

For immediate release

Financial Results for Q2 FY19

RBL Bank reports advances growth of 37% in Q2 FY19, Operating profit increase of 48% and Net Profit increase of 36% at ₹ 204.54 crore on a YoY basis

Key financial highlights:

- Q2 FY19 Net Profit up by 36% to ₹ 204.54 crore
- Advances (Net) at ₹ 45,872.66 and Deposits at ₹ 47,790.09 up by 37% and 31% respectively on Year on Year (YoY) basis
- Net Interest Income (NII) up by 41% to ₹ 592.97 crore
- Other Income up by 38% to ₹ 333.11 crore
- Core fee income up by 60% to ₹ 325.24 crore
- NIM improves to 4.08% up from 3.74% in Q2 FY18. Cost to income ratio is at 51.51%
- Gross NPA ratio at 1.40% (1.44% in Q2 FY18); Net NPA ratio at 0.74% (0.78% in Q2 FY18); Provision coverage ratio increases to 61.45%
- Return on Assets at 1.26 % up from 1.19% in Q2 FY18

Mumbai, October 23, 2018: The Board of Directors of **RBL Bank Limited** at its meeting held today, approved the standalone unaudited financial results for the quarter and half year ended September 30, 2018.

Key Financials:

Rs. in crore	Q2 FY19	Q2 FY18	YoY	Q1 FY19	QoQ	H1 FY19	H1 FY18	YoY
Net Interest Income	592.97	420.16	41%	552.70	7%	1,145.67	798.54	43%
Other Income	333.11	241.07	38%	325.97	2%	659.08	497.99	32%
Net Total Income	926.08	661.23	40%	878.67	5%	1,804.75	1,296.53	39%
Operating Profit	449.05	303.15	48%	432.32	4%	881.37	614.54	43%
Net profit (after tax)	204.54	150.62	36%	190.04	8%	394.58	291.64	35%

Rs. in crore	September 30, 2018	September 30, 2017	YoY	June 30, 2018	QoQ
Advances (Net)	45,872.66	33,576.01	37%	42,198.09	9%
Deposits	47,790.09	36,569.05	31%	44,949.59	6%
Investments (Net)	13,749.24	13,296.49	3%	14,240.53	-3%

Key ratios:

Particulars (in %)	Q2 FY19	Q2 FY18	H1 FY19	H1 FY18
Net Interest Margin	4.08	3.74	4.06	3.64
Cost to Income	51.51	54.15	51.16	52.60
Return on Assets	1.26	1.19	1.26	1.19
Return on Equity	11.58	10.49	11.37	11.45
Gross NPA	1.40	1.44	1.40	1.44
Net NPA	0.74	0.78	0.74	0.78
Provision Coverage Ratio	61.45	58.27	61.45	58.27

Performance highlights – Quarter ended September 30, 2018 (Q2 FY19):

- Net Interest Income (NII) at ₹ 592.97 crore as against ₹ 420.16 crore in Q2 FY18, an increase of 41%
- Other Income at ₹ 333.11 crore as against ₹ 241.07 crore in Q2 FY18, an increase of 38%
- Core fee income at ₹ 325.24 crore as against ₹ 203.31 in Q2 FY18, an increase of 60%
- Operating profit at ₹ 449.05 crore as against ₹ 303.15 crore in Q2 FY18, an increase of 48%
- Net profit at ₹ 204.54 crore as against ₹ 150.62 crore in Q2 FY18, an increase of 36%
- Net Interest Margin (NIM) at 4.08% as against 3.74% in Q2 FY18, an improvement of 34 bps.
- Cost to Income ratio at 51.51% as against 54.15% in Q2 FY18, showing a significant decline.
- Return on Assets (RoA) at 1.26% as against 1.19% in Q2 FY18.
- Return on Equity (RoE) at 11.58% as against 10.49% in Q2 FY18.

Performance highlights – Half year ended September 30, 2018 (H1 FY19):

- Net Interest Income (NII) at ₹ 1,145.67 crore as compared to ₹ 798.54 crore in the half year ended September 30, 2017 (H1 FY18), registering an increase of 43%.
- Other Income at ₹ 659.08 crore as against ₹ 497.99 crore in H1 FY18, an increase of 32%.
- Operating profit at ₹ 881.37 crore as against ₹ 614.54 crore in H1 FY18, an increase of 43%.
- Net profit at ₹ 394.58 crore as against ₹ 291.64 crore in H1 FY18, showing an increase of 35%.
- Net Interest Margin (NIM) at 4.06% as against 3.64% in H1 FY18, showing an improvement of 42 basis points (bps).
- Cost to Income ratio at 51.16% as against 52.60% in H1 FY18, showing a significant decline.
- Return on Assets (RoA) at 1.26% as against 1.19% in H1 FY18.
- Return on Equity (RoE) at 11.37% as against 11.45% in H1 FY18.
- Net Advances as at September 30, 2018 stood at ₹ 45,872.66 crore as compared to ₹ 33,576.01 crore as at September 30, 2017, a growth of 37%.
- Gross NPA decreased to 1.40% as at September 30, 2018 against 1.44% as at September 30, 2017. Net NPA decreased to 0.74% as at September 30, 2018 against 0.78% as at September 30, 2017.
- Deposits as at September 30, 2018 stood at ₹ 47,790.09 crore as compared to ₹ 36,569.05 crore as at September 30, 2017, a growth of 31%.
- Current Accounts & Savings Accounts (CASA) ratio improved to 24.51% as at September 30, 2018 from 23.67% as at September 30, 2017.
- Capital Adequacy Ratio as per BASEL III Capital regulations as at September 30, 2018 was 13.12% against 15.95% as at September 30, 2017.
- The bank has 268 branches as of September 30, 2018. In addition the Bank also has 900 business correspondent branches, of which 213 are banking outlets.

Operating review

Asset growth and quality

The Bank's growth in advances portfolio continued to be robust at 37% on a year-on-year basis. The net advances as at September 30, 2018 were ₹ 45,872.66 crore as against ₹ 33,576.01 on September 30, 2017, 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 33%, while that of other segments (Retail Assets and Development Banking & Financial Inclusion – together termed as ("Non-wholesale portfolio") was 43%. The non-wholesale portfolio constituted about 41% of the loan portfolio of the Bank as at September 30, 2018.

The gross NPA ratio has decreased to 1.40% as at September 30, 2018 from 1.44% as at September 30, 2017. The restructured standard assets portfolio has decreased to 0.07% as at September 30, 2018 from 0.41% as at September 30, 2017. The net NPA ratio has decreased to 0.74% as at September 30, 2018 from 0.78% as at September 30, 2017. The Bank's provisioning coverage ratio (including technical write-offs), increased to 61.45% as at September 30, 2018 as compared to 58.27% as at September 30, 2017.

Deposit growth

The Bank's deposits growth on year on year basis was driven by strong growth in CASA deposits. Deposits grew to ₹ 47,790.09 crore as at September 30, 2018 as against ₹ 36,569.05 crore as at September 30, 2017. CASA ratio increased to 24.51% as at September 30, 2018 compared to 23.67% as at September 30, 2017.

Capital adequacy

The Bank's capital adequacy ratio as at September 30, 2018 was 13.12% and Tier-1 capital adequacy ratio was 11.84%, significantly higher than the regulatory requirements.

Commenting on the performance, Mr. Vishwavir Ahuja, MD & CEO, RBL Bank said "We continue to consistently maintain our growth momentum and importantly have delivered higher margins and strong profitability with robust asset quality despite challenges in the operating environment. We continue to track well to our Vision 2020 goals."

Rs.1 crore = Rs.10 million