

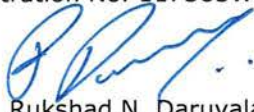
## INDEPENDENT AUDITORS' REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

### 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 ended June 30, 2019 ("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 5 to the Statement and 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 and have not been reviewed by us, or that it contains any material misstatement.
5. We invite attention to Note 7 of the Statement regarding the Proposed Scheme of Amalgamation of GRUH Finance Limited into and with the Bank. Pending final approvals, no effect to the proposed scheme of amalgamation has been given in this Statement. Our conclusion on the Statement is not modified in respect of this matter.

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



  
Rukshad N. Daruvala  
Partner

(Membership No. 111188)  
UDIN: 19111188AAAACN7387



**Bandhan Bank Limited**  
**DN-32, Sector V, Salt Lake, Kolkata - 700091**  
**CIN: L67190WB2014PLC204622**

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

**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2019**

(₹ in lacs)

Particulars	Quarter Ended			Year Ended
	30.06.2019	31.03.2019	30.06.2018	31.03.2019
	Unaudited	Audited (Refer Note 8)	Unaudited	Audited
<b>1 Interest Earned (a+b+c+d)</b>	<b>2,12,056.29</b>	<b>1,83,268.57</b>	<b>1,55,617.25</b>	<b>6,64,405.17</b>
a) Interest/discount on advances/bills	1,78,628.95	1,59,378.68	1,29,805.29	5,72,723.49
b) Income on Investments	18,650.34	15,553.66	15,088.90	61,711.91
c) Interest on balance with Reserve Bank of India and other inter bank funds	1,700.30	1,165.74	3,461.01	7,141.51
d) Others	13,076.70	7,170.49	7,262.05	22,828.26
2 Other Income (Refer note 2)	31,220.61	38,782.56	21,068.86	1,06,304.78
<b>3 Total Income (1+2)</b>	<b>2,43,276.90</b>	<b>2,22,051.13</b>	<b>1,76,686.11</b>	<b>7,70,709.95</b>
4 Interest Expended	71,017.97	57,521.24	51,900.20	2,14,795.28
5 Operating Expenses	51,502.75	49,209.73	42,734.52	1,81,096.13
i) Employees Cost	31,832.19	26,993.06	24,885.10	1,00,869.38
ii) Other Operating Expenses	19,670.56	22,216.67	17,849.42	80,226.75
<b>6 Total Expenditure (4+5) (Excluding provisions &amp; Contingencies)</b>	<b>1,22,520.72</b>	<b>1,06,730.97</b>	<b>94,634.72</b>	<b>3,95,891.41</b>
<b>7 Operating Profit before Provisions &amp; Contingencies (3-6)</b>	<b>1,20,756.18</b>	<b>1,15,320.16</b>	<b>82,051.39</b>	<b>3,74,818.54</b>
8 Provisions (other than tax) & Contingencies	12,540.32	15,327.81	8,002.79	73,513.15
9 Exceptional Items	-	-	-	-
<b>10 Profit from ordinary activities before tax (7-8-9)</b>	<b>1,08,215.86</b>	<b>99,992.35</b>	<b>74,048.60</b>	<b>3,01,305.39</b>
11 Tax Expenses	38,101.79	34,905.23	25,877.38	1,06,155.20
<b>12 Net Profit from ordinary activities after tax (10-11)</b>	<b>70,114.07</b>	<b>65,087.12</b>	<b>48,171.22</b>	<b>1,95,150.19</b>
13 Extraordinary items (net of tax expenses)	-	-	-	-
<b>14 Net Profit for the period (12-13)</b>	<b>70,114.07</b>	<b>65,087.12</b>	<b>48,171.22</b>	<b>1,95,150.19</b>
15 Paid up equity share capital (Face value of ₹10/- each)	1,19,309.60	1,19,308.29	1,19,280.49	1,19,308.29
16 Reserve excluding revaluation reserves				10,00,866.42
17 Analytical Ratios				
(i) Percentage of shares held by Government of India	NIL	NIL	NIL	NIL
(ii) Capital Adequacy Ratio (Basel III)	27.03	29.20	32.61	29.20
(iii) Earning per share				
(a) Basic EPS before & after extraordinary items*	5.88	5.46	4.04	16.36
(b) Diluted EPS before & after extraordinary items*	5.87	5.45	4.03	16.34
(iv) Non Performing Assets (NPA) Ratios				
(a) Amount of Gross NPAs	85,099.20	81,955.65	38,834.16	81,955.65
(b) Amount of Net NPAs	23,225.65	22,831.74	19,424.76	22,831.74
(c) % of Gross NPAs to Gross Advances	2.02%	2.04%	1.26%	2.04%
(d) % of Net NPAs to Net Advances	0.56%	0.58%	0.64%	0.58%
(v) Return on Assets (average)*	1.22%	1.28%	1.12%	4.23%

