

**Investor
Presentation
Q2 FY2020-21**

November 2020



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Key Highlights



Bandhan
Bank

Key Highlights

Bandhan Bank - Overview

- Loan portfolio (on book + off book) for Q2 FY 20-21 grew 19.4% Y-o-Y
- Deposits grew by 34.4% Y-o-Y in Q2 FY 20-21; Retail Deposit to Total Deposit at 77%
- Gross NPA is at 1.2% & Net NPA is at 0.4%
- Added 0.51 million Customer during the quarter with total customer base reaching to 20.82 million (EEB- 15.77 million, Non EEB – 5.05 million)
- Bank's proforma GNPA ratio and proforma NNPA ratio would have been 1.5% and 0.7% respectively without the dispensation given by Hon. Supreme Court.
- During the quarter, the Bank has made further provision of ₹ 3 billion on standard advances against the potential impact of COVID-19 taking the aggregate additional provision held by the bank to ₹ 21 bn

Snapshot of operations Q2 FY 2020-21

Total Deposits	₹ 661.3 bn
Total Loans and advances	₹ 766.2 bn ¹
Net Interest Margin (NIM)	8.0%*
CASA Ratio	38.2%
ROAA (%)	3.6%*
ROAE (%)	22.5%*



34
States & UTs



548
Cities



1,045
Branches



487
ATMs



3,656
Banking Units



45,549
Employees



20.82mn
Customers



88%
Priority sector loans



62%
EEB# Group based loans

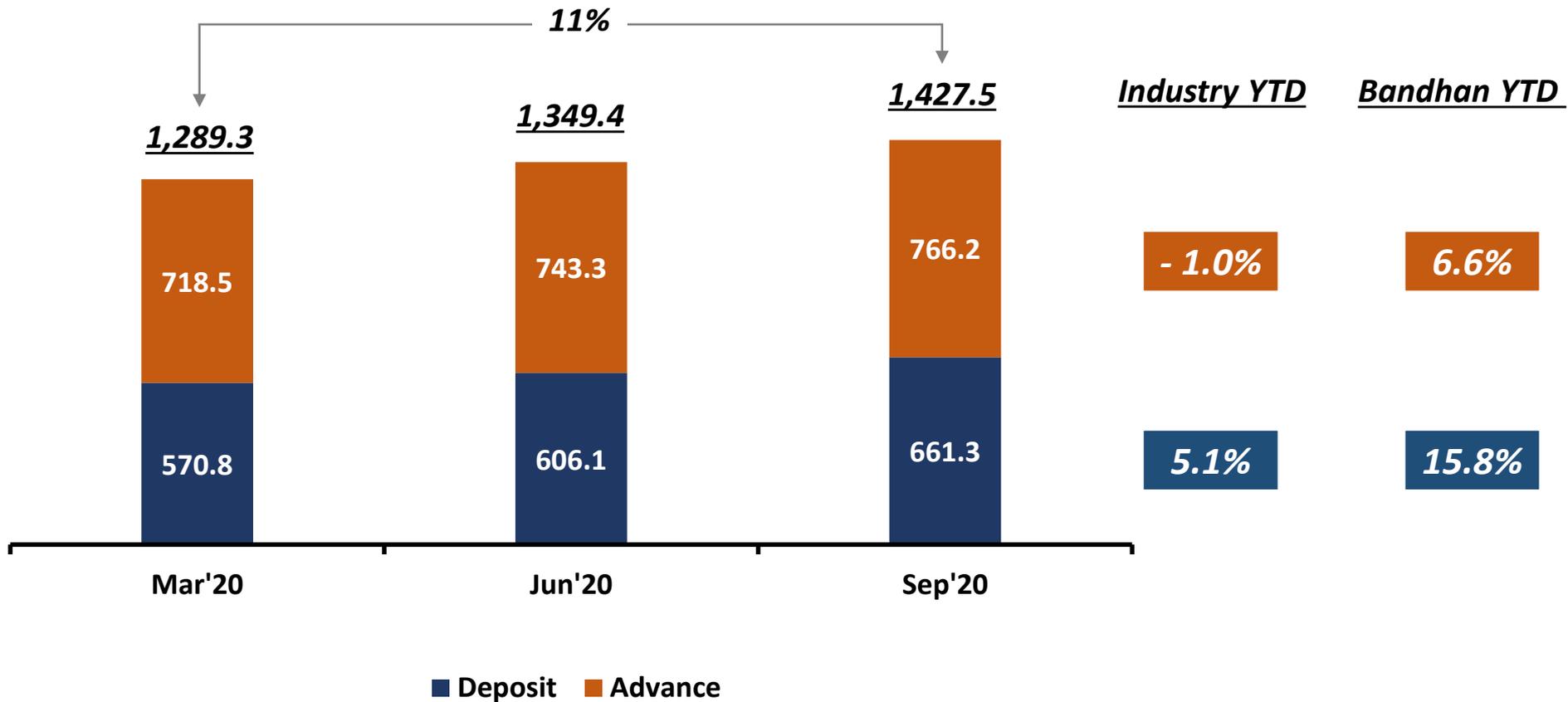
1. On book + Off Book (including TLTRO ₹ 5 bn)

*Annualised

#Emerging Entrepreneurs Business (Erstwhile Miro Banking Unit)

Overall business has grown 11% during H1 FY21 despite the Covid environment

Overall Business Growth (₹ in Billion)

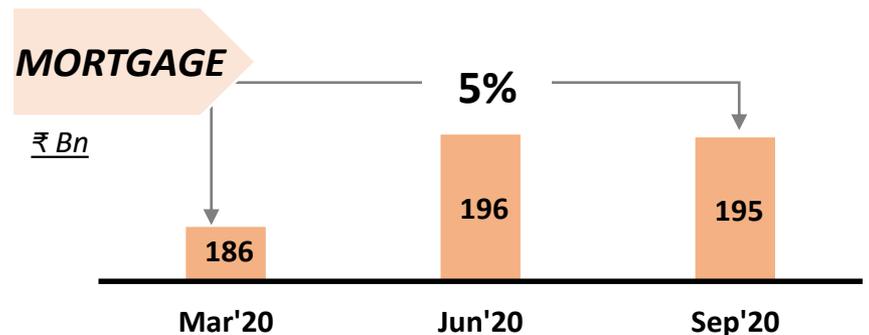
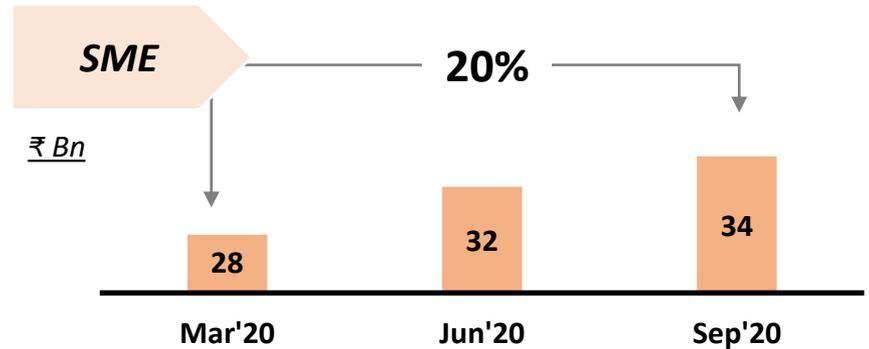
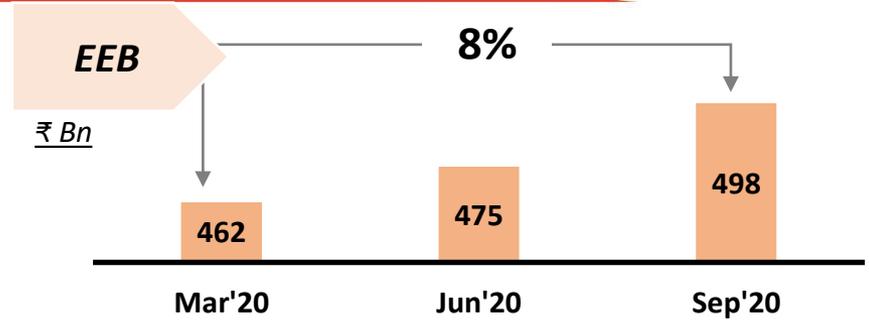
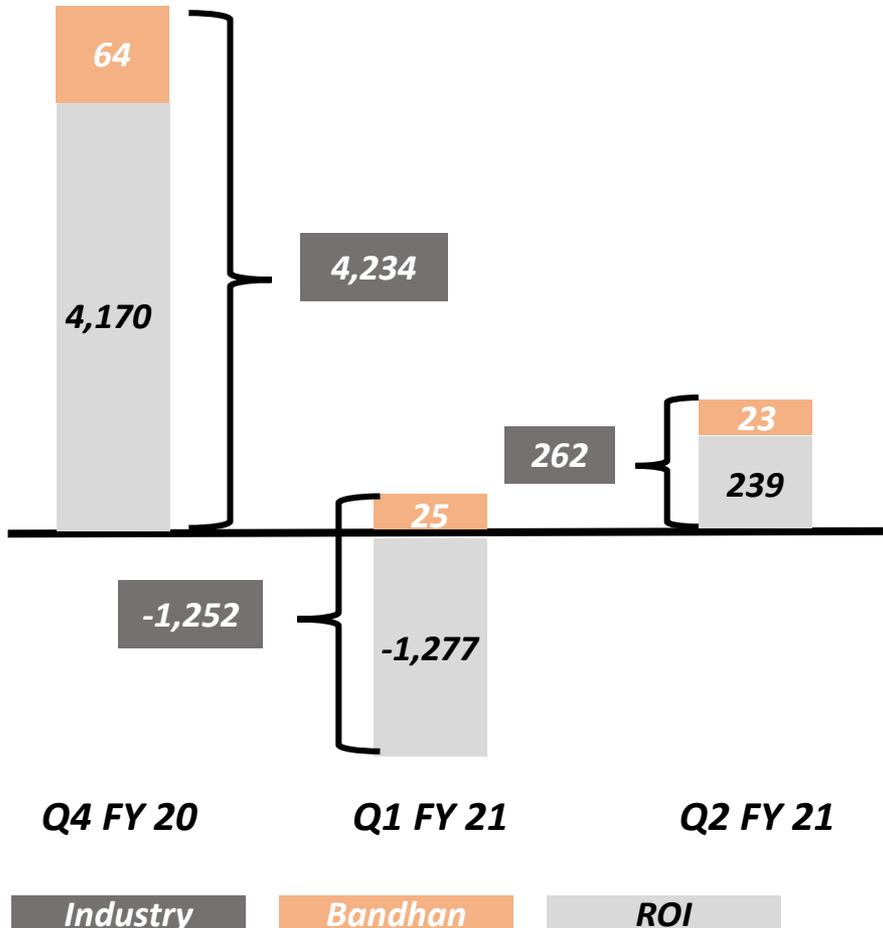


Source: RBI for Industry data, data based on last reporting Fridays of respective quarters

While industry credit growth remains weak, our strategic thrust in EEB, SME and Mortgages stands out

