RBL BANK

73rd Annual Report 2015-16

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

View this annual report online
www.rblbank.com

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

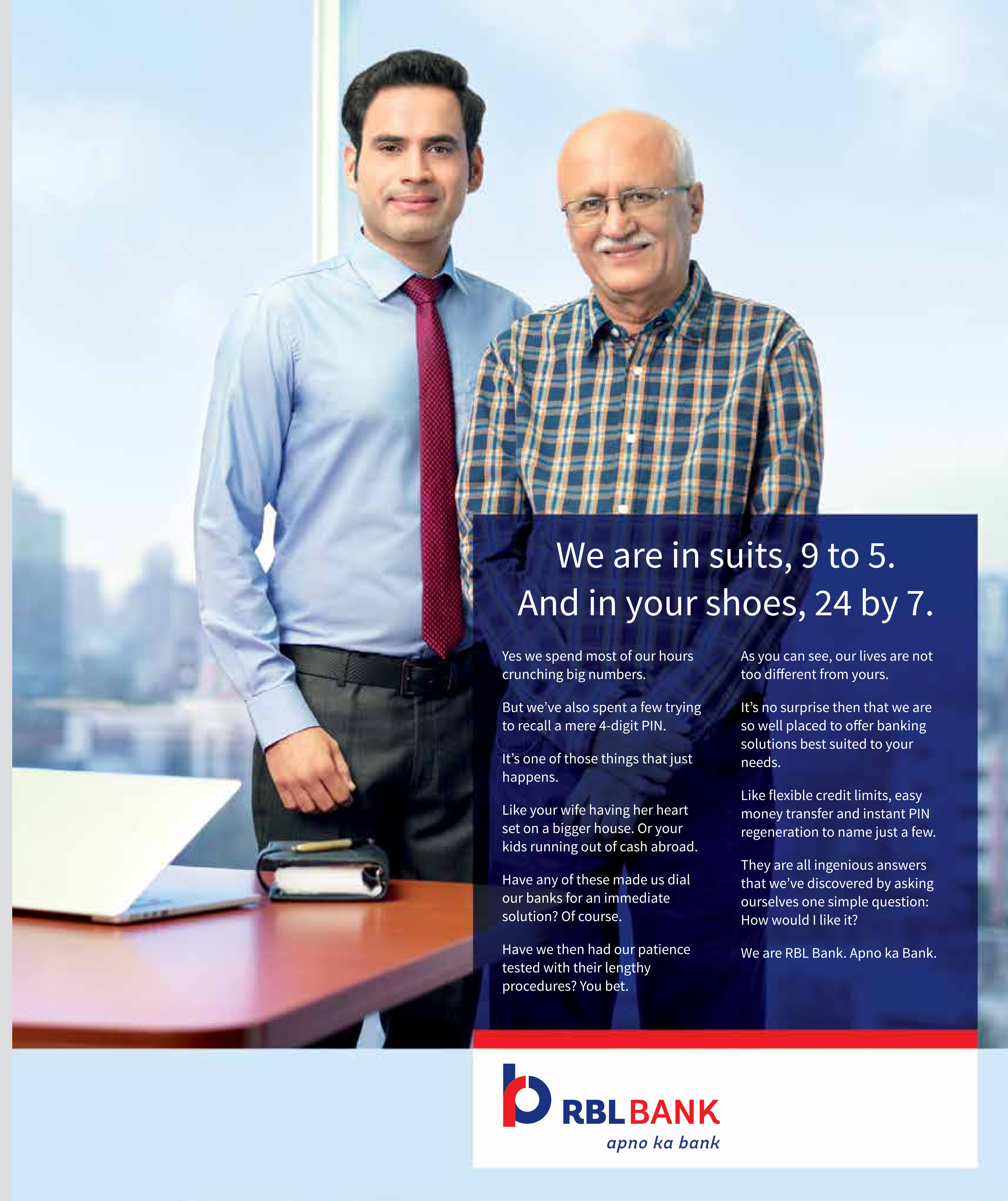
Corporate Office
One Indiabulls Centre, Tower 2B , 6th Floor,
841, Senapati Bapat Marg,
Lower Parel (W),
Mumbai 400013, India.
Phone: 022 43020600
Fax: 022 43020520

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



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

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 'PREET'

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

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

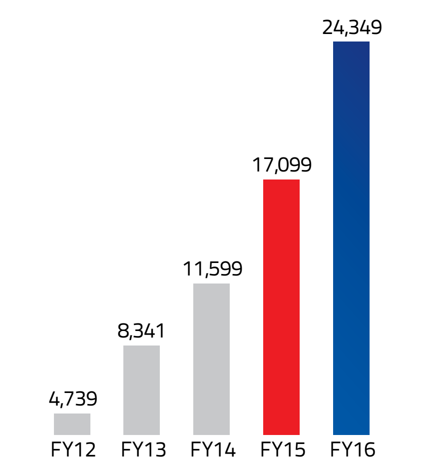
- Recognised as a Global Growth Company by the World Economic Forum
- Awarded India's Best Bank (Growth) in the mid-sized bank segment by Business Today and KPMG for the year 2014 (third-year in a row)
- Awarded the Best Bank – Priority Sector Lending (Private Sector), Dun & Bradstreet Banking Awards,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

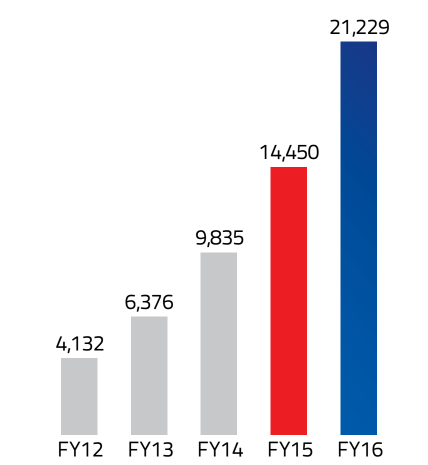
- Successfully raised ₹ 488 crore as pre-IPO preferential placement from global and domestic investors augmenting our Tier 1 capital to meet the future capital needs of the Bank
- Launched the first dedicated startup branch in Kormangala, Bangalore. RBL Bank is one of the first private sector bank's 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

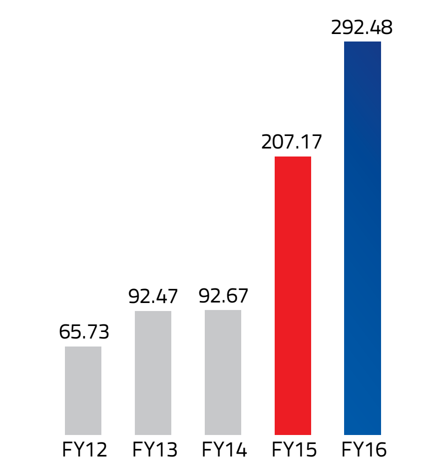
Deposits
₹ in crore



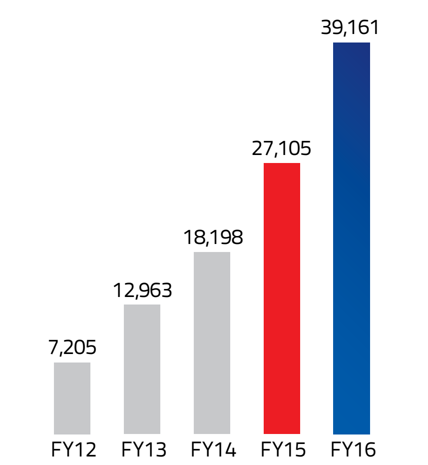
Advances (Net)
₹ in crore



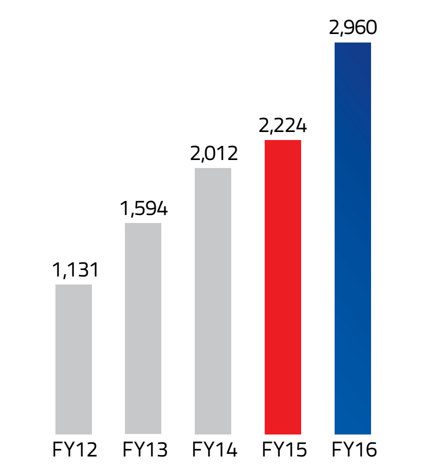
Net Profit
₹ in crore



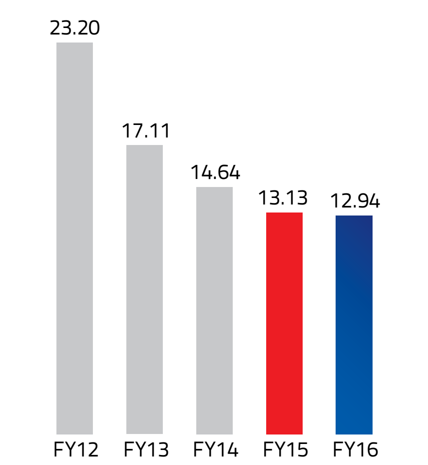
Total Assets
₹ in crore



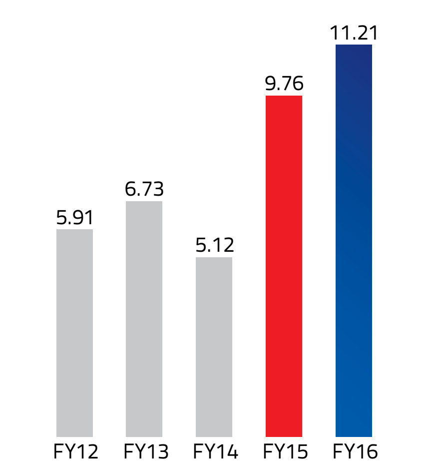
Networth
₹ in crore



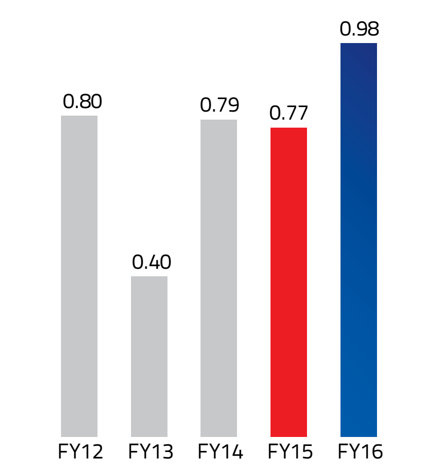
Capital Adequacy Ratio
%



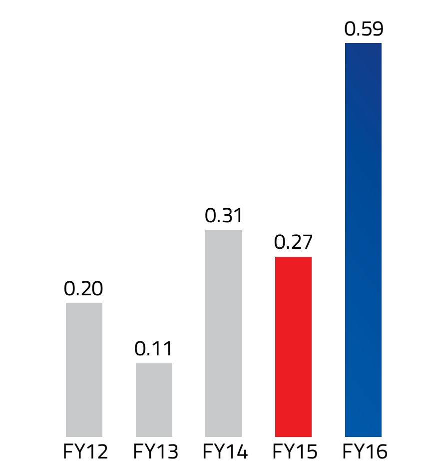
Return on Equity
%



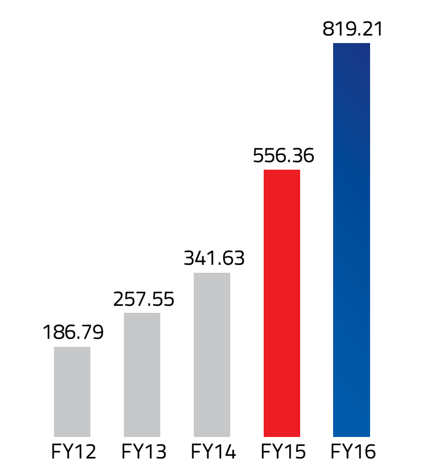
Gross NPA to Gross Advance
%



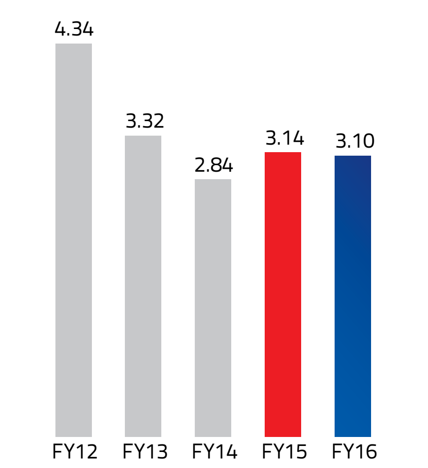
Net NPA to Net Advance
%



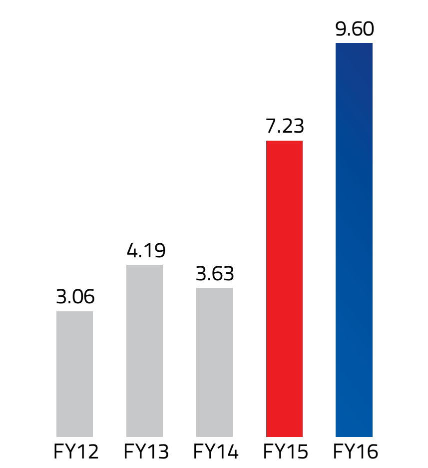
Net Interest Income
₹ in crore



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 enrols 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 Banks 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

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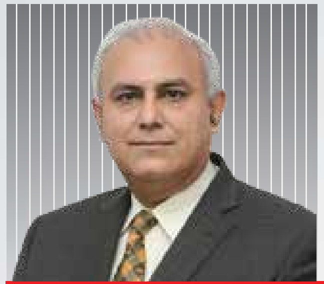
BOARD OF DIRECTORS


Narayan Ramachandran
Non-Executive Chairman


Vishwavir Ahuja
Managing Director & CEO

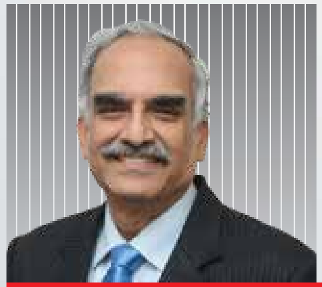

Rama Bijapurkar
Independent Director


Vimal Bhandari
Independent Director

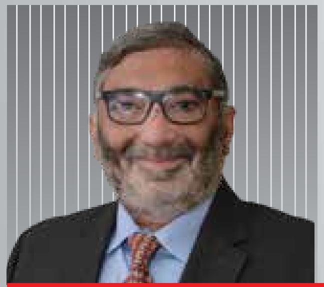

Jairaj Purandare
Independent Director


Girish Godbole
Independent Director


P. Sudhir Rao
Independent Director


D. Sivanandhan
Independent Director


Prakash Chandra
Additional Director


Ishan Raina
Additional Director

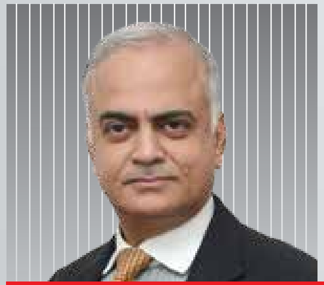

Rajesh Kumar
RBI - Additional Director


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



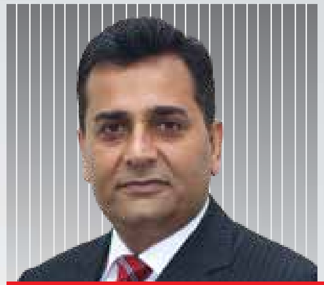
R. Gurumurthy
Head - Risk and Governance

Shanta Vallury Gandhi
Head - HR, CSR and Internal Branding

Andrew Gracias
Head - Financial Markets

Sandeep Thapliyal
Head - Commercial Banking

Brijesh Mehra
Head – Corporate, Institutional & Transaction Banking



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

Surinder Chawla
Head - Geography, Branch and Business Banking

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

Naresh Karia
Chief Financial Officer

Manoj Rawat
Head - Agri Business

Bhaskar Niyogi
Head – Enterprise Risk & Policy

Neeta Mukerjee
Chief Credit Officer

Joginder Singh Rana
Chief Operations Officer

Sunny Uberai
Chief of Staff and Head - Change Management and Service Delivery

Sanjay Sharma
Head - Technology, Innovation and Customer Fulfilment

Satish Dhawan
Chief Infrastructure and Administration Officer

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

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.

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.

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.

I joined RBL Bank in 2014 and was offered a role in Dombivali branch, Mumbai. Within three months of joining, I found the long hours of traveling to work and back very exhausting. I was not able to do justice to either my work or my family. Since I felt that my manager was approachable, I spoke to him and shared my concern and asked whether it was possible to get a transfer to a branch closer to my home. He reached out and found an opportunity for me at the Lower Parel branch and this reduced my travel time by almost 70%. Thus leaving me with a lot of energy and enthusiasm which I put into my work and family.

This is just one of the many examples of our employees living the bank's value of respect.

Midhat Koor
Sr. Manager – Customer Service,
Lower Parel Branch

3,872
Employees as on March 31, 2016

67%
Total employees owning ESOPs

In the corporate world, there is no room for mistakes. You have to get it right at the first go, if you have to succeed. I joined RBL Bank in March 2015, and within one year was able to sell the highest number of Life Insurance policies. My manager commended my efforts on various platforms thus encouraging me to work hard. But everyday cannot be your day. There was a time when I could not achieve my target and was anticipating a strong reaction from my manager. I was taken aback when he did not write me off, instead he played the role of a mentor and helped me 'right my wrongs'. This positive reaction has motivated me to supersede my targets.

This is one of the ways in which RBL Bank supports its people by creating a culture of learning, thereby encouraging employees to achieve excellence.

Hiren Janani
Area Head – Bancassurance
Gujarat & MP

EMPLOYEE KA BANK

Even we have big ambitions...
So we are creating a
'people centric' organisation where
career aspirations can be fulfilled.

We are RBL Bank. Apno Ka Bank.

In March 2015, when RBI issued guidelines to apply for payment bank license, we evaluated many banks but finally zeroed in on RBL Bank as our preferred partners as the bank was keen to adopt new technologies and expand financial services to the last mile where banking solutions were not available, a vision & mission similar to ours. We were very happy with the quick turnaround time and proactivity of the bank in providing financial solutions and hence shifted our escrow account to RBL Bank.

This is just one of the ways in which the Bank encourages and supports the growth of its partners.

Sukhdeep Singh
Vice President, Business Development and Banking, Oxigen Services India Pvt Ltd

Wide Network

of partners facilitating customer connectivity

300,000+
Customer touch points across India through partners

In 2010, microfinance institutions faced a major headwind. Banks stopped lending to them, because they considered it a risky proposition. When we approached RBL Bank with our proposal, we were expecting a negative reaction but were pleasantly surprised when they did not follow the same trend. RBL Bank believed in our management team, capability and risk management framework; and lent us a helping hand, when no support was forthcoming. The partnership has been very fulfilling which is why now we run all our new ideas and proposals for new transaction structures through RBL bank as our preferred partners.

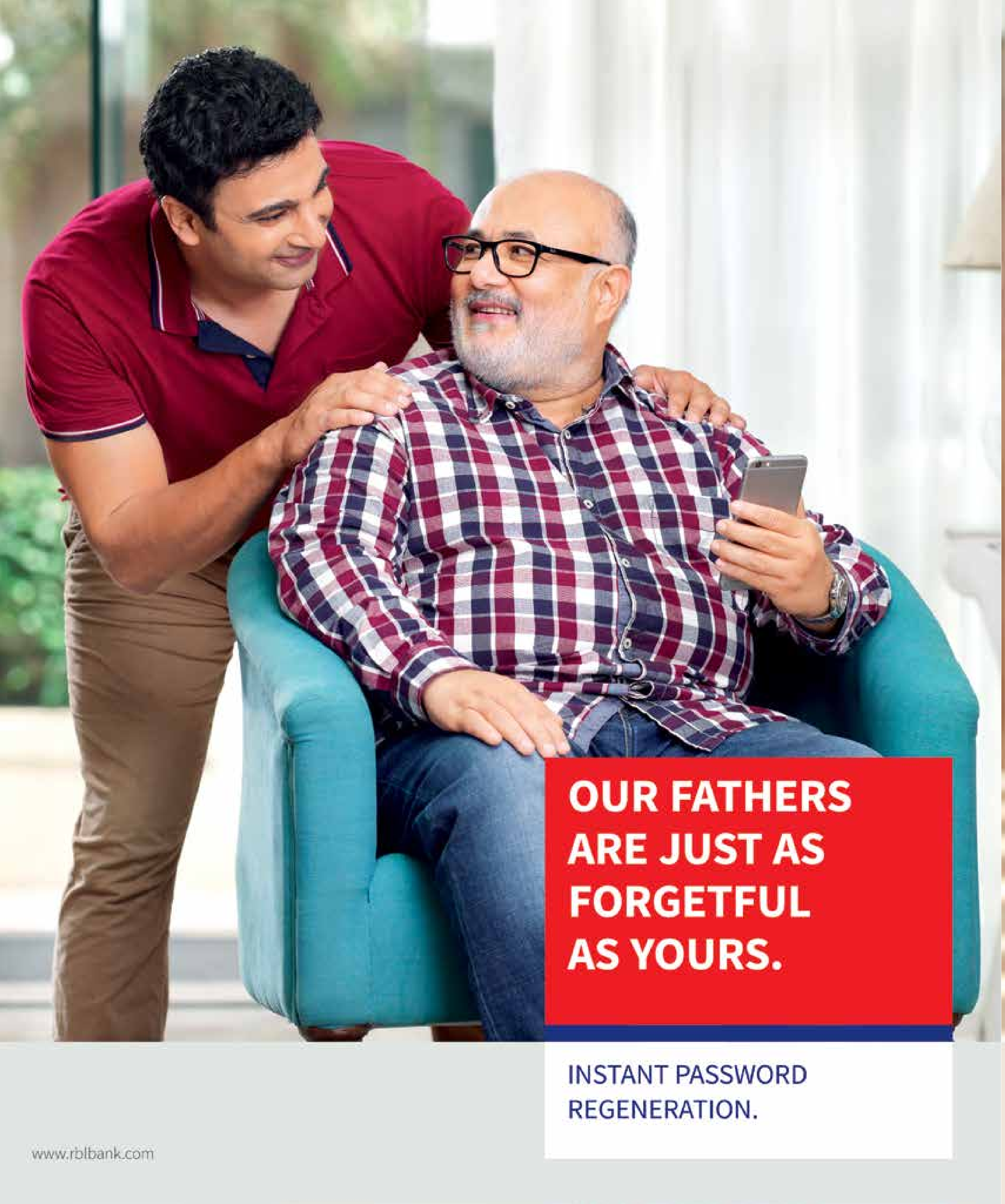
This is one of the many ways the Bank builds strong relationship with its partners.

Vineet Sukumar
CFO, IFMR Capital Finance Pvt Ltd

PARTNER KA BANK

We too have witnessed struggles on our way to success... So we are tirelessly working towards the progress of our partners to build a relationship of dependability and trust.

We are RBL Bank. Apno Ka Bank.


OUR FATHERS
ARE JUST AS
FORGETFUL
AS YOURS.
INSTANT PASSWORD
REGENERATION.
www.rblbank.com


EVEN WE'VE LEFT
HOME WITH AN
EMPTY WALLET.
UNLIMITED FREE WITHDRAWALS
AT ALL ATMS IN INDIA.
www.rblbank.com

1st
Dedicated branch for start-ups

24x7
Dedicated hotline

Green Channel
for account setup

ENCOURAGING ENTREPRENEURSHIP IN INDIA

WITH THE COMMITMENT TO SUPPORT ENTREPRENEURSHIP IN INDIA, WE HAVE TAKEN SIGNIFICANT EFFORTS TO ENCOURAGE THE COUNTRY'S START-UP NETWORK. OUR GROWING ABILITY TO ADDRESS THE REQUIREMENTS OF EMERGING ENTREPRENEURS WILL CONTRIBUTE TO AN INCLUSIVE GROWTH.

COMPREHENSIVE BANKING SERVICES

India's rapidly growing set of start-ups demand innovative services to meet their evolving needs. We have the financials expertise and capabilities to match their requirement. As a responsible and established bank, we provide a comprehensive range of banking services to start-ups, using seamless technology. Our capability helps us deliver best-in-class services with ease and speed.

DEDICATED BRANCH FOR START-UPS

RBL Bank is one of the first private sector banks to open a specialised branch for start-ups at Koramangala, Bengaluru. Through this branch, we provide a bouquet of innovative banking products to serve the end-to-end needs of the emerging entrepreneurial eco-system. This branch assists entrepreneurs in setting up new companies and offers a host of banking services including, foreign exchange services, remittances and cash management. It also monitors registration, legal and tax formalities, among others through our affiliates and partners.

INDIA START-UP CLUB

Earlier this year, we launched the India StartUp Club to support early-stage companies with a range of banking services. Services include a green channel for account setup, trade and foreign exchange services, escrow accounts, customised debit cards and a dedicated hotline to address the 24x7 needs of these high growth companies.

AUGMENTING QUALITY CAPITAL

OVER THE LAST SIX YEARS, WE HAVE CONSISTENTLY RAISED QUALITY CAPITAL FROM INSTITUTIONAL INVESTORS SUCH AS FAERING CAPITAL, INTERNATIONAL FINANCE CORPORATION, ASCENT CAPITAL, ADITYA BIRLA PRIVATE EQUITY, IDFC SPICE FUND AND ICICI'S EMERGING INDIA FUND AMONG OTHERS. THE TOTAL CAPITAL RAISED BY US THROUGH INSTITUTIONAL INVESTORS TOUCHED ₹ 1,920 CRORES.

Recently, we raised ₹ 488 crore at an attractive valuation through a pre-IPO preferential placement from leading 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 arising due to growth in the Bank's assets, and to comply with RBI's Basel III guidelines.

Going forward, we will continue to remain committed towards building a banking franchise founded on the principles of a broad-based capital base along with quality management team, strong operating platform, robust corporate governance framework and processes, comprehensive product suite and modern technology infrastructure.

₹ 1,920 Cr.
Total Institutional capital raised till date

₹ 488 Cr.
Capital raised during the year

ENHANCING CUSTOMER EXPERIENCE

PROVIDING COMFORT TO CUSTOMERS IS AT THE CORE OF OUR BUSINESS OBJECTIVE. WE ARE CONSISTENTLY ADDRESSING CUSTOMER REQUIREMENTS THROUGH OUR VALUE-ADDED PRODUCTS AND BEST-IN-CLASS SERVICES. OUR KNOWLEDGE AND EXPERTISE THAT GO IN INNOVATING NEW PRODUCTS MAKE THE DIFFERENCE AND HELP US ELEVATE CUSTOMER EXPERIENCE.

Industry First

Program with two leading players in Entertainment and Dining to create a strong youth product

95%

Activation rate for two Months On Board (MOB) customers

FUN+ CREDIT CARD – RAISING THE ENTERTAINMENT QUOTIENT

RBL Bank launched the Fun+ Credit Card in association with Bookmyshow, Pizza Hut and KFC. It is a lifetime card that enrolls users to a world of delicious treats and blockbuster movies. Fun+ Credit Card is a perfect example of product innovation that fulfils evolving aspirations of the present generation customers. It provides an amazing opportunity to rejoice infinite entertaining moments. Besides, this card also offers an enticing Rewards Membership Program to customers and allows access to all Master Card world privileges.

WOMAN'S FIRST SAVINGS ACCOUNT – IMPROVING LIFESTYLE OF WOMEN

We recently introduced the Woman's First Savings Account, designed for today's housewives/career women to help them manage their savings and enhance their lifestyle. The account provides a number of offerings for women including:

- Exclusive Woman's First Debit Card with ₹ 2,500 worth of gift voucher
- Health benefits and medical concierge services at a discount
- Unlimited free cash withdrawals at all ATMs across India
- Year-round offers/ discounts on her favourite brands ranging from quick bites, apparel, home decor, grocery, entertainment and many more.
- Higher interest rate (7.1%)
- Zero balance kid's account
- Discount on locker rent

PRODUCTS AND SERVICES

Branch & Business Banking

SAVINGS ACCOUNT
- Prime & Prime Edge Savings Account
- Advantage Premium Savings Account
- Segment Specific Accounts (Women's First Savings/Seniors First/Kids)
- Institutional Savings Account (Trust, Association, Society & Clubs)

CURRENT ACCOUNT
- Business & Business Plus Account
- Exceed & Value Plus Premium Series of Products
- Traders Current Account
- Self Employed Professionals
- Indian Start-up Club

NRI BANKING
- Prime Account
- Ace Premium Account – NRO/NRE
- Deposits (NRE/NRO/FCNR)

FIXED DEPOSITS
- Regular Fixed Deposits
- Tax Savings Fixed Deposits
- Senior Citizen Fixed Deposits
- Recurring Fixed Deposits

INVESTMENT SERVICES
- Financial Need Analysis
- Customer Risk Profiling
- Asset Allocation
- Product Selection
- Portfolio Review

INSURANCE
- Life Insurance
- General Insurance
- Health Insurance

TRADING AND DEMAT ACCOUNT

SAFE DEPOSIT LOCKERS

CORPORATE SALARY ACCOUNTS AND EMPLOYEE BANKING SOLUTIONS

RETAIL LOANS
- Loan against Property
- Overdraft against Property
- Home Loan
- Business Loan
- Personal Loan
- Education Loan
- Auto Loan
- Loan against Deposits
- Loan against Gold

COMPREHENSIVE PRODUCTS FOR EMBASSIES, HIGH COMMISSIONS AND DIPLOMATS

TRADE AND FOREIGN EXCHANGE RELATED PRODUCTS
- Trade and Foreign Exchange product and advisory services including Forwards and Options
- Transaction banking solutions across liquidity management, payments and collections/receipts
- Banking Solutions for Government affiliates and development institutions requiring FCRA solutions

CREDIT CARDS
- Titanium Delight Card
- Platinum Maxima Card
- RBL Bank Fun+Card
- Platinum Cricket Card
- Platinum Delight Card
- RBL Bank Insignia World Card
- RBL Bank IGU NHS Golf World Card
- Corporate Travel and Entertainment

INSIGNIA PREFERRED BANKING
- Wealth Management
- Personal Accounts
- Business Accounts
- Insignia - World MasterCard® Debit & Credit Cards

Wholesale Banking

CORPORATE, INSTITUTIONAL & COMMERCIAL BANKING

TRADE FINANCE SOLUTIONS
- Exports & Imports
- Inland Products: Letter of Credit, Bank Guarantee, Bills discounting / Purchase under LC / Non LCs, Bills for collection
- Domestic Trade
- Diamond Dollar Accounts

TERM LOANS

WORKING CAPITAL FINANCE
- Cash Credit
- Working Capital Demand Loans
- Local / Foreign Currency Short Term Loans

CASH MANAGEMENT SOLUTIONS

TREASURY, FX & RISK MANAGEMENT SOLUTIONS

INVESTMENT MANAGEMENT & ADVISORY SERVICES

STRUCTURED FINANCE

CORPORATE FINANCE & ADVISORY SERVICES

Transaction Banking

- Trade Finance
- Supply Chain Financing
- Cash Management

PAYMENTS

CONVENTIONAL PAYMENTS

CORPORATE PAYMENT PORTAL (BON)
- Electronic Payments (RTGS , NEFT, IMPS)
- Paper Based (Cheque, DD Printing, Corresponding Bank DD)

COLLECTIONS
(Cash, Cheque, NACH, Virtual Account)

DIGITAL SOLUTIONS
- Prepaid Card
- E-Wallets
- API Integration
- POS/EDC

MICRO PAYMENTS – DOMESTIC MONEY TRANSFER (DMT)
- Remittance Engine-BC

Agribusiness Banking

RETAIL AGRIBUSINESS
- Crop Loan
- Kissan Credit Card (KCC)
- Harvest & Transport Loan
- Horticulture Loan
- Polyhouse Finance
- Hitech Farm
- Fisheries Loan
- Poultry Loan
- Drip Irrigation
- Lift Irrigation
- Dairy Loan

COMMODITY & WAREHOUSE FINANCE
- Warehouse Receipt Finance
- Collateral Management
- Management Service Facillitator (MSF)
- Cold Chain Finance
- Trade/Pledge Finance

CORPORATE TIEUPS
- Food Processing
- Sugarcane Farming
- Drip Irrigation
- Basal Dose Loan
- Dairy Loan
- Fertilizer & Other Inputs
- Contract Farming
- Cattle Funding
- Seed Companies
- Coffee & Tea Plantation
- Potato & Horticulture
- Food Parks

FSS/FARMER PRODUCER ORGANISATION

FARM MECHANISATION
- Tractor Financing
- Farm Equipments
- Light Commercial Vehicle
- Small Commercial Vehicle
- Multi Utility Vehicle
- Two wheeler Financing

AGRI VALUE CHAIN FINANCE
- Dairy Loan
- Oil Seeds
- Rice Mills
- Wheat Processing
- Agri Dealers
- Import/Export
- Agri Traders
- Agri Logistics

RENEWABLE ENERGY
- Micro Irrigation
- Solar Pumpsets
- Solar Cold Storage

Development Banking & Financial Inclusion

MICROBANKING
- Basic Savings Bank Deposit Account / Aadhaar linked savings accounts for Direct Benefit Transfer
- Micro-Insurance
- Micro Loans / JLG Finance
- Micro Loans / SHG Finance

PAYMENTS
- Micro Payments
- Money Transfer

INCLUSIVE FINANCIAL INSTITUTIONS
- Term Loan
- Cash Credit
- Commercial Papers (CP's)
- Non Convertible Debentures Subordinated Debt
- Investment in Securitisation Transactions
- SBLC backed CP's
- Cash Management Solutions

SMALL BUSINESS BANKING
- Unsecured and Secured Business Loans
- 2 Wheeler Loans

Treasury and Markets

- Foreign Exchange Risk Management
- Foreign Exchange Options
- Currency and Interest Rate Derivatives
- Debt Capital Markets
- Loan Syndication
- Bullion (Gold & Silver) Purchase
- Gold Metal Loan

10-YEAR FINANCIAL HIGHLIGHTS

(₹ in crore unless stated otherwise)

	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16
Equity Capital	116.56	104.72	104.72	104.72	214.95	214.95	252.92	282.15#	293.45	324.73
Reserves & Surplus	82.68	218.29	236.52	248.26	870.03	928.25	1,353.82	1,732.61#	1,936.98	2,664.50
Networth	196.03	319.74	338.12	349.03	1,074.55	1,130.99	1,594.20	2,011.65	2,223.50	2,960.39
CRAR (%) $	34.34	49.15	42.30	34.07	56.41	23.20	17.11	14.64	13.13	12.94
Deposits	876.39	1,101.07	1,307.05	1,585.04	2,042.16	4,739.33	8,340.52	11,598.60	17,099.25	24,348.65
Advances (Net)	530.52	585.79	801.11	1,170.44	1,905.17	4,132.27	6,376.21	9,835.05	14,449.83	21,229.08
Investments (Net)	315.83	361.32	404.48	507.22	892.48	2,333.83	5,571.42	6,518.04	9,792.30	14,436.03
Gross NPA	38.05	37.09	17.28	27.64	21.51	33.11	25.90	77.75	111.23	208.05
Net NPA	10.20	5.81	5.45	11.35	6.89	8.39	6.88	30.51	38.59	124.44
Gross NPA to Gross Advance (%)	6.81	6.01	2.13	2.33	1.12	0.80	0.40	0.79	0.77	0.98
Net NPA to Net Advance (%)	1.92	0.99	0.68	0.97	0.36	0.20	0.11	0.31	0.27	0.59
Net Profit	3.01	17.01	30.53	19.11	12.33	65.73	92.47	92.67	207.17	292.48
Dividend (%)	0.00	5.00	10.00	6.00	2.00	3.00	6.00	9.00	12.00	15.00*
Business per Employee	2.54	3.10	3.73	3.91	4.35	6.69	7.92	7.66	9.11	11.77
No. of Employees	553	544	565	704	907	1,328	1859	2798	3465	3872
Earning per share (EPS) (₹)**	0.81	1.69	2.91	1.82	0.96	3.06	4.19	3.63	7.23	9.60
Book Value per share (₹)**	27.83	30.53	32.29	33.33	49.99	52.62	63.03	71.30	75.77	91.17
Return on Asset (%)	0.31	1.31	1.96	1.05	0.53	1.38	1.09	0.68	1.05	1.01

*Interim and final

Includes relevant portion of share application money

** Share of ₹ 100/- each was split into 10 shares of ₹10/- each w.e.f. August 20, 2008, EPS and Book value per share have been accordingly adjusted for the earlier years.

$ From FY09, CRAR as per Basel II and for FY14 as per Basel III is given.

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Management Discussion and Analysis

1. ECONOMIC OVERVIEW

1.1 Global Economy Outlook

According to the International Monetary Fund (IMF), global growth is forecasted to be at 3.4% this year and 3.6% in 2017. The pickup in global activity is projected to be more gradual than predicted especially in emerging markets and developing economies.

Risks to the global outlook remain tilted to the downside and relate to ongoing adjustments in the global economy: a generalized slowdown in emerging market economies, China's rebalancing, lower commodity prices, and the gradual exit from extraordinarily accommodative monetary conditions in the United States.

In 2015, the global economic activity remained subdued. Growth in emerging markets and developing economies, accounting for over 70% of the global growth, declined for the fifth consecutive year, while a modest recovery continued in advanced economies. Three key transitions continued to influence the global outlook:

(1) The gradual slowdown and rebalancing of economic activity in China away from investment and manufacturing towards consumption and services,

(2) Lower prices for energy and other commodities, and

(3) A gradual tightening of the U.S. monetary policy in context of a resilient U.S. recovery as several other major central banks in advanced economies continue to ease monetary policy.

Oil prices exhibited a marked decline since September 2015, reflecting expectations of sustained increases in production by Organisation of the Petroleum Exporting Countries (OPEC) members amid continued global oil production in excess of oil consumption. Futures markets are currently suggesting only modest price increases in 2016 and 2017. Prices of other commodities, especially metals, have fallen as well. Lower oil prices strain the fiscal positions of fuel exporters and weigh on their growth prospects, while supporting household demand and lowering business energy costs for importers. This is especially true for advanced economies, where price declines are fully passed on to end users.

Prospects of a gradual increase in policy interest rates in the United States as well as bouts of financial volatility amid concerns regarding emerging market growth prospects have contributed to tighter external financial conditions, declining capital flows, and further currency depreciations in many emerging market economies.

Headline inflation has broadly moved sideways in most countries, but with renewed declines in commodity prices and weakness in global manufacturing weighing on traded goods' prices, it is likely to soften again. Core inflation rates remain well below inflation objectives in advanced economies. Mixed inflation developments in emerging market economies reflect the conflicting implications of weak domestic demand and lower commodity prices versus marked currency depreciations over the past year.

1.2 Risks to Growth in Global Economy

According to the IMF, overall forecasts for global growth have been revised downward by 0.2 percentage point for both 2016 and 2017. To a substantial degree, but not exclusively, these revisions reflect a weaker pickup in emerging economies than was forecasted in October 2015. Prospects for global trade growth have also been marked down by more than ½ percentage point for 2016 and 2017, reflecting developments in China as well as distressed economies.

Unless the key transitions in the world economy are successfully navigated, global growth could be derailed. Downside risks, which are particularly prominent for emerging markets and developing economies, include the following:

- A sharper-than-expected slowdown along Chinas needed transition to more balanced growth, with more international spillovers through trade, commodity prices, and confidence, with attendant effects on global financial markets and currency valuations.
- Adverse corporate balance sheet effects and funding challenges related to potential further dollar appreciation and tighter global financing conditions as the U.S. exits an extraordinarily accommodative monetary policy.
- A sudden rise in global risk aversion, regardless of the trigger, leading to sharp depreciation and potential financial strains in vulnerable emerging market economies. In an environment of higher risk aversion and market volatility, even idiosyncratic shocks in a relatively large emerging market or developing economy could generate broader contagion effects.
- An escalation of ongoing geopolitical tensions in a number of regions affecting confidence, disrupting global trade, financial and tourism flows. Commodity markets pose two-sided risks. On the downside, further declines in commodity prices would worsen the outlook for already fragile commodity producers, and increasing yields on energy sector debt threaten a broader tightening of credit conditions. On the upside, the recent decline in oil prices may provide a stronger boost to demand in oil importers than currently envisaged, including through consumers' possible perception that prices will remain lower for longer.
- Policymakers in emerging markets and developing economies need to press on with structural reforms to alleviate infrastructure bottlenecks, facilitate a dynamic and innovation-friendly business environment, and bolster human capital. Deepening local capital markets, improving fiscal revenue mobilisation, and diversifying exports away from commodities are also ongoing challenges in many of these economies.

1.3 Indian Economy Outlook

According to the IMF, India continues to remain a bright spot in the otherwise bleak global economic forecast. India will be the fastest growing major economy in 2016-17 growing at 7.5%, ahead of China, at a time when global growth is facing increasing downside risks.

India's growth will continue to be driven by private consumption, which has benefited from lower energy prices and higher real incomes, adding to that 'with the revival of sentiment and pickup in industrial activity, a recovery of private investment is expected to further strengthen growth.'

Even though India has benefited from falling global oil prices, given its status as a net importer of crude oil, its trade balance has not improved much as Indian exports have been contracting for 15 consecutive months.

India will have to continue with fiscal consolidation through revenue reforms and further reduction in subsidies. Sustaining strong growth over the medium-term will require labour market reforms and dismantling of infrastructure bottlenecks, especially in the power sector.

India's inflation based on the Consumer Price Index (CPI) is projected to be around 5.3% in 2016 though there are upside risks like an unfavourable monsoon and expected public sector wage increase consequent to the recommendations of the Seventh Pay Commission.

In India, lower commodity prices, a range of supply-side measures, and a relatively tight monetary stance have resulted in a faster than expected fall in inflation, making room for nominal interest rate cuts, but upside risks to inflation could necessitate a tightening of monetary policy.

2. BANKING SECTOR OVERVIEW

As per the Reserve Bank of India (RBI), India's banking sector is sufficiently capitalised and well-regulated. Credit, market and liquidity risk studies suggest that Indian banks are generally resilient and have withstood the global downturn well. Global rating agency Moody's has upgraded its outlook for the Indian banking system to 'stable' from 'negative' based on its assessment of five drivers including improvement in operating environment and stable asset risk and capital scenario.

INDIA WILL BE THE FASTEST GROWING MAJOR ECONOMY IN 2016-17 GROWING AT 7.5%, AHEAD OF CHINA, AT A TIME WHEN GLOBAL GROWTH IS FACING INCREASING DOWNSIDE RISKS.

ACCORDING TO THE IMF, INDIA CONTINUES TO REMAIN A BRIGHT SPOT IN THE OTHERWISE BLEAK GLOBAL ECONOMIC FORECAST.

However, the operations of the Banking sector for the year 2015-16, exhibited several weak spots:

1) There was a slowdown in balance-sheet growth, and bank credit expansion fell to single digits.
2) While profits increased, it was because of a decline in growth of operating expenses rather than a rise in growth of income.
3) The return on assets (RoA) showed no improvement and, in particular, the profitability of public sector banks (PSB) declined significantly.
4) Asset quality declined, particularly for PSBs, and there was a rise in the volume and proportion of stressed assets.

Some of the major regulatory steps taken during the year and the perspectives about how these steps would help in reforming the Indian banking sector are as follows:

- The Reserve Bank of India (RBI) has granted in-principle licences to 10 applicants to open small finance banks, which will help expanding access to financial services in rural and semi-urban areas.
- The RBI has given in-principle approval to 11 applicants to establish payment banks. These banks can accept deposits and remittances, but are not allowed to extend any loans.
- The RBI has allowed Indian alternative investment funds (AIFs), to invest abroad, in order to increase the investment opportunities for these funds.
- The Reserve Bank of India (RBI) has allowed additional reserves to be part of tier-1 or core capital of banks, such as revaluation reserves linked to property holdings, foreign currency translation reserves and deferred tax assets, which is expected to shore up the capital of state-run banks and privately owned banks by up to ₹ 35,000 crore (US$ 5.14 billion) and ₹ 5,000 crore (US$ 734 million) respectively.
- Scheduled commercial banks can grant non-fund based facilities including partial credit enhancement (PCE), to those customers, who do not avail any fund based facility from any bank in India.
- Ministry of Finance has planned to inject ₹ 5,000 crore (US$ 734 million) in eight public sector banks in order to boost their capital.
- To reduce the burden of loan repayment on farmers, a provision of ₹ 15,000 crore (US$ 2.2 billion) has been made in the Union Budget 2016-17 towards interest subvention.
- Under Pradhan Mantri Jan Dhan Yojana (PMJDY), 210 million accounts have been opened and 174.6 million RuPay debit cards have been issued. These new accounts have mustered deposits worth ₹ 33,704 crore (US$ 4.95 billion).
- The Government of India is looking to set up a special fund, as a part of National Investment and Infrastructure Fund (NIIF), to deal with stressed assets of banks. The special fund will potentially take over assets which are viable but don't have additional fresh equity from promoters coming in to complete the project.
- The Reserve Bank of India (RBI) plans to soon come out with guidelines, such as common risk-based know-your-customer (KYC) norms, to reinforce protection for consumers, especially since a large number of Indians have now been financially included post the government's massive drive to open a bank account for each household.
- To provide relief to the state electricity distribution companies, Government of India has proposed to their lenders that 75 percent of their loans be converted to state government bonds in two phases by March 2017. This will help several banks, especially public sector banks, to offload credit to state electricity distribution companies from their loan book, thereby improving their asset quality.
- Government of India aims to extend insurance, pension and credit facilities to those excluded from these benefits under the Pradhan Mantri Jan DhanYojana (PMJDY).
- To facilitate an easy access to finance by Micro and Small Enterprises (MSEs), the Government/RBI has launched Credit Guarantee Fund Scheme to provide guarantee cover for collateral free credit facilities extended to MSEs upto ₹ 1 Crore (US$ 0.15 million). Moreover, Micro Units Development & Refinance Agency (MUDRA) Ltd. was also established to refinance all Micro-finance Institutions (MFIs), which are in the business of lending to micro / small business entities engaged in manufacturing, trading and services activities upto ₹ 10 lakh (US$ 0.015 million).

The Indian economy is on the brink of a major transformation, with several policy initiatives set to be implemented shortly. Positive business sentiments, improved consumer confidence and more controlled inflation are likely to prop-up the country's economic growth. Enhanced spending on infrastructure, speedy implementation of projects and continuation of reforms are expected to provide further impetus to growth of this sector.

3. REVIEW OF BUSINESS SEGMENTS AND OPERATIONS

The Bank's operations span across different business segments comprising Corporate and Institutional Banking (C&IB), Commercial Banking (CB), Branch and Business Banking (BBB), Agribusiness Banking (AB), Development Banking and Financial Inclusion (DB&FI) and Treasury and Financial Markets Operations. During the year under review, significant progress was made in enhancing the Bank's core business & non-business functions with a view to building a solid, scalable, institutionalized banking franchise.

The Bank continued to invest in technology, people, processes, infrastructure and innovation to improve the efficiency, reliability and competitiveness of its business operations. Some of the initiatives undertaken during FY16 are enumerated below, while elaborating the performance of individual business segments:

3.1 Corporate and Institutional Banking (C&IB)

The Bank's C&IB business segment caters to banking needs of large-sized corporations (i.e. companies with an annual turnover of ₹1500 crore or gross block of over ₹750

C&IB EXPANDED BUSINESSES ACROSS GEOGRAPHIES AND PRODUCTS. THE GROUP FOLLOWED A SEGMENTAL APPROACH AND USED ITS SECTOR-SPECIFIC EXPERTISE TO IDENTIFY CLIENTS AND CATER TO ITS FINANCING NEEDS. THE FOCUS WAS ON CONSUMER CENTRICITY, HIGH CAPITAL TURNOVER AND ESTABLISHED BUSINESSES THAT HAVE TAKEN A BALANCED APPROACH TO GROWTH.

crore) and public sector undertakings. FIGU, a segment within C&IB, deals with financial institutions. Corporate Finance, a sub-segment within C&IB, deals with advisory for capital raising and M&A.

During the year under review, C&IB expanded businesses across geographies and products. The group followed a segmental approach and used its sector-specific expertise to identify clients and cater to its financing needs. The focus was on consumer centricity, high capital turnover and established businesses that have taken a balanced approach to growth.

The group continued to expand its reach to newer geographies like Raipur, Kanpur and Udaipur and deepened relationships in non-metro locations like Pune, Nagpur and Baroda.

During FY16 FIGU unit also extended its coverage and built relationships with most multinational and domestic banks. This has enabled enhancement of counterparty/ reciprocal limits, providing impetus for trade, foreign exchange and other balance sheet businesses of the Bank.

Major highlights for the year were as follows:

1) While the focus continued to remain on working capital and trading cash flow centric businesses, the C&IB unit offered comprehensive and customised solutions to raise large value local and foreign currency funding through the Debt Capital Markets (DCM) franchise. The enhanced Cash Management offerings built on sophisticated technology, has helped the group capture cash flows and strengthen its working capital offerings.

2) The focus of the C&IB busines is also now on the integration of Application Programme Interface (API) to provide tailor-made, user friendly solutions to corporates for better fund flow management. The unit has also begun working closely with clients that have a large customer base so as to integrate them through various technology platforms for mutual benefit. This allows for smoother client interface, better fund flow and the ability to capitalise on a larger customer base for cross selling purposes.

3.2 Commercial Banking (CB)

The Bank's CB group finances the business needs of SMEs (i.e., companies and firms with annual revenue from ₹ 35 crore to ₹ 250 crore) and mid-sized companies (i.e. enterprises and companies with annual revenue from ₹ 250 crore to ₹ 1,500 crore). The special focus of CB is to serve the Banking needs of emerging and fast growing enterprises, newer businesses and industry segments of the Indian economy, such as logistics, e-commerce, consumer services and organised retail. The predominant aim of the CB group is to be a 'Bank of Choice' for transaction banking needs of the clients viz. cash, trade and forex.

Major highlights for the year were as follows:

1) In FY 15-16, the Bank saw a significant increase in cash revenue and the business successfully on-boarded several new clients. The Bank also offered Cash Management Solutions (CMS) to several of its clients that has positively contributed to business as well as met the aspirations of a growing corporate sector.

2) The United States Agency for International Development (USAID) issued a loan guarantee to the Bank in the CB business for providing loan to a fast growing company in the health sector. This is the first Development Credit Authority loan guarantee provided in the Indian health sector by USAID. CB group will continue to explore growth opportunities in other sectors through USAID partnership.

