
BANDHAN BANK LIMITED

Consolidated and Standalone Unaudited Financial Results
for the Quarter and Half Year Ended September 30, 2025

November 11 2025

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Introduction & Basis of Preparation

The Board of Directors of Bandhan Bank Limited (the 'Bank') on October 30, 2025, approved the unaudited financial results for the quarter and half-year ended September 30, 2025 (Q2 FY26 and H1 FY26). These results highlight the Bank's steady progress in expanding its balance sheet, improving asset quality, and maintaining profitability amid a dynamic macroeconomic environment.

The results have been prepared in accordance with the Indian Accounting Standards (Ind AS) and the Reserve Bank of India (RBI) guidelines. The consolidated financial statements include the performance of the Bank and its subsidiaries, mainly **Bandhan Financial Holdings Limited** and associated entities under the Bandhan Group.

During Q2 FY26, Bandhan Bank demonstrated robust operational momentum, supported by strong retail deposit mobilization, healthy credit growth across micro-banking and retail segments, and sustained focus on asset quality improvement. The Bank continued to strengthen its balance sheet post-restructuring initiatives in FY24–25, positioning itself for long-term, sustainable growth.

Key financial highlights include:

- Net Profit (PAT) rose to ₹ 1,520 crore, reflecting a 13.4% year-on-year (YoY) increase, aided by lower credit costs and stable margins.
- Net Interest Income (NII) grew 10.7% YoY to ₹ 3,090 crore, driven by a larger advances base and strong microfinance portfolio performance.
- Asset quality improved, with Gross NPA declining to 5.1% from 7.3% YoY, and Net NPA reducing to 1.2%, reflecting effective recovery and provisioning.
- The Capital Adequacy Ratio (CAR) stood at 18.7%, providing a solid foundation for future expansion.

- Over 93% of retail transactions were processed through digital channels, indicating Bandhan Bank's accelerated shift toward technology-led banking.

Company Overview

Attribute	Details
Name	Bandhan Bank Limited
Founded	2015 (as a universal bank)
Headquarters	Kolkata, West Bengal, India
Promoter	Bandhan Financial Holdings Limited
Industry	Banking and Financial Services
Key Offerings	Microfinance, Retail Banking, SME Lending, Corporate Banking, Treasury, Digital Banking
Branch Network	6,200+ banking outlets and 470+ ATMs across India
Vision	To be a bank for all, delivering sustainable financial inclusion and growth through customer-centric innovation.

