



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

PG.NO 01/32

- 02 Our Story
- 04 Vision, Mission and Values
- 06 Creating Consistent Value
- 08 Financial and Operational Highlights
- 10 Message from the Managing Director & CEO
- 13 Board of Directors
- 14 Senior Management Team
- 16 Apno Ka Bank Theme
- 24 RBL Bank in Spotlight
- 30 Products and Services
- 32 10-Year Financial Highlights

Statutory Reports

PG.NO 34/182

- 34 Management Discussion and Analysis
- 54 Directors' Report
- 84 Independent Auditor's Report
- 88 Balance Sheet
- 89 Statement of Profit and Loss
- 90 Cash Flow Statement
- 91 Schedules
- 137 Basel III Disclosures
- 179 List of Branch Offices

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 Office

One Indiabulls Centre, Tower 2B ,6th Floor,
841, Senapati Bapat Marg,
Lower Parel (W),
Mumbai 400013, India.
Phone: 022 43020600
Fax: 022 43020520

Corporate Identity Number (CIN)
U65191PN1943PLC007308

Statutory Auditors

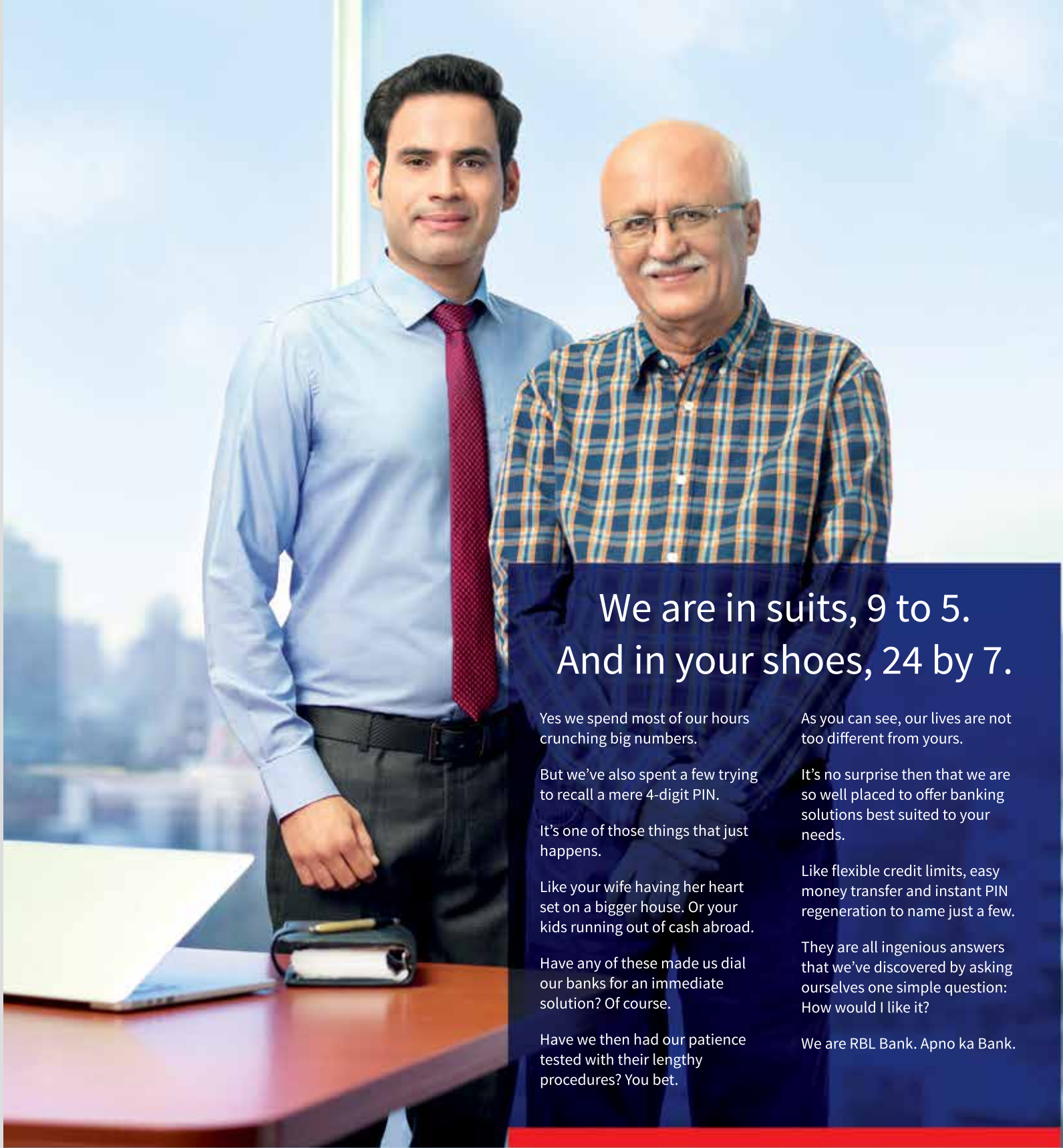
S. R. BATLIBOI & CO. LLP,
Chartered Accountants,
14th Floor, The Ruby, 29,
Senapati Bapat Marg,
Dadar (W), Mumbai - 400 028
Maharashtra, India.

