

Investor Presentation Q4 FY 2019-20

May 2020



Bandhan
Bank

Disclaimer

- This presentation is confidential and may not be copied, published, distributed or transmitted. The information in this presentation is being provided by Bandhan Bank Limited (also referred to as 'Bank'). By attending a meeting where this presentation is made, or by reading this presentation material, you agree to be bound by following limitations:
 - The information in this presentation has been prepared for use in presentations by Bank for information purposes only and does not constitute, or should be regarded as, or form part of any offer, invitation, inducement or advertisement to sell or issue, or any solicitation or any offer to purchase or subscribe for, any securities of the Company in any jurisdiction, including the United States and India, nor shall it, or the fact of its distribution form the basis of, or be relied on in connection with, any investment decision or any contract or commitment to purchase or subscribe for any securities of the Company in any jurisdiction, including the United States and India. This presentation does not constitute a recommendation by the Bank or any other party to sell or buy any securities of the Bank. This presentation and its contents are not and should not be construed as a prospectus or an offer document, including as defined under the Companies Act, 2013, to the extent notified and in force or an offer document under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009as amended.
 - The Bank may alter, modify, or otherwise change in any manner the contents of this presentation without obligation to modify any person of such change or changes. No representation warranty implied as to and reliance or warranty, express or implied, is made to, nor should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this presentation. Neither Bank nor any of its affiliates, advisors or representatives shall have any responsibility or liability whatsoever (for negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with this presentation. The information set out herein may be subject to updating, completion, revision, verification and amendment and such information may change materially. This presentation is based on the economic, regulatory, market and other conditions as in effect on the date hereof. It should be understood that subsequent developments may affect the information contained in this presentation, which neither Bank nor its affiliates, advisors or representatives are under any obligation to update, revise or affirm.
 - This presentation contains certain supplemental measures of performance and liquidity that are not required by or presented in accordance with Indian GAAP, and should not be considered as an alternative to profit, operating revenue or any other performance measures derived in accordance with Indian GAAP or an alternative to cash flow from operations as a measure of liquidity of the Bank. You must make your own assessment of the relevance, accuracy and adequacy of the information contained in this presentation and must make independent analysis as you may consider necessary or appropriate for such purpose. Any opinions expressed in this presentation are subject to change without notice and past performance is not indicative of future results. By attending this presentation you acknowledge that you will be solely responsible for your own assessment of the market position of the Bank and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the Bank 's business.
 - This presentation contains forward-looking statements based on the currently held beliefs and assumptions of the management of the Bank , which are expressed in good faith and, in their opinion, reasonable. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance, or achievements of the Bank or industry results, to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding expansion plans and the benefits there from, fluctuations in our earnings, our ability to manage growth and implement strategies, competition in our business including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, our ability to win new contracts, changes in technology, availability of financing, our ability to successfully complete and integrate our expansion plans, liabilities, political instability and general economic conditions affecting our industry. Unless otherwise indicated, the information contained herein is preliminary and indicative and is based on management information, current plans and estimates. Industry and market-related information is obtained or derived from industry publications and other sources and has not been verified by us. Given these risks, uncertainties and other factors, recipients of this document are cautioned not to place undue reliance on these forward-looking statements. The Bank disclaims any obligation to update these forward-looking statements to reflect future events or developments.
 - This presentation is not an offer for sale of securities in the UNITED STATES or elsewhere.

Key Highlights



Bandhan
Bank

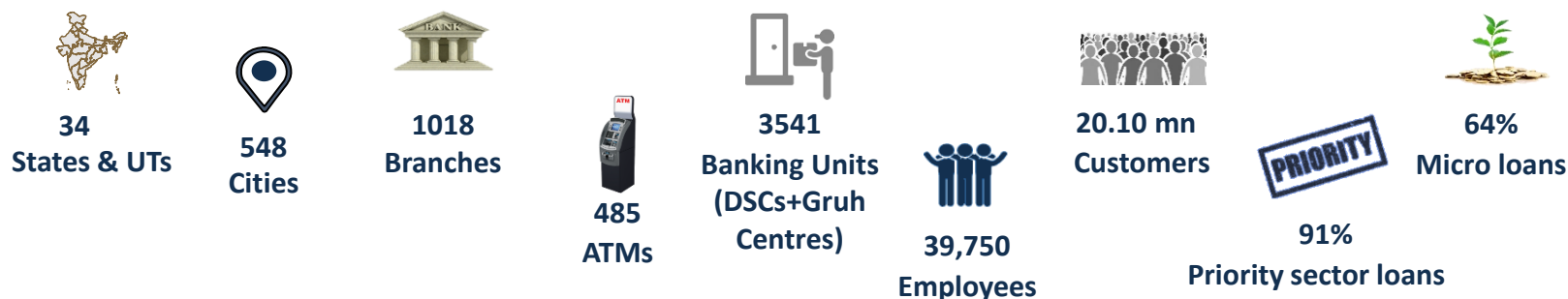
Key Highlights

Bandhan Bank - Overview

- Loan portfolio (on book + off book) for Q4FY 19-20 grew 60.5% Y-o-Y (excl. GRUH 20%)
- Deposits grew by 32.0% Y-o-Y in Q4 FY 19-20 (excl. GRUH 29.0%)
- Net NPA is at 0.58%
- Retail Deposit to Total Deposit at 78.4%
- Added 1.1 million Customers during the quarter with total customer base reaching to 20.10 million (Micro Banking- 15.40 million, Non Micro- 4.43 million and GRUH Finance -0.27 million)
- During the quarter, the Bank has made additional provision of ₹ 6.9 bn on standard advances against the potential impact of COVID-19 based on all the available information at this point in time. In addition, the Bank carries additional Standard Asset Provision on Micro Finance portfolio at 0.75% amounting to ₹ 3.1 bn.

Snapshot of operations FY 2019-20

Total Deposits	₹ 570.82 bn
Total Loans and advances	₹ 718.46 bn ¹
Net Interest Margin (NIM)	8.12%*
CASA Ratio	36.84%
ROAA (%)	3.6%*
ROAE (%)	21.1%*



1. On book + Off Book
* For FY 2019-20

Q4 FY 20 numbers are merged after amalgamation of Gruh Finance Ltd

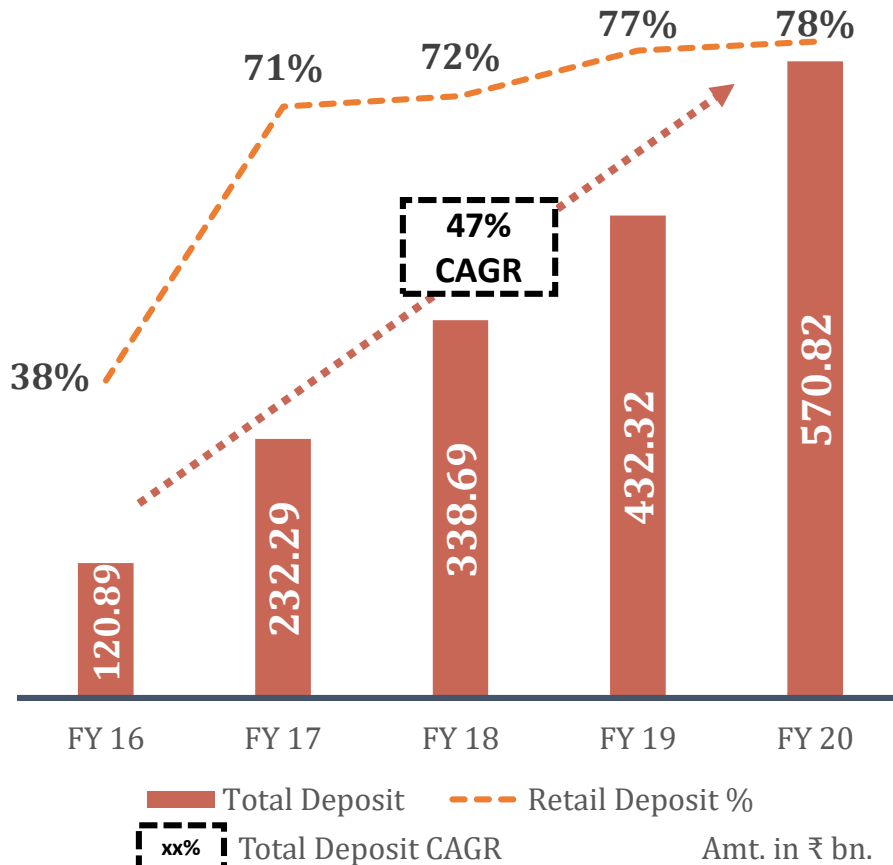
**Building granular
deposit franchise &
update on COVID-19,
Moratorium and
earlier crisis**



**Bandhan
Bank**

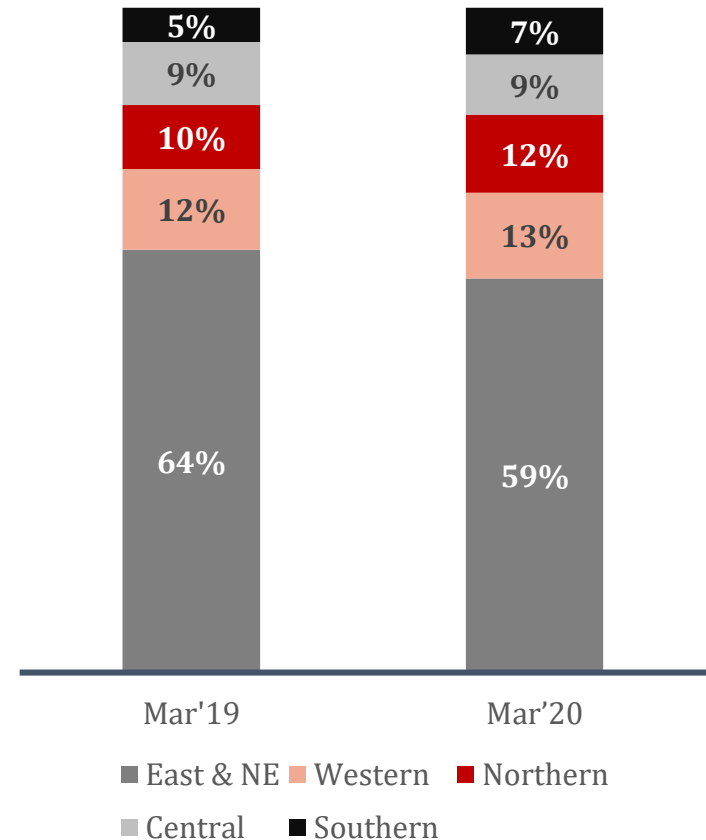
Deposits from regions outside its core geographies have witnessed steady growth

