

For immediate release

RBL Bank Q1 FY18 Net Profit up by 44.87% at Rs. 141.02 crore on a YoY basis

Operating Profit up by 68.81% to Rs. 311.39 crore on a YoY basis

Capital Adequacy Ratio (CAR) at 13.06%

Key financial highlights:

- Continuing strong growth momentum
- Improvement in performance parameters
- Advances (Net) up by 39.72% on Year on Year (YoY) basis
- Q1 FY18 Net Profit is up by 44.87% to Rs. 141.02 crore
- Cost to income ratio is at 50.99% for Q1 FY18
- Return on Assets up from 1.02% to 1.19% on a YoY basis in Q1 FY18

Mumbai, July 20, 2017: The Board of Directors of **RBL Bank Limited** at its meeting held today, approved the unaudited financial results for the quarter ended June 30, 2017¹.

Key Financials:

| Rs. in Crore | Q1 FY18 | Q1 FY17 | YoY | Q4 FY17 | QoQ | FY17 |
|---------------------|---------|---------|-----|---------|-----|----------|
| Net Interest Income | 378.38 | 244.66 | 55% | 352.16 | 7% | 1,221.34 |
| Other Income | 256.92 | 167.54 | 53% | 236.55 | 9% | 755.46 |
| Net Total Income | 635.30 | 412.20 | 54% | 588.71 | 8% | 1,976.80 |
| Operating Profit | 311.39 | 184.46 | 69% | 281.75 | 11% | 920.41 |
| Net profit | 141.02 | 97.34 | 45% | 130.13 | 8% | 446.05 |

| Rs. in Crore | June 30, 2017 | June 30, 2016 | YoY | March 31, 2017 | QoQ |
|--------------|---------------|---------------|-----|----------------|-----|
| Advances | 31,108.03 | 22,264.96 | 40% | 29,449.04 | 6% |
| Deposits | 35,427.82 | 25,802.90 | 37% | 34,588.09 | 2% |
| Investments | 13,360.50 | 12,547.25 | 6% | 13,481.71 | -1% |

Key ratios:

| Particulars (in %) | Q1 FY18 | Q1 FY17 | FY17 |
|--------------------------|---------|---------|-------|
| Net Interest Margin | 3.54 | 2.80 | 3.29 |
| Cost to Income | 50.99 | 55.25 | 53.46 |
| Return on Assets | 1.19 | 1.02 | 1.08 |
| Return on Equity | 12.68 | 12.69 | 11.67 |
| Gross NPA | 1.46 | 1.13 | 1.20 |
| Net NPA | 0.81 | 0.66 | 0.64 |
| Provision Coverage Ratio | 57.99 | 54.70 | 59.58 |

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 unaudited figures for the quarter ended June 30, 2016 (Q1 FY17) are not subjected to limited review. The results for the quarter ended June 30, 2017 (Q1 FY18), presented above, have been subjected to "Limited Review" by the Statutory Auditor of the Bank and there are no qualifications in the Auditor's Review report.

Performance highlights – Quarter ended June 30, 2017 (Q1 FY18):

- Net Interest Income (NII) is Rs. 378.38 crore in the quarter ended June 30, 2017 (Q1 FY18) as compared to Rs. 244.66 crore in the quarter ended June 30, 2016 (Q1 FY17), registering an increase of 54.66%.
- Other Income for Q1 FY18 is Rs. 256.92 crore as against Rs.167.54 crore in Q1 FY17, an increase of 53.35%.
- Operating profit for Q1 FY18 is Rs. 311.39 crore as against Rs. 184.46 crore in Q1 FY17, an increase of 68.81%.
- Net profit for Q1 FY18 is Rs. 141.02 crore as against Rs. 97.34 crore in Q1 FY17, showing an increase of 44.87%.
- Net Interest Margin (NIM) for Q1 FY18 is 3.54% as against 2.80% in Q1 FY17, showing an increase of 74 basis points (bps).
- Cost to Income ratio for Q1 FY18 was 50.99% as against 55.25% in Q1 FY17.
- Return on Assets (RoA) in Q1 FY18 was 1.19% as against 1.02% in Q1 FY17.
- Return on Equity (RoE) in Q1 FY18 was 12.68% as against 12.69% in Q1 FY17.
- Current Accounts & Savings Accounts (CASA) ratio improved to 22.09% as at June 30, 2017 from 18.47% as at June 30, 2016.
- Net Advances as on June 30, 2017 were Rs. 31,108.03 crore as compared to Rs.22,264.96 crore as on June 30, 2016, showing a growth of 39.72%.
- Gross NPA increased to 1.46% as at June 30, 2017 against 1.13% as at June 30, 2016. Net NPA increased to 0.81% as at June 30, 2017 against 0.66% as at June 30, 2016.
- Deposits as on June 30, 2017 were at Rs. 35,427.82 crore as compared to Rs. 25,802.90 crore as on June 30, 2016, showing a growth of 37.30%.
- Capital Adequacy Ratio as per BASEL III Capital regulations as on June 30, 2017 was 13.06% against 12.01% as on June 30, 2016.
- Increase in branch network from 199 to 244 and ATM network from 370 to 387 as at June 30, 2017 as compared to June 30, 2016.

