

M M Nissim & Co LLP
Chartered Accountants
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Singhi & Co.
Chartered Accountants
161, Sarat Bose Road
Kolkata - 700026

Independent Auditor's Review Report on unaudited financial results of Bandhan Bank Limited for the quarter ended June 30, 2023 pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

**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, 2023 (the "Statement"), being submitted by the Bank pursuant to the requirements 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 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. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review consists of making inquiries primarily from persons 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 above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results 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



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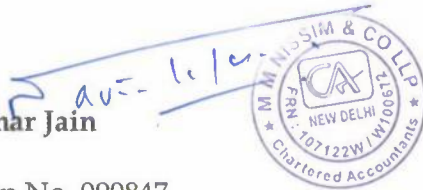
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Chartered Accountants

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 6 to the Statement and have not been reviewed by us, or that it contains any material misstatement.

5. M. M. Nissim & Co. LLP, Chartered Accountants and Deloitte Haskins and Sells, Chartered Accountants had carried out the limited review of the unaudited financial results for the quarter ended June 30, 2022, whose review report dated July 22, 2022, expressed an unmodified conclusion on the aforesaid financial results. Accordingly, we, Singhi & Co., Chartered Accountants, do not express any conclusion on the figures reported in the Statement of unaudited financial results for the quarter ended June 30, 2022. Our conclusion is not modified in respect of this matter.

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

Navin Kumar Jain
Partner
Membership No. 090847
UDIN: 23090847BGXVBK8097
Place: Kolkata
Date: July 14, 2023



For **Singhi & Co.**
Chartered Accountants
(Firm Registration No. 302049E)

Ankit Dhelia
Partner
Membership No. 069178
UDIN: 23069178BGYIGX5187
Place: Kolkata
Date: July 14, 2023

Ankit Dhelia



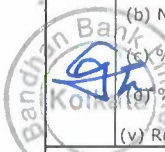


UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2023

(₹ in lakhs)

Particulars	Quarter Ended			Year Ended
	30.06.2023	31.03.2023	30.06.2022	31.03.2023
	Unaudited	Audited Refer Note 3	Unaudited	Audited
1 Interest Earned (a+b+c+d)	4,52,291.29	4,26,825.09	4,05,539.32	15,90,469.96
a) Interest/discount on advances/bills	3,90,571.93	3,69,840.81	3,55,183.59	13,77,515.78
b) Income on Investments	51,581.27	50,214.30	44,223.58	1,88,630.36
c) Interest on balance with Reserve Bank of India and other inter bank funds	2,355.19	975.10	3,164.01	6,936.75
d) Others	7,782.90	5,794.88	2,968.14	17,387.07
2 Other Income	38,511.62	62,913.83	32,975.46	2,46,855.07
3 Total Income (1+2)	4,90,802.91	4,89,738.92	4,38,514.78	18,37,325.03
4 Interest Expended	2,03,229.24	1,79,647.68	1,54,093.85	6,64,508.14
5 Operating Expenses (i + ii)	1,31,343.77	1,30,526.23	1,02,357.45	4,63,681.94
i) Employees Cost	81,170.41	72,742.01	63,463.14	2,71,507.08
ii) Other Operating Expenses	50,173.36	57,784.22	38,894.31	1,92,174.86
6 Total Expenditure (4+5) (Excluding provisions & Contingencies)	3,34,573.01	3,10,173.91	2,56,451.30	11,28,190.08
7 Operating Profit before Provisions & Contingencies (3-6)	1,56,229.90	1,79,565.01	1,82,063.48	7,09,134.95
8 Provisions (other than tax) & Contingencies	60,208.74	73,476.78	64,243.39	4,19,836.53
9 Exceptional Items	-	-	-	-
10 Profit from ordinary activities before tax (7-8-9)	96,021.16	1,06,088.23	1,17,820.09	2,89,298.42
11 Tax Expenses	23,915.80	25,259.20	29,169.65	69,834.62
12 Net Profit from ordinary activities after tax (10-11)	72,105.36	80,829.03	88,650.44	2,19,463.80
13 Extraordinary items (net of tax expenses)	-	-	-	-
14 Net Profit for the period (12-13)	72,105.36	80,829.03	88,650.44	2,19,463.80
15 Paid up equity share capital (Face value of ₹ 10/- each)	1,61,085.64	1,61,083.65	1,61,078.63	1,61,083.65
16 Reserve excluding revaluation reserves	-	-	-	17,97,331.60
17 Analytical Ratios:				
(i) Percentage of shares held by Government of India	NIL	NIL	NIL	NIL
(ii) Capital Adequacy Ratio (%)	19.75	19.76	19.44	19.76
(iii) Earning per share (₹) (Face Value of ₹ 10/- each):				
(a) Basic EPS before & after extraordinary items*	4.48	5.02	5.50	13.62
(b) Diluted EPS before & after extraordinary items*	4.48	5.02	5.50	13.62
(iv) NPA Ratios:				
(a) Gross NPAs	6,96,040.18	5,29,862.47	6,96,754.64	5,29,862.47
(b) Net NPAs	2,14,070.86	1,22,827.40	1,74,907.20	1,22,827.40
(c) % of Gross NPAs to Gross Advances	6.76%	4.87%	7.25%	4.87%
(d) % of Net NPAs to Net Advances	2.18%	1.17%	1.92%	1.17%
(v) Return on Assets (average)*	0.48%	0.55%	0.63%	1.56%

