

# Deloitte Haskins & Sells

## Chartered Accountants

19<sup>th</sup> Floor, Shapath-V  
S.G. Highway  
Ahmedabad – 380 015  
Gujarat, India  
Tel: +91 79 6682 7300  
Fax: +91 79 6682 7400

## INDEPENDENT AUDITORS' REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

### 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 and half year ended September 30, 2020 (the "Statement"), being submitted by the Bank pursuant to the requirement 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. A review of interim financial information consists of making inquiries, primarily of the Bank's personnel 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 stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, 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

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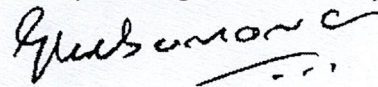
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Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, except for the disclosures relating to Pillar 3 disclosures including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations 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. As more fully described in Note 7 to the Statement, the potential impact of the COVID-19 pandemic on the Bank's results are dependent on future developments, which are highly uncertain.

Our conclusion is not modified in respect of this matter.

For **Deloitte Haskins & Sells**  
Chartered Accountants  
(ICAI Reg. No 117365W)



G. K. Subramaniam  
(Partner)  
(Membership No. 109839)  
**UDIN:** 20109839AAAAWT6364

Mumbai, November 2, 2020



**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2020**

(₹ in lakhs)

| Particulars   | Quarter Ended      |                    |                    | Half-Year Ended    |                    | Year Ended          |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
|   | 30.09.2020         | 30.06.2020         | 30.09.2019         | 30.09.2020         | 30.09.2019         | 31.03.2020          |
|   | Unaudited          | Unaudited          | Unaudited          | Unaudited          | Unaudited          | Audited             |
| <b>1 Interest Earned (a+b+c+d)</b>  | <b>3,19,762.98</b> | <b>3,01,808.70</b> | <b>2,69,027.21</b> | <b>6,21,571.68</b> | <b>5,32,157.55</b> | <b>10,88,549.33</b> |
| a) Interest/discount on advances/bills                                      | 2,79,254.72        | 2,62,196.39        | 2,37,015.02        | 5,41,451.11        | 4,65,185.99        | 9,48,624.40         |
| b) Income on Investments  | 27,228.86          | 22,924.58          | 19,549.76          | 50,153.44          | 38,566.22          | 83,280.63           |
| c) Interest on balance with Reserve Bank of India and other inter bank      | 4,677.98           | 4,066.95           | 5,125.15           | 8,739.93           | 7,995.26           | 16,775.54           |
| d) Others   | 8,606.42           | 12,620.78          | 7,337.28           | 21,227.20          | 20,410.08          | 40,318.76           |
| <b>2 Other Income</b>   | <b>38,176.47</b>   | <b>38,675.62</b>   | <b>36,027.44</b>   | <b>76,852.09</b>   | <b>69,129.90</b>   | <b>1,54,919.74</b>  |
| <b>3 Total Income (1+2)</b>   | <b>3,57,939.45</b> | <b>3,40,484.32</b> | <b>3,05,054.65</b> | <b>6,98,423.77</b> | <b>6,01,287.45</b> | <b>12,43,469.07</b> |
| <b>4 Interest Expended</b>  | <b>1,27,453.75</b> | <b>1,20,656.08</b> | <b>1,16,122.67</b> | <b>2,48,109.83</b> | <b>2,21,797.35</b> | <b>4,56,157.90</b>  |
| <b>5 Operating Expenses</b>   | <b>67,734.06</b>   | <b>61,410.22</b>   | <b>58,238.16</b>   | <b>1,29,144.28</b> | <b>1,13,289.72</b> | <b>2,42,654.22</b>  |
| i) Employees Cost   | 41,478.16          | 38,940.29          | 33,271.18          | 80,418.45          | 66,448.02          | 1,36,704.08         |
| ii) Other Operating Expenses  | 26,255.90          | 22,469.93          | 24,966.98          | 48,725.83          | 46,841.70          | 1,05,950.14         |
| <b>6 Total Expenditure (4+5) (Excluding provisions &amp; Contingencies)</b> | <b>1,95,187.81</b> | <b>1,82,066.30</b> | <b>1,74,360.83</b> | <b>3,77,254.11</b> | <b>3,35,087.07</b> | <b>6,98,812.12</b>  |
