



Bandhan Bank
Aapka Bhala, Sabki Bhalai.

Bandhan Bank Limited

Head Office: DN 32, Sector V, Salt Lake City, Kolkata 700 091 | CIN: **U67190WB2014PLC204622**
Phone: +91-33-6609 0909, 4045 6456 | Fax: 033 6609 0502 | Website: www.bandhanbank.com

Ref no: BBL/231/18-19

January 10, 2019

The National Stock Exchange of India Limited

The Listing Department

Exchange Plaza,

Bandra Kurla Complex,

Mumbai - 400051

NSE Symbol: BANDHANBNK

BSE Limited

Dept of Corporate Services

Phiroze Jeejeebhoy Towers,

Dalal Street, Fort,

Mumbai - 400001

BSE Scrip Code: 541153

Dear Sir/Madam,

Sub: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR') - Outcome of Board Meeting held on January 10, 2019

We would like to inform that pursuant to provisions of Regulation 33 of SEBI LODR, the Board of Directors of the Bank at its meeting held on January 10, 2019 basis the recommendation of Audit Committee of the Board has, *inter alia*, considered and approved the Unaudited Financial Results of the Bank for the quarter ended December 31, 2018. Accordingly, a copy of the Unaudited Financial Results along with the Limited Review Report thereon submitted by the Statutory Auditors of the Bank are enclosed herewith. Also find enclosed copy of press release in this regard.

The Board Meeting commenced at 11 A.M. and concluded at **1.00 P.M.**

All the above mentioned documents will be simultaneously posted on the Bank's website at www.bandhanbank.com.

You are requested to take note of the above.

Thanking you,

Yours faithfully,

for **Bandhan Bank Limited**

Indranil Banerjee

Company Secretary & Compliance Officer



Encl.: as above

PRESS RELEASE

Bandhan Bank Q3 net profit up 10.3% at ₹331 crore after prudently providing fully Rs. 384.95 crore on one large Infrastructure account;

NII grew by 53.5% at ₹1,124 crore; CASA ratio at 41.4%

Mumbai, January 10, 2019:

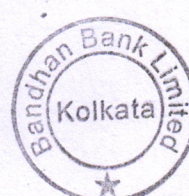
The Board of Directors of Bandhan Bank Ltd., at a meeting held in Mumbai today approved its Unaudited Financial Results for the Quarter ended December 31, 2018. The accounts have been subjected to limited review by the statutory auditors of the bank.

Key Highlights:

- Loan portfolio (on book + off book) grew 46.1% Y-o-Y at ₹35,599 crore
- Deposit portfolio grew 36.9% Y-o-Y at ₹34,639 crore
- Net NPA at 0.7%
- Retail Deposit to Total Deposit at 84.8%; CASA grew 70.7% Y-o-Y at Rs. 14,342 crore; CASA ratio at 41.4%
- Added 9.22 lakh Customer during the quarter with total customer base reaching to 15.33 million (Micro Banking- 12.15 million and Non Micro- 3.18 million)
- During the nine months period ended December 2018, out of ₹ 276.8 crores of PSLC income, ₹ 203.6 crores has been recognized during December 2018 of which ₹ 73.28 crore has been recognized during Q3FY19
- During the quarter we have written back treasury investment provision of ₹ 96.50 crore on account of favorable yield curve movement in AFS and HFT portfolio
- Provision of ₹ 384.95 crore made in respect of an exposure to a borrower from Infrastructure development & finance sector, which was classified as non-performing asset and fully provided for during the quarter

Highlights for the Quarter ended December 31, 2018:

- Net Interest Income (NII) for the quarter grew by 53.5% at ₹1,124 crore as against ₹732 crore in the corresponding quarter of the previous year
- Non-interest income grew by 48.1% at ₹234 crore for the quarter ended December 31, 2018 against ₹158 crore in the corresponding quarter of the previous year
- Operating Profit for the quarter increased by 56.8% at ₹900 crore against ₹574 crore in the corresponding quarter of the previous year
- Net Profit for the quarter grew by 10.3% at ₹331 crore against ₹300 crore in the corresponding quarter of the previous year
- Net Interest Margin (NIM) for the current quarter stands at 10.3% against 9.9% in the corresponding quarter of the previous year and 9.7% for FY 2017-18
- CASA ratio at 41.4% of total deposit, compared to 33.2% in the corresponding period last year
- CASA grew 70.7% Y-o-Y at ₹14,342 crore compared to ₹8,401 crore
- Total Advances (on book + off book) increased by 46.1% at ₹35,599 crore as on December 31, 2018 against ₹24,364 crore as on December 31, 2017
- Total Deposits grew by 36.9% as on December 31, 2018 is at ₹34,639 crore as compared to ₹25,294 crore on December 31, 2017.
- Gross NPAs as on 31 December 2018 at 2.4% against 1.3% as on 30 September 2018 and 1.7% as on 31 December, 2017
- Net NPAs as on 31 December 2018 at 0.7% against 0.7% as on 30 September 2018 and 0.8% as on 31 December, 2017