Building a strong granular deposit franchise



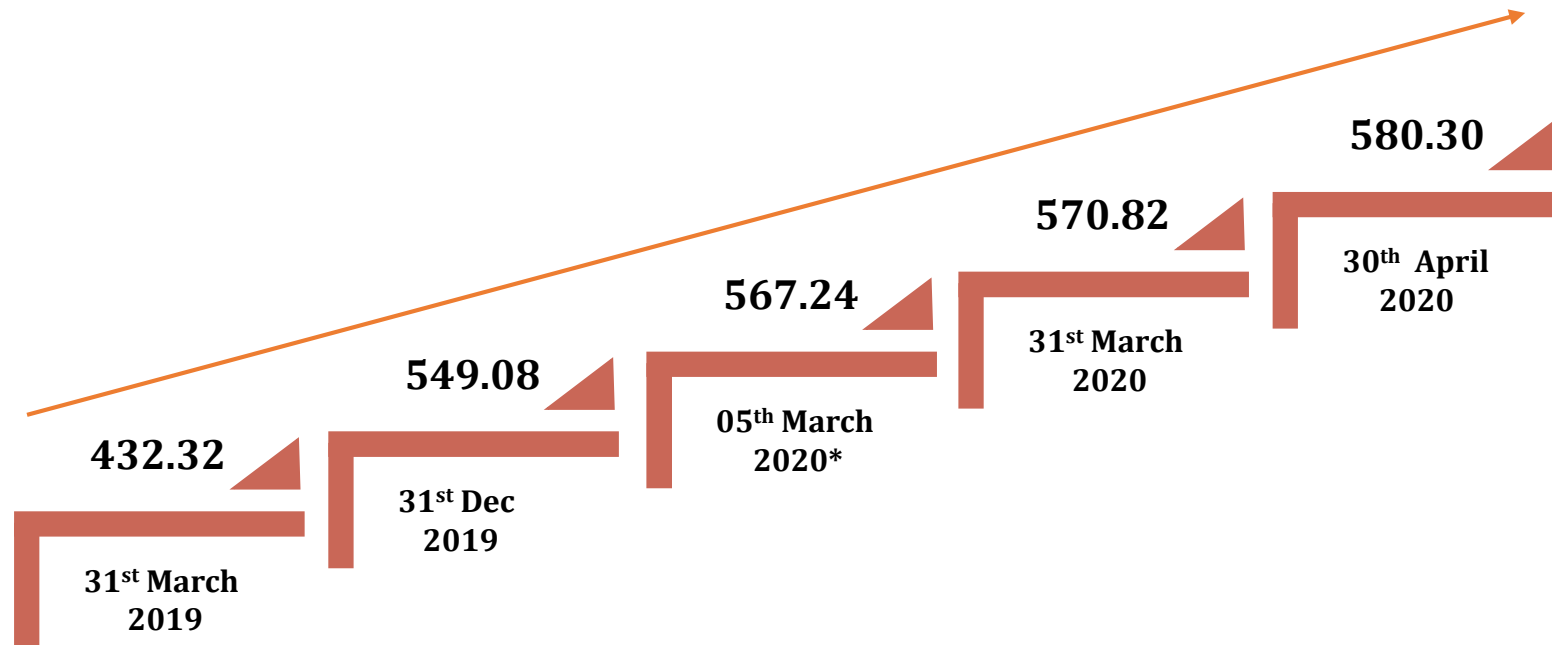
Pan India acceptance:

Steady increase in share of customer deposits beyond East / North-East



Steady growth in deposit with retail focus

Deposit Movement in ₹ bn



Steady growth in deposits despite challenging environment faced by private sector banks post Yes Bank moratorium announcement in March 2020.

*Yes Bank moratorium announced

Moratorium Update

1	Micro	100% Moratorium in value for Apr'20	<ul style="list-style-type: none">❖ 95% of DSCs have been opened and are connected with borrowers to get the ground level feedback❖ 79% of borrowers have an average deposit balance of ~ ₹3,070, which is equivalent to 4+ weekly instalments❖ As per borrower feedback, collection should normalize in about 4-6 weeks after lockdown is lifted.
2	Mortgage	13% Moratorium in value for Apr'20	<ul style="list-style-type: none">❖ While moratorium was offered to 100% of the customers, 87% of customers in value have paid instalment in Apr' 20❖ The balance 13% (largely self-employed) opted to conserve cash.
3	SME	~35% Moratorium in value for Apr'20	<ul style="list-style-type: none">❖ Although moratorium was offered to all customers, ~65% (in value) have paid instalment in Apr'20❖ Customers opted to conserve cash❖ On account of travel restriction, many customers could not pay instalment in Apr'20
4	NBFC	(a) NBFC Others-NIL Moratorium (b) NBFC MFI~59% in value Moratorium for Apr'20	<ul style="list-style-type: none">❖ NBFC-MFI in general want to conserve cash as they have in turn given moratorium to customers.❖ 20% + Average Capital Adequacy reported by NBFC-MFI in which Bank has exposure❖ NBFC-MFI seeking moratorium has placed deposits exceeding their Q1 FY 21 instalments with the Bank.

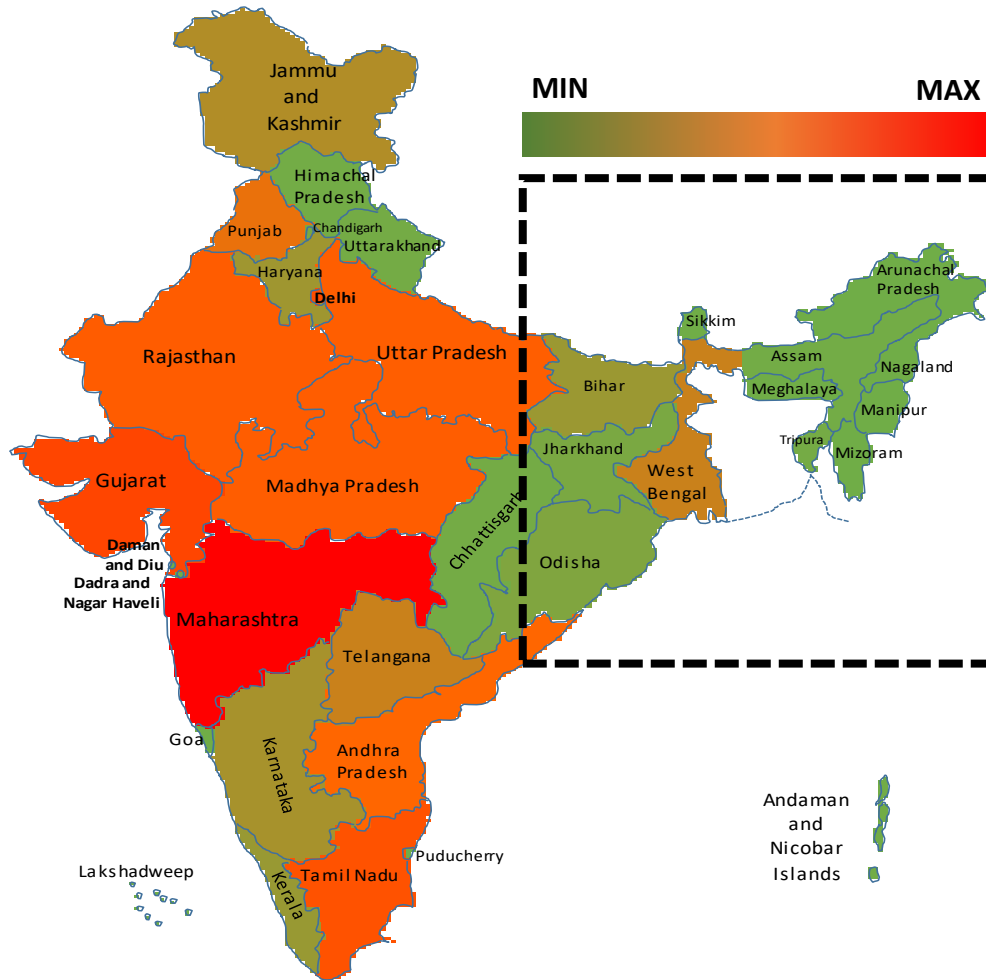
Borrower profile is largely from industries which are resilient to the COVID-19 environment



In ₹ MN	Business Category	Micro Banking	Non Micro Banking	Total Advances	% of Total Advances
Resilient	Agriculture & Allied Activities	206,120	909	207,029	28.8%
	Affordable Housing	191	185,002	185,193	25.8%
	Food Processing & Retail	138,504	9,848	148,352	20.6%
	Personal & Healthcare	1,234	17,432	18,666	2.6%
	Rural Transportation (bullock carts / cycle)	11,701	-	11,701	1.6%
	Pharma and Medical	909	1,267	2,176	0.3%
	Computer, Cable / DTH Service Providers	379	21	400	0.1%
	Education	-	335	335	0.05%
	Chemicals	-	257	257	0.04%
	Total		359,039	215,070	574,109
Low Impact	Manufacturing – Non-Essential	67,074	3,809	70,883	9.9%
	Financial Services (NBFCs ;NBFC-MFIs)	1,160	35,430	36,590	5.1%
	Wood / Metal Furniture , Building Material	9,111	-	9,111	1.3%
	Total	77,345	39,239	116,584	16%
Marginal Impact	Other Transportation	14,215	1,226	15,441	2.1%
	Wellness & Beauty Parlour	10,971	511	11,482	1.6%
	Logistics & Courier	322	387	709	0.1%
	Others- Services	-	133	133	0.02%
	Total	25,508	2,256	27,764	4%
Total Portfolio		461,892	256,565	718,457	100%

Core geographies have witnessed minimal impact of COVID-19

Covid-19 Geographic distribution



Region	Share of confirmed Covid-19 cases	Share of Micro banking advances
East & North East*	5%	81%
Rest of India	95%	19%
Grand Total	100%	100%

