

For immediate release
Financial Results for Q3 FY19

RBL Bank reports advances growth of 35% in Q3 FY19, Operating profit increase of 50% and Net Profit increase of 36% at ₹ 225.2 crore on a YoY basis

Key financial highlights:

- Q3 FY19 Net Profit up by 36% to ₹ 225.2 crore
- Advances (Net) at ₹ 49,892.6 crore and Deposits at ₹ 52,187.1 crore up by 35% and 35% respectively on Year on Year (YoY) basis
- Net Interest Income (NII) up by 40% to ₹ 655.1 crore
- Other Income up by 45% to ₹ 374.1 crore
- Core fee income up by 50% to ₹ 346.0 crore
- NIM improves to 4.12% up from 3.89% in Q3 FY18. Cost to income ratio is at 51.6%
- Gross NPA ratio at 1.38% (1.56% in Q3 FY18); Net NPA ratio at 0.72% (0.97% in Q3 FY18); Provision coverage ratio increases to 63.22% (52.54% in Q3 FY18); Net stressed assets at 0.81% (1.15% in Q3 FY18)
- Return on Assets at 1.27% up from 1.22% in Q3 FY18; Return on Equity at 12.38% up from 10.21% in Q3 FY18

Mumbai, January 28, 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, 2018

Key Financials:

Rs. in crore	Q3 FY19	Q3 FY18	YoY	Q2 FY19	QoQ	9M FY19	9M FY18	YoY
Net Interest Income	655.1	467.3	40%	593.0	10%	1,800.8	1,265.8	42%
Other Income	374.1	258.2	45%	333.1	12%	1,033.1	756.2	37%
Net Total Income	1,029.2	725.5	42%	926.1	11%	2,833.9	2,022.1	40%
Operating Profit	498.5	333.4	50%	449.1	11%	1,379.9	948.0	46%
Net profit (after tax)	225.2	165.3	36%	204.5	10%	619.8	457.0	36%

Rs. in crore	December 31, 2018	December 31, 2017	YoY	September 30, 2018	QoQ
Advances (Net)	49,892.6	36,889.6	35%	45,872.7	9%
Deposits	52,187.1	38,622.5	35%	47,790.1	9%
Investments (Net)	14,814.5	13,070.8	13%	13,749.2	8%

Key ratios:

Particulars (in %)	Q3 FY19	Q3 FY18	9M FY19	9M FY18
Net Interest Margin	4.12	3.89	4.08	3.73
Cost to Income	51.6	54.0	51.3	53.1
Return on Assets	1.27	1.22	1.26	1.20
Return on Equity	12.38	10.21	11.72	10.97
Gross NPA	1.38	1.56	1.38	1.56
Net NPA	0.72	0.97	0.72	0.97
Provision Coverage Ratio	63.22	52.54	63.22	52.54

Performance highlights – Quarter ended December 31, 2018 (Q3 FY19):

- Net Interest Income (NII) at ₹ 655.1 crore as against ₹ 467.3 crore in Q3 FY18, an increase of 40%
- Other Income at ₹ 374.1 crore as against ₹ 258.2 crore in Q3 FY18, an increase of 45%
- Core fee income at ₹ 346.0 crore as against ₹ 230.0 in Q3 FY18, an increase of 50%
- Operating profit at ₹ 498.5 crore as against ₹ 333.4 crore in Q3 FY18, an increase of 50%
- Net profit at ₹ 225.2 crore as against ₹ 165.3 crore in Q3 FY18, an increase of 36%
- Net Interest Margin (NIM) at 4.12 % as against 3.89% in Q3 FY18, an improvement of 23 bps
- Cost to Income ratio at 51.6% as against 54.0% in Q3 FY18, showing a decline of 2.4%
- Return on Assets (RoA) at 1.27% as against 1.22% in Q3 FY18
- Return on Equity (RoE) at 12.38% as against 10.21% in Q3 FY18

Performance highlights – Nine months ended December 31, 2018 (9M FY19):