THE UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID) ISSUED A LOAN GUARANTEE TO THE BANK IN THE CB BUSINESS FOR PROVIDING LOAN TO A FAST GROWING COMPANY IN THE HEALTH SECTOR. THIS IS THE FIRST DEVELOPMENT CREDIT AUTHORITY LOAN GUARANTEE PROVIDED IN THE INDIAN HEALTH SECTOR BY USAID. CB GROUP WILL CONTINUE TO EXPLORE GROWTH OPPORTUNITIES IN OTHER SECTORS THROUGH USAID PARTNERSHIP.

THE BANK WAS SELECTED BY NPCI IN THE FIRST SET OF BANKS WHICH WILL GO LIVE ON UNIFIED PAYMENT INTERFACE (UPI) DURING 2016.

CB will continue to focus on expanding its portfolio into newer geographies while having a more granular presence in the existing geographies and segments. The CB arm will also serve the Banking needs of newer segments such as the digital payment providers, e-commerce companies, consumer services and organised retail.

3.3 Transaction Banking Operations

3.3.1 Cash Management, Digital and Channel Operations

Transaction Banking Operations is driven on a dual banking architecture that integrates and delivers superior product solutions and services to the customers in various areas encompassing corporate salary processing, mobile wallets, customized prepaid cards, bulk DD/cheque printing, electronic payments, corporate tax payments, customized cash management solutions, dedicated cash pooling and merging facilities and unmatchable Doorstep Banking services. These services are offered to multiple segments of the business ranging from small and medium enterprises to large corporates and are delivered through both traditional and digital channels, enabling customers to transact using multiple payment modes.

The Bank's state of the art payments system complements its expanding branch network and technologically advanced customer-facing web based applications. The Bank has within a short span, equipped itself with almost all the products currently offered in the industry ranging from bulk payment processing, electronic funds transfer, IMPS, national automated clearing, corporate salary payment, bulk Interest and dividend payments, escrow services, counter services, virtual accounts and Doorstep Banking facility for cash, cheque and documents.

In the Payments & Settlements space, the Bank is fully entrenched to carry out cheque clearing in all the active CTS locations and continues to break new grounds and extend similar architecture to the rural segments as well. The 3 grids – North, West & South have a robust structure to manage the daily processing volumes with stable applications and strong Business Continuity Plan (BCP) ensuring continuous alignment with the regulatory requirements. During the Chennai floods in 2015, where the southern grid was isolated from network resulting in non-receipt of inward/outward clearing files for many banks, BCP was invoked and cheques were processed through West grid due to system capability built-in to switch grids in close co-ordination with NPCI.

Major highlights for the year were as follows:

1) During the year, the Bank was approved by SEBI as a Self Certified Syndicate Bank (SCSB), allowing customers to access capital market products using their RBL accounts.

2) Initiation of Applications Supported by Blocked Amount (ASBA) services in the current year saw our customers use their RBL accounts to participate in IPO's of companies. The Bank also started executing on Dividend Distribution mandates for its clients.

4) In the Digital Banking space the Bank has started providing banking services to several Financial Technology Companies. The Bank has tied up with several innovative companies to enhance and ease customer experience. The Bank is now one of the leading providers of prepaid cards and mobile wallets, supporting entities in merchant acquiring, food vouchers, T&E tracking etc.

5) The Bank was selected by NPCI in the first set of banks which will go live on Unified Payment Interface (UPI) during 2016.

6) The Bank also continued to actively engage in developing solutions to effectively utilise new systems like AEPS (Aadhar Enabled Payment System) for the benefit of its customers.

7) During the year, the Bank was adjudged runner-up in the "Infosys Finacle Client Innovation Awards 2015" for Process Innovation, where signature integration from Core Banking System (Finacle) with the Cheque Truncation Application was implemented.

8) The 'Doorstep Banking' offering has helped the Bank instill more customer confidence on its service levels. The product offers various facilities like cash/cheque pickup, delivery facility, providing enormous logistical convenience enabling businesses focus more on their core areas.

9) The Bank's Currency Chest in Kolhapur facilitates cash to the branches it caters to.

10) Cash pooling and merging facility across various key locations have helped the Bank to manage cash movements efficiently.

11) Bulk RTGS/NEFT facility offered, especially to suit the growing requirements of our corporate clients, to efficiently provide cash and clearing solutions with minimal client intervention. Fund transfers and payment and settlement transactions have recorded a steady growth of more than 100% during the year.

12) The Bank's client NEFT/RTGS volumes have increased by 80% on a year on year basis. Similarly, the clearing volumes have increased by 41% while the physical cash handling capabilities have been spread across branches.

3.3.2 Alternate Channels

The Alternate Channels business is one of the youngest and most innovative units in the Bank, enabling it to expand its footprint across the country by virtue of their business model and partnerships. The business generates millions of payment transactions and billions of rupees in throughput while taking the Bank Brand to every nook and corner of India.

The Alternate Channels business had a very successful year with growth across all business parameters. According to a recent NPCI ranking, the Bank is already ranked amongst the top 10 banks across categories in terms of volume of transactions on the IMPS platform. This business has crossed half million transactions per month in March 2016 and is continuously growing in volumes. The growth has been spurred by the introduction of digital KYC-based Domestic Money Transfer services with strong built-in monitors and controls that facilitates seamless money transfers. The Bank has also expanded its outreach under this channel by tapping Credit Co-operative Societies and Gold Loan NBFCs as Business Correspondents to extend the Bank's services by sponsoring Pre-Paid Instrument (PPI) license usage. This has led to an expansion of our coverage under the Business Correspondent model across all states.

The Bank intends to build further on their strategy to drive business volumes by introducing TSP model and extending APIs to partners. In order to support the same, the Bank is working on introducing new products linked to the Aadhaar platform as well as by making available more products at our Customer Service Points (CSPs). The current year's aim is to develop the CSPs as a 'Banking Point' where basic banking services will be available on an integrated platform.

3.3.3 Trade Finance

The Trade finance portfolio of the Bank has shown a healthy growth with the size of the trade book growing over 30% on a year-on-year basis. This has been driven by an increase in the number of clients which have empanelled the Bank as an Issuing Bank. In order to support this growth, the Bank has enhanced trade limits and tie-ups with Correspondent Banks for improving cost of financing for its customers.

The Trade finance business will continue to drive increased usage of trade products to better penetrate the share of working capital wallet of its customers.

3.4 Branch and Business Banking (BBB)

BBB offers a full range of products and services, ranging from transaction accounts, innovative digital solutions and investment & transactional services. The group delivers comprehensive business solutions to the business community, such as current accounts, trade services, cash management services and credit facilities to the business community. The group focuses on retail and HNW clients and aims to offer a full suite of products to suit the life cycle needs of its client. The group also aims to be the 'Bank of Choice' for Non Resident customers, Insignia customers and Trust and Associations by providing innovative, technology-based solutions.

The Bank's Branch and Business Banking (BBB) strategy channels its initiatives towards the changing consumer and economic realities. During the year, the Bank expanded its Branch & ATM network into key economic centres and states with high per capita income and also targeted business corridors for providing adequate solutions. In FY 15-16, the group had a special focus on the Corporate Salary Accounts (CSA) segment with an intent to gain a larger share of the retail customer base.

3.4.1 Individual Accounts in BBB Segment

The Bank offers a broad range of products & services through its individual accounts segment to meet the needs of individuals and small businesses across urban and rural India. These services include deposits, credit cards, a range of consumer banking loans (including loans and overdrafts against property, loans against gold, loans against deposits, as well as home, personal, car, auto, educational and business loans, payment solutions, foreign exchange services, depository services and wealth management services. The Bank also cross-sells and upsells products offered by third parties, including distribution of life insurance and general insurance products and mutual funds to its customers.

The Bank offers these services and products to its retail customers through its traditional branch outlets as well as its multi-channel electronic banking system, which as of March 31, 2016, included 363 interconnected ATMs, internet banking, mobile banking and phone banking (available 24 hours a day/7 days a week) and account services via mobile phone.

It has also set up a dedicated call centre for its customers. The Bank strives to achieve cost efficiencies through optimisation of its retail distribution model, enhanced technology and leveraging on its existing infrastructure.

The Bank's individual account offering enables it to

(i) Establish new customer relationships and develop existing ones.

(ii) Cross-sell and up-sell products and services as per the needs of the customer and his family.

(iii) Build a granular portfolio which is stable and growing.

(iv) Build a loyal customer base by offering products across segments of retail loans.

(v) Provide Investment solutions distribution across multiple asset classes so as to help diversify investments for its customers.

It intends to further develop its individual business through acquisition of new clients, diversification of product mix and leveraging on its infrastructure. Following RBI's deregulation of interest rates on savings deposits, the Bank has begun offering attractive interest rates on its savings product, which has helped attract more customers.

3.4.2 Business Accounts in BBB Segment

The Bank focuses on the SME & MSME clients with high volume transaction banking requirements. It offers products and solutions to facilitate domestic and cross border capital flow transactions, foreign exchange services, cash management (payments and collections), working capital, term loans and trade finance products. As part of its select industry segment focus, it has created and packaged vertical offerings, customised to suit specific industry sectors and clients, such as IT, ITES, shipping, leather, hospitals, educational institutions, telecom equipment, auto ancillaries, travel and tourism companies, embassies, trusts and clubs. These set of clients require centralised transaction management expertise such as local relationship management at the branch level as well as availability of the Bank's internet and mobile banking channels.

The Bank also strives to achieve lower credit costs through product and segment diversification, robust operational risk framework, use of data provided by the credit bureaus, decentralised credit model for MSMEs and technologically backed rule engine based underwriting for products like cards and salaried personal loans.

The Bank services its business accounts customers through its branches across certain important cities, and plans to continue to expand its service coverage and branch network in this segment.

3.5 Branch Operations

The Bank's Branch Operations team manages operational activity in branches such as data processing, servicing of transactions, reconciliation activities among others. The team operates closely with various control units and ensures that the branch meets customer expectations while following a strict adherence to risk, compliance and regulatory requirements. The branch operations team is closely monitored and supported by an experienced team of Area Operation Managers whose main objectives are better risk management, adherence to processes and controls and improved customer experience.

Improving the quality of customer service remains at the core to the Bank's mission statements. To live up to this promise, the staff is educated, sensitized and trained to maintain consistency in all the interactions with the customers.

3.6 Credit Card Operations

During FY 15-16, the Bank introduced the 'Fun+' Credit Card variant to cater to the specific needs of its new generation customers. To drive usage of this card the Bank has tied up with various outlets such as BookMyShow, KFC, Pizza Hut and is also offering its customers a wide range of customer friendly upgraded reward programs.

For enhanced customer experience and improved efficiencies in Credit Card Operations, the Bank has outsourced its pre-acquisition activity. This model has resulted in optimizing cost and efficiency. The unit also initiated cost optimization through vendor re-negotiations and empanelment of new vendors.

To prevent fraud, in line with the central bank guidelines, all the magnetic based credit cards were replaced with chip based Credit Cards. This was a significant step to ensure security in the Credit Card segment.

In FY 16-17 the Credit Card unit is focussed on adding specialised product offerings focusing on the ever changing customer needs. The Bank is also in the process of launching a new model of Lead management and Onboarding system as well as Customer Relationship Management for Credit Cards.

3.7 Agri Business Banking

The Bank through its Agri Business (AB) segment caters to the customers involved in agriculture and allied activities. The AB business captures the banking needs across the entire agri-value chain and builds a loyal customer base by offering a complete bouquet of products and services.

Products & Services offered in the Agri Business segment are Retail Agribusiness (Pre-harvest), Commodity Finance and Warehouse receipt finance (Post-harvest), Partnerships & Tie-ups with corporate (Backward & Forward Farm Linkages), Corporate Agribusiness (Agri Value and Supply Chain Finance), Rural Vehicle Finance (Farm mechanization, Harvest & Transport)

Given the opportunities and potential of this segment, Agribusiness has been one of the key growth engines and important businesses for the Bank.

Major highlights for the year were as follows:

1. Provided focused attention to the banking requirements of the agricultural sector in its area of operation with focus on direct farmer funding.
2. Focussed on key corporate and institutional relationships in agriculture, by identifying emerging opportunities and undertaking special initiatives.
3. Launched innovative products, market specific schemes and value proposition for the Agribusiness segment.
4. Increased outreach through expansion of institutional framework and scale by way of direct farmer lending and development of agri value chain.
5. Extension of credit to small and marginal farmers through its branch and partnerships.
6. Water conservation through credit for micro irrigation system.
7. Promoted livestock and high quality animal husbandry maintenance.
8. Organised schemes on solar pump-sets and provided solar energy to rural households in partnership with key providers.
9. Helped farmers grow vegetables and flowers under modern and controlled conditions.

3.8 Development Banking & Financial Inclusion (DB&FI)

The Bank has been able to reach into the unbanked areas of India through its DB&FI segment. This segment provides financial services to developing and rural parts of India, which have generally not had access to financial products and services. These include credit facilities to individuals, groups and small businesses, programmed savings, and life, health and general insurance products and money transfer (remittance) services. To achieve financial inclusion and a progressive social change, the Bank also provides finance to women borrowers. It also lends to financial intermediaries such as MFIs, affordable housing finance companies and NBFCs engaged in lending to MSMEs.

During the year, DB&FI unit brought the Bank branch to the doorstep of customers through the launch of Micro ATMs for AEPS, enabling customers to withdraw subsidy amount and other savings.

Continuing its innovation in the retail lending against property collateral, the Bank also launched new variants to enhance the customer proposition.

Major highlights for the year were as follows:

- The financial inclusion business expanded to newer states like Chhattisgarh, Orissa, UP and Bihar.

THE BANK HAS BEEN ABLE TO REACH INTO THE UNBANKED AREAS OF INDIA THROUGH ITS DB&FI SEGMENT. THIS SEGMENT PROVIDES FINANCIAL SERVICES TO DEVELOPING AND RURAL PARTS OF INDIA, WHICH HAVE GENERALLY NOT HAD ACCESS TO FINANCIAL PRODUCTS AND SERVICES. THESE INCLUDE CREDIT FACILITIES TO INDIVIDUALS, GROUPS AND SMALL BUSINESSES, PROGRAMMED SAVINGS, AND LIFE, HEALTH AND GENERAL INSURANCE PRODUCTS AND MONEY TRANSFER (REMITTANCE) SERVICES. TO ACHIEVE FINANCIAL INCLUSION AND A PROGRESSIVE SOCIAL CHANGE, THE BANK ALSO PROVIDES FINANCE TO WOMEN BORROWERS.

- The Bank's Micro ATM won the 'Finnoviti' award for Innovation 2015-16
- The Bank's DB&FI business was awarded by NABARD at the Karnataka State Level Awards for Best Performance under SHG - Bank Linkage and JLG Program 2015-16
- The Bank also received the IDBRT Award for Excellence in Banking Technology, 2015

3.9 Retail Lending

FY 15-16 was a growth phase for the Retail Lending business. From ramping up volumes to opening up new locations and adding human capital, the business grew in core strength of book building with a cautious approach towards identifying the right credit. Improving productivity of existing teams, opening up digital channels of sourcing, deepening relationship with channel partners were few key drivers for the business.

The focus was to:

- Maximize risk adjusted return and profitability by charging the customer as per the risk involved
- Enhance product suite to counter growing competition and attrition
- Enable higher productivity of the sales staff
- Build new channels like business correspondents for enhanced distribution
- Use technology to improve turnaround times and deliver better customer experiences

Partnering with new alliances will bring in new customer segments that will add to the diversity and granularity of the portfolio. This includes partnering companies with large network of service points – these points could further be used to lend to their customers. This model will use data footprints of customers and service points to arrive at a viable credit assessment model.

3.10 Treasury and Financial Markets Operations

The Treasury segment manages cash and statutory reserves, asset-liability gaps, interest rate and exchange rate-risks, liquidity positions, investment and trading activities, money markets, foreign exchange activities and derivative transactions. During FY 15-16, the Treasury unit continued to perform well.

3.10.1 Foreign Exchange, Derivatives and Bullion

Treasury successfully continued its focus on expanding the foreign exchange flows from client businesses. Inspite of weakness in commodity prices globally leading to slowing of export flows at an economy level, the Bank continued to show healthy growth in this business. The Bank added new customers and achieved significant growth in the number of transactions and volumes in the foreign exchange merchant business. Treasury continued its endeavours in technology-led initiatives for transparency and convenience in forex transactions for the Bank's customers. Trading operations in foreign exchange markets also contributed to revenues. The Bank also provides structured risk management solutions and advisory services to its corporate client using various derivative products, ensuring growth in this business. The Bank had also obtained an authorisation to import gold and silver in FY15, and has commenced the business in this financial year. The Bank has a well laid-out set of Operational Policy guidelines, Risk Management Policies, including Client Suitability Policy and appropriate systems support to monitor transactions and risk on real-time basis.

3.10.2 Domestic Markets

The Treasury division continued to perform exceedingly well during the year. The focus of the division is day-to-day management of funds for the Bank; Asset Liability Management; augmentation of counter-party lines; complying with the Cash and Statutory Reserves requirements; deployment of the Bank's liquidity in high quality earning securities, maximizing the Bank's revenue by taking proprietary positions (in rates and forex trading); and managing the Bank's interface with the professional interbank market while advising clients on debt capital markets, forex and derivatives solutions.

TREASURY SUCCESSFULLY CONTINUED ITS FOCUS ON EXPANDING THE FOREIGN EXCHANGE FLOWS FROM CLIENT BUSINESSES. INSPITE OF WEAKNESS IN COMMODITY PRICES GLOBALLY LEADING TO SLOWING OF EXPORT FLOWS AT AN ECONOMY LEVEL, THE BANK CONTINUED TO SHOW HEALTHY GROWTH IN THIS BUSINESS. THE BANK ADDED NEW CUSTOMERS AND ACHIEVED SIGNIFICANT GROWTH IN THE NUMBER OF TRANSACTIONS AND VOLUMES IN THE FOREIGN EXCHANGE MERCHANT BUSINESS.

3.10.3 Securities Trading

The Bank has a proprietary desk dealing in interest rates trading through Government Bonds, Corporate Bonds and Interest Rate Swaps. FY 15-16 saw the Reserve Bank of India lowering the benchmark Repo rates by 75 bps. However, yields on the government bonds witnessed sharp volatility amidst expectations of a) further rate hikes by US FED b) nearing of the end of monetary easing cycle and c) fiscal deficit over-run concerns. The trading desk took maximum advantage of the volatility in fixed income markets, putting proprietary positions at appropriate levels which led to healthy trading profits for the Bank. The Bank also started trading in Interest Rate Futures market this year and is using the product for trading and hedging its existing portfolio. The investment portfolio was also ramped up with focus on quality and liquidity.

3.10.4 Liquidity Management

The Bank continues to maintain sufficient liquidity and contingency buffer in the wake of volatile markets and tight liquidity conditions domestically. Given the additional regulatory requirements in the form of Liquidity Coverage Ratio (LCR) and the growing size, the Bank has further strengthened and diversified its liquidity profile through a mix of foreign currency borrowings and rupee borrowing in the form of refinance from various financial institutions. Refinance forms an important part of the Bank's borrowing profile, offering the twin advantage of lower costs and stable long-term financing. The liquidity and resource mobilisation strategy continued to yield significant cost reduction in the Bank's sources of funds with an optimal mix of Term Deposits, Market Borrowings and Refinance. The Bank has also initiated the use of derivatives to hedge the interest rate risk associated with Assets and Liabilities. The Bank has a Certificate of Deposit program which is rated A1+ (highest rating in short term) from ICRA Ltd.

4 FINANCIAL OVERVIEW

As one of India's fastest growing scheduled commercial banks in the private sector, the Bank continued to gain momentum and recorded a strong performance in FY16. The Bank focused on enhancing the business across its branch and coverage network, while widening its product and service offerings. During the year, the Bank continued to improve and refine its operating and risk management frameworks with a view to build a solid, scalable institutionalised banking franchise with a long-term focus on mass banking, including financial inclusion. The Bank recorded commendable financial numbers during the year under review as tabulated in the Directors' Report.

4.1 Deposits and Borrowings

The Bank has continued to display healthy and robust growth in deposits, a key balance sheet parameter, for the year ended March 31, 2016. The total deposits of the Bank increased by 42.40% to ₹ 24,348.65 crore against ₹ 17,099.25 crore in the previous year. Led by differentiated interest rate strategy, savings account deposits increased by 83.61% to ₹ 1,758.21 crore against ₹ 957.57 crore last year, while Current Account deposits increased by 26.36% to ₹ 2,779.64 crore against ₹ 2,199.81 crore last year. The proportion of current and savings deposits to total deposits was at 18.64% as on March 31, 2016, although the interest rate environment was not conducive for growth of current and savings account deposits. The Bank's endeavour to grow its term deposits has enabled it to display a growth of 42.10% to ₹ 19,810.80 crore against ₹ 13,941.87 crore as at March 31, 2015.

4.2 Advances

Net advances surged by 46.92%, from ₹ 14,449.83 crore in FY15 to ₹ 21,229.08 crore in FY16. The rise was driven by an all-round increase in the Bank's advances across business verticals. The Bank added new client relationships and introduced new products and services.

4.3 Revenue and Profit Growth

The Bank's Net Total Income (defined as the sum of interest income and other income less interest expense) surged by 36.46% from ₹ 959.77 crore in FY15 to ₹ 1,309.75 crore in FY16. The increase was driven by growth in net interest income as well as other income. In FY16, the Bank earned a net profit of ₹ 292.48 crore as against ₹ 207.17 crore in FY15, an increase of 41.18%.

Operating expenses increased from ₹ 599.65 crore in FY15 to ₹ 767.34 crore in FY16, mainly due to increase in employee costs, outsourcing costs, new branch set up, depreciation, branding, technology and communication expenses.

5 KEY RATIO ANALYSIS

5.1 Profitability ratios

Return on assets: The return on assets has decreased from 1.05% in FY15 to 1.01% in FY16.

5.2 Asset Quality Ratios

Gross NPA ratio: During the FY16, gross NPA increased to 0.98% from 0.77% in FY15. The ratio of gross NPA and standard restructured assets to gross advances has decreased from 1.32% to 1.06%.

Net NPA ratio: The Bank's Net NPA increased to 0.59% in FY16 as compared to 0.27% in FY15. The Bank experienced increase in NPAs mainly due to slowdown in the global trade and manufacturing, reduction in commodity prices, elongated working capital and payment cycles and uneven growth in the domestic economy. The Bank has aggressively written off/provided for the NPAs to maintain a healthy net NPA position. In backdrop of credit quality concerns across financial sector, the Bank's credit quality continues to be strong.

5.3 Earnings Per Share Ratios

Earnings Per Share (EPS) (basic): The Bank's earning capacity increased with its EPS touching ₹ 9.60 in FY16 from ₹ 7.23 per share in FY15, mainly due to increase in net profit for the year.

Book value per share: Book value per share has increased to ₹ 91.17 in FY16 from ₹ 75.77 in FY15. This ratio reflects increased shareholder's value in return for their investment.

BOOK VALUE PER SHARE: BOOK VALUE PER SHARE HAS INCREASED TO ₹ 91.17 IN FY16 FROM ₹ 75.77 IN FY15. THIS RATIO REFLECTS INCREASED SHAREHOLDERS VALUE IN RETURN FOR THEIR INVESTMENT.

6 RISK REPORT

The Bank is exposed to risks that are specific to its lending and trading businesses and the environment in which it operates. The goal of risk management is to ensure that the Bank understands, measures and monitors various risks and adheres strictly to the policies and procedures established to address these risks. The Bank's risk management framework covers key areas, such as capital adequacy ratio risk, credit risk, market risk, operational risk, liquidity risk and other risks.

6.1 Risk Management Committees

The Risk Management Committee of the Board (RMCB) monitors the risk management function of the Bank. The RMCB develops risk management policies, investment policies and strategy, processes, systems and monitors the risks pertaining to portfolio, liquidity, interest rate, off-balance sheet operational and regulatory and compliance issues in relation to the same. It is supported by the Product Approval Committee (PAC), the Operational Risk Management Committee (ORMC), the Management Credit Committee (MCC) and the Asset Liability Management Committee (ALCO):

- PAC is a cross-functional committee of senior executives to review and approve new product launches. The objective of this committee is to consider all risks in a holistic manner;
- ORMC is a cross-functional committee of senior management that handles operational risk activities and exposures across the Bank;
- MCC is responsible for credit approvals, credit risk, concentration risk, and implementation of credit policy and framework. MCC is assisted by the Executive Credit Committee (ECC), which plays an important role in setting portfolio quality standards. The ECC reviews portfolio underwriting standards, approves policy deviations and monitors various other portfolio quality metrics. The ECC has no financial powers. The Board Credit Committee (BCC), a board level subcommittee, is responsible for credit approvals beyond levels delegated to the MCC; and
- ALCO is responsible for managing market risk (including rates risk, forex risk, credit risk and equity risk), liquidity risk, interest rate risk in the Banking book, currency risk, funding policy and the pricing of deposits and advances.

6.2 Risk Management Policies

The Risk Management Policy of the Bank is based on best practices and it provides a summary of its principles regarding risk-taking and risk management. To provide guidance to various departments with respect to risk management, the Bank has also approved an Asset Liability Management (ALM) Policy, a Commercial Credit Policy, a Retail Assets Credit Policy, an Investment Policy, Liquidity and Contingency Plan, Derivatives Policy, Customer Suitability and Appropriateness Policy, Recovery Policy, Stress Testing Policy, KYC and AML Policy, Operational Risk Management Policy, Risk Based Internal Audit Policy, Sustainability Policy, Policy on Transfer of Assets through Securitisation and Direct Assignment of Cash Flow and others. These policies prescribe various methods for risk identification, measurement, grading, monitoring, reporting, risk control, mitigation techniques and management of problem loans and credit. The policies are reviewed annually by the Board and are submitted to the RBI periodically.

6.3 Risk Management System

The identification, measurement, mitigation and monitoring of potential risks in all the activities and products is done through a detailed analysis. It is then vetted by the operational level risk committees. Portfolio-level risk is assessed with the help of various portfolio analysis reports on credit, market, liquidity and interest rate risk and also risk profiling on the basis of parameters prescribed by the RBI. The same are reviewed by the Board / RMCB / Risk Committees / Senior Management on an ongoing basis.

6.4 Risk and Mitigation

6.4.1 Capital Adequacy Risk

A measure of the Bank's capital, the Capital Adequacy Ratio (CAR) shows a percentage of the Bank's weightage to credit exposure. The Bank maintains a strong capital position with the capital ratios well above the thresholds defined by the regulatory authorities. Through continuous and timely capital infusion, the Bank has strengthened its Tier 1 capital structure.

6.4.2 Credit Risk

Credit risk is defined as the inability or unwillingness of the customer or counterparties to meet commitments in relation to lending, trading, hedging, settlement and other financial transactions. Credit risk can also be defined as the possibility of losses associated with diminution in the credit quality of borrowers or counterparties. The Bank has in place various policies viz. its Lending Policy, Recovery Policy, Policy on Credit Mitigation Techniques and Collateral Management, which facilitates management of credit risks in the Bank. It assesses the credit risk at customer, product, enterprise, geography and inter-bank levels. With these separate assessments of each area, sanctions or disbursements are made within the pre-approved parameters of small or large value. Based on the pre-evaluation methods and sanction from respective authorities, credit approvals and follow-ups are reported in time to respective authorities. The stringent credit framework helps the Bank maintain lower NPA ratios. The Bank also engages in NPA purchases. The Bank's Special Assets Group and related policy seek to ensure that they maximise the overall profitability while reducing risks associated with such purchases. The Bank has separate credit origination and appraisal processes for wholesale and retail segments. For its wholesale segment, the Bank adopts underwriting standards for different client segments based on internal risk ratings, availability of security and other risk parameters. The retail segment relies largely on standardised product programmes for credit risk assessment and approvals.

6.4.3 Market Risk

Market risk is the risk of adverse deviations of the mark-to-market value of the trading portfolio due to market movements (interest rates, foreign exchange rates, equity prices and commodity prices). The Bank manages market risk in accordance with the board-approved Investment Policy, Market Risk Management Policy, ALM Policy, Foreign Exchange Policy, and Derivatives Policy. These policies establish a well-defined organisational structure for market risk management functions and processes whereby the market risks carried by the Bank are identified, measured, monitored and controlled within the confines

of its risk appetite. The market risk due to the market volatility variables is managed by active monitoring of the board-approved limits. The Bank monitors and utilises several internal reports and research papers to identify major external risks, and ensure that the risk is identified, assessed, mitigated and reported on a timely basis.

6.4.4 Liquidity Risk

Liquidity risk arises out of maturity mismatch between its assets and liabilities. The Bank has developed a comprehensive ALM policy that incorporates RBI guidelines. The policy, inter alia, provides for adoption of certain key liquidity ratios used by the RBI, while undertaking liquidity appraisal for the purpose of supervisory ratings of banks. The Bank manages liquidity risk through traditional gap analysis based on the residual maturity / behavioural pattern of assets and liabilities as prescribed by the RBI. The Bank also monitors mismatches using a duration gap analysis. It monitors prudential (tolerance) limits set for different residual maturity time buckets, large deposits and loans, various liquidity ratios for efficient ALM. The Bank has also put in place a mechanism of short term dynamic liquidity and contingency plan as a part of liquidity risk management. Contingency Funding Plan (CFP), approved by the Board, sets forth a process of dealing with crisis situations in the event of liquidity crunch or a run on the Bank.

6.4.5 Compliance Risk

The risks of legal or regulatory sanctions, which oversee the operational functionality of the Bank, fall under the compliance risk. Compliance is at the core of the Bank's culture and is a key component of risk management discipline. The various regulatory authorities provide a detailed blueprint that defines the Bank's roles and responsibilities. The independent compliance function takes care of the regulatory requirement, enabling smooth operations. The Bank has also adopted a code for prevention of insider trading, which is applicable to its board members and certain employees, as well as their dependent family members. Under supervision of the managing director and CEO, the Company Secretary is tasked with setting forth policies and procedures under and monitoring compliance with the rules related to the disclosure of price sensitive information.

6.4.6 Sustainability/Environment & Social Risk Management

RBL Bank has made a strategic commitment towards Sustainable Development, with the Board defining the broad objectives and framework. The framework is implemented and overseen by the Environmental and Social Risk Governance (ESG) Committee. The ESG Committee provides periodic updates to the Board with respect to activities conducted under this framework.

RBL is one of the few Banks in India to have successfully integrated this framework into its Business Practices including Risk Management Practices. The objectives of the framework are as follows:

- Setting strategic E&S objectives, such as offering new products that address E&S Sustainability
- Incorporating E&S Risk considerations into all financing activities and building client awareness on this subject
- Excluding financing clients whose business activities do not meet the Bank's principles. The Bank has adopted the IFC Exclusion List.
- Communicating E&S expectations to all staff, clients and other external stakeholders
- Committing to improving the overall E&S performance of its portfolio through enhanced risk management;
- Committing to continually building capacity of Bank's staff to identify E&S risks.
- Development and delivery of financial products and services that enable more sustainable agricultural practices and results in resource conservation/ enhancement of resource efficiency
- Running financial inclusion programme for marginalized, economically weaker and business-wise less attractive sections in various States

Managing Environmental & Social (E&S) Risk forms an integral part of this framework. This involves performing E&S due diligence as part of the credit appraisal and sanction process.

All transactions are screened against the "Exclusion List". An illustrative list of activities which the Bank does not fund include – Production or trade in weapons and munitions; Production or trade in alcoholic beverages excluding beer and wine; Production or trade in tobacco; Activities of Gambling, casinos and equivalent enterprises; etc.

The transactions are then screened for E&S Risks. This begins by Risk categorization based on inherent risks associated with the business activities of a client. It may be noted that several factors influence the categorization - including scale, location, sensitivity and magnitude of impacts.

Additionally, the Bank engages with the client to perform a detailed E&S due-diligence, to identify assess and mitigate potential E&S Risks, including impact to Climate Change. This is performed by way of discussions with the client and/ or visits to clients' operating sites. In case material unmitigated risks are identified, the Bank requires the client to mitigate the same in a time bound matter through a Corrective Action Plan (CAP), which are discussed and agreed with the client. These are also incorporated into the legal documentation with the client. The CAPs are tracked and monitored by the Bank.

The Bank has a dedicated E&S expert group, within the Risk team, which provides the necessary tools and templates to assist the transaction teams in performing E&S due-diligence. The group also reviews the E&S due-diligence reports prepared by transaction teams for quality standards. The group provides updates on E&S Risks to Senior Management and Board at periodic intervals.

In a nutshell, the Bank discharges its commitment towards Sustainability and E&S Risk in a manner expected of a Socially Responsible Corporate Citizen.

7 NEW CAPITAL ADEQUACY FRAMEWORK (BASEL III)

The Bank is subjected to the capital adequacy guidelines stipulated by the RBI. In line with the RBI guidelines under Basel III, the Bank has adopted a Standardised Approach for Credit Risk, Standardised Duration Approach for Market Risk and Basic Indicator Approach for Operational Risk while computing its CAR.

As per capital adequacy guidelines under Basel III, by March 31, 2019 the Bank is required to maintain a minimum CAR of 9% {11.5% including Capital Conservation Buffer (CCB)}, with minimum Common Equity Tier I (CET I) CAR of 5.5% {8% including CCB}. These guidelines on Basel III are to be implemented in a phased manner. The minimum CAR required to be maintained by the Bank for the year ended March 31, 2016 is 9% {9.625% including CCB} with minimum CET I of 5.5% {6.125% including CCB}. As on March 31, 2016, total CAR of the Bank stood at 12.94%, well above regulatory minimum requirement of 9.625% (including CCB). Tier I ratio of the Bank stood at 11.10% and CET I ratio at 11.10%. During the year,

The Bank has a comprehensive Internal Capital Adequacy Assessment Process (ICAAP), approved by the Board. Under ICAAP, the Bank determines its risk appetite and the adequacy of capital to meet regulatory norms, current and future business needs, including stress scenarios. ICAAP evaluates and documents all risks and substantiates appropriate capital allocation for risks identified under Pillar 1 (i.e., credit, market and operational risk) as well as for risks identified under Pillar 2.

ICAAP enables the Bank to ensure the adequacy of capital for future business growth and various other risks that the Bank is exposed to, so that the minimum capital required is maintained on a continuous basis. The Bank takes into account both quantifiable and non-quantifiable risks while assessing capital requirements. Under ICAAP, the Bank considers the following risks as material and has considered these, among others, while assessing the capital requirements:

- Credit risk
- Market risk

IN FY 15-16 THE BANK LAUNCHED AN ADVANCED VERSION OF THE BANK'S MOBILE APP (MOBANK 2.0) WITH AN ATTRACTIVE LOOK AND FEEL. THIS APP ALSO OFFERS NEW FACILITIES LIKE INSTANT CUSTOMER NOTIFICATION, LINKING OF CREDIT CARD, MOBANK FOR NR CUSTOMERS ETC.

- Operational risk
- Legal risk
- Compliance risk
- Interest rate risk in banking book

8 TECHNOLOGY

The Bank's technology department delivers innovative, reliable solutions and services needed to fulfil the Bank's mission - that of being at the forefront of cutting edge digital initiatives - delivering quality solutions in an agile manner on target, on time and in a cost efficient manner.

Major highlights for the year were as follows:

- Link Banking - The Bank launched Link Banking a first of its kind initiative to setup an Open API banking platform that extends banking solutions to partners and customers. This platform gives customers/ partners access to the Bank's in-house systems and applications thereby reducing the barriers in doing business across company boundaries. In the future the Bank also plans to open up API's for the the developer community to create innovative apps for the Bank / non-bank customers that will reduce the integration time from weeks to days through the platform. The solution is an integral part of the Bank's 'India Startup Club' offering.

- Infrastructure Upgrades - During the year, several initiatives were taken to boost the Bank's core infrastructure and physical networks. One of the important achievements was implementation of new backup solutions and archival solutions to speed up the backup process, reduce backup costs and improve disaster recovery.

- Mobile Banking - In FY 15-16 the Bank launched an advanced version of the Bank's mobile app (MoBank 2.0) with an attractive look and feel. This app also offers new facilities like instant customer notification, linking of Credit Card, MoBank for NR customers etc. In the coming year the Bank also plans to launch a few more apps on payments/ cheque payment space.

- Internet Banking - The Bank's internet banking platform has been enhanced with several new functionalities. One of the key initiatives was to introduce Wealth services (Inquiry and Transaction) on Internet banking. The Bank is closely associated with UPI (Unified Payment Interface) application that is integrated with NPCI (National Payment Corporation of India). RBL Bank is the first to complete the certification with NPCI for UPI and was also able to do a successful 'issuer off-us' transaction on the UPI systems. This is expected to be a game changer and is likely to disrupt the payment market in a sizeable way.

- Security Infrastructure - The Bank has made several enhancements in its information security infrastructure to safeguard against application and web threats. The unit has deployed DLP (Data loss Prevention) solution to control any information leakage within the organisation. Apart from this, the unit has also completed ISO27001 surveillance audit during this year.

- Governance - On the governance front, the Bank has set up two high level committees comprising equal representations from Business, Operations and Technology, to guide, monitor and approve both 'Run the Bank' and 'Change the Bank' projects.

During FY 15-16 some of the notable awards and accolades received by the technology unit:

- The Bank won the IDRBT Banking Technology Excellence Award for 'Use of Technology for Financial Inclusion' for the rollout of mAtm project.
- The Bank won the The Asian Banker Technology Innovation Award 2015 for 'Best Corporate Payment Project' for rollout of Link banking platform for corporates.
- The Bank won the Finnoviti Awards 2015 for top financial innovations for its mAtm Project.

THE BANK WON THE THE ASIAN BANKER TECHNOLOGY INNOVATION AWARD 2015 FOR 'BEST CORPORATE PAYMENT PROJECT' FOR ROLLOUT OF LINK BANKING PLATFORM FOR CORPORATES.

AT RBL BANK THE CUSTOMER IS THE 'HEART' OF EVERYTHING IT DOES. THE WILLINGNESS TO GO AN EXTRA MILE FOR ITS CUSTOMERS AND REALISE THEIR ASPIRATIONS TRANSCENDS INTO THE BANK'S PHILOSOPHY OF 'SERVICE BEYOND EXCELLENCE'.

- The Bank won the Finacle Client Innovation Award for process innovation from Infosys – For Straight through processing integration of CTS system with Finacle Core.
- The Bank won the 'Runner Up' trophy among small banks at Indian Banking Association (IBA) Awards 2015

9 CUSTOMER SERVICE

9.1 Service Culture

At RBL bank the customer is the 'Heart' of everything it does. The willingness to go an extra mile for its customers and realise their aspirations transcends into the Bank's philosophy of 'Service Beyond Excellence'. The Customer Service team aligns with cross functional departments to provide best-in-class service delivery for its clients. The unit has created frameworks for knowledge sharing and process documentation to strengthen procedural controls. In the last year, the Bank has placed 'Service Health' of paramount importance by conducting regular audits to deliver a delightful experience to its customer.

9.2 Wholesale Client Services (WCS)

Keeping in line with the Bank's service promise and continued customer commitment, In FY 15-16, the Bank successfully launched a dedicated Wholesale Client Services (WCS) architecture which caters to the service needs of the Corporate and Commercial banking segment, including Trade and Foreign Exchange Lending. In addition, specialised and niche trade services were also offered to its Branch & Business Banking clients. WCS is equipped to handle digital and remote servicing needs through its personalised/proactive communication framework and request and complaint management model for a seamless customer service experience.

9.3 Retail Client Services

To deliver exceptional services and create unprecedented customer value, the Bank has strategised an extensive customer service delivery framework. A dedicated regional taskforce drives this effort by providing best-in-class services to customers. The Bank's services are aligned to the pillars of the 'Performance Trinity' of management and leadership; service culture and values; and vision and strategy. With an endeavour to seek the highest level of customer satisfaction, the regional team thoroughly analyses the service commitment levels at the Branch and provides necessary training to the services workforce.

The Bank's sincere efforts has enabled it to win the prestigious BCSBI survey for commitment to customers and Micro and Small Enterprises on parameters relating to information dissemination, transparency, customer centricity, grievance redressal and customer feedback.

10 HUMAN RESOURCES (HR)

As the Bank embarks on its next milestone of Vision 2020, employees will be the critical and enabling pillar to translate this vision into reality. To fulfill the organization vision, the Bank's goal is, 'To be in the Top 10 Great Places to Work in India amongst all sectors by 2020'. The Bank is focused on building an organization which continuously innovates, nurtures and develops its people and provides them with a great workplace environment which supports and enables each employee to realise his/her full potential.

Major highlights for the year were as follows:

- The Bank launched its flagship Learning Academy 'Learning Adda' with 13 sub-academies – New Employee Orientation, Foundation, Essentials, Excellence, Online Library (Onlibe), E-Learning, MentoringMatters (M2M), I-explore, R-Pulse, Learning Acceleration Program, Probationary Officer, Professional Bankers Academy, Sharpen Your Skills.

- During the year, the Bank trained 3423 employees in the FY 15 - 16 as against 2415 employees in the FY 14 - 15 (Growth of 42%), the total training man days saw a rise from 8694 in FY 14 - 15 to 17114 in FY 15-16 (growth of 97%) and the total number of programs increased from 265 in FY 14 -15 to 1043 in FY 15 -16 displaying a growth of 293%

- The learning strategy of the Bank supports and complements the organisational and business strategy. Many new interventions were launched in FY 15 -16, e.g. Hire Train Deploy, Branch Manager Essentials, Branch Operation Manager Essentials, Cluster Head Essentials, and English Language Lab etc. were co-designed and delivered in sync with the organisational and business needs.

- During the year, the Bank also launched the Learning Management System (LMS). LMS is a comprehensive offering which enables the employees to train themselves on role-based technical and behavioural modules by providing them an opportunity to learn more about their hobbies through varied interest based modules. These steps will help build organisational capability by addressing skills shortages and increasing employee competencies.

- In FY 15 - 16, the Bank focused on identifying and building the future leadership through the graduate trainee, management Intern and trainee programs. The Bank also strengthened the current leadership to take on the challenges of the future through the second batch of Young Leadership Development Program (YLDP) and the first batch of Senior Leadership Development Program (SLDP). In the coming year, the Bank plans to initiate interventions for middle and executive level employees.

- The Bank has put in place a system of increasing its female employee count in order to increase the diversity at work. During the year, the HR unit has also started hiring differently abled candidates for jobs within the Bank.

- The Bank executed the 'Hire Train Deploy' strategy in the Professional Bankers program carried out in Mumbai, Kolhapur Pune, Ahmedabad where freshers from various rural and urban colleges were shortlisted and trained for 15 days and further deployed to various branches for 75 days providing them with functional training and grooming them to become professional bankers in the future.

- With an aim to nurture talent within the Bank and enable employees to explore career opportunities, the Bank launched Intenal Job Posting for several key positions within the Bank.

- The Bank launched several reward and recognition platforms such as PREET Awards (Professionalism Respect Excellence Entrepreneurship Teamwork), Living the values, Online Spot Awards & Instant Gratification. Town halls and Coffee with senior management were also carried out with the new joinees and tenured employees.

- During the year, the Bank launched the 'RBL Professional Bankers Program' under which batches of talented sales and service graduates and post graduates were imparted functional training and groomed for 90 days to enable them the become banking professionals.

- The Bank launched its new Performance Management Framework (PMF) in line with the the Bank's vision 2020 agenda. The new PMF framework goals cover the following parameters 1) One RBL One Bank Approach 2) Customer Centricity 3) Engaging People & Partners 4) Creating Value 5) Operational & Service Excellence 6) Being Responsible 7) People Development.

- The Bank redesigned several of its HR Policies to make it more employee-centric.

The Bank is working in partnership with Manipal University, for rolling out Probationary Officer Programme in the coming months with the aim of attracting young talent that wish to pursue a career in banking. It is a vocational training programme designed to develop a pool of first level managers with banking knowledge and required skill-sets to perform efficiently in their day to day activities in areas of Risk, Credit, Operations and Branch & Business Banking.

11. INTERNAL AUDIT AND CONROLS

The Bank has an Internal Audit Department, which is responsible for independently evaluating adequacy of all internal controls. It is aimed at providing assurance to the Audit Committee on effectiveness of the internal control environment through examination and evaluation of adherence to processes, procedures and regulatory requirements. The Bank's Internal Audit Department recommends quality enhancement measures in operational processes to address process and control gaps based on the audit findings. It also undertakes audits of branches and business units in accordance with the risk-based audit approach, best practices and the audit plan approved by the Audit Committee. The Internal Audit Group has dedicated teams for conducting various audits including operations audit, credit audit and information systems audit. Audit resources are allocated based on an assessment of the various types of skills required for each audit.

Additionally, in line with the RBI's guidelines, the Bank follows a risk-based internal audit approach, by which each branch is risk assessed, on the basis of which the frequency of audit is determined and the branch is audited. The methodology, the risk assessment matrices and the annual audit plan is reviewed and approved by the Audit Committee. Certain activities also get covered under the Continuous Monitoring System and concurrent audit. Further, as part of the internal audit, the Bank also conducts short/surprise inspections. The results of these inspections/audits are also reviewed by the Audit Committee.

Apart from selected branches and credit inspections, concurrent audits are performed at certain branches and support functions such as centralised retail operations and general lending operations supporting wholesale banking, financial markets, trade finance, retail agri assets, credit administration units etc. The scope of concurrent audits includes verification and reporting of any non-adherence to internal controls.

11.1 Money Laundering Prevention Measure

The Bank has adopted a policy to manage compliance with regulatory requirements in relation to 'Know Your Customer' and Anti-Money Laundering (AML) measures. The Bank's Compliance Officer is responsible for ensuring acquiescence with the Prevention of Money Laundering Act, 2002 (the 'PML Act'). To further strengthen the AML controls, the Bank has implemented 'Clear' and 'Star' software replacing the earlier AML software. This new software will analyse, monitor transactions and report any suspicious patterns or customer behaviour to aid compliance with the PML Act and related RBI guidelines.

11.2 Internal Vigilance

Under the RBI's guidelines on 'Internal Vigilance set up in Private Sector and Foreign Banks', released in May 2011, the Bank has appointed a Chief Vigilance Officer to head its Internal Vigilance Department, responsible for collecting intelligence with respect to corrupt practices, investigation, referring matters to the Managing Director and Chief Executive Officer and taking other preventive steps and measures. The Bank's Vigilance Department is actively involved in both detective and preventive measures, which are essential for avoiding recurrence of frauds.

The Bank also has a strong whistle-blower policy in place, where employees are free to raise concerns about any poor or unacceptable practice or misconduct within the Bank.

THE BANK'S NET TOTAL INCOME (DEFINED AS THE SUM OF INTEREST INCOME AND OTHER INCOME LESS INTEREST EXPENSE) SURGED BY 36.46% FROM ₹ 959.77 CRORE IN FY15 TO ₹ 1,309.75 CRORE IN FY16. THE INCREASE WAS DRIVEN BY GROWTH IN NET INTEREST INCOME AS WELL AS OTHER INCOME. IN FY16, THE BANK EARNED A NET PROFIT OF ₹ 292.48 CRORE AS AGAINST ₹ 207.17 CRORE IN FY15, AN INCREASE OF 41.18%.

Directors' Report

DEAR MEMBERS,

The Directors have pleasure in presenting the 73rd Annual Report of RBL Bank Limited ("the Bank"), along with the audited statement of accounts for the financial year ended March 31, 2016.

A. FINANCIAL PERFORMANCE

The comparative financial performance for the financial year ended March 31, 2016 (FY16) with that of March 31, 2015 (FY15) is summarised in the following table:

(₹ in crore)

Particulars	FY16	FY15	Change
Advances (Net)	21,229.08	14,449.83	46.92%
Deposits	24,348.65	17,099.25	42.40%
Net interest income	819.21	556.36	47.24%
Other income	490.54	403.41	21.60%
Net total income	1,309.75	959.77	36.46%
Operating expenses	767.34	599.65	27.96%
Provisions and contingencies	249.93	152.95	63.41%
Net profit	292.48	207.17	41.18%
Gross NPA ratio	0.98%	0.77%	–
Net NPA ratio	0.59%	0.27%	–
Capital Adequacy Ratio	12.94%	13.13%	–
Business per employee	11.77	9.11	29.20%
Business per branch	231.36	172.40	34.20%
Appropriations			
Transfer to Statutory Reserve	73.20	51.80	–
Transfer to Capital Reserve	1.00	2.46	–
Transfer to Revenue and Other Reserves	160.00	105.00	–
Transfer to Investment Reserve	–	1.03	–
Dividend for the year, including tax thereon	58.68	43.84	–

The Bank posted a net total income of ₹ 1309.75 crore and net profit of ₹ 292.48 crore for FY16 as against a net total income of ₹ 959.77 crore and net profit of ₹ 207.17 crore for FY15 which is an increase of 36.46% and 41.18%, respectively over the previous year.

Appropriations from net profit have been done as detailed herein above.

B. FINANCIAL DISCLOSURES

Dividend

An interim dividend of ₹ 1.50 per share (i.e. 15%) was declared and paid during the year. The Board recommends the same to be the final dividend for the year, i.e. no further dividend is recommended by the Board over and above the interim dividend. Last year the Bank paid a dividend of ₹ 1.20 per share (i.e. 12%).

Capital Raising and Capital Adequacy Ratio

The Bank is well capitalised with a Capital Adequacy Ratio ("CAR") of 12.94% as on March 31, 2016. The Bank also completed pre-IPO preferential placement of ₹ 487.50 crore, wherein 2.5 crore shares were allotted to high pedigree investors at a price of ₹ 195/- per shares (which included a premium of ₹ 185/- per share). During the year under review, the Bank added ₹ 37.53 crore to the capital on exercise of ESOPs by employees. Further during the year, the Bank has also raised ₹ 400 crore by issuing Non-convertible, Redeemable, Unsecured, Rated, Unlisted, Basel III compliant Tier II Debentures ("NCDs").

The Bank complies with Reserve Bank of India's ("RBI") new Capital Adequacy guidelines which came into effect from April 1, 2013, known as 'Basel III Guidelines'.

Net Worth

The Bank's net worth, as on March 31, 2016 is ₹ 2,960.39 crore. It comprises of paid-up equity capital of ₹ 324.73 crore and reserves of ₹ 2,635.66 crore (excluding Revaluation Reserve, Investment Reserve and Intangible assets).

C. CORPORATE GOVERNANCE

The Bank's philosophy

The Bank's philosophy on corporate governance is aimed at supporting the top management to efficiently conduct its business operations and meet its obligations towards its stakeholders. The Bank is committed to transparent and merit-based organisation and ensure fairness, transparency and responsiveness in all transactions.

