

Ref. No.: BBL/280/2022-23

December 01, 2022

**BSE Limited**

Dept. of Corporate Services  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai – 400001

**BSE Scrip Code: 541153****National Stock Exchange of India Limited**

The Listing Department  
Exchange Plaza,  
Bandra Kurla Complex,  
Mumbai – 400051

**NSE Symbol: BANDHANBNK**

Dear Sir/Madam,

**Sub: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Presentation made to group of selected sell-side analysts**

In continuation to our letter bearing Ref. No.: BBL/275/2022-23 dated November 30, 2022, we hereby submit the details of sell-side analysts who attended the Bank's 'Analyst Day 2022' held on Thursday, December 01, 2022, at Mumbai.

Copy of the presentations made to such group of selected sell-side analysts hosted by the Bank on its 'Analyst Day 2022' held on Thursday, December 01, 2022, at Mumbai, is enclosed.

Further, the presentations have also been uploaded on the website of the Bank and can be accessed at the following link: <https://bandhanbank.com/corporate-governance#rctabtwofour>.

You are requested to take note of the above.

This disclosure is being simultaneously uploaded at the Bank's website, [www.bandhanbank.com](http://www.bandhanbank.com).

Thanking you.

Yours faithfully,

for **Bandhan Bank Limited**

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

*Encl.: as above*

### Details of sell-side analysts who attended the Bank's 'Analyst Day 2022'

Date	<b>Thursday, December 01, 2022</b>
Place	<b>Mumbai</b>
<b>Sr. No.</b>	<b>Institution Name</b>
1.	Ambit Capital
2.	Anand Rathi Institutional Equity
3.	Antique Stock Broking Ltd
4.	Arihant Capital
5.	Axis Capital Ltd
6.	Batlivala & Karani Securities India Pvt Ltd
7.	B of A Securities
8.	CLSA India Pvt Ltd
9.	Credit Suisse Securities (India) Pvt Ltd
10.	Dolat Capital
11.	Elara Capital
12.	Emkay Global Financial Services Ltd
13.	Goldman Sachs (India) Securities Pvt Ltd
14.	Haitong Securities India Pvt Ltd
15.	HDFC Securities Ltd
16.	HSBC Securities and Capital Market (India) Pvt Ltd
17.	ICICI Securities
18.	IIFL Securities
19.	Investec Capital Services (India) Pvt Ltd
20.	Jefferies India Pvt Ltd
21.	JM Financial
22.	J.P Morgan
23.	Kotak Institutional Equities
24.	Macquarie Capital Securities (India) Pvt Ltd
25.	Motilal Oswal Financial Services Ltd
26.	Morgan Stanley India Company Pvt Ltd
27.	Nuvama Institutional Equities
28.	Nirmal Bang Institutional Equities
29.	Phillip Capital (India) Pvt Ltd
30.	UBS Securities India Pvt Ltd.

# Overview and Strategy of the Bank

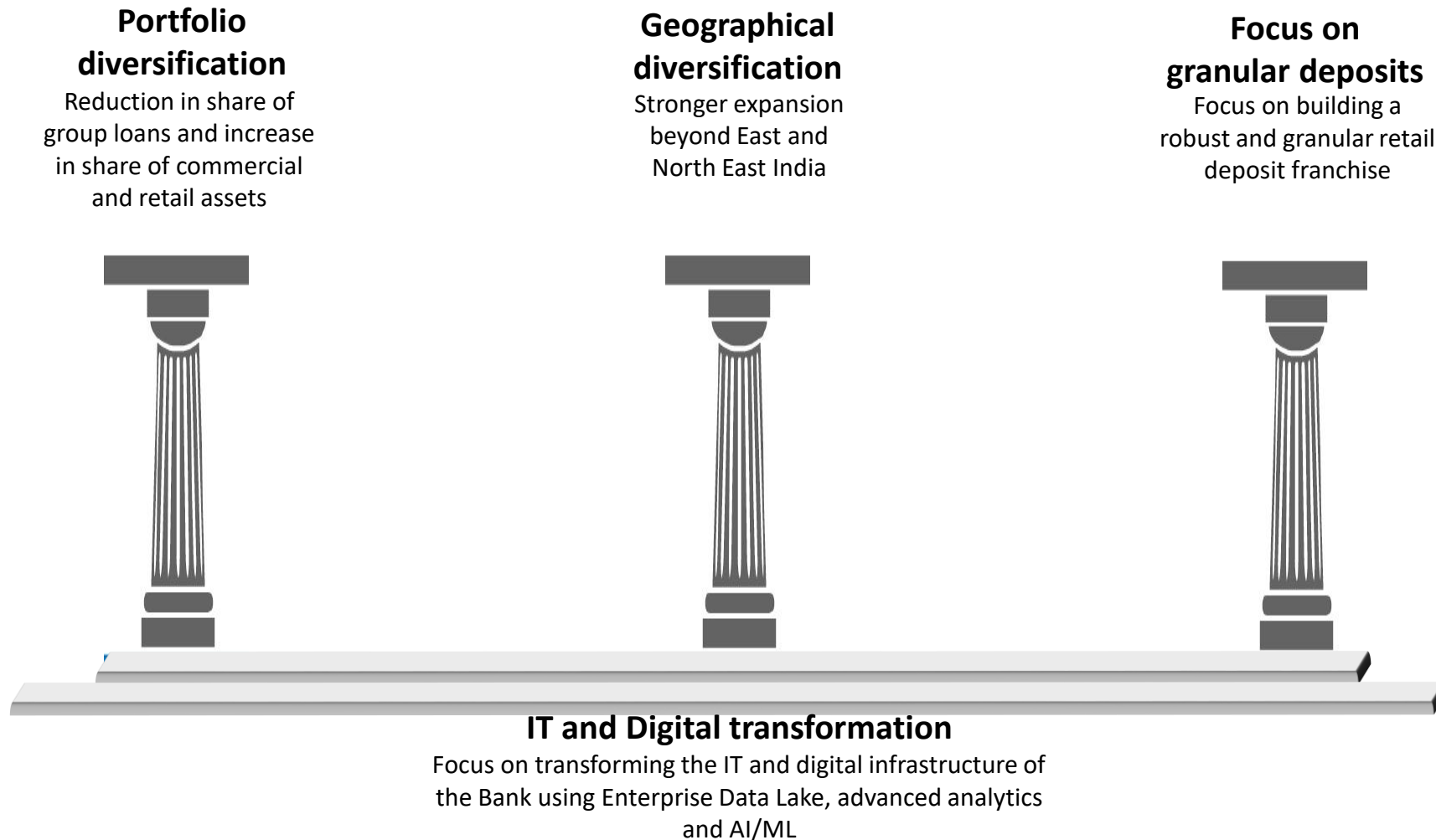
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Analyst Day Presentation  
Dec 1, 2022 | Mumbai



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# Bank's strategic priorities



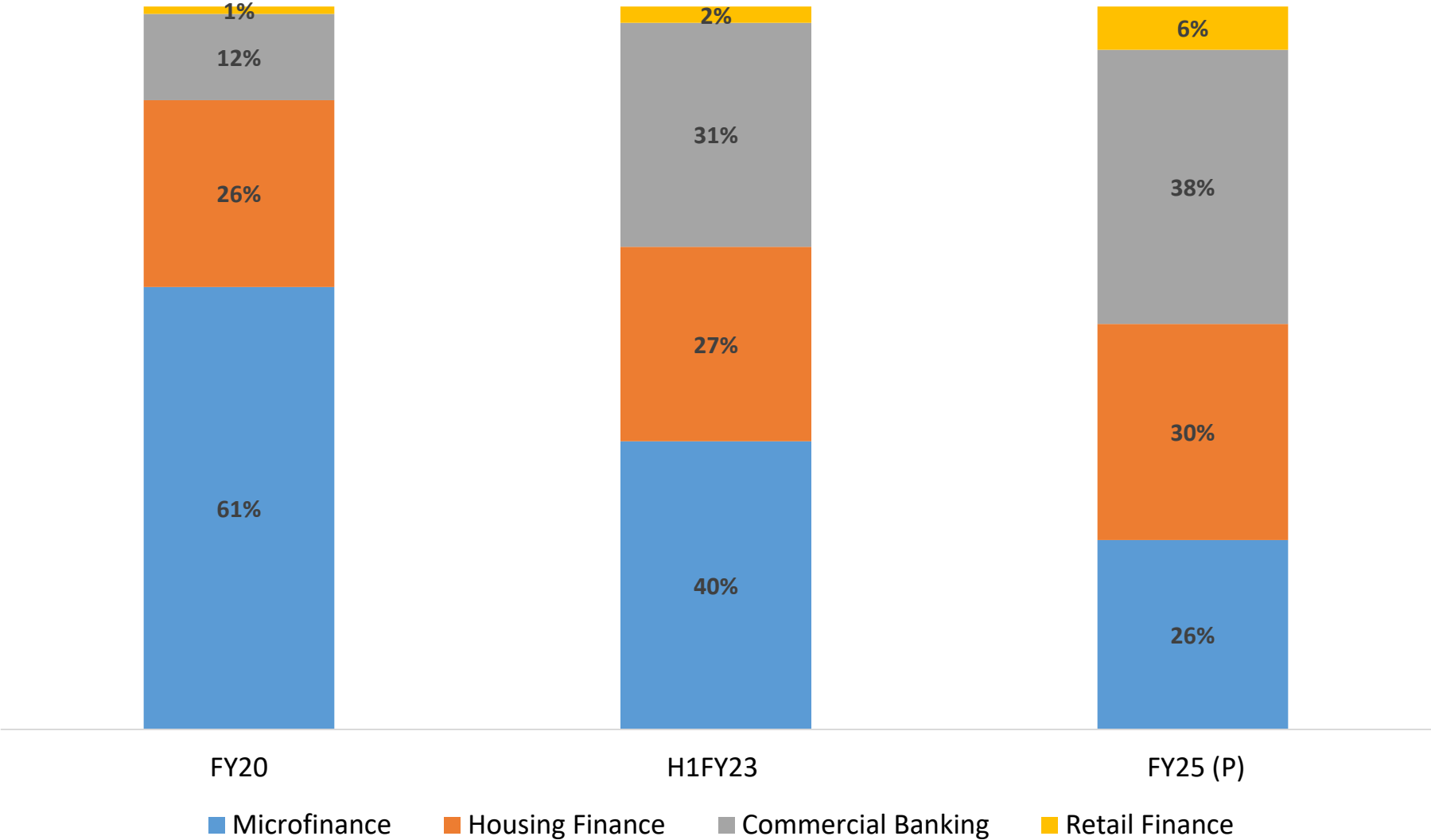


# Key parameters at a glance

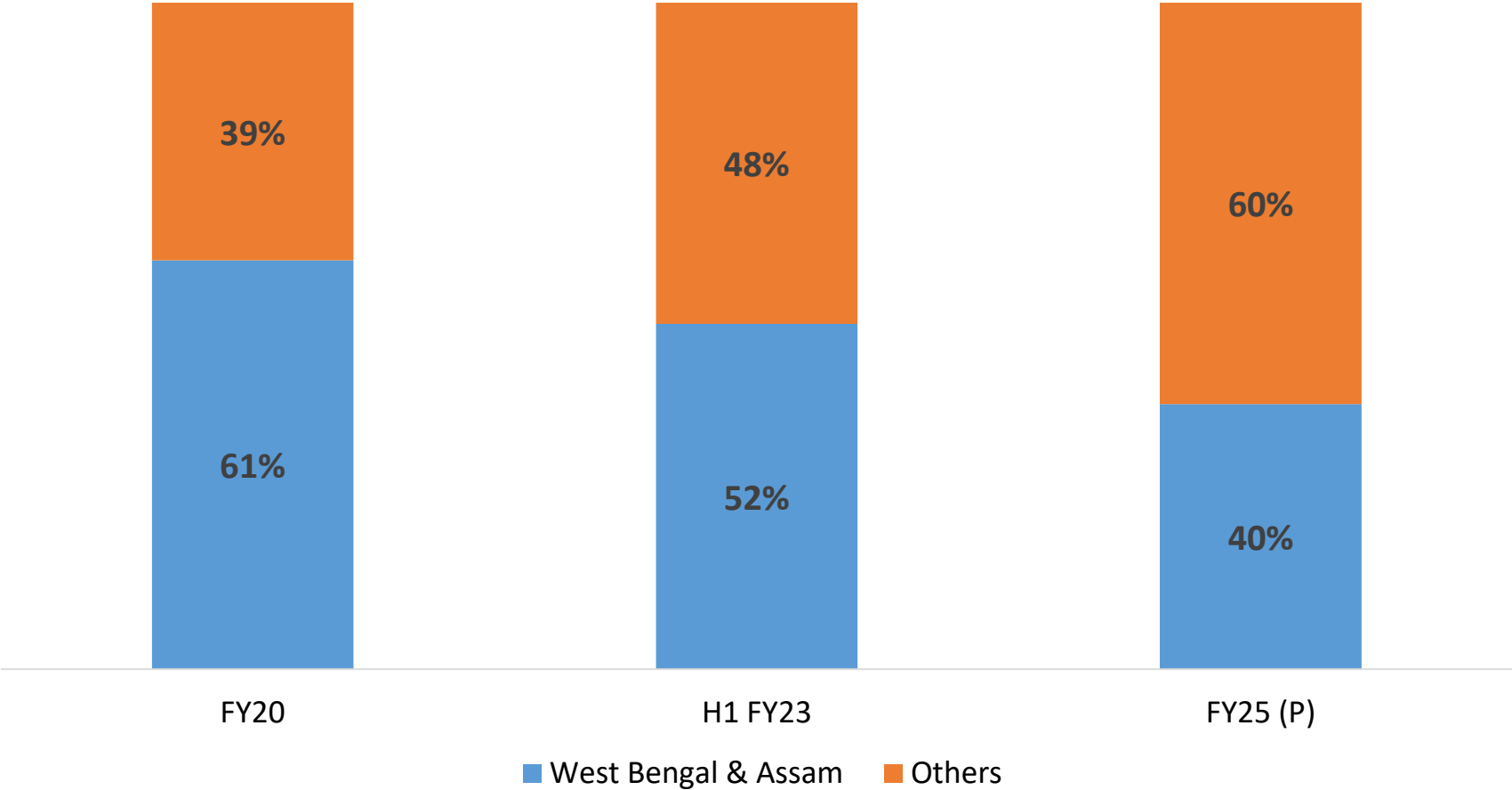
Overall Business <i>Key Numbers</i>	Operational Snapshot	Profitability	Growth in Key Business Verticals
Customers <b>27.7 mn</b>	Loans and Advances <b>Rs.958.3 bn</b> <i>17.4% YoY</i>	Net Interest Margin <b>7.0%</b>	Microfinance + SBAL <b>12.3% YoY*</b>
Banking Outlets <b>5,646</b>	Deposits <b>Rs.993.7 bn</b> <i>21.3% YoY</i>	Cost of Funds <b>5.5%</b>	Housing <b>32.4% YoY</b>
Presence <b>34 states and UTs</b>	CASA Ratio <b>40.8%</b>	Cost to Income ratio <b>41.8%</b>	Retail Banking <b>111.8% YoY</b>
Employees <b>64,078</b>			Commercial <b>96.2% YoY</b>

Note: Figures pertain to end-September, 2022. \*Excluding effects of write-offs

# Focus on diversification of assets portfolio...

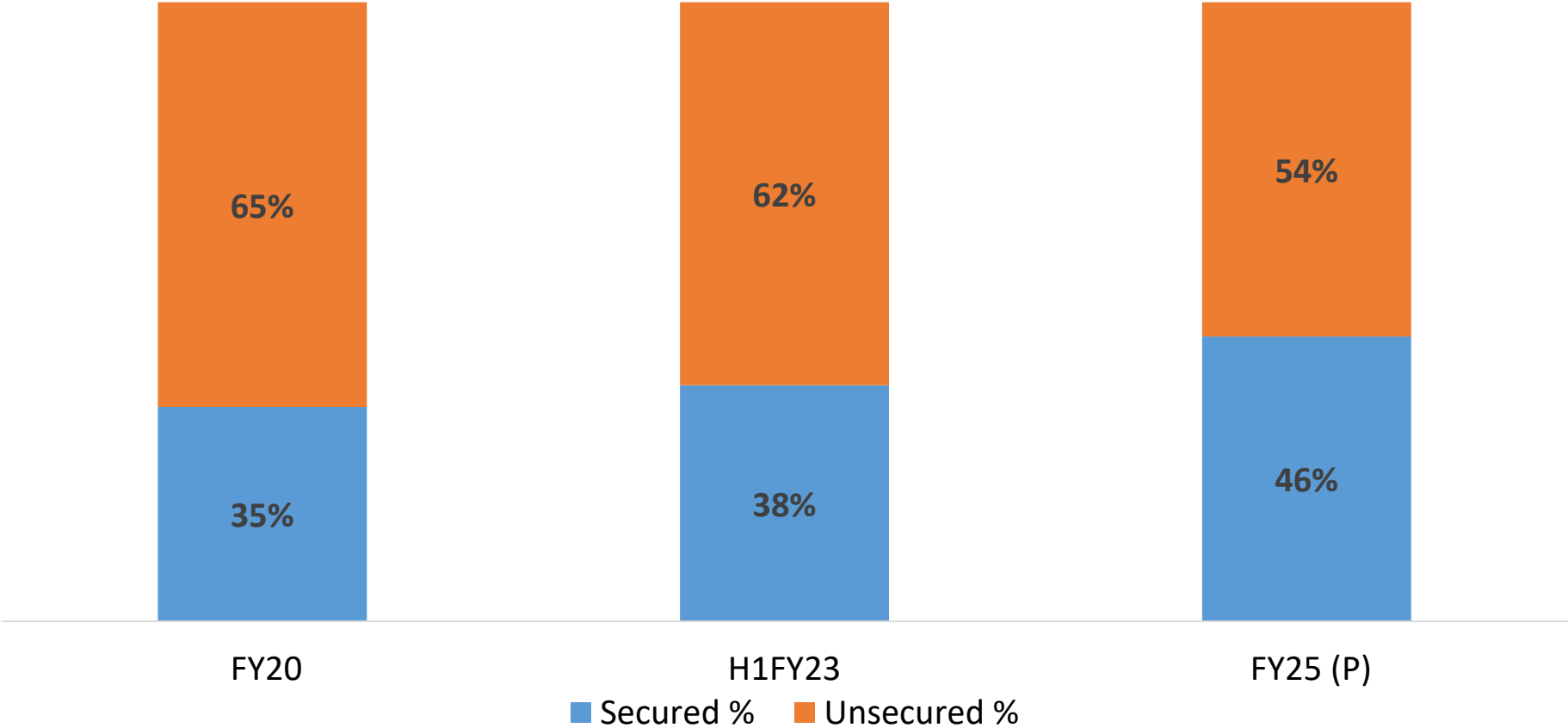


# ...with steady reduction in geographical concentration, and...

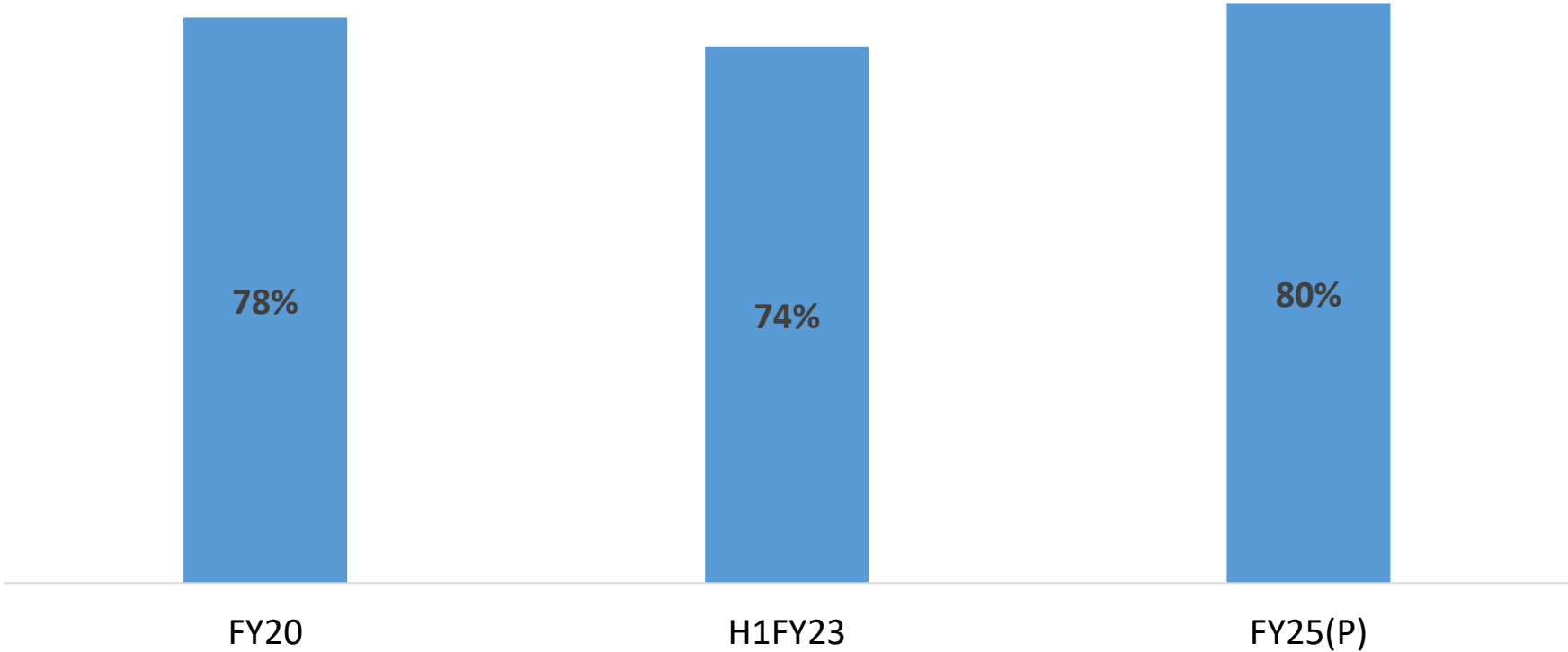


*Note: Data reflect microfinance and small business and agri loans (SBAL)*

# ...towards a book with more secured assets



# Liabilities – Share of retail deposits remain high



# IT and digital transformation – A key enabler

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- Complete change of end-state-architecture, implementing state of the art technology and best of the breed application products
- Investment in end to end digitization of information and automation of processes
- Adoption of advanced analytics to provide superior customer experience
- Provide hyper-personalized banking experience across the customer lifecycle
- Onboarding requisite talent to strengthen overall technology backbone, keeping an eye on the future

Thank you

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# Banking Unit Channel

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How it all started...

