhanced technology and digital platforms and executing our Beyond East strategy leveraging an expanded footprint


04

INITIATIVES

Re-defining the Engagement Model, Investments in Technology, Insight Driven Operative Model, New solutions make us well poised for a sustainable future growth

REIMAGINING OUR FUTURE JOURNEYS


Journey thinking to drive greater customer adoption and engagement



Data Enrichment

Structured & Unstructured Data


10+ data partners – tax, other bank statement, mobile data



Digital Workflows

Prospects (NTB) & Customers (ETB)

15+ tech integrations for Validations, Fraud, UIDAI



Smart swim-lanes

Segmental prospects, Green lanes

light UW review
full UW review



Algo Score Cards

Intelligent Banking & Nudges

Persona & Transaction linked

ENABLERS



Thank you



**Bandhan
Bank**