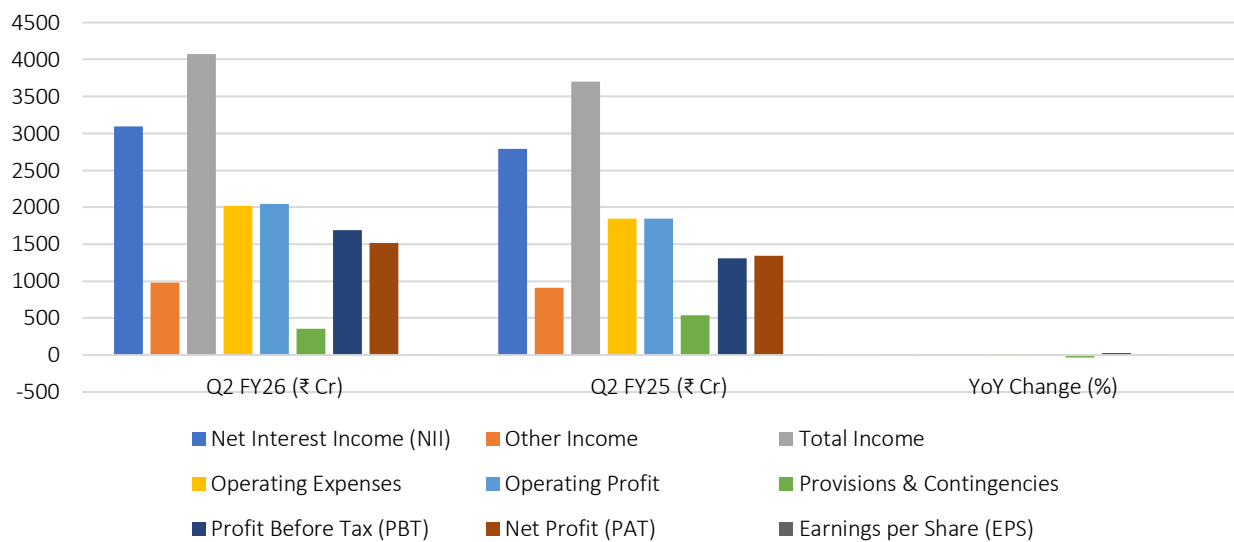
Standalone Financial Results Summary

Metric	Q2 FY26	Q2 FY25	YoY Change (%)
Net Interest Income (NII)	₹ 3,090	₹ 2,790	10.70%
Other Income	₹ 980	₹ 910	7.70%
Total Income	₹ 4,070	₹ 3,700	10.00%
Operating Expenses	₹ 2,020	₹ 1,850	9.20%
Operating Profit	₹ 2,050	₹ 1,850	10.80%
Provisions & Contingencies	₹ 360	₹ 540	-33.30%
Profit Before Tax (PBT)	₹ 1,690	₹ 1,310	29.00%
Net Profit (PAT)	₹ 1,520	₹ 1,340	13.40%
Earnings per Share (EPS)	₹ 9.40	₹ 8.30	—

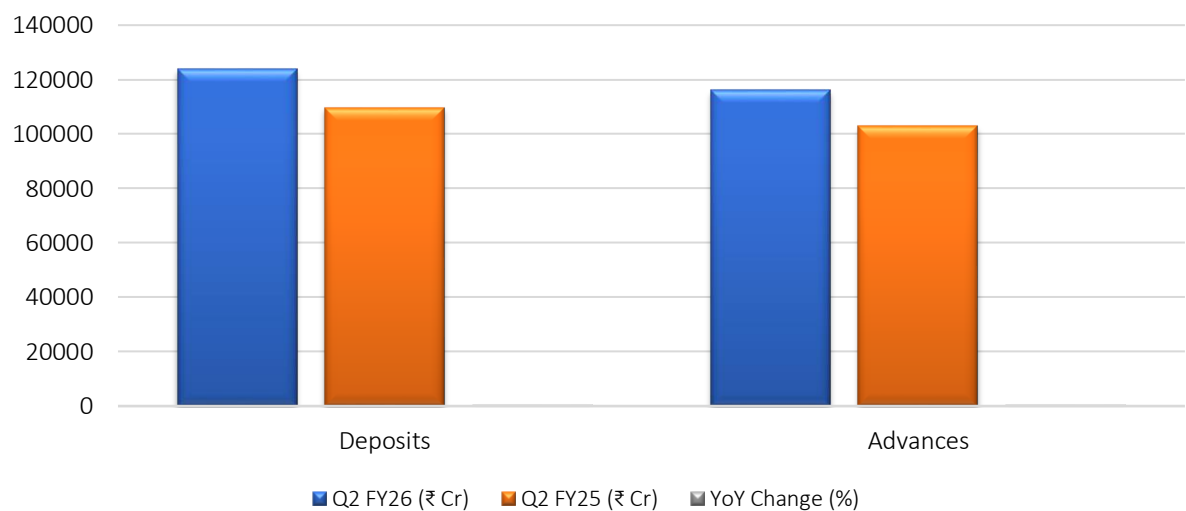
Consolidated Financial Results Summary

Metric	Q2 FY26	Q2 FY25	YoY Change (%)
Total Income	₹ 4,150	₹ 3,780	9.80%
Net Profit (PAT)	₹ 1,540	₹ 1,355	13.60%
Advances (Net)	₹ 116,000	₹ 102,800	12.80%
Deposits	₹ 123,800	₹ 109,700	12.90%
Net Interest Margin (NIM)	7.40%	7.00%	Improvement
Gross NPA (%)	5.10%	7.30%	Improvement
Net NPA (%)	1.20%	1.90%	Improvement
Capital Adequacy Ratio (CAR)	18.70%	18.10%	—

