72nd Annual Report **2014 -15**

# BEING MORE

More Growth. More Potential.

RBL BANK

**Forward-looking statement**

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words, such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

# WHAT YOU WILL FIND INSIDE

## Corporate Overview



## Statutory Reports



View this annual report online
www.rblbank.com

# CORPORATE INFORMATION

**RBL Bank Limited**
**(Formerly: The Ratnakar Bank Limited)**

**Registered Office**
1st Lane, Shahupuri,
Kolhapur - 416 001,
Maharashtra, India.
Phone: +91 231 2653006
Fax: +91 231 2653658
E-mail: customercare@rblbank.com

Corporate Identity Number (CIN)
U65191PN1943PLC007308

**Statutory Auditors**
S. R. BATLIBOI & CO. LLP,
Chartered Accountants,
14th Floor, The Ruby, 29,
Senapati Bapat Marg,
Dadar (W), Mumbai - 400 028
Maharashtra, India.

**Key Managerial Personnel**
Mr. Vishwavir Ahuja, *Managing Director & CEO*
Mr. Naresh Karia, *Chief Financial Officer*
Mr. Vinay Tripathi, *Company Secretary*

**Registrar & Transfer Agent**
Link Intime India Pvt. Ltd.,
C – 13, Pannalal Silk Mill Compound,
L. B. S. Marg, Bhandup,
Mumbai - 400 078.
Maharashtra, India.
Phone: +91 22 25946970,
E-mail: rnt.helpdesk@linkintime.co.in

# BEING MORE

More Growth. More Potential.

Being More at RBL Bank is not just about what we are at the moment, but a vision, a dream of where we aspire to be in the years to come.

Over the last five years, we have undergone an unprecedented scale of transformation and have put together the building blocks of people, capital, governance and technology to build a robust banking institution.

We have made significant progress in emerging as a "Bank of Choice"- in our selected client and geographic segments, and have outperformed industry benchmarks on growth, risk management and governance standards.

With this phase behind us, we now forge ahead in line with our 'Vision 2020' strategy comprising of many reinforcing objectives with the focus on 'Being More'.

## BEING MORE IS...

Easing customers' banking transactions and keeping the service culture at the core

Attracting and retaining talent by creating a people centric organisation

Finding innovative ways to expand access and broadening the development of formal markets for newer products and services

Moving from an obligatory to an opportunity approach in Rural India and becoming one of the admired leaders in this segment

Placing a strong focus on risk and balance sheet strength as we grow in size and scale

Continuously strengthening governance standards and building a state-of-the-art technology infrastructure

**AS WE MOVE FORWARD WITH A NEW ENERGY, WE ARE FOCUSED ON 'BEING MORE'.**

## OUR VISION

To be a **'Bank of Choice'** by creating and nurturing enduring relationships through trust and respect of our customers, employees and partners

### BANK OF CHOICE

To be the preferred choice for the banking needs of our customers

## OUR MISSION

### CUSTOMERS AT THE HEART

To engage and understand customer needs, provide best-in-class products and services, be responsive and quick in resolving queries - resulting in true customer delight and peace of mind

### COMMUNITY AS THE CAUSE

To deliver robust and cost-effective banking services that promote financial inclusion, catalyse growth and reduce social inequalities

### EMPLOYEES AS THE PILLAR

To provide an enabling work culture, where career aspirations can be realised through consistent performance and demonstration of the Bank's core values and beliefs

### SHAREHOLDER VALUE AS THE FOCUS

To demonstrate high corporate governance standards that protects and balances stakeholder interests in the journey to achieving short and long-term business goals

## TRUST AND RESPECT OF OUR STAKEHOLDERS

To engage and ensure that all our stakeholder commitments are fulfilled, while working as a team

## CREATING AND NURTURING ENDURING RELATIONSHIPS

To create and build lasting partnerships with all our customers based on full disclosure and transparency

## EXCELLENCE

To act in a manner that earns the trust and admiration of others

## ENTREPRENEURIAL

To be enterprising and take ownership of our actions

## RESPECT

To be sensitive and responsible for what we say and do

## PROFESSIONALISM

To conduct our duties with good judgement and in good faith

# OUR VALUES 'PREET'

## TEAMWORK

To be successful together

# JOURNEY THROUGH EXCELLENCE

## TRANSFORMATION

### FY2010

- Inducted Mr. Vishwavir Ahuja as the Managing Director & CEO in July 2010, to transform the institution from an old private sector bank to a 'New-age Bank'
- Revamped the management team by bringing in accomplished professionals from renowned banking and financial services institutions
- Defined a new organisational structure and created dedicated business verticals to meet diverse customer needs across Retail, Commercial & Corporate Banking and Agri & Financial Inclusion segments

### FY2011

- Raised Tier-I capital of over ₹ 700 crore, taking the total capital base to around ₹ 1,100 crore, from HDFC, Gaja Capital, Norwest Venture, Samara Capital, Beacon Private Equity, Faering Capital, TVS Shriram and Cartica Capital
- ICRA granted the Bank's Certificate of Deposit programme an A1+ rating - its highest rating for short-term instruments
- Launched ATM cards, prepaid cards and internet banking; obtained an authorised dealer license to commence Foreign Exchange and International Trade business; implemented a comprehensive treasury dealing and settlement system
- Revamped risk management framework and credit administration processes; focused on SME, Retail, Agri Banking & Financial Inclusion; implemented IMaCS, a market leading credit rating system
- Launched the Commercial Banking division of the Bank; introduced a schematic SME credit product, expanding into new industry and trade segments
- Agri Banking and Financial Inclusion businesses expanded their products to Group Loans, products for small and marginal farmers, artisans and women borrowers
- Implemented 100% Core Banking System (CBS) across rural and semi-urban branches; centralised back office banking operations for all major locations
- Opened National Operating Centre (NOC) in Goregaon, Mumbai for centralised processing and to achieve cost effectiveness
- Entered into a strategic partnership for rapid ATM deployment/management, as well as switch migration to state-of the-art switch to support multiple interfaces

## CONSOLIDATION

### FY2012

- Upgraded the CBS to Finacle (managed by Infosys), which holds market leadership in this segment
- Made significant investments in IT infrastructure, to integrate operations and enhance security standards
- Established call centre services to enhance the customer service experience
- Launched Debit Cards
- Added Corporate Internet Banking to the internet banking suite

## GROWTH

### FY2013

- Bestowed with the honour of being India's Best Bank (Growth) in the mid-sized banks segment by Business Today and KPMG, and also ranked 5th overall for the year 2012
- Awarded as winner of the Best Core Banking Project, India for the year 2012 at the seventh Asian Banker Technology Implementation Awards
- Raised Tier-I capital of over ₹ 376 crore taking the total capital base to around ₹ 1,600 crore, from International Finance Corporation, Ascent Capital, Aditya Birla Private Equity, Faering Capital, IDFC SPICE Fund and ICICI's Emerging India Fund
- Partnered the Asian Development Bank (ADB) to provide a Partial Guarantee Programme for Micro Financial Institutions (MFIs) - a first in India
- Opened the Bank's first branch in Hyderabad and Chennai
- Opened a Regional Processing Centre (RPC) in Okhla, New Delhi for centralised processing and to achieve cost effectiveness

### FY2014

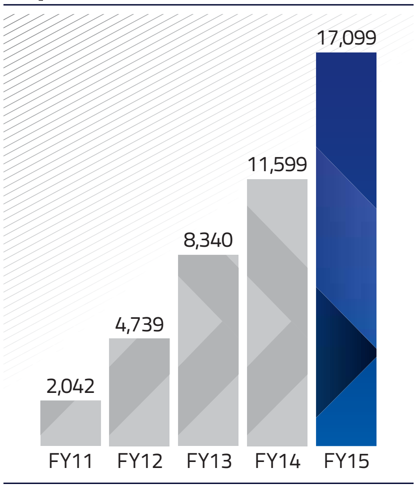
- Recognised as India's Best Bank (Growth) in the mid-sized banks segment by Business Today and KPMG for the year 2013 (second-year in a row)
- Completed third round of capital infusion to the tune of ₹ 328 crore from leading global investors, including CDC and Asia Capital
- Acquired Business Banking, Credit Card and Mortgage businesses of the Royal Bank of Scotland (RBS) in India
- Launched new identity for the Bank under the name 'RBL Bank'
- Launched 'Saksham', the start of RBL Bank's financial literacy programme for the underserved markets
- Launched premium banking vertical - Insignia Preferred Banking for HNI Customers
- Partnered with the Delhi Daredevils T20 Cricket team as their official sponsors

### FY2015

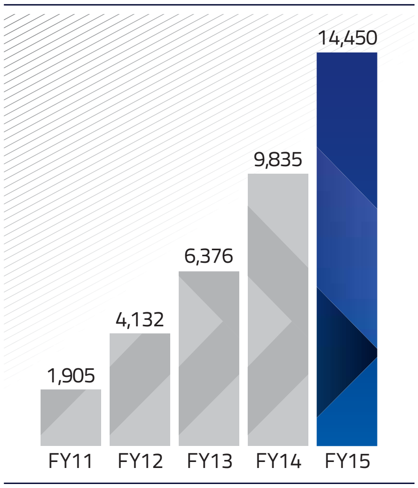
- Recognised as a Global Growth Company by the World Economic Forum
- Awarded India's Best Bank (Growth) in the mid-sized bank segment by Business Today and KPMG for the year 2014 (third-year in a row)
- Awarded the Best Bank – Priority Sector Lending (Private Sector), Dun & Bradstreet Banking Awards, 2014
- Awarded "Best ESB (Enterprise State Bus) Deployment" by Finnoviti 2015
- Launched India's First Credit Card for Golf enthusiasts in association with the Indian Golf Union – the apex body for golf in India
- Launched Project Sparkles – a bank wide service initiative that realigns the Bank's existing processes to enhance service standards for its customers
- Launched the Bank's first ever Currency Chest in Kolhapur
- Launched the Bank's Learning Academy in Kolhapur
- Launched the 'India Startup Club' to cater to the needs of the entrepreneurial ecosystem

# FINANCIAL AND OPERATIONAL HIGHLIGHTS

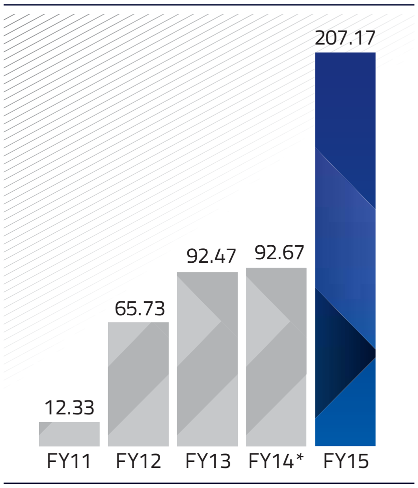
**Deposits** ₹ in crore



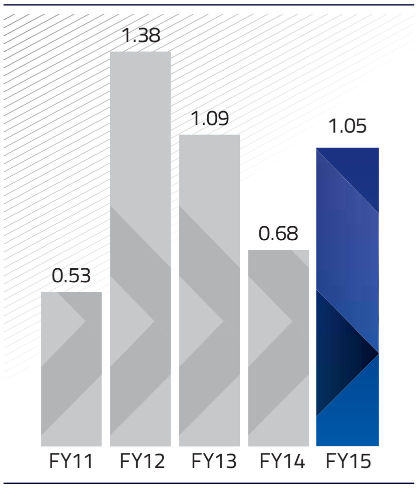

**Advances** ₹ in crore



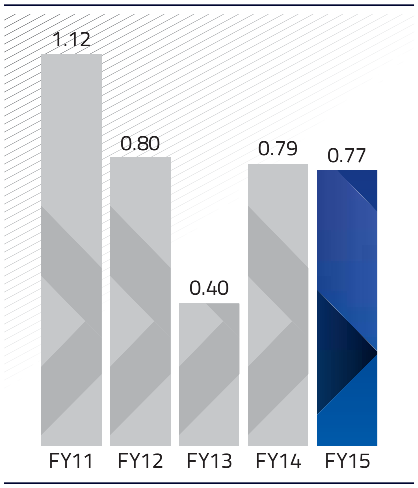

**Net Profit** ₹ in crore



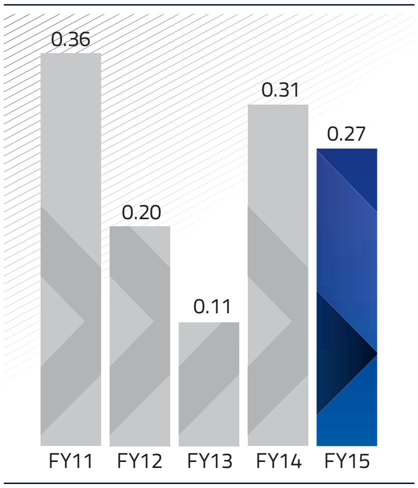

**ROA** %




**Gross NPA** %




**Net NPA** %




* Net Profit for FY 2014 was ₹ 133.56 before the one-off charge paid for the acquisition of certain businesses from Royal Bank of Scotland (RBS) in India.

**FY11** ₹

BV PER SHARE **49.99**

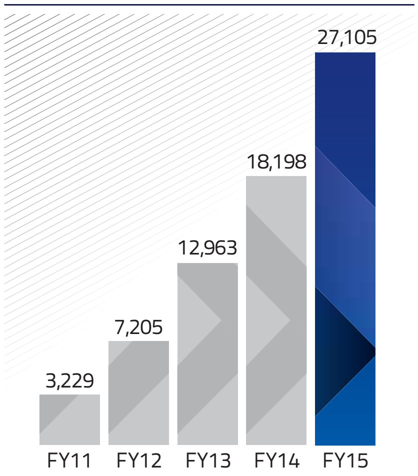
**FY12** ₹

BV PER SHARE **52.62**

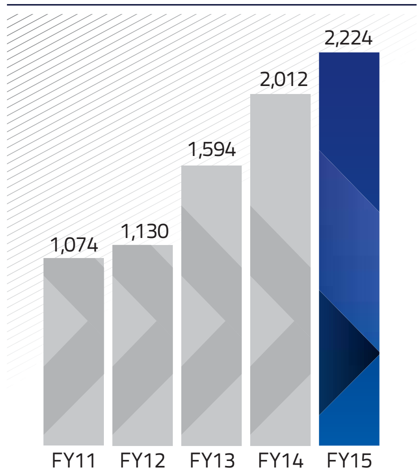
**FY13** ₹

BV PER SHARE **63.03**

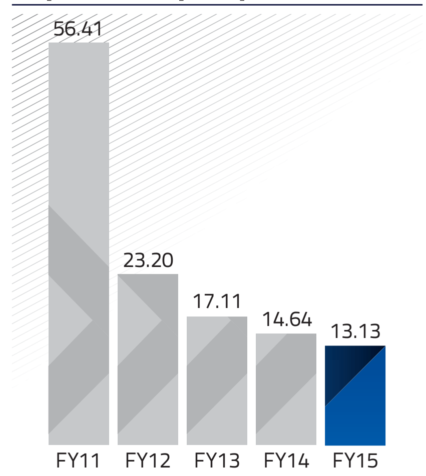
## Total Assets
₹ in crore



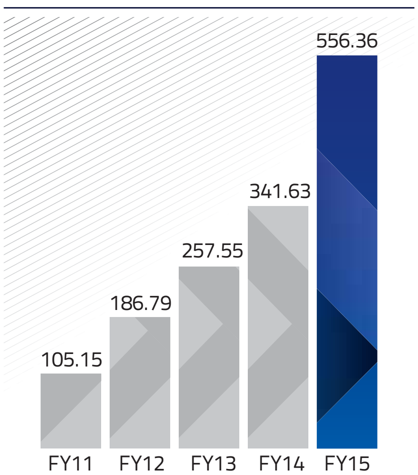

## Networth
₹ in crore



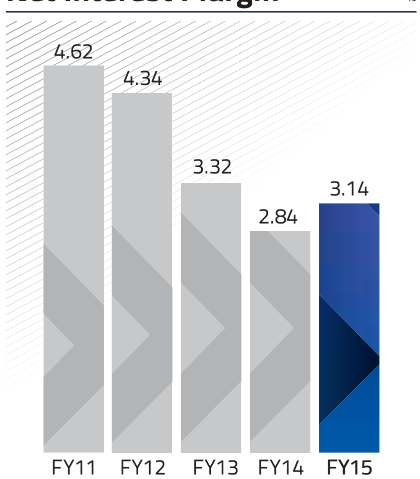

## Capital Adequacy Ratio
%



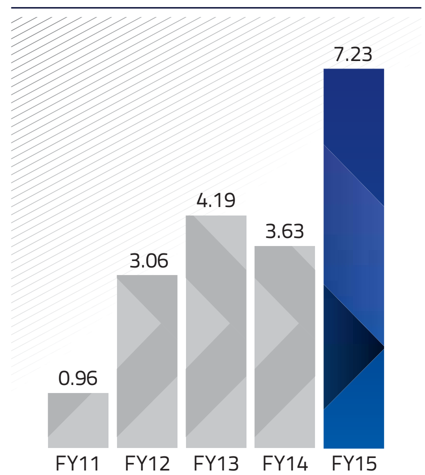

## Net Interest Income
₹ in crore




## Net Interest Margin
%




## EPS
₹




**FY14** ₹

BV PER SHARE **71.30**

**FY15** ₹

BV PER SHARE **75.77**

# MESSAGE FROM THE MANAGING DIRECTOR AND CEO

**₹ 30,000 cr. +**
Business Size as on March 31, 2015

**70%**
CAGR over four years

**Vishwavir Ahuja**
**Managing Director & CEO**

**Dear Stakeholders,**

## "What got us here, won't get us there"

Simply put, this is how we look at our approach to building RBL Bank. We believe that it is important to exceed our own standards every year. The realisation of a grand vision is not about doing the same things over and over again, but about doing the right things and doing them better each time.

Therefore, the theme of our Annual Report this year is 'Being More' - aiming for More Growth and creating More Potential.

About five years ago, we came together with a shared vision to transform a 70-year-old regional bank into an institution of excellence by blending our traditional values with the competitiveness and acumen of new-age banking. Our 'Vision 2015' plan laid the foundation for such a strategy. If we look back, what we have achieved in the last five years has been fulfilling.

However, that was the 'transformation' phase of the journey which we believe was completed successfully or, in other words, we believe we have put in place the architecture or the fundamental building blocks for growth.

It is now the beginning of the next phase of our journey aimed at achieving leadership in our target segments and geographies. This is both exciting and challenging. While we believe that we have strengthened our capabilities and our expectation for the future remain high however, the macro-economic environment still has a lot of uncertainties, which may prove to be a challenge in the medium-term. Our strategic roadmap will revolve around a strong capital base, cutting edge technology architecture and getting on board the right people to build a highly customer-centric service and delivery organisation. And that is what our 'Vision 2020' strategy entails.

RBL Bank's business growth and operating performance in FY15 witnessed robust growth in an industry marked by low credit offtake and growing concerns over asset quality. The Bank's Net Total Income surged by 59% to ₹ 960 crore in FY15 from ₹ 603 crore in FY14. Net Profit for the year was ₹ 207 crore, representing a 124% increase over the previous year. Both Advances and Deposits increased by 47% y-o-y to ₹ 14,450 crore and ₹ 17,099 crore, respectively. The Gross and Net NPAs continued to remain satisfactory at 0.77% and 0.27%, respectively in FY15.

We believe that our performance in FY15 was indeed satisfactory but we still need to achieve more breadth and depth with speed.

As a nation, India is overbanked yet under-served. To help address this gap, over the past few years, we have proactively sought to build a strong Development Banking & Financial Inclusion (DB&FI) and Agribusiness Banking franchise. With the launch of the Pradhan Mantri Jan-Dhan Yojana (PMJDY) scheme by the Government of India, this sector assumes a greater importance as our country moves towards a faster and more inclusive growth agenda. We believe that our plans for these businesses dovetail well with the government's agenda to 'bank the billion'.

Over the past three years we have seen our DB&FI portfolio grow at a CAGR of 64%. In the last year alone, we have extended our financial services to more than 4 lakh new customers and are now adding more than 70,000 customers a month. Similarly, our Agribusiness Banking has had significant achievement to its credit. We have developed warehousing and Agri-logistic capabilities for perishable commodities and have been successful in working with farmers and corporates to forge both forward and backward linkages. In FY15, our total advances to the agriculture sector stood at ₹ 1,945 crore, which represents a CAGR of 66% over the past three years. Another testimony of our commitment to this sector is the fact that we have consistently achieved our priority sector lending since FY11.

Over the past year, we have been actively supporting the growth of entrepreneurship in India. We launched the 'India Startup Club' to cater to the growing demand for specialised financing as well as promote a set of dedicated products and solutions for the startup ecosystem. We also made a commitment to be an anchor investor in India's first ever Debt Venture Fund focused on emerging growth companies. We believe that this move showcases our pro-growth and pro-entrepreneurship approach towards the changing economic and social conditions in India.

As a bank, we have also sought to create a strong culture of innovation where we strive to identify evolving customer requirements and proactively fill in these gaps. Last year, we launched India's first ever Cricket Credit Card to cater to the nation's love of the game. Continuing our innovation in this segment, this year we introduced India's only Credit Card for golf enthusiasts in association with the Indian Golf Union – the apex body for golf in India. We are proud to share that this card won the prestigious MasterCard Innovation Award 2015.

During FY15, we have successfully launched several digital and alternate banking services and provided innovative technology solutions to our customers. One of the key features of the Bank's technology strategy is to establish long-term partnerships with best-in-class technology service providers that enables co-creation of value and offers differentiated solutions to our customers.

**'SERVICE BEYOND EXCELLENCE' IS NOT ONLY OUR NEW SERVICE VISION BUT ALSO A PROMISE TO OUR CUSTOMERS.**

An example of this is the launch of our eWallet platform that has the potential to reach out to over 1 crore customers and 1 lakh merchants with convenient payment solutions through web, mobile or cards. To power our technology efforts, we implemented our own internal private cloud to provide secure and scalable in-house solution for all cloud based applications.

At RBL Bank the customer is at the 'heart' of everything we do. During FY15, to fulfill our commitment to customers, we successfully launched a process re-engineering project 'SPARKLES' – a bank wide service initiative that realigns our existing processes to enhance service standards. 'Service Beyond Excellence' is not only our new service vision but also a promise to our customers. To ensure that the Bank lives up to its service promise, we have developed and enhanced several tools and processes to facilitate effective management of client requests, thereby resulting in a convenient and hassle-free banking experience.

We believe that our success today is because of our dedicated employees who have years of banking experience. We consider our people to be our greatest asset and are building an agile organisation through training, culture-

**ADEQUATE CAPITAL, LEADING TECHNOLOGY AND RIGHT TALENT, SUPPORTED BY A SHARPER FOCUS ON EXECUTION WILL BE REQUIRED TO REACH THE NEXT FRONTIER.**

building and team engagement initiatives. We also use several Employee Stock Option Programmes (ESOP Schemes) to attract and retain talent as well as recognise and reward the performance of select employees. Through the Bank's ESOP Schemes, employees who have worked with us for more than one year can become co-owners, creating a unique industry standard. This has helped us in building a motivated and charged workforce with high levels of accountability.

We believe that our growth story in the Indian banking landscape has been recognised and appreciated giving us the confidence to forge ahead. In this regard we are proud to mention that the World Economic Forum has recently awarded us the title of the 'Global Growth Company'. I am also happy to share that we have been recognised as 'India's Best Bank (Growth)' in the mid-sized bank category for the third year in a row by the Business Today-KPMG India's Best Bank Study. While there are many other accolades, what is significant for us is the key message behind these recognitions – the market and banking industry have recognised our vision and execution, but are challenging us to achieve higher goals at the next stage of our journey.

The journey from being 'good to great' is obviously long and never an easy one. We believe we have the capacity, capabilities, culture and the commitment to undertake this challenge.

This is the right context to step back and reflect on our 'Vision 2020'. We need to put more focus on building an institution which can adapt and scale across multiple dimensions. A nation on the move presents significant new opportunities. In a rapidly transforming society like India, we can set new trends and cater to more aspirations. This requires a higher degree of commitment and passion from our employees. Adequate capital, leading technology and right talent, supported by a sharper focus on execution will be required to reach the next frontier.

As iterated earlier, 'what got us here, won't get us there,' so let's get ourselves ready for the next orbit of scale, innovation, excellence and integration in achieving our 'Vision 2020' goals.

Together, let's chart the journey towards **'BEING MORE'**.

Best Regards,

**Vishwavir Ahuja**
**Managing Director & CEO**

# BOARD OF DIRECTORS


Narayan Ramachandran
Non-Executive Chairman


Vishwavir Ahuja
Managing Director & CEO


Rama Bijapurkar
Independent Director


Vimal Bhandari
Independent Director


Jairaj Purandare
Independent Director


Girish Godbole
Independent Director


Kiran Patil
Independent Director


P. Sudhir Rao
Independent Director


D. Sivanandhan
Independent Director


Rajesh Kumar
RBI - Additional Director

# SENIOR MANAGEMENT TEAM

**Vishwavir Ahuja**
Managing Director & CEO

**Rajeev Ahuja**
Head - Strategy, Retail, Financial Inclusion and Transaction Banking

**R. Gurumurthy**
Head - Corporate and Institutional Banking

**Sunil Gulati**
Chief Risk Officer

**Shanta Vallury Gandhi**
Head - HR, CSR and Internal Branding

**Sandeep Thapliyal**
Head - Commercial Banking

**Andrew Gracias**
Head - Financial Markets

**Rana Vikram Anand**
Head - Segments and Products, Branch and Business Banking

**Surinder Chawla**
Head - Geography, Branch and Business Banking

**Harjeet Toor**
Business Head - Retail Assets and Small Business Lending

**Naresh Karia**
Chief Financial Officer

**Manoj Rawat**
Head - Agri Business

**Bhaskar Niyogi**
Senior Consultant - Risk

**Joginder Singh Rana**
Chief Operations Officer

**Sunny Uberai**
Chief of Staff and Head - Change Management and Service Delivery

**Sanjay Sharma**
Head - Technology , Innovation and Customer Fulfilment

**Satish Dhawan**
Chief Infrastructure and Administration Officer

**Amareesh Gulati**
Head – Transaction Banking & Payment Services

**Rajeev Dewal**
Head - Legal

Being More is...

# DRIVING ROBUST GROWTH WITH A CLEAR VISION

From a modest beginning, RBL Bank is now emerging as a 'New-age Bank' harnessing its heritage, relationships with customers and deep domain strengths.

**1,400,000 +**
Customers Served

**₹ 207 cr.**
Net Profit

**49%**
Y-O-Y Balance Sheet Growth

**0.77%**
Gross NPA

Figures/data as of March 31, 2015

In the year 2010, the Bank developed a 'Vision 2015' strategy and laid down an aggressive growth path based on a strong platform of governance, high quality capital, relationships, technology infrastructure and a rich talent pool.

With its 'Vision 2015' plan starting to deliver results, the Bank has now initiated steps to chart out its 'Vision 2020' goals. This is a new roadmap to take the Bank to the next level of growth, opportunity and relevance.

## VISION 2020 STRATEGY AND ROADMAP

A confluence of new energy, passion and innovation will fuel the Bank's 'Vision 2020' strategy. The roadmap for this strategy will revolve around the following:

### STRONG CAPITAL BASE

The Bank has always believed that a strong capital base is a prerequisite for growth. The Bank's long-term strategy is to be well capitalised to take advantage of evolving market opportunities.

### LEADING TECHNOLOGY

The Bank believes that technology will be a key driver of its future strategy. In the recent past, the Bank has built a robust technology architecture for real-time processing of customer transactions; increasing business synergies and operating efficiencies.

The Bank will further strengthen and invest in technology to leverage its customer base by providing a wide range of product and services delivered in a fast and flexible manner.

### EMPOWERED PEOPLE

RBL Bank is focusing on becoming the preferred choice for the banking needs of its customers. This calls for a new way of working with each other. Strong leadership and motivated employees are necessary to support and shape the changes within the Bank. Through recruitment, employee engagement and training, the Bank aims at developing an enriching work culture that benefits its employees and the organisation in the long run.

Being More is...

# CREATING A PEOPLE-DRIVEN ORGANISATION

True to its mission, the Bank treats its employees as the pillars of growth and prosperity. It provides an enabling work culture, where career aspirations can be realised through consistent performance and demonstration of the Bank's core values of 'PREET' i.e. Professionalism, Respect, Excellence, Entrepreneurial and Teamwork.

**3,465**
Employee Strength

**67%**
Total Employees Owning ESOPs

**33**
Average age of Employees

**100,000 +**
Total hours of Learning and Organisational Development during FY15

Figures/data as of March 31, 2015

The Bank emphasises on recruitment and nurturing of a high-quality, professional and empowered workforce through:-

(i) Consistent training and development programmes for employees to strengthen professional knowledge and capabilities;

(ii) Enhancement of management and employee incentive programmes to align compensation with employee and organisational performance;

(iii) Creation of an encouraging work environment through greater employment engagement activities.

## LEARNING AND LEADERSHIP DEVELOPMENT PROGRAMMES

The Bank, through 'Bodhi Tree', the umbrella academy for all its learning and leadership development activities, offers its employees wide-ranging programmes, such as leadership acceleration programme, mentorship programme, continuing education, cross-functional outbound programme, among others.

For new and young leaders, the Bank has launched the Young Leadership Development Programme (YLDP), a high-impact six months capacity building exercise to help people emerge as more effective managers and business leaders.

The Bank has recently launched its Management Intern, Management and Graduate Trainee programmes to groom its young leaders to become an integral part of the organisational talent pool.

It also launched a self-learning platform by providing each employee access to an online library, thereby enhancing their capability and knowledge.

## REWARD & RECOGNITION

To incentivise and reward superlative performance, the Bank has adopted various Employee Stock Ownership Programmes (ESOPs). ESOP Schemes align employee interests with the Bank's long-term objectives and also act as a retention mechanism by enabling employee participation in the business as an active stakeholder.

## ENCOURAGING WORK ENVIRONMENT

The Bank's performance-driven culture empowers its people to achieve personal and professional growth and seek new challenges.

By creating a culture of excellence, the Bank allows employees to explore, innovate and deliver solutions to clients that make RBL Bank a distinctive organisation to work for.

The launch of Internal Job Posting (IJP) serves as an opportunity for all employees to progress in their careers.

Being More is...

# SERVICE BEYOND EXCELLENCE

At RBL Bank, the customer is at the 'heart' of everything we do. Its service proposition - Service Beyond Excellence, is a promise to fulfill evolving customer aspirations with sensitivity. The Bank strives to understand customer needs, provide best-in-class products and services and is committed to resolving queries quickly and efficiently.

**80%***

Positive customer feedback received on service quality

**85%**

Error-free processing (First Time Right)

* The above numbers (averages) are based on continuous in-house customer surveys undertaken by the Bank

To ensure the Bank lives up to its service promise, during the year, several initiatives were launched to facilitate effective management of client requests, thereby resulting in a convenient and hassle-free banking experience.

## PROJECT SPARKLES

SPARKLES - A bank-wide service initiative that realigns existing processes to enhance service standards for its customers.

## 'SERVICE FIRST' PLATFORM

Enhanced the 'Service First' platform, which functions as an end-to-end tracking system for all requests and complaints. It also measures turnaround times across various services rendered to the customers. This platform helps the Bank in understanding the areas of improvement and developing its service strengths.

## CENTRAL SERVICE TEAM AND GRIEVANCE REDRESSAL SYSTEM

The bank has formed a dedicated central service team coupled with a well-defined grievance redressal system to help address customer concerns effectively and provide an unbiased resolution to complaints. Various other working groups (committees) have also been instituted within the Bank to ensure close and active monitoring of performance.

## SERVICE ANALYSIS TOOLS AND TRAINING

The Bank has developed sophisticated service analysis tools to measure different client requirements. Tools like Complaints Resolution Index, Loyalty Surveys, Client Experience Measurement are employed to check customer experience on a dynamic basis. Analysing this data has given the Bank an incisive view on customer behaviour and customer expectations versus its service commitments. The information gathered through this exercise is a key ingredient in training its service workforce because without adequate and effective training the desired quality of delivery to customers can never be achieved.

Being More is...

# GROWING RESPONSIBLY

Being responsible towards its customers, the communities it operates in, and the environment it co-exists with are key business values iterated in RBL Bank's day-to-day operations. Through its CSR programmes, RBL Bank is committed towards catalysing growth and reducing social inequalities. The intervention spans core business operations as well as through special initiatives undertaken for the benefit of local communities and the society.

# 40,000 +

Lives touched through various social activities

# 1,000 +

RBL Bank volunteers who donated time

# 4,000 +

Hours of Employee volunteering time

Figures/data as of March 31, 2015

RBL Bank has embraced social responsibility as a way of life within the Bank. The Bank encourages employee engagement in CSR initiatives and has received a generous contribution of time and financial resources towards furthering social causes. The CSR mission of the Bank aims at promoting inclusive growth in the country through various focused initiatives in preventive healthcare, promoting education and sustainable livelihood to catalyse growth and reduce social inequalities.

## KEY AREAS OF THE BANK'S CSR ENGAGEMENT PROGRAMME

### PREVENTIVE HEALTHCARE

**Retinoblastoma -** Eye cancer or Retinoblastoma is a life threatening disease that affects children. To fight Retinoblastoma, the Bank in association with the Iksha Foundation organised a one of a kind fundraiser called "UMEED 1000" – a 1,000 kilometer Cyclothon that originated between Mumbai and Bangalore. The event earned participation from more than 350 bank employees and volunteers, and more than ₹ 27 lakhs were generated to help the cause.

**Retinopathy (among diabetics) -** An eye disease which leads to loss of vision and is violently prevalent among 20%-26% of the urban population. The Bank along with its partner Aditya Jyot Foundation has organised several screening drives among the susceptible population in various parts of Mumbai and has also adopted an eye care centre for treatment of the disease. Till date more than 20,000 patients have been treated for Retinopathy.

### PROMOTING EDUCATION

**Girl Child Education -** RBL Bank in association with IIMPACT Foundation has pledged support towards the primary education programme of children residing in the tribal areas of Sheopur district, Madhya Pradesh and Mewat district, Haryana of India. Through this initiative around 1,000 girl children have been educated in tribal areas.

**Project Udaan -** RBL Bank associated itself with a unique initiative called 'Udaan' to bring about a positive change in the employment and skills space, in war torn Jammu & Kashmir (J&K). Several talented youth from J&K were provided six months of intensive training in banking and financial services. Through this initiative the Bank has employed a large number of students residing in J&K.

### SUSTAINABLE LIVELIHOOD

**Bee Farming -** Preserving bees is an important agenda for the conservation of the ecological balance of the nation. Through the sustainable livelihood initiative, RBL Bank has pledged support to farmers working in the rural regions of Maharashtra and Gujarat, to increase their yields through bee farming. RBL Bank in association with its NGO partner - 'Under the Mango Tree', has supported farmers to produce better yields. The Bank's support has helped over 23 Self Help Groups (SHGs) and 2,500 individuals economically.

RBL BANK

# FOCUS ON AGRICULTURE & FINANCIAL INCLUSION

## In its endeavour to contribute towards nation-building initiatives and economic growth, the Bank has set agriculture and financial inclusion as its focus areas.

The Bank has scaled up its Agribusiness Banking (AB), Development Banking and Financial Inclusion (DB&FI) segments in the past few years.

### AGRIBUSINESS BANKING

Banks play an essential role in agriculture development by facilitating necessary capital in order to establish a sustainable and viable farming and livelihood support system. Over the past few years, although the quantum of agricultural credit has increased substantially, access to formal sources of credit has been inadequate for small and marginal farmers who constitute more than 80% of the farming community.

RBL Bank has placed a special focus on the small and marginal farmers and has developed innovative products, which cater to the needs of this segment. The Bank's endeavour is to offer a comprehensive suite of short-term and long-term financial products to farmers that will give them a wholesome, affordable and efficient banking experience.

RBL Bank has adopted the following five-pronged approach to increase its Agribusiness reach in rural India

- Focus on direct farmer banking requirements
- Develop innovative products and market specific schemes for farmers and rural customers
- Tap the entire value chain with farmers, artisans and other players in the catchment areas
- Increase outreach through expansion of institutional network and use of cutting-edge technology
- Work with farmers and corporates to forge both forward and backward linkages

### FINANCIAL INCLUSION

Financial Inclusion too gains prominence in the Indian context as despite rapid strides in economic growth, large sections of society still have no access to financial services and timely and adequate credit facilities. To address these challenges and promote equitable growth, RBL Bank through its DB&FI segment aims to reach out to the unbanked regions and ensure access to finance for micro entrepreneurs and low-income households.

In the DB&FI segment, the Bank follows a need-based customer service approach by partnering with select business correspondents to expand reach and provide the last mile delivery of products and services in rural India through transaction points.

To enhance its DB&FI businesses and to reach out in rural, semi-urban and unbanked parts of urban India, the Bank has undertaken the following steps by:

- Entering into exclusive partnership agreements with select Business Correspondents (BC) by providing basic banking needs comprising of Loans, Savings Account, Remittances and Insurance products
- Establishing significant transaction points across many remote parts of India for providing payments and other banking services across under banked and unbanked India

**950,000 +**

AB & DBFI customers

**80 +**

Customised products for the AB & DBFI segments

**47.86%***

Total credit extended to the priority sector of total advances

*Figures/data as of March 31, 2015

# LEVERAGING THE DIGITAL PLATFORM

## Use of cutting-edge digital technology to offer unparalleled banking experience to the customer has always been one of the key strategies followed at RBL Bank.

The Bank has been investing in strengthening its digital banking platform. Some of the important initiatives undertaken by the Bank to attain this goal include:

- Enhanced the product and service offerings on its Net Banking and Mobile Banking platforms; improving customer satisfaction and ensuring the banking needs are met round the clock
- Launched Tab-Banking service to reach out to the last mile customer in an economical manner
- Launched its eWallet platform – a mobile interface that facilitates convenient payment solutions through web, mobile or cards
- Partnered with a tech start-up to launch a unique and innovative payment solution for high traffic situations at fast food restaurants such as McDonald's
- Launched state-of-the-art Credit Card rewards platform which also won the MasterCard Innovation Award - 2015
- Actively engaged with customers through various social media platforms, such as Facebook, Twitter and Linkedin
- Launched RBL Bank SMART Branch – a one-of-a-kind initiative where premium customers of the Bank are serviced by their Relationship Manager remotely
- Expanded the Alternate Banking Channels reach and serviced customers through 7,000+ Customer Service Points (CSP) spread across 13 Indian States.
- Increased transaction volumes and value of transactions for the domestic Remittance Transactions business.

**10,000,000**

Potential customers for RBL Bank's eWallet payment solution

**2,000,000**

Transactions carried out across digital banking platform

**10,000 +**

Customers serviced through remote channels

Figures/data as of March 31, 2015

# FACILITATING ENTREPRENEURSHIP

India's startup network is developing rapidly, encouraged by a young, diverse and conducive entrepreneurial landscape.

**24x7**

Banking services offered to Entrepreneurs

**Green Channel**

Servicing for startups

A significant proportion of budding entrepreneurs have the vision and the competence to build great global companies of tomorrow. RBL Bank is committed to actively engage and widen India's entrepreneurial base.

## WINNING STRATEGY

The Bank launched **'India Startup Club'** (ISC) to service the end-to-end needs of the emerging entrepreneurial ecosystem. The ISC's objectives include the following:

- Drive India's startup story and create a specialised offering; approach the segment as a vertical
- Focus on basic need-based propositions with a first-time right approach; put emphasis on transaction-based solutions

## METHODOLOGY

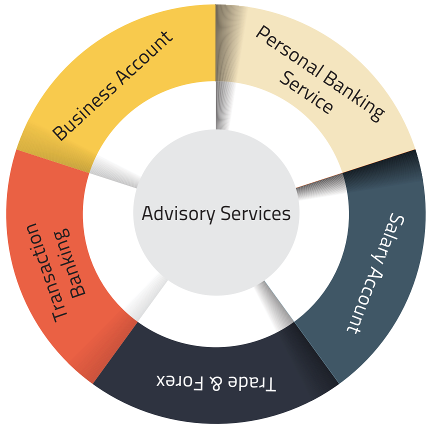
The methodology followed by the ISC is as follows:

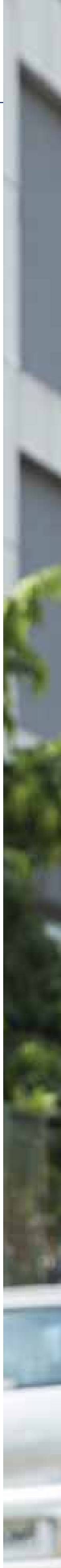
**Catch them young:** ISC engages with the team in their entrepreneurial journey right from gestation to growth stage by offering customised banking products and Advisory Services at every step of the Venture lifecycle.

**Empower with Advisory:** Banking Advisory is at the core of the ISC program. The team offers personalised Transactional Advisory to clients that enables cost efficiencies in their banking and financial transactions. Through its mentorship program, ISC also acts as a support platform that takes care of specific venture funding requirements. It also plays a key role in connecting startups with Venture Capital firms and PE Networks.

**Create the Community - Enable the Ecosystem:** The aim of ISC is to provide a strong platform for the start-up ecosystem by offering digital spaces for entrepreneurs to network, learn and share best practices within the community. It also aims to offer a quasi-market place environment that will enable movement of products and services created by the community for the community.

## PRODUCTS & SERVICES OFFERED TO THE ENTREPRENEURIAL ECOSYSTEM



# PRODUCTS AND SERVICES

## Retail Banking

### SAVINGS ACCOUNT
- Prime Savings Account
- Prime Edge Savings Account
- Advantage Savings Account
- Executive Salary Account

### CURRENT ACCOUNT
- Business Current Account
- Value Plus Current Account
- Exceed Premium Current Account

### NRI BANKING
- Ace Account – NRO/NRE
- Deposits (NRE/NRO/FCNR)

### FIXED DEPOSITS
- Regular Fixed Deposits
- Tax Savings Fixed Deposits
- Senior Citizen Fixed Deposits
- Recurring Fixed Deposits

### INVESTMENT SERVICES
- Financial Need Analysis
- Customer Risk Profiling
- Asset Allocation
- Product Selection
- Portfolio review

### INSURANCE
- Life Insurance
- General Insurance
- Health Insurance

### TRADING AND DEMAT ACCOUNT

### SAFE DEPOSIT LOCKERS

### CORPORATE SALARY ACCOUNTS AND EMPLOYEE BANKING SOLUTIONS

### RETAIL LOANS
- Loan against Property
- Overdraft against Property
- Home Loan
- Business Loan
- Personal Loan
- Education Loan
- Car Loan
- Loan against Deposits
- Loan against Gold

### CREDIT CARDS
- Titanium Delight Card
- Platinum Maxima Card
- Platinum Cricket Card
- Platinum Delight Card
- RBL Bank Insignia World Card
- RBL Bank IGU NHS Golf World Card
- Corporate Travel and Entertainment Card

### INSIGNIA PREFERRED BANKING
- Wealth Management
- Personal Accounts
- Business Accounts
- Insignia - World MasterCard® Debit & Credit Cards

## Business Banking
- Trade and Foreign Exchange product and advisory services including Forwards and Options
- Transaction banking solutions across liquidity management, payments and collections/receipts
- Working capital and term loans.
- Customised Banking Solutions for industries, such as IT & ITES, Hospitals, Shipping, Leather
- Banking Solutions for Government affiliates and development institutions requiring FCRA solutions
- Risk management solutions through insurance solutions for business owners as well as businesses

## Commercial Banking

### ASSESSED CREDIT
- Cash Credit/Working Capital Demand Loans
- Short-Term Loan
- Term Loan
- Trade Finance
- Structured Finance
- Forex and Fixed Income

## Corporate & Institutional Banking
- Cash Credit
- Term Loans
- Trade Finance
- Transaction Banking and Cash Management
- Supply Chain Financing Solutions
- Structured Finance
- FX, Risk management and Fixed Income Products

## Agribusiness Banking

INDIVIDUALS

- Crop Loan (under RKCC)
- Farm Mechanisation (Purchase of Tractor/ Trailer, Thresher, Other Farm Implements / Machinery)
- Dugwell, Construction / Repair / Deepening of Well
- Minor Irrigation (Electric Motor Pumpset / Oil Engineer / Submersible Pumps / Pipeline, etc.)
- Loan against Ware House receipt
- Construction of Rural Godown
- Dairy Loans
- Agri Clinic and Agri Business Centre
- Two wheeler Loans
- Four wheeler Loans
- Bullock Pair and Bullock Cart
- Loans Horticulture Crops (Grape, Pomegranate, Floriculture, etc.)
- Financing against pledge of cold storage receipts
- Harvesting and Transport Finance

CORPORATES ENGAGED IN AGRI AND ALLIED ACTIVITIES

- Working Capital
- Term Loan
- Structured Finance

## Development Banking & Financial Inclusion

MICROBANKING

- Basic Savings Bank Deposit Account / Aadhaar linked savings accounts for Direct Benefit Transfer
- Micro-Insurance
- Micro loans / JLG finance
- Micro loans / SHG finance

PAYMENTS

- Micro Payments
- Money Transfer
- Micro Pensions
- C2B Payments
- B2B Payments
- Micro Recurring Deposits
- Micro Fixed Deposits

AFFORDABLE FINANCIAL INSTITUTIONS

- Term Loan
- Cash Credit
- Off balance sheet structures like securitisation and assignment of receivables

SMALL BUSINESS BANKING

- Unsecured and Secured Business loans
- Drop down overdrafts
- Loan against CGTMSE guarantee
- Fixed Asset Loan
- Micro Housing Loans

## Treasury and Markets

- Foreign Exchange Risk Management
- Foreign Exchange Options
- Currency and Interest Rate Derivatives
- Debt Capital Markets: Underwriting and Syndication
- Corporate Finance and Structured Lending

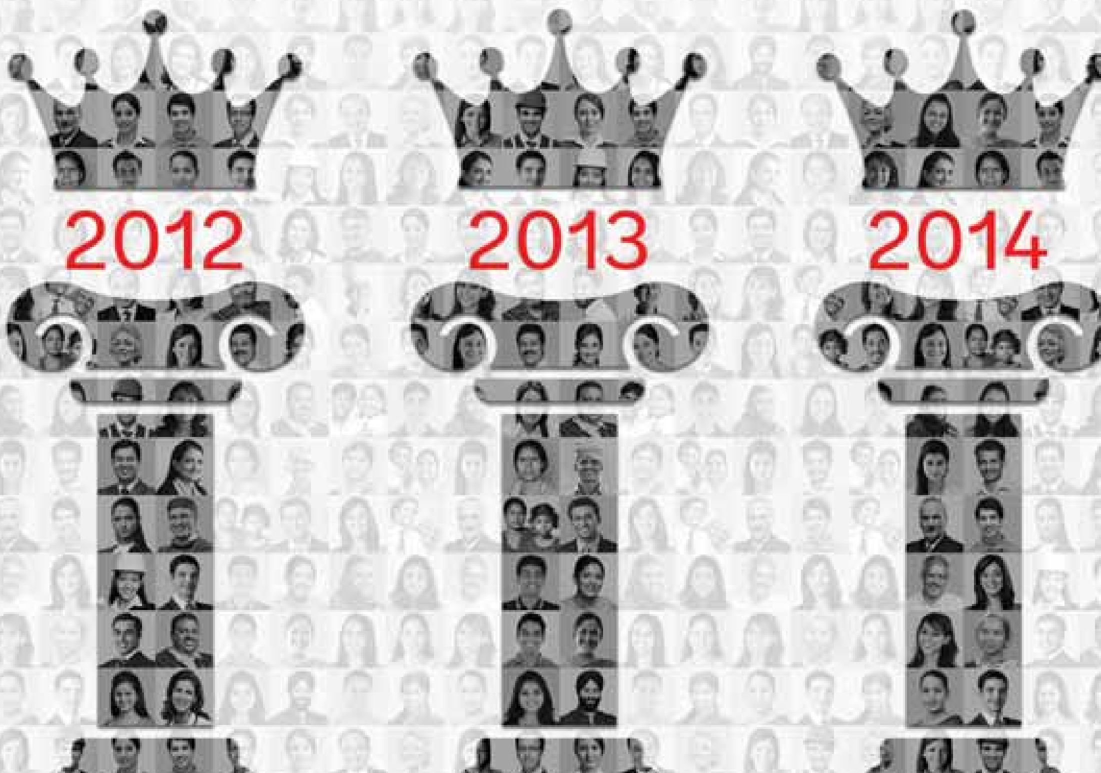
RBL BANK

# RBL Bank
# Crosses Business Size Of


## Thank you for being a part of our journey!

# India's Fastest Growing Mid-Sized Bank
# For three years in a row!

(Business Today-KPMG India's Best Banks Study)




## World Economic Forum Global Growth Company, 2014

# 10-YEAR FINANCIAL HIGHLIGHTS

₹ in crore unless stated otherwise

| | FY06 | FY07 | FY08 | FY09 | FY10 | FY11 | FY12 | FY13 | FY14 | FY15 |
|---|---|---|---|---|---|---|---|---|---|---|
| Equity Capital | 28.48 | 116.56 | 104.72 | 104.72 | 104.72 | 214.95 | 214.95 | 252.92 | 401.54 | 293.45 |
| Reserves & Surplus | 25.71 | 82.68 | 218.29 | 236.52 | 248.26 | 870.03 | 928.25 | 1,353.82 | 1,613.22 | 1,936.98 |
| Networth | 50.90 | 196.03 | 319.74 | 338.12 | 349.03 | 1074.55 | 1,130.99 | 1,594.2 | 2,011.65 | 2,223.50 |
| CRAR (%) $ | 10.77 | 34.34 | 49.15 | 42.30 | 34.07 | 56.41 | 23.20 | 17.11 | 14.64 | 13.13 |
| Deposits | 874.18 | 876.39 | 1,101.07 | 1,307.05 | 1,585.04 | 2,042.16 | 4,739.33 | 8,340.52 | 11,598.60 | 17,099.25 |
| Advances (Net) | 490.83 | 530.52 | 585.79 | 801.11 | 1,170.44 | 1,905.17 | 4,132.27 | 6,376.21 | 9,835.05 | 14,449.83 |
| Investments (Net) | 276.64 | 315.83 | 361.32 | 404.48 | 507.22 | 892.48 | 2,333.83 | 5,571.42 | 6,518.04 | 9,825.68 |
| Gross NPA | 39.29 | 38.05 | 37.09 | 17.28 | 27.64 | 21.51 | 33.11 | 25.90 | 77.75 | 111.23 |
| Net NPA | 12.79 | 10.20 | 5.81 | 5.45 | 11.35 | 6.89 | 8.39 | 6.88 | 30.51 | 38.59 |
| Gross NPA to Gross Advance (%) | 7.59 | 6.81 | 6.01 | 2.13 | 2.33 | 1.12 | 0.80 | 0.40 | 0.79 | 0.77 |
| Net NPA to Net Advance (%) | 2.61 | 1.92 | 0.99 | 0.68 | 0.97 | 0.36 | 0.20 | 0.11 | 0.31 | 0.27 |
| Net Profit | 0.59 | 3.01 | 17.01 | 30.53 | 19.11 | 12.33 | 65.73 | 92.47 | 92.67 | 207.17 |
| Dividend (%) | 0.00 | 0.00 | 5.00 | 10.00 | 6.00 | 2.00 | 3.00 | 6.00 | 9.00 | 12.00* |
| Business per Employee | 2.51 | 2.54 | 3.10 | 3.73 | 3.91 | 4.35 | 6.69 | 7.92 | 7.66 | 9.11 |
| No. of Employees | 544 | 553 | 544 | 565 | 704 | 907 | 1,328 | 1,859 | 2,798 | 3,465 |
| Earning per Share (EPS) (₹)** | 0.20 | 0.81 | 1.69 | 2.91 | 1.82 | 0.96 | 3.06 | 4.19 | 3.63 | 7.23 |
| Book Value per share (₹)** | 26.27 | 27.83 | 30.53 | 32.29 | 33.33 | 49.99 | 52.62 | 63.03 | 71.30 | 75.77 |
| Return on Asset | 0.07 | 0.31 | 1.31 | 1.96 | 1.05 | 0.53 | 1.38 | 1.09 | 0.68 | 1.05 |

* Proposed

** Share of ₹ 100/- each was split into 10 shares of ₹ 10/- each w.e.f. August 20, 2008, EPS and Book value per share have been accordingly adjusted for the earlier years.

