

79th Annual General Meeting - MD & CEO Speech

Dear Shareholders,

Good morning!

It gives me great pleasure to welcome you at the 79th Annual General Meeting of our Bank. This is an important day, as we get the opportunity to hear from you - our shareholders.

Before we start, I would like to mention with deep grief that the RBL Bank family lost one of its senior colleagues, the Chief Financial Officer of the Bank, Amrut Palan. Amrut had been with our Bank since 2019. He was a pillar of strength for our organisation and a gentleman of the highest order. On September 8th, we lost this wonderful person, a very bright and capable senior leader. RBL Bank will endeavour to keep Amrut Palan's memory alive in our hearts and through our work. I request everyone to observe a minute of silence to pay respect to the departed soul. May he rest in peace.

It's been 3 months since I joined the Bank, and I must say that I am highly encouraged by the efforts put in by our people and the stewardship on display as the organization worked to ensure business continuity as well as delivered on its commitment to the stakeholders.

I have been in the Banking industry for over 40 years and leading an institution like RBL Bank comes with great responsibility. The team with entrepreneurial spirit came together over a decade ago, under the leadership of Mr. Vishwavir Ahuja in 2010 and transformed RBL Bank, scripting a phenomenal growth story. In this journey, Mr. Ahuja successfully created growth opportunities and built a resilient institution, with a team that was driven by passion. This institution is based on the principles of good governance, integrity and service standards and these principles have continued to drive the Bank in times of challenges and change.

For me, taking responsibility means that I use my experience of running large retail and wholesale franchise to further leverage this platform, scale up the Bank and deliver **growth with continuity**. With the quality and depth in the management team at the Bank, financial strengths, robustness of the platform across rural and urban India, I have complete faith that we have embarked on a great journey together.

Leveraging our key strengths in a resurgent market

Throughout the period under the impact of COVID-19, we have de-risked the business and were adequately provisioned. While dealing with challenges, we have continued to enhance our product mix and improve our platform of service offerings. Being a growing bank with aspirations, we continued to back new products tailor-made for specific consumer segments, and new services and offerings aimed at improving the customer experience.

We have also been investing in upgrading our technology – a clear competitive edge. The digital capabilities that have been built and the market recognition we have received for the same is heartening and impressive. We have recently been adjudged as India's Best Bank for Digital Solutions by the AsiaMoney Best Bank Awards, 2022. Our emphasis continues to be on digital to drive incremental growth in customers and ease operating costs.

Business Environment

The economy will likely witness the start of a private capex cycle over the next 12 months as physical infrastructure construction driven by government spending picks up. The early signs of this are already evident in higher capacity utilisation levels.

Strong financial health, stable operating environment and rising credit demand all together make for a strong backdrop for what could turn out to be a growth intensive year ahead for the banking sector. The widespread push for digital infrastructure, can also become an accelerator of India's reforms.

A brief review of our performance during FY 2021-22

In this year, balancing the health of our balance sheet has been the priority. We saw our liquidity remain healthy and with improving deposit accretion. Our overall deposits increased to about Rs. 79,000 crores. On this larger base we were able to improve our retail LCR and CASA on a y-o-y basis.

Maintaining a strong capital base has been core to us since the beginning of the Bank's transformation journey in 2010. We successfully raised US\$ 100 million Basel III Compliant Tier II Notes from the U.S. International Development Finance Corporation (DFC), America's development finance institution. This capital raise is an endorsement of the Bank's financial health and stability and also its efforts in Financial Inclusion, supporting micro, small, and medium-sized enterprises across India.

We are well-capitalised, our capital adequacy stood at 16.8% as of March '22, while further increasing to 17.5% as of June '22, with the Tier 2 capital raise. We have steadily improved our asset quality as well as significantly enhanced our ability to deal with NPAs through adequate provisioning. Our Net NPA as of March'22 was at 1.34% trending significantly lower from 2.12% in March'21, with our Provision Coverage Ratio (PCR) at 70.4% as of March '22. Our Net Interest Income was up at Rs. 4,027 crore with Net Interest Margins (NIM) at 4.45%.

Our capital ratios stand improved across the board and our liquidity buffers remain high.

On advances, in the wholesale business, we are taking a strategic decision of lending to the right mix of businesses and optimise our risk and return. In the retail segment, a healthy uptick is seen in credit cards and home loans businesses in our urban markets. We have targeted offerings for the rural markets, which is seeing growth in demand in Micro-Banking, Agri and Tractor loans. We are also adding to our product suite in line with our growing corporate book. We are banking on our inherent expertise and our technological capabilities. On the deposits front, our focus will continue to be on growing granular deposits.

