

**PRESS RELEASE**

**Bandhan Bank Q3 net profit up 10.3% at ₹331 crore after prudently providing fully Rs. 384.95 crore on one large Infrastructure account;  
NII grew by 53.5% at ₹1,124 crore; CASA ratio at 41.4%**

**Mumbai, January 10, 2019:**

The Board of Directors of Bandhan Bank Ltd., at a meeting held in Mumbai today approved its Unaudited Financial Results for the Quarter ended December 31, 2018. The accounts have been subjected to limited review by the statutory auditors of the bank.

**Key Highlights:**

- **Loan portfolio (on book + off book) grew 46.1% Y-o-Y at ₹35,599 crore**
- **Deposit portfolio grew 36.9% Y-o-Y at ₹34,639 crore**
- **Net NPA at 0.7%**
- **Retail Deposit to Total Deposit at 84.8%; CASA grew 70.7% Y-o-Y at Rs. 14,342 crore; CASA ratio at 41.4%**
- **Added 9.22 lakh Customer during the quarter with total customer base reaching to 15.33 million (Micro Banking- 12.15 million and Non Micro– 3.18 million)**
- **During the nine months period ended December 2018, out of ₹ 276.8 crores of PSLC income, ₹ 203.6 crores has been recognized during December 2018 of which ₹ 73.28 crore has been recognized during Q3FY19**
- **During the quarter we have written back treasury investment provision of ₹ 96.50 crore on account of favorable yield curve movement in AFS and HFT portfolio**
- **Provision of ₹ 384.95 crore made in respect of an exposure to a borrower from Infrastructure development & finance sector, which was classified as non-performing asset and fully provided for during the quarter**

**Highlights for the Quarter ended December 31, 2018:**

- Net Interest Income (NII) for the quarter grew by 53.5% at ₹1,124 crore as against ₹732 crore in the corresponding quarter of the previous year
- Non-interest income grew by 48.1% at ₹234 crore for the quarter ended December 31, 2018 against ₹158 crore in the corresponding quarter of the previous year
- Operating Profit for the quarter increased by 56.8% at ₹900 crore against ₹574 crore in the corresponding quarter of the previous year
- Net Profit for the quarter grew by 10.3% at ₹331 crore against ₹300 crore in the corresponding quarter of the previous year
- Net Interest Margin (NIM) for the current quarter stands at 10.3% against 9.9% in the corresponding quarter of the previous year and 9.7% for FY 2017-18
- CASA ratio at 41.4% of total deposit, compared to 33.2% in the corresponding period last year
- CASA grew 70.7% Y-o-Y at ₹14,342 crore compared to ₹8,401 crore
- Total Advances (on book + off book) increased by 46.1% at ₹35,599 crore as on December 31, 2018 against ₹24,364 crore as on December 31, 2017
- Total Deposits grew by 36.9% as on December 31, 2018 is at ₹34,639 crore as compared to ₹25,294 crore on December 31, 2017.
- Gross NPAs as on 31 December 2018 at 2.4% against 1.3% as on 30 September 2018 and 1.7% as on 31 December, 2017
- Net NPAs as on 31 December 2018 at 0.7% against 0.7% as on 30 September 2018 and 0.8% as on 31 December, 2017

**Key Ratios:**

Particulars (in %)	Q3FY19	Q3FY18	Q2FY19	FY 2017-18
CASA to Total Deposit	41.4	33.2	36.9	34.3
Net Interest Margin	10.5	9.6	10.3	9.7
Cost to Income Ratio	33.7	35.4	33.2	35.0
Return on Average Assets*	2.9	3.7	4.3	4.1
Return on Average Equity*	12.5	22.5	19.3	26.0
Capital Adequacy Ratio (CAR)	32.8	24.9	32.6	31.5
Gross NPA (on book)	2.4	1.7	1.3	1.3
Net NPA (on book)	0.7	0.8	0.7	0.6

\*Annualised

Total Banking outlets as on December 31, 2018, stood at 3992. The network consists of 978 branches and 3,014 doorstep service centers. Total number of ATMs stood at 480 as on December 18. The number of employees of the bank has gone up to 31,115.

The Board of Directors of Bandhan Bank Limited and GRUH Finance Limited has approved the merger of GRUH into Bandhan Bank. The merger would be subject to regulatory and shareholder approvals. The share exchange ratio accepted by the boards of Bandhan Bank and GRUH is 568 equity shares of face value of ₹10 each of Bandhan Bank to be issued for every 1,000 equity shares of face value of ₹2 each of GRUH. The merger would help Bandhan Bank achieve product and geographic diversification while improving penetration in its core customer segment. GRUH will get access to a wider distribution network, a larger customer base and low cost deposit base of Bandhan Bank.

Post-merger, based on pro-forma financials as of September 30, 2018, Bandhan Bank would have outstanding loan book AUM of ₹50,036 crore. Loan book would consist of micro loans (58%), retail home loans (28%) and other loans (14%). With our distribution as on December 31, 2018, the combined distribution network would comprise 4,186 banking outlets and 480 ATMs across 34 states and union territories of India. Merged entity would have more than 31,000 employees serving about 1.6 crore customers across the country. Post-merger, the shareholding of Bandhan Financial Holdings Limited (NOFHC) in Bandhan Bank would reduce from 82.3% to 61.0%.

**Commenting on the performance, Mr. Chandra Shekhar Ghosh, Managing Director and CEO of Bandhan Bank said:** “Our core business of Microbanking and Deposits - particularly retail including CASA has continued its strong performance in Q3FY19. With the announcement of the merger with the Gruh Finance, we are excited and confident to accelerate this growth in affordable housing segment.”

**About Bandhan Bank**

Bandhan started in 2001 as a not-for-profit enterprise that stood for financial inclusion and women empowerment through sustainable livelihood creation. It turned into an NBFC a few years later but the core objective remained financial inclusion. When Bandhan Bank started operations on August 23, 2015, it was the first instance of a microfinance entity transforming into a universal bank in India. On the day of launch itself, Bandhan Bank started with 2,523 banking outlets.

Bandhan Bank is driven by a constant desire to serve better. It offers world-class banking products and services to urban, semi-urban and rural customers alike. In the last few years of operations, Bandhan Bank has spread its presence to 34 of the 36 states and union territories in India with 3,992 banking outlets serving 1.53 crore customers, as on December 31, 2018. With its experienced management, diversified team and well entrenched distribution, Bandhan Bank is well poised to meet the aspirations of its customers and stakeholders.

**For media queries please contact: Bandhan Bank Limited – Mr. Apurva Sircar**

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