$ From FY09, CRAR as per Basel II and for FY14 as per Basel III is given.

# Statutory Reports

# MANAGEMENT DISCUSSION AND ANALYSIS


## 1. ECONOMIC OVERVIEW

### 1.1 Global Economy Outlook

The International Monetary Fund (IMF) has forecasted the global economy to expand at a rate of 3.5% this year and at 3.8% in 2016, terming global growth prospects as moderate and uneven in its April 2015 World Economic Outlook (WEO) report. The growth in advanced economies, aided by fall in oil prices, is projected to strengthen to 2.4% in 2015 relative to 1.8% in 2014, but in emerging market and developing economies it is expected to be weaker.

The IMF projects growth in the United States to transcend 3.1% in 2015-16. The growth will be driven by domestic demand assisted by lower oil prices, more moderate fiscal adjustment, and continued support from an accommodative monetary policy stance, despite the projected gradual rise in interest rates and some drag on net exports from the recent U.S. dollar (USD) appreciation. There are some green shoots visible in the euro zone supported by lower oil prices, low interest rates, and a weaker euro. In Japan, a weaker Yen and lower oil prices are expected to provide a lead for growth and expansion after a disappointing 2014.

For emerging and developing economies (with the important exception of India), the IMF has projected a weaker pace of growth from 4.6% in 2014 to 4.3% in 2015. This signifies an array of aspects:

- Oil price declines will sharply slow growth for oil exporters, especially those that also face difficult initial conditions – for example, geopolitical tensions in the case of Russia.

- The Chinese authorities' emphasis on reducing vulnerabilities from recent rapid credit and investment growth will likely cause a further slowdown in investment, particularly in real estate.

- Latin America's outlook will continue to weaken due to lower commodity prices. Brazil's outlook is also affected by the drought, tighter macroeconomic policies and weak private sector sentiment.

### 1.2 Risks to Growth in Global Economy

The IMF reckons that the risks to global growth are now more balanced relative to six months ago but still possess a tendency to decrease. Macroeconomic risks have diminished slightly (e.g., recession and deflation in euro area), but financial and geopolitical risks have increased.

It highlights the decline in oil prices, on the upside, that could provide a greater boost to global growth than anticipated. However, the following risks are found to persist:

- A further USD appreciation that could trigger financial tensions elsewhere, particularly in emerging markets.

- Disruptive asset price shifts remain a concern amid low-term and risk premiums in bond markets. As the environment for these asset price configurations – very accommodative monetary policies and large output gaps in advanced economies – is changing, there is scope for surprises and strong market reactions.

- Geopolitical tensions, stemming from ongoing events in Ukraine, the Middle East, and West Africa, could generate regional and global spillovers.

- Stagnation and low inflation in advanced economies, notwithstanding the recent upgrade to the near-term growth, forecasts for some of these economies could hamper recovery.

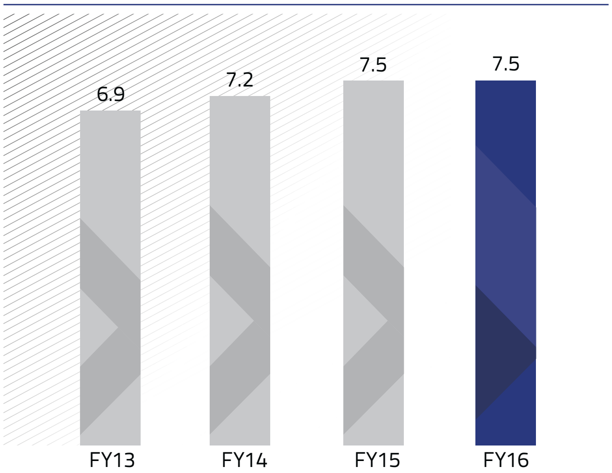
### 1.3 Indian Economy Outlook

The Indian economy, after a prolonged period of sluggishness, has emerged from its low paced growth shell. The economy has regained its growth momentum driven by a robust Gross Domestic Product (GDP) growth, improved Foreign Direct Investment (FDI) inflows and pro-growth economic reforms, such as hike in FDI cap in defence and insurance, Pradhan Mantri Jan Dhan Yojana (PMJDY) scheme, deregulation of diesel and petrol prices, direct transfer of cooking gas subsidy and telecom spectrum auction. The Indian economy has acquired a prominent position among the emerging economies and is likely to surpass China as per the IMF estimates.

THE IMF HAS RAISED ITS INDIA GDP GROWTH ESTIMATES FOR BOTH FY15 AND FY16 TO 7.5%, AS COMPARED WITH 7.2% IN FY14. STRONG MACROECONOMIC FACTORS SUCH AS LOWER TWIN DEFICITS I.E., FISCAL DEFICIT AND CURRENT ACCOUNT DEFICIT (CAD) AND BENIGN INFLATION HAVE LENT A RENEWED BUSINESS CONFIDENCE IN THE INDIAN ECONOMY.

The IMF has raised its India GDP growth estimates for both FY15 and FY16 to 7.5%, as compared with 7.2% in FY14. The revised upward forecasts reflect the new GDP methodology adopted by the Indian government.

**India's GDP Growth Rate** %




Source: IMF, World Economic Outlook, April 2015

Strong macroeconomic factors such as lower twin deficits i.e., fiscal deficit and Current Account Deficit (CAD) and benign inflation have lent a renewed business confidence in the Indian economy. The Reserve Bank of India (RBI) has echoed this sentiment by maintaining accommodative monetary stance as it cut the benchmark repo-rate by 25 basis points (0.25%), from 7.75% to 7.5% in March 2015 and a further 25 basis points rate cut from 7.5% to 7.25% in June, 2015 Similarly, global rating agency, Moody's ratings revised India's sovereign rating outlook from "stable" to "positive" in April 2015.

The policy initiatives to address structural bottlenecks, an accommodative monetary policy stance and increased fiscal devolution to states lent a robust outlook for the Indian economy. The slump in international prices of crude oil facilitated by benign inflation will provide further impetus to growth.

However, there are few risks on the external front: renewed financial market volatility in response to the U.S. Federal Reserve interest rate hike expected later this year; likely Greek contagion, geopolitical state of affairs resulting in a spike in oil prices and a persistent slowdown in the international trade environment.

## 2. BANKING SECTOR OVERVIEW

### 2.1 Overview

According to the Reserve Bank of India (RBI), the banking sector in India is sound, adequately capitalised and well-regulated, although the credit quality concerns have not abated yet. Indian financial and economic conditions are much better than in many other countries of the world. Credit, market and liquidity risk studies show that Indian banks are generally resilient and have withstood the global downturn well. According to Standard & Poor's estimates, credit growth in India's banking sector would improve to 12-13% in FY16 from less than 10% in the second half of FY14. The banking industry expects that 2015 will bring better growth prospects.

### 2.2 Opportunities and Growth Drivers

The Indian economy is now on the threshold of a major transformation, with expectations of policy initiatives by the new Government. Positive business sentiments, improved consumer confidence and more controlled inflation should help boost the economic growth. With a new and stable Government, a revival in the investment climate is expected. Higher spending on infrastructure, speedy implementation of projects and continuation of reforms will provide further impetus to growth.

With increased clarity on macroeconomic and political fronts during FY16, the Indian Banking industry is poised for a strong recovery. On the positive side, as per industry reports, liquidity remains steady, inflation is expected to move downwards for the major part of FY15 and the RBI is in better position to manage any currency volatility. It is likely that, macroeconomic improvements and potential for post-election reforms will see a gradual reduction in stressed loans on lower slippages and higher recoveries. Recovery in the macroeconomic environment and expected revival in economic growth will help in mitigating risks and resolving problems of asset quality.

### 2.3 Challenges

The banking industry is expected to see greater participation and competition in the coming years. The RBI has issued two new banks licences and is in the process of issuing the first set of Payment and Small Finance Bank licenses which, apart from proving to be an impetus to financial inclusion, are expected to intensify competition in the banking sector in the medium term. Other challenges that banks will have to deal with are that of mobilisation of additional capital. As the recapitalisation of distressed banks exert pressure on the fiscal position of the government, banks will have to resort to the capital market to raise equity without diluting the public sector character. Therefore, it is believed that the deteriorating asset quality of the banks reflected by the high gross NPA ratio poses a challenge for the banking sector going ahead.

## 3. REVIEW OF BUSINESS SEGMENTS AND OPERATIONS

The Bank's operations span across different business segments comprising Corporate and Institutional Banking (C&IB), Commercial Banking (CB), Branch and Business Banking (BBB), Agribusiness Banking (AB), Development Banking and Financial Inclusion (DB&FI) and Treasury and Financial Markets Operations. During the year under review, significant progress was made in enhancing the Bank's operating and risk management frameworks, with a view to building a solid, scalable, institutionalised banking franchise. The Bank continued to invest in technology, infrastructure and innovation to improve the efficiency, reliability and competitiveness of its business operations. Some of the initiatives undertaken during FY15 are enumerated below, while elaborating the performance of business segments:

### 3.1. Corporate and Institutional Banking (C&IB)

The Bank's C&IB business segment caters to the banking needs of enterprises, corporate entities and particularly, large-sized corporations (i.e., companies with annual turnover of over ₹ 1,500 crore or a gross block in excess of ₹ 750 crore). A sub-segment within C&IB, namely Financial Institutions & Government Undertakings (FIGU) group deals with public sector undertakings, government boards and financial institutions.

During the year under review, C&IB expanded its new relationships. The group followed a segmental approach and used its sector-specific expertise to identify potential future winners. The focus was on consumer centric, high capital turnover and established businesses that have taken a balanced approach to growth.

The group continued to expand its reach to newer geographies and set up offices in Kolkata and Hyderabad. Through its existing offices, the group expanded its client base and deepened relationships with several large corporates in locations such as Pune, Nagpur, Ludhiana and Baroda. The unit also introduced a suite of new products and intensified its focus on the working capital flow business.

During FY15, FIGU unit also strengthened its coverage and expanded into Goa and Gujarat. The FIGU team has been instrumental in building relationships with most multinational and local banks. This has enabled enhancement of counterparty/reciprocal lines providing a fillip to the Trade, Foreign Exchange and other balance sheet businesses for the Bank.

Major highlights for the year were as follows:

- In line with the growth strategy, the Bank has set up dedicated desks for Debt Capital Markets (DCM), transaction banking (cash management systems - payment and collections, structured trade) and Advisory (M&A). These initiatives have helped the Bank to expand its product suite further. Leveraging on its DCM capabilities, the Bank has managed to arrange for local currency and foreign currency financing for its customers. This has helped in building and cementing relationships with corporates with large financing requirements.

- The Group also launched Cash Management Solutions (CMS) – a sophisticated technology platform that communicates seamlessly between the Bank's system and the client's ERP system. The CMS product is helping the Group in capturing client flows and strengthening its working capital offering. Similarly, the Bank also launched products to help private equity clients hedge their foreign exchange risk on committed investments.

- The FIGU team also engaged with counterparts to facilitate inter-bank dealings. Inter-bank trade support arrangements and liquidity generation both on-shore and off-shore.

THE PREDOMINANT AIM OF THE CB GROUP IS TO BE A 'BANK OF CHOICE' FOR TRANSACTION BANKING NEEDS OF THE CLIENTS VIZ. CASH, TRADE AND FOREX. IN THE SME SEGMENT, WHERE EXPOSURES ARE LARGELY BACKED BY SIGNIFICANT COLLATERAL, THE STRATEGY IS TO BUILD A HIGHLY GRANULAR PORTFOLIO AND BE THE SOLE OR THE DOMINANT BANK FOR ALL TRANSACTION BANKING REQUIREMENTS OF THE CLIENTS TO ACHIEVE SUPERIOR RETURNS ON CAPITAL INVESTED.

- The Bank entered into payment/remittance tie-ups for remittances across borders offering hassle-free remittances for its customers.

### 3.2 Commercial Banking (CB)

The Bank's CB group finances the business needs of SMEs (i.e., companies and firms with annual revenue from ₹ 35 crore to ₹ 250 crore) and mid-sized companies (i.e., enterprises and companies with annual revenue from ₹ 250 crore to ₹ 1,500 crore). The special focus of CB is to serve the banking needs of emerging and fast growing enterprises, newer businesses and industry segments of the Indian economy, such as logistics, e-commerce, consumer services and organised retail. The predominant aim of the CB group is to be a 'Bank of Choice' for transaction banking needs of the clients viz. cash, trade and forex. In the SME segment, where exposures are largely backed by significant collateral, the strategy is to build a highly granular portfolio and be the sole or the dominant bank for all transaction banking requirements of the clients to achieve superior returns on capital invested. The other goal is to build and maintain the promoter level relationships in this segment to cross-sell products and services to promoters and their families through dedicated relationship managers with deep knowledge of the industry and provide comprehensive banking solutions in a timely manner. These relationships also help the Group to stay ahead in terms of understanding client needs and supplement the Bank's future growth. CB aims to build competency in sectors which involve intensive transaction banking and offer innovative financial solutions to capture the transaction banking wallet. In addition, it aims to use its relationships and understanding of larger established companies to build relationships with their suppliers or distributors.

CB footprint covers approximately 20 commercial centres across Tier 1 and Tier 2 cities in India, and it expects to continue to add coverage in other key metros, commercial and economic centres.

CB group manages its SME relationships with the help of dedicated relationship managers across key commercial centres in Tier 1 & Tier 2. Its mid-sized company business is managed by zonal heads with relationship managers across major cities like Mumbai, Delhi, Bangalore, Hyderabad, Ahmedabad, Pune, Chennai and Kolkata.

### 3.3 Wholesale Banking Operations (WBO)

Wholesale Banking Operations (WBO) plays a vital role in helping C&IB clients facilitate finance and commerce globally.

The WBO platform is structured through the hub and spoke model to draw synergies for efficient processing of complex trade transactions. Centralised processing units at Mumbai and Delhi are positioned to offer scalable, efficient and reliable operational support for the end-to-end delivery of trade products to the customers. The spokes are established through over dedicated wholesale operations desks at select RBL Bank branches.

Major highlights in FY15 were as follows:

- Keeping the customer as the focus, the Bank conducted a detailed study and assessment of its present operational set up in order to identify areas for improvement and bring in efficiency across the segment. Through this project, the Bank successfully implemented innovative structural changes at all levels including processes, technology and resources. The refreshed and redesigned model encapsulates scalability, modernity and strength to match the Bank's growth plans.

- During the year, the Group participated in prestigious conferences organised by reputed trade and industry bodies.

DURING THE YEAR, THE BANK INAUGURATED ITS FIRST CURRENCY CHEST IN KOLHAPUR. THIS IS A SIGNIFICANT INVESTMENT TO UPSCALE THE BANKS CURRENCY MANAGEMENT CAPABILITIES ENABLING THE BANK TO CATER TO THE CASH REQUESTS OF OTHER BANKS IN THE IMMEDIATE AREA AND MANAGE PHYSICAL CASH FLOW IN A MORE EFFICIENT MANNER.

- The layered framework to support the end-to-end delivery of trade transactions is facilitated by trained skilled resources, efficient operational management processes leveraged through automation, robust metrics driven performance measurement, strong regulatory control environment, and a scalable and seamless record management system.

### 3.4 Transaction Banking Operations

The Bank offers Cash Management Solutions (CMS) for all segments of the business ranging from small and medium enterprises to large corporates.The service offering not only contributes to business but also meets the aspirations of a growing corporate sector.

Major highlights during the year were as below:

- The fiscal year saw an increase in CMS clients and the group successfully brought on board several new clients. Door-Step Banking facility offered to its Insignia preferred banking customers, helped the Bank reinforce confidence in relation to its service levels. Other products/services offered, such as cash/cheque pick-up and delivery facility has proved to be an enormous logistical convenience for customers.

- The Bank has within a short span, equipped itself with various products currently offered in the industry ranging from bulk payment processing, electronic funds transfer, Interbank Mobile Payment Service (IMPS), national automated clearing, corporate salary payment, bulk interest and dividend payments, escrow services, counter services, virtual accounts, as well as Door-Step Banking facility for cash, cheque and document pickup. The Bank has a modern payments system complementing its wide network of 183 branches and technologically advanced customer-facing web-based applications.

- CMS offered to corporate, commercial banking and business banking segments, have progressed significantly in terms of the offerings, volumes and the service levels. The Bank is also rolling out new products, such as NACH and IMPS.

- On the clearing front, the Bank is fully resourced to carry out clearing in CTS locations, covering a majority of its branches, while continuing to break new ground and extend similar offerings to the rural segments. The three grids – north, west and south have a robust structure in place to manage the daily processing volumes, ensuring continuous alignment with regulatory requirements.

- Being in a continuously maturing payments' market, most modern electronic modes of payments have been activated and implemented successfully.
- Cash pooling and merging facilities across various key locations have helped the Bank manage cash movements well, contributing to major cost reductions for the Bank.
- FY15 saw a host of new innovative models being evaluated with the recent launch of the remittance operations, driven through the IMPS architecture of NPCI. The payments and settlements operations ensured a seamless incorporation of the Remittance Operations Model, increasing efficiency and control on the process.
- During the year, the Bank inaugurated its first Currency Chest in Kolhapur. This is a significant investment to upscale the Banks currency management capabilities enabling the Bank to cater to the cash requests of other banks in the immediate area and manage physical cash flow in a more efficient manner.
- Anticipating growth in volume in the ensuing years, the Bank's clearing operations are geared to undergo changes with significant emphasis on internal control, regulatory adherence and inherent scalability, to adapt to the growing volumes.
- The focus going forward involves optimisation of resources through clearing architecture built on modern platforms. The cheque referral process instituted in FY14, has been extremely useful to customers involved in high value-based transactions.
- Bulk RTGS/NEFT facility has been brought to fore, to suit the growing requirements of the Bank's large and mid-segment corporate clients, to efficiently provide cash and clearing solutions with minimal client intervention.
- On the growth front, NEFT/RTGS volumes and total clearing volumes have increased y-o-y and most RBL branches are equipped with physical cash handling capabilities. Tax and other statutory payments and cheque printing were the other segments which showed y-o-y growth. Door-Step Banking registrations too have grown markedly. Salary payments and bulk demand draft and bulk physical instruments capabilities have been strengthened for higher capacity utilisation.
- During the year, the Bank introduced Retail Domestic Remittances.
- The Bank launched its eWallet platform to enable customers and merchants with convenient payment solutions through web, mobile or cards.
- The Bank is in the process of obtaining its 'Banker to Issue' licence from SEBI and intends to participate in Client Dividend Mandates and IPO / FPOs.

### 3.5 Branch and Business Banking (BBB)

The Bank's BBB's strategies focus on evolving branch and business initiatives to align with changing consumer and economic realities. The group focuses on clients that have a high need of intensive banking operations.The group develops specific industry solutions (IT/ITES, leather, hospitals etc.) that are driven by knowledge of the sector, integrated packaging and seamless delivery, that will help cater to specific requirements of clients along with increased share of wallet. BBB offers premium wealth services (Savings Account / Current Account / Mutual Funds

/ Insurance etc) and specialised services to identified high networth clients (Insignia). The group expands its branch & ATM network into key economic centres and states with high per capita income and targets NR customers through select branch locations.

**3.5.1 Individual Accounts in BBB Segment**

The Bank offers a broad range of services and products through its individual accounts segment to meet the needs of individuals and small businesses across urban and rural India. These services include deposits, credit cards, a range of consumer banking loans (including loans and overdrafts against property, loans against gold, loans against deposits, as well as home, personal, car, auto, educational and business loans), payment solutions, foreign exchange services, depository services and wealth management services. The Bank also cross-sells and up-sells products offered by third parties, including distribution of life insurance and general insurance products and mutual funds to its customers. The Bank's mortgage and credit card portfolios include customers transferred to the Bank following the acquisition of mortgage and credit card businesses from RBS at the end of 2013.

The Bank offers these services and products to its retail customers through its traditional branch outlets as well as its multi-channel electronic banking system, which as of March 31, 2015, included 348 interconnected ATMs, internet banking and phone banking (available 24 hours a day/7 days a week) and account services via mobile phone. It has also set up a dedicated call centre for its customers. The Bank strives to achieve cost efficiencies through optimisation of its retail distribution model, enhanced technology and leveraging on its existing infrastructure.

The Bank's individual account offering enables it to (i) establish and develop customer relationships, (ii) cross-sell and up-sell products and services, (iii) reduce its reliance on volatile wholesale time deposits, (iv) balance its asset portfolio and (v) increase fee income opportunities. It intends to further develop its individual business through acquisition of new clients, diversification of product mix and leveraging on its infrastructure.

Following RBI's deregulation of interest rates on savings deposits, the Bank has begun offering attractive interest rates on its savings product, which has helped attract more customers.

**3.5.2 Business Accounts in BBB Segment**

The Bank focuses on the SME & MSME clients with high volume transaction banking requirements. It offers products and solutions to facilitate domestic and cross-border capital flow transactions, foreign exchange services, cash management (payments and collections), working capital, term loans and trade finance products. As part of its select industry segment focus, it has created and packaged vertical offerings customised to suit specific industry sectors and clients, such as IT, ITES, shipping, leather, hospitals, educational institutions, telecom equipment, auto ancillaries, travel and tourism companies, embassies, trusts and clubs. These set of clients require centralised transaction management expertise such as local relationship management at the branch level as well as availability of the Bank's internet and mobile banking channels.

The Bank also strives to achieve lower credit costs through product and segment diversification, robust operational risk framework, use of data provided by the credit bureaus, decentralised credit model for MSMEs and technologically backed rule engine based underwriting for products like cards and salaried personal loans.

The Bank services its business accounts customers through its branches across certain important cities, and plans to continue to expand its service coverage and branch network in this segment.

**3.5.3 Secured Loans**

FY15 has been a year of growth for BBB assets especially for the secured loans. The business strategy was to focus on high margin products within the secured space, like LAP, to ensure higher returns without compromising on risk.

THE BANK LAUNCHED A REVAMPED PERSONAL LOAN PRODUCT DURING FY15 BASIS VERIFIABLE INCOME, OFFERING A LOAN AMOUNT OF UP TO ₹ 20 LAKH. THE TARGET CUSTOMER FOR THIS SEGMENT IS AN INDIVIDUAL WHO EARNS A NET INCOME OF ₹ 15,000 PER MONTH OR MORE, WITH A MINIMUM TOTAL WORK EXPERIENCE OF THREE YEARS.

The key growth drivers for this business are as follows:

- Specialised teams for sourcing
- Introduction of new product variants targeted to specific segments
- Better turn-around time
- Cross-sell to existing customers

A few new variants were also launched to enhance the profitability of this product category and ensure all sub-segments were covered. The overdraft variant continued to do well and was instrumental in driving growth both in terms of numbers as well onboarding new to bank customers for future cross-sell. Liquid Income Programme (LIP) which is a variant of loans against property was launched in FY15. This product is priced competitively and has enabled us to reach out to the growing MSE segment. The Bank's secured overdraft offering was enhanced to address the needs of a niche segment that falls between the premium and HNI category. The enhanced product offering will give added benefits to customer for account operations like demand draft issuance, cheque books etc.

In FY16, the Bank plans to grow this portfolio and focus on leveraging low cost channels like the direct sourcing channel and the digital channel to ensure a lower cost of acquisition. It will also continue to enhance its existing product offering by introducing new product variants and innovative ways of underwriting.

**3.5.4 Unsecured Loans**

The key focus in FY15 was towards establishing the Bank's presence in the unsecured business lending space as well. The Bank followed a few important steps to establish itself in the market, such as focused marketing, developing key channel relationships and putting in place a robust framework for sourcing, credit evaluation and on-boarding customers. This has helped the Bank establish its presence in the business lending - a contributor to the Bank's priority sector lending achievements.

Key growth drivers during the year were:

- Having the business development teams in place
- Comprehensive underwriting model
- Processes to meet end-to-end customer turnaround time
- Sufficient focused and targeted marketing

The unsecured business lending product segment gained momentum in the second half of FY15. The induction of a new sales team during the year had increased the sourcing significantly. In the second half of FY15, the Bank also launched 'Small Business Instalment Loans', which is a variant of business loans targeted at smaller entities with businesses having turnover below ₹ 1 crore.

Understanding the customer and their challenges is a key to addressing this segment. The Bank takes this into account and makes effort to assist customers with a faster turnaround time.

In FY16, the Bank will continue to focus on expanding the business lending portfolio into newer geographies and penetrating deeper into existing geographies and segments. Catering to newer segments such as the supply chain of e-commerce players, and expanding the Small Business Installment Loans into existing markets will be a focus area besides becoming an impactful player in the business lending market. With the interest-rate scenario becoming favourable for customers and a stable political situation, the demand for credit off-take is expected to improve, presenting an opportunity for this segment to expand.

**3.5.5 Personal Loans (Salaried)**

The Bank launched a revamped Personal Loan product during FY15 basis verifiable income, offering a loan amount of up to ₹ 20 lakh. This product aims at targeting resident salaried individuals working for multinationals, private and public limited companies, government / semi- government and PSUs, utilising bureau information to provide faster turnaround time. The target customer for this segment is an individual who earns a net income of ₹ 15,000 per month or more, with a minimum total work experience of three years. Over the last few months of the launch, the Bank has built a small but robust portfolio. In line with rapid expansion of customers accessing the online portals for fulfilling their requirements, the Bank has tied up with multiple online lead aggregators for increasing the number of avenues in sourcing this product. Over the coming months, the Bank will expand this product and take it to more retail lending locations, as well as develop a strong internal score card to provide immediate online decisions to 'green' category customers.

**3.5.6 Loan against Gold (LAG)**

The Bank's LAG product provides funds to customers against gold jewellery. The funds are offered at competitive interest rates. Through this product, the Bank is expanding its customer base, giving the Bank an opportunity to cross-sell its products and strengthen customer relationships. In the coming years, the Bank plans to activate more branches to facilitate this product offering and scale up this business significantly.

**3.5.7 Branch and Business Banking Initiatives**

Few key initiatives undertaken during the year are as listed below:

- The Bank continued to remain committed to reinforce quality and innovation across the individual accounts segment and benchmark its service delivery with advanced processes and practices. Further, the Bank intends to identify and implement innovative practices to optimise productivity and service delivery. Keeping this in mind, the Bank has also conducted evaluation of all critical quality parameters, including an in-depth review of critical business processes.

- The Bank has implemented a service framework to measure customer experience, ensuring that customer service requests, complaints, and feedback are captured as well as evaluated appropriately, delivering superior customer service. The Bank has developed an in-house, customised 'Service First' application to handle the said framework effectively.

- Retail lending operations catering to Retail Assets, Agriculture and Small Business Banking customer segments has grown, leveraging on the hub and spoke model by extending the geographical footprint to 12 disbursement locations from three at the beginning of the year. The scaled up set up has resulted in volume growth.

**3.5.8 New Products and Services**

In order to strengthen its presence among the existing customers and acquire new customers, the Bank introduced the following products and services:

- Launched a unique health concierge service to enhance the Savings Account offerings

- Introduced Insignia preferred banking programme in order to cater to the banking requirements of high networth individuals

- Launched "Smart Branch", a digital platform for customer relationship management in order to enhance convenience of its customers

- Customised health insurance solutions for its credit card customers in association with its insurance partner.

- Introduced a credit life policy "Protect Plus" for personal loan customers

- Introduced "Swasthya Pratham", a cost effective health insurance plan for AB customers

- Launched MoBank, a mobile banking platform enabling its customers to transact conveniently anytime and from anywhere

- Introduced a range of savings and current account offerings, FCNR deposits and forward contracts in order to cater the banking needs of NRIs. Features in such offerings included facility for grouping of accounts which enables customers to manage their multiple current and savings accounts (CASA) easily without worrying about minimum balance requirements

- Launched "Flexi Sure", a cheque-protect facility which links the customer's fixed deposit with the CASA account

- Fixed deposits and recurring deposits opening was allowed through internet banking

- Introduced direct and indirect tax payments facility through online and the Bank's branches

## 3.6 Branch Operations

The Bank has a wide network of 183 branches across India. This extensive branch network is supported by an efficient Branch Operation Framework whose main objectives are accurate transaction processing, improved operational

efficiencies and high service delivery standards. This framework has also been facilitated by key enablers and tools enlisted below:

- Well defined job roles and responsibilities that adhere to the Bank's principle of 'Right Person for the Right Job'

- Dynamic and job specific training and development plans aimed towards skill enhancements and career progression

- Strong Policy Framework: The Bank has made significant investment in developing comprehensive Standards of Operating Procedures (SOP) and a guiding manual for branch level processes. These SOPs cover different business verticals where branches are service delivery touch points.

The branch operations are supported by an Area Operations Manager framework and a centralised Branch Control Review Monitoring Unit. These units are actively engaged with the branches to ensure seamless executions. These units act as a second line of defence and their key objectives include process redesign and improvements, early detection of errors and training of the Branch Operations team.

THE BANK HAS A WIDE NETWORK OF 183 BRANCHES ACROSS INDIA. THIS EXTENSIVE BRANCH NETWORK IS SUPPORTED BY AN EFFICIENT BRANCH OPERATION FRAMEWORK WHOSE MAIN OBJECTIVES ARE ACCURATE TRANSACTION PROCESSING, IMPROVED OPERATIONAL EFFICIENCIES AND HIGH SERVICE DELIVERY STANDARDS.

### 3.7 Channel Operations

- The Bank has a modern technology platform that supports all customer segments, and has harnessed digital channels for customer attraction, interactions and cross-selling of products.

- The Bank enhanced the product suite offered through its internet banking platform and customised it to meet the requirements of customers. The Bank also partnered with various settlement franchisees for offering debit cards and various other co-branded prepaid cards to its customers.

- The Bank has instituted a dedicated call centre operation for its customers. This framework was further augmented with a full scale Interactive Voice Response (IVR) facility, catering to the needs of clients, in particular across its BBB segment. The Bank continued to generate leads of new customer thus building a revenue generating platform through call centres.

- In FY15, the Bank launched a toll free customer service number and concierge services for Insignia Preferred Banking (the Bank's premium customer segment offering).

- The Bank also enabled pin setting through agent assistance or vide self-service for Credit Card transactions.

- The Bank continued to focus on enhancing customer convenience, superior banking experience, technology and innovations to distinguish itself in the banking industry. The Bank continued to invest in building tie-ups with payment processing networks, such as VISA/MasterCard and RuPay for point of sale (POS) acquisitions. Co-branded Cards and eWallets

in association with several reputed partners were launched during the year, increasing the Bank's reach to customers.

### 3.8 Credit Card Operations

During the year, the Bank introduced Insignia Preferred Banking Cards, catering to specific needs of its premium customers and commercial cards for corporates. To drive usage of these credit cards additional product offerings like Dial for Cash, Balance Transfers, EMI Programmes, Health Insurance, Transfer and Pay etc., were introduced. To facilitate card usage, the Bank also introduced a wide range of rewards programmes for its customers.

A full-fledged operations set up has been enabled to support the growing Credit Card business. The operations set up is supported by a call centre for credit card customers. In line with creating product differentiation and enhanced value based services, a separate IVR facility was also set up to cater to the BBB customers, and premium categories. The IVR, in addition to supporting various financial and non-financial transactions, was enhanced with security features for automated Personal Identification Number (PIN) generation.

As a part of its robust risk management framework for prevention of fraud, and in line with the RBI's guidelines, during the year all magnetic credit cards of the Bank were replaced with chip-based Credit Cards. This was a significant step to ensure tighter security in the credit card segment.

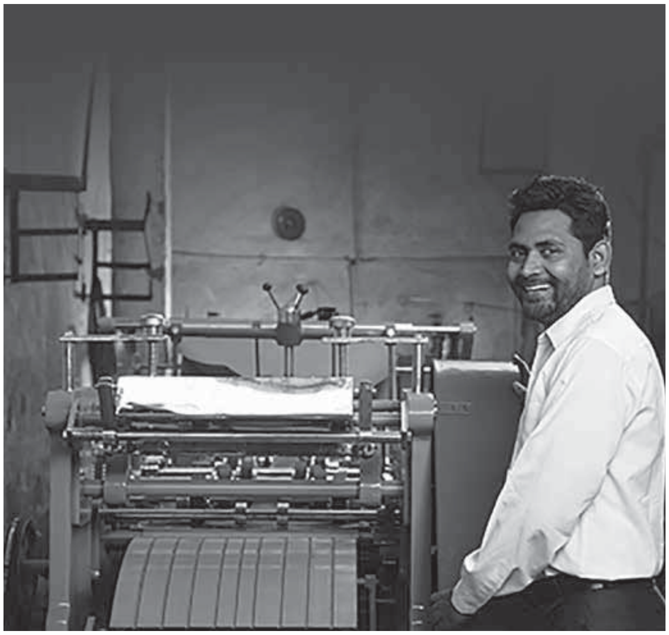
With an increased focus on customer service excellence, the Bank is in the process of launching new model of Lead Management and Onboarding System. It is also in the process of upgrading the rewards offerings on cards and plans to launch a revamped product catalogue to enhance user experience. The Bank is also evaluating and outsourcing some of its operational activities to improve efficiencies in the credit cards operations.

### 3.9 Agribusiness Banking (AB)

The Bank through its AB segment caters to the customers involved in agriculture and allied activities. The AB business captures the banking needs across the entire agri-value chain and builds a loyal customer base by offering a complete bouquet of products and services. Through this holistic approach, the Bank offers several customised products across the following four categories. These are (i) pre-harvest (farm finance, land development irrigation loans and farm equipment loans), (ii) post-harvest (commodity finance, warehouse finance and cold chain), (iii) agri-infrastructure (irrigation facilities and post-harvest transport) and (iv) allied loans (fisheries, dairy, poultry and investment loans). The customer groups served are (i) retail agribusiness, (ii) corporate agribusiness and agri-value chain and (iii) commodity business.

To facilitate efficient delivery of banking services to its AB customers, the Bank has set up regional agricultural business credit and operation hubs. The Bank has implemented electronic systems for post-harvest credit and warehouse receipt-based financing to automate the processes and ensure provision of timely services to farmers and other AB customers. It has also added a series of robust credit and risk management processes to ensure quality of portfolio.

The Bank has implemented technology solutions to ensure timely services to farmers and other AB customers. The Bank has also implemented the Aadhar-enabled Kisan Credit Card on the RuPay platform to ensure smooth provision of credit and 24 hours banking. The Kisan Credit Card provides AB customers with access to ATMs across India, as well as access to point-of-sale terminals and point-of-sale agri-input dealers.



### 3.10 Development Banking and Financial Inclusion (DB&FI)

The Bank has been able to reach into the unbanked areas of India through its DB&FI segment. This segment provides financial services to developing and rural parts of India, which have generally not had access to financial products and services. These include credit facilities to individuals, groups and small businesses, programmed savings, and life, health and general insurance products and money transfer (remittance) services. To achieve financial inclusion and a progressive social change, the Bank also provides finance to women borrowers. It also lends to financial intermediaries such as MFIs, affordable housing finance companies and NBFCs engaged in lending to MSMEs.

The Bank tries to leverage its brand identity through its partners, which offer the Bank's banking services to their customers, and works together to cross-sell new products and expand relationships with the customers. In cooperation with its partners, the Bank has established transaction points to enable migrant remittances, receipt of government subsidies and Aadhaar-based banking transactions. The Bank also issues Aadhaar-enabled RuPay debit cards and has established a financial literacy programme called 'Saksham'. In addition, the Bank is also developing micro-payment and branchless banking capabilities and soon will be deploying micro-ATMs. During the year, the Bank's remittances service saw more than 6,000 Business Correspondent (BC) agents enrolled through 12 BCs. The service reported ~9 lakh transactions with a volume of ~ ₹ 306 crore.

THE BANK IS DEVELOPING MICRO-PAYMENT AND BRANCHLESS BANKING CAPABILITIES AND SOON WILL BE DEPLOYING MICRO-ATMS. DURING THE YEAR, THE BANK'S REMITTANCES SERVICE SAW MORE THAN 6,000 BUSINESS CORRESPONDENT (BC) AGENTS ENROLLED THROUGH 12 BCS. THE SERVICE REPORTED ~9 LAKH TRANSACTIONS WITH A VOLUME OF ~ ₹ 306 CRORE.

### 3.11 Priority Sector Lending

The Bank approaches priority sector lending as an opportunity for growth and has built a successful business model to leverage this opportunity. During FY15, the Bank has met the priority sector lending requirements.

As on March 31, 2014 and 2015, the total credit extended by the Bank to priority sectors constituted 41.74% and 47.86%, respectively, of its Adjusted Net Bank Credit (ANBC); the credit extended to the agriculture sector constituted 18.45% and 19.41%, respectively, of its ANBC; and the credit extended to the weaker sections constituted 13.10% and 13.64%, respectively, of its ANBC.

### 3.12 Treasury and Financial Markets Operations

The Treasury segment manages cash and statutory reserves, asset-liability gaps, interest rate and exchange rate-risks, liquidity positions, investment and trading activities, money markets, foreign exchange activities and derivative transactions. During FY15, the Treasury unit continued to perform well.

#### 3.12.1 Securities Trading

The Bank has a proprietary desk dealing in interest rates trading through Government Bonds, Corporate Bonds and Interest Rate Swaps. In FY15, the Reserve Bank of India lowered the benchmark Repo rates by 50 bps. Amid softening inflation, fall in crude prices and better management of Government finances, yields softened by almost 100 bps. The desk took maximum advantage of the rally in fixed income markets putting proprietary positions at appropriate levels, thereby leading to healthy trading profits for the Bank. The investment portfolio was also ramped up with the focus on quality and liquidity.

REFINANCING FORMS A MAJOR PART OF THE BANK'S BORROWING PROFILE WHICH IS LIKELY TO OFFER THE TWIN ADVANTAGE OF LOWER COSTS AND STABLE LONG TERM FINANCING. THE LIQUIDITY AND RESOURCE MOBILISATION STRATEGY ACHIEVED SIGNIFICANT COST REDUCTION IN BANK'S SOURCES OF FUNDS WITH AN OPTIMAL MIX OF TERM DEPOSITS, MARKET BORROWINGS AND REFINANCE.

**3.12.2 Debt Capital Markets (DCM)**

In the first full year of operations after obtaining the merchant banking license for debt capital business, the Bank actively engaged, and concluded transactions with borrowers across different sectors, and worked across a spectrum of transactions, ranging from vanilla debt to structured financing solutions. The Bank also stepped up its underwriting and syndication activity for both loans and bonds, and placed financial instruments with different investor segments.

**3.12.3 Foreign Exchange and Derivatives**

Forex & Derivatives sales unit advises corporates across all segments and institutional clients on risk management covering foreign exchange and interest rate risk and offers tailor made solutions to hedge such exposures. Advisory Services includes domestic as well as cross-border transaction flow and risk management of related exposures on clients' balance sheets. The team covers the Indian geography with key sales locations – Ahmedabad, Bengaluru, Chennai, Hyderabad, NCR Region, Kolkata and Mumbai being the full-fledged dealing room. During the year, the unit successfully handled various large Forex flow transactions of corporate as well as financial institutional clients, and few large cross-border trades related to FDI flows. The team also provides structured risk management solutions and advisory services to Bank's corporate client using various Derivative products, ensuring growth in this business. Regular engagement with client and advice from the sales team on hedging solutions using various product offerings enabled the team to increase volumes from its large and medium corporate and institutional clients.

The Bank also obtained an authorisation to import gold and silver in March 2015, and is in process of commencing the bullion business.

The Bank has a well laid-out set of Operational Policy guidelines, risk management policies, including Client Suitability Policy and appropriate systems support to monitor transactions and risk on real-time basis.

**3.12.4 Liquidity and Treasury Management**

The Bank maintained sufficient liquidity and contingency buffer in the wake of volatile markets, both domestic and global. The Bank strengthened its liquidity profile through a mix of foreign currency borrowings from various overseas institutional participants and rupee borrowing in the form of refinance from various financial institutions. Refinancing forms a major part of the Bank's borrowing profile which is likely to offer the twin advantage of lower costs and stable long term financing. The liquidity and resource mobilisation strategy achieved significant cost reduction in Bank's sources of funds with an optimal mix of term deposits, market borrowings and refinance. The Bank has a Certificate of Deposit Programme which has received an A1+ (highest rating in short term) rating from ICRA Ltd.

## 4. FINANCIAL OVERVIEW

As one of India's fastest growing scheduled commercial banks, the Bank continued to gain momentum and recorded a strong performance in FY15. In FY15, the Bank focused on enhancing the business across its branch and coverage network, while widening its product and service offerings. During the year, the Bank continued to improve and refine its operating and risk management frameworks with a view to build a solid, scalable institutionalised banking franchise with a long-term focus on mass banking (including financial inclusion). The Bank recorded commendable financial numbers during the year under review as tabulated in the Directors Report.

### 4.1. Deposits and Borrowings

The Bank has continued to display healthy and robust growth in key balance sheet parameter of deposits for the year ended March 31, 2015. The total deposits of the Bank increased by 47.42% to ₹ 17,099.25 crore against ₹ 11,598.60 crore last year. Savings Bank deposits increased by 41.18% to ₹ 957.57 crore against ₹ 678.24 crore last year, while Current Account deposit increased by 30.05% to ₹ 2,199.80 crore against ₹ 1,691.45 crore last year. The proportion of current and savings deposits to total deposits was at 18.46% as on March 31, 2015, although the interest rate environment was not conducive for CASA growth. The Bank's endeavour to grow its term deposits has enabled it to display a growth of 51.06% to ₹ 13,941.87 crore against ₹ 9,228.91 crore as at March 31, 2015.

### 4.2 Advances

Net advances surged by 46.92%, from ₹ 9,835.05 crore in FY14 to ₹ 14,449.83 crore in FY15. The rise was driven by an all-round increase in the Bank's advances across business verticals. The Bank also commenced several new client relationships and introduced new products and services.

### 4.3 Revenue and Profit Growth

The Bank's Net Total Income (defined as the sum of interest income and other income less interest expense) surged by 59.27% from ₹ 602.60 crore in FY14 to ₹ 959.77 crore in FY15. The increase was driven by growth in net interest income as well as other income. In FY15, the Bank earned a net profit of ₹ 207.17 crore as against ₹ 92.66 crore in FY14, an increase of 123.58%. In FY14, one-off expense on acquisition of certain businesses from Royal Bank of Scotland (RBS) was charged to profit and loss. Excluding this charge, the net profit for FY14 would have been ₹ 133.56 crore. Without accounting for the one-off expense in FY14, the increase in net profit for FY15 is 55.11%.

Operating expenses increased from ₹ 423.90 crore in FY14 to ₹ 599.65 crore in FY15, mainly due to increase in employee costs, new branch set up, depreciation, branding, technology and communication expenses.

## 5. KEY RATIO ANALYSIS

### 5.1 Profitability Ratios

Return on assets: The return on assets (annualised) has increased from 0.66% in FY14 to 1.02% in FY15, mainly due to increase in Net Profit for the year.

### 5.2 Asset Quality Ratios

Gross NPA ratio: During the FY15, gross NPA decreased to 0.77% from 0.79% in FY14.

Net NPA ratio: The Bank's Net NPA reduced to 0.27% in FY15 as compared to 0.31% in the last financial year.

The above NPA ratios represent a commendable performance despite worsening credit outlook across the banking industry. The sustainability in results was achieved through judicious management of credit as well as aggressive and focused efforts on NPA management and recovery.

### 5.3 Per Share Ratios

Earnings per share (EPS) (basic): The Bank's earning capacity increased with its EPS touching ₹ 7.23 in FY15 from ₹ 3.63 per share in FY14, mainly due to increase in Net profit for the year.

Book value per share: Book value per share has increased to ₹ 75.77 in FY15 from ₹ 71.30 in FY14. This ratio reflects increased shareholder's value in return for their investment.

## 6. RISK REPORT

The Bank is exposed to risks that are particular to its lending and trading businesses and the environment in which it operates. The goal of risk management is to ensure that the Bank understands, measures and monitors various risks and adheres strictly to the policies and procedures established to address these risks. The Bank's risk management framework covers key areas, such as capital adequacy ratio risk, credit risk, market risk, operational risk, liquidity risk and other risks.

### 6.1 Risk Management Committees

The Risk Management Committee of the Board (RMCB) monitors the risk management function of the Bank. The RMCB develops risk management policies, investment policies and strategy, processes, systems and monitors the risks pertaining to portfolio, liquidity, interest rate, off-balance sheet and operational risks and regulatory and compliance issues in relation to the same. It is supported by the Product Approval Committee (PAC), the Operational Risk Management Committee (ORMC), the Management Credit Committee (MCC) and the Asset Liability Management Committee (ALCO):

- PAC is a cross-functional committee of senior executives to review and approve new product launches. The objective of this committee is to consider all risks in a holistic manner;

- ORMC is a cross-functional committee of senior management that handles operational risk activities and exposures across the Bank;

- MCC is responsible for credit approvals, credit risk, concentration risk, and implementation of credit policy and framework. MCC is assisted by the Executive Credit Committee (ECC), which plays an important role in setting portfolio quality standards. The ECC reviews portfolio underwriting standards, approves policy deviations and monitors various other portfolio quality metrics. The ECC has no financial powers. The Board Credit Committee (BCC), a board level sub-committee, is responsible for credit approvals beyond levels delegated to the MCC; and

- ALCO is responsible for managing market risk (including rates risk, forex risk, credit risk and equity risk), liquidity risk, interest rate risk in banking book, currency risk, funding policy and the pricing of deposits and advances.

THE GOAL OF RISK MANAGEMENT IS TO ENSURE THAT THE BANK UNDERSTANDS, MEASURES AND MONITORS VARIOUS RISKS AND ADHERES STRICTLY TO THE POLICIES AND PROCEDURES ESTABLISHED TO ADDRESS THESE RISKS.

The structure of our risk management function is shown in a chart below:

**BOARD OF DIRECTORS**

**RISK MANAGEMENT COMMITTEE OF THE BOARD (RMCB)**

**Product Approval Committee (PAC)**

- Cross-functional committee of senior executives
- Objective is to review and approve new product launches taking a holistic view

**Operational Risk Management Committee (ORMC)**

- Cross-functional committee of senior executives
- Overseas operational and internal control risk

**Management Credit Committee (MCC)**

Responsible for:

- Credit approvals
- Credit risk, concentration risk
- Implementation of credit policy and framework

Assisted by Executive Credit Committee (ECC) which plays an important role in setting portfolio quality standards

**Asset Liability Management Committee (ALCO)**

Responsible for managing:

- Market Risk (Rates, FX, Derivatives, Credit & Equity Risk)
- Liquidity Risk & Funding Policy
- Interest Rate Risk & Currency Risk
- Pricing of Deposit

### 6.2 Risk Management Policies

The Risk Management Policy of the Bank is based on best practices, provides a summary of its principles regarding risk-taking and risk management. To provide guidance to various departments in respect to risk management, the Bank has also approved an Asset Liability Management (ALM) Policy, a Commercial Credit Policy, a Retail Assets Credit Policy, an Investment Policy, Liquidity and Contingency Plan, Derivatives Policy, Customer Suitability and Appropriateness Policy, Recovery Policy, Stress Testing Policy, KYC and AML Policy, Operational Risk Management Policy, Risk Based Internal Audit Policy, Policy on Transfer of Assets through Securitisation and Direct Assignment of Cash Flow and others. These policies prescribe various methods for risks identification, measurement, grading, monitoring, reporting, risk control and mitigation techniques and management of problem loans and credit.

The policies are reviewed annually by the Board and are submitted to the RBI periodically.

### 6.3 Risk Management System

The identification, measurement, mitigation and monitoring of potential risks in all its activities and products are done through a detailed analysis. It is then vetted by the operational level risk committees. Portfolio-level risk is assessed with the help of various portfolio analysis reports on credit, market, liquidity and interest rate risk and also risk profiling on the basis of parameters prescribed by the RBI. The same are reviewed by the Board / RMCB / risk committees / senior management on an ongoing basis.

## 6.4 Risk and Mitigation

### 6.4.1 Capital Adequacy Risk

A measure of the Bank's capital, the Capital Adequacy Ratio (CAR) shows a percentage of the Bank's weightage to credit exposure. The Bank maintains a strong capital position with the capital ratios well above the thresholds defined by the regulatory authorities. Through continuous and timely capital infusion, the Bank has strengthened its Tier 1 capital structure.

### 6.4.2 Credit Risk

Credit risk is defined as the inability or unwillingness of the customer or counterparties to meet commitments in relation to lending, trading, hedging, settlement and other financial transactions. Credit risk can also be defined as the possibility of losses associated with diminution in the credit quality of borrowers or counterparties.

The Bank has in place various policies viz. its Lending Policy, Recovery Policy, Policy on Credit Mitigation Techniques and Collateral Management, which facilitates management of credit risks in the Bank. It assesses the credit risk at customer, product, enterprise, geography and inter-bank levels. With these separate assessments of each area, sanctions or disbursements are made within the pre-approved parameters for small or large value. Based on the pre-evaluation methods and sanction from respective authorities, credit approvals and follow-ups are reported in time to respective authorities. The stringent credit framework helps the Bank maintain lower NPA ratios. The Bank also engages in NPA purchases. The Bank's Special Assets Group and related policy seek to ensure that they maximise the overall profitability while reducing risks associated with such purchases.

The Bank has separate credit origination and appraisal processes for wholesale and retail segments. For its wholesale segment, the Bank adopts underwriting standards for different client segments based on internal risk ratings, availability of security and other risk parameters. The retail segment relies largely on standardised product programmes for credit risk assessment and approvals.

### 6.4.3 Market Risk

Market risk is the risk of adverse deviations of the mark-to-market value of the trading portfolio due to market movements (interest rates, foreign exchange rates, equity prices and commodity prices). The Bank manages market risk in accordance with the board-approved Investment Policy, Market Risk Management Policy, ALM Policy, Foreign Exchange Policy, and Derivatives Policy. These policies establish a well-defined organisation structure for market risk management functions and processes whereby the market risks carried by the Bank are identified, measured, monitored and controlled within the confines of its risk appetite.

The market risk due to the market volatility variables is managed by active monitoring of the Board-approved limits. The Bank monitors and utilises several internal reports and research papers to identify major external risks, and ensure that the risk is identified, assessed, mitigated and reported on a timely basis.