RBL Bank 2.0 in Action: Growth with Continuity

This year, we are building from a position of strength, we have a clear strategy that rests on four important aspects of people, products, partnerships, and performance.

They are all important and highly dependent on each other for controlled growth with continuity. And we have tried to integrate sustainability with each of these aspects.

Let's start with our **People**

Our 18,000 employees including the Bank and RBL Finserve, signify our relationships with our over 11 million customers and the communities we work with. Our growth is the result of the ability of our

employees to translate our values and mission into actions on-ground that generate customer trust in what we have to offer. To this end, we continue to perform consistently well.

Our talent pool is not only our source of inspiration but also our reason for continually investing in our efforts to upskill and upgrade. Our learning and development initiatives are focused on growth and development as a futuristic organisation. We understand that only a truly empowered workforce can perform to its highest potential. To encourage employee participation and ownership towards our Bank's growth and transformation journey 2.0, we have also introduced a number of initiatives within the organization.

Products - Having an extensive product portfolio will help us increase the wallet share of our existing customers. We will continue to invest in our product suite with an aim to reach critical size over the next 2-3 years. The more we widen our product offering, the more growth engines we will have, leading to better mining and serviceability of our customers. We will specifically focus in the areas of vehicles, housing and small business lending and other capital-light retail products to build niches.

As customer preferences lean towards digital, we are finding new ways to engage with them through our digital offerings. We have collaborated with Google Cloud to fuel the Bank's customer experience strategy and expand our value proposition to serve our rapidly growing customer base through our digital platform, Abacus 2.0. This collaboration will enable better customer data management, and analytics, allowing effective cross-selling within our large customer base and subsequently reducing the cost of customer acquisition, significantly. Through Abacus 2.0, we aim to provide a superior and holistic one stop solution to our existing and new customers.

We will soon be launching additional products in the MSME segment, with end-to-end digitalisation.

Partnerships – We are forging industry partnerships across the ecosystem to broadbase our reach as well as our offerings, with a view to ultimately having our brand recognised pan-India. Our aim is to continue being a partner of choice for the up-and-coming businesses. The lasting relationship being cultivated with partners will help us fulfil our goal with new products tailor-made for specific consumer segments, and new services aimed at improving the customer experience.

As we progress in our digital journey, innovations in payments, remain one of our focus areas. In line with these efforts, we partnered with Amazon Pay to offer peer-to-peer and peer-to-merchant transactions. This collaboration has equipped our users to make seamless and convenient UPI-based transactions.

This year, our Bank was empanelled by the Reserve Bank of India (RBI), to collect direct and indirect taxes on behalf of the Government of India. This will enable us to open multiple convenient channels for our customers to pay taxes. I would like to share, that we have gone live on collection of customs duty through ICEGATE portal. The other services will also be enabled in the course of this year.

Performance - Together, we have strengthened our position for greater achievements in the future. By continuing to work together, aligned with our values, and our customer-centric approach, we are sure to get there.

As part of our responsibility to a wider group of stakeholders, we are working to build the Bank with a clear strategy supported by effective governance aligned with our ESG priorities. UK PACT, a programme funded by the UK Government, in its recent study in February 2022, identified RBL Bank

as one of the frontrunning financial institution in India that has adopted best ESG practices and at the forefront of sustainable finance. We are one of the first banks in India to establish an integrated Environmental and Social Management System to assess credit risks.

Our vision for the future of the Bank is clear and so is our understanding of how we will deliver that vision. Our aim is to harness the full potential of all our platforms. The execution of our major product launches and processes is something that I personally and constantly follow – and certain customer centric initiatives are close to my heart, and I feel a great commitment to. These initiatives of the Bank will enable us to build a high quality agile 'Bank of tomorrow', with sharp focus on customers, technology and innovation.

One thing I can tell you for sure is there is a great amount of work happening and it is a development we can all be proud of. On a personal note, banking is about relationships. My experience of our work at RBL Bank is that, as an organization, we understand this very well.

I would like to close by expressing my gratitude to the Regulators (RBI & SEBI), Investors, Board and members of the senior management and team RBL Bank for their trust in me; our investors and shareholders for being with us through a period of challenge and change; my colleagues across our teams for their faith in our abilities, and our customers, for their continued engagement, and trust in us.

As they say, consistency and continuity are the key to success. Our aim at RBL Bank, is to fulfil the commitments made to our stakeholders, directed by our long-term strategy of 'Controlled Growth with Continuity'.