Appendix I

Polices to be placed before the Board for approval[1]

S. No.	Broader Policy Head	Aspects to be covered	Reference instruction(s) for Commercial Banks	Can be delegated (Yes[2]/No)
1.	**Credit Policy**	Credit Facilities	Paragraph 5 of Reserve Bank of India (Local Area Banks – Credit Facilities) Directions, 2025	No
			Paragraph 7A (1), (2) and (3) Reserve Bank of India (Local Area Banks – Resolution of Stressed Assets) Second Amendment Directions, 2026	Yes, in respect of 7A (3) only
		Transfer and acquisition of loan exposures	Paragraph 13 and 29 of Reserve Bank of India (Local Area Banks - Transfer and Distribution of Credit Risk) Directions, 2025	No
		Resolution of stressed assets	Paragraph 6, 7 and 32 of Reserve Bank of India (Local Area Banks – Resolution of Stressed Assets) Directions, 2025	No
		Aspects related to wilful defaulters and large defaulters	Paragraph 4 of Reserve Bank of India (Local Area Banks – Treatment of Wilful Defaulters and Large Defaulters) Directions, 2025	No
		Income recognition, asset classification and provisioning norms[3]	Paragraph 8 and 87 of the Reserve Bank of India (Local Area Banks – Income Recognition, Asset Classification and Provisioning pertaining to Advances) Directions, 2025	No
2.	**Investment Policy**	Investments and related activities	Paragraph 6, 8, 10 and 17 of Reserve Bank of India (Local Area Banks – Classification, Valuation, and Operation of Investment Portfolio) Directions, 2025	No
3.	**Risk Manageme**	Credit Risk Management	Paragraph 5 of Reserve Bank of India (Local Area Banks – Credit Risk Management) Directions, 2025	No

[1]a. The matters enlisted here may be read along with the respective RBI Directions. Multiple requirements to place matters before Board, relating to a similar aspect / matter have been listed only once.
b. Banks are free to regroup the policies as they deem fit, so long as the aspects above are captured in one or more policies.
[2] Yes may be read as "yes, at the discretion of the Board."
[3] Related aspects may be covered in Investment policy as well
[#] The directions/circulars shall stand modified w.e.f. October 1, 2026 in accordance with the stance indicated herein

S. No.	Broader Policy Head	Aspects to be covered	Reference instruction(s) for Commercial Banks	Can be delegated (Yes[2]/No)
	nt Policy of the bank	Concentration Risk Management[4]	Paragraph 6 of Reserve Bank of India (Local Area Banks – Concentration Risk Management) Directions 2025	No
		Market Risk management	Paragraphs 18 and 20 of Guidance Note on Market Risk Management dated November 28, 2025	No
		Operational Risk	Paragraph 25, 26, 27, 31, 64, 74, 77, 97 & Principle 3, 4 and 5, of Guidance Note on Operational Risk Management and Operational Resilience dated November 28, 2025. Paragraph 7(3) and 7(4) of Reserve Bank of India (Local Area Banks – Miscellaneous) Directions, 2025	No Yes, to any Committee of the Board#
		Liquidity Risk / ALM Management	Paragraph 6, 7, 9, 10, 11, 12, 13 and 14 of Reserve Bank of India (Local Area Banks – Asset Liability Management) Directions, 2025	Yes, in respect of paragraph 10,13, to Asset Liability Management Committee; in respect of paragraph 11,12, to Management Committee.
		Cyber Security	Paragraph 3 of Cyber Security Framework in Banks dated June 2, 2016	No
		Fraud Risk Management - Roles and responsibilities of Board / Board Committees & Senior Management	Paragraph 2.1.1 of annex to Master Directions on Fraud Risk Management in Commercial Banks (including Regional Rural Banks) and All India Financial Institutions dated July 15, 2024	No
4.	**Outsourcing Policy**	-	Paragraph 9, 10 of Reserve Bank of India (Local Area Banks – Managing Risks in Outsourcing) Directions, 2025	Yes, in respect of paragraph 10(iv) only, to any Committee of the Board