### 6.4.4. Liquidity Risk

Liquidity risk arises out of maturity mismatch between its assets and liabilities. The Bank has developed a comprehensive ALM policy that incorporates RBI guidelines. The policy, inter alia, provides for adoption of certain key liquidity ratios used by the RBI, while undertaking liquidity appraisal for the purpose of supervisory ratings of banks. The Bank manages liquidity risk through traditional gap analysis based on the residual maturity / behavioral pattern of assets and liabilities as prescribed by the RBI.

The Bank also monitors mismatches using a duration gap analysis. It monitors prudential (tolerance) limits set for different residual maturity time buckets, large deposits and loans, various liquidity ratios for efficient ALM. The Bank has also put in place a mechanism of short term dynamic liquidity and contingency plan as a part of liquidity risk management. Contingency Funding Plan (CFP), approved by the Board, sets forth a process of dealing with crisis situations in the event of liquidity crunch or a run on the Bank.

### 6.4.5 Compliance Risk

The risks of legal or regulatory sanctions, which oversee the operational functionality of the Bank, fall under the compliance risk. Compliance is at the core of the Banks culture and is a key component of risk management discipline. The various regulatory authorities provide a detailed blueprint that defines the Banks roles and responsibilities. The independent compliance function takes care of the regulatory requirement, enabling smooth operations.

The Bank has also adopted a code for prevention of insider trading, which is applicable to its Board members and certain employees, as well as their dependent family

THE BANK PLACES A STRONG EMPHASIS ON TECHNOLOGY IN ITS BUSINESS AS A MEANS OF IMPROVING THE EFFICIENCY, RELIABILITY AND COMPETITIVENESS OF ITS BUSINESS OPERATIONS. THE BANK'S IT DEPLOYMENT STRATEGY IS TO CONDUCT QUICK PROTOTYPING, ESTABLISHING SHORT LEARNING CURVES AND RAPIDLY SCALING UP.

members. Under supervision of the managing director and CEO, the Company Secretary is tasked with setting forth policies and procedures under and monitoring compliance with the rules related to the disclosure of price sensitive information.

## 7. NEW CAPITAL ADEQUACY FRAMEWORK (BASEL III)

The Bank is subjected to the capital adequacy guidelines stipulated by the RBI. In line with the RBI guidelines under Basel III, the Bank has adopted a Standardised Approach for Credit Risk, Standardised Duration Approach for Market Risk and Basic Indicator Approach for Operational Risk while computing its CAR.

As per capital adequacy guidelines under Basel III, by March 31, 2019 the Bank is required to maintain a minimum CAR of 9% (11.5% including Capital Conservation Buffer (CB)), with minimum Common Equity Tier 1 (CET I) CAR of 5.5% (8% including CB). These guidelines on Basel III are to be implemented in a phased manner. The minimum CAR required to be maintained by the Bank for the year-end March 31, 2015 is 9% with minimum CET I of 5.5%. As on March 31, 2015, the total CAR was 13.13%, well above regulatory minimum requirement of 9%. Our Tier 1 CAR was 12.74% and CET-I CAR at 12.74%.

The Bank has a comprehensive Internal Capital Adequacy Assessment Process (ICAAP), approved by the Board. Under ICAAP, the Bank determines its risk appetite and the adequacy of capital to meet regulatory norms, current and future business needs, including stress scenarios. ICAAP evaluates and documents all risks and substantiates appropriate capital allocation for risks identified under Pillar 1 (i.e., credit, market and operational risk) as well as for risks identified under Pillar 2.

ICAAP enables the Bank to ensure the adequacy of capital for future business growth and various other risks that the Bank is exposed to, so that the minimum capital required is maintained on a continuous basis. The Bank takes into account both quantifiable and non-quantifiable risks while assessing capital requirements. Under ICAAP, the Bank considers the following risks as material and has considered these, among others, while assessing the capital requirements:

- Credit risk
- Market risk
- Operational risk
- Legal risk
- Compliance risk
- Interest rate risk in banking book

## 8. TECHNOLOGY

The Bank leverages technology for client management and creating customer centric/multi-channel solutions such as internet banking and mobile banking. The Bank places a strong emphasis on technology in its business as a means of improving the efficiency, reliability and competitiveness of its business operations. The Bank's IT deployment strategy is to conduct quick prototyping, establishing short learning curves and rapidly scaling up. The use of technology enables the Bank to analyse, address and deliver a seamless customer fulfillment experience.

The Bank has deployed the Enterprise Service Bus for interfacing between different applications and moving away from point-to-point interface. It has also developed its mobile app using Worklight mobility platform from a reputed global IT service provider and have not adopted the traditional approach of developing native apps on different mobile OS available in the market. This will help the Bank introduce the future mobile apps in the market rapidly.

The Bank also launched "stop/inquiry" ATM systems for cheques that allow customers to find out the status of their cheques and make chequebook requests through its large network of ATMs. To enable financial transactions with authentication for FI customers who do not possess debit or ATM cards, the UIDAI has provided a biometric authentication service. The Bank uses the Aadhaar Enabled Payment System (APES) to authenticate customers using biometric verification with UIDAI. The Bank also received a certificate for using this service with UIDAI in FY14. To be able to serve customers who do not hold accounts with the Bank, the Bank launched a remittance engine. The Bank uses this application to initiate IMPS or NEFT transactions for such customers at a nominal fee.

To facilitate the Business Correspondents (BCs) with loan collection and account opening, the Bank has introduced micro-ATMs. These micro ATMs leverage mobile networks to connect to host systems and also support e-KYC services offered by UIDAI. The Bank has also introduced e-KYC services on pilot basis in select branches.

In tune with the guidelines issued by the RBI, the Bank has also formed an IT Strategy Committee to deal with issues arising out of the increased dependency on information technology, such as IT governance, information security, information system audit, IT operations, IT services outsourcing, cyber fraud, business continuity planning, customer awareness programmes and legal issues.

The Banks  cloud-based IT systems, simplified operational processes and its track record in developing innovative products and services give the Bank an advantage in improving the scalability of its operations in a cost effective manner while growing its banking business profitably.

## 9. CUSTOMER SERVICE

At RBL Bank, the customer is at the 'heart' of everything it does. 'Service beyond Excellence' is not only the Banks service vision but also a promise to its customers. The Bank's core service standards of reliability, accuracy and attentiveness underscore its commitment in delivering superior service that is focused on creating value for its customers.

For convenient and free banking experience, the Bank has developed and enhanced several innovative tools and processes such as the 'Service First' platform, which functions as an end-to-end tracking system for all requests and complaints and also enables the Bank to define and measure different turnaround times across various services rendered to its customers. This platform helps the Bank in understanding the areas of improvement and developing its service strengths.

The Bank understands the importance of having an effective service governance model to enhance the ability to rapidly build, configure and assemble services that will augment its client experience and facilitate consistent delivery of its service commitment. As a result, it formed a dedicated central service team coupled with a well-defined grievance redressal system to help address customer concerns effectively and provide quick resolutions. The service offerings are also streamlined to cater to specific customer needs. The Bank has established various working groups and committees to ensure close and active monitoring of its performance in order to meet the service excellence standards set for itself.

The Bank employs various service analysis tools and sophisticated techniques to measure different client requirements. The information generated through such tools and techniques is an important part of its needs analysis training. The Bank believes that without adequate and effective training the desired quality of service delivery to its customers cannot be achieved.

## 10. HUMAN RESOURCE (HR)

As of March 31, 2015, the Bank had 3,465 employees. The Bank has adopted an employee stock option programme (the ESOP), which covered 67% of its employees as of March 31, 2015, to attract and retain talent. It has also introduced a Performance Employee Stock Option Programme (the "PESOP") to reward the performance and recognise the contribution of employees and a retention employee stock option programme (the "RESOP" and, together with the ESOP and the PESOP, the "ESOP Schemes") to retain the critical employees of the Bank. The ESOP Schemes are used to incentivise and reward superior performance, aligning employee interests with the Bank, creating long-term ownership and commitment.

The Bank has also adopted an Annual Performance Linked Variable Compensation (the APLVC). The APLVC provides cash bonuses in short to medium term to employees. The Bank uses the APLVC to reward superior performance. The APLVC is paid as a percentage of cash-to-company (CTC) as defined in its Compensation Policy. In accordance with the RBI's guidelines, APLVC is capped at 70% of CTC for full-time directors, the CEO and the senior executive team and 40% for the risk management, control and compliance staff.

The ESOP Schemes and the APLVC contain claw-back and other clauses to protect the Bank against misconduct, sub-optimal performance, decisions or actions by employees leading to adverse financial consequences.

For enhancing operational efficiencies and customer service, the Bank arranges regular training and skill development programmes for its employees. Under 'BodhiTree', the umbrella academy for all its learning and development activities, the Bank offers its employees with a variety of programmes such as the leadership acceleration programme, mentorship programme, continuing education, cross-functional outbound programmes, etc. In FY15, the Bank also launched the Young Leadership Development Programme (YLDP), a high impact six months capacity building exercise for new and young leaders of the Bank, in order to equip them with the requisite skill-sets to emerge as more effective managers and business leaders.

## 11. INTERNAL AUDIT AND CONTROLS

The Bank has an internal audit department, which is responsible for independently evaluating adequacy of all internal controls. It is aimed at providing assurance to the Audit Committee on effectiveness of the internal control environment through examination and evaluation of adherence to processes, procedures and regulatory requirements. The Bank's internal audit department recommends quality enhancement measures in operational processes to address process and control gaps based on audit findings. It also undertakes audits of branches and business units in accordance with the risk based audit approach, best practices and the audit plan approved by the Audit Committee. The internal audit group has also dedicated teams for conducting audits on various areas, including operations audit, continuous monitoring audit, credit audit and information systems audit. Audit resources are allocated based on an assessment of the various types of skills required for each audit.

In addition, in line with the RBI's guidelines, the Bank follows a risk-based internal audit approach, by which each branch is risk assessed, on the basis of which the frequency of audit is determined and audited. The methodology, the risk assessment matrices and the annual audit plan is reviewed and approved by the Audit Committee. Certain activities also get covered under the system of concurrent audit. As part of the internal audit, the Bank also conducts revenue audits and short/surprise inspections. The results of these inspections/audits are also reviewed by the Audit Committee.

Apart from selected branches and credit inspections, concurrent audits are performed at certain branches and support functions such as centralised retail operations and general lending operations supporting wholesale banking, financial markets, trade finance, credit administration units etc. The scope of concurrent audits includes verification and reporting of any non-adherence to internal controls.

### 11.1. Money Laundering Prevention Measure

The Bank has adopted a policy to manage compliance with regulatory requirements in relation to 'know-your-customer' and anti-money laundering measures. The Bank's Compliance Officer is responsible for ensuring acquiescence with the Prevention of Money Laundering Act, 2002 (the "PML Act"). The Bank uses the anti-money laundering software AMLock to analyse and monitor transactions and report any suspicious transaction patterns or customer behavior to aid the compliance with the PML Act and related RBI guidelines.

### 11.2 Internal Vigilance

Under the RBI's guidelines on 'Internal Vigilance set up in Private Sector and Foreign Banks', released in May 2011, the Bank has appointed a chief vigilance officer to head its internal vigilance department responsible for collecting intelligence with respect to corrupt practices, investigation, referring matters to the Managing Director and Chief Executive Officer and taking other preventive steps and measures. The Banks vigilance department is actively involved in both detective and preventive measures, which are essential for avoiding recurrence of frauds.

The Bank also has a strong whistle-blower policy in place, where employees are free to raise concerns about any poor or unacceptable practice or misconduct within the Bank.

AT RBL BANK, THE CUSTOMER IS AT THE 'HEART' OF EVERYTHING IT DOES. 'SERVICE BEYOND EXCELLENCE' IS NOT ONLY THE BANKS SERVICE VISION BUT ALSO A PROMISE TO ITS CUSTOMERS. THE BANK'S CORE SERVICE STANDARDS OF RELIABILITY, ACCURACY AND ATTENTIVENESS UNDERSCORE ITS COMMITMENT IN DELIVERING SUPERIOR SERVICE THAT IS FOCUSED ON CREATING VALUE FOR ITS CUSTOMERS.

# DIRECTORS' REPORT

## DEAR MEMBERS,

The Directors have pleasure in presenting the 72nd Annual Report of RBL Bank Limited (Formerly known as "The Ratnakar Bank Limited") (the Bank), along with the audited statement of accounts for the financial year ended March 31, 2015.

## FINANCIAL PERFORMANCE

The financial performance for the financial year ended March 31, 2015 (FY15) is summarised in the following table:

(₹ in crore)

| Particulars | FY15 | FY14 | Change (%) |
|---|---|---|---|
| Advances (Net) | **14,449.83** | 9,835.05 | 46.92 |
| Deposits | **17,099.25** | 11,598.60 | 47.43 |
| Net interest income | **556.36** | 341.63 | 62.86 |
| Other income | **403.41** | 260.97 | 54.58 |
| Net total income | **959.77** | 602.60 | 59.27 |
| Operating expenses | **599.65** | 423.90 | 41.46 |
| Provisions and contingencies | **152.95** | 86.03 | 77.78 |
| Net profit | **207.17** | 92.67 | 123.56 |
| Gross NPA ratio | **0.77%** | 0.79% | - |
| Net NPA ratio | **0.27%** | 0.31% | - |
| Capital Adequacy Ratio | **13.13%** | 14.64% | - |
| Business per employee | **9.11** | 7.66 | - |
| Business per branch | **172.40** | 124.17 | - |
| **Appropriations** | | | |
| Transfer to Statutory Reserve | **51.80** | 24.00 | - |
| Transfer to Capital Reserve | **2.46** | 1.85 | - |
| Transfer to Revenue and Other Reserves | **105.00** | 37.00 | - |
| Transfer to Investment Reserve | **1.03** | - | - |
| Dividend for the year (proposed), including tax thereon | **43.84** | 28.76 | - |

The Bank posted a net total income of ₹ 959.77 crore and net profit of ₹ 207.17 crore for FY15 as against a net total income of ₹ 602.60 crore and net profit of ₹ 92.67 crore for FY14. Net profit for FY14 included an upfront post tax charge of ₹ 40.89 crore towards acquisition of business portfolios from Royal Bank of Scotland in India. Excluding the same, net profit for FY14 would have been ₹ 133.56 crore.

Appropriations from net profit have been done as detailed herein above.

## FINANCIAL DISCLOSURES

### Dividend

Considering the overall performance during FY15 and the need to maintain a healthy capital adequacy ratio as well as to support the Bank's future growth, the Board of Directors have recommended, subject to approval of the members at the Annual General Meeting (AGM), a dividend of 12% per equity share for FY15, as against 90 paisa (9%) per equity share for FY14. This dividend shall be subject to tax on dividend to be paid by the Bank.

### Capital Raising and Capital Adequacy Ratio

The Bank is well capitalised with a Capital Adequacy Ratio (CAR) of 13.13%, as on March 31, 2015. During the year under review, the Bank added ₹ 52.37 crore to the capital funds on exercise of ESOPs by employees. The Bank complies with Reserve Bank of India's (RBI) new Capital Adequacy guidelines which came into effect from April 1, 2013, known as 'Basel III Guidelines'.

### Net Worth

The Bank's net worth, as on March 31, 2015 is ₹ 2,223.50 crore. It comprises of paid-up equity capital of ₹ 293.45 crore and reserves of ₹ 1930.05 crore (excluding Revaluation Reserve, Investment Reserve and Intangible assets).

# CORPORATE GOVERNANCE

### The Bank's Philosophy

The Bank's philosophy on corporate governance is aimed at supporting the top management to efficiently conduct its business operations and meet its obligations towards its stakeholders. The Bank is committed to transparent and merit-based organisation and ensures fairness, transparency and responsiveness in all transactions.

### Constitution of the Board of Directors

The Board of Directors is constituted in accordance with the provisions of the Companies Act, 2013 (CA 2013), the Banking Regulation Act, 1949 (the BR Act, 1949) and the Articles of Association of the Bank. The Board consists of eminent persons with considerable professional expertise in banking, finance and other related fields. Their experience and professional credentials have helped the Bank to gain insights for strategy formulation and direction setting for the Bank, thus adding value to its growth objectives.

The Board comprises of one Executive Director (i.e. Managing Director & CEO), a Non-Executive Chairman, seven Non-Executive Independent Directors and one Additional Director appointed by the RBI u/s 36AB of the BR Act, 1949 .

Based on the declaration of independence provided by the Non-Executive Independent Directors as prescribed under Section 149(7) of the CA 2013 and based on the applicable Reserve Bank of India (RBI) guidelines and circulars, all aforesaid eight Non-Executive Independent Directors (including Chairman) would qualify to be classified as Independent Directors under Section 149 of the CA 2013.

All aforesaid Non-Executive Independent Directors have given the declarations that they meet the criteria of independence as laid down under Section 149(6) of the CA 2013.

During the financial year ended March 31, 2015, the Bank has not appointed any new Director, however, Mr. B. D. Arwade (DIN 00796594) retired from the Board of the Bank w.e.f. September 8, 2014 upon completion of statutory term as prescribed by The BR Act. Your Directors place on record their appreciation and gratitude for the valuable guidance and wise counsel provided by Mr. Arwade as a Director on the Board and as a member of various committees of the Board.

Further, RBI has approved the appointment of Mr. N. Ramachandran as Non-Executive Part time Chairman on the Board of Directors of the Bank for a period of two years w.e.f. July 22, 2014 vide its letter dated November 18, 2014.

In terms of RBI's order, Mr. Ajay Michyari's (DIN 06430828) term of appointment on the Board as RBI Additional Director of the Bank was extended for a period of two years from January 1, 2015 up to December 31, 2016. However as per subsequent RBI order, Mr. Rajesh Kumar (DIN 07150687) was appointed as RBI Additional Director in place of Mr. Ajay Michyari.

Mr. Vishwavir Ahuja (DIN 00074994) was initially appointed as the Managing Director & CEO for a period of three years, with effect from June 30, 2010 to June 29, 2013. Thereafter, pursuant to RBI approval, he was re-appointed as the Managing Director & CEO for a period of two years, w.e.f. June 30, 2013 to June 29, 2015 on such terms and conditions as set out in the approval letter as granted by RBI. The Board of Directors of the Bank at their meeting held on March 26, 2015 has approved the re-appointment of Mr. Vishwavir Ahuja as Managing Director & CEO subject to the approval of the shareholders and RBI. Accordingly, approval of members in the AGM is hereby sought for re-appointment of Mr. Vishwavir Ahuja as the Managing Director & CEO for a period of three years w.e.f. June 30, 2015 to June 29, 2018 at remuneration as detailed in the notice and explanatory statement thereto for which an application has been filed with RBI. Further, additional information and brief profile of Mr. Vishwavir Ahuja is annexed to the Notice of the AGM.

As per provisions of section 152 (6) of the CA 2013, unless the articles provide for the retirement of all directors at every AGM, not less than two-thirds of the total number of directors of a public company shall be persons whose period of office is liable to determination by retirement by rotation and at every AGM, one-third of such of the directors for the time being as are liable to retire by rotation, shall retire from office. Since all of your Directors, except Managing Director & CEO, are Independent Directors, not liable to retire by rotation, the aforesaid re-appointment of Mr. Vishwavir Ahuja shall be taken as a compliance of Section 152 (6) of the CA 2013.

In terms of the provisions of Section 149 of the CA 2013, a company shall have at least one Woman Director on the Board of the company. Your Bank has Ms. Rama Bijapurkar as Director on the Board of the Bank since March 2014.

### Committee of Directors

The Board functions either as a full Board or through various Committees to oversee specific operational areas. The Board has constituted 13 Committees of Directors to take decisions or advise the Board on certain operational areas in the best interests of the Bank. These Committees monitor activities falling within their terms of reference.

The names of the Directors, Committees of Directors as on March 31, 2015, and attendance of Directors at Board/Committee meetings during the year under review are given in Annexure I and II respectively. The terms of reference of these committees is given in Annexure III.

### Board Evaluation and Remuneration Policy

The Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees as required under section 134 (3) (p) of CA 2013 read with rules framed thereunder. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its shareholders etc.

The Board has, on the recommendation of the Human Resource & Remuneration Committee framed a compensation policy which inter alia deals with remuneration structure and criteria for selection and appointment of Directors. Accordingly, based on aforesaid evaluation sitting fees for attending the meeting of Board and Committees thereof has recently been revised.

The performance evaluation of the Independent Directors was carried out by the entire Board other than the Director being evaluated. The performance evaluation of the Managing Director & CEO was done by the entire Board other than the Managing Director & CEO.

## STATUTORY DISCLOSURE

### Extract of Annual Return to be mandatorily attached to the Directors' Report

As required by the provisions of Section 92 (3) and 134 (3)(a) of the CA 2013 read with rules framed thereunder, the extract of the annual return of the Bank is attached as Annexure IV (Form MGT 9) to the Directors' Report.

### Conservation of Energy and Technology Absorption

The particulars to be disclosed under Section 134 (3) (m) of the CA 2013, relating to conservation of energy and technology absorption are not applicable to the Bank. The Bank is constantly pursuing its goal of upgrading technology to deliver quality services to its customers in a cost-effective manner.

### Foreign Exchange Earnings and Outgo

During the year ended March 31, 2015, the Bank earned ₹ 10.97 crore and spent ₹ 28.85 crore in foreign currency. This does not include foreign currency cash flows in derivatives and foreign currency exchange transactions.

### Key Managerial Personnel

Mr. Vishwavir Ahuja, Managing Director & CEO; Mr. Naresh Karia, Chief Financial Officer and Mr. Vinay Tripathi, Company Secretary of the Bank are the Key Managerial Personnel as per the provisions of the CA 2013 and were already in office before the commencement of the CA 2013. No Key Managerial Personnel has resigned or was appointed during the year under review.

Compensation of Chief Financial Officer and Company Secretary is governed by the existing Compensation Policy of the Bank. Compensation of Managing Director and CEO of the Bank is approved by Human Resource & Remuneration Committee.

### Whistle Blower Policy (Vigil Mechanism)

Feedback by employees/associates is increasingly becoming important to ensure better governance standards and transparency in the running of organisations. RBI has also framed a separate Protected Disclosure Scheme, wherein employees, customers, and stakeholders of any bank can lodge a complaint with RBI on the functioning of a bank.

The Bank has established a "Whistle Blower Policy" for better governance to comply with the provisions of section 177 of the CA 2013 read with rules frame thereunder. This policy covers malpractices and events which have taken place/ suspected to have taken place involving, but not limited to:

- Abuse of authority or misappropriation or misuse of the Bank funds/assets;
- Breach of contract / employee Code of Conduct or Rules, violation of law /regulation;
- Manipulation of the Bank data/records and pilferation of confidential/ proprietary information;
- Financial or compliance irregularities, including fraud, or suspected fraud;
- Criminal offence having repercussions on the Bank or its reputation;

- Other unethical, imprudent deed/behaviour.

The policy also affords protection to whistle blower raising a genuine concern to prevent harassment or victimisation.

### Auditors

The Statutory Auditors of the Bank, M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, will retire at the conclusion of the forthcoming AGM and are eligible for re-appointment subject to the approval of RBI. The members are requested to consider their reappointment on a remuneration to be decided by the Board or Committee thereof for the ensuing Financial Year i.e. FY16.

Pursuant to Section 204 of the CA 2013, your Bank had appointed M/s. Jelphine Angel Nadar, Practicing Company Secretaries, Mumbai as its Secretarial Auditors to conduct the secretarial audit of the Bank for the FY 2014-15. The Bank provided all assistance and facilities to the Secretarial Auditor for conducting their audit. The Report of Secretarial Auditor for the FY 2014-15 is annexed to this report as Annexure V.

### Employees Stock Option Plan (ESOP)

The underlying philosophy of the Bank Employee Stock Option Plan (ESOP) is to enable the present and future employees to share the value that they help to create for the Bank over a period of time. ESOP is also expected to strengthen the sense of ownership and belonging among the recipients. The ESOP has been designed and implemented in such a manner that the compensation structure goes a long way in aligning the objectives of an individual with those of the Bank. In addition, during the year the Bank continued with its plan of rewarding long-serving employees with ESOPs thus making them true partners in the Bank's growth.

More details of the ESOP are given in the notes to accounts in the attached financial statements and Annexure VI to this report.

### Number of cases filed, if any, and their disposal under Section 22 of the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Bank has Zero tolerance towards any action on the part of any executive which may fall under the ambit of 'Sexual Harassment' at workplace and is fully committed to uphold and maintain the dignity of every woman executive working in the Bank. The Policy provides for protection against sexual harassment of women at workplace and for prevention and redressal of such complaints. As a part of Anti Sexual Harassment initiatives, the Bank created a mandatory e-learning module for all the employees called "i-COMPLY Anti Sexual Harassment".

During the year ended March 31, 2015, the Bank has not received any complaint pertaining to Sexual Harassment.

### Deposits

Being a banking company, the disclosures required as per Rule 8(5)(v)&(vi) of the Companies (Accounts) Rules, 2014, read with Section 73 and 74 of the CA 2013 are not applicable to your Bank.

### Other Statutory Disclosures:

- The Bank has not changed its nature of business during FY15.
- Pursuant to Section 186(11) of the CA 2013 loans made, guarantees given or securities provided or acquisition of securities by a Banking company in the ordinary course of its business are exempted from disclosure in the Annual Report.
- All related party transactions that were entered into during FY15 were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Bank with Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Bank at large. The Bank has a Related Party Transactions Policy in place for the purpose of identification and monitoring of any potential related party transactions.
- To the best of our knowledge, there are no significant material orders passed by the Regulators / a Court/ Tribunal etc during FY15 which would impact the going concern status of the Bank and its future operations.
- During FY15, no Company has become/ Ceased to be Subsidiary, Joint Venture or Associate of the Bank.
- The details of Risk Management Policy & its framework are separately defined in Management Discussion and Analysis Report.
- There are no adverse observations / qualifications in the Auditors' report.
- There are no audit qualifications in the Secretarial Auditors' report.
- All recommendations of the Audit Committees were approved by the Board.

- Proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- There are no material changes and commitments, affecting the financial position of the Bank that have occurred between the end of the financial year of the Bank i.e. March 31, 2015 and the date of the Directors' report i.e. April 28, 2015.

## OTHER DISCLOSURES

### Code of Conduct

For a financial institution, trust is the most important asset. To this end, the Bank strives to ensure that its actions are in accordance with the highest standards of personal and professional integrity and highest level of ethical conduct. The Bank has adopted a Code of Conduct which all employees have to adhere to. The employees have to conduct duties according to the aforesaid Code and avoid even the appearance of improper behaviour. Some of the areas which are covered by the Code of Conduct are fairness of employment practices, protection of intellectual property, integrity, customer confidentiality, conflict of interest.

### Bribery and Corruption

We have a responsibility both to the members and to the communities in which we do business to be transparent in all our dealings. Our Code of Conduct requires that we do not engage in bribery or corruption in any form and explicitly mentions that the Bank will not pay or procure the payment of a bribe or unlawful fee to encourage the performance of a task or one which is intended or likely to compromise the integrity of another. The Bank will not accept any payment, gift or inducement from a third party which is intended to compromise our own integrity. The Code of Conduct also includes procedures dealing with Gifts & Entertainment, Conflicts of Interest and other important matters.

### Corporate Social Responsibility (CSR)

The Bank strives to proactively encourage inclusive growth and development, thereby participating towards building a sustainable future.

The Bank has a duly constituted CSR Committee of the Board consisting of majority of Independent Directors. The Board of the Bank has also approved its CSR Policy of the Bank. In alignment with the CSR Mission Statement, the Bank has focused on various initiatives for FY15 as covered in the Annual Report on Company's CSR activities detailing therein brief outline of CSR Policy, Projects undertaken, amount spent and other relevant details as furnished in Annexure VII and attached to this report.

### Management Discussion and Analysis

Management Discussion and Analysis Report for the year under review is presented in a separate section forming part of this Annual Report.

### Awards

The Bank has received industry recognition at several international and local forums - a true testament of the growth journey of the Bank. RBL Bank was recognised as a Global Growth Company 2014 by the World Economic Forum. The Bank was also bestowed with the honour of being India's Best Bank (Growth) in the mid-sized bank segment for the third consecutive year by Business Today and KPMG for the year 2014. Further, it was recognised as the Fastest Growing Small Bank for the second year in a row by the Business World-PWC Best Bank Survey 2014. The Bank also received the Best Bank – Priority Sector Lending (Private Sector) award at the Dun & Bradstreet Banking Awards, 2014.

### Ratings

The Bank's Certificate of Deposits (CD) programme has been rated A1+ by ICRA Limited. Instruments rated in this category carry the lowest short term credit risk. Further, the Bank's Fixed (Term) Deposits have been rated MAA- by ICRA Limited with a stable outlook which stands for low credit risk.

### Know Your Customer (KYC)/Anti-Money Laundering (AML) Measures

The Bank complies with the RBI's KYC/AML guidelines. The Bank's KYC/ AML Policy is prepared in accordance with the Prevention of Money Laundering Act, 2002 and RBI/IBA (Indian Banks' Association) guidelines. Various regulatory reporting requirements, as set out by the Financial Intelligence Unit (FIU) of the Government of India, are complied with by the Bank. The Bank has a transaction monitoring process with automated system solution administered by the centralised AML team. Further, the Bank's employees are being imparted training on KYC/AML aspects on a regular basis. Executives of the Bank also attend periodic workshops/seminars organised by FIU, RBI, IBA and NIBM (National Institute of Bank Management) to enhance their awareness in these aspects.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134 (3) (c) of the CA, 2013, with respect to the Directors' Responsibility Statement, it is hereby confirmed that:

i. The applicable accounting standards have been followed in the preparation of the annual accounts for FY15 and there have been no material departures;

ii. Accounting policies have been selected and applied consistently and reasonably, and prudent judgments and estimates have been made to give a true and fair view of the Bank's state of affairs and of its profit for FY15;

iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records, in accordance with the provision of the CA 2013, for safeguarding the assets of the Bank and for preventing and detecting fraud and other irregularities;

iv. The annual accounts have been prepared on a 'going concern' basis;

v. The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## PROSPECTS

Despite the challenges faced by the economy and the banking industry, the Directors expect a sustained level of growth of business of the Bank in the coming year.

## ACKNOWLEDGMENT

The Board is grateful to the Government of India, RBI, IBA, other regulatory authorities, rating agency, financial institutions, banks and correspondents in India and abroad for their valuable and unflinching support as well as co-operation and guidance to the Bank from time to time.

The members have been the key partners in the Bank's progress. The Board of Directors appreciates their support and is grateful for the confidence that they have placed in the Board of Directors and the Bank's management.

The Bank's customers have always supported the Bank in all its endeavours. The Bank would like to take this opportunity to express sincere thanks to its valued clients and customers for their continued patronage in a year when the Bank has seen a substantial transformation.

The Bank has undertaken a number of initiatives on the technology and business front in the recent years. Successful translation of these initiatives into business and earnings growth has been primarily due to the employees of the Bank, who have embraced the philosophy of change to help the Bank emerge as a modern and customer-centric institution. We are grateful to the employees for their continued commitment and dedication towards the Bank. The Board appreciates the healthy relationship with the Officer's Association and Employee Union, which has facilitated the growth and development of the Bank and has created a positive work environment.

For and on behalf of the Board

**Narayan Ramachandran**
Chairman

**Vishwavir Ahuja**
Managing Director & Chief Executive Officer

Place : Mumbai
Date : April 28, 2015

# ANNEXURE I

## COMPOSITION OF COMMITTEES AND NUMBER OF MEETINGS HELD DURING FY14-15

| Sr. No. | Committee | Members | Dates | Total |
|---|---|---|---|---|
| 01 | Audit Committee of Board (ACB) | Mr. Jairaj Purandare - Chairman#<br>Mr. Vimal Bhandari - Alternate Chairman##<br>Mr. Kiran Patil<br>Mr. D. Sivanandhan ###<br>Mr. S.G. Kutte*<br>Mr. B.D. Arwade**<br>Mr. Ajay Michyari*** | May 19, 2014<br>July 22, 2014<br>August 26, 2014<br>October 22, 2014<br>November 28, 2014<br>January 27, 2015 | 06 |

* Ceased to be a Committee Member w.e.f. June 30, 2014 upon completion of Statutory term.
** Ceased to be a Committee Member w.e.f. September 8, 2014 upon completion of Statutory term.
*** Ceased to be a Committee Member w.e.f. March 2, 2015 as Nomination was withdrawn by Reserve Bank of India.
# Designation was changed from Alternate Chairman to Chairman w.e.f. July 22, 2014.
## Designation was changed from Chairman to Alternate Chairman w.e.f. July 22, 2014.
### Appointed as a Committee Member w.e.f. November 28, 2014.

| Sr. No. | Committee | Members | Dates | Total |
|---|---|---|---|---|
| 02. | Stakeholders' Relations Committee (SRC) *[earlier known as "Share Transfer & Allotment and Shareholder's Redressal Committee", nomenclature changed on July 22, 2014]* | Mr. Girish Godbole - Chairman<br>Mr. Vishwavir Ahuja<br>Mr. Vimal Bhandari##<br>Mr. Jairaj Purandare#<br>Mr. S. G. Kutte*<br>Mr. B. D. Arwade** | May 19, 2014<br>July 22, 2014<br>November 28, 2014<br>January 27, 2015 | 04 |

* Ceased to be a Committee Member w.e.f. June 30, 2014 upon completion of Statutory term.
** Ceased to be a Committee Member w.e.f. September 8, 2014 upon completion of Statutory term.
# Ceased to be a Committee Member w.e.f. July 22, 2014.
## Appointed as a Committee Member w.e.f. July 22, 2014.

| Sr. No. | Committee | Members | Dates | Total |
|---|---|---|---|---|
| 03. | Board Investment Committee (BIC) | Mr. Kiran Patil - Chairman<br>Mr. Narayan Ramachandran<br>Mr. Vishwavir Ahuja<br>Mr. P. Sudhir Rao | May 19, 2014<br>July 21, 2014<br>October 27, 2014<br>November 28, 2014<br>January 27, 2015 | 05 |
| 04. | Anti-fraud Committee (AFC) | Mr. D. Sivanandhan - Chairman<br>Mr. Girish Godbole<br>Mr. Vishwavir Ahuja<br>Mr. B. D. Arwade* | January 27, 2015 | 01 |

* Ceased to be a Committee Member w.e.f. September 8, 2014 upon completion of Statutory term.

| Sr. No. | Committee | Members | Dates | Total |
|---|---|---|---|---|
| 05. | Customer Service Committee (CSC) | Mr. Girish Godbole - Chairman#<br>Mr. Vishwavir Ahuja<br>Mr. D. Sivanandhan<br>Mr. S. G. Kutte*<br>Mr. B. D. Arwade** | May 19, 2014<br>July 22, 2014<br>November 28, 2014<br>January 27, 2015 | 04 |

* Ceased to be a Committee Chairman w.e.f. June 30, 2014 upon completion of Statutory term.
** Ceased to be a Committee Member w.e.f. September 8, 2014 upon completion of Statutory term.
# Designation was changed to Committee Chairman from Member w.e.f. July 22, 2014.

| Sr. No. | Committee | Members | Dates | Total |
|---|---|---|---|---|
| 06. | Nomination Committee (NC) | Mr. P. Sudhir Rao - Chairman##<br>Mr. D. Sivanandhan<br>Mr. Narayan Ramachandran#<br>Ms. Rama Bijapurkar**<br>Mr. S.G. Kutte*<br>Mr. Vishwavir Ahuja@ | May 19, 2014 | 01 |

* Ceased to be a Committee Member w.e.f. June 30, 2014 upon completion of Statutory term.
** Joined as a Committee Member w.e.f. July 22, 2014.
# Ceased to be a Committee Chairman w.e.f. November 28, 2014 and continuing as Member.
## Designation was changed to Committee Chairman from Member w.e.f. November 28, 2014.
@ Ceased to be a Committee Member w.e.f. November 28, 2014.

| Sr. No. | Committee | Members | Dates | Total |
|---|---|---|---|---|
| 07. | Risk Management Committee (RMC) | Mr. Vishwavir Ahuja – Chairman**<br>Mr. P. Sudhir Rao*<br>Mr. Vimal Bhandari<br>Mr. K. J. Patil<br>Mr. Narayan Ramachandran | May 19, 2014<br>July 21, 2014<br>November 28, 2014<br>January 27, 2015 | 04 |
| * Ceased to be a Committee Chairman w.e.f. July 22, 2014 and continuing as Member.<br>** Designation was changed to Committee Chairman from Member w.e.f. July 22, 2014. | | | | |
| 08. | Board Credit Committee (BCC) | Mr. Vimal Bhandari - Chairman##<br>Mr. Jairaj Purandare#<br>Mr. Vishwavir Ahuja<br>Mr. K. J. Patil<br>Mr. S. G. Kutte* | May 19, 2014<br>July 21, 2014<br>November 28, 2014<br>January 27, 2015 | 04 |
| * Ceased to be a Committee Member w.e.f. June 30, 2014 upon completion of Statutory term.<br># Ceased to be a Committee Chairman w.e.f. July 22, 2014 and continuing as Member.<br>## Designation was changed to Committee Chairman from Member w.e.f. July 22, 2014. | | | | |
| 09. | Human Resource and Remuneration Committee (HRRC) | Mr. P. Sudhir Rao – Chairman<br>Mr. Narayan Ramachandran**<br>Mr. Vimal Bhandari<br>Mr. Jairaj Purandare<br>Mr. S. G. Kutte*<br>Mr. Vishwavir Ahuja*** | May 19, 2014<br>July 21, 2014<br>August 26, 2014<br>October 27, 2014<br>November 28, 2014<br>January 27, 2015<br>March 26, 2015 | 07 |
| * Ceased to be a Committee Member w.e.f. June 30, 2014 upon completion of Statutory term.<br>** Appointed as a Committee Member w.e.f. July 22, 2014.<br>*** Ceased to be a Committee Member w.e.f. November 28, 2014. | | | | |
| 10. | Capital Raising Committee (CRC) | Mr. Narayan Ramachandran – Chairman<br>Mr. Vishwavir Ahuja<br>Mr. P. Sudhir Rao<br>Mr. Vimal Bhandari#<br>Mr. S. G. Kutte*<br>Mr. D. Sivanandhan** | May 3, 2014<br>May 7, 2014<br>July 22, 2014<br>September 19, 2014<br>November 28, 2014<br>March 26, 2015 | 06 |
| * Ceased to be a Committee Member w.e.f. June 30, 2014 upon completion of Statutory term.<br>** Ceased to be a Committee Member w.e.f. July 22, 2014.<br># Appointed as a Committee Member w.e.f. July 22, 2014. | | | | |
| 11. | CSR Committee(CSR) | Mr. D. Sivanandhan - Chairman<br>Mr. Jairaj Purandare<br>Mr. Girish Godbole<br>Mr. Vishwavir Ahuja | May 19, 2014<br>November 28, 2014<br>January 27, 2015 | 03 |
| 12. | IT Strategy Committee (ITSC) *[Committee was constituted during the year on July 22, 2014]* | Mr. P. Sudhir Rao - Chairman<br>Mr. D. Sivanandhan<br>Mr. Narayan Ramachandran<br>Mr. Jairaj Purandare<br>Mr. Vishwavir Ahuja | November 28, 2014<br>January 27, 2015 | 02 |
| 13. | Strategic Affairs Committee (SAC) *[Committee was constituted during the year on July 22, 2014]* | Ms. Rama Bijapurkar - Chairman<br>Mr. P. Sudhir Rao<br>Mr. Narayan Ramachandran<br>Mr. Vishwavir Ahuja<br>Mr. Jairaj Purandare | No meeting held during the year | N.A |

# ANNEXURE II

| Sr. No. | Name of Director | DIN | Category | BOD | ACB | SRC | BIC | AFC | CSC | NC | RMC | BCC | HRRC | CRC | CSR | ITSC | SAC | AGM | No. of other Directorship ## Pub Co. | No. of other Directorship ## Pvt Co. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Number of meetings held during FY15 | | | | 7 | 6 | 4 | 5 | 1 | 4 | 1 | 4 | 4 | 7 | 6 | 3 | 2 | 0 | 1 | Pub Co. | Pvt Co. |
| 1 | Mr. Narayan Ramachandran# | 01873080 | Part-time Chairman | 7 | - | - | 5 | - | - | 1 | 4 | - | 5 | 5 | - | 2 | - | Y | 3 | 6 |
| 2 | Mr. Vishwavir Ahuja | 00074994 | MD & CEO | 7 | - | 4 | 5 | 1 | 4 | 1 | 4 | 4 | 5 | 5 | 3 | 2 | - | Y | 0 | 0 |
| 3 | Mr. D. Sivanandhan | 03607203 | Ind. Director | 5 | 1 | - | - | 1 | 4 | 1 | - | - | - | 1 | 3 | 2 | - | - | 7 | 2 |
| 4 | Mr. Girish Godbole | 02960113 | Ind. Director | 7 | - | 4 | - | 1 | 4 | - | - | - | - | - | 3 | - | - | Y | 1 | 0 |
| 5 | Mr. Jairaj Purandare | 00159886 | Ind. Director | 5 | 4 | 1 | - | - | - | - | - | 3 | 5 | - | 2 | 2 | - | Y | 2 | 3 |
| 6 | Mr. Kiran Patil | 00221662 | Ind. Director | 7 | 6 | - | 5 | - | - | - | 4 | 4 | - | - | - | - | - | Y | 3 | 1 |
| 7 | Mr. P. Sudhir Rao | 00018213 | Ind. Director | 7 | - | - | 5 | - | - | 1 | 4 | - | 7 | 5 | - | 2 | - | Y | 5 | 6 |
| 8 | Ms. Rama Bijapurkar | 00001835 | Ind. Director | 5 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 4 | 2 |
| 9 | Mr. Vimal Bhandari | 00001318 | Ind. Director | 6 | 5 | 2 | - | - | - | - | 4 | 4 | 7 | 2 | - | - | - | - | 7 | 1 |
| 10 | Mr. S.G. Kutte* | 00233322 | Part-time Chairman | 1 | 1 | 1 | - | - | 1 | 1 | - | 1 | 1 | 1 | - | - | - | N.A | N.A | N.A |
| 11 | Mr. B.D. Arwade** | 00796594 | Ind. Director | 3 | 3 | 2 | - | - | 2 | - | - | - | - | - | - | - | - | Y | N.A | N.A |
| 12 | Mr. Ajay Michyari *** | 06430828 | RBI Nominee | 5 | 5 | - | - | - | - | - | - | - | - | - | - | - | - | - | N.A | N.A |

* Retired from the position of Chairman of the Bank on June 30, 2014 upon completion of his stautory term.
** Retired from the position of Director of the Bank on September 8, 2014 upon completion of his stautory term.
*** Ceased to be a Director of the Bank upon withdrawal of nomination by RBI vide its Order dated March 2, 2015.
# Took over as a Part-time Chairman of the Bank w.e.f. July 22, 2014 upon RBI approval dated November 18, 2014.
## Directorship in Foreign Companies is excluded

# ANNEXURE III

## TERMS OF REFERENCE OF THE COMMITTEES OF THE BOARD OF DIRECTORS AS ON MARCH 31, 2015

| Sr. No. | Committee | Terms of Reference |
|---|---|---|
| 01. | Audit Committee of Board (ACB) | i) ACB should provide direction as also oversee the operation of the entire audit function in the Bank. Audit function will imply the organisation, operationalisation and quality control of internal audit and inspection within the Bank and follow-up on the statutory / external audit of the Bank and inspections of RBI. ACB should review adequacy of the internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit. As regards internal audit, ACB should review the internal inspection / audit function in the Bank – the system, its quality and effectiveness in terms of follow-up.<br>ii) ACB should review internal audit plan for the year and track progress.<br>iii) ACB should review the inspection reports of specialised and extra-large branches and all branches with unsatisfactory ratings.<br>iv) ACB should review the position of various Inspection and Audit Reports and compliances (concurrent audit, internal inspection, IS audit of Data Centre, Treasury & Derivatives, Management Audit, Service branches, Currency Chest, FEMA audit of branches etc., as may be applicable from time to time) including position of compliance with RBI Inspection (Latest position).<br>v) ACB should also specially focus on the follow-up on:<br>• Inter-branch adjustment accounts<br>• Un reconciled long outstanding entries in inter-bank accounts and nostro accounts<br>• Open items in balancing of books at various branches<br>• Periodical review of frauds<br>• Revenue leakages<br>• Status of implementation of Ghosh & Jilani Committee recommendations.<br>• All other major areas of housekeeping<br>• KYC/AML measures<br>• Violations by various functionaries<br>• Review of LFAR & compliance thereof<br>• Review exposure to sensitive sectors – capital market and real estate<br>• Review of the bank's financial and risk management policies<br>• Review of Information Security Audit Policy<br>• To review the loss assets classified for more than six months and where the outstanding balances are of above ₹ 5.00 lakh and no legal action has been initiated<br>vi) It should obtain and review half-yearly reports from the Compliance Officers.<br>vii) Regarding statutory audits, ACB should follow-up on all the issues raised in the Long Form Audit Report (LFAR). It should interact with the external auditors before the finalisation of the annual / semi-annual financial accounts and reports and presentation to the Board.<br>viii) Review any change in accounting policy and practices which may have significant bearing on financial statements and confirmation that the accounting policies followed and systems used by the Bank are in compliance with accounting standards, RBI guidelines and would ensure true and fair position of accounts.<br>ix) Review capital adequacy.<br>x) Review transactions with related parties.<br>xi) Appointment of statutory auditors and review of performance. |
| 02. | Stakeholders' Relations Committee (earlier Share Transfer & Allotment and Shareholder's Redressal Committee) (SRC) | i) To approve Shares Transfer/ Transmission.<br>ii) To authorise / issue of Original / Duplicate Share Certificates and other relevant matters pertaining to Transfer of shares of the Bank.<br>iii) To allot the shares under the vested ESOPs.<br>iv) To look into redressal of Shareholders' Complaints. |

# ANNEXURE III

## TERMS OF REFERENCE OF THE COMMITTEES OF THE BOARD OF DIRECTORS AS ON MARCH 31, 2015

| Sr. No. | Committee | Terms of Reference |
|---|---|---|
| 03. | Board Investment Committee (BIC) | i) To take decisions of sale / purchase of SLR and Non-SLR investment which are beyond the powers of MD & C.E.O. &/or ALCO.<br>ii) To review Investment performance and market situation.<br>iii) To review various Investment policies and make recommendations to the Board. |
| 04. | Anti-fraud Committee (AFC) | The major functions of the Committee would be to monitor and review all the frauds of ₹ 1 crore and above so as to:<br>• Identify the systemic lacunae if any that facilitated perpetration of the fraud and put in place measures to plug the same<br>• Identify the reasons for delay in detection, if any, reporting to top management of the Bank and RBI;<br>• Monitor progress of CBI / Police Investigation and recovery position and<br>• Ensure that staff accountability is examined at all levels in all the cases of frauds and staff side action, if required, is completed quickly without loss of time<br>• Review the efficacy of the remedial action taken to prevent recurrence of frauds, such as strengthening of internal controls<br>• Put in place other measures as may be considered relevant to strengthen preventive measures against frauds |
| 05. | Customer Service Committee (CSC) | i) Formulation of a Comprehensive Deposit Policy.<br>ii) Treatment of death of a depositor for operations of his account.<br>iii) Product approval process.<br>iv) Annual survey of depositor satisfaction.<br>v) Triennial audit of such services.<br>vi) Examining any other issues having a bearing on the quality of customer service rendered. |
| 06. | Nomination Committee (NC) | As a process of due diligence depicted in RBI Circular No. RBI/2004/268 DBOD.No.BC.105 / 08.139.001 / 2003-04 dated June 25, 2004 accepting and scrutinizing the declarations (as per the given format) received from the Board of Directors (Non-Committee Members) regarding 'Fit & Proper' Criteria for the directors of banks, and making references where considered necessary to the appropriate authority / persons to ensure their compliance with the requirements.<br>Screening and appointment of new directors on the Board. |
| 07. | Risk Management Committee (RMC) | A. Credit Risk Policy and strategy matters governing:<br>• Issuing and modifying the guidelines for Credit Risk Management System and prudential exposure/concentration limits (borrower/ group borrower, industries, sectors etc.) in the Bank with the Board's approval<br>• Updating the Board at periodic intervals with the Bank's credit risk exposure profiles – concentration risk (borrower groups/ industries/ location/ sectors), risk rating of the obligors, along with the corrective measures taken/ recommended<br>• Recommending changes/ modifications in the credit policies and procedures of the Bank and ensuring that they remain in tune with the changing business conditions, regulatory requirements/ guidelines and the Bank's structure needs and risk appetite<br>• Ensuring that the Credit Risk activities are managed in compliance with the Credit Policy of the Bank<br>• Delegating the broad risk monitoring responsibility to the Credit Department, review the risk analysis reports from Credit Department |

| Sr. No. | Committee | Terms of Reference |
|---|---|---|
| | | • Monitoring adherence of various risk parameters by operating Departments and holding the line management more accountable for the risks under their control and the performance of the bank in that area<br>• Verifying the models that are used for pricing complex products, reviewing the risk models as development takes place in the markets and also identifying new risks<br>• Designing stress scenarios to measure the impact of unusual market conditions and monitor variance between the actual volatility of portfolio value and that predicted by the risk measures<br>• Providing a summary of its discussions to the Board<br>B. Market Risk Policy and strategy matters governing:<br>• Setting policies and guidelines for market risk measurement, management and reporting.<br>• Ensuring that market risk management processes (including people, systems, operations, limits and controls) satisfy bank's policy<br>• Reviewing and approving market risk limits, including triggers or stop-losses for traded and accrual portfolios<br>• Ensuring robustness of financial models, and the effectiveness of all systems used to calculate market risk<br>• Appointment of qualified and competent staff; Ensuring posting of qualified and competent staff and of independent market risk manager/s, etc<br>C. Review Internal Capital Adequacy Assessment Process governing:<br>• Operational Risk position<br>• Market Risk<br>• Compliance, Legal, Franchise and other strategic risks<br>D. Review and Recommend Risk Management Process/ systems/models/internal control system.<br>E. Review of exception/critical items highlighted by Credit Risk Management Committee (CRMC), the Asset Liability Committee (ALCO) and other risk committees of the bank, if any. |
| 08. | Board Credit Committee (BCC) | To review and approve credit proposals as defined in the Bank's Credit Policy. |
| 09. | Human Resource and Remuneration Committee (HRRC) | i) To assist and advise the MD & CEO in planning for senior management build-out of the Bank so as to ensure appropriate leadership is in place for the Bank's transformation strategy.<br>ii) To evaluate and approve HR policies of the Bank.<br>iii) To evaluate and approve various Employee Stock Ownership Schemes that may be required from time to time to ensure that the Bank gets the right talent and is able to retain high-performing employees etc.<br>iv) To award ESOPs to employees, whether in the form of joining or performance. The Committee may determine the level/grade of employees it desires to review and award.<br>v) To oversee the framing, review and implementation of compensation policy of the bank on behalf of the board.<br>vi) To work in close coordination with Risk Management Committee of the bank, in order to achieve effective alignment between remuneration and risks.<br>vii) To ensure that the cost/income ratio of the bank supports the remuneration package consistent with maintenance of sound capital adequacy ratio.<br>viii) To appoint/ discontinue trustees on the Board of Trustees of Ratnakar Bank Ltd. Employess Provident Fund, Ratnakar Bank Ltd. Employees Gratuity and the Ratnakar Bank Employees Pension Fund. |

