

**Bandhan Bank Limited**

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Ref. No: BBL /249/2021-22

October 29, 2021

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: Outcome of Board Meeting held on October 29, 2021 - the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR')

Pursuant to the provisions of Regulation 33 and other applicable provisions of SEBI LODR, we wish to inform that the Board of Directors (the 'Board') of Bandhan Bank Limited (the 'Bank'), at its meeting held today, i.e., Friday, October 29, 2021, has considered and approved the Unaudited Financial Results of the Bank for the quarter (Q2) and half-year ended September 30, 2021.

Pursuant to above, we hereby submit the Unaudited Financial Results of the Bank for the quarter (Q2) and half-year ended September 30, 2021, along with the Limited Review Report issued by the Joint Statutory Auditors of the Bank thereon. We also hereby submit the Press Release on the said Unaudited Financial Results of the Bank.

The Board Meeting commenced at 10:00 a.m. and concluded at 03:58 p.m.


Please note that the window for trading in securities of the Bank was closed for its Promoter(s), Members of the Promoter Group, Directors, Designated Persons, Auditors and their immediate relatives, and Connected Persons, from October 01, 2021 and will remain closed till October 31, 2021, and shall re-open thereafter.

You are requested to take note of the above.

All the above-mentioned documents are being simultaneously posted on the Bank's website at www.bandhanbank.com.

Thanking you,

Yours faithfully,
for **Bandhan Bank Limited**


Indranil Banerjee
Company Secretary



Encl.: as above



UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2021

(₹ in lakhs)

Particulars	Quarter Ended			Half-Year Ended		Year Ended
	30.09.2021	30.06.2021	30.09.2020	30.09.2021	30.09.2020	31.03.2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Interest Earned (a+b+c+d)	3,18,088.53	3,41,001.25	3,19,762.98	6,59,089.78	6,21,571.68	12,52,421.19
a) Interest/discount on advances/bills	2,77,767.57	2,99,043.83	2,79,254.72	5,76,811.40	5,41,451.11	10,89,179.39
b) Income on Investments	33,940.73	34,142.66	27,228.86	68,083.39	50,153.44	1,17,415.24
c) Interest on balance with Reserve Bank of India and other inter bank funds	5,837.67	2,476.31	4,672.98	8,313.98	8,739.93	11,821.12
d) Others	542.56	5,338.45	8,606.42	5,881.01	21,227.20	34,005.44
2 Other Income	49,162.77	60,008.87	36,682.84	1,09,171.64	75,053.37	1,99,101.86
3 Total Income (1+2)	3,67,251.30	4,01,010.12	3,56,445.82	7,68,261.42	6,96,625.05	14,51,523.05
4 Interest Expended	1,24,547.23	1,29,593.92	1,27,453.75	2,54,141.15	2,48,109.83	4,96,085.63
5 Operating Expenses	87,781.40	77,592.96	67,732.01	1,65,374.36	1,29,141.98	2,81,688.50
i) Employees Cost	54,567.93	49,979.01	41,478.16	1,04,546.94	80,418.45	1,66,463.04
ii) Other Operating Expenses	33,213.47	27,613.95	26,253.85	60,827.42	48,723.53	1,15,225.46
6 Total Expenditure (4+5) (Excluding provisions & Contingencies)	2,12,328.63	2,07,186.88	1,95,185.76	4,19,515.51	3,77,251.81	7,77,774.13
7 Operating Profit before Provisions & Contingencies (3-6)	1,54,922.67	1,93,823.24	1,61,260.06	3,48,745.91	3,19,373.24	6,73,748.92
8 Provisions (other than tax) & Contingencies	5,57,791.96	1,44,202.04	37,959.22	7,01,994.00	1,22,560.42	3,78,883.43
9 Exceptional Items	-	-	-	-	-	-
10 Profit from ordinary activities before tax (7-8-9)	(4,02,869.29)	49,621.20	1,23,300.84	(3,53,248.09)	1,96,812.82	2,94,865.49
11 Tax Expenses	(1,02,009.33)	12,313.05	31,299.37	(89,696.28)	49,829.53	74,319.79
12 Net Profit from ordinary activities after tax (10-11)	(3,00,859.96)	37,308.15	92,001.47	(2,63,551.81)	1,46,983.29	2,20,545.70
13 Extraordinary items (net of tax expenses)	-	-	-	-	-	-
14 Net Profit for the period (12-13)	(3,00,859.96)	37,308.15	92,001.47	(2,63,551.81)	1,46,983.29	2,20,545.70
15 Paid up equity share capital (Face value of ₹10/- each)	1,61,070.06	1,61,066.91	1,61,035.36	1,61,070.06	1,61,035.36	1,61,059.92
16 Reserve excluding revaluation reserves						15,79,758.45
17 Analytical Ratios						
(i) Percentage of shares held by Government of India	NIL	NIL	NIL	NIL	NIL	NIL
(ii) Capital Adequacy Ratio	20.44	24.81	25.68	20.44	25.68	23.47
(iii) Earning per share						
(a) Basic EPS before & after extraordinary items*	(18.68)	2.32	5.71	(16.36)	9.13	13.70
(b) Diluted EPS before & after extraordinary items*	(18.68)	2.32	5.71	(16.36)	9.13	13.69
(iv) NPA Ratios						
(a) Gross NPAs	8,76,360.25	6,44,038.03	87,397.06	8,76,360.25	87,397.06	5,75,775.83
(b) Net NPAs	2,26,580.89	2,45,786.51	26,254.63	2,26,580.89	26,254.63	2,86,103.22
(c) % of Gross NPAs to Gross Advances	10.82%	8.18%	1.18%	10.82%	1.18%	6.81%
(d) % of Net NPAs to Net Advances	3.04%	3.29%	0.36%	3.04%	0.36%	3.51%
(v) Return on Assets (average)*	-2.64%	0.33%	0.90%	-2.34%	1.49%	2.13%

