

## RBL Bank Limited

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Fax: +91 231 2657386

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74TH ANNUAL REPORT 2016-17

RBL Bank Limited

74<sup>TH</sup> ANNUAL REPORT  
2016 - 17



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**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. Reader 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.*

## Corporate Information

### RBL Bank Limited

#### Registered Office

1st Lane, Shahupuri,  
Kolhapur - 416 001,  
Maharashtra, India.  
Phone: +91 231 2653006  
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E-mail: [customercare@rblbank.com](mailto:customercare@rblbank.com)

#### Corporate Office

One Indiabulls Centre, Tower 2B , 6th Floor,  
841, Senapati Bapat Marg,  
Lower Parel (W),  
Mumbai 400 013, India.  
Phone: 022 43020600  
Fax: 022 43020520  
Corporate Identity Number (CIN)  
U65191PN1943PLC007308

#### Statutory Auditors

B S R & Co. LLP,  
Chartered Accountants,  
5th Floor, Lodha Excelus  
Apollo Mills Compound  
N. M. Joshi Marg, Mahalaxmi,  
Mumbai - 400 011

#### Key Managerial Personnel

Mr. Vishwavir Ahuja, Managing Director & CEO  
Mr. Rajeev Ahuja, Executive Director  
(w.e.f. 21 Feb, 2017)  
Mr. Naresh Karia, Chief Financial Officer  
Mr. Vinay Tripathi, Company Secretary

#### 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 49186270  
E-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)



# BUILDING A FUTURE WE BELIEVE IN



We believe that to survive and thrive in this era of seismic changes, we need to view the world through two lenses. A telescope to leverage opportunities far into the future; and a microscope to scrutinise the immediate challenges of the moment. At RBL Bank, this is exactly what we are doing as a part of our broad strategy to build a future-ready bank, which is in step with the nation on the move.

For India, demonetisation was a momentous step to usher in a transformative change in India's economic and financial landscape. However, this is part of a larger ecosystem of institutional reforms, implemented by the Government of India. This includes the continued thrust on financial inclusion to mainstream those at the bottom of the pyramid, ushering in the 'one nation, one tax' regime through GST, focusing on micro entrepreneurship and the JAM trinity.

At RBL Bank, we are driving multiple initiatives in line with the Government's vision to build a vibrant economy and an inclusive society. We are catering to the requirements of the changing India through



cashless banking. We are partnering with our immediate and expanded ecosystem, fostering forward-looking alliances that will help us do so.

Internally, we are relying on a healthy mix of differentiated talent to enable a cross-pollination of ideas and initiatives. At the same time, we are delivering on the expectations of the communities which we are a part.

We are committed to our 'Vision 2020' which is about developing the capacity for resiliency, agility and using different lenses to discover new operating models to navigate the challenges of a fast-evolving market. A landscape where technology and competition, keep redefining industry boundaries and customer expectations.

The last few years have been spent in reinforcing the foundation of a new-age bank with a customer-centric focus. As we embark on the next



lap of our journey, we are turbocharged to widen the scale and scope of our business; while at the same time exceed the expectations of our customers and stakeholders.

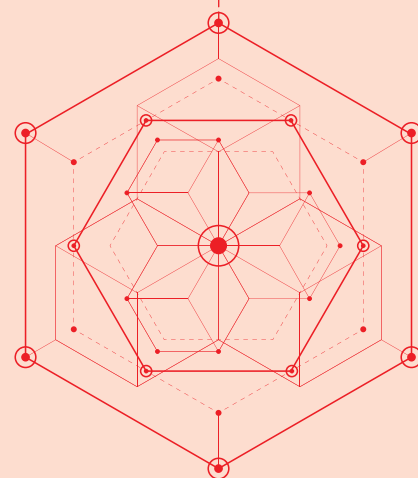
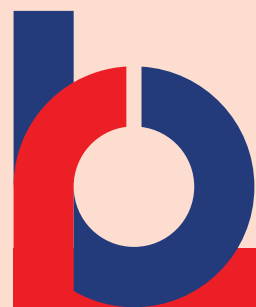
In our first report post listing, we showcase how our efforts have created a people-focused, technology-driven, governance-led and future-ready enterprise.