| <b>7 Operating Profit before Provisions &amp; Contingencies (3-6)</b>       | <b>1,62,751.64</b> | <b>1,58,418.02</b> | <b>1,30,693.82</b> | <b>3,21,169.66</b> | <b>2,66,200.38</b> | <b>5,44,656.95</b>  |
| <b>8 Provisions (other than tax) &amp; Contingencies</b>                    | <b>39,450.79</b>   | <b>84,906.04</b>   | <b>14,554.87</b>   | <b>1,24,356.84</b> | <b>27,090.70</b>   | <b>1,39,315.09</b>  |
| <b>9 Exceptional Items</b>  | -                  | -                  | -                  | -                  | -                  | -                   |
| <b>10 Profit from ordinary activities before tax (7-8-9)</b>                | <b>1,23,300.85</b> | <b>73,511.98</b>   | <b>1,16,138.95</b> | <b>1,96,812.82</b> | <b>2,39,109.68</b> | <b>4,05,341.86</b>  |
| <b>11 Tax Expenses</b>  | <b>31,299.38</b>   | <b>18,530.15</b>   | <b>18,958.96</b>   | <b>49,829.53</b>   | <b>61,567.80</b>   | <b>1,02,968.12</b>  |
| <b>12 Net Profit from ordinary activities after tax (10-11)</b>             | <b>92,001.47</b>   | <b>54,981.83</b>   | <b>97,179.99</b>   | <b>1,46,983.29</b> | <b>1,77,541.88</b> | <b>3,02,373.74</b>  |
| <b>13 Extraordinary items (net of tax expenses)</b>                         | -                  | -                  | -                  | -                  | -                  | -                   |
| <b>14 Net Profit for the period (12-13)</b>                                 | <b>92,001.47</b>   | <b>54,981.83</b>   | <b>97,179.99</b>   | <b>1,46,983.29</b> | <b>1,77,541.88</b> | <b>3,02,373.74</b>  |
| <b>15 Paid up equity share capital (Face value of ₹10/- each)</b>           | <b>1,61,035.36</b> | <b>1,61,027.94</b> | <b>1,61,006.61</b> | <b>1,61,035.36</b> | <b>1,61,006.61</b> | <b>1,61,024.78</b>  |
| <b>16 Reserve excluding revaluation reserves</b>                            | -                  | -                  | -                  | -                  | -                  | <b>13,58,521.15</b> |
| <b>17 Analytical Ratios</b>   |                    |                    |                    |                    |                    |                     |
| (i) Percentage of shares held by Government of India                        | NIL                | NIL                | NIL                | NIL                | NIL                | NIL                 |
| (ii) Capital Adequacy Ratio   | 25.68              | 26.45              | 25.09              | 25.68              | 25.09              | 27.43               |
| (iii) Earning per share   |                    |                    |                    |                    |                    |                     |
| (a) Basic EPS before & after extraordinary items*                           | 5.71               | 3.41               | 6.04               | 9.13               | 11.03              | 18.78               |
| (b) Diluted EPS before & after extraordinary items*                         | 5.71               | 3.41               | 6.01               | 9.13               | 10.98              | 18.76               |
| (iv) NPA Ratios   |                    |                    |                    |                    |                    |                     |
| (a) Gross NPAs  | 87,397.06          | 1,00,666.73        | 1,06,421.46        | 87,397.06          | 1,06,421.46        | 99,277.67           |
| (b) Net NPAs  | 26,254.63          | 33,577.56          | 33,687.96          | 26,254.63          | 33,687.96          | 38,939.75           |
| (c) % of Gross NPAs to Gross Advances                                       | 1.18%              | 1.43%              | 1.76%              | 1.18%              | 1.76%              | 1.48%               |
| (d) % of Net NPAs to Net Advances   | 0.36%              | 0.48%              | 0.56%              | 0.36%              | 0.56%              | 0.58%               |
| (v) Return on Assets (average)*   | 0.90%              | 0.58%              | 1.21%              | 1.49%              | 2.26%              | 3.64%               |

