

For immediate release

RBL Bank reports advances growth of 38% in Q3 FY18, Operating profit increase of 42% and Net Profit increase of 28% at Rs. 165.33 crore on a YoY basis

Key financial highlights:

- Continuing strong growth momentum
- Improvement in performance parameters
- Advances (Net) up by 38% on Year on Year (YoY) basis
- NIM improves from 3.74% in Q2 FY18 to 3.89% in Q3 FY18
- Q3 FY18 Net Profit is up by 28% to Rs. 165.33 crore (excluding charge on investment in Utkarsh Micro Finance Limited, Net Profit would have been Rs.169.18 crore and net profit growth would have been 31% YoY)
- Cost to income ratio is at 54.04% for Q3 FY18, marginally lower than Q2 FY18
- Return on Assets up from 1.17% to 1.22% on a YoY basis in Q3 FY18

Mumbai, January 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 nine months ended December 31, 2017, which have been subjected to "Limited Review" by the Statutory Auditor of the Bank.

Key Financials:

Rs. in Crore	Q3 FY18	Q3 FY17	YoY	Q2 FY18	QoQ	9M FY18	9M FY17	YoY
Net Interest Income	467.29	321.58	45%	420.16	11%	1,265.83	869.18	46%
Other Income	258.22	182.26	42%	241.07	7%	756.21	518.91	46%
Net Total Income	725.51	503.84	44%	661.23	10%	2,022.04	1,388.09	46%
Operating Profit	333.43	235.11	42%	303.15	10%	947.97	638.66	48%
Net profit	165.33 ¹	128.69	28%	150.62	10%	456.97	315.92	45%

Rs. in Crore	Dec 31, 2017	Dec 31, 2016	YOY	Sep 30, 2017	QoQ
Advances (Net)	36,889.58	26,773.12	38%	33,576.01	10%
Deposits	38,622.54	30,005.14	29%	36,569.05	6%
Investments	13,070.80	12,838.46	2%	13,296.49	-2%

Key ratios:

Particulars (in %)	Q3 FY18	Q3 FY17	9M FY18	9M FY17
Net Interest Margin	3.89	3.38	3.73	3.20
Cost to Income	54.04	53.34	53.12	53.99
Return on Assets	1.22	1.17	1.20	1.04
Return on Equity	10.21	12.30	10.97	11.44
Gross NPA	1.56 ²	1.06	1.56	1.06
Net NPA	0.97	0.52	0.97	0.52
Provision Coverage Ratio	52.54	60.96	52.54	60.96

¹ This is after taking a pre-tax charge of Rs.5.89 crore on additional investment done in Utkarsh Micro Finance Limited by the Bank for maintaining its stake at 9.99%. Excluding this charge, the net profit for Q3 FY18 would have been Rs.169.18 crore, which is an increase of 31% over Q3 FY17.

² Includes one corporate account representing 14 bps of GNPA; expected to be resolved in Q4 FY18

Performance highlights – Quarter ended December 31, 2017 (Q3 FY18):

- Net Interest Income (NII) is Rs. 467.29 crore in the quarter ended December 31, 2017 (Q3 FY18) as compared to Rs. 321.58 crore in the quarter ended December 31, 2016 (Q3 FY17), registering an increase of 45%.
- Other Income for Q3 FY18 is Rs. 258.22 crore as against Rs. 182.26 crore in Q3 FY17, an increase of 42%.
- Operating profit for Q3 FY18 is Rs. 333.43 crore as against Rs. 235.11 crore in Q3 FY17, an increase of 42%.
- Net profit for Q3 FY18 is Rs. 165.33 crore as against Rs. 128.69 crore in Q3 FY17, showing an increase of 28%. This is after taking a pre-tax charge of Rs.5.89 crore on additional investment done in Utkarsh Micro Finance Limited by the Bank for maintaining its stake at 9.99%. Excluding this charge, the net profit for Q3 FY18 would have been Rs.169.18 crore, which is an increase of 31% over Q3 FY17.
- Net Interest Margin (NIM) for Q3 FY18 is 3.89% as against 3.38% in Q3 FY17, showing an improvement of 51 basis points (bps).
- Gross NPA increased to 1.56% as at December 31, 2017 against 1.06% as at December 31, 2016. Net NPA increased to 0.97% as at December 31, 2017 against 0.52% as at December 31, 2016. Gross NPA as at December 31, 2017, includes one corporate account representing 14 bps of GNPA which is expected to be resolved in Q4 FY18.
- Return on Assets (RoA) in Q3 FY18 was 1.22% as against 1.17% in Q3 FY17.
- Return on Equity (RoE) in Q3 FY18 was 10.21% as against 12.30% in Q3 FY17.

