

For immediate release

Standalone Financial Results for the Quarter ended September 30, 2019 (Q2 FY20)

RBL Bank reports advances growth of 27% in Q2 FY20 and operating profit increase of 42% on a YoY basis

Key financial highlights:

- Advances (Net) at ₹ 58,476.1 crore and Deposits at ₹ 62,829.1 crore, up by 27% and 31% respectively on Year on Year (YoY) basis
- Current Accounts & Savings Accounts (CASA) ratio improved to 26.45% as at September 30, 2019 from 24.51% as at September 30, 2018
- Net Interest Income (NII) up by 47% to ₹ 868.7 crore
- Operating profit was up by 42% to ₹ 635.8 crore
- Other Income up by 33% to ₹ 441.5 crore
- Q2 FY20 Net Profit down by 73% to ₹ 54.3 crore
- NIM improves to 4.35% up from 4.08% in Q2 FY19. Cost to income ratio is at 51.47%
- Gross NPA ratio at 2.60% (1.40% in Q2 FY19); Net NPA ratio at 1.56% (0.74% in Q2 FY19); Provision coverage ratio at 58.45% (61.45% in Q2 FY19)

Commenting on the performance Mr. Vishwavir Ahuja, MD & CEO, RBL Bank said “The Bank has had a quarter of strong business performance and has continued to maintain its momentum as reflected in the strong growth in operating profits. However, as we had highlighted a few months ago, given the difficult corporate credit environment we have faced challenges in a few corporate accounts. As a matter of prudence, we have taken higher than required provisions on these accounts which has impacted our bottom line. We expect to return to normalised earnings trajectory by end of this fiscal. Also, at the same time, we continue to see opportunities for growth in our chosen segments and also invest in our distribution presence across the country.”

Mumbai, October 22, 2019: The Board of Directors of **RBL Bank Limited** at its meeting held today, approved the financial results for the quarter (Q2 FY20) and half year (H1 FY20) ended September 30, 2019.

Key Financials:

Rs. in crore	Q2 FY20	Q2 FY19	YoY	Q1 FY20	QoQ	H1 FY20	H1 FY19	YoY
Net Interest Income	868.7	593.0	47%	817.3	6%	1,686.0	1,145.7	47%
Other Income	441.5	333.1	33%	481.2	-8%	922.7	659.1	40%
Net Total Income	1,310.2	926.1	41%	1,298.5	1%	2,608.7	1,804.8	45%
Operating Profit	635.8	449.1	42%	618.8	3%	1,254.6	881.4	42%
Net profit (after tax)	54.3	204.6	-73%	267.1	-80%	321.4	394.6	-19%

Rs. in crore	September 30, 2019	September 30, 2018	YoY	June 30, 2019	QoQ
Advances (Net)	58,476.1	45,872.7	27%	56,836.7	3%
Deposits	62,829.1	47,790.1	31%	60,810.9	3%
Investments (Net)	19,778.0	13,749.2	44%	16,638.6	19%

Key ratios:

Particulars (in %)	Q2 FY20	Q2 FY19	H1 FY20	H1 FY19
Net Interest Margin	4.35	4.08	4.33	4.06
Cost to Income	51.47	51.51	51.91	51.16
Return on Assets	0.25	1.26	0.77	1.26
Return on Equity	2.73	11.58	8.19	11.37
Gross NPA	2.60	1.40	2.60	1.40
Net NPA	1.56	0.74	1.56	0.74
Provision Coverage Ratio	58.45	61.45	58.45	61.45

Performance highlights – Quarter ended September 30, 2019 (Q2 FY20):

- Net Interest Income (NII) at ₹ 868.7 crore as against ₹ 593.0 crore in Q2 FY19, an increase of 47%
- Other Income at ₹ 441.5 crore as against ₹ 333.1 crore in Q2 FY19, an increase of 33%
- Core fee income at ₹ 387.7 crore as against ₹ 325.2 in Q2 FY19, an increase of 19%
- Operating profit at ₹ 635.8 crore as against ₹ 449.1 crore in Q2 FY19, an increase of 42%
- Net profit at ₹ 54.3 crore as against ₹ 204.6 crore in Q2 FY19
- Net Interest Margin (NIM) at 4.35% as against 4.08% in Q2 FY19
- Cost to Income ratio at 51.47% as against 51.51% in Q2 FY19
- Return on Assets (RoA) at 0.25% as against 1.26% in Q2 FY19 and Return on Equity (RoE) at 2.73% as against 11.58% in Q2 FY19

