

PRESS RELEASE

RBL BANK ANNOUNCES FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31st MARCH 2020

Results Summary

- **Strong operating performance:**
 - Total Revenue for Q4FY20 grew by 33% YOY to ₹1,522 Crores
 - Net Interest Income in Q4FY20 grew by 38% YOY to ₹1,021 crores; NIM was 4.93%
 - Cost to Income for Q4FY20 at 49.7% against 51.2% for Q4FY19
 - Operating profit for Q4FY20 grew by 37% YOY to ₹765 Crores
 - Net profit for Q4FY20 was ₹114 crores

 - Total Revenue for FY20 grew by 39% YOY to ₹5,540 Crores
 - Net Interest Income in FY20 grew by 43% YOY to ₹ 3,630 crores; NIM for FY20 was 4.56%
 - Cost to Income for FY20 at 50.3% against 51.3% for FY19
 - Operating profit for FY20 grew by 42% YOY to ₹2,752 crores
 - Net profit for FY20 was ₹506 crores
- **CASA Growth amid Decline in Overall Deposits:**
 - Total deposits reduced 1% YOY
 - CASA grew by 17% YOY and 2% QOQ. CASA ratio was 29.6%. Average CASA ratio for Q4FY20 was 26.4%
- **Advances Growth:**
 - Advances book grew by 7% YOY with Non-Wholesale advances up 35% YOY and Wholesale advances reduced 16% YOY in line with planned portfolio recalibration
 - Non-Wholesale advances accounted for 56% of net advances of the bank
- **Well capitalized with sound liquidity:**
 - Overall capital adequacy at 16.45% with Common Equity Tier 1 ratio of 15.33% at the end of FY20
 - Average Liquidity Coverage Ratio at 161% for Q4FY20
- **Asset quality:**
 - Gross NPA ratio at 3.62% (3.33% in Q3FY20), Net NPA at 2.05% (2.07% in Q3FY20), Provision Coverage Ratio at 64.04% (58.07% in Q3FY20)
- **Network**
 - The bank added 62 branches during FY20 taking total number of branches to 386 as at 31st March, 2020. In addition the Bank also has 1,245 business correspondent branches, of which 263 are banking outlet

The Board of Directors of RBL Bank Limited approved the financial results for the quarter and year ended 31st March 2020 at its meeting held on Thursday, 7th May 2020.

Profit & Loss Account: Quarter & Financial Year ended 31st March 2020**Revenues, Operating Profit and Net Profit**

The Bank's total revenue for the quarter was ₹1,522 crores, up 33% YOY from ₹1,148 crores, operating profit for the quarter was ₹765 crores, up 37% YOY from ₹560 crores in Q4FY19. The Bank's Cost to Income for Q4FY20 at 49.7% against 51.2% for Q4FY19. Net profit for Q4FY20 stood at ₹114 crores.

For FY20, total revenue for the quarter was ₹5,540 crores, up 39% YOY from ₹3,982 crores, the operating profit grew 42% YOY to ₹2,752 crores from ₹1,940 crores in FY19. The Bank's Cost to Income for FY20 at 50.3% against 51.3% for FY19. Net profit for FY20 stood at ₹506 crores.

Net Interest Income and Net Interest Margin

The Bank's Net Interest Income (NII) grew 38% YOY to ₹1,021 crores during Q4FY20 from ₹739 crores in Q4FY19. NII for FY20 grew 43% YOY to ₹3,630 crores from ₹2,539 crores in FY19. Net interest margin for Q4FY20 was 4.93%, NIM for FY20 stood at 4.56%.

Other Income

Non-Interest Income for Q4FY20 grew 22% to ₹501 crores. Core Fee income for Q4FY20 grew 21% QOQ to ₹470 crores. Non-Wholesale fees constituted 78% of the Bank's total fee income.

For FY20, Non-Interest Income grew 32% YOY and stood at ₹1,910 crores, of which core fee income grew 29% YOY to ₹1,743 crores. Non-Wholesale fees constituted 73% of the Bank's total fee income.

