

72<sup>nd</sup> Annual Report 2014 -15

# BEING MORE

More Growth. More Potential.



## 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

Vision, Mission and Values	02
Journey Through Excellence	04
Financial and Operational Highlights	06
Message from the Managing Director and CEO	08
Board of Directors	11
Senior Management Team	12
More Growth. More Potential	14
RBL Bank in Spotlight	22
Products and Services	28
10-Year Financial Highlights	32

### Statutory Reports

Management Discussion and Analysis	34
Directors' Report	54
Independent Auditor's Report	80
Balance Sheet	82
Statement of Profit and Loss	83
Cash Flow Statement	84
Schedules	85
BASEL III Disclosures	126
List of Branch Offices	151



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## 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](mailto: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](mailto: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



## 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

## GROWTH



## FY2014

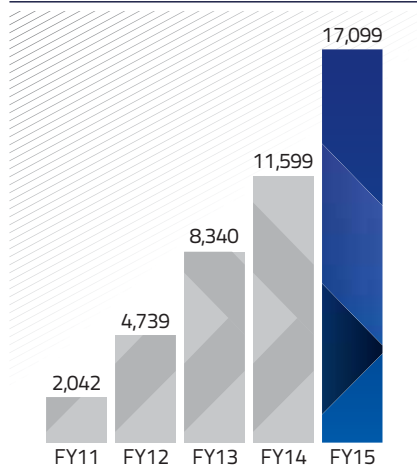
- Recognised as India's Best Bank (Growth) in the mid-sized banks segment by Business Today and KPMG for the year 2013 (second-year in a row)
- Completed third round of capital infusion to the tune of ₹ 328 crore from leading global investors, including CDC and Asia Capital
- Acquired Business Banking, 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

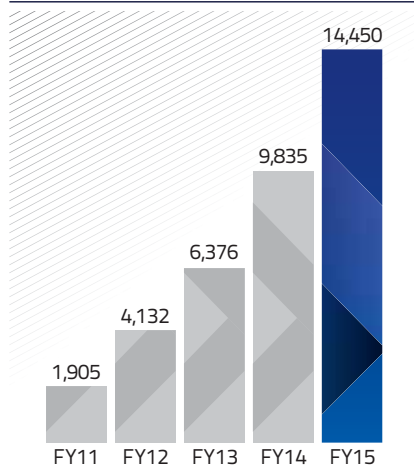
- Recognised as a Global Growth Company by the World Economic Forum
- Awarded India's Best Bank (Growth) in the mid-sized bank segment by Business Today and KPMG for the year 2014 (third-year in a row)
- Awarded the Best Bank – Priority Sector Lending (Private Sector), Dun & Bradstreet Banking Awards, 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