Key Ratios:

Particulars (in %)	Q3FY19	Q3FY18	Q2FY19	FY 2017-18
CASA to Total Deposit	41.4	33.2	36.9	34.3
Net Interest Margin	10.5	9.6	10.3	9.7
Cost to Income Ratio	33.7	35.4	33.2	35.0
Return on Average Assets*	2.9	3.7	4.3	4.1
Return on Average Equity*	12.5	22.5	19.3	26.0
Capital Adequacy Ratio (CAR)	32.8	24.9	32.6	31.5
Gross NPA (on book)	2.4	1.7	1.3	1.3
Net NPA (on book)	0.7	0.8	0.7	0.6

*Annualised

Total Banking outlets as on December 31, 2018, stood at 3992. The network consists of 978 branches and 3,014 doorstep service centers. Total number of ATMs stood at 480 as on December 18. The number of employees of the bank has gone up to 31,115.

The Board of Directors of Bandhan Bank Limited and GRUH Finance Limited has approved the merger of GRUH into Bandhan Bank. The merger would be subject to regulatory and shareholder approvals. The share exchange ratio accepted by the boards of Bandhan Bank and GRUH is 568 equity shares of face value of ₹10 each of Bandhan Bank to be issued for every 1,000 equity shares of face value of ₹2 each of GRUH. The merger would help Bandhan Bank achieve product and geographic diversification while improving penetration in its core customer segment. GRUH will get access to a wider distribution network, a larger customer base and low cost deposit base of Bandhan Bank.

Post-merger, based on pro-forma financials as of September 30, 2018, Bandhan Bank would have outstanding loan book AUM of ₹50,036 crore. Loan book would consist of micro loans (58%), retail home loans (28%) and other loans (14%). With our distribution as on December 31, 2018, the combined distribution network would comprise 4,186 banking outlets and 480 ATMs across 34 states and union territories of India. Merged entity would have more than 31,000 employees serving about 1.6 crore customers across the country. Post-merger, the shareholding of Bandhan Financial Holdings Limited (NOFHC) in Bandhan Bank would reduce from 82.3% to 61.0%.

Commenting on the performance, Mr. Chandra Shekhar Ghosh, Managing Director and CEO of Bandhan Bank said:

“Our core business of Microbanking and Deposits - particularly retail including CASA has continued its strong performance in Q3FY19. With the announcement of the merger with the Gruh Finance, we are excited and confident to accelerate this growth in affordable housing segment.”

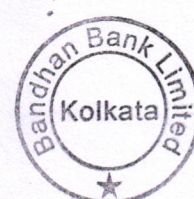
About Bandhan Bank

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 3,992 banking outlets serving 1.53 crore customers, as on December 31, 2018. With its experienced management, diversified team and well entrenched distribution, Bandhan Bank is well poised to meet the aspirations of its customers and stakeholders.

For media queries please contact: Bandhan Bank Limited – Mr. Apurva Sircar

Head – Corporate Branding and Communications,
+91 95940 26275; apurva.sircar@bandhanbank.com



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 nine months ended December 31, 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. 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: January 10, 2019