- Net Interest Income (NII) at ₹ 1,800.8 crore as compared to ₹ 1,265.8 crore in the nine months ended December 31, 2017 (9M FY18), registering an increase of 42%
- Other Income at ₹ 1,033.1 crore as against ₹ 756.2 crore in 9M FY18, an increase of 37%
- Operating profit at ₹ 1,379.9 crore as against ₹ 948.0 crore in 9M FY18, an increase of 46%
- Net profit at ₹ 619.8 crore as against ₹ 457.0 crore in 9M FY18, showing an increase of 36%
- Net Interest Margin (NIM) at 4.08% as against 3.73% in 9M FY18, showing an improvement of 35 bps
- Cost to Income ratio at 51.3% as against 53.1% in 9M FY18, a decline of 1.8%
- Return on Assets (RoA) at 1.26% as against 1.20% in 9M FY18
- Return on Equity (RoE) at 11.72% as against 10.97% in 9M FY18
- Net Advances as at December 31, 2018 stood at ₹ 49,892.6 crore as compared to ₹ 36,889.6 crore as at December 31, 2017, a growth of 35%
- Gross NPA decreased to 1.38% as at December 31, 2018 against 1.56% as at December 31, 2017. Net NPA decreased to 0.72% as at December 31, 2018 against 0.97% as at December 31, 2017.
- Deposits as at December 31, 2018 stood at ₹ 52,187.1 crore as compared to ₹ 38,622.5 crore as at December 31, 2017, a growth of 35%
- Current Accounts & Savings Accounts (CASA) ratio improved to 24.57% as at December 31, 2018 from 24.03% as at December 31, 2017
- Capital Adequacy Ratio as per BASEL III Capital regulations as at December 31, 2018 was 12.86% against 15.03% as at December 31, 2017
- The bank has 288 branches as of December 31, 2018. In addition the Bank also has 956 business correspondent branches, of which 221 are banking outlets. RBL Finserve Limited (“RBL Finserve”) (Formerly *Swadhaar Finserve Private Limited*), a 100% subsidiary of the Bank, accounts for 427 business correspondent branches

Operating review

Asset growth and quality

The Bank's growth in advances portfolio continued to be robust at 35% on a year-on-year basis. The net advances as at December 31, 2018 were ₹ 49,892.6 crore as against ₹ 36,889.6 on December 31, 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 25%, while that of other segments (Retail Assets and Development Banking & Financial Inclusion – together termed as ("Non-wholesale portfolio") was 51%. The non-wholesale portfolio constituted about 43% of the loan portfolio of the Bank as at December 31, 2018, an increase of 2% sequentially.

The gross NPA ratio has decreased to 1.38% as at December 31, 2018 from 1.56% as at December 31, 2017. The restructured standard assets portfolio has decreased to 0.09% as at December 31, 2018 from 0.18% as at December 31, 2017. The net NPA ratio has decreased to 0.72% as at December 31, 2018 from 0.97% as at December 31, 2017. The net stressed assets of the Bank have decreased to 0.81% as at December 31, 2018 from 1.15% as at December 31, 2017. The Bank's provisioning coverage ratio (including technical write-offs), increased to 63.22% as at December 31, 2018 as compared to 52.54% as at December 31, 2017.

Deposit growth

The Bank's deposits growth on year on year basis was driven by strong growth in CASA deposits. Deposits grew to ₹ 52,187.1 crore as at December 31, 2018 as against ₹ 38,622.5 crore as at December 31, 2017. CASA ratio increased to 24.57% as at December 31, 2018 compared to 24.03% as at December 31, 2017.

Capital adequacy

The Bank's capital adequacy ratio as at December 31, 2018 was 12.86% and Tier-1 capital adequacy ratio was 11.58%, 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 again demonstrated our ability to consistently maintain our growth momentum at better margins and higher profitability while maintaining robust asset quality. This is despite challenges in the broader macro environment. We continue to gain market share in our chosen segments and are confident of achieving our 2020 goals.

In the quarter gone by, we also renamed our wholly owned subsidiary Swadhaar Finserve Private Limited to RBL Finserve Limited to better reflect the shared ethos and values. RBL Finserve Limited is well positioned to take advantage of the plethora of opportunities in the semi-urban and rural markets as we work to reaching market leadership in this segment".

Rs.1 crore = Rs.10 million