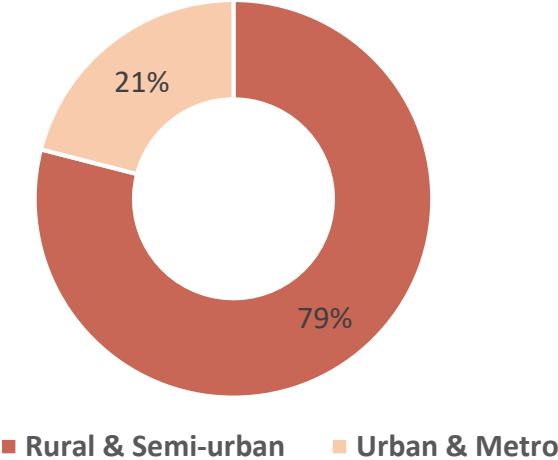
Source: www.covid19india.org (No. of Covid-19 cases as on 6th May),

*East and North East region includes Bihar, Jharkhand, Odisha, West Bengal, Sikkim, Andaman and Nicobar islands, Assam, Arunachal Pradesh, Meghalaya, Tripura, Manipur, Mizoram and Nagaland as per RBI classification

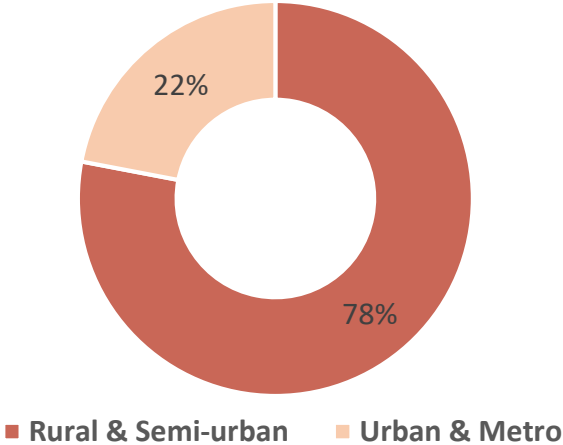
Deep penetration in Tier 3 - 6 locations gives the bank a competitive advantage in the current environment



Share of Banking Units (DSC)



Share of Portfolio

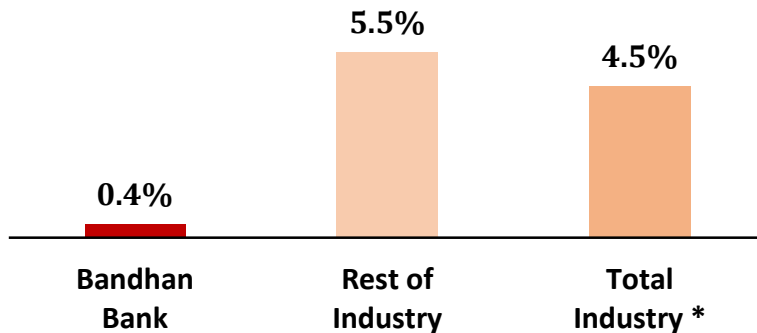


Rural and semi-urban locations which contribute major share of micro business have negligible Covid-19 impact

Micro Finance portfolio has historically shown higher resilience vis-a-vis industry during times of crisis

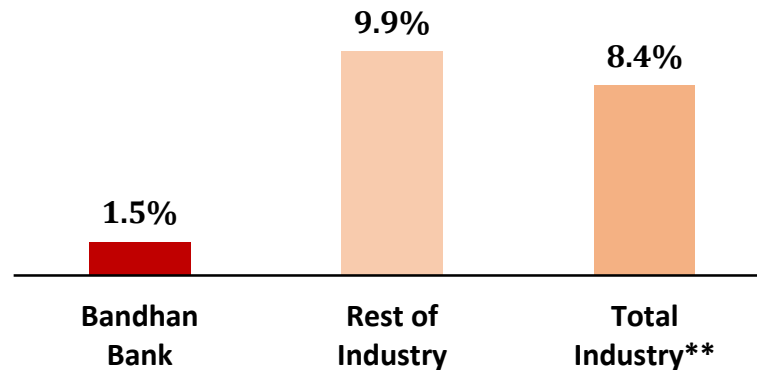
Demonetization (Nov'16)

Pan India 90 + DPD as on Mar'17



GST (Jul'17)

Pan India 90+ DPD as on Dec'17



Bandhan outperforms largely due to higher customer vintage, loyalty and strong connect

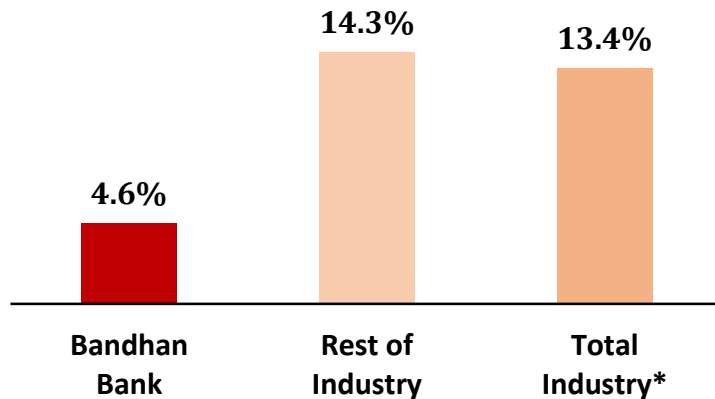
* Source : Crif HighMark , Bandhan data , calculated ROI excludes Bandhan , Total Industry includes Bandhan

** Source : Equifax Credit Bureau

Micro Finance portfolio has historically shown higher resilience vis-a-vis industry during times of crisis

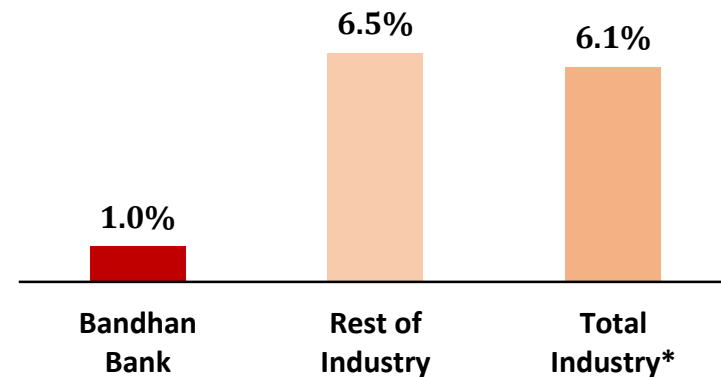
Farm Loan Waiver in Uttar Pradesh (Aug'17)

90+ DPD as on Mar'18



Cyclone Fani in Odisha (May'19)

90+ DPD as on Sep'19



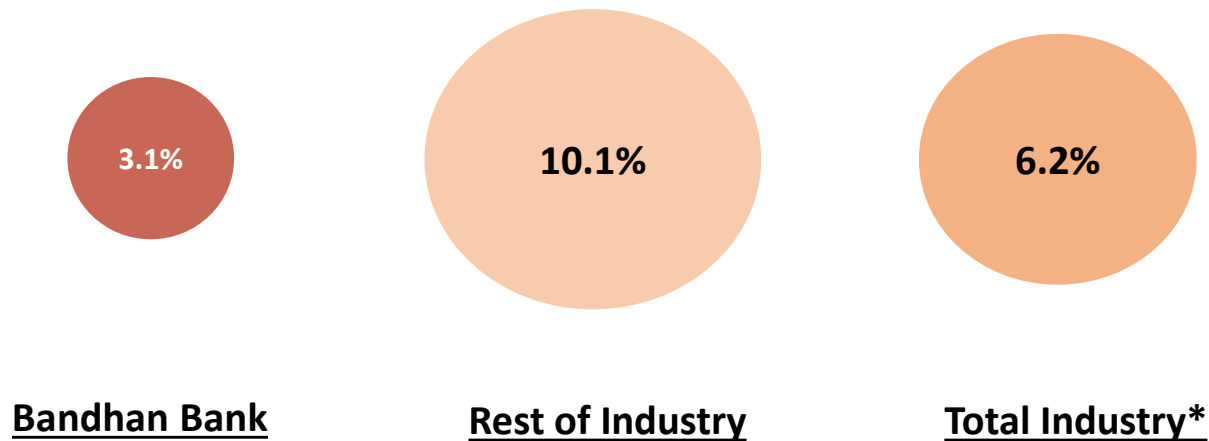
Nature of challenge decides the quantum of losses :

Challenges (like Cyclone Fani, GST, Demonetization) which relate to customer ability, despite of adverse business impact, finally cause lower losses as against issues (like UP loan waiver, Assam agitation) which emanate from customer willingness where credit culture takes a hit.

Micro Finance portfolio has historically shown higher resilience vis-a-vis industry during times of crisis

Disruption due to agitation in Assam
(Nov 2019)

90+ DPD as on Feb'20



Despite having the highest market share in the state with large presence in upper Assam impacted districts, Bandhan has been able to outperform the industry because of its higher customer vintage , loyalty and strong connect

