


76<sup>th</sup> ANNUAL REPORT  
2018-19



CONSISTENTLY  
**PERFORMING.**  
CONSISTENTLY  
**EVOLVING.**

# Contents

# About RBL Bank

<b>01-41</b> <b>Corporate Overview</b>  01 About RBL Bank 02 Consistently Performing. Consistently Evolving. 04 What Drives Us 06 Expanding Rapidly. Growing Responsibly. 08 Financial and Operational Highlights 10 MD & CEO's Statement 14 Board of Directors 16 Leadership Team	<b>Theme Stories</b> 18 Delivering on Commitments 20 Creating Opportunities for our People 22 Consistently Building our Customers' Trust 24 Scoring High on Risk Management & Governance 26 Driving Sustainable Growth  <b>Spotlight pages</b> 28 Branch Banking 30 Credit Cards 32 Wholesale Banking 34 RBL Finserve  36 Awards and Recognition 38 Products and Services	<b>46-133</b> <b>Statutory Reports</b>  46 Management Discussion and Analysis 74 Director's Report 117 Business Responsibility Report  <b>134-260</b> <b>Financial Statements</b>  134 Standalone Financial Statements 196 Consolidated Financial Statements  261 List of Branch Offices	
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 View Our Report Online:  
[www.rblbank.com](http://www.rblbank.com)

## Financial Highlights of FY 2018-19

### Total Deposits

₹ **58,394** Crore  
 **33%** Y-O-Y


### Net Advances

₹ **54,308** Crore  
 **35%** Y-O-Y

### Net Worth

₹ **7,336** Crore  
 **12%** Y-O-Y

### Profit After Tax

₹ **867** Crore  
 **37%** Y-O-Y



**VISHWAVIR AHUJA**  
Managing Director and CEO

Our people feel a sense of ownership towards the Bank, work cohesively with multiple cross-functional teams and follow a 'can-do' spirit to drive excellence.

## 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 (CIB), Commercial Banking (CB), Branch & Business Banking, Retail Assets, Development Banking and Financial Inclusion (DB&FI) and Treasury & Financial Markets Operations.

It currently services over 65 Lakh customers through a network of 324 bank branches and 993 business correspondent outlets spread across 28 Indian States and Union Territories. RBL Bank is listed on both National Stock Exchange and Bombay Stock Exchange (RBL BANK).

# CONSISTENTLY PERFORMING. CONSISTENTLY EVOLVING.

**As we enter the last lap of Vision 2020 - our five year strategy formed in 2015, we are happy to have delivered on our commitments and are ready to reflect on the long road ahead.**

Despite the challenging landscape, we remained undeterred on our path, delivering strong financial performance and solid growth. Being an agile and committed Bank, we have consistently evolved to serve our customers better through the rapidly changing business ecosystem. We have been growing from strength to strength creating value along the way for our stakeholders. This achievement is a consequence of our focus on high-quality lending, coupled with strong risk practices,

strategic investments in processes and people, collaborative partnerships and effective management of the balance sheet.

We started this journey with a commitment to build an institution that represents inclusion, good governance, deep value system and high quality of service standards. As we take long strides towards a more promising future, we are confident of consistently performing and consistently evolving.





