

**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 and half year ended September 30, 2018 (the "Statement") being submitted by the Bank pursuant to the requirement of Regulation 33 of the SEBI ( Listing Obligations and Disclosure Requirements) Regulations, 2015. 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. 6 regarding exercise of the option by the Bank by spreading the provision for Mark to Market (MTM) losses for the quarter ended June 30, 2018, over four quarters resulting into carrying forward of un-amortized MTM losses of Rs 43.38 crores as at September 30, 2018, for amortization in remaining quarters of the current financial year.
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: Mumbai  
Date: October 10, 2018



**FINANCIAL RESULT FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2018**

(₹ in lacs)

Particulars	Quarter Ended			Half-Year Ended		Year Ended
	30.09.2018	30.06.2018	30.09.2017	30.09.2018	30.09.2017	31.03.2018
	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Audited
<b>1 Interest Earned (a+b+c+d)</b>	<b>160,564.07</b>	<b>155,617.25</b>	<b>112,012.03</b>	<b>316,181.32</b>	<b>227,347.67</b>	<b>480,229.63</b>
a) Interest/discount on advances/bills	139,984.13	129,805.29	89,730.91	269,789.42	169,019.80	382,360.24
b) Income on Investments	15,944.01	15,088.90	11,956.12	31,032.91	22,380.12	49,002.21
c) Interest on balance with Reserve Bank of India and other inter bank funds	1,254.45	3,461.01	3,685.77	4,715.46	11,095.00	14,161.07
d) Others	3,381.48	7,262.05	6,639.23	10,643.53	24,852.75	34,706.11
2 Other Income	23,043.51	21,068.86	22,264.34	44,112.37	34,460.34	70,618.46
<b>3 Total Income (1+2)</b>	<b>183,607.58</b>	<b>176,686.11</b>	<b>134,276.37</b>	<b>360,293.69</b>	<b>261,808.01</b>	<b>550,848.09</b>
4 Interest Expended	52,818.70	51,900.20	42,655.50	104,718.90	83,642.54	177,006.04
5 Operating Expenses	43,389.55	42,734.52	32,125.57	86,124.07	62,981.97	130,831.04
i) Employees Cost	23,415.74	24,885.10	17,324.44	48,300.84	33,642.30	68,798.01
ii) Other Operating Expenses	19,973.81	17,849.42	14,801.13	37,823.23	29,339.67	62,033.03
<b>6 Total Expenditure (4+5) (Excluding provisions &amp; Contingencies)</b>	<b>96,208.25</b>	<b>94,634.72</b>	<b>74,781.07</b>	<b>190,842.97</b>	<b>146,624.51</b>	<b>307,837.08</b>
<b>7 Operating Profit before Provisions &amp; Contingencies (3-6)</b>	<b>87,399.33</b>	<b>82,051.39</b>	<b>59,495.30</b>	<b>169,450.72</b>	<b>115,183.50</b>	<b>243,011.01</b>
8 Provisions (other than tax) & Contingencies	12,417.86	8,002.79	8,693.90	20,420.65	14,258.07	37,421.27
9 Exceptional Items	-	-	-	-	-	-
10 Profit/(Loss) from ordinary activities before tax (7-8-9)	74,981.47	74,048.60	50,801.40	149,030.07	100,925.43	205,589.74
11 Tax Expenses	26,216.30	25,877.38	17,692.13	52,093.68	35,159.94	71,034.06
12 Net Profit/(Loss) from ordinary activities after tax (10-11)	48,765.17	48,171.22	33,109.27	96,936.39	65,765.49	134,555.68
13 Extraordinary items (net of tax expenses)	-	-	-	-	-	-
<b>14 Net Profit/(Loss) for the period (12-13)</b>	<b>48,765.17</b>	<b>48,171.22</b>	<b>33,109.27</b>	<b>96,936.39</b>	<b>65,765.49</b>	<b>134,555.68</b>
15 Paid up equity share capital (Face value of ₹10/- each)	119,280.49	119,280.49	109,514.10	119,280.49	109,514.10	119,280.49
16 Reserve excluding revaluation reserves						818,914.22
17 Analytical Ratios						
(i) Percentage of shares held by Government of India	NIL	NIL	NIL	NIL	NIL	NIL
(ii) Capital Adequacy Ratio	32.59	32.61	24.85	32.59	24.85	31.48
(iii) Earning per share						
(a) Basic EPS before & after extraordinary items*	4.09	4.04	3.02	8.13	6.01	12.26
(b) Diluted EPS before & after extraordinary items*	4.08	4.03	3.02	8.12	6.01	12.26
(iv) NPA Ratios						
(a) Gross NPAs	41,334.78	38,834.16	27,915.00	41,334.78	27,915.00	37,314.06
(b) Net NPAs	22,036.32	19,424.76	14,672.10	22,036.32	14,672.10	17,290.38
(c) % of Gross NPAs to Gross Advances	1.29%	1.26%	1.43%	1.29%	1.43%	1.25%
(d) % of Net NPAs to Net Advances	0.69%	0.64%	0.76%	0.69%	0.76%	0.58%
(v) Return on Assets (average)*	1.08%	1.12%	1.05%	2.20%	2.16%	4.06%

