

PRESS RELEASE**Bandhan Bank Q2FY21 PAT grows 67.3% (QoQ) to ₹920.0 crore
Highest ever quarterly profit before tax at ₹1233.0 crore****Kolkata, November 02, 2020:**

The Board of Directors of Bandhan Bank Ltd., at a meeting held in Kolkata today approved its Financial Results for the Quarter ended September 30, 2020. The accounts have been subjected to review by the statutory auditors of the bank.

Key Highlights :

- Deposits grew 34.4% YoY and 9.10% QoQ.
- Loan portfolio (on book + off book+ TLTRO) grew 19.4% YoY
- CASA grew 56.2% YoY
- CASA ratio at 38.2% against 37.1% QoQ.
- Added 5.02 lakh customers during the quarter with total customer base at 2.08 crore as on September 30, 2020.
- GNPA as on September 30, 2020 at 1.2% against 1.8% as on September 30, 2019 and 1.5% on March 31, 2020.
- Net NPAs as on September 30, 2020 at 0.4% against 0.6% as on September 30, 2019 and 0.6% as on March 31, 2020.
- The Honourable Supreme Court in PIL by Gajendra Sharma Vs Union of India & Anr vide its interim order dated September 3, 2020 has directed Banks that the accounts which were not declared NPA till August 31, 2020 shall not be declared NPA till further orders, pending disposal of the case by Supreme Court. Pursuant to the order, the Bank has not classified any borrowal account which has not been declared as NPA as at August 31, 2020 as per the RBI Prudential norms on Income Recognition, Asset classification, provisioning and other related matters as Non-Performing Asset (NPA) after August 31, 2020.
However, if the Bank had classified borrower accounts as NPA after August 31, 2020 and corresponding provisions would have been made, the Bank's proforma Gross NPA ratio would have been 1.5%.
- Capital Adequacy Ratio (CRAR) at 25.7%; Tier I at 22.2% and after taking profits, it stands 27.8%.
- During the quarter the Bank has taken accelerated additional provision on standard advances amounting to ₹300.0 crore. With this provision and additional Standard Assets provision that Bank is carrying in Micro banking portfolio total additional provision in books stands at ₹2,096.0 crore.

Highlights for the Quarter ended September 30, 2020:

- Net Interest Income (NII) for the quarter grew by 25.8% to ₹1,923.1 crore as against ₹1,529.0 crore in the corresponding quarter of the previous year.
- Non-interest income grew by 6.1% to ₹381.8 crore for the quarter ended September 30, 2020 against ₹360.3 crore in the corresponding quarter of the previous year.
- Operating Profit for the quarter increased by 24.6% to ₹1,627.5 crore against ₹1,306.9 crore in the corresponding quarter of the previous year.

- Net Profit for the quarter shrink by 5.3% to ₹920.0 crore against ₹ 971.8 crore in the corresponding quarter of the previous year. However, net profit for the quarter increased by 67.3% against the previous quarter. In Q2 FY 21, The Bank has taken accelerated additional provision on standard assets amounting to ₹ 300.0 crore for COVID-19.
- Net Interest Margin (annualised) for the quarter ending September 30, 2020 stood at 8.0% against 8.2% in September 30, 2019.
- Total Advances (on book + off book+TLTRO) grew by 19.4% to ₹76,614.6 crore as on September 30, 2020 against ₹64,185.5 crore as on September 30, 2019 and grew by 3.1% QoQ against ₹74,330.5 crore as on June 30, 2020.
- Total Deposits increased by 34.4% to ₹66,127.7 crore as on September 30, 2020 as compared to ₹49,195.2 crore as on September 30, 2019 and increased by 9.1% QoQ against ₹60,610.0 crore as on June 30, 2020.
- Gross NPAs as on September 30, 2020 is at ₹874.0 crore (1.2%) against ₹1064.2 crore (1.8%) as on September 30, 2019.
- Net NPAs as on September 30, 2020 stood at ₹262.5 crore (0.4%) against ₹336.9 crore (0.6%) as on September 30, 2019.

Commenting on the performance, Mr. Chandra Shekhar Ghosh, Managing Director and CEO of Bandhan Bank said: “As the moratorium ended on 31st August 2020 coupled with robust rural performance, we have seen an all-round improvement in collection, disbursement and deposits. On deposits front, we have witnessed the best ever quarter whereas on the disbursement front, we are close to pre-covid level. Collections have seen a steady improvement month on month and is expected to reach near normal in the next 90 days. We now look forward to accelerate the business in H2FY 21.”

Banking outlets as on September 30, 2020, stood at 4,701. The network consists of 1045 branches, 3,656 banking units as against 1000 branches and 3,220 banking units as on September 30, 2019. Total number of ATMs stood at 487 as on September 30, 2020 against 485 as on September 30, 2019. During the quarter, the number of employees of the bank has gone up from 41,563 to 45,549.

Highlights for the Quarter ended September 30, 2020:

Particulars (in ₹ crore)	Quarter				
	Q2 FY21	Q1 FY21	QoQ%	Q2 FY20	YoY%
Net Interest Income	1,923.1	1,811.5	6.2%	1,529.0	25.8%
Non-Interest Income	381.8	386.8	-1.3%	360.3	6.1%
Total Income (Net)	2304.9	2,198.3	4.9%	1889.3	22.0%
Opex	677.4	614.1	10.3%	582.4	16.3%
Operating Profit	1627.5	1,584.2	2.8%	1,306.9	24.6%
Provision (Other than Taxes)	94.5	99.1	-4.6%	145.5	-35.1%
Additional Provision	300.0	750.0	-60.0%	-	-
PBT	1233.0	735.1	67.8%	1,161.4	6.2%
PAT	920.0	549.8	67.3%	971.8	-5.3%

Key Ratios Highlights:

Particulars	Quarter		
	Q2 FY21	Q1 FY21	Q2 FY20
CASA to Total Deposit	38.2%	37.1%	32.9%
Net Interest Margin (Annualised)	8.0%	8.2%	8.2%
Cost to Income Ratio	29.4%	27.9%	30.8%
Return on Average Assets (Annualised)	3.6%	2.3%	4.8%
Return on Average Equity (Annualised)	22.5%	14.1%	28.3%
Return on Average Assets (If no COVID 19 provisions)	4.4%	4.7%	4.8%
Return on Average Equity Assets (If no COVID 19 provisions)	27.9%	28.5%	28.3%
Capital Adequacy Ratio (CAR)	25.7%	26.5%	25.1%
Capital Adequacy Ratio (CAR) including profit	27.8%	27.3%	28.5%
Gross NPA (%)	1.2%	1.4%	1.8%
Net NPA (%)	0.4%	0.5%	0.6%

About Bandhan Bank

Bandhan started in 2001 as a not-for-profit enterprise that stood for financial inclusion and women empowerment through sustainable livelihood creation. It turned into an NBFC a few years later but the core objective remained financial inclusion. When Bandhan Bank started operations on August 23, 2015, it was the first instance of a microfinance entity transforming into a universal bank in India. On the day of launch itself, Bandhan Bank started with 2,523 banking outlets. Bandhan Bank is driven by a constant desire to serve better. It offers world-class banking products and services to urban, semi-urban and rural customers alike. In the last few years of operations, Bandhan Bank has spread its presence to 34 of the 36 states and union territories in India with 4,701 banking outlets serving 2.08 crore customers, as on September 30, 2020. With its experienced management, diversified team and well entrenched distribution, Bandhan Bank is well poised to meet the aspirations of its customers and stakeholders.

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