\* Figures for the quarter are not annualised





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**SEGMENTAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2019**

Particulars		Quarter Ended			(₹ in lacs)
		30.06.2019	31.03.2019	30.06.2018	Year Ended 31.03.2019
		Unaudited	Audited (Refer Note 8)	Unaudited	Audited
<b>1 Segment Revenue</b>					
a) Treasury	27,137.54	19,751.92	19,928.46	75,420.22	
b) Retail Banking	2,16,719.42	1,96,874.62	1,55,750.64	6,88,454.96	
c) Wholesale Banking	7,376.00	5,882.39	4,683.59	19,408.85	
d) Other Banking Operations	1,273.59	1,609.77	297.92	3,269.45	
e) Unallocated	-	-	-	-	
<b>Total</b>	<b>2,52,506.55</b>	<b>2,24,118.70</b>	<b>1,80,660.61</b>	<b>7,86,553.48</b>	
Less: Inter segment revenue	9,229.65	2,067.57	3,974.50	15,843.53	
<b>Income from operations</b>	<b>2,43,276.90</b>	<b>2,22,051.13</b>	<b>1,76,686.11</b>	<b>7,70,709.95</b>	
<b>2 Segment Results</b>					
a) Treasury	15,286.48	16,242.29	7,179.80	49,291.15	
b) Retail Banking	90,930.59	83,436.50	65,812.68	2,86,826.26	
c) Wholesale Banking	930.26	(706.17)	803.00	(37,374.06)	
d) Other Banking Operations	1,068.53	1,019.73	253.12	2,562.04	
e) Unallocated	-	-	-	-	
<b>Total Profit Before Tax</b>	<b>1,08,215.86</b>	<b>99,992.35</b>	<b>74,048.60</b>	<b>3,01,305.39</b>	
<b>3 Segment Assets</b>					
a) Treasury	16,74,463.72	16,31,905.18	11,83,899.25	16,31,905.18	
b) Retail Banking	38,85,564.67	37,31,265.07	29,67,362.12	37,31,265.07	
c) Wholesale Banking	2,84,388.05	2,57,936.32	1,85,140.07	2,57,936.32	
d) Other Banking Operations	774.67	350.17	185.43	350.17	
e) Unallocated	21,583.40	22,714.50	16,040.97	22,714.50	
<b>Total Segment Assets</b>	<b>58,66,774.51</b>	<b>56,44,171.24</b>	<b>43,52,627.84</b>	<b>56,44,171.24</b>	
<b>4 Segment Liabilities</b>					
a) Treasury	1,17,054.80	3,03,388.40	1,88,408.20	3,03,388.40	
b) Retail Banking	45,20,086.41	41,45,326.72	31,03,657.28	41,45,326.72	
c) Wholesale Banking	61,650.01	69,519.34	60,819.30	69,519.34	
d) Other Banking Operations	-	-	-	-	
e) Unallocated	20,820.93	5,762.09	13,377.13	5,762.09	
<b>Total Segment Liabilities</b>	<b>47,19,612.15</b>	<b>45,23,996.55</b>	<b>33,66,261.91</b>	<b>45,23,996.55</b>	
<b>5 Capital Employed (Segment Assets - Segment Liabilities)</b>					
a) Treasury	15,57,408.92	13,28,516.78	9,95,491.05	13,28,516.78	
b) Retail Banking	(6,34,521.74)	(4,14,061.65)	(1,36,295.16)	(4,14,061.65)	
c) Wholesale Banking	2,22,738.04	1,88,416.98	1,24,320.77	1,88,416.98	
d) Other Banking Operations	774.67	350.17	185.43	350.17	
e) Unallocated	762.47	16,952.41	2,663.84	16,952.41	
<b>Total</b>	<b>11,47,162.36</b>	<b>11,20,174.69</b>	<b>9,86,365.93</b>	<b>11,20,174.69</b>	

