



| Key Market Indicators (Standalone) | |
|------------------------------------|-------------|
| Latest Date | 27-Oct-2017 |
| Latest Price (Rs) | 530.75 |
| Previous Close (Rs) | 524.45 |
| 1 Day Price Var% | 1.20 |
| 1 Year Price Var% | 50.50 |
| 52 Week High (Rs) | 600.00 |
| 52 Week Low (Rs) | 325.65 |
| Beta | 1.08 |
| Face Value (Rs) | 10.00 |
| Industry PE | 27.42 |
| TTM Period | 201709 |
| TTM EPS(Rs) | 13.25 |
| TTM CEPS(Rs) | 13.25 |
| Price/TTM CEPS(x) | 40.07 |
| TTM PE (x) | 40.07 |
| Price/BV(x) | 3.51 |
| EV/TTM EBIDTA(x) | 23.94 |
| EV/TTM Sales(x) | 6.64 |
| Dividend Yield% | 0.34 |
| MCap/TTM Sales(x) | 5.40 |
| Latest Book Value (Rs) | 151.38 |
| Market Cap (Rs. In Crores) | 22057.39 |
| EV (Rs. In Crores) | 27089.22 |
| Latest no. of shares (In Crores) | 41.56 |

Review of Business Segments and Operations

RBL Bank's operations span across various business segments comprising of:

- Corporate and Institutional Banking (C&IB)
- Commercial Banking (CB)
- Branch and Business Banking (BBB)
- Agri Business Banking (AB)
- Development Banking and Financial Inclusion (DB&FI)
- Treasury and Financial Markets Operations

It currently services over 3.54 million customers through a network of 246 branches and 388 ATMs spread across 20 Indian states and Union Territories.

The growth in the Corporate & Institutional segment and Commercial Banking (together termed as "**Wholesale portfolio**")

Retail Assets, Development Banking & Financial Inclusion and Agriculture – together termed as ("**Non-wholesale portfolio**")

The non-wholesale portfolio is **40% of the total portfolio**

FY17 highlights:

- Loan growth was broad-based, with wholesale and non wholesale growth of 39% YoY each.
- Strong CASA growth of 68%; CASA ratio improved 340bp YoY to 22%.
- Fees to assets improved 15bp to 1.45%
- Decline in C/I ratio by 550bp to 53.5%, despite branch addition of 21% YoY.

In FY17 Bank raised 330 cr by issuing NCD

The Bank is well capitalized with a Capital Adequacy Ratio ("CAR") of 13.72%



| Quarter On Quarter (Standalone) | | | (Rs in Crore) | | |
|---------------------------------|---------|---------|---------------|---------|-------------|
| Particulars | Sep-17 | June-17 | Q on Q Var% | Sep-16 | Y on Y Var% |
| Interest Earned | 1091.29 | 1042.78 | 4.65 | 901.93 | 20.99 |
| Total Income | 1332.36 | 1299.70 | 2.51 | 1071.04 | 24.40 |
| Interest Expended | 671.13 | 664.40 | 1.01 | 598.99 | 12.04 |
| Operating Profit | 303.15 | 311.39 | -2.65 | 219.09 | 38.37 |
| PAT | 150.62 | 141.02 | 6.81 | 89.89 | 67.56 |
| OPM% | 27.78 | 29.86 | -6.97 | 24.29 | 14.37 |
| PATM% | 13.80 | 13.52 | 2.07 | 9.97 | 38.42 |
| Adj. EPS(Rs) | 3.62 | 3.74 | -3.21 | 2.43 | 48.97 |

Key Highlights

- Advances (Net) up by 35% on Year on Year (YoY) basis
- Q2 FY18 Net Profit is up by 68% to Rs. 150.62 crore
- Cost to income ratio is at 54.15% for Q2 FY18
- Return on Assets up from 0.91% to 1.19% on a YoY basis in Q2 FY18
- Return on Equity (RoE) in Q2 FY18 was 10.49% as against 9.47% in Q2 FY17.
- Net Interest Income (NII) is Rs. 420.16 crore in the quarter ended September 30, 2017 (Q2 FY18) as compared to Rs. 302.94 crore in the quarter ended September 30, 2016 (Q2 FY17), registering an increase of 39%.
- Net Interest Margin (NIM) for Q2 FY18 is 3.74% as against 3.41% in Q2 FY17, showing an improvement of 33 basis points (bps)
- Core fee growth of 38% YoY, Other Income to Net Total Income at 36%
- CASA ratio 23.7% **(saving 14.9% and current account 8.8%)**
- **Total Deposit growth of 31% and CASA growth of 56% YoY**
- **Investment book (G-sec 76%, Bonds 12% and Money market 9%)**

