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# Bandhan's bumper listing makes it India's eighth most valued bank

Bank lists at 27% premium, overtakes Bank of Baroda and Punjab National Bank in market capitalization

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MUMBAI

Shares of Bandhan Bank Ltd listed at a 27% premium on the bourses on Tuesday, making the lender the eighth most valued among peers, ahead of the likes of Bank of Baroda and Punjab National Bank.

Bandhan's listing day gains, after its Rs4,470 crore initial public offering (IPO) was subscribed 14.63 times last week, was the best since Amber Enterprises India Ltd's debut on 30 January.

Among banks, it was the best listing since RBL Bank Ltd, which debuted on the bourses in August 2016.

Bandhan Bank shares closed 27.3% higher at Rs477.20, compared with the issue price of

## India's top banks by market capitalization

Ranking	Bank	Market cap (In Rs crore) as on 27 Mar
1	HDFC Bank	4,91,873.41
2	State Bank of India	2,19,124.69
3	Kotak Mahindra Bank	2,00,588.56
4	ICICI Bank	1,82,511.53
5	Axis Bank	1,31,458.82
6	IndusInd Bank	1,07,199.32
7	Yes Bank	70,033.23
8	Bandhan Bank	56,920.65
9	Bank of Baroda	33,122.29
10	Punjab National Bank	24,073.95

Source: BSE

NAVEEN KUMAR SAINI/MINT

Rs375, which was the upper end of the IPO price band of Rs370-375 per share.

"Bandhan's IPO had a very strong response, as the concept of a microfinance bank, with solid

ratios and earnings outlook, attracted investors, despite the offer price looking steep," said Dhananjay Sinha, head of research at Emkay Global Financial Services Ltd.

"The long-term prospects are bright, and that has excited investors," Sinha added.

The benchmark 30-share Sensex, meanwhile, added 0.33% to close at 33,174.39 points.

Earlier in the day, Bandhan shares opened at Rs485, touching a high of Rs494.80 and a low of Rs455.

Brokerages had been sceptical of listing gains, even as they had recommended investors apply for the private lender's IPO from a long-term perspective, on the back of healthy financials and high return ratios.

Kolkata-based Bandhan's listing is a bright spot in an otherwise dull turn of events in the Indian capital market.

Late on Monday, ICICI Securities Ltd, the brokerage and investment banking arm of ICICI Bank Ltd, cut the size of its IPO to around Rs3,520 crore after the

IPO witnessed low subscription, especially in the portion reserved for high net-worth individuals (HNI).

Also, last week, state-run Bharat Dynamics Ltd fell 8.7% on listing day in a weak Mumbai market.

Bandhan Bank is one of the two entities to receive a universal banking licence in 2015 and the only microfinance institution to do so. It focuses on small and medium enterprise loans, and on under-banked areas.

As of 31 December, Bandhan's deposits and gross advances stood at Rs25,294 crore and Rs24,364 crore, respectively.

For the nine months ended 31 December 2017 and 2016, it had net interest margins (NIMs) of 9.86% and 10.34%, return on equity (RoE) of 25.55% and 27.88%, and return on assets (RoA) of 4.07% and 4.39%, respectively, each on an annualized basis.



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