

## Contents

1	Introduction: Bandhan Bank
2	5 Years' Revenue Trend
3	5 Years' Income Trend
4	Comparison of Key Financial Ratios
5	Shareholding of the company and it's variations
6	Study of the variations in the capital structure of the company
7	Peer Comparison (Financial Performance)
8	Main components of Cost and their movement
9	Price Performance over the last 5 years
10	Highlights: Important Acquisitions, Sales and Purchase of Shares

### 1. Introduction Bandhan Bank

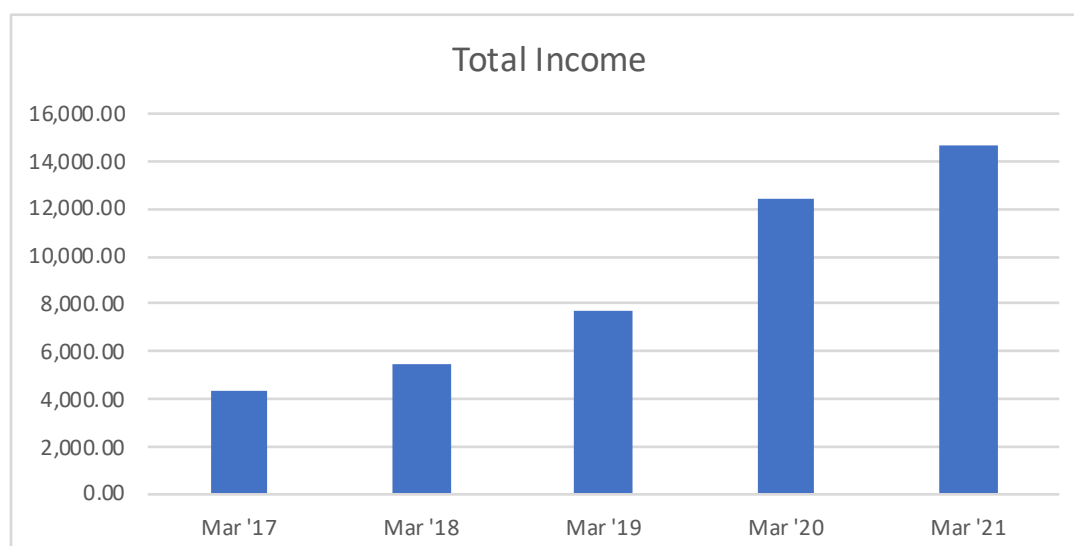
Bandhan Bank Ltd. is an Indian banking and financial services company, headquartered in Kolkata, West Bengal. Bandhan Bank is present in 34 out of 36 states and union territories of India, with 5,596 banking outlets and more than 2.35 crore customers.

On 17 June 2015, the Reserve Bank of India granted the universal banking licence to Bandhan Bank. The same year, on 23 August, the bank started operations with 501 branches, 50 ATMs and 2,022 DSC.

The bank has mobilised deposits over ₹77,972.2 crore and its total advances stand at ₹87,042.9 crore, as on 31 March 2021.

### 2. Revenue Analysis

Revenue of a financial institution include the Interests Earned.



### Remarks

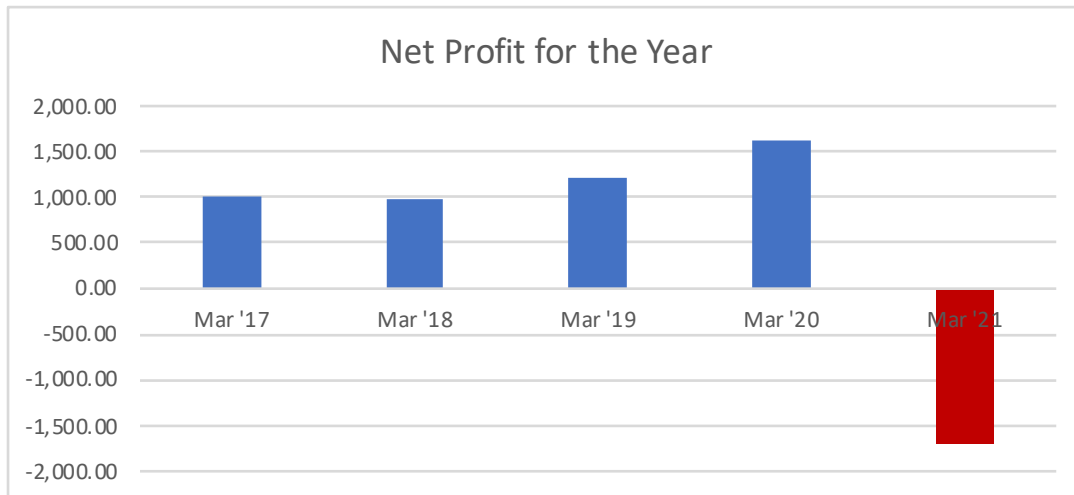
## BDM Assignment-1 (Week 4)

