

**Investor
Presentation
Q3 FY 2019-20**

January 2020



**Bandhan
Bank**

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Key Highlights



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Key Highlights

Bandhan Bank - Overview

- Loan portfolio (on book + off book) for Q3FY 19-20 grew 83.9% Y-o-Y (excl. GRUH 33%)
- Deposits grew by 58.5% Y-o-Y in Q3 FY 19-20 (excl. GRUH 54.4%)
- Net NPA is at 0.81% (after additional provision of ₹ 2 Billion)
- Retail Deposit to Total Deposit at 76.2%
- Added 0.73 million Customer during the quarter with total customer base reaching to 19.00 million (Micro Banking- 14.56 million, Non Micro– 4.17 million and GRUH Finance –0.27 million)
- Income from PSLC of ₹ 3.98 Billion to be recognised over 4 quarters, hence booked ₹1.06 Billion in Q3 FY19-20
- During the quarter, the Bank has made additional provision of ₹ 200 crore on standard advances in microfinance portfolio after evaluating risk observed in certain areas of a north eastern state, though having a dwindling effect.

Snapshot of operations Q3 FY 2019-20

Total Deposits	₹ 549.08 bn
Total loans and advances	₹ 654.56 bn ¹
Net interest margin (NIM)	7.91%*
CASA ratio (%)	34.31% ²
ROAA (%)	3.52%* ³
ROAE (%)	20.0%* ⁴



1. On book + Off Book
2. Excluding GRUH deposit 35%
3. Excluding additional provision of ₹ 2 Billion, is 4.23%
4. Excluding additional provision of ₹ 2 Billion is 24%

* Annualised

Q3 FY 20 numbers are merged after amalgamation of Gruh Finance Ltd

Microfinance Insights

Q3FY20



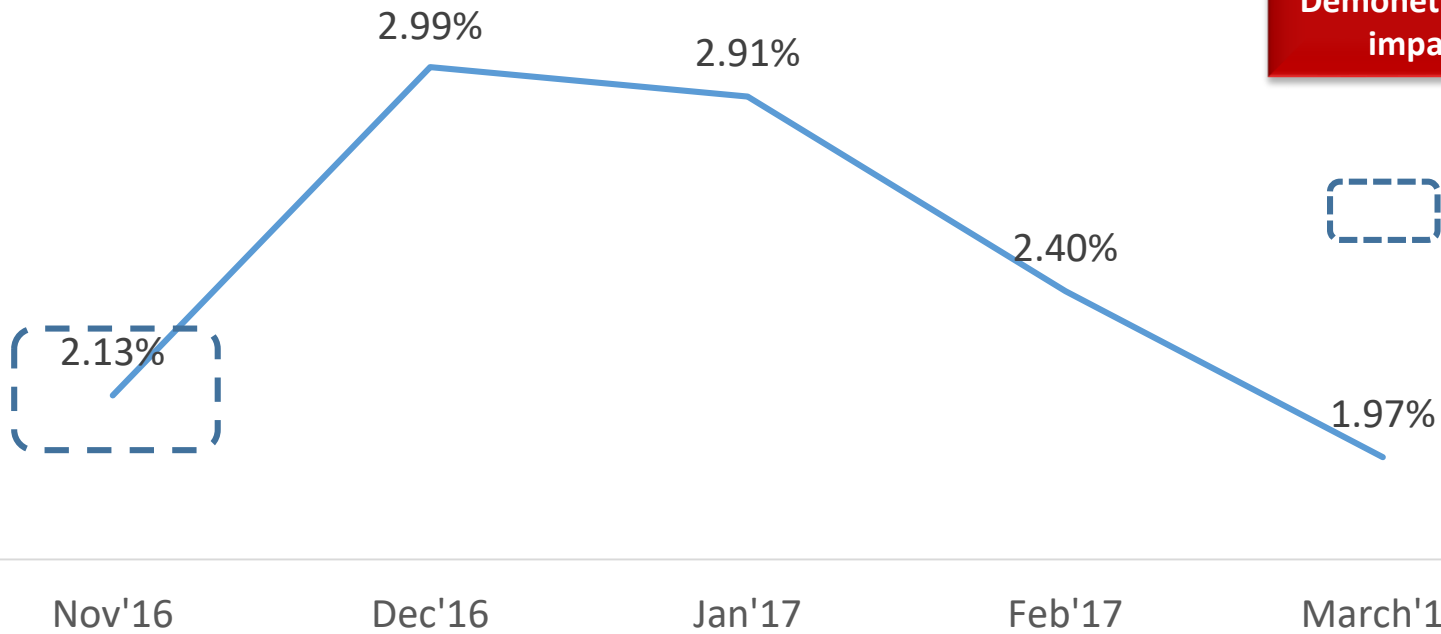
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Bank's earlier experience in handling external events impacting the delinquencies*

2016-17

Demonetisation impact

Impacted month

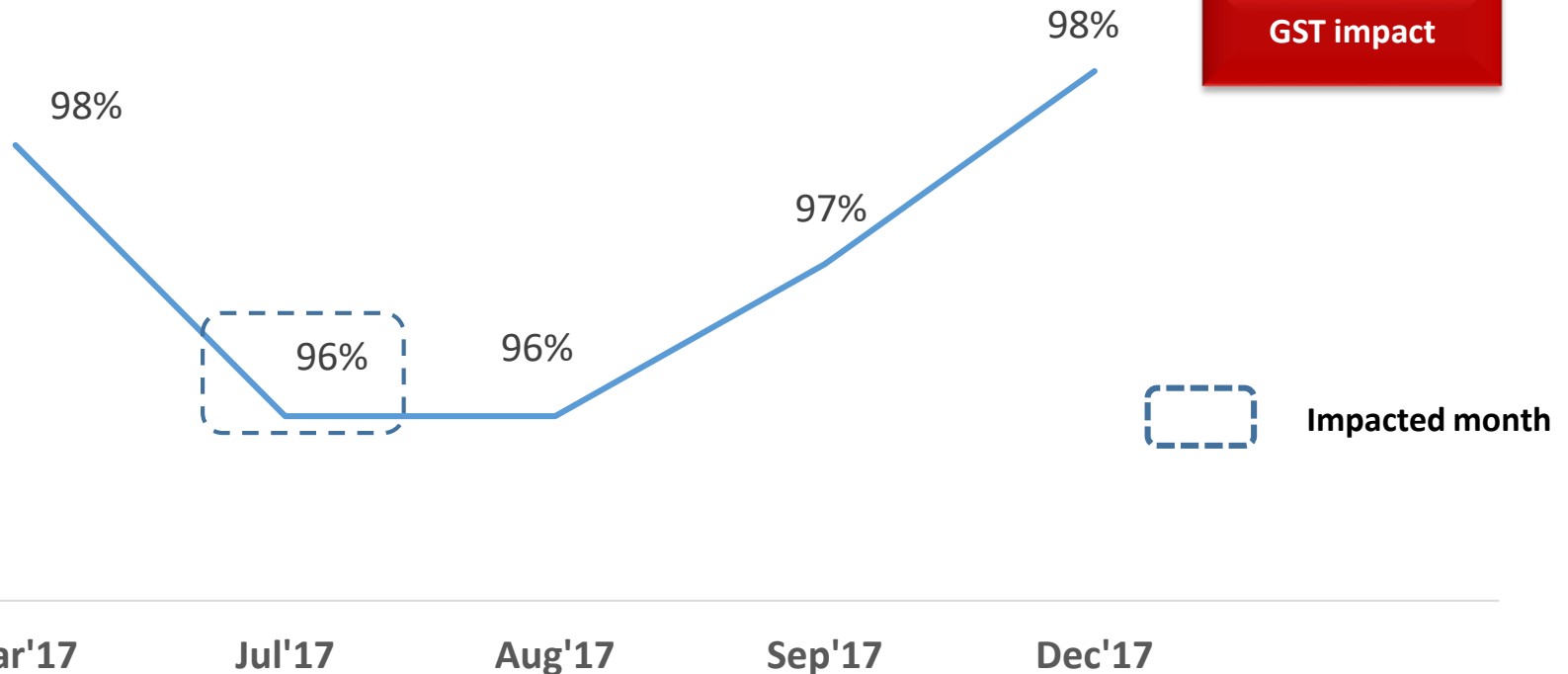


Demonetization impact – the Bank improved its delinquency numbers and came back to normalcy in the following 3 months

