

Limited Review Report**Review Report to
The Board of Directors
Bandhan Bank Limited**

1. We have reviewed the accompanying statement of unaudited financial results of Bandhan Bank Limited ('the Bank') for the quarter ended June 30, 2018 (the "Statement"). The disclosures relating to "Pillar 3 under Basel III Capital Regulations", "Leverage Ratio" and "Liquidity Coverage Ratio" as have been disclosed on the Bank's website and in respect of which a link have been provided in aforesaid Statement have not been reviewed by us. This Statement is the responsibility of the Bank's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review 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. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of bank personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Without qualifying our conclusion, we draw attention to Note No. 5 regarding exercise of the option by the Bank by spreading the provision for Mark to Market (MTM) losses over four quarters resulting into carrying forward of un-amortized MTM losses of Rs. 65.08 crores as at June 30, 2018 for amortization in remaining quarters.
4. Based on our review conducted as mentioned in paragraph 2 above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

For **S.R. BATLIBOI & ASSOCIATES LLP**
ICAI Firm registration number: 101049W/E300004
Chartered Accountants



per **Amit Kabra**
Partner
Membership No.: 094533

Place: Kolkata
Date: July 18, 2018



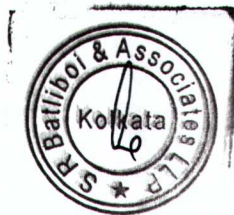


FINANCIAL RESULT FOR THE QUARTER ENDED 30TH JUNE, 2018

(₹ in lacs)

| Particulars | Quarter Ended | | | Year Ended |
|------------------------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|
| | 30.06.2018 | 31.03.2018 | 30.06.2017 | 31.03.2018 |
| | Unaudited | Audited | Unaudited | Audited |
| 1 Interest Earned (a+b+c+d) | 1,55,617.25 | 1,35,059.46 | 1,15,335.65 | 4,80,229.63 |
| a) Interest/discount on advances/bills | 1,29,805.29 | 1,17,851.85 | 79,288.89 | 3,82,360.24 |
| b) Income on Investments | 15,088.90 | 13,646.79 | 10,424.00 | 49,002.21 |
| c) Interest on balance with Reserve Bank of India and other inter bank funds | 3,461.01 | 956.90 | 7,409.23 | 14,161.07 |
| d) Others | 7,262.05 | 2,603.92 | 18,213.53 | 34,706.11 |
| 2 Other Income | 21,068.86 | 20,337.93 | 12,196.00 | 70,618.46 |
| 3 Total Income (1+2) | 1,76,686.11 | 1,55,397.39 | 1,27,531.65 | 5,50,848.09 |
| 4 Interest Expended | 51,900.20 | 48,719.05 | 40,987.04 | 1,77,006.04 |
| 5 Operating Expenses | 42,734.52 | 36,297.52 | 30,856.40 | 1,30,831.04 |
| i) Employees Cost | 24,885.10 | 18,860.12 | 16,317.86 | 68,798.01 |
| ii) Other Operating Expenses | 17,849.42 | 17,437.40 | 14,538.54 | 62,033.03 |
| 6 Total Expenditure (4+5) (Excluding provision & Contingencies) | 94,634.72 | 85,016.57 | 71,843.44 | 3,07,837.08 |
| 7 Operating Profit before Provision & Contingencies (3-6) | 82,051.39 | 70,380.82 | 55,688.21 | 2,43,011.01 |
| 8 Provisions (other than tax) & Contingencies | 8,002.79 | 10,908.57 | 5,564.17 | 37,421.27 |
| 9 Exceptional Items | - | - | - | - |
| 10 Profit/(Loss) from ordinary activities before tax (7-8-9) | 74,048.60 | 59,472.25 | 50,124.04 | 2,05,589.74 |
| 11 Tax Expenses | 25,877.38 | 20,686.57 | 17,467.81 | 71,034.06 |
| 12 Net Profit/(Loss) from ordinary activities after tax (10-11) | 48,171.22 | 38,785.68 | 32,656.23 | 1,34,555.68 |
| 13 Extraordinary items (net of tax expenses) | - | - | - | - |
| 14 Net Profit/(Loss) for the period (12-13) | 48,171.22 | 38,785.68 | 32,656.23 | 1,34,555.68 |
| 15 Paid up equity share capital (Face value of ₹10/- each) | 1,19,280.49 | 1,19,280.49 | 1,09,514.10 | 1,19,280.49 |
| 16 Reserve excluding revaluation reserves | - | - | - | 8,18,914.22 |
| 17 Analytical Ratios | | | | |
| (i) Percentage of shares held by Government of India | NIL | NIL | NIL | NIL |
| (ii) Capital Adequacy Ratio | 32.61 | 31.48 | 26.12 | 31.48 |
| (iii) Earning per share | | | | |
| (a) Basic EPS before & after extraordinary items* | 4.04 | 3.51 | 2.98 | 12.26 |
| (b) Diluted EPS before & after extraordinary items* | 4.03 | 3.51 | 2.98 | 12.26 |
| (iv) NPA Ratios | | | | |
| (a) Gross NPAs | 38,834.16 | 37,314.06 | 17,519.06 | 37,314.06 |
| (b) Net NPAs | 19,424.76 | 17,290.38 | 10,546.38 | 17,290.38 |
| (c) % of Gross NPAs to Gross Advances | 1.26% | 1.25% | 0.93% | 1.25% |
| (d) % of Net NPAs to Net Advances | 0.64% | 0.58% | 0.56% | 0.58% |
| (v) Return on Assets (average)* | 1.12% | 1.00% | 1.10% | 4.06% |