Performance highlights – Half year ended September 30, 2019 (H1 FY20):

- Net Interest Income (NII) at ₹ 1,686.0 crore as compared to ₹ 1,145.7 crore in the half year ended September 30, 2018 (H1 FY19), registering an increase of 47%
- Other Income at ₹ 922.7 crore as against ₹ 659.1 crore in H1 FY19, an increase of 40%
- Operating profit at ₹ 1,254.6 crore as against ₹ 881.4 crore in H1 FY19, an increase of 42%
- Net profit at ₹ 321.4 crore as against ₹ 394.6 crore in H1 FY19
- Net Interest Margin (NIM) at 4.33% as against 4.06% in H1 FY19
- Cost to Income ratio at 51.91% as against 51.16% in H1 FY19
- Return on Assets (RoA) at 0.77% as against 1.26% in H1 FY19 and Return on Equity (RoE) at 8.19% as against 11.37% in H1 FY19
- Net Advances as at September 30, 2019 stood at ₹ 58,476.1 crore as compared to ₹ 45,872.7 crore as at September 30, 2018, a growth of 27%
- Gross NPA ratio 2.60% as at September 30, 2019 against 1.40% as at September 30, 2018. Net NPA ratio 1.56% as at September 30, 2019 against 0.74% as at September 30, 2018
- Deposits as at September 30, 2019 stood at ₹ 62,829.1 crore as compared to ₹ 47,790.1 crore as at September 30, 2018, a growth of 31%
- Current Accounts & Savings Accounts (CASA) ratio improved to 26.45% as at September 30, 2019 from 24.51% as at September 30, 2018
- Capital Adequacy Ratio as per BASEL III Capital regulations as at September 30, 2019 was 11.88% against 13.12% as at September 30, 2018
- Ratings for the Tier II bonds of the Bank was reaffirmed at AA- by CARE Ratings
- The bank has 346 branches as of September 30, 2019. In addition the Bank also has 1,156 business correspondent branches, of which 238 are banking outlets. RBL Finserve Limited ("RBL Finserve") (*Formerly Swadhaar Finserve Private Limited*), a 100% subsidiary of the Bank, accounts for 533 business correspondent branches

Operating reviewAsset growth and quality

The Bank's growth in advances portfolio continued to be robust at 27% on a year-on-year basis. The net advances as at September 30, 2019 were ₹ 58,476.1 crore as against ₹ 45,872.7 on September 30, 2018. The growth in the Corporate & Institutional segment and Commercial Banking (together termed as "Wholesale portfolio") was pegged at 12%, while that of other segments (Retail Assets and Development Banking & Financial Inclusion – together termed as ("Non-wholesale portfolio") was 49%. The non-wholesale portfolio constituted about 48% of the loan portfolio of the Bank as at September 30, 2019.

The gross NPA ratio has increased to 2.60% as at September 30, 2019 from 1.40% as at September 30, 2018. The restructured standard assets portfolio has decreased to 0.04% as at September 30, 2019 from 0.07% as at September 30, 2018. The net NPA ratio has increased to 1.56% as at September 30, 2019 from 0.74% as at September 30, 2018. The Bank's provisioning coverage ratio (including technical write-offs), stood at 58.45% as at September 30, 2019 as compared to 61.45% as at September 30, 2018.

Deposit growth

The Bank's deposits grew 31% year on year basis with CASA growing faster at 42%. Deposits grew to ₹ 62,829.1 crore as at September 30, 2019 as against ₹ 47,790.1 crore as at September 30, 2018. CASA ratio increased to 26.45% as at September 30, 2019 compared to 24.51% as at September 30, 2018.

Capital adequacy

The Bank's capital adequacy ratio as at September 30, 2019 was 11.88%, higher than the regulatory requirements.

₹1 crore = ₹10 million