* Figures for the quarters and half year are not annualised



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Segment information in accordance with the Accounting standard on Segment Reporting (AS 17) of the operating segment of the bank is as under:

Particulars		Quarter Ended			Half-Year Ended		Year Ended
		30.09.2021	30.06.2021	30.09.2020	30.09.2021	30.09.2020	31.03.2021
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Segment Revenue							
a)	Treasury	37,053.61	67,100.79	43,462.82	1,04,154.40	1,11,856.25	2,02,378.10
b)	Retail Banking	3,13,423.43	3,21,935.66	3,04,676.22	6,35,359.09	5,83,248.39	12,30,087.51
c)	Wholesale Banking	11,880.90	11,064.61	13,706.10	22,945.51	27,470.83	51,101.79
d)	Other Banking Operations	7,319.75	5,752.98	5,603.52	13,072.73	7,106.47	20,371.87
e)	Unallocated	-	-	-	-	-	-
	Total	3,69,677.69	4,05,854.04	3,67,448.66	7,75,531.73	7,29,681.94	15,03,939.27
	Less: Inter segment revenue	2,426.39	4,843.92	11,002.84	7,270.31	33,056.89	52,416.22
	Income from operations	3,67,251.30	4,01,010.12	3,56,445.82	7,68,261.42	6,96,625.05	14,51,523.05
2 Segment Results							
a)	Treasury	8,826.09	38,013.92	12,515.70	46,840.01	46,149.66	86,740.28
b)	Retail Banking	(4,19,693.52)	3,825.89	1,01,035.25	(4,15,867.63)	1,36,644.67	1,73,735.04
c)	Wholesale Banking	866.09	2,162.83	4,270.27	3,028.92	7,106.92	14,458.76
d)	Other Banking Operations	7,132.05	5,618.56	5,479.62	12,750.61	6,911.57	19,931.41
e)	Unallocated	-	-	-	-	-	-
	Total Profit Before Tax	(4,02,869.29)	49,621.20	1,23,300.84	(3,53,248.09)	1,96,812.82	2,94,865.49
3 Segment Assets							
a)	Treasury	37,18,306.04	32,06,612.12	25,53,010.23	37,18,306.04	25,53,010.23	30,63,669.08
b)	Retail Banking	73,67,535.85	74,11,613.77	70,79,292.84	73,67,535.85	70,79,292.84	79,46,619.54
c)	Wholesale Banking	3,97,376.19	3,79,754.02	4,65,447.38	3,97,376.19	4,65,447.38	4,38,409.78
d)	Other Banking Operations	1,694.87	1,049.81	917.66	1,694.87	917.66	1,351.87
e)	Unallocated	1,49,795.28	40,858.48	49,147.86	1,49,795.28	49,147.86	49,255.09
	Total	1,16,34,708.23	1,10,39,888.20	1,01,47,815.97	1,16,34,708.23	1,01,47,815.97	1,14,99,305.36
4 Segment Liabilities							
a)	Treasury	14,69,646.62	13,26,954.29	14,34,052.79	14,69,646.62	14,34,052.79	19,44,489.88
b)	Retail Banking	83,74,148.56	75,75,628.98	68,22,881.42	83,74,148.56	68,22,881.42	75,71,780.25
c)	Wholesale Banking	3,21,319.44	3,54,209.33	1,66,421.15	3,21,319.44	1,66,421.15	2,34,824.63
d)	Other Banking Operations	-	-	-	-	-	-