*7 +days overdue

Bank's earlier experience in handling external events impacting the OTR

2017



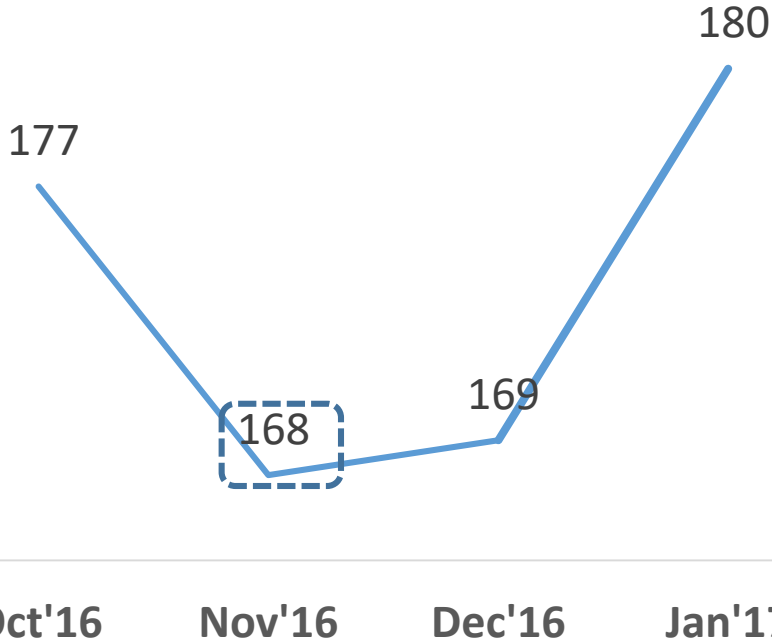
GST impact – the Bank restored its normal repayment rates in 3 months time

*OTR – On Time Repayment rate

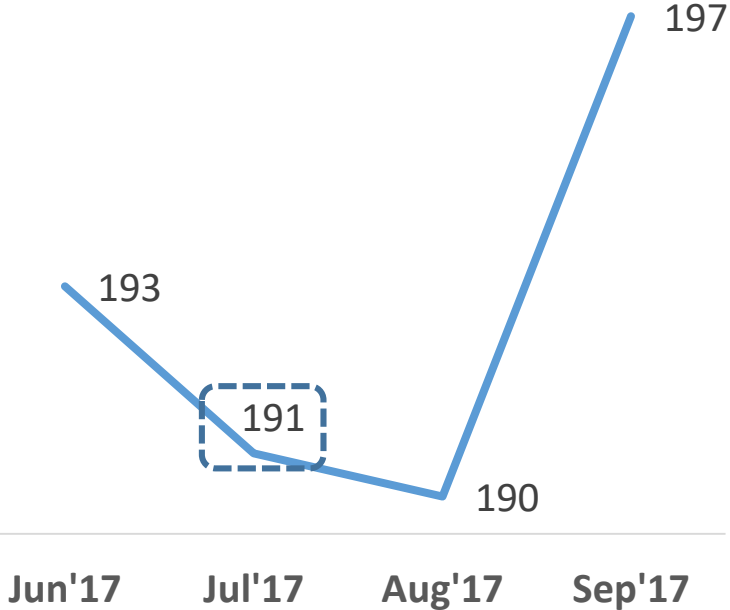
Conservative approach demonstrated in past external exigencies followed by quick bounce back



Book size movement during Demonetisation



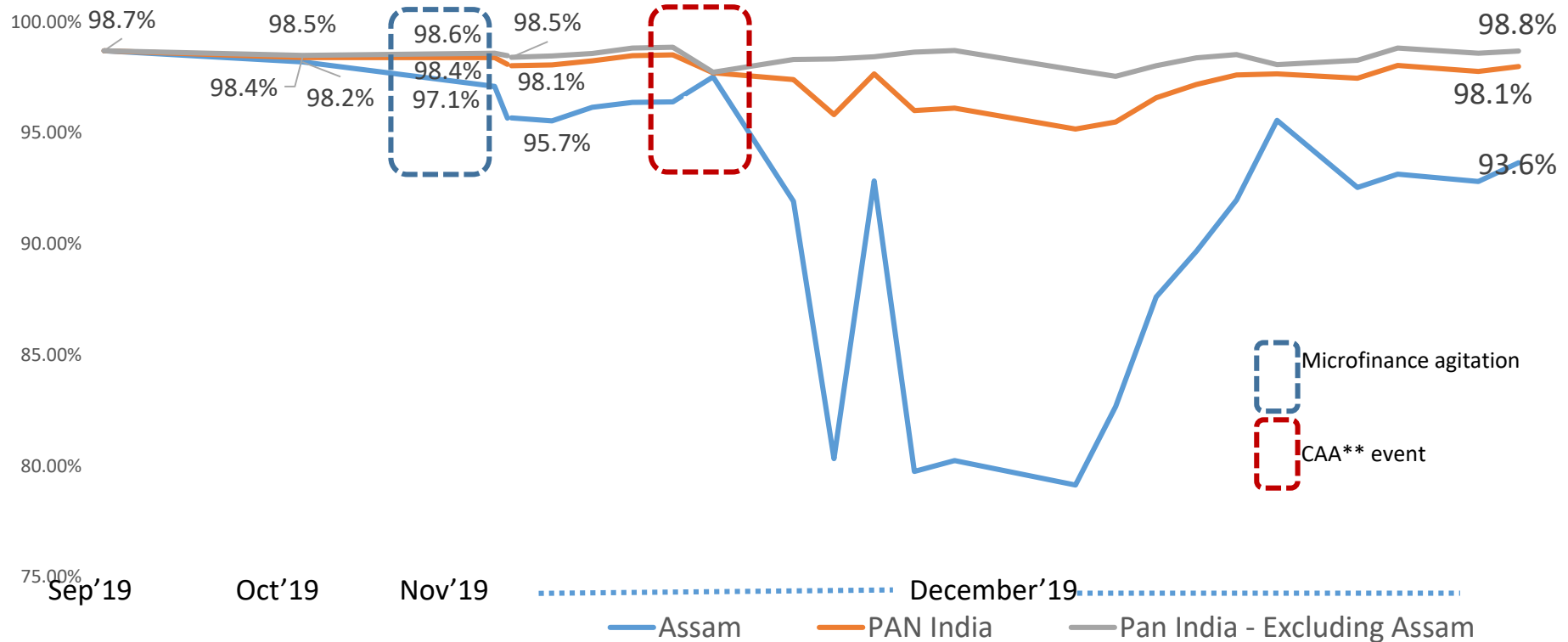
Book size movement during GST



Impacted month

Figures are in ₹ Billion

OTR* movement for Q3FY20



- For the Month of Sep'19; Oct'19 and Nov'19 monthly OTR is shown while for Dec'19 day-wise OTR movement is given till week 4