To play a larger and more meaningful role in the banking landscape.

To help shape  
the future we  
believe in.

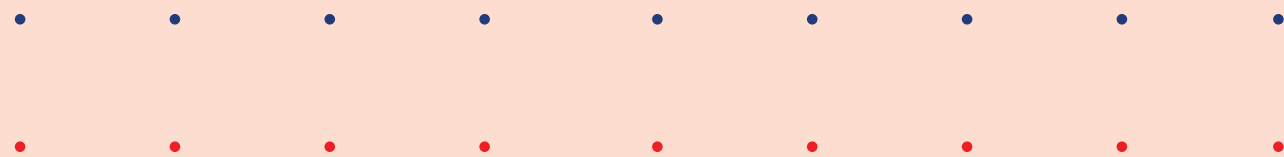


# ABOUT RBL BANK



RBL Bank is one of India's fastest growing private sector banks with an expanding presence across the country. The Bank offers specialized services under six business verticals namely: Corporate & Institutional Banking, Commercial Banking, Branch & Business Banking, Agribusiness Banking, Development Banking and Financial Inclusion, Treasury and Financial Markets Operations. It currently services over 2.8 million customers through a network of 239 branches and 375 ATMs spread across 20 Indian states and Union Territories. Over the last few years, RBL Bank has earned recognition in various national and international forums such as :

- CNBC ASIA's India Talent Management Award (2017)
- 'India's Best Bank (Growth)' in the 'Small-Sized Bank Segment' by Business Today-KPMG Best Bank Study for six consecutive years (2012-17)
- Business World's Best Growing Small Bank consistently for four years (2013, 2014, 2015, 2017)
- Recognized by the World Economic Forum as a 'Global Growth Company' (GGC)