# 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



### 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



### COMMUNITY AS THE CAUSE

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



## OUR VALUES

**P**ROFESSIONALISM  
To conduct our duties with good judgement and in good faith



**R**ESPECT  
To be sensitive and responsible for what we say and do



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

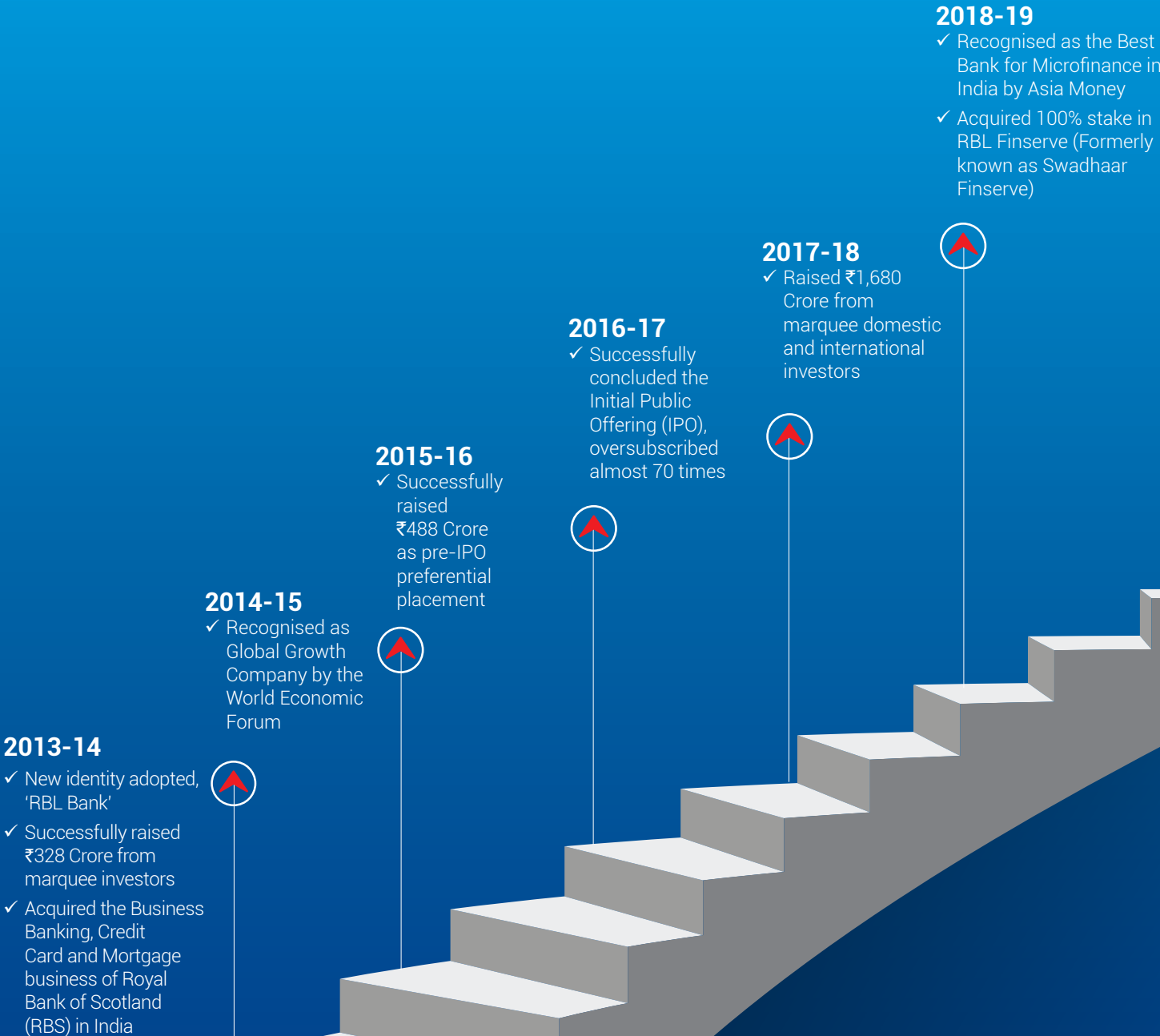
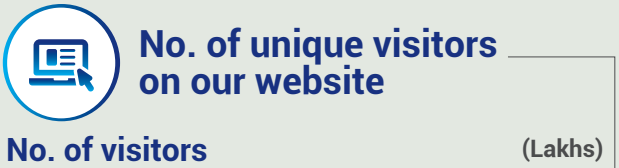
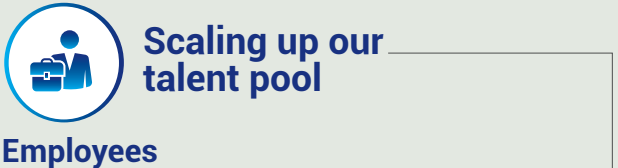


**E**NTREPRENEURIAL  
To be enterprising and take ownership of our actions



**T**EAMWORK  
To be successful together

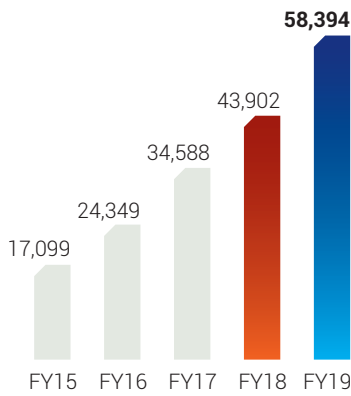
# Expanding Rapidly. Growing Responsibly.