FINANCIAL RESULT FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2018

Particulars	Quarter Ended			Nine Months Ended		(₹ in lacs)
	31.12.2018	30.09.2018	31.12.2017	31.12.2018	31.12.2017	Year Ended
	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Audited
1 Interest Earned (a+b+c+d)	164,955.28	160,564.07	117,822.50	481,136.60	345,170.17	480,229.63
a) Interest/discount on advances/bills	143,555.39	139,984.13	95,488.59	413,344.81	264,508.39	382,360.24
b) Income on Investments	15,125.34	15,944.01	12,975.30	46,158.25	35,355.42	49,002.21
c) Interest on balance with Reserve Bank of India and other inter bank funds	1,260.31	1,254.45	2,109.17	5,975.77	13,204.17	14,161.07
d) Others	5,014.24	3,381.48	7,249.44	15,657.77	32,102.19	34,706.11
2 Other Income	23,409.85	23,043.51	15,820.19	67,522.22	50,280.53	70,618.46
3 Total Income (1+2)	188,365.13	183,607.58	133,642.69	548,658.82	395,450.70	550,848.09
4 Interest Expended	52,555.14	52,818.70	44,644.45	157,274.04	128,286.99	177,006.04
5 Operating Expenses	45,762.33	43,389.55	31,551.55	131,886.40	94,533.52	130,831.04
i) Employees Cost	25,575.48	23,415.74	16,295.59	73,876.32	49,937.89	68,798.01
ii) Other Operating Expenses	20,186.85	19,973.81	15,255.96	58,010.08	44,595.63	62,033.03
6 Total Expenditure (4+5) (Excluding provisions & Contingencies)	98,317.47	96,208.25	76,196.00	289,160.44	222,820.51	307,837.08
7 Operating Profit before Provisions & Contingencies (3-6)	90,047.66	87,399.33	57,446.69	259,498.38	172,630.19	243,011.01
8 Provisions (other than tax) & Contingencies	37,764.69	12,417.86	12,254.63	58,185.34	26,512.70	37,421.27
9 Exceptional Items	-	-	-	-	-	-
10 Profit/(Loss) from ordinary activities before tax (7-8-9)	52,282.97	74,981.47	45,192.06	201,313.04	146,117.49	205,589.74
11 Tax Expenses	19,156.29	26,216.30	15,187.55	71,249.97	50,347.49	71,034.06
12 Net Profit/(Loss) from ordinary activities after tax (10-11)	33,126.68	48,765.17	30,004.51	130,063.07	95,770.00	134,555.68
13 Extraordinary items (net of tax expenses)	-	-	-	-	-	-
14 Net Profit/(Loss) for the period (12-13)	33,126.68	48,765.17	30,004.51	130,063.07	95,770.00	134,555.68
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	32.81	32.59	24.85	32.81	24.85	31.48
(iii) Earning per share	-	-	-	-	-	-
(a) Basic EPS before & after extraordinary items*	2.78	4.09	2.74	10.90	8.74	12.26
(b) Diluted EPS before & after extraordinary items*	2.77	4.08	2.74	10.89	8.74	12.26
(iv) NPA Ratios						
(a) Gross NPAs	83,102.21	41,334.78	38,629.44	83,102.21	38,629.44	37,314.06
(b) Net NPAs	23,671.11	22,036.32	18,412.15	23,671.11	18,412.15	17,290.38
(c) % of Gross NPAs to Gross Advances	2.41%	1.29%	1.67%	2.41%	1.67%	1.25%
(d) % of Net NPAs to Net Advances	0.70%	0.69%	0.80%	0.70%	0.80%	0.58%
(v) Return on Assets (average)*	0.73%	1.08%	0.92%	2.92%	3.07%	4.06%

* Figures for the quarter and nine months are not annualised





Bandhan Bank Limited
DN-32, Sector V, Salt Lake, Kolkata - 700091
CIN: U67190WB2014PLC204622