- Negligible impact of CAA on OTR outside Assam
- Swift bounce back witnessed in Assam post initial fall in OTR due to CAA enactment in Dec'19

*OTR – On Time Repayment rate; **Citizenship Amendment Act

Underlying demand and loan book growth rate continues to be stable



	Sep19 YOY	Dec19 YOY (excl. Assam)
Microfinance Growth Rate*	34.6%	33.4%

* Excluding Direct Assignments

Microfinance Portfolio	Sep'19		Dec'19	
	Book Size (₹ bn)	Portfolio Share %	Book Size (₹ bn)	Portfolio Share %
Assam	68.55	17.5%	65.86	16.4%
West Bengal	179.18	45.7%	183.81	45.8%
Rest of India	144.24	36.8%	151.34	37.7%
Total	391.97	100%	401.00	100%

Business & Financial Overview

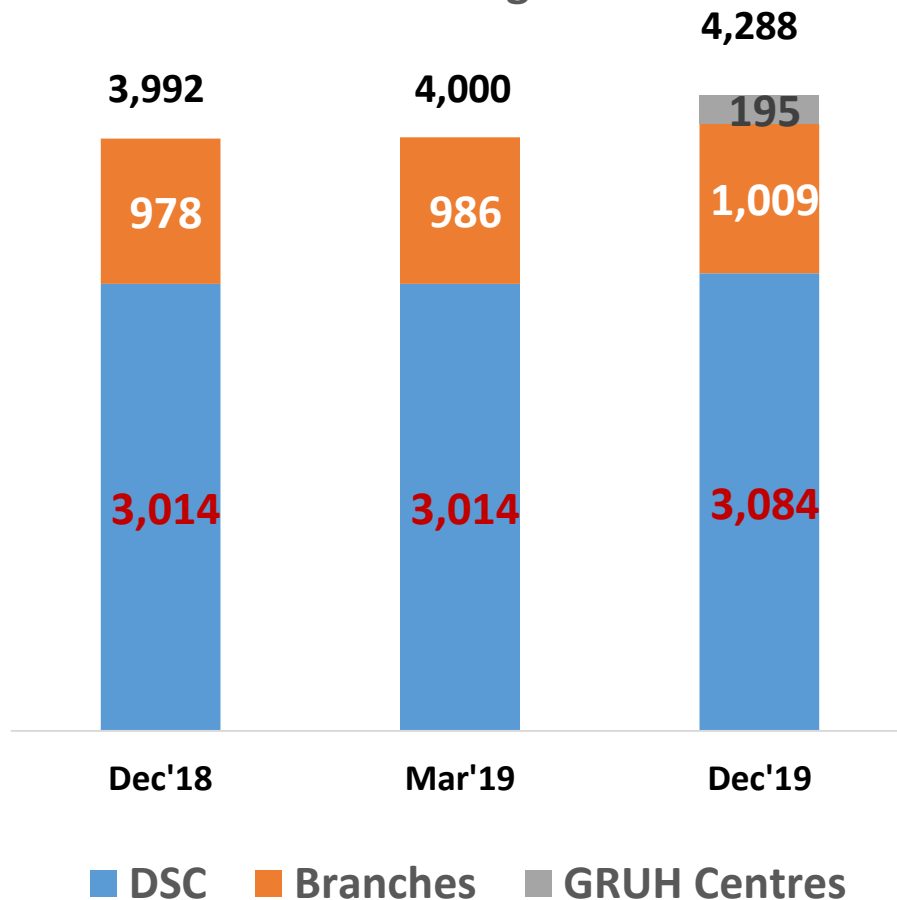


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Geographical Distribution

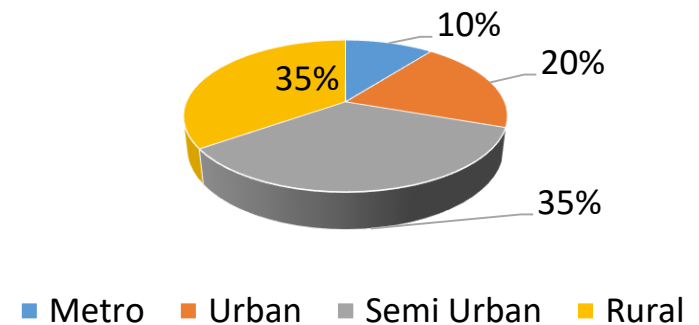
Banking Outlets

No. of Banking Outlets



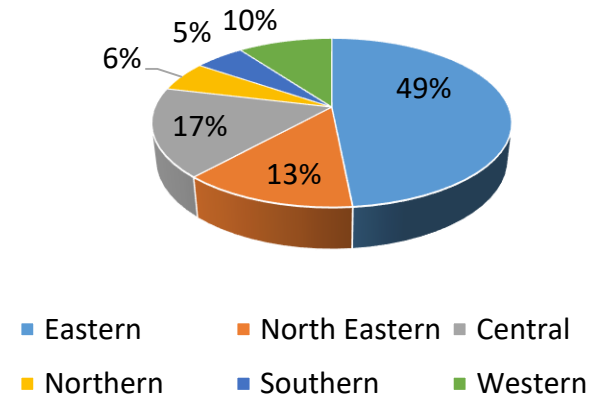
Focus on serving the rural & underbanked population (Included Gruh)

Banking Outlets as on 30th September 2019*



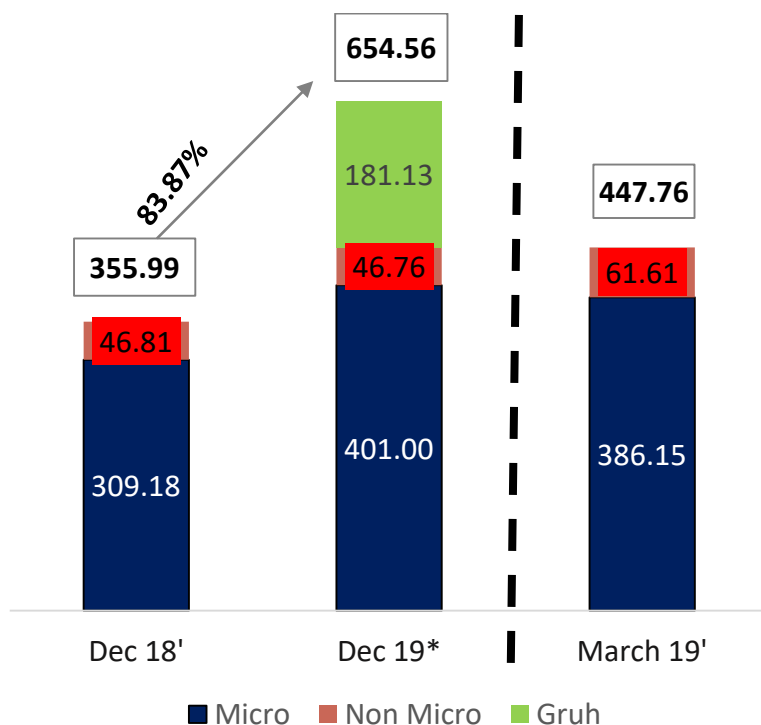
*Basis original classification at the time of opening