# APNO KA BANK

ONE OF INDIA'S  
FASTEST GROWING  
PRIVATE SECTOR BANKS





### **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 STAKE HOLDERS**

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

### **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

### **PROFESSIONALISM**

To conduct our duties with good judgement and in good faith

### **RESPECT**

To be sensitive and responsible for what we say and do

### **EXCELLENCE**

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

### **ENTREPRENEURIAL**

To be enterprising and take ownership of our actions

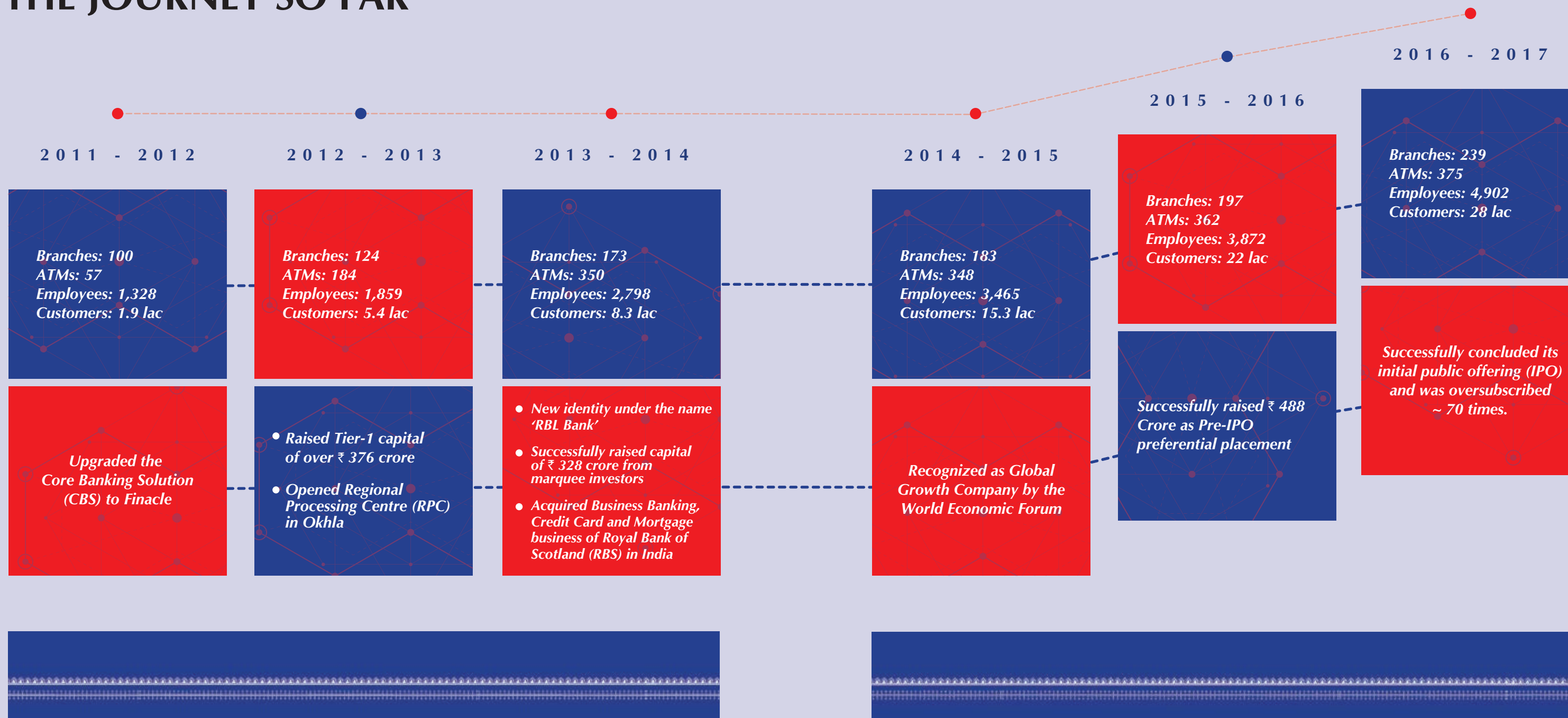
### **TEAMWORK**

To be successful together





# THE JOURNEY SO FAR



# BUILDING WITH THE RIGHT TOOLS

- Managing Director & CEO's Message

*Dear Shareholders,*  
*I am delighted to present to you our first annual report post listing and would like to extend a warm welcome to all our new shareholders. Our initial public offering (IPO) was a resounding success, with thousands of retail and many reputed institutions reposing their trust and faith in our Bank, its business and its future. This trust places an immense responsibility on us, to remain focused on our vision, strategy and growth.*

*Our Bank performed well during the year, and has leveraged on its well-thought strategy and efficient execution to deliver robust growth and higher profitability. I am pleased to share that our Board has recommended a dividend of 18%, in our inaugural year as a listed entity.*



## A seminal year; in more ways than one.

Our Bank went public in what was probably the most seminal year in India's economic history. The Government of India implemented holistic policy reforms, structural shifts and increased impetus to formalise the economy. The Black Swan event of demonetising the high value currency notes being just one of them. The reforms were aimed towards transforming India's financial services ecosystem, clean up the balance sheet of banks, address the malaise of NPAs and stressed assets. The impact of these reforms and policy changes will be huge, given time and right implementation.

For banks, particularly, the opportunity and implications have been multi-dimensional.

Banks have been thrust into the role of bringing about these changes. On the one hand, they are expanding their pool of

*The Government of India implemented holistic policy reforms, structural shifts and increased impetus to formalise the economy.*

customers with higher penetration and attractive interest regimes, while on the other, they are creating a better credit ecosystem. Thus, helping accelerate modernisation and digitisation of the economy.

The expansion of the banking network itself, is in a sense taking banking out of the bank branch. The advent of small finance banks and payment banks, together with mobile wallets and other forms of digital transaction enablers such as Aadhaar payment bridge system (APBS) and Unified Payment Infrastructure (UPI) platform are all contributing to making access to formal financial services easier, affordable, and not dependent on brick-and-mortar investments.

On the broader canvas, multiple initiatives are converging towards kick-starting private investment, fuelling entrepreneurship and formalising the unorganised sector. Tax reform such as GST are expected to provide a long-term boost to the economy and catalyse increased inter-state trade, simplify tax structures and bring the unorganised sector within the ambit of the formal economy.