Operating reviewAsset growth and quality

The Bank's growth in advances portfolio continued to be robust at 39.72% on a year-on-year basis. The net advances as on June 30, 2017 were Rs. 31,108.03 crore as against Rs. 22,264.96 on June 30, 2016, 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 37%, while that of other segments (Retail Assets, Development Banking & Financial Inclusion and Agriculture – together termed as ("Non-wholesale portfolio") was 44%. The non-wholesale portfolio constituted about 40% of the loan portfolio of the Bank as at June 30, 2017. During the quarter ended June 30, 2017, the Bank commenced its operations in the International Financial Service Centre (IFSC) at Gujarat International Finance Tec City (GIFT). The presence in IFSC should significantly widen the Bank's foreign currency offerings and should give the Bank an opportunity to serve clients on a global scale.

The gross NPA ratio has increased to 1.46% as at June 30, 2017 from 1.13% as at June 30, 2016. The gross NPA ratio as on March 31, 2017 was 1.20%. The restructured standard assets portfolio has increased to 0.25% as at June 30, 2017 from 0.09% as at June 30, 2016. The restructured standard assets portfolio as on March 31, 2017 was 0.25%. The net NPA ratio has increased to 0.81% as at June 30, 2017 from 0.66% as at June 30, 2016. The net

NPA ratio as on March 31, 2017 was 0.64%. The Bank's provisioning coverage ratio (including technical write-offs), was 57.99% as at June 30, 2017 as compared to 54.70% as at June 30, 2016. The provisioning coverage ratio was 59.58% as on March 31, 2017.

Deposit growth

The Bank's deposits growth was also robust at 37.30% on year on year basis. Deposits grew to Rs. 35,427.82 crore as at June 30, 2017 as against Rs. 25,802.90 crore as at June 30, 2016. The CASA deposits also showed strong growth of 64.14% during the same period. Savings account deposits increased by 121.27% during the same period. CASA ratio increased to 22.09% as at June 30, 2017 compared to 18.47% as at June 30, 2016. CASA ratio was 21.98% as at March 31, 2017.

Capital adequacy

The Bank's capital adequacy ratio as at June 30, 2017 was 13.06% and Tier-1 capital adequacy ratio was 10.82%, significantly higher than the regulatory requirements. For the purpose of computation of CRAR ratio, the Bank has not included the profits earned during the three months period ended June 30, 2017 in the capital funds.

The Board of Directors of the Bank at its meeting held on July 7, 2017, approved a proposal to issue 32,621,354 equity shares of face value ₹ 10/- each on preferential basis, at a price of ₹ 515/- per equity share totalling ₹ 1,680.00 crore (including share premium) subject to applicable regulatory approvals and approval of shareholders at the forthcoming Annual General Meeting on August 4, 2017. This additional capital will, among other things, help to augment the capital base of the Bank.

Commenting on the performance, Mr. Vishwavir Ahuja, MD & CEO, RBL Bank said "In the quarter gone by, the Bank has continued its strong growth momentum across assets, deposits, profitability despite a challenging credit environment. We continue to see great opportunities in growing our scale and footprint through digital/technology led offerings and partnerships. The Bank remains focused on high customer engagement and increasing wallet share while keeping our vision 2020 goals of improving CASA deposits, operating efficiencies and return ratios in mind."

Rs.1 crore = Rs.10 million