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



We are in suits, 9 to 5.
And in your shoes, 24 by 7.

Yes we spend most of our hours
crunching big numbers.

But we've also spent a few trying
to recall a mere 4-digit PIN.

It's one of those things that just
happens.

Like your wife having her heart
set on a bigger house. Or your
kids running out of cash abroad.

Have any of these made us dial
our banks for an immediate
solution? Of course.

Have we then had our patience
tested with their lengthy
procedures? You bet.

As you can see, our lives are not
too different from yours.

It's no surprise then that we are
so well placed to offer banking
solutions best suited to your
needs.

Like flexible credit limits, easy
money transfer and instant PIN
regeneration to name just a few.

They are all ingenious answers
that we've discovered by asking
ourselves one simple question:
How would I like it?

We are RBL Bank. Apno ka Bank.

OUR STORY

Having started in August 1943 with an objective of meeting the needs of low and middle-class traders, small business owners and farmers we have come a long way.

There was a time when most of our business came from a small geography covering parts of Maharashtra and Karnataka. Now with 197 branches in 16 states/ union territories and with over 1.9 million customers, we believe we are a force to be reckoned with.

This transformation was made possible through people power. A strong leadership team was put in place and the entire army of high energy and passionate people of the erstwhile Ratnakar Bank worked together to turn a dream into a reality.

But things have started changing fast. Very fast. And, we need to continue to consistently deliver the quality of experience that our customers have come to expect from us.



THE CHALLENGE OF CONSISTENT SUPERIOR DELIVERY WILL INCREASE MANIFOLD AS THREE MAJOR FORCES RESHAPE HOW WE GO FORWARD FROM HERE:

OUR OWN ASPIRATIONS OF THE FUTURE

Growing from 87 branches in 2010 to 197 in 2016 has meant growing our team size from around 704 to 3,872 employees. While the passion to serve has always been very high, we will continue to invest in processes, systems and people to ensure continued consistency of customer experience.

GROWTH IN COMPETITION AND OPTIONS FOR CUSTOMERS

Just in the last two years we have seen grant of 23 new banking licenses by RBI, new offerings like payment banks and explosion of internet and mobile banking solutions. The plethora of options have made customers more demanding. Along with being 'high touch' we will also need to be 'high tech.'

THE WORLD BECOMING MORE DIGITAL

Customers expect services from a bank to be as smooth and as pleasant as that in a top rated hotel or a luxury apparel store. The ease of use, flexibility and user interface of our smart phone is now a standard expectation from every interaction.

And, we will have to continue to keep winning in this new environment. With the people we have, we know we will.

We will win this by continuously upgrading our delivery channels with modern technology and proactively partnering with innovative fintech companies to efficiently service our growing customer base.

THERE ARE THREE KEY BEHAVIOURS THAT WE WILL OBSESSIVELY FOCUS ON TO GET US THERE:

EMPATHY

Our challenges and expectations are very similar to what our customers face. Therefore, we will continue to focus on fully understanding our customers, feel the same pain and deal with them the way we would want to be dealt with.