How it is going...

Where we are heading...

# The Journey

**1990**

It all started when Mr. Chandra Shekhar Ghosh observed the plight of Kolkata's small-time traders. To grow their businesses, they had no option except high-interest loans from traditional moneylenders

**2006**

Bandhan acquired an NBFC and established Bandhan Financial Services

**2015**

Bandhan became the first microfinance company to get Universal Banking License and a separate microbanking vertical was setup

**2001**

Bandhan started microfinance operations and empowerment through livelihood creation in rural Bengal as a society

**2010**

Bandhan became the largest Microfinance Institution in India

**2020**

Small Business and Agri loans were introduced for graduating vintage group loan customers with impressive track record to individual loans

# What makes us different

## Strength

- ❑ One of the lowest interest rates in the industry
- ❑ Smaller working radius for better connect
- ❑ Robust IT for digitization through TAB
- ❑ Flexibility in repayment – Weekly, Monthly
- ❑ Loans for medical, sanitation and education needs for existing customers at nominal rates
- ❑ Introducing the unbanked to formal banking
- ❑ More than **46K** well trained field staffs

## Beyond Banking

- ❑ Targeting the Hardcore Poor Program
- ❑ Education Programme
- ❑ Health Programme
- ❑ Financial Literacy Programme
- ❑ Sustainable Livelihoods Programme
- ❑ Employing the Unemployed Programme
- ❑ Climate Action Programme

<https://bandhanbank.com/beyond-banking>



## Reach

- ❑ **4,261** Banking Units, **3,402** in Rural and Semi-urban (~80%) and remaining **859** in Urban and Metro
- ❑ Present across **29** states and union territories
- ❑ Approx. **13 Mn** Active borrowers
- ❑ More than **22 Mn** SB Acs, inculcating savings habit

## Our Customers

- ❑ Long term association with customers
- ❑ Diversified portfolio across various livelihoods



How it all started...

How it is going...

Where we are heading...

# Market trend

## Positive trends in the Microfinance Industry: bouncing back from COVID related disruptions

Quarter	Mar'20	Jun'20	Sep'20	Dec'20	Mar'21	Jun'21	Sep'21	Dec'21	Mar'22	Jun'22
Gross Portfolio (Rs bn)	2,318	2,277	2,318	2,326	2,594	2,374	2,437	2,561	2,854	2,932
Growth for the quarter	10%	-2%	2%	0%	11%	-8%	3%	5%	11%	3%

Based on data from MFIN

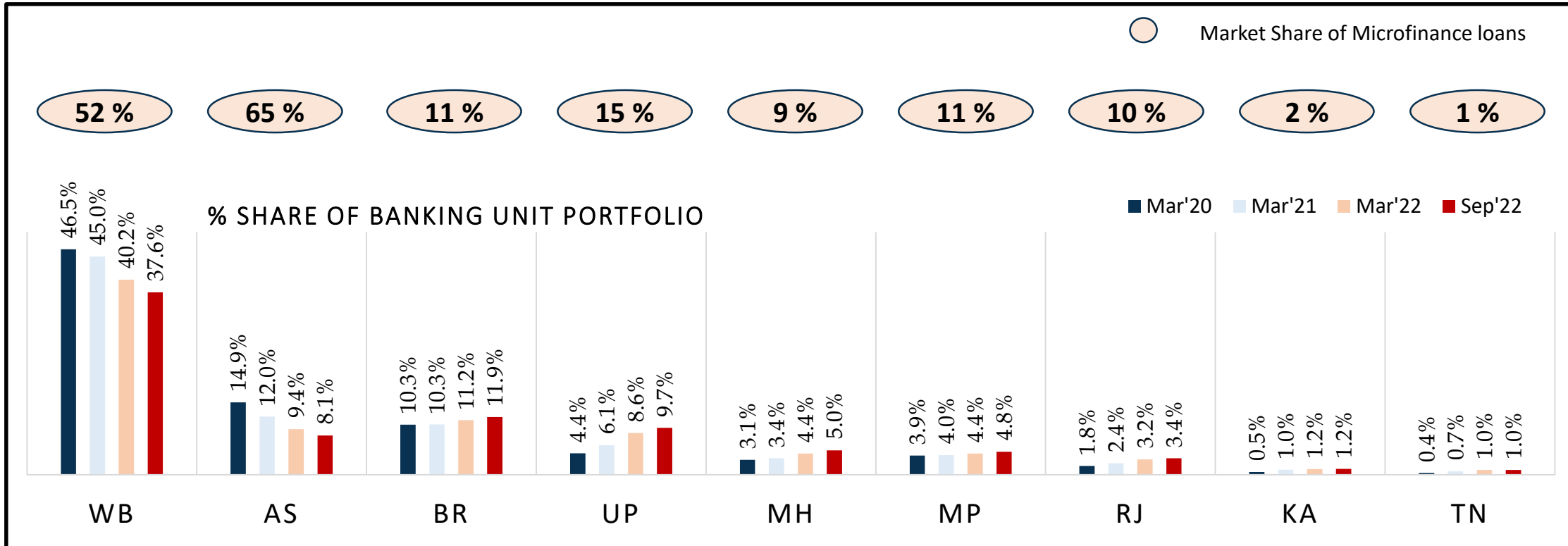
*“Microfinance”, is also emerging as a fast growing sector, although this segment is still underpenetrated. Various studies indicate that the microfinance sector in India has the potential to grow at a **CAGR of 40%** by 2025 - Dr. G R Chintala, **Chairman, NABARD***

**World Bank** in 2021 (Findex) reported that adults with bank accounts in India has decreased from 79.88% in 2017 to 77.53% in 2021 resulting in an adult population of ~230 million with no access to financial services, let alone “Credit”

**Introduction of a common Microfinance Policy by RBI for all lending institutions** (Master Direction – Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022)

- ☐ Defining the household and capping income, in line with the practice of the Bank
- ☐ Stringent, FOIR based eligibility assessment, in line with the Bank’s policy
- ☐ Clear declaration on cost of fund for the borrower, giving edge to the Bank with lower interest rates

# Geographical Diversification



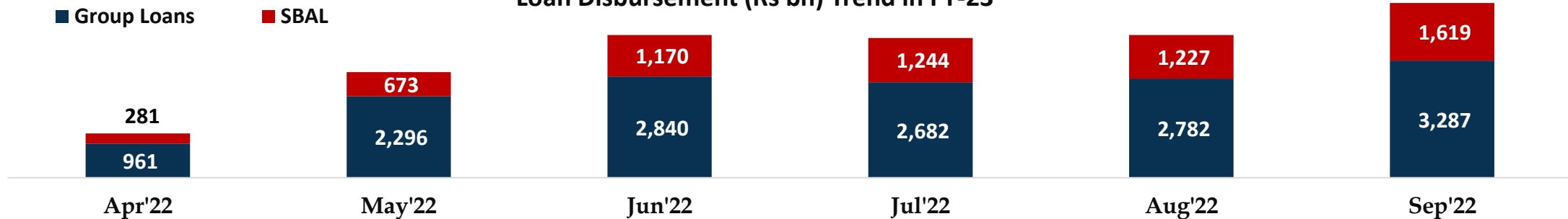
- Apart from matured states, the population catered by the bank is low & there is lot of opportunity to acquire new customers.
- There is a focus on expansion plan in states where Market share is lower in comparison with matured markets (WB, Assam) for increasing market share and further business growth
- Also, Gujrat, Andhra Pradesh & Telangana have been identified by the bank as focus states for opening new Banking Units.

# Bank's Trend

Particulars	Group Loan			SBAL		
	Mar-22	Jun-22	Sep-22	Mar-22	Jun-22	Sep-22
AUM (Rs. Bn)	465	429	382	159	152	157
Borrowers (mn)	11.0	11.0	11.1	1.6	1.7	1.9
Avg. AUM (Rs '000) per borrower	42	39	35	99	89	83
GNPA (Rs bn)	44	49	45	4	5	6
NNPA (Rs bn)	9.2	10.0	7.6	0.7	0.9	1.5
GNPA	10%	11%	12%	3%	3%	4%
NNPA	2.1%	2.6%	2.2%	0.5%	0.6%	1.0%
Yield	17%	18%	17%	17%	19%	18%
Sourcing Yields	19.45%	19.95%	19.95%	19.45%	19.95%	19.95%

Current sourcing yields is 21.95% for group loans & 21.45% for SBAL w.e.f from 14<sup>th</sup> Nov 2022

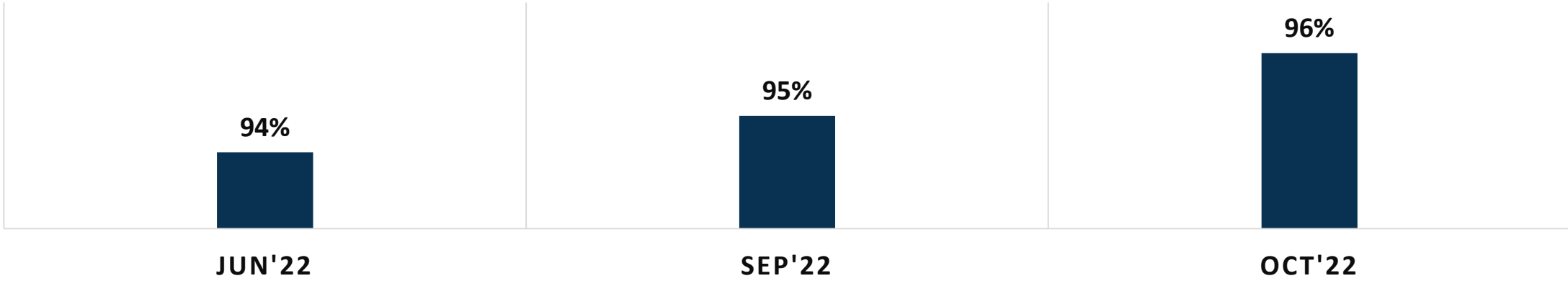
**Loan Disbursement (Rs bn) Trend in FY-23**



Portfolio Projection (% Share on Value)	Particulars	FY'22-23	FY'23-24	FY'24-25
	Group	62%	56%	53%
	SBAL	38%	44%	47%
	EEB	100%	100%	100%

# Asset Quality: Collection

## COLLECTION EFFICIENCY (EXCLUDING NPA PORTFOLIO)



## Payment profile of Borrowers (Excluding NPA Portfolio)

Payment Profile	% Receivable			Payment %age	% AUM		
	Jun'22	Sep'22	Oct'22		Jun'22	Sep'22	Oct'22
NOT PAID	3%	3%	1%	NOT PAID	6%	5%	2%
Upto 25%	1%	1%	2%	Upto 25%	1%	1%	2%
>25% TO 50%	1%	1%	1%	>25% TO 50%	1%	2%	1%
>50% TO 75%	1%	1%	2%	>50% TO 75%	2%	2%	2%
>75% TO <100%	3%	2%	2%	>75% TO <100%	3%	2%	2%
FULL PAID	91%	92%	93%	FULL PAID	87%	88%	91%



# Asset Quality: Delinquency and Provisioning

All amounts are in Rs bn

Particulars	Actual			Projection	
	Mar'22	Jun'22	Sep'22	Dec'22	Mar'23
31 to 90 DPD (A)	22	47	44	24	17
Restructured a/c (B)	49	21	0	0	0
NPA (C)	49	53	51	78**	80**
Total Stress portfolio (A + B + C)	119	121	95	102	97
Total Provisions	70	76	53	74*	77*
NPA Provision	39	42	42	63*	66*
PCR on NPA	80%	80%	82%	80%	82%
Provision GAP (Total Stress portfolio - Total Provision)	50	45	42	28	20

\* Net of CGFMU recovery provision will be lower by Rs 9.3 bn

\*\*pre-write offs

Continuously strengthening the processes for improving asset quality			
Credit Appraisal	Business Operations	Risk Management	
•Tab based annual household income assessment and centralized monitoring	•Putting cap on the maximum no. of customers per BU and per Relationship Officer	•Strengthening Enhanced Due Diligence for EEB	•Risk and Control Self Assessment (RCSA) for each product annually for identification and mitigation of residual risk
•Central Credit Underwriting Team for SBAL	•Dedicated Recovery team and BU staffs for delinquent borrowers	•Strict monitoring of Early Warning Signals	•Business Continuity Plan (BCP) is being updated on a yearly basis to ensure that risk of any disruption is nullified
		•Pre-emptive Transaction monitoring for identification and prevention of Mule Accounts	

How it all started...

How it is going...

Where we are heading...

# Strategies and Initiatives

## Sourcing Strategies

1. Graduating the mature customers from Group to Small Business and Agri Loans (SBAL)
2. Focussing on SBAL for loans to NTB customers
3. Focussing on Group Loans (GL) for New to Bank (NTB) customers

## Diversification Strategy

1. Continuous focus to diversify outside the core geographies of WB & AS with majority of the new distribution planned outside these states.
2. New proposed 182 BUs to open all outside these states (114 in Gujarat, 30 in AP, 29 in Odisha, 8 in Jharkhand and 1 in Dadra & Nagar Haveli) grown to 29% as on Sep'22
3. SBAL concentration in portfolio was 11% as on Mar'21, which has grown to 29% as on Sep'22

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***Thank You***

# Housing Finance

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Analyst Day Presentation

Dec 1, 2022 | Mumbai



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# MORTGAGE BUSINESS -

an introduction

240B

Book

0.3M

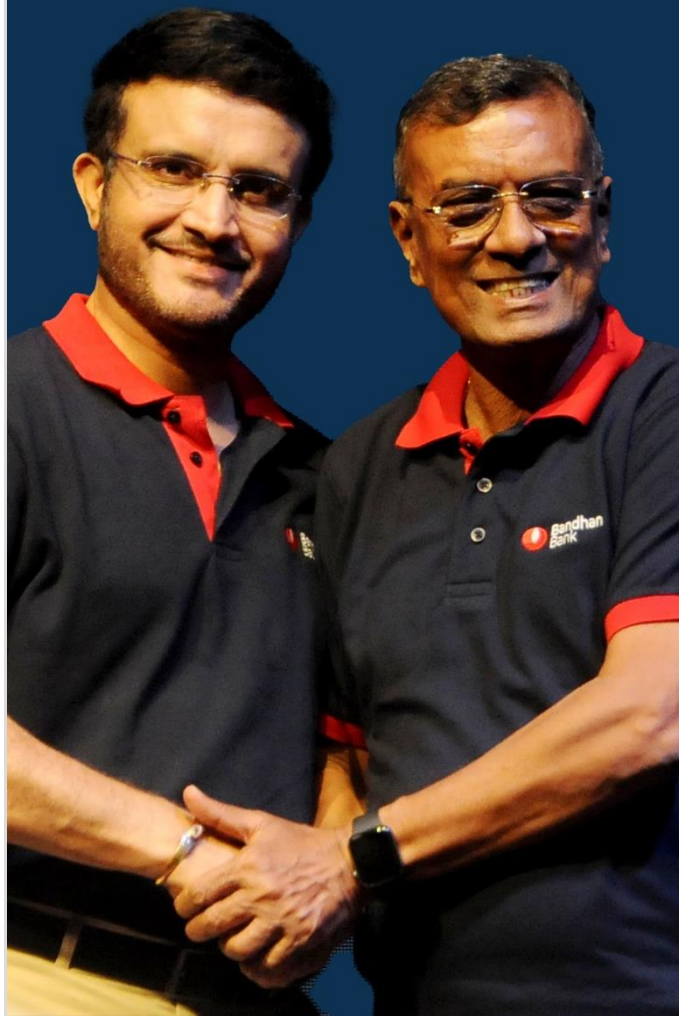
Customers

1.8M

Average ticket size  
(New Loans)

10.80%

Portfolio Yield





# AGENDA SLIDE

REDEFINING SOLUTIONS KEEPING CUSTOMERS AT THE CORE OF DECISION MAKING

1

## HOUSING INDUSTRY

Rs 25 Trillion Industry (Rs 3 Trillion over LY), has seen consistent growth of 15% CAGR over last 6 years. Demand for mid-size houses continue to rise despite rising interest rates and penetration still remains low.

2

## OUR JOURNEY

Consistent growth in topline, focusing on Semi-/Urban strategy, Formal Segments, Self-Construction maintaining healthy margins, and credit quality.

3

## PILLARS OF GROWTH

Expanded Customer Segments (including Prime, CF), Improved Value proposition, in an expanded geography, leveraging a more 'phy-gital' approach, reducing operating costs while creating additional topline momentum.

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# Housing Industry

ROBUST DISBURSAL GROWTH AND NEW PROJECT LAUNCHES SEEN IN FY 22

## A

Housing Industry likely to grow at 17-20%

Maharashtra, NCR, Karnataka, Gujarat and TN leading markets

Maximum housing shortage in Uttar Pradesh, W Bengal and Bihar

MARKET

## B

Mortgage penetration is low at 11% with Rural-Semi Urban dropping to 5%.

Largely untapped Affordable Housing market of over Rs 30 Trillion

PENETRATION

## C

3A – Availability, Affordability & Awareness

Identifying right property & financier for Purchase or Self Construction

Loans of Rs 5-35lacs constitute 80% of market

CONSUMER

## D

Surge in disbursements of 29% in FY 22 with Banks taking the majority of pie

Inventory overhang reduced to 18 months

Resale property share increased in Home Loan

BANKS

## E

GNPA down to 3.4% (March 2022), from 4.1% earlier

Segment reported strong recovery performance in H2FY22 as Economic activity picked up and the unorganised sector flourished

QUALITY



# AGENDA SLIDE

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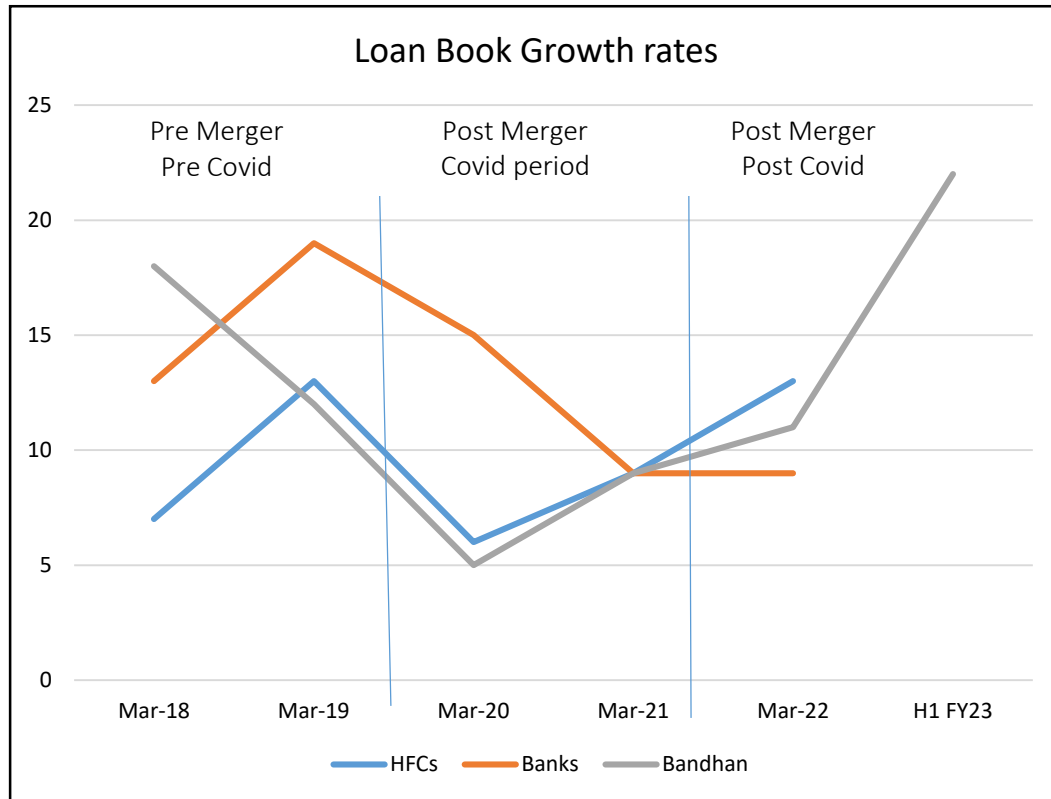
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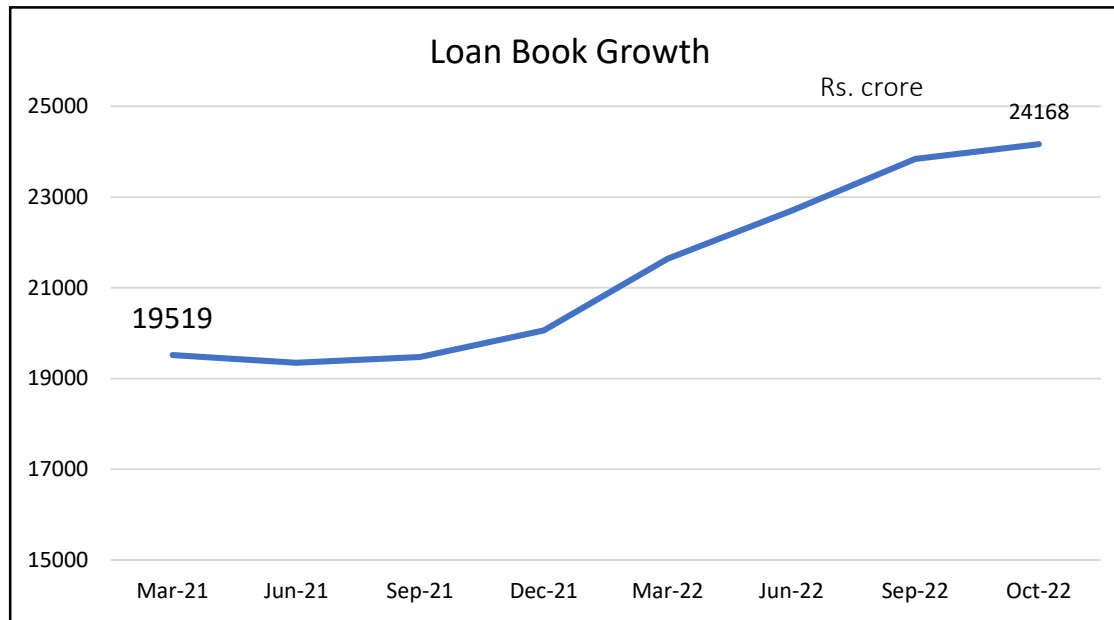
# KEY PERFORMANCE INDICATORS