Constitution of the Board of Directors

The Board of Directors is constituted in accordance with the provisions of the Companies Act, 2013 (CA 2013), the Banking Regulation Act, 1949 (the BR Act, 1949) and the Articles of Association of the Bank. The Board consists of eminent persons with considerable professional expertise in banking, finance and other related fields. Their experience and professional credentials have helped the Bank to gain insights for strategy formulation and direction setting for the Bank, thus adding value to its growth objectives.

The Board comprises of twelve (12) Directors of which one is Managing Director & CEO, one is Non-executive, Non-Independent Director and part-time Chairman, six are Independent Directors, three are Additional Directors appointed under Section 61 of CA 2013 and one is an Additional Director appointed by RBI.

All the Independent Directors have given the declarations that they meet the criteria of independence laid down under Section 149(6) of the CA 2013. Based on the declaration of independence provided by them and based on the applicable RBI guidelines and circulars, all aforesaid six Independent Directors would qualify to be classified as Independent Directors under Section 149 of the CA 2013.

Mr. Kiran Patil (DIN 00221662) ceased to be a Director of the Bank with effect from September 27, 2015 upon completion of 8 years' term as prescribed under Section 10A(2A) of the BR Act, 1949. The Board seeks to place on record its appreciation of the services of Mr. Patil to the Bank during his tenure as the director on the Board.

Mr. Narayan Ramachandran (DIN 01873080) was originally appointed as an Independent Director in the Annual General Meeting ("AGM") held on August 26, 2014. The Board of Directors at the meeting held on July 9, 2015 had approved and recommended to RBI payment of a remuneration of ₹15 lacs p.a. in addition to sitting fees to him. RBI vide its letter DBR. Appts.No.6639/08.49.001/2015-16 dated November 10, 2015 has approved aforesaid remuneration to Mr. Ramachandran with effect from September 1, 2015. Accordingly, he ceases to be an Independent Director w.e.f. September 1, 2015 and will liable to retire by rotation. Accordingly, the Board of Directors has recommended shareholders to take on record the aforesaid RBI approval.

Mr. Prakash Chandra (DIN 02839303) and Mr. Ishan Raina (DIN 00151951) were appointed as Additional Directors w.e.f. January 25, 2016 and April 30, 2016, respectively, to hold office up to the date of the ensuing AGM. Based on the declaration of independence provided by them as prescribed under Section 149(6) of the CA 2013 and based on the applicable RBI guidelines and circulars, Mr. Chandra and Mr. Raina would qualify to be appointed as Independent Directors under Section 149 of the CA 2013.

As a part of leadership development the Board of Directors of the Bank at its meeting held on March 10, 2016 had appointed Mr. Rajeev Ahuja (DIN 00003545), Head - Strategy of the Bank, as an Executive Director for a period of three years subject to the approval of shareholders and RBI. His appointment will be effective only from the date of RBI approval.

Appointments of Mr. Narayan Ramachandran, Mr. Prakash Chandra, Mr. Ishan Raina and Mr. Rajeev Ahuja are proposed at the 73rd AGM of the Bank.

Committee of the Board of Directors

The Board functions either as a full Board; or through various Committees which oversee specific operational or strategic matters. The Board has constituted 11 Committees of Directors. These Committees monitor activities falling within their terms of reference.

Composition of the Committees and attendance of the Directors at the Board and Committee Meetings held during the year under review are given under Annexure I and II respectively. The terms of reference of these Committees are given under Annexure III.

Board Evaluation and Remuneration Policy

The Board members have carried out an annual performance evaluation of the performance of the entire Board, performance of the chairman, the directors individually as well as the evaluation of the working of its Committees as required under Section 134(3)(p) of the CA 2013 read with the rules framed thereunder.

The Board has, on recommendation of the Human Resource & Remuneration Committee, framed a compensation policy which inter alia deals with remuneration structure and criteria for selection and appointment of directors.

D. STATUTORY DISCLOSURE

Extract of Annual Return to be mandatorily attached to the Directors' Report

As required by the provisions of Sections 92(3) and 134(3)(a) of the CA 2013 read with the rules framed thereunder, the extract of the annual return of the Bank in the Form MGT-9 is attached as Annexure IV to this Report.

Conservation of energy and technology absorption

The particulars to be disclosed under Section 134(3)(m) of the CA 2013, relating to conservation of energy and technology absorption are not applicable to the Bank. The Bank is constantly pursuing its goal of upgrading technology to deliver quality services to its customers in a cost-effective manner.

Foreign Exchange Earnings and Outgo

During the year ended March 31, 2016, the Bank earned ₹ 0.68 crore and spent ₹ 0.73 crore in foreign currency. This does not include foreign currency cash flows in derivatives and foreign currency exchange transactions.

Key Managerial Personnel

Mr. Vishwavir Ahuja, Managing Director & CEO; Mr. Naresh Karia, Chief Financial Officer and Mr. Vinay Tripathi, Company Secretary of the Bank are the Key Managerial Personnel (KMP) as per the provisions of the CA 2013. No KMP has resigned during the year under review. Mr. Rajeev Ahuja will become a KMP from the date of RBI approval.

Compensation of Chief Financial Officer and Company Secretary is governed by the existing compensation policy of the Bank. Compensation of Managing Director & CEO is approved by Human Resource & Remuneration Committee and RBI.

Whistle Blower Policy (Vigil Mechanism)

Feedback by employees/associates is increasingly becoming important to ensure better governance standards and transparency in the running of organisations. RBI has also framed a separate Protected Disclosure Scheme, wherein employees, customers, and stakeholders of any bank can lodge a complaint with RBI on the functioning of a bank.

The Bank has established a "Whistle Blower Policy" for better governance to comply with the provisions of Section 177 of the CA 2013 read with rules frame thereunder. This policy covers malpractices and events which have taken place/ suspected to have taken place involving, but not limited to:

- Abuse of authority or misappropriation or misuse of the Bank funds/assets;
- Breach of contract / employee Code of Conduct or Rules, violation of law /regulation;
- Manipulation of the Bank data/records and pilferation of confidential/ proprietary information;
- Financial or compliance irregularities, including fraud, or suspected fraud;
- Criminal offence having repercussions on the Bank or its reputation;
- Other unethical, imprudent deed/behaviour.

The policy also affords protection to whistle blower raising a genuine concern to prevent harassment or victimisation.

Auditors

The Statutory Auditors of the Bank, M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, will retire at the conclusion of the forthcoming AGM. On completion of four consecutive years of appointment as statutory auditors, M/s. S. R. Batliboi & Co. LLP would not be eligible for reappointment. Accordingly, on the basis of the recommendation of the Audit Committee, the Board has proposed the appointment of BSR & Co. LLP, Chartered Accountants as Statutory Auditors for a period of one (1) year, subject to the approval of the RBI, from the conclusion of the forthcoming AGM till the next AGM.

Pursuant to Section 204 of the CA 2013, your Bank had appointed M/s. Alwyn Jay & Company, Practicing Company Secretaries, Mumbai as its Secretarial Auditors for FY2015-16. The Bank provided all assistance and facilities to the Secretarial Auditor for conducting their audit. The Report of Secretarial Auditor for the FY2015-16 is annexed to this report as Annexure V.

Employees Stock Option Plan (ESOP)

The underlying philosophy of the Bank Employee Stock Option Plan (ESOP) is to enable the present and future employees to share the value that they help to create for the Bank over a period of time. ESOP is also expected to strengthen the sense of ownership and belonging among the recipients. The ESOP has been designed and implemented in such a manner that the compensation structure goes a long way in aligning the objectives of an individual with those of the Bank. In addition, during the year the Bank continued with its plan of rewarding long-serving employees with ESOPs thus making them true partners in the Bank's growth.

More details of the ESOP are given in the notes to accounts in the attached financial statements and Annexure VI to this report.

Number of cases filed, if any, and their disposal under Section 22 of the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Bank has zero tolerance towards any action on the part of any executive which may fall under the ambit of 'Sexual Harassment' at workplace and is fully committed to uphold and maintain the dignity of every woman executive working in the Bank. The Policy provides for protection against sexual harassment of women at workplace and for prevention and redressal of such complaints. As a part of Anti Sexual Harassment initiatives, the Bank created a mandatory e-learning module for all the employees called "i-COMPLY Anti Sexual Harassment".

During the year ended March 31, 2016, the Bank has not received any complaint pertaining to Sexual Harassment.

Deposits

Being a banking company, the disclosures required as per Rule 8(5)(v)&(vi) of the Companies (Accounts) Rules, 2014, read with Section 73 and 74 of the CA 2013 are not applicable to your Bank.

Other Statutory Disclosures:

- The Bank has not changed its nature of business during FY16.
- Pursuant to Section 186(11) of the CA 2013 loans made, guarantees given or securities provided or acquisition of securities by a banking company in the ordinary course of its business are exempted from disclosure in the Annual Report.
- All related party transactions that were entered into during FY16 were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Bank with Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Bank at large. The Bank has a Related Party Transactions Policy in place for the purpose of identification and monitoring of any potential related party transactions.
- To the best of our knowledge, there are no significant/ material orders passed by the Regulators / a Court/ Tribunal etc. during FY 16 which would impact the going concern status of the Bank and its future operations.
- During the year the Bank had received a show cause notice from Securities and Exchange Board of India (SEBI) in relation to certain past issuances of shares. The Bank had filed a settlement application and SEBI has in-principle agreed to accept the Bank's proposal to settle the matter, subject to the Bank complying with certain terms. The Bank has already paid the Settlement amount within the prescribed time period and is in the process of complying with other non-monetary terms.
- During FY16, no Company has become/ ceased to be Subsidiary, Joint Venture or Associate of the Bank. Attention of the shareholders is also drawn to note number 1.2 in Schedule 18 'Notes to accounts' in the financial statements for the FY16.

- The details of Risk Management Policy & its framework are separately defined in Management Discussion and Analysis Report.
- There are no adverse observations / qualifications in the Auditors' report.
- There are no audit qualifications in the Secretarial Audit report.
- All recommendations of the Audit Committee were approved by the Board.
- Proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- There are no material changes and commitments, affecting the financial position of the Bank that have occurred between the end of the financial year of the Bank i.e. March 31, 2016 and the date of the Directors' report i.e. April 30, 2016.

E. OTHER DISCLOSURES

Code of Conduct

For a financial institution, trust is the most important asset. To this end, the Bank strives to ensure that its actions are in accordance with the highest standards of personal and professional integrity and highest level of ethical conduct. The Bank has adopted a Code of Conduct which all employees have to adhere to. The employees have to conduct duties according to the aforesaid Code and avoid even the appearance of improper behaviour. Some of the areas which are covered by the Code of Conduct are fairness of employment practices, protection of intellectual property, integrity, customer confidentiality, conflict of interest.

Bribery and Corruption

We have a responsibility both to the members and to the communities in which we do business to be transparent in all our dealings. Our Code of Conduct requires that we do not engage in bribery or corruption in any form and explicitly mentions that the Bank will not pay or procure the payment of a bribe or unlawful fee to encourage the performance of a task or one which is intended or likely to compromise the integrity of another. The Bank will not accept any payment, gift or inducement from a third party which is intended to compromise our own integrity. The Code of Conduct also includes procedures dealing with Gifts & Entertainment, conflicts of interest and other important matters.

Corporate Social Responsibility (CSR)

The Bank strives to proactively encourage inclusive growth and development, thereby participating towards building a sustainable future.

The Bank has a duly constituted CSR Committee of the Board consisting of majority of Independent Directors. The Board of the Bank has also approved its CSR Policy. In alignment with the CSR Mission Statement, the Bank has focused on various initiatives for FY16 as covered in the Annual Report on Company's CSR activities detailing therein brief outline of CSR Policy, projects undertaken, amount spent and other relevant details as furnished in Annexure VII and attached to this report.

Management Discussion and Analysis

Management Discussion and Analysis Report for the year under review is presented in a separate section forming part of this Annual Report.

Awards

The Bank has received industry recognition at several international and local forums - a true testament of the growth journey of the Bank. RBL Bank was recognized as a Global Growth Company 2014 by the World Economic Forum. The Bank was also bestowed with the honour of being "India's Best Bank (Growth) in the Mid-Sized Bank segment" for three consecutive years, 2012, 2013 and 2014 as well as India's Best Bank (Small) for the year 2015 by Business Today and KPMG. Further, it was recognized as the Fastest Growing Small Bank for the third year in a row by the Business World-PWC Best Bank Survey. The Bank also received the Best Bank – Priority Sector Lending (Private Sector) award at the Dun & Bradstreet Banking Awards, 2014.

Ratings

The Bank's Basel III compliant Tier II Bonds have been rated 'A+ hyb' with stable outlook by ICRA Limited. Instruments rated in this category are considered to have high degree of safety regarding timely servicing of financial obligations. The Bank's Certificate of Deposits programme carry a rating of A1+ by ICRA Limited which indicate the lowest short term credit risk. Further, the Bank's Fixed (Term) Deposits have been rated MAA- by ICRA Limited with a stable outlook which stands for low credit risk.

Know Your Customer (KYC)/Anti-Money Laundering (AML) Measures

The Bank complies with the RBI's KYC/AML guidelines. The Bank's KYC/ AML Policy is prepared in accordance with the Prevention of Money Laundering Act, 2002 and RBI/IBA (Indian Banks' Association) guidelines. Various regulatory reporting requirements, as set out by the Financial Intelligence Unit (FIU) of the Government of India, are complied with by the Bank. The Bank has a transaction monitoring process with automated system solution administered by the centralised AML team. Further, the Bank's employees are being imparted training on KYC/AML aspects on a regular basis. Executives of the Bank also attend periodic workshops/seminars organised by FIU, RBI, IBA and NIBM (National Institute of Bank Management) to enhance their awareness in these aspects.

F. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(3)(c) of the CA, 2013, with respect to the Directors' Responsibility Statement, it is hereby confirmed that:

i. The applicable accounting standards have been followed in the preparation of the annual accounts for FY16 and there have been no material departures;

ii. Accounting policies have been selected and applied consistently and reasonably, and prudent judgments and estimates have been made to give a true and fair view of the Bank's state of affairs and of its profit for FY16;

iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records, in accordance with the provision of the CA 2013, for safeguarding the assets of the Bank and for preventing and detecting fraud and other irregularities;

iv. The annual accounts have been prepared on a 'going concern' basis.

v. The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Further, statutory auditors have, in compliance with the requirements of the CA 2013, issued an opinion with respect to the adequacy of the internal financial controls over financial reporting of the Bank and the operating effectiveness of such controls details of which may be referred to in the independent auditor's report attached to the financial statements of FY16. The said independent auditor's opinion does not have any qualifications or adverse remarks.

G. PROSPECTS

Despite the challenges faced by the economy and the banking industry, the Directors expect a sustained level of growth of business of the Bank in the coming year.

ACKNOWLEDGMENT

The Board is grateful to the Government of India, RBI, SEBI, IBA, other regulatory authorities, rating agency, financial institutions, banks and correspondents in India and abroad for their valuable and unflinching support as well as co-operation and guidance to the Bank from time to time.

The members have been the key partners in the Bank's progress. The Board of Directors appreciates their support and is grateful for the confidence that they have placed in the Board of Directors and the Bank's management.

The Bank's customers have always supported the Bank in all its endeavours. The Bank would like to take this opportunity to express sincere thanks to its valued clients and customers for their continued patronage in a year when the Bank has seen a substantial transformation.

The Bank has undertaken a number of initiatives on the technology and business front in the recent years. Successful translation of these initiatives into business and earnings growth has been primarily due to the employees of the Bank, who have embraced the philosophy of change to help the Bank emerge as a modern and customer-centric institution. We are grateful to the employees for their continued commitment and dedication towards the Bank. The Board appreciates the healthy relationship with the Officer's Association and Employee Union, which has facilitated the growth and development of the Bank and has created a positive work environment.

For and on behalf of the Board

Narayan Ramachandran
Chairman

Vishwavir Ahuja
Managing Director &
Chief Executive Officer

Place : Mumbai
Date : April 30, 2016

Annexure I

Composition of Committees and Number of Meetings held during FY16

Sr. No.	Committee	Members	Dates	Total
01	Audit Committee of Board (ACB)	Mr. Jairaj Purandare- Chairman Mr. Vimal Bhandari- Alternate Chairman Mr. Kiran Patil* Mr. D. Sivanandhan Mr. Rajesh Kumar#	April 28, 2015 July 9, 2015 August 10, 2015 October 30, 2015 November 30, 2015 January 25, 2016	06
	* Ceased to be a Committee Member w.e.f. September 27, 2015 upon completion of statutory term. # Appointed as a Committee Member w.e.f. April 28, 2015.			
02.	Stakeholders' Relations Committee (SRC)	Mr. Girish Godbole- Chairman Mr. Vishwavir Ahuja Mr. Vimal Bhandari	April 28, 2015 July 9, 2015 October 30, 2015 January 25, 2016	04
03.	Board Investment Committee (BIC)	Mr. Kiran Patil – Chairman* Mr. Narayan Ramachandran – Chairman# Mr. Vishwavir Ahuja Mr. P. Sudhir Rao	April 28, 2015 August 10, 2015 October 30, 2015 January 25, 2016	04
	*Ceased to be a Committee Member w.e.f. September 27, 2015 upon completion of statutory term. #Designation was changed to Committee Chairman from Member w.e.f. October 30, 2015.			
04.	Anti-fraud Committee (AFC)	Mr. D. Sivanandhan- Chairman Mr. Girish Godbole Mr. Vishwavir Ahuja	October 30, 2015	01
05.	Customer Service Committee (CSC)	Mr. Girish Godbole - Chairman Mr. Vishwavir Ahuja Mr. D. Sivanandhan	April 28, 2015 August 10, 2015 October 30, 2015 January 25, 2016	04
06.	Nomination Committee (NC)	Mr. P. Sudhir Rao - Chairman Mr. D. Sivanandhan Mr. Narayan Ramachandran Ms. Rama Bijapurkar	April 28, 2015 October 30, 2015 January 25, 2016	03
07.	Risk Management Committee (RMC)	Mr. Vishwavir Ahuja – Chairman Mr. P. Sudhir Rao Mr. Vimal Bhandari Mr. Kiran Patil* Mr. Narayan Ramachandran	April 28, 2015 August 10, 2015 October 30, 2015 January 25, 2016	04
	*Ceased to be a Committee Member w.e.f. September 27, 2015 upon completion of statutory term.			
08.	Board Credit Committee (BCC)	Mr. Vimal Bhandari - Chairman Mr. Jairaj Purandare Mr. Vishwavir Ahuja Mr. Kiran Patil*	April 28, 2015 October 30, 2015 January 25, 2016	03
	*Ceased to be a Committee Member w.e.f. September 27, 2015 upon completion of statutory term.			
09.	Human Resource and Remuneration Committee (HRRC)	Mr. P. Sudhir Rao – Chairman Mr. Narayan Ramachandran Mr. Vimal Bhandari Mr. Jairaj Purandare	April 28, 2015 July 9, 2015 August 10, 2015 October 30, 2015 January 25, 2016	05
10.	Capital Raising Committee (CRC)	Mr. Narayan Ramachandran – Chairman Mr. Vishwavir Ahuja Mr. P. Sudhir Rao Mr. Vimal Bhandari	June 10, 2015 August 10, 2015 September 14, 2015 October 31, 2015 January 25, 2016	05
11.	CSR Committee (CSR)	Mr. D. Sivanandhan - Chairman Mr. Jairaj Purandare Mr. Girish Godbole Mr. Vishwavir Ahuja	April 28, 2015 October 30, 2015 January 25, 2016	03
12	IT Strategy Committee (ITSC)	Mr. P. Sudhir Rao - Chairman Mr. D. Sivanandhan Mr. Narayan Ramachandran Mr. Jairaj Purandare Mr. Vishwavir Ahuja	April 28, 2015 August 10, 2015 October 30, 2015 January 25, 2016	04
13	Strategic Affairs Committee (SAC)	Ms. Rama Bijapurkar - Chairman Mr. P. Sudhir Rao Mr. Narayan Ramachandran Mr. Vishwavir Ahuja Mr. Jairaj Purandare	No meeting held during the year	00

Annexure II

Attendance of Directors at the various Meetings during FY16

Sr. No.	Name of Director	DIN	Category	BOD	ACB	SRC	BIC	AFC	CSC	NC	RMC	BCC	HRRC	CRC	CSR	ITSC	SAC	AGM	No. of other Directorship #	
	Number of meetings held during FY16			9	6	4	4	1	4	3	4	3	5	5	3	4	0	1	Pub Co.	Pvt. Co.
1	Mr. Narayan Ramachandran	01873080	Chairman	9	-	-	4	-	-	3	4	-	5	4	-	4	-	Y	4	5
2	Mr. Vishwavir Ahuja	00074994	MD & CEO	8	-	4	4	1	4	-	4	3	-	3	3	4	-	Y	–	–
3	Mr. D. Sivanandhan	03607203	ID	9	6	-	-	1	4	3	-	-	-	-	3	4	-	Y	7	4
4	Mr. Girish Godbole	02960113	ID	9	-	4	-	1	4	-	-	-	-	-	3	-	-	Y	1	-
5	Mr. Jairaj Purandare	00159886	ID	8	6	-	-	-	-	-	-	3	5	-	2	4	-	Y	2	1
6	Mr. Kiran Patil*	00221662	ID	5	3	-	2	-	-	-	2	1	-	-	-	-	-	Y	-	-
7	Mr. P. Sudhir Rao	00018213	ID	8	-	-	4	-	-	3	4	-	5	3	-	4	-	Y	6	6
8	Ms. Rama Bijapurkar	00001835	ID	6	-	-	-	-	-	3	-	-	-	-	-	-	-	Y	6	1
9	Mr. Vimal Bhandari	00001318	ID	4	3	2	-	-	-	-	2	2	2	2	-	-	-	N	7	2
10	Mr. Prakash Chandra	02839303	AD	1	-	-	-	-	-	-	-	-	-	-	-	-	-	N.A	1	-
11	Mr. Rajeev Ahuja	00003545	AD	1	-	-	-	-	-	-	-	-	-	-	-	-	-	N.A	-	-
12	Mr. Rajesh Kumar	07150687	RBI Additional Director	7	5	-	-	-	-	-	-	-	-	-	-	-	-	N	-	-

* Retired from the position of Director of the Bank on September 27, 2015 upon completion of his stautory term.

Directorship in Foreign Companies is excluded

ID: Independent Director

AD: Additional Director appointed under Section 161 of CA 2013

Annexure III

Terms of Reference of the Committees of the Board of Directors as on April 30, 2016

1. AUDIT COMMITTEE

Quorum: Three members or one third of the members of the committee, whichever is greater, with at least two independent directors

Frequency of meeting: at least once a quarter and not less than six times a year.

Terms of Reference:

(i) providing direction as also overseeing the operation of the entire audit function of our Bank, including the organization, operationalization and quality control of internal audit and inspection within our Bank, financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible, and follow-up on the statutory / external audit of our Bank and inspections of RBI; to also review of adequacy of the internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit; discussion with the internal auditors of any significant findings and follow-up thereon;

(ii) reviewing the internal audit plan for the year and tracking its progress;

(iii) reviewing the inspection reports of specialized and extra-large branches and of all branches with unsatisfactory ratings;

(iv) reviewing the position of various inspection and audit reports and compliances namely, concurrent audit, internal inspection, information system audit of the data centre, treasury and derivatives, management audit, service branches, currency chest, FEMA audit of branches etc., as may be applicable from time to time as well as the latest position of compliance with RBI Inspection;

(v) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to: (a) matters required to be included in the Director's responsibility statement to be included in the Board's report in terms of Section 134(3) of the Companies Act, 2013, as applicable; (b) changes, if any, in accounting policies and practices and reasons for the same; (c) major account entries involving estimates based on the exercise of judgment by management; (d) significant adjustments made in the financial statements arising out of audit findings; (e) compliance with listing and other legal requirements relating to financial statements, as applicable; (f) disclosure of any related party transactions; and (g) modified opinion(s) in the draft audit report;;

(vi) reviewing, with the management, the quarterly financial statements before submission to the board for approval;

(vii) following up on: inter-branch adjustment accounts, non reconciled long outstanding entries in inter-bank accounts and nostro accounts, open items in balancing of books at various branches, periodical review of frauds, revenue leakages, status of implementation of Ghosh & Jilani committee recommendations, all other major areas of housekeeping, KYC/AML measures, violations by various functionaries, long form audit report **("LFAR")** and compliance thereof, exposure to sensitive sectors – capital market and real estate, financial and risk management policies of our Bank, review of information security audit policy, loss assets classified for more than six months and where the outstanding balances are above ` 0.5 million and no legal action has been initiated;

(viii) evaluation of internal financial controls and risk management systems;

(ix) valuation of undertakings or assets of the company, where necessary;

(x) scrutiny of inter-corporate loans and investments, as applicable;

(xi) obtaining and reviewing half-yearly reports from the compliance officers; reviewing, with the management, the quarterly and half yearly financial statements before submission to the board for approval.

(xii) review and monitor the auditor's independence and performance, and effectiveness of audit process;

(xiii) reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), if applicable, the statement of funds utilized for purposes other than

Annexure III

Terms of Reference of the Committees of the Board of Directors as on April 30, 2016

those stated in the offer document / prospectus / notice, if applicable and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, if applicable, and making appropriate recommendations to the Board to take up steps in this matter;

(xiv) in relation to statutory audits, following up on all issues raised in the LFAR as well as interacting with the external auditors before the finalization of the annual / semi-annual financial accounts and reports and presentation to the Board;

(xv) reviewing any change in accounting policy and practices which may have significant bearing on financial statements and confirming that the accounting policies followed and systems used by our Bank are in compliance with accounting standards, RBI guidelines and would ensure true and fair position of accounts;

(xvi) reviewing capital adequacy;

(xvii) reviewing transactions with related parties; approval or any subsequent modification of transactions with related parties;

(xviii) recommending for appointment, remuneration and terms of appointment of statutory auditors and other auditors of the Bank and reviewing their performance.

(xix) reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(xx) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

(xxi) approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(xxii) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(xxiii) to look into the reasons for substantial defaults in the payment to the depositors, if any, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(xxiv) to review the functioning of the whistle blower mechanism;

(xxv) approval of appointment of the chief financial officer (i.e., the whole time finance director or any other person heading the finance function of discharging that function) after assessing the qualifications, experience and background etc. of the candidate;

(xxvi) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The following is to be reviewed by the Audit Committee:

(i) management discussion and analysis of financial conditions and results of operations;

(ii) statement of significant related party transactions (as defined by the Audit Committee), submitted by management;

(iii) management letters/letters of internal control weakness issued by the statutory auditors;

(iv) internal audit reports relating to internal control weaknesses;

(v) the appointment, removal and terms of remuneration of the chief internal auditor, shall be subject to review by the Audit Committee;

(vi) statement of deviations:

(a) quarterly statement of deviation(s) submitted to stock exchange(s) in terms of Regulation 32(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR");

(b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI LODR.

2. STAKEHOLDERS' RELATIONS COMMITTEE

Quorum: Two members or one third of the members of the committee, whichever is greater

Frequency of meeting:
once a quarter

Terms of Reference:

(i) to approve shares transfer/transmission;

(ii) to authorise/issue of original/duplicate share certificates and other relevant matters pertaining to transfer of shares of our Bank;

(iii) to allot the shares under the vested employee stock options; and

(iv) to consider and resolve the grievances of the security holders including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

3. BOARD INVESTMENT & CREDIT COMMITTEE

Quorum: Two members or one third of the members of the committee, whichever is greater

Frequency of meeting: once a quarter

Terms of Reference:

(i) to take decisions of sale/purchase of SLR and Non-SLR investment which are beyond the powers of MD & C.E.O. &/or ALCO;

(ii) to review Investment performance and market situation;

(iii) to review various Investment policies and make recommendations to the Board;

(iv) to review and approve credit proposals as defined in the Bank's Credit Policy.

4. ANTI-FRAUD COMMITTEE

Quorum: Two members or one third of the members of the committee, whichever is greater

Frequency of meeting: on detection of a fraud involving an amount of ₹ 1 crore and above come to light and at least once in a year.

Terms of Reference:

Major functions of the Committee would be to monitor and review all the frauds of ₹ 1 Crore and above so as to:

(i) identify the systemic lacunae if any that facilitated perpetration of the fraud and put in place measures to plug the same;

(ii) identify the reasons for delay in detection, if any, reporting to top management of the Bank and RBI;

(iii) monitor progress of CBI/Police Investigation and recovery position;

(iv) ensure that staff accountability is examined at all levels in all the cases of frauds and staff side action, if required, is completed quickly without loss of time;

(v) review the efficacy of the remedial action taken to prevent recurrence of frauds, such as strengthening of internal controls;

(vi) put in place other measures as may be considered relevant to strengthen preventive measures against frauds.

5. CUSTOMER SERVICE, BRANDING AND MARKETING COMMITTEE (EARLIER KNOWN AS "CUSTOMER SERVICE COMMITTEE")

Quorum: Two members or one third of the members of the committee, whichever is greater

Frequency of meeting: once a quarter

Terms of Reference:

(i) Formulation of a Comprehensive Deposit Policy;

(ii) Treatment of death of a depositor for operations of his account;

(iii) Product approval process;

Annexure III

Terms of Reference of the Committees of the Board of Directors as on April 30, 2016

(iv) Annual survey of depositor satisfaction;

(v) Triennial audit of such services;

(vi) Examining any other issues having a bearing on the quality of customer service rendered.

6. NOMINATION COMMITTEE

Quorum: Two members or one third of the members of the committee, whichever is greater or the quorum as may be prescribed by RBI

Frequency of meeting: once a year and before appointment/ reappointment of a Director

Terms of Reference:

(i) pursuant to RBI circular dated June 25, 2004, accepting and scrutinizing the declarations received from the Directors regarding 'Fit & Proper' criteria for the directors of banking companies, and making references where considered necessary to the appropriate authority/ persons to ensure their compliance with the requirements, including identifying persons who are qualified to become Directors and accordingly recommend to the board their appointment or removal;

(ii) formulation of criteria in accordance with applicable regulatory requirements for determining qualifications, positive attributes and independence of a Director, as applicable, and recommend to the Board a policy, relating to the remuneration of the Directors;

(iii) identifying persons who are qualified to become Directors in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;

(iv) formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;

(v) devising a policy on diversity of Board of Directors;

(vi) to decide whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

7. RISK MANAGEMENT COMMITTEE:

Quorum: Two members or one third of the members of the committee, whichever is greater

Frequency of meeting: once a quarter

Terms of Reference:

A. Credit Risk Policy and strategy matters governing:

- Issuing and modifying the guidelines for Credit Risk Management System and prudential exposure/ concentration limits (borrower/group borrower, industries, sectors etc.) in the Bank with the Board's approval;
- Updating the Board at periodic intervals with the Bank's credit risk exposure profiles – concentration risk (borrower groups/ industries/location/sectors), risk rating of the obligors, along with the corrective measures taken/recommended;
- Recommending changes/ modifications in the credit policies and procedures of the Bank and ensuring that they remain in tune with the changing business conditions, regulatory requirements/ guidelines and the Bank's structure needs and risk appetite;
- Ensuring that the Credit Risk activities are managed in compliance with the Credit Policy of the Bank;
- Delegating the broad risk monitoring responsibility to the Credit Department, review the risk analysis reports from Credit Department;
- Monitoring adherence of various risk parameters by operating Departments and holding the line management more accountable for the risks under their control and the performance of the bank in that area;
- Verifying the models that are used for pricing complex products, reviewing the risk models as development takes place in the markets and also identifying new risks;
- Designing stress scenarios to measure the impact of unusual market conditions and monitor variance between the actual volatility of portfolio value and that predicted by the risk measures;
- Providing a summary of its discussions to the Board;

B. Market Risk Policy and strategy matters governing:

- Setting policies and guidelines for market risk measurement, management and reporting;
- Ensuring that market risk management processes (including people, systems, operations, limits and controls) satisfy Bank's policy;
- Reviewing and approving market risk limits, including triggers or stop-losses for traded and accrual portfolios;
- Ensuring robustness of financial models, and the effectiveness of all systems used to calculate market risk;
- Appointment of qualified and competent staff; ensuring posting of qualified and competent staff and of independent market risk manager/s, etc.;

C. Review Internal Capital Adequacy Assessment Process governing:

- Operational Risk position;
- Market Risk;
- Compliance, Legal, Franchise and other strategic risks;

D. Review and Recommend Risk Management Process/ systems/models/internal control system;

E. Review of exception/critical items highlighted by Credit Risk Management Committee (CRMC), the Asset Liability Committee (ALCO) and other risk committees of the bank, if any.

8. HUMAN RESOURCE AND REMUNERATION COMMITTEE

Quorum: Two members or one third of the members of the committee, whichever is greater

Frequency of meeting: once a quarter

Terms of Reference:

(i) to assist and advice the MD & CEO in planning for senior management build-up of our Bank so as to ensure appropriate leadership is in place for our Bank's transformation strategy, including identifying persons who may be appointed as senior management in accordance with the laid down criteria, and recommend to the Board their appointment or removal, as applicable;

(ii) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the key managerial personnel and other employees;

(iii) to evaluate and approve HR policies of our Bank;

(iv) to evaluate and approve various employee stock ownerships schemes that may be required from time to time to ensure that our Bank gets the rights talent and it able to retain high-performing employees etc;

(v) to award employee stock options to employees, whether at the time of joining or in terms of performance, including deciding the level/grade of employees for review and award;

(vi) to oversee the framing, review and implementation of compensation policy of our Bank on behalf of our Board;

(vii) to work in close co-ordination with the Risk Management Committee of our Bank, in order to achieve effective alignment between remuneration and risks;

(viii) to ensure that the cost/income ratio of our Bank supports the remuneration package consistent with maintenance of sound capital adequacy ratio;

(ix) to appoint/discontinue trustees on the board of trustees of 'The Ratnakar Bank Limited Employees Provident Fund, 'The Ratnakar Bank Limited Employees Gratuity Fund' and 'The Ratnakar Bank Limited Employees Pension Fund' and to approve operational changes in the related trust deeds and/or decide on related matters;

Annexure III

Terms of Reference of the Committees of the Board of Directors as on April 30, 2016

(x) to decide on grating of mandate to the Indian Bank Association for negotiating industry level wage settlements for workmen employee.

9. CAPITAL RAISING COMMITTEE

Quorum: Two members or one third of the members of the committee, whichever is greater

Frequency of meeting: as and when required

Terms of Reference:

To assist and advise the Board from time to time on the state of the capital markets, avenues of raising additional capital for the Bank and steps that need to be taken to do the same.

10. CSR COMMITTEE

Quorum: Two members or one third of the members of the committee, whichever is greater

Frequency of meeting: as and when required and at least once a year

Terms of Reference:

(i) Reviewing, agreeing and establishing our Bank's CSR strategy and its implementation and ensuring that our Bank's social, environmental and economic activities are aligned together;

(ii) developing and recommending for acceptance by the Board, policies on all aspects of CSR including CSR issues relating to employment , health and safety, human rights, workforce diversity and inclusion, the environment, community and social investment, compliance with ethical trading and business practices and other -related matters as may be determined by the committee from time to time;

(iii) Receiving reports and reviewing activities from executive and specialist groups managing CSR matters across our Bank's operations;

(iv) monitoring compliance with the CSR policies and reviewing performance against agreed targets;

(v) recommending the amount to be incurred in relation to CSR activities in accordance with the policy/strategy;

(vi) reviewing the integration of CSR processes with our Bank's broader business risk management programme and reputation management priorities;

(vii) considering other topics as referred to it by the Board.

11. IT STRATEGY COMMITTEE

Quorum: Two members or one third of the members of the committee, whichever is greater

Frequency of meeting: once a quarter

Terms of Reference:

(i) Approve IT strategy and policy documents;

(ii) Ensure that the management has put an effective strategic planning process in place;

(iii) Ensure that IT strategy is indeed aligned with business strategy;

(iv) Ensure that the IT organizational structure complements the business model and its direction;

(v) Ascertain that management has implemented processes and practices that ensure that the IT delivers value to the business;

(vi) Ensure IT investments represent a balance of risks and benefits and that budgets are acceptable;

(vii) Monitor the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;

(viii) Ensure proper balance of IT investments for sustaining bank's growth;

(ix) Become aware about exposure towards IT risks and controls and evaluating effectiveness of management's monitoring of IT risks;

(x) Assess Senior Management's performance in implementing IT strategies;

(xi) Issue high-level policy guidance (e.g. related to risk, funding, or sourcing tasks);

(xii) Confirm whether IT or business architecture is to be designed, so as to derive the maximum business value from IT;

(xiii) Oversee the aggregate funding of IT at a bank-level, and ascertaining if the management has resources to ensure the proper management of IT risks;

(xiv) Review IT performance measurement and contribution of IT to businesses (i.e., delivering the promised value).

Annexure IV

EXTRACT OF ANNUAL RETURN

As on the financial year ended 31.03.2016
[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

FORM NO. MGT - 9

I. REGISTRATION AND OTHER DETAILS

CIN	U65191PN1943PLC007308
Registration Date	14/06/1943
Name of the Company	RBL BANK LIMITED (Formerly, "The Ratnakar Bank Limited")
Category / Sub-Category of the Company	Public Limited – Limited by Shares
Address of the Registered Office and contact details	1st Lane, Shahupuri, Kolhapur 416 001. Telephone: 0231 6650214 Fax No.: 0231 2657386 Email: investorgrievances@rblbank.com
Whether listed company	No
Name, address and contact details of Registrar and Transfer Agent , if any	Link Intime India Private Limited C-13 Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400078 Telephone: 022 25946970 Fax No.: 022 25946969 Email: rnt.helpdesk@linkintime.co.in

II. ALL THE BUSINESS ACTIVITIES CONTRIBUTING 10% OR MORE OF THE TOTAL TURNOVER OF THE COMPANY SHALL BE STATED:

Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
Banking	64191	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
		Not Applicable		

IV. SHARE HOLDING PATTERN ("SHP") (EQUITY SHARE CAPITAL BREAKUP AS % OF TOTAL EQUITY)

(i) Category - wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (as on April 1, 2015 i.e. on the basis of SHP of March 31, 2015)				No. of Shares held at the end of the year (as on March 31, 2016 i.e. on the basis of SHP of March 31, 2016)"				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt. or State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporates	0	0	0	0.00	0	0	0	0.00	0.00
d) Bank/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total: (A) (1)	**0**	**0**	**0**	**0.00**	0	0	0	0.00	**0.00**
(2) Foreign									
a) NRI- Individuals	0	0	0	0	0	0	0	0	0.00
b) Other Individuals	0	0	0	0	0	0	0	0	0.00
c) Bodies Corp.	0	0	0	0	0	0	0	0.00	0.00
d) Banks/FI	0	0	0	0	0	0	0	0	0.00
e) Any other...	0	0	0	0	0	0	0	0	0.00
Sub Total (A) (2)	**0**	**0**	**0**	**0**	0	0	0	0.00	**0.00**
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	**0**	**0**	**0**	**0.00**	0	0	0	0.00	**0.00**
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks/FI	0	0	0	0	0	0	0	0	0
C) Central govt	0	0	0	0	0	0	0	0	0.00
d) State Govt.	0	0	0	0	0	0	0	0	0.00
e) Venture Capital Fund	0	0	0	0	0	0	0	0	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0	0.00
g) FIIs	970,000	0	970,000	0.33	970,000	0	970,000	0.30	-0.03
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
i) Others (specify)	0	0	0	0	0	0	0	0	0.00
Sub Total (B)(1):	**970,000**	**0**	**970,000**		970,000	0	970,000	0.30	**0.30**
(2) Non Institutions									
a) Bodies corporates									
i) Indian	69,335,588	177,310	69,512,898	23.69	72,556,001	177,310	72,733,311	22.40	-1.29
ii) Overseas	114,848,652	0	114,848,652	39.14	136,547,131	0	136,547,131	42.05	2.91
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakhs	10,174,353	11,217,198	21,391,551	7.29	11,958,905	9,721,766	21,680,671	6.68	-0.61
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	67,755,063	9,121,921	76,876,984	26.20	74,651,464	8,240,208	82,891,672	25.53	-0.67

Annexure IV

	Category of Shareholders	No. of Shares held at the beginning of the year (as on April 1, 2015 i.e. on the basis of SHP of March 31, 2015)				No. of Shares held at the end of the year (as on March 31, 2016 i.e. on the basis of SHP of March 31, 2016)"				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c)	Others (specify)									
	Non Resident Indians (REPAT)	5,199,350	0	5,199,350	1.77	5,202,150	0	5,202,150	1.60	-0.17
	Non Resident Indians (NON Repat)	248,000	120,000	368,000	0.13	301,000	120,000	421,000	0.13	0.00
	Trusts	4,282,195	0	4,282,195	1.46	4,282,195	0	4,282,195	1.32	-0.14
	Sub Total:(B) (2)	271,843,201	20,636,429	292,479,630	99.68	305,498,846	18,259,284	323,758,130	99.70	0.02
	Total Public Shareholding (B) = (B) (1) + (B) (2)	272,813,201	20,636,429	293,449,630	100.00	306,468,846	18,259,284	324,728,130	100.00	0.00
C.	**Shares held by Custodian for GDRs & ADRs**	0	0	0	0.00	0	0	0	0.00	0.00
	Grand Total (A+B+C)	**272,813,201**	**20,636,429**	**293,449,630**	**100.00**	306,468,846	18,259,284	324,728,130	100.00	**0.00**

(ii) Shareholding of Promoters

SI No.	Promoter's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
Not Applicable								

(iii) Change in Promoters' Shareholding

SI No.	Name of Promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Date of Change	Reason of Change	Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company			No. of shares	% of total shares of the company
Not Applicable									

(iv) Shareholding pattern of top 10 shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	CDC GROUP PLC	13,543,175	4.62	15,823,857	4.87
2	ASIAN DEVELOPMENT BANK	-	-	14,350,000	4.42
3	INTERNATIONAL FINANCE CORPORATION	12,717,250	4.33	12,717,250	3.92
4	NORWEST VENTURE PARTNERS X FII - MAURITIUS	12,515,162	4.26	12,515,162	3.85
5	FAERING CAPITAL INDIA EVOLVING FUND	11,975,980	4.08	11,975,980	3.69
6	GALILEO INVESTMENTS LIMITED	11,940,000	4.07	11,940,000	3.68
7	CARTICA CAPITAL 2 LTD.	11,310,000	3.85	11,310,000	3.48
8	GPE (INDIA) LTD	10,418,032	3.55	10,418,032	3.21
9	UNIT TRUST OF INDIA INVESTMENT ADVISORY SERVICES LIMITED A/C ASCENT INDIA FUND III	10,403,100	3.55	10,403,100	3.20
10	ASIA CAPITAL FINANCIAL OPPORTUNITIES PTE LTD	10,109,475	3.45	10,109,475	3.11
	Total	**104,932,174**	**35.76**	**121,562,856**	**37.44**

Note: Top ten shareholders of the Bank as on March 31, 2016 has been considered for the above disclosure.

(v) Shareholding of Directors & KMP

Sr. No	Name of Director/KMP	Shreholding at the beginning of the year		Change in Shareholding (No. of Shares)		Shareholding at the end of the year	
		No. of Shares	Percentage of Shares of the Bank	Increase	Decrease	No. of Shares	Percentage of Shares of the Bank
	Directors						
1	Mr. Narayan Ramachandran, Chairman	4,438,380	1.51	–	–	4,438,380	1.37
2	Mr. Vishwavir Ahuja, Managing Director & CEO	8,780,550	2.99	241,120	–	9,021,670	2.78
3	Mr. D. Sivanandhan, Independent Director	500	0.00	–	–	500	0.00
4	Mr. Girish Godbole, Independent Director	17,000	0.01	–	–	17,000	0.01
5	Mr. Jairaj Purandare, Independent Director	50,830	0.02	–	–	50,830	0.02
7	Mr. P. Sudhir Rao, Independent Director	500	0.00	–	–	500	0.00
8	Ms. Rama Bijapurkar, Independent Director	–	–	–	–	–	
9	Mr. Vimal Bhandari, Independent Director	50,000	0.02	–	–	50,000	0.02
10	Mr. Rajesh Kumar, RBI Additional Director	–	–	–	–	–	
11	Mr. Prakash Chandra	–	–	–	–	–	
12	Mr. Rajeev Ahuja	4,298,550	–	228,500	–	4,527,050	1.39
	KMP						
14	Mr. Naresh Karia, Chief Financial Officer	3,90,490	0.13	–	–	3,90,490	0.12
15	Mr. Vinay Tripathi, Company Secretary	500	0.00	3,700	–	4,200	0.00

Note: Directors/KMP of the Bank as on March 31, 2016 has been considered for the above disclosure.

Annexure IV

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in crores)

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
1. Principal Amount	3,425.04	3,537.66	17,099.25	24,061.95
2. Interest due but not paid	0.95	39.31	147.07	187.33
3. Interest accrued but not due	0.00	0.00	0.00	0.00
Total (1+2+3)	**3,425.99**	**3,576.97**	**17,246.32**	**24,249.28**
Change in Indebtedness during the financial year				
Addition	1,199.49	2,393.31	7,263.06	10,855.86
Reduction	0.00	0.00	0.00	0.00
Net Change	1,199.49	2,393.31	7,263.06	10,855.86
Indebtedness at the end of the financial year				
1. Principal Amount	4,616.46	5,919.76	24,348.65	34,884.88
2. Interest due but not paid	9.02	50.52	160.73	220.26
3. Interest accrued but not due	0.00	0.00	0.00	0.00
Total (1+2+3)	**4,625.48**	**5,970.28**	**24,509.38**	**35,105.14**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager Mr. Vishwavir Ahuja (MD & CEO)	Total Amount
1	Gross salary		
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	₹ 10,343,212/-	₹ 10,343,212/-
	b. Value of perquisites u/s 17(2) of the Income-tax Act, 1961	₹ 2,135,867/-	₹ 2,135,867/-
	c. Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-
2	Stock Option	2,000,600	2,000,600
3	Sweat Equity	-	-
4	Commission		
	- as % of profit	-	-
	- Others, specify...	-	-
5	Others, please specify	-	-
	Total-(A)	**₹ 12,479,079/-**	**₹ 12,479,079/-**
	Ceiling as per the Act		Refer note

Note: The remuneration payable to any one managing director; or whole-time director or manager in terms of the provisions of the CA 2013, shall not exceed 5% of the net profit of the Bank. The remuneration paid to Managing Director & CEO is well within the said limit.

Remuneration as above includes salary, taxable allowances, LTA, value of perquisites incurred by the Bank as per the Income Tax Rules, 1962 and Company's Contribution to Provident Fund, Superannuation Fund. In addition, Managing Director & CEO also draw Annual Performance Linked Variable Compensation.

B. Remuneration to other directors:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors							Total
1	Independent Directors	Mr. D Sivanandhan	Mr. Girish Godbole	Mr. Jairaj Purandare	Mr. P. Sudhir Rao	Ms. Rama Bijapurkar	Mr. Vimal Bhandari	Mr. Prakash Chandra	
	a. Fee for attending board / committee meetings	6,70,000/-	4,80,000/-	6,50,000/-	6,80,000/-	2,70,000/-	3,80,000/-	40,000/-	31,70,000/-
	b. Commission	–	–	–	–	–	–	–	–
	c. Others, please specify		–	–	–	–	–	–	–
	Total (1)	**6,70,000/-**	**4,80,000/-**	**6,50,000/-**	**6,80,000/-**	**2,70,000/-**	**3,80,000/-**	**40,000/-**	**31,70,000/-**
2	Other Non-Executive Directors	Mr. Narayan Ramachandran							
	a. Fee for attending board / committee meetings	11,00,000/-	–	–	–	–	–	–	11,00,000/-
	b. Commission	–	–	–	–	–	–	–	-
	c. Others, please specify	8,75,000/-	–	–	–	–	–	–	8,75,000/-
	Total-(2)	**19,75,000/-**	**–**	**–**	**–**	**–**	**–**	**–**	**19,75,000/-**
	Total-B (1+2)	**26,45,000/-**	**4,80,000/-**	**6,50,000/-**	**6,80,000/-**	**2,70,000/-**	**3,80,000/-**	**40,000/-**	**51,45,000/-**
	Total Managerial Remuneration								
	Overall Ceiling as per the Act								Refer note

Note: In terms of the provisions of the Companies Act, 2013, the remuneration payable to directors other than executive directors shall not exceed 1% of the net profit of the Bank. The Remuneration paid to the directors is well within the said limits.

C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr. Naresh Karia (CFO)	Mr. Vinay Tripathi (CS)	
1	Gross salary			
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	₹ 9,170,777/-	₹ 2,119,767/-	₹ 11,290,544/-
	b. Value of perquisites u/s 17(2) of the Income-tax Act, 1961	₹ 175,744/-	₹ 69,187/-	₹ 244,931/-
	c. Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	–	–	–
2	Stock Option	200,600	19,500	220,100
3	Sweat Equity	–	–	–
4	Commission			
	- as % of profit	–	–	–
	- Others, specify...	–	–	–
5	Others, please specify	–	–	–
	Total	**₹ 9,346,521/-**	**₹ 2,188,954/-**	**₹ 11,535,475/-**

Remuneration as above includes salary, taxable allowances, LTA, value of perquisites incurred by the Bank as per the Income Tax Rules, 1962 and Company's Contribution to Provident Fund, Superannuation Fund. In addition, KMP also draw Annual Performance Linked Variable Compensation.

Annexure IV

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type		Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A.	**COMPANY - None**					
	Penalty	–	–	–	–	–
	Punishment	–	–	–	–	–
	Compounding	–	–	–	–	–
B.	**DIRECTORS - None**					
	Penalty	–	–	–	–	–
	Punishment	–	–	–	–	–
	Compounding	–	–	–	–	–
C.	**OTHER OFFICERS IN DEFAULT - None**					
	Penalty	–	–	–	–	–
	Punishment	–	–	–	–	–
	Compounding	–	–	–	–	–

Annexure V

FORM NO. MR.3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
RBL Bank Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by the RBL Bank Limited (hereinafter called "the Bank").

The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct and statutory compliance to express our opinion thereon.