\* Figures for the quarters and half year 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         |                     |                     | Half-Year Ended       |                     | Year Ended          |
|--------------|--------------------------------|-----------------------|---------------------|---------------------|-----------------------|---------------------|---------------------|
|              |                                | 30.09.2020            | 30.06.2020          | 30.09.2019          | 30.09.2020            | 30.09.2019          | 31.03.2020          |
|              |                                | Unaudited             | Unaudited           | Unaudited           | Unaudited             | Unaudited           | Audited             |
| (₹ in lakhs) |                                |                       |                     |                     |                       |                     |                     |
| <b>1</b>     | <b>Segment Revenue</b>         |                       |                     |                     |                       |                     |                     |
| a)           | Treasury                       | 44,352.73             | 68,408.05           | 56,361.90           | 1,12,760.78           | 1,13,191.26         | 2,01,481.62         |
| b)           | Retail Banking                 | 3,05,279.94           | 2,78,862.64         | 2,42,758.95         | 5,84,142.58           | 5,19,078.65         | 10,71,213.05        |
| c)           | Wholesale Banking              | 13,706.10             | 13,764.73           | 12,024.06           | 27,470.83             | 22,562.39           | 46,167.60           |
| d)           | Other Banking Operations       | 5,603.52              | 1,502.95            | 1,322.46            | 7,106.47              | 2,596.02            | 7,601.85            |
| e)           | Unallocated                    | -                     | -                   | -                   | -                     | -                   | -                   |
|              | <b>Total</b>                   | <b>3,68,942.29</b>    | <b>3,62,538.37</b>  | <b>3,12,467.37</b>  | <b>7,31,480.66</b>    | <b>6,57,428.32</b>  | <b>13,26,464.12</b> |
|              | Less: Inter segment revenue    | 11,002.84             | 22,054.05           | 7,412.72            | 33,056.89             | 56,140.87           | 82,995.05           |
|              | <b>Income from operations</b>  | <b>3,57,939.45</b>    | <b>3,40,484.32</b>  | <b>3,05,054.65</b>  | <b>6,98,423.77</b>    | <b>6,01,287.45</b>  | <b>12,43,469.07</b> |
| <b>2</b>     | <b>Segment Results</b>         |                       |                     |                     |                       |                     |                     |
| a)           | Treasury                       | 12,515.71             | 33,633.95           | 14,987.36           | 46,149.66             | 25,026.71           | 61,183.90           |
| b)           | Retail Banking                 | 1,01,035.25           | 35,609.42           | 98,322.81           | 1,36,644.67           | 2,08,719.72         | 3,27,657.25         |
| c)           | Wholesale Banking              | 4,270.27              | 2,836.66            | 1,931.29            | 7,106.92              | 3,397.24            | 9,246.91            |
| d)           | Other Banking Operations       | 5,479.62              | 1,431.95            | 897.49              | 6,911.57              | 1,966.01            | 7,253.80            |
| e)           | Unallocated                    | -                     | -                   | -                   | -                     | -                   | -                   |
|              | <b>Total Profit Before Tax</b> | <b>1,23,300.85</b>    | <b>73,511.98</b>    | <b>1,16,138.95</b>  | <b>1,96,812.82</b>    | <b>2,39,109.68</b>  | <b>4,05,341.86</b>  |