- Disbursement growth FY 22
  - Industry 29%
  - Bandhan 43%
- Book Growth in FY 22
  - Industry 11%
  - Bandhan 11%
- Bandhan book likely to grow at upwards of 25% in FY 23

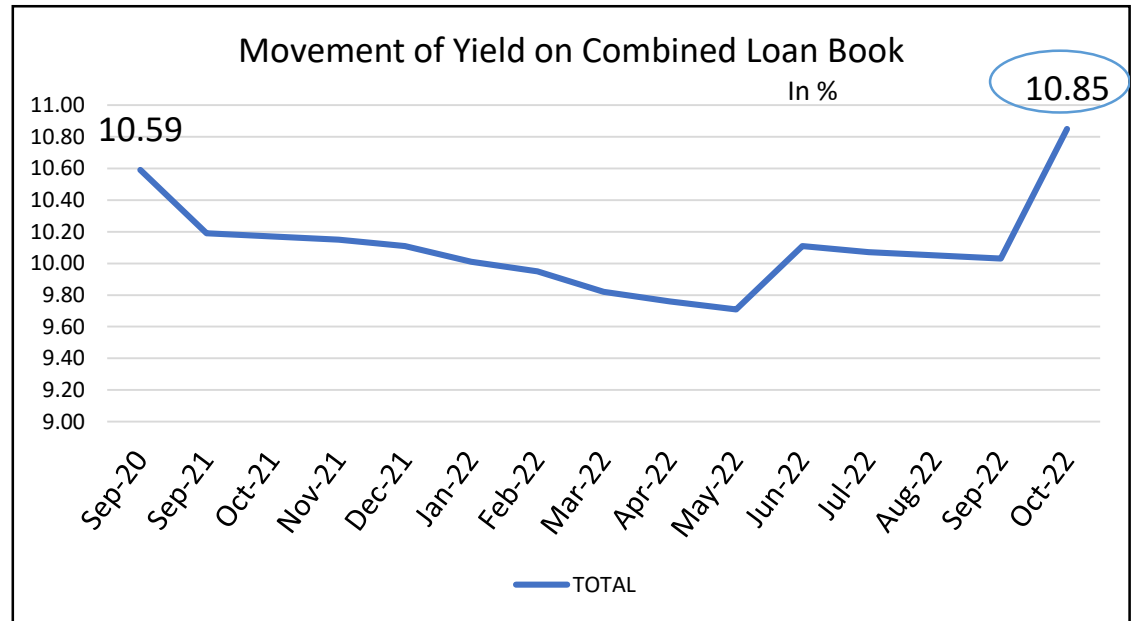
Source : ICRA – Indian Mortgage Finance Market (July 2022)

# BOOK GROWTH AND YIELD – HOW IT HAS SHAPED UP



Growth spurt post Covid

YoY growth in loan book in excess of 20%

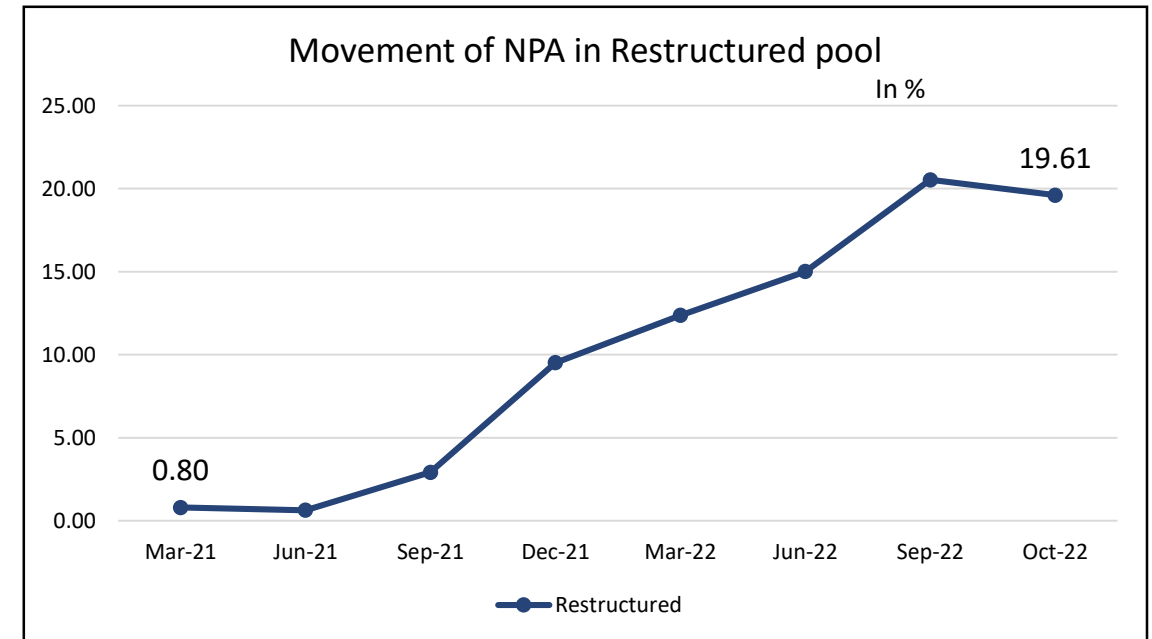
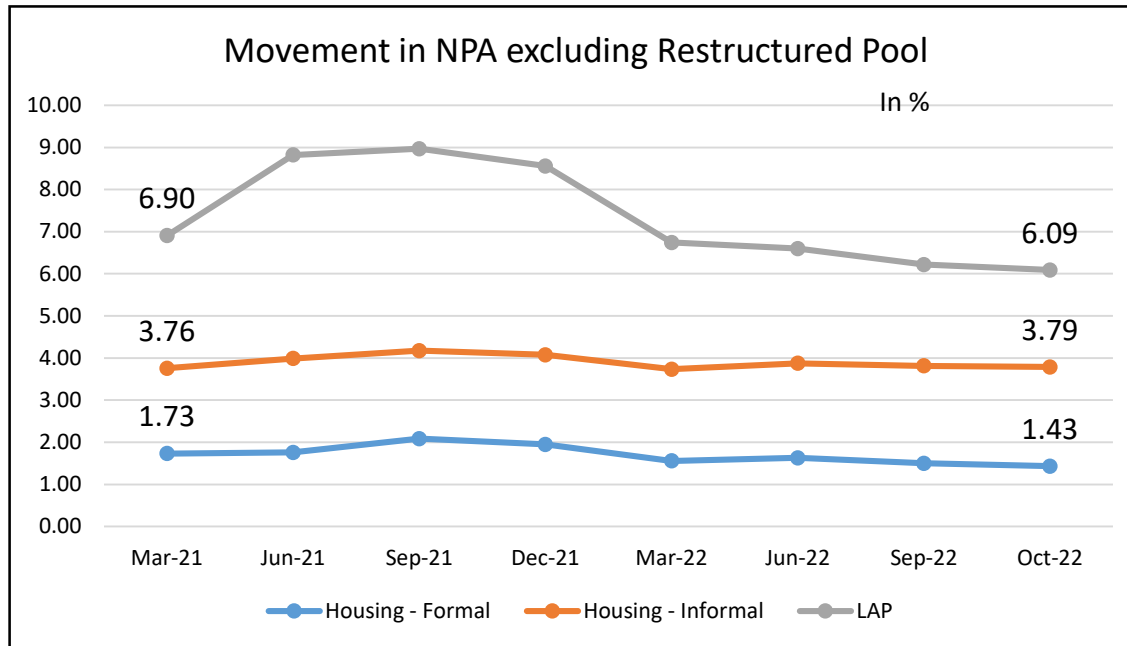


Book Yields have risen above pre-Covid levels

98% loans are floating rate of which 65% are linked to Repo Rate

Increased NHL contribution impacting the yield positively

# GNPA – HOW IT HAS SHAPED UP



Excluding Restructured Book, the credit quality has remained stable across all loan products

GNPA % excluding Restructured book has been coming down

Collections in Restructured book has improved

Quality of assets and customer intentions give comfort that LGD in Restructured book will be below 2%



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# FUTURE PILLARS OF GROWTH

WE BROKE DOWN OUR FUTURE GROWTH STRATEGY INTO 4 DISTINCT PILLARS



## EXPAND MARKET REACH

Expand market reach to cater to larger cross-section of clients and use the hub-spoke delivery model to improve workflows. Leverage Branch channels in sourcing mix to gain better share of wallet and build Loyalty

## ENHANCE CUSTOMER VALUE PROPOSITION

Define target clients and enhance Value propositions addressing their needs. Introduce segments like Construction Finance, Prime for Affluent Clients, Salaried

## EVOLVE PLATFORMS

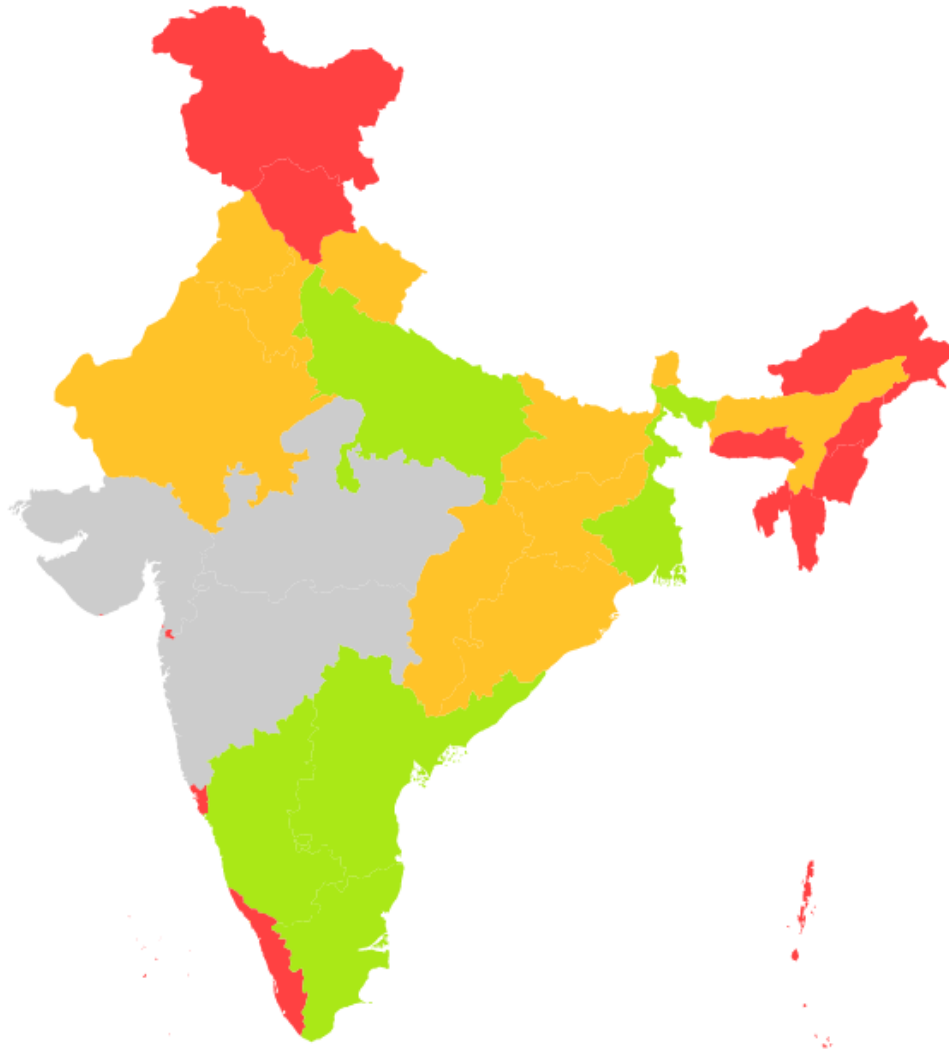
Invest in platforms for simplified Loan On-boarding. Leverage Data & Credit Analytics to identify Good Credit, build out Score Card based pricing models (Risk-Relationship), and support Collection Initiatives (improved EWS)

## ENGAGE PARTNERSHIPS

Work with the Partner Ecosystem like Digital Aggregators, Marketplace, NBFCs, Builders for Quality Sourcing, enhanced offerings

# FUTURE PILLARS OF GROWTH

We broke down our future growth strategy into 4 distinct pillars



## EXPAND MARKET REACH

Expand market reach to cater to larger cross-section of clients and use the hub-spoke delivery model to improve workflows. Leverage Branch channels in sourcing mix to gain better share of wallet and build Loyalty

Expand in under penetrated potential geographies – Southern India, Uttar Pradesh, NCR and W Bengal

Leverage branch network through Hub and Spoke model

Single Point Contact for all Products

Strengthen Indirect Channel

Persona based Customer offering

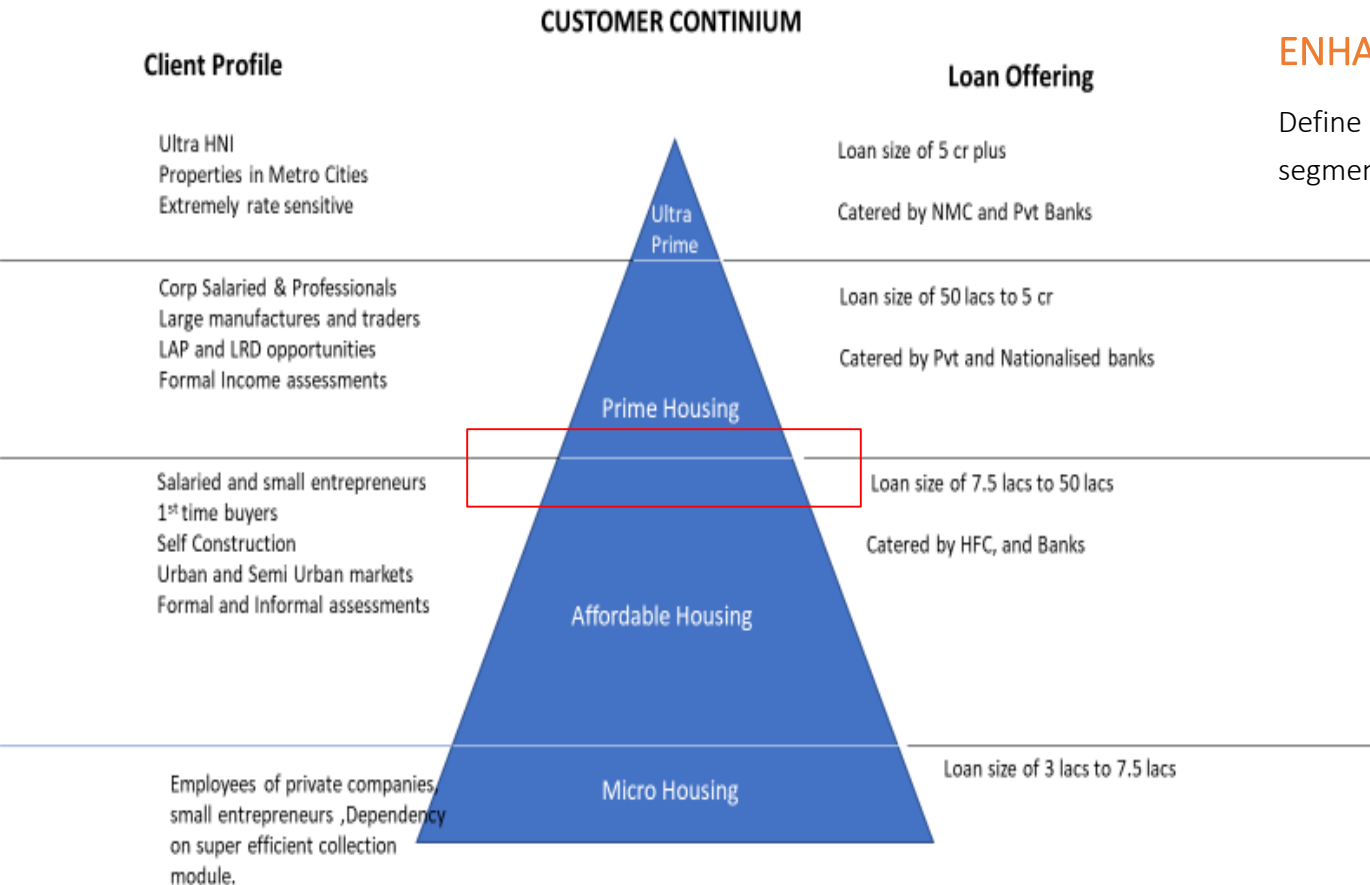
Current presence in 350+ branch locations – Plan to expand to 600+ by end FY23

- Dominant presence
- Less covered markets
- Growth markets
- Planned in Phase II



# FUTURE PILLARS OF GROWTH

We broke down our future growth strategy into 4 distinct pillars



## ENHANCE CUSTOMER VALUE PROPOSITION

Define target clients and enhance Value propositions addressing their needs. Introduce segments like Construction Finance, Prime for Affluent Clients, Salaried

- Current presence mainly in higher end of Affordable segment
- Scope for expansion to prime and affordable segment
- Dedicated channel for sourcing Prime Mortgages
- Re-Launch Construction Finance in identified markets
- Expand range of LAP product
- Target ETB for value adds
- Align products to meet Customer Segment and Needs

# FUTURE PILLARS OF GROWTH

We broke down our future growth strategy into 4 distinct pillars



Robust

Scalable

Sustainable

## EVOLVE PLATFORMS

Invest in platforms for simplified Loan On-boarding. Leverage Data & Credit Analytics to identify Good Credit, build out Score Card based pricing models (Risk-Relationship), and support Collection Initiatives (improved EWS)

- Score card based pricing model
- Digital push to offer ease of delivery and quick solutions
- Collaborate with tech vendors for sourcing and delivery
- Enhance Data mining and analytics

# FUTURE PILLARS OF GROWTH

We broke down our future growth strategy into 4 distinct pillars



## ENGAGE PARTNERSHIPS

Work with the Partner Ecosystem like Digital Aggregators, Marketplace, NBFCs, Builders for Quality Sourcing, enhanced offerings

- Partner with all Stakeholders – Government, Industry and Consumer
- Collaborate with Builders and aggregators
- Tie ups for Co-lending

# FUTURE PILLARS OF GROWTH

## Risk Management - Assessment & Monitoring

1.

Multiple filters at origination –  
CIR check, Hunter, Dedupe,  
Identity check

2.

Multi point check of PD, Ref  
check, Emp check, FCU, CPV,  
Document check

3.

Policy and Process review at  
regular intervals

4.

EWS alerts on multiple data  
points / transactions

5.