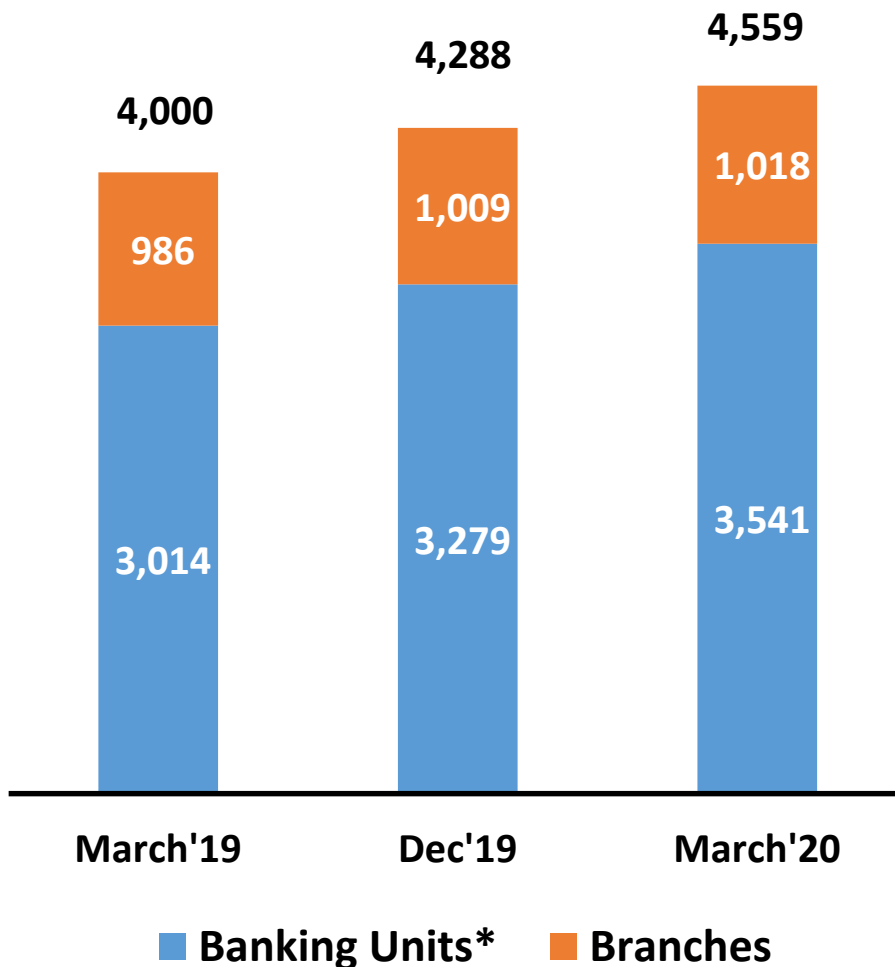
Business & Financial Overview



Bandhan
Bank

Geographical Distribution

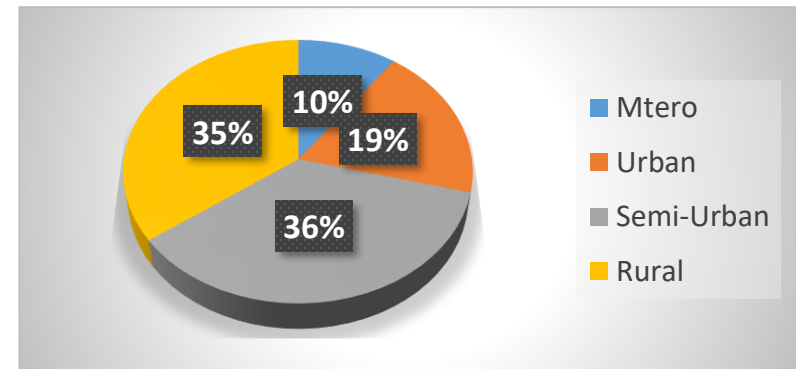
Banking Outlets



* Banking Units includes DSCs plus Gruh Centres

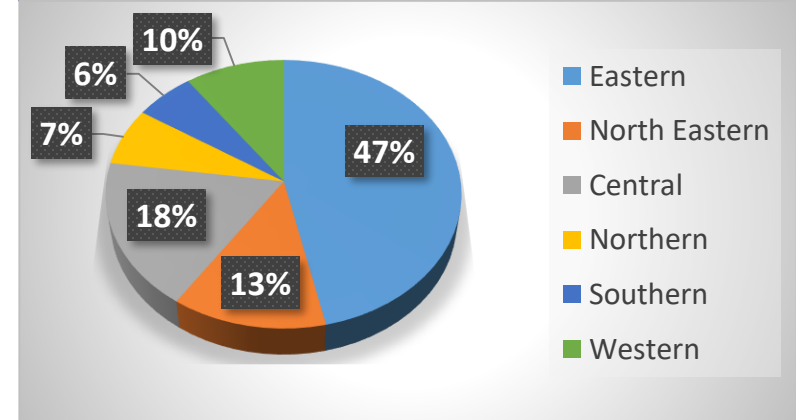
Focus on serving the rural & underbanked population

Banking Outlets as on 31st March 2020*



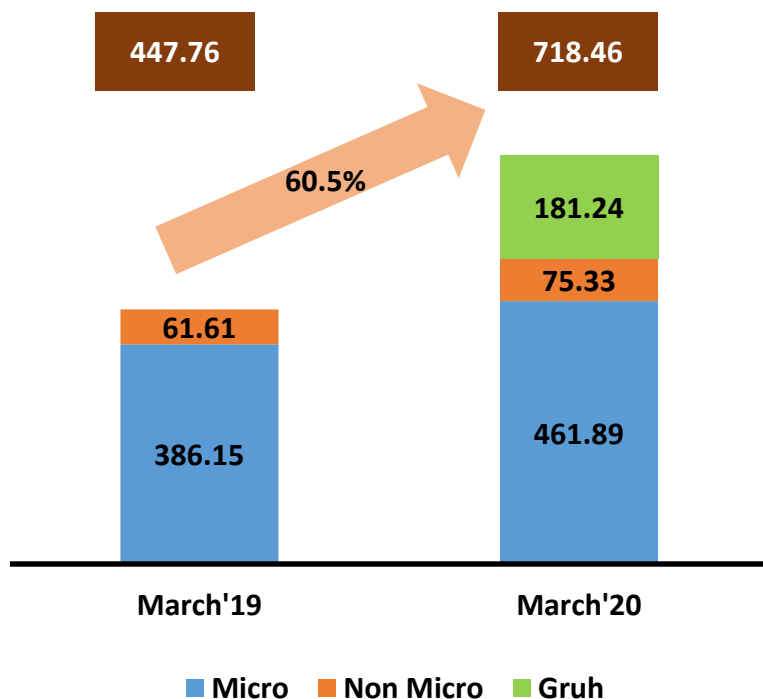
*Basis original classification at the time of opening

Diversifying presence with non-east increasing over 50% now

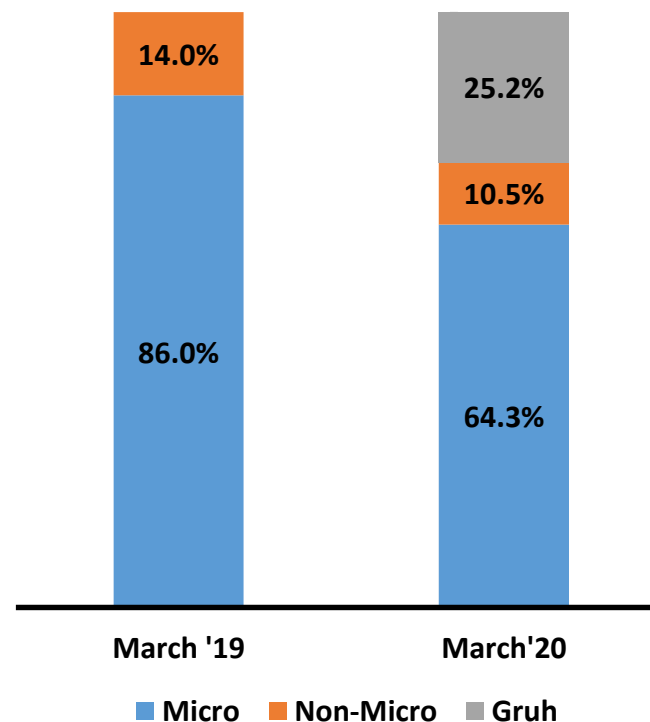


Asset Overview

Advances Growth (₹ in Billion)



Composition of Advances (in %)

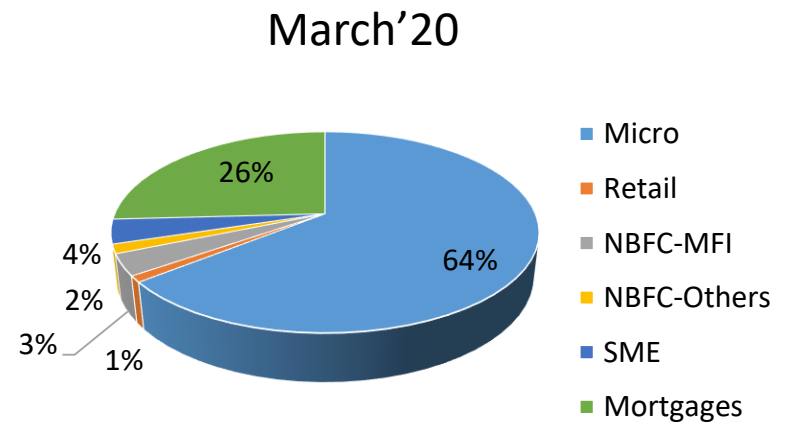
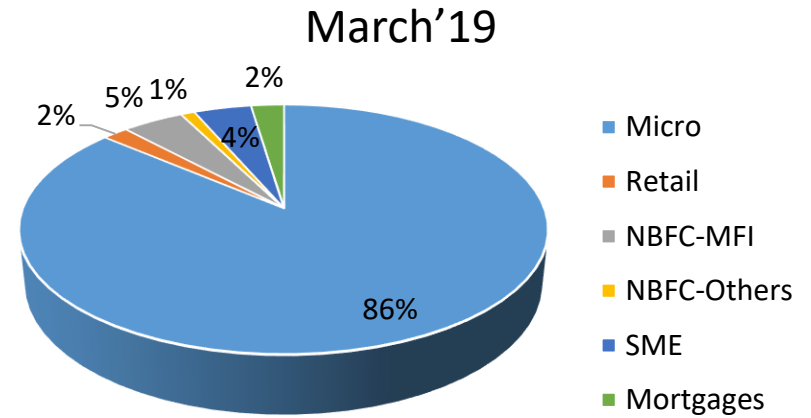
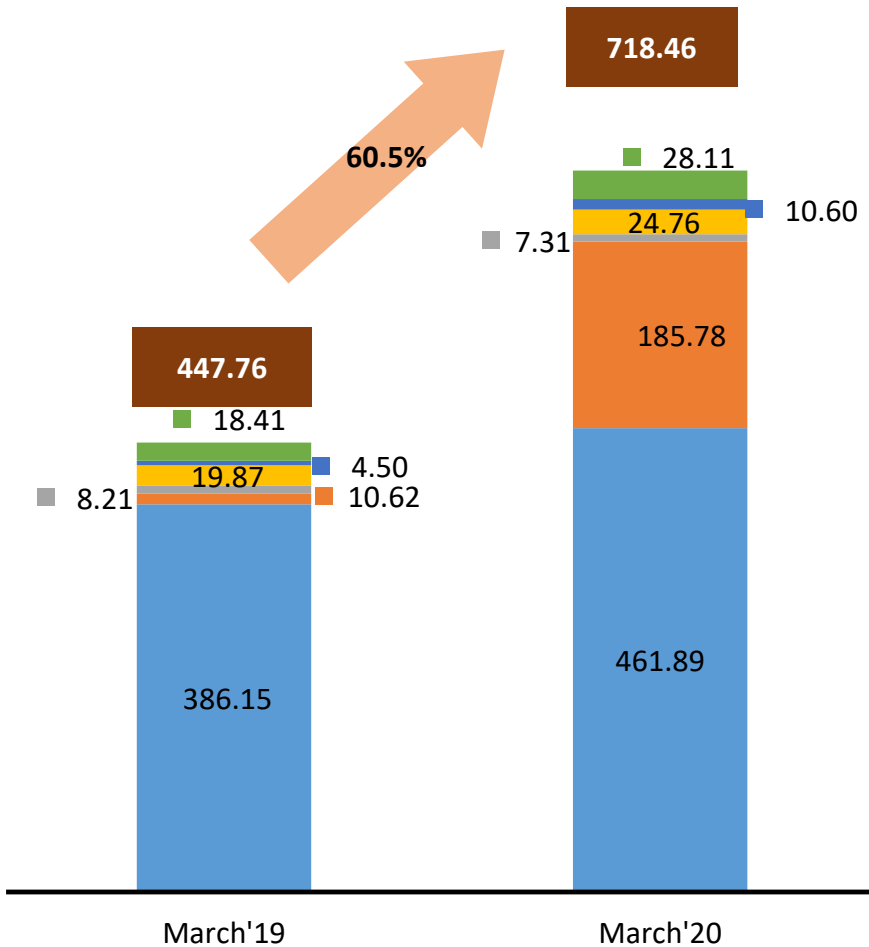