Other government programmes such as Make in India, Digital India, reforms in the Real Estate Sector, committed investments in infrastructure and the multitude of services that will be

<b>BUSINESS SIZE</b> <b>₹</b> <b>64,037</b> <b>CR</b> <b>I N 2 0 1 6 - 1 7</b>	<b>5 - YEAR CAGR</b> <b>%</b> <b>48.49</b> <b>GROWTH</b> <b>I N 2 0 1 6 - 1 7</b>
<b>PROFIT AFTER TAX</b> <b>₹</b> <b>446.05</b> <b>CR</b> <b>I N 2 0 1 6 - 1 7</b>	<b>NET WORTH</b> <b>₹</b> <b>4,242.48</b> <b>CR</b> <b>I N 2 0 1 6 - 1 7</b>

*We launched our financial literacy initiative 'Saksham' to make the bottom of the pyramid customer become financially sustainable.*

linked through the Aadhaar platform, all point towards the creation of an India vastly different than we have known it.

## Our performance

We had a good financial year in FY 17, as our Net Total Income increased to ₹ 1,977 crore from ₹ 1,310 crore in the previous year, registering an increase of 51%. Moreover, Advances and Deposits increased by 39% and 42% Y-O-Y to ₹ 29,449 crore and ₹ 34,588 crore, respectively. The Net Profit for the year grew by 53% to ₹ 446 crore and our CAGR (Business Size) over five years stood at 48.49%. Key metrics such as our Capital Adequacy Ratio and Net Worth also improved, which are representative of a strong balance sheet. Our Cost to Income ratio improved from 58.6% in FY 16 to 53.4% in FY 17. At the same time, our Return on Assets (RoA) improved from 0.98% in FY 16 to 1.08% in FY 17 and Return on Equity (RoE) improved from 11.32% in FY 16 to 11.67% in FY 17, despite the capital raise through the IPO in FY 17. Our asset quality reflected by a 1.20% Gross NPA and 0.64 Net NPA, continued to remain satisfactory.

## Building a future we believe in

At RBL Bank, we believe in a future that powers innovation, harnesses technology, leverages partnerships and helps the underserved.

We believe that India is at the cusp of a historic growth opportunity. We also believe that, as a Bank, and as a facilitator and beneficiary of this future, we must be proactive and do whatever we can to contribute. That's exactly what our mission and course of action is.

To do this, we are leveraging our core values of Professionalism, Respect, Excellence, Entrepreneurial and Teamwork (PREET), and tirelessly working to build a new-age banking enterprise of the future.

We have been forward-focused in our thinking, and the Bank you see today is the result of a transformation journey we undertook more than six years ago. Now, as we enter a new phase, we are prepared for the long journey ahead and are working hard to fulfil our future goals and aspirations.

### Unleashing the power of partnerships

It is important to realise that we are working not in isolation but in a framework of multiple institutions and participants. Therefore, we believe, in order to make any meaningful contribution, partnerships are the way forward. In FY 17, we established strong partnerships with entities, which shared our vision and values; and unveiled innovative products and services for the benefit of all. We invested in agility and resilience, so that our governance, risk management and credit appraisal practices evolved to be top of the line, and enablers of growth.

Technology and partnerships have enabled us to extend our service offerings, and answer the needs of customers, without being bound by a physical branch network. Our customers can now reach us through 239 RBL Bank branches as well as 572 business correspondent branches and we have 57,600 customer service points (CSPs), which are acting as an extension of our network. All these differentiated touch points are today ensuring that we are servicing more than 2.8 million customers.

Today our robust partnership model serves a variety of B2B and B2C customers, who need technology-driven banking solutions that provide faster turnaround time for retail and institutional businesses.

### Through our partnerships we are empowering:

- **Financial Inclusion Customers:** Avail a range of banking services through our wide network of Business Correspondents (BC) including an exclusive BC tie-up with Swadhaar – our associate company.
- **Retail Customers:** Avail credit instantly over their smart-phones through our association with Fintech start-up Money Tap.
- **Credit Card Customers:** Avail a range of co-branded cards with attractive features such as no-cost EMI options, easy borrowing rates and digital payment solutions through our partnership with Bajaj Finance.