FLEXIBILITY

Banking has become complex with myriad rules and procedures. We will continue to walk the extra mile to simplify banking for our customers.

KNOWLEDGE & EXPERTISE

We will continue to provide the best possible solution to our customers using our knowledge and expertise.



AND WE WILL MAGNIFY THE IMPACT BY DOING ALL THESE THREE THINGS CONSISTENTLY AND LIVE UP TO OUR BRAND PROMISE OF BEING AN

**APNO
KA
BANK
EVERYDAY.**

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

CREATING AND NURTURING ENDURING RELATIONSHIPS

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

TRUST AND RESPECT OF OUR STAKEHOLDERS

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



EXCELLENCE

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



ENTREPRENEURIAL

To be enterprising and take ownership of our actions



TEAMWORK

To be successful together

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



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



COMMUNITY AS THE CAUSE

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



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

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'

CREATING CONSISTENT VALUE

FY 2012

- 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

FY 2013

- 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 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

FY 2014

- 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

FY 2015

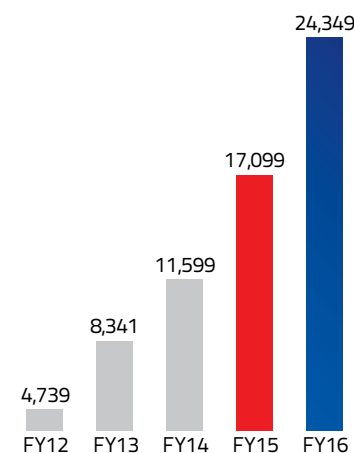
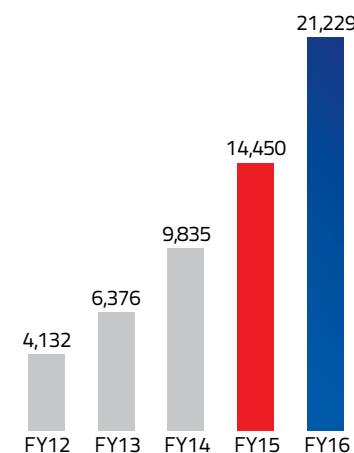
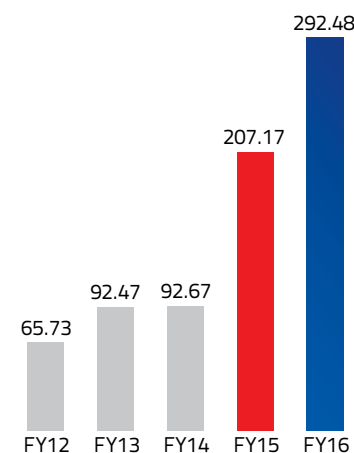
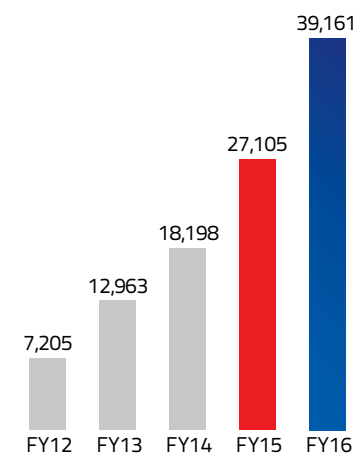
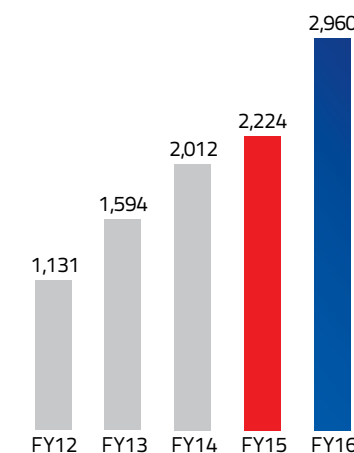
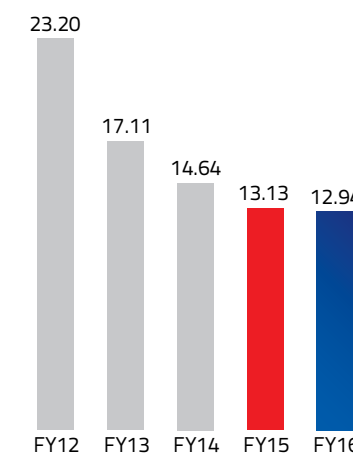
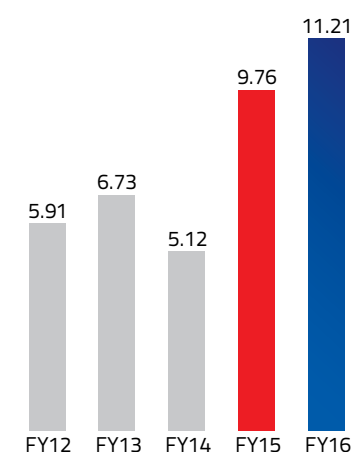
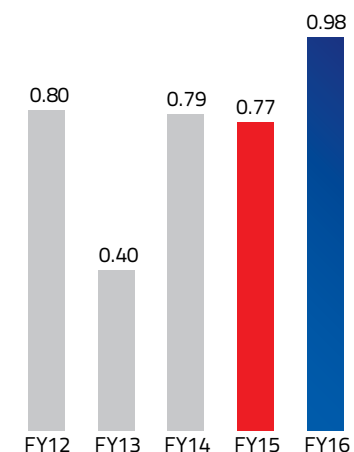
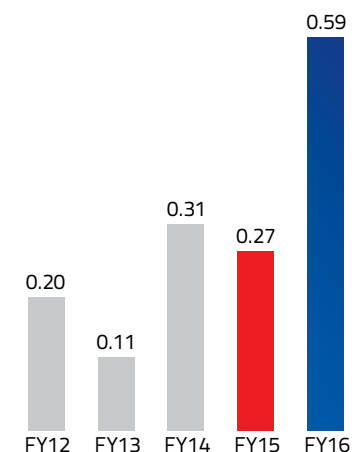
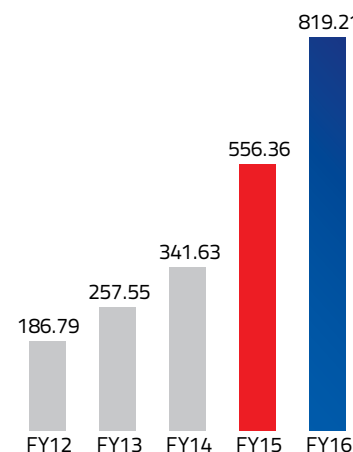
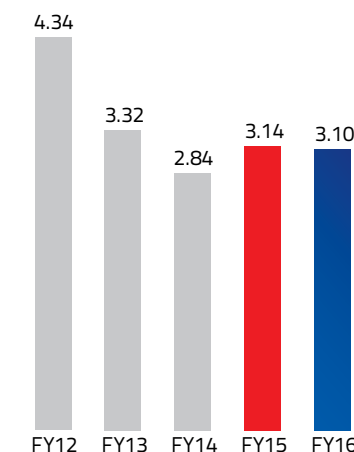
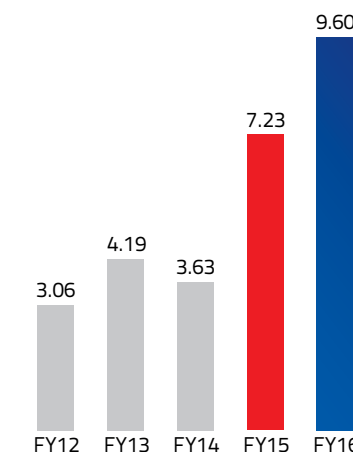
- Recognised as a Global Growth Company by the World Economic Forum
- Awarded India's Best Bank (Growth) in the mid-sized bank segment by Business Today and KPMG for the year 2014 (third-year in a row)
- Awarded the Best Bank - Priority Sector Lending (Private Sector), Dun & Bradstreet Banking Awards,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