Based on our verification of the Bank's statutory registers, minutes, forms and returns filed and other records maintained by the Bank and the information provided by the Bank, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Bank has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder; and also that the Bank has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Bank for the financial year ended on 31st March, 2016 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), as applicable:-

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not applicable to the Bank)

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; (Not applicable to the Bank)

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Bank)

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Bank) and

h) The Securities and Exchange Board of India (Buyback

Annexure V

of Securities) Regulations, 1998. (Not applicable to the Bank)

(vi) Other specific business/industry related laws applicable to the Bank - The Bank has complied with the provisions of The Banking Regulation Act, 1949 and notifications, press releases and other directions pertaining to commercial banking issued by the Reserve Bank of India. Further the Bank has complied with the applicable general business laws, rules, regulations and guidelines.

We have also examined compliance of:

(a) the Secretarial Standards issued by the Institute of Company Secretaries of India; and

(b) Listing Agreements entered into by the Bank with the Stock Exchanges: (Not applicable to the Bank).

During the period under review, the Bank has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards mentioned above.

We further report that:

(a) the Board of Directors of the Bank is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors;

(b) the changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act;

(c) Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and shorter notice with consent of all the Directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting; and

(d) The minutes of the Board meetings have not identified any dissent by members of the Board, hence we have no reason to believe that the decisions by the Board were not approved by all the directors present.

We further report that there are adequate systems and processes in the Bank commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period no material event or action has taken place in pursuance of the above referred laws, rules, regulations, guidelines and standards except the following:

(a) The Shareholders of the Bank approved the revalidation of the resolutions for issue and allotment of Equity Share to the Public (Initial Public offer) and has filed its draft red herring prospectus (DRHP) with SEBI;

(b) The Shareholders of the Bank approved and authorized the Board of Directors to raise up to ₹ 1,000 crores by issue of Long Term Bonds or Non-convertible debentures on a private placement basis, and ₹ 500 crores by way of issue of further shares on a preferential basis;

(c) The Board of Directors of the Bank has issued and allotted 4,298,034 Equity Shares of ₹ 10/- each, including an issue of 2,500,000 Equity Shares at a premium of ₹ 185/- per share to Qualified Institutional Investors on a preferential basis; and

(d) The Securities and Exchange Board of India (SEBI) has issued a show-cause notice to the Bank in respect of past share allotments made by the Bank to more than 49 investors in violation of section 67(3) of the Companies Act, 1956.

For **ALWYN JAY & CO.,**
Company Secretaries

Sd/-

Alwyn D'Souza.
Partner
[FCS No. 5559;
Certificate of Practice No. 5137]

Place: Mumbai.
Date: 29th April, 2016

Annexure VI

Disclosure on Employee Stock Option Scheme

Sl.	Particulars	ESOP 2010	ESOP 2013	RESOP 2014
1.	Options granted	22,947,720	37,373,350	3,160,500
2.	Options vested	885,326	4,020,524	62,335
3.	Options exercised	18,370,789	5,095,876	494,565
4.	The total number of shares as a result of exercise of option	18,370,789	5,095,876	494,565
5.	Options lapsed	2,462,009	2,805,975	437,600
6.	The exercise price	₹ 40.00 ₹ 46.50 ₹ 52.00 ₹ 55.00	₹ 55.00 ₹ 76.00 ₹ 80.00 ₹ 100.00 ₹ 120.00	₹ 55.00 ₹ 76.00 ₹ 80.00
7.	Variation of terms of options	–	–	–
8.	Money realized by exercise of options	₹ 819,289,392	₹ 322,241,741	₹ 29,870,300
9.	Total number of options in force	2,114,922	29,471,499	2,228,335
10.	Employee wise details of options granted to –			
	Key Managerial personnel			
	Managing Director & CEO	2,501,000	2,701,900	150,000
	Chief Financial Officer	451,500	251,900	75,000
	Company Secretary	0	35,000	10,000
	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	–	Mr. Rajeev Ahuja 1,250,600 FY16	–
	Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (Excluding outstanding warrants and conversions) of the company at the time of grant	–	–	–

Annexure VII

Annual Report on CSR Activities

1. A BRIEF OUTLINE OF THE COMPANY'S CSR POLICY INCLUDING OVERVIEW OF PROJECTS OR PROGRAMS PROPOSED TO BE UNDERTAKEN AND A REFERENCE TO THE WEB-LINK TO THE CSR POLICY AND PROJECTS OR PROGRAMS

Web link : http://www.rblbank.com/Social_Responsibility.aspx

Corporate Social Responsibility (CSR)

Our philosophy is to undertake socially useful programs for welfare and sustainable development of the community at large. We believe in working for the benefit of different segments of society and, in particular, in taking care of deprived, underprivileged persons and persons with limited abilities. Our initiatives include those aimed at promoting education, preventive healthcare, women empowerment and sustainable livelihood.

We have a CSR Committee of the Board for spearheading our CSR efforts supported by an executive Steering Committee and the working committees. The key objectives of our CSR policy include operating our business in an economically, socially and environmentally sustainable manner by taking up projects that benefit communities at large and thus generate goodwill for our Bank as a positive and socially responsible corporate entity.

CSR Vision - To be the most admired, compassionate and respected organization delivering value to all stakeholders through equitable and inclusive growth.

CSR Mission - We will deliver and promote inclusive growth in the country through various focused initiatives in promoting education, preventive healthcare, women empowerment and sustainable livelihood to catalyze growth and reduce social inequalities.

As a part of our CSR policy we support the issues related to Preventing Healthcare, Promoting Education, Women Empowerment and Sustainable Livelihood which are our 4 pillars.

Healthcare:

1. Retinopathy (among diabetics) – Understanding the need of the hour to spread mass awareness and screening of the susceptible population for Diabetic Retinopathy, we have partnered with Aditya Jyot Foundation – an NGO working in this space to spread awareness and screen the urban susceptible population in various parts of Mumbai and have adopted an eye care centre for the same.

2. Retinoblastoma (eye cancer among children) - Eye cancer or Retinoblastoma is a life threatening disease that affects children. Every day, 4 children with this disease are diagnosed in India of which at least one dies. Understanding this need we have partnered with Iksha Foundation - the ONLY of its kind of NGO in India that works towards spreading awareness and ensuring that the children afflicted with this disease belonging to the less privileged section of the society receive proper and timely treatment.

Education:

1. Girl Child Education – RBL Bank in association with IIMPACT has pledged to support the primary education program of 1000 out of school girls in selected 30 learning centres in Sheopur district, Madhya Pradesh and Mewat district, Haryana. Thereby, taking a step towards creating empowered communities.

A large fundraiser – Cyclathon from Mumbai to Delhi en route RBL Branches was organized to raise awareness for Girl Child education. The event was well participated where more than 350 employees volunteered by cycling and raising funds for the cause.

2. Skill Development - Unemployment being one of the greatest hurdle in the economic development of our country, we in association with Prerana foundation and YUVA are committed towards supporting the skill based education of adolescent youths. Prashanti Bala Mandir Trust and Udbhav School supporting the primary education of the children in the rural areas of Bangalore and urban slums of Hyderabad. We adopted the UDAAN initiative to create corporate exposure to and train graduates and post-graduates from Jammu and Kashmir.

Sustainable Livelihood & Women Empowerment:

Under this pillar we have pledged to support farmers working in the rural regions of Maharashtra and Gujarat to increase their yields through bee rearing. In a very unusual initiative where preserving bee is important for conservation of ecological balance this is being done in association with an NGO called Under the Mango Tree. New partnerships have been signed up with Swadesh Foundation – where we have adopted a village in rural Maharashtra and Indian Grameen Services in Goa strengthening our vision of creating sustainable communities.

A exhibition and sale of products in association with an organization called IDOBRO as a fundraiser was organized to support women entrepreneurs to make them sustainable was organized in our office premises. The exhibition received an overwhelming response where around 1/3rd of our employees in Mumbai contributed and helped in raising funds towards the cause.

This combination of a trusted legacy and continuous innovation keeps us at the forefront. We have a competitive and commercial yet socially conscious mindset. And, most important of all, our Partners keep us one step ahead with new ideas and personal commitment. We will continue to invest in our business, listen to our Partners, and do things differently. And that will ensure our doors stay open to a bright, sustainable future.

2. COMPOSITION OF CSR COMMITTEE

- Mr. D. Sivanandhan – Chairman
- Mr. Jairaj Purandare- Member
- Mr. Girish Godbole – Member
- Mr. Vishwavir Ahuja – Member
- Ms. Shanta Vallury Gandhi - Permanent Attendee

3. AVERAGE NET PROFIT OF THE COMPANY FOR LAST 3 FINANCIAL YEARS : ₹ 185.90 Crore

4. PRESCRIBED CSR EXPENDITURE (2% OF THIS AMOUNT AS IN ITEM 3 ABOVE) : ₹ 3.72 Crore

5. DETAILS OF CSR SPEND FOR THE FINANCIAL YEAR:

a. Total amount spent for the financial year : ₹ 1.60 Crore

b. Amount unspent, if any : ₹ 2.12 Crore

c) Manner in which the amount spent during the financial year is detailed below

(₹ in lakhs)

CSR project/activity identified	Sector in which the Project is covered	Projects/Programs 1) Local area or other 2) specify the State and district where projects or Programs was undertaken	Amount outlay (budget) project / program wise	Amount spent on the project / programs Sub-heads: 1) Direct expenditure on projects or programs 2) Overheads	Cumulative spend upto the reporting period	Amount spent (Direct / implementing agency)
Aditya Jyot Foundation	Health	Dharavi, Mumbai	11.50	10.81	10.81	Implementing Agency
Iimpact	Education	Sheopur District, Madhya Pradesh & Mewat District, Haryana	40.50	40.50	40.50	Implementing Agency
Prashanthi Bala Mandira Trust	Education	Bagalkot District, Karnataka.	30.00	30.00	30.00	Implementing Agency
The Kherwadi Social Welfare Association	Women Empowerment	Mumbai	10.00	10.00	10.00	Implementing Agency
Under the Mango Tree	Sustainable Livelihood	Gujarat	22.01	22.01	22.01	Implementing Agency

Annexure VII

Annual Report on CSR Activities

(₹ in lakhs)

CSR project/activity identified	Sector in which the Project is covered	Projects/Programs 1) Local area or other 2) specify the State and district where projects or Programs was undertaken	Amount outlay (budget) project / program wise	Amount spent on the project / programs Sub-heads: 1) Direct expenditure on projects or programs 2) Overheads	Cumulative spend upto the reporting period	Amount spent (Direct / implementing agency)
Udbhav School	Education	Hyderabad	11.00	11.00	11.00	Implementing Agency
Indian Gramin Service	Sustainable Livelihood	Kolkata	5.00	5.00	5.00	Implementing Agency
Share Society to Heal Aid Restore Educate	Sustainable Livelihood	Raigad District, Maharashtra	26.44	26.44	26.44	Implementing Agency
Other CSR activities			4.64	4.64	4.64	Implementing Agency
Total			**161.09**	**160.40**	**160.40**	

The spending on CSR activities has to be done under a properly planned CSR vision and mission with a very detailed execution strategy. Accordingly, the Bank developed a comprehensive CSR policy wherein the Bank has identified activities that are aligned with the Bank's CSR vision and mission. The Bank needs to do thorough evaluation of the agencies involved in the execution of the CSR strategy. This requires investment of significant amount of time and cost. Furthermore, the concept of CSR is evolving in India across the entire corporate sector. The policy architecture as well as sound market practices are also in formative stages at present. Our Bank wants to proceed with purpose, focus and caution in the meantime and use resources for the most meaningful causes, even as the Bank itself is relatively small and growing in a highly competitive environment. Due to these reasons, the Bank's spending worked out to an amount lower than the amount prescribed under section 135 of the Companies Act, 2013.

The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Bank.

For and on behalf of the Board of Directors

Vishwavir Ahuja
Managing Director &
Chief Executive Officer

D. Sivanandhan
Chairman of
CSR Committee

Place : Mumbai
Date : April 29, 2016

Statutory Reports PG.NO 84/182

Independent Auditor's Report

To,
The Members of RBL Bank Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of RBL Bank Limited ("the Bank"), which comprise the Balance Sheet as at 31 March 2016, the Profit and Loss Account and the Cash Flow statement for the year then ended, and a summary of significant accounting policies and notes to the financial statements.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Bank's Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 and accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 in so far as they apply to the Bank and the Guidelines issued by the Reserve Bank of India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Bank's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Bank's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements together with the notes thereon give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013, in the manner so required for the banking companies and give a true and fair view of the state of affairs of the Bank as at 31 March 2016, its profit and its cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 read with Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

2. As required sub section (3) of section 30 of the Banking Regulation Act, 1949 and the appointment letter dated 19 October 2015, we report that:

   a. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;

   b. The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and

   c. The financial accounting systems of the Bank are centralised and therefore, accounting returns for the purpose of preparing financial statements are not required to be submitted by the branches; we have visited 29 branches for the purpose of our audit.

3. Further, as required by section 143(3) of the Companies Act, 2013, we further report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b. In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books;

   c. The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   e. On the basis of written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;

   f. With respect to the adequacy of the internal financial controls over financial reporting of the Bank and the operating effectiveness of such controls, refer to our separate Report in "Annexure 1" to this report; and

   g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Bank has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27 to the financial statements;

      ii. The Bank has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts including derivative contracts – Refer Note 34 to the financial statements; and

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Bank.

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
Firm's Registration No.: 301003E/E300005

per **Viren H. Mehta**
Partner
Membership Number: 048749

Place of Signature: Mumbai
Date: 29 April 2016

Annexure 1 to Independent Auditor's Report

REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF RBL BANK LIMTED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To the Members of RBL Bank Limited

We have audited the internal financial controls over financial reporting of RBL Bank Limited ("the Bank") as of March 31, 2016 in conjunction with our audit of the financial statements of the Bank for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Bank's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Bank's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Bank has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
Firm's Registration No.: 301003E/E300005

per **Viren H. Mehta**
Partner
Membership Number: 048749

Place of Signature: Mumbai
Date: 29 April 2016

Balance Sheet

as at March 31, 2016

(₹ in '000s)

Particulars	Schedule No.	31-Mar-16	31-Mar-15
CAPITAL & LIABILITIES			
Capital	1	3,247,281	2,934,496
Reserves and Surplus	2	26,645,043	19,369,770
Deposits	3	243,486,512	170,992,508
Borrowings	4	105,362,239	69,626,975
Other Liabilities and Provisions	5	12,869,784	8,122,969
Total		391,610,859	271,046,718
ASSETS			
Cash and Balances with Reserve Bank of India	6	13,397,461	14,556,776
Balances with banks and money at call and short notice	7	11,101,751	7,146,552
Investments	8	144,360,338	97,922,960
Advances	9	212,290,830	144,498,255
Fixed Assets	10	1,772,965	1,644,385
Other Assets	11	8,687,514	5,277,790
Total		391,610,859	271,046,718
Contingent Liabilities	12	297,182,189	219,702,071
Bills for Collection		7,723,229	5,135,065
Significant Accounting Policies	17		
Notes To Accounts	18		

The Schedules referred to above form an integral part of the Balance Sheet

As per our report of even date attached

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

Viren H. Mehta
Partner
Membership No. 048749

Place : Mumbai
Date : April 29, 2016

For and on behalf of RBL Bank Limited

Narayan Ramachandran
Chairman

Vishwavir Ahuja
Managing Director & CEO

Jairaj Purandare
Director

Vimal Bhandari
Director

Naresh Karia
Chief Financial Officer

Vinay Tripathi
Company Secretary

Profit & Loss

for the financial year ended March 31, 2016

(₹ in '000s)

	Particulars	Schedule No.	31-Mar-16	31-Mar-15
I.	**INCOME**			
	Interest Earned	13	27,443,073	19,530,865
	Other Income	14	4,905,427	4,034,067
	Total		32,348,500	23,564,932
II	**EXPENDITURE**			
	Interest Expended	15	19,251,004	13,967,218
	Operating Expenses	16	7,673,367	5,996,507
	Provisions and Contingencies		2,499,283	1,529,465
	Total		29,423,654	21,493,190
III	**PROFIT/LOSS**			
	Net Profit /(Loss) for the year		2,924,846	2,071,742
	Profit brought forward		43,165	12,759
	Total		2,968,011	2,084,501
IV	**APPROPRIATIONS**			
	Transfer to Statutory Reserve		732,000	518,000
	Transfer to Capital Reserve		10,000	24,600
	Transfer to Revenue & Other Reserves		1,600,000	1,050,000
	Transfer to Investment Reserve		–	10,300
	Interim Dividend Paid		487,579	–
	Proposed Dividend		–	366,747
	Tax on Dividend		99,258	71,689
	Balance carried over to Balance Sheet		39,174	43,165
	Total		2,968,011	2,084,501
	EPS Basic (₹)		9.60	7.23
	EPS Diluted (₹)		9.43	7.00
	Face Value of shares (₹)		10.00	10.00

The Schedules referred to above form an integral part of the Profit and Loss Account

As per our report of even date attached

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

Viren H. Mehta
Partner
Membership No. 048749

Place : Mumbai
Date : April 29, 2016

For and on behalf of RBL Bank Limited

Narayan Ramachandran
Chairman

Vishwavir Ahuja
Managing Director & CEO

Jairaj Purandare
Director

Vimal Bhandari
Director

Naresh Karia
Chief Financial Officer

Vinay Tripathi
Company Secretary

Cash Flow Statement

for the year ended March 31, 2016

(₹ in '000s)

Sr.	Particulars	31-Mar-16		31-Mar-15	
I	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit for the Year (before taxes)		4,280,061		2,999,407
	Adjustments for:-				
	Add : Loss / (Profit) on Sale of Fixed Assets (Net)		(8,154)		(49,643)
	Add : Non-Cash Expenditure				
	Depreciation		483,569		332,078
	Provision / write-off of non performing advances		800,359		351,186
	Provision for standard advances		238,379		242,416
	Provision for investments		131,553		2,544
	Other provisions		(26,223)		5,654
	Cash Flow before Changes in Working Capital		5,899,544		3,883,642
	Adjustments for working capital changes:-				
	Deposits	72,494,004		55,006,487	
	Other Liabilities	4,534,659		927,428	
	Deposits placed having original maturity greater than 3 months	(6,843,420)		(2,212,854)	
	Investments	(46,568,931)		(33,412,882)	
	Advances	(68,592,934)		(46,443,768)	
	Other Assets	(3,254,939)		636,803	
	Direct Taxes paid	(1,510,000)	(49,741,561)	(990,000)	(26,488,786)
	Cash generated from Operating Activities		(43,842,017)		**(22,605,144)**
II	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Addition to Other Fixed Assets	(538,954)		(672,586)	
	Addition to Capital Work in Progress	(89,656)		–	
	Sale of Fixed Assets	24,319		88,941	
	Cash generated from Investing Activities		(604,291)		**(583,645)**
III	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds of share issue	5,250,345		523,673	
	Net Proceeds / (repayments) from borrowings	35,735,264		30,671,537	
	Dividend and Dividend distribution tax	(586,837)		(438,436)	
	Cash generated from financing Activities		40,398,772		**30,756,774**
IV	**INCREASE/DECREASE DURING THE YEAR**		(4,047,536)		7,567,985
V	**OPENING CASH AND CASH EQUIVALENTS**		19,358,660		11,790,675
VI	**CLOSING CASH AND CASH EQUIVALENTS**		15,311,124		**19,358,660**
	Notes to the Cash Flow Statement:				
	Cash and cash equivalents includes the following:				
(i)	Cash and Balances with Reserve Bank of India (Refer Schedule 6)		13,397,461		14,556,776
(ii)	Balances with Banks in Current Accounts (Refer Schedule 7)		1,913,663		2,803,745
(iii)	Money at Call and Short Notice (Refer Schedule 7)		–		1,998,139
	Cash and cash equivalents at the end of the year		15,311,124		**19,358,660**

As per our report of even date attached

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

Viren H. Mehta
Partner
Membership No. 048749

Place : Mumbai
Date : April 29, 2016

For and on behalf of RBL Bank Limited

Narayan Ramachandran
Chairman

Vishwavir Ahuja
Managing Director & CEO

Jairaj Purandare
Director

Vimal Bhandari
Director

Naresh Karia
Chief Financial Officer

Vinay Tripathi
Company Secretary

Schedules

forming part of the financial statements for the year ended March 31, 2016

SCHEDULE 1 - CAPITAL

(₹ in '000s)

Particulars	31-Mar-16	31-Mar-15
Authorised Capital		
400,000,000 Ordinary Shares of ₹ 10/- each	4,000,000	4,000,000
(previous year 400,000,000 Ordinary Shares of ₹ 10/- each)		
Issued		
324,728,130 Ordinary Shares of ₹ 10/- each	3,247,281	2,934,496
(previous year 293,449,630 Ordinary Shares of ₹ 10/- each)		
Subscribed & Paid-up		
324,728,130 Ordinary Shares of ₹ 10/- each	3,247,281	2,934,496
(previous year 293,449,630 Ordinary Shares of ₹ 10/- each)		
Total	3,247,281	**2,934,496**

SCHEDULE 2 - RESERVES & SURPLUS

(₹ in '000s)

Particulars		31-Mar-16	31-Mar-15
1.	**Statutory Reserve**		
	(i) Opening Balance	1,554,500	1,036,500
	(ii) Addition during the year	732,000	518,000
	(iii) Deduction during the year	–	–
	Total	2,286,500	**1,554,500**
2.	**Capital Reserve**		
	(i) Opening Balance	145,570	120,970
	(ii) Addition during the year	10,000	24,600
	(iii) Deduction during the year	–	–
	Total	155,570	**145,570**
3.	**Revaluation Reserve**		
	(i) Opening Balance	10,243	10,554
	(ii) Addition during the year	–	–
	(iii) Deduction during the year (Depreciation on revalued portion credited to Profit and Loss Account)	296	311
	Total	9,947	**10,243**
4.	**Share Premium**		
	(i) Opening Balance	14,947,733	13,343,130
	(ii) Addition during the year	4,937,560	1,604,603
	(iii) Deduction during the year	–	–
	Total	19,885,293	**14,947,733**
5.	**Revenue & Other Reserves**		
	(i) Opening Balance	2,646,552	1,596,552
	(ii) Addition during the year	1,600,000	1,050,000
	(iii) Deduction during the year	–	–
	Total	4,246,552	**2,646,552**
6.	**Investment Reserve**		
	(i) Opening Balance	22,007	11,707
	(ii) Addition during the year	–	10,300
	(iii) Deduction during the year	–	–
	Total	22,007	22,007
7.	**Balance in Profit & Loss Account**	39,174	**43,165**
	TOTAL (1 to 7)	26,645,043	**19,369,770**

Schedules

forming part of the financial statements for the year ended March 31, 2016

SCHEDULE 3 - DEPOSITS

(₹ in '000s)

Particulars	31-Mar-16	31-Mar-15
A. 1. Demand Deposits		
i) From Banks	1,052,713	361,424
ii) From Others	26,743,640	21,636,640
Total	27,796,353	21,998,064
2. Savings Bank Deposits	17,582,115	9,575,675
3. Term Deposits		
i) From Banks	30,892,741	29,853,091
ii) From Others	167,215,303	109,565,678
Total	198,108,044	139,418,769
Total (1 to 3)	243,486,512	170,992,508
B. i. Deposits of Branches in India	243,486,512	170,992,508
ii. Deposits of Branches outside India	–	–
Total	243,486,512	170,992,508

SCHEDULE 4 - BORROWINGS

(₹ in '000s)

Particulars	31-Mar-16	31-Mar-15
1. Borrowings in India		
(i) Reserve Bank of India	34,170,000	5,300,000
(ii) Other Banks	16,550,244	7,490,000
(iii) Other Institutions and Agencies	43,409,754	49,184,353
(iv) Subordinated debt	4,000,000	–
Total	98,129,998	61,974,353
2. Borrowings outside India	7,232,241	7,652,622
Total (1 + 2)	105,362,239	69,626,975

Secured Borrowings included in 1 & 2 above are ₹ 46,164,616 thousands (for financial year ending March 31, 2015 ₹ 34,250,412 thousands)

SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS

(₹ in '000s)

Particulars	31-Mar-16	31-Mar-15
1. Bills Payable	716,513	824,636
2. Inter Office Adjustments (Net)	–	–
3. Interest Accrued	2,202,625	1,873,920
4. Others (Including Provisions) *	9,950,646	5,424,413
Total (1 To 4)	12,869,784	8,122,969
* Includes : Provision against Standard Assets	893,395	655,016

Schedules

forming part of the financial statements for the year ended March 31, 2016

SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA

(₹ in '000s)

Particulars	31-Mar-16	31-Mar-15
1. Cash in hand	1,360,911	1,594,166
2. Balances with Reserve Bank of India		
(i) In Current Account	12,036,550	12,962,610
(ii) In Other Accounts	–	–
Total (1 + 2)	13,397,461	14,556,776

SCHEDULE 7 - BALANCE WITH BANKS AND MONEY AT CALL AND SHORT NOTICE

(₹ in '000s)

Particulars	31-Mar-16	31-Mar-15
1. In India		
(i) Balances with Banks		
a) In Current Accounts	940,550	2,295,485
b) In other Deposit Accounts	9,188,088	2,344,668
(ii) Money at Call and Short Notice		
a) With Banks	–	–
b) With Other Institutions	–	1,998,139
Total (i+ii)	10,128,638	6,638,292
2. Outside India		
(i) In Current Accounts	973,113	508,260
(ii) In Other Deposits Accounts	–	–
(iii) Money at Call and Short Notice	–	–
Total (i+ii+iii)	973,113	508,260
Total (1 + 2)	11,101,751	7,146,552

SCHEDULE 8 - INVESTMENTS

(₹ in '000s)

Particulars	31-Mar-16	31-Mar-15
1. Investments in India (Gross)	144,514,380	97,947,258
Less – Provision for depreciation	155,852	24,298
Total	144,358,528	97,922,960
Break Up		
(i) Government Securities	102,819,956	75,799,404
(ii) Other Approved Securities	–	–
(iii) Shares	171,248	1,035
(iv) Debentures and Bonds	16,914,539	10,521,766
(v) Subsidiaries and / or Joint Venture	–	–
(vi) Others *	24,452,785	11,600,755
Total	144,358,528	97,922,960

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(₹ in '000s)

Particulars		31-Mar-16	31-Mar-15
	* Details of Others (vi)		
(i)	Commercial paper & Certificates of deposit	9,833,729	5,201,152
(ii)	Mutual Funds	4,200,000	2,000,000
(iii)	Venture Capital Fund	685,607	187,936
(iv)	Pass Through Certificates	9,590,949	3,572,380
(v)	Security Receipts	142,500	639,287
	Total	24,452,785	11,600,755
2.	**Investments Outside India**		
(i)	Government Securities (Including Local Authorities)	–	–
(ii)	Subsidiaries and / or Joint Venture abroad	–	–
(iii)	Other Investments	1,810	–
	Total	1,810	–
	Total (1 + 2)	144,360,338	97,922,960

SCHEDULE 9 - ADVANCES

(₹ in '000s)

Particulars		31-Mar-16	31-Mar-15
A.			
(i)	Bills Purchased and Discounted	6,465,805	3,305,541
(ii)	Cash Credits, Overdrafts and Loans Repayable on Demand	54,601,141	36,634,772
(iii)	Term Loans	151,223,884	104,557,942
	Total	212,290,830	144,498,255
B.			
(i)	Secured by Tangible Assets (Includes advances against Fixed Deposits and Book Debts)	175,237,619	122,556,786
(ii)	Covered by Bank/Government Guarantees	264,462	124,383
(iii)	Unsecured	36,788,749	21,817,086
	Total	212,290,830	144,498,255
C.1	**Advances in India**		
(i)	Priority Sector	68,622,211	44,386,105
(ii)	Public Sector	–	–
(iii)	Banks	–	–
(iv)	Others	143,668,619	100,112,150
	Total	212,290,830	144,498,255
C.2	**Advances Outside India**		
(i)	Due from Banks	–	–
(ii)	Due from Others		
	a) Bills Purchases and Discounted	–	–
	b) Syndicated Loans	–	–
	c) Others	–	–
	Total	–	–
	Total (C.1 + C.2)	212,290,830	144,498,255

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SCHEDULE 10 - FIXED ASSETS

(₹ in '000s)

Particulars		31-Mar-16	31-Mar-15
1.	**Premises**		
(i)	At cost at 31st March of the preceding year	78,164	101,624
(ii)	Additions During the year	5,086	248
(iii)	Deductions During the year	4,247	23,708
(iv)	Accumulated Depreciation to date	11,094	7,890
	Total	67,909	70,274
2.	**Other Fixed Assets**		
(i)	At cost at 31st March of the preceding year	2,445,702	1,678,196
(ii)	Additions During the year	533,868	802,418
(iii)	Deductions During the year	38,109	34,912
(iv)	Accumulated Depreciation to date	1,426,934	972,464
	Total	1,514,527	1,473,238
3.	**Leased Assets**		
(i)	Lease equalisation - Opening balance	13,509	13,509
(ii)	Additions During the year	–	–
(iii)	Less: Provision held	13,509	13,509
(iv)	Accumulated Depreciation to date	–	–
	Total	–	–
4.	**Capital Work in Progress**	190,529	100,873
	Total (1 To 4)	1,772,965	1,644,385

SCHEDULE 11 - OTHER ASSETS

(₹ in '000s)

Particulars		31-Mar-16	31-Mar-15
1.	Inter-Office Adjustment (Net)	–	–
2.	Interest Accrued	3,238,619	2,518,637
3.	Tax Paid in Advance/Tax Deducted at Source (Net of Provision)	254,640	305,286
4.	Stationery and Stamps	4,517	3,439
5.	Deferred Tax Assets (Net)	243,840	23,663
6.	Others	4,945,898	2,426,765
	Total (1 To 6)	8,687,514	5,277,790

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SCHEDULE 12 - CONTINGENT LIABILITIES

(₹ in '000s)

Particulars			31-Mar-16	31-Mar-15
1.	Claims against the bank not acknowledged as debts		97,879	43,393
2.	Liability for Partly Paid Investment		313,050	76,000
3.	Liability on Account of Outstanding Forward Exchange contracts		91,651,856	82,961,878
4.	Liability on Account of Outstanding derivative contracts			
	(i)	Interest Rate Swaps	71,504,849	58,210,105
	(ii)	Cross Currency Swaps	17,980,150	2,153,656
	(iii)	Currency Options	48,065,526	25,934,874
	(iv)	Currency Futures	1,325,100	–
5.	Guarantees given on behalf of constituents			
	(i)	In India	32,469,275	20,637,965
	(ii)	Outside India	17,186,459	16,304,320
6.	Acceptances, Endorsements and other Obligations		12,948,145	13,100,255
7.	Other items for which the bank is contingently liable			
	a)	Income tax & other matters (under appeal)	79,554	66,188
	b)	Others	3,560,346	213,437
	Total (1 To 7)		297,182,189	**219,702,071**

SCHEDULE 13 - INTEREST EARNED

(₹ in '000s)

Particulars		31-Mar-16	31-Mar-15
1.	Interest / Discount on Advances / bills	19,528,033	14,135,701
2.	Income on Investments	7,453,785	5,179,077
3.	Interest on balance with RBI and Other Inter bank funds	398,372	99,551
4.	Others	62,883	116,536
	Total (1 To 4)	27,443,073	**19,530,865**

SCHEDULE 14 - OTHER INCOME

(₹ in '000s)

Particulars		31-Mar-16	31-Mar-15
1.	Commission, Exchange and Brokerage	3,440,258	2,607,142
2.	Profit on sale of Investments (Net)	598,600	577,263
3.	Profit / (Loss) on sale of land, building and other assets (Net)	8,154	49,643
4.	Profit on exchange transactions (Net)	797,666	689,883
5.	Miscellaneous Income	60,749	110,136
	Total (1 To 5)	4,905,427	**4,034,067**

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SCHEDULE 15 - INTEREST EXPENDED

(₹ in '000s)

Particulars		31-Mar-16	31-Mar-15
1.	Interest on Deposits	15,070,890	10,865,721
2.	Interest on Reserve Bank of India / Inter-Bank Borrowings	1,228,412	647,667
3.	Others	2,951,702	2,453,830
	Total (1 To 3)	19,251,004	**13,967,218**

SCHEDULE 16 - OPERATING EXPENSES

(₹ in '000s)

Particulars		31-Mar-16	31-Mar-15
1.	Payments to and provisions for employees	3,699,210	3,008,701
2.	Rent, taxes and lighting	828,773	723,583
3.	Printing and stationery	58,549	45,085
4.	Advertisement and publicity	69,793	28,997
5.	Depreciation on banks property	483,569	332,078
6.	Director's fees Allowances and expenses	5,572	2,971
7.	Auditors' fees and expenses (Including branch auditor's fees and expenses)	7,671	6,624
8.	Law Charges	48,991	14,536
9.	Postage, Telegrams, Telephones, etc.	95,388	92,529
10.	Repairs and maintenance	65,042	68,251
11.	Insurance	209,121	154,690
12.	Other Expenditure	2,101,688	1,518,462
	Total (1 To 12)	7,673,367	**5,996,507**

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SCHEDULE 17 - SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Background:

RBL Bank Limited (formerly The Ratnakar Bank Limited), incorporated in Kolhapur, India is a banking company governed by the Banking Regulation Act, 1949 with Reserve Bank of India ('RBI') as its principal regulator. The Bank is engaged in providing a wide range of banking and financial services including commercial banking, retail banking, agriculture finance and financial inclusion, treasury operations and other banking related activities.

Basis of preparation:

The accompanying financial statements have been prepared under the historical cost convention and on the accrual basis of accounting, unless otherwise stated, and comply with the requirements prescribed under the Third Schedule (Form A and Form B) of the Banking Regulation Act, 1949. The accounting and reporting policies of the Bank used in the preparation of these financial statements conform to Generally Accepted Accounting Principles in India (Indian GAAP), the guidelines issued by RBI from time to time, the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 to the extent applicable and practices generally prevalent in the banking industry in India.

Use of estimates:

The preparation of the financial statements in conformity with Generally Accepted Accounting Principles in India ('GAAP') requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates used in preparing the accompanying financial statements. Any revision to accounting estimates is recognized prospectively in current and future periods.

Significant Accounting Policies:

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

1. Advances

Advances are stated net of provisions made in respect of non-performing advances. Premium paid on acquisition of portfolio is included in advances and is amortised over the economic life of the portfolio; being 5 years for on-demand working capital loans and credit card portfolios purchased. Advances are classified as Performing and Non-Performing Assets ('NPA') based on the relevant RBI guidelines. Provisions in respect of non-performing and restructured advances are made based on management's assessment of the degree of impairment of the advances subject to the minimum provisioning levels prescribed under RBI guidelines with regard to the Prudential Norms on Income Recognition, Asset Classification & Provisioning prescribed from time to time. In case of restructured accounts provision is made for erosion/diminution in fair value of restructured loans, in accordance with RBI guidelines. The Bank also maintains provision on standard assets to cover potential credit losses which are inherent in any loan portfolio in accordance with RBI guidelines in this regard. Provision made against standard assets is included in 'Other Liabilities and Provisions'. Amounts recovered against debts written off in earlier years and provisions no longer considered necessary based on the current status of the borrower are recognised in the profit and loss account as credit to Miscellaneous Income under the head 'Other Income' or provision for non-performing assets, respectively.

2. Investments

Classification and valuation of Bank's Investments is carried out in accordance with RBI and Fixed Income Money Market and Derivatives Association ('FIMMDA') guidelines issued in this regard from time to time.

a) Classification

Investments are classified into 'Held for Trading' ('HFT'), 'Available for Sale' ('AFS') and 'Held to Maturity' (HTM) categories at the time of purchase. Investments, which the Bank intends to hold till maturity are classified as HTM investments. Investments that are held principally for resale within a short period, including short sale, are classified as HFT investments. All other investments are classified as AFS investments. The Bank follows settlement date method for accounting of its investments. For the purpose of disclosure in the financial statements, the Investments are classified under six groups a) Government Securities b) Other Approved Securities c) Shares d) Debentures and Bonds e) Subsidiaries / Joint Ventures f) Others.

Investments are classified as performing or non-performing as per RBI guidelines. Non performing investments are subjected to similar income recognition and provisioning norms as are prescribed by RBI for non performing advances.

b) Valuation

Investments classified as HTM are carried at amortised cost. Any premium paid on acquisition, over the face value, is amortised over the remaining period of maturity by applying constant yield method. Where in the opinion of the management, a diminution, other than temporary in the value of investments classified under HTM has taken place, suitable provisions are made.

Investments classified as AFS and HFT are marked-to-market on a periodic basis as per relevant RBI guidelines. The securities are valued scrip-wise and depreciation / appreciation is aggregated for each category. Net appreciation in each category, if any, is ignored, while net depreciation is provided for. The book value of individual securities is not changed consequent to the periodic valuation of investments.

Treasury bills, commercial papers and certificates of deposit are valued at carrying cost including the pro rata discount accreted for the holding period.

Quoted investments are valued at traded/ quoted price available on the recognised stock exchanges, subsidiary general ledger account transactions, price list of RBI or prices declared by Primary Dealers Association of India ("PDAI") jointly with Fixed Income Money Market and Derivatives Association (FIMMDA) applicable as at the balance sheet date. For deriving market value of unquoted fixed income securities (other than Central and State Government securities), yields / mark-up rates (reflecting associate credit risk) declared by the FIMMDA in consultation with PDAI are used.

Unquoted equity shares are valued at the break-up value, if the latest Balance Sheet is available (which should not be more than one year prior to the date of valuation) or at ₹ 1 as per the RBI guidelines.

Quoted Mutual Fund units are valued as per Stock Exchange quotations and un-quoted Mutual Fund units are valued at last available re-purchase price or Net Asset Value (where re-purchase price is not available).

Units of Venture Capital Funds (VCF) held under AFS category are valued using the Net Asset Value (NAV) shown by VCF as per the financial statement. The VCFs are valued based on the audited results once in a year. In case the audited financials are not available for a period beyond 18 months, the investments are valued at ₹ 1 per VCF.

Security receipts issued by the asset reconstruction companies are valued in accordance with the guidelines prescribed by RBI. Accordingly, Security receipts are valued as per the Net Asset Value provided by the issuing Asset Reconstruction Company.

c) Transfer between categories

Transfer of investments between categories is accounted in accordance with the extant RBI guidelines:

a) Transfer from AFS/HFT to HTM is made at the lower of book value or market value at the time of transfer.

b) Transfer from HTM to AFS/HFT is made at acquisition price/book value if originally placed in HTM at par or at a discount and at amortised cost if originally placed in HTM at a premium.

c) Transfer from AFS to HFT category or vice-versa is made at book value and the provision

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for the accumulated depreciation, if any, held is transferred to the provisions for depreciation against the HFT securities or vice-versa.

d) Repurchase transactions

Repurchase ('repo') and reverse repurchase ('reverse repo') transactions including liquidity adjustment facility (with RBI) are accounted for as borrowing and lending transactions. Accordingly, securities given as collateral under an agreement to repurchase them continue to be held under the investment account of the Bank and the Bank would continue to accrue the coupon/discount on the security during the repo period. Also, the Bank continues to value the securities sold under repo as per the investment classification of the security. The difference between the clean price of the first leg and clean price of the second leg is recognized as interest income/expense over the period of the transaction in the profit and loss account.

e) Broken period interest, brokerage etc.

Broken period interest and costs such as brokerage paid at the time of acquisition of the security are charged to the Profit and Loss account.

3. Foreign currency and Rupee Derivative transactions

Transactions denominated in foreign currency are recorded at exchange rates prevailing on the date of the transactions. Exchange differences arising on foreign currency transactions settled during the year are recognised in the profit and loss account. Income and Expenditure items are translated at the rates of exchange prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the balance sheet date at rates of exchange notified by the Foreign Exchange Dealers' Association of India ('FEDAI') and the resultant exchange differences are recognized in the profit and loss account.

In accordance with RBI Circular No. DBOD No. BP.BC.76/21.04.018/2005-06 dated April 5, 2006 and Accounting Standard -11, the effect of change in foreign exchange rates, foreign exchange trading positions including spot and forward contracts are revalued at each month end at market rates published by FEDAI and then discounted (PV) using appropriate curves. Long term foreign exchange contracts (original maturities of over 12 months) where exchange rates are not notified by FEDAI are revalued based on the forward exchange rates implied by the swap curves in respective currencies. The resulting gains and losses are recorded in the profit and loss account except in case of swaps entered into for hedging an on-balance sheet foreign currency exposure which are accounted for on an accrual basis. The unrealised gain and losses on swaps outstanding at year-end are included in "Other assets" and "Other liabilities", respectively. The notional values of these contracts are recorded as contingent liability at the closing exchange rates.

Swap cost arising on account of foreign currency swap contracts to convert rupee assets/liabilities into foreign currency assets/liabilities or vice versa is charged to profit and loss account as interest cost by amortising over the tenor of the swap.

Derivative transactions comprise interest rate swaps, cross currency swaps and currency futures and options.

The interest rate and currency swaps are marked to market using appropriate interest rates/exchange rates as applicable. The profit or loss on revaluation is recorded in the profit and loss account and is included in "Other assets" or "Other liabilities". The notional value of these swaps is recorded as Contingent Liability.

Foreign currency futures are marked to market using closing price of the relevant futures contract as published by the exchange/clearing corporation. The profit or loss on revaluation is recorded in the profit and loss account and corresponding asset or liability is shown under "other assets" or "Other liabilities", as the case may be. Margin money deposited with the exchange is included in "Other assets". The notional value of outstanding futures contract is recorded as Contingent liability.

Foreign currency options are marked to market using market values after considering the premium received or paid. The profit or loss on revaluation is recorded in the profit and loss account and corresponding asset or liability is shown under "Other assets" or "Other liabilities", as the case may be. Premium received and premium paid

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is recognized in the profit and loss account upon expiry or exercise of the options. The notional value of these options is recorded as a Contingent liability.

Provisioning of overdue customer receivable on interest rate and foreign exchange derivative transactions, if any, is made as per RBI guidelines.

With respect to credit exposures to counterparties arising on account of the interest rate and foreign exchange derivative transactions, which are computed as per the current mark to market value of the contract, a provision is made as is applicable to the loan assets in the 'standard' category.

4. Fixed Assets and Depreciation

Fixed Assets are accounted for at cost less accumulated depreciation, amortization and accumulated impairment losses. Cost includes freight, duties, taxes and incidental expenses related to the acquisition and installation of the asset. Premises acquired up to March 31, 1998 have been revalued by the management and are stated at such revalued figure. The appreciation on revaluation is credited to 'Premises Revaluation Reserve' Account. On disposal of revalued premises, the amount standing to the credit of the Premises Revaluation Reserve is transferred to Capital Reserve. Depreciation attributable to the enhanced value is transferred from Premises Revaluation Reserve to the credit of depreciation in the profit and loss account.

Depreciation is provided as per straight-line method from the date of addition over the estimated useful life of the asset. Depreciation on assets sold during the year is charged to the profit and loss account up to the date of sale. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter, then the depreciation is provided at a higher rate based on management's estimate of the useful life/remaining useful life.

The depreciation rates applied on fixed assets are not higher or lower than the rates prescribed in Schedule II of the Companies Act, 2013 however in case of exceptions it is duly supported by technical advice and item costing less than ₹ 5,000.

The rates of depreciation are as follows:

Category	Depreciation rate
Premises	2%
Desktop computers and printers, Laptops	33.33%
VSATs, Telecom equipment, cabling, other computer hardware and related equipment, LAN/Mainframe servers and printers, scanners	20%
Purchased and developed Software	20%
Vehicles	20%
Office equipment, Locker cabinets, Strong room	15%
ATMs	14.29%
Furniture, fittings and work of art	10%
Items costing less than ₹ 5,000	100%

Improvements and installations of capital nature on the leasehold property are depreciated over the primary lease term.

The Bank assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Bank estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit and Loss account. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

5. Retirement and other employee benefits

Bank's contribution towards Provident fund, being a defined contribution scheme, is accounted for on an accrual basis and recognized in the profit and loss account. Liability for Gratuity and Pension, being defined benefit retirement schemes, are determined based on an actuarial valuation as at the balance sheet date as

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per the Projected Unit Credit Method as computed by an independent actuary.

The Bank provides for leave encashment liability of its employees who are eligible for encashment of accumulated leave and sick leave, which is a long-term benefit scheme, based on actuarial valuation of the leave encashment liability at the balance sheet date, carried out by an independent actuary.

Accounting for Employee Stock Option Plans is done as per the ICAI Guidance note on ESOP. The Bank has applied the intrinsic value method to arrive at the compensation cost of ESOP granted to the employees of the Bank. Intrinsic value is the amount by which the value of the underlying shares as determined by an independent valuer exceeds the exercise price of the options. Compensation cost so determined is amortized over the vesting period of the option granted.

Actuarial gains/losses are immediately taken to the Profit and Loss Account and not deferred.

6. Revenue Recognition

a) Interest income is recognised in the profit and loss account on accrual basis, except in the case of interest on non-performing assets, which is recognised as income on realisation, as per the income recognition and asset classification norms of RBI.

b) Recoveries in respect of past due loan accounts classified as sub-standard are appropriated towards overdue principal and thereafter towards interest and charges

c) Commission, Exchange, Brokerage and Locker Rent is accounted for as income on realisation basis except for commission earned in excess of ₹ 1,00,000 for issue of guarantees which is amortised on a straight-line basis.

d) Income on discounted instruments is recognised over the tenure of the instrument on a constant yield basis.

e) Dividend is accounted on an accrual basis when the right to receive the dividend is established.

f) Loan processing fee is accounted for upfront when it becomes due.

g) All other fees are accounted for as and when they become due.

7. Accounting for leases

Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating leases. Operating lease rentals are recognised as an expense on straight-line basis over the lease period.

The Bank has not undertaken any Finance leases.

8. Taxation

Income tax comprises the current tax (i.e. amount of tax for the period, determined in accordance with the Income Tax Act, 1961 and the rules framed there under) and the net change in the deferred tax asset or liability for the period (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

Provision for current income-tax is recognized in accordance with the provisions of Indian Income Tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

The current tax, deferred tax charge or credit and the corresponding deferred tax liability or asset is recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realized in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty (supported by convincing evidence) of realization of such assets.

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Deferred tax assets are reviewed at each balance sheet date and appropriately adjusted to reflect the amount that is reasonably/virtually certain to be realized.

9. Provisions and contingencies

The Bank creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

10. Provision for reward points on credit cards

The Bank has a policy of awarding reward points for credit card spends by customers. Provision for the said reward points is made based on an actuarial valuation report which takes into account, among other things, probable redemption of credit card reward points and cost per point.

11. Earnings per share (EPS)

Basic and diluted earnings per share are computed in accordance with Accounting Standard-20 – Earnings per share.

Basic earnings per share is calculated by dividing the net profit or loss after tax for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share reflect the potential dilution that could occur if contracts to issue equity shares were exercised or converted during the period. Diluted earnings per equity share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period, except where the results are anti-dilutive.

12. Cash and Cash Equivalents

Cash and Cash equivalents include cash in hand, balances with RBI, balances with other banks and money at call and short notice.

SCHEDULE 18 - NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

1. Investments

1.1 In terms of guidelines of Reserve Bank of India, amortisation of premium of ₹ 7.02 crore (previous year ₹ 4.10 crore) relating to investments in 'Held to Maturity' category has been netted off against 'Income on Investments' under Schedule - 13. During the year ended March 31, 2016, the Bank transferred/ sale securities from HTM category to totaling to ₹ 1,033.64 crore which was 28.36% of the book value of investments held in HTM category at the beginning of the year with the prior approval of Board of Directors. During the year ended March 31, 2015, there has been no sale / transfer from HTM categories in excess of 5% of the book value of investments held in HTM category at the beginning of the year.

1.2 During the year, with the permission of RBI, the Bank has, in an effort to realise its dues, acquired shares of a company (investee Company) by exercise of a pledge of investee company's shares in its favor by one of the defaulting borrowers of the Bank. The Bank's shareholding in the said investee company is 24.56% as on March 31, 2016. Investments in the shares of the investee company have been acquired and held exclusively with a view to its subsequent disposal in the near future and accordingly has not been accounted for as an associate under the purview of AS-23 - Accounting for Investments in Associates in Consolidated Financial Statements. These equity shares have been classified under AFS

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category and have been valued as per the extant guidelines of the Reserve Bank of India for valuation of investments. Accordingly, these exposures have not been considered as intra-group exposures.

2. Employee Stock Option Plan ("ESOP")

The shareholders of the Bank have approved granting of stock options to employees under one or more Employee Stock Option Plan (ESOP) enabling the Board and / or the Human Resource Committee to grant such number of Options of the Bank not exceeding 12% of the aggregate number of issued and paid up equity shares of the Bank. The ESOP is equity settled where the employees will receive one equity share per option. The stock options granted to employees vest over a period of three years or two years as the case may be, in either equal proportion or 40:30:30 or 20:80 each year. Vested Options can be exercised within a period of three years from the date of vesting or within a period of one year from the date on which the shares of the Bank may get listed on a recognized stock exchange, whichever is later.

Under Intrinsic Value method, since exercise price of the stock options granted under the ESOP is more than the underlying value of the shares, it has not resulted in any charge to the profit and loss account for the year. If the Bank had adopted the Black-Scholes model based fair valuation, compensation cost for the year ended March 31, 2016, would have increased by ₹ 22.62 crore (previous financial year ₹ 15.54 crore) and the profit before tax would have been lower correspondingly. Accordingly, on a proforma basis, basic and diluted earnings per share for the year ended March 31, 2016 would have been ₹ 9.11 and ₹ 8.95, respectively (Previous year ₹ 6.87 and ₹ 6.66, respectively).

	FY 2015-16			
Stock option activity under the scheme	No of Shares	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life years
Outstanding at the beginning of the year	26,115,467	46.50 - 100.00	66.75	4.15
Granted during the year	16,432,050	100.00 - 120.00	119.25	
Forfeited during the year	2,454,261	46.50 - 120.00	74.98	
Exercised during the year	6,278,500	46.50 - 100.00	59.78	
Expired during the year	–			
Outstanding at the end of the year	33,814,756	46.50 - 120.00	92.95	3.86
Options exercisable at the end of the year	4,965,295	46.50 - 100.00	68.90	2.56

Options granted during the year carry an exercise price of ₹ 100.00 and ₹ 120.00. During the year corresponding value of the shares for these grants at the time of respective grant was ₹ 85.34, ₹ 96.30, ₹ 94.92 and ₹ 90.38 respectively.

