

Investor Presentation

Q4FY22



BEYOND BANKING

When you bank with us, you contribute towards a better society.

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BEYOND BANKING
**The more you save in
your account, the more
we contribute together.**

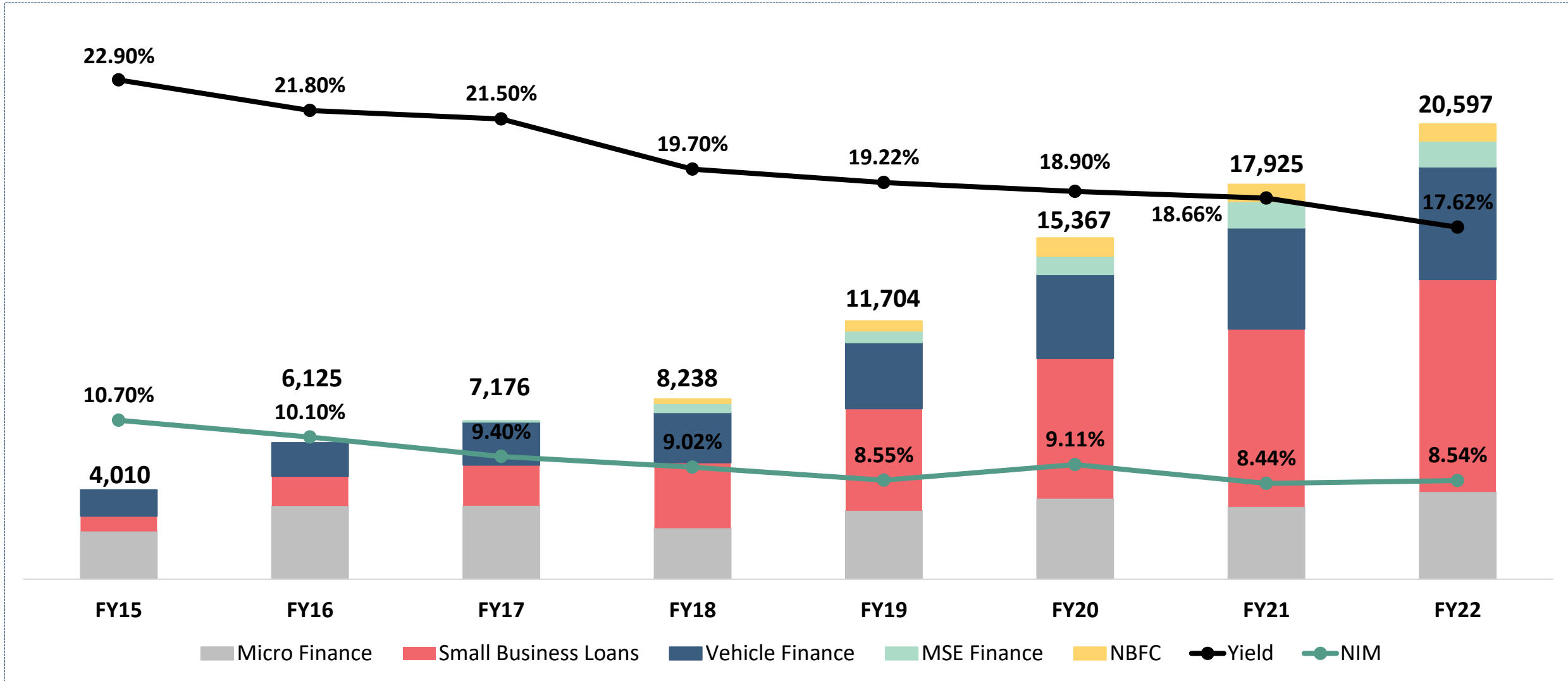
When you bank with us,
we invest up to 5% of our net
profit every year back to the
communities.



Journey of building a Stable, Sustainable and Scalable Bank



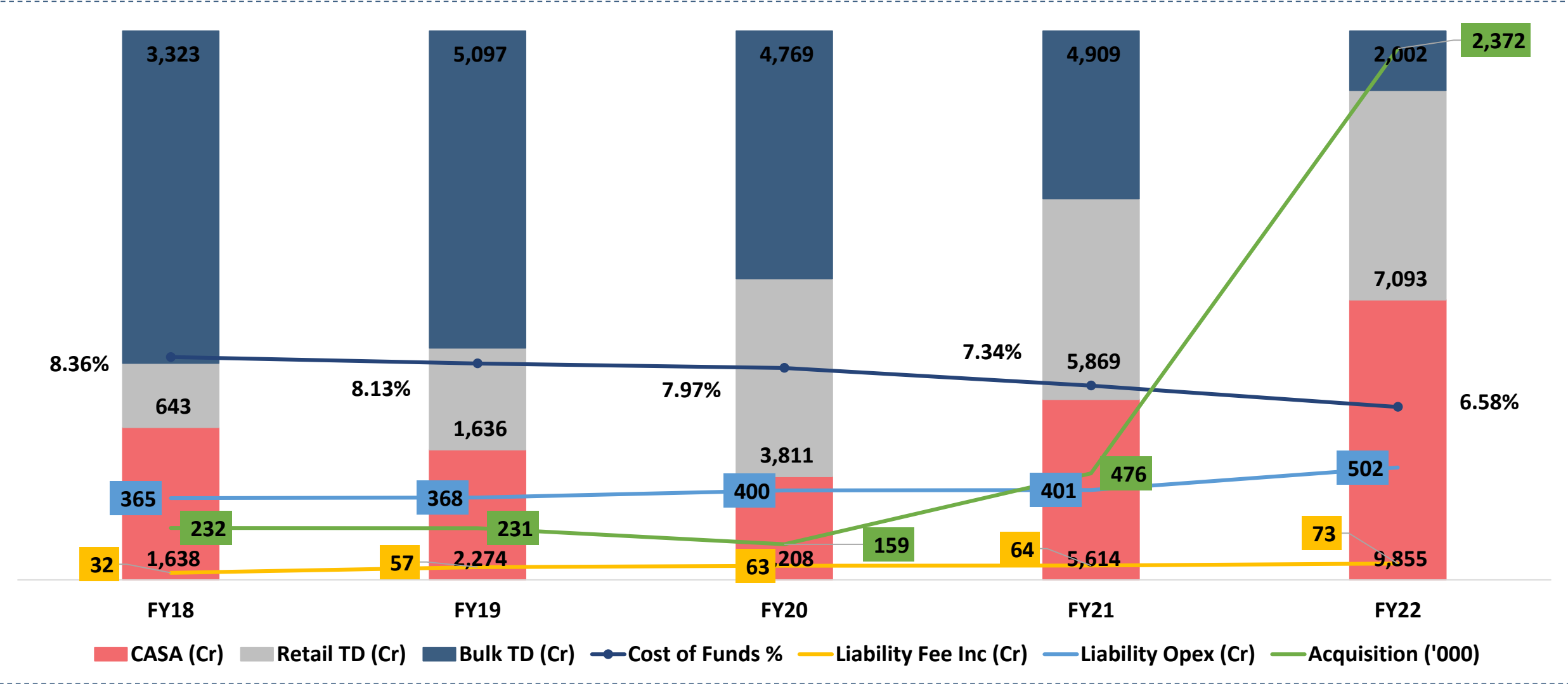
Diversifying across the informal segment



Gross Advances across the presentation refers to Gross Advances including IBPC



Liability franchise evolution



Key Highlights



Snapshot

Operational



17 States and UTs



869 Banking Outlets
339 ATMs



288 Business
Correspondents



17,607 employees

Asset Offerings



Gross Advances:
Rs. 20,597 Cr [Rs. 17,925 Cr]
SBL- 46%, VF - 25%, MFI-
19%, MSE – 6%, NBFC – 4%,