# ANNEXURE III

### TERMS OF REFERENCE OF THE COMMITTEES OF THE BOARD OF DIRECTORS AS ON MARCH 31, 2015

| Sr. No. | Committee | Terms of Reference |
|---|---|---|
| | | ix) To approve operational changes in the Trust Deed and/ or decide on related matter.<br>x) To decide on granting of mandate to India Banks Association for negotiating industry level wage settlements for workmen employees and officer employees<br>xi) any other related aspect to the above. |
| 10. | Capital Raising Committee (CRC) | To assist and advise the Board from time to time on the state of the capital markets, avenues of raising additional capital for the Bank and steps that need to be taken to do the same. |
| 11. | CSR Committee (CSR) | i) Review, agree and establish the Bank's CSR strategy and its implementation in practice and that the Bank's social, environmental and economic activities are aligned with each other.<br>ii) Develop and recommend for acceptance by the Board, policies on all aspects of CSR including employment issues, health & safety, human rights, workforce diversity & inclusion, the environment, community & social investment, compliance with ethical trading & business practices and other CSR-related matters as may be determined by the CSR Committee from time to time.<br>iii) Receive reports and review activities from executive and specialist groups managing CSR matters across the Bank's operations.<br>iv) Monitor compliance with the CSR policies and to review performance against agreed targets.<br>v) Review the integration of CSR processes with the Bank's broader business risk management programme and reputation management priorities.<br>vi) Consider other topics, as referred to it by the Board. |
| 12. | IT Strategy Committee (ITSC) | i) Approve IT strategy and policy documents.<br>ii) Ensure that the management has put an effective strategic planning process in place<br>iii) Ensure that IT strategy is indeed aligned with business strategy.<br>iv) Ensure that the IT organisational structure complements the business model and its direction.<br>v) Ascertain that management has implemented processes and practices that ensure that the IT delivers value to the business.<br>vi) Ensure IT investments represent a balance of risks and benefits and that budgets are acceptable.<br>vii) Monitor the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources.<br>viii) Ensure proper balance of IT investments for sustaining bank's growth.<br>ix) Become aware about exposure towards IT risks and controls and evaluating effectiveness of management's monitoring of IT risks.<br>x) Assess Senior Management's performance in implementing IT strategies.<br>xi) Issue high-level policy guidance (e.g. related to risk, funding or sourcing tasks).<br>xii) Confirm whether IT or business architecture is to be designed, so as to derive the maximum business value from IT.<br>xiii) Oversee the aggregate funding of IT at a bank-level and ascertaining if the management has resources to ensure the proper management of IT risks.<br>xiv) Review IT performance measurement and contribution of IT to businesses (i.e., delivering the promised value). |
| 13 | Strategic Affairs Committee (SAC) | To consider the matters of strategic importance and provide appropriate recommendations to the Board. |

# ANNEXURE IV

## EXTRACT OF ANNUAL RETURN

As on the financial year ended March 31, 2015
[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**FORM NO. MGT - 9**

### I. REGISTRATION AND OTHER DETAILS

| | |
|---|---|
| CIN | U65191PN1943PLC007308 |
| Registration Date | 14/06/1943 |
| Name of the Company | RBL BANK LIMITED<br>(Formerly, "The Ratnakar Bank Limited") |
| Category / Sub-Category of the Company | Public Limited – Limited by Shares |
| Address of the Registered Office and contact details | 1st Lane, Shahupuri, Kolhapur 416 100 |
| Whether listed company | No |
| Name, address and contact details of Registrar and Transfer Agent , if any | Link Intime India Private Limited<br>C-13 Pannalal Silk Mills Compound,<br>L.B.S. Marg, Bhandup (West), Mumbai 400078<br>Telephone: 022 25946970<br>Fax No.: 022 25946969<br>Email: rnt.helpdesk@linkintime.co.in |

### II. ALL THE BUSINESS ACTIVITIES CONTRIBUTING 10% OR MORE OF THE TOTAL TURNOVER OF THE COMPANY SHALL BE STATED:-

| Name and Description of main Products / Services | NIC Code of the Product / Service | % to total turnover of the Company |
|---|---|---|
| Banking | 64191 | 100% |

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

| Name and Description of main Products / Services | CIN / GLN | Holding / Subsidiary / Associate | % of shares held | Applicable Section |
|---|---|---|---|---|
| Not Applicable | | | | |

### IV. SHAREHOLDING PATTERN ("SHP") (Equity Share capital Break up as % to total Equity)

### (i) Category-wise Shareholding

| Category of Shareholders | No. of Shares held at the beginning of the year (as on April 1, 2014 i.e. on the basis of SHP of March 31, 2014) | | | | No. of Shares held at the end of the year (as on March 31, 2015 i.e. on the basis of SHP of March 31, 2015) | | | | % change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **A. Promoters** | | | | | | | | | |
| **(1) Indian** | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| a) Individual/Huf | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| b) Central Govt. or State Govt. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| c) Bodies Corporates | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d) Bank/FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| e) Any Other | | | | | | | | | |
| **Sub Total: (A) (1)** | **0** | **0** | **0** | **0.00** | **0** | **0** | **0** | **0.00** | **0.00** |

# ANNEXURE IV

| Category of Shareholders | No. of Shares held at the beginning of the year (as on April 1, 2014 i.e. on the basis of SHP of March 31, 2014) | | | | No. of Shares held at the end of the year (as on March 31, 2015 i.e. on the basis of SHP of March 31, 2015) | | | | % change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **(2) Foreign** | | | | | | | | | |
| a) NRI-Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| b) Other Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| c) Bodies Corp. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| d) Banks/FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| e) Any Other... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| **Sub Total (A) (2)** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0.00** | **0.00** |
| **Total Shareholding Of Promoter (A) = (A)(1)+(A)(2)** | **0** | **0** | **0** | **0.00** | **0** | **0** | **0** | **0.00** | **0.00** |
| **B. Public Shareholding** | | | | | | | | | |
| **(1) Institutions** | | | | | | | | | |
| a) Mutual Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| b) Banks/FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| c) Central govt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| d) State Govt. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| e) Venture Capital Fund | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| f) Insurance Companies | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 |
| g) FIIS | 970,000 | 0 | 970,000 | 0.36 | 970,000 | 0 | 970,000 | 0.33 | 0.03 |
| h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| i) Others (specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| **Sub Total (B)(1):** | **970,000** | **0** | **970,000** | **0.36** | **970,000** | **0** | **970,000** | **0.33** | **0.03** |
| **(2) Non Institutions** | | | | | | | | | |
| a) Bodies corporates | | | | | | | | | |
| i) Indian | 71,677,314 | 177,310 | 71,854,624 | 26.41 | 69,335,588 | 177,310 | 69,512,898 | 23.69 | 2.73 |
| ii) Overseas | 104,739,177 | 0 | 104,739,177 | 38.50 | 114,848,652 | 0 | 114,848,652 | 39.14 | (0.64) |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto ₹ 1 lakh | 6,442,348 | 14,446,931 | 20,889,279 | 7.68 | 10,174,353 | 11,217,198 | 21,391,551 | 7.29 | 0.39 |
| ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakh | 47,753,640 | 13,307,373 | 61,061,013 | 22.45 | 67,755,063 | 9,121,921 | 76,876,984 | 26.20 | (3.75) |
| c) Others (specify) | | | | | | | | | |
| Non Resident Indians (REPAT) | 7,980,910 | 0 | 7,980,910 | 2.93 | 5,199,350 | 0 | 5,199,350 | 1.77 | 1.16 |
| Non Resident Indians (NON REPAT) | 143,000 | 120,000 | 263,000 | 0.10 | 248,000 | 120,000 | 368,000 | 0.13 | (0.03) |
| Trusts | 4,282,195 | 0 | 4,282,195 | 1.57 | 4,282,195 | 0 | 4,282,195 | 1.46 | 0.11 |
| **Sub Total: (B) (2)** | **243,018,584** | **28,051,614** | **271,070,198** | **99.64** | **271,843,201** | **20,636,429** | **292,479,630** | **99.68** | **(0.03)** |
| **Total Public Shareholding (B) = (B) (1) + (B) (2)** | **243,988,584** | **28,051,614** | **272,040,198** | **100.00** | **272,813,201** | **20,636,429** | **293,449,630** | **100.00** | **0.00** |
| **C. Shares held by Custodian for GDRs & ADRs** | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| **Grand Total (A+B+C)** | **243,988,584** | **28,051,614** | **272,040,198** | **100.00** | **272,813,201** | **20,636,429** | **293,449,630** | **100.00** | **0.00** |

### (ii) Shareholding of Promoters

| Sl No. | Promoter's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in share holding during the year |
|---|---|---|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the company | % of shares pledged / encumbered to total shares | No. of shares | % of total shares of the company | % of shares pledged / encumbered to total shares | |
| Not Applicable | | | | | | | | |

### (iii) Change in Promoters' Shareholding

| Sl No. | Name of Promoter | Shareholding at the beginning of the year | Cumulative Shareholding during the year | | | | Shareholding at the end of the year | |
|---|---|---|---|---|---|---|---|---|
| | | No. of shares | No. of shares | % of total shares of the company | Date of Change | Reason of Change | No. of shares | % of total shares of the company |
| Not Applicable | | | | | | | | |

### (iv) Shareholding pattern of top 10 shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

| Sr.No. | Name of the Shareholder | Shareholding at the beginning of the year | | Shareholding at the end of the year | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | CDC GROUP PLC | 13,543,175 | 4.62 | 13,543,175 | 4.62 |
| 2 | INTERNATIONAL FINANCE CORPORATION | 12,717,250 | 4.33 | 12,717,250 | 4.33 |
| 3 | NORWEST VENTURE PARTNERS X FII - MAURITIUS | 12,515,162 | 4.26 | 12,515,162 | 4.26 |
| 4 | FAERING CAPITAL INDIA EVOLVING FUND | 11,975,980 | 4.08 | 11,975,980 | 4.08 |
| 5 | GALILEO INVESTMENTS LIMITED | 11,940,000 | 4.07 | 11,940,000 | 4.07 |
| 6 | CARTICA CAPITAL 2 LTD. | 11,310,000 | 3.85 | 11,310,000 | 3.85 |
| 7 | GPE (INDIA) LTD | 10,418,032 | 3.55 | 10,418,032 | 3.55 |
| 8 | UNIT TRUST OF INDIA INVESTMENT ADVISORY SERVICES LIMITED A/C ASCENT INDIA FUND III | 10,403,100 | 3.55 | 10,403,100 | 3.55 |
| 9 | ASIA CAPITAL FINANCIAL OPPORTUNITIES PTE LTD | - | - | 10,109,475 | 3.45 |
| 10 | BEACON INDIA PRIVATE EQUITY FUND | 9,505,558 | 3.24 | 9,505,558 | 3.24 |
| **Total** | | **104,328,257** | **35.55** | **114,437,732** | **39.00** |

Note: Top ten shareholders of the Bank as on March 31, 2015 has been considered for the above disclosure.

# ANNEXURE IV

### (v) Shareholding of Directors & KMP

| Sr. No. | Name of the Shareholder | Shareholding at the beginning of the year | | Change in Shareholding (No. of Shares) | | Shareholding at the end of the year | |
|---|---|---|---|---|---|---|---|
| | | No. of Shares | Percentage of Shares of the Bank | Increase | Decrease | No. of Shares | Percentage of Shares of the Bank |
| | **Directors** | | | | | | |
| 1 | Mr. Narayan Ramachandran, Chairman & Independent Director | 4,438,380 | 1.6315 | - | - | 4,438,380 | 1.5125 |
| 2 | Mr. Vishwavir Ahuja, Managing Director & CEO | 7,500,200 | 2.5559 | 1,280,350 | - | 8,780,550 | 2.9922 |
| 3 | Mr. D. Sivanandhan, Independent Director | 500 | 0.0002 | - | - | 500 | 0.0002 |
| 4 | Mr. Girish Godbole, Independent Director | 17,000 | 0.0062 | - | - | 17,000 | 0.0058 |
| 5 | Mr. Jairaj Purandare, Independent Director | 50,830 | 0.0187 | - | - | 50,830 | 0.0173 |
| 6 | Mr. Kiran Patil, Independent Director | 5,610 | 0.0021 | - | - | 5,610 | 0.0019 |
| 7 | Mr. P. Sudhir Rao, Independent Director | 500 | 0.0002 | - | - | 500 | 0.0002 |
| 8 | Ms. Rama Bijapurkar, Independent Director | - | - | - | - | - | - |
| 9 | Mr. Vimal Bhandari, Independent Director | 50,000 | 0.0184 | - | - | 50,000 | 0.0170 |
| 10 | Mr. Rajesh Kumar, RBI Additional Director | - | - | - | - | - | - |
| | **KMP** | | | | | | |
| 11 | Mr. Naresh Karia, Chief Financial Officer | 340,351 | 0.1251 | 50,139 | | 390,490 | 0.1331 |
| 12 | Mr. Vinay Tripathi, Company Secretary | - | - | 500 | | 500 | 0.0002 |

Note: Directors/KMP of the Bank as on March 31, 2015 has been considered for the above disclosure.

### V. INDEBTEDNESS

**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

(₹ in crore)

| | Secured Loans excluding Deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| **Indebtedness at the beginning of the financial year** | | | | |
| 1. Principal Amount | 763.86 | 3,131.68 | 11,598.60 | 15,494.14 |
| 2. Interest due but not paid | 0.00 | 0.00 | 0.00 | 0.00 |
| 3. Interest accrued but not due | 0.91 | 34.90 | 93.33 | 129.14 |
| **Total (1+2+3)** | **764.77** | **3,166.58** | **11,691.93** | **15,623.28** |
| **Change in Indebtedness during the financial year** | | | | |
| Addition | 2,661.22 | 410.39 | 5,554.39 | 8,626.00 |
| Reduction | 0.00 | 0.00 | 0.00 | 0.00 |
| **Net Change** | **2,661.22** | **410.39** | **5,554.39** | **8,626.00** |
| **Indebtedness at the end of the financial year** | | | | |
| 1. Principal Amount | 3,425.04 | 3,537.66 | 17,099.25 | 24,061.95 |
| 2. Interest due but not paid | 0.00 | 0.00 | 0.00 | 0.00 |
| 3. Interest accrued but not due | 0.95 | 39.31 | 147.07 | 187.33 |
| **Total (1+2+3)** | **3,425.99** | **3,576.97** | **17,246.32** | **24,249.28** |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

| Sl. No. | Particulars of Remuneration | | Name of MD/WTD/ Manager | Total Amount |
|---|---|---|---|---|
| | | | Mr. Vishwavir Ahuja (MD & CEO) | |
| 1 | Gross salary | | ₹ 8,692,509/- | ₹ 8,692,509/- |
| | a. | Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | ₹ 1,767,006/- | ₹ 1,767,006/- |
| | b. | Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - |
| | c. | Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - |
| 2 | Stock Option | | 150,800 | - |
| 3 | Sweat Equity | | - | - |
| 4 | Commission - as % of profit | | - | - |
| | - Others, specify | | - | - |
| 5 | Others, please specify | | - | - |
| | **Total-(A)** | | **₹ 10,459,515/-** | **₹ 10,459,515/-** |
| | Ceiling as per the Act* | | | |

*The remuneration payable to any one managing director; or whole-time director or manager in terms of the provisions of the CA 2013, shall not exceed 5% of the net profit of the Bank. The remuneration paid to Managing Director & CEO is well within the said limit.

Remuneration as above includes salary, taxable allowances, LTA, Value of perquisites incurred by the Bank as per the Income Tax Rules, 1962 and Company's Contribution to Provident Fund, Superannuation Fund. In addition, Managing Director & CEO also draw Annual Performance Linked Variable Compensation.

# ANNEXURE IV

**B. Remuneration to other directors:**

| Sl. No. | Particulars of Remuneration | | Name of Directors | | | | | | | | Total Amount |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **1** | **Independent Directors** | | Mr. Narayan Ramachandran | Mr. Sivanandhan Dhanushkodi | Mr. Girish Godbole | Mr. Jairaj Purandare | Mr. Kiran J. Patil | Mr. P. Sudhir Rao | Ms. Rama Bijapurkar | Mr. Vimal Bhandari | |
| | a. | Fee for attending board / committee meetings | ₹ 440,000/- | ₹ 310,000/- | ₹ 330,000/- | ₹ 360,000/- | ₹ 410,000/- | ₹ 470,000/- | ₹ 100,000/- | ₹ 480,000/- | ₹ 2,900,000/- |
| | b. | Commission | - | - | - | - | - | - | - | - | - |
| | c. | Others, please specify | - | - | - | - | - | - | - | - | - |
| | **Total (1)** | | **₹ 440,000/-** | **₹ 310,000/-** | **₹ 330,000/-** | **₹ 360,000/-** | **₹ 410,000/-** | **₹ 470,000/-** | **₹ 100,000/-** | **₹ 480,000/-** | **₹ 2,900,000/-** |
| **2** | **Other Non-Executive Directors** | | | | | | | | | | |
| | a. | Fee for attending board / committee meetings | - | - | - | - | - | - | - | - | - |
| | b. | Commission | - | - | - | - | - | - | - | - | - |
| | c. | Others, please specify | - | - | - | - | - | - | - | - | - |
| | **Total-(2)** | | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| | **Total-B (1+2)** | | **₹ 440,000/-** | **₹ 310,000/-** | **₹ 330,000/-** | **₹ 360,000/-** | **₹ 410,000/-** | **₹ 470,000/-** | **₹ 100,000/-** | **₹ 480,000/-** | **₹ 2,900,000/-** |
| | Total Managerial Remuneration | | | | | | | | | | |
| | Overall Ceiling as per the Act | | | | | | | | | | |

Note: In terms of the provisions of the CA 2013, the remuneration payable to directors other than non-executive directors shall not exceed 1% of the net profit of the Bank. The Bank did not pay any remuneration to them except by way of fee for attending meetings of the Board and Committee thereof.

**C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD**

| Sl. No. | Particulars of Remuneration | | Key Managerial Personnel | | Total Amount |
|---|---|---|---|---|---|
| 1 | Gross salary | | Mr. Naresh Karia (CFO) | Mr. Vinay Tripathi (CS) | |
| | a. | Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | ₹ 7,611,836/- | ₹ 1,686,685/- | ₹ 9,298,521/- |
| | b. | Value of perquisites u/s 17(2) Income-tax Act, 1961 | ₹ 39,600/- | ₹ 22,795/- | ₹ 62,395/- |
| | c. | Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - | - |
| 2 | Stock Option | | 125,800 | 15,500 | 141,300 |
| 3 | Sweat Equity | | - | - | - |
| 4 | Commission - as % of profit | | - | - | - |
| | Others, specify... | | | | |
| 5 | Others, please specify | | - | - | - |
| | **Total** | | **₹ 7,651,436/-** | **₹ 1,709,480/-** | **₹ 9,360,916/-** |

Remuneration as above includes salary, taxable allowances, LTA, Value of perquisites incurred by the Bank as per the IncomeTax Rules, 1962 and Company's Contribution to Provident Fund, Superannuation Fund. In addition, KMP also draw AnnualPerformance Linked Variable Compensation.

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT / COURT] | Appeal made, if any (give Details) |
|---|---|---|---|---|---|
| **A. COMPANY - None** | | | | | |
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |
| **B. DIRECTORS - None** | | | | | |
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |
| **C. OTHER OFFICERS IN DEFAULT - None** | | | | | |
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |

# ANNEXURE V

**SECRETARIAL AUDIT REPORT**
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015**
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To
The Members,
**RBL Bank Limited**
(Formerly "The Ratnakar Bank Limited")

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by RBL Bank Limited (hereinafter called "the Bank").

The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct and statutory compliance to express our opinion thereon.

Based on our verification of the Bank's statutory books, papers, minute books, forms and returns filed and other records maintained by the Bank and also the information provided by the Bank, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Bank has, during the audit period covering the financial year ended on March 31, 2015, complied with the statutory provisions listed hereunder, and also that the Bank has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed, and other records maintained, by the Bank for the financial year ended on March 31, 2015 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; and

(v) The Banking (Regulation) Act, 1949

We have also examined compliance of the following to the extent applicable:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India; and

(ii) General legal regulations including labour law, as applicable to the Bank.

During the period under review, the Bank has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards as mentioned above.

We further report that

The Board of Directors of the Bank is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

The Board decisions are recorded without recording any dissent by any member of the Board and based on the Minutes there is no reason to believe that the Board resolutions were dissented upon by any Board member/(s).

We further report that there are adequate systems and processes in the Bank commensurate with the size and operations of the Bank to monitor and ensure compliance with the applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Bank has :

(i) Increased its Borrowing Powers to six thousand crore;

(ii) Changed its name from "The Ratnakar Bank Limited" to "RBL Bank Limited";

(iii) Sought approval for Issue and allotment of Equity Shares to the public (Initial Public Offer);

(iv) Adopted new set of Memorandum of Association of the Bank; and

(v) Adopted new set of Articles of Association of the Bank.

Place: Mumbai
Date: April 28, 2015

**Jelphine Angel**
Company Secretary

Office Address:
Annex-103, Dimple Arcade
Asha Nagar, Kandivli East
Mumbai - 400101

(Jelphine Angel ACS.29347)
Proprietor
Certificate of Practice
No.:10602

# ANNEXURE VI

## DISCLOSURE ON EMPLOYEE STOCK OPTION SCHEME

| Sl. | Particulars | ESOP 2010 | ESOP 2013 | RESOP 2014 |
|---|---|---|---|---|
| 1. | Options granted | 22,947,720 | 20,941,300 | 3,160,500 |
| 2. | Options vested | 772,654 | 472,585 | 0 |
| 3. | Options exercised | 15,911,955 | 1,770,775 | 0 |
| 4. | The total number of shares as a result of exercise of option | 15,911,955 | 1,770,775 | 0 |
| 5. | Options lapsed | 2,137,838 | 878,485 | 235,000 |
| 6. | The exercise price | ₹ 40.00 | ₹ 55.00 | ₹ 55.00 |
| | | ₹ 46.50 | ₹ 76.00 | ₹ 76.00 |
| | | ₹ 52.00 | ₹ 80.00 | ₹ 80.00 |
| | | ₹ 55.00 | ₹ 100.00 | |
| 7. | Variation of terms of options | - | - | - |
| 8. | Money realised by exercise of options | ₹ 698,663,932 | ₹ 97,392,625 | 0 |
| 9. | Total number of options in force | 4,897,927 | 18,292,040 | 2,925,500 |
| 10. | Employee wise details of options granted to – | | | |
| | Key Managerial personnel | | | |
| | MD&CEO | 25,01,000 | 7,01,300 | 1,50,000 |
| | CFO | 4,51,500 | 51,300 | 75,000 |
| | CS | 0 | 15,500 | 10,000 |
| | Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year | - | - | - |
| | Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (Excluding outstanding warrants and conversions) of the company at the time of grant | - | - | - |

# ANNEXURE VII

**Annual Report on CSR Activities**

## 1. A BRIEF OUTLINE OF THE COMPANY'S CSR POLICY INCLUDING OVERVIEW OF PROJECTS OR PROGRAMMES PROPOSED TO BE UNDERTAKEN AND A REFERENCE TO THE WEB-LINK TO THE CSR POLICY AND PROJECTS OR PROGRAMMES

**Web link: http://www.rblbank.com/Social_Responsibility.aspx**

**Corporate Social Responsibility (CSR)**

Our philosophy is to undertake socially useful programmes for welfare and sustainable development of the community at large. We believe in working for the benefit of different segments of society and, in particular, in taking care of deprived, underprivileged persons and persons with limited abilities. Our initiatives include those aimed at promoting education, preventive healthcare, women empowerment and sustainable livelihood.

We have a CSR Committee of the Board for spearheading our CSR efforts supported by an executive Steering Committee and the working committees. The key objectives of our CSR policy include operating our business in an economically, socially and environmentally sustainable manner by taking up projects that benefit communities at large and thus generate goodwill for our Bank as a positive and socially responsible corporate entity.

***CSR Vision* -** To be the most admired, compassionate and respected organisation delivering value to all stakeholders through equitable and inclusive growth.

***CSR Mission* -** We will deliver and promote inclusive growth in the country through various focused initiatives in promoting education, preventive healthcare, women empowerment and sustainable livelihood to catalyse growth and reduce social inequalities.

As a part of our CSR policy we support the issues related to Preventing Healthcare, Promoting Education, Women Empowerment and Sustainable Livelihood which are our 4 pillars. Under the pillar of

**Healthcare:**

**1. Retinopathy (among diabetics) –** Understanding the need of the hour to spread mass awareness and screening of the susceptible population for Diabetic Retinopathy, we have partnered with Aditya Jyot Foundation – an NGO working in this space to spread awareness and screen the urban susceptible population in various parts of Mumbai and have adopted an eye care centre for the same.

**2. Retinoblastoma (eye cancer among children) -** Eye cancer or Retinoblastoma is a life threatening disease that affects children. Every day, 4 children with this disease are diagnosed in India of which at least one dies. Understanding this need, we have partnered with Iksha Foundation - the ONLY of its kind of NGO in India that works towards spreading awareness and ensuring that the children afflicted with this disease belonging to the less privileged section of the society receive proper and timely treatment.

A large fundraiser – Cyclathon from Mumbai to Bangalore en route RBL Branches was organised to raise awareness for the treatment. The event was well participated where more than 200 employees volunteered by cycling and raising funds for the cause.

**Education:**

**1. Girl Child Education -** RBL Bank in association with IIMPACT has pledged to support the primary education programme of 1000 out of school girls in selected 30 learning centres in Sheopur district, Madhya Pradesh and Mewat district, Haryana. Thereby, taking a step towards creating empowered communities.

**2. Skill Development -** Unemployment being one of the greatest hurdle in the economic development of our country, we in association with Prerana foundation are committed towards supporting the skill based education of adolescent youths. We have also pledged to support Ashoka University for strengthening our contribution towards building greater expertise by way of better education and research. Prashanti Bala Mandir Trust and Udbhav School supporting the primary education of the children in the rural areas of Bangalore and urban slums of Hyderabad. We adopted the UDAAN initiative to create corporate exposure to and train graduates and post-graduates from Jammu and Kashmir.

**Sustainable Livelihood & Women Empowerment:**

Under this pillar we have pledged to support farmers working in the rural regions of Maharashtra and Gujarat to increase their yields through bee rearing. In a very unusual initiative where preserving bee is important for conservation of ecological balance this is being done in association with an NGO called Under the Mango Tree. New partnerships are under way which would further strengthen our vision of creating sustainable communities.

A exhibition and sale of products in association with an organisation called IDOBRO as a fund raiser was organised to support women entrepreneurs to make them sustainable was organised in our office premises. The exhibition received an overwhelming response where around 1/3rd of our employees in Mumbai contributed and helped in raising funds towards the cause.

This combination of a trusted legacy and continuous innovation keeps us at the forefront. We have a competitive and commercial yet socially conscious mindset. And, most important of all, our Partners keep us one step ahead with new ideas and personal commitment. We will continue to invest in our business, listen to our Partners, and do things differently. And that will ensure our doors stay open to a bright, sustainable future.

**2. Composition of CSR Committee**

- Mr. D. Sivanandhan – Chairman
- Mr. Jairaj Purandare- Member
- Mr. Girish Godbole – Member
- Mr. Vishwavir Ahuja – Member
- Ms.Shanta Vallury Gandhi - Permanent Attendee

**3. Average Net Profit of the company for last 3 financial years:** ₹ 119.12 crore

**4. Prescribed CSR expenditure (2% of this amount as in item 3 above):** ₹ 2.38 crore

**5. Details of CSR spend for the financial year:**

a. Total amount spent for the financial year : ₹ 1.61 crore

b. Amount unspent, if any : ₹ 0.77 crore

c) Manner in which the amount spent during the financial year is detailed below:

(₹ in lakh)

| CSR project/activity identified | Sector in which the Project is covered | Projects/Programmes 1) Local area or other 2) specify the State and district where projects or Programmes was undertaken | Amount outlay (budget) project / programme wise | Amount spent on the project / programmes Sub-heads: 1) Direct expenditure on projects or programmes 2) Overheads | Cumulative spend upto the reporting period | Amount spent (Direct / implementing agency) |
|---|---|---|---|---|---|---|
| Iksha Foundation | Health | Bangalore, Karnataka | 21.00 | 4.90 | 4.90 | Implementing agency |
| AdityaJyot Foundation | Health | Dharavi, Mumbai | 10.45 | 7.84 | 7.84 | Implementing agency |
| Iimpact | Education | Sheopur District, Madhya Pradesh &Mewat District, Haryana | 28.50 | 21.38 | 21.38 | Implementing agency |
| Prashanthi Bala Mandira Trust | Education | Bagalkot District, Karnataka. | 20.00 | 15.00 | 15.00 | Implementing agency |
| Prerana | Education | Bangalore, Karnataka | 3.50 | 3.50 | 3.50 | Implementing agency |
| Vayam Value Education Foundation | Education | Chennai | 1.00 | 1.00 | 1.00 | Implementing agency |
| Udbhav School | Education | Hyderabad | 1.00 | 1.00 | 1.00 | Implementing agency |
| Under the Mango Tree | Sustainable Livelihood | Mumbai | 4.00 | 4.00 | 4.00 | Implementing agency |
| Global Cancer Concern India | Health | Gurgaon, Haryana | 0.50 | 0.50 | 0.50 | Implementing agency |
| Ashoka University | Education | | 200.00 | 100.00 | 100.00 | Implementing agency |
| Other CSR activities | | | 4.50 | 1.94 | 1.94 | |
| **Total** | | | **294.45** | **161.06** | **161.06** | |

# ANNEXURE VIII

## ANNUAL REPORT ON CSR ACTIVITIES

The spending on CSR activities had to be done under a properly planned CSR vision and mission with a detailed execution strategy. This lead to the development of a comprehensive CSR policy of the Bank which requires the Bank to identify activities that are aligned with the Bank's CSR vision and mission. The Bank needs to do a thorough evaluation of the agencies involved in the execution of the CSR strategy. These require investment of significant amount of time and cost incurred on salaries paid to staff appointed for handling CSR activities as well as on volunteers (as per time spent specifically on CSR). This was previously permitted under the relevant rules prescribed vide General Circular No. 21/2014 dated 18.06.2014. However, after the amendment of these rules, the amounts spent on such salaries were made ineligible for including them in CSR expenditure. Furthermore, the concept of CSR is evolving in India across the entire corporate sector. The policy architecture as well as sound market practice are also in formative stages at present. Our Bank wanted to proceed with purpose, focus and caution in the meantime and use resources for the most meaningful causes, even as the Bank itself is relatively small and growing in a highly competitive environment. Due to these reasons, the Bank's spending worked out to an amount lower than the amount prescribed under section 135 of the CA 2013.

The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Bank.

For and on behalf of the Board of Directors

| | |
|---|---|
| **Vishwavir Ahuja** | **D. Sivanandhan** |
| Managing Director & Chief Executive Officer | Chairman of CSR Committee |

Place : Mumbai

Date : April 28, 2015

# Statutory Reports

# INDEPENDENT AUDITORS' REPORT

To
The Members of RBL Bank Limited
(formerly The Ratnakar Bank Limited)

## REPORT ON THE FINANCIAL STATEMENTS

1. We have audited the accompanying financial statements of RBL Bank Limited (the 'Bank'), which comprise the Balance Sheet as at 31 March, 2015, the Profit and Loss Account and Cash Flow Statement for the year then ended and significant accounting policies and notes forming part of the accounts.

## MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

2. The Bank's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 (the 'Act') with respect to preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and with guidelines issued by the Reserve Bank of India ('RBI') in so far as they are applicable to the Bank and in conformity with Form A and B (revised) of the Third Schedule to the Banking Regulation Act, 1949, as applicable. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Bankhas in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Bank's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

## OPINION

5. In our opinion and to the best of our information and according to the explanations given to us, the financial statements together with the notes thereon give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013, in the manner so required for the banking companies and give a true and fair view of the state of affairs of the Bank as at 31 March 2015, and its profit and its cash flows for the year then ended on that date.

## REPORT ON OTHER LEGAL AND REGULATORY MATTERS

6. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 read with Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

7. As required sub section (3) of section 30 of the Banking Regulation Act, 1949 and the RBI appointment letter dated 04 September 2014, we report that:

   (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;

   (b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and

   (c) The financial accounting systems of the Bank are centralised and therefore, accounting returns for the purpose of preparing financial statements are not required to be submitted by the branches; we have visited 29 branches for the purpose of our audit.

8. Further, as required by section 143(3) of the Act, we further report that:

   (a) We have sought and obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books;

   (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by us in the Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014; and

   (e) On the basis of the written representations received from the directors as on 31 March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

9. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   (a) The Bank has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27 of Schedule 18 to the financial statements;

   (b) The Bank has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts including derivative contracts – Refer Note 33 of Schedule 18 to the financial statements; and

   (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Bank.

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
Firm's Registration No.: 301003E

per **Viren H. Mehta**
Partner
Membership Number: 048749
Place: Mumbai
Date: 28 April 2015

# BALANCE SHEET

as at March 31, 2015

(₹ in '000s)

| | Schedule No. | 31-Mar-15 | 31-Mar-14 |
|---|---|---|---|
| **CAPITAL & LIABILITIES** | | | |
| Capital | 1 | **293 ,44 ,96** | 272 ,04 ,02 |
| Share Application Money | | **-** | 129 ,50 ,24 |
| Reserves & Surplus | 2 | **1936 ,97 ,70** | 1613 ,21 ,72 |
| Deposits | 3 | **17099 ,25 ,08** | 11598 ,60 ,21 |
| Borrowings | 4 | **6962 ,69 ,75** | 3895 ,54 ,38 |
| Other Liabilities & Provisions | 5 | **812 ,29 ,69** | 689 ,22 ,71 |
| **Total** | | **27104 ,67 ,18** | **18198 ,13 ,28** |
| **ASSETS** | | | |
| Cash and Balances with Reserve Bank of India | 6 | **1455 ,67 ,76** | 980 ,73 ,35 |
| Balances with banks and money at call and short notice | 7 | **714 ,65 ,52** | 211 ,51 ,55 |
| Investments | 8 | **9825 ,68 ,42** | 6518 ,03 ,86 |
| Advances | 9 | **14449 ,82 ,55** | 9835 ,04 ,73 |
| Fixed Assets | 10 | **164 ,43 ,85** | 134 ,34 ,85 |
| Other Assets | 11 | **494 ,39 ,08** | 518 ,44 ,94 |
| **Total** | | **27104 ,67 ,18** | **18198 ,13 ,28** |
| Contingent Liabilities | 12 | **21970 ,20 ,71** | 12074 ,84 ,62 |
| Bills for Collection | | **513 ,50 ,65** | 200 ,42 ,39 |
| Significant Accounting Policies | 17 | | |
| Notes To Accounts | 18 | | |

The Schedules referred to above form an integral part of the Balance Sheet

As per our report of even date attached

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 301003E

**Viren H. Mehta**
Partner
Membership No. 048749

Place : Mumbai
Date : April 28, 2015

For and on behalf of RBL Bank Limited

**Narayan Ramchandran**
Chairman

**Vishwavir Ahuja**
Managing Director & CEO

**Jairaj Purandare**
Director

**Vimal Bhandari**
Director

**Naresh Karia**
Chief Financial Officer

**Vinay Tripathi**
Company Secretary

# PROFIT & LOSS

for the financial year ended March 31, 2015

(₹ in '000s)

| | Particulars | Schedule No. | 31-Mar-15 | 31-Mar-14 |
|---|---|---|---|---|
| **I.** | **INCOME** | | | |
| | Interest Earned | 13 | **1953 ,08 ,65** | 1351 ,61 ,53 |
| | Other Income | 14 | **403 ,40 ,67** | 260 ,97 ,15 |
| | **Total** | | **2356 ,49 ,32** | **1612 ,58 ,68** |
| **II.** | **EXPENDITURE** | | | |
| | Interest Expended | 15 | **1396 ,72 ,18** | 1009 ,98 ,92 |
| | Operating Expenses | 16 | **599 ,65 ,07** | 423 ,90 ,32 |
| | Provisions and Contingencies | | **152 ,94 ,65** | 86 ,02 ,45 |
| | **Total** | | **2149 ,31 ,90** | **1519 ,91 ,69** |
| **III.** | **PROFIT/LOSS** | | | |
| | Net Profit /( Loss) for the year | | **207 ,17 ,42** | 92 ,66 ,99 |
| | Profit Brought forward | | **1 ,27 ,59** | 21 ,79 |
| | **Total** | | **208 ,45 ,01** | **92 ,88 ,78** |
| **IV.** | **APPROPRIATIONS** | | | |
| | Transfer to Statutory Reserve | | **51 ,80 ,00** | 24 ,00 ,00 |
| | Transfer to Capital Reserve | | **2 ,46 ,00** | 1 ,85 ,21 |
| | Transfer to Revenue & Other Reserves | | **105 ,00 ,00** | 37 ,00 ,00 |
| | Transfer to Investment Reserve | | **1 ,03 ,00** | - |
| | Proposed Dividend | | **36 ,67 ,47** | 24 ,58 ,21 |
| | Tax on Dividend | | **7 ,16 ,89** | 4 ,17 ,77 |
| | Balance carried over to Balance Sheet | | **4 ,31 ,65** | 1 ,27 ,59 |
| | **Total** | | **208 ,45 ,01** | **92 ,88 ,78** |
| | EPS Basic (₹) | | **7.23** | 3.63 |
| | EPS Diluted (₹) | | **7.00** | 3.61 |
| | Face Value of shares (₹) | | **10.00** | 10.00 |
| | Significant Accounting Policies | 17 | | |
| | Notes To Accounts | 18 | | |

The Schedules referred to above form an integral part of the Profit and Loss Account

As per our report of even date attached

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 301003E

**Viren H. Mehta**
Partner
Membership No. 048749

Place : Mumbai
Date : April 28, 2015

For and on behalf of RBL Bank Limited

**Narayan Ramchandran**
Chairman

**Vishwavir Ahuja**
Managing Director & CEO

**Jairaj Purandare**
Director

**Vimal Bhandari**
Director

**Naresh Karia**
Chief Financial Officer

**Vinay Tripathi**
Company Secretary

# CASH FLOW STATEMENT

for the year ended March 31, 2015

(₹ in '000s)

| Sr. | Particulars | 31-Mar-15 | | 31-Mar-14 | |
|---|---|---|---|---|---|
| **I** | **CASH FLOW FROM OPERATING ACTIVITIES** | | | | |
| | Net Profit for the Year (before taxes) | | **299 ,94 ,07** | | 132 ,51 ,56 |
| | Adjustments for:- | | | | |
| | Add : Loss / (Profit) on Sale of Fixed Assets (Net) | | **(4 ,96 ,43)** | | (1 ,70 ,29) |
| | Add : Non-Cash Expenditure | | | | |
| | Depreciation | | **33 ,20 ,78** | | 20 ,94 ,31 |
| | Provision / write-off of non performing advances | | **35 ,11 ,86** | | 30 ,10 ,36 |
| | Provision for standard advances | | **24 ,24 ,16** | | 14 ,90 ,10 |
| | Provision for investments | | **25 ,44** | | 196 ,42 |
| | Other provisions | | **56 ,54** | | (79 ,00) |
| | **Cash Flow before Changes in Working Capital** | | **388 ,36 ,42** | | 197 ,93 ,46 |
| | Adjustments for working capital changes:- | | | | |
| | Deposits | **5500 ,64 ,87** | | 3258 ,08 ,35 | |
| | Other Liabilities | **92 ,74 ,28** | | 385 ,10 ,62 | |
| | DeposIts placed having original maturity greater than 3 months | **(221 ,28 ,54)** | | (49 ,19) | |
| | Investments | **(3307 ,90 ,00)** | | (948 ,58 ,23) | |
| | Advances | **(4644 ,37 ,68)** | | (3488 ,67 ,09) | |
| | Other Assets | **24 ,05 ,86** | | (285 ,56 ,54) | |
| | Direct Taxes paid | **(92 ,76 ,65)** | **(2648 ,87 ,86)** | (39 ,84 ,57) | (1119 ,96 ,65) |
| | **Cash generated from Operating Activities** | | **(2260 ,51 ,44)** | | (922 ,03 ,19) |
| **II** | **CASH FLOW FROM INVESTING ACTIVITIES** | | | | |
| | Addition to Other Fixed Assets | **(67 ,25 ,86)** | | (61 ,64 ,48) | |
| | Sale of Fixed Assets | **8 ,89 ,40** | | 2 ,28 ,57 | |
| | **Cash generated from Investing Activities** | | **(58 ,36 ,46)** | | (59 ,35 ,91) |
| **III** | **CASH FLOW FROM FINANCING ACTIVITIES** | | | | |
| | Proceeds of share issue | **52 ,36 ,73** | | 344 ,50 ,43 | |
| | Reduction from Reserves | **-** | | - | |
| | Reduction from Share Premium | **-** | | (36 ,79) | |
| | Net Proceeds / (repayments) from borrowings | **3067 ,15 ,37** | | 1158 ,19 ,47 | |
| | Dividend and Dividend distribution tax | **(43 ,84 ,36)** | | (17 ,76 ,62) | |
| | **Cash generated from financing Activities** | | **3075 ,67 ,74** | | 1484 ,56 ,49 |
| **IV** | **INCREASE/DECREASE DURING THE YEAR** | | **756 ,79 ,84** | | 503 ,17 ,39 |
| **V** | **OPENING CASH AND CASH EQUIVALENTS** | | **1179 ,06 ,76** | | 675 ,89 ,37 |
| **VI** | **CLOSING CASH AND CASH EQUIVALENTS** | | **1935 ,86 ,60** | | 1179 ,06 ,76 |

As per our report of even date attached

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 301003E

**Viren H. Mehta**
Partner
Membership No. 048749

Place : Mumbai
Date : April 28, 2015

For and on behalf of RBL Bank Limited

**Narayan Ramchandran**
Chairman

**Vishwavir Ahuja**
Managing Director & CEO

**Jairaj Purandare**
Director

**Vimal Bhandari**
Director

**Naresh Karia**
Chief Financial Officer

**Vinay Tripathi**
Company Secretary

# SCHEDULES

forming part of the financial statements for the year ended March 31, 2015

## SCHEDULE 1 - CAPITAL

(₹ in '000s)

| Particulars | 31-Mar-15 | 31-Mar-14 |
|---|---|---|
| **Authorised Capital** | | |
| 40,00,00,000 Ordinary Shares of ₹ 10/- each | **400 ,00 ,00** | 400 ,00 ,00 |
| (previous year 40,00,00,000 Ordinary Shares of ₹ 10/- each) | | |
| **Issued** | | |
| 29,34,49,630 Ordinary Shares of ₹ 10/- each | **293 ,44 ,96** | 272 ,04 ,02 |
| (previous year 27,20,40,198 Ordinary Shares of ₹ 10/- each) | | |
| **Subscribed & Paid-up** | | |
| 29,34,49,630 Ordinary Shares of ₹ 10/- each | **293 ,44 ,96** | 272 ,04 ,02 |
| (previous year 27,20,40,198 Ordinary Shares of ₹ 10/- each) | | |
| **Total** | **293 ,44 ,96** | **272 ,04 ,02** |

## SCHEDULE 2 - RESERVES & SURPLUS

(₹ in '000s)

| Particulars | | 31-Mar-15 | 31-Mar-14 |
|---|---|---|---|
| **1.** | **Statutory Reserve** | | |
| i) | Opening Balance | **103 ,65 ,00** | 79 ,65 ,00 |
| ii) | Addition during the year | **51 ,80 ,00** | 24 ,00 ,00 |
| iii) | Deduction during the year | **-** | - |
| | **Total** | **155 ,45 ,00** | **103 ,65 ,00** |
| **2.** | **Capital Reserve** | | |
| i) | Opening Balance | **12 ,09 ,70** | 10 ,24 ,49 |
| ii) | Addition during the year | **2 ,46 ,00** | 1 ,85 ,21 |
| iii) | Deduction during the year | **-** | - |
| | **Total** | **14 ,55 ,70** | **12 ,09 ,70** |
| **3.** | **Revaluation Reserve** | | |
| i) | Opening Balance | **1 ,05 ,54** | 1 ,08 ,83 |
| ii) | Addition during the year | **-** | - |
| iii) | Deduction during the year (Depreciation on revalued portion credited to Profit and Loss Acount) | **3 ,11** | 3 ,29 |
| | **Total** | **1 ,02 ,43** | **1 ,05 ,54** |
| **4.** | **Share Premium** | | |
| i) | Opening Balance | **1334 ,31 ,30** | 1138 ,79 ,44 |
| ii) | Addition during the year | **160 ,46 ,03** | 195 ,88 ,65 |
| iii) | Deduction during the year | **-** | 36 ,79 |
| | **Total** | **1494 ,77 ,33** | **1334 ,31 ,30** |
| **5.1** | **Revenue & Other Reserves** | | |
| i) | Opening Balance | **159 ,65 ,52** | 122 ,65 ,52 |
| ii) | Addition during the year | **105 ,00 ,00** | 37 ,00 ,00 |
| iii) | Deduction during the year | **-** | - |
| | **Total** | **264 ,65 ,52** | **159 ,65 ,52** |
| **6.** | **Investment Reserve** | | |
| (i) | Opening Balance | **1 ,17 ,07** | 1 ,17 ,07 |
| (ii) | Addition during the year | **1 ,03 ,00** | - |
| (iii) | Deduction during the year | **-** | - |
| | **Total** | **2 ,20 ,07** | 1 ,17 ,07 |
| **7.** | **Balance in Profit & Loss Account** | **4 ,31 ,65** | 1 ,27 ,59 |
| | **Total (1 to 7)** | **1936 ,97 ,70** | **1613 ,21 ,72** |

# SCHEDULES

forming part of the financial statements for the year ended March 31, 2015

## SCHEDULE 3 - DEPOSITS

(₹ in '000s)

| Particulars | | | 31-Mar-15 | 31-Mar-14 |
|---|---|---|---|---|
| **A.** | **1.** | **Demand Deposits** | | |
| | | i) From Banks | **36 ,14 ,24** | 28 ,45 ,85 |
| | | ii) From Others | **2163 ,66 ,40** | 1662 ,99 ,60 |
| | **Total** | | **2199 ,80 ,64** | **1691 ,45 ,45** |
| | **2.** | **Savings Bank Deposits** | **957 ,56 ,75** | 678 ,23 ,62 |
| | **3.** | **Term Deposits** | | |
| | | i) From Banks | **2985 ,30 ,91** | 1906 ,90 ,72 |
| | | ii) From Others | **10956 ,56 ,78** | 7322 ,00 ,42 |
| | **Total** | | **13941 ,87 ,69** | **9228 ,91 ,14** |
| | **Total (1 To 3)** | | **17099 ,25 ,08** | **11598 ,60 ,21** |
| **B.** | i) | Deposits of Branches in India | **17099 ,25 ,08** | 11598 ,60 ,21 |
| | ii) | Deposits of Branches outside India | **-** | - |
| | **Total** | | **17099 ,25 ,08** | **11598 ,60 ,21** |

## SCHEDULE 4 - BORROWINGS

(₹ in '000s)

| Particulars | | 31-Mar-15 | 31-Mar-14 |
|---|---|---|---|
| **1.** | **Borrowings in India** | | |
| i) | Reserve Bank of India | **530 ,00 ,00** | 458 ,00 ,00 |
| ii) | Other Banks | **749 ,00 ,00** | 600 ,00 ,00 |
| iii) | Other Institutions and Agencies | **4918 ,43 ,53** | 2504 ,02 ,86 |
| iv) | Subordinated debts | **-** | - |
| | **Total** | **6197 ,43 ,53** | **3562 ,02 ,86** |
| **2.** | **Borrowings outside India** | **765 ,26 ,22** | 333 ,51 ,52 |
| | **Total ( 1 + 2 )** | **6962 ,69 ,75** | **3895 ,54 ,38** |

Secured Borrowings included in 1 & 2 above are ₹ 3425,04,12 thousands (for financial year ending March 31, 2014 ₹ 763,86,49 thousands)

## SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS

(₹ in '000s)

| Particulars | | 31-Mar-15 | 31-Mar-14 |
|---|---|---|---|
| 1. | Bills Payable | **82 ,46 ,36** | 69 ,76 ,00 |
| 2. | Inter Office Adjustments (Net) | **-** | - |
| 3. | Interest Accrued | **187 ,39 ,20** | 141 ,18 ,40 |
| 4. | Others (Including Provisions)* | **542 ,44 ,13** | 478 ,28 ,31 |
| | **Total (1 to 4)** | **812 ,29 ,69** | **689 ,22 ,71** |
| ***Includes : Provision against Standard Assets** | | **65 ,50 ,16** | **41 ,26 ,00** |

# SCHEDULES

forming part of the financial statements for the year ended March 31, 2015

## SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA

(₹ in '000s)

| | Particulars | 31-Mar-15 | 31-Mar-14 |
|---|---|---|---|
| 1. | Cash in hand | 159 ,41 ,66 | 114 ,02 ,46 |
| 2. | Balances with Reserve Bank of India | | |
| (i) | In Current Account | 1296 ,26 ,10 | 866 ,70 ,89 |
| (ii) | In Other Accounts | - | - |
| | **Total (1 +2)** | **1455 ,67 ,76** | **980 ,73 ,35** |

## SCHEDULE 7 - BALANCE WITH BANKS AND MONEY AT CALL AND SHORT NOTICE

(₹ in '000s)

| | Particulars | 31-Mar-15 | 31-Mar-14 |
|---|---|---|---|
| **1.** | **In India** | | |
| (i) | Balances with Banks | | |
| | a) In Current Accounts | 229 ,54 ,85 | 140 ,72 ,62 |
| | b) In other Deposit Accounts | 234 ,46 ,68 | 13 ,18 ,14 |
| (ii) | Money at Call and Short Notice | | |
| | a) With Banks | - | - |
| | b) With Other Institutions | 199 ,81 ,39 | - |
| | **Total (i+ii)** | **663 ,82 ,92** | **153 ,90 ,76** |
| **2.** | **Outside India** | | |
| (i) | In Current Accounts | 50 ,82 ,60 | 57 ,60 ,79 |
| (ii) | In Other Deposits Accounts | - | - |
| (iii) | Money at Call and Short Notice | - | - |
| | **Total (i+ii+iii)** | **50 ,82 ,60** | **57 ,60 ,79** |
| | **Total (1 + 2)** | **714 ,65 ,52** | **211 ,51 ,55** |

## SCHEDULE 8 - INVESTMENTS

(₹ in '000s)

| | Particulars | 31-Mar-15 | 31-Mar-14 |
|---|---|---|---|
| **1.** | **Investments in India (Gross)** | 9828 ,11 ,40 | 6520 ,21 ,40 |
| | Less – Provision for depreciation | 2 ,42 ,98 | 2 ,17 ,54 |
| | **Total** | **9825 ,68 ,42** | **6518 ,03 ,86** |
| | **Break Up** | | |
| (i) | Government Securities | 7579 ,94 ,04 | 4001 ,80 ,09 |
| (ii) | Other Approved Securities | - | - |
| (iii) | Shares | 10 ,35 | 10 ,35 |
| (iv) | Debentures and Bonds | 1052 ,17 ,66 | 1217 ,56 ,57 |
| (v) | Subsidiaries and / or Joint Venture | - | - |
| (vi) | Others* | 1193 ,46 ,37 | 1298 ,56 ,85 |
| | **Total** | **9825 ,68 ,42** | **6518 ,03 ,86** |