* Figures for the quarter are not annualised





Bandhan Bank Limited
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CIN: U67190WB2014PLC204622

Tel: 033-66090909; www.bandhanbank.com; Email: info@bandhanbank.com

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

| Particulars | | (₹ in lacs) | | | |
|-------------|--------------------------------|---------------------|---------------------|---------------------|---------------------|
| | | Quarter Ended | | Year Ended | |
| | | 30.06.2018 | 31.03.2018 | 30.06.2017 | 31.03.2018 |
| | | Unaudited | Audited | Unaudited | Audited |
| 1 | Segment Revenue | | | | |
| a) | Treasury | 19,928.46 | 15,068.57 | 22,776.35 | 70,673.14 |
| b) | Retail Banking | 1,53,475.09 | 1,34,969.80 | 1,10,754.19 | 4,92,813.47 |
| c) | Wholesale Banking | 4,683.59 | 3,881.11 | 1,724.91 | 10,053.86 |
| d) | Other Banking Operations | 297.92 | 853.73 | - | 853.73 |
| e) | Unallocated | - | - | - | - |
| | Total | 1,78,385.06 | 1,54,773.21 | 1,35,255.45 | 5,74,394.20 |
| | Less: Inter segment revenue | 1,698.95 | (624.18) | 7,723.81 | 23,546.11 |
| | Income from operations | 1,76,686.11 | 1,55,397.39 | 1,27,531.64 | 5,50,848.09 |
| 2 | Segment Results | | | | |
| a) | Treasury | 9,553.51 | 6,837.70 | 11,388.95 | 22,139.08 |
| b) | Retail Banking | 63,537.13 | 49,548.85 | 38,556.16 | 1,79,696.01 |
| c) | Wholesale Banking | 704.83 | 2,237.49 | 178.93 | 2,906.44 |
| d) | Other Banking Operations | 253.12 | 848.21 | - | 848.21 |
| e) | Unallocated | - | - | - | - |
| | Total Profit Before Tax | 74,048.59 | 59,472.25 | 50,124.04 | 2,05,589.74 |
| 3 | Segment Assets | | | | |
| a) | Treasury | 10,62,951.42 | 11,80,924.15 | 8,73,157.51 | 11,80,924.15 |
| b) | Retail Banking | 30,85,879.58 | 30,33,844.98 | 20,06,335.81 | 30,33,844.98 |
| c) | Wholesale Banking | 1,87,570.44 | 2,00,028.48 | 55,348.84 | 2,00,028.48 |
| d) | Other Banking Operations | 185.43 | 337.92 | - | 337.92 |
| e) | Unallocated | 16,040.97 | 15,870.08 | 9,105.35 | 15,870.08 |
| | Total | 43,52,627.84 | 44,31,005.61 | 29,43,947.51 | 44,31,005.61 |
| 4 | Segment Liabilities | | | | |
| a) | Treasury | 1,88,408.20 | 1,80,409.30 | 89,307.03 | 1,80,409.30 |
| b) | Retail Banking | 31,03,657.28 | 31,40,510.27 | 23,57,928.74 | 31,40,510.27 |
| c) | Wholesale Banking | 60,819.30 | 1,69,473.35 | 6,359.64 | 1,69,473.35 |
| d) | Other Banking Operations | - | - | - | - |
| e) | Unallocated | 13,377.13 | 2,417.98 | 13,050.33 | 2,417.98 |
| | Total | 33,66,261.91 | 34,92,810.90 | 24,66,645.74 | 34,92,810.90 |
| 5 | Capital Employed | | | | |
| a) | Treasury | 8,74,543.22 | 10,00,514.85 | 7,83,850.48 | 10,00,514.85 |
| b) | Retail Banking | (17,777.70) | (1,06,665.29) | (3,51,592.93) | (1,06,665.29) |
| c) | Wholesale Banking | 1,26,751.14 | 30,555.13 | 48,989.20 | 30,555.13 |
| d) | Other Banking Operations | 185.43 | 337.92 | - | 337.92 |
| e) | Unallocated | 2,663.84 | 13,452.10 | (3,944.98) | 13,452.10 |
| | Total | 9,86,365.93 | 9,38,194.71 | 4,77,301.77 | 9,38,194.71 |