Disbursements for Q4FY22:
Rs. 3,279 Cr [Rs. 2,536 Cr]
SBL – 37%, VF - 29%, MFI –
30%, MSE – 2%, NBFC – 1%



Asset Quality:
GNPA: 4.06% [3.59%]
NNPA: 2.37% [1.52%]
PCR: 42.73% [58.59%]



Yield on Gross Advances:
17.22% for Q4FY22 [17.50%]

Liability Profile



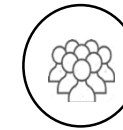
Total Deposits:
Rs. 18,951 Cr [Rs. 16,392 Cr]
CASA – 52%, TD – 48%



Third Party Products:
Premium Collected for Q4FY22
Rs. 47 Crs [Rs 35 Cr]
Mutual Fund AUM
Rs. 185 Cr [Rs. 132 Cr]



**Daily Average Cost of
Funds for Q4FY22:**
6.20% [7.20%]
SA – 6.05%, TD – 6.65%



CASA Ratio:
52.01% [34.40%]

Financials



PAT for Q4FY22:
Rs. 120 Cr [Rs. 113 Cr]



Shareholders funds
CRAR –25.16%
Tier I – 24.53%
Tier II – 0.63%



NIM for Q4FY22:
9.12% [7.57%]



RoA: Q4FY22 at 1.83%
[1.80%]
RoE: Q4FY22 at 12.21%
[13.52%]

Figures in [] represent Q4FY21 data



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Highlights



Highest ever yearly & quarterly disbursements | Advances growth picks up

- *FY22 disbursement at Rs. 10,549 Crs, our highest ever achievement – growth of 41%*
- *Q4FY22 disbursement at Rs. 3,279 Crs exceeding previous highest quarter*
- *Fastest growing Segment for the quarter is Small Business Loans, the Bank's flagship product*
- *Advances as of Q4FY22 was at Rs. 20,597 Cr, growth of 15% YoY*



Normalising credit costs

- *No further stress in asset quality from restructured loan pool (RSL), "high risk" RSL is only 0.18% of Gross Advances*
- *Non RSL Credit cost for Q4FY22 at 1.26%, trending back to Bank's historical levels*



Strong retail momentum

- *Cost of funds improved to 6.20% from 7.20% in March 2021, improvement of 100bps*
- *CASA Deposit grew 76% YoY to Rs. 9,855 Crs. CASA Ratio stood at 52.01% as of March 2022*
- *Retail Term Deposits grew 21% YoY to Rs. 7,093 Crs. Retail forms 78% of the Term Deposits*



Highlights



Expanding cross sell opportunity

- *Liability Fee Income at Rs. 73 Crs vs. Rs. 54 Crs in FY21, growth of 35% YoY*
- *53% growth in Insurance Premium mobilized for the year at Rs. 127 Crs*
- *32,000 3in1 Account sourced in FY22*
- *Cross selling of Used Car loans, Prime Home Loans and Working capital loans pick up*



Deepening retail relationship

- *NRI SA grew 236%, highest growing segment within the SA book*
- *Debit Card spends doubled in FY22 to Rs. 689 Crs*
- *Monthly unique card transactions for March 22 up by 150% YoY*



Strong Capital Buffer

- *As of March 31, 2022 Total CRAR at 25.16% | Tier I at 24.53% and Tier II at 0.63%*
- *LCR improved sharply as the Bank focused on improving quality of deposits*



Highlights



Profit & Loss

- *Net Interest Income for Q4FY22 at Rs. 552 Cr as against Rs. 449 Cr in Q4FY21. NIM at 9.12%*
- *Pre Provisioning Operating Profit (PPoP) as a % of assets improved to 4.21% from 3.56% sequentially*
- *PAT for Q4FY22 at Rs. 120 cr as against Rs. 113 Cr in Q4FY21*



Asset Quality, Provisioning & Restructuring

- *GNPA at 4.06% in Q4FY22 as compared to 4.39% in Q3FY22 and 3.59% in Q4FY21*
- *NNPA at 2.37% in Q4FY22 as compared to 2.38% in Q3FY22 and 1.52% in Q4FY21*
- *Provision coverage ratio at 42.73%*
- *The Bank has made additional standard assets provision of Rs. 26.08 Crs in Q4FY22*



Key Ratios

- *Cost to Income at 56.85% in Q4FY22 as compared to 64.67% in Q3FY22 and 57.34% in Q4FY21; after adjusting digital expenses to corresponding digital income*
- *RoA and RoE for Q4FY22 at 1.83% and 12.21% respectively*



Restructured Loans - Update

As of 31 st March 2022					Rs. Cr
Buckets	MF	CV	SBL	MSE	Total
Standard	106	252	210	37	604
1 to 30 Days	20	133	40	3	197
31 to 60 Days	25	143	57	11	274
61 to 90 Days	62	66	48	-	140
NPA	87	124	68	7	286
Total	301	719	423	58	1,500



Retail Loans	1 to 90 DPD Advances Rs. Cr	High Risk Advances Rs. Cr
CV	343	6
SBL	145	20
MF	108	10
MSE	14	1
Total	611	37

- “High Risk” comprises of non NPA delinquent RSL book with no payments during the period of Jan to March 2022
- 73% of high-risk portfolio is secured; historical loss on repossession or write offs is less than 35% of advance
- No further stress in asset quality outside RSL pool, high risk RSL is now only 0.18% of Gross Advances



Provisioning Policy

Segments	IRAC	Equitas
Micro Finance		
Sub-standard	25%	25%
Doubtful	100%	100%
Covid Restructured		
Sub-standard	25%	100%
Doubtful	100%	100%
Vehicle Finance		
Sub-Standard	15%	15%
Doubtful 1 (456 to 820 days)	25%	100%
Doubtful 2 (821 to 1550 days)	40%	100%
Doubtful 3 (More than 1550 days)	100%	100%
Small Business Loans		
Sub-Standard	15%	15%
Doubtful 1 (456 to 820 days)	25%	25%
Doubtful 2 (821 to 1550 days)	40%	40%
Doubtful 3 (More than 1550 days)	100%	100%

Actual Provision Coverage	IRAC	Equitas
Sub-standard	19%	33%
Doubtful-1	27%	54%
Doubtful-2	40%	49%
Doubtful - 3	100%	100%
Total	28%	43%

Actual Provision Coverage	Nature	IRAC	Equitas
Sub-standard	Secured	15%	19%
	Unsecured	25%	54%
Doubtful-1	Secured	25%	53%
	Unsecured	100%	100%
Doubtful-2	Secured	40%	49%
	Unsecured	100%	100%
Doubtful – 3	Secured	100%	100%
	Unsecured	100%	100%