* March-20 merged Advances including GRUH;

* Portfolio diversifying with micro finance share in total advance reduced to 64%

Asset Book Mix

Total Advances (₹ in Billion)

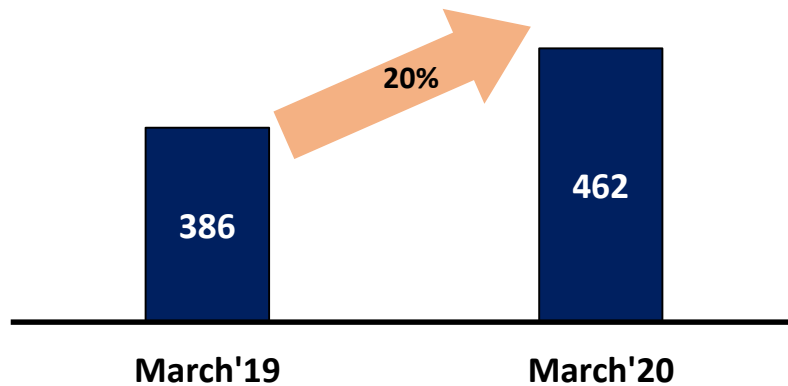


- Micro
- Mortgages
- Retail
- NBFC-MFI
- NBFC-Others
- SME

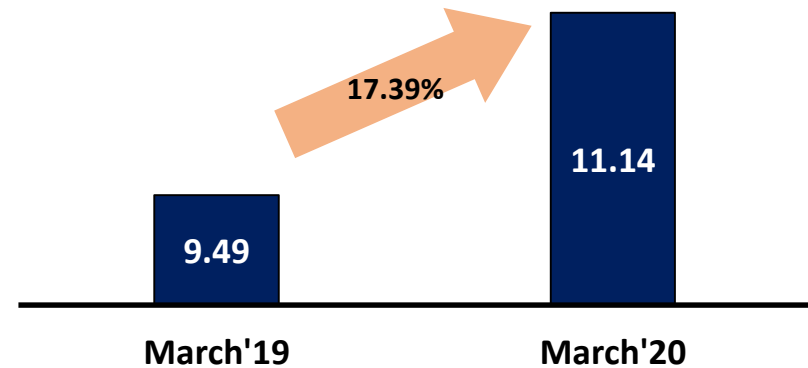
Mar 20 mortgages includes GRUH portfolio amounting to ₹ 181.24 bn

Micro Banking Assets

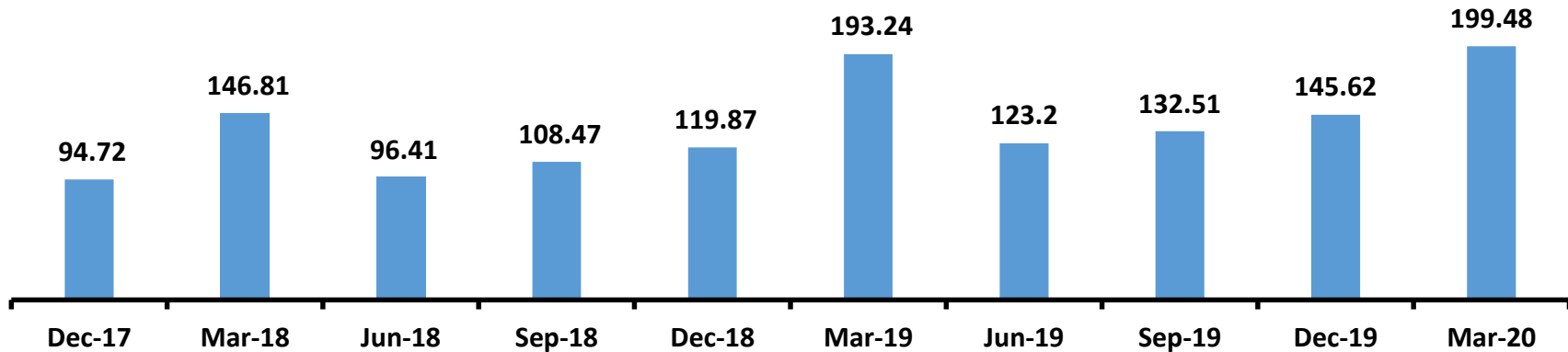
Micro Banking Asset Growth (₹ in Billion)



Number of Active Micro Borrowers (Mn)

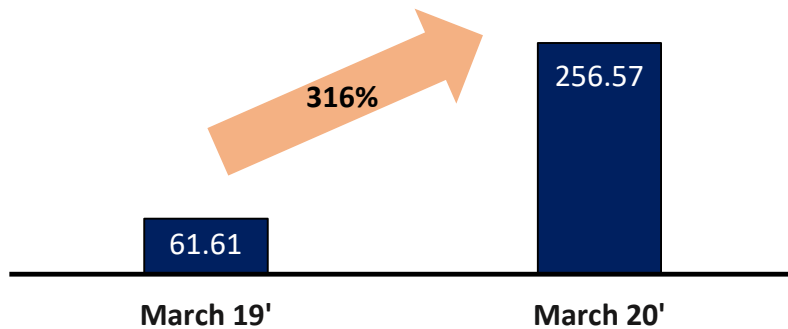


Micro Loan Disbursement (₹ in Billion)



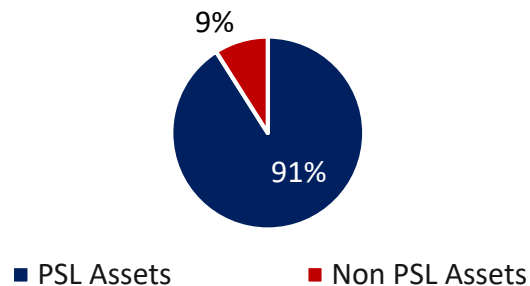
Non Micro Assets

Non Micro Banking Asset growth (₹ in Billion)

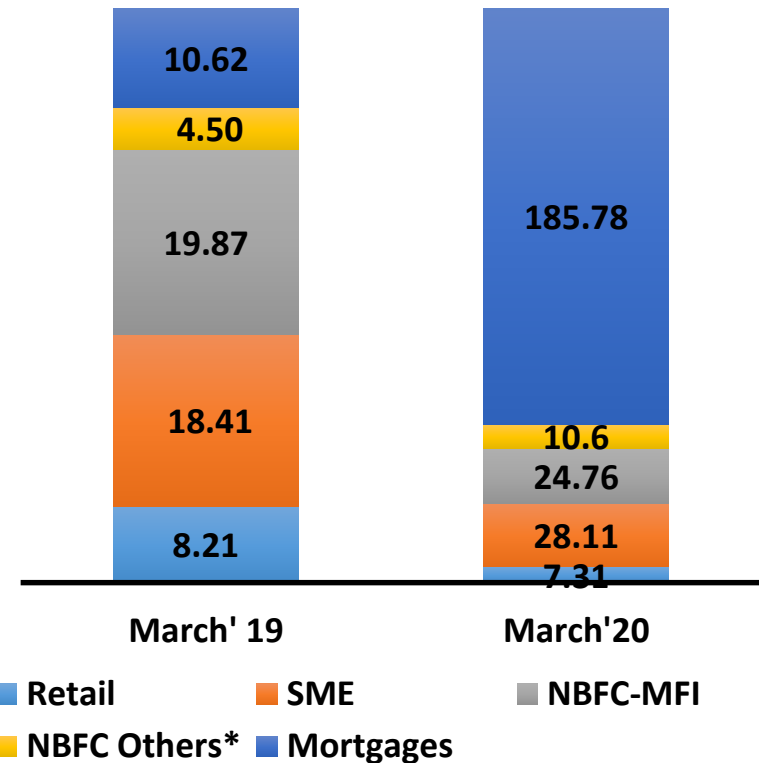


Mar-20 merged non-micro advances including GRUH;

Higher PSL Portfolio



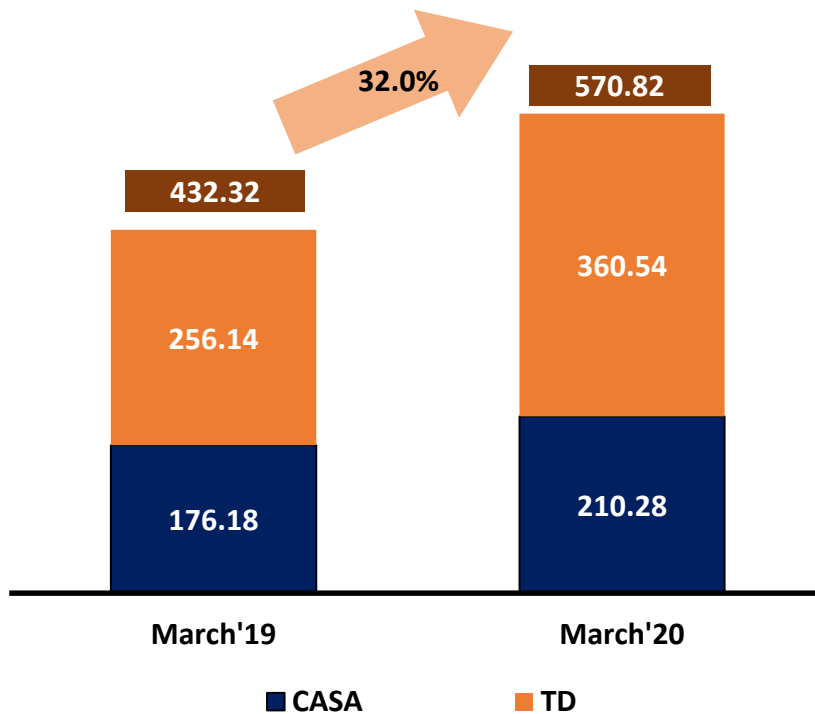
Product wise Advances – Non Micro (₹ in Billion)