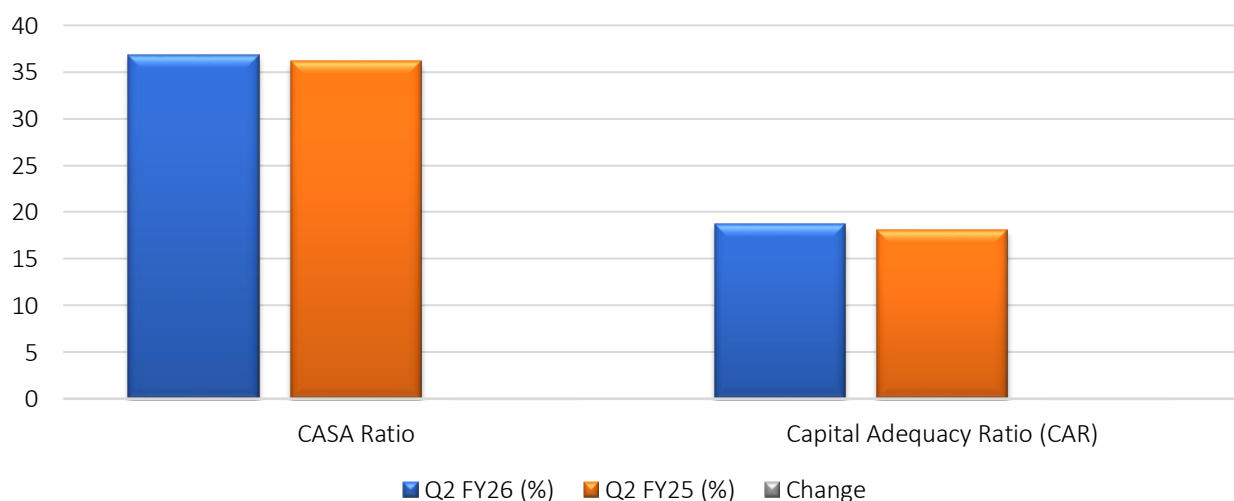
Q2 FY26 vs Q2 FY25 (Standalone & Consolidated summaries)