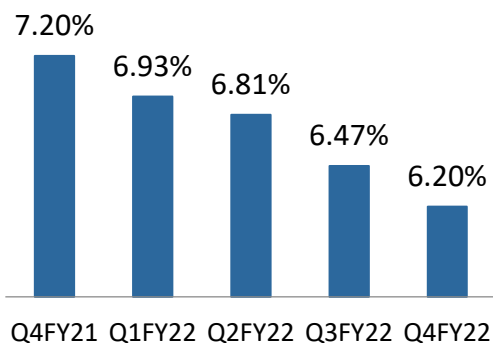


Financial Performance – Quarterly Trends

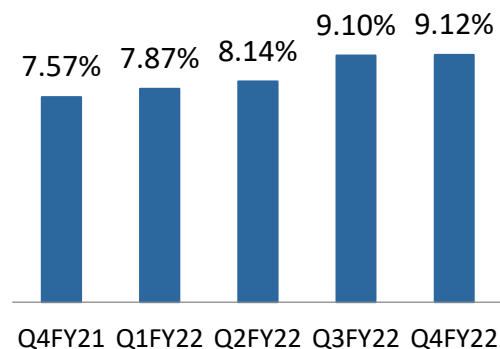


Key Ratios

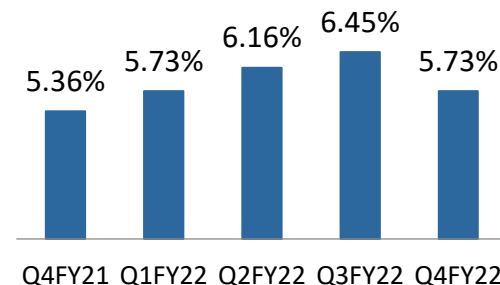
Daily Avg Cost of Funds



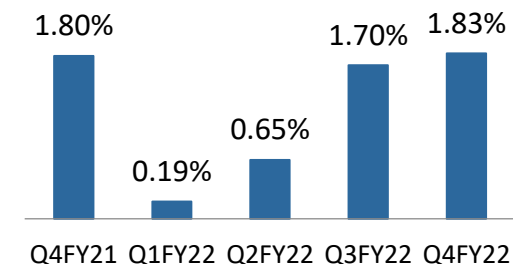
Net Interest Margin (NIM)



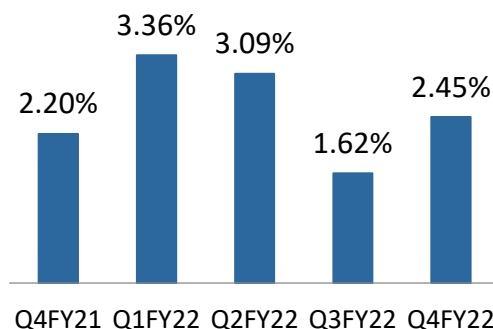
Cost to Assets



RoA

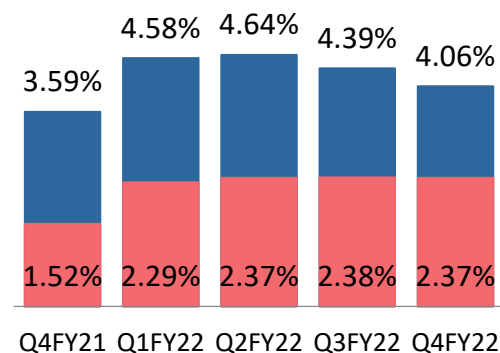


Credit Cost

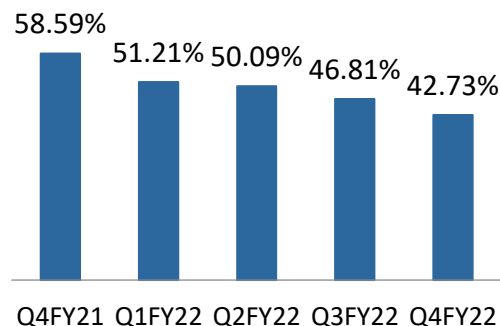


GNPA & NNPA

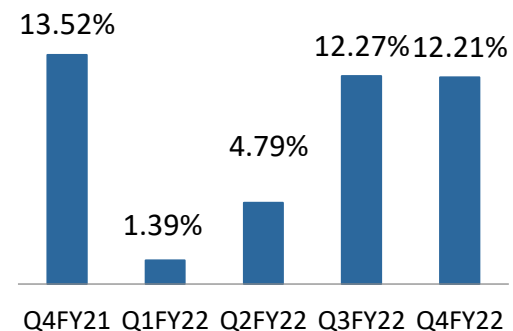
■ GNPA ■ NNPA



Provision Coverage Ratio

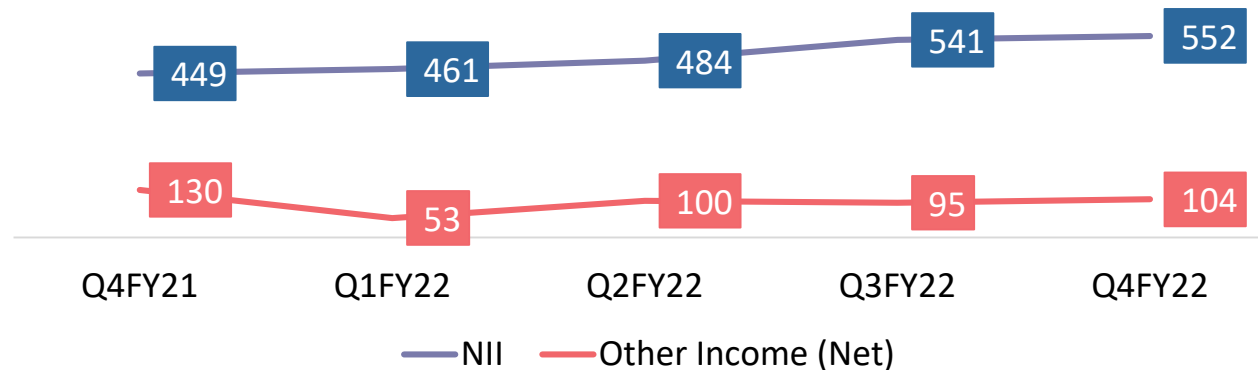


RoE

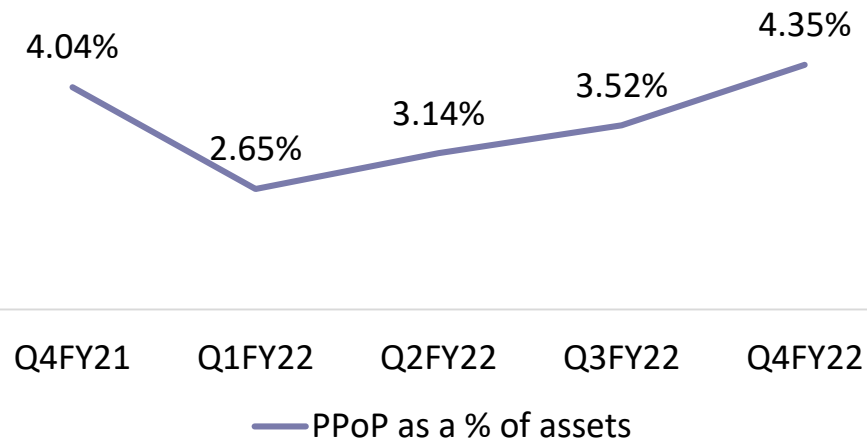


Income Evolution

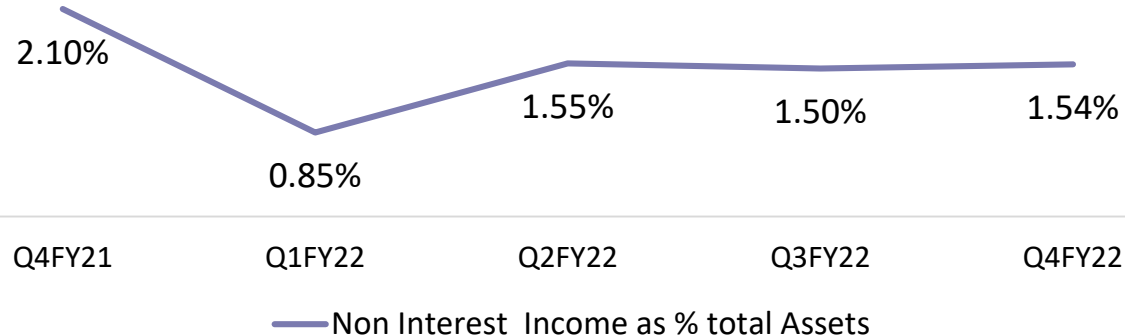
Net Income Evolution (Rs. Cr)