| (In crores) | Q2 FY17 | Q2 FY16 |
|------------------------|---------|---------|
| NIMS | 3.74% | 3.41% |
| Cost-to-income | 54.15 | 53.59 |
| ROE | 10.49 | 9.47 |
| Cost of fund | 7.2% | 6.4% |
| Total deposit | 36,569 | 27,960 |
| Net NPA | 260.8 | 137.9 |
| Net NPA | 0.78% | 0.55% |
| CASA | 23.7% | 19.89% |
| Capital Adequacy ratio | 15.95 | 14.55 |
| Provisions | 74.9 | 49.5 |
| Provision Coverage | 58.27% | 60.34% |
| Branches | 246 | 239 |

Valuation and View

Continuing strong growth momentum with 68% of PAT growth on yoy basis with improving NIMs to 3.7% and ROE of 10.4%

On the other side provision increased by 51%

Company has major exposure towards Construction activity and with huge scope in infrastructure industry one can expect the same level of growth ahead.

At present company is trading at price-to-adjusted book value of 4.87.

Shareholding Pattern

| Holder Name | 2016 Q4 | 2017 Q1 | 2017 Q2 | 2017 Q3 | Change | Position Dn % |
|-------------------------------|------------|------------|------------|------------|-----------|---------------|
| CDC GROUP PLC | 158,23,857 | 158,23,857 | 158,23,857 | 158,23,857 | 0 | 3.83 |
| ASIAN DEVELOPMENT BANK/PASI | 143,50,000 | 143,50,000 | 143,50,000 | 143,50,000 | 0 | 3.47 |
| INTERNATIONAL FINANCE CORP | 127,17,250 | 127,17,250 | 127,17,250 | 127,17,250 | 0 | 3.08 |
| NORWEST VENTURE PARTNERS | 125,15,162 | 125,15,162 | 125,15,162 | 125,15,162 | 0 | 3.03 |
| CARTICA CAPITAL LTD | 113,10,000 | 113,10,000 | 113,10,000 | 113,10,000 | 0 | 2.89 |
| KOTAK MAHINDRA | 32,98,913 | 40,19,497 | 35,08,722 | 101,36,329 | 68,37,416 | 2.74 |
| ASIA CAPITAL FIN OPP LTD | 101,09,475 | 101,09,475 | 101,09,475 | 101,09,475 | 0 | 2.52 |
| AHUJA VISHWAVIR | 99,31,670 | 97,31,670 | 97,31,670 | 97,31,670 | -2,00,000 | 2.45 |
| MOTILAL OSWAL ASSET MANAGEM | 105,32,827 | 112,28,812 | 93,02,557 | 98,01,578 | -7,31,249 | 2.45 |
| HOUSING DEVELOPMENT FINANC | 88,04,680 | 88,04,680 | 88,04,680 | 88,04,680 | 0 | 2.45 |
| GPE (INDIA) LTD | 68,93,032 | 68,93,032 | 68,93,032 | 68,93,032 | 0 | 2.38 |
| NOMURA | 9,26,838 | 9,99,403 | 9,99,403 | 68,00,703 | 58,73,865 | 2.37 |
| GALILEO INVESTMENTS LTD | 59,40,000 | 59,40,000 | 59,40,000 | 59,40,000 | 0 | 2.30 |
| TIAA CREF INT EQ FUND | | | 57,22,652 | 57,22,652 | 57,22,652 | 2.13 |
| TIAA-CREF | 4,44,470 | 15,50,841 | 59,04,388 | 56,58,208 | 52,13,738 | 1.67 |
| HDFC BANK LTD | 52,20,000 | 52,20,000 | 52,20,000 | 52,20,000 | 0 | 1.65 |
| DVI FUND MAURITIUS LTD | 50,67,797 | 50,67,797 | 50,67,797 | 50,67,797 | 0 | 1.44 |
| NORGES BANK | 46,04,963 | 46,04,963 | 46,04,963 | 46,04,963 | 0 | 1.39 |
| AHUJA RAJEEV | | 45,27,670 | 45,27,670 | 45,27,670 | 45,27,670 | 1.37 |
| RAMACHANDRAN NARAYAN | 44,38,380 | 44,38,380 | 44,38,380 | 44,38,380 | 0 | 1.26 |
| RELIANCE CAPITAL TRUSTEE CO L | 36,07,115 | 24,07,115 | 14,07,940 | 44,23,040 | 8,15,925 | 1.23 |
| GOVERNMENT PENSION FUND - G | 45,90,182 | 38,93,001 | 38,93,001 | 38,93,001 | -6,97,181 | 1.11 |
| GOLDMAN SACHS GROUP INC | 34,76,024 | 34,76,024 | 34,76,024 | 38,37,285 | 3,61,261 | 1.10 |
| IDFC MUTUAL FUND | 42,82,195 | 42,82,195 | 42,82,195 | 42,82,195 | 0 | 1.07 |
| WILLIAM BLAIR | | 11,32,676 | 20,85,475 | 23,52,707 | 12,20,031 | 1.07 |