e)	Unallocated	7,974.46	4,843.17	57,736.87	7,974.46	57,736.87	7,392.23
	Total	1,01,73,089.08	92,61,635.77	84,81,092.23	1,01,73,089.08	84,81,092.23	97,58,486.99
5 Capital Employed							
a)	Treasury	22,48,659.42	18,79,657.83	11,18,957.44	22,48,659.42	11,18,957.44	11,19,179.20
b)	Retail Banking	(10,06,612.71)	(1,64,015.21)	2,56,411.42	(10,06,612.71)	2,56,411.42	3,74,839.29
c)	Wholesale Banking	76,056.75	25,544.69	2,99,026.23	76,056.75	2,99,026.23	2,03,585.15
d)	Other Banking Operations	1,694.87	1,049.81	917.66	1,694.87	917.66	1,351.87
e)	Unallocated	1,41,820.82	36,015.31	(8,589.01)	1,41,820.82	(8,589.01)	41,862.86
	Total	14,61,619.15	17,78,252.43	16,66,723.74	14,61,619.15	16,66,723.74	17,40,818.37

Notes:

i) Treasury :

Includes investments in sovereign securities and trading operations. It also includes the central funding unit.

ii) Retail banking :

Includes lending to individuals/small businesses through the branch network and other delivery channels subject to the orientation, nature of product, granularity of the exposure and low value of individual exposure thereof. It also includes liability products, card services, internet banking, mobile banking, ATM services and NRI services. All deposits sourced by branches are classified in retail category.

iii) Corporate/Wholesale Banking:

Includes SME/ Corporate relationships not included under Retail Banking.

iv) Other Banking Business :

Includes para banking activities like third party product distribution.



Notes:

1 **Statement of Assets and liabilities as at September 30,2021 is given below :**

(₹ in lakhs)

Particulars	As at 30.09.2021	As at 30.09.2020	As at 31.03.2021
	Unaudited	Unaudited	Audited
Capital & Liabilities			
Capital	1,61,070.06	1,61,035.36	1,61,059.92
Reserves & Surplus	13,00,549.09	15,05,688.38	15,79,758.45
Deposits	81,89,827.44	66,12,771.87	77,97,222.48
Borrowings	13,90,545.75	14,00,997.50	16,96,035.72
Other Liabilities and Provisions	5,92,715.89	4,67,322.86	2,65,228.79
Total	1,16,34,708.23	1,01,47,815.97	1,14,99,305.36
Assets			
Cash and Balances with Reserve Bank of India	10,42,027.48	3,12,759.68	5,23,538.64
Balances with Banks and Money at call and short notice	2,42,416.86	84,640.78	95,755.83
Investments	25,82,212.91	22,28,489.78	25,15,538.75
Advances	74,48,719.03	73,30,671.32	81,61,287.59
Fixed Assets	51,504.34	41,444.67	48,671.21
Other Assets	2,67,827.61	1,49,809.74	1,54,513.34
Total	1,16,34,708.23	1,01,47,815.97	1,14,99,305.36