Quarterly Incremental Credit Growth

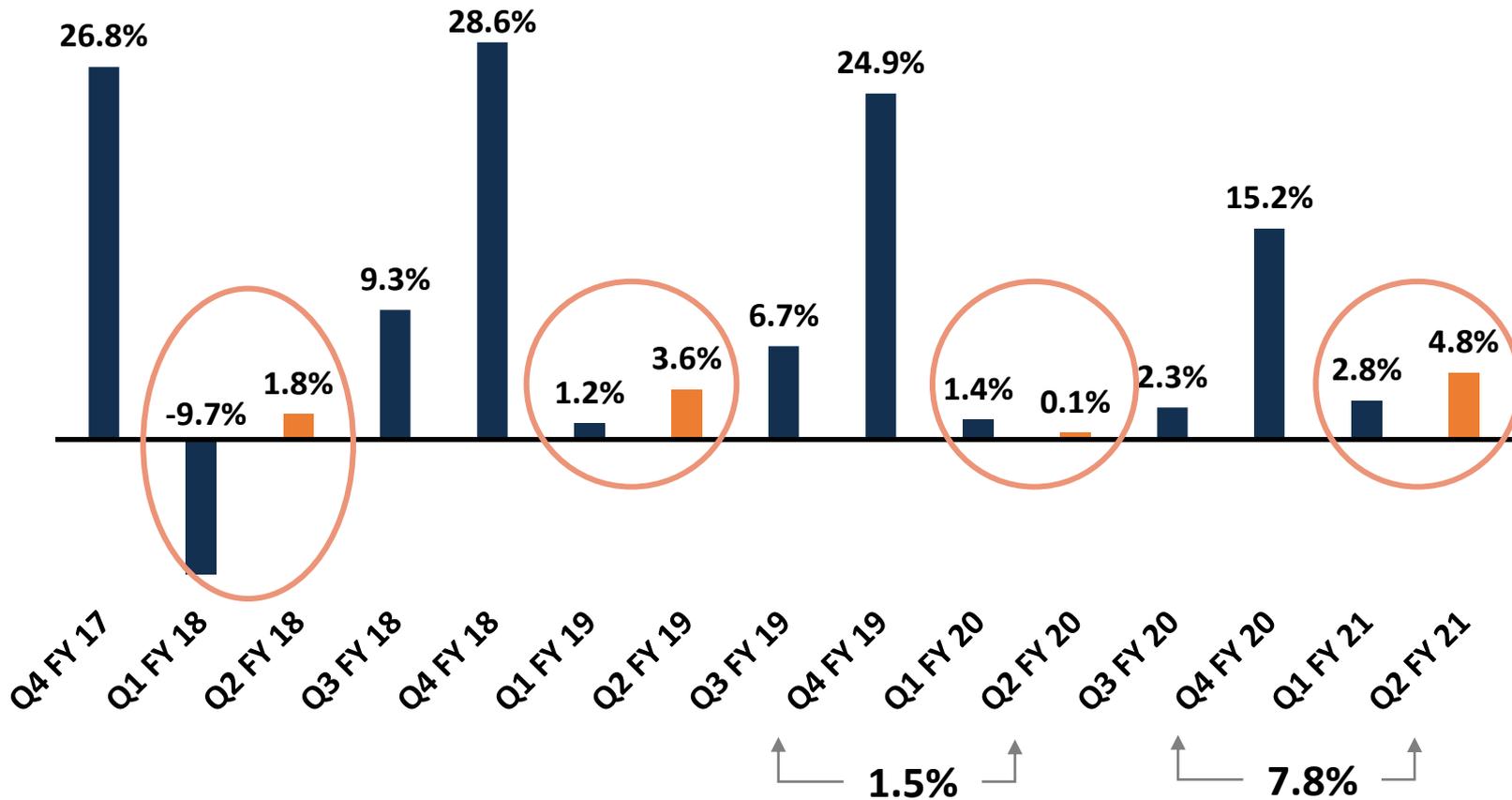
(₹ Bn)



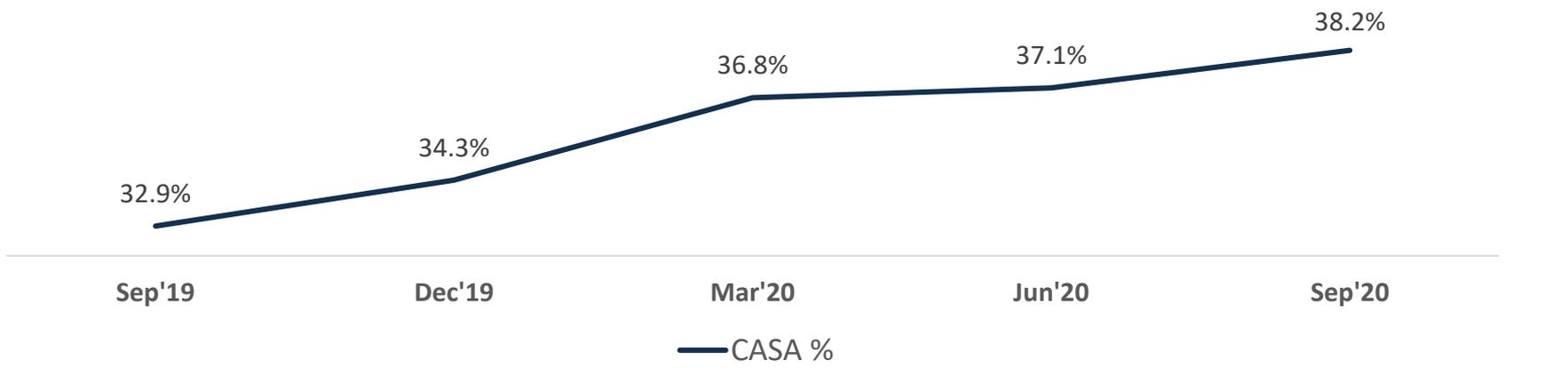
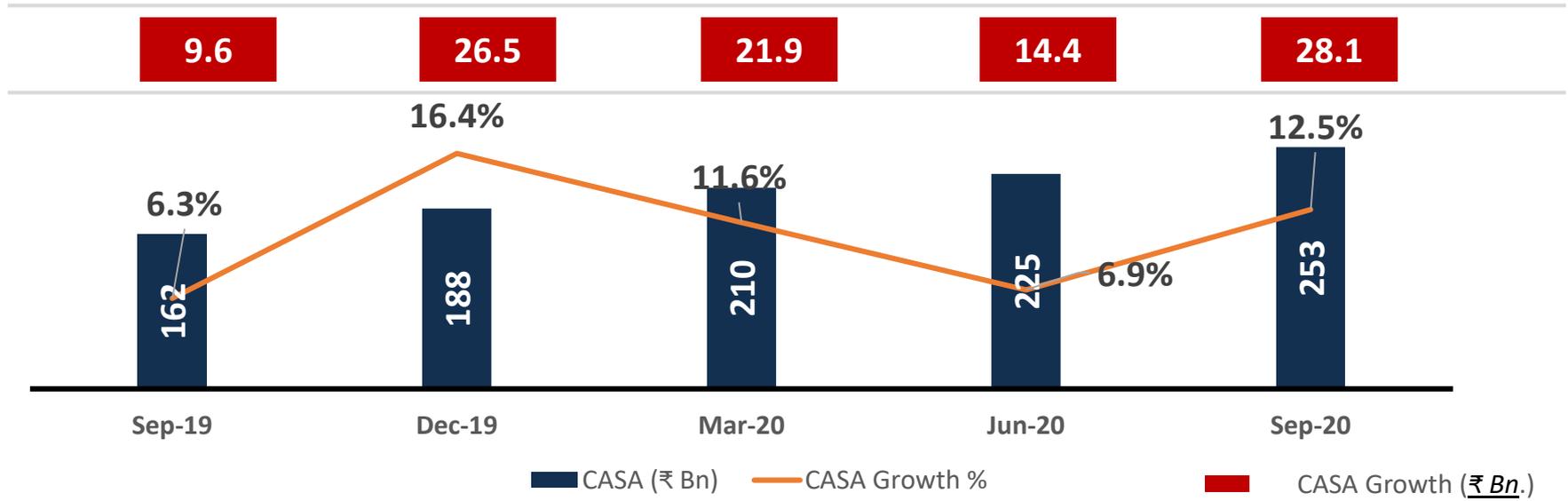
Source: RBI for Industry data, data based on last reporting Friday of respective quarter

In EEB, H1's tepid growth is partly seasonality induced; growth in H1FY21 stronger than recent years

EEB portfolio growth

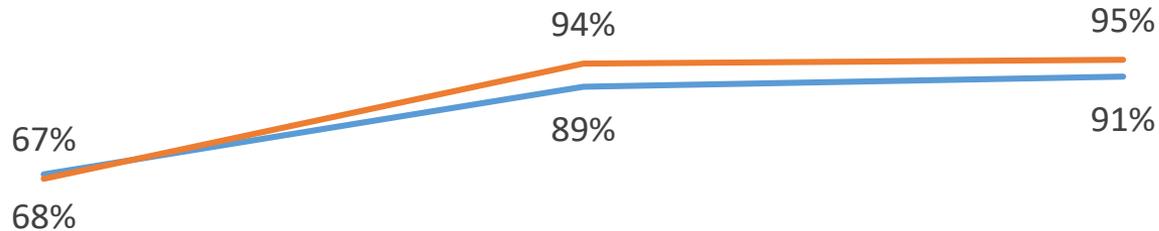


Highest QoQ CASA growth this quarter amongst previous quarters



EEB Collection Efficiency

EEB Collection Efficiency (Excluding arrears)



As on 30th June'20

for the month Sep'20 (Monthly Avg.)

Upto 27th Oct'20 (Monthly Avg.)