Ongoing analysis of Bureau  
data to understand repayment  
behavior and trends

**Thank you**

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# Commercial Banking

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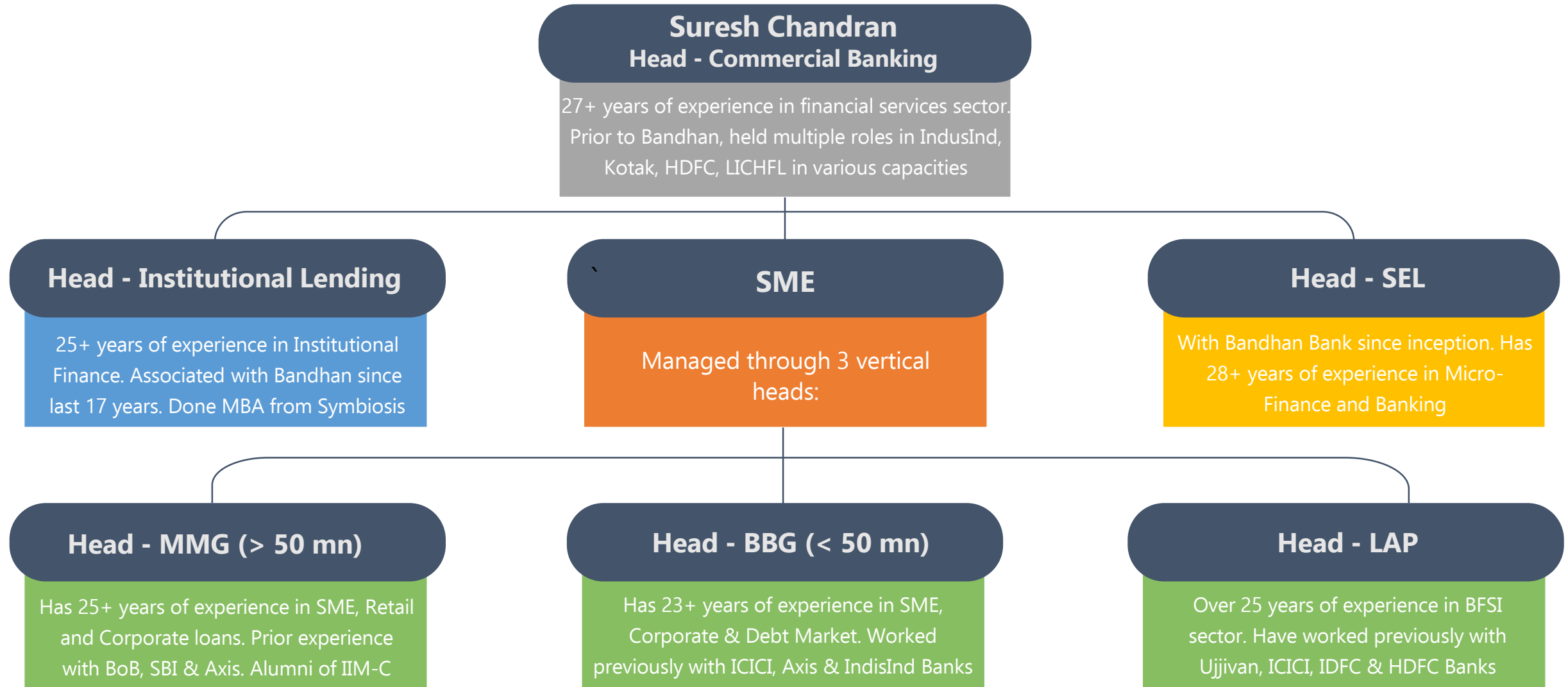
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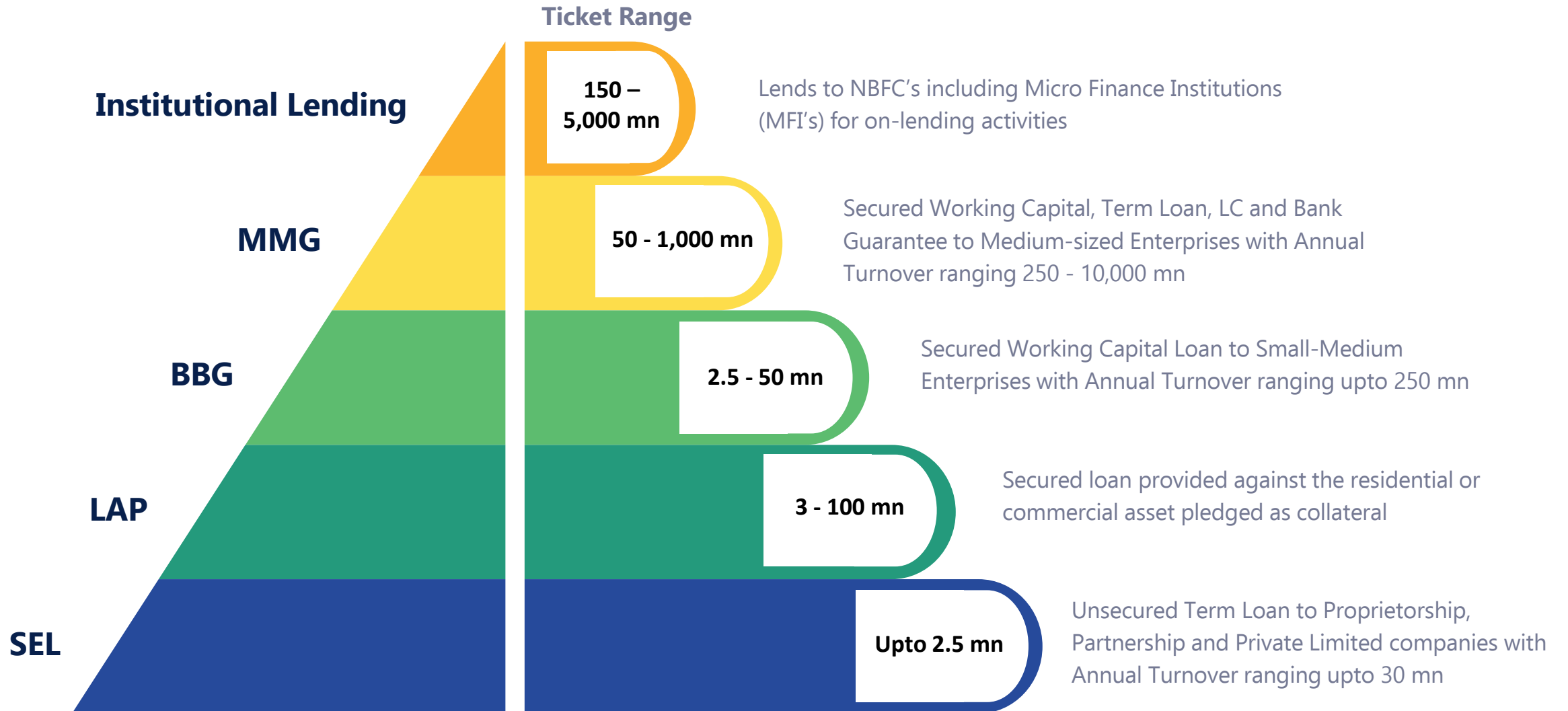


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# Leadership Team



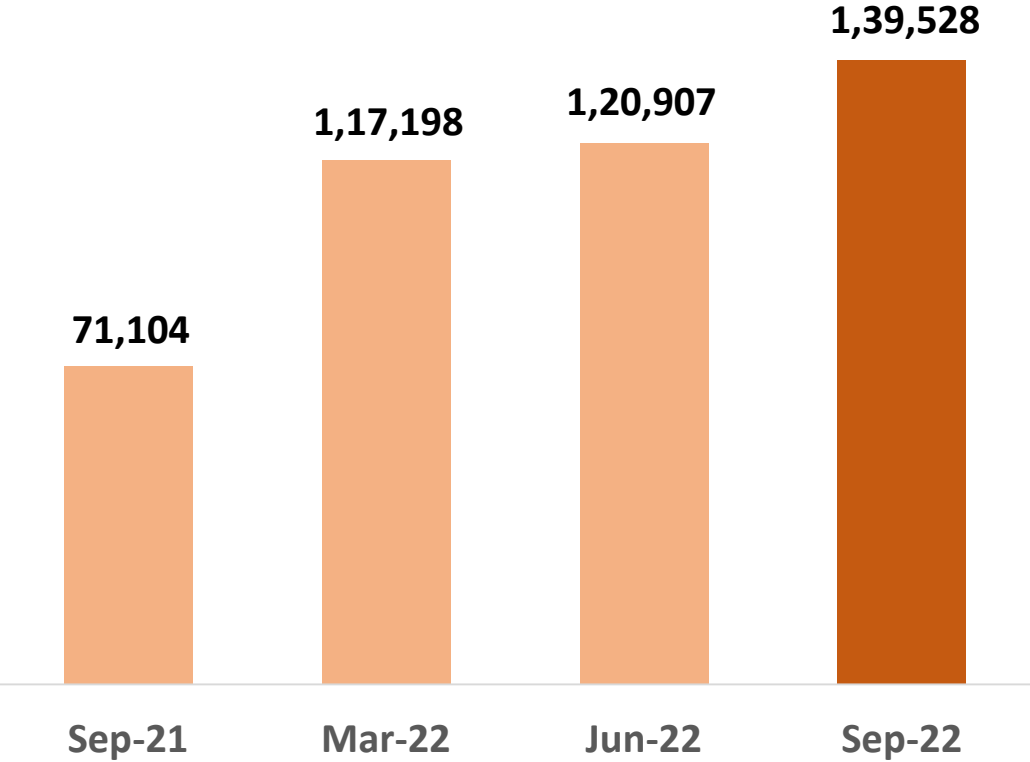
# Product Offering





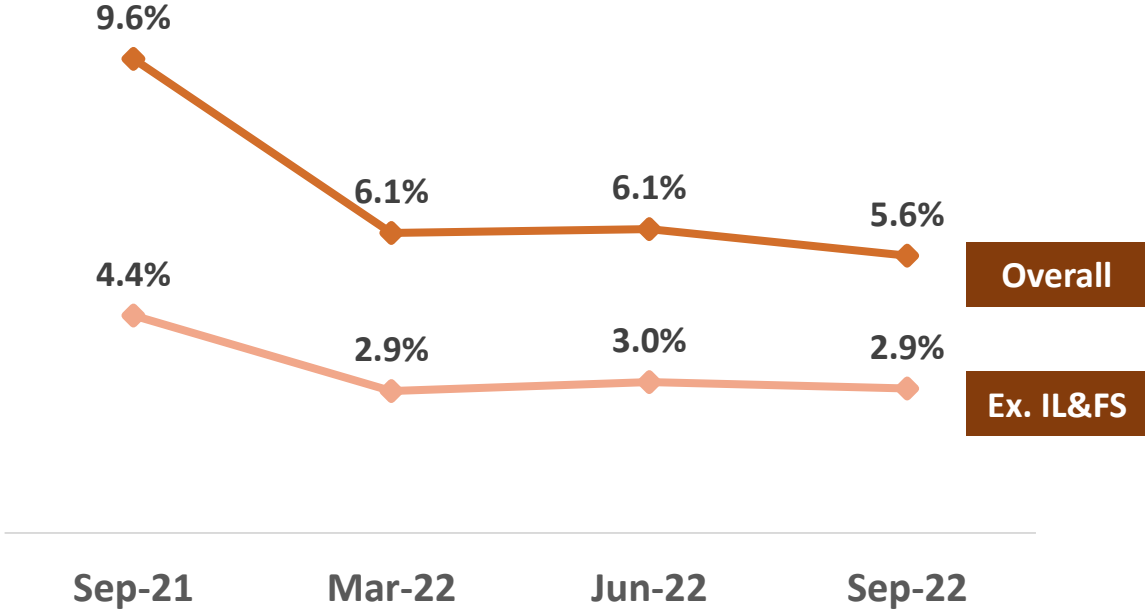
# Commercial Banking - Overall

Portfolio Performance (INR million)



Overall CB portfolio witnessed a robust growth of 96% YoY and 15% QoQ

GNPA (%)



Overall GNPA includes 3,850 mn of IL&FS

Witnessed considerable decline in GNPA YoY; down from 9.6% in Sep-21 to 5.6% in Sep-22

# Institutional Lending

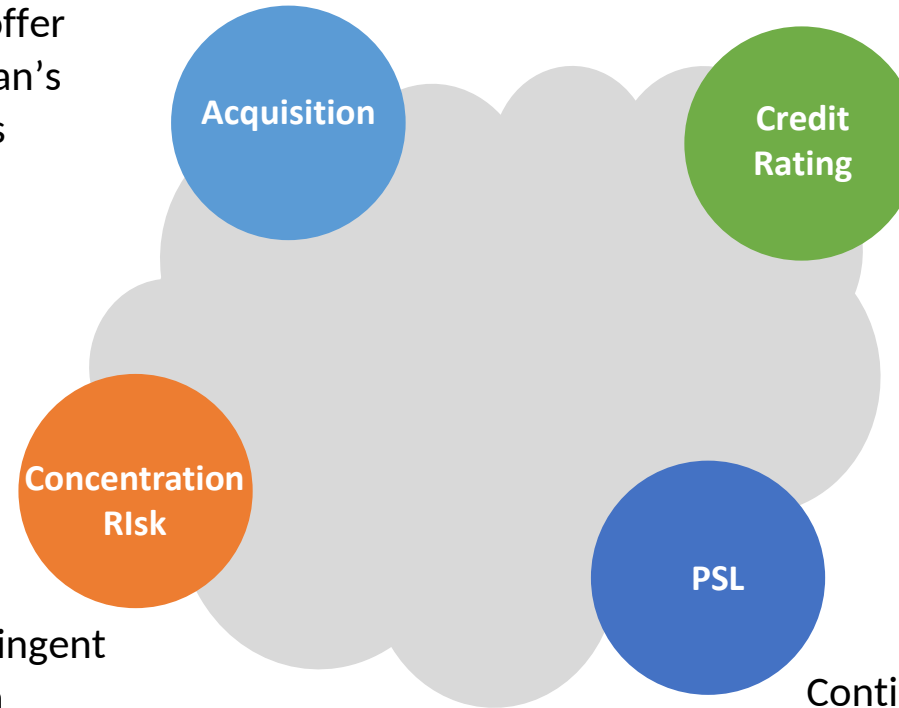
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Bank

# Institutional Lending - Strategy

Focus on lending to Institutions which offer diversification opportunity from Bandhan's growth perspective; 100% of sourcing is through dedicated RM's



Lend to Institutions with high External Credit Rating; 92% of the exposure as on Sep-22 had credit rating of A & above

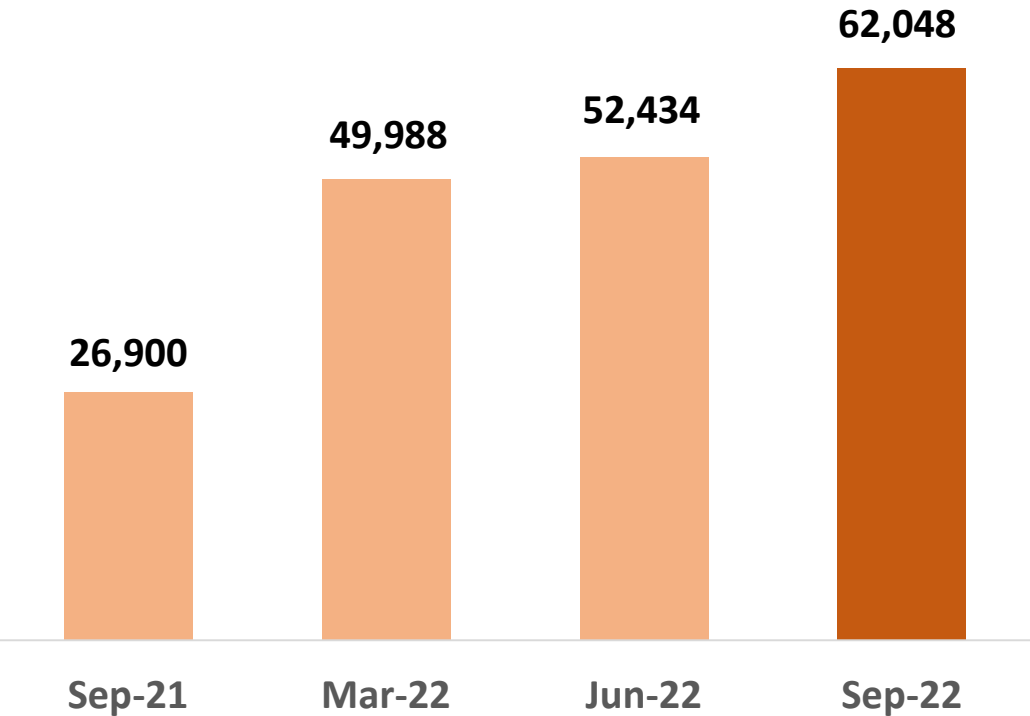
Manage Concentration Risk through stringent Underwriting & Credit Policy; maximum cumulative exposure to an Institution is set at 10% of total outstanding

Continuous focus on Priority Sector Lending; 46% of the total exposure were PSL qualified as on Sep-22

**To be preferred choice of Banker for Institutional Finance**

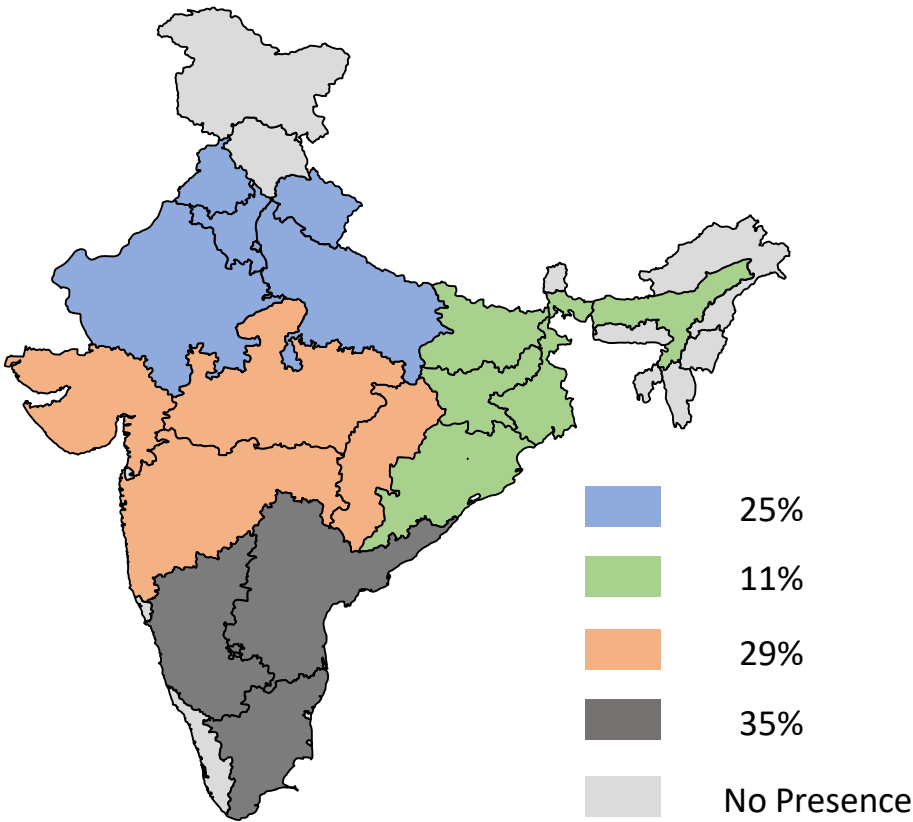
# Institutional Lending - Portfolio

Portfolio Performance (INR million)



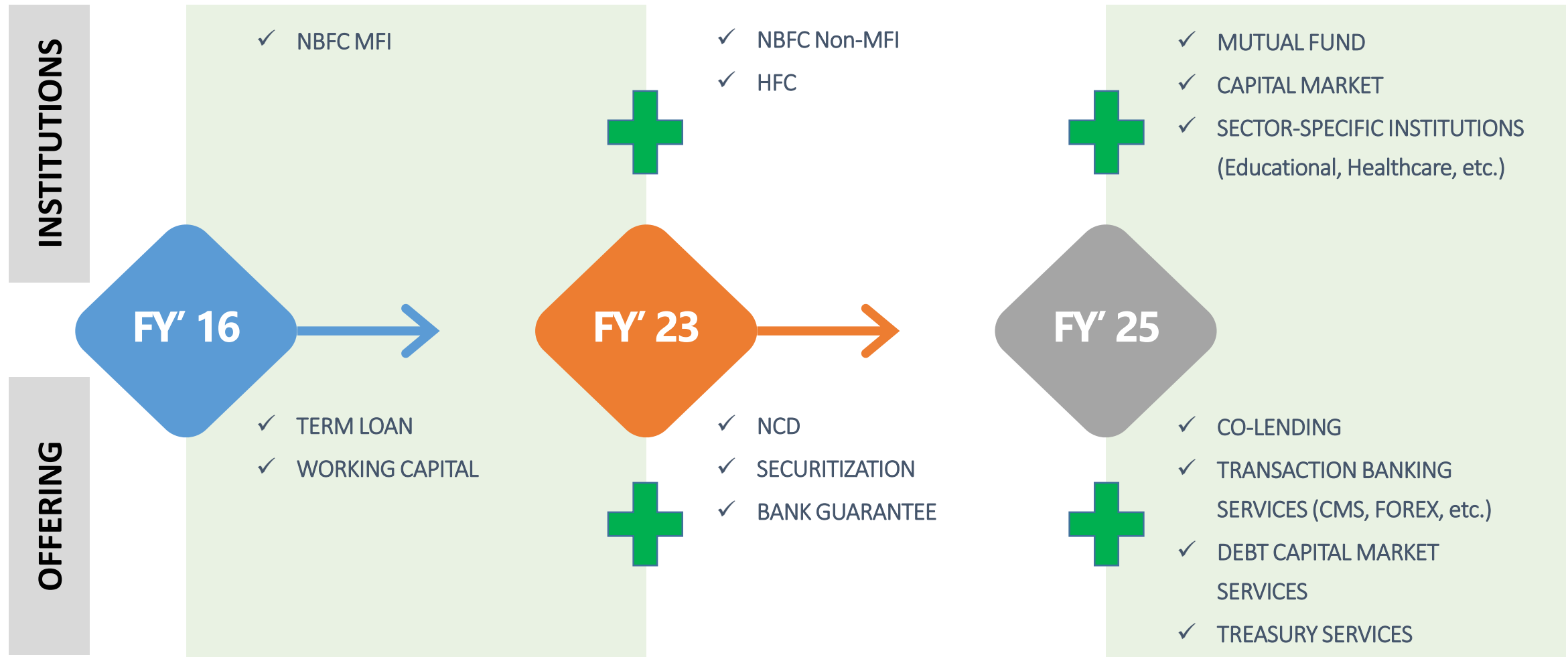
Overall portfolio witnessed a robust growth of 131% YoY and 18% QoQ