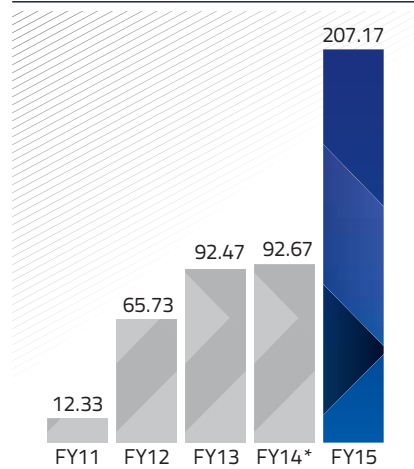
**Deposits** ₹ in crore



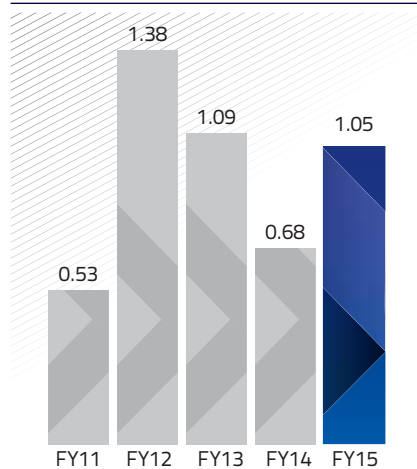
**Advances** ₹ in crore



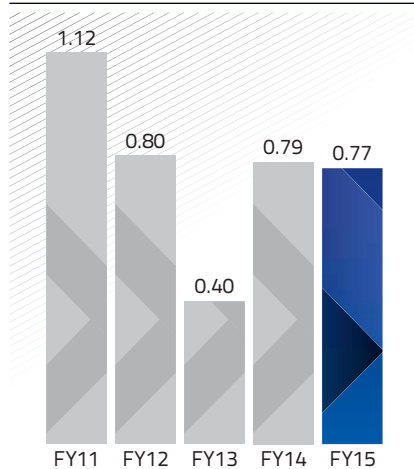
**Net Profit** ₹ in crore



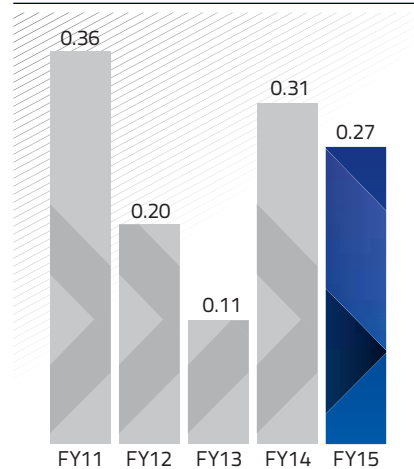
**ROA** %



**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**

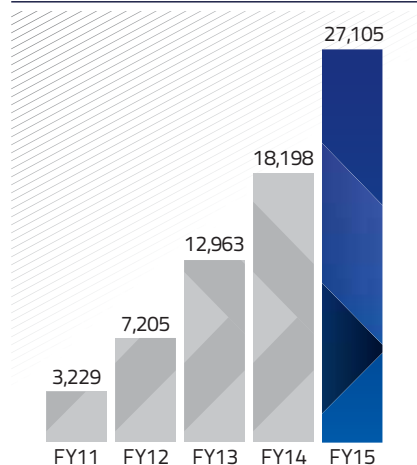
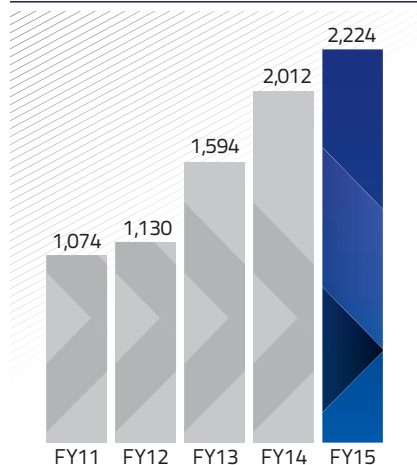
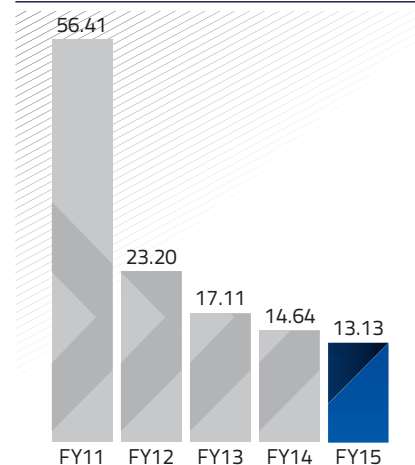
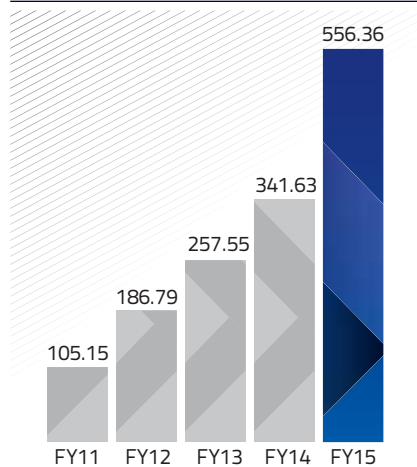
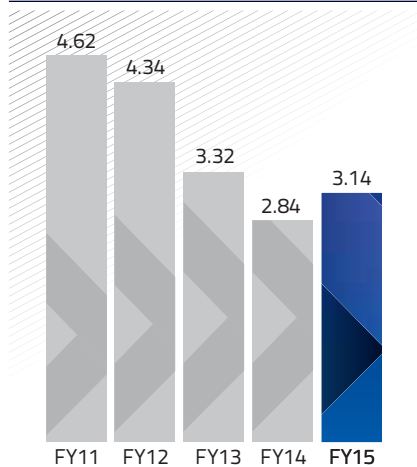
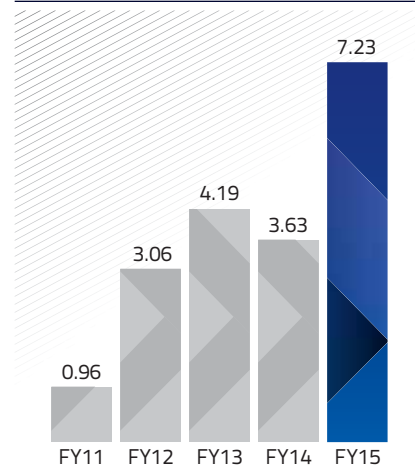
FY12 ₹

BV PER SHARE **52.62**

FY13 ₹

BV PER SHARE **63.03**



**Total Assets** ₹ in crore**Network** ₹ 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

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.

**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.

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.