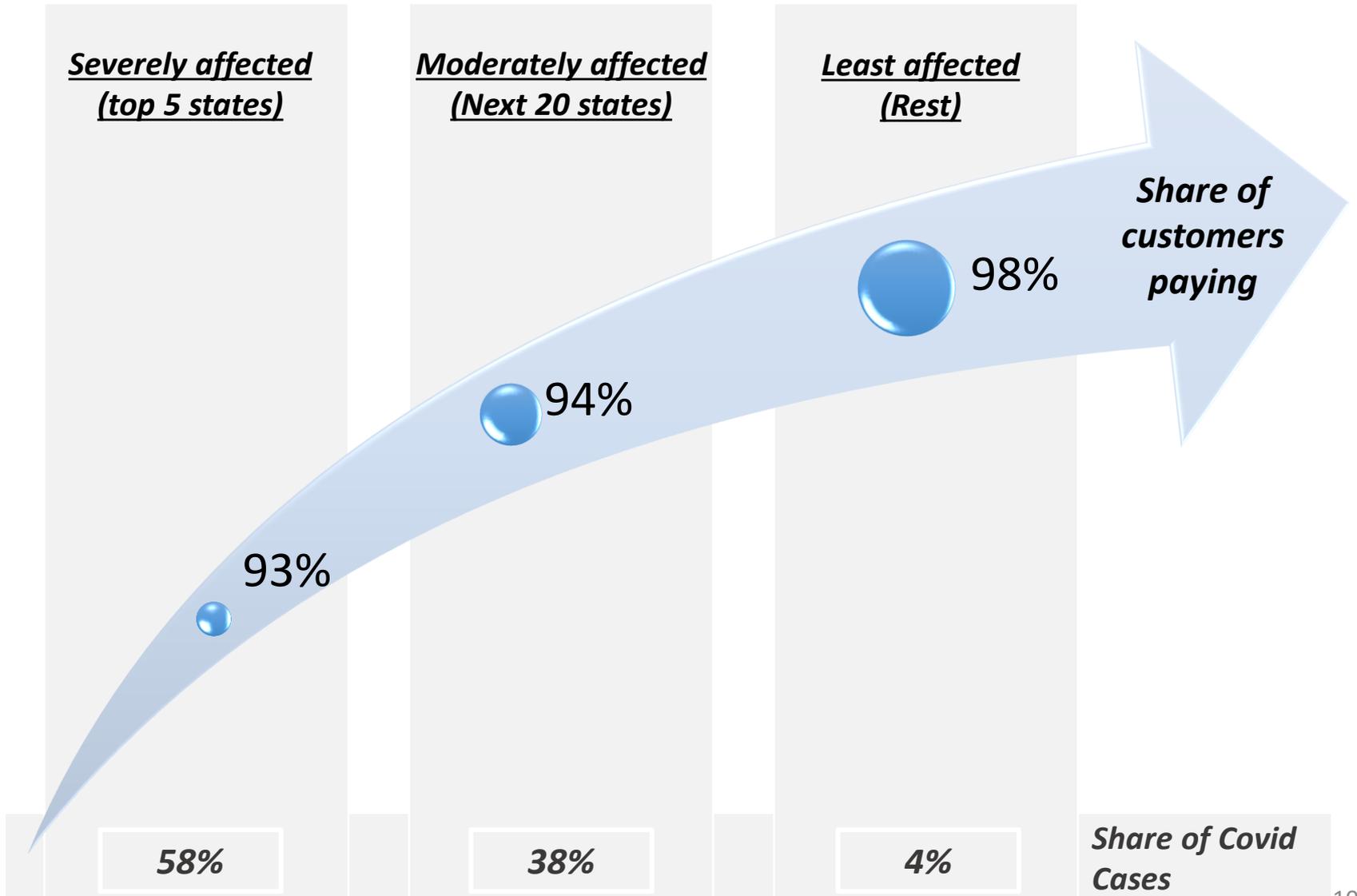
— Value % — Customers %

No Of Customers making Payment



Steadily moving towards Pre Covid Level

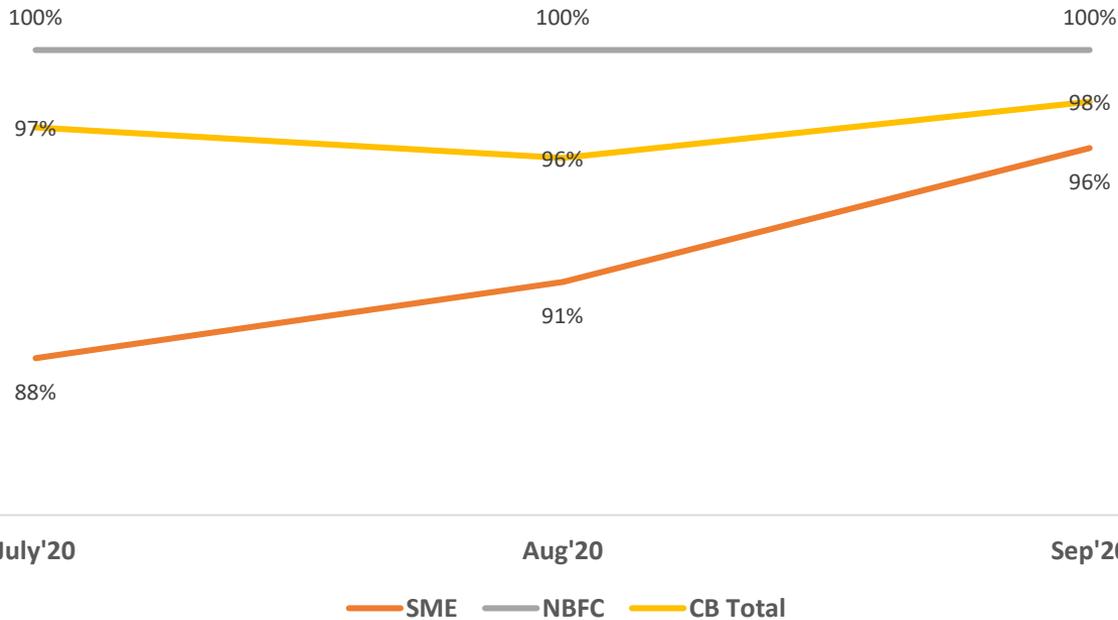
About 94% of our EEB customers have started repaying their loan installments in the month of Sep 20



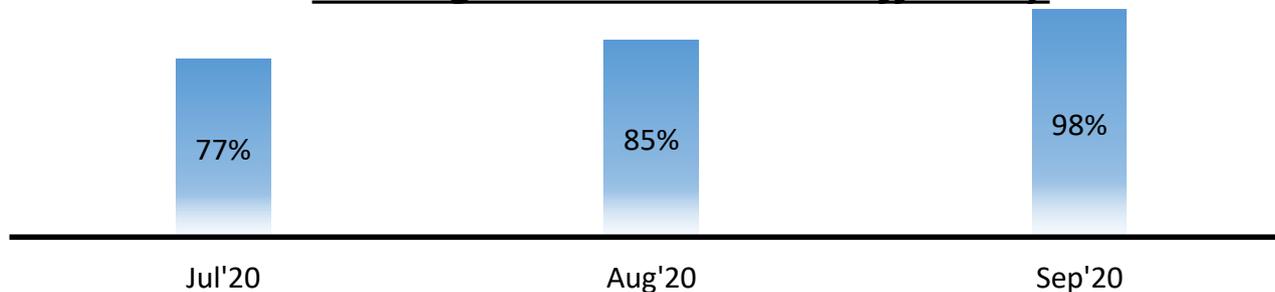
Collection Efficiency in Housing Finance & Commercial Banking (CB) vertical near to Pre-Covid Levels



CB segment wise collection efficiency



Housing Finance Collection efficiency



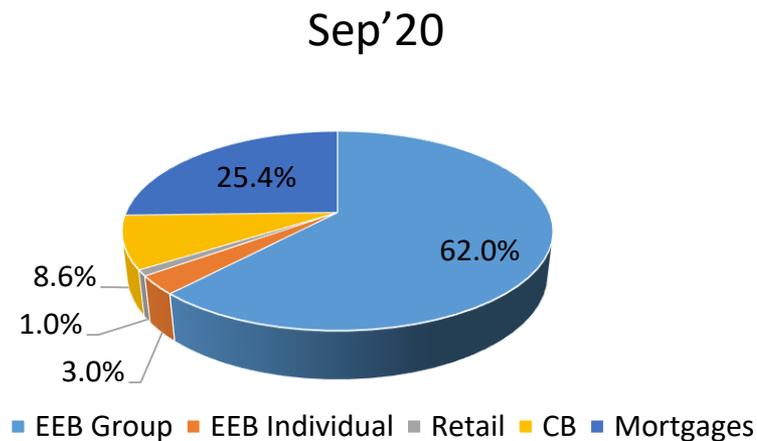
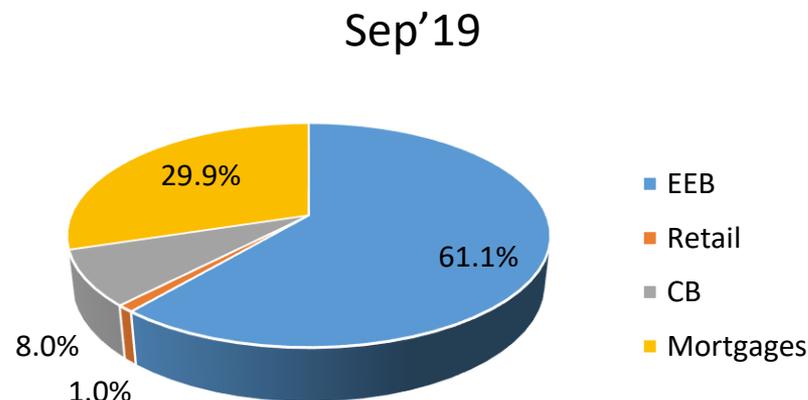
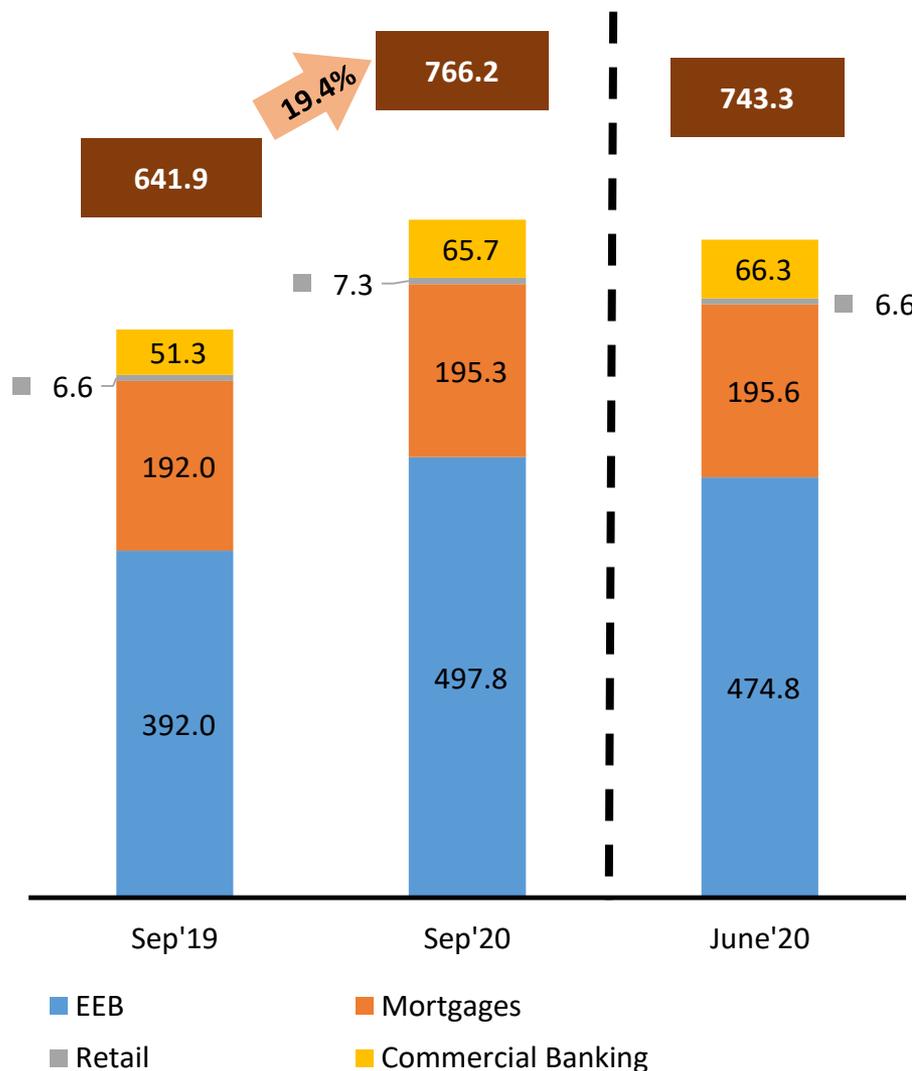
Business & Financial Overview



Bandhan
Bank

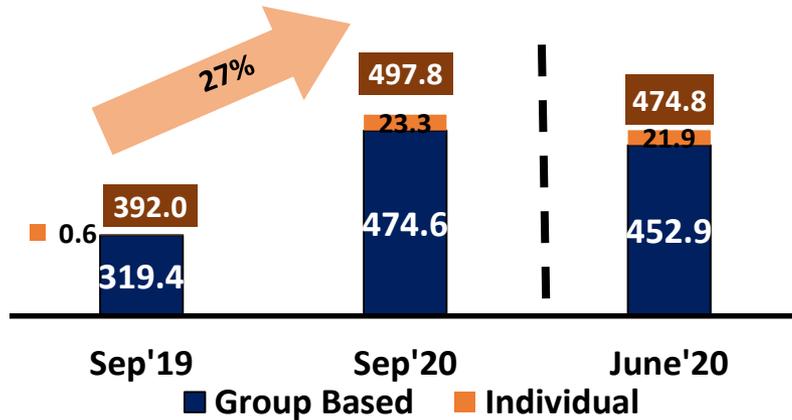
Asset Book Mix

Total Advances (₹ in Billion)

