RBL Bank Limited
One Indiabulls Centre, Tower 2B
6th Floor, 841, Senapati Bapat Marg,
Lower Parel West, Mumbai 400013

For immediate release

RBL Bank Q3 FY17 Net Profit up by 58.78% at Rs. 128.69 crore on a YoY basis
Operating Profit up by 57.60% to Rs. 235.11 crore on a YoY basis
Capital Adequacy Ratio (CAR) at 13.80%

Key financial highlights:

- Continuing healthy growth momentum
- Improvement in performance parameters
- Advances (Net) up by 46.30% on Year on Year (YOY) basis
- Q3 FY17 Net Profit is up by 58.78% to Rs.128.69 crore
- Cost to income ratio continues to improve at 53.34% for Q3 FY17
- Return on Assets up from 1.07% to 1.17% on a YOY basis in Q3 FY17

Mumbai, January 20, 2017: The Board of Directors of **RBL Bank Limited** at its meeting held today, approved the unaudited financial results for the quarter ended December 31, 2016[1].

Key Financials:

Rs. Crore	Q3 FY17	Q3 FY16	YOY	Q2 FY17	QoQ	9M FY17	9M FY16	YOY
Net Interest Income	321.58	222.44	45%	302.94	6%	869.18	579.03	50%
Other Income	182.26	109.64	66%	169.11	8%	518.91	347.83	49%
Net Total Income	503.84	332.08	52%	472.05	7%	1,388.09	926.86	50%
Operating Profit	235.11	149.18	58%	219.09	7%	638.66	381.59	67%
Net profit before exceptional item[2]	128.69	81.05	59%	108.51	19%	334.54	208.30	61%
Net profit after exceptional item[3]	128.69	81.05	59%	89.89	43%	315.92	208.30	52%

[1] As the Bank's equity shares have been listed on August 31, 2016 on stock exchanges, the requirement of limited review and disclosures of quarterly financial results has become applicable from the quarter ended September 30, 2016. Accordingly, the results for the quarter and nine months ended December 31, 2016 and for the quarter ended September 30, 2016 have been subjected to "Limited Review" by the Statutory Auditor of the Bank. The unaudited figures for the quarter and nine months ended December 31, 2015 are not subjected to limited review

[2] For the quarter ending September 30, 2016 and nine months period ending December 31, 2016 exceptional item pertains to a pre-tax charge of Rs. 28.47 crore towards marking a strategic investment to book value of the investee company, being the acquisition of 9.99% equity stake in Utkarsh Micro Finance Limited in September / October 2016, which is held in 'Available for Sale' category.

[3] Same as note 2 above

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Rs. Crore	December 31, 2016	December 31, 2015	YOY	September 30, 2016	QoQ
Advances	26,773.12	18,299.66	46%	24,875.06	8%
Deposits	30,005.14	20,847.44	44%	27,959.98	7%
Investments	12,838.46	10,068.28	28%	12,262.42	5%

Key ratios:

Particulars (in %)	Q3 FY17	Q3 FY16	9M FY17	9M FY16
Net Interest Margin	3.38	3.24	3.20	3.06
Cost to Income	53.34	54.95	53.99	58.78
Return on Assets	1.17	1.07	1.08[4]	0.99
Return on Equity	12.30	11.89	11.95[5]	11.34
Gross NPA	1.06	1.08	1.06	1.08
Net NPA	0.52	0.69	0.52	0.69
Provision Coverage Ratio	60.96	51.06	60.96	51.06

Performance highlights – Quarter ended December 31, 2016 (Q3 FY17):

- Net Interest Income (NII) was Rs.321.58 crore in the quarter ended December 31, 2016 (Q3 FY17) as compared to Rs.222.44 crore in the quarter ended December 31, 2015 (Q3 FY16), registering an increase of 44.57%.
- Other Income for Q3 FY17 was Rs.182.26 crore as against Rs.109.64 crore in Q3 FY16, an increase of 66.23%.
- Operating profit for Q3 FY17 was Rs.235.11 crore as against Rs.149.18 crore in Q3 FY16, an increase of 57.60%.
- Net profit for Q3 FY17 was Rs.128.69 crore as against Rs.81.05 crore in Q3 FY16, showing an increase of 58.78%.
- Net Interest Margin (NIM) for Q3 FY17 was 3.38% as against 3.24% in Q3 FY16, showing an increase of 14 basis points (bps).
- Cost to Income ratio for Q3 FY17 was 53.34 % as against 54.95% in Q3 FY16.
- Return on Assets (RoA) in Q3 FY17 was 1.17% as against 1.07% in Q3 FY16.
- Return on Equity (RoE) in Q3 FY17 was 12.30% as against 11.89% in Q3 FY16.

Performance highlights – Nine months ended December 31, 2016 (9M FY17):

- Net Interest Income (NII) was Rs.869.18 crore in the nine months ended December 31, 2016 (9M FY17) as compared to Rs.579.03 crore in the nine months ended December 31, 2015 (9M FY16), registering an increase of 50.11%.
- Other Income for 9M FY17 was Rs.518.91 crore as against Rs.347.83 crore in 9M FY16, an increase of 49.18%.
- Operating profit for 9M FY17 was Rs.638.66 crore as against Rs.381.59 crore in 9M FY16, an increase of 67.37%.
- Net profit for 9M FY17 excluding exceptional item (explained in note 2 above) would have been Rs.334.54 crore as against Rs.208.30 crore in 9M FY16, showing an increase of 60.60%. Net profit for 9M FY17 was Rs.315.92 crore, an increase of 51.67%.

[4] Return on Assets after taking into account the charge mentioned in note 2 above is 1.04%.