| <b>3</b>     | <b>Segment Assets</b>          |                       |                     |                     |                       |                     |                     |
| a)           | Treasury                       | 25,53,010.23          | 24,31,873.26        | 20,96,198.61        | 25,53,010.23          | 20,96,198.61        | 23,43,531.45        |
| b)           | Retail Banking                 | 70,79,292.84          | 67,38,336.15        | 56,08,637.09        | 70,79,292.84          | 56,08,637.09        | 63,37,177.45        |
| c)           | Wholesale Banking              | 4,65,447.38           | 4,97,728.19         | 4,34,075.82         | 4,65,447.38           | 4,34,075.82         | 4,67,275.07         |
| d)           | Other Banking Operations       | 917.66                | 610.31              | 690.37              | 917.66                | 690.37              | 1,075.94            |
| e)           | Unallocated                    | 49,147.86             | 43,101.84           | 17,257.47           | 49,147.86             | 17,257.47           | 22,720.00           |
|              | <b>Total</b>                   | <b>1,01,47,815.97</b> | <b>97,11,649.75</b> | <b>81,56,859.36</b> | <b>1,01,47,815.97</b> | <b>81,56,859.36</b> | <b>91,71,779.91</b> |
| <b>4</b>     | <b>Segment Liabilities</b>     |                       |                     |                     |                       |                     |                     |
| a)           | Treasury                       | 14,34,052.79          | 18,24,400.85        | 16,11,653.71        | 14,34,052.79          | 16,11,653.71        | 19,31,984.84        |
| b)           | Retail Banking                 | 68,22,881.42          | 60,98,005.73        | 50,62,197.64        | 68,22,881.42          | 50,62,197.64        | 56,18,060.49        |
| c)           | Wholesale Banking              | 1,66,421.15           | 1,75,506.38         | 77,108.39           | 1,66,421.15           | 77,108.39           | 87,525.59           |
| d)           | Other Banking Operations       | -                     | -                   | -                   | -                     | -                   | -                   |
| e)           | Unallocated                    | 57,736.87             | 39,150.80           | 4,276.05            | 57,736.87             | 4,276.05            | 14,663.06           |
|              | <b>Total</b>                   | <b>84,81,092.23</b>   | <b>81,37,063.76</b> | <b>67,55,235.79</b> | <b>84,81,092.23</b>   | <b>67,55,235.79</b> | <b>76,52,233.98</b> |
| <b>5</b>     | <b>Capital Employed</b>        |                       |                     |                     |                       |                     |                     |
| a)           | Treasury                       | 11,18,957.44          | 6,07,472.41         | 4,84,544.90         | 11,18,957.44          | 4,84,544.90         | 4,11,546.61         |
| b)           | Retail Banking                 | 2,56,411.42           | 6,40,330.42         | 5,46,439.45         | 2,56,411.42           | 5,46,439.45         | 7,19,116.96         |
| c)           | Wholesale Banking              | 2,99,026.23           | 3,22,221.81         | 3,56,967.43         | 2,99,026.23           | 3,56,967.43         | 3,79,749.48         |
| d)           | Other Banking Operations       | 917.66                | 610.31              | 690.37              | 917.66                | 690.37              | 1,075.94            |
| e)           | Unallocated                    | (8,589.01)            | 3,951.04            | 12,981.42           | (8,589.01)            | 12,981.42           | 8,056.94            |
|              | <b>Total</b>                   | <b>16,66,723.74</b>   | <b>15,74,585.99</b> | <b>14,01,623.57</b> | <b>16,66,723.74</b>   | <b>14,01,623.57</b> | <b>15,19,545.93</b> |