# SCHEDULES

forming part of the financial statements for the year ended March 31, 2015

(₹ in '000s)

| Particulars | | 31-Mar-15 | 31-Mar-14 |
|---|---|---|---|
| | *Details of Others (vi) | | |
| (i) | NABARD / SIDBI / NHB Deposit | **33 ,38 ,82** | 41 ,04 ,36 |
| (ii) | Commercial paper & Certificates of deposit | **520 ,11 ,52** | 789 ,29 ,56 |
| (iii) | Mutual Funds | **200 ,00 ,00** | 150 ,00 ,00 |
| (iv) | Venture Capital Fund | **18 ,79 ,36** | 11 ,25 ,47 |
| (v) | Pass Through Certificates | **357 ,23 ,80** | 283 ,22 ,46 |
| (vi) | Security Receipts | **63 ,92 ,87** | 23 ,75 ,00 |
| | **Total** | **1193 ,46 ,37** | **1298 ,56 ,85** |
| **2.** | **Investments Outside India** | | |
| (i) | Government Securities (Including Local Authorities) | **-** | - |
| (ii) | Subsidiaries and / or Joint Venture abroad | **-** | - |
| (iii) | Other Investments | **-** | - |
| | **Total** | **-** | **-** |
| | **Total (1 + 2)** | **9825 ,68 ,42** | **6518 ,03 ,86** |

## SCHEDULE 9 - ADVANCES

(₹ in '000s)

| Particulars | | 31-Mar-15 | 31-Mar-14 |
|---|---|---|---|
| **A.** | | | |
| (i) | Bills Purchased and Discounted | **330 ,55 ,41** | 162 ,11 ,61 |
| (ii) | Cash Credits, Overdrafts and Loans Repayable on Demand | **3663 ,47 ,72** | 2585 ,57 ,62 |
| (iii) | Term Loans | **10455 ,79 ,42** | 7087 ,35 ,50 |
| | **Total** | **14449 ,82 ,55** | **9835 ,04 ,73** |
| **B.** | | | |
| (i) | Secured by Tangible Assets (Includes advances against Fixed Deposits and Book Debts) | **12255 ,67 ,86** | 8587 ,36 ,48 |
| (ii) | Coverd by Bank/Government Guarantees | **12 ,43 ,83** | 6 ,61 ,32 |
| (iii) | Unsecured | **2181 ,70 ,86** | 1241 ,06 ,93 |
| | **Total** | **14449 ,82 ,55** | **9835 ,04 ,73** |
| **C.1** | **Advances in India** | | |
| (i) | Priority Sector | **4438 ,61 ,05** | 2559 ,92 ,15 |
| (ii) | Public Sector | **-** | - |
| (iii) | Banks | **-** | - |
| (iv) | Others | **10011 ,21 ,50** | 7275 ,12 ,58 |
| | **Total** | **14449 ,82 ,55** | **9835 ,04 ,73** |
| **C.2** | **Advances Outside India** | | |
| (i) | Due from Banks | **-** | - |
| (ii) | Due from Others | | |
| | a) Bills Purchases and Discounted | **-** | - |
| | b) Syndicated Loans | **-** | - |
| | c) Others | **-** | - |
| | **Total** | **-** | **-** |
| | **Total (C.1 + C.2)** | **14449 ,82 ,55** | **9835 ,04 ,73** |

# SCHEDULES

forming part of the financial statements for the year ended March 31, 2015

## SCHEDULE 10 - FIXED ASSETS

(₹ in '000s)

| | Particulars | 31-Mar-15 | 31-Mar-14 |
|---|---|---|---|
| **1.** | **Premises** | | |
| (i) | At cost at 31st March of the preceding year | 10,16,24 | 10,45,98 |
| (ii) | Additions During the year | 2,48 | - |
| (iii) | Deductions During the year | 2,37,08 | 29,74 |
| (iv) | Accumulated Depreciation to date | 78,90 | 1,06,91 |
| | **Total** | **7,02,74** | **9,09,33** |
| **2.** | **Other Fixed Assets** | | |
| (i) | At cost at 31st March of the preceding year | 167,81,96 | 120,47,88 |
| (ii) | Additions During the year | 80,24,18 | 48,68,69 |
| (iii) | Deductions During the year | 3,49,12 | 1,34,61 |
| (iv) | Accumulated Depreciation to date | 97,24,64 | 65,65,97 |
| | **Total** | **147,32,38** | **102,15,99** |
| **3.** | **Leased Assets** | | |
| (i) | Lease equalisation - Opening balance | 1,35,09 | 1,35,09 |
| (ii) | Additions During the year | - | - |
| (iii) | Less: Provision held | 1,35,09 | 1,35,09 |
| (iv) | Accumulated Depreciation to date | - | - |
| | **Total** | **-** | **-** |
| **4.** | **Capital Work in Progress** | 10,08,73 | 23,09,53 |
| | **Total (1 to 4)** | **164,43,85** | **134,34,85** |

## SCHEDULE 11 - OTHER ASSETS

(₹ in '000s)

| | Particulars | 31-Mar-15 | 31-Mar-14 |
|---|---|---|---|
| 1. | Inter-Office Adjustment (Net) | - | - |
| 2. | Interest Accrued | 251,86,37 | 181,39,63 |
| 3. | Tax Paid in Advance/Tax Deducted at Source (Net of Provision) | 30,52,86 | 23,98,63 |
| 4. | Stationery and Stamps | 34,39 | 2,05,21 |
| 5. | Deferred Tax Assets (Net) (Refer Note 4.6 of Schedule 18) | 2,36,63 | - |
| 6. | Others | 209,28,83 | 311,01,47 |
| | **Total (1 to 6)** | **494,39,08** | **518,44,94** |

# SCHEDULES

forming part of the financial statements for the year ended March 31, 2015

## SCHEDULE 12 - CONTINGENT LIABILITIES

(₹ in '000s)

| | Particulars | 31-Mar-15 | 31-Mar-14 |
|---|---|---|---|
| **1.** | Claims against the bank not acknowledged as debts | **4 ,33 ,93** | 1 ,89 ,55 |
| **2.** | Liability for Partly Paid Investment | **7 ,60 ,00** | 85 ,00 |
| **3.** | Liability on Account of Outstanding forward Exchange contracts | **8296 ,18 ,78** | 5413 ,14 ,35 |
| **4.** | Liability on Account of Outstanding derivative contracts | | |
| (i) | Interest Rate Swaps | **5821 ,01 ,05** | 3000 ,00 ,00 |
| (ii) | Cross Currency Swaps | **215 ,36 ,56** | 74 ,75 ,28 |
| (iii) | Currency Options | **2593 ,48 ,74** | 925 ,67 ,35 |
| **5.** | Guarantees given on behalf of constituents | | |
| (i) | In India | **2063 ,79 ,65** | 940 ,19 ,07 |
| (ii) | Outside India | **1630 ,43 ,20** | 757 ,23 ,03 |
| **6.** | Acceptances, Endorsements and other Obligations | **1310 ,02 ,55** | 624 ,95 ,88 |
| **7.** | Other items for which the bank is contingently liable | | |
| | a) Income tax & other matters (under appeal) | **6 ,61 ,88** | 6 ,13 ,84 |
| | b) Others | **21 ,34 ,37** | 330 ,01 ,27 |
| | **Total (1 to 7)** | **21970 ,20 ,71** | **12074 ,84 ,62** |

## SCHEDULE 13 - INTEREST EARNED

(₹ in '000s)

| | Particulars | 31-Mar-15 | 31-Mar-14 |
|---|---|---|---|
| **1.** | Interest / Discount on Advances / bills | **1413 ,57 ,01** | 926 ,37 ,70 |
| **2.** | Income on Investments | **519 ,74 ,97** | 413 ,99 ,28 |
| **3.** | Interest on balance with RBI and Other Inter bank funds | **19 ,76 ,67** | 11 ,24 ,55 |
| **4.** | Others | **-** | - |
| | **Total (1 to 4)** | **1953 ,08 ,65** | **1351 ,61 ,53** |

## SCHEDULE 14 - OTHER INCOME

(₹ in '000s)

| | Particulars | 31-Mar-15 | 31-Mar-14 |
|---|---|---|---|
| **1.** | Commission, Exchange and Brokerage | **36 ,83 ,24** | 31 ,10 ,30 |
| **2.** | Profit on sale of Investments (Net) | **57 ,72 ,63** | 42 ,14 ,90 |
| **3.** | Profit / (Loss) on sale of land, building and other assets (Net) | **4 ,96 ,43** | 1 ,70 ,29 |
| **4.** | Profit on exchange transactions (Net) | **68 ,98 ,83** | 31 ,06 ,77 |
| **5.** | Miscellaneous Income | **234 ,89 ,54** | 154 ,94 ,89 |
| | **Total (1 to 5)** | **403 ,40 ,67** | **260 ,97 ,15** |

# SCHEDULES

forming part of the financial statements for the year ended March 31, 2015

## SCHEDULE 15 - INTEREST EXPENDED

(₹ in '000s)

| | Particulars | 31-Mar-15 | 31-Mar-14 |
|---|---|---|---|
| 1. | Interest on Deposits | 1086 ,57 ,21 | 771 ,38 ,20 |
| 2. | Interest on Reserve Bank of India / Inter-Bank Borrowings | 247 ,05 ,42 | 188 ,38 ,16 |
| 3. | Others | 63 ,09 ,55 | 50 ,22 ,56 |
| | **Total (1 to 3)** | **1396 ,72 ,18** | **1009 ,98 ,92** |

## SCHEDULE 16 - OPERATING EXPENSES

(₹ in '000s)

| | Particulars | 31-Mar-15 | 31-Mar-14 |
|---|---|---|---|
| 1. | Payments to and provisions for employees | 300 ,87 ,01 | 184 ,92 ,86 |
| 2. | Rent, taxes and lighting | 72 ,35 ,83 | 44 ,21 ,07 |
| 3. | Printing and stationery | 4 ,50 ,85 | 3 ,01 ,43 |
| 4. | Advertisement and publicity | 2 ,89 ,97 | 37 ,76 |
| 5. | Depreciation on banks property | 33 ,20 ,78 | 20 ,94 ,31 |
| 6. | Director's fees Allowances and expenses | 29 ,71 | 27 ,61 |
| 7. | Auditors' fees and expenses (Including branch auditor's fees and expenses) | 66 ,24 | 48 ,36 |
| 8. | Law Charges | 145 ,36 | 1 ,52 ,78 |
| 9. | Postage, Telegrams, Telephones, etc. | 9 ,25 ,29 | 4 ,39 ,85 |
| 10. | Repairs and maintenance | 6 ,82 ,51 | 2 ,96 ,80 |
| 11. | Insurance | 15 ,46 ,90 | 10 ,30 ,53 |
| 12. | Other Expenditure# | 151 ,84 ,62 | 150 ,46 ,96 |
| | **Total (1 to 12)** | **599 ,65 ,07** | **423 ,90 ,32** |
| | # Includes Expense incurred towards Corporate Social Responsibility | 1 ,61 ,06 | - |

# SCHEDULES

forming part of the financial statements for the year ended March 31, 2015

## SCHEDULE 17 – SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

**Background:**

RBL Bank Limited (formerly The Ratnakar Bank Limited), incorporated in Kolhapur, India is a banking company governed by the Banking Regulation Act, 1949 with Reserve Bank of India ('RBI') as the principal regulator. The Bank is engaged in providing a wide range of banking and financial services including commercial banking, retail banking, agri and financial inclusion, treasury operations and other banking related activities.

**Basis of preparation:**

The accompanying financial statements have been prepared under the historical cost convention and on the accrual basis of accounting, unless otherwise stated, and comply with the requirements prescribed under the Third Schedule (Form A and Form B) of the Banking Regulation Act, 1949. The accounting and reporting policies of the Bank used in the preparation of these financial statements conform to Generally Accepted Accounting Principles in India (Indian GAAP), the guidelines issued by RBI from time to time, the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 to the extent applicable and practices generally prevalent in the banking industry in India.

**Use of estimates:**

The preparation of the financial statements in conformity with Generally Accepted Accounting Principles in India ('GAAP') requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates used in preparing the accompanying financial statements. Any revision to accounting estimates is recognised prospectively in current and future periods.

**Significant Accounting Policies:**

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

**1. Advances**

Advances are stated net of provisions made in respect of non-performing advances. Premium paid on acquisition of portfolio is included in advances and is amortised over the economic life of the portfolio; being 5 years for on-demand working capital loans and credit card portfolios purchased. Advances are classified as Performing and Non-Performing Assets ('NPA') based on the relevant RBI guidelines. Provisions in respect of non-performing and restructured advances are made based on management's assessment of the degree of impairment of the advances subject to the minimum provisioning levels prescribed under RBI guidelines with regard to the Prudential Norms on Income Recognition, Asset Classification & Provisioning prescribed from time to time. In case of restructured accounts provision is made for erosion/diminution in fair value of restructured loans, in accordance with RBI guidelines. The Bank also maintains provision on standard assets to cover potential credit losses which are inherent in any loan portfolio in accordance with RBI guidelines in this regard. Provision made against standard assets is included in 'Other Liabilities and Provisions'. Amounts recovered against debts written off in earlier years and provisions no longer considered necessary based on the current status of the borrower are recognised in the profit and loss account as credit to Miscellaneous Income under the head 'Other Income' or provision for non-performing assets, respectively.

**2. Investments**

Classification and valuation of Bank's Investments is carried out in accordance with RBI and Fixed Income Money Market and Derivatives Association ('FIMMDA') guidelines issued in this regard from time to time.

**a) Classification**

Investments are classified into 'Held for Trading' ('HFT'), 'Available for Sale' ('AFS') and 'Held to Maturity' (HTM) categories at the time of purchase. Investments, which the Bank intends to hold till maturity are classified as HTM investments. Investments that are held principally for resale within a short period, including short sale, are classified as HFT investments. All other investments are classified as AFS investments. The Bank follows settlement date method for accounting of its investments. For the purpose of disclosure in the financial statements, the Investments are classified under six groups a) Government Securities b) Other

# SCHEDULES

forming part of the financial statements for the year ended March 31, 2015

Approved Securities c) Shares d) Debentures and Bonds e) Subsidiaries / Joint Ventures f) Others.

Investments are classified as performing or non-performing as per RBI guidelines. Non performing investments are subjected to similar income recognition and provisioning norms as are prescribed by RBI for non performing advances.

**b) Valuation**

Investments classified as HTM are carried at amortised cost. Any premium paid on acquisition, over the face value, is amortised over the remaining period of maturity by applying constant yield method. Where in the opinion of the management, a diminution, other than temporary in the value of investments classified under HTM has taken place, suitable provisions are made.

Investments classified as AFS and HFT are marked-to-market on a periodic basis as per relevant RBI guidelines. The securities are valued scrip-wise and depreciation / appreciation are aggregated for each category. Net appreciation in each category, if any, is ignored, while net depreciation is provided for. The book value of individual securities is not changed consequent to the periodic valuation of investments.

Treasury bills, commercial papers and certificates of deposit are valued at carrying cost including the pro rata discount accreted for the holding period.

Quoted investments are valued at traded/quoted price available on the recognised stock exchanges, subsidiary general ledger account transactions, price list of RBI or prices declared by Primary Dealers Association of India ("PDAI") jointly with Fixed Income Money Market and Derivatives Association (FIMMDA) applicable as at the balance sheet date. For deriving market value of unquoted fixed income securities (other than Central and State Government securities), yields / mark-up rates (reflecting associate credit risk) declared by the FIMMDA in consultation with PDAI are used.

Unquoted equity shares are valued at the break-up value, if the latest Balance Sheet is available (which should not be more than one year prior to the date of valuation) or at ₹ 1 as per the RBI guidelines.

Quoted Mutual Fund units are valued as per Stock Exchange quotations and un-quoted Mutual Fund units are valued at last available re-purchase price or Net Asset Value (where re-purchase price is not available).

Units of Venture Capital Funds (VCF) held under AFS category are valued using the Net Asset Value (NAV) shown by VCF as per the financial statement. The VCFs are valued based on the audited results once in a year. In case the audited financials are not available for a period beyond 18 months, the investments are valued at ₹ 1 per VCF.

Security receipts issued by the asset reconstruction companies are valued in accordance with the guidelines prescribed by RBI. Accordingly, Security receipts are valued as per the Net Asset Value provided by the issuing Asset Reconstruction Company

**c) Transfer between categories**

Transfer of investments between categories is accounted in accordance with the extant RBI guidelines:

a) Transfer from AFS/HFT to HTM is made at the lower of book value or market value at the time of transfer.

b) Transfer from HTM to AFS/HFT is made at acquisition price/book value if originally placed in HTM at par or at a discount and at amortised cost if originally placed in HTM at a premium.

c) Transfer from AFS to HFT category or vice-versa is made at book value and the provision for the accumulated depreciation, if any, held is transferred to the provisions for depreciation against the HFT securities or vice-versa.

**d) Repurchase transactions**

Repurchase ('repo') and reverse repurchase ('reverse repo') transactions including liquidity adjustment

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forming part of the financial statements for the year ended March 31, 2015

facility (with RBI) are accounted for as borrowing and lending transactions. Accordingly, securities given as collateral under an agreement to repurchase them continue to be held under the investment account of the Bank and the Bank would continue to accrue the coupon/discount on the security during the repo period. Also, the Bank continues to value the securities sold under repo as per the investment classification of the security. The difference between the clean price of the first leg and clean price of the second leg is recognised as interest income/expense over the period of the transaction in the profit and loss account.

e) **Broken period interest, brokerage etc.**

Broken period interest and costs such as brokerage paid at the time of acquisition of the security are charged to the Profit and Loss account.

3. **Foreign currency and Rupee Derivative transactions**

Transactions denominated in foreign currency are recorded at exchange rates prevailing on the date of the transactions. Exchange differences arising on foreign currency transactions settled during the year are recognised in the profit and loss account. Income and Expenditure items are translated at the rates of exchange prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the balance sheet date at rates of exchange notified by the Foreign Exchange Dealers' Association of India ('FEDAI') and the resultant exchange differences are recognised in the profit and loss account.

In accordance with RBI Circular No. DBOD No.BP. BC.76/21.04.018/2005-06 dated April 5, 2006 and Accounting Standard -11, the effect of change in foreign exchange rates, foreign exchange trading positions including spot and forward contracts are revalued at each month end at market rates published by FEDAI and then discounted (PV) using appropriate curves. Long term foreign exchange contracts (original maturities of over 12 months) where exchange rates are not notified by FEDAI are revalued based on the forward exchange rates implied by the swap curves in respective currencies. The resulting gains and losses are recorded in the profit and loss account except in case of swaps entered into for hedging an on-balance sheet foreign currency exposure which are accounted for on an accrual basis. The unrealised gain and losses on swaps outstanding at year-end are included in "Other assets" and "Other liabilities", respectively. The notional values of these contracts are recorded as contingent liability at the closing exchange rates.

Swap cost arising on account of foreign currency swap contracts to convert rupee assets/liabilities into foreign currency assets/liabilities or vice versa is charged to profit and loss account as interest cost by amortising over the tenor of the swap.

Derivative transactions comprise interest rate swaps, cross currency swaps and currency options.

The interest rate and currency swaps are marked to market using appropriate interest rates/exchange rates as applicable. The profit or loss on revaluation is recorded in the profit and loss account and is included in "Other assets" or "Other liabilities". The notional value of these swaps is recorded as Contingent Liability.

Foreign currency options are marked to market using market values after considering the premium received or paid. The profit or loss on revaluation is recorded in the profit and loss account and corresponding asset or liability is shown under "Other assets" or "Other liabilities", as the case may be. Premium received and premium paid is recognised in the profit and loss account upon expiry or exercise of the options. The notional value of these options is recorded as a Contingent liability.

Provisioning of overdue customer receivable on interest rate and foreign exchange derivative transactions, if any, is made as per RBI guidelines.

With respect to credit exposures to counterparties arising on account of the interest rate and foreign exchange derivative transactions, which are computed as per the current mark to market value of the contract, a provision is made as is applicable to the loan assets in the 'standard' category.

4. **Fixed Assets and Depreciation**

Fixed Assets are accounted for at cost less accumulated depreciation, amortisation and accumulated impairment

# SCHEDULES

forming part of the financial statements for the year ended March 31, 2015

losses. Cost includes freight, duties, taxes and incidental expenses related to the acquisition and installation of the asset. Premises acquired upto March 31, 1998 have been revalued by the management and are stated at such revalued figure. The appreciation on revaluation is credited to 'Premises Revaluation Reserve' Account. On disposal of revalued premises, the amount standing to the credit of the Premises Revaluation Reserve is transferred to Capital Reserve. Depreciation attributable to the enhanced value is transferred from Premises Revaluation Reserve to the credit of depreciation in the profit and loss account.

Depreciation is provided as per straight-line method from the date of addition over the estimated useful life of the asset. Depreciation on assets sold during the year is charged to the profit and loss account upto the date of sale. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter, then the depreciation is provided at a higher rate based on management's estimate of the useful life/remaining useful life.

The depreciation rates applied on fixed assets are not higher or lower than the rates prescribed in Schedule II of the Companies Act, 2013 however in case of exceptions it is duly supported by technical advice and item costing less than ₹ 5,000.

The rates of depreciation are as follows:

| Category | Depreciation rate |
|---|---|
| Premises | 2% |
| Desktop computers and printers, Laptops | 33.33% |
| VSATs, Telecom equipment, cabling, other computer hardware and related equipment, LAN/Mainframe servers and printers, scanners | 20% |
| Purchased and developed Software | 20% |
| Vehicles | 20% |
| Office equipment, Locker cabinets, Strong room | 15% |
| ATMs | 14.29% |
| Furniture, fittings and work of art | 10% |
| Items costing less than ₹ 5,000 | 100% |

Improvements and installations of capital nature on the leasehold property are depreciated over the primary lease term.

The Bank assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Bank estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Profit and Loss account. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

**5. Retirement and other employee benefits**

Bank's contribution towards Provident fund, being a defined contribution scheme, is accounted for on an accrual basis and recognised in the profit and loss account. Liability for Gratuity and Pension, being defined benefit retirement schemes, are determined based on an actuarial valuation as at the balance sheet date as per the Projected Unit Credit Method as computed by an independent actuary.

The Bank provides for leave encashment liability of its employees who are eligible for encashment of accumulated leave and sick leave, which is a long-term benefit scheme, based on actuarial valuation of the leave encashment liability at the balance sheet date, carried out by an independent actuary.

The accounting for ESOP is done as per the ICAI Guidance note on ESOP. The Bank has applied the intrinsic value method to arrive at the compensation cost of ESOP granted to the employees of the Bank. Intrinsic value is the amount by which the value of the underlying shares as determined by an independent valuer exceeds the exercise price of the options. Compensation cost so determined is amortised over the vesting period of the option granted.

**6. Revenue Recognition**

a) Interest income is recognised in the profit and loss account on accrual basis, except in the case of interest on non-performing assets, which is recognised as income on realisation, as per the income recognition and asset classification norms of RBI.

b) Recoveries in respect of past due loan accounts classified as sub-standard are appropriated towards overdue principal and thereafter towards interest and charges

c) Commission, Exchange, Brokerage and Locker Rent is accounted for as income on realisation basis except for commission earned in excess of ₹ 1,00,000 for issue of guarantees which is amortised on a straight-line basis.

d) Income on discounted instruments is recognised over the tenure of the instrument on a constant yield basis.

e) Dividend is accounted on an accrual basis when the right to receive the dividend is established.

f) Loan processing fee is accounted for upfront when it becomes due.

g) All other fees are accounted for as and when they become due.

**7. Accounting for leases**

**Operating leases**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating leases. Operating lease rentals are recognised as an expense on straight-line basis over the lease period.

The Bank has not undertaken any Finance leases.

**8. Taxation**

Income tax comprises the current tax (i.e. amount of tax for the period, determined in accordance with the Income Tax Act, 1961 and the rules framed there under) and the net change in the deferred tax asset or liability for the period (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

Provision for current income-tax is recognised in accordance with the provisions of Indian Income Tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

The current tax, deferred tax charge or credit and the corresponding deferred tax liability or asset is recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty (supported by convincing evidence) of realisation of such assets.

Deferred tax assets are reviewed at each balance sheet date and appropriately adjusted to reflect the amount that is reasonably/virtually certain to be realised.

**9. Provisions and contingencies**

The Bank creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

**10. Provision for reward points on credit cards**

The Bank has a policy of awarding reward points for credit card spends by customers. Provision for the said reward points is made based on an actuarial valuation report which takes into account, among other things, probable redemption of credit card reward points and cost per point.

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forming part of the financial statements for the year ended March 31, 2015

**11. Earnings per share (EPS)**

Basic and diluted earnings per share are computed in accordance with Accounting Standard-20 – Earnings per share.

Basic earnings per share is calculated by dividing the net profit or loss after tax for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share reflect the potential dilution that could occur if contracts to issue equity shares were exercised or converted during the period. Diluted earnings per equity share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period, except where the results are anti-dilutive.

**12. Cash and Cash Equivalents**

Cash and Cash equivalents include cash in hand, balances with RBI, balances with other banks and money at call and short notice.

## SCHEDULE 18 - NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

**1. Investments**

In terms of guidelines of Reserve Bank of India, amortisation of premium of ₹ 4.10 crore (previous year ₹ 3.01 crore) relating to investments in 'Held to Maturity' category has been netted off against 'Income on Investments' under Schedule - 13. During the year ended March 31, 2015 and March 31, 2014, there has been no sale / transfer from HTM categories in excess of 5% ofthe book value of investments held in HTM category at the beginning of the year.

**2. Employee Stock Option Plan ("ESOP")**

The shareholders of the Bank have approved granting of stock options to employees under one or more Employee Stock Option Plan (ESOP) enabling the Board and / or the Human Resource Committee to grant such number of Options of the Bank not exceeding 12% of the aggregate number of issued and paid up equity shares of the Bank. The ESOP is equity settled where the employees will receive one equity share per option. The stock options granted to employees vest over a period of three years or two years as the case may be, in either equal proportion or 40:30:30 or 20:80 each year. Vested Options can be exercised within a period of three years from the date of vesting or within a period of one year from the date on which the shares of the Bank may get listed on a recognised stock exchange, whichever is later.

Under Intrinsic Value method, since exercise price of the stock options granted under the ESOP is more than the underlying value of the shares, it has not resulted in any charge to the profit and loss account for the year. If the Bank had adopted the Black-Scholes model based fair valuation, compensation cost for the year ended March 31, 2015, would have increased by ₹ 15.54 crore (previous financial year ₹ 6.37 crore) and the profit before tax would have been lower correspondingly. Accordingly, on a proforma basis, basic and diluted earnings per share for the year ended March 31, 2015 would have been ₹ 6.87and ₹ 6.66, respectively (Previous year ₹ 3.47 and ₹ 3.45 respectively).

| Stock option activity under the scheme | FY15 | | | |
|---|---|---|---|---|
| | **Options outstanding** | **Range of exercise prices (₹)** | **Weighted average exercise price (₹)** | **Wtd. avg remaining contractual life years** |
| Outstanding at the beginning of the year | **21,403,696** | **40.00 - 55.00** | **48.84** | **3.7** |
| Granted during the year | **18,077,350** | **55.00 -100.00** | **73.80** | |
| Forfeited during the year | **2,065,622** | **40.00 - 80.00** | **54.52** | |
| Exercised during the year | **11,299,957** | **40.00 - 55.00** | **46.34** | |
| Expired during the year | **-** | | | |
| Outstanding at the end of the year | **26,115,467** | **46.50 -100.00** | **66.75** | **4.15** |
| Options exercisable at the end of the year | **1,245,239** | **46.50 - 55.00** | **50.20** | **2.58** |

Options granted during the year carry an exercise price of ₹ 55.00, ₹ 76.00, ₹ 80.00 and ₹ 100.00. During the year corresponding value of the shares for these grants at the time of respective grant was ₹ 50.05, ₹ 73.50, ₹ 75.76 and ₹ 92.22 respectively.

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forming part of the financial statements for the year ended March 31, 2015

| Stock option activity under the scheme | FY14 | | | |
|---|---|---|---|---|
| | Options outstanding | Range of exercise prices (₹) | Weighted average exercise price (₹) | Wtd. avg remaining contractual life years |
| Outstanding at the beginning of the year | 15,449,088 | 40.00 - 52.00 | 44.38 | 3.94 |
| Granted during the year | 10,527,570 | 52.00 - 55.00 | 53.75 | |
| Forfeited during the year | 997,900 | 40.00 - 55.00 | 47.28 | |
| Exercised during the year | 3,575,062 | 40.00 - 46.50 | 44.50 | |
| Expired during the year | - | | | |
| Outstanding at the end of the year | 21,403,696 | 40.00 - 55.00 | 48.84 | 3.70 |
| Options exercisable at the end of the year | 6,258,202 | 40.00 - 52.00 | 42.45 | 2.60 |

The fair value of options granted during the year has been estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions:

| | **FY15** | FY14 |
|---|---|---|
| Average dividend yield | **0.52% -0.95%** | 1.0% |
| Expected volatility | **32.71%~48.22%** | 29.83% |
| Risk free interest rates | **7.87%-8.61%** | 7.45%-9.45% |
| Expected life of options in years (across each tranche) | **1.0- 3.0** | 1.3 - 3.0 |
| Expected forfeiture | **Nil** | **Nil** |

Expected volatility is a measure of the amount by which the equity share price is expected to fluctuate during the period. The measure of volatility used in Black-Scholes option pricing model is the annualised standard deviation of the continuously compounded rates of return on the share over a period of time. Expected volatility has been computed by considering the historical data on daily volatility in the closing equity share price on NSE of similar listed banks over the expected tenor of each tranche.

### 3. Appropriation to Reserves

For the year ended March 31, 2015, Bank has appropriated ₹ 51.80 crore (previous year: ₹ 24.00 crore) towards Statutory Reserves. For the year ended March 31, 2015, Bank has appropriated ₹ 1.03 crore (previous year: NIL) towards Investment Reserves Account.

### 4. Disclosures as per accounting standards

#### 4.1 Disclosures under AS -15 on employee benefits

Defined Contribution Plans:

Employer's contribution recognised and charged off for the year to defined contribution plans are as under:

(₹ in crore)

| | **FY15** | FY14 |
|---|---|---|
| Provident Fund | **8.00** | 4.67 |
| Pension Scheme (employees joining after 01.04.2010) | **0.02** | 0.02 |

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forming part of the financial statements for the year ended March 31, 2015

**Defined Benefit Plans**

The following table sets out the status of the defined benefit Pension and Gratuity Plan as required under Accounting Standard 15.

Change in the present value of the defined benefit obligation

(₹ in crore)

| Particulars | FY15 | | FY14 | |
|---|---|---|---|---|
| | **Pension** | **Gratuity** | Pension | Gratuity |
| Opening defined benefit obligation at 1st April | **71.15** | **14.09** | 57.31 | 12.88 |
| Current Service cost | **3.71** | **1.90** | 3.48 | 1.50 |
| Interest cost | **6.60** | **1.29** | 4.44 | 1.06 |
| Actuarial losses/ (gains) | **17.23** | **2.72** | 19.94 | 0.54 |
| Past Service Cost (Amortised) | **-** | **-** | - | - |
| Liability Transfer in | **-** | **-** | - | - |
| Benefits paid | **(8.04)** | **(1.18)** | (14.02) | (1.89) |
| Closing defined benefit obligation at 31st March | **90.65** | **18.82** | 71.15 | 14.09 |

Change in the plan assets

(₹ in crore)

| Particulars | FY15 | | FY14 | |
|---|---|---|---|---|
| | **Pension** | **Gratuity** | Pension | Gratuity |
| Opening fair value of plan assets at 1st April | **49.32** | **11.97** | 54.42 | 11.45 |
| Expected return on plan assets | **4.35** | **1.01** | 4.50 | 0.99 |
| Employers Contributions | **22.85** | **2.11** | 4.34 | 1.43 |
| Benefit paid | **(8.04)** | **(1.18)** | (14.02) | (1.89) |
| Actuarial gains / (losses) on plan assets | **0.64** | **0.12** | 0.08 | (0.01) |
| Closing fair value of plan assets at 31st March | **69.12** | **14.03** | 49.32 | 11.97 |

Reconciliation of present value of the obligations and fair value of the plan assets

(₹ in crore)

| Particulars | FY15 | | FY14 | |
|---|---|---|---|---|
| | **Pension** | **Gratuity** | Pension | Gratuity |
| Present value of funded obligation at 31st March | **90.65** | **18.82** | 71.15 | 14.09 |
| Fair value of plan assets at 31st March | **69.12** | **14.03** | 49.32 | 11.97 |
| Deficit / (Surplus) | **21.53** | **4.79** | 21.83 | 2.12 |
| Net Liability / (Asset) | **21.53** | **4.79** | 21.83 | 2.12 |

Net cost recognised in the profit and loss account

(₹ in crore)

| Particulars | FY15 | | FY14 | |
|---|---|---|---|---|
| | **Pension** | **Gratuity** | Pension | Gratuity |
| Current Service cost | **3.71** | **1.90** | 3.48 | 1.50 |
| Interest cost | **6.60** | **1.29** | 4.44 | 1.06 |
| Expected return on plan assets | **(4.35)** | **(1.01)** | (4.50) | (0.99) |
| Past Service Cost (Vested Benefit) Recognised | **-** | **-** | - | - |
| Net actuarial losses / (gains) recognised during the year | **16.59** | **2.61** | 19.86 | 0.55 |
| Total cost of defined benefit plans included in Schedule 16 Payments to and provisions for employees | **22.55** | **4.79** | 23.28 | 2.12 |

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forming part of the financial statements for the year ended March 31, 2015

Reconciliation of Expected return and actual return on planned assets

(₹ in crore)

| Particulars | FY15 | | FY14 | |
|---|---|---|---|---|
| | **Pension** | **Gratuity** | Pension | Gratuity |
| Expected return on plan assets | **4.35** | **1.01** | 4.50 | 0.99 |
| Actuarial gain / (loss) on plan assets | **0.64** | **0.12** | 0.08 | (0.01) |
| Actual return on plan assets | **4.99** | **1.13** | 4.58 | 0.98 |

Reconciliation of opening and closing net liability / (asset) recognised in balance sheet

(₹ in crore)

| Particulars | FY15 | | FY14 | |
|---|---|---|---|---|
| | **Pension** | **Gratuity** | Pension | Gratuity |
| Opening net liability as at 1st April | **21.83** | **2.12** | 2.89 | 1.43 |
| Expenses as recognised in profit & loss account | **22.55** | **4.79** | 23.28 | 2.12 |
| Employers contribution | **(22.85)** | **(2.12)** | (4.34) | (1.43) |
| Net liability / (asset) recognised in balance sheet | **21.53** | **4.79** | 21.83 | 2.12 |

Experience Adjustment

(₹ in crore)

| Particulars | FY15 | | FY14 | |
|---|---|---|---|---|
| | **Pension** | **Gratuity** | Pension | Gratuity |
| On Plan Liabilities (gains) / losses | **17.23** | **2.72** | 23.21 | 0.97 |
| On Plan Assets (losses) / gains | **0.64** | **0.12** | 0.08 | (0.01) |

A breakup of Investments under Plan Assets of Gratuity fund and Pension fund is as follows:

| Category of Assets | FY15 | | FY14 | |
|---|---|---|---|---|
| | **Pension (%)** | **Gratuity (%)** | Pension (%) | Gratuity (%) |
| Central Government securities | **17.12** | **15.55** | 7.81 | 8.65 |
| State Government securities | **32.10** | **32.80** | 42.06 | 39.90 |
| Corporate Bonds | **2.46** | **9.99** | 4.81 | 13.80 |
| Special Deposit Schemes | **0** | **16.40** | - | 17.63 |
| Funds with LIC | **17.06** | **-** | 18.82 | - |
| Fixed deposits and bank balances | **31.26** | **25.26** | 26.50 | 20.02 |
| **Total** | **100.00** | **100.00** | **100.00** | **100.00** |

Key Actuarial Assumptions

| Particulars | FY15 | | FY14 | |
|---|---|---|---|---|
| | **Pension** | **Gratuity** | Pension | Gratuity |
| Discount rate | **7.92%** | **8.04%** | 9.27% | 9.14% |
| Expected rate of return on Plan Asset | **7.92%** | **8.04%** | 8.83% | 8.44% |
| Salary Escalation | **6.00%** | **6.00% (IBA)**<br>**8.00% (Others)** | 5.60% | 5.60% (IBA)<br>8.00% (Others) |
| Attrition rate | **2.00%** | **2.00% (IBA)**<br>**20.00% (Others)** | 2.00% | 2.00% (IBA)<br>20.00% (Others) |

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forming part of the financial statements for the year ended March 31, 2015

**4.2 Segment Reporting: Information about business segments**

In terms of the AS-17 (Segment Reporting) issued by ICAI and RBI circular Ref. DBOD.No. BP.BC.81/21.04.018/2006-07 dated April 18, 2007 read with 8/21.04.018/2014-15 dated July 1, 2014 and amendments thereto, the following business segments have been disclosed:

- Corporate/Wholesale Banking: Includes lending, deposits and other banking services provided to corporate customers of the Bank.
- Retail Banking: Includes lending, deposits and other banking services provided to retail customers of the Bank through branch network or other approved delivery channels.
- Treasury: includes investments, all financial markets activities undertaken on behalf of the Bank's customers, proprietary trading, maintenance of reserve requirements and resource mobilisation from other Banks and financial Institutions. Intersegment earnings of Balance Sheet Management function are included in the Treasury segment.
- Other Banking Operations: Includes para banking activities like Bancassurance, credit cards etc.

Segment revenues include earnings from external customers and earnings from other segments on account of funds transferred at negotiated rates, which are determined by the management. Segment results includes segment revenues as reduced by interest expense, charge from other segments on account of funds transferred at negotiated rates and operating expenses and provisions either directly identified or allocated to each segment.

The following table sets forth the business segment results:

(₹ in crore)

| Particulars | FY15 | | | | | FY14 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **Corporate/ Wholesale Banking** | **Retail Banking** | **Treasury** | **Other Banking Operations** | **Total** | Corporate/ Wholesale Banking | Retail Banking | Treasury | Other Banking Operations | Total |
| Gross Revenue | **1,597.06** | **1,145.30** | **1,794.79** | **50.25** | **4,587.40** | 1,152.76 | 634.71 | 1,237.12 | 22.47 | 3,047.06 |
| Unallocated Revenue | | | | | **4.96** | | | | | 1.70 |
| Less: Inter Segment Revenue | | | | | **2,235.86** | | | | | 1,436.17 |
| **Total Revenue** | | | | | **2,356.50** | | | | | **1,612.59** |
| Segment Results | **111.52** | **41.89** | **127.44** | **14.12** | **299.95** | 70.11 | 24.51 | 94.80 | 3.33 | 194.45 |
| Unallocated expenses | | | | | **0.00** | | | | | 61.93 |
| Operating Profit | | | | | **299.95** | | | | | 132.52 |
| Income Tax expense (including deferred tax) | | | | | **92.77** | | | | | 39.85 |
| **Net Profit** | | | | | **207.17** | | | | | **92.67** |
| Segment Assets | **10,584.29** | **3,859.65** | **11,827.35** | **188.31** | **26,459.61** | 7,525.53 | 2,538.97 | 7,488.25 | 148.06 | 17,700.81 |
| Unallocated Assets | | | | | **645.06** | | | | | 497.32 |
| **Total Assets** | | | | | **27,104.67** | | | | | **18,198.13** |
| Segment Liabilities | **7,134.77** | **8,395.16** | **9,289.81** | **6.07** | **24,825.81** | 3,823.54 | 6,345.92 | 5,935.47 | 7.26 | 16,112.19 |
| Unallocated Liabilities | | | | | **2,278.86** | | | | | 2,085.94 |
| **Total Liabilities** | | | | | **27,104.67** | | | | | **18,198.13** |

Notes:

- The business of the Bank does not extend outside India and it does not have any assets outside India or earnings emanating from outside India. Accordingly, the Bank has reported operations in the domestic segment only.

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forming part of the financial statements for the year ended March 31, 2015

- Income, expenses, assets and liabilities have been either specifically identified to individual segment or allocated to segments on a reasonable basis or are classified as unallocated.

- Unallocated items include Fixed Assets, realised gains/losses on their sale, income tax expense, deferred income tax assets/ liabilities, advance tax, cash in hand, share capital and reserves.

### 4.3 Related Party Transactions

As per AS 18 "Related Party Disclosures", the Bank's related parties for the year ended March 31, 2015 are disclosed below:

**Key Management Personnel ('KMP') as defined under AS 18:**

Mr. Vishwavir Ahuja, Managing Director & CEO

In FY15 and FY14, there was only one related party in the said category, hence the Bank has not disclosed the details of transactions in accordance with circular issued by RBI on March 29, 2003 "Guidance on compliance with the accounting standards by banks".

### 4.4 Operational Leases

The Bank has taken certain premises on operating lease. The agreements entered into provide for renewal and rent escalation. Particular of future minimum lease payments in respect of the same are as mentioned below:

(₹ in crore)

| Period | FY15 | FY14 |
|---|---|---|
| Not later than one year | **54.07** | 36.66 |
| Later than one year and not later than five years | **149.45** | 101.29 |
| Later than five years | **62.14** | 40.31 |
| **Total** | **265.66** | **178.26** |
| Lease payment recognised in profit and loss account for the year | **58.33** | 35.69 |

### 4.5 Earnings Per Share

| Particulars | FY15 | FY14 |
|---|---|---|
| **Basic** | | |
| Weighted Average Number of equity shares | **28,64,74,108** | 25,51,12,571 |
| Net Profit after tax available for equity share holders (₹ in crore) | **207.17** | 92.67 |
| Basic Earnings Per Share (F V ₹ 10/-) (₹) | **7.23** | 3.63 |
| **Diluted** | | |
| Weighted Average Number of equity shares (including dilutive potential equity shares) | **29,58,32,947** | 25,66,03,856 |
| Net Profit after tax available for equity share holders (₹ in crore) | **207.17** | 92.67 |
| Diluted Earnings Per Share (F V ₹ 10/-) (₹) | **7.00** | 3.61 |
| Nominal Value per share | **₹ 10** | ₹ 10 |

The dilutive impact is due to options granted to employees of the Bank

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forming part of the financial statements for the year ended March 31, 2015

### 4.6 Deferred Tax (AS -22)

Major components of Deferred Tax Assets and Deferred Tax Liabilities as on March 31, 2015 are as under:-

(₹ in crore)

| Particulars | Deferred Tax Assets/(Liabilities) | |
|---|---|---|
| | **FY15** | FY14 |
| **Deferred tax assets:** | | |
| Provision for Assets | **30.65** | 21.36 |
| Employee benefits | **6.26** | 11.05 |
| Others | **3.04** | 1.75 |
| **Deferred tax liabilities:** | | |
| Charge related to acquisition | **(24.32)** | (31.03) |
| Fixed Assets depreciation | **(13.26)** | (8.34) |
| **Total** | **2.37** | **(5.21)** |

### 4.7 Fixed Assets:

The following table sets forth, for the periods indicated, the movement in software acquired by the Bank, as included in fixed assets

(₹ in crore)

| Particulars | **FY15** | FY14 |
|---|---|---|
| At cost at the beginning of the year | **49.02** | 31.54 |
| Additions during the year | **32.69** | 17.54 |
| Deductions during the year | **0.42** | 0.06 |
| Accumulated depreciation at 31st March | **25.94** | 13.05 |
| Closing balance at 31st March | **55.35** | 35.97 |
| Depreciation charge for the year | **12.90** | 7.08 |

### 4.8 Notes to the Cash flow statement:

Cash and Cash Equivalents: Cash and cash equivalents consist of cash on hand and balances with banks, and investments in money-market instruments. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

(₹ in crore)

| Particulars | **FY15** | FY14 |
|---|---|---|
| Cash in hand | **159.42** | 114.02 |
| Balance with RBI | **1,296.26** | 866.71 |
| Balance with other banks | **280.37** | 198.33 |
| Money at short and call notice | **199.81** | - |
| **Cash and cash equivalents as restated** | **1,935.86** | **1,179.06** |

## 5. Small and Micro Industries

Based on information available with the Bank, during the year, there were no amounts outstanding for more than the specified year, to the parties covered under the Micro, Small and Medium Enterprises Development Act, 2006.

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forming part of the financial statements for the year ended March 31, 2015

## 6. Disclosure of complaints / unimplemented awards of Banking Ombudsman for the year ended March 31, 2015

| A) | Customer Complaints | FY15 | FY14 |
|---|---|---|---|
| a) | No. of complaints pending at the beginning of the year | 33 | 28 |
| b) | No. of complaints received during the year* | 3,346 | 3,552 |
| c) | No. of complaints redressed during the year | 3,293 | 3,547 |
| d) | No. of complaints pending at the end of the year | 86 | 33 |

| B) | Awards passed by the Banking Ombudsman | FY15 | FY14 |
|---|---|---|---|
| a) | No. of unimplemented awards at the beginning of the year | - | Nil |
| b) | No. of awards passed by the Banking Ombudsman during the year | 1 | Nil |
| c) | No. of awards implemented during the year | 1 | Nil |
| d) | No. of unimplemented awards at the end of the year | - | Nil |

*Includes 456 ATM Complaints of Bank's customers using other bank ATMs

## 7. Capital Adequacy:

The Bank has complied with Capital Adequacy Norms prescribed by RBI. The details are as under:

| | Particulars | FY15 | FY14 |
|---|---|---|---|
| i) | Common Equity Tier 1 capital ratio (%) | 12.74% | 14.33% |
| ii) | Tier I capital ratio (%) | 12.74% | 14.33% |
| iii) | Tier II capital ratio (%) | 0.39% | 0.31% |
| iv) | Total capital ratio (CRAR) (%) | 13.13% | 14.64% |
| v) | Percentage of the shareholding of the Government of India in Public Sector banks | NA | NA |
| vi) | Amount of Equity capital raised | 181.86 | 165.29 |
| vii) | Amount of Additional Tier 1 capital raised | NIL | NIL |
| viii) | Amount of Tier 2 capital raised | NIL | NIL |

## 8. Investments:

### i) Movement of Investments:

(₹ in crore)

| | Particulars | FY15 | FY14 |
|---|---|---|---|
| (1) | Value of Investments | | |
| | (i) Gross Value of Investments | | |
| | (a) In India | 9,828.11 | 6,520.21 |
| | (b) Outside India | | - |
| | (ii) Provisions for Depreciation (including provision for NPI) | | |
| | (a) In India | 2.43 | 2.18 |
| | (b) Outside India | | - |
| | (iii) Net Value of Investments | | |
| | (a) In India | 9,825.68 | 6,518.03 |
| | (b) Outside India | - | - |
| (2) | Movement of provisions held towards depreciation of investments (including provision for NPIs) | | |
| | (i) Opening balance | 2.18 | 0.21 |
| | (ii) Add: Provisions made during the year | 9.62 | 92.02 |
| | (iii) Less: Write-off / write back of excess / provisions (including provision for NPIs) during the year | 9.37 | 90.05 |
| | (iv) Closing balance | 2.43 | 2.18 |

# SCHEDULES

forming part of the financial statements for the year ended March 31, 2015

**ii) Repo / Reverse Repo Transactions:**

During the year, the Bank has not under taken Repo / Reverse Repo transactions other than Repo / Reverse Repo transactions under the Liquidity Adjustment Facility (LAF) with Reserve Bank of India.

**iii) Issuer Composition of Non-SLR investments :**

Issuer composition as at March 31, 2015 of non-SLR investments

(₹ in crore)

| No | Particulars | Amount | Private Placement | Below Investment Grade | Unrated Securities | Unlisted Securities |
|---|---|---|---|---|---|---|
| 1 | PSU | **40.00** | **40.00** | - | - | - |
| 2 | FIs | **83.39** | **83.39** | - | - | - |
| 3 | Banks | **296.74** | - | - | - | - |
| 4 | Private Corporates | **650.54** | **499.21** | - | - | **0.10** |
| 5 | Subsidiaries/ Joint ventures | - | - | - | - | - |
| 6 | Others | **1,177.51*** | **858.06** | - | - | - |
| 7 | Provisions held towards depreciation | **(2.43)** | **(2.43)** | - | - | - |
| | **Total** | **2,245.75** | **1,478.23** | - | - | **0.10** |

* includes Government securities of ₹ 2.93 crore which does not qualify as SLR securities.

Issuer composition as at March 31, 2014 of non-SLR investments

(₹ in crore)

| No | Particulars | Amount | Private Placement | Below Investment Grade | Unrated Securities | Unlisted Securities |
|---|---|---|---|---|---|---|
| 1 | PSU | 174.92 | 140.00 | - | - | - |
| 2 | FIs | 59.06 | 18.01 | - | - | - |
| 3 | Banks | 443.65 | - | - | - | - |
| 4 | Private Corporates | 714.89 | 553.42 | - | - | 25.10 |
| 5 | Subsidiaries/ Joint ventures | - | - | - | - | - |
| 6 | Others | 1,127.67* | 740.09 | - | - | - |
| 7 | Provisions held towards depreciation | (2.18) | - | - | - | - |
| | **Total** | **2,518.01** | **1,451.52** | **-** | **-** | **25.10** |

*includes Government securities of ₹ 2.93 crore which does not qualify as SLR securities.

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forming part of the financial statements for the year ended March 31, 2015

### iv) Non Performing Non-SLR investment:

(₹ in crore)

| No | Particulars | FY15 | FY14 |
|---|---|---|---|
| 1 | Opening Balance | **-** | - |
| 2 | Additions during the year | **15.50** | - |
| 3 | Reductions during the year | **-** | - |
| 4 | Closing Balance | **15.50** | - |
| 5 | Total provisions held for NPI | **2.33** | - |

### v) Security Receipts

Details of Investments held as Security Receipts received by sale of NPA to Securitisation/Reconstruction Company for the year ended March 31, 2015 are as follows-

(₹ in crore)

| Particulars | Backed by NPAs sold by the bank as underlying | | Backed by NPAs sold by other banks/ financial institutions/ non-banking financial companies as underlying | | Total | |
|---|---|---|---|---|---|---|
| | **FY15** | FY14 | **FY15** | FY14 | **FY15** | FY14 |
| Book value of investments in security receipts | **-** | - | **-** | - | **-** | - |

## 9. Forward Rate Agreement / Interest Rate Swaps / Exchange Traded Interest Rate Derivatives:

(₹ in crore)

| Particulars | FY15 | FY14 |
|---|---|---|
| i) The notional principal of swap agreements | **5,821.01** | 3,000.00 |
| ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements | **22.21** | 19.35 |
| iii) Collateral required by the bank upon entering into swaps | **NIL** | NIL |
| iv) Concentration of credit risk arising from the swaps | **32.41** | 8.45 |
| v) The fair value of the swap book | **2.01#** | (2.44)# |

# fair value of the swap book is inclusive of interest accrual.

The nature and terms of Interest Rate Swaps (IRS)– FCY as on March 31, 2015 are set out below –

| Nature | Nos. | Notional Principal (₹ crore) | Benchmark | Terms |
|---|---|---|---|---|
| FCY IRS | 2 | 23.01 | LIBOR | Receive Fix and Pay Floating |
| FCY IRS | 2 | 23.01 | LIBOR | Pay Fix and Receive Floating |

There were no FCY IRS outstanding as of March 31, 2014.

