

For immediate release

RBL Bank H1 Net Profit up by 61.76% at Rs.205.85 crore (before exceptional item) on a YoY basis

Operating Profit up by 73.63% to Rs.403.55 crore on a YoY basis

Capital Adequacy Ratio (CAR) at 14.55% following the IPO

Key financial highlights:

- Continuing growth momentum
- Improvement in performance parameters
- Advances (Net) up by 43.96% on Year on Year (YOY) basis
- H1 FY17 Net Profit before charge for exceptional item¹ is up by 61.77% to Rs.205.85 crore
- H1 FY17 Net Profit up after charge for exceptional item² is by 47.14% to Rs.187.23 crore
- Cost to income ratio down to 54.36% for H1 FY17 from 60.92% for H1 FY 16
- Return on Assets up from 0.94% to 1.01% on a YOY basis in H1 FY 17 without factoring charge for exceptional item³

Mumbai, October 19, 2016: The Board of Directors of **RBL Bank Limited** at its meeting held today, approved the unaudited financial results for the quarter ended September 30, 2016.⁴

Key Financials:

| Rs. Crore | Q2 FY17 | Q2 FY16 | YOY | Q1 FY17 | QoQ | H1 FY17 | H1 FY16 | YOY |
|---|---------|---------|-----|---------|-----|---------|---------|-----|
| Net Interest Income | 302.94 | 189.93 | 60% | 244.66 | 24% | 547.60 | 356.59 | 54% |
| Other Income | 169.11 | 112.29 | 51% | 167.54 | 1% | 336.65 | 238.19 | 41% |
| Net Total Income | 472.05 | 302.22 | 56% | 412.20 | 15% | 884.25 | 594.78 | 49% |
| Operating Profit | 219.09 | 120.85 | 81% | 184.46 | 19% | 403.55 | 232.41 | 74% |
| Net profit before exceptional item ⁵ | 108.51 | 66.93 | 62% | 97.34 | 11% | 205.85 | 127.25 | 62% |
| Net profit after exceptional item ⁶ | 89.89 | 66.93 | 34% | 97.34 | -8% | 187.23 | 127.25 | 47% |

¹ 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 9.9% equity stake in Utkarsh Micro Finance Limited in September 2016, which is held in 'Available for Sale' category.

² same as note 1 above

³ Return on Assets after taking into account the charge mentioned in note 1 above is 0.96%.

⁴ 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 half year ended September 30, 2016 have been subjected to "Limited Review" by the Statutory Auditor of the Bank. The unaudited figures for the quarter and half year ended September 30, 2015 and quarter ended June 30, 2016 are not subjected to limited review.

⁵ Same as note 1 above

⁶ Same as note 1 above

| Rs. Crore | September 30, 2016 | September 30, 2015 | YOY | June 30, 2016 | QoQ |
|-------------|-----------------------|-----------------------|-----|------------------|-----|
| Advances | 24,875.06 | 17,279.27 | 44% | 22,264.96 | 12% |
| Deposits | 27,959.98 | 20,284.11 | 38% | 25,802.90 | 8% |
| Investments | 12,262.42 | 9,424.98 | 30% | 12,547.25 | -2% |

Key ratios:

| Particulars (in %) | H1 FY17 | H1 FY16 |
|--------------------------|--------------------|---------|
| Net Interest Margin | 3.10 | 2.96 |
| Cost to Income | 54.36 | 60.93 |
| Return on Assets | 1.01 ⁷ | 0.94 |
| Return on Equity | 11.46 ⁸ | 11.00 |
| Gross NPA | 1.10 | 0.93 |
| Net NPA | 0.55 | 0.48 |
| Provision Coverage Ratio | 60.34 | 56.20 |

Performance highlights – Half year ended September 30, 2016 (H1 FY17):

- Net Interest Income (NII) was Rs.547.60 crore in the half year ended September 30, 2016 (H1 FY17) as compared to Rs.356.59 crore in the half year ended September 30, 2015 (H1 FY16), registering an increase of 53.57%.
- Other Income for H1 FY17 was Rs.336.65 crore as against Rs.238.19 crore in H1 FY16, an increase of 41.34%.
- Operating profit for H1 FY17 was Rs.403.55 crore as against Rs.232.41 crore in H1 FY16, an increase of 73.64%.
- Net profit for H2 FY17 excluding exceptional item (explained in note 1 above) would have been Rs.205.85 crore as against Rs.127.25 crore in H1 FY16, showing an increase of 61.77%. Net profit for H1 FY17 was Rs.187.23 crore, an increase of 47.14%.
- Net Interest Margin (NIM) for H1 FY17 was 3.10% as against 2.96% in H1 FY16, showing an improvement of 14 basis points (bps).
- Cost to Income ratio for H1 FY17 was 54.36% as against 60.93% in H1 FY16, showing a significant decline.
- Return on Assets (RoA) in H1 FY17 was 1.01%⁹ as against 0.94% in H1 FY16.
- Return on Equity (RoE) in H1 FY17 was 11.46%¹⁰ as against 11.00% in H1 FY16. ROE for H1 FY17 takes into account the impact of initial public offering in August 2016 which resulted in primary equity capital raise of Rs.832.50 crore.
- Net Advances as on September 30, 2016 were at Rs. 24,875.06 crore as compared to Rs.17,279.27 crore as on September 30, 2015, showing a growth of 43.96%.
- Gross NPA increased to 1.10 % against 0.98% as at March 31, 2016. Net NPA decreased to 0.55% against 0.59% as at March 31, 2016.