Notes:

- 1 The above results were reviewed by the Audit Committee and approved by the Board of Directors of the Bank at its meeting held on July 18, 2018. The results for the quarter ended June 30, 2018 are subjected to 'Limited Review' by the Statutory Auditors of the Bank and there are no qualifications in the limited review report.
- 2 Other income relates to processing fee, sale of Priority Sector Lending Certificates (PSLC), card charges recovered from customers and profit from sale of investments.
- 3 As at June 30, 2018, the total number of branches, DSCs and ATM network stood at 937 Branches, 2764 DSCs and 475 ATMs respectively.
- 4 RBI Master Circular DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015 as amended on 'Basel III Capital Regulations' contain guidelines on certain Pillar 3 and leverage 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 subjected to limited review.
- 5 The mark to market depreciation on AFS/HFT investment category for the quarter ended June 30, 2018 is Rs 86.77 crores. RBI circular no. DBR.No.BP.BC.113 /21.04.048/2017-18 dated June 15, 2018 permitted Banks an option to spread provisioning for mark to market losses for the quarter ended June 30, 2018, equally over upto four quarters, commencing from the quarter in which the loss was incurred. The Bank has availed the option to spread the provisioning over four quarters, and accordingly charged Rs 21.69 crores to the profit and loss account during the quarter and the unamortised depreciation as on June 30, 2018 is Rs 65.08 crores.
- 6 During the quarter, the Bank has received Rs.255.82 crores from sale of PSLC. Out of the aforesaid amount, Rs.63.96 crores has been recognised in the profit and loss account during the quarter and the remaining amount of Rs 191.86 crores will be recognised in the profit and loss account over the remaining three quarters. In the previous year, income from sale of PSLC were recognised upfront.
- 7 Figures of the previous year/period have been regrouped / reclassified wherever necessary to conform to current year/period's classification.

For Bandhan Bank Limited



Chandra Shekhar Ghosh
Managing Director & CEO

Place : Kolkata
Date : 18th July 2018