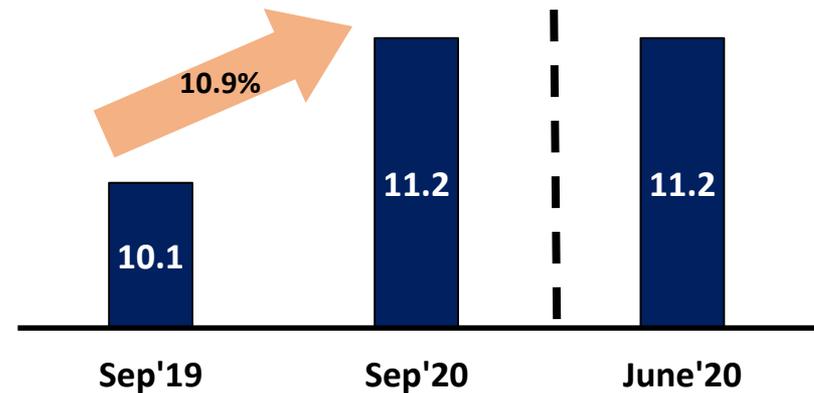


Emerging Entrepreneurs Business

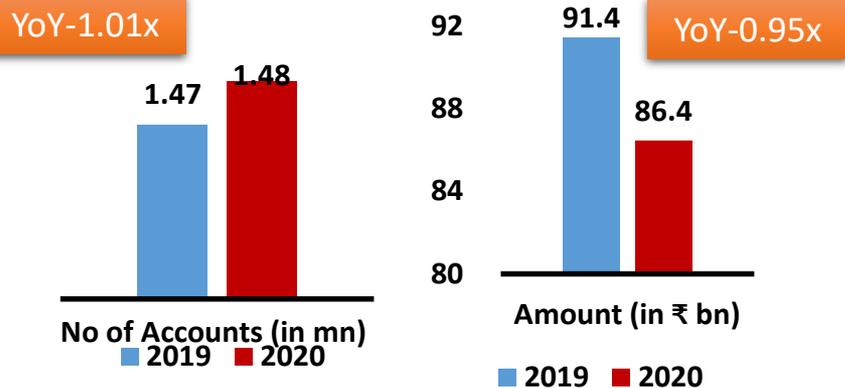
Emerging Entrepreneurs Asset Growth (₹ in Billion)



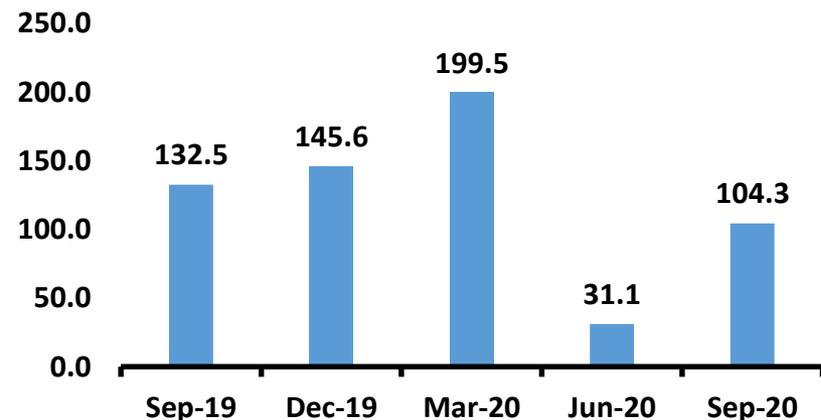
Number of Active Borrowers (Mn)



Disbursements Post Moratorium from 1st Sep – 27th Oct



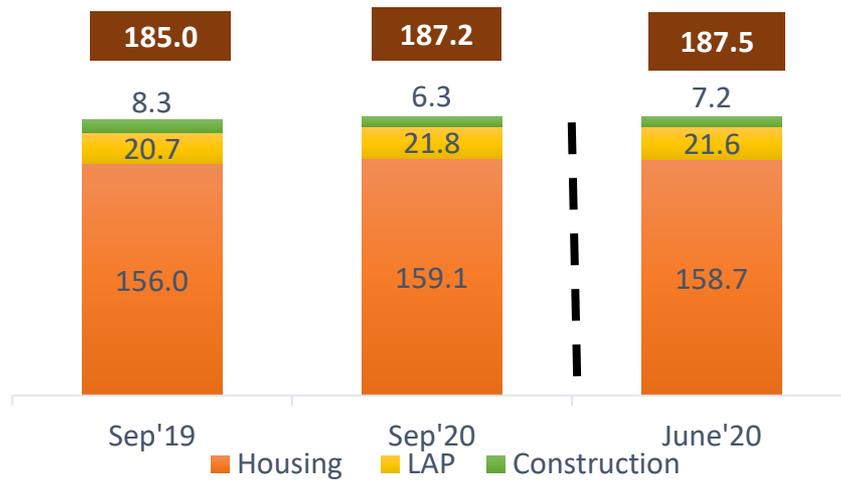
EEB Loan Disbursement (₹ in Billion)



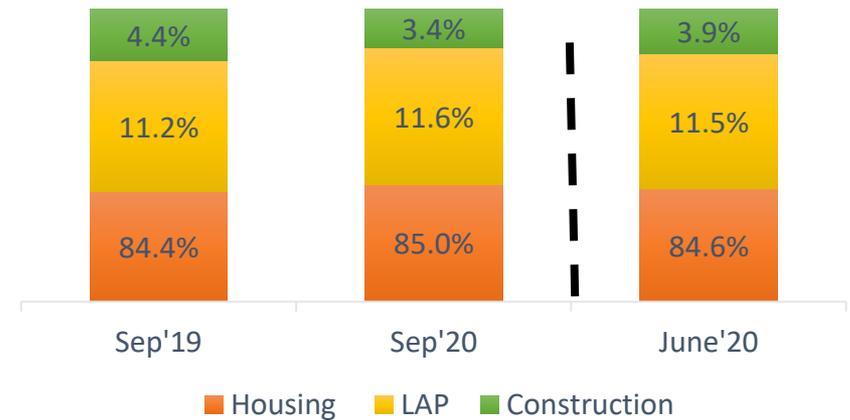
Since moratorium is lifted Disbursements are close to Pre-Covid Levels

Housing Finance

Housing Asset Bifurcation (₹ in Billion)

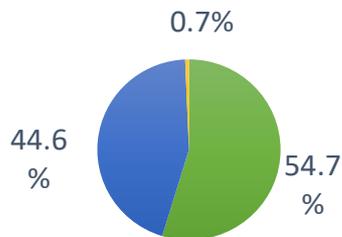


Housing Asset Segment wise (in %)



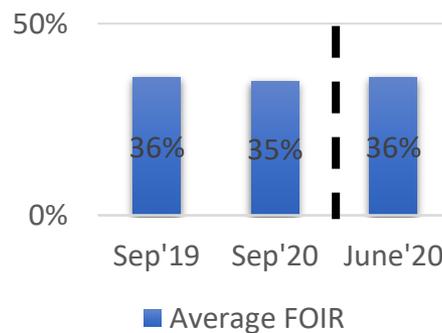
*Housing asset bifurcation excluding IBPC purchase

Customers



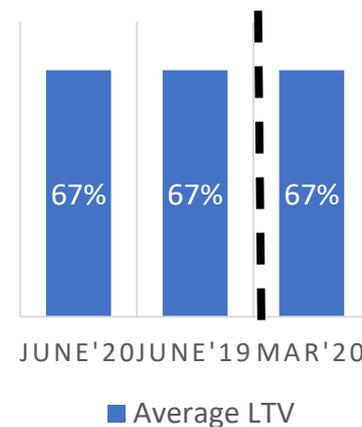
- Salaried
- Self Employed
- Professionals

Average FOIR*

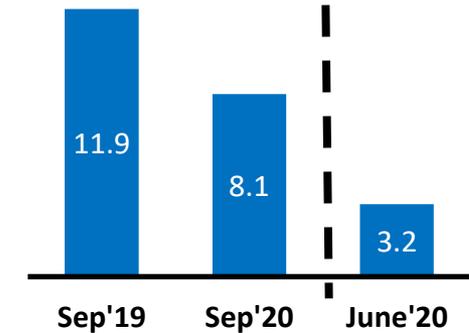


*FOIR is Fixed Obligation to Income ratio

AVERAGE LTV

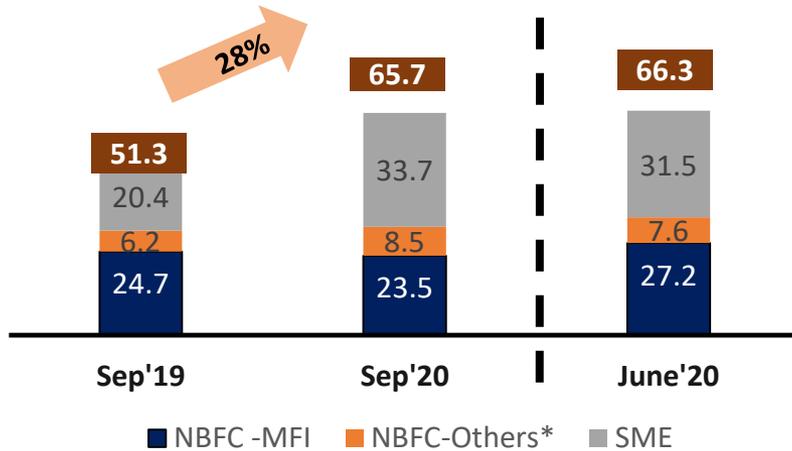


Housing Asset Disbursements (₹ in Billion)

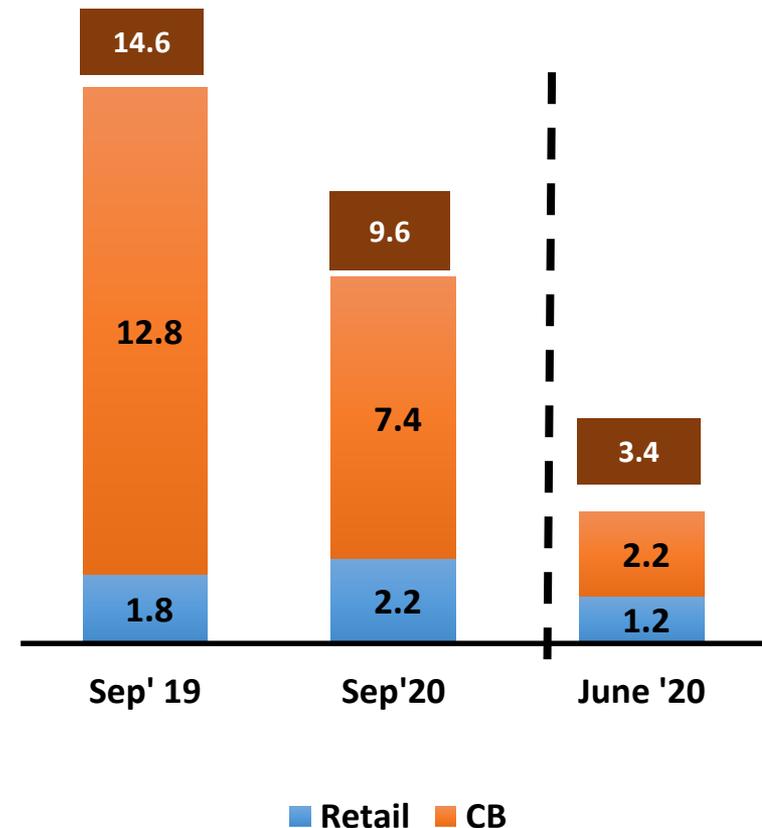


Commercial Banking (CB) & Retail Assets

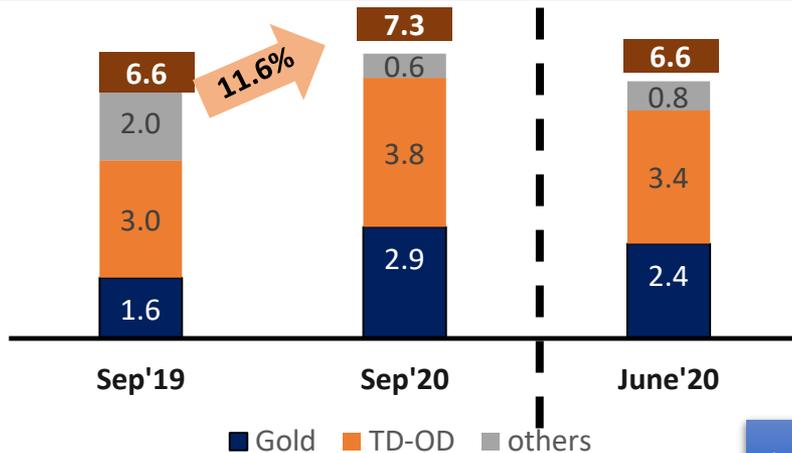
Product wise CB Assets (₹ in Billion)