⁷ Same as note 3 above.

⁸ Post IPO, Return on Equity after taking into account the charge mentioned in note 1 above is 10.92%.

⁹ Same as note 3 above

¹⁰ Same as note 8 above

- Deposits as on September 30, 2016 were at Rs. 27,959.98 crore as compared to Rs. 20,284.11 crore as on September 30, 2015, showing a growth of 37.84%.
- Current Accounts & Savings Accounts (CASA) ratio improved to 19.89% as at September 30, 2016 from 18.00% as at September 30, 2016 and 18.64% as at March 31, 2016.
- Capital Adequacy Ratio as per BASEL III Capital regulations as on September 30, 2016 was 14.55% against 10.47% as on September 30, 2015. (Both without factoring net profit for the period)
- Increase in branch network from 184 to 201 and ATM network from 357 to 373 as at September 30, 2016 as compared to September 30, 2015.

Performance highlights – Quarter ended September 30, 2016 (Q2 FY17):

- Net Interest Income (NII) was Rs.302.94 crore in the quarter ended September 30, 2016 (Q2 FY17) as compared to Rs.189.93 crore in the quarter ended September 30, 2015 (Q2 FY16), registering an increase of 59.50%.
- Other Income for Q2 FY17 was Rs.169.11 crore as against Rs.112.29 crore in Q2 FY16, an increase of 50.60%.
- Operating profit for Q2 FY17 was Rs.219.09 crore as against Rs.120.85 crore in Q2 FY16, an increase of 81.29%.
- Net profit for Q2 FY17 excluding exceptional item (explained in note 1 above) was Rs.108.51 crore as against Rs.66.93 crore in Q2 FY16, showing an increase of 62.12% over Q2 FY16. Net profit for Q2 FY17 after considering exceptional item was Rs.89.89 crore, an increase of 34.30%.
- Net Interest Margin (NIM) for Q2 FY17 was 3.41% as against 2.99% in Q2 FY16, showing an improvement of 42 basis points (bps).
- Cost to Income ratio for Q2 FY17 was 53.59 % as against 60.01% in Q2 FY16, showing a significant decline.
- Return on Assets (RoA) in Q2 FY17 was 0.96%¹¹ as against 0.94% in Q2 FY16.
- Return on Equity (RoE) in Q2 FY17 was 9.97%¹² as against 11.33% in Q2 FY16. ROE for Q2 FY17 takes into account the impact of initial public offering in August 2016 which resulted in primary equity capital raise of Rs.832.50 crore.

Operating review**Asset growth and quality**

The Bank's robust growth in advances portfolio continued with a growth of 43.96% on a year-on-year basis. The net advances as on September 30, 2016 were Rs.24,875.06 crore as against Rs.17,279.27 crore on September 30, 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 42%, while that of other segments (Retail Assets, Development Banking & Financial Inclusion and Agriculture – together termed as "Non-wholesale portfolio") was 48%. The non-wholesale portfolio constituted about 39% of the loan portfolio of the Bank as at September 30, 2016.

The gross NPAs have increased to 1.10% as at September 30, 2016 from 0.93% as at September 30, 2015 and 0.98% as at March 31, 2016. The restructured standard assets portfolio has decreased to 0.08% as at September 30, 2016 from 0.49% as at September 30, 2015. The net NPAs have increased to 0.55% as at September 30, 2016 from 0.48% as at September 30, 2015 but have decreased in comparison to 0.59% as at March 31, 2016. The

¹¹ Return on Assets after taking into account the charge mentioned in note 1 above is 0.91%.

¹² Post IPO, Return on Equity after taking into account the charge mentioned in note 1 above is 9.47%.

Bank's provisioning coverage ratio (including technical write-offs), was 60.34% as at September 30, 2016 as compared to 56.20% as at September 30, 2015 and 55.87% as at March 31, 2016.

Deposit growth

The Bank's deposits continued to grow at a high rate. Deposits grew to Rs. 27,959.98 crore as at September 30, 2016 as against Rs. 20,284.11 crore as at September 30, 2015. The CASA deposits also showed strong growth of 52.38% during the same period. Savings account deposits increased by 101.96% during the same period. CASA ratio increased to 19.89% as at September 30, 2016 compared to 18.00% as at September 30, 2015. CASA ratio was 18.64% as at March 31, 2016.

Capital adequacy

The Bank's capital adequacy ratio as at September 30, 2016 was 14.55% and Tier-1 capital adequacy was 11.94%, significantly higher than the regulatory requirements. In line with applicable guidelines, the Basel III capital ratios reported by the Bank for September 30, 2016 do not include the profits for H1 FY17. Including the profits for H1FY17, the capital adequacy ratio for the Bank as per Basel III norms would have been 15.07% and the Tier I ratio would have been 12.46%.

During the quarter, 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 crores. The Bank's shares were listed on August 31, 2016 on NSE & BSE. During the quarter, 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.

Other recent developments:

During the quarter, the Bank completed acquisition of 9.9% stake in the equity capital of Utkarsh Micro Finance Limited with a view to establish a strategic partnership with one of India's finest and well-governed micro finance institutions so as to extend the Bank's distribution footprint and strengthen the financial inclusion initiatives across the rural hinterland.

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. With good monsoon and signs of stronger growth momentum in the economy, the banking industry sentiment appears to be positive. The focus of business is on ensuring 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."

Rs.1 crore = Rs.10 million