* Figures for the quarters are not annualised





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			Year Ended
		30.06.2023	31.03.2023	30.06.2022	31.03.2023
		Unaudited	Audited Refer Note 3	Unaudited	Audited
		(₹ in lakhs)			
1	Segment Revenue				
a)	Treasury	63,785.46	62,028.34	41,971.50	2,16,843.50
b)	Retail Banking	3,96,827.44	3,93,916.66	3,75,777.85	15,14,232.69
c)	Wholesale Banking	35,002.78	27,181.10	15,116.93	84,034.10
d)	Other Banking Operations	5,246.72	13,828.81	8,485.61	40,453.12
e)	Unallocated	-	-	-	-
	Total	5,00,862.40	4,96,954.91	4,41,351.89	18,55,563.41
	Less: Inter segment revenue	10,059.49	7,215.99	2,837.11	18,238.38
	Income from operations	4,90,802.91	4,89,738.92	4,38,514.78	18,37,325.03
2	Segment Results				
a)	Treasury	20,390.35	25,236.59	6,613.84	78,220.92
b)	Retail Banking	69,206.15	64,826.41	1,02,025.98	1,63,165.20
c)	Wholesale Banking	1,481.33	2,641.14	861.72	8,459.72
d)	Other Banking Operations	4,943.33	13,384.09	8,318.55	39,452.58
e)	Unallocated	-	-	-	-
	Total Profit Before Tax	96,021.16	1,06,088.23	1,17,820.09	2,89,298.42
3	Segment Assets				
a)	Treasury	43,61,822.80	39,77,748.13	41,50,580.28	39,77,748.13
b)	Retail Banking	90,10,849.26	97,98,648.01	91,83,086.76	97,98,648.01
c)	Wholesale Banking	15,87,919.67	16,78,930.60	6,56,966.98	16,78,930.60
d)	Other Banking Operations	1,169.72	2,215.91	1,646.94	2,215.91
e)	Unallocated	1,16,842.46	1,19,454.16	1,31,266.39	1,19,454.16
	Total	1,50,78,603.91	1,55,76,996.81	1,41,23,547.35	1,55,76,996.81
4	Segment Liabilities				
a)	Treasury	19,92,841.35	25,55,446.74	25,59,009.69	25,55,446.74
b)	Retail Banking	99,88,721.44	1,00,10,419.46	91,15,494.46	1,00,10,419.46
c)	Wholesale Banking	10,50,965.13	10,40,292.21	5,83,733.31	10,40,292.21
d)	Other Banking Operations	-	-	-	-
e)	Unallocated	15,265.09	12,423.15	38,334.95	12,423.15
	Total	1,30,47,793.01	1,36,18,581.56	1,22,96,572.41	1,36,18,581.56
5	Capital Employed				
a)	Treasury	23,68,981.45	14,22,301.39	15,91,570.59	14,22,301.39
b)	Retail Banking	(9,77,872.18)	(2,11,771.45)	67,592.30	(2,11,771.45)
c)	Wholesale Banking	5,36,954.54	6,38,638.39	73,233.67	6,38,638.39
d)	Other Banking Operations	1,169.72	2,215.91	1,646.94	2,215.91
e)	Unallocated	1,01,577.37	1,07,031.01	92,931.44	1,07,031.01
	Total	20,30,810.90	19,58,415.25	18,26,974.94	19,58,415.25