*Includes IL&FS exposure of Rs 3.85 billion
Mar 20 Mortgages includes GRUH portfolio ₹ 181.24 bn

Liabilities Profile

Deposits Growth (₹ in Billion)



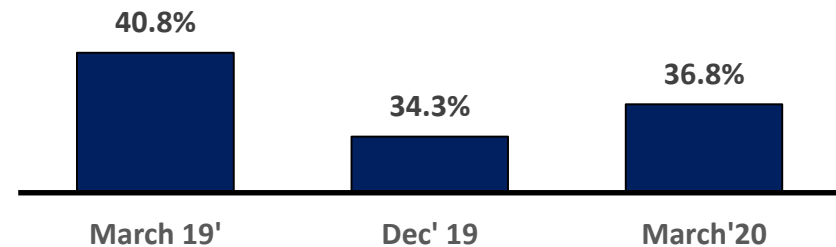
➤ Microbanking contributes 5.75% of total deposits

March 20 are merged numbers after amalgamation of GRUH Finance Ltd

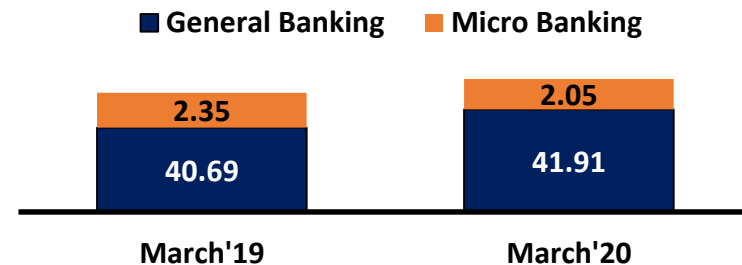
Retail to Total Deposits (%)



CASA (%)

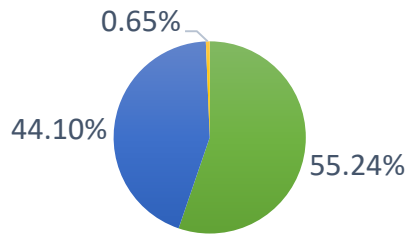


Average SA Balance Per Customer (₹ in 000')



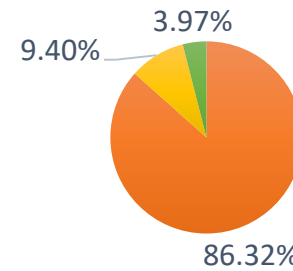
Bandhan GRUH Loans

Customers



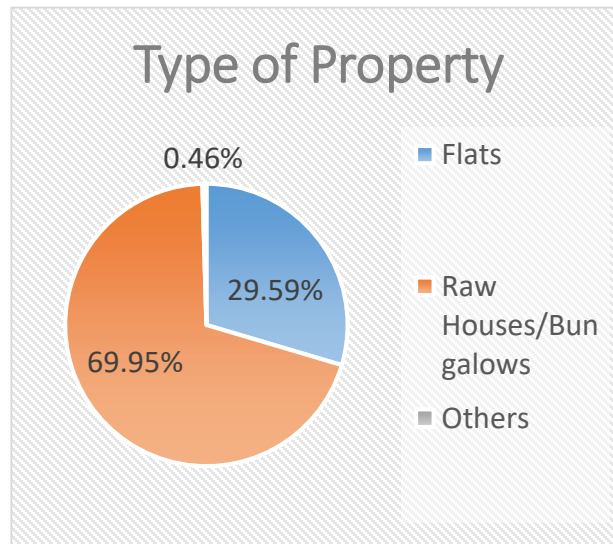
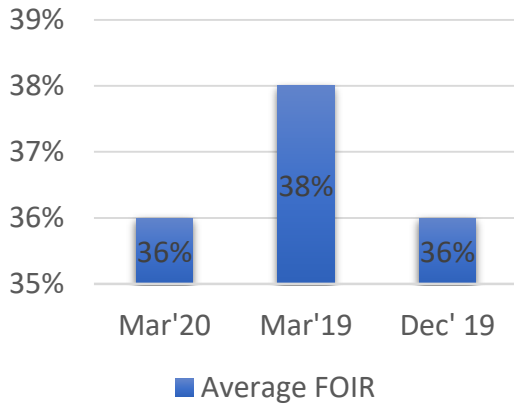
■ Salaried ■ Self Employed ■ Professionals

Portfolio Outstanding

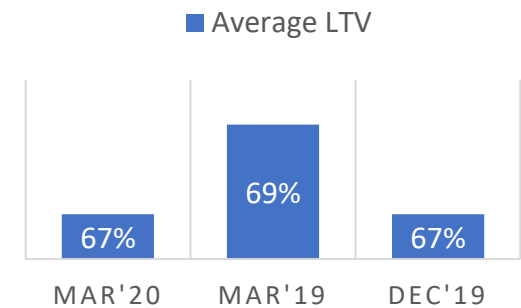


■ Hosuing ■ LAP ■ Construction

Average FOIR*



AVERAGE LOAN TO VALUE

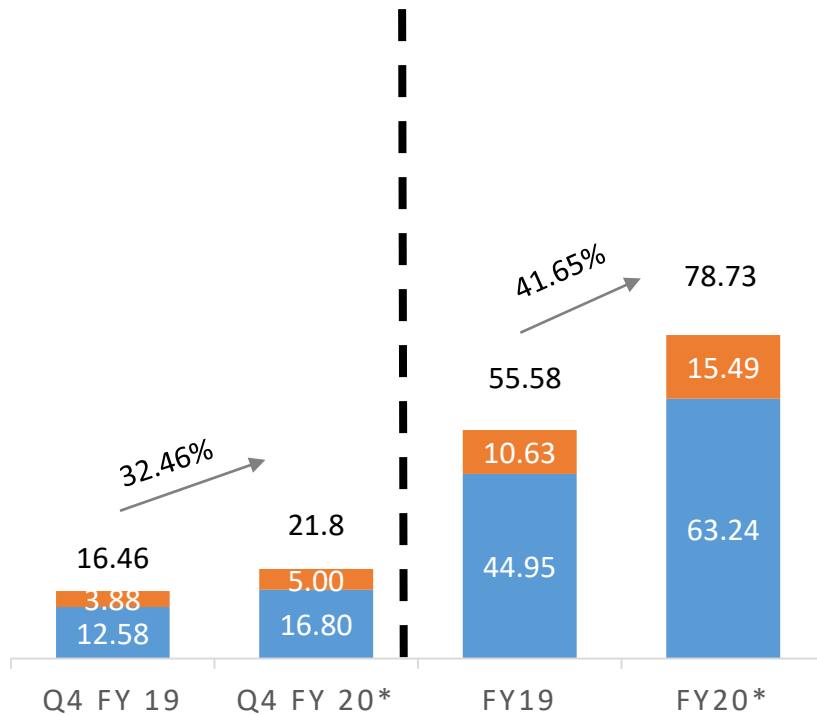


*FOIR is Fixed Obligation to Income ratio

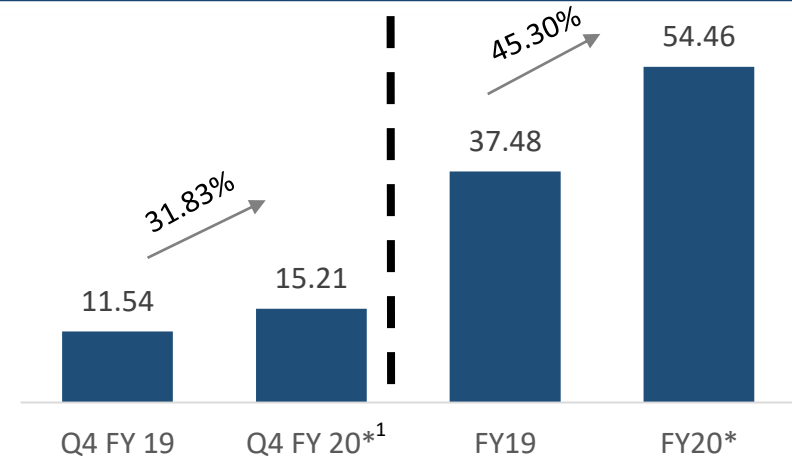
Financial Performance

Total income (₹ in Billion)

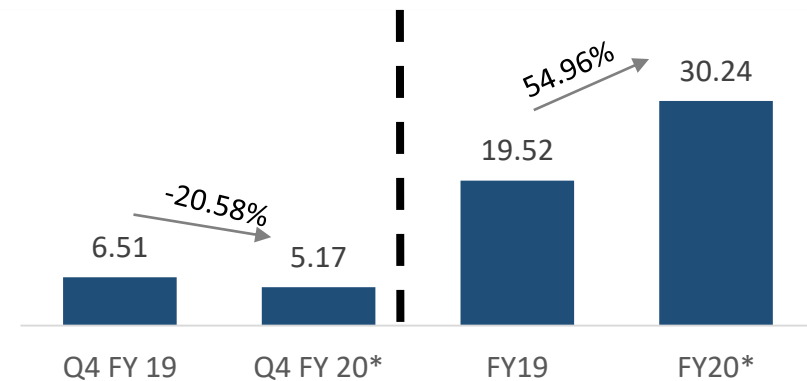
■ Net Interest Income ■ Other Income Total Income



Operating Profit (₹ in Billion)