Performance highlights – Nine months ended December 31, 2017 (9M FY18):

- Net Interest Income (NII) is Rs. 1,265.83 crore during nine months ended December 31, 2017 (9M FY18) as compared to Rs. 869.18 crore during nine months ended December 31, 2017 (9M FY17), registering an increase of 46%.
- Other Income for 9M FY18 is Rs. 756.21 crore as against Rs. 518.91 crore in 9M FY17, an increase of 46%.
- Operating profit for 9M FY18 is Rs. 947.97 crore as against Rs. 638.66 crore in 9M FY17, an increase of 48%.
- Net profit for 9M FY18 is Rs. 456.97 crore as against Rs. 315.92 crore in 9M FY17, showing an increase of 45%.
- Net Interest Margin (NIM) for 9M FY18 is 3.73% as against 3.20% in 9M FY17, showing an improvement of 53 bps.
- Cost to Income ratio for 9M FY18 was 53.12% as against 53.99% in 9M FY17.
- Return on Assets (RoA) in 9M FY18 was 1.20% as against 1.04% in 9M FY17.
- Return on Equity (RoE) in 9M FY18 was 10.97% as against 11.44% in 9M FY17.
- Net Advances as at December 31, 2017 were Rs. 36,889.58 crore as compared to Rs. 26,773.12 crore as at December 31, 2016, showing a growth of 38%.
- Gross NPA increased to 1.56% as at December 31, 2017 against 1.06% as at December 31, 2016. Net NPA increased to 0.97% as at December 31, 2017 against 0.52% as at December 31, 2016.
- Deposits as at December 31, 2017 were at Rs. 38,622.54 crore as compared to Rs. 30,005.14 crore as at December 31, 2016, showing a growth of 29%.
- Current Accounts & Savings Accounts (CASA) ratio improved to 24.03% as at December 31, 2017 from 23.15% as at December 31, 2016.
- Capital Adequacy Ratio as per BASEL III Capital regulations as at December 31, 2017 was 15.03% against 13.80% as at December 31, 2016.
- Increase in branch network from 215 to 246 and ATM network from 374 to 394 as at December 31, 2017 as compared to December 31, 2016.

Operating review

Asset growth and quality

The Bank's growth in advances portfolio continued to be robust at 38% on a year-on-year basis. The net advances as at December 31, 2017 were Rs. 36,889.58 crore as against Rs. 26,773.12 on December 31, 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 35%, while that of other segments (Retail Assets, Development Banking & Financial Inclusion and Agriculture – together termed as ("Non-wholesale portfolio") was 43%. The non-wholesale portfolio constituted about 40% of the loan portfolio of the Bank as at December 31, 2017.

The gross NPA ratio has increased to 1.56% as at December 31, 2017 from 1.06% as at December 31, 2016. The gross NPA ratio as at September 30, 2017 was 1.44%. Gross NPA as at December 31, 2017, includes one corporate account representing 14 bps of GNPA which is expected to be resolved in Q4 FY18. The restructured standard assets portfolio has decreased to 0.18% as at December 31, 2017 from 0.29% as at December 31, 2016. The restructured standard assets portfolio as at September 30, 2017 was 0.41%. The net NPA ratio has increased to 0.97% as at December 31, 2017 from 0.52% as at December 31, 2016. The net NPA ratio as at September 30, 2017 was 0.78%. The Bank's provisioning coverage ratio (including technical write-offs), was 52.54% as at December 31, 2017 as compared to 60.96% as at December 31, 2016. The provisioning coverage ratio was 58.27% as at September 30, 2017.

Deposit growth

The Bank's deposits growth was also robust at 29% on year on year basis. Deposits grew to Rs. 38,622.54 crore as at December 31, 2017 as against Rs. 30,005.14 crore as at December 31, 2016. The CASA deposits also showed strong growth of 34% during the same period. Savings account deposits increased by 45% during the same period. CASA ratio increased to 24.03% as at December 31, 2017 compared to 23.15% as at December 31, 2016. CASA ratio was 21.98% as at March 31, 2017.

Capital adequacy

The Bank's capital adequacy ratio as at December 31, 2017 was 15.03% and Tier-1 capital adequacy ratio was 13.23%, significantly higher than the regulatory requirements. For the purpose of computation of CRAR ratio, the Bank has not included the profits earned during the nine months ended December 31, 2017 in the capital funds.

During nine months ended December 31, 2017, the Bank has increased its stake in Swadhaar Finserve Private Limited (SFPL) from 30.00% to 60.48%, following which the company has become a "Subsidiary" of the Bank.

Commenting on the performance, Mr. Vishwavir Ahuja, MD & CEO, RBL Bank said "We continue to see strong growth momentum across all our diversified business segments while maintaining strong asset quality. We are tracking well to our Vision 2020 goals. We continue to expand our scale and footprint while at the same time focusing on meeting customer needs with quality products and services."

Rs.1 crore = Rs.10 million