CB & Retail Disbursements – (₹ in Billion)



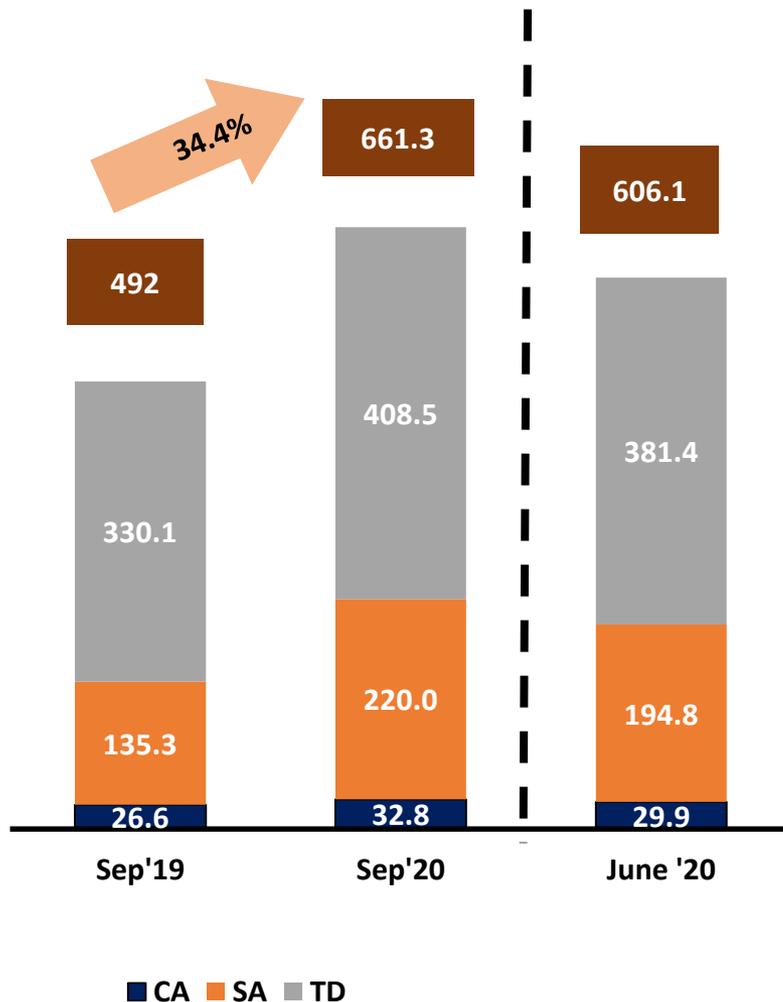
Product wise Retail Assets (₹ in Billion)



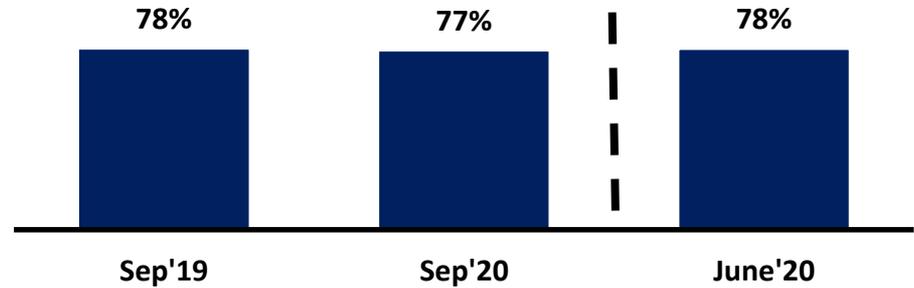
*Includes ILF&S exposure of ₹ 3.85 billion which is fully provided

Liabilities Profile

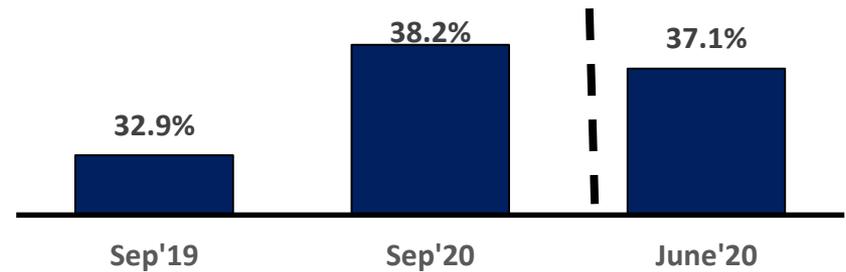
Deposits Growth (₹ in Billion)



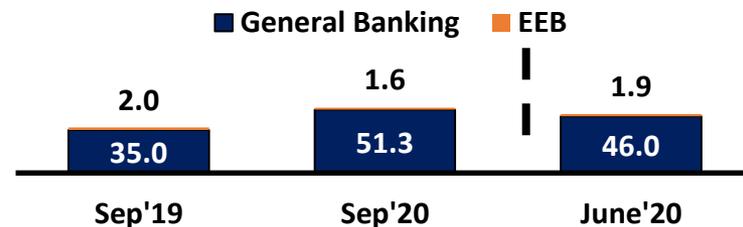
Retail to Total Deposits (%)



CASA (%)



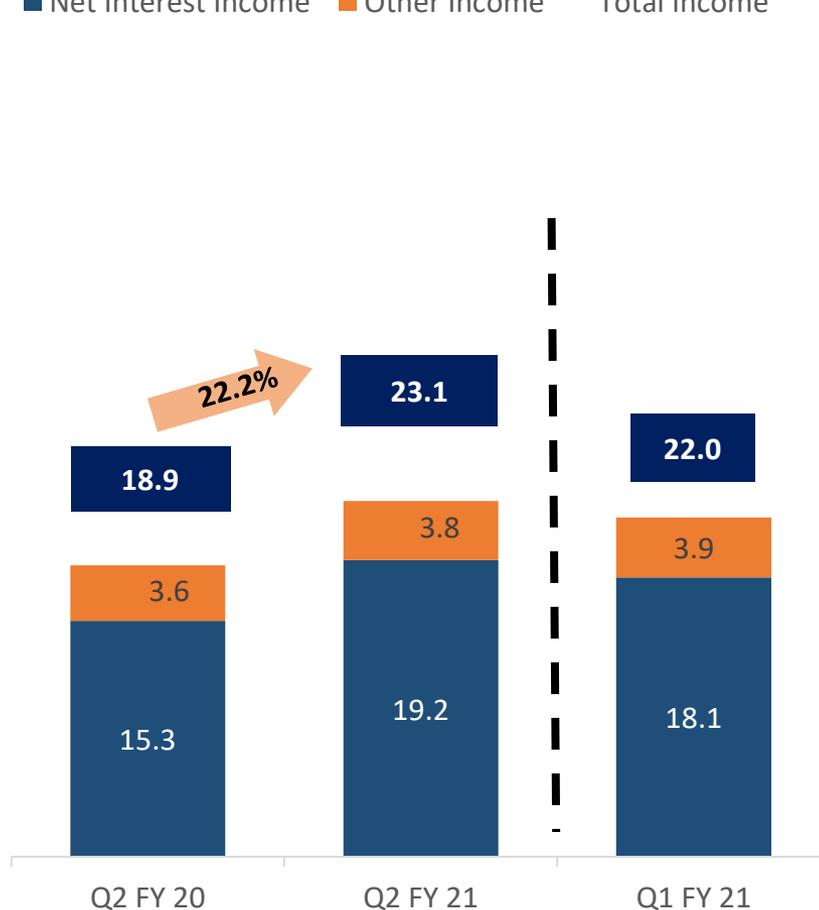
Average SA Balance Per Customer (₹ in 000')



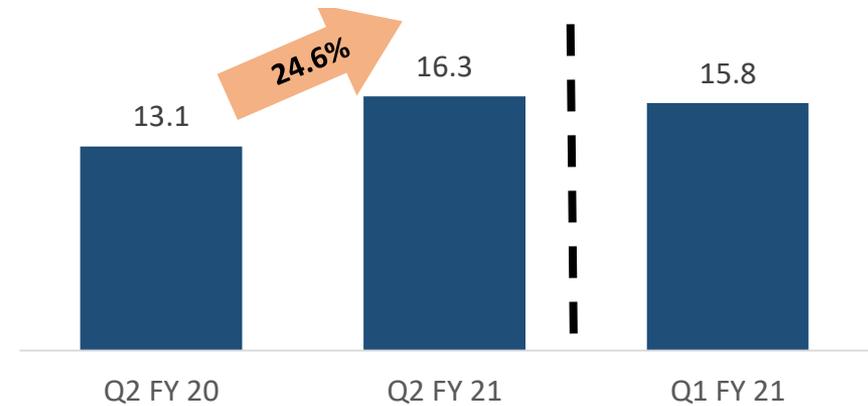
Financial Performance

Total income (₹ in Billion)

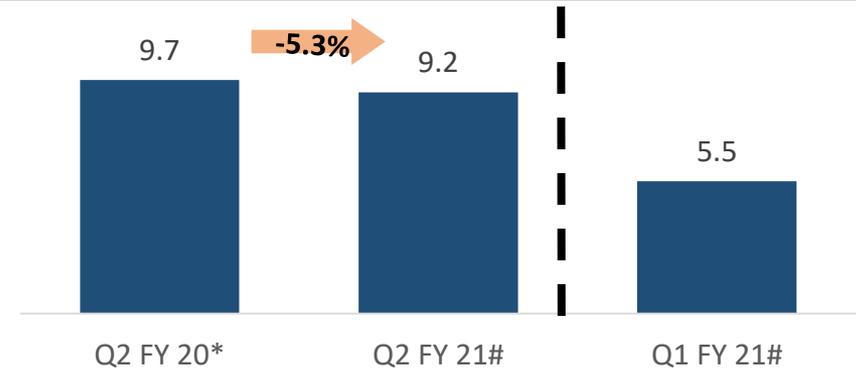
■ Net Interest Income ■ Other Income Total Income



Operating Profit (₹ in Billion)



PAT (₹ in Billion)

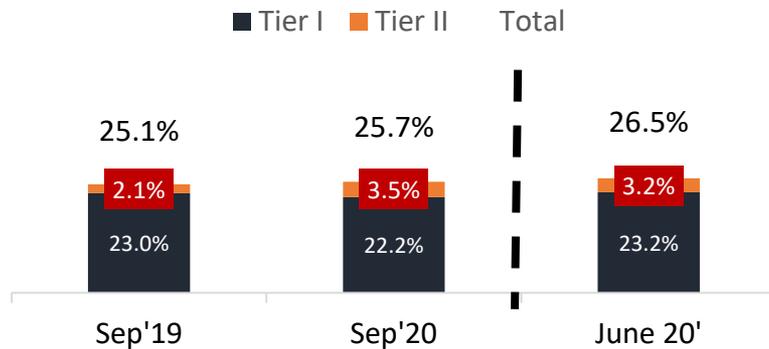


PAT for Q2 FY21 is after taking accelerated additional COVID 19 related provision on standard advances of ₹ 3bn and in Q1FY21 amounting to ₹7.5 bn;

*PAT for Q2FY20 had benefit of lower tax rate resulting in reducing tax expenses by ₹ 1.1 bn and increasing PAT accordingly.