2

- 1 Revenue has been continuously growing over the past 5 years.
- 2 On an average CAGR Rate is greater than 30% approximately
- 3 The 2021 has shown a lower rate due to the pandemic situations

### 3. Net Profit Analysis

We can see a similar trend in Net profit but the 2021 has shown a very poor performance and has occurred a loss which is very high



### 4. Key Financial Ratios

Ratios	Mar '21	Mar '20	Mar '19	Mar '18	Mar '17
Advances / Loans Fund	96.93	113.69	101.77	101.74	85.48
<b>Debt Coverage Ratios</b>					
Credit Deposit Ratio	109.77	105.94	89.96	81.53	82.9
Investment Deposit Ratio	29.99	25.31	23.88	24.32	26.26
Cash Deposit Ratio	8.57	10.19	8.71	15.5	19.32
Total Debt to Owners Fund	5.45	4.83	3.91	3.64	5.46
Financial Charges Coverage	2.4	2.21	2.78	2.42	2.24
Financial Charges Coverage	1.47	1.68	1.94	1.81	1.78
<b>Leverage Ratios</b>					
Current Ratio	0.02	0.02	0.01	0.01	0.01
Quick Ratio	33.33	24.17	29.69	42.66	15.09
<b>Cash Flow Indicator Ratios</b>					
Dividend Payout Ratio I	--	--	7.36	--	--
Dividend Payout Ratio (	--	--	7.08	--	--
Earning Retention Ratio	100	100	92.64	100	100
Cash Earning Retention	100	100	92.92	100	100
Adjusted Cash Flow Times	33.78	18.39	21.3	23.66	19.71
Earnings Per Share	-10.56	10.13	10.2	8.14	9.35
Book Value	108.09	94.37	93.89	78.65	40.6

## BDM Assignment-1 (Week 4)

3

### 5. Shareholding of the company and it's variations

	Jun-21	Mar-21	Mar-20	Mar-19	Sep-18
<b>Promoter</b>	<b>40.00%</b>	<b>40.00%</b>	<b>61.00%</b>	<b>82.30%</b>	<b>82.30%</b>
Holding	40.00%	40.00%	61.00%	82.30%	82.30%
Pledged	0.00%	0.00%	0.00%	0.00%	0.00%
Locked	0.00%	0.00%	24.31%	24.31%	100.00%
<b>FII</b>	<b>35.40%</b>	<b>34.90%</b>	<b>13.10%</b>	<b>5.60%</b>	<b>5.50%</b>
<b>DII</b>	<b>2.00%</b>	<b>1.90%</b>	<b>8.90%</b>	<b>10.00%</b>	<b>10.40%</b>
<b>Public</b>	<b>22.60%</b>	<b>23.20%</b>	<b>17.20%</b>	<b>2.20%</b>	<b>1.80%</b>
<b>Others</b>	<b>0%</b>	<b>0.00%</b>	<b>0%</b>	<b>0%</b>	<b>0.00%</b>

#### Remarks

1. We can see that the share of the Promoters has been reduced to 40% from 82% which is more than half times reduction
2. Company is going more towards FII which shows that it is attracting more FIIs