\* Figures for the quarter and half-year are not annualised





**Bandhan Bank Limited**  
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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		(₹ in lacs)
	30.09.2018	30.06.2018	30.09.2017	30.09.2018	30.09.2017	Year Ended
	Unaudited	Unaudited	Unaudited	Unaudited	Audited	31.03.2018
<b>1 Segment Revenue</b>						
a) Treasury	18,758.19	19,928.46	16,314.28	38,686.65	39,090.63	70,673.14
b) Retail Banking	162,081.09	153,475.09	123,828.29	315,556.18	234,582.48	492,813.47
c) Wholesale Banking	4,374.38	4,683.59	1,931.56	9,057.97	3,656.47	10,053.86
d) Other Banking Operations	662.30	297.92	-	960.22	-	853.73
e) Unallocated	-	-	-	-	-	-
<b>Total</b>	<b>185,875.96</b>	<b>178,385.06</b>	<b>142,074.13</b>	<b>364,261.02</b>	<b>277,329.58</b>	<b>574,394.20</b>
Less: Inter segment revenue	2,268.38	1,698.95	7,797.76	3,967.33	15,521.57	23,546.11
<b>Income from operations</b>	<b>183,607.58</b>	<b>176,686.11</b>	<b>134,276.37</b>	<b>360,293.69</b>	<b>261,808.01</b>	<b>550,848.09</b>
<b>2 Segment Results</b>						
a) Treasury	9,108.68	9,553.51	3,567.53	18,662.19	14,956.47	22,139.08
b) Retail Banking	64,576.88	63,537.14	46,668.85	128,114.02	85,225.01	179,696.01
c) Wholesale Banking	671.71	704.83	565.02	1,376.54	743.95	2,906.44
d) Other Banking Operations	624.20	253.12	-	877.32	-	848.21
e) Unallocated	-	-	-	-	-	-
<b>Total Profit Before Tax</b>	<b>74,981.47</b>	<b>74,048.60</b>	<b>50,801.40</b>	<b>149,030.07</b>	<b>100,925.43</b>	<b>205,589.74</b>
<b>3 Segment Assets</b>						
a) Treasury	1,123,726.54	1,062,951.42	1,099,770.06	1,123,726.54	1,099,770.06	1,180,924.15
b) Retail Banking	3,257,604.19	3,085,879.58	2,056,979.11	3,257,604.19	2,056,979.11	3,033,844.98
c) Wholesale Banking	161,083.48	187,570.44	72,782.41	161,083.48	72,782.41	200,028.48
d) Other Banking Operations	161.92	185.43	-	161.92	-	337.92
e) Unallocated	17,861.87	16,040.97	10,752.22	17,861.87	10,752.22	15,870.08
<b>Total</b>	<b>4,560,438.00</b>	<b>4,352,627.84</b>	<b>3,240,283.80</b>	<b>4,560,438.00</b>	<b>3,240,283.80</b>	<b>4,431,005.61</b>
<b>4 Segment Liabilities</b>						
a) Treasury	208,038.71	188,408.20	84,005.23	208,038.71	84,005.23	180,409.30
b) Retail Banking	3,258,760.58	3,103,657.28	2,589,552.90	3,258,760.58	2,589,552.90	3,140,510.27
c) Wholesale Banking	61,564.62	60,819.30	43,543.10	61,564.62	43,543.10	169,473.35
d) Other Banking Operations	-	-	-	-	-	-
e) Unallocated	11,322.88	13,377.13	12,771.54	11,322.88	12,771.54	2,417.98
<b>Total</b>	<b>3,539,686.79</b>	<b>3,366,261.91</b>	<b>2,729,872.77</b>	<b>3,539,686.79</b>	<b>2,729,872.77</b>	<b>3,492,810.90</b>
<b>5 Capital Employed</b>						
a) Treasury	915,687.83	874,543.22	1,015,764.83	915,687.83	1,015,764.83	1,000,514.85
b) Retail Banking	(1,156.39)	(17,777.70)	(532,573.79)	(1,156.39)	(532,573.79)	(106,665.29)
c) Wholesale Banking	99,518.86	126,751.14	29,239.31	99,518.86	29,239.31	30,555.13
d) Other Banking Operations	161.92	185.43	-	161.92	-	337.92
e) Unallocated	6,538.99	2,663.84	(2,019.32)	6,538.99	(2,019.32)	13,452.10
<b>Total</b>	<b>1,020,751.21</b>	<b>986,365.93</b>	<b>510,411.03</b>	<b>1,020,751.21</b>	<b>510,411.03</b>	<b>938,194.71</b>