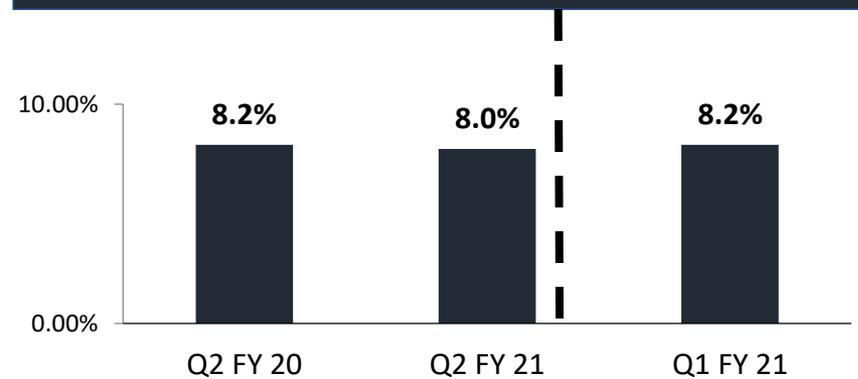
Financial Performance

Capital Adequacy Ratio (CRAR)

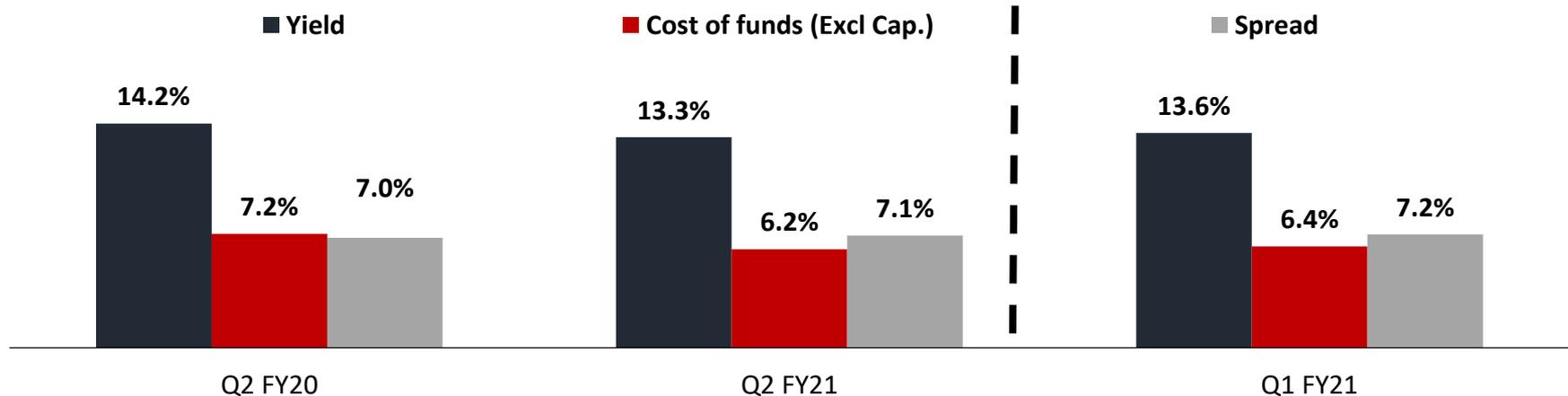


CRAR for Sep'20 after considering H1 FY21 Profits is 27.8%

NIM (Annualized)

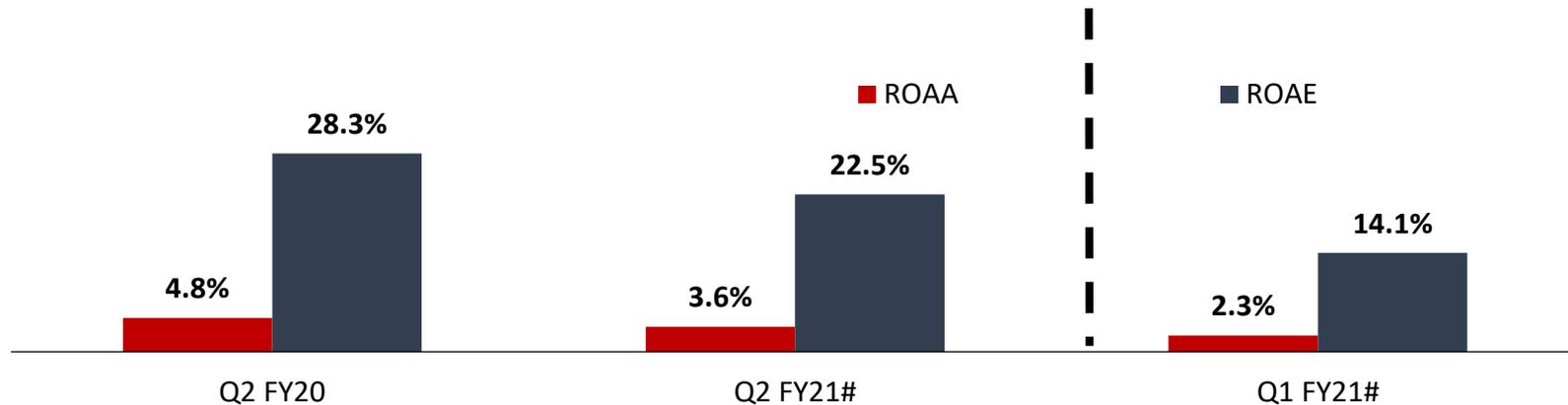


Spread (Annualized)

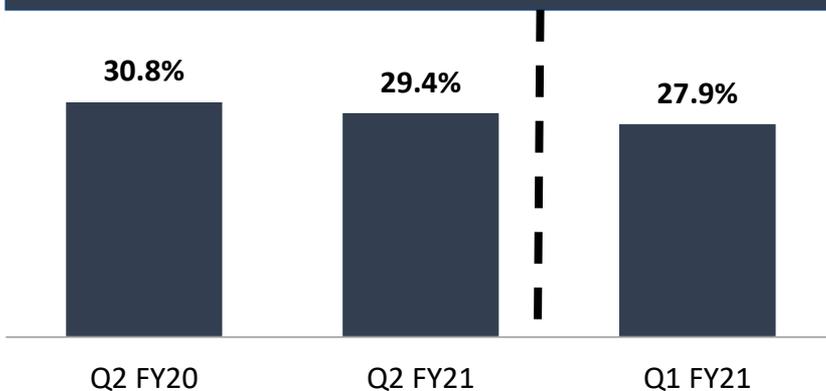


Financial Performance

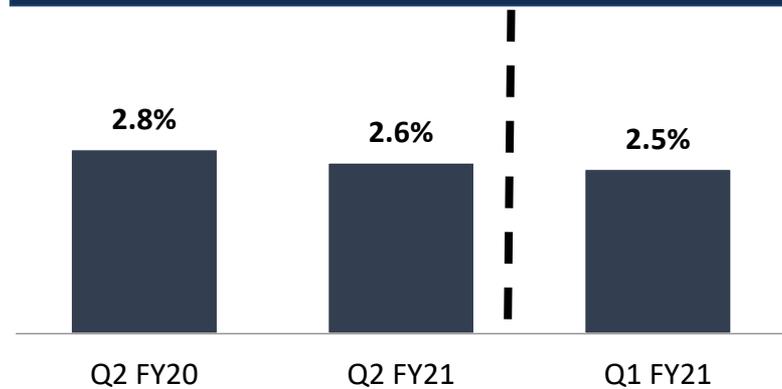
ROAA & ROAE (Annualized)#



Cost to Income Ratio



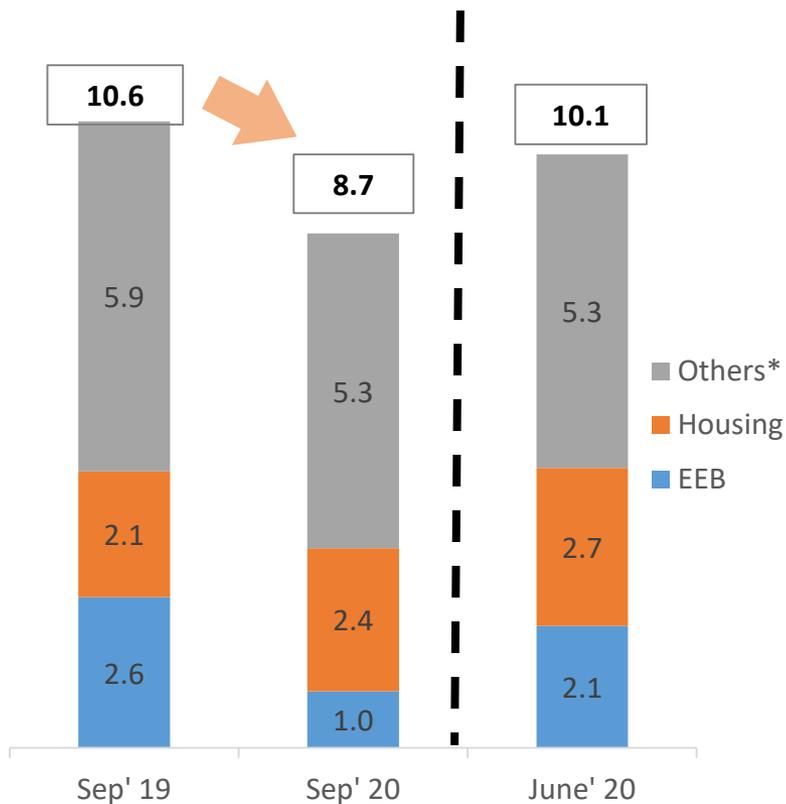
Operating expenses to Average Assets (Annualized)



ROAA & ROAE for Q2 FY21 is after taking accelerated additional COVID 19 related provision on standard advances of ₹ 3bn and in Q1FY21 amounting to ₹7.5 bn

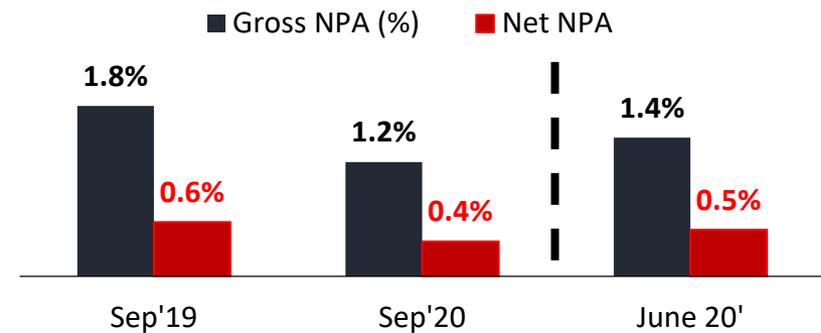
Financial Performance

Segmental GNPA movement - (₹ in Billion)