### 6. Study of the variations in the capital structure of the company

	Mar '21	Mar '20	Mar '19	Mar '18	Mar '17
<b>Capital and Liabilities:</b>					
Total Share Capital	1,610.60	1,610.25	1,193.08	1,192.80	1,095.14
Equity Share Capital	1,610.60	1,610.25	1,193.08	1,192.80	1,095.14
Reserves	15,797.58	13,585.21	10,008.66	8,189.14	3,351.31
<b>Net Worth</b>	<b>17,408.18</b>	<b>15,195.46</b>	<b>11,201.74</b>	<b>9,381.94</b>	<b>4,446.45</b>
Deposits	77,972.22	57,081.50	43,231.62	33,869.00	23,228.66
Borrowings	16,960.36	16,379.18	521.35	285	1,028.94
<b>Total Debt</b>	<b>94,932.58</b>	<b>73,460.68</b>	<b>43,752.97</b>	<b>34,154.00</b>	<b>24,257.60</b>

#### Remarks:

1. Proportion of Debt is very high. More than 80% is covered by the Debt

## BDM Assignment-1 (Week 4)

4

### 7. Peer Comparison (Financial Performance)

S.No.	Name	CMP Rs.	P/E	Rs.Cr.		NP Qtr
				Mar Cap	Div Yld %	
1	<a href="#">HDFC Bank</a>	1602.65	27.03	887459.7	0.41	7922.09
2	<a href="#">ICICI Bank</a>	703.4	24.37	487813	0.28	4747.42
3	<a href="#">Kotak Mah. Bank</a>	1936.35	38.62	383995.2	0.05	1806.09
4	<a href="#">Axis Bank</a>	781.95	28.37	239806.1	0	2356.91
5	<a href="#">IndusInd Bank</a>	1174.4	26.46	90912.56	0.43	1016.11
6	<a href="#">Bandhan Bank</a>	345.8	27.45	55698.03	0.29	373.08
7	<a href="#">IDBI Bank</a>	47.85	26.34	51450.24	0	598.13

#### Remarks

Only P/E Ratio seems to be as per the industry average rest of the KPIs pushing the overall Ranking to 6th position

### 8. Main components of Cost and their movement

Items	Mar '17	Mar '18	Mar '19	Mar '20	Mar '21
Interest expended	1,505.21	1,770.06	2,147.95	4,561.58	4,960.86
Employee Cost	545.57	687.98	1,008.69	1,367.04	1,664.63
Selling, Admin & Misc Exp	1,178.98	1,993.17	3,255.23	4,795.23	9,605.86
Depreciation	66.85	85.92	78.17	80.26	103.06
Operating Expenses	1,110.44	1,682.52	2,545.41	3,819.70	6,723.75
Provisions & Contingencies	680.96	1,084.55	1,796.68	2,422.83	4,649.80
<b>Total Expenses</b>	<b>3,296.61</b>	<b>4,537.13</b>	<b>6,490.04</b>	<b>10,804.11</b>	<b>16,334.41</b>

#### Remarks

For a FI, the main expenditure falls under the category of Interest, Selling and Admin Expenditures and operating expenses. In 2021, all expenses are almost doubled compared to the last year 2020

### 8. Price Performance over the last 5 years

#### Interest Rate/Price

Personal Loan                      15% and above  
Home Loan                          8.75% p.a. to 12% p.a.

### **5. Highlights: Important Acquisitions, Sales and Purchase of Shares**

#### **Initial public offering and stock exchange listing**

Bandhan Banks's equity shares are listed on the Bombay Stock Exchange and National Stock Exchange of India. The IPO got oversubscribed by almost 15 times at the end of the three-day long issue. On its stock exchange debut (27 March 2018), the equity opened at ₹487.33 on the National Stock Exchange and closed at ₹476.85; 27 percent over its issue price of ₹375.

#### **Merger**

In January 2019, Bandhan Bank initiated the process of acquisition of GRUH Finance, a Housing Development Finance Corporation Limited backed housing finance company in the share-swap deal by way of Scheme of amalgamation ('Scheme'). RBI accorded its no-objection to the Scheme on 14 March 2019. The bank has also received no-objection on the Scheme from the BSE and the NSE on 3 April 2019. On 15 April 2019, the Competition Commission of India (CCI) has also approved the Scheme. [16] On 30 July 2019, bank received the approval of its shareholders for the proposed acquisition of GRUH Finance. Further the bank obtained the approval of NCLT, Bench at Kolkata on 27 September 2019. Then GRUH Finance officially merged into Bandhan Bank on 17 October 2019, and the combined balance sheet of the bank's Q2 results crossed the ₹1 lakh crore mark.