	FY 2014-15			
Stock option activity under the scheme	No of Shares	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life years
Outstanding at the beginning of the year	21,403,696	40.00 - 55.00	48.84	3.7
Granted during the year	18,077,350	55.00 -100.00	73.80	
Forfeited during the year	2,065,622	40.00 - 80.00	54.52	
Exercised during the year	11,299,957	40.00 - 55.00	46.34	
Expired during the year	-			
Outstanding at the end of the year	26,115,467	46.50 -100.00	66.75	4.15
Options exercisable at the end of the year	1,245,239	46.50 - 55.00	50.20	2.58

Options granted during the previous year carry an exercise price of ₹ 55.00, ₹ 76.00, ₹ 80.00 and ₹ 100.00. During the previous year, the corresponding value of the shares for these grants at the time of respective grant was ₹ 50.05, ₹ 73.50, ₹ 75.76 and ₹ 92.22 respectively.

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The fair value of options granted during the year has been estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions:

	FY 2015-16	FY 2014-15
Average dividend yield	0.75% -0.90%	0.52% -0.95%
Expected volatility	44.66%-47.27%	32.71%-48.22%
Risk free interest rates	7.29%-8.07%	7.87%-8.61%
Expected life of options in years (across each tranche)	1.0-3.0	1.0-3.0
Expected forfeiture	Nil	Nil

Expected volatility is a measure of the amount by which the equity share price is expected to fluctuate during the period. The measure of volatility used in Black-Scholes option pricing model is the annualised standard deviation of the continuously compounded rates of return on the share over a period of time. Expected volatility has been computed by considering the historical data on daily volatility in the closing equity share price on NSE of similar listed banks over the expected tenor of each tranche.

3. Appropriation to Reserves

For the year ended March 31, 2016, Bank has appropriated ₹ 73.20 crore (previous year : ₹ 51.80 crore) towards Statutory Reserves. ₹ 1.00 crore (previous year : ₹ 2.46 crore) towards Capital Reserves. ₹ 160.00 crore (previous year : ₹ 105.00 crore) towards Revenue & other Reserves. ₹ Nil (previous year : ₹ 1.03 crore) towards Investment Reserves Account.

4. Disclosures As Per Accounting Standards

4.1 Disclosures under AS -15 on employee benefits

Defined Contribution Plans:

Employer's contribution recognized and charged off for the year to defined contribution plans are as under:

(₹ in crore)

Particulars	2015-16	2014-15
Provident Fund	10.08	8.00
Pension Scheme (employees joining after 01.04.2010)	0.02	0.02

Defined Benefit Plans

The following table sets out the status of the defined benefit Pension and Gratuity Plan as required under Accounting Standard 15.

Change in the present value of the defined benefit obligation

(₹ in crore)

Particulars	2015-16		2014-15	
	Pension	Gratuity	Pension	Gratuity
Opening defined benefit obligation at 1st April	90.65	18.82	71.15	14.09
Current Service cost	5.14	2.89	3.71	1.90
Interest cost	7.18	1.51	6.60	1.29
Actuarial losses/ (gains)	17.71	1.85	17.23	2.72
Benefits paid	(12.80)	(1.73)	(8.04)	(1.18)
Closing defined benefit obligation at 31st March	107.88	23.34	90.65	18.82

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Change in the plan assets

(₹ in crore)

Particulars	2015-16		2014-15	
	Pension	Gratuity	Pension	Gratuity
Opening fair value of plan assets at 1st April	69.12	14.03	49.32	11.97
Expected return on plan assets	5.47	1.13	4.35	1.01
Employers Contributions	24.78	4.79	22.85	2.11
Benefit paid	(12.80)	(1.73)	(8.04)	(1.18)
Actuarial gains / (losses) on plan assets	1.01	0.24	0.64	0.12
Closing fair value of plan assets at 31st March	87.58	18.46	69.12	14.03

Reconciliation of present value of the obligations and fair value of the plan assets

(₹ in crore)

Particulars	2015-16		2014-15	
	Pension	Gratuity	Pension	Gratuity
Present value of funded obligation at 31st March	107.88	23.34	90.65	18.82
Fair value of plan assets at 31st March	87.58	18.46	69.12	14.03
Deficit / (Surplus)	20.30	4.88	21.53	4.79
Net Liability / (Asset)	20.30	4.88	21.53	4.79

Net cost recognized in the profit and loss account

(₹ in crore)

Particulars	2015-16		2014-15	
	Pension	Gratuity	Pension	Gratuity
Current Service cost	5.14	2.89	3.71	1.90
Interest cost	7.18	1.51	6.60	1.29
Expected return on plan assets	(5.47)	(1.13)	(4.35)	(1.01)
Net actuarial losses / (gains) recognised during the year	16.70	1.61	16.59	2.61
Total cost of defined benefit plans included in Schedule 16 Payments to and provisions for employees	23.55	4.88	22.55	4.79

Reconciliation of Expected return and actual return on planned assets

(₹ in crore)

Particulars	2015-16		2014-15	
	Pension	Gratuity	Pension	Gratuity
Expected return on plan assets	5.47	1.13	4.35	1.01
Actuarial gain / (loss) on plan assets	1.01	0.24	0.64	0.12
Actual return on plan assets	6.48	1.37	4.99	1.13

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Reconciliation of opening and closing net liability / (asset) recognised in balance sheet

(₹ in crore)

Particulars	2015-16		2014-15	
	Pension	Gratuity	Pension	Gratuity
Opening net liability as at 1st April	21.53	4.79	21.83	2.12
Expenses as recognised in profit & Loss account	23.55	4.88	22.55	4.79
Employers contribution	(24.78)	(4.79)	(22.85)	(2.12)
Net liability / (asset) recognised in balance sheet	20.30	4.88	21.53	4.79

Experience Adjustment

(₹ in crore)

Particulars	2015-16		2014-15		2013-14		2012-13		2011-12	
	Pension	Gratuity	Pension	Gratuity	Pension	Gratuity	Pension	Gratuity	Pension	Gratuity
On Plan Liabilities (gains) / losses	18.46	1.35	10.00	1.07	23.21	0.97	8.13	1.15	9.05	1.96
On Plan Assets (losses) / gains	1.01	0.24	0.64	0.12	0.08	(0.01)	(1.10)	(0.02)	(1.96)	(0.04)

Other Details

(₹ in crore)

Particulars	2015-16		2014-15	
	Pension	Gratuity	Pension	Gratuity
Expected Contribution on Plan assets	6.35	8.53	5.75	7.68

A breakup of Investments under Plan Assets of Gratuity fund and Pension fund is as follows:

Category of Assets	2015-16		2014-15	
	Pension (%)	Gratuity (%)	Pension (%)	Gratuity (%)
Central Government securities	23.32	14.75	17.12	15.55
State Government securities	25.17	35.21	32.10	32.80
Corporate Bonds	8.16	18.37	2.46	9.99
Special Deposit Schemes	–	–	–	16.40
Funds with LIC	–	12.46	17.06	–
Fixed deposits and bank balances	43.35	19.21	31.26	25.26
Total	100.00	100.00	100.00	100.00

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Key Actuarial Assumptions

Particulars	2015-16		2014-15	
	Pension	Gratuity	Pension	Gratuity
Discount rate	7.96%	7.72%	7.92%	8.04%
Expected rate of return on Plan Asset	7.96%	7.72%	7.92%	8.04%
Salary Escalation	6.00%	6.00% (IBA) 8.00% (Others)	6.00%	6.00% (IBA) 8.00% (Others)
Attrition rate	2.00%	2.00% (IBA) 20.00% (Others)	2.00%	2.00% (IBA) 20.00% (Others)

4.2 Segment Reporting: Information about business segments

In terms of the AS-17 (Segment Reporting) issued by ICAI and RBI circular Ref. DBOD.No. BP.BC.81/21.04.018/2006-07 dated April 18, 2007 read with DBR.BP.BC No.23/21.04.018/2015-16 dated July 1, 2015 and amendments thereto, the following business segments have been disclosed:

- Corporate/Wholesale Banking: Includes lending, deposits and other banking services provided to corporate customers of the Bank.

- Retail Banking: Includes lending, deposits and other banking services provided to retail customers of the Bank through branch network or other approved delivery channels.

- Treasury: includes investments, all financial markets activities undertaken on behalf of the Bank's customers, proprietary trading, maintenance of reserve requirements and resource mobilization from other Banks and financial Institutions. Intersegment earnings of Balance Sheet Management function are included in the Treasury segment.

- Other Banking Operations: Includes para banking activities like Bancassurance, credit cards etc.

  Segment revenues include earnings from external customers and earnings from other segments on account of funds transferred at negotiated rates, which are determined by the management. Segment results includes segment revenues as reduced by interest expense, charge from other segments on account of funds transferred at negotiated rates and operating expenses and provisions either directly identified or allocated to each segment.

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The following table sets forth the business segment results:

(₹ in crore)

Particulars	2015-16					2014-15				
	Corporate/ Wholesale Banking	Retail Banking	Treasury	Other Banking Operations	Total	Corporate/ Wholesale Banking	Retail Banking	Treasury	Other Banking Operations	Total
Gross Revenue	2,100.28	1,569.76	2,408.77	101.12	6,179.93	1,597.06	1,145.30	1,794.79	50.25	4,587.40
Unallocated Revenue					0.82					4.96
Less: Inter Segment Revenue					2,945.90					2,235.86
Total Revenue					3,234.85					2,356.50
Segment Results	156.19	97.77	138.92	34.99	428.69	111.52	41.89	127.44	14.12	299.95
Unallocated expenses					0.69					0.00
Operating Profit					428.00					299.95
Income Tax expense (including deferred tax)					135.52					92.77
Net Profit					292.48					207.17
Segment Assets	15,055.32	5,963.46	17,119.92	445.48	38,584.18	10,584.29	3,859.65	11,827.35	188.31	26,459.61
Unallocated Assets					576.90					645.06
Total Assets					39,161.08					27,104.67
Segment Liabilities	7,946.44	11,668.82	16,529.13	15.31	36,159.70	7,134.77	8,395.16	9,289.81	6.07	24,825.81
Unallocated Liabilities					3,001.38					2,278.86
Total Liabilities					39,161.08					27,104.67

Notes:

- The business of the Bank does not extend outside India and it does not have any assets outside India or earnings emanating from outside India. Accordingly, the Bank has reported operations in the domestic segment only.

- Income, expenses, assets and liabilities have been either specifically identified to individual segment or allocated to segments on a reasonable basis or are classified as unallocated.

- Unallocated items include Fixed Assets, realized gains/losses on their sale, income tax expense, deferred income tax assets/liabilities, advance tax, cash in hand, share capital and reserves.

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4.3 Related Party Transactions

As per AS 18 "Related Party Disclosures", the Bank's related parties for the year ended March 31, 2016 are disclosed below:

Key Management Personnel ('KMP') as defined under AS 18:

Mr. Vishwavir Ahuja, Managing Director & CEO

In the financial year 2015-16 and 2014-15, there was only one related party in the said category, hence the Bank has not disclosed the details of transactions in accordance with circular issued by RBI on March 29, 2003 "Guidance on compliance with the accounting standards by banks".

4.4 Operational Leases

The Bank has taken certain premises on operating lease. The agreements entered into provide for renewal and rent escalation. Particular of future minimum lease payments in respect of the same are as mentioned below:

(₹ in crore)

Particulars	2015-16	2014-15
Not later than one year	54.59	54.07
Later than one year and not later than five years	160.96	149.45
Later than five years	48.24	62.14
Total	263.79	265.66
Lease payment recognized in profit and loss account for the year	66.41	58.33

4.5 Earnings Per Share

Particulars	2015-16	2014-15
Basic		
Weighted Average Number of equity shares	304,710,179	286,474,108
Net Profit after tax available for equity share holders (₹ in crore)	292.48	207.17
Basic Earnings Per Share (F V ₹ 10/-) (₹)	9.60	7.23
Diluted		
Weighted Average Number of equity shares (including dilutive potential equity shares)	310,217,652	295,832,947
Net Profit after tax available for equity share holders (₹ in crore)	292.48	207.17
Diluted Earnings Per Share (F V ₹ 10/-) (₹)	9.43	7.00
Nominal Value per share	₹ 10	₹ 10

The dilutive impact is due to options granted to employees of the Bank.

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4.6 Deferred Tax (AS -22)

Major components of Deferred Tax Assets and Deferred Tax Liabilities as on March 31,2016 are as under:-

(₹ in crore)

	Deferred Tax Assets/(Liabilities)	
Particulars	2015-16	2014-15
Deferred tax assets:		
Provision for Assets	51.30	30.65
Employee benefits	10.67	6.26
Others	5.65	3.04
Deferred tax liabilities:		
Charge related to acquisition	(17.81)	(24.32)
Fixed Assets	(12.01)	(13.26)
MTM Gain on Derivatives	(13.42)	–
Total	24.38	2.37

4.7 Fixed Assets:

The following table sets forth, for the periods indicated, the movement in software acquired by the Bank, as included in fixed assets

(₹ in crore)

Particulars	2015-16	2014-15
At cost at the beginning of the year	81.28	49.02
Additions during the year	20.42	32.69
Deductions during the year	0.02	0.42
Accumulated depreciation at 31st March	44.69	25.94
Closing balance at 31st March	56.99	55.35
Depreciation charge for the year	18.77	12.90

5. Small and Micro Industries

Based on information available with the Bank, during the year, there were no amounts outstanding for more than the specified year, to the parties covered under the Micro, Small and Medium Enterprises Development Act, 2006.

6. Disclosure of complaints / unimplemented awards of Banking Ombudsman for the year ended March 31, 2016

A) Customer Complaints	2015-16	2014-15
a) No. of complaints pending at the beginning of the year	86	33
b) No. of complaints received during the year*	5,358	3,346
c) No. of complaints redressed during the year	4,991	3,293
d) No. of complaints pending at the end of the year	453	86

* Includes 612 (previous Year: 456) ATM Complaints of Bank's customers using other bank ATMs

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B)	Awards passed by the Banking Ombudsman	2015-16	2014-15
a)	No. of unimplemented awards at the beginning of the year	–	–
b)	No. of awards passed by the Banking Ombudsman during the year	–	1
c)	No. of awards implemented during the year	–	1
d)	No. of unimplemented awards at the end of the year	–	–

7. Capital Adequacy:

a) Capital Adequacy Ratio as per RBI guidelines (Basel III Capital Regulations dated July 1, 2015) as at March 31, 2016 is given below:

	Particulars	2015-16	2014-15
i)	Common Equity Tier 1 capital ratio (%)	11.10%	12.74%
ii)	Tier I capital ratio (%)	11.10%	12.74%
iii)	Tier II capital ratio (%)	1.84%	0.39%
iv)	Total capital ratio (CRAR) (%)	12.94%	13.13%
v)	Percentage of the shareholding of the Government of India in Public Sector banks	NA	NA
vi)	Amount of Equity capital raised	525.03	181.86
vii)	Amount of Additional Tier 1 capital raised	NIL	NIL
viii)	Amount of Tier 2 capital raised	400.00	NIL

b) Tier II Capital

During Financial Year 2015-16, the Bank has raised Tier II capital through issuance of Basel III compliant debt capital instruments amounting to ₹ 400.00 crore. Details are as follows:

(₹ in crore)

Particulars	Nature of Security	Date of Issue	Coupon Rate %	Tenure	Amount
Redeemable, Unsecured, Non Convertible	Debentures	16 February 2016	10.25%	Six years and 3 Months	200.00
Redeemable, Unsecured, Non Convertible	Debentures	31 March 2016	10.25%	Six years and 3 Months	200.00

During Financial Year 2014-15, the Bank had not raised any Tier II capital through issuance of Tier II Debt capital instruments.

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8. Investments:

i) Movement of Investments:

(₹ in crore)

Particulars	2015-16	2014-15
(1) Value of Investments		
(i) Gross Value of Investments		
(a) In India	14,451.44	9,794.73
(b) Outside India	0.18	–
(ii) Provisions for Depreciation (including provision for NPI)		
(a) In India	15.59	2.43
(b) Outside India	–	–
(iii) Net Value of Investments		
(a) In India	14,435.85	9,792.30
(b) Outside India	0.18	–
(2) Movement of provisions held towards depreciation of investments (including provision for NPIs)		
(i) Opening balance	2.43	2.18
(ii) Add: Provisions made during the year	27.10	9.62
(iii) Less: Write-off / write back of excess / provisions (including provision for NPIs) during the year	13.94	9.37
(iv) Closing balance	15.59	2.43

ii) Repo / Reverse Repo Transactions:

During the year, the Bank has not under taken Repo / Reverse Repo transactions other than Repo / Reverse Repo transactions under the Liquidity Adjustment Facility (LAF) with Reserve Bank of India.

iii) Issuer Composition of Non-SLR investments (investments not qualifying for the purpose of Statutory Liquidity Ratio (SLR) prescribed by RBI):

Issuer composition as at March 31, 2016 of non-SLR investments

(₹ in crore)

No	Particulars	Amount	Private Placement	Below Investment Grade	Unrated Securities	Unlisted Securities
1	PSU	41.15	41.15	NIL	NIL	NIL
2	FIs	196.94	196.94	Nil	Nil	NIL
3	Banks	198.32	0.50	Nil	Nil	NIL
4	Private Corporates	1,051.95	941.62	Nil	Nil	NIL
5	Subsidiaries/ Joint ventures	Nil	Nil	Nil	Nil	NIL
6	Others	2,681.26*	2,108.08	Nil	Nil	80.24
7	Provisions held towards depreciation	(15.59)				
	Total	4,154.03	3,288.29	Nil	Nil	80.24

* includes Government securities of ₹ 2.93 crore which does not qualify as SLR securities.

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Issuer composition as at March 31, 2015 of non-SLR investments

(₹ in crore)

No	Particulars	Amount	Private Placement	Below Investment Grade	Unrated Securities	Unlisted Securities
1	PSU	40.00	40.00	–	–	–
2	FIs	50.00	50.00	–	–	–
3	Banks	296.74	–	–	–	–
4	Private Corporates	650.54	499.21	–	–	0.10
5	Subsidiaries/ Joint ventures	–	–	–	–	–
6	Others	1,177.51*	858.06	–	–	–
7	Provisions held towards depreciation	(2.43)	(2.43)	–	–	–
	Total	**2,212.36**	**1,444.84**	**–**	**–**	**0.10**

* includes Government securities of ₹ 2.93 crore which does not qualify as SLR securities.

iv) **Non Performing Non-SLR investment:**

(₹ in crore)

No	Particulars	2015-16	2014-15
1	Opening Balance	15.50	–
2	Additions during the year	–	15.50
3	Reductions during the year	–	–
4	Closing Balance	15.50	15.50
5	Total provisions held for NPI	3.87	2.33

v) **Security Receipts**

Details of Investments held as Security Receipts received by sale of NPA to Securitization/Reconstruction Company for the year ended March 31, 2016 are as follows-

(₹ in crore)

Particulars	Backed by NPAs sold by the Bank as underlying		Backed by NPAs sold by other banks/ FIs/ NBFCs as underlying		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Book value of investments in security receipts	–	–	–	–	–	–

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9. Forward Rate Agreement / Interest Rate Swaps / Exchange Traded Interest Rate Derivatives:

(₹ in crore)

Particulars	2015-16	2014-15
i) The notional principal of swap agreements	7,150.48	5,821.01
ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	44.21	22.21
iii) Collateral required by the Bank upon entering into swaps	NIL	NIL
iv) Concentration of credit risk arising from the swaps	48.13	32.41
v) The fair value of the swap book	1.73#	2.01#

\# fair value of the swap book is inclusive of interest accrual.

The nature and terms of Interest Rate Swaps (IRS) – FCY as on March 31, 2016 are set out below –

Nature	Nos.	Notional Principal (₹ crore)	Benchmark	Terms
FCY IRS	6	100.24	LIBOR	Receive Fixed and Pay Floating
FCY IRS	6	100.24	LIBOR	Pay Fixed and Receive Floating

The nature and terms of Interest Rate Swaps (IRS) – FCY as on March 31, 2015 are set out below –

Nature	Nos.	Notional Principal (₹ crore)	Benchmark	Terms
FCY IRS	2	23.01	LIBOR	Receive Fixed and Pay Floating
FCY IRS	2	23.01	LIBOR	Pay Fixed and Receive Floating

The nature and terms of Interest Rate Swaps (IRS) – INR as on March 31, 2016 are set out below –

Nature	Nos.	Notional Principal (₹ crore)	Benchmark	Terms
OIS	75	3,550.00	OIS	Receive Fixed and Pay Floating
OIS	70	3,400.00	OIS	Pay Fixed and Receive Floating

The nature and terms of Interest Rate Swaps (IRS) – INR as on March 31, 2015 are set out below –

Nature	Nos.	Notional Principal (₹ crore)	Benchmark	Terms
OIS	46	2,950.00	OIS	Receive Fixed and Pay Floating
OIS	49	2,825.00	OIS	Pay Fixed and Receive Floating

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Exchange Traded Interest Rate Derivatives

Exchange Traded Interest Rate Derivatives is set out below.

(₹ in crore)

S. No.	Particulars	2015-16	2014-15
1	Notional Principal amount of exchange traded interest rate derivatives undertaken during the year :		Nil
	759GS2026-FUTIRC 28-Jan-16	**0.40**	
	772GS2025-FUTIRC 26-Nov-15	**0.04**	
	772GS2025-FUTIRC 31-Dec-15	**56.08**	
	772GS2025-FUTIRC 28-Jan-16	**5.23**	
	772GS2025-FUTIRC 25-Feb-16	**12.85**	
	772GS2025-FUTIRC 31-Mar-16	**305.08**	
	788GS2030-FUTIRC 26-Nov-15	**0.04**	
	788GS2030-FUTIRC 31-Dec-15	**1.99**	
2	Notional Principal amount of exchange traded interest rate derivatives outstanding as on March 31, 2016.	**Nil**	Nil
3	Notional Principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" as on March 31, 2016	**N.A.**	N.A.
4	Mark-to-Market value of exchange traded interest rate derivatives outstanding and not "highly effective" as on March 31, 2016.	**N.A.**	N.A.

Risk Exposure in Derivatives-

Qualitative disclosures:

Derivatives are financial instruments whose characteristics are derived from an underlying asset, or from interest and exchange rates or indices. The Bank is currently dealing in Interest Rate and Foreign Exchange (FX) Derivatives for balance sheet management and proprietary trading/ market making. The Bank also offers derivative products to its customers for hedging their interest rate and FX risk.

These transactions expose the Bank to various risks, primarily credit, market and operational risk. The Bank has adopted the following mechanism for managing risks arising out of the derivative transactions.

a) **The structure and organization for management of risk in derivatives trading.**

The Bank has separate Treasury Front Office, Treasury Middle Office, Market Risk and Treasury Back Office functions. The derivative transactions are originated by Treasury Front Office, which ensures compliance with the trade origination requirements as per the Bank's policy and the RBI guidelines. Treasury Middle Office and Market Risk Group are responsible for identifying, measurement, monitoring, and analysis of derivative related risks. Treasury Back Office undertakes activities such as confirmations, settlements, documentation and accounting. The Treasury activities are subject to a concurrent audit.

b) **The scope and nature of risk measurement, risk reporting and risk monitoring systems.**

Derivative transactions are governed by the Bank's Derivative Policy, Commercial Credit Policy, Market Risk Policy and Client Suitability and Appropriateness Policy as well as by the extant RBI guidelines.

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Various risk limits are set up taking into account market volatility, business strategy and management experience. Risk limits are in place for risk parameters viz. PV01, Value at Risk, stop loss, and stress scenario limits. All exposures are monitored against these limits on a daily basis and breaches, if any, are reported for corrective action.

The Bank measures counterparty risk using current exposure method. Counterparty limits are approved as per the Bank's Credit Policies. The sanction terms may include the requirement to post upfront collateral, or post collateral should the mark to market (MTM) exceed a specified threshold; on a case to case basis. The Bank retains the right to terminate transactions as a risk mitigation measure, in case the client does not adhere to the agreed terms.

All counterparty exposures are monitored against these limits on a daily basis and breaches, if any, are reported for corrective action.

c) **Policies for hedging and/ or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges / mitigants,**

The Bank has a Board approved Hedge and Hedge effectiveness Policy, which govern the use of derivative for hedging purpose.

d) **Accounting policy for recording hedge and non-hedge transactions, recognition of income, premiums and discounts, valuation of outstanding contracts.**

The Bank has undertaken derivative transactions for market making and trading purposes. The Bank revalues its trading positions on a daily basis and records the same in the books of accounts. The receivable and payable on marking the contracts to market are shown under "Other Assets" and "Other Liabilities" in the balance sheet.

Derivatives other than FX forward transactions are covered under International Swaps and Derivatives Association (ISDA) master agreements with respective counterparties.

The Bank follows the option premium accounting framework prescribed by FEDAI circular. Premium on option transaction is recognised as income/ expense on expiry or early termination of the transaction. MTM gain/ loss, is recorded under 'Other Income'. The amounts received/paid on cancellation of option contracts are recognised as realised gains/ losses on options.

Charges receivable/payable on cancellation/ termination of foreign exchange Forward contracts and swaps are recognised as income/ expense on the date of cancellation/ termination under 'Other Income'.

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Quantitative disclosure on risk exposure in derivatives as at March 31, 2016

(₹ in crore)

S. No.	Particulars		2015-16				2014-15			
			Currency derivatives			Interest rate derivatives	Currency derivatives			Interest rate derivative
			Forward Contract	Currency Option	Currency Swap		Forward Contract	Currency Option	Currency Swap	
(i)	Derivatives (Notional Principal Amount)									
	a) For hedging		644.86#	NIL	NIL	175.00	545.65#	NIL	NIL	NIL
	b) For trading		6,191.87	4,806.55	1,798.01	6,975.48	6,142.45	2,593.49	215.37	5,821.01
(ii)	Marked to Market Positions [1]									
	a) Asset (+)		106.28	38.93	38.17	44.21	65.46	14.18	3.41	22.21
	b) Liability (-)		(73.15)	(40.25)	(28.38)	(42.48)	(61.33)	(13.28)	(1.31)	(20.20)
(iii)	Credit Exposure [2]		265.17	111.84	193.00	98.71	258.84	22.70	24.94	64.30
(iv)	Likely impact of one percentage change in interest rate (100*PV01)									
	a) on hedging derivatives		3.73#	NIL	NIL	4.64	5.01#	NIL	NIL	NIL
	b) on trading derivatives		2.41	NIL	–	0.04	1.22	NIL	0.00	0.81
(v)	Maximum and Minimum of 100*PV01 observed during the year									
	a) on hedging	Max	5.01#	NIL	NIL	4.64	5.11#	NIL	NIL	NIL
		Min	3.16#	NIL	NIL	0.00	3.38#	NIL	NIL	NIL
	b) on trading	Max	2.41	NIL	–	0.80	2.11	NIL	0.00	1.72
		Min	0.09	NIL	–	0.02	0.11	NIL	0.00	0.11

represents funding swaps undertaken by the Bank.

(1) As per recommendatory provisions of AS-31, Financial Instrument: Presentation, mark to market position is reported on gross basis. Marked to Market positions are reported only for trading portfolio.

(2) The Bank has computed maximum and minimum of PV01 for the year based on balances at the end of every month.

(3) Mark to Market position for Currency Swap & Interest Rate Derivative includes Interest accrued on the swap.

(4) The Notional principal of Forward Exchange Contract does not include notional for Tom and Spot Foreign Exchange Contract.

(5) The notional principal amounts of derivatives reflect the volume of transactions outstanding at balance sheet date and do not represent the amount of risk.

10. Restructured / Rescheduled / Renegotiated - Investments during the year is Nil (Previous year: Nil)

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11. Asset Quality:

i) Non – Performing Asset:

(₹ in crore)

Particulars		2015-16	2014-15
(i)	Net NPAs to Net Advances (%)	0.59%	0.27%
(ii)	Provisioning Coverage Ratio (PCR) (%)	55.87%	68.28%
(iii)	Movement of NPAs (Gross)		
	(a) Opening balance	111.23	77.75
	(b) Additions during the year	199.69	47.63
	(c) Reductions during the year	102.87	14.15
	(d) Closing balance	208.05	111.23
(iv)	Movement of Net NPAs		
	(a) Opening balance	38.59	30.50
	(b) Additions during the year	145.67	28.56
	(c) Reductions during the year	59.82	20.47
	(d) Closing balance	124.44	38.59
(v)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	72.64	47.25
	(b) Provisions made during the year	81.38	32.02
	(c) Write-off / write back of excess provisions during the year	70.41	6.63
	(d) Closing balance	83.61	72.64

(ii) Technical Write-off:

(₹ in crore)

Particulars	2015-16	2014-15
Opening balance of Technical / Prudential written-off accounts as at April 1	10.44	11.26
Add : Technical / Prudential write-offs during the year	64.19	0.00
Sub-total (A)	74.63	11.26
Less : Recoveries made from previously technical / prudential written-off accounts during the year (B)	0.73	0.82
Closing balance as at March 31 (A-B)	73.90	10.44

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ii) Particulars of Restructured Accounts:

Details of loan assets subjected to restructuring during the year are given below:

Restructured Advances as at March 31, 2016

(₹ in crore)

Type of restructuring		Under CDR					Under SME					Others					Total
Asset Classification / Details		S	SS	D	L	Total	S	SS	D	L	Total	S	SS	D	L	Total	
Restructured accounts as on 1 April of the FY	A	1	–	–	–	1	2	–	–	–	2	3	1	–	–	4	7
	B	52.20	–	–	–	52.20	19.74	–	–	–	19.74	6.97	17.14	–	–	24.11	96.05
	C	7.77	–	–	–	7.77	2.89	–	–	–	2.89	0.92	3.66	–	–	4.59	15.25
Fresh Restructuring during the year	A	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	B	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	C	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Increase / (Decrease) in outstanding of Restructured cases	A	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	B	(11.60)	–	–	–	(11.60)	0.83	–	–	–	0.83	7.77	(0.00)	–	–	7.77	(3.00)
	C	12.37	–	–	–	12.37	1.51	–	–	–	1.51	5.36	7.26	–	–	12.62	26.50
Upgradation to restructured standard during the FY	A	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	B	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	C	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Restructured standard advances which cease to attract higher provision at the year end and need not be shown as restructured advances at the beginning of the next FY	A	–	–	–	–	–	(1.00)	–	–	–	(1.00)	–	–	–	–	–	(1.00)
	B	–	–	–	–	–	(0.67)	–	–	–	(0.67)	–	–	–	–	–	(0.67)
	C	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Down gradations of restructured accounts during the FY	A	(1)	1	–	–	–	–	–	–	–	–	(3)	2	1	–	–	–
	B	(40.60)	40.60	–	–	–	–	–	–	–	–	(14.73)	(2.41)	17.14	–	–	–
	C	(20.14)	20.14	–	–	–	–	–	–	–	–	(6.29)	(4.63)	10.92	–	–	–
Write-offs of restructured accounts	A	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	B	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	C	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Restructured accounts as on 31 March (Closing)	A	–	1	–	–	1	1	–	–	–	1	–	3	1	–	4	6
	B	–	40.60	–	–	40.60	19.90	–	–	–	19.90	–	14.73	17.14	–	31.88	92.38
	C	–	20.14	–	–	20.14	4.40	–	–	–	4.40	–	6.29	10.92	–	17.21	41.75

* Amount in this column indicates the movement i.e. recovery / (increase) in the balance during the year

A- No. of borrowers, B- Amt. outstanding, C- Provision thereon

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Restructured Advances as at March 31, 2015

(₹ in crore)

Type of restructuring		Under CDR					Under SME					Others					Total
Asset Classification / Details		S	SS	D	L	Total	S	SS	D	L	Total	S	SS	D	L	Total	
Restructured accounts as on 1 April of the FY	A	-	-	-	-	-	1	-	-	-	1	3	-	-	-	3	4
	B	-	-	-	-	-	1.05	-	-	-	1.05	17.48	-	-	-	17.48	18.53
	C	-	-	-	-	-	-	-	-	-	-	0.94	-	-	-	0.94	0.94
Fresh Restructuring during the year	A	1	-	-	-	1	1	-	-	-	1	1	-	-	-	1	3
	B	52.20	-	-	-	52.20	19.07	-	-	-	19.07	5.20	-	-	-	5.20	76.47
	C	7.77	-	-	-	7.77	2.89	-	-	-	2.89	0.54	-	-	-	0.54	11.20
Increase / (Decrease) in outstanding of restructured cases	A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	B	-	-	-	-	-	(0.38)	-	-	-	(0.38)	0.39	-	-	-	0.39	0.01
	C	-	-	-	-	-	-	-	-	-	-	0.05	-	-	-	0.05	0.05
Upgradations to restructured standard during the year	A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	C	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restructured standard advances which cease to attract higher provision at the year end and need not be shown as restructured advances at the beginning of the next FY	A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	C	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Downgradations of restructured accounts during the FY	A	-	-	-	-	-	-	-	-	-	-	(1)	1	-	-	-	-
	B	-	-	-	-	-	-	-	-	-	-	(16.10)	17.14	-	-	1.04	1.04
	C	-	-	-	-	-	-	-	-	-	-	(0.60)	3.66	-	-	3.06	3.06
Write-offs of restructured accounts	A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	C	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restructured accounts as on 31 March (Closing)	A	1	-	-	-	1	2	-	-	-	2	3	1	-	-	4	7
	B	52.20	-	-	-	52.20	19.74	-	-	-	19.74	6.97	17.14	-	-	24.11	96.05
	C	7.77	-	-	-	7.77	2.89	-	-	-	2.89	0.93	3.66	-	-	4.59	15.25

* Amount in this column indicates the movement i.e. recovery / (increase) in the balance during the year

A- No. of borrowers, B- Amt. outstanding, C- Provision thereon

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iii) Details of financial assets sold to Securitisation / Reconstruction Company for Asset Reconstruction:

(₹ in crore)

	Particulars	2015-16	2014-15
(i)	No. of accounts	–	1
(ii)	Aggregate value (net of provisions) of accounts sold to SC / RC	–	42.29
(iii)	Aggregate consideration	–	42.29
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	–	NIL
(v)	Aggregate loss over net book value	–	NIL

iv) Details of non-performing financial assets purchased / sold:

Non- performing financial assets purchased

(₹ in crore)

		Particulars	2015-16	2014-15
1	(a)	No. of accounts purchased during the year	–	2
	(b)	Aggregate Outstanding	–	12.15
2	(a)	Of these, number of accounts restructured during the year	–	–
	(b)	Aggregate Outstanding	–	–

Non- performing financial assets Sold

(₹ in crore)

	Particulars	2015-16	2014-15
1	No. of accounts sold during the year	1	–
2	Aggregate Outstanding	4.15	–
3	Aggregate Consideration Received	8.00	–

v) Securitisation

There are no securitization transactions undertaken by the Bank during the year ended 31 March 2016 (Previous Year – Nil)

12. The Bank has not done any securitizations during the year ended March 31, 2016 and March 31, 2015.

13. Business Ratios:

	Particulars	2015-16	2014-15
(i)	Interest income as % to Working funds	9.31%	9.65%
(ii)	Non-Interest income as % to Working funds	1.66%	1.99%
(iii)	Operating profit as % to Working funds	1.84%	1.78%
(iv)	Return on Assets (Working funds)	0.99%	1.02%
(v)	Business (Deposit plus Advance) per employee (₹ in crore)	10.95	8.23
(vi)	Profit per employee (₹ in crore)	0.08	0.06

Working funds represents the average of total assets as reported in Monthly Form X to RBI under Section 27 of the Banking Regulation Act, 1949.

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14. Maturity Pattern:

Maturity pattern of certain items of assets and liabilities is given below:

(₹ in crore)

Particulars	As at March 31, 2016					
	Loans & Advances (INR)	Investments (INR)	Deposits (INR)	Borrowings (INR)	Foreign currency Assets	Foreign currency Liabilities
1 day	212.28	4,443.33	142.00	6.79	210.58	6.55
2 to 7 days	305.82	325.88	1,097.04	3,136.53	50.54	17.35
8 to 14 days	560.81	348.93	886.19	1,800.00	34.48	8.17
15 to 28 days	476.81	544.86	1,299.18	0.00	52.57	19.07
29 days to 3 months	2,318.65	2,876.82	7,258.36	545.00	209.86	100.15
Over 3 months to 6 months	1,624.32	965.58	2,703.30	743.26	110.18	617.87
Over 6 months to 1 year	5,259.63	1,530.23	3,593.95	555.45	579.24	462.02
Over 1 year to 3 years	5,443.21	2,142.37	6,414.55	1,214.71	542.75	263.82
Over 3 years to 5 years	1,559.03	663.18	366.05	183.48	116.65	677.30
Over 5 years	1,588.76	594.67	170.37	472.80	90.21	133.75
Total	19,349.32	14,435.85	23,930.99	8,658.02	1,997.06	2,306.05

(₹ in crore)

Particulars	As at March 31, 2015					
	Loans & Advances (INR)	Investments (INR)	Deposits (INR)	Borrowings (INR)	Foreign currency Assets	Foreign currency Liabilities
1 day	191.07	204.34	124.43	0.00	79.84	3.21
2 to 7 days	246.04	2,226.84	1,232.23	3,181.83	28.84	11.58
8 to 14 days	158.22	626.35	648.78	699.00	26.37	4.00
15 to 28 days	270.15	375.51	1,028.45	300.00	55.55	5.49
29 days to 3 months	1,333.20	2,722.65	3,280.26	0.00	138.69	89.38
Over 3 months to 6 months	1,096.53	1,576.06	2,710.48	508.96	22.74	63.34
Over 6 months to 1 year	3,936.69	894.86	3,179.72	486.57	230.00	334.43
Over 1 year to 3 years	4,130.47	827.03	4,334.69	746.70	202.86	274.76
Over 3 years to 5 years	874.01	162.54	223.70	174.36	40.84	128.48
Over 5 years	1,447.02	176.12	69.41	100.01	14.22	125.00
Total	13,683.40	9,792.30	16,832.15	6,197.43	839.95	1,039.67

Classification of assets and liabilities under the different maturity buckets for both current and previous financial years is based on the same estimates and assumptions as used by the Bank for compiling the return submitted to the RBI. Maturity profile of assets and liabilities excludes off balance sheet items.

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15. Lending to Sensitive Sector:

i) Exposure to Real Estate Sector:

(₹ in crore)

Particulars	2015-16	2014-15
1) Direct exposure		
(a) Residential Mortgages -	265.64	310.82
Out of which Individual housing loans eligible for inclusion in priority sector advances	98.29	98.05
(b) Commercial Real Estate	1,465.22	1,169.84
(c) Investments in Mortgage Backed Securities (MBS) and other securitized exposures	–	–
i. Residential Mortgages	–	–
ii. Commercial Real Estate	–	–
2) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	517.16	191.07
Total Exposure to Real Estate Sector	2,248.02	1,671.73

ii) Exposure to Capital Market:

(₹ in crore)

Particulars	2015-16	2014-15
(i) Direct investments made in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	19.52	0.10
(ii) Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	–	0.00
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	280.49	295.91
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances	–	0.00
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	80.00	80.00
(vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	–	0.00
(vii) Bridge loans to companies against expected equity flows/issues	–	0.00
(viii) Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	–	0.00
(ix) Financing to stockbrokers for margin trading	–	0.00
(x) All exposures to Venture Capital Funds (both registered and unregistered) will be deemed to be on par with equity and hence will be reckoned for compliance with the capital market exposure ceilings (both direct and indirect)	68.56	18.79
Total Exposure to Capital Market	448.57	394.80

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iii) Risk Category wise Country Exposure:

(₹ in crore)

Risk Category	Exposure (net) as at March 31, 2016	Provision held as at March 31, 2016	Exposure (net) as at March 31, 2015	Provision held as at March 31, 2015
Insignificant	152.37	–	72.56	–
Low	7.62	–	4.86	–
Moderate	0.72	–	–	–
High	–	–	–	–
Very High	–	–	–	–
Restricted	0.12	–	–	–
Off-credit	–	–	–	–
Total	160.83	–	77.42	–

16. Details of Single / Group Borrower limit exceeded by the Bank:

During the year ended March 31, 2016 and March 31, 2015, the Bank has complied with the applicable RBI guidelines with regard to exposure to a single borrower and a group of the borrower. As per the exposure limits permitted under the extant RBI regulation, the Bank, with the approval of the Board of Directors, can enhance exposure to a single borrower or borrower group by a further 5 percent of capital funds. Accordingly, during the year ended March 31, 2016, with the prior approval of the Board of Directors, the Bank sanctioned enhancement in single borrower limit for Gujarat State Petronet Limited (infrastructure company within the definition of RBI exposure norms) from 20% of Capital Funds to 25% of Capital Funds.

17. Amount of Provisions made for Income-tax during the year:

(₹ in crore)

Particulars	2015-16	2014-15
i) Provision for Income tax / Wealth tax	157.54	102.53
ii) Provision for deferred tax	(22.02)	(9.76)

18. Unsecured Advances against Intangible Collaterals:

(₹ in crore)

Particulars	2015-16	2014-15
Total Advances against intangible securities such as charge over the rights, licenses, authority etc.	NIL	NIL
Estimated Value of intangible collateral such as charge over the rights, licenses, authority etc.	NIL	NIL

19. Penalties imposed by RBI:

During the current year, RBI has not imposed any penalty on the Bank.

During the previous year ended March 31, 2015, the Reserve Bank had carried out a scrutiny of the loan and current accounts of M/s. Deccan Chronicle holdings Ltd., in various banks in late 2013. As per RBI's assessment, the Bank had not complied with the extant guidelines designed to protect the banks while lending to companies that do not provide full disclosure, requiring banks to exchange information among lending banks on borrowers on a periodic basis and accordingly levied a penalty of ₹ 0.05 Crore.

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20. Disclosure of Fees / Remuneration Received in respect of Bancassurance Business:

(₹ in crore)

Particulars	2015-16	2014-15
i) Fee / Remuneration from Life Insurance Business	8.67	6.72
ii) Fee / Remuneration from General Insurance Business	2.11	1.69

21. Break up of Provisions and Contingencies debited to Profit & Loss Account:

(₹ in crore)

Particulars	2015-16	2014-15
i) Provision made towards NPAs / Write off/ Sacrifice for Restructured Advance / Debt Relief as per RBI guidelines		
a) For Advance	80.04	35.11
b) For Investments	1.55	2.33
c) For Lease Assets	–	–
ii) Provisions towards Standard Advances	23.82	24.24
iii) Provision for depreciation on investments	11.61	(2.07)
iv) Provision / (Write-back) for credit card reward points	(3.46)	0.03
v) Provision for others	0.84	0.54
vi) Provisions towards Income tax / Wealth tax	157.54	102.53
vii) Provision towards deferred tax (net)	(22.02)	(9.76)
Total	249.92	152.95

22. Drawdown from Reserves:

There has been no draw down from reserves during the year ended March 31, 2016 and March 31, 2015

23. Floating Provisions:

The Bank has not made any floating provisions.

24. Market risk in trading book:

Quantitative Disclosure :

(₹ in crore)

Particulars	2015-16 Basel III	2014-15 Basel III
Capital requirements for:		
a) interest rate risk	290.96	146.41
b) equity position risk	19.91	9.87
c) foreign exchange risk	11.70	4.05

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25. Concentration of Deposits, Advances, Exposures and NPAs:

i) Concentration of Deposits:

(₹ in crore)

Particulars	2015-16	2014-15
Total Deposits of twenty largest depositors	5,572.13	4,670.78
Percentage of Deposits of twenty largest depositors to Total Deposits	22.88%	27.32%

ii) Concentration of Advances:

(₹ in crore)

Particulars	2015-16	2014-15
Total Advances to twenty largest borrowers*	4,635.29	3,411.51
Percentage of Advances to twenty largest borrowers to Total Advances	14.00%	13.65%

* Credit Exposure excludes the exposures which are 100% cash backed

iii) Concentration of Exposures:

(₹ in crore)

Particulars	2015-16	2014-15
Total Exposure to twenty largest borrowers / customers *	5,003.69	3,455.81
Percentage of Exposure to twenty largest borrowers / customers to Total Exposure of the Bank on borrowers / customers	13.42%	12.75%

* Credit Exposure excludes the exposures which are 100% cash backed

iv) Concentration of NPA's:

(₹ in crore)

Particulars	2015-16	2014-15
Total Exposure to top four NPA Accounts	85.12	78.27

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v) **Sector Wise Advances:**

(₹ in crore)

Sl. No.	Sector	Current year Outstanding Total Advances	Current year Gross NPAs	Current year Percentage of Gross NPAs to Total Advances in that sector	Previous year Outstanding Total Advances	Previous year Gross NPAs	Previous year Percentage of Gross NPAs to Total Advances in that sector
A	**Priority Sector**						
1	Agriculture and allied activities	2,539.54	7.94	0.31	1,791.74	6.15	0.34
2	Advances to industries sector eligible as priority sector lending	873.81	3.38	0.39	435.81	1.78	0.41
3	Services	1,849.72	13.48	0.73	1,124.20	4.74	0.42
4	Personal loans	1,605.75	2.54	0.16	1,094.78	1.54	0.14
	Sub-total (A)	6,868.82	27.34	0.40	4,446.53	14.21	0.32
B	**Non Priority Sector**						
1	Agriculture and allied activities	19.21	0.00	0.00	1.61	0.00	0.00
2	Industry	6,073.15	68.74	1.13	4,538.31	17.63	0.39
3	Services	5,023.79	77.27	1.54	4,655.11	67.93	1.46
4	Personal loans	3,331.21	34.70	1.04	888.85	11.46	1.29
	Sub-total (B)	14,447.36	180.71	1.25	10,083.88	97.02	0.96
	Total (A+B)	21,316.18	208.05	0.98	14,530.41	111.23	0.77

vi) **Movement of NPA:**

(₹ in crore)

Particulars	2015-16	2014-15
Gross NPAs as on 1st April (Opening Balance)	111.23	77.75
Additions (Fresh NPAs) during the year	199.68	47.63
Sub-total (A)	310.91	125.38
Less: (i) Up - gradations	11.40	0.31
(ii) Recoveries (excluding recoveries made from up-graded accounts)	18.62	8.65
(iii) Write - offs	72.84	5.19
Sub-total (B)	102.86	14.15
Gross NPAs as on 31st March (closing balance) (A - B)	208.05	111.23

vii) **Overseas Assets, NPAs and Revenue:**

(₹ in crore)

Particulars	2015-16	2014-15
Total Assets	NIL	NIL
Total NPAs	NIL	NIL
Total Revenue	NIL	NIL

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forming part of the financial statements for the year ended March 31, 2016

viii) **Off- Balance Sheet SPVs sponsored:**

Name of the SPV sponsored	
Domestic	Overseas
NIL	NIL

26. Disclosure on Remuneration

Qualitative Disclosure

A. Information relating to the composition and mandate of the Remuneration Committee.

The Bank's Human Resources and Remuneration Committee (HR&RC) comprises of the following directors:

1. Mr. P. Sudhir Rao - Chairman of Committee
2. Mr. Narayan Ramachandran
3. Mr. Vimal Bhandari
4. Mr. Jairaj Purandare

All members of the HR&RC are independent directors. Mr. Sudhir Rao, Mr. Narayan Ramachandran and Mr. Vimal Bhandari are also members of the Risk Management Committee of the Board. Mr. Vishwavir Ahuja is a permanent attendee.

Following are the terms of Reference of Human Resources and Remuneration Committee:

- To assist and advise the MD & CEO in planning for senior management build-out of the Bank so as to ensure appropriate leadership is in place for the Bank's transformation strategy.
- To evaluate and approve HR policies of the Bank
- To evaluate and approve various Employee Stock Ownership Schemes that may be required from time to time to ensure that the Bank gets the right talent and is able to retain high performing employees etc.
- To award ESOPs to employees, whether in the form of joining or performance. The Committee may determine the level/grade of employees it desires to review and award.
- To oversee the framing, review and implementation of compensation policy of the Bank on behalf of the Board.
- To work in close coordination with Risk Management Committee of the bank, in order to achieve effective alignment between remuneration and risks.
- To ensure that the cost/income ratio of the Bank supports the remuneration package consistent with maintenance of sound capital adequacy ratio.
- Any other related aspect to the above.

B. Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy.

The remuneration is divided into following components:

Fixed Remuneration:

For employees governed by Indian Banking Association's employment and compensation rules (IBA rules), their remuneration is based on the industry-wide bi-partite wage settlement agreements signed with the employees' unions. These rules provide for basic salary, allowances and certain retirement benefits to the employees which are uniformly applicable for the employees covered under the IBA scale.

For the employees governed by the 'Cost to Company (CTC)' remuneration structure (i.e. Non-IBA scale employees), the CTC represents the total direct and fixed cost incurred by the Bank across all components of compensation including contributions paid by the Bank towards retiral

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benefits, and loans at concessional interest rates. It consists of Basic Salary, House Rent Allowance, Personal Allowance / Special Allowances, Medical & other Reimbursements, Leave Travel Assistance and Retiral Benefits.

Employee Stock Options:

In order to align the interest of the Bank, the senior management, its shareholders and the employees, there is an effort to create long term ownership and commitment for the senior officers of the Bank. This is also done with a view to recognize and compensate senior officers for intellectual capital, the domain expertise in terms of product and market knowledge and the business relationships that they bring along. Accordingly, the Bank has formulated Employee Stock Option Program.

Further, to reward the performance and recognise the contribution of employees, the Bank has also introduced a Performance Employee Stock Option Program. The Bank has also introduced a Employee Retention Stock option program with the objective of retaining a very select group of highly valued middle and senior management as well as employees in key leadership roles.

The underlying philosophy of Employee Stock Option Plan is to enable the present and future employees to share the value that they help to create for the Bank over a period of time. Joining Employee Stock Options (ESOPs) are granted based on the primacy of the role to the Bank as well as experience, domain knowledge, current ability, future potential and expertise of the candidate. Performance ESOPs are given after periodic evaluation of the employee against individual and overall performance of the Bank during the review period. The Plan has been designed and implemented in such a way that an equity component in the compensation goes a long way in aligning the objectives of an individual with those of the Bank. From FY12, the ESOP has been broad based to include long serving employees of the Bank to make them partners in the growth of the Bank.

These stock option programmes are administered by the HR&RC.

Annual Performance Linked Variable Compensation (APLVC):

APLVC is paid as a percentage of CTC as defined in the Compensation Policy of the Bank.

As per the guidelines issued by RBI, APLVC is capped at 70% of CTC for Whole-time Directors / CEO / Senior Executive Team and 40% for Risk Management & Compliance Staff. Also, the APLVC could be paid in a staggered manner based on the quantum of APLVC as a percentage of the CTC. APLVC does not include ESOPs.