Geographical Presence



89% of the overall portfolio is from the region other than East

# Institutional Lending - Way Forward



**To provide our customers accessible, simple, cost effective and innovative financial solutions in a courteous and responsible manner**

# Small & Medium Enterprises (SME)

---



**Bandhan**  
Bank

# Small Medium Enterprises - Overview

## PRODUCT OFFERING

- Provides secured credit facilities of above INR 2.5 mn for financing business activities to small and medium enterprises (SME) and mid sized corporates
- Product offering includes:
  - Fund based (FB) facilities - Working Capital finance (1 year, renewable) and Term Loans (TL)
  - Non-fund based (NFB) limits like Letter of Credit (LC) and Bank Guarantee (BG)
- Focus on parametrized Products – GST-Connect, B-Connect & LRD's to build secured book

## SOURCING STRATEGY

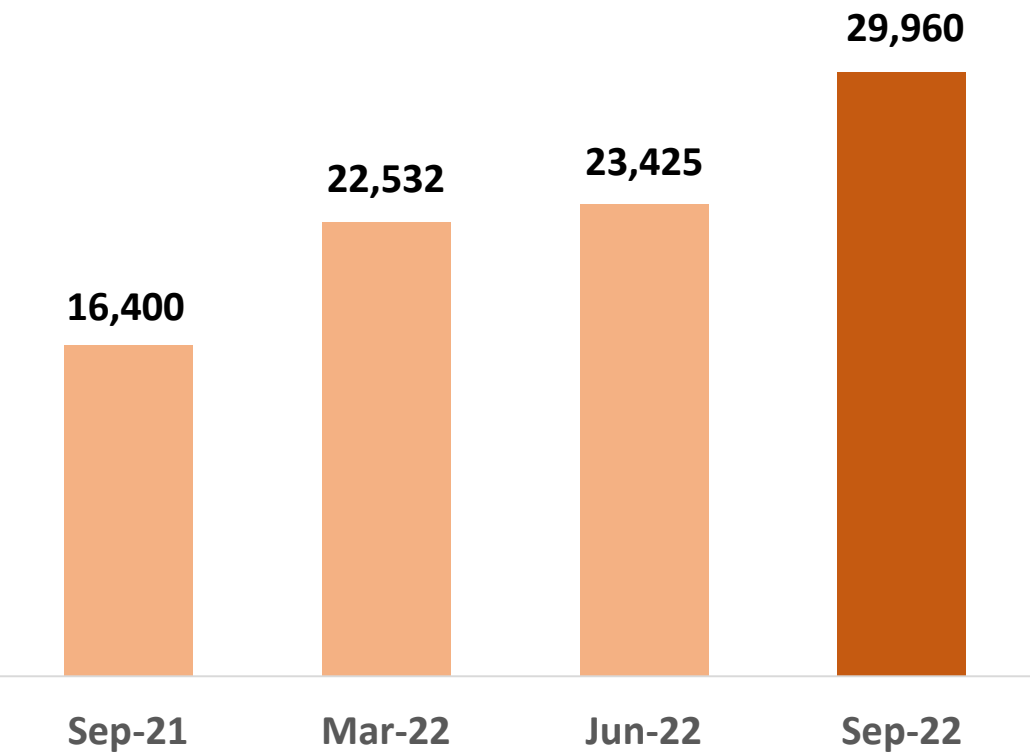
- Focus on good rated clients with sustainable cash flows
- Building relationship with Debt Syndicate teams of other Banks, to get participation in Consortium and Multiple Banking lending
- Capturing supply chain of existing SME portfolio
- Leveraging extensive branch network across the geographies for lead generation and cross-sell
- Continued focus on 100 key locations where Bank has deeper penetration and increasing footprints in other Tier-2 locations

## UNDERWRITING

- Proposals are vetted through 2-way process; Underwriting & Risk team
- Acceptable internal and external credit rating
- Independent due diligence of the Company, Management, Promoters and underlying security
- Data mining through digital platforms like Probe - 42, Save Risk, etc.
- Key document verification is conducted by dedicated FCU team before sanctioning the loan

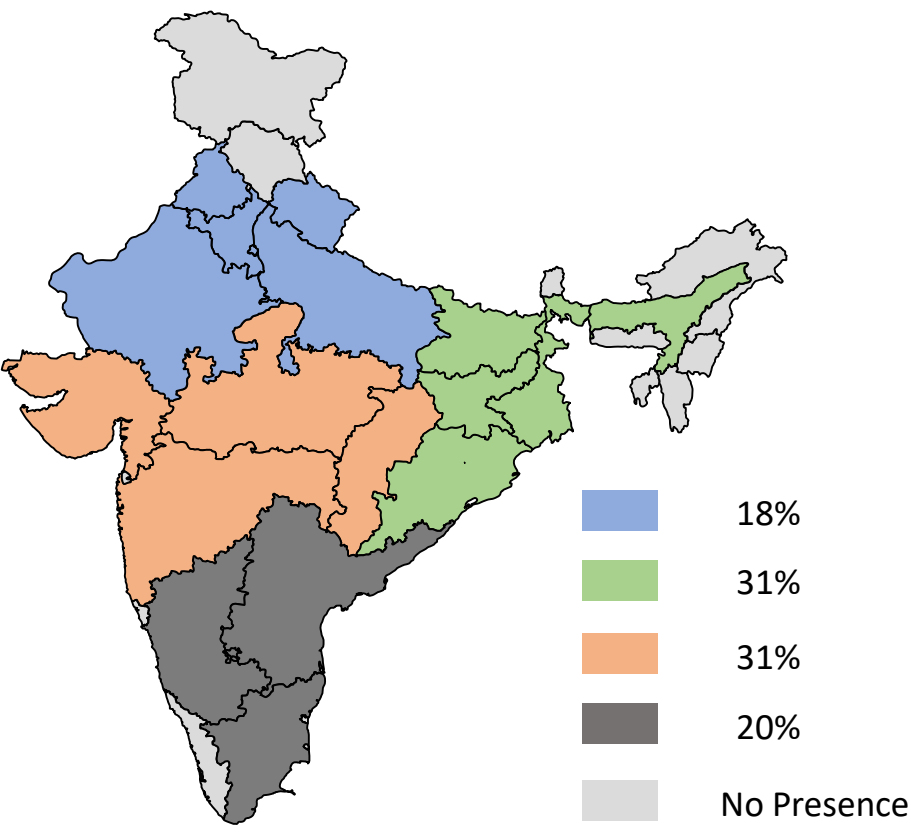
# Small Medium Enterprises - Portfolio

Portfolio Performance (INR million)



Fund-based portfolio of SME segment witnessed a growth of 83% YoY and 28% QoQ

Geographical Presence



Well diversified portfolio with presence across Pan India



# Small Medium Enterprises - Way Forward



Expanding product offering through:

- ✓ Focus on key PLI sectors, like Food Processing, Pharma, Auto Ancillaries, etc.
- ✓ Transaction Banking services (like Trade Desk for Inland Trade transaction, Cash Management Services, Trade & FX platform, etc.)

- ✓ Expand geographical presence to 150 branches in regions other than East
- ✓ Deeper penetration in established geographies
- ✓ Co-lending arrangement with NBFC's

- ✓ Digitalize channels and processes to address the rapidly evolving demands of Corporate clients across products & services
- ✓ Enhance productivity through automation of processes

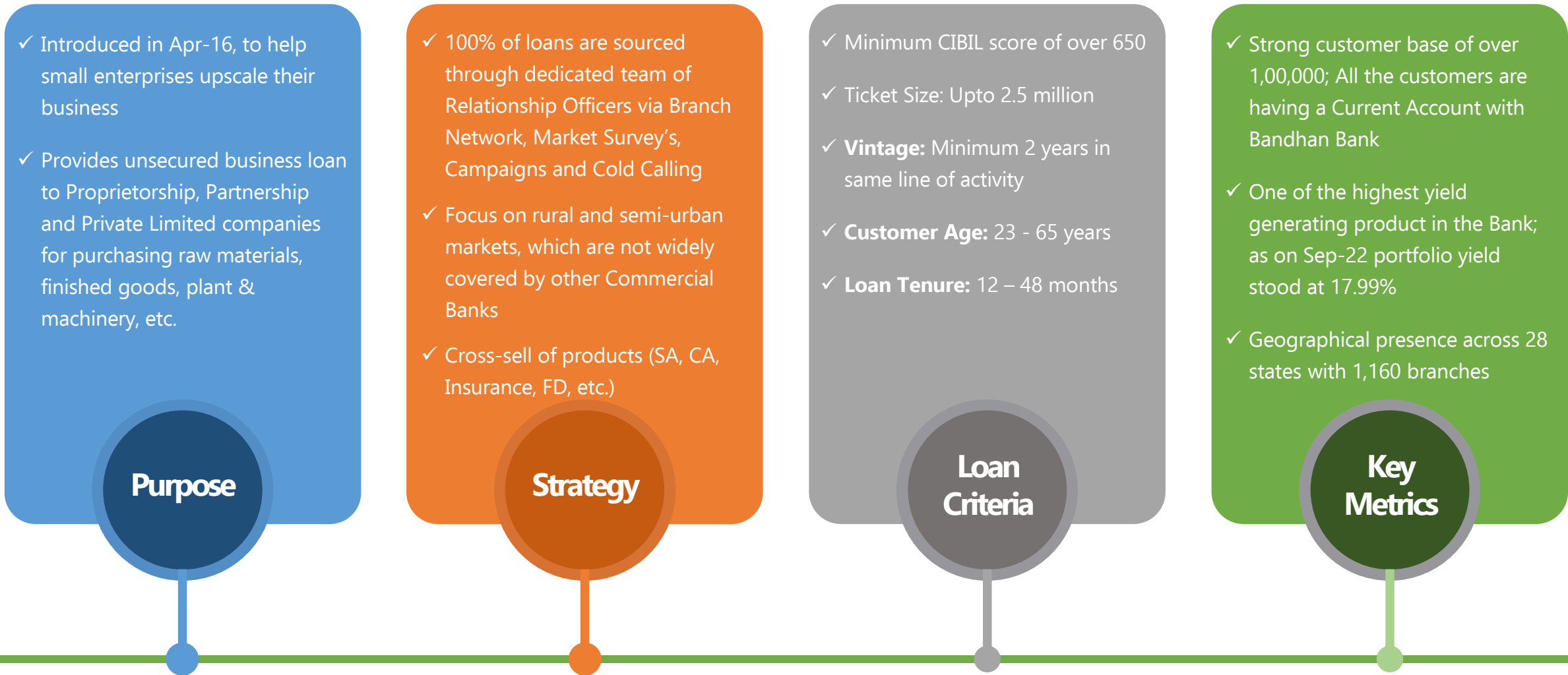
# Small Enterprises Loan (SEL)

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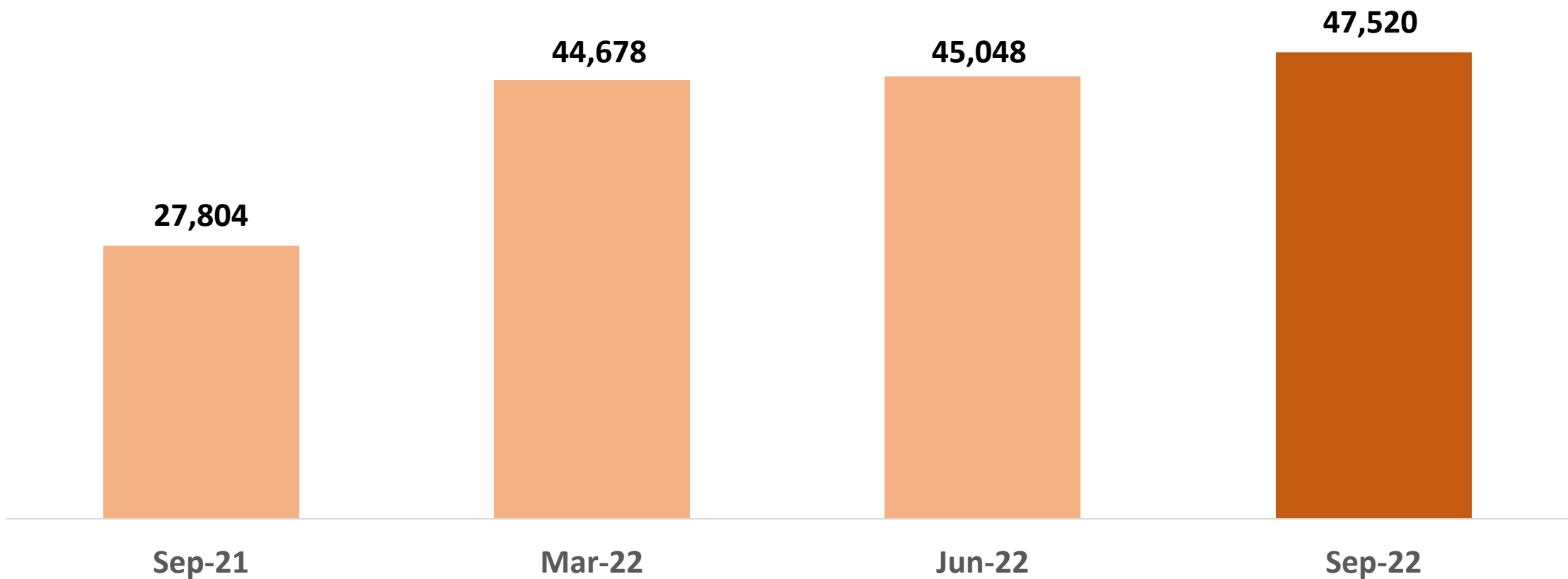
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# Small Enterprises Loan - Overview



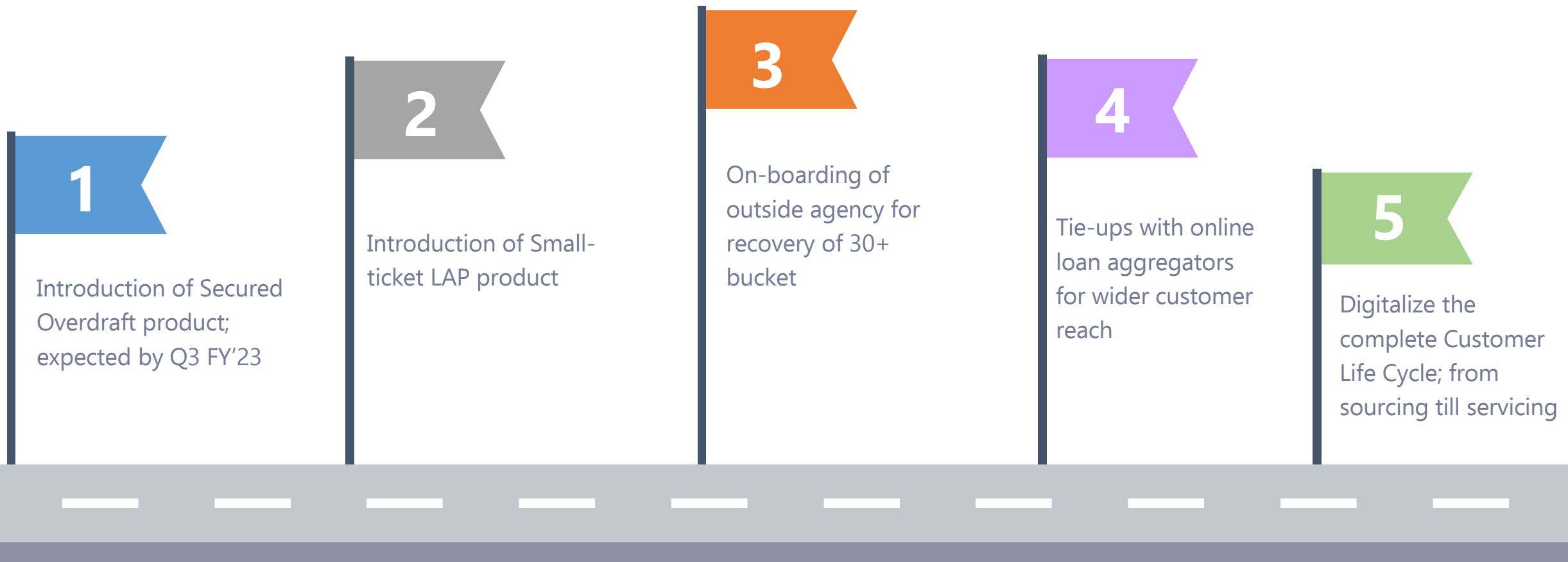
# Small Enterprises Loan - Portfolio

**Portfolio Performance (INR million)**

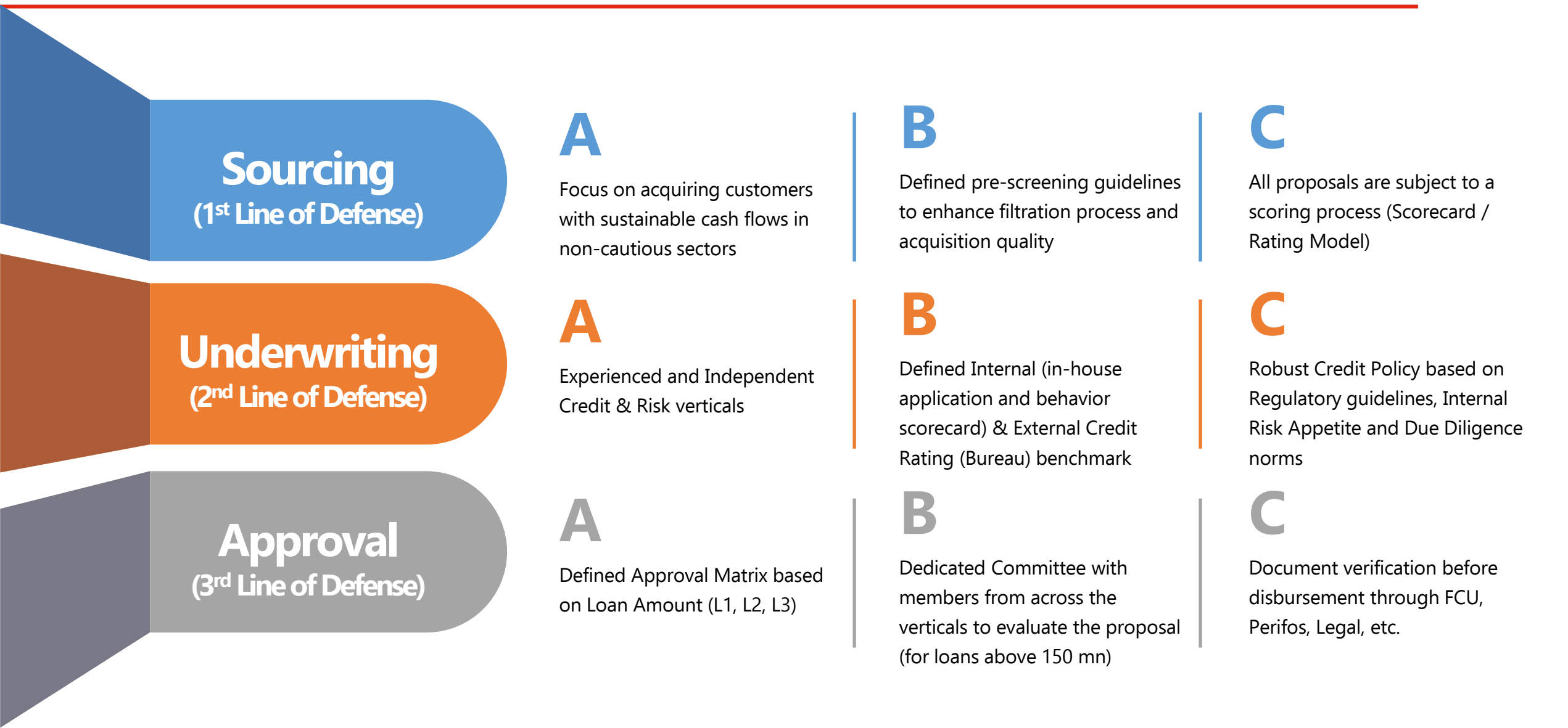


**SEL portfolio witnessed a growth of 71% YoY and 5% QoQ**

# Small Enterprises Loan – Way Forward



# Risk Management - Credit Framework



# Risk Management - Assessment & Monitoring

1.

Automated EWS alerts, based on more than 50 alerts / signals

2.

Control reports of all the loans sanctioned are placed to one step higher sanctioning authority

3.

Multivariate Dashboards & MIS to ascertain portfolio quality and market risk

4.

Analysis of Bureau data to understand customer repayment behavior across FIIs

5.

Use of Analytical tools (Tableau, Machine Learning, Python, etc.)

6.