Financial Snapshot

| DESCRIPTION (In Cr) | Mar-17 | Mar-16 | Mar-15 | Mar-14 | Mar-13 | Mar-12 |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|---------------|
| Inc / Exp Performance | | | | | | |
| Interest Earned | 3713.16 | 2744.31 | 1953.09 | 1351.62 | 879.32 | 465.08 |
| Total Income | 4468.62 | 3234.85 | 2356.49 | 1612.59 | 1005.76 | 532.22 |
| PAT | 446.05 | 292.48 | 207.17 | 92.67 | 92.47 | 65.73 |
| Cash Flow | | | | | | |
| Cash Flow from Operations | 3433.65 | -4384.20 | -2260.51 | 236.16 | -222.70 | 348.05 |
| Cash Flow from Investing activities | -142.18 | -60.43 | -58.36 | -59.36 | -47.04 | -21.22 |
| Cash Flow from Finance activities | -1656.14 | 4039.88 | 3075.68 | 326.37 | 371.12 | -7.48 |
| Free Cash flow | 3052.03 | -4536.21 | -2376.76 | 143.00 | -272.84 | 335.47 |
| Key Ratios | | | | | | |
| Yield on Advances(%) | 12.61 | 12.93 | 13.52 | 13.74 | 13.79 | 11.25 |
| Yield on Investments(%) | 8.16 | 5.58 | 5.86 | 7.00 | 5.08 | 4.87 |
| ROCE(%) | 9.38 | 7.45 | 8.08 | 7.24 | 8.13 | 7.49 |
| RONW(%) | 12.18 | 11.21 | 10.07 | 5.31 | 6.73 | 5.91 |
| PBIDTM(%) | 18.35 | 15.60 | 15.36 | 9.80 | 15.25 | 20.68 |
| PATM(%) | 12.01 | 10.66 | 10.61 | 6.86 | 10.52 | 14.13 |