[4] Related aspects may be captured in market risk policy

S. No.	Broader Policy Head	Aspects to be covered	Reference instruction(s) for Commercial Banks	Can be delegated (Yes[2]/No)
5.	**IT Policy**	IT, Information Assets, Information Security, Business Continuity, Cyber Security	Paragraph 5(a) of Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices dated November 7, 2023	No
6.	**Policy on Digital Banking**	Prepaid Payment Instruments (PPIs) and its related activities	Paragraph 7.2, 7.9 (a), 7.11(a) and 15.2 of Master Directions on Prepaid Payment Instruments (PPIs) dated August 27, 2021	No
7.	**Responsible Business / Lending conduct including customer service**	Business conduct	Paragraph 5 of Reserve Bank of India (Local Area Banks - Responsible Business Conduct) Directions, 2025.	Yes, to any Committee to which powers have been delegated by the Board
		Issuance of debit cards	Paragraph 7 of Reserve Bank of India (Local Area Banks – Debit Cards: Issuance and Conduct) Directions, 2025	Yes, to any Committee to which powers have been delegated by the Board#
		Credit Information Reporting	Paragraph 37 of Reserve Bank of India (Local Area Banks – Credit Information Reporting) Directions, 2025	No
		Acceptance of Form A2 in 'online' mode for outward remittance	Paragraph 3 of circular on Online submission of Form A2: Removal of limits on amount of remittance - A.P. (DIR Series) Circular No. 12 dated July 03, 2024 read with MD on Liberalised Remittance Scheme dated January 01, 2016, MD on Other Remittance Facilities dated January 01, 2016 and MD on Remittance of Assets dated January 01, 2016.	Yes, to any Committee to which powers have been delegated by the Board#
8.	**Authorization for Banking outlets / other banking channels and engaging**	Opening, merging, shifting, conversion and closure of banking outlets / offices / mobile banking facilities	Paragraph 6 (i), (ii), (iii), and (v) of Reserve Bank of India (Local Area Banks - Branch Authorisation) Directions, 2025	Yes, to any Committee to which powers have been delegated by the Board#

S. No.	Broader Policy Head	Aspects to be covered	Reference instruction(s) for Commercial Banks	Can be delegated (Yes[2]/No)
	with business agents	Engaging with Business Correspondents	Paragraph 6(iv) of Reserve Bank of India (Local Area Banks - Branch Authorisation) Directions, 2025	No
		Engaging with Forex Correspondents	Regulation 12 of Chapter VI of Foreign Exchange Management (Authorised Persons) Regulations, 2026	No
9.	**Policy on Deposits / other Liability products**	Gold Monetization scheme	Paragraph 1.2(iii) and 2.1.1(v) of Gold Monetization Scheme, October 22, 2015	Yes, to any Committee to which powers have been delegated by the Board[#]
10.	**Policy on appointment & remuneration of auditors**	Appointment / engagement of Auditors	Paragraph 10.1 of Guidelines for Appointment of SCAs / SAs of Commercial Banks dated April 27, 2021 Paragraph 4.1 and 4.1.1 of Annex to Master Directions on Fraud Risk Management in Commercial Banks (including Regional Rural Banks) and All India Financial Institutions dated July 15, 2024	Yes, to Audit Committee of the Board[#] No
11.	**Policy / criteria on Fit & Proper (F&P) assessment of Major Shareholders**	F&P assessment of major shareholder	Paragraph 6 of Reserve Bank of India (Local Area Banks – Acquisition and Holding of Shares or Voting Rights) Directions, 2025	No
12.	**Policy on Compensation**	Compensation of Directors/ Chief Executive Officers/ Material Risk Takers	Paragraph 26(1) and (2) of Reserve Bank of India (Local Area Banks - Governance) Directions, 2025	No
		Criteria for granting fixed remuneration to its NEDs	Paragraph 24(ii) of Reserve Bank of India (Local Area Banks - Governance) Directions, 2025	No
13.	**CSR Policy (donations etc)**	-	Paragraph 7(2) and 48 of Reserve Bank of India (Local Area Banks – Miscellaneous) Directions, 2025	No
14.	**Compliance Policy**	-	Paragraph 2.1 of Compliance functions in banks and Role of Chief	No

S. No.	Broader Policy Head	Aspects to be covered	Reference instruction(s) for Commercial Banks	Can be delegated (Yes[2]/No)
			Compliance Officer (CCO) dated September 11, 2020	
15.	**Policy on Protected Disclosure Scheme**	-	Paragraph 4 of Annex to Protected Disclosures Scheme for Private Sector and Foreign Banks dated April 18, 2007	No
16.	**Code of conduct/ Ethics policy**	-	Paragraph 16 of Guidance Note on Operational Risk Management and Operational Resilience dated November 28, 2025	No
17.	**Policy on Know Your Customer (KYC)**	-	Paragraph 5(1), 5(2), 5(3)(i),(ii),(iii),(iv),(v)(a),(v)(b), 9 and 10, of Reserve Bank of India (Local Area Banks – Know Your Customer) Directions, 2025	Yes, in all aspects except paragraph 5(3)(v)(a), to any Committee to which powers have been delegated by the Board
18.	**Policy on Interest rate on Deposits/ Advances**	-	Paragraph 6(1)(i), (ii), (iii), (iv) of Reserve Bank of India (Local Area Banks – Interest Rate on Deposits) Directions, 2025 Paragraph 5(1) and 27 of Reserve Bank of India (Local Area Banks - Interest Rates on Advances) Directions, 2025	Yes, to any Committee of the Board Yes in respect of paragraph 5(1) only, to any Committee of the Board