The nature and terms of Interest Rate Swaps (IRS)– INR as on March 31, 2015 are set out below –

| Nature | Nos. | Notional Principal (₹ crore) | Benchmark | Terms |
|---|---|---|---|---|
| OIS | 46 | 2,950.00 | OIS | Receive Fixed and Pay Floating |
| OIS | 49 | 2,825.00 | OIS | Pay Fixed and Receive Floating |

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forming part of the financial statements for the year ended March 31, 2015

The nature and terms of Interest Rate Swaps (IRS) as on March 31, 2014 are set out below –

| Nature | Nos. | Notional Principal (₹ crore) | Benchmark | Terms |
|---|---|---|---|---|
| OIS | 24 | 1,500 | OIS | Receive Fixed and Pay Floating |
| OIS | 25 | 1,500 | OIS | Pay Fixed and Receive Floating |

Bank has not undertaken any Exchange Traded Interest Rate Derivatives during the year ended March 31, 2015 and March 31, 2014.

**Risk Exposure in Derivatives-**

**Qualitative disclosures:**

Derivatives are financial instruments whose characteristics are derived from an underlying asset, or from interest and exchange rates or indices. The Bank is currently dealing in Interest Rate and Foreign Exchange(FX) Derivatives for balance sheet management and proprietary trading/ market making. The Bank also offers derivative products to its customers for hedging their interest rate and FX risk.

These transactions expose the Bank to various risks, primarily credit, market and operational risk. The Bank has adopted the following mechanism for managing risks arising out of the derivative transactions.

a) **The structure and organisation for management of risk in derivatives trading.**

The Bank has separate Treasury Front Office, Treasury Middle Office, Market Risk and Treasury Back Office functions. The derivative transactions are originated by Treasury Front Office, which ensures compliance with the trade origination requirements as per the Bank's policy and the RBI guidelines. Treasury Middle Office and Market Risk Group are responsible for identifying, measurement, monitoring, and analysis of derivative related risks. Treasury Back Office undertakes activities such as confirmations, settlements, documentation and accounting. The Treasury activities are subject to a concurrent audit.

b) **The scope and nature of risk measurement, risk reporting and risk monitoring systems.**

Derivative transactions are governed by the Bank's Derivative Policy, Commercial Credit Policy, Market Risk Policy and Client Suitability and Appropriateness Policy as well as by the extant RBI guidelines.

Various risk limits are set up taking into account market volatility, business strategy and management experience. Risk limits are in place for risk parameters viz. PV01, Value at Risk, stop loss, and stress scenario limits. All exposures are monitored against these limits on a daily basis and breaches, if any, are reported for corrective action.

The Bank measures counterparty risk using current exposure method. Counterparty limits are approved as per the Bank's Credit Policies. The sanction terms may include the requirement to post upfront collateral, or post collateral should the mark to market (MTM) exceed a specified threshold; on a case to case basis. The Bank retains the right to terminate transactions as a risk mitigation measure, in case the client does not adhere to the agreed terms.

All counterparty exposures are monitored against these limits on a daily basis and breaches, if any, are reported for corrective action.

c) **Policies for hedging and/ or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges / mitigants,**

The Bank has a Board approved Hedge and Hedge effectiveness Policy, which govern the use of derivative for hedging purpose. However, the Bank has not entered into any hedge transactions as of March 31, 2015.

d) **Accounting policy for recording hedge and non-hedge transactions, recognition of income, premiums and discounts, valuation of outstanding contracts.**

The Bank has undertaken derivative transactions for market making and trading purposes. The Bank revalues its trading positions on a daily basis and records the same in the books of accounts. The receivable and payable on marking the contracts to market are shown under "Other Assets" and "Other Liabilities" in the balance sheet.

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Derivatives other than FX forward transactions are covered under International Swaps and Derivatives Association (ISDA) master agreements with respective counterparties.

The Bank follows the option premium accounting framework prescribed by FEDAI circular. Premium on option transaction is recognised as income/ expense on expiry or early termination of the transaction. MTM gain/ loss, is recorded under 'Other Income'.

The amounts received/paid on cancellation of option contracts are recognised as realised gains/ losses on options.

Charges receivable/payable on cancellation/ termination of foreign exchange Forward contracts and swaps are recognised as income/ expense on the date of cancellation/ termination under 'Other Income'.

## Quantitative disclosure on risk exposure in derivatives as at March 31, 2015

(₹ in crore)

| Sl. No. | Particular | | FY15 Currency derivatives: Forward Contract | FY15 Currency derivatives: Currency Option | FY15 Currency derivatives: Currency Swap | FY15 Interest rate derivatives | FY14 Currency derivatives: Forward Contract | FY14 Currency derivatives: Currency Option | FY14 Currency derivatives: Currency Swap | FY14 Interest rate derivative |
|---|---|---|---|---|---|---|---|---|---|---|
| (i) | Derivatives (Notional Principal Amount) | | | | | | | | | |
| | a) For hedging | | **545.65#** | **NIL** | **NIL** | **NIL** | 434.53# | NIL | NIL | NIL |
| | b) For trading | | **6,142.45** | **2,593.49** | **215.37** | **5,821.01** | 4,374.94 | 925.67 | 74.75 | 3,000 |
| (ii) | Marked to Market Positions [1] | | | | | | | | | |
| | a) Asset (+) | | **71.61** | **4.19** | **3.41** | **22.21** | 102.63 | 2.97 | 2.03 | 10.72 |
| | b) Liability (-) | | **62.61** | **4.19** | **1.31** | **20.20** | 82.07 | 2.97 | 0.37 | 9.88 |
| (iii) | Credit Exposure [2] | | **258.84** | **22.70** | **24.94** | **64.30** | 219.77 | 9.15 | 9.50 | 38.10 |
| (iv) | Likely impact of one percentage change in interest rate (100*PV01) | | | | | | | | | |
| | a) on hedging derivatives | | **5.01#** | **NIL** | **NIL** | **NIL** | 0.00# | NIL | NIL | NIL |
| | b) on trading derivatives | | **1.22** | **NIL** | **0.00** | **0.81** | 5.21 | NIL | 0.00 | 0.00 |
| (v) | Maximum and Minimum of 100*PV01 observed during the year | | | | | | | | | |
| | a) on hedging | Max | **5.11#** | **NIL** | **NIL** | **NIL** | 7.01# | NIL | NIL | NIL |
| | | Min | **3.38#** | **NIL** | **NIL** | **NIL** | 0.01# | NIL | NIL | NIL |
| | b) on trading | Max | **2.11** | **NIL** | **0.00** | **1.72** | 1.14 | NIL | 0.00 | 5.14 |
| | | Min | **0.11** | **NIL** | **0.00** | **0.11** | 0.00 | NIL | 0.00 | 0.00 |

# represents funding swaps undertaken by the Bank.

(1) As per recommendatory provisions of AS-31, Financial Instrument: Presentation, mark to market position is reported on gross basis.

(2) The Bank has computed maximum and minimum of PV01 for the year based on balances at the end of every month.

(3) Mark to Market position for Currency Swap & Interest Rate Derivative does not include Interest accrued on the swap.

(4) The Notional principal of Forward Exchange Contract does not include notional for Tom and Spot Foreign Exchange Contract.

(5) The notional principal amounts of derivatives reflect the volume of transactions outstanding at balance sheet date and do not represent the amount of risk.

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forming part of the financial statements for the year ended March 31, 2015

## 10. Restructured / Rescheduled / Renegotiated - Investments during the year is Nil (Previous year: Nil)

## 11. Asset Quality:

### i) Non – Performing Asset:

(₹ in crore)

| | Particulars | FY15 | FY14 |
|---|---|---|---|
| (i) | Net NPAs to Net Advances (%) | **0.27%** | 0.31% |
| (ii) | Provisioning Coverage Ratio (PCR) (%) | **68.28%** | 65.73% |
| (iii) | Movement of NPAs (Gross) | | |
| | (a) Opening balance | **77.75** | 25.90 |
| | (b) Additions during the year | **47.63** | 63.99 |
| | (c) Reductions during the year | **14.15** | 12.14 |
| | (d) Closing balance | **111.23** | 77.75 |
| (iv) | Movement of Net NPAs | | |
| | (a) Opening balance | **30.50** | 6.88 |
| | (b) Additions during the year | **28.56** | 36.83 |
| | (c) Reductions during the year | **20.47** | 13.20 |
| | (d) Closing balance | **38.59** | 30.51 |
| (v) | Movement of provisions for NPAs | | |
| | (excluding provisions on standard assets) | | |
| | (a) Opening balance | **47.25** | 19.02 |
| | (b) Provisions made during the year | **32.02** | 33.06 |
| | (c) Write-off / write back of excess provisions during the year | **6.63** | 4.84 |
| | (d) Closing balance | **72.64** | 47.24 |

### ii) Technical Write-off

(₹ in crore)

| Particulars | FY15 | FY14 |
|---|---|---|
| Opening balance of Technical / Prudential written-off accounts as at April 1 | **11.26** | 15.79 |
| Add: Technical / Prudential write-offs during the year | **0.00** | 0.00 |
| Sub-total (A) | **11.26** | 15.79 |
| Less: Recoveries made from previously technical / prudential written-off accounts during the year (B) | **0.82** | 4.53 |
| Closing balance as at March 31 (A-B) | **10.44** | 11.26 |

# SCHEDULES

forming part of the financial statements for the year ended March 31, 2015

**iii) Particulars of Restructured accounts:**

Details of loan assets subjected to restructuring during the year are given below:

**Restructured advances as at March 31, 2015**

(₹ in crore)

| Type of restructuring | | Under CDR | | | | | Under SME | | | | | Others | | | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Asset Classification / Details | | S | SS | D | L | Total | S | SS | D | L | Total | S | SS | D | L | Total | |
| Restructured accounts as on 1 April of the FY | A | - | - | - | - | - | 1 | - | - | - | 1 | 3 | - | - | - | 3 | 4 |
| | B | - | - | - | - | - | 1.05 | - | - | - | 1.05 | 17.48 | - | - | - | 17.48 | 18.53 |
| | C | - | - | - | - | - | - | - | - | - | - | 0.94 | - | - | - | 0.94 | 0.94 |
| Fresh Restructuring during the year | A | 1 | - | - | - | 1 | 1 | - | - | - | 1 | 1 | - | - | - | 1 | 3 |
| | B | 52.20 | - | - | - | 52.20 | 19.07 | - | - | - | 19.07 | 5.20 | - | - | - | 5.20 | 76.47 |
| | C | 7.77 | - | - | - | 7.77 | 2.89 | - | - | - | 2.89 | 0.54 | - | - | - | 0.54 | 11.20 |
| Increase / (Decrease) in outstanding of restructured cases | A | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | B | - | - | - | - | - | (0.38) | - | - | - | (0.38) | 0.39 | - | - | - | 0.39 | 0.01 |
| | C | - | - | - | - | - | - | - | - | - | - | 0.05 | - | - | - | 0.05 | 0.05 |
| Upgradations to restructured standard during the year | A | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | B | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | C | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Restructured standard advances which cease to attract higher provision at the year end and need not be shown as restructured advances at the beginning of the next FY | A | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | B | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | C | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Downgradations of restructured accounts during the FY | A | - | - | - | - | - | - | - | - | - | - | (1) | 1 | - | - | - | - |
| | B | - | - | - | - | - | - | - | - | - | - | (16.10) | 17.14 | - | - | 1.04 | 1.04 |
| | C | - | - | - | - | - | - | - | - | - | - | (0.60) | 3.66 | - | - | 3.06 | 3.06 |
| Write-offs of restructured accounts | A | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | B | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | C | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Restructured accounts as on 31 March (Closing) | A | 1 | - | - | - | 1 | 2 | - | - | - | 2 | 3 | 1 | - | - | 4 | 7 |
| | B | 52.20 | - | - | - | 52.20 | 19.74 | - | - | - | 19.74 | 6.97 | 17.14 | - | - | 24.11 | 96.05 |
| | C | 7.77 | - | - | - | 7.77 | 2.89 | - | - | - | 2.89 | 0.93 | 3.66 | - | - | 4.59 | 15.25 |

* Amount in this column indicates the movement i.e. recovery / (increase) in the balance during the year

**A**- No. of borrowers, **B**- Amt. outstanding, **C**- Provision thereon

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Restructured Advances as at March 31, 2014

(₹ in crore)

| Type of restructuring / Asset Classification / Details | | Under CDR | | | | | Under SME | | | | | Others | | | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | S | SS | D | L | Total | S | SS | D | L | Total | S | SS | D | L | Total | |
| Restructured accounts as on 1 April of the FY | A | - | - | - | - | - | 4 | - | 1 | - | 5 | 1 | - | - | - | 1 | 6 |
| | B | - | - | - | - | - | 2.32 | - | 1.65 | - | 3.97 | 20.92 | - | - | - | 20.92 | 24.89 |
| | C | - | - | - | - | - | - | - | 1.65 | - | 1.65 | 0.58 | - | - | - | 0.58 | 2.23 |
| Fresh Restructuring during the year | A | - | - | - | - | - | - | - | - | - | - | 4 | - | - | - | 4 | 4 |
| | B | - | - | - | - | - | - | - | - | - | - | 18.32 | - | - | - | 18.32 | 18.32 |
| | C | - | - | - | - | - | - | - | - | - | - | 1.29 | - | - | - | 1.29 | 1.29 |
| Increase / (Decrease) in outstanding of restructured cases | A | - | - | - | - | - | - | - | - | - | - | | - | - | - | | |
| | B | - | - | - | - | - | (0.20) | - | - | - | (0.20) | (4.87) | - | - | - | (4.87) | (5.07) |
| | C | - | - | - | - | - | - | - | - | - | - | (0.04) | - | - | - | (0.04) | (0.04) |
| Upgradations to restructured standard during the year | A | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | B | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | C | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Restructured standard advances which cease to attract higher provision at the year end and need not be shown as restructured advances at the beginning of the next FY | A | - | - | - | - | - | 3 | - | 1 | - | 4 | 2 | - | - | - | 2 | 6 |
| | B | - | - | - | - | - | 1.07 | - | 1.65 | - | 2.72 | 16.89 | - | - | - | 16.89 | 19.61 |
| | C | - | - | - | - | - | - | - | 1.65 | - | 1.65 | 0.89 | - | - | - | 0.89 | 2.54 |
| Downgradations of restructured accounts during the FY | A | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | B | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | C | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Write-offs of restructured accounts | A | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | B | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | C | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Restructured accounts as on 31 March (Closing) | A | - | - | - | - | - | 1 | - | - | - | 1 | 3 | - | - | - | 3 | 4 |
| | B | - | - | - | - | - | 1.05 | - | - | - | 1.05 | 17.48 | - | - | - | 17.48 | 18.53 |
| | C | - | - | - | - | - | - | - | - | - | - | 0.94 | - | - | - | 0.94 | 0.94 |

* Amount in this column indicates the movement i.e. recovery / (increase) in the balance during the year

**A**- No. of borrowers, **B**- Amt. outstanding, **C**- Provision thereon

**iv) Details of financial assets sold to Securitisation / Reconstruction Company for Asset Reconstruction:**

(₹ in crore)

| No | Particulars | FY15 | FY14 |
|---|---|---|---|
| 1 | No. of accounts | **1** | 1 |
| 2 | Aggregate value (net of provisions) of accounts sold to SC / RC | **42.29** | * - |
| 3 | Aggregate consideration | **42.29** | 0.22 |
| 4 | Additional consideration realised in respect of accounts transferred in earlier years | **NIL** | - |
| 5 | Aggregate loss over net book value | **NIL** | - |

*The account sold was a technically written – off account

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**v) Details of non-performing financial assets purchased / sold:**

Non- performing financial assets purchased

(₹ in crore)

| No | Particulars | FY15 | FY14 |
|---|---|---|---|
| 1 | (a) No. of accounts purchased during the year | **2** | 2* |
| | (b) Aggregate Outstanding | **12.15** | 21.04 |
| 2 | (a) Of these, number of accounts restructured during the year | **-** | - |
| | (b) Aggregate Outstanding | **-** | - |

* Purchase of portfolio of non-performing retail loans is treated as a single asset purchase

During the year ended March 31, 2015 and March 31, 2014, other than the assets sold to SC/RC (covered above) there were no non-performing financial assets sold.

**vi) Securitisation**

There are no securitisation transactions undertaken by the Bank during the year ended 31 March 2015 (Previous Year – Nil)

**12.** The Bank has not done any securitisations during the year ended March 31, 2015 and March 31, 2014.

## 13. Business Ratios:

| No | Particulars | FY15 | FY14 |
|---|---|---|---|
| (i) | Interest income as % to Working funds | **9.65%** | 9.75% |
| (ii) | Non-Interest income as % to Working funds | **1.99%** | 1.88% |
| (iii) | Operating profit as % to Working funds | **1.78%** | 1.29% |
| (iv) | Return on Assets | **1.02%** | 0.67% |
| (v) | Business (Deposit plus Advance) per employee (₹ in crore) | **8.23** | 6.97 |
| (vi) | Profit per employee (₹ in crore) | **0.06** | 0.03 |

Working funds represents the average of total assets as reported in Monthly Form X to RBI under Section 27 of the Banking Regulation Act, 1949. For the purpose of computation of Business per employee (deposits plus advances) above, inter-bank deposits are excluded.

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**14. Maturity Pattern:**

Maturity pattern of certain items of assets and liabilities is given below:

(₹ in crore)

| Particulars | as at March 31, 2015 | | | | | |
|---|---|---|---|---|---|---|
| | **Loans & Advances (INR)** | **Investments (INR)** | **Deposits (INR)** | **Borrowings (INR)** | **Foreign currency Assets** | **Foreign currency Liabilities** |
| 1 day | **191.07** | **204.34** | **124.43** | **0.00** | **79.84** | **3.21** |
| 2 to 7 days | **246.04** | **2,226.84** | **1,232.23** | **3,181.83** | **28.84** | **11.58** |
| 8 to 14 days | **158.22** | **626.35** | **648.78** | **699.00** | **26.37** | **4.00** |
| 15 to 28 days | **270.15** | **375.51** | **1,028.45** | **300.00** | **55.55** | **5.49** |
| 29 days to 3 months | **1,333.20** | **2,722.65** | **3,280.26** | **0.00** | **138.69** | **89.38** |
| Over 3 months to 6 months | **1,096.53** | **1,576.26** | **2,710.48** | **508.96** | **22.74** | **63.34** |
| Over 6 months to 1 year | **3,936.69** | **896.74** | **3,179.72** | **486.57** | **230.00** | **334.43** |
| Over 1 year to 3 years | **4,130.47** | **840.56** | **4,334.69** | **746.70** | **202.86** | **274.76** |
| Over 3 years to 5 years | **874.01** | **174.83** | **223.70** | **174.36** | **40.84** | **128.48** |
| Over 5 years | **1,447.02** | **181.60** | **69.41** | **100.01** | **14.22** | **125.00** |
| **Total** | **13,683.40** | **9,825.68** | **16,832.15** | **6,197.43** | **839.95** | **1,039.67** |

(₹ in crore)

| Particulars | as at March 31, 2014 | | | | | |
|---|---|---|---|---|---|---|
| | Loans & Advances (INR) | Investments (INR) | Deposits (INR) | Borrowings (INR) | Foreign currency Assets | Foreign currency Liabilities |
| 1 day | 273.76 | 161.62 | 130.26 | 1.03 | 58.71 | 1.69 |
| 2 to 7 days | 121.32 | 1,213.41 | 748.66 | 1,153.50 | 17.83 | 2.97 |
| 8 to 14 days | 129.09 | 113.36 | 374.25 | 169.00 | 3.35 | 2.12 |
| 15 to 28 days | 341.35 | 428.35 | 747.09 | 300.00 | 8.57 | 2.97 |
| 29 days to 3 months | 536.44 | 2,169.37 | 2,905.48 | 0.00 | 20.32 | 183.73 |
| Over 3 months to 6 months | 666.69 | 777.91 | 1,243.64 | 338.11 | 4.63 | 29.96 |
| Over 6 months to 1 year | 2,610.65 | 709.67 | 2,347.06 | 692.60 | 204.68 | 0.30 |
| Over 1 year to 3 years | 3,304.99 | 492.91 | 2,795.63 | 655.87 | 40.57 | 207.86 |
| Over 3 years to 5 years | 825.52 | 73.39 | 68.55 | 122.57 | 0.00 | 0.00 |
| Over 5 years | 724.19 | 378.05 | 20.07 | 129.35 | 13.68 | 122.77 |
| **Total** | **9,534.00** | **6,518.04** | **11,380.69** | **3,562.03** | **372.34** | **554.37** |

Classification of assets and liabilities under the different maturity buckets for both current and previous financial years is based on the same estimates and assumptions as used by the Bank for compiling the return submitted to the RBI. Maturity profile of assets and liabilities excludes off balance sheet items.

# SCHEDULES

forming part of the financial statements for the year ended March 31, 2015

## 15. Lending to Sensitive Sector:

### i) Exposure to Real Estate Sector:

(₹ in crore)

| No | Particulars | FY15 | FY14 |
|---|---|---|---|
| **1)** | **Direct exposure** | | |
| (a) | Residential Mortgages - | **310.82** | 345.81 |
| | Out of which Individual housing loans eligible for inclusion in priority sector advances | **98.05** | 105.61 |
| (b) | Commercial Real Estate | **1,169.84** | 1,093.71 |
| (c) | Investments in Mortgage Backed Securities (MBS) and other securitised exposures | | |
| i. | Residential Mortgages | **-** | - |
| ii. | Commercial Real Estate | **-** | - |
| **2)** | **Indirect Exposure** | | |
| | Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs) | **191.07** | 116.99 |
| | **Total Exposure to Real Estate Sector** | **1,671.73** | **1,556.51** |

### ii) Exposure to Capital Market:

(₹ in crore)

| No | Particulars | FY15 | FY14 |
|---|---|---|---|
| (i) | Direct investments made in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt; | **0.10** | 0.10 |
| (ii) | Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds | **0.00** | 0.20 |
| (iii) | Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security | **295.91** | 278.03 |
| (iv) | Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances | **0.00** | - |
| (v) | Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers; | **80.00** | 80.00 |
| (vi) | Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources | **0.00** | 0.00 |
| (vii) | Bridge loans to companies against expected equity flows/issues | **0.00** | - |
| (viii) | Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds; | **0.00** | - |
| (ix) | Financing to stockbrokers for margin trading | **0.00** | - |
| (x) | All exposures to Venture Capital Funds (both registered and unregistered) will be deemed to be on par with equity and hence will be reckoned for compliance with the capital market exposure ceilings (both direct and indirect) | **18.79** | 11.25 |
| | **Total Exposure to Capital Market** | **394.80** | **369.58** |

# SCHEDULES

forming part of the financial statements for the year ended March 31, 2015

### iii) Risk Category wise Country Exposure:

(₹ in crore)

| Risk Category | Exposure (net) as at March 31, 2015 | Provision held as at March 31, 2015 | Exposure (net) as at March 31, 2014 | Provision held as at March 31, 2014 |
|---|---|---|---|---|
| Insignificant | **72.56** | **-** | 64.21 | - |
| Low | **4.86** | **-** | 2.45 | - |
| Moderate | **-** | **-** | - | - |
| High | **-** | **-** | - | - |
| Very High | **-** | **-** | - | - |
| Restricted | **-** | **-** | - | - |
| Off-credit | **-** | **-** | - | - |
| **Total** | **77.42** | **-** | **66.66** | **-** |

## 16. Details of Single / Group Borrower limit exceeded by the Bank:

During the year ended March 31, 2015 and March 31, 2014 the Bank has not exceeded the exposure ceiling fixed by RBI to Individual / Group borrowers.

## 17) Amount of Provisions made for Income-tax during the year:

(₹ in crore)

| No | Particulars | FY15 | FY14 |
|---|---|---|---|
| i) | Provision for Income tax / Wealth tax | **102.53** | 25.35 |
| ii) | Provision for deferred tax | **(9.76)** | 14.50 |

## 18) Unsecured Advances against Intangible Collaterals:

(₹ in crore)

| Particulars | FY15 | FY14 |
|---|---|---|
| Total Advances against intangible securities such as charge over the rights, licenses, authority etc. | **NIL** | NIL |
| Estimated Value of intangible collateral such as charge over the rights, licenses, authority etc. | **NIL** | NIL |

## 19. Penalties imposed by RBI:

The Reserve Bank had carried out a scrutiny of the loan and current accounts of M/s. Deccan Chronicle holdings Ltd., in various banks in late 2013. RBI has issued guidelines to ensure that banks are protected while lending to companies that do not provide full disclosure. As per RBI assessment, the Bank had not complied with the extant guidelines requiring banks to exchange information among lending banks on borrowers on a periodic basis and accordingly levied a penalty of ₹ 5 lakh, during the current financial year ending March 31, 2015.

During the previous year ended March 31, 2014, the Bank was levied penalty based on a scrutiny conducted by RBI on banks during the financial year as part of a thematic study, a penalty was imposed by RBI on several banks for non-compliance of KYC-AML guidelines. The Bank was charged a penalty of ₹ 50,00,000 on this account. In addition, the Bank had paid ₹ 18,125 as penal interest for default in maintenance of Cash Reserve Ratio on one day, i.e. May 28, 2013, during the fortnight ended May 31, 2013. The Bank had also paid a penalty of ₹ 20,000 imposed by RBI for 'SGL bouncing' on March 13, 2014.

# SCHEDULES

forming part of the financial statements for the year ended March 31, 2015

## 20) Disclosure of Fees / Remuneration Received in respect of Bancassurance Business:

(₹ in crore)

| No | Particulars | FY15 | FY14 |
|---|---|---|---|
| i) | Fee / Remuneration from Life Insurance Business | **6.72** | 6.49 |
| ii) | Fee / Remuneration from General Insurance Business | **1.69** | 1.24 |

## 21) Break up of Provisions and Contingencies debited to Profit & Loss Account:

(₹ in crore)

| No | Particulars | FY15 | FY14 |
|---|---|---|---|
| i) | Provision made towards NPAs / Write off/ Sacrifice for Restructured Advance / Debt Relief as per RBI guidelines | | |
| | a) For Advance | **35.11** | 30.11 |
| | b) For Investments | **2.33** | - |
| | c) For Lease Assets | **-** | - |
| ii) | Provisions towards Standard Advances | **24.24** | 14.90 |
| iii) | Provision for depreciation on investments | **(2.07)** | 1.96 |
| iv) | Provision / (Writeback) for credit card reward points | **0.03** | (1.09) |
| v) | Provision for others | **0.54** | 0.30 |
| vi) | Provisions towards Income tax / Wealth tax | **102.53** | 25.35 |
| vii) | Provision towards deferred tax (net) | **(9.76)** | 14.50 |
| | **Total** | **152.95** | **86.03** |

## 22. Drawdown from Reserves:

There has been no draw down from reserves during the year ended March 31, 2015 and March 31, 2014

## 23. Floating Provisions:

The Bank has not made any floating provisions.

## 24. Market risk in trading book:

**Quantitative Disclosure:**

(₹ in crore)

| No | Particulars | FY15<br>Basel III | FY14<br>Basel III |
|---|---|---|---|
| | Capital requirements for: | | |
| a) | interest rate risk | **146.41** | 120.68 |
| b) | equity position risk | **9.87** | 36.17 |
| c) | foreign exchange risk | **4.05** | 4.05 |

# SCHEDULES

forming part of the financial statements for the year ended March 31, 2015

## 25. Concentration of Deposits, Advances, Exposures and NPAs:

### i) Concentration of Deposits:

(₹ in crore)

| Particulars | FY15 | FY14 |
|---|---|---|
| Total Deposits of twenty largest depositors | **4,670.78** | 2,762.33 |
| Percentage of Deposits of twenty largest depositors to Total Deposits | **27.32%** | 23.82% |

### ii) Concentration of Advances

(₹ in crore)

| Particulars | FY15 | FY14 |
|---|---|---|
| Total Advances to twenty largest borrowers* | **3,411.51** | 2,522.22 |
| Percentage of Advances to twenty largest borrowers to Total Advances | **13.65%** | 15.75% |

* Credit Exposure excludes the exposures which are 100% cash backed

### iii) Concentration of Exposures:

(₹ in crore)

| Particulars | FY15 | FY14 |
|---|---|---|
| Total Exposure to twenty largest borrowers / customers* | **3,455.81** | 2,628.63 |
| Percentage of Exposure to twenty largest borrowers / customers to Total Exposure of the bank on borrowers / customers | **12.75%** | 14.28% |

* Credit Exposure excludes the exposures which are 100% cash backed

### iv) Concentration of NPA's:

(₹ in crore)

| Particulars | FY15 | FY14 |
|---|---|---|
| Total Exposure to top four NPA Accounts | **78.27** | 64.96 |

# SCHEDULES

forming part of the financial statements for the year ended March 31, 2015

### v) Sector Wise Advances:

(Amounts in ₹ crore)

| Sl. No. | Sector | Current year: Outstanding Total Advances | Current year: Gross NPAs | Current year: Percentage of Gross NPAs to Total Advances in that sector | Previous year: Outstanding Total Advances | Previous year: Gross NPAs | Previous year: Percentage of Gross NPAs to Total Advances in that sector |
|---|---|---|---|---|---|---|---|
| **A** | **Priority Sector** | | | | | | |
| 1 | Agriculture and allied activities | **1,791.74** | **6.15** | **0.34** | 1,253.93 | 2.36 | 0.19 |
| 2 | Advances to industries sector eligible as priority sector lending | **435.81** | **1.78** | **0.41** | 139.40 | 0.67 | 0.48 |
| 3 | Services | **1,124.20** | **4.74** | **0.42** | 484.95 | 2.51 | 0.52 |
| 4 | Personal loans | **1,094.78** | **1.54** | **0.14** | 684.76 | 1.07 | 0.16 |
| | **Sub-total (A)** | **4,446.53** | **14.21** | **0.32** | **2,563.04** | **6.61** | **0.26** |
| **B** | **Non Priority Sector** | | | | | | |
| 1 | Agriculture and allied activities | **1.61** | **0.00** | **0.00** | 0.00 | 0.00 | 0.00 |
| 2 | Industry | **4,538.31** | **17.63** | **0.39** | 2,901.38 | 14.00 | 0.48 |
| 3 | Services | **4,655.11** | **67.93** | **1.46** | 3,601.97 | 38.38 | 1.07 |
| 4 | Personal loans | **888.85** | **11.46** | **1.29** | 815.90 | 18.76 | 2.30 |
| | **Sub-total (B)** | **10,083.88** | **97.02** | **0.96** | **7,319.25** | **71.14** | **0.97** |
| | **Total (A+B)** | **14,530.41** | **111.23** | **0.77** | **9,882.29** | **77.75** | **0.79** |

### vi) Movement of NPA:

(₹ in crore)

| Particulars | | | FY15 | FY14 |
|---|---|---|---|---|
| Gross NPAs as on 1st April (Opening Balance) | | | **77.75** | 25.90 |
| Additions (Fresh NPAs) during the year | | | **47.63** | 63.99 |
| **Sub-total (A)** | | | **125.38** | **89.89** |
| Less: | (i) | Up - gradations | **0.31** | 1.98 |
| | (ii) | Recoveries (excluding recoveries made from up-graded accounts) | **8.65** | 9.50 |
| | (iii) | Write - offs | **5.19** | 0.66 |
| **Sub-total (B)** | | | **14.15** | **12.14** |
| **Gross NPAs as on March 31, 2015 (closing balance) (A - B)** | | | **111.23** | **77.75** |

### vii) Overseas Assets, NPAs and Revenue:

(₹ in crore)

| Particulars | FY15 | FY14 |
|---|---|---|
| Total Assets | **NIL** | NIL |
| Total NPAs | **NIL** | NIL |
| Total Revenue | **NIL** | NIL |

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**viii) Off- Balance Sheet SPVs sponsored:**

| Name of the SPV sponsored | |
|---|---|
| Domestic | Overseas |
| NIL | NIL |

## 26. Disclosure on Remuneration

**Qualitative Disclosure**

### A. Information relating to the composition and mandate of the Remuneration Committee.

The Bank's Human Resources and Remuneration Committee (HR&RC) comprises of the following directors:

1. Mr. P. Sudhir Rao - Chairman of Committee
2. Mr. Narayan Ramachandran
3. Mr. Vimal Bhandari
4. Mr. Jairaj Purandare

All members of the HR&RC are independent directors. Mr. Sudhir Rao and Mr. Vimal Bhandari are also members of the Risk Management Committee of the Board.

Following are the terms of Reference of Human Resources and Remuneration Committee:

- To assist and advise the MD & CEO in planning for senior management build-out of the Bank so as to ensure appropriate leadership is in place for the Bank's transformation strategy.
- To evaluate and approve HR policies of the Bank
- To evaluate and approve various Employee Stock Ownership Schemes that may be required from time to time to ensure that the Bank gets the right talent and is able to retain high performing employees etc.
- To award ESOPs to employees, whether in the form of joining or performance. The Committee may determine the level/grade of employees it desires to review and award.
- To oversee the framing, review and implementation of compensation policy of the bank on behalf of the Board.
- To work in close coordination with Risk Management Committee of the bank, in order to achieve effective alignment between remuneration and risks.
- To ensure that the cost/income ratio of the Bank supports the remuneration package consistent with maintenance of sound capital adequacy ratio.
- Any other related aspect to the above.

### B. Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy.

The remuneration is divided into following components:

**Fixed Remuneration:**

For employees governed by Indian Banking Association's employment and compensation rules (IBA rules), their remuneration is based on the industry-wide bi-partite wage settlement agreements signed with the employees' unions. These rules provide for basic salary, allowances and certain retirement benefits to the employees which are uniformly applicable for the employees covered under the IBA scale.

For the employees governed by the 'Cost to Company (CTC)' remuneration structure (i.e. Non-IBA scale employees), the CTC represents the total direct and fixed cost incurred by the Bank across all components of compensation including contributions paid by the Bank towards retiral benefits, and loans at concessional interest rates. It consists of Basic Salary, House Rent Allowance, Personal Allowance / Special Allowances, Medical & other Reimbursements, Leave Travel Assistance and Retiral Benefits.

**Employee Stock Options:**

In order to align the interest of the Bank, the senior management, its shareholders and the employees, there is an effort to create long term ownership and commitment for the senior officers of the Bank. This is also done with a view to recognise and compensate senior officers for intellectual capital, the domain expertise in terms of product and market knowledge and the business relationships that they bring along.

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Accordingly, the Bank has formulated Employee Stock Option Program.

Further, to reward the performance and recognise the contribution of employees, the Bank has also introduced a Performance Employee Stock Option Program. The Bank has also introduced a Employee Retention Stock option program with the objective of retaining a very select group of highly valued middle and senior management as well as employees in key leadership roles.

The underlying philosophy of Employee Stock Option Plan is to enable the present and future employees to share the value that they help to create for the Bank over a period of time. Joining Employee Stock Options (ESOPs) are granted based on the primacy of the role to the Bank as well as experience, domain knowledge, current ability, future potential and expertise of the candidate. Performance ESOPs are given after periodic evaluation of the employee against individual and overall performance of the Bank during the review period. The Plan has been designed and implemented in such a way that an equity component in the compensation goes a long way in aligning the objectives of an individual with those of the Bank. From FY12, the ESOP has been broad based to include long serving employees of the Bank to make them partners in the growth of the Bank.

These stock option programmes are administered by the HR&RC.

**Annual Performance Linked Variable Compensation (APLVC):**

APLVC is paid as a percentage of CTC as defined in the Compensation Policy of the Bank.

As per the guidelines issued by RBI, APLVC is capped at 70% of CTC for Whole-time Directors / CEO / Senior Executive Team and 40% for Risk Management & Compliance Staff. Also, the APLVC could be paid in a staggered manner based on the quantum of APLVC as a percentage of the CTC. APLVC does not include ESOPs/PESOPs.

**C. Description of the ways in which current and future risks are taken into account in the remuneration processes.**

Key determinant of the total variable pool is the overall performance of the Bank in any given year.

**Further, the following principles apply:**

i. In order for incentive-based remuneration to work, the variable part of remuneration should be truly and effectively variable and can even be reduced to zero.

ii. Methodologies for adjusting remuneration to risk and performance will be based on the general risk management and corporate governance framework adopted by the Bank.

iii. Risks taken need to be estimated (ex ante), risk outcomes observed (ex post) and both ex ante estimates and ex post outcomes would have a bearing on the payoffs.

iv. Risk adjustments would take into account the nature of the risks involved and the time horizons over which they could emerge. The impact of remuneration adjustments would be linked to actions taken by employees and / or business units, and their impact on the level of risk taken on by the Bank.

v. Both ESOP as well as APLVC provide long term remuneration benefits to employees. The ESOP/ PESOP / RESOP are equity settled where the employees will receive one equity share per option. The ESOPs and PESOPs granted to employees vest over a period of three years, in either equal proportion or 40:30:30 or 30:30:40 each year whereas RESOPs vest over a period of two years in a proportion of 20:80 each year. Second vesting of RESOP is linked with listing of the shares. Similarly, as per the guidelines issued by RBI, APLVC could be paid in a staggered manner based on the quantum of APLVC as a percentage of the CTC. Further, the ESOP/PESOP and APLVC are subject to suitable claw-back and malus clauses to protect the Bank

# SCHEDULES

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against misconduct, sub-optimal performance or decisions or actions leading to adverse financial consequence to the Bank.

D. **Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration.**

The Bank has a performance management system in place. The Performance management system has goals on four perspectives namely Financial, Customer, Process and People. Employees are appraised against the goals set at the beginning of the year. Employee performance and competence assessment are both considered for the performance rating. Performance Rating has a direct correlation with the increments and APLVC as well as PESOPs.

E. **A discussion of the bank's policy on deferral and vesting of variable remuneration and a discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting.**

As per the guidelines issued by RBI, APLVC is capped at 70% of CTC for Whole-time Directors / CEO / Senior Executive Team and 40% for Risk Management & Compliance Staff. Also, the APLVC could be paid in a staggered manner based on the quantum of APLVC as a percentage of the CTC. APLVC does not include ESOPs/PESOPs.

Schedule for APLVC vesting and payout is as per pay schedule defined in the Compensation Policy of the Bank.

Deferred APLVC vests only in the year of payment. Voluntary Cessation of employment by the employee or termination with cause as defined in employment contract will result in forfeiture of the remaining APLVC. APLVC is subject to claw-back and malus clauses.

F. **Description of the different forms of variable remuneration (i.e. cash, shares, ESOPs and other forms) that the bank utilises and the rationale for using these different forms.**

Various forms of variable remuneration used by the Bank are:

APLVC: APLVC provides cash bonus in short to medium term to employees. The bank utilises APLVC to reward superior performance.

Employee stock option (ESOP) plan: Employee stock option plan is a long term remuneration benefit.

ESOP is equity settled where the employees will receive one equity share per option after vesting. The stock options granted to employees vest over a period of time as explained above. ESOP is used to reward superior performance, aligning employee interests with the Bank, create long term ownership and commitment.

# SCHEDULES

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### Quantitative Disclosure-

(The quantitative disclosure covers Whole Time Directors, Chief Executive Officer and Other Risk Takers)

(₹ in crore)

| Sr. No. | Particulars | FY15 | FY14 |
|---|---|---|---|
| 1(i) | Number of meetings held by the Remuneration Committee during the year. | **7** | 6 |
| 1(ii) | Remuneration paid to its members during the year | **0.03** | 0.02 |
| 2(i) | Number of employees having received a variable remuneration award during the year | **85** | 67 |
| 2(ii) | Number and total amount of sign-on awards made during the year | **-** | - |
| 2(iii) | Details of guaranteed bonus, if any, paid as joining / sign on bonus | **-** | - |
| 2(iv) | Details of severance pay, in addition to accrued benefits, if any. | **-** | - |
| 3(i) | Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms. | **-** | - |
| 3(ii) | Total amount of deferred remuneration paid out in the year | **-** | - |
| 4 | Breakdown of amount of remuneration awards for the financial: | | |
| | Fixed | **43.09** | 26.39 |
| | Variable | **4.09** | 2.29 |
| | Deferred | **-** | - |
| | Non-deferred | **4.09** | 2.29 |
| 5(i) | Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments. | **-** | - |
| 5(ii) | Total amount of reductions during the year due to ex- post explicit adjustments. | **-** | - |
| 5(iii) | Total amount of reductions during the year due to ex-post implicit adjustments | **-** | - |

### 27. Description of nature of contingent liabilities is set out below:

**i) Claims against the Bank not acknowledged as debts:**

These represent claims filed against the Bank in the normal course of business relating to various legal cases currently in progress.

**ii) Liability for partly paid investments:**

These represent contingent liability on account of possible claims for uncalled amount by the issuer of the securities held by the Bank.

**iii) Liability on account of forward exchange and interest rate contracts:**

The Bank enters into foreign exchange contracts currency options, forward rate agreements, currency swaps with inter-bank participants on its own account and for the customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. Currency swaps are commitments to exchange cash flows by the way of interest/principal in one currency against another, based on pre-determined rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. The amount recorded as contingent liability with respect to these contracts represents the underlying notional amounts of these contracts.

**iv) Guarantees given on behalf of Constituents, Acceptances, Endorsement and other obligations:**

As a part of its corporate banking activities, the Bank issues documentary credit and guarantees on behalf of its customers. Documentary credits such as letters of credit enhance the credit standing of the customer of the Bank. Guarantees generally represent irrevocable assurances that the Bank will make the payment in the event of the customer failing to fulfill its financial or performance obligations.

# SCHEDULES

forming part of the financial statements for the year ended March 31, 2015

**v) Acceptances, endorsements and other obligations:**

These include documentary credit issued by the Bank on behalf of its customers and bills drawn by the Bank's customers that are accepted or endorsed by the Bank.

**vi) Other contingent items:**

These include:

a. Commitments for settlement date accounting for securities transactions;

b. Amount of bills rediscounted by the Bank;

c. Demands raised by income tax and other statutory authorities and disputed by the Bank.

Refer schedule 12 for amounts relating to contingent liabilities.

**28.** Bank has not issued any letters of comfort during the year.

**29. Liquidity Coverage Ratio(LCR):**

(₹ in crore)

| | | FY15 | |
|---|---|---|---|
| | | **Total Unweighted Value (average)** | **Total Weighted Value (average)** |
| **High Quality Liquid Assets** | | | |
| 1 | Total High Quality Liquid Assets (HQLA) | | **2,590.15** |
| **Cash Outflows** | | | |
| 2 | Retail deposits and deposits from small business customers, of which: | **5,437.69** | **537.86** |
| (i) | Stable deposits | **118.20** | **5.91** |
| (ii) | Less stable deposits | **5,319.49** | **531.95** |
| 3 | Unsecured wholesale funding, of which: | **6,616.78** | **3,658.99** |
| (i) | Operational deposits (all counterparties) | **-** | **-** |
| (ii) | Non-operational deposits (all counterparties) | **6,616.78** | **3,658.99** |
| (iii) | Unsecured debt | **-** | **-** |
| 4 | Secured wholesale funding | | |
| 5 | Additional requirements, of which | **154.43** | **154.43** |
| (i) | Outflows related to derivative exposures and other collateral requirements | **2.76** | **2.76** |
| (ii) | Outflows related to loss of funding on debt products | | |
| (iii) | Credit and liquidity facilities | | |
| 6 | Other contractual funding obligations | | |
| 7 | Other contingent funding obligations | **4,859.11** | **242.96** |
| 8 | Total Cash Outflows | | **4,594.24** |
| **Cash Inflows** | | | |
| 9 | Secured lending (e.g. reverse repos) | **115.99** | **115.99** |
| 10 | Inflows from fully performing exposures | **734.41** | **367.20** |
| 11 | Other cash inflows | **437.72** | **489.63** |
| 12 | Total Cash Inflows | **1,288.12** | **972.82** |
| | | | **Total Adjusted Value** |
| 21 | TOTAL HQLA | | **2,590.15** |
| 22 | Total Net Cash Outflows | | **3,621.41** |
| 23 | Liquidity Coverage Ratio (%) | | **71.52** |

# SCHEDULES

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**Qualitative disclosure around LCR**

The Bank measures and monitors LCR in line with the guidance and regulations issued by RBI vide circular dated June 9, 2014 on "Basel III Framework on Liquidity Standards - Liquidity Coverage Ratio (LCR), Liquidity Risk Monitoring Tools and LCR Disclosure Standards" and subsequent amendments thereon. The LCR guidelines became binding on Banks from January 1, 2015. The LCR guidelines aim to ensure that a bank maintains adequate level of unencumbered High Quality Liquid Assets (HQLAs) to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario. At a minimum, the stock of liquid assets should enable the bank to survive until day 30 of the stress scenario, by which time it is assumed that appropriate corrective actions can be taken.

With a view to provide a transition time for banks, the LCR requirements are set as minimum 60% for the calendar year 2015 i.e. with effect from January 1, 2015, and rise in equal steps of 10% to reach the minimum required level of 100% on January 1, 2019.

LCR of the Bank both for the year end period and on the quarterly average basis is above the minimum set by RBI of 60% for calendar year 2015. This has been on account of robust liquidity management framework put in by the bank to meet various liquidity ratios /stipulations put in by the RBI from time to time. The adequacy in the LCR maintenance for both the year end and quarterly average basis is on account increase in excess SLR balance and increase in retail deposits.

Bank holds High Quality Liquidity Assets "HQLA" in two categories:

- Level 1 Assets comprising of Excess CRR balance with RBI, Excess SLR balance and regulatory dispensation allowing 7% of NDTL in the form of borrowing limit under Marginal Standing Facility 'MSF'
- Level 2 Assets comprise of Corporate Bonds, debentures, Commercial Papers issued by non-financial institutions

The HQLAs in the bank portfolio in the form of SLR and corporate bonds are well diversified across instruments and maturity to provide bank with adequate and timely liquidity.

The Board of Directors has the overall responsibility for management of liquidity risk. The Board at overall level decides the strategy, policies and procedures of the bank to manage liquidity risk in accordance with the liquidity risk tolerance/limits. The Board has constituted Risk Management Committee, which reports to the Board, and consisting of Chief Executive Officer (CEO)/Chairman and certain other Board members. The committee is responsible for evaluating the overall risks faced by the bank including liquidity risk. The potential interaction of liquidity risk with other risks is included in the risks addressed by the Risk Management Committee.

At the executive level, Asset Liability Management Committee (ALCO) ensures adherence to the risk tolerance/limits set by the Board as well as implementing the liquidity risk management strategy of the bank in line with bank's risk management objectives and risk tolerance.

Bank's liability in any foreign currency is less than 5% of its total liabilities and hence not required to separately maintain LCR in foreign currency. The LCR is currently monitored and managed at overall level (all currencies taken together).

Other inflows and outflows in the LCR calculation that are not captured in the LCR common template are negligible in the Bank's portfolio and do not have any material impact in the LCR numbers.

## 30. Intra-Group Exposures

The Bank does not have any subsidiaries or associated entities. As such, the Bank does not have any "Intra Group" exposures as defined under the RBI circular issued in this regard.

# SCHEDULES

forming part of the financial statements for the year ended March 31, 2015

**31. Transfers to Depositor Education and Awareness Fund (DEAF)**

Below mentioned are details of funds transferred to Depositor Education and Awareness Fund during financial year ended March 31, 2015 (Previous year : Not applicable)

(₹ in crore)

| | Year ended March 31, 2015 |
|---|---|
| Opening balance of amounts transferred to DEAF | - |
| Add: Amounts transferred to DEAF during the year | 8.00 |
| Less: Amounts reimbursed by DEAF towards claims | - |
| Closing balance of amounts transferred to DEAF balance of amounts transferred to DEAF | 8.00 |

**32. Unhedge Foreign Currency Exposure of Bank's Customer**

The Bank has maintained additional provision of ₹ 3.80 crore on account of Unhedged Foreign Currency Exposure of the customer. Further, the bank had maintained additional capital of ₹ 12.75 crore towards Unhedged Foreign Currency Exposure of the customer.

**33.** The Bank has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Bank has reviewed and recorded adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) in the books of account and disclosed the same under the relevant notes in the financial statements

**34.** Figures for the previous year have been regrouped / rearranged wherever necessary.

As per our report of even date attached

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 301003E

**Viren H. Mehta**
Partner
Membership No. 048749

Place : Mumbai
Date : April 28, 2015

For and on behalf of RBL Bank Limited

**Narayan Ramchandran**
Chairman

**Vishwavir Ahuja**
Managing Director & CEO

**Jairaj Purandare**
Director

**Vimal Bhandari**
Director

**Naresh Karia**
Chief Financial Officer

**Vinay Tripathi**
Company Secretary

# BASEL III DISCLOSURES

For the year ended March 31, 2015

## I. SCOPE OF APPLICATION

The framework of disclosures applies to RBL Bank Limited (formerly known as The Ratnakar Bank Limited, hereinafter referred to as the Bank), a scheduled commercial bank, incorporated on August 6, 1943. The Bank does not have any subsidiary nor does it have any interest in any insurance entity.

## II. CAPITAL ADEQUACY

### Regulatory capital assessment

The Bank is subjected to Capital Adequacy guidelines stipulated by Reserve Bank of India (RBI). In line with RBI guidelines under Basel III, the Bank has adopted Standardised Approach for Credit Risk, Standardised Duration Approach for Market Risk and Basic Indicator Approach for Operational Risk while computing its Capital Adequacy Ratio (CAR).

As per capital adequacy guidelines under Basel III, by March 31, 2019 the Bank is required to maintain a minimum CAR of 9% {11.5% including Capital Conservation Buffer (CCB)}, with minimum Common Equity Tier I (CET I) CAR of 5.5% {8% including CCB}. These guidelines on Basel III are to be implemented in a phased manner. The minimum CAR required to be maintained by the Bank for the year ended March 31, 2015 is 9% with minimum CET I of 5%.

As on March 31, 2015, total CAR of the Bank stood at 13.13%, well above regulatory minimum requirement of 9%. Tier I CAR of the Bank stood at 12.74% and CET I CAR at 12.74%.

### Assessment of adequacy of Capital to support current and future activities

The Bank has a comprehensive Internal Capital Adequacy Assessment Process (ICAAP) which is approved by the Board of Directors (Board). Under ICAAP, the Bank determines adequacy of capital to meet regulatory norms, current and future business needs, including stress scenarios. ICAAP evaluates and documents all risks and substantiates appropriate capital allocation for risks identified under Pillar 1 (i.e. Credit, Market and Operational Risk) as well as Pillar 2.