2 **Cash Flow Statement for the half year ended September 30,2021 is given below :**

(₹ in lakhs)

Particulars	Half Year ended September 30, 2021 (₹)	Half Year ended September 30, 2020 (₹)	Year ended March 31, 2021 (₹)
	Unaudited	Unaudited	Audited
Cash flow from Operating Activities :			
Profit/(Loss) Before Taxation	(3,53,248.09)	1,96,812.82	2,94,865.49
Adjustments for :			
Depreciation and amortization	5,626.37	4,622.42	10,306.49
Provisions & Contingencies	7,07,352.49	1,23,452.30	3,75,769.01
Interest Income from fixed deposits	(194.09)	(233.97)	(317.21)
Profit on sale of Held-to-maturity (HTM) securities	(2,517.99)	(5,812.02)	(15,080.86)
Interest Income from Investments in Held-to-maturity (HTM) securities	(54,483.05)	(34,822.62)	(82,279.73)
Provision/(reversal of provision) for depreciation in value of investments	(8,594.09)	904.53	8,680.58
Employee Stock Options Expense	276.69	-	-
Profit on sale of fixed assets	(0.82)	(3.32)	(111.34)
Operating Profit Before Working Capital Changes	2,94,217.42	2,84,920.14	5,91,832.42
Movements in working capital :			
(Increase)/Decrease in Advances	3,52,461.82	(6,79,402.20)	(19,31,462.58)
Increase in Other Assets	(15,390.91)	(18,349.35)	(19,593.56)
Increase in Investment in HFT & AFS securities	(5,93,371.11)	(4,11,660.87)	(7,40,996.34)
Increase in Deposits	3,92,604.95	9,04,621.51	20,89,072.13
Increase/(Decrease) in Other Current Liabilities and Provisions	(19,758.64)	5,376.56	25,579.20
Cash flows generated from operations	4,10,763.52	85,505.79	14,431.27
Direct Taxes Paid (net of refunds)	(11,576.05)	(32,297.08)	(1,08,887.03)
Net Cash flows generated from/(used in) Operating Activities (A)	3,99,187.47	53,208.71	(94,455.76)
Cash flow from Investing Activities :			
Purchase of Fixed Assets/Capital work-in-progress	(8,460.44)	(9,191.11)	(22,251.13)
Sale of Fixed Assets/Capital work-in-progress	1.76	4.07	261.51
Interest Income from fixed deposits	194.28	251.05	332.90
Interest Income from Investments in Held-to-maturity (HTM) securities	57,831.82	31,306.96	74,236.43
(Increase)/Decrease in Held to Maturity Investment	5,37,809.04	(2,76,743.98)	(2,32,964.69)
Deposits created with banks and financial institutions	(1.62)	(2.07)	(2.07)
Net Cash flows generated from/(used in) Investing Activities (B)	5,87,374.84	(2,54,375.08)	(1,80,387.05)
Cash flow from Financing Activities :			
Dividend paid	(16,106.74)	-	-
Proceeds from share issue (Including share premium)	182.65	194.52	726.75
Proceeds from/ (Repayment) of short term borrowings	(2,68,245.00)	(2,13,750.80)	1,04,565.72
Repayment of long term borrowings	(37,244.97)	(23,169.41)	(46,447.72)
Net Cash flows generated from/(used in) Financing Activities (C)	(3,21,414.05)	(2,36,725.69)	58,844.75
Net Increase/ (Decrease) In Cash And Cash Equivalents (A+B+C)	6,65,148.26	(4,37,892.06)	(2,15,998.06)
Cash And Cash Equivalents at the beginning of the year	6,19,243.01	8,35,241.07	8,35,241.07
Cash And Cash Equivalents at the end of the period	12,84,391.27	3,97,349.01	6,19,243.01