FY 2016

- Successfully raised ₹ 488 crore as pre-IPO preferential placement from global and domestic investors augmenting our Tier 1 capital to meet the future capital needs of the Bank
- Launched the first dedicated startup branch in Kormangala, Bangalore. RBL Bank is one of the first private sector bank's to open a specialised branch for startups
- Received the IDRBT (Institute For Development And Research in Banking Technology) Banking Technology Excellence Award 2014-15 for 'Use of Technology for Financial Inclusion'
- Awarded the Best Corporate Payment Project at The Asian Banker Technology Innovation Awards 2016
- Awarded the MasterCard Innovation Awards - 2016 for the best Debit Card innovations for the India Startup Club Debit Card
- Awarded the Business Today - KPMG Best Bank (Small) Best Bank (Growth) and Best Bank (Quality of Assets), 2015
- We are registered with SEBI as Bankers to Issue (BTI). We have also become an SCSB (Self Certified Syndicate Bank) from March 31, 2016 and 21 of our branches are ASBA enabled
- Ranked 1st amongst 47 banks in the Banking Codes and Standard Board of India (BCSBI) survey 2014-15 on Commitment to Customers and Micro & Small Enterprises
- USAID issued a Development Credit Authority (DCA) loan guarantee to RBL Bank to provide loans totalling \$9 million to a private healthcare provider



FINANCIAL AND OPERATIONAL HIGHLIGHTS

Deposits ₹ in crore

Advances (Net) ₹ in crore

Net Profit ₹ in crore

Total Assets ₹ in crore

Networth ₹ in crore

Capital Adequacy Ratio %

Return on Equity %

Gross NPA to Gross Advance %

Net NPA to Net Advance %

Net Interest Income ₹ in crore

Net Interest Margin %

EPS ₹

FY12 ₹

BV PER SHARE 52.62
FY13 ₹

BV PER SHARE 63.03
FY14 ₹

BV PER SHARE 71.30
FY15 ₹

BV PER SHARE 75.77
FY16 ₹

BV PER SHARE 91.17

MESSAGE FROM THE MANAGING DIRECTOR & CEO

'Navigating for Success'

Dear Stakeholders,

It is said that "Intelligence is the ability to adapt to change."

The banking landscape in India has been going through a challenging phase over the past year or so led by game changing announcements on the regulatory side, disruptive technologies and business models and emergence of significant competition from new banks and non-banks (Telcos, Fin-tech and E-commerce entities to mention a few). The pressure of bad loans and significantly impaired balance-sheets of several large banks is providing limited growth opportunities for Corporate India even as the economy is only gradually coming out of recent years of slowdown. If that's not all, the recent 'Brexit' vote in the United Kingdom will not make it any easier.

We are indeed living in the **VUCA** world of **V**olatility, **U**ncertainty, **C**omplexity and **A**mbiguity.

In this context, in order to respond to these challenges and exploit the opportunities, how should we position ourselves? How should we 'change gears' so as to emerge as a highly-responsive organisation yet strongly rooted to its core spine?

Part of the answer lies in the belief that in such a scenario, sometimes larger organisations tend to have

bigger challenges and often create an opportunity for smaller, more focused and nimble players like us to come to the fore. Being an agile and committed player, are we, therefore, well poised to leverage this opportunity? Indeed, we are!

To leap forward as an organisation par excellence, we have prepared our 'Vision 2020' strategy. We are using different lenses to discover new operating models to tackle a fast-changing market where technology and competition keep redefining industry boundaries and customer expectations. Instead of plotted maps, our vision is to 'Navigate for Success.'

At RBL Bank, we stand at the intersection of entrepreneurs, ideas, technology and banking services. To support the entrepreneurial community, we became one of the first banks to open a dedicated branch for startups in Koramangala, Bangalore which is the epicentre of India's startup revolution. This branch supports early-stage companies with a basket of banking services. This specialised branch also offers a host of value-added services for customers such as Application Program Interface (API) banking, large volume electronic payments (IMPS/NEFT/RTGS) and receivables, prepaid card-based solutions, escrow services, Universal Payment Interface (UPI), Aadhaar Enabled Payment System



In FY16, the Bank's Net Total Income surged by 36% to ₹ 1,310 crore from ₹ 960 crore in FY15. Net Profit for the year was ₹ 292 crore representing a 41% increase over the previous year. Both Advances and Deposits increased by 47% and 42% Y-O-Y to ₹ 21,229 and ₹ 24,349 crore, respectively.