**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.

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## Notes:

1 Statement of Assets and Liabilities as at September 30,2020 is given below :

| Particulars  | (₹ in lakhs)          |                     |                     |
|--|-----------------------|---------------------|---------------------|
|  | As at<br>30.09.2020   | As at<br>30.09.2019 | As at<br>31.03.2020 |
|  | Unaudited<br>(₹)      | Unaudited<br>(₹)    | Audited<br>(₹)      |
| <b>Capital &amp; Liabilities</b>                       |                       |                     |                     |
| Capital  | 1,61,035.36           | 1,61,006.61         | 1,61,024.78         |
| Reserves & Surplus                                     | 15,05,688.38          | 12,40,616.96        | 13,58,521.15        |
| Deposits   | 66,12,771.87          | 49,19,519.22        | 57,08,150.36        |
| Borrowings   | 14,00,997.50          | 16,52,089.88        | 16,37,917.71        |
| Other Liabilities and Provisions                       | 4,67,322.86           | 1,83,626.69         | 3,06,165.91         |
| <b>Total</b>   | <b>1,01,47,815.97</b> | <b>81,56,859.36</b> | <b>91,71,779.91</b> |
| <b>Assets</b>  |                       |                     |                     |
| Cash and Balances with Reserve Bank of India           | 3,12,759.68           | 4,19,803.98         | 6,34,490.74         |
| Balances with Banks and Money at call and short notice | 84,640.78             | 2,56,335.02         | 2,00,799.71         |
| Investments  | 22,28,489.78          | 13,96,444.84        | 15,35,177.44        |
| Advances   | 73,30,671.32          | 59,78,585.69        | 66,62,994.77        |
| Fixed Assets   | 41,444.67             | 36,474.58           | 36,876.74           |
| Other Assets   | 1,49,809.74           | 69,215.25           | 1,01,440.51         |
| <b>Total</b>   | <b>1,01,47,815.97</b> | <b>81,56,859.36</b> | <b>91,71,779.91</b> |