ICAAP enables the Bank to ensure the adequacy of capital to take care of the future business growth and various other risks that the Bank is exposed to, so that the minimum capital required is maintained on a continuous basis and also at the times of changing economic conditions/ economic recession. The Bank takes into account both quantifiable and non-quantifiable risks while assessing capital requirements. The Bank considers the following risks as material and has considered these while assessing and planning its capital requirements:

- Credit Risk
- Market Risk
- Operational Risk
- Interest Rate Risk in banking Book
- Liquidity Risk
- Credit Concentration Risk
- Business Risk
- Strategic Risk
- Compliance Risk
- Reputation Risk
- Technology Risk

The Bank has also implemented a Board approved Stress Testing Framework. This involves the use of various techniques to assess the Bank's vulnerability to plausible but extreme stress events. The stress tests cover assessment of Credit Risk, Market Risk, Operational Risk, Liquidity Risk as well as Interest Rate Risk under assumed 'stress' scenarios. Tolerance limits have also been defined for these stress tests. The stress tests are used in conjunction with the Bank's business plans for the purpose of capital planning in ICAAP. The stress tests are performed at periodic intervals and results are reported to the Board.

As per the Bank's assessment, it believes that its current robust capital adequacy position, adequate headroom available to raise capital, demonstrated track record for raising capital and adequate flexibility in the balance sheet structure and business model, the capital position of the Bank is expected to remain robust.

### Capital requirements for various risks

A summary of Bank's capital requirement for credit, market and operational risk along with CAR as on March 31, 2015 is presented below:

(₹ in crore)

| SN | Particulars | March 31, 2015 |
|---|---|---|
| a) | Capital requirements for Credit risk: | |
| | - Portfolios subject to standardised approach | 1,304.93 |
| | - Securitisation exposures | - |
| b) | Capital requirements for Market risk: | |
| | Standardised duration approach | |
| | - Interest rate risk | 146.41 |
| | - Foreign exchange risk (including gold) | 4.05 |
| | - Equity risk | 9.87 |
| c) | Capital requirements for Operational risk: | |
| | - Basic indicator approach | 92.77 |
| d) | Capital Adequacy Ratios | |
| | - Total Capital Adequacy Ratio (%) | 13.13 % |
| | - Tier-1 Capital Adequacy Ratio (%) | 12.74 % |
| | - Common Equity Tier-1 Capital Adequacy Ratio (%) | 12.74 % |

## III. CREDIT RISK: GENERAL DISCLOSURES

### Policy and Strategy for Credit Risk Management

Credit Risk is defined as the probability of losses associated with reduction in credit quality of borrowers or counterparties leading to non-payment of dues to the bank. In the Bank's portfolio, losses arise from default due to inability or unwillingness of a customer or counterparty to meet commitments in relation to lending, trading, settlements, or any other financial transaction.

The Bank has put in place Commercial Credit Policy, Investment Policy, Recovery Policy, Risk Management Policy, Policy on Transfer of Asset through Securitisation & Direct Assignment of cash flows, Retail Assets Credit Policy duly approved by the Board whereby credit risk can be identified, quantified and managed within the framework that is considered consistent with the scale, size of business and risk appetite of the Bank. These policies prescribe various methods for credit risk identification, measurement, grading, monitoring, reporting, risk control / mitigation techniques and management of problem loans/ credit.

Credit Risk Management is ensured through following initiatives:

- A rigorous control framework from which only authorised departures are permitted;
- Clear, agreed roles and responsibilities;
- Qualified, experienced and well-motivated personnel;
- A predetermined credit risk measurement and monitoring methodology;
- Consistent reporting and relevant MIS;
- A statement of operating principles;
- Robust systems, applications and data warehousing architecture.

### Organisational Structure for Credit Risk Management function

The organisational structure of the Bank for Credit Risk Management function has the Board of Directors at the apex level that maintains overall oversight on the management of risks. The Risk Management Committee of Board (RMCB) devises policy and strategy for integrated risk management which includes credit risk. RMCB approves the Bank's credit policies, prudential exposure limits, business segments, credit assessment and approval system, margin and collateral management, credit documentation, credit pricing framework, credit administration and monitoring system, non-performing assets management policy, credit risk management system and exception management.

At operational level, Management Credit Committee (MCC) is responsible for operationalising the credit policy and implementing credit framework as approved by the Board. The committee recommends policies on standards for presentation of credit proposals, financial covenants, ratings, prudential limits on large credit exposures, standards for loan collaterals, etc. MCC also oversees portfolio risk management, loan review mechanism, risk concentrations, pricing of loans, provisioning and other regulatory/ legal compliances. In addition, the committee has financial authority to approve credit proposals in line with Board approved policy.

MCC is assisted by the Executive Credit Committee (ECC), which does not possess financial authority, but plays an important role towards setting portfolio quality standards. The committee reviews portfolio underwriting standards, approves policy deviations and monitors various other portfolio quality metrics on a periodic basis.

# BASEL III DISCLOSURES

For the year ended March 31, 2015

The roles and responsibilities of the key functions involved in credit risk management are as detailed below:

- Credit Risk Department (CRD) – The CRD has an independent reporting to Chief Risk Officer (CRO) of the Bank and has credit recommendation and approval authorities at different levels. The CRD takes decisions on all applications in accordance with policies applicable to the specific proposal / product / scheme. To ensure complete independence, and to avoid any conflict of interest, the CRD is not assigned any business targets.

- Credit Administration Department (CAD) – The CAD at Corporate / Regional level acts as the third eye after business and CRD to ensure compliance with the Bank's policies and prudent lending requirements.

- Recoveries and Collections – The Recovery Department monitors NPA's and manages restructuring of advances after examining viability of the unit, follows up for recoveries very closely and provides guidance to the Relationship Manager (RM's) / Branch Managers responsible for collections and actively participates in the recovery effort where warranted.

- Portfolio Risk – The primary responsibility of Portfolio Risk include overall portfolio analysis and reporting the same to Board, review of internal rating system, monitoring prudential limits and loan reviews.

## Credit risk measurement, mitigation, monitoring & reporting systems

### Credit Origination and Appraisal System

There are separate Credit Origination and Appraisal Processes for Wholesale and Retail segments. Within the Wholesale segment, Bank has adopted underwriting standards for different client segments that is based, inter alia, on internal risk ratings, availability of security and other risk parameters. The credit sanctions are provided by experienced credit professionals and / or credit committees with delegated approval authorities as per Bank's Board approved credit policy, basis detailed appraisal memorandum that takes into account business and financial risks of the proposal. The Retail segment, on the other hand, relies largely on standardised product programs for credit risk assessment and approvals.

### Credit Rating Framework

The Bank has put in place an internal rating system for Wholesale segment. The rating system uses various models, depending upon size of company as well as specialised models for Non-Banking Finance Companies (NBFC), Micro Finance Institutions (MFI) and Traders. The internal rating system is a step towards migration to Advanced Approach for Credit Risk as per Basel III.

The rating system is based on a two dimensional rating framework, Borrower Rating and Facility Rating. The Borrower Rating is determined first, which is based on assessment of Industry Risk, Business Risk, Management Risk and Financial Risk along with Project Risk / Conduct of Account (if applicable). This is calibrated to the Probability of Default (PD). The Facility Rating is based on Borrower Rating, and takes into account security structure, therefore is a combination of PD and LGD (Loss Given Default).

Besides, the Bank continues to endeavor to have all facilities above ₹ 5 crore, to have external ratings.

### Credit Documentation

The objective of credit documentation is to clearly establish the debt obligation of borrower to the Bank. In most cases, standardised set of documents are used as applicable, depending upon the type of credit facilities and the borrower entity. In cases of credit facilities for structured finance/ customised credit facilities for which standard documents have not been prescribed of are not appropriate, the documentation would be done on case to case basis in consultation with the Legal department/ outside lawyers.

### Delegation of powers

The Bank has adopted 'Four Eyes' principle for credit approval. The principle dictates that generally at least two people must create, examine and approve a credit proposal. Most of the loan proposals require Joint Signature Approvals (JSA). This helps to avoid credit approval based on judgment of one functionary alone, ensures compliance and reduces risk from errors & prejudices. The Bank has also adopted Committee Approach for sanctioning high value credit proposals. Board Credit Committee (BCC), Management Credit Committee (MCC) approves credit proposals as per authority matrix.

**Post Sanction Monitoring**

The Bank has evolved a process to ensure end-use of funds is for the purpose for which credit limits are sanctioned. Further, it is ensured that the security obtained from borrowers by way of hypothecation, pledge, etc. are not tampered with in any manner and are adequate.

**Early Warning System (EWS)**

The Bank has an Early Warning System (EWS) for early identification of problem loan accounts across business segments. EWS works on the basis of various pre-defined symptoms. Such accounts are closely monitored by Relationship Managers (RMs), Credit Risk Department, Special Mention Assets (SMA) Group and CAD. These accounts are also monitored by Executive Credit Committee (ECC) on a monthly basis.

Accounts which the Bank wishes to monitor closely are tagged as "Watch list" accounts. Accounts which exhibit severe stress are tagged as "Adverse Labeled" accounts. Both these categories of accounts receive special management attention. Such accounts are monitored very closely by Senior Management and Board/ RMCB.

Based on RBI guidelines pertaining to "Early Recognition of Financial Distress, the Bank has also introduced SMA tagging into following 3 categories.

| | |
|---|---|
| SMA-0 | Principal or interest not overdue for more than 30 days but account showing signs of incipient stress |
| SMA-1 | Principal or interest overdue between 31-60 days |
| SMA-2 | Principal or interest overdue between 61-90 days |

As per exposure thresholds specified by RBI, information related to large credit exposures are being reported to CRILC (Central Repository of Information on Large Credit) that has been set-up by RBI. Additionally, any new SMA-2 is also being reported to CRILC as per guidelines.

Reporting of an account as SMA-2 by one or more lending banks/ notified NBFCs will trigger the mandatory formation of a Joint Lenders' Forum and formulation of a Corrective Action Plan (CAP).

**Review / Renewal of Loans**

After a credit facility is sanctioned and disbursed, follow-up and reviews are conducted at periodic intervals. All funded and non-funded facilities granted to a customer are reviewed at least once a year or at more frequent intervals, as warranted.

**Credit Pricing**

Pricing of loans / advances / cash credit / overdraft or any other financial accommodation granted / provided / renewed or discounted usance bills is in accordance with the directives on interest rates on advances issued by RBI as well as internal policies of the bank. The Bank has also adopted Risk Based Pricing for different categories of customers.

**Credit Portfolio Analysis**

Credit portfolio analysis is carried out at periodic intervals to review entire credit portfolio of the Bank to monitor growth, distribution, concentration, quality, compliance with RBI guidelines & policies of the Bank, accounts under Watch-List/ Adverse Labeled category etc. The same is monitored / reviewed by Senior Management/ Board / RMCB.

**Loan Review Mechanism (LRM) and Credit Audit**

The Bank has implemented LRM and Credit Audit framework in line with RBI guidelines. The primary objective includes monitoring effectiveness of loan administration, compliance with internal policies of Bank and regulatory framework, monitor portfolio quality, concentrations, post sanction follow-ups and appraising top management with information pertaining to the audit finding for further corrective actions.

**Non-performing Assets (NPA)**

An asset, including a leased asset, becomes non-performing when it ceases to generate income for the Bank.

A non-performing asset (NPA) is a loan or an advance where:

i) Interest and/ or installment of principal remain overdue for a period of more than 90 days in respect of a term loan. Any amount due to the bank under any credit facility is 'overdue' if it is not paid on the due date fixed by the bank.

ii) The bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted;

iii) Installment of principal or interest thereon remains overdue for two crop seasons for short duration crops, and one crop season for long duration crops;

iv) The account remains 'out of order' in respect of an Overdraft/ Cash Credit (OD/CC). An account is treated as 'out of order' if:

# BASEL III DISCLOSURES

For the year ended March 31, 2015

a. the outstanding balance remains continuously in excess of the sanctioned limit / drawing power for more than 90 days; or

b. where outstanding balance in principal operating account is less than sanctioned limit / drawing power, but there are no credits continuously for 90 days as on the date of balance sheet or credits are not enough to cover interest debited during the same period;

v) The regular/ ad hoc credit limits have not been reviewed/ renewed within 180 days from the due date / date of ad-hoc sanction;

vi) Drawings have been permitted in working capital account for a continuous period of 90 days based on drawing power computed on the basis of stock statements that are more than 3 months old, even though the unit may be working or the borrower's financial position is satisfactory;

vii) Bank Guarantees/ Letters of Credits devolved on the Bank which are not reimbursed by the customer within 90 days from the date of payment;

viii) A loan for an infrastructure / non-infrastructure project will be classified as NPA during any time before commencement of commercial operations as per record of recovery (90 days overdue), unless it is restructured and becomes eligible for classification as 'standard asset';

ix) A loan for an infrastructure (/ non-infrastructure) project will be classified as NPA if it fails to commence commercial operations within 2 years (/ 6 months) from original date of commencement of commercial operations, even if it is regular as per record of recovery, unless it is restructured and becomes eligible for classification as 'standard asset'.

x) The amount of liquidity facility remains outstanding for more than 90 days, in respect of a securitisation transaction undertaken in terms of RBI guidelines on securitisation;

xi) In respect of derivative transactions, the overdue receivables representing positive mark-to-market value of a derivative contract, if these remain unpaid for a period of 90 days from the specified due date for payment.

### Non-performing Investments (NPI)

NPI is one where:

i) Interest / installment (including maturity proceeds) is due and remains unpaid for more than 90 days;

ii) The fixed dividend is not paid in case of preference shares;

iii) In case of equity shares, in the event investment in shares of any company is valued at ₹ 1 per company on account of non-availability of latest balance sheet in accordance with RBI instructions;

iv) If any credit facility availed by the issuer is NPA in the books of the bank, investment in any of the securities issued by the same issuer would be treated as NPI and vice versa;

v) The investments in debentures / bonds which are deemed to be in the nature of advance would also be subjected to NPI norms as applicable to investments.

### Quantitative Disclosures

(a) Total gross credit risk exposures*, Fund based and Non-fund** based separately:

(₹ in crore)

| Category | March 31, 2015 |
|---|---|
| **Fund Based** | **21,003.88** |
| Gross Advances | **14,530.41** |
| Investment in Banking book | **3,644.31** |
| All other Assets | **2,829.16** |
| Non-Fund Based | **5,408.23** |
| **Total** | **26,412.11** |

* Represents book value as on March 31, including bill re-discounted.

** Guarantees given on behalf of constituents, Acceptances, Endorsements & other Obligations, Liability on account of outstanding forward exchange contracts (credit equivalent amount).

(b) Geographic distribution of exposure*, Fund based & Non-fund** based separately

(₹ in crore)

| Category | March 31, 2015 | | |
|---|---|---|---|
| | Domestic | Overseas | Total |
| Fund Based | 20,953.05 | 50.83 | 21,003.88 |
| Non-Fund Based | 5,401.98 | 6.25 | 5,408.23 |
| **Total** | **23,355.03** | **57.08** | **26,412.11** |

*Represents book value as on March 31, including bills re-discounted;

** Guarantees given on behalf of constituents, Acceptances, Endorsements & other Obligations, Liability on account of outstanding forward exchange contracts (credit equivalent amount).

(a) Industry type distribution of exposures*- Funded & Non-funded**

(₹ in crore)

| Industry Code | Industry Name | March 31, 2015 | |
|---|---|---|---|
| | | Fund Based | Non Fund Based |
| 1 | A. Mining and Quarrying (A.1 + A.2) | 26.85 | 71.30 |
| 11 | A.1 Coal | 26.85 | - |
| 12 | A.2 Others | - | 71.30 |
| 2 | B. Food Processing (Sum of B.1 to B.5) | 690.05 | 696.72 |
| 21 | B.1 Sugar | 173.45 | 73.16 |
| 22 | B.2 Edible Oils and Vanaspati | 36.66 | 571.64 |
| 23 | B.3 Tea | - | - |
| 24 | B.4 Coffee | 195.85 | - |
| 25 | B.5 Others | 284.10 | 51.93 |
| 3 | C. Beverages (excluding Tea & Coffee) and Tobacco (Sum of C.1 & C.2) | 174.98 | 0.05 |
| 31 | C.1 Tobacco and tobacco products | 0.24 | - |
| 32 | C.2 Others | 174.73 | 0.05 |
| 4 | D. Textiles (Sum of D.1 to D.6) | 352.17 | 20.20 |
| 41 | D.1 Cotton | 225.16 | 14.65 |
| 42 | D.2 Jute | - | - |
| 43 | D.3 Handicraft/ Khadi (Non Priority) | - | - |
| 44 | D.4 Silk | - | - |
| 45 | D.5 Woolen | - | - |
| 46 | D.6 Others | 127.01 | 5.55 |
| 47 | Out of D (i.e. Total Textiles) to Spinning Mills | - | - |
| 5 | E. Leather and Leather Products | 15.55 | 0.47 |
| 6 | F. Wood and Wood products | 6.47 | - |
| 7 | G. Paper and Paper Products | 92.27 | 3.59 |
| 8 | H. Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels | 118.60 | 152.05 |
| 9 | I. Chemicals and Chemical Products (Dyes, Paints etc.) Sum of I.1 to I.4) | 964.70 | 272.46 |
| 91 | I.1 Fertilizers | 24.98 | 155.39 |
| 92 | I.2 Drugs and Pharmaceuticals | 653.51 | 54.71 |
| 93 | I.3 Petro-chemicals (excluding under Infrastructure) | 14.17 | 3.05 |
| 94 | I.4 Others | 272.04 | 59.31 |
| 10 | J. Rubber, Plastic and their products | 330.15 | 25.96 |
| 11 | K. Glass & Glassware | 12.32 | - |

# BASEL III DISCLOSURES

For the year ended March 31, 2015

(₹ in crore)

| Industry Code | Industry Name | March 31, 2015 Fund Based | Non Fund Based |
|---|---|---|---|
| 12 | L. Cement and Cement Products | 141.27 | 39.11 |
| 13 | M. Basic Metal and Metal Products (M.1 & M.2) | 477.57 | 371.29 |
| 131 | M.1 Iron and Steel | 249.78 | 299.49 |
| 132 | M.2 Other Metal and Metal Products | 227.79 | 71.79 |
| 14 | N. All Engineering (N.1 & N.2) | 346.29 | 198.12 |
| 141 | N.1 Electronics | 32.95 | 54.28 |
| 142 | N.2 Others | 313.33 | 143.84 |
| 15 | O. Vehicles, Vehicle Parts and Transport Equipments | 96.76 | 27.03 |
| 16 | P. Gems and Jewellery | 173.21 | 4.52 |
| 17 | Q. Construction | 795.63 | 514.77 |
| 18 | R. Infrastructure (Sum R.1 to R.4) | 821.19 | 833.93 |
| 181 | R.1 Transport( Sum of R.1.1 to R.1.5) | 99.27 | 245.45 |
| 1811 | R.1.1. Railways | - | - |
| 1812 | R.1.2 Roadways | 99.27 | 245.45 |
| 1813 | R.1.3 Airport | - | - |
| 1814 | R.1.4 Waterways | - | - |
| 1815 | R.1.5 Ports | - | - |
| 182 | R.2 Energy (Sum of R.2.1 to R.2.4) | 513.58 | 547.16 |
| 1821 | R.2.1 Electricity (generation-transportation and distribution) | 513.58 | 547.16 |
| 18211 | R.2.1.1 State Electricity Boards | - | - |
| 18212 | R.2.1.2 Others | - | - |
| 18213 | R.2.3 Power Generation | 74.29 | 115.69 |
| 18214 | R.2.4 Power transmission / Distribution | 214.26 | 219.91 |
| 18215 | R.2.4 Power -Non-Conventionalm Energy | 225.04 | 211.56 |
| 1822 | R.2.2 Oil (storage and pipeline) | - | - |
| 1823 | R.2.3 Gas/LNG (Storage and pipeline) | - | 175.57 |
| 1824 | R.2.4 Others | - | - |
| 183 | R.3 Telecommunication | 153.00 | 41.31 |
| 184 | R.4 Others | 55.33 | - |
| 1841 | R.4.1 Water sanitation | - | - |
| 1842 | R.4.2 Social & Commercial Infrastructure | 5.35 | - |
| 1843 | R.4.3 Others | 49.97 | - |
| 19 | S. NBFC | 819.70 | 25.43 |
| 20 | T. Micro-Finance Institutions (MFI) | 1,003.21 | - |
| 21 | U. Housing Finance Companies (HFC) | 190.33 | - |
| 22 | V. Core Investment Companies (CIC) | - | 137.64 |
| 23 | W. Traders | 762.73 | 798.50 |
| 24 | X. Other Services | 1,442.88 | 415.31 |
| 25 | Y. Other Industries | 1,574.51 | 100.41 |
| 26 | All Industries (Sum of A to Y) | 11,429.36 | 4,708.85 |
| 27 | Residuary Other Advances (to tally with book value) [a+b+c] | 4,801.70 | 699.38 |
| 271 | a. Education Loan | 11.57 | - |
| 272 | b. Aviation Sector | 157.00 | - |
| 273 | c. Other Residuary Advances | 4,633.13 | 699.38 |
| **28** | **Total** | **16,231.06** | **5,408.23** |

As on March 31, the Bank's exposure to the industries stated below was more than 5% of the total gross credit exposure:

| Sr. No. | Industry classification | Percentage of the total gross credit exposure as on March 31, 2015 |
|---|---|---|
| 1. | Infrastructure | **7.65%** |
| 2. | Traders | **7.21%** |
| 3. | Food Processing | **6.41%** |
| 5. | Construction | **6.06%** |
| 6. | Chemical & Chemical Products | **5.72%** |

*Represents book value as on March 31, gross advances and investments through credit substitutes;
** Guarantees given on behalf of constituents, Acceptances, Endorsements & other Obligations and Liability on account of outstanding forward exchange contracts (credit equivalent amount).

(b) Residual contractual maturity breakdown of assets
**As on March 31, 2015**

(₹ in crore)

| Maturity bucket | Cash, balances with RBI and other banks | Investments | Advances | Other assets including fixed assets |
|---|---|---|---|---|
| 1 day | 1,107.30 | 204.34 | 219.84 | - |
| 2 to 7 days | 234.85 | 2,226.84 | 274.69 | 27.50 |
| 8 to 14 days | 15.07 | 626.35 | 184.59 | 17.98 |
| 15 to 28 days | 54.09 | 375.51 | 325.70 | - |
| 29 days to 3 months | 83.80 | 2,722.65 | 1,471.80 | 34.91 |
| 3 to 6 months | 60.79 | 1,576.26 | 1,119.26 | 24.43 |
| 6 to 12 months | 201.16 | 896.74 | 4,166.69 | 71.90 |
| 1 to 3 years | 232.94 | 840.56 | 4,333.33 | 133.29 |
| 3 to 5 years | 152.19 | 174.83 | 906.91 | 27.61 |
| Over 5 years | 28.14 | 181.60 | 1,447.02 | 321.21 |
| **Total** | **2,170.33** | **9,825.68** | **14,449.83** | **658.83** |

Note : Classification of assets and liabilities under the different maturity buckets in the above table is based on the same estimates and assumptions as used by the Bank for compiling the return submitted to the RBI

(c) Non-Performing Assets (NPA) –

(₹ in crore)

| SN | Particulars | March 31, 2015 |
|---|---|---|
| **(a)** | **Amount of NPAs (Gross)** | **111.23** |
| | - Substandard | **32.60** |
| | - Doubtful 1 | **37.77** |
| | - Doubtful 2 | **15.34** |
| | - Doubtful 3 | **2.34** |
| | - Loss | **23.18** |
| **(b)** | **Net NPAs** | **38.60** |
| **(c)** | **NPA ratios** | |
| | - Gross NPAs to gross advances | **0.77%** |
| | - Net NPAs to Net advances | **0.27%** |

# BASEL III DISCLOSURES

For the year ended March 31, 2015

(₹ in crore)

| SN | Particulars | March 31, 2015 |
|---|---|---|
| **(d)** | **Movement of NPAs (Gross)** | |
| | - Opening balance as on April 1, 2014 | **77.75** |
| | - Additions | **47.63** |
| | - Reductions | **14.15** |
| | - Closing balance as on March 31, 2015 | **111.23** |
| **(e)** | **Movement of provisions for NPAs** | |
| | - Opening balance as on April 1, 2014 | **47.25** |
| | - Provisions made during the period | **32.02** |
| | - Write-off / Write-back of excess provisions during the year | **6.63** |
| | - Closing balance as on March 31, 2015 | **72.64** |

(d) NPI and movement of provision for depreciation of NPIs –

(₹ in crore)

| SN | Particulars | March 31, 2015 |
|---|---|---|
| (a) | Amount of Non-Performing Investments | **-** |
| (b) | Amount of provisions held for Non- Performing Investments | **-** |
| (c) | Movement of provisions for Non - Performing & depreciation on investments | |
| | - Opening balance as on April 1, 2014 | **2.18** |
| | - Provisions made during the period | **9.62** |
| | - Write-off | **-** |
| | - Write-back of excess provisions | **9.37** |
| | - Closing balance as on March 31, 2015 | **2.43** |

## IV. CREDIT RISK: DISCLOSURES FOR PORTFOLIOS SUBJECT TO THE STANDARDISED APPROACH

### Ratings used under Standardised Approach:

As stipulated by RBI, the Bank makes use of ratings assigned to domestic counterparties by following Eligible Credit Assessment Institutions (ECAI's) namely:

- CRISIL Limited;
- CARE Limited
- India Ratings & Research Private Limited (earlier known as Fitch India);
- ICRA Limited;
- Brickwork Ratings India Pvt. Ltd (Brickwork);
- SMERA.

The Bank is using the ratings assigned by the following international credit rating agencies, approved by the RBI, for risk weighting claims on overseas entities:

- Fitch Ratings
- Moody's
- Standard & Poor's

The Bank reckons external ratings for risk weighting purposes, if the external rating assessment complies with the guidelines stipulated by RBI.

### Types of exposures for which each agency is used:

The Bank has used the solicited ratings assigned by the above approved credit rating agencies for all eligible exposures, both on balance sheet and off balance sheet, whether short term or long term, as prescribed in the RBI guidelines.

Process used for application of issue ratings to comparable assets in banking book:

Key aspects of the Bank's external ratings application framework are as follows:

1. The Bank uses only those ratings that have been solicited by the counterparty;

2. Where the facility provided by the Bank possesses rating assigned by approved ECAI, the risk weight of the claim is based on this rating;

3. The Bank also reckons external rating at the borrower (issuer) level as follows:

    a. In case the Bank does not have exposure in a rated issue, the Bank would use the long term issue rating (inferred rating) for its comparable unrated exposures to the same borrower, provided that the Bank's exposures is pari-passu or senior and of similar or shorter maturity as compared to the rated issue, then this rating is applied on all unrated facilities of the borrower;

    b. Where a short term rating is used as an inferred rating for a short term un-rated claim, the risk weight applied shall be one notch higher than corresponding to the risk weight of the inferred rating.

**Quantitative Disclosures**

For exposure amounts after risk mitigation subject to the standardised approach, amount of Bank's exposure (rated and unrated) in the following three major risk buckets as well as those that are deducted:

(₹ in crore)

| Particulars | March 31, 2015 |
|---|---|
| - Below 100% risk weight | 13,112.89 |
| - 100% risk weight | 11,246.14 |
| - More than 100% risk weight | 2,053.08 |
| - Deducted | - |

**Treatment of undrawn exposures**

As required by regulatory norms, the Bank holds capital even for the undrawn portion of credit facilities which are not unconditionally cancellable without prior notice by the Bank, by converting such exposures into a credit exposure equivalent based on the applicable Credit Conversion Factor ("CCF"). For credit facilities which are unconditionally cancellable without prior notice, the Bank applies a CCF of zero percent on the undrawn exposure.

## V. CREDIT RISK MITIGATION: DISCLOSURES FOR STANDARDISED APPROACHES

### Policies and processes

The Bank has in place Commercial Credit Policy, Retail Assets Credit Policy duly approved by the Board. The policies lay down the types of securities normally accepted by the Bank for lending, and administration / monitoring of such securities in order to safeguard / protect the interest of the Bank so as to minimise the risk associated with it.

### Credit Risk Mitigation

In line with RBI guidelines, the Bank uses comprehensive approach for credit risk mitigation. Under this approach, the Bank reduces its credit exposure to the counterparty when calculating its capital requirements to the extent of risk mitigation provided by the eligible financial collateral as specified.

### Main types of collateral taken by Bank

Bank uses various collaterals financial as well as non-financial, guarantees and credit insurance as credit risk mitigants. The main collaterals include bank deposits, National Saving Certificate (NSC) / Kisan Vikas Patra (KVP) / Life Insurance Policies, plant and machinery, Book debts, residential and commercial mortgages, vehicles and other movable properties. All collaterals are not recognised as credit risk mitigants under the standardised approach. The following are the eligible financial collaterals which are considered under standardised approach.

- Fixed Deposit receipts issued by the Bank;
- Securities issued by Central and State Governments;
- KVP and NSC provided no lock-in period is operational and that can be encashed within the holding period;

# BASEL III DISCLOSURES

For the year ended March 31, 2015

- Life Insurance Policies with declared surrender value, issued by an insurance company regulated by the insurance sector regulator;
- Gold, include bullion and jewellery after notionally converting to 99.99% purity.

**Main type of guarantor counterparties**

Wherever required the Bank obtains personal or corporate guarantee as an additional comfort for mitigation of credit risk which can be translated into a direct claim on the guarantor which is unconditional and irrevocable. The creditworthiness of the guarantor is normally not linked to or affected by the borrower's financial position.

**Concentration Risk in Credit Risk Mitigants**

The credit risk mitigation taken is largely in the form of cash deposit with the Bank and thus the concentration risk (credit and market) of the mitigants is low.

**Quantitative Disclosures**

(₹ in crore)

| SN | Particulars | March 31, 2015 |
|---|---|---|
| 1. | Total Exposure (on and off balance sheet) covered by eligible financial collateral after application of haircuts | **477.96** |
| 2. | Total Exposure (on and off balance sheet) covered by guarantees / credit derivatives | **120.76** |

## VI. SECURITISATION EXPOSURES: DISCLOSURE FOR STANDARDISED APPROACH

In respect of securitisation transactions, the Bank's role is limited as an investor. The outstanding value of securitised exposure as on March 31, 2015 was ₹ 423.60 crore.

### Quantitative Disclosures

**Banking Book**

(₹ in crore)

| SN | Particulars | March 31, 2015 |
|---|---|---|
| 1. | Total Exposure (on and off balance sheet) covered by eligible financial collateral after application of haircuts | **NIL** |
| 2. | For exposures securitised, losses recognised by the Bank during the current period | **NIL** |
| 3. | Amount of assets intended to be securitised within a year | **NIL** |
| 4. | Of (3), amount of assets originated within a year before securitisation | **NIL** |
| 5. | Total amount of exposures securitised and unrecognised gain or losses on sale by exposure type | **NIL** |
| 6. | Aggregate amount of: | |
| | - On balance sheet securitisation exposures retained or purchased broken down by exposure type | **NIL** |
| | - Off balance sheet securitisation exposures | **NIL** |
| 7. | Aggregate amount of: | |
| 8. | - Securitisation exposures retained or purchased and the associated capital charges, broken down between exposures & different risk weight bands. | **NIL** |
| | Exposures that have been deducted entirely from Tier I capital, credit enhancing I/Os deducted from total capital, and other exposures deducted from total capital (by exposure type) | |

**Trading Book**

(₹ in crore)

| SN | Particulars | March 31, 2015 |
|---|---|---|
| 1. | Aggregate amount of exposures securitised by the Bank for which the Bank has retained some exposures and which is subject to market risk approach, by exposure type | NIL |
| 2. | Aggregate amount of: | |
| | - On balance sheet securitisation exposures retained or purchased broken down by exposure type | Securities (PTC) purchased with book value ₹ 359.67 crore, backed by pool of micro-finance loans and investment in security receipts with book value ₹ 63.93 crore |
| | - Off balance sheet securitisation exposures | NIL |
| 3. | Aggregate amount of securitisation exposures retained or purchased separately for: | |
| | - Securitisation exposures retained or purchased subject to Comprehensive Risk Measure for Specific Risk | ₹ 423.60 crore |
| | - Securitisation exposures subject to the securitisation framework for specific risk broken down into different risk weight bands | (₹ in crore)<br>**Risk Weight** / **Exposure**<br>Below 100%: 0<br>100%: 344.17<br>More than 100%: 79.43 |
| 4. | Aggregate amount of: | (₹ in crore) |
| | - Capital requirements for securitisation exposures, subject to the securitisation framework broken down into different risk weight bands | **Risk Weight** / **Capital Required**<br>Below 100%: 0<br>100%: 30.98<br>More than 100%: 10.41 |
| | - Securitisation exposures that are deducted entirely from Tier I capital, credit enhancing I/Os deducted from total capital, and other exposures deducted from total capital (by exposure type) | Nil |

## VII. MARKET RISK IN TRADING BOOK

### Policy and Strategy for Market Risk Management

Bank defines Market Risk as the risk of losses in trading book due to movements in market variables such as interest rates, credit spreads, foreign exchange rates, forward premia, commodity prices, equity prices etc. Bank's exposure to market risk arises from investment in trading book (AFS & HFT category), the foreign exchange positions, and other derivative positions. Under market risk management, liquidity risk, interest rate risk, equity price risk and foreign exchange risk are monitored and managed.

Market Risk is managed in accordance to the Board approved Investment Policy, Market Risk Management Policy, Asset Liability Management (ALM) Policy, Foreign Exchange Policy, Derivatives Policy. The policies lay down well-defined organisation structure for market risk management functions and processes whereby the market risks carried by the Bank are identified, measured, monitored and controlled within the stipulated risk appetite of the Bank.

### Organisation Structure for Market Risk Management function

The organisational structure of Market Risk Management function has the Board of Directors at the apex level that maintains overall oversight on management of risks. The Risk Management Committee of Board (RMCB) devises policy and strategy for integrated risk management which includes market risk. At operational level, Asset Liability Management Committee (ALCO) monitors management of market risk. The main functions of ALCO also include balance sheet planning from a risk return perspective including the strategic management of interest rate risk and liquidity risk.

### The Market Risk Management process includes the following key participants:

- The Market Risk Management Group, which is an independent function, reports to Chief Risk Officer (CRO). This group is responsible for developing the policy framework for Market Risk management and day to day oversight over the Market Risk exposures of the Bank.

# BASEL III DISCLOSURES

For the year ended March 31, 2015

- The Treasury Mid Office is responsible for monitoring all Market Risk exposures in line with the policies of the bank and escalating excesses/ violations etc. in a timely manner so that corrective action can be initiated.

- Treasury Investment Committee oversees and reviews investments in Government Securities, bonds and debentures, equity investments, and investments in other approved securities and instruments.

### Risk Reporting, Measurement, Mitigation and Monitoring Systems

The Market Risk Management framework ensures that there are sufficient processes and controls in place to ensure all market risk exposures are monitored and are within the risk appetite set by the Bank's Board.

### Reporting and measurement systems

The Bank has defined various risk metrics for different products and investments. Risk limits are control measures which seek to limit risk within or across the desks. The objective of a limit is to ensure that the negative earnings impact of price risks are within the risk taking appetite of the Bank. The nature of limits includes position limits, gap limits, tenor & duration limits, stop-loss trigger level, Value at Risk (VaR) limits. These limits are appropriately selected for the relevant portfolios. The risk limits are monitored across different levels of the Bank on an ongoing basis.

### Liquidity Risk Management

Liquidity Risk is managed in the following manner:

- Asset Liability Management (ALM) Policy of the Bank specifically deals with liquidity and interest rate risk management.

- As envisaged in the ALM policy, liquidity risk is managed through Traditional Gap Analysis based on the residual maturity / behavioral pattern of assets and liabilities as prescribed by RBI.

- Monitoring of prudential (tolerance) limits set for different residual maturity time buckets, large deposits, loans, various liquidity ratios for efficient asset liability management;

- The Bank has also put in place mechanism of short term dynamic liquidity and contingency plan for liquidity risk management;

- Contingency Funding Plan (CFP), approved by the Board sets process to take care of crisis situation in the event of liquidity crunch or a run on the Bank. A comprehensive set of Early Warning Indicators has been designed to forewarn of impending liquidity stress. Crisis Management Team (CMT) would be constituted to provide direction of follow up action on handling the crisis situation.

### Assessment of Illiquidity

The Bank has established procedures for calculating an adjustment to the current valuation of less liquid (i.e. illiquid) positions for regulatory capital purposes. The adjustment to the current valuation of illiquid positions is deducted from Common Equity Tier I (CET I) capital while computing CAR of the Bank.

### Portfolios covered by Standardised Approach

The Bank has adopted Standardised Duration Approach (SDA) as prescribed by RBI for computation of capital charge for market risk for:

- Securities included under the Held for Trading (HFT) category,

- Securities included under the Available for Sale (AFS) category,

- Open foreign exchange position limits, and

- Trading positions in derivatives.

### Capital requirement for:

(₹ in crore)

| Particulars | March 31, 2015 |
|---|---|
| Interest Rate Risk | 146.41 |
| Equity Position Risk | 9.87 |
| Foreign Exchange Risk | 4.05 |

## VIII. OPERATIONAL RISK

### Policy and Strategy for Operational Risk Management

Bank defines operational risk as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk includes legal risk but excludes strategic and reputational risk. The Bank faces Operational Risk due to its extensive use of technology, exposure to potential errors, frauds, or unforeseen catastrophes resulting in unexpected losses in the course of business activities.

Bank has a well documented Operational Risk Management Policy to mitigate and manage operational RISK. The Operational Risk Management process of the Bank is driven by a strong control culture and sound operating procedures, involving corporate values, attitudes, competencies, internal control culture, effective internal reporting and contingency planning.

**Operational Risk Management Governance Structure**

The Bank has an Operational Risk Management framework. The Board of Directors of the Bank defines the risk appetite, sets the risk management strategies and approves the operational risk policies of the Bank. The Bank's risk management processes are guided by well-defined policies commensurate with size of the organisation and appropriate for various risk categories, independent risk oversight and periodic monitoring of portfolio by Risk Management Committee of Board (RMCB).

For the effective management of Operational Risk, the Bank has constituted the Operational Risk Management Committee (ORMC) consisting of senior management personnel. The ORMC which supports the Risk Management Committee of Board (RMCB) is responsible for implementing the Operational Risk Management Policy and adopting the best practices. The main functions of ORMC are to monitor and ensure appropriateness of operational risk management and recommend suitable control measures for mitigating the same.

Additionally, with a view to ensure sound practices in respect of governance of the overall Operational risk, the Bank has outlined policies and processes in respect of Information Security; Outsourcing; Business Continuity Planning & IT Disaster Recovery; Records Management, Fraud Control and Customer Service.

**Risk Reporting, Measurement, Mitigation and Monitoring Systems**

The following are some of the key techniques applied by Bank and / or group companies to manage operational risks:

- The Bank has built into its operational process segregation of duties, clear reporting structures, well defined processes, operating manuals, staff training, verification of high value transactions and strong audit trails to control and mitigate operational risks.
- New Product and activity notes prepared by business units are reviewed by all concerned departments including compliance, risk management and legal and approved through Product approval committee.
- Dedicated Operational Risk team to drive the processes for management of operational risk. The Operational risk team performs risk analysis and root cause analyses on operational risk events, reported by business units, to identify inherent areas of risk and suggest suitable risk mitigating actions which are monitored for resolution. This function is also responsible for ensuring the communication of operational risk events and loss experience to the senior management and ORMC.
- Risk and Control assessments are performed for business units to systematically assess inherent operational risks and quality of controls to mitigate the risks.
- Awareness programs to make the line functions aware of operational risk and its management have been established.
- The Technology Committee provides direction for mitigating the operational risk in IT security.
- Disaster recovery and Business Continuity Plans (BCP) have been established for significant businesses to ensure continuity of operations and minimal disruption to customer services. These plans are tested and reviewed to ensure their effectiveness to mitigate unforeseen risks arising out of disruptions.
- Risk transfer via insurance is a key strategy to mitigate operational risk exposure at the Bank.
- Internal Audit is part of the ongoing monitoring of the bank's system of internal controls. Internal audit provides an independent assessment of the adequacy of, and compliance with, the bank's established policies and procedures.

**Approach for Operational Risk capital assessment**

In accordance with RBI guidelines, the Bank has adopted Basic Indicator Approach (BIA) for computation of capital charge for operational risk.

# BASEL III DISCLOSURES

For the year ended March 31, 2015

## IX. INTEREST RATE RISK IN THE BANKING BOOK (IRRBB)

### Policy and Strategy for Interest Rate Risk Management

Interest rate risk in banking book represents the Bank's exposure to adverse movements in interest rates with regard to its non-trading exposures. Interest rate risk is measured by doing a gap analysis as well as factor sensitivity analysis. Bank holds assets, liabilities with different maturity and linked to different benchmark rates, thus creating exposure to unexpected changes in the level of interest rates in such markets.

Interest Rate Risk is managed in accordance to the Board approved Asset Liability Management (ALM) Policy, Investment Policy. The policies lay down well-defined organisation structure for interest rate risk management functions and processes whereby the interest rate risks carried by the Bank are identified, measured, monitored and controlled.

### Organisation Structure for Interest Rate Risk Management function

The organisational structure of the Bank for Interest Rate Risk Management function has the Board of Directors at the apex level that maintains overall oversight of management of risks. The Risk Management Committee of Board (RMCB) devises policy and strategy for integrated risk management which includes interest rate risk. At operational level, Asset Liability Management Committee (ALCO) monitors management of interest rate risk. The main functions of ALCO include balance sheet planning from a risk return perspective including the strategic management of interest rates and liquidity risks.

### Risk Reporting, Measurement, Mitigation & Monitoring systems

- Interest rate risk is managed using Gap Analysis of Rate Sensitive Assets (RSA) and Rate Sensitive Liabilities (RSL) and monitoring of prudential (tolerance) limits prescribed.

- Earnings perspective - Based on the gap report, Earnings at Risk (EaR) approximates the impact of an interest rate/ re-pricing shock for a given change in interest rate on the net interest income (difference between total interest income and total interest expense) over a one year horizon.

- Economic value perspective - As against the earnings approach, interest rate risk is monitored based on the present value of the Bank's expected cash flows. A modified duration approach is used to ascertain the impact on interest sensitive assets, liabilities and off-balance sheet positions for a given change in interest rates on Market Value of Equity (MVE).

- Monitoring – The Bank employs EaR and MVE measures to assess the sensitivity to interest rate movements on entire balance sheet. EaR and MVE thresholds have been prescribed and the results are monitored on an ongoing basis.

  The findings of the risk measures for IRRBB are reviewed by Board at quarterly intervals.

### Nature of IRRBB and Key assumptions

- Interest rate risk is measured by using Earnings Perspective and Economic Value Perspective method.

- The distribution into rate sensitive assets and liabilities under Interest Rate Sensitivity Statement, Coupons, Yields are as prescribed in ALM policy of the Bank.

- Non-maturity deposits (current and savings) are classified into appropriate buckets according to the study of behavioral pattern. In case of these deposits, volatile portion is classified into '1-28 Days' time bucket and remaining core portion into '1-3 years' time bucket.

### Quantitative Disclosures

Increase (decline) in earnings and economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring IRRBB.

**Earnings Perspective**

(₹ in crore)

| Interest rate shock | March 31, 2015 |
|---|---|
| 1% change in interest rate for 1 year | 6.51 |

**Economic Value Perspective**

(₹ in crore)

| Interest rate shock | March 31, 2015 |
|---|---|
| 200 basis point shock | 350.35 |

## X. GENERAL DISCLOSURE FOR EXPOSURES RELATED TO COUNTERPARTY CREDIT RISK

Counterparty Credit Risk (CCR) is the risk that the counterparty to a transaction could default before the final settlement of the transaction's cash flows. An economic loss would occur if the transactions or portfolio of transactions with the counterparty has a positive economic value for the Bank at the time of default. Unlike exposure to credit risk through a loan, where the exposure to credit risk is unilateral and only the lending bank faces the risk of loss, CCR creates a bilateral risk of loss whereby the market value for many different types of transactions can be positive or negative to either counterparty. The market value is uncertain and can vary over time with the movement of underlying market factors.

The Bank's Derivative transactions are governed by the Bank's Derivative Policy, Commercial Credit Policy, Market Risk Policy, Country Risk Framework & Inter-Bank Limit Policy and Customer Suitability and Appropriateness Policy as well as by the extant RBI guidelines.

Various risk limits are set up for taking into account market volatility, business strategy and management experience. Risk limits are in place for risk parameters viz. PV01, Value at Risk (VaR), Stop Loss and Stress Scenario Limits. All exposures are monitored against these limits on a daily basis and breaches, if any, are reported promptly.

The Bank measures counterparty risk using current exposure method. Counterparty limits are approved as per the Bank's Credit Policies. The sanction terms may include the requirement to post upfront collateral, or post collateral should the mark to market (MTM) exceed a specified threshold; on a case to case basis. The Bank retains the right to terminate transactions as a risk mitigation measure, in case the client does not adhere to the agreed terms.

All counterparty exposures are monitored against these limits on a daily basis and breaches, if any, are reported promptly.

