

## **Bandhan Bank and GRUH Finance announce merger**

- **Combined distribution network to be 4,182 banking outlets in 34 of the 36 states and union territories**
- **Loan book to have micro loans (58%), retail home loans (28%) and other loans (14%)**
- **The move to give Bandhan Bank a pan-India affordable housing franchise**

**Mumbai, January 7, 2019:** The Board of Directors of Bandhan Bank Limited and GRUH Finance Limited today 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 Rs.10 each of Bandhan Bank to be issued for every 1,000 equity shares of face value of Rs.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 Rs.50,036 crore. Loan book would consist of micro loans (58%), retail home loans (28%) and other loans (14%). Combined distribution network would comprise 4,182 banking outlets and 476 ATMs across 34 states and union territories of India. Merged entity would have more than 31,000 employees serving about 1.5 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%.

Mr. Chandra Shekhar Ghosh, MD & CEO, Bandhan Bank, said, "GRUH has a strong pedigree and is one of the best housing finance companies in India. This merger would bring together two companies and teams that have a common mission of serving the under banked population of the country. Bandhan Bank is excited about this merger as it gives us the opportunity to build a unique pan-India affordable housing franchise."

Mr. Sudhin Choksey, MD & CEO of GRUH, said, "GRUH's strong presence in the west, combined with Bandhan Bank's deep penetration in the east and north-eastern regions of the country will enable the combined entity to better serve the financial needs of under-banked and rural customers."

Mr. Deepak Parekh, Chairman, HDFC Limited, said, "Bandhan Bank and GRUH have similar core values, business ethics and are committed to financial inclusion. This merger will create one of the largest rural and semi-urban lending platforms in India."

**Valuation Advisors:**

- SRB & Associates for Bandhan Bank

- Desai Haribhakti & Co. for GRUH Finance

**Fairness Opinion:**

- Kotak Mahindra Capital Company Limited for Bandhan Bank
- JM Financial Limited for GRUH Finance

**Solicitors & Legal Advisors:**

- Singhi & Co., Advocates & Notary for GRUH Finance

**Legal Advisors:**

- Shardul Amarchand Mangaldas & Co for Bandhan Bank
- Argus Partners for GRUH Finance
- AZB & Partners for HDFC Limited

**Transaction Advisor to HDFC Limited**

- Arpwood Capital

**About Bandhan Bank**

Bandhan made a humble beginning in 2001 as a not-for-profit microfinance enterprise with the idea of making a significant contribution towards women empowerment and poverty alleviation. It transformed itself into a non-banking finance company in 2006.

Bandhan Bank is the first instance in India of a microfinance entity transforming into a universal bank and also the first pan-India bank set up in the eastern part of India post-Independence. Bandhan Bank commenced its operations on August 23, 2015, with 501 branches, 2,022 Doorstep Service Centres (DSCs) and 50 ATMs across 24 Indian states and union territories. The Bank was inaugurated by Shri Arun Jaitley, Hon'ble Minister of Finance, Corporate Affairs and Information & Broadcasting, Government of India.

In sync with the philosophy of 'Aapka Bhala, Sabki Bhalai' and keeping financial inclusion at the heart of it, Bandhan Bank is committed in providing a host of products and services, competitively at par with India's top private and state-owned banks. For more information on Bandhan Bank, please visit <https://www.bandhanbank.com>

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**About GRUH**

GRUH Finance Limited is India's leading housing finance company with a focus on the affordable housing segment. GRUH has assisted over 4 lakh customers in acquiring or constructing their own homes in the last 30 years. It has a network of 194 branches across 11 states and 1 UT of India. As of September 30, 2018, GRUH had an outstanding loan book of Rs.16,663 crores, Net NPA of 0.51% and annualized RoA and RoE of 2.57% and 27.27% respectively. HDFC Ltd. is the largest shareholder of GRUH with a shareholding of 57.86%. For more information about GRUH, please visit [www.gruh.com](http://www.gruh.com).

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