# Financial and Operational Highlights

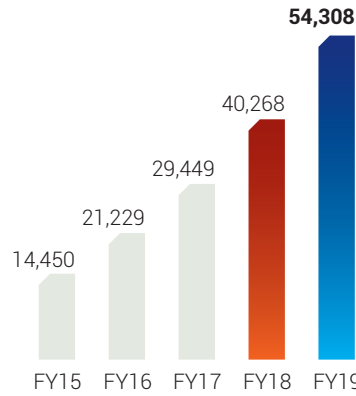
## Deposits

₹ (in Crore)



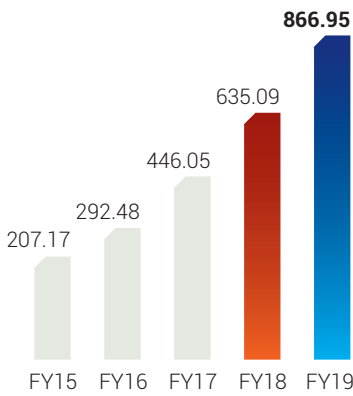
## Advances (Net)

₹ (in Crore)



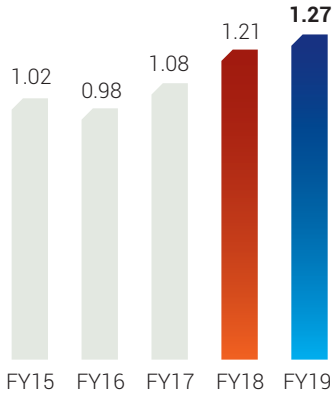
## Net Profit

₹ (in Crore)



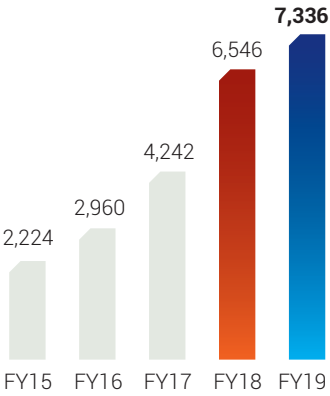
## RoA

%



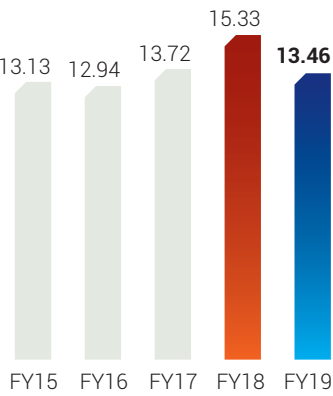
## Net Worth

₹ (in Crore)



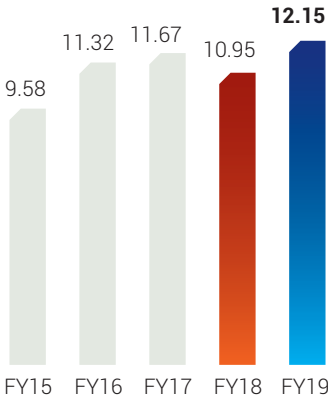
## Capital Adequacy Ratio

%



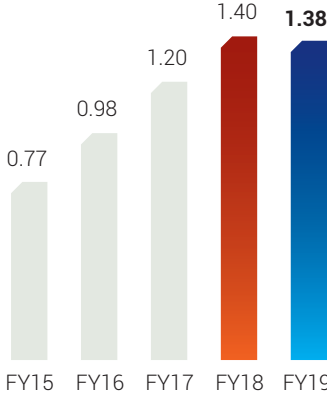
## RoE

%



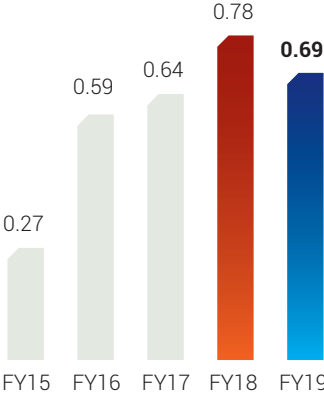
## Gross NPA

%



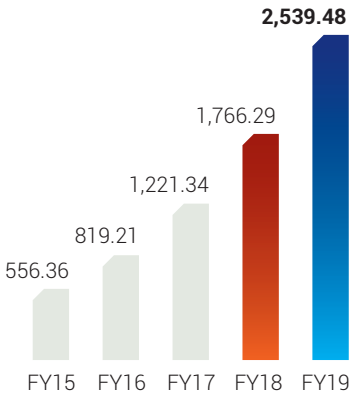
## Net NPA

%



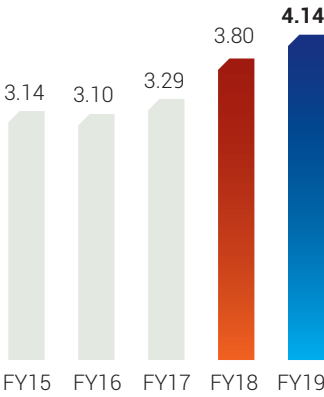
## Net Interest Income

₹ (in Crore)