**Notes:**

- 3 The above financial results were approved by the Board of Directors of the Bank at its meeting held on October 29, 2021. The financial results for the quarter and half year ended September 30, 2021 have been subjected to Limited Review by the statutory auditors (Deloitte Haskins & Sells, Chartered Accountants and M M Nissim & Co LLP, Chartered Accountants) of the Bank. The previous period results were reviewed / audited by Deloitte Haskins & Sells, Chartered Accountants.
- 4 The Bank has applied its significant accounting policies in the preparation of these financial results consistent with those followed in the annual financial statements for the year ended March 31, 2021 except for share based employees compensation plans. RBI, vide its clarification dated August 30, 2021 on Guidelines on Compensation of Whole Time Directors / Chief Executive Officers / Material Risk Takers and Control Function Staff, advised Banks that the fair value of share-linked instruments on the date of grant should be recognised as an expense for all instruments granted after the accounting period ending March 31, 2021. Accordingly, the Bank has changed its accounting policy from the intrinsic value method to the fair value method for such class of employees. The fair value of the stock-based compensation is estimated on the date of grant using Black-Scholes model and is recognised as compensation expense over the vesting period. The Bank has granted stock options during the quarter and half year ended September 30, 2021 under its Employee Stock Option Plan (ESOP) and as a result, 'Employees' cost' for the quarter and half year ended September 30, 2021 is higher by Rs. 276.69 lakhs with a consequent increase in loss after tax by Rs. 207.05 Lakhs.
- 5 During the quarter ended September 30, 2021, the Bank has allotted 31,482 Equity Shares of Rs.10/- each in respect of stock option exercised aggregating to Rs 56.76 lakhs. Accordingly, share capital increased by Rs. 3.15 lakhs and share premium increased by Rs 53.61 lakhs.
- 6 The RBI Master Circular DBR.No.BP.CB.1/21.06.201/2015-16 dated July 1, 2015 as amended on 'Basel III Capital Regulations' contain guidelines on certain Pillar 3, Leverage Ratio and Liquidity Coverage Ratio disclosure requirements that are to be made along with the publication of financial results. Accordingly, such applicable disclosures have been placed on the website of the Bank which can be accessed at the following link: <http://www.bandhanbank.com>. These disclosures are not required to be subject to audit / limited review and have not been audited/reviewed by the Statutory Auditors.
- 7 Based on RBI Master Direction on Financial Statements - Presentation and Disclosures issued on 30th August, 2021, recoveries from written off accounts, which was hitherto included as part of other income have been classified as a credit to provisions and contingencies and provision for depreciation on investments, which was hitherto classified as part of provisions and contingencies has been reclassified as part of other income. Accordingly, the Bank has reclassified recovery of Rs. 5,441 lakhs during the half year ended September 30, 2021 from written off accounts (Rs. 1,885 lakhs during the quarter ended June 30, 2021 and Rs. 3,556 lakhs during the quarter ended September 30, 2021) from Other Income to reduction in provisions and contingencies and provision for investments of Rs. 8,594 lakhs during the half year ended September 30, 2021 (Rs. 8,558 lakhs during the quarter ended June 30, 2021 and Rs. 36 lakhs during the quarter ended September 30, 2021) from provisions and contingencies to income from investments. There is no impact of this change on the net profit/loss of the current or earlier periods.
- 8 The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant volatility in the financial markets and slowdown in the economic activities. Consequent to the outbreak of the COVID-19 pandemic, the Indian government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the government, but regional restrictions continued to be implemented in areas due to the "second wave" of COVID-19, which included a significant surge of COVID-19 cases.
- The second wave has started to subside from June 2021 onwards and there has been a lifting of lock downs resulting in a gradual increase in economic activities. Basis the Bank's assessment of the potential impact of COVID-19 pandemic and stress emanating from certain geographies, as a prudent measure, has made accelerated provisions, aggregating to Rs 2,39,816 lakhs on standard assets as at September 30, 2021 (Rs. 32,266 lakhs as at June 30, 2021 and Rs. 2,09,600 lakhs as at September 30, 2020) against the potential impact of COVID-19 (other than provisions held for restructuring under COVID 19 restructuring guidelines). The provision held against advances restructured under COVID 19 as at September 30, 2021 amounts to Rs 1,55,512 lakhs which is 18.68% of the restructured advances.
- Further, during the quarter ended September 30, 2021 the Bank, as a prudent measure, has made accelerated provisions amounting to Rs 1,50,094 lakhs (Rs. 75,083 lakhs during quarter ended June 30, 2021 and Rs. NIL during quarter ended September 30, 2020) on certain NPA accounts for potential impact of COVID-19.
- 9 (i) Details of resolution plan implemented under the Resolution Framework for COVID-19-related Stress as per RBI circular dated August 6, 2020 (Resolution Framework 1.0) are given below:

(₹ in lakhs except number of accounts)

Type of Borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) Exposure to accounts mentioned at (A) before implementation of the plan	(C) Of aggregate amount of debt that was converted into other securities	(B), (D) Additional funding sanctioned, if any, including invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution #
Personal Loans (Housing)	6,426	61,528.84	-	-	5,814.76
Corporate persons	2	8,071.52	-	-	807.15
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	6,428	69,600.36	-	-	6,621.91

represents provisions held by the Bank as on September 30, 2021

None of the above borrower's accounts, where the resolution plan has been implemented as per RBI circular dated August 6, 2020 (Resolution Framework 1.0), have been modified under Resolution Framework 2.0 announced by the RBI on 5th May 2021.

(₹ in lakhs except number of accounts)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan- Position as at the end of the previous half-year (A)*	Of aggregate debt that slipped into NPA during the half-year (A)	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this half-year
Personal Loans (Housing)	61,528.84	3,452.41	-	773.36	57,303.07
Corporate persons	8,071.52	-	-	3,051.89	5,019.63
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	69,600.36	3,452.41	-	3,825.25	62,322.70

*includes restructuring implemented during the quarter ended June 2021 under the Resolution Framework 1.0. aggregating to Rs 8,071.52 Lakhs

(ii) Details of resolution plan implemented under the RBI Resolution Framework - 2.0: Resolution of COVID-19 related stress of Individuals and Small Businesses dated May 5, 2021 are given below:

(₹ in lakhs except number of accounts)

Sl. No	Description	Individual Borrowers		Small businesses
		Personal Loans	Business Loans	
(A)	Number of requests received for invoking resolution process	7,035	14,46,096	10,079
(B)	Number of accounts where resolution plan has been implemented under this window	6,914	13,82,371	9,444
(C)	Exposure to accounts mentioned at (B) before implementation of the plan	57,416.08	7,54,706.33	20,897.76
(D)	Of (C), aggregate amount of debt that was converted into other securities	-	-	-
(E)	Additional funding sanctioned, if any, including between invocation of the plan and implementation	-	-	-
(F)	Increase in provisions on account of the implementation of the resolution plan	6,028.64	1,38,904.30	3,808.97

10 As at September 30, 2021, the total number of Branches, Banking Units and ATM network stood at 1168, 4450 and 487 respectively.

11 Figures of the previous year/quarter have been regrouped / reclassified wherever necessary to conform to current year/period's classification.

For Bandhan Bank Limited

CHANDRA SHEKHAR GHOSH
Digitally signed by CHANDRA SHEKHAR GHOSH
Date: 2021.10.29 15:59:18 +05'30'

Chandra Shekhar Ghosh
Managing Director & CEO

Place : Kolkata
Date : October 29, 2021

Deloitte Haskin & Sells

Chartered Accountants
Indiabulls Finance Centre,
32nd Floor, Tower 3,
Senapati Bapat Marg,
Elphinstone Mill Compound,
Elphinstone (West), Mumbai – 400013

M M Nissim & Co LLP

Chartered Accountants
Barodawala Mansion,
B-wing,
3rd Floor, 81
Dr. Annie Besant Road
Worli, Mumbai – 400 018

INDEPENDENT AUDITORS' REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

**TO THE BOARD OF DIRECTORS OF
BANDHAN BANK LIMITED**

1. We have reviewed the accompanying Statement of Unaudited Financial Results of **BANDHAN BANK LIMITED** (the "Bank") for the quarter and half year ended September 30, 2021 (the "Statement"), being submitted by the Bank pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, except for the disclosures relating to Pillar 3 disclosures, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in Note 6 to the Statement, which have not been reviewed by us.
2. This Statement, which is the responsibility of the Bank's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 for "Interim Financial Reporting" ("AS 25"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, in so far as they apply to banks, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines") and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of the Bank's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Accounting Standard, RBI Guidelines and other accounting principles generally accepted in India, in so far as they apply to banks, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, except for the disclosures relating to Pillar 3 disclosures including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in Note 5 to the Statement, which have not been reviewed by us, or that it contains any material misstatement.
5. We draw attention to Note 8 of the Statement, which describes that the potential impact of the continuing COVID-19 pandemic on the Bank's results are dependent on future developments which are uncertain.