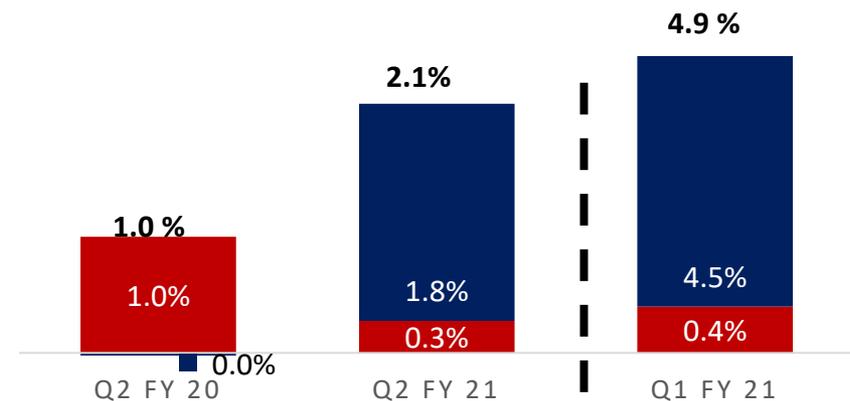


*Others includes ₹ 3.85 bn of IL&FS

Gross NPA and Net NPA



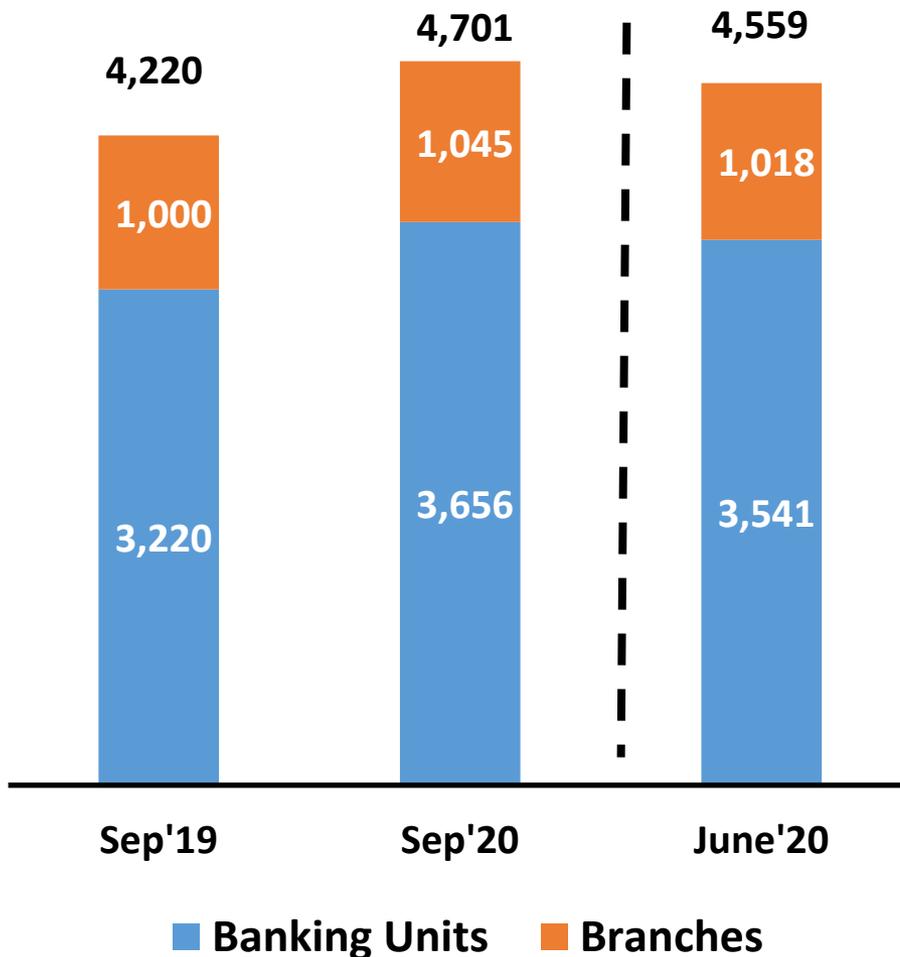
Credit Cost (Annualized)



■ Credit Cost - NPA ■ Credit Cost - Standard

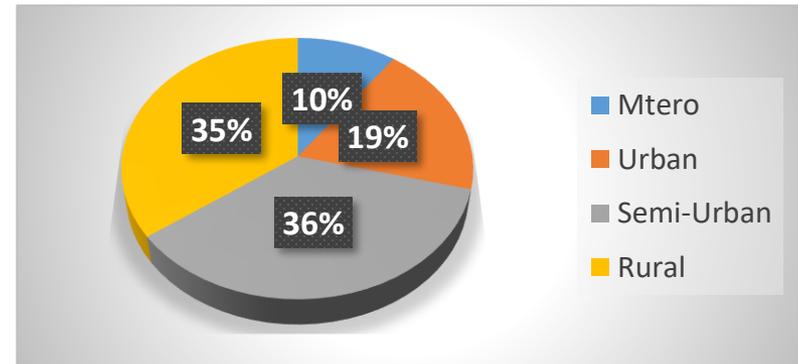
Geographical Distribution

Banking Outlets



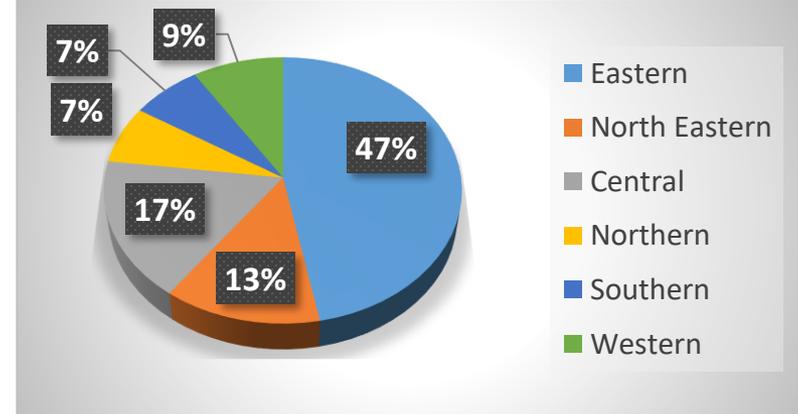
Focus on serving the rural & underbanked population

Banking Outlets as on 30th Sep 2020*



*Basis original classification at the time of opening

Diversifying presence with non-east increasing over 50% now



Profit & Loss Statement (IN ₹ Bn)

Particulars	Q2 FY 21	Q1 FY 20	QoQ%	Q2 FY 20	YoY%	FY 20
Interest Income	31.98	30.18	5.96%	26.90	18.87%	108.86
Interest expenses	12.75	12.07	5.63%	11.61	9.82%	45.62
Net Int. Income (NII)	19.23	18.11	6.18%	15.29	25.75%	63.24
Non Interest Income	3.82	3.87	-1.29%	3.60	6.11%	15.49
Total Income	23.05	21.98	4.87%	18.89	22.00%	78.73
Operating Expenses	6.77	6.14	10.26%	5.82	16.25%	24.27
Operating Profit	16.28	15.84	2.78%	13.07	24.60%	54.46
Provision (Std. + NPA)	0.95	0.99	-4.6%	1.46	-34.93%	7.03
COVID 19 Provision	3.00	7.50	-60.00%	-	-	6.90
Profit before tax	12.33	7.35	67.76%	11.61	6.24%	40.53
Tax	3.13	1.85	69.19%	1.89	65.70%	10.29
Profit after tax	9.20	5.50	67.27%	9.72	-5.35%	30.24

Balance Sheet (IN ₹Billion)

Particulars	As at	As at	% Change
	30th Sep 2020	31 st Mar 2020	
Capital & Liabilities			
Capital	16.10	16.10	0.00%
Reserves & Surplus	150.57	135.85	10.84%
Shareholder Funds	166.67	151.95	9.69%
Deposits	661.28	570.82	15.85%
Borrowings	140.10	163.79	-14.46%
Other liabilities and provisions	46.73	30.62	52.61%
Total	1,014.78	917.18	10.64%
Assets			
Cash and balances with Reserve Bank of India	31.28	63.45	-50.70%
Balance with Banks and Money at call and short notice	8.46	20.08	-57.87%
Investments	222.85	153.52	45.16%
Advances	733.07	666.30	10.02%
Fixed Assets	4.14	3.69	12.20%
Other Assets	14.98	10.14	47.73%
Total	1,014.78	917.18	10.64%

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

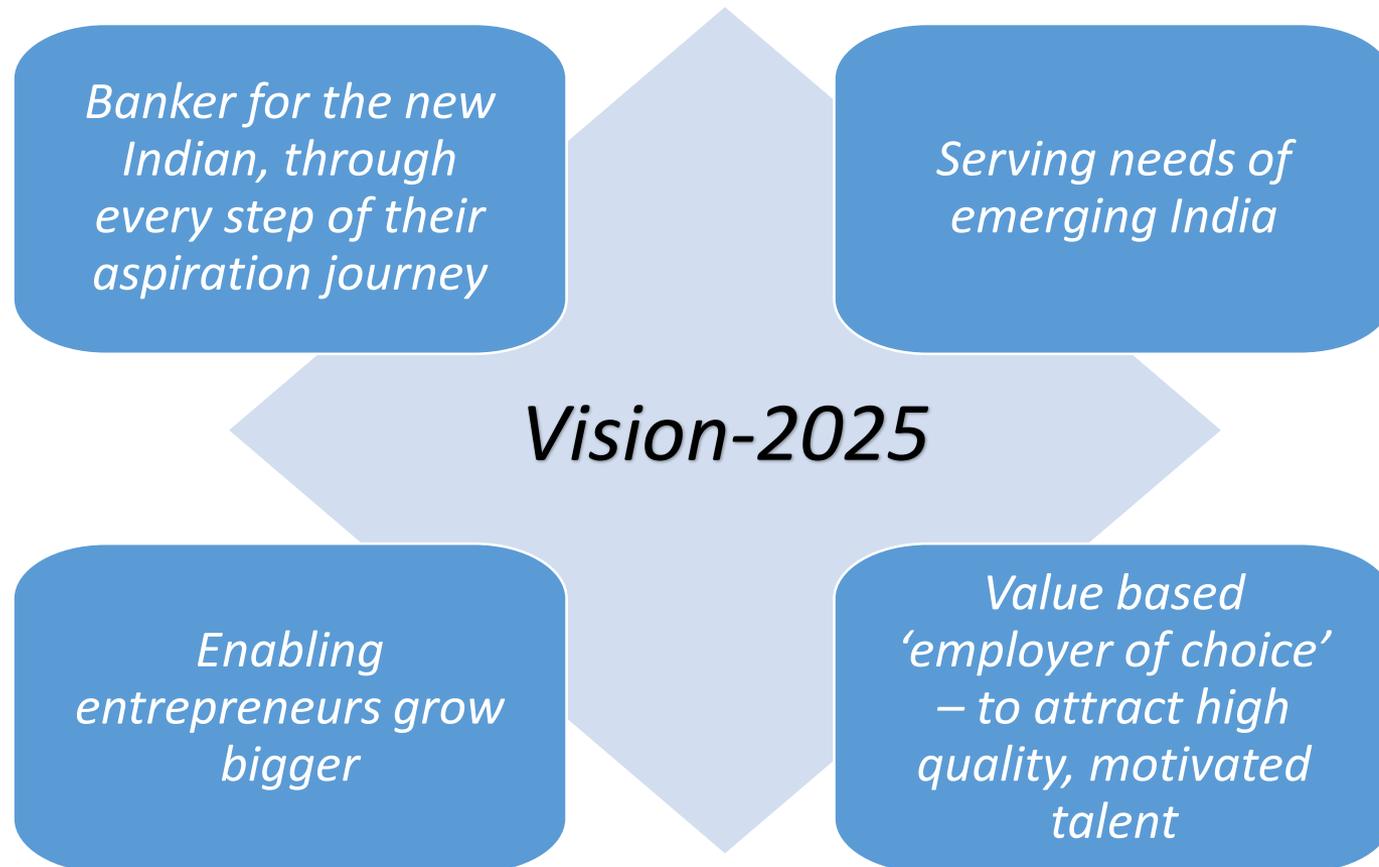
**Rating of ICRA is for ₹ 22.64 bn only

#erstwhile GRUH Finance Limited transferred to Bandhan Bank Ltd.

The next five
years.....