PAT (₹ in Billion)#

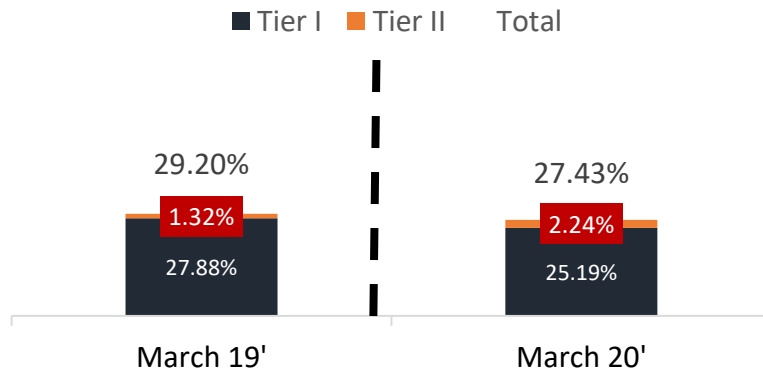


* merged numbers after amalgamation of Gruh Finance Ltd

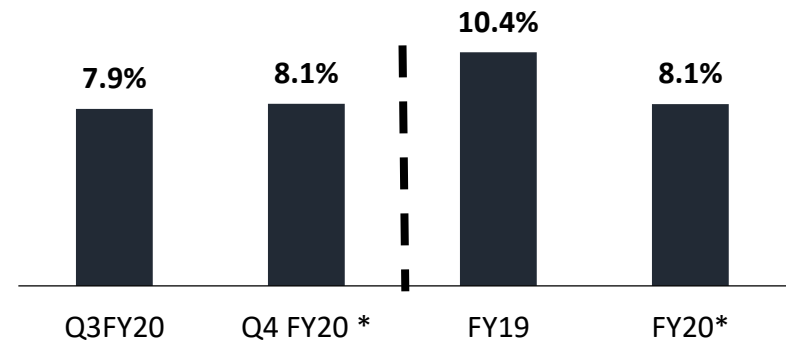
PAT for March 20 lower after taking one time COVID 19 related provision of ₹6.9 bn on standard advances

Financial Performance

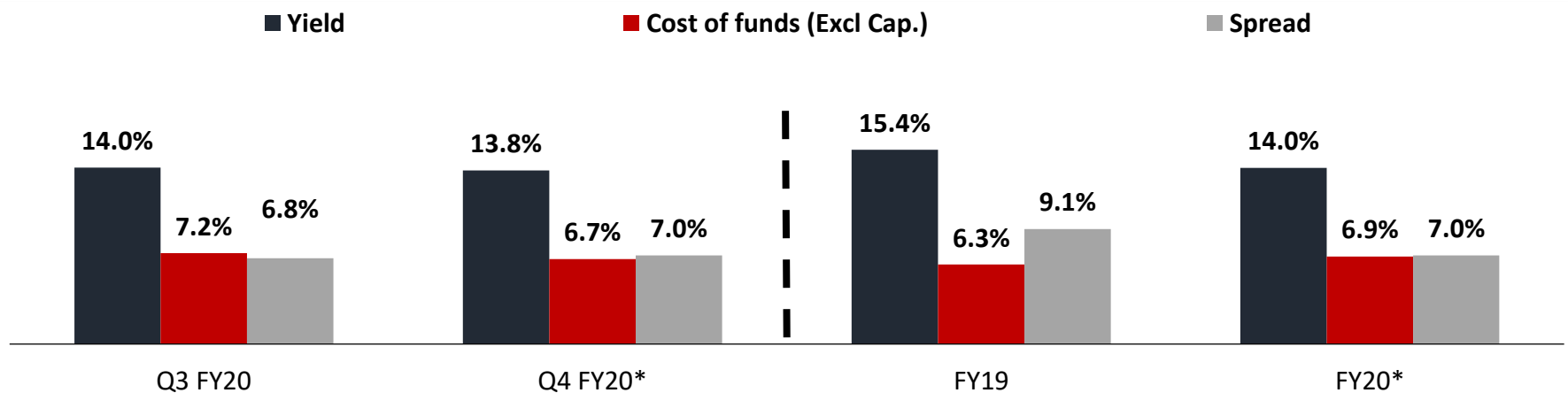
Capital Adequacy Ratio



NIM (Annualized)

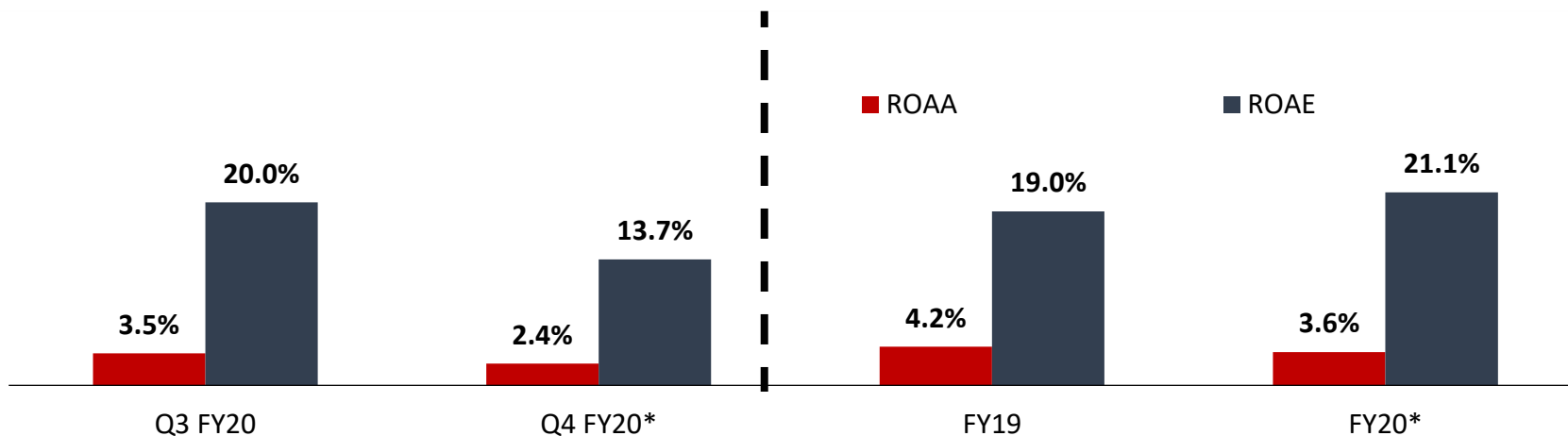


Spread (Annualized)

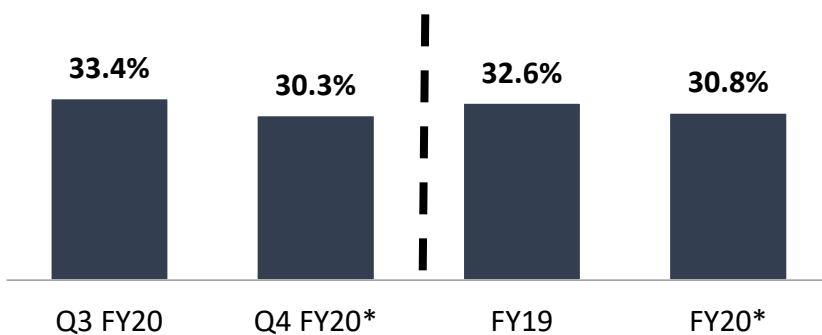


Financial Performance

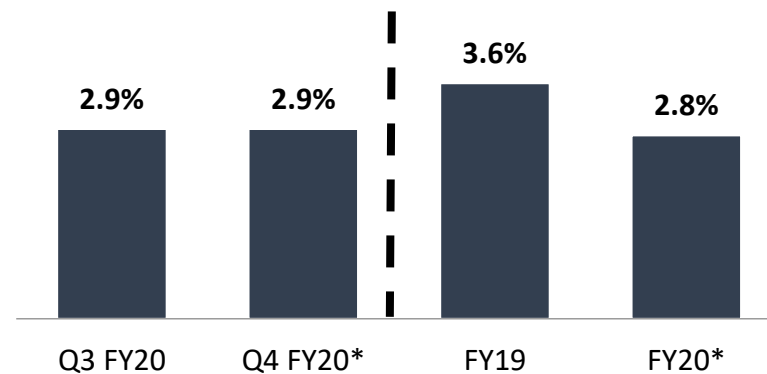
ROAA & ROAE (Annualized)



Cost to Income Ratio

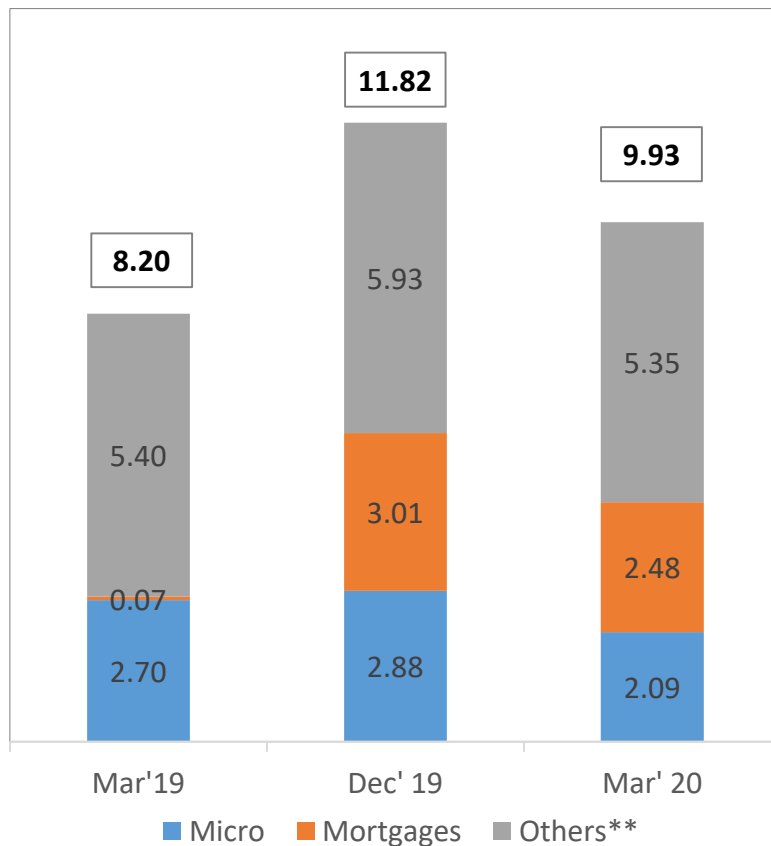


Operating expenses to Average Assets (Annualized)