Balance Sheet

As on 31st March 2020 the Bank's balance sheet grew 11% YOY and stood at ₹88,978 crores as on 31st March 2020. The total deposits reduced by 1% YOY and stood at ₹57,812 crores. CASA deposits grew by 17% YOY & 2% QOQ to Rs. 17,116 crores. The share of Retail Term Deposits and CASA in the Total Deposits was 59% as of 31st March 2020.

The Bank's advances grew 7% YOY to ₹58,019 crores as on 31st March 2020. Non-Wholesale advances grew 35% YOY to ₹32,525 crores and accounted for 56% of the net advances of the Bank. Within non-wholesale advances, Retail Assets grew 41% to ₹23,181 crores and DB & FI grew by 23% to ₹9,343 crores.

Capital Adequacy

Capital Adequacy Ratio as per BASEL III Capital regulations as at 31st March, 2020 was 16.45% against 13.46% as at 31st March 2019.

Asset Quality

The gross NPA ratio was 3.62% as at 31st March, 2020 as against 3.33% as at 31st Dec, 2019. The net NPA ratio was 2.05% as at 31st March, 2020 as against 2.07% as at 31st Dec, 2019. The Bank's provisioning coverage ratio stood at 64.04% as at 31st March, 2020 as against 58.07% as at 31st Dec, 2019.

The restructured standard assets portfolio was 0.08% as at 31st March, 2020 from 0.06% as at 31st Dec, 2019.

Network

The bank added 62 branches during FY20 to 386 branches as of 31st March, 2020. In addition the Bank also has 1,245 business correspondent branches, of which 263 are banking outlets. RBL Finserve Limited ("RBL Finserve") (*Formerly Swadhaar Finserve Private Limited*), a 100% subsidiary of the Bank, accounts for 651 business correspondent branches.

Commenting on the performance Mr. Vishwavir Ahuja, MD & CEO, RBL Bank said "The Bank has demonstrated strong growth in operating profits amidst an unprecedented and challenging business environment. In this backdrop, we will continue to be cautious, conservative and focused on preservation of the franchise. As a Bank, we will look to maintain surplus liquidity high capital levels, tighten risk filters further to manage and improve credit quality, and balance sheet protection.

A lot of this was already happening with the macro situation pre-COVID but the current environment has made it all the more important. We continue to maintain healthy liquidity. Deposit traction is gaining momentum again and our deposits are now higher than March 31 levels and in excess of ₹60,000 crores as of April end"

Key Financials:

₹ in crore	Q4 FY20	Q4 FY19	YoY	Q3 FY20	QoQ	FY20	FY19	YoY
Net Interest Income	1,021	739	38%	923	11%	3,630	2,539	43%
Other Income	501	409	22%	487	3%	1,910	1,442	32%
Net Total Income	1,522	1,148	33%	1,410	8%	5,540	3,982	39%
Operating Profit	765	560	37%	732	4%	2,752	1,940	42%
Net profit (after tax)	114	247	(54%)	70	64%	506	867	(42%)

₹ in crore	March 31, 2020	March 31, 2019	YoY	December 31, 2019	QoQ
Advances (Net)	58,019	54,308	7%	59,635	(3%)
Deposits	57,812	58,394	(1%)	62,907	(8%)
Investments (Net)	18,150	16,840	8%	19,100	(5%)

Key ratios:

Particulars (in %)	Q4 FY20	Q4 FY19	FY20	FY19
Net Interest Margin	4.93	4.23	4.56	4.14
Cost to Income	49.7	51.2	50.3	51.3
Return on Assets	0.52	1.30	0.59	1.27
Return on Equity	4.28	13.41	5.74	12.15
Gross NPA	3.62	1.38	3.62	1.38
Net NPA	2.05	0.69	2.05	0.69
Provision Coverage Ratio	64.04	65.30	64.04	65.30

₹1 crore = ₹10 million