2 Cash Flow Statement for the half year ended September 30,2020 is given below :

| Particulars  | (₹ in lakhs)                             |  |                              |
|--|--|--|------------------------------|
|  | Half Year ended<br>September 30,<br>2020 | Half Year ended<br>September 30,<br>2019 | Year ended<br>March 31, 2020 |
|  | Unaudited<br>(₹)                         | Unaudited<br>(₹)                         | Audited<br>(₹)               |
| <b>Cash flow from Operating Activities :</b>   |  |  |                              |
| Profit Before Taxation   | 1,96,812.82                              | 2,39,109.68                              | 4,05,341.86                  |
| <b>Adjustments for :</b>   |  |  |                              |
| Depreciation and amortization  | 4,622.42                                 | 3,728.45                                 | 8,025.58                     |
| Provision on Standard Assets   | 1,11,276.38                              | 1,941.83                                 | 77,846.00                    |
| Provision for non - performing assets  | 11,725.65                                | 25,952.41                                | 61,369.11                    |
| Provision for other contingencies  | 450.27                                   | 116.44                                   | 1,019.95                     |
| Interest Income from fixed deposits  | (233.97)                                 | (2,386.22)                               | (1,927.63)                   |
| Profit on sale of Held-to-maturity (HTM) securities  | (5,812.02)                               | (964.32)                                 | (2,039.13)                   |
| Interest Income for Investments in Held-to-maturity (HTM) securities                                   | (34,822.62)                              | (21,002.59)                              | (55,851.38)                  |
| Provision for depreciation in value of investments   | 904.53                                   | (919.98)                                 | (919.98)                     |
| (Profit)/Loss on sale of fixed assets  | (3.32)                                   | 9.96                                     | (48.64)                      |
| <b>Operating Profit Before Working Capital Changes</b>   | <b>2,84,920.14</b>                       | <b>2,45,585.66</b>                       | <b>4,92,815.74</b>           |
| <b>Movements in working capital :</b>  |  |  |                              |
| (Increase) in Advances   | (6,79,402.20)                            | (3,03,269.65)                            | (10,23,095.44)               |
| (Increase)/Decrease in Other Assets  | (18,349.35)                              | 3,764.22                                 | 9,995.73                     |
| (Increase)/Decrease in Investment in HFT & AFS securities  | (1,11,660.87)                            | (41,844.42)                              | 35,343.35                    |
| Increase in Deposit  | 9,04,621.51                              | 4,40,747.38                              | 12,29,378.52                 |
| Increase/(Decrease) in Other Current Liabilities and Provisions  | 5,376.56                                 | (9,616.39)                               | 26,999.55                    |
| <b>Cash flows generated/ (used in) operations</b>  | <b>85,505.79</b>                         | <b>3,35,366.80</b>                       | <b>7,71,437.45</b>           |
| Direct Taxes Paid (net of refunds)   | (32,297.08)                              | (76,845.78)                              | (1,13,136.50)                |
| <b>Net Cash flows generated from Operating Activities (A)</b>  | <b>53,208.71</b>                         | <b>2,58,521.02</b>                       | <b>6,58,300.95</b>           |
| <b>Cash flow from Investing Activities :</b>   |  |  |                              |
| Purchase of Fixed Assets/Capital work-in-progress  | (9,191.11)                               | (5,579.20)                               | (10,319.50)                  |
| Sale of Fixed Assets/Capital work-in-progress  | 4.07                                     | -  | 99.62                        |
| Interest Income from fixed deposits  | 251.05                                   | 3,117.72                                 | 1,909.76                     |
| Interest Income for Investments in Held-to-maturity (HTM) securities                                   | 31,306.96                                | 24,539.03                                | 45,782.51                    |
| Purchase of equity shares  | -  | -  | (30,000.00)                  |
| (Increase)/Decrease in Held to Maturity Investment   | (2,76,743.98)                            | (3,34,513.82)                            | (5,38,624.38)                |
| Deposits (created)/encashed with banks and financial institutions                                      | (2.07)                                   | -  | (2.03)                       |
| <b>Net Cash flows used in Investing Activities (B)</b>   | <b>(2,54,375.08)</b>                     | <b>(3,12,436.27)</b>                     | <b>(5,31,154.02)</b>         |
| <b>Cash flow from Financing Activities :</b>   |  |  |                              |
| Dividend paid (Including Dividend Distribution Tax)  | -  | (60,845.01)                              | (60,845.01)                  |
| Proceeds from share issue (Including share premium)  | 194.52                                   | 84.82                                    | 894.80                       |
| Payment for merger related expenses  | -  | -  | (8,550.55)                   |
| Proceeds from/ (Repayment) of short term borrowings  | (2,13,750.80)                            | (4,40,231.58)                            | (69,499.46)                  |
| Proceeds from/ (Repayment) of long term borrowings   | (23,169.41)                              | 5,38,324.69                              | 1,53,420.39                  |
| <b>Net Cash flows generated from/ (used in) Financing Activities (C)</b>                               | <b>(2,36,725.69)</b>                     | <b>37,332.92</b>                         | <b>15,420.17</b>             |
| <b>Net Increase In Cash And Cash Equivalents (A+B+C)</b>   | <b>(4,37,892.06)</b>                     | <b>(16,582.33)</b>                       | <b>1,42,567.10</b>           |
| Cash And Cash Equivalents At The Beginning of the year   | 8,35,241.07                              | 5,80,218.31                              | 5,80,218.31                  |
| Add: Cash Acquired on acquisition of assets and liabilities from erstwhile GRUH Finance Limited (GRUH) | -  | 1,12,455.66                              | 1,12,455.66                  |
| <b>Cash And Cash Equivalents At The End of the year</b>  | <b>3,97,349.01</b>                       | <b>6,76,091.64</b>                       | <b>8,35,241.07</b>           |