Diversifying presence with non-east increasing over 50% now

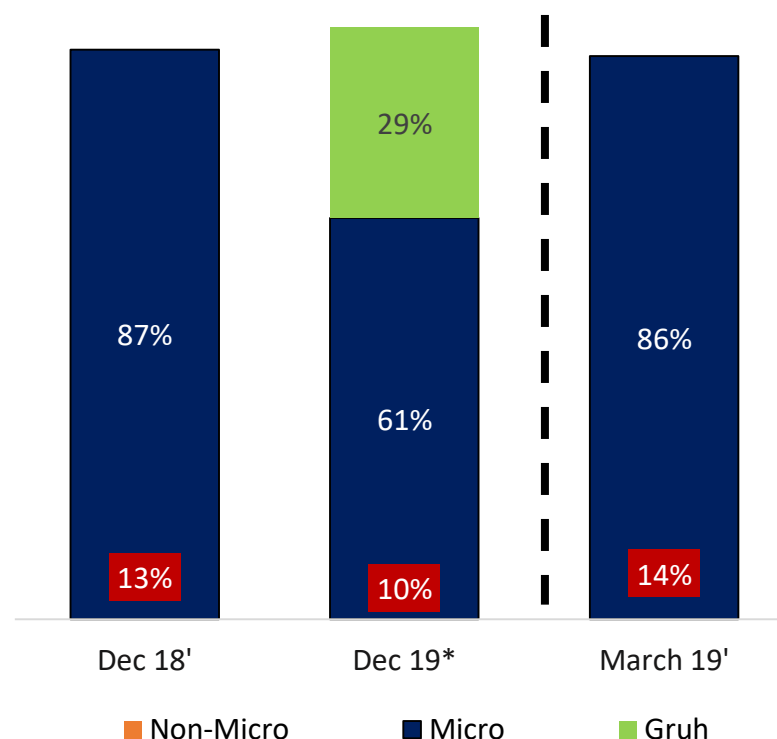


Asset Overview

Advances Growth (₹ in Billion)



Composition of Advances (in %)

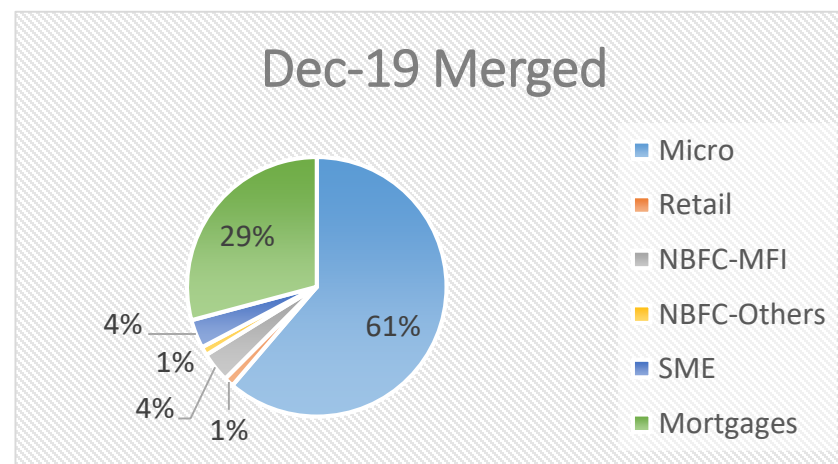
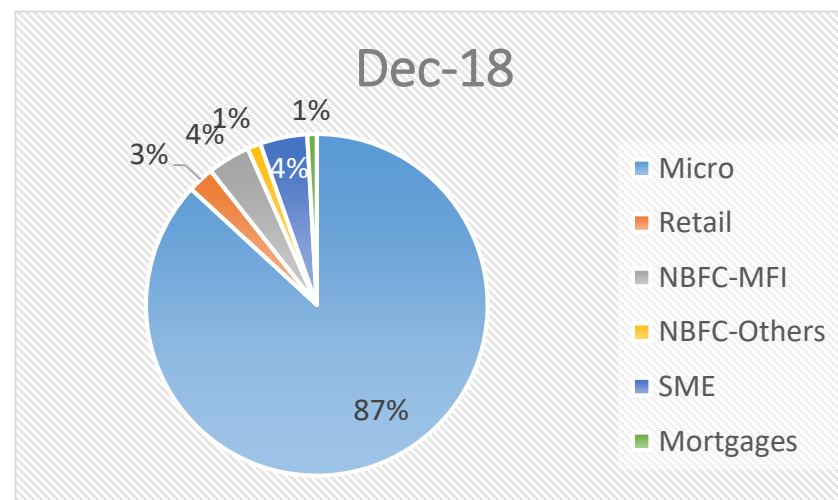
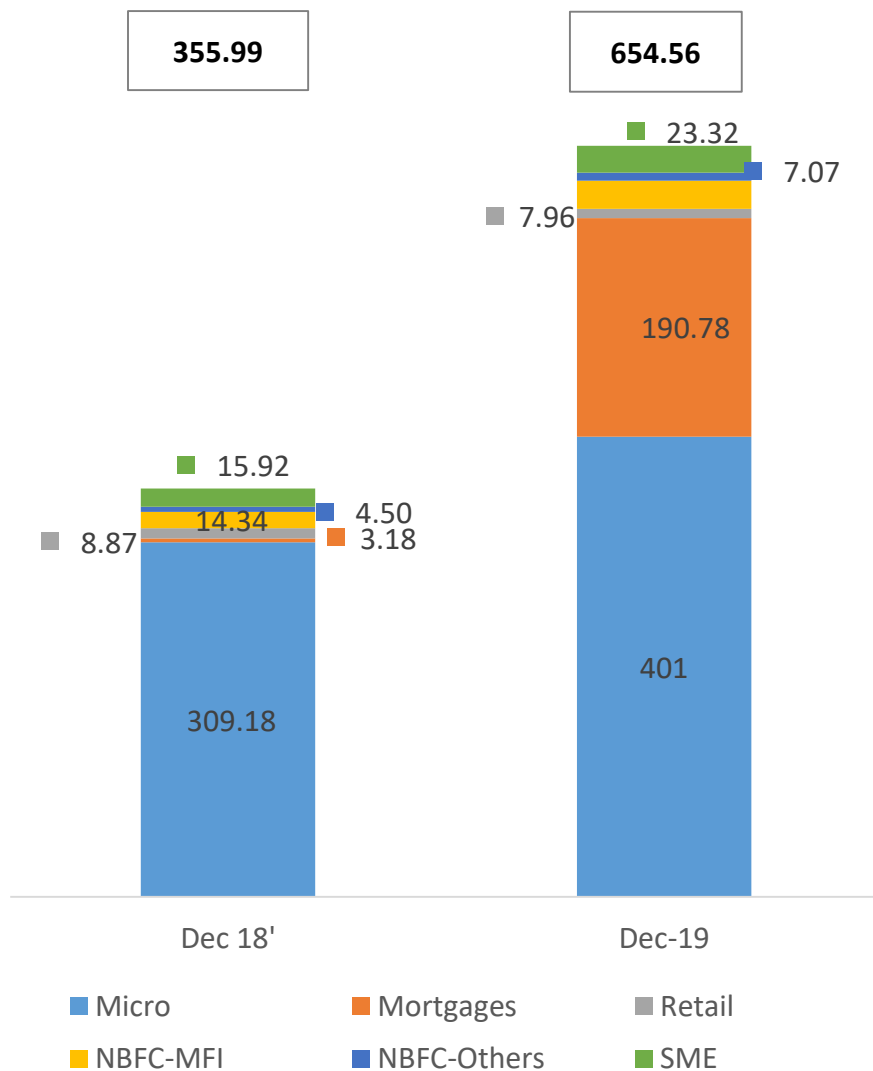


* Dec-19 merged Advances including GRUH; excluding GRUH advance growth 33%

* Portfolio diversifying with micro finance share in total advance reduced to 61%