(AEPS), Direct Money Transfer (DMT) among others.

India's rapidly growing set of start-ups demand innovative services to meet their evolving needs. Recognising the challenges faced by start-ups to acquire their first customer, we also launched the Entrepreneur-in-Residence (EIR) programme. Through this programme, start-ups can test their ideas, products or solutions on our platform, with us as their first customer. We also plan to run joint pilots with these start-ups and get into long-term partnerships with them.

Over the years, we have created a strong culture of innovation and have developed quality products and services to address the evolving needs of customers. For instance, during the year, we launched the Fun+ Credit Card in association with Bookmyshow and YUM Brands. This card enrolls users to a world of delicious treats and blockbuster movies. It is a perfect example of product innovation that



Vishwavir Ahuja
Managing Director & CEO



We have expanded our branch and ATM network to reach 201 branches and 365 ATMs across 16 Indian States and Union Territories. We are continuously upgrading our traditional delivery channels with modern technology like API Banking, Micro ATMs and Mobile Banking. We are also proactively partnering with innovative digital payment companies to efficiently service our 1.9 million customers.

₹ 45,577 Cr.
Business size as on March 31, 2016

50.55%
CAGR over four years

fulfils evolving aspirations of the new-generation customers.

We have expanded our branch and ATM network to reach 201 branches and 365 ATMs across 16 Indian States and Union Territories. We are continuously upgrading our traditional delivery channels with modern technology like API Banking, Micro ATMs and Mobile Banking. We are also proactively partnering with innovative digital payment companies to efficiently service our 1.9 million customers.

As a bank, we are committed to creating service excellence as a differentiator in

the market. We continued to strengthen our service architecture and successfully launched a dedicated Wholesale Client Services (WCS) desk at select locations to cater to the service needs of the corporate and commercial banking segment, including trade and foreign exchange lending. This desk also has the functionality and capability to handle specialised and niche trade services for the Bank's Branch and Business Banking clients.

Despite India's slow economic recovery, we have witnessed robust growth across all our business engines during the year. In FY16, the Bank's Net Total Income

surged by 36% to ₹ 1,310 crore from ₹ 960 crore in FY15. Net Profit for the year was ₹ 292 crore representing a 41% increase over the previous year. Both Advances and Deposits increased by 47% and 42% Y-O-Y to ₹ 21,229 and ₹ 24,349 crore, respectively. Our asset quality, reflected by a 0.98% Gross NPA, continued to remain satisfactory.

Our growth story has been recognised by various industry bodies, which has stimulated us to move forward with more confidence. We have been awarded India's Best Bank (Small), Best Bank (Growth) and Best Bank (Quality of Assets) by the Business Today – KPMG Best Bank Survey in 2015.

Over the last five years, we have been consistently raising high quality institutional capital to grow our business and strengthen our prominence. This year too, we managed to raise ₹ 488 crore through a pre-IPO preferential placement from global investors including the Asian Development Bank and CDC Group Plc. This fresh capital will help in augmenting our tier 1 capital base to meet the future capital needs of the Bank.

At RBL Bank, our 3,872 employees are integral to our consistent growth and success. Their experience and valuable inputs have always played a vital role in ensuring the Bank's holistic development. By 2020, we aim to be one of the 'top 10 Great Places to Work' in India among all sectors. To reach this goal, we are constantly raising the bar through training, culture-building and team engagement initiatives to promote our philosophy of 'One Bank'. Our learning and development activities are specially targeted to build the future leadership pipeline of the Bank.

As part of our transformational effort, we have been attempting to build an institution that represents the best in banking, governance and service standards and one which our customers, employees and partners can call their 'own'. This is exactly what we are trying to communicate through our new brand promise 'Apno Ka Bank' which is also the theme of our Annual Report this year.

'Apno Ka Bank' is a simple, yet powerful tagline, which at the core, communicates and evokes a sense of belonging. It also resonates well with the philosophy of our bank which revolves around building strong relationships with each stakeholder even as we attempt to do that by being responsive and responsible. It is entirely consistent with the Bank's internal values of 'PREET'. In short, 'Apno Ka Bank' is the essence or the personality that we are attempting to create as a Bank which is akin to building an institution 'of the people, by the people and for the people.' I hope each one of you takes pride in being a part of this new brand personality.

I need your cooperation, support and encouragement to stay true to our vision and make our journey more remarkable and promising.

Together, we can navigate this Bank to greater success!

Best Regards,

Vishwavir Ahuja
Managing Director & CEO



Our growth story has been recognised by various industry bodies, which has stimulated us to move forward with more confidence. We have been awarded India's Best Bank (Small), Best Bank (Growth) and Best Bank (Quality of Assets) by the Business Today – KPMG Best Bank Survey in 2015.

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



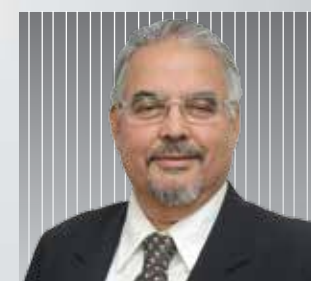
P. Sudhir Rao

Independent Director



D. Sivanandhan

Independent Director



Prakash Chandra

Additional Director



Ishan Raina

Additional Director



Rajesh Kumar

RBI - Additional Director



Rajeev Ahuja

Executive Director (subject to RBI & shareholders approval)

SENIOR MANAGEMENT TEAM


Vishwavir Ahuja

Managing Director & CEO


Rajeev Ahuja

Head - Strategy, Retail and Financial Inclusion


Andrew Gracias

Head - Financial Markets


R. Gurumurthy

Head - Risk and Governance


Sandeep Thapliyal

Head - Commercial Banking


Shanta Vallury Gandhi

Head - HR, CSR and Internal Branding


Brijesh Mehra

Head - Corporate, Institutional & Transaction Banking


Rana Vikram Anand

Head - Segments and Products, Branch and Business Banking


Naresh Karia

Chief Financial Officer


Neeta Mukerjee

Chief Credit Officer


Sanjay Sharma

Head - Technology, Innovation and Customer Fulfilment


Surinder Chawla

Head - Geography, Branch and Business Banking


Manoj Rawat

Head - Agri Business


Joginder Singh Rana

Chief Operations Officer


Satish Dhawan

Chief Infrastructure and Administration Officer


Harjeet Toor

Head - Cards, Retail & MSME Loans and Financial Inclusion


Bhaskar Niyogi

Head - Enterprise Risk & Policy


Sunny Uberai

Chief of Staff and Head - Change Management and Service Delivery


Rajeev Dewal

Head - Legal



I have been banking with RBL Bank since 1990 and have been happy with the variety of personalised banking services offered by the bank over the years. In 2014, I visited the Shahupuri branch, Kolhapur and witnessed an elderly couple walking into the branch to renew their Fixed Deposit. The FD counter was situated on the first floor of the branch making it very cumbersome for the senior couple to walk up the stairs. I brought this to the Branch Managers notice and within a few minutes, a makeshift FD desk was set up at the ground level to facilitate the elderly couple. The branch manager also went a step further and convinced the central office to change the layout of the branch permanently.

This is one of the ways in which our employees put themselves in the customers shoes and make their convenience & ease a priority.

Sanjay Shete
Retail Banking Customer



In 2010, following the Andhra crisis in MFI sector, NBFC's faced a major challenge. They were cash strapped and getting finances from banks was becoming very difficult. With conditions turning tougher each day, we approached RBL Bank for financial assistance to support our company's growth. Post evaluation and due diligence a line of credit was sanctioned to UML when we needed it the most. Today circumstances are different; we are now a thriving organisation having relationships with over 40 banks but still RBL bank is our "Bank of Choice".

This is just one of the ways in which RBL respects its customers.

Abhisheka Kumar
CFO, Utkarsh Microfinance Ltd.

1.9 Mn

Customers as on March 31, 2016

1st

Amongst 47 banks in the Banking Codes and Standard Board of India (BCSBI) survey 2014-15 on Commitment to Customers and Micro & Small Enterprises.

CUSTOMER KA BANK

Even we have been through tedious banking procedures... So we are constantly innovating and upgrading our products and services to make life simple and hassle free for you.

We are RBL Bank. Apno Ka Bank.