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

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			Nine Months Ended		(₹ in lacs)
		31.12.2018	30.09.2018	31.12.2017	31.12.2018	31.12.2017	Year Ended
		Unaudited	Unaudited	Unaudited	Unaudited	Audited	31.03.2018
1 Segment Revenue							Audited
a) Treasury		17,421.23	18,758.19	16,513.95	56,107.88	55,604.57	70,673.14
b) Retail Banking		168,804.39	162,081.09	123,261.18	484,360.57	357,843.67	492,813.47
c) Wholesale Banking		4,468.49	4,374.38	2,516.28	13,526.46	6,172.75	10,053.86
d) Other Banking Operations		699.46	662.30	-	1,659.68	-	853.73
e) Unallocated		-	-	-	-	-	-
Total		191,393.57	185,875.96	142,291.41	555,654.59	419,620.99	574,394.20
Less: Inter segment revenue		3,028.44	2,268.38	8,648.72	6,995.77	24,170.29	23,546.11
Income from operations		188,365.13	183,607.58	133,642.69	548,658.82	395,450.70	550,848.09
2 Segment Results							
a) Treasury		21,777.05	9,108.68	344.91	40,439.24	15,301.38	22,139.08
b) Retail Banking		68,055.98	64,576.88	44,922.15	196,170.00	130,147.16	179,696.01
c) Wholesale Banking		(38,215.05)	671.71	(75.00)	(36,838.51)	668.95	2,906.44
d) Other Banking Operations		664.99	624.20	-	1,542.31	-	848.21
e) Unallocated		-	-	-	-	-	-
Total Profit Before Tax		52,282.97	74,981.47	45,192.06	201,313.04	146,117.49	205,589.74
3 Segment Assets							
a) Treasury		994,358.59	1,123,726.54	826,371.84	994,358.59	826,371.84	1,180,924.15
b) Retail Banking		3,462,920.20	3,257,604.19	2,405,588.78	3,462,920.20	2,405,588.78	3,033,844.98
c) Wholesale Banking		203,361.09	161,083.48	77,028.35	203,361.09	77,028.35	200,028.48
d) Other Banking Operations		196.92	161.92	-	196.92	-	337.92
e) Unallocated		18,631.53	17,861.87	12,936.57	18,631.53	12,936.57	15,870.08
Total		4,679,468.33	4,560,438.00	3,321,925.54	4,679,468.33	3,321,925.54	4,431,005.61
4 Segment Liabilities							
a) Treasury		30,814.99	208,038.71	136,263.68	30,814.99	136,263.68	180,409.30
b) Retail Banking		3,500,158.25	3,258,760.58	2,588,332.74	3,500,158.25	2,588,332.74	3,140,510.27
c) Wholesale Banking		91,837.98	61,564.62	51,011.48	91,837.98	51,011.48	169,473.35
d) Other Banking Operations		-	-	-	-	-	-
e) Unallocated		2,779.22	11,322.88	5,902.11	2,779.22	5,902.11	2,417.98
Total		3,625,590.44	3,539,686.79	2,781,510.01	3,625,590.44	2,781,510.01	3,492,810.90
5 Capital Employed							
a) Treasury		963,543.60	915,687.83	690,108.16	963,543.60	690,108.16	1,000,514.85
b) Retail Banking		(37,238.05)	(1,156.39)	(182,743.96)	(37,238.05)	(182,743.96)	(106,665.29)
c) Wholesale Banking		111,523.11	99,518.86	26,016.87	111,523.11	26,016.87	30,555.13
d) Other Banking Operations		196.92	161.92	-	196.92	-	337.92
e) Unallocated		15,852.31	6,538.99	7,034.46	15,852.31	7,034.46	13,452.10
Total		1,053,877.89	1,020,751.21	540,415.53	1,053,877.89	540,415.53	938,194.71



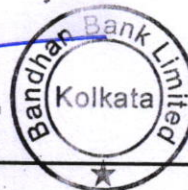
Notes:

- 1 The above results were reviewed by the Audit Committee and approved by the Board of Directors of the Bank at its meeting held on January 10, 2019. The results for the quarter and nine months ended December 31, 2018 are subjected to 'Limited Review' by the Statutory Auditors of the Bank and there are no qualifications in the limited review report.
- 2 On January 7, 2019, the Board of Directors of the Bank approved a merger of Gruh Finance Limited with the Bank in an all stock transaction through a Composite Scheme of Arrangement. The Scheme is subject to the approval of the Reserve Bank of India (RBI), the Competition Commission of India (CCI), the Securities and Exchange Board of India (SEBI)/Stock Exchange, the National Housing Board (NHB), the respective Shareholders and Creditors of each entities and the National Company Law Tribunal (NCLT). The appointed date for the transaction is proposed to be January 1, 2019 and the effective date is based on the receipt of the aforesaid approvals. Pending the same, the proposed transaction does not have any impact on the current financial result or the financial position of the Bank as at December 31, 2018.
- 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 December 31, 2018, the total number of branches, DSCs and ATM network stood at 978 Branches, 3014 DSCs and 480 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 In accordance with RBI circular no. DBR.No.BP.BC.113 /21.04.048/2017-18 dated June 15, 2018, the Bank was amortising the mark-to-mark loss incurred in the quarter ended June 30, 2018 on its AFS/HFT category. However, during the quarter ended December 31, 2018, the brought forward unamortised depreciation balance of Rs. 43.38 Crores has been fully offset against the appreciation recorded in the AFS/HFT investments.
- 7 The Bank has received Rs.276.85 crores during the nine months ended December 31, 2018 from sale of Priority Sector Lending Certificates. Out of the aforesaid amount, Rs.203.57 crores has been recognised in the profit and loss account during the nine months ended December 31, 2018. The remaining amount of Rs 73.28 crores will be recognised in the profit and loss account over the remaining quarter. In the previous year, income from sale of Priority Sector Lending Certificates were recognised upfront.
- 8 Provision and contingencies for the quarter ended December 31,2018 includes a provision of Rs. 384.95 crore made on a prudent basis, in respect of an exposure to a borrower from infrastructure development and finance sector, which was classified as non performing asset and fully provided for during the quarter. The profit before tax for the quarter is lower to that extent.
- 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 January 2019