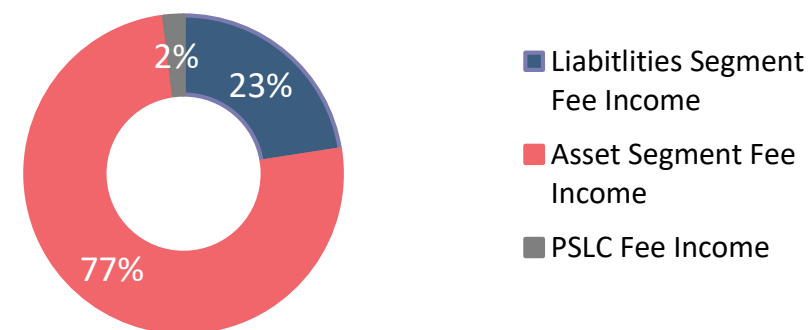
PPoP/ Assets (%)



Other Income Contribution (%)

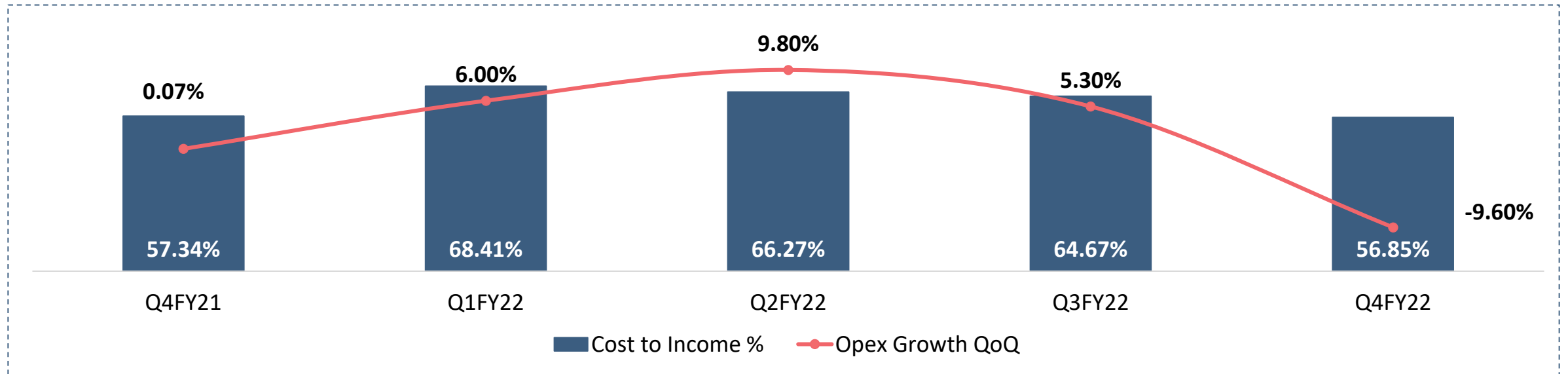


Other Income Break up (%)



Opex evolution

Rs. Cr	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22
Employee expenses	204	222	228	240	209*
Other expenses (net of digital expenses)	112	115	144	152	148
Depreciation	19	20	19	19	17
Total Operating expenses	335	357	391	411	375
No. of employees	16,556	16,770	17,441	17,509	17,607



*Reversal of excess provision for gratuity and leave salary of Rs 30.63 Cr. during the quarter



Advances



Advances evolution

Rs Cr	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22	YoY %	Contribution %
Micro Finance	3,236	3,128	3,438	3,695	3,907	21%	19%
Small Business and Home Loans	7,971	8,015	8,596	8,919	9,522	19%	46%
Small Business Loans	6,227	6,227	6,629	6,824	7,088	14%	34%
Housing Finance	959	1,017	1,175	1,310	1,641	71%	8%
Agri Loans	785	771	792	785	793	1%	4%
Vehicle Finance	4,530	4,377	4,670	4,846	5,047	11%	25%
Used CV	2,971	2,836	2,997	3,127	3,193	7%	16%
New CV	1,559	1,541	1,673	1,719	1,854	19%	9%
MSE Finance	1,180	1,208	1,170	1,194	1,164	-1%	6%
NBFC	783	914	908	817	758	-3%	4%
Others [†]	225	195	196	217	199	-12%	1%
Gross Advances	17,925	17,837	18,978	19,687	20,597	15%	100%

[†] Others includes loan-against-gold, unsecured business loans, overdrafts against fixed deposits and staff loans



Disbursements evolution

Rs Cr	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22	YoY %	QoQ %
Micro Finance	655	393	938	1,010	972	48%	-4%
Small Business and Home Loans	960	315	1,154	905	1,207	25%	33%
Small Business Loans	703	207	853	667	860	22%	29%
Housing Finance	189	83	203	177	267	39%	49%
Agri Loans	68	25	98	61	80	18%	31%
Vehicle Finance	723	177	782	778	940	30%	21%
Used CV	460	106	523	512	617	34%	21%
New CV	263	72	259	266	323	23%	21%
MSE Finance	123	63	98	54	72	-41%	33%
NBFC	51	300	136	50	28	-45%	-44%
Others [†]	23	17	37	64	60	161%	-6%
Total Disbursements	2,535	1,265	3,145	2,861	3,279	29%	15%

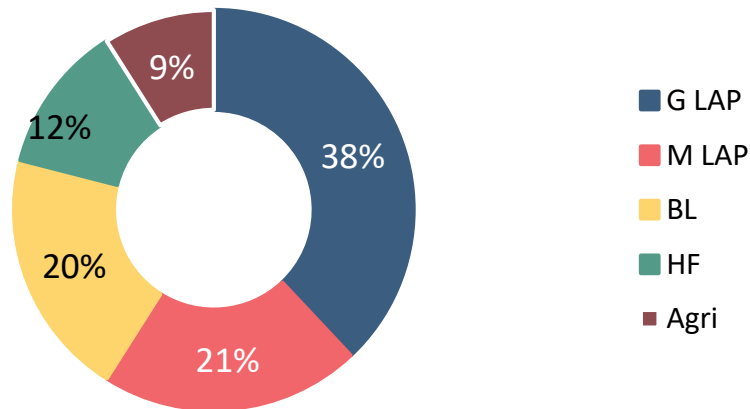
[†] Others includes loan-against-gold, unsecured business loans, overdrafts against fixed deposits and staff loans