Asset Book Mix

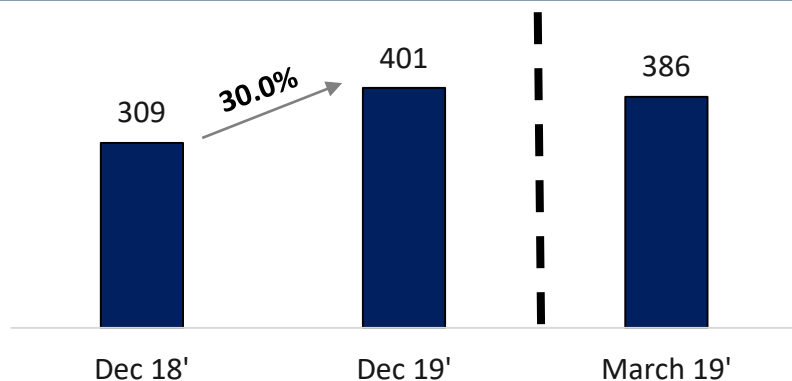
Total Advances (₹ in Billion)



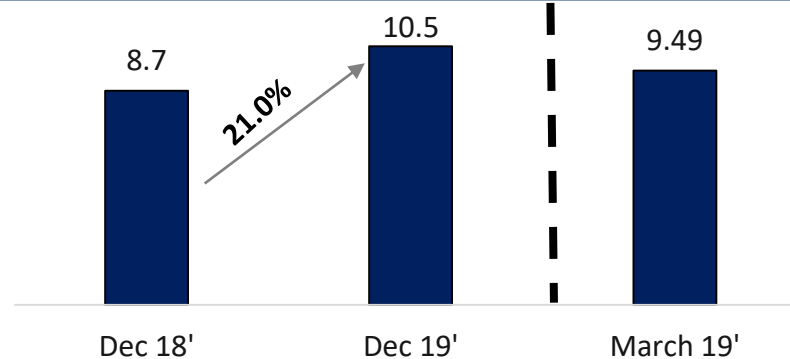
Dec 19 mortgages includes GRUH portfolio amounting to ₹ 181.13 bn 14

Micro Banking Assets

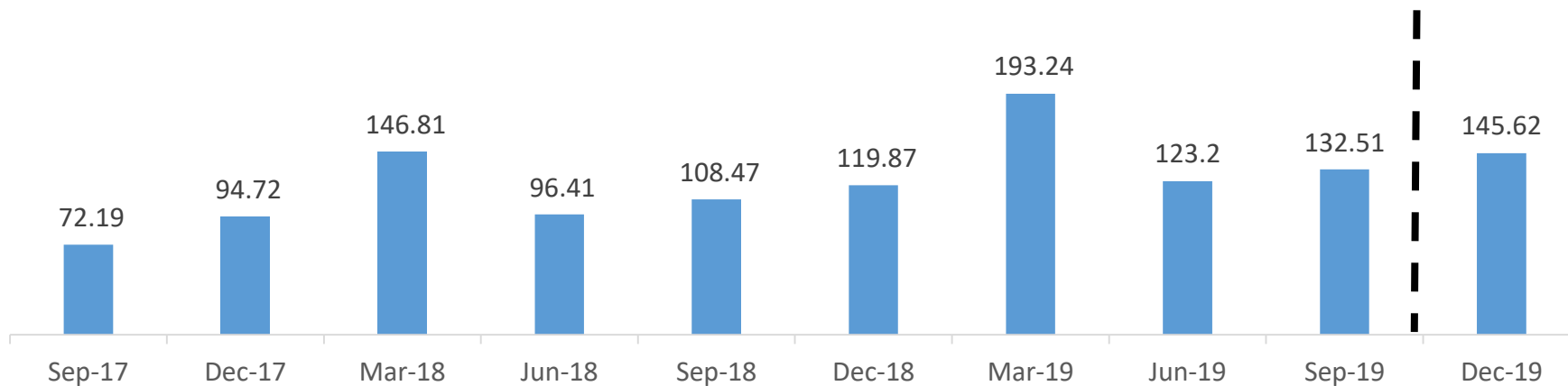
Micro Banking Asset Growth (₹ in Billion)



Number of Active Micro Borrowers (Mn)

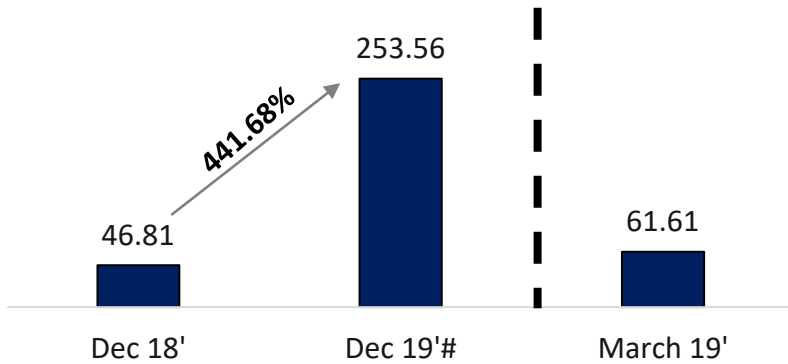


Micro Loan Disbursement (₹ in Billion)



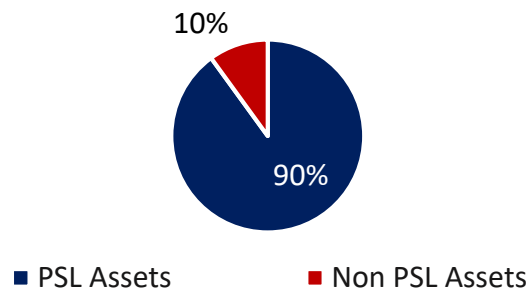
Non Micro Assets

Non Micro Banking Asset growth (₹ in Billion)

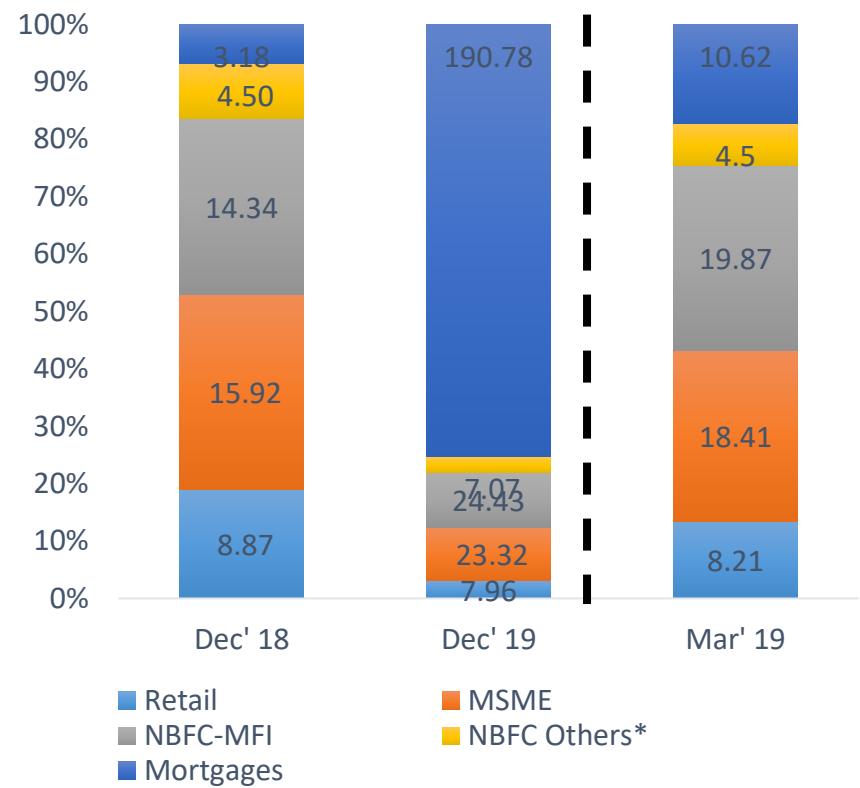


Dec-19 merged non-micro advances including GRUH; excluding GRUH advance growth 54.73%