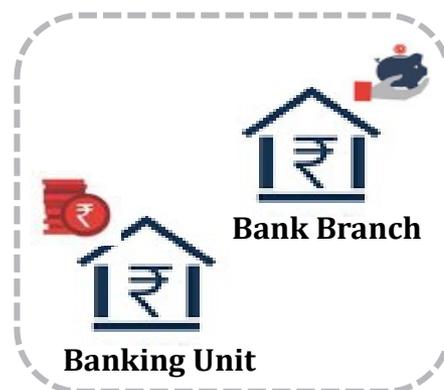
Bandhan
Bank



EEB Channels to provide one-stop solution for all banking needs to mid and low income group customers



- Prior to becoming a Bank, banking units (BUs) were catering only to loan requirements



- After becoming a Bank, BUs cater to group micro loan requirements and other services are provided at the Bank branches

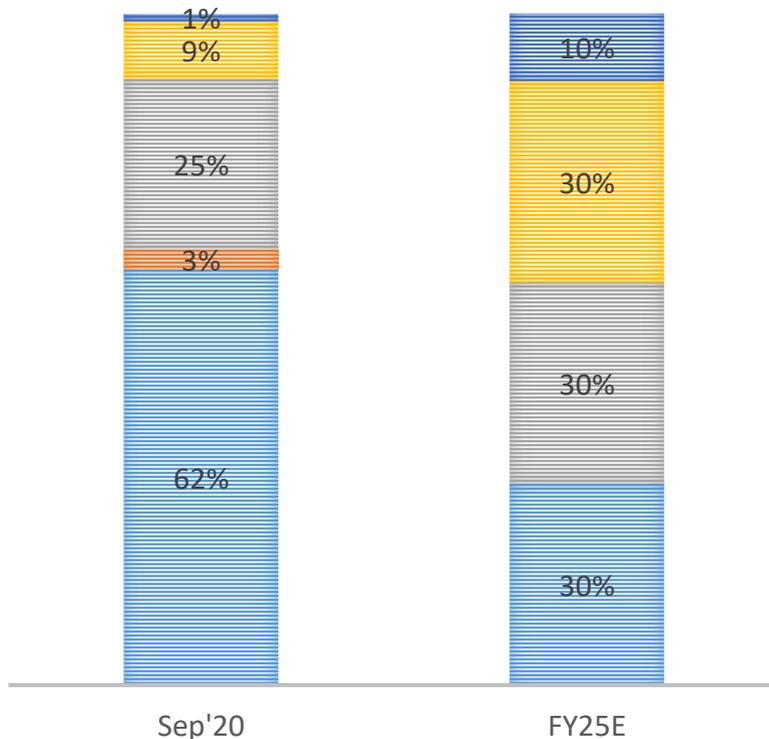


- Converting Vintage EEB borrowers to individual loan and helping them to graduate to MSMEs
- Banking Units to focus on verticals for two wheeler, consumer, and micro housing loans as well
- To provide deposit services to EEB customers

ADVANCE MIX



- EEB Group
- Mortgages
- Retail
- EEB Individual*
- CB*



*EEB Individual is part of CB for the FY25 Projections

Rapid diversification in other non-EEB segments in the next 5 years

Housing

- In addition to GRUH centers, Banking outlets to generate leads
- Hence, in addition to Affordable Housing segment focus will be on Micro Housing and Prime Housing

Commercial Banking

- MSME business to grow as vintage EEB customers to move to Individual lending and becoming sole lender to the customer
- Focusing on market sourcing of SME in ₹ 10 lakh to ₹ 25 crore segment
- Extending trade finance facility to MSME customers

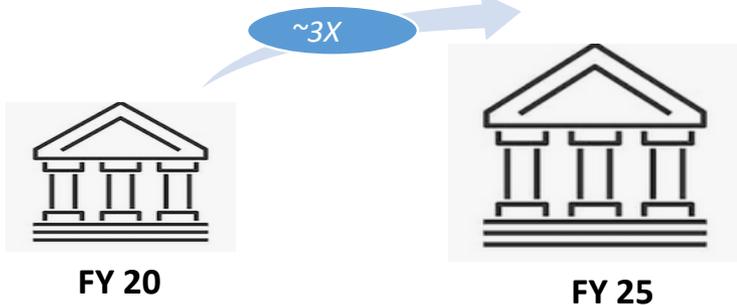
Retail Business

- Building new Retail Business Vertical focusing on PL, Two wheeler, Gold Loan and Vehicle loan
- Building a Collection vertical to support the business
- Using Technology in Sourcing and assessing the customer

Expansion and Diversification of distribution network to further strengthen deposit book

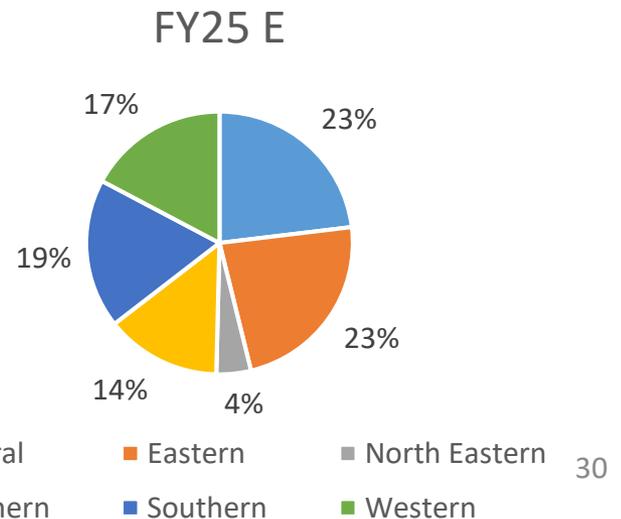
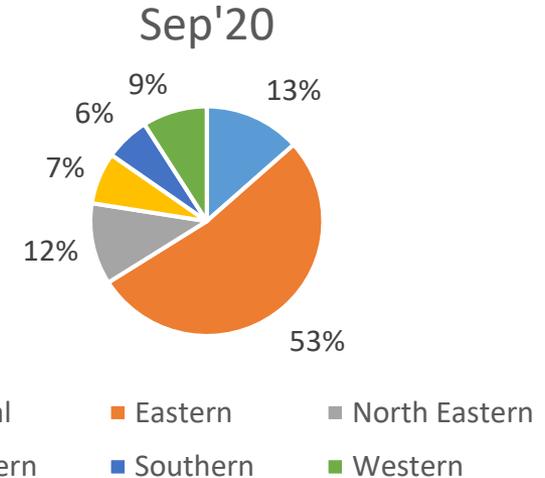
- Plan to make customer accounts more sticky by cross selling additional products
- Building digital channel for on-boarding and superior customers experience
- Focus on current account
- Focus on salary account

Bank Branch Network



Distribution network expanding rapidly

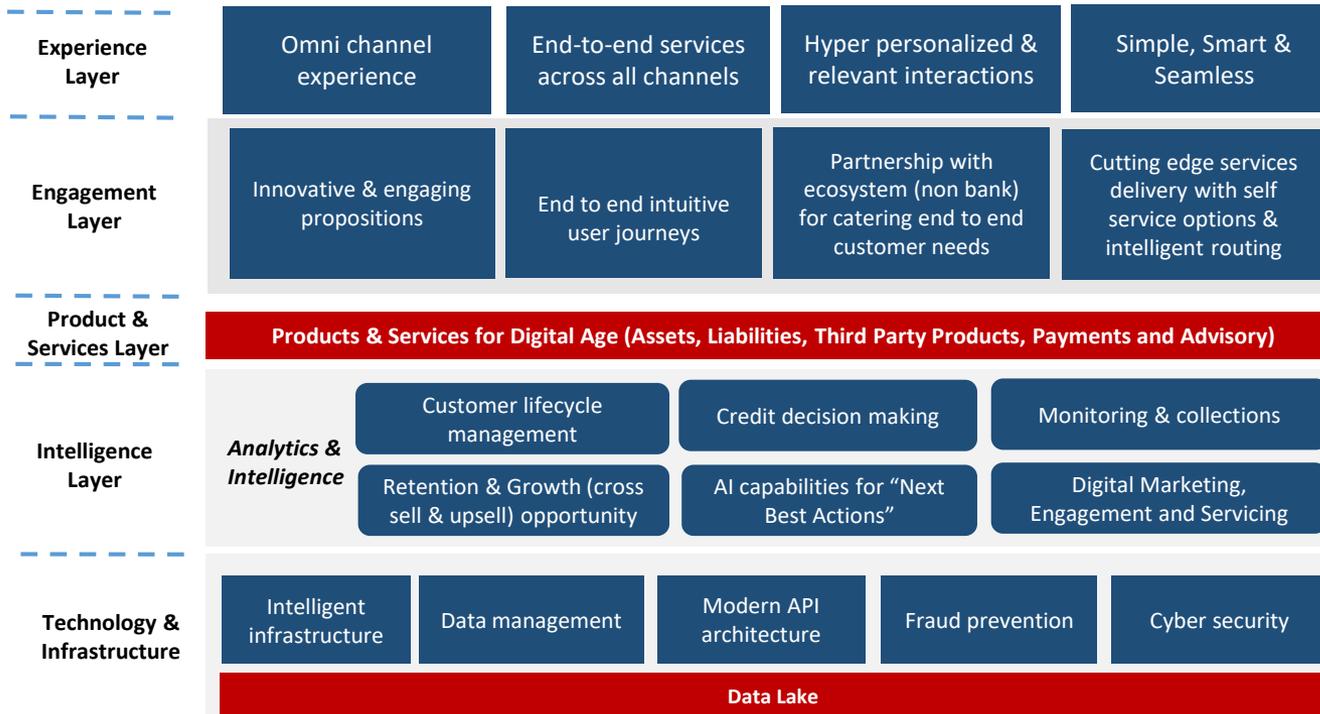
- Adding more Banking Units outside core geographies
- Expanding branch network rapidly across states
- Overall distribution network will nearly double by FY25



Focus on further strengthening our digital strategy



Save | Spend | Invest | Protect | Borrow | Transact



Key Capabilities

- ✓ Building customer lifetime value through customer centricity
- ✓ Finance getting seamlessly embedded in end user journeys ("Money for Life")
- ✓ Multi-proposition & service platform with hyper personalized advisory
- ✓ Focus on innovation & inclusion through bionic capabilities (tech enabled touch)
- ✓ Frictionless Omni-channel experience thru enriched 360 degree view of customer
- ✓ Create open banking & API ecosystem for rapid at scale integrations with partners
- ✓ Digital marketing to deliver high ROI
- ✓ Digital augmentation of traditional channels
- ✓ Improved real time MIS & decision making
- ✓ Process digitization & automation (RPAs)

Enabled by

- ✓ Platform driven architecture through open interfaces/APIs (Modern API factory)
- ✓ Containers, micro-services architecture and server less computing
- ✓ Data lakes & Big data platforms
- ✓ AI/ML, Bots and Cognitive intelligence

To deliver

- ✓ Superior value & experience
- ✓ Scaled customer acquisition & engagement
- ✓ Scaled digital revenues
- ✓ Improved productivity & operational efficiency
- ✓ Best in class cost to income ratios

Delivering Superior Banking Value & Experience continuously across the customer life cycle

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
Head, Housing Finance

- 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

- 20+ 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

- 20+ 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



Kumar Ashish
Head, Emerging Entrepreneurs Business

- 26+ years experience in the field of Banking and Finance.
- Previously served as North Zone Head of ICICI Bank and as Group Director at Airtel Money.



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



Rahul Dhanesh Parikh
Chief Marketing & Digital Officer

- 20+ years experience in Financial Industry.
- Previously served as Chief Executive Officer at Bajaj Capital Ltd.

...backed by a strong independent Board

Board of Directors



Dr. Anup Kumar Sinha
Non-executive Chairman

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



Bhaskar Sen
Director

- Retired as Chairman & MD of United Bank of India
- Previously, Executive Director of Dena Bank
- Having significant experience in Banking.



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



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



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



Dr. Holger Dirk Michaelis
Nominee Director

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



N V P Tendulkar
Director

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



Chandra Shekhar Ghosh
MD & CEO

- Has significant experience in the field of microfinance
- Awarded 'Outstanding Leadership Award' by Dhaka University
- Having more than 30 years of experience in microfinance & development terrain



Snehomoy Bhattacharya
Director

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



T. S. Raji Gain
Director

- Significant experience in the field of agricultural and rural development, Previously, she has worked with BIRD
- Currently, CCM & State in Charge – MP - NABARD



Santanu Mukherjee
Director

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



Harun Rashid Khan
Director

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



Vijay N Bhatt
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 Magna Awards 2019 by Businessworld.

1. **Best Bank**
2. **Fastest Growing Bank**

Mr. Ghosh also won the 'Banker of the Year' award.



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.



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.



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.

Thank You

investor.relations@bandhanbank.com



**Bandhan
Bank**