The RBI vide its circular dated April 7, 2022 on establishment of Digital Banking Units (DBUs), has prescribed reporting of Digital Banking Segment as a sub-segment of Retail Banking Segment. The Bank does not have any DBUs, hence Digital Banking Segment disclosures is not applicable.

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 financial results for the quarter ended June 30, 2023 have been subject to "Limited Review" by the statutory auditors (M M Nissim & Co LLP, Chartered Accountants and Singhi & Co, Chartered Accountants) of the Bank. The financial results for the quarter ended June 30, 2022 have been subjected to review by the statutory auditors (Deloitte Haskins & Sells, Chartered Accountants and M M Nissim & Co LLP, Chartered Accountants) of the Bank.
- 2 These financial results have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India ("the RBI") from time to time ('RBI Guidelines') and other accounting principles generally accepted in India, and is in compliance with the presentation and disclosure requirements of the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended including relevant circulars issued by the SEBI from time to time.
- 3 The figures for the quarter ended March 31, 2023 are the balancing figures between audited figures in respect of the financial year 2022-23 and the published year to date figures upto December 31, 2022, which was subjected to a limited review by the auditors.
- 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, 2023. Any circular / direction issued by RBI is implemented prospectively when it becomes applicable.
- 5 During the quarter ended June 30, 2023, the Bank has allotted 19,919 Equity Shares of Rs.10/- each in respect of stock option exercised aggregating to ₹ 35.85 lakhs . Accordingly, share capital increased by ₹ 1.99 lakhs and share premium increased by ₹ 33.86 lakhs.
- 6 The RBI Master Circular DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015 as amended on 'BaseI 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 is being 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 by the Statutory Auditors.
- 7 Details of loans transferred excluding through Inter- Bank Participation Certificate (IBPC) & acquired during the quarter ended June 30, 2023 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:
 - (i) During the quarter ended June 30, 2023, the bank has not acquired any "loans not in default" through assignment of loans.
 - (ii) During the quarter ended June 30, 2023, the bank has not acquired any stressed loans (Non-performing asset and Special Mention Account) and not transferred any "loans not in default" / Special Mention Accounts (SMA).
- 8 Other Operating Expenses includes -

Particulars	(₹ in lakhs)	
	Quarter Ended 30.06.2023	Quarter Ended 30.06.2022
Rent Expenses	6,798.12	5,891.59
IT Operating Expenses	6,663.29	4,045.65

- 9 Other Income includes profit/loss on investments including provision for depreciation, earnings from foreign exchange, commission earned from guarantees/letters of credit, fees earned from providing services to customers, selling of third party products, etc.
- 10 As at June 30, 2023, the total number of Branches, Banking Units and ATM network stood at 1542, 4598 and 438 respectively.
- 11 The above results have been recommended by the Audit Committee at its meeting held on July 13, 2023 and approved by the Board of Directors of the Bank at its meeting held today.
- 12 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
Managing Director & CEO
DIN: 00342477

Place : Kolkata
Date : July 14, 2023