Higher PSL Portfolio



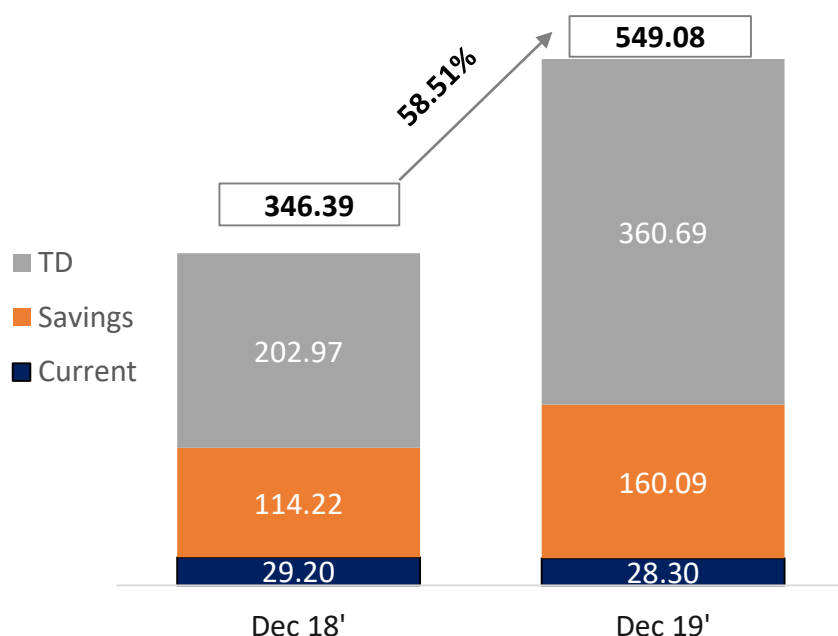
Product wise Advances – Non Micro (₹ in Billion)



*Includes ILF&S exposure of Rs 3.85 billion
Dec 19 includes mortgages which includes GRUH portfolio Rs. 181.13 bn

Liabilities Profile

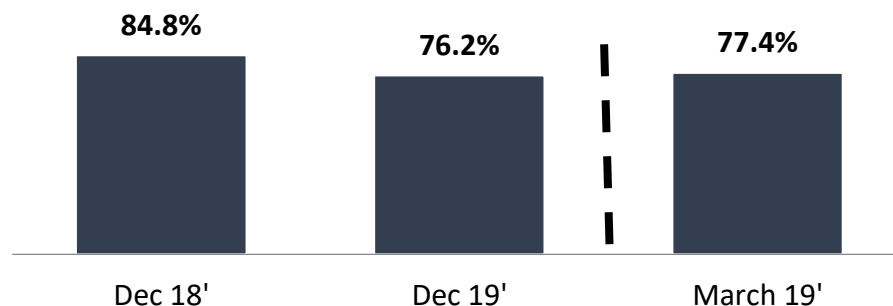
Deposits Growth (₹ in Billion)



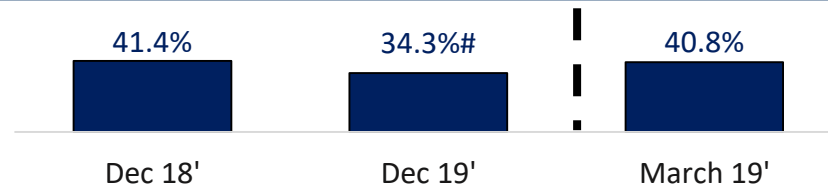
- Dec 19 includes GRUH deposits of Rs 14.45 bn; excluding GRUH Deposit growth at 54.34%
- Microbanking contributes 5.14% of total deposits

Dec 19 numbers are merged after amalgamation of GRUH Finance Ltd

Retail to Total Deposits (%)

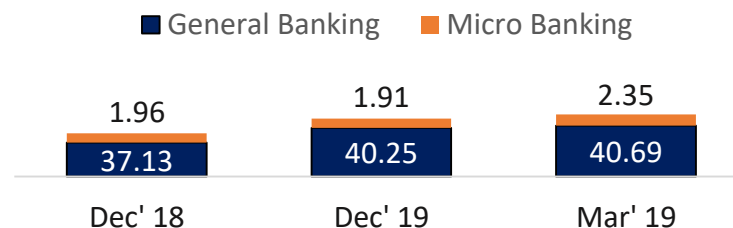


CASA (%)



Excluding GRUH Term Deposits; CASA 35.2%

Average SA Balance Per Customer (₹ in 000')