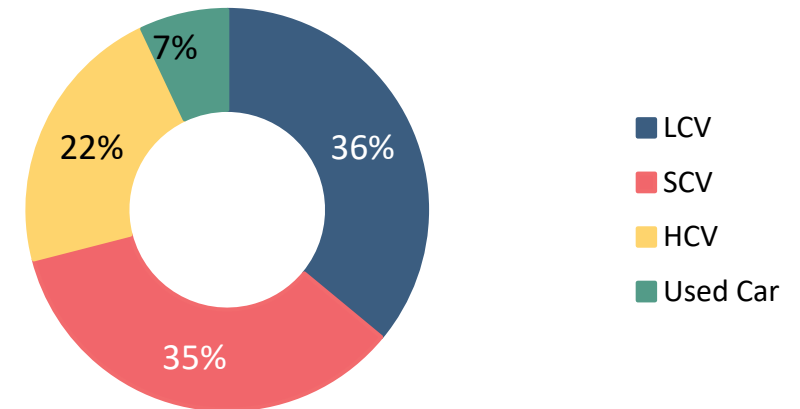
Segmental Details

Product Segment	Number of Live Loans	ATS @ Disbursement (Lacs)	ATS @ Portfolio (Lacs)	GNPA (%)	PCR (%)
Micro Finance	19,39,670	0.34	0.20	5.93%	54.09%
Small Business Loans	2,46,614	6.23	3.86	3.55%	40.42%
Vehicle Finance	1,65,797	4.13	3.04	3.97%	36.78%
MSE Finance	3,737	46.04	31.15	4.93%	29.43%
NBFC	40	5,706	1,896.04	0.63%	50.00%

SBL Product Mix



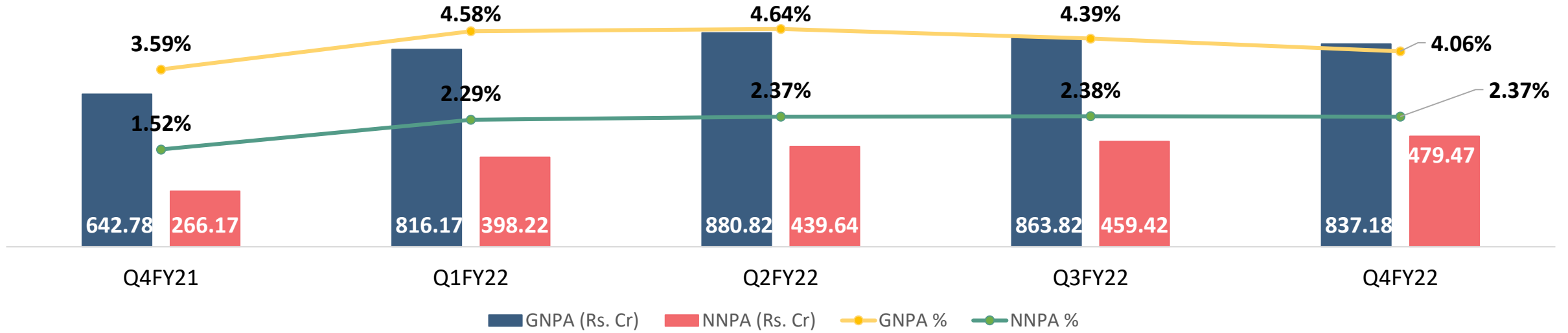
VF Product Mix



† Others includes loan-against-gold, unsecured business loans, overdrafts against fixed deposits and staff loans | ATS – Average Ticket Size



Asset Quality Trend



GNPA Movement (Rs. Cr)	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22
Opening GNPA Balance	387.60	642.78	816.17	880.82	863.82
Add: Additions during the period	514.59	374.86	339.08	266.82	408.56
Less:					
i. Upgradations	12.63	157.54	186.61	68.64	109.88
ii. Recoveries (excluding recoveries made from upgraded accounts)	42.01	32.43	65.47	80.28	133.62
iii. Technical or Prudential write-offs	175.81	5.65	7.15	102.46	105.62
Write-offs other than those under (iii) above	28.95	5.86	15.20	32.45	86.00
Closing GNPA Balance	642.78	816.17	880.82	863.82	837.18

70% of additions from the restructured pool



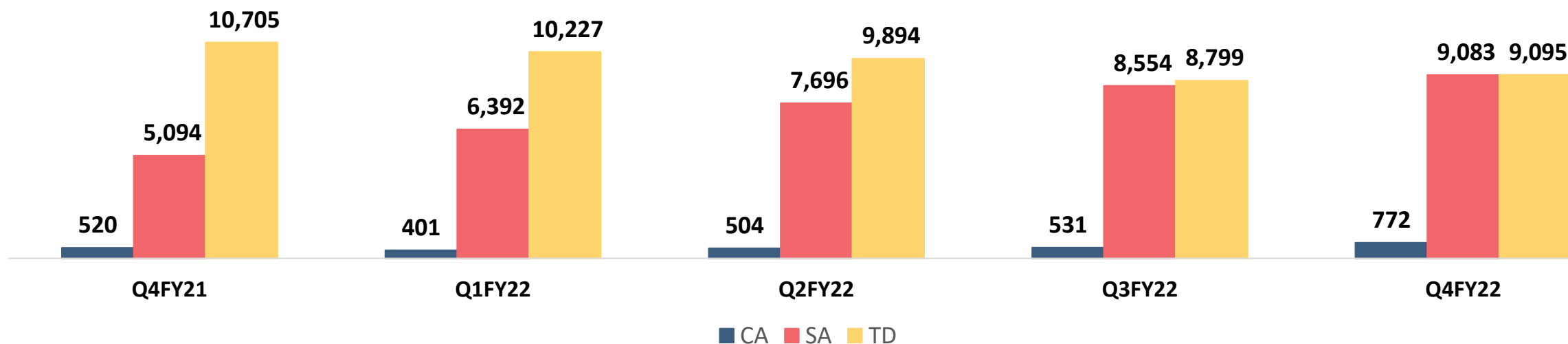
Liabilities & Branch Banking



Deposits Evolution

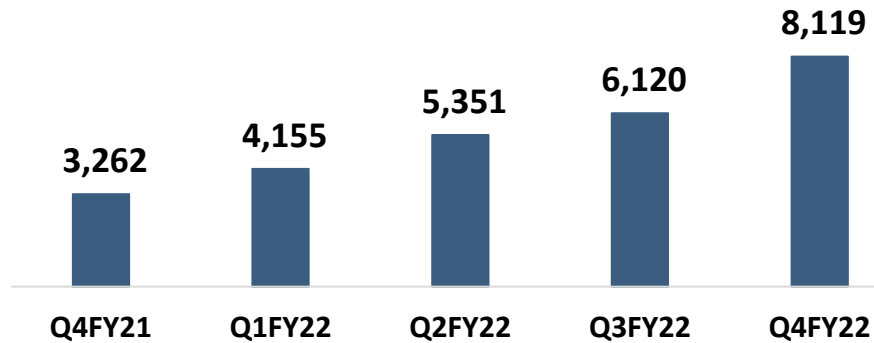
as on 31 March 2022	CA [Current Account]	SA [Savings Account]	CASA [Low cost deposits]	TD [Term Deposits]	CASA+TD [Customer Deposits]
Balance (Cr)	772	9,083	9,855	9,095	18,951
as a % of total borrowings (Rs. 22,432 Cr)	3%	40%	44%	41%	84%
as a % of total deposits (Rs. 18,951 Cr)	4%	48%	52%	48%	100%
Avg. balance (Excluding Digitally Sourced Accounts)	1,15,592	62,953	65,190	5,48,687	1,12,705

Customer Deposit Evolution (Rs. Cr)

