

For immediate release
Financial Results for Q1 FY19

RBL Bank reports advances growth of 36% in Q1 FY19, Operating profit increase of 39% and Net Profit increase of 35% at Rs. 190.04 crore on a YoY basis

Key financial highlights:

- Q1 FY19 Net Profit up by 35% to Rs. 190.04 crore
- Advances (Net) at Rs. 42,198.09 and Deposits at Rs. 44,949.59 up by 36% and 27% on Year on Year (YoY) basis
- Net Interest Income (NII) up by 46% to Rs. 552.70 crore
- Other Income up by 27% to Rs. 325.97 crore
- Core fee income up 58% to Rs. 288.96 crore
- NIM improves to 4.04 % up from 3.54% in Q1 FY18. Cost to income ratio is at 50.80%
- Gross NPA ratio at 1.40% (1.46% in Q1 FY18); Net NPA ratio at 0.75% (0.81% in Q1 FY18); Provision coverage ratio increases to 60.41%
- Return on Assets at 1.26% up from 1.19% in Q1 FY18

Mumbai, July 19, 2018: The Board of Directors of **RBL Bank Limited** at its meeting held today, approved the standalone unaudited financial results for the quarter ended June 30, 2018.

Key Financials:

Rs. in crore	Q1 FY19	Q1 FY18	YoY	Q4 FY18	QoQ	FY18
Net Interest Income	552.70	378.38	46%	500.46	10%	1,766.29
Other Income	325.97	256.92	27%	311.98	4%	1,068.19
Net Total Income	878.67	635.30	38%	812.44	8%	2,834.48
Operating Profit	432.32	311.39	39%	383.10	13%	1,331.07
Net profit (after tax)	190.04	141.02	35%	178.12	7%	635.09

Rs. in crore	Jun 30, 2018	June 30, 2017	YoY	March 31, 2018	QoQ
Advances (Net)	42,198.09	31,108.03	36%	40,267.84	5%
Deposits	44,949.59	35,427.82	27%	43,902.26	2%
Investments (Net)	14,240.53	13,360.50	7%	15,447.50	-8%

Key ratios:

Particulars (in %)	Q1 FY19	Q1 FY18	FY18
Net Interest Margin	4.04	3.54	3.80
Cost to Income	50.80	50.99	53.04
Return on Assets	1.26	1.19	1.21
Return on Equity	11.16	12.68	10.95
Gross NPA	1.40	1.46	1.40
Net NPA	0.75	0.81	0.78
Provision Coverage Ratio	60.41	57.99	57.57

Performance highlights – Quarter ended June 30, 2018 (Q1 FY19):

- Net Interest Income (NII) at Rs. 552.70 crore as against Rs. 378.38 crore in Q1 FY18, an increase of 46%.
- Other Income at Rs. 325.97 crore as against Rs. 256.92 crore in Q1 FY18, an increase of 27%.
- Core fee income at Rs. 288.96 crore as against Rs. 183.00 in Q1 FY18, an increase of 58%
- Operating profit at Rs. 432.32 crore as against Rs. 311.39 crore in Q1 FY18, an increase of 39%.
- Net profit at Rs. 190.04 crore as against Rs. 141.02 crore in Q1 FY18, an increase of 35%.
- Net Interest Margin (NIM) at 4.04% as against 3.54% in Q1 FY18, an improvement of 50 bps.
- Cost to Income ratio at 50.80% as against 50.99% in Q1 FY18.
- Return on Assets (RoA) at 1.26% as against 1.19% in Q1 FY18.
- Return on Equity (RoE) at 11.16% as against 12.68% in Q1 FY18.
- Net Advances as at June 30, 2018 stood at Rs. 42,198.09 crore as compared to Rs. 31,108.03 crore as at June 30, 2017, a growth of 36%.
- Gross NPA decreased to 1.40% as at June 30, 2018 against 1.46% as at June 30, 2017. Net NPA decreased to 0.75 % as at June 30, 2018 against 0.81% as at June 30, 2017.
- Deposits as at June 30, 2018 stood at Rs. 44,949.59 crore as compared to Rs. 35,427.82 crore as at June 30, 2017, a growth of 27%.
- Current Accounts & Savings Accounts (CASA) ratio improved to 24.42% as at June 30, 2018 from 22.09% as at June 30, 2017.
- Capital Adequacy Ratio as per BASEL III Capital regulations as at June 30, 2018 was 14.23% against 13.06% as at June 30, 2017.
- The Bank completed the acquisition of 100% shareholding in Swadhaar Finserve Private Limited (“Swadhaar”) making it a wholly owned subsidiary of the Bank in June, 2018. Swadhaar acts as a business correspondent of the Bank with 348 branches in 18 states and union territories.
- The bank has 266 branches as of June 30, 2018. In addition the Bank also has 847 business correspondent branches, of which 199 are banking outlets.

Operating reviewAsset growth and quality

The Bank’s growth in advances portfolio continued to be robust at 36% on a year-on-year basis. The net advances as at June 30, 2018 were Rs. 42,198.09 crore as against Rs. 31,108.03 on June 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 31%, 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 June 30, 2018.

The gross NPA ratio has decreased to 1.40% as at June 30, 2018 from 1.46% as at June 30, 2017. The restructured standard assets portfolio has decreased to 0.10% as at June 30, 2018 from 0.25% as at June 30, 2017. The net NPA ratio has decreased to 0.75% as at June 30, 2018 from 0.81% as at June 30, 2017. The Bank’s provisioning coverage ratio (including technical write-offs), increased to 60.41% as at June 30, 2018 as compared to 57.99% as at June 30, 2017.

Deposit growth

The Bank's deposits growth was at 27% on year on year basis driven by strong growth in CASA deposits of 40% on a year on year basis. Deposits grew to Rs. 44,949.59 crore as at June 30, 2018 as against Rs. 35,427.82 crore as at June 30, 2017. CASA ratio increased to 24.42% as at June 30, 2018 compared to 22.09% as at June 30, 2017.

Capital adequacy

The Bank's capital adequacy ratio as at June 30, 2018 was 14.23% and Tier-1 capital adequacy ratio was 12.80%, significantly higher than the regulatory requirements.

Commenting on the performance, Mr. Vishwavir Ahuja, MD & CEO, RBL Bank said "In the quarter gone by, we have crossed the important milestone of 4% in net interest margins. We have been able to maintain our growth momentum inspite of macro headwinds and continue to demonstrate profitable growth while maintaining robust asset quality.

We also completed the acquisition of 100% shareholding in Swadhaar Finserve in this quarter. This is an important strategic event as this now gives us greater control on a large part of our distribution network in the broader financial inclusion and rural business and gives us an opportunity to scale it up to become a significant player in this space. We see exciting opportunities to leverage our network using technology and analytics to introduce new products and services and deepen customer relationships."

Rs.1 crore = Rs.10 million