Periodic review of Credit Underwriting Policy & existing controls

# Continue the growth momentum in an inclusive and sustainable manner...

1

**2001**

Started with Microfinance operations in rural Bengal that stood for Financial Inclusion & Women Empowerment

2

**2015**

Became the first Microfinance company in India to get a universal banking license; started with 2,523 banking outlets

3

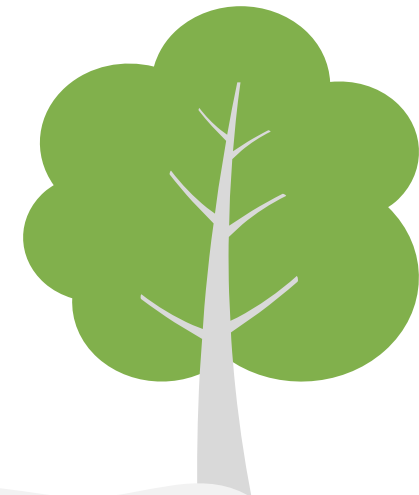
**2022**

Offer gamut of products through 1,190 branches; like Microfinance, Housing, Commercial (SME, SEL & Institutional) & Retail (PL, GL, Vehicle, Loan against TD/OD)

4

**Way Forward..**

Emerged Commercial Banking (SME, SEL, Institutional, Transaction Banking, Forex) as one of the main contributor in Bank's next phase of growth





**THANK YOU**

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# Retail Assets

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Analyst Day Presentation  
Dec 1, 2022 | Mumbai



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# Index

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Retail Assets Journey



Book Growth



Organizational Structure



Sourcing Strategy



Risk Assessment & Controls

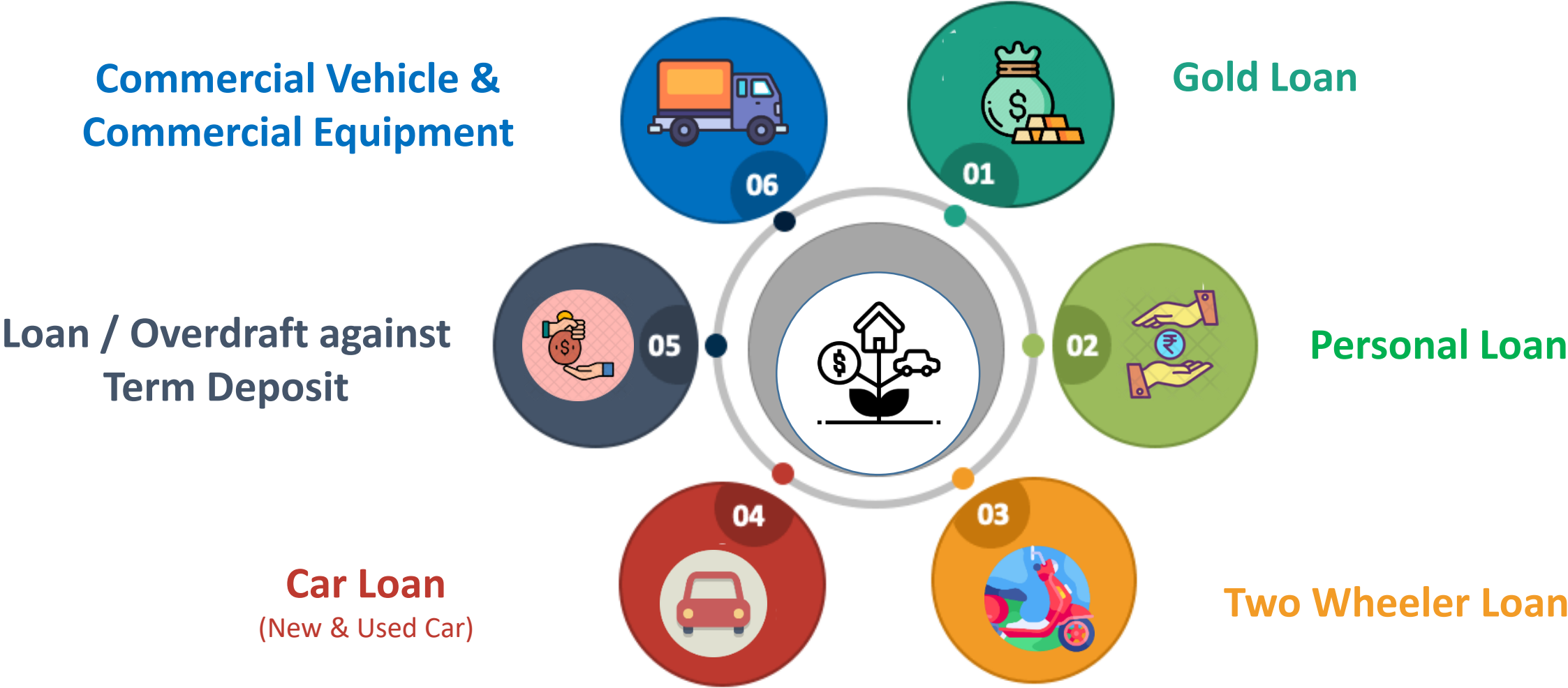


Risk Management Framework

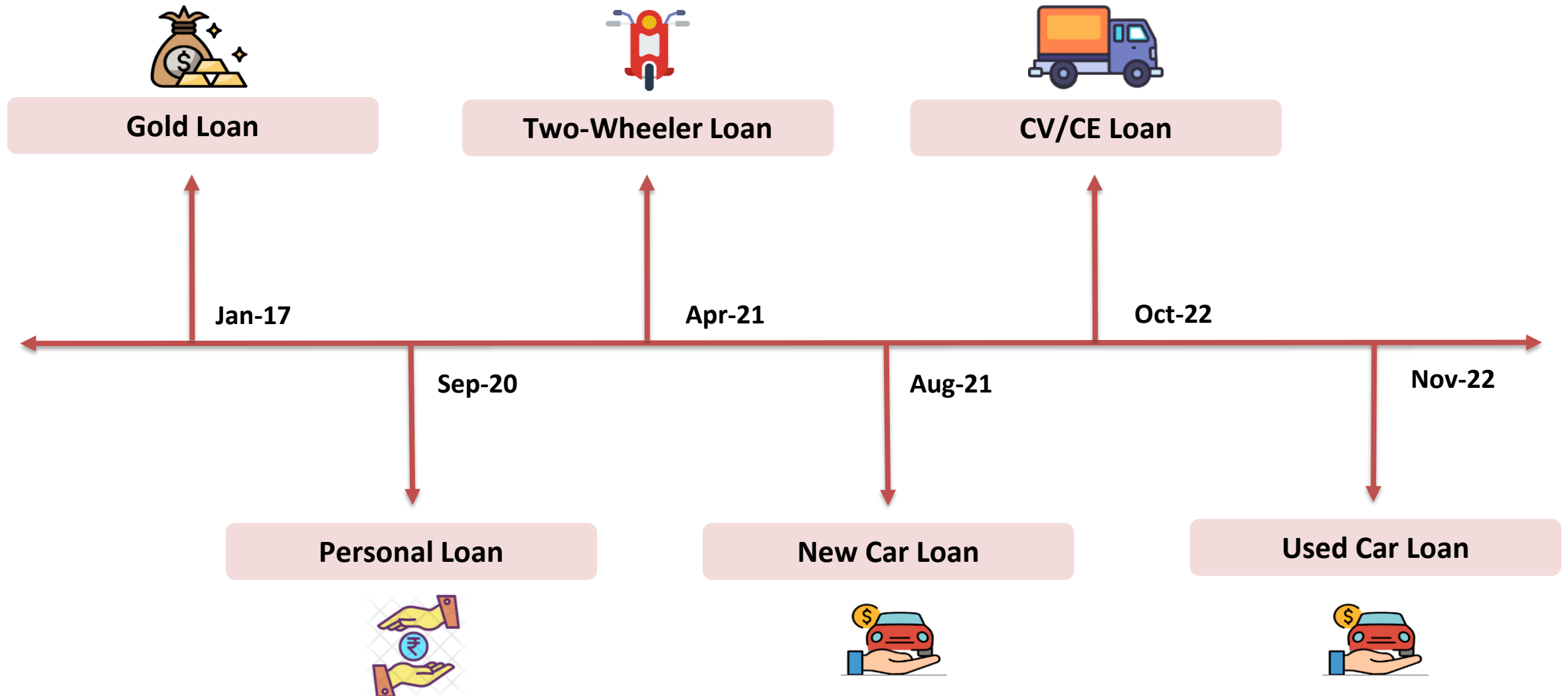


Collection Strategy

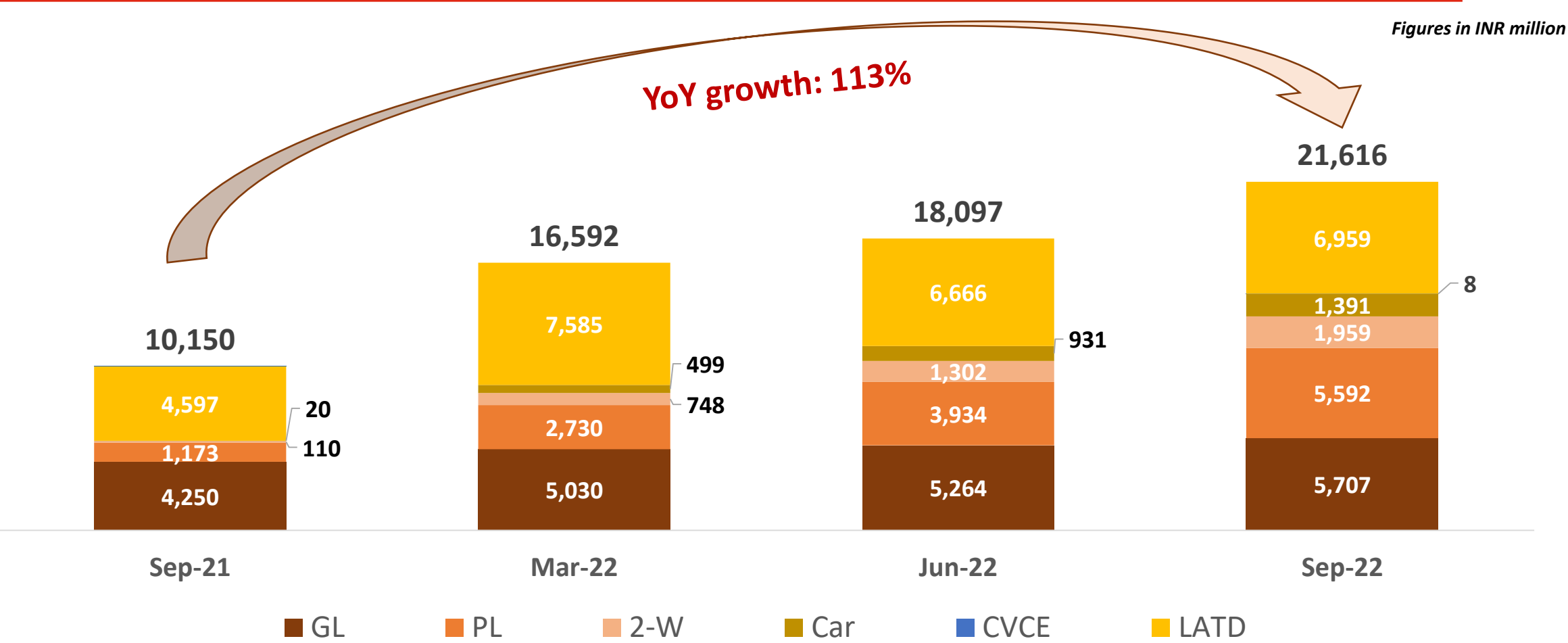
# Product Offerings



# Retail Assets Journey so far...

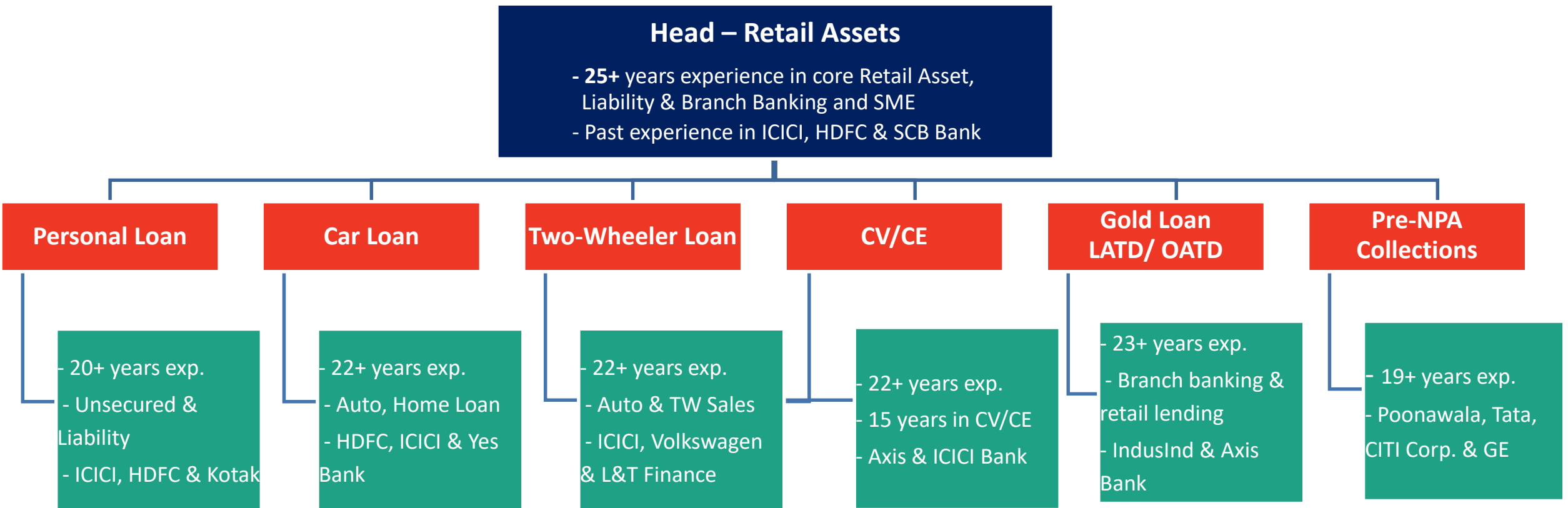


# Book Growth



Retail Assets currently contributes 2% of Bank’s Total Advances; expected to contribute 6% by FY’25

# Organizational Structure



# Sourcing Strategy

- ✓ Expanding footprint across the country; from 430 branches currently to 576 branches by Mar-23 and 1,550 branches by Mar-25
- ✓ Low Opex Model in Rural belt; ready infra available
- ✓ Alliances opportunity with Fintechs
- ✓ Co-lending opportunities

## Gold Loan



- ✓ 27.7mn existing customer base, Deeper penetration across 1,190 branches
- ✓ Digitize the customer journey with integrated scorecards, process, etc.
- ✓ Building strong franchisee of Channel Partners for New To Bank Customers
- ✓ Alliance with E-commerce & Fintechs

## Personal Loan



- ✓ Upscaling Channel tie-ups, Alliances with OEM's & Online aggregators
- ✓ OEM focused approach
- ✓ EV – additional programs to be offered
- ✓ Analytics driven inventory funding and trade advance limit setting with digital disbursements

## Two Wheeler



- ✓ Location expansion & opening of spoke locations in Tier 2 & 3 cities
- ✓ Balance between New Car and Used Car
- ✓ Channel partner and OEM tie-ups
- ✓ Scorecard based sourcing
- ✓ Riding into EV trend

## Car Loan



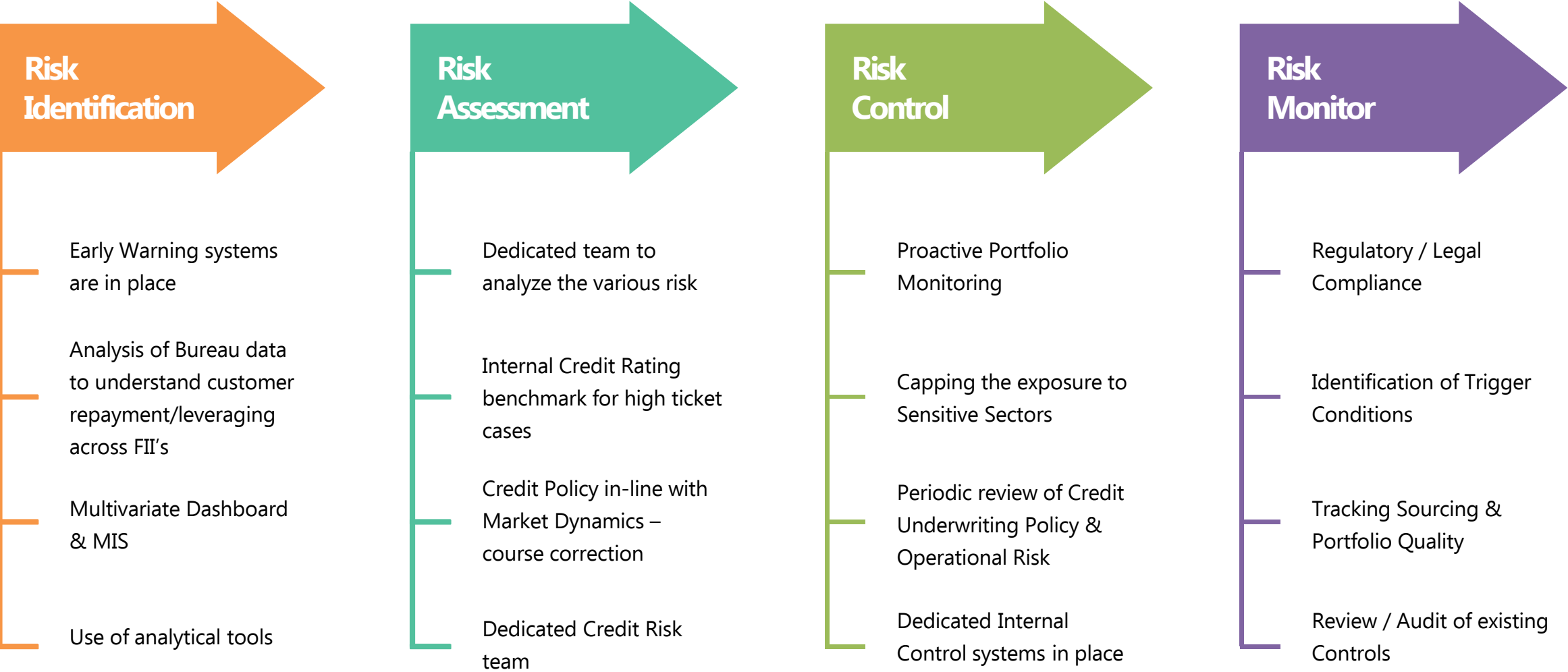
- ✓ Balanced approach for each asset segment i.e. M&HCV, LCV, SCV
- ✓ Target customer base includes FTU, SVO, Retail, Strategic, Captive and Non-Individuals
- ✓ Association with larger OEM's / Extensive Dealer & DSA network
- ✓ Relationship based sourcing

## CV/CE





# Risk Assessment & Controls



# Risk Management Framework

## Policy Controls

01



Maximum focus on affluent customer base like SEP and Cat A,B salaried for unsecured

02



Quality customer sourcing with higher bureau score and clean credit history

03



Enhanced due diligence for higher ticket sized loans

04



Restricted funding on Negative and cautious profiles and negative pincode

05



Risk based pricing based on income, CIBIL and employer type/ category / Profile

06



Income based customer profiling and designing eligibility programs based on it

## Digital Controls

1

Rule based BRE for decisioning and future tracking

3

Integrations for verification through PAN NSDL & UIDAI based AADHAR, etc.

2

Digitization of parallel processes like e-NACH, e-agreement, Video KYC with validations

4

Geo-tagging basis audit trails for all transactions

# Collection Strategy

Go Phy-gital! 



- Identify **early warning signals** for effective pre delinquency management
- Focus on **Pre-Delinquency Management**



- In house collections team to drive **Pre-NPA Collections**
- **Automated collections engine** for delinquency management



- **Automate dunning processes**
- Multiple **offline & online payment options** to make it easier for customers to repay



- Multiple Partners for effective collections for higher buckets
- Optimize **asset recovery processes** to minimize loss on sale

**THANK YOU**

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Bank

# Deposits

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Analyst Day Presentation  
Dec 1, 2022 | Mumbai



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Bank



₹ 993 B

Deposits

7M

Clients

1,190

Branches with 500 new coming up

41%

CASA ratio

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# 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.