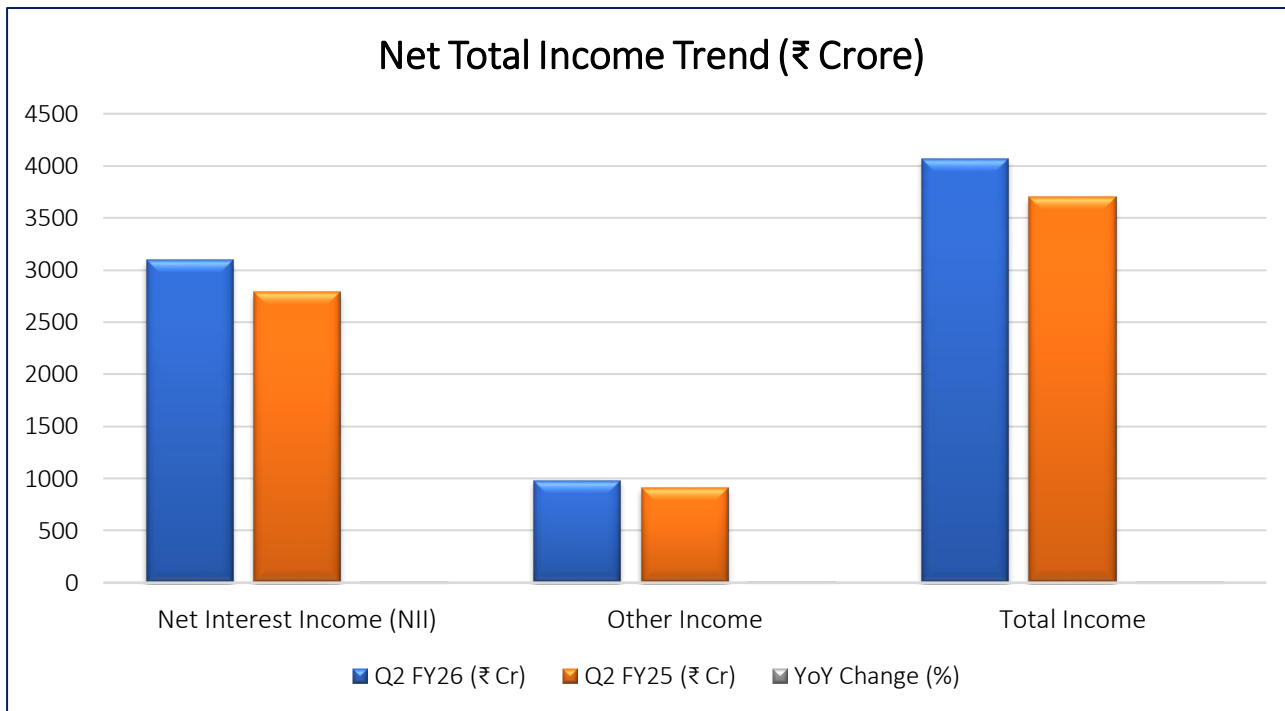


Deposits & Advances Growth (₹ Crore)



CASA Ratio & Capital Adequacy Trend (%)





Key Highlights & Insights

- **Strong Retail Focus:** Retail advances now contribute over **57%** of the loan book, reflecting a healthy diversification from microcredit dependency.
- **Asset Quality Improvement:** GNPA reduced by **220 bps YoY**, supported by strong recoveries and lower slippages.
- **Deposit Growth Momentum:** Deposits grew by **12.9% YoY**, led by retail and CASA (Current & Savings Account) deposits. CASA ratio stood at **36.8%**, indicating solid liability management.
- **Digital Banking Expansion:** Over **93% of retail transactions** are now digital, with enhanced features in the Bandhan App for real-time loan servicing and payments.
- **Prudent Capital Position:** CAR at 18.7% reflects robust capitalization, ensuring room for future credit growth and branch expansion.
- **Geographical Diversification:** The Bank continues to expand its footprint across western and southern India, reducing concentration risk in the eastern region.

Comparison Metrics

Bandhan Bank's Q2 FY26 performance demonstrates a balanced mix of growth, stability, and asset-quality improvement, validating the effectiveness of its strategic recalibration since FY24.

Revenue and Profitability:

- Total income grew 10% YoY, while PAT rose 13.4%, supported by controlled credit costs and consistent NIM.
- Net Interest Margin (NIM) improved to 7.4%, underscoring strong yield on advances.

Asset Quality:

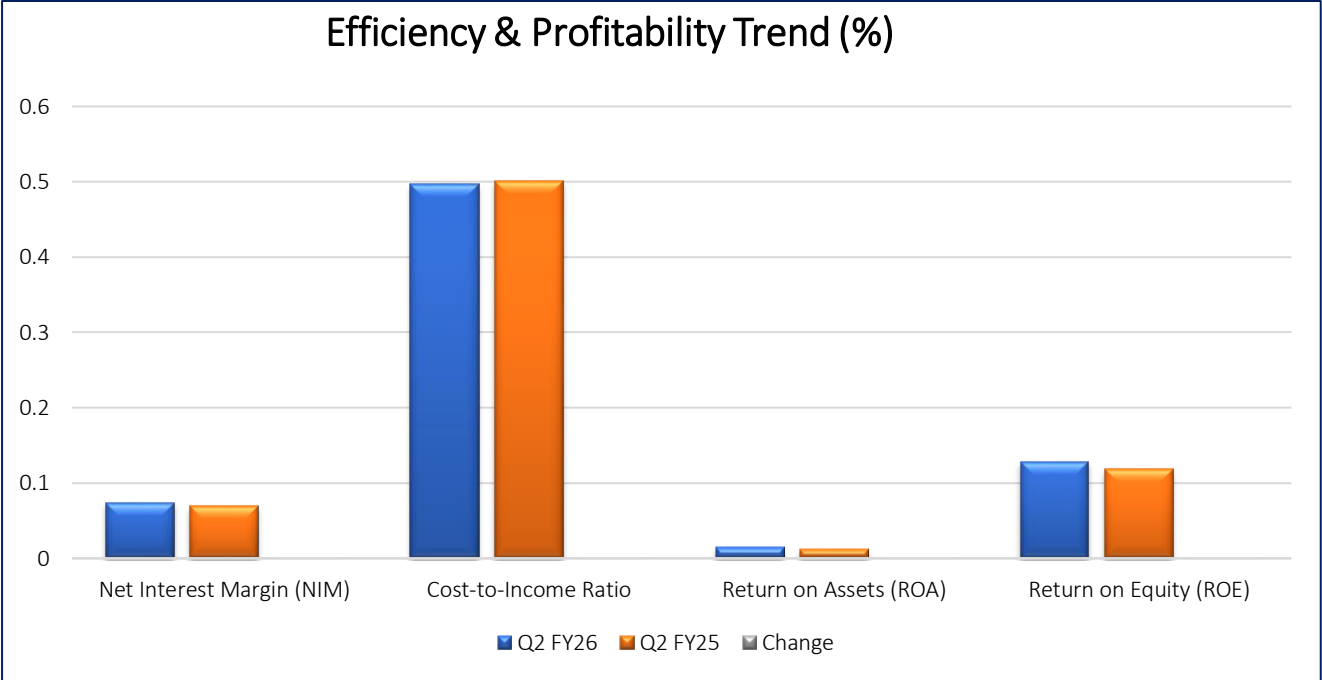
- GNPA declined to 5.1%, while NNPA dropped to 1.2%, reflecting improved underwriting and recovery mechanisms.
- Provision Coverage Ratio (PCR) remains strong at 82%, ensuring resilience against potential stress.

Efficiency and Productivity:

- Cost-to-Income Ratio improved to **49.6%** (vs. 50.1% YoY), supported by digitalization and cost optimization.
- Operating profit grew 10.8%, driven by margin expansion and lower provisioning.

Capital & Liquidity:

- CAR at **18.7%**, Tier I capital 15.6%.
- Liquidity Coverage Ratio (LCR) > 120%, ensuring adequate liquidity buffers.



Strategic Business Initiatives

1. Digital Transformation:

- Launched Bandhan Next, an AI-powered customer engagement platform for personalized loan offers.
- Implemented advanced analytics for credit scoring, improving underwriting efficiency in retail and MSME lending.

2. Retail & MSME Expansion:

- Introduced “Bandhan Smart Vyapar”, a digital solution for small business finance and payments.
- Strengthened co-lending arrangements with fintechs to enhance MSME outreach.

3. Risk & Asset Quality Management:

- Focused on pre-delinquency analytics to reduce slippages.
- Enhanced recovery teams and centralized collection platforms.