Profit and Loss statement

| DESCRIPTION | Mar-17 | Mar-16 | Mar-15 | Mar-14 | Mar-13 | Mar-12 |
|--------------------------------|----------------|----------------|----------------|----------------|----------------|---------------|
| | | | | | | |
| No of Months | 12.00 | 12.00 | 12.00 | 12.00 | 12.00 | 12.00 |
| I. INCOME | | | | | | |
| Interest Earned | 3713.16 | 2744.31 | 1953.09 | 1351.62 | 879.32 | 465.08 |
| Other Income | 755.46 | 490.54 | 403.41 | 260.97 | 126.44 | 67.13 |
| Total Income | 4468.62 | 3234.85 | 2356.49 | 1612.59 | 1005.76 | 532.22 |
| II. EXPENDITURE | | | | | | |
| Interest Expended | 2491.82 | 1925.10 | 1396.72 | 1009.99 | 621.77 | 278.29 |
| Operating Expenses | 1056.39 | 767.34 | 599.65 | 423.90 | 227.30 | 139.10 |
| Provisions and Contingencies | 238.92 | 114.41 | 60.18 | 46.17 | 22.61 | 18.66 |
| Profit Before Tax | 681.49 | 428.00 | 299.94 | 132.52 | 134.08 | 96.17 |
| Taxes | 235.44 | 135.52 | 92.77 | 39.85 | 41.61 | 30.44 |
| Total | 4022.58 | 2942.37 | 2149.32 | 1519.92 | 913.29 | 466.49 |
| III. PROFIT AND LOSS | | | | | | |
| Profit After Tax | 446.05 | 292.48 | 207.17 | 92.67 | 92.47 | 65.73 |
| Extra items | | | | | | |
| Profit brought forward | 3.92 | 4.32 | 1.28 | 0.22 | 0.06 | 0.40 |
| Adjustments to PAT | | | | | | |
| Total Profit & Loss | 449.96 | 296.80 | 208.45 | 92.89 | 92.53 | 66.13 |
| IV. APPROPRIATIONS | | | | | | |
| Equity Dividend % | 18.00 | 15.00 | 12.00 | 9.00 | 6.00 | 3.00 |
| Earnings Per Share | 11.89 | 9.01 | 7.06 | 3.41 | 3.66 | 3.06 |

| | | | | | | |
|---------------------|-------|------|------|------|------|------|
| Adjusted EPS | 11.89 | 9.01 | 7.06 | 3.41 | 3.66 | 3.06 |
|---------------------|-------|------|------|------|------|------|

Balance sheet

| DESCRIPTION | Mar-17 | Mar-16 | Mar-15 | Mar-14 | Mar-13 | Mar-12 |
|--|----------|----------|----------|----------|----------|---------|
| SOURCES OF FUNDS: | | | | | | |
| Share Capital | 375.20 | 324.73 | 293.45 | 272.04 | 252.92 | 214.95 |
| Share Warrants & Outstandings | 0.00 | 0.00 | 0.00 | 129.50 | 0.00 | 0.00 |
| Total Reserves | 3960.37 | 2664.50 | 1936.98 | 1613.22 | 1353.82 | 928.25 |
| Deposits | 34588.09 | 24348.65 | 17099.25 | 11598.60 | 8340.52 | 4739.33 |
| Borrowings | 7979.76 | 10536.22 | 6962.70 | 3895.54 | 2737.35 | 1198.55 |
| Other Liabilities & Provisions | 1771.35 | 1286.98 | 812.30 | 689.23 | 278.75 | 124.25 |
| Total Liabilities | 48674.77 | 39161.09 | 27104.67 | 18198.13 | 12963.36 | 7205.33 |
| APPLICATION OF FUNDS : | | | | | | |
| Cash and balance with Reserve Bank of India | 2947.93 | 1339.75 | 1455.68 | 980.73 | 290.84 | 263.30 |
| Balances with banks and money at call | 1245.72 | 1110.18 | 714.66 | 211.52 | 397.74 | 322.82 |
| Investments | 13481.71 | 14436.03 | 9825.68 | 6518.04 | 5571.42 | 2333.83 |
| Advances | 29449.04 | 21229.08 | 14449.83 | 9835.05 | 6376.21 | 4132.27 |
| Gross block | 425.75 | 302.05 | 252.39 | 177.98 | 130.94 | 81.97 |
| Less: Accumulated Depreciation | 201.58 | 143.80 | 98.04 | 66.73 | 46.81 | 35.41 |
| Less: Impairment of Assets | | | | | | |
| Net Block | 224.16 | 158.24 | 154.35 | 111.25 | 84.13 | 46.56 |
| Lease Adjustment | | | | | | |
| Capital Work in Progress | 34.55 | 19.05 | 10.09 | 23.10 | 10.14 | 12.34 |
| Other Assets | 1291.67 | 868.75 | 494.39 | 518.45 | 232.88 | 94.21 |
| Total Assets | 48674.77 | 39161.09 | 27104.67 | 18198.13 | 12963.36 | 7205.33 |
| Bills for collection | 822.71 | 772.32 | 513.51 | 1.40 | 1.49 | 16.86 |
| Book Value | 115.53 | 92.02 | 75.97 | 69.26 | 63.48 | 53.13 |
| Adjusted Book Value | 115.53 | 92.02 | 75.97 | 69.26 | 63.48 | 53.13 |

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