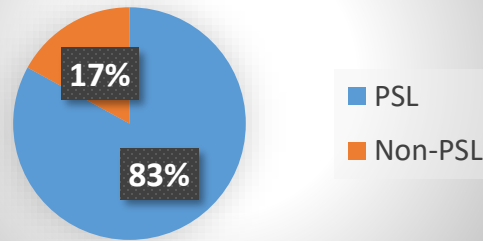
Bandhan GRUH Loans

CUSTOMERS

■ Salaried ■ Self Employed

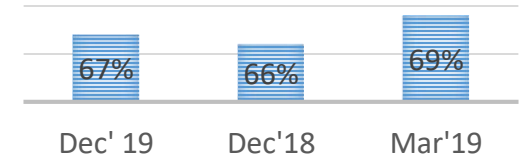


PSL Porfolio

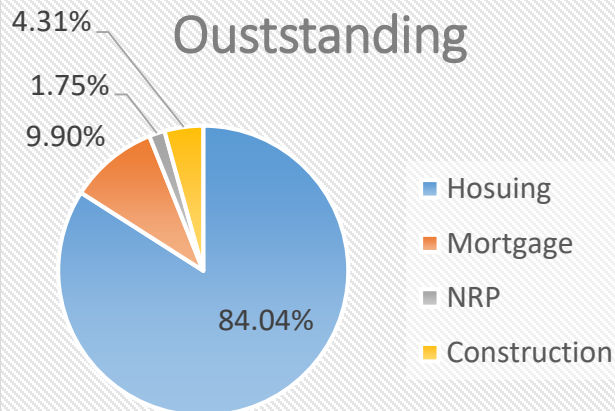


Average loan to value

■ Average LTV

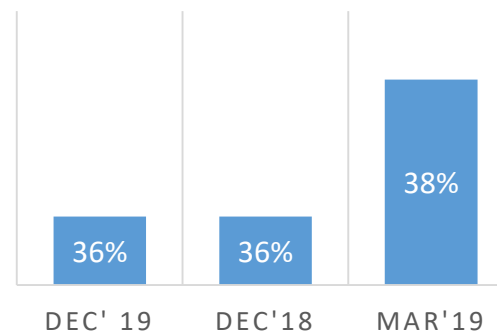


Portfolio Outstanding

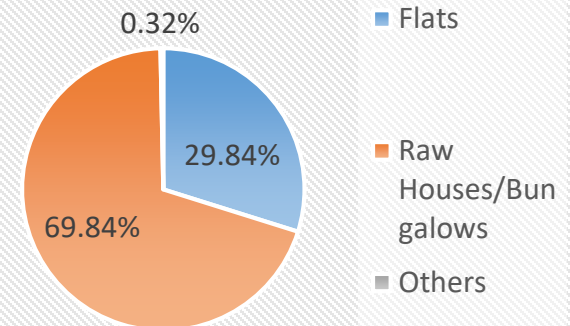


AVERAGE FOIR*

■ Average FOIR



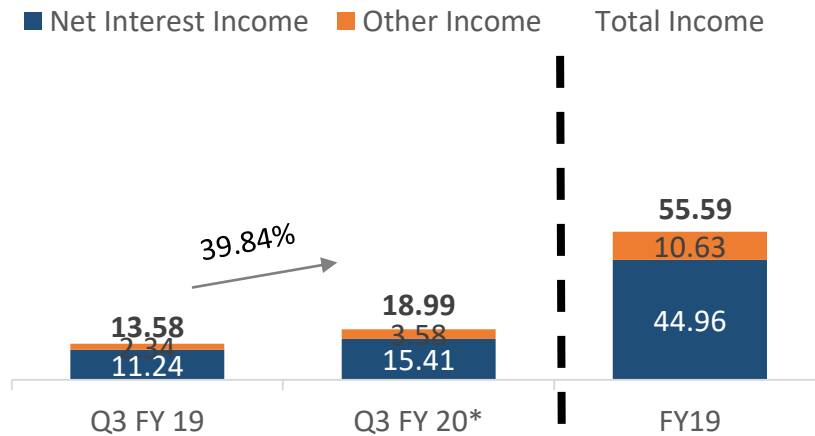
Type of Property



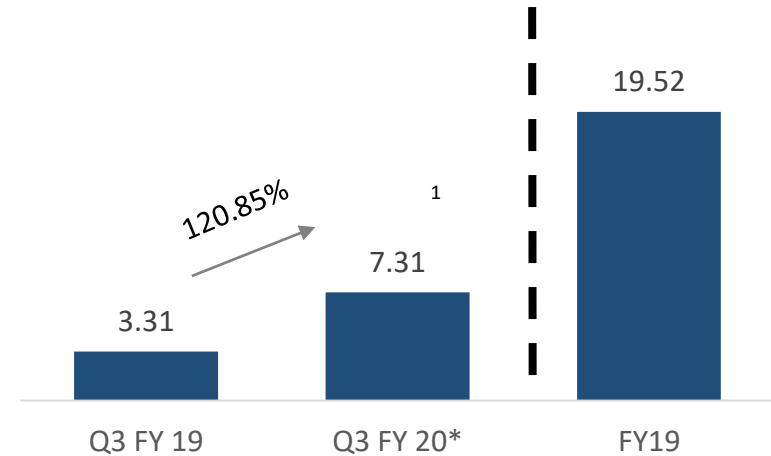
*FOIR is Fixed Obligation to Income ratio

Financial Performance

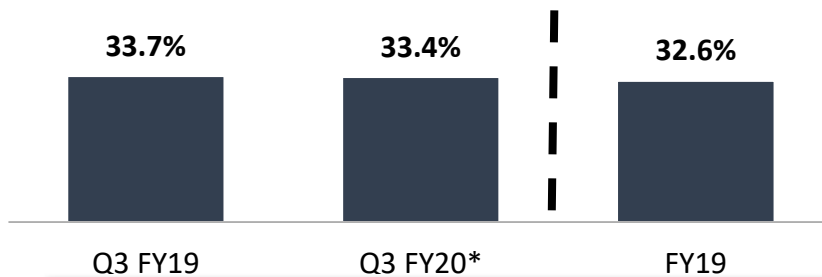
Total income (₹ in Billion)



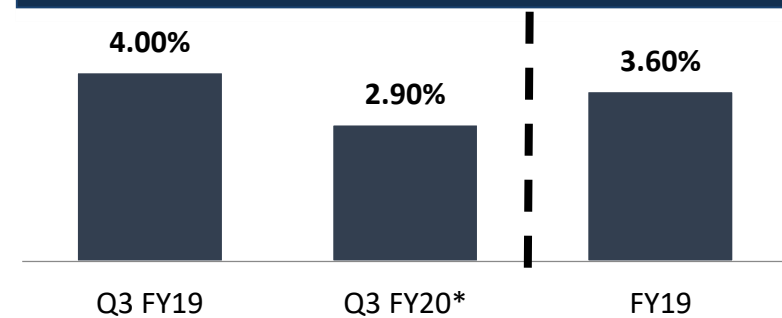
PAT (₹ in Billion)



Cost to Income Ratio



Operating expenses to Average Assets (Annualized)

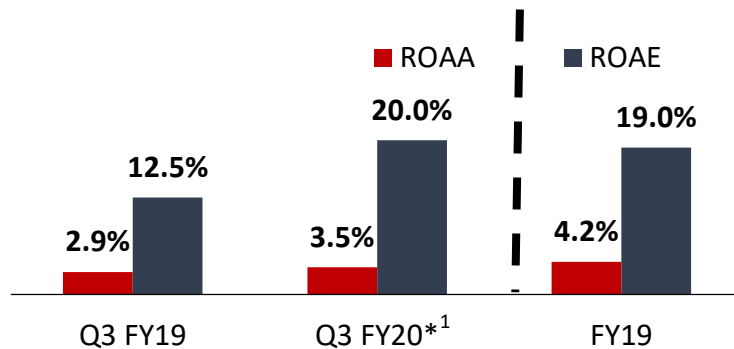


1. After taking additional provision of ₹ 2 Billion, Excluding additional provision PAT up 165.85 YOY %

* Q3 FY 20 numbers are merged after amalgamation of Gruh Finance Ltd

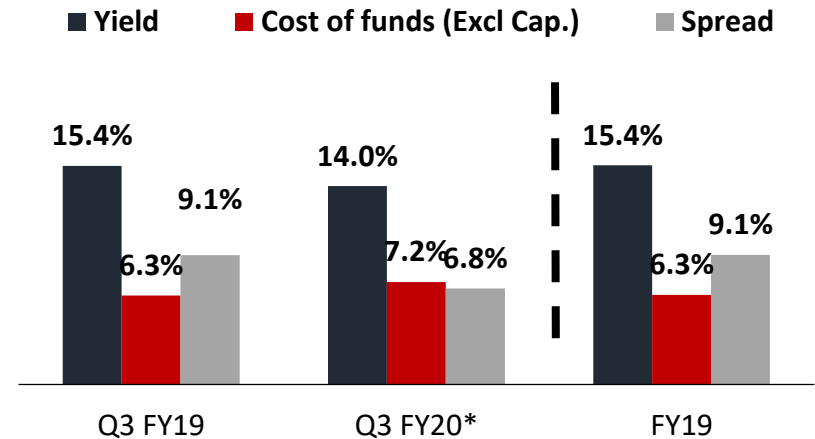
Financial Performance

ROAA & ROAE (Annualized)

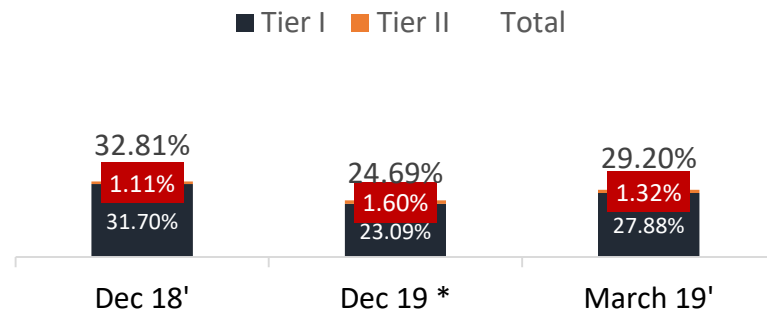


1. After taking additional provision of ₹ 2 Billion, Excluding additional provision ROA & ROE will be 4.23% & 24% respectively

Spread (Annualized)