**Exposure on account of Counterparty Credit Risk**

(₹ in crore)

| Particulars | Notional Amounts | Exposure (Current + Potential future) |
|---|---|---|
| Foreign Exchange Contracts | 8,296.19 | 292.04 |
| Interest rate derivative contracts | 5,821.01 | 64.30 |
| Cross currency swaps | 215.37 | 24.94 |
| Currency options | 2593.49 | 22.70 |
| **Total** | 16,926.05 | 403.98 |

# BASEL III DISCLOSURES

For the year ended March 31, 2015

## XI. COMPOSITION OF CAPITAL

(₹ in crore)

| | Basel III common disclosure template to be used during the transition of regulatory adjustments (i.e. from April 1, 2013 to December 31, 2017) | | Amounts Subject to Pre-Basel III Treatment | Ref No. |
|---|---|---|---|---|
| | **Common Equity Tier 1 capital: instruments and reserves** | | | |
| 1 | Directly issued qualifying common share capital plus related stock surplus (share premium) | 1,788.22 | | a1 + a2 + a3 |
| 2 | Retained earnings | 4.32 | | b1 |
| 3 | Accumulated other comprehensive income (and other reserves) | 434.66 | | c1 + c2 + c3 |
| 4 | Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies) | - | | |
| | Public sector capital injections grandfathered until January 1, 2018 | NA | | |
| 5 | Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1) | - | | |
| 6 | **Common Equity Tier 1 capital before regulatory adjustments** | 2,227.20 | | |
| | **Common Equity Tier 1 capital: regulatory adjustments** | | | |
| 7 | Prudential valuation adjustments | 18.75 | | |
| 8 | Goodwill (net of related tax liability) | - | | |
| 9 | Intangibles other than mortgage-servicing rights (net of related tax liability) | 1.34 | | d1 |
| 10 | Deferred tax assets | - | | e1 |
| 11 | Cash-flow hedge reserve | - | | |
| 12 | Shortfall of provisions to expected losses | - | | |
| 13 | Securitisation gain on sale | - | | |
| 14 | Gains and losses due to changes in own credit risk on fair valued liabilities | - | | |
| 15 | Defined-benefit pension fund net assets | - | | |
| 16 | Investments in own shares (if not already netted off paid-in capital on reported balance sheet) | - | | |
| 17 | Reciprocal cross-holdings in common equity | - | | |
| 18 | Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold) | - | | |
| 19 | Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold) | - | | |
| 20 | Mortgage servicing rights (amount above 10% threshold) | - | | |
| 21 | Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability) | 2.37 | | |
| 22 | Amount exceeding the 15% threshold | - | | |
| 23 | of which: significant investments in the common stock of financial entities | - | | |
| 24 | of which: mortgage servicing rights | - | | |
| 25 | of which: deferred tax assets arising from temporary differences | - | | |
| 26 | National specific regulatory adjustments (26a+26b+26c+26d) | - | | |
| 26a | of which: Investments in the equity capital of the unconsolidated insurance subsidiaries | - | | |
| 26b | of which: Investments in the equity capital of unconsolidated non-financial subsidiaries | - | | |
| 26c | of which: Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank | - | | |
| 26d | of which: Unamortised pension funds expenditures | - | | |

(₹ in crore)

| | Basel III common disclosure template to be used during the transition of regulatory adjustments (i.e. from April 1, 2013 to December 31, 2017) | | Amounts Subject to Pre-Basel III Treatment | Ref No. |
|---|---|---|---|---|
| 27 | Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions | - | | |
| 28 | **Total regulatory adjustments to Common equity Tier 1** | **22.45** | | |
| 29 | **Common Equity Tier 1 capital (CET1)** | 2,204.75 | | |
| | **Additional Tier 1 capital: instruments** | | | |
| 30 | Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (31+32) | - | | |
| 31 | of which: classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares) | - | | |
| 32 | of which: classified as liabilities under applicable accounting standards (Perpetual debt Instruments) | - | | |
| 33 | Directly issued capital instruments subject to phase out from Additional Tier 1 | - | | |
| 34 | Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1) | - | | |
| 35 | of which: instruments issued by subsidiaries subject to phase out | - | | |
| 36 | **Additional Tier 1 capital before regulatory adjustments** | - | | |
| | **Additional Tier 1 capital: regulatory adjustments** | | | |
| 37 | Investments in own Additional Tier 1 instruments | - | | |
| 38 | Reciprocal cross-holdings in Additional Tier 1 instruments | - | | |
| 39 | Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold) | - | | |
| 40 | Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions) | - | | |
| 41 | National specific regulatory adjustments (41a+41b) | - | | |
| 41a | Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries | - | | |
| 41b | Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank | - | | |
| | Regulatory Adjustments Applied to Additional Tier 1 in respect of Amounts Subject to Pre-Basel III Treatment | - | | |
| 42 | Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions | - | | |
| 43 | **Total regulatory adjustments to Additional Tier 1 capital** | - | | |
| 44 | **Additional Tier 1 capital (AT1)** | - | | |
| 44a | **Additional Tier 1 capital reckoned for capital adequacy** | - | | |
| 45 | **Tier 1 capital (T1 = CET1 + AT1) (29 + 44a)** | 2,204.75 | | |
| | **Tier 2 capital: instruments and provisions** | | | |
| 46 | Directly issued qualifying Tier 2 instruments plus related stock surplus | - | | |
| 47 | Directly issued capital instruments subject to phase out from Tier 2 | - | | |
| 48 | Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2) | - | | |
| 49 | of which: instruments issued by subsidiaries subject to phase out | - | | |
| 50 | Provisions | 68.16 | | j1x 45%+j2+j3 |
| 51 | **Tier 2 capital before regulatory adjustments** | 68.16 | | |

# BASEL III DISCLOSURES

For the year ended March 31, 2015

(₹ in crore)

| | Basel III common disclosure template to be used during the transition of regulatory adjustments (i.e. from April 1, 2013 to December 31, 2017) | Amounts Subject to Pre-Basel III Treatment | Ref No. |
|---|---|---|---|
| | **Tier 2 capital: regulatory adjustments** | | |
| 52 | Investments in own Tier 2 instruments | - | |
| 53 | Reciprocal cross-holdings in Tier 2 instruments | - | |
| 54 | Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold) | - | |
| 55 | Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions) | - | |
| 56 | National specific regulatory adjustments (56a+56b) | - | |
| 56a | of which: Investments in the Tier 2 capital of unconsolidated subsidiaries | - | |
| 56b | of which: Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank | - | |
| 57 | **Total regulatory adjustments to Tier 2 capital** | - | |
| 58 | **Tier 2 capital (T2)** | 68.16 | |
| 58a | **Tier 2 capital reckoned for capital adequacy** | 68.16 | |
| 58b | **Excess Additional Tier 1 capital reckoned as Tier 2 capital** | - | |
| 58c | **Total Tier 2 capital admissible for capital adequacy (58a + 58b)** | 68.16 | |
| 59 | **Total capital (TC = T1 + T2) (45 + 58c)** | 2,272.91 | |
| 60 | **Total risk weighted assets (60a + 60b + 60c)** | 17,311.36 | |
| 60a | **of which: total credit risk weighted assets** | 14,499.19 | |
| 60b | **of which: total market risk weighted assets** | 1,781.39 | |
| 60c | **of which: total operational risk weighted assets** | 1,030.78 | |
| | **Capital ratios** | | |
| 61 | **Common Equity Tier 1 (as a percentage of risk weighted assets)** | 12.74% | |
| 62 | **Tier 1 (as a percentage of risk weighted assets)** | 12.74% | |
| 63 | **Total capital (as a percentage of risk weighted assets)** | 13.13% | |
| 64 | **Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirements, expressed as a percentage of risk weighted assets)** | 5.00% | |
| 65 | **of which: capital conservation buffer requirement** | 0.00% | |
| 66 | **of which: bank specific countercyclical buffer requirement** | 0.00% | |
| 67 | **of which: G-SIB buffer requirement** | 0.00% | |
| 68 | **Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)** | 7.74% | |
| | **National minima (if different from Basel III)** | | |
| 69 | National Common Equity Tier 1 minimum ratio (if different from Basel III minimum) | 5.50% | |
| 70 | National Tier 1 minimum ratio (if different from Basel III minimum) | 7.00% | |
| 71 | National total capital minimum ratio (if different from Basel III minimum) | 9.00% | |
| | **Amounts below the thresholds for deduction (before risk weighting)** | | |
| 72 | Non-significant investments in the capital of other financial entities | - | |
| 73 | Significant investments in the common stock of financial entities | - | |
| 74 | Mortgage servicing rights (net of related tax liability) | - | |
| 75 | Deferred tax assets arising from temporary differences (net of related tax liability) | - | |

(₹ in crore)

| | Basel III common disclosure template to be used during the transition of regulatory adjustments (i.e. from April 1, 2013 to December 31, 2017) | Amounts Subject to Pre-Basel III Treatment | Ref No. |
|---|---|---|---|
| | **Applicable caps on the inclusion of provisions in Tier 2** | | |
| 76 | Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap) | - | |
| 77 | Cap on inclusion of provisions in Tier 2 under standardised approach | - | |
| 78 | Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap) | NA | |
| 79 | Cap for inclusion of provisions in Tier 2 under internal ratings-based approach | NA | |
| | **Capital instruments subject to phase-out arrangements (only applicable between March 31, 2017 and March 31, 2022)** | | |
| 80 | Current cap on CET1 instruments subject to phase out arrangements | - | |
| 81 | Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities) | - | |
| 82 | Current cap on AT1 instruments subject to phase out arrangements | - | |
| 83 | Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities) | - | |
| 84 | Current cap on T2 instruments subject to phase out arrangements | - | |
| 85 | Amount excluded from T2 due to cap (excess over cap after redemptions and maturities) | - | |

## Notes to the Template

(₹ in crore)

| Row No. of the template | Particulars | |
|---|---|---|
| 10 | Deferred tax assets associated with accumulated losses | - |
| | Deferred tax assets (excluding those associated with accumulated losses) net of Deferred tax liability | 2.37 |
| | Total as indicated in row 10 | 2.37 |
| 19 | If investments in insurance subsidiaries are not deducted fully from capital and instead considered under 10% threshold for deduction, the resultant increase in the capital of bank | NA |
| | of which: Increase in Common Equity Tier 1 capital | NA |
| | of which: Increase in Additional Tier 1 capital | NA |
| | of which: Increase in Tier 2 capital | NA |
| 26b | If investments in the equity capital of unconsolidated non-financial subsidiaries are not deducted and hence, risk weighted then: | NA |
| | (i) Increase in Common Equity Tier 1 capital | NA |
| | (i) Increase in risk weighted assets | NA |
| 44a | Excess Additional Tier 1 capital not reckoned for capital adequacy (difference between Additional Tier 1 capital as reported in row 44 and admissible Additional Tier 1 capital as reported in 44a) | - |
| | of which: Excess Additional Tier 1 capital which is considered as Tier 2 capital under row 58b | - |
| 50 | Eligible Provisions included in Tier 2 capital | 67.70 |
| | Eligible Revaluation Reserves included in Tier 2 capital | 0.46 |
| | Total of row 50 | 68.16 |
| 58a | Excess Tier 2 capital not reckoned for capital adequacy (difference between Tier 2 capital as reported in row 58 and T2 as reported in 58a) | - |

# BASEL III DISCLOSURES

For the year ended March 31, 2015

## XI. COMPOSITION OF CAPITAL- RECONCILIATION REQUIREMENTS

### Step 1

(₹ in crore)

| | Composition of Capital - Reconciliation Requirements | Balance sheet as in financial statements | Balance sheet under regulatory scope of consolidation |
|---|---|---|---|
| | | As on reporting date | As on reporting date |
| **A** | **CAPITAL & LIABILITIES** | | |
| **i.** | **Paid-up Capital** | 293.45 | |
| | Reserves & Surplus | 1,936.98 | |
| | Minority Interest | - | |
| | **Total Capital** | **2,230.43** | |
| **ii.** | **Deposits** | 17,099.25 | |
| | of which: Deposits from banks | 3,021.45 | |
| | of which: Customer deposits | 14,077.80 | |
| | of which: Other deposits (pl. specify) | - | |
| **iii.** | **Borrowings** | 6,962.70 | |
| | of which: From RBI | 530.00 | |
| | of which: From banks | 749.00 | |
| | of which: From other institutions & agencies | 4,918.44 | |
| | of which: Others (outside India) | 765.26 | |
| | of which: Capital instruments | - | |
| **iv.** | **Other liabilities & provisions** | 812.30 | |
| | **Total Capital & Liabilities** | **27,104.67** | |
| **B** | **ASSETS** | | |
| **i** | **Cash and balances with Reserve Bank of India** | 1,455.68 | |
| | Balance with banks and money at call and short notice | 714.66 | |
| **ii** | **Investments:** | 9,825.68 | |
| | of which: Government securities | 7,579.94 | |
| | of which: Other approved securities | - | |
| | of which: Shares | 0.10 | |
| | of which: Debentures & Bonds | 1,052.18 | |
| | of which: Subsidiaries / Joint Ventures / Associates | - | |
| | of which: Others (Commercial Papers, Mutual Funds etc.) | 1,193.46 | |
| **iii** | **Loans and advances** | 14,449.83 | |
| | of which: Loans and advances to banks | - | |
| | of which: Loans and advances to customers | 14,449.83 | |
| **iv** | **Fixed assets** | 164.44 | |
| **v** | **Other assets** | 494.39 | |
| | of which: Goodwill and intangible assets | 1.34 | |
| | of which: Deferred tax assets | 2.37 | |
| **vi** | **Goodwill on consolidation** | - | |
| **vii** | **Debit balance in Profit & Loss account** | - | |
| | **Total Assets** | **27,104.67** | |

## Step 2

(₹ in crore)

| | Composition of Capital - Reconciliation Requirements | Balance sheet as in financial statements | Balance sheet under regulatory scope of consolidation | Ref. No. |
|---|---|---|---|---|
| | | As on reporting date | As on reporting date | |
| **A** | **CAPITAL & LIABILITIES** | | | |
| **i.** | **Paid-up Capital** | 293.45 | | |
| | Of which: | | | |
| | Amount eligible for CET1 | 293.45 | | a1 |
| | Amount eligible for AT1 | - | | |
| | Share application money* | - | | a3 |
| | **Reserves & Surplus** | **1,936.98** | | |
| | Of which: | | | |
| | Share Premium | 1,494.77 | | a2 |
| | Statutory Reserve | 155.45 | | c1 |
| | Capital Reserve | 14.56 | | c2 |
| | Revenue & Other Reserves | 264.66 | | c3 |
| | Revaluation Reserve | 1.02 | | j1 |
| | Investment Reserve | 2.20 | | j2 |
| | Balance in Profit & Loss Account | 4.32 | | |
| | Of which: Profit brought forward reckoned for capital adequacy purpose | 4.32 | | b1 |
| | Of which: Current period profit not reckoned for capital adequacy purpose | - | | - |
| | Minority Interest | - | | |
| | **Total Capital** | **2,230.43** | | |
| **ii** | **Deposits** | 17,099.25 | | |
| | of which: Deposits from banks | 3,021. 45 | | |
| | of which: Customer deposits | 14,077.80 | | |
| | of which: Other deposits (pl. specify) | - | | |
| **iii** | **Borrowings** | 6,962.70 | | |
| | of which: From RBI | 530.00 | | |
| | of which: From banks | 749.00 | | |
| | of which: From other institutions & agencies | 4,918.44 | | |
| | of which: Others (borrowings outside India) | 765.26 | | |
| | of which: Capital instruments | - | | |
| **iv** | **Other liabilities & provisions** | 812.30 | | |
| | of which: Provision against Standard Assets | 65.50 | | j3 |
| | **Total Capital & Liabilities** | **27,104.67** | | |

# BASEL III DISCLOSURES

For the year ended March 31, 2015

(₹ in crore)

| Composition of Capital - Reconciliation Requirements | | Balance sheet as in financial statements | Balance sheet under regulatory scope of consolidation | Ref. No. |
|---|---|---|---|---|
| | | As on reporting date | As on reporting date | |
| **B** | **ASSETS** | | | |
| **i** | **Cash and balances with Reserve Bank of India** | 1,455.68 | | |
| | Balance with banks and money at call and short notice | 714.66 | | |
| **ii** | **Investments** | 9,825.68 | | |
| | of which: Government securities | 7,579.94 | | |
| | of which: Other approved securities | - | | |
| | of which: Shares | 0.10 | | |
| | of which: Debentures & Bonds | 1,052.17 | | |
| | of which: Subsidiaries / Joint Ventures / Associates | - | | |
| | of which: Others (Commercial Papers, Mutual Funds etc.) | 1,193.46 | | |
| **iii** | **Loans and advances** | 14,449.83 | | |
| | of which: Loans and advances to banks | - | | |
| | of which: Loans and advances to customers | 14,449.83 | | |
| **iv** | **Fixed assets** | 164.44 | | |
| **v** | **Other assets** | 494.39 | | |
| | of which: Goodwill and intangible assets | | | |
| | Out of which: | | | |
| | Goodwill | - | | |
| | Other intangibles (excluding MSRs) | 1.34 | | d1 |
| | Deferred tax assets | 2.37 | | e1 |
| **vi** | **Goodwill on consolidation** | - | | |
| **vii** | **Debit balance in Profit & Loss account** | - | | |
| | **Total Assets** | **27,104.67** | | |

* Share Application Money is considered as a part of CET1 Capital as the amount is non-refundable and the shares have since been allotted to the applicants.

## XII. MAIN FEATURES OF REGULATORY CAPITAL INSTRUMENTS

| Disclosure template for main features of regulatory capital instruments | | Equity Shares |
|---|---|---|
| 1 | Issuer | RBL Bank Limited |
| 2 | Unique identifier (ISIN) | INE976G01028 |
| 3 | Governing law(s) of the instrument | Applicable Indian statutes & regulatory requirement |
| | *Regulatory treatment* | |
| 4 | Transitional Basel III rules | Common Equity Tier I |
| 5 | Post-transitional Basel III rules | Common Equity Tier I |
| 6 | Eligible at solo/group/ group & solo | Solo |
| 7 | Instrument type | Common Shares |
| 8 | Amount recognised in regulatory capital (₹ in crore, as of March 31, 2015) | 293.45 |
| 9 | Par value of instrument (₹ in crore) | NA |
| 10 | Accounting classification | Shareholder's Equity |
| 11 | Original date of issuance | Various |
| 12 | Perpetual or dated | Perpetual |
| 13 | Original maturity date | No Maturity |
| 14 | Issuer call subject to prior supervisory approval | No |
| 15 | Optional call date, contingent call dates & redemption amount | NA |
| 16 | Subsequent call dates, if applicable | NA |
| | *Coupons / dividends* | Dividend |
| 17 | Fixed or floating dividend/coupon | NA |
| 18 | Coupon rate and any related index | NA |
| 19 | Existence of a dividend stopper | NA |
| 20 | Fully discretionary, partially discretionary or mandatory | Fully discretionary |
| 21 | Existence of step up or other incentive to redeem | No |
| 22 | Noncumulative or cumulative | Non-cumulative |
| 23 | *Convertible or non-convertible* | NA |
| 24 | If convertible, conversion trigger(s) | NA |
| 25 | If convertible, fully or partially | NA |
| 26 | If convertible, conversion rate | NA |
| 27 | If convertible, mandatory or optional conversion | NA |
| 28 | If convertible, specify instrument type convertible into | NA |
| 29 | If convertible, specify issuer of instrument it converts into | NA |
| 30 | *Write-down feature* | No |
| 31 | If write-down, write-down trigger(s) | NA |
| 32 | If write-down, full or partial | NA |
| 33 | If write-down, permanent or temporary | NA |
| 34 | If temporary write-down, description of write-up mechanism | NA |
| 35 | Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument) | All other creditors and depositors of the Bank |
| 36 | Non-compliant transitioned features | No |
| 37 | If yes, specify non-compliant features | NA |

# BASEL III DISCLOSURES

For the year ended March 31, 2015

## XII. FULL TERMS AND CONDITIONS OF REGULATORY CAPITAL INSTRUMENTS

| Sr. No. | Criteria | Full Terms and Conditions of Equity Shares of RBL Bank Limited |
|---|---|---|
| 1. | Voting shares | Equity shares of RBL Bank Limited are voting shares |
| 2. | Limit on voting rights | Limits on voting rights, if any, are applicable as per provisions of the Banking Regulation Act, 1949 |
| 3. | Position in subordination hierarchy | Represent the most subordinated claim in liquidation of the Bank.<br>The paid up amount is neither secured nor covered by a guarantee of the issuer or related entity nor subject to any other arrangement that legally or economically enhances the seniority of the claim. |
| 4. | Claim on residual assets | Entitled to a claim on the residual assets, which is proportional to its share of paid up capital, after all senior claims have been repaid in liquidation |
| 5. | Perpetuity | Principal is perpetual and never repaid outside of liquidation (except discretionary repurchases / buy backs or other means of effectively reducing capital in a discretionary manner that is allowable under relevant law as well as guidelines, if any, issued by RBI in the matter). |
| | | The Bank does nothing to create an expectation at issuance that the instrument would be bought back, redeemed or cancelled nor do the statutory or contractual terms provide any feature which might give rise to such an expectation. |
| 6. | Distributions | Distributions are paid out of distributable items (retained earnings included). The level of distributions is not in any way tied or linked to the amount paid up at issuance and is not subject to a contractual cap (except to the extent that a bank is unable to pay distributions that exceed the level of distributable items).<br>There are no circumstances under which the distributions are obligatory. Non-payment is therefore not an event of default.<br>Distributions are paid only after all legal and contractual obligations have been met and payments on more senior capital instruments have been made. |
| 7. | Loss absorption | It is the paid up capital that takes the first and proportionately greatest share of any losses as they occur. Within the highest quality capital, each instrument absorbs losses on a going concern basis proportionately and paripassu with all the others. |
| 8. | Accounting classification | The paid up amount is classified as equity capital. It is clearly and separately disclosed in the Bank's balance sheet. |
| 9. | Directly issued and paid-up | Shares are directly issued and paid up. The Bank cannot directly or indirectly fund the purchase of its own common shares |
| 10. | Approval for issuance | Paid up capital is only issued with the approval of the owners of the Bank, either given directly by the owners or, if permitted by applicable law, given by the Board of Directors or by other persons duly authorised by the owners |

# LIST OF BRANCH OFFICES

| State | Branch Name | City | Branch Address |
|---|---|---|---|
| Andhra Pradesh | Kovada - Kakinada | Kovvada, Kakinada | Door No. 1-93, Kovvada Panchayat, Kakinada Rural Mandal, East Godavadi District, Andhra Pradesh - 533 006 |
| Andhra Pradesh | Lalupuram | Lalupuram | Door No. 6-48A, Ground Floor, Survey No. 333, Lalupuram Village, Guntur Rural Mandal, Guntur District, Andhra Pradesh - 522 017 |
| Andhra Pradesh | Peravaram | Peravaram | Door No. 2-43, R.s. No. 117/14, Main Road, Peravaram Village, Atreyapuram Mandal, East Godavari District, Andhra Pradesh - 533 235 |
| Andhra Pradesh | Tirupathi | Tirupati | Plot No. 87, Motor Workers Colony, Padmathipuram, Tirupati-Tiruchanur Road, Tirupati - 517 502 |
| Dadra And Nagar Haveli | Silvassa | Silvassa | Unit No.1,2 & 7, Roshan Avenue, Silvassa-Vapi Road, Silvassa - 396 230 |
| Daman & Diu | Daman | Daman | Ground Floor, Shop No. 1,2,3, Plot No. 758/7 Ad 758/8 At Village Dabhel, Somnath Temple Road, Daman - 396 210 |
| Delhi | Capitol Point | New Delhi | Ground Floor, Dlf Capitol Point, Baba Kharag Singh Marg, New Delhi - 110 001 |
| Delhi | Haus Khas | New Delhi | Ground Floor, M-6 Hauz Khas, New Delhi - 110 016 |
| Delhi | Karol Bagh | New Delhi | 17 A/53, Ground Floor, W.e.a. Karol Bagh, Opp. Jessaram Hospital, Guradwar Road, New Delhi - 110 005 |
| Delhi | Rajouri Garden | New Delhi | J-13/52, Basement & Ground Floor, Rajouri Garden, New Delhi - 110 027 |
| Delhi | Vasant Vihar | New Delhi | 23, Basant Lok Market Community Centre, Vasant Vihar, New Delhi - 110 057 |
| Goa | Calangute | Calangute | Shop No. 7,8,9,10, Ground And First Floor, Simplex Complex Phase 2, Calangute, Bardez, Goa - 402 516 |
| Goa | Margoa | Margoa | Vasant Arcade, Behind Police Station, Comba, Margoa - 403 601 |
| Goa | Mhapusa | Mapusa | Shop No.s1, Mapusa Trade Centre,Maroda,Mapusa-Goa - 403 507 |
| Goa | Netravali | Sanguem | House No. 110, Marga Eadda, Netravali, Sanguem, South Goa - 403 704 |
| Goa | Panaji | Panji | Shop No.g-10 & 11,Nizamar Centre,Ground Floor, Dr. Atmaram Road,Panaji, Goa - 403 001 |
| Goa | Ponda | Ponda | Dr. Dada Vaidya Chowk,Main Road, Ponda (Goa) - 403 401 |
| Goa | Porvorim | Porvorim | House No. 456, Near Chodankar Nursing Home, Alto Porvorim, Bardez, Goa-403 521 |
| Goa | Shiragao | Sirgaon | House No.12/1, Wadacha Wada, Shirgaon, Assonora, Goa - 403 503 |
| Gujarat | Ahmedabad | Ahmedabad | Shop No. 8,9,10,13 & 14, Mallinath Complex, Opp. Sujata Flats, Shahibaug, Ahmedabad - 380 004 |
| Gujarat | Ahmedabad Viva Complex | Ahmedabad | Viva Complex, Ellisbridge, Opp. Parimal Garden, Ahmedabad - 380 006 |
| Gujarat | Bardoli | Bardoli | U01 & U02 Empire Plaza, Opp. Vamdoor Petrol Pump, Station Road, Bardoli, Dist: Surat, Gujarat - 394 601 |
| Gujarat | Biriyandayara | Biriyandayara | Behind Sarhad Dairy, Bhuj-Khavda Highway, Near Bhirandiyara Bus Stand, Bhirandiyara, Dist: Bhuj, Gujarat - 370 510 |
| Gujarat | Deesa | Deesa | Shop No. 9-10, Kiran Complex, Near Gayatri Temple, Hihway Road, Deesa, Gujarat - 385 535 |
| Gujarat | Himatnagar | Himatnagar | Shop No. 7,8 9, Ashok Vatika, Block-A, Ground Floor, Sahkari Jin Road, Gujrat - 383 001 |
| Gujarat | Kadi | Kadi | Shop Nos. 9A,9B,10,10A & 10B, Diamond Plaza, Thol Road, Opp. Arts & Commercial College, Near Ankur Society, Kadi, Gujarat - 382 715 |
| Gujarat | Khambhala | Khambhala | Umiya Nivas, Main Bazar, Village Khambala, Taluka Paddhari, Dist: Rajkot, Gujarat - 360 110 |
| Gujarat | Padra | Padra | 7/8 Umiya Nagar, Near Post Office, Padra, Vadodara, Gujarat - 391 440 |
| Gujarat | Surat | Surat | Showroom No 4, Ground Floor, Twin Tower A, Sahara Darwaja, Ring Road, Surat - 395 002 |
| Gujarat | Unjha | Unjha | Plot No. 82, Survey No. 8-5-27, Opp. Unjha Pharmacy, Station Road, Unjha, Gujarat - 384 170 |
| Gujarat | Vadodara | Baroda | Ground Floor, Chitrakut Complex, Near Pashabhai Park And Natubhai Circle, Race Course Circle Road, Vadodara - 390 007 |
| Gujarat | Valetva | Valetva | Shop No. 1 & 2, First Floor Amtiya Enclave, Valetva Cross Road Nadiad Petland Road, Valetva Nadiad Taluk, Kheda District, Gujarat - 388 440 |
| Gujarat | Vapi | Vapi | 9/10/11 Sahara Market, Ground Floor, Vapi-Silvassa Road, Vapi, Gujarat - 396 191 |
| Haryana | Gurgaon | Gurgaon | Abw Tower, At Iffco Chowk,Village Sukhrauli,Nh-8, Abw Tower, Gurgaon,Haryana - 122 002 |
| Haryana | Panipat | Panipat | Showroom #1 196/7(Part), Opp. N.k. Tower, G.t Road, Panipat - 132 103 |
| Karnataka | Ankali (Shitol) | Ankali Shitol | A/P-Ankali Taluka : Chikodi, Dist.: Belgaum - 591 213 |
| Karnataka | Bagalkot | Bagalkot | T.p. No. 163A/2B, Near Lions School, Bagalkot, Kartakata - 587 101 |
| Karnataka | Belgaum | Belgaum | Samachar Bahvan, Nargundkar Bhave Chowk, Dist. : Belgaum - 590 002 |
| Karnataka | Bellad-Bagewadi | Bellad-Bagewadi | 395, A/P : Bellad Bagewadi,Taluka : Hukeri, Dist. : Belgaum - 591 305 |
| Karnataka | Davangere | Davangere | 718/1, Subhash Road,Mandi Peth,Davangere - 577 001 |
| Karnataka | Dharwad | Dharwad | Kabadi Mansion, Kosmos Club Road, Behind Court, Dharwad - 580 001 |
| Karnataka | Doddaballapur | Dod Ballarpur | Khata No 1762/66 ,Ward No 4, D Cross, Mail Road, Doddaballapur - 561 203 |
| Karnataka | Gandhinagar Bangalore | Bangalore | 197, 6Th Cross, Gandhinagar, Banglore - 560 009 |
| Karnataka | Gokak | Gokak | C.s.t. No.3324 And 3325,Khojas Hotel, Anmol Plaza Bldg.,Hospet Galli, Raviwar Peth,Gokak - 591 307 |
| Karnataka | Harugeri | Harugeri | 259/1 And 2, 269/1 And 2, Halingali Bldg. A/P Harogeri, Taluka : Raibagh, Dist: Belgaum - 591 220 |
| Karnataka | Hubli | Hubli | C.t.s. No.56/57, Ward No.2,Samarth Centre,New Mydar Oni,Hubli - 580 028 (K.s.) |
| Karnataka | Inchageri | Inchageri | Ground Floor, Gram Panchayat, Inchagri Village, Indi Taluka, Bijapur, Karnataka - 586 117 |
| Karnataka | Koramangla Bangalore | Bangalore | Ground Floor, 631, 3Rd Block 3Rd Cross, 100 Feet Road, Nr. Bda Complex, Koramangala, Bangalore - 560 034 |

# LIST OF BRANCH OFFICES

| State | Branch Name | City | Branch Address |
|---|---|---|---|
| Karnataka | Manglore | Manglore | Ug-8 & Ug-9 Maximus Commercial Complex, Light House Hill Road, Mangalore - 575 001 |
| Karnataka | Mudhol | Mudhol | Cts 4026/3/D/6, Near Ranna Circle, Mudhol, District Bagalkot, Karnataka - 587 313 |
| Karnataka | Munavalli | Munoli | No. 2577/2512/1B, N C Yaligar Building, Panchaligershwar Temple Road, Manoli, Taluka : Saudatti, Dist.: Belgaum - 591 117 |
| Karnataka | Nipani | Nipani | 228, Padmaraj Bldg, Sakharwadi,Pune-Bangalore Road, Nipani,Dist. - Belgaum,Karnataka - 591 237 |
| Karnataka | Prestige Towers Banglore | Bangalore | Ground Floor, G-13, G-14,G-15 & G-17 Prestige Towers, 99 & 100 Residency Road, Bangalore - 560 025 |
| Karnataka | Ramnagara | Ramnagarm | Khata No.169/1789/1736, Ground Floor, Gnr Complex, I Stage, B M Road, Ramanagara - 571 511 |
| Karnataka | Shamnewadi | Shamnewadi | Gramseva Sahakari Sangh Bldg, Shamnewadi,Taluka : Chikodi, Dist.: Belgaum - 591 237 |
| Karnataka | Shedbal | Shedbal | Bazar Peth, Shedbal,Taluka : Athani,Dist.: Belgaum - 591 315 |
| Karnataka | Shirguppi | Shirguppi | 379, A/P Shirguppi, Taluka : Athani, Dist. : Belgaum - 591 242 |
| Madhya Pradesh | Ashta | Ashta | Ground Floor, Khasra No. 416/1, Ashta, Madhya Pradesh - 466 116 |
| Madhya Pradesh | Bhopal | Bhopal | GROUND FLOOR, PLOT NO. 2, AKANKSHA COMPLEX, FRONT RIGHT SIDE PORTION, ZONE-1, M.P. NAGAR, BHOPAL - 462 011 |
| Madhya Pradesh | Chakh Kamed | Ghatiya | Ground Floor, Survey No. 283/2, Gram Chak Kamed, Tehsil Gathiya, Dist:ujjain, Madhya Pradesh - 456 006 |
| Madhya Pradesh | Dhar | Dhar | Shop 21-22, Kashi Baghh, Dhar, Madhya Pradesh - 454 001 |
| Madhya Pradesh | Ganjbasoda | Ganj Basoda | Ground Floor, Ward No. 12. Station Road, Ganj Basoda, Madhya Pradesh - 464 221 |
| Madhya Pradesh | Hoshangabad | Hoshangabad | Plot No. 34/1, Al Aziz Tower, Babai Piparya Road, Anand Nagar, Hoshangabad - 461 001 |
| Madhya Pradesh | Indore | Indore | Shop No.3, Ground Floor, The Grace, Plot No. 1&2, Kibe Compound, Indore -452 001 |
| Madhya Pradesh | Kamatoon | Kamtoon | Ground Floor, 389, Village Kamtoon, Jj Road, Tehsil-Bareli, Dist: Raisen Madhya Pradesh - 464 668 |
| Madhya Pradesh | Khurai | Khurai | Sai Centre Point, Nehru Ward, Station Road, Khurai, Mahya Pradesh - 470 117 |
| Madhya Pradesh | Makronia | Makronia | GROUND FLOOR, KHASRA NO. 174/21, 174/23, 172/2, PATWARI HALKA NO.72, MAKRONIA, MADHYA PRADESH - 470 001 |
| Madhya Pradesh | Mandideep | Mandideep | Plot No. 1, Ward No. 12, Sector-A, Indiranagar, Tehsil Goharganj, Dist. Raisen, Mandhideep, Madhya Pradesh - 462 046 |
| Madhya Pradesh | Pipariya | Pipariya | Ground Floor, Murli Tower, Cement Road, Pipariya, Madhya Pradesh - 461 775 |
| Madhya Pradesh | Seoni Malwa | Seoni Malwa | Ground Floor, Plot No. 100/1/1, Thakur Colony, Main Roa, Seoni Malwa, Madhya Pradesh - 461 223 |
| Maharashtra | Ahmednagar | Ahmednagar | Sai Icon, Opp Mauli Sankul, Savedi Road, Ahmednagar - 414003 |
| Maharashtra | Airoli | Navi Mumbai | Unit No. 1 To 6, Gr Floor, Ripplez Mall, Plot No 6A, Sector No 7, Airoli, Navi Mumbai - 400 708 |
| Maharashtra | Aitawade Budruk | Aitawade Budruk | Karmvir Sanskritik Bhavan A/P. Aitawade Budruk, Taluka :Walva, Dist : Sangli - 415 401 |
| Maharashtra | Akkiwat | Akkiwat | Kallnawar Bldg. A/P - Akkiwat, Taluka : Shirol, Dist.: Kolhapur - 416 106 |
| Maharashtra | Akluj | Akluj | R.s. No.2258/4A,Mahaveer Path, Near Sadubhau Chowk, Akluj,Taluka : Malshiras, Dist. Solapur - 413 101 |
| Maharashtra | Ankali(Sangli) | Ankali | 178, A/P : Ankali.taluka : Miraj, Dist. : Sangli - 416 416 |
| Maharashtra | Arjunwad | Arjunwad | A/P : Arjunwad,Taluka : Shirol, Dist. : Kolhapur - 416 120 |
| Maharashtra | Aurangabad | Aurangabad | Ground Floor N-3, Plot No 303,Cidco Jalna Road, Aurangabad - 431 001 |
| Maharashtra | Badlapur E | Badlapur | Nisarg Pratiksha Apartments, Old D P Road, Katrap,Badlapur East, Thane - 421 503 |
| Maharashtra | Baner | Pune | A Wing, Anmol Pride, Survey No. 270, Hissa No. 1/16, Opp Bharat Petrol Pump, Baner, Pune - 411 045 |
| Maharashtra | Baramati | Baramati | Shantilal Shaha (Pandarkar) Bldg.,Mahavir Path, Shantilal Shaha (Pandarkar) Bldg., Baramati - 413 102 |
| Maharashtra | Bhadavan | Bhadvan | A/P : Bhadvan,Taluka : Ajara,Dist. : Kolhapur - 416 505 |
| Maharashtra | Bhilawdi | Bhilwadi | Dakshin Bhag Bhilwadi Vikas Society Building,Bhilwadi, Taluka: Palus, Dist .: Sangli- 416 303 |
| Maharashtra | Bhose | Bhose | A/P : Bhose,Taluka : Miraj, Dist. : Sangli - 416 422 |
| Maharashtra | Boisar | Boisar | Ameya Park Near Hotel Boisar Navapur Road Boisar Thane - 401 501 |
| Maharashtra | Borgaon | Borgaon | Shop No. 13, A Wing, Citiland Complex, Borgaon Village (Borgaon Dharmale), Dist. Amravati - 444 907 |
| Maharashtra | Borivali | Mumbai | Shop No. 2 To 6, Shroff Arcade, Sodawala Lane, Near Thakare Hall, Boriwali (W), Mumbai - 400 092 |
| Maharashtra | Borpadale | Borpadale | A/P: Borpadale.taluka : Panhala, Dist. : Kolhapur - 416 213 |
| Maharashtra | Burli | Burli | Kamdhenu Dudh Utpadak Society Building, Burli, Taluka: Palus, Dist.: Sangli - 416 318 |
| Maharashtra | Chakan | Pune | Ground Floor, Shop No. 5 & 6, Tukaram Market, Mega Centre Pune - Nashik Road, Medankarwadi, Chakan - 410 501 |
| Maharashtra | Chincholi | Chincholi | Gut No. 111, Plot No. 5 & 6, Jalgaon Aurangabad Road, Chincholi Village, Jalgaon - 425 003 |
| Maharashtra | Chinchwad | Pune | Ashirwaad, Plot No. 199/A, Old Pune-Mumbai Highway, Near Hans Electricals, Chinchwad Station Road, Pune - 411 019 |
| Maharashtra | Dombivali (E) | Dombivali (East) | 1St Floor, Jaykul Arcade, Manpada Road, Near Gaondevi Mandir, Dombivali (E) - 421 201 |
| Maharashtra | Dombivali (W) | Dombivali (West) | Atma Tara, Ground Floor, Subhash Road, Vishnunagar, Dombivali (W) - 421 202 |
| Maharashtra | Dudhagaon | Dudhagaon | 395/2,A/P : Dudhagaon- 416 315.Taluka : Miraj, Dist. : Sangli - 416 315 |
| Maharashtra | Fort | Mumbai | Dhanur House,15 Pm Road, Fort - 400 001 |

# LIST OF BRANCH OFFICES

| State | Branch Name | City | Branch Address |
|---|---|---|---|
| Maharashtra | Gandhinagar Kolhapur | Gandhinagar, Kolhapur | Chabbriy Building, Main Road Gandhinagar, Taluka : Karveer, Dist: Kolhapur - 416 119 |
| Maharashtra | Gaonbagh Sangli | Gaonbhag, Sangli | C.s.no.966 & 967, Mehendale - Kulkarni Bhavan, Gaonbhag, Sangli - 416 416 |
| Maharashtra | Ghotawade | Ghotawade | Bapu Dongale Building, Main Road, Ghotawade,Taluka : Radhanagari.dist. : Kolhapur.- 416 230 |
| Maharashtra | Haladi | Haladi | Plot No. 667, Survey No. 104, Haladi, Taluka : Karveer, Dist.: Kolhapur - 416 001 |
| Maharashtra | Hingangaon | Hingangaon | 53, Grampanchayat Building,A/P : Hingangaon ,Taluka : Kavathe-Mahankal,Dist. : Sangli - 416 405 |
| Maharashtra | Hupari | Hupari | 1670/1,Opp Hutatma Smarak Mahaveer Nagar, Main Road , Rukadi - 416 203 |
| Maharashtra | Icc Pune | Pune | Mccia Trade Tower,Off International Conventinal Centre, Show Room No 5 Senapati Bhapat Road, Pune - 411 004 |
| Maharashtra | Ichalkaranji | Ichalkaranji | 7356, Main Road,Ichalkaranji - 416 115.Taluka: Hatkanangale, Dist.: Kolhapur - 416 115 |
| Maharashtra | Inam Dhamni | Inam Dhamani | A/P : Inam Dhamani , Taluka: Miraj, Dist. : Sangli - 416 416 |
| Maharashtra | Ingali | Ingali | 446, A/P : Ingali – 416 202.Taluka : Hatkanangale,Dist. : Kolhapur - 416 202 |
| Maharashtra | Islampur | Islampur | H. No.2127/28, Dr.pardeshi Bldg.islampur– 415 409 Taluka : Walva, Dist. : Sangli - 415 409 |
| Maharashtra | Jaysingpur | Jaysingpur | A.b.patil Complex, Subhash Road, Jaisingpur, 416 101 |
| Maharashtra | Juhu | Mumbai | Ground Floor, Duru House, Cts No. 900, Village Juhu, Juhu Tara Road, Vile Parle (West), Mumbai - 400 049 |
| Maharashtra | Kabnur | Kabnur | Grampanchayat Building, Kabnur ,Taluka : Hatkanangale,Dist. : Kolhapur - 416 129 |
| Maharashtra | Kagal | Kagal | Ameya Complex,C S No.3611, 3612, 3613,Brahmapuri, Kagal, Dist : Kolhapur - 416 126 |
| Maharashtra | Kalbadevi | Mumbai | Jewel World Building,Ground Floor, 175,Kalbadevi Road,Corner Of Shaik Memonstreet,Mumbai - 400 004 |
| Maharashtra | Kalyan | Kalyan (West) | Bindu Tower, Shop No.2,3,13 & 14, Opp.k.d.m.c. Veg. Market, Santoshi Mata Road, Kalyan (W) - 421 301 |
| Maharashtra | Kalyaninagar | Pune | Shop No. 126 &127, Vitoria-I, Fortaleza, Central Avenue Road, Kalyaninagar, Pune - 411 006 |
| Maharashtra | Kandivali | Mumbai | Shri Bldg., 295, Shantilal Modi Road, Near Mayur Takies, Kandiwali (W), Mumbai - 400 067 |
| Maharashtra | Karad | Karad | Shop No. 1,2&3, Janaki Palza, Near Kolhapur Naka, Behind Mahatma Gandhi Statue, Karad - 415 110 |
| Maharashtra | Kharghar | Kharghar | Surya Koti Building, Surya Chs Ltd. Plot No.16, Sector 19, Kharghar, Navi Mumbai Taluka : Panvel, Dist.: Raigad - 410 210 |
| Maharashtra | Khupire | Khupire | C/O Shri Balbhim Vks Vikas Seva Sanstha, Khupire, Taluka : Karveer, Kolhapur -416 205 |
| Maharashtra | Kolhapur City (Laxmipuri) | Kolhapur | Cts No. 1414, Shop No. 1 To 5 Om Estate, C Ward, Laxmipuri, Kolhapur - 416 002 |
| Maharashtra | Kurundwad | Kurundwad | 123, B, Bhau Smruti, Near Play Groud,Kurundwad - 416 106,Taluka: Shirol, Dist : Kolhapur - 416 106 |
| Maharashtra | Lower Parel | Mumbai | One Indiabulls Centre, Tower 2, 3Rd Floor, 841 Senapati Bapat Marg, Lower Parel (W), Mumbai - 400 013 |
| Maharashtra | M.y.sangli | Sangli | Plot No.88, Bank Building, Market Yard, Sangli - 416 416 |
| Maharashtra | Madilge | Madilage | A/P : Madilage-416 505.Taluka : Ajara, Dist. : Kolhapur - 416 505 |
| Maharashtra | Malkapur | Malkapur | More Building, Cts No.215,B Ward, Malkapur, Taluka : Shahuwadi,Dist : Kolhapur - 415 101 |
| Maharashtra | Mhaisal | Mhaishal | Near Nagoba Katta, Shantisagar Marg, Mhaisal Taluka: Miraj, Dist.: Sangli - 416 409 |
| Maharashtra | Miraj | Miraj | High School Road,Jawahar Chowk, Shivraj Complex,Miraj - 416 410 |
| Maharashtra | Nalasopara | Mumbai | Building No.1, Shree Ram Sankul, Shop No.1,2,3,4, Achole Road, Opp. Aakanksha Commercial Compelx, Nalasopara (E) - 401 209 |
| Maharashtra | Nandre | Nandre | 249, E Ward, Society Building, A/P: Nandre– 416 423.Taluka : Miraj, Dist. : Sangli - 416 423 |
| Maharashtra | Nariman Point | Mumbai | Office No. 1/A, Ground Floor, Mittal Court, 224 Nariman Point, Mumbai - 400 021 |
| Maharashtra | Nashik | Nasik | Shop No G-01, Ground Floor, Sahyadree Business Park Inn, Near Mico Circle, Nashik - 422 002 |
| Maharashtra | Nerle | Nerle | A/P : Nerle- 415 406 Taluka : Walwa, Dist. : Sangli - 415 406 |
| Maharashtra | Nerul | Navi Mumbai | Millenium Park, Plot No.17, Sector-25, Nerul, Navi Mumbai - 400 706 |
| Maharashtra | Omerga | Omerga | Omerga Branch,Mane Hospital Building No 20/21,Ward No 13, Main Road,Omerga ,Dist : Osmanabad - 413 606 |
| Maharashtra | Panvel | Panvel | Block No.102/103, Indraprashta Building, Tapal Naka, Uran Road, Panvel - 410 206 |
| Maharashtra | Pethvadgaon | Peth Vadgaon | R S No. 126, Bavadekar Complex, Near Bus Stand, Peth Vadgaon, Taluka: Hatkanangle, Dist: Kolhapur - 416 112 |
| Maharashtra | Pune Camp Branch | Pune | Ground Floor, 11, Moledina Road, Pune - 411 001 |
| Maharashtra | Rajarampuri | Kolhapur | Vitthal Complex, 9Th Lane, Rajarampuri, Kolhapur - 416 008 |
| Maharashtra | Ramdaspeth - Nagpur | Nagpur | 3,4,5, Ground Floor, Aditya Enclave, Plot No. 20-A, Central Bazar, Ramdaspeth, Nagpur - 440 010 |
| Maharashtra | Rangoli | Rangoli | A/P : Rangoli ,Taluka : Hatkanangale,Dist. : Kolhapur - 416 143 |
| Maharashtra | R-Mall | Thane [R Mall] | R Mall, Shop No. Lg-2A, United Motors Ltd, Ghodhbunder Road, Near Runawal Estate, Thane (W) - 400 601 |
| Maharashtra | Rukadi | Rukadi | Main Road A/P- Rukadi.taluka.:Hatkangle, Dist.: Kolhapur - 416 115 |
| Maharashtra | Samdoli | Samdoli | A/P : Samdoli – 416 427.Taluka : Miraj. Dist. : Sangli - 416 427 |
| Maharashtra | Saneguruji Vasahat | Kolhapur | Plot No 9, Rs No 1012, A Ward, Sadashiv Jadhav Housing Society, Radhanagari Road, Saneguruji Vasahat, Kolhapur - 416 012 |

# LIST OF BRANCH OFFICES

| State | Branch Name | City | Branch Address |
|---|---|---|---|
| Maharashtra | Sangli Main | Sangli | Sukh-Shanti Heights, College Corner, Aamrai Road, Shivaji Nagar (North), Sangli - 416 416 |
| Maharashtra | Shahupuri | Kolhapur | 1St Lane, Shahupuri, Kolhapur - 416 001 |
| Maharashtra | Shirdi | Shirdi | Ground Floor, The Executive Inn, City Survey No. 961,Nagar-Manmad Highway, A/P Shirdi, Tal - Rahata, Dist : Ahmednagar - 423 109 |
| Maharashtra | Singhgad Road | Pune | Shop No. 1 & 2, C Wing, Cts No 16/3 16/4 Anand Nagar, Mohite Paradise,Sinhgad Road, Pune - 411 050 |
| Maharashtra | Solapur | Solapur | Ground Floor, Hotel Dhruva Building, 157/1 Railway Lines, Solapur - 413 001 |
| Maharashtra | Swargate | Pune | Showroom No 8,Vega Centre , Shankarshet Road, Pune - 411 037 |
| Maharashtra | Tarabai Park | Kolhapur | Shop No.6,7&8 Siddivinayak Apartment, Cts No 233,Plot No.12/13,Tarabai Park Kolhapur - 416 005 |
| Maharashtra | Tasgaon | Tasgaon | 1565-A, Siddheshwar Chowk, A/P : Tasgaon. Dist. Sangli - 416 312 |
| Maharashtra | Thane | Thane (West) | Laxmi Market, Pokharan Road No 1, Vartak Nagar, Thane (W) - 400 606 |
| Maharashtra | Thane - Ram Maruti | Thane (Naupada) | Gr Floor, Shankeshwar Arcade, Ram Ganesh Gadkari Path, Ram Maruti Cross Road, Thane(W) - 400 602 |
| Maharashtra | Unchagaon | Unchagaon | Shop No. 101 & 102, Seema Pride, At Post-Uchagaon, Taluka : Karveer Dist.: Kolhapur- 416 005 |
| Maharashtra | Vasagade | Vasgade | A/P :Vasgade,Taluka : Karveer,Dist :Kolhapur - 416 204 |
| Maharashtra | Vasai | Vasai (West) | Ground Floor, Shop No. 2 & 3, Nikunj Signature, Ambadi Road, Vasai (W), Thane - 421 202 |
| Maharashtra | Vashi | Navi Mumbai | Arti Chs Ltd., Plot No. 29, Sector 2, Vashi, Navi Mumbai - 400 703 |
| Maharashtra | Vile Parle | Mumbai | 6, Ground Floor, Galaxy Arcade, 10 M.g.road, Vileparle (E) - 400 067 |
| Maharashtra | Virar | Virar (East) | Sumant Chaya, Purandarewadi, Next To Railway Stn, Near Talathi Office Bazarward, Virar (E) - 410 303 |
| Maharashtra | Visapur | Visapur | A/P : Visapur - 416 314.Taluka: Tasgaon, Dist. : Sangli - 416 314 |
| Rajasthan | Bhiwadi - Bhagatsing Colony Branch | Bhiwadi | A-4, Ground Floor, Bhagat Singh Colny, Alwar Bypass Roadl,Bhiwadi- 301019, Dist.: Alwar - 301109 |
| Rajasthan | Bhiwadi - Riico Chowk Branch | Bhiwadi | The Swagat Palace Hotel, B-294-295A, Near Riico Chowk Industrial Area, Bhiwadi- 301019, Dist.: Alwar - 301 019 |
| Rajasthan | Chittorgarh | Chittorgarh | Ground Floor, Plot No.2, Sukhshanti Colony, Bhilwara Road, Opposite Sub Jail- Chittorgarh - 312 001 |
| Rajasthan | Jainpurwas | Jainpurwas | Grand Sapphire Infotech Pvt Ltd, Village Jainpurwas, Nh-8 Highway, Tehsil Behror, Dist.: Alwar - 301 701 |
| Rajasthan | Mohanpura | Mohanpura | Village Mohanpura, Khasra No.374/264, Part C-1, Ground Floor,Dist.:Ajmer - 305 801 |
| Rajasthan | Seenta | Seenta | Ground Floor,Patta No.7, Village Seenta, Tehsil- Talera, Dist.:Bundhi - 323 021 |
| Rajasthan | Udaipur | Udaipur | Ground Floor, Plot No. 99, L Road, Bhupalpura, Verma Circle, Opp. Collector Bungalow, Udaipur - 313 001 |
| Tamil Nadu | Aladikkumulai - Thanjavur | Aladikkumulai, Thanjavur | 221/7 Ranganatha Vellalar Complex, Thanjavur Main Road, Aladikkumulai, Pattukkotai Taluk, Dist.:Thanjavur , Tamil Nadu - 614 615 |
| Tamil Nadu | Avinashi | Avinashi | Shop No. 5/215, Rajan Nagar, Opp. Weekly Market, K K Pudur Post, Avinashi Taluka, Dist.:Tirupur , Tamil Nadu - 641 654 |
| Tamil Nadu | Chennai | Chennai | Anand Business Centre,Hmh Plaza, Old Door No. 105, New Door No. 56, G N Chetty Road, T Nagar, Chennai - 600 017 |
| Tamil Nadu | Coimbatore | Coimbatore | R.g. Chambers, 726 Avinashi Road, New T.s. No. 1/1396/3B, Coimbatore, Tamil Nadu - 641 018 |
| Tamil Nadu | N Pugalpur - Karur | Nanjai Pugalur, Karur | Survey No. 596/2A, N.h 7, Bye Pass Road, Nanjai Pugalur, Karur Taluk And District, Tamil Nadu - 639 113 |
| Tamil Nadu | Nellikuppam | Nellikuppam | Door No. 117/1 K.s.a Road, Nellikuppam, Dist.:Cuddalore, Tamil Nadu - 607 105 |
| Tamil Nadu | Nungambakkam - Chennai | Chennai | First Floor, Rashmi Towers, No.1 Valluvarkottam High Road, Nungambakkam, Chennai, Tamil Nadu - 600 034 |
| Tamil Nadu | Salem | Salem | Ground Floor, Sukri Complex, Survey No. 103/1D5, Sriram Nagar, Alagapuram Reddiyur, Saradha College Road, Salem, Tamil Nadu - 636 016 |
| Tamil Nadu | Vengangudi - Trichy | Vengangudi, Tiruchirapalli | Sasha Complex, Mannachanallur Road, Vengangudi Village, Samayapuram Post, Dist.: Tiruchirapalli, Tamil Nadu - 621 112 |
| Telangana | Hyderabad | Hyderabad | D No, 6-3-865, Ground Floor,My Home Jupally,Opp Green Park,Green Lands, Amarpet,D No, 6-3-865, Ground Floor,Hyderabad - 500 016 |
| Uttar Pradesh | Agra | Agra | Ground Floor, Block No: 41/4, Sanjay Place-Shop No.5,6,7,8 And Basement Floor-Shop No.5 & 7, Agra - 282 002 |
| Uttar Pradesh | Moradabad | Moradabad | Gf-1, Parsvnath Plaza -Ii, Neelgiri Commercial Complex, Delhi Road, Moradabad - 244 001 |
| Uttar Pradesh | Noida | Noida | P-7, Sector-18,Noida, Uttar Pradesh - 201 301 |
| Uttar Pradesh | Sohna | Sohna | Ground Floor, Aditya Building,Killa No.230-8/2/1,Rakba 2, Ward No.5,Near Bikaner Sweet, Sohna, Haryana - 122 103 |
| West Bengal | J L Nehru Road - Kolkata | Kolkata | Ground Floor, Horizon Building, 57 Jawaharlal Nehru Road, Kolkata - 700 071 |
| West Bengal | Thapar House Kolkata | Kolkata | Thapar House, 25 Barbourne Road, Kolkata - 700 001 |

The above list is subject to change from time to time. Readers are kindly advised to refer to our website (www.rblbank.com) for updated information.

# NOTES

# NOTES

# HIGHLIGHTS 2014-15


**World Economic Forum recognised RBL Bank as a Global Growth Company:** David Aikman, Managing Director, Head of New Champions, World Economic Forum handing over the World Economic Forum Global Growth Company Award to Vishwavir Ahuja, MD & CEO, RBL Bank

**Inauguration of RBL Bank's Learning Academy and Currency Chest:** Chhatrapati Shahuji, Maharaja of Kolhapur along with Vishwavir Ahuja, MD & CEO, RBL Bank, S. G. Kutte, Ex-Chairman, RBL Bank and Kiran Patil, Director, RBL Bank lighting the lamp during the inauguration of RBL Bank's Currency Chest and Learning Academy at Kolhapur

**RBL Bank's Financial Literacy Programme 'Saksham' reaches Madhya Pradesh:** Rajeev Ahuja, Head of Strategy at RBL Bank and Mark Eckstein, Director of Environmental and Social Responsibility at CDC along with Abhishek Agarwal of ACCION, after signing a joint partnership agreement to extend RBL Bank's financial literacy program to Madhya Pradesh

**Launch of RBL Bank IGU NHS Golf World Card:** Harjeet Toor, Business Head, Retail Assets and Small Business Lending of RBL Bank presenting the first RBL Bank IGU NHS Golf World Card to Jaydeep Chitlangia, President of the Indian Golf Union (IGU) along with Vikas Verma, Executive Director of MasterCard

**Launch of Pradhan Mantri JanSuraksha Insurance Schemes:** RBL Bank's Development Banking and Financial Inclusion (DBFI) team enrolling unbanked customers under the Pradhan Mantri Jeevan Jyoti Bima Yojana and Pradhan Mantri Suraksha Bima Yojana during an enrollment camp organised at Kolhapur


**RBL Bank sponsors IIM Masters Golf Tournament:** Group of IIM alumni participants celebrating the winning moment, during the award ceremony of the RBL Bank IIM Masters Golf Tournament, 2015 at Golden Greens Golf Resorts, Gurgaon

RBL BANK

## RBL Bank Limited

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