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 The above unaudited financial results for the quarter ended June 30, 2019 have been reviewed by the Audit Committee and recommended for approval to and approved by the Board of Directors. These results were subjected to 'Limited Review' by the Statutory Auditors of the Bank. An unqualified review report has been issued by them thereon.
- 2 Other income relates to processing fee, sale of Priority Sector Lending Certificates (PSLC), commission, card charges recovered from customers and profit/(loss) from sale of investments (net). During the quarter ended June 30, 2019, the Bank has received ₹ 370.03 crore (quarter ended June 30, 2018 ₹ 255.82 crore) from sale of PSLC. Out of the aforesaid amount, ₹ 92.51 crore (quarter ended June 30, 2018 ₹ 63.96 crore) has been recognised in the Profit and Loss Account during the quarter on an equated basis from the quarter in which the sale has occurred and the remaining amount of ₹ 277.52 crore (quarter ended June 30, 2018 ₹ 191.86 crore) will be recognised in the Profit and Loss Account over the remaining three quarters.
- 3 During the quarter ended June 30, 2019, the Bank has allotted 13,131 Equity Shares of ₹ 10/- each in respect of stock option exercised aggregating to value Rs 0.24 crore. Accordingly, share capital increased by ₹ 0.01 crore and share premium increased by ₹ 0.23 crore.
- 4 The dividend of ₹ 431.50 crore (including Dividend Distribution Tax) for the year ended March 31, 2019 was approved in the Annual General Meeting held on June 28, 2019 and has been appropriated during the quarter ended June 30, 2019.
- 5 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, 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 subjected to audit / limited review by the Statutory Auditors.
- 6 As at June 30, 2019, the total number of Branches, 'Door Step Service Centers' (DSCs) and ATM network stood at 999, 3,014 and 481 respectively.
- 7 On January 07, 2019, the Board of Directors of the Bank approved the Scheme of Amalgamation of GRUH Finance Limited with the Bank (the 'Scheme'), subject to regulatory approvals. Thereafter Reserve Bank of India (RBI), BSE Limited and National Stock Exchange of India have already granted their no-objection to the Scheme and approval of the Competition Commission of India (CCI) has also been received on the Scheme. The National Company Law Tribunal, Kolkata Bench ('NCLT') vide its order dated June 20, 2019 has directed for convening a meeting of the Equity Shareholders of the Bank on July 30, 2019, to consider and if thought fit, to approve with or without modification(s), the arrangement embodied in the Scheme. The Scheme, if approved in the aforesaid meeting, will be subject to the subsequent final approval of the NCLT. The appointed date for the said transaction is proposed to be January 01, 2019 or such other date as may be mutually agreed and the effective date shall be based on the receipt of the aforesaid approvals. Pending the same, no effect of the proposed scheme has been given in the current financial results or the financial position of the Bank as at June 30, 2019.
- 8 The figures for the quarter ended March 31, 2019 are the balancing figures between audited figures in respect of full financial year upto March 31, 2019 and the unaudited published year to date figures upto December 31, 2018, being the date of the end of the third quarter of the financial year 2018-19 which were subject to Limited Review. The figures for the periods ended June 30, 2018 and March 31, 2019 were reviewed / audited by the previous Statutory Auditors.
- 9 The Capital Adequacy Ratio for the quarter ended June 30, 2019 has been computed without reckoning the net profit for the current quarter in accordance with the RBI guidelines as the incremental provisions made for non-performing assets during the quarter ended December 31, 2018 had deviated by more than 25% from the average of the four quarters of the financial year 2018-19 on account of an exposure to a borrower from infrastructure development and finance sector. The Capital Adequacy Ratio for the corresponding previous periods have been computed after reckoning the net profit for the respective periods in accordance with the RBI guidelines.
- 10 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 : July 19, 2019