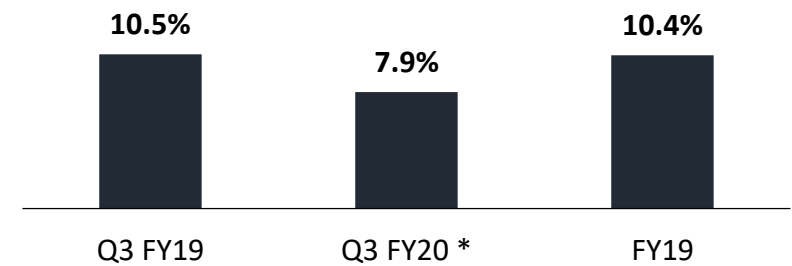


Capital Adequacy Ratio



1- Excluding current year profits; with current year profits CAR would increase to 29.46%

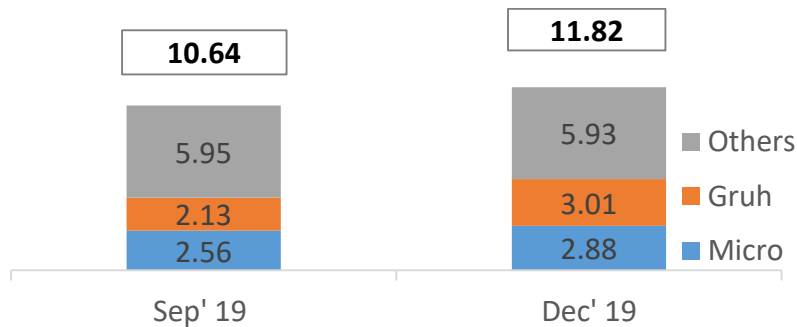
NIM (Annualized)



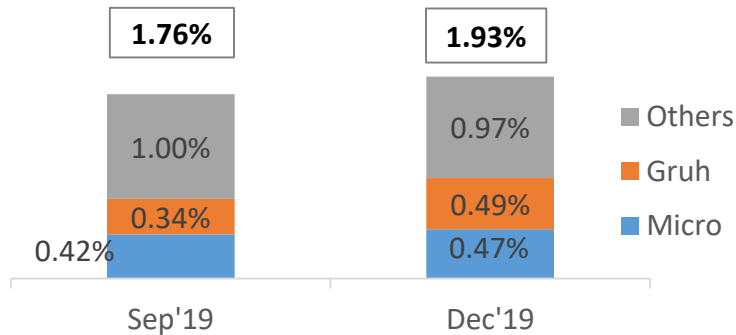
* Q3 FY 20 numbers are merged after amalgamation of Gruh Finance Ltd

Financial Performance

Segmental GNPA movement - (₹ in Billion)

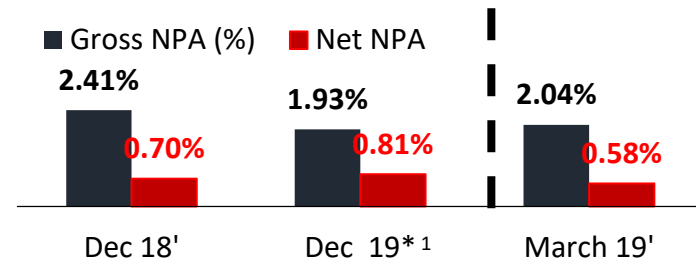


Segmental GNPA movement - (%)

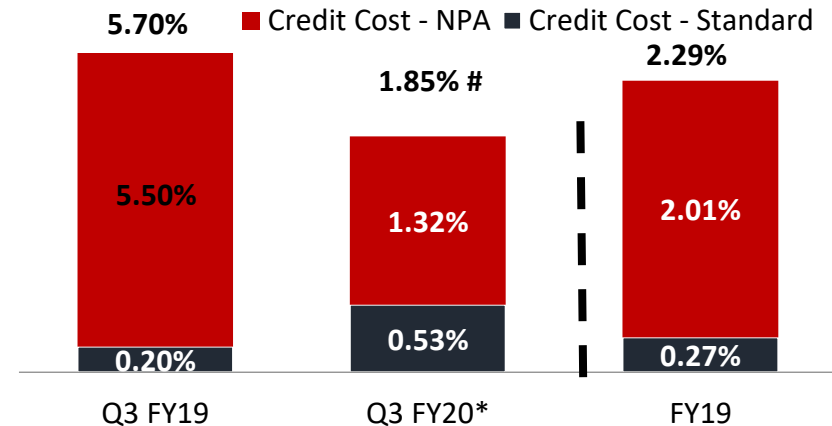


Increase in GNPA is partly due to increase in Gruh housing loan portfolio due to change in recognition norms as applicable to bank from HFC

Gross NPA and Net NPA



Credit Cost (Annualized)



1

1. After taking additional provision of ₹ 2 Billion, Excluding additional provision Credit cost will be 0.56 %

* Q3 FY 20 numbers are merged after amalgamation of Gruh Finance Ltd

Profit & Loss Statement (IN ₹ Billion)

Particulars	Q3 FY 20 (Merged)	Q3 FY 19 (Standalone)	YoY%	Q2 FY 20 (Merged)	QoQ%
Interest Income	27.18	16.50	64.77%	26.90	1.03%
Interest expenses	11.77	5.26	123.96%	11.61	1.38%
Net Int. Income (NII)	15.41	11.24	37.10%	15.29	0.77%
Non Interest Income	3.58	2.34	52.93%	3.61	-0.83%
Total Income	18.99	13.58	39.83%	18.90	0.46%
Operating Expenses	6.34	4.58	38.54%	5.82	8.86%
Operating Profit	12.65	9.00	40.48%	13.08	-3.28%
Provision (Std. + NPA)	2.92	4.74	-38.40%	1.46	100.00%
MTM Loss on Investments	0.02	-0.97	102.06%	-	
Profit before tax	9.71	5.23	85.49%	11.62	-16.43%
Tax	2.40	1.92	24.86%	1.90	26.39%
Profit after tax	7.31	3.31	120.67%	9.72	-24.79%

- Q3 FY 20 numbers are merged after amalgamation of GRUH Finance Ltd and hence YoY numbers are not comparable.
- Q3 FY20 includes additional provision of ₹ 2.0 bn.

Balance Sheet (IN ₹Billion)

Particulars	As at 31st Dec 2019	As at 31 st March 2019	% Change
Capital & Liabilities			
Capital	16.10	11.93	34.95%
Reserves & Surplus	131.08	100.09	30.96%
Shareholder Funds	147.18	112.02	31.39%
Deposits	549.08	432.32	27.01%
Borrowings	119.60	5.21	2195.59%
Other liabilities and provisions	32.05	14.87	115.53%
Total	847.91	564.42	50.23%
Assets			
Cash and balances with Reserve Bank of India	70.80	38.79	82.52%
Balance with Banks and Money at call and short notice	16.09	19.24	-16.37%
Investments	139.82	100.37	39.30%
Advances	606.01	396.43	52.87%
Fixed Assets	3.62	3.31	9.37%
Other Assets	11.57	6.28	84.24%
Total	847.91	564.42	50.23%

* Dec 19 numbers are merged after amalgamation of GRUH Finance Ltd;

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; Stable (Double A; Outlook: Stable)	ICRA	
Non-Convertible Debenture *	[ICRA] AA; Stable (Double A; Outlook : Stable)	ICRA	15.76
Term Loans From Bank	[ICRA]AA Stable (Double A; Outlook: Stable)	ICRA	0.80
Certificate of Deposit	CRISIL A1+	CRISIL	60.00
	[ICRA] A1+	ICRA	30.00

*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.



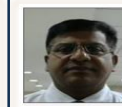
Nand Kumar Singh
Head, Banking Operations and Customer Services

- 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

Board of Directors



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

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.

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.

Thank You

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**Bandhan
Bank**