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**Notes:**

- 3 The above unaudited financial results for the quarter ended September 30, 2020 were approved by the Board of Directors of the Bank at its meeting held on November 02, 2020. These results were subjected to 'Limited Review' by the Statutory Auditors of the Bank. An unqualified review report has been issued by them thereon.
- 4 During the quarter ended September 30, 2020, the Bank has allotted 74,206 Equity Shares of Rs. 10/- each in respect of stock option exercised aggregating to Rs 136.30 lakhs. Accordingly, share capital increased by Rs. 7.42 lakhs and share premium increased by Rs.128.88 lakhs.
- 5 The Bank has realised Rs. 52,217 lakhs during the half year ended September 30, 2020 (Rs 37,442 lakhs during half year ended September 30, 2019) from sale of Priority Sector Lending Certificates. Out of the aforesaid amount, Rs 13,455 lakhs (Rs 9,397 lakhs during quarter ended September 30, 2019) and Rs 25,306 lakhs (Rs 18,648 lakhs during half year ended September 30, 2019) has been recognised in the Profit and Loss Account during the quarter and half year ended September 30, 2020 on an equated basis from the quarter in which the sale has occurred and the remaining amount of Rs 26,911 lakhs (quarter ended September 30, 2019 Rs 18,794 lakhs) will be recognised in the Profit and Loss Account over the remaining two quarters.
- 6 The 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, Leverage Ratio and Liquidity Coverage 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 audit / limited review by the Statutory Auditors.
- 7 The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. The RBI on March 27, 2020, April 17, 2020 and May 23, 2020, announced 'COVID-19 Regulatory Package' on asset classification and provisioning. In terms of these RBI guidelines, the lending institutions have been permitted to grant an effective moratorium of six months on payment of all instalments/Interest as applicable, falling due between March 1, 2020 and August 31, 2020 ('moratorium period'). As such, in respect of all accounts classified as standard as on February 29, 2020, even if overdue, the moratorium period, wherever granted, shall be excluded by the lending Institutions from the number of days past-due for the purpose of asset classification under RBI's Income Recognition and Asset Classification norms.

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 and proforma Net NPA ratio would have been 1.54% and 0.72% respectively.

In addition to the provision of Rs 1,44,000 lakhs made upto June 30, 2020, during the current quarter, the Bank has made further provision of Rs. 30,000 lakhs against the potential impact of COVID-19 on standard assets based on all the available information at this point in time and provisions that may arise for any borrowal account which has not been declared as NPA as at September 30, 2020 pursuant to the aforementioned Supreme Court direction. The aggregate additional provisions held by the Bank amounts to Rs. 1,74,000 lakhs.

The Bank also carries additional Standard Asset Provision on Emerging Enterprise Business portfolio at 0.75% amounting to Rs. 35,600 lakhs. These aforesaid provisions, held by the Bank, aggregate to Rs. 2,09,600 lakhs. These provisions held by the Bank are higher than the minimum requirement as prescribed by RBI. The extent to which the COVID-19 pandemic will impact the Bank's provision on assets and future results will depend on future developments including the final decision of the Honourable Supreme Court of India in relation to moratorium and other related matters, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or adopted by the Bank.

- 8 As per RBI notification RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2020-21 Dated: April 17, 2020 all scheduled commercial banks are required to Disclose the following in the notes to accounts:

|       |   | (₹ in lakhs) |
|-------|---|--------------|
| SL No | Particulars   | Amount       |
| (i)   | Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended (as of February 29, 2020) | 2,48,549.00  |
| (ii)  | Respective amount where asset classification benefits is extended*  | 85,079.00    |
| (iii) | Provisions made as on 30.09.2020*   | 8,507.90     |
| (iv)  | Provision adjusted against slippages  | -            |
| (v)   | Residual provisions as on 30.09.2020  | 8,507.90     |

\* as of September 30, 2020 in respect of such accounts

# Total provision held for Covid-19 as on 30.09.2020 amounts to Rs 2,09,600 lakhs, of which Rs 2,01,092.10 lakhs represents prudent provision over and above regulatory requirement and balance Rs 8507.90 lakhs is provision for loans under moratorium.

- 9 As at September 30, 2020, the total number of Branches, Banking Units and ATM network stood at 1045, 3656 and 487 respectively.
- 10 Figures of the previous year/quarter have been regrouped / reclassified wherever necessary to conform to current year/period's classification.

Place : Kolkata  
Date : November 02, 2020

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For Bandhan Bank Limited

*Chandra Shekhar Ghosh*

Chandra Shekhar Ghosh  
Managing Director & CEO