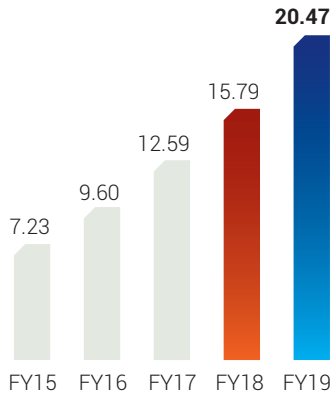
## Net Interest Margin

%



## EPS

₹



## BOOK VALUE (BV PER SHARE)

FY15

₹75.77

FY16

₹91.17

FY17

₹113.07

FY18

₹155.99

FY19

₹171.93



# Consistently Performing. Consistently Evolving.

**DEAR SHAREHOLDERS,**

It is my pleasure to present to you RBL Bank's Annual Report for FY 2018-19. I am glad to report that we have delivered robust performance yet again. Our bank has continued to demonstrate strong profitable growth across all businesses and we remain confident of sustaining this momentum in the coming years as well.

**FY 2018 – 19: A CHALLENGING YEAR FOR THE INDIAN BANKING AND FINANCIAL SERVICES SECTOR**

The Banking sector witnessed a tough year with many banks challenged by deterioration in asset quality, stricter provisions as well as governance issues. Both the Government as well as the RBI continued to make efforts to improve the health of the sector: RBI, through prescriptions on liquidity and regulatory interventions, while the government, through capital infusion in public sector banks.

The year, however, was also marked by turnaround in some underlying trends for the industry. After growing in single digits for the past three consecutive years, bank credit growth reverted to double digits. Lending to industry picked up after remaining muted for the past five years. Asset quality on banks' books has now started to show improvement.

With these slow yet steady changes in the environment, we are now expecting positive developments in the banking landscape in terms of creation of more opportunities, moderating credit costs and pick up in deposits.

**ANOTHER MILESTONE YEAR FOR RBL BANK**

Amidst the challenging industry environment, FY 18-19 has been another year of focused execution for us wherein we performed well on most of the parameters.

Our advances grew 35% over FY 2017-18 to ₹ 54,308 crore. Strong growth across all business segments fuelled this performance. Within advances our wholesale advances grew 25% while our non-wholesale advances grew 49%

Within the non-wholesale segment, retail loans grew by 58% and the Development Banking and Financial Inclusion business (DB&FI) grew by 34%. We are looking to ramp up our non-wholesale book to form



**VISHWAVIR AHUJA**  
Managing Director and CEO



**This has been another year of focused execution for us wherein we performed well on most of the parameters.**

about 50% of total advances in the next few years. Currently, it forms about 44.3% of our loans.

Net interest income grew 44% to ₹ 2,539 crore with core fee income growing 52% to ₹ 1,348 crore. Continued traction in the retail segment was the catalyst behind NII as well as fee income. Retail now contributes 70% of fee income.

Parallely, our deposits clocked a 33% growth to reach ₹ 58,394 crore. The CASA ratio increased to 25% up 70 basis points y-o-y and was propelled by growth in SA deposits. Our net interest margin or NIM grew by 34 basis points to 4.14% owing to rising share of high-yielding assets & tightly managed cost of funds. The strength in both top-line and NIM translated to the bottom-line as well, with net profit growth of 37% to ₹ 867 crore.

Our asset quality remained on solid turf this year and the key ratios witnessed improvement over the preceding year. Our net NPA, for instance, stood at 0.69% in FY 2018-19 versus 0.78% in FY 2017-18.

I believe this performance of our bank is a testimony to our clear strategic thinking, diligent planning process and strong execution around growth, profitability, effective governance and risk management. We believe that through this performance, we have yet again lived up to the expectations of all our shareholders and I am pleased to share that the Board of Directors have recommended a dividend of 27% i.e ₹ 2.70 per share to our valued shareholders.

I would like to point out that this year the dividend recommended in 6% higher than our last year's dividend of 21%. It is also 3% higher than our average incremental increase that we have been recommending every year. The additional 3% has been done to mark the completion of 75 years of existence of our bank.