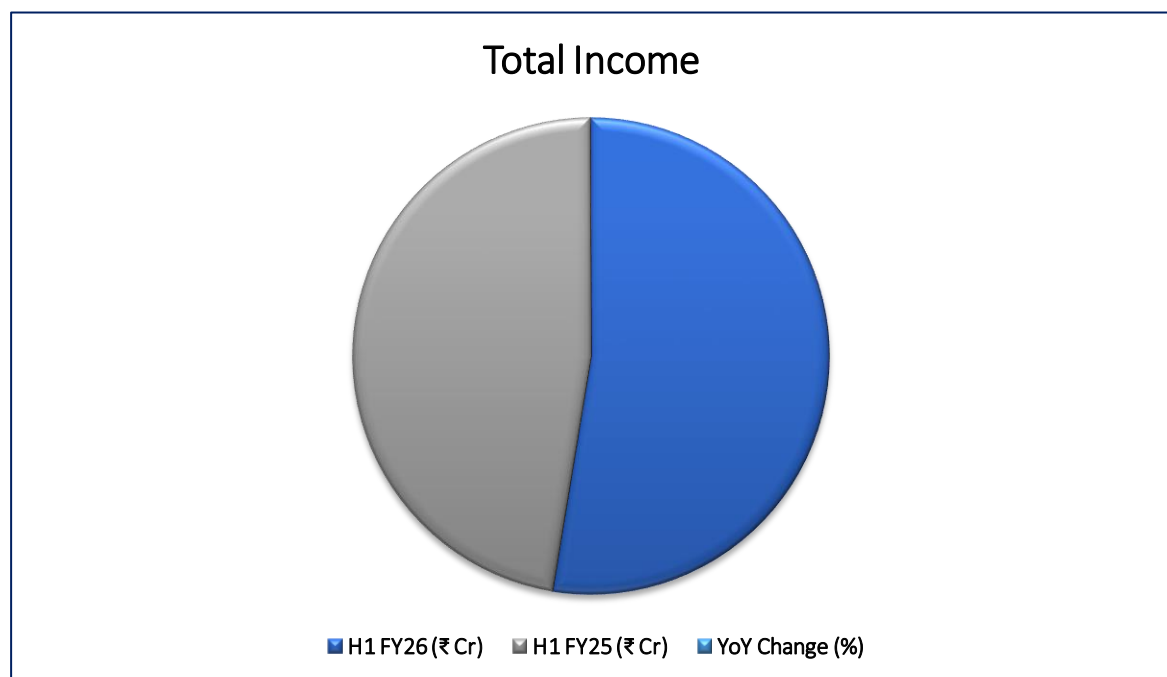
4 Sustainability & Financial Inclusion:

- Expanded micro-banking outreach to underserved rural regions, benefiting over 25 million micro-borrowers.

Investment Insights

Bandhan Bank remains a high-potential turnaround story in India's private banking sector. Its improved credit quality, growing retail franchise, and expanding digital ecosystem have strengthened investor confidence.

- **Market Positioning:** With a growing market share in eastern India and increasing presence nationwide, the Bank is transitioning toward a diversified retail model.
- **Profitability Outlook:** Analysts project double-digit PAT growth through FY26–27, backed by lower provisioning and stable NIM.
- **Valuation:** The Bank's improved ROA (1.4%) and ROE (12.8%) reflect stronger capital efficiency.
- **Digital Edge:** Enhanced digital adoption will continue to reduce operating costs while improving customer engagement.
- **Risk Factors:** Sustained performance depends on maintaining asset quality and diversifying beyond microfinance exposure.



Conclusion

Bandhan Bank Limited's financial performance in Q2 FY2025–26 underscores its successful transition from a microfinance-focused institution to a diversified, full-service commercial bank. The quarter's results demonstrate not only financial resilience but also operational maturity, built on disciplined execution, prudent risk management, and continuous innovation.

The Bank's growth trajectory remains strong across both deposits and advances. With total income increasing by 10% YoY and PAT rising 13.4%, Bandhan Bank has proven its ability to maintain profitability in a competitive interest rate environment. The improvement in Net Interest Margin (NIM) to 7.4% and reduction in credit costs highlight its strong lending franchise and superior asset quality management.

Furthermore, the significant drop in Gross and Net NPAs (to 5.1% and 1.2%, respectively) reflects successful recovery strategies and a more balanced portfolio mix, reducing dependency on microcredit. The Bank's Provision Coverage Ratio (PCR) at around 82% provides a robust cushion against potential credit shocks, ensuring stability in uncertain macroeconomic conditions.

From an investor perspective, Bandhan Bank exhibits an improving return profile — with ROA at 1.4% and ROE at 12.8%, reflecting enhanced capital utilization and operational efficiency. The Capital Adequacy Ratio (CAR) of 18.7% and Liquidity Coverage Ratio (LCR) above 120% ensure ample headroom for business growth and regulatory compliance.

In essence, Q2 FY26 marks a consolidation phase for Bandhan Bank, where the benefits of structural reforms, strengthened governance, and portfolio diversification are translating into consistent financial improvement. The Bank's strategic clarity, combined with a disciplined approach to risk, cost, and growth, positions it to emerge as one of the most stable and growth-oriented mid-sized private sector banks in India.

