

75<sup>th</sup> ANNUAL REPORT  
2017-18



**STRENGTH. SPEED. SCALE.**  
FOR THE LONG RUN



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## HIGHLIGHTS OF 2017-18

### Total Deposits

₹ **43,902** crore  
**27% Y-O-Y** ▲

### Net Worth

₹ **6,546** crore  
**54% Y-O-Y** ▲

### Net Advances

₹ **40,268** crore  
**37% Y-O-Y** ▲

### Profit After Tax

₹ **635** crore  
**42% Y-O-Y** ▲



### Capturing Macro Opportunities

RBL Bank is well positioned to tap into favourable macro opportunities and meet the needs of changing India.



### Collaborations

Our unique approach to form collaborations enables us to speed up customer acquisition, lower the expansion costs and generate higher value for our customers.



View Our Report Online:  
[www.rblbank.com](http://www.rblbank.com)



# Corporate Information

## RBL BANK LIMITED

### Registered Office

1<sup>st</sup> Lane, Shahupuri,  
Kolhapur – 416 001,  
Maharashtra, India.  
Phone : +91 231 2653006  
Fax : +91 231 2653658  
E-mail : [customer@rblbank.com](mailto:customer@rblbank.com)

### Statutory Auditors

BSR & Co. LLP,  
Chartered Accountants,  
5<sup>th</sup> Floor, Lodha Excelus,  
Apollo Mills Compound,  
N.M. Joshi Marg, Mahalaxmi,  
Mumbai – 400 011.

### Registrar & Transfer Agent

Link Intime India Pvt. Ltd.,  
C-101, 247 Park,  
L.B.S. Marg, Vikroli (West),  
Mumbai - 400 083.  
Maharashtra, India.  
Phone : 022 491886270  
E-mail : [rnt.helpdesk@linktime.co.in](mailto:rnt.helpdesk@linktime.co.in)

### Corporate Office

One Indiabulls Centre, Tower 2B, 6<sup>th</sup> Floor,  
841, Senapati Bapat Marg,  
Lower Parel (W),  
Mumbai - 400 013, India.  
Phone : 022 43020600  
Fax : 022 43020520  
Corporate Identity Number (CIN)  
L65191PN1943PLC007308

### Key Managerial Personnel

Mr. Vishwavir Ahuja, Managing Director & CEO  
Mr. Rajeev Ahuja, Executive Director  
Mr. Naresh Karia, Chief Financial Officer  
(till January 24, 2018)  
Mr. Deepak Ruiya, Chief Financial Officer (*interim*)  
(w.e.f. January 25, 2018)  
Mr. Vinay Tripathi, Company Secretary





## Who We Are

RBL Bank is one of India's fastest growing private sector banks with an expanding presence across the country. The Bank offers specialised services under six business verticals, namely: Corporate & Institutional Banking, Commercial Banking, Branch & Business Banking, Agribusiness Banking, Development Banking and Financial Inclusion (DB&FI) and Treasury and Financial Markets Operations.

It currently services over 4.5 million customers through a network of 265 branches, over 197 banking outlets and 388 ATMs spread across 20 Indian states and Union Territories. It employs 5,300 people and has a market capitalisation of approximately ₹23,500 crore. RBL Bank is listed on both NSE (RBL BANK) and BSE (RBL BANK).

# MOST PROMISING COMPANY OF THE YEAR!

## RBL BANK

CNBC TV18 India Business Leader Awards - 2018



### Some Of Our Important Accolades



India Talent Management Award from CNBC Asia (2017)



Vishwavir Ahuja recognized as 'EY Entrepreneur of the Year' in the Financial Services Category (2016)



Recognized by World Economic Forum as a 'Global Growth Company' (2014)



Business Today-KPMG Study Best Bank-Growth 2012-16 Best Small Bank 2017 (2012 to 2017)



Business World Study India's Fastest Growing Small Bank (2013 to 2017)

RBL Bank is almost 75 year old, but only 7 years young in our current avatar. During this period, the bank has grown by almost 40 times in size and over 50 times in profits. We have put together a best in class institution to deliver best in class banking services, grounded on the principles of strong governance, best professional standards and an ethical value system. We are overwhelmed by the support and good wishes from all our stakeholders.



# FOR THE LONG RUN



## STRENGTH.



## SPEED.



## SCALE.

Banking in India is evolving faster than ever before. It is led by strong economic reforms, millennial generation of digitally evolved customers, increasing number of people entering the banking fold, improving consumption demand and a booming Small and Medium Enterprises (SME) industry. Traditional formats and practices may not be relevant anymore and the need is to reinvent and refresh strategy at every point. Given the increasingly competitive landscape, this is becoming more and more important as a tool to survive and win.