C. Description of the ways in which current and future risks are taken into account in the remuneration processes.

Key determinant of the total variable pool is the overall performance of the Bank in any given year.

Further, the following principles apply:

i. In order for incentive-based remuneration to work, the variable part of remuneration should be truly and effectively variable and can even be reduced to zero.

ii. Methodologies for adjusting remuneration to risk and performance will be based on the general risk management and corporate governance framework adopted by the Bank.

iii. Risks taken need to be estimated (ex ante), risk outcomes observed (ex post) and both ex ante estimates and ex post outcomes would have a bearing on the payoffs.

iv. Risk adjustments would take into account the nature of the risks involved and the time horizons over which they could emerge. The impact of remuneration adjustments would be linked to actions taken by employees and / or business units, and their impact on the level of risk taken on by the Bank.

v. Both ESOP as well as APLVC provides long term remuneration benefits to employees. The ESOP/PESOP / RESOP are equity settled where the employees will receive one equity share per option. The ESOPs and PESOPs granted to employees vest over a period of three years, in either equal proportion or 40:30:30 each year whereas RESOPs vest over a period of two years in a proportion of 20:80 each year. Second vesting of RESOP is linked with IPO. Similarly, as per the guidelines issued by RBI, APLVC could be paid in a staggered manner based on the quantum of APLVC as a percentage of the CTC. Further, the ESOP/PESOP and APLVC are subject to suitable claw-back and malus clauses to protect the Bank against misconduct, sub-optimal performance or decisions or actions leading to adverse financial consequence to the Bank.

D. Description of the ways in which the Bank seeks to link performance during a performance measurement period with levels of remuneration.

The Bank has a performance management system in place. The Performance management system has goals on four perspectives namely Financial, Customer, Process and People. Employees are appraised against the goals set at the beginning of the year. Employee performance and competence assessment are both considered for the performance rating. Performance Rating has a direct correlation with the increments and APLVC as well as PESOPs.

E. A discussion of the Bank's policy on deferral and vesting of variable remuneration and a discussion of the Bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting.

As per the guidelines issued by RBI, APLVC is capped at 70% of CTC for Whole-time Directors / CEO / Senior Executive Team and 40% for Risk Management & Compliance Staff. Also, the APLVC could be paid in a staggered manner based on the quantum of APLVC as a percentage of the CTC. APLVC does not include ESOPs/PESOPs.

Schedule for APLVC vesting and payout is as per pay schedule defined in the Compensation Policy of the Bank.

Deferred APLVC vests only in the year of payment. Voluntary Cessation of employment by the employee or termination with cause as defined in employment contract will result in forfeiture of the remaining APLVC. APLVC is subject to claw-back and malus clauses.

F. Description of the different forms of variable remuneration (i.e. cash, shares, ESOPs and other forms) that the Bank utilizes and the rationale for using these different forms.

Various forms of variable remuneration used by the Bank are:

APLVC: APLVC provides cash bonus in short to medium term to employees. The bank utilizes APLVC to reward superior performance.

Employee stock option (ESOP) plan: Employee stock option plan is a long term remuneration benefit.

ESOP is equity settled where the employees will receive one equity share per option after vesting. The stock options granted to employees vest over a period of three years, generally, in equal proportion each year. ESOP is used to reward superior performance, aligning employee interests with the Bank, create long term ownership and commitment.

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Quantitative Disclosure-

(The quantitative disclosure covers Whole Time Directors, Chief Executive Officer and Other Risk Takers)

(₹ in crore)

Sr. No.	Particulars	2015-16	2014-15
1(i)	Number of meetings held by the Remuneration Committee during the year.	5	7
1(ii)	Remuneration paid to its members during the year	0.37	0.18
2(i)	Number of employees having received a variable remuneration award during the year	93	85
2(ii)	Number and total amount of sign-on awards made during the year	–	–
2(iii)	Details of guaranteed bonus, if any, paid as joining / sign on bonus	–	–
2(iv)	Details of severance pay, in addition to accrued benefits, if any.	–	–
3(i)	Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	–	–
3(ii)	Total amount of deferred remuneration paid out in the year	–	–
4	Breakdown of amount of remuneration awards for the financial:		
	Fixed	56.96	43.09
	Variable	6.24	4.09
	Deferred	–	–
	Non-deferred	6.24	4.09
5(i)	Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments.	–	–
5(ii)	Total amount of reductions during the year due to ex- post explicit adjustments.	–	–
5(iii)	Total amount of reductions during the year due to ex- post implicit adjustments	–	–

27. Description of nature of contingent liabilities is set out below:

i) **Claims against the Bank not acknowledged as debts:**

These represent claims filed against the Bank in the normal course of business relating to various legal cases currently in progress.

ii) **Liability for partly paid investments:**

These represent contingent liability on account of possible claims for uncalled amount by the issuer of the securities held by the Bank.

iii) **Liability on account of forward exchange and interest rate contracts:**

The Bank enters into foreign exchange contracts currency options, forward rate agreements, currency swaps with inter-bank participants on its own account and for the customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. Currency swaps are commitments to exchange cash flows by the way of interest/principal in one currency against another, based on pre-determined rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows.The amount recorded as contingent liability with respect to these contracts represents the underlying notional amounts of these contracts.

iv) **Guarantees given on behalf of Constituents, Acceptances, Endorsement and other obligations:**

As a part of its corporate banking activities, the Bank issues documentary credit and guarantees on behalf of its customers. Documentary credits such as letters of credit enhance the credit standing of the customer of the Bank. Guarantees generally represent irrevocable assurances that the Bank will make the payment in the event of the customer failing to fulfill its financial or performance obligations.

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v) **Acceptances, endorsements and other obligations:**

These include documentary credit issued by the Bank on behalf of its customers and bills drawn by the Bank's customers that are accepted or endorsed by the Bank.

vi) **Other contingent items:**

These include:

a. Commitments for settlement date accounting for securities transactions;

b. Amount of bills rediscounted by the Bank;

c. Demands raised by income tax and other statutory authorities and disputed by the Bank.

Refer schedule 12 for amounts relating to contingent liabilities.

28. Bank has not issued any letters of comfort during the year.

29. Liquidity Coverage Ratio (LCR):

(₹ in crore)

		Q1 2015-16		Q2 2015-16		Q3 2015-16		Q4 2015-16		2014-15	
		Total Unwtd. Value (Avg)	Total Wtd. Value (Avg)	Total Unwtd. Value (Avg)	Total Wtd. Value (Avg)	Total Unwtd. Value (Avg)	Total Wtd. Value (Avg)	Total Unwtd. Value (Avg)	Total Wtd. Value (Avg)	Total Unwtd. Value (Avg)	Total Wtd. Value (Avg)
	High Quality Liquid Assets										
1	Total High Quality Liquid Assets (HQLA)		2,560.23		2,758.83		2,944.77		3,342.54		2,590.15
	Cash Outflows										
2	Retail deposits and deposits from small business customers, of which:	4,300.20	425.20	4,612.91	456.02	5,065.42	500.79	5,561.68	550.50	5,437.69	537.86
(i)	Stable deposits	96.29	4.81	105.39	5.27	115.17	5.76	113.24	5.66	118.20	5.91
(ii)	Less stable deposits	4,203.91	420.39	4,507.52	450.75	4,950.25	495.03	5,448.44	544.84	5,319.49	531.95
3	Unsecured wholesale funding, of which:	7,042.00	3,866.30	7,956.09	4,393.00	7,731.32	4,232.25	8,371.89	4,723.73	6,616.78	3,658.99
(i)	Operational deposits (all counterparties)	–	–	–	–	–	–	–	–	–	–
(ii)	Non-operational deposits (all counterparties)	7,042.00	3,866.30	7,956.09	4,393.00	7,731.32	4,232.25	8,371.89	4,723.73	6,616.78	3,658.99

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(₹ in crore)

		Q1 2015-16		Q2 2015-16		Q3 2015-16		Q4 2015-16		2014-15	
		Total Unwtd. Value (Avg)	Total Wtd. Value (Avg)	Total Unwtd. Value (Avg)	Total Wtd. Value (Avg)	Total Unwtd. Value (Avg)	Total Wtd. Value (Avg)	Total Unwtd. Value (Avg)	Total Wtd. Value (Avg)	Total Unwtd. Value (Avg)	Total Wtd. Value (Avg)
(iii)	Unsecured debt	–		–		–		–		–	
4	Secured wholesale funding		–		–		–		–		–
5	Additional requirements, of which	95.69	95.69	128.54	128.54	116.41	116.41	110.95	110.95	154.43	154.43
(i)	Outflows related to derivative exposures and other collateral requirements	5.38	5.38	22.00	22.00	0.20	0.20	6.98	6.98	2.76	2.76
(ii)	Outflows related to loss of funding on debt products										
(iii)	Credit and liquidity facilities										
6	Other contractual funding obligations	–	–	–	–	–	–	–	–	–	–
7	Other contingent funding obligations	5,477.76	273.89	5,742.43	287.12	5,623.11	281.16	6,088.32	223.03	4,859.11	242.96
8	Total Cash Outflows		4,661.08		5,264.68		5,130.61		5,608.21		4,594.24
	Cash Inflows										
9	Secured lending (e.g. reverse repos)	–	–	143.33	143.33	120.69	120.69	78.15	78.15	115.99	115.99
10	Inflows from fully performing exposures	837.16	418.58	1,167.25	583.63	1,432.45	716.22	1,440.38	720.19	734.41	367.20
11	Other cash inflows	536.75	514.94	411.16	391.92	555.21	531.16	643.98	618.03	512.57	489.63
12	Total Cash Inflows	1,373.91	933.52	1,722.24	1,118.88	2,108.35	1,368.07	2,162.51	1,416.37	1,362.97	972.82
			Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value
21	TOTAL HQLA		2,560.23		2,758.83		2,944.77		3,342.54		2,590.15
22	Total Net Cash Outflows		3,727.57		4,145.80		3,762.52		4,191.85		3,621.41
23	Liquidity Coverage Ratio (%)		68.68		66.55		78.27		79.74		71.52

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Qualitative disclosure around LCR

The Bank measures and monitors the LCR in line with guidelines issued by RBI on "Basel III Framework on Liquidity Standards - Liquidity Coverage Ratio (LCR), Liquidity Risk Monitoring Tools and LCR Disclosure Standards" dated June 09, 2014 and subsequent amendments thereon. The LCR guidelines issued by RBI became binding on Banks from January 1, 2015. The LCR guidelines aim to ensure that a bank maintains an adequate level of unencumbered High Quality Liquid Assets (HQLAs) that can be converted to cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario. At a minimum, the stock of liquid assets should enable the Bank to survive a liquidity stress scenario for at least 30 days, by which time it is assumed that appropriate corrective actions can be taken.

Banks were required to maintain HQLA of a minimum of 60% of its Net Cash Outflows in the calendar year 2015. This minimum requirement has been increased to 70% for the current calendar year 2016 and will increase in the steps of 10% each year to 100% by January 1, 2019.

The Bank follows the criteria laid down in RBI guidelines from time to time, for month-end calculations of HQLA, gross outflows and inflows within the next 30- day period. LCR for the Bank for both the year end period as well on quarterly average basis is above the minimum threshold set by RBI of 60% for calendar year 2015 and 70% for calendar year 2016 (till March 31, 2016) respectively. This has been on account of robust liquidity management framework put in place by the Bank to meet various liquidity ratios / stipulations prescribed by RBI from time to time. The LCR has been maintained for both the year end as well as quarterly average basis is on account increase in excess SLR balance and increase in retail deposits.

The Bank holds High Quality Liquidity Assets "HQLA" in two categories:

- Level 1 Assets comprising of excess Cash Reserve Ratio (CRR) balance with RBI, excess SLR balance (comprising of eligible central government and state government securities) and regulatory dispensation Facility to Avail Liquidity for Liquidity Coverage Ratio (FALLCR) allowing 10% (7% till February 2016) of NDTL in the form of borrowing limit under Marginal Standing Facility (MSF).
- A relatively smaller part of HQLA is accounted as Level 2 Assets comprising of corporate bonds, debentures, commercial papers issued by non-financial institutions which are rated AA- and above and rated BBB- to A+, as Level 2A and Level 2B, respectively.

The HQLAs in the Bank's portfolio in the form of SLR and corporate bonds are well diversified across instruments and maturity to provide the Bank with adequate and timely liquidity.

The Bank has diverse sources of funding from retail deposits, small business customers, wholesale bank and other institutional deposits. Bank has seen continuing growth in deposit accounts both from retail and wholesale deposits.

The Bank monitors the concentration of funding sources from significant counterparties, Top depositors as part of the Asset Liability Management (ALM) framework. The Bank adheres to regulatory and internal limits on Inter-bank liability and borrowings in Money Markets like Call Money, CBLO borrowings, Borrowings from RBI under LAF & MSF. These form part of the Bank's ALM policy.

The Board of Directors has the overall responsibility for management of liquidity risk. The Board at overall level decides the liquidity risk tolerance/limits and accordingly decides the strategy, policies and procedures of the Bank for managing liquidity risk. The Board has constituted Risk Management Committee (RMC), which reports to the Board, and consisting of Chief Executive Officer (CEO)/Chairman and certain other Board members. The committee is responsible for evaluating the overall risks faced by the Bank including liquidity risk. The potential interaction of liquidity risk with other risks is included in the risks addressed by the Risk Management Committee.

At the executive level, Asset Liability Management Committee (ALCO) ensures adherence to the risk tolerance/limits set by the Board as well as implementing

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the liquidity risk management strategy of the Bank in line with Bank's risk management objectives and risk tolerance. There is a dedicated desk within Treasury function of the Bank which is responsible for the day-to-day/intra-day liquidity management.

The LCR is currently monitored and managed at overall level (all currencies taken together) as the level of exposure for individual foreign currencies is not very significant.

Other inflows and outflows in the LCR calculation that are not captured in the LCR common template are negligible in the Bank's portfolio and do not have any material impact in the LCR numbers.

30. Intra-Group Exposures

The Bank does not have any subsidiaries or associated entities. As such, the Bank does not have any "Intra Group" exposures as defined under the RBI circular issued in this regard.

31. Transfers to Depositor Education and Awareness Fund (DEAF)

Below mentioned are the details of funds transferred to Depositor Education and Awareness Fund during financial year ended March 31, 2016.

(₹ in crore)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Opening balance of amounts transferred to DEAF	8.00	–
Add: Amounts transferred to DEAF during the year	1.76	8.00
Less: Amounts reimbursed by DEAF towards claims	–	–
Closing balance of amounts transferred to DEAF	9.76	8.00

32. Credit Default Swap

Bank has not entered into Credit Default Swap during the financial year 2015-16 and 2014-15.

33. Unhedged Foreign Currency Exposure of Bank's Customer

The Bank has maintained additional provision of ₹ 4.67 crore (previous year - ₹ 3.80 crore) on account of Unhedged Foreign Currency Exposure of the customer. Further, the Bank had maintained additional capital of ₹ 8.45 crore (previous year ₹ 12.75 crore) towards Unhedged Foreign Currency Exposure of the customer.

34. The Bank has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Bank has reviewed and recorded adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) in the books of account and disclosed the same under the relevant notes in the financial statements

35. Figures for the previous year have been regrouped / rearranged wherever necessary.

As per our report of even date attached

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

Viren H. Mehta
Partner
Membership No. 048749

Place : Mumbai
Date : April 29, 2016

For and on behalf of RBL Bank Limited

Narayan Ramachandran
Chairman

Vishwavir Ahuja
Managing Director & CEO

Jairaj Purandare
Director

Vimal Bhandari
Director

Naresh Karia
Chief Financial Officer

Vinay Tripathi
Company Secretary

Basel III Disclosures

For the year ended March 31, 2016

I. SCOPE OF APPLICATION

The framework of disclosures applies to **RBL Bank Limited** (formerly known as The Ratnakar Bank Limited, hereinafter referred to as the Bank), a scheduled commercial bank, incorporated on August 6, 1943. The Bank does not have any subsidiary nor does it have any interest in any insurance entity.

II. CAPITAL ADEQUACY

Regulatory capital assessment

The Bank is subjected to Capital Adequacy guidelines stipulated by Reserve Bank of India (RBI). In line with RBI guidelines under Basel III, the Bank has adopted Standardized Approach for Credit Risk, Standardized Duration Approach for Market Risk and Basic Indicator Approach for Operational Risk while computing its Capital Adequacy Ratio (CAR).

As per capital adequacy guidelines under Basel III, by March 31, 2019 the Bank is required to maintain a minimum CAR of 9% {11.5% including Capital Conservation Buffer (CCB)}, with minimum Common Equity Tier I (CET I) CAR of 5.5% {8% including CCB}. These guidelines on Basel III are to be implemented in a phased manner. The minimum CAR required to be maintained by the Bank for the year ended March 31, 2016 is 9% {9.625% including CCB} with minimum CET I of 5.5% {6.125% including CCB}.

As on March 31, 2016, total CAR of the Bank stood at 12.94%, well above regulatory minimum requirement of 9.625% (including CCB). Tier I ratio of the Bank stood at 11.10% and CET I ratio at 11.10%.

Assessment of adequacy of Capital to support current and future activities

The Bank has a comprehensive Internal Capital Adequacy Assessment Process (ICAAP) which is approved by the Board of Directors (Board). Under ICAAP, the Bank determines adequacy of capital to meet regulatory norms, current and future business needs, including stress scenarios. ICAAP evaluates and documents all risks and substantiates appropriate capital allocation for risks identified under Pillar 1 (i.e. Credit, Market and Operational Risk) as well as Pillar 2.

ICAAP enables the Bank to ensure the adequacy of capital to take care of the future business growth and various other risks that the Bank is exposed to, so that the minimum capital required is maintained on a continuous basis and also at the times of changing economic conditions/ economic recession. The Bank takes into account both quantifiable and non-quantifiable risks while assessing capital requirements. The Bank considers the following risks as material and has considered these while assessing and planning its capital requirements:

- Credit Risk
- Market Risk
- Operational Risk
- Interest Rate Risk in banking Book
- Liquidity Risk
- Credit Concentration Risk
- Business Risk
- Strategic Risk
- Compliance Risk
- Reputation Risk
- Technology Risk

The Bank has also implemented a Board approved Stress Testing Framework. This involves the use of various techniques to assess the Bank's vulnerability to plausible but extreme stress events. The stress tests cover assessment of Credit Risk, Market Risk, Operational Risk, Liquidity Risk as well as Interest Rate Risk under assumed 'stress' scenarios. Tolerance limits have also been defined for these stress tests. The stress tests are used in conjunction with the Bank's business plans for the purpose of capital planning in ICAAP. The stress tests are performed at periodic intervals and results are reported to the Board.

As per the Bank's assessment, it believes that its current robust capital adequacy position, adequate headroom available to raise capital, demonstrated track record for raising capital and adequate flexibility in the balance sheet structure and business model, the capital position of the Bank is expected to remain robust.

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Capital requirements for various risks

A summary of Bank's capital requirement for credit, market and operational risk along with CAR as on March 31, 2016 is presented below:

(₹ In Millions)

SN	Particulars	31.03.2016
(a)	Capital requirements for Credit risk:	
	- Portfolios subject to standardized approach	20,760.45
	- Securitization exposures	–
(b)	Capital requirements for Market risk:	
	Standardized duration approach	
	- Interest rate risk	2,909.57
	- Foreign exchange risk (including gold)	199.06
	- Equity risk	117.00
(c)	Capital requirements for Operational risk:	
	- Basic indicator approach	927.70
(d)	Capital Adequacy Ratios	
	- Total Capital Adequacy Ratio (%)	12.94 %
	- Tier-1 Capital Adequacy Ratio (%)	11.10 %
	- Common Equity Tier-1 Capital Adequacy Ratio (%)	11.10 %

III. CREDIT RISK: GENERAL DISCLOSURES

Policy and Strategy for Credit Risk Management

Credit Risk is defined as the probability of losses associated with reduction in credit quality of borrowers or counterparties leading to non-payment of dues to the bank. In the Bank's portfolio, losses arise from default due to inability or unwillingness of a customer or counterparty to meet commitments in relation to lending, trading, settlements, or any other financial transaction.

The Bank has put in place Commercial Credit Policy, Investment Policy, Recovery Policy, Risk Management Policy, Policy on Transfer of Asset through Securitization & Direct Assignment of cash flows, Retail Assets Credit Policy duly approved by the Board whereby credit risk can be identified, quantified and managed within the framework that is considered consistent with the scale, size of business and risk appetite of the Bank. These policies prescribe various methods for credit risk identification, measurement, grading, monitoring, reporting, risk control / mitigation techniques and management of problem loans/ credit.

Credit Risk Management is ensured through following initiatives:

- A rigorous control framework from which only authorized departures are permitted;
- Clear, agreed roles and responsibilities;
- Qualified, experienced and well-motivated personnel;
- A predetermined credit risk measurement and monitoring methodology;
- Consistent reporting and relevant MIS;
- A statement of operating principles;
- Robust systems, applications and data warehousing architecture.

Organizational Structure for Credit Risk Management function

The organizational structure of the Bank for Credit Risk Management function has the Board of Directors at the apex level that maintains overall oversight on the management of risks. The Risk Management Committee of Board (RMCB) devises policy and strategy for integrated risk management which includes credit risk. RMCB approves the Bank's credit policies, prudential exposure limits, business segments, credit assessment and approval system, margin and collateral management, credit documentation, credit pricing framework, credit administration and monitoring system, non-performing assets management policy, credit risk management system and exception management.

At operational level, Management Credit Committee (MCC) is responsible for operationalizing the credit policy and implementing credit framework as approved by the Board. The committee recommends policies on standards for presentation of credit proposals, financial covenants, ratings, prudential limits on large credit exposures, standards for loan collaterals, etc. MCC also oversees portfolio risk management, loan review mechanism, risk concentrations, pricing of loans, provisioning and other regulatory/ legal compliances. In addition, the committee has financial authority to approve credit proposals in line with Board approved policy.

MCC is assisted by the Executive Credit Committee (ECC), which does not possess financial authority, but plays an important role towards setting portfolio quality standards. The committee reviews portfolio underwriting standards, approves policy deviations and monitors various other portfolio quality metrics on a periodic basis.

The roles and responsibilities of the key functions involved in credit risk management are as detailed below:

- Credit Risk Department (CRD) – The CRD has an independent reporting to Chief Risk Officer (CRO) of the Bank and has credit recommendation and approval authorities at different levels. The CRD takes decisions on all applications in accordance with policies applicable to the specific proposal / product / scheme. To ensure complete independence, and to avoid any conflict of interest, the CRD is not assigned any business targets.
- Credit Administration Department (CAD) – The CAD at Corporate / Regional level acts as the third eye after business and CRD to ensure compliance with the Bank's policies and prudent lending requirements.
- Recoveries and Collections – The Recovery Department monitors NPA's and manages restructuring of advances after examining viability of the unit, follows up for recoveries very closely and provides guidance to the Relationship Manager (RM's) / Branch Managers responsible for collections and actively participates in the recovery effort where warranted.
- Portfolio Risk – The primary responsibility of Portfolio Risk include overall portfolio analysis and reporting the same to Board, review of internal rating system, monitoring prudential limits and loan reviews.

Credit risk measurement, mitigation, monitoring & reporting systems

Credit Origination and Appraisal System

There are separate Credit Origination and Appraisal Processes for Wholesale and Retail segments. Within the Wholesale segment, Bank has adopted underwriting standards for different client segments that is based, inter alia, on internal risk ratings, availability of security and other risk parameters. The credit sanctions are provided by experienced credit professionals and / or credit committees with delegated approval authorities as per Bank's Board approved credit policy, basis detailed appraisal memorandum that takes into account business and financial risks of the proposal. The Retail segment, on the other hand, relies largely on standardized product programs for credit risk assessment and approvals.

Credit Rating Framework

The Bank has put in place an internal rating system for Wholesale segment. The rating system uses various models, depending upon size of company as well as specialized models for Non-Banking Finance Companies (NBFC), Micro Finance Institutions (MFI) and Traders. The internal rating system is a step towards migration to Advanced Approach for Credit Risk as per Basel III.

The rating system is based on a two dimensional rating framework, Borrower Rating and Facility Rating. The Borrower Rating is determined first, which is based on assessment of Industry Risk, Business Risk, Management Risk and Financial Risk along with Project Risk / Conduct of Account (if applicable). This is calibrated to the Probability of Default (PD). The Facility Rating is based on Borrower Rating, and takes into account security structure, therefore is a combination of PD and LGD (Loss Given Default).

Besides, the Bank continues to endeavor to have all facilities above ₹ 5 crore, to have external ratings.

Credit Documentation

The objective of credit documentation is to clearly establish the debt obligation of borrower to the Bank. In most cases, standardized set of documents are used as applicable, depending upon the type of credit facilities and the borrower entity. In cases of credit facilities for structured finance/ customized credit facilities for which standard documents have not been prescribed of are not appropriate, the documentation would be done on case to case basis in consultation with the Legal department/ outside lawyers.

Delegation of powers

The Bank has adopted 'Four Eyes' principle for credit approval. The principle dictates that generally at least two people must

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create, examine and approve a credit proposal. Most of the loan proposals require Joint Signature Approvals (JSA). This helps to avoid credit approval based on judgment of one functionary alone, ensures compliance and reduces risk from errors & prejudices. The Bank has also adopted Committee Approach for sanctioning high value credit proposals. Board Credit Committee (BCC), Management Credit Committee (MCC) approves credit proposals as per authority matrix.

Post Sanction Monitoring

The Bank has evolved a process to ensure end-use of funds is for the purpose for which credit limits are sanctioned. Further, it is ensured that the security obtained from borrowers by way of hypothecation, pledge, etc. are not tampered with in any manner and are adequate.

Early Warning System (EWS)

The Bank has an Early Warning System (EWS) for early identification of problem loan accounts across business segments. EWS works on the basis of various pre-defined symptoms. Such accounts are closely monitored by Relationship Managers (RMs), Credit Risk Department, Special Mention Assets (SMA) Group and CAD. These accounts are also monitored by Executive Credit Committee (ECC) on a monthly basis.

Accounts which the Bank wishes to monitor closely are tagged as "Watch list" accounts. Accounts which exhibit severe stress are tagged as "Adverse Labeled" accounts. Both these categories of accounts receive special management attention. Such accounts are monitored very closely by Senior Management and Board/ RMCB.

Based on RBI guidelines pertaining to "Early Recognition of Financial Distress, the Bank has also introduced SMA tagging into following 3 categories.

SMA-0	Principal or interest not overdue for more than 30 days but account showing signs of incipient stress
SMA-1	Principal or interest overdue between 31-60 days
SMA-2	Principal or interest overdue between 61-90 days

As per exposure thresholds specified by RBI, information related to large credit exposures are being reported to CRILC (Central Repository of Information on Large Credit) that has been set-up by RBI. Additionally, any new SMA-2 is also being reported to CRILC as per guidelines.

Reporting of an account as SMA-2 by one or more lending banks/notified NBFCs will trigger the mandatory formation of a Joint Lenders' Forum and formulation of a Corrective Action Plan (CAP).

Review / Renewal of Loans

After a credit facility is sanctioned and disbursed, follow-up and reviews are conducted at periodic intervals. All funded and non-funded facilities granted to a customer are reviewed at least once a year or at more frequent intervals, as warranted.

Credit Pricing

Pricing of loans / advances / cash credit / overdraft or any other financial accommodation granted / provided / renewed or discounted usance bills is in accordance with the directives on interest rates on advances issued by RBI as well as internal policies of the bank. The Bank has also adopted Risk Based Pricing for different categories of customers.

Credit Portfolio Analysis

Credit portfolio analysis is carried out at periodic intervals to review entire credit portfolio of the Bank to monitor growth, distribution, concentration, quality, compliance with RBI guidelines & policies of the Bank, accounts under Watch-List/ Adverse Labeled category etc. The same is monitored / reviewed by Senior Management/ Board / RMCB.

Loan Review Mechanism (LRM) and Credit Audit

The Bank has implemented LRM and Credit Audit framework in line with RBI guidelines. The primary objective includes monitoring effectiveness of loan administration, compliance with internal policies of Bank and regulatory framework, monitor portfolio quality, concentrations, post sanction follow-ups and appraising top management with information pertaining to the audit finding for further corrective actions.

Non-performing Assets (NPA)

An asset, including a leased asset, becomes non-performing when it ceases to generate income for the Bank.

A non-performing asset (NPA) is a loan or an advance where:

i) Interest and/ or installment of principal remain overdue for a period of more than 90 days in respect of a term loan. Any amount due to the bank under any credit facility is 'overdue' if it is not paid on the due date fixed by the bank.

ii) The bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted;

iii) Installment of principal or interest thereon remains overdue for two crop seasons for short duration crops, and one crop season for long duration crops;

iv) The account remains 'out of order' in respect of an Overdraft/ Cash Credit (OD/CC). An account is treated as 'out of order' if:

   a. the outstanding balance remains continuously in excess of the sanctioned limit / drawing power for more than 90 days; or

   b. where outstanding balance in principal operating account is less than sanctioned limit / drawing power, but there are no credits continuously for 90 days as on the date of balance sheet or credits are not enough to cover interest debited during the same period;

v) The regular/ ad hoc credit limits have not been reviewed/ renewed within 180 days from the due date / date of ad-hoc sanction;

vi) Drawings have been permitted in working capital account for a continuous period of 90 days based on drawing power computed on the basis of stock statements that are more than 3 months old, even though the unit may be working or the borrower's financial position is satisfactory;

vii) Bank Guarantees/ Letters of Credits devolved on the Bank which are not reimbursed by the customer within 90 days from the date of payment;

viii) A loan for an infrastructure / non-infrastructure project will be classified as NPA during any time before commencement of commercial operations as per record of recovery (90 days overdue), unless it is restructured and becomes eligible for classification as 'standard asset';

ix) A loan for an infrastructure (/ non-infrastructure) project will be classified as NPA if it fails to commence commercial operations within 2 years (/ 6 months) from original date of commencement of commercial operations, even if it is regular as per record of recovery, unless it is restructured and becomes eligible for classification as 'standard asset'.

x) The amount of liquidity facility remains outstanding for more than 90 days, in respect of a securitization transaction undertaken in terms of RBI guidelines on securitization;

xi) In respect of derivative transactions, the overdue receivables representing positive mark-to-market value of a derivative contract, if these remain unpaid for a period of 90 days from the specified due date for payment.

Non- performing Investments (NPI)

NPI is one where:

i) Interest / installment (including maturity proceeds) is due and remains unpaid for more than 90 days;

ii) The fixed dividend is not paid in case of preference shares;

iii) In case of equity shares, in the event investment in shares of any company is valued at Re.1 per company on account of non-availability of latest balance sheet in accordance with RBI instructions;

iv) If any credit facility availed by the issuer is NPA in the books of the bank, investment in any of the securities issued by the same issuer would be treated as NPI and vice versa;

v) The investments in debentures / bonds which are deemed to be in the nature of advance would also be subjected to NPI norms as applicable to investments.

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Quantitative Disclosures

(a) Total gross credit risk exposures*, Fund based and Non-fund** based separately:

(₹ In Millions)

Category	31.03.2016
Fund Based	298,988.35
Gross Advances	213,161.83
Investment in Banking book	50,866.83
All other Assets	34,959.69
Non-Fund Based	69,797.83
Total	368,786.18

* Represents book value as on 31st March including bill re-discounted.

** Guarantees given on behalf of constituents, Acceptances, Endorsements & other Obligations, Liability on account of outstanding forward exchange contracts (credit equivalent amount).

(b) Geographic distribution of exposure*, Fund based & Non- fund** based separately

(₹ In Millions)

Category	31.03.2016		
	Domestic	Overseas	Total
Fund Based	298,013.43	974.92	298,988.35
Non-Fund Based	69,164.43	633.40	69,797.83
Total	367,177.86	1,608.32	368,786.18

* Represents book value as on 31st March including bills re-discounted;

** Guarantees given on behalf of constituents, Acceptances, Endorsements & other Obligations, Liability on account of outstanding forward exchange contracts (credit equivalent amount).

(a) Industry type distribution of exposures*- Funded & Non-funded**

(₹ In Millions)

Industry Name	31.03.2016 Fund Based	31.03.2016 Non Fund Based
A. Mining and Quarrying (A.1 + A.2)	2,154.97	1,572.18
A.1 Coal	1,647.44	–
A.2 Others	507.52	1,572.18
B. Food Processing (Sum of B.1 to B.5)	14,103.20	5,607.26
B.1 Sugar	3,389.90	1,499.63
B.2 Edible Oils and Vanaspati	1,026.72	3,479.21
B.3 Tea	–	–
B.4 Coffee	2,204.49	–
B.5 Others	7,482.09	628.42
C. Beverages (excluding Tea & Coffee) and Tobacco (Sum of C.1 & C.2)	3,491.77	0.53
C.1 Tobacco and tobacco products	1.16	–
C.2 Others	3,490.61	0.53
D. Textiles (Sum of D.1 to D.6)	5,544.49	266.58
D.1 Cotton	3,979.48	189.27
D.2 Jute	–	–
D.3 Handicraft/ Khadi (Non Priority)	–	–
D.4 Silk	1.04	–
D.5 Woolen	–	–
D.6 Others	1,563.97	77.30
Out of D (i.e. Total Textiles) to Spinning Mills	–	–
E. Leather and Leather Products	206.86	9.17
F. Wood and Wood products	0.33	–
G. Paper and Paper Products	1,722.40	380.72
H. Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	2,684.21	2,532.83
I. Chemicals and Chemical Products (Dyes, Paints etc.) Sum of I.1 to I.4)	16,360.55	5,648.72
I.1 Fertilizers	3,102.53	3,212.70
I.2 Drugs and Pharmaceuticals	10,358.39	1,280.06
I.3 Petro-chemicals (excluding under Infrastructure)	345.58	–
I.4 Others	2,554.05	1,155.96
J. Rubber, Plastic and their products	1,874.49	815.33
K. Glass & Glassware	112.37	–
L. Cement and Cement Products	1,141.76	44.95
M. Basic Metal and Metal Products (M.1 & M.2)	3,778.30	3,918.54
M.1 Iron and Steel	2,608.66	2,843.38
M.2 Other Metal and Metal Products	1,169.64	1,075.16
N. All Engineering (N.1 & N.2)	5,558.63	4,623.26
N.1 Electronics	1,104.88	1,440.78
N.2 Others	4,453.75	3,182.49
O. Vehicles, Vehicle Parts and Transport Equipments	2,105.52	653.59
P. Gems and Jewellery	4,438.89	341.23
Q. Construction	11,021.22	7,804.01

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(₹ In Millions)

Industry Name	31.03.2016 Fund Based	Non Fund Based
R. Infrastructure (Sum R.1 to R.4)	9,669.91	13,864.15
R.1 Transport(Sum of R.1.1 to R.1.5)	914.28	3,215.21
R.1.1. Railways	4.28	283.86
R.1.2 Roadways	750.00	492.99
R.1.3 Airport	–	–
R.1.4 Waterways	–	–
R.1.5 Ports	160.00	2,438.36
R.2 Energy (Sum of R.2.1 to R.2.4)	6,445.15	8,361.69
R.2.1 Electricity (generation-transportation and distribution)	6,445.15	3,164.31
R.2.1.1 State Electricity Boards	–	–
R.2.1.2 Others	–	–
R.2.1.3 Power Generation	3,826.29	2,076.78
R.2.1.4 Power transmission / Distribution	2,618.86	1,087.53
R.2.1.5 Power -Non-Conventionalm Energy	–	–
R.2.2 Oil (storage and pipeline)	–	–
R.2.3 Gas/LNG (Storage and pipeline)	–	5,197.38
R.2.4 Others	–	–
R.3 Telecommunication	1,937.40	2,187.25
R.4 Others	373.08	100.00
R.4.1 Water sanitation	–	–
R.4.2 Social & Commercial Infrastructure	373.08	100.00
R.4.3 Others	–	–
S. NBFC	11,695.65	319.40
T. Micro-Finance Institutions (MFI)	15,445.11	605.56
U. Housing Finance Companies (HFC)	5,514.97	322.17
V. Core Investment Companies (CIC)	–	1,495.19
W. Traders	15,157.01	5,624.59
X. Other Services	24,286.17	4,313.38
Y. Other Industries	17,888.35	2,960.53
All Industries (Sum of A to Y)	175,957.13	63,723.89
Residuary Other Advances (to tally with book value) [a+b+c]	71,483.33	6,073.94
a. Education Loan	–	–
b. Aviation Sector	400.08	5.00
c. Other Residuary Advances	71,083.25	6,068.94
Total	247,440.46	69,797.83

As on March 31, the Bank's exposure to the industries stated below was more than 5% of the total gross credit exposure:

Sr. No.	Industry classification	Percentage of the total gross credit exposure as on 31-03-2016
1	Infrastructure	7.42%
2	Chemicals and Chemical Products	6.94%
3	Traders	6.55%
4	Food Processing	6.21%
5	Construction	5.93%
6	NBFC (MFI)	5.06%

* Represents book value as on 31st March, gross advances and investments through credit substitutes;

** Guarantees given on behalf of constituents, Acceptances, Endorsements & other Obligations and Liability on account of outstanding forward exchange contracts (credit equivalent amount).

(b) Residual contractual maturity breakdown of assets as on 31.03.2016

(₹ in Millions)

Maturity bucket	Cash, balances with RBI and other banks	Investments	Advances	Other assets including fixed assets
1 day	6,480.59	44.433.26	3,249.89	–
2 to 7 days	548.53	3,258.75	2,559.70	364.85
8 to 14 days	579.82	3,489.26	5,952.85	277.74
15 to 28 days	806.65	5,448.63	5,293.88	–
29 days to 3 months	1,398.24	28,768.24	25,282.06	490.12
3 to 6 months	751.94	9,655.80	17,345.04	356.88
6 to 12 months	2,792.44	15,302.31	58,388.71	1,615.79
1 to 3 years	3,944.85	21,423.65	59,859.60	2,724.57
3 to 5 years	6,849.35	6,631.83	16,721.93	355.00
Over 5 years	346.81	5,948.58	16,637.15	4,275.84
Total	24,499.21	144,360.33	212,290.81	10,460.48

(Note: Classification of assets and liabilities under the different maturity buckets in the above table is based on the same estimates and assumptions as used by the Bank for compiling the return submitted to the RBI.)

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(c) Asset Quality

» NPA Ratios

(₹ In Millions)

Particulars	31.03.2016
Gross NPAs to gross advances	0.98%
Net NPAs to net advances	0.59%

» Net NPAs

(₹ In Millions)

Particulars	31.03.2016
Gross NPAs	2,080.47
Less: Provisions	836.11
Net NPAs	1,244.36

» Classification of gross NPAs

(₹ In Millions)

Particulars	31.03.2016
Sub-standard	1,660.30
Doubtful*	283.56
Doubtful 1	244.19
Doubtful 2	29.55
Doubtful 3	9.82
Loss	136.61
Total Gross NPAs	2,080.47

* Doubtful 1, 2 and 3 categories correspond to the period for which asset has been doubtful viz., up to one year ('Doubtful 1'), one to three years ('Doubtful 2') and more than three years ('Doubtful 3')

Note: NPAs include all assets that are classified as non-performing.

» Movement of Gross NPAs

(₹ In Millions)

Particulars	31.03.2016
Opening balance as on 01.04.2015	1,112.35
Additions during the year	1,996.90
Reductions	1,028.78
Closing balance	2,080.47

» Movement of Provisions for NPAs

(₹ In Millions)

Particulars	31.03.2016
Opening balance as on 01.04.2015	726.39
Provisions made during the year	813.85
Write-off	728.36
Any other adjustment, including transfer between provisions	0.00
Write-back of excess provisions	24.23
Closing balance	836.11

» Recoveries from written off accounts aggregating of ₹ 7.39 Millions and write-offs aggregating ₹ 728.36 Millions have been recognized in the statement of profit and loss.

(d) Non-performing Investment

(₹ In Millions)

Particulars	31.03.2016
Gross non-performing investments	155.00
Less: Provisions	38.75
Net non-performing investments	116.25

» Provision for depreciation on Investment

(₹ In Millions)

Particulars	31.03.2016
Opening balance	24.30
Provisions made during the year	271.00
Write-off	0.00
Any other adjustment, including transfer between provisions	0.00
Write-back of excess provisions	139.40
Closing balance	155.90

Movement in provisions held towards depreciation on investments have been reckoned on a yearly basis

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- Provision for Standard Asset

(₹ In Millions)

Particulars	31.03.2016
Opening balance	655.00
Provisions made/reversed during the year	238.40
Any other adjustment, including transfer between provisions*	0.00
Closing balance	893.40

Refers to foreign currency translation adjustment relating to provision for standard assets in the Bank's overseas branches.

- Geographic Distribution

(₹ In Millions)

Category	31.03.2016		
	Domestic	Overseas	Total
Gross NPA	2,080.47	0.00	2,080.47
Provisions for NPA	836.11	0.00	836.11
Provision for standard assets	893.40	0.00	893.40

(e) Industry-Wise Distribution

(₹ In Millions)

Industry Name	31.03.2016			For Quarter	
	Gross NPA	Provisions for NPA	Provision for standard assets	Write offs	Provisions for NPA
A. Mining and Quarrying (A.1 + A.2)	–	–	8.62	–	–
A.1 Coal	–	–	6.59	–	–
A.2 Others	–	–	2.03	–	–
B. Food Processing (Sum of B.1 to B.5)	–	–	58.02	1.34	–
B.1 Sugar	–	–	13.52	1.34	–
B.2 Edible Oils and Vanaspati	–	–	4.55	–	–
B.3 Tea	–	–	0.00	–	–
B.4 Coffee	–	–	5.91	–	–
B.5 Others	–	–	34.04	–	–
C. Beverages (excluding Tea & Coffee) and Tobacco (Sum of C.1 & C.2)	–	–	5.96	–	–
C.1 Tobacco and tobacco products	–	–	0.00	–	–
C.2 Others	–	–	5.96	–	–
D. Textiles (Sum of D.1 to D.6)	–	–	31.04	–	–
D.1 Cotton	–	–	15.45	–	–
D.2 Jute	–	–	0.00	–	–

(₹ In Millions)

Industry Name	31.03.2016			For Quarter	
	Gross NPA	Provisions for NPA	Provision for standard assets	Write offs	Provisions for NPA
D.3 Handicraft/ Khadi (Non Priority)	–	–	0.00	–	–
D.4 Silk	–	–	0.00	–	–
D.5 Woolen	–	–	0.00	–	–
D.6 Others	–	–	15.59	–	–
Out of D (i.e.Total Textiles) to Spinning Mills	–	–	0.00	–	–
E. Leather and Leather Products	–	–	0.72	0.64	–
F. Wood and Wood products	0.32	0.05	0.00	–	0.05
G. Paper and Paper Products	7.96	1.99	6.84	–	0.80
H. Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	–	–	12.92	–	–
I. Chemicals and Chemical Products (Dyes, Paints etc.) Sum of I.1 to I.4)	4.67	1.17	75.09	–	1.17
I.1 Fertilisers	–	–	13.81	–	–
I.2 Drugs and Pharmaceuticals	–	–	49.74	–	–
I.3 Petro-chemicals (excluding under Infrastructure)	–	–	1.38	–	–
I.4 Others	4.67	1.17	10.16	–	1.17
J. Rubber, Plastic and their products	–	–	7.17	–	–
K. Glass & Glassware	–	–	0.44	–	–
L. Cement and Cement Products	–	–	4.57	–	–
M. Basic Metal and Metal Products (M.1 & M.2)	151.46	30.17	11.80	–	30.17
M.1 Iron and Steel	–	–	10.24	–	–
M.2 Other Metal and Metal Products	151.46	30.17	1.56	–	30.17
N. All Engineering (N.1 & N.2)	406.72	201.64	24.14	–	171.75
N.1 Electronics	0.73	0.21	4.42	–	0.26
N.2 Others	405.99	201.42	19.72	–	171.49
O. Vehicles, Vehicle Parts and Transport Equipments	14.67	2.20	9.16	–	2.20
P. Gems and Jewellery	–	–	17.72	–	–
Q. Construction	174.30	72.83	47.30	121.51	59.71
R. Infrastructure (Sum R.1 to R.4)	–	–	37.42	–	–
R.1 Transport(Sum of R.1.1 to R.1.5)	–	–	3.66	–	–
R.1.1. Railways	–	–	0.02	–	–
R.1.2 Roadways	–	–	3.00	–	–
R.1.3 Airport	–	–	0.00	–	–
R.1.4 Waterways	–	–	0.00	–	–
R.1.5 Ports	–	–	0.64	–	–
R.2 Energy (Sum of R.2.1 to R.2.4)	–	–	24.52	–	–
R.2.1 Electricity (generation-transportation and distribution)	–	–	24.52	–	–
R.2.1.1 State Electricity Boards	–	–	0.00	–	–
R.2.1.2 Others	–	–	0.00	–	–

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For the year ended March 31, 2016

(₹ In Millions)

Industry Name	31.03.2016			For Quarter	
	Gross NPA	Provisions for NPA	Provision for standard assets	Write offs	Provisions for NPA
R.2.1.3 Power Generation	–	–	15.29	–	–
R.2.1.4 Power Transmission/Distribution	–	–	9.23	–	–
R.2.2 Oil (storage and pipeline)	–	–	0.00	–	–
R.2.3 Gas/LNG (Storage and pipeline)	–	–	0.00	–	–
R.2.4 Others	–	–	0.00	–	–
R.3. Telecommunication	–	–	7.75	–	–
R.4 Others	–	–	1.49	–	–
R.4.1 Water sanitation	–	–	0.00	–	–
R.4.2 Social & Commercial Infrastructure	–	–	1.49	–	–
R.4.3 Others	–	–	0.00	–	–
S. NBFC	–	–	19.30	–	–
T. Micro-Finance Institutions (MFI)	–	–	48.36	–	–
U. Housing Finance Companies (HFC)	–	–	9.83	–	–
V. Core Investment Companies (CIC)	–	–	0.00	–	–
W. Traders	–	–	50.98	–	–
X. Other Services	–	–	100.90	–	–
Y. Other Industries	15.45	7.92	103.68	32.00	10.73
All Industries (Sum of A to Y)	775.57	317.96	691.98	155.50	276.55
Residuary Other Advances (to tally with book value) [a+b+c]	1,304.91	518.16	201.41	572.86	537.30
a. Education Loan	0.00	0.00	0.00	–	–
b. Aviation Sector	–	–	1.60	–	–
c. Other Residuary Advances	1,304.91	518.16	199.81	572.86	537.30
Total Loans and Advances	2,080.48	836.12	893.39	728.36	813.85

IV. CREDIT RISK: DISCLOSURES FOR PORTFOLIOS SUBJECT TO THE STANDARDIZED APPROACH

Ratings used under Standardized Approach:

As stipulated by RBI, the Bank makes use of ratings assigned to domestic counterparties by following Eligible Credit Assessment Institutions (ECAI's) namely:

- CRISIL Limited;
- CARE Limited
- India Ratings & Research Private Limited (earlier known as Fitch India);
- ICRA Limited;
- Brickwork Ratings India Pvt. Ltd (Brickwork);
- SMERA.

The Bank is using the ratings assigned by the following international credit rating agencies, approved by the RBI, for risk weighting claims on overseas entities:

- Fitch Ratings
- Moody's
- Standard & Poor's

The Bank reckons external ratings for risk weighting purposes, if the external rating assessment complies with the guidelines stipulated by RBI.

Types of exposures for which each agency is used:

The Bank has used the solicited ratings assigned by the above approved credit rating agencies for all eligible exposures, both on balance sheet and off balance sheet, whether short term or long term, as prescribed in the RBI guidelines.

Process used for application of issue ratings to comparable assets in banking book:

Key aspects of the Bank's external ratings application framework are as follows:

1. The Bank uses only those ratings that have been solicited by the counterparty;

2. Where the facility provided by the Bank possesses rating assigned by approved ECAI, the risk weight of the claim is based on this rating;

3. The Bank also reckons external rating at the borrower (issuer) level as follows:

   a. In case the Bank does not have exposure in a rated issue, the Bank would use the long term issue rating (inferred rating) for its comparable unrated exposures to the same borrower, provided that the Bank's exposures is pari-passu or senior and of similar or shorter maturity as compared to the rated issue, then this rating is applied on all unrated facilities of the borrower;

   b. Where a short term rating is used as an inferred rating for a short term un-rated claim, the risk weight applied shall be one notch higher than corresponding to the risk weight of the inferred rating.

Quantitative Disclosures

For exposure amounts after risk mitigation subject to the standardized approach, amount of Bank's exposure (rated and unrated) in the following three major risk buckets as well as those that are deducted:

(₹ In Millions)

Particulars	31.03.2016
- Below 100% risk weight	225,715.89
- 100% risk weight	123,471.23
- More than 100% risk weight	19,599.06
- Deducted	–

Treatment of undrawn exposures

As required by regulatory norms, the Bank holds capital even for the undrawn portion of credit facilities which are not unconditionally cancellable without prior notice by the Bank, by converting such exposures into a credit exposure equivalent based on the applicable Credit Conversion Factor ("CCF"). For credit facilities which are unconditionally cancellable without prior notice, the Bank applies a CCF of zero percent on the undrawn exposure.

V. CREDIT RISK MITIGATION: DISCLOSURES FOR STANDARDIZED APPROACHES

Policies and processes

The Bank has in place Commercial Credit Policy, Retail Assets Credit Policy duly approved by the Board. The policies lay down the types of securities normally accepted by the Bank for lending, and administration / monitoring of such securities in order to safeguard / protect the interest of the Bank so as to minimize the risk associated with it.

Credit Risk Mitigation

In line with RBI guidelines, the Bank uses comprehensive approach for credit risk mitigation. Under this approach, the Bank reduces its credit exposure to the counterparty when calculating its capital requirements to the extent of risk mitigation provided by the eligible financial collateral as specified.

Main types of collateral taken by Bank

Bank uses various collaterals financial as well as non-financial, guarantees and credit insurance as credit risk mitigants. The main collaterals include bank deposits, National Saving Certificate (NSC) / Kisan Vikas Patra (KVP) / Life Insurance Policies, plant and machinery, Book debts, residential and commercial mortgages, vehicles and other movable properties. All collaterals are not recognized as credit risk mitigants under the standardized approach. The following are the eligible

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financial collaterals which are considered under standardized approach.

- Fixed Deposit receipts issued by the Bank;
- Securities issued by Central and State Governments;
- KVP and NSC provided no lock-in period is operational and that can be encashed within the holding period;
- Life Insurance Policies with declared surrender value, issued by an insurance company regulated by the insurance sector regulator;
- Gold, include bullion and jewellery after notionally converting to 99.99% purity.