Our conclusion is not modified in respect of this matter.

6. The review of Statement of Unaudited Financial Results for the quarter ended June 30, 2021, and for the quarter and half year ended September 30, 2020 and audit of financial result for the year ended March 31, 2021, were conducted by Deloitte Haskins & Sells, Chartered Accountants, one of the joint statutory auditors of the Bank, whose reports dated July 30, 2021, November 2, 2020 and May 8, 2021 respectively expressed an unmodified conclusion/opinion on those financial results. Accordingly, we, M M Nissim & Co LLP, Chartered Accountants, do not express any conclusion/ opinion, as the case may be, on the figures reported in the financial results for the quarter ended June 30, 2021, quarter and half year ended September 30, 2020 and year ended March 31, 2021.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm Registration No. 117365W)

Subramaniam
Govindarajapuram
Krishnamurthy

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Govindarajapuram
Krishnamurthy
Date: 2021.10.29 16:05:55 +05'30'

G. K. Subramaniam
Partner
Membership No. 109839
UDIN: 21109839AAAAQW3967

For **M M Nissim & Co LLP**
Chartered Accountants
(Firm Registration No. 107122W / W100672)

SANJAYKUMAR
NANDKISHORE KHEMANI

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SANJAYKUMAR NANDKISHORE
KHEMANI
Date: 2021.10.29 16:12:57 +05'30'

Sanjay Khemani
Partner
Membership No. 044577
UDIN:21044577AAAAAU9704

MUMBAI, October 29, 2021

MUMBAI, October 29, 2021

PRESS RELEASE

**Bandhan Bank Total Income grew 6.0% in Q2 FY22 to ₹ 24.3 bn ;
Total Collection Efficiency for EEB portfolio of Q2FY21-22 at 111%;
Taken accelerated additional provision of ₹ 36 bn in Q2 FY21-22 in addition to
restructured provision of ₹ 10.3 bn**

Kolkata, October 29, 2021:

The Board of Directors of Bandhan Bank Ltd., at a meeting held in Kolkata today approved its Financial Results for the Quarter ended September 30, 2021. The accounts have been subjected to “Limited Review” by the statutory auditors of the bank.

Key Highlights :

- Loan portfolio (on book + off book + TLTRO + PTC) grew 6.6% YoY
- Deposits grew 23.9% YoY.
- CASA grew 44.6% YoY; CASA ratio at 44.6% against 38.2% YoY.
- GNPA as on September 30, 2021 at 10.8% against 8.2% as on June 30, 2021.
- Net NPAs as on September 30, 2021 at 3.0% against 3.3% as on June 30, 2021.
- Capital Adequacy Ratio (CRAR) at 20.44%; Tier I at 19.48%.
- NIM stands at 7.6%
- During Q2FY21-22, restructured EEB Portfolio worth of ₹ 34.9 bn and non-EEB portfolio worth of ₹ 2.68 bn totaling to ₹ 37.58 bn
- During the quarter, bank have made accelerated provision on NPA accounts of ₹ 15 bn resulting in PCR of 74% as against 62% in Q1FY22. In addition to this Bank has also provided additional standard assets provision amounting to ₹ 21 bn and provision on restructured assets amounting to ₹ 10.3bn amounting to total of ₹46.3 bn

Highlights for the Quarter ended September 30, 2021:

- Net Interest Income (NII) for the quarter grew by 0.6% to ₹1,935.4 crore as against ₹1,923.1 crore in the corresponding quarter of the previous year.
- Non-interest income grew by 34.0% to ₹491.6 crore for the quarter ended September 30, 2021 against ₹366.8 crore in the corresponding quarter of the previous year.
- Operating Profit for the quarter decreased by 3.9% to ₹1,549.2 crore against ₹1,612.6 crore in the corresponding quarter of the previous year.
- Net Interest Margin (annualised) for the quarter ended September 30, 2021 stood at 7.6% against 8.0% in September 30, 2020.
- Total Advances (on book + off book + TLTRO + PTC) grew by 6.6% to ₹81,661.2 crore as on September 30, 2021 against ₹76,614.6 crore as on September 30, 2020
- Total Deposits increased by 23.9% to ₹81,898.3 crore as on September 30, 2021 as compared to ₹66,127.7 crore as on September 30, 2020.
- Gross NPAs as on September 30, 2021 is at ₹8,763.6 crore (10.8%) against ₹6,440.4 crore (8.2%) as on June 30, 2021.

- Net NPAs as on September 30, 2021 stood at ₹2,265.8 crore (3.0%) against ₹ 2,457.9 crore (3.3%) as on June 30, 2021.

Commenting on the performance, Mr. Chandra Shekhar Ghosh, Managing Director and CEO of Bandhan Bank said: “During the quarter we have seen substantial recovery in collections as the second wave of covid subsided. We have recognized the stress pool and proactively taken additional requisite provisions such as to meet any contingency requirements and to look forward to do business on a clean slate. This has resulted in loss for the quarter. However, it will help us to concentrate on fresh business growth and to concentrate towards achieving our long term goals with renewed energy.

We have envisaged to diversify our portfolio both in terms of products and geographies; for which we have already worked in that direction and expect the results soon. We are confident of achieving our normal business growth very soon; provided no further covid related disruptions occur.”

Banking outlets as on September 30, 2021, stood at 5,618. The network consists of 1,168 branches, 4,450 banking units as against 1,045 branches and 3,656 banking units as on September 30, 2020. Total number of ATMs stood at 487 as on September 30, 2021 against 487 as on September 30, 2020. During the quarter, the number of employees of the bank has gone up from 51,054 to 52,976.

Highlights for the Quarter ended September 30, 2021:

Particulars (in ₹ crore)	Quarter				
	Q2 FY22	Q1 FY22	QoQ%	Q2 FY21	YoY%
Net Interest Income	1,935.4	2,114.1	-8.5%	1,923.1	0.6%
Non-Interest Income	491.6	600.1	-18.1%	366.8	34.0%
Total Income	2,427.0	2,714.2	-10.6%	2,289.9	6.0%
Opex	877.8	775.9	13.1%	677.3	29.6%
Operating Profit	1,549.2	1,938.3	-20.1%	1,612.6	-3.9%
Provision (Other than Taxes)	5,577.9	1,442.0	286.8%	379.6	1367.9%
PBT	-4,028.7	496.3	-912.3%	1,233.0	-426.7%
PAT	-3,008.6	373.1	-906.7%	920.0	-427.1%

Key Ratios Highlights:

Particulars	Quarter		
	Q2 FY22	Q1 FY22	Q2 FY21
CASA to Total Deposit	44.6%	42.9%	38.2%
Net Interest Margin (Annualised)	7.6%	8.5%	8.0%
Cost to Income Ratio	36.2%	28.6%	29.6%
Capital Adequacy Ratio (CAR)	20.4%	24.8%	25.7%
Gross NPA (%)	10.8%	8.2%	1.2%
Net NPA (%)	3.04%	3.29%	0.36%

**Bandhan Bank Limited**

Regd. Office: DN 32, Sector V, Salt Lake City, Kolkata - 700 091 | CIN: L67190WB2014PLC204622

Phone: +91 33 6609 0909, 4045 6456 | Fax: +91 33 6609 0502

Email: info@bandhanbank.com | Website: www.bandhanbank.com**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 5,618 banking outlets serving 2.43 crore customers, as on September 30, 2021. 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**Aveek Datta**, DVP – Corporate Communications - aveek.datta@bandhanbank.com**Apurva Sircar**, Head – Marketing - apurva.sircar@bandhanbank.com