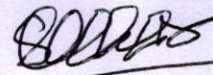
Notes:

1 Statement of Assets and liabilities as on September 30, 2018 is given below :

Particulars	₹ in lacs)	
	As at	As at
	30.09.2018	31.03.2018
	Unaudited	Audited
<b>Capital &amp; Liabilities</b>		
Capital	119,280.49	119,280.49
Reserves & Surplus	901,470.72	818,914.22
Deposits	3,295,888.04	3,386,900.20
Borrowings	142,174.85	28,500.00
Other Liabilities and Provisions	101,623.90	77,410.70
<b>Total</b>	<b>4,560,438.00</b>	<b>4,431,005.61</b>
<b>Assets</b>		
Cash and Balances with Reserve Bank of India	261,518.76	283,706.71
Balances with Banks and Money at call and short notice	192,647.91	267,351.64
Investments	857,869.01	837,194.08
Advances	3,172,975.81	2,971,303.61
Fixed Assets	21,980.68	23,812.84
Other Assets	53,445.83	47,636.73
<b>Total</b>	<b>4,560,438.00</b>	<b>4,431,005.61</b>

- 2 The above results were reviewed by the Audit Committee and approved by the Board of Directors of the Bank at its meeting held on October 10, 2018. The results for the quarter and half year ended September 30, 2018 are subjected to 'Limited Review' by the Statutory Auditors of the Bank and there are no qualifications in the limited review report.
- 3 Other income relates to processing fee, sale of Priority Sector Lending Certificates, card charges recovered from customers and profit from sale of investments.
- 4 As at September 30, 2018, the total number of branches, DSCs and ATM network stood at 938 Branches, 3010 DSCs and 476 ATMs respectively.
- 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 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 by the statutory auditors.
- 6 The mark to market depreciation on AFS/HFT investment category for the quarter ended June 30, 2018 was 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 each of quarter ended June 30, 2018 and September 30, 2018. The unamortised depreciation as on September 30, 2018 is Rs 43.38 crores.
- 7 The Bank has realised Rs.262.94 crores during the half year ended September 30, 2018 from sale of Priority Sector Lending Certificates. Out of the aforesaid amount, Rs.66.32 crores and Rs.130.28 crores has been recognised in the profit and loss account during the quarter and half year ended September 30, 2018 respectively. The remaining amount of Rs 132.66 crores will be recognised in the profit and loss account over the remaining two quarters. In the previous year, income from sale of Priority Sector Lending Certificates were booked in the quarter in which it was realised.
- 8 In accordance with the disclosure requirements of Schedule IV, of Securities and Exchange Board of India ( Listing Obligations and Disclosure Requirements) Regulations 2015, there was a material event with respect to a borrower from infrastructure development and finance sector, to whom bank has a exposure limited to Rs. 388.48 crores as on September 30, 2018. These accounts has been classified as Standard assets in accordance with the RBI Master Circular - Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances (the "Master Circular"). The Bank's management will take appropriate action in accordance with applicable RBI regulations, as more information relating to any potential resolution plan becomes available.
- 9 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 : Mumbai  
Date : 10th October 2018