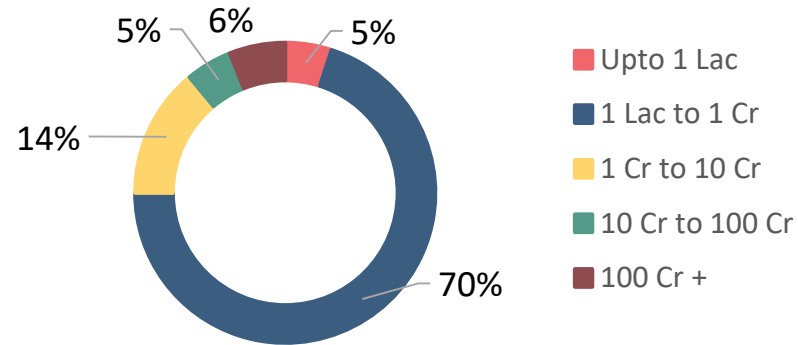


Customer Deposit Profile

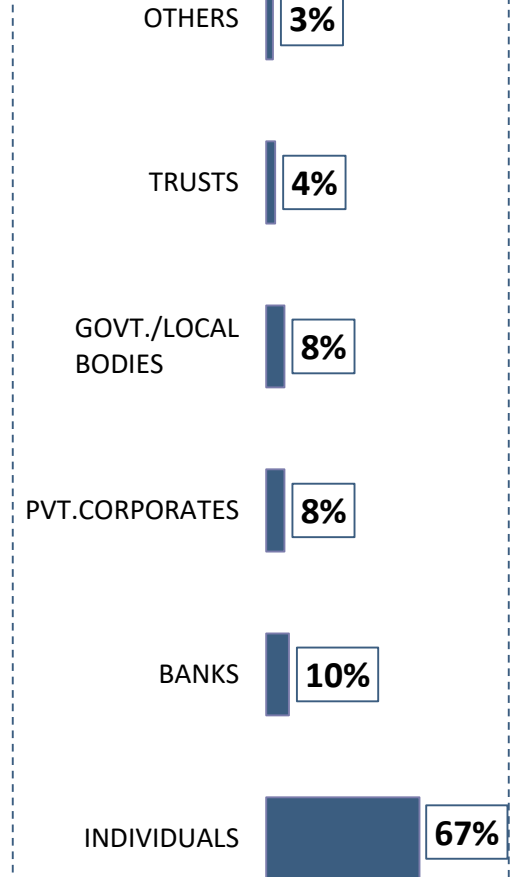
Elite Balance (Rs. Cr)



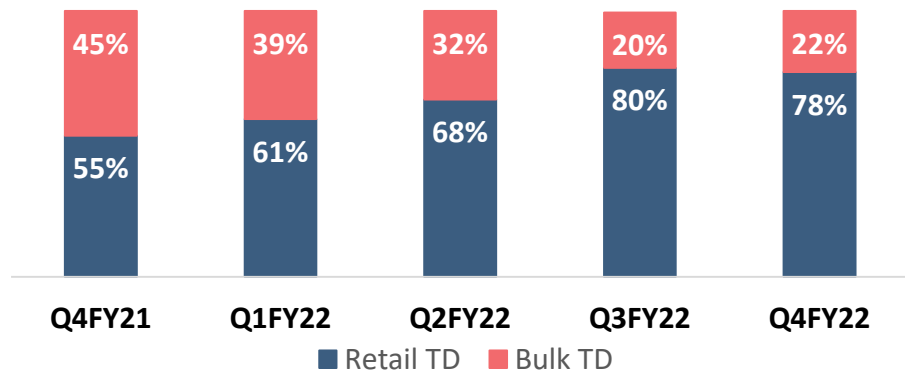
Savings Slab Wise (%)



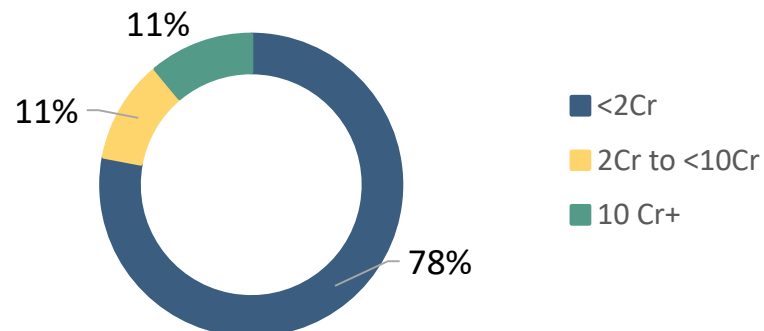
Deposit Category



Retail & Bulk TD Mix

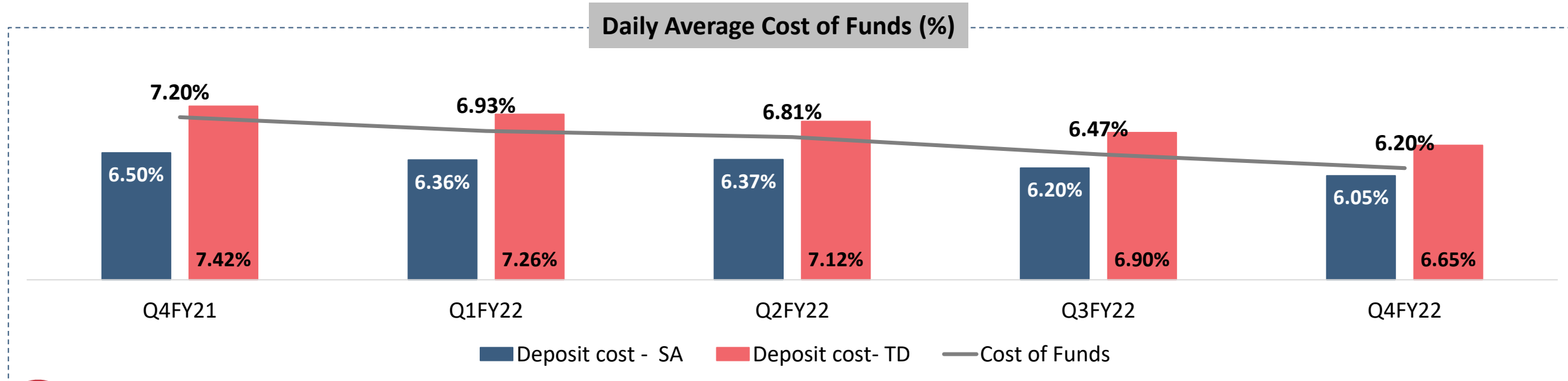
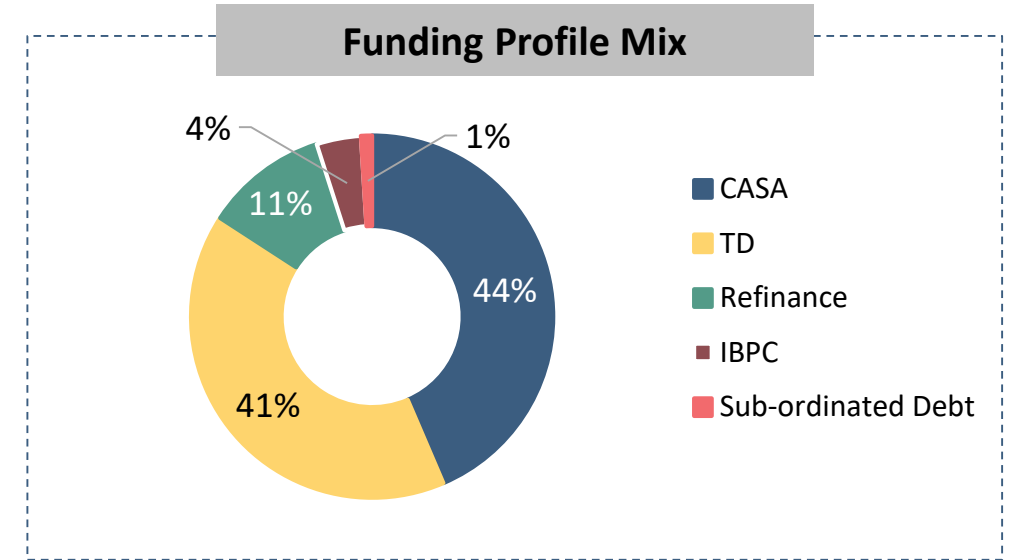