However, certain conventional tenets still hold good. A bank must be strong in order for stakeholders to trust it and continue to bank on it. It must

move with speed, both in terms of its own growth and in the manner in which it addresses customer aspirations, to stay competitive. And it must build scale in order to benefit from the size of the Indian market, garner capital and address the vastness of the market that is India.

Despite being a relatively new entrant, RBL Bank has demonstrated strength and speed and has built scale, quickly. We are staunch believers in the long-term potential and are confident of the growth opportunities that India offers. Our approach to building our Bank is also, therefore, for the long term. While it is still early days for us, we have demonstrated our

intent by building a credible balance sheet, growing at a rapid pace, creating a national presence, having a full-suite of products and services that our scale achieves a critical mass that is self-propelling and a good base for exponential growth.

Our beliefs and value systems, together with the three-pronged strategy of building strength, speed and scale, have catalysed our journey so far. We are committed to remain unwavering in these beliefs and consistent in our approach to the future, while being agile enough to be responsive to emerging trends, customer requirements and opportunities.



# What Drives Us

## OUR VISION



**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

## 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

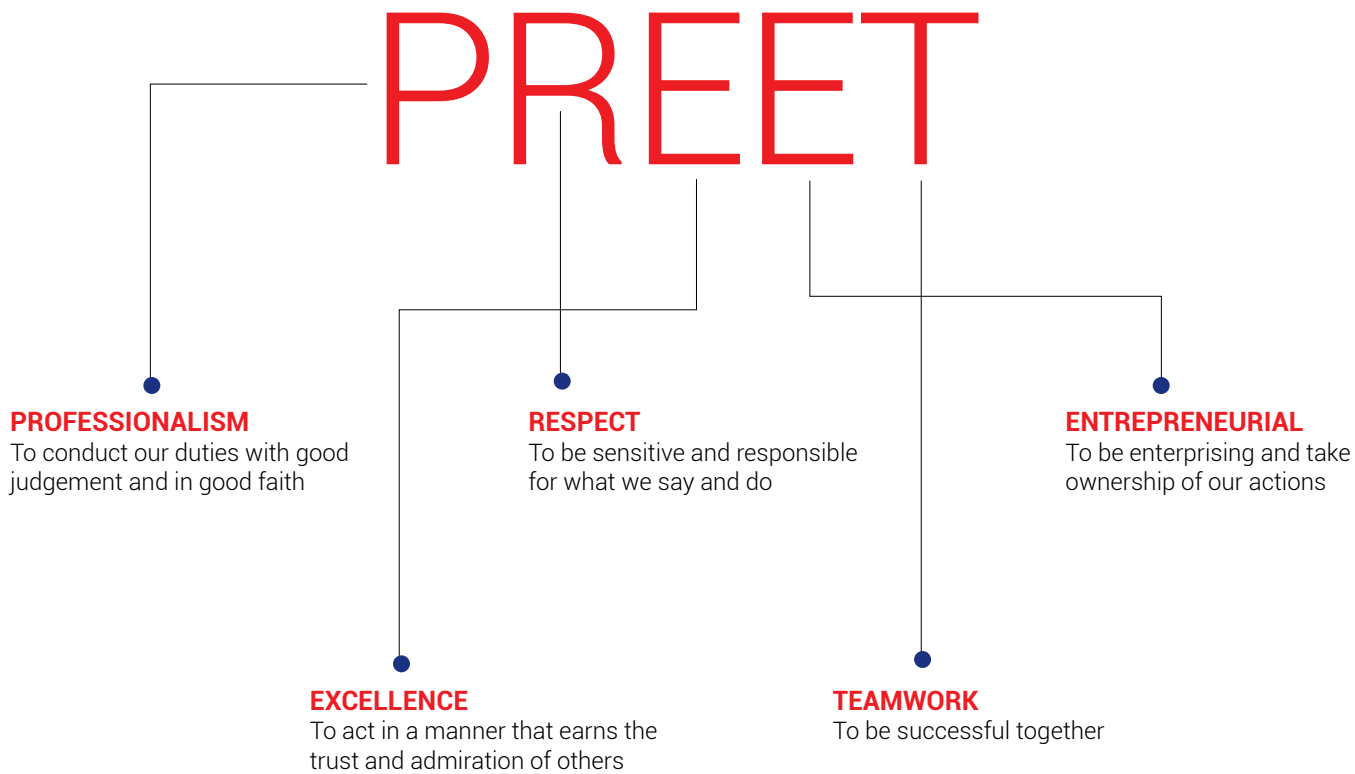


**COMMUNITY AS THE CAUSE**  
To deliver robust and cost-effective banking services that promote financial inclusion, catalyse growth and reduce social inequalities



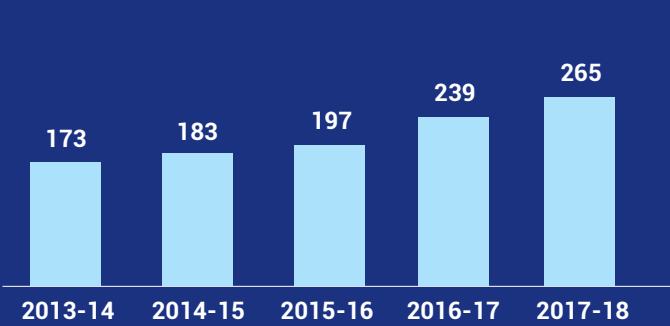
**SHAREHOLDER VALUE AS THE FOCUS**  
To demonstrate high corporate governance standards that protects and balances stakeholder interests in the journey to achieving short and long-term business goals

## OUR VALUES

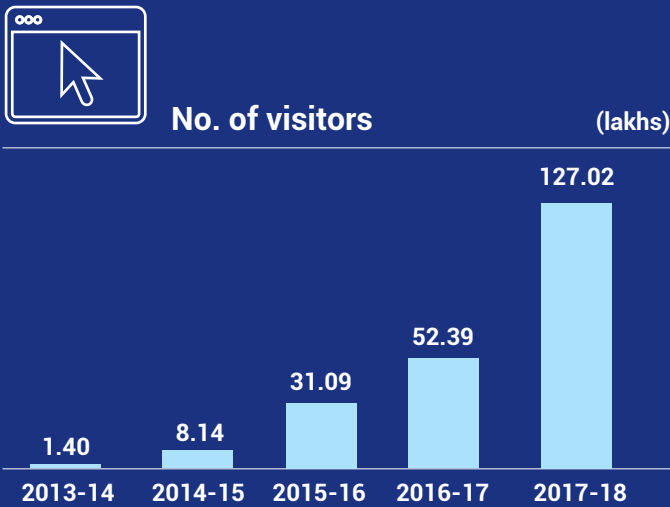


# Growing Prominence

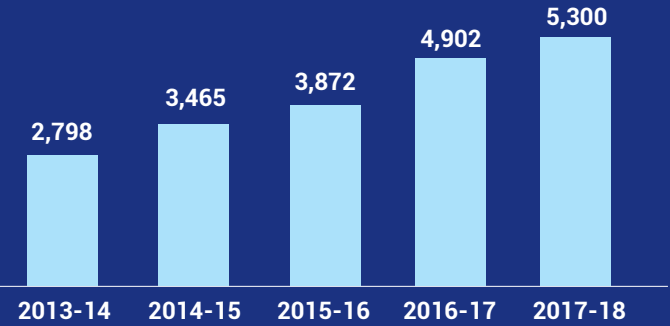
Steadily expanding  
our footprint



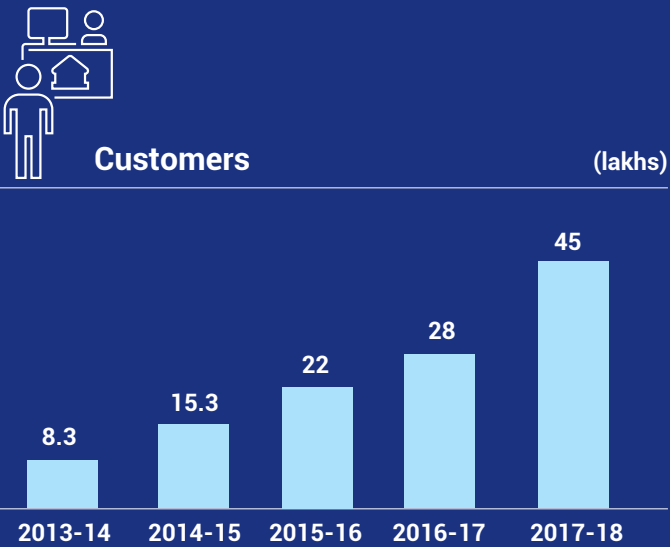
No. of unique visitors  
on our website



Almost doubling our  
talent pool



Serving five times more  
customers



- 2017-18**  
Raised ₹1,680 crore from marquee domestic and international investors
- 2016-17**  
Successfully concluded the Initial Public Offering (IPO), oversubscribed almost 70 times
- 2015-16**  
Successfully raised ₹488 crore as pre-IPO preferential placement
- 2014-15**  
Recognised as Global Growth Company by the World Economic Forum
- 2013-14**  
New identity adopted, 'RBL Bank'  
Successfully raised ₹328 crore from marquee investors  
Acquired the Business Banking, Credit Card and Mortgage business of Royal Bank of Scotland (RBS) in India



# READY. For the long run



**DEAR SHAREHOLDERS,**

I am delighted to present to you our Bank's Annual Report for 2017-18. It has been a remarkable year on many counts and one that has reinforced confidence in our strategy and belief in our long-term goals and aspirations.

**A WATERSHED YEAR FOR THE BANKING AND FINANCIAL SERVICES SECTOR**

FY18 will go down in history as an inflection point for the Indian Banking and Financial Services sector. The highlighting of the asset quality issues in the banking system, along with governance and other concerns, has led to an unprecedented upheaval. To restore public trust and confidence in the sector, the Government rolled out several bold reforms during the year. We saw the implementation of an empowered Insolvency and Bankruptcy Code (IBC), which has accelerated the pace of bad loan recognition and resolution. The results of this process are promising.

During the year, the Government also infused additional capital into the Public Sector Banks and the Reserve Bank of India further tightened credit practices and reporting of delinquencies, all of which will augur well for the future of lending.

While it is encouraging to note that the efforts of demonetisation have now receded, path-breaking policy reforms such as the Goods and Services Tax (GST) are providing further impetus. Aimed at enhancing transparency, augmenting tax revenues of the Government and boosting investments, the GST will accelerate the pace of formalisation across sectors and bolster the share of financial savings in the wallets of Indian households. With structural measures starting to bear fruit and the Central Bank actively managing inflation levels around the target rate, growth is set to improve sequentially in the next couple of years. I am confident, favourable growth inflation dynamics will keep our strong macro narrative intact.

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With that said, the current flux in the environment due to shifting market dynamics and focus on risk and corporate governance are re-drawing the banking landscape and the challenges are simultaneously throwing up opportunities. In our own case, more than seven years into building the franchise, we believe we are well placed to take a meaningful share of the opportunity.

**DELIVERING A STRONG SET OF NUMBERS**

2017-18 was another year of solid, sensible and prudential growth across all our businesses segments. Our focus on high-quality lending, coupled with strong risk practices and effective management of the balance sheet, has been validated through these numbers.

During the year, our deposits grew rapidly to ₹43,902 crore, up 27% over the preceding year. In order to remain well capitalised and maintain our strong growth momentum, we successfully raised ₹1,680 crore from marquee domestic and international investors. In terms of advances, there was strong traction in both our wholesale and non-wholesale businesses and as a result, our advances grew 37% to ₹40,268 crore and net interest income grew 45% to ₹1,766 crore. Core fee income grew 41% to ₹887 crore, driven by momentum in fees from distribution, credit card, client forex income and general banking. Our CASA ratio surged from 21.98% in FY17 to 24.32% in FY18. Lower cost of funds, coupled with a favourable business mix, led to a 51-basis point's y-o-y improvement in our net interest margin to 3.8%. Our Profit after Tax grew 42% to ₹635 crore with Return on Assets improving 13 basis points to 1.21%. This performance is an outcome of the trust placed in us by all our stakeholders and I am pleased to share that our Board has

recommended a dividend of 21% (i.e. ₹2.10 per equity share) to our valued shareholders.

**ON TRACK TO 'VISION 2020'**

FY18 marks the halfway point in our Vision 2020 journey. Despite the challenges in the environment, we continue to remain on track in terms of growth and operating performance and are confident of achieving the metrics we had laid out publicly as part of our Vision 2020. This speaks to the strength of the team and its ability to navigate through market upheavals with rigour and discipline.

With increasing aspirations and rising consumer demand, retail loans across categories will see a huge upsurge in demand. The SME segment will be a major driver for our economy as it increasingly formalises and urbanises. We also believe that credit demand from mid and large sized corporates too will be boosted by a ramp-up in existing capacities and addition of newer ones across sectors. All of these segments are relatively unbanked and underserved and it is here that we see our biggest opportunity.

**STRENGTH. SPEED. SCALE. FOR THE LONG RUN.**

When I reflect on our performance and the reasons for our conviction, three broad themes come to mind. We call this the 3S approach – Strength, Speed and Scale. Over the years, we have demonstrated an ability to build on each of these three parameters and our strategy continues to focus on them. We have invested our business with the strength to respond resiliently to external pressure, headwinds and market upheavals and this is reflected in the quality of our balance sheet and consistently improving return ratios.

Despite the challenges in the environment, we continue to stay on track in terms of growth and operating performance and are confident of achieving the metrics we had laid out publicly as part of our Vision 2020.

Speed is essential to grow in a dynamic market such as India and we have consistently grown faster than the industry for the past few years, backed by a differentiated product focus, our nimble strategy, strong distribution and partnership orientation and continued investments in digital and technology. The outcome of strength and speed is scale. We recognise that to succeed in our ambition of being among the best banks in India, we need to achieve a critical mass and balance sheet size. Scale will, naturally, also result in higher efficiencies and better profitability.

To stay ahead of the curve in the long run, we have been making continued investments in our operations in line with our growth plans and ramping up our technology platforms and our physical network and new businesses such as credit cards. These investments have now attained critical mass and the economies of scale are beginning to flow.



OUR BANK IS ACHIEVING CRITICAL MASS THROUGH:

1. Partnership Mindset

One of the cornerstones of our journey so far has been our unrelenting belief in partnerships. As the business becomes more complex and hyper-specialisation takes over, we, as a Bank, must be responsive and receptive to emerging technologies and models, while being cognisant of the fact that we cannot achieve everything alone. Fintech is one of the greatest transformation drivers for the banking industry and we have been early movers in forming strategic partnerships with various industry participants. Today, the fraternity refers to us as a 'Partners Ka Bank' because we have deeply integrated with our partners from the design to the execution to ensure we both succeed and it's a win-win relationship for all.

- Financial Inclusion Customers: Recently, we increased our stake in Swadhaar Finserv to 100%, making it a wholly owned subsidiary of the Bank. As a captive banking correspondent for RBL Bank, Swadhaar Finserve will act as a major catalyst in enabling us to grow further in the micro-banking segment.
- Retail Customers: We partnered with Shriram Transport Finance Company (STFC) to serve their 17 lakh+ customers last mile banking needs through integrations of digital and cashless banking services.
- We also partnered with ET Money for its CreditLine and co-created a unique offering that simplifies borrowing and offers flexibility to their base of more than 40 lakh app users.
- Credit Card Customers: We partnered with Bajaj Finance to offer a range of



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co-branded credit cards with attractive features such as no-cost EMI options, easy borrowing rates and digital payment solutions.

As a result of our collaborations and partnerships, our customers can now bank with us at their convenience through a network of over 265 branches, 807 business correspondent branches, 388 ATMs, nearly 2 lakh Customer Service Points (CSPs) and a host of online, technology-enabled platforms. This partnership-led, tech-enabled ecosystem empowers us to service, retain and serve our 4.5 million strong customer family, with promptness and efficiency.

2. Inclusive Banking

India forms about a fifth of the global population that does not have bank accounts. Most lower-income households still do not have meaningful access to affordable credit. Of the 6 lakh crore microfinance industry, organised lenders account for just about 28%, i.e. ₹1.7 lakh crore, of which banks contribute roughly two-thirds share. This is reflective of the huge untapped potential of this segment and the opportunities therein. Lending at the bottom of the pyramid is crucial to achieving inclusive and all-encompassing growth and I

believe that a few players who bring scale, agility and a mindset of partnership will lead this space. Technology will be the biggest enabler by ensuring efficiency and better service delivery and bringing down the cost of customer acquisition.

RBL Bank has differentiated itself by following a credit-led model and growing rapidly in the Financial Inclusion space. Today, our Development Banking & Financial Inclusion (DB&FI) segment offers a full suite of liability and asset products to individuals with lower incomes in semi-urban and rural markets. The business has witnessed encouraging momentum, with loans to this segment growing 38% to ₹5,684 crore in FY18. Our partnerships with business correspondents, fintech and remittance players have played an important role in driving our growth in this segment.

3. Corporate Banking Business

We have spent the last seven years building and enhancing our capabilities in our corporate banking business. Today, our corporate banking business has come of age in terms of size, scale,



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relationship depth, range of products and services and we are now counted among the leading private sector banks across corporate lending, transaction banking and digital products and services. We believe that we are well positioned to take advantage of the resurgence in the credit environment.

4. Nurturing talent

To consistently achieve strength, speed and scale, it is imperative that we grow the skills of our team. Therefore, we have created an

employee-friendly organisation and embraced the philosophy of 'One Bank' throughout the organisation, through training, development, career progression and empowerment. We have been regularly conducting specialised leadership development programmes to successfully build a pipeline of future leaders. These initiatives have resulted in a high retention rate and are instrumental in helping attract top-tier talent to our Bank.

People are the beating heart of our business and it is the passion of our 5,300-member strong team that drives us forward and upward. Today, we are one of the few institutions in India that have 67% of employees covered under the Employee Stock Ownership Plan (ESOP). These measures have brought in more 'skin in the game' and has helped brew a 'passion for growth' culture within the organisation.

5. Strong Risk Management and Governance

The importance of effective risk management cannot be overstated in today's scenario. While asset quality remains the top differentiator across banks today, transaction practices, governance and credit quality monitoring mechanisms are also becoming more relevant. In the last seven years, our Bank has grown by almost 40 times in size and over 50 times in profits. We have put together a best-in-class institution to deliver best-in-class banking services, grounded on the principles of strong governance, best professional standards and an ethical value system. At RBL Bank, we do not look at risk as a standalone function, but have integrated its mitigation into our entire operations through constant training across levels and being on top of emerging trends, technologies and best practices.

IN SUMMARY

Our Bank is future-ready, with multiple growth enablers firmly in place. As we live up to the promise of being an 'Apno ka Bank' for all our stakeholders, we keep our sights on the horizon, our ears and feet shall be firmly planted on the ground. Our nimble-footedness and agility allow us to respond to as well as benefit from emerging trends and environmental shifts. We will continue on this path and do everything to deliver sustainable, balanced growth.

In conclusion, I would like to thank every member of the RBL Bank team for their consistent commitment to the Bank. I am also humbled by the consistent support of our investors who have been a constant ally throughout our journey. We are confident on progressing successfully towards our goal of building a responsible organisation and enrich the life of all people within our universe. In this long-term journey, I seek your continued encouragement.

VISHWAVIR AHUJA  
Managing Director and CEO



# Board of Directors



SEATED (LEFT TO RIGHT)

**MR. NARAYAN RAMACHANDRAN**  
Chairman (Till May 19, 2018)

**MR. VISHWAVIR AHUJA**  
Managing Director and CEO

STANDING (LEFT TO RIGHT)

**MR. RAJEEV AHUJA**  
Executive Director

**MR. PRAKASH CHANDRA**  
Chairman (w.e.f. May 20, 2018)

**MR. SIVANANDHAN  
DHANUSHKODI**  
Independent Director

**MR. VIMAL BHANDARI**  
Independent Director

**MR. GIRISH GODBOLE**  
Independent Director (Till Feb 22, 2018)

**MS. RAMA BIJAPURKAR**  
Independent Director

**MR. JAIRAJ PURANDARE**  
Independent Director

**MR. PALEPU SUDHIR RAO**  
Independent Director

**MR. ISHAN RAINA**  
Independent Director



# Senior Management Team



SEATED (LEFT TO RIGHT)

**MR. RAJEEV AHUJA**  
Executive Director

**MR. VISHWAVIR AHUJA**  
Managing Director and CEO

STANDING (LEFT TO RIGHT)

**MS. SHANTA VALLURY GANDHI**  
Head - HR, CSR and Internal Branding

**MR. BHASKAR NIYOGI**  
Chief Risk Officer

**MR. BRIJESH MEHRA**  
Head – Corporate, Institutional and Transaction Banking

**MR. SHRINATH BOLLOJU**  
Chief Operations Officer

**MR. HARJEET TOOR**  
Head - Retail, Inclusion and Rural Business

**MR. SURINDER CHAWLA**  
Head - Geography, Branch and Business Banking

**MR. ANDREW GRACIAS**  
Head - Financial Markets

**MR. R. GURUMURTHY**  
Head - Risk and Governance

**MR. VINCENT VALLADARES**  
Head - Commercial Banking

**MR. UJUAL GEORGE**  
Chief of Staff and Head of Transformation

**MR. BHAVTARAN SINGH (SUNNY) UBERAI**  
Head - Client Services

**MR. MOHIT KAPOOR**  
Head - Legal

**MS. NEETA MUKERJI**  
Chief Credit Officer

**MR. JAIDEEP IYER**  
Head - Strategy