[5] Return on Equity after taking into account the charge mentioned in note 2 above is 11.44%.

- Net Interest Margin (NIM) for 9M FY17 was 3.20% as against 3.06% in 9M FY16, showing an improvement of 14 basis points (bps).
- Cost to Income ratio for 9M FY17 was 53.99% as against 58.78% in 9M FY16, showing a significant decline.
- Return on Assets (RoA)[6] in 9M FY17 was 1.08% as against 0.99% in 9M FY16.
- Return on Equity (RoE)[7] in 9M FY17 was 11.95% as against 11.34% in 9M FY16.
- Net Advances as on December 31, 2016 were at Rs. 26,773.12 crore as compared to Rs.18,299.66 crore as on December 31, 2015, showing a growth of 46.30%.
- Gross NPA increased to 1.06 % against 0.98% as at March 31, 2016. Net NPA decreased to 0.52% against 0.59% as at March 31, 2016.
- Deposits as on December 31, 2016 were at Rs.30,005.14 crore as compared to Rs.20,847.44 crore as on December 31, 2015, showing a growth of 43.93%.
- Current Accounts & Savings Accounts (CASA) ratio improved to 23.15% as at December 31, 2016 from 18.22% as at December 31, 2015 and 18.64% as at March 31, 2016.
- Capital Adequacy Ratio as per BASEL III Capital regulations as on December 31, 2016 was 13.80% against 12.89% as on December 31, 2015. (Both without factoring net profit for the period)
- Increase in branch network from 185 to 215 and ATM network from 360 to 374 as at December 31, 2016 as compared to December 31, 2015.

Operating review

Asset growth and quality

The Bank's growth in advances portfolio continued with a robust growth of 46.30% on a year-on-year basis, despite relatively slower impact on growth in the non-wholesale businesses during November and December 2016 due to demonetisation of high value currency notes by the government. The net advances as on December 31, 2016 were Rs.26,773.12 crore as against Rs.18,299.66 crore on December 31, 2015, with all-round growth observed in all business segments. The growth in the Corporate & Institutional segment and Commercial Banking (together termed as "Wholesale portfolio") was pegged at 50%, while that of other segments (Retail Assets, Development Banking & Financial Inclusion and Agriculture – together termed as ("Non-wholesale portfolio") was 40%. The non-wholesale portfolio constituted about 38% of the loan portfolio of the Bank as at December 31, 2016.

The gross NPAs have decreased to 1.06% as at December 31, 2016 from 1.08% as at December 31, 2015 and from 1.10% as at September 30, 2016. The restructured standard assets portfolio has increased to 0.28% as at December 31, 2016 from 0.10% as at December 31, 2015 and 0.08% as at September 30, 2016. The net NPAs have decreased to 0.52% as at December 31, 2016 from 0.69% as at December 31, 2015 and 0.55% as at September 30, 2016. The Bank's provisioning coverage ratio (including technical write-offs), was 60.96% as at December 31, 2016 as compared to 51.06% as at December 31, 2015 and 60.34% as at September 30, 2016.

Deposit growth

The Bank's deposits continued to grow at a good rate. Deposits grew to Rs.30,005.14 crore as at December 31, 2016 as against Rs.20,847.44 crore as at December 31, 2015. The CASA deposits also showed strong growth of 82.85% during the same period. Savings account deposits increased by 117.45% during the same period. CASA ratio increased to 23.15% as at December 31, 2016 compared to 18.22% as at December 31, 2015. CASA ratio was 19.89% as at September 30, 2016.

[6] Same as note 4 above

[7] Same as note 5 above

Capital adequacy

The Bank's capital adequacy ratio as at December 31, 2016 was 13.80% and Tier-1 capital adequacy was 11.31%, significantly higher than the regulatory requirements. In line with applicable guidelines, the Basel III capital ratios reported by the Bank for December 31, 2016 do not include the profits for 9M FY17. Including the profits for 9M FY17, the capital adequacy ratio for the Bank as per Basel III norms would have been 14.63% and the Tier I ratio would have been 12.14%.

During the nine months ending December 31, 2016, the Bank successfully completed its Initial Public Offering of equity shares wherein 3,70,00,000 equity shares of Rs. 10/- each were allotted at a price of Rs. 225.00 per share aggregating to Rs. 832.50 crore. The Bank's shares were listed on August 31, 2016 on NSE & BSE. During this period, the Bank also successfully completed issuance of subordinated debentures qualifying as Tier II capital under Basel III regulations amounting to Rs.330 crore. These debentures are listed on BSE. The equity as well as the debt capital raised during the quarter has significantly boosted the capital adequacy ratio of the Bank. The Bank's Certificate of Deposits program rated ICRA A1+ has been enhanced from Rs. 2,250 crore to Rs. 3,000 crore.

Other recent developments:

Commenting on the performance, **Mr. Vishwavir Ahuja**, MD & CEO, RBL Bank said, "In the year so far, the Bank has continued with strong growth momentum at all levels in terms of asset and deposits growth; particularly the savings accounts deposits, as well as profitability despite challenging credit environment. The demonetisation should bring in positive structural changes in the economy which bodes well for the banking and financial services industry. We see stronger opportunities ahead post demonetisation in growing our scale, distribution, enhancing our digital/technology led offerings and strengthening our partnership driven approach. We are seeing increasing traction in our digital banking offerings, with increasing customer adoption of our enhanced mobile banking channels. The focus of the Bank is to ensure strong client traction in all business segments while leveraging technology to acquire, engage and service clients, improve CASA deposits, improve operating efficiency and maintain credit cost within acceptable levels. Our financial metrics are moving in the right direction for achievement of the medium term objectives set for the Bank."