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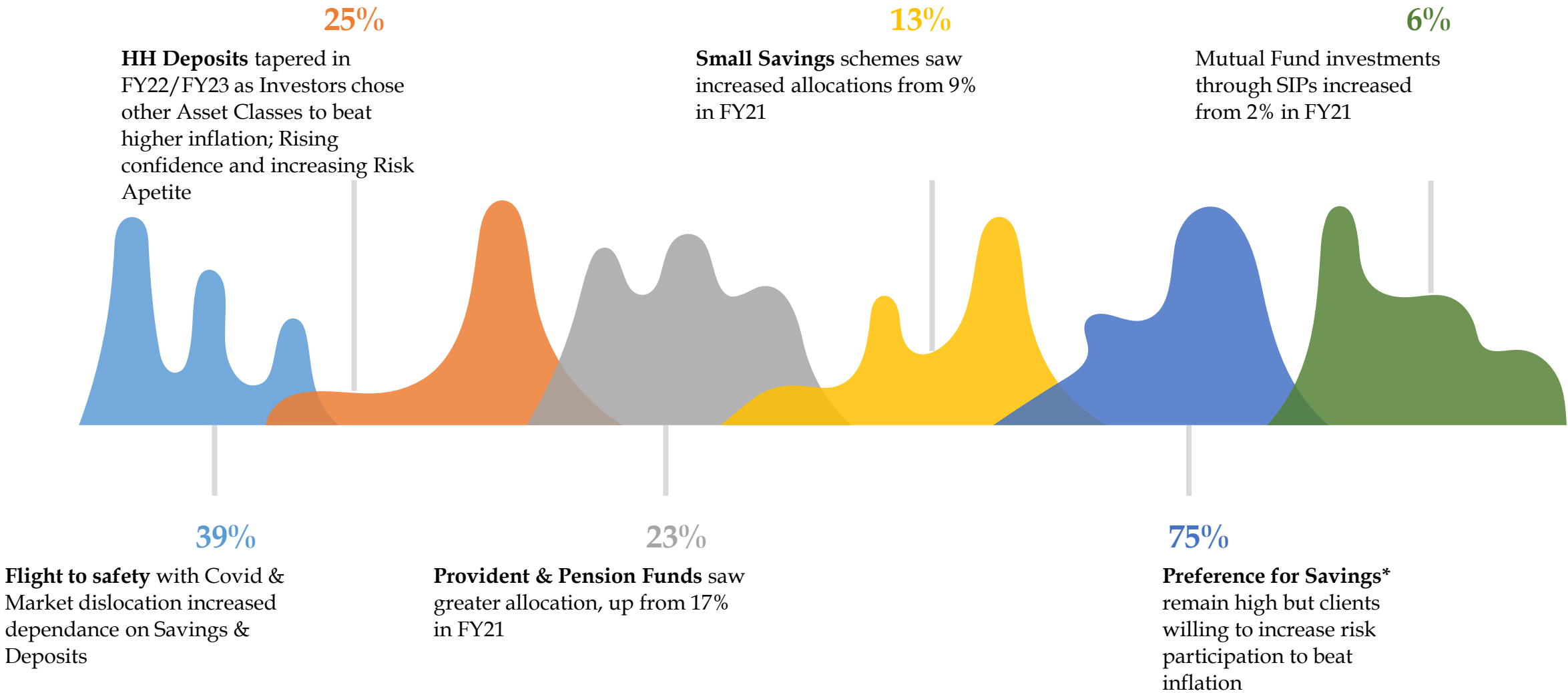
04

## 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



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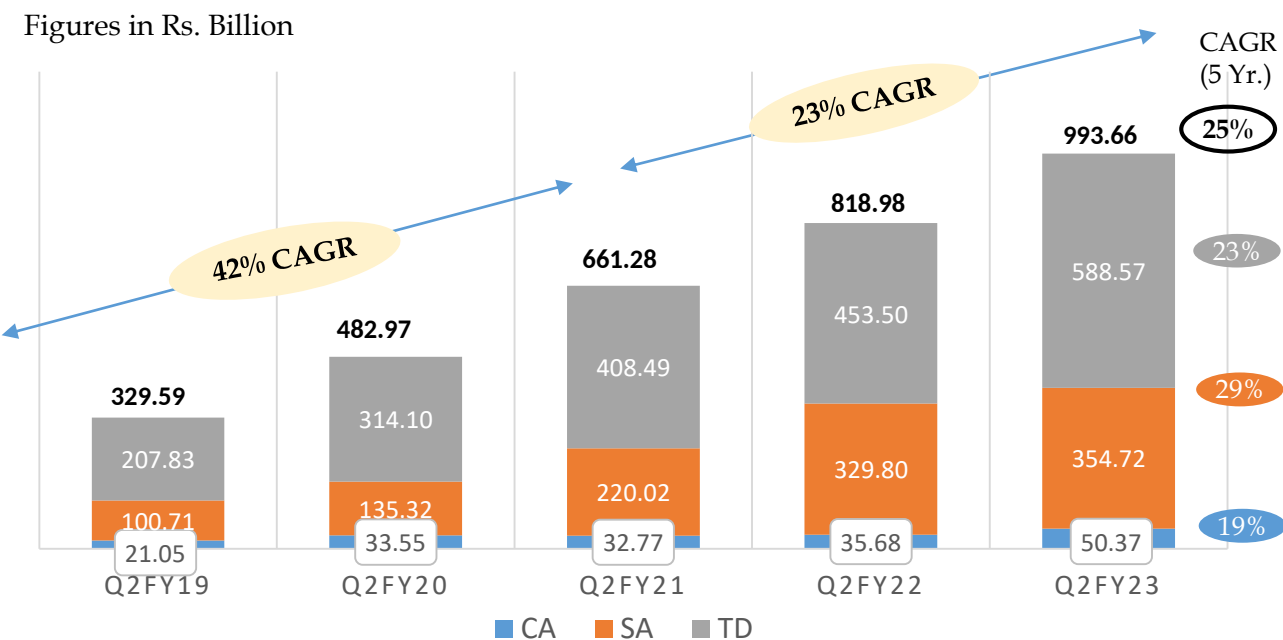
04

## 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



## 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

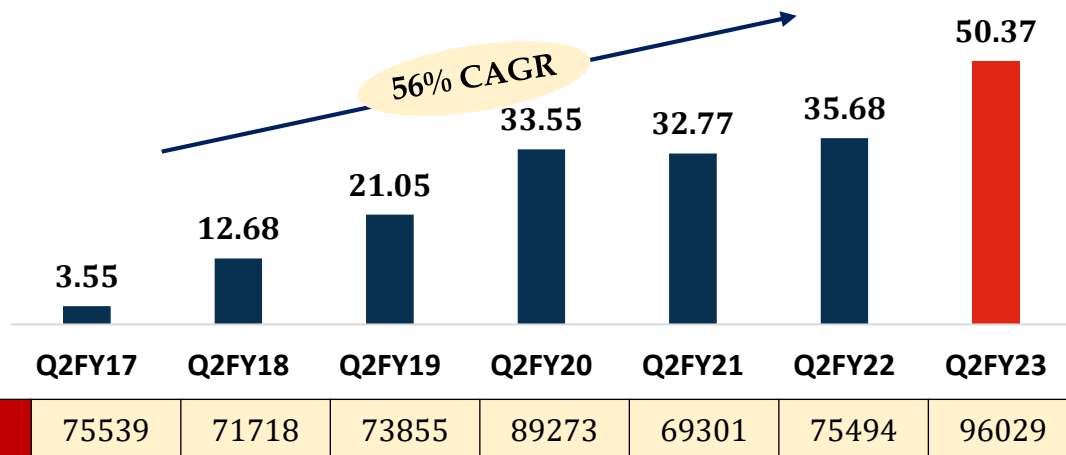
Business account saw consistent growth, but value proposition is being redefined to gain acceleration

# Current Accounts

Targeting the most profitable segment with business ecosystem

**\*\*All figures in Billion**

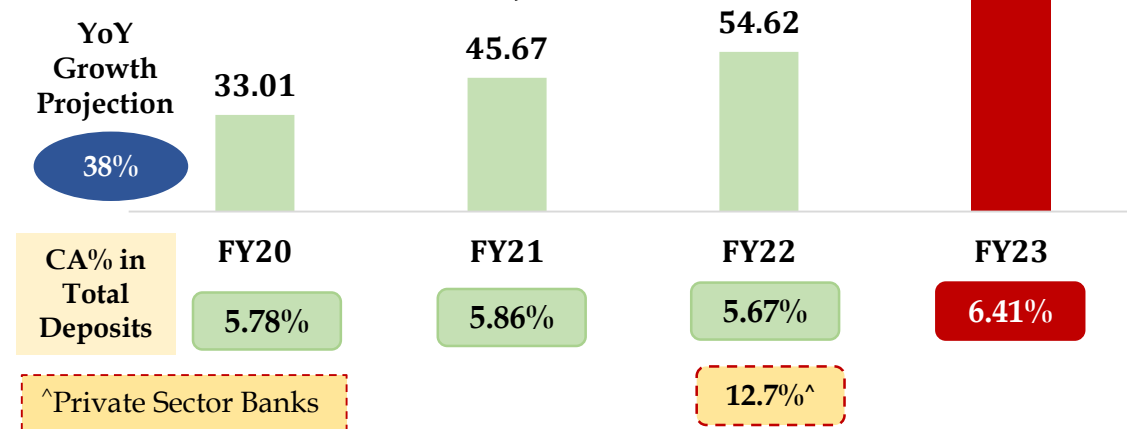
## Trends in Growth of CA Deposits



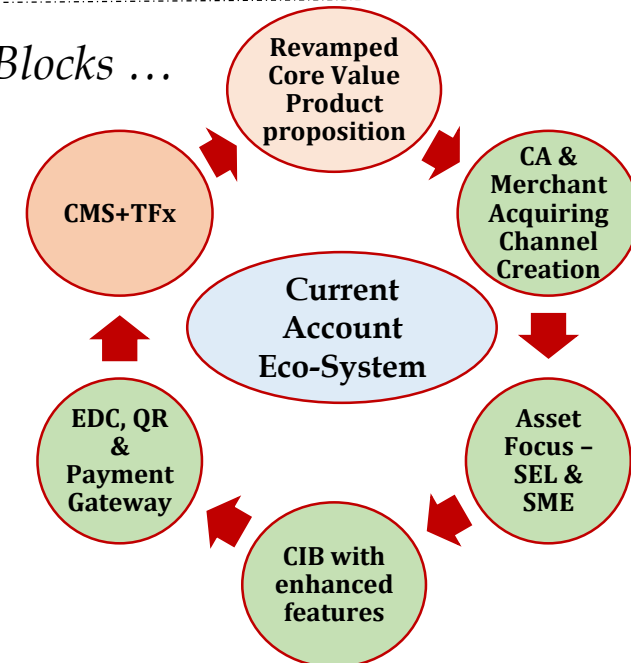
- ❑ Improvement in acquisition quality
- ❑ Digitization, improved product mix & cross selling (hooks) is way forward to the next level

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 ...

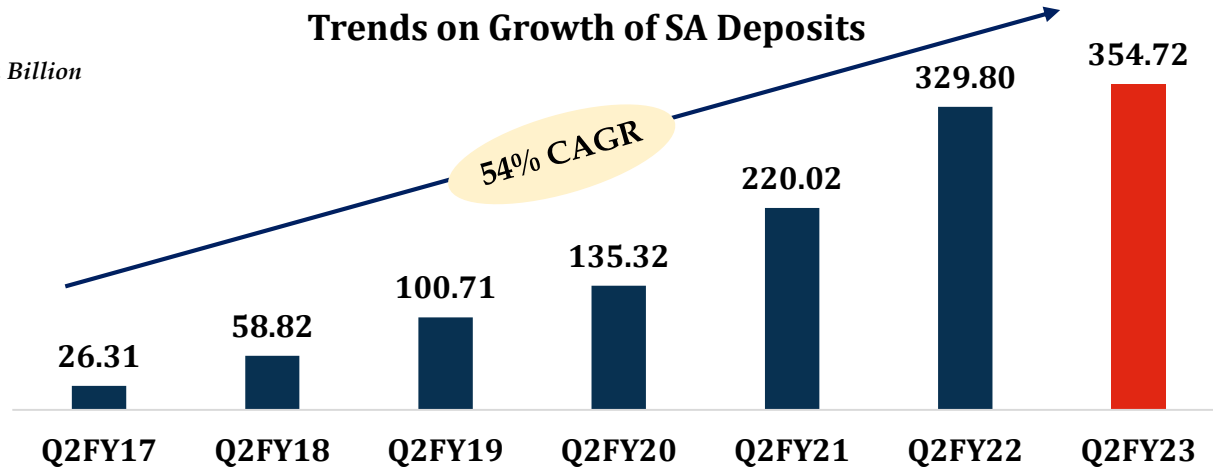


# Savings Journey

Adding Value for Customers

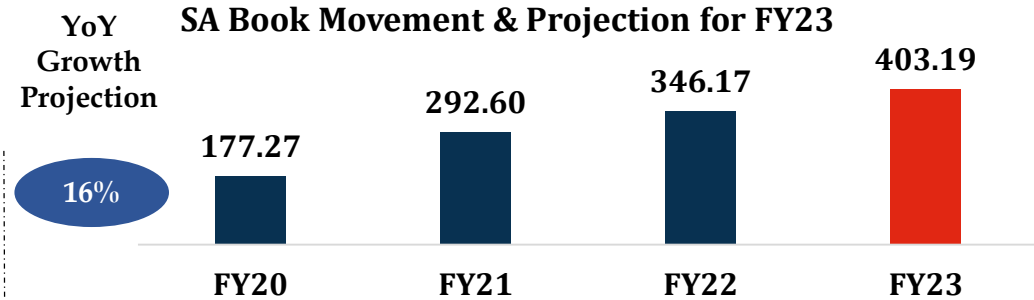
*\*\*All figures in Billion*

Trends on Growth of SA Deposits

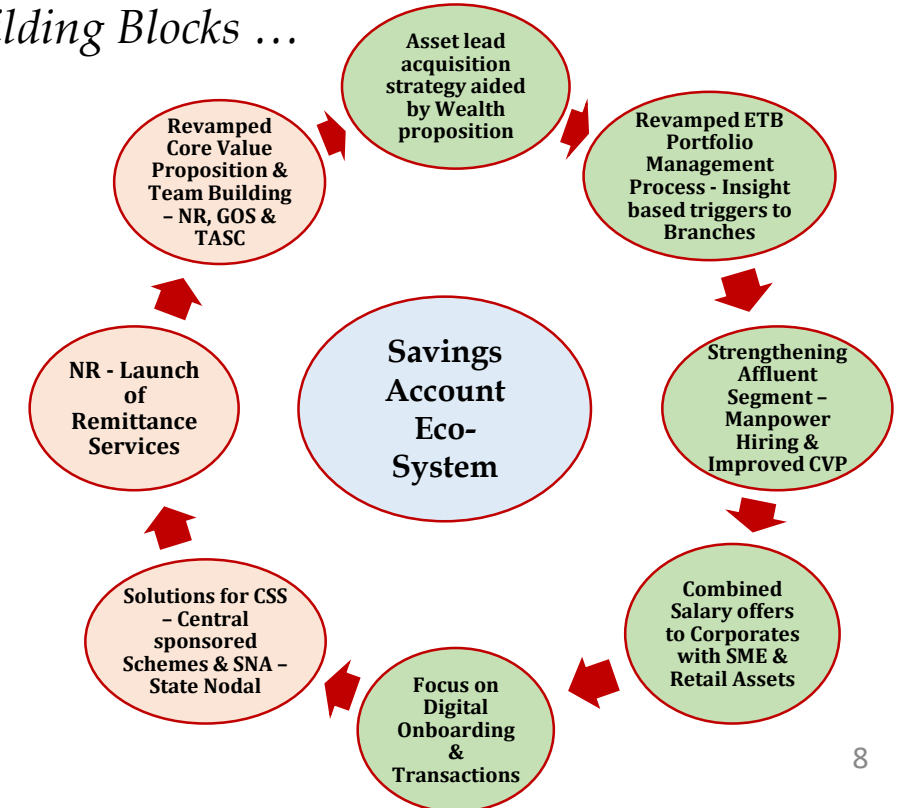


YoY Growth %							
ATS	3117	5737	7675	8486	11906	15445	15147
ATS excluding EEB	19894	28975	34282	34130	49464	64024	59362

- ❑ 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 ...

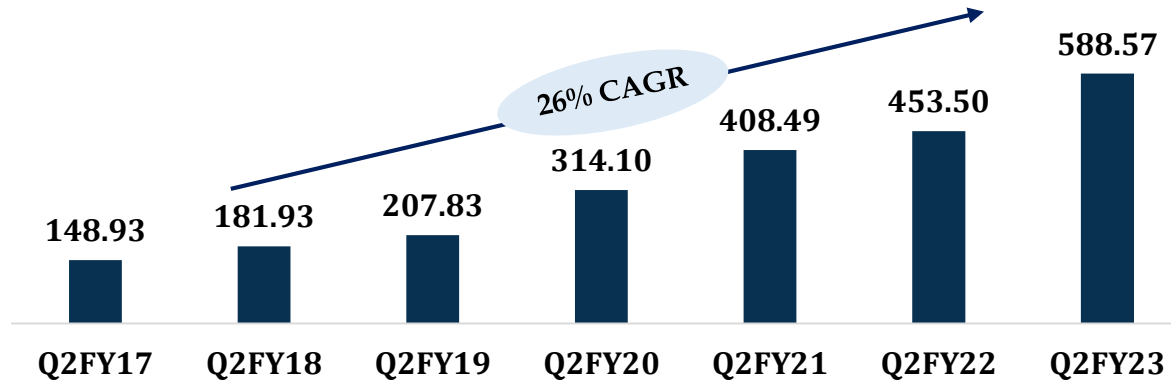


# Term Deposits

Key Component for Growth

*\*\*All figures  
in Billions*

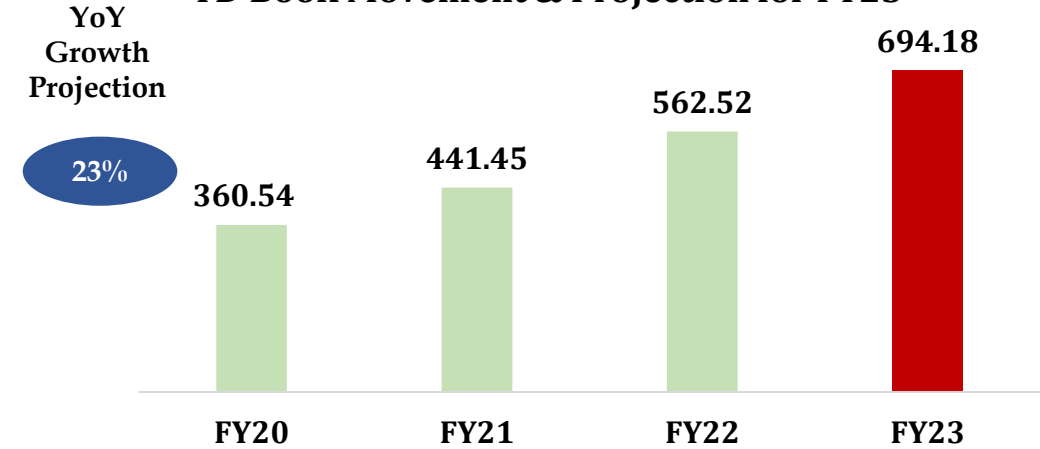
## Trends in Growth of Term Deposits



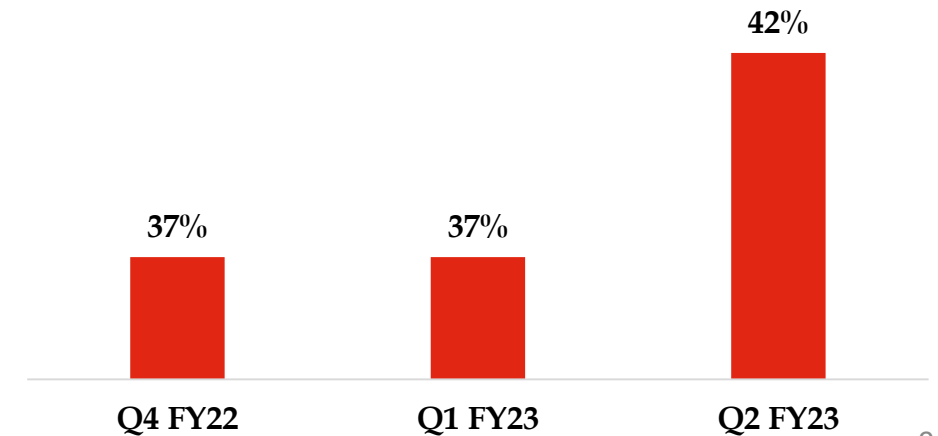
YoY Growth %	22%	14%	51%	30%	11%	30%
ATS	2,88,320	2,62,967	2,80,184	3,51,443	3,91,296	4,37,883

- 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



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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

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## 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

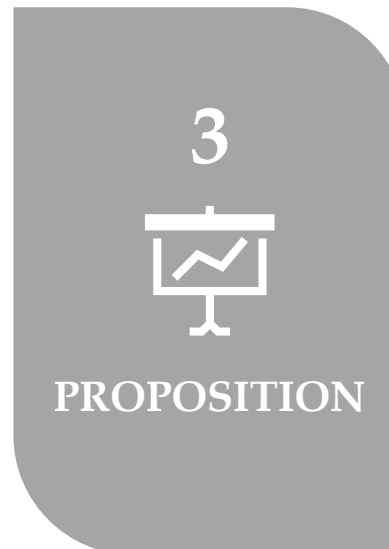
We broke down our future growth strategy into 4 distinct pillars

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



**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



**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

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

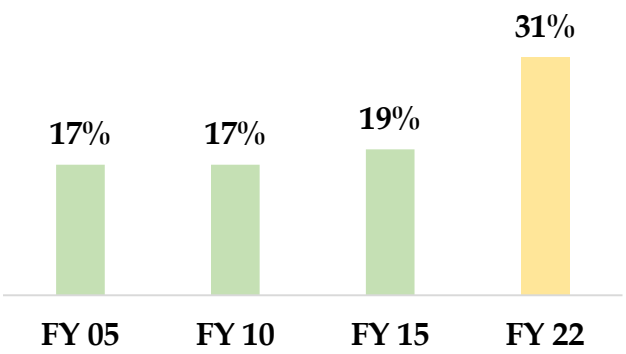
**Insight Driven Operating Models** (IDOM) - leading through Data/ Analytics

# EXPANDED FOOTPRINT - SCALE NATIONALLY

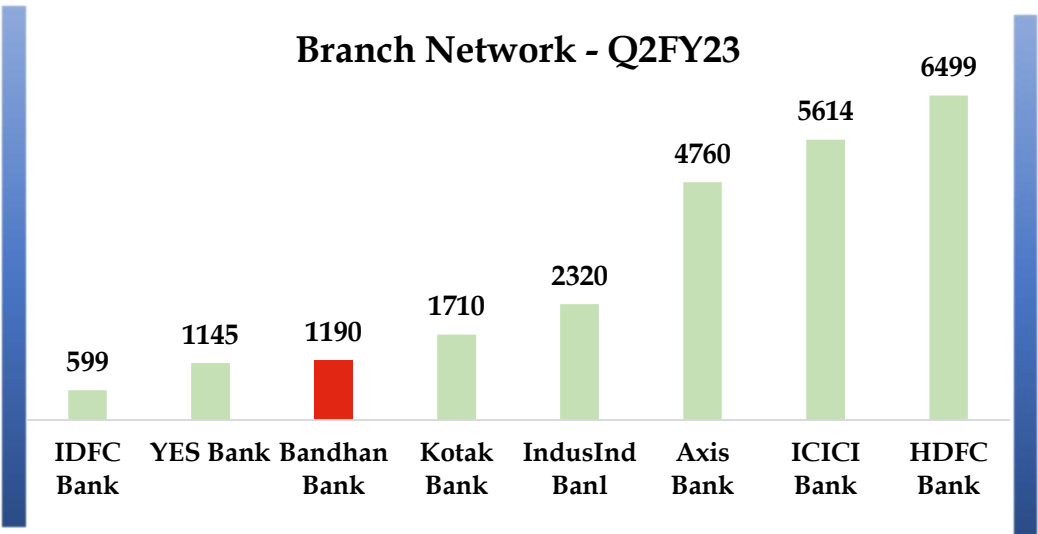
We aim to build a National Brand presence and serve larger customer segments with more than 500 new branches