Term Deposit Slab Wise (%)



Funding Profile

In Rs Cr	March 2021	Dec 2021	March 2022
TD	10,705	8,799	9,095
Refinance	3,934	2,635	2,466
CASA	5,614	9,085	9,855
Sub Debt	220	150	150
IBPC	700	968	865
Others (CD + RBI Borrowing)	84	-	-
Total Borrowings	21,257	21,637	22,432



Treasury Update



The Bank's total investment portfolio of Rs. 4,450 Crore comprises of SLR and Non-SLR securities

Category (Rs. Cr)	Book Value
SLR	4,416
Non SLR	34
Total	4,450



Borrowings & Liquidity

- The Bank's Certificate of Deposit (CD) programme for Rs. 1,000 Crore has highest rating from at CRISIL A1+
- The Bank has adequate eligible advances available to raise funds through refinance or IBPC whenever required which provides strong cushion to ALM position of the Bank
- The Bank currently maintains 'surplus' liquidity in the form of High Quality Liquid Assets (HQLA). Average Liquidity Coverage Ratio (LCR) for the quarter at 134%. LCR improved sharply as the Bank focused on improving quality of deposits



Digital Banking



Digital Banking Milestones

**Digitally Sourced
No of Accounts**



**Digitally Sourced
Balances as a % of CASA**



**Virtually Managed
Accounts**



Digital Banking – Key Highlights

NeoBanking – Live Partnerships

- **NiyoX**
 - 13.8 lac accounts opened
 - CASA balance of Rs. 343 Crs
- **Groww**
 - 1,700+ FDs opened
 - Balance of Rs. 8 Crs
- **FreoSave**
 - Under CUG
 - 328 accounts opened

NiyoX

Groww

freo

Prepaid Engagements

- Over 20 lakh new cards issued
- 6.8 Cr transactions
- 2,433 Crs transactions value processed
- Programs under integration:
 - BankIT | Neokred
 - MuvIn | Decentro | Canopi

DigiPe

bijlipay

BANKIT बैंकइट®
SEND | SPEND | LEND | INVEST

NEOKRED

novopay

Digital Payments and Acquisitions

- **NETC - FASTag**
 - 1.26 lac new Fastags issued
 - 500 Crs issuer transaction value processed
- **MicroATM**
 - 5.3 Crs transactions
 - 15,500 Crs transaction value processed

bijlipay

Pay Nearby

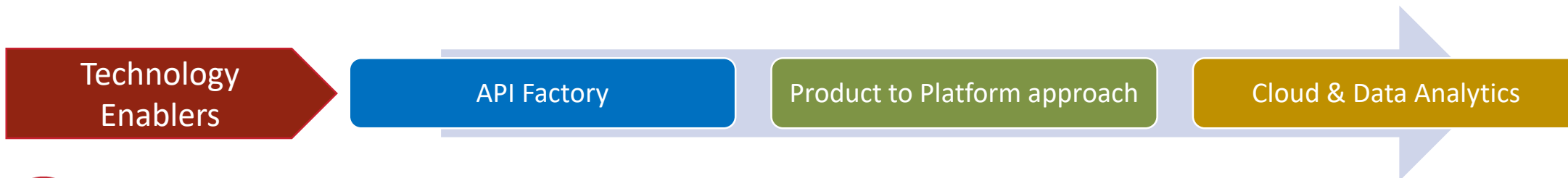
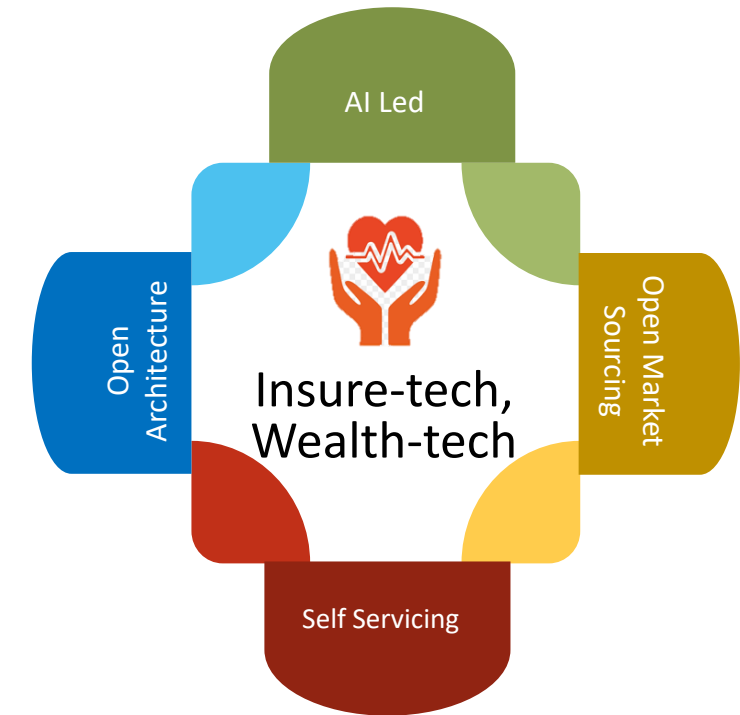
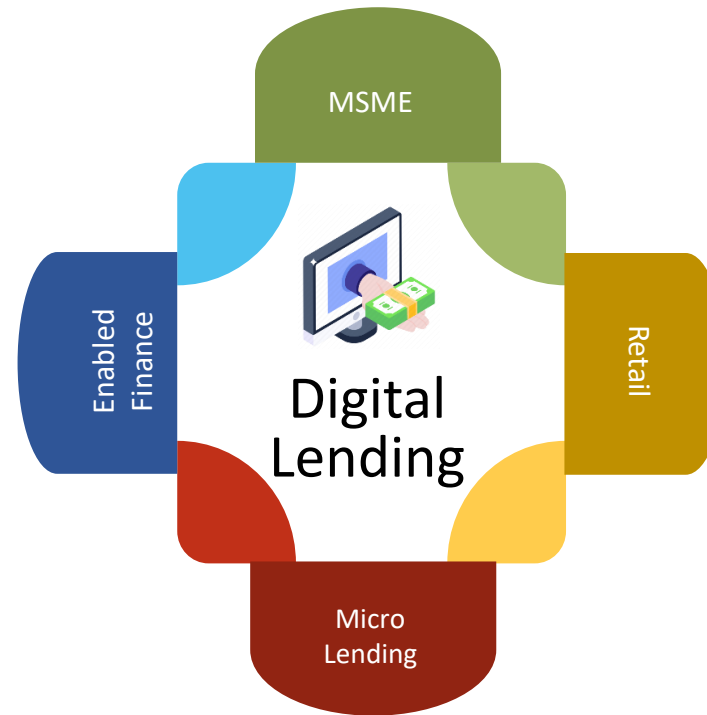
Spice money

novopay



Digital Theme in focus

Each theme to accelerate acquisition , customer revenue accretion and cross sell opportunity:



Financials



Balance Sheet

Particulars (in Rs Cr)	Mar-22	Mar-21	YoY %	Dec-21	QoQ%
Capital & Liabilities					
Capital	1,252	1,139	10%	1,148	9%
Reserves & Surplus	2,994	2,257	33%	2,435	23%
Networth	4,246	3,396	25%	3,583	19%
Deposits	18,951	16,392	16%	17,884	6%
Borrowings	2,616	4,165	-37%	2,785	-6%
Other Liabilities & Provision	1,139	755	51%	1,009	13%
Total	26,952	24,708	9%	25,261	7%
Assets					
Cash and Balances With Reserve Bank of India	957	515	86%	766	25%
Balances With Banks and Money At Call and Short Notice	1,176	2,864	-59%	372	216%
Investments	4,450	3,705	20%	4,923	-10%
Advances	19,374	16,848	15%	18,315	6%
Fixed Assets	200	185	8%	185	8%
Other Assets	795	591	35%	700	14%
Total	26,952	24,708	9%	25,261	7%
AUM [On Book + Off Book]	20,597	17,925	15%	19,687	5%

Profit & Loss Account

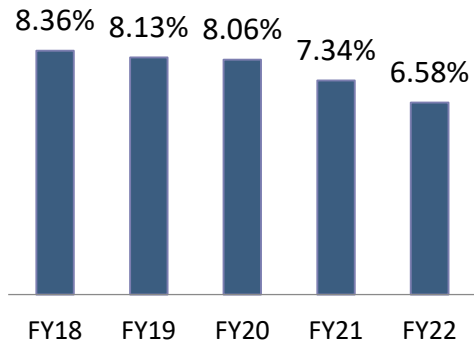
Particulars (in Rs Cr)	Q4FY22	Q4FY21	YoY%	Q3FY22	QoQ%	FY22	FY21	YoY%
Interest Income from Loans	811	736	10%	819	-1%	3,139	2,901	8%
Income on Investments	66	59	12%	64	3%	246	219	12%
Interest on balances with Reserve Bank of India and other inter bank funds	19	23	-17%	18	6%	74	74	-
Total Interest Income	896	818	10%	901	-1%	3,460	3,194	8%
Finance Cost								
Interest on deposits	276	275	0%	291	-5%	1,135	970	17%
Interest on RBI / inter-bank borrowings	12	1	-	6	100%	19	13	46%
Other interest	55	94	-41%	63	-11%	267	413	-35%
Total Finance Cost	343	370	-7%	360	-5%	1,421	1,396	2%
Net Interest Income	552	449	23%	541	2%	2,039	1,798	13%
Other Income								
Asset Fee Income	79	61	30%	56	44%	227	158	43%
Treasury & PSLC Fee Income	0	47	-	19	-	51	113	-54%
Liability & Distribution Income	69	70	-1%	59	17%	260	147	76%
Total Other Income	148	178	-17%	134	10%	538	418	29%

Profit & Loss Account

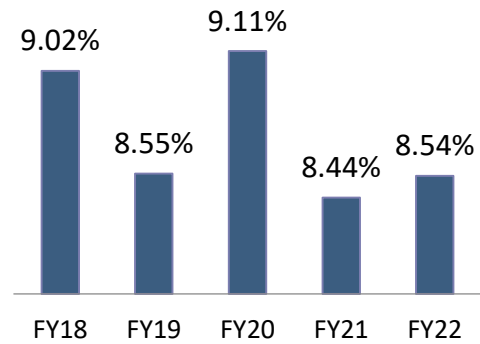
Particulars (in Rs Cr)	Q4FY22	Q4FY21	YoY%	Q3FY22	QoQ%	FY22	FY21	YoY%
Net Income	701	627	12%	675	4%	2,576	2,216	16%
Employee Cost	209	204	2%	240	-13%	898	791	14%
Opex	208	173	20%	210	-1%	806	538	50%
Total Operating Expenditure	417	377	11%	450	-7%	1,704	1,329	28%
PBT before provision & Write-off	284	250	14%	225	26%	872	887	-2%
Credit Cost	123	97	27%	78	58%	494	375	32%
PBT	161	153	5%	146	10%	378	511	-26%
Taxes	41	40	2%	38	8%	97	127	-24%
PAT	120	113	6%	108	11%	281	384	-27%

Key Ratios - Annual

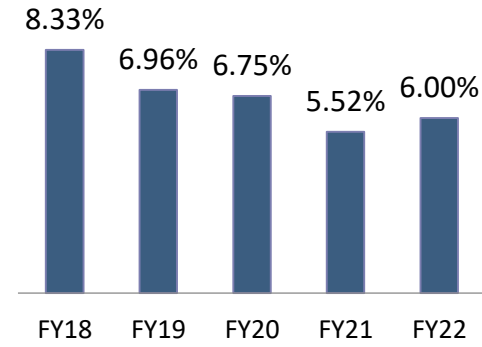
Cost of Funds



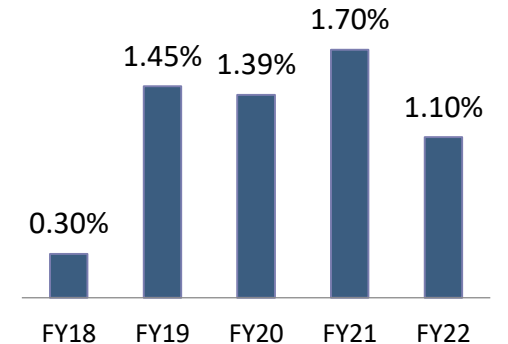
Net Interest Margin (NIM)



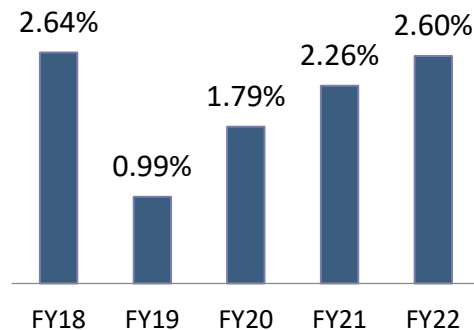
Cost to Assets



RoA

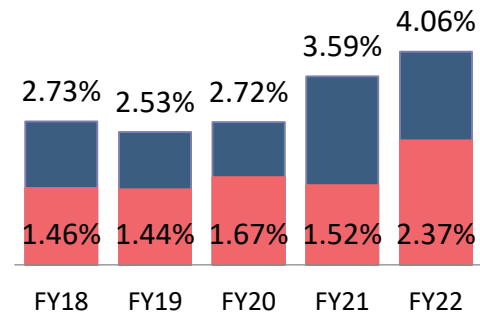


Credit Cost

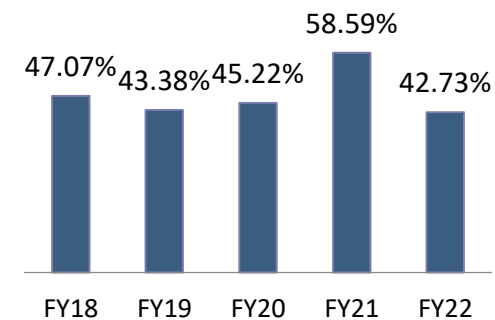


GNPA & NNPA

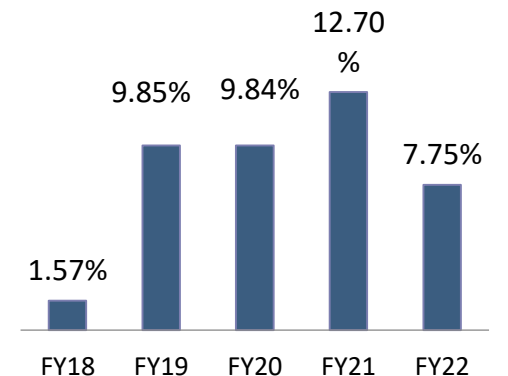
■ GNPA ■ NNPA



Provision Coverage Ratio



RoE





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