We are looking to develop an omni-channel and opti-channel interface that will connect enterprises for a smooth experience. As India progresses into a data-rich economy, we foresee a future with solid partnerships, especially with FinTech companies.

### Convenience for New India

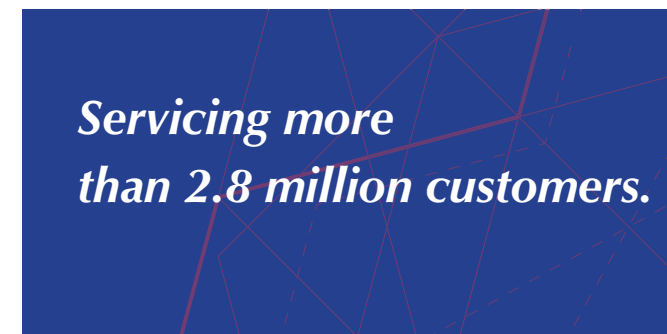
Our convenience enhancing initiatives include forging alliances with institutions and technology providers to offer multiple new services. Application Program Interface (API) banking, large volume electronic payments (IMPS/NEFT/RTGS) and receivables; prepaid card-based solutions, escrow services; Universal Payment Interface (UPI); Aadhaar Enabled Payment System (AEPS), Direct Money Transfer (DMT) are just some of them.

We opened a dedicated branch for new entrepreneurs in India's start-up capital – Bengaluru, where we offer services that are tailor-made to the needs of tomorrow's enterprises.

Another significant achievement was opening our branch in Gujarat International Finance Tec-City (GIFT) in Gujarat recently, which will not only enhance our capabilities as a Bank but also gives us an opportunity to serve clients on a global scale.

### Towards inclusive growth

Financial Inclusion has been a core guiding principle since our inception, and even so since our transformation journey began. Our Development Banking & Financial Inclusion (DB&FI) business segment consists of various products to serve micro-banking clients and MSMEs. We offer loans, savings accounts and various mobile banking services for the lower income individuals in semi-urban and rural markets. We are completely aligned to the government's development agenda



of serving this segment. Our advances in the DB&FI segment increased from ₹ 3,133 Crore in FY 16 to ₹ 4,122 Crore in FY 17 representing a 32% YoY growth - a testament of our continued commitment to this segment.

The tremendous growth this segment offers, owing to increasing government focus as well as rising awareness, means that not only will we see more competitive action, but a far more streamlined way of working. We are focusing on developing new products that will enhance our service proposition to this segment of the society and help facilitate true development.

### Recognition that motivates

The success of our IPO was a validation of the efforts made over time. The almost 70 times over subscription was testimony of the trust and faith that investors had in our business model and strategy.

Our growth story and commitment to services has been recognised by various industry bodies which has stimulated us to move ahead with confidence. We were awarded the fastest growing small bank for the 5th consecutive year by the Business Today - KPMG survey - 2017. Further, we were recognised as Business world's Best growing small bank - 2017 and VC Circle's Financial Services Company of the Year - 2017. Apart from this, we were awarded the CNBC ASIA's India Talent Management Award - 2017 and owing to the dedication and efforts of my team, I picked up the EY 'Entrepreneur Of the year' award for being a visionary entrepreneur and continuously creating value, generating jobs and contributing to building a better working world.

### Talent management

We consider talent management as an integral part of our progress. With over 5,000 employees in our talent pool, we are aiming to make this a great place to work. We are consistently working towards creating an employee-friendly organisation and promote the philosophy of 'One Bank' across all levels. We are looking forward to ensuring the holistic development of human capital through targeted learning and development programmes. Building the future leadership pipeline for the Bank is the core objective behind our specialised leadership development initiatives.

At RBL Bank, we believe employee engagement initiatives are not only means to substantially reduce attrition rates but they

should be utilised to build a strong connect with the organisation and all it stands for.

### Evolving organisation

We are part of a rapidly changing business ecosystem that demands that we evolve constantly to serve our clients better. Leveraging our people power and technology investments, we are transforming ourselves every day to provide more customer-centric services every time.