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

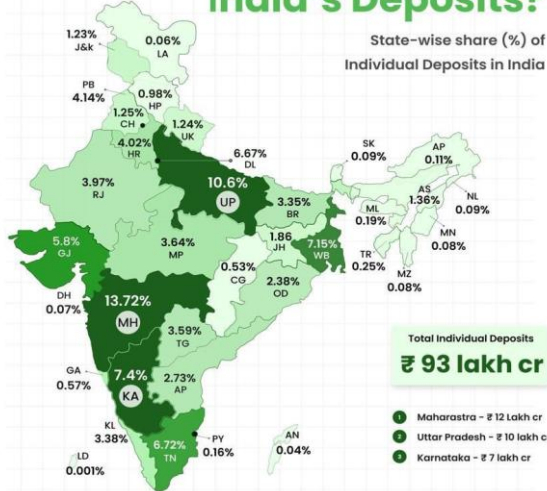
Deposit Market Share for PVT. Banks



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

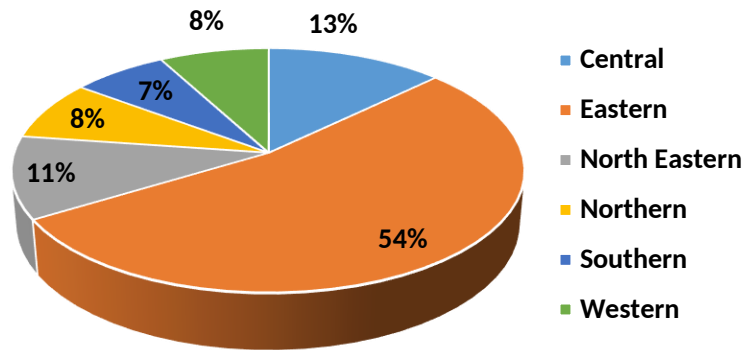


# EXPANDED FOOTPRINT - SCALE NATIONALLY

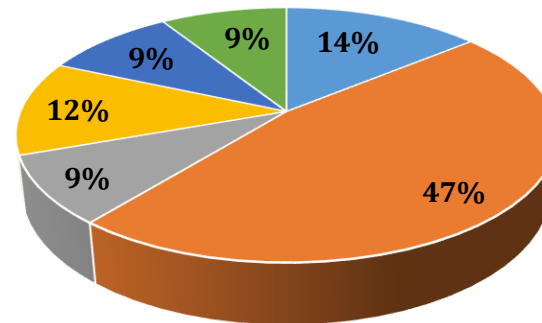
We aim to build a National Brand presence and serve larger customer segments with more than 500 new branches

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

Existing Distribution Of 1,190 Branches

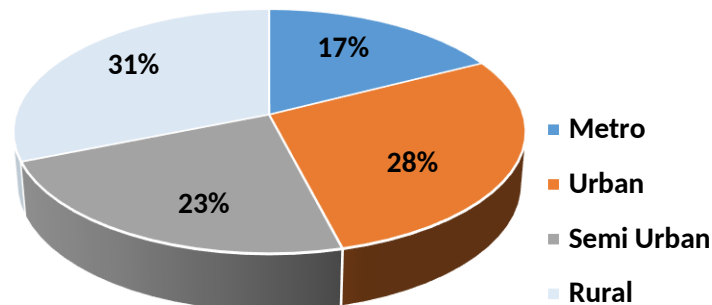


Proposed Distribution Of 1,741 Branches

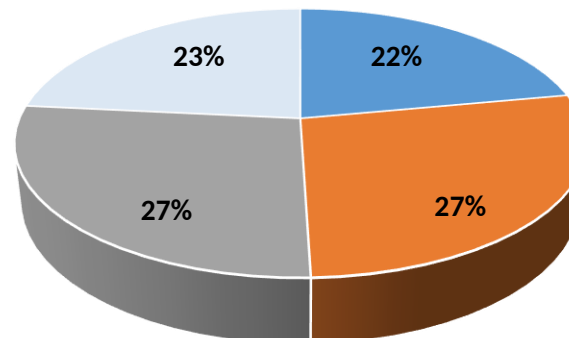


## Increase focus on Metro, Urban & Semi- Urban locations

Existing Distribution Of Market Presence



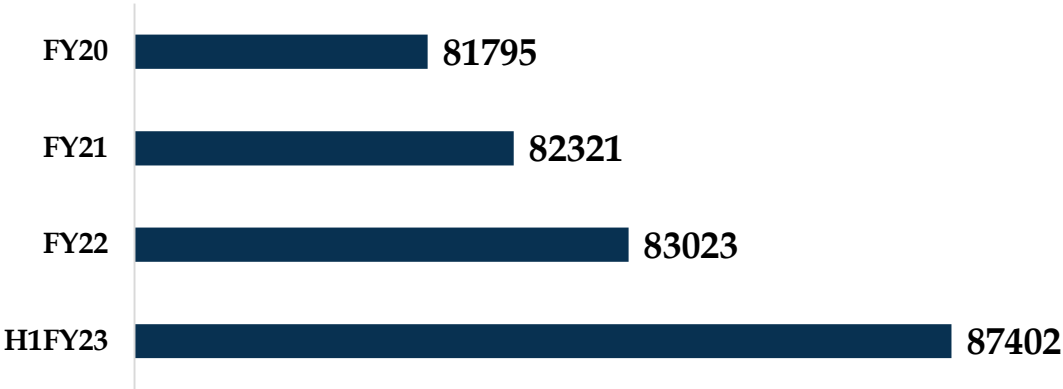
Proposed Distribution Of Market presence



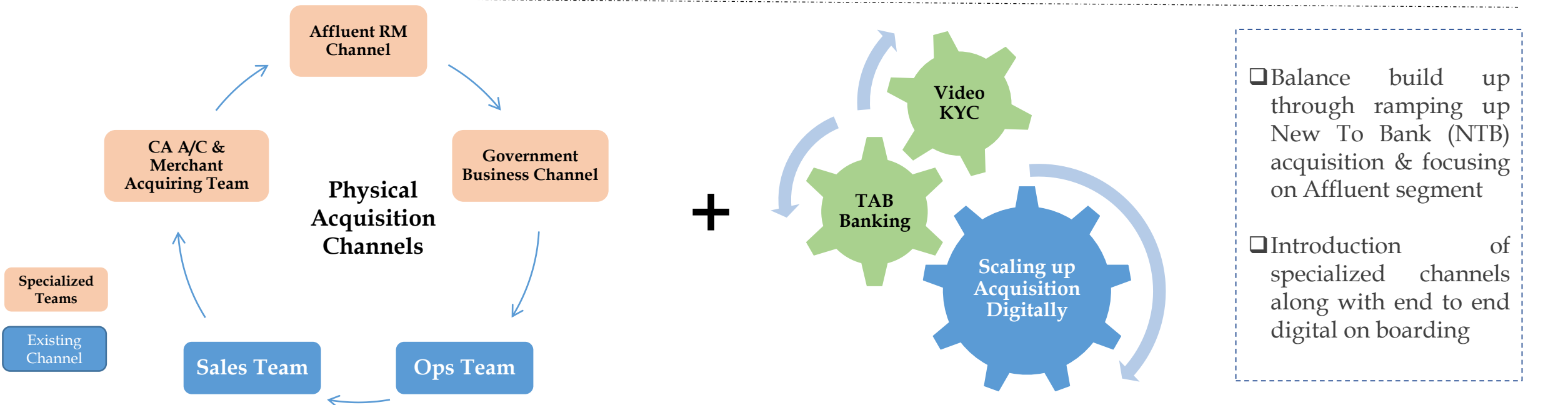
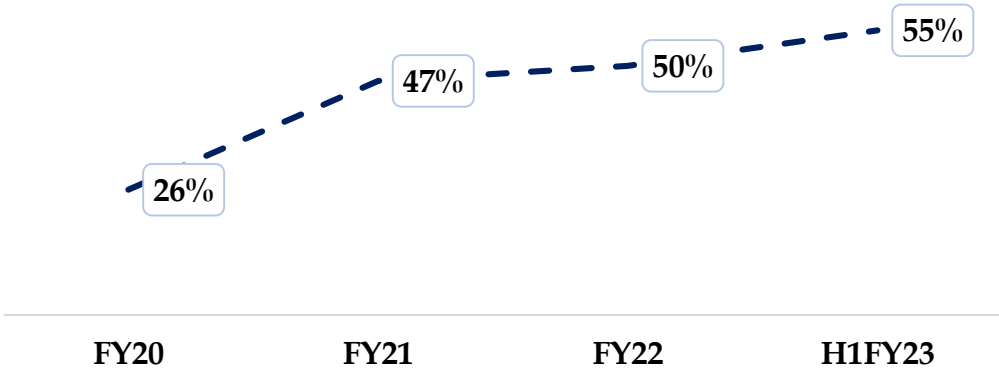
# CUSTOMER ACQUISITION

A KEY FOCUS AREA

Avg. CASA Acquisition/Month



Affluent share in CASA NTB Value



# REIMAGINING THE ENGAGEMENT MODEL

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



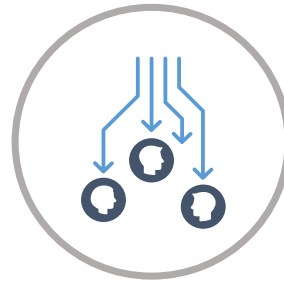
## Digital marketing

- Paid
- Owned
- Earned



- Content & creative
- Creative clickstream tracking
- Performance marketing

Key  
enablers

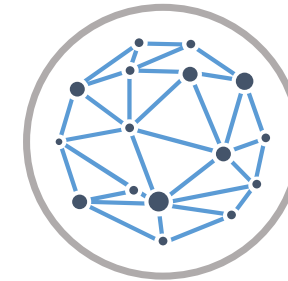


## Offline channels

- Branches
- Tele-calling



- Assets
- Staff training
- MIS dashboards



## Alliances

- Aggregators
- Partnerships
- FinTechs



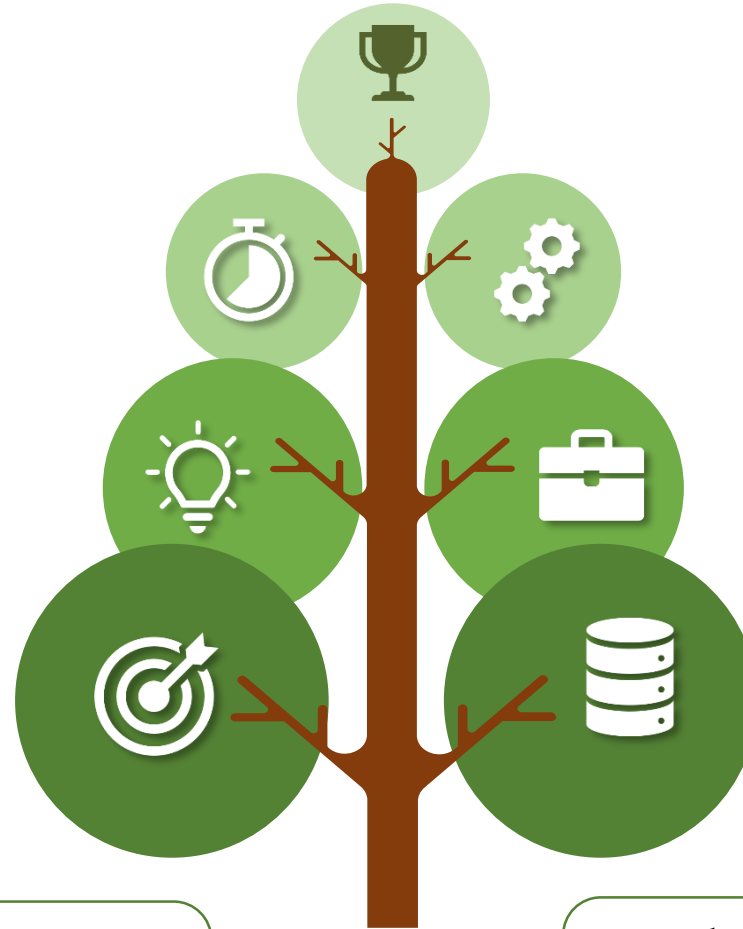
- APIs
- Micro-services based architecture

# 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

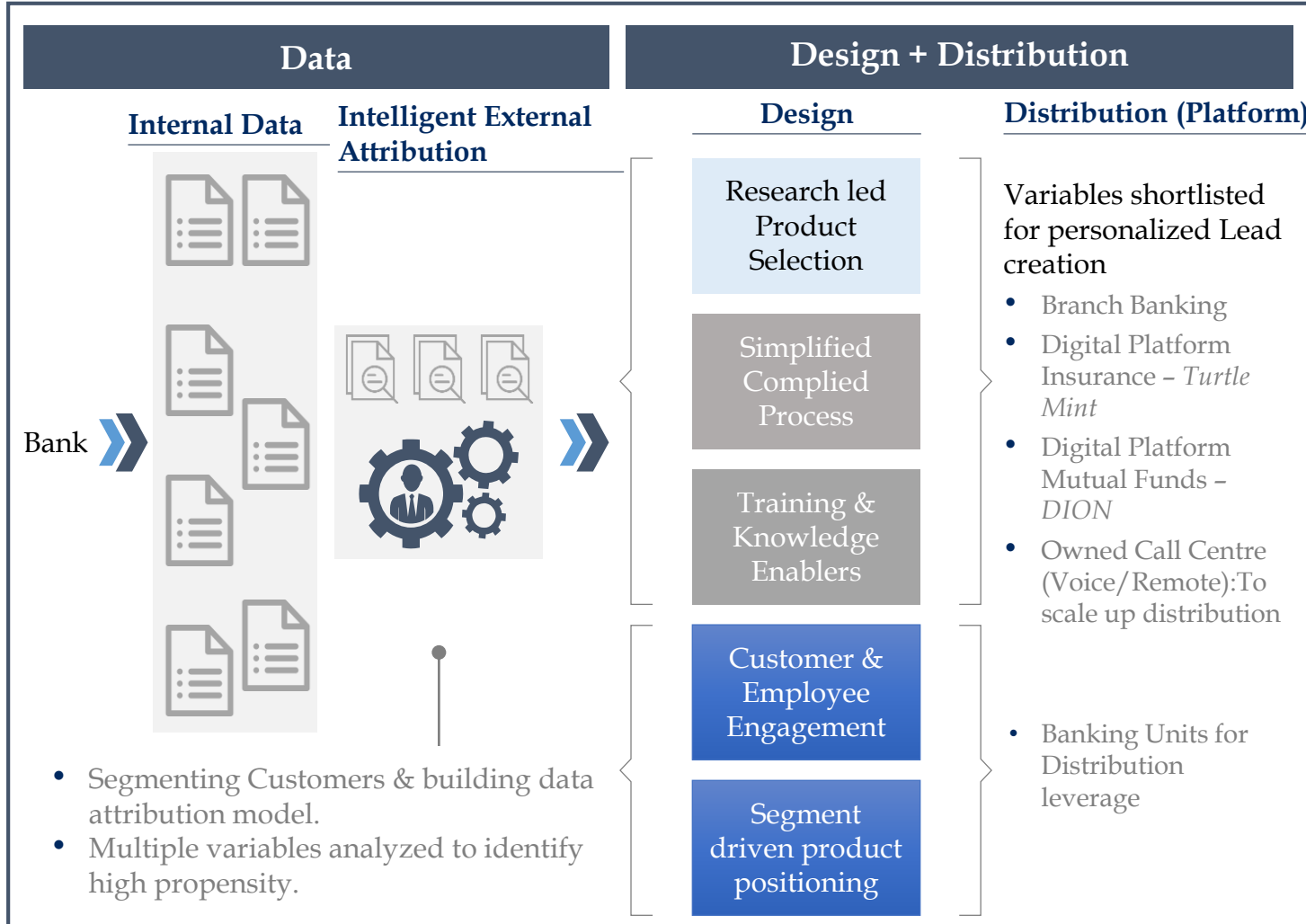
Introduction of Family Banking Program which will assist in deepening of TRV with Bank

Introduction of Wealth Management proposition to enhance customer stickiness

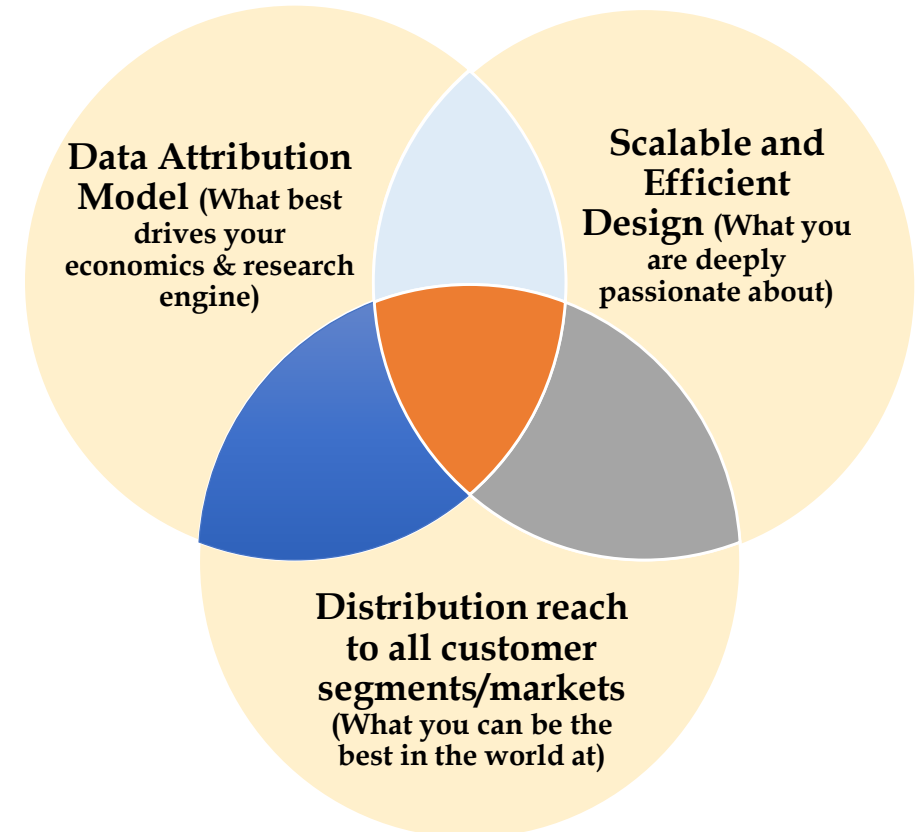
Introduction of customer rewards program through cards to build loyalty

# 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



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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

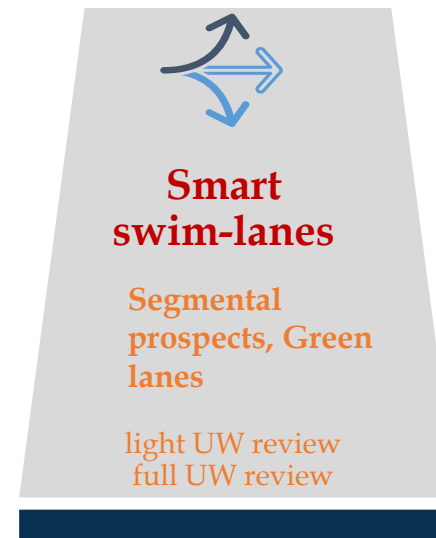
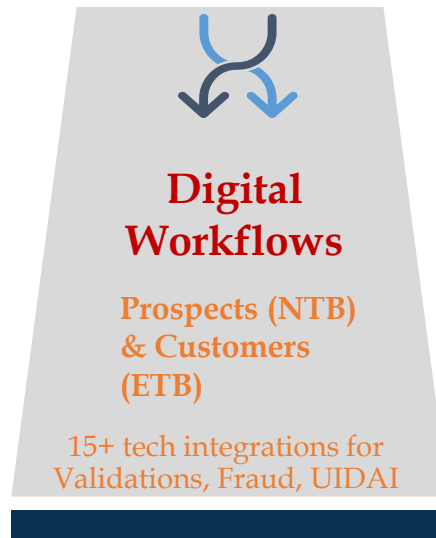
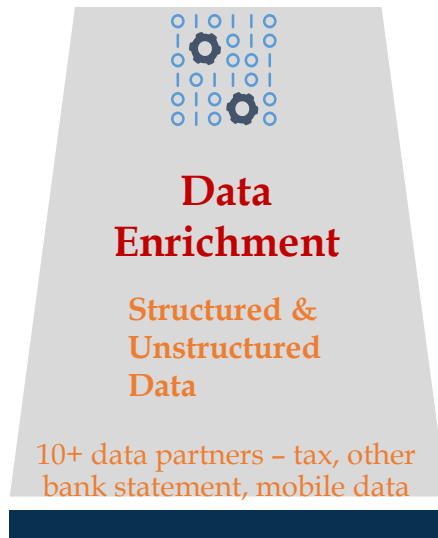
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## INITIATIVES

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



## ENABLERS

**Agile fulfillment pods**

**API tech architecture**

**Select Partnerships**

# Thank you

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**Bandhan**  
Bank