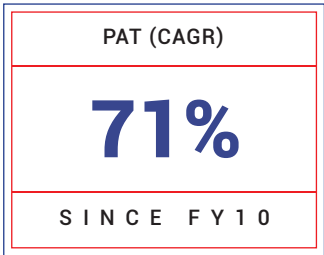
**NINE YEARS OF TRUST!**

In order to keep a good eye on the road ahead, a rear view is important too. The financial year gone by marks the ninth year of an extraordinary journey for RBL Bank which started in late 2010 under a new management team. I am proud and honoured to have led this transformation through which we have managed to create a vibrant and competitive institution of scale and substance. The amount of trust which has been reposed in our capabilities by various stakeholders throughout our journey has been outstanding.

Over the last nine years, the bank has consistently delivered on almost every key business and financial parameter by growing approx. 40 times in size and over 50 times in profit. Our customer base has grown from about 1.5 Lakh customers in FY 2010 to over 65 Lakh customers by

FY 2019 and we are now present across 28 Indian states and union territories through a network of 324 branches & 993 Business Correspondent Outlets.

Apart from the growth statistics mentioned above, I am also happy to share that over this period, we have managed to put together a robust institution aiming to deliver best in class banking services, grounded on the principles of strong governance, best professional standards and an ethical value system. I am truly grateful to everyone who has partnered with us in ensuring that we create a robust financial institution.



**Our asset quality remained on solid turf this year and the key ratios witnessed improvement over the preceding year.**

CREATING VALUE, CONSISTENTLY!

Looking back on our journey, we have gone through a remarkable phase of evolution and have built a responsible, scalable as well as profitable business model that empowers our future and enables us to consistently create value for all our stakeholders. We have grown ahead of the sector for the last few years, and are confident of maintaining this trend in the future. We are making requisite investments to further strengthen and grow our businesses.

OUR PROMINENT GROWTH ENABLERS:

1. Corporate Banking Business

Our Corporate Banking Business has now started yielding rich dividends. We have spent the last nine years building scale (including capital strength) and enhancing our capabilities in terms of acquiring & deepening client relationship and expanded our range of products and services. Our strategy of attracting talent specialising in this domain and of making requisite investments in technology, risk and governance has helped in building a prominent competitive position in the industry and emerge as a 'go-to bank' for a wide array of corporate banking & transaction banking solutions. We are now considered one of the leading private banks in the areas of corporate lending, FX / Trade, transaction banking and digital products and services. We are confident of further growing our market share as well as enhancing our reputation in this business.

2. Commercial Banking Business

Our Commercial Banking segment extends services to the mid-corporates and SMEs with customized products that can take care of their unique requirements. Add to this, simplified processing and assessment procedures, competitive pricing, quick



We have grown ahead of the sector for the last few years, and are confident of maintaining this trend in the future.

turnaround time and a single point contact is what makes us popular with our clients.

Starting initially with simple lending solutions, we have gone on to add forex management, digital banking platforms as well as variety of financial advisory solutions to our bouquet of offerings. We also position ourselves as an Open Bank, wherein we have been enabling integration between the backend systems of the bank with the client's internal systems through our partner API programs thereby opening up new business opportunities for our clients. We have also been investing in technology to provide seamless service to our customers through digital channels.

Our client selection approach in this space is backed by a strong risk management architecture and underwriting standards to ensure a prudential growth for this business. This segment is expected to deliver increased growth once the macroeconomic conditions stabilize. We have built a scalable architecture which will allow us to capitalise on the next phase of growth which we envisage will pick up in the near term.

3. Branch Banking Business

Branch and Business Banking is our primary engine for generating retail liabilities and is also the face of the Bank in various geographies across the country.

This business has shown consistent growth and productivity enhancement across various metrics. Our focus on segmentation of the Liability customers, carefully chosen branch locations, reliance on analytics, effective use of technology and digitisation has helped us convert an increasing number of customers in making RBL Bank as their primary bank.

With the addition of 59 branches during the year (taking the total of number branches to 324), we have accelerated the pace of our physical network expansion. Going forward, we are focused on further fortifying our scale and network. In 2019-20, we will add another 60-80 branches with a focus on metro and urban cities. The retail business adds critical granularity to the liability franchise and our focus on acquiring new customers through our branch banking network will remain our top priority.

4. Focus on financial inclusion

Our bank has been playing an instrumental role in driving financial inclusion across India. We have taken banking services to the hinterlands of India and thereby facilitated access to formal financial services for the underserved, underbanked sections of the community as well as small businesses in such areas. In a move to further solidify our commitment to this business, we acquired complete ownership of Swadhaar Finserve in early FY 2018-19 and renamed it RBL Finserve.