Our branding on the lines of 'Apno ka Bank' evokes a sense of belonging for all our stakeholders. We are aiming to build a bank that not only provides a delightful banking experience but is a critical value creator for all its patron communities.

Before I conclude, let me thank every member of the RBL team for their consistent commitment to the Bank. Also, I would like to thank our shareholders once again for believing in our vision and entrusting us to deliver on the promise to **build a future we believe in.**


**Vishwavir Ahuja**  
Managing Director & CEO




# BOARD OF DIRECTORS



Narayan Ramachandran  
Non-Executive Chairman




Vishwavir Ahuja  
Managing Director & CEO



Rajeev Ahuja  
Executive Director



Jairaj Purandare  
Independent Director



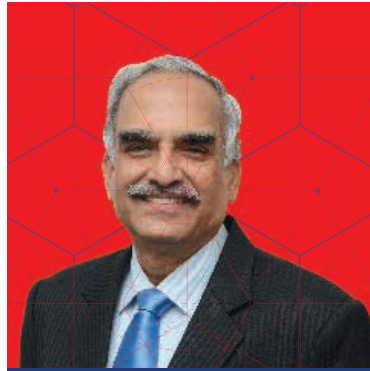
Girish Godbole  
Independent Director



P. Sudhir Rao  
Independent Director



Rama Bijapurkar  
Independent Director



D. Sivanandhan  
Independent Director



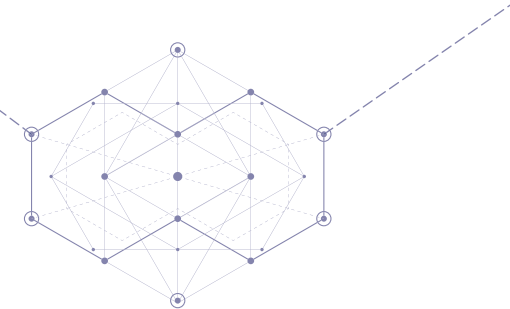
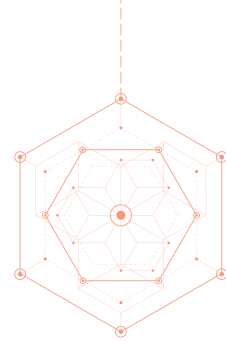
Prakash Chandra  
Independent Director



Vimal Bhandari  
Independent Director



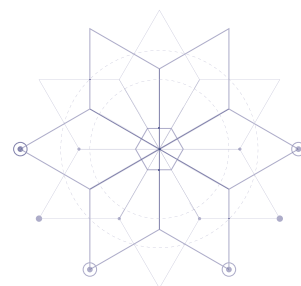
Ishan Raina  
Independent Director



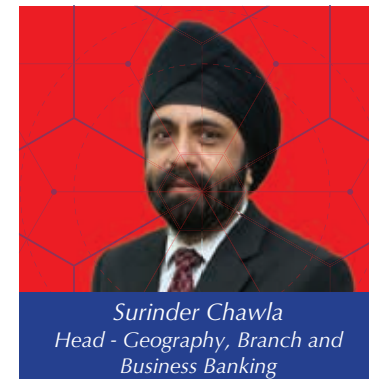
# SENIOR MANAGEMENT TEAM



*Vishwavir Ahuja*  
Managing Director & CEO



*Rajeev Ahuja*  
Executive Director



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



*Naresh Karia*  
Chief Financial Officer



*Manoj Rawat*  
Head - Agri Business



*R. Gurumurthy*  
Head - Risk & Governance



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



*Andrew Gracias*  
Head - Financial Markets



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



*Bhaskar Niyogi*  
Head - Enterprise Risk & Policy



*Neeta Mukherji*  
Chief Credit Officer



*Brijesh Mehra*  
Head - Corporate, Institutional &  
Transaction Banking



*Vincent Valladares*  
Head - Commercial Banking



*Harjeet Toor*  
Head - Cards, Retail & MSME Loans  
and Financial Inclusion



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



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



*Rajeev Dewal*  
Head - Legal