Main type of guarantor counterparties

Wherever required the Bank obtains personal or corporate guarantee as an additional comfort for mitigation of credit risk which can be translated into a direct claim on the guarantor which is unconditional and irrevocable. The creditworthiness of the guarantor is normally not linked to or affected by the borrower's financial position.

Concentration Risk in Credit Risk Mitigants

The credit risk mitigation taken is largely in the form of cash deposit with the Bank and thus the concentration risk (credit and market) of the mitigants is low.

Quantitative Disclosures

(₹ In Millions)

SN	Particulars	31.03.2016
1.	Total Exposure (on and off balance sheet) covered by eligible financial collateral after application of haircuts	13,362.89
2.	Total Exposure (on and off balance sheet) covered by guarantees / credit derivatives	858.02

VI. SECURITIZATION EXPOSURES: DISCLOSURE FOR STANDARDIZED APPROACH

In respect of securitization transactions, the Bank's role is limited as an investor. The outstanding value of securitized exposure as on March 31, 2016 was ₹ 9,867.20 Millions.

Quantitative Disclosures

Banking Book

S. No.	Particulars	31.03.2016
1.	Total amount of exposures securitized by the Bank	NIL
2.	For exposures securitized, losses recognized by the Bank during the current period	NIL
3.	Amount of assets intended to be securitized within a year	NIL
4.	Of (3), amount of assets originated within a year before securitization	NIL
5.	Total amount of exposures securitized and unrecognized gain or losses on sale by exposure type	NIL
6.	Aggregate amount of:	
	- On balance sheet securitization exposures retained or purchased broken down by exposure type	NIL
	- Off balance sheet securitization exposures	NIL
7.	Aggregate amount of:	
	- Securitization exposures retained or purchased and the associated capital charges, broken down between exposures & different risk weight bands.	NIL
8.	Exposures that have been deducted entirely from Tier I capital, credit enhancing I/Os deducted from total capital, and other exposures deducted from total capital (by exposure type)	NIL

Trading Book

(₹ in Millions)

SN	Particulars	31.03.2016	
1.	Aggregate amount of exposures securitized by the Bank for which the Bank has retained some exposures and which is subject to market risk approach, by exposure type	NIL	
2.	Aggregate amount of:		
	- On balance sheet securitization exposures retained or purchased broken down by exposure type	Securities (PTC) purchased with book value ₹9,629.70 Millions. backed by pool of micro-finance loans and investment in security receipts with book value ₹237.50 Millions.	
	- Off balance sheet securitization exposures	NIL	
3.	Aggregate amount of securitization exposures retained or purchased separately for:		
	- Securitization exposures retained or purchased subject to Comprehensive Risk Measure for Specific Risk	₹ 9,867.20 Millions	
	- Securitization exposures subject to the securitization framework for specific risk broken down into different risk weight bands		(₹ in Millions)
		Risk Weight	Exposure
		Below 100%	7,769.67
		100%	1,705.03
		More than 100%	392.50
4.	Aggregate amount of:		
	- Capital requirements for securitization exposures, subject to the securitization framework broken down into different risk weight bands		(₹ in Millions)
		Risk Weight	Capital Required
		Below 100%	316.98
		100%	153.40
		More than 100%	68.06
	- Securitization exposures that are deducted entirely from Tier I capital, credit enhancing I/Os deducted from total capital, and other exposures deducted from total capital (by exposure type)	NIL	

VII. MARKET RISK IN TRADING BOOK

Policy and Strategy for Market Risk Management

Bank defines Market Risk as the risk of losses in trading book due to movements in market variables such as interest rates, credit spreads, foreign exchange rates, forward premia, commodity prices, equity prices etc. Bank's exposure to market risk arises from investment in trading book (AFS & HFT category), the foreign exchange positions, and other derivative positions. Under market risk management, liquidity risk, interest rate risk, equity price risk and foreign exchange risk are monitored and managed.

Market Risk is managed in accordance to the Board approved Investment Policy, Market Risk Management Policy, Asset Liability Management (ALM) Policy, Foreign Exchange Policy, Derivatives Policy. The policies lay down well-defined organization structure for market risk management functions and processes whereby the market risks carried by the Bank are identified, measured, monitored and controlled within the stipulated risk appetite of the Bank.

Organization Structure for Market Risk Management function

The organizational structure of Market Risk Management function has the Board of Directors at the apex level that maintains overall oversight on management of risks. The Risk Management Committee of Board (RMCB) devises policy and strategy for integrated risk management which includes market risk. At operational level, Asset Liability Management

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For the year ended March 31, 2016

Committee (ALCO) monitors management of market risk. The main functions of ALCO also include balance sheet planning from a risk return perspective including the strategic management of interest rate risk and liquidity risk.

The Market Risk Management process includes the following key participants:

- The Market Risk Management Group, which is an independent function, reports to Chief Risk Officer (CRO). This group is responsible for developing the policy framework for Market Risk management and day to day oversight over the Market Risk exposures of the Bank.
- The Treasury Mid Office is responsible for monitoring all Market Risk exposures in line with the policies of the bank and escalating excesses/ violations etc. in a timely manner so that corrective action can be initiated.
- Treasury Investment Committee oversees and reviews investments in Government Securities, bonds and debentures, equity investments, and investments in other approved securities and instruments.

Risk Reporting, Measurement, Mitigation and Monitoring Systems

The Market Risk Management framework ensures that there are sufficient processes and controls in place to ensure all market risk exposures are monitored and are within the risk appetite set by the Bank's Board.

Reporting and measurement systems

The Bank has defined various risk metrics for different products and investments. Risk limits are control measures which seek to limit risk within or across the desks. The objective of a limit is to ensure that the negative earnings impact of price risks are within the risk taking appetite of the Bank. The nature of limits includes position limits, gap limits, tenor & duration limits, stop-loss trigger level, Value at Risk (VaR) limits. These limits are appropriately selected for the relevant portfolios. The risk limits are monitored across different levels of the Bank on an ongoing basis.

Liquidity Risk Management

Liquidity Risk is managed in the following manner:

- Asset Liability Management (ALM) Policy of the Bank specifically deals with liquidity and interest rate risk management.
- As envisaged in the ALM policy, liquidity risk is managed through Traditional Gap Analysis based on the residual maturity / behavioral pattern of assets and liabilities as prescribed by RBI.
- Monitoring of prudential (tolerance) limits set for different residual maturity time buckets, large deposits, loans, various liquidity ratios for efficient asset liability management;
- The Bank has also put in place mechanism of short term dynamic liquidity and contingency plan for liquidity risk management;
- Contingency Funding Plan (CFP), approved by the Board sets process to take care of crisis situation in the event of liquidity crunch or a run on the Bank. A comprehensive set of Early Warning Indicators has been designed to forewarn of impending liquidity stress. Crisis Management Team (CMT) would be constituted to provide direction of follow up action on handling the crisis situation.

Assessment of Illiquidity

The Bank has established procedures for calculating an adjustment to the current valuation of less liquid (i.e. illiquid) positions for regulatory capital purposes. The adjustment to the current valuation of illiquid positions is deducted from Common Equity Tier I (CET I) capital while computing CAR of the Bank.

Portfolios covered by Standardized Approach

The Bank has adopted Standardized Duration Approach (SDA) as prescribed by RBI for computation of capital charge for market risk for:

- Securities included under the Held for Trading (HFT) category,
- Securities included under the Available for Sale (AFS) category,
- Open foreign exchange position limits, and
- Trading positions in derivatives.

Capital requirement for:

(₹ In Millions)

Particulars	31.03.2016
Interest Rate Risk	2,909.57
Equity Position Risk	199.06
Foreign Exchange Risk	117.00

VIII. OPERATIONAL RISK

Policy and Strategy for Operational Risk Management

Bank defines operational risk as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk includes legal risk but excludes strategic and reputational risk. The Bank faces Operational Risk due to its extensive use of technology, exposure to potential errors, frauds, or unforeseen catastrophes resulting in unexpected losses in the course of business activities.

Bank has a well documented Operational Risk Management Policy to mitigate and manage operational RISK. The Operational Risk Management process of the Bank is driven by a strong control culture and sound operating procedures, involving corporate values, attitudes, competencies, internal control culture, effective internal reporting and contingency planning.

Operational Risk Management Governance Structure

The Bank has an Operational Risk Management framework. The Board of Directors of the Bank defines the risk appetite, sets the risk management strategies and approves the operational risk policies of the Bank. The Bank's risk management processes are guided by well-defined policies commensurate with size of the organization and appropriate for various risk categories, independent risk oversight and periodic monitoring of portfolio by Risk Management Committee of Board (RMCB).

For the effective management of Operational Risk, the Bank has constituted the Operational Risk Management Committee (ORMC) consisting of senior management personnel. The ORMC which supports the Risk Management Committee of Board (RMCB) is responsible for implementing the Operational Risk Management Policy and adopting the best practices. The main functions of ORMC are to monitor and ensure appropriateness of operational risk management and recommend suitable control measures for mitigating the same.

Additionally, with a view to ensure sound practices in respect of governance of the overall Operational risk, the Bank has outlined policies and processes in respect of Information Security; Outsourcing; Business Continuity Planning & IT Disaster Recovery; Records Management, Fraud Control and Customer Service.

Risk Reporting, Measurement, Mitigation and Monitoring Systems

The following are some of the key techniques applied by Bank and / or group companies to manage operational risks:

- The Bank has built into its operational process segregation of duties, clear reporting structures, well defined processes, operating manuals, staff training, verification of high value transactions and strong audit trails to control and mitigate operational risks.
- New Product and activity notes prepared by business units are reviewed by all concerned departments including compliance, risk management and legal and approved through Product approval committee.
- Dedicated Operational Risk team to drive the processes for management of operational risk. The Operational risk team performs risk analysis and root cause analyses on operational risk events, reported by business units, to identify inherent areas of risk and suggest suitable risk mitigating actions which are monitored for resolution. This function is also responsible for ensuring the communication of operational risk events and loss experience to the senior management and ORMC.
- Risk and Control assessments are performed for business units to systematically assess inherent operational risks and quality of controls to mitigate the risks.
- Awareness programs to make the line functions aware of operational risk and its management have been established.
- The Technology Committee provides direction for mitigating the operational risk in IT security.
- Disaster recovery and Business Continuity Plans (BCP) have been established for significant businesses to

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ensure continuity of operations and minimal disruption to customer services. These plans are tested and reviewed to ensure their effectiveness to mitigate unforeseen risks arising out of disruptions.

- Risk transfer via insurance is a key strategy to mitigate operational risk exposure at the Bank.

- Internal Audit is part of the ongoing monitoring of the bank's system of internal controls. Internal audit provides an independent assessment of the adequacy of, and compliance with, the bank's established policies and procedures.

Approach for Operational Risk capital assessment

In accordance with RBI guidelines, the Bank has adopted Basic Indicator Approach (BIA) for computation of capital charge for operational risk.

IX. INTEREST RATE RISK IN THE BANKING BOOK (IRRBB)

Policy and Strategy for Interest Rate Risk Management

Interest rate risk in banking book represents the Bank's exposure to adverse movements in interest rates with regard to its non-trading exposures. Interest rate risk is measured by doing a gap analysis as well as factor sensitivity analysis. Bank holds assets, liabilities with different maturity and linked to different benchmark rates, thus creating exposure to unexpected changes in the level of interest rates in such markets.

Interest Rate Risk is managed in accordance to the Board approved Asset Liability Management (ALM) Policy, Investment Policy. The policies lay down well-defined organization structure for interest rate risk management functions and processes whereby the interest rate risks carried by the Bank are identified, measured, monitored and controlled.

Organization Structure for Interest Rate Risk Management function

The organizational structure of the Bank for Interest Rate Risk Management function has the Board of Directors at the apex level that maintains overall oversight of management of risks. The Risk Management Committee of Board (RMCB) devises policy and strategy for integrated risk management which includes interest rate risk. At operational level, Asset Liability Management Committee (ALCO) monitors management of interest rate risk. The main functions of ALCO include balance sheet planning from a risk return perspective including the strategic management of interest rates and liquidity risks.

Risk Reporting, Measurement, Mitigation & Monitoring systems

- Interest rate risk is managed using Gap Analysis of Rate Sensitive Assets (RSA) and Rate Sensitive Liabilities (RSL) and monitoring of prudential (tolerance) limits prescribed.

- Earnings perspective - Based on the gap report, Earnings at Risk (EaR) approximates the impact of an interest rate/ re-pricing shock for a given change in interest rate on the net interest income (difference between total interest income and total interest expense) over a one year horizon.

- Economic value perspective - As against the earnings approach, interest rate risk is monitored based on the present value of the Bank's expected cash flows. A modified duration approach is used to ascertain the impact on interest sensitive assets, liabilities and off-balance sheet positions for a given change in interest rates on Market Value of Equity (MVE).

- Monitoring – The Bank employs EaR and MVE measures to assess the sensitivity to interest rate movements on entire balance sheet. EaR and MVE thresholds have been prescribed and the results are monitored on an ongoing basis.

The findings of the risk measures for IRRBB are reviewed by Board at quarterly intervals.

Nature of IRRBB and Key assumptions

- Interest rate risk is measured by using Earnings Perspective and Economic Value Perspective method.

- The distribution into rate sensitive assets and liabilities under Interest Rate Sensitivity Statement, Coupons, Yields are as prescribed in ALM policy of the Bank.

- Non-maturity deposits (current and savings) are classified into appropriate buckets according to the study of behavioral pattern. In case of these deposits, volatile portion is classified into '1-28 Days' time bucket and remaining core portion into '1-3 years' time bucket.

Quantitative Disclosures

Increase (decline) in earnings and economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring IRRBB.

Earnings Perspective

(₹ In Millions)

Interest rate shock	31.03.2016
1% change in interest rate for 1 year	569.44

Economic Value Perspective

(₹ In Millions)

Interest rate shock	31.03.2016
200 basis point shock	2218.85

X. GENERAL DISCLOSURE FOR EXPOSURES RELATED TO COUNTERPARTY CREDIT RISK

Counterparty Credit Risk (CCR) is the risk that the counterparty to a transaction could default before the final settlement of the transaction's cash flows. An economic loss would occur if the transactions or portfolio of transactions with the counterparty has a positive economic value for the Bank at the time of default. Unlike exposure to credit risk through a loan, where the exposure to credit risk is unilateral and only the lending bank faces the risk of loss, CCR creates a bilateral risk of loss whereby the market value for many different types of transactions can be positive or negative to either counterparty. The market value is uncertain and can vary over time with the movement of underlying market factors.

The Bank's Derivative transactions are governed by the Bank's Derivative Policy, Commercial Credit Policy, Market Risk Policy, Country Risk Framework & Inter-Bank Limit Policy and Customer Suitability and Appropriateness Policy as well as by the extant RBI guidelines.

Various risk limits are set up for taking into account market volatility, business strategy and management experience. Risk limits are in place for risk parameters viz. PV01, Value at Risk (VaR), Stop Loss and Stress Scenario Limits. All exposures are monitored against these limits on a daily basis and breaches, if any, are reported promptly.

The Bank measures counterparty risk using current exposure method. Counterparty limits are approved as per the Bank's Credit Policies. The sanction terms may include the requirement to post upfront collateral, or post collateral should the mark to market (MTM) exceed a specified threshold; on a case to case basis. The Bank retains the right to terminate transactions as a risk mitigation measure, in case the client does not adhere to the agreed terms.

All counterparty exposures are monitored against these limits on a daily basis and breaches, if any, are reported promptly.

Exposure on account of Counter party Credit Risk

(₹ In Millions)

Particulars	Notional Amounts	Exposure (Current + Potential future)
Foreign Exchange Contracts	91,651.86	3,158.46
Interest rate derivative contracts	71,504.85	987.11
Cross currency swaps	17,980.15	1,929.96
Currency options	48,065.53	1,118.42
Currency Futures	1,325.10	0.00
Total	230,532.48	7,193.95

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XI. COMPOSITION OF CAPITAL

(₹ in Millions)

	Basel III common disclosure template to be used during the transition of regulatory adjustments (i.e. from April 1, 2013 to December 31, 2017)		Amounts Subject to Pre–Basel III Treatment	Ref No.
	Common Equity Tier 1 capital: instruments and reserves			
1	Directly issued qualifying common share capital plus related stock surplus (share premium)	23,132.57		a1 + a2 + a3
2	Retained earnings	39.17		b1
3	Accumulated other comprehensive income (and other reserves)	6,688.62		c1 + c2 + c3
	Revaluation reserves at 55% discount	4.48		
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	–		
	Public sector capital injections grandfathered until January 1, 2018	NA		
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	–		
6	**Common Equity Tier 1 capital before regulatory adjustments**	29,864.85		
	Common Equity Tier 1 capital: regulatory adjustments			
7	Prudential valuation adjustments	137.10		
8	Goodwill (net of related tax liability)	–		
9	Intangibles other than mortgage-servicing rights (net of related tax liability)	12.73		d1
10	Deferred tax assets	–		e1
11	Cash-flow hedge reserve	–		
12	Shortfall of provisions to expected losses	–		
13	Securitisation gain on sale	–		
14	Gains and losses due to changes in own credit risk on fair valued liabilities	–		
15	Defined-benefit pension fund net assets	–		
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	–		
17	Reciprocal cross-holdings in common equity	–		
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	–		
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	–		
20	Mortgage servicing rights (amount above 10% threshold)	–		
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	–		
22	Amount exceeding the 15% threshold	–		
23	of which: significant investments in the common stock of financial entities	–		
24	of which: mortgage servicing rights	–		
25	of which: deferred tax assets arising from temporary differences	–		
26	National specific regulatory adjustments (26a+26b+26c+26d)	–		
26a	of which: Investments in the equity capital of the unconsolidated insurance subsidiaries	–		

(₹ in Millions)

	Basel III common disclosure template to be used during the transition of regulatory adjustments (i.e. from April 1, 2013 to December 31, 2017)		Amounts Subject to Pre–Basel III Treatment	Ref No.
26b	of which: Investments in the equity capital of unconsolidated non-financial subsidiaries	–		
26c	of which: Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank	–		
26d	of which: Unamortised pension funds expenditures	–		
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	–		
28	**Total regulatory adjustments to Common equity Tier 1**	149.83		
29	**Common Equity Tier 1 capital (CET1)**	29,715.02		
	Additional Tier 1 capital: instruments			
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (31+32)	–		
31	of which: classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)	–		
32	of which: classified as liabilities under applicable accounting standards (Perpetual debt Instruments)	–		
33	Directly issued capital instruments subject to phase out from Additional Tier 1	–		
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	–		
35	of which: instruments issued by subsidiaries subject to phase out	–		
36	**Additional Tier 1 capital before regulatory adjustments**	–		
	Additional Tier 1 capital: regulatory adjustments			
37	Investments in own Additional Tier 1 instruments	–		
38	Reciprocal cross-holdings in Additional Tier 1 instruments	–		
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	–		
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	–		
41	National specific regulatory adjustments (41a+41b)	–		
41a	Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries	–		
41b	Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank	–		
	Regulatory Adjustments Applied to Additional Tier 1 in respect of Amounts Subject to Pre-Basel III Treatment	–		
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	–		
43	**Total regulatory adjustments to Additional Tier 1 capital**	–		
44	**Additional Tier 1 capital (AT1)**	–		
44a	**Additional Tier 1 capital reckoned for capital adequacy**	–		
45	**Tier 1 capital (T1 = CET1 + AT1) (29 + 44a)**	29,715.02		

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(₹ in Millions)

	Basel III common disclosure template to be used during the transition of regulatory adjustments (i.e. from April 1, 2013 to December 31, 2017)		Amounts Subject to Pre–Basel III Treatment	Ref No.
	Tier 2 capital: instruments and provisions			
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	4,000.00		
47	Directly issued capital instruments subject to phase out from Tier 2	–		
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	–		
49	of which: instruments issued by subsidiaries subject to phase out	–		
50	Provisions	915.40		j1x 45% + j2 + j3
51	**Tier 2 capital before regulatory adjustments**	4,915.40		
	Tier 2 capital: regulatory adjustments			
52	Investments in own Tier 2 instruments	–		
53	Reciprocal cross-holdings in Tier 2 instruments	–		
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	–		
55	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	–		
56	National specific regulatory adjustments (56a+56b)	–		
56a	of which: Investments in the Tier 2 capital of unconsolidated subsidiaries	–		
56b	of which: Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank	–		
57	**Total regulatory adjustments to Tier 2 capital**	–		
58	**Tier 2 capital (T2)**	4,915.40		
58a	**Tier 2 capital reckoned for capital adequacy**	4,915.40		
58b	**Excess Additional Tier 1 capital reckoned as Tier 2 capital**	–		
58c	**Total Tier 2 capital admissible for capital adequacy (58a + 58b)**	4,915.40		
59	**Total capital (TC = T1 + T2) (45 + 58c)**	34,630.42		
60	**Total risk weighted assets (60a + 60b + 60c)**	267,609.72		
60a	**of which: total credit risk weighted assets**	215,693.02		
60b	**of which: total market risk weighted assets**	40,320.39		
60c	**of which: total operational risk weighted assets**	11,596.31		
	Capital ratios			
61	**Common Equity Tier 1 (as a percentage of risk weighted assets)**	11.10%		
62	**Tier 1 (as a percentage of risk weighted assets)**	11.10%		
63	**Total capital (as a percentage of risk weighted assets)**	12.94%		
64	**Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirements, expressed as a percentage of risk weighted assets)**	6.125%		
65	**of which: capital conservation buffer requirement**	0.625%		
66	**of which: bank specific countercyclical buffer requirement**	0.00%		
67	**of which: G-SIB buffer requirement**	0.00%		

(₹ in Millions)

	Basel III common disclosure template to be used during the transition of regulatory adjustments (i.e. from April 1, 2013 to December 31, 2017)		Amounts Subject to Pre–Basel III Treatment	Ref No.
68	**Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)**	0.00%		
	National minima (if different from Basel III)			
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	5.50%		
70	National Tier 1 minimum ratio (if different from Basel III minimum)	7.00%		
71	National total capital minimum ratio (if different from Basel III minimum)	9.00%		
	Amounts below the thresholds for deduction (before risk weighting)			
72	Non-significant investments in the capital of other financial entities	–		
73	Significant investments in the common stock of financial entities	–		
74	Mortgage servicing rights (net of related tax liability)	–		
75	Deferred tax assets arising from temporary differences (net of related tax liability)	–		
	Applicable caps on the inclusion of provisions in Tier 2			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	–		
77	Cap on inclusion of provisions in Tier 2 under standardised approach	–		
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	NA		
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	NA		
	Capital instruments subject to phase-out arrangements (only applicable between Sep 30, 2017 and Sep 30, 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements	–		
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	–		
82	Current cap on AT1 instruments subject to phase out arrangements	–		
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	–		
84	Current cap on T2 instruments subject to phase out arrangements	–		
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	–		

Notes to the Template

Row No. of the template	Particular	(₹ in Millions)
10	Deferred tax assets associated with accumulated losses	–
	Deferred tax assets (excluding those associated with accumulated losses) net of Deferred tax liability	–
	Total as indicated in row 10	–
19	If investments in insurance subsidiaries are not deducted fully from capital and instead considered under 10% threshold for deduction, the resultant increase in the capital of bank	NA
	of which: Increase in Common Equity Tier 1 capital	NA
	of which: Increase in Additional Tier 1 capital	NA
	of which: Increase in Tier 2 capital	NA

Basel III Disclosures

For the year ended March 31, 2016

Row No. of the template	Particular	(₹ in Millions)
26b	If investments in the equity capital of unconsolidated non-financial subsidiaries are not deducted and hence, risk weighted then:	NA
	(i) Increase in Common Equity Tier 1 capital	NA
	(i) Increase in risk weighted assets	NA
44a	Excess Additional Tier 1 capital not reckoned for capital adequacy (difference between Additional Tier 1 capital as reported in row 44 and admissible Additional Tier 1 capital as reported in 44a)	–
	of which: Excess Additional Tier 1 capital which is considered as Tier 2 capital under row 58b	–
50	Eligible Provisions included in Tier 2 capital	893.39
	Eligible Revaluation Reserves included in Tier 2 capital	–
	Total of row 50	893.39
58a	Excess Tier 2 capital not reckoned for capital adequacy (difference between Tier 2 capital as reported in row 58 and T2 as reported in 58a)	–

XI. COMPOSITION OF CAPITAL- RECONCILIATION REQUIREMENTS

Step 1

(₹ in Millions)

Composition of Capital- Reconciliation Requirements		Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation
		As on reporting date	As on reporting date
A	**Capital & Liabilities**		
i.	**Paid-up Capital**	3,247.28	
	Reserves & Surplus	26,645.04	
	Minority Interest	–	
	Total Capital	**29,892.32**	
ii.	**Deposits**	243,486.51	
	of which: Deposits from banks	31,945.45	
	of which: Customer deposits	211,541.06	
	of which: Other deposits (pl. specify)	–	
iii.	**Borrowings**	105,362.24	
	of which: From RBI	34,170.00	
	of which: From banks	16,550.24	
	of which: From other institutions & agencies	43,409.75	
	of which: Others (outside India)	7,232.24	
	of which: Capital instruments	4,000.00	
iv.	**Other liabilities & provisions**	12,869.78	
	Total Capital & Liabilities	391,610.86	
B	**Assets**		
i	**Cash and balances with Reserve Bank of India**	13,397.46	
	Balance with banks and money at call and short notice	11,101.75	
ii	**Investments:**	144,360.34	
	of which: Government securities	102,819.96	
	of which: Other approved securities	–	
	of which: Shares	171.25	
	of which: Debentures & Bonds	16,914.54	
	of which: Subsidiaries / Joint Ventures / Associates	–	
	of which: Others (Commercial Papers, Mutual Funds etc.)	24,452.79	
iii	**Loans and advances**	212,290.83	
	of which: Loans and advances to banks	–	
	of which: Loans and advances to customers	212,290.83	
iv	**Fixed assets**	1,772.97	
v	**Other assets**	8,687.51	
	of which: Goodwill and intangible assets	12.73	
	of which: Deferred tax assets	243.84	
vi	**Goodwill on consolidation**	–	
vii	**Debit balance in Profit & Loss account**	–	
	Total Assets	**391,610.86**	

Step 2

(₹ in Millions)

Composition of Capital- Reconciliation Requirements		Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation	Ref. No.
		As on reporting date	As on reporting date	
A	**Capital & Liabilities**			
i	**Paid-up Capital**	3,247.28		
	Of which:			
	Amount eligible for CET1	3,247.28		a1
	Amount eligible for AT1	–		
	Share application money*	–		a3
	Reserves & Surplus	26,645.04		
	Of which:			
	Share Premium	19,885.29		a2
	Statutory Reserve	2,286.50		c1
	Capital Reserve	155.57		c2
	Revenue & Other Reserves	4,246.55		c3
	Revaluation Reserve	9.95		j1
	Investment Reserve	22.01		j2
	Balance in Profit & Loss Account	39.17		
	Of which: Profit brought forward reckoned for capital adequacy purpose	39.17		b1
	Of which: Current period profit not reckoned for capital adequacy purpose	–		
	Minority Interest	–		
	Total Capital	**29,892.32**		

Basel III Disclosures

For the year ended March 31, 2016

(₹ in Millions)

	Composition of Capital- Reconciliation Requirements	Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation	Ref. No.
		As on reporting date	As on reporting date	
ii	**Deposits**	243,486.51		
	of which: Deposits from banks	31,945.45		
	of which: Customer deposits	211,541.06		
	of which: Other deposits (pl. specify)	–		
iii	**Borrowings**	105,362.24		
	of which: From RBI	34,170.00		
	of which: From banks	16,550.24		
	of which: From other institutions & agencies	43,409.75		
	of which: Others (borrowings outside India)	7,232.24		
	of which: Capital instruments	4,000.00		
iv	**Other liabilities & provisions**	12,869.78		
	of which: Provision against Standard Assets	893.39		j3
	Total Capital & Liabilities	**391,610.86**		
B	**Assets**			
i	**Cash and balances with Reserve Bank of India**	13,397.46		
	Balance with banks and money at call and short notice	11,101.75		
ii	**Investments**	144,360.34		
	of which: Government securities	102,819.96		
	of which: Other approved securities	–		
	of which: Shares	171.25		
	of which: Debentures & Bonds	16,914.54		
	of which: Subsidiaries / Joint Ventures / Associates	–		
	of which: Others (Commercial Papers, Mutual Funds etc.)	24,452.79		
iii	**Loans and advances**	212,290.83		
	of which: Loans and advances to banks	–		
	of which: Loans and advances to customers	212,290.83		
iv	**Fixed assets**	1,772.97		
v	**Other assets**	8,687.51		
	of which: Goodwill and intangible assets			
	Out of which:			
	Goodwill	–		
	Other intangibles (excluding MSRs)	12.73		d1
	Deferred tax assets	243.84		e1
vi	**Goodwill on consolidation**	–		
vii	**Debit balance in Profit & Loss account**	–		
	Total Assets	**391,610.86**		

* Share Application Money is considered as a part of CET1 Capital as the amount is non-refundable and the shares have since been allotted to the applicants.

XII. MAIN FEATURES OF REGULATORY CAPITAL INSTRUMENTS

Item #	Particulars	Equity Shares	Tier II Bonds	Tier II Bonds
1	Issuer	RBL Bank Ltd	RBL Bank Ltd	RBL Bank Ltd
2	Unique identifier	INE976G01028	INE976G08049	INE976G08056
3	Governing laws of the instrument	Applicable Indian statutes and regulatory requirements	Applicable Indian statutes and regulatory requirements	Applicable Indian statutes and regulatory requirements
	Regulatory Treatment			
4	Transitional Basel III rules	Common Equity Tier 1	Tier 2	Tier 2
5	Post- transitional Basel III rules	Common Equity Tier 1	Tier 2	Tier 2
6	Eligible at solo/group/group & solo	Solo	Solo	Solo
7	Instrument type	Common Shares	Tier 2 Debt Instruments	Tier 2 Debt Instruments
8	Amount recognised in the regulatory capital (₹ in million as of March 31, 2016)	3,247.28	2,000	2,000
9	Par value of instrument (₹ in million)	3,247.28	2,000	2,000
10	Accounting classification	Shareholders' equity	Liability	Liability
11	Original date of issuance	Various*	16th February 2016	31st March 2016
12	Perpetual or dated	Perpetual	Dated	Dated
13	Original maturity date	No Maturity	16th May 2022	30th June 2022
14	Issuer call subject to prior supervisory approval	No	No	No
15	Optional call date, contingent call dates and redemption amount	Not applicable	Not applicable	Not applicable
16	Subsequent call dates, if applicable	Not applicable	Not applicable	Not applicable
	Coupons/ dividends	Dividend	Coupon	Coupon
17	Fixed or floating dividend/coupon	Not applicable	Fixed	Fixed
18	Coupon rate and any related index	Not applicable	10.25%	10.25%
19	Existence of a dividend stopper	Not applicable	No	No
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary	Fully discretionary
21	Existence of step-up or other incentive to redeem	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Not applicable	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	Not applicable	Not applicable	Not applicable
25	If convertible, fully or partially	Not applicable	Not applicable	Not applicable
26	If convertible, conversion rate	Not applicable	Not applicable	Not applicable
27	If convertible, mandatory or optional conversion	Not applicable	Not applicable	Not applicable
28	If convertible, specify instrument type convertible into	Not applicable	Not applicable	Not applicable
29	If convertible, specify issuer of instrument it converts into	Not applicable	Not applicable	Not applicable
30	Write-down feature	No	Yes	Yes
31	If write-down, write-down trigger(s)	Not applicable	Point of Non-Viability (PONV) Trigger (Details as in Pt. XIII below)	Point of Non-Viability (PONV) Trigger (Details as in Pt. XIII below)
32	If write-down, full or partial	Not applicable	Full	Full
33	If write-down, permanent or temporary	Not applicable	Permanent	Permanent
34	If temporary write-down, description of write-up mechanism	Not applicable	Not applicable	Not applicable

Basel III Disclosures

For the year ended March 31, 2016

Item #	Particulars	Equity Shares	Tier II Bonds	Tier II Bonds
35	Position in subordination heirarchy in liquidation (specify instrument type immediately senior to instrument)	Perpetual Debt Instruments	All Depositors, general Creditors & Non Capital Bonds and debentures outstanding of the bank.	All Depositors, general Creditors & Non Capital Bonds and debentures outstanding of the bank.
36	Non-compliant transitioned features	No	No	No
37	If yes, specify non-compliant features	Not applicable	Not applicable	Not applicable

XIII. FULL TERMS AND CONDITIONS OF REGULATORY CAPITAL INSTRUMENTS

Criteria	Full Terms and Conditions of Equity Shares of RBL Bank Limited
Voting shares	Equity shares of RBL Bank Limited are voting shares
Limit on voting rights	Limits on voting rights, if any, are applicable as per provisions of the Banking Regulation Act, 1949
Position in subordination hierarchy	Represent the most subordinated claim in liquidation of the Bank. The paid up amount is neither secured nor covered by a guarantee of the issuer or related entity nor subject to any other arrangement that legally or economically enhances the seniority of the claim.
Claim on residual assets	Entitled to a claim on the residual assets, which is proportional to its share of paid up capital, after all senior claims have been repaid in liquidation
Perpetuity	Principal is perpetual and never repaid outside of liquidation (except discretionary repurchases / buy backs or other means of effectively reducing capital in a discretionary manner that is allowable under relevant law as well as guidelines, if any, issued by RBI in the matter). The Bank does nothing to create an expectation at issuance that the instrument would be bought back, redeemed or cancelled nor do the statutory or contractual terms provide any feature which might give rise to such an expectation.
Distributions	Distributions are paid out of distributable items (retained earnings included). The level of distributions is not in any way tied or linked to the amount paid up at issuance and is not subject to a contractual cap (except to the extent that a bank is unable to pay distributions that exceed the level of distributable items). There are no circumstances under which the distributions are obligatory. Non-payment is therefore not an event of default. Distributions are paid only after all legal and contractual obligations have been met and payments on more senior capital instruments have been made.
Loss absorption	It is the paid up capital that takes the first and proportionately greatest share of any losses as they occur. Within the highest quality capital, each instrument absorbs losses on a going concern basis proportionately and paripassu with all the others.
Accounting classification	The paid up amount is classified as equity capital. It is clearly and separately disclosed in the Bank's balance sheet.
Directly issued and paid-up	Shares are directly issued and paid up. The Bank cannot directly or indirectly fund the purchase of its own common shares
Approval for issuance	Paid up capital is only issued with the approval of the owners of the Bank, either given directly by the owners or, if permitted by applicable law, given by the Board of Directors or by other persons duly authorised by the owners

Criteria	Full Terms and Conditions of Basel III Compliant Tier II Bonds of RBL Bank Limited (Unique Identifier - INE976G08049)
Issuer / Borrower / Company	RBL Bank Limited
Nature Of Instrument	Non-convertible, Redeemable, Unsecured, Unlisted, Rated, Basel III compliant Tier II Bonds in the nature of debentures for augmenting Tier II capital of the Issuer with face value of ₹1,000,000 each (Bond)
Seniority	Claims of the Investors in the Instruments shall be: (i) Senior to the claims of Investors in Instruments eligible for inclusion in Tier 1 Capital (ii) Subordinate to the claims of all Depositors, general Creditors & Non Capital Bonds and debentures outstanding of the Bank and (iii) These Bonds shall neither be secured nor covered by a guarantee of the Issuer or its related entity or other arrangement that legally or economically enhances the seniority of the claim vis-à-vis creditors of the Bank. The Bondholders shall have no rights to accelerate the repayment of future scheduled payments (coupon or principal) except in bankruptcy and liquidation. The claims of the bondholders shall be subject to the provisions mentioned in the point Special Features, "Point of Non viability" (PONV) in the term sheet.
Mode of Issue	Private placement
Rating of the Instrument	"[ICRA]A+ hyb" with stable outlook
Issue Size	INR 2,000 Million
Objects of the Issue	Augmenting Tier II Capital (as defined in the Basel III Guidelines issued by RBI) and overall capital of the Issuer for strengthening its capital adequacy and for enhancing its long-term resources. Proceeds of the Bonds raised will be utilized for the business of the Bank.
Details of the utilization of the Proceeds	The proceeds realized by RBL Bank from the Issue shall be utilized as per the Objects of the Issue. The proceeds of the issue are being raised to augment Tier 2 Capital under Basel III Capital Regulations as laid out by RBI. The proceeds of issue shall be utilized for regular business activities of the Bank.
Coupon Rate	10.25%
Coupon Payment Frequency	Quarterly
Coupon Payment Date	16th Feb , 16th May , 16th August , 16th November of every year till maturity
Coupon Type	Fixed
Day Count Basis	Actual/Actual
Default Interest Rate	In relation to the principal amount and coupon payable in respect of the Debentures, in case the same is not paid on the respective Due Dates, the defaulted amounts shall carry further interest at the rate of 2% (Two Percent) per annum over and above the Coupon Rate, from the date of occurrence of such default up to the date on which the defaulted amounts together with default interest is paid, and subject to "Special Features", "PONV" mentioned below.
Tenure	Six years and 3 Months
Redemption Date	16th May 2022
Redemption Amount	At Par
Issue Price	₹ 1,000,000/- per Debenture
Deemed Date of Allotment	16th Feb 2016
Issuance/Trading mode of the Instrument	Demat Only

Basel III Disclosures

For the year ended March 31, 2016

Criteria	Full Terms and Conditions of Basel III Compliant Tier II Bonds of RBL Bank Limited (Unique Identifier - INE976G08049)
Transaction Documents	1) Signed and accepted Term Sheet 2) PAS-4 & PAS-3 3) Trustee Consent letter 4) Credit rating letter 5) Credit rating rationale 6) RTA appointment letter 7) Any other document as may be deemed necessary
Depositories	NSDL
Business Day Convention	Any day of the week (excluding Saturdays, Sundays, any day which is a public holiday for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881) in Mumbai and any other day on which banks are closed for customer business in Mumbai, India) shall be a Business Day
Record Date	The date falling 15 (Fifteen) days prior to any Due Date in relation to the Debentures
Conditions Precedent to Pay-In	a) A certified copy of a resolution of the shareholders of the Company should have been submitted to the Debenture Trustee: (i) Authorising the Board of Directors of the Company to borrow monies; and (ii) Setting out the authorisation under Section 42 of the Companies Act, 2013 read with the applicable rules in relation to the private placement of Debentures. (b) The Company shall have received a letter from the Debenture Trustee that it has acknowledged and has agreed / consented to act as the Debenture Trustee.
Conditions Subsequent to the Date Deemed of Allotment	(a) The Company shall ensure that upon issuance of the Debentures, the allotment and the dematerialised credit of the same occurs not later than 2 (two) days from the Deemed Date of Allotment; (b) The Company shall ensure that it files PAS-3 & PAS-4 with the registrar of companies, within the time limit set out under the Companies Act, 2013.
Events of Default	The Issuer has defaulted in relation to payment of the principal amount / coupon / redemption premium due in respect the Debentures. The investor must have no rights to accelerate the repayment of future scheduled payments (coupon or principal) except in bankruptcy and liquidation of the Issuer.
Role and Responsibilities of Debenture Trustee	To oversee and monitor the overall transaction for and on behalf of the Debenture Holders. All rights and remedies under the Transaction Documents shall rest in and be exercised by the Debenture Trustee without having it referred to the Debenture Holders. Any payment made by the Company to the Debenture Trustee, for the benefit of the Debenture Holders, shall discharge the Company pro tanto to the Debenture Holders.
Governing Law and Jurisdiction	The Debentures and documentation will be governed by and construed in accordance with the laws of India and the Courts in Mumbai shall have jurisdiction to determine any dispute arising in relation to the Debentures.

Criteria	Full Terms and Conditions of Basel III Compliant Tier II Bonds of RBL Bank Limited (Unique Identifier - INE976G08049)
Loss Absorbency	The bonds shall be subjected to loss absorbency features applicable for non-equity capital instruments vide RBI Master Circular DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015 on Basel III capital regulations covering Criteria for inclusion of debt capital instruments as Tier 2 capital and minimum requirements to ensure loss absorbency of additional Tier 1 instruments at pre-specified trigger and of all non-equity regulatory capital instruments at the Point of Non-viability ("PONV"). Accordingly, the Bonds may at the option of RBI either be permanently written off or temporarily written off on the occurrence of the trigger event called the Point of Non Viability (PONV). PONV trigger event shall be as defined in the aforesaid RBI Circular and shall be determined by the RBI.
Point of Non Viability (PONV) and special features	The present issue of Bonds is being made in pursuance of Master Circular DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015 on Prudential Guidelines on Implementation of Basel III Capital Regulations in India covering Criteria for Inclusion of Debt Capital Instruments as Tier 2 Capital and Minimum Requirements to ensure loss absorbency of Additional Tier1instruments at pre-specified trigger and of all non-equity regulatory capital instruments at the PONV. As per the extant instructions issued by RBI, these Bonds, at the option of the Reserve Bank of India, shall be written off upon the occurrence of the trigger event, called the 'Point of Non-Viability (PONV) Trigger' stipulated below : (i) The PONV Trigger event is the earlier of: decision that a conversion or write-off without which the firm would become nonviable, is necessary, as determined by the Reserve Bank of India; and the decision to make a public sector injection of capital, or equivalent support, without which the firm would have become non-viable, as determined by the relevant authority. The Write-off of any Common Equity Tier 1 capital shall not be required before the write off of any Non-Equity (Additional Tier-I and Tier 2 regulatory capital instrument. (ii) Such a decision would invariably imply that the write-off or issuance of any new shares as a result of conversion consequent upon the trigger event must occur prior to any public sector injection of capital so that the capital provided by the public sector is not diluted. As such, the contractual terms and conditions of these instruments shall not provide for any residual claims on the issuer which are senior to ordinary shares of the bank (or banking group entity where applicable), following a trigger event and when conversion or write-off is undertaken. For the purpose of the above, a non-viable bank will be: A bank which, owing to its financial and other difficulties, may no longer remain a going concern on its own in the opinion of the Reserve Bank unless appropriate measures are taken to revive its operations and thus, enable it to continue as a going concern. The difficulties faced by a bank should be such that these are likely to result in financial losses and raising the Common Equity Tier 1 capital of the bank should be considered as the most appropriate way to prevent the bank from turning nonviable. Such measures would include write-off / conversion of non-equity regulatory capital into common shares in combination with or without other measures as considered appropriate by the Reserve Bank.

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Criteria	Full Terms and Conditions of Basel III Compliant Tier II Bonds of RBL Bank Limited (Unique Identifier - INE976G08049)
	Write-off Features These instruments are subject to conversion or write-off upon the occurrence of the trigger event called PONV as determined by Reserve Bank of India. The amount of non-equity capital to be written-off will be determined by RBI. When a bank breaches the PONV trigger and the equity is replenished either through conversion or write-off, such replenished amount of equity will be excluded from the total equity of the bank for the purpose of determining the proportion of earnings to be paid out as dividend in terms of rules laid down for maintaining capital conservation buffer. However, once the bank has attained total Common Equity ratio as defined in Table Minimum Capital Required under section 4.19 without counting the replenished equity capital, that point onwards, the bank may include the replenished equity capital for all purposes. The trigger at PONV will be evaluated both at consolidated and solo level and breach at either level will trigger conversion or write-off. Treatment in Bankruptcy / Liquidation: The Bondholders shall have no rights to accelerate the repayment of future scheduled payments (coupon or principal) except in bankruptcy and liquidation of the Issuer. If a bank goes into liquidation before these instruments have been written-down/converted, these instruments will absorb losses in accordance with the order of seniority indicated in the offer document and as per usual legal provisions governing priority of charges. If a bank goes into liquidation after these instruments have been written-down, the holders of these instruments will have no claim on the proceeds of liquidation. Amalgamation of a banking company: If a bank is amalgamated with any other bank before these instruments have been written-down/converted, these instruments will become part of the corresponding categories of regulatory capital of the new bank emerging after the merger. If a bank is amalgamated with any other bank after the non-equity regulatory capital instruments have been written-down permanently, these cannot be written-up by the Amalgamated entity. If the relevant authorities decide to reconstitute a bank or amalgamate a bank with any other bank under the Section 45 of BR Act, 1949, such a bank will be deemed as non-viable or approaching non-viability and both the pre-specified trigger and the trigger at the point of non-viability for conversion/write-down of these instruments will be activated. Accordingly, these instruments will be fully converted/written-down permanently before amalgamation /reconstitution in accordance with these rules. Order of conversion/write-down of various types of capital instruments The capital instruments shall be written-off in order in which they would absorb losses in a gone concern situation. The capital instruments shall absorb losses in accordance with the order of seniority and as per usual legal provisions governing priority of charges. **Criteria to Determine the PONV** The above framework will be invoked when the Bank is adjudged by Reserve Bank of India to be approaching the point of non-viability, or has already reached the point of non-viability, but in the views of RBI: a) there is a possibility that a timely intervention in form of capital support, with or without other supporting interventions, is likely to rescue the Bank; and

Criteria	Full Terms and Conditions of Basel III Compliant Tier II Bonds of RBL Bank Limited (Unique Identifier - INE976G08049)
	b) if left unattended, the weaknesses would inflict financial losses on the Bank and, thus, cause decline in its common equity level. The purpose of write-off and/or conversion of the Bonds shall be to shore up the capital level of the Bank. RBI would follow a two-stage approach to determine the non-viability of the Bank. The Stage 1 assessment would consist of purely objective and quantifiable criteria to indicate that there is a prima facie case of the Bank approaching non- viability and, therefore, a closer examination of the Bank's financial situation is warranted. The Stage 2 assessment would consist of supplementary subjective criteria which, in conjunction with the Stage 1 information, would help in determining whether the Bank is about to become non-viable. These criteria would be evaluated together and not in isolation. Once the PONV is confirmed, the next step would be to decide whether rescue of the Bank would be through write-off/conversion alone or write-off/ conversion in conjunction with public sector injection of funds. The trigger at PONV shall be evaluated both at consolidated and solo level and breach at either level shall trigger write-off/conversion. As the capital adequacy is applicable both at solo and consolidated levels, the minority interests in respect of capital instruments issued by subsidiaries of the Banks including overseas subsidiaries can be included in the consolidated capital of the banking group only if these instruments have pre-specified triggers/ loss absorbency at the PONV. The cost to the parent of its investment in each subsidiary and the parent's portion of equity of each subsidiary, at the date on which investment in each subsidiary is made, is eliminated as per AS-21. So, in case of wholly-owned subsidiaries, it would not matter whether or not it has same characteristics as the Bank's capital. However, in the case of less than wholly owned subsidiaries, minority interests constitute additional capital for the banking group over and above what is counted at solo level; therefore, it should be admitted only when it (and consequently the entire capital in that category) has the same characteristics as the Bank's capital. In addition, if the Bank wishes the instrument issued by its subsidiary to be included in the consolidated group's capital, in addition to its solo capital, the terms and conditions of that instrument must specify an additional trigger event. The additional trigger event is the earlier of: a) a decision that write-off/conversion of the Bonds, without which the Bank or the subsidiary would become non-viable, is necessary, as determined by the Reserve Bank Of India; and b) the decision to make a public sector injection of capital, or equivalent support, without which the Bank or the subsidiary would have become non-viable, as determined by the Reserve Bank of India. Such a decision would invariably imply that the write-off /conversion of the Bonds consequent upon the trigger event must occur prior to any public sector injection of capital so that the capital provided by the public sector is not diluted In such cases, the subsidiary should obtain its regulator's approval/no objection for allowing the capital instrument to be converted/written-off at the additional trigger point referred above. Any common stock paid as compensation to the holders of the Bonds must be common stock of either the issuing subsidiary or the Bank (including any successor in resolution). Although the RBI regulations permit conversion or write off of the debentures on the occurrence of the trigger event (i.e. PONV trigger"), no conversion of the present issue of debentures to common equity Tier 1 capital is proposed.

Basel III Disclosures

For the year ended March 31, 2016

Criteria	Full Terms and Conditions of Basel III Compliant Tier II Bonds of RBL Bank Limited (Unique Identifier - INE976G08049)
Applicable RBI Guidelines	The present issue of Bonds is being made in pursuance of Master Circular DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015 issued by the RBI, covering Prudential Guidelines on Implementation of Basel III Capital Regulations in India covering Criteria for Inclusion of Debt Capital Instruments.
Debenture Trustee	Milestone Trusteeship Services Private Limited
RTA	Link Intime India Pvt. Ltd.