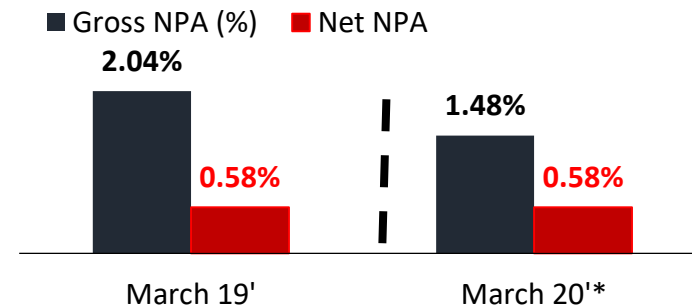
Financial Performance

Segmental GNPA movement - (₹ in Billion)

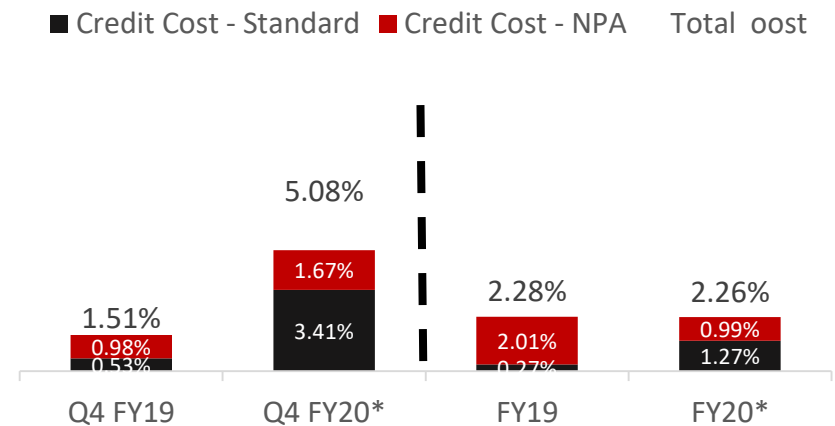


**Others includes ₹3.85 bn of IL&FS

Gross NPA and Net NPA



Credit Cost (Annualized)



* numbers are merged after amalgamation of Gruh Finance Ltd

Profit & Loss Statement (IN ₹ Billion)



Particulars	Q4 FY 20	Q4 FY 19	YoY%	Q3 FY 20	QoQ%	FY 20	FY 19	YoY%
	Merged	Standalone		Merged		Merged	Standalone	
Interest Income	28.46	18.33	55.26%	27.18	4.71%	108.86	66.43	63.87%
Interest expenses	11.66	5.75	102.71%	11.77	-0.93%	45.62	21.48	112.38%
Net Int. Income (NII)	16.80	12.58	33.57%	15.41	9.02%	63.24	44.95	40.69%
Non Interest Income	5.00	3.88	28.87%	3.58	39.66%	15.49	10.63	45.72%
Total Income	21.80	16.46	32.46%	18.99	14.80%	78.73	55.58	41.65%
Operating Expenses	6.59	4.92	33.94%	6.34	3.94%	24.27	18.10	34.09%
Operating Profit	15.21	11.54	31.83%	12.65	20.24%	54.46	37.48	45.30%
Provision	1.38	1.54	-10.39%	2.95	-53.22%	7.03	7.35	-4.37%
COVID 19 Provision	6.90	-	-	-	-	6.90	-	-
Profit before tax	6.93	10.00	-30.69%	9.70	-28.56%	40.53	30.13	34.52%
Tax	1.76	3.49	-49.54%	2.39	-26.36%	10.29	10.61	-3.05%
Profit after tax	5.17	6.51	-20.58%	7.31	-29.27%	30.24	19.52	54.96%

Balance Sheet (IN ₹Billion)

Particulars	As at 31st Mar 2020 (Merged)	As at 31 st March 2019 (Standalone)	% Change
Capital & Liabilities			
Capital	16.10	11.93	34.95%
Reserves & Surplus	135.85	100.09	35.73%
Shareholder Funds	151.95	112.02	35.65%
Deposits	570.82	432.32	32.04%
Borrowings	163.79	5.21	3043.76%
Other liabilities and provisions	30.62	14.87	105.92%
Total	917.18	564.42	62.50%
Assets			
Cash and balances with Reserve Bank of India	63.45	38.79	63.57%
Balance with Banks and Money at call and short notice	20.08	19.24	4.37%
Investments	153.52	100.37	52.95%
Advances	666.30	396.43	68.08%
Fixed Assets	3.69	3.31	11.48%
Other Assets	10.14	6.28	61.46%
Total	917.18	564.42	62.50%

Credit Rating

Rating of Bank's Financial Securities			
Instrument	Rating	Rating Agency	Amount (₹ in Billion)
Subordinated Tier II Non - Convertible Debenture	CARE AA-; Stable	CARE Ratings	1.60
	[ICRA]AA; Stable	ICRA	
Non-Convertible Debenture #	[ICRA] AA; Stable	ICRA	50.75**
	CRISIL AA/Stable		
Term Loans From Bank	ICRA]AA Stable	ICRA	0.80
Certificate of Deposit	CRISIL A1+	CRISIL	60.00*
	[ICRA] A1+	ICRA	
Fixed Deposit Program #	CRISIL FAAA/Stable	CRISIL	1.60
Subordinated Debt #	CRISIL AA/Stable	CRISIL	0.35

*Rating of ICRA is for ₹ 30 bn only

**Rating of ICRA is for ₹ 15.76 bn only

#erstwhile GRUH Finance Limited transferred to Bandhan Bank Ltd.

Our Board & Management



Bandhan
Bank

Experienced and professional team...

Management Team



Chandra Shekhar Ghosh
MD & CEO

- Founder of BFSL, has 27 years of experience in the field of microfinance and development
- Awarded 'Entrepreneur of the Year' by Forbes and ET in 2014



Sudhin Bhagwandas Choksey
Executive Director (Designate)

- 35+ years experience in financial industry.
- Previously served as Managing Director at GRUH Finance Limited.



Deepankar Bose
Head, Corporate Centre

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



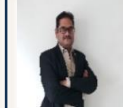
Sanjeev Naryani
Head - Business

- 32+ years of experience in banking Industry
- Previously worked as Chief General Manager and Head of Real Estate and Housing Business Unit at SBI



Sunil Samdani
Chief Financial Officer

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



Santanu Banerjee
Head, HR

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



Indranil Banerjee
Company Secretary

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



Biswajit Das
Chief Risk Officer

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



Siddhartha Sanyal
Chief Economist and Head Research

- 20+ years of experience in the field of Macro Economic
- Previously served as Director and Chief India Economist at Barclays Bank PLC.



Nand Kumar Singh
Head, Banking Operations and Customer Services

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



Subhro Kumar Gupta
Chief Audit Executive

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



Srinivasan Balachander
Chief Compliance Officer

- 20+ years experience in banking industry.
- Previously served as Chief Compliance Officer at Axis Bank Ltd.



Arvind Kanagasabai
Head, Treasury

- 30+ years of experience at a PSU Bank
- Previously served as CFO at SBI DFHI Limited, Mumbai



Dhruva Jyoti Chaudhuri
Head - Corporate Services

- 28+ years experience in Administration, Infrastructure & Facilities field.
- Previously served as Infrastructure Head at ICICI Bank Ltd.

... backed by a strong independent Board



Dr. Anup Kumar Sinha
Chairman

- Economist with Ph.D from University of Southern California
- Served as Professor of Economics at IIM Calcutta for 25 years



Chandra Shekhar Ghosh
MD & CEO

- Has significant experience in the field of microfinance
- Awarded 'Outstanding Leadership Award' by Dhaka University



Bhaskar Sen
Director

- Retired as Chairman & MD of United Bank of India
- Previously, Executive Director of Dena Bank



Chintaman Mahdeo Dixit
Director

- Significant experience in finance and accountancy sector
- Previously, he has worked at Life Insurance Corporation and Indian Bank



Sisir Kumar Chakrabarti
Director

- Previously, Deputy Managing Director at Axis Bank
- Also worked with State Bank of Bikaner and Jaipur prior to joining Axis Bank



Snehomoy Bhattacharya
Director

- Significant experience in public and private banking sector
- Previously worked as Executive Director – Corporate Affairs Axis Bank



Ranodeb Roy
Non-executive Director

- Founder of RV Capital Management Private Limited, Singapore, he was earlier heading Fixed Income Asia Pacific in Morgan Stanley (Asia) Singapore



T. S. Raji Gain
Director

- Significant experience in the field of agricultural and rural development, Previously, she has worked with NABARD
- Currently, Executive Director BIRD



Dr. A S Ramasastry
Director

- Director, Institute for Development & Research of Banking Technology;
- Chairman of IFTAS; company promoted by IDRBT to provide technology services in Banking & financial sectors



Santanu Mukherjee
Director

- Significant experience in public sector Banking in various capacities in SBI Group
- Former MD of State Bank of Hyderabad



Dr. Holger Dirk Michaelis
Nominee Director

- Significant experience in private equity and as strategic advisor to financial services companies
- Currently, he is working at GIC



Harun Rashid Khan
Director

- Retired as Deputy Governor of Reserve Bank of India
- Instrumental in formulation of Payments system Vision 2018 of RBI



N V P Tendulkar
Additional Director

- Significant experience in finance, accounts and management
- Former Whole time Director – Finance of Hewlett Packard (India)



Vijay N Bhatt
Additional Director

- Significant experience in accounting, audit and assurance
- Former Sr. Independent Director of BSR & Co., Chartered Accountants

Awards and accolades



Businessworld Magna Awards 2019

Bandhan Bank won two awards in the small size bank category at the glittering ceremony of Magna Awards 2019 organised by Businessworld magazine in Mumbai.

1. Best Bank
2. Fastest Growing Bank

'Banker of the Year' award was conferred upon Mr. Chandra Shekhar Ghosh.

Emerging Company of the Year by Economic Times

Bandhan Bank recognized as the Emerging Company of the Year by Economic Times Awards for Corporate Excellence, 2019.



Bandhan Bank recognised as the 'Best Small Bank' award by business today

Awards and accolades

Banker of the Year by Business Standard

Mr. Chandra Shekhar Ghosh, Managing Director and Chief Executive Officer was declared as the Business Standard 'Banker of the Year' for 2018-19 on November 14, 2019.

He received this award for the all-round performance of Bandhan Bank.



Times Business Award 2020

Bandhan Bank has been declared as the 'Best Indian Banking & Financial Institution'.



The Economic Times ET Bengal Corporate Awards.

Bandhan recognised as the 'Fastest Growing Company', and also received the award for 'Excellence in Business Performance' in the category of companies with turnover of Rs.3,000 crore.



Thank You

investor.relations@bandhanbank.com



Bandhan
Bank