We have been judicious in our credit underwriting and monitoring policies which have enabled us to keep a check on our asset quality – which is certainly amongst the best in the industry.

This acquisition gives us greater control in achieving our stated objective of strengthening our market position in the inclusive banking space. This business also has a thriving network of business correspondents (BCs) across the country that helps us by providing micro finance loans to our borrowers. We also focus on the micro, small and medium enterprises (MSME) segment which has been performing exceptionally well.

5. Credit Cards

We have been consistently attempting to stay ahead of the curve and venturing into the cards business was one such initiative we took five years back. With our firm conviction in the business as well as its fast adoption, we have been successful in growing this business from strength to strength.

The credit card business has continued to show robust growth with a card base of 1.7 million cards. This business is among the top 5 in the industry in terms of retail spends per card as well as new card additions.

We look to significantly enhance our capability to offer new innovations and better services to our customers through technology and maximising synergies with our partners. The co-branded cards provide high convenience to the customers

with features such as no-cost EMI, easy borrowing rates and digital payment solutions. This year also saw the RBL Bank - Bajaj Finance co-brand portfolio cross the 1 million cards mark, making it one of the largest co-branded card partnerships in the country.

6. Strong risk management and governance

In today's fast paced, complex and increasingly unpredictable world of business, effective risk management has become pivotal to any banks growth as well as sustainability. While growing rapidly, it is crucial that we manage the risks prudently and in a structured manner. We have been judicious in our credit underwriting and monitoring policies which have enabled us to keep a check on our asset quality – which is certainly amongst the best in the industry. Constantly training of our people, keeping a close watch on the emerging developments, and adoption of best practices as well as technologies has helped us in our risk mitigation effort. We will continue to work on these lines to help keep the Bank in good shape.

7. Our people

Investing in people has been a key to our growth since 2010. They have been our driving force. In the early stages of our transformation, we assimilated the then existing employees of the bank

with the new people who joined us and managed to integrate them successfully to achieve our vision. We have created an employee-friendly organisation over the last few years and follow the philosophy of 'One Bank' across all our business segments.

We believe that linking the goals of the organisation with that of our people helps us move ahead together, faster. We also believe that our employees carry a sense of ownership towards the Bank, which enables them to work cohesively and follow a 'can-do' spirit to drive excellence.

On a closing note:

We are excited to take the Bank to greater heights and will continue delivering on our promise of being the 'Apno Ka Bank' for all our stakeholders. I would like to extend my heart-felt gratitude to all the employees of our Bank for being the pillars of our growth. I would also like to thank all our investors who have trusted and supported us throughout our journey. I am confident of maintaining your trust and look forward to building a long-lasting bond with you, for which I seek your continued support.

VISHWAVIR AHUJA  
Managing Director and CEO



Board of Directors



BOTTOM ROW (LEFT TO RIGHT)

**Prakash Chandra**  
Non-Executive Part-Time Chairman

**Vishwavir Ahuja**  
Managing Director & CEO

TOP ROW (LEFT TO RIGHT)

**Rajeev Ahuja**  
Executive Director

**Dhanushkodi Sivanandhan**  
Independent Director

**Ishan Raina**  
Independent Director

**Jairaj Purandare**  
Independent Director

**Vijay Mahajan**  
Non-Executive Director

**Palepu Sudhir Rao**  
Independent Director



Leadership Team



**Neeta Mukerji**  
Chief Credit Officer

**Rajeev Ahuja**  
Executive Director

**Vishwavir Ahuja**  
Managing Director & CEO

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

MIDDLE ROW  
L TO R

**Andrew Gracias**  
Head – Financial Markets

**Surinder Chawla**  
Head – Retail Liabilities and  
Wealth Management

**Brijesh Mehra**  
Head – Corporate, Institutional  
and Transaction Banking

**R. Gurumurthy**  
Head – Risk and Governance

**Vincent Valladares**  
Head - Commercial Banking

**Harjeet Toor**  
Head – Retail, Inclusion  
and Rural Business

**Sunny Uberai**  
Head – Client Services

TOP ROW  
L TO R

**Ramnath Krishnan**  
Chief Risk Officer

**Pankaj Sharma**  
Chief Operations Officer

**Sankarson Banerjee**  
Chief Information Officer

**Jaideep Iyer**  
Head – Strategy

**Mohit Kapoor**  
Head – Legal