Criteria	Full Terms and Conditions of Basel III Compliant Tier II Bonds of RBL Bank Limited (Unique Identifier - INE976G08056)
Issuer / Borrower / Company	RBL Bank Limited
Nature Of Instrument	Non-convertible, Redeemable, Unsecured, Unlisted, Rated, Basel III compliant Tier II Bonds in the nature of debentures for augmenting Tier II capital of the Issuer with face value of ₹1,000,000 each (Bond)
Seniority	Claims of the Investors in the Instruments shall be: (i) Senior to the claims of Investors in Instruments eligible for inclusion in Tier 1 Capital (ii) Subordinate to the claims of all Depositors, general Creditors & Non Capital Bonds and debentures outstanding of the Bank and (iii) These Bonds shall neither be secured nor covered by a guarantee of the Issuer or its related entity or other arrangement that legally or economically enhances the seniority of the claim vis-à-vis creditors of the Bank. The Bondholders shall have no rights to accelerate the repayment of future scheduled payments (coupon or principal) except in bankruptcy and liquidation. The claims of the bondholders shall be subject to the provisions mentioned in the point Special Features, "Point of Non viability" (PONV) in the term sheet.
Mode of Issue	Private placement
Rating of the Instrument	"[ICRA]A+ hyb" with stable outlook
Issue Size	INR 1,500 Million plus Green Shoe Option
Objects of the Issue	Augmenting Tier II Capital (as defined in the Basel III Guidelines issued by RBI) and overall capital of the Issuer for strengthening its capital adequacy and for enhancing its long-term resources. Proceeds of the Bonds raised will be utilized for the business of the Bank.
Details of the utilization of the Proceeds	The proceeds realized by RBL Bank from the Issue shall be utilized as per the Objects of the Issue. The proceeds of the issue are being raised to augment Tier 2 Capital under Basel III Capital Regulations as laid out by RBI. The proceeds of issue shall be utilized for regular business activities of the Bank.
Coupon Rate	10.25%
Coupon Payment Frequency	Quarterly
Coupon Payment Date	30th March ,30 June,30 Sep,30 Dec of every year till maturity.
Coupon Type	Fixed
Day Count Basis	Actual/Actual
Default Interest Rate	In relation to the principal amount and coupon payable in respect of the Debentures, in case the same is not paid on the respective Due Dates, the defaulted amounts shall carry further interest at the rate of 2% (Two Percent) per annum over and above the Coupon Rate, from the date of occurrence of such default up to the date on which the defaulted amounts together with default interest is paid, and subject to "Special Features", "PONV" mentioned below.
Tenure	Six years and 3 Months
Redemption Date	30 June2022
Redemption Amount	At Par

Criteria	Full Terms and Conditions of Basel III Compliant Tier II Bonds of RBL Bank Limited (Unique Identifier - INE976G08056
Issue Price	₹ 1,000,000/- per Debenture
Deemed Date of Allotment	31st March 2016
Issuance/Trading mode of the Instrument	Demat Only
Transaction Documents	1) Signed and accepted Term Sheet 2) PAS-4 & PAS-3 3) Trustee Consent letter 4) Credit rating letter 5) Credit rating rationale 6) RTA appointment letter 7) Any other document as may be deemed necessary
Depositories	NSDL
Business Day Convention	Any day of the week (excluding Saturdays, Sundays, any day which is a public holiday for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881) in Mumbai and any other day on which banks are closed for customer business in Mumbai, India) shall be a Business Day
Record Date	The date falling 15 (Fifteen) days prior to any Due Date in relation to the Debentures
Conditions Precedent to Pay-In	a) A certified copy of a resolution of the shareholders of the Company should have been submitted to the Debenture Trustee: (i) Authorising the Board of Directors of the Company to borrow monies; and (ii) Setting out the authorisation under Section 42 of the Companies Act, 2013 read with the applicable rules in relation to the private placement of Debentures. (b) The Company shall have received a letter from the Debenture Trustee that it has acknowledged and has agreed / consented to act as the Debenture Trustee.
Conditions Subsequent to the Date Deemed of Allotment	(a) The Company shall ensure that upon issuance of the Debentures, the allotment and the dematerialised credit of the same occurs not later than 2 (two) days from the Deemed Date of Allotment; (b) The Company shall ensure that it files PAS-3 & PAS-4 with the registrar of companies, within the time limit set out under the Companies Act, 2013.
Events of Default	The Issuer has defaulted in relation to payment of the principal amount / coupon / redemption premium due in respect the Debentures. The investor must have no rights to accelerate the repayment of future scheduled payments (coupon or principal) except in bankruptcy and liquidation of the Issuer.
Role and Responsibilities of Debenture Trustee	To oversee and monitor the overall transaction for and on behalf of the Debenture Holders. All rights and remedies under the Transaction Documents shall rest in and be exercised by the Debenture Trustee without having it referred to the Debenture Holders. Any payment made by the Company to the Debenture Trustee, for the benefit of the Debenture Holders, shall discharge the Company pro tanto to the Debenture Holders.
Governing Law and Jurisdiction	The Debentures and documentation will be governed by and construed in accordance with the laws of India and the Courts in Mumbai shall have jurisdiction to determine any dispute arising in relation to the Debentures.
Loss Absorbency	The bonds shall be subjected to loss absorbency features applicable for non-equity capital instruments vide RBI Master Circular DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015 on Basel III capital regulations covering Criteria for inclusion of debt capital instruments as Tier 2 capital and minimum requirements to ensure loss absorbency of additional Tier 1 instruments at pre-specified trigger and of all non-equity regulatory capital instruments at the Point of Non-viability ("PONV"). Accordingly, the Bonds may at the option of RBI either be permanently written off or temporarily written off on the occurrence of the trigger event called the Point of Non Viability (PONV). PONV trigger event shall be as defined in the aforesaid RBI Circular and shall be determined by the RBI.

Basel III Disclosures

For the year ended March 31, 2016

Criteria	Full Terms and Conditions of Basel III Compliant Tier II Bonds of RBL Bank Limited (Unique Identifier - INE976G08056
Point of Non Viability (PONV) and special features	The present issue of Bonds is being made in pursuance of Master Circular DBR.No.BP. BC.1/21.06.201/2015-16 dated July 1, 2015 on Prudential Guidelines on Implementation of Basel III Capital Regulations in India covering Criteria for Inclusion of Debt Capital Instruments as Tier 2 Capital and Minimum Requirements to ensure loss absorbency of Additional Tier1instruments at pre-specified trigger and of all non-equity regulatory capital instruments at the PONV. As per the extant instructions issued by RBI, these Bonds, at the option of the Reserve Bank of India, shall be written off upon the occurrence of the trigger event, called the 'Point of Non-Viability (PONV) Trigger' stipulated below : (i) The PONV Trigger event is the earlier of: decision that a conversion or write-off without which the firm would become nonviable, is necessary, as determined by the Reserve Bank of India; and the decision to make a public sector injection of capital, or equivalent support, without which the firm would have become non-viable, as determined by the relevant authority. The Write-off of any Common Equity Tier 1 capital shall not be required before the write off of any Non-Equity (Additional Tier-I and Tier 2 regulatory capital instrument. (ii) Such a decision would invariably imply that the write-off or issuance of any new shares as a result of conversion consequent upon the trigger event must occur prior to any public sector injection of capital so that the capital provided by the public sector is not diluted. As such, the contractual terms and conditions of these instruments shall not provide for any residual claims on the issuer which are senior to ordinary shares of the bank (or banking group entity where applicable), following a trigger event and when conversion or write-off is undertaken. For the purpose of the above, a non-viable bank will be: A bank which, owing to its financial and other difficulties, may no longer remain a going concern on its own in the opinion of the Reserve Bank unless appropriate measures are taken to revive its operations and thus, enable it to continue as a going concern. The difficulties faced by a bank should be such that these are likely to result in financial losses and raising the Common Equity Tier 1 capital of the bank should be considered as the most appropriate way to prevent the bank from turning nonviable. Such measures would include write-off / conversion of non-equity regulatory capital into common shares in combination with or without other measures as considered appropriate by the Reserve Bank. **Write-off Features** These instruments are subject to conversion or write-off upon the occurrence of the trigger event called PONV as determined by Reserve Bank of India. The amount of non-equity capital to be written-off will be determined by RBI. When a bank breaches the PONV trigger and the equity is replenished either through conversion or write-off, such replenished amount of equity will be excluded from the total equity of the bank for the purpose of determining the proportion of earnings to be paid out as dividend in terms of rules laid down for maintaining capital conservation buffer. However, once the bank has attained total Common Equity ratio as defined in Table Minimum Capital Required under section 4.19 without counting the replenished equity capital, that point onwards, the bank may include the replenished equity capital for all purposes. The trigger at PONV will be evaluated both at consolidated and solo level and breach at either level will trigger conversion or write-off.

Criteria	Full Terms and Conditions of Basel III Compliant Tier II Bonds of RBL Bank Limited (Unique Identifier - INE976G08056
	Treatment in Bankruptcy / Liquidation: The Bondholders shall have no rights to accelerate the repayment of future scheduled payments (coupon or principal) except in bankruptcy and liquidation of the Issuer. If a bank goes into liquidation before these instruments have been written-down/converted, these instruments will absorb losses in accordance with the order of seniority indicated in the offer document and as per usual legal provisions governing priority of charges. If a bank goes into liquidation after these instruments have been written-down, the holders of these instruments will have no claim on the proceeds of liquidation. Amalgamation of a banking company: If a bank is amalgamated with any other bank before these instruments have been written-down/converted, these instruments will become part of the corresponding categories of regulatory capital of the new bank emerging after the merger. If a bank is amalgamated with any other bank after the non-equity regulatory capital instruments have been written-down permanently, these cannot be written-up by the Amalgamated entity. If the relevant authorities decide to reconstitute a bank or amalgamate a bank with any other bank under the Section 45 of BR Act, 1949, such a bank will be deemed as non-viable or approaching non-viability and both the pre-specified trigger and the trigger at the point of non-viability for conversion/write-down of these instruments will be activated. Accordingly, these instruments will be fully converted/written-down permanently before amalgamation /reconstitution in accordance with these rules. Order of conversion/write-down of various types of capital instruments The capital instruments shall be written-off in order in which they would absorb losses in a gone concern situation. The capital instruments shall absorb losses in accordance with the order of seniority and as per usual legal provisions governing priority of charges. **Criteria to Determine the PONV** The above framework will be invoked when the Bank is adjudged by Reserve Bank of India to be approaching the point of non-viability, or has already reached the point of non-viability, but in the views of RBI: a) there is a possibility that a timely intervention in form of capital support, with or without other supporting interventions, is likely to rescue the Bank; and b) if left unattended, the weaknesses would inflict financial losses on the Bank and, thus, cause decline in its common equity level. The purpose of write-off and/or conversion of the Bonds shall be to shore up the capital level of the Bank. RBI would follow a two-stage approach to determine the non-viability of the Bank. The Stage 1 assessment would consist of purely objective and quantifiable criteria to indicate that there is a prima facie case of the Bank approaching non- viability and, therefore, a closer examination of the Bank's financial situation is warranted. The Stage 2 assessment would consist of supplementary subjective criteria which, in conjunction with the Stage 1 information, would help in determining whether the Bank is about to become non-viable. These criteria would be evaluated together and not in isolation.

Basel III Disclosures

For the year ended March 31, 2016

Criteria	Full Terms and Conditions of Basel III Compliant Tier II Bonds of RBL Bank Limited (Unique Identifier - INE976G08056
	Once the PONV is confirmed, the next step would be to decide whether rescue of the Bank would be through write-off/conversion alone or write-off/ conversion in conjunction with public sector injection of funds. The trigger at PONV shall be evaluated both at consolidated and solo level and breach at either level shall trigger write-off/conversion. As the capital adequacy is applicable both at solo and consolidated levels, the minority interests in respect of capital instruments issued by subsidiaries of the Banks including overseas subsidiaries can be included in the consolidated capital of the banking group only if these instruments have pre-specified triggers/ loss absorbency at the PONV. The cost to the parent of its investment in each subsidiary and the parent's portion of equity of each subsidiary, at the date on which investment in each subsidiary is made, is eliminated as per AS-21. So, in case of wholly-owned subsidiaries, it would not matter whether or not it has same characteristics as the Bank's capital. However, in the case of less than wholly owned subsidiaries, minority interests constitute additional capital for the banking group over and above what is counted at solo level; therefore, it should be admitted only when it (and consequently the entire capital in that category) has the same characteristics as the Bank's capital. In addition, if the Bank wishes the instrument issued by its subsidiary to be included in the consolidated group's capital, in addition to its solo capital, the terms and conditions of that instrument must specify an additional trigger event. The additional trigger event is the earlier of: a) a decision that write-off/conversion of the Bonds, without which the Bank or the subsidiary would become non-viable, is necessary, as determined by the Reserve Bank Of India; and b) the decision to make a public sector injection of capital, or equivalent support, without which the Bank or the subsidiary would have become non-viable, as determined by the Reserve Bank of India. Such a decision would invariably imply that the write-off /conversion of the Bonds consequent upon the trigger event must occur prior to any public sector injection of capital so that the capital provided by the public sector is not diluted In such cases, the subsidiary should obtain its regulator's approval/no objection for allowing the capital instrument to be converted/written-off at the additional trigger point referred above. Any common stock paid as compensation to the holders of the Bonds must be common stock of either the issuing subsidiary or the Bank (including any successor in resolution). Although the RBI regulations permit conversion or write off of the debentures on the occurrence of the trigger event (i.e. PONV trigger"), no conversion of the present issue of debentures to common equity Tier 1 capital is proposed.
Applicable RBI Guidelines	The present issue of Bonds is being made in pursuance of Master Circular DBR.No.BP. BC.1/21.06.201/2015-16 dated July 1, 2015 issued by the RBI, covering Prudential Guidelines on Implementation of Basel III Capital Regulations in India covering Criteria for Inclusion of Debt Capital Instruments.
Debenture Trustee	Axis Trustee Services Limited
RTA	Link Intime India Pvt. Ltd.

Leverage Ratio Disclosure

The leverage ratio act as a credible supplementary measure to the risk based capital requirement. The Bank is required to maintain a minimum leverage ratio of 4.5%. The Bank's leverage ratio calculated in accordance with RBI guidelines under consolidated framework is as follows:

1. Leverage ratio common disclosure as of March 31, 2016

(₹ in Millions)

No	Leverage ratio framework	Amount
	On-balance sheet exposures	
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	388,677.44
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(149.83)
3	**Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)**	**388,527.61**
	Derivative exposures	
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	2,933.42
5	Add-on amounts for PFE associated with all derivatives transactions	4,603.83
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	–
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-
8	(Exempted CCP leg of client-cleared trade exposures)	-
9	Adjusted effective notional amount of written credit derivatives	-
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-
11	**Total derivative exposures (sum of lines 4 to 10)**	**7,537.25**
	Securities financing transaction exposures	
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	-
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-
14	CCR exposure for SFT assets	-
15	Agent transaction exposures	-
16	**Total securities financing transaction exposures (sum of lines 12 to 15)**	**-**
	Other off-balance sheet exposures	
17	Off-balance sheet exposure at gross notional amount	114,539.09
18	(Adjustments for conversion to credit equivalent amounts)	58,715.83
19	Off-balance sheet items (sum of lines 17 and 18)	55,823.25
	Capital and total exposures	
20	Tier 1 capital	29,715.02
21	**Total exposures (sum of lines 3, 11, 16 and 19)**	**451,888.11**
	Leverage ratio	
22	Basel III leverage ratio	6.58%

Basel III Disclosures

For the year ended March 31, 2016

2. Comparison of accounting assets and leverage ratio exposure

(₹ in Millions)

S. No.	Particulars	Amount
1	Total consolidated assets as per published financial statements	391,610.86
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	–
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	–
4	Adjustments for derivative financial instruments	4,603.83
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	–
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off- balance sheet exposures)	55,823.25
7	Other adjustments	(149.83)
8	Leverage ratio exposure	451,888.11

3. Reconciliation of total published balance sheet size and on balance sheet exposure under common disclosure

(₹ in Millions)

S. No.	Particulars	Amount
1	Total consolidated assets as per published financial statements	391,610.86
2	Replacement cost associated with all derivatives transactions, i.e. net of eligible cash variation margin	2,933.42
3	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	-
4	Adjustment for entitles outside the scope of regulatory consolidation	-
5	On-balance sheet exposure under leverage ratio (excluding derivatives & SFTs)	388,677.44

List of Branch Offices

State	Branch Name	City	Address
Andhra Pradesh	Kovada - Kakinada	Kovvada, Kakinada	Door No. 1-93, Kovvada Panchayat, Kakinada Rural Mandal, East Godavadi District, Andhra Pradesh - 533006
Andhra Pradesh	Lalupuram	Lalupuram	Door No. 6-48A, Ground Floor, Survey No. 333, Lalupuram Village, Guntur Rural Mandal, Guntur District, Andhra Pradesh - 522017
Andhra Pradesh	Peravaram	Peravaram	Door No. 2-43, R.S. No. 117/14, Main Road, Peravaram Village, Atreyapuram Mandal, East Godavari District, Andheri Pradesh - 533235
Andhra Pradesh	Tirupati	Tirupati	Plot No. 87, Motor Workers Colony, Padmathipuram, Tirupati-Tiruchanur Road, Tirupati - 517502
Dadra And Nagar Haveli	Silvassa	Silvassa	Unit No.1,2 & 7, Roshan Avenue, Silvassa-Vapi Road, Silvassa - 396230
Daman & Diu	Daman	Daman	Ground Floor, Shop No. 1,2,3, Plot No. 758/7 Ad 758/8 At Villagedabhel, Somnath Temple Road, Daman - 396210
Delhi	Capitol Point	New Delhi	Ground Floor, DLF Capitol Point, Baba Kharag Singh Marg, New Delhi - 110001
Delhi	Chandani Chowk	Delhi	Ground Floor, Plot No.450-454, Kucha Brij Nath, Chandni Chowk, Delhi - 110006
Delhi	Haus Khas	New Delhi	Ground Floor, M-6 Hauz Khas, New Delhi - 110016
Delhi	Karol Bagh	New Delhi	17 A/53, Ground Floor, W.E.A. Karol Bagh, Opp. Jessaram Hospital, Guradwar Road, New Delhi - 110005
Delhi	Pitampura	Delhi	Ground Floor, Plot No.4, Kapil Vihar, Delhi - 110034
Delhi	Rajouri Garden	New Delhi	J-13/52, Basement & Ground Floor, Rajouri Garden - 110027
Delhi	Vasant Vihar	New Delhi	23, Basant Lok Market Community Centre, Vasant Vihar - 110057
Delhi	Vikas Marg	New Delhi	6 Shankar Vihar, Vikas Marg, New Delhi - 110092
Goa	Calangute	Calangute	Shop No. 7,8,9,10, Ground And First Floor, Simplex Complex Phase 2, Calangute, Bardez, Goa - 402516
Goa	Margoa	Margoa	Vasant Arcade, Behind Police Station, Comba, Margoa - 403601
Goa	Mhapusa	Mapusa	Shop No.S1, Mapusa Trade Centre,Maroda,Mapusa-Goa - 403507
Goa	Netravali	Sanguem	House No. 110, Marga Eadda, Netravali, Sanguem, South Goa, - 403704
Goa	Panjim	Panjim	Shop No.G-10 & 11,Nizamar Centre,Ground Floor, Dr. Atmaram Road,Panaji, Goa - 403001
Goa	Ponda	Ponda	Dr. Dada Vaidya Chowk,Main Road, Ponda (Goa) - 403401
Goa	Porvorim	Porvorim	House No. 456, Near Chodankar Nursing Home, Alto Porvorim, Bardez, Goa - 403521
Goa	Shiragao	Sirgaon	House No.12/1, Wadacha Wada, Shirgaon, Assonora, Goa - 403503
Gujarat	Ahmedabad	Ahmedabad	Shop No. 8,9,10,13 & 14, Mallinath Complex, Opp. Sujata Flats, Shahibaug, Ahmedabad - 380004
Gujarat	Ahmedabad Viva Complex	Ahmedabad	Viva Complex, Ellisbridge, Opp. Parimal Garden, Ahmedabad - 380006
Gujarat	Bardoli	Bardoli	U01 & U02 Empire Plaza, Opp. Vamdoor Petrol Pump, Station Road, Bardoli, District Surat, Gujarat - 394601
Gujarat	Biriyandayara	Biriyandayara	Behind Sarhad Dairy, Bhuj-Khavda Highway, Near Bhirandiyara Bus Stand, Bhirandiyara, District Bhuj, Gujarat - 370510
Gujarat	Deesa	Deesa	Shop No. 9-10, Kiran Complex, Near Gayatri Temple, Hihway Road, Deesa, Gujarat - 385535
Gujarat	Himatnagar	Himatnagar	Shop No. 7,8 9, Ashok Vatika, Block-A, Ground Floor, Sahkari Jin Road, - 383001
Gujarat	Kadi	Kadi	Shop Nos. 9A,9B,10,10A & 10B, Diamond Plaza, Thol Road, Opp. Arts & Commercial College, Near Ankur Society, Kadi, Gujarat - 382715
Gujarat	Khambhala	Khambhala	Umiya Nivas, Main Bazar, Village Khambala, Taluka Paddhari, District Rajkot, Gujarat - 360110
Gujarat	Padra	Padra	7/8 Umiya Nagar, Near Post Office, Padra, Vadodara, Gujarat - 391440
Gujarat	Surat	Surat	Showroom No 4, Ground Floor, Twin Tower A, Sahara Darwaja, Ring Road, Surat - 395002
Gujarat	Unjha	Unjha	Plot No. 82, Survey No. 8-5-27, Opp. Unjha Pharmacy, Station Road, Unjha, Guajrat - 384170
Gujarat	Vadodara	Baroda	Ground Floor, Chitrakut Complex, Near Pashabhai Park And Natubhai Circle, Race Course Circle Road, Vadodara - 390007
Gujarat	Valetva	Valetva	Shop No. 1 & 2, First Floor Amtiya Enclave, Valetva Cross Road Nadiad Petland Road, Valetva Nadiad Taluk, Kheda District Gujarat - 388440
Gujarat	Vapi	Vapi	9/10/11 Sahara Market, Ground Floor, Vapi-Silvassa Road, Vapi, Gujarat - 396191
Haryana	Faridabad	Faridabad	Shop No.G-01 To G-05 And G-09 To G-10 Sco No.101, Sector-16 Faridabad, Haryana -121002
Haryana	Gurgaon	Gurgaon	Unit No 7 & 14, Ground Floor, Block A, Abw Towers Iffco Chowk, Gurgaon - 122001
Haryana	Panipat	Panipat	Showroom #1 196/7(Part), Opp. N.K. Tower, G.T Road, Panipat - 132103
Haryana	Sohna	Sohna	Ground Floor, Aditya Building,Killa No.230-8/2/1,Rakba 2, Ward No.5,Near Bikaner Sweet, Sohna, Haryana - 122103
Karnataka	Ankali (Shitol)	Ankali Shitol	A/P-Ankali Tal.- Chikodi, Dist.-Belgaum - 591213
Karnataka	Bagalkot	Bagalkot	T.P. No. 163A/2B, Near Lions School, Bagalkot, Kartakata - 587101
Karnataka	Belgaum	Belgaum	Samachar Bahvan, Nargundkar Bhave Chowk Dist - Belgaum - 590002
Karnataka	Bellad-Bagewadi	Bellad-Bagewadi	395,Basac Circle, A/P Bellad Bagewadi Tal. Hukeri, Dist. Belgaum - 591305
Karnataka	Davangere	Davangere	718/1, Subhash Road,Mandi Peth,Davangere - 577001.
Karnataka	Dharwad	Dharwad	Kabadi Mansion, Kosmos Club Road, Behind Court, Dharwad - 580001
Karnataka	Doddaballapur	Dod Ballarpur	Khata No 1762/66 ,Ward No 4, D Cross, Mail Road, Doddaballapur -561203
Karnataka	Gandhinagar Bangalore	Bengaluru	197, 6Th Cross, Gandhinagar, Banglore - 560009.
Karnataka	Gokak	Gokak	Cts No 3195 Bar B Bar 2B Nilkanthnilaya Bhamgaouda Building Opp Kourt Main Road Hospeth Galli, Gokak - 591307
Karnataka	Harugeri	Harugeri	259/1And 2, 269/1 And 2, Halingali Bldg. A/P Harogeri Taluka Raibagh, Dist Belgaum - 591220
Karnataka	Hubli	Hubli	Ground Floor, Hotel Sri Krishna Bhavan Building 10/1 Lamington Road, Hubli - 580020

List of Branch Offices

State	Branch Name	City	Address
Karnataka	Inchageri	Inchageri	Ground Floor, Gram Panchayat, Inchagri Village, Indi Taluk, Bijapur, Karnataka - 586117
Karnataka	Jp Nagar	Bangalore	Upper Ground And Mez Floor, N-15, 24Th Main, J.P. Nagar, I Phase, Aurobido Marg, Bangalore - 560078
Karnataka	Koramangla Bangalore	Bengaluru	Ground Floor, 631 3Rd Block 3Rd Cross, 100 Feet Road, Nr. Bda Complex, Koramangala, Bangalore - 560034
Karnataka	Manglore	Manglore	Ug-8 & Ug-9 Maximus Commercial Complex, Light House Hill Road, Mangalore - 575001
Karnataka	Mudhol	Mudhol	Cts 4026/3/D/6, Near Ranna Circle, Mudhol, District Bagalkot, Karnataka - 587313
Karnataka	Munavalli	Munoli	No. 2577/2512/1B, N C Yaligar Building, Panchaligershwar Temple Road, Manoli, Tal. Saudatti, Dist. Belgaum - 597117
Karnataka	Nipani	Nipani	228, Padmaraj Bldg, Sakharwadi,Pune-Bangalore Road, Nipani, Dist. - Belgaum (Karnataka) - 591237
Karnataka	Prestige Towers Banglore	Bangalore	Ground Floor, G-13, G-14,G-15 & G-17 Prestige Towers, 99 & 100 Residency Road, Bangalore - 560025
Karnataka	Ramnagara	Ramnagarm	Khata No.169/1789/1736, Ground Floor, Gnr Complex, I Stage, B M Road, Ramanagara - 571511
Karnataka	Shamnewadi	Shamnewadi	1145, Khemalapure Building Near Bedkihal Circle Main Road Shamnewadi, Tal. Chikodi, Dist. Belgaum - 591214
Karnataka	Shedbal	Shedbal	Bazar Peth, Shedbal,Tal; Athani,Dist. Belgaum - 591315
Karnataka	Shirguppi	Shirguppi	379, A/P Shirguppi, Tal; Athani, Dist. Belgaum - 591242
Madhya Pradesh	Ashta	Ashta	Ground Floor, Khasra No. 416/1, Ashta, Madhya Pradesh - 466116
Madhya Pradesh	Bhopal	Bhopal	Ground Floor, Plot No. 2, Akanksha Complex, Front Right Side Portion, Zone-1, M.P. Nagar, Bhopal - 462011
Madhya Pradesh	Chakh Kamed	Ghatiya	Ground Floor, Survey No. 283/2, Gram Chak Kamed, Tehsil Gathiya, District Ujjain, Madhya Pradesh - 456006
Madhya Pradesh	Dhar	Dhar	Shop 21-22, Kashi Baghh, Dhar, Madhya Pradesh - 454001
Madhya Pradesh	Ganjbasoda	Ganj Basoda	Ground Floor, Ward No. 12. Station Road, Ganj Basoda, Madhya Pradesh - 464221
Madhya Pradesh	Hoshangabad	Hoshangabad	Plot No. 34/1, Al Aziz Tower, Babai Piparya Road, Anand Nagar, Hoshangabad - 461001
Madhya Pradesh	Indore	Indore	Shop No.3, Ground Floor, The Grace, Plot No. 1&2, Kibe Compound, Indore - 452001
Madhya Pradesh	Kamatoon	Kamtoon	Ground Floor, 389, Village Kamtoon, Jj Road, Tehsil-Bareli, District-Raisen Madhya Pradesh - 464668
Madhya Pradesh	Khurai	Khurai	Sai Centre Point, Nehru Ward, Station Road, Khurai, Mahya Pradesh - 470117
Madhya Pradesh	Makronia	Makronia	Ground Floor, Khasra No. 174/21, 174/23, 172/2, Patwari Halka No.72, Makronia, Madhya Pradesh - 470001
Madhya Pradesh	Mandideep	Mandideep	Plot No. 1, Ward No. 12, Sector-A, Indiranagar, Tehsil Goharganj, Dist. Raisen, Mandhideep, Madhya Pradesh - 462046
Madhya Pradesh	Pipariya	Pipariya	Ground Floor, Murli Tower, Cement Road, Pipariya, Madhya Pradesh - 461775
Madhya Pradesh	Seoni Malwa	Seoni Malwa	Ground Floor, Plot No. 100/1/1, Thakur Colony, Main Roa, Seoni Malwa, Madhya Pradesh - 461223
Maharashtra	Ahmednagar	Ahmednagar	Sai Icon, Opp Mauli Sankul, Savedi Road, Ahmednagar - 414003
Maharashtra	Airoli	Navi Mumbai	Unit No. 1 To 6, Gr Floor, Ripplez Mall, Plot No 6A, Sector No 7, Airoli, Navi Mumbai - 400708
Maharashtra	Aitawade Budruk	Aitawade Budruk	Karmvir Sanskritik Bhavan A/P. Aitawade Budruk, Tal.Walva, Dist - Sangli - 415401
Maharashtra	Akkiwat	Akkiwat	Kallnawar Bldg. A/P - Akkiwat, Tal. - Shirol, Dist. - Kolhapur. - 416106
Maharashtra	Akluj	Akluj	R.S. No.2258/4A,Mahaveer Path, Near Sadubhau Chowk Akluj .Tal. – Malshiras, Dist. Solapur - 413101
Maharashtra	Andheri (East)	Mumbai	Ground Floor, Shop No. 002, Balaji Business Park, Cts No. 785, Marol, Andheri East, Mumbai - 400059
Maharashtra	Andheri West	Mumbai	Ground Floor Ghansham Chambers Plot No. B-12 Linking Road Opp. Citi Mall Andheri West Mumbai - 400053
Maharashtra	Ankali(Sangli)	Ankali	178, A/P Ankali.Taluka Miraj, Dist. Sangli - 416416
Maharashtra	Arjunwad	Arjunwad	A/P Arjunwad.Taluka - Shirol, Dist. Kolhapur. Pin – 416120
Maharashtra	Aurangabad	Aurangabad	Gr Floor N-3, Plot No 303,Cidco Jalna Road, Aurangabad - 431001
Maharashtra	Badlapur E	Badlapur	Nisarg Pratiksha Apartments Old D P Road, Katrap, Badlapur East, Thane - 421503
Maharashtra	Baner	Pune	A Wing, Anmol Pride, Survey No. 270, Hissa No. 1/16, Opp Bharat Petrol Pump, Baner, Pune - 411045
Maharashtra	Baramati	Baramati	Shantilal Shaha (Pandarkar) Bldg.,Mahavir Path, Shantilal Shaha (Pandarkar) Bldg.Baramati - 413102
Maharashtra	Bhadavan	Bhadvan	A/P Bhadvan,Taluka Ajara,Dist. Kolhapur - 416505.
Maharashtra	Bhilawdi	Bhilwadi	Dakshin Bhag Bhilwadi Vikas Society Building,Bhilwadi, Taluka Palus, Dist . Sangli. - 416303
Maharashtra	Bhose	Bhose	C.S. No. 191, Gandhi Chowk, Bhose, Tal – Miraj, Dist. - Sangli, Pin - 416420
Maharashtra	Boisar	Boisar	Ameya Park, Near Hotel Boisar, Navapur Road, Boisar, Dist - Palghar - 401501
Maharashtra	Borgaon	Borgaon	Shop No. 13, A Wing, Citiland Complex, Borgaon Village (Borgaon Dharmale), Dist. Amravati - 444907
Maharashtra	Borivali	Mumbai	Shop No. 2 To 6, Shroff Arcade, Sodawala Lane, Near Thakare Hall, Boriwali (W), Mumbai - 400092
Maharashtra	Borpadale	Borpadale	A/P Borpadale.Taluka Panhala, Dist. Kolhapur - 416213
Maharashtra	Burli	Burli	Kamdhenu Dudh Utpadak Society Building Burli Tal – Palus Dist- -Sangli - 416318
Maharashtra	Chakan	Pune	Ground Floor, Shop No. 5 & 6, Tukaram Market, Mega Centre Pune - Nashik Road, Medankarwadi, Chakan - 410501
Maharashtra	Chincholi	Chincholi	Gut No. 111, Plot No. 5 & 6, Jalgaon Aurangabad Road, Chincholi Village, Jalgaon - 425003
Maharashtra	Chinchwad	Pune	Hotel Prince Bldg,Poona Bombay Rd,Pimpri Chinchwad - 411019
Maharashtra	Crawford Market	Mumbai	Ground Floor, 190/194 Lokmanya Tilak Marg, Sardar Griha, Crawford Market, Mumbai - 400002
Maharashtra	Dadar	Mumbai	Plot No. 399, Gokhale Road South, Opp. Bmc School, Dadar (West) - 400028
Maharashtra	Dombivali (E)	Dombivali	1St Floor, Jaykul Arcade, Manpada Road, Near Gaondevi Mandir, Dombivali (E) - 421201

State	Branch Name	City	Address
Maharashtra	Dombivali (W)	Dombivali	Atma Tara, Ground Floor, Subhash Road, Vishnunagar, Dombivali (W) - 421202
Maharashtra	Dudhagaon	Dudhagaon	395/2,A/P Dudhagaon, Taluka Miraj, Dist. Sangli - 416315
Maharashtra	Fort	Mumbai	Ground Floor, 2, 2A Dhannur, 15, Sir Firoz Shah Mehta Road, Mumbai, Fort - 400001
Maharashtra	Gandhinagar Kolhapur	Gandhinagar, Kolhapur	Chabbriy Building, Main Road Gandhinagar, Tal.Karveer, Dist Kolhapur - 416119
Maharashtra	Gaonbagh Sangli	Sangli	Cs.No. 966&967,Mehendale-Kulkarni Bhave,Gaonbhag Sangli.Sangli - 416416
Maharashtra	Ghatkopar (East)	Mumbai	Ground Floor, Shop No. 13 & 13A Zest Business Spaces, M G Road Ghatkopar East - 400077
Maharashtra	Ghotawade	Ghotawade	Bapu Dongale Building, Main Road, Ghotawade,Taluka Radhanagari.Dist. Kolhapur.- 416230
Maharashtra	Haladi	Haladi	Plot No. 667, Survey No. 104, Haladi, Tal. Karveer, Dist Kolhapur - 416211
Maharashtra	Hingangaon	Hingangaon	53, Grampanchayat Building,A/P Hingangaon ,Taluka Kavathe-Mahankal,Dist. Sangli - 416405
Maharashtra	Hupari	Hupari	1670/1, Opp Hutatma Smarak Mahaveer Nagar, Main Road Hupari - 416203
Maharashtra	Icc Pune	Pune	MCCIA Trade Tower, Off International Conventinal Centre, Show Room No. 5, Senapati Bhapat Road, Pune - 411016
Maharashtra	Ichalkaranji	Ichalkaranji	7356, Main Road,Ichalkaranji Tal. Hatkanangale, Dist . Kolhapur. - 416115
Maharashtra	Inam Dhamni	Inam Dhamani	A/P Inam Dhamani , Tal. Miraj, Dist. Sangli - 416416
Maharashtra	Ingali	Ingali	446, A/P Ingali – 416 202.Taluka Hatkanangale,Dist. Kolhapur - 416202
Maharashtra	Islampur	Islampur	H. No.2127/28, Dr.Pardeshi Bldg.Islampur Taluka Walva, Dist. - Sangli - 415409
Maharashtra	Jaysingpur	Jaysingpur	A.B.Patil Complex Subhash Road, Jaysingpur - 416101
Maharashtra	Kabnur	Kabnur	Opposite Of Marathi Primary School, Ichalkaranji Kolhapur Road, Kabnur Tal - Hatkanangale Dist - Kolhapur - 416138
Maharashtra	Kagal	Kagal	Ameya Complex,C S No.3611, 3612, 3613Brahmapuri, Kagal, Dist – Kolhapur – 416126
Maharashtra	Kalbadevi	Mumbai	Jewel World Building,Ground Floor, 175,Kalbadevi Road,Corner Of Shaik Memonstreet,Mumbai - 400002
Maharashtra	Kalyan (W)	Kalyan	Bindu Tower, Shop No.2,3,13 & 14, Opp.K.D.M.C. Veg. Market, Santoshi Mata Road, Kalyan (W) - 421301
Maharashtra	Kalyaninagar	Pune	Shop No. 126 &127, Vitoria-I, Fortaleza, Central Avenue Road, Kalyaninagar, Pune - 411006
Maharashtra	Kandivali	Mumbai	295, Shri Bldg, Shantilal Modi Rd, Kandivali(West) - 400067
Maharashtra	Karad	Karad	Shop No. 1,2&3, Janaki Palza, Near Kolhapur Naka, Behind Mahatma Gandhi Statue, Karad - 415110.
Maharashtra	Kharghar	Kharghar	Surya Koti Building, Surya Chs Ltd. Plot No.16, Sector 19, Kharghar, Navi Mumbai Tal.Panvel, Dist. Raigad. - 410210
Maharashtra	Khupire	Khupire	C/O Shri Balbhim Vks Vikas Seva Sanstha, Khupire, Taluka Karveer, Kolhapur-416205
Maharashtra	Kolhapur City (Laxmipuri)	Kolhapur	Cts No. 1414, Shop No. 1 To 5 Om Estate, C Ward, Laxmipuri Kolhapur - 416002.
Maharashtra	Kurundwad	Kurundwad	123, B, Bhau Smruti, Near Play Groud,Kurundwad,Tal Shirol, Dist Kolhapur - 416106
Maharashtra	Lower Parel	Mumbai	One Indiabulls Centre, Tower 2, 3Rd Floor, 841 Senapati Bapat Marg, Lower Parel (W), Mumbai - 400013
Maharashtra	M.Y.Sangli	Sangli	Plot No.88, Bank Building, Market Yard, Sangli - 416416
Maharashtra	Madilge	Madilage	Gadhinglaj -Ajara Road, A/P- Madilage, Tal- Ajara Dist- Kolhapur, Pin - 416505
Maharashtra	Malkapur	Malkapur	More Building, Cts No.215,B Ward, Malkapur, Tal – Shahuwadidist – Kolhapur - 415101
Maharashtra	Mhaisal	Mhaishal	Near Nagoba Katta, Shantisagar Marg, Mhaisal Tal. - Miraj, Dist. - Sangli - 416408
Maharashtra	Miraj	Miraj	High School Road,Jawahar Chowk, Shivraj Complex,Miraj - 416410
Maharashtra	Nalasopara	Nalasopara	Building No.1, Shree Ram Sankul, Shop No.1,2,3,4, Achole Road, Opp. Aakanksha Commercial Compelx, Dist - Palghar Nalasopara (E) - 401209
Maharashtra	Nandre	Nandre	249, E Ward, Society Building, A/P Nandre .Taluka Miraj, Dist. Sangli. - 416423
Maharashtra	Nariman Point	Mumbai	Office No. 1/A, Ground Floor, Mittal Court, 224 Nariman Point, Mumbai - 400021
Maharashtra	Nashik	Nasik	Shop No G-01, Ground Floor, Sahyadree Business Park Inn, Near Mico Circle, Nashik - 422002
Maharashtra	Nerle	Nerle	A/P Nerle- 415 406 Tal., Walwa, Dist. Sangli - 415406
Maharashtra	Nerul	Navi Mumbai	Millenium Park, Plot No.17, Sector-25, Nerul, Navi Mumbai - 400706
Maharashtra	Omerga	Omerga	Omerga Branch,Mane Hospital Building No 20/21,Ward No 13, Main Road,Omerga, Dist - Osmanabad - 413606
Maharashtra	Panvel	Panvel	Block No.102/103, Indraprashta Building, Tapal Naka, Uran Road, Panvel - 410206
Maharashtra	Pethvadgaon	Peth Vadgaon	R S No. 126, Bavadekar Complex, Near Bus Stand, Peth Vadgaon, Tal. Hatkanangle, Dist Kolhapur, Maharashtra - 416112
Maharashtra	Pune Camp Branch	Pune	Ground Floor, 11, Moledina Road, Pune - 411001
Maharashtra	Ghodbunder Road	Thane	Skyline Arcade, Gound Floor, Gopal Baugh, Ghodbunder Road, Opp Cine Wonder, Kapurbawadi, Thane (W) – 400608
Maharashtra	Rajarampuri	Kolhapur	Vitthal Complex, 9Th Lane, Rajarampuri, Kolhapur - 416008
Maharashtra	Ramdaspeth - Nagpur	Nagpur	3,4,5, Ground Floor, Aditya Enclave, Plot No. 20-A, Central Bazar, Ramdaspeth, Nagpur - 440010
Maharashtra	Rangoli	Rangoli	A/P Rangoli ,Taluka Hatkanangale,Dist. Kolhapur - 416143
Maharashtra	Rukadi	Rukadi	Main Road A/P- Rukadi.Tal.Hatkangle, Dist.Kolhapur - 416115
Maharashtra	Samdoli	Samdoli	A/P Samdoli – 416 427.Taluka Miraj. Dist. Sangli - 416427
Maharashtra	Saneguruji Vasahat	Kolhapur	Plot No 9, Rs No 1012, A Ward, Sadashiv Jadhav Housing Society, Radhanagari Road, Saneguruji Vasahat Kolhapur - 416012.
Maharashtra	Sangli Main	Sangli	Sukh-Shanti Heights, College Corner, Aamrai Road, Shivaji Nagar (North), Sangli - 416416

List of Branch Offices

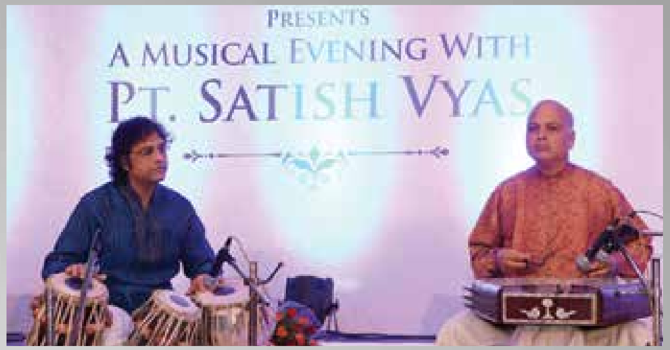
State	Branch Name	City	Address
Maharashtra	Shahupuri	Kolhapur	1St Lane, Shahupuri, Kolhapur - 416001.
Maharashtra	Shirdi	Shirdi	Ground Floor, The Executive Inn, City Survey No. 961,Nagar-Manmad Highway, A/P Shirdi, Tal - Rahata, Dist Ahmednagar - 423109
Maharashtra	Singhgad Road	Pune	Shop No. 1 & 2, C Wing, Mohite Paradise, Sinhgad Road, Cts No 16/3 16/4 Anand Nagar Pune - 411050
Maharashtra	Solapur	Solapur	Ground Floor, Hotel Dhruva Building, 157/1 Railway Lines, Solapur - 413001
Maharashtra	Swargate	Pune	Showroom No 8,Vega Centre , Shankarshet Road, Pune - 411042
Maharashtra	Tarabai Park	Kolhapur	Shop No.6,7&8 Siddivinayak Apartment, Cts No 233,Plot No.12/13,Tarabai Park Kolhapur - 416003
Maharashtra	Tasgaon	Tasgaon	1565-A, Siddheshwar Chowk, A/P Tasgaon. Dist. Sangli. - 416312
Maharashtra	Thane	Thane	Laxmi Market, Pokharan Road No 1, Vartak Nagar, Thane (W) - 400606
Maharashtra	Thane - Ram Maruti	Thane	Gr Floor, Shankeshwar Arcade, Ram Ganesh Gadkari Path, Ram Maruti Cross Road, Thane(W) - 400602
Maharashtra	Unchagaon	Unchagaon	Shop No. 101 & 102, Seema Pride, At Post-Uchagaon, Tal-Karveer Dist-Kolhapur - 416005
Maharashtra	Vasagade	Vasgade	A/P Vasgade,Taluka Karveer,Dist Kolhapur - 416204
Maharashtra	Vasai	Vasai	Ground Floor, Shop No. 2 & 3, Nikunj Signature, Ambadi Road, Vasai (W), Dist - Palghar - 421202
Maharashtra	Vashi	Navi Mumbai	Arti Chs Ltd. Plot No. 29, Sector 2, Vashi, Navi Mumbai - 400703
Maharashtra	Vile Parle	Mumbai	6, Ground Floor, Galaxy Arcade, 10 M.G.Road, Vileparle [E] - 400067
Maharashtra	Virar	Virar	Sumant Chaya, Purandarewadi, Next To Railway Stn, Near Talathi Office Bazarward, Dist - Palghar, Virar (E) - 410303.
Maharashtra	Visapur	Visapur	A/P Visapur – 416 314.Taluka Tasgaon, Dist. Sangli - 416314
Rajasthan	Bhiwadi - Bhagatsing Colony Branch	Bhiwadi	A-4, Ground Floor, Bhagat Singh Colny, Alwar Bypass Roadl,Bhiwadi, Dist- Alwar, Rajasthan. - 301019
Rajasthan	Bhiwadi - Riico Chowk Branch	Bhiwadi	The Swagat Palace Hotel, B-294-295A, Near Riico Chowk Industrial Area, Bhiwadi Dist- Alwar, Rajasthan - 301019,
Rajasthan	Chittorgarh	Chittorgarh	Ground Floor, Plot No.2, Sukhshanti Colony, Bhilwara Road, Opposite Sub Jail- Chittorgarh, Rajasthan - 312001
Rajasthan	Jainpurwas	Jainpurwas	Grand Sapphire Infotech Pvt Ltd, Village Jainpurwas, Nh-8 Highway, Tehsil Behror, District Alwar, - 301701
Rajasthan	Mohanpura	Mohanpura	Village Mohanpura, Khasra No.374/264, Part C-1, Ground Floor,District-Ajmer, Rajasthan - 305801
Rajasthan	Seenta	Seenta	Ground Floor,Patta No.7, Village Seenta, Tehsil- Talera, District- Bundhi, Rajasthan - 323021
Rajasthan	Udaipur	Udaipur	Ground Floor, Plot No. 99, L Road, Bhupalpura, Verma Circle, Opp. Collector Bungalow, Udaipur - 313001
Tamil Nadu	Adyar	Chennai	Ground Floor, Nibhav Building, No 11, L.B.Road, Adyar, Chennai - 600020.
Tamil Nadu	Aladikkumulai - Thanjavur	Aladikkumulai, Thanjavur	221/7 Ranganatha Vellalar Complex, Thanjavur Main Road, Aladikkumulai, Pattukkotai Taluk, Thanjavur District, Tamil Nadu - 614615
Tamil Nadu	Anna Nagar	Chennai	1St Floor,Old No. A/ B, 134-136, New No. Ab, 106-108, Fourth Avenue Shanti Colony, Anna Nagar, Chennai - 600040
Tamil Nadu	Avinashi	Avinashi	Shop No. 5/215, Rajan Nagar, Opp. Weekly Market, K K Pudur Post, Avinashi Taluka, Tirupur District, Tamil Nadu - 641654
Tamil Nadu	Chennai	Chennai	Anand Business Centre/Hmh Plaza, Old Door No. 105, New Door No. 56, G N Chetty Road, T Nagar, Chennai - 600017
Tamil Nadu	Coimbatore	Coimbatore	R.G. Chambers, 726 Avinashi Road, New T.S. No. 1/1396/3B, Coimbatore, Tamil Nadu - 641018
Tamil Nadu	N Pugalpur - Karur	Nanjai Pugalur, Karur	Survey No. 596/2A, N.H 7, Bye Pass Road, Nanjai Pugalur, Karur Taluk And District, Tamil Nadu - 639113
Tamil Nadu	Nungambakkam - Chennai	Chennai	First Floor, Rashmi Towers, No.1 Valluvarkottam High Road, Nungambakkam, Chennai, Tamil Nadu - 600034
Tamil Nadu	Panruti	Panruti	68/7, Kamaraj Nagar Annai Indira Gandhi Salai, Panruti, Cuddalore District, Tamil Nadu - 607105
Tamil Nadu	Parrys Corner	Chennai	Dass India Towers No.3, Second Line Beach Parrys Corner, Chennai - 600001
Tamil Nadu	Salem	Salem	Ground Floor, Sukri Complex, Survey No. 103/1D5, Sriram Nagar, Alagapuram Reddiyur, Saradha College Road, Salem, Tamil Nadu - 636016
Tamil Nadu	Vengangudi - Trichy	Vengangudi, Tiruchirapalli	Sasha Complex, Mannachanallur Road, Vengangudi Village, Samayapuram Post, District Tiruchirapalli, Tamil Nadu - 621112
Telangana	Hyderabad	Hyderabad	D No, 6-3-865, Ground Floor,My Home Jupally,Opp Green Park,Green Lands, Amarpet,D No, 6-3-865, Ground Floor,Hyderabad - 500016
Uttar Pradesh	Agra	Agra	Ground Floor, Block No 41/4, Sanjay Place-Shop No.5,6,7,8 And Basement Floor-Shop No.5 & 7, Agra, Uttar Pradesh - 282002
Uttar Pradesh	Moradabad	Moradabad	GF-1, Parsvnath Plaza -Ii, Neelgiri Commercial Complex, Delhi Road, Moradabad - 244001
Uttar Pradesh	Noida	Noida	P-7, Sector-18,Noida,P-7, Sector-18,Uttar Pradesh - 201301
West Bengal	Gariahat, Kolkata	Kolkata	Plot No.9/3 A, Ground Floor, Main Road Facing, Gariahat Road, Kolkata - 700019
West Bengal	J L Nehru Road - Kolkata	Kolkata	Ground Floor, Horizon Building, 57 Jawaharlal Nehru Road, Kolkata - 700071
West Bengal	Kalakar Street, Kolkata	Kolkata	Property No.19, First Floor, Bysack Street, Kolkata - 700007
West Bengal	Thapar House Kolkata	Kolkata	Thapar House, 25 Barbourne Road, Kolkatta - 700001

The above list is subject to change from time to time. Readers are kindly advised to refer to our website (www.rblbank.com) for updated information.

Notes

Notes

BEE - KEEPING EXPEDITION 2015: As part of the Banks CSR initiative to support the cause of Sustainable Livelihoods, 60 employees participated in the bee keeping awareness drive organised in collaboration with our CSR Partners - Under The Mango Tree (UTMT)



In concert with Pandit Satish Vyas: Santoor Maestro Padmashri Pandit Satish Vyas enthralling the audience with his mesmerising Santoor tunes at RBL Banks meet & greet in Kolhapur

Guru Mantra with Rahul Dravid: The Delhi Daredevils coach Rahul Dravid in a light hearted discussion about the team's game strategy in IPL 2016. Also seen in the picture are Rana Vikram Anand, Head Segments & Products, Branch & Business Banking, RBL Bank and Gautam Bhimani, Cricket presenter in the presence of an exclusive group of customers

Launch of RBL Bank's first dedicated branch for Startup's in Koramangala, Bangalore: Nandan Nilekani, inaugurating the startup branch (Standing L to R Sathyanarayanan Ganesh - Zonal Head, South and Goa, RBL Bank, Nandan Nilenkani – Co founder Infosys and Ex-Chairman UIDAI, Rajeev Ahuja – Head, Strategy, RBL Bank, Narayan Ramachandran – Chairman, RBL Bank and Srinivasan Nagarajan – Head, South Asia, CDC Group

USAID announces loan guarantee to RBL Bank to expand Primary Healthcare in India: Vishwavir Ahuja, MD & CEO, RBL Bank along with Ambassador Jonathan Addleton, USAID Mission Director to India handing over the cheque to Professor Gautam Sen, Co-Founder & Chairman and Kaushik Sen, Co-Founder and Chief Executive Officer, Wellspring Healthcare Pvt. Ltd.

Super Sunday with the Delhi Daredevil's Cricket Team: The Delhi Daredevils Team sponsored by RBL Bank in 2016 posing for a picture with a few under privileged children from IIMPACT foundation along with the families of RBL Bank branch staff at a Super Sunday event organised in Delhi

RBL Bank Limited
